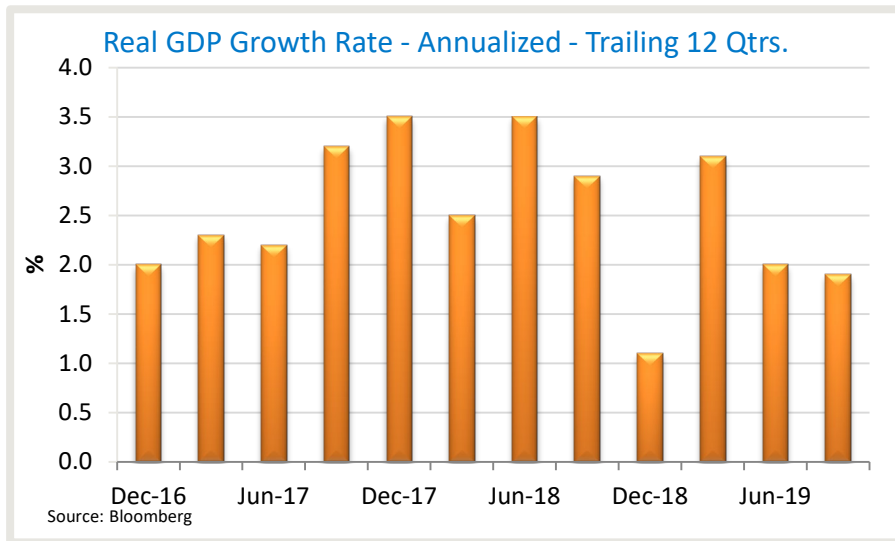


Weekly Market Review

November 25, 2019

Please note there will not be a Weekly Market Review next Monday, December 2, 2019 due to the holiday.

Chart of the Week



Weekly Highlights

- **Initial jobless claims remained at a five-month high of 227,000** for the week ended November 16. Meanwhile, the four-week average for claims rose to 221,000, and continuing claims rose to 1.69 million. Despite the uptick in monthly claims, continuing claims remain near a 50-year low.
- **Leading economic indicators for the US fell for the third straight month**, according to the Conference Board, indicating slowing growth in the domestic economy. The index, which measures 10 metrics indicative of future economic growth, declined 0.1% in October. Higher jobless claims, lower manufacturing orders, and fewer hours worked all contributed to the low reading.
- **Housing starts increased 3.8% month-over-month in October**, but missed economists' estimates. Construction on 1.314 million new homes began during the month, while private housing permits filed during the month reached a post-crisis high of 1.461 million—up 14.1% from last year.
- **The Philadelphia Fed's manufacturing index rose in November.** Despite national weakness in manufacturing, evidenced by a downtrend in the ISM Manufacturing New Orders Index, manufacturers in the mid-Atlantic region expressed optimism about future orders.

Talking Points

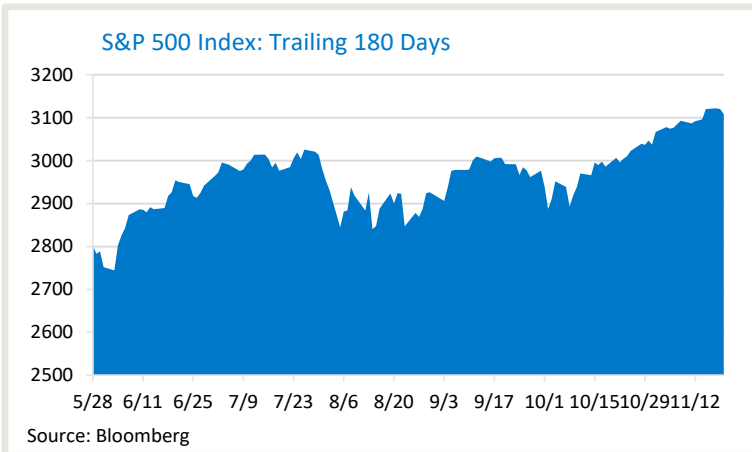
- **US equities traded down slightly** on the week, following uncertainty in US-China trade talks as a result of tensions in Hong Kong.
- **The yield on the 10-Year US Treasury Note declined** from 1.83% at the start of the week to 1.76% as of midday Friday.
- **The US dollar finished basically flat** against a basket of currencies, sliding modestly from 97.99 to 97.91.
- **WTI crude hit its highest level in a month** on November 22, trading at \$58.68/barrel as of midday Friday.
- **October Federal Reserve minutes were more optimistic**, citing easing, yet still elevated, geopolitical risks and trade tensions. Despite having cut the federal funds rate to a range of 1.5% - 1.75% at its late-October meeting, the central bank signaled a pause in rate cuts going forward.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	3,110.29	-10.17	-0.33%	24.1%
Dow Industrials	27,875.62	-129.27	-0.46%	19.5%
Nasdaq	8,519.89	-20.94	-0.25%	28.4%
Russell 2000	1,588.94	-7.51	-0.47%	17.8%
Euro Stoxx Index	403.98	-2.06	-0.51%	19.6%
Shanghai Composite	2,885.29	-6.06	-0.21%	15.7%
MSCI ACWI	542.35	-2.88	-0.53%	19.0%

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

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,044.58	-4.21	-0.40%	8.2%
10-Year US Treas.	1.77	-6 bps	NM	NM
Bloomberg Cmnts. Idx.	78.73	-0.36	-0.46%	2.6%
Gold	\$1,462.25	-\$5.77	-0.39%	14.0%
Crude Oil	\$57.88	\$0.21	0.36%	19.7%
Dollar Index	98.28	0.26	0.27%	2.2%
VIX Index	12.34	0.29	2.41%	-51.5%



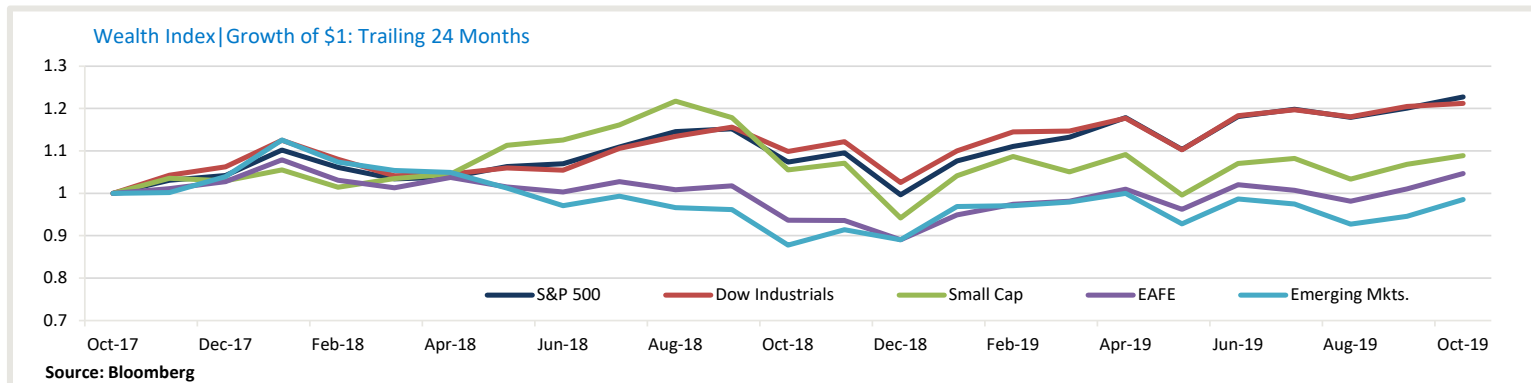
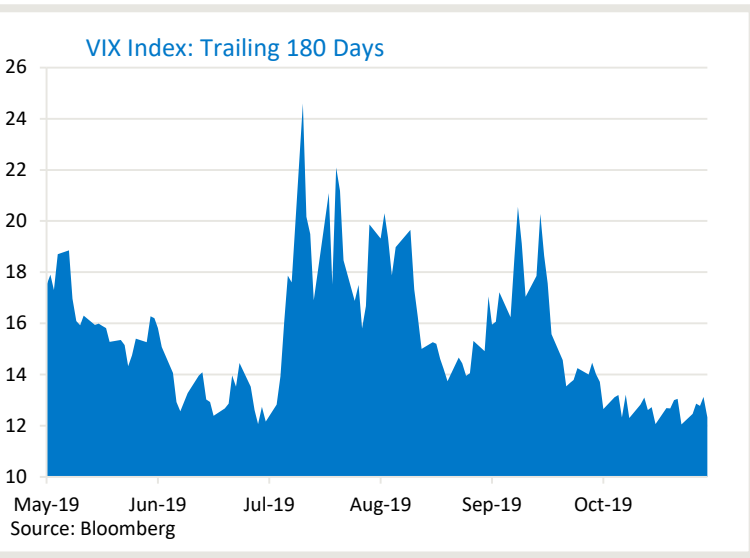
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.12%	-0.28%	-0.40%	19.56%	24.15%	28.23%
	-0.53%	-0.24%	0.21%	19.86%	24.31%	30.81%
S	-1.04%	-0.47%	0.09%	14.21%	17.83%	21.27%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	9.7	-0.80%	20.8%
Consumer Staples	7.2	-0.21%	20.3%
Energy	4.3	-0.52%	3.3%
Financials	13.2	0.46%	25.2%
Health Care	14.1	0.81%	13.5%
Industrials	9.4	-0.81%	26.7%
Information Technology	22.7	-0.83%	39.4%
Materials	2.7	-1.69%	17.5%
Real Estate	3.0	-1.22%	22.3%
Communication Services	10.5	-0.40%	27.5%
Utilities	3.3	0.20%	18.6%

Source: Bloomberg



The Economy and Markets

A Macro View—Green Shoots in the Bond Market

In September, scientists from the National Oceanic and Atmospheric Administration (NOAA) [announced](#) that in 2018, Earth's atmospheric concentration of carbon dioxide (CO₂) averaged 407.4 parts per million (ppm). According to NOAA, this represented the highest concentration of CO₂ in the atmosphere for at least the last 800,000 years—longer than anatomically modern humans have existed. The increasing prevalence and intensity of droughts, fires, and other severe weather events resulting from the rising concentration of CO₂ and other greenhouse gases have led to increasing pressure on governments and other organizations to address the crisis. For roughly the past decade, a humble solution for financing a carbon-free future has been sprouting in the global debt markets—the green bond.

Although limited bond issuance to finance clean energy projects in the US did come to the municipal bond market in the early 2000s, the World Bank [lays claim](#) to the title of first green bond issuer. Hot off the heels of the 2007 Intergovernmental Panel on Climate Change (IPCC) report, which cited humans' fossil fuel consumption as the driver of climate change, Swedish pension funds engaged with the World Bank and the Center for International Climate and Research (CICERO) to explore investing in climate change solutions. In 2008, the World Bank issued the first-ever green bond to fund projects aimed squarely at climate change mitigation and adaptation.

One green shoot quickly burst into many. Governments, supra and subnational agencies, development banks, and private organizations have issued more than \$580 billion in green bonds through 2018, according to [Bloomberg New Energy Finance](#), though estimates vary, given the heterogeneity of the market and differing qualifying criteria. As of September 2019, the Climate Bonds Initiative (CBI), a nonprofit entity working to promote climate solutions via the bond market, [has reported](#) another \$216.4 billion in issuance, eclipsing 2018, with a full quarter to go. The CBI estimates that more than half of the green bond market's proceeds have financed renewable energy projects such as solar and wind. Clean transportation, building efficiency, and sustainable agriculture and forestry initiatives have benefited from green bond financing as well.

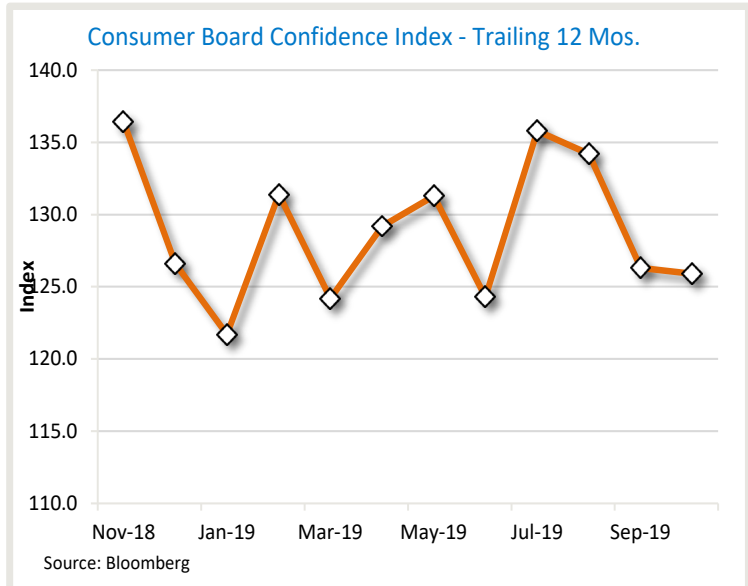
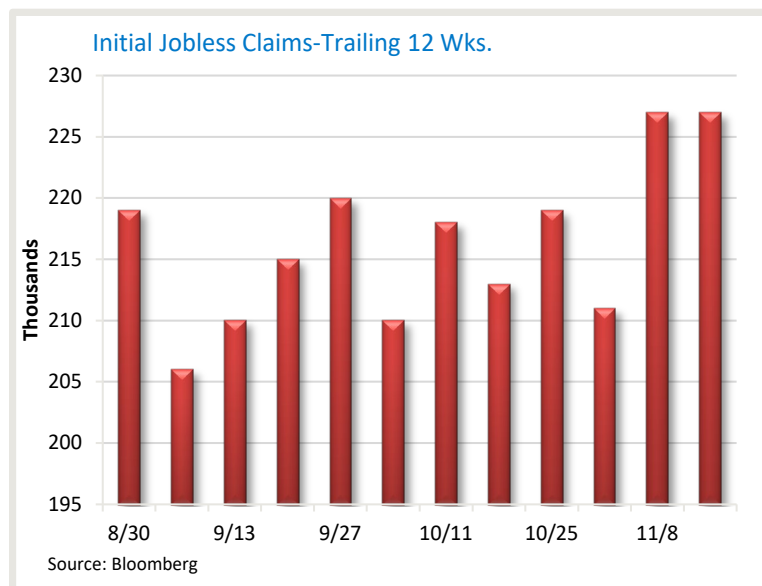
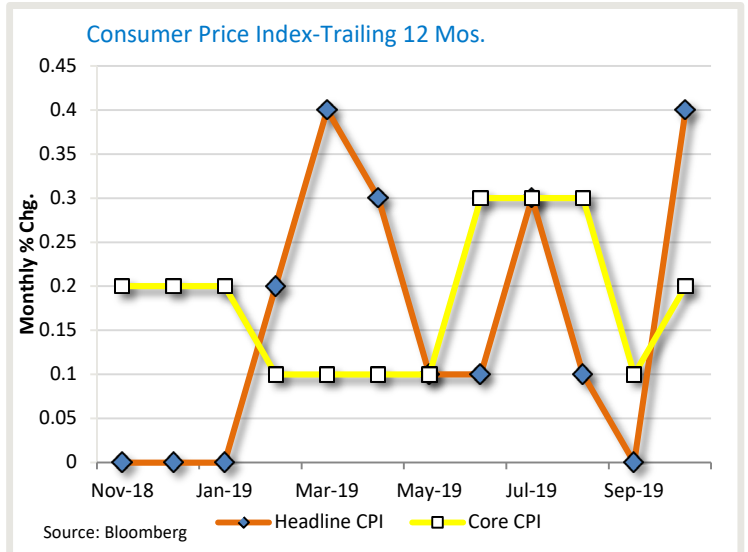
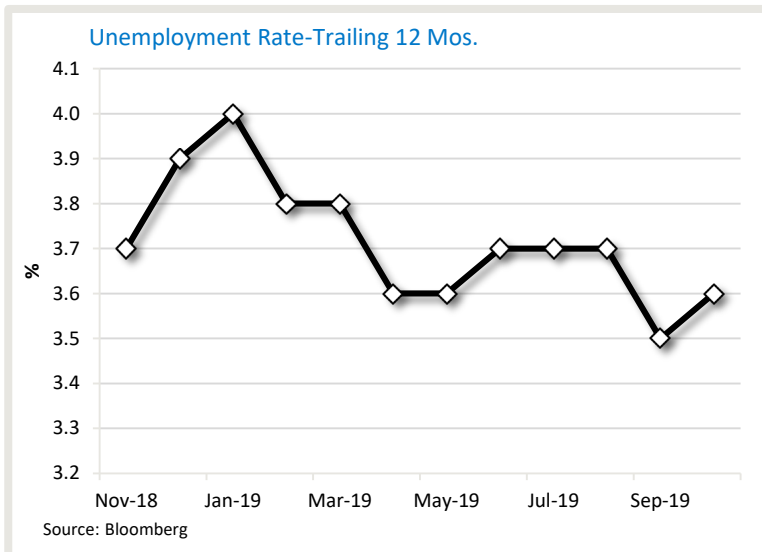
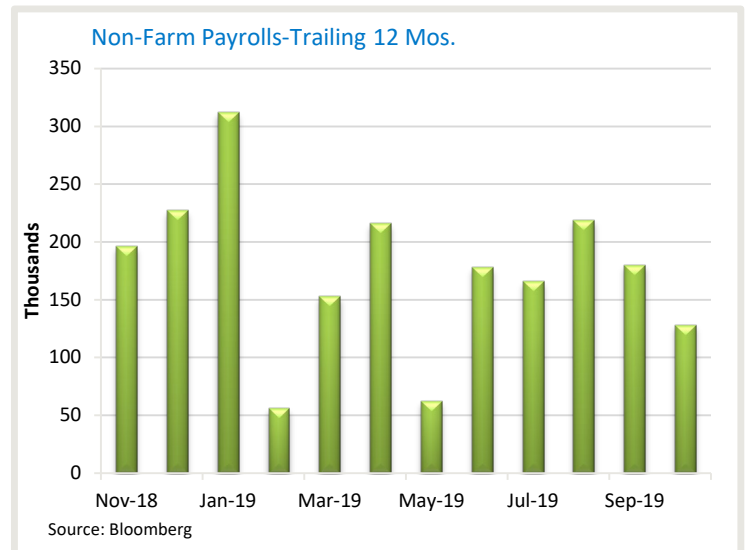
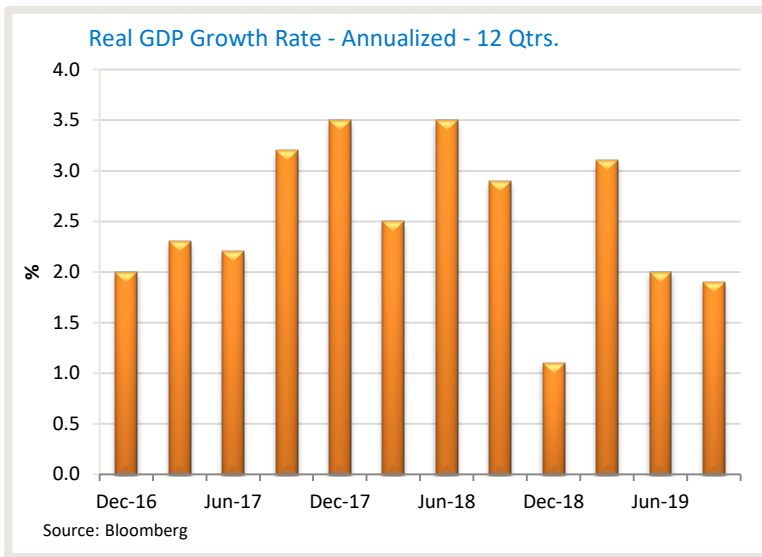
Although the utility of these projects and the need to fund them are clear, green bonds are not without controversy. The continued lack of a universally accepted standard in green bond definitions has led to ambiguity and disputes about the reputability of some green bonds, like those of China's Three Gorges Corporation, which is [not exactly](#) known for its environmental friendliness. "Greenwashing" has come to describe some entities' pursuit of the positive PR associated with a reputation for sustainability, if not necessarily its reality. The environmental intensity of both Spanish oil company, Repsol, and Russian aluminum producer, Rusal, for example, [aroused](#) some controversy. Mindful of this, organizations such as the [International Capital Markets Association \(ICMA\)](#) and the [European Commission \(EC\)](#) have striven to define more clearly what it means to be green, while a substantial verification industry has arisen to facilitate reporting and accountability. Nonetheless, strong and rising demand for anything with a verdant hue has outstripped supply, particularly in the euro-denominated bond market, where recent [oversubscription](#) to green bonds is higher than their "vanilla" counterparts, despite the higher reporting costs associated with going green.

With [strong interest](#) in these instruments and a massive [funding gap](#) to meet the United Nations' Sustainable Development Goals, both the demand and the necessary projects do not seem to be going away. Despite the headwinds of reporting, compliance, and some less-than-scrupulous market participants, the green bond market has proven to be a crucial funding mechanism for governments, the private sector, and nonprofit organizations working to address the climate crisis. With green bonds comprising only a minute fraction of the roughly \$102.8 trillion global bond market, the market's saplings still have plenty of room to grow into sequoias.

Mike Wedekind

Investment Analyst

Economic Data



Eurozone

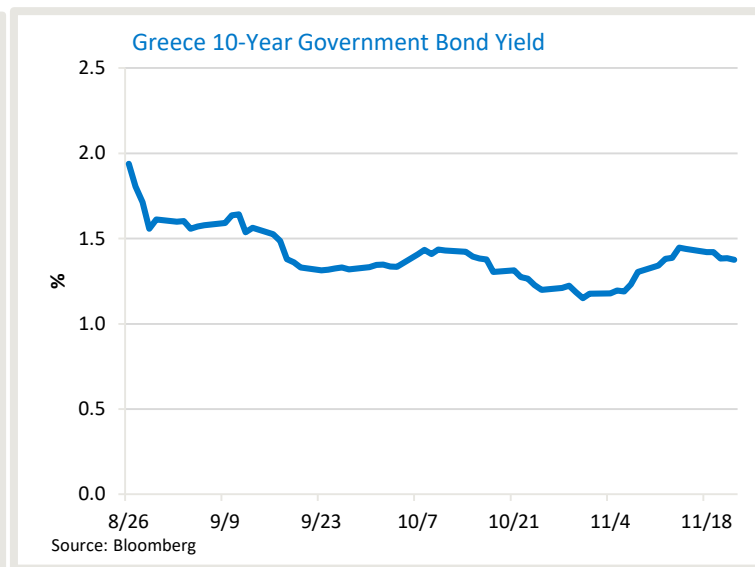
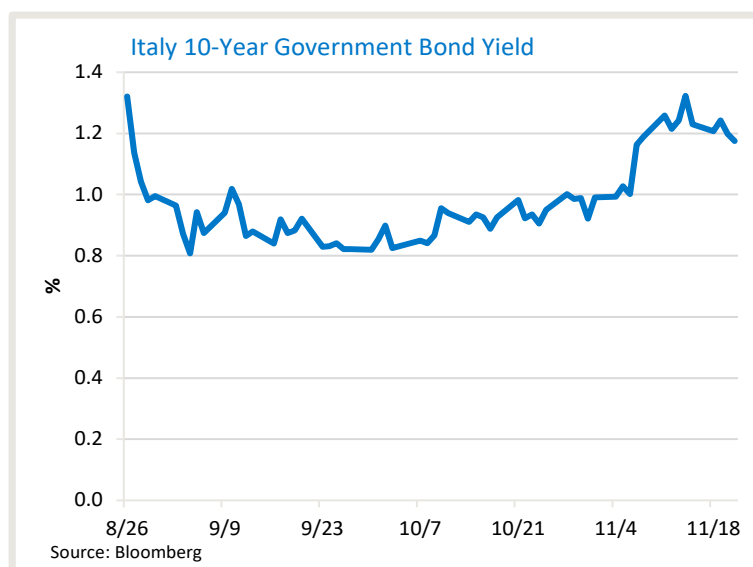
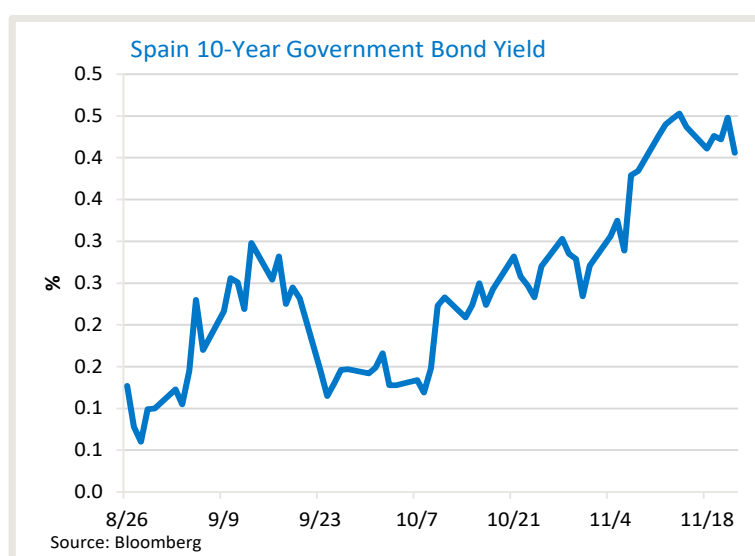
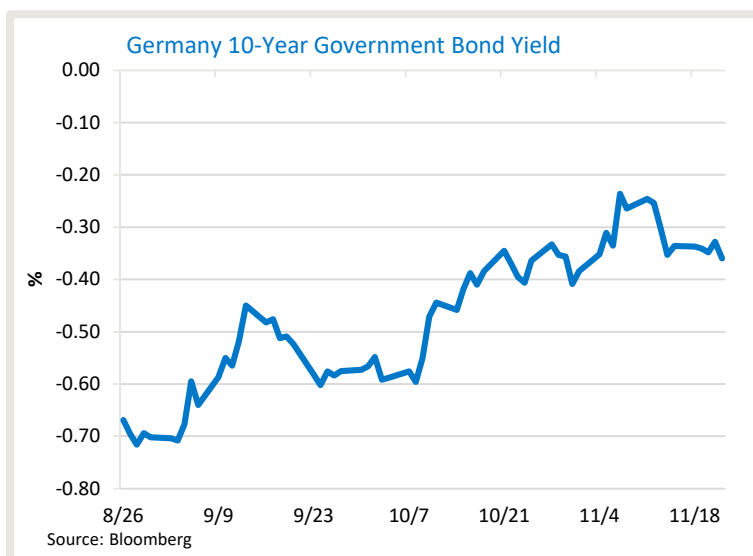
SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.36	2 bps	NM	NM
Greece 10-Yr. Govt.	1.38	6 bps	NM	NM
Italy 10-Yr. Govt.	1.18	5 bps	NM	NM
Spain 10-Yr. Govt.	0.41	3 bps	NM	NM
Belgium 10-Yr. Govt.	-0.06	2 bps	NM	NM

Source: Bloomberg

Basis points (bps)

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	-0.05	2 bps	NM	NM
Ireland 10-Yr. Govt.	0.07	0 bps	NM	NM
Portugal 10-Yr. Govt.	0.40	-3 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.22	2 bps	NM	NM
U.K. 10-Yr. Govt.	0.70	2 bps	NM	NM



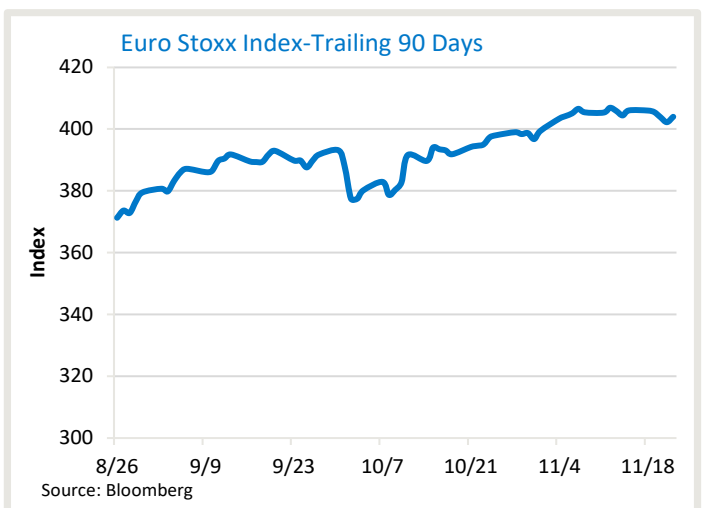
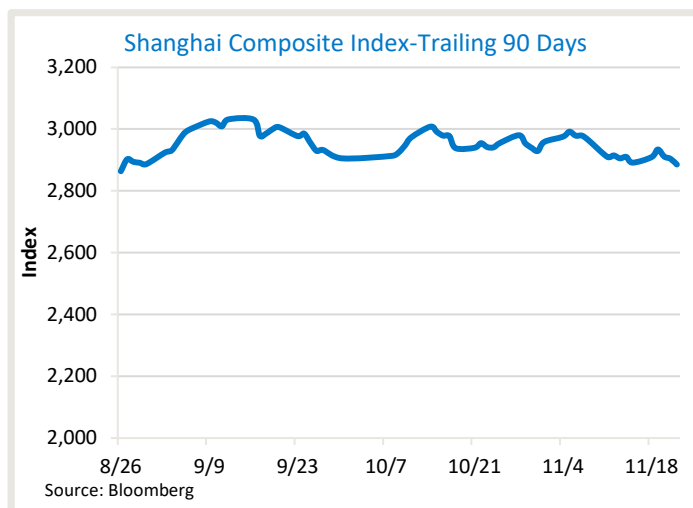
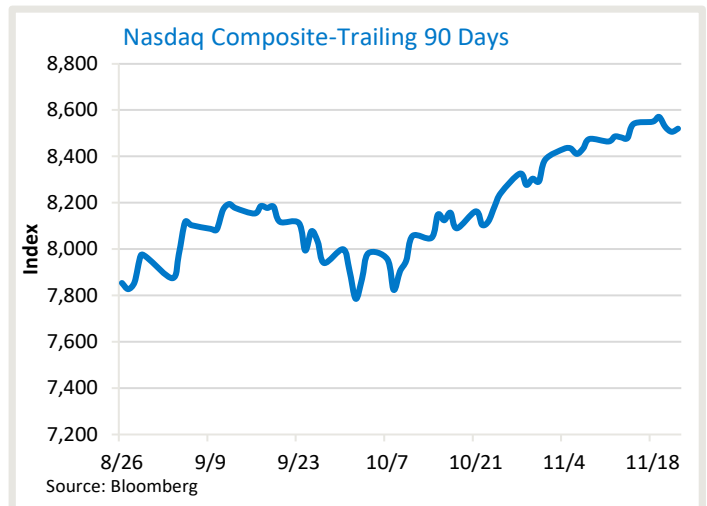
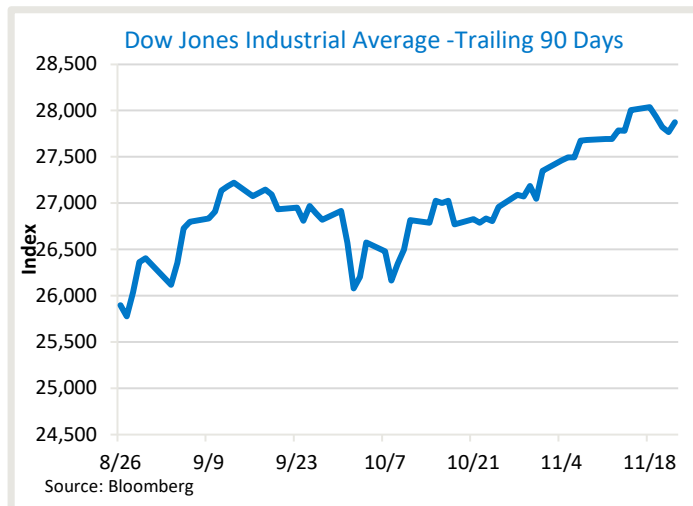
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	3,110.29	-10.17	-0.33%	24.07%
Dow Industrials	27,875.62	-129.27	-0.46%	19.50%
Nasdaq Composite	8,519.89	-20.94	-0.25%	28.40%
MSCI ACWI	542.35	-2.88	-0.53%	19.0%
MSCI EM	1,044.58	-4.21	-0.40%	8.2%
S&P/TSX (Canada)	16,954.84	-73.63	-0.43%	18.38%
Mexico IPC	43,521.86	75.86	0.17%	4.39%
Brazil Bovespa	108,692.30	2135.40	2.00%	23.67%
Euro Stoxx 600	403.98	-2.06	-0.51%	19.64%
FTSE 100	7,326.81	23.87	0.33%	8.90%
IBEX 35 (Spain)	9,254.70	-6.70	-0.07%	8.37%

	Last	Change	% Chg.	YTD %
Swiss Market Index	10,369.44	59.32	0.58%	23.02%
CAC 40 Index (France)	5,893.13	-46.14	-0.78%	24.57%
DAX Index (Germany)	13,163.88	-77.87	-0.59%	24.67%
Irish Overall Index	6,824.67	-97.16	-1.40%	24.54%
Nikkei 225	23,112.88	-190.44	-0.82%	15.48%
Hang Seng Index	26,595.08	268.42	1.02%	2.90%
Shanghai Composite	2,885.29	-6.06	-0.21%	15.69%
Kospi Index (S. Korea)	2,101.96	-60.22	-2.79%	2.98%
Taiwan Taix Index	11,566.80	41.20	0.36%	18.91%
Tel Aviv 25 Index	1,658.13	-5.94	-0.36%	13.27%
MOEX Index (Russia)	2,947.68	12.86	0.44%	24.41%

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



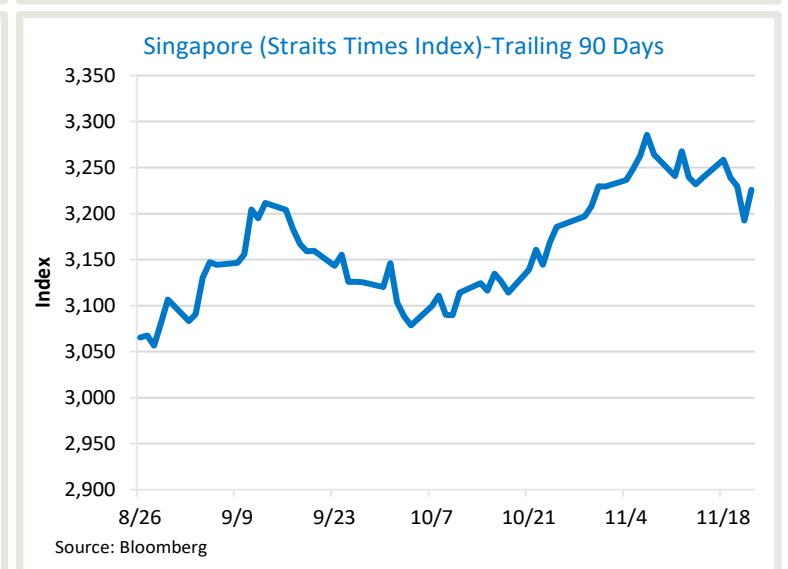
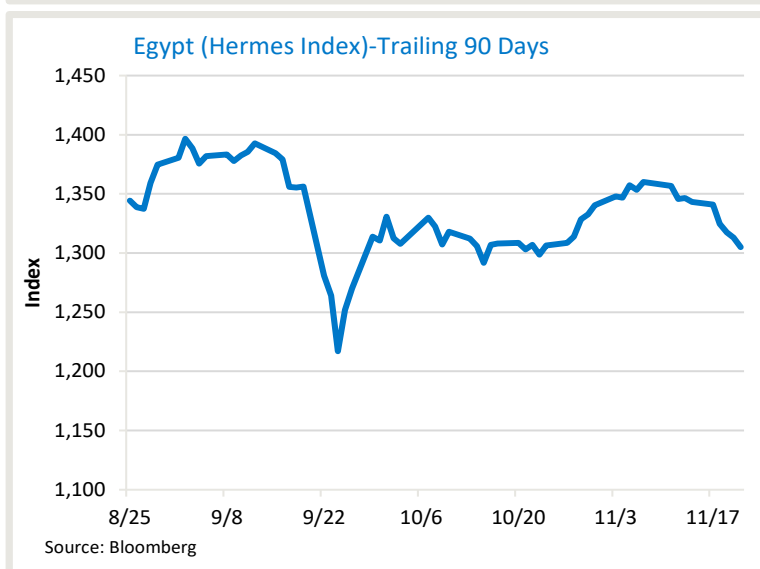
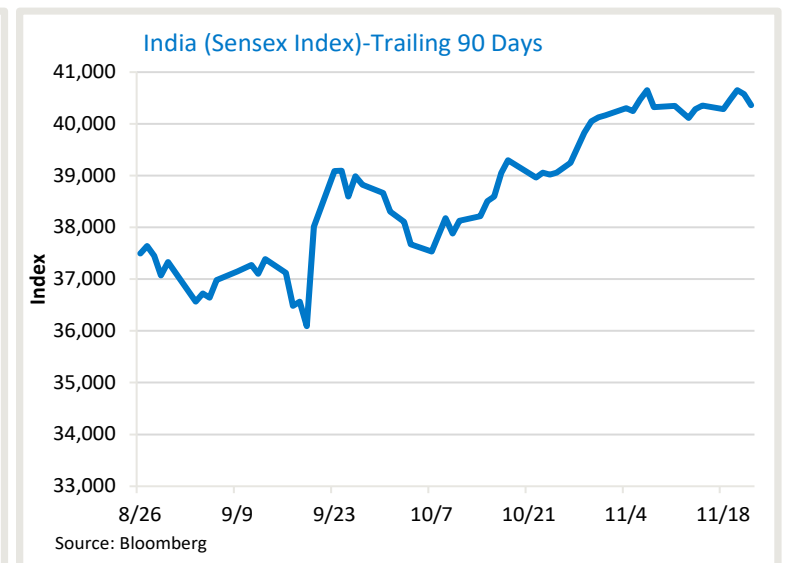
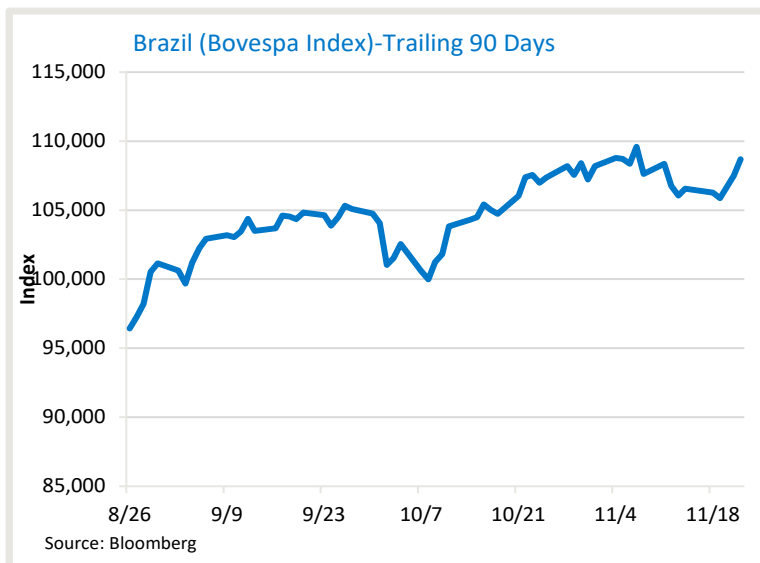
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	43,521.86	75.86	0.2%	4.4%
Brazil (Bovespa Index)	108,692.30	2135.40	2.0%	23.7%
MOEX Index (Russia)	2,947.68	12.86	0.4%	24.4%
Czech Republic (Prague)	1,081.90	-1.21	-0.1%	9.7%
Turkey (Istanbul)	106,588.44	1208.70	1.1%	16.8%
Egypt (Hermes Index)	1,304.99	-38.06	-2.8%	2.1%
Kenya (Nairobi 20 Index)	2,618.75	-34.20	-1.3%	-7.6%
Saudi Arabia (TASI Index)	8,062.61	138.42	1.7%	3.0%
Lebanon (Beirut BLOM Index)	755.67	-0.51	-0.1%	-22.5%
Palestine	524.69	-0.03	0.0%	-0.9%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	26,595.08	268.42	1.0%	2.9%
India (Sensex 30)	40,359.41	0.00	0.0%	11.9%
Malaysia (KLCI Index)	1,596.84	2.09	0.1%	-5.5%
Singapore (Straits Times Index)	3,225.65	-13.21	-0.4%	5.1%
Thailand (SET Index)	1,597.72	-4.51	-0.3%	2.2%
Indonesia (Jakarta)	6,100.24	-28.10	-0.5%	-1.5%
Pakistan (Karachi KSE 100)	37,925.79	341.90	0.9%	2.3%
Vietnam (Ho Chi Minh)	977.78	-32.25	-3.2%	9.6%
Sri Lanka (Colombo)	6,119.27	96.25	1.6%	1.1%
Cambodia (Laos)	675.72	-6.03	-0.9%	-19.2%

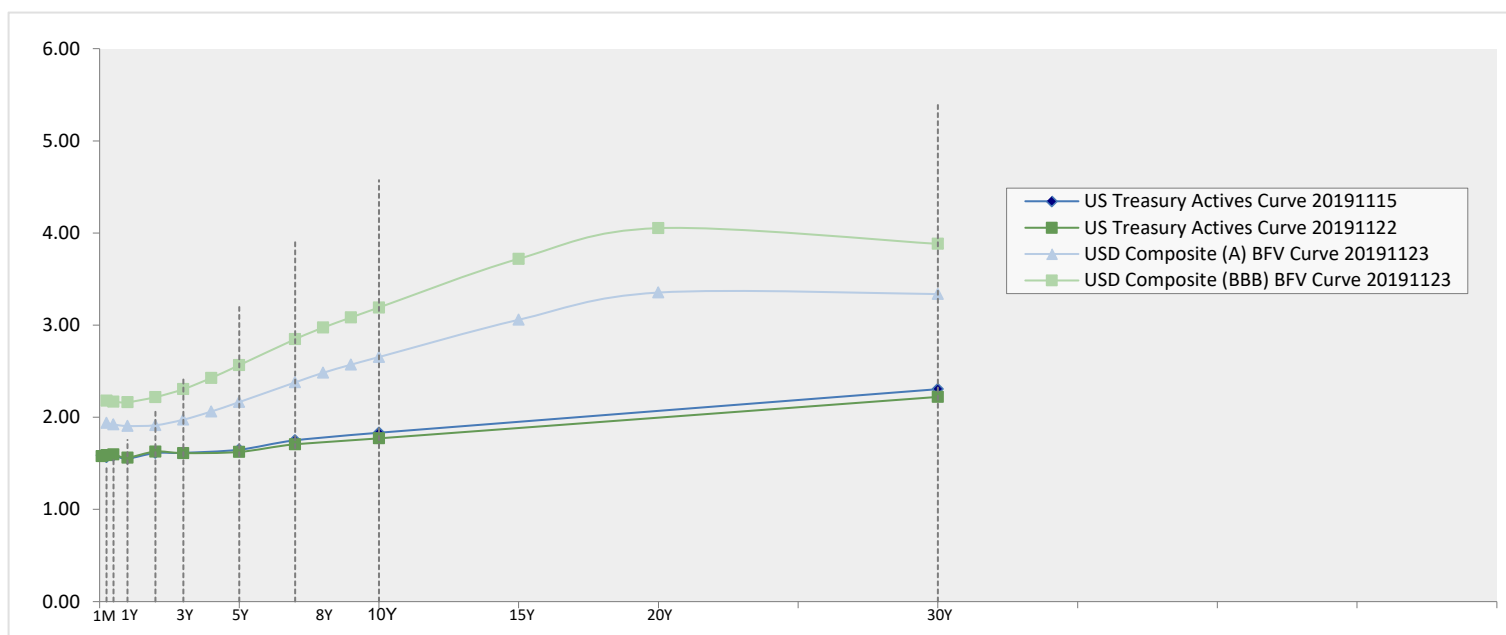


Interest Rates

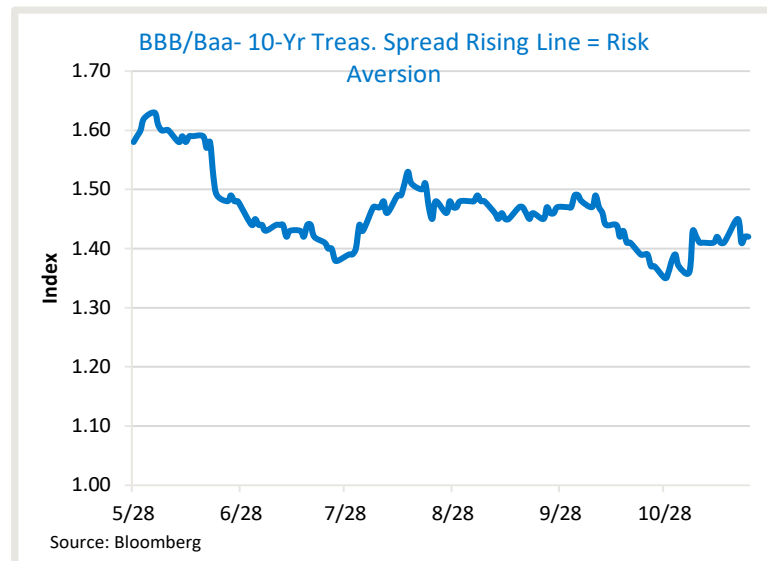
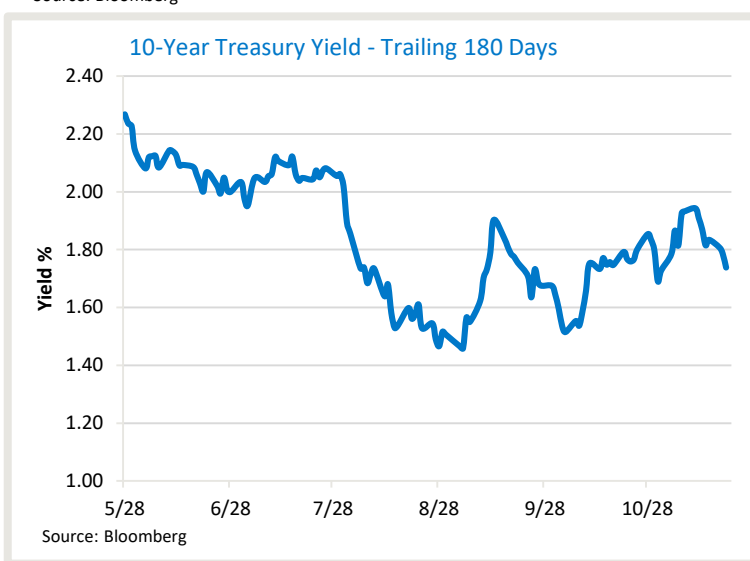
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.63%	0 bps	NM	NM	Prime Rate	4.75%	0.00	NM	NM
5-Yr. U.S. Treasury	1.63%	-2 bps	NM	NM	Fed Funds Rate	1.75%	0.00	NM	NM
10-Yr. U.S. Treasury	1.77%	-6 bps	NM	NM	Discount Rate	2.25%	0.00	NM	NM
30-Yr. U.S. Treasury	2.22%	-9 bps	NM	NM	LIBOR (3 Mo.)	1.91%	1 bps	NM	NM
German 10-Yr. Govt.	-0.36%	2 bps	NM	NM	Bond Buyer 40 Muni	2.27%	-55 bps	NM	NM
France 10-Yr.	-0.05%	2 bps	NM	NM	Bond Buyer 40 G.O.	2.79%	NA	NM	NM
Italy 10-Yr.	1.18%	5 bps	NM	NM	Bond Buyer 40 Rev.	3.27%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.68%	-9 bps	NM	NM					

Source: Bloomberg



Source: Bloomberg



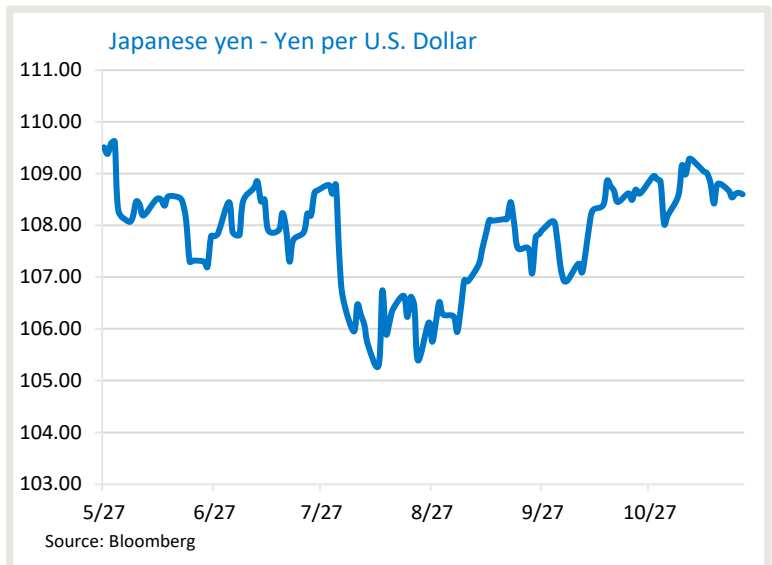
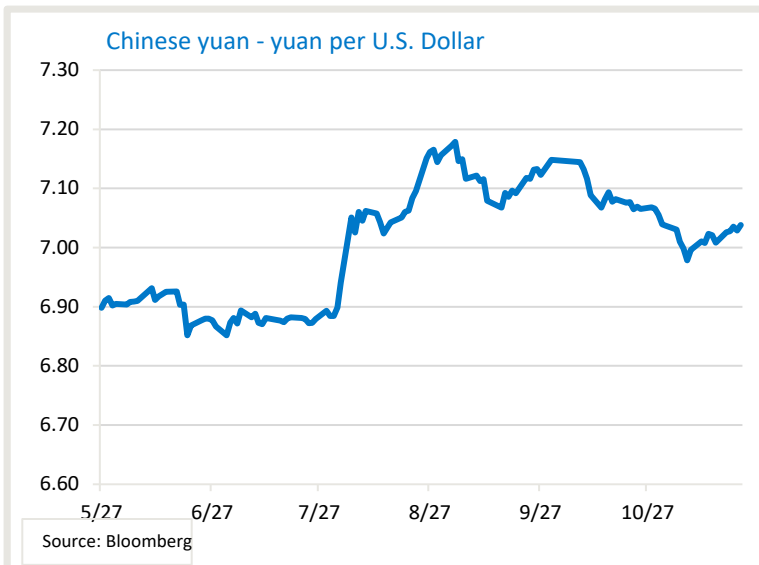
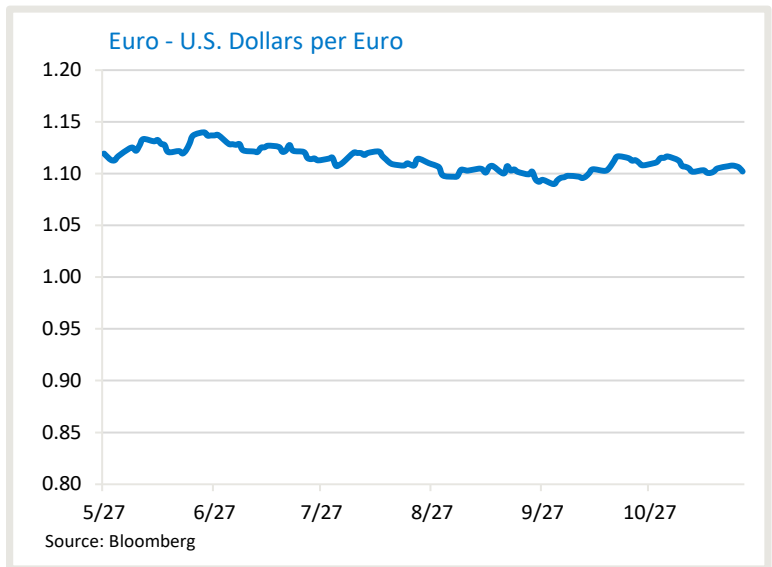
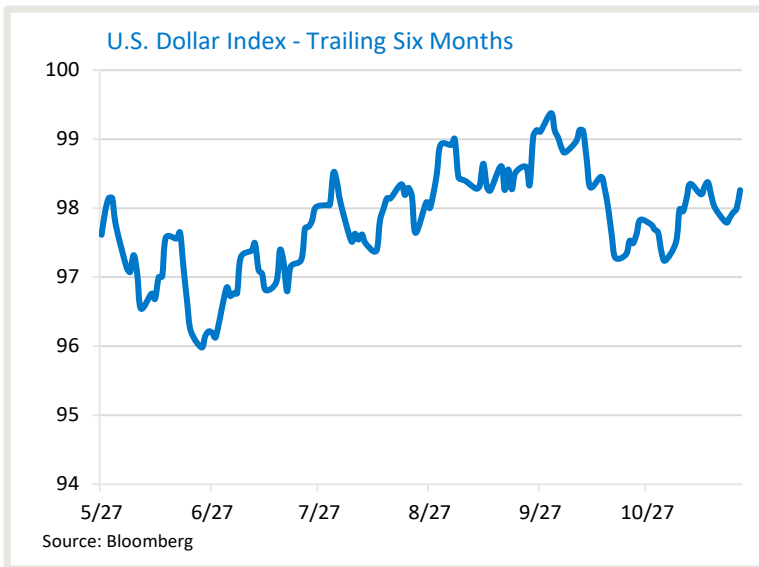
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	98.27	0.263	0.27%	2.17%
Euro	1.10	-0.003	-0.27%	-3.89%
Japanese Yen	108.62	-0.200	0.18%	1.00%
British Pound	1.28	-0.006	-0.48%	0.64%
Canadian Dollar	1.33	0.008	-0.57%	2.54%

	Last	Change	% Chg.	YTD %
Chinese Yuan	7.04	0.030	-0.43%	-2.27%
Swiss Franc	1.00	0.007	-0.71%	-1.50%
New Zealand Dollar	0.64	0.000	0.05%	-4.64%
Brazilian Real	4.20	0.007	-0.16%	-7.66%
Mexican Peso	19.37	0.200	-1.03%	1.40%

Source: Bloomberg

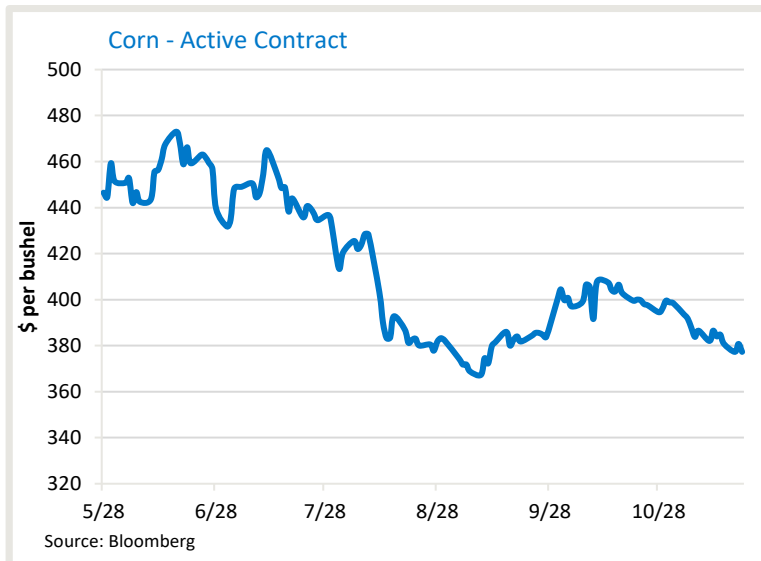
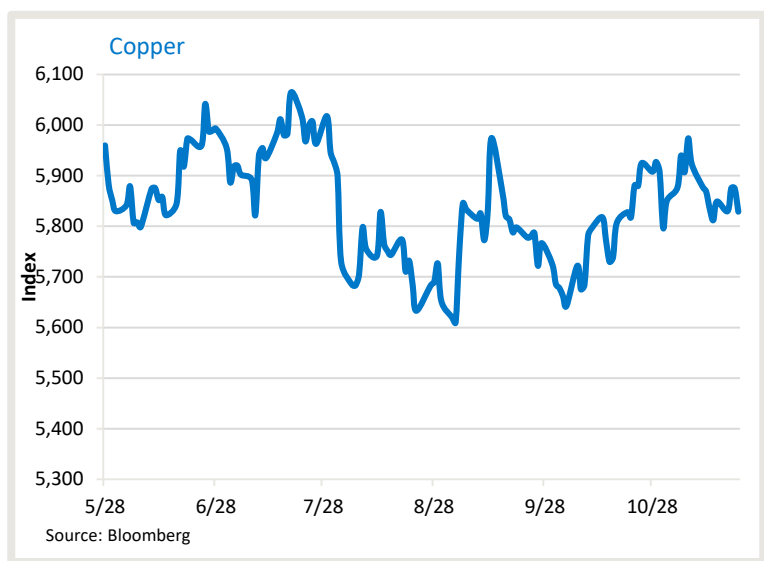
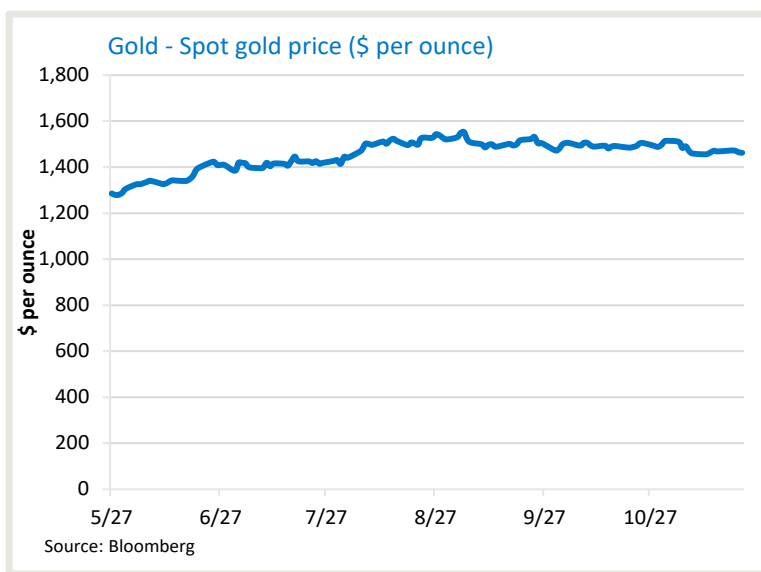
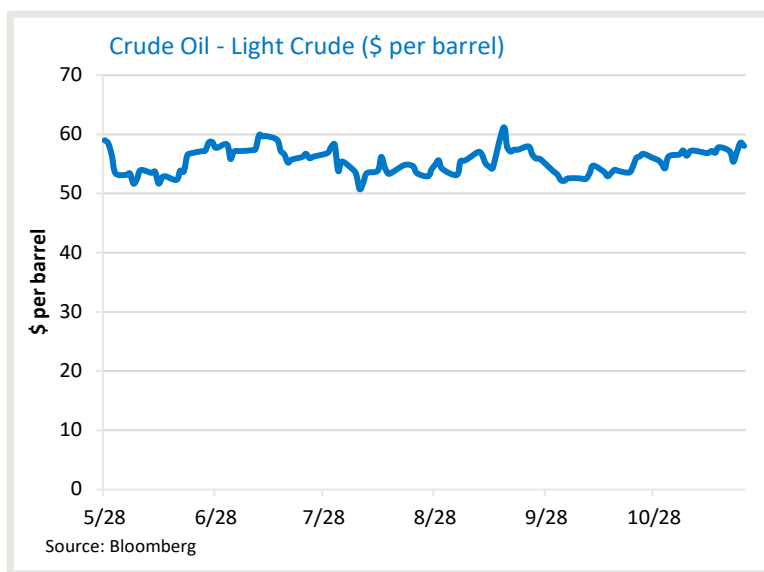


Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	78.73	-0.36	-0.46%	2.62%	Platinum Spot	\$892.24	\$1.44	0.16%	12.11%
Crude Oil	\$57.90	\$0.21	0.36%	19.67%	Corn	378.50	-2.25	-0.59%	-7.00%
Natural Gas	\$2.66	-\$0.02	-0.93%	-9.61%	Wheat	518.75	12.75	2.52%	-6.28%
Gasoline (\$/Gal.)	\$2.59	-\$0.01	-0.46%	14.80%	Soybeans	897.00	-21.25	-2.31%	-5.15%
Heating Oil	193.44	-1.06	-0.54%	12.15%	Sugar	12.83	0.10	0.79%	-2.43%
Gold Spot	\$1,462.33	-\$5.77	-0.39%	14.03%	Orange Juice	98.15	-2.35	-2.34%	-25.62%
Silver Spot	\$17.02	\$0.04	0.22%	9.71%	Aluminum	1,734.00	-21.00	-1.20%	-6.07%
					Copper	5,829.00	-20.00	-0.34%	-2.28%

Source: Bloomberg; % change is based on price.

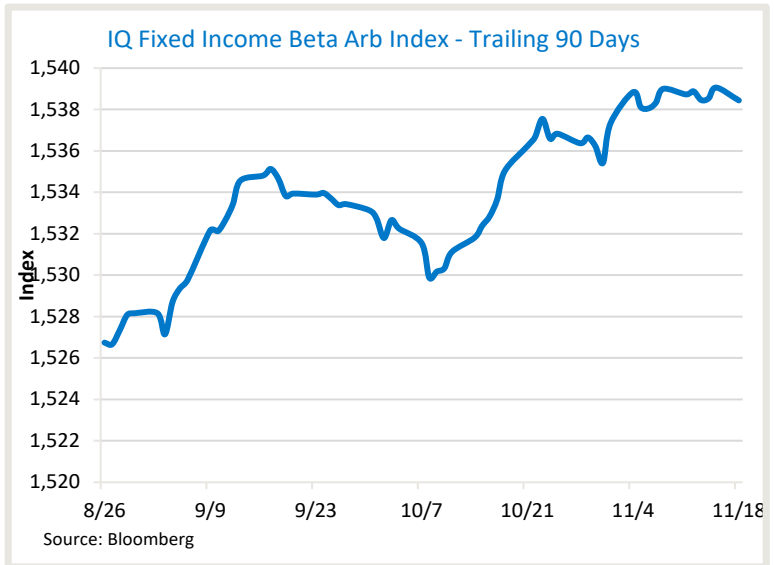
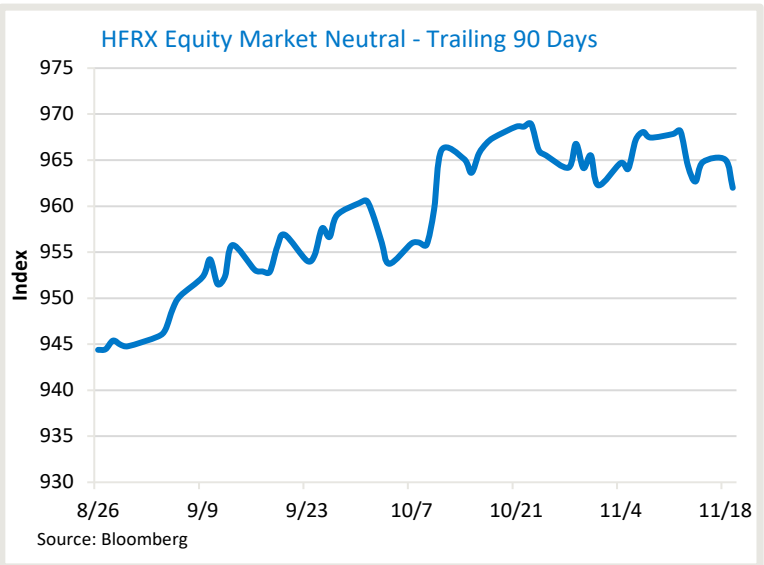
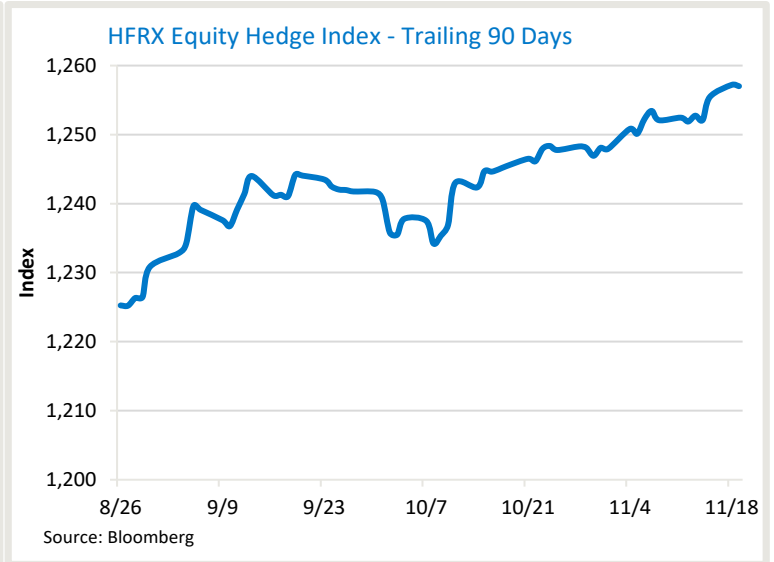
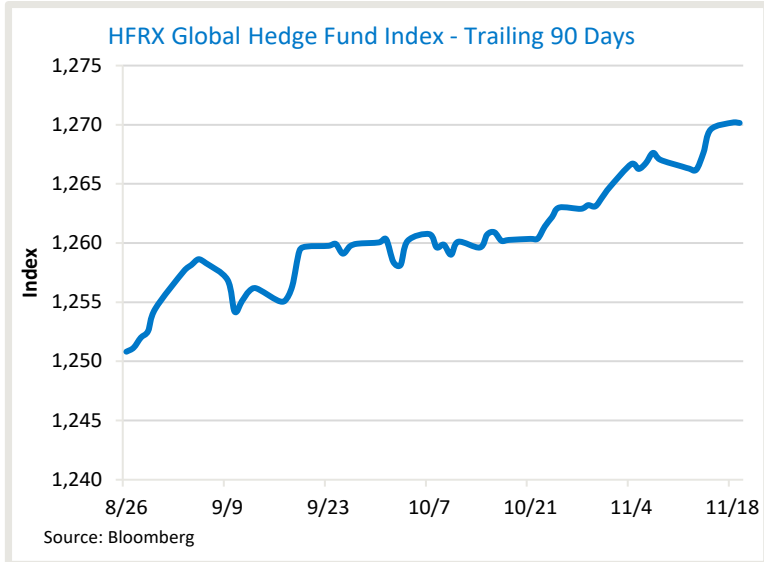


Alternative Investments

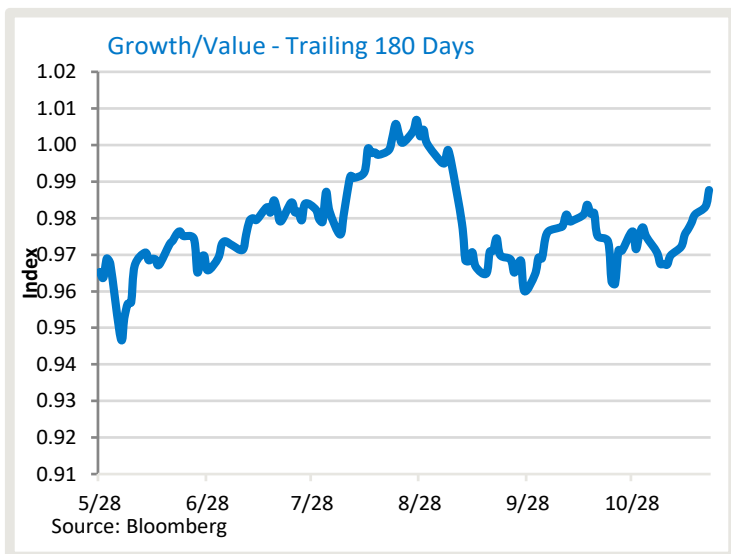
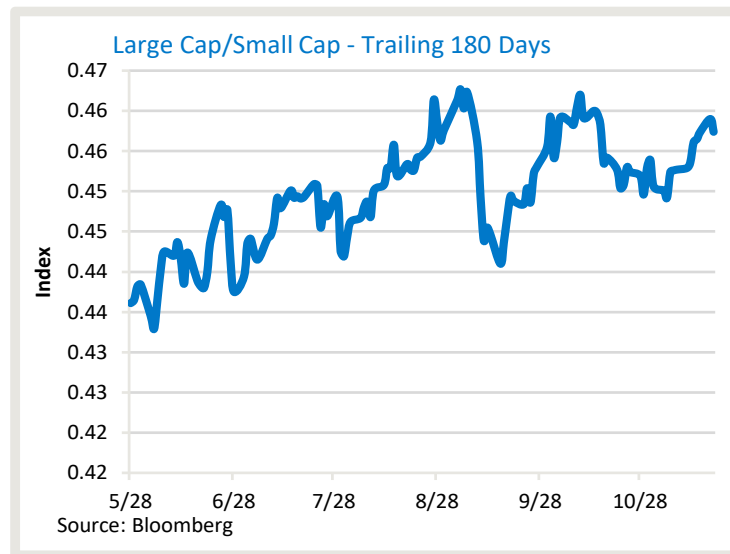
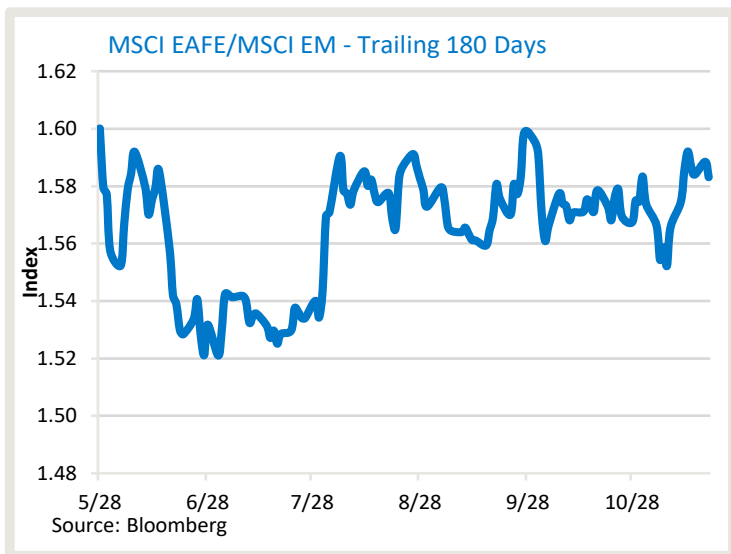
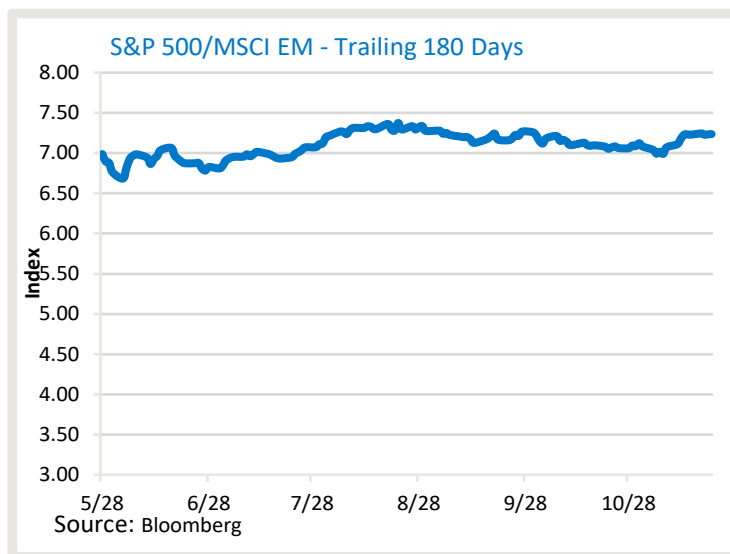
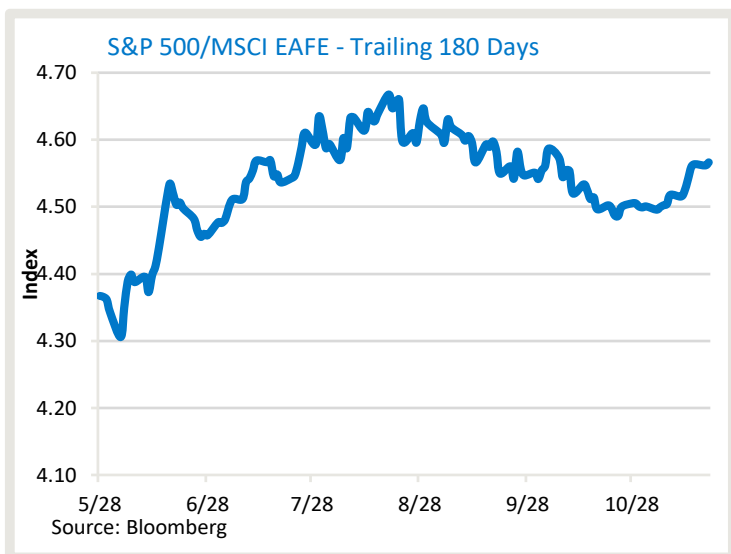
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1269.69	0.09	0.01%	6.71%	HFRX Special Situation Index	1265.17	-0.85	-0.07%	5.17%
HFRX Equity Market Neutral	960.50	-4.29	-0.44%	-1.25%	HFRX Merger Arbitrage Index	1806.21	4.70	0.26%	-0.63%
HFRX Equity Hedge Index	1255.71	0.26	0.02%	9.09%	HFRX Convertible Arbitrage Index	822.46	-0.57	-0.07%	4.42%
HFRX Event-Driven Index	1564.13	-0.77	-0.05%	6.31%	HFRX Macro CTA Index	1171.17	0.36	0.03%	4.00%
HFRX Absolute Return Index	1094.65	-0.17	-0.02%	3.46%	IQ Fixed Income Beta Arb Index	1537.29	-1.77	-0.12%	5.11%

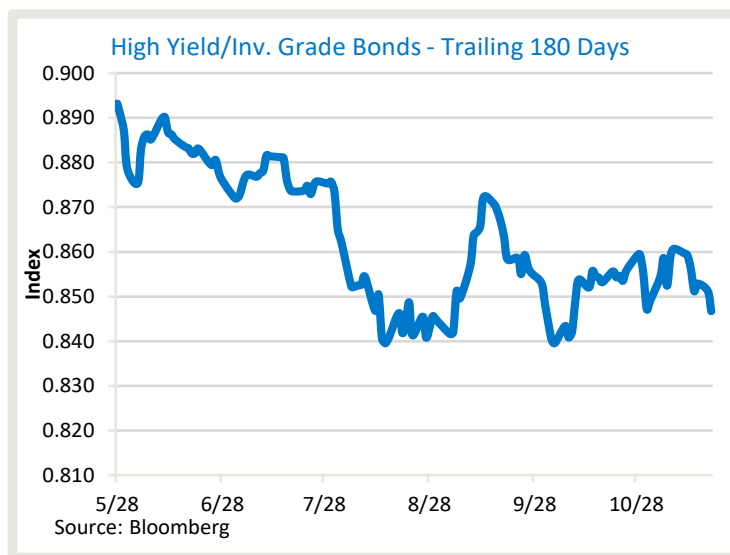
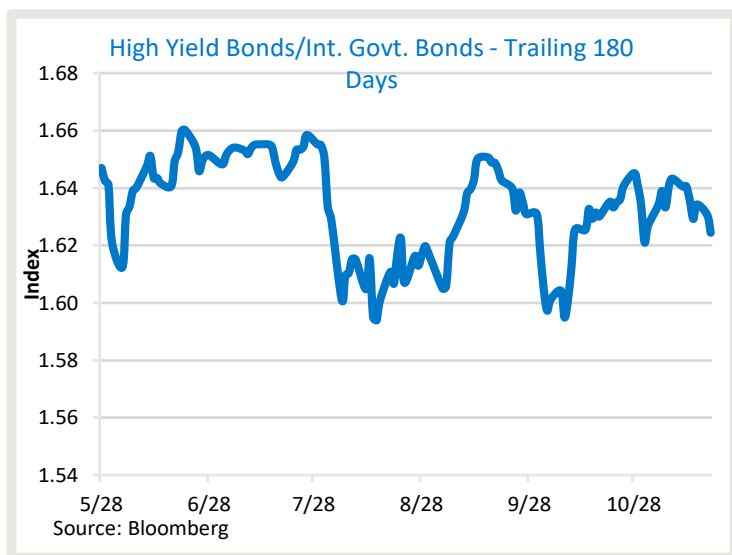
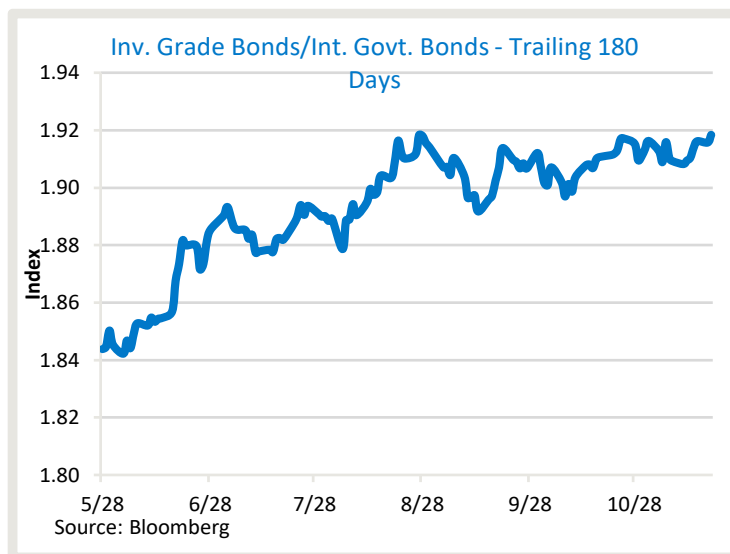
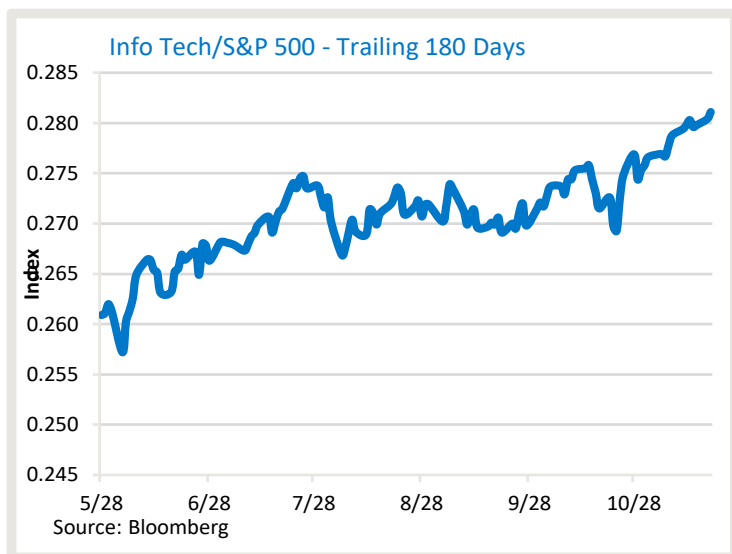
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			9/5	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21
Equity	Domestic Equity	Large Cap (R200)	1.73%	1.03%	-0.07%	-1.09%	-2.16%	1.10%	2.01%	0.29%	1.16%	1.66%	0.39%	0.33%
		Small Cap (R2000)	0.94%	4.26%	-0.86%	-1.80%	-3.06%	-0.07%	3.80%	0.54%	0.79%	2.02%	-0.33%	-0.30%
	Int'l. Equity	MSCI EAFE	2.32%	1.68%	0.44%	-0.94%	-2.60%	0.86%	3.22%	1.02%	0.70%	1.33%	-1.01%	0.08%
		MSCI Em. Mkts.	3.39%	1.93%	-0.56%	-0.72%	-1.69%	0.43%	3.20%	0.88%	0.44%	3.03%	-2.92%	0.22%
Fixed Income	BarCap Agg. (AGG)	-0.42%	-1.00%	0.08%	0.44%	0.57%	-0.48%	-0.34%	0.05%	0.33%	-1.13%	0.54%	0.30%	
	High Yield (JNK)	-0.27%	0.28%	0.07%	-0.17%	-1.37%	0.33%	0.72%	0.27%	-0.51%	-0.06%	-0.16%	-0.36%	
Commodities	Bloomberg Commodity Index	0.70%	0.69%	1.06%	-0.96%	-1.14%	0.26%	0.82%	0.98%	-0.14%	0.99%	-1.37%	-0.39%	
Alternatives	Hedge Funds (HFRX Global)	0.49%	-0.22%	0.27%	0.03%	-0.13%	0.07%	0.09%	0.16%	0.14%	0.29%	0.00%	0.15%	
Asset Allocation	60/40*	0.97%	0.75%	-0.04%	-0.54%	-1.30%	0.32%	1.54%	0.37%	0.64%	0.65%	-0.03%	0.18%	
	48/32/20 (w/Alts.)**	0.87%	0.55%	0.03%	-0.43%	-1.06%	0.27%	1.25%	0.33%	0.54%	0.58%	-0.03%	0.18%	

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	1.02	1.01	1.06	1.05	1.10	1.12	1.08	1.16	1.05	1.14	1.27	1.25	1.18	1.42
Large Cap Growth	0.98	1.00	0.99	1.05	1.03	1.08	1.10	1.07	1.14	1.03	1.12	1.25	1.23	1.16	1.39
Large Cap Value	0.99	1.01	1.00	1.06	1.04	1.09	1.11	1.07	1.15	1.04	1.13	1.26	1.24	1.17	1.40
Mid Cap Core	0.94	0.96	0.95	1.00	0.98	1.04	1.05	1.02	1.09	0.99	1.07	1.20	1.18	1.11	1.33
Mid Cap Growth	0.95	0.97	0.96	1.02	1.00	1.05	1.07	1.03	1.11	1.01	1.08	1.22	1.20	1.13	1.35
Mid Cap Value	0.91	0.92	0.92	0.97	0.95	1.00	1.01	0.98	1.05	0.96	1.03	1.16	1.14	1.07	1.29
Small Cap Core	0.90	0.91	0.90	0.95	0.94	0.99	1.00	0.97	1.04	0.94	1.02	1.14	1.12	1.06	1.27
Small Cap Growth	0.92	0.94	0.93	0.98	0.97	1.02	1.03	1.00	1.07	0.97	1.05	1.18	1.16	1.09	1.31
Small Cap Value	0.86	0.88	0.87	0.92	0.90	0.95	0.96	0.94	1.00	0.91	0.98	1.10	1.08	1.02	1.22
Int'l. Developed	0.95	0.97	0.96	1.01	0.99	1.05	1.06	1.03	1.10	1.00	1.08	1.21	1.19	1.12	1.35
Emerging Markets	0.88	0.90	0.89	0.94	0.92	0.97	0.98	0.95	1.02	0.93	1.00	1.12	1.10	1.04	1.25
REITs	0.78	0.80	0.79	0.84	0.82	0.86	0.88	0.85	0.91	0.83	0.89	1.00	0.98	0.93	1.11
Commodities	0.80	0.81	0.81	0.85	0.84	0.88	0.89	0.87	0.92	0.84	0.91	1.02	1.00	0.94	1.13
Int. Bond	0.85	0.86	0.85	0.90	0.89	0.93	0.95	0.92	0.98	0.89	0.96	1.08	1.06	1.00	1.20
High Yield	0.71	0.72	0.71	0.75	0.74	0.78	0.79	0.76	0.82	0.74	0.80	0.90	0.88	0.83	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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