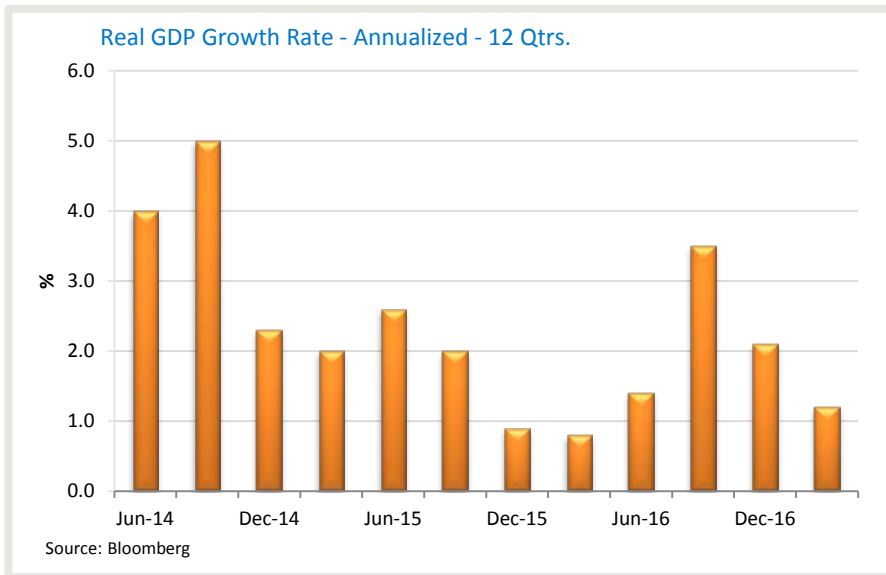


Weekly Market Review

June 23, 2017

Chart of the Week



Weekly Highlights

- **Jobless claims remain consistently low.** Initial claims for the week ended June 17 came in at 241,000, right in line with the consensus opinion. Although continuing claims rose marginally by 8,000 to 1.944 million, jobless claims are still historically low.
- **The Fed balance sheet stabilized.** After increasing \$13.8 billion a week ago, the weekly change in total assets decreased by \$2.0 billion, and centered on mortgage-backed securities. The level of total assets posted on June 22 was \$4.474 trillion.
- **Natural gas inventories rose.** The U.S. Energy Information Association (EIA) Natural Gas Report released on June 22 cited that storage rose 61 billion cubic feet (bcf) to 2,770 bcf. This continues the upward trend as the weather gets warmer and demand slows. Historically, natural gas inventories are 8.1% above their 5-year average and are coming in above analyst expectations

Talking Points

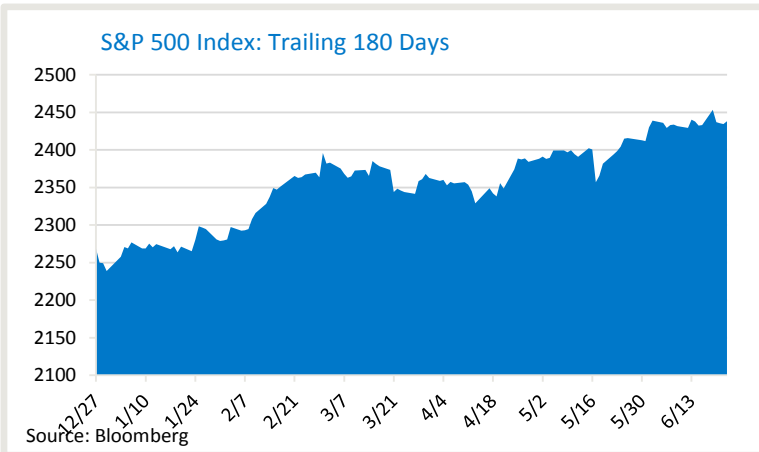
- **US equity markets rose slightly** during an up-and-down week, with growth leading the charge over value. Smaller cap names also outperformed.
- **The Treasury yield curve flattened marginally.** Yields on US Treasury notes and bonds across the majority of the maturity spectrum fell through Thursday.
- **Commodities struggled during the week**, with the Bloomberg Commodity Index falling each day. Crude oil prices were down nearly 5% through Thursday, while grains dropped nearly 4%.
- **The US Dollar remained relatively flat** through Thursday against a basket of major trading partners' currencies, as the week's early rise was negated by a dip later in the week.
- **In other economic news:** The Federal Housing Finance Agency's (FHFA) house price index rose 0.7% in April, a 3-year high in year-over-year price rises. The Bloomberg Consumer Comfort Index dipped slightly from 50.0 to 49.4, but remains a strong indicator for employment.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,438.30	5.15	0.21%	8.9%
Dow Industrials	21,394.76	10.48	0.05%	8.3%
Nasdaq	6,265.25	113.49	1.84%	16.4%
Russell 2000	1,414.78	8.05	0.57%	4.2%
Euro Stoxx Index	387.62	-0.98	-0.25%	7.2%
Shanghai Composite	3,157.87	34.71	1.11%	1.7%
Russell Global	1,943.58	-1.04	-0.05%	10.3%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,180.58	12.05	0.38%	16.5%
10-Year US Treas.	2.14	-1 bps	NM	NM
DJ UBS Comm. Idx.	79.64	-1.63	-2.01%	-9.0%
Gold	\$1,256.69	\$2.28	0.18%	9.5%
Crude Oil	\$43.09	-\$1.86	-4.14%	-24.2%
Dollar Index	97.27	0.10	0.11%	-4.8%
VIX Index	10.02	-0.36	-3.47%	-28.6%



	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.70%	0.35%	1.27%	2.82%	9.44%	15.87%
	-0.69%	-0.07%	0.66%	3.64%	7.32%	11.97%
S	-0.81%	0.57%	1.99%	-1.26%	4.25%	10.39%

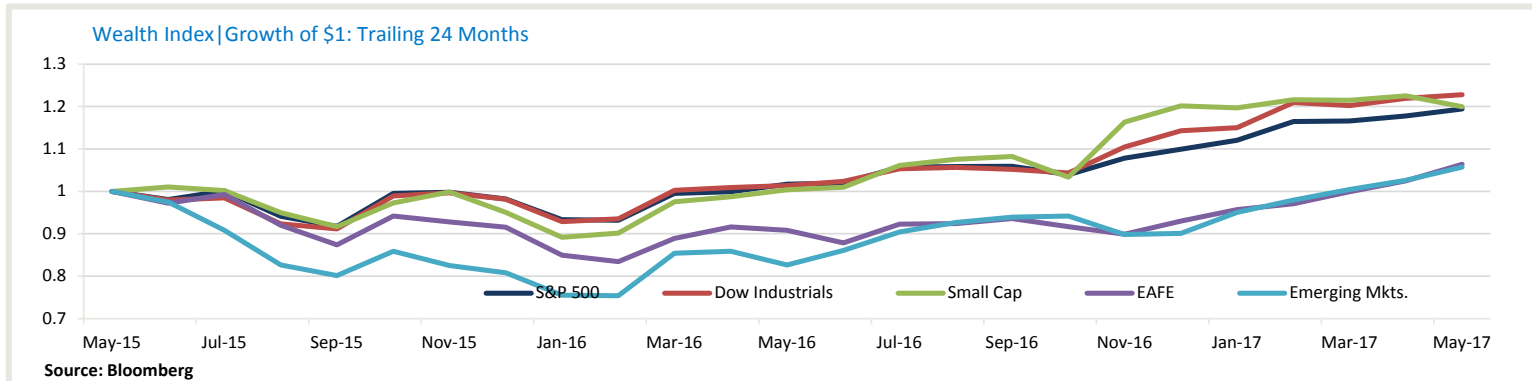
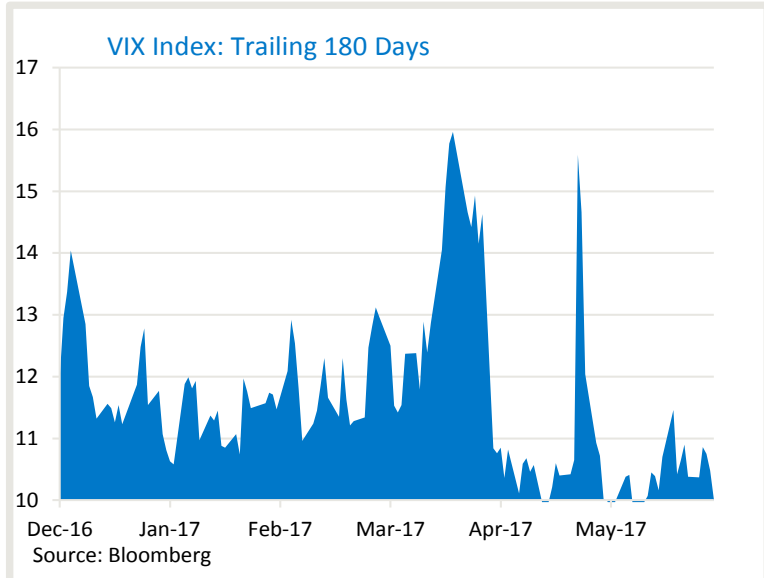
Source: Bloomberg

Sector Performance:

S&P/Global Industry Classification Sectors (GICS)

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.2	-0.62%	10.1%
Consumer Staples	9.1	-0.88%	7.7%
Energy	5.9	-2.89%	14.4%
Financials	14.0	-1.71%	2.6%
Health Care	14.6	3.65%	16.9%
Industrials	10.2	-1.07%	8.4%
Information Technology	22.8	2.27%	19.8%
Materials	2.8	-0.33%	8.3%
Real Estate	2.9	0.15%	5.7%
Telecom Services	2.2	-2.72%	11.8%
Utilities	3.2	-1.75%	9.4%

Source: Bloomberg



The Economy and Markets

A Macro View – Midstream is still Mainstream

Envestnet | PMC had an asset manager in our Denver offices this week to provide an overview of the energy and Master Limited Partnerships (MLPs) landscape. Towards the end of the meeting they had a question for PMC: “What are your clients asking you about MLPs?”

As one of the only client-facing representatives in the room, all eyes turned to me. “Honestly, I can’t remember the last time a client reached out to discuss the MLP space,” was all I could offer.

Although it may not have been the answer they were hoping to hear, it did spark an interesting follow-up discussion. Why aren’t clients asking about MLPs, and what potentially could cause that to change?

There was a time when MLPs were a drop in the bucket. As recently as the mid-1990s, the market cap of the entire MLP universe was a mere \$7 billion¹. Times have changed. Today, MLPs represent roughly \$400 billion in total market capitalization, accounting for roughly 1.5% of the entire US equity market¹.

Interestingly, this is not exactly a new phenomenon, and it is probably not a secret to most industry professionals. It was not too long ago that MLPs were the talk of the town. In 2014 and 2015 there were 26 MLPs that held their initial public offering (IPO)¹ – a monumental leap, considering that there are 108 MLPs out there today². During that time, if I were asked the same question I was asked during this week’s meeting, I would have had a long list of conversations with clients to pull from.

Unfortunately for MLP investors, the asset class took a sharp dive in 2015, to the tune of -32.59%, according to the Alerian MLP Index, and IPO activity slowed significantly the following year (despite an 18.31% recovery). MLPs haven’t made many headlines since, and seem to have fallen off the radar for many retail investors.

Some of the concerns surrounding MLPs are not unreasonable. If investors take a long-term viewpoint, they see an oil and natural gas industry that is likely to be replaced—to some extent—by alternative energy sources. Despite the US’s withdrawal from the Paris Climate Accord, we are seeing an active global push to combat global warming and the burning of fossil fuels. If those high-level ideals come to fruition, and the demand for fossil fuels slows, so will their transportation, processing, and storage – the key businesses that MLPs comprise.

However, in the short term (at the very least), MLPs remain an attractive asset class in many ways. Over the past 15 years (ending December 31, 2016), MLPs have significantly outpaced the broad US equity market on an absolute basis, with only marginally higher volatility¹. They also provide diversification benefits—exhibiting low correlations to the broad US stock market, the energy sector, commodities, and crude oil prices. The results are hard to ignore.

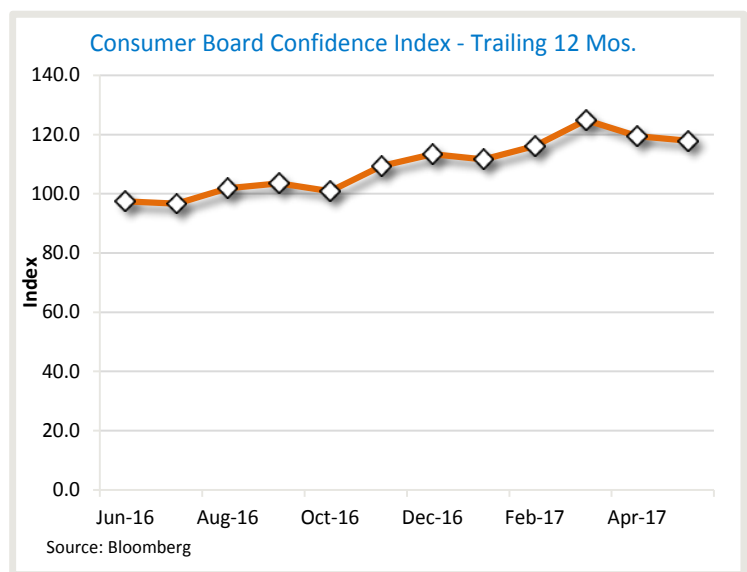
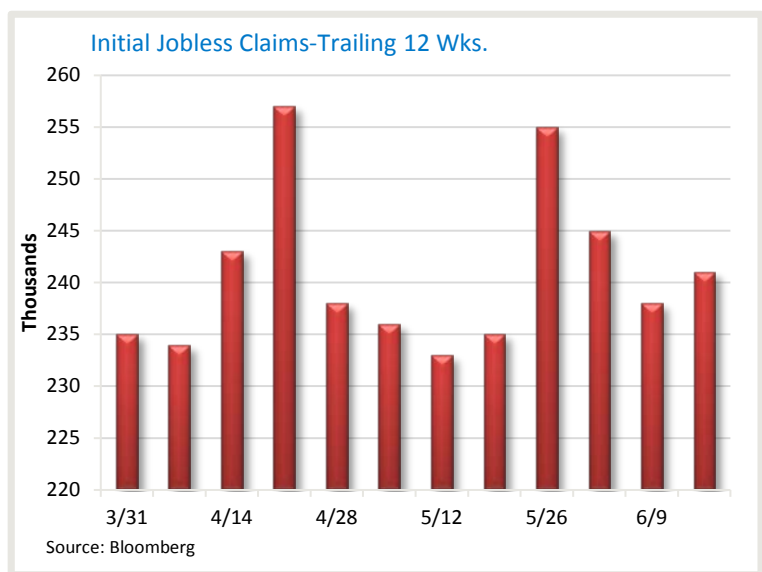
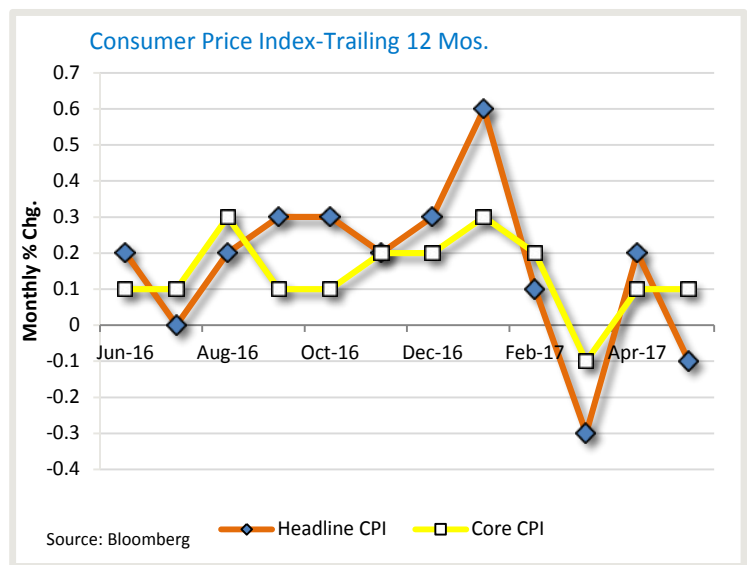
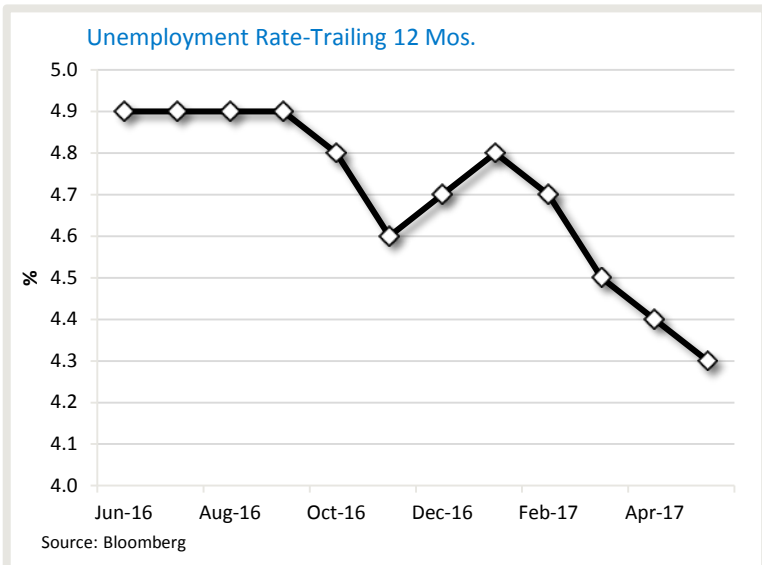
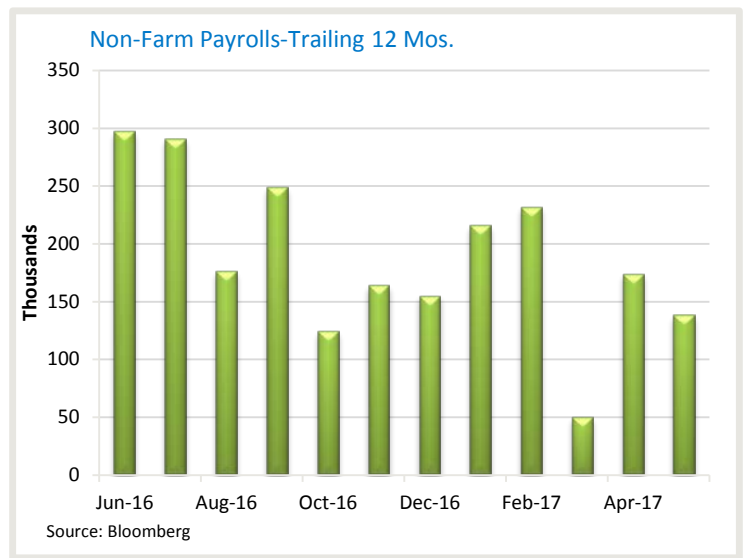
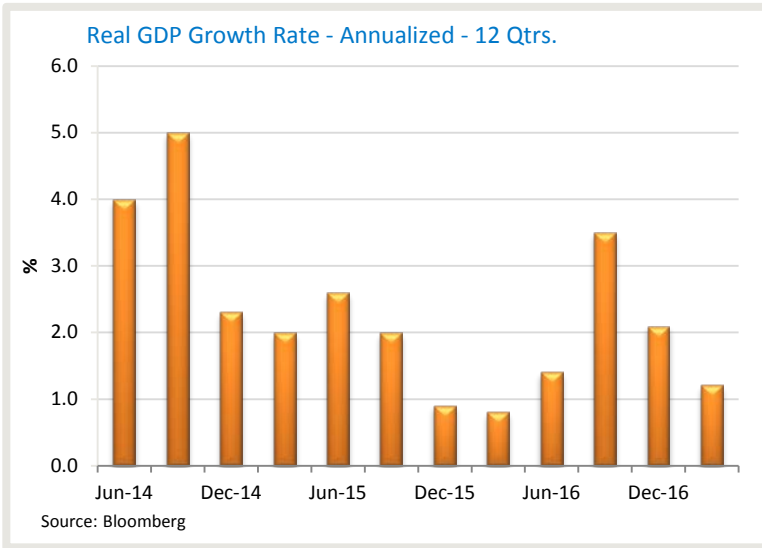
Regardless of your view on the current fundamentals or the long-term outlook for MLPs, it is important to keep MLPs in mind when building portfolios. These midstream players are still mainstream within the global capital markets and should be treated as such.

Tanner Howard, CFA
AVP, Institutional Consultant

¹ Alerian, [Figures and Tables](#), Data as of December 30, 2016

² Alerian, List of MLPs, Data as of June 21, 2017

Economic Data



Eurozone

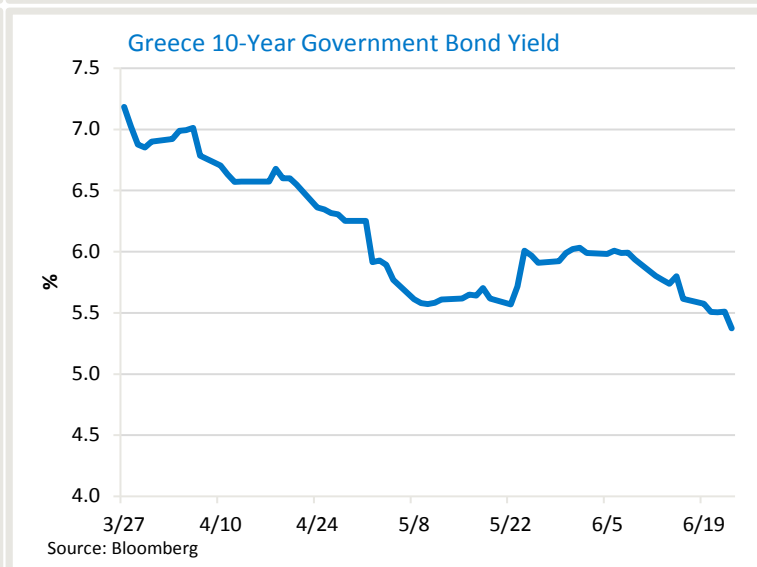
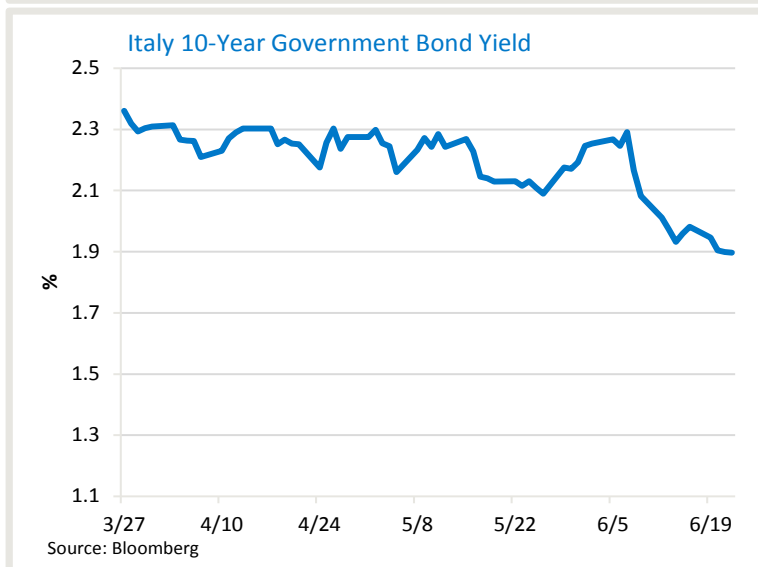
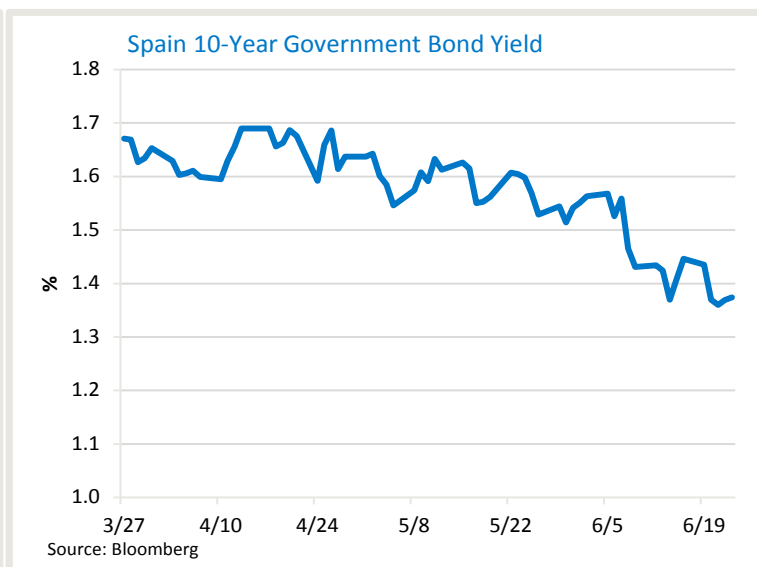
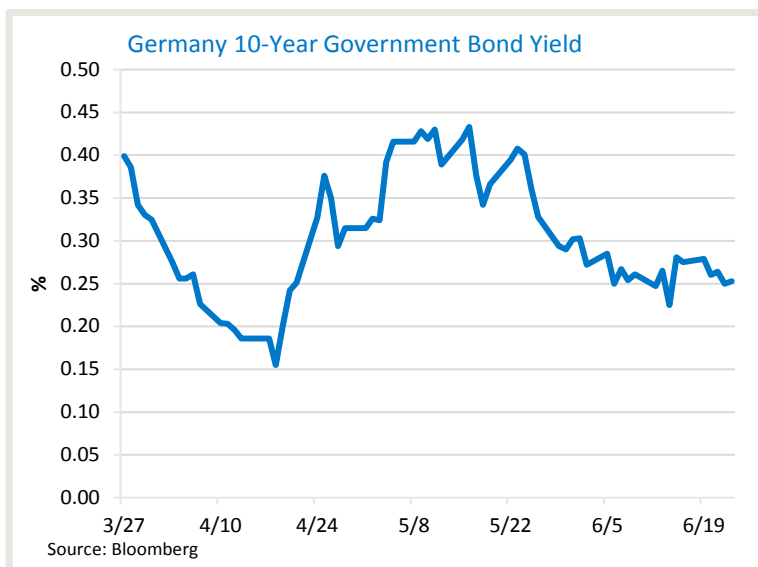
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.25	2 bps	NM	NM
Greece 10-Yr. Govt.	5.37	17 bps	NM	NM
Italy 10-Yr. Govt.	1.91	6 bps	NM	NM
Spain 10-Yr. Govt.	1.37	7 bps	NM	NM
Belgium 10-Yr. Govt.	0.59	1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.60	2 bps	NM	NM
Ireland 10-Yr. Govt.	0.63	4 bps	NM	NM
Portugal 10-Yr. Govt.	2.89	0 bps	NM	NM
Netherlands 10-Yr. Govt.	0.45	3 bps	NM	NM
U.K. 10-Yr. Govt.	1.03	-2 bps	NM	NM

Source: Bloomberg

Basis points (bps)

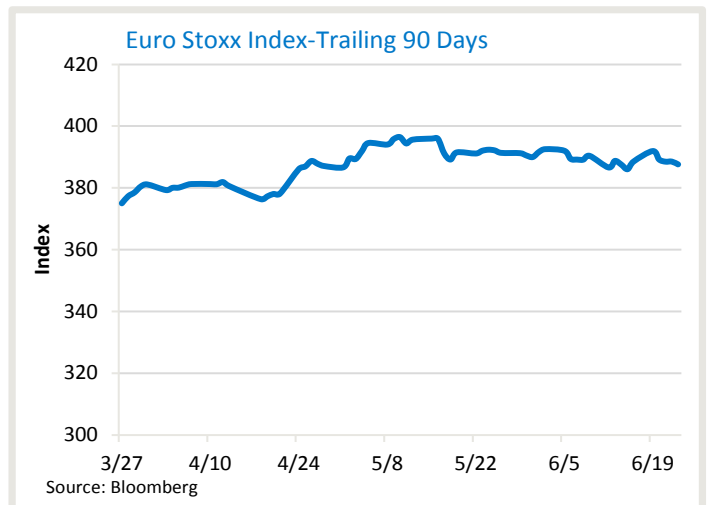
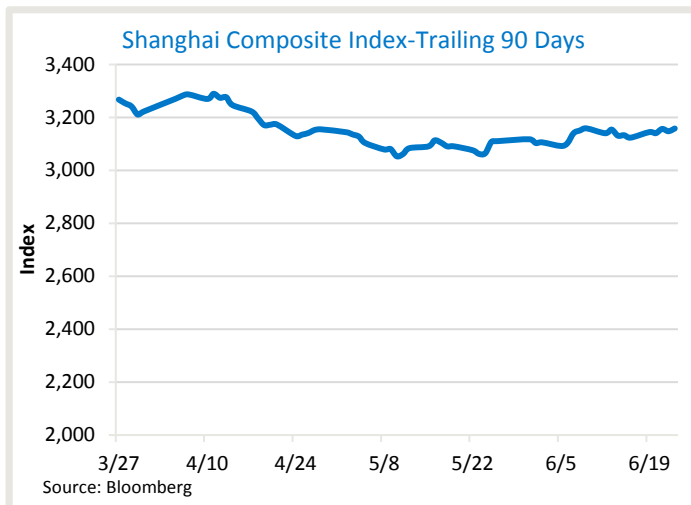
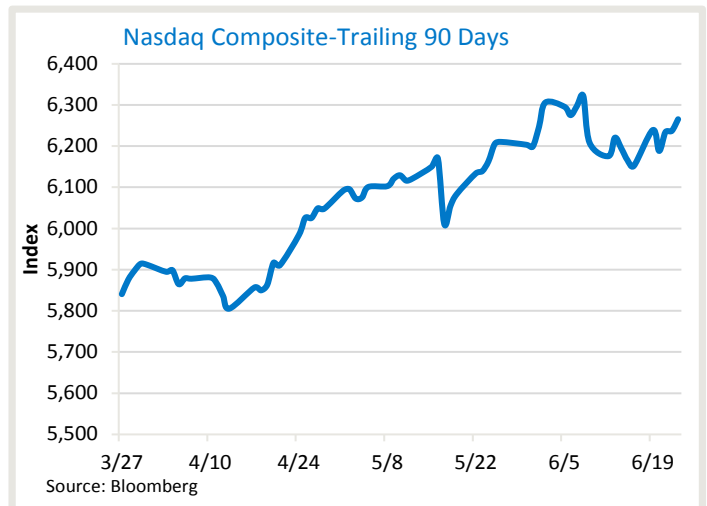
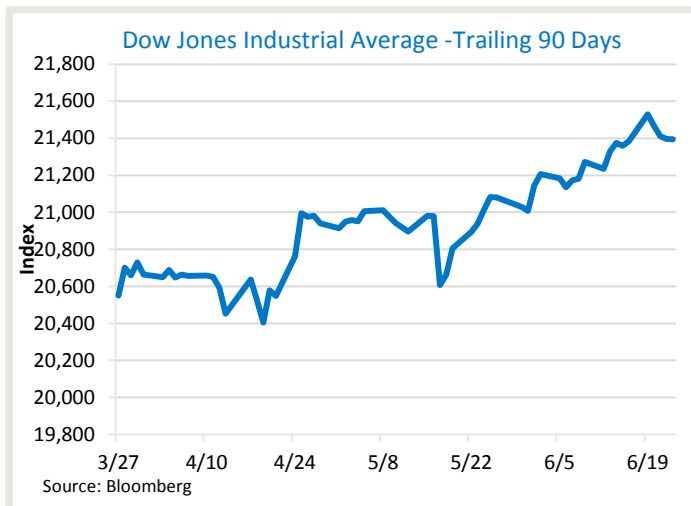


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,438.30	5.15	0.21%	8.91%	Swiss Market Index	9,032.89	69.60	0.78%	9.89%
Dow Industrials	21,394.76	10.48	0.05%	8.26%	CAC 40 Index (France)	5,266.12	2.81	0.05%	8.30%
Nasdaq Composite	6,265.25	113.49	1.84%	16.39%	DAX Index (Germany)	12,733.41	-19.32	-0.15%	10.91%
Russell Global	1,943.58	-1.04	-0.05%	10.3%	Irish Overall Index	6,995.57	-20.98	-0.30%	7.34%
Russell Global EM	3,180.58	12.05	0.38%	16.5%	Nikkei 225	20,132.67	189.41	0.95%	5.33%
S&P/TSX (Canada)	15,319.56	127.02	0.84%	0.21%	Hang Seng Index	25,670.05	43.56	0.17%	16.68%
Mexico IPC	48,980.78	-240.25	-0.49%	7.31%	Shanghai Composite	3,157.87	34.71	1.11%	1.75%
Brazil Bovespa	61,087.14	-539.27	-0.88%	1.43%	Kospi Index (S. Korea)	2,378.60	16.77	0.71%	17.38%
Euro Stoxx 600	387.62	-0.98	-0.25%	7.25%	Taiwan Taiex Index	10,377.70	220.97	2.18%	12.15%
FTSE 100	7,424.13	-39.41	-0.53%	3.94%	Tel Aviv 25 Index	1,438.22	14.60	1.03%	-2.21%
IBEX 35 (Spain)	10,630.80	-128.60	-1.20%	13.67%	MICEX Index (Russia)	1,867.46	44.55	2.44%	-16.36%

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



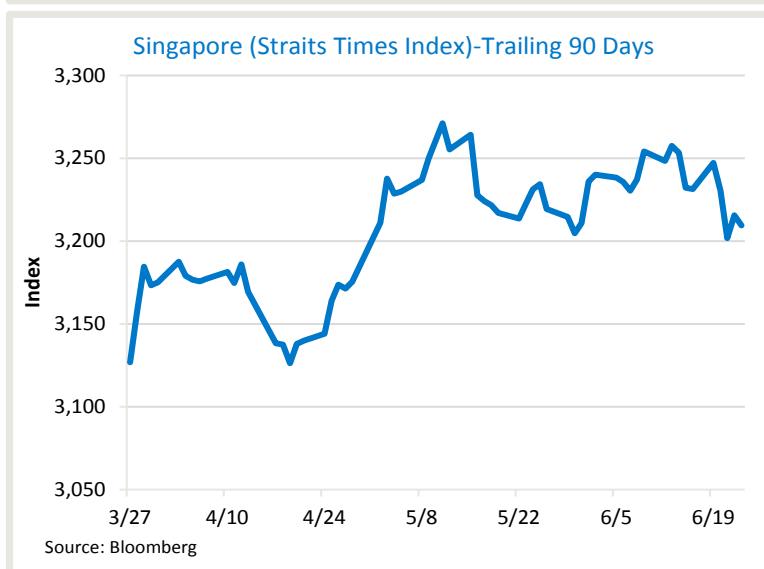
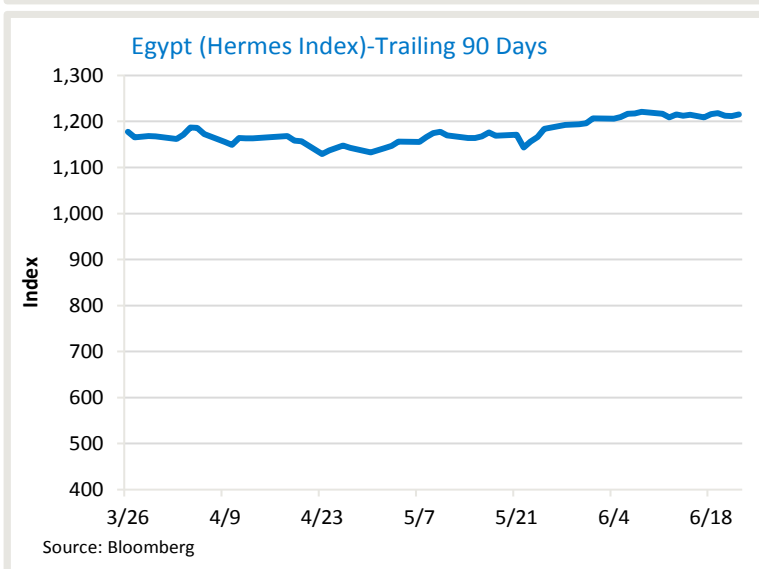
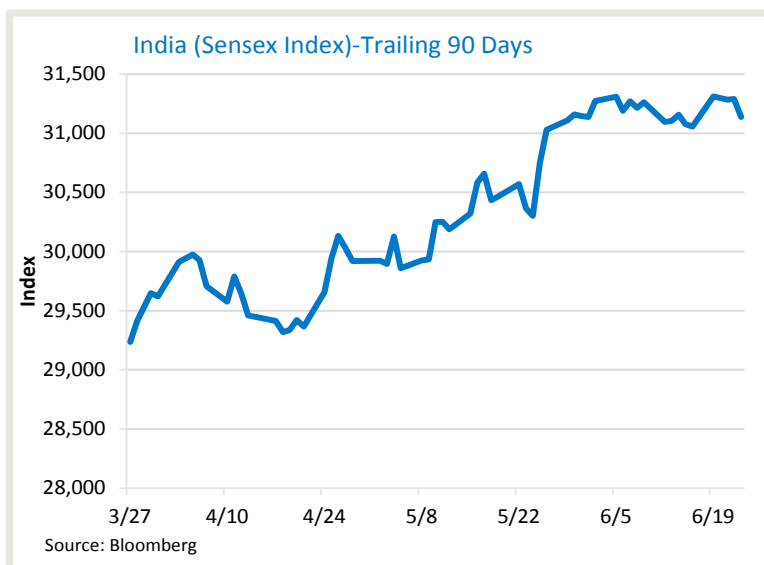
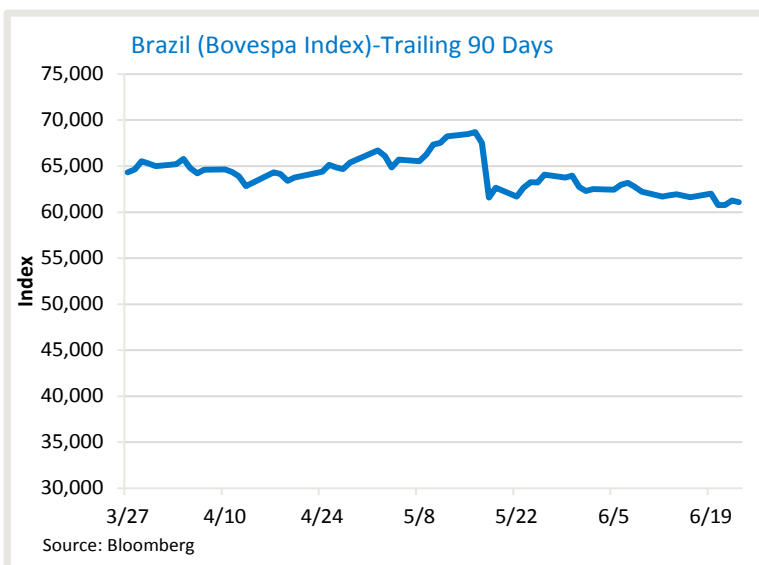
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	48,980.78	-240.25	-0.5%	7.3%
Brazil (Bovespa Index)	61,087.14	-539.27	-0.9%	1.4%
MICEX Index (Russia)	1,867.46	44.55	2.4%	-16.4%
Czech Republic (Prague)	980.68	-10.09	-1.0%	6.4%
Turkey (Istanbul)	99,638.65	1446.10	1.5%	27.5%
Egypt (Hermes Index)	1,215.35	1.07	0.1%	11.6%
Kenya (Nairobi 20 Index)	3,623.83	82.48	2.3%	13.7%
Saudi Arabia (TASI Index)	7,425.72	604.91	8.9%	3.0%
Lebanon (Beirut BLOM Index)	1,155.92	-13.56	-1.2%	-4.6%
Palestine	543.55	9.16	1.7%	2.5%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	25,670.05	43.56	0.2%	16.7%
India (Sensex 30)	31,138.21	81.81	0.3%	16.9%
Malaysia (KLCI Index)	1,779.45	-11.86	-0.7%	8.4%
Singapore (Straits Times Index)	3,209.47	-21.97	-0.7%	11.4%
Thailand (SET Index)	1,582.36	5.78	0.4%	2.6%
Indonesia (Jakarta)	5,829.71	53.42	0.9%	10.1%
Pakistan (Karachi KSE 100)	46,332.31	-526.25	-1.1%	-3.1%
Vietnam (Ho Chi Minh)	769.01	7.77	1.0%	15.7%
Sri Lanka (Colombo)	6,715.33	-3.50	-0.1%	7.8%
Cambodia (Laos)	1,020.85	10.19	1.0%	0.6%

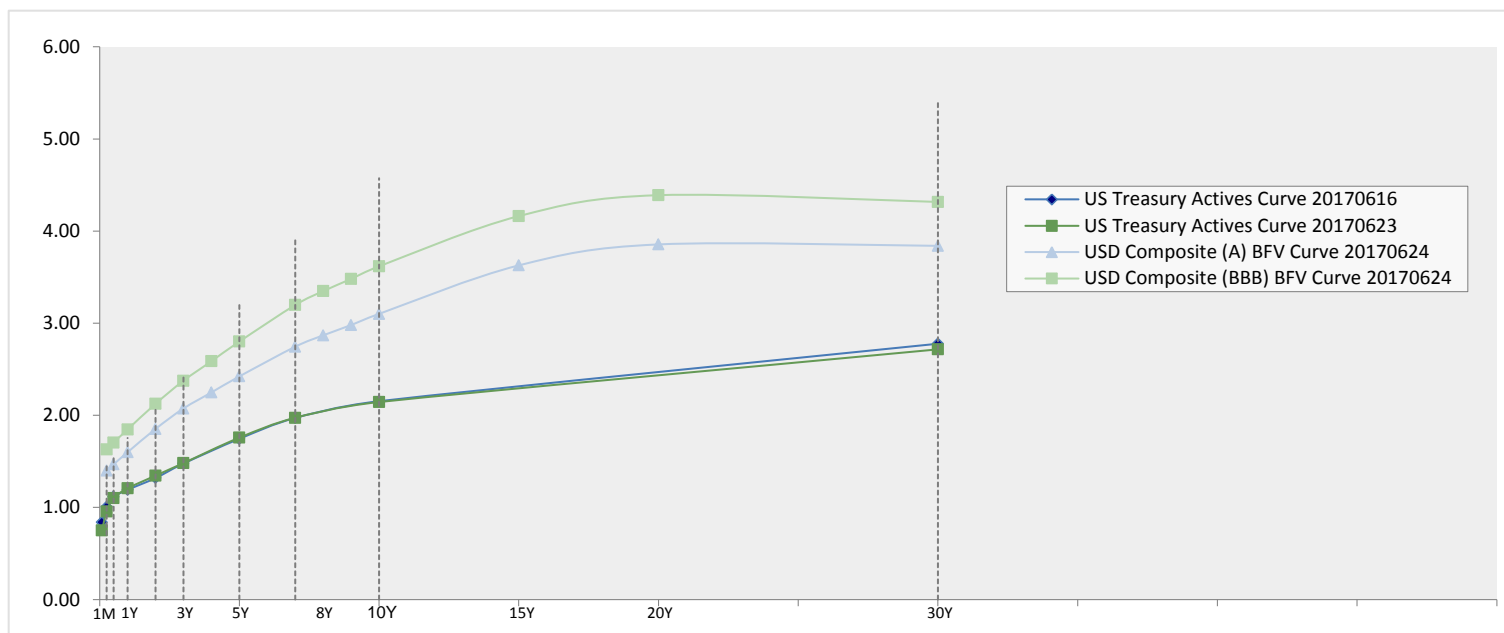


Interest Rates

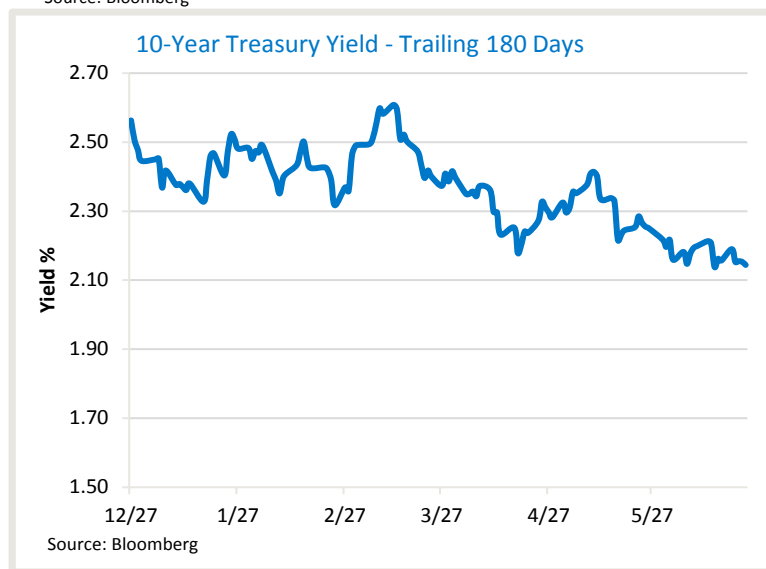
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.34%	0 bps	NM	NM	Prime Rate	4.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.76%	1 bps	NM	NM	Fed Funds Rate	1.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.14%	-1 bps	NM	NM	Discount Rate	1.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.71%	-7 bps	NM	NM	LIBOR (3 Mo.)	1.30%	2 bps	NM	NM
German 10-Yr. Govt.	0.25%	2 bps	NM	NM	Bond Buyer 40 Muni	3.56%	-1 bps	NM	NM
France 10-Yr.	0.60%	2 bps	NM	NM	Bond Buyer 40 G.O.	3.53%	NA	NM	NM
Italy 10-Yr.	1.91%	6 bps	NM	NM	Bond Buyer 40 Rev.	3.70%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.71%	-10 bps	NM	NM					

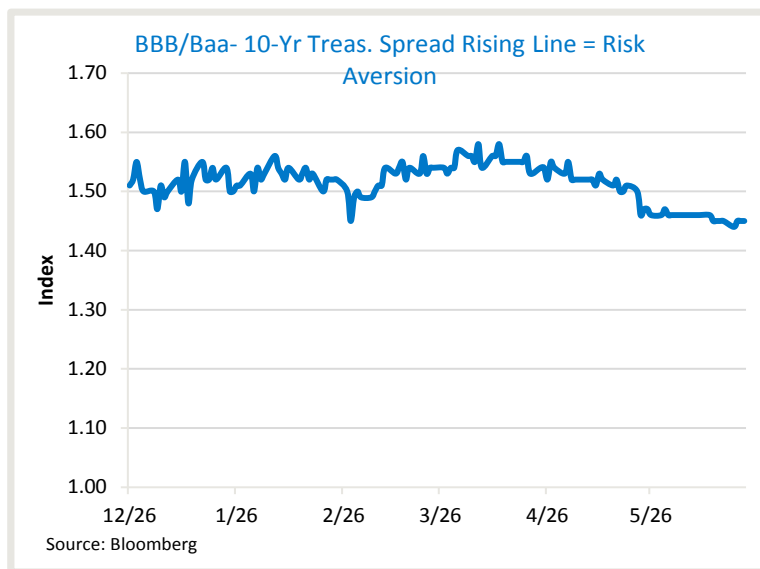
Source: Bloomberg



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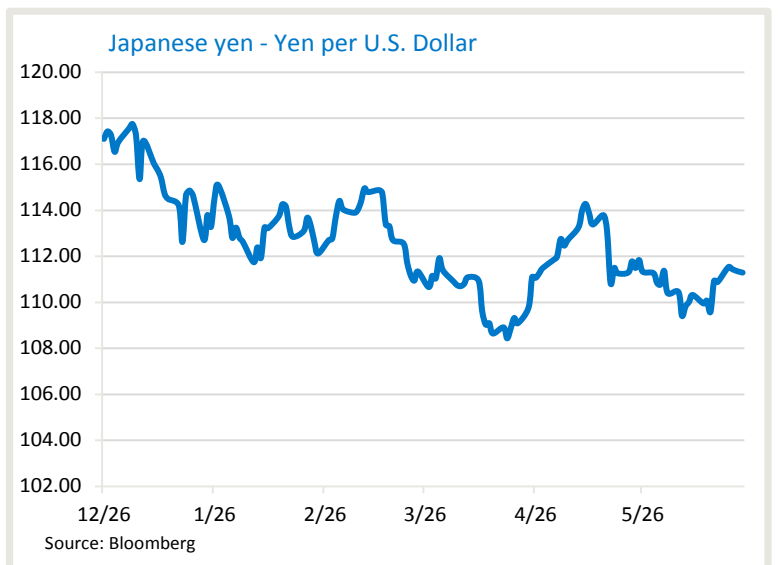
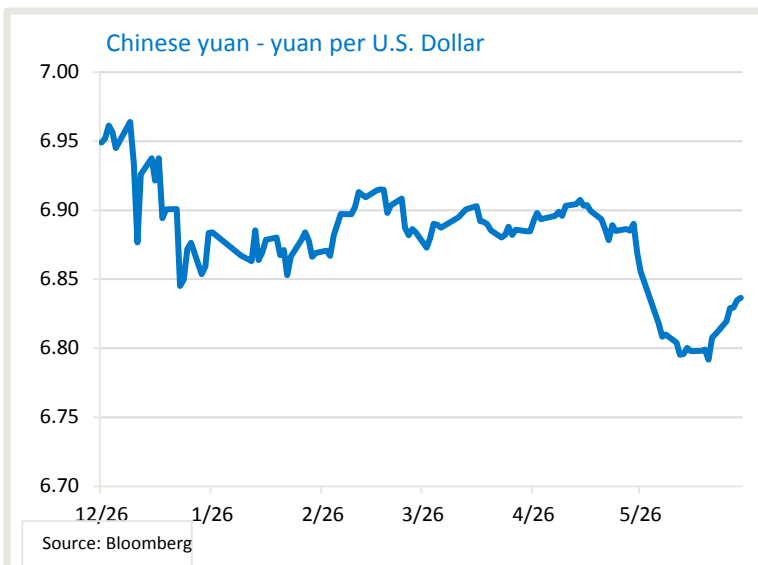
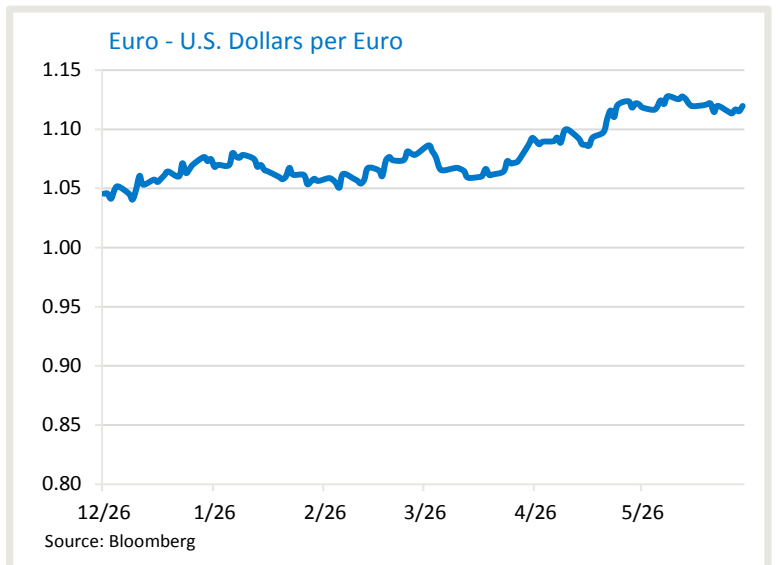
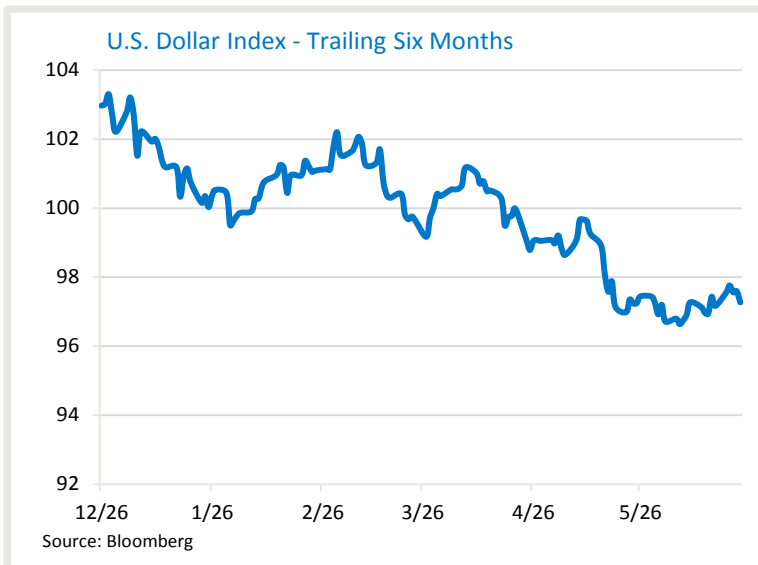
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.27	0.104	0.11%	-4.84%
Euro	1.12	0.000	-0.01%	6.47%
Japanese Yen	111.29	0.410	-0.37%	5.09%
British Pound	1.27	-0.006	-0.48%	3.10%
Canadian Dollar	1.33	0.005	-0.40%	1.32%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.84	0.026	-0.38%	1.59%
Swiss Franc	0.97	-0.004	0.42%	5.14%
New Zealand Dollar	0.73	0.003	0.37%	5.00%
Brazilian Real	3.34	0.048	-1.44%	-2.73%
Mexican Peso	18.00	0.085	-0.47%	15.17%

Source: Bloomberg



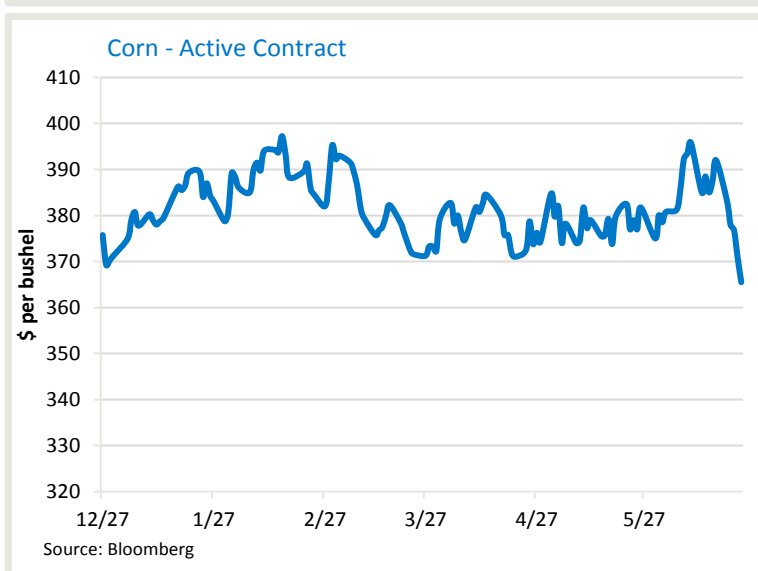
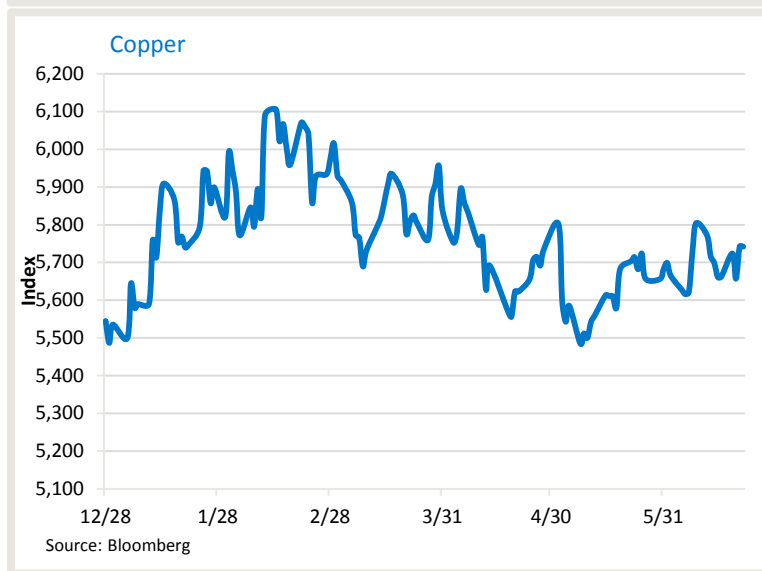
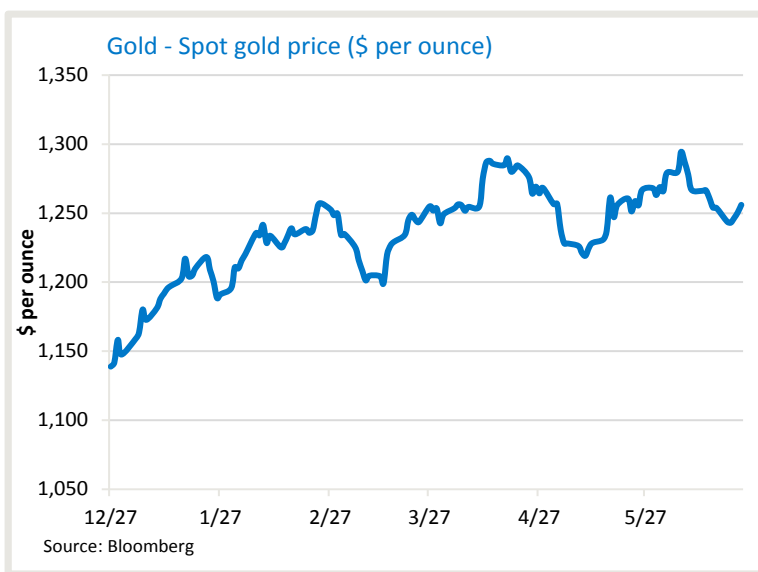
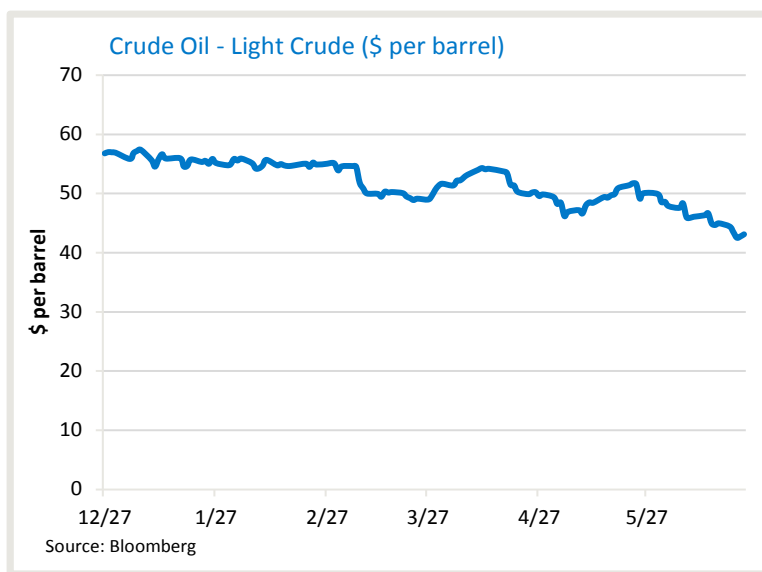
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	79.64	-1.63	-2.01%	-9.00%
Crude Oil	\$43.10	-\$1.86	-4.14%	-24.24%
Natural Gas	\$2.92	-\$0.11	-3.65%	-18.40%
Gasoline (\$/Gal.)	\$2.28	-\$0.03	-1.09%	-2.57%
Heating Oil	137.71	-5.10	-3.57%	-21.72%
Gold Spot	\$1,256.53	\$2.28	0.18%	9.46%
Silver Spot	\$16.72	\$0.02	0.10%	4.97%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$929.29	-\$0.62	-0.07%	2.90%
Corn	365.50	-26.50	-6.76%	-1.55%
Wheat	473.50	-8.00	-1.66%	5.75%
Soybeans	911.00	-39.00	-4.11%	-7.91%
Sugar	13.17	-0.46	-3.37%	-29.38%
Orange Juice	132.25	-6.00	-4.34%	-29.77%
Aluminum	1,870.00	3.00	0.16%	10.45%
Copper	5,742.00	79.00	1.40%	3.73%

Source: Bloomberg; % change is based on price.

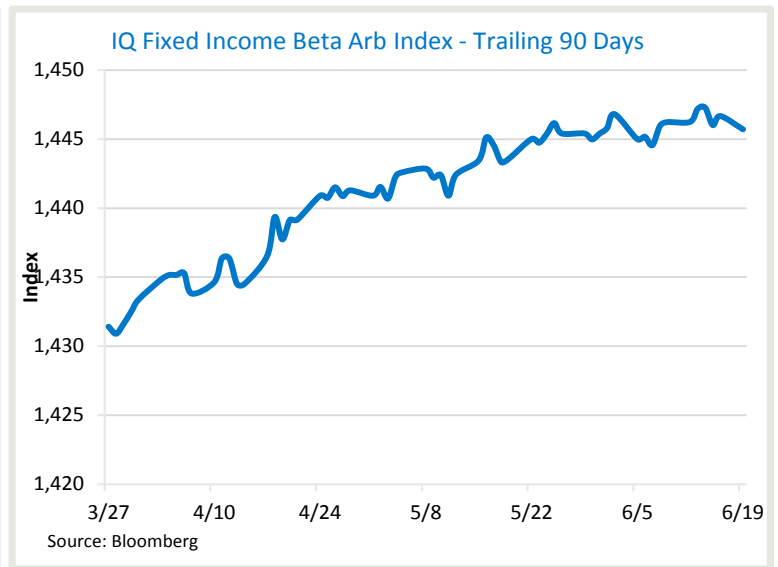
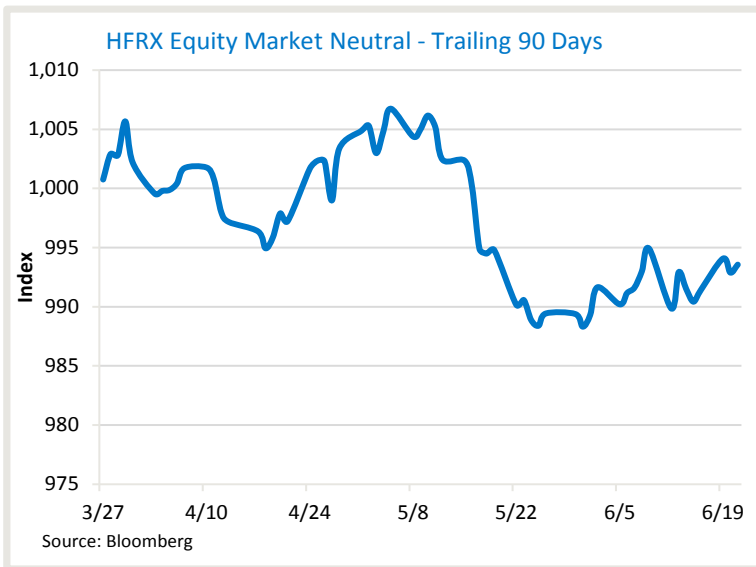
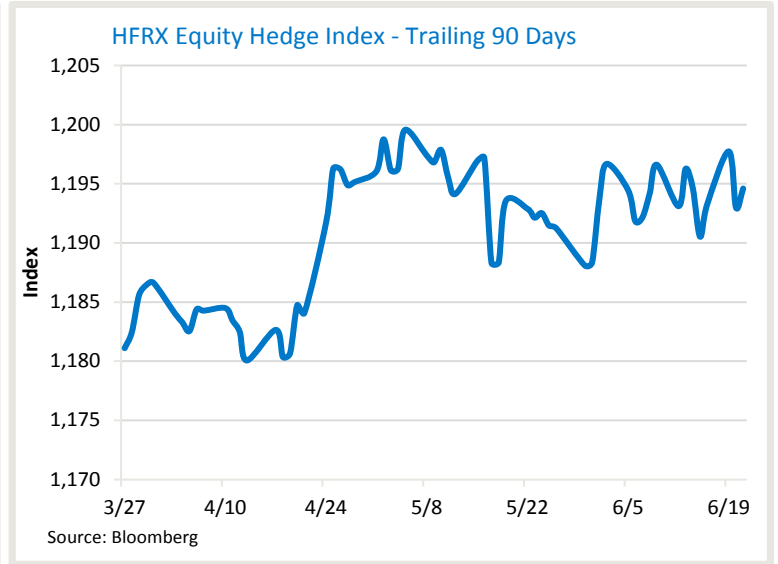
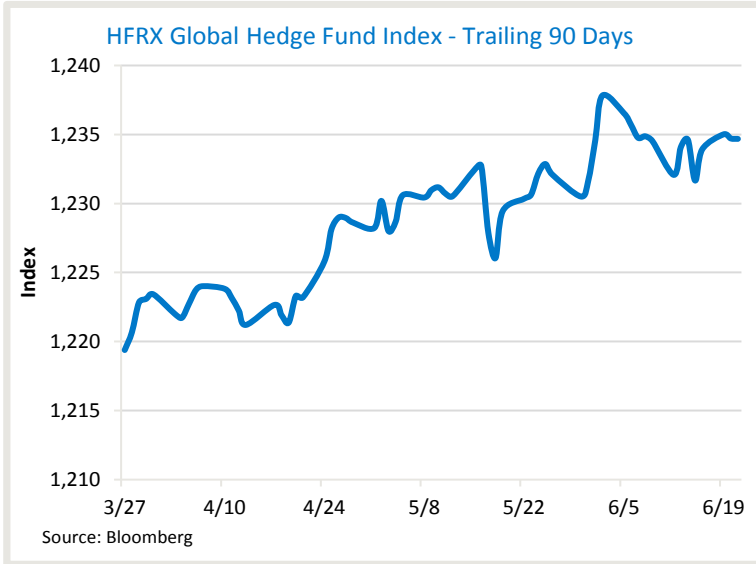


Alternative Investments

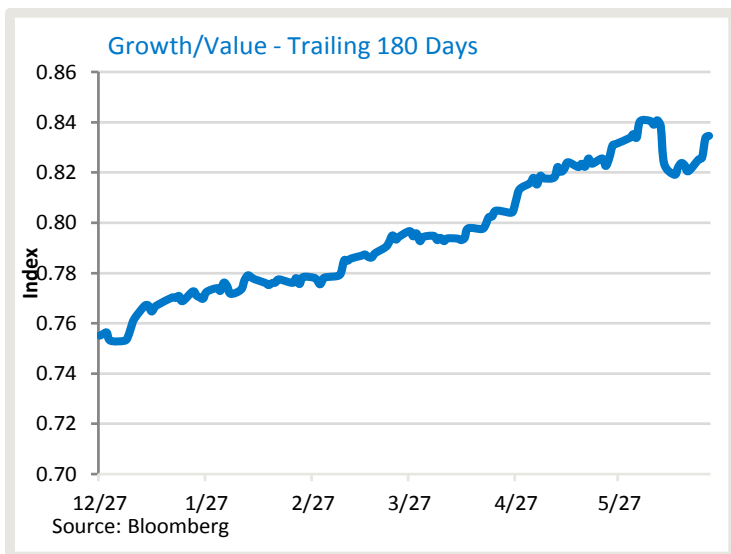
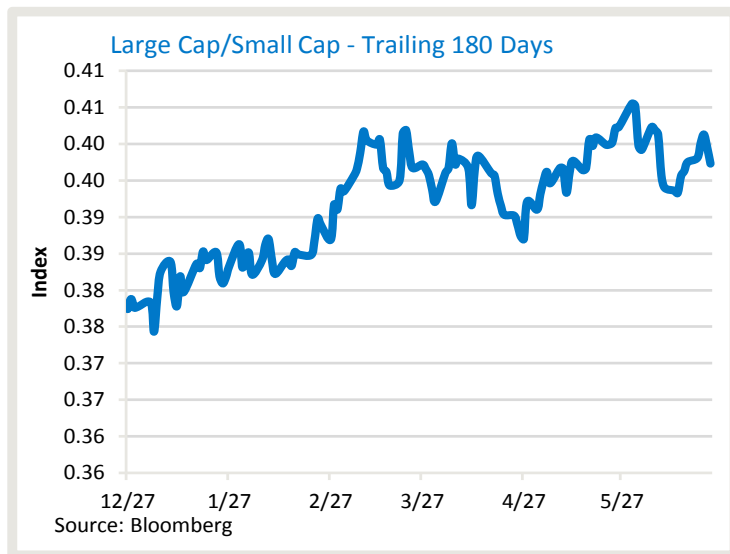
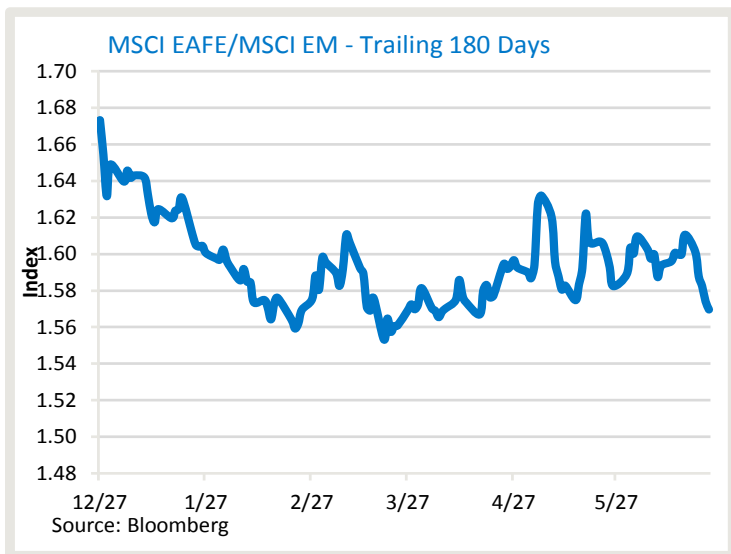
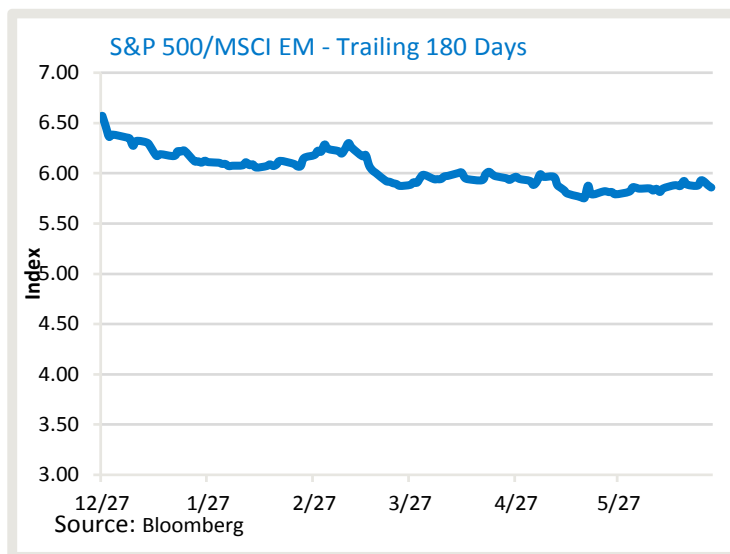
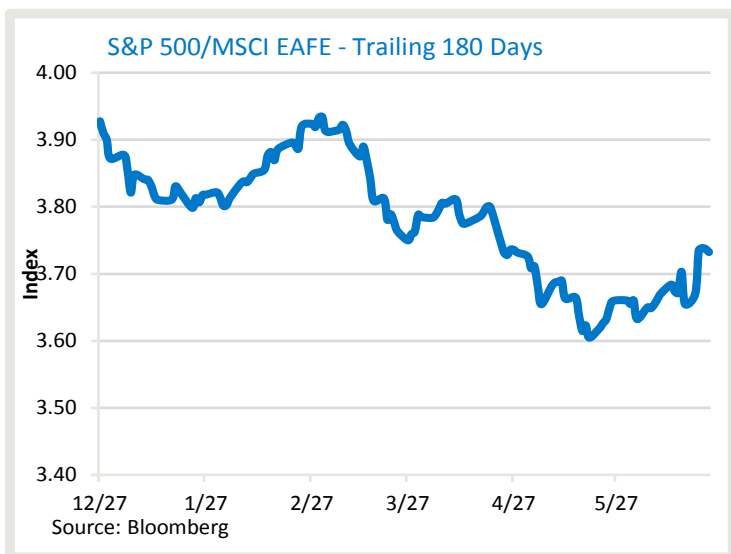
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1235.63	1.71	0.14%	2.67%	HFRX Distressed Index	1092.59	-0.11	-0.01%	1.82%
HFRX Equity Market Neutral	992.54	1.13	0.11%	0.53%	HFRX Merger Arbitrage Index	1836.15	-1.62	-0.09%	1.30%
HFRX Equity Hedge Index	1194.95	1.69	0.14%	3.42%	HFRX Convertible Arbitrage Index	769.93	-0.75	-0.10%	3.68%
HFRX Event-Driven Index	1635.38	-1.41	-0.09%	4.54%	HFRX Macro CTA Index	1144.89	7.87	0.69%	0.84%
HFRX Absolute Return Index	1041.34	-0.34	-0.03%	1.25%	IQ Fixed Income Beta Arb Index	1442.86	-3.81	-0.26%	1.61%

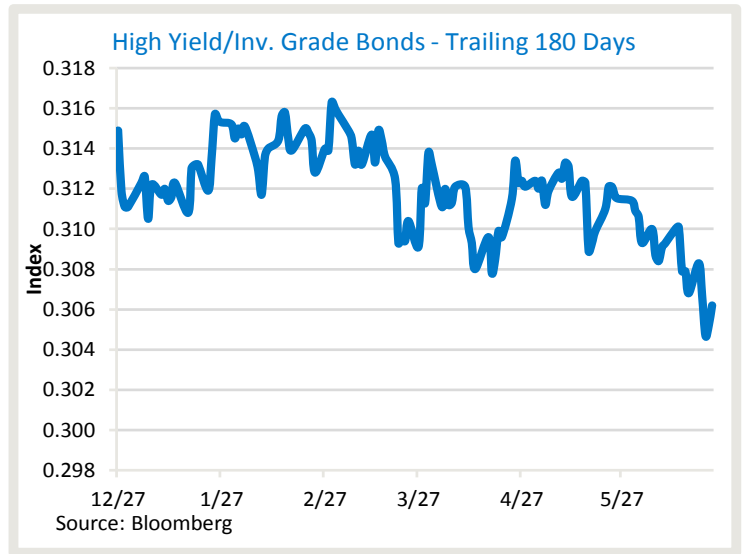
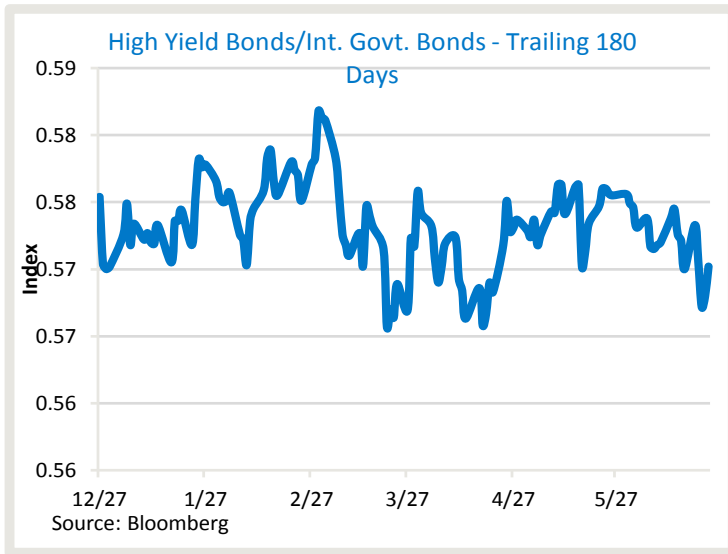
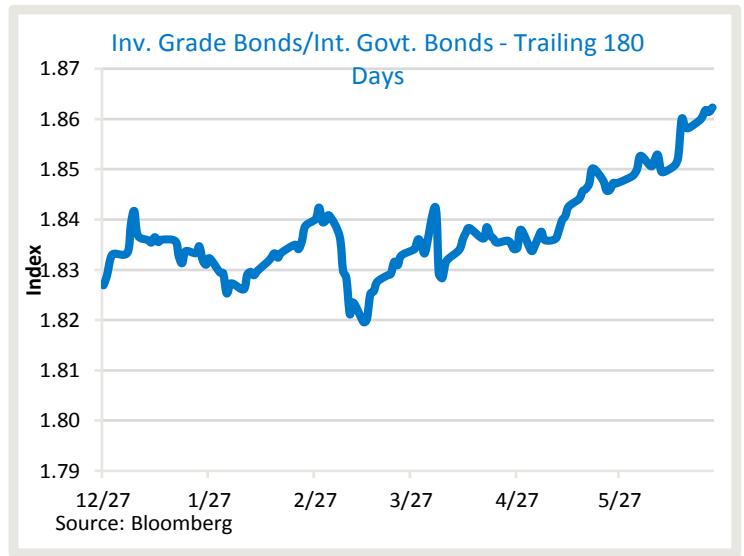
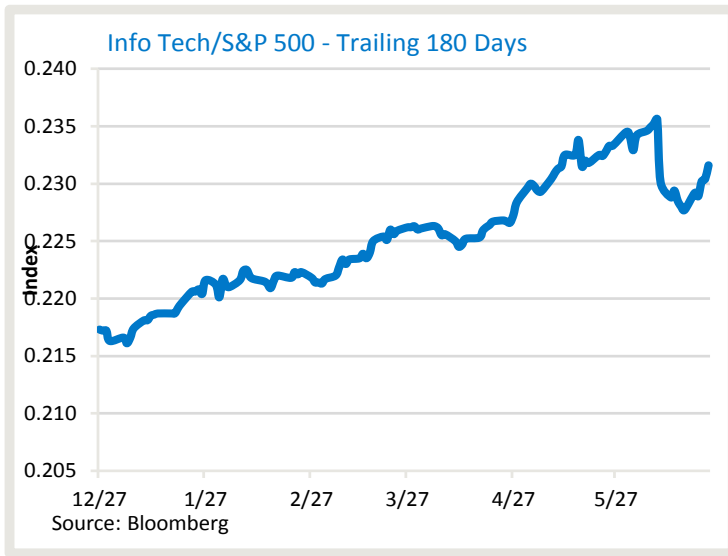
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			4/6	4/13	4/20	4/27	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22
Equity	Domestic Equity	Large Cap (R200)	-0.41%	-1.20%	1.01%	1.47%	0.24%	0.08%	-1.17%	2.09%	0.56%	0.29%	-0.17%	0.23%
		Small Cap (R2000)	-1.30%	-1.41%	2.89%	2.38%	-2.00%	0.10%	-2.09%	1.64%	0.92%	1.40%	-0.39%	-0.39%
	Int'l. Equity	MSCI EAFE	-1.20%	-0.03%	0.21%	2.93%	0.94%	0.28%	0.55%	1.27%	0.12%	-0.01%	-0.92%	0.48%
		MSCI Em. Mkts.	-0.64%	-0.05%	-0.46%	2.21%	0.04%	2.07%	-1.20%	2.65%	-0.60%	1.05%	-1.51%	0.52%
Fixed Income	BarCap Agg. (AGG)	17.34%	29.55%	-4.73%	-2.04%	-3.28%	-1.23%	-1.56%	-7.92%	2.41%	-1.34%	14.14%	-5.67%	
	High Yield (JNK)	-0.54%	-0.16%	0.54%	0.62%	-0.81%	0.68%	0.03%	0.59%	-0.13%	-0.30%	0.05%	-0.56%	
Commodities	Bloomberg Commodity Index	0.47%	0.64%	-2.15%	-0.98%	-1.68%	1.11%	0.36%	0.34%	-1.48%	-0.35%	-1.53%	-1.93%	
Alternatives	Hedge Funds (HFRX Global)	0.05%	-0.21%	0.17%	0.46%	-0.02%	0.17%	-0.38%	0.56%	0.14%	0.02%	-0.26%	0.32%	
Asset Allocation	60/40*	5.57%	9.83%	-1.03%	0.54%	-1.17%	-0.22%	-1.08%	-1.63%	1.08%	-0.11%	4.65%	-1.89%	
	48/32/20 (w/Alts.)**	4.47%	7.82%	-0.79%	0.53%	-0.94%	-0.14%	-0.94%	-1.19%	0.89%	-0.16%	3.67%	-1.45%	

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	1.14	1.10	1.03	1.19	1.13	1.04	1.23	1.06	1.06	1.05	1.75	1.15	1.25
Large Cap Growth	1.04	1.00	1.18	1.14	1.07	1.23	1.17	1.08	1.28	1.10	1.10	1.09	1.82	1.19	1.30
Large Cap Value	0.88	0.85	1.00	0.97	0.90	1.04	0.99	0.92	1.08	0.93	0.93	0.92	1.54	1.01	1.10
Mid Cap Core	0.91	0.88	1.04	1.00	0.94	1.08	1.03	0.95	1.12	0.97	0.96	0.95	1.60	1.04	1.14
Mid Cap Growth	0.97	0.94	1.11	1.07	1.00	1.15	1.10	1.01	1.20	1.03	1.03	1.02	1.71	1.12	1.21
Mid Cap Value	0.84	0.81	0.96	0.93	0.87	1.00	0.95	0.88	1.04	0.90	0.89	0.88	1.48	0.97	1.05
Small Cap Core	0.88	0.85	1.01	0.97	0.91	1.05	1.00	0.92	1.09	0.94	0.94	0.93	1.55	1.01	1.10
Small Cap Growth	0.96	0.92	1.09	1.05	0.99	1.14	1.08	1.00	1.18	1.02	1.02	1.00	1.68	1.10	1.20
Small Cap Value	0.81	0.78	0.92	0.89	0.83	0.96	0.92	0.85	1.00	0.86	0.86	0.85	1.42	0.93	1.01
Int'l. Developed	0.94	0.91	1.07	1.03	0.97	1.12	1.06	0.98	1.16	1.00	1.00	0.98	1.65	1.08	1.17
Emerging Markets	0.94	0.91	1.07	1.04	0.97	1.12	1.07	0.99	1.16	1.00	1.00	0.99	1.66	1.08	1.18
REITs	0.96	0.92	1.09	1.05	0.98	1.13	1.08	1.00	1.18	1.02	1.01	1.00	1.68	1.10	1.19
Commodities	0.57	0.55	0.65	0.63	0.59	0.68	0.64	0.59	0.70	0.61	0.60	0.60	1.00	0.65	0.71
Int. Bond	0.87	0.84	0.99	0.96	0.90	1.04	0.99	0.91	1.08	0.93	0.92	0.91	1.53	1.00	1.09
High Yield	0.80	0.77	0.91	0.88	0.82	0.95	0.91	0.84	0.99	0.85	0.85	0.84	1.40	0.92	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 **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **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 **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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