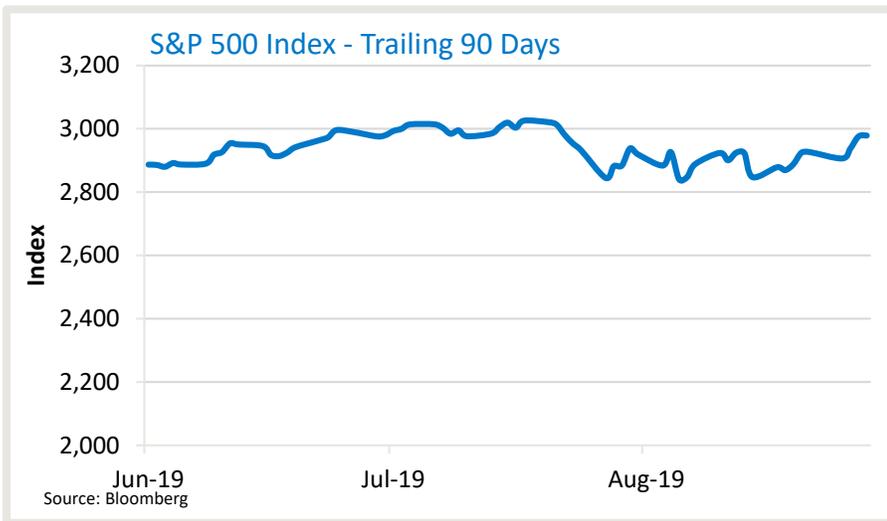


Weekly Market Review

September 9, 2019

Chart of the Week



Weekly Highlights

- **The US economy added 130,000 new jobs in August**, but fell well short of expectations of 170,000. The gain in new jobs was somewhat weaker than the headline number, as nearly one-quarter of the gains were tied to federal hiring for the upcoming 2020 Census. Employment gains in June and July were revised downward by a combined 20,000 as well. The unemployment rate stayed steady at 3.70%, while average hourly earnings were up 0.40% for the month and 3.20% for the trailing 12 months. The weaker-than-expected report likely keeps the Federal Reserve on track to cut short-term interest rates by 25 basis points at its meeting later this month. However, the report was unlikely to be weak enough to encourage a 50-basis-point cut sought by some market participants.
- **The ISM Manufacturing Index** fell an unexpected 2.10% to 49.10% in August, indicating a contraction in manufacturing activity for the first time since late 2016. New orders fell 3.60% from the previous month, with only three of the 18 manufacturing industries showing gains in new orders. The index has fallen nearly 10 points since the trade war began last summer. The ISM Non-Manufacturing Index, made up of companies such as retailers and restaurants, was up 2.70%, coming off a three-year low in July. Of the 17 industries tracked by the index, 16 of them expanded their businesses, but the rate of new hires and expansion of hours worked increased at the slowest pace in more than two years.

Talking Points

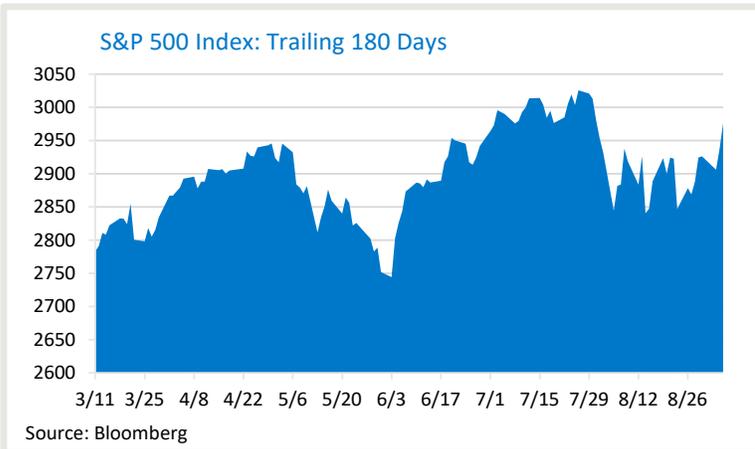
- **US equities** traded broadly higher this week, with the indices up between 1% and 2%. Non-US equities also rose, with the regional indices up 1.5%-2.0%.
- **The Yield on the 10-Year US Treasury Note** drifted higher in the holiday-shortened week. The 3-month / 10-year Treasury curve remains inverted, with the Treasury bill yield roughly 40 basis points higher.
- **The US dollar** finished weaker against a basket of currencies, reflecting both rising expectations of a Fed rate cut later this month and renewed optimism over trade talks with China.
- **Gold** was down slightly on the week after rallying more than 2% through mid-day Wednesday.
- **Oil prices** were up slightly from their preholiday close. A sharp rally on Wednesday erased Tuesday's losses. Prices have been tightly range bound since early August.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,978.71	52.25	1.79%	18.8%
Dow Industrials	26,797.46	394.18	1.49%	14.9%
Nasdaq	8,103.07	140.19	1.76%	22.1%
Russell 2000	1,505.17	10.31	0.69%	11.6%
Euro Stoxx Index	387.14	7.66	2.02%	14.7%
Shanghai Composite	2,999.60	113.36	3.93%	20.3%
MSCI ACWI	519.55	8.67	1.70%	14.0%

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

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,003.01	18.67	1.90%	3.9%
10-Year US Treas.	1.55	4 bps	NM	NM
Bloomberg Cmnts. Idx.	77.89	0.88	1.14%	1.5%
Gold	\$1,506.50	-\$13.31	-0.88%	17.5%
Crude Oil	\$56.62	\$1.52	2.76%	17.9%
Dollar Index	98.42	-0.50	-0.50%	2.3%
VIX Index	15.00	-3.98	-20.97%	-41.0%



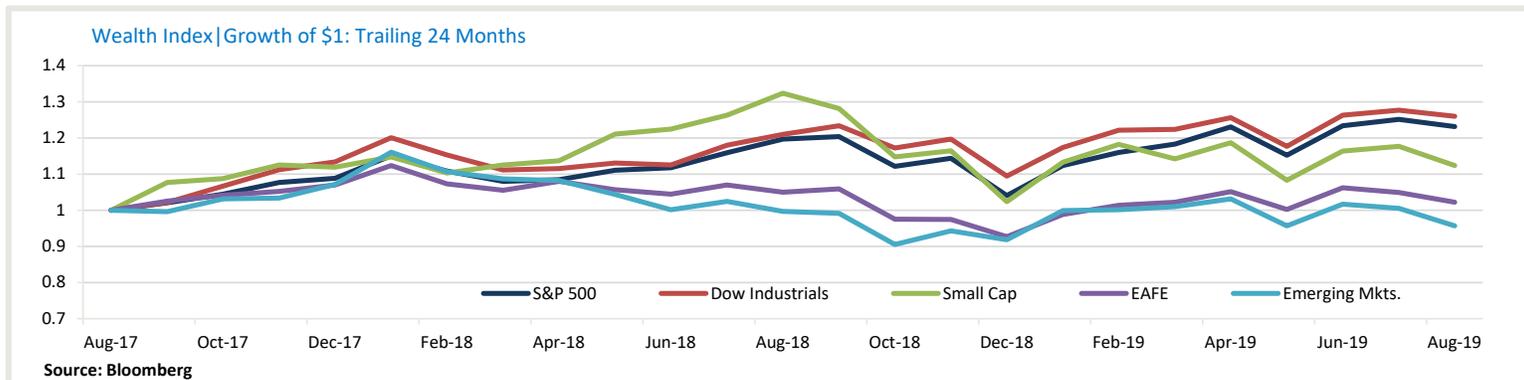
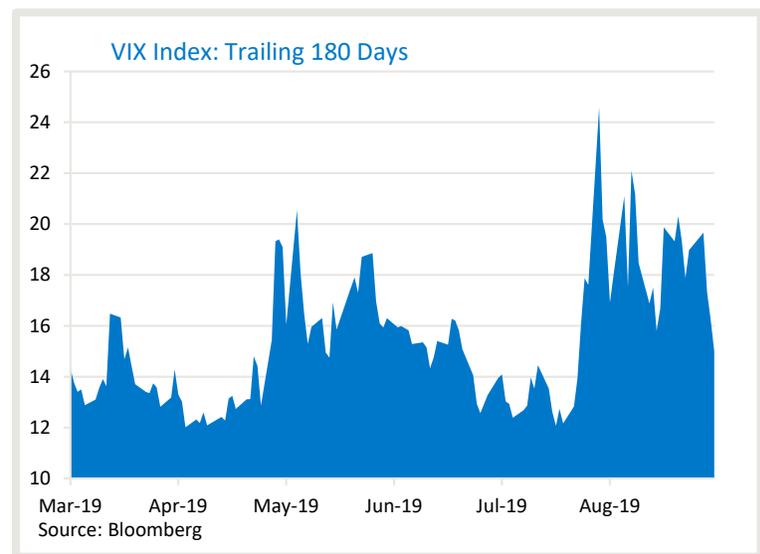
	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.99%	1.73%	1.52%	13.36%	18.45%	22.94%
	1.87%	1.70%	1.45%	15.21%	20.26%	27.76%
S	1.45%	0.69%	-0.04%	7.38%	11.61%	15.72%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	10.2	2.61%	23.5%
Consumer Staples	7.5	1.17%	20.4%
Energy	4.5	2.64%	2.2%
Financials	12.8	1.87%	14.7%
Health Care	13.7	0.67%	5.2%
Industrials	9.2	1.80%	19.5%
Information Technology	22.2	2.41%	31.1%
Materials	2.7	0.87%	12.9%
Real Estate	3.2	1.42%	27.8%
Communication Services	10.5	1.95%	22.4%
Utilities	3.4	0.36%	18.0%

Source: Bloomberg



The Economy and Markets

A Macro View—August Monthly Recap

The domestic equity markets were roiled in August by the trade war between the US and China. The announcement of another round of higher tariffs on Chinese goods at the beginning of the month was quickly followed by an increase in the tariffs on US goods entering China. The Trump Administration responded with even higher tariffs on virtually all Chinese goods. Sprinkled throughout the month were several conciliatory statements, mostly by the US, on progress being made toward a broad trade deal that would eliminate the tariff increases scheduled to take effect on September 1. This push-and-pull on market sentiment created a great deal of uncertainty, which in return resulted in increased volatility in the equity markets. Complicating matters, August's economic data showed growth slowing in most of the world as tariffs enacted earlier in the year began to affect the global economy.

The major domestic indices all showed losses for August, but large cap securities outperformed mid- and small cap securities in a flight to quality. The Russell 1000 Index was down 1.83%, while the Midcap Index was down 2.85% and the 2000 Index declined by 4.94%. Despite the general flight to quality in the market, the growth indices beat their value counterparts across the market-cap spectrum. This was driven by the collapse in the Energy sector, which has a significantly higher weighting in the value indices. In the large cap space, the Energy sector declined more than 5%, but makes up less than 1% of the growth index. In small caps, the sector was down nearly 16%, where it accounts for less than 2% of the growth index, but more than 4% of the value index. Modestly positive returns in the defensive sectors like Staples, Utilities, and Real Estate could not counter the steep losses.

International equity markets declined around the globe in August as weakening economic data and continued trade fears took their toll. Developed markets, as measured by the MSCI EAFE Index, declined 2.59%, slightly underperforming the US markets. Growth outperformed value in developed markets by nearly 3% (-1.21% versus -4.11%, respectively). Europe was negatively affected by continued uncertainty surrounding Brexit negotiations that appeared to sour. Boris Johnson was elected Prime Minister of the UK on the promise of exiting the European Union at the end of October, regardless of whether an agreed-upon deal is reached, raising the specter of a "No-Deal Brexit." Amid the confusion, UK markets declined 4.68%, which was greater than the broader European market decline of 2.52%. Japanese equities, having thus far avoided being directly caught in trade tensions, outperformed on a relative basis, fell by only 1.01%. The US dollar was relatively stable versus developed markets currencies and had little effect on returns during the month.

Emerging markets had a more difficult time escaping escalating trade tensions, declining 4.88% in August. Currencies played a pronounced role, as returns measured in local currencies were down only 2.53%, highlighting the US dollar's strength during the month. Trade wars took center stage, as both the US and China announced escalating tariffs that took effect on September 1. The trade war is beginning to show its effects in the global economic data as business confidence wanes and uncertainty rises. Stock markets in China slid 4.19%, while Korea (a major supplier to China), dropped 5.03%. Sentiment continues to be uncertain, as a resolution to the trade conflict appears illusive. Markets in Latin America declined by 8.13%, led by Argentina, which plummeted more than 50% as investors questioned capital controls put into place to protect the rout of the Argentine peso.

The domestic fixed income markets¹ feasted on the uncertainty in the global equity markets, as the flight to quality drove 10-Year Treasury rates to levels not seen since early 2016, and the yield on 30-year Treasuries fell below 2% for the first time since records began in the 1970s. The result was the strongest monthly return for the long end of the Treasury market in more than eight years. The 20+ Year Treasury Index rose 10.82% and is now up 23.93% for the year. This in turn contributed to the yield curve inverting (where short term rates are higher than longer-term rates) for the first time since 2007. The broader Aggregate Index advanced 2.59% in August, as both Treasuries and corporates rose more than 3%, but the MBS index was up just 89 basis points, weighed down by the prospect of increasing prepayments in a lower-rate environment. The month's sharp advances did not extend to the noninvestment grade market, as credit spreads widened significantly. The High Yield Index was up just 40 basis points, where the Energy sector was a particular drag. The S&P LSTA Performing Loan Index was down 33 basis points, as falling rates and credit concerns sharply reduced demand.

In August, municipal bonds posted another strong return, with the Bloomberg Barclays Municipal Bond Index gaining 1.58%. Interest rates continued to decline in August, and the municipal curve flattened in tandem with the Treasury curve, which ultimately led to longer-dated bonds driving the majority of performance. Shorter-dated municipal issuance still posted a positive return, but could not keep up with the long end's robust performance. The municipal/Treasury ratio continued to offer better relative value for municipal bonds at the intermediate and long end. However, ratios fell below 65% for municipals with maturities two years and under, meaning that Treasuries with similar maturities offered better relative value (assuming a 35% tax rate). Investors have not let up on their demand for municipal bonds, as fund flows totaled \$63 billion year to date and have now notched 34 consecutive weeks of positive flows. New issuance in August was slightly more than \$40 billion, a 30% increase over July, and led to year-to-date 2019 issuance surpassing 2018's by roughly 3%.

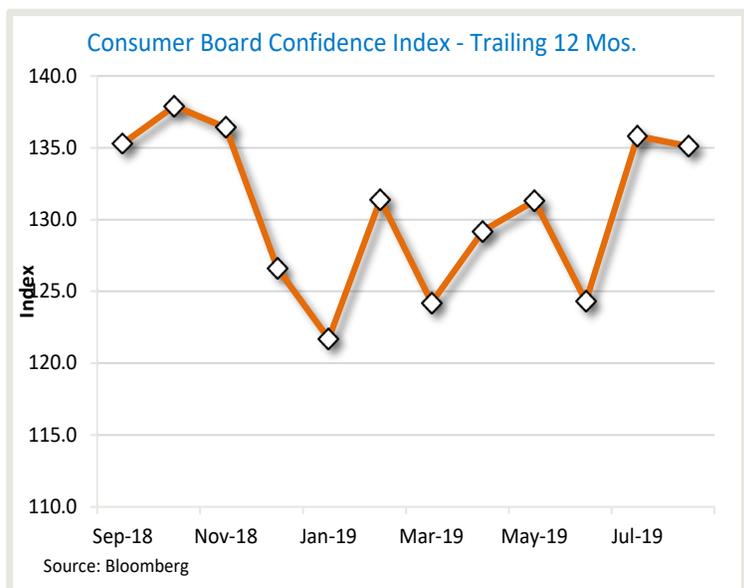
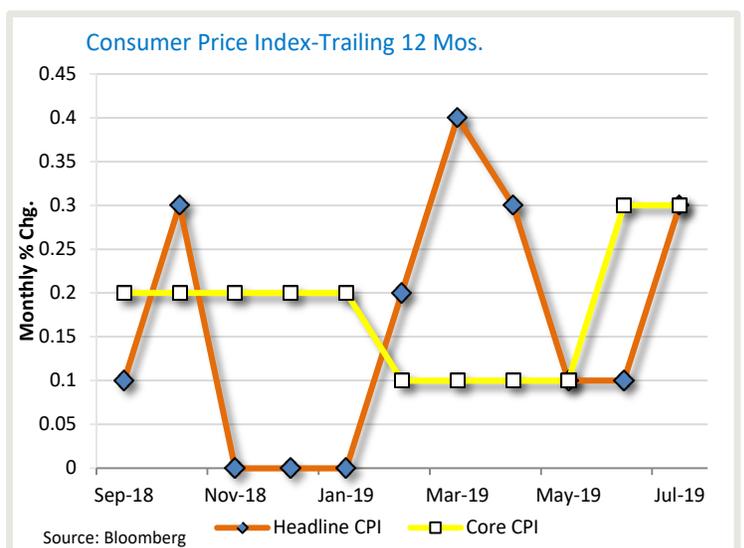
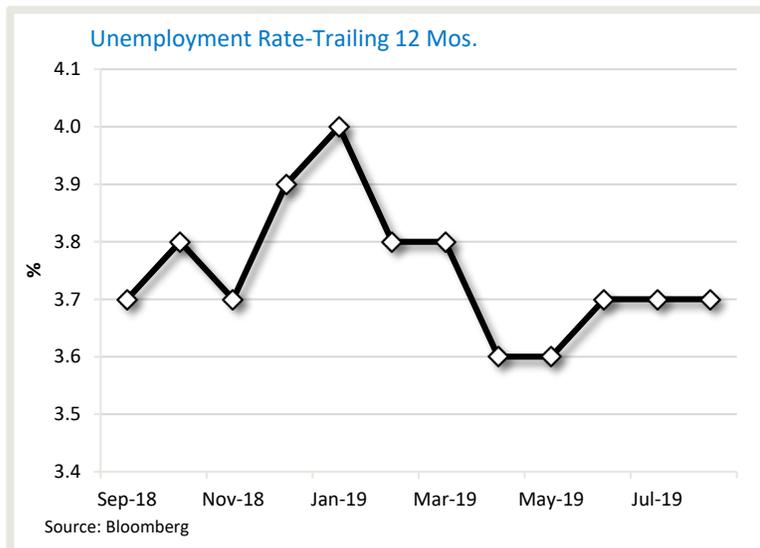
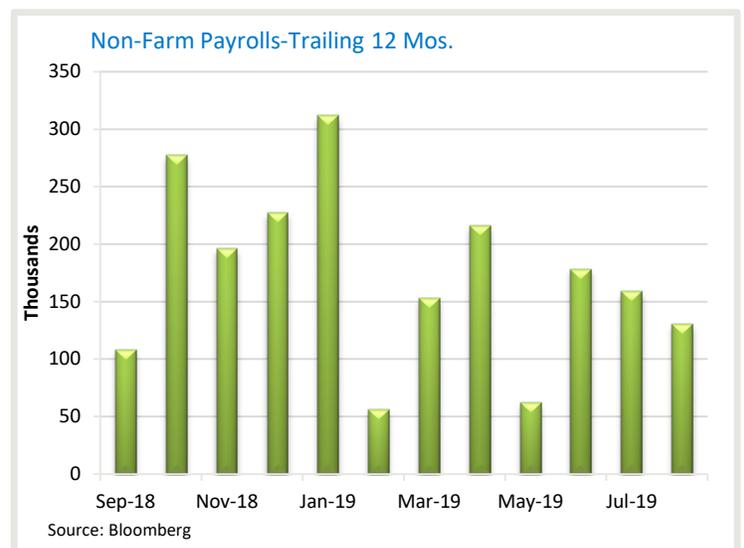
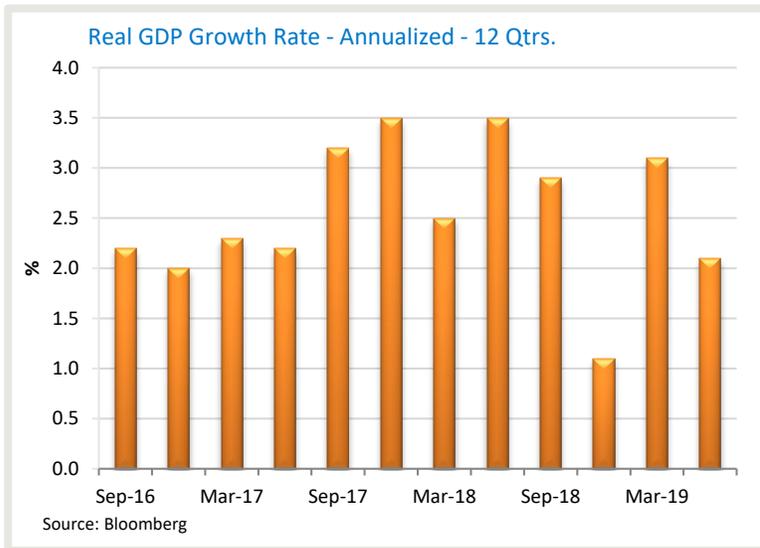
Developed markets sovereign credits rose 2.24% in dollar terms in August, as global yields fell in conjunction with US yields. More than \$14 trillion in sovereign debt (roughly a third of the global debt market) now trades with a negative yield. The entire German yield curve is negative, as are maturities out to 15 years in Japan and out to ten years in France. Emerging markets bonds were laggards for the quarter, particularly the local currency issues. The hard currency index was up just 75 basis points, while the local currency index was down 2.64%. Latin America was the biggest regional laggard, led lower by Argentina. Asian bond markets also were soft on the slowdown in growth and devaluation of the Chinese yuan relative to the dollar.

¹Unless otherwise noted, returns are for the appropriate Bloomberg Barclays Indices

Nathan Behan

SVP Investment Research

Economic Data



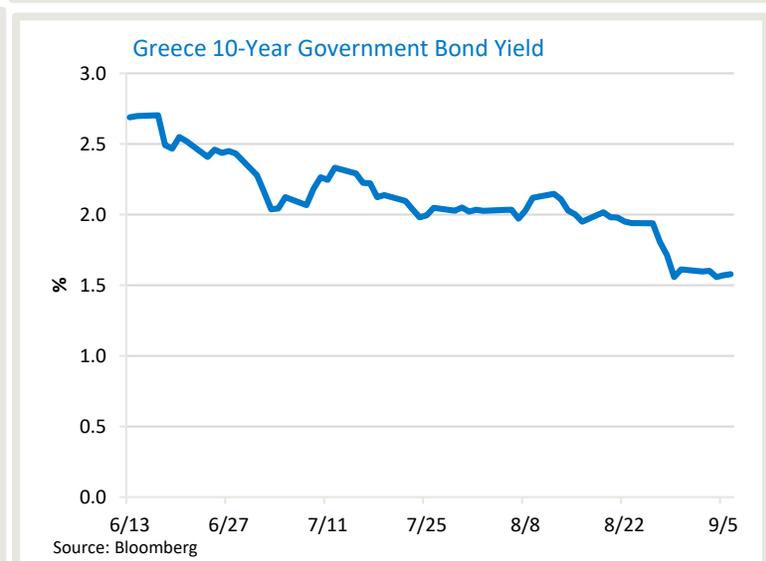
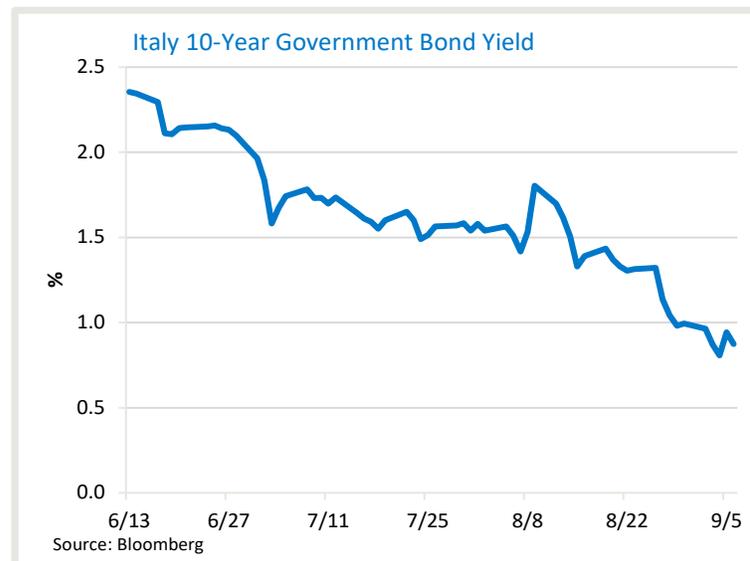
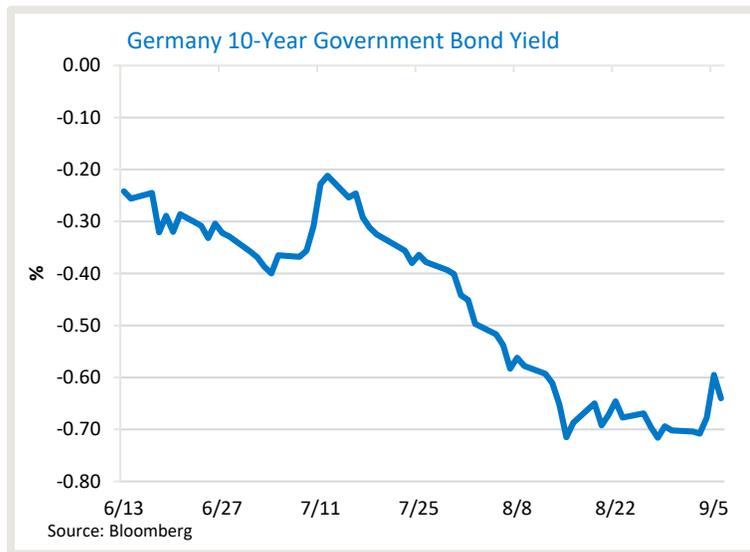
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.64	-7 bps	NM	NM
Greece 10-Yr. Govt.	1.58	3 bps	NM	NM
Italy 10-Yr. Govt.	0.87	12 bps	NM	NM
Spain 10-Yr. Govt.	0.17	-7 bps	NM	NM
Belgium 10-Yr. Govt.	-0.29	-6 bps	NM	NM

Source: Bloomberg
Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	-0.34	-7 bps	NM	NM
Ireland 10-Yr. Govt.	-0.06	-2 bps	NM	NM
Portugal 10-Yr. Govt.	0.19	-8 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.50	-6 bps	NM	NM
U.K. 10-Yr. Govt.	0.50	-3 bps	NM	NM



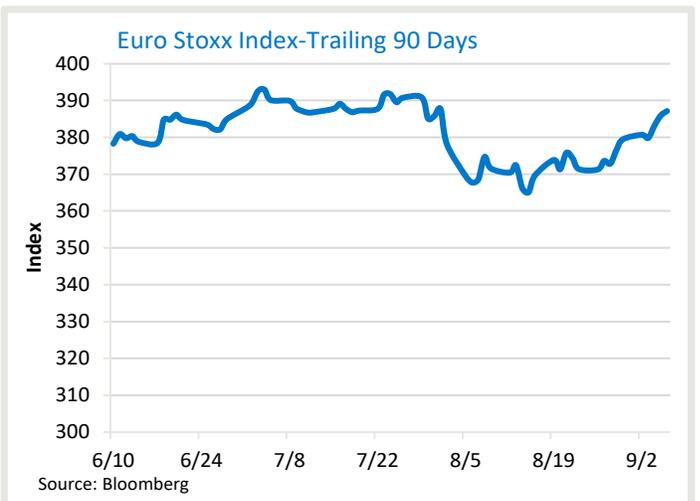
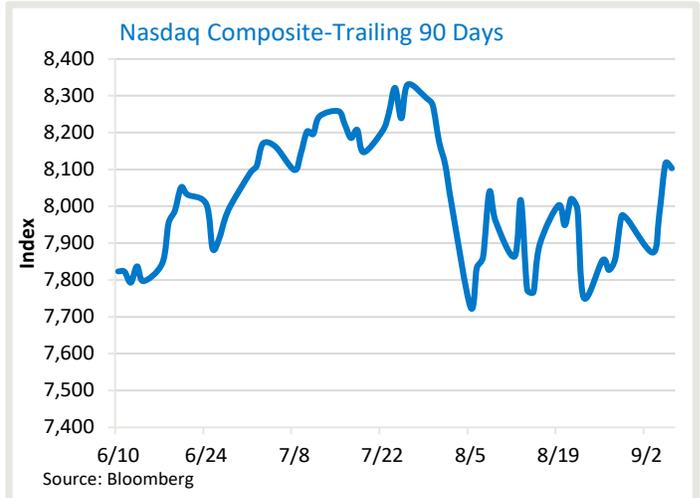
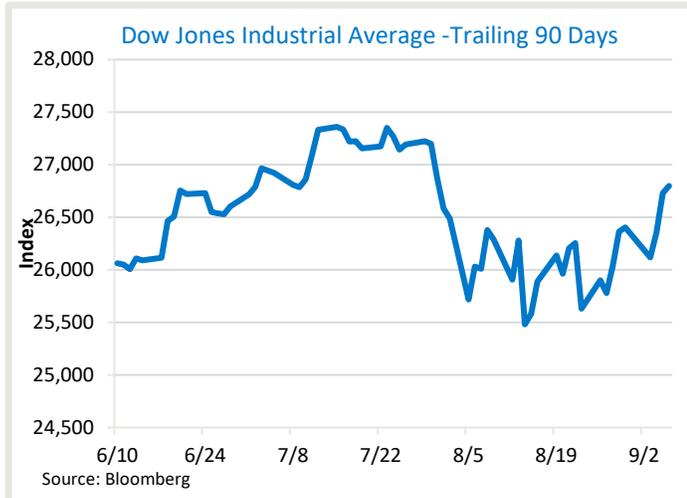
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,978.71	52.25	1.79%	18.82%
Dow Industrials	26,797.46	394.18	1.49%	14.88%
Nasdaq Composite	8,103.07	140.19	1.76%	22.12%
MSCI ACWI	519.55	8.67	1.70%	14.0%
MSCI EM	1,003.01	18.67	1.90%	3.9%
S&P/TSX (Canada)	16,535.33	93.26	0.57%	15.45%
Mexico IPC	42,707.66	85.16	0.20%	2.56%
Brazil Bovespa	102,935.40	1800.80	1.78%	17.12%
Euro Stoxx 600	387.14	7.66	2.02%	14.66%
FTSE 100	7,282.34	75.16	1.04%	8.24%
IBEX 35 (Spain)	8,990.10	177.20	2.01%	5.27%

	Last	Change	% Chg.	YTD %
Swiss Market Index	10,073.82	178.17	1.80%	19.51%
CAC 40 Index (France)	5,603.99	123.51	2.25%	18.46%
DAX Index (Germany)	12,191.73	252.45	2.11%	15.46%
Irish Overall Index	6,062.07	182.65	3.11%	10.63%
Nikkei 225	21,199.57	495.20	2.39%	5.92%
Hang Seng Index	26,690.76	966.03	3.76%	3.27%
Shanghai Composite	2,999.60	113.36	3.93%	20.28%
Kospi Index (S. Korea)	2,009.13	41.34	2.10%	-1.56%
Taiwan Taiex Index	10,780.64	162.59	1.53%	10.83%
Tel Aviv 25 Index	1,562.28	0.30	0.02%	6.72%
MOEX Index (Russia)	2,797.55	57.51	2.10%	18.07%

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



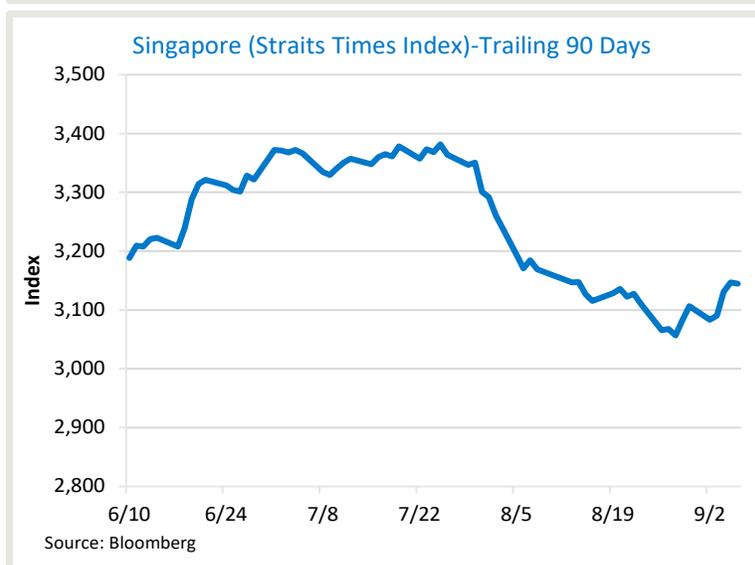
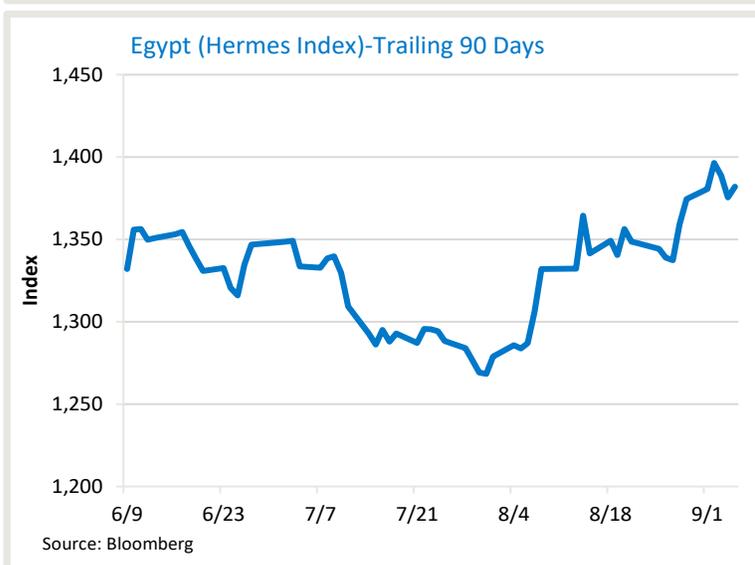
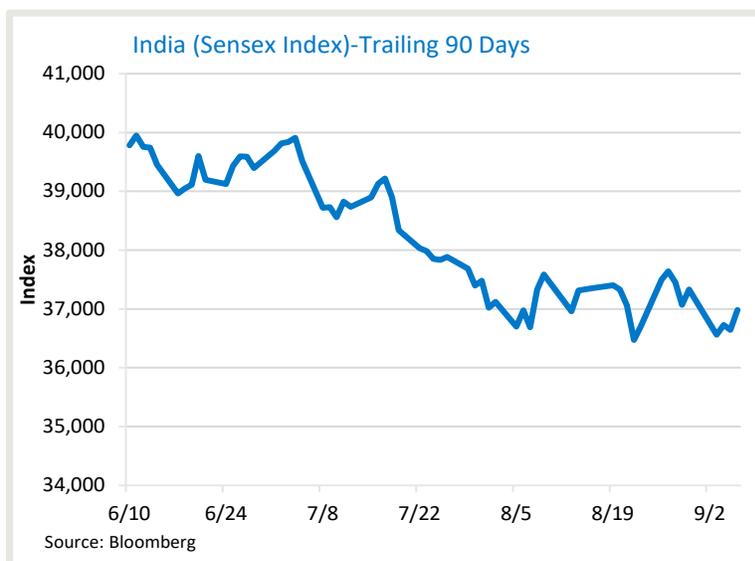
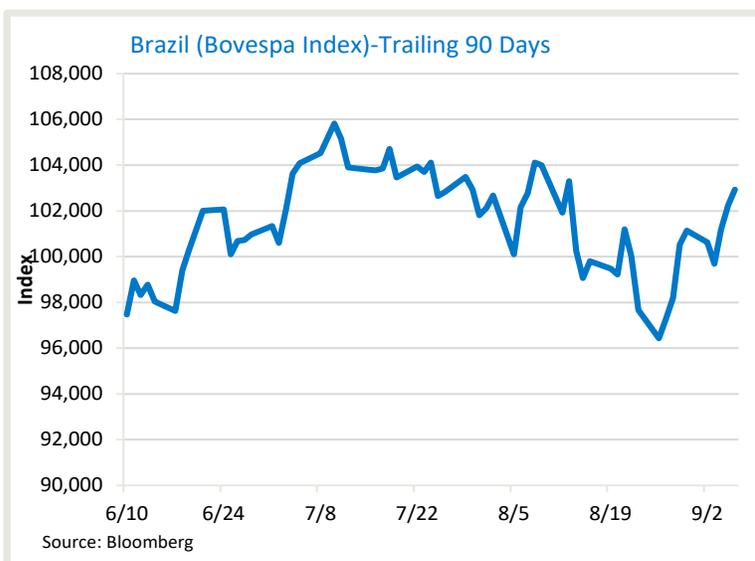
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	42,707.66	85.16	0.2%	2.6%
Brazil (Bovespa Index)	102,935.40	1800.80	1.8%	17.1%
MOEX Index (Russia)	2,797.55	57.51	2.1%	18.1%
Czech Republic (Prague)	1,032.06	-5.21	-0.5%	4.6%
Turkey (Istanbul)	98,987.50	2269.00	2.3%	8.5%
Egypt (Hermes Index)	1,381.98	7.41	0.5%	8.2%
Kenya (Nairobi 20 Index)	2,419.67	-48.01	-1.9%	-14.6%
Saudi Arabia (TASI Index)	8,054.75	34.98	0.4%	2.9%
Lebanon (Beirut BLOM Index)	794.22	-2.54	-0.3%	-18.7%
Palestine	521.71	-1.88	-0.4%	-1.4%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,690.76	966.03	3.8%	3.3%
India (Sensex 30)	36,981.77	-351.02	-0.9%	2.5%
Malaysia (KLCI Index)	1,604.47	9.29	0.6%	-5.1%
Singapore (Straits Times Index)	3,144.48	37.96	1.2%	2.5%
Thailand (SET Index)	1,670.06	15.14	0.9%	6.8%
Indonesia (Jakarta)	6,308.95	-19.52	-0.3%	1.8%
Pakistan (Karachi KSE 100)	30,467.20	795.08	2.7%	-17.8%
Vietnam (Ho Chi Minh)	974.08	-4.51	-0.5%	9.1%
Sri Lanka (Colombo)	5,798.57	-91.29	-1.5%	-4.2%
Cambodia (Laos)	746.62	-13.42	-1.8%	-10.7%

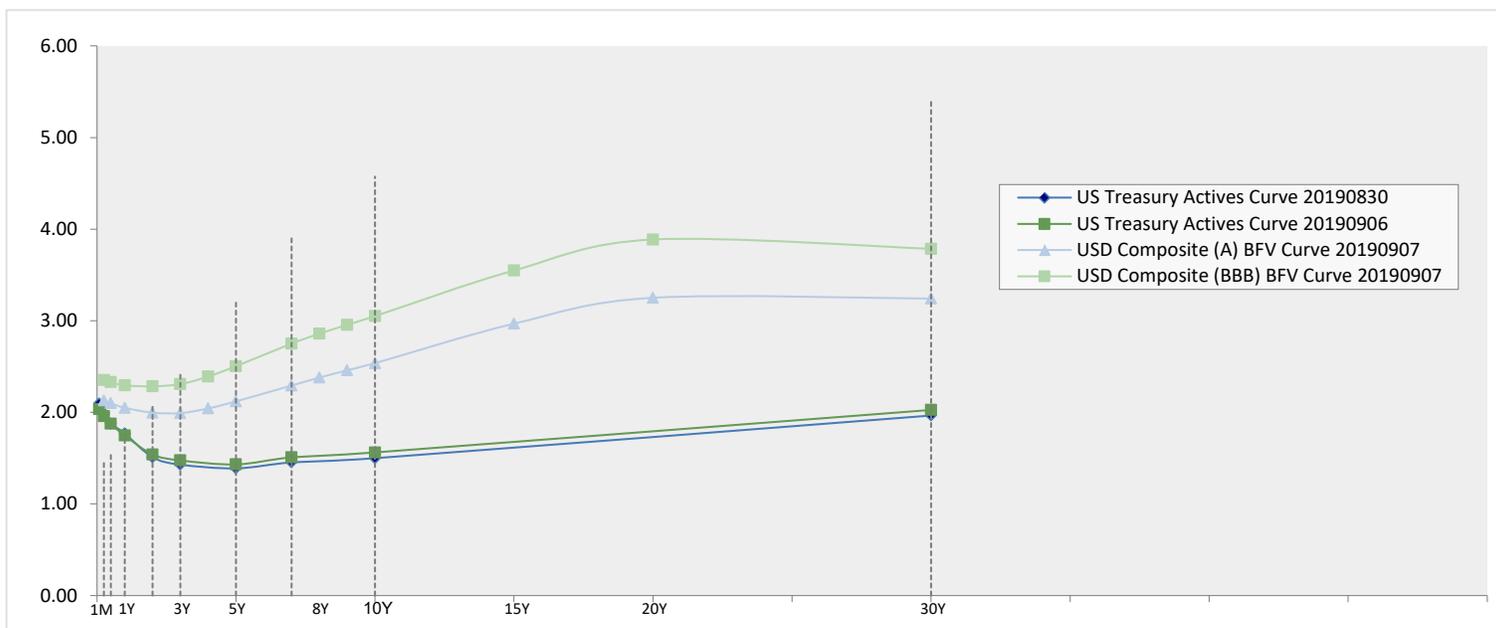


Interest Rates

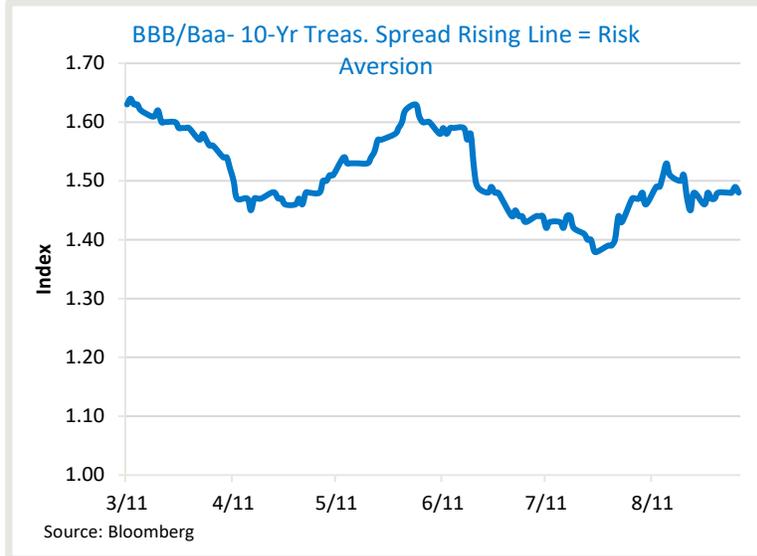
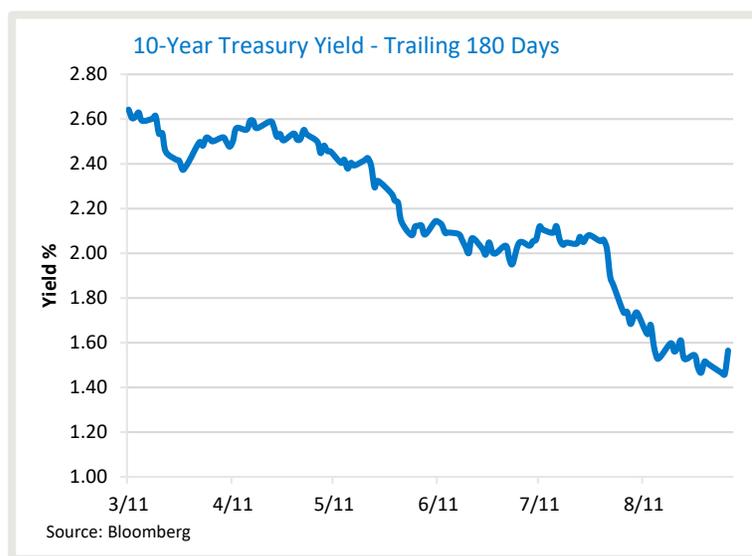
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.54%	-1 bps	NM	NM	Prime Rate	5.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.42%	3 bps	NM	NM	Fed Funds Rate	2.25%	0.00	NM	NM
10-Yr. U.S. Treasury	1.55%	4 bps	NM	NM	Discount Rate	2.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.02%	5 bps	NM	NM	LIBOR (3 Mo.)	2.10%	-4 bps	NM	NM
German 10-Yr. Govt.	-0.64%	-7 bps	NM	NM	Bond Buyer 40 Muni	2.57%	4 bps	NM	NM
France 10-Yr.	-0.34%	-7 bps	NM	NM	Bond Buyer 40 G.O.	2.97%	NA	NM	NM
Italy 10-Yr.	0.87%	12 bps	NM	NM	Bond Buyer 40 Rev.	3.45%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.64%	4 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



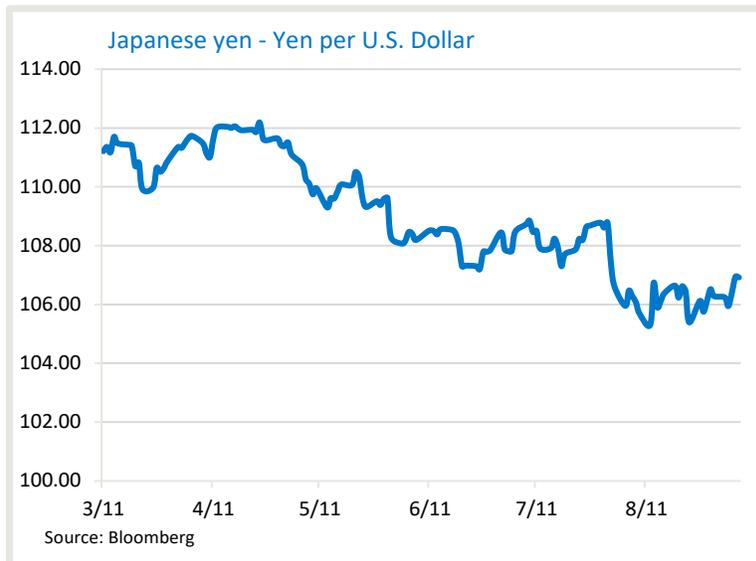
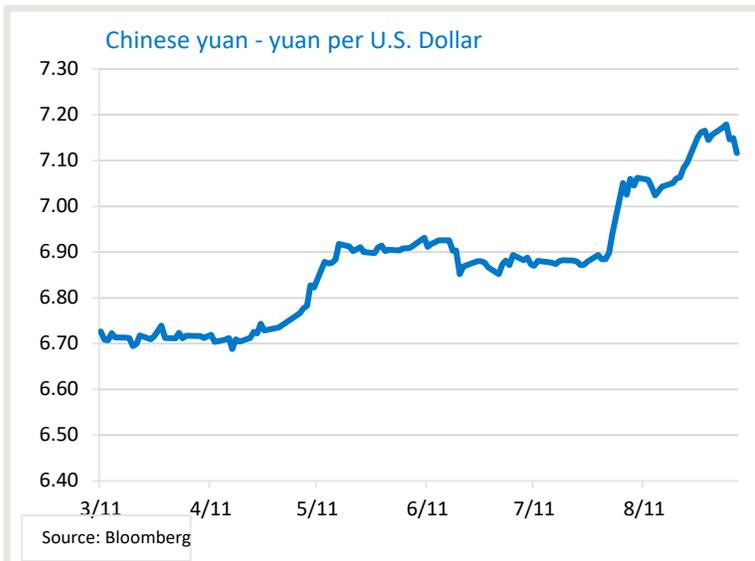
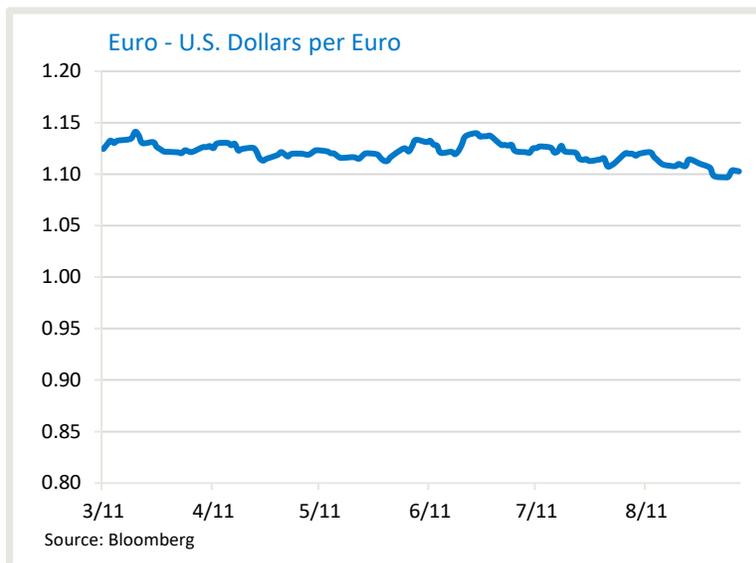
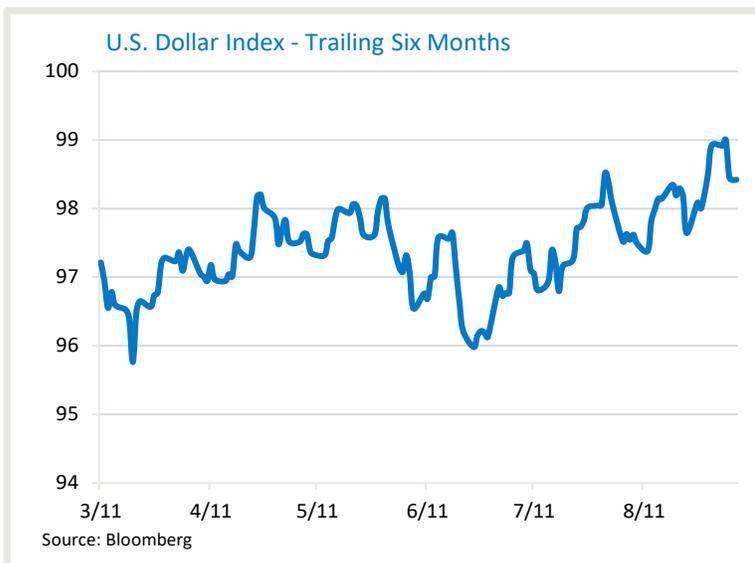
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.43	-0.495	-0.50%	2.34%
Euro	1.10	0.005	0.42%	-3.83%
Japanese Yen	106.91	0.640	-0.60%	2.59%
British Pound	1.23	0.014	1.12%	-3.62%
Canadian Dollar	1.32	-0.013	0.99%	3.46%

	Last	Change	% Chg.	YTD %
Chinese Yuan	7.12	-0.040	0.56%	-3.34%
Swiss Franc	0.99	-0.003	0.26%	-0.58%
New Zealand Dollar	0.64	0.010	1.58%	-4.33%
Brazilian Real	4.06	-0.079	1.94%	-4.72%
Mexican Peso	19.53	-0.526	2.69%	0.58%

Source: Bloomberg



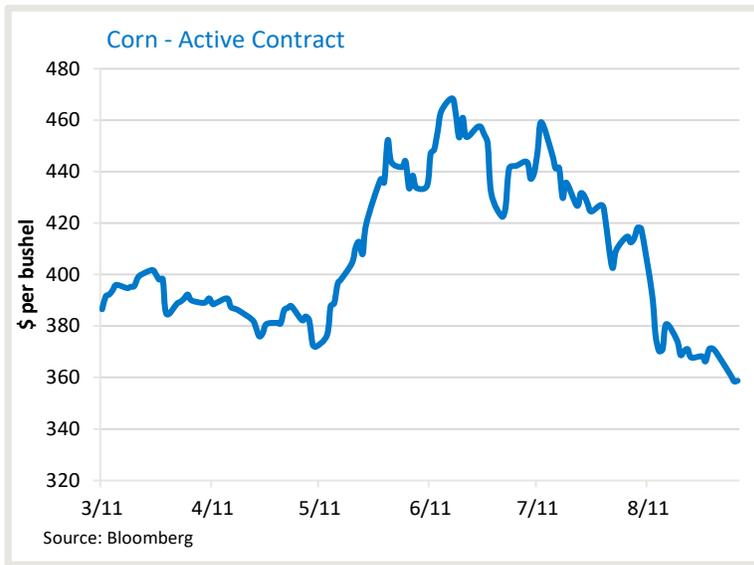
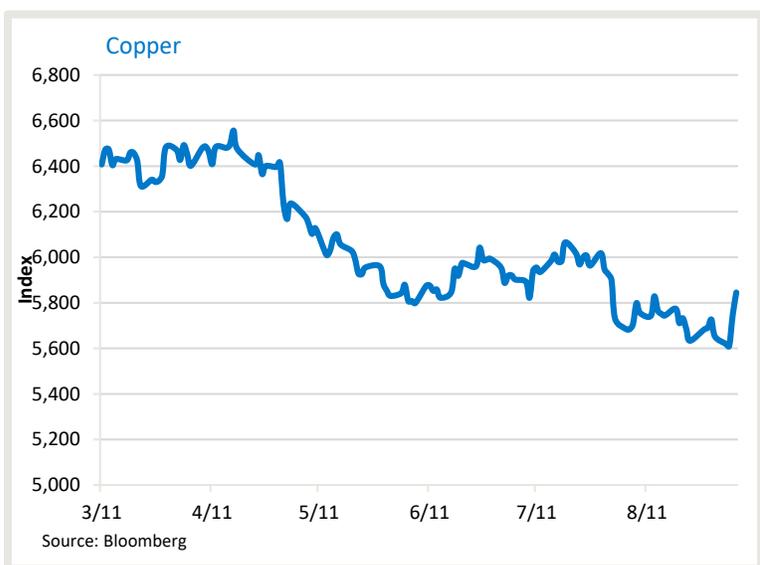
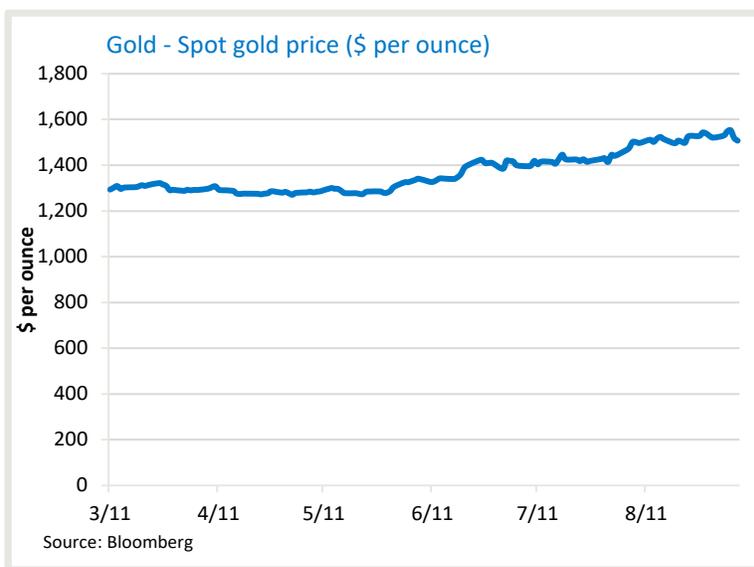
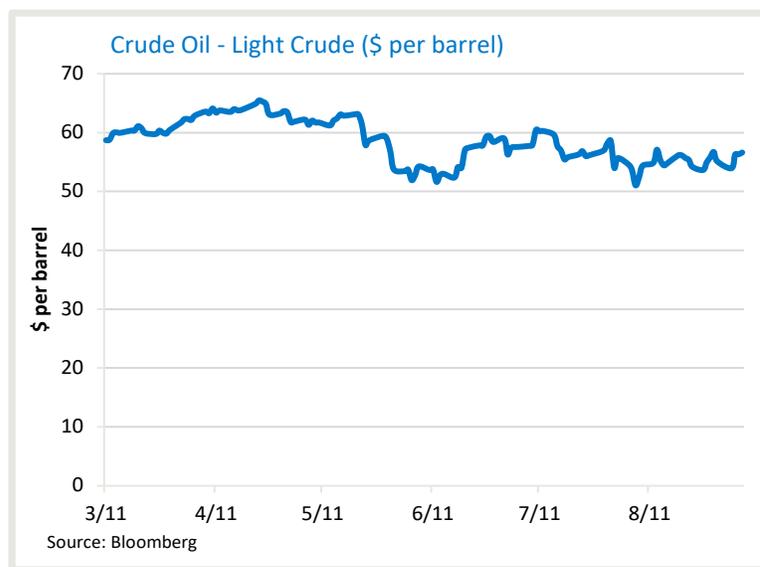
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	77.89	0.88	1.14%	1.53%
Crude Oil	\$56.61	\$1.52	2.76%	17.86%
Natural Gas	\$2.49	\$0.21	9.02%	-9.48%
Gasoline (\$/Gal.)	\$2.57	-\$0.01	-0.39%	13.87%
Heating Oil	190.02	6.31	3.43%	11.04%
Gold Spot	\$1,506.75	-\$13.31	-0.88%	17.51%
Silver Spot	\$18.17	-\$0.22	-1.17%	17.20%

Source: Bloomberg; % change is based on price.

	Last	Change	% Chg.	YTD %
Platinum Spot	\$951.52	\$17.17	1.84%	19.52%
Corn	355.50	-15.75	-4.24%	-10.57%
Wheat	463.75	-9.00	-1.90%	-14.52%
Soybeans	857.75	-10.75	-1.24%	-8.29%
Sugar	11.02	-0.19	-1.69%	-12.05%
Orange Juice	102.00	-6.00	-5.56%	-22.05%
Aluminum	1,784.00	31.00	1.77%	-3.36%
Copper	5,845.00	193.00	3.41%	-2.01%

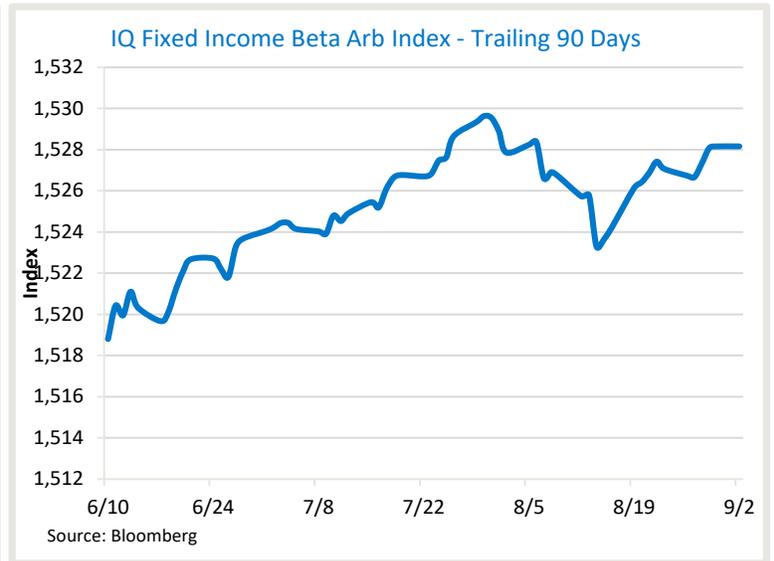
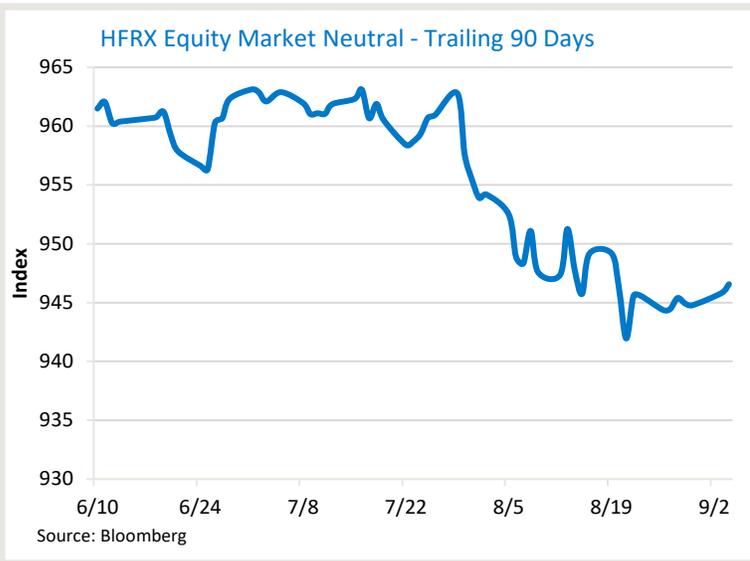
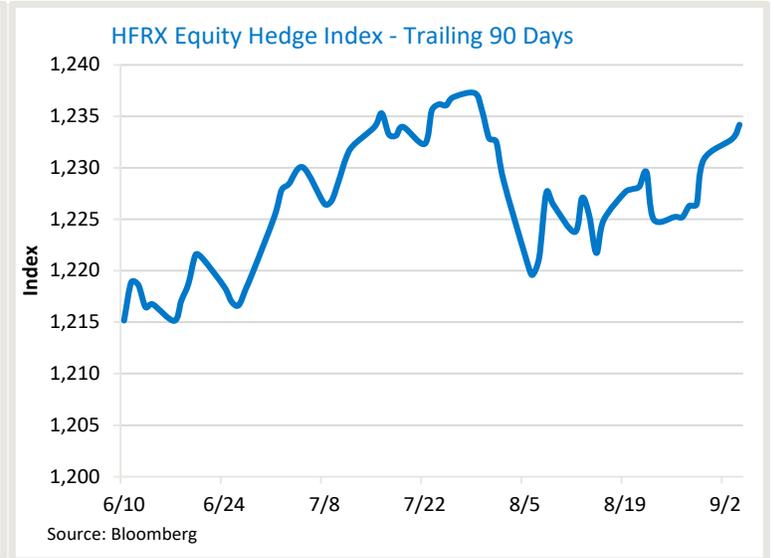
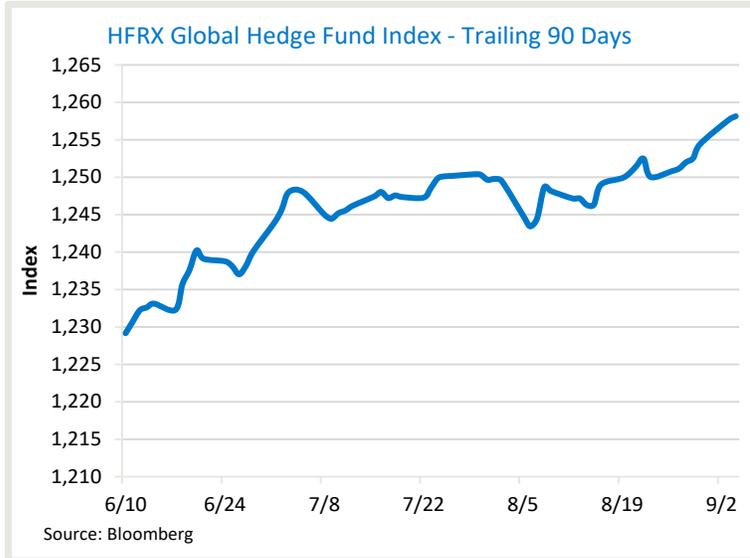


Alternative Investments

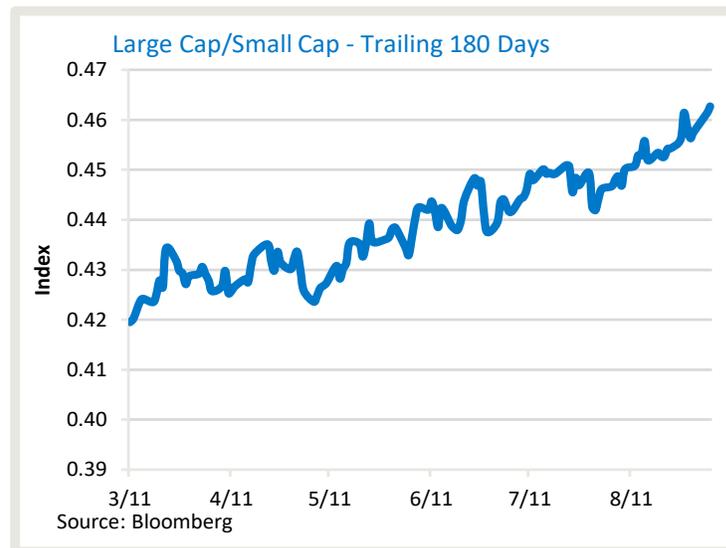
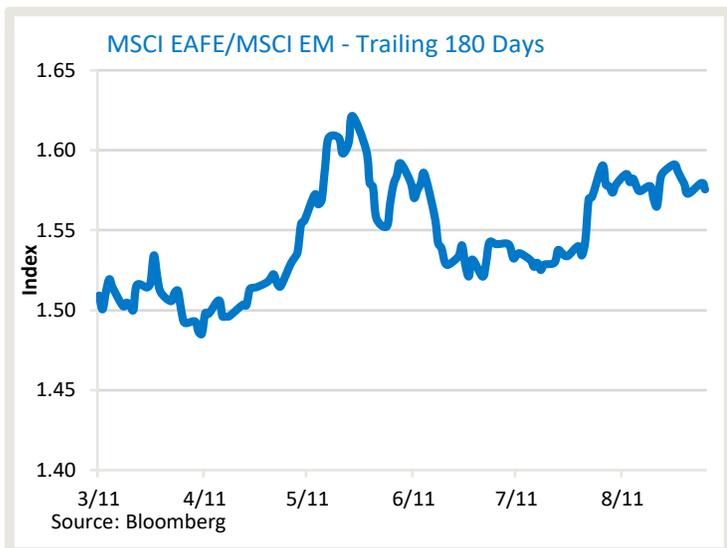
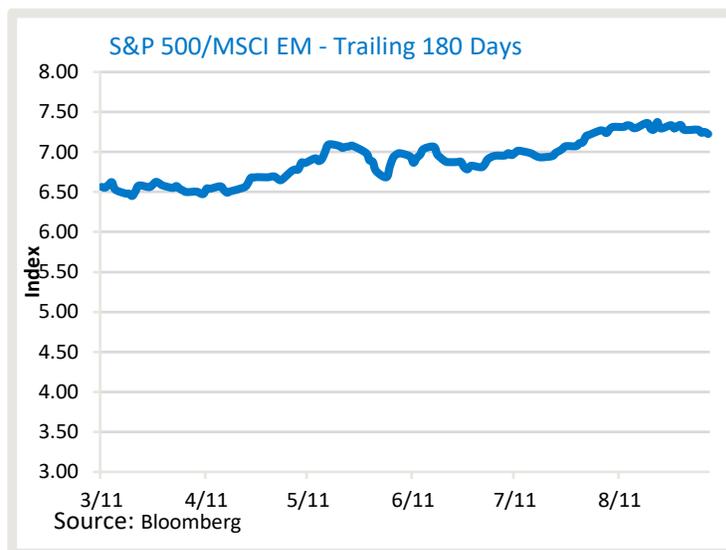
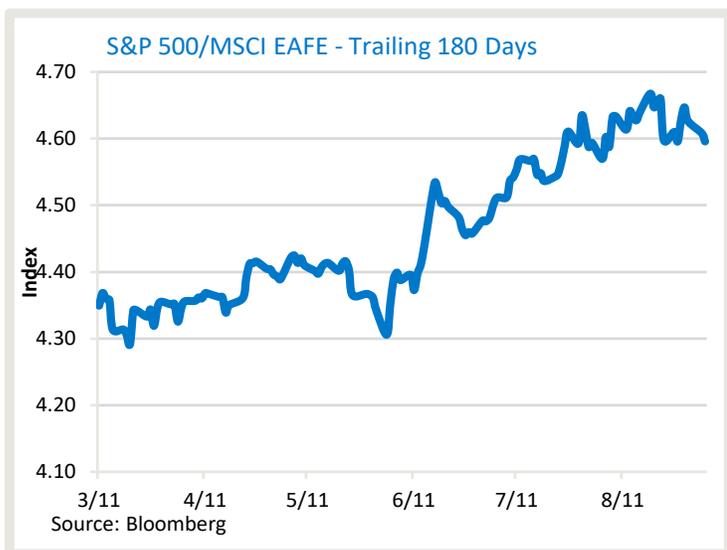
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1258.14	3.70	0.29%	5.74%	HFRX Special Situation Index	1235.60	8.73	0.71%	2.71%
HFRX Equity Market Neutral	946.56	1.79	0.19%	-2.68%	HFRX Merger Arbitrage Index	1785.36	2.33	0.13%	-1.78%
HFRX Equity Hedge Index	1234.19	3.38	0.27%	7.22%	HFRX Convertible Arbitrage Index	810.74	-1.12	-0.14%	2.93%
HFRX Event-Driven Index	1528.55	10.43	0.69%	3.89%	HFRX Macro CTA Index	1195.11	-0.83	-0.07%	6.13%
HFRX Absolute Return Index	1083.53	0.77	0.07%	2.41%	IQ Fixed Income Beta Arb Index	1529.77	1.61	0.11%	4.60%

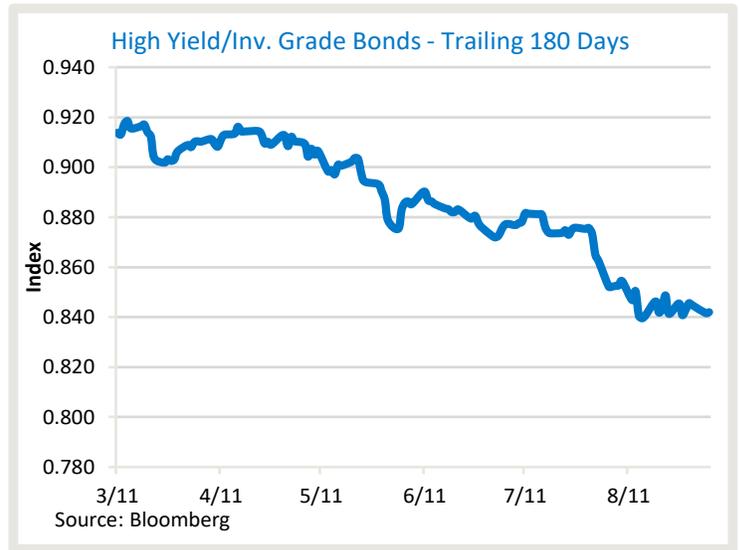
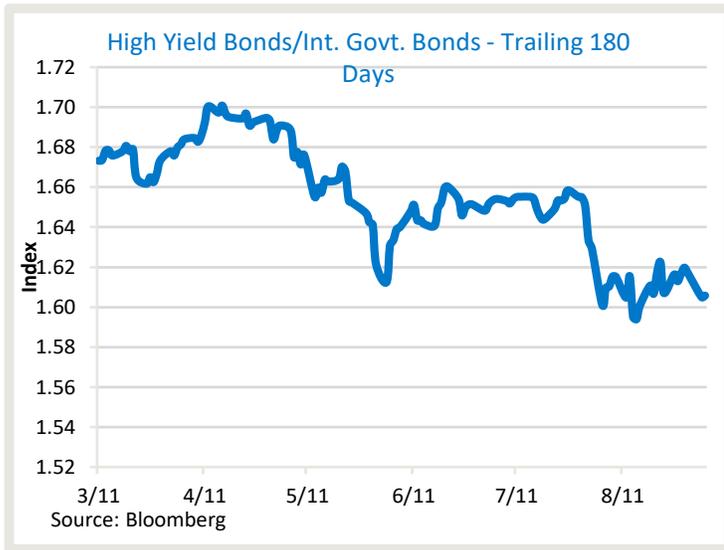
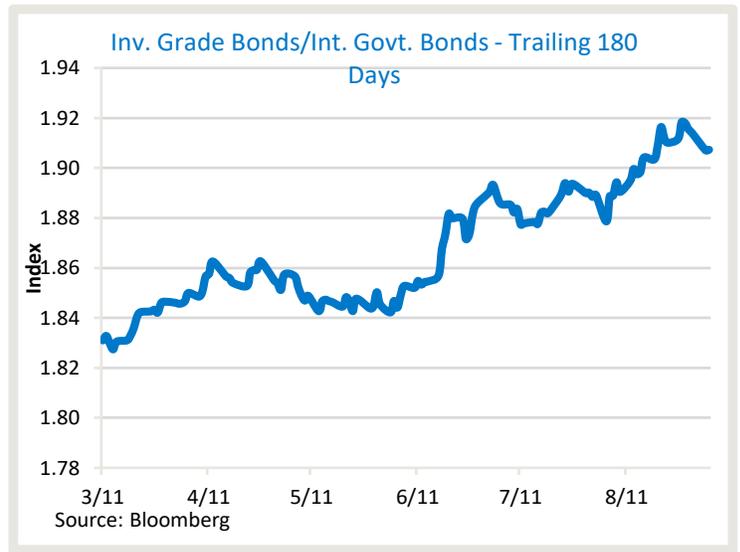
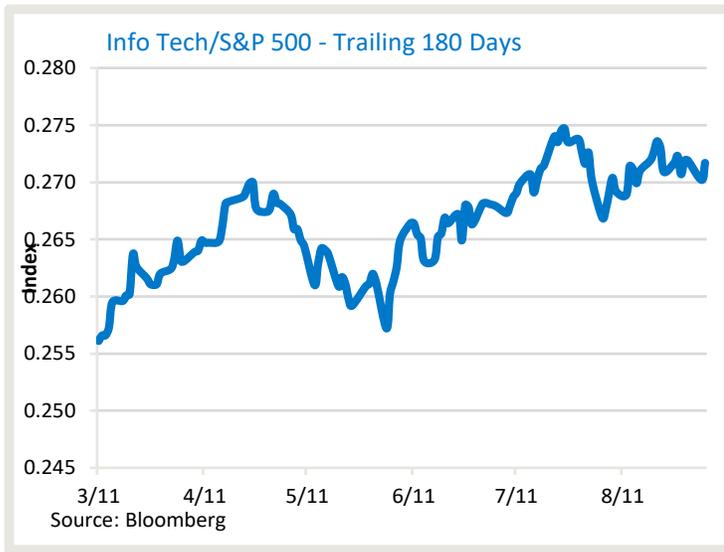
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			6/20	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15	8/22	8/29	9/5
Equity	Domestic Equity	Large Cap (R200)	2.25%	-0.91%	2.44%	0.27%	-0.17%	0.26%	-1.62%	-0.58%	-2.98%	2.63%	0.07%	1.73%
		Small Cap (R2000)	1.80%	-1.08%	1.65%	-0.90%	-0.15%	0.37%	-0.68%	-1.20%	-4.60%	3.03%	-0.62%	0.94%
	Int'l. Equity	MSCI EAFE	2.08%	-0.24%	1.87%	-1.54%	-0.69%	0.66%	-1.28%	-2.53%	-2.66%	1.78%	0.11%	2.32%
		MSCI Em. Mkts.	3.10%	0.10%	0.93%	-0.89%	-0.33%	0.24%	-2.82%	-3.93%	-2.11%	1.26%	-0.57%	3.39%
Fixed Income	BarCap Agg. (AGG)	0.73%	-0.01%	0.14%	-0.80%	0.57%	-0.10%	0.65%	0.79%	0.86%	-0.39%	0.63%	-0.42%	
	High Yield (JNK)	1.46%	-0.54%	0.13%	-0.57%	-0.06%	0.31%	-0.52%	-0.36%	-0.53%	1.33%	0.33%	-0.27%	
Commodities	Bloomberg Commodity Index	2.00%	1.29%	-1.23%	1.72%	-2.04%	0.10%	-2.52%	0.04%	-0.44%	-0.37%	1.40%	0.70%	
Alternatives	Hedge Funds (HFRX Global)	0.62%	-0.16%	0.79%	-0.20%	0.16%	0.20%	-0.03%	-0.09%	-0.19%	0.49%	0.01%	0.45%	
Asset Allocation	60/40*	1.65%	-0.44%	1.28%	-0.59%	0.01%	0.21%	-0.69%	-0.61%	-1.58%	1.35%	0.18%	0.97%	
	48/32/20 (w/Alts.)**	1.44%	-0.39%	1.18%	-0.51%	0.04%	0.21%	-0.56%	-0.51%	-1.30%	1.18%	0.15%	0.86%	

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	1.03	1.03	1.01	1.05	1.10	1.10	1.10	1.04	1.10	0.91	1.08	0.88	1.02
Large Cap Growth	1.02	1.00	1.05	1.05	1.02	1.07	1.12	1.12	1.12	1.06	1.12	0.92	1.10	0.90	1.04
Large Cap Value	0.97	0.95	1.00	1.00	0.98	1.02	1.07	1.07	1.07	1.01	1.07	0.88	1.05	0.85	0.99
Mid Cap Core	0.97	0.95	1.00	1.00	0.98	1.02	1.07	1.07	1.07	1.01	1.07	0.88	1.05	0.85	0.99
Mid Cap Growth	0.99	0.98	1.02	1.02	1.00	1.04	1.09	1.09	1.09	1.03	1.09	0.90	1.07	0.87	1.02
Mid Cap Value	0.95	0.94	0.98	0.98	0.96	1.00	1.05	1.05	1.05	0.99	1.04	0.86	1.03	0.84	0.97
Small Cap Core	0.91	0.89	0.93	0.93	0.91	0.95	1.00	1.00	1.00	0.94	1.00	0.82	0.98	0.80	0.93
Small Cap Growth	0.91	0.89	0.93	0.93	0.91	0.95	1.00	1.00	1.00	0.94	1.00	0.82	0.98	0.80	0.93
Small Cap Value	0.91	0.89	0.93	0.93	0.91	0.95	1.00	1.00	1.00	0.94	1.00	0.82	0.98	0.80	0.93
Int'l. Developed	0.96	0.95	0.99	0.99	0.97	1.01	1.06	1.06	1.06	1.00	1.06	0.87	1.04	0.85	0.98
Emerging Markets	0.91	0.90	0.94	0.94	0.92	0.96	1.00	1.00	1.00	0.95	1.00	0.83	0.99	0.80	0.93
REITs	1.10	1.09	1.14	1.14	1.11	1.16	1.22	1.22	1.22	1.15	1.21	1.00	1.19	0.97	1.13
Commodities	0.92	0.91	0.95	0.95	0.93	0.97	1.02	1.02	1.02	0.96	1.02	0.84	1.00	0.81	0.95
Int. Bond	1.14	1.12	1.17	1.17	1.14	1.19	1.25	1.25	1.25	1.18	1.25	1.03	1.23	1.00	1.16
High Yield	0.98	0.96	1.01	1.01	0.98	1.03	1.08	1.08	1.08	1.02	1.07	0.89	1.06	0.86	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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