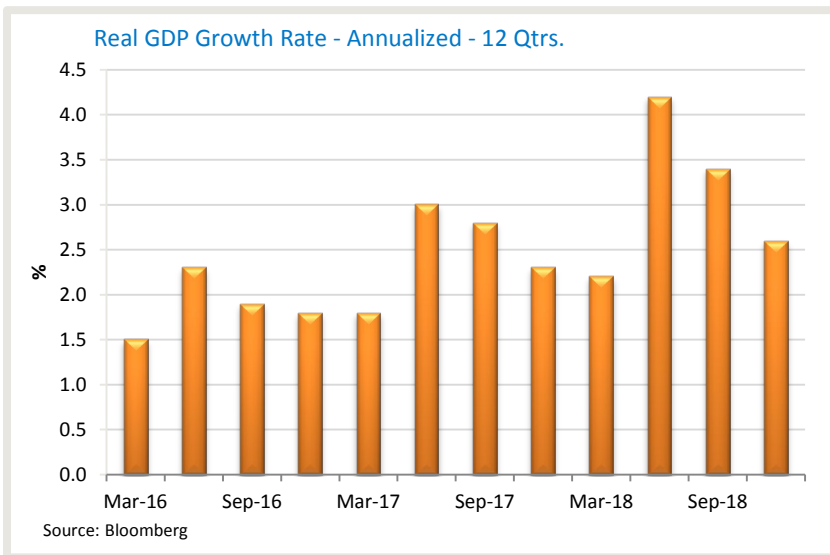


# Weekly Market Review

March 25, 2019

## Chart of the Week



## Weekly Highlights

- **Dovish Fed.** The Fed left its policy rate unchanged during the FOMC meeting last week and indicated no more rate hikes for the remainder of the year. It also announced that it will end its balance sheet reduction at the end of September.
- **Negative yield redux.** Out of concern over sluggish economic growth, German 10-year government bond yields dipped back into negative territory last seen in October 2016.
- **Housing market stabilized.** After months of sliding, February existing homes sales jumped more than 10.00% from January, driven by lower mortgage rates.
- **Brexit deadline extended.** The EU granted Prime Minister Theresa May's request for a deadline extension until May 22, contingent on her securing Parliament approval of her new plan; if approval is not obtained next week, the deadline will be April 12.
- **Inverted yield curve.** Short-term treasury yields rose above long-term treasury yields on Friday, as visible in the 3-month and 10-year spread. The last time this occurred was in 2007, one year prior to the 2008 financial crisis.

## Talking Points

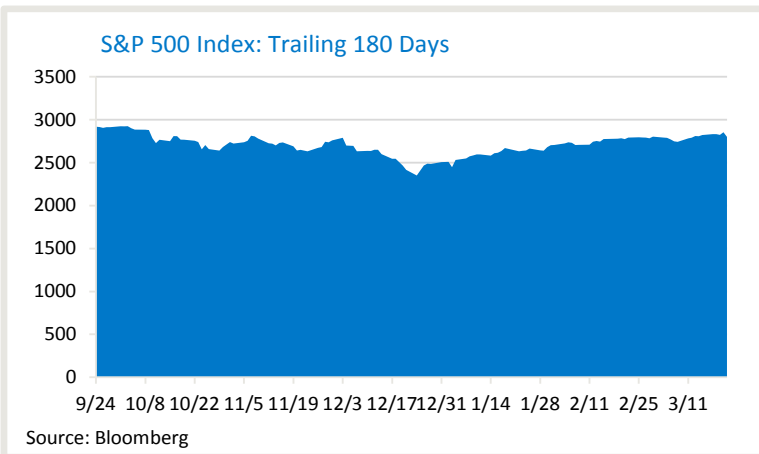
- **Among equities,** small caps trailed large caps; growth stocks beat value stocks; international stocks underperformed US stocks; and emerging markets outperformed developed markets.
- **Treasury yields fell.** The yield on the 10-year U.S. Treasury Note plunged below 2.50% and ended the week at around 2.45%.
- **Commodity indices edged up.** The price of gold rose as crude oil prices edged higher, but ended the week relatively flat.
- **Dollar indices little changed.** While the dollar rose against both the euro and sterling, it fell against the yen.
- **Among major economic data,** January durable goods orders rose 0.3% (less than expected); the Fed left the federal funds rate unchanged during the FOMC meeting; and February existing homes sales rebounded sharply.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,800.71	-21.77	-0.77%	11.7%
<b>Dow Industrials</b>	25,502.32	-346.55	-1.34%	9.3%
<b>Nasdaq</b>	7,642.67	-45.86	-0.60%	15.2%
<b>Russell 2000</b>	1,505.92	-47.61	-3.06%	11.7%
<b>Euro Stoxx Index</b>	376.03	-5.07	-1.33%	11.4%
<b>Shanghai Composite</b>	3,104.15	82.40	2.73%	24.5%
<b>MSCI ACWI</b>	513.50	4.78	0.94%	12.7%

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

	Last Price	Change	% Chg.	YTD %
<b>MSCI EM</b>	1,069.68	12.39	1.17%	10.8%
<b>10-Year US Treas.</b>	2.46	-14 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	81.75	0.17	0.20%	6.6%
<b>Gold</b>	\$1,313.27	\$10.66	0.82%	2.4%
<b>Crude Oil</b>	\$58.86	\$0.01	0.02%	26.5%
<b>Dollar Index</b>	96.64	0.03	0.03%	0.5%
<b>VIX Index</b>	16.48	3.60	27.95%	-35.2%



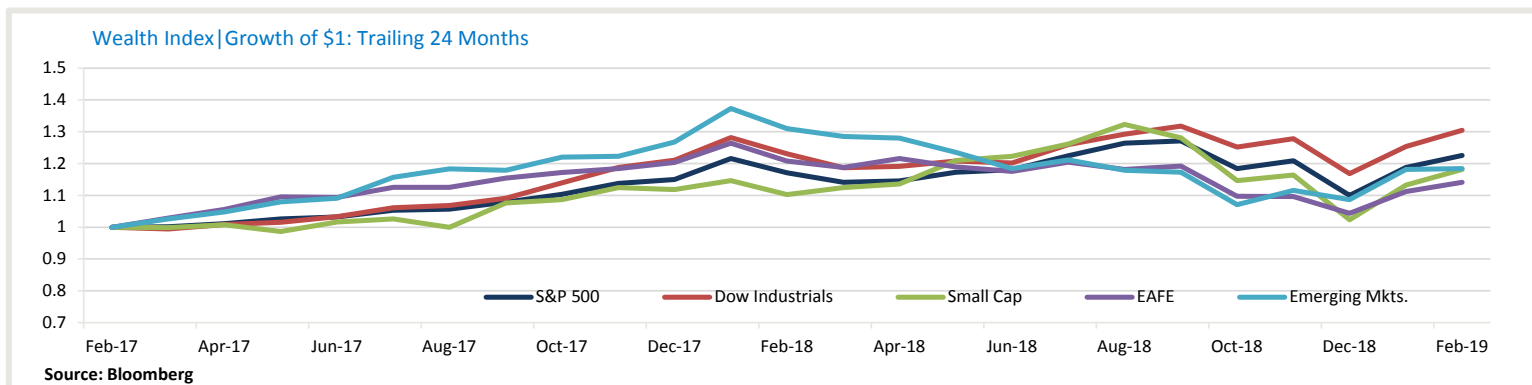
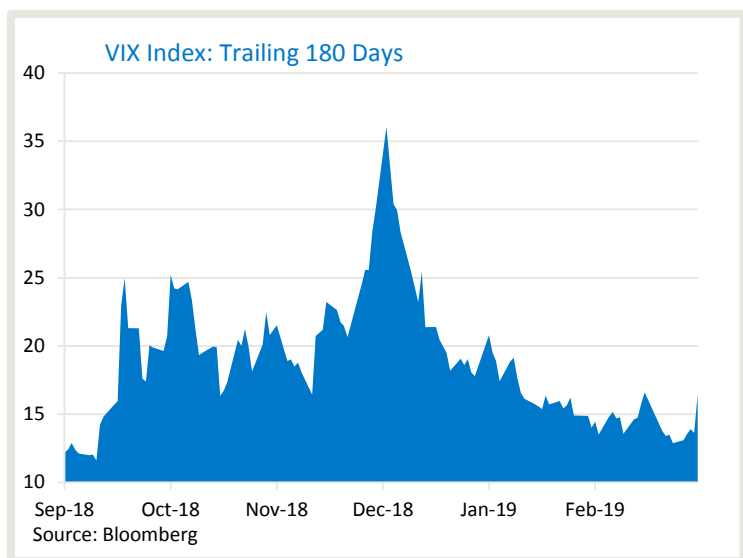
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	-1.59%	-0.76%	-0.02%	8.94%	11.25%	13.33%
	-1.34%	-1.09%	-0.74%	12.04%	14.16%	17.17%
<b>S</b>	-3.49%	-3.06%	-2.67%	8.85%	11.67%	14.39%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	10.1	1.16%	13.2%
<b>Consumer Staples</b>	7.3	0.72%	9.5%
<b>Energy</b>	5.4	0.00%	14.3%
<b>Financials</b>	12.7	-4.85%	6.4%
<b>Health Care</b>	14.6	-1.50%	4.8%
<b>Industrials</b>	9.3	-1.52%	13.4%
<b>Information Technology</b>	21.2	0.40%	18.2%
<b>Materials</b>	2.6	-2.02%	7.5%
<b>Real Estate</b>	3.1	0.92%	15.5%
<b>Communication Services</b>	10.3	-0.05%	14.2%
<b>Utilities</b>	3.4	0.42%	10.4%

Source: Bloomberg



## The Economy and Markets

### ***A Macro View – Springing Forward: Cleaning House, Evaluating Progress, & Planting Seeds of Growth***

Happy Spring Equinox. Spring is in many ways a rebirth of the year. It is a natural time for us to pause, reflect, clean house, evaluate progress, and plant seeds for the best path going forward. For many, the changing of seasons marks an opportunity to reprioritize objectives and bring goals back into alignment. The Federal Open Market Committee (FOMC) did just that on Wednesday, tempering expectations for further interest rate increases in 2019, and signaling the upcoming end to its Treasury roll-offs and balance sheet reduction efforts in September. The decision came amidst a new set of data that suggests that the US economy is perhaps not as robust as the FOMC had hoped—with indicators such as inflation, unemployment, and gross domestic product (GDP) growth registering weaker than expected.

Although the decision to pause was not unexpected, given Chairman Jerome Powell's earlier remarks in January that the Fed would remain patient, it is certainly a pivot from December's FOMC meeting just three months ago, in which the majority of committee members presumed that there would be at least two increases this year. Notably, last December, 11 of the 17 FOMC members believed that there would be two interest rate increases in 2019, compared with only two members when they met this past week. Among the chief concerns cited were weakness in business investment and consumer spending, as well as a slowing domestic growth picture clouded by concerns over the US-China trade war, fading US tax stimulus, and a broader global slowdown across Europe and China.

The FOMC's decision to delay further interest rate hikes sent jitters through the markets. Equities initially pulled back over concerns about the slowing growth, and the reduced rate expectations translated into sharp declines in bond yields. The decrease in rate expectations particularly hurt bank stocks on the prospect of lower net interest margins. Equities have since recovered, led by the technology sector, but investors remain concerned about the real possibility of a recession, especially given the dynamics of today's inverted yield curve.

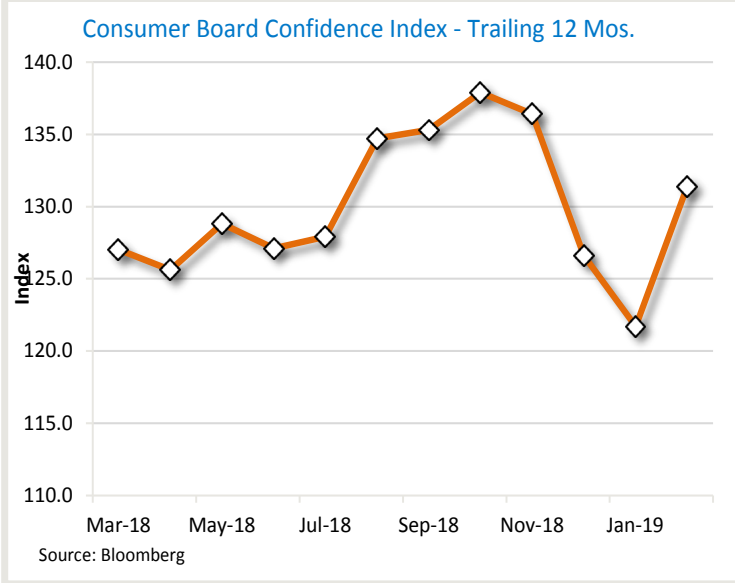
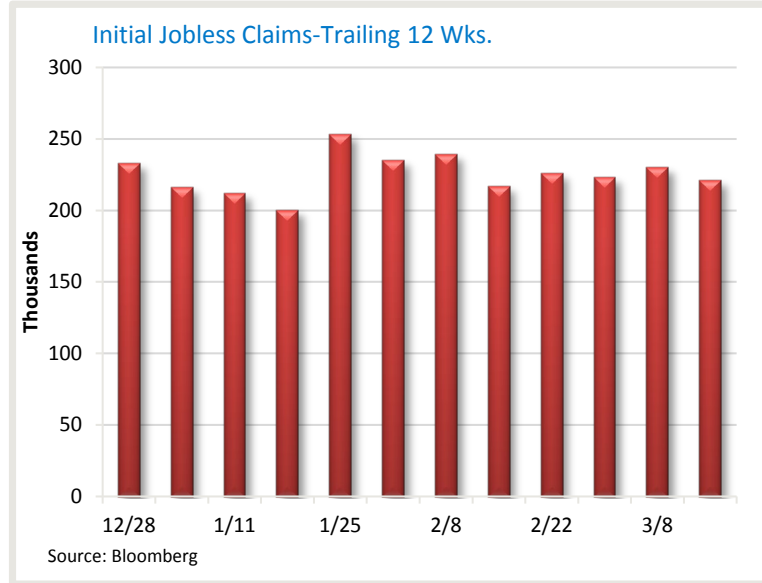
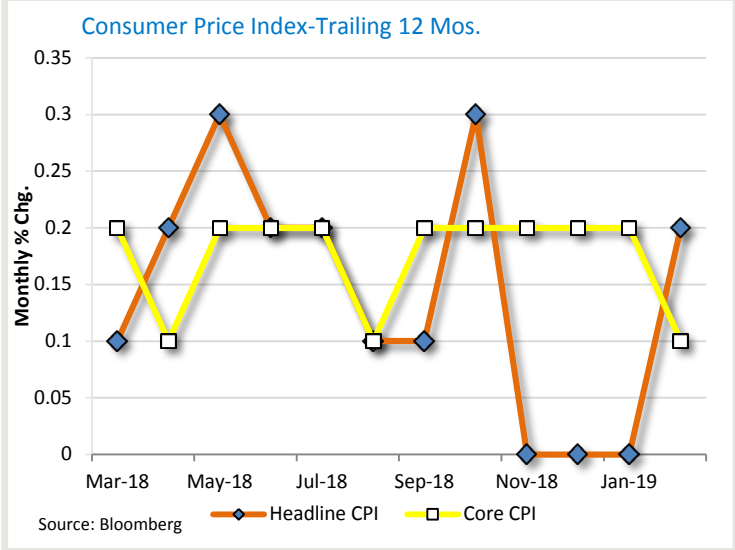
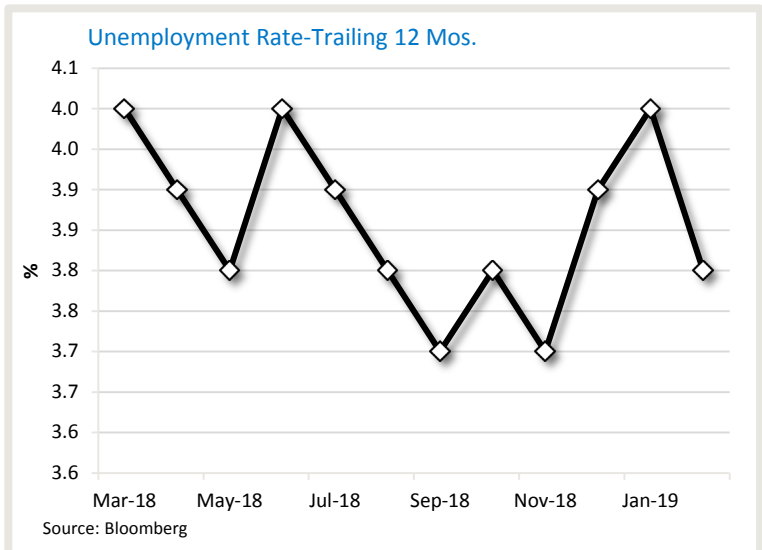
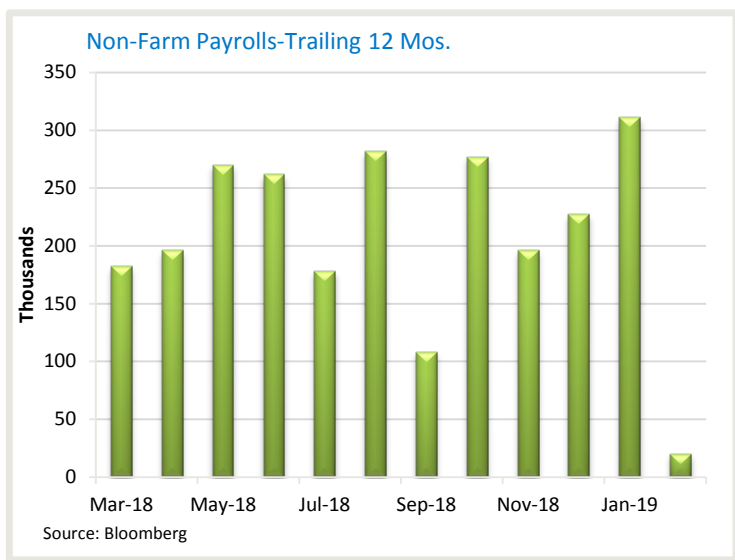
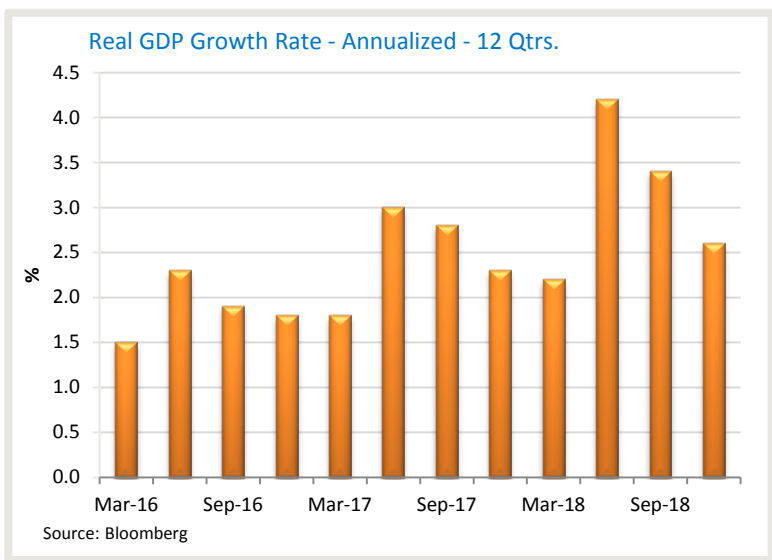
On Thursday, European leaders agreed to extend the deadline for Brexit, much to the relief of Prime Minister Theresa May. The terms of the extension offered by the EU were two-fold: (1) If the Prime Minister obtained approval from Parliament for her plan of exiting the Union by the end of next week, the date would be pushed back until May 22; (2) If she did not obtain approval, the deadline instead would be a much shorter reprieve of April 12. Mrs. May has been very vocal in her promotion of the now twice-rejected plan and Britain's reluctance to participate in European Parliament elections in May, which may have resulted in a longer extension.

Among other leading indicators this week, domestic initial jobless claims fell more than expected (221,000 versus the previous week's report of 230,000), gold inched higher, and the price of a barrel of crude crossed the \$60 mark for the first time since November. Energy stocks were hard hit in the fourth quarter, as the price for a barrel of crude fell precipitously during the period, declining more than 40% on the heels of soaring US production related to the shale boom. Since then, oil has recovered, propped up by production cuts initiated by OPEC countries to offset the increased US supply.

All things considered, it appears the Fed was prudent in its decision to forego raising rates for the time being, exercising caution given weak economic data and growing geopolitical concerns. Although slow growth need not necessarily translate into a recession, investors may be best served by acknowledging the increased risk in the economic environment, and positioning portfolios to be hedged and diversified with sources of uncorrelated return. For most, this spring will be a time of planting rather than harvesting, but with the correct care, our crops can remain protected and well nourished for the path ahead.

*Cynthia Crandall, CAIA*  
*VP, Senior Investment Analyst*

## Economic Data



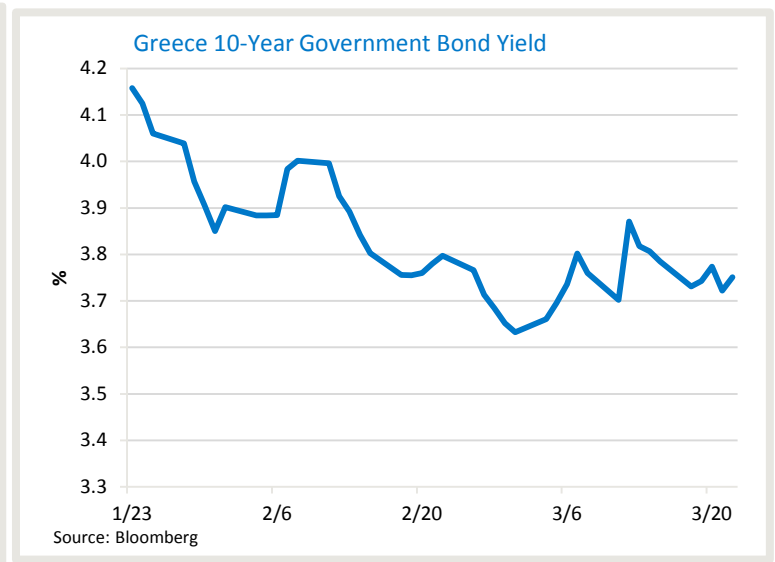
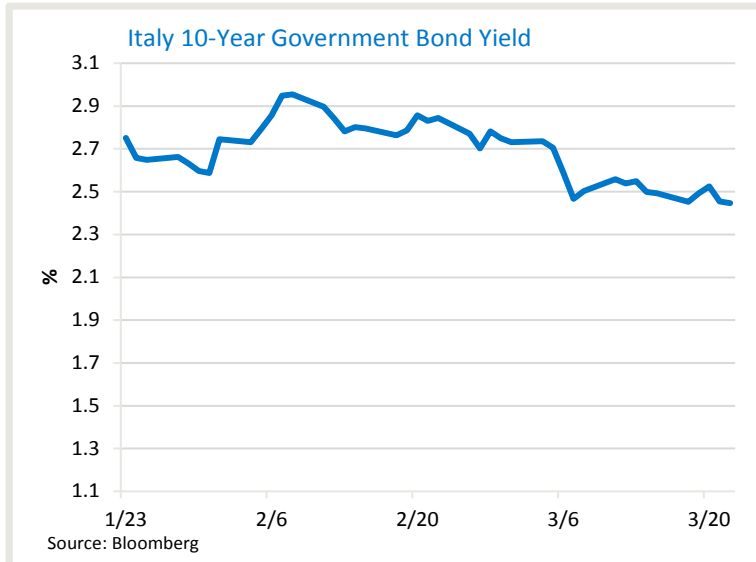
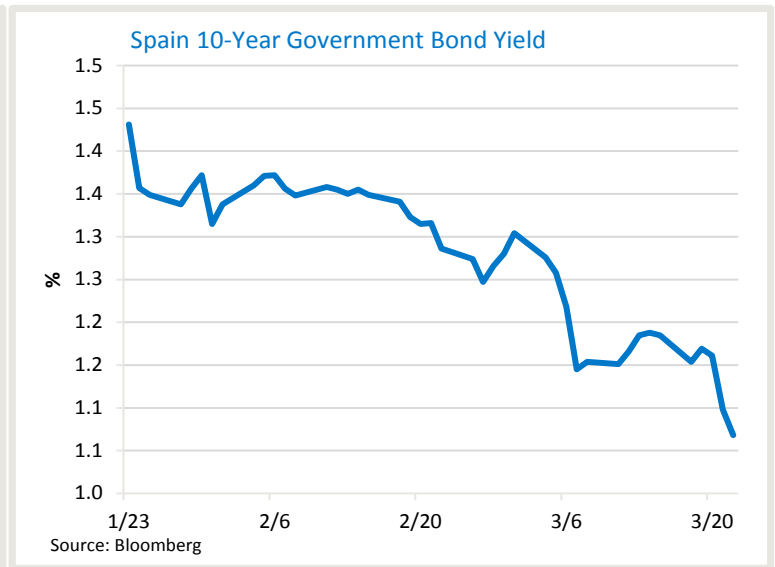
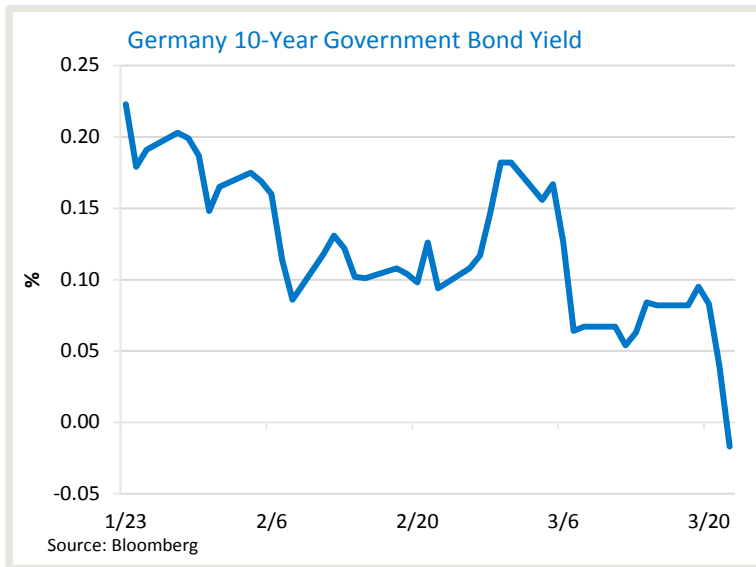
## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.02	10 bps	NM	NM
Greece 10-Yr. Govt.	3.75	3 bps	NM	NM
Italy 10-Yr. Govt.	2.45	4 bps	NM	NM
Spain 10-Yr. Govt.	1.07	11 bps	NM	NM
Belgium 10-Yr. Govt.	0.44	9 bps	NM	NM

Source: Bloomberg  
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.35	10 bps	NM	NM
Ireland 10-Yr. Govt.	0.58	9 bps	NM	NM
Portugal 10-Yr. Govt.	1.26	5 bps	NM	NM
Netherlands 10-Yr. Govt.	0.08	9 bps	NM	NM
U.K. 10-Yr. Govt.	1.01	18 bps	NM	NM

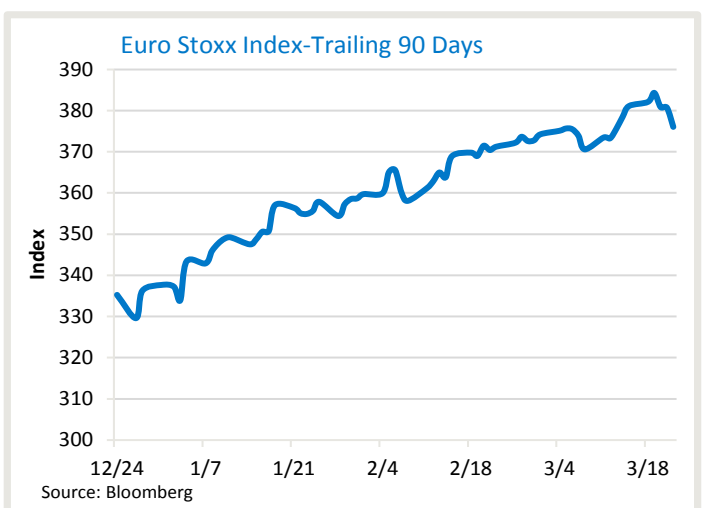
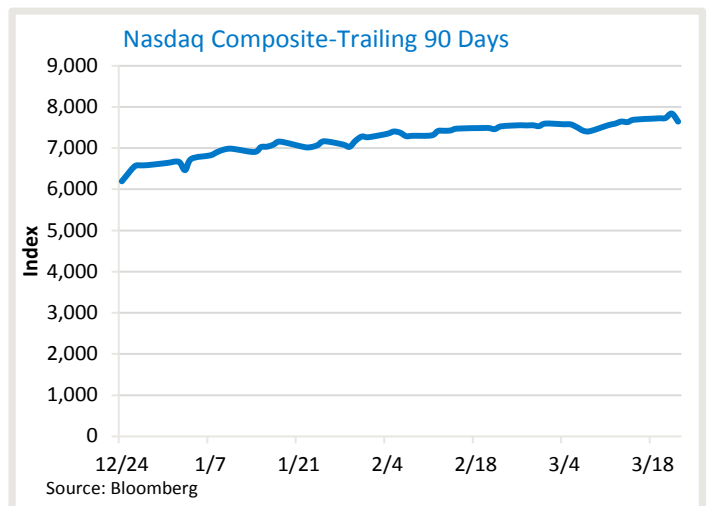
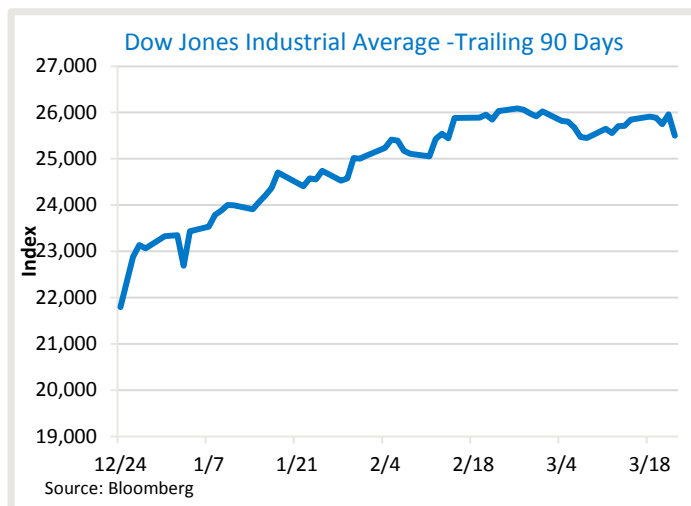


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,800.71</b>	<b>-21.77</b>	<b>-0.77%</b>	<b>11.72%</b>	<b>Swiss Market Index</b>	<b>9,319.42</b>	<b>-163.68</b>	<b>-1.73%</b>	<b>10.56%</b>
<b>Dow Industrials</b>	<b>25,502.32</b>	<b>-346.55</b>	<b>-1.34%</b>	<b>9.32%</b>	<b>CAC 40 Index (France)</b>	<b>5,269.92</b>	<b>-135.40</b>	<b>-2.50%</b>	<b>11.40%</b>
<b>Nasdaq Composite</b>	<b>7,642.67</b>	<b>-45.86</b>	<b>-0.60%</b>	<b>15.18%</b>	<b>DAX Index (Germany)</b>	<b>11,364.17</b>	<b>-321.52</b>	<b>-2.75%</b>	<b>7.63%</b>
<b>MSCI ACWI</b>	<b>513.50</b>	<b>4.78</b>	<b>0.94%</b>	<b>12.7%</b>	<b>Irish Overall Index</b>	<b>6,035.40</b>	<b>-216.96</b>	<b>-3.47%</b>	<b>10.14%</b>
<b>MSCI EM</b>	<b>1,069.68</b>	<b>12.39</b>	<b>1.17%</b>	<b>10.8%</b>	<b>Nikkei 225</b>	<b>21,627.34</b>	<b>340.32</b>	<b>1.60%</b>	<b>8.06%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>16,089.33</b>	<b>-51.02</b>	<b>-0.32%</b>	<b>12.33%</b>	<b>Hang Seng Index</b>	<b>29,113.36</b>	<b>101.10</b>	<b>0.35%</b>	<b>12.64%</b>
<b>Mexico IPC</b>	<b>42,305.46</b>	<b>49.44</b>	<b>0.12%</b>	<b>1.49%</b>	<b>Shanghai Composite</b>	<b>3,104.15</b>	<b>82.40</b>	<b>2.73%</b>	<b>24.47%</b>
<b>Brazil Bovespa</b>	<b>93,735.13</b>	<b>-5401.59</b>	<b>-5.45%</b>	<b>6.65%</b>	<b>Kospi Index (S. Korea)</b>	<b>2,186.95</b>	<b>10.84</b>	<b>0.50%</b>	<b>7.15%</b>
<b>Euro Stoxx 600</b>	<b>376.03</b>	<b>-5.07</b>	<b>-1.33%</b>	<b>11.37%</b>	<b>Taiwan Taiex Index</b>	<b>10,639.07</b>	<b>199.83</b>	<b>1.91%</b>	<b>9.37%</b>
<b>FTSE 100</b>	<b>7,207.59</b>	<b>-20.69</b>	<b>-0.29%</b>	<b>7.13%</b>	<b>Tel Aviv 25 Index</b>	<b>1,551.10</b>	<b>-0.92</b>	<b>-0.06%</b>	<b>5.96%</b>
<b>IBEX 35 (Spain)</b>	<b>9,199.40</b>	<b>-142.80</b>	<b>-1.53%</b>	<b>7.72%</b>	<b>MOEX Index (Russia)</b>	<b>2,492.70</b>	<b>15.97</b>	<b>0.64%</b>	<b>5.21%</b>

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



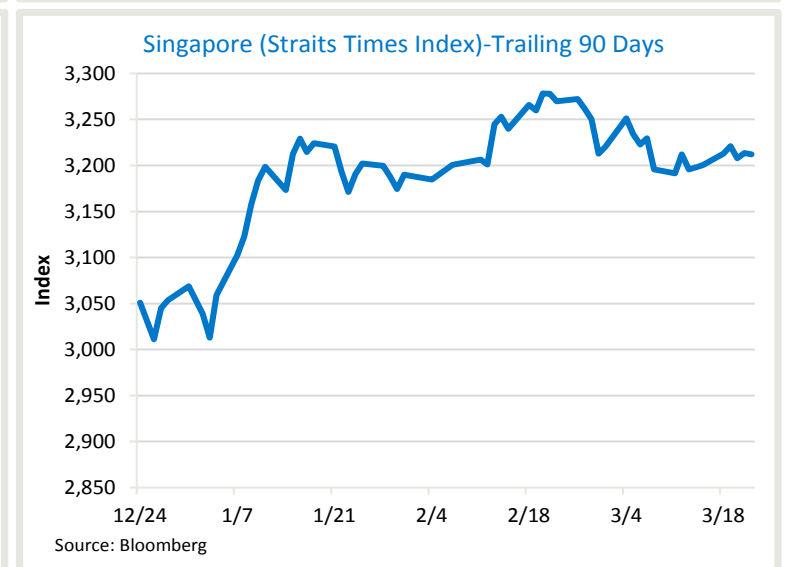
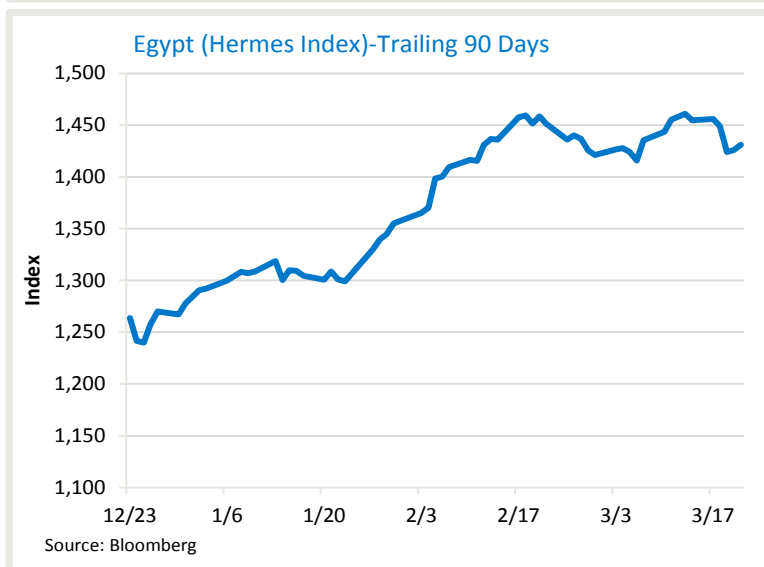
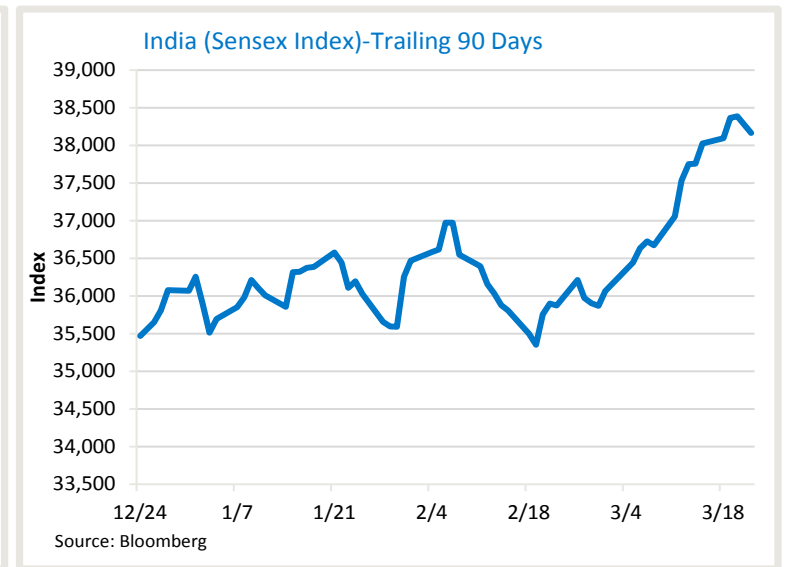
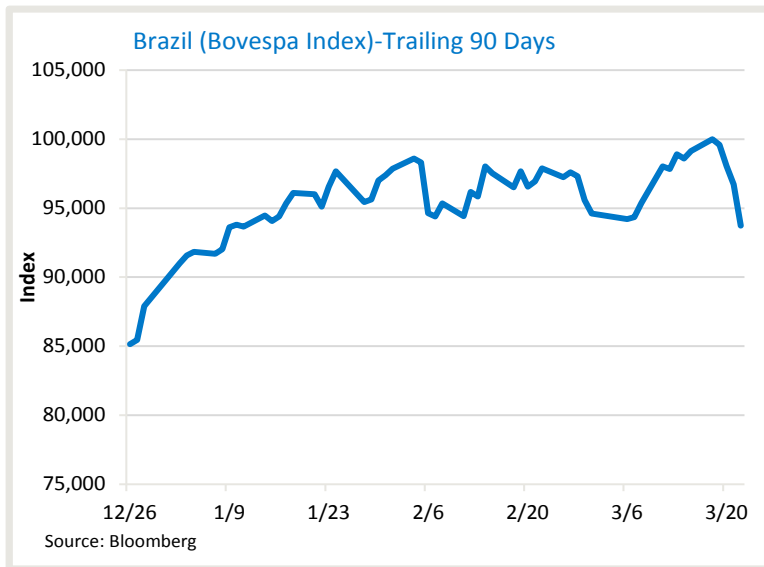
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,305.46	49.44	0.1%	1.5%
Brazil (Bovespa Index)	93,735.13	-5401.59	-5.4%	6.7%
MOEX Index (Russia)	2,492.70	15.97	0.6%	5.2%
Czech Republic (Prague)	1,079.35	9.06	0.8%	9.4%
Turkey (Istanbul)	99,835.31	-3468.69	-3.4%	9.4%
Egypt (Hermes Index)	1,430.92	-23.72	-1.6%	12.0%
Kenya (Nairobi 20 Index)	2,887.17	-8.87	-0.3%	1.9%
Saudi Arabia (TASI Index)	8,708.66	125.78	1.5%	11.3%
Lebanon (Beirut BLOM Index)	959.99	5.52	0.6%	-1.7%
Palestine	549.24	4.38	0.8%	3.8%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	29,113.36	101.10	0.3%	12.6%
India (Sensex 30)	38,164.61	140.29	0.4%	5.8%
Malaysia (KLCI Index)	1,666.66	-13.88	-0.8%	-1.4%
Singapore (Straits Times Index)	3,212.10	11.92	0.4%	4.7%
Thailand (SET Index)	1,646.29	20.72	1.3%	5.3%
Indonesia (Jakarta)	6,525.27	64.09	1.0%	5.3%
Pakistan (Karachi KSE 100)	38,531.87	224.92	0.6%	4.0%
Vietnam (Ho Chi Minh)	988.71	-15.41	-1.5%	10.8%
Sri Lanka (Colombo)	5,540.05	-92.74	-1.6%	-8.5%
Cambodia (Laos)	833.33	11.53	1.4%	-0.4%

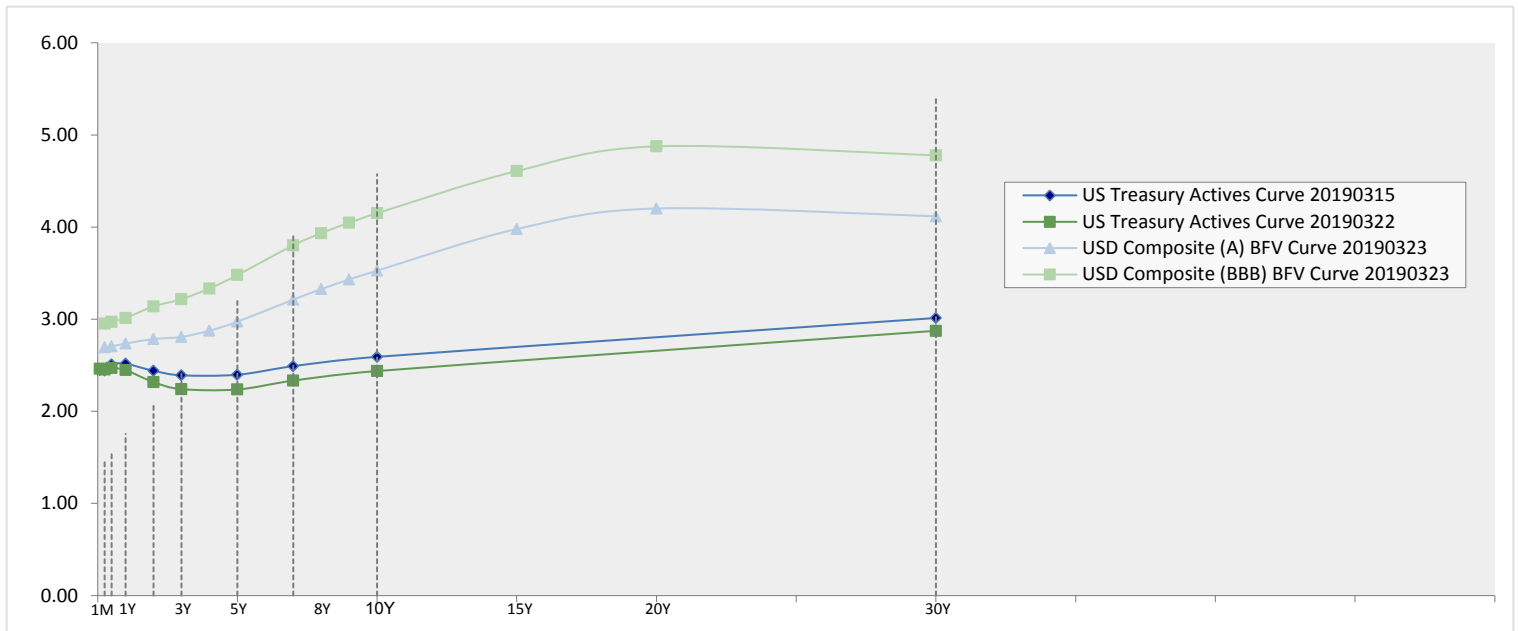


## Interest Rates

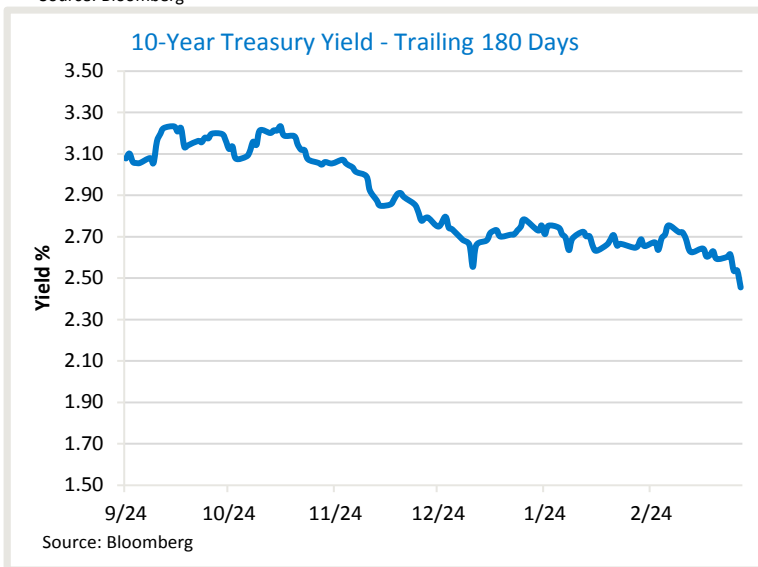
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.32%	2 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.26%	-15 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.46%	-14 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.89%	-13 bps	NM	NM	LIBOR (3 Mo.)	2.60%	-2 bps	NM	NM
German 10-Yr. Govt.	-0.02%	10 bps	NM	NM	Bond Buyer 40 Muni	3.63%	-14 bps	NM	NM
France 10-Yr.	0.35%	10 bps	NM	NM	Bond Buyer 40 G.O.	3.92%	NA	NM	NM
Italy 10-Yr.	2.45%	4 bps	NM	NM	Bond Buyer 40 Rev.	4.39%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.93%	5 bps	NM	NM					

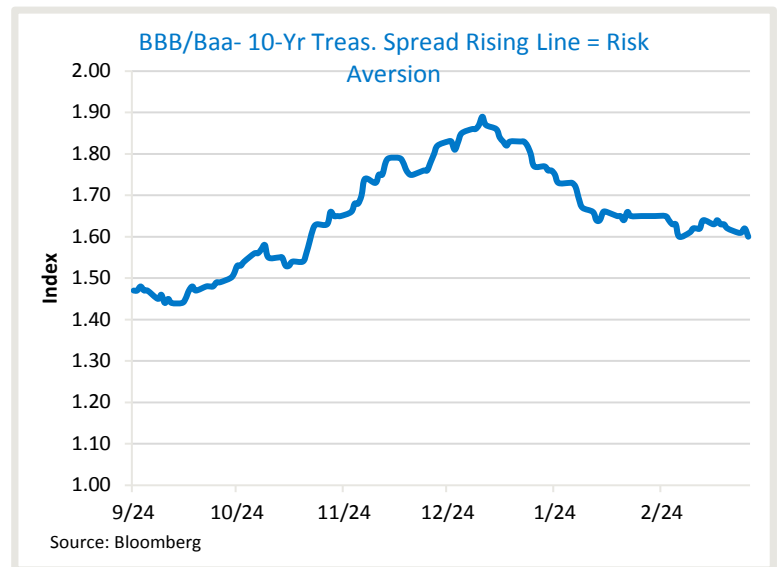
Source: Bloomberg



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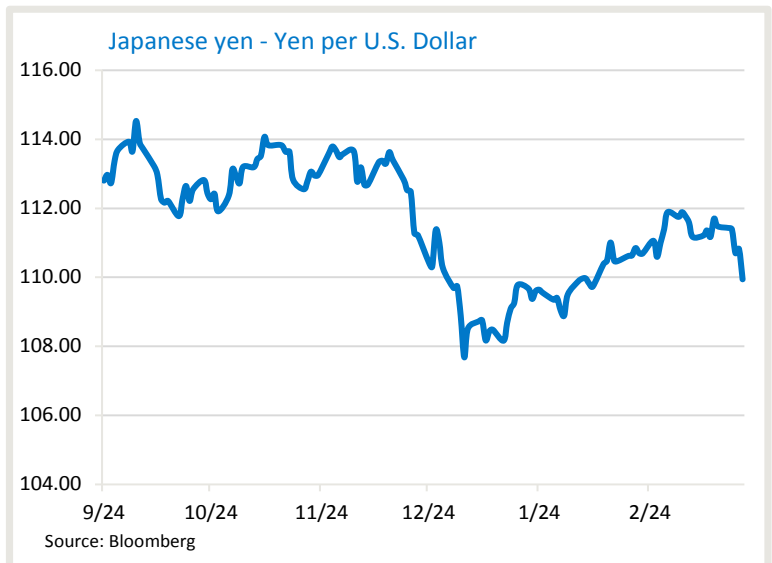
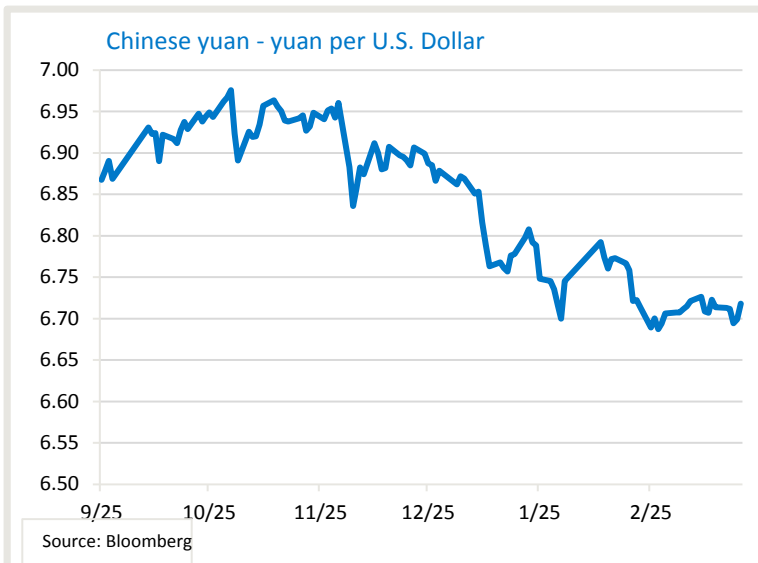
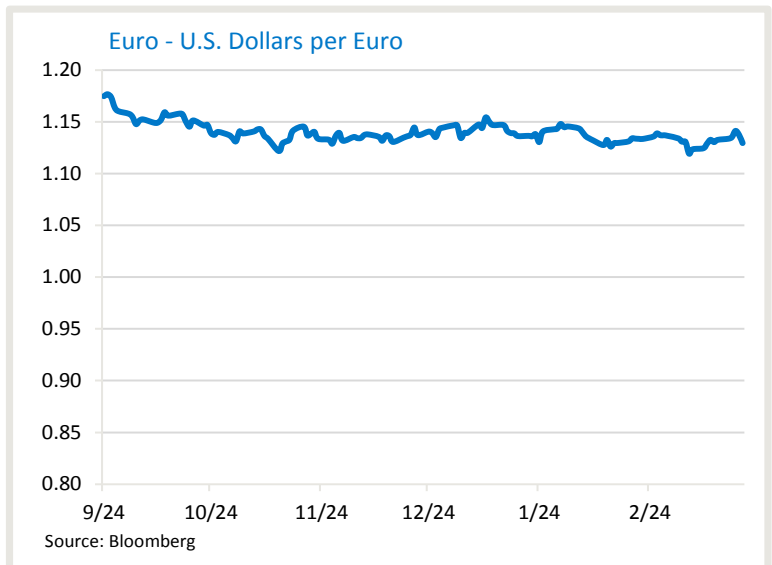
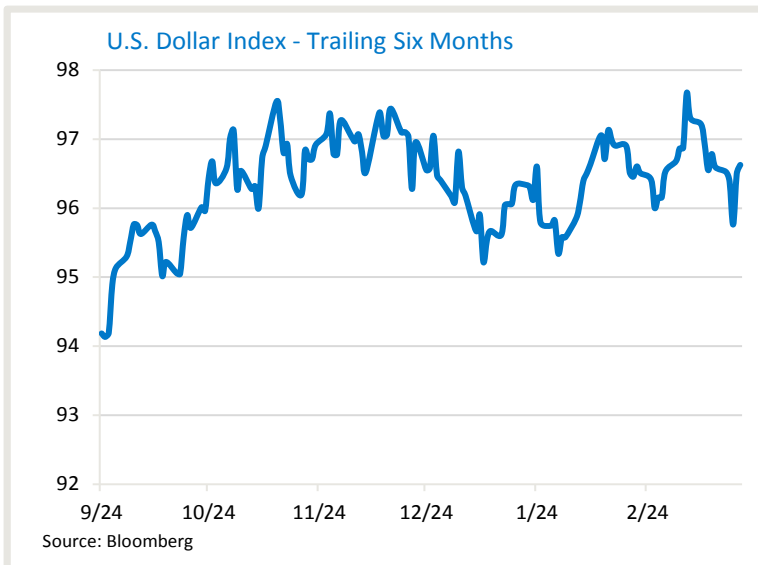
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>96.64</b>	<b>0.033</b>	<b>0.03%</b>	<b>0.47%</b>
<b>Euro</b>	<b>1.13</b>	<b>-0.003</b>	<b>-0.27%</b>	<b>-1.50%</b>
<b>Japanese Yen</b>	<b>109.96</b>	<b>-1.540</b>	<b>1.40%</b>	<b>-0.23%</b>
<b>British Pound</b>	<b>1.32</b>	<b>-0.009</b>	<b>-0.65%</b>	<b>3.52%</b>
<b>Canadian Dollar</b>	<b>1.34</b>	<b>0.009</b>	<b>-0.66%</b>	<b>1.58%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.72</b>	<b>0.005</b>	<b>-0.07%</b>	<b>2.39%</b>
<b>Swiss Franc</b>	<b>0.99</b>	<b>-0.008</b>	<b>0.80%</b>	<b>-1.21%</b>
<b>New Zealand Dollar</b>	<b>0.69</b>	<b>0.003</b>	<b>0.42%</b>	<b>2.32%</b>
<b>Brazilian Real</b>	<b>3.90</b>	<b>0.091</b>	<b>-2.34%</b>	<b>-0.80%</b>
<b>Mexican Peso</b>	<b>19.10</b>	<b>-0.099</b>	<b>0.52%</b>	<b>2.83%</b>

Source: Bloomberg

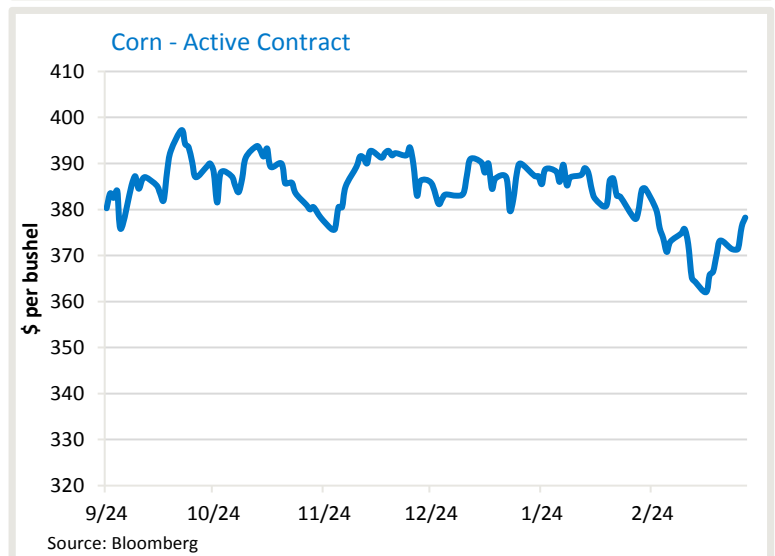
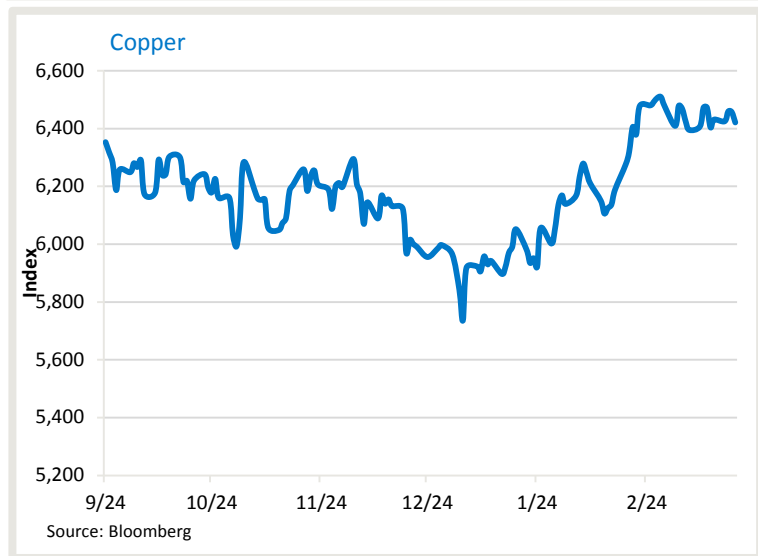
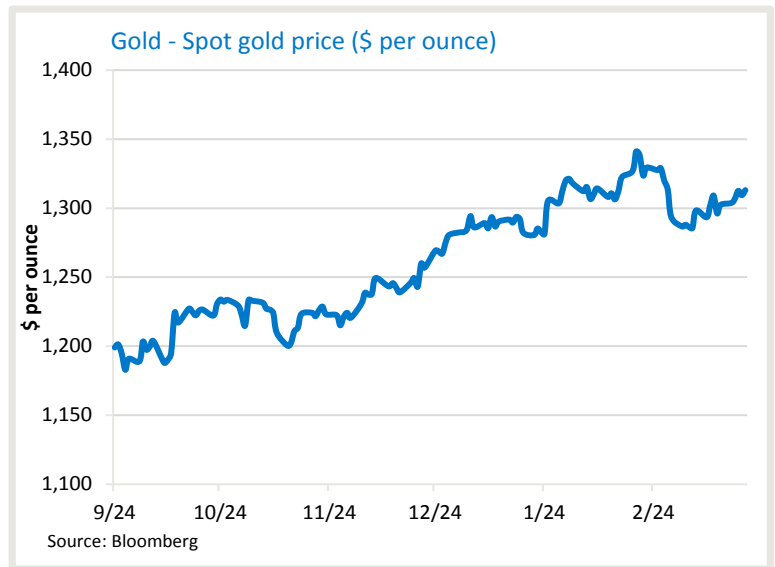
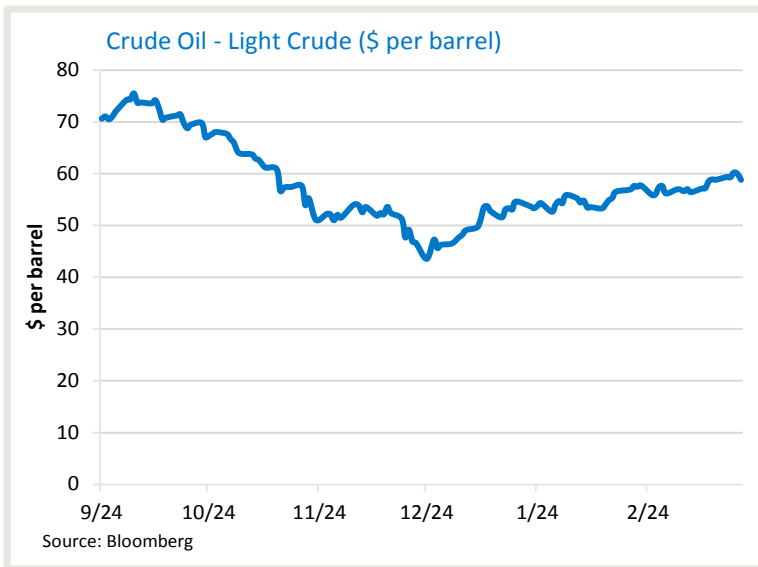


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>Bloomberg Comm. Idx.</b>	<b>81.75</b>	<b>0.17</b>	<b>0.20%</b>	<b>6.56%</b>	<b>Platinum Spot</b>	<b>\$847.42</b>	<b>\$15.60</b>	<b>1.88%</b>	<b>6.50%</b>
<b>Crude Oil</b>	<b>\$58.86</b>	<b>\$0.01</b>	<b>0.02%</b>	<b>26.49%</b>	<b>Corn</b>	<b>378.25</b>	<b>5.00</b>	<b>1.34%</b>	<b>-1.24%</b>
<b>Natural Gas</b>	<b>\$2.76</b>	<b>-\$0.03</b>	<b>-1.25%</b>	<b>2.87%</b>	<b>Wheat</b>	<b>466.00</b>	<b>3.75</b>	<b>0.81%</b>	<b>-8.72%</b>
<b>Gasoline (\$/Gal.)</b>	<b>\$2.61</b>	<b>\$0.07</b>	<b>2.67%</b>	<b>15.69%</b>	<b>Soybeans</b>	<b>903.75</b>	<b>-5.50</b>	<b>-0.60%</b>	<b>-0.44%</b>
<b>Heating Oil</b>	<b>196.11</b>	<b>-0.57</b>	<b>-0.29%</b>	<b>18.47%</b>	<b>Sugar</b>	<b>12.57</b>	<b>0.05</b>	<b>0.40%</b>	<b>3.88%</b>
<b>Gold Spot</b>	<b>\$1,313.17</b>	<b>\$10.66</b>	<b>0.82%</b>	<b>2.38%</b>	<b>Orange Juice</b>	<b>129.85</b>	<b>3.45</b>	<b>2.73%</b>	<b>2.24%</b>
<b>Silver Spot</b>	<b>\$15.44</b>	<b>\$0.15</b>	<b>0.99%</b>	<b>-0.36%</b>	<b>Aluminum</b>	<b>1,899.50</b>	<b>2.50</b>	<b>0.13%</b>	<b>2.90%</b>
					<b>Copper</b>	<b>6,421.00</b>	<b>-10.00</b>	<b>-0.16%</b>	<b>7.64%</b>

Source: Bloomberg; % change is based on price.

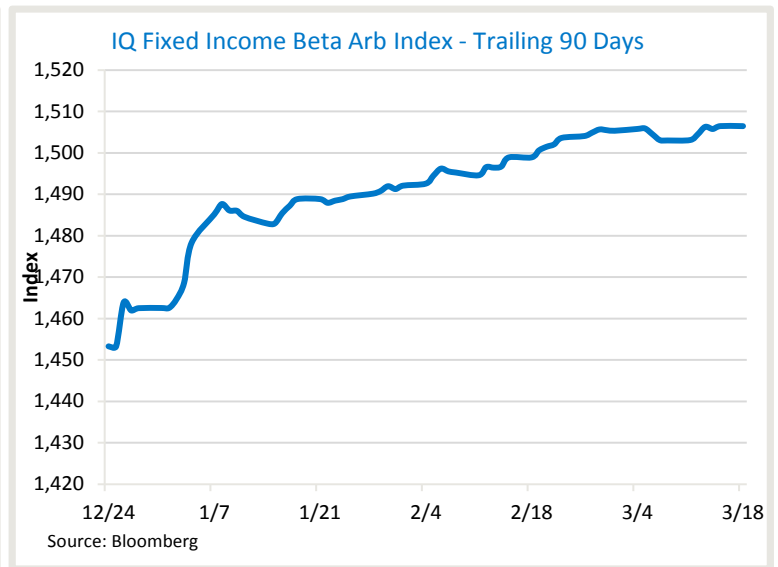
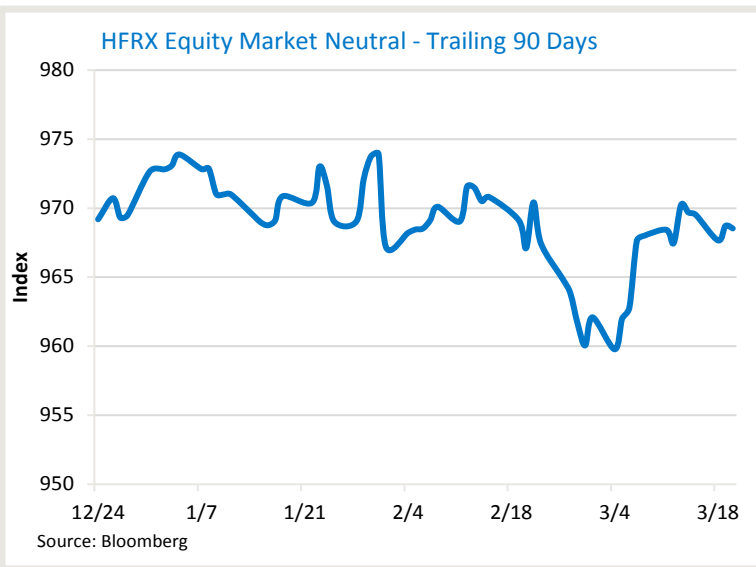
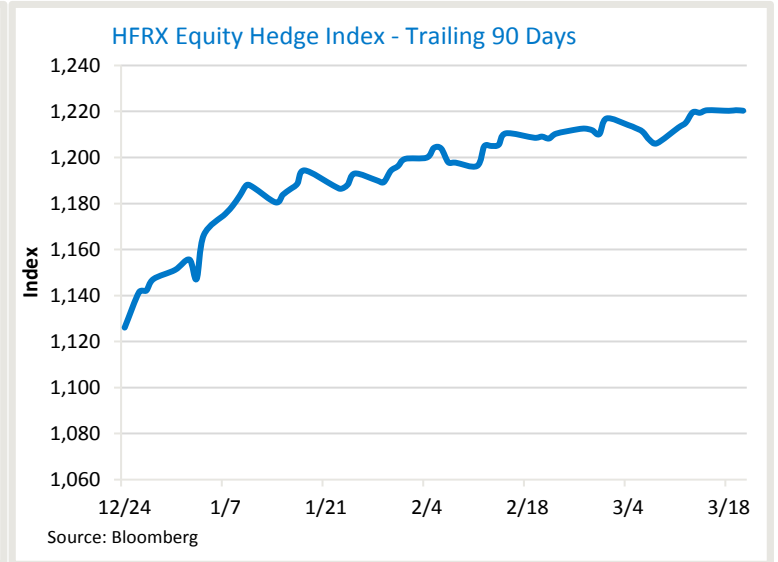
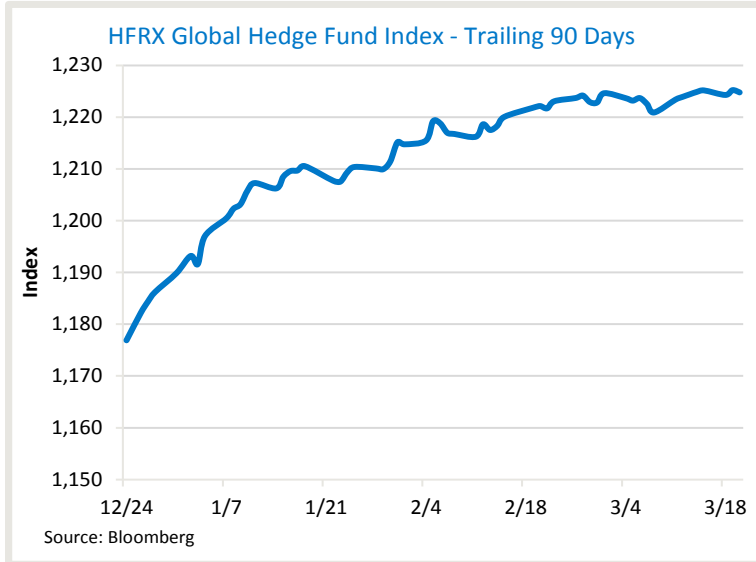


## Alternative Investments

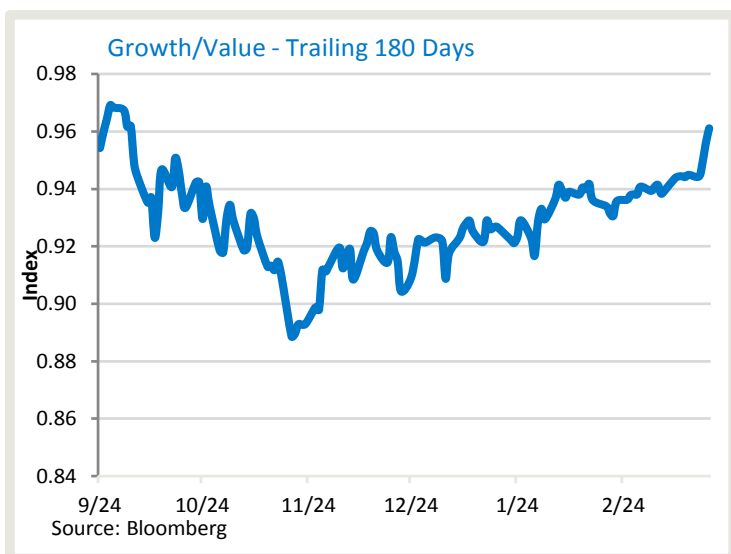
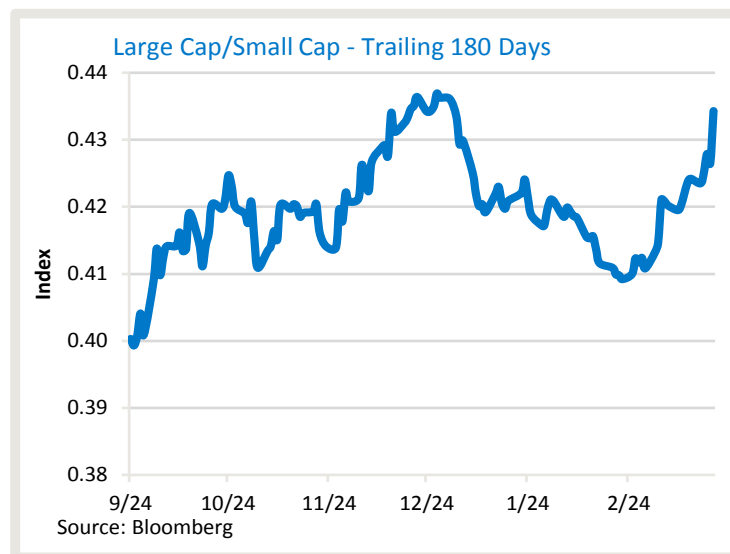
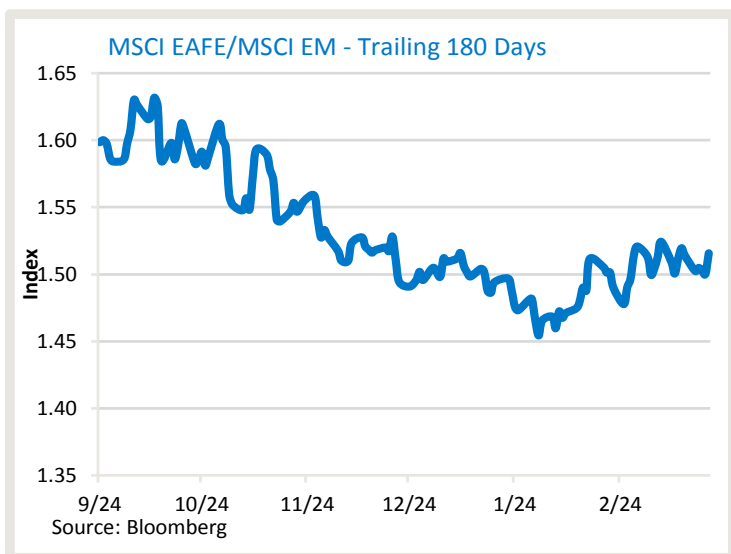
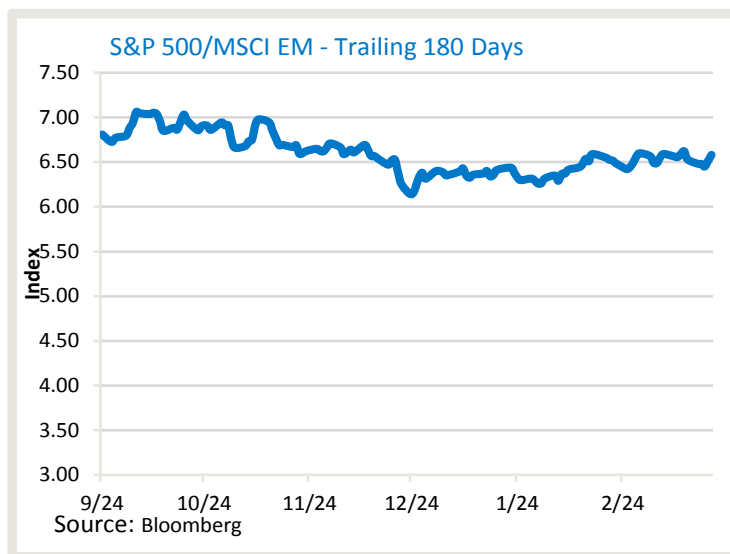
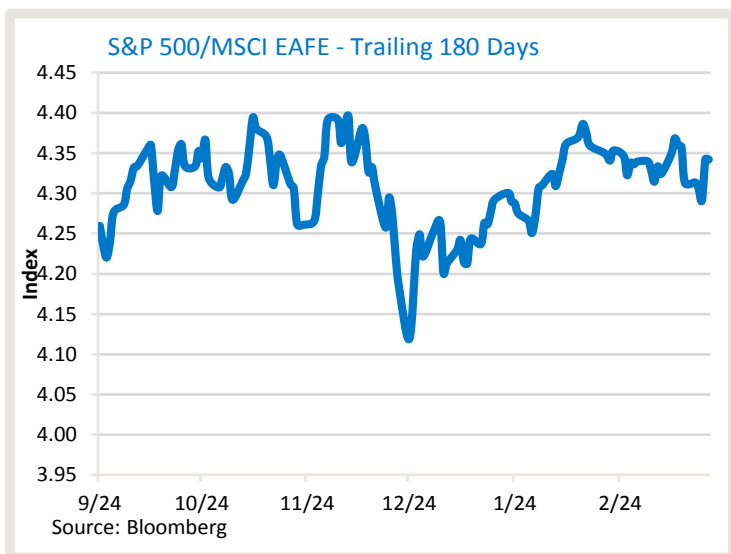
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1224.79	-0.39	-0.03%	2.94%	HFRX Distressed Index	1021.91	0.28	0.03%	2.04%
HFRX Equity Market Neutral	968.53	-0.98	-0.10%	-0.42%	HFRX Merger Arbitrage Index	1786.77	0.17	0.01%	-1.70%
HFRX Equity Hedge Index	1220.32	-0.21	-0.02%	6.01%	HFRX Convertible Arbitrage Index	796.54	-5.79	-0.72%	1.13%
HFRX Event-Driven Index	1485.54	-3.33	-0.22%	0.97%	HFRX Macro CTA Index	1131.69	5.26	0.47%	0.50%
HFRX Absolute Return Index	1070.85	0.88	0.08%	1.21%	IQ Fixed Income Beta Arb Index	1500.31	-6.17	-0.41%	2.58%

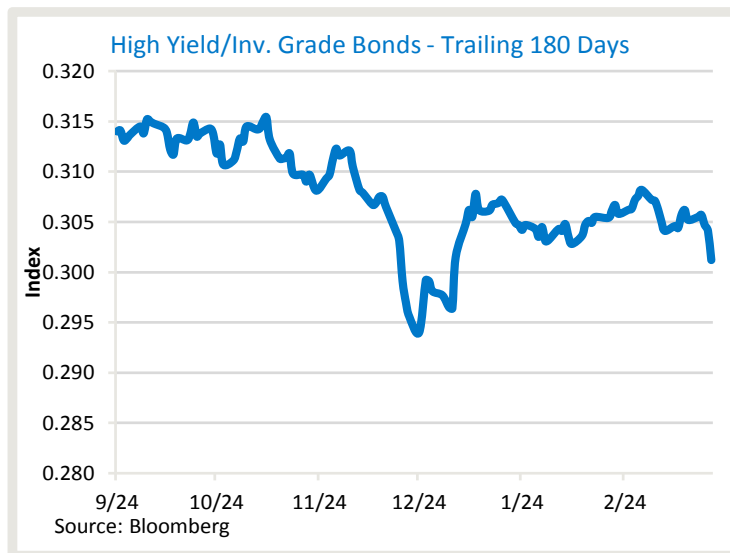
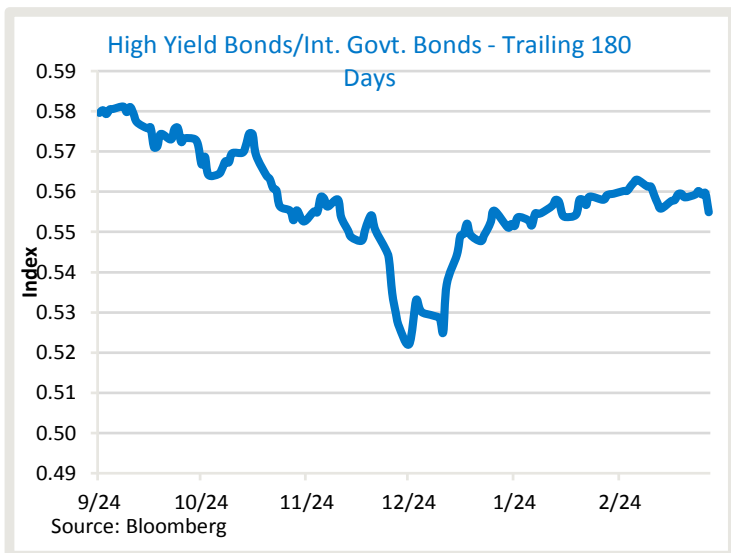
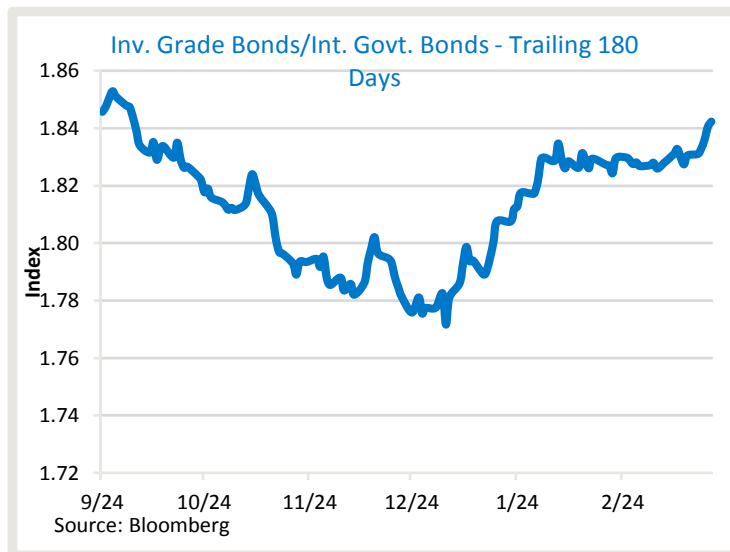
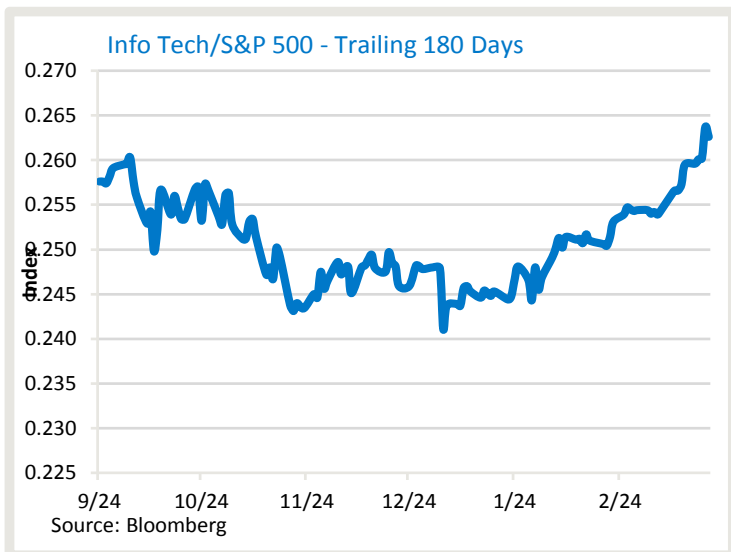
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28	3/7	3/14	3/21
Equity	Domestic Equity	Large Cap (R200)	-1.70%	5.89%	1.53%	0.06%	2.27%	-0.07%	1.39%	1.01%	0.43%	-1.18%	2.29%	1.71%
		Small Cap (R2000)	-0.07%	8.61%	1.51%	-0.19%	2.39%	0.41%	2.62%	1.97%	0.00%	-3.30%	1.71%	0.82%
	Int'l. Equity	MSCI EAFE	1.34%	4.49%	-0.24%	0.72%	1.98%	-0.47%	0.35%	2.09%	0.35%	-0.83%	0.89%	1.35%
		MSCI Em. Mkts.	-0.29%	5.17%	1.03%	1.04%	2.99%	-0.76%	-0.27%	1.14%	0.00%	-0.70%	0.44%	2.05%
Fixed Income	BarCap Agg. (AGG)	1.11%	-0.57%	0.03%	0.28%	0.68%	-0.34%	0.11%	-0.08%	-0.06%	0.21%	0.13%	0.61%	
	High Yield (JNK)	0.21%	4.14%	0.09%	-0.03%	1.09%	-0.34%	0.45%	0.40%	0.45%	-0.64%	0.54%	0.50%	
Commodities	Bloomberg Commodity Index	-0.45%	2.63%	1.21%	-0.30%	0.64%	-0.85%	-0.10%	2.28%	-0.49%	-1.07%	1.03%	1.23%	
Alternatives	Hedge Funds (HFRX Global)	0.61%	1.20%	0.32%	-0.02%	0.47%	0.15%	0.11%	0.28%	0.09%	-0.02%	0.19%	-0.01%	
Asset Allocation	60/40*	0.07%	3.57%	0.64%	0.26%	1.66%	-0.22%	0.78%	0.86%	0.18%	-0.81%	1.09%	1.14%	
	48/32/20 (w/Alts.)**	0.18%	3.10%	0.57%	0.20%	1.42%	-0.15%	0.65%	0.74%	0.17%	-0.65%	0.91%	0.91%	

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	1.05	1.02	0.98	1.08	1.12	1.07	1.21	1.02	1.03	0.97	1.12	0.99	1.00
Large Cap Growth	1.02	1.00	1.07	1.04	1.00	1.10	1.15	1.09	1.24	1.04	1.05	0.99	1.14	1.00	1.02
Large Cap Value	0.95	0.93	1.00	0.97	0.93	1.02	1.07	1.01	1.15	0.97	0.98	0.92	1.07	0.93	0.95
Mid Cap Core	0.98	0.96	1.03	1.00	0.96	1.05	1.10	1.04	1.18	0.99	1.01	0.95	1.10	0.96	0.98
Mid Cap Growth	1.02	1.00	1.08	1.05	1.00	1.10	1.15	1.09	1.24	1.04	1.06	0.99	1.15	1.01	1.02
Mid Cap Value	0.93	0.91	0.98	0.95	0.91	1.00	1.04	0.99	1.13	0.95	0.96	0.90	1.04	0.92	0.93
Small Cap Core	0.89	0.87	0.94	0.91	0.87	0.96	1.00	0.95	1.08	0.91	0.92	0.87	1.00	0.88	0.89
Small Cap Growth	0.94	0.92	0.99	0.96	0.92	1.01	1.05	1.00	1.14	0.95	0.97	0.91	1.05	0.92	0.94
Small Cap Value	0.82	0.81	0.87	0.84	0.81	0.89	0.93	0.88	1.00	0.84	0.85	0.80	0.93	0.81	0.82
Int'l. Developed	0.98	0.96	1.04	1.01	0.96	1.06	1.10	1.05	1.19	1.00	1.01	0.96	1.10	0.97	0.98
Emerging Markets	0.97	0.95	1.02	0.99	0.95	1.04	1.09	1.03	1.17	0.99	1.00	0.94	1.09	0.95	0.97
REITs	1.03	1.01	1.08	1.05	1.01	1.11	1.16	1.10	1.25	1.05	1.06	1.00	1.15	1.01	1.03
Commodities	0.89	0.87	0.94	0.91	0.87	0.96	1.00	0.95	1.08	0.91	0.92	0.87	1.00	0.88	0.89
Int. Bond	1.01	1.00	1.07	1.04	0.99	1.09	1.14	1.08	1.23	1.03	1.05	0.99	1.14	1.00	1.02
High Yield	1.00	0.98	1.05	1.02	0.98	1.08	1.12	1.07	1.21	1.02	1.03	0.97	1.12	0.98	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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