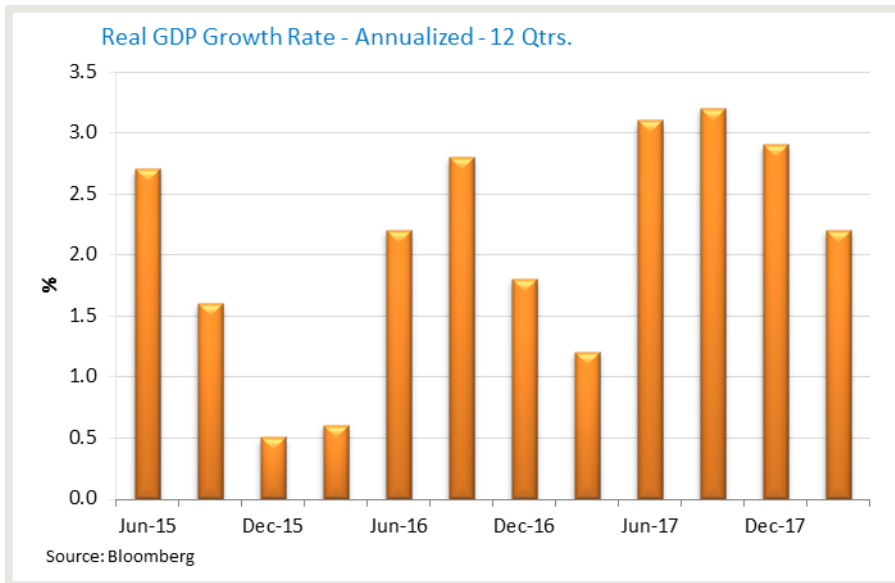


Weekly Market Review

June 22, 2018

Chart of the Week



Weekly Highlights

- **Trade War rhetoric heats up.** President Trump threatened an increase of \$200 billion in tariffs on Chinese goods, bringing the total that could be targeted to \$450 billion and approaches the roughly \$500 billion of Chinese exports to the US annually. Separately, the EU introduced \$3.2 billion in retaliatory tariffs on iconic American products, including bourbon, jeans, and motorcycles. In response, President Trump threatened to impose a 20% tariff on all cars coming into the US from Europe.
- **Banks clear the Federal Reserve's (Fed) stress test.** The 35 largest US banks all passed the Fed's annual stress test, showing that they would be able to maintain enough capital in an extreme recession to meet regulatory requirements.
- **GE booted from the Dow Jones Industrial Average (DJIA).** On Tuesday it was announced that General Electric (GE) would be removed from the Dow Jones Industrial's (DJIA's) 30-stock index. The company was an original member of the Dow in 1896 and has been a member since 1907, more than 110 years. Walgreens Boots Alliance (WAG) will replace GE, which has struggled over the past few years, losing nearly half of its value in 2017 and is down more than 25% thus far in 2018.

Talking Points

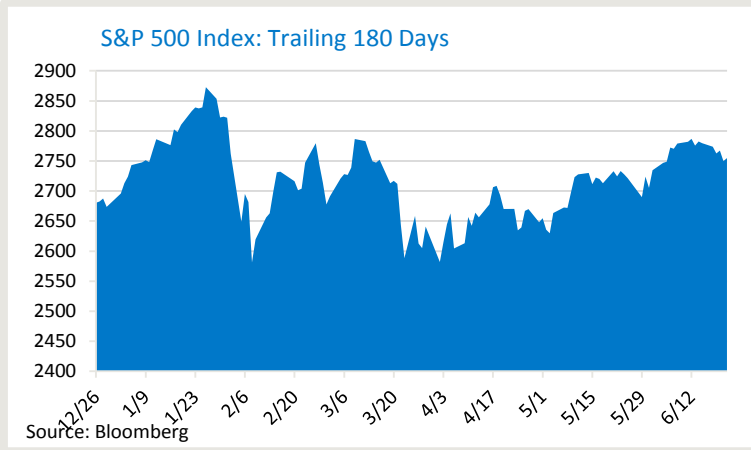
- **Equities traded** through a challenging week, as they reacted to news of tariffs and increased concerns of a global trade war. US stocks outperformed international, which felt the brunt of the selling pressure. Small cap stocks outpaced large cap.
- **The yield** on the 10-Year Treasury Note traded as low as 2.86% on Tuesday, but finished the week back towards 2.9%, relatively flat for the week.
- **DJIA's losing streak** hit 8 days. On Thursday, the Dow was lower for an eighth consecutive day, its longest stretch since March 2017.
- **OPEC ministers** strike a deal. On Friday, Organization of Petroleum-Exporting Countries (OPEC) ministers announced a deal to increase oil production. Oil prices rose on the deal, as the lack of clarity on the specifics behind the increase boosted futures.
- **Among major economic data,** initial jobless claims came in at 218k, which was lower than the 220k that was expected; Existing Home Sales were weaker than expected; and Manufacturing PMI, at 54.6, showed the slowest improvement since November 2017.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,754.88	-24.78	-0.89%	3.0%
Dow Industrials	24,580.89	-509.59	-2.03%	-0.6%
Nasdaq	7,692.82	-53.56	-0.69%	11.4%
Russell 2000	1,685.58	1.67	0.10%	9.8%
Euro Stoxx Index	385.01	-4.12	-1.06%	-1.1%
Shanghai Composite	2,889.76	-154.40	-5.07%	-12.6%
Russell Global	2,136.78	-31.13	-1.44%	-0.3%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,392.61	-106.89	-3.05%	-6.9%
10-Year US Treas.	2.90	-2 bps	NM	NM
Bloomberg Cmdts. Idx.	87.32	-0.38	-0.44%	-1.0%
Gold	\$1,269.35	-\$9.10	-0.71%	-2.5%
Crude Oil	\$69.32	\$4.53	6.99%	16.8%
Dollar Index	94.54	-0.27	-0.28%	2.6%
VIX Index	13.77	1.79	14.94%	24.7%



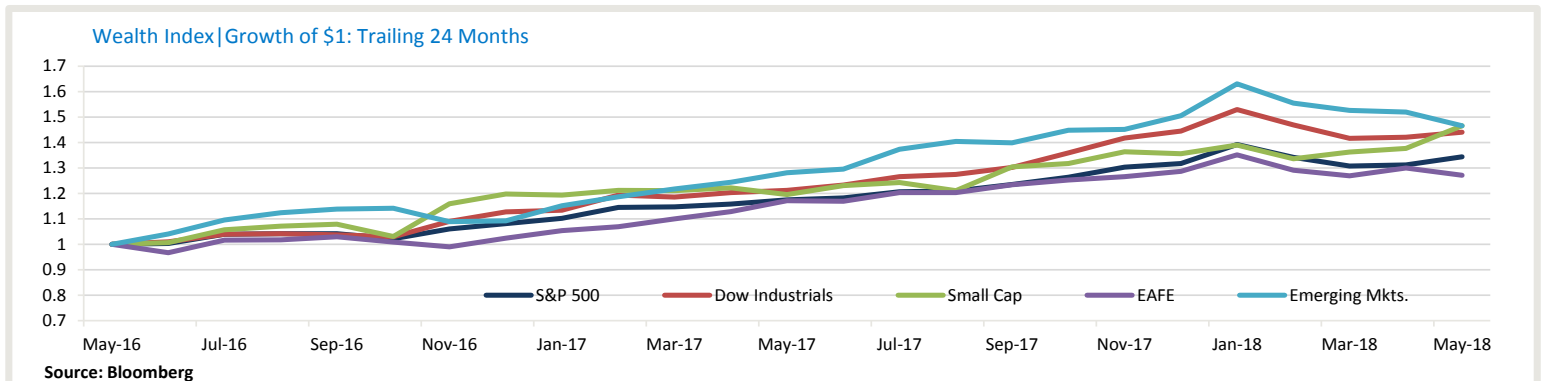
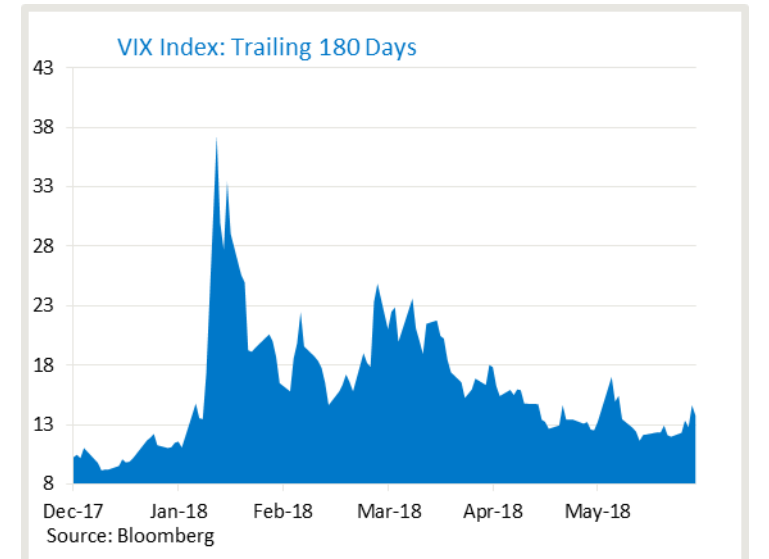
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.87%	-0.93%	-0.98%	-2.63%	3.40%	8.72%
	0.03%	-0.63%	-1.40%	-0.11%	3.19%	7.45%
S	1.00%	0.10%	-0.69%	6.86%	9.77%	12.49%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	13.0	-0.71%	12.9%
Consumer Staples	6.9	0.05%	-9.7%
Energy	6.2	1.52%	4.2%
Financials	13.9	-1.42%	-3.0%
Health Care	14.1	-0.66%	2.8%
Industrials	9.5	-3.39%	-4.3%
Information Technology	26.2	-1.31%	12.6%
Materials	2.6	-2.10%	-3.3%
Real Estate	2.8	2.46%	-2.0%
Telecom Services	1.9	-0.52%	-1.9%
Utilities	2.8	2.50%	-3.7%

Source: Bloomberg



The Economy and Markets

A Macro View – Dove Stays Alive: ECB Continues Policy, Furthering the Transatlantic Divergence

Monetary policy is now in the driver's seat in global markets, dethroning the much-publicized Trump-Kim summit, which was followed by muted reaction from the markets. Although the extent of success of the North Korea—United States summit on June 12 is still being debated, the Federal Reserve's (Fed) June 13 policy announcement, followed by the European Central Bank's (ECB) on June 14, had an immediate impact on currencies, rates, and equities. Whereas the Fed raised the rates as expected and maintained its hawkish policy tone, the ECB delivered the sucker punch, continuing its dovish stance and giving a fair indication to the market that the transatlantic policy divergence is here to stay, and might even continue for the foreseeable future.

The ECB's Governing Council session, held in Riga, Latvia, made the following monetary policy decisions after assessing the broader macro-economic conditions:

- Post September 2018, the current asset purchase program (APP) will be halved to €15 billion until it ends in December 2018, subject to the incoming data confirming its medium-term inflation outlook.
- Principal payments from maturing securities will be reinvested for an extended period of time.
- Key interest rates main refinancing operations, marginal lending facility, and the deposit facility will remain unchanged at 0.00%, 0.25%, and -0.40%, respectively, with no interest rate hikes foreseen through the summer of 2019.

This dovish tone took the market by surprise, as the consensus expectation was for a policy rate normalization (first rate hike) by June 2019. The euro (which was clawing its way back after the pounding it received in May from escalating Italian political risk), retreated sharply, hitting close to a one-year low following Mario Draghi's June 19 reinforcing statement. German, French, Spanish, and Italian bonds rallied along with European equity indices, and the Stoxx Europe 600 surged to its highest level in two months. The immediate impact of the ECB's stance was seen across the Atlantic as well, where the S&P 500 Index gained 0.25% and the NASDAQ Index added 0.85%.

The ECB's policy announcement was accompanied by a softer outlook for the region's economic expansion. Mediocre economic data from Europe, resulting in the global investment narrative for most investors shifting from "synchronized growth" in 2017 to "decoupling" this year, also has prompted the ECB to temper its growth estimates. Gross Domestic Product (GDP) forecasts were reduced from 2.4% to 2.1% for the year. Modest growth also is expected in 2019 and 2020 at 1.9% and 1.7%, respectively. In addition, the ECB forecasts a headline price growth of 1.7% for this year, which is expected to sustain in 2019 and 2020. Although these weak growth estimates factor in worries over protectionism and tariffs, Mario Draghi considers the European economy to be strong enough to overcome these risks. In a speech in Sintra, Portugal on June 19, he reemphasized that the ECB will take its time to normalize rates, and the decision will be data dependent. He reiterated caution on the potential risks of increased global protectionism, rising oil prices, and heightened financial market volatility.

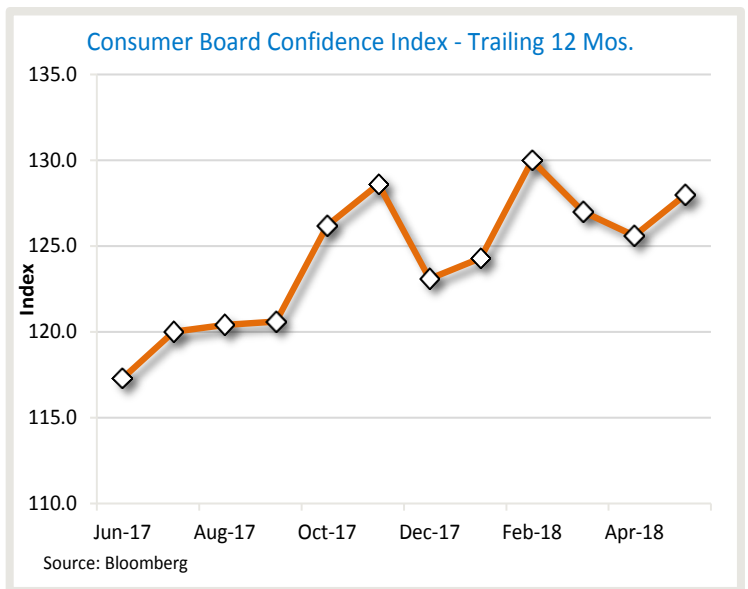
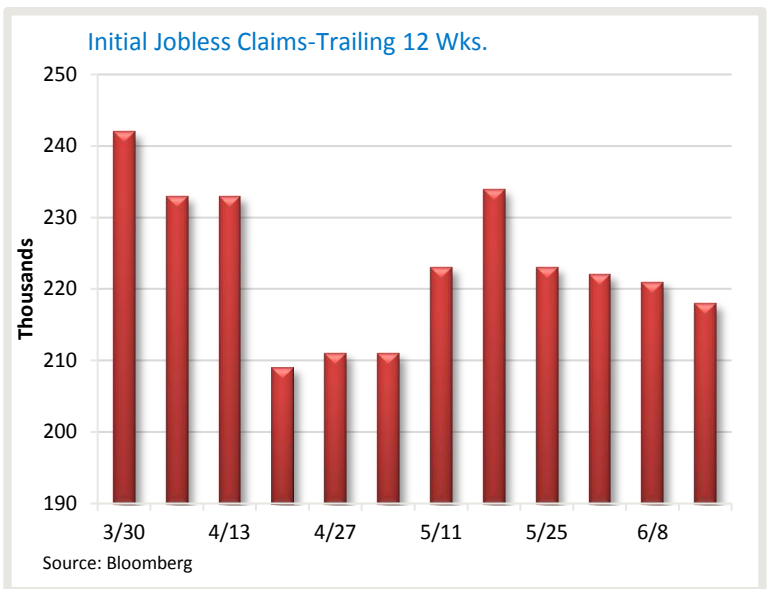
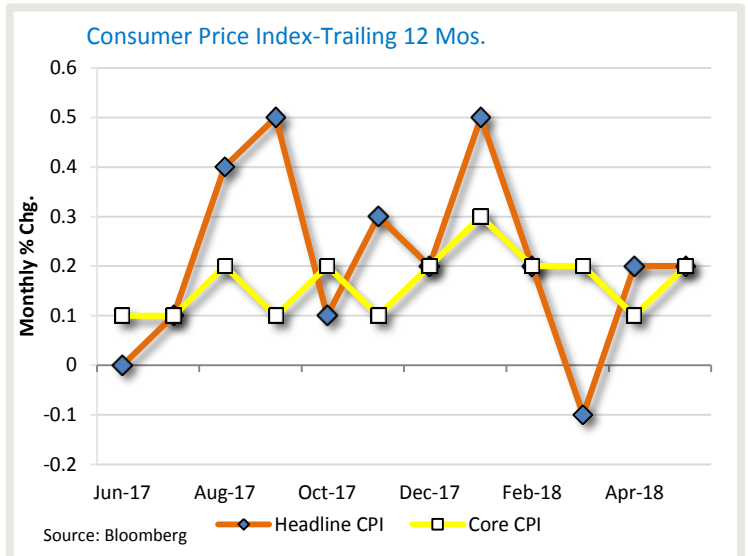
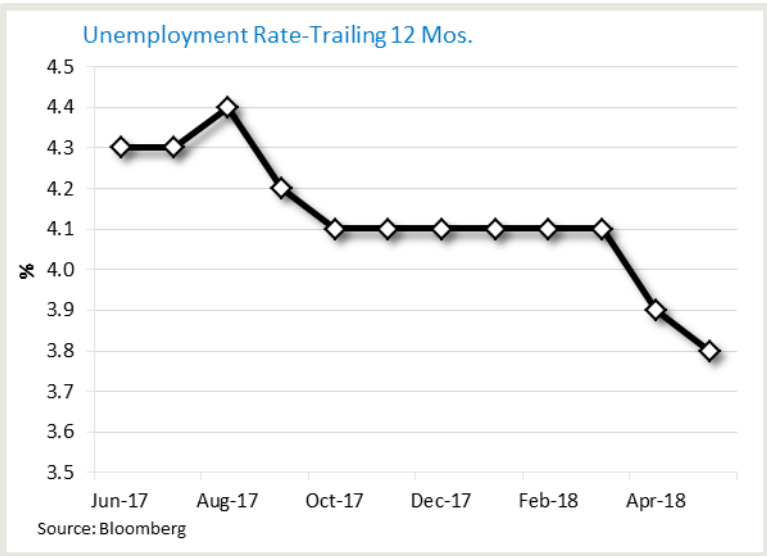
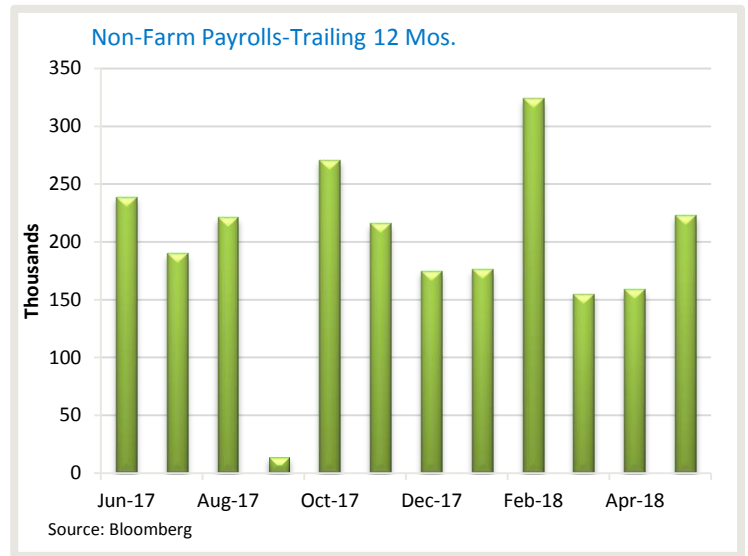
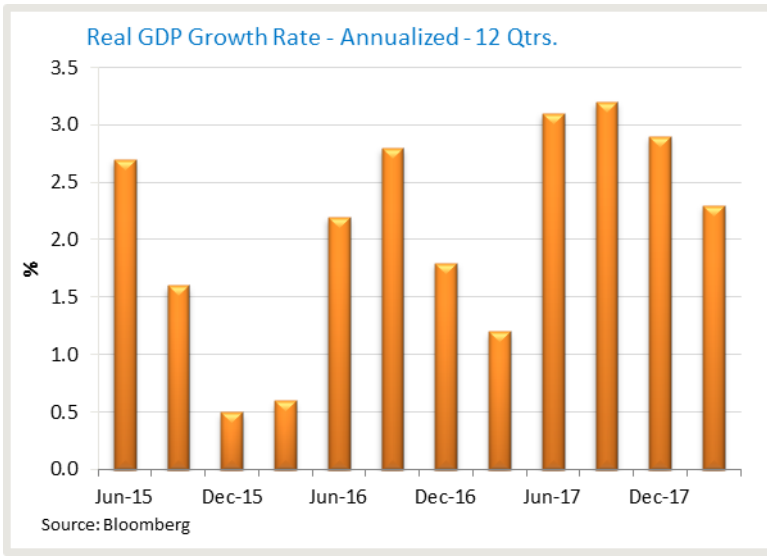
This week, trade and tariffs rhetoric has snatched central banks from center stage, and any escalation should anchor long-term yields for safe-haven assets like US Treasuries and German Bunds. In the US, the flat yield curve is creating some uneasiness, as a negative slope has a history of being a leading indicator of recession. Given its historical implications, an inverted curve could create some dissidents among Fed officials. At the ECB conference on June 20 in Sintra, the Fed, ECB, Bank of Japan (BoJ), and the Reserve Bank of Australia RBA chiefs reemphasized threats to the global economy from escalating trade tensions. Both transatlantic central banks expect economic data to drive their policy decisions going forward, and how the identified risks will percolate in the economic numbers remains to be seen. Although dampening numbers might lead to a pause, given the clear indications provided by both the Fed chair and ECB President, policy divergence might continue as a key economic theme for money managers in 2018 and maybe in 2019. Global investors must be cognizant of potential escalation of macro risks, which is bound to result in elevated volatility (most risks are beyond the central banks' control), as both the economy and markets are in their late cycle. The hope is that the prevailing tariff disputes will not escalate into full-blown trade wars, which could derail the global growth engine and distort monetary policies. Neither investors nor central banks seem to like uncertainty, and the central banks cannot afford to make policy mistakes at this juncture. As the IMF's chief, Christine Lagarde, stated "The clouds on the horizon ...are getting darker by the day..."¹

Parina Sharma, Investment Analyst, PMC Research - India

Navaneeth Krishnan, Investment Analyst, PMC Research - India

¹ <https://www.bloomberg.com/news/articles/2018-06-11/lagarde-says-clouds-over-global-economy-are-darker-by-the-day?>

Economic Data



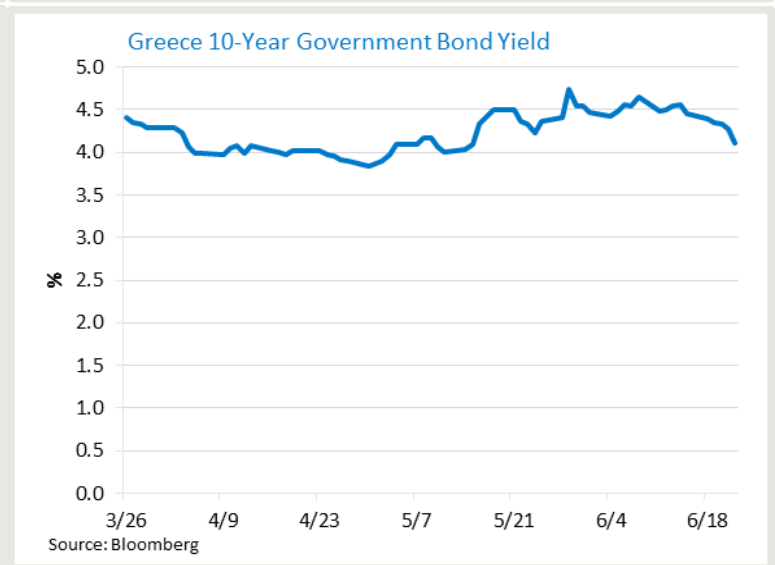
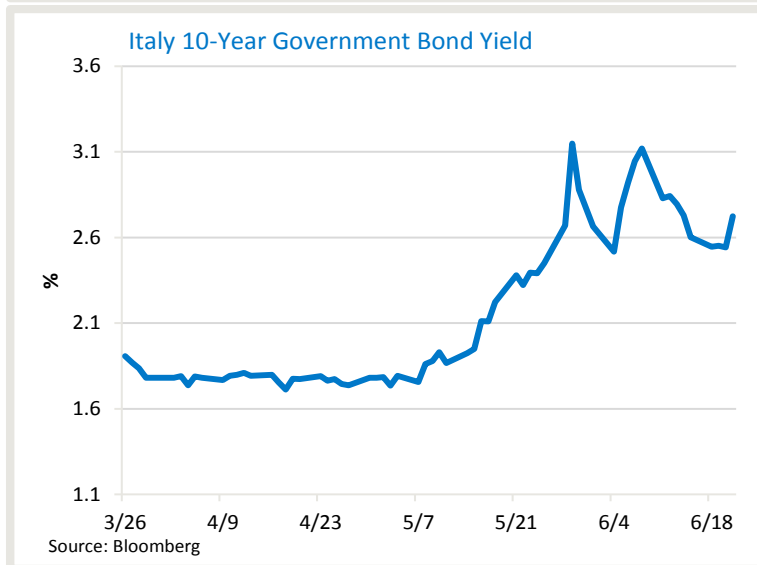
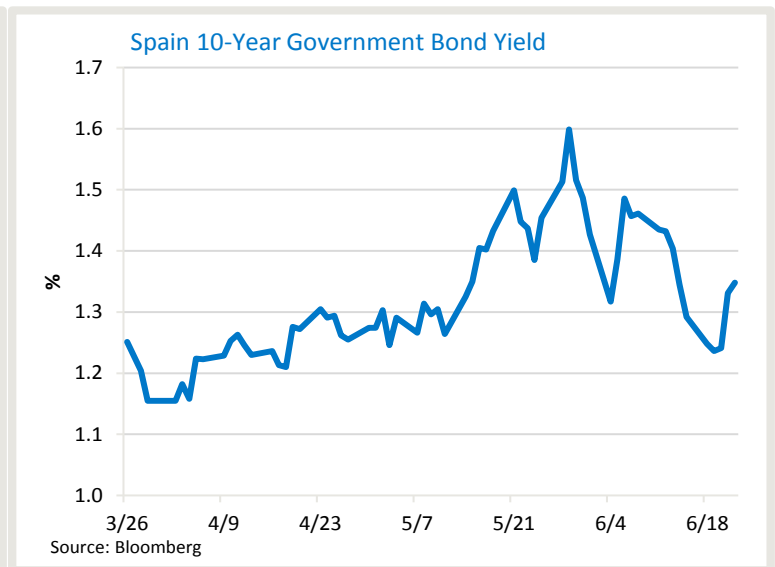
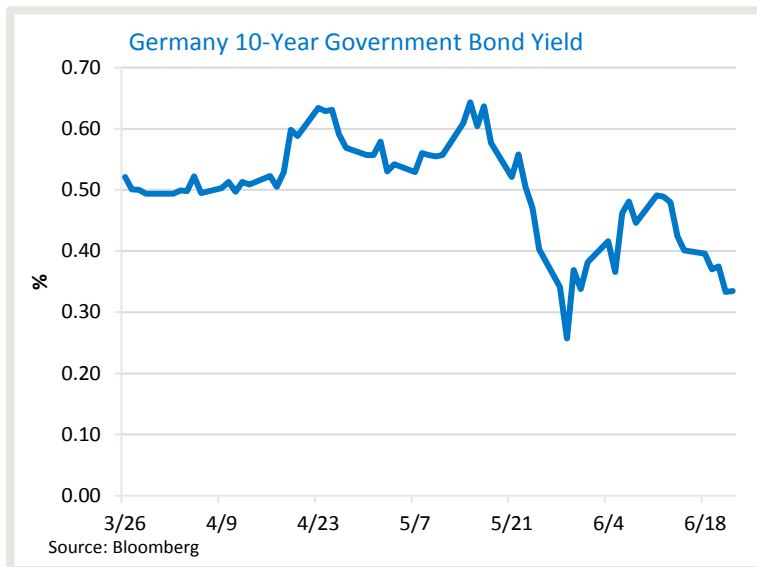
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.34	6 bps	NM	NM
Greece 10-Yr. Govt.	4.11	26 bps	NM	NM
Italy 10-Yr. Govt.	2.69	-7 bps	NM	NM
Spain 10-Yr. Govt.	1.35	-5 bps	NM	NM
Belgium 10-Yr. Govt.	0.73	1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.71	2 bps	NM	NM
Ireland 10-Yr. Govt.	0.85	4 bps	NM	NM
Portugal 10-Yr. Govt.	1.81	-1 bps	NM	NM
Netherlands 10-Yr. Govt.	0.49	6 bps	NM	NM
U.K. 10-Yr. Govt.	1.32	0 bps	NM	NM

Source: Bloomberg
Basis points (bps)

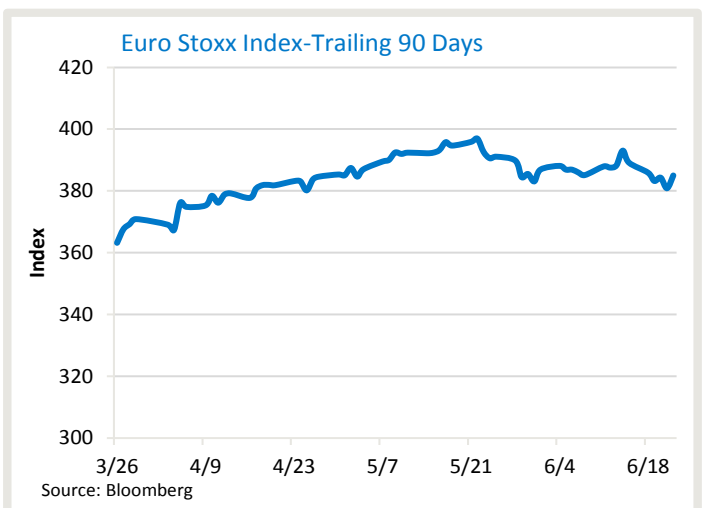
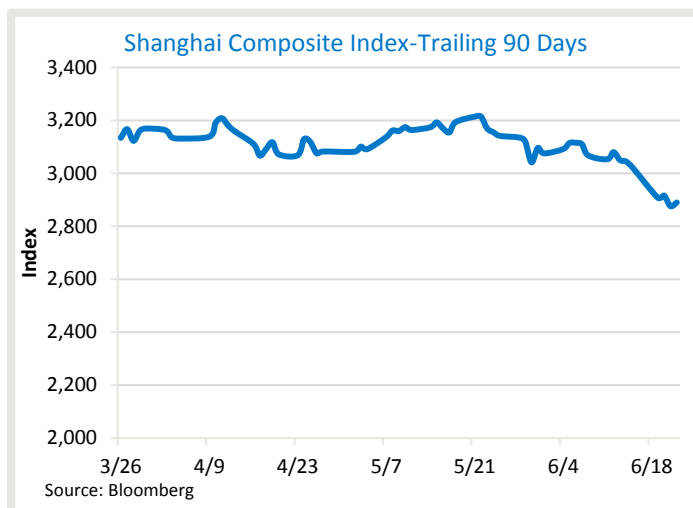
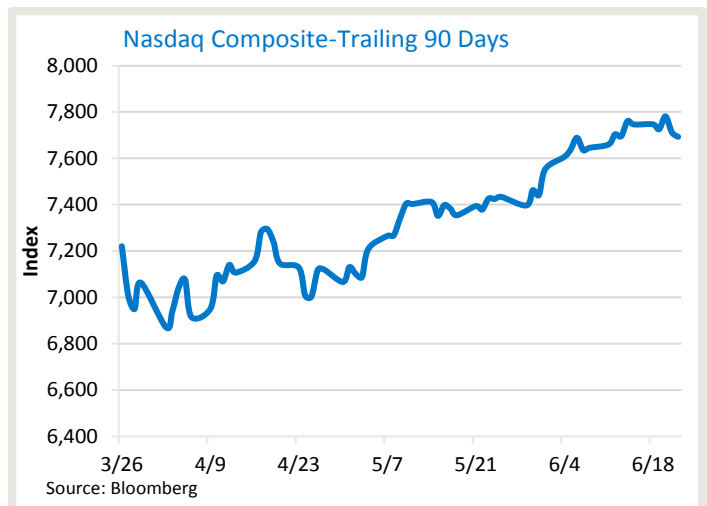
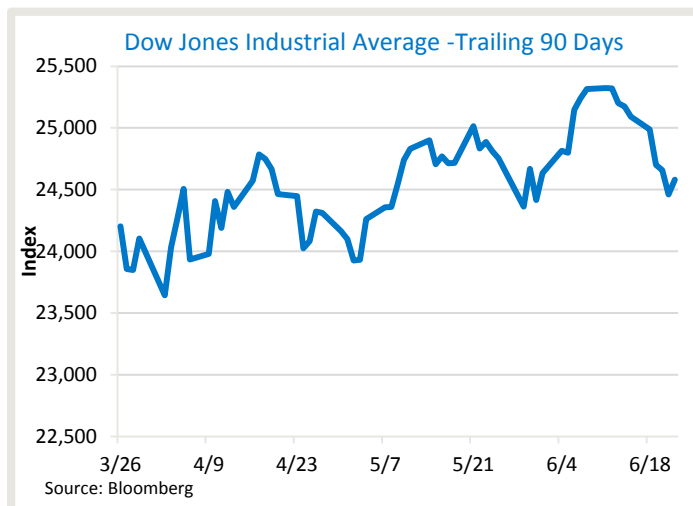


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,754.88	-24.78	-0.89%	3.04%	Swiss Market Index	8,616.56	-26.04	-0.30%	-8.16%
Dow Industrials	24,580.89	-509.59	-2.03%	-0.56%	CAC 40 Index (France)	5,387.38	-114.50	-2.08%	1.41%
Nasdaq Composite	7,692.82	-53.56	-0.69%	11.44%	DAX Index (Germany)	12,579.72	-430.83	-3.31%	-2.62%
Russell Global	2,136.78	-31.13	-1.44%	-0.3%	Irish Overall Index	7,105.36	-23.07	-0.32%	0.95%
Russell Global EM	3,392.61	-106.89	-3.05%	-6.9%	Nikkei 225	22,516.83	-334.92	-1.47%	-1.09%
S&P/TSX (Canada)	16,450.14	135.72	0.83%	1.49%	Hang Seng Index	29,338.70	-1101.47	-3.62%	-1.94%
Mexico IPC	46,737.64	-201.18	-0.43%	-5.30%	Shanghai Composite	2,889.76	-154.40	-5.07%	-12.62%
Brazil Bovespa	70,640.65	-117.08	-0.17%	-7.54%	Kospi Index (S. Korea)	2,357.22	-46.82	-1.95%	-4.47%
Euro Stoxx 600	385.01	-4.12	-1.06%	-1.07%	Taiwan Taiex Index	10,899.28	-188.19	-1.70%	2.41%
FTSE 100	7,682.27	48.36	0.63%	-0.07%	Tel Aviv 25 Index	1,528.47	-13.69	-0.89%	1.24%
IBEX 35 (Spain)	9,792.10	-58.90	-0.60%	-2.51%	MOEX Index (Russia)	2,249.68	12.15	0.54%	6.63%

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



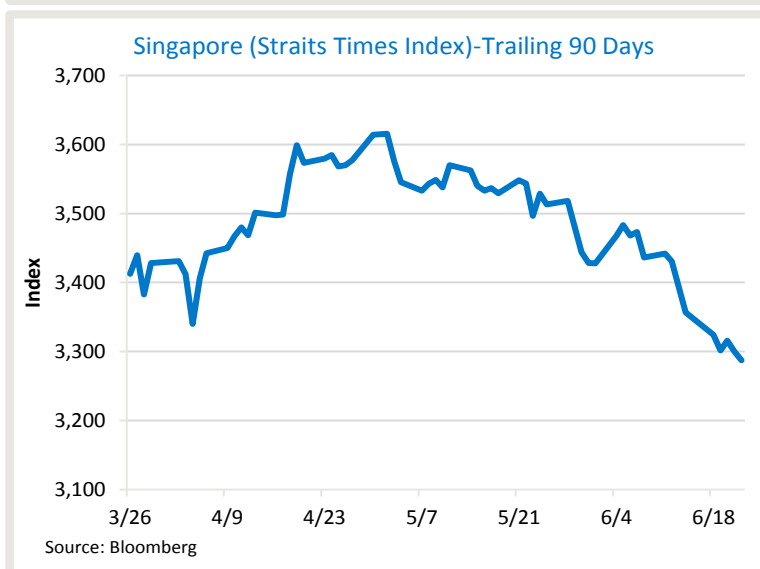
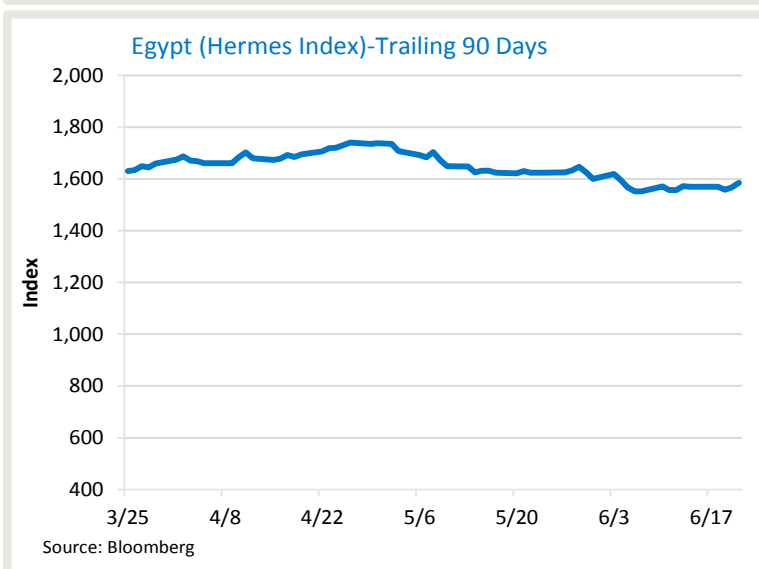
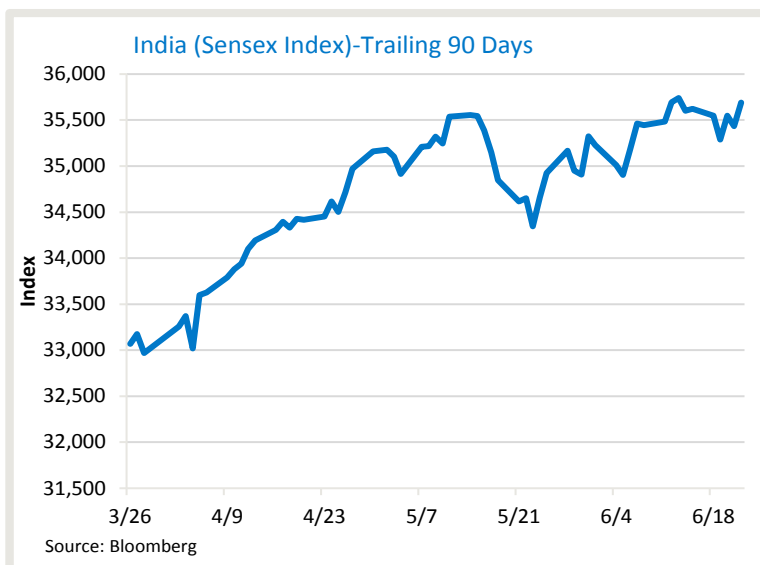
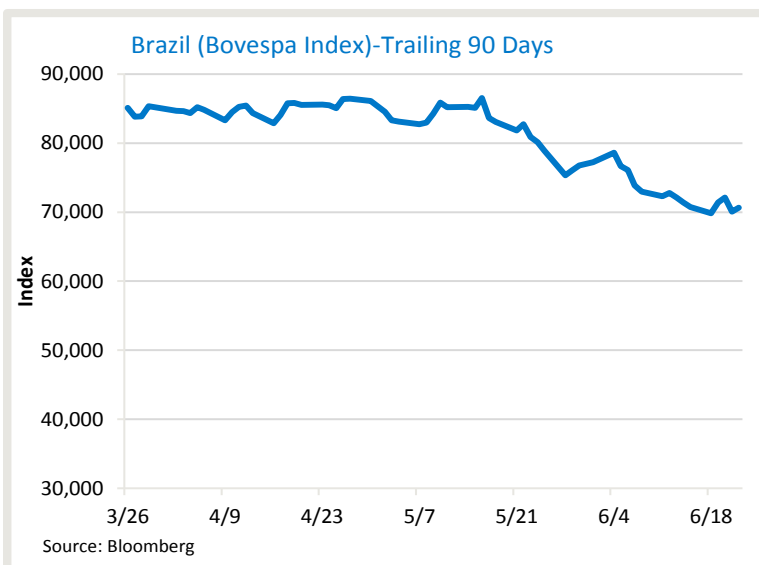
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	46,737.64	-201.18	-0.4%	-5.3%
Brazil (Bovespa Index)	70,640.65	-117.08	-0.2%	-7.5%
MOEX Index (Russia)	2,249.68	12.15	0.5%	6.6%
Czech Republic (Prague)	1,064.12	-13.76	-1.3%	-1.3%
Turkey (Istanbul)	95,852.11	1311.27	1.4%	-16.9%
Egypt (Hermes Index)	1,584.59	15.26	1.0%	10.3%
Kenya (Nairobi 20 Index)	3,309.43	-40.23	-1.2%	-10.8%
Saudi Arabia (TASI Index)	8,206.40	-64.06	-0.8%	13.6%
Lebanon (Beirut BLOM Index)	1,064.15	-14.38	-1.3%	-7.3%
Palestine	546.63	-0.84	-0.2%	-4.9%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	29,338.70	-1101.47	-3.6%	-1.9%
India (Sensex 30)	35,689.60	67.46	0.2%	4.8%
Malaysia (KLCI Index)	1,694.15	-67.63	-3.8%	-5.7%
Singapore (Straits Times Index)	3,287.40	-69.33	-2.1%	-3.4%
Thailand (SET Index)	1,634.98	-69.84	-4.1%	-6.8%
Indonesia (Jakarta)	5,821.81	-247.90	-4.1%	-8.4%
Pakistan (Karachi KSE 100)	41,637.38	-2043.30	-4.7%	2.9%
Vietnam (Ho Chi Minh)	983.17	-33.34	-3.3%	-0.1%
Sri Lanka (Colombo)	6,228.15	-102.95	-1.6%	-2.2%
Cambodia (Laos)	908.70	-8.48	-0.9%	-9.0%

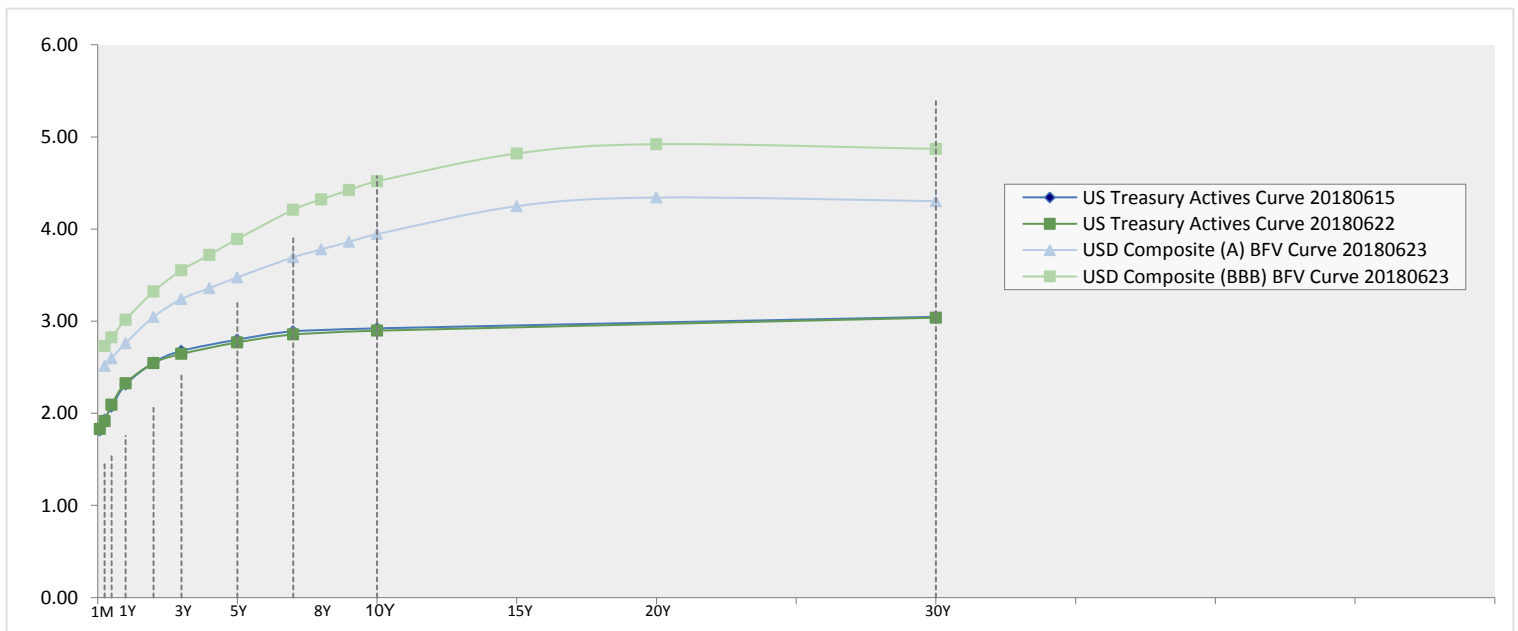


Interest Rates

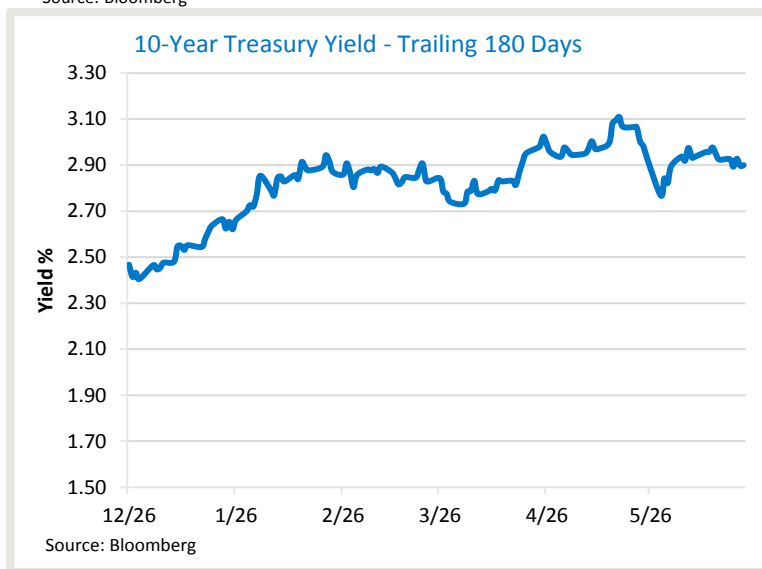
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.54%	0 bps	NM	NM	Prime Rate	5.00%	0.00	NM	NM
5-Yr. U.S. Treasury	2.77%	-3 bps	NM	NM	Fed Funds Rate	2.00%	0.00	NM	NM
10-Yr. U.S. Treasury	2.90%	-2 bps	NM	NM	Discount Rate	2.50%	0.00	NM	NM
30-Yr. U.S. Treasury	3.05%	0 bps	NM	NM	LIBOR (3 Mo.)	2.34%	1 bps	NM	NM
German 10-Yr. Govt.	0.34%	6 bps	NM	NM	Bond Buyer 40 Muni	3.77%	-4 bps	NM	NM
France 10-Yr.	0.71%	2 bps	NM	NM	Bond Buyer 40 G.O.	3.87%	NA	NM	NM
Italy 10-Yr.	2.69%	-7 bps	NM	NM	Bond Buyer 40 Rev.	4.36%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.14%	5 bps	NM	NM					

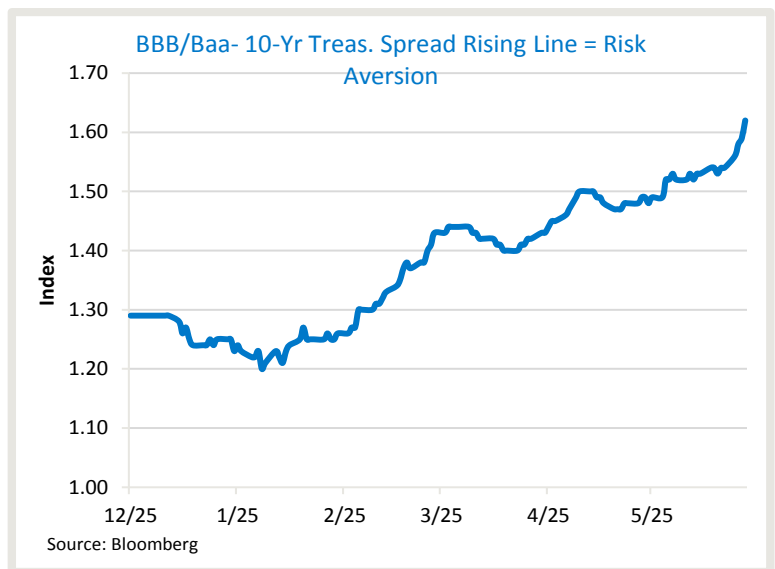
Source: Bloomberg



Source: Bloomberg



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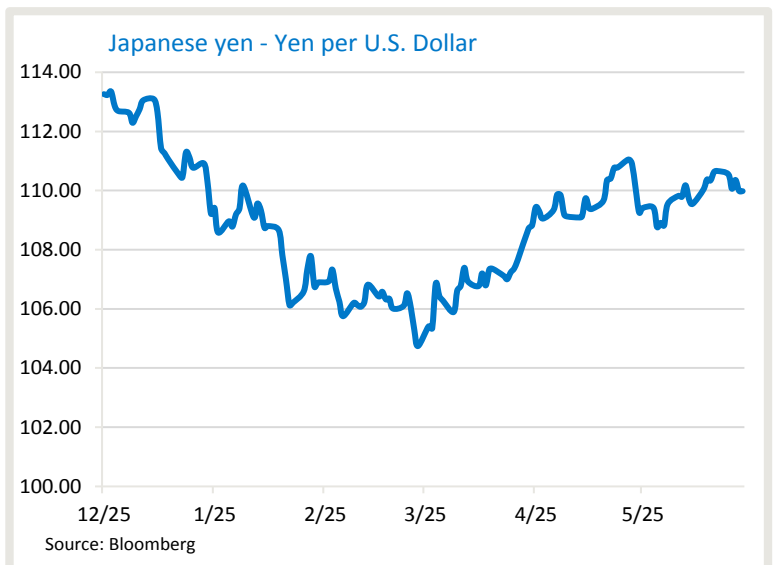
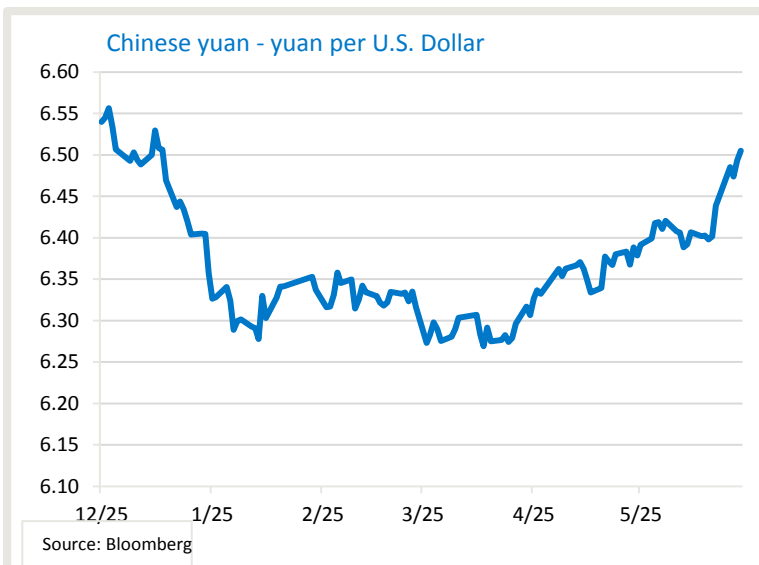
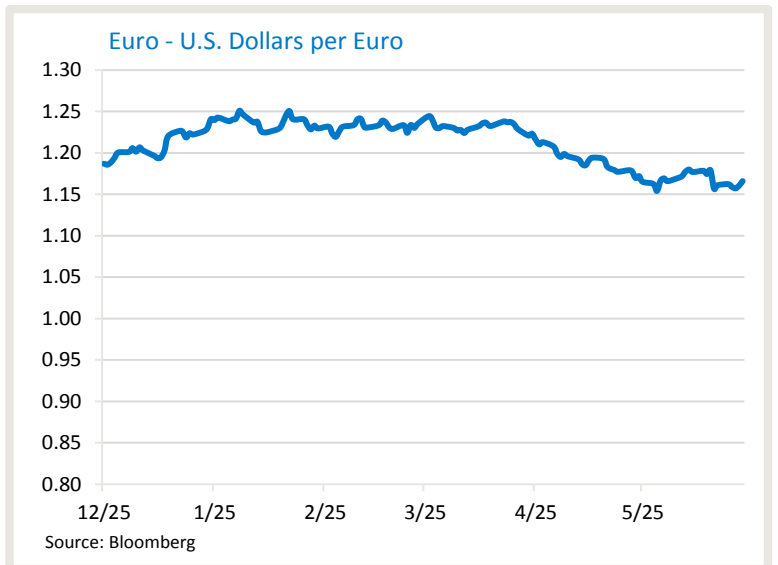
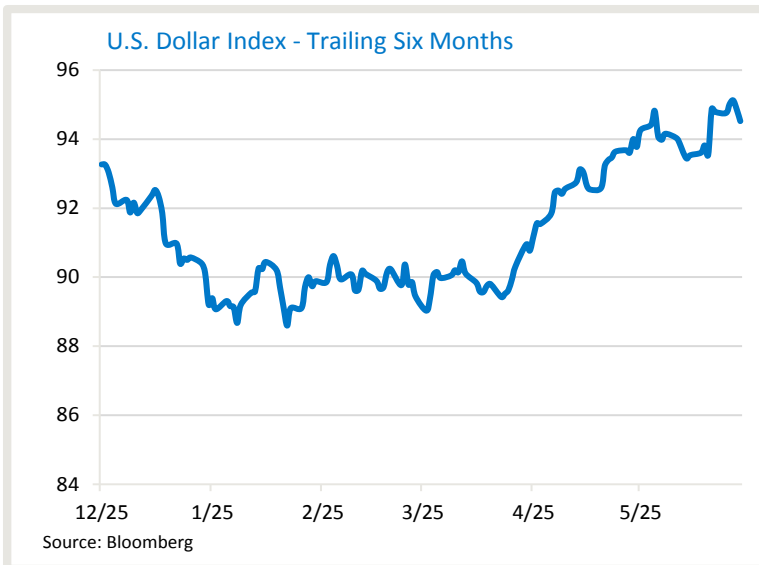
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	94.54	-0.266	-0.28%	2.60%
Euro	1.17	0.005	0.43%	-2.87%
Japanese Yen	109.96	-0.680	0.62%	2.46%
British Pound	1.33	-0.002	-0.14%	-1.88%
Canadian Dollar	1.33	0.009	-0.66%	-5.27%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.51	0.067	-1.02%	0.02%
Swiss Franc	0.99	-0.010	0.99%	-1.37%
New Zealand Dollar	0.69	-0.003	-0.46%	-2.55%
Brazilian Real	3.79	0.058	-1.52%	-12.64%
Mexican Peso	20.01	-0.609	3.04%	-1.79%

Source: Bloomberg



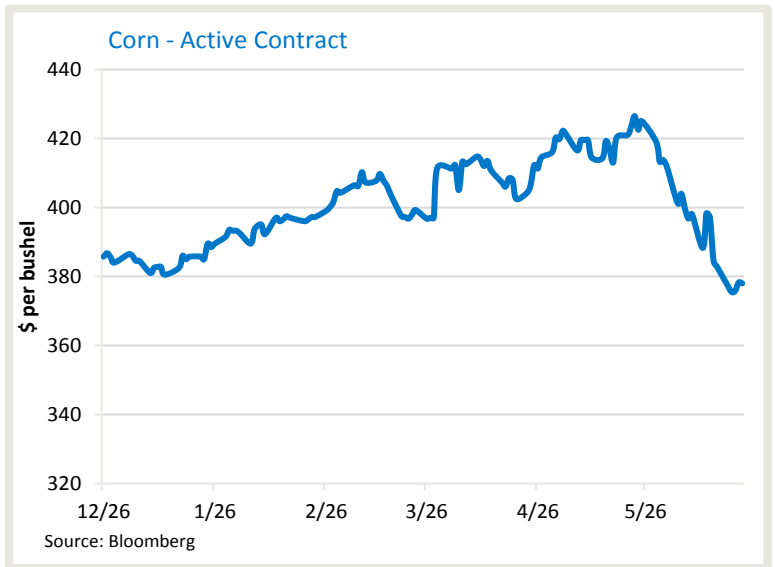
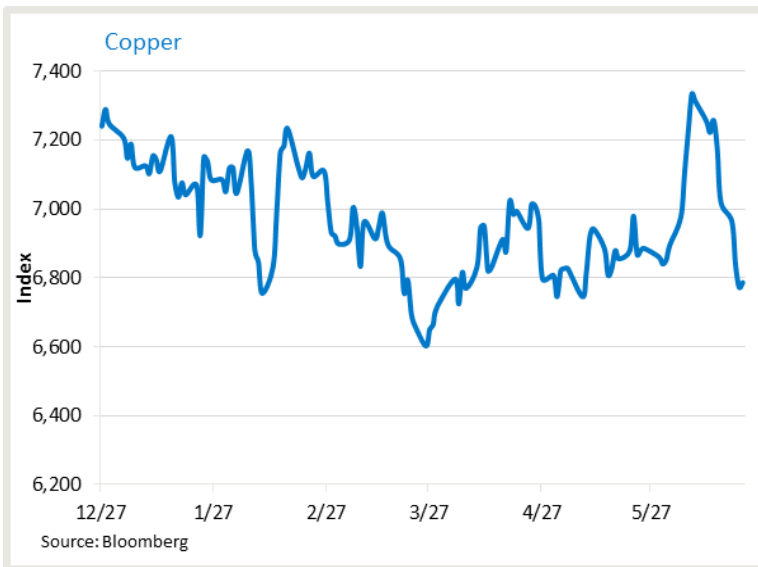
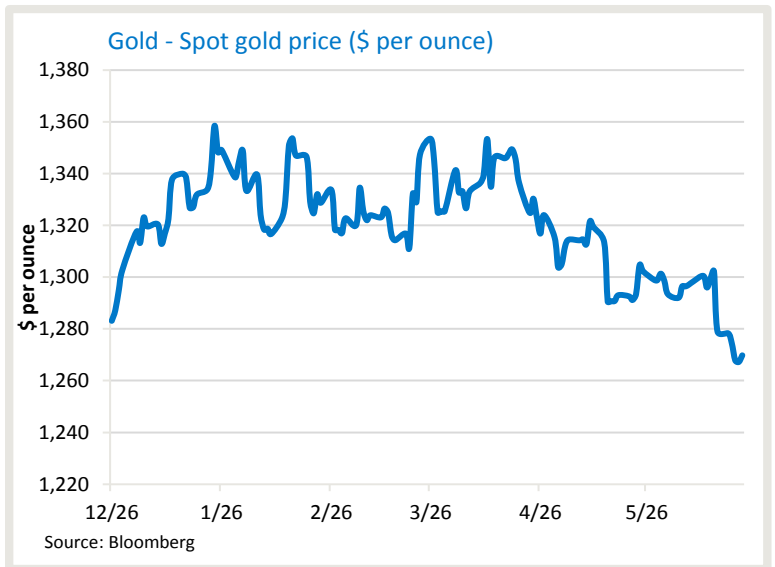
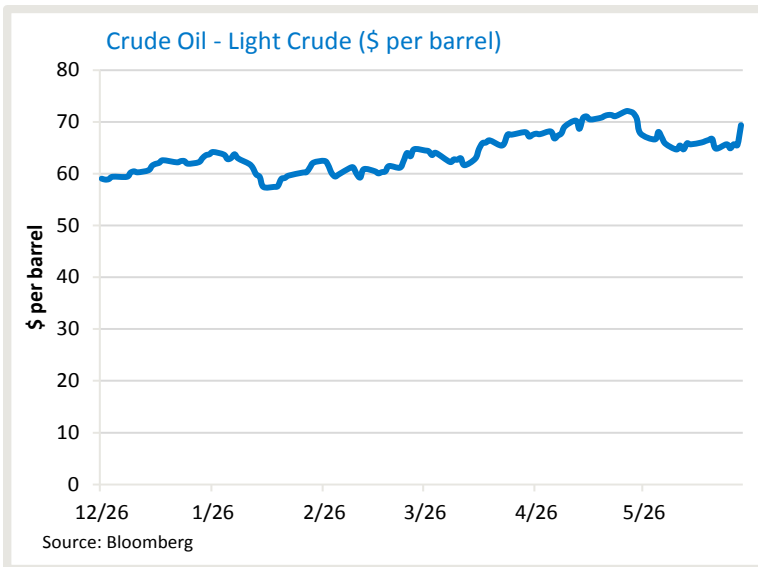
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	87.32	-0.38	-0.44%	-0.96%
Crude Oil	\$69.35	\$4.53	6.99%	16.76%
Natural Gas	\$2.94	-\$0.08	-2.61%	4.96%
Gasoline (\$/Gal.)	\$2.86	-\$0.04	-1.34%	15.12%
Heating Oil	212.55	3.78	1.81%	7.83%
Gold Spot	\$1,269.81	-\$9.10	-0.71%	-2.53%
Silver Spot	\$16.45	-\$0.13	-0.78%	-2.94%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$877.21	-\$11.13	-1.25%	-5.52%
Corn	378.00	-4.75	-1.24%	-1.56%
Wheat	504.25	-9.25	-1.80%	8.27%
Soybeans	916.25	-14.25	-1.53%	-6.10%
Sugar	12.41	0.06	0.49%	-18.41%
Orange Juice	163.60	1.95	1.21%	16.73%
Aluminum	2,179.00	-25.00	-1.13%	-3.92%
Copper	6,786.00	-234.00	-3.33%	-6.36%

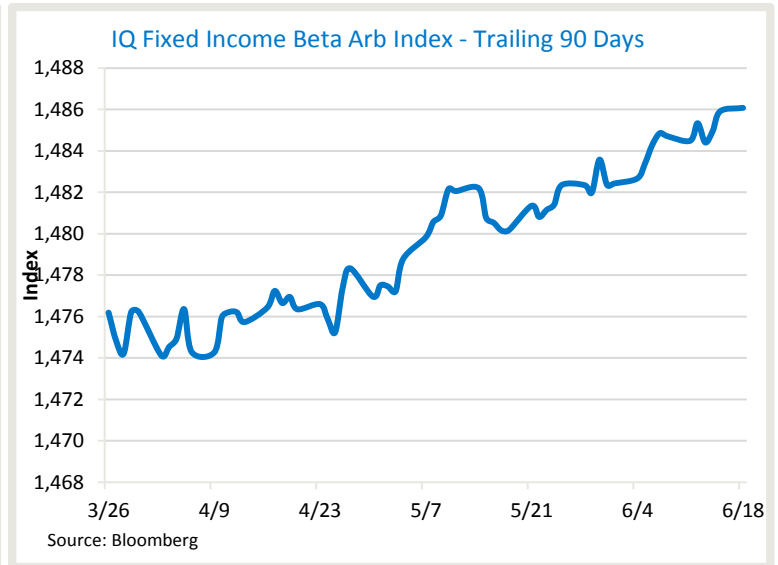
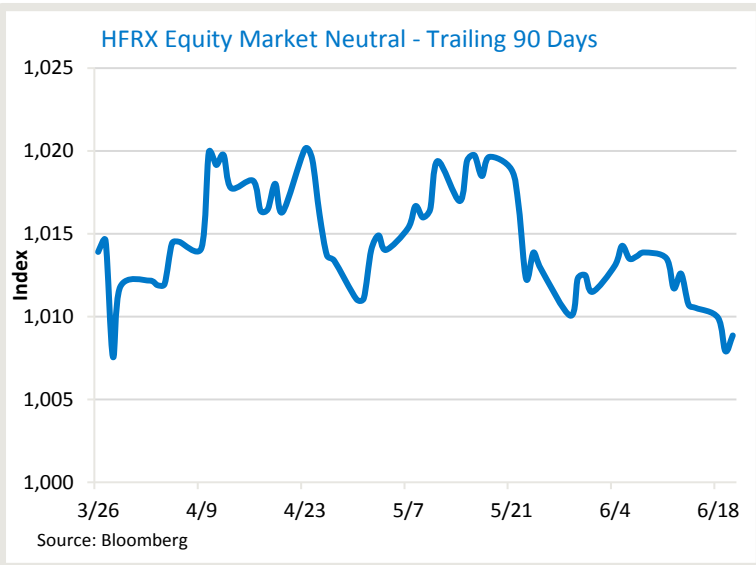
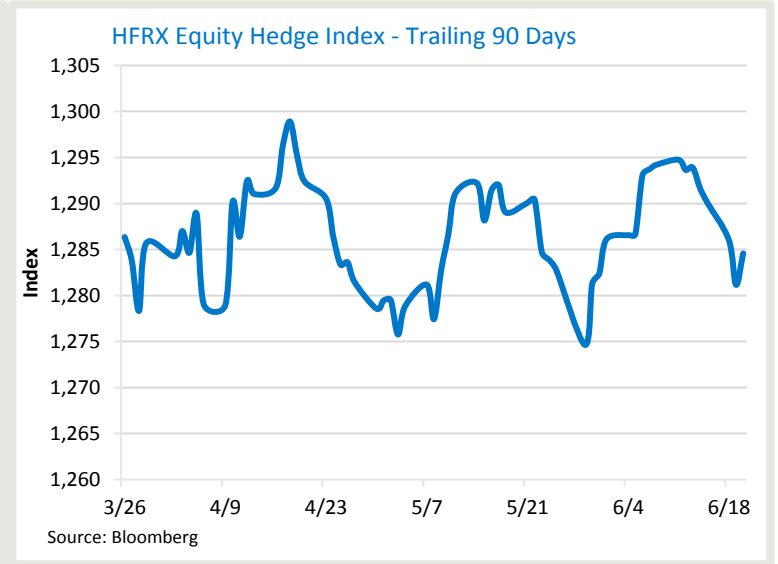
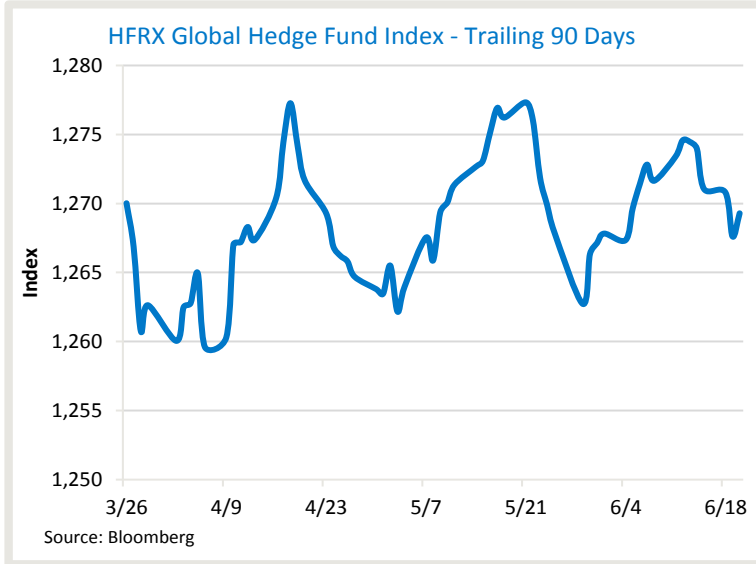


Alternative Investments

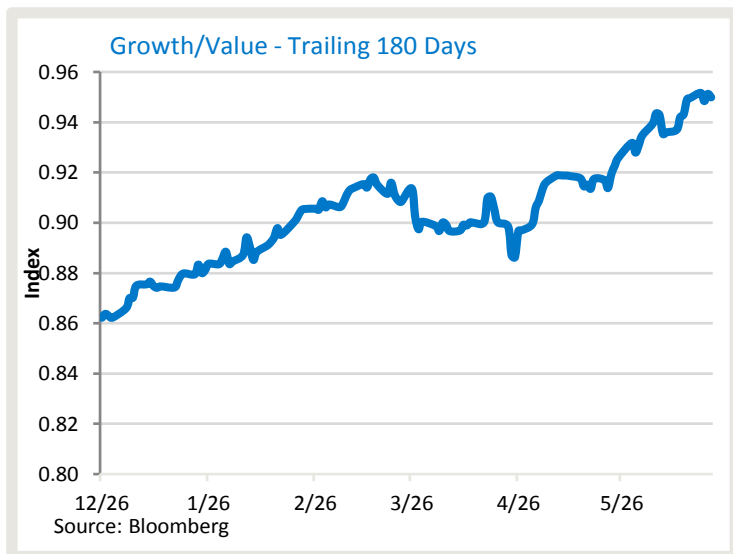
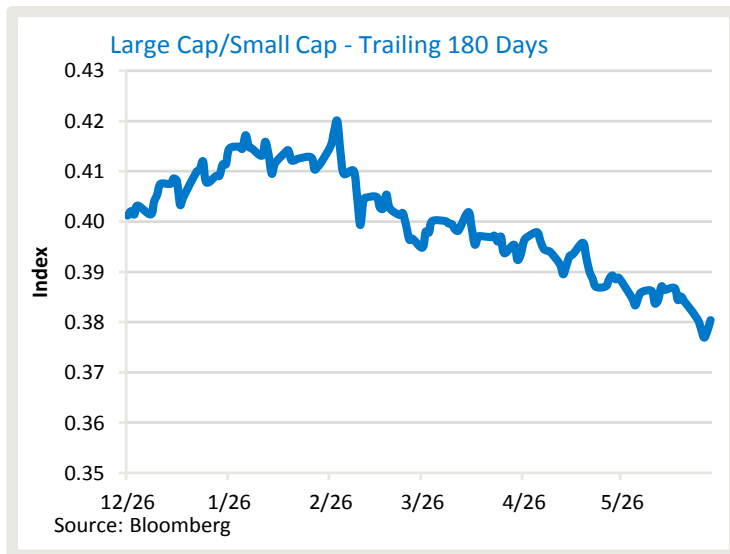
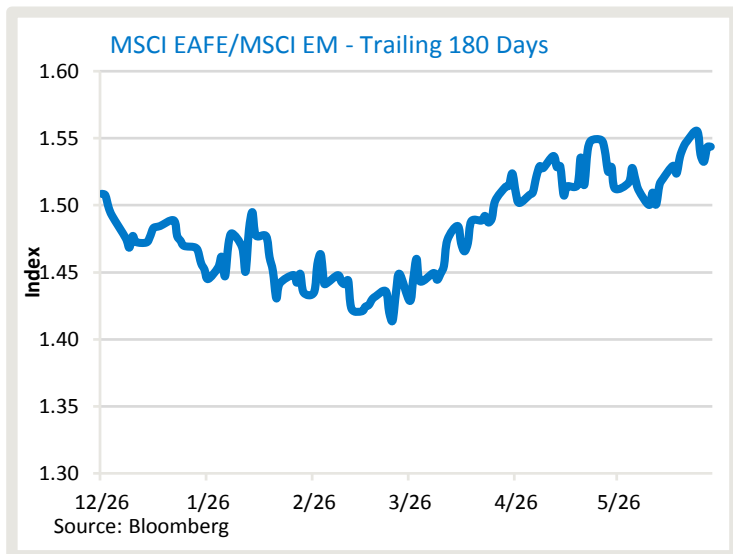
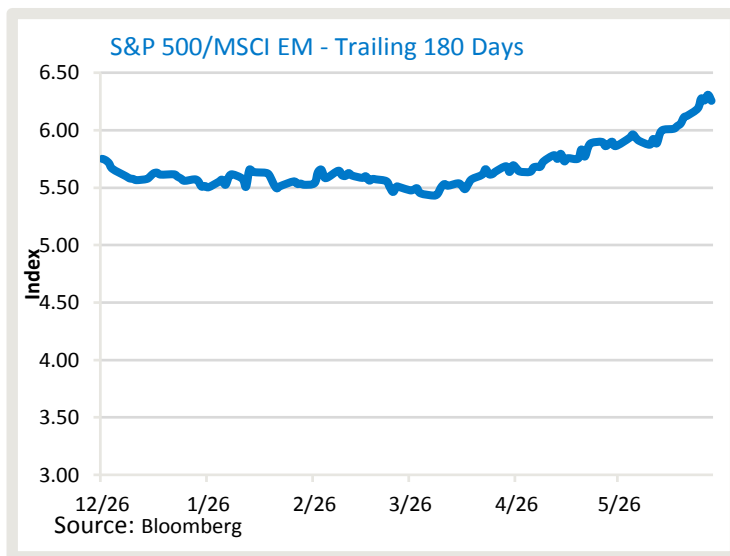
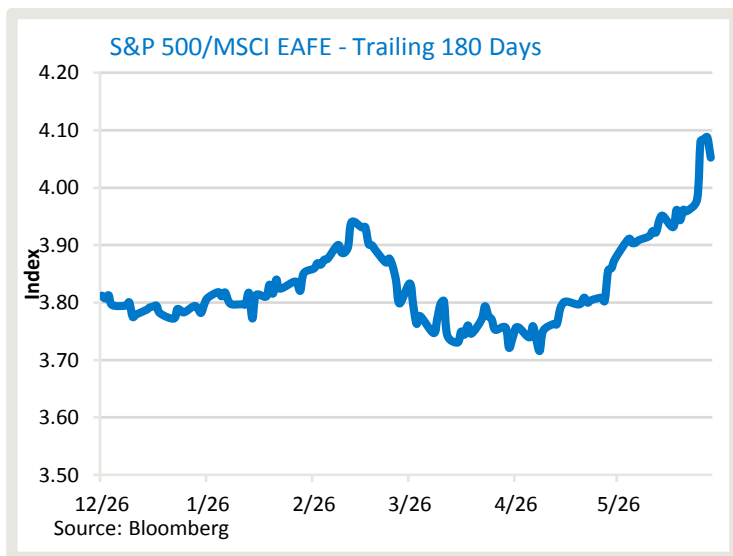
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1269.29	-1.76	-0.14%	-0.49%	HFRX Distressed Index	1034.17	-9.00	-0.86%	-6.55%
HFRX Equity Market Neutral	1008.86	-1.66	-0.16%	0.44%	HFRX Merger Arbitrage Index	1845.09	1.20	0.07%	-0.43%
HFRX Equity Hedge Index	1284.57	-5.54	-0.43%	1.09%	HFRX Convertible Arbitrage Index	801.58	-0.59	-0.07%	0.67%
HFRX Event-Driven Index	1596.38	-2.25	-0.14%	-4.16%	HFRX Macro CTA Index	1140.22	0.20	0.02%	-2.03%
HFRX Absolute Return Index	1073.86	-0.80	-0.07%	1.00%	IQ Fixed Income Beta Arb Index	1486.01	0.09	0.01%	1.06%

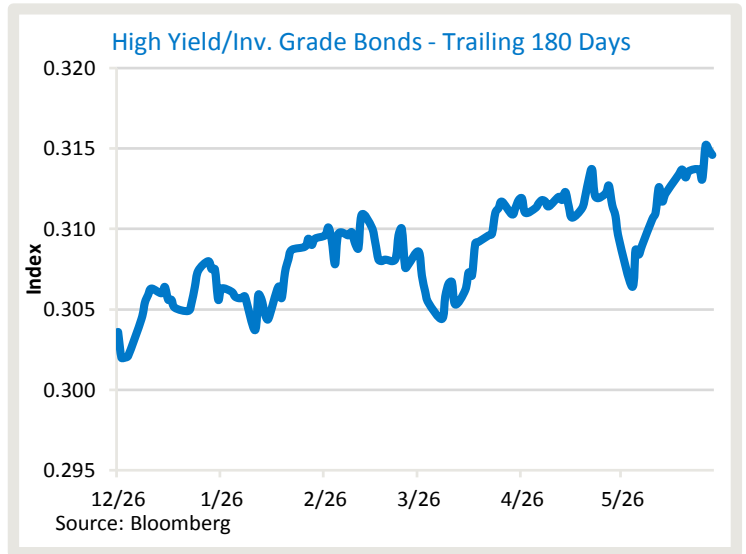
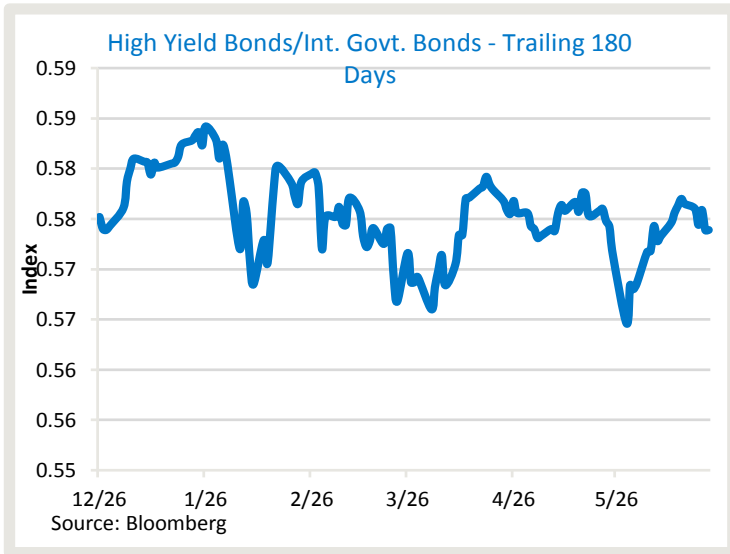
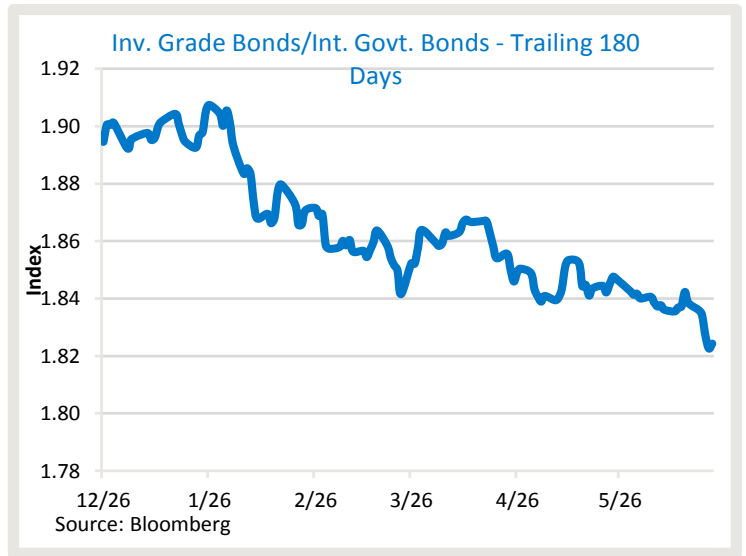
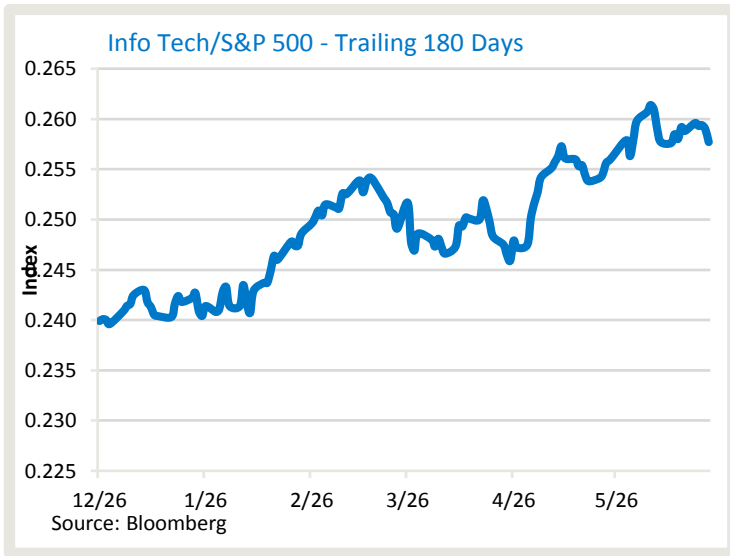
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			4/5	4/12	4/19	4/26	5/3	5/10	5/17	5/24	5/31	6/7	6/14	6/21
Equity	Domestic Equity	Large Cap (R200)	0.89%	0.19%	1.10%	-1.02%	-1.38%	3.69%	-0.14%	0.29%	-0.72%	2.53%	0.35%	-1.24%
		Small Cap (R2000)	0.88%	0.93%	1.06%	-1.01%	-0.73%	3.70%	1.35%	0.18%	0.33%	2.09%	1.02%	0.25%
	Int'l. Equity	MSCI EAFE	0.50%	1.15%	1.32%	-1.35%	-0.47%	0.84%	0.33%	-1.34%	-1.82%	1.76%	-0.29%	-2.54%
		MSCI Em. Mkts.	-0.24%	0.89%	0.62%	-3.36%	-0.57%	1.64%	-1.08%	-0.79%	-1.26%	2.58%	-2.09%	-4.04%
Fixed Income	BarCap Agg. (AGG)	-0.54%	0.09%	-0.45%	-0.41%	-0.06%	0.02%	-0.74%	0.82%	0.54%	-0.53%	-0.06%	0.00%	
	High Yield (JNK)	-0.14%	0.95%	-0.14%	-0.55%	-0.56%	0.39%	-0.36%	0.14%	-0.36%	0.36%	0.59%	-0.31%	
Commodities	Bloomberg Commodity Index	-0.34%	2.20%	0.98%	-0.63%	0.30%	0.98%	-0.27%	1.33%	-0.87%	-0.74%	-0.92%	-3.13%	
Alternatives	Hedge Funds (HFRX Global)	0.18%	0.27%	0.46%	-0.66%	-0.29%	0.63%	0.54%	-0.55%	-0.22%	0.45%	0.09%	-0.37%	
Asset Allocation	60/40*	0.24%	0.45%	0.50%	-0.95%	-0.63%	1.71%	-0.19%	0.16%	-0.35%	1.20%	0.07%	-0.95%	
	48/32/20 (w/Alts.)**	0.22%	0.41%	0.49%	-0.89%	-0.56%	1.49%	-0.04%	0.02%	-0.32%	1.05%	0.07%	-0.83%	

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	0.92	1.14	0.97	0.94	1.02	0.85	0.85	0.87	1.33	1.45	0.87	1.41	1.13	1.06
Large Cap Growth	1.08	1.00	1.23	1.05	1.01	1.10	0.92	0.92	0.94	1.44	1.57	0.95	1.53	1.22	1.15
Large Cap Value	0.88	0.81	1.00	0.85	0.82	0.89	0.75	0.75	0.76	1.17	1.27	0.77	1.24	0.99	0.94
Mid Cap Core	1.03	0.95	1.17	1.00	0.96	1.05	0.88	0.88	0.89	1.37	1.49	0.90	1.45	1.16	1.10
Mid Cap Growth	1.07	0.99	1.22	1.04	1.00	1.09	0.91	0.91	0.93	1.42	1.55	0.93	1.51	1.20	1.14
Mid Cap Value	0.98	0.91	1.12	0.95	0.92	1.00	0.84	0.84	0.85	1.31	1.42	0.86	1.39	1.11	1.05
Small Cap Core	1.17	1.08	1.34	1.14	1.10	1.19	1.00	1.00	1.02	1.56	1.70	1.03	1.66	1.32	1.25
Small Cap Growth	1.18	1.09	1.34	1.14	1.10	1.19	1.00	1.00	1.02	1.56	1.70	1.03	1.66	1.32	1.25
Small Cap Value	1.16	1.07	1.31	1.12	1.08	1.17	0.98	0.98	1.00	1.54	1.67	1.01	1.63	1.30	1.23
Int'l. Developed	0.75	0.69	0.86	0.73	0.70	0.76	0.64	0.64	0.65	1.00	1.09	0.66	1.06	0.85	0.80
Emerging Markets	0.69	0.64	0.79	0.67	0.65	0.70	0.59	0.59	0.60	0.92	1.00	0.60	0.98	0.78	0.74
REITs	1.14	1.06	1.30	1.11	1.07	1.16	0.97	0.97	0.99	1.52	1.65	1.00	1.61	1.29	1.22
Commodities	0.71	0.65	0.81	0.69	0.66	0.72	0.60	0.60	0.61	0.94	1.03	0.62	1.00	0.80	0.76
Int. Bond	0.89	0.82	1.01	0.86	0.83	0.90	0.76	0.76	0.77	1.18	1.28	0.78	1.25	1.00	0.95
High Yield	0.94	0.87	1.07	0.91	0.88	0.95	0.80	0.80	0.81	1.25	1.36	0.82	1.32	1.06	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 **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 **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 HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI 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 **JP Morgan EMBI Global Index** tracks total returns for US dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities.

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