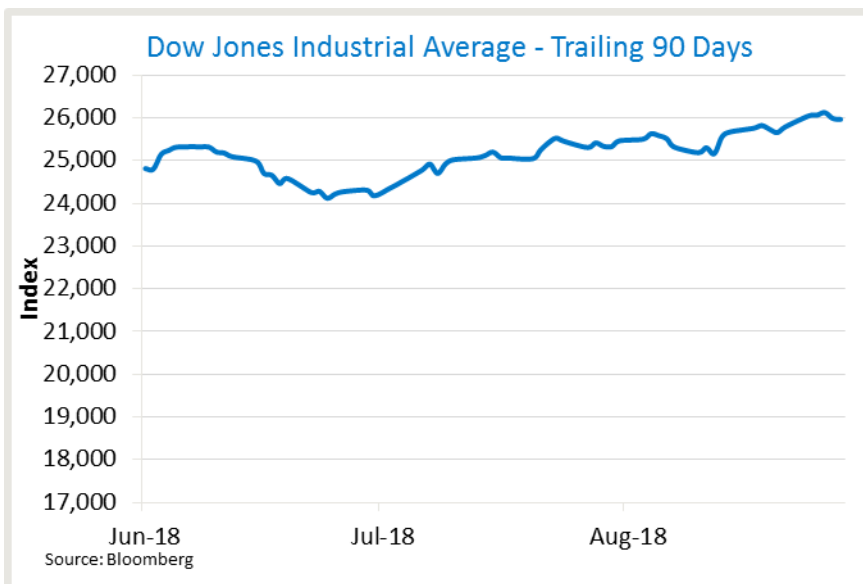


# Weekly Market Review

August 31, 2018

## Chart of the Week



## Weekly Highlights

- **North American Free Trade Agreement (NAFTA) discussion in focus.** Negotiations over the North American Free Trade Agreement (NAFTA), which accounts for more than \$1 trillion in trade, were heavily followed, as trade representatives from Canada, Mexico, and the US have sought to come up with at least a preliminary agreement in principle by Friday.
- **US second-quarter Growth Domestic Product (GDP) growth revised to 4.2%.** The second reading of GDP growth was revised up slightly from 4.1%. This growth is the fastest since Q32014, and follows a 2.2% increase in Q1. Strength from business spending on software coupled with fewer imports offset a revision to consumer spending.
- **Argentina's peso tumbled, overtaking the Turkish lira as the worst-performing foreign exchange in 2018, and declining more than 50% against the dollar.** The currency plunged more than 13% on Thursday, as the central bank rushed to hike interest rates for the fifth time since April, moving rates to 60 from 45%, as the country seeks to battle runaway inflation and an economic crisis.

## Talking Points

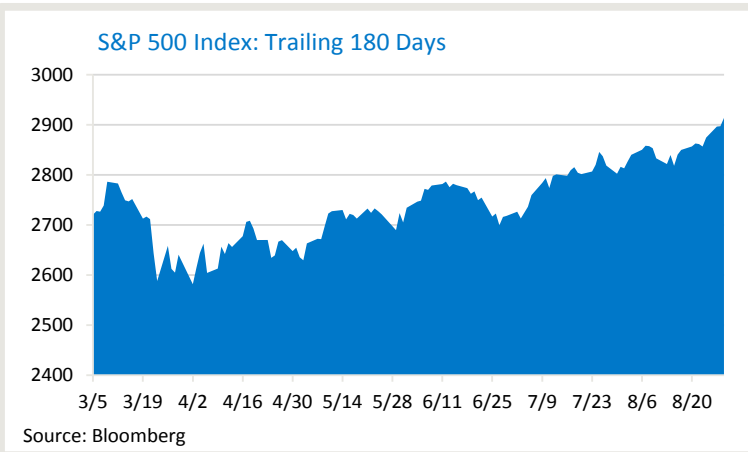
- **Domestic equities** traded mostly higher over the week, with the S&P 500 and Dow Jones Industrial Average on track for their third straight weekly gain. Growth stocks mostly outperformed value, and large cap mostly outpaced small cap. International and emerging markets trailed domestic equities.
- **The yield** on the 10-Year Treasury Note ended slightly higher on the week, after trading up to 2.9% mid-week before closing back around 2.85%.
- **Federal Reserve** Chair Jerome Powell commented from the Jackson Hole Economic Policy Symposium that the central bank would likely continue with its policy tightening if the economy continued to strengthen, but that a gradual approach would remain appropriate.
- **India GDP growth** hit 8.2% in the April-June quarter, its highest level in more than two years. The growth was on the back of strong core performance in manufacturing, construction, and public administration.
- **Among major economic data,** initial jobless claims rose last week, increasing by 3,000 to 213,000. China's manufacturing sector reported an improvement, with Manufacturing PMI at 51.3, up from 51.2 in July.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,901.52	26.83	0.93%	8.5%
<b>Dow Industrials</b>	25,964.82	174.47	0.68%	5.0%
<b>Nasdaq</b>	8,109.54	163.56	2.06%	17.5%
<b>Russell 2000</b>	1,740.75	15.08	0.87%	13.4%
<b>Euro Stoxx Index</b>	382.26	-1.30	-0.34%	-1.8%
<b>Shanghai Composite</b>	2,725.25	-4.18	-0.15%	-17.6%
<b>Russell Global</b>	2,193.61	18.88	0.87%	2.3%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,321.84	20.70	0.63%	-8.8%
<b>10-Year US Treas.</b>	2.85	3 bps	NM	NM
<b>Bloomberg Cmdts. Idx.</b>	83.74	0.05	0.05%	-5.0%
<b>Gold</b>	\$1,200.81	-\$5.05	-0.42%	-7.9%
<b>Crude Oil</b>	\$69.90	\$1.19	1.73%	19.1%
<b>Dollar Index</b>	95.08	-0.05	-0.05%	3.2%
<b>VIX Index</b>	12.86	0.87	7.26%	16.5%



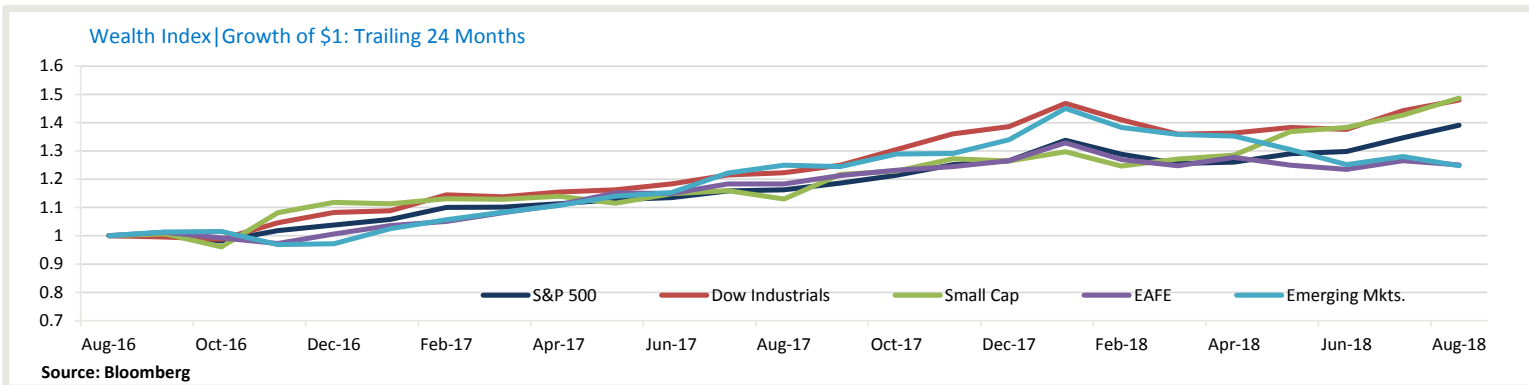
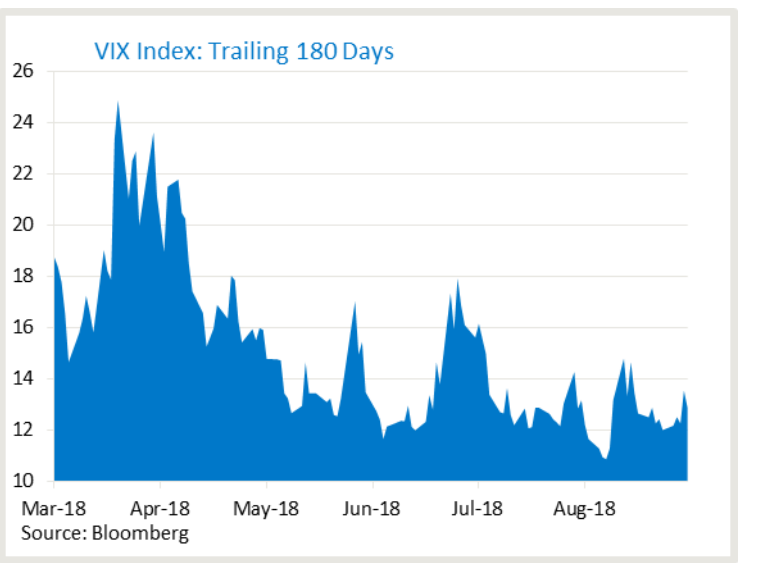
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	0.26%	1.08%	1.79%	1.83%	9.38%	16.13%
	0.15%	0.58%	1.22%	2.51%	6.99%	13.12%
<b>S</b>	-0.03%	0.87%	1.75%	8.59%	13.37%	18.01%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	12.9	1.77%	18.3%
<b>Consumer Staples</b>	6.7	-0.45%	-6.1%
<b>Energy</b>	5.9	-0.15%	2.7%
<b>Financials</b>	13.8	0.33%	1.2%
<b>Health Care</b>	14.6	0.98%	12.0%
<b>Industrials</b>	9.6	0.44%	1.2%
<b>Information Technology</b>	26.5	2.03%	20.0%
<b>Materials</b>	2.5	0.32%	-1.9%
<b>Real Estate</b>	2.7	0.86%	2.3%
<b>Telecom Services</b>	1.9	-1.67%	-7.3%
<b>Utilities</b>	2.8	-0.58%	0.9%

Source: Bloomberg



## The Economy and Markets

### **A Macro View – Longest Bull Market in History**

Last week, the S&P 500 bull market became the longest on record, reaching 3,453 days old and outpacing the record bull run that occurred during the 1990s. Although it may seem we are light years away from both the 666 bottom the S&P 500 reached in March 2009 and the market forces that we experienced during the global financial crisis, we should remember we are not too far removed from this historic event. As we prepare to embrace the current record high and the market's total return gain of more than 400%, let's take a deeper look at its ride over the past nine-plus years and outline the potential for, as well as the risks of, extending the record.

The term 'bull market' is generally defined as a sustained period of a market rise of 20% from a low set at the end of a bear market, which in turn is typically defined as a 20% price decline from a previous high. Based on these definitions, the dates of bull and bear markets can be known only in retrospect. Looking back at the October 2007-March 2009 bear market, there was widespread selling, and the S&P 500 lost more than 50% of its value over the 17-month period.

Although the root causes of the global financial crisis have been debated widely by economists, the bursting of the housing bubble, structural weakness in the financial system, and an economic recession are usually seen as the lead factors. Two high-profile moments from the crisis were the rescue of Bear Stearns in March 2008 and the failure of Lehman Brothers in September 2008, both of which shocked market participants. Another development was the major role the Federal Reserve played: slashing interest rates to near zero, helping to facilitate major bank deals, and using other accommodative measures, including buying trillions of dollars in bonds, to help will the economy out of recession. Much of this accommodative monetary policy still remains in force today, despite several rate hikes over the past two years, and has helped propel and sustain the massive run that we have experienced.

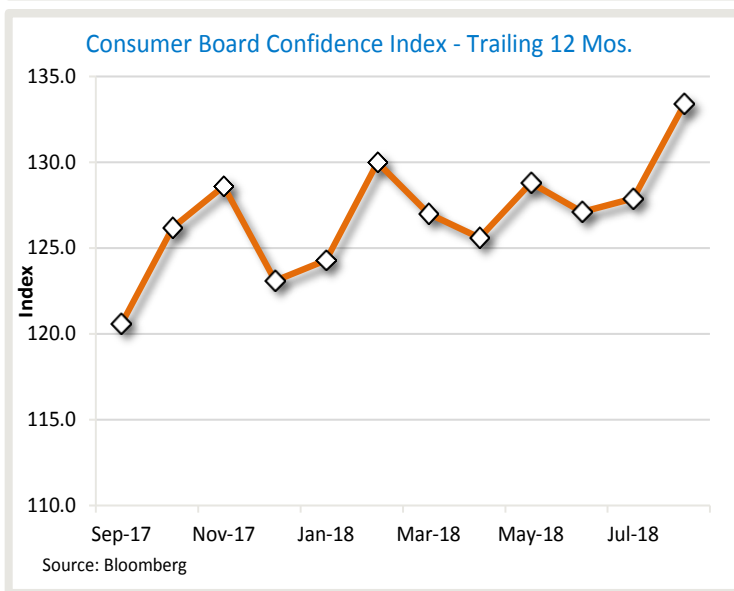
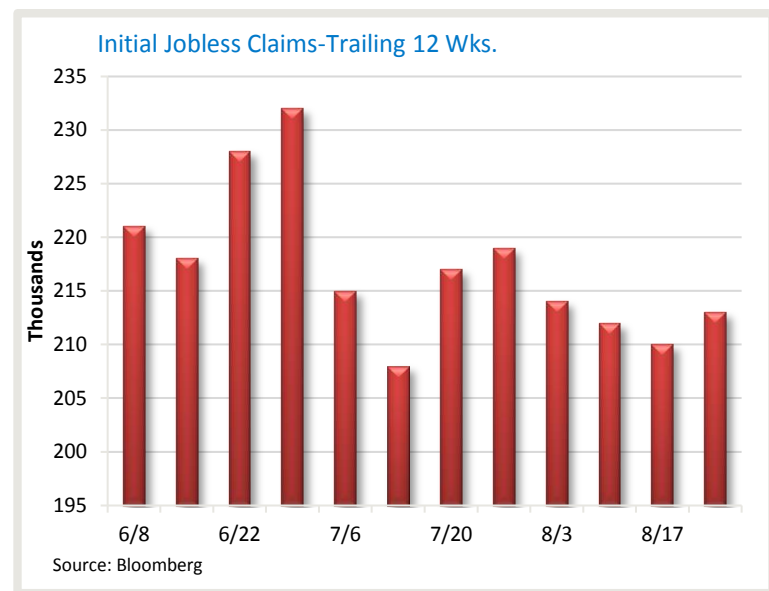
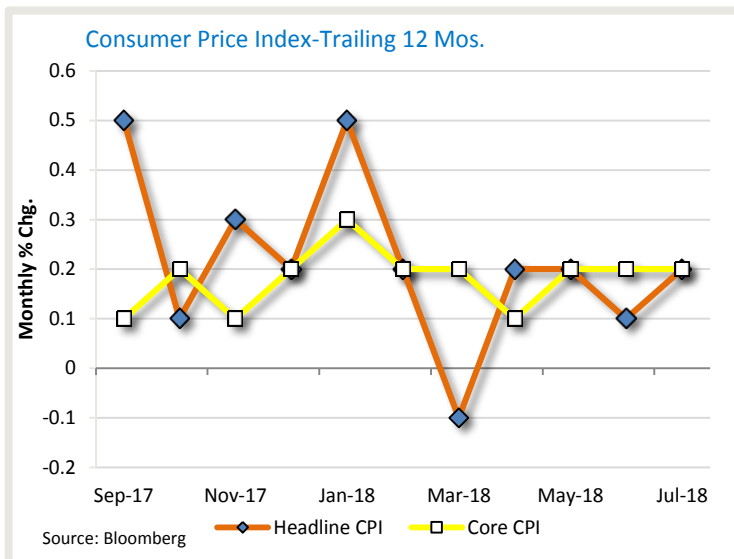
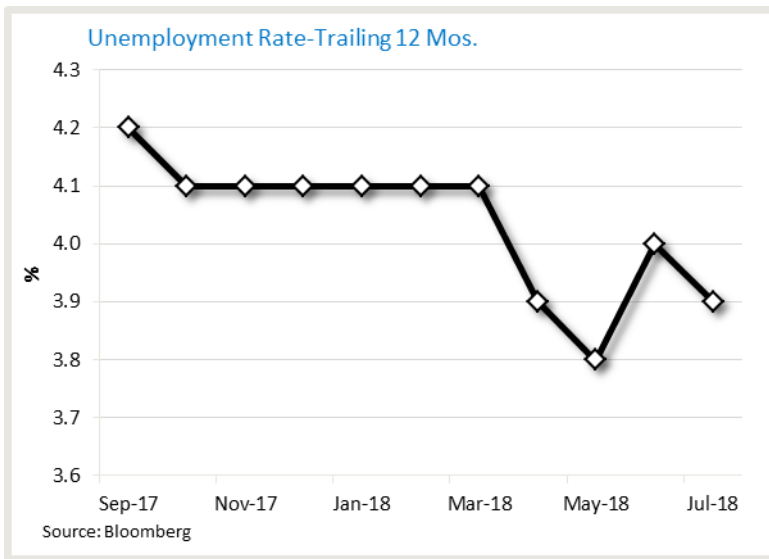
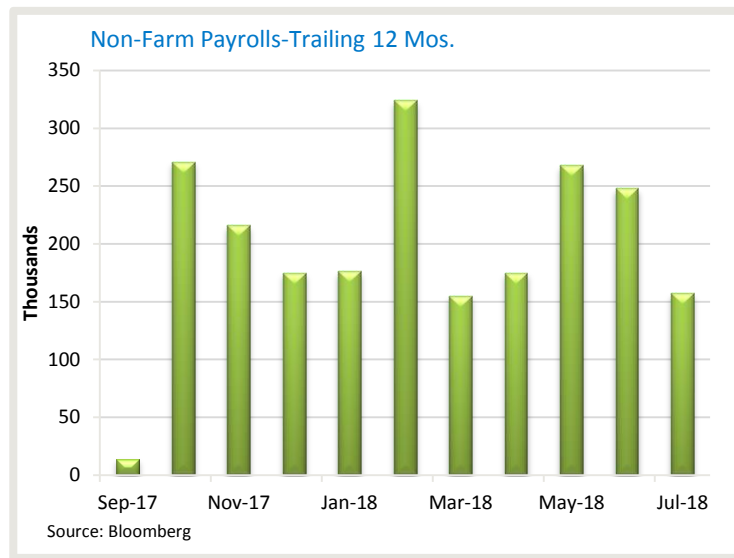
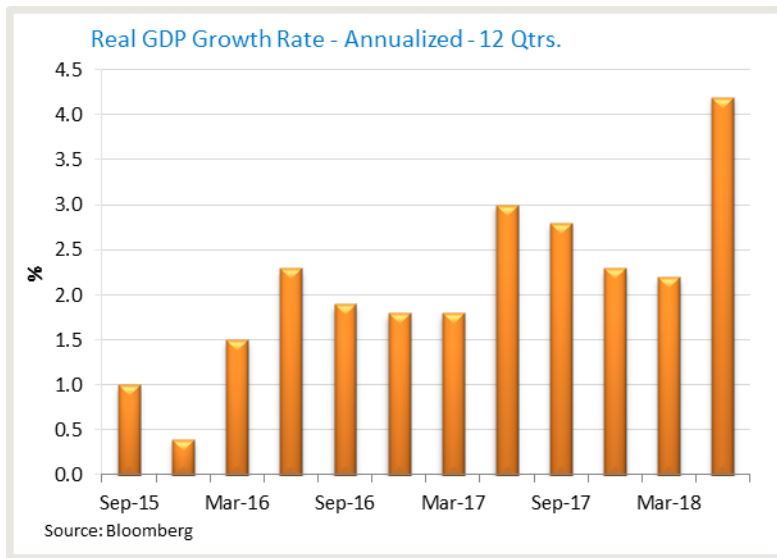
Higher equity values and a prolonged bull market sound great, but is everyone celebrating? Many insiders often describe the current market as the most unloved stock rally in history. Despite strong gains, participants seem to be focused on all the risks and worries that potentially could derail the rally. There certainly has been a lack of euphoria that typically is experienced in bull market tops. Many investors also have kept the 2007-2009 period very close in their rear view. Another issue is that the market gains have been very concentrated, with the Information Technology and Consumer Discretionary sectors accounting for roughly 40% of the market's gains. Apple has been the largest single contributor, making up roughly 4% of the gains. If investors do not own either these sectors or stocks like Apple, they are not fully participating in this rally, leaving some feeling left behind.

As we mark this milestone period for the longest bull market in history, it is important to remember the ashes markets rose from and also the larger factors that have been driving returns. Potential risks have been apparent in the market since it rose from the 2009 lows, but they have failed to fully overturn the bull. Despite several market pullbacks, the positives, such as strong corporate earnings, positive economic momentum, and monetary accommodation, have vastly outweighed over time the potential challenges of rising interest rates, fears of a global trade war, and other geopolitical events. There is no crystal ball to foretell when the equity rally will end, but for the time being, this record bull market rally remains intact.

*Tim Murphy*  
*VP, Senior Portfolio Manager*

Source: Bloomberg

## Economic Data



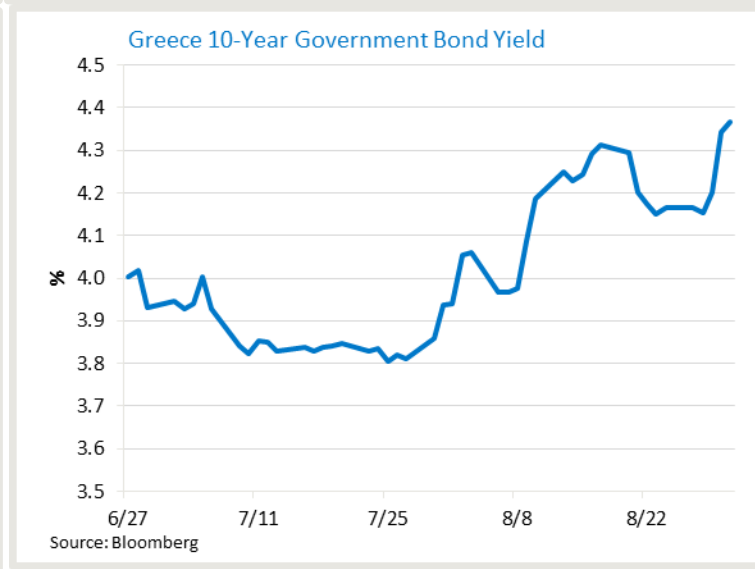
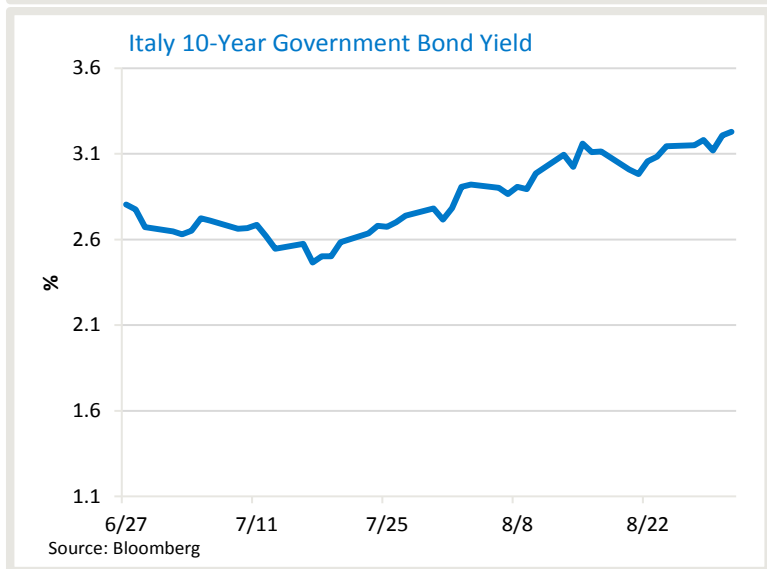
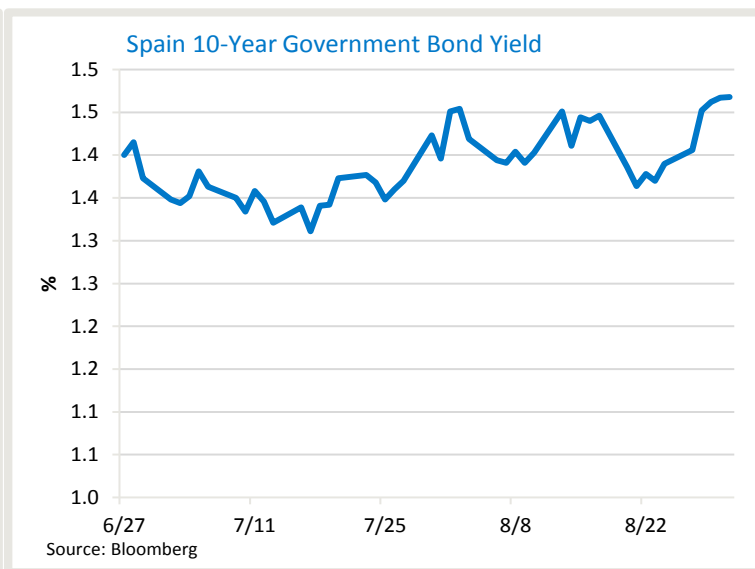
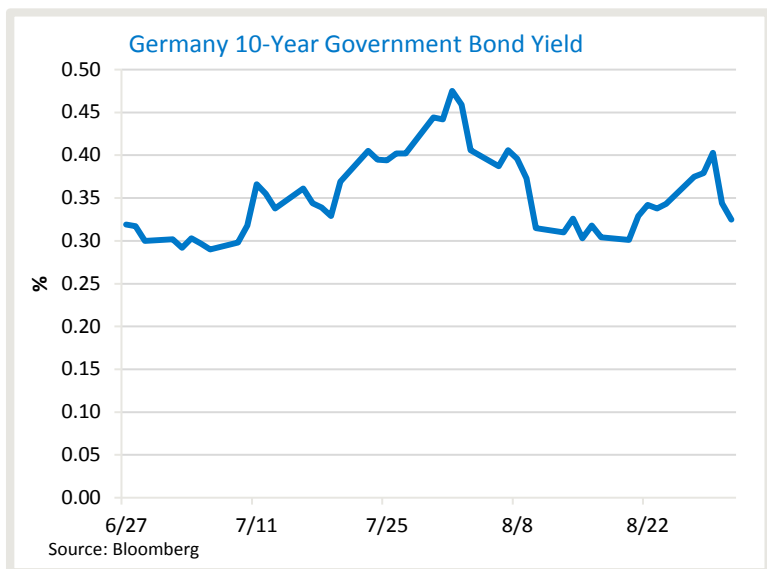
## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.32	2 bps	NM	NM
Greece 10-Yr. Govt.	4.37	-15 bps	NM	NM
Italy 10-Yr. Govt.	3.23	-6 bps	NM	NM
Spain 10-Yr. Govt.	1.47	-7 bps	NM	NM
Belgium 10-Yr. Govt.	0.70	0 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.68	0 bps	NM	NM
Ireland 10-Yr. Govt.	0.85	0 bps	NM	NM
Portugal 10-Yr. Govt.	1.92	-9 bps	NM	NM
Netherlands 10-Yr. Govt.	0.45	0 bps	NM	NM
U.K. 10-Yr. Govt.	1.43	0 bps	NM	NM

Source: Bloomberg  
Basis points (bps)



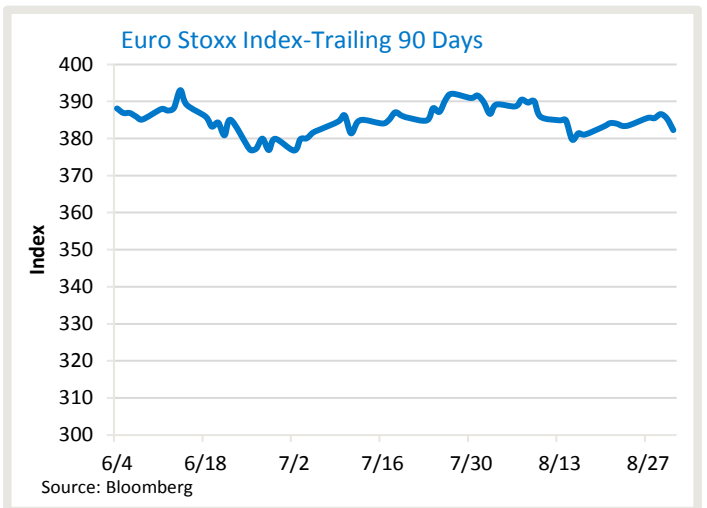
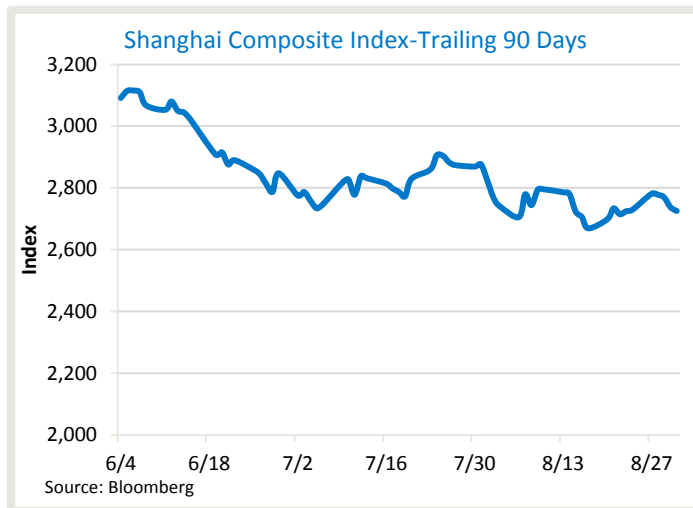
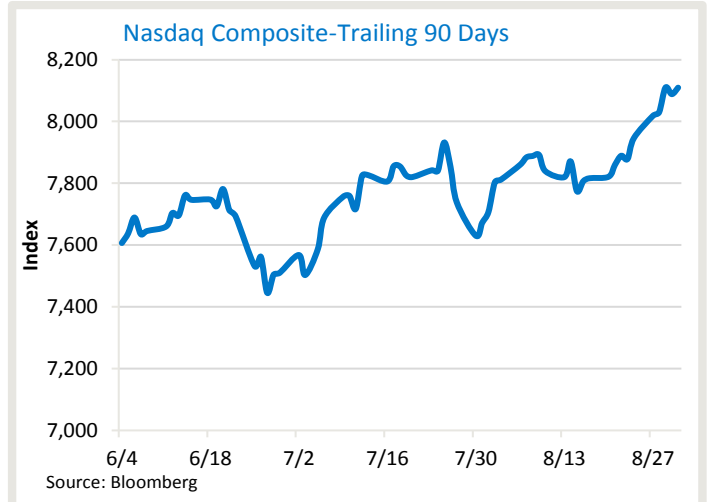
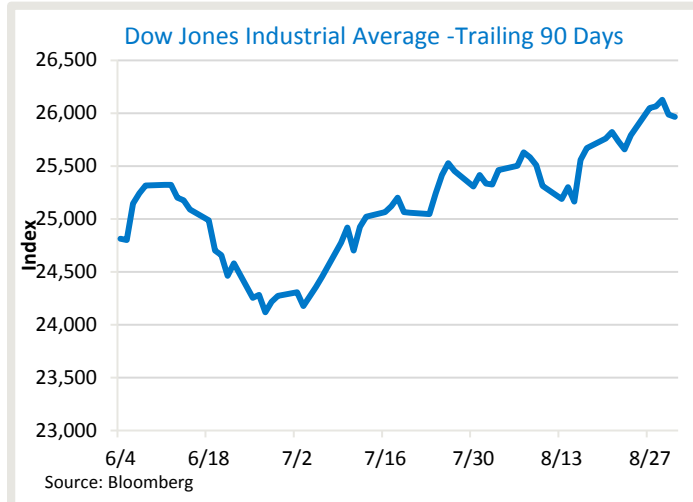
## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,901.52</b>	<b>26.83</b>	<b>0.93%</b>	<b>8.52%</b>
<b>Dow Industrials</b>	<b>25,964.82</b>	<b>174.47</b>	<b>0.68%</b>	<b>5.04%</b>
<b>Nasdaq Composite</b>	<b>8,109.54</b>	<b>163.56</b>	<b>2.06%</b>	<b>17.47%</b>
<b>Russell Global</b>	<b>2,193.61</b>	<b>18.88</b>	<b>0.87%</b>	<b>2.3%</b>
<b>Russell Global EM</b>	<b>3,321.84</b>	<b>20.70</b>	<b>0.63%</b>	<b>-8.8%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>16,262.88</b>	<b>-93.17</b>	<b>-0.57%</b>	<b>0.33%</b>
<b>Mexico IPC</b>	<b>49,547.68</b>	<b>-86.09</b>	<b>-0.17%</b>	<b>0.39%</b>
<b>Brazil Bovespa</b>	<b>76,677.56</b>	<b>415.30</b>	<b>0.54%</b>	<b>0.36%</b>
<b>Euro Stoxx 600</b>	<b>382.26</b>	<b>-1.30</b>	<b>-0.34%</b>	<b>-1.78%</b>
<b>FTSE 100</b>	<b>7,432.42</b>	<b>-145.07</b>	<b>-1.91%</b>	<b>-3.32%</b>
<b>IBEX 35 (Spain)</b>	<b>9,399.10</b>	<b>-190.40</b>	<b>-1.99%</b>	<b>-6.42%</b>

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

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>8,973.56</b>	<b>-79.34</b>	<b>-0.88%</b>	<b>-4.35%</b>
<b>CAC 40 Index (France)</b>	<b>5,406.85</b>	<b>-25.65</b>	<b>-0.47%</b>	<b>1.77%</b>
<b>DAX Index (Germany)</b>	<b>12,364.06</b>	<b>-30.46</b>	<b>-0.25%</b>	<b>-4.29%</b>
<b>Irish Overall Index</b>	<b>6,773.91</b>	<b>-20.30</b>	<b>-0.30%</b>	<b>-3.76%</b>
<b>Nikkei 225</b>	<b>22,865.15</b>	<b>263.38</b>	<b>1.17%</b>	<b>0.44%</b>
<b>Hang Seng Index</b>	<b>27,888.55</b>	<b>216.68</b>	<b>0.78%</b>	<b>-6.79%</b>
<b>Shanghai Composite</b>	<b>2,725.25</b>	<b>-4.18</b>	<b>-0.15%</b>	<b>-17.60%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,322.88</b>	<b>29.67</b>	<b>1.29%</b>	<b>-5.86%</b>
<b>Taiwan Taiex Index</b>	<b>11,063.94</b>	<b>254.59</b>	<b>2.36%</b>	<b>3.96%</b>
<b>Tel Aviv 25 Index</b>	<b>1,666.04</b>	<b>32.02</b>	<b>1.96%</b>	<b>10.35%</b>
<b>MOEX Index (Russia)</b>	<b>2,345.85</b>	<b>66.09</b>	<b>2.90%</b>	<b>11.19%</b>



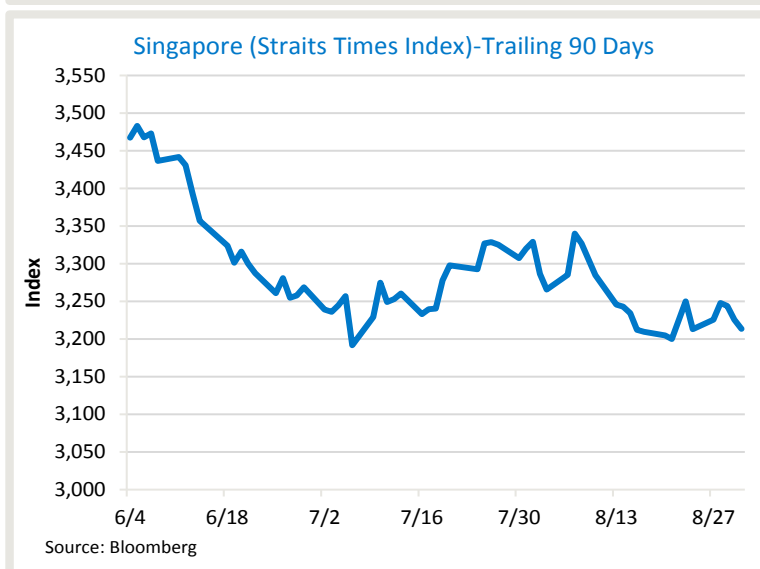
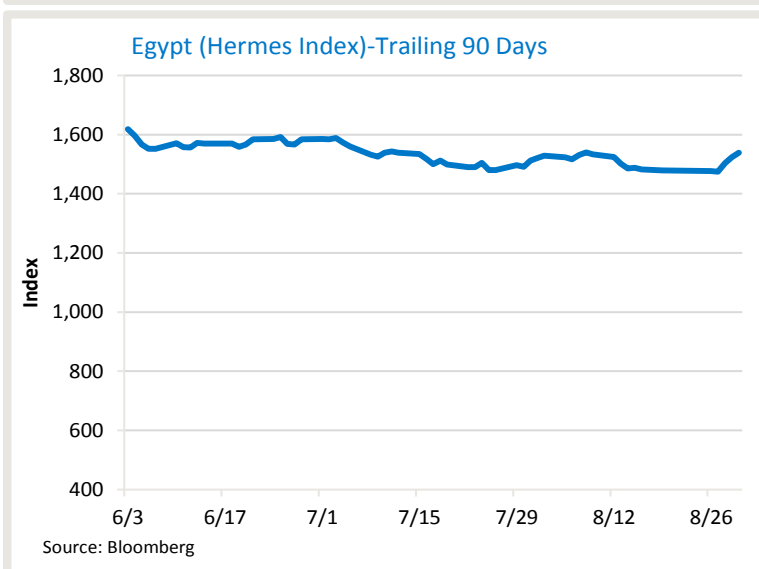
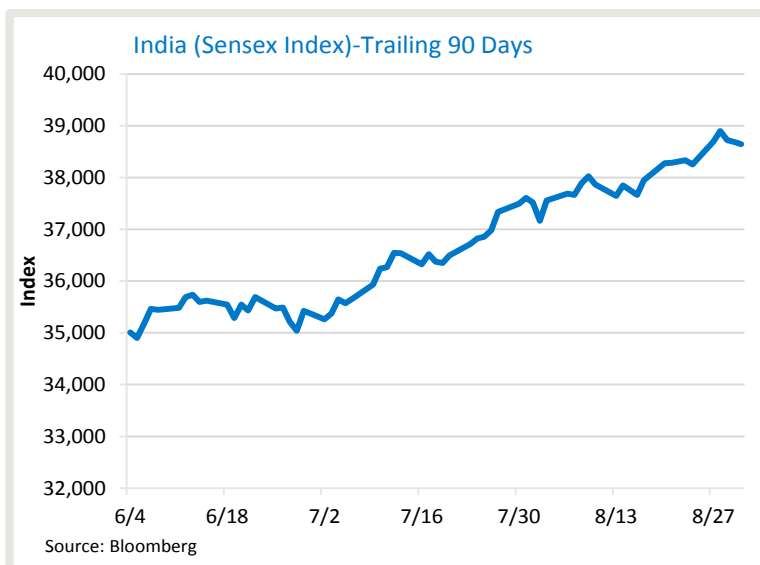
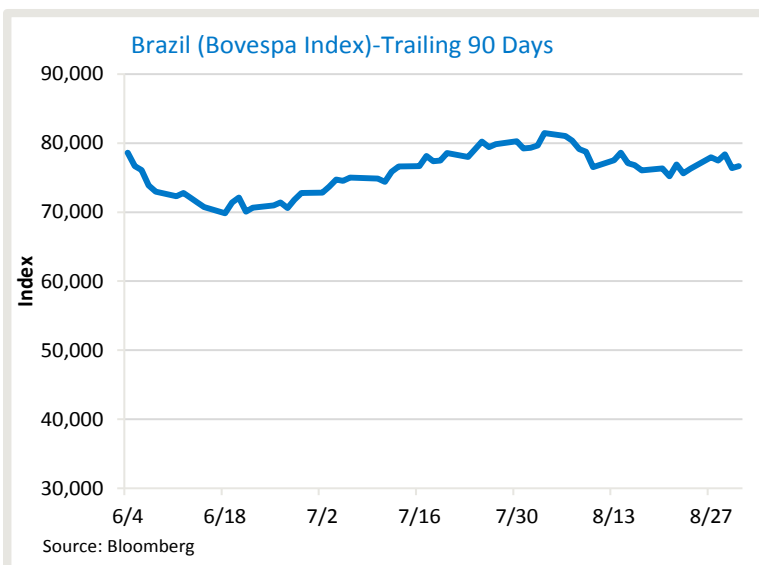
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	49,547.68	-86.09	-0.2%	0.4%
Brazil (Bovespa Index)	76,677.56	415.30	0.5%	0.4%
MOEX Index (Russia)	2,345.85	66.09	2.9%	11.2%
Czech Republic (Prague)	1,072.88	0.02	0.0%	-0.5%
Turkey (Istanbul)	92,723.40	2537.41	2.8%	-19.6%
Egypt (Hermes Index)	1,538.71	59.71	4.0%	7.1%
Kenya (Nairobi 20 Index)	3,203.40	-92.86	-2.8%	-13.7%
Saudi Arabia (TASI Index)	7,948.25	81.09	1.0%	10.0%
Lebanon (Beirut BLOM Index)	1,000.03	-9.00	-0.9%	-12.9%
Palestine	536.90	-4.81	-0.9%	-6.6%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,888.55	216.68	0.8%	-6.8%
India (Sensex 30)	38,645.07	393.27	1.0%	13.5%
Malaysia (KLCI Index)	1,819.66	8.79	0.5%	1.3%
Singapore (Straits Times Index)	3,213.48	0.48	0.0%	-5.6%
Thailand (SET Index)	1,721.58	17.76	1.0%	-1.8%
Indonesia (Jakarta)	6,018.46	49.71	0.8%	-5.3%
Pakistan (Karachi KSE 100)	41,742.24	-846.05	-2.0%	3.1%
Vietnam (Ho Chi Minh)	989.54	2.49	0.3%	0.5%
Sri Lanka (Colombo)	6,080.26	27.57	0.5%	-4.5%
Cambodia (Laos)	884.25	6.39	0.7%	-11.4%

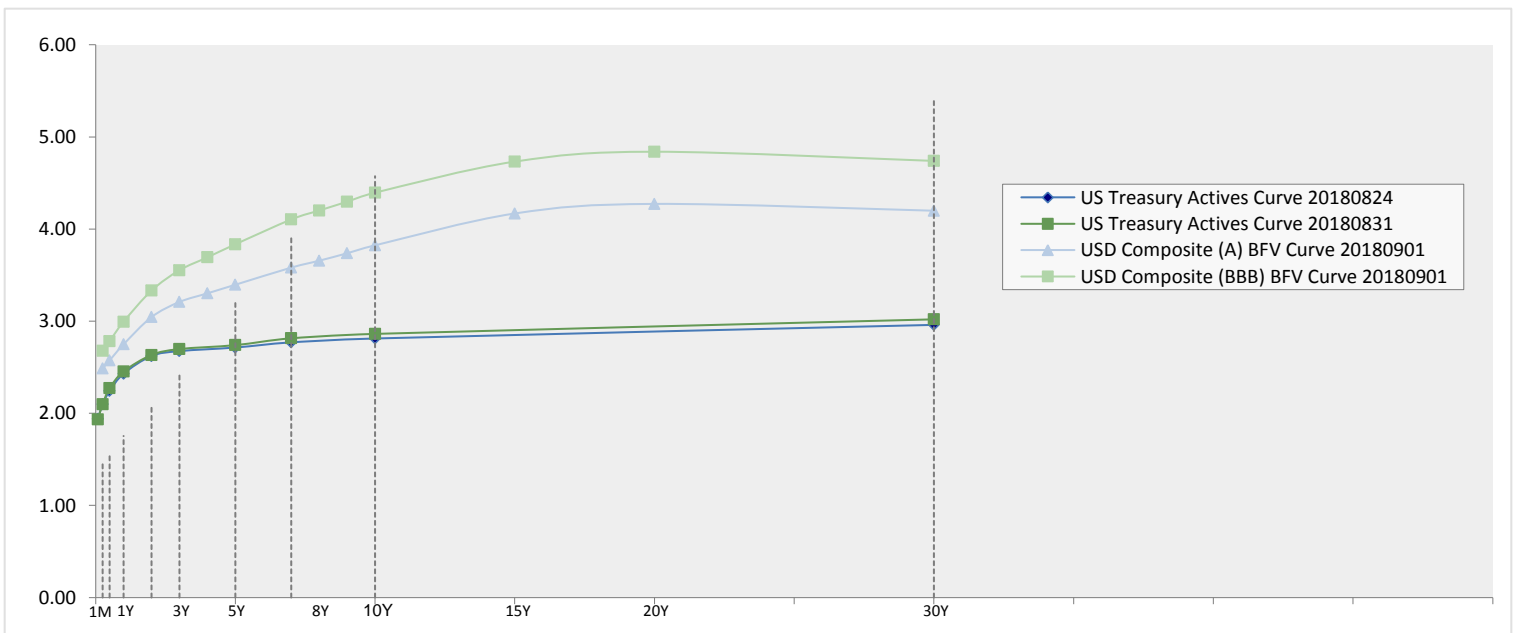


## Interest Rates

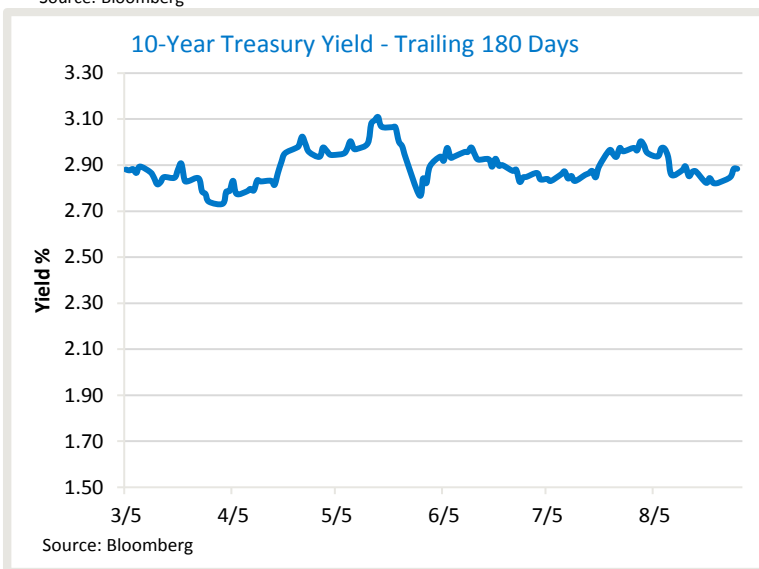
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.63%	0 bps	NM	NM	Prime Rate	5.00%	0.00	NM	NM
5-Yr. U.S. Treasury	2.74%	1 bps	NM	NM	Fed Funds Rate	2.00%	0.00	NM	NM
10-Yr. U.S. Treasury	2.85%	3 bps	NM	NM	Discount Rate	2.50%	0.00	NM	NM
30-Yr. U.S. Treasury	3.01%	4 bps	NM	NM	LIBOR (3 Mo.)	2.32%	0 bps	NM	NM
German 10-Yr. Govt.	0.32%	2 bps	NM	NM	Bond Buyer 40 Muni	3.87%	4 bps	NM	NM
France 10-Yr.	0.68%	0 bps	NM	NM	Bond Buyer 40 G.O.	3.96%	NA	NM	NM
Italy 10-Yr.	3.23%	-6 bps	NM	NM	Bond Buyer 40 Rev.	4.47%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.08%	-2 bps	NM	NM					

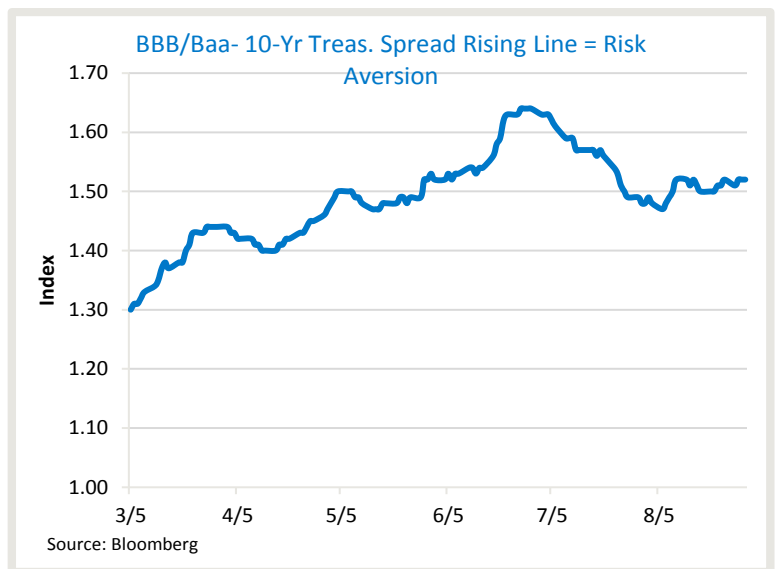
Source: Bloomberg



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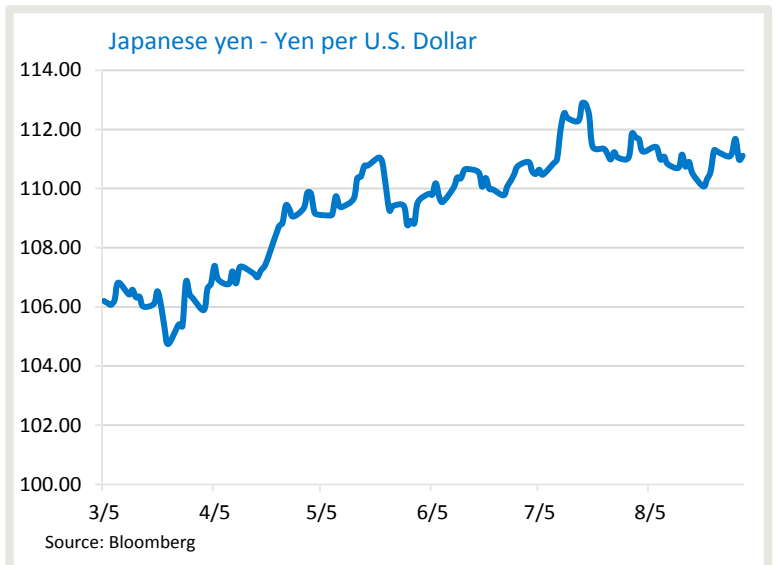
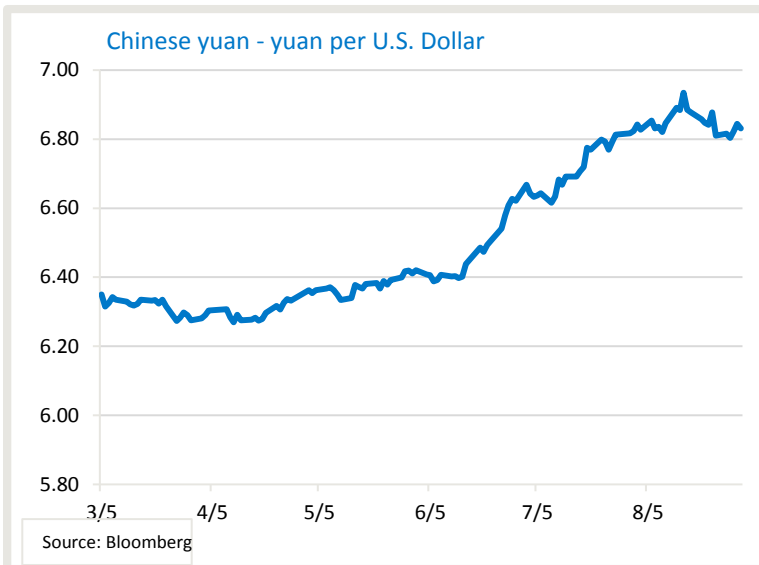
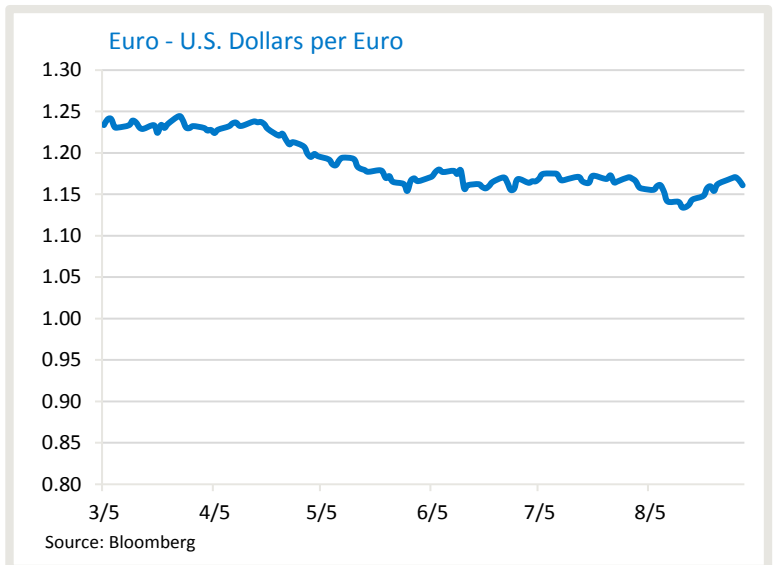
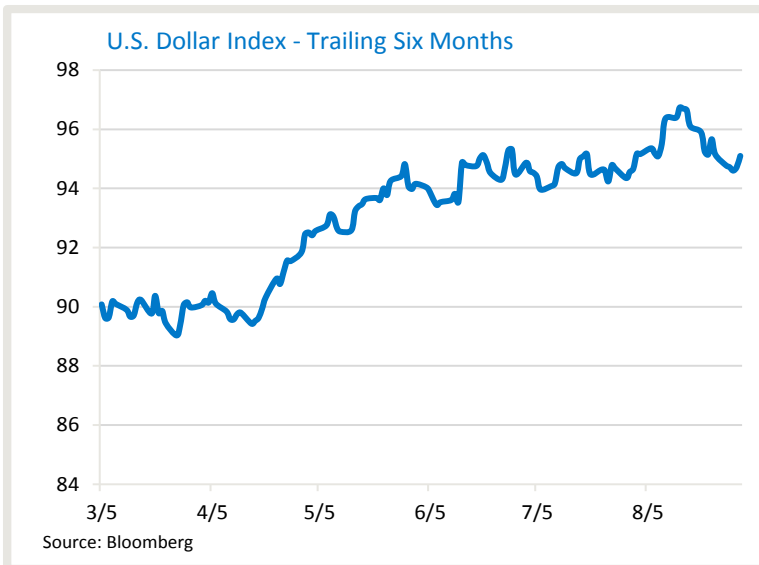
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>95.08</b>	<b>-0.048</b>	<b>-0.05%</b>	<b>3.23%</b>
<b>Euro</b>	<b>1.16</b>	<b>-0.001</b>	<b>-0.11%</b>	<b>-3.30%</b>
<b>Japanese Yen</b>	<b>111.10</b>	<b>-0.130</b>	<b>0.12%</b>	<b>1.42%</b>
<b>British Pound</b>	<b>1.30</b>	<b>0.012</b>	<b>0.90%</b>	<b>-4.08%</b>
<b>Canadian Dollar</b>	<b>1.30</b>	<b>0.002</b>	<b>-0.15%</b>	<b>-3.63%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.83</b>	<b>0.021</b>	<b>-0.31%</b>	<b>-4.75%</b>
<b>Swiss Franc</b>	<b>0.97</b>	<b>-0.015</b>	<b>1.50%</b>	<b>0.55%</b>
<b>New Zealand Dollar</b>	<b>0.66</b>	<b>-0.005</b>	<b>-0.75%</b>	<b>-6.73%</b>
<b>Brazilian Real</b>	<b>4.06</b>	<b>-0.042</b>	<b>1.02%</b>	<b>-18.56%</b>
<b>Mexican Peso</b>	<b>19.11</b>	<b>0.197</b>	<b>-1.03%</b>	<b>2.88%</b>

Source: Bloomberg



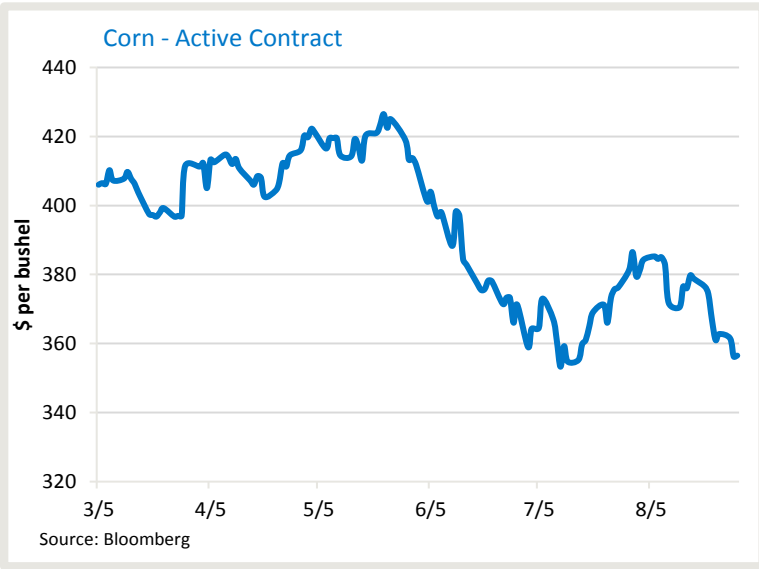
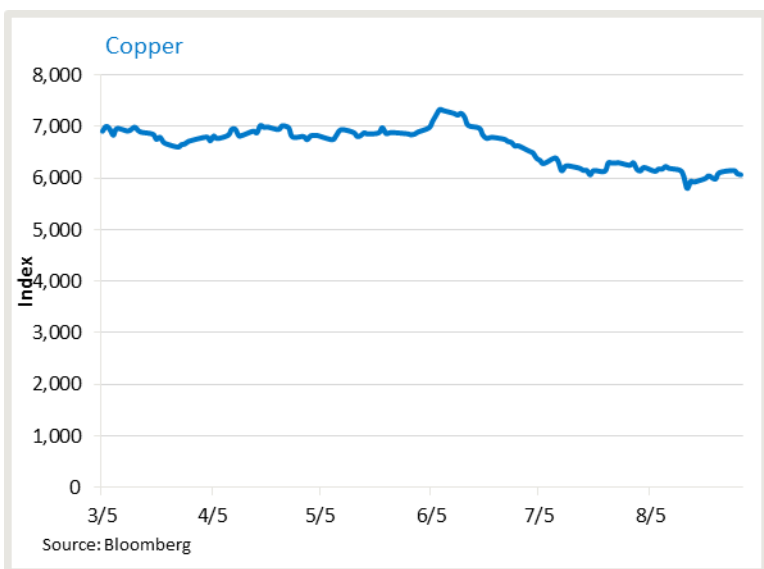
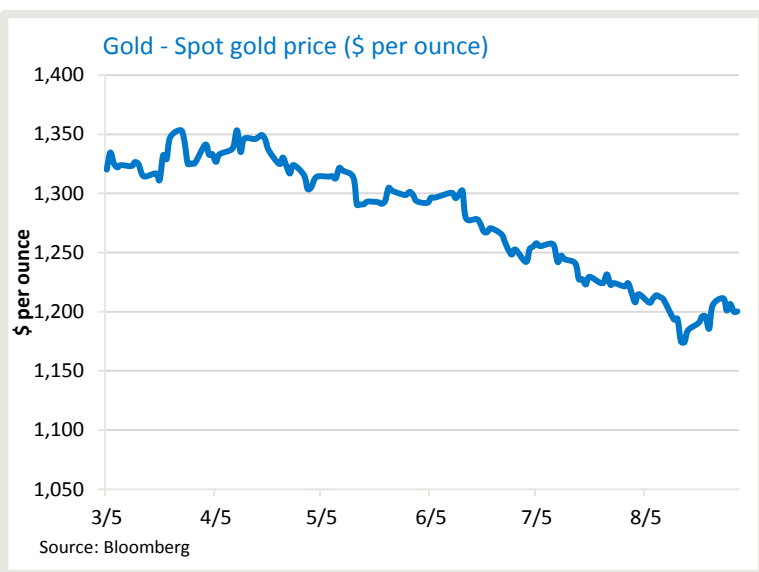
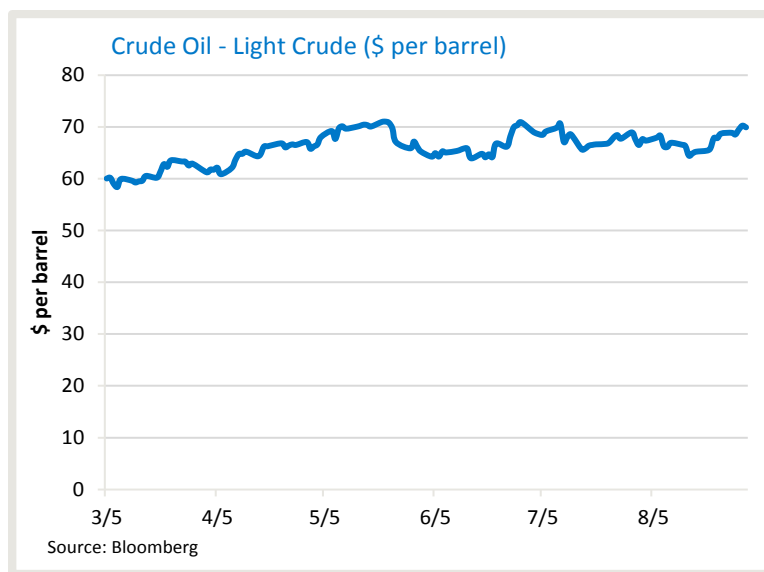
## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Bloomberg Comm. Idx.</b>	<b>83.74</b>	<b>0.05</b>	<b>0.05%</b>	<b>-5.03%</b>
<b>Crude Oil</b>	<b>\$69.89</b>	<b>\$1.19</b>	<b>1.73%</b>	<b>19.06%</b>
<b>Natural Gas</b>	<b>\$2.92</b>	<b>\$0.01</b>	<b>0.24%</b>	<b>3.84%</b>
<b>Gasoline (\$/Gal.)</b>	<b>\$2.84</b>	<b>\$0.00</b>	<b>-0.11%</b>	<b>14.11%</b>
<b>Heating Oil</b>	<b>224.60</b>	<b>3.88</b>	<b>1.76%</b>	<b>14.80%</b>
<b>Gold Spot</b>	<b>\$1,200.51</b>	<b>-\$5.05</b>	<b>-0.42%</b>	<b>-7.87%</b>
<b>Silver Spot</b>	<b>\$14.53</b>	<b>-\$0.29</b>	<b>-1.95%</b>	<b>-14.21%</b>

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
<b>Platinum Spot</b>	<b>\$787.30</b>	<b>-\$3.89</b>	<b>-0.49%</b>	<b>-15.18%</b>
<b>Corn</b>	<b>365.00</b>	<b>2.25</b>	<b>0.62%</b>	<b>-4.95%</b>
<b>Wheat</b>	<b>545.50</b>	<b>9.00</b>	<b>1.68%</b>	<b>13.17%</b>
<b>Soybeans</b>	<b>843.50</b>	<b>-11.75</b>	<b>-1.37%</b>	<b>-13.55%</b>
<b>Sugar</b>	<b>10.60</b>	<b>0.37</b>	<b>3.62%</b>	<b>-30.31%</b>
<b>Orange Juice</b>	<b>154.45</b>	<b>-2.00</b>	<b>-1.28%</b>	<b>8.77%</b>
<b>Aluminum</b>	<b>2,132.00</b>	<b>37.00</b>	<b>1.77%</b>	<b>-6.00%</b>
<b>Copper</b>	<b>6,066.00</b>	<b>-39.00</b>	<b>-0.64%</b>	<b>-16.30%</b>

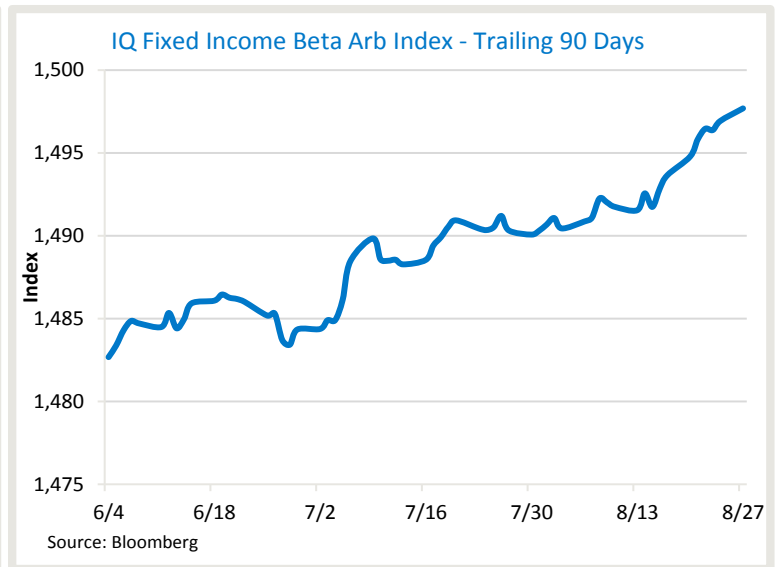
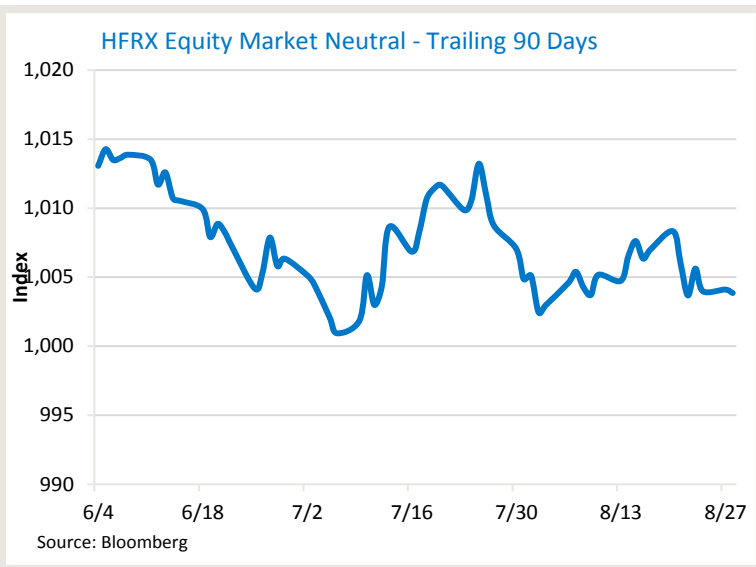
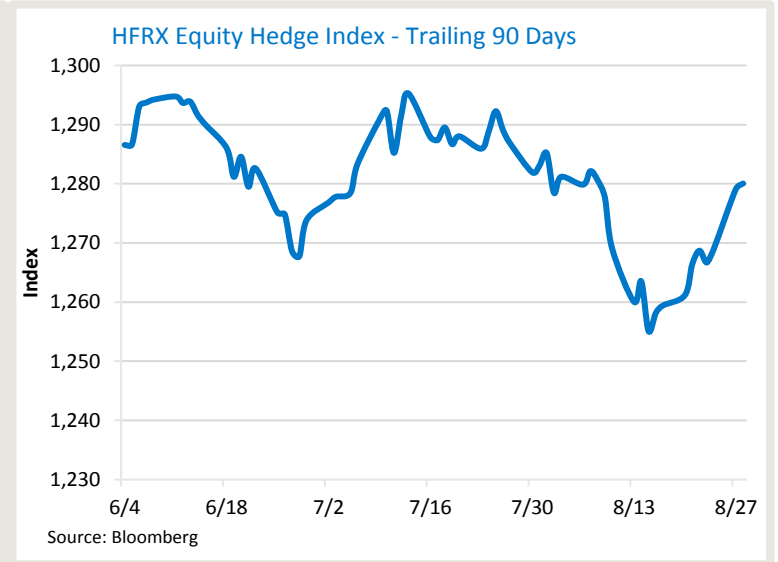
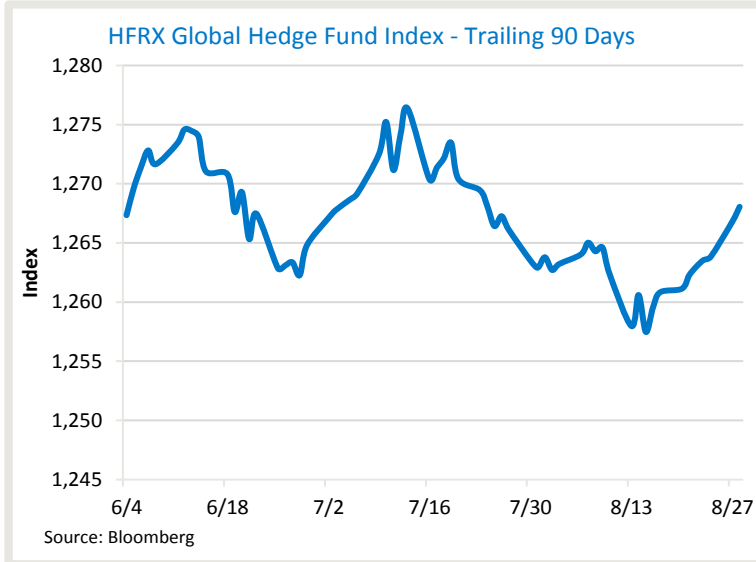


## Alternative Investments

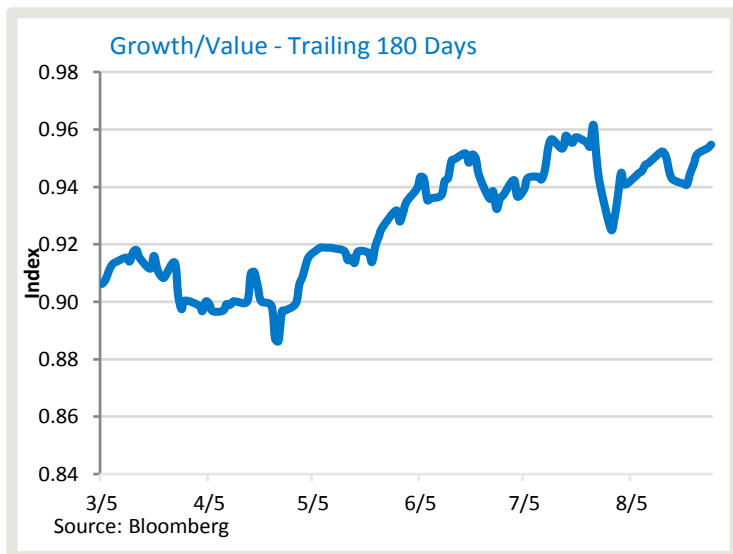
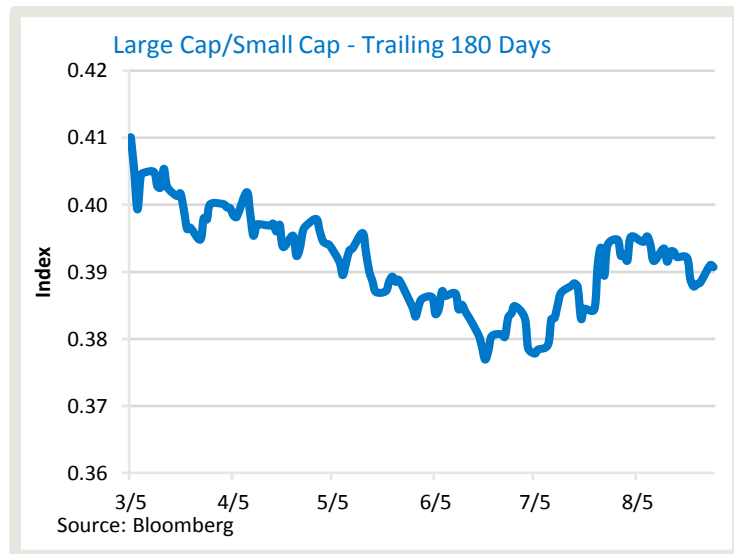
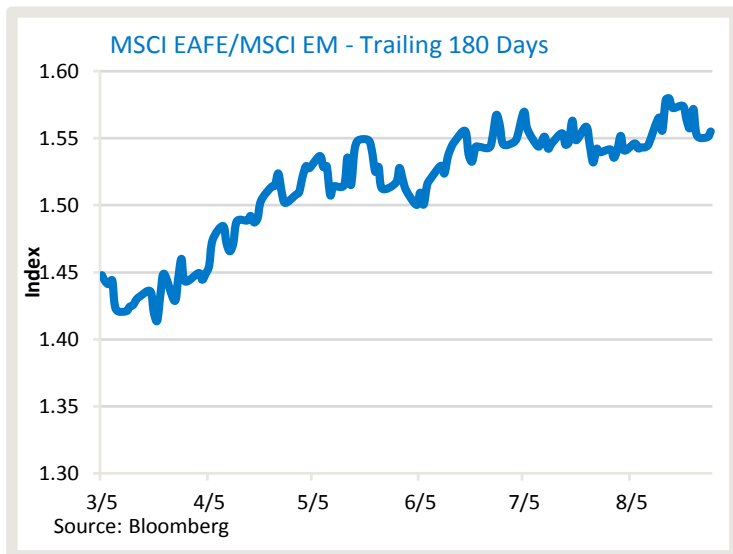
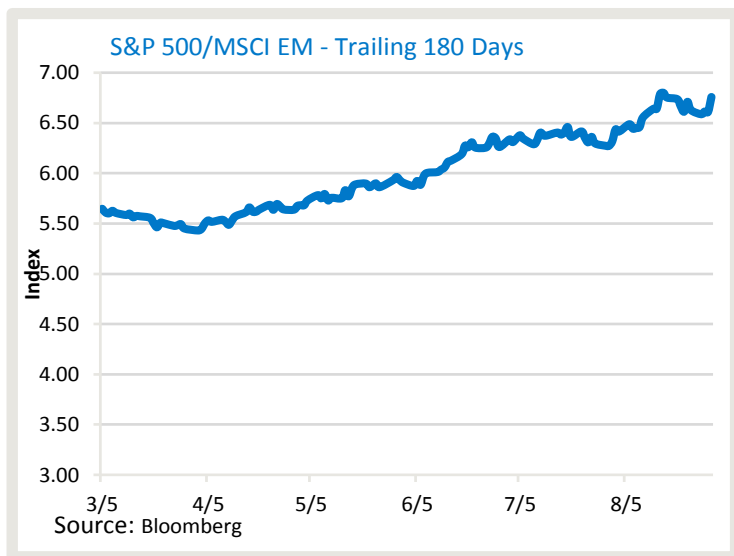
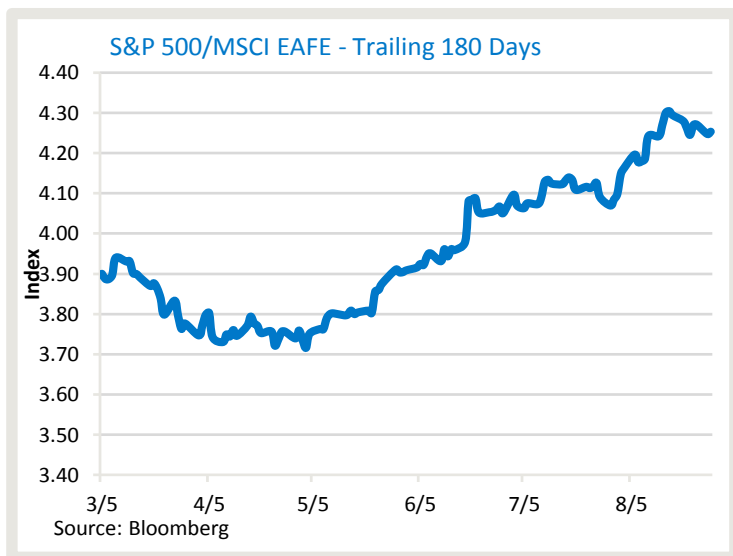
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1270.04	6.21	0.49%	-0.44%	HFRX Distressed Index	1043.38	1.01	0.10%	-5.72%
HFRX Equity Market Neutral	1007.22	3.24	0.32%	0.28%	HFRX Merger Arbitrage Index	1838.54	1.49	0.08%	-0.78%
HFRX Equity Hedge Index	1283.76	14.67	1.16%	1.02%	HFRX Convertible Arbitrage Index	802.69	1.39	0.17%	0.81%
HFRX Event-Driven Index	1589.04	1.58	0.10%	-4.61%	HFRX Macro CTA Index	1150.58	4.66	0.41%	-1.14%
HFRX Absolute Return Index	1076.71	1.25	0.12%	1.26%	IQ Fixed Income Beta Arb Index	1498.34	1.41	0.09%	1.89%

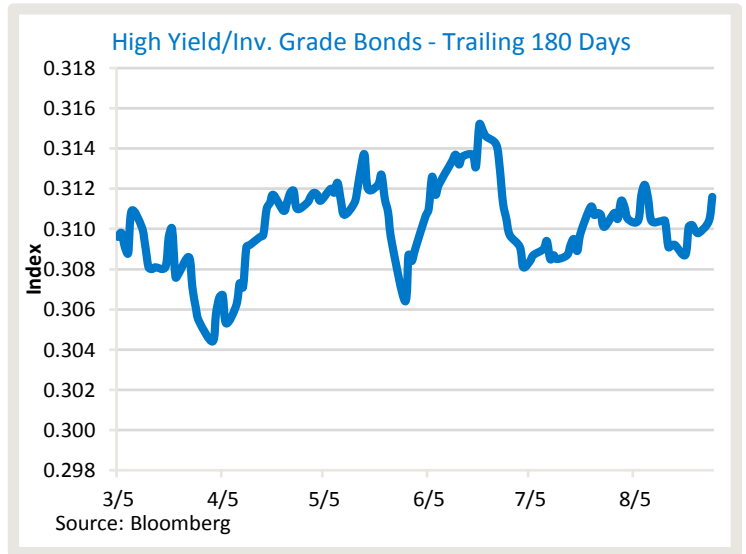
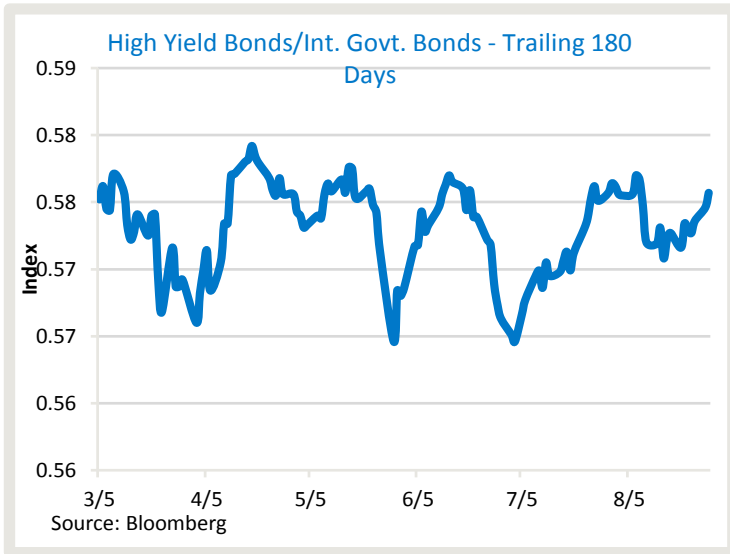
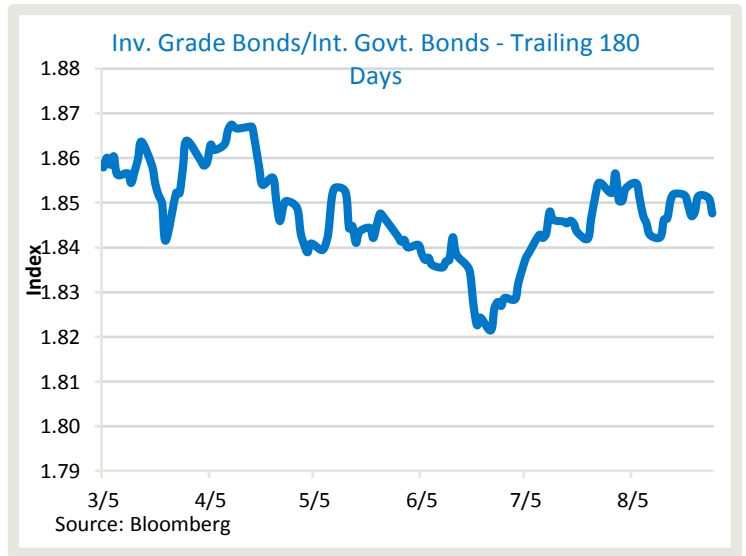
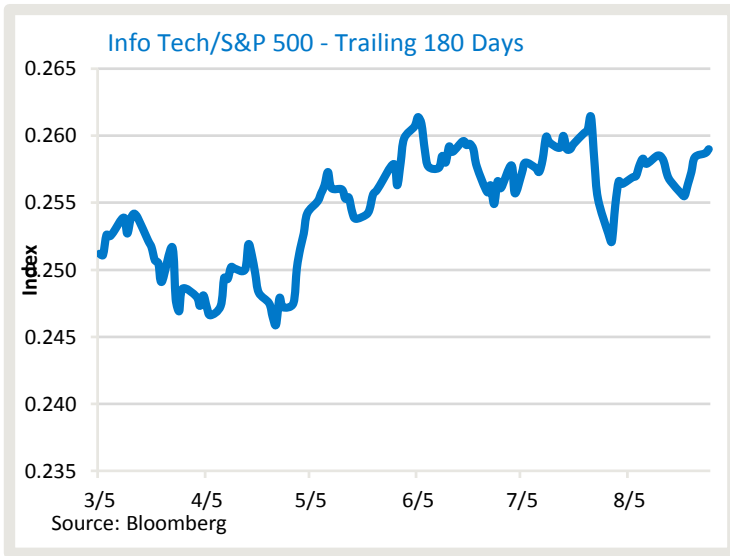
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			6/14	6/21	6/28	7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30
Equity	Domestic Equity	Large Cap (R200)	0.35%	-1.24%	-1.14%	0.68%	2.47%	0.15%	1.22%	-0.21%	1.01%	-0.49%	0.49%	1.73%
		Small Cap (R2000)	1.02%	0.25%	-2.60%	2.10%	0.64%	0.65%	-0.35%	-0.78%	0.52%	-0.30%	1.86%	0.89%
	Int'l. Equity	MSCI EAFE	-0.29%	-2.54%	-1.27%	0.80%	0.60%	0.25%	1.59%	-1.28%	0.54%	-3.26%	1.29%	1.49%
		MSCI Em. Mkts.	-2.09%	-4.04%	-3.10%	0.73%	1.51%	-0.90%	2.69%	-2.00%	1.05%	-5.29%	2.61%	0.92%
Fixed Income	BarCap Agg. (AGG)	-0.06%	0.00%	0.37%	0.08%	0.09%	0.07%	0.45%	-0.25%	0.25%	0.38%	0.20%	-0.18%	
	High Yield (JNK)	0.59%	-0.31%	-0.81%	-0.25%	0.62%	0.03%	0.45%	-0.11%	0.14%	-0.11%	0.33%	0.06%	
Commodities	Bloomberg Commodity Index	-0.92%	-3.13%	0.43%	-1.45%	-1.78%	-1.12%	2.27%	-0.52%	0.45%	-2.21%	0.12%	0.61%	
Alternatives	Hedge Funds (HFRX Global)	0.09%	-0.68%	-0.24%	0.51%	0.44%	-0.06%	-0.49%	-0.36%	0.15%	-0.40%	0.32%	0.51%	
Asset Allocation	60/40*	0.07%	-0.95%	-0.86%	0.58%	1.03%	0.13%	0.57%	-0.52%	0.58%	-0.80%	0.74%	0.82%	
	48/32/20 (w/Alts.)**	0.07%	-0.89%	-0.74%	0.57%	0.91%	0.09%	0.36%	-0.49%	0.50%	-0.72%	0.66%	0.76%	

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	0.98	1.07	1.06	1.02	1.12	1.05	1.03	1.10	1.26	1.38	1.06	1.43	1.20	1.15
Large Cap Growth	1.02	1.00	1.09	1.09	1.04	1.14	1.07	1.05	1.13	1.28	1.41	1.09	1.45	1.22	1.17
Large Cap Value	0.93	0.91	1.00	0.99	0.95	1.04	0.98	0.96	1.03	1.17	1.29	0.99	1.33	1.12	1.07
Mid Cap Core	0.94	0.92	1.01	1.00	0.96	1.05	0.99	0.96	1.04	1.18	1.30	1.00	1.34	1.13	1.08
Mid Cap Growth	0.98	0.96	1.05	1.04	1.00	1.09	1.03	1.00	1.08	1.23	1.35	1.04	1.39	1.17	1.12
Mid Cap Value	0.90	0.88	0.96	0.95	0.92	1.00	0.94	0.92	0.99	1.13	1.24	0.95	1.28	1.08	1.03
Small Cap Core	0.95	0.93	1.02	1.01	0.97	1.06	1.00	0.98	1.05	1.20	1.32	1.01	1.36	1.14	1.09
Small Cap Growth	0.97	0.95	1.05	1.04	1.00	1.09	1.02	1.00	1.08	1.22	1.35	1.04	1.39	1.17	1.12
Small Cap Value	0.91	0.89	0.97	0.97	0.93	1.01	0.95	0.93	1.00	1.14	1.25	0.96	1.29	1.09	1.04
Int'l. Developed	0.80	0.78	0.85	0.85	0.81	0.89	0.84	0.82	0.88	1.00	1.10	0.85	1.13	0.95	0.91
Emerging Markets	0.72	0.71	0.78	0.77	0.74	0.81	0.76	0.74	0.80	0.91	1.00	0.77	1.03	0.87	0.83
REITs	0.94	0.92	1.01	1.00	0.96	1.05	0.99	0.97	1.04	1.18	1.30	1.00	1.34	1.13	1.08
Commodities	0.70	0.69	0.75	0.75	0.72	0.78	0.74	0.72	0.77	0.88	0.97	0.75	1.00	0.84	0.80
Int. Bond	0.83	0.82	0.89	0.89	0.85	0.93	0.88	0.86	0.92	1.05	1.15	0.89	1.19	1.00	0.95
High Yield	0.87	0.86	0.94	0.93	0.89	0.97	0.92	0.90	0.96	1.10	1.21	0.93	1.24	1.05	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. The S&P Technology Select Sector Index includes companies from the following industries: computers & peripherals; software; diversified telecommunication services; communications equipment; semiconductor & semiconductor equipment; internet software & services; IT services; wireless telecommunication services; electronic equipment & instruments; and office electronics.

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

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

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