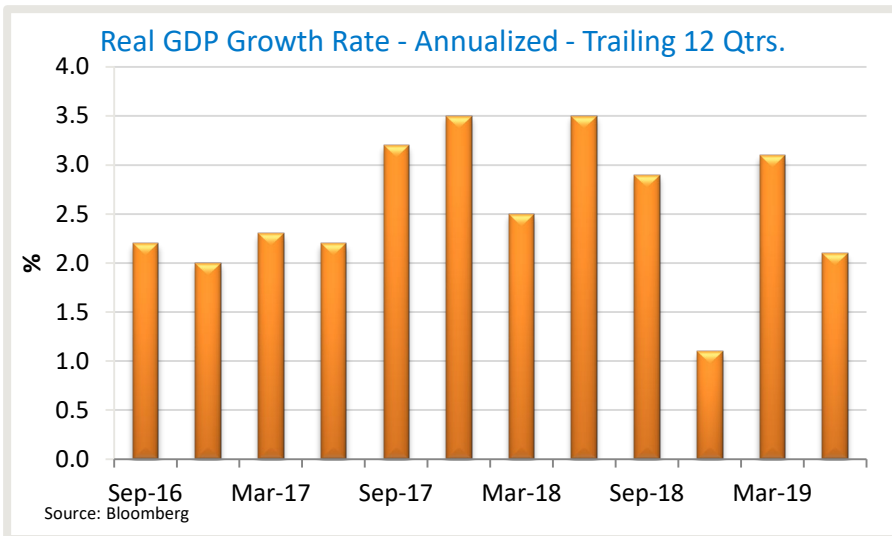


# Weekly Market Review

July 29, 2019

## Chart of the Week



## Weekly Highlights

- **Boris Johnson became the UK's Prime Minister this week**, replacing Theresa May. Upon assuming the office, the former foreign secretary, London mayor, and Brexit supporter said, "It is time to change the record."
- **On Wednesday, former special counsel Robert Mueller** testified before the House Judiciary and Intelligence Committees about his report on the 2016 election, which did not find a conspiracy between the Trump campaign and Russia but did detail significant Russian intervention.
- **Boeing CEO Dennis Muilenburg warned investors** that the company might further slow or temporarily halt its 737 Max production, causing continued disruption in the international aerospace industry.
- **Amazon reported a profit of \$2.6 billion** for the quarter ending in June, slightly up from the prior year, but still well below its record of \$3.6 billion set in the first quarter. This ends Amazon's streak of four consecutive quarters of record profits.

## Talking Points

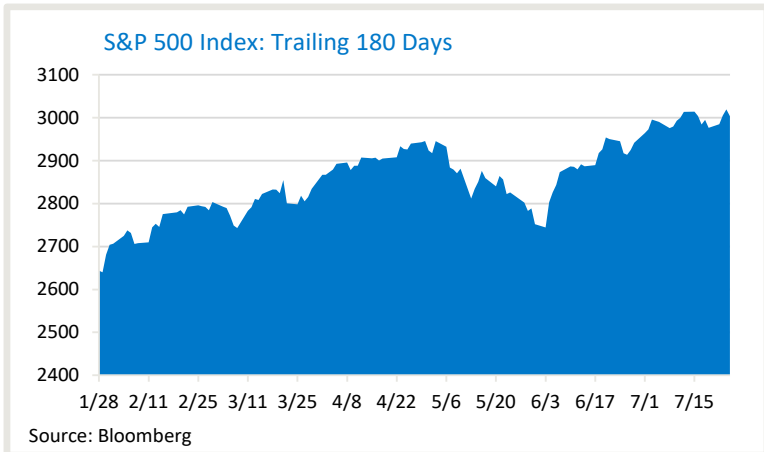
- **During the week, small cap equities' returns** bested large cap returns; growth stocks led most value stocks; domestic stocks outperformed their international counterparts; and emerging markets outperformed developed markets.
- **The yield on the 10-Year Treasury Note** ended the week roughly around 2.07%. And on Friday, it was announced that Gross Domestic Product (GDP) grew at an annual rate of 2.10% in Q2, better than expected but still below the 3.10% pace of Q1.
- **On Wednesday it was announced** that new home sales rebounded in June, the first gain in three months. The pace of sales for new single-family homes in the US increased 7% last month to 646,000, led by a big gain in sales in the West, the Commerce Department said.
- **Last week's US jobless claims dropped** 10,000 to 206,000, the lowest level in three months and reflective of the strong US labor market.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	3,025.86	49.25	1.65%	20.7%
<b>Dow Industrials</b>	27,192.45	38.25	0.14%	16.6%
<b>Nasdaq</b>	8,330.21	183.72	2.26%	25.5%
<b>Russell 2000</b>	1,578.97	31.07	2.01%	17.1%
<b>Euro Stoxx Index</b>	390.73	3.48	0.90%	15.7%
<b>Shanghai Composite</b>	2,944.54	20.34	0.70%	18.1%
<b>MSCI ACWI</b>	529.46	2.42	0.46%	16.2%

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

	Last Price	Change	% Chg.	YTD %
<b>MSCI EM</b>	1,054.29	-3.21	-0.30%	9.2%
<b>10-Year US Treas.</b>	2.08	3 bps	NM	NM
<b>Bloomberg Cmnts. Idx.</b>	78.74	-0.64	-0.80%	2.6%
<b>Gold</b>	\$1,418.82	-\$7.20	-0.51%	10.6%
<b>Crude Oil</b>	\$56.17	\$0.40	0.72%	17.4%
<b>Dollar Index</b>	97.99	0.83	0.85%	1.9%
<b>VIX Index</b>	12.16	-2.29	-15.85%	-52.2%



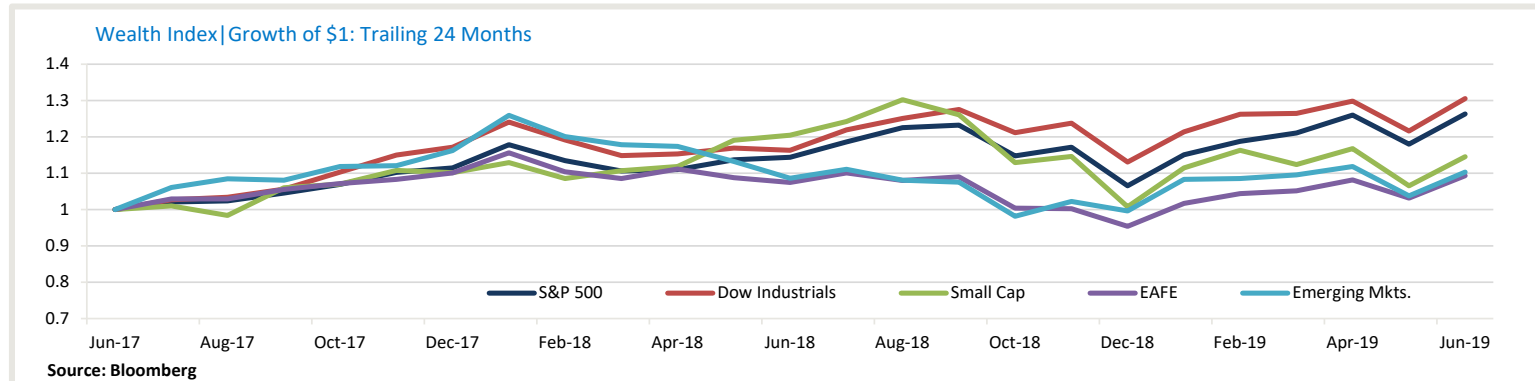
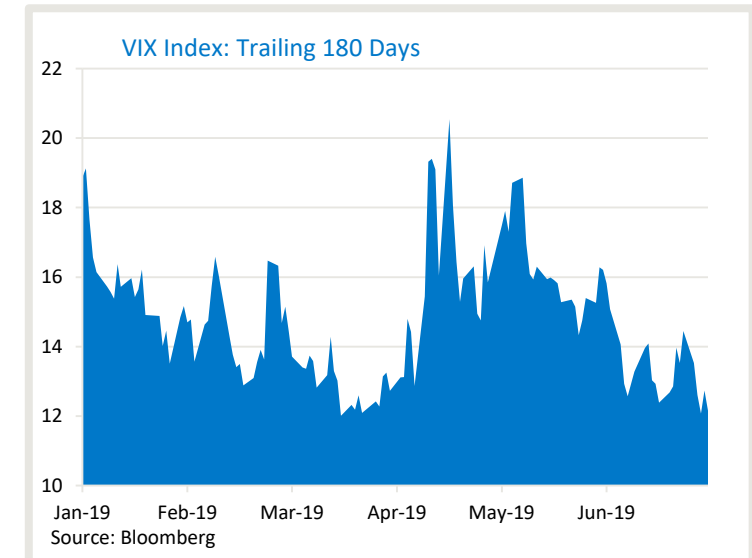
	One Week			YTD		
	Value	Growth		Value	Growth	
<b>L</b>	1.31%	1.70%	2.01%	16.16%	20.33%	24.04%
	1.58%	1.68%	1.84%	18.50%	23.36%	30.55%
<b>S</b>	2.11%	2.01%	1.91%	12.50%	17.09%	21.55%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	10.2	0.86%	25.1%
<b>Consumer Staples</b>	7.3	0.60%	19.0%
<b>Energy</b>	4.8	-0.55%	8.8%
<b>Financials</b>	13.2	2.68%	20.3%
<b>Health Care</b>	13.7	0.36%	6.4%
<b>Industrials</b>	9.3	1.38%	22.0%
<b>Information Technology</b>	21.9	2.41%	33.2%
<b>Materials</b>	2.7	0.96%	16.9%
<b>Real Estate</b>	3.0	0.74%	19.2%
<b>Communication Services</b>	10.5	4.55%	24.7%
<b>Utilities</b>	3.2	-0.61%	13.3%

Source: Bloomberg



## The Economy and Markets

### Protesters oust Puerto Rico's governor amid political and economic hurricane

Two years ago this September, we wrote in our weekly review about the state of the Puerto Rican economy post Hurricane Maria. It seems apropos this week to provide some updated context amid an unfortunately worsening situation that recently has developed on the island. Puerto Ricans flooded the streets of San Juan this week to protest a government many of them see as dishonest and even scornful toward the island's people. A corruption scandal combined with the release of profanity-filled, homophobic, and misogynistic messages from a group chat that included Governor Ricardo Rossello and his inner circle, targeting political adversaries, proved enough to bring simmering tensions to a boil. The botched response to Hurricane Maria, followed by austerity that has closed more than 100 schools and slashed budgets, created a volatile situation intensified by these recent scandals and highlighted the demand for change.

As we approach the two-year anniversary of Maria, the economic situation in Puerto Rico is becoming increasingly dire. Today, nearly 30,000 of the island's citizens remain homeless, and its critical tourism industry has all but crumbled. Amid last week's protests, Royal Caribbean Cruises diverted two of its ships from the island, accounting for about 8,000 passengers and an estimated \$650,000 in lost spending. And although Congress has allocated more than \$42 billion in aid to Puerto Rico, the funds have come in slowly, exacerbating an already appalling set of circumstances.

To illustrate what caused the current situation, tax breaks on the island dried up during the past couple of decades, and the Puerto Rican government initiated new bonds backed by a sales tax to support the island's aging infrastructure. However, the island now owes more than \$70 billion to bondholders, a result of mismanagement and a dwindling tax base. Additionally, as recently as 2017, the median household income in Puerto Rico was less than \$20,000, with about 40% of residents living in poverty. By comparison, the median income in the mainland US was about \$60,000 in 2017, and only about 12% of residents lived in poverty. Then the hurricane hit in 2017, which killed roughly 4,500 people and caused \$95 billion in damage. To make matters worse, as of May 2019, the unemployment rate on the island is dismal—close to 9% compared with less than 4% in the mainland US. This has caused a spike in migration from the island to the mainland US. Amid this migration, the economic gap between the wealthy and the poor has widened: Many of the island's middle class have fled, whereas the poor have been unable to leave, and the wealthy (who were shielded from many of these problems) have stayed. This clearly has only intensified the tensions on the island territory.

Amid this complex financial situation, protesters also are demanding a variety of policy changes to prevent corruption, diminish the influence of lobbyists, provide greater media transparency, and audit and reduce Puerto Rico's massive debt load. However, late Wednesday night, Governor Rossello announced his resignation via a taped video published on Facebook. This clearly is a relief to Puerto Ricans, but unfortunately, it comes with its own problems. By law, the island's secretary of state would succeed Rossello, but since that position is currently empty, Justice Secretary Wanda Vazquez is next in line. However, Vazquez is seen as loyal to Rossello, and there already have been calls for her to resign. Furthermore, it seems this transition has no impact thus far on the fiscal control board that has been accused of mismanaging the island's debt for years. This confusing and uncertain passing of the torch provides little comfort to Puerto Ricans, and raises questions about what policy changes ultimately will result.

Although these recent developments come as no surprise amid a worsening situation, the frustration that is currently boiling over into the streets of San Juan is easily understandable. And it seems that despite these protests that may spur much-needed reforms, Puerto Rico's economic woes have a limited path toward improvement, leaving the fate of the island unclear at best. We can only hope that Puerto Rico can rectify this truly awful political and economic situation.

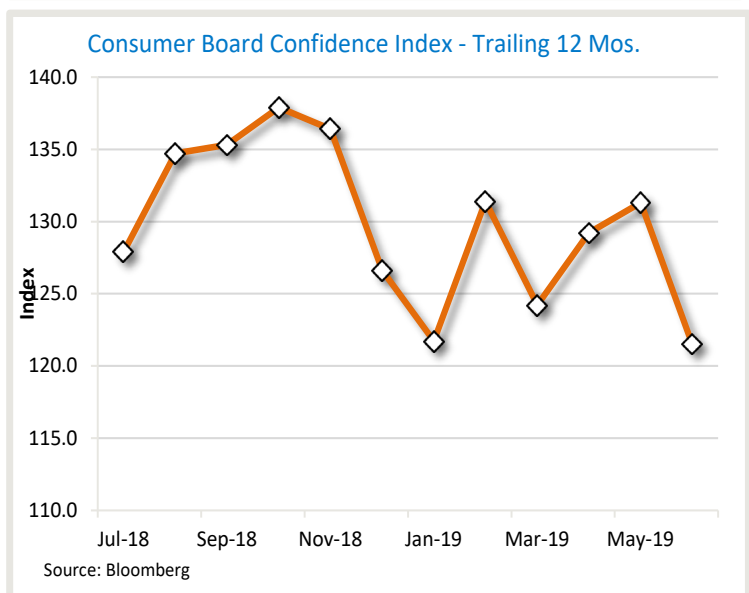
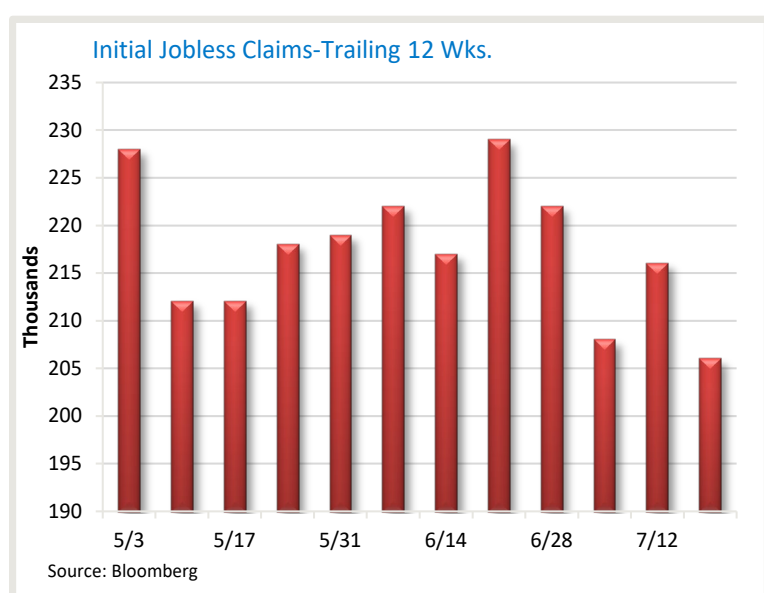
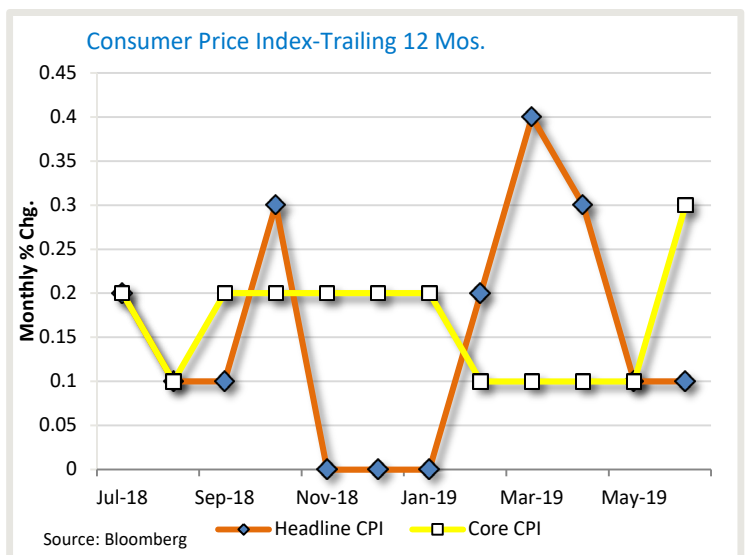
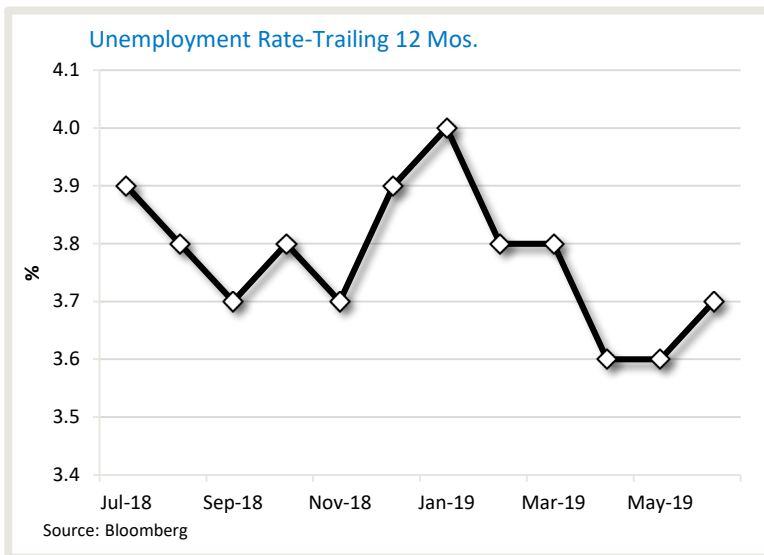
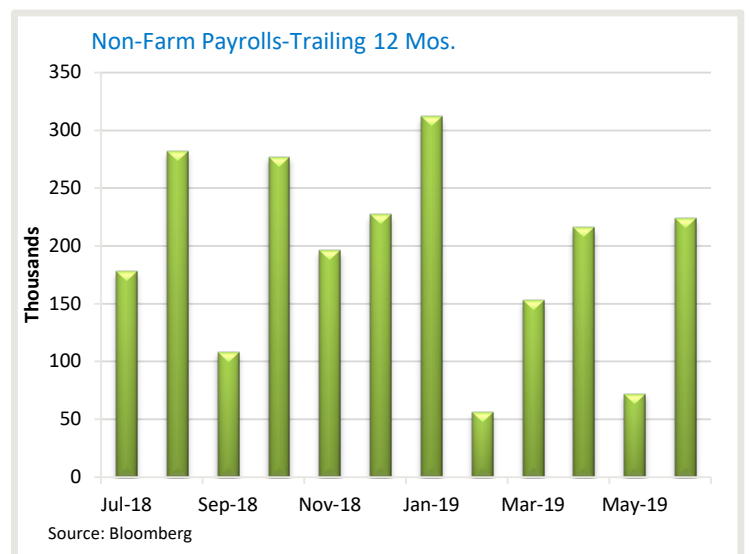
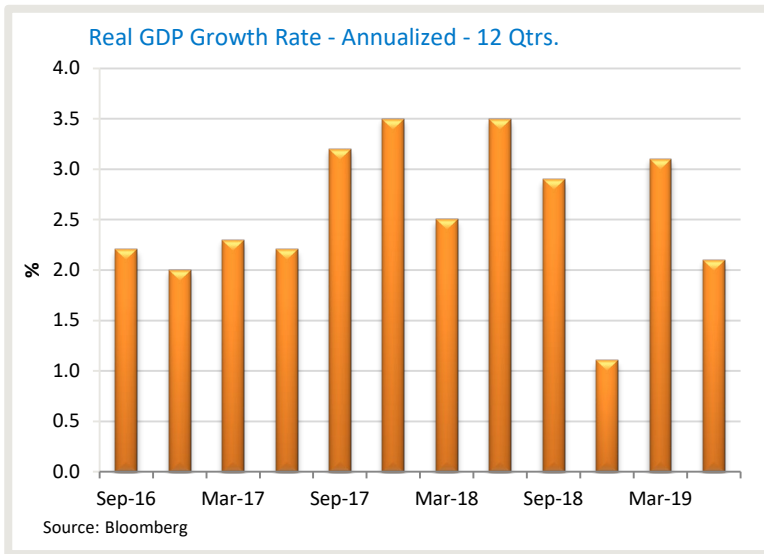
Michael P. Manning, CFA

Investment Analyst

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## Economic Data



## Eurozone

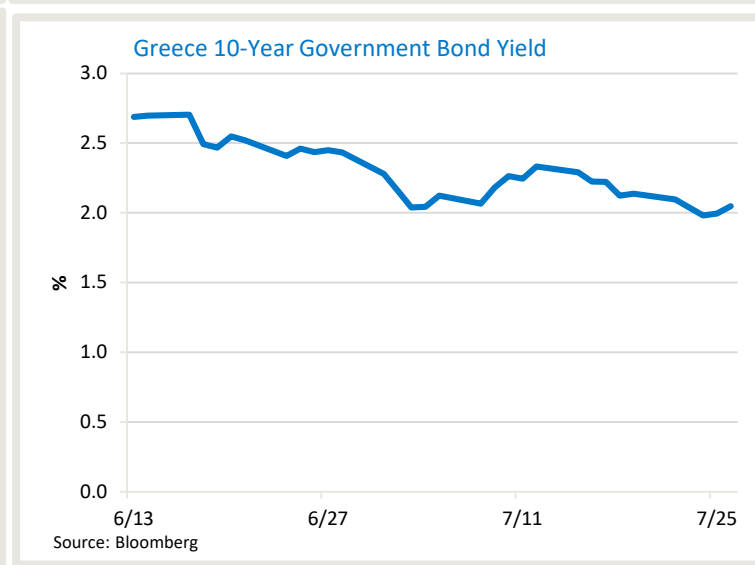
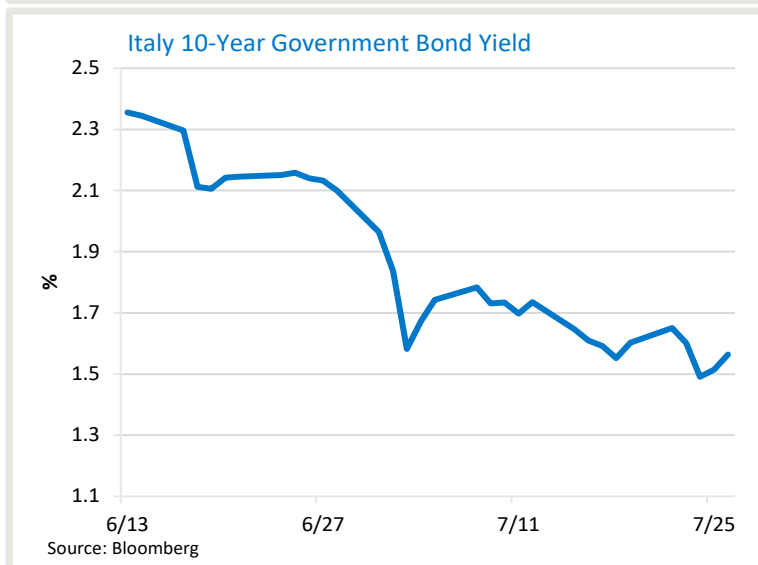
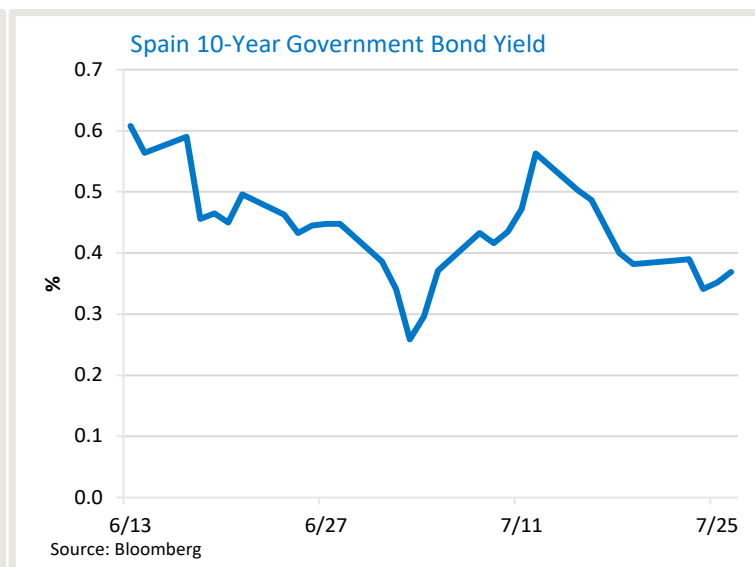
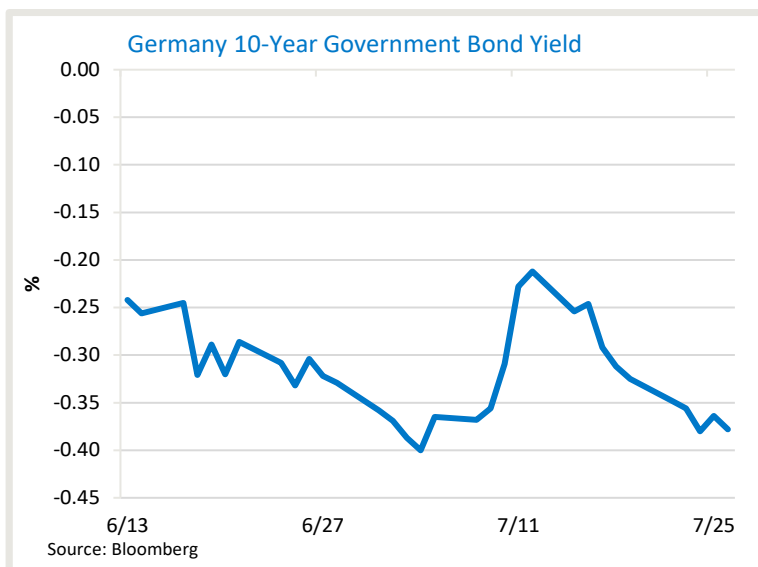
### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.38	6 bps	NM	NM
Greece 10-Yr. Govt.	2.05	8 bps	NM	NM
Italy 10-Yr. Govt.	1.56	4 bps	NM	NM
Spain 10-Yr. Govt.	0.37	1 bps	NM	NM
Belgium 10-Yr. Govt.	-0.06	5 bps	NM	NM

Source: Bloomberg

Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	-0.12	5 bps	NM	NM
Ireland 10-Yr. Govt.	0.12	1 bps	NM	NM
Portugal 10-Yr. Govt.	0.43	2 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.26	6 bps	NM	NM
U.K. 10-Yr. Govt.	0.69	4 bps	NM	NM



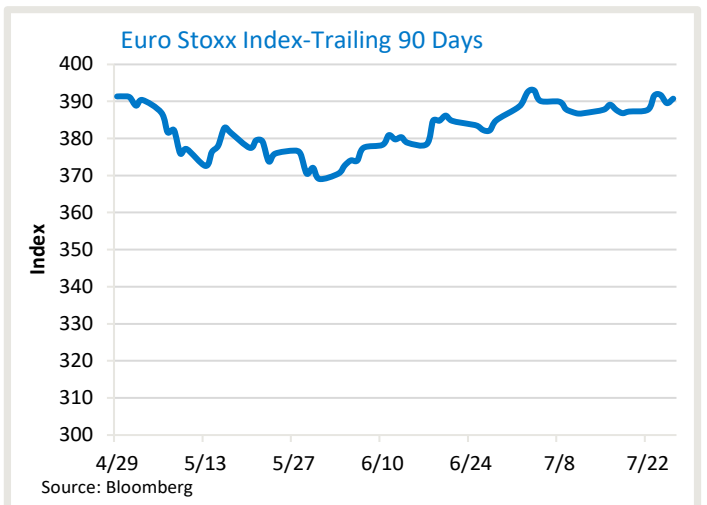
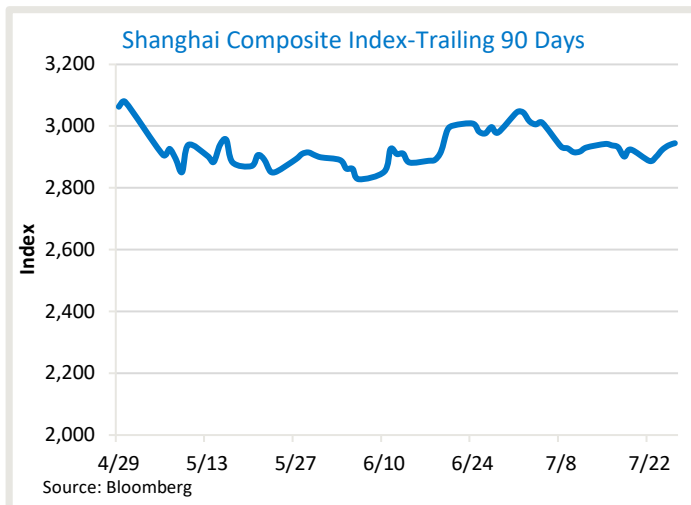
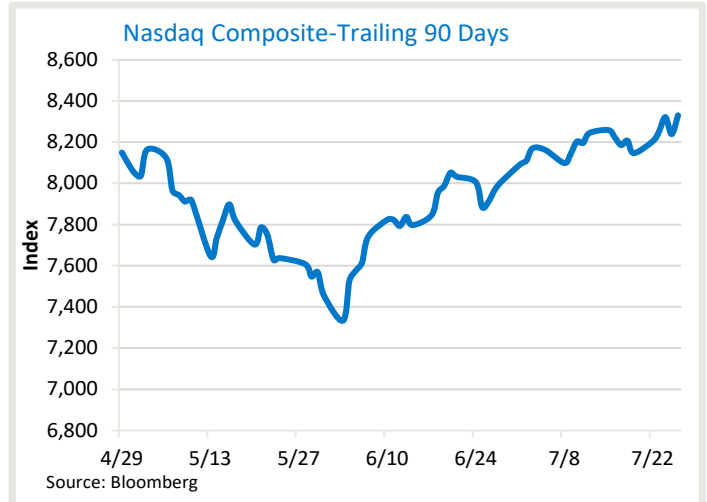
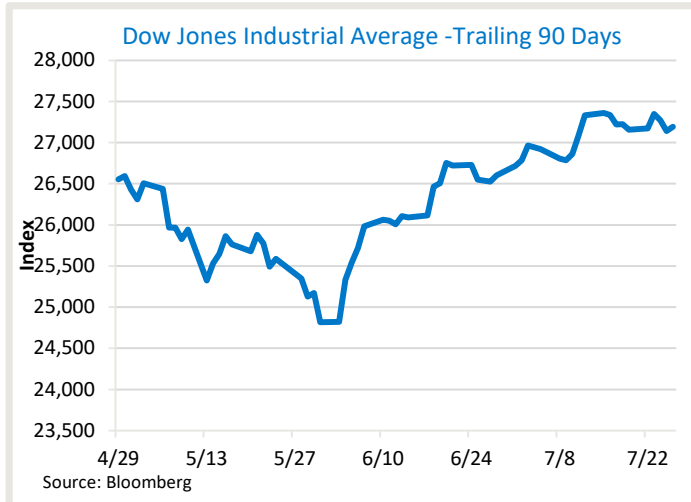
## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>3,025.86</b>	<b>49.25</b>	<b>1.65%</b>	<b>20.70%</b>
<b>Dow Industrials</b>	<b>27,192.45</b>	<b>38.25</b>	<b>0.14%</b>	<b>16.57%</b>
<b>Nasdaq Composite</b>	<b>8,330.21</b>	<b>183.72</b>	<b>2.26%</b>	<b>25.54%</b>
<b>MSCI ACWI</b>	<b>529.46</b>	<b>2.42</b>	<b>0.46%</b>	<b>16.2%</b>
<b>MSCI EM</b>	<b>1,054.29</b>	<b>-3.21</b>	<b>-0.30%</b>	<b>9.2%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>16,531.04</b>	<b>45.10</b>	<b>0.27%</b>	<b>15.42%</b>
<b>Mexico IPC</b>	<b>40,673.78</b>	<b>-932.76</b>	<b>-2.24%</b>	<b>-2.32%</b>
<b>Brazil Bovespa</b>	<b>102,818.90</b>	<b>-633.00</b>	<b>-0.61%</b>	<b>16.99%</b>
<b>Euro Stoxx 600</b>	<b>390.73</b>	<b>3.48</b>	<b>0.90%</b>	<b>15.72%</b>
<b>FTSE 100</b>	<b>7,549.06</b>	<b>40.36</b>	<b>0.54%</b>	<b>12.20%</b>
<b>IBEX 35 (Spain)</b>	<b>9,225.50</b>	<b>55.00</b>	<b>0.60%</b>	<b>8.03%</b>

	Last	Change	% Chg.	YTD %
<b>Swiss Market Index</b>	<b>9,968.08</b>	<b>31.05</b>	<b>0.31%</b>	<b>18.26%</b>
<b>CAC 40 Index (France)</b>	<b>5,610.05</b>	<b>57.71</b>	<b>1.04%</b>	<b>18.59%</b>
<b>DAX Index (Germany)</b>	<b>12,419.90</b>	<b>159.83</b>	<b>1.30%</b>	<b>17.62%</b>
<b>Irish Overall Index</b>	<b>6,324.29</b>	<b>56.93</b>	<b>0.91%</b>	<b>15.41%</b>
<b>Nikkei 225</b>	<b>21,658.15</b>	<b>191.16</b>	<b>0.89%</b>	<b>8.21%</b>
<b>Hang Seng Index</b>	<b>28,397.74</b>	<b>-367.66</b>	<b>-1.28%</b>	<b>9.87%</b>
<b>Shanghai Composite</b>	<b>2,944.54</b>	<b>20.34</b>	<b>0.70%</b>	<b>18.07%</b>
<b>Kospi Index (S. Korea)</b>	<b>2,066.26</b>	<b>-28.10</b>	<b>-1.34%</b>	<b>1.24%</b>
<b>Taiwan Taie Index</b>	<b>10,891.98</b>	<b>18.79</b>	<b>0.17%</b>	<b>11.97%</b>
<b>Tel Aviv 25 Index</b>	<b>1,609.52</b>	<b>45.22</b>	<b>2.89%</b>	<b>9.95%</b>
<b>MOEX Index (Russia)</b>	<b>2,715.68</b>	<b>15.11</b>	<b>0.56%</b>	<b>14.62%</b>

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



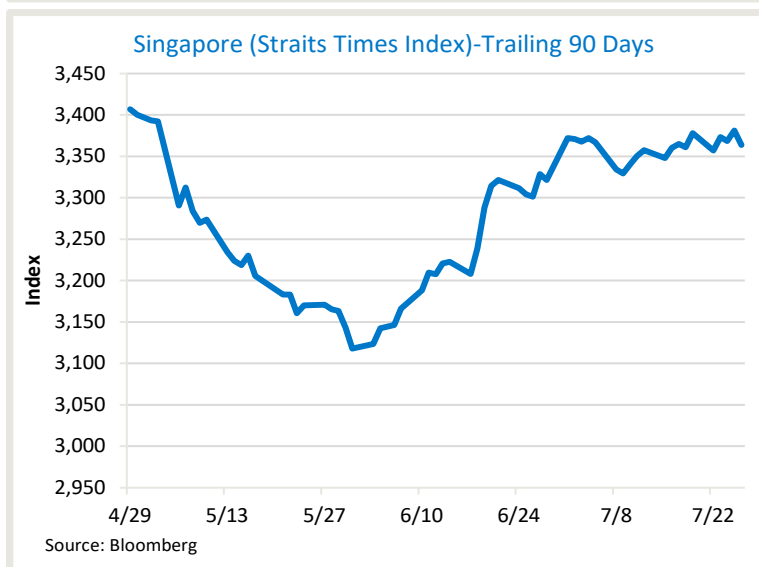
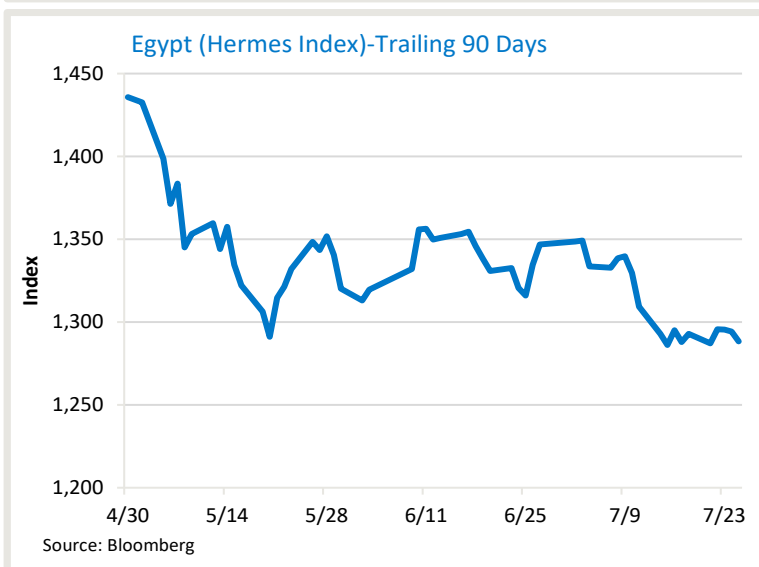
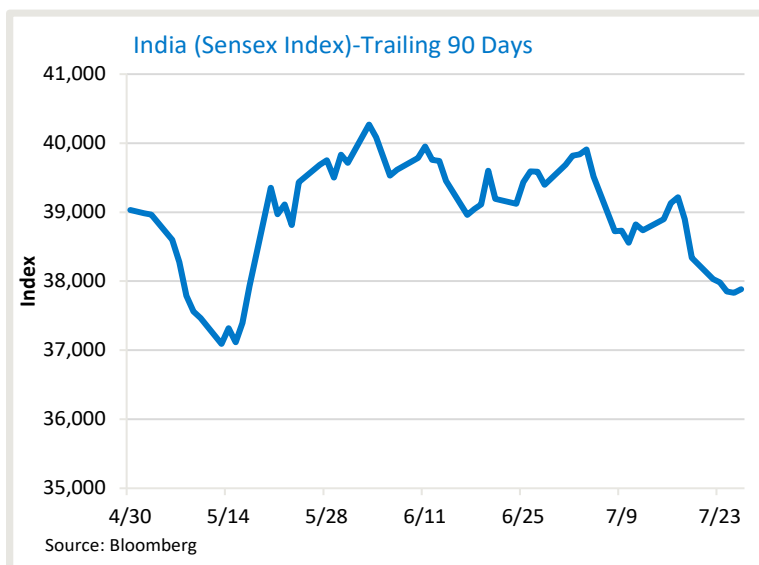
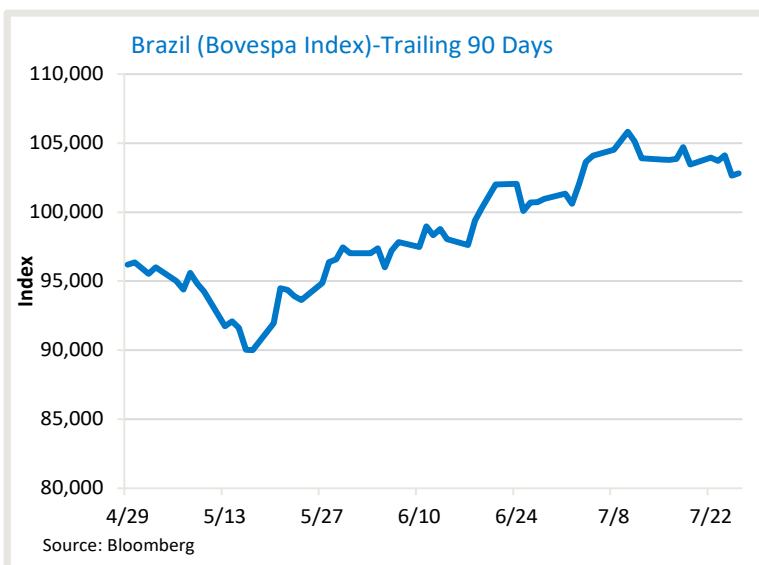
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	40,673.78	-932.76	-2.2%	-2.3%
Brazil (Bovespa Index)	102,818.90	-633.00	-0.6%	17.0%
MOEX Index (Russia)	2,715.68	15.11	0.6%	14.6%
Czech Republic (Prague)	1,070.58	3.17	0.3%	8.5%
Turkey (Istanbul)	102,837.19	988.00	1.0%	12.7%
Egypt (Hermes Index)	1,288.26	-4.56	-0.4%	0.8%
Kenya (Nairobi 20 Index)	2,651.80	-37.73	-1.4%	-6.4%
Saudi Arabia (TASI Index)	8,819.00	-214.83	-2.4%	12.7%
Lebanon (Beirut BLOM Index)	840.56	-6.35	-0.7%	-13.9%
Palestine	525.70	0.52	0.1%	-0.7%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	28,397.74	-367.66	-1.3%	9.9%
India (Sensex 30)	37,882.79	-454.22	-1.2%	5.0%
Malaysia (KLCI Index)	1,647.96	-10.23	-0.6%	-2.5%
Singapore (Straits Times Index)	3,363.76	-14.20	-0.4%	9.6%
Thailand (SET Index)	1,717.97	-17.13	-1.0%	9.9%
Indonesia (Jakarta)	6,325.24	-131.30	-2.0%	2.1%
Pakistan (Karachi KSE 100)	32,103.27	-355.50	-1.1%	-13.4%
Vietnam (Ho Chi Minh)	993.35	11.01	1.1%	11.3%
Sri Lanka (Colombo)	5,872.89	157.75	2.8%	-3.0%
Cambodia (Laos)	775.77	-1.03	-0.1%	-7.3%

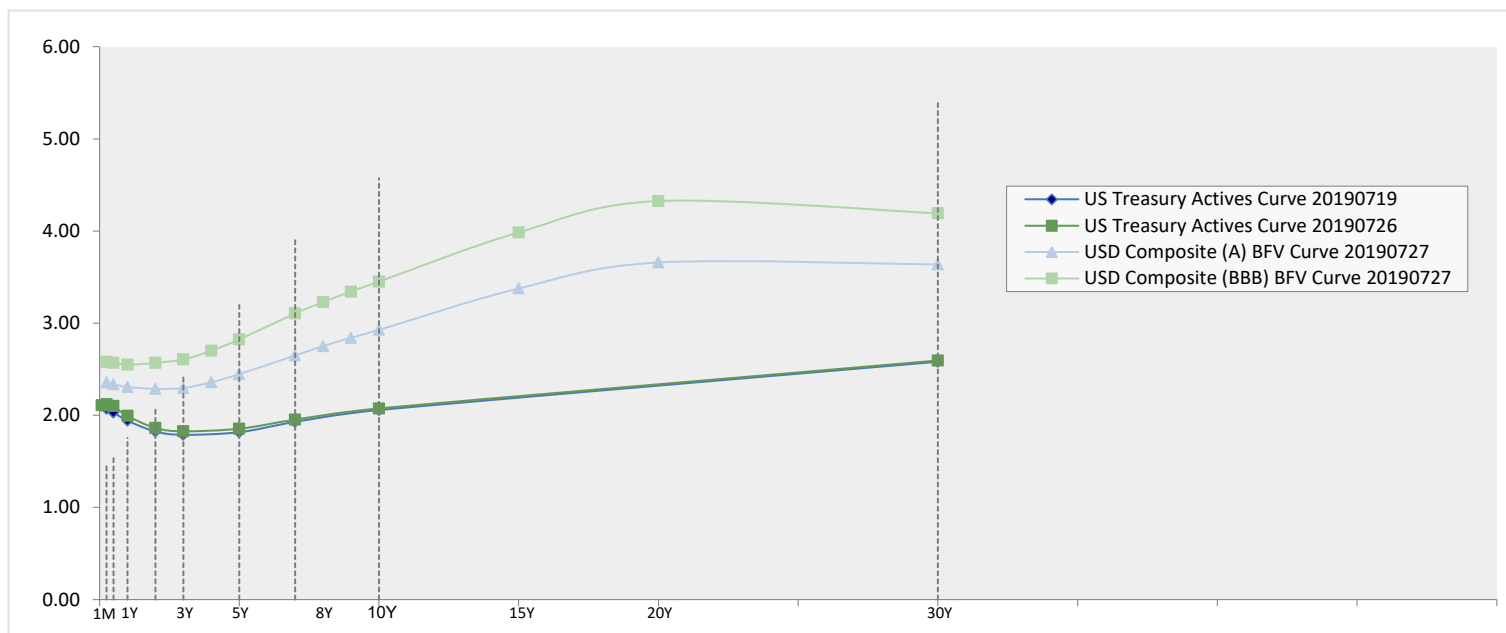


## Interest Rates

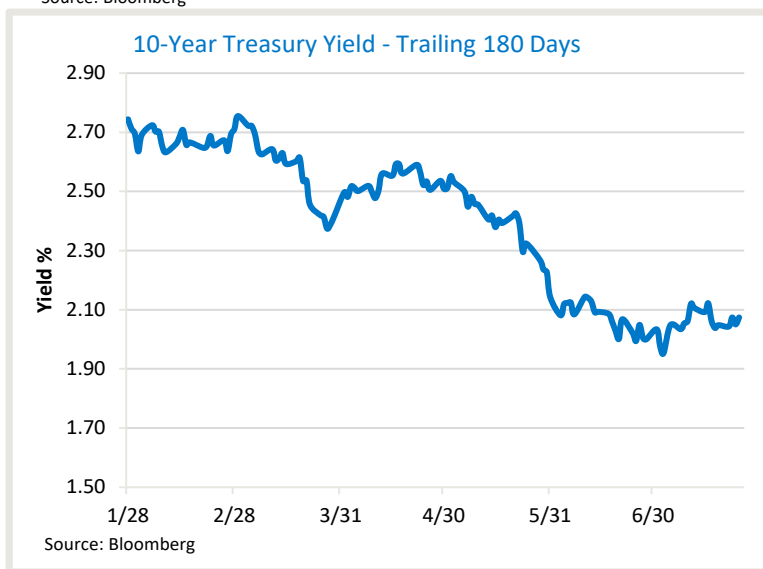
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.86%	0 bps	NM	NM	Prime Rate	5.50%	0.00	NM	NM
5-Yr. U.S. Treasury	1.86%	6 bps	NM	NM	Fed Funds Rate	2.50%	0.00	NM	NM
10-Yr. U.S. Treasury	2.08%	3 bps	NM	NM	Discount Rate	3.00%	0.00	NM	NM
30-Yr. U.S. Treasury	2.60%	2 bps	NM	NM	LIBOR (3 Mo.)	2.26%	0 bps	NM	NM
German 10-Yr. Govt.	-0.38%	6 bps	NM	NM	Bond Buyer 40 Muni	2.94%	-3 bps	NM	NM
France 10-Yr.	-0.12%	5 bps	NM	NM	Bond Buyer 40 G.O.	3.43%	NA	NM	NM
Italy 10-Yr.	1.56%	4 bps	NM	NM	Bond Buyer 40 Rev.	3.91%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.83%	-3 bps	NM	NM					

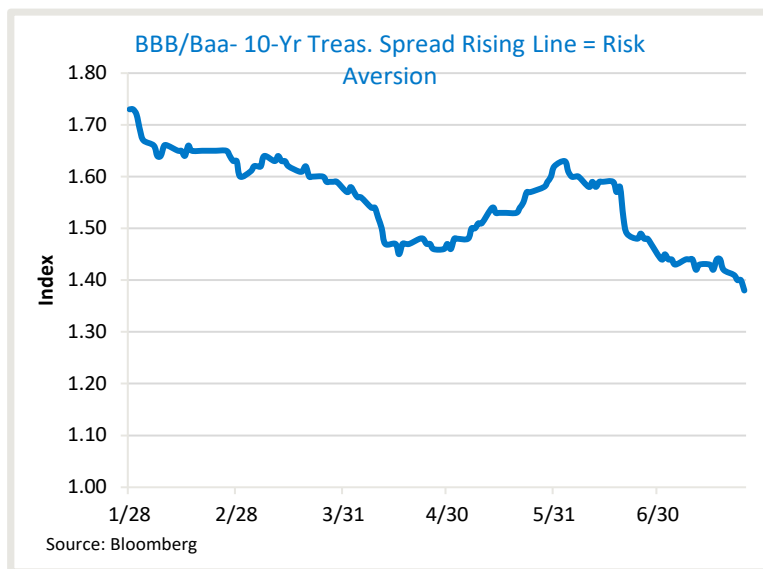
Source: Bloomberg



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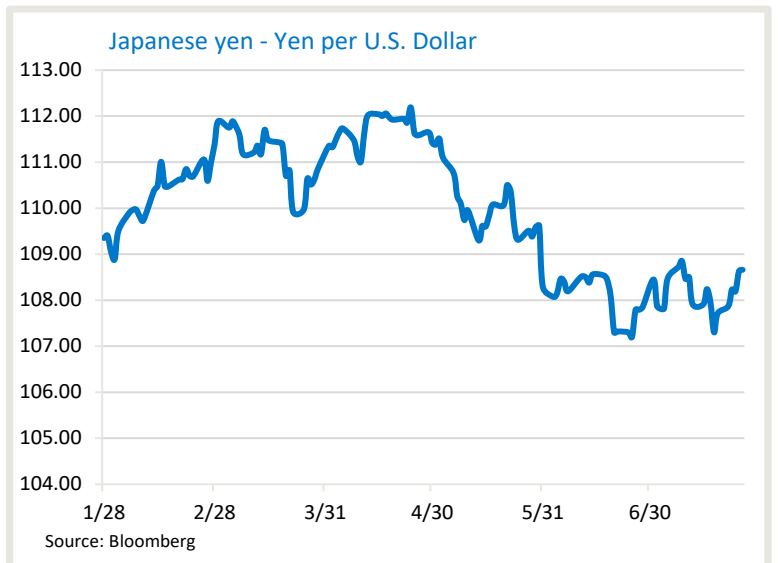
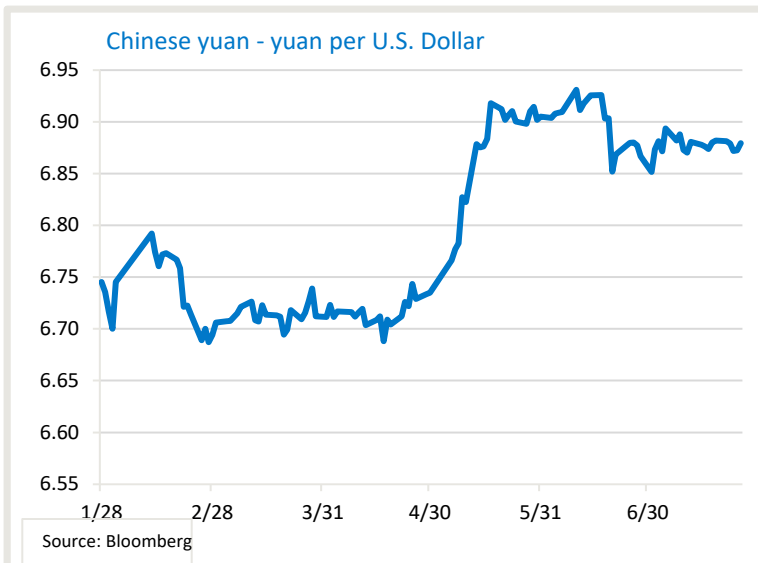
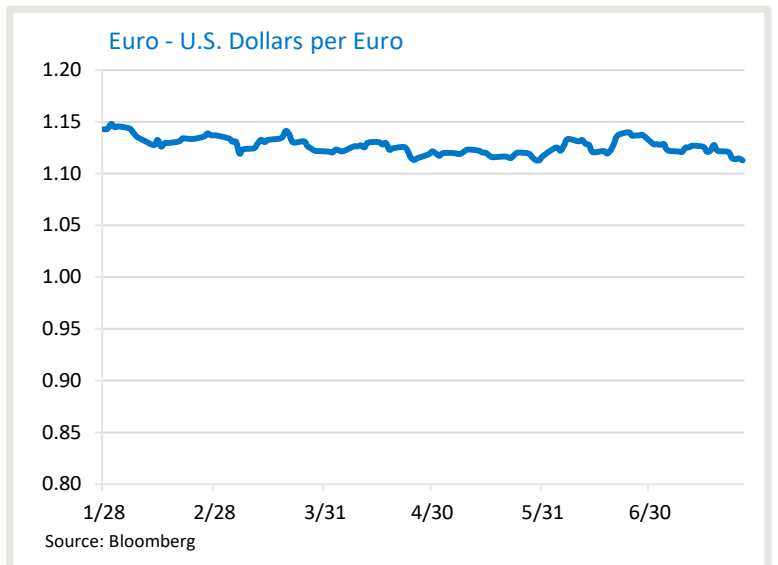
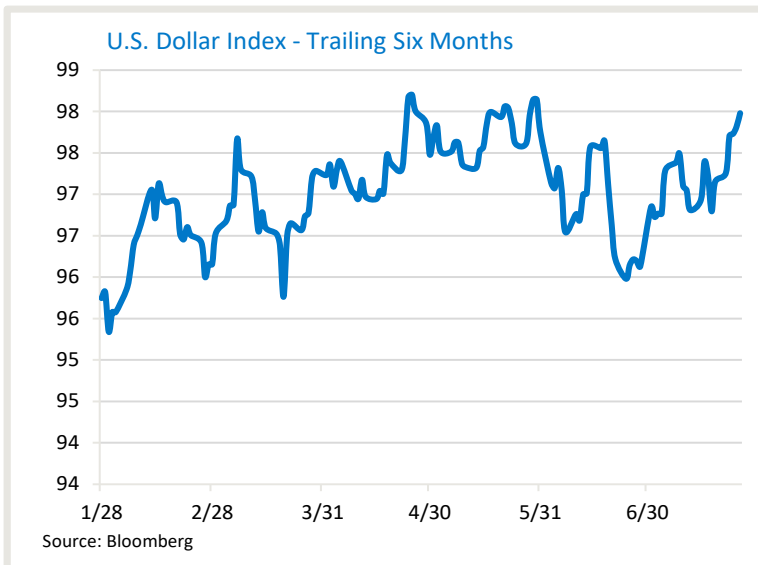
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>97.99</b>	<b>0.829</b>	<b>0.85%</b>	<b>1.88%</b>
<b>Euro</b>	<b>1.11</b>	<b>-0.009</b>	<b>-0.83%</b>	<b>-2.96%</b>
<b>Japanese Yen</b>	<b>108.66</b>	<b>0.950</b>	<b>-0.87%</b>	<b>0.95%</b>
<b>British Pound</b>	<b>1.24</b>	<b>-0.012</b>	<b>-0.94%</b>	<b>-2.90%</b>
<b>Canadian Dollar</b>	<b>1.32</b>	<b>0.011</b>	<b>-0.83%</b>	<b>3.56%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.88</b>	<b>-0.003</b>	<b>0.04%</b>	<b>-0.01%</b>
<b>Swiss Franc</b>	<b>0.99</b>	<b>0.012</b>	<b>-1.17%</b>	<b>-1.15%</b>
<b>New Zealand Dollar</b>	<b>0.66</b>	<b>-0.013</b>	<b>-1.92%</b>	<b>-1.27%</b>
<b>Brazilian Real</b>	<b>3.78</b>	<b>0.026</b>	<b>-0.69%</b>	<b>2.63%</b>
<b>Mexican Peso</b>	<b>19.04</b>	<b>0.024</b>	<b>-0.12%</b>	<b>3.13%</b>

Source: Bloomberg

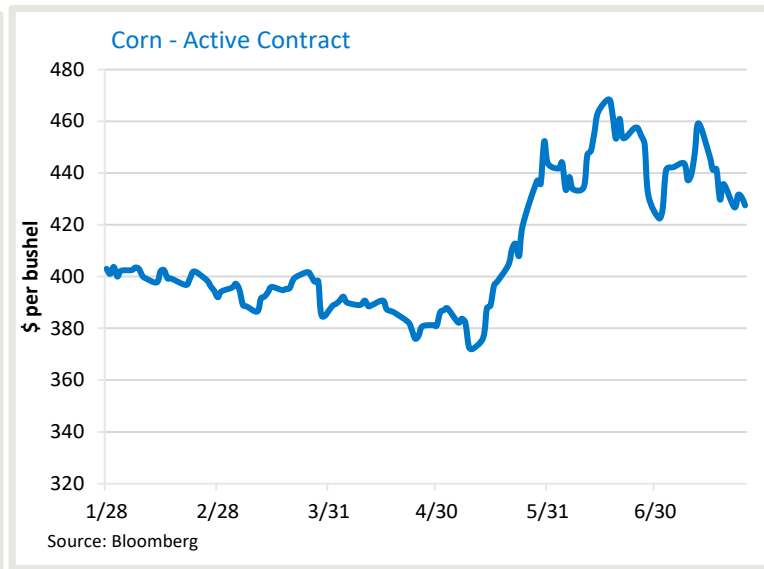
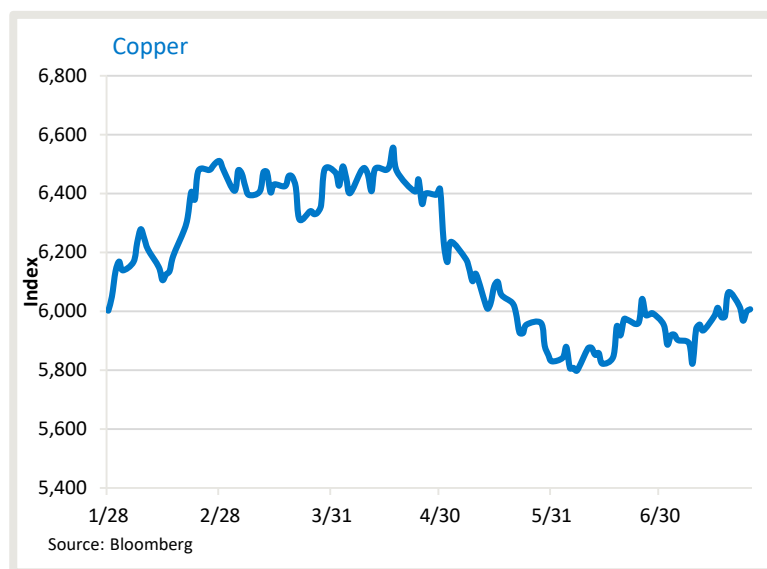
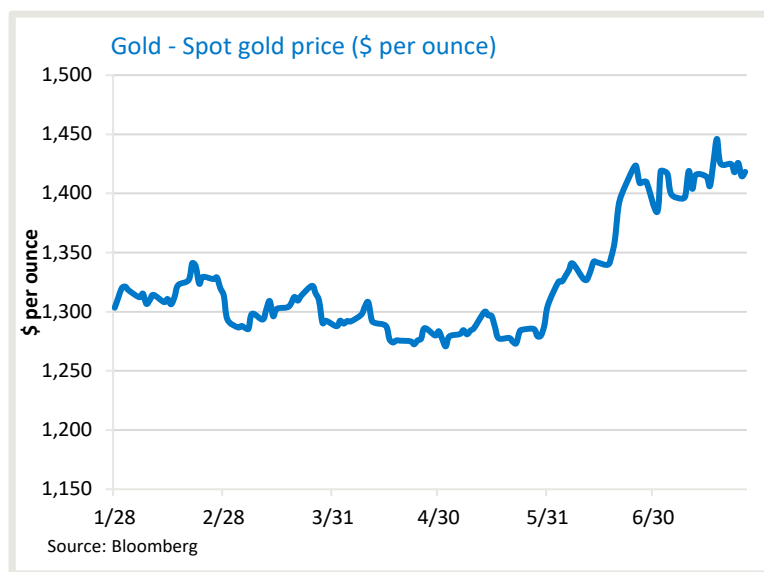
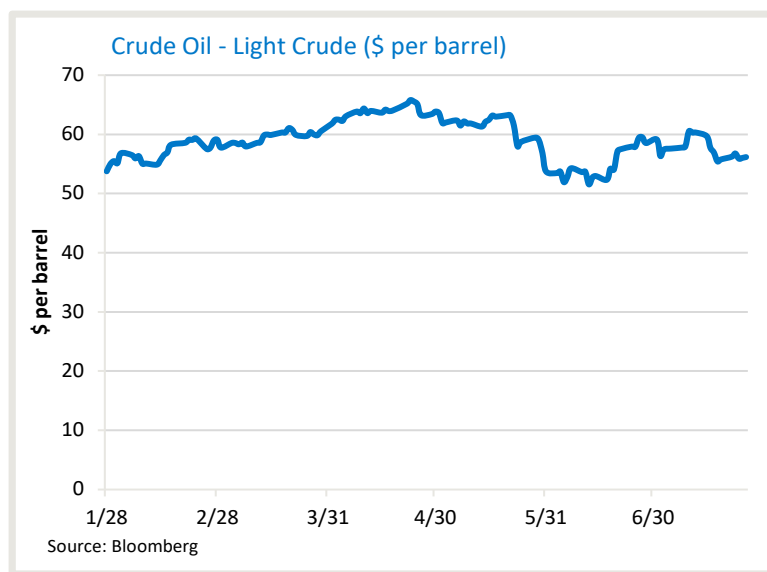


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	78.74	-0.64	-0.80%	2.64%	Platinum Spot	\$864.97	\$19.58	2.32%	8.72%
Crude Oil	\$56.18	\$0.40	0.72%	17.39%	Corn	424.50	-11.25	-2.58%	6.79%
Natural Gas	\$2.17	-\$0.08	-3.60%	-21.29%	Wheat	496.00	-6.50	-1.29%	-6.11%
Gasoline (\$/Gal.)	\$2.75	-\$0.03	-0.97%	21.80%	Soybeans	901.00	-18.25	-1.99%	-3.66%
Heating Oil	190.55	1.43	0.76%	12.79%	Sugar	12.02	0.43	3.71%	-4.07%
Gold Spot	\$1,418.18	-\$7.20	-0.51%	10.58%	Orange Juice	102.45	-1.65	-1.59%	-21.13%
Silver Spot	\$16.38	\$0.18	1.13%	5.72%	Aluminum	1,826.00	-22.00	-1.19%	-1.08%
					Copper	6,007.00	-58.00	-0.96%	0.70%

Source: Bloomberg; % change is based on price.

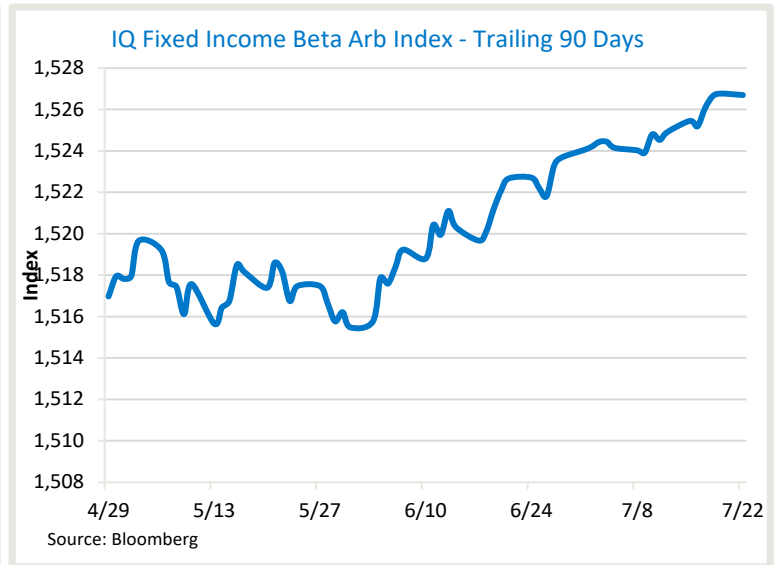
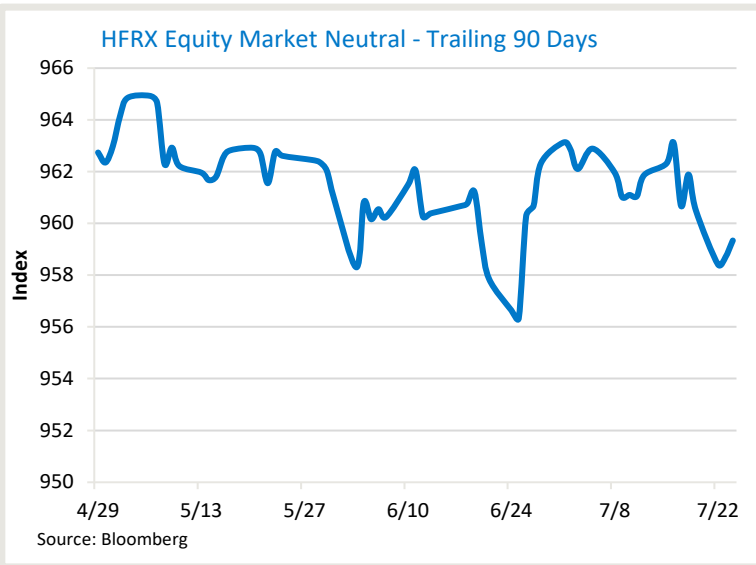
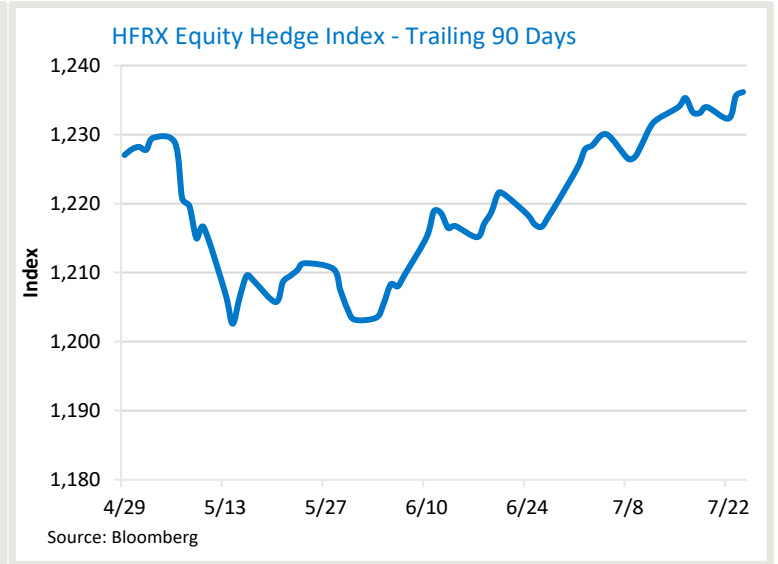
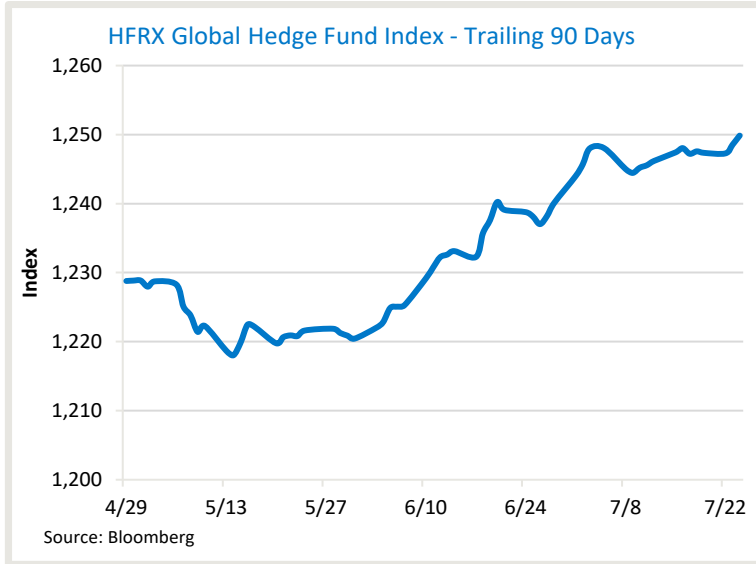


## Alternative Investments

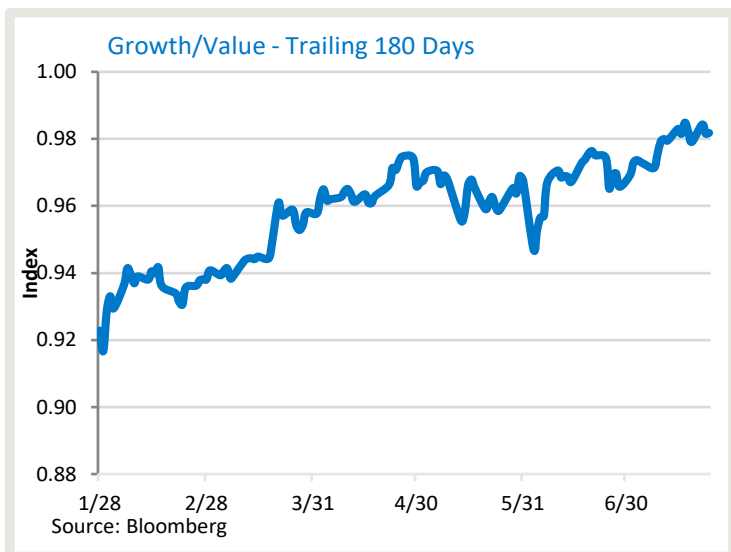
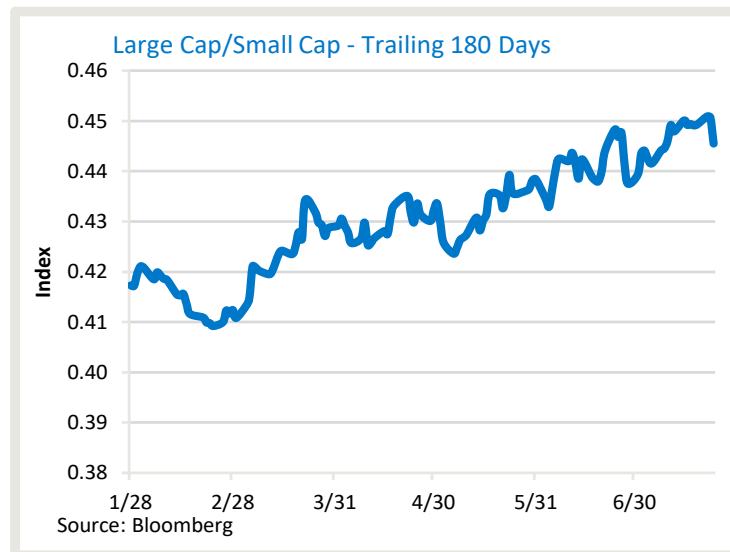
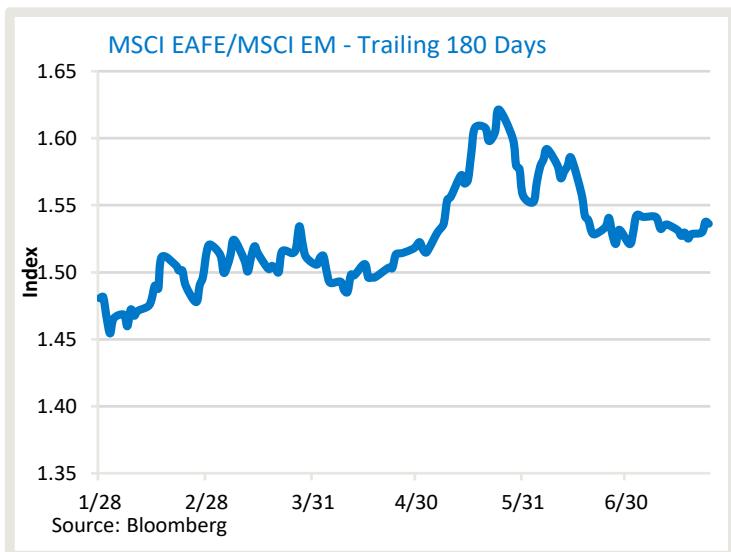
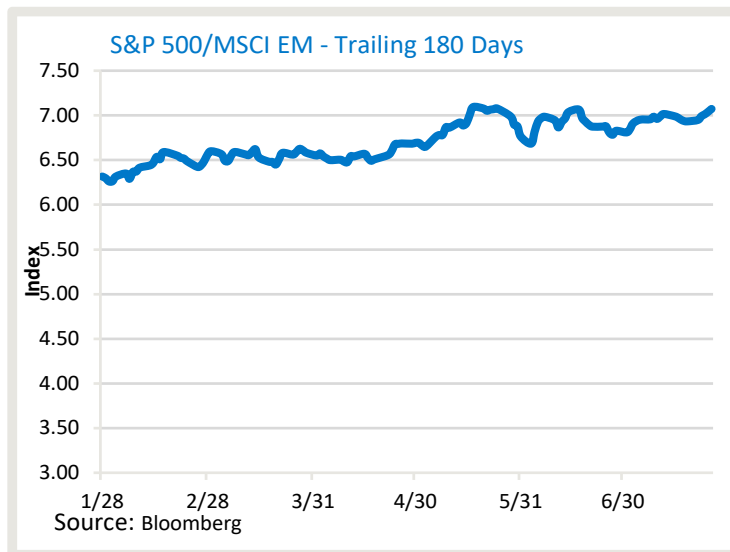
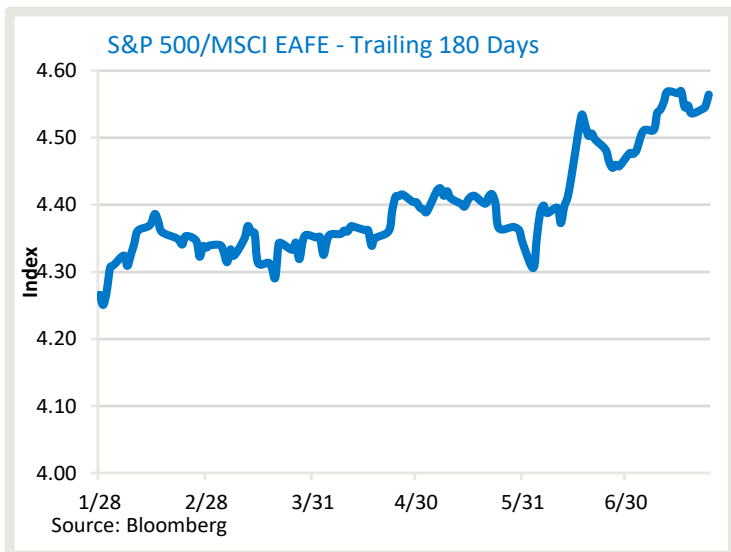
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1249.85	2.50	0.20%	5.04%	HFRX Special Situation Index	1220.95	-1.31	-0.11%	1.49%
HFRX Equity Market Neutral	959.34	-1.16	-0.12%	-1.37%	HFRX Merger Arbitrage Index	1777.79	2.32	0.13%	-2.19%
HFRX Equity Hedge Index	1236.17	2.19	0.18%	7.39%	HFRX Convertible Arbitrage Index	814.52	2.39	0.29%	3.41%
HFRX Event-Driven Index	1510.93	-1.26	-0.08%	2.70%	HFRX Macro CTA Index	1173.12	7.94	0.68%	4.18%
HFRX Absolute Return Index	1077.83	1.85	0.17%	1.87%	IQ Fixed Income Beta Arb Index	1528.66	1.89	0.12%	4.52%

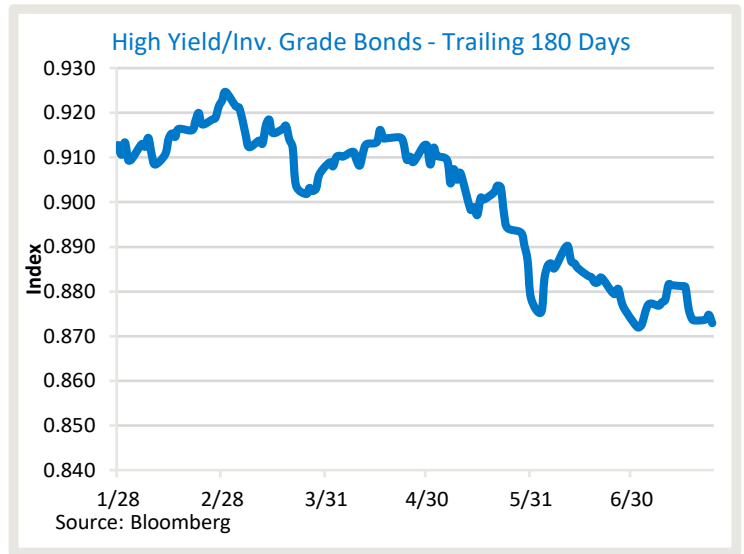
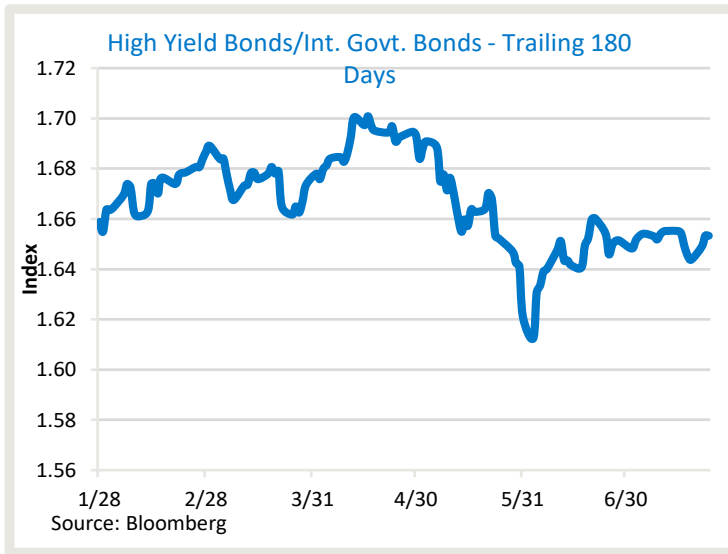
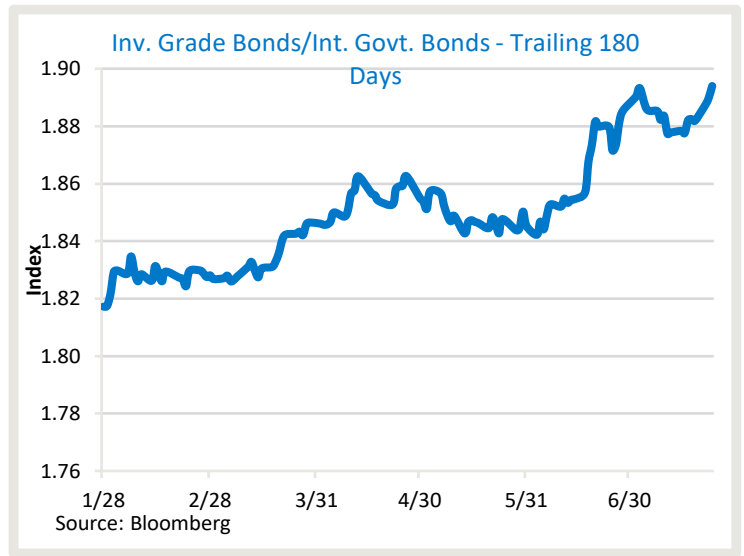
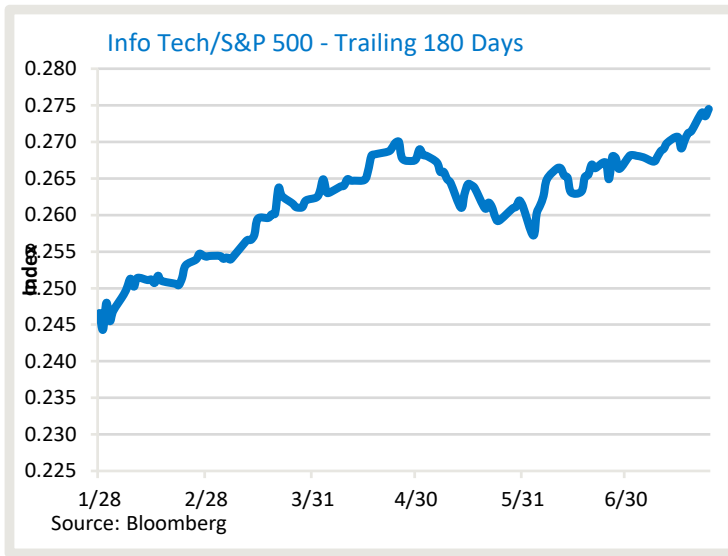
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			5/9	5/16	5/23	5/30	6/6	6/13	6/20	6/27	7/4	7/11	7/18	7/25
Equity	Domestic Equity	Large Cap (R200)	-1.65%	0.28%	-1.92%	-1.18%	1.68%	1.82%	2.25%	-0.91%	2.44%	0.27%	-0.17%	0.26%
		Small Cap (R2000)	-0.80%	-0.82%	-3.59%	-1.06%	1.21%	2.15%	1.80%	-1.08%	1.65%	-0.90%	-0.15%	0.37%
	Int'l. Equity	MSCI EAFE	-2.70%	0.46%	-1.55%	-0.74%	1.54%	1.36%	2.08%	-0.24%	1.87%	-1.54%	-0.69%	0.66%
		MSCI Em. Mkts.	-4.69%	-1.58%	-2.60%	1.03%	0.79%	1.93%	3.10%	0.10%	0.93%	-0.89%	-0.33%	0.24%
Fixed Income	BarCap Agg. (AGG)	0.45%	0.32%	0.34%	0.48%	0.30%	0.34%	0.73%	-0.01%	0.14%	-0.80%	0.57%	-0.10%	
	High Yield (JNK)	-0.46%	-0.07%	-0.21%	-0.26%	0.32%	0.58%	1.46%	-0.54%	0.13%	-0.57%	-0.06%	0.31%	
Commodities	Bloomberg Commodity Index	-1.43%	2.22%	-2.91%	1.45%	-2.52%	0.65%	2.00%	1.29%	-1.23%	1.72%	-2.04%	0.10%	
Alternatives	Hedge Funds (HFRX Global)	-0.53%	0.09%	-0.14%	0.00%	0.34%	0.62%	0.62%	-0.16%	0.79%	-0.20%	0.16%	0.18%	
Asset Allocation	60/40*	-1.08%	0.10%	-1.19%	-0.36%	1.02%	1.21%	1.65%	-0.44%	1.28%	-0.59%	0.01%	0.21%	
	48/32/20 (w/Alts.)**	-0.97%	0.09%	-0.98%	-0.29%	0.88%	1.09%	1.44%	-0.39%	1.18%	-0.51%	0.04%	0.20%	

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	1.01	1.02	0.99	1.06	1.14	1.11	1.18	1.10	1.12	1.18	1.23	1.01	1.10
Large Cap Growth	0.99	1.00	1.00	1.02	0.99	1.05	1.14	1.11	1.18	1.09	1.11	1.17	1.22	1.00	1.09
Large Cap Value	0.99	1.00	1.00	1.01	0.98	1.05	1.13	1.10	1.17	1.09	1.11	1.17	1.22	1.00	1.09
Mid Cap Core	0.98	0.98	0.99	1.00	0.97	1.03	1.12	1.09	1.16	1.07	1.09	1.16	1.20	0.99	1.07
Mid Cap Growth	1.01	1.01	1.02	1.03	1.00	1.07	1.15	1.12	1.19	1.11	1.12	1.19	1.24	1.02	1.10
Mid Cap Value	0.94	0.95	0.95	0.97	0.94	1.00	1.08	1.05	1.12	1.04	1.05	1.12	1.16	0.95	1.04
Small Cap Core	0.87	0.88	0.88	0.90	0.87	0.93	1.00	0.97	1.03	0.96	0.98	1.03	1.08	0.88	0.96
Small Cap Growth	0.90	0.90	0.91	0.92	0.89	0.95	1.03	1.00	1.06	0.99	1.00	1.06	1.11	0.91	0.99
Small Cap Value	0.85	0.85	0.85	0.87	0.84	0.90	0.97	0.94	1.00	0.93	0.94	1.00	1.04	0.85	0.93
Int'l. Developed	0.91	0.92	0.92	0.93	0.90	0.96	1.04	1.01	1.08	1.00	1.01	1.08	1.12	0.92	1.00
Emerging Markets	0.90	0.90	0.90	0.92	0.89	0.95	1.03	1.00	1.06	0.99	1.00	1.06	1.10	0.91	0.98
REITs	0.85	0.85	0.85	0.87	0.84	0.90	0.97	0.94	1.00	0.93	0.94	1.00	1.04	0.85	0.93
Commodities	0.81	0.82	0.82	0.83	0.81	0.86	0.93	0.90	0.96	0.89	0.91	0.96	1.00	0.82	0.89
Int. Bond	0.99	1.00	1.00	1.01	0.98	1.05	1.13	1.10	1.17	1.09	1.10	1.17	1.22	1.00	1.09
High Yield	0.91	0.92	0.92	0.93	0.91	0.96	1.04	1.01	1.08	1.00	1.02	1.08	1.12	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 **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 **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 **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 **NFIB Small Business Optimism Index** is compiled from a survey that is conducted each month by the National Federation of Independent **Business** (NFIB) of its members

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Envestnet, Inc. (NYSE: ENV) is a leading provider of intelligent systems for wealth management and financial wellness. Envestnet's unified technology enhances advisor productivity and strengthens the wealth management process, delivering unparalleled flexibility, accuracy, performance, and value. Envestnet enables a transparent, independent, objective, and fiduciary standard of care, and empowers enterprises and advisors to more fully understand their clients and deliver better outcomes.

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