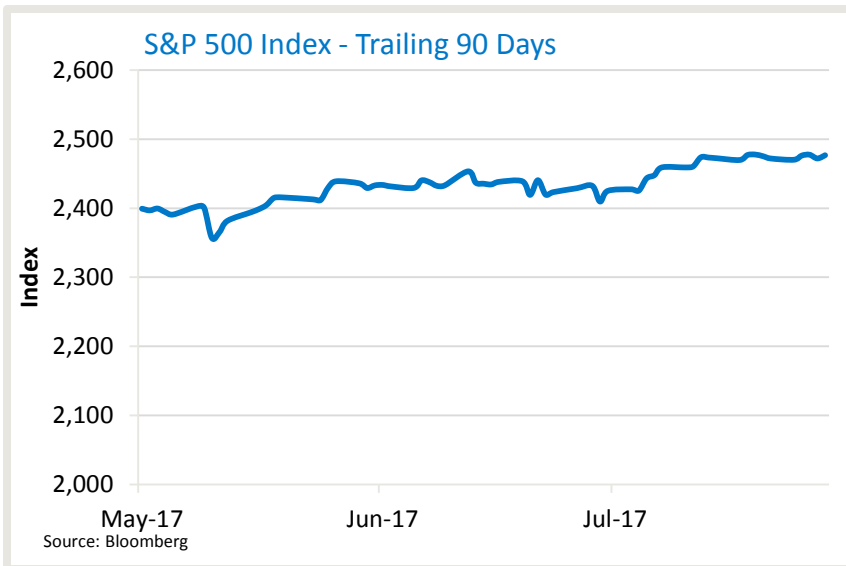


Weekly Market Review

August 4, 2017

Chart of the Week



Weekly Highlights

- **The Employment Report for July was better than economists predicted**, with an addition of 209K nonfarm payrolls, which was higher than the 180K that was expected. The unemployment rate ticked lower to 4.3%, matching the reading for May, its lowest rate in 16 years. Employment growth has averaged 184,000 this year, which is in line with the 187,000 average monthly gain in 2016. Job gains were mostly seen in food services and drinking places (+53,000), professional and business services (+49,000), and healthcare employment (+39,000). Average hourly earnings rose by 9 cents to \$26.36 and is up 2.5% on the year.
- **Apple shares rose 4.7% on Wednesday**, with the stock price surging to a record high on the day after the company reported earnings and revenue that exceeded expectations. Earnings were \$1.67/share, up 17% year-over-year, and quarterly revenue was \$45.4 billion, up 7% year-over-year. Bright spots in the report included 14% more iPads being sold than last year, and 41 million iPhones sold in the previous three months.
- **The Bank of England (BOE) kept its key benchmark rate unchanged** at 0.25% on Thursday and lowered its growth forecasts for 2017 and 2018. Growth for 2017 was lowered to 1.7%, down from 1.9%, and declined to 1.6% for 2018, down from 1.7%.
- **The Dow Jones Industrial Average (DJIA) topped 22,000** for the first time, marking the third 1,000 point milestone reached this year, as the DJIA eclipsed 20,000 in late January and 21,000 in March.

Talking Points

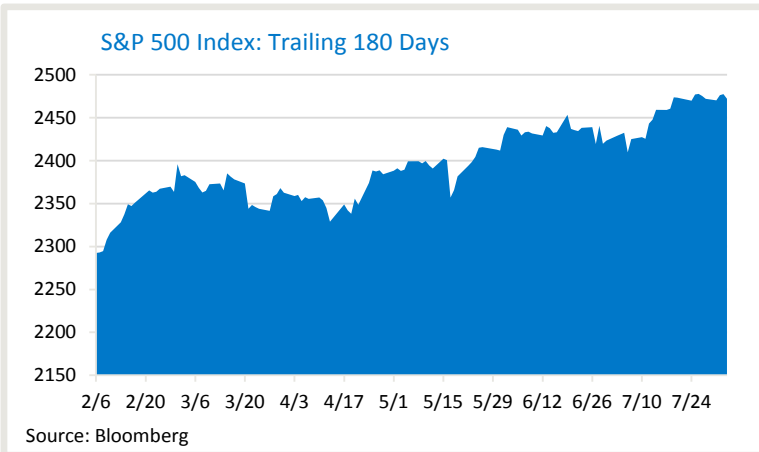
- **Returns were relatively evenly split across growth versus value**, while small cap trailed versus large cap. International developed and emerging markets equity returns continued their strength relative compared to domestic equities.
- **The yield on the 10-Year Treasury Note traded below 2.25%**, before spiking on Friday following the positive jobs data.
- **The dollar index traded higher on Friday**, erasing losses from earlier in the week. Commodities traded lower.
- **Eurozone gross domestic product (GDP) growth rose to 0.6%** in the second quarter, and was 2.1% higher than the second quarter in 2016.
- **Among economic data released**, ADP Employment data was weaker than expected, 178K compared to 190K predicted by economists. Personal Income data was unchanged for July versus expectations of a 0.3% increase, while consumer spending edged up 0.1% in June after an upwardly revised 0.2% gain in May. The Personal Consumption Expenditures (PCE) price index, excluding food and energy, rose 0.1% in June, with the 12-month reading clocking in at a 1.5% increase. Durable goods orders rose 6.5% in June, the largest increase since July 2014, reversing two straight months of declines.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,476.83	4.73	0.19%	10.6%
Dow Industrials	22,092.81	262.50	1.20%	11.8%
Nasdaq	6,351.56	-23.11	-0.36%	18.0%
Russell 2000	1,412.32	-16.94	-1.19%	4.1%
Euro Stoxx Index	382.53	4.19	1.11%	5.8%
Shanghai Composite	3,262.08	8.84	0.27%	5.1%
Russell Global	1,999.57	6.03	0.30%	13.3%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,342.59	4.78	0.14%	22.4%
10-Year US Treas.	2.27	-2 bps	NM	NM
DJ UBS Comm. Idx.	83.28	-1.20	-1.42%	-4.8%
Gold	\$1,259.23	-\$10.42	-0.82%	9.7%
Crude Oil	\$49.53	-\$0.19	-0.38%	-13.1%
Dollar Index	93.48	0.20	0.22%	-8.6%
VIX Index	10.03	-0.26	-2.53%	-28.6%



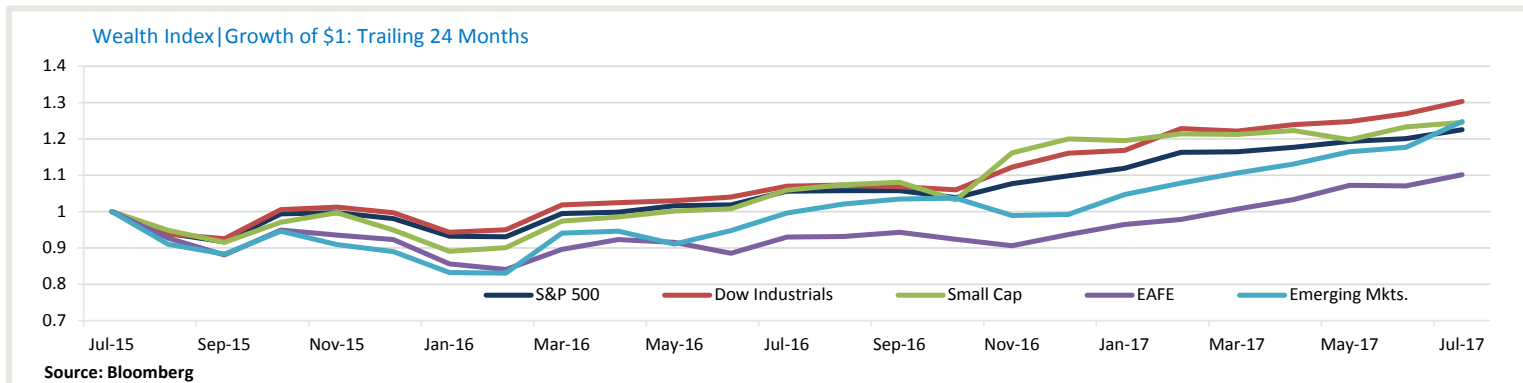
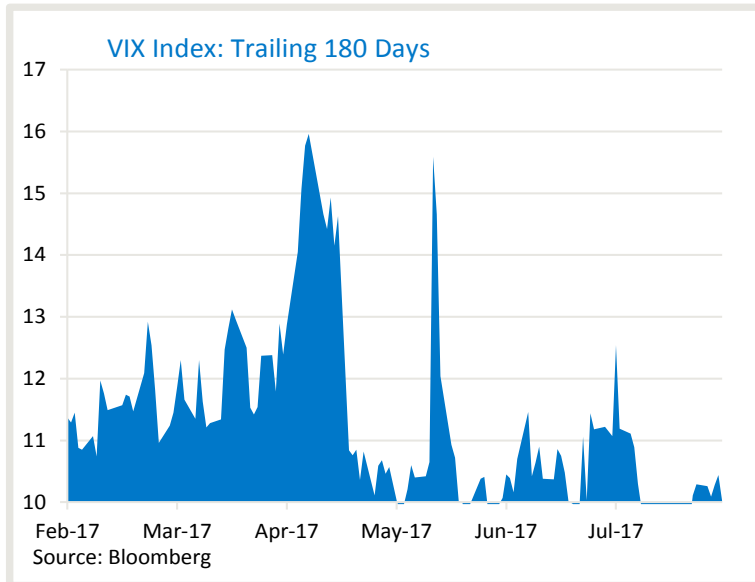
	One Week			YTD		
	Value	Growth		Value	Growth	
L	0.55%	0.40%	0.27%	4.57%	11.42%	18.06%
	-0.39%	-0.46%	-0.56%	4.87%	8.13%	12.15%
S	-0.77%	-1.19%	-1.59%	-0.55%	4.07%	9.24%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.2	-0.38%	11.8%
Consumer Staples	8.6	-0.60%	6.5%
Energy	5.9	-1.02%	-12.8%
Financials	14.6	1.76%	8.9%
Health Care	14.3	-0.61%	15.3%
Industrials	10.2	0.79%	9.4%
Information Technology	22.9	0.40%	22.5%
Materials	2.9	-0.79%	9.6%
Real Estate	2.9	-0.18%	5.7%
Telecom Services	2.2	-0.07%	-8.8%
Utilities	3.2	1.47%	10.6%

Source: Bloomberg



The Economy and Markets

A Macro View – July Monthly Recap

Domestic equity markets continued their move higher in July, with the major US indices closing the month near record-level territory. Market participants focused their attention on positive developments, including strong economic data, robust corporate results, and an improving global macro environment, filtering out the negative media attention on the Executive branch and Congress's lack of progress on healthcare and tax reform. With more than two-thirds of the S&P 500 Index's (the Index) companies having reported second-quarter earnings, fundamentals are quite strong, with the Index on track to post double-digit earnings growth, marking the second straight quarter at those levels. At its July meeting, the Federal Open Market Committee (FOMC) left its key benchmark rate unchanged and stated it will begin reducing its bond holdings "relatively soon." The first estimate of second-quarter gross domestic product (GDP) rose +2.6%, on an annual basis, a pickup from +1.2% in the first quarter, but was slightly weaker than expected. Personal consumption, the largest part of the economy, was higher by +2.8%.

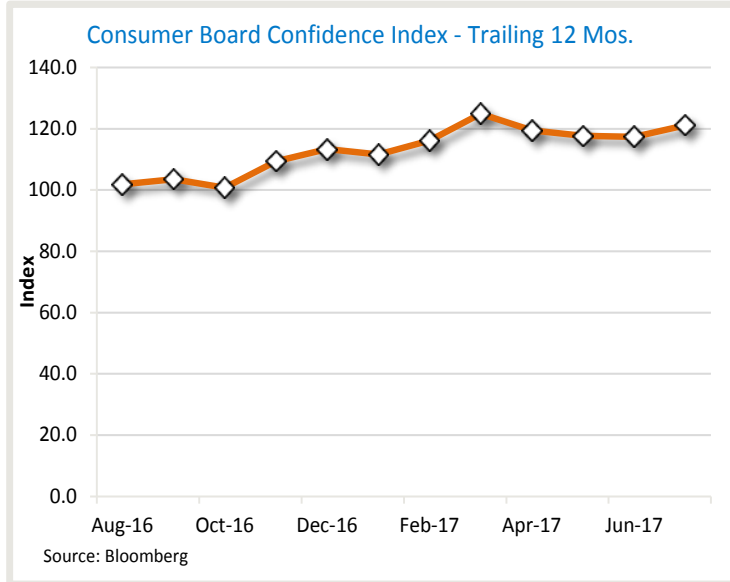
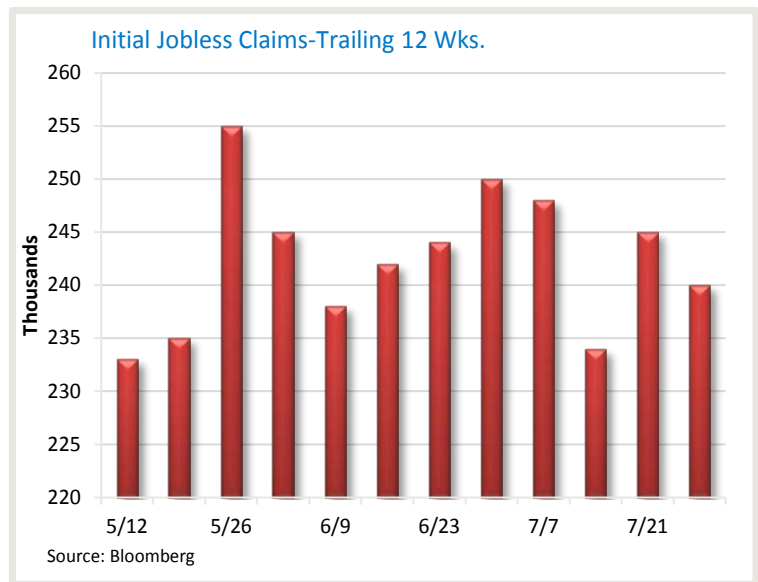
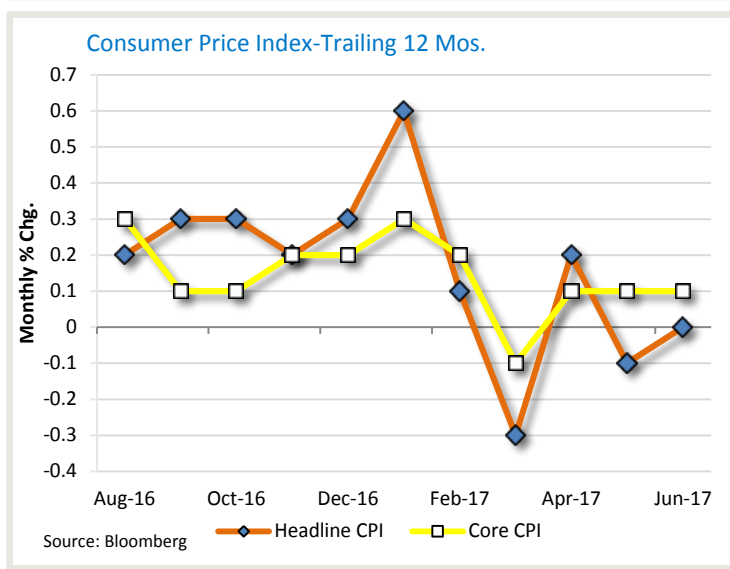
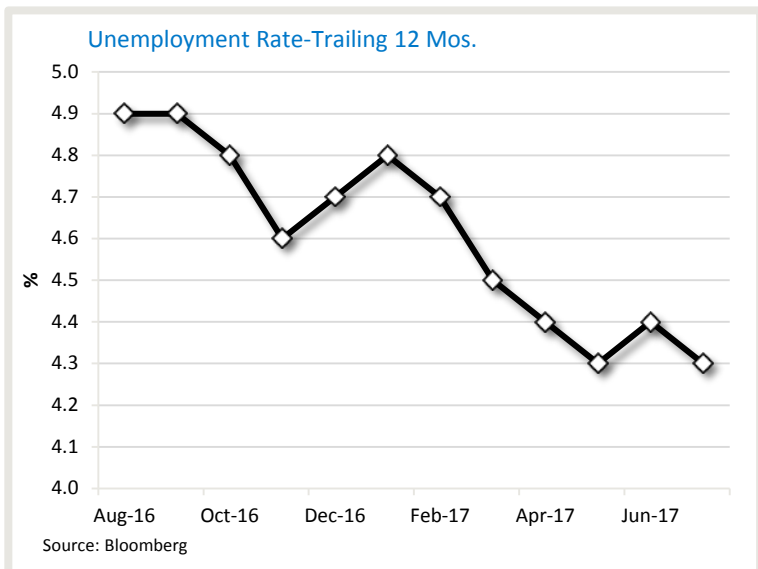
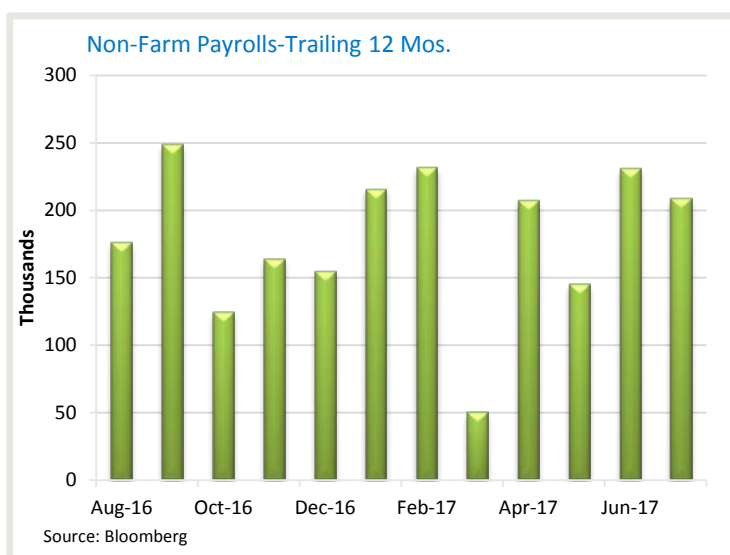
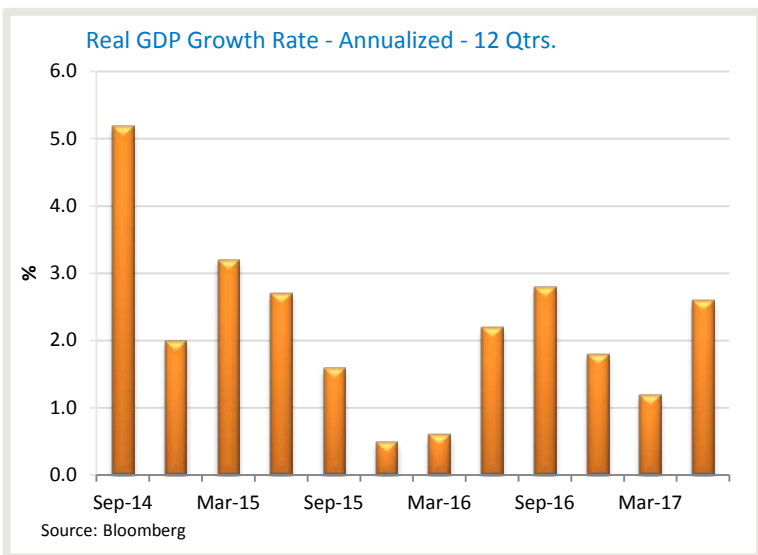
Within this context, domestic equities were mostly higher during the month. The S&P 500 gained +2.1%, pushing its year-to-date (YTD) return to +11.6%, while larger gains were seen in the tech-heavy NASDAQ Composite, which advanced +3.4% and is now up +18.6% YTD. The Russell 2000 Index of small cap stocks underperformed relative to the Russell 1000 Index of large cap stocks, with a monthly return of +0.7%, compared with +2.0%, respectively. Growth stocks outperformed value stocks, with 124 bps of difference between the Russell 3000 Growth Index's return of +2.52% and the Russell 3000 Value Index's return of +1.28%. In terms of sector performance, the top performers were Telecommunications and Information Technology, with returns of +6.4% and +4.3%, respectively. Industrials and Consumer Staples were the main laggards, gaining +0.1% and +0.6%, respectively. Commodity prices rose, with the broad commodity index gaining +2.3%, while real estate investment trusts (REITs) were positive but trailed their peers.

International equity markets mostly outperformed their domestic peers in July due to US dollar weakness and continued economic strength abroad. The MSCI World ex-U.S. Index increased by +3.0% for the month and is now up +16.2% YTD. International developed markets rallied behind continued improvement in the global economic landscape and a weaker US dollar. Preliminary readings of second-quarter Eurozone GDP growth were +0.6% quarter-over-quarter and +2.1% year-over-year, which matched expectations and was up from the first quarter. The MSCI EAFE Index, measuring performance of international developed markets, gained +2.9%. Emerging markets equities continued to post strong returns, with a gain of +6% on the MSCI Emerging Markets Index, which is now up +25.5% YTD. Regionally, China, EM Latin America, and EM Asia were the best relative performers, with returns of +8.9%, +8.3%, and +5.6%, respectively. The MSCI Europe Index gained +3.0% and is now up +18.8 YTD. Japan was the poorest relative performer but still posted a +2.0% gain.

Fixed-income markets posted modest gains during the month. The yield on the 10-Year Treasury Note began July at 2.30% and traded in a fairly tight range before closing the month at roughly where it opened, at 2.29%. Broad-based fixed income posted modest gains, with the Barclays U.S. Aggregate Bond Index increasing +0.4% for the month, and is now up +2.7% YTD. Global fixed income markets performed better, as the Barclays Global Aggregate ex-U.S. Index gained +2.7% and is now up +9.0% YTD, with a weaker US dollar fueling much of the return. The Barclays U.S. Corporate High Yield Index increased by +1.1% and is now up +6.1% YTD. Municipals posted a gain of +0.8%, mostly outperforming their taxable counterparts, and are now up 4.4% YTD.

Tim Murphy
VP, Portfolio Manager

Economic Data



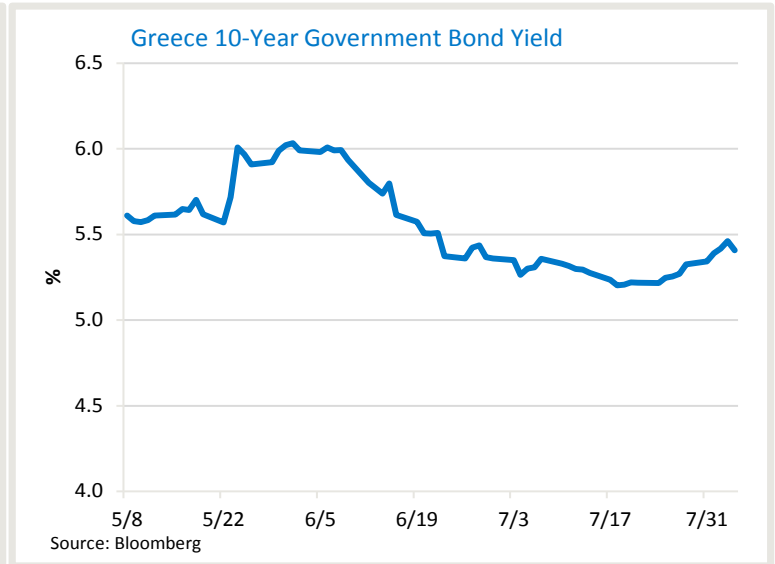
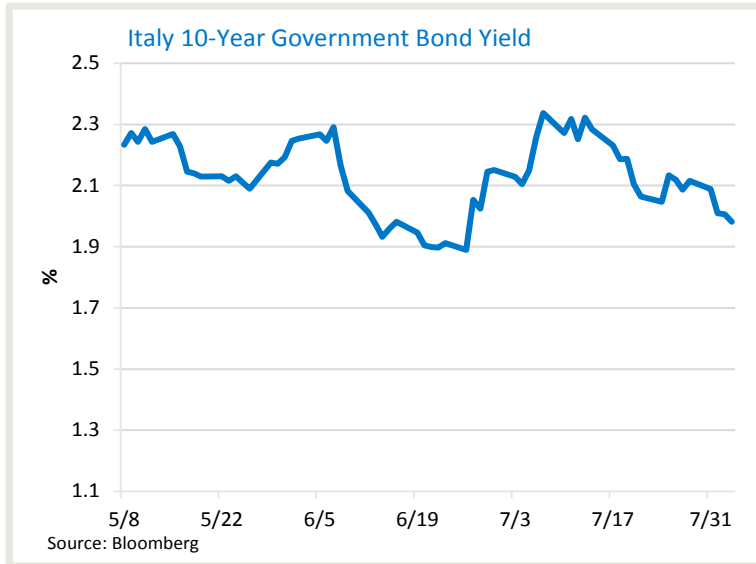
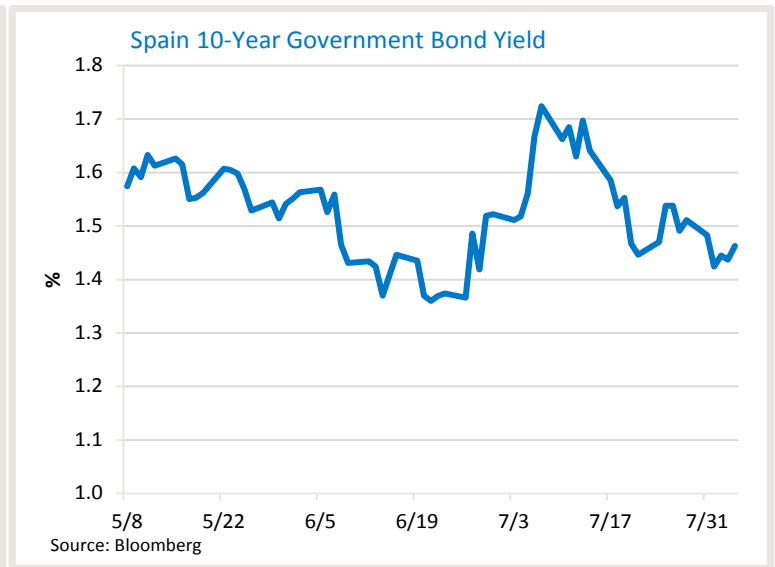
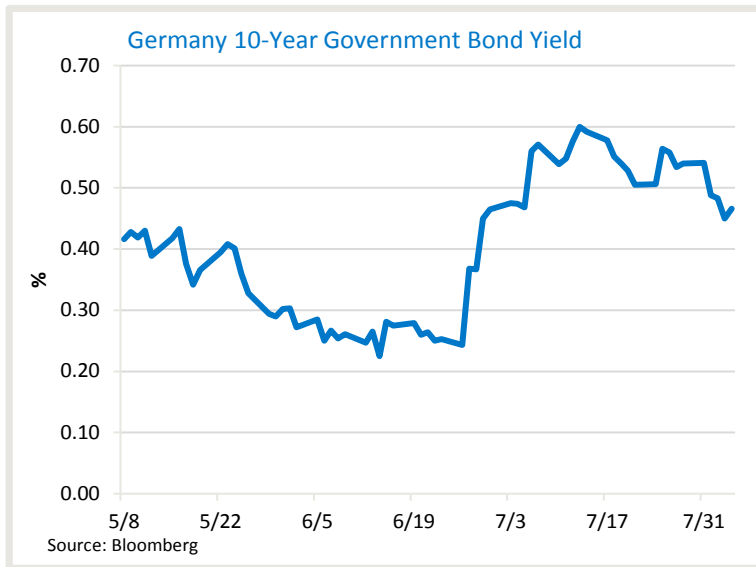
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.47	7 bps	NM	NM
Greece 10-Yr. Govt.	5.41	-5 bps	NM	NM
Italy 10-Yr. Govt.	2.01	9 bps	NM	NM
Spain 10-Yr. Govt.	1.46	4 bps	NM	NM
Belgium 10-Yr. Govt.	0.76	5 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.74	6 bps	NM	NM
Ireland 10-Yr. Govt.	0.75	7 bps	NM	NM
Portugal 10-Yr. Govt.	2.84	5 bps	NM	NM
Netherlands 10-Yr. Govt.	0.58	7 bps	NM	NM
U.K. 10-Yr. Govt.	1.17	4 bps	NM	NM

Source: Bloomberg
Basis points (bps)

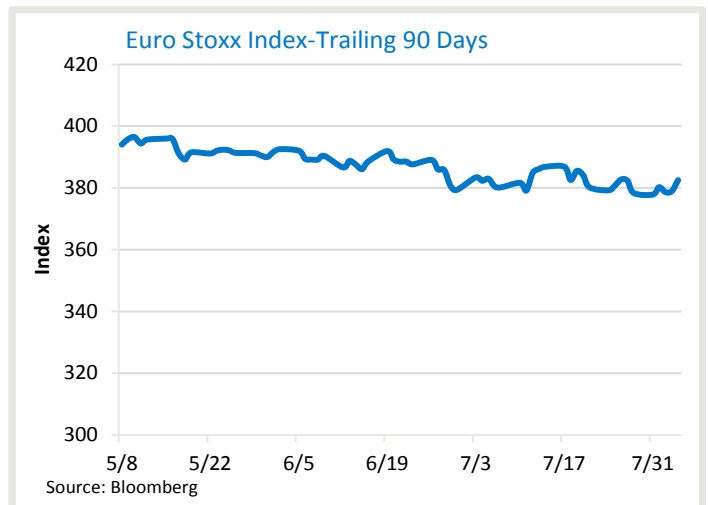
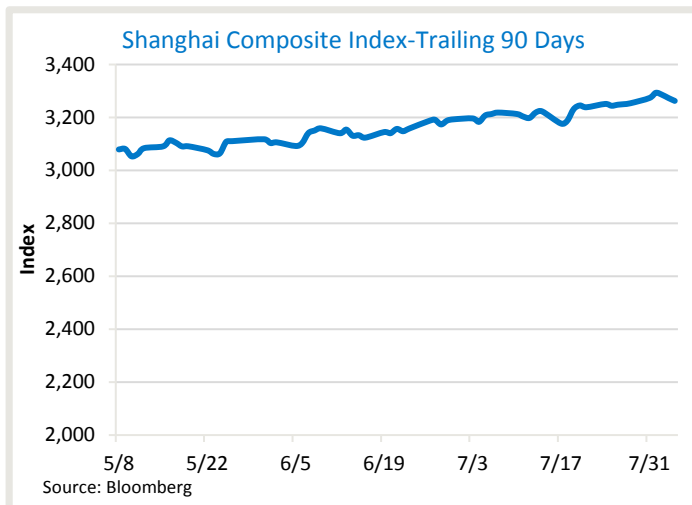
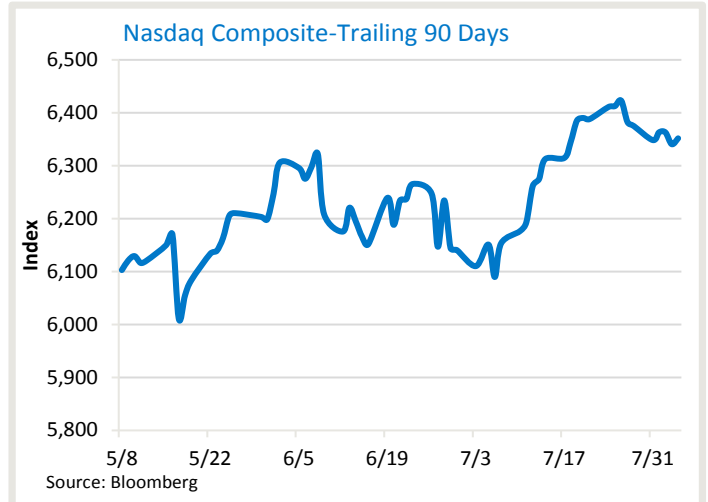
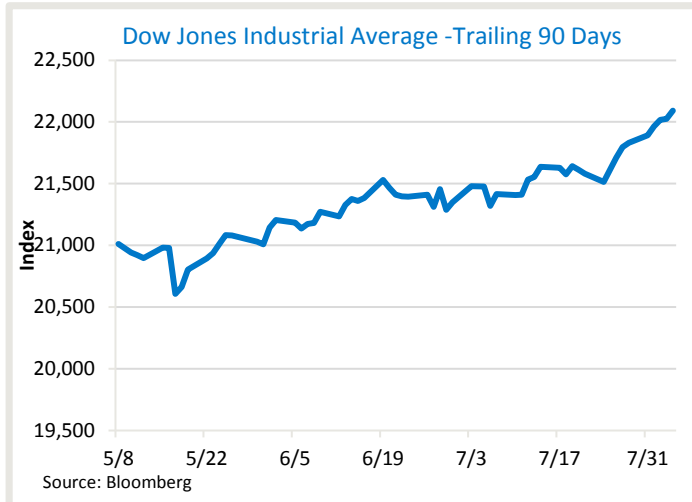


Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
S&P 500	2,476.83	4.73	0.19%	10.63%	Swiss Market Index	9,176.99	157.68	1.75%	11.64%
Dow Industrials	22,092.81	262.50	1.20%	11.79%	CAC 40 Index (France)	5,203.44	72.05	1.40%	7.02%
Nasdaq Composite	6,351.56	-23.11	-0.36%	17.99%	DAX Index (Germany)	12,297.72	135.02	1.11%	7.11%
Russell Global	1,999.57	6.03	0.30%	13.3%	Irish Overall Index	6,724.39	60.90	0.91%	3.18%
Russell Global EM	3,342.59	4.78	0.14%	22.4%	Nikkei 225	19,952.33	-7.51	-0.04%	4.38%
S&P/TSX (Canada)	15,257.97	129.32	0.85%	-0.19%	Hang Seng Index	27,562.68	583.29	2.16%	25.28%
Mexico IPC	51,328.29	114.69	0.22%	12.46%	Shanghai Composite	3,262.08	8.84	0.27%	5.11%
Brazil Bovespa	66,897.98	1400.85	2.14%	11.08%	Kospi Index (S. Korea)	2,395.45	-5.54	-0.23%	18.21%
Euro Stoxx 600	382.53	4.19	1.11%	5.84%	Taiwan Taiex Index	10,506.56	83.51	0.80%	13.54%
FTSE 100	7,511.71	143.34	1.95%	5.16%	Tel Aviv 25 Index	1,417.24	-34.24	-2.36%	-3.64%
IBEX 35 (Spain)	10,658.40	122.30	1.16%	13.97%	MICEX Index (Russia)	1,953.49	36.74	1.92%	-12.51%

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



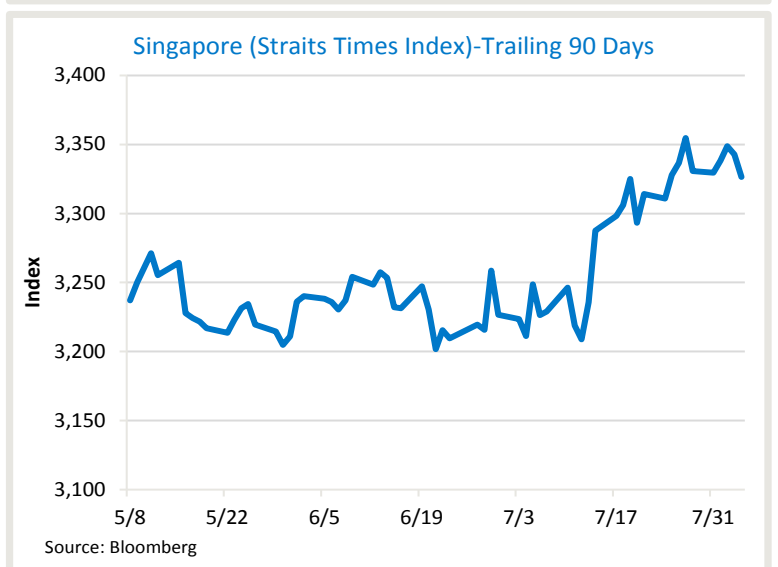
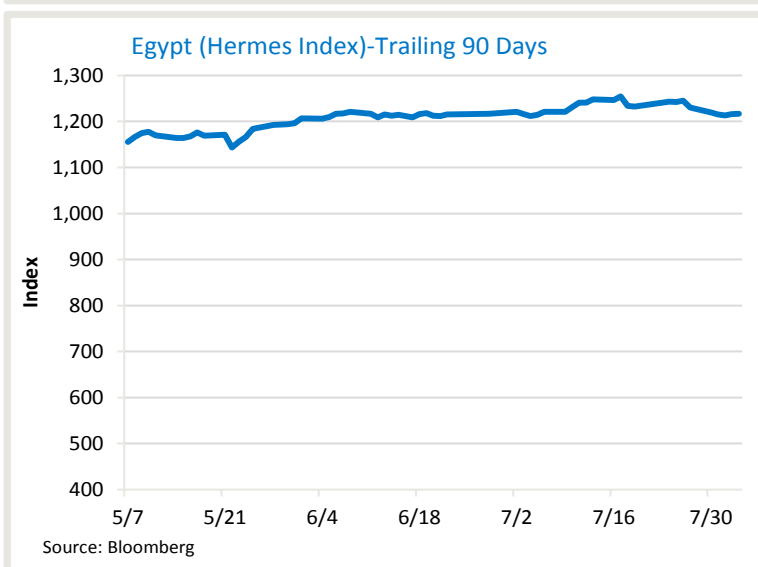
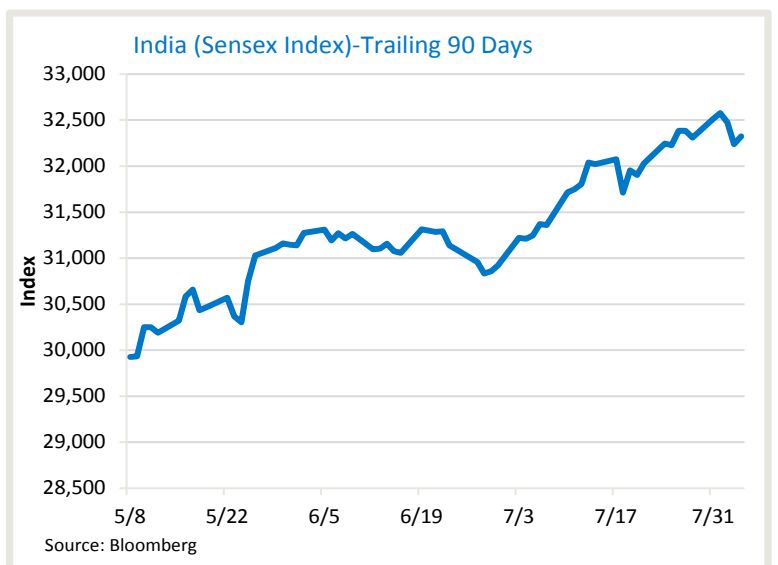
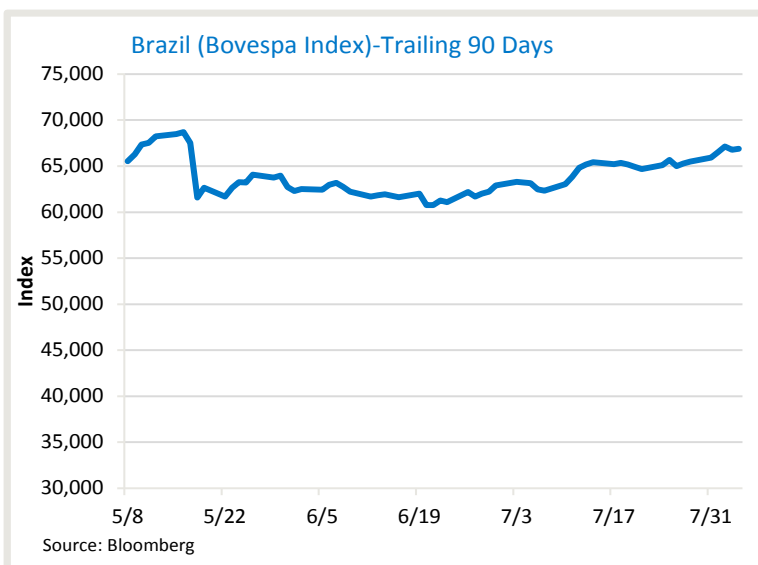
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	51,328.29	114.69	0.2%	12.5%
Brazil (Bovespa Index)	66,897.98	1400.85	2.1%	11.1%
MICEX Index (Russia)	1,953.49	36.74	1.9%	-12.5%
Czech Republic (Prague)	1,026.21	17.88	1.8%	11.3%
Turkey (Istanbul)	108,545.31	845.59	0.8%	38.9%
Egypt (Hermes Index)	1,217.03	-13.10	-1.1%	11.8%
Kenya (Nairobi 20 Index)	3,775.89	-22.74	-0.6%	18.5%
Saudi Arabia (TASI Index)	7,085.56	-89.61	-1.2%	-1.7%
Lebanon (Beirut BLOM Index)	1,152.60	-1.98	-0.2%	-4.9%
Palestine	559.45	2.56	0.5%	5.5%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,562.68	583.29	2.2%	25.3%
India (Sensex 30)	32,325.41	15.53	0.0%	21.4%
Malaysia (KLCI Index)	1,774.53	7.45	0.4%	8.1%
Singapore (Straits Times Index)	3,326.52	-4.23	-0.1%	15.5%
Thailand (SET Index)	1,578.26	-2.80	-0.2%	2.3%
Indonesia (Jakarta)	5,777.48	-53.54	-0.9%	9.1%
Pakistan (Karachi KSE 100)	46,877.37	965.34	2.1%	-1.9%
Vietnam (Ho Chi Minh)	788.68	11.59	1.5%	18.6%
Sri Lanka (Colombo)	6,567.43	-98.62	-1.5%	5.4%
Cambodia (Laos)	1,027.23	-0.67	-0.1%	1.2%

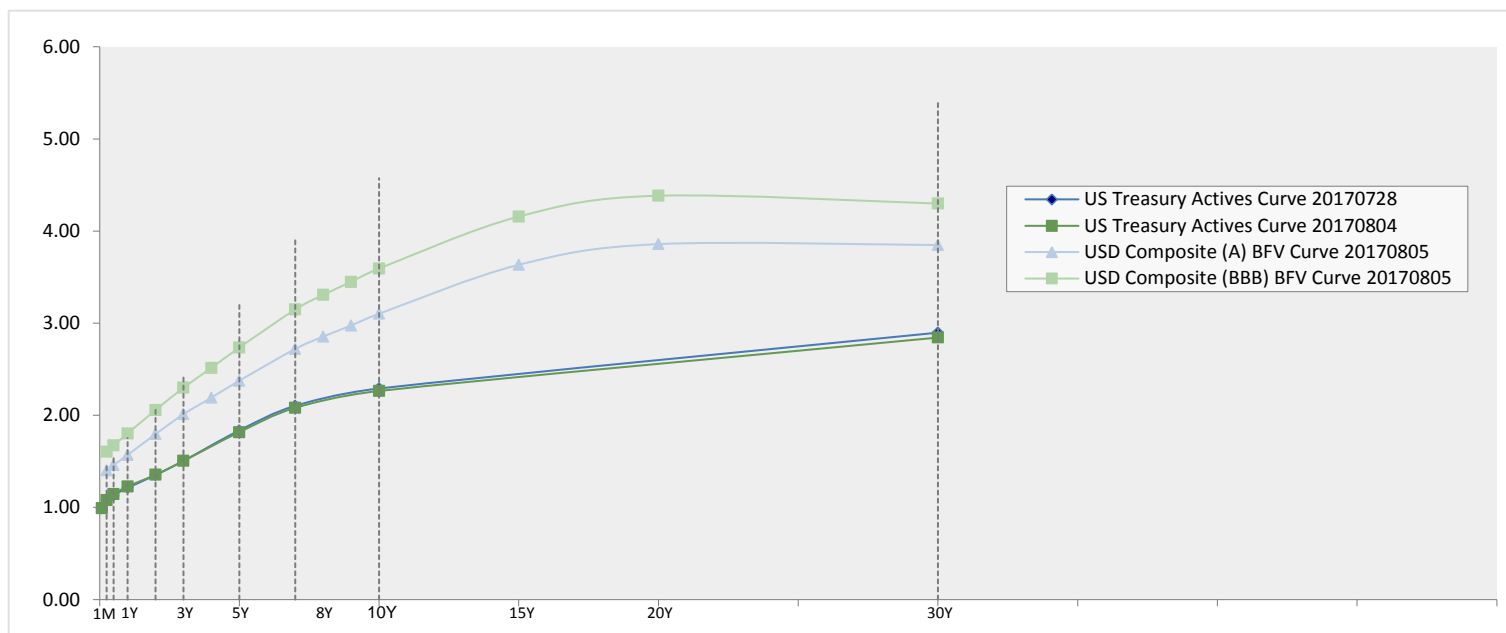


Interest Rates

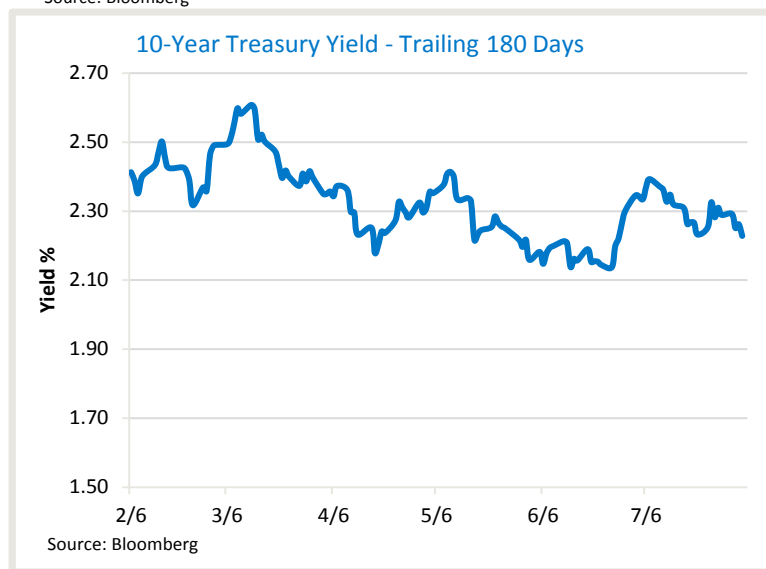
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.35%	0 bps	NM	NM	Prime Rate	4.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.82%	-1 bps	NM	NM	Fed Funds Rate	1.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.27%	-2 bps	NM	NM	Discount Rate	1.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.84%	-5 bps	NM	NM	LIBOR (3 Mo.)	1.31%	0 bps	NM	NM
German 10-Yr. Govt.	0.47%	7 bps	NM	NM	Bond Buyer 40 Muni	3.47%	-7 bps	NM	NM
France 10-Yr.	0.74%	6 bps	NM	NM	Bond Buyer 40 G.O.	3.50%	NA	NM	NM
Italy 10-Yr.	2.01%	9 bps	NM	NM	Bond Buyer 40 Rev.	3.70%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.83%	6 bps	NM	NM					

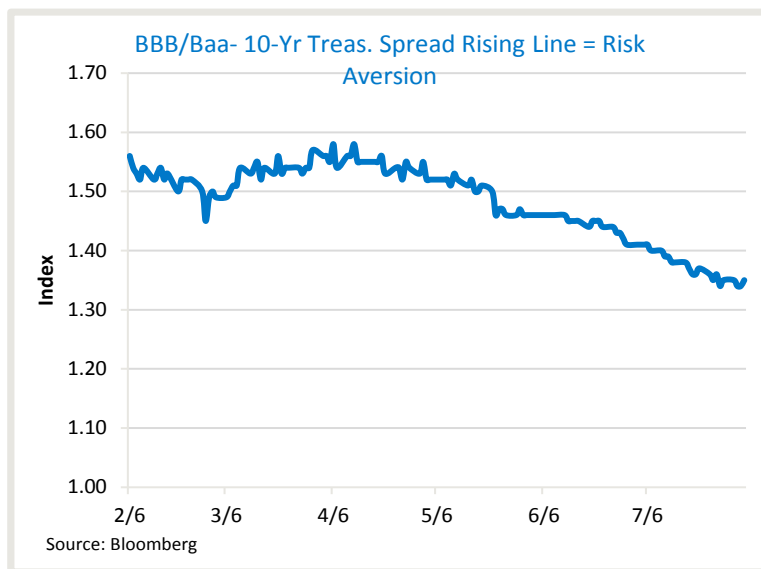
Source: Bloomberg



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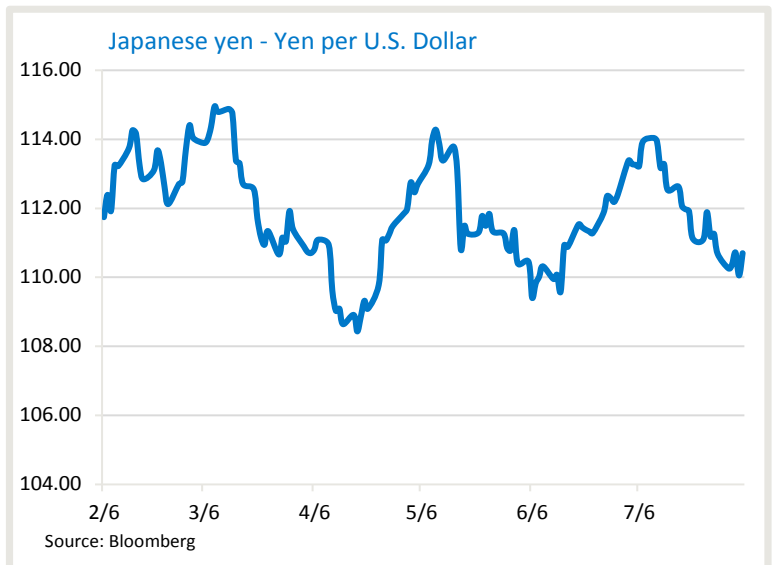
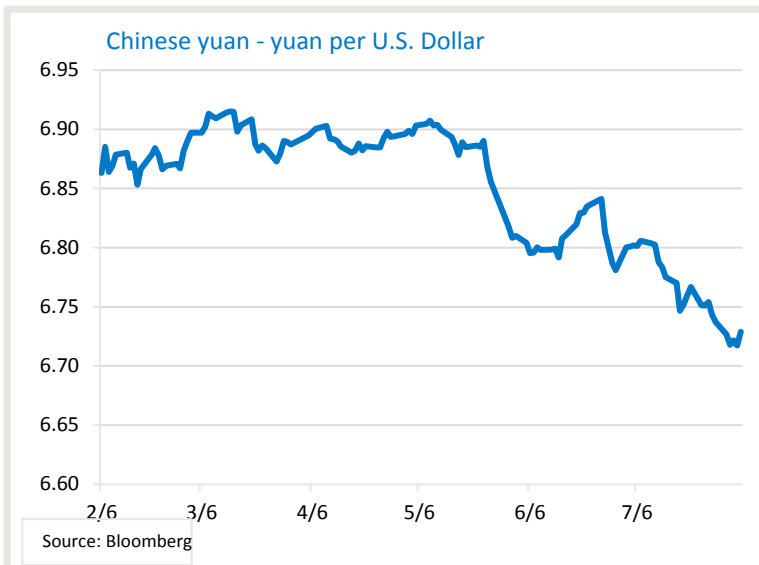
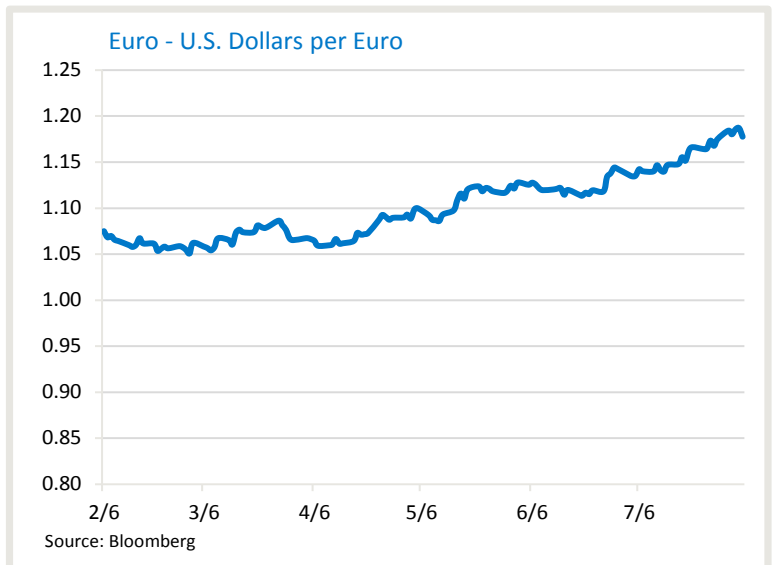
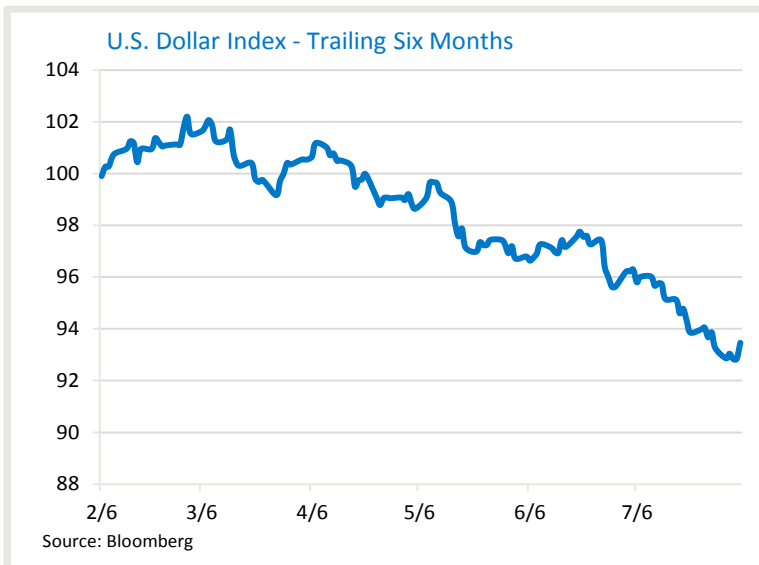
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	93.48	0.205	0.22%	-8.56%
Euro	1.18	0.003	0.21%	11.97%
Japanese Yen	110.73	0.020	-0.02%	5.65%
British Pound	1.30	-0.009	-0.71%	5.70%
Canadian Dollar	1.27	0.022	-1.70%	6.27%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.73	-0.008	0.12%	3.21%
Swiss Franc	0.97	0.004	-0.44%	4.73%
New Zealand Dollar	0.74	-0.010	-1.28%	6.98%
Brazilian Real	3.13	-0.003	0.09%	3.86%
Mexican Peso	17.90	0.117	-0.65%	15.83%

Source: Bloomberg



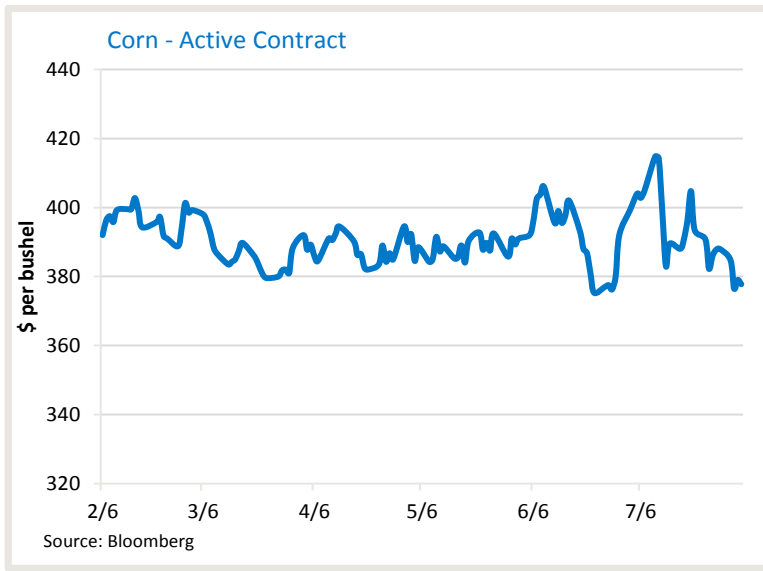
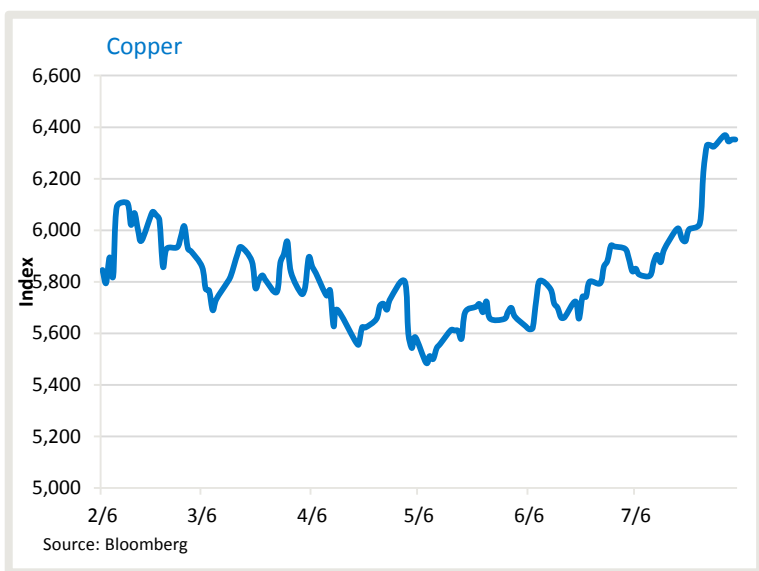
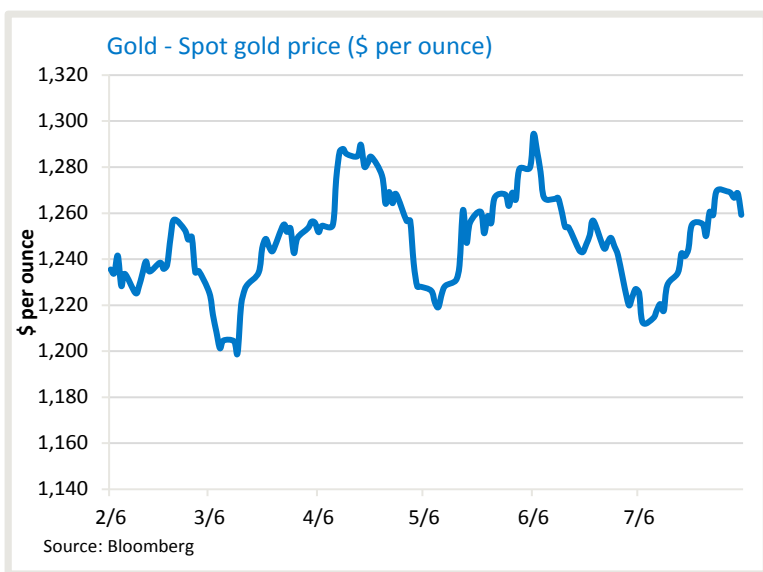
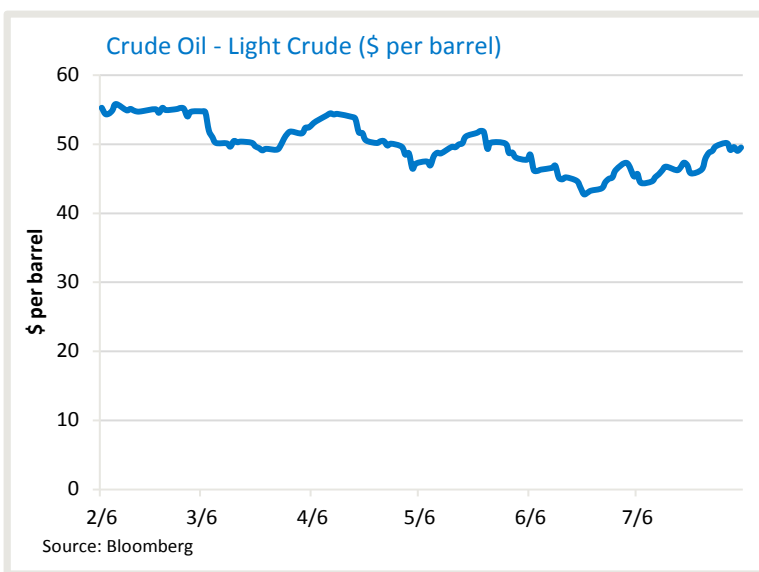
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	83.28	-1.20	-1.42%	-4.84%
Crude Oil	\$49.51	-\$0.19	-0.38%	-13.11%
Natural Gas	\$2.78	-\$0.16	-5.44%	-21.71%
Gasoline (\$/Gal.)	\$2.34	\$0.04	1.52%	0.34%
Heating Oil	164.49	0.48	0.29%	-7.34%
Gold Spot	\$1,259.22	-\$10.42	-0.82%	9.74%
Silver Spot	\$16.27	-\$0.48	-2.87%	2.18%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$963.90	\$29.01	3.10%	6.78%
Corn	381.00	-7.00	-1.80%	0.26%
Wheat	454.75	-26.25	-5.46%	1.56%
Soybeans	956.75	-56.25	-5.55%	-3.29%
Sugar	14.14	-0.23	-1.60%	-24.18%
Orange Juice	135.30	-1.00	-0.73%	-28.15%
Aluminum	1,916.00	9.00	0.47%	13.17%
Copper	6,352.00	27.00	0.43%	14.75%

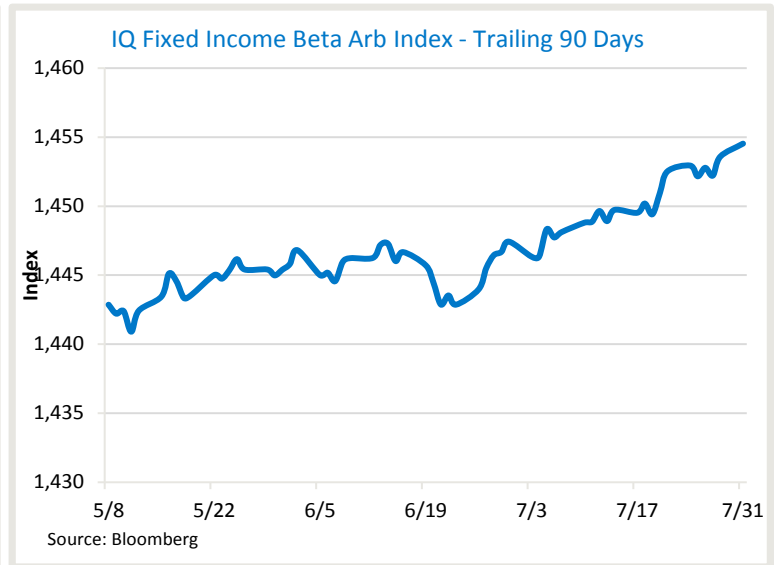
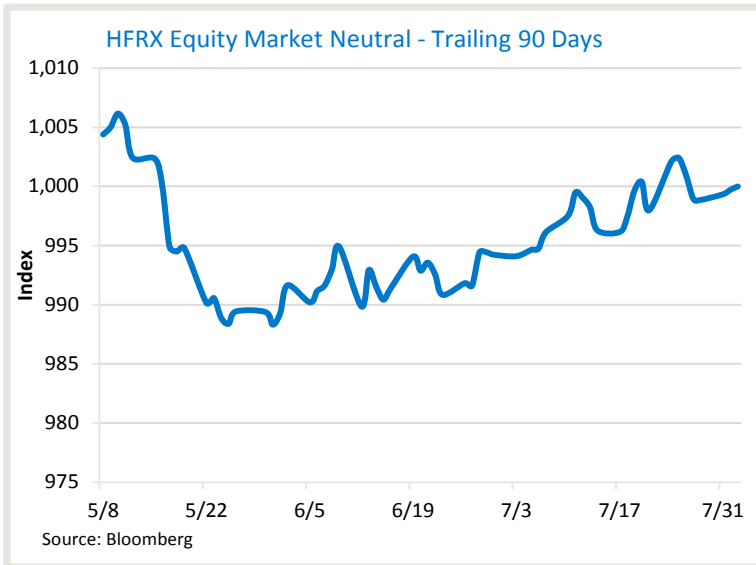
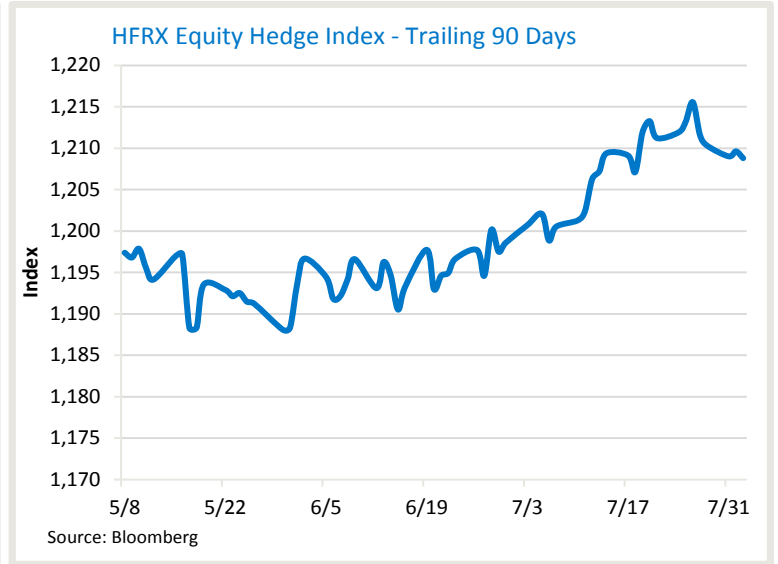
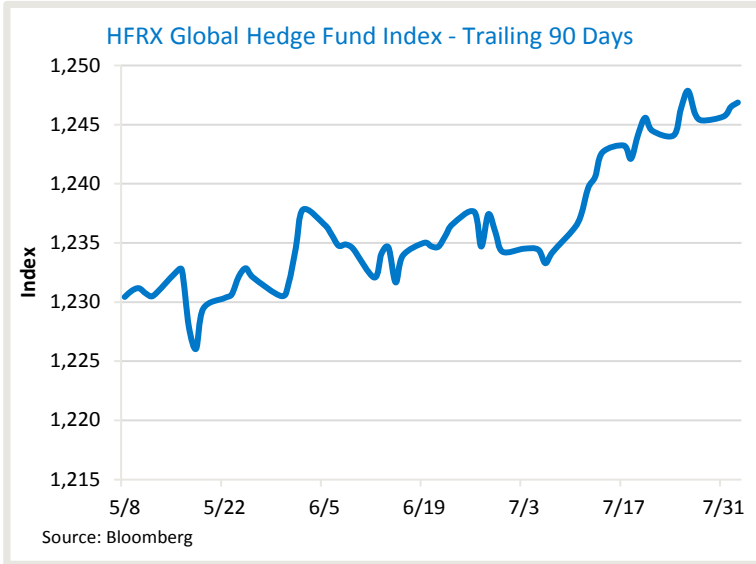


Alternative Investments

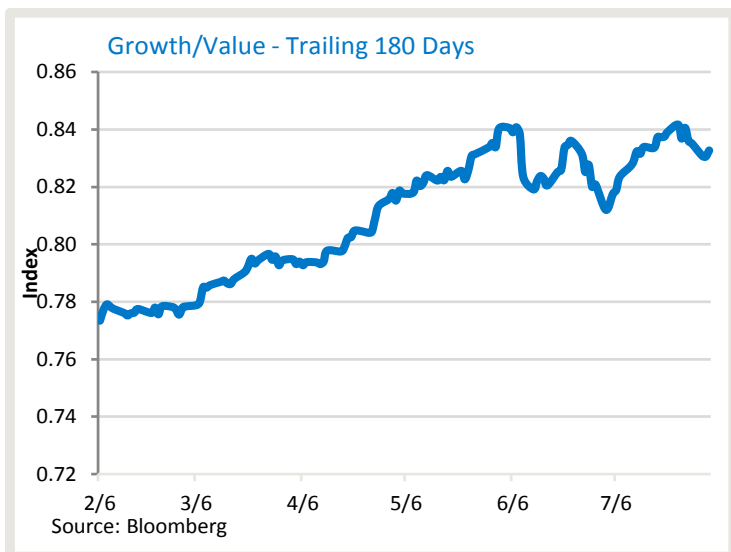
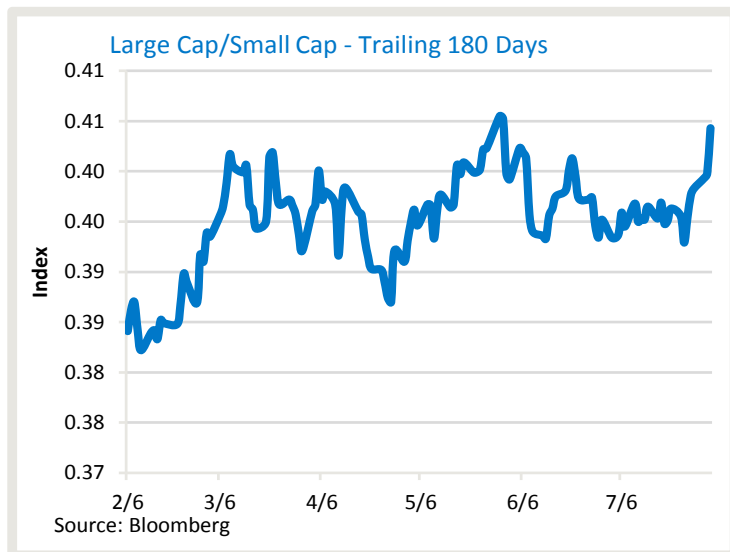
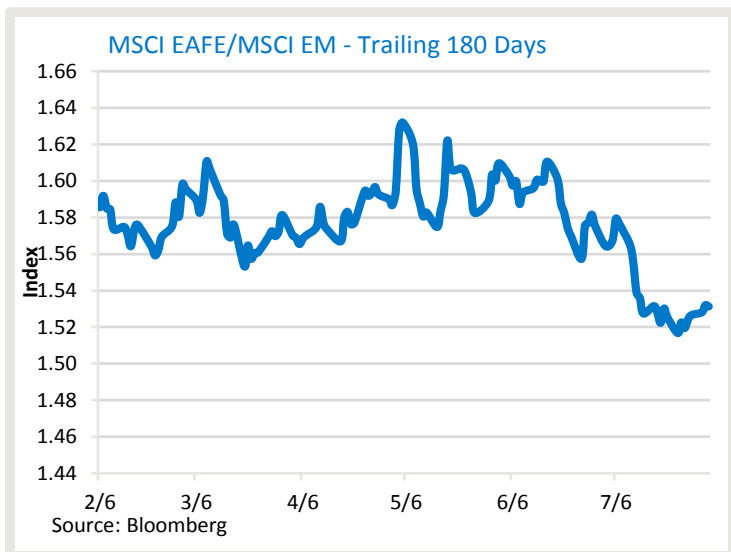
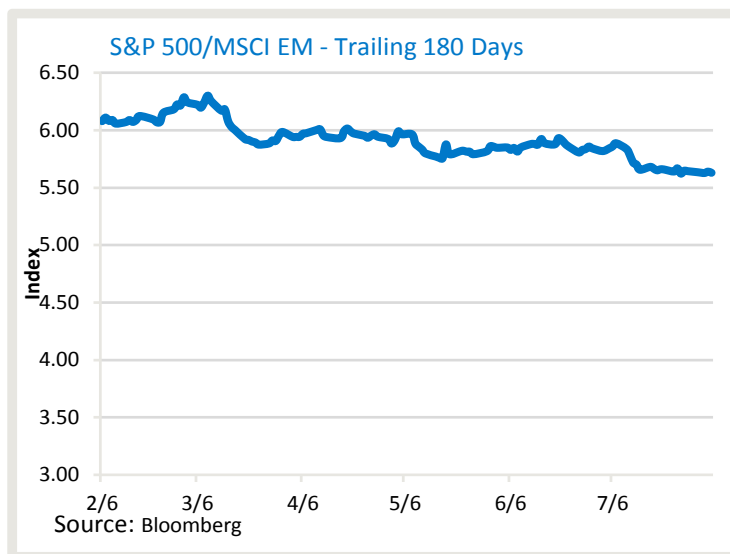
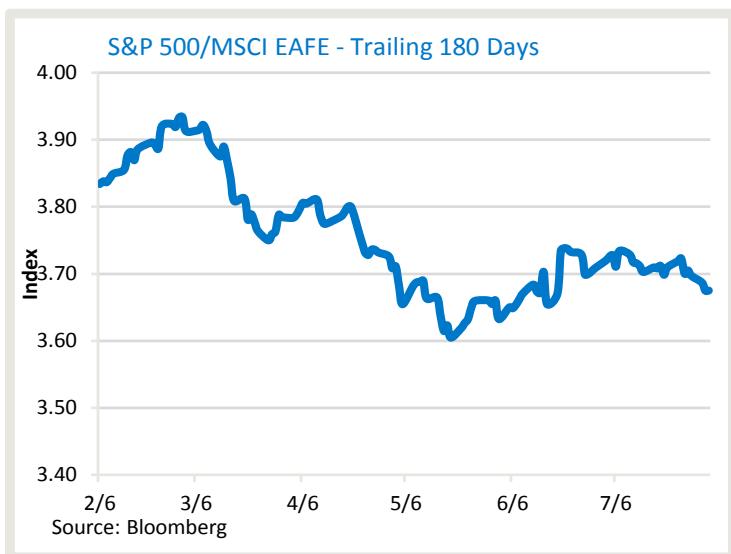
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1246.87	1.52	0.12%	3.61%	HFRX Distressed Index	1105.20	1.09	0.10%	3.00%
HFRX Equity Market Neutral	1000.00	1.14	0.11%	1.29%	HFRX Merger Arbitrage Index	1838.37	2.85	0.16%	1.42%
HFRX Equity Hedge Index	1208.80	-1.51	-0.12%	4.62%	HFRX Convertible Arbitrage Index	782.73	2.26	0.29%	5.40%
HFRX Event-Driven Index	1654.09	1.78	0.11%	5.73%	HFRX Macro CTA Index	1140.64	4.60	0.40%	0.47%
HFRX Absolute Return Index	1049.21	1.78	0.17%	2.02%	IQ Fixed Income Beta Arb Index	1454.68	1.09	0.07%	2.45%

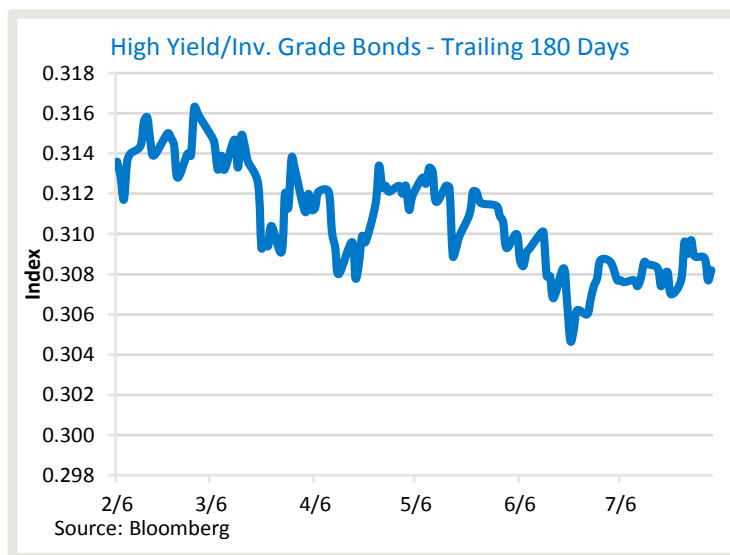
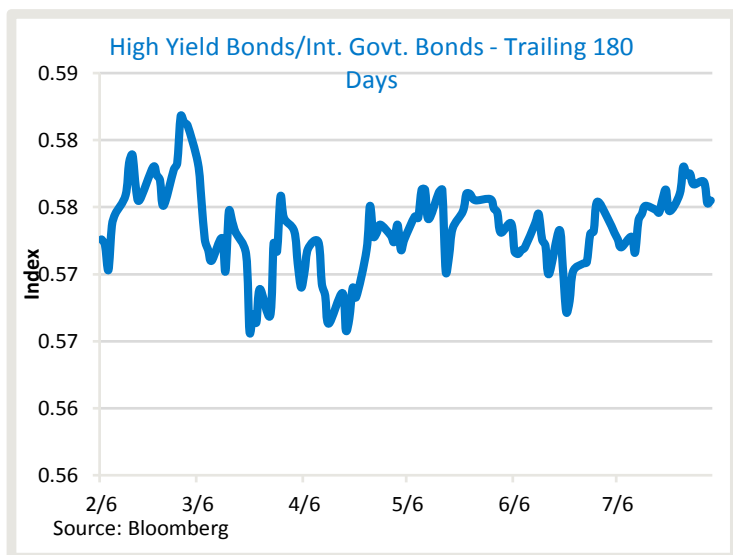
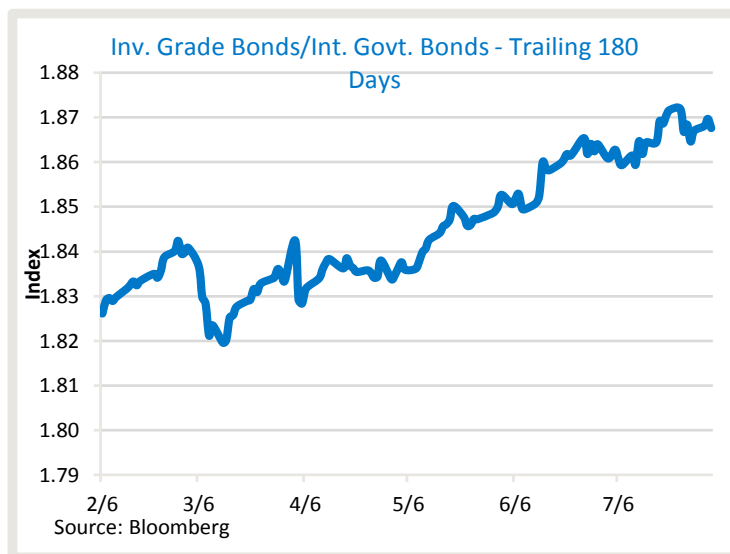
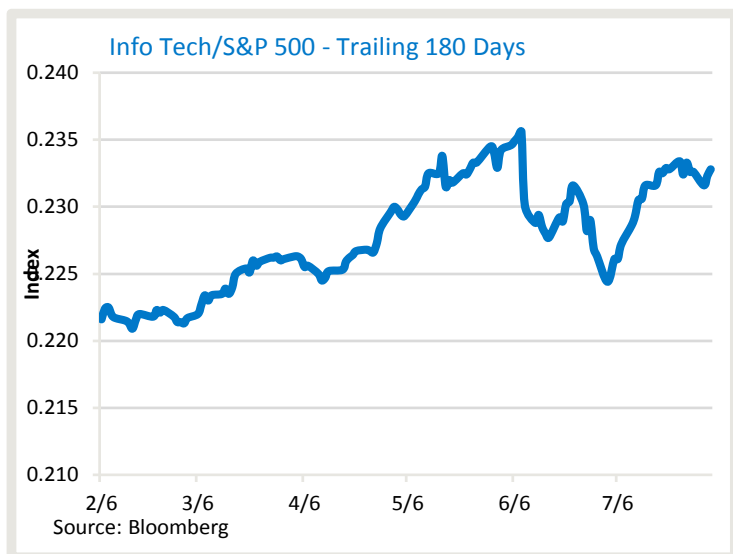
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6	7/13	7/20	7/27	8/3
Equity	Domestic Equity	Large Cap (R200)	-1.17%	2.09%	0.56%	0.29%	-0.17%	0.23%	-0.69%	-0.39%	1.58%	1.10%	0.10%	0.05%
		Small Cap (R2000)	-2.09%	1.64%	0.92%	1.40%	-0.39%	-0.39%	0.83%	-1.09%	1.77%	1.17%	-0.61%	-1.98%
	Int'l. Equity	MSCI EAFE	0.55%	1.27%	0.12%	-0.01%	-0.92%	0.48%	0.52%	-0.70%	1.19%	1.73%	-0.07%	0.98%
		MSCI Em. Mkts.	-1.20%	2.65%	-0.60%	1.05%	-1.51%	0.52%	0.52%	-0.78%	3.43%	1.79%	0.90%	-0.46%
Fixed Income	BarCap Agg. (AGG)	-1.56%	-7.92%	2.41%	-1.34%	14.14%	-5.67%	-3.48%	17.54%	-2.37%	-1.14%	-5.06%	-5.48%	
	High Yield (JNK)	0.03%	0.59%	-0.13%	-0.30%	0.05%	-0.56%	0.43%	-0.67%	0.68%	0.65%	0.13%	-0.53%	
Commodities	Bloomberg Commodity Index	0.36%	0.34%	-1.48%	-0.35%	-1.53%	-1.93%	2.49%	1.34%	-0.60%	2.16%	0.65%	-1.06%	
Alternatives	Hedge Funds (HFRX Global)	-0.38%	0.56%	0.14%	0.02%	-0.26%	0.32%	0.02%	-0.21%	0.59%	0.40%	0.03%	0.08%	
Asset Allocation	60/40*	-1.08%	-1.63%	1.08%	-0.11%	4.65%	-1.89%	-1.22%	5.74%	0.10%	0.43%	-1.76%	-2.00%	
	48/32/20 (w/Alts.)**	-0.94%	-1.19%	0.89%	-0.16%	3.67%	-1.45%	-0.97%	4.55%	0.28%	0.42%	-1.40%	-1.59%	

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	1.01	1.08	1.16	1.15	1.18	1.27	1.25	1.28	0.94	0.94	1.15	1.20	1.29	1.19
Large Cap Growth	0.99	1.00	1.06	1.14	1.13	1.16	1.25	1.23	1.27	0.93	0.93	1.13	1.18	1.27	1.18
Large Cap Value	0.93	0.94	1.00	1.07	1.06	1.09	1.18	1.16	1.19	0.87	0.87	1.07	1.11	1.20	1.11
Mid Cap Core	0.86	0.87	0.93	1.00	0.99	1.02	1.09	1.08	1.11	0.81	0.81	0.99	1.03	1.11	1.03
Mid Cap Growth	0.87	0.88	0.94	1.01	1.00	1.03	1.11	1.09	1.12	0.82	0.82	1.00	1.04	1.13	1.04
Mid Cap Value	0.85	0.86	0.91	0.98	0.97	1.00	1.08	1.06	1.09	0.80	0.80	0.98	1.01	1.09	1.01
Small Cap Core	0.79	0.80	0.85	0.91	0.90	0.93	1.00	0.99	1.01	0.74	0.74	0.91	0.94	1.02	0.94
Small Cap Growth	0.80	0.81	0.86	0.93	0.92	0.94	1.01	1.00	1.03	0.75	0.75	0.92	0.96	1.03	0.95
Small Cap Value	0.78	0.79	0.84	0.90	0.89	0.92	0.99	0.97	1.00	0.74	0.74	0.90	0.93	1.01	0.93
Int'l. Developed	1.06	1.07	1.14	1.23	1.22	1.25	1.34	1.33	1.36	1.00	1.00	1.22	1.27	1.37	1.26
Emerging Markets	1.06	1.08	1.14	1.23	1.22	1.25	1.35	1.33	1.36	1.00	1.00	1.22	1.27	1.37	1.26
REITs	0.87	0.88	0.94	1.01	1.00	1.03	1.10	1.09	1.12	0.82	0.82	1.00	1.04	1.12	1.04
Commodities	0.84	0.85	0.90	0.97	0.96	0.99	1.06	1.05	1.07	0.79	0.79	0.96	1.00	1.08	1.00
Int. Bond	0.77	0.79	0.84	0.90	0.89	0.91	0.98	0.97	0.99	0.73	0.73	0.89	0.93	1.00	0.92
High Yield	0.84	0.85	0.90	0.97	0.96	0.99	1.06	1.05	1.08	0.79	0.79	0.96	1.00	1.08	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 **FTSE 100 Index** (FTSE 100) is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index** (formerly the **Dow Jones-UBS Commodity Index**) tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRX Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRX Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRX Indices. The **University of Michigan Consumer Sentiment Index** (MCSI) is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index** (VIX) is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities. The **ISM Non-Manufacturing Index** is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM) and also tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The **Housing Market Index** (HMI) is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. The **NY Empire State Index** is an index based on the monthly survey of manufacturers in New York State - known as the Empire State Manufacturing Survey - conducted by the Federal Reserve Bank of New York. The headline number for the NY Empire State Index refers to the survey's main index, which summarizes general business conditions in New York State. 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). The **Conference Board Leading Economic Index** (LEI) is an American economic leading indicator intended to forecast future economic activity. It is calculated by The Conference Board, a non-governmental organization, which determines the value of the index from the values of ten key variables.

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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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