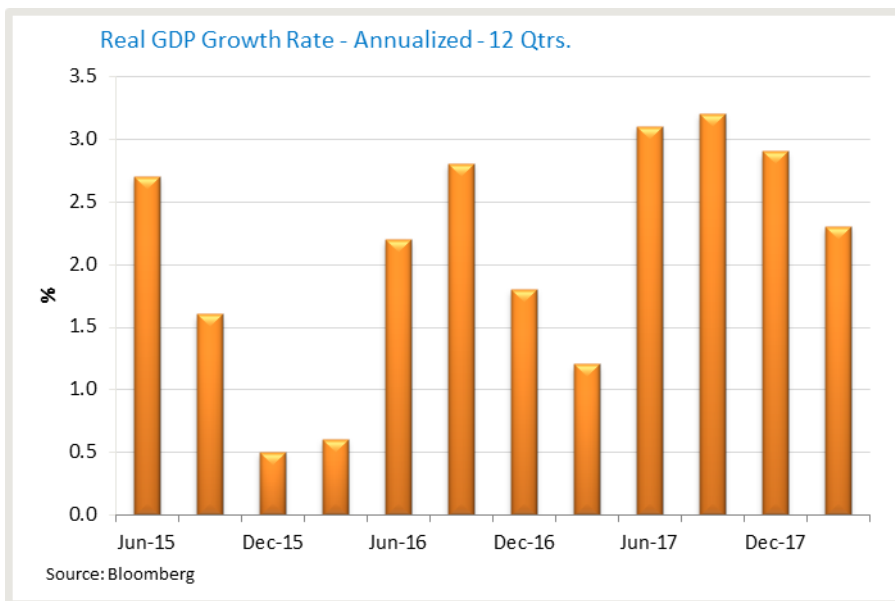


Weekly Market Review

May 25, 2018

Chart of the Week



Weekly Highlights

- **Energy stocks weighed on market indices early Friday**, as oil prices fell to \$77 a barrel after the Organization of Petroleum Exporting Countries (OPEC) discussed raising output by 1 million barrels a day. This comes after shortage concerns caused oil to peak at \$80 a barrel.
- **President Trump canceled the North Korea Summit on Thursday**, causing the Dow Jones Industrial Average to lose 291 points before recovering to close down just 75 points. Gold, a safe haven for investors, rallied to more than \$1,300 an ounce, amid geopolitical fears.
- **Home values [have increased 8.7% over the prior 12-month period](#)** as of the end of April, the fastest price appreciation since June 2006. Tight supply and strong demand have been contributing catalysts, with median home values in twenty-one of the top thirty-five housing markets now surpassing the height of the housing boom.

Talking Points

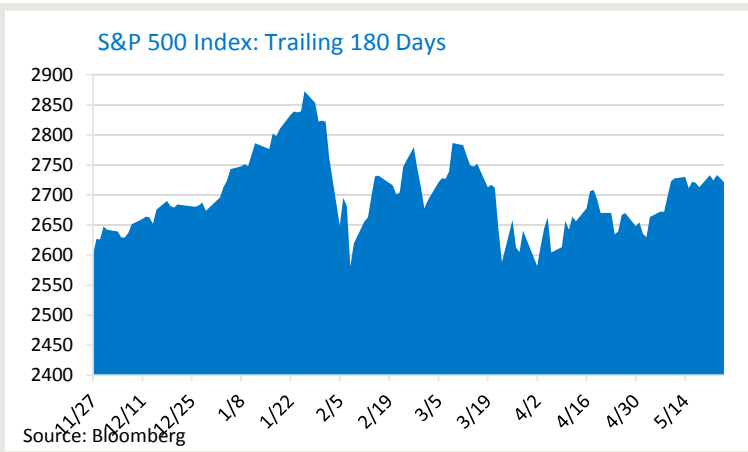
- **Among domestic equities**, large outperformed small caps, and growth outperformed value-oriented securities. US equities outpaced international, whereas emerging markets outperformed developed.
- **The yield** on the 10-Year Treasury Note fell to 2.93% from 3.06% at the end of last week. Investors bid up safe-haven bonds, as risks in Europe and North Korea kept investors on their toes.
- **Commodities** were mostly lower on the week, dragged down by oil. The West Texas Intermediate traded at 68.8 versus 71.4 for the prior week.
- **The US Dollar Index** was higher, driven mostly by the falling euro, as soft economic growth and geopolitical risks in Italy caused investor concerns in the eurozone.
- **In other economic news:** US business spending on capital goods and equipment picked up in April, a positive shift from prior months. Orders for nondefense capital goods rose by 1%, with both the Trump corporate tax cuts and a strong economy supporting business investment.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,721.33	8.36	0.31%	1.8%
Dow Industrials	24,753.09	38.00	0.15%	0.1%
Nasdaq	7,433.86	79.52	1.08%	7.7%
Russell 2000	1,626.93	0.30	0.02%	6.0%
Euro Stoxx Index	391.08	-3.59	-0.91%	0.5%
Shanghai Composite	3,141.30	-52.00	-1.63%	-5.0%
Russell Global	2,156.47	-3.21	-0.15%	0.6%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,566.26	-10.53	-0.29%	-2.1%
10-Year US Treas.	2.93	-14 bps	NM	NM
Bloomberg Cmdts. Idx.	90.92	0.51	0.56%	3.1%
Gold	\$1,300.99	\$7.96	0.62%	-0.1%
Crude Oil	\$67.60	-\$3.77	-5.28%	13.1%
Dollar Index	94.21	0.56	0.60%	2.3%
VIX Index	13.22	-0.20	-1.49%	19.7%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.41%	0.39%	1.05%	-2.55%	2.08%	6.16%
	0.11%	0.08%	0.04%	-1.21%	1.52%	5.04%
S	0.39%	0.02%	-0.32%	3.88%	5.95%	7.89%

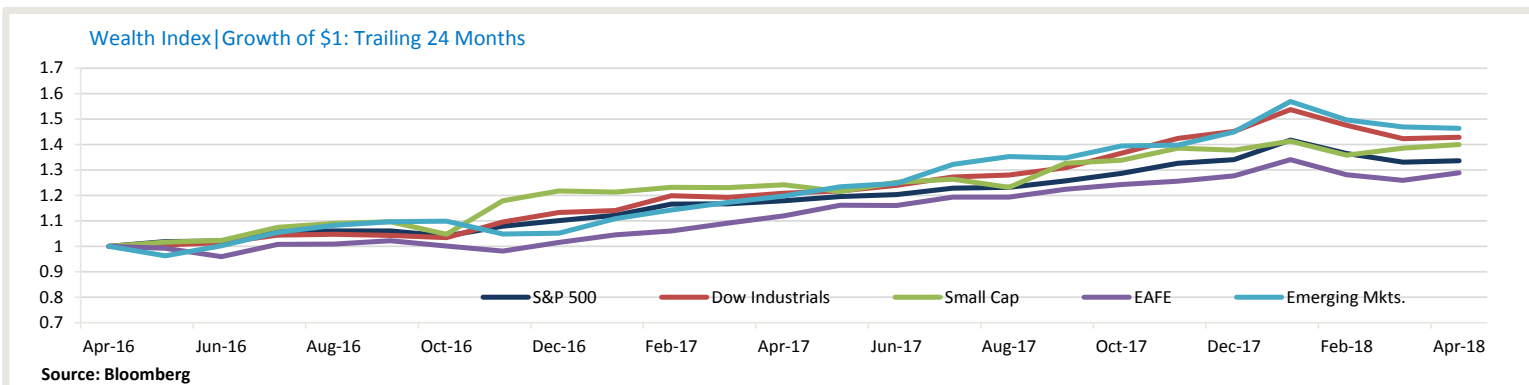
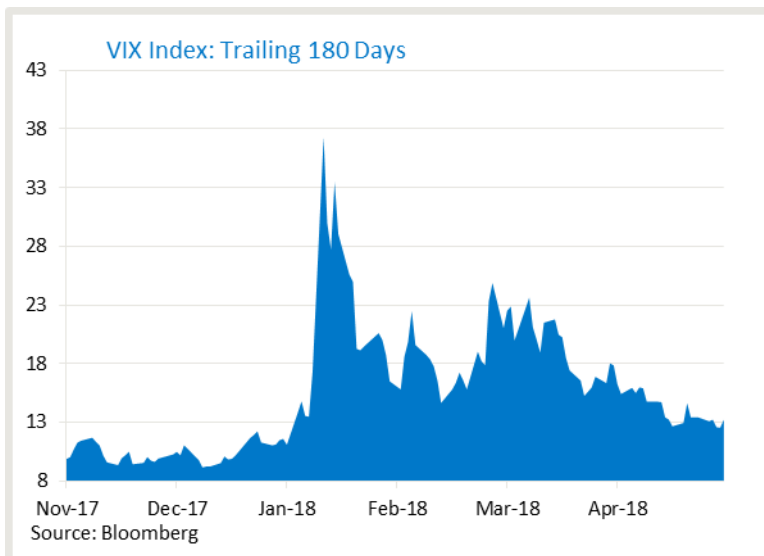
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.9	1.23%	7.5%
Consumer Staples	6.7	0.67%	-13.1%
Energy	6.1	-4.54%	2.7%
Financials	14.5	-0.41%	0.6%
Health Care	13.9	-0.33%	0.2%
Industrials	10.0	0.53%	-0.4%
Information Technology	25.8	1.31%	10.5%
Materials	2.9	-1.47%	2.6%
Real Estate	2.7	2.00%	-5.9%
Telecom Services	1.8	1.20%	-11.8%
Utilities	2.8	3.08%	4.8%

Source: Bloomberg



The Economy and Markets

A Macro View – Wage Growth in a Full-Employment World

Though it occurred more than a decade ago, the Great Recession has left painful memories for Americans who lost jobs, homes, savings, and wages. According to the Center on Budget and Policy Priorities (CBPP), approximately 8.7 million jobs were lost from December 2007 to early 2010, with the unemployment rate peaking at 10%. Though slow to recover, the economy has regained those jobs, and the Federal Reserve (the Fed) has achieved its goal of full employment, defined as 5%.

With the hard hit to the US employment market, it is no wonder that the Fed has been so focused on job gains as a key indicator of economic health. Recently, the US unemployment rate ticked down to 3.9%, as the economy added an average of 191,000 monthly nonfarm payroll jobs over the rolling 12 months ended March 31. Given the steady improvement and full-employment situation, many economists, institutional investors, and the Fed have shifted their focus to how the average employee is faring in terms of wages and compensation.

Nominal wage growth is a critical measure of the state of the economy, as the majority of Americans depend on a paycheck alone. Nominal wages are the gross amount of money a worker receives from their employer, and in turn, translate to real wages, which measure the amount of goods and services that can be bought at given prices. In other words, real wages consider inflation. Wage growth from the most recent jobs report released in April showed a 2.6% change from April 2017, a step in the right direction, but less robust than most economists would like to see, especially with 3.9% unemployment. What's more, adjusted for inflation of approximately 2%, workers have hardly seen a bottom-line increase. To put the recent April figure into context, hourly wage growth in tight labor markets (defined as between 3.5% and 4.5%) since the mid 1960s has averaged around 4%. In times of high inflation, such as in the 1970s, hourly wage growth was even higher. Many economists have speculated on why it has been more sluggish than in past recoveries, with two prominent culprits being slow productivity gains and slack remaining in the employment market.

Productivity, or the amount produced by an employee per hour, often has been an input to the earnings equation. As workers' productivity increased, and therefore their output, so did their wages. But market forces, such as automation and increased global competition, have weighed on productivity and wage growth. In the past, technology changes enabled employees to produce more, whereas technology now is replacing jobs altogether. Additionally, companies increasingly are outsourcing work to other countries, where labor is cheaper. As a result of these two factors, US output has increased, but wages for employees have either decreased or disappeared entirely.

Another potential explanation to the wage-growth puzzle considers the baby boomers. It is estimated that 10,000 baby boomers a day are turning 65, the eligible age for retirement. Many of these retiring baby boomers hold manager and supervisor roles that pay above-average wages, so the percentage of higher-earnings exits from the employment market is larger than in the past. Though this may leave opportunities for others to move up the ladder, the work is often replaced by lower-paid employees. Also, those moving from part-time to full-time work, or those re-entering the market from a period of unemployment, are filling vacancies that pay less. Consequently, this phenomenon has put downward pressure on wages.

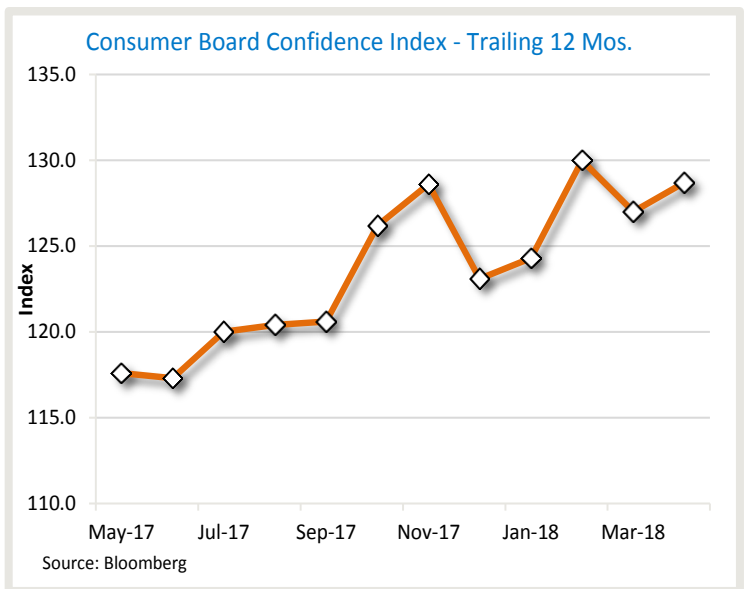
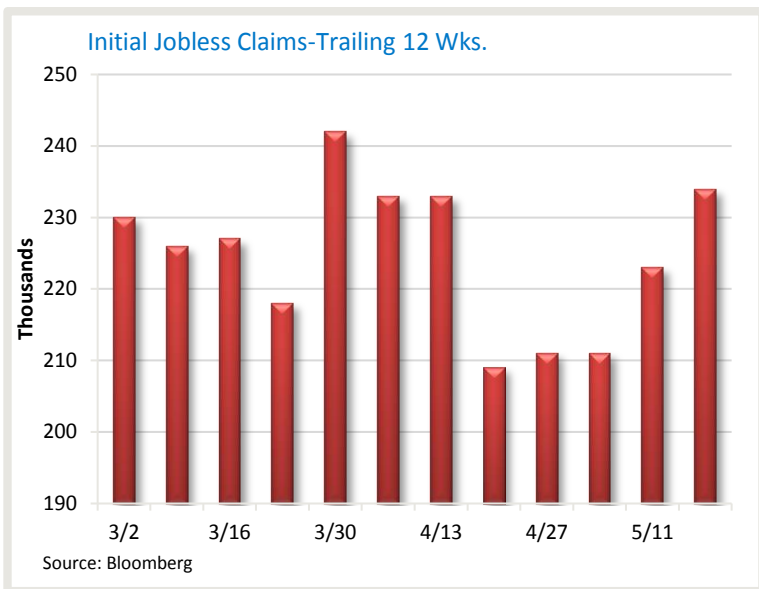
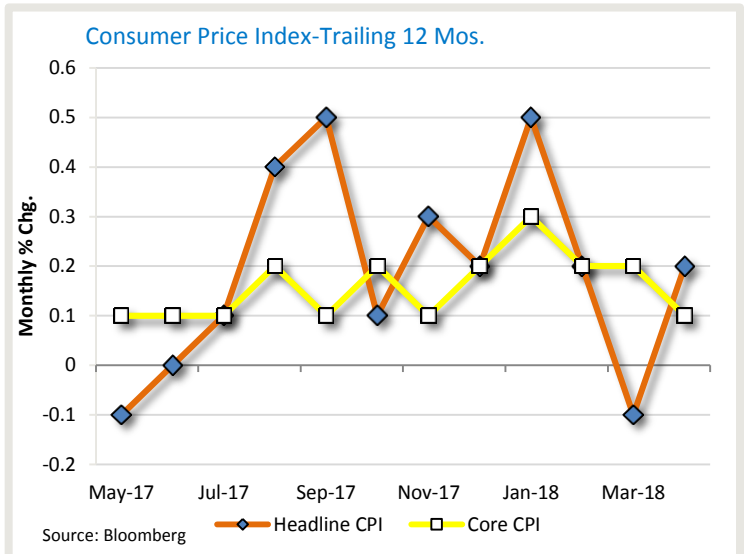
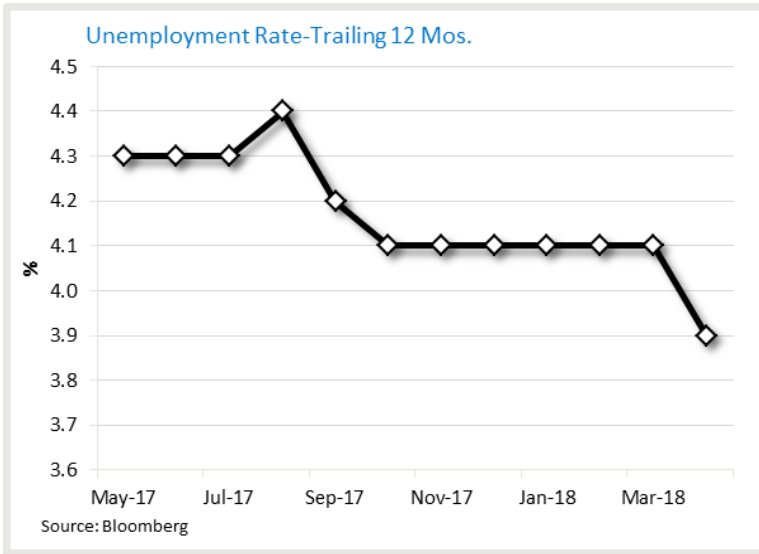
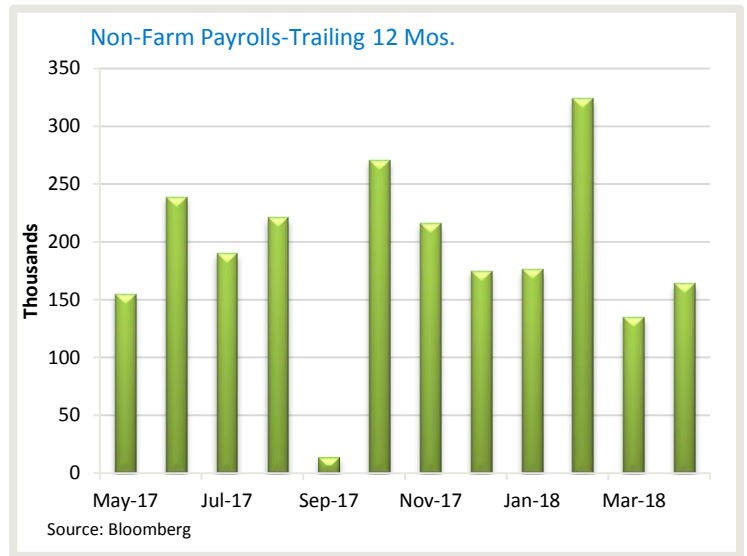
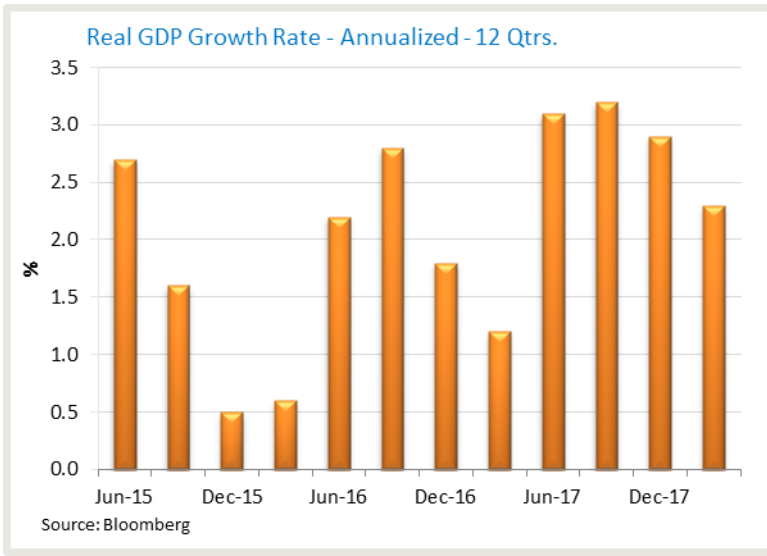
Like most economic issues, a confluence of factors likely is contributing to slow wage growth, which has made it difficult for some economists and policy makers to propose a solution. Others believe we should accept the state of current wages as the new normal. However, even if we see slow but steady wage growth continue in an upward trajectory, it could spark the next leg of positive stock market performance. After all, we are a consumption-driven economy that depends on the stability of consumers and their buying power.

Ali Caffery
Portfolio Manager

Sources:

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Economic Data



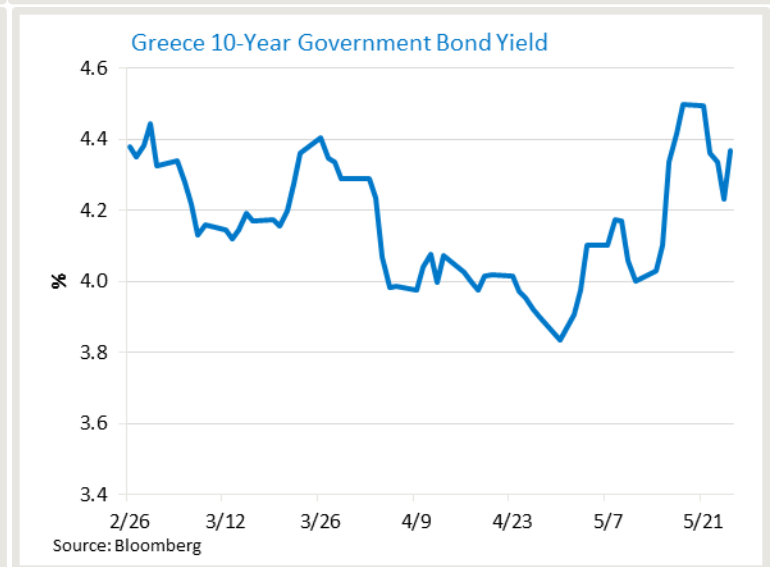
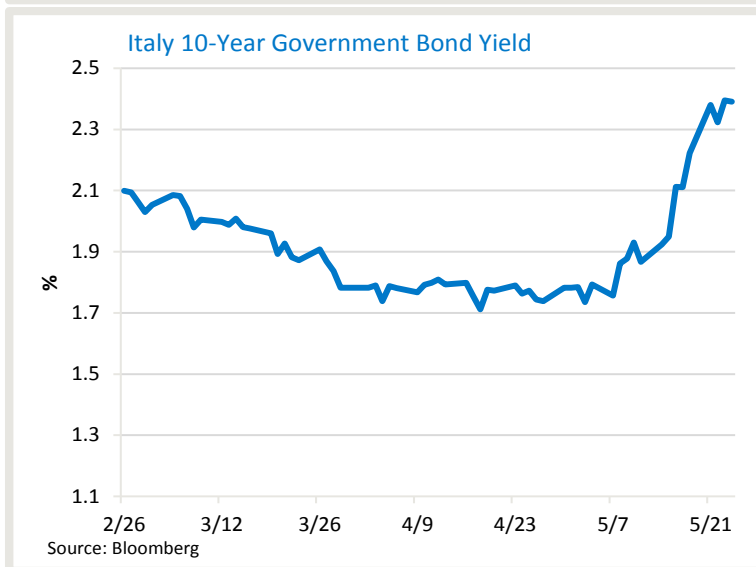
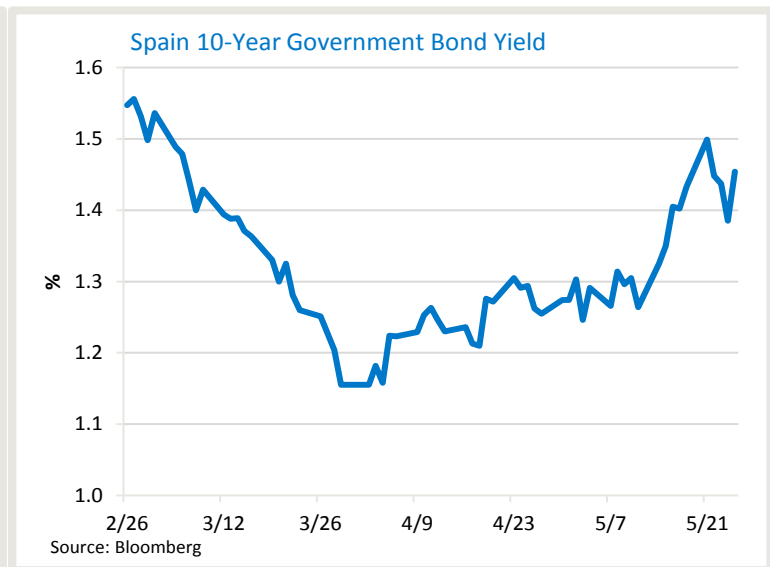
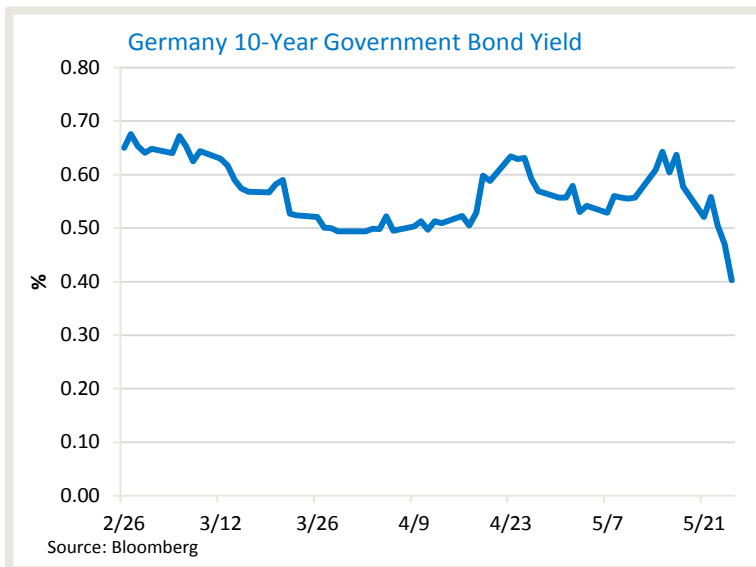
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.40	16 bps	NM	NM
Greece 10-Yr. Govt.	4.37	10 bps	NM	NM
Italy 10-Yr. Govt.	2.45	-19 bps	NM	NM
Spain 10-Yr. Govt.	1.45	-2 bps	NM	NM
Belgium 10-Yr. Govt.	0.76	10 bps	NM	NM

Source: Bloomberg
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.71	12 bps	NM	NM
Ireland 10-Yr. Govt.	0.95	6 bps	NM	NM
Portugal 10-Yr. Govt.	1.93	-7 bps	NM	NM
Netherlands 10-Yr. Govt.	0.58	13 bps	NM	NM
U.K. 10-Yr. Govt.	1.32	17 bps	NM	NM

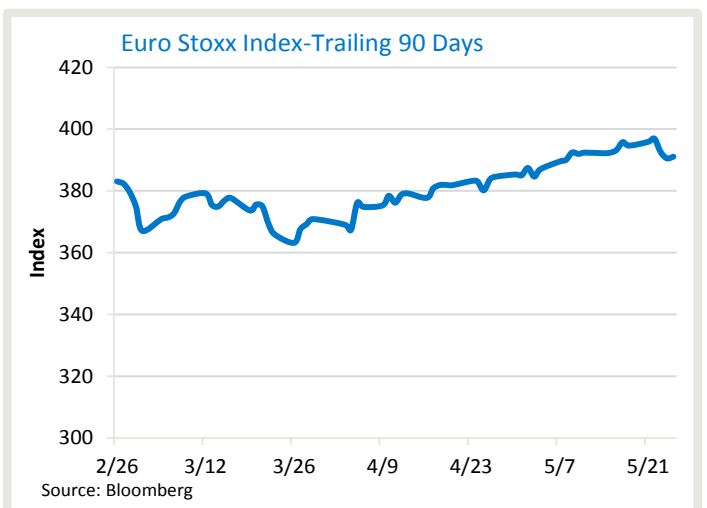
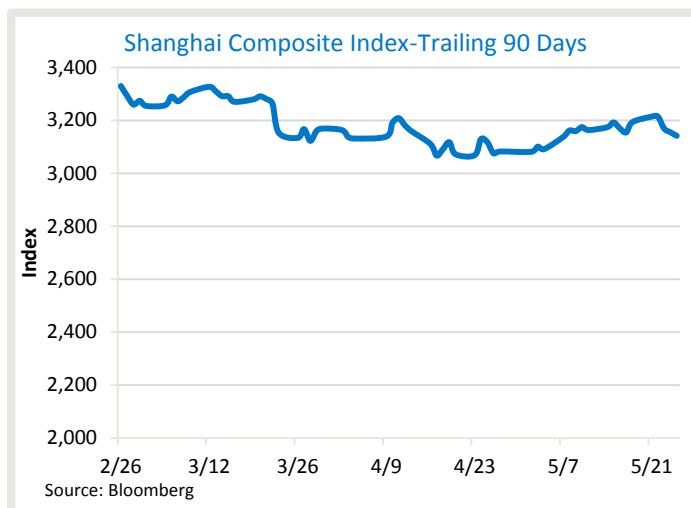
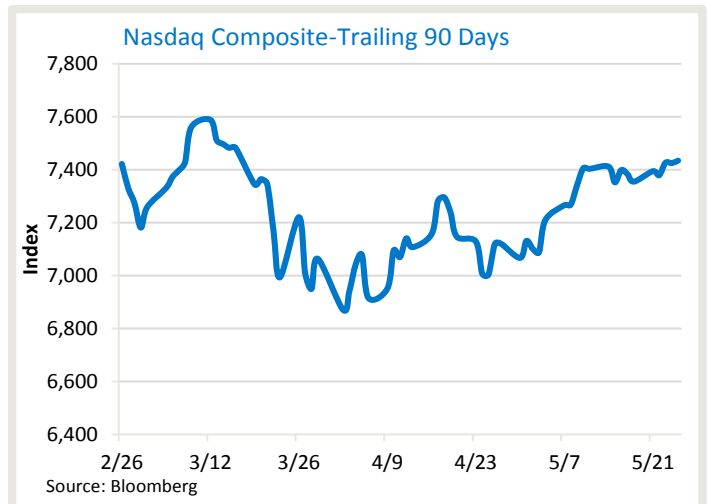
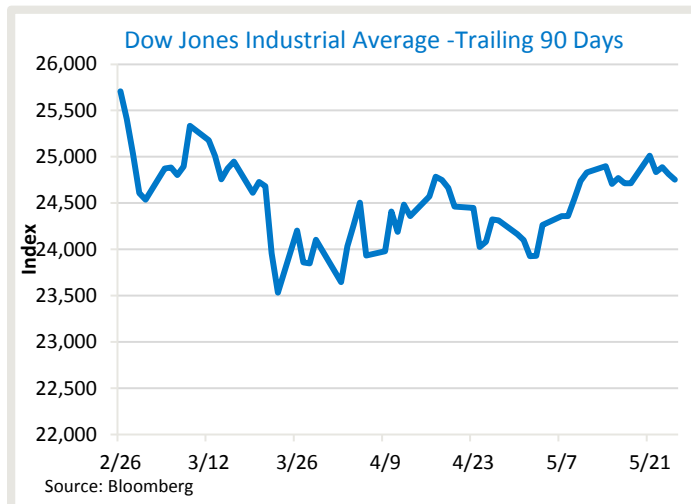


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,721.33	8.36	0.31%	1.78%	Swiss Market Index	8,759.08	-181.38	-2.03%	-6.64%
Dow Industrials	24,753.09	38.00	0.15%	0.14%	CAC 40 Index (France)	5,542.55	-71.96	-1.28%	4.33%
Nasdaq Composite	7,433.86	79.52	1.08%	7.68%	DAX Index (Germany)	12,938.01	-139.71	-1.07%	0.16%
Russell Global	2,156.47	-3.21	-0.15%	0.6%	Irish Overall Index	7,171.32	75.26	1.06%	1.89%
Russell Global EM	3,566.26	-10.53	-0.29%	-2.1%	Nikkei 225	22,450.79	-479.57	-2.09%	-1.38%
S&P/TSX (Canada)	16,075.67	-86.64	-0.54%	-0.82%	Hang Seng Index	30,588.04	-354.11	-1.14%	2.24%
Mexico IPC	45,091.99	-576.47	-1.26%	-8.64%	Shanghai Composite	3,141.30	-52.00	-1.63%	-5.02%
Brazil Bovespa	78,897.66	-4184.23	-5.04%	3.27%	Kospi Index (S. Korea)	2,460.80	12.35	0.50%	-0.27%
Euro Stoxx 600	391.08	-3.59	-0.91%	0.49%	Taiwan Taiex Index	10,942.30	111.46	1.03%	2.81%
FTSE 100	7,730.28	-48.51	-0.62%	0.55%	Tel Aviv 25 Index	1,516.32	-0.05	0.00%	0.43%
IBEX 35 (Spain)	9,826.50	-285.90	-2.83%	-2.16%	MOEX Index (Russia)	2,306.57	-20.37	-0.88%	9.33%

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



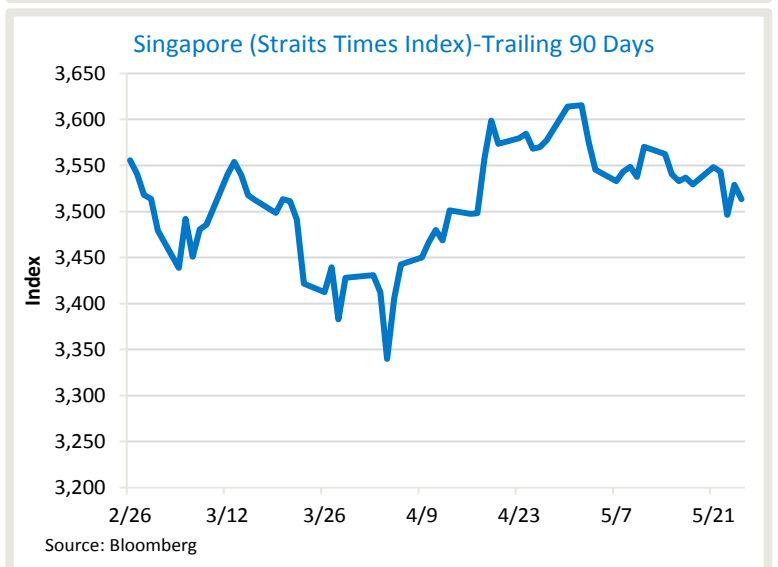
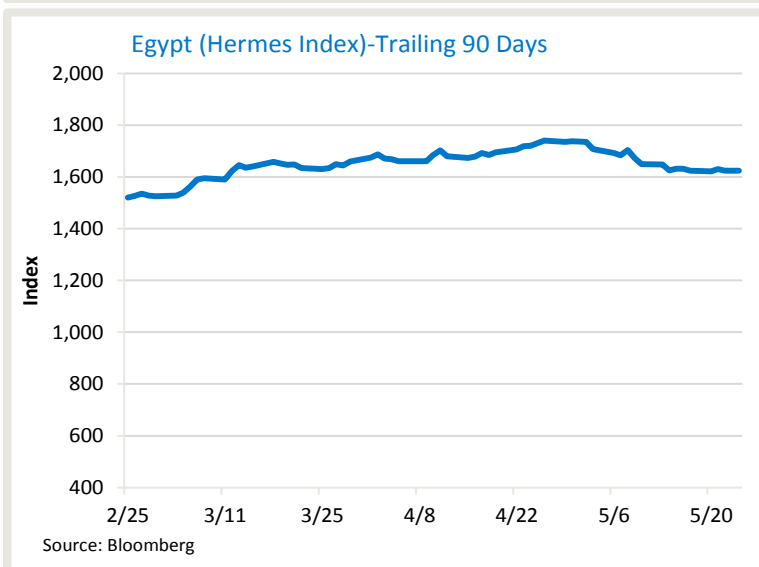
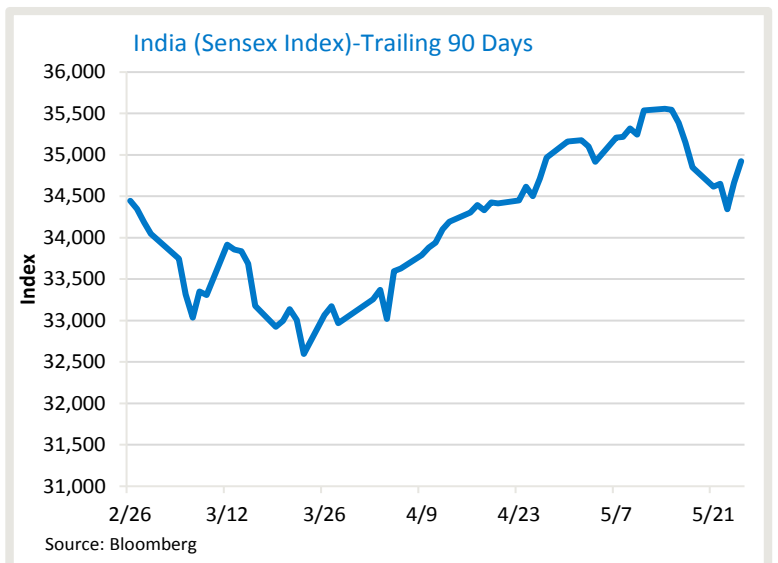
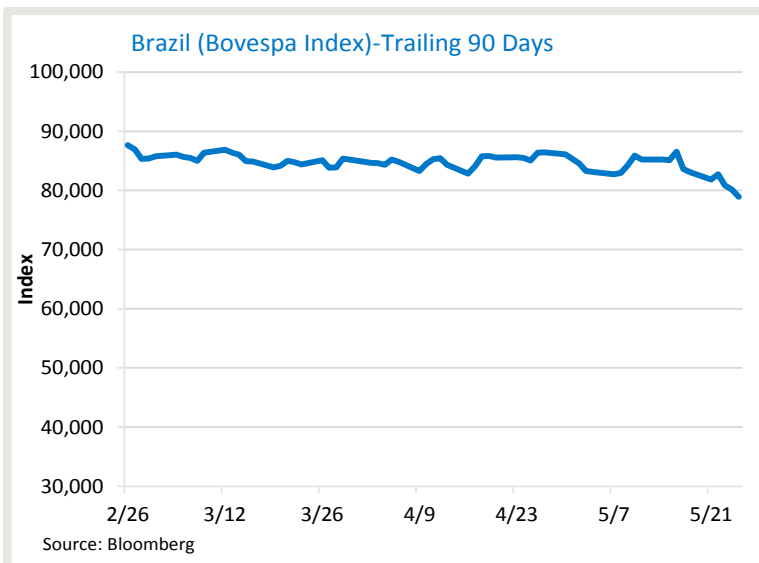
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	45,091.99	-576.47	-1.3%	-8.6%
Brazil (Bovespa Index)	78,897.66	-4184.23	-5.0%	3.3%
MOEX Index (Russia)	2,306.57	-20.37	-0.9%	9.3%
Czech Republic (Prague)	1,087.50	-17.06	-1.5%	0.9%
Turkey (Istanbul)	103,200.08	789.80	0.8%	-10.5%
Egypt (Hermes Index)	1,624.31	-0.37	0.0%	13.0%
Kenya (Nairobi 20 Index)	3,364.58	-129.59	-3.7%	-9.4%
Saudi Arabia (TASI Index)	8,037.81	20.96	0.3%	11.2%
Lebanon (Beirut BLOM Index)	1,122.36	-5.59	-0.5%	-2.3%
Palestine	541.25	-0.94	-0.2%	-5.8%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	30,588.04	-354.11	-1.1%	2.2%
India (Sensex 30)	34,924.87	76.57	0.2%	2.5%
Malaysia (KLCI Index)	1,797.40	-57.10	-3.1%	0.0%
Singapore (Straits Times Index)	3,513.23	-16.04	-0.5%	3.2%
Thailand (SET Index)	1,741.21	-12.96	-0.7%	-0.7%
Indonesia (Jakarta)	5,975.74	192.43	3.3%	-6.0%
Pakistan (Karachi KSE 100)	42,074.09	450.57	1.1%	4.0%
Vietnam (Ho Chi Minh)	963.90	-76.64	-7.4%	-2.1%
Sri Lanka (Colombo)	6,467.80	-24.26	-0.4%	1.5%
Cambodia (Laos)	927.34	4.28	0.5%	-7.1%

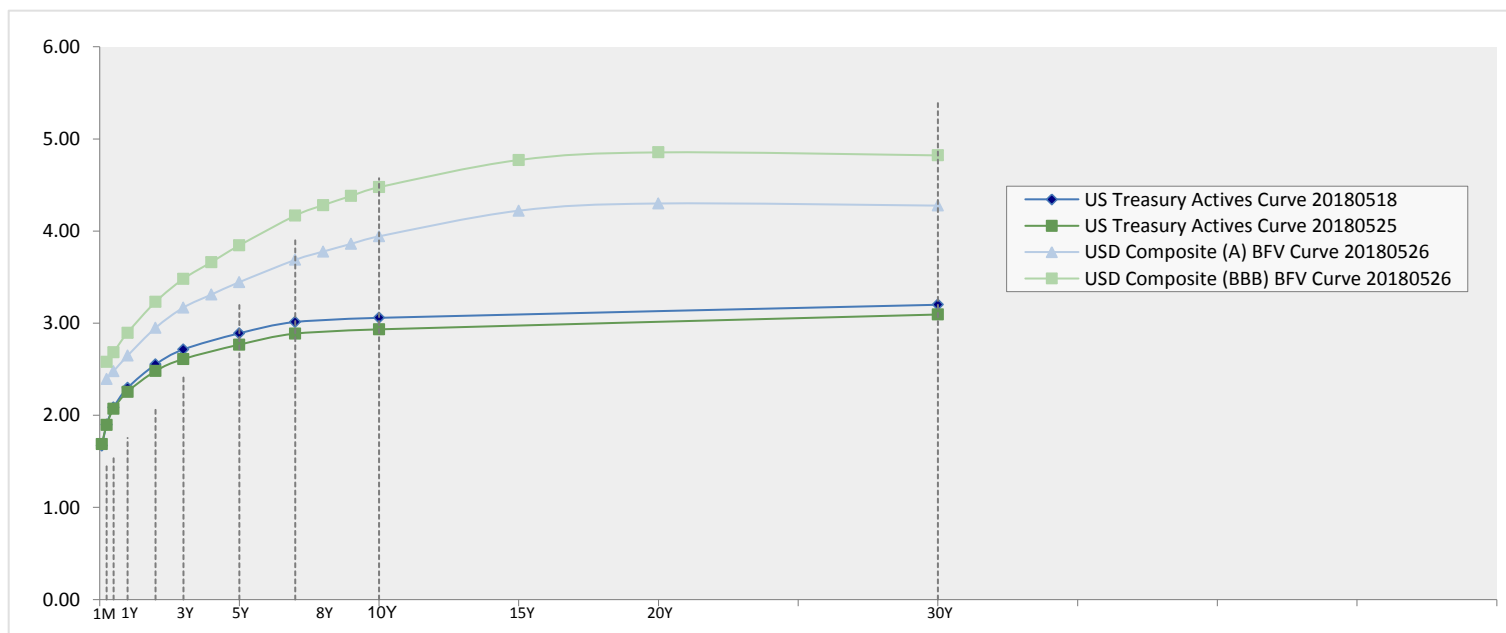


Interest Rates

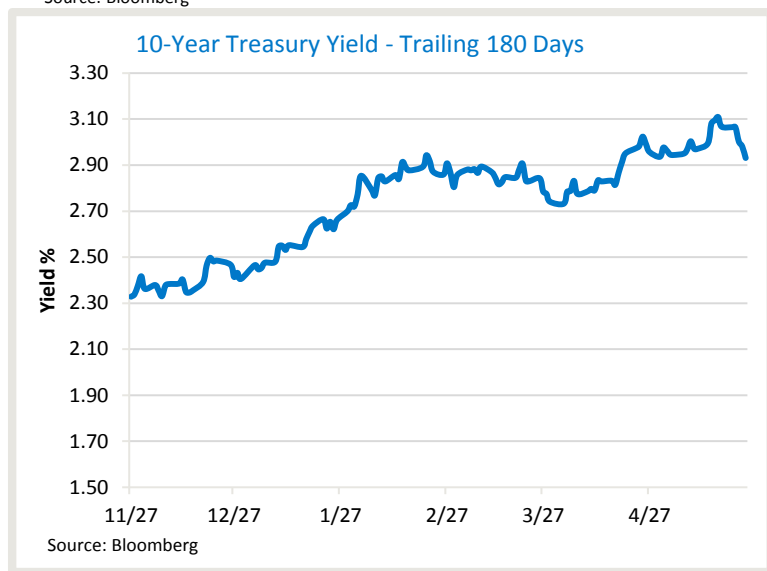
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.48%	0 bps	NM	NM	Prime Rate	4.75%	0.00	NM	NM
5-Yr. U.S. Treasury	2.76%	-13 bps	NM	NM	Fed Funds Rate	1.75%	0.00	NM	NM
10-Yr. U.S. Treasury	2.93%	-14 bps	NM	NM	Discount Rate	2.25%	0.00	NM	NM
30-Yr. U.S. Treasury	3.09%	-12 bps	NM	NM	LIBOR (3 Mo.)	2.32%	-1 bps	NM	NM
German 10-Yr. Govt.	0.40%	16 bps	NM	NM	Bond Buyer 40 Muni	3.81%	-8 bps	NM	NM
France 10-Yr.	0.71%	12 bps	NM	NM	Bond Buyer 40 G.O.	3.90%	NA	NM	NM
Italy 10-Yr.	2.45%	-19 bps	NM	NM	Bond Buyer 40 Rev.	4.39%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.15%	-3 bps	NM	NM					

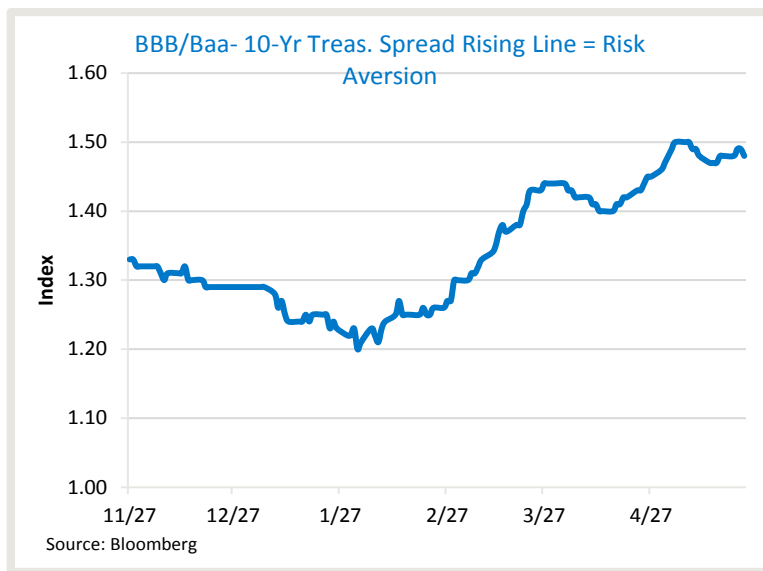
Source: Bloomberg



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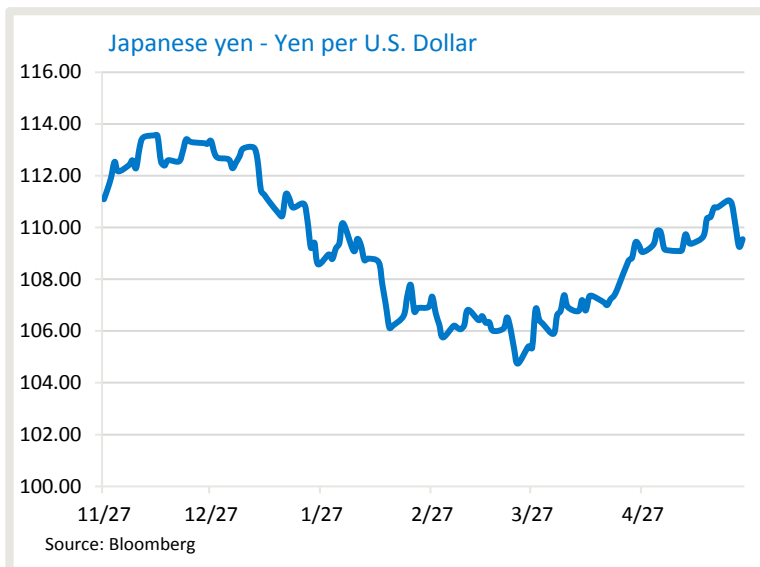
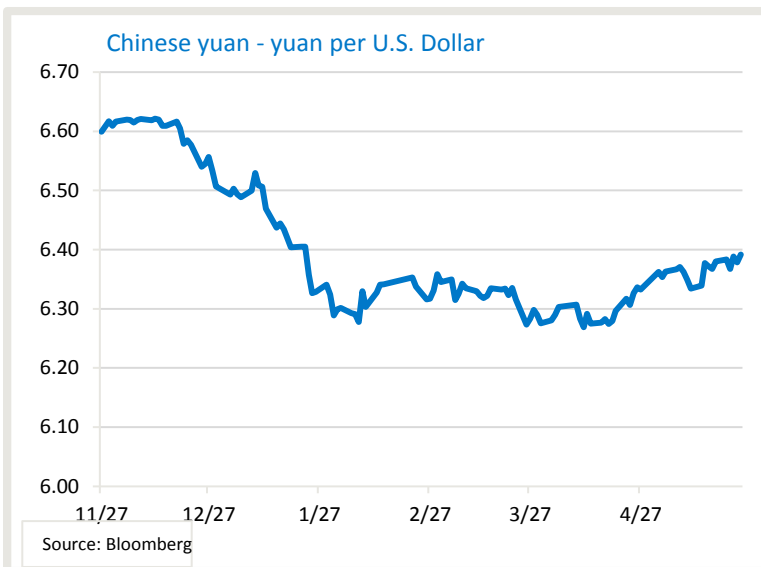
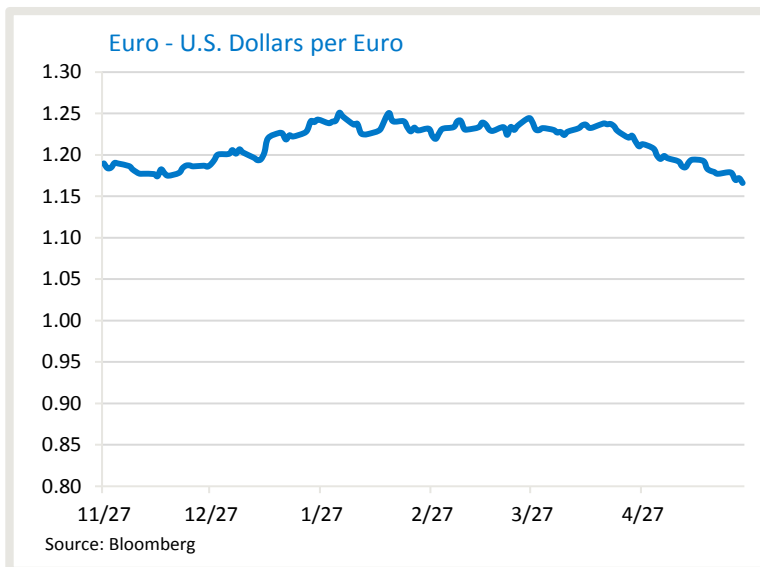
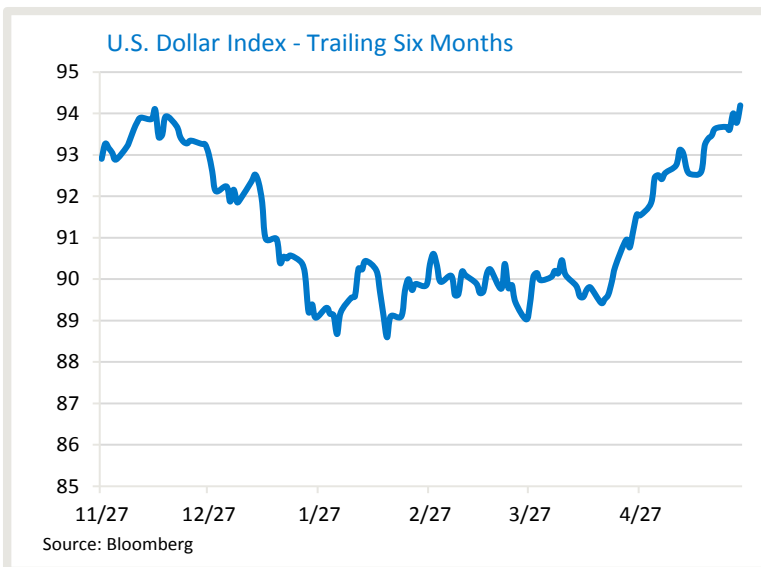
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.21	0.561	0.60%	2.25%
Euro	1.17	-0.011	-0.94%	-2.87%
Japanese Yen	109.56	-1.240	1.13%	2.88%
British Pound	1.33	-0.016	-1.17%	-1.49%
Canadian Dollar	1.30	0.009	-0.66%	-3.08%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.39	0.012	-0.18%	1.80%
Swiss Franc	0.99	-0.007	0.71%	-1.69%
New Zealand Dollar	0.69	0.001	0.16%	-2.54%
Brazilian Real	3.66	-0.077	2.11%	-9.61%
Mexican Peso	19.54	-0.408	2.09%	0.59%

Source: Bloomberg



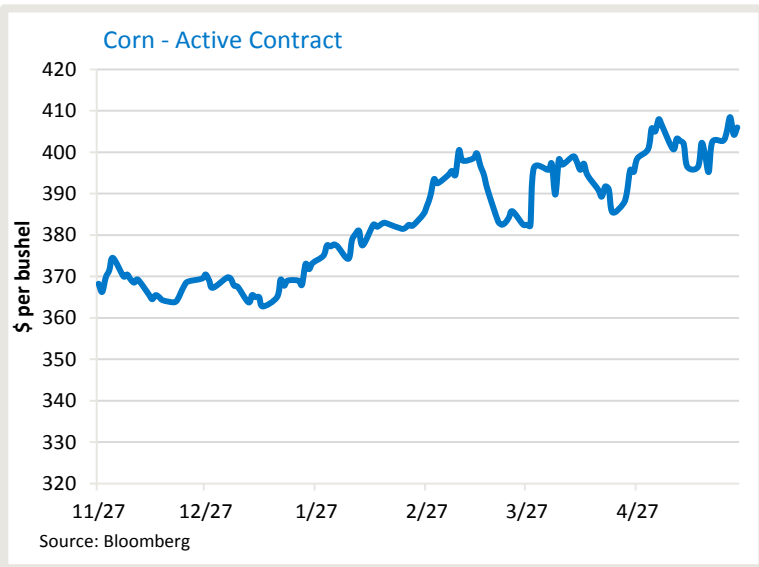
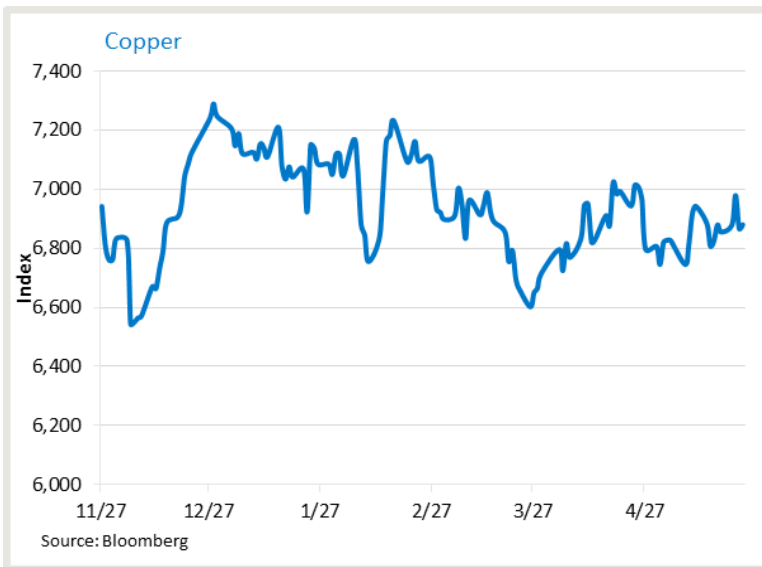
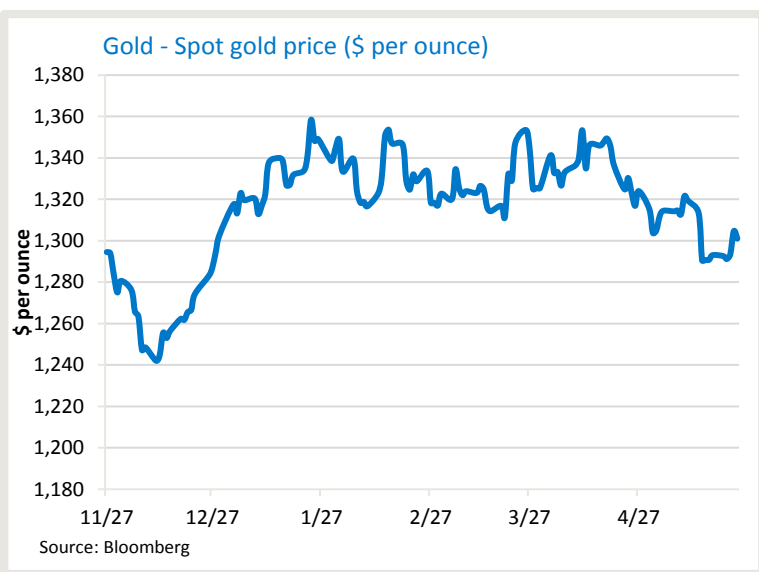
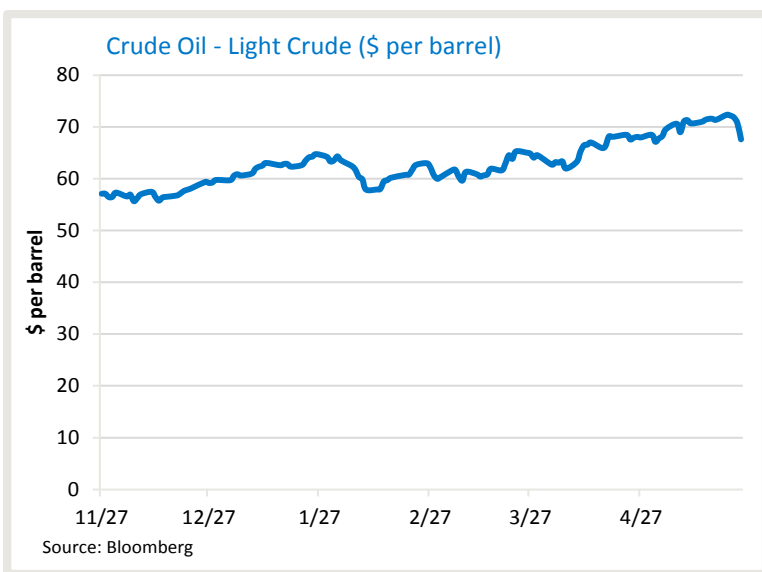
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	90.92	0.51	0.56%	3.12%
Crude Oil	\$67.62	-\$3.77	-5.28%	13.12%
Natural Gas	\$2.93	\$0.08	2.95%	5.70%
Gasoline (\$/Gal.)	\$2.97	\$0.05	1.61%	19.38%
Heating Oil	220.72	-5.82	-2.57%	11.58%
Gold Spot	\$1,301.00	\$7.96	0.62%	-0.14%
Silver Spot	\$16.51	\$0.07	0.41%	-2.52%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$901.32	\$14.11	1.59%	-2.89%
Corn	406.00	3.50	0.87%	10.55%
Wheat	543.00	24.75	4.78%	19.80%
Soybeans	1,041.50	43.00	4.31%	5.92%
Sugar	12.46	0.80	6.86%	-17.15%
Orange Juice	169.30	3.10	1.87%	21.23%
Aluminum	2,281.00	11.00	0.48%	0.57%
Copper	6,880.00	25.00	0.36%	-5.06%

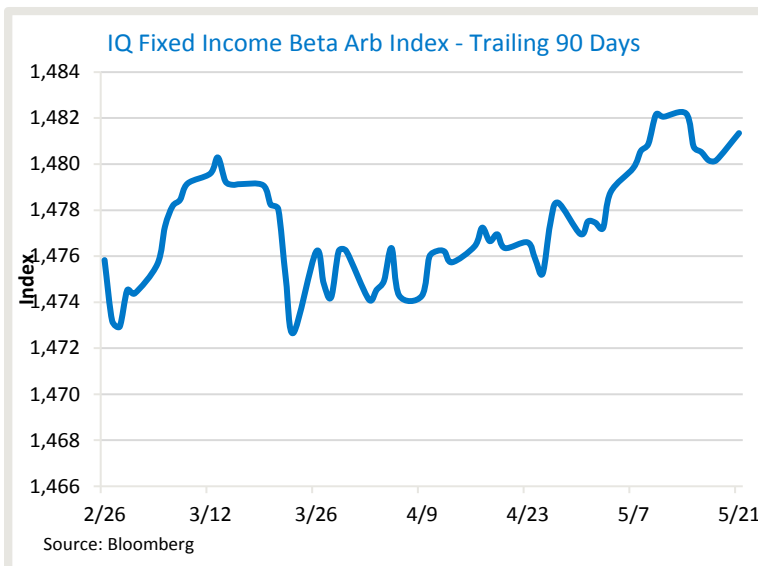
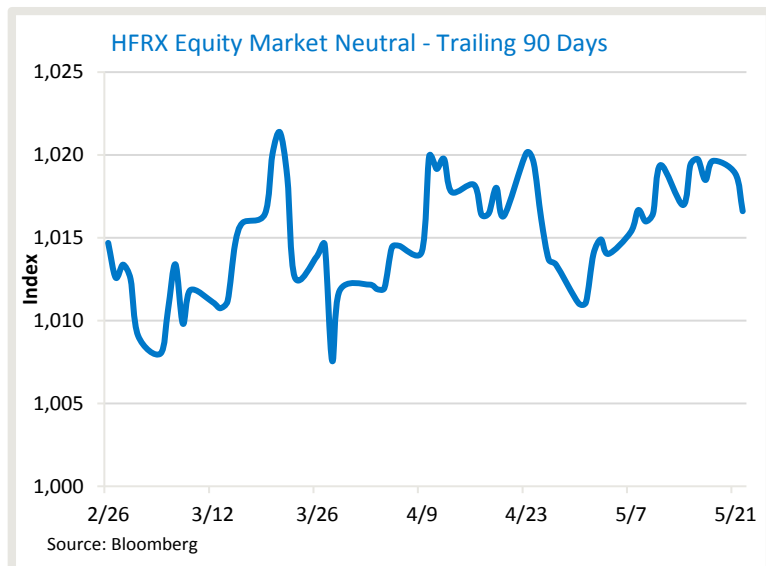
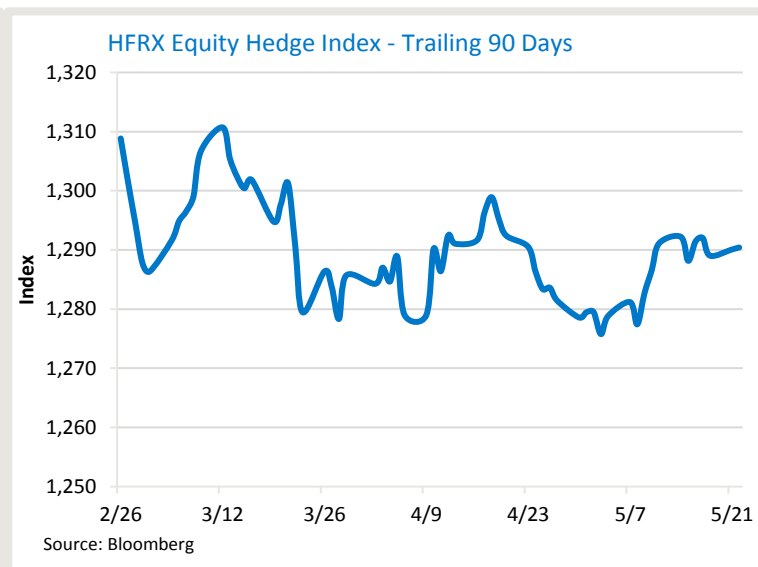
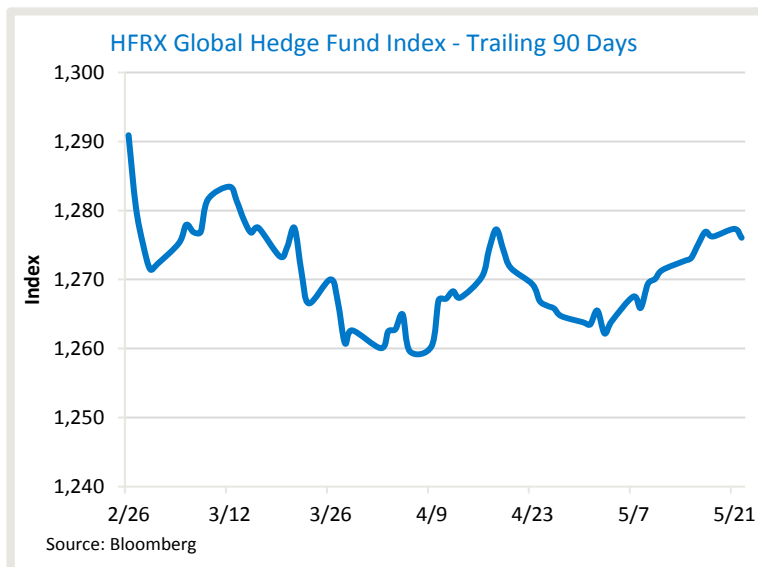


Alternative Investments

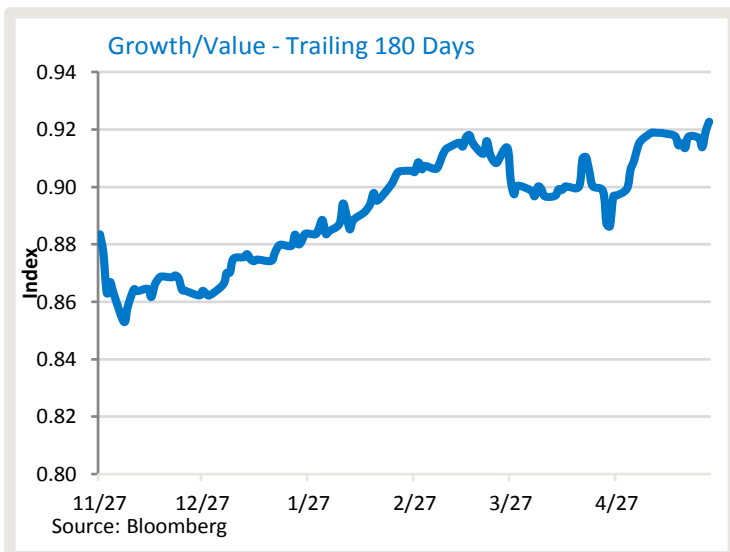
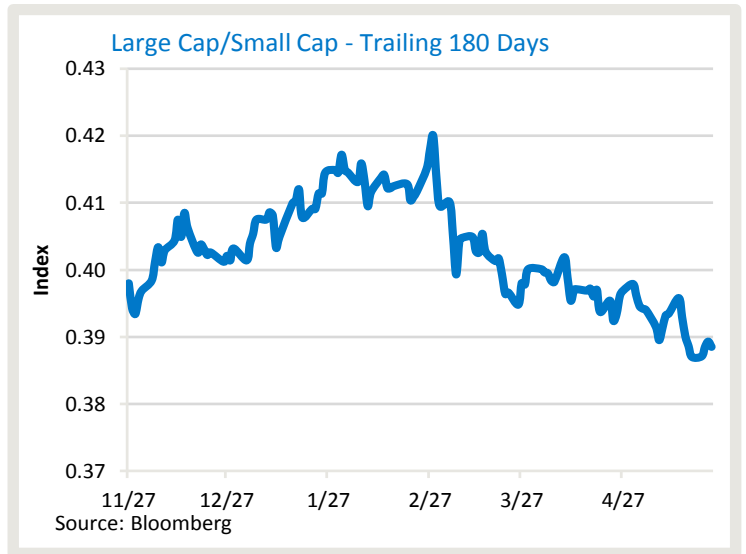
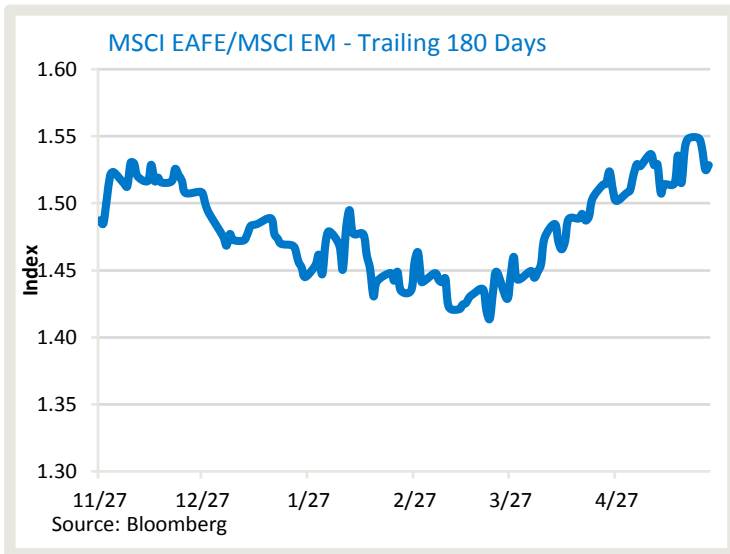
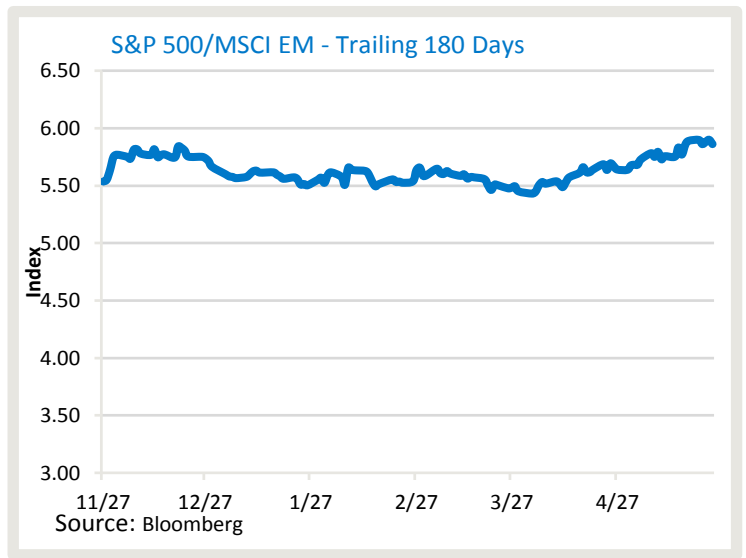
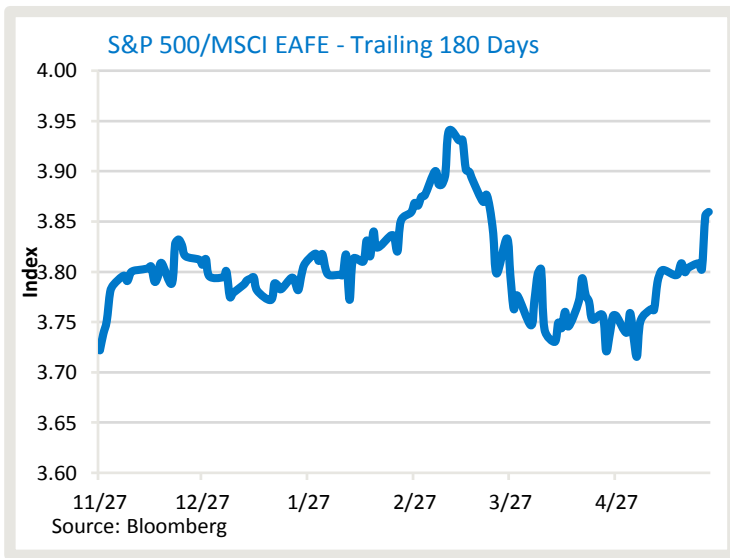
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1269.88	-6.34	-0.50%	-0.45%	HFRX Distressed Index	1056.34	-1.54	-0.15%	-4.55%
HFRX Equity Market Neutral	1013.87	-5.77	-0.57%	0.94%	HFRX Merger Arbitrage Index	1831.16	2.24	0.12%	-1.18%
HFRX Equity Hedge Index	1283.89	-5.12	-0.40%	1.03%	HFRX Convertible Arbitrage Index	801.71	-0.41	-0.05%	0.69%
HFRX Event-Driven Index	1596.42	-3.71	-0.23%	-4.16%	HFRX Macro CTA Index	1156.53	-19.95	-1.70%	-0.63%
HFRX Absolute Return Index	1069.90	-4.12	-0.38%	0.62%	IQ Fixed Income Beta Arb Index	1482.35	2.18	0.15%	0.81%

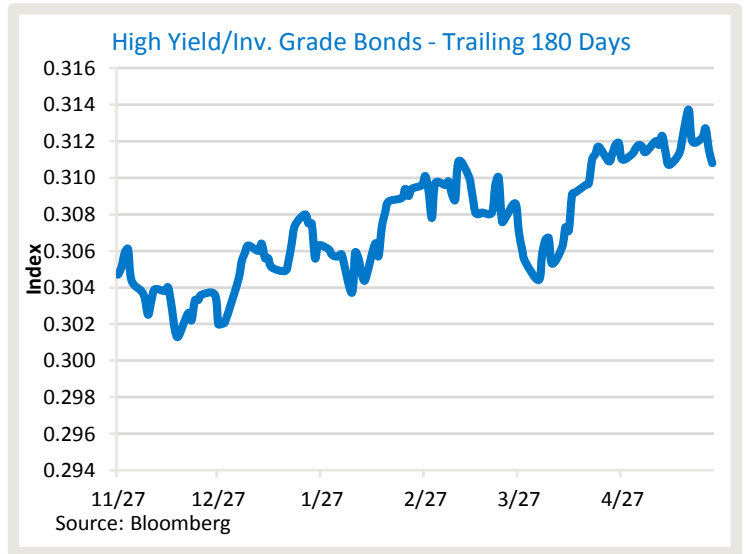
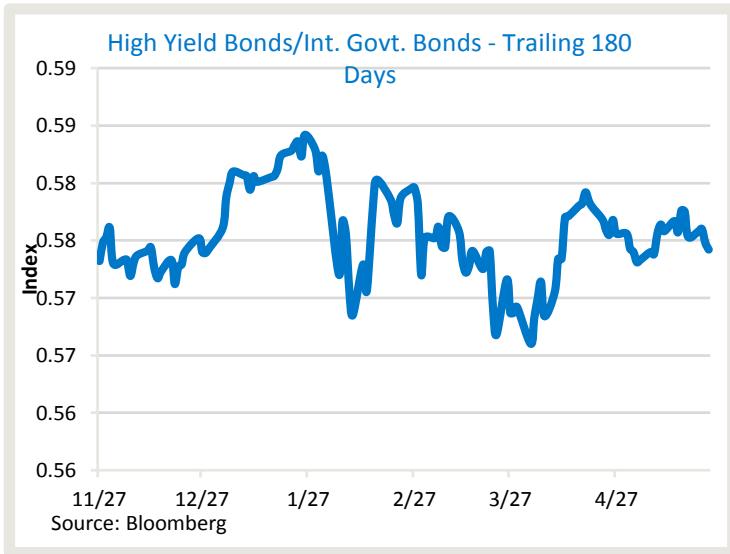
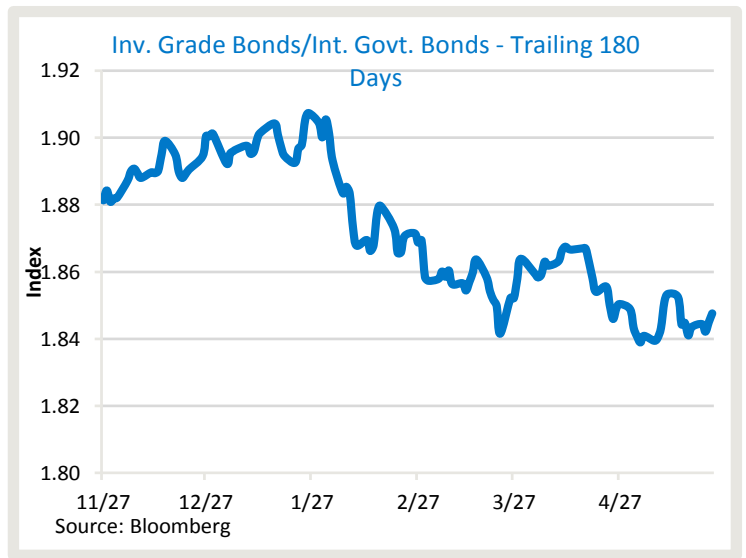
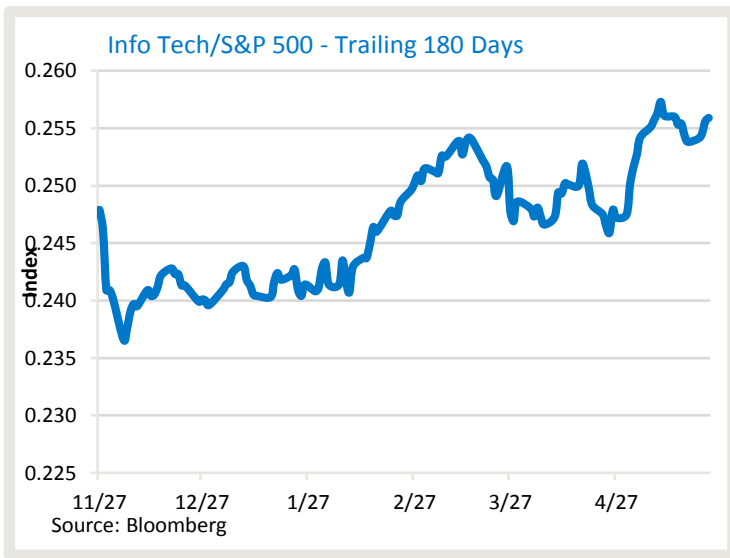
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			3/8	3/15	3/22	3/29	4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24
Equity	Domestic Equity	Large Cap (R200)	2.19%	0.29%	-4.06%	-0.22%	0.89%	0.19%	1.10%	-1.02%	-1.38%	3.69%	-0.14%	0.29%
		Small Cap (R2000)	4.28%	0.30%	-2.08%	-0.94%	0.88%	0.93%	1.06%	-1.01%	-0.73%	3.70%	1.35%	0.18%
	Int'l. Equity	MSCI EAFE	0.71%	0.54%	-1.56%	-0.68%	0.60%	1.15%	1.32%	-1.35%	-0.47%	0.84%	0.33%	-1.34%
		MSCI Em. Mkts.	0.25%	1.76%	-1.60%	-2.29%	-0.24%	0.89%	0.62%	-3.36%	-0.57%	1.64%	-1.08%	-0.79%
Fixed Income	BarCap Agg. (AGG)	0.06%	0.18%	-0.14%	0.60%	-0.54%	0.09%	-0.45%	-0.41%	-0.06%	0.02%	-0.74%	0.82%	
	High Yield (JNK)	0.22%	-0.14%	-0.58%	0.39%	-0.14%	0.95%	-0.14%	-0.55%	-0.56%	0.39%	-0.36%	0.14%	
Commodities	Bloomberg Commodity Index	0.70%	0.31%	-0.25%	0.42%	-0.34%	2.20%	0.98%	-0.63%	0.30%	0.98%	-0.27%	1.33%	
Alternatives	Hedge Funds (HFRX Global)	0.43%	-0.01%	-0.46%	-0.65%	0.18%	0.27%	0.46%	-0.66%	-0.29%	0.63%	0.54%	-0.55%	
Asset Allocation	60/40*	1.20%	0.34%	-1.82%	-0.15%	0.24%	0.45%	0.50%	-0.95%	-0.63%	1.71%	-0.19%	0.16%	
	48/32/20 (w/Alts.)**	1.04%	0.27%	-1.55%	-0.25%	0.22%	0.41%	0.49%	-0.89%	-0.56%	1.49%	-0.04%	0.02%	

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	0.96	1.07	0.98	0.96	1.01	0.90	0.93	0.88	1.16	1.23	1.00	0.87	1.17	1.17
Large Cap Growth	1.04	1.00	1.12	1.02	1.00	1.05	0.94	0.97	0.92	1.21	1.28	1.04	0.90	1.22	1.22
Large Cap Value	0.93	0.90	1.00	0.92	0.90	0.95	0.85	0.87	0.82	1.08	1.15	0.93	0.81	1.09	1.10
Mid Cap Core	1.02	0.98	1.09	1.00	0.98	1.03	0.92	0.95	0.90	1.18	1.25	1.01	0.88	1.19	1.19
Mid Cap Growth	1.04	1.00	1.11	1.02	1.00	1.05	0.94	0.97	0.92	1.20	1.28	1.04	0.90	1.22	1.22
Mid Cap Value	0.99	0.95	1.06	0.97	0.95	1.00	0.89	0.92	0.87	1.14	1.22	0.98	0.86	1.16	1.16
Small Cap Core	1.11	1.06	1.18	1.09	1.06	1.12	1.00	1.03	0.97	1.28	1.36	1.10	0.96	1.29	1.30
Small Cap Growth	1.08	1.03	1.15	1.06	1.03	1.09	0.97	1.00	0.95	1.25	1.33	1.07	0.93	1.26	1.26
Small Cap Value	1.13	1.09	1.21	1.11	1.09	1.15	1.03	1.05	1.00	1.31	1.40	1.13	0.98	1.33	1.33
Int'l. Developed	0.86	0.83	0.92	0.85	0.83	0.87	0.78	0.80	0.76	1.00	1.06	0.86	0.75	1.01	1.01
Emerging Markets	0.81	0.78	0.87	0.80	0.78	0.82	0.73	0.75	0.72	0.94	1.00	0.81	0.70	0.95	0.95
REITs	1.00	0.96	1.07	0.99	0.96	1.02	0.91	0.93	0.89	1.16	1.24	1.00	0.87	1.17	1.18
Commodities	1.15	1.11	1.23	1.13	1.11	1.17	1.04	1.07	1.02	1.33	1.42	1.15	1.00	1.35	1.35
Int. Bond	0.86	0.82	0.92	0.84	0.82	0.87	0.77	0.80	0.75	0.99	1.05	0.85	0.74	1.00	1.00
High Yield	0.85	0.82	0.91	0.84	0.82	0.86	0.77	0.79	0.75	0.99	1.05	0.85	0.74	1.00	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US-wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals. The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world. The **Business Inflation Expectations (BIE) Survey** was created to measure the year-ahead inflationary sentiments of businesses in the Sixth District. It also helps inform our view of the sources of cost changes and provides insight into the factors driving business' pricing decisions. The **EIA Petroleum Status Report** is published weekly by the Energy Information Administration. It contains estimates by the EIA on various petroleum data including imports and exports, ending stocks, production, and prices.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRX Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **S&P The Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **MBA Market Composite Index** is a measure of mortgage loan application volume.

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