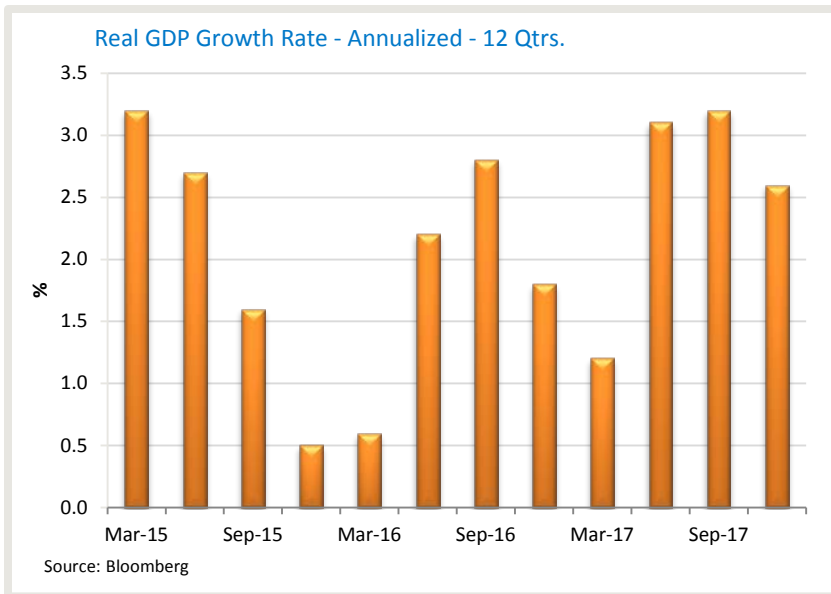


Weekly Market Review

January 26, 2018

Chart of the Week



Weekly Highlights

- **The government shutdown ended on Monday**, after a short-term deal was reached between Senate Democrats and Republicans. The deal will fund the government until February 8, and also included funding for the Children's Health Insurance Program (CHIP). The roughly three-week period before the next funding deadline buys time for continued talks on an immigration deal.
- **President Trump approved tariffs on specific washing machines and solar cells**, with the directive aimed at boosting domestic manufacturers. Imported solar cells will be imposed with a 30% tariff for the first year, while the first 1.2 million washing machines imported will be subject to a 20% tariff. Domestic solar cell manufacturers have applauded the move, whereas the solar installation industry expects it will drive its costs higher and lead to fewer installs.
- **The advanced fourth quarter gross domestic product (GDP) figure came in at 2.6%**, lower than the consensus estimate of 2.9%. The fourth quarter's number was affected by an increase in imports, which held back GDP growth; however, the figure was boosted by strong consumer spending and nonresidential fixed investment.

Talking Points

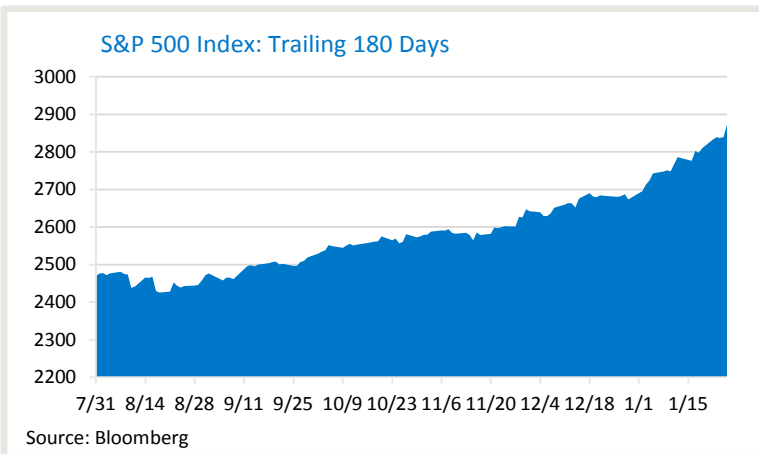
- **Among equities**, large caps outperformed small caps; growth stocks led value stocks; domestic stocks outperformed international stocks; and emerging markets outperformed developed markets.
- **Treasury yields were mostly flat** in the week. The yield on the 10-year Treasury Note gained a couple of basis points during the week, ending roughly around 2.66%.
- **Commodity indices advanced** higher during the week. Crude oil, natural gas, gold, and silver prices all steadily increased during the week.
- **The US Dollar continued its fall** over the week. The current US Secretary of the Treasury, Steven Mnuchin, spoke in favor of a weaker dollar during the World Economic Forum in Davos, Switzerland this week, which pushed the currency lower.
- **Among economic data released this week**, December new home sales of 625,000 came down from the November high of 689,000, but still represented strong growth. Jobless claims for the week ending January 20 rose to 233,000, within consensus expectations, but 17,000 more than the prior week.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,872.87	62.57	2.23%	7.5%
Dow Industrials	26,616.71	544.99	2.09%	7.7%
Nasdaq	7,505.77	169.39	2.31%	8.7%
Russell 2000	1,608.06	10.43	0.65%	4.7%
Euro Stoxx Index	400.57	-0.31	-0.08%	2.9%
Shanghai Composite	3,558.13	70.26	2.01%	7.6%
Russell Global	2,280.42	30.32	1.35%	6.4%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,960.33	94.36	2.44%	8.7%
10-Year US Treas.	2.66	3 bps	NM	NM
DJ UBS Comm. Idx.	90.80	2.26	2.55%	3.0%
Gold	\$1,350.32	\$18.44	1.38%	3.6%
Crude Oil	\$66.22	\$2.91	4.60%	9.6%
Dollar Index	89.06	-1.51	-1.66%	-3.3%
VIX Index	11.08	-0.19	-1.69%	0.4%



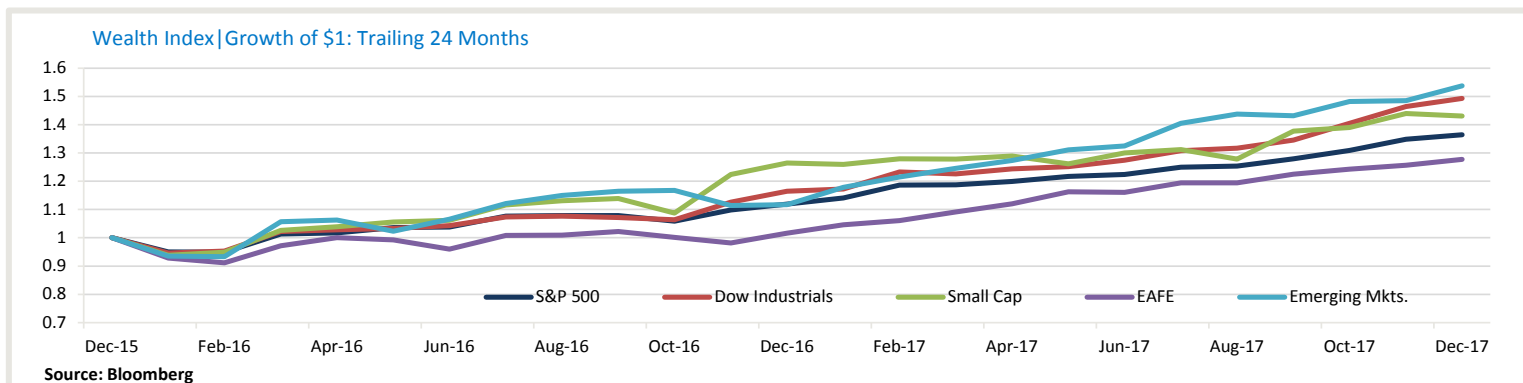
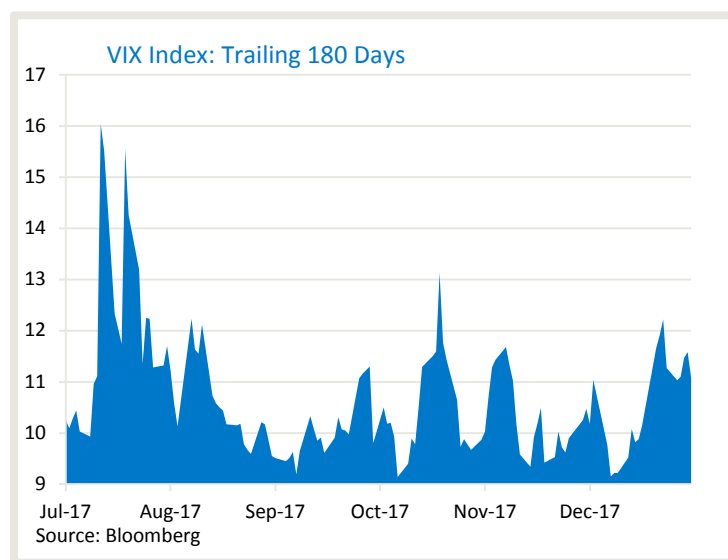
	One Week			YTD		
	Value	Growth		Value	Growth	
L	2.18%	2.34%	2.48%	6.64%	7.84%	8.89%
	1.46%	1.59%	1.74%	4.16%	5.68%	7.65%
S	-0.18%	0.65%	1.43%	3.41%	4.72%	5.95%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.6	3.23%	10.5%
Consumer Staples	7.9	1.11%	3.0%
Energy	6.1	1.52%	7.5%
Financials	14.9	2.19%	8.0%
Health Care	14.2	3.54%	10.8%
Industrials	10.2	1.17%	6.4%
Information Technology	24.1	2.00%	8.8%
Materials	3.0	1.25%	6.0%
Real Estate	2.6	2.27%	-2.4%
Telecom Services	1.9	3.52%	0.5%
Utilities	2.6	2.07%	-3.1%

Source: Bloomberg



The Economy and Markets

A Macro View – Are Investors Becoming Fully Engaged?

Engagement is a term we've been hearing more and more in the investing world these days, and it seems as though shareholders' voices are only getting louder. The practice has typically garnered thoughts of activist investors and hostile takeovers aimed at obtaining seats on the board to represent new visions within companies. But a push is growing from firms and investors aligned with environmental, social, and governance (ESG) and impact investing, as well as some of the largest asset managers in the world, to engage with companies to advocate for positive outcomes for both companies and their shareholders.

To take a step back and define what engagement entails, shareholders have a few avenues to persuade management to listen and work with them on perceived issues. Annual proxy voting resides on the formal side of the spectrum and is typically held in conjunction with a company's annual shareholder meeting. Proxy voting is most commonly used for electing individuals for board member seats, but is increasingly including votes on ESG reporting and practices. In fact, a growing number of firms offer reporting, research, and voting support to institutional and individual investors. Shareholder resolutions also offer to any investor holding \$2,000 in common stock for at least one year the ability to submit a resolution for a vote. Although shareholder resolutions are nonbinding, the publicity and dialogue they can generate are often enough to enact changes, or at least further discussions. Even though these two options are available to any investor, they generally occur only once a year. Large or institutional investors, on the other hand, can use their leverage successfully to engage in less formal talks, but directly with company management.

The latter form of engagement was recently given a boost in a letter from BlackRock CEO Larry Fink that called on fiduciaries to hold companies accountable for both financial and societal obligations. Fink stated, "To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society." The letter was addressed primarily to company CEOs, but also spoke to public policy makers, and addressed stakeholders' need to engage responsibly with companies and leaders on their long-term vision and ensure they pay adequate attention to more than just their firms' financials¹.

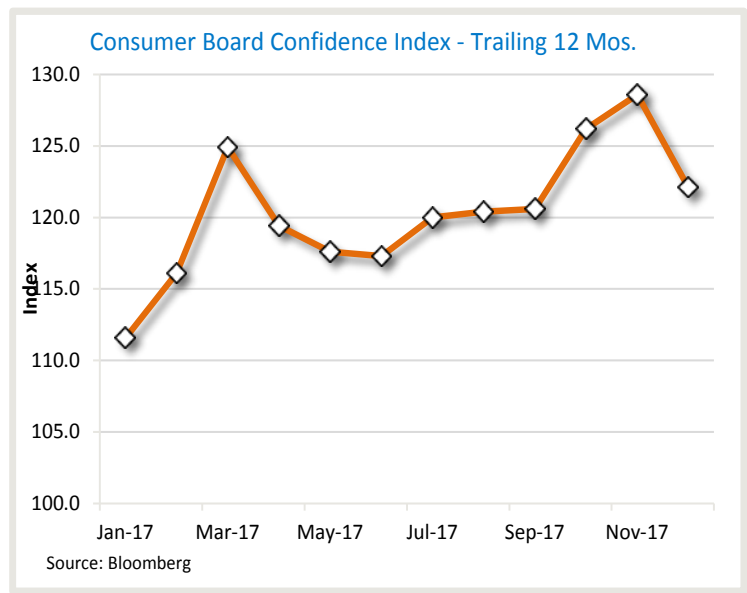
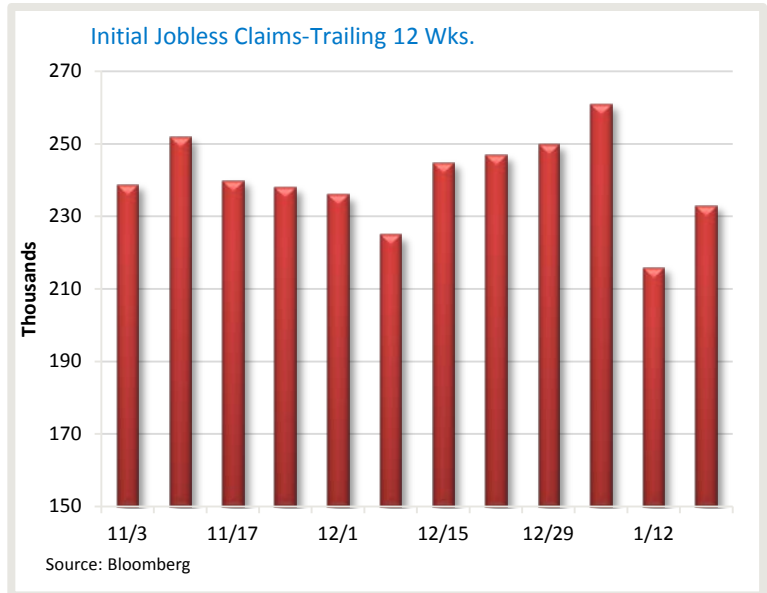
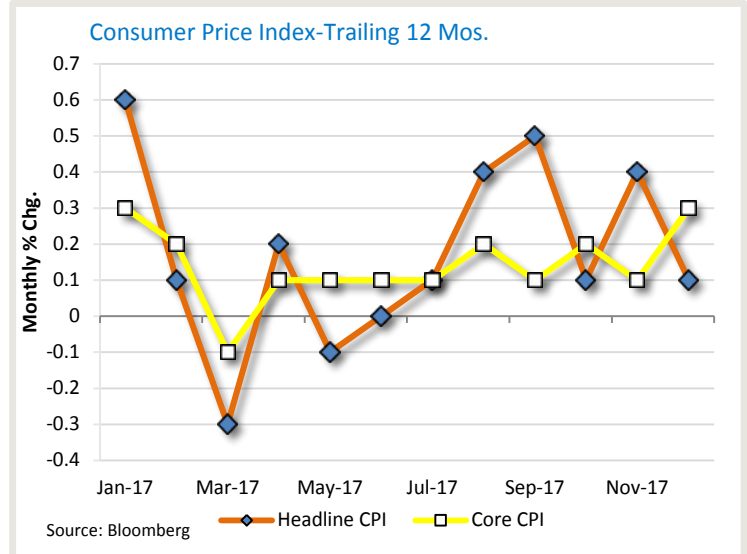
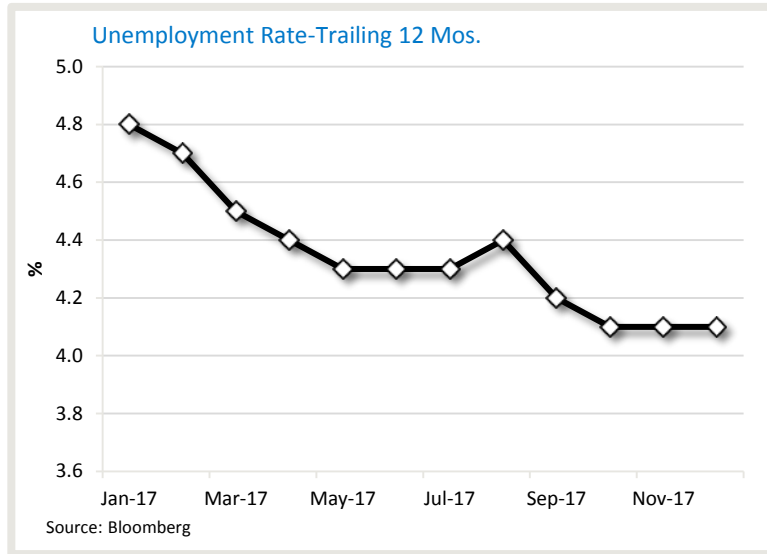
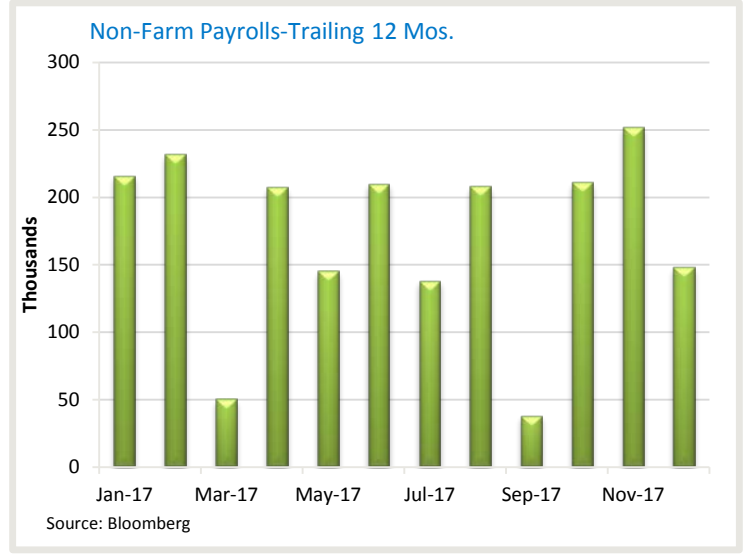
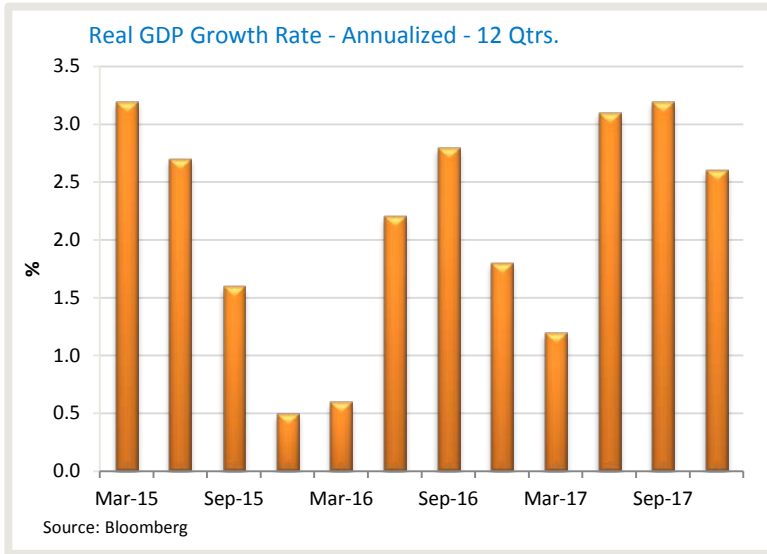
Although this sentiment is just starting to gain wider acknowledgement, smaller firms and voices have been advocating for such a viewpoint for the last several decades. Maybe the most prominent instances of engagement came in the wake of the disastrous 1990 Alaska and 2010 Gulf of Mexico oil spills, which highlighted the need for company management to have plans in place not only to mitigate the environmental impacts, but also to avoid the financial and headline impacts that resulted from these accidents.

Whether we continue to see more leaders in the finance industry speak up about their firms' responsibilities outside of financial considerations remains to be seen. However, it is clear that a select number of large asset managers are beginning to align their engagement practices with those of smaller firms and groups of investors.

Eric Halverson
Investment Analyst

¹ <https://www.nytimes.com/interactive/2018/01/16/business/dealbook/document-BlackRock-s-Laurence-Fink-Urges-C-E-O-s-to-Focus.html>

Economic Data



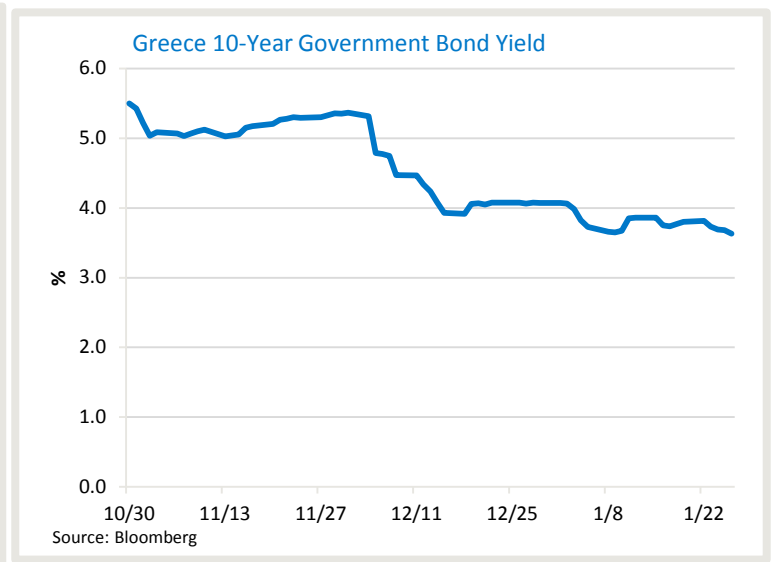
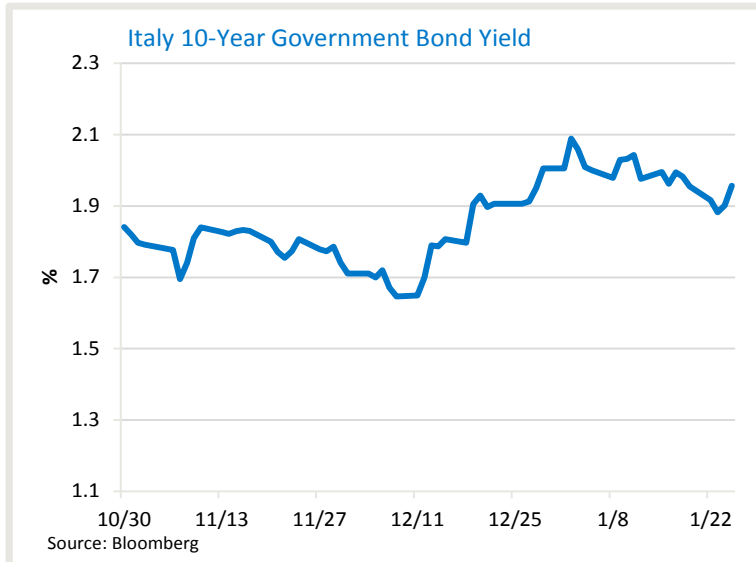
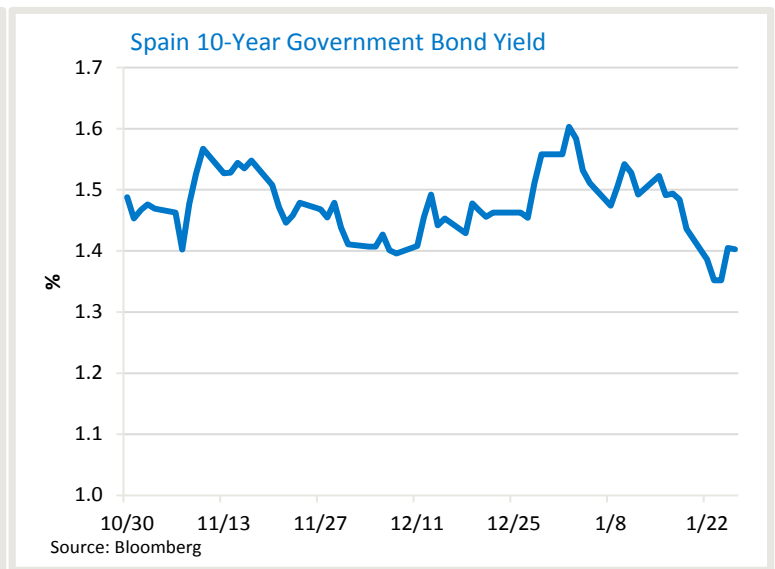
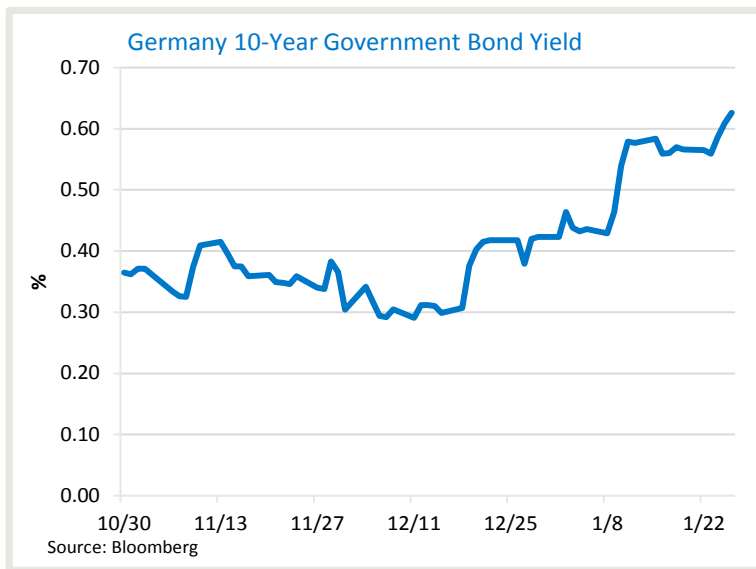
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.63	-6 bps	NM	NM
Greece 10-Yr. Govt.	3.63	14 bps	NM	NM
Italy 10-Yr. Govt.	2.00	-4 bps	NM	NM
Spain 10-Yr. Govt.	1.40	3 bps	NM	NM
Belgium 10-Yr. Govt.	0.77	-6 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.91	-7 bps	NM	NM
Ireland 10-Yr. Govt.	1.05	-8 bps	NM	NM
Portugal 10-Yr. Govt.	1.93	4 bps	NM	NM
Netherlands 10-Yr. Govt.	0.67	-6 bps	NM	NM
U.K. 10-Yr. Govt.	1.44	-12 bps	NM	NM

Source: Bloomberg
Basis points (bps)

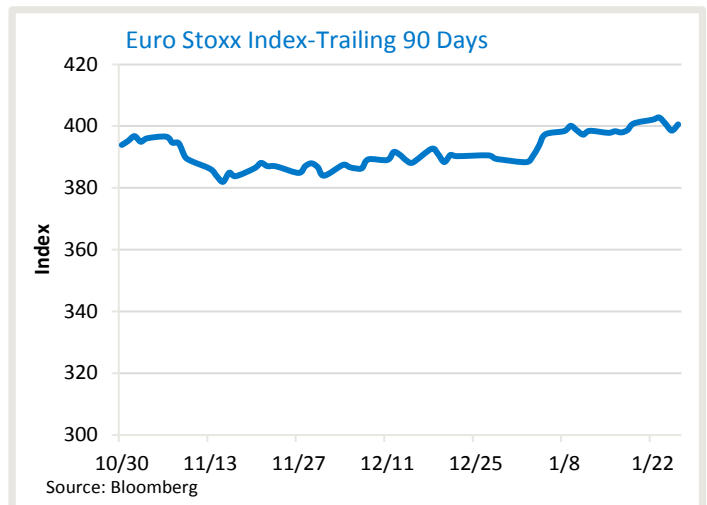
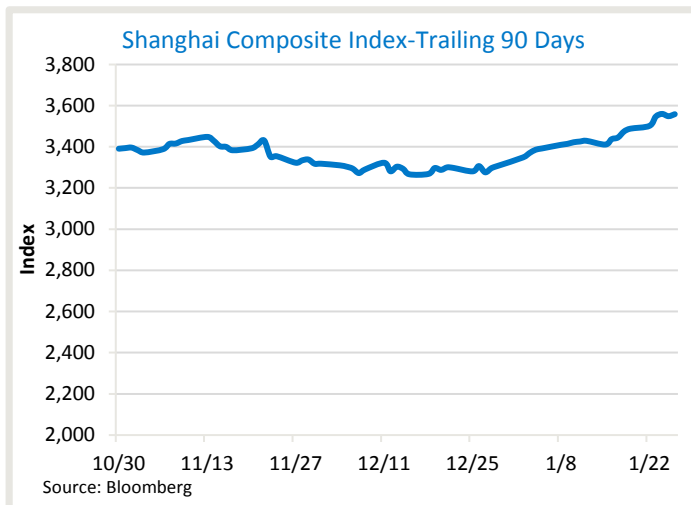
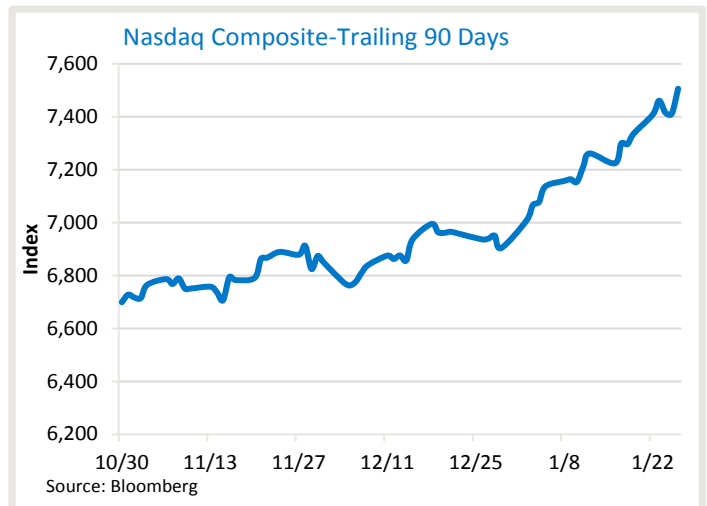
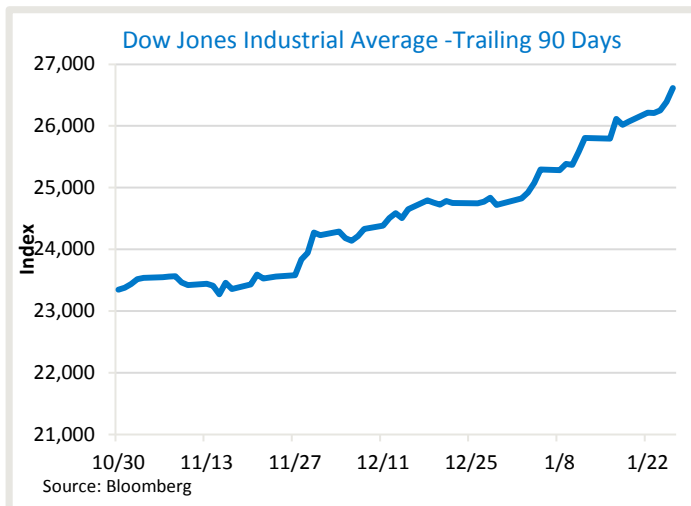


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,872.87	62.57	2.23%	7.45%	Swiss Market Index	9,515.56	5.79	0.06%	1.42%
Dow Industrials	26,616.71	544.99	2.09%	7.68%	CAC 40 Index (France)	5,529.15	2.64	0.05%	4.08%
Nasdaq Composite	7,505.77	169.39	2.31%	8.73%	DAX Index (Germany)	13,340.17	-94.28	-0.70%	3.27%
Russell Global	2,280.42	30.32	1.35%	6.4%	Irish Overall Index	7,098.63	-58.49	-0.82%	0.86%
Russell Global EM	3,960.33	94.36	2.44%	8.7%	Nikkei 225	23,631.88	-176.18	-0.74%	3.81%
S&P/TSX (Canada)	16,239.22	-114.24	-0.70%	0.19%	Hang Seng Index	33,154.12	899.23	2.79%	10.81%
Mexico IPC	51,065.49	1356.51	2.73%	3.44%	Shanghai Composite	3,558.13	70.26	2.01%	7.59%
Brazil Bovespa	85,530.84	4311.34	5.31%	11.95%	Kospi Index (S. Korea)	2,574.76	54.50	2.16%	4.35%
Euro Stoxx 600	400.57	-0.31	-0.08%	2.93%	Taiwan Taiex Index	11,147.10	-3.75	-0.03%	4.74%
FTSE 100	7,665.54	-65.25	-0.84%	-0.29%	Tel Aviv 25 Index	1,543.13	9.55	0.62%	2.21%
IBEX 35 (Spain)	10,595.40	115.90	1.11%	5.49%	MICEX Index (Russia)	2,295.26	8.93	0.39%	8.79%

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



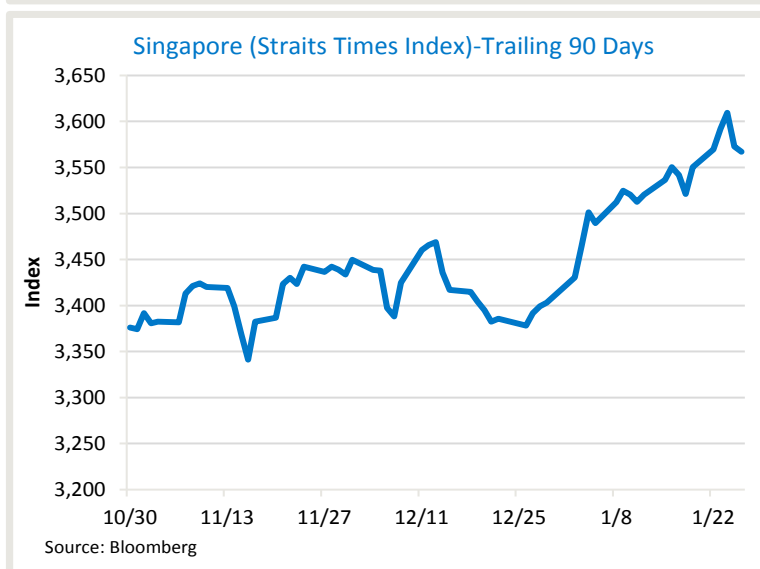
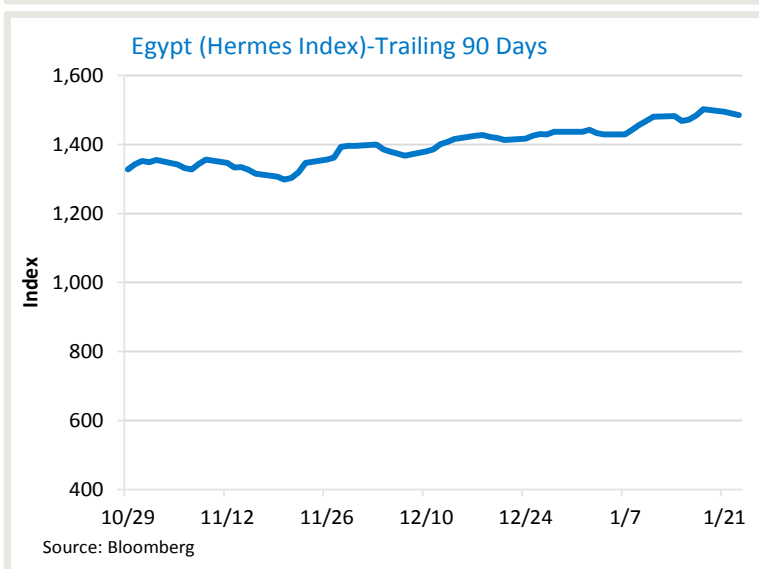
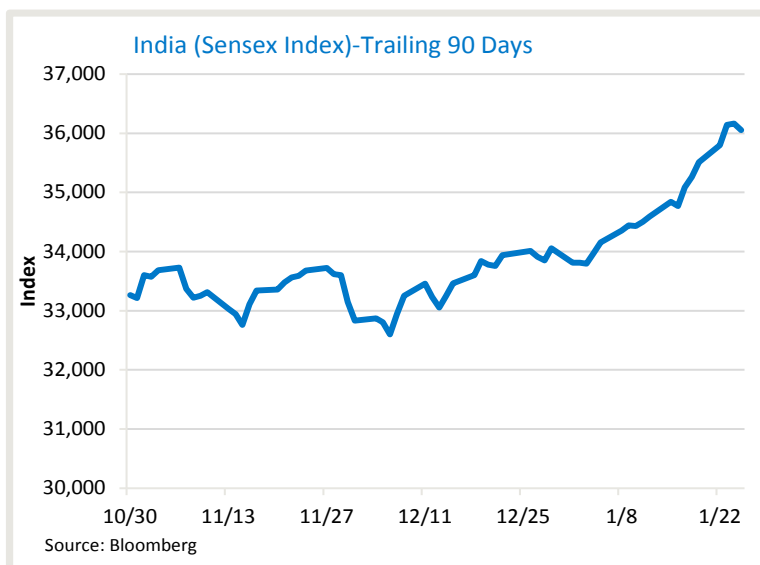
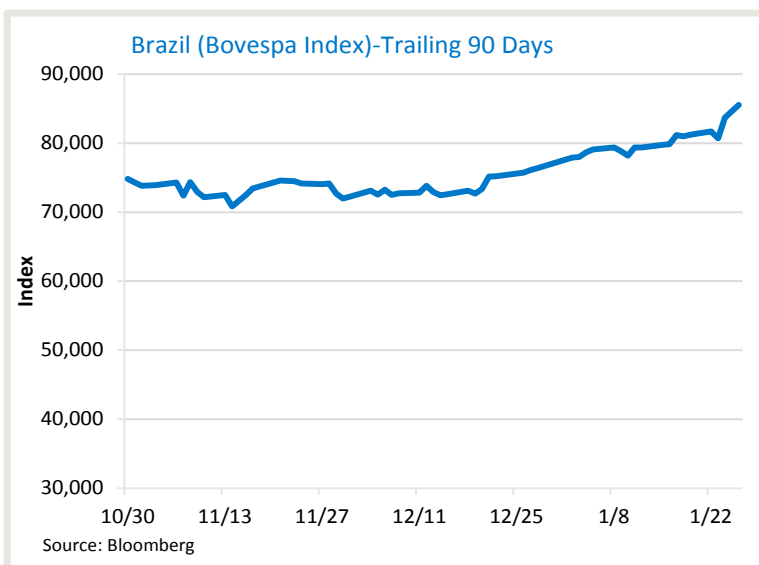
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	51,065.49	1356.51	2.7%	3.4%
Brazil (Bovespa Index)	85,530.84	4311.34	5.3%	11.9%
MICEX Index (Russia)	2,295.26	8.93	0.4%	8.8%
Czech Republic (Prague)	1,131.96	8.34	0.7%	5.0%
Turkey (Istanbul)	120,701.92	5554.80	4.8%	4.7%
Egypt (Hermes Index)	1,483.61	-18.45	-1.2%	3.2%
Kenya (Nairobi 20 Index)	3,728.15	-9.02	-0.2%	0.4%
Saudi Arabia (TASI Index)	7,521.64	-17.38	-0.2%	4.1%
Lebanon (Beirut BLOM Index)	1,163.25	-5.92	-0.5%	1.3%
Palestine	578.35	-4.50	-0.8%	0.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	33,154.12	899.23	2.8%	10.8%
India (Sensex 30)	36,050.44	538.86	1.5%	5.9%
Malaysia (KLCI Index)	1,853.92	25.09	1.4%	3.2%
Singapore (Straits Times Index)	3,567.14	16.78	0.5%	4.8%
Thailand (SET Index)	1,828.88	7.54	0.4%	4.3%
Indonesia (Jakarta)	6,660.62	169.72	2.6%	4.8%
Pakistan (Karachi KSE 100)	44,551.13	372.30	0.8%	10.1%
Vietnam (Ho Chi Minh)	1,115.64	53.57	5.0%	13.4%
Sri Lanka (Colombo)	6,456.04	12.54	0.2%	1.4%
Cambodia (Laos)	961.35	-8.52	-0.9%	-3.7%

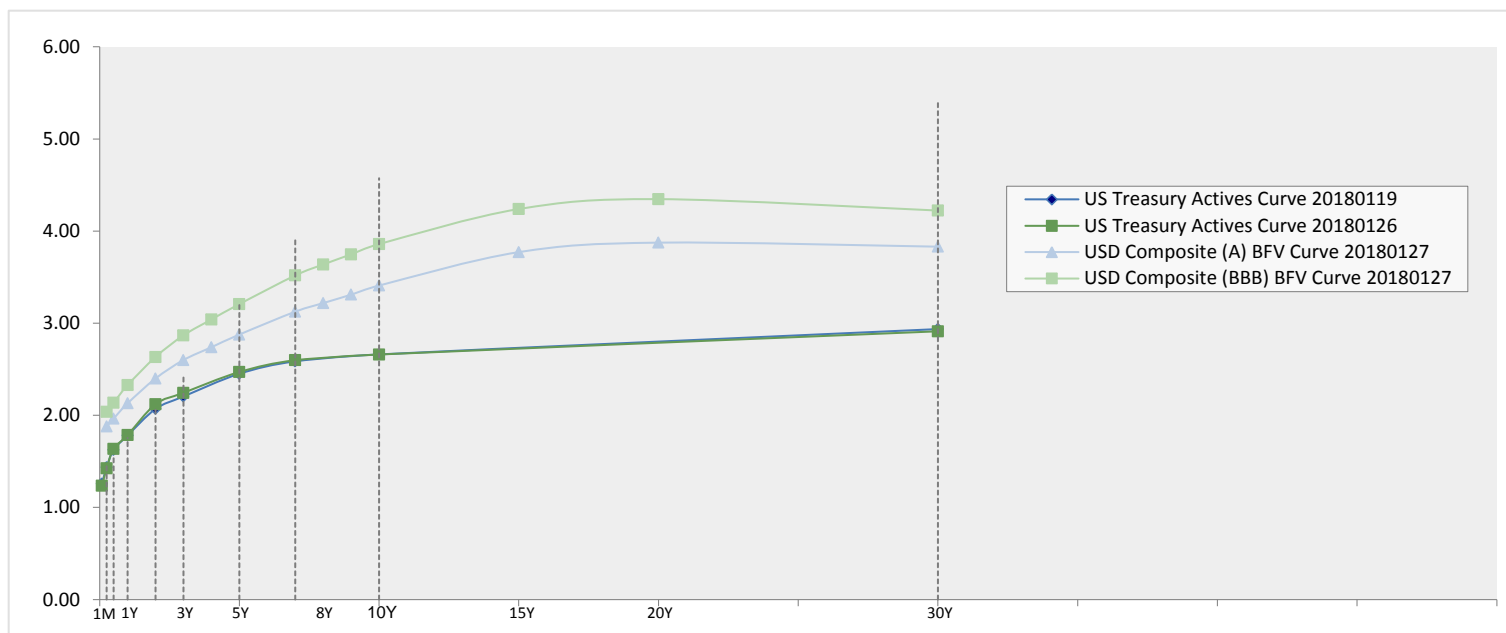


Interest Rates

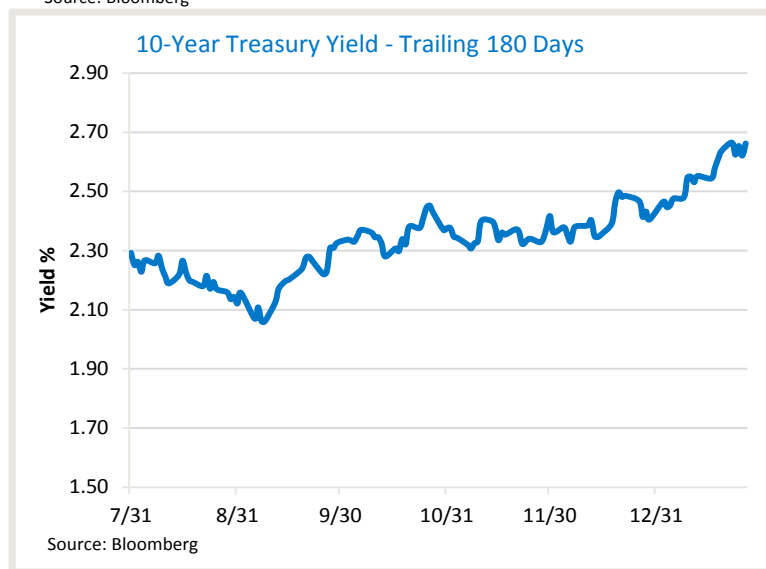
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.12%	0 bps	NM	NM	Prime Rate	4.50%	0.00	NM	NM
5-Yr. U.S. Treasury	2.47%	3 bps	NM	NM	Fed Funds Rate	1.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.66%	3 bps	NM	NM	Discount Rate	2.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.91%	0 bps	NM	NM	LIBOR (3 Mo.)	1.76%	2 bps	NM	NM
German 10-Yr. Govt.	0.63%	-6 bps	NM	NM	Bond Buyer 40 Muni	3.57%	5 bps	NM	NM
France 10-Yr.	0.91%	-7 bps	NM	NM	Bond Buyer 40 G.O.	3.59%	NA	NM	NM
Italy 10-Yr.	2.00%	-4 bps	NM	NM	Bond Buyer 40 Rev.	4.08%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.06%	9 bps	NM	NM					

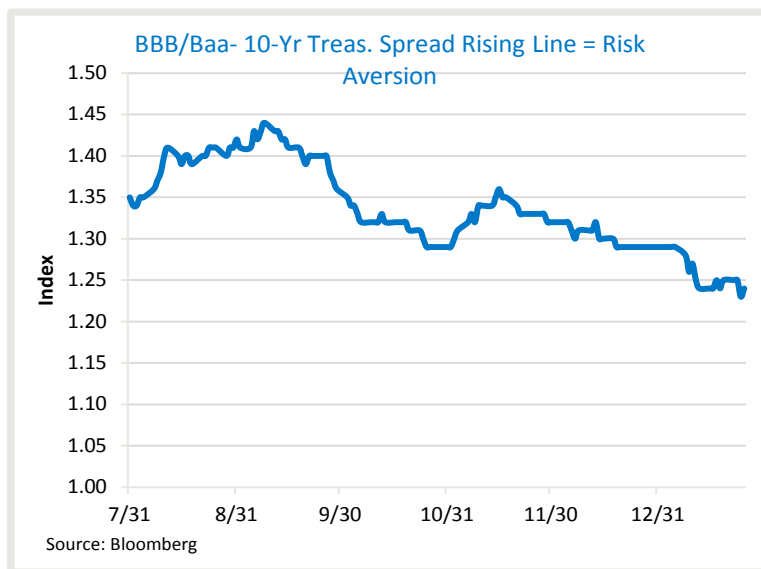
Source: Bloomberg



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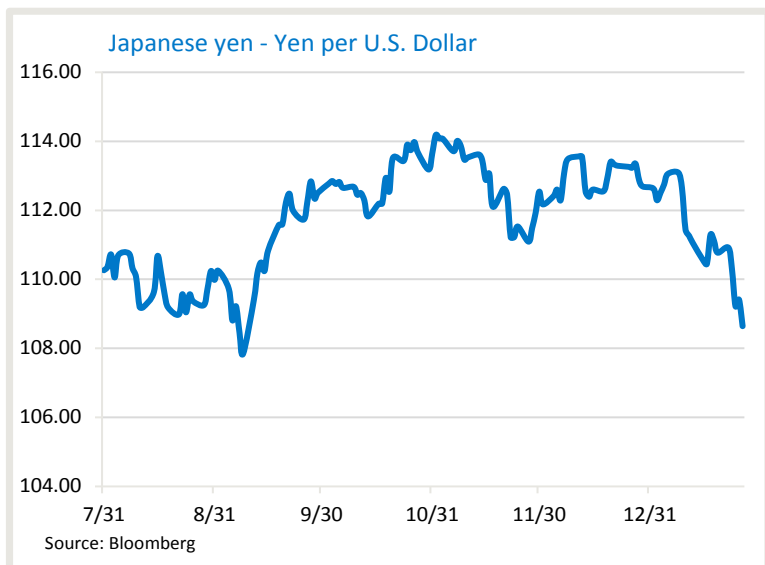
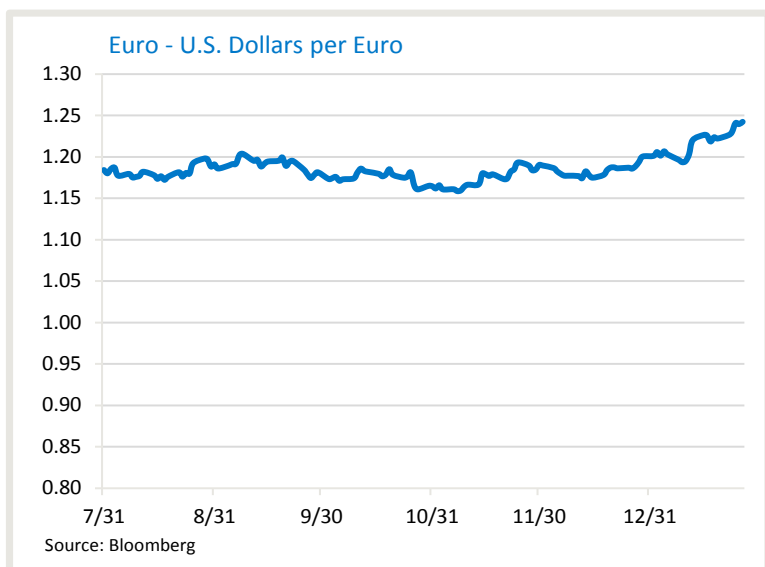
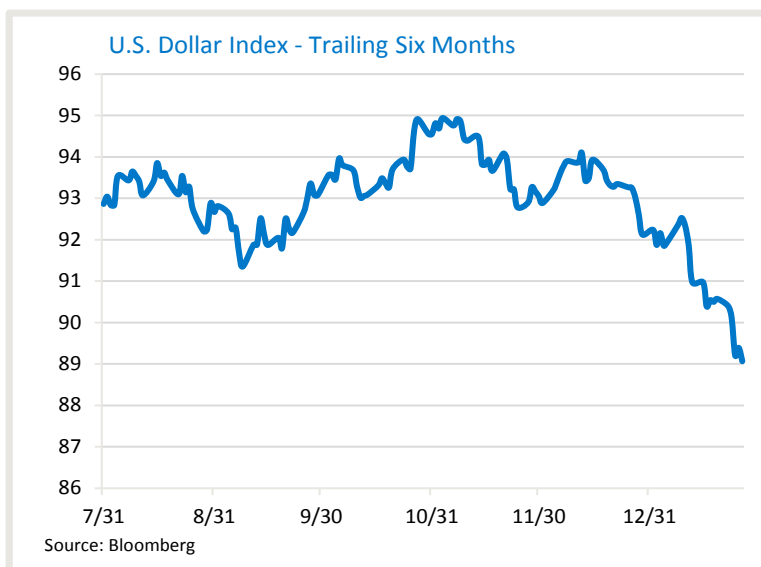
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	89.06	-1.506	-1.66%	-3.32%
Euro	1.24	0.020	1.65%	3.49%
Japanese Yen	108.63	-2.130	1.96%	3.73%
British Pound	1.42	0.029	2.09%	4.69%
Canadian Dollar	1.23	-0.017	1.36%	2.00%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.33	-0.076	1.20%	2.82%
Swiss Franc	0.93	-0.030	3.18%	4.42%
New Zealand Dollar	0.74	0.008	1.09%	3.63%
Brazilian Real	3.15	-0.048	1.52%	5.09%
Mexican Peso	18.51	-0.135	0.73%	6.26%

Source: Bloomberg



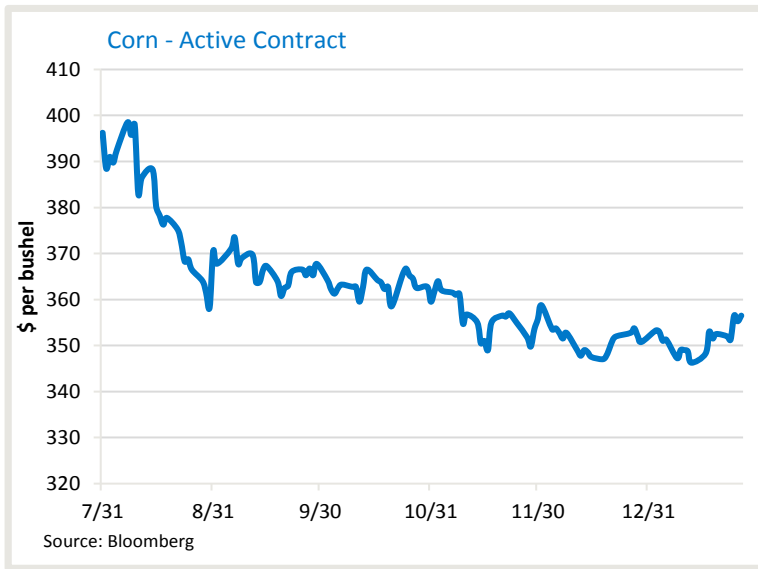
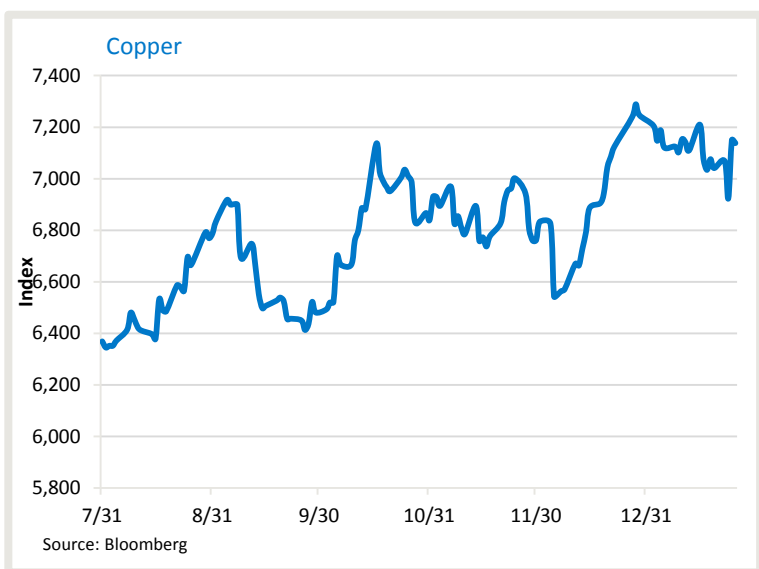
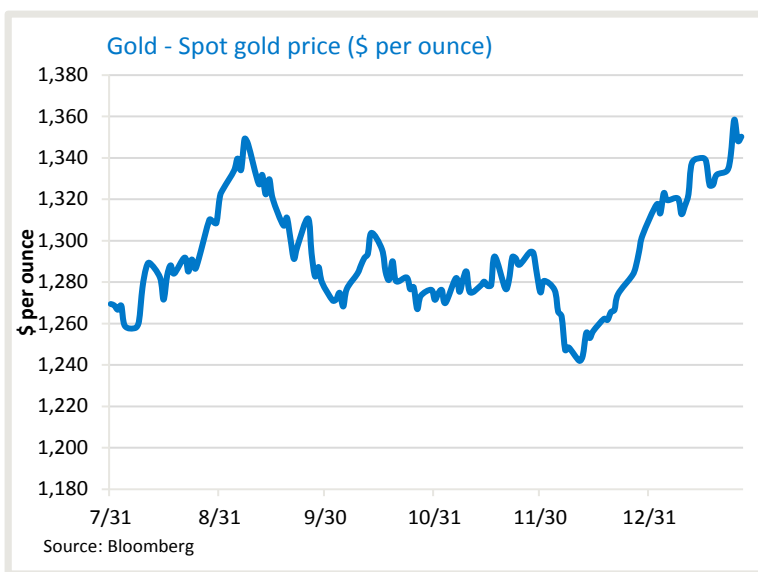
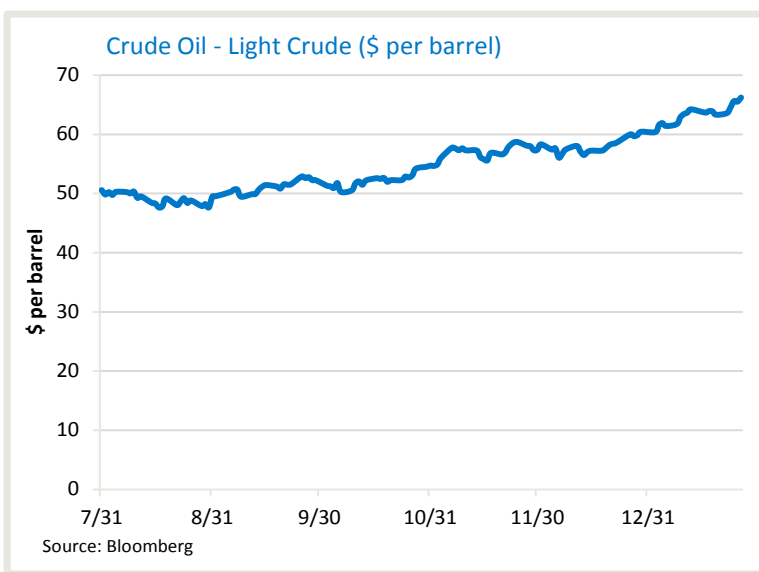
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	90.80	2.26	2.55%	2.99%
Crude Oil	\$66.21	\$2.91	4.60%	9.56%
Natural Gas	\$3.51	\$0.34	10.55%	19.23%
Gasoline (\$/Gal.)	\$2.57	\$0.03	1.30%	3.38%
Heating Oil	213.69	7.93	3.85%	3.37%
Gold Spot	\$1,350.84	\$18.44	1.38%	3.64%
Silver Spot	\$17.44	\$0.40	2.36%	2.87%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,012.56	-\$0.79	-0.08%	9.07%
Corn	356.50	4.00	1.13%	1.64%
Wheat	441.00	18.25	4.32%	3.28%
Soybeans	985.50	8.25	0.84%	2.47%
Sugar	13.36	0.11	0.83%	-11.87%
Orange Juice	149.80	3.30	2.25%	9.46%
Aluminum	2,241.00	21.00	0.95%	-1.19%
Copper	7,138.00	97.00	1.38%	-1.50%

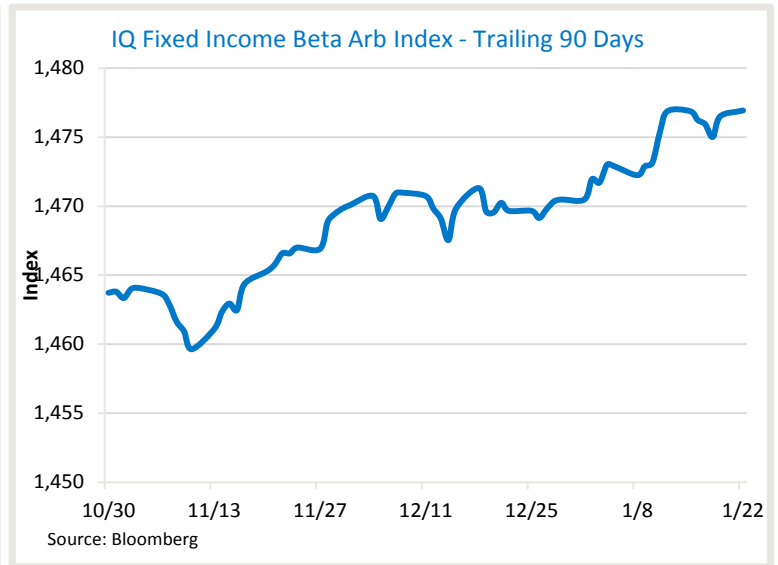
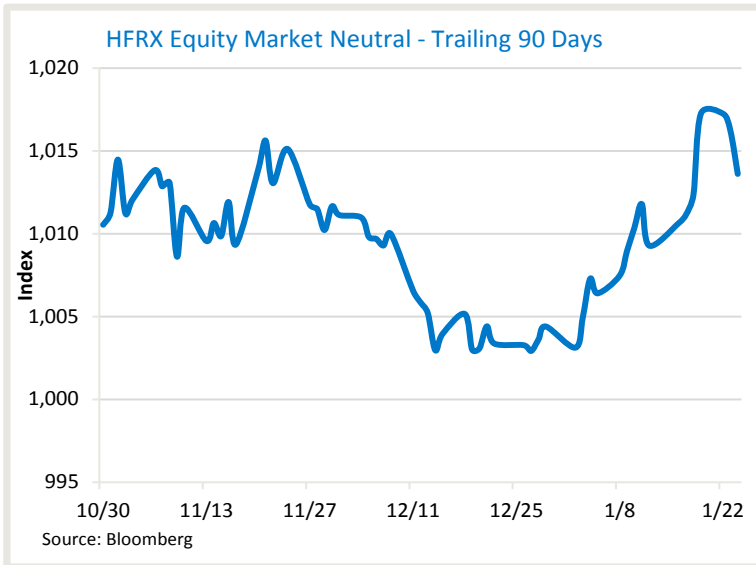
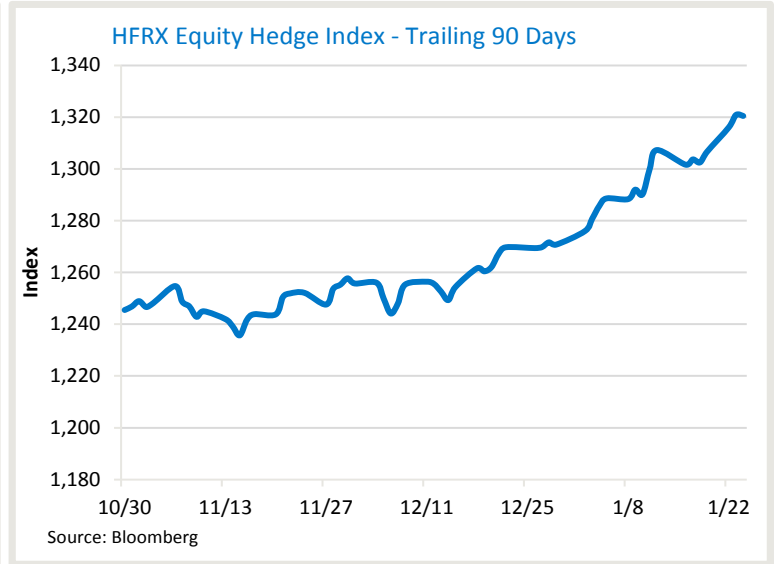
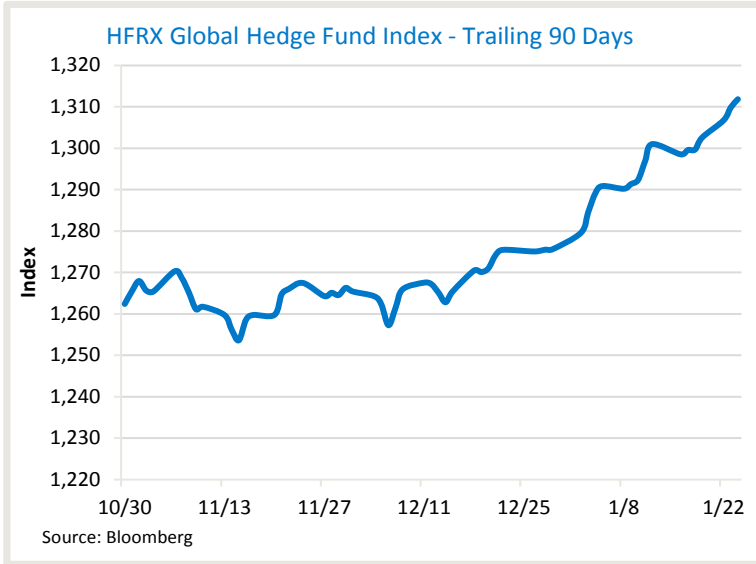


Alternative Investments

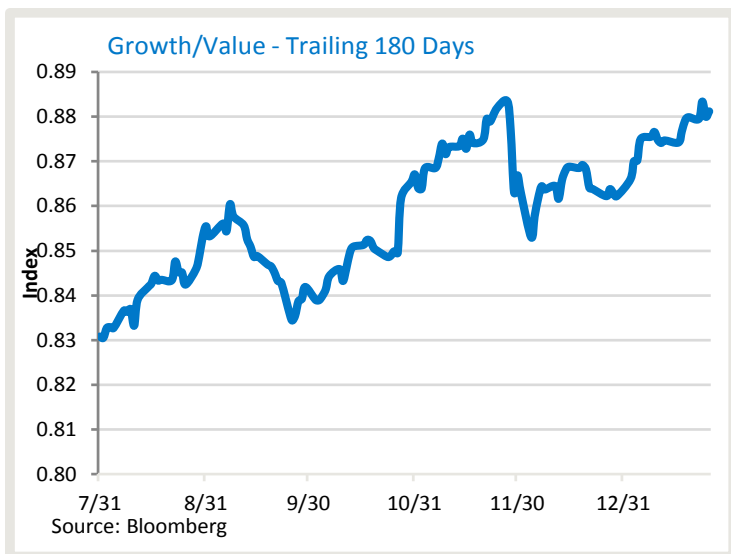
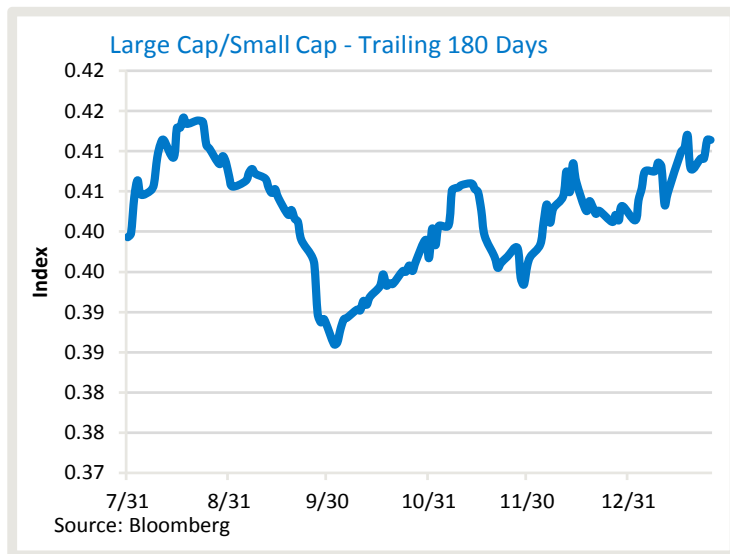
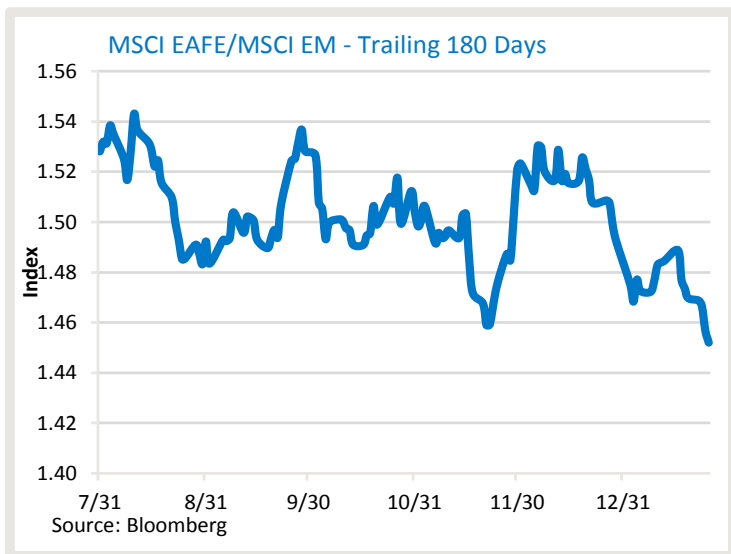
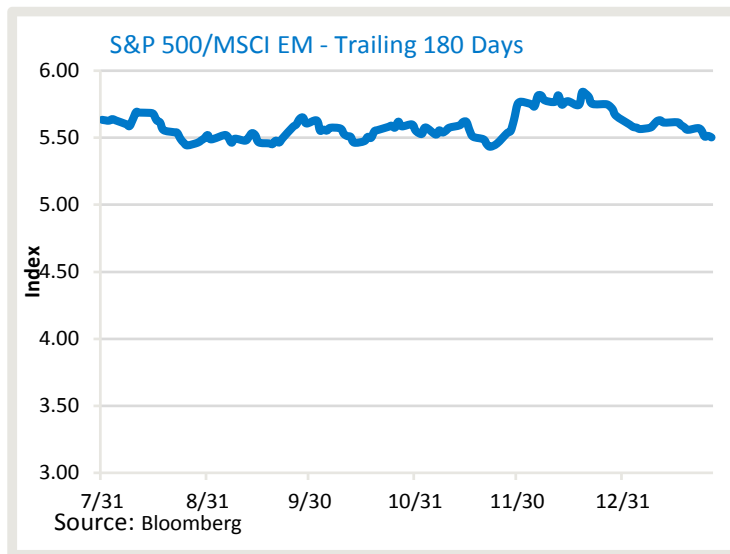
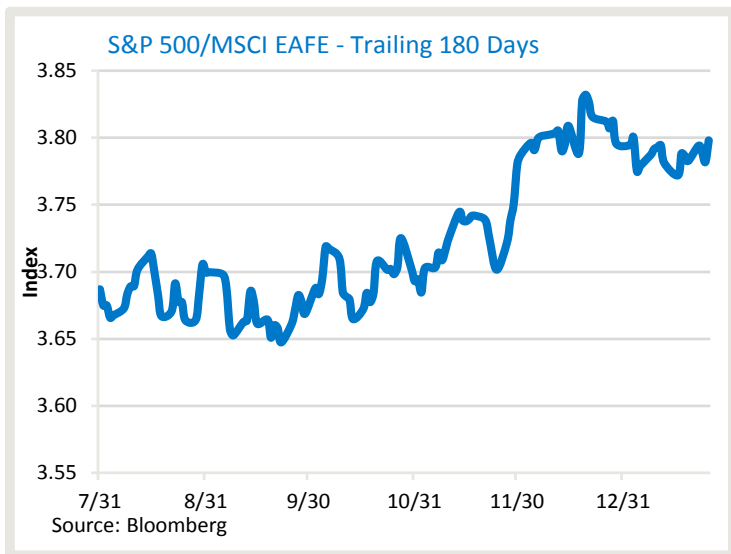
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1311.85	9.25	0.71%	2.84%	HFRX Distressed Index	1121.45	1.80	0.16%	1.34%
HFRX Equity Market Neutral	1013.61	-3.63	-0.36%	0.92%	HFRX Merger Arbitrage Index	1855.67	-1.50	-0.08%	0.14%
HFRX Equity Hedge Index	1320.49	13.77	1.05%	3.91%	HFRX Convertible Arbitrage Index	798.21	1.58	0.20%	0.25%
HFRX Event-Driven Index	1697.93	3.93	0.23%	1.93%	HFRX Macro CTA Index	1217.56	15.81	1.32%	4.61%
HFRX Absolute Return Index	1070.35	0.61	0.06%	0.66%	IQ Fixed Income Beta Arb Index	1479.53	3.01	0.20%	0.62%

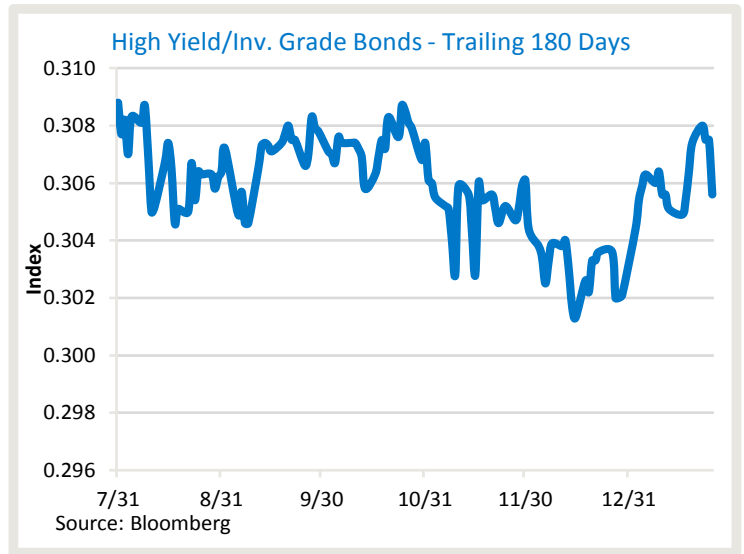
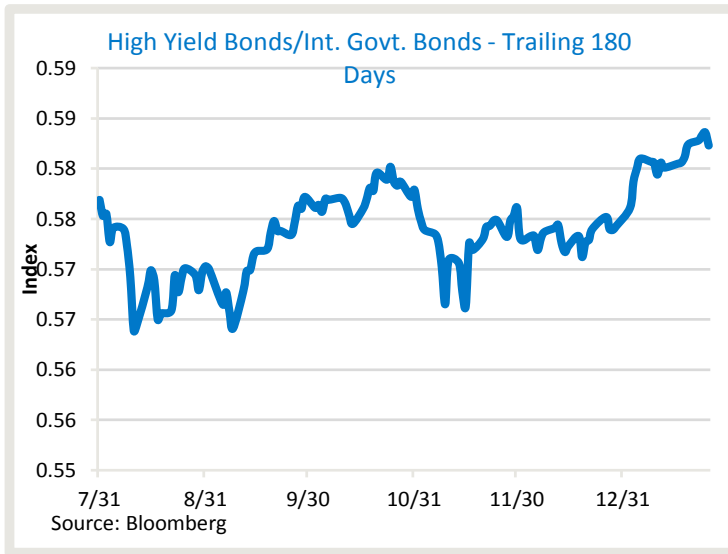
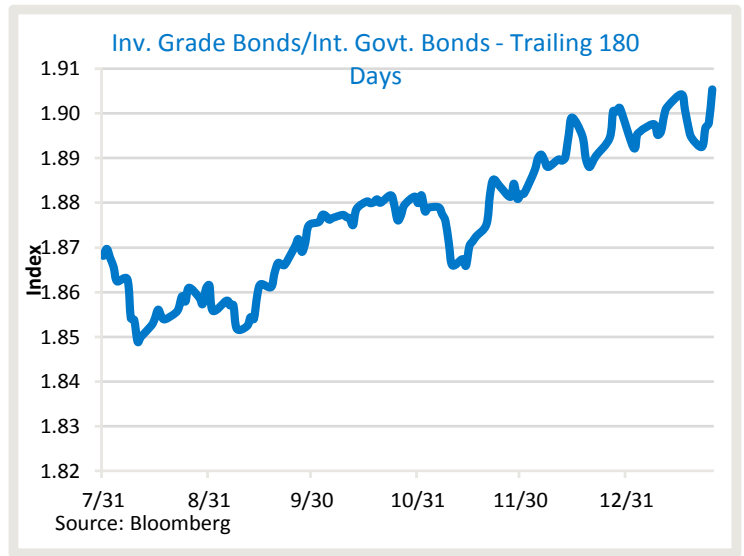
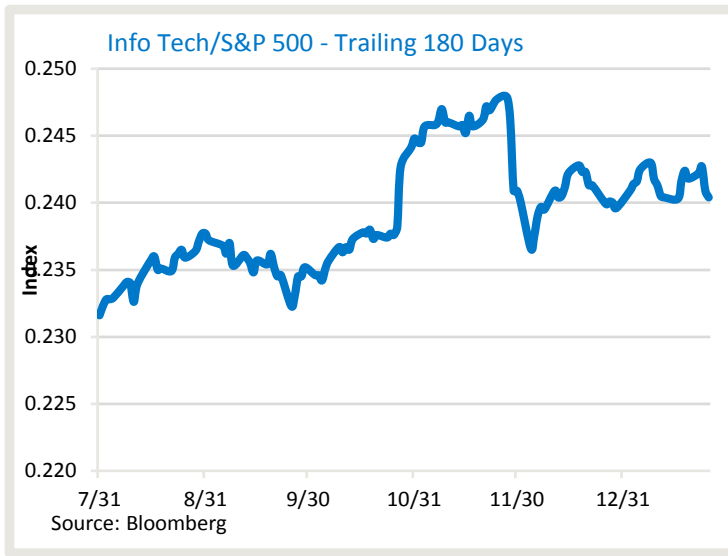
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25
Equity	Domestic Equity	Large Cap (R200)	0.20%	-0.08%	0.41%	1.89%	-0.38%	0.83%	1.16%	-0.02%	1.42%	1.65%	1.29%	1.45%
		Small Cap (R2000)	-1.44%	0.80%	2.01%	1.81%	-1.53%	-0.89%	2.66%	0.12%	0.44%	2.00%	-0.63%	1.58%
	Int'l. Equity	MSCI EAFE	-0.56%	-0.85%	1.43%	0.31%	-1.10%	0.94%	0.85%	0.47%	2.24%	1.15%	1.35%	2.10%
		MSCI Em. Mkts.	0.57%	-0.74%	2.40%	-2.74%	-1.81%	1.88%	1.17%	1.69%	3.38%	0.37%	2.55%	2.93%
Fixed Income	BarCap Agg. (AGG)	-3.63%	-3.42%	6.91%	11.44%	3.87%	3.72%	47.24%	-10.88%	1.05%	-9.17%	-6.31%	0.12%	
	High Yield (JNK)	-1.38%	0.82%	0.41%	-0.05%	-0.54%	-0.14%	-0.35%	0.27%	0.90%	-0.19%	-0.30%	0.22%	
Commodities	Bloomberg Commodity Index	0.88%	-2.05%	1.61%	-1.54%	-2.22%	0.04%	1.72%	2.84%	0.99%	-0.30%	0.44%	1.99%	
Alternatives	Hedge Funds (HFRX Global)	-0.36%	-0.20%	0.59%	0.02%	-0.38%	0.10%	0.90%	0.11%	1.06%	0.61%	0.21%	0.94%	
Asset Allocation	60/40*	-1.48%	-1.27%	3.10%	4.66%	0.81%	1.69%	17.32%	-3.63%	1.39%	-2.33%	-1.57%	1.11%	
	48/32/20 (w/Alts.)**	-1.25%	-1.05%	2.60%	3.73%	0.57%	1.37%	14.03%	-2.89%	1.32%	-1.74%	-1.21%	1.07%	

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	1.04	1.04	1.12	1.08	1.19	1.26	1.22	1.34	0.99	1.03	1.70	1.20	1.53	1.57
Large Cap Growth	0.96	1.00	1.00	1.08	1.04	1.15	1.22	1.18	1.29	0.95	0.99	1.63	1.16	1.47	1.51
Large Cap Value	0.96	1.00	1.00	1.08	1.03	1.14	1.21	1.17	1.29	0.95	0.99	1.63	1.15	1.47	1.51
Mid Cap Core	0.89	0.93	0.93	1.00	0.96	1.06	1.13	1.09	1.20	0.88	0.92	1.52	1.07	1.36	1.40
Mid Cap Growth	0.93	0.97	0.97	1.04	1.00	1.11	1.17	1.14	1.25	0.92	0.96	1.58	1.12	1.42	1.46
Mid Cap Value	0.84	0.87	0.88	0.94	0.90	1.00	1.06	1.03	1.13	0.83	0.86	1.43	1.01	1.28	1.32
Small Cap Core	0.79	0.82	0.82	0.89	0.85	0.94	1.00	0.97	1.06	0.78	0.81	1.34	0.95	1.21	1.24
Small Cap Growth	0.82	0.85	0.85	0.92	0.88	0.97	1.03	1.00	1.10	0.81	0.84	1.39	0.98	1.25	1.28
Small Cap Value	0.74	0.77	0.78	0.83	0.80	0.89	0.94	0.91	1.00	0.73	0.76	1.26	0.89	1.14	1.17
Int'l. Developed	1.01	1.05	1.06	1.13	1.09	1.21	1.28	1.24	1.36	1.00	1.04	1.72	1.22	1.55	1.59
Emerging Markets	0.97	1.01	1.01	1.09	1.05	1.16	1.23	1.19	1.31	0.96	1.00	1.65	1.17	1.49	1.53
REITs	0.59	0.61	0.61	0.66	0.63	0.70	0.74	0.72	0.79	0.58	0.60	1.00	0.71	0.90	0.92
Commodities	0.83	0.87	0.87	0.93	0.90	0.99	1.05	1.02	1.12	0.82	0.86	1.41	1.00	1.27	1.31
Int. Bond	0.65	0.68	0.68	0.73	0.70	0.78	0.83	0.80	0.88	0.65	0.67	1.11	0.79	1.00	1.03
High Yield	0.64	0.66	0.66	0.71	0.69	0.76	0.81	0.78	0.86	0.63	0.66	1.08	0.77	0.97	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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