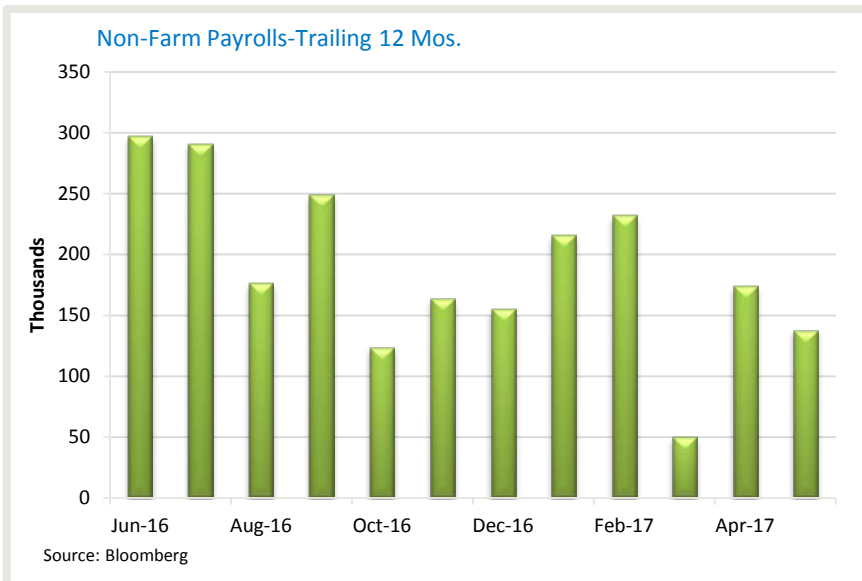


# Weekly Market Review

June 9, 2017

## Chart of the Week



## Weekly Highlights

- **Surprise in the UK general election, caused the pound to slip to seven-week lows.** British Prime Minister, Theresa May, expected to strengthen the conservative party's majority seating, only to have lost 12. Questions arose on Prime Minister May's ability to further a BREXIT agenda.
- **Oil declines as stockpiles rise.** West Texas Intermediate (WTI) crude lost over 4%, as stockpiles in the US grew by 3.3 million barrels to a total of 513 million barrels, according to the U.S. Energy Information Administration (EIA). The EIA report also indicated a drop in gasoline demand of about 500,000 barrels a day. Both the unexpected increase in US crude and concerns over demand aroused fears that the global supply glut will remain.
- **Tesla achieves Fortune 500 status.** Due to its 2016 sales, Tesla joined the ranks of some of the largest US companies this week, capturing the 383<sup>rd</sup> spot on the Fortune 500 list. Tesla's market capitalization has surpassed its largest competitors, such as Ford and General Motors.

## Talking Points

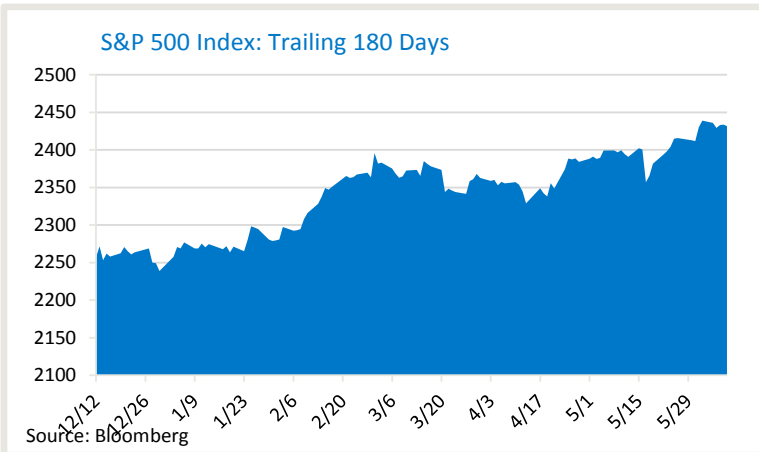
- **Among equities,** small caps outperformed large caps; value orientated stocks outperformed growth equities. Domestic equities outperformed international developed, but lagged emerging market stocks.
- **Treasury rates rose slightly.** The yield on the 10-year Treasury note inched up to 2.2%.
- **Dollar index rebounded.** The dollar rose versus the British pound due to the UK election results.
- **Commodities fell,** as crude prices were down for the week following supply and demand concerns.
- **New high in US job openings.** The number of job openings rose by 259,000 to 6.04 million in April, according to the Labor Department. This is the highest level recorded since it was first tracked at the end of 2000, supporting the Federal Reserve's (Fed's) potential move to raise interest rates during next week's meeting.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,431.77	-7.30	-0.30%	8.6%
<b>Dow Industrials</b>	21,271.97	65.68	0.31%	7.6%
<b>Nasdaq</b>	6,207.92	-97.88	-1.55%	15.3%
<b>Russell 2000</b>	1,421.71	16.32	1.16%	4.8%
<b>Euro Stoxx Index</b>	390.39	-2.16	-0.55%	8.0%
<b>Shanghai Composite</b>	3,158.40	52.86	1.70%	1.8%
<b>Russell Global</b>	1,949.27	-8.05	-0.41%	10.6%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,214.18	13.20	0.41%	17.7%
<b>10-Year US Treas.</b>	2.20	4 bps	NM	NM
<b>DJ UBS Comm. Idx.</b>	82.42	0.09	0.12%	-5.8%
<b>Gold</b>	\$1,267.27	-\$12.10	-0.95%	10.4%
<b>Crude Oil</b>	\$45.84	-\$1.83	-3.84%	-19.3%
<b>Dollar Index</b>	97.27	0.57	0.59%	-4.8%
<b>VIX Index</b>	10.70	0.95	9.74%	-23.8%



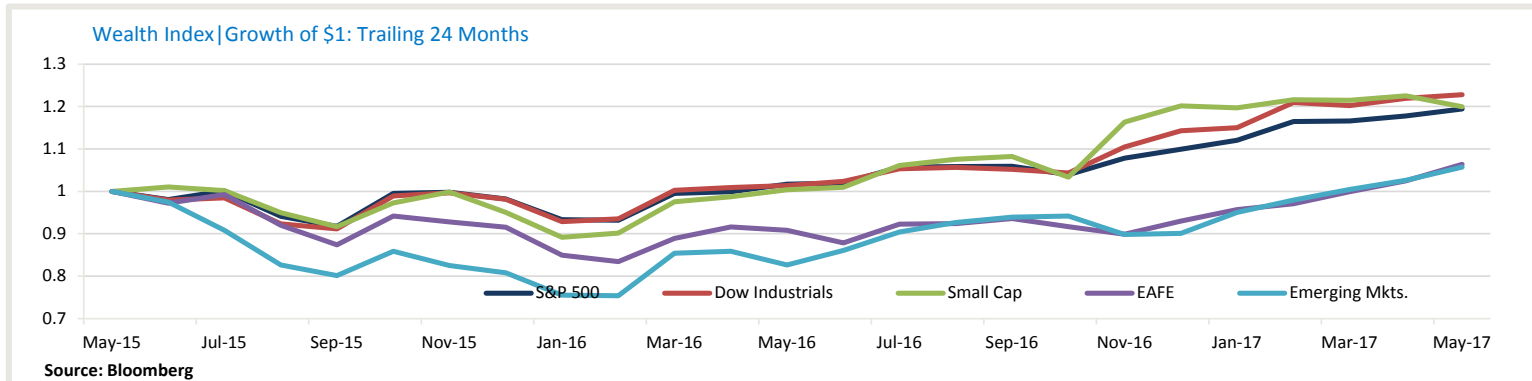
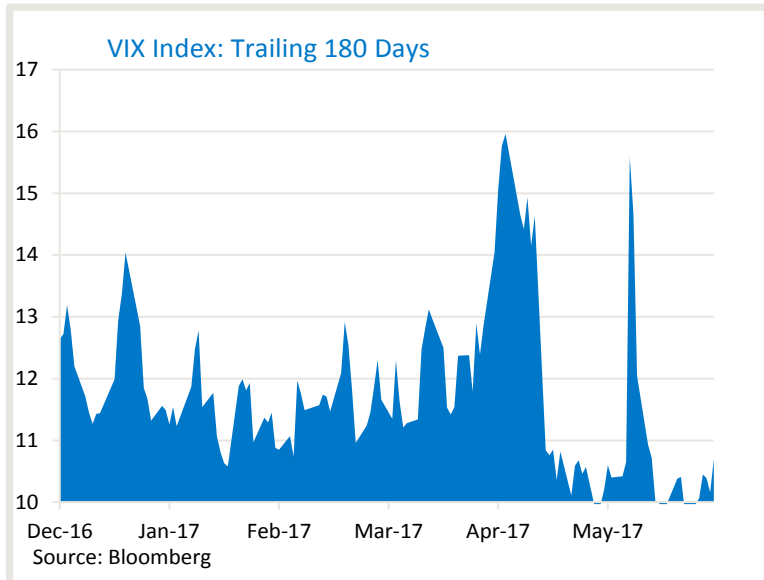
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	0.94%	-0.29%	-1.34%	3.25%	9.07%	14.72%
	0.17%	-0.46%	-1.20%	4.08%	7.16%	11.03%
<b>S</b>	2.26%	1.16%	0.05%	0.85%	4.76%	9.12%

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	-2.03%	10.9%
<b>Consumer Staples</b>	9.3	-1.08%	9.3%
<b>Energy</b>	6.0	2.06%	12.3%
<b>Financials</b>	14.2	3.58%	4.1%
<b>Health Care</b>	14.0	0.11%	12.2%
<b>Industrials</b>	10.2	-0.49%	7.8%
<b>Information Technology</b>	22.8	-2.24%	18.5%
<b>Materials</b>	2.9	1.43%	9.5%
<b>Real Estate</b>	2.9	-0.30%	4.1%
<b>Telecom Services</b>	2.2	0.20%	-9.4%
<b>Utilities</b>	3.2	-1.23%	9.7%

Source: Bloomberg



## The Economy and Markets

### ***A Macro View – Trump Says Au Revoir to Paris Accord***

Impact investing—playing a starring role on the investment landscape—is the intentional practice of aligning values with investments to achieve both a financial and social return. It often examines environmental, social, or governance (ESG) factors in the investment decision process. The ‘E,’ or environmental component, has been a key concern for impact investors as the results of climate change have begun to materialize. In the last two weeks, the E factor has landed center stage, with the US pulling out of the Paris Agreement (also known as the Paris Climate Accord (“the Accord”)) and simultaneously deciding to no longer contribute to the Green Climate Fund. Investors, both impact and non-impact alike, ask what leaving the Accord means for jobs and economic growth, while impact investors wonder if progress towards a greener economy has stalled.

The Accord, signed in 2015 by 195 countries, aims to mitigate global warming by monitoring, cutting, and reporting each country’s carbon emissions. The overarching goal is to maintain the global average temperature rise to below 2 degrees Celsius over pre-industrial levels. On a five-year basis, each country is responsible for disclosing its carbon emission goals and its progress towards targets. Although hardly perfect, the Accord was monumental in that most countries adopted the first universal climate deal.

Despite that more than one-half of registered American voters support remaining within the Accord,<sup>1</sup> last week, President Trump announced his decision to withdraw from the Paris Agreement, citing its negative effect on job growth, particularly within the fossil fuel industry, as one of the reasons. Referencing a National Economics Research Associates (NERA) report, Trump argued that the Accord “could cost Americans as much as 2.7 million in lost jobs by 2025.” However, the report acknowledges that the benefits of reducing emissions were not considered, meaning that the jobs created in the renewable energy sector would likely counteract most of the loss.

Other economists and experts argue that exiting the deal will neither create nor bring back jobs that have been lost due to automation and technology advances in the fossil fuel industry. Coal is an example. The industry has experienced a steady decline in jobs since the 1980s—in 1985, approximately 178,000 people were employed in coal mining. By 2000, that number dropped by more than half to 74,000, and as of December 2016, just 50,000 people were working in the mining industry.<sup>2</sup> Productivity is not the only culprit in these lost jobs. Natural gas, a cheaper and cleaner source of fuel, has also gained traction, with consumption rising 40% between 2007 and 2016.<sup>3</sup> For the first time last year, natural gas surpassed coal as the largest source of US electricity generation.<sup>4</sup>

Conversely, growth in renewable energy employment has been steady, and impact investors have been encouraged by the data. In the past year alone, employment in the solar industry has increased 25%, topping 370,000 jobs and solar employment now accounts for the largest segment of workers in the electric power generation sector.<sup>5</sup>

With or without the US’s engagement in the Paris Climate Accord, the green energy train has left the station. Although prior government support and regulations may have played a part in driving the renewable energy expansion, a couple of facts are clear. First, many of the “dirty” jobs have continuously declined, long before the Obama Administration’s positive disposition to renewables. Second, outside of government support, investors, businesses, and many state policies have embraced cleaner energy sources. In 2015, the US was the second-largest investor in renewable energy, contributing over \$44 billion to new projects.<sup>6</sup> Additionally, leaders in both states and businesses echoed their support for the Accord after the announcement, with many vowing to help pick up the slack, the current administration’s decision notwithstanding. President Trump may be attempting to pump the brakes, but many would argue that clean energy’s future is already here.

*Ali Caffery*  
*Associate Portfolio Manager*

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<sup>1</sup> [Yale Program on Climate Change Communication, 2017](#)

<sup>2</sup> [FRED, U.S. Bureau of Labor Statistics, 2017](#)

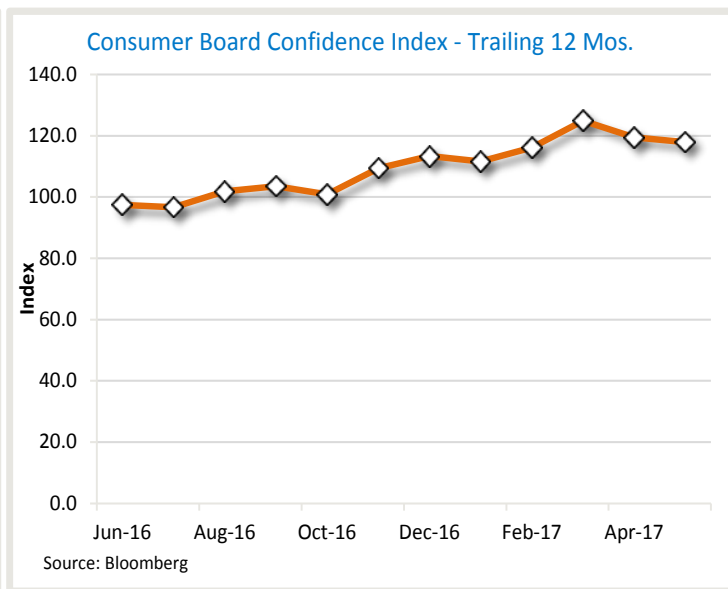
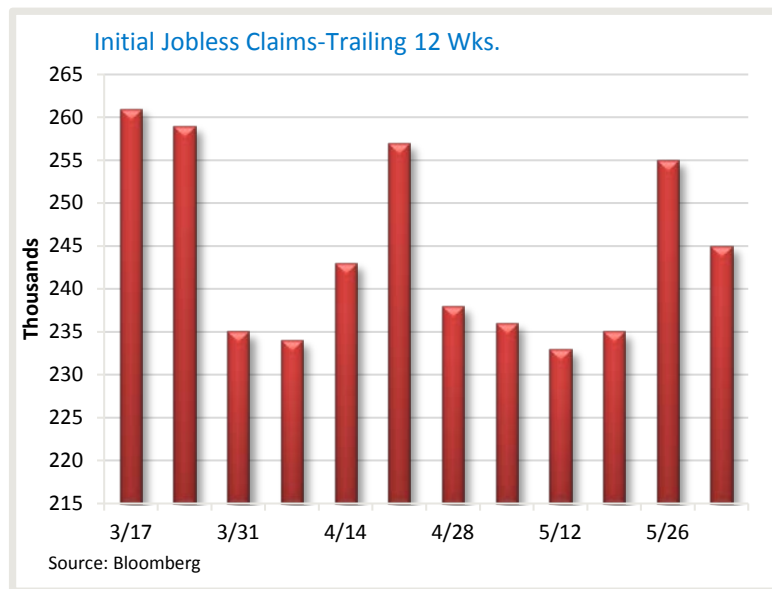
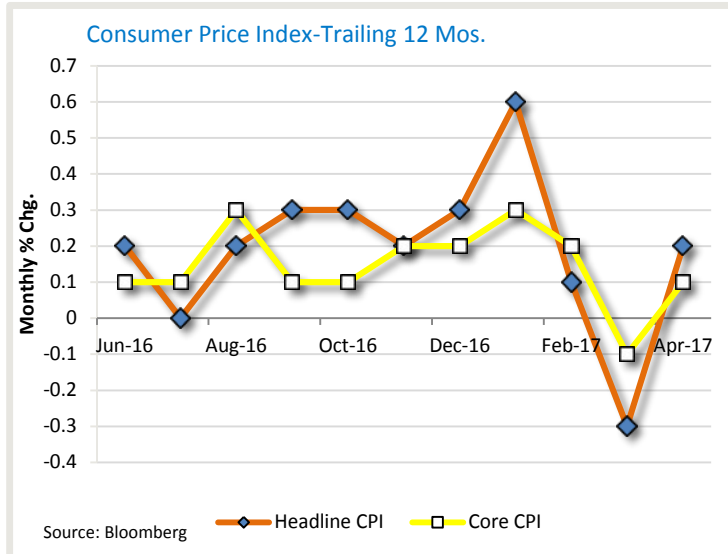
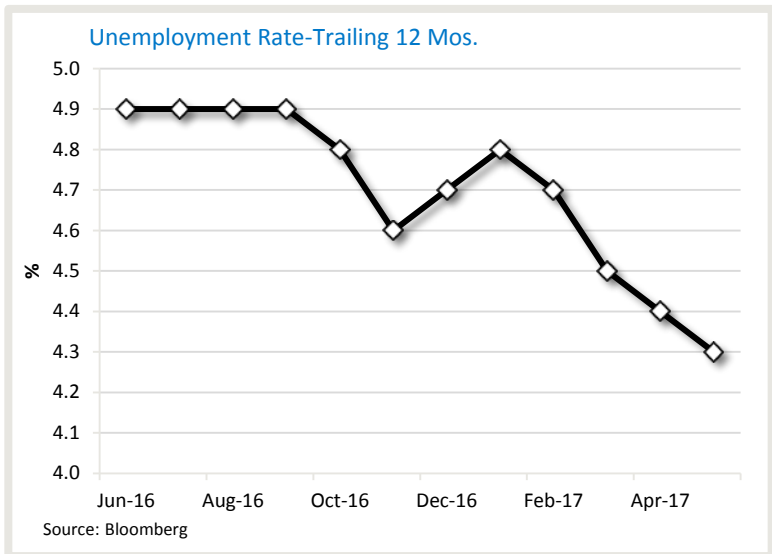
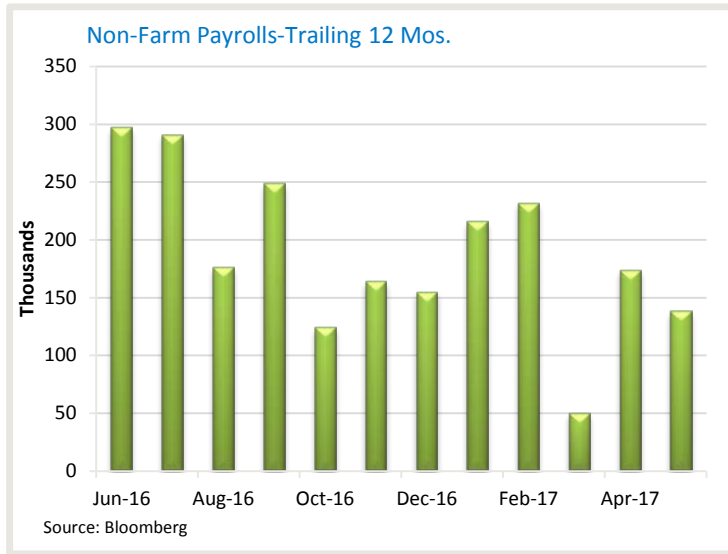
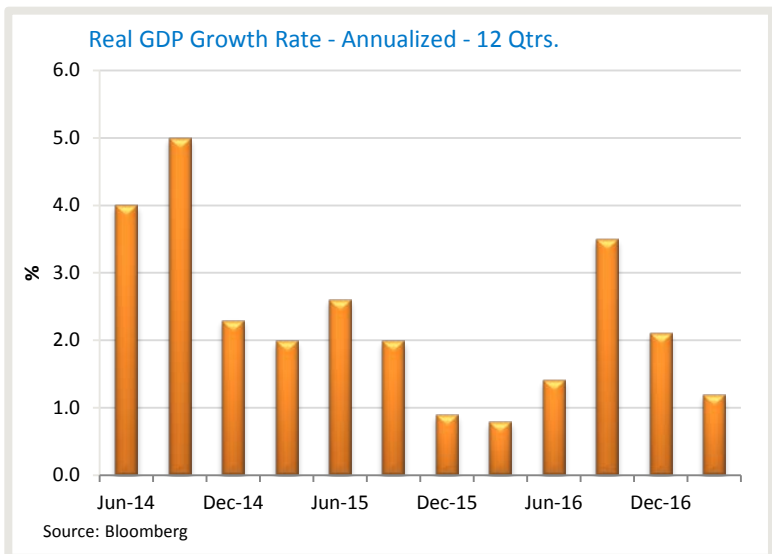
<sup>3</sup> [U.S. Energy Information Administration, 2017](#)

<sup>4</sup> [U.S. Energy Information Administration, 2017](#)

<sup>5</sup> [U.S. Energy and Employment Report, U.S. Department of Energy, 2017](#)

<sup>6</sup> [Global Trends in Renewable Energy Investment, 2016](#)

## Economic Data



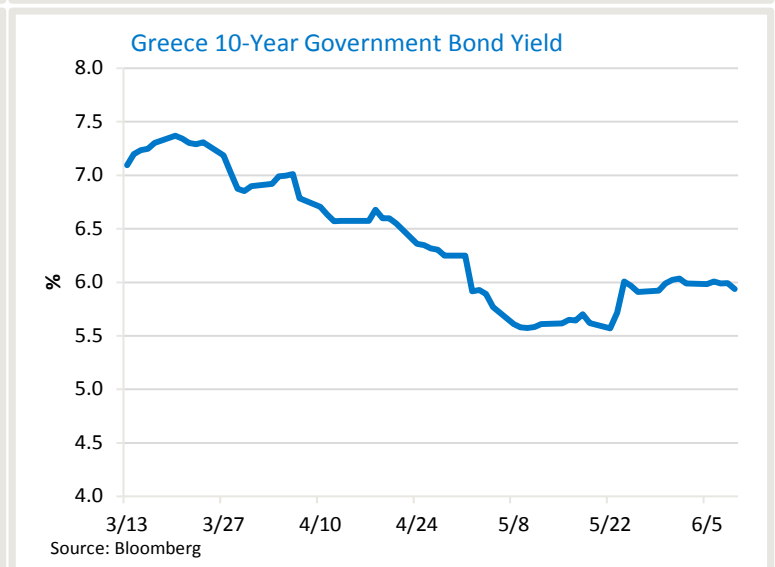
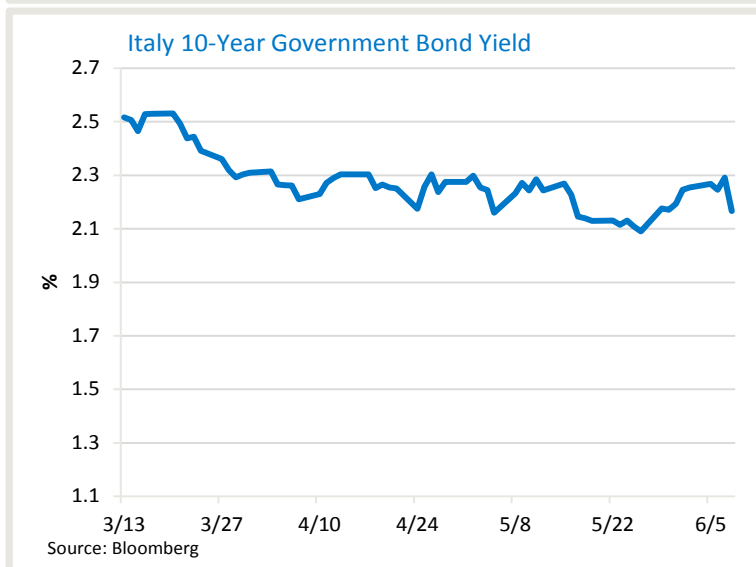
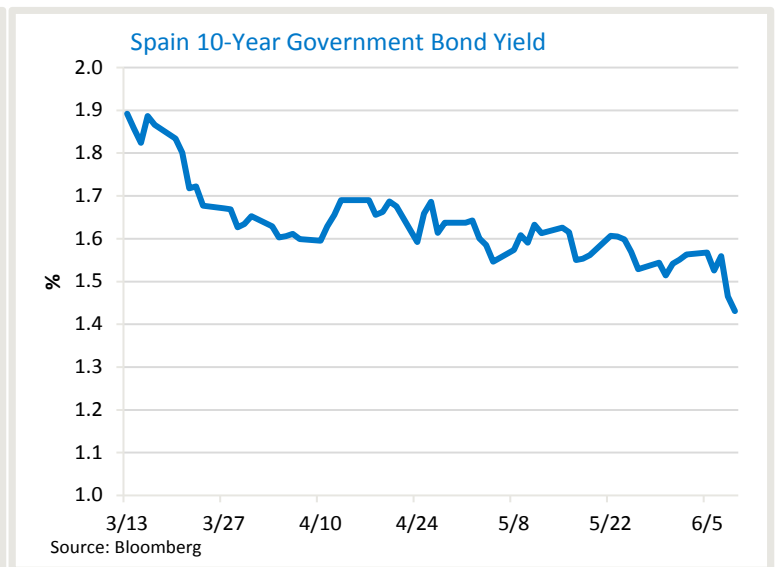
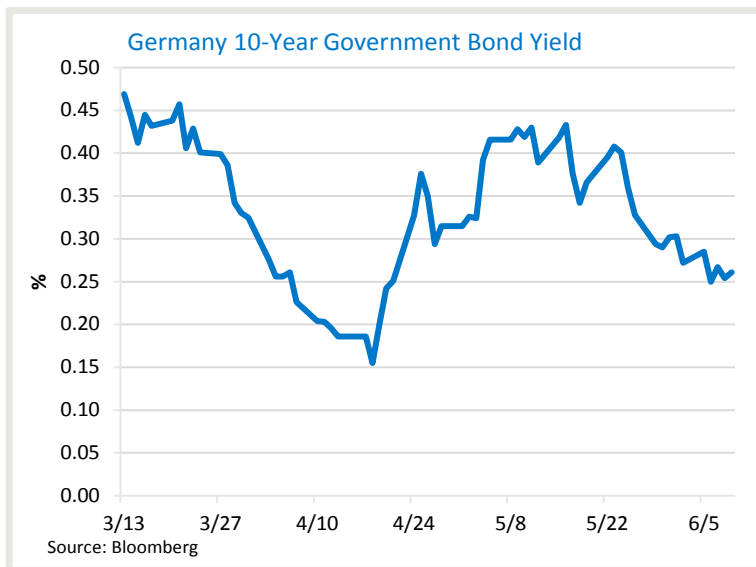
## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.26	1 bps	NM	NM
Greece 10-Yr. Govt.	5.94	4 bps	NM	NM
Italy 10-Yr. Govt.	2.08	15 bps	NM	NM
Spain 10-Yr. Govt.	1.43	12 bps	NM	NM
Belgium 10-Yr. Govt.	0.60	4 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.64	6 bps	NM	NM
Ireland 10-Yr. Govt.	0.67	7 bps	NM	NM
Portugal 10-Yr. Govt.	2.99	2 bps	NM	NM
Netherlands 10-Yr. Govt.	0.48	1 bps	NM	NM
U.K. 10-Yr. Govt.	1.00	3 bps	NM	NM

Source: Bloomberg  
Basis points (bps)

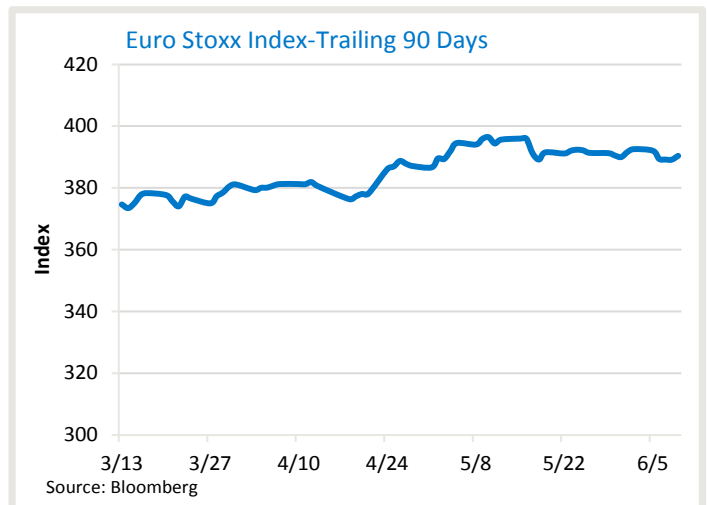
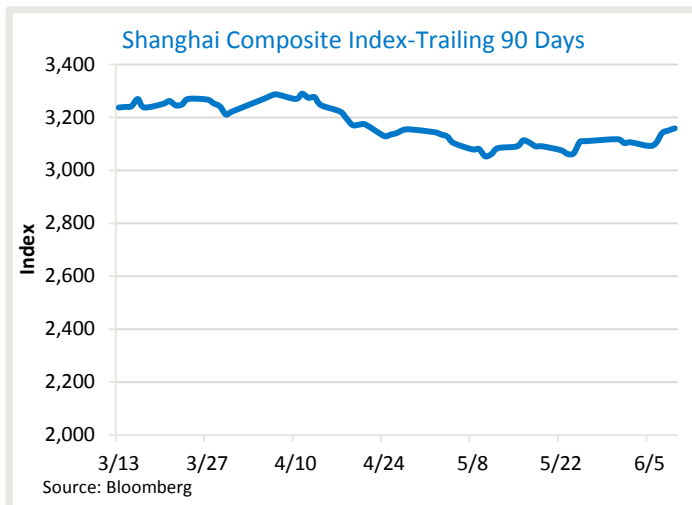
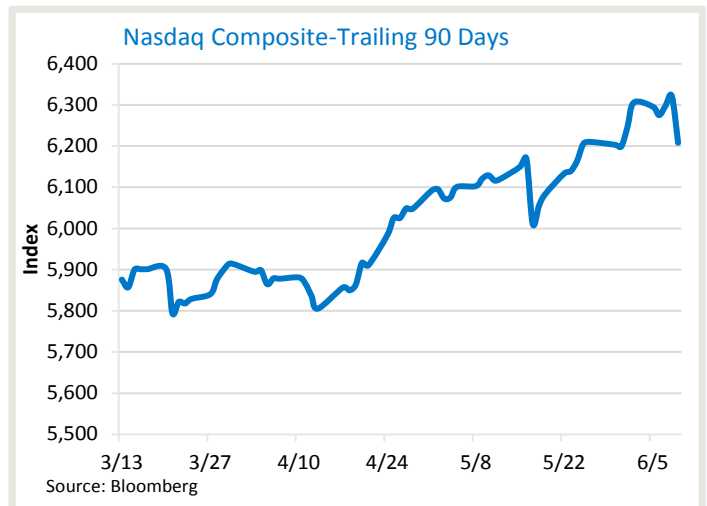
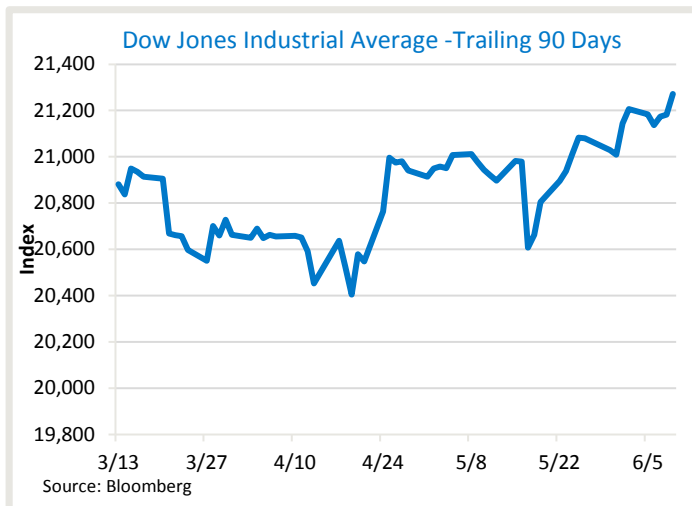


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,431.77</b>	<b>-7.30</b>	<b>-0.30%</b>	<b>8.62%</b>	<b>Swiss Market Index</b>	<b>8,845.85</b>	<b>-198.11</b>	<b>-2.19%</b>	<b>7.62%</b>
<b>Dow Industrials</b>	<b>21,271.97</b>	<b>65.68</b>	<b>0.31%</b>	<b>7.64%</b>	<b>CAC 40 Index (France)</b>	<b>5,299.71</b>	<b>-43.70</b>	<b>-0.82%</b>	<b>9.00%</b>
<b>Nasdaq Composite</b>	<b>6,207.92</b>	<b>-97.88</b>	<b>-1.55%</b>	<b>15.32%</b>	<b>DAX Index (Germany)</b>	<b>12,815.72</b>	<b>-7.22</b>	<b>-0.06%</b>	<b>11.62%</b>
<b>Russell Global</b>	<b>1,949.27</b>	<b>-8.05</b>	<b>-0.41%</b>	<b>10.6%</b>	<b>Irish Overall Index</b>	<b>7,003.23</b>	<b>-41.61</b>	<b>-0.59%</b>	<b>7.46%</b>
<b>Russell Global EM</b>	<b>3,214.18</b>	<b>13.20</b>	<b>0.41%</b>	<b>17.7%</b>	<b>Nikkei 225</b>	<b>20,013.26</b>	<b>-164.02</b>	<b>-0.81%</b>	<b>4.70%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,473.21</b>	<b>30.46</b>	<b>0.20%</b>	<b>1.21%</b>	<b>Hang Seng Index</b>	<b>26,030.29</b>	<b>106.24</b>	<b>0.41%</b>	<b>18.32%</b>
<b>Mexico IPC</b>	<b>49,081.73</b>	<b>-197.41</b>	<b>-0.40%</b>	<b>7.62%</b>	<b>Shanghai Composite</b>	<b>3,158.40</b>	<b>52.86</b>	<b>1.70%</b>	<b>1.76%</b>
<b>Brazil Bovespa</b>	<b>62,210.56</b>	<b>-300.14</b>	<b>-0.48%</b>	<b>3.29%</b>	<b>Kospi Index (S. Korea)</b>	<b>2,381.69</b>	<b>37.08</b>	<b>1.58%</b>	<b>17.53%</b>
<b>Euro Stoxx 600</b>	<b>390.39</b>	<b>-2.16</b>	<b>-0.55%</b>	<b>8.02%</b>	<b>Taiwan Taiex Index</b>	<b>10,199.65</b>	<b>41.50</b>	<b>0.41%</b>	<b>10.22%</b>
<b>FTSE 100</b>	<b>7,527.33</b>	<b>-20.30</b>	<b>-0.27%</b>	<b>5.38%</b>	<b>Tel Aviv 25 Index</b>	<b>1,425.70</b>	<b>4.56</b>	<b>0.32%</b>	<b>-3.07%</b>
<b>IBEX 35 (Spain)</b>	<b>10,978.30</b>	<b>72.40</b>	<b>0.66%</b>	<b>17.39%</b>	<b>MICEX Index (Russia)</b>	<b>1,883.34</b>	<b>1.47</b>	<b>0.08%</b>	<b>-15.65%</b>

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



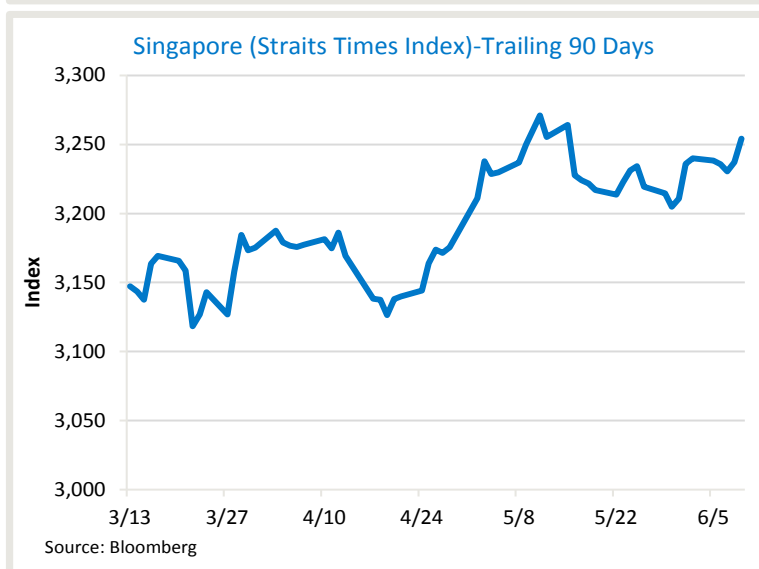
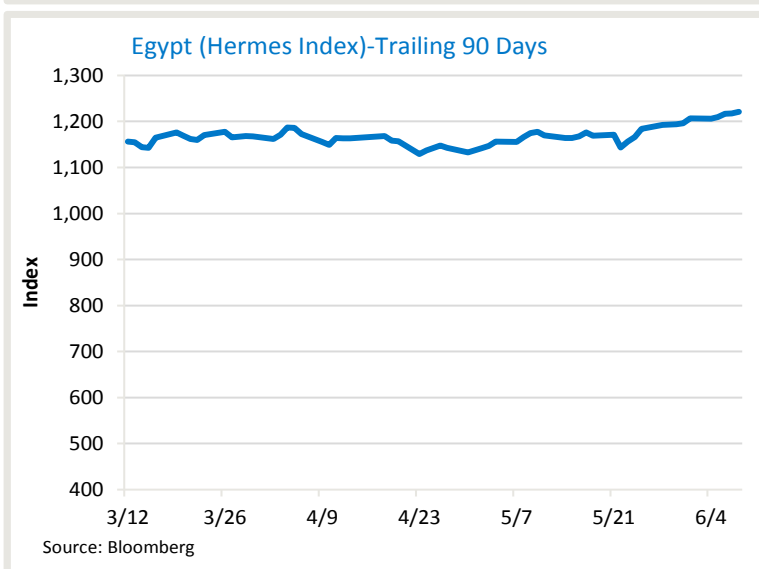
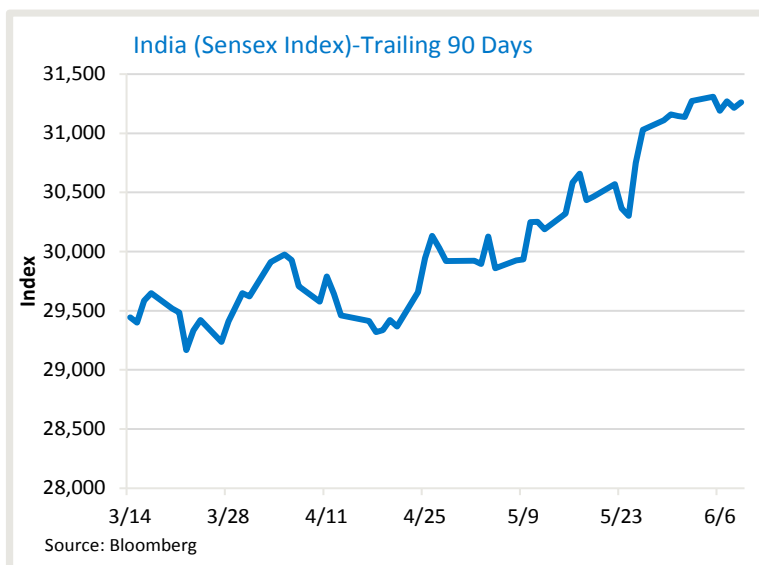
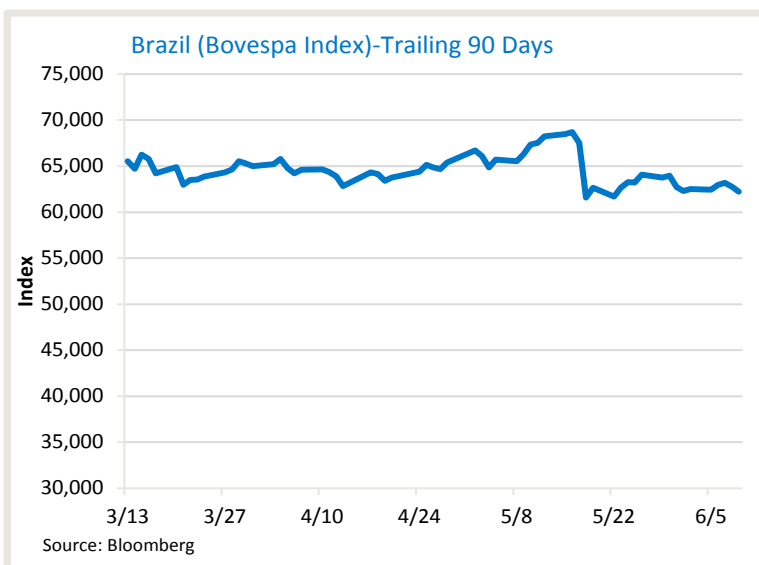
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	49,081.73	-197.41	-0.4%	7.6%
Brazil (Bovespa Index)	62,210.56	-300.14	-0.5%	3.3%
MICEX Index (Russia)	1,883.34	1.47	0.1%	-15.6%
Czech Republic (Prague)	1,008.16	2.35	0.2%	9.4%
Turkey (Istanbul)	98,942.87	74.97	0.1%	26.6%
Egypt (Hermes Index)	1,221.07	14.51	1.2%	12.1%
Kenya (Nairobi 20 Index)	3,468.68	-4.51	-0.1%	8.9%
Saudi Arabia (TASI Index)	6,865.48	1.86	0.0%	-4.8%
Lebanon (Beirut BLOM Index)	1,165.84	1.23	0.1%	-3.8%
Palestine	529.72	-0.45	-0.1%	-0.1%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,030.29	106.24	0.4%	18.3%
India (Sensex 30)	31,262.06	-11.23	0.0%	17.4%
Malaysia (KLCI Index)	1,788.89	11.94	0.7%	9.0%
Singapore (Straits Times Index)	3,254.19	14.18	0.4%	13.0%
Thailand (SET Index)	1,566.65	-0.95	-0.1%	1.5%
Indonesia (Jakarta)	5,675.52	-66.92	-1.2%	7.2%
Pakistan (Karachi KSE 100)	49,526.92	971.62	2.0%	3.6%
Vietnam (Ho Chi Minh)	749.72	10.91	1.5%	12.8%
Sri Lanka (Colombo)	6,668.96	-24.72	-0.4%	7.1%
Cambodia (Laos)	1,010.17	-8.18	-0.8%	-0.4%

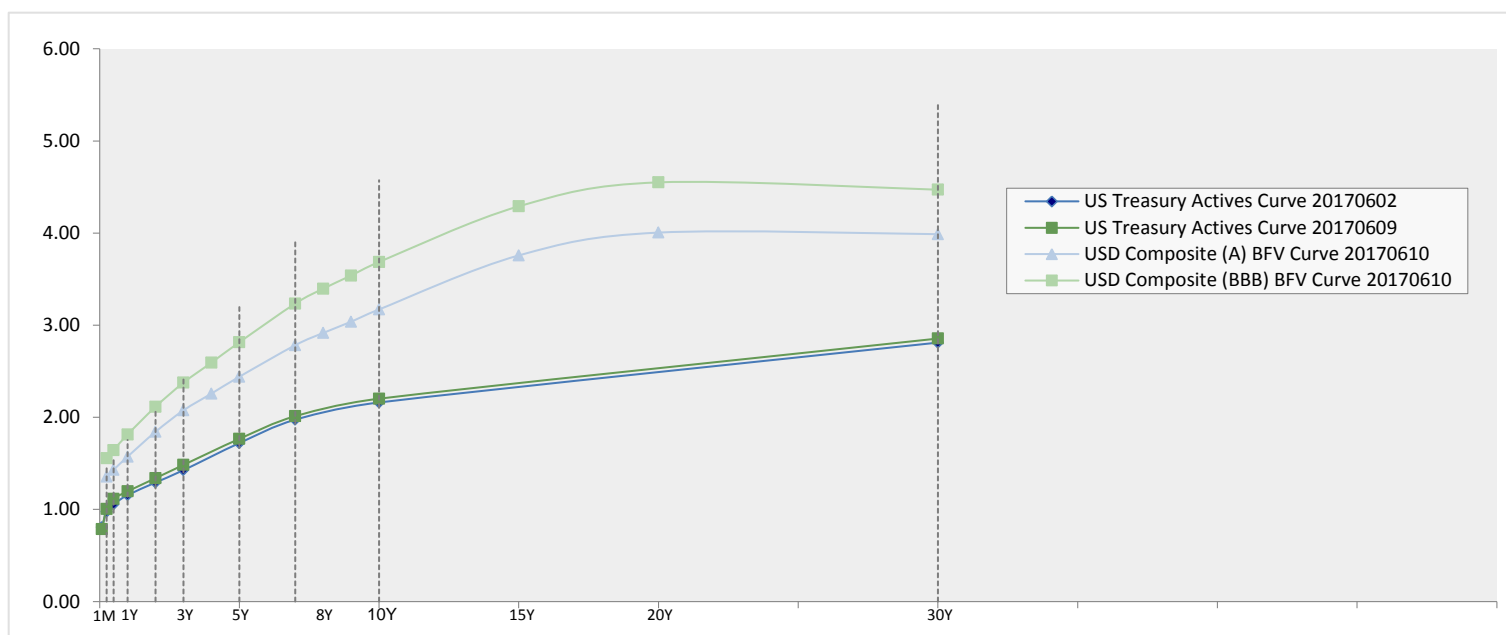


## Interest Rates

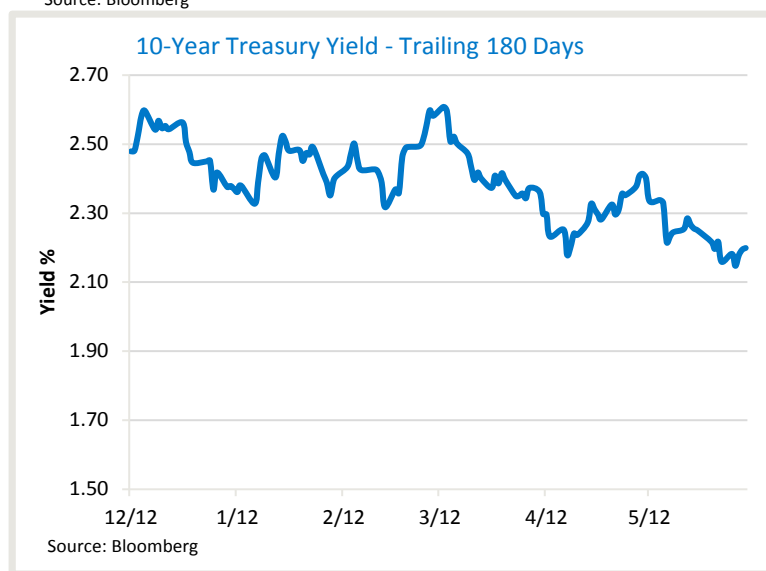
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.34%	-1 bps	NM	NM	Prime Rate	4.00%	0.00	NM	NM
5-Yr. U.S. Treasury	1.76%	4 bps	NM	NM	Fed Funds Rate	1.00%	0.00	NM	NM
10-Yr. U.S. Treasury	2.20%	4 bps	NM	NM	Discount Rate	1.50%	0.00	NM	NM
30-Yr. U.S. Treasury	2.85%	4 bps	NM	NM	LIBOR (3 Mo.)	1.23%	1 bps	NM	NM
German 10-Yr. Govt.	0.26%	1 bps	NM	NM	Bond Buyer 40 Muni	3.56%	1 bps	NM	NM
France 10-Yr.	0.64%	6 bps	NM	NM	Bond Buyer 40 G.O.	3.53%	NA	NM	NM
Italy 10-Yr.	2.08%	15 bps	NM	NM	Bond Buyer 40 Rev.	3.70%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.82%	0 bps	NM	NM					

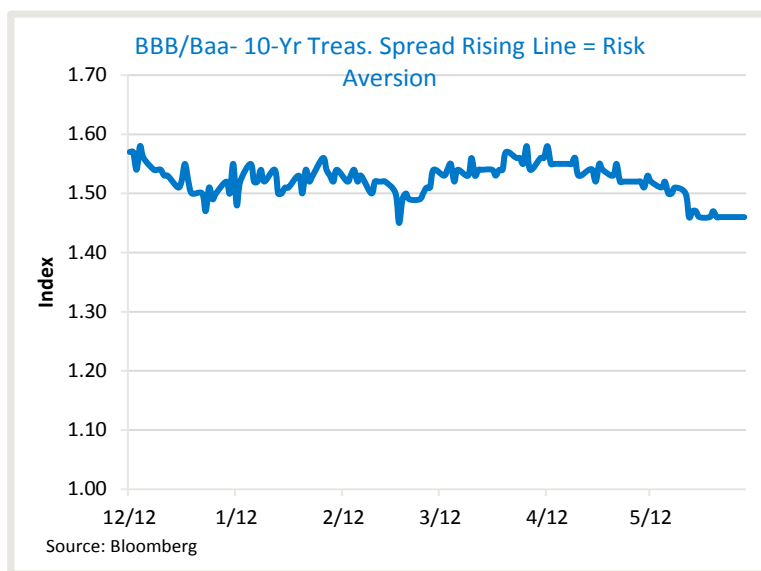
Source: Bloomberg



Source: Bloomberg



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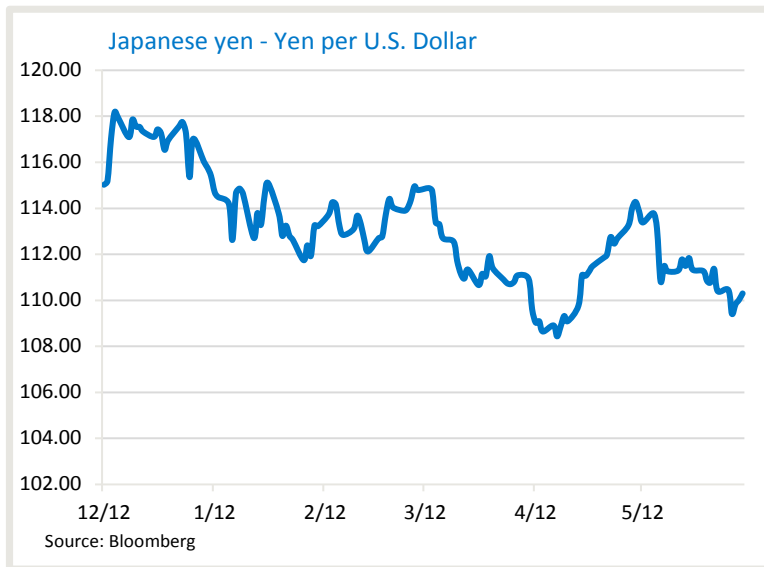
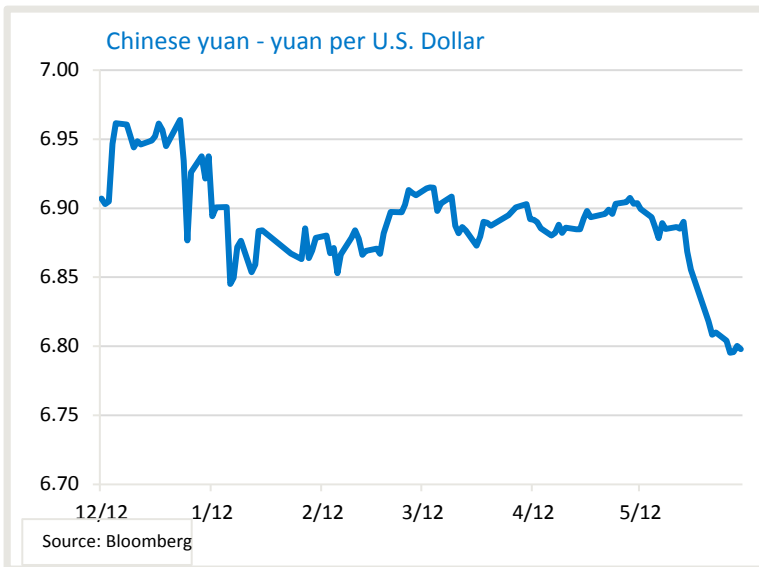
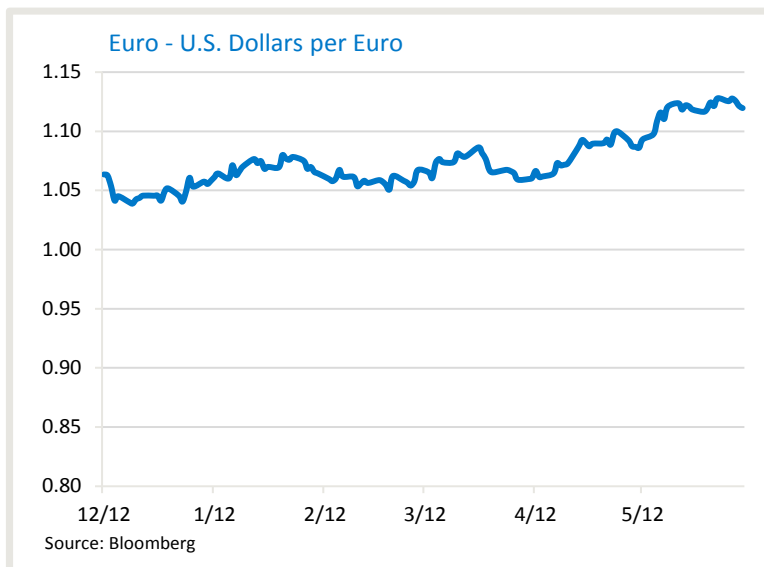
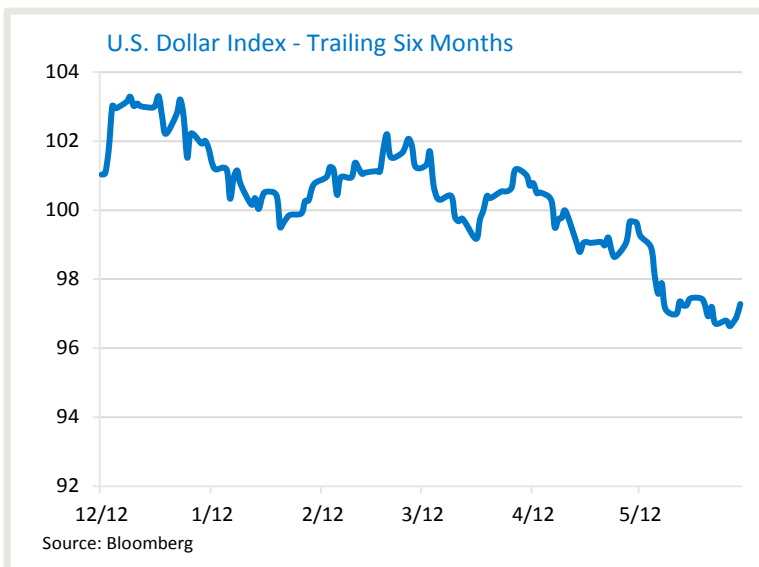
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>97.26</b>	<b>0.566</b>	<b>0.59%</b>	<b>-4.82%</b>
<b>Euro</b>	<b>1.12</b>	<b>-0.008</b>	<b>-0.74%</b>	<b>6.45%</b>
<b>Japanese Yen</b>	<b>110.27</b>	<b>-0.100</b>	<b>0.09%</b>	<b>6.04%</b>
<b>British Pound</b>	<b>1.27</b>	<b>-0.015</b>	<b>-1.15%</b>	<b>3.24%</b>
<b>Canadian Dollar</b>	<b>1.35</b>	<b>-0.002</b>	<b>0.18%</b>	<b>-0.16%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.80</b>	<b>-0.012</b>	<b>0.18%</b>	<b>2.16%</b>
<b>Swiss Franc</b>	<b>0.97</b>	<b>0.006</b>	<b>-0.64%</b>	<b>5.13%</b>
<b>New Zealand Dollar</b>	<b>0.72</b>	<b>0.007</b>	<b>0.99%</b>	<b>4.02%</b>
<b>Brazilian Real</b>	<b>3.29</b>	<b>0.048</b>	<b>-1.46%</b>	<b>-1.32%</b>
<b>Mexican Peso</b>	<b>18.15</b>	<b>-0.522</b>	<b>2.87%</b>	<b>14.14%</b>

Source: Bloomberg



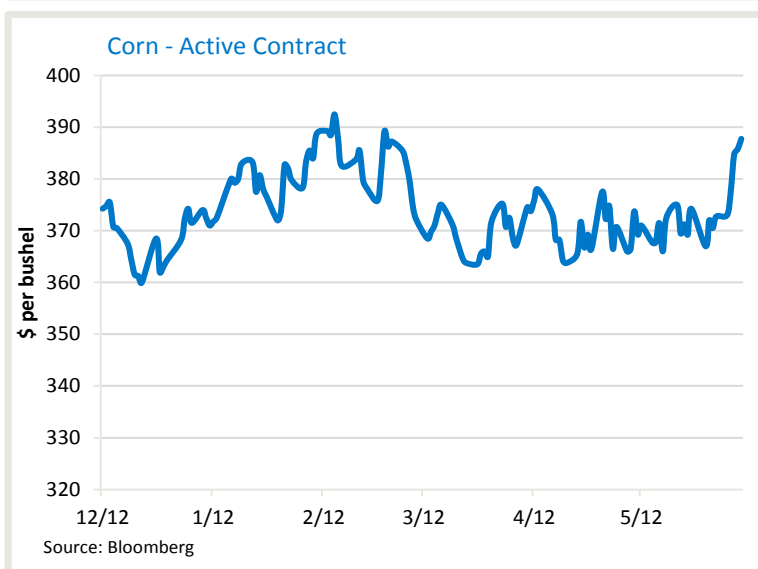
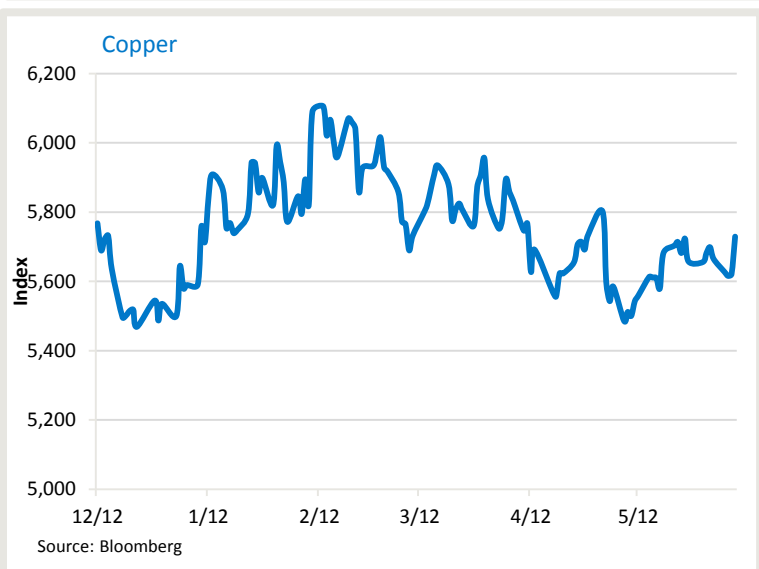
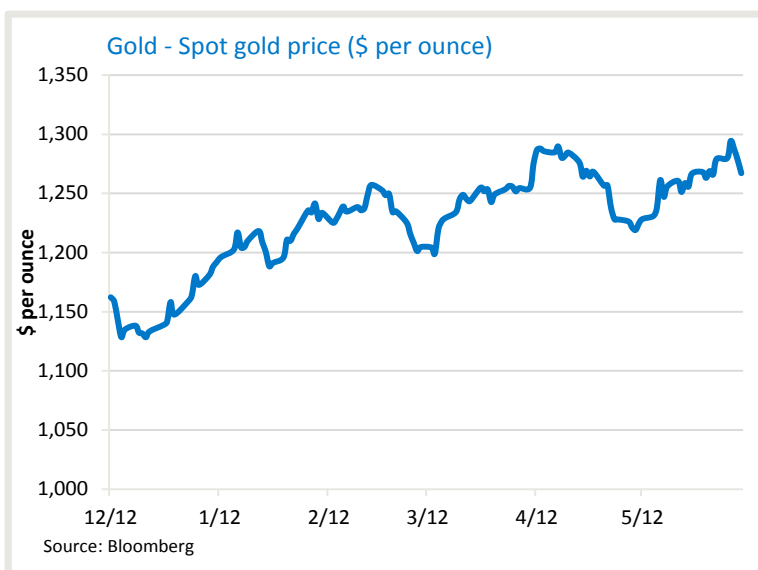
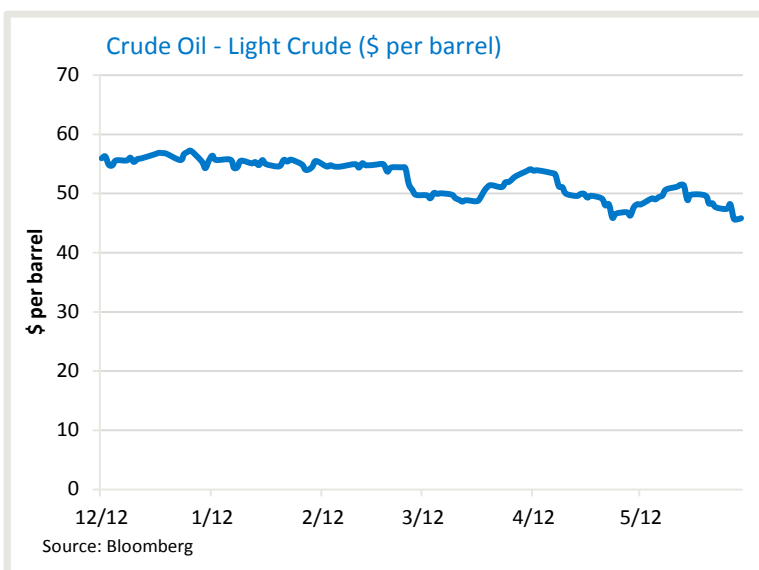
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Bloomberg Comm. Idx.</b>	<b>82.42</b>	<b>0.09</b>	<b>0.12%</b>	<b>-5.82%</b>
<b>Crude Oil</b>	<b>\$45.80</b>	<b>-\$1.83</b>	<b>-3.84%</b>	<b>-19.26%</b>
<b>Natural Gas</b>	<b>\$3.04</b>	<b>\$0.04</b>	<b>1.27%</b>	<b>-15.31%</b>
<b>Gasoline (\$/Gal.)</b>	<b>\$2.35</b>	<b>-\$0.03</b>	<b>-1.14%</b>	<b>0.64%</b>
<b>Heating Oil</b>	<b>143.25</b>	<b>-5.09</b>	<b>-3.43%</b>	<b>-18.43%</b>
<b>Gold Spot</b>	<b>\$1,267.22</b>	<b>-\$12.10</b>	<b>-0.95%</b>	<b>10.42%</b>
<b>Silver Spot</b>	<b>\$17.23</b>	<b>-\$0.33</b>	<b>-1.90%</b>	<b>8.13%</b>

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
<b>Platinum Spot</b>	<b>\$940.82</b>	<b>-\$13.84</b>	<b>-1.45%</b>	<b>4.15%</b>
<b>Corn</b>	<b>387.75</b>	<b>15.00</b>	<b>4.02%</b>	<b>6.45%</b>
<b>Wheat</b>	<b>445.75</b>	<b>16.25</b>	<b>3.78%</b>	<b>2.65%</b>
<b>Soybeans</b>	<b>941.50</b>	<b>20.25</b>	<b>2.20%</b>	<b>-7.61%</b>
<b>Sugar</b>	<b>14.27</b>	<b>0.53</b>	<b>3.86%</b>	<b>-24.30%</b>
<b>Orange Juice</b>	<b>138.80</b>	<b>6.30</b>	<b>4.75%</b>	<b>-26.93%</b>
<b>Aluminum</b>	<b>1,902.50</b>	<b>-28.50</b>	<b>-1.48%</b>	<b>12.37%</b>
<b>Copper</b>	<b>5,729.50</b>	<b>64.50</b>	<b>1.14%</b>	<b>3.50%</b>

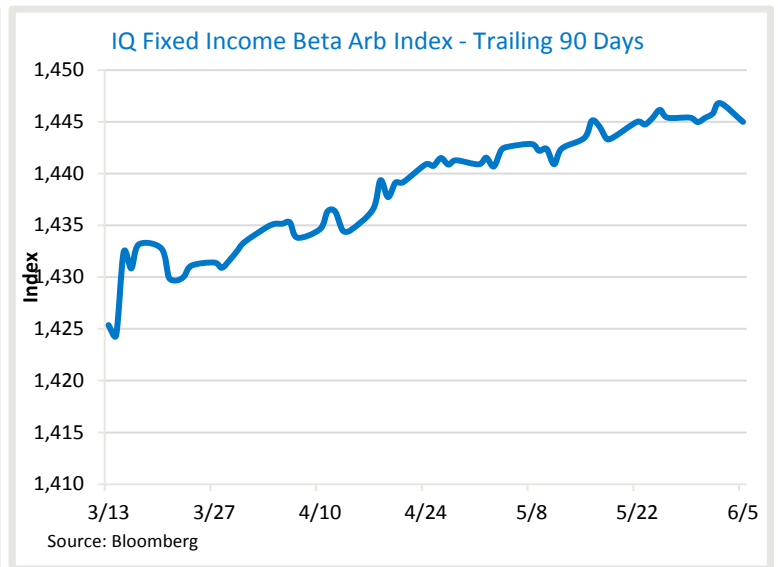
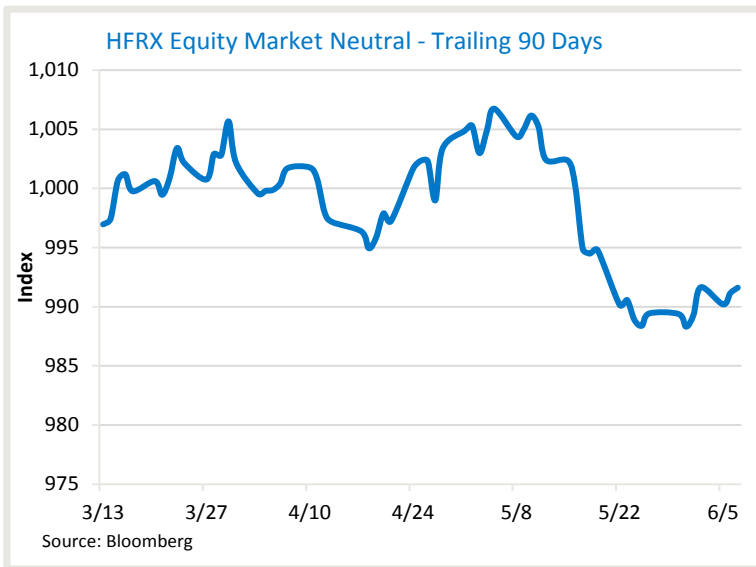
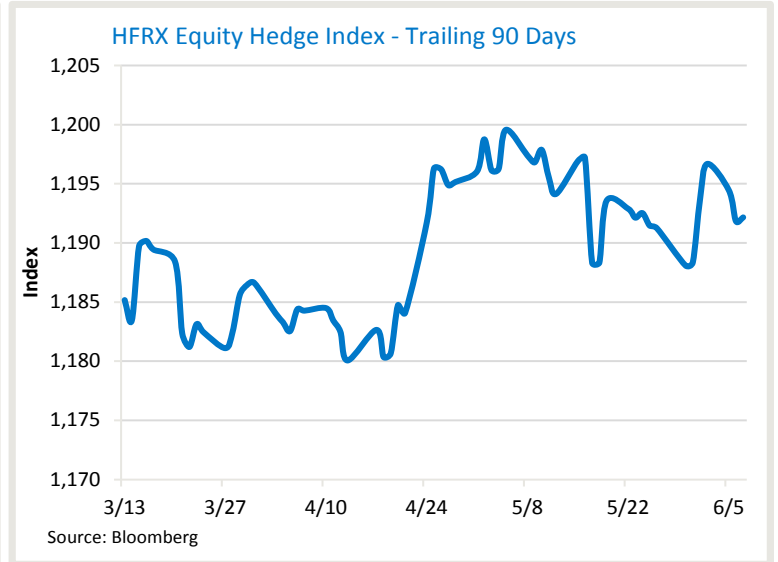
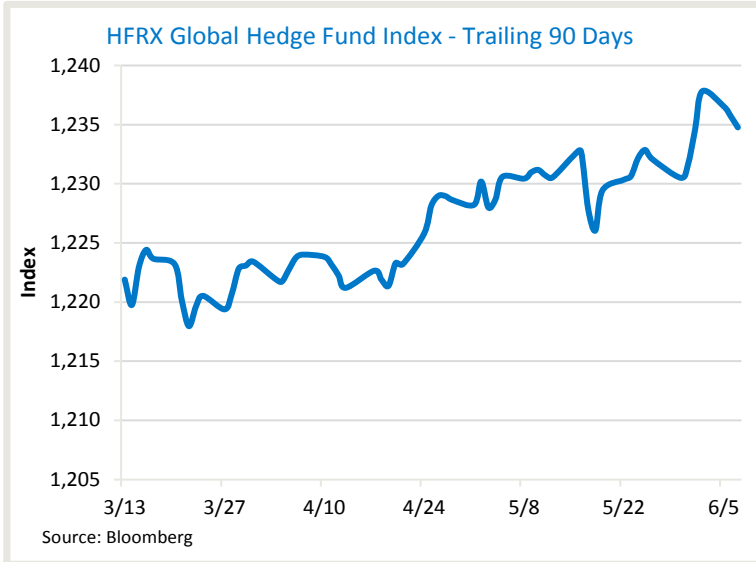


## Alternative Investments

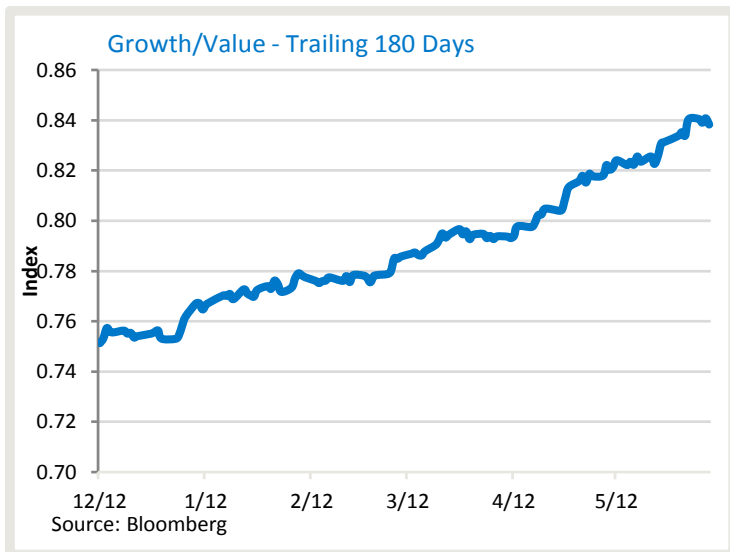
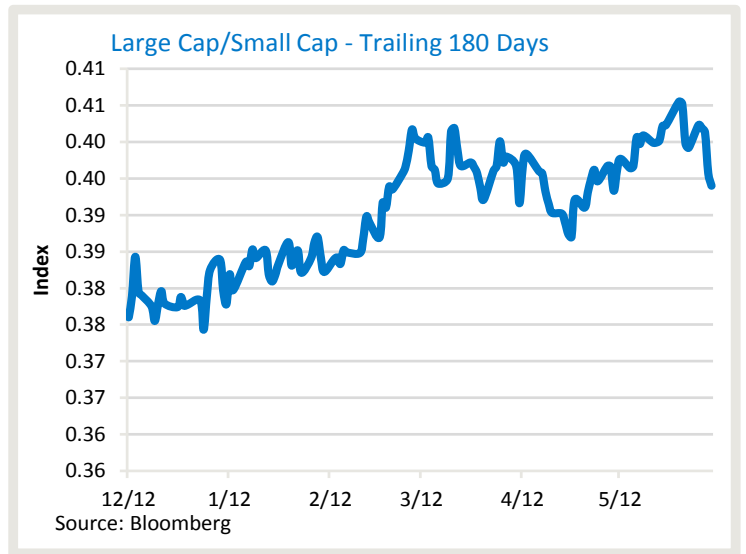
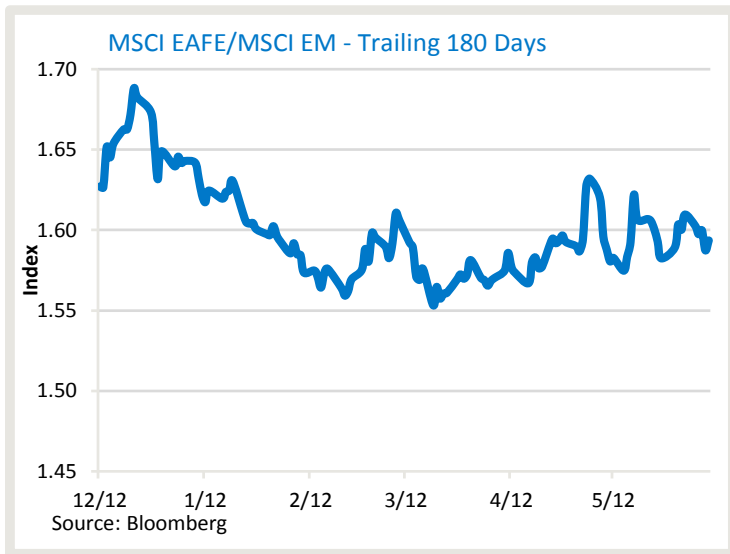
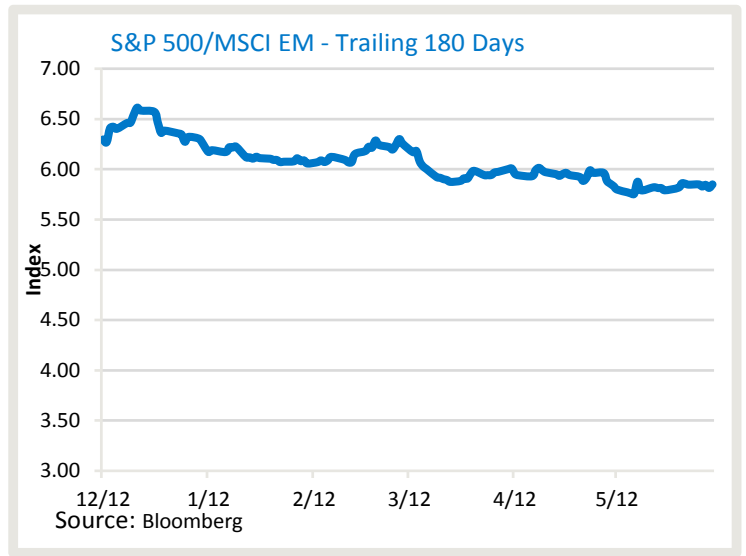
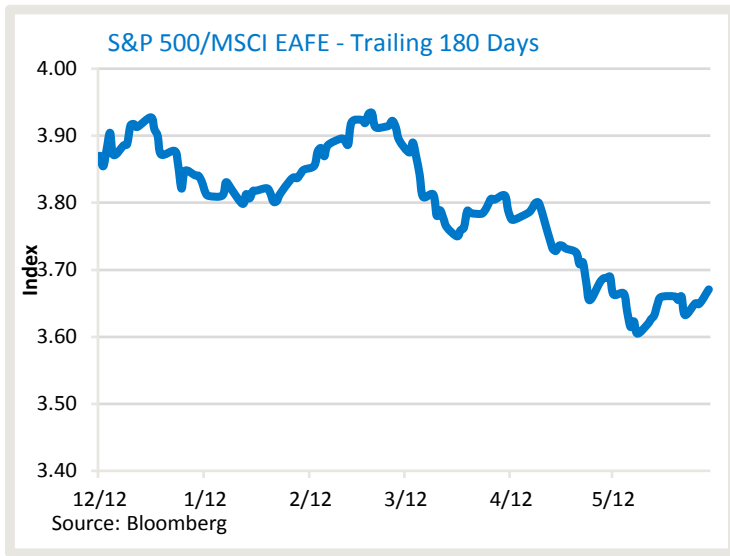
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1234.87	-2.95	-0.24%	2.61%	HFRX Distressed Index	1093.84	-1.56	-0.14%	1.94%
HFRX Equity Market Neutral	992.98	1.33	0.13%	0.58%	HFRX Merger Arbitrage Index	1834.21	1.80	0.10%	1.19%
HFRX Equity Hedge Index	1194.17	-2.51	-0.21%	3.35%	HFRX Convertible Arbitrage Index	766.39	-1.29	-0.17%	3.20%
HFRX Event-Driven Index	1634.53	-6.46	-0.39%	4.48%	HFRX Macro CTA Index	1141.77	-2.68	-0.23%	0.56%
HFRX Absolute Return Index	1041.98	-0.92	-0.09%	1.31%	IQ Fixed Income Beta Arb Index	1446.23	-0.58	-0.04%	1.85%

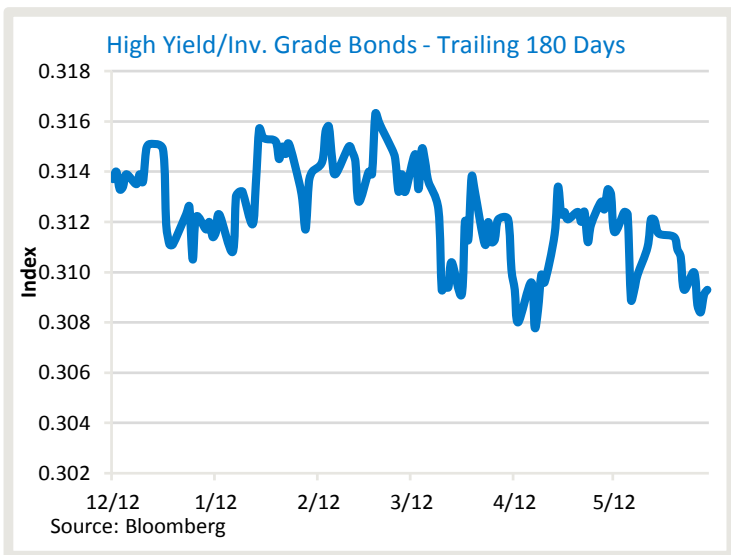
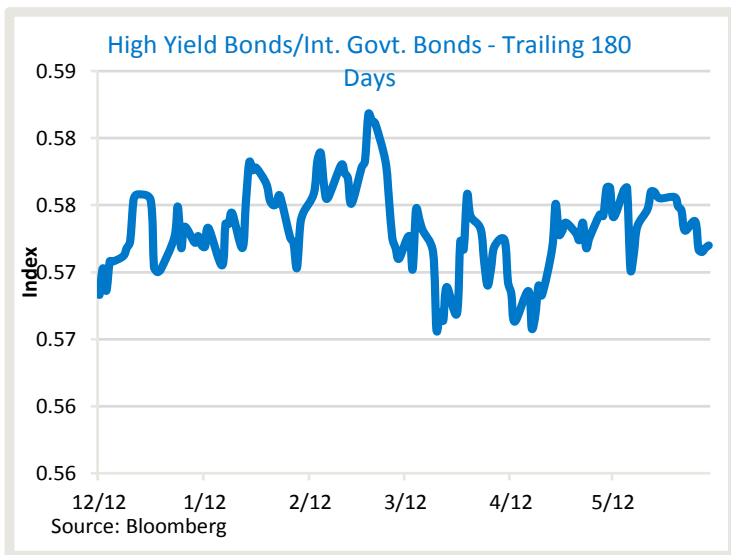
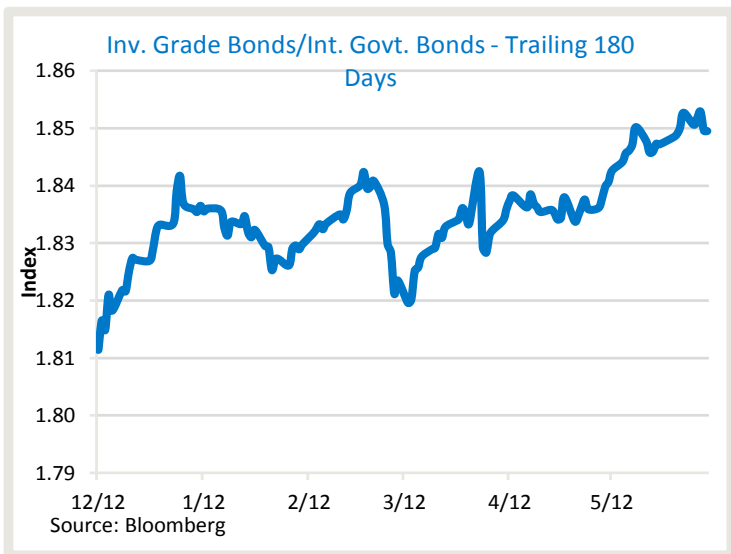
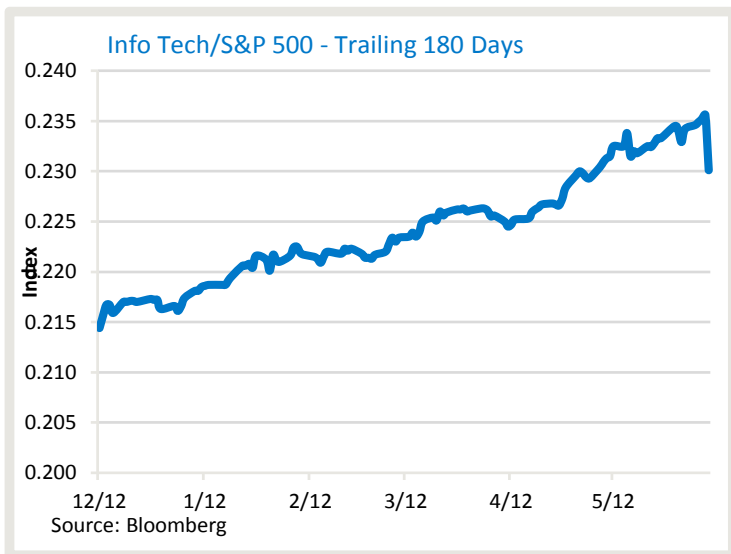
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			3/23	3/30	4/6	4/13	4/20	4/27	5/4	5/11	5/18	5/25	6/1	6/8
Equity	Domestic Equity	Large Cap (R200)	-1.57%	0.90%	-0.41%	-1.20%	1.01%	1.47%	0.24%	0.08%	-1.17%	2.09%	0.56%	0.29%
		Small Cap (R2000)	-2.35%	2.14%	-1.30%	-1.41%	2.89%	2.38%	-2.00%	0.10%	-2.09%	1.64%	0.92%	1.40%
	Int'l. Equity	MSCI EAFE	-0.21%	0.51%	-1.20%	-0.03%	0.21%	2.93%	0.94%	0.28%	0.55%	1.27%	0.12%	-0.01%
		MSCI Em. Mkts.	0.49%	0.16%	-0.64%	-0.05%	-0.46%	2.21%	0.04%	2.07%	-1.20%	2.65%	-0.60%	1.05%
Fixed Income	BarCap Agg. (AGG)	4.11%	-1.56%	17.34%	29.55%	-4.73%	-2.04%	-3.28%	-1.23%	-1.56%	-7.92%	2.41%	-1.34%	
	High Yield (JNK)	-0.71%	1.59%	-0.54%	-0.16%	0.54%	0.62%	-0.81%	0.58%	0.03%	0.59%	-0.13%	-0.30%	
Commodities	Bloomberg Commodity Index	-0.33%	0.90%	0.47%	0.64%	-2.15%	-0.98%	-1.68%	1.11%	0.36%	0.34%	-1.48%	-0.35%	
Alternatives	Hedge Funds (HFRX Global)	-0.39%	0.28%	0.05%	-0.21%	0.17%	0.46%	-0.02%	0.17%	-0.38%	0.56%	0.14%	0.02%	
Asset Allocation	60/40*	0.69%	0.07%	5.57%	9.83%	-1.03%	0.54%	-1.17%	-0.22%	-1.08%	-1.63%	1.08%	-0.21%	
	48/32/20 (w/Alts.)**	0.47%	0.11%	4.47%	7.82%	-0.79%	0.53%	-0.94%	-0.14%	-0.94%	-1.19%	0.89%	-0.16%	

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	0.90	1.21	1.10	1.02	1.20	1.11	1.05	1.18	1.00	1.00	1.18	1.50	1.17	1.19
Large Cap Growth	1.11	1.00	1.34	1.22	1.13	1.33	1.23	1.17	1.31	1.11	1.11	1.31	1.66	1.30	1.32
Large Cap Value	0.83	0.75	1.00	0.91	0.85	0.99	0.92	0.87	0.98	0.83	0.83	0.98	1.24	0.97	0.98
Mid Cap Core	0.91	0.82	1.10	1.00	0.93	1.09	1.01	0.96	1.08	0.91	0.91	1.07	1.37	1.07	1.08
Mid Cap Growth	0.98	0.88	1.18	1.08	1.00	1.18	1.09	1.03	1.16	0.99	0.98	1.16	1.47	1.15	1.16
Mid Cap Value	0.83	0.75	1.01	0.92	0.85	1.00	0.93	0.88	0.99	0.84	0.83	0.98	1.25	0.98	0.99
Small Cap Core	0.90	0.81	1.08	0.99	0.92	1.08	1.00	0.95	1.06	0.90	0.90	1.06	1.35	1.05	1.07
Small Cap Growth	0.95	0.86	1.15	1.04	0.97	1.14	1.06	1.00	1.12	0.95	0.95	1.12	1.42	1.11	1.13
Small Cap Value	0.85	0.76	1.02	0.93	0.86	1.01	0.94	0.89	1.00	0.85	0.84	1.00	1.27	0.99	1.00
Int'l. Developed	1.00	0.90	1.20	1.09	1.02	1.19	1.11	1.05	1.18	1.00	0.99	1.17	1.49	1.17	1.18
Emerging Markets	1.00	0.90	1.21	1.10	1.02	1.20	1.11	1.05	1.18	1.01	1.00	1.18	1.50	1.17	1.19
REITs	0.85	0.77	1.02	0.93	0.86	1.02	0.94	0.89	1.00	0.85	0.85	1.00	1.27	0.99	1.01
Commodities	0.67	0.60	0.80	0.73	0.68	0.80	0.74	0.70	0.79	0.67	0.67	0.79	1.00	0.78	0.79
Int. Bond	0.85	0.77	1.03	0.94	0.87	1.02	0.95	0.90	1.01	0.86	0.85	1.01	1.28	1.00	1.01
High Yield	0.84	0.76	1.02	0.93	0.86	1.01	0.94	0.89	1.00	0.85	0.84	0.99	1.26	0.99	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 **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 **DI-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 **HFRI 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. The **Industrial Production Index** is an economic indicator that measures real output for all facilities located in the United States manufacturing, mining, and electric, and gas utilities (excluding those in U.S. territories).

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Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates.

Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to its direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value and are subject to the market fluctuations of their underlying investments. Investing in commodities can be volatile and can suffer from periods of prolonged decline in value and may not be suitable for all investors.

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