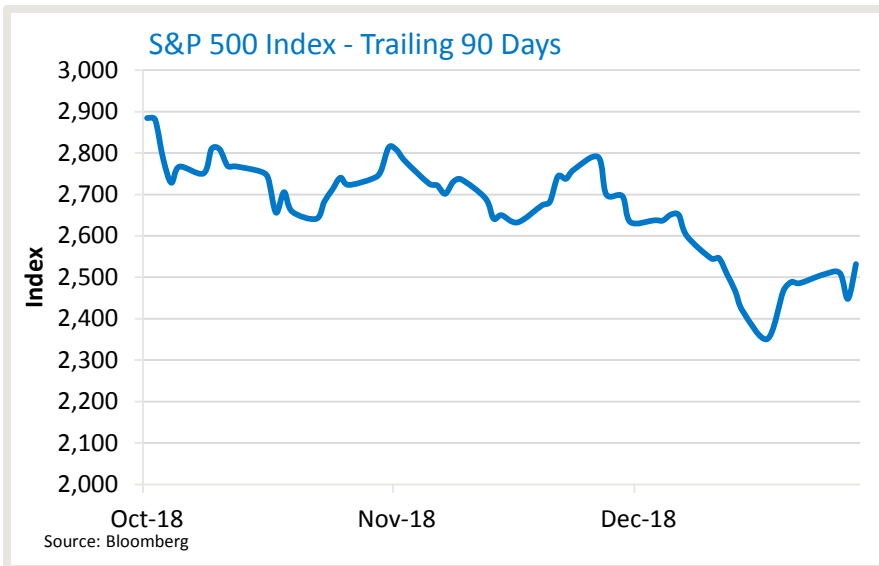


Weekly Market Review

January 7, 2019

Chart of the Week



Weekly Highlights

- Blowout December jobs report may put the Fed back in action.** The Department of Labor estimated 312,000 new jobs were created in December, the most since February, and revised October's and November's estimates upward by a combined 58,000. Market expectations were for fewer than 200,000 new jobs. Average earnings rose 0.4% in the month and 3.2% for the calendar year. Strong job creation and higher wages may put a rate hike by the Fed back in play during the first quarter of 2019. Next Friday's inflation report will be examined very closely.
- Unemployment actually creeps higher.** Also of interest in the jobs report was an uptick in the unemployment rate from 3.7% to 3.9%, despite the number of new jobs created being much higher than expected. Roughly 400,000 people joined the workforce in the month, increasing the labor force participation rate to 63.1%, its highest level for 2018. The U-6 rate of unemployment, including those workers who have part-time jobs but would prefer to have full-time employment, was unchanged in the month at 7.6%, but down from 8.1% at the end of 2017.

Talking Points

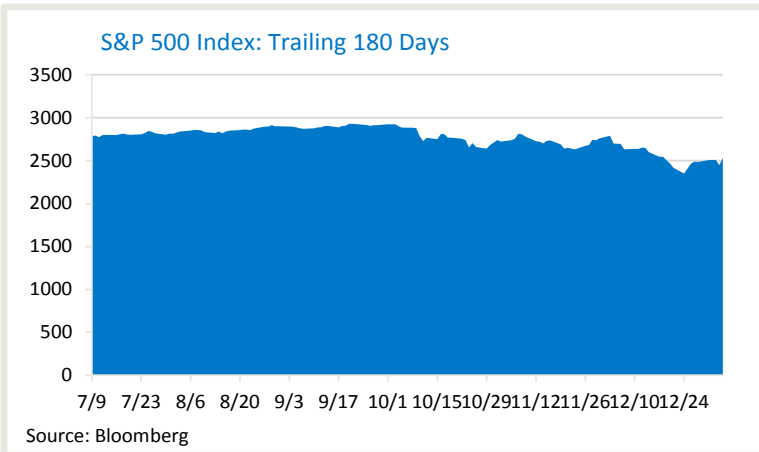
- The holiday-shortened week** was led by a sharp rally in Latin America, primarily Brazil and Argentina. US equities rebounded sharply on Friday's strong jobs report to end the week nearly unchanged. European equities also rebounded to end the week generating modest gains (0.5-1.0%)
- Treasury yields were lower**, even after a strong rally on Friday. Yields on five- and ten-year issues were up roughly ten basis points on Friday in response to the jobs report, but still ended the week lower by five and ten basis points, respectively.
- The US Dollar Index** was down slightly this week. Thursday's sharp equity market selloff took the trade-weighted dollar down with it. A brief rally on Friday in conjunction with the equity markets fizzled out.
- Crude oil** had its best week since the end of the third quarter, up roughly 6%. The advance was driven by lower-than-expected changes in US stockpiles and hopes for settlement of trade issues with China.
- Among other economic data released this week:** US manufacturing grew at the slowest pace in nearly two years, as indicated by the ISM Index falling to 54.1% from November's reading of 59.3%.

Market Dashboard

| | Last Price | Change | % Chg. | YTD % |
|---------------------------|------------|--------|--------|-------|
| S&P 500 | 2,531.94 | 46.20 | 1.86% | 1.0% |
| Dow Industrials | 23,433.16 | 370.76 | 1.61% | 0.5% |
| Nasdaq | 6,738.86 | 154.34 | 2.34% | 1.6% |
| Russell 2000 | 1,380.75 | 42.82 | 3.20% | 2.4% |
| Euro Stoxx Index | 343.38 | 7.15 | 2.13% | 1.7% |
| Shanghai Composite | 2,514.87 | 16.57 | 0.66% | 0.8% |
| Russell Global | 1,891.67 | -16.56 | -0.88% | -1.5% |

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

| | Last Price | Change | % Chg. | YTD % |
|------------------------------|------------|--------|---------|--------|
| Russell Global EM | 2,981.71 | -36.08 | -1.20% | -1.5% |
| 10-Year US Treas. | 2.66 | -8 bps | NM | NM |
| Bloomberg Cmnts. Idx. | 78.34 | 0.74 | 0.96% | 2.1% |
| Gold | \$1,285.00 | \$4.48 | 0.35% | 0.2% |
| Crude Oil | \$48.22 | \$2.86 | 6.31% | 6.1% |
| Dollar Index | 96.18 | -0.22 | -0.23% | 0.0% |
| VIX Index | 21.38 | -6.98 | -24.63% | -16.0% |



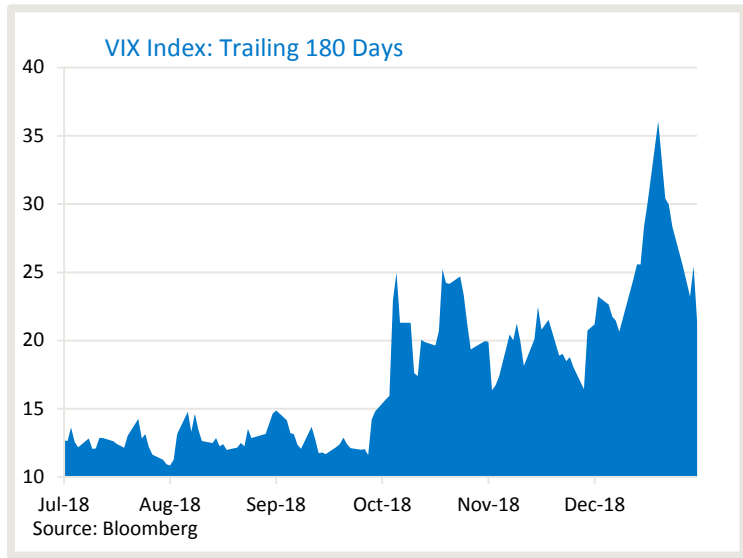
| | One Week | | | YTD | | |
|----------|----------|--------|-------|-------|--------|-------|
| | Value | Growth | | Value | Growth | |
| L | 1.95% | 1.84% | 1.75% | 1.17% | 0.98% | 0.81% |
| | 2.30% | 2.04% | 1.65% | 1.52% | 1.12% | 0.56% |
| S | 3.50% | 3.20% | 2.92% | 2.99% | 2.39% | 1.81% |

Source: Bloomberg

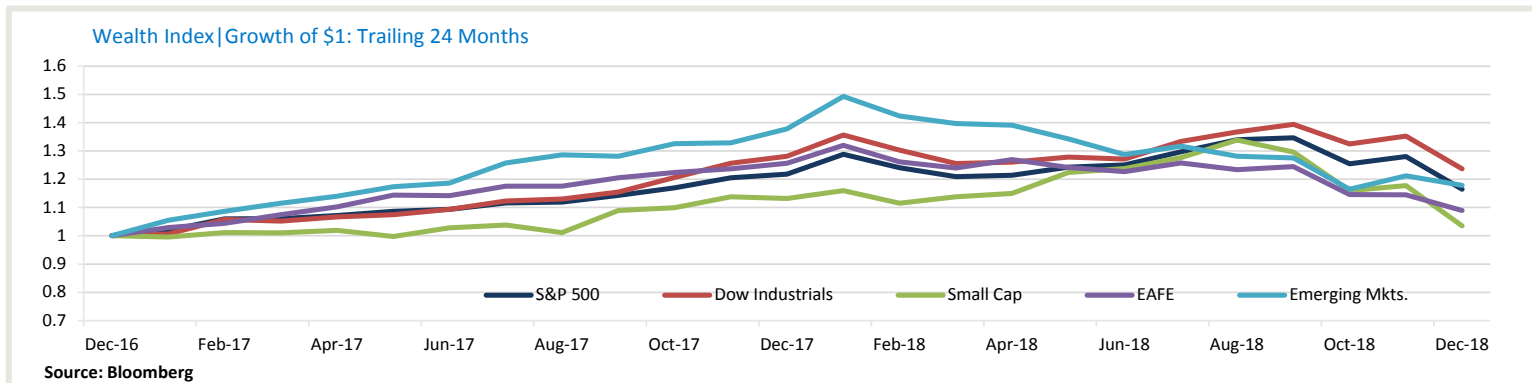
Sector Performance: S&P/Global Industry Classification Sectors (GICS)

| | % Wgt in S&P 500 | Week % Chg. | YTD % Chg. |
|-------------------------------|------------------|-------------|------------|
| Consumer Discretionary | 10.1 | 3.29% | 2.2% |
| Consumer Staples | 7.4 | 1.38% | 1.0% |
| Energy | 5.5 | 5.03% | 4.6% |
| Financials | 13.5 | 2.67% | 1.7% |
| Health Care | 15.3 | 0.74% | -0.6% |
| Industrials | 9.2 | 2.26% | 1.2% |
| Information Technology | 19.7 | 0.11% | -0.8% |
| Materials | 2.7 | 2.31% | 1.5% |
| Real Estate | 2.9 | -0.76% | -0.8% |
| Communication Services | 10.4 | 4.13% | 3.8% |
| Utilities | 3.3 | -0.04% | -0.2% |

Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

The Economy and Markets

A Macro View – December Monthly Recap

In the domestic equity markets, December closed out a terrible fourth quarter, as concerns over slowing economic growth, rising borrowing costs, global trade tensions, and uncertainty around the change in control of the US House of Representatives all pushed investors to reconsider the risk in their portfolios and forced US stocks sharply lower. The Energy and Financials sectors, more heavily represented in the value style indices, were the worst performers for the month. Crude oil prices continued their plummet from their August peak, down 12% in the last 30 days of the year. The Federal Reserve's (the Fed) fourth hike of 2018 in early December and a falling stock market in the first two months of the quarter dimmed the outlook on many banks and asset management firms. Falling interest rates helped dividend-paying companies, particularly in the Real Estate and Utilities sectors, but overall the value style indices underperformed the growth style indices in December.

The Russell 1000 Growth Index declined by 8.6% in December, modestly outperforming the 1000 Value Index, which was down 9.5%. The gap was a bit wider in the mid cap space, as the Russell Midcap Growth Index, down 9.1%, outperformed the value index by roughly 1.5%. Finally, there was little disparity among small cap stocks, hardest hit of the domestic equity segments, as the Russell 2000 Growth Index was down 11.7%, just 40 basis points ahead of the value index. Prior to a slight rebound at the end of the month, the small cap index was down more than 20% from its August high, the third such correction since the beginning of 2009. The Bloomberg Commodity Index as a whole was down 6.9%, and the Dow Jones U.S. Select REIT Index was down 8.6% for the month.

The international equity markets weakened significantly during December, following US markets' decline, but to a much lesser degree. Although the non-US markets had their own significant concerns, valuations as of the end of the third quarter did not have the same level of expected growth built in as was the case in the US. Europe is struggling to get a full picture of how Brexit will play out by the March 2019 deadline for a deal. Uncertainty abounds, as Prime Minister Theresa May failed to gain Parliamentary support for her negotiated exit of the European Union. Europe is now facing a real possibility of a no-deal Brexit, threatening further uncertainty for investors over the near future. The emerging markets continue to be dominated by the economic worries in China. Retail sales growth and manufacturing activity slowed in November, the first signs of the economic impact of the ongoing trade dispute with the US.

The EAFE Index fell 4.85% for the month, but managed to outperform broad US markets. Emerging markets equities also fell in value, but fared even better, down just 2.66%. Currencies had a muted impact on emerging markets returns, but contributed positively to returns for developed markets, as the US dollar weakened and bolstered non-US developed markets returns by 1.00%.

The domestic fixed income markets were a mixed bag in December, as Treasury rates rallied, but credit spreads widened. Despite the Fed's midmonth rate hike, the global sell-off in risk assets increased the demand for quality fixed income securities. December was also the slowest month for corporate new issuance in more than 20 years. US corporations issued just \$8 billion in new investment grade bonds, and for the first time in more than a decade, there was no new issuance in the noninvestment grade corporate market in December. The municipal market continues to have a significant supply/demand imbalance as well, though not as stark as it was in the first part of the year. The City of Detroit came back to the market for the first time since its bankruptcy, with a tax-backed GO issue in early December.

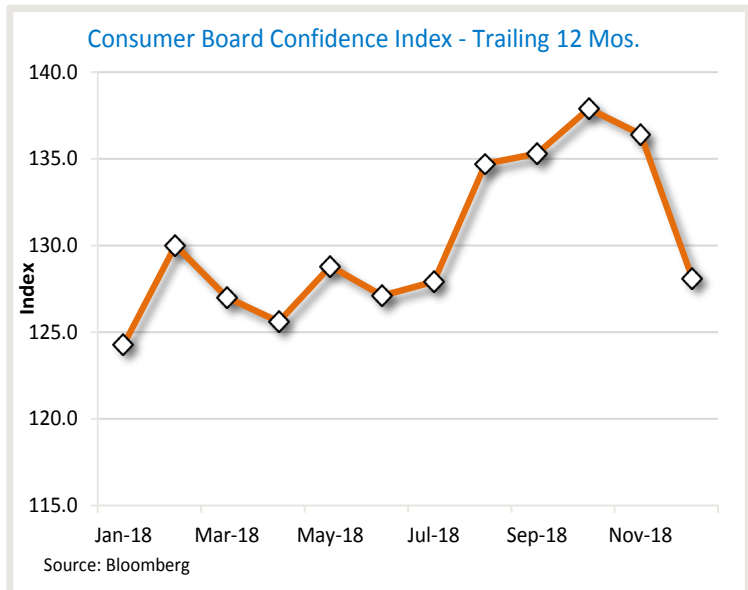
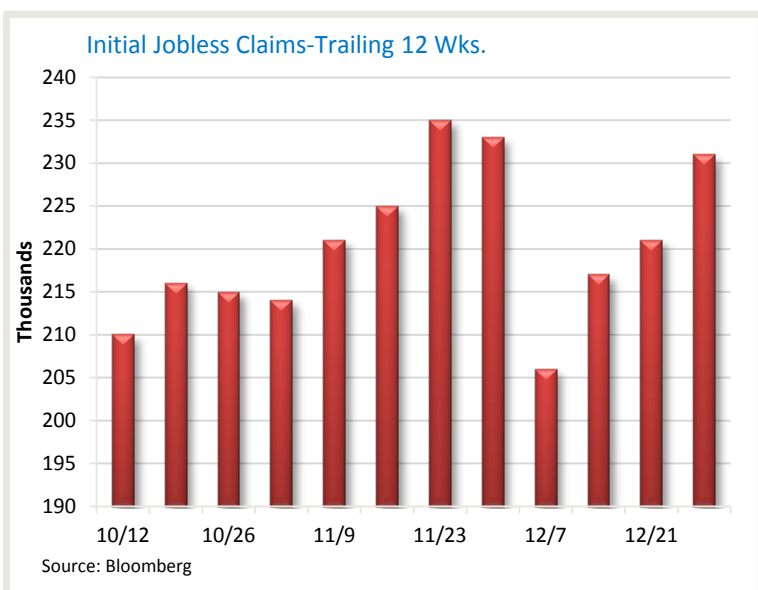
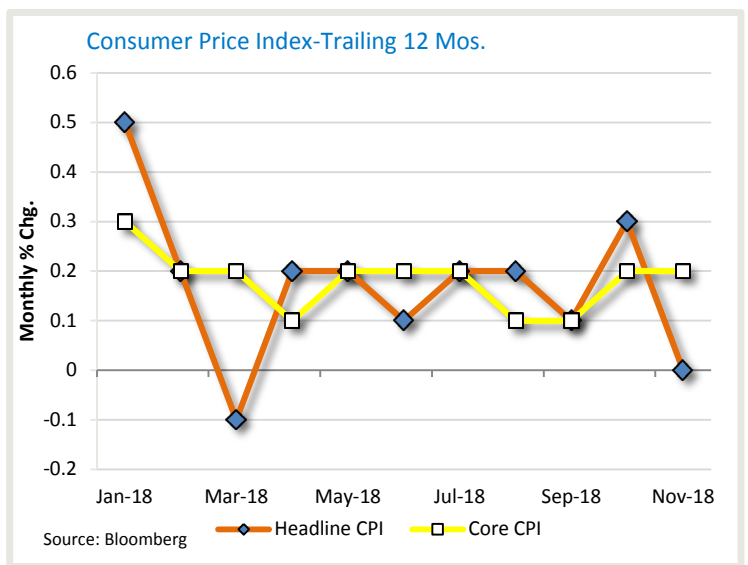
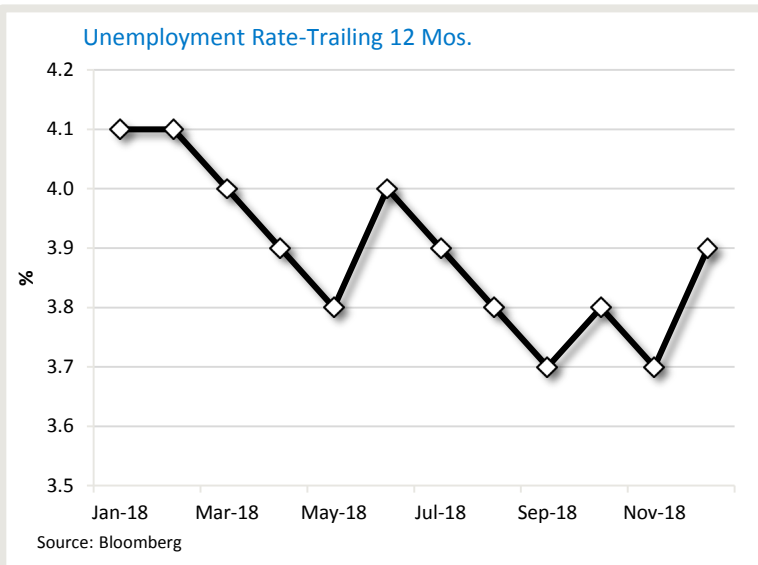
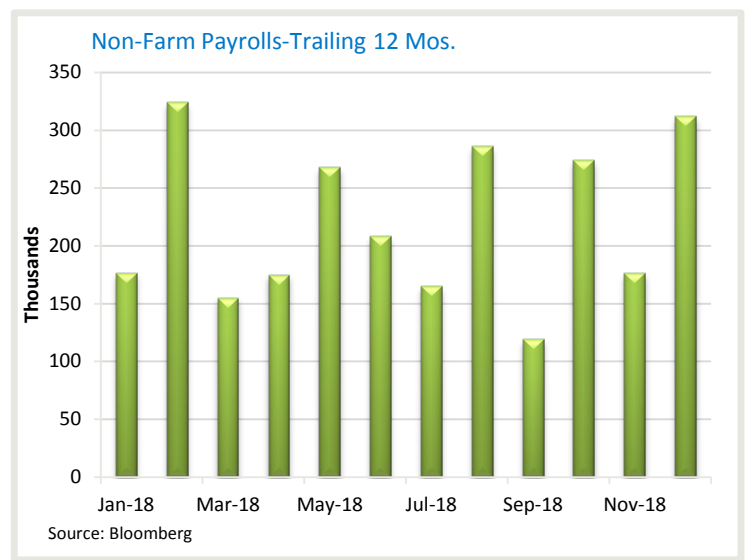
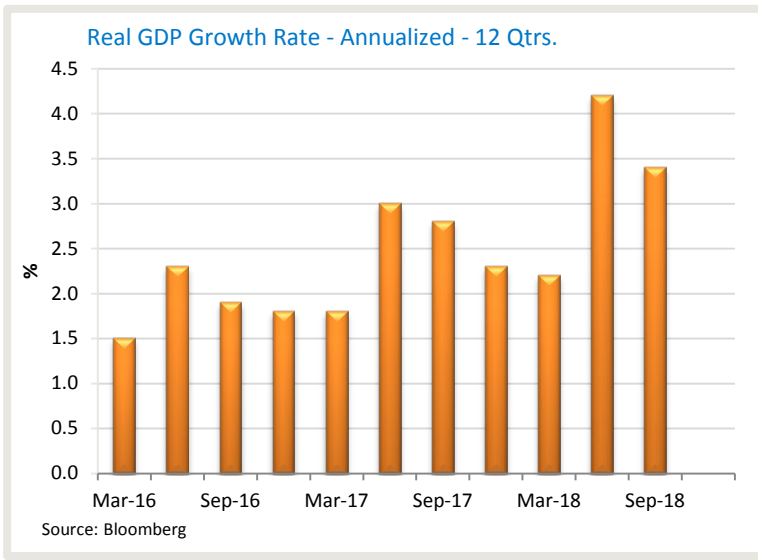
For the month, US Treasuries led the way, especially the longest maturities, up more than 2%, whereas the MBS Index was up 1.8%. The widening in spreads left the Credit Index up just 1.2%. Despite the strong fundamentals and supply/demand imbalance, the municipal market modestly underperformed the Treasury market, with the Municipal Index up 1.2%, though the 10-year portion of the curve was up nearly 1.4%. The global risk-off environment caused massive outflows from high yield bond and bank loan funds, and credit spreads widened by more than 100 basis points during the month. The High Yield Index was down more than 2%, and the S&P LSTA Leveraged Loan Index was down more than 2.5%

Unless otherwise noted, returns are for the appropriate MSCI Indices in US dollar terms

Unless otherwise noted, returns are for the appropriate Bloomberg Barclays Indices

Nathan Behan, CFA, CAIA
SVP, Investment Research

Economic Data



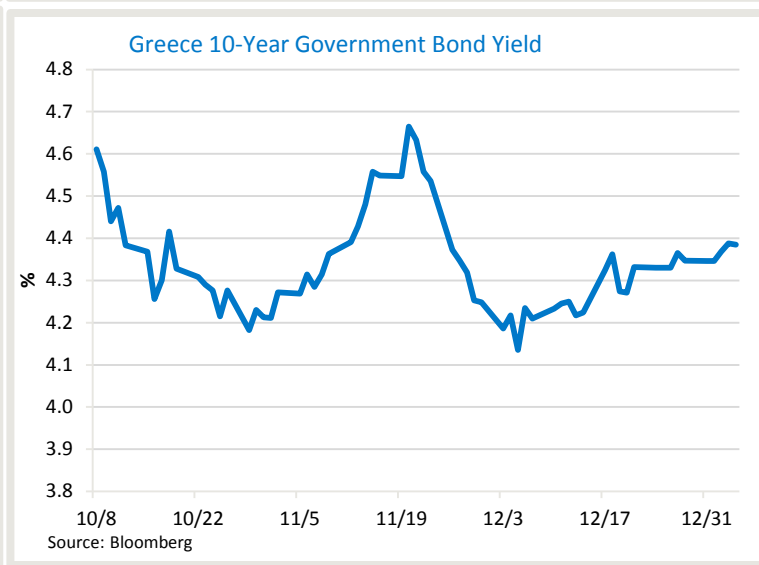
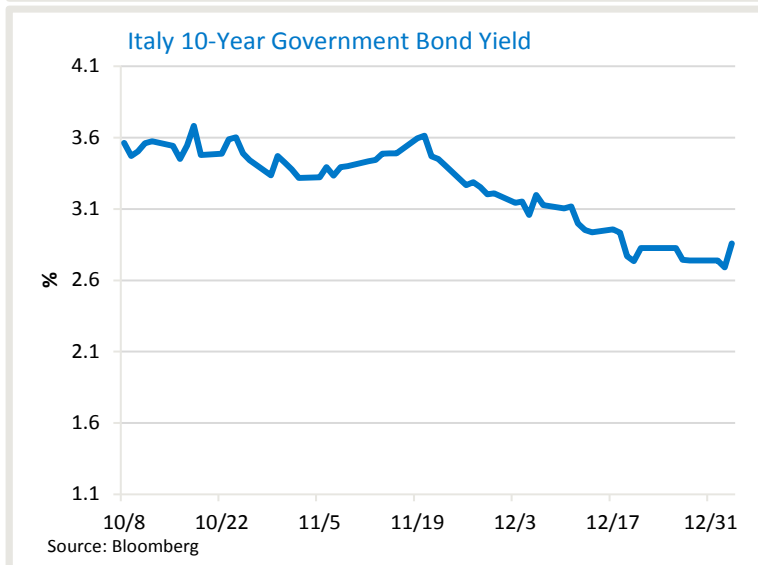
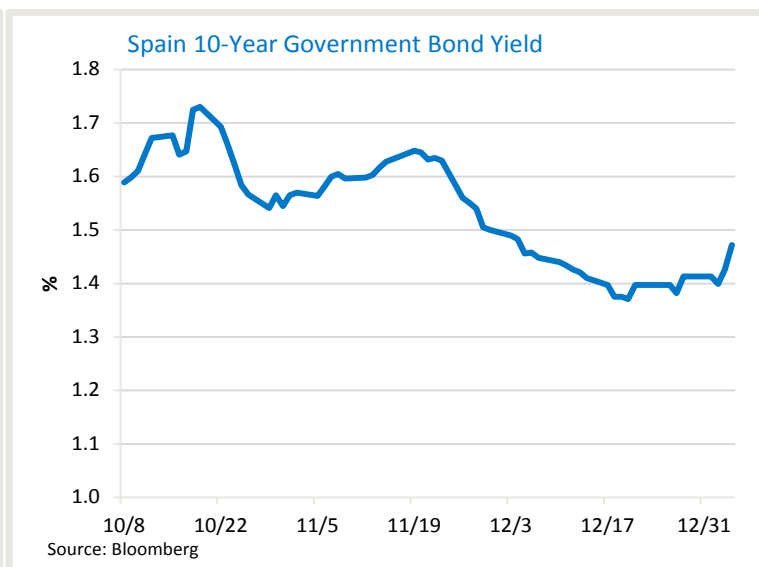
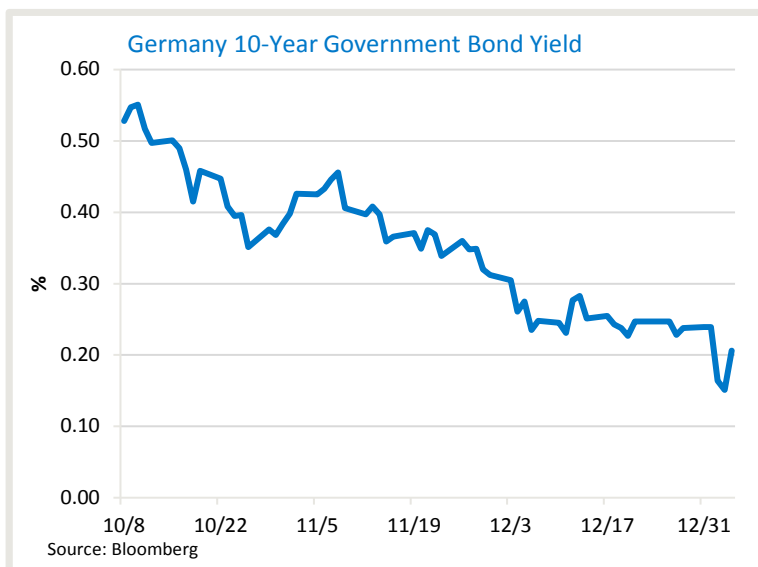
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

| | Last | Change | % Chg. | YTD % |
|----------------------|------|---------|--------|-------|
| Germany 10-Yr. Govt. | 0.21 | 3 bps | NM | NM |
| Greece 10-Yr. Govt. | 4.39 | -3 bps | NM | NM |
| Italy 10-Yr. Govt. | 2.90 | -13 bps | NM | NM |
| Spain 10-Yr. Govt. | 1.47 | -5 bps | NM | NM |
| Belgium 10-Yr. Govt. | 0.75 | 1 bps | NM | NM |

| | Last | Change | % Chg. | YTD % |
|--------------------------|------|--------|--------|-------|
| France 10-Yr. Govt. | 0.70 | 1 bps | NM | NM |
| Ireland 10-Yr. Govt. | 0.92 | -2 bps | NM | NM |
| Portugal 10-Yr. Govt. | 1.80 | -8 bps | NM | NM |
| Netherlands 10-Yr. Govt. | 0.35 | 3 bps | NM | NM |
| U.K. 10-Yr. Govt. | 1.27 | -1 bps | NM | NM |

Source: Bloomberg
Basis points (bps)

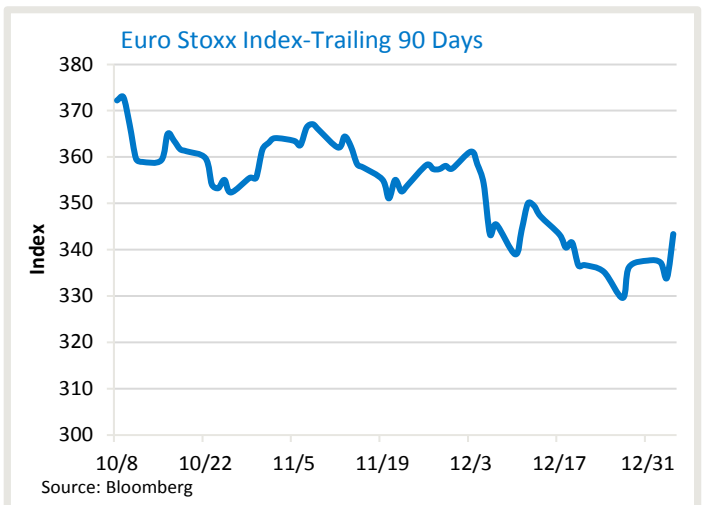
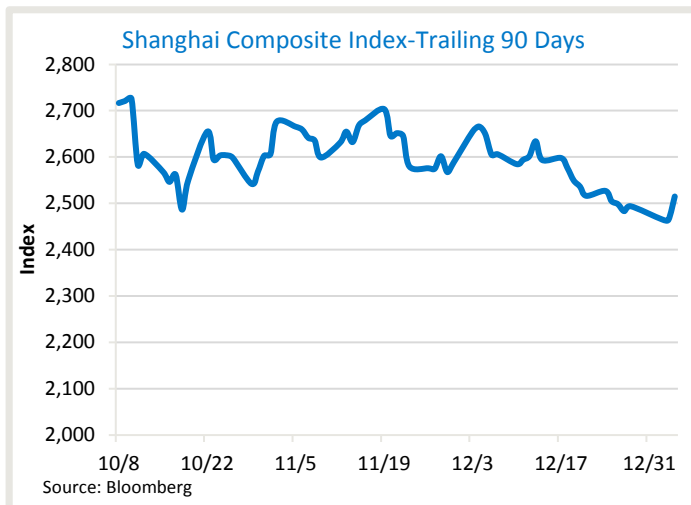
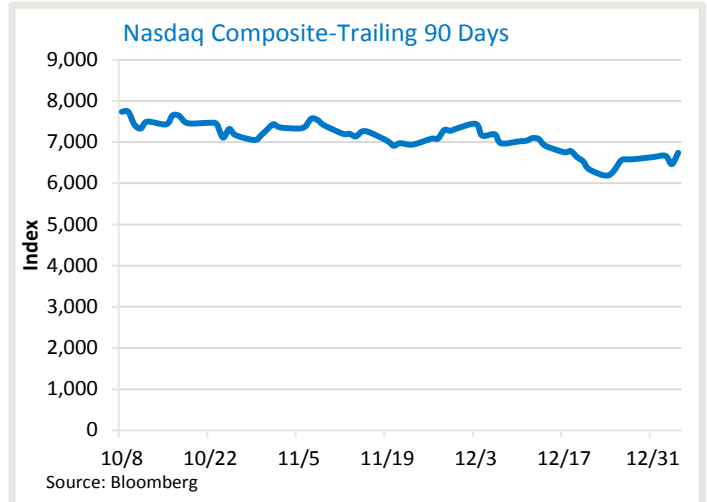
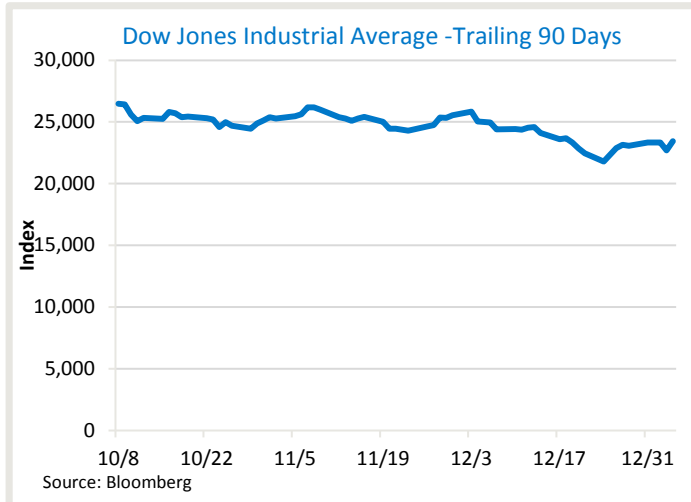


Equities

WORLD MARKET PERFORMANCE

| | Last | Change | % Chg. | YTD % | | Last | Change | % Chg. | YTD % |
|-----------------------------|------------------|----------------|---------------|--------------|-------------------------------|------------------|----------------|---------------|---------------|
| S&P 500 | 2,531.94 | 46.20 | 1.86% | 1.00% | Swiss Market Index | 8,608.56 | 179.26 | 2.13% | 2.13% |
| Dow Industrials | 23,433.16 | 370.76 | 1.61% | 0.45% | CAC 40 Index (France) | 4,737.12 | 58.38 | 1.25% | 0.14% |
| Nasdaq Composite | 6,738.86 | 154.34 | 2.34% | 1.56% | DAX Index (Germany) | 10,767.69 | 208.73 | 1.98% | 1.98% |
| Russell Global | 1,891.67 | -16.56 | -0.88% | -1.5% | Irish Overall Index | 5,656.45 | 197.25 | 3.61% | 3.22% |
| Russell Global EM | 2,981.71 | -36.08 | -1.20% | -1.5% | Nikkei 225 | 19,561.96 | -604.23 | -3.00% | -2.26% |
| S&P/TSX (Canada) | 14,426.62 | 204.62 | 1.44% | 0.72% | Hang Seng Index | 25,626.03 | 147.15 | 0.58% | -0.85% |
| Mexico IPC | 42,455.13 | 970.70 | 2.34% | 1.90% | Shanghai Composite | 2,514.87 | 16.57 | 0.66% | 0.84% |
| Brazil Bovespa | 91,840.81 | 3953.53 | 4.50% | 4.50% | Kospi Index (S. Korea) | 2,010.25 | -17.76 | -0.88% | -1.51% |
| Euro Stoxx 600 | 343.38 | 7.15 | 2.13% | 1.70% | Taiwan Taiex Index | 9,382.51 | -344.90 | -3.55% | -3.55% |
| FTSE 100 | 6,837.42 | 103.45 | 1.54% | 1.62% | Tel Aviv 25 Index | 1,451.27 | 2.71 | 0.19% | -0.86% |
| IBEX 35 (Spain) | 8,737.80 | 244.10 | 2.87% | 2.32% | MOEX Index (Russia) | 2,406.50 | 48.00 | 2.04% | 2.04% |

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



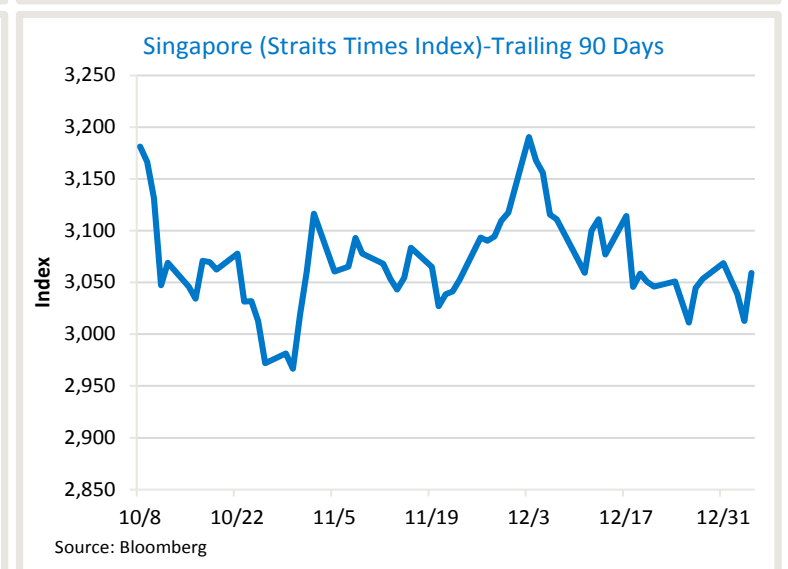
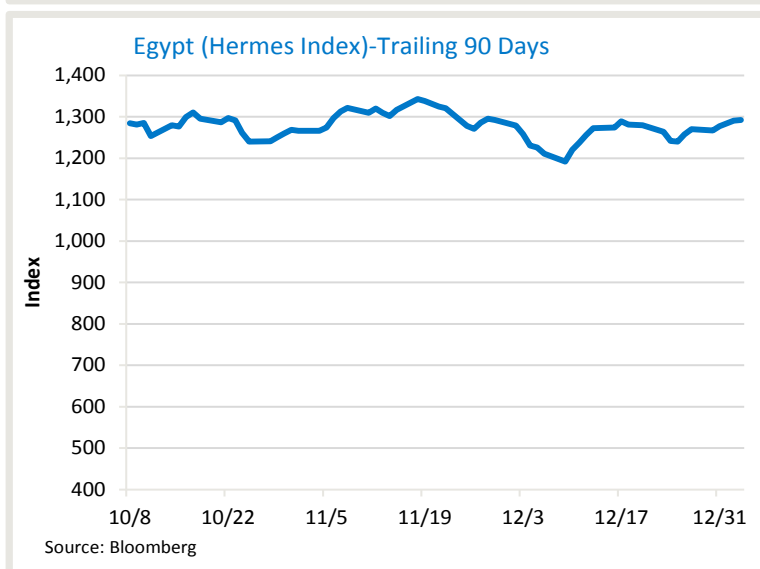
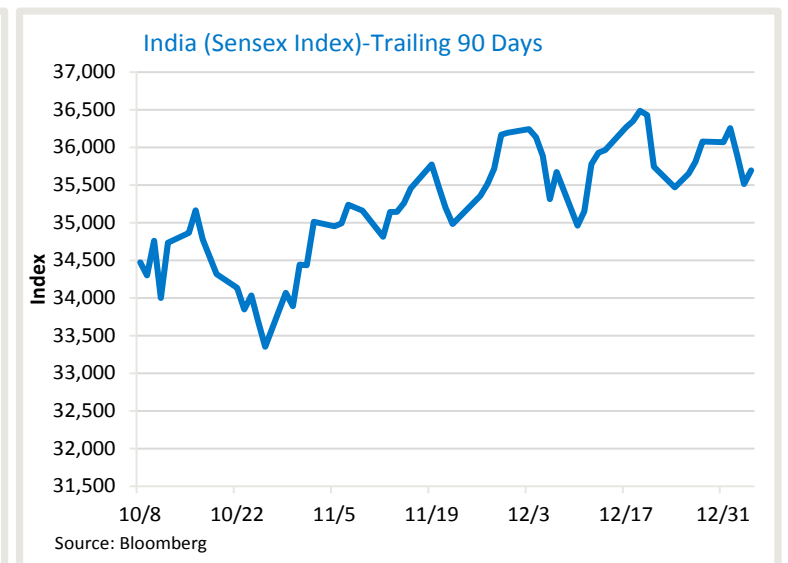
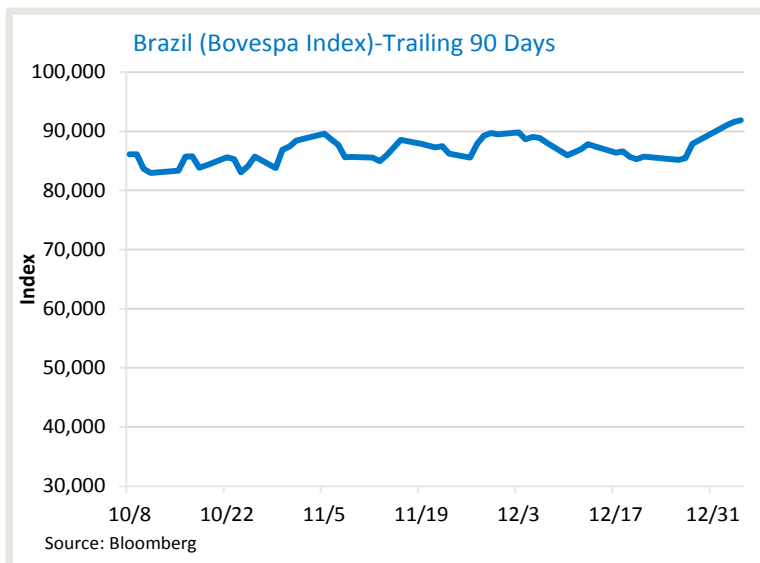
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

| | Last | Change | % Chg. | YTD % |
|-----------------------------|-----------|----------|--------|-------|
| Mexico IPC | 42,455.13 | 970.70 | 2.3% | 1.9% |
| Brazil (Bovespa Index) | 91,840.81 | 3953.53 | 4.5% | 4.5% |
| MOEX Index (Russia) | 2,406.50 | 48.00 | 2.0% | 2.0% |
| Czech Republic (Prague) | 1,004.21 | 17.65 | 1.8% | 1.8% |
| Turkey (Istanbul) | 88,830.82 | -1604.51 | -1.8% | -2.7% |
| Egypt (Hermes Index) | 1,292.13 | 22.15 | 1.7% | 1.1% |
| Kenya (Nairobi 20 Index) | 2,783.88 | -17.07 | -0.6% | -1.8% |
| Saudi Arabia (TASI Index) | 7,830.47 | 81.15 | 1.0% | 0.0% |
| Lebanon (Beirut BLOM Index) | 975.33 | -1.42 | -0.1% | -0.1% |
| Palestine | 530.56 | 2.40 | 0.5% | 0.2% |

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

| | Last | Change | % Chg. | YTD % |
|---------------------------------|-----------|---------|--------|-------|
| Hang Seng Index | 25,626.03 | 147.15 | 0.6% | -0.8% |
| India (Sensex 30) | 35,695.10 | -381.62 | -1.1% | -1.0% |
| Malaysia (KLCI Index) | 1,669.78 | -20.94 | -1.2% | -1.2% |
| Singapore (Straits Times Index) | 3,059.23 | 14.49 | 0.5% | -0.3% |
| Thailand (SET Index) | 1,575.13 | 18.20 | 1.2% | 0.7% |
| Indonesia (Jakarta) | 6,274.54 | 146.69 | 2.4% | 1.3% |
| Pakistan (Karachi KSE 100) | 37,547.49 | 380.47 | 1.0% | 1.3% |
| Vietnam (Ho Chi Minh) | 880.90 | -10.85 | -1.2% | -1.3% |
| Sri Lanka (Colombo) | 6,067.66 | 52.43 | 0.9% | 0.3% |
| Cambodia (Laos) | 820.85 | 0.71 | 0.1% | -1.9% |

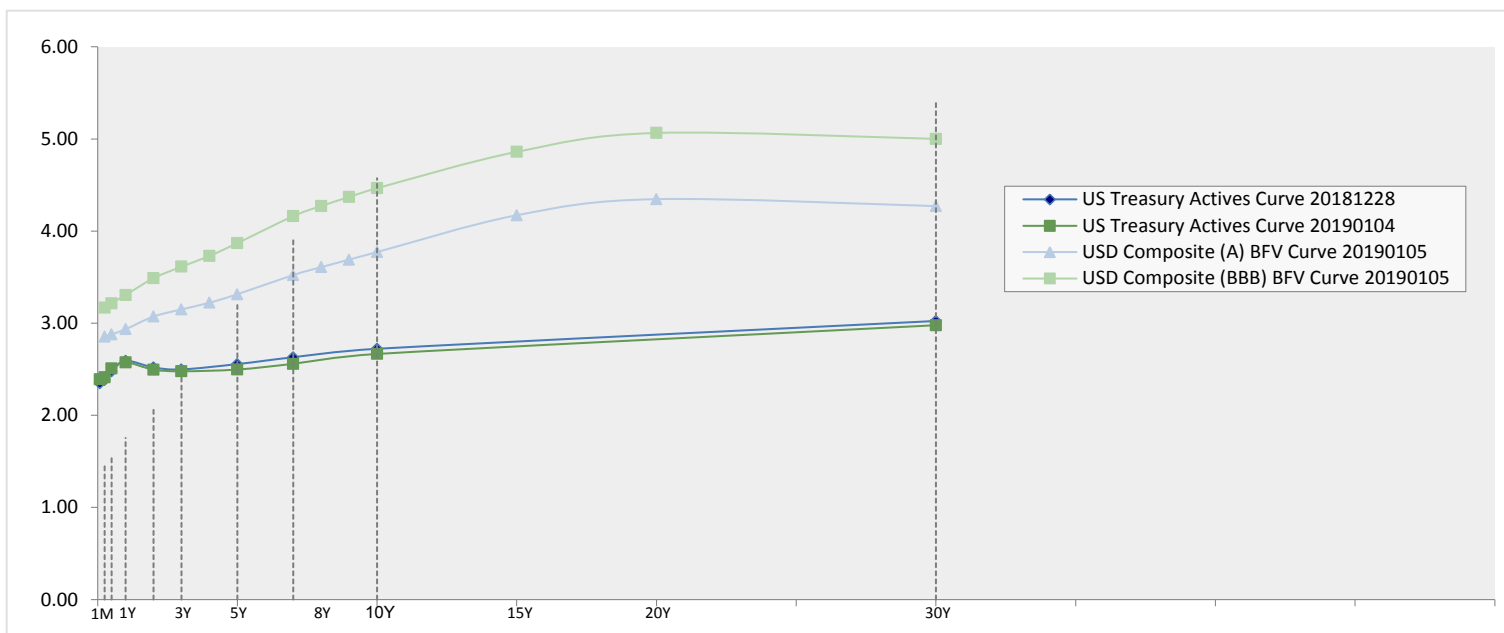


Interest Rates

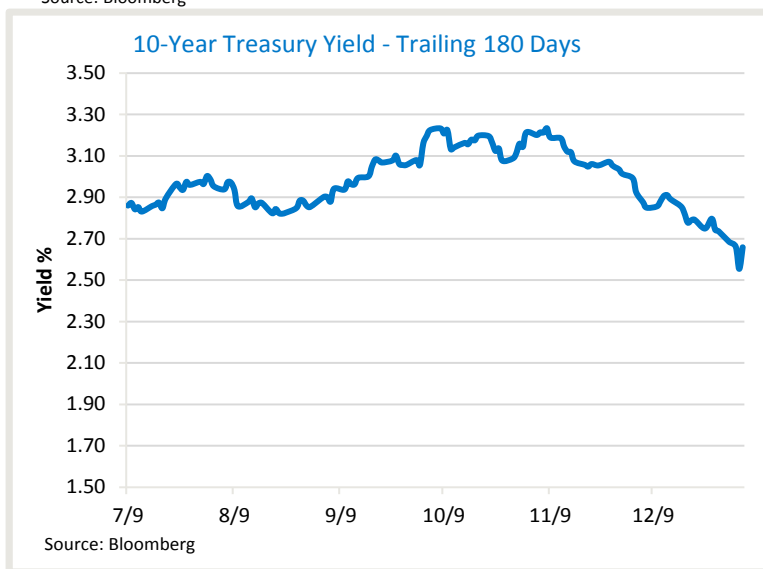
SELECTED INTEREST RATES

| | Last | Change | % Chg. | YTD % | | Last | Change | % Chg. | YTD % |
|----------------------|-------|---------|--------|-------|--------------------|-------|---------|--------|-------|
| 2-Yr. U.S. Treasury | 2.49% | 0 bps | NM | NM | Prime Rate | 5.50% | 0.00 | NM | NM |
| 5-Yr. U.S. Treasury | 2.48% | -9 bps | NM | NM | Fed Funds Rate | 2.50% | 0.00 | NM | NM |
| 10-Yr. U.S. Treasury | 2.66% | -8 bps | NM | NM | Discount Rate | 3.00% | 0.00 | NM | NM |
| 30-Yr. U.S. Treasury | 2.97% | -7 bps | NM | NM | LIBOR (3 Mo.) | 2.80% | 0 bps | NM | NM |
| German 10-Yr. Govt. | 0.21% | 3 bps | NM | NM | Bond Buyer 40 Muni | 3.90% | -13 bps | NM | NM |
| France 10-Yr. | 0.70% | 1 bps | NM | NM | Bond Buyer 40 G.O. | 4.09% | NA | NM | NM |
| Italy 10-Yr. | 2.90% | -13 bps | NM | NM | Bond Buyer 40 Rev. | 4.56% | NA | NM | NM |
| Fed 5-Yr Fwd BE Inf. | 1.81% | -1 bps | NM | NM | | | | | |

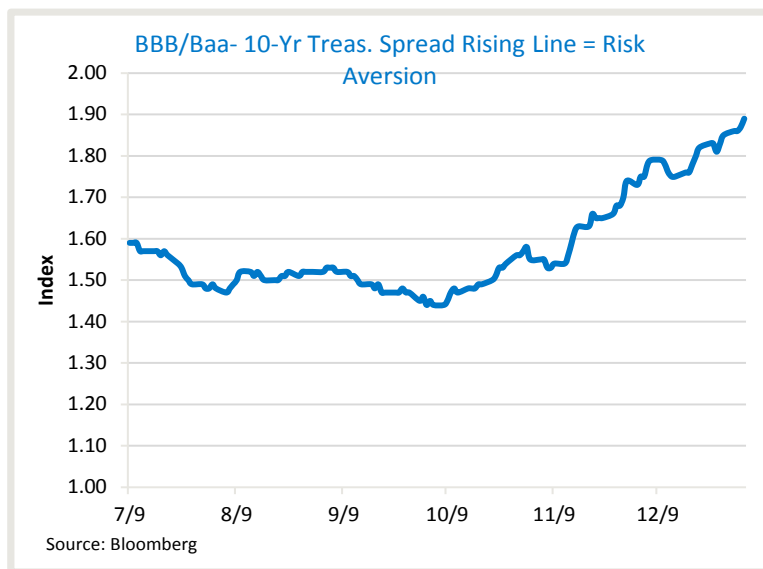
Source: Bloomberg



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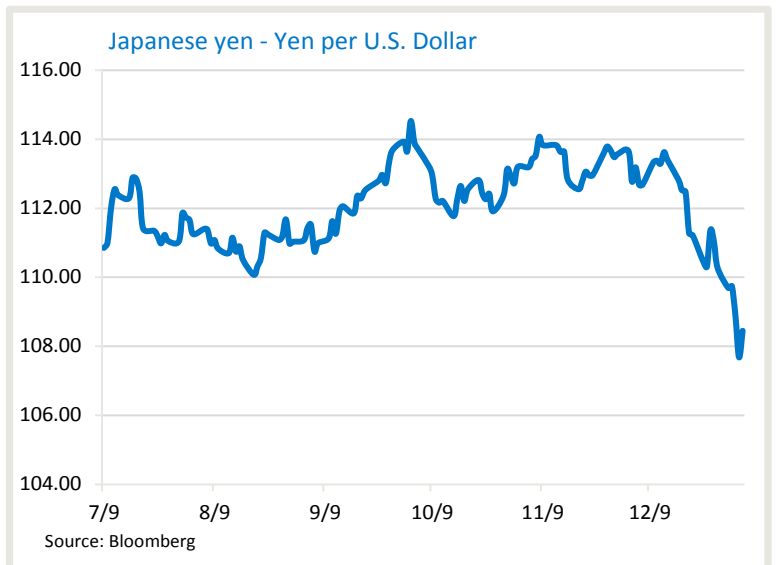
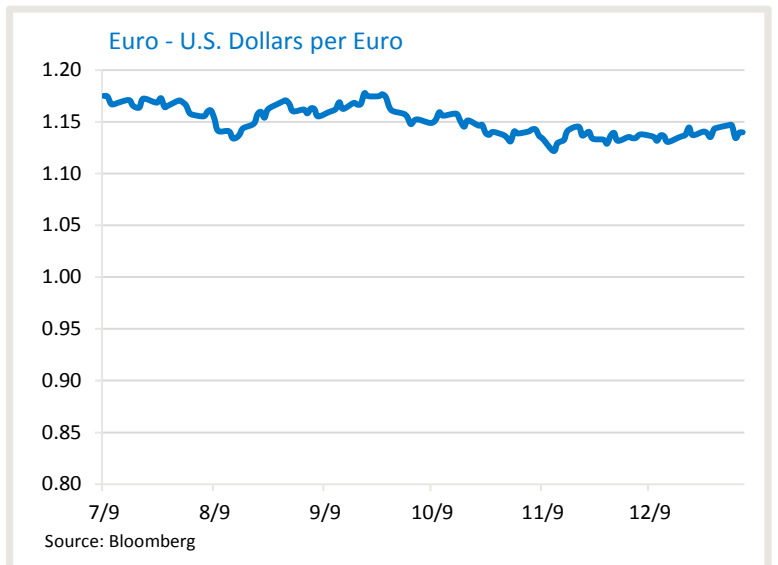
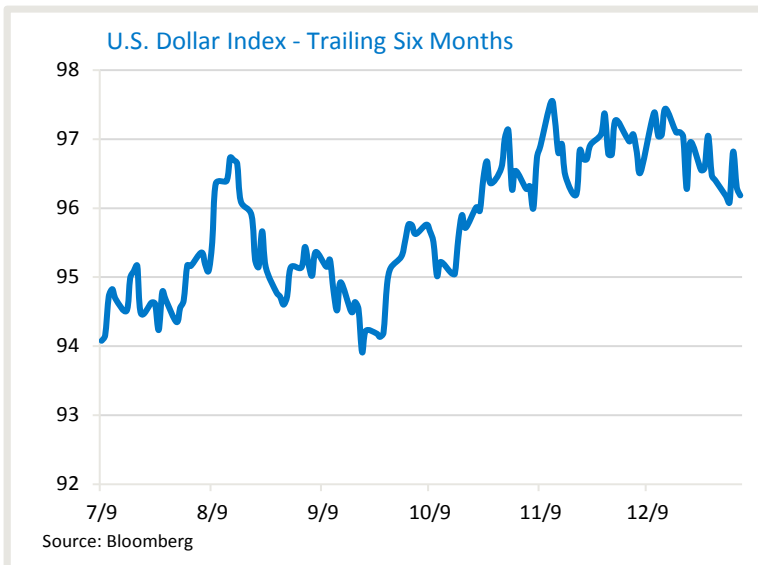
Currencies

SELECTED CURRENCY PERFORMANCE

| | Last | Change | % Chg. | YTD % |
|------------------------|---------------|---------------|---------------|---------------|
| Dollar Index | 96.18 | -0.218 | -0.23% | 0.01% |
| Euro | 1.14 | -0.005 | -0.39% | -0.59% |
| Japanese Yen | 108.45 | -1.820 | 1.68% | 1.14% |
| British Pound | 1.27 | 0.003 | 0.27% | -0.16% |
| Canadian Dollar | 1.34 | -0.025 | 1.84% | 1.83% |

| | Last | Change | % Chg. | YTD % |
|---------------------------|--------------|---------------|---------------|---------------|
| Chinese Yuan | 6.87 | -0.009 | 0.14% | 0.14% |
| Swiss Franc | 0.99 | 0.002 | -0.19% | -0.45% |
| New Zealand Dollar | 0.67 | 0.002 | 0.31% | 0.30% |
| Brazilian Real | 3.72 | -0.161 | 4.34% | 4.28% |
| Mexican Peso | 19.42 | -0.239 | 1.23% | 1.19% |

Source: Bloomberg



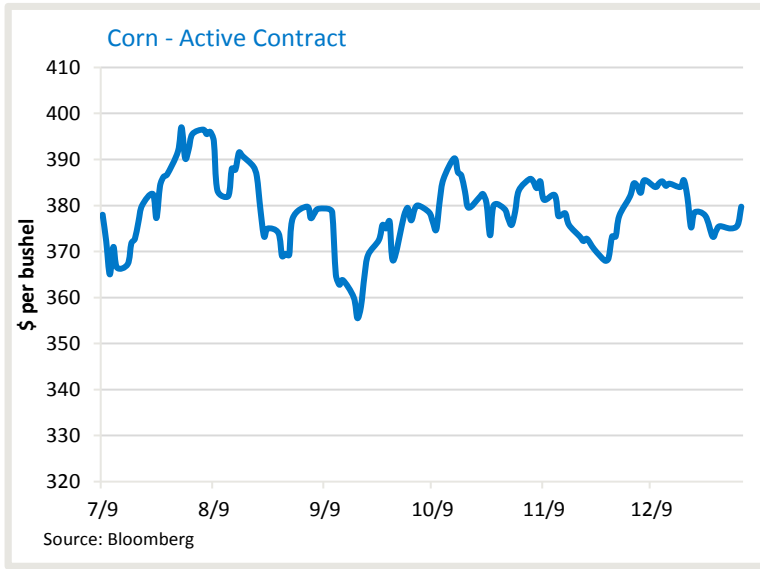
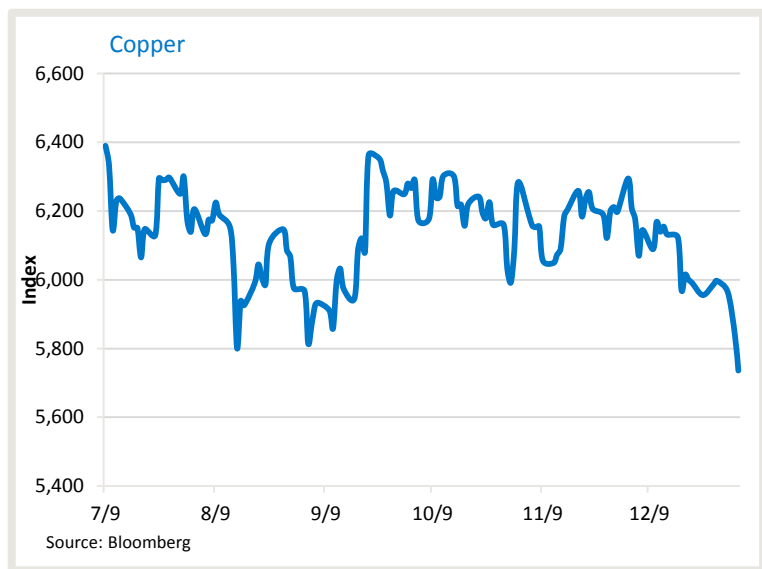
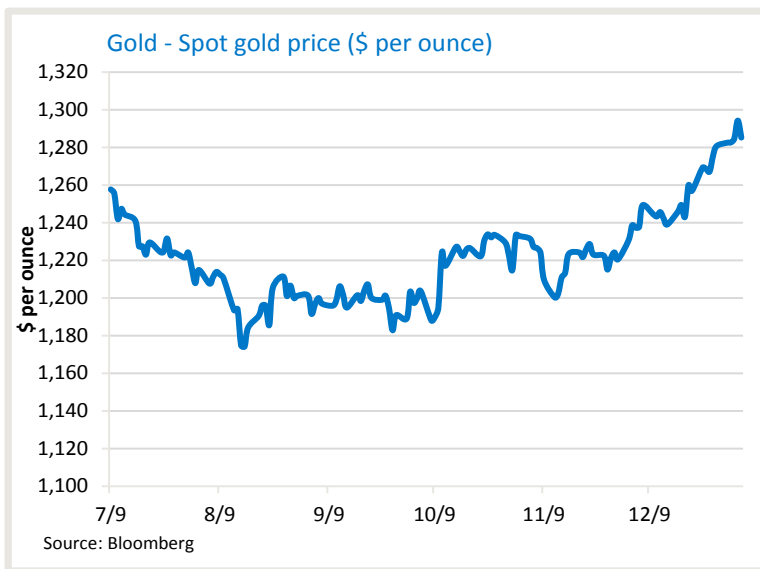
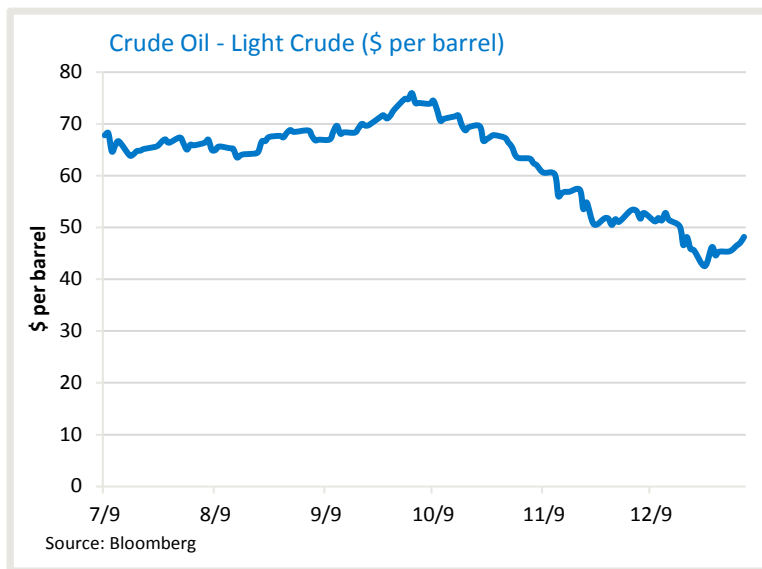
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

| | Last | Change | % Chg. | YTD % |
|-----------------------------|-------------------|----------------|---------------|---------------|
| Bloomberg Comm. Idx. | 78.34 | 0.74 | 0.96% | 2.11% |
| Crude Oil | \$48.21 | \$2.86 | 6.31% | 6.12% |
| Natural Gas | \$3.03 | -\$0.27 | -8.20% | 3.13% |
| Gasoline (\$/Gal.) | \$2.25 | -\$0.03 | -1.23% | -0.31% |
| Heating Oil | 177.69 | 11.60 | 6.99% | 5.78% |
| Gold Spot | \$1,285.02 | \$4.48 | 0.35% | 0.21% |
| Silver Spot | \$15.71 | \$0.33 | 2.12% | 1.39% |

| | Last | Change | % Chg. | YTD % |
|----------------------|-----------------|----------------|---------------|---------------|
| Platinum Spot | \$822.53 | \$32.10 | 4.06% | 3.38% |
| Corn | 383.00 | 8.50 | 2.27% | 2.13% |
| Wheat | 517.00 | 6.50 | 1.27% | 2.73% |
| Soybeans | 921.50 | 39.00 | 4.42% | 2.96% |
| Sugar | 11.93 | -0.32 | -2.61% | -0.83% |
| Orange Juice | 123.30 | -1.30 | -1.04% | -1.99% |
| Aluminum | 1,835.00 | -10.00 | -0.54% | -0.60% |
| Copper | 5,736.00 | -261.00 | -4.35% | -3.84% |

Source: Bloomberg; % change is based on price.

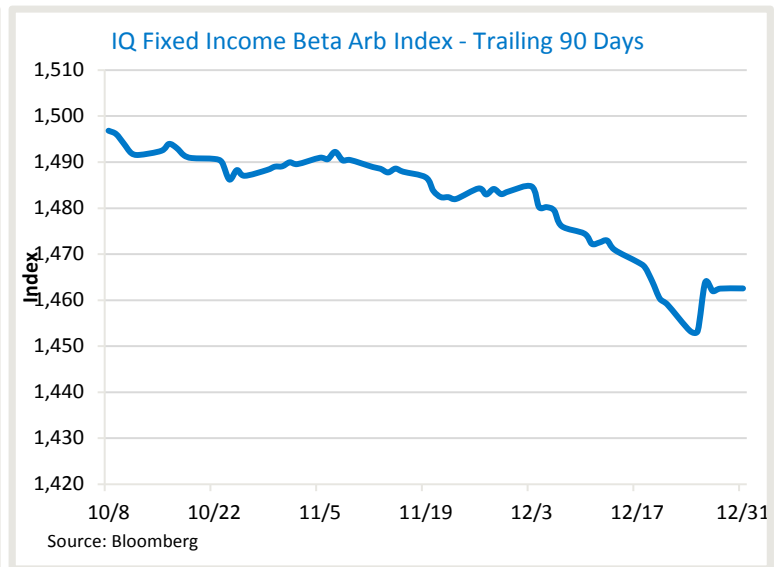
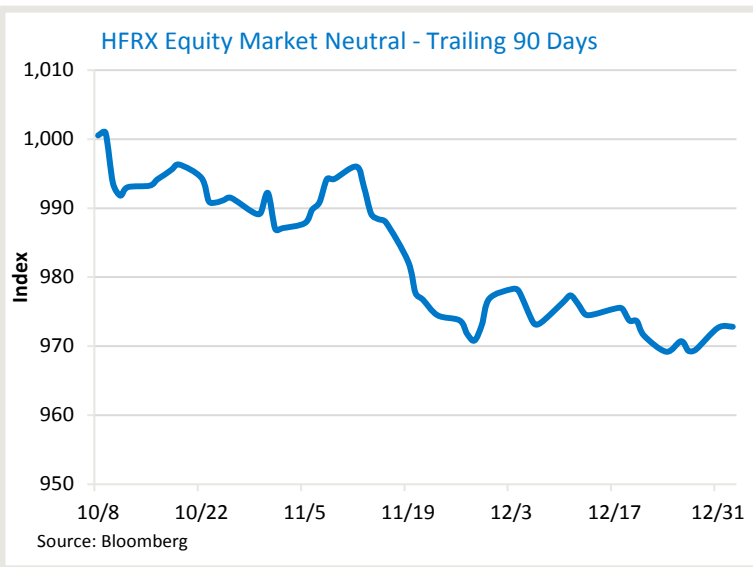
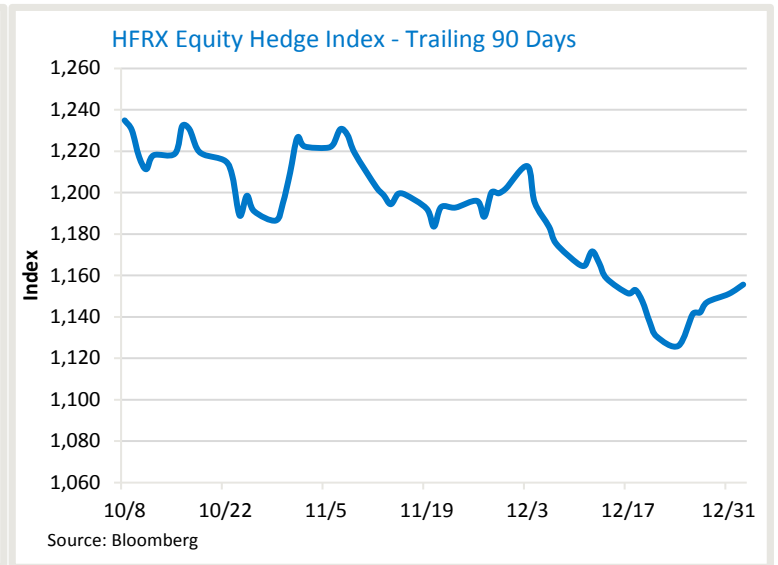
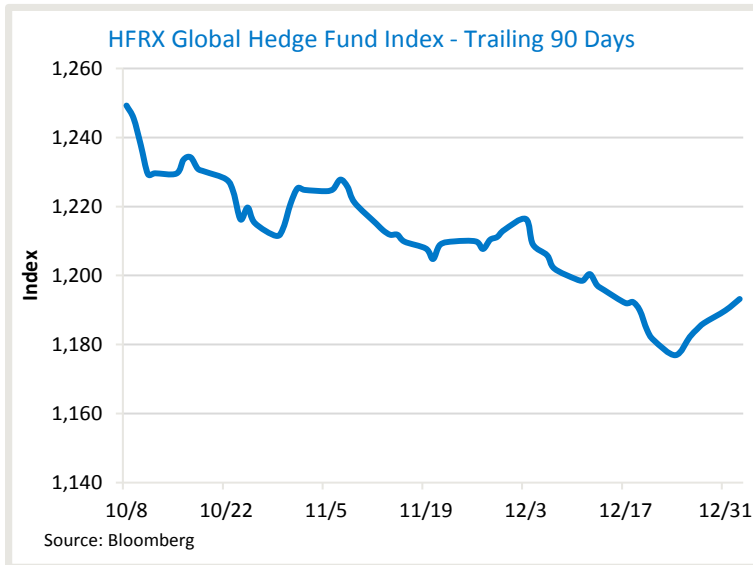


Alternative Investments

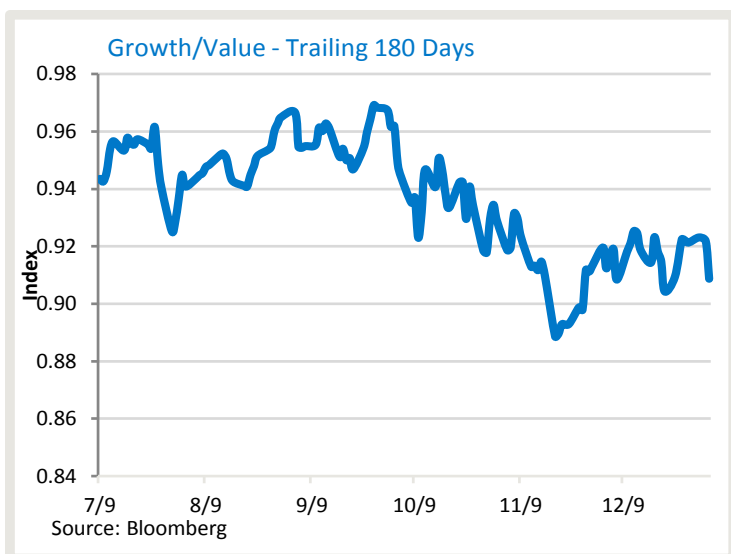
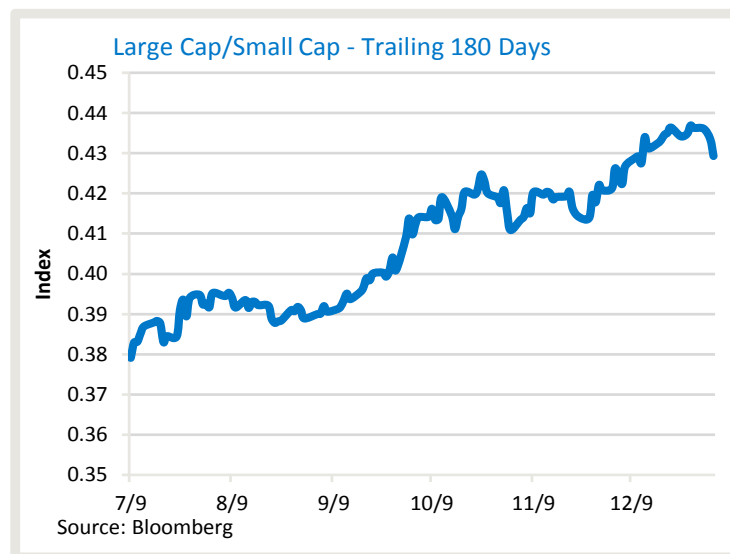
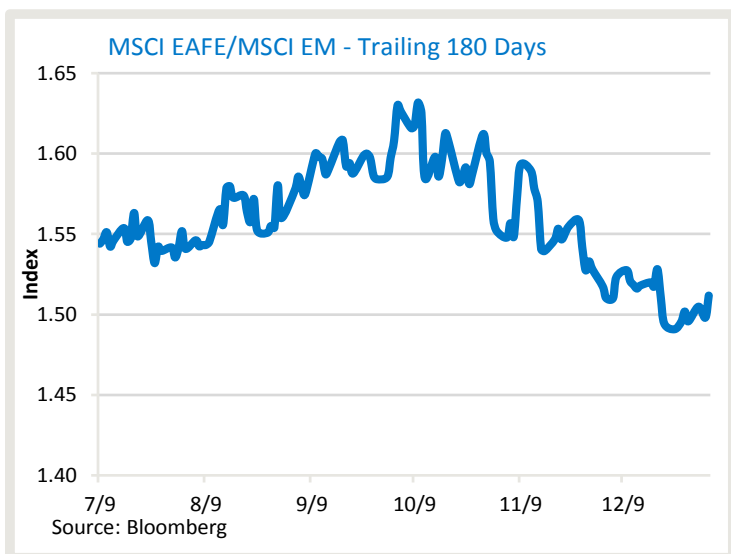
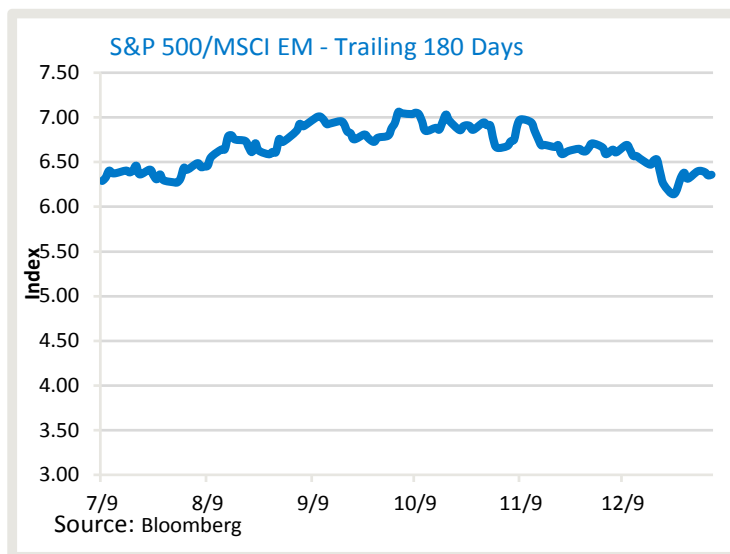
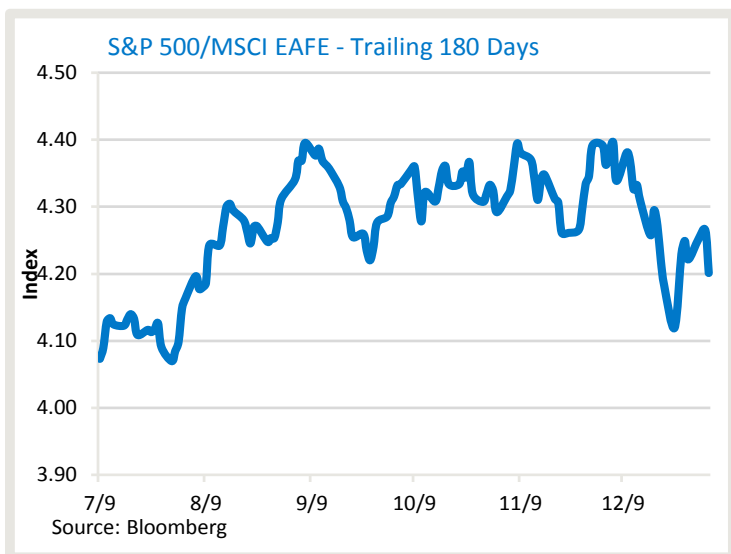
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

| | Last | Change | % Chg. | YTD % | | Last | Change | % Chg. | YTD % |
|------------------------------|---------|--------|--------|--------|----------------------------------|---------|--------|--------|--------|
| HFRX Global Hedge Fund Index | 1193.19 | 6.98 | 0.59% | 0.28% | HFRX Distressed Index | 1002.90 | 3.52 | 0.35% | 0.14% |
| HFRX Equity Market Neutral | 972.81 | 3.31 | 0.34% | 0.02% | HFRX Merger Arbitrage Index | 1815.28 | 0.28 | 0.02% | -0.13% |
| HFRX Equity Hedge Index | 1155.61 | 8.48 | 0.74% | 0.39% | HFRX Convertible Arbitrage Index | 786.75 | 0.69 | 0.09% | -0.11% |
| HFRX Event-Driven Index | 1475.45 | 17.89 | 1.23% | 0.28% | HFRX Macro CTA Index | 1131.86 | 5.64 | 0.50% | 0.51% |
| HFRX Absolute Return Index | 1057.20 | 1.80 | 0.17% | -0.08% | IQ Fixed Income Beta Arb Index | 1478.31 | 15.80 | 1.08% | 1.08% |

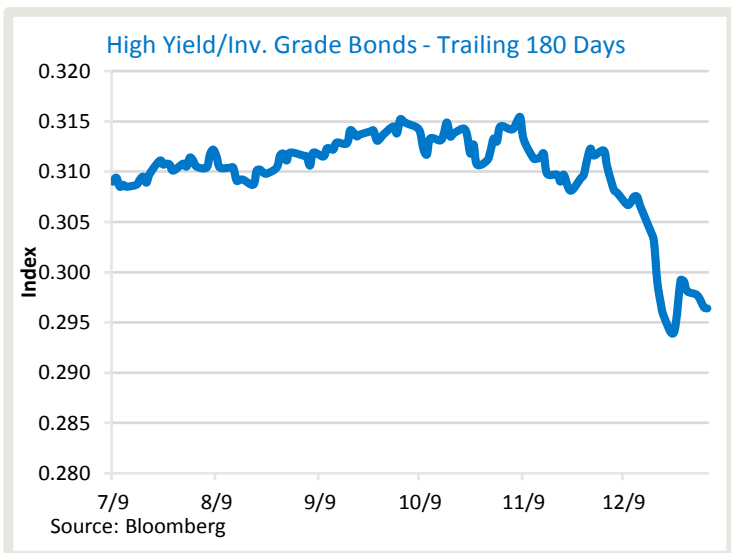
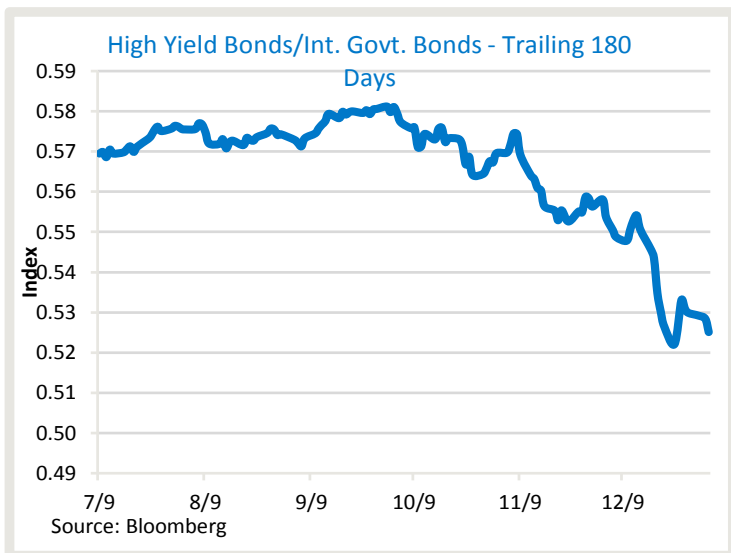
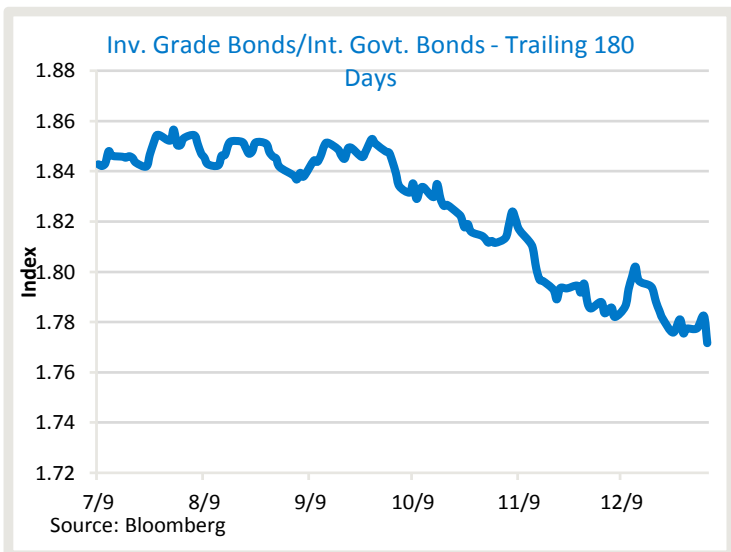
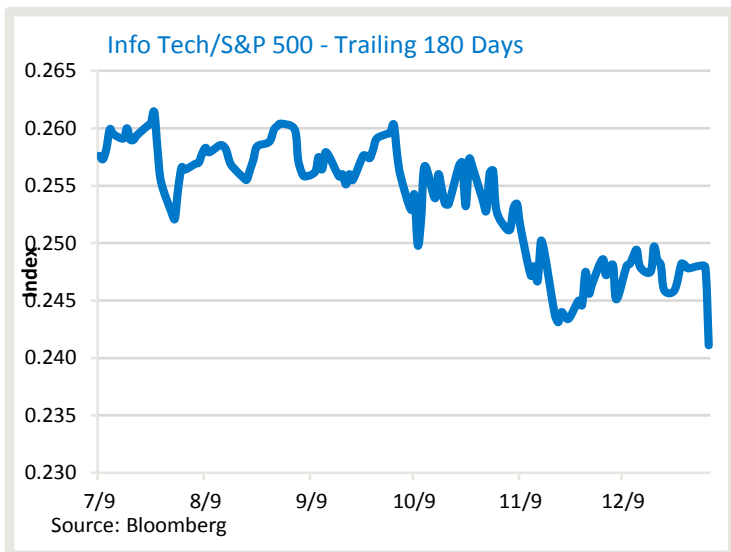
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

| | | | 10/18 | 10/25 | 11/1 | 11/8 | 11/15 | 11/22 | 11/29 | 12/6 | 12/13 | 12/20 | 12/27 | 1/3 |
|------------------|---------------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Equity | Domestic Equity | Large Cap (R200) | 1.52% | -2.08% | 0.99% | 2.39% | -2.79% | -3.18% | 3.52% | -1.43% | -1.49% | -6.97% | 0.93% | -1.70% |
| | | Small Cap (R2000) | 0.99% | -3.87% | 2.97% | 2.15% | -3.43% | -2.35% | 2.49% | -3.15% | -3.03% | -7.45% | 0.44% | -0.07% |
| | Int'l. Equity | MSCI EAFE | 0.06% | -3.68% | 2.36% | 1.68% | -2.68% | -0.74% | 1.45% | -3.38% | 0.86% | -3.39% | -1.50% | 1.34% |
| | | MSCI Em. Mkts. | 1.70% | -2.26% | 2.37% | 2.27% | -1.28% | -0.50% | 2.26% | -1.92% | 0.67% | -2.61% | -0.78% | -0.29% |
| Fixed Income | BarCap Agg. (AGG) | -0.25% | 0.19% | -0.31% | -0.32% | 0.46% | 0.18% | 0.22% | 0.41% | 0.18% | 0.29% | -0.01% | 1.11% | |
| | High Yield (JNK) | 0.14% | -0.34% | -0.37% | 0.68% | -1.67% | -0.60% | 0.78% | -1.00% | 0.64% | -3.75% | 0.27% | 0.21% | |
| Commodities | Bloomberg Commodity Index | -0.20% | -1.31% | -1.23% | -0.37% | -0.50% | 0.62% | -0.88% | -0.44% | 0.30% | -4.49% | -1.28% | -0.45% | |
| Alternatives | Hedge Funds (HFRX Global) | 0.13% | -0.91% | 0.46% | 0.03% | -1.13% | -0.24% | 0.19% | -0.44% | -0.72% | -1.08% | 0.01% | 0.75% | |
| Asset Allocation | 60/40* | 0.57% | -1.62% | 0.94% | 1.22% | -1.57% | -1.29% | 1.75% | -1.25% | -0.49% | -3.56% | 0.07% | 0.07% | |
| | 48/32/20 (w/Alts.)** | 0.48% | -1.48% | 0.85% | 0.98% | -1.48% | -1.08% | 1.44% | -1.09% | -0.54% | -3.06% | 0.06% | 0.21% | |

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 | 0.98 | 1.01 | 1.05 | 0.99 | 1.11 | 1.06 | 1.03 | 1.09 | 1.00 | 0.90 | 0.95 | 1.03 | 0.55 | 1.08 |
| Large Cap Growth | 1.02 | 1.00 | 1.03 | 1.08 | 1.01 | 1.13 | 1.08 | 1.05 | 1.12 | 1.03 | 0.92 | 0.97 | 1.05 | 0.56 | 1.10 |
| Large Cap Value | 0.99 | 0.97 | 1.00 | 1.05 | 0.98 | 1.10 | 1.05 | 1.02 | 1.08 | 1.00 | 0.90 | 0.94 | 1.02 | 0.55 | 1.07 |
| Mid Cap Core | 0.95 | 0.93 | 0.96 | 1.00 | 0.94 | 1.05 | 1.01 | 0.98 | 1.04 | 0.95 | 0.86 | 0.90 | 0.97 | 0.52 | 1.03 |
| Mid Cap Growth | 1.01 | 0.99 | 1.02 | 1.07 | 1.00 | 1.12 | 1.07 | 1.04 | 1.11 | 1.02 | 0.92 | 0.96 | 1.04 | 0.56 | 1.09 |
| Mid Cap Value | 0.90 | 0.88 | 0.91 | 0.95 | 0.89 | 1.00 | 0.96 | 0.93 | 0.99 | 0.91 | 0.82 | 0.86 | 0.93 | 0.50 | 0.98 |
| Small Cap Core | 0.94 | 0.92 | 0.95 | 0.99 | 0.93 | 1.04 | 1.00 | 0.97 | 1.03 | 0.95 | 0.85 | 0.90 | 0.97 | 0.52 | 1.02 |
| Small Cap Growth | 0.97 | 0.95 | 0.98 | 1.03 | 0.96 | 1.08 | 1.03 | 1.00 | 1.06 | 0.98 | 0.88 | 0.92 | 1.00 | 0.54 | 1.05 |
| Small Cap Value | 0.92 | 0.90 | 0.92 | 0.96 | 0.90 | 1.01 | 0.97 | 0.94 | 1.00 | 0.92 | 0.83 | 0.87 | 0.94 | 0.50 | 0.99 |
| Int'l. Developed | 1.00 | 0.98 | 1.00 | 1.05 | 0.98 | 1.10 | 1.06 | 1.02 | 1.09 | 1.00 | 0.90 | 0.95 | 1.02 | 0.55 | 1.08 |
| Emerging Markets | 1.11 | 1.08 | 1.11 | 1.16 | 1.09 | 1.22 | 1.17 | 1.14 | 1.21 | 1.11 | 1.00 | 1.05 | 1.13 | 0.61 | 1.19 |
| REITs | 1.05 | 1.03 | 1.06 | 1.11 | 1.04 | 1.16 | 1.12 | 1.08 | 1.15 | 1.06 | 0.95 | 1.00 | 1.08 | 0.58 | 1.14 |
| Commodities | 0.98 | 0.95 | 0.98 | 1.03 | 0.96 | 1.08 | 1.04 | 1.00 | 1.06 | 0.98 | 0.88 | 0.93 | 1.00 | 0.54 | 1.05 |
| Int. Bond | 1.82 | 1.78 | 1.83 | 1.91 | 1.80 | 2.01 | 1.93 | 1.87 | 1.98 | 1.82 | 1.64 | 1.73 | 1.86 | 1.00 | 1.96 |
| High Yield | 0.93 | 0.91 | 0.93 | 0.97 | 0.91 | 1.02 | 0.98 | 0.95 | 1.01 | 0.93 | 0.84 | 0.88 | 0.95 | 0.51 | 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 Value 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 **HFRX 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 HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX 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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