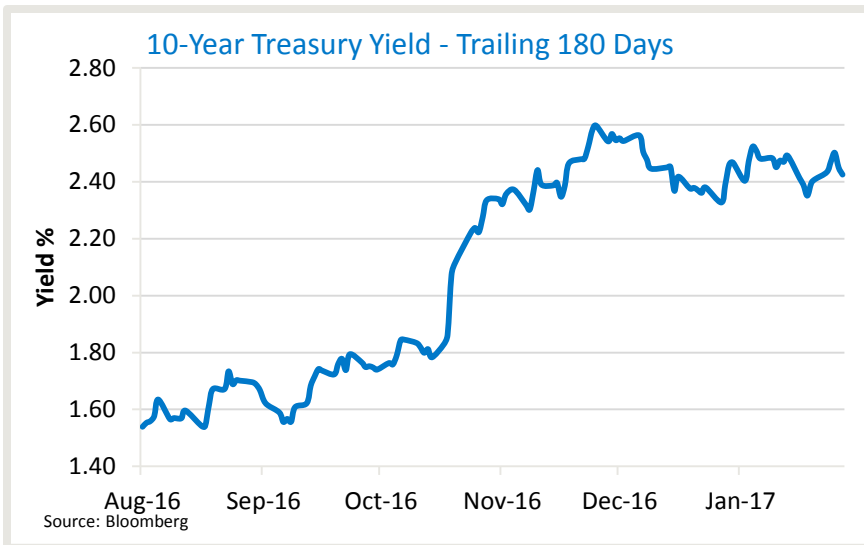


# Weekly Market Review

February 17, 2017

## Chart of the Week



## Weekly Highlights

- **President Trump remained a major focus for market participants**, with much attention given to an upcoming announcement of his tax plan, tweets, and a press conference where he criticized the “fake news media,” and, at the President’s behest, the resignation of his National Security Advisor, Michael Flynn.
- **Federal Reserve Chair Janet Yellen testified before Congress on Tuesday and Wednesday this week.** In speaking about the use of highly accommodative policies meant to spur spending, maximize employment, and maintain price stability, she believes “...we’re coming very close to achieving those objectives, and monetary policy remains accommodative.”
- **On Monday, the S&P 500 market value rose to \$20 Trillion** for the first time, up from \$5.9 Trillion at the last market low on March 9, 2009. Apple (AAPL), the largest S&P 500 company by market cap, hit new highs this week, and now trades above \$700 Billion in market cap.
- **Consumer prices rose by the most in four years during January.** The Consumer Price Index (CPI), an indicator comprising a basket of goods, rose by 0.6% on a month-over-month basis, led by a jump in energy and gas prices. On a year-over-year basis, CPI rose by 2.5%, and core-CPI, which excludes food and energy, gained 2.3% year-over-year.

## Talking Points

- **Among equities**, large cap outperformed small cap. Returns were split fairly evenly between growth and value stocks. International stocks mostly trailed domestic equities, and emerging market equities were lower than their developed peers.
- **Commodities were down slightly**, as crude oil prices fell and gold rose.
- **The yield on the 10-Year Treasury Note remained stuck** in a tight trading range that it has been in for 2017.
- **The dollar index ended the week relatively flat** amid Federal Reserve Chair Janet Yellen’s testimony before Congress and speculation regarding interest rate moves this year.
- **Among major economic data released**, initial jobless claims rose by a less-than-expected amount, but were revised upward to 239,000 for the prior week. Industrial Production, a measure of the manufacturing sector, fell by -0.3% in January. The New York Empire State Manufacturing index rose to 18.7 in February, the highest reading in two years. Eurozone GDP growth was less than expected in the fourth quarter due to a drop in industrial output. Year-over-year GDP growth was reported at 1.7%, down slightly from earlier estimates of 1.8%.

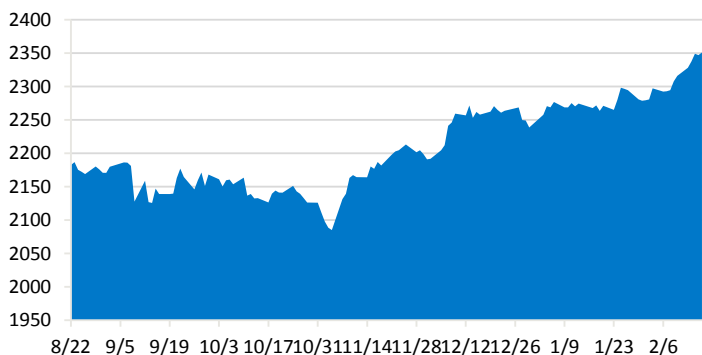
## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,351.16	35.06	1.51%	5.0%
<b>Dow Industrials</b>	20,624.05	354.68	1.75%	4.4%
<b>Nasdaq</b>	5,838.58	104.45	1.82%	8.5%
<b>Russell 2000</b>	1,399.86	11.02	0.79%	3.1%
<b>Euro Stoxx Index</b>	370.22	2.83	0.77%	2.4%
<b>Shanghai Composite</b>	3,202.08	5.38	0.17%	3.2%
<b>Russell Global</b>	1,857.71	22.70	1.24%	5.4%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	2,995.92	48.29	1.64%	9.7%
<b>10-Year US Treas.</b>	2.43	2 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	88.11	-1.25	-1.40%	0.7%
<b>Gold</b>	\$1,235.23	\$1.90	0.15%	7.7%
<b>Crude Oil</b>	\$53.37	-\$0.46	-0.85%	-2.3%
<b>Dollar Index</b>	100.89	0.09	0.09%	-1.3%
<b>VIX Index</b>	11.46	0.64	5.90%	-18.2%

S&P 500 Index: Trailing 180 Days



Source: Bloomberg

	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	1.74%	1.74%	1.73%	3.13%	5.17%	7.16%
	0.86%	0.79%	0.71%	4.10%	5.05%	6.26%
<b>S</b>	0.70%	0.79%	0.89%	1.58%	3.15%	4.89%

Source: Bloomberg

### Sector Performance:

#### S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.2	1.04%	6.4%
<b>Consumer Staples</b>	9.4	1.70%	5.1%
<b>Energy</b>	6.9	-2.08%	-5.6%
<b>Financials</b>	14.8	2.95%	5.0%
<b>Health Care</b>	13.8	2.53%	6.7%
<b>Industrials</b>	10.3	1.72%	5.1%
<b>Information Technology</b>	21.6	1.80%	9.1%
<b>Materials</b>	2.8	0.25%	5.1%
<b>Telecom Services</b>	2.4	0.25%	-4.5%
<b>Utilities</b>	3.1	0.30%	1.6%

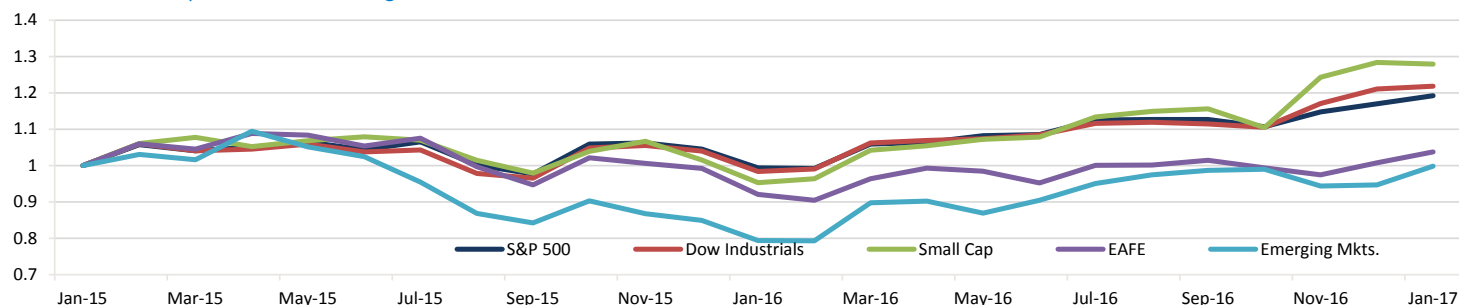
Source: Bloomberg

VIX Index: Trailing 180 Days



Source: Bloomberg

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



Source: Bloomberg

## The Economy and Markets

### ***A Macro View – S&P Twenty Trillion: Is the Sky the Limit?***

Along with hitting fresh new highs, the S&P 500 reached a major milestone this week: \$20 Trillion in market capitalization for the stocks included in the index. Equities have continued to climb higher following the November 8 election of President Trump, with the S&P 500 gaining roughly 10% in the past three months. These gains are occurring as we approach the eighth anniversary of the financial crisis's market low of 676, reached on March 9, 2009, a level which the S&P 500 has now more than tripled. With gains continuing to pile up, and what feels like no losses in sight, one wonders if stocks can continue their march higher, or whether the market has ignored risks that will finally catch up with us, leading to a selloff.

In examining the recent gains, it can be argued that the market is operating on borrowed time. A Trump victory and a Republican sweep in Congress were not supposed to occur. Most political pundits and polls predicted a Hillary Clinton victory, or, in the unlikelihood of a Trump win, market strategists expected we'd finally experience a selloff. Neither one of these events occurred. Slowly but surely, and without even a single -1% day for the S&P 500 since the election, the market has continued to soar.

Much of the post-election gains have been driven by proposed infrastructure spending and potential increased growth, which would allow the Federal Reserve (Fed) to hand off the stimulus reins from a monetary authority back to the fiscal realm. This week, the rally has been rekindled by President Trump's announcement that a major tax reform effort will be released in the coming weeks. Setting aside the Executive branch, corporate fundamentals have been quite strong, with the S&P 500 on track for the strongest profit growth in nine quarters. However, there are risks on the horizon that may not be fully priced into these record-setting highs.

In the post financial crisis world, one of the greatest drivers of stock market gains has been the Fed's overly accommodative policies. With unprecedented levels of quantitative easing and zero interest rate policy, investors have been pushed towards risk assets, driving up stock prices. With the Fed considering raising rates three times in 2017, the question of whether the economy and the market can stand on their own should be of greater concern. The Fed is also undertaking this move while European and Japanese central banks have kept their feet pressed on the accommodative pedal.

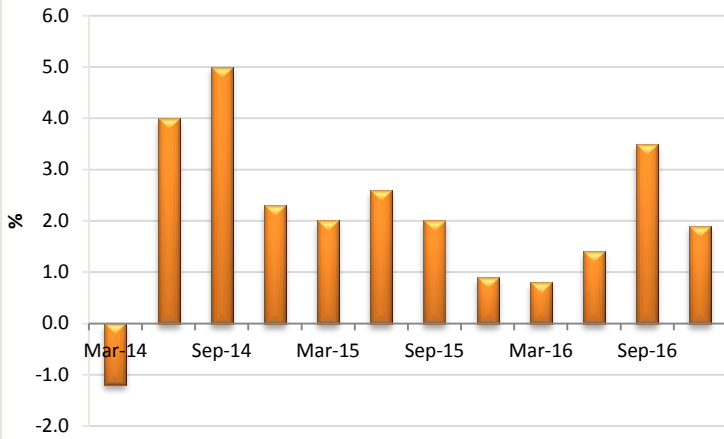
Another risk one must consider is President Trump's America First campaign promises, which may prove disruptive for our international relationships and trade agreements. Only time will tell if the plethora of executive orders is more for show, or if they are indicative of future policies to come. The President's volatile communication style over the past few months has not yet proven disruptive from a stock market standpoint, but its effects are certainly unknown territory for market participants.

As we move past the \$20 Trillion market cap milestone for the S&P 500, it's important to realize how far we've come in the past eight years. Although valid causes have undoubtedly driven the market higher, investors should exercise caution before discounting the risks that the market may have overlooked in the current rally. Fear and volatility can easily creep back into the market, especially when everyone appears to have forgotten that they exist.

*Tim Murphy*  
*VP, Portfolio Manager*

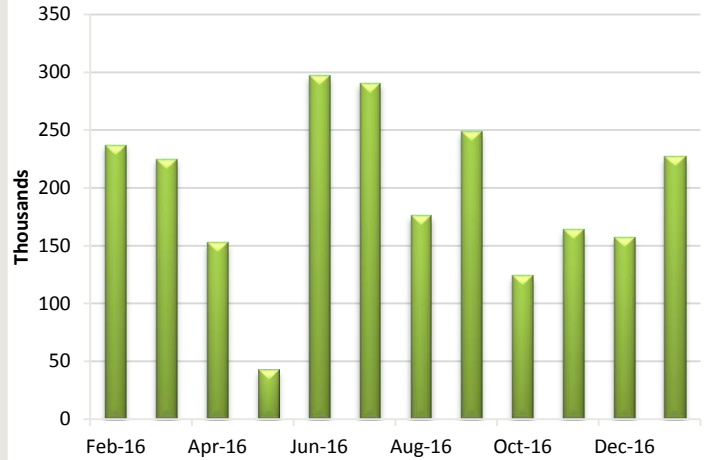
## Economic Data

Real GDP Growth Rate - Annualized - 12 Qtrs.



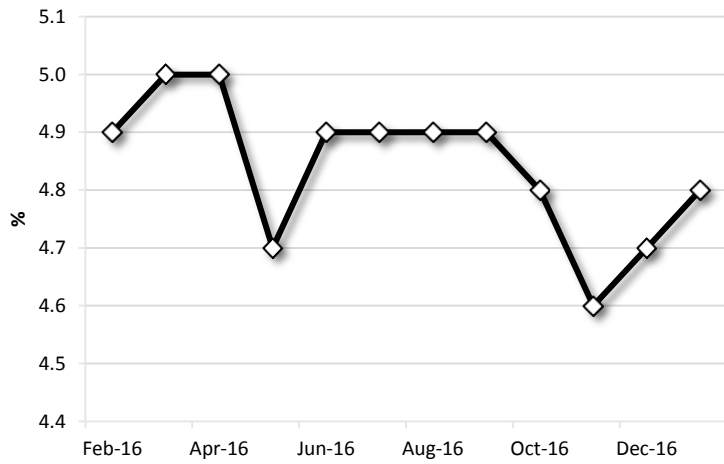
Source: Bloomberg

Non-Farm Payrolls-Trailing 12 Mos.



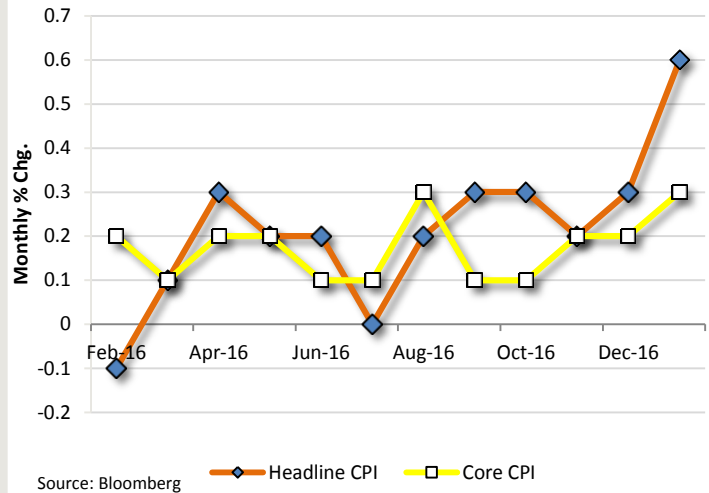
Source: Bloomberg

Unemployment Rate-Trailing 12 Mos.



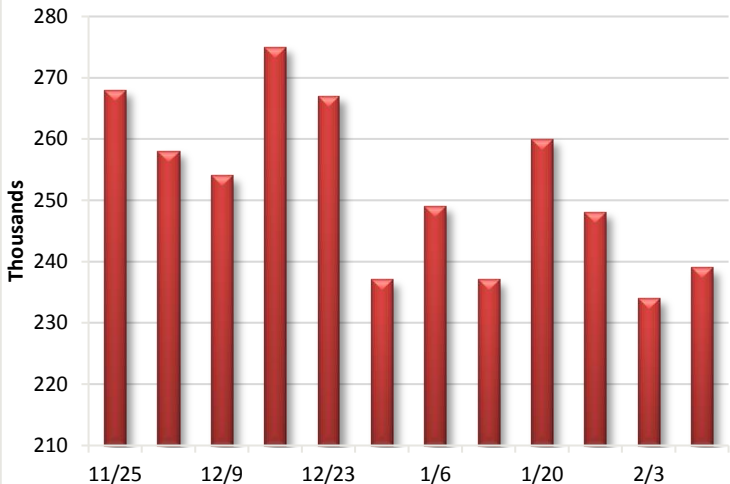
Source: Bloomberg

Consumer Price Index-Trailing 12 Mos.



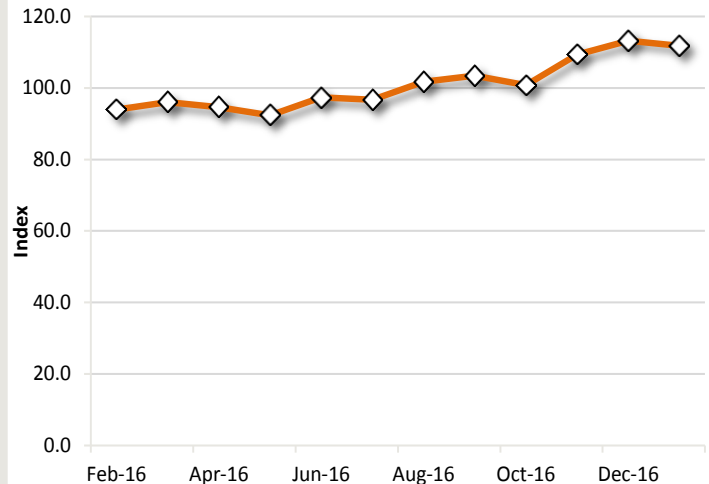
Source: Bloomberg

Initial Jobless Claims-Trailing 12 Wks.



Source: Bloomberg

Consumer Board Confidence Index - Trailing 12 Mos.



Source: Bloomberg

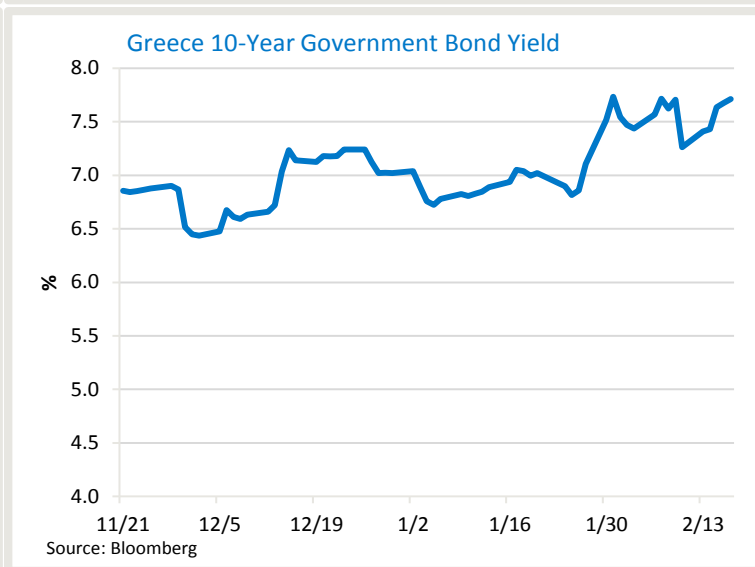
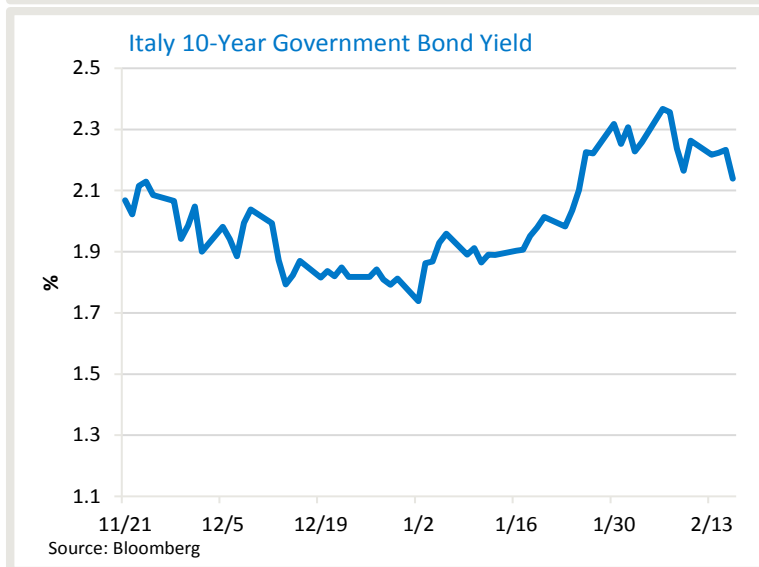
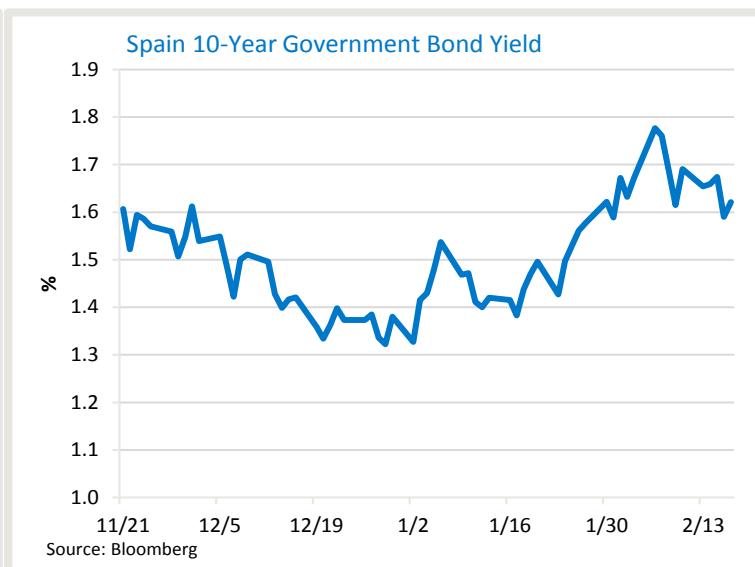
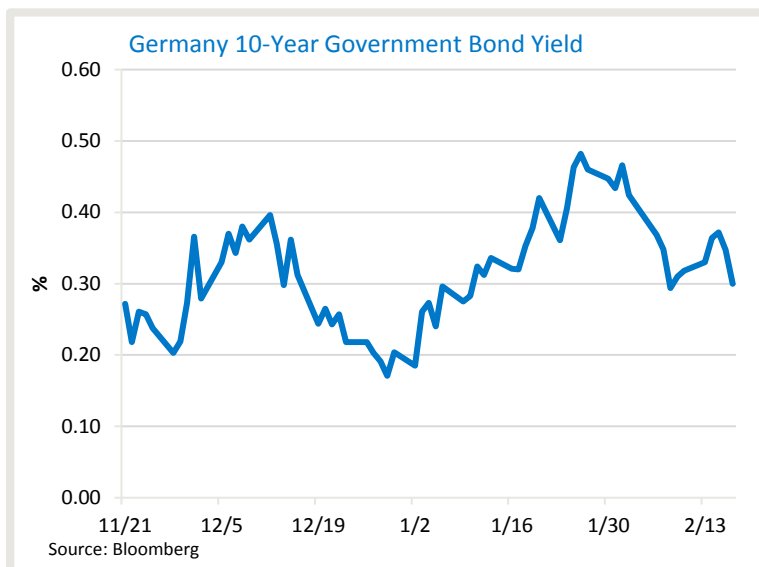
## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.30	2 bps	NM	NM
Greece 10-Yr. Govt.	7.71	-25 bps	NM	NM
Italy 10-Yr. Govt.	2.18	7 bps	NM	NM
Spain 10-Yr. Govt.	1.62	6 bps	NM	NM
Belgium 10-Yr. Govt.	0.83	6 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	1.03	2 bps	NM	NM
Ireland 10-Yr. Govt.	1.05	2 bps	NM	NM
Portugal 10-Yr. Govt.	3.99	7 bps	NM	NM
Netherlands 10-Yr. Govt.	0.63	5 bps	NM	NM
U.K. 10-Yr. Govt.	1.21	4 bps	NM	NM

Source: Bloomberg  
Basis points (bps)



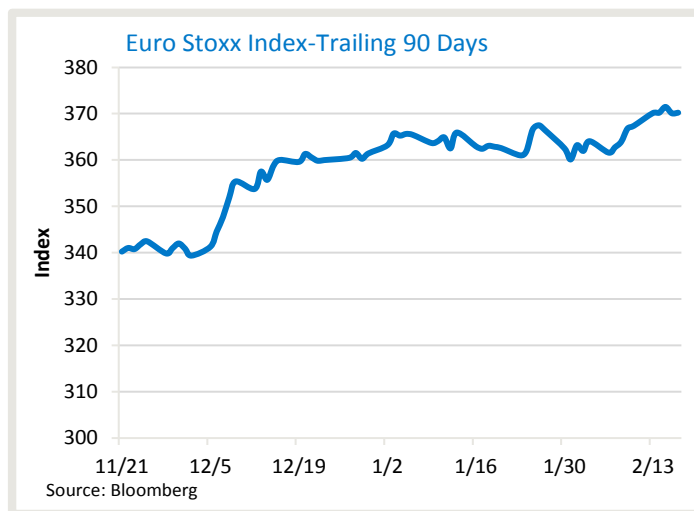
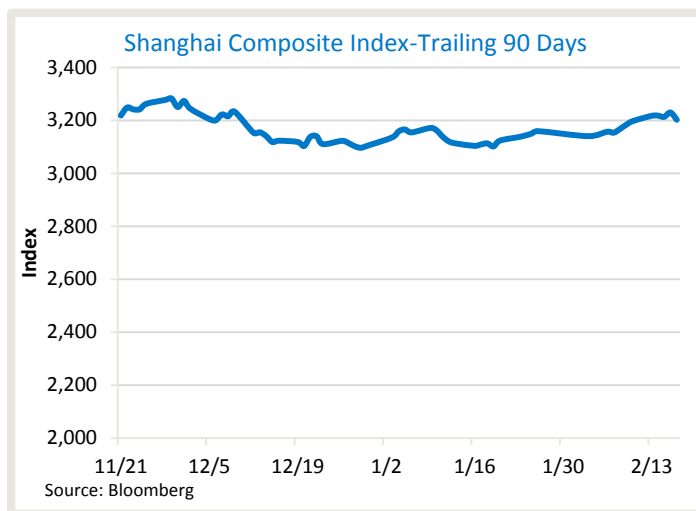
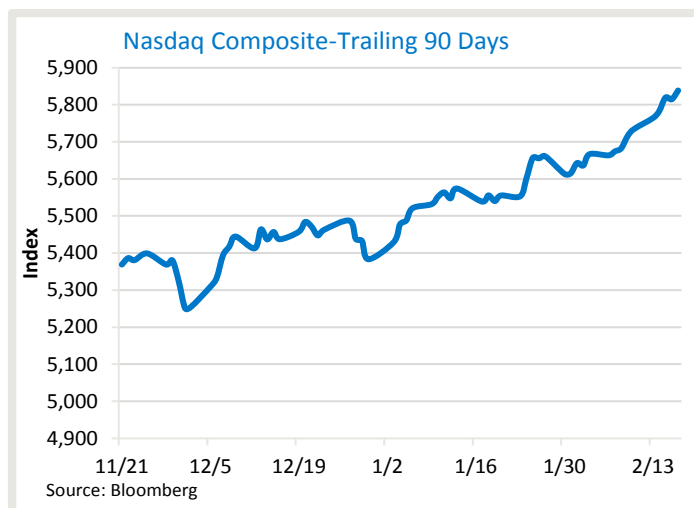
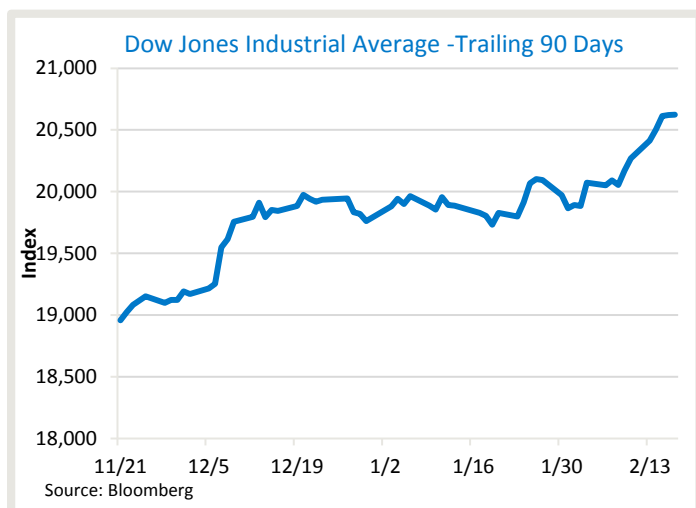
## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,351.16</b>	<b>35.06</b>	<b>1.51%</b>	<b>5.02%</b>
<b>Dow Industrials</b>	<b>20,624.05</b>	<b>354.68</b>	<b>1.75%</b>	<b>4.36%</b>
<b>Nasdaq Composite</b>	<b>5,838.58</b>	<b>104.45</b>	<b>1.82%</b>	<b>8.46%</b>
<b>Russell Global</b>	<b>1,857.71</b>	<b>22.70</b>	<b>1.24%</b>	<b>5.4%</b>
<b>Russell Global EM</b>	<b>2,995.92</b>	<b>48.29</b>	<b>1.64%</b>	<b>9.7%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,838.63</b>	<b>109.51</b>	<b>0.70%</b>	<b>3.60%</b>
<b>Mexico IPC</b>	<b>47,164.71</b>	<b>-632.33</b>	<b>-1.32%</b>	<b>3.33%</b>
<b>Brazil Bovespa</b>	<b>67,748.44</b>	<b>1623.90</b>	<b>2.46%</b>	<b>12.49%</b>
<b>Euro Stoxx 600</b>	<b>370.22</b>	<b>2.83</b>	<b>0.77%</b>	<b>2.43%</b>
<b>FTSE 100</b>	<b>7,299.96</b>	<b>41.21</b>	<b>0.57%</b>	<b>2.20%</b>
<b>IBEX 35 (Spain)</b>	<b>9,500.30</b>	<b>122.20</b>	<b>1.30%</b>	<b>1.58%</b>

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>8,506.49</b>	<b>50.27</b>	<b>0.59%</b>	<b>3.49%</b>
<b>CAC 40 Index (France)</b>	<b>4,867.58</b>	<b>39.26</b>	<b>0.81%</b>	<b>0.11%</b>
<b>DAX Index (Germany)</b>	<b>11,757.02</b>	<b>90.05</b>	<b>0.77%</b>	<b>2.40%</b>
<b>Irish Overall Index</b>	<b>6,540.23</b>	<b>62.40</b>	<b>0.96%</b>	<b>0.35%</b>
<b>Nikkei 225</b>	<b>19,234.62</b>	<b>-144.31</b>	<b>-0.74%</b>	<b>0.63%</b>
<b>Hang Seng Index</b>	<b>24,033.74</b>	<b>458.76</b>	<b>1.95%</b>	<b>9.24%</b>
<b>Shanghai Composite</b>	<b>3,202.08</b>	<b>5.38</b>	<b>0.17%</b>	<b>3.17%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,080.58</b>	<b>5.50</b>	<b>0.27%</b>	<b>2.67%</b>
<b>Taiwan Taiex Index</b>	<b>9,759.76</b>	<b>94.17</b>	<b>0.97%</b>	<b>5.47%</b>
<b>Tel Aviv 25 Index</b>	<b>1,452.67</b>	<b>34.59</b>	<b>2.44%</b>	<b>-1.23%</b>
<b>MICEX Index (Russia)</b>	<b>2,128.21</b>	<b>-33.98</b>	<b>-1.57%</b>	<b>-4.68%</b>

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



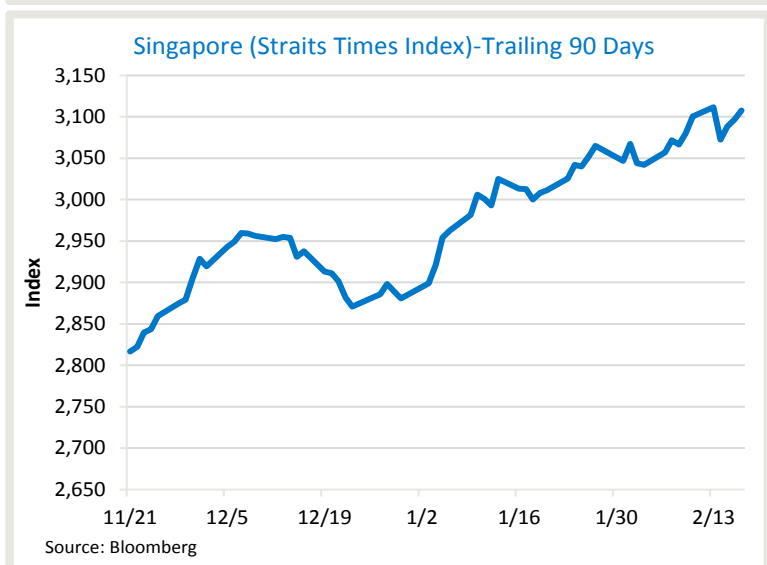
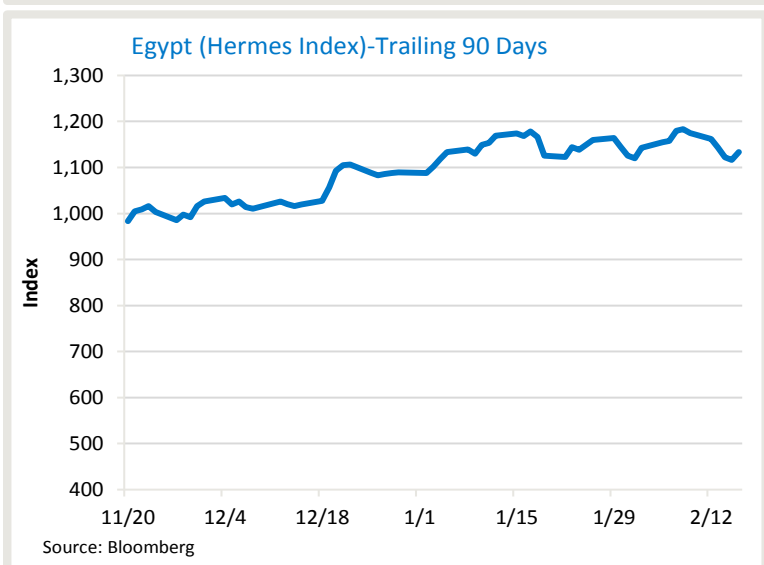
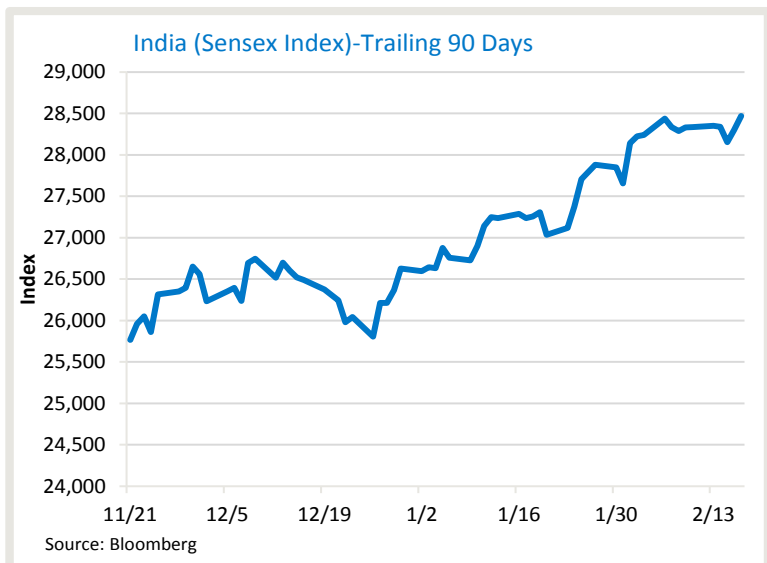
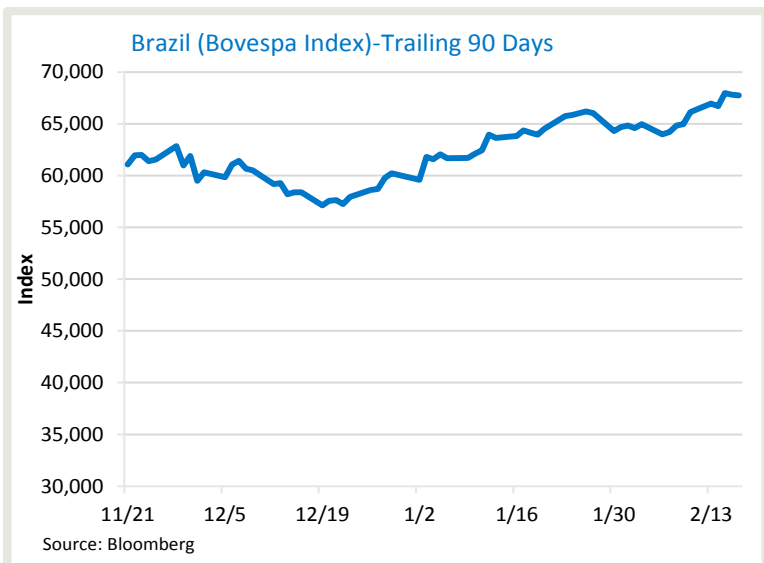
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	47,164.71	-632.33	-1.3%	3.3%
Brazil (Bovespa Index)	67,748.44	1623.90	2.5%	12.5%
MICEX Index (Russia)	2,128.21	-33.98	-1.6%	-4.7%
Czech Republic (Prague)	970.01	5.70	0.6%	5.3%
Turkey (Istanbul)	88,830.44	1357.08	1.6%	13.7%
Egypt (Hermes Index)	1,133.33	-41.31	-3.5%	4.1%
Kenya (Nairobi 20 Index)	2,948.75	-2.87	-0.1%	-7.5%
Saudi Arabia (TASI Index)	7,131.27	162.01	2.3%	-1.1%
Lebanon (Beirut BLOM Index)	1,222.92	5.76	0.5%	0.9%
Palestine	535.68	-0.77	-0.1%	1.0%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	24,033.74	458.76	1.9%	9.2%
India (Sensex 30)	28,468.75	134.50	0.5%	6.9%
Malaysia (KLCI Index)	1,707.68	8.74	0.5%	4.0%
Singapore (Straits Times Index)	3,107.65	7.26	0.2%	7.9%
Thailand (SET Index)	1,577.84	-5.41	-0.3%	2.3%
Indonesia (Jakarta)	5,350.93	-21.15	-0.4%	1.0%
Pakistan (Karachi KSE 100)	49,375.71	-549.37	-1.1%	3.3%
Vietnam (Ho Chi Minh)	707.83	4.05	0.6%	6.5%
Sri Lanka (Colombo)	6,159.87	65.72	1.1%	-1.1%
Cambodia (Laos)	1,051.12	18.65	1.8%	3.6%

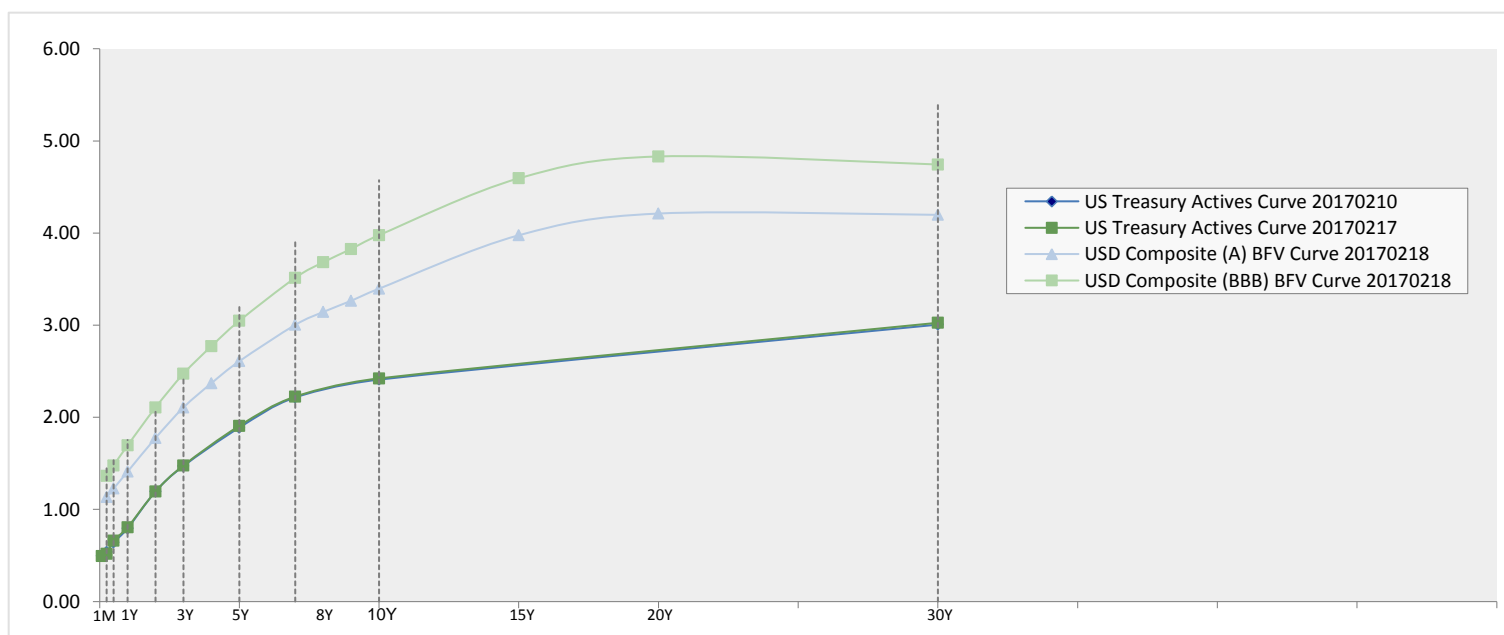


## Interest Rates

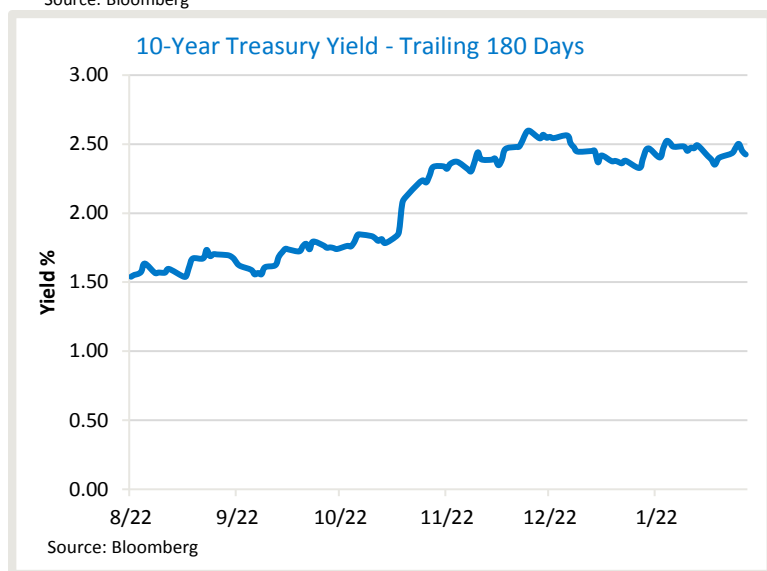
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.19%	0 bps	NM	NM	Prime Rate	3.75%	0.00	NM	NM
5-Yr. U.S. Treasury	1.91%	2 bps	NM	NM	Fed Funds Rate	0.75%	0.00	NM	NM
10-Yr. U.S. Treasury	2.43%	2 bps	NM	NM	Discount Rate	1.25%	0.00	NM	NM
30-Yr. U.S. Treasury	3.03%	2 bps	NM	NM	LIBOR (3 Mo.)	1.06%	2 bps	NM	NM
German 10-Yr. Govt.	0.30%	2 bps	NM	NM	Bond Buyer 40 Muni	4.18%	9 bps	NM	NM
France 10-Yr.	1.03%	2 bps	NM	NM	Bond Buyer 40 G.O.	3.94%	NA	NM	NM
Italy 10-Yr.	2.18%	7 bps	NM	NM	Bond Buyer 40 Rev.	4.11%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.02%	0 bps	NM	NM					

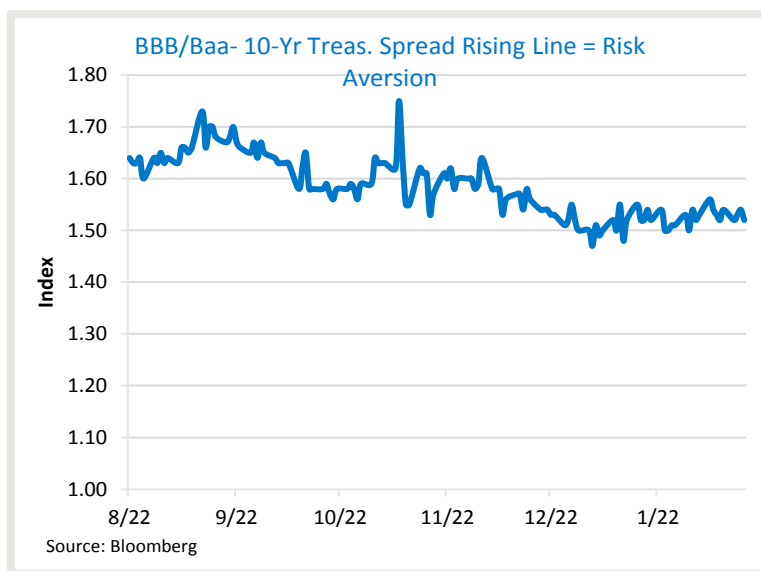
Source: Bloomberg



Source: Bloomberg



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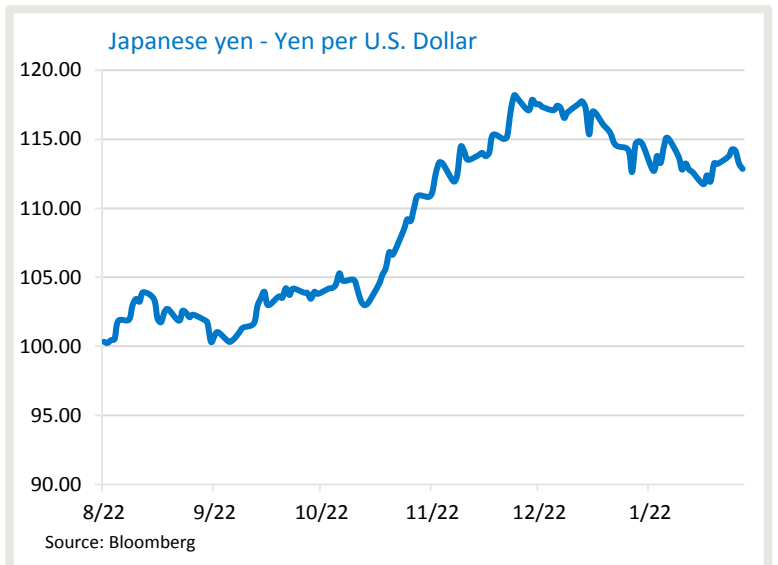
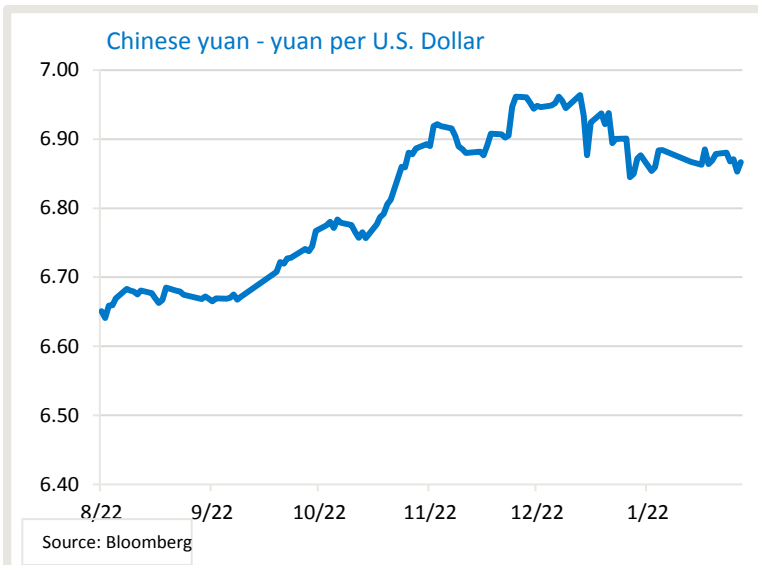
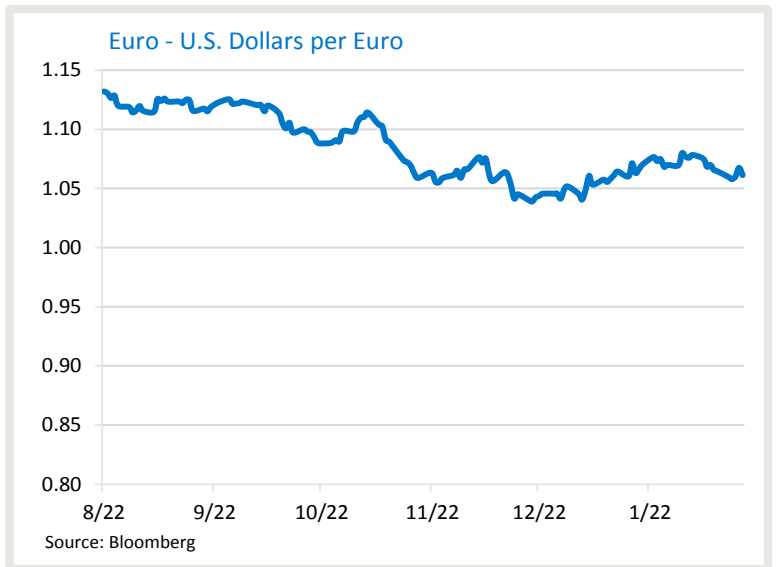
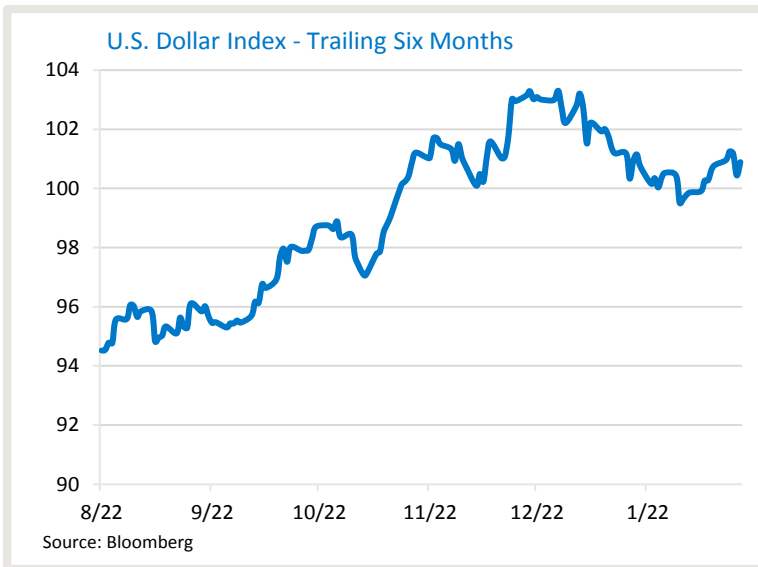
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>100.90</b>	<b>0.090</b>	<b>0.09%</b>	<b>-1.29%</b>
<b>Euro</b>	<b>1.06</b>	<b>-0.003</b>	<b>-0.29%</b>	<b>0.90%</b>
<b>Japanese Yen</b>	<b>112.87</b>	<b>-0.370</b>	<b>0.33%</b>	<b>3.64%</b>
<b>British Pound</b>	<b>1.24</b>	<b>-0.007</b>	<b>-0.58%</b>	<b>0.64%</b>
<b>Canadian Dollar</b>	<b>1.31</b>	<b>0.001</b>	<b>-0.08%</b>	<b>2.66%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.87</b>	<b>-0.012</b>	<b>0.17%</b>	<b>1.14%</b>
<b>Swiss Franc</b>	<b>1.00</b>	<b>0.000</b>	<b>-0.03%</b>	<b>1.63%</b>
<b>New Zealand Dollar</b>	<b>0.72</b>	<b>-0.001</b>	<b>-0.10%</b>	<b>3.59%</b>
<b>Brazilian Real</b>	<b>3.10</b>	<b>-0.017</b>	<b>0.56%</b>	<b>5.08%</b>
<b>Mexican Peso</b>	<b>20.44</b>	<b>0.107</b>	<b>-0.52%</b>	<b>1.34%</b>

Source: Bloomberg



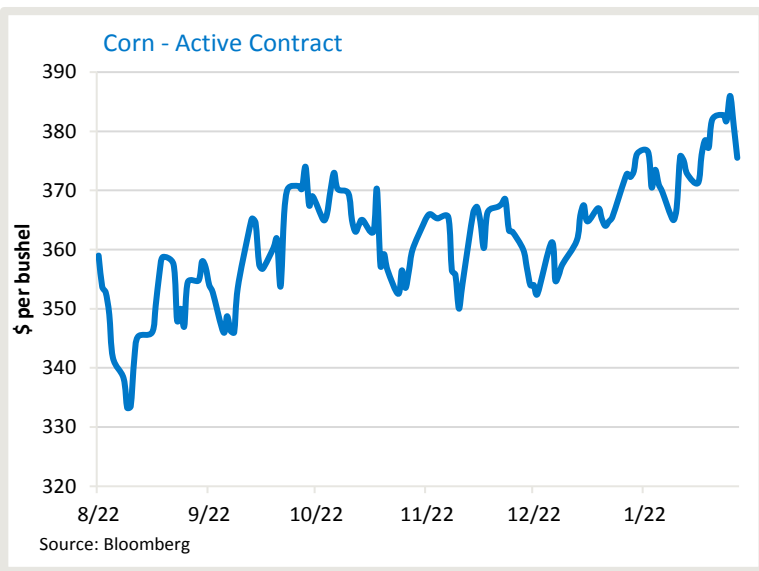
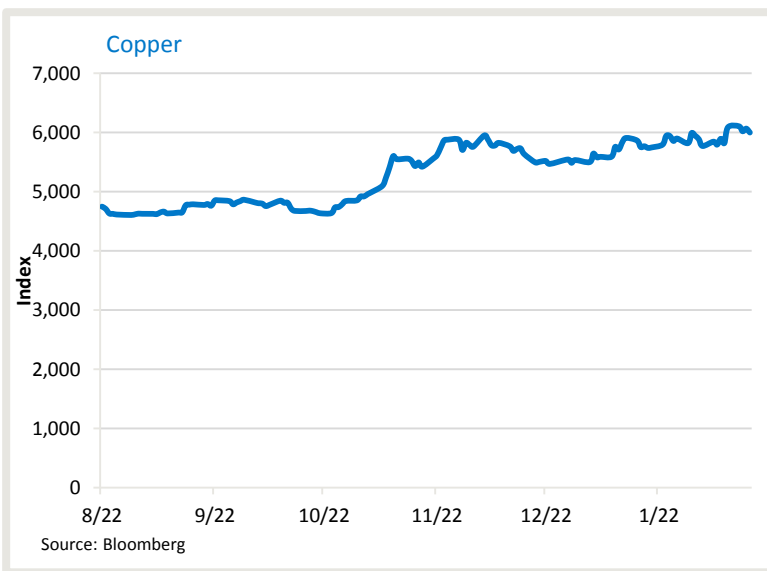
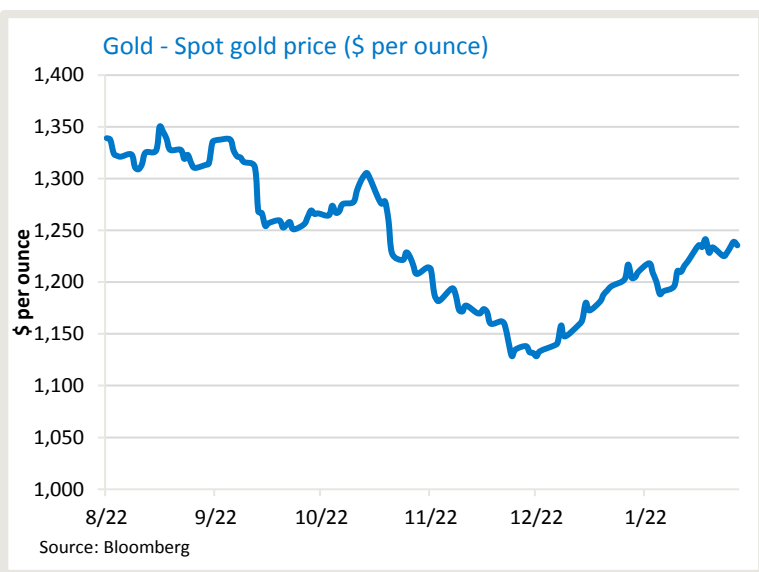
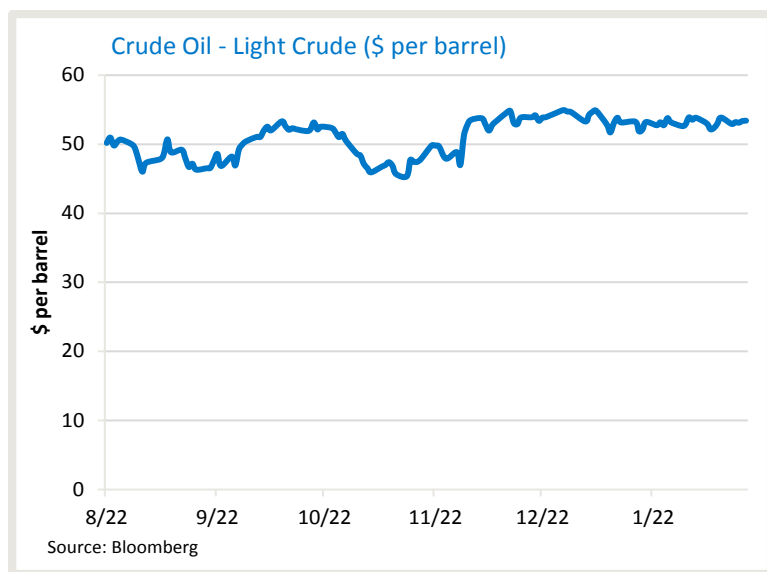
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Bloomberg Comm. Idx.</b>	<b>88.11</b>	<b>-1.25</b>	<b>-1.40%</b>	<b>0.68%</b>
<b>Crude Oil</b>	<b>\$53.38</b>	<b>-\$0.46</b>	<b>-0.85%</b>	<b>-2.31%</b>
<b>Natural Gas</b>	<b>\$2.85</b>	<b>-\$0.19</b>	<b>-6.30%</b>	<b>-22.83%</b>
<b>Gasoline (\$/Gal.)</b>	<b>\$2.29</b>	<b>\$0.01</b>	<b>0.40%</b>	<b>-2.18%</b>
<b>Heating Oil</b>	<b>163.64</b>	<b>-2.86</b>	<b>-1.72%</b>	<b>-5.79%</b>
<b>Gold Spot</b>	<b>\$1,235.32</b>	<b>\$1.90</b>	<b>0.15%</b>	<b>7.67%</b>
<b>Silver Spot</b>	<b>\$18.00</b>	<b>\$0.06</b>	<b>0.32%</b>	<b>13.05%</b>

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
<b>Platinum Spot</b>	<b>\$1,004.58</b>	<b>-\$6.99</b>	<b>-0.69%</b>	<b>11.23%</b>
<b>Corn</b>	<b>375.50</b>	<b>-6.50</b>	<b>-1.70%</b>	<b>5.03%</b>
<b>Wheat</b>	<b>455.50</b>	<b>-7.50</b>	<b>-1.62%</b>	<b>8.32%</b>
<b>Soybeans</b>	<b>1,043.25</b>	<b>-26.75</b>	<b>-2.50%</b>	<b>3.04%</b>
<b>Sugar</b>	<b>20.26</b>	<b>-0.17</b>	<b>-0.83%</b>	<b>5.25%</b>
<b>Orange Juice</b>	<b>176.25</b>	<b>6.30</b>	<b>3.71%</b>	<b>-9.08%</b>
<b>Aluminum</b>	<b>1,897.00</b>	<b>23.00</b>	<b>1.23%</b>	<b>12.05%</b>
<b>Copper</b>	<b>6,000.00</b>	<b>-90.00</b>	<b>-1.48%</b>	<b>8.39%</b>

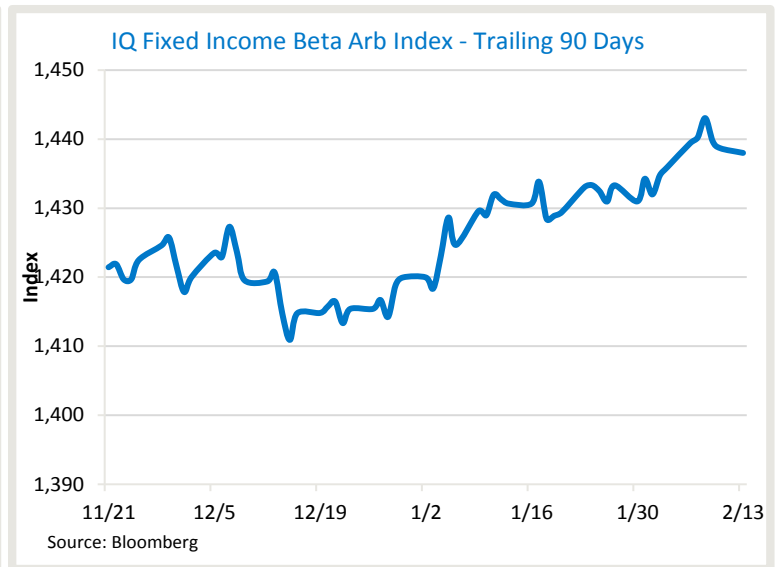
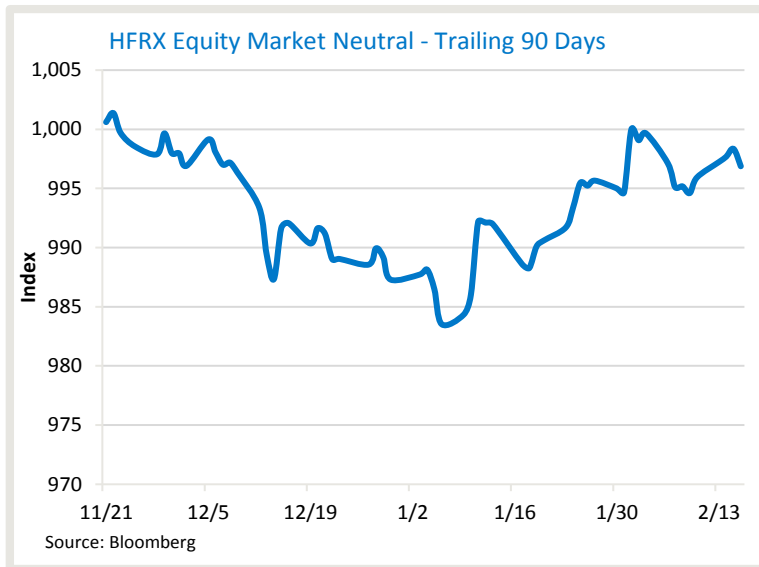
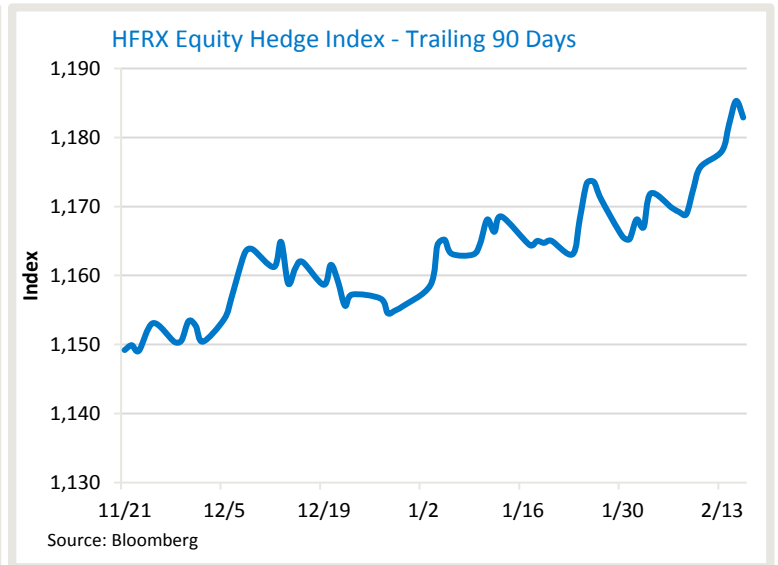
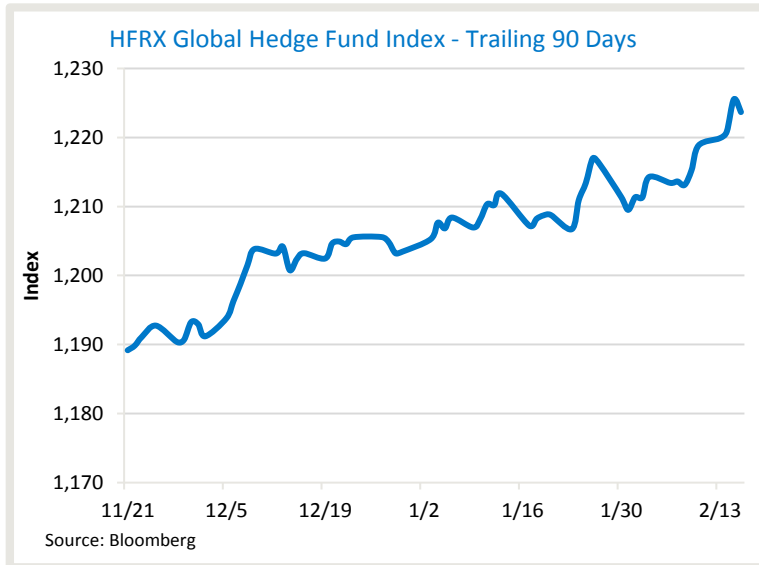


## Alternative Investments

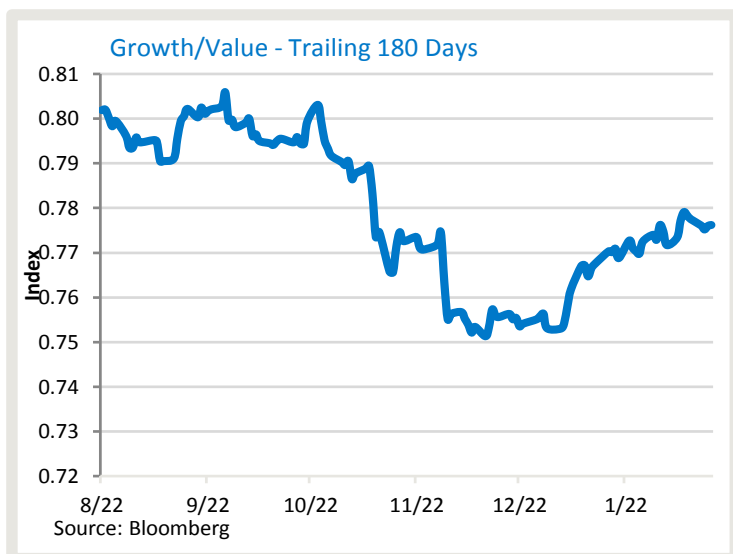
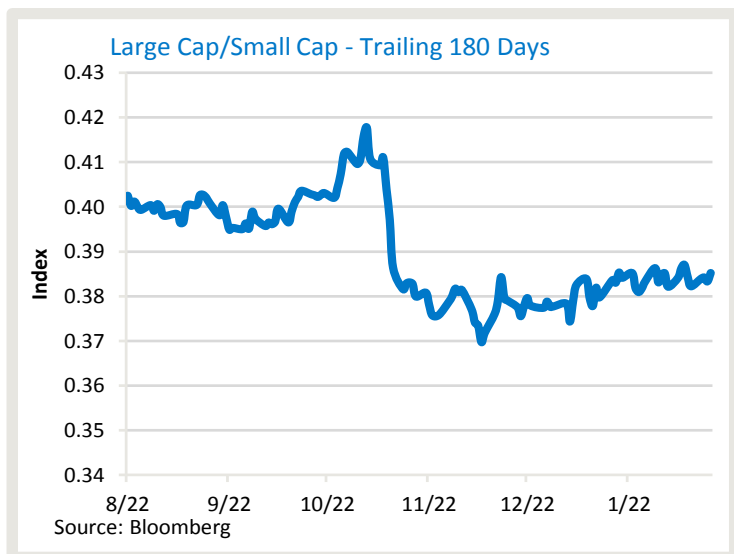
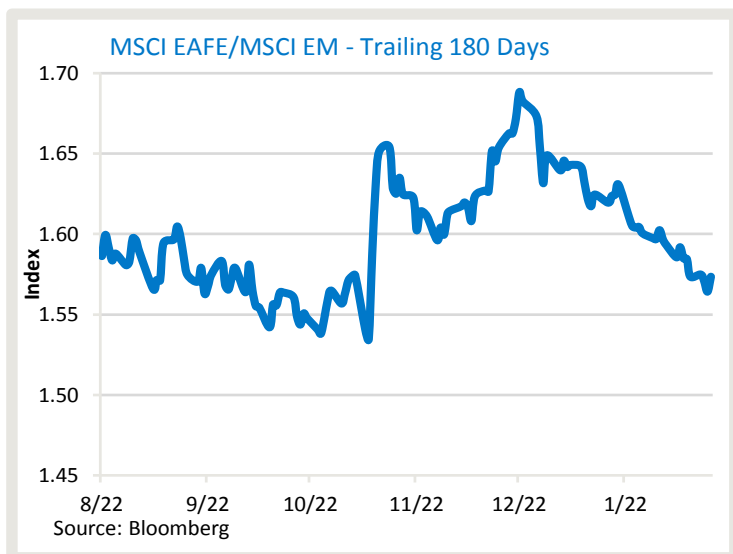
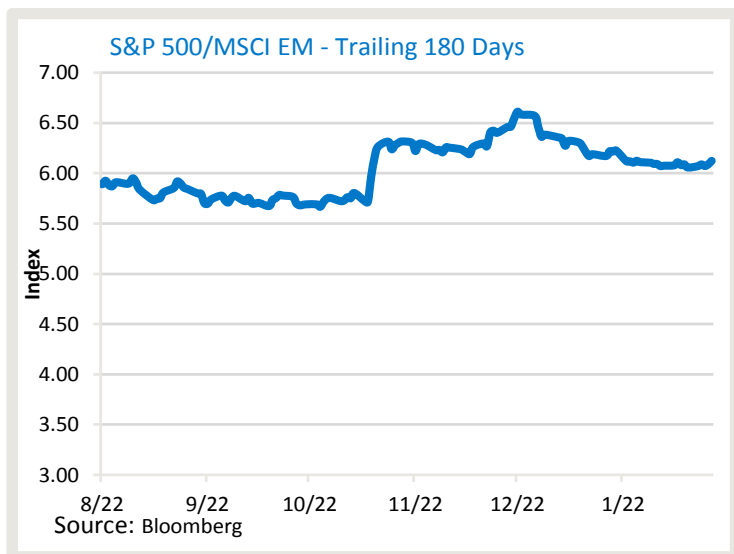
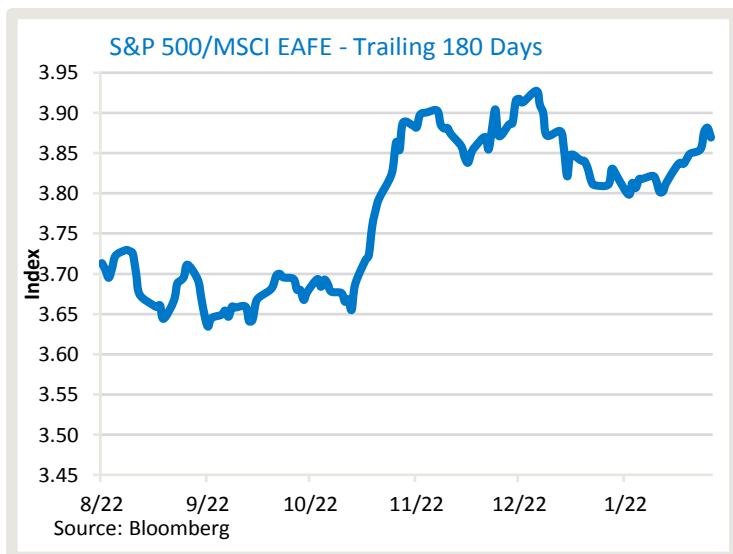
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1223.67	4.82	0.40%	1.68%	HFRX Distressed Index	1097.10	12.59	1.16%	2.24%
HFRX Equity Market Neutral	996.87	0.94	0.09%	0.97%	HFRX Merger Arbitrage Index	1806.09	4.41	0.24%	-0.36%
HFRX Equity Hedge Index	1182.89	7.17	0.61%	2.37%	HFRX Convertible Arbitrage Index	757.28	0.30	0.04%	1.98%
HFRX Event-Driven Index	1605.80	9.76	0.61%	2.65%	HFRX Macro CTA Index	1136.49	-0.05	0.00%	0.10%
HFRX Absolute Return Index	1032.89	1.65	0.16%	0.43%	IQ Fixed Income Beta Arb Index	1437.16	-1.52	-0.11%	1.21%

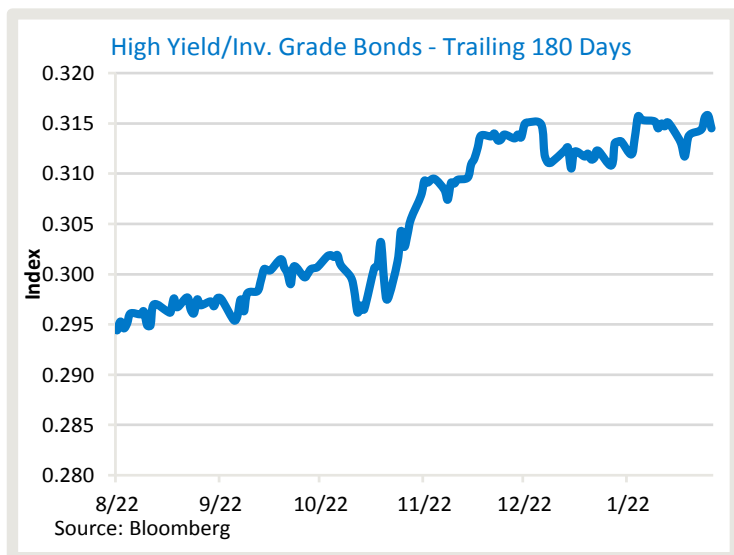
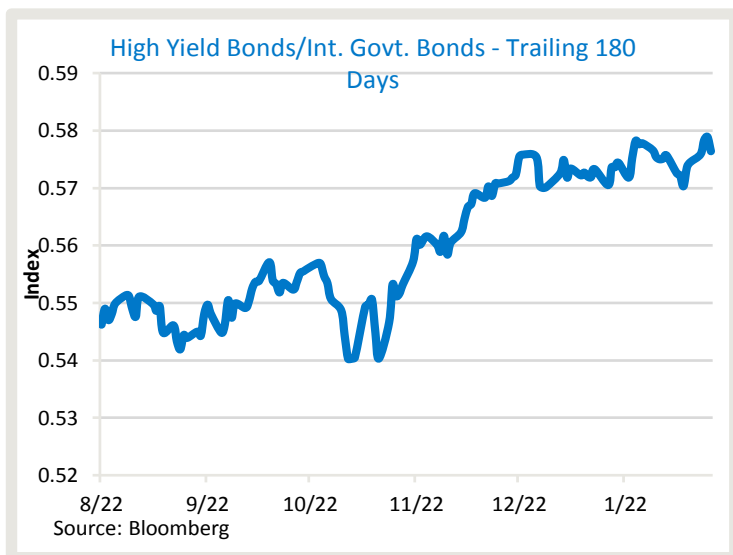
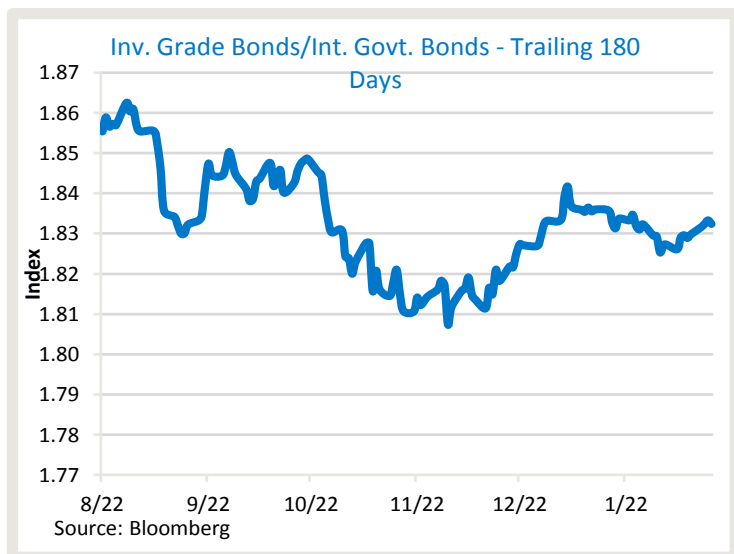
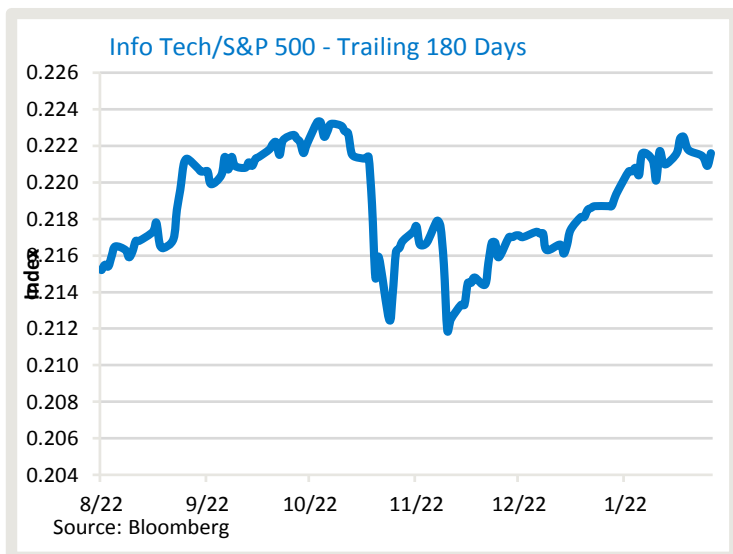
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			12/1	12/8	12/15	12/22	12/29	1/5	1/12	1/19	1/26	2/2	2/9	2/16
Equity	Domestic Equity	Large Cap (R200)	-0.51%	2.24%	1.11%	0.00%	-0.54%	0.85%	0.10%	-0.28%	1.36%	-0.68%	1.18%	1.88%
		Small Cap (R2000)	-2.11%	5.52%	-1.44%	-0.27%	0.04%	0.64%	-0.79%	-1.13%	2.22%	-1.32%	1.55%	1.49%
	Int'l. Equity	MSCI EAFE	0.35%	2.71%	-0.65%	0.60%	0.06%	2.77%	0.03%	-0.58%	1.59%	-0.18%	-0.13%	1.45%
		MSCI Em. Mkts.	0.75%	2.44%	-2.35%	-1.88%	1.89%	2.71%	1.69%	-0.24%	2.48%	-0.17%	1.13%	2.17%
Fixed Income	BarCap Agg. (AGG)	-0.46%	0.46%	-0.93%	0.21%	0.42%	0.75%	-0.04%	-0.52%	-0.05%	-0.01%	0.46%	-0.33%	
	High Yield (JNK)	-0.64%	1.84%	-0.55%	0.85%	-0.46%	0.91%	0.11%	-0.24%	0.79%	-0.46%	0.19%	0.19%	
Commodities	Bloomberg Commodity Index	1.83%	0.74%	-0.83%	-0.58%	1.55%	-0.16%	1.09%	-0.37%	0.13%	0.15%	0.14%	-0.05%	
Alternatives	Hedge Funds (HFRX Global)	0.15%	0.72%	0.07%	0.18%	-0.11%	0.30%	0.28%	-0.12%	0.69%	-0.47%	0.33%	0.69%	
Asset Allocation	60/40*	-0.47%	2.00%	-0.38%	0.09%	0.07%	1.18%	0.03%	-0.49%	1.02%	-0.40%	0.72%	0.93%	
	48/32/20 (w/Alts.)**	-0.34%	1.75%	-0.29%	0.10%	0.03%	1.00%	0.08%	-0.42%	0.95%	-0.41%	0.64%	0.89%	

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	0.97	1.09	1.10	1.09	1.12	1.19	1.17	1.20	1.14	1.02	1.26	1.29	1.50	1.23
Large Cap Growth	1.03	1.00	1.12	1.13	1.12	1.15	1.22	1.20	1.23	1.17	1.04	1.30	1.33	1.54	1.26
Large Cap Value	0.92	0.90	1.00	1.02	1.01	1.03	1.09	1.08	1.10	1.04	0.94	1.16	1.19	1.38	1.13
Mid Cap Core	0.91	0.88	0.99	1.00	0.99	1.01	1.07	1.06	1.08	1.03	0.92	1.14	1.17	1.36	1.11
Mid Cap Growth	0.91	0.89	0.99	1.01	1.00	1.02	1.08	1.07	1.09	1.04	0.93	1.16	1.18	1.37	1.12
Mid Cap Value	0.89	0.87	0.97	0.99	0.98	1.00	1.06	1.05	1.07	1.02	0.91	1.13	1.16	1.34	1.10
Small Cap Core	0.84	0.82	0.92	0.93	0.92	0.94	1.00	0.99	1.01	0.96	0.86	1.07	1.09	1.26	1.03
Small Cap Growth	0.85	0.83	0.93	0.94	0.93	0.95	1.01	1.00	1.02	0.97	0.87	1.08	1.10	1.28	1.05
Small Cap Value	0.83	0.81	0.91	0.92	0.91	0.93	0.99	0.98	1.00	0.95	0.85	1.06	1.08	1.25	1.02
Int'l. Developed	0.88	0.86	0.96	0.97	0.96	0.98	1.04	1.03	1.05	1.00	0.90	1.11	1.14	1.32	1.08
Emerging Markets	0.98	0.96	1.07	1.09	1.07	1.10	1.16	1.15	1.18	1.12	1.00	1.24	1.27	1.47	1.21
REITs	0.79	0.77	0.86	0.87	0.87	0.88	0.94	0.93	0.95	0.90	0.81	1.00	1.02	1.18	0.97
Commodities	0.77	0.75	0.84	0.85	0.85	0.86	0.92	0.91	0.93	0.88	0.79	0.98	1.00	1.16	0.95
Int. Bond	0.67	0.65	0.73	0.74	0.73	0.75	0.79	0.78	0.80	0.76	0.68	0.84	0.86	1.00	0.82
High Yield	0.81	0.79	0.89	0.90	0.89	0.91	0.97	0.96	0.98	0.93	0.83	1.03	1.05	1.22	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 **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 **Nikkei Index (Nikkei 225 or Nikkei)** is a stock market index for the Tokyo Stock Exchange calculated daily by the Nihon Keizai Shimbun (Nikkei) newspaper since 1950. It is a price-weighted index (the unit is yen), and the components are reviewed once a year. 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 **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. 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 **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities. 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 **NY Empire State Index** is an index 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 headline number for the NY Empire State Index refers to the survey's main index, which summarizes general business conditions in New York State.



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Envestnet, Inc. (NYSE: ENV) is a leading provider of unified wealth management technology and services to investment advisors. Our open-architecture platforms unify and fortify the wealth management process, delivering unparalleled flexibility, accuracy, performance and value. Envestnet solutions enable the transformation of wealth management into a transparent, objective, independent and fully-aligned standard of care, and empower advisors to deliver better results.

Envestnet's Advisor Suite® software empowers financial advisors to better manage client outcomes and strengthen their practice. Envestnet provides institutional-quality research and advanced portfolio solutions through our Portfolio Management Consultants group, Envestnet | PMC®. Envestnet | Tamarac provides leading rebalancing, reporting and practice management software.

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