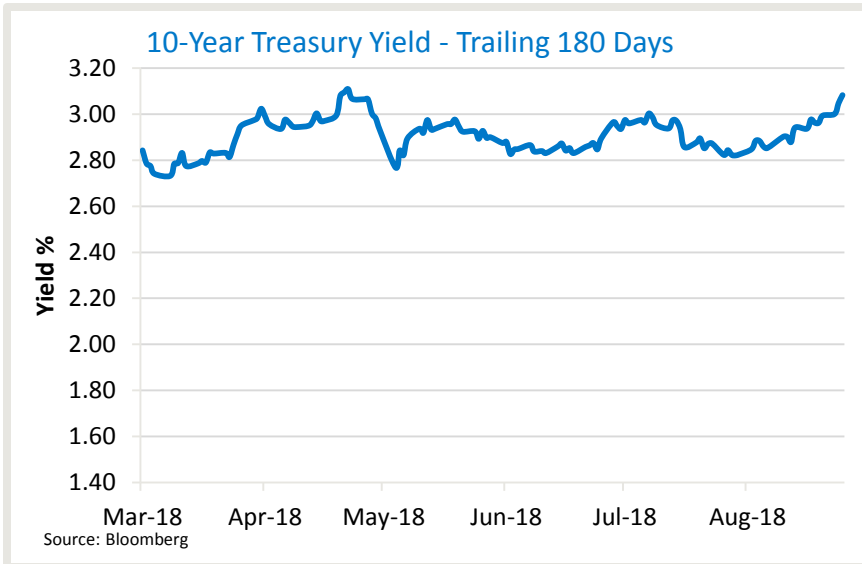


Weekly Market Review

September 21, 2018

Chart of the Week



Weekly Highlights

- **For the third consecutive week, initial jobless claims in the US fell to a 49-year low.** For the week ending September 15, initial jobless claims fell by 3,000 to 201,000, their lowest level since December of 1969, signaling that the labor market is continuing to strengthen.
- **The total net worth of US households reached all-time heights in the second quarter.** Propelled by record stock prices and climbing home values, the total value of US assets minus debt, such as mortgages and credit cards, reached nearly \$107 trillion, a gain of \$2.2 trillion during the second quarter.
- **Sales of existing US homes stalled in August, and fell 1.5% from a year earlier, as reported by the National Association of Realtors.** This makes the sixth consecutive month of seasonally adjusted declines. The sales figures mark a significant juxtaposition with a surging stock market and healthy economy. Home prices have continued to rise along with mortgage rates, causing consumers to delay home purchases.

Talking Points

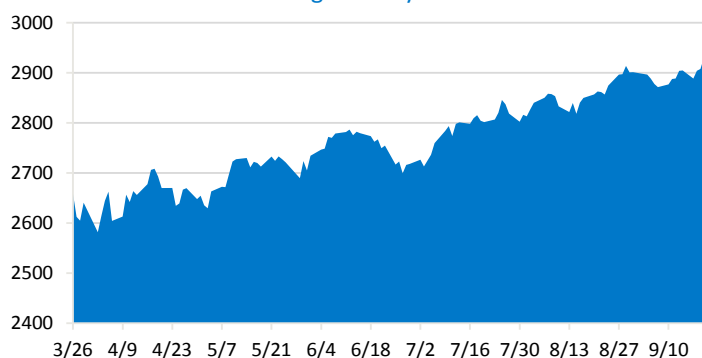
- **US equity markets** pushed into record territory after brushing off talk of a renewed trade spat with China. The S&P 500 Index was up nearly 1% for the week, as value stocks led growth stocks across the market capitalization spectrum. Small cap stocks, roughly flat for the week, trailed large cap stocks.
- **Developed non-US markets** enjoyed strong gains throughout the week, with the MSCI EAFE Index up more than 2% and value stocks leading growth stocks. The gains came on the back of a weakening dollar, which was down around 1% versus a basket of currencies. Emerging markets also rose during the week, but to a lesser degree than developed markets, and value stocks finished the week significantly ahead of growth stocks. China was able to shake off trade conflict news to finish the week up more than 1.5%.
- **The yield curve** shifted upward during the week, with the yield on the 10-Year Treasury Note beginning the week at 2.99% and rising to 3.07% on Thursday. That movement also steepened the yield curve slightly, as the yield on the 2-Year Treasury Bill moved only three basis points, from 2.78% to 2.81%. The upward shift in the yield curve was primarily due to increased inflation expectations.
- **Commodities** moved higher as well, led by the price of crude oil. Crude oil was pushed higher by news that US stockpiles fell by 2.1 million barrels, marking the fifth consecutive weekly decline and, notably, its lowest level since February of 2015.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,929.67	24.69	0.85%	9.6%
Dow Industrials	26,743.50	588.83	2.25%	8.2%
Nasdaq	7,986.96	-23.09	-0.29%	15.7%
Russell 2000	1,712.32	-9.40	-0.55%	11.5%
Euro Stoxx Index	384.29	6.44	1.70%	-1.3%
Shanghai Composite	2,797.49	115.84	4.32%	-15.4%
Russell Global	2,199.31	25.65	1.18%	2.6%

Source: Bloomberg; Index % change is based on price.

S&P 500 Index: Trailing 180 Days



Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.8	0.39%	18.7%
Consumer Staples	6.8	1.18%	-3.5%
Energy	5.9	1.92%	4.3%
Financials	13.8	2.26%	2.9%
Health Care	14.8	1.21%	14.2%
Industrials	9.9	1.30%	5.1%
Information Technology	25.9	-0.06%	18.5%
Materials	2.5	2.30%	0.3%
Real Estate	2.7	-0.39%	0.8%
Telecom Services	2.0	0.19%	-4.3%
Utilities	2.8	-1.53%	0.7%

Source: Bloomberg

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,252.98	20.42	0.63%	-10.7%
10-Year US Treas.	3.07	7 bps	NM	NM
Bloomberg Cmnts. Idx.	84.40	1.94	2.36%	-4.3%
Gold	\$1,199.12	\$4.40	0.37%	-7.9%
Crude Oil	\$70.83	\$2.06	3.00%	21.3%
Dollar Index	94.19	-0.75	-0.79%	2.2%
VIX Index	11.68	-0.39	-3.23%	5.8%

One Week

Value Growth

L 1.76% 0.92% 0.20%

0.75% 0.06% -0.95%

S 0.23% -0.55% -1.28%

YTD

Value Growth

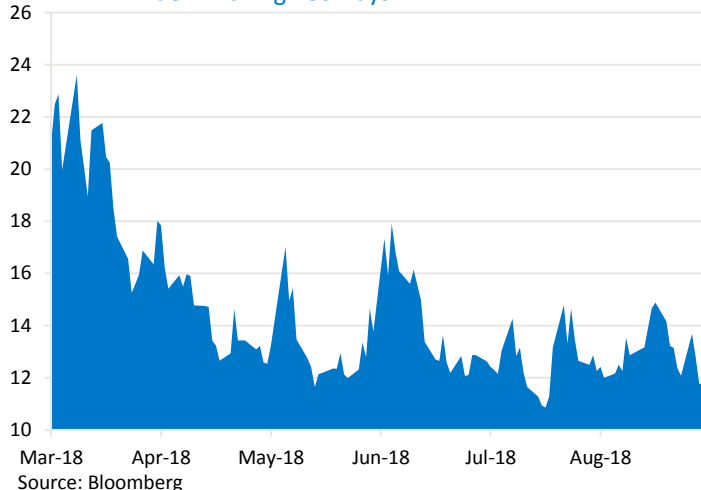
4.16% 10.46% 16.01%

3.21% 7.26% 12.68%

7.39% 11.51% 15.48%

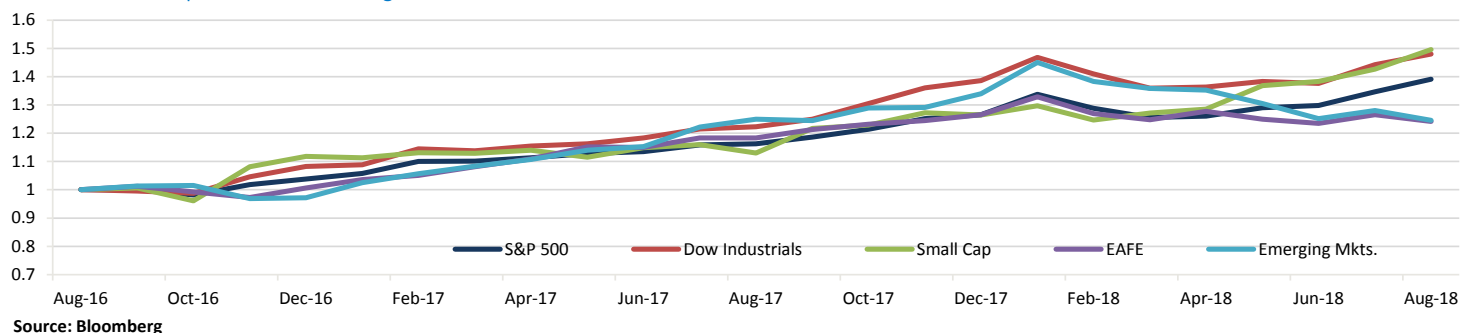
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

Wealth Index|Growth of \$1: Trailing 24 Months



Source: Bloomberg

The Economy and Markets

A Macro View – Groundhog Day

In the classic cult comedy, “Groundhog Day,” Pittsburgh-based weatherman Phil Connors, played by Bill Murray, finds himself stuck in a time loop in the small town of Punxsutawney, Pennsylvania, forced to relive the same day over and over. Every day, he finds himself waking up to Sonny & Cher’s “I Got You Babe,” in the same bed and breakfast he stayed in the night prior, having to relive Groundhog Day endlessly. It appears that a similar situation is playing out in the global economic stage, with a seemingly unending news flow out of the United States, announcing either tariffs or the breaking of trade agreements.

Most recently, President Trump announced tariffs on \$200 billion of Chinese imports on Monday to take effect on September 24. These tariffs were in response to China’s tariffs on agricultural imports from the US, which themselves were in response to his initial announcement of \$50 billion in tariffs on Chinese goods. President Trump further added that if China retaliated with its own fresh round of tariffs, the US would explore applying tariffs on all goods imported from China. In this moment, we are left feeling like Phil Connors, as we replay the same story over and over. The tit-for-tat actions between the world’s two largest economies appear to be devolving into a full-blown trade war. The list of who stands to lose in the trade war is expanding from the agricultural industry, targeted by China, and businesses that import goods from China to all US consumers. The administration initially tried to shield the consumer by targeting mostly commercial imports, but the President’s most recent threat to slap tariffs on all Chinese imports suggests it could expand into broad consumer products. With looming bilateral talks between the two countries, it is hoped that the recent talk of tariffs between the two countries is bluster and negotiating tactics rather than firm plans to implement new tariffs. Oxford Economics estimates that if all Chinese imports to the US are subject to tariffs, it could slash a full percentage point off of US GDP. Considering that the Federal Reserve’s economic forecasts for 2019 range between 2.4% and 2.8%, a 1% drop is very meaningful. Despite this, US markets were stable after the most recent announcement, indicating market participants characterized the recent trade spat as bluster and negotiating tactics.

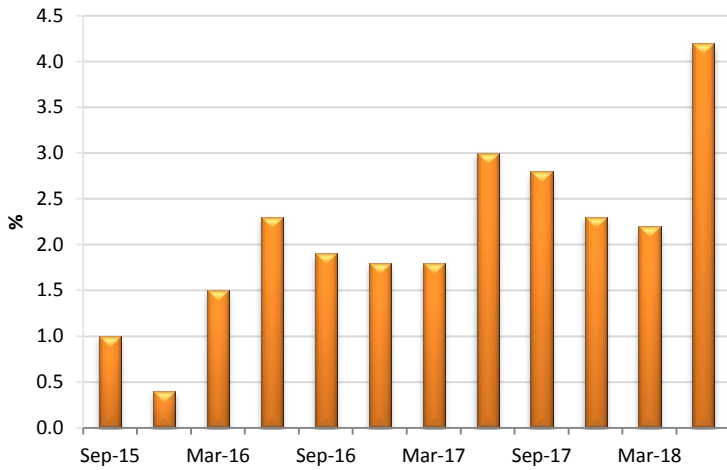
All this comes on the back of difficult renegotiation of the North American Free Trade Agreement (NAFTA). After reaching a bilateral deal with Mexico, the US threatened to abandon the NAFTA deal altogether. As the US negotiates with Canada, sticking points have stalled talks to renegotiate the trilateral deal.

It remains to be seen whether the world’s two largest economies will be able to reconcile their differences. President Trump seems dead set on leveling what the administration sees as fundamentally unfair trade and business practices out of China, going against many in his own party who see free trade as bolstering the US economy. In addition, a reworking of NAFTA appears to be making headway, but is still incomplete. With news stories regarding trade and tariffs seemingly on repeat, investors could be forgiven if they feel that they are waking up to “I Got You Babe” day after day.

Dan Homan, CFA
Investment Analyst

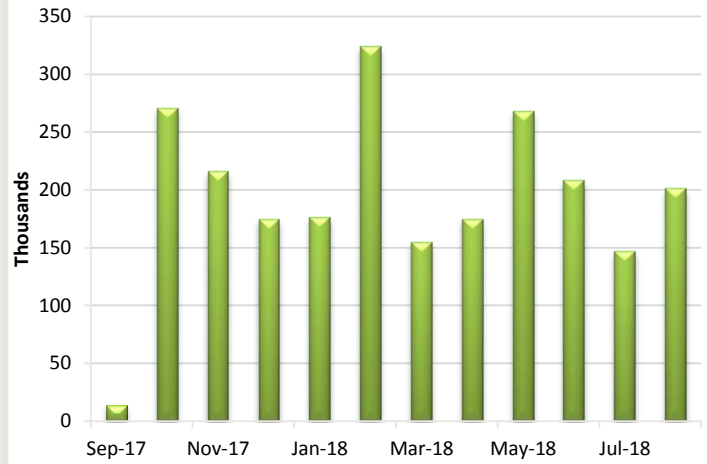
Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



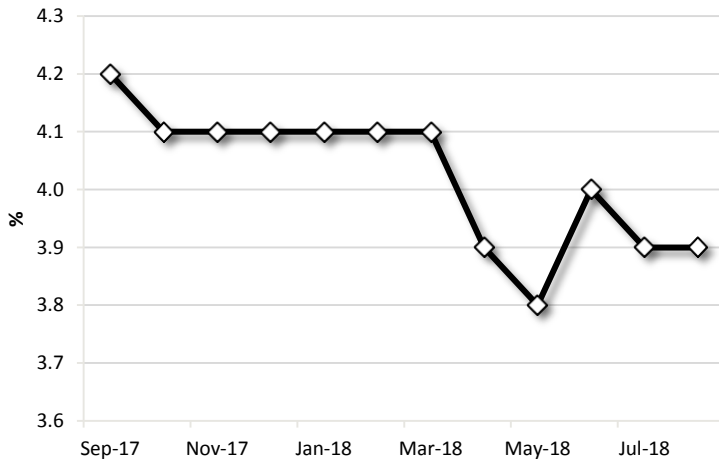
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



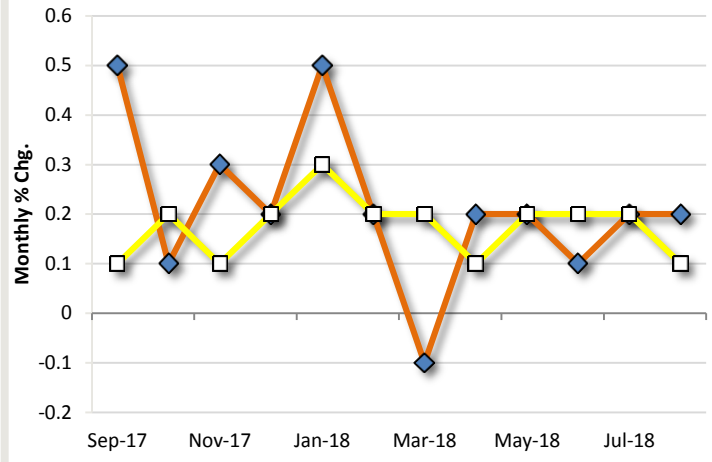
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



Source: Bloomberg

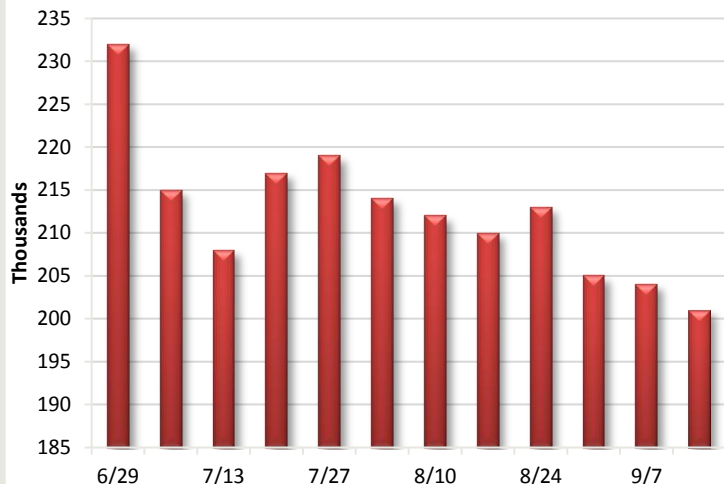
Consumer Price Index-Trailing 12 Mos.



Source: Bloomberg

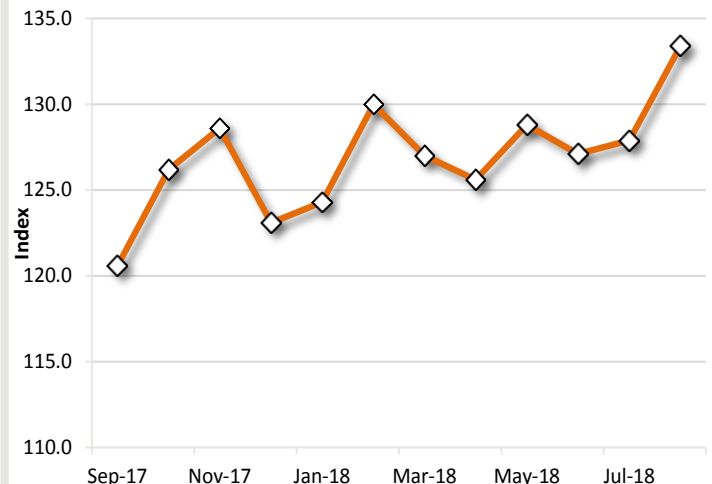
Headline CPI Core CPI

Initial Jobless Claims-Trailing 12 Wks.



Source: Bloomberg

Consumer Board Confidence Index - Trailing 12 Mos.



Source: Bloomberg

Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

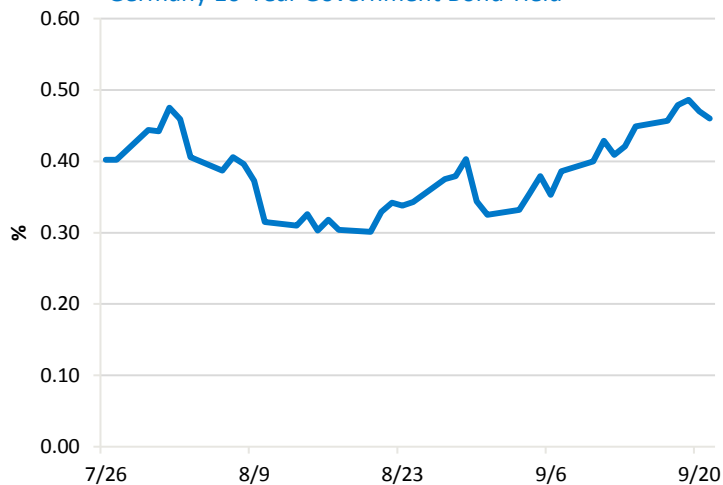
	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.46	-1 bps	NM	NM
Greece 10-Yr. Govt.	4.05	1 bps	NM	NM
Italy 10-Yr. Govt.	2.83	13 bps	NM	NM
Spain 10-Yr. Govt.	1.49	-1 bps	NM	NM
Belgium 10-Yr. Govt.	0.79	-1 bps	NM	NM

Source: Bloomberg

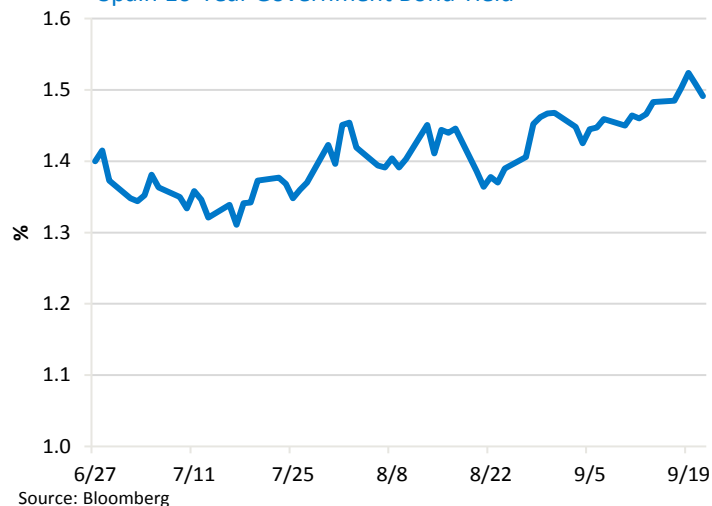
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.78	-1 bps	NM	NM
Ireland 10-Yr. Govt.	0.95	-2 bps	NM	NM
Portugal 10-Yr. Govt.	1.86	-1 bps	NM	NM
Netherlands 10-Yr. Govt.	0.56	-2 bps	NM	NM
U.K. 10-Yr. Govt.	1.55	-2 bps	NM	NM

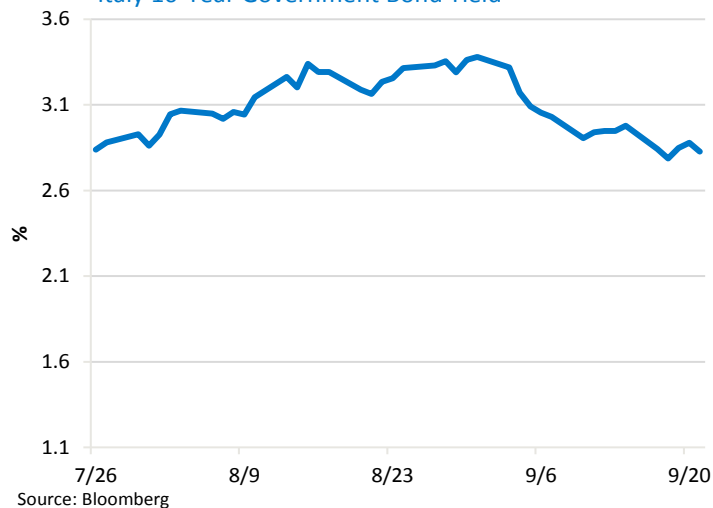
Germany 10-Year Government Bond Yield



Spain 10-Year Government Bond Yield



Italy 10-Year Government Bond Yield



Greece 10-Year Government Bond Yield



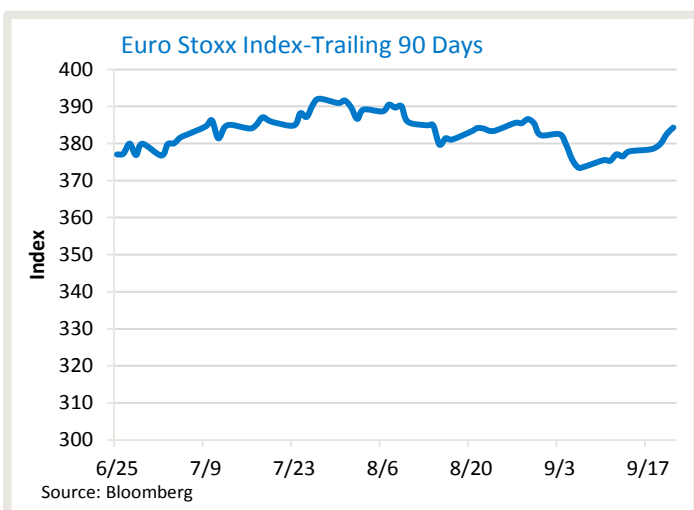
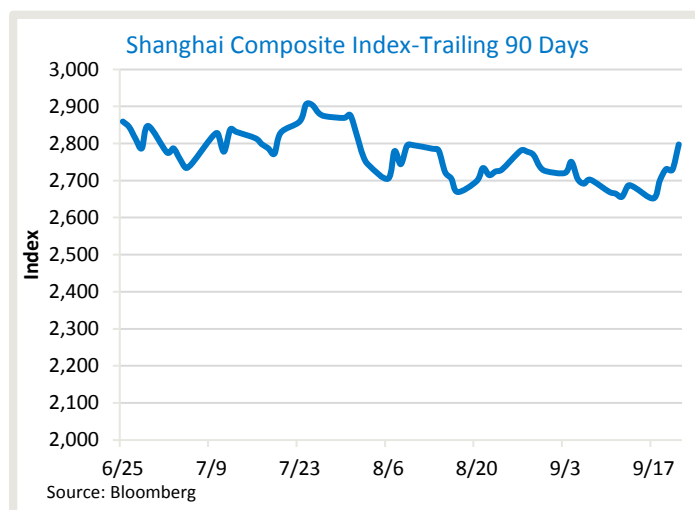
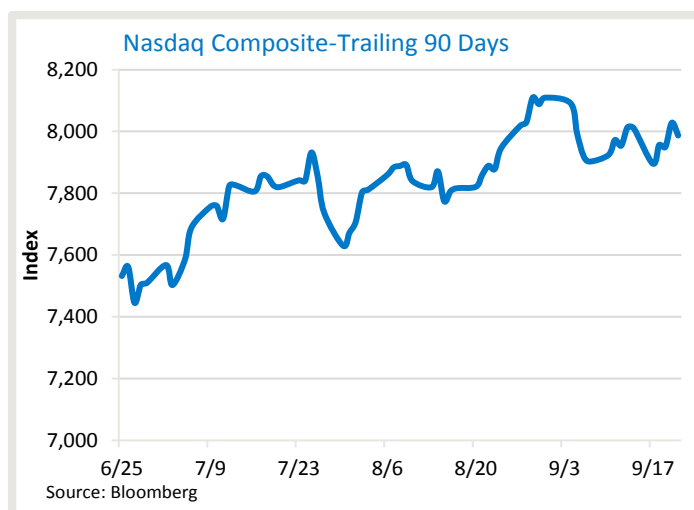
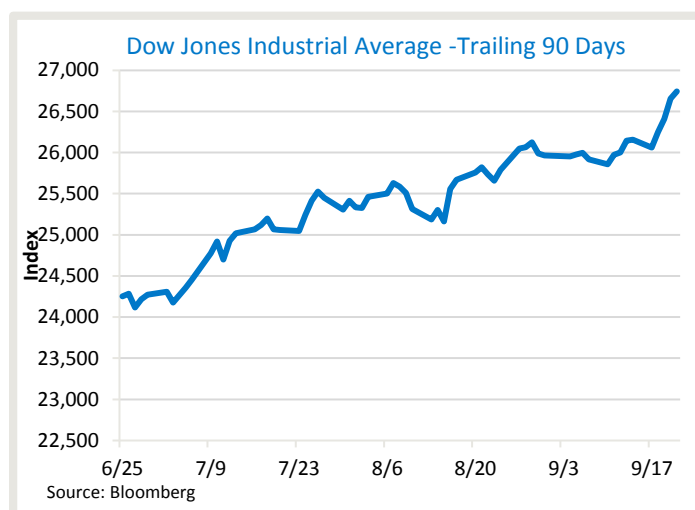
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,929.67	24.69	0.85%	9.58%
Dow Industrials	26,743.50	588.83	2.25%	8.19%
Nasdaq Composite	7,986.96	-23.09	-0.29%	15.70%
Russell Global	2,199.31	25.65	1.18%	2.6%
Russell Global EM	3,252.98	20.42	0.63%	-10.7%
S&P/TSX (Canada)	16,224.13	210.64	1.32%	0.09%
Mexico IPC	49,331.51	-280.42	-0.57%	-0.05%
Brazil Bovespa	79,444.31	3885.81	5.15%	3.81%
Euro Stoxx 600	384.29	6.44	1.70%	-1.26%
FTSE 100	7,490.23	186.19	2.55%	-2.57%
IBEX 35 (Spain)	9,590.40	225.10	2.40%	-4.52%

Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,995.38	25.38	0.28%	-4.12%
CAC 40 Index (France)	5,494.17	141.60	2.65%	3.42%
DAX Index (Germany)	12,430.88	306.55	2.53%	-3.77%
Irish Overall Index	6,673.16	35.53	0.54%	-5.19%
Nikkei 225	23,869.93	1048.61	4.59%	4.85%
Hang Seng Index	27,953.58	667.17	2.45%	-6.57%
Shanghai Composite	2,797.49	115.84	4.32%	-15.41%
Kospi Index (S. Korea)	2,339.17	20.92	0.90%	-5.20%
Taiwan Taiex Index	10,972.41	104.27	0.96%	3.10%
Tel Aviv 25 Index	1,670.26	36.78	2.25%	10.63%
MOEX Index (Russia)	2,426.80	66.54	2.82%	15.03%



Equities – Emerging and Frontier Markets

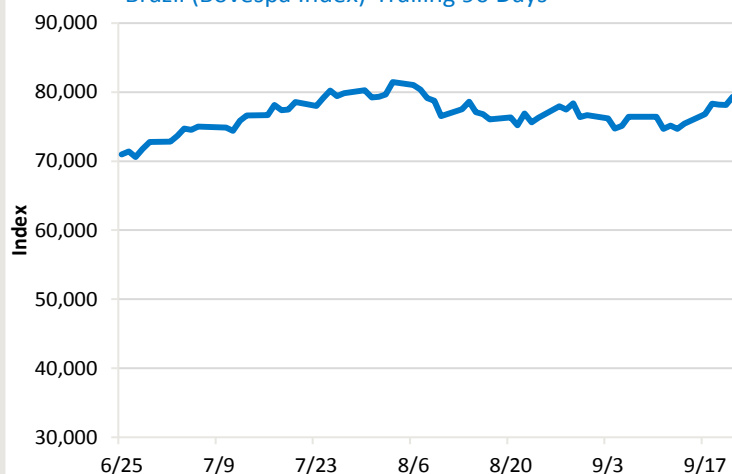
EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	49,331.51	-280.42	-0.6%	0.0%
Brazil (Bovespa Index)	79,444.31	3885.81	5.2%	3.8%
MOEX Index (Russia)	2,426.80	66.54	2.8%	15.0%
Czech Republic (Prague)	1,101.71	6.25	0.6%	2.2%
Turkey (Istanbul)	97,988.19	3228.52	3.4%	-15.0%
Egypt (Hermes Index)	1,334.74	-131.44	-9.0%	-7.1%
Kenya (Nairobi 20 Index)	2,832.48	-160.90	-5.4%	-23.7%
Saudi Arabia (TASI Index)	7,768.31	177.66	2.3%	7.5%
Lebanon (Beirut BLOM Index)	975.90	-3.16	-0.3%	-15.0%
Palestine	537.22	-5.07	-0.9%	-6.5%

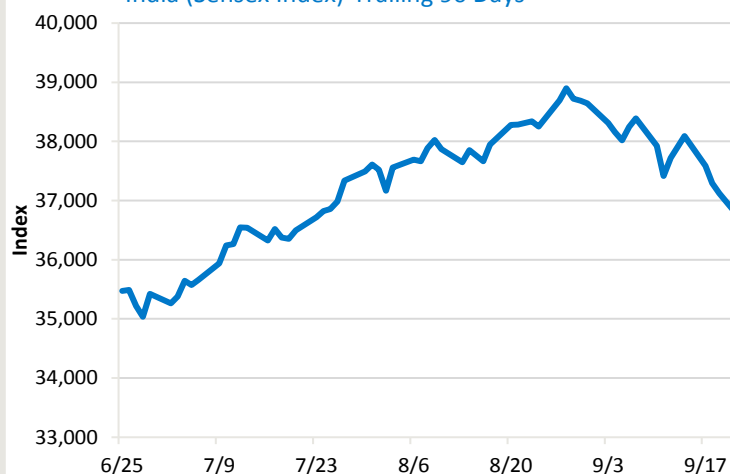
Source: Bloomberg; Index % change is based on price.

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,953.58	667.17	2.4%	-6.6%
India (Sensex 30)	36,841.60	-1249.04	-3.3%	8.2%
Malaysia (KLCI Index)	1,810.64	18.04	1.0%	0.8%
Singapore (Straits Times Index)	3,217.68	56.26	1.8%	-5.4%
Thailand (SET Index)	1,756.12	33.91	2.0%	0.1%
Indonesia (Jakarta)	5,957.74	26.46	0.4%	-6.3%
Pakistan (Karachi KSE 100)	41,320.13	399.82	1.0%	2.1%
Vietnam (Ho Chi Minh)	1,002.97	11.63	1.2%	1.9%
Sri Lanka (Colombo)	5,904.90	-126.36	-2.1%	-7.3%
Cambodia (Laos)	879.75	-23.26	-2.6%	-11.9%

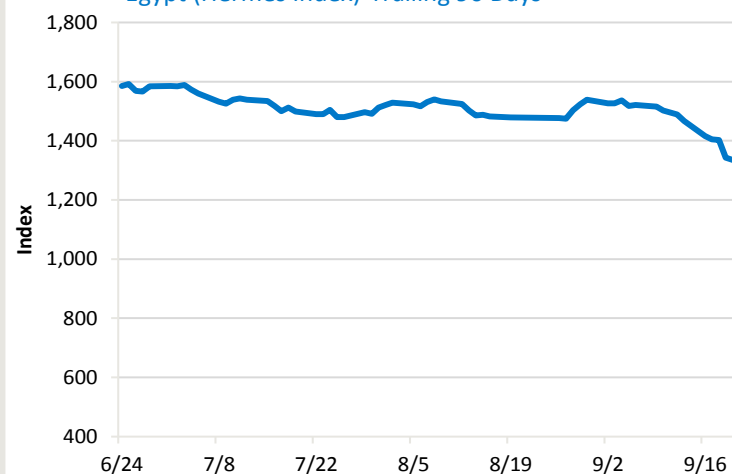
Brazil (Bovespa Index)-Trailing 90 Days



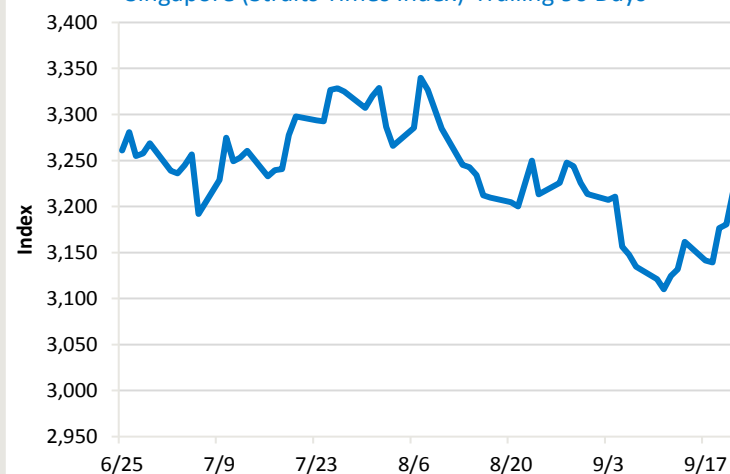
India (Sensex Index)-Trailing 90 Days



Egypt (Hermes Index)-Trailing 90 Days



Singapore (Straits Times Index)-Trailing 90 Days

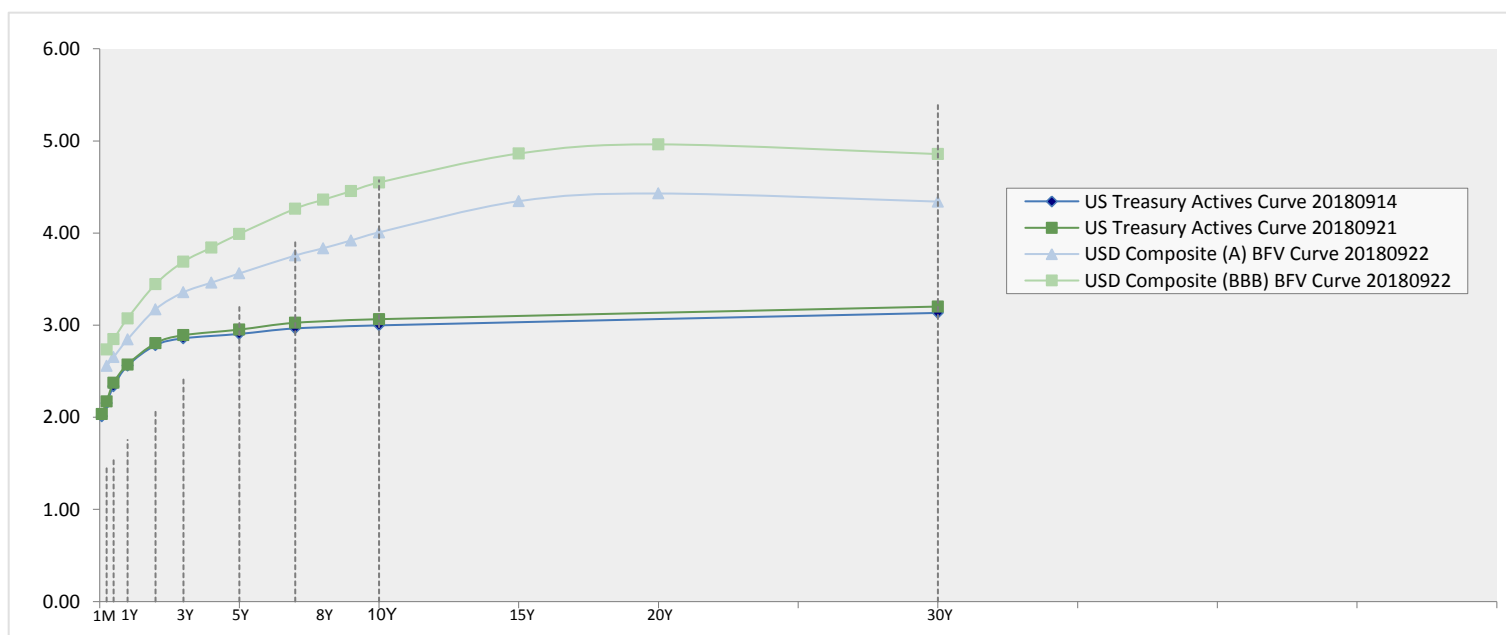


Interest Rates

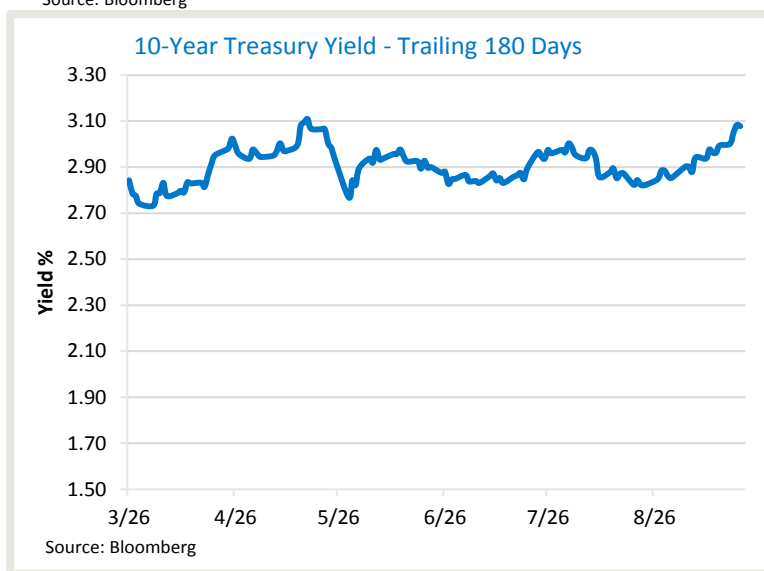
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.80%	0 bps	NM	NM	Prime Rate	5.00%	0.00	NM	NM
5-Yr. U.S. Treasury	2.95%	6 bps	NM	NM	Fed Funds Rate	2.00%	0.00	NM	NM
10-Yr. U.S. Treasury	3.07%	7 bps	NM	NM	Discount Rate	2.50%	0.00	NM	NM
30-Yr. U.S. Treasury	3.21%	7 bps	NM	NM	LIBOR (3 Mo.)	2.37%	3 bps	NM	NM
German 10-Yr. Govt.	0.46%	-1 bps	NM	NM	Bond Buyer 40 Muni	4.15%	11 bps	NM	NM
France 10-Yr.	0.78%	-1 bps	NM	NM	Bond Buyer 40 G.O.	4.15%	NA	NM	NM
Italy 10-Yr.	2.83%	13 bps	NM	NM	Bond Buyer 40 Rev.	4.66%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.09%	0 bps	NM	NM					

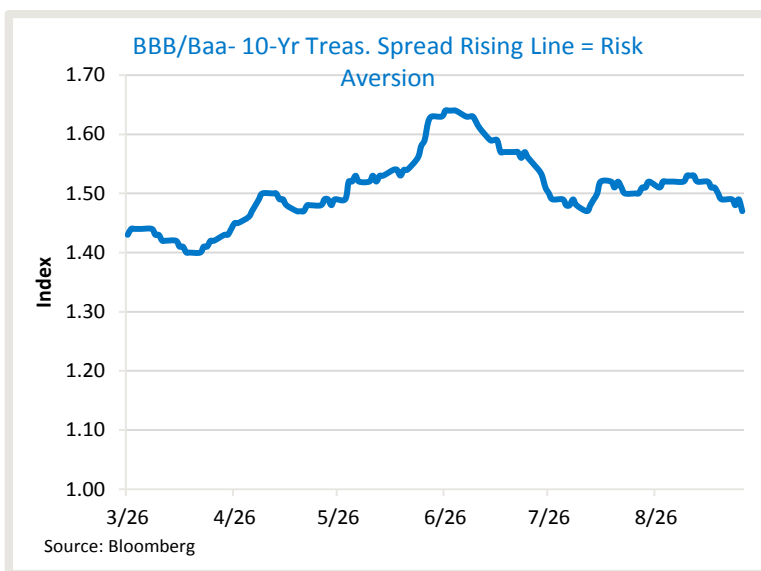
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.19	-0.748	-0.79%	2.23%
Euro	1.18	0.013	1.10%	-2.10%
Japanese Yen	112.61	0.530	-0.47%	0.09%
British Pound	1.31	0.002	0.14%	-3.16%
Canadian Dollar	1.29	-0.012	0.92%	-2.68%

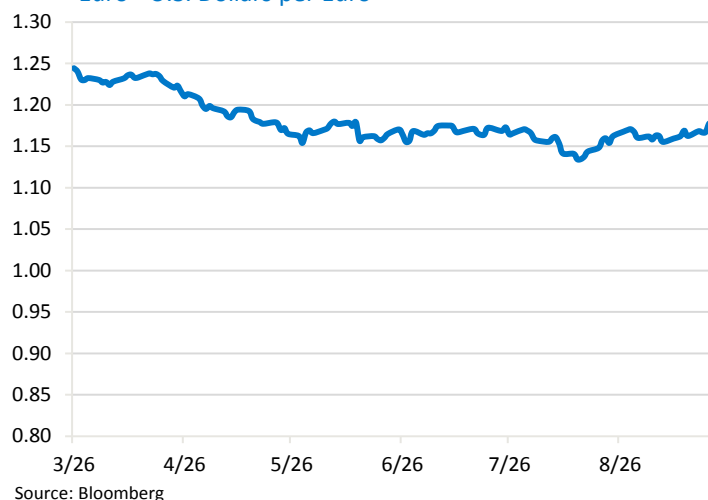
Source: Bloomberg

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.86	-0.010	0.15%	-5.11%
Swiss Franc	0.96	-0.010	1.01%	1.63%
New Zealand Dollar	0.67	0.013	1.99%	-5.90%
Brazilian Real	4.05	-0.121	2.98%	-18.38%
Mexican Peso	18.82	-0.077	0.41%	4.50%

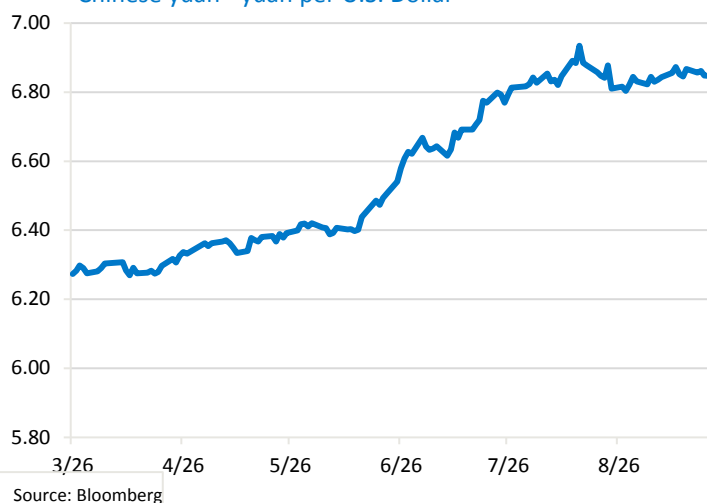
U.S. Dollar Index - Trailing Six Months



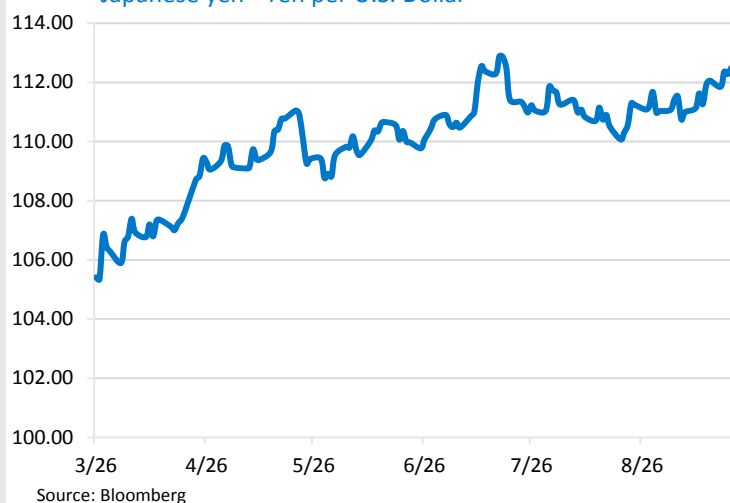
Euro - U.S. Dollars per Euro



Chinese yuan - yuan per U.S. Dollar



Japanese yen - Yen per U.S. Dollar



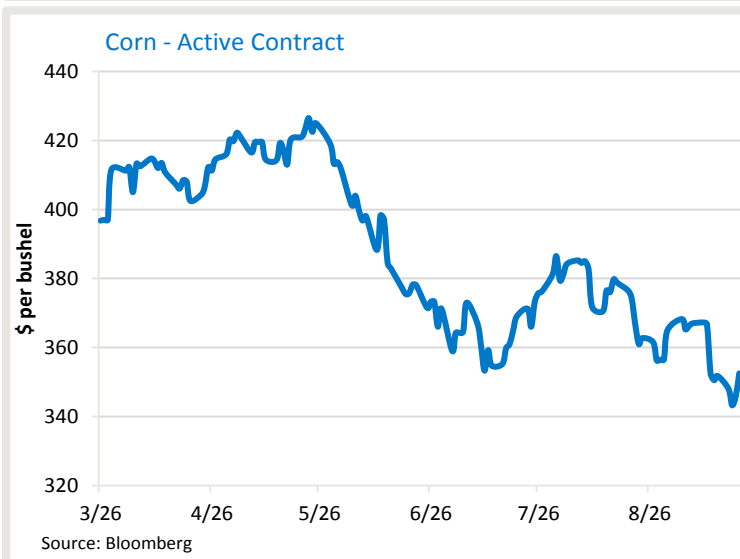
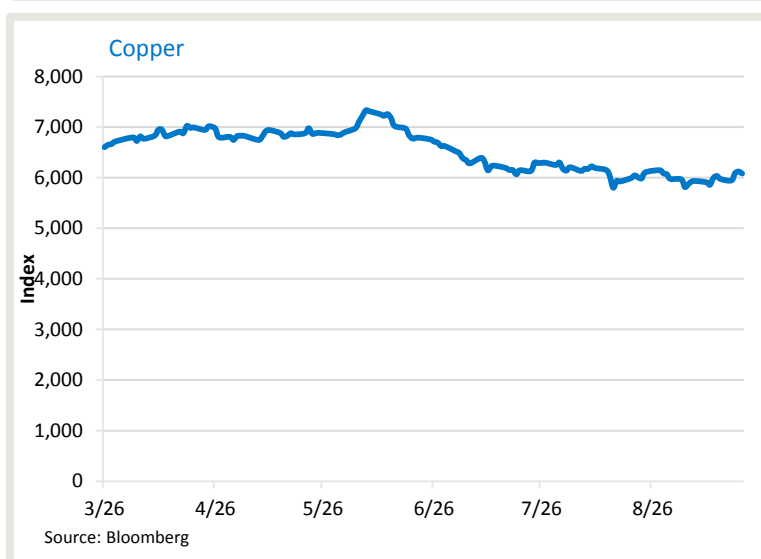
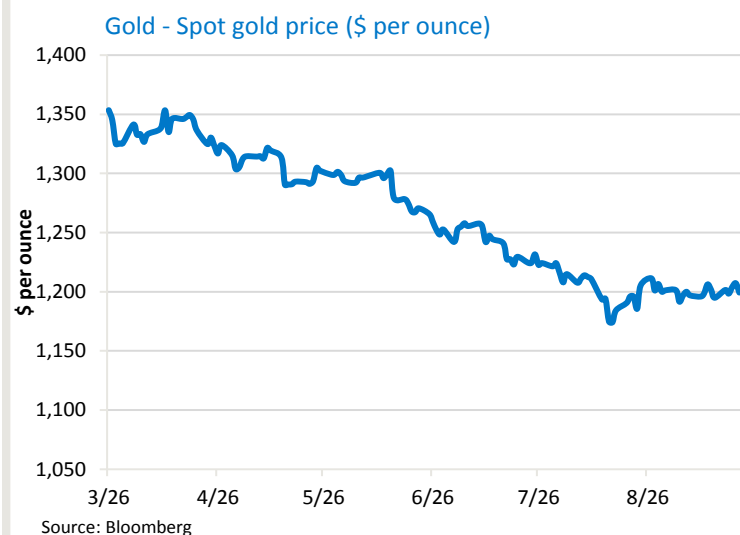
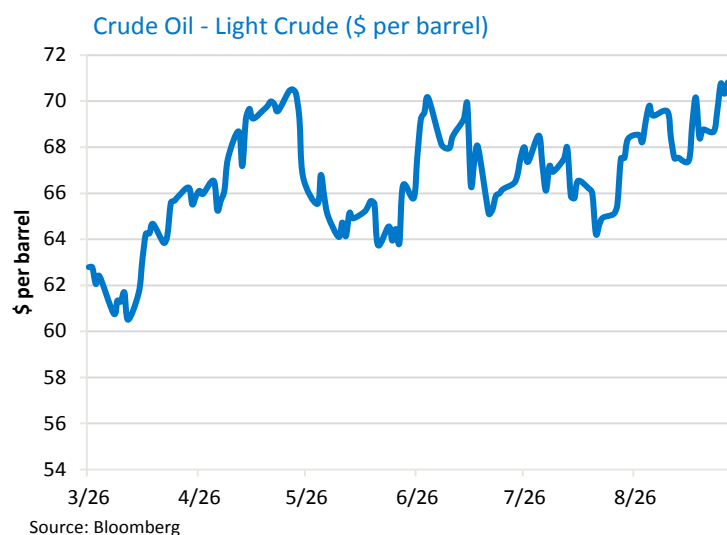
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	84.40	1.94	2.36%	-4.27%
Crude Oil	\$70.84	\$2.06	3.00%	21.33%
Natural Gas	\$2.98	\$0.21	7.73%	6.01%
Gasoline (\$/Gal.)	\$2.85	\$0.00	-0.04%	14.68%
Heating Oil	222.43	1.46	0.66%	13.64%
Gold Spot	\$1,199.11	\$4.40	0.37%	-7.95%
Silver Spot	\$14.30	\$0.23	1.67%	-15.59%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$827.96	\$32.11	4.03%	-10.80%
Corn	357.25	5.50	1.56%	-6.97%
Wheat	521.75	10.25	2.00%	8.25%
Soybeans	847.25	16.75	2.02%	-13.17%
Sugar	11.68	-0.34	-2.83%	-25.56%
Orange Juice	147.25	-6.25	-4.07%	3.70%
Aluminum	2,043.00	0.00	0.00%	-9.92%
Copper	6,082.00	109.00	1.82%	-16.08%



Alternative Investments

SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1263.09	2.59	0.21%	-0.98%
HFRX Equity Market Neutral	999.72	-3.58	-0.36%	-0.47%
HFRX Equity Hedge Index	1272.35	11.36	0.90%	0.13%
HFRX Event-Driven Index	1588.37	6.54	0.41%	-4.65%
HFRX Absolute Return Index	1072.21	-3.57	-0.33%	0.84%

	Last	Change	% Chg.	YTD %
HFRX Distressed Index	1044.20	0.70	0.07%	-5.64%
HFRX Merger Arbitrage Index	1825.44	-8.37	-0.46%	-1.49%
HFRX Convertible Arbitrage Index	802.81	-0.96	-0.12%	0.83%
HFRX Macro CTA Index	1132.80	-13.11	-1.14%	-2.67%
IQ Fixed Income Beta Arb Index	1499.45	1.04	0.07%	1.97%

Source: Bloomberg; Index % change is based on price.

HFRX Global Hedge Fund Index - Trailing 90 Days



HFRX Equity Hedge Index - Trailing 90 Days



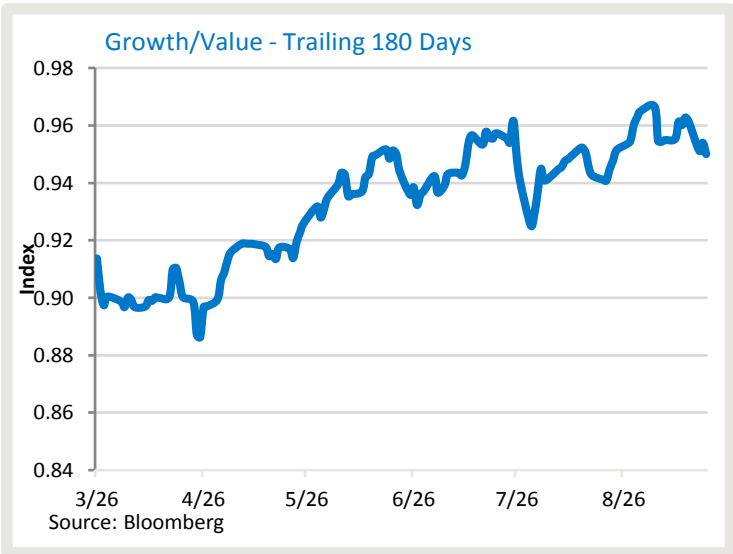
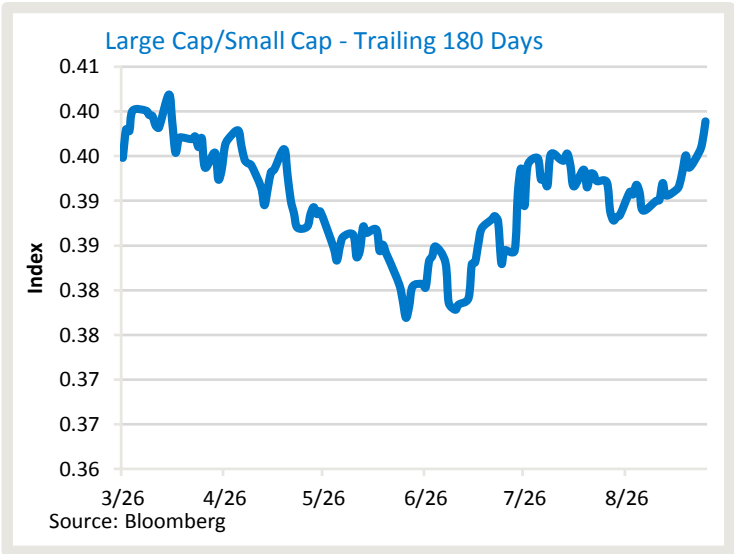
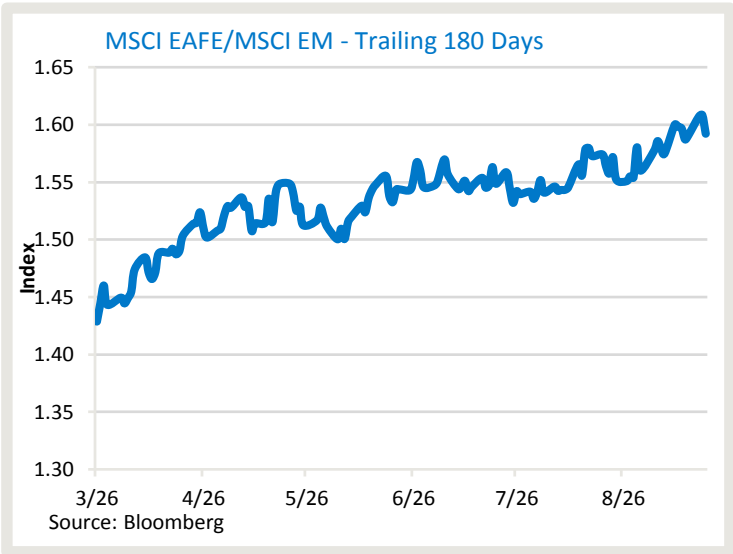
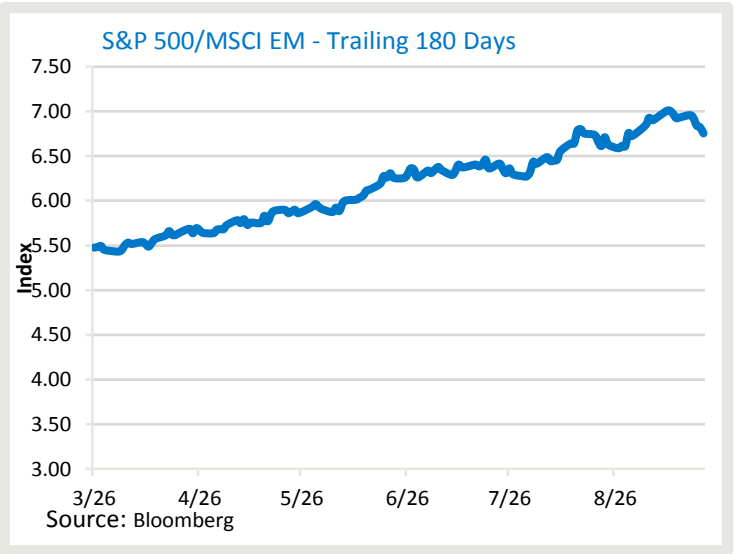
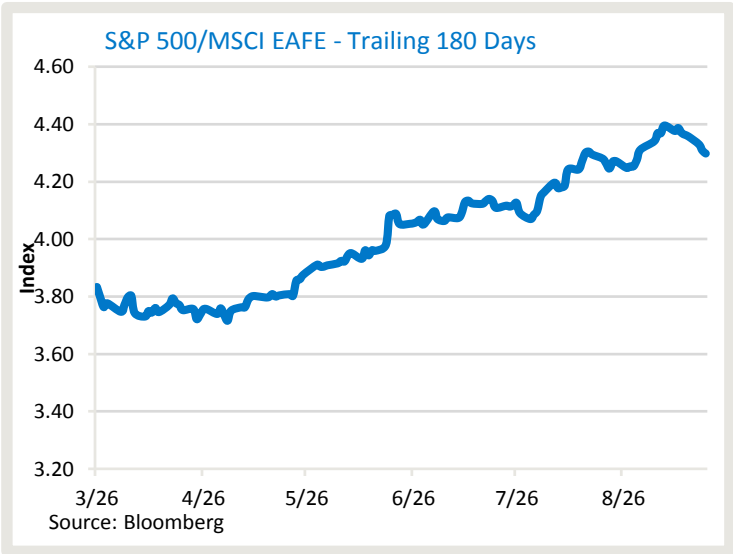
HFRX Equity Market Neutral - Trailing 90 Days



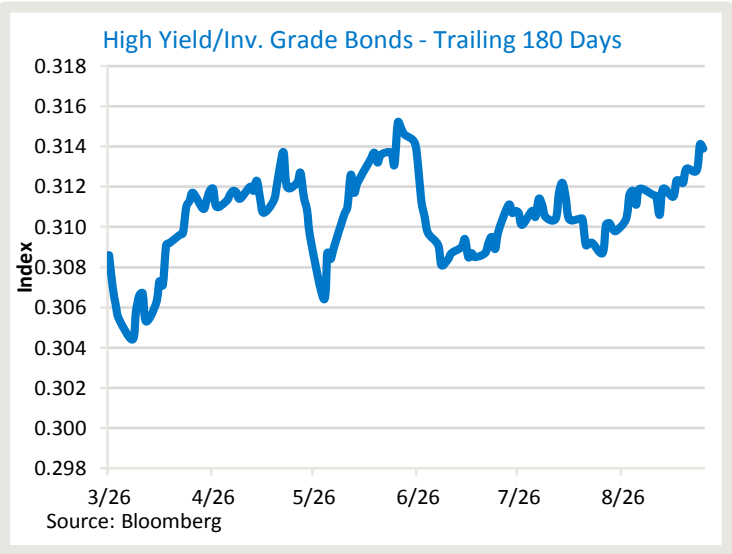
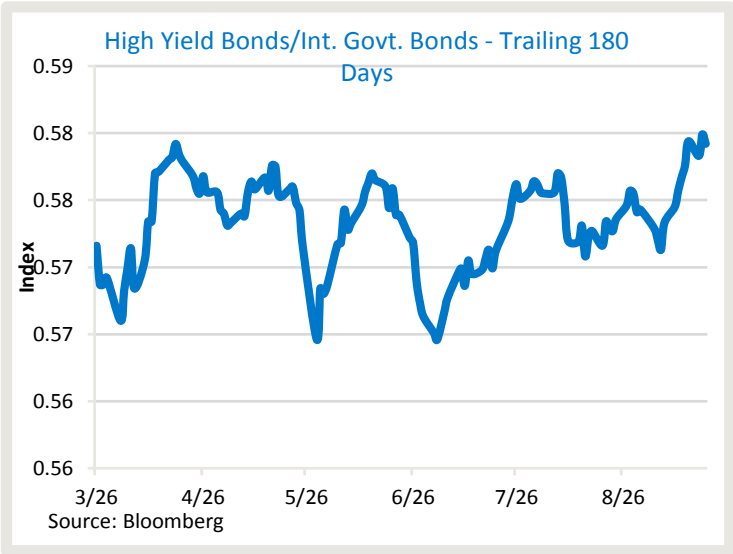
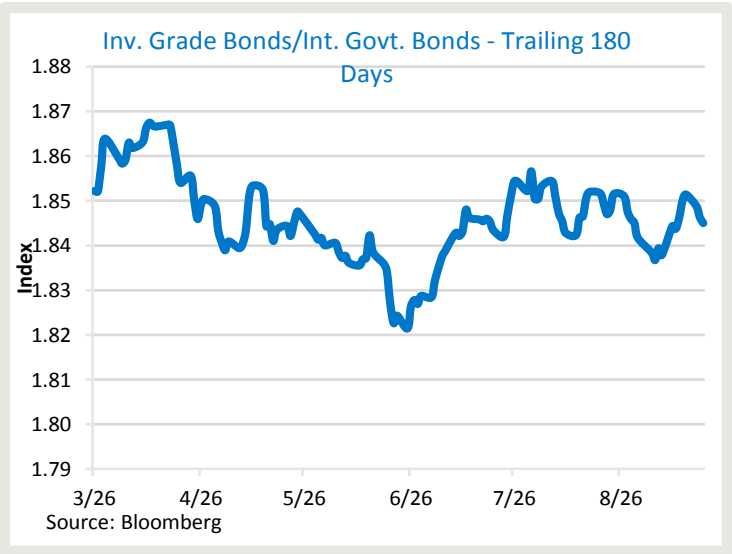
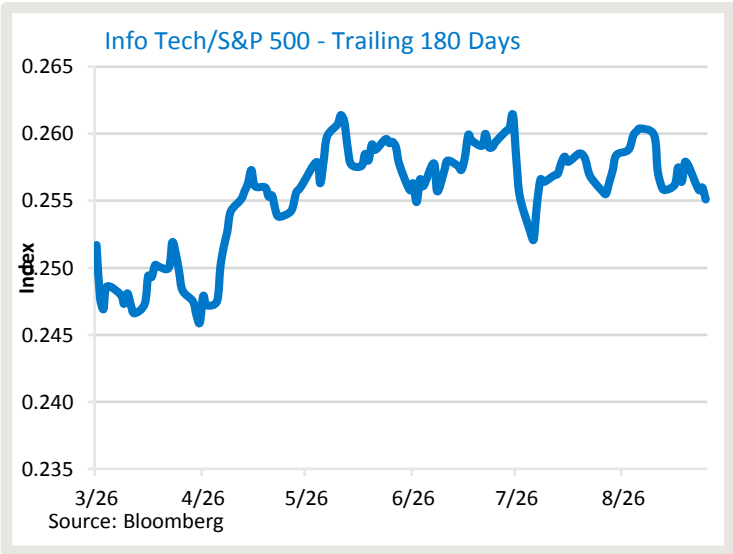
IQ Fixed Income Beta Arb Index - Trailing 90 Days



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20
Equity	Domestic Equity	Large Cap (R200)	0.68%	2.47%	0.15%	1.22%	-0.21%	1.01%	-0.49%	0.49%	1.73%	-0.95%	1.03%	0.98%
		Small Cap (R2000)	2.10%	0.64%	0.65%	-0.35%	-0.78%	0.52%	-0.30%	1.86%	0.89%	-1.03%	-0.01%	0.34%
	Int'l. Equity	MSCI EAFE	0.80%	0.60%	0.25%	1.59%	-1.28%	0.54%	-3.26%	1.29%	1.49%	-3.13%	0.81%	2.69%
		MSCI Em. Mkts.	0.73%	1.51%	-0.90%	2.69%	-2.00%	1.05%	-5.29%	2.61%	0.92%	-3.74%	-0.06%	1.90%
Fixed Income		BarCap Agg. (AGG)	0.08%	0.09%	0.07%	-0.45%	-0.25%	0.25%	0.38%	0.20%	-0.18%	-0.22%	-0.30%	-0.46%
		High Yield (JNK)	-0.25%	0.62%	0.03%	0.45%	-0.11%	0.14%	-0.11%	0.33%	0.06%	-0.58%	0.62%	-0.06%
Commodities		Bloomberg Commodity Index	-1.45%	-1.78%	-1.11%	2.27%	-0.52%	0.45%	-2.21%	0.12%	0.61%	-1.42%	0.35%	1.40%
Alternatives		Hedge Funds (HFRX Global)	0.51%	0.44%	-0.06%	0.49%	-0.36%	0.15%	-0.40%	0.32%	0.49%	-1.02%	0.12%	0.38%
Asset Allocation		60/40*	0.58%	1.03%	0.13%	0.57%	-0.52%	0.58%	-0.80%	0.74%	0.82%	-1.15%	0.35%	0.66%
		48/32/20 (w/Alts.)**	0.57%	0.91%	0.09%	0.36%	-0.49%	0.50%	-0.72%	0.66%	0.75%	-1.12%	0.30%	0.61%

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	1.05	0.98	1.09	1.10	1.10	1.15	1.14	1.18	1.19	1.39	1.20	1.32	1.54	1.19
Large Cap Growth	0.96	1.00	0.94	1.04	1.05	1.05	1.10	1.09	1.13	1.14	1.33	1.15	1.26	1.47	1.13
Large Cap Value	1.02	1.07	1.00	1.11	1.12	1.12	1.18	1.16	1.20	1.21	1.42	1.22	1.34	1.57	1.21
Mid Cap Core	0.92	0.96	0.90	1.00	1.01	1.01	1.06	1.05	1.08	1.09	1.28	1.10	1.21	1.41	1.09
Mid Cap Growth	0.91	0.95	0.89	0.99	1.00	1.00	1.05	1.04	1.07	1.08	1.27	1.09	1.20	1.40	1.08
Mid Cap Value	0.91	0.95	0.89	0.99	1.00	1.00	1.05	1.04	1.07	1.08	1.26	1.09	1.20	1.40	1.08
Small Cap Core	0.87	0.91	0.85	0.95	0.95	0.95	1.00	0.99	1.02	1.03	1.21	1.04	1.14	1.33	1.03
Small Cap Growth	0.87	0.91	0.86	0.95	0.96	0.96	1.01	1.00	1.03	1.04	1.22	1.05	1.15	1.34	1.04
Small Cap Value	0.85	0.89	0.83	0.93	0.93	0.93	0.98	0.97	1.00	1.01	1.18	1.02	1.12	1.30	1.01
Int'l. Developed	0.84	0.88	0.83	0.92	0.92	0.93	0.97	0.96	0.99	1.00	1.17	1.01	1.11	1.29	1.00
Emerging Markets	0.72	0.75	0.70	0.78	0.79	0.79	0.83	0.82	0.85	0.85	1.00	0.86	0.95	1.10	0.85
REITs	0.83	0.87	0.82	0.91	0.92	0.92	0.96	0.95	0.98	0.99	1.16	1.00	1.10	1.28	0.99
Commodities	0.76	0.79	0.75	0.83	0.83	0.84	0.88	0.87	0.90	0.90	1.06	0.91	1.00	1.17	0.90
Int. Bond	0.65	0.68	0.64	0.71	0.71	0.72	0.75	0.74	0.77	0.77	0.91	0.78	0.86	1.00	0.77
High Yield	0.84	0.88	0.83	0.92	0.93	0.93	0.97	0.96	0.99	1.00	1.17	1.01	1.11	1.30	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US--wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals. The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index** (formerly the **Dow Jones-UBS Commodity Index**) tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRI Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **S&P The Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **NFIB Small Business Optimism Index** is compiled from a survey that is conducted each month by the National Federation of Independent Business (NFIB) of its members.

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