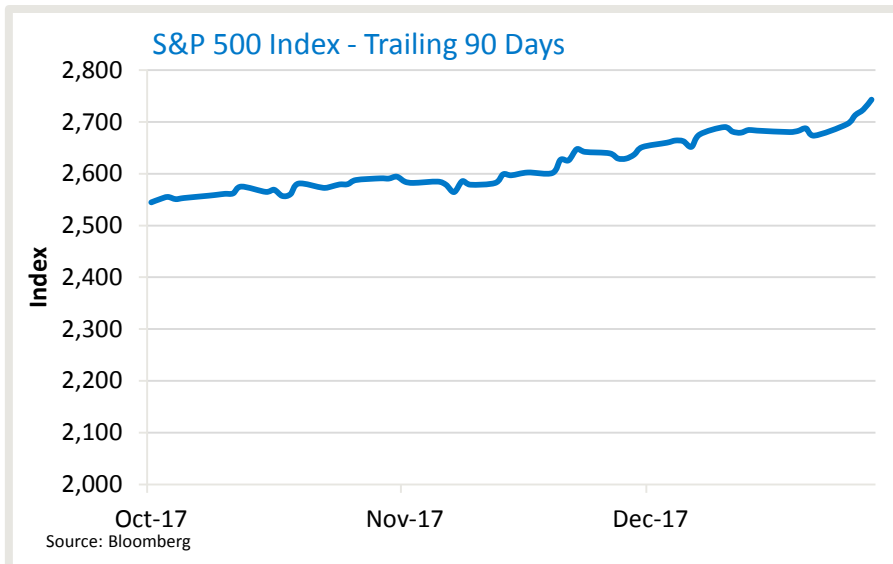


Weekly Market Review

January 5, 2018

Chart of the Week



Weekly Highlights

- **The final jobs report of 2017 is weaker than expected.** The Department of Labor estimated 148,000 jobs were added in December, well below the median forecast of 195,000. The headline unemployment rate was unchanged at 4.1%. Average hourly earnings were up 0.3% for the month and 2.5% for the year. The big surprise was a loss of 20,000 jobs in the retail trades, despite a strong holiday shopping season.
- **Auto sales down both in December and in 2017 overall.** The domestic auto manufacturers collectively reported a drop in sales in December, and total sales for 2017 fell just short of the record sales posted last year. This was the first drop in annual auto sales since 2009.
- **Construction spending higher than expected in November.** The Commerce Department report released Wednesday this week showed construction spending in November was up 0.8%, easily beating the median forecast of 0.5%. The upside surprise was driven primarily by residential construction. The stronger-than-expected data may be a leading indicator of a higher fourth-quarter gross domestic product (GDP) estimate.

Talking Points

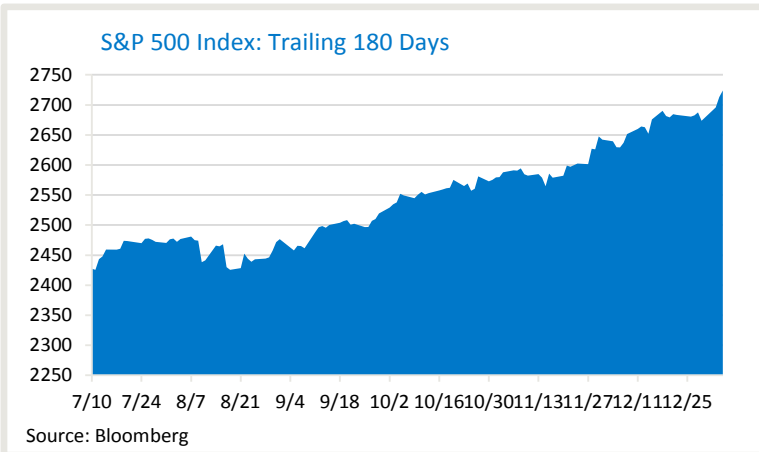
- **Among equities**, the emerging markets dominated the week, with Russia and China both up 5% and Latin America as a whole up more than 4.5%. US equities continued their rally from December, up roughly 2% in the week. European markets were positive as well, but more mixed, ranging from Italy up more than 4.0% to the U.K. up less than 0.5%.
- **Treasury yields higher.** The Treasury yield curve was higher across the board, up five to seven basis points.
- **The US Dollar Index** ended the week down slightly after significant volatility. A drawdown of more than 0.75% on Tuesday was reversed on Wednesday, and Thursday returned to Tuesday's lows before a modest rally on Friday.
- **Crude oil** continued its December rally, up a more than 1.3% after a 5.3% gain in December. US shale production would be expected to jump if prices reach \$65/barrel, about a 5% increase from current levels.
- **Among other economic data released this week:** The US trade deficit widened by 3.2% in November to \$50.5 billion, its highest level since 2012. The ISM Non-Manufacturing Index fell 1.5%, but remains well above 50%, indicating improving conditions. US factory orders rose 1.3% in November. This marks the fourth straight monthly increase after October's data was revised to a 0.4% gain rather than a 0.1% decline.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,743.15	69.54	2.60%	2.6%
Dow Industrials	25,295.87	576.65	2.33%	2.3%
Nasdaq	7,136.56	233.17	3.38%	3.4%
Russell 2000	1,560.01	24.50	1.60%	1.6%
Euro Stoxx Index	397.35	8.17	2.10%	2.1%
Shanghai Composite	3,391.75	95.37	2.89%	2.6%
Russell Global	2,185.36	41.28	1.93%	1.9%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,745.72	102.37	2.81%	2.8%
10-Year US Treas.	2.48	7 bps	NM	NM
DJ UBS Comm. Idx.	87.92	-0.25	-0.29%	-0.3%
Gold	\$1,320.48	\$17.64	1.35%	1.4%
Crude Oil	\$61.54	\$1.13	1.87%	1.9%
Dollar Index	92.00	-0.13	-0.14%	-0.1%
VIX Index	9.22	-1.82	-16.49%	-16.5%



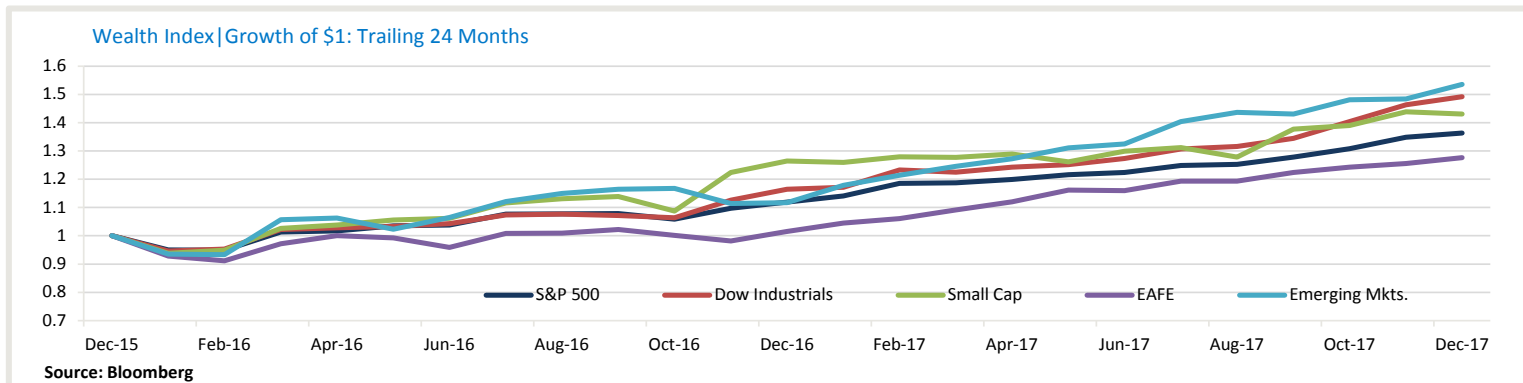
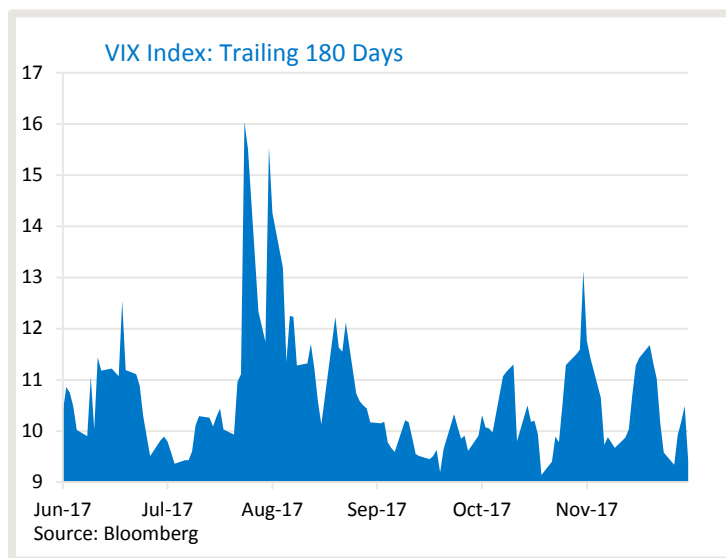
	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.93%	2.72%	3.41%	1.93%	2.72%	3.41%
	1.22%	1.98%	2.95%	1.22%	1.98%	2.95%
S	1.18%	1.60%	1.99%	1.18%	1.60%	1.99%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.3	3.26%	3.3%
Consumer Staples	8.0	0.10%	0.1%
Energy	6.2	3.94%	3.9%
Financials	14.7	1.72%	1.7%
Health Care	13.9	3.24%	3.2%
Industrials	10.3	2.80%	2.8%
Information Technology	24.1	4.22%	4.2%
Materials	3.0	4.02%	4.0%
Real Estate	2.8	-1.93%	-1.9%
Telecom Services	2.0	-1.29%	-1.3%
Utilities	2.8	-2.50%	-2.5%

Source: Bloomberg



The Economy and Markets

A Macro View – December Monthly Recap

Domestic equity market returns were mixed, but generally modestly positive in December, with outperformance shifting to the value indices in large and mid cap stocks, after growth dominated most of the year. December was a busy month in terms of impactful news and events. As widely expected and clearly telegraphed, the Federal Reserve (Fed) raised short-term interest rates in early December to a range of 1.25%-1.50%. This is the highest level for the federal funds rate since the third quarter of 2008. Retail sales numbers were strong leading into the holiday season, and consumer confidence remains positive. The major event of the month was the hurried completion of the 2017 Tax Reform and Jobs Act, right before Congress adjourned for the year. As expectations for a completed bill rose during the month, the equity markets responded in tandem, particularly in those sectors where companies' average effective tax rate was higher than the new bill's target, namely consumer staples, energy (also boosted by rising oil prices), and consumer discretionary. A number of individual issues climbed sharply on expectations those firms would take advantage of the "tax holiday" included in the bill, a one-time lowering of the tax rate due on profits held overseas. Congress also passed a temporary spending measure to keep the government open until mid-January, but several thorny issues must be addressed by both houses early in 2018.

Within this context, domestic equities were mostly higher for the month, as the Russell 3000 Index gained 1.00%. Large caps, as represented by the Russell Top 200 Index, outperformed mid cap issues by a small margin, but the value-oriented indices were well ahead of their growth counterparts in both asset classes. The one outlier in the domestic market was small caps: The Russell 2000 Index was down -0.40% for the month, and the growth component outperformed the value component by more than 1%. The Financials sector, the primary driver of this reversal, and comprising roughly 31% of the value index and 18% of the core index, was down 2.50% for the month. The Bloomberg Commodity Index as a whole was up 2.99% for the month, as the rally in energy (crude oil was up 5.3% in December) continued through the end of the year. The Dow Jones Wilshire U.S. REIT Index declined 0.13% for the month.

International equity markets¹ continued to perform well during the month, building on momentum throughout 2017. In particular, emerging markets were the strongest performer and gained 3.6% during December, easily outpacing their developed market counterparts, which gained 1.6%. Local currency returns were slightly lower, as the dollar was broadly weaker on continued moderate US inflation data, which calls into question the Fed's ability to implement three rate hikes in 2018. Japan is still a laggard among the developed markets (+0.70%), but several positive signs are apparent. Inflation picked up slightly, though still well below target, and the unemployment rate fell more quickly than expected, to 2.7%, while household spending also ticked up. Additionally, the Eurozone enjoyed good economic news, as consumer prices were up 1.5% from a year earlier, nearing the European Central Bank's target. In addition, unemployment has fallen to 8.8%, its lowest level since January 2009. Although China's markets cooled during December, they still rose 1.9% and finished the year up over 54%.

Domestic fixed income markets² largely posted very modest returns in December, but even that was a surprise. The US Treasury curve flattened even further in December, driven by the expected Fed rate hike at the short end and lower inflation expectations and strong investor demand for longer dated issues. Yields rose 10-14 basis points in the first two years of the curve in December, tapering off to just a 2-basis point rise on the 7-year maturity. The yield on the 10-year Treasury Note fell by 2 basis points in the month and by 9 basis points on the 30-year maturity. This led to the 1-3 Year Treasury Index falling 0.28% for the month, while the 20+ Year Index was up 2.55%. The Aggregate Index (+0.39%) was led by investment grade corporate credit (+1.05%), which outperformed both Treasuries (+0.05%) and mortgage-backed securities (+0.15%). Current corporate fundamentals remained solid, and the anticipation of increased cash flow from the lower corporate tax rate in 2018 drove spreads tighter by 4 basis points. These same drivers led the high yield index up 0.30% and the S&P LSTA Leveraged Loan Index up 0.40% for the month.

December's biggest news in domestic fixed income was the municipal bond market, as details of the tax reform bill crystallized and clarified that the municipal market was about to undergo a significant change. The key provision in the bill was removing the ability for municipal bond issuers to refinance their debt through the pre-refunding process. This created a rush to market by issuers wanting to get ahead of the December 31 deadline. New issuance was up more than 30% in November over the previous year, and December posted a record \$62.5B in issuance. Despite this massive wave of issuance, there was more than enough demand for these issues, causing spreads to tighten further and creating positive returns for even short-maturity municipal bonds.

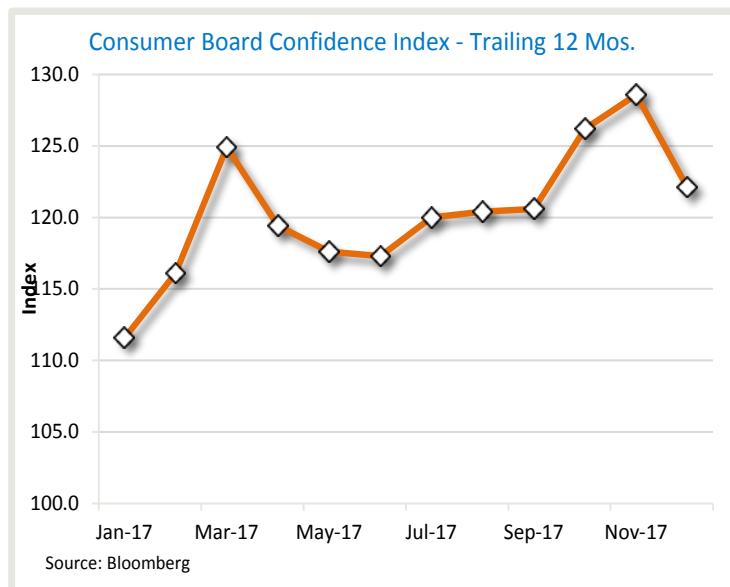
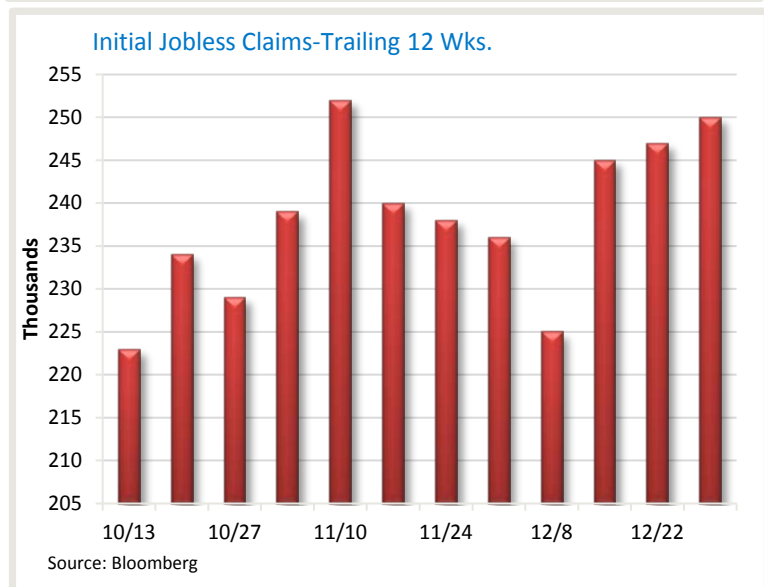
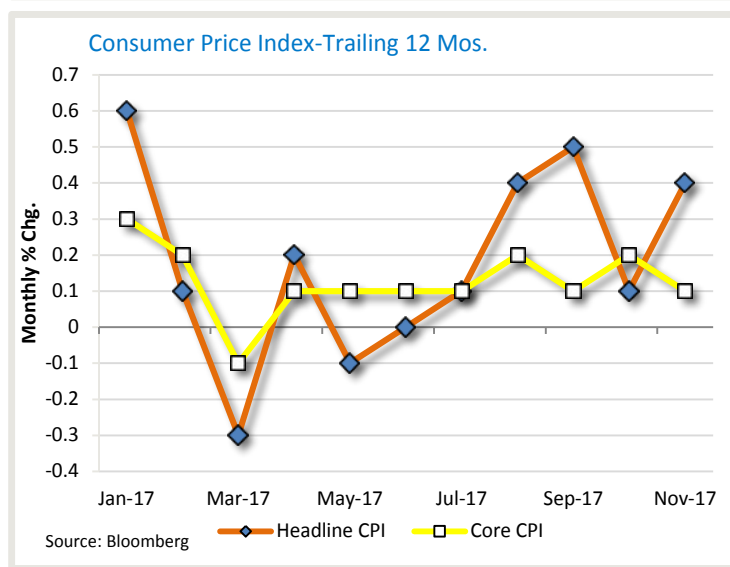
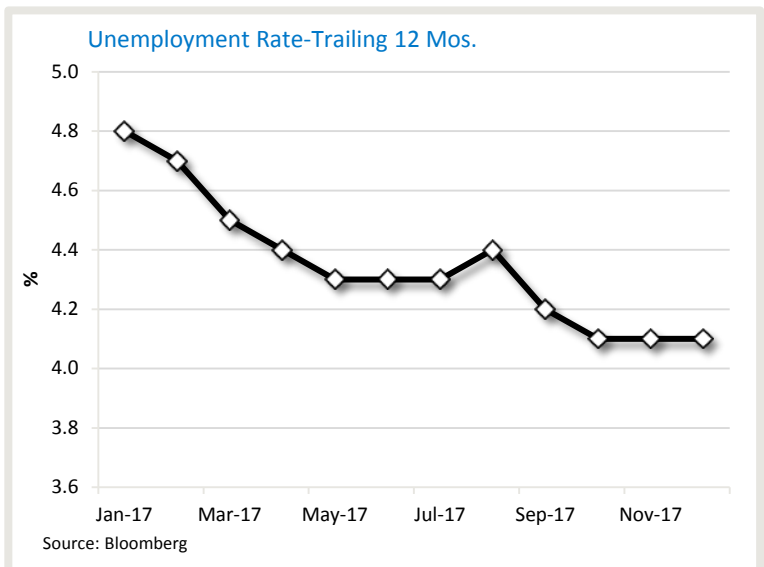
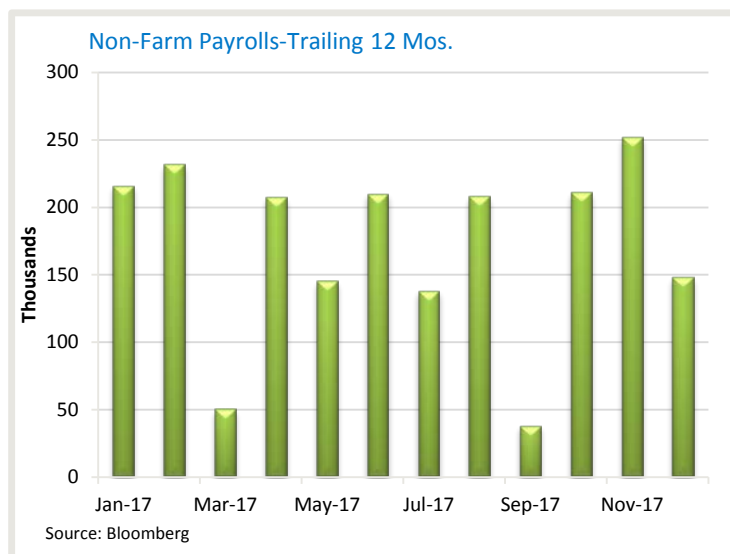
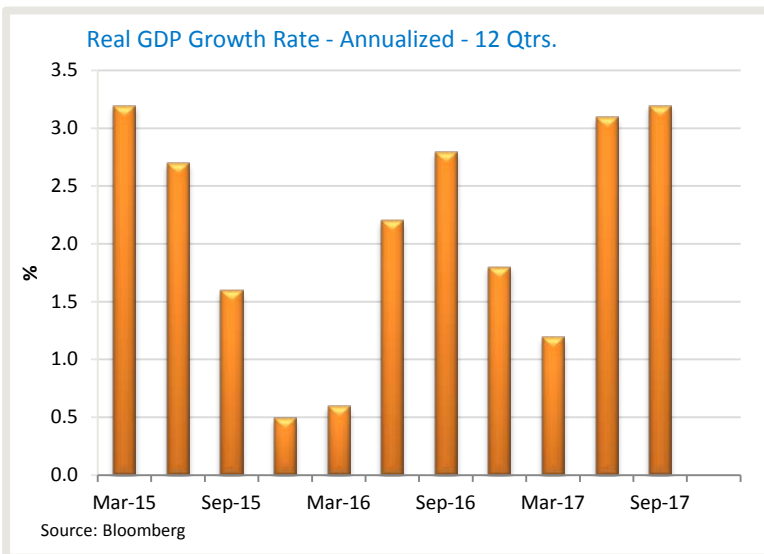
The international fixed income markets were also modestly positive during December, aided by the dollar's aforementioned weakness. The Global Aggregate ex USD Index was up 0.27% on an un-hedged basis, while the hedged version of the Index was up just 0.04%. Emerging markets debt also posted positive returns for the month, led by local currency bonds returning 2.00% versus 0.73% and 0.24% for hard currency sovereigns and emerging markets corporates, respectively.

Nathan Behan, CFA, CAIA
SVP, Investment Research

¹ Unless otherwise noted, returns are for the appropriate MSCI Indices in US dollar terms

² Unless otherwise noted, returns are for the appropriate Bloomberg Barclays Indices

Economic Data



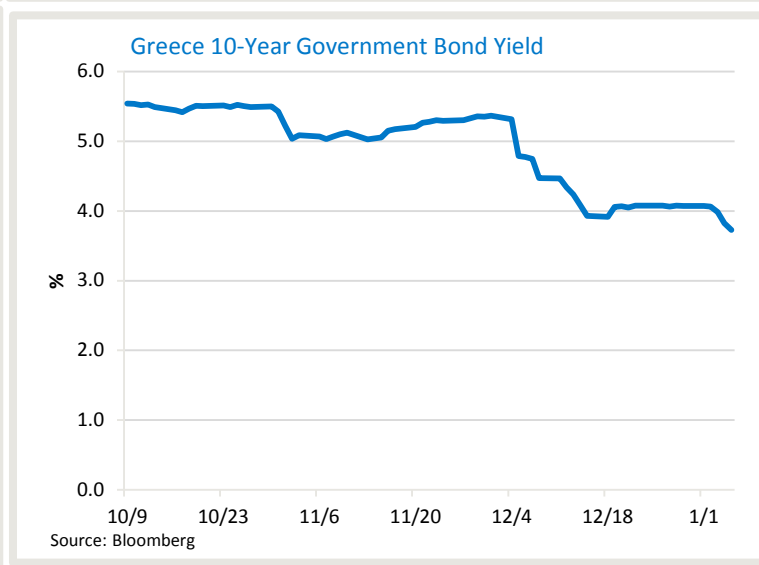
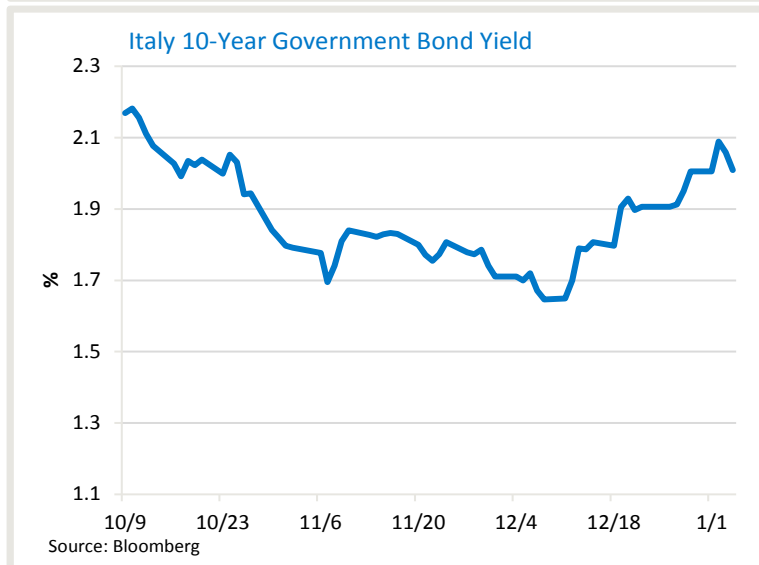
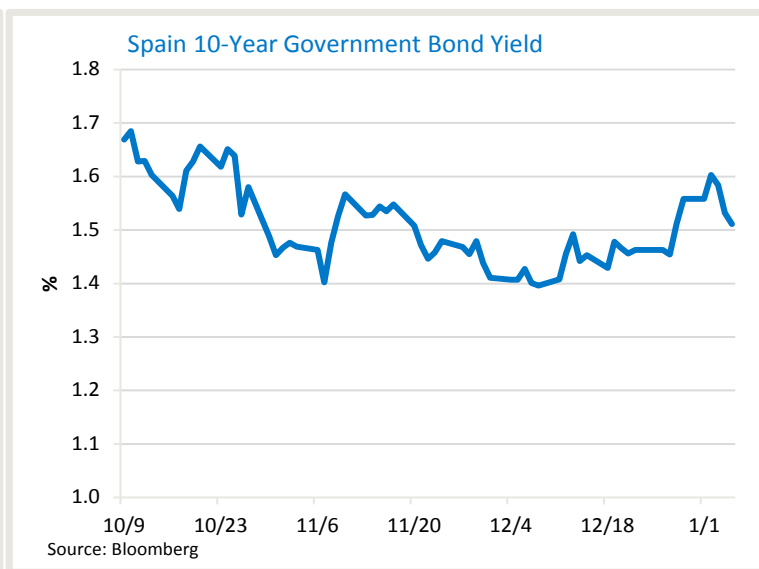
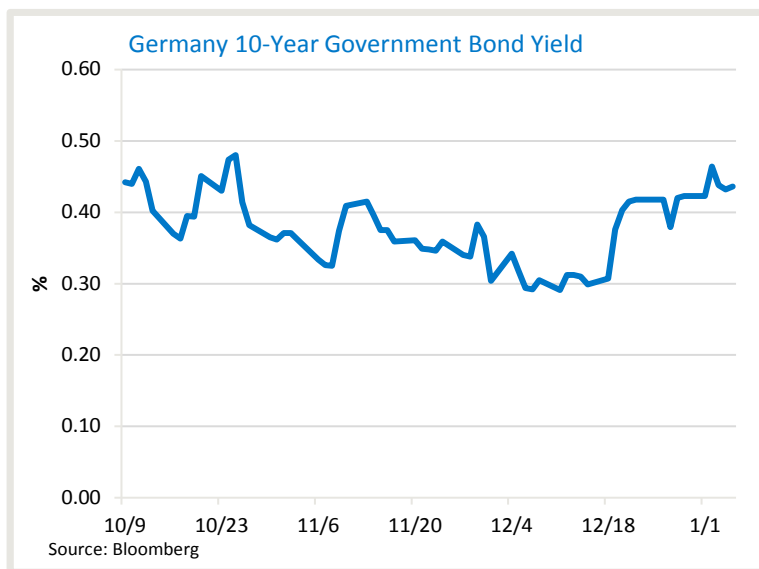
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.44	-1 bps	NM	NM
Greece 10-Yr. Govt.	3.73	28 bps	NM	NM
Italy 10-Yr. Govt.	2.00	0 bps	NM	NM
Spain 10-Yr. Govt.	1.51	4 bps	NM	NM
Belgium 10-Yr. Govt.	0.65	-3 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.79	-1 bps	NM	NM
Ireland 10-Yr. Govt.	0.64	1 bps	NM	NM
Portugal 10-Yr. Govt.	1.92	-1 bps	NM	NM
Netherlands 10-Yr. Govt.	0.53	-1 bps	NM	NM
U.K. 10-Yr. Govt.	1.24	-6 bps	NM	NM

Source: Bloomberg
Basis points (bps)

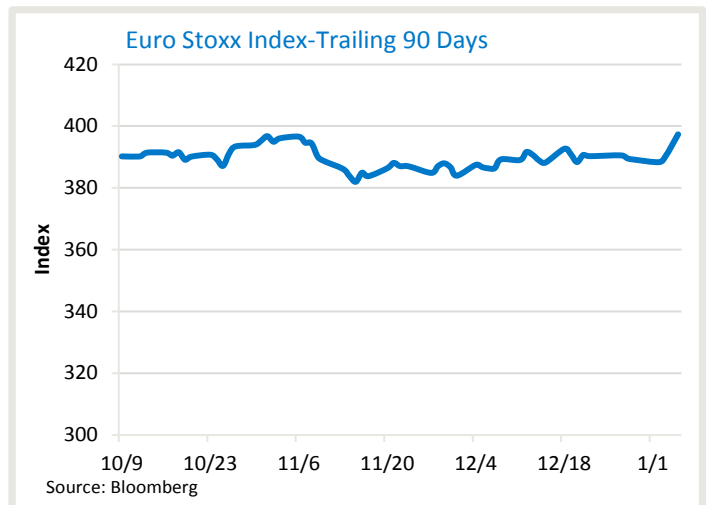
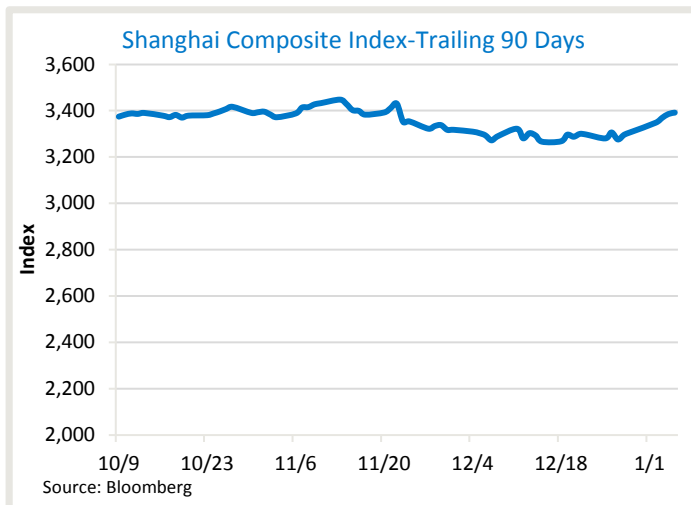
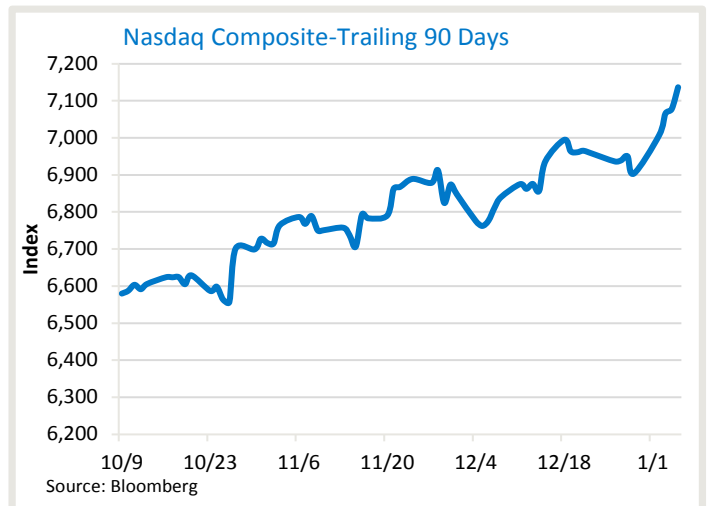
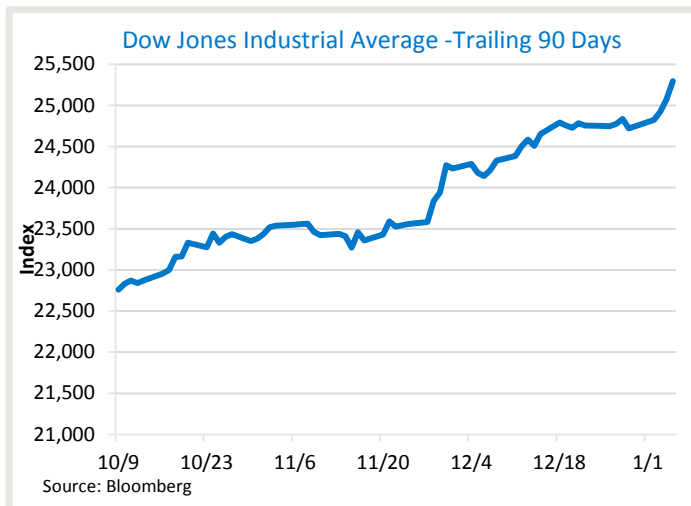


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,743.15	69.54	2.60%	2.60%	Swiss Market Index	9,556.98	175.11	1.87%	1.87%
Dow Industrials	25,295.87	576.65	2.33%	2.33%	CAC 40 Index (France)	5,470.75	158.19	2.98%	2.98%
Nasdaq Composite	7,136.56	233.17	3.38%	3.38%	DAX Index (Germany)	13,319.64	402.00	3.11%	3.11%
Russell Global	2,185.36	41.28	1.93%	1.9%	Irish Overall Index	7,174.14	135.86	1.93%	1.93%
Russell Global EM	3,745.72	102.37	2.81%	2.8%	Nikkei 225	23,714.53	821.84	3.59%	4.17%
S&P/TSX (Canada)	16,349.44	140.31	0.87%	0.87%	Hang Seng Index	30,814.64	950.93	3.18%	2.99%
Mexico IPC	49,887.74	533.77	1.08%	1.08%	Shanghai Composite	3,391.75	95.37	2.89%	2.56%
Brazil Bovespa	79,071.47	2669.39	3.49%	3.49%	Kospi Index (S. Korea)	2,497.52	60.85	2.50%	1.22%
Euro Stoxx 600	397.35	8.17	2.10%	2.10%	Taiwan Taiex Index	10,879.80	236.94	2.23%	2.23%
FTSE 100	7,724.22	36.45	0.47%	0.47%	Tel Aviv 25 Index	1,535.89	23.41	1.55%	1.73%
IBEX 35 (Spain)	10,411.40	367.50	3.66%	3.66%	MICEX Index (Russia)	2,207.41	97.67	4.63%	4.63%

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



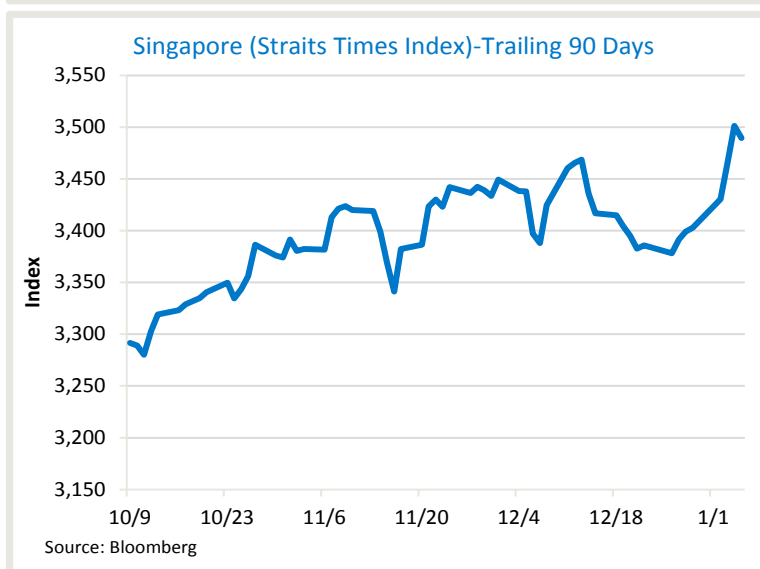
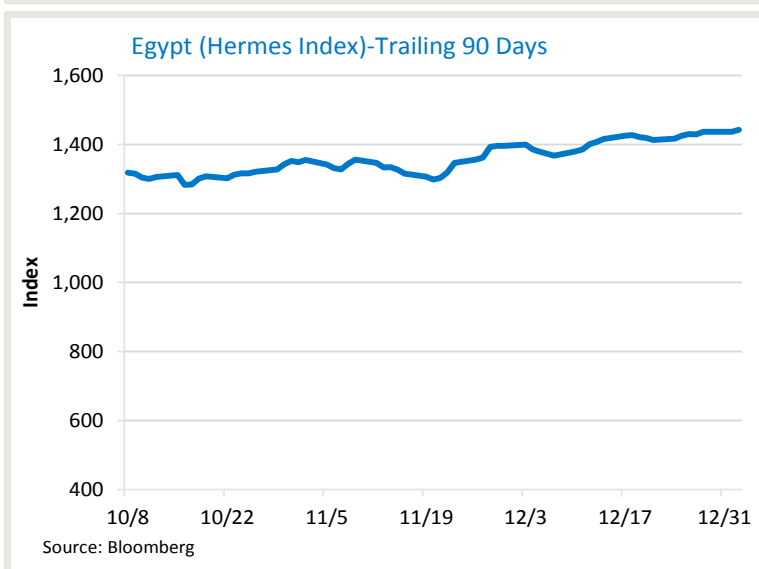
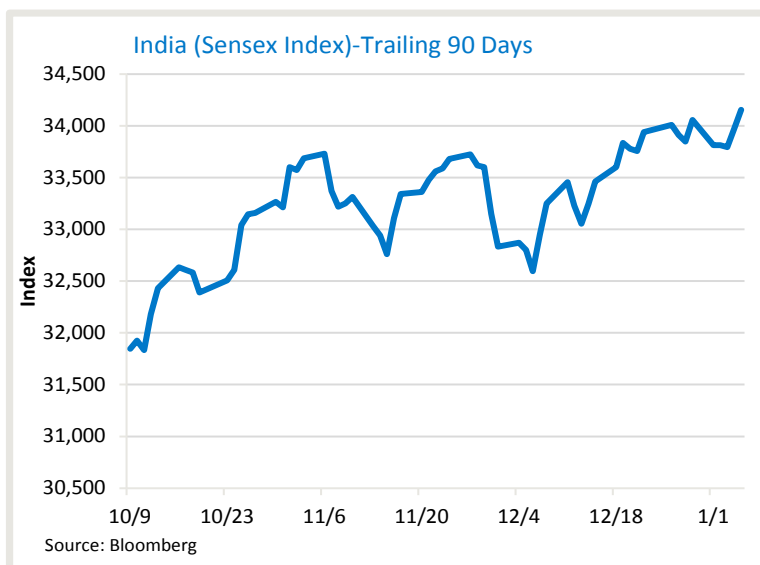
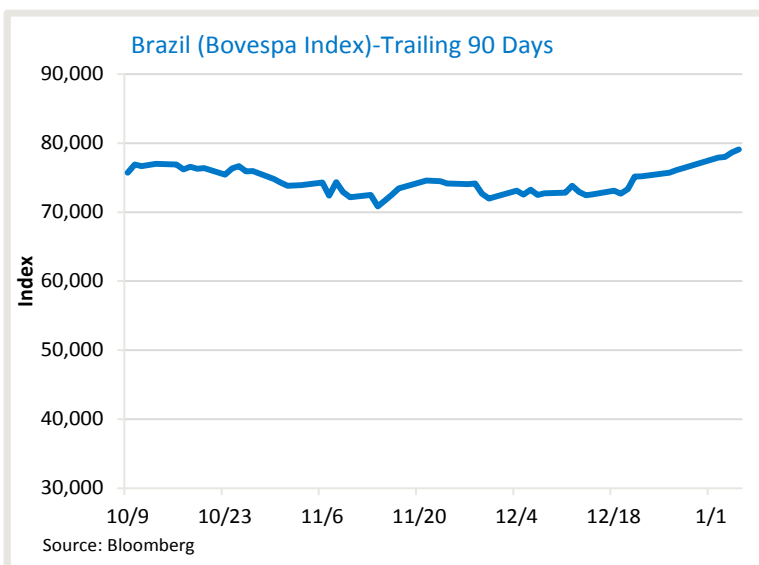
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	49,887.74	533.77	1.1%	1.1%
Brazil (Bovespa Index)	79,071.47	2669.39	3.5%	3.5%
MICEX Index (Russia)	2,207.41	97.67	4.6%	4.6%
Czech Republic (Prague)	1,105.32	27.16	2.5%	2.5%
Turkey (Istanbul)	116,637.94	1304.90	1.1%	1.1%
Egypt (Hermes Index)	1,429.28	-7.47	-0.5%	-0.5%
Kenya (Nairobi 20 Index)	3,713.41	1.47	0.0%	0.0%
Saudi Arabia (TASI Index)	7,277.06	46.45	0.6%	0.7%
Lebanon (Beirut BLOM Index)	1,161.43	12.86	1.1%	1.1%
Palestine	574.72	1.50	0.3%	0.0%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	30,814.64	950.93	3.2%	3.0%
India (Sensex 30)	34,153.85	97.02	0.3%	0.3%
Malaysia (KLCI Index)	1,817.97	38.87	2.2%	1.2%
Singapore (Straits Times Index)	3,489.45	90.35	2.7%	2.5%
Thailand (SET Index)	1,795.45	42.56	2.4%	2.4%
Indonesia (Jakarta)	6,353.74	39.69	0.6%	0.0%
Pakistan (Karachi KSE 100)	42,523.99	2052.51	5.1%	5.1%
Vietnam (Ho Chi Minh)	1,012.65	35.93	3.7%	2.9%
Sri Lanka (Colombo)	6,514.73	150.39	2.4%	2.3%
Cambodia (Laos)	985.59	6.07	0.6%	-1.3%

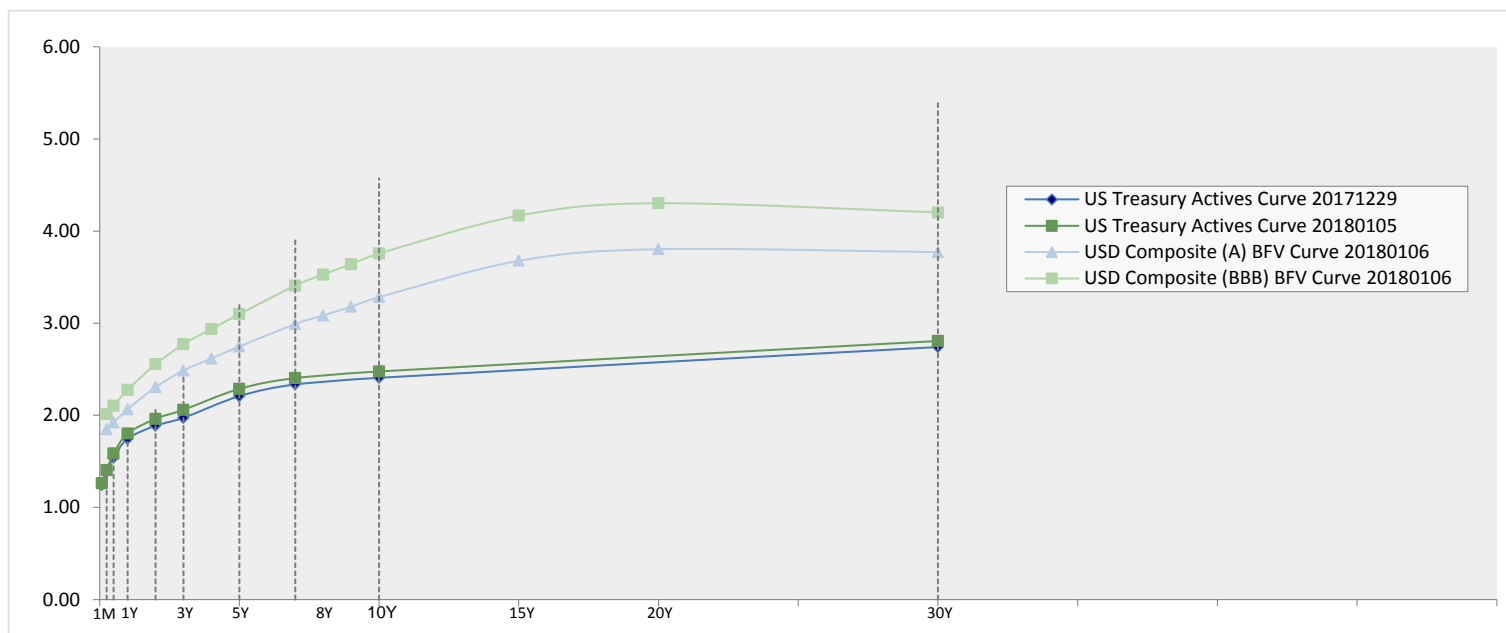


Interest Rates

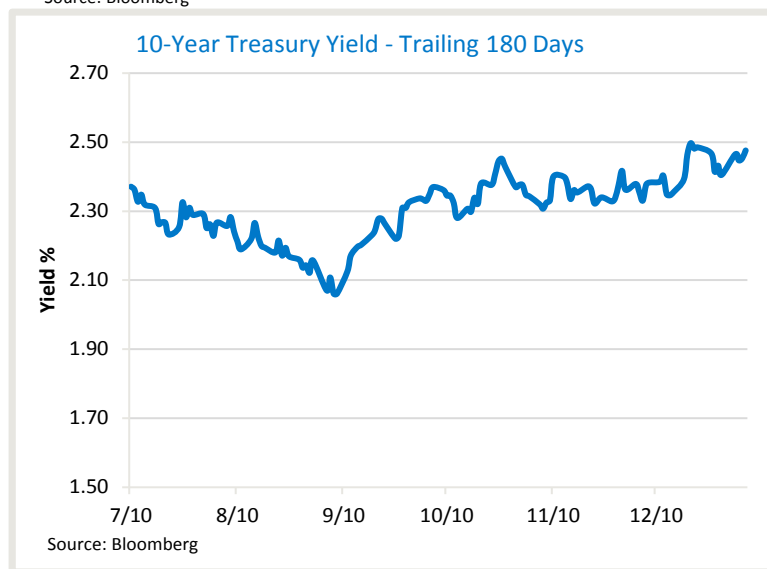
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.96%	-1 bps	NM	NM	Prime Rate	4.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.29%	8 bps	NM	NM	Fed Funds Rate	1.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.48%	7 bps	NM	NM	Discount Rate	2.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.81%	7 bps	NM	NM	LIBOR (3 Mo.)	1.70%	1 bps	NM	NM
German 10-Yr. Govt.	0.44%	-1 bps	NM	NM	Bond Buyer 40 Muni	3.36%	7 bps	NM	NM
France 10-Yr.	0.79%	-1 bps	NM	NM	Bond Buyer 40 G.O.	3.44%	NA	NM	NM
Italy 10-Yr.	2.00%	0 bps	NM	NM	Bond Buyer 40 Rev.	3.92%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.96%	1 bps	NM	NM					

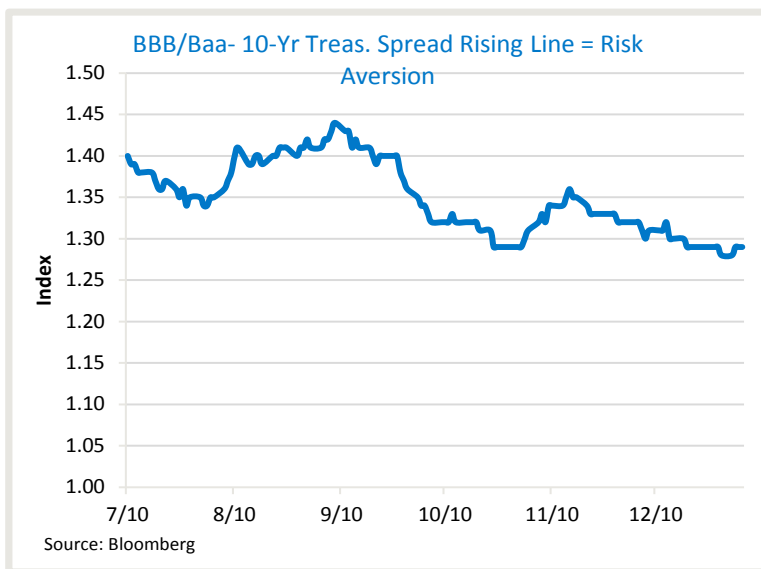
Source: Bloomberg



Source: Bloomberg



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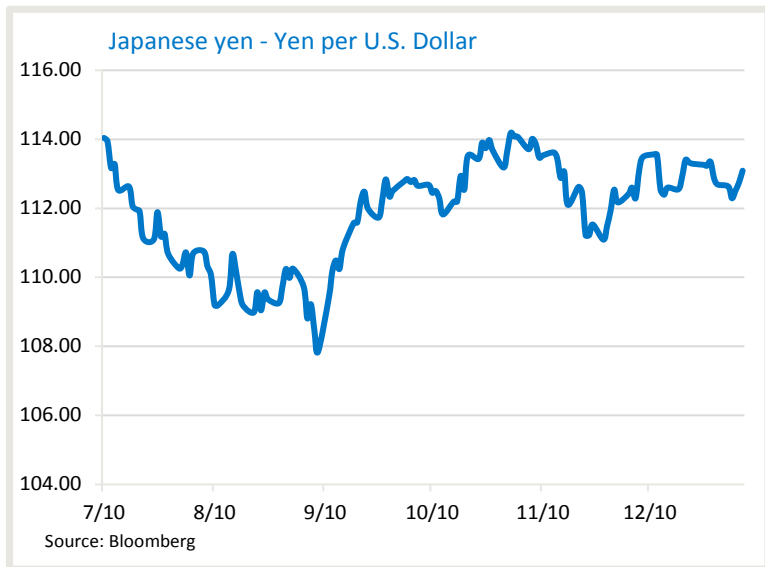
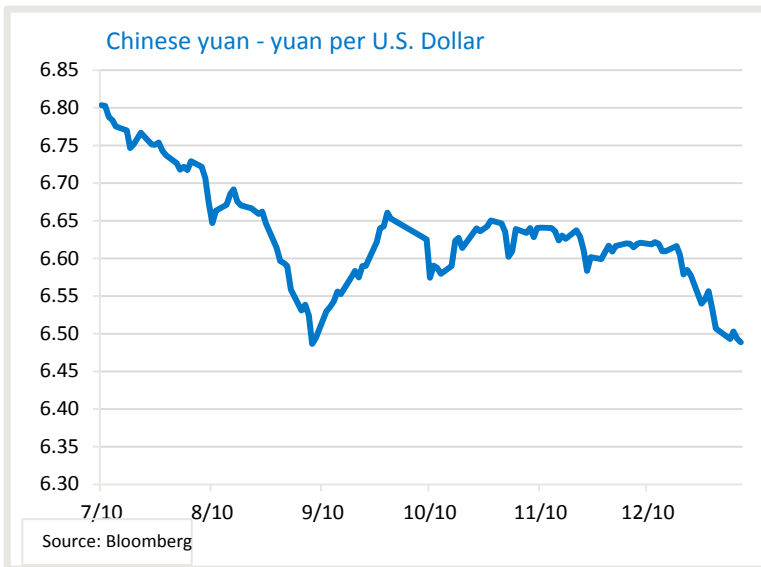
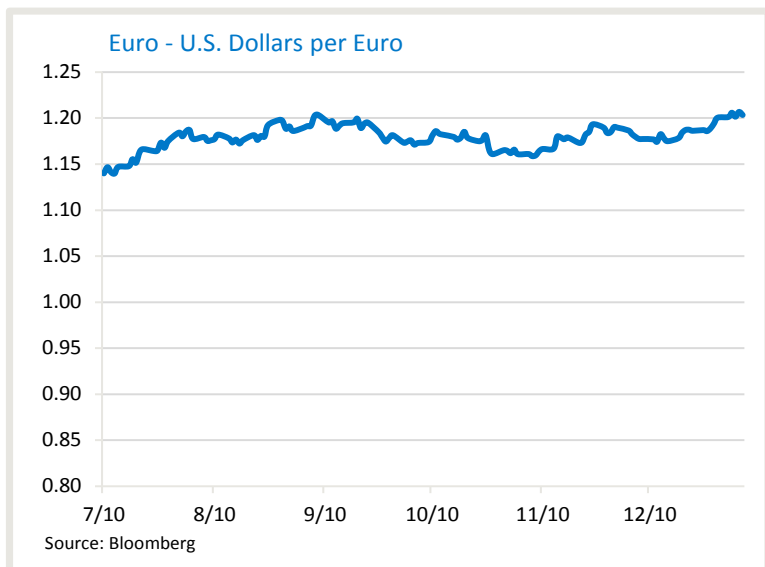
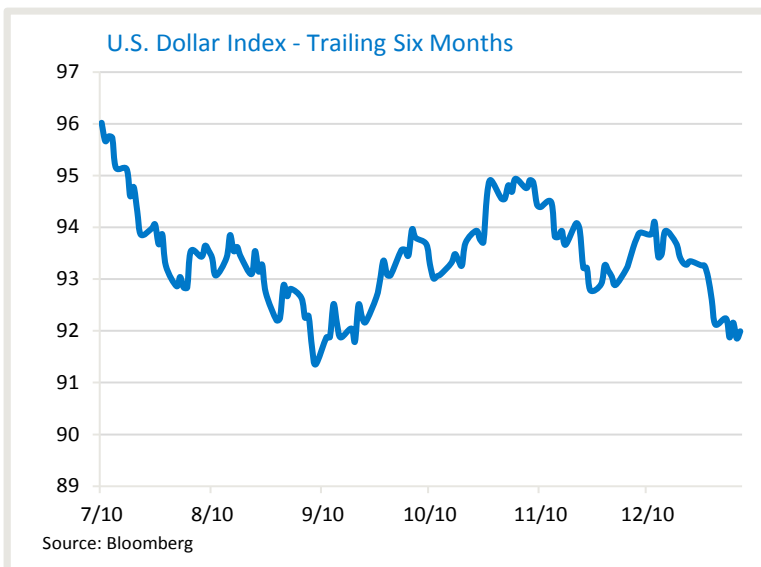
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	92.00	-0.130	-0.14%	-0.14%
Euro	1.20	0.003	0.24%	0.24%
Japanese Yen	113.10	0.400	-0.35%	-0.35%
British Pound	1.36	0.005	0.40%	0.40%
Canadian Dollar	1.24	-0.016	1.27%	1.27%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.49	-0.018	0.28%	0.28%
Swiss Franc	0.97	0.001	-0.06%	-0.06%
New Zealand Dollar	0.72	0.007	1.00%	1.00%
Brazilian Real	3.23	-0.080	2.46%	2.46%
Mexican Peso	19.18	-0.485	2.53%	2.53%

Source: Bloomberg

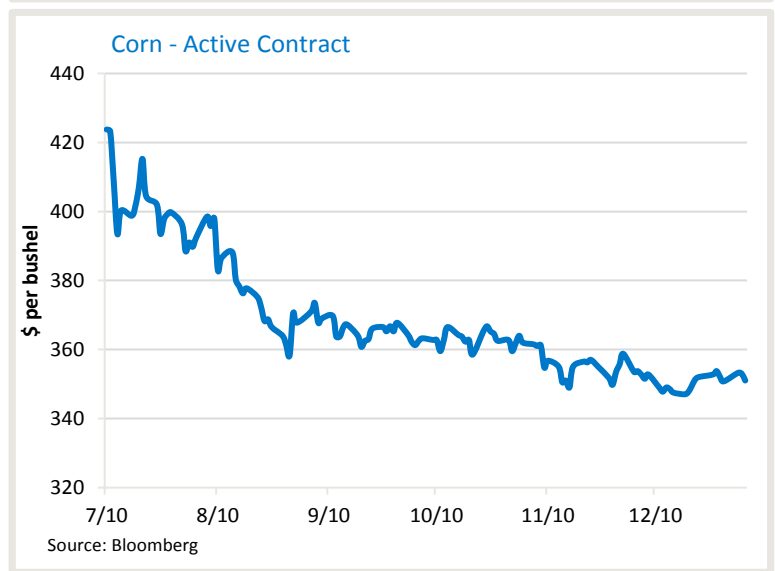
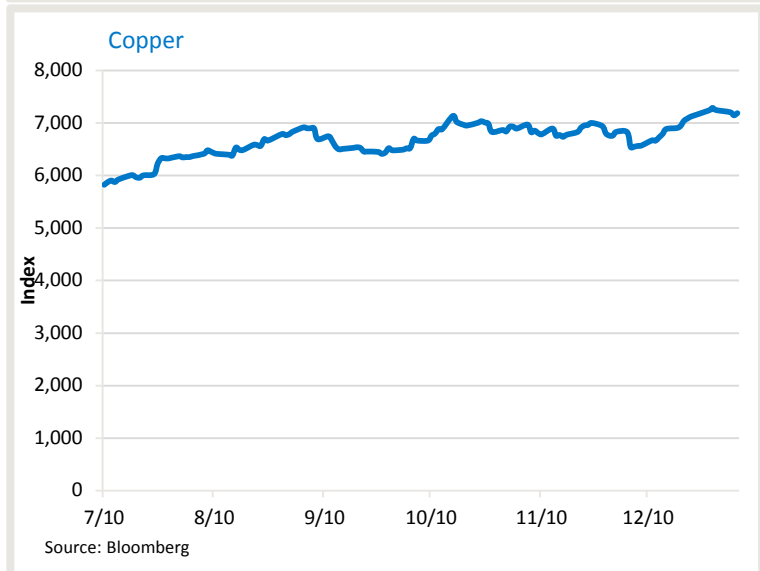
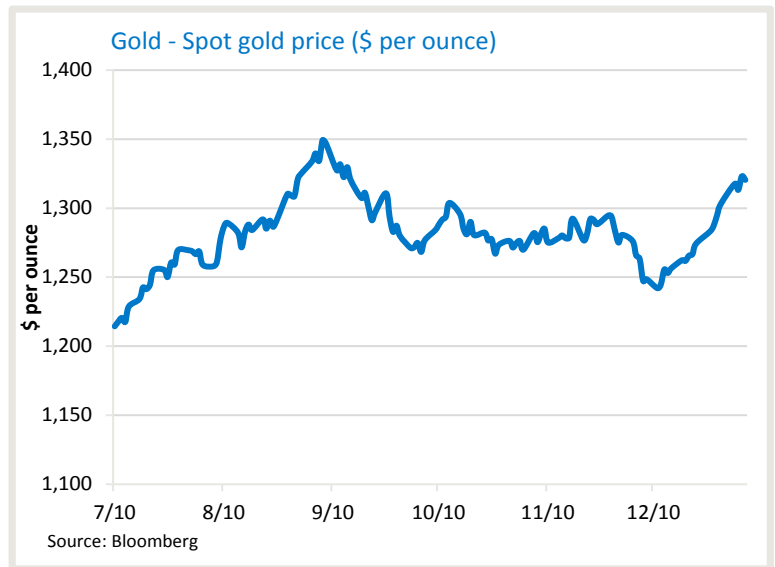
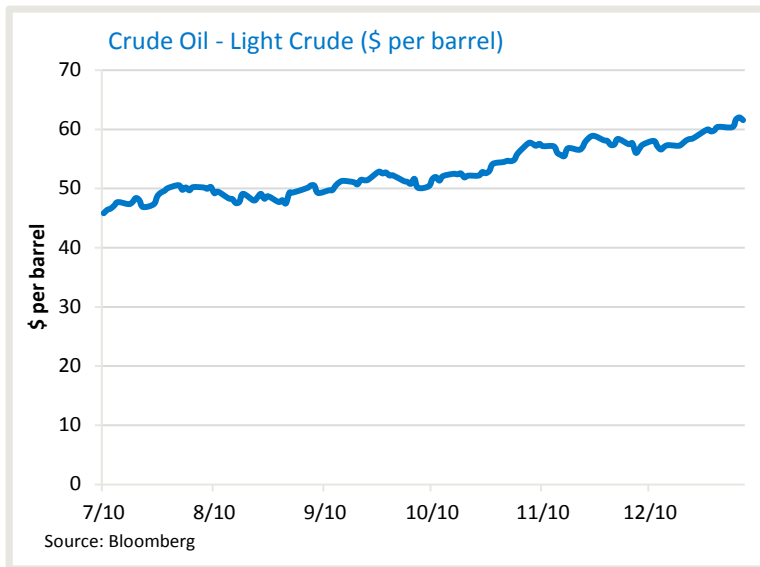


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	87.92	-0.25	-0.29%	-0.29%	Platinum Spot	\$970.38	\$41.32	4.45%	4.45%
Crude Oil	\$61.55	\$1.13	1.87%	1.87%	Corn	351.25	-0.75	-0.21%	0.14%
Natural Gas	\$2.79	-\$0.16	-5.38%	-5.38%	Wheat	430.75	3.00	0.70%	0.88%
Gasoline (\$/Gal.)	\$2.49	\$0.01	0.24%	0.12%	Soybeans	970.75	14.00	1.46%	0.94%
Heating Oil	206.14	-0.73	-0.35%	-0.35%	Sugar	15.08	0.08	0.53%	-0.53%
Gold Spot	\$1,320.36	\$17.64	1.35%	1.35%	Orange Juice	138.00	2.15	1.58%	0.84%
Silver Spot	\$17.23	\$0.29	1.73%	1.73%	Aluminum	2,250.00	-18.00	-0.79%	-0.79%
					Copper	7,188.50	-58.50	-0.81%	-0.81%

Source: Bloomberg; % change is based on price.

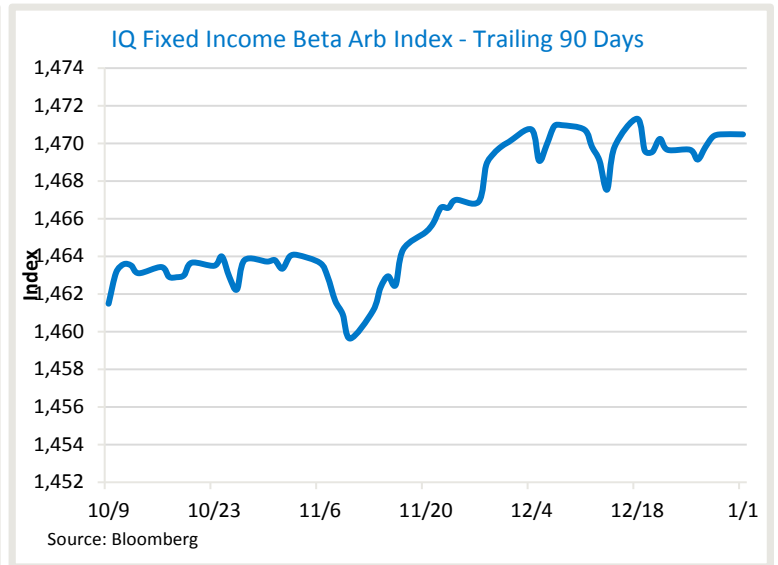
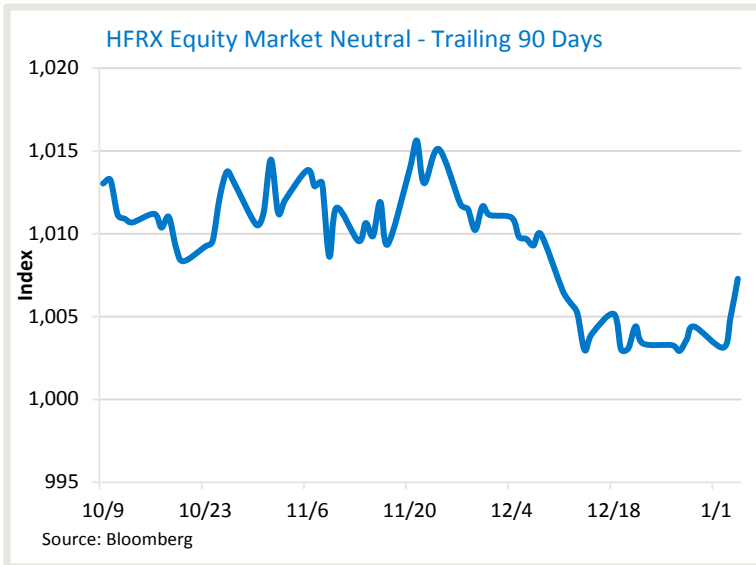
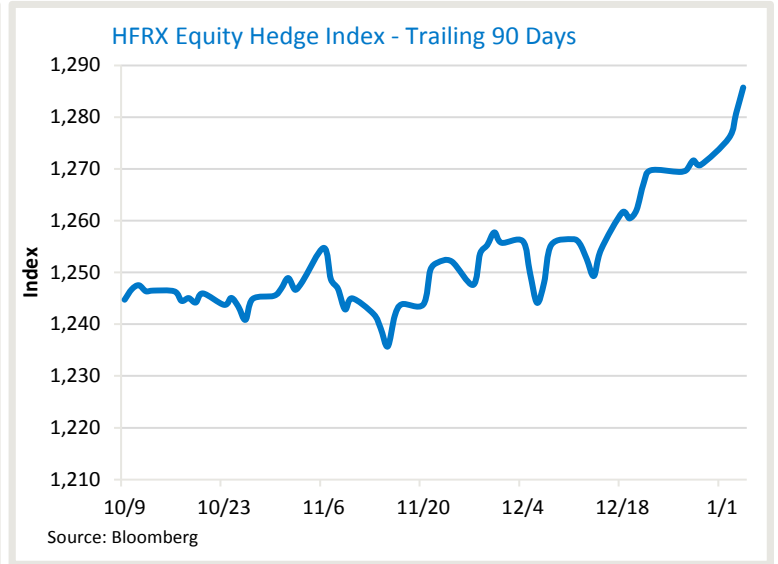
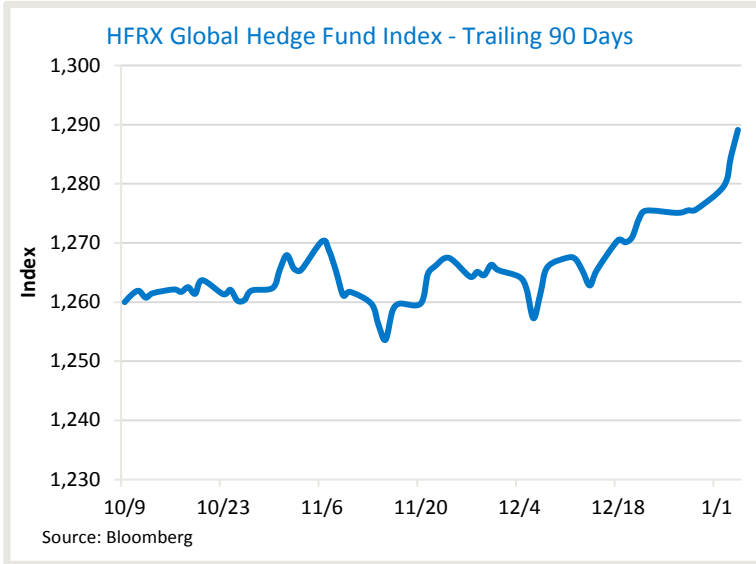


Alternative Investments

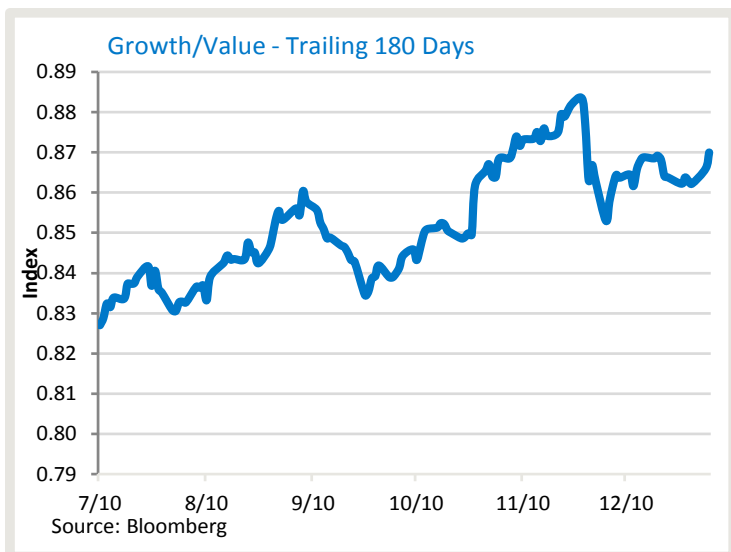
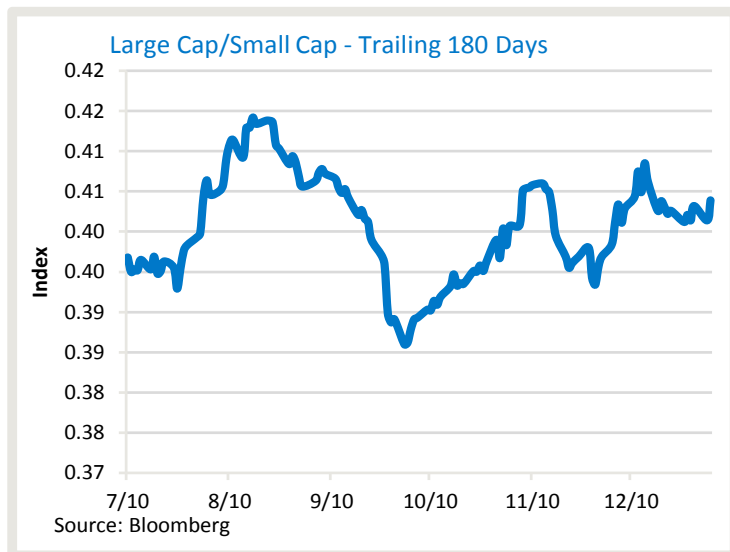
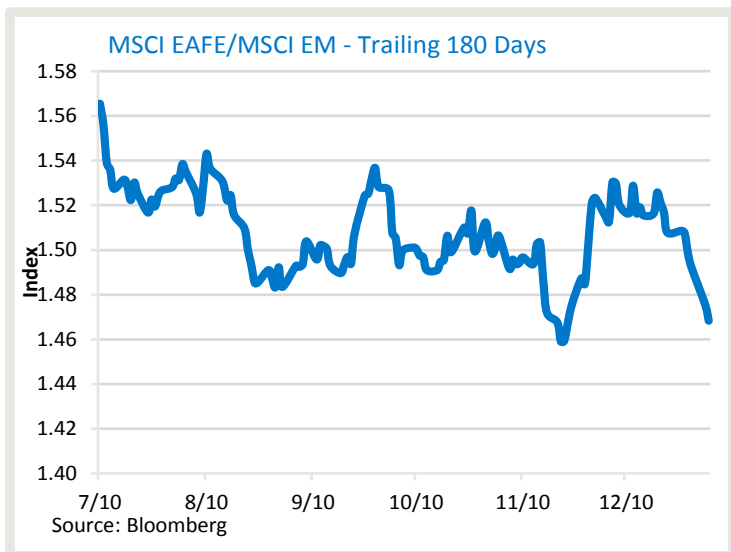
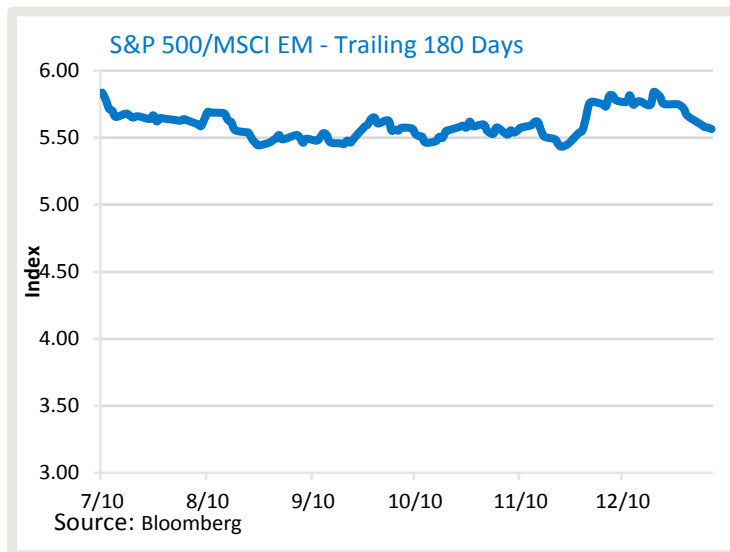
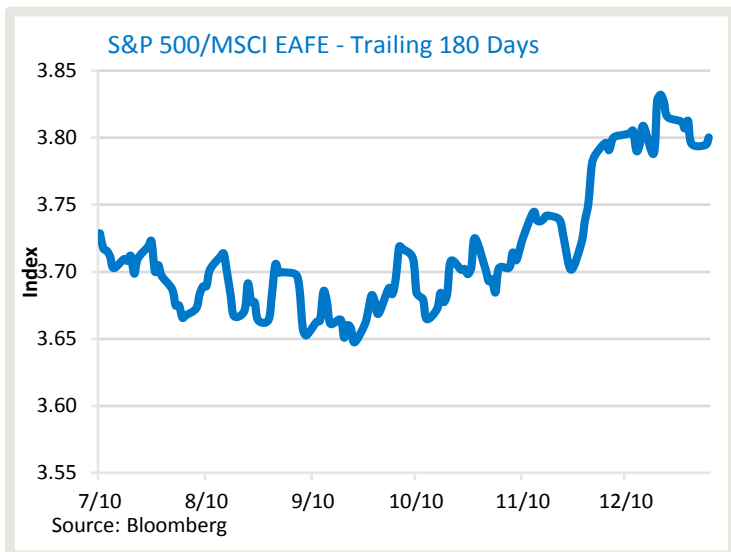
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1289.10	13.50	1.06%	1.06%	HFRX Distressed Index	1114.06	7.39	0.67%	0.67%
HFRX Equity Market Neutral	1007.28	2.88	0.29%	0.29%	HFRX Merger Arbitrage Index	1854.56	1.55	0.08%	0.08%
HFRX Equity Hedge Index	1285.74	14.98	1.18%	1.18%	HFRX Convertible Arbitrage Index	794.90	-1.32	-0.17%	-0.17%
HFRX Event-Driven Index	1684.60	18.85	1.13%	1.13%	HFRX Macro CTA Index	1182.20	18.33	1.57%	1.57%
HFRX Absolute Return Index	1066.41	3.13	0.29%	0.29%	IQ Fixed Income Beta Arb Index	1472.88	2.40	0.16%	0.16%

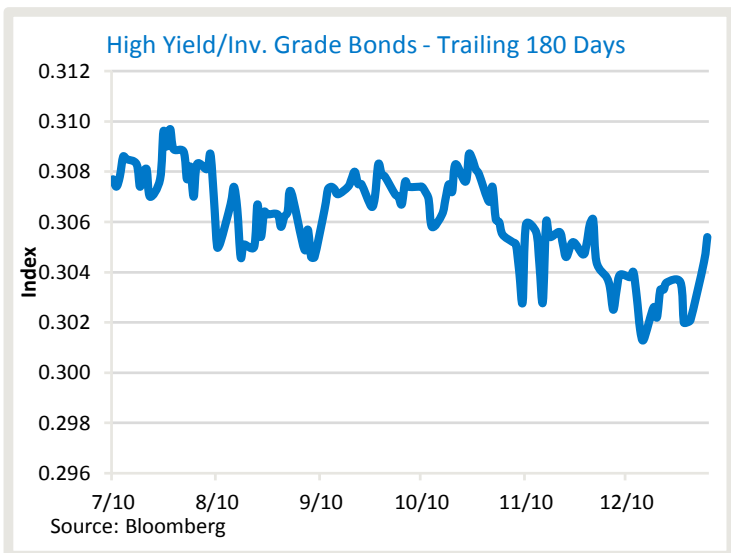
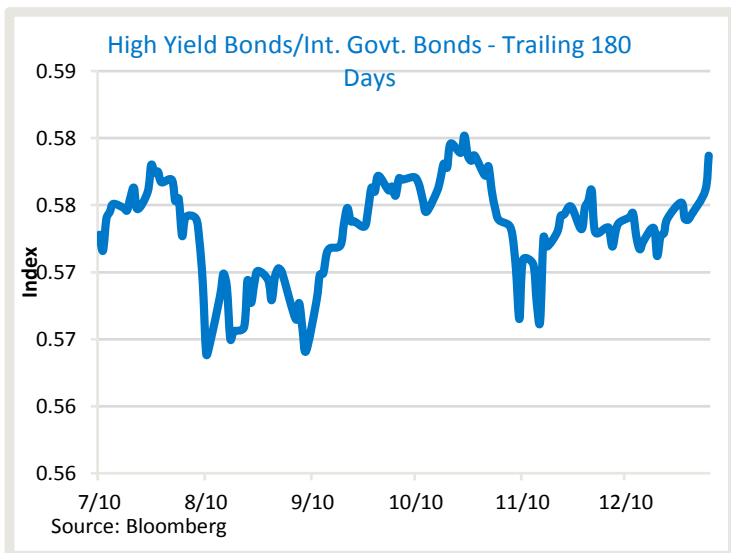
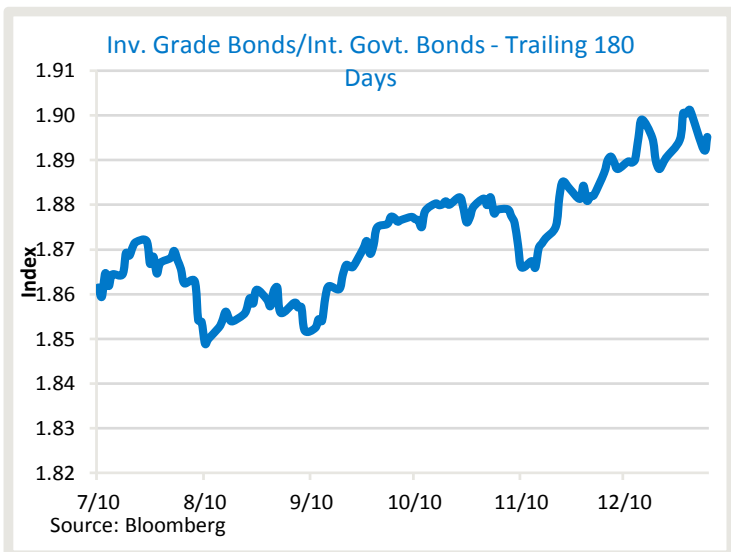
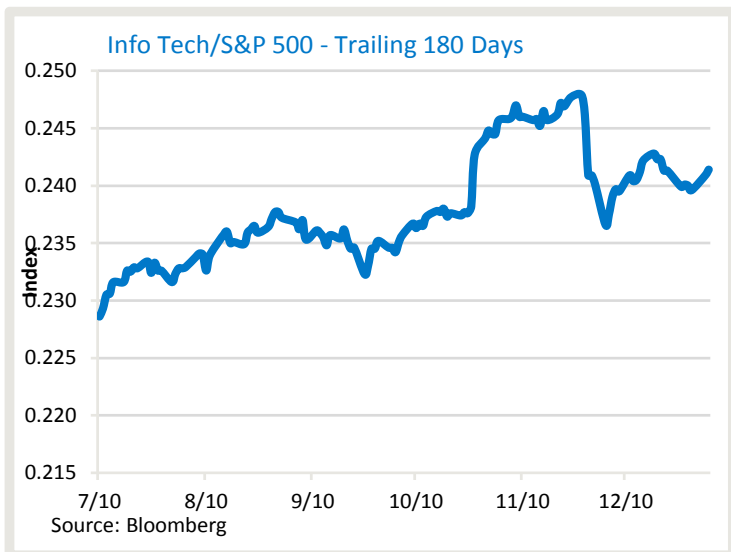
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/19	10/26	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4
Equity	Domestic Equity	Large Cap (R200)	0.47%	-0.08%	0.96%	0.20%	-0.08%	0.41%	1.89%	-0.38%	0.83%	1.16%	-0.02%	1.42%
		Small Cap (R2000)	-0.21%	-0.31%	-0.06%	-1.44%	0.80%	2.01%	1.81%	-1.53%	0.89%	2.66%	0.12%	0.44%
	Int'l. Equity	MSCI EAFE	0.52%	-0.69%	1.09%	-0.56%	-0.85%	1.43%	0.31%	-1.10%	0.94%	0.85%	0.47%	2.24%
		MSCI Em. Mkts.	-0.42%	-0.78%	1.73%	0.57%	-0.74%	2.40%	-2.74%	-1.81%	1.88%	1.17%	1.69%	3.38%
Fixed Income	BarCap Agg. (AGG)	-8.59%	-0.67%	2.36%	-3.63%	-3.42%	6.91%	11.44%	3.87%	8.72%	47.24%	-10.88%	1.05%	
	High Yield (JNK)	0.35%	-0.40%	-0.32%	-1.38%	0.82%	0.41%	-0.05%	-0.54%	0.14%	-0.35%	0.27%	0.90%	
Commodities	Bloomberg Commodity Index	0.31%	0.61%	0.90%	0.88%	-2.05%	1.61%	-1.54%	-2.22%	0.04%	1.72%	2.84%	0.99%	
Alternatives	Hedge Funds (HFRX Global)	0.05%	-0.08%	0.42%	-0.36%	-0.20%	0.59%	0.02%	-0.38%	0.10%	0.90%	0.11%	1.06%	
Asset Allocation	60/40*	-2.81%	-0.45%	1.34%	-1.48%	-1.27%	3.10%	4.66%	0.81%	1.69%	17.32%	-3.63%	1.39%	
	48/32/20 (w/Alts.)**	-2.24%	-0.38%	1.16%	-1.25%	-1.05%	2.60%	3.73%	0.57%	1.37%	14.03%	-2.89%	1.32%	

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	1.03	1.04	1.04	1.03	1.09	1.19	1.15	1.26	1.01	1.04	1.61	1.14	1.16	1.32
Large Cap Growth	0.97	1.00	1.01	1.01	1.00	1.06	1.15	1.12	1.22	0.98	1.01	1.57	1.11	1.12	1.28
Large Cap Value	0.96	0.99	1.00	1.00	0.99	1.05	1.14	1.10	1.21	0.97	1.00	1.55	1.10	1.11	1.27
Mid Cap Core	0.96	0.99	1.00	1.00	0.99	1.04	1.14	1.10	1.20	0.97	1.00	1.55	1.09	1.11	1.27
Mid Cap Growth	0.97	1.00	1.01	1.01	1.00	1.06	1.15	1.11	1.22	0.98	1.01	1.56	1.11	1.12	1.28
Mid Cap Value	0.92	0.94	0.96	0.96	0.95	1.00	1.09	1.05	1.15	0.93	0.96	1.48	1.05	1.06	1.21
Small Cap Core	0.84	0.87	0.88	0.88	0.87	0.92	1.00	0.97	1.06	0.85	0.88	1.36	0.96	0.97	1.11
Small Cap Growth	0.87	0.90	0.91	0.91	0.90	0.95	1.03	1.00	1.09	0.88	0.91	1.40	0.99	1.01	1.15
Small Cap Value	0.80	0.82	0.83	0.83	0.82	0.87	0.95	0.91	1.00	0.81	0.83	1.28	0.91	0.92	1.05
Int'l. Developed	0.99	1.02	1.03	1.03	1.02	1.08	1.17	1.13	1.24	1.00	1.03	1.59	1.13	1.14	1.31
Emerging Markets	0.96	0.99	1.00	1.00	0.99	1.05	1.14	1.10	1.20	0.97	1.00	1.55	1.10	1.11	1.27
REITs	0.62	0.64	0.65	0.65	0.64	0.68	0.74	0.71	0.78	0.63	0.65	1.00	0.71	0.72	0.82
Commodities	0.87	0.90	0.91	0.91	0.90	0.95	1.04	1.01	1.10	0.89	0.91	1.41	1.00	1.01	1.16
Int. Bond	0.86	0.89	0.90	0.90	0.89	0.94	1.03	0.99	1.09	0.88	0.90	1.40	0.99	1.00	1.14
High Yield	0.76	0.78	0.79	0.79	0.78	0.82	0.90	0.87	0.95	0.77	0.79	1.22	0.86	0.87	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.

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 **ISM Manufacturing Index** is based on surveys of more than 300 manufacturing firms by the Institute of Supply Management and monitors employment, production, inventories, new orders and supplier deliveries. The **ISM Non-Manufacturing Index** is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM) and also tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The **Housing Market Index** (HMI) is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. 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.

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