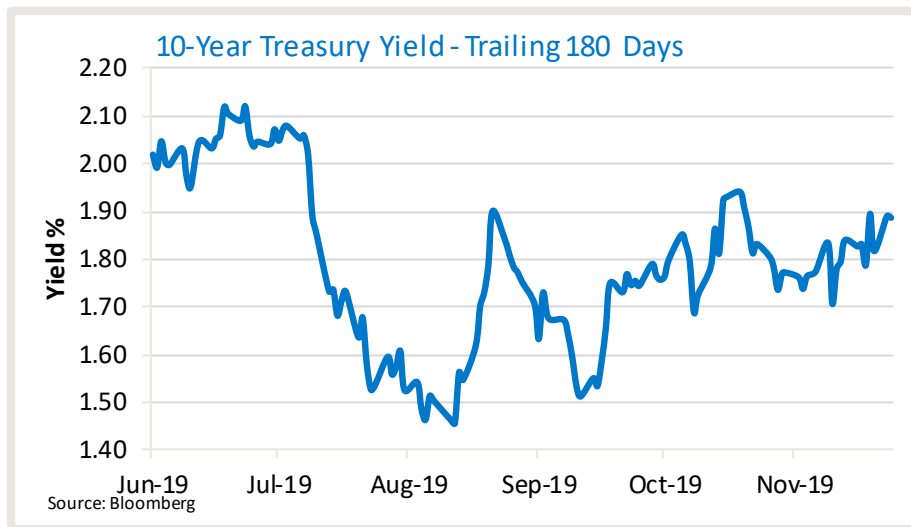


Weekly Market Review

December 23, 2019

**Please note that beginning in January 2020 we will be switching the focus of the Weekly Market Review to be more forward looking, but still provide all of the economic metrics and data. There will also not be a Weekly Review next Monday, December 30th due to the holiday.*

Chart of the Week



Weekly Highlights

President Trump was impeached by the House of Representatives. House lawmakers voted to impeach President Trump, only the third time in American History. Next steps include a trial in the Senate to determine whether President Trump will remain in office, which is anticipated to take place in January of 2020. Despite this historic event, markets were largely unrattled, with most major indices at or near all-time highs.

US homebuilding increased in November, with permits for future construction surging to a 12.5-year high. The housing market appears to be regaining momentum after the Federal Reserve cut the federal funds rate three times in 2019, pushing down mortgage rates and increasing housing starts, which jumped 13.6% on a year-over-year basis in November.

NAFTA moved one step closer to being replaced. The House of Representatives voted to approve USMCA, a new trade deal among the US, Mexico, and Canada, replacing NAFTA. The bill will now head to the Senate. Main goals of the new treaty aim to help farmers, ranchers, manufacturers, workers, and consumers by opening new markets to American goods and reducing the cost of household staples such as drugs and groceries. Additionally, the treaty addresses new rules for technology and other services that ultimately will set the framework for an upgraded digital economy.

Talking Points

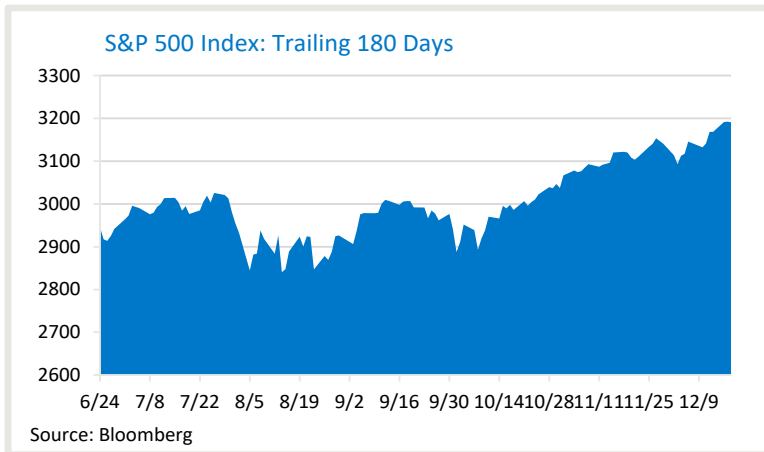
- **Global equity markets were up broadly this week.** US markets were led by the tech-heavy NASDAQ, with the DJIA, S&P 500 Index, and NASDAQ notching intraday record highs early Friday. International stocks were largely up; however, they trailed emerging markets, which posted strong returns for the week. Brazil and Argentina contributed significantly, while Turkey detracted.
- **Treasury yields rose on Wednesday.** The yield on the 10-Year U.S. Treasury Bill and the 30-Year U.S. Treasury Bond both rose 3.4 basis points to 1.92% and 2.35%, respectively, their highest levels since early November.
- **Commodities rose,** with the Bloomberg Commodity Index finishing marginally higher after an overall positive week. Within the index, oil prices jumped, lifted by the “phase-one” US-China trade deal that appears to have eased tensions.
- **The US dollar ended the week higher** against a basket of major trade partners’ currencies. On Friday, the dollar was set for its best week since early November, after a number of encouraging US economic data releases, which make a near-term cut in interest rates less likely.
- **In other economic news, third-quarter gross domestic product (GDP) remained at 2.1%,** buoyed by strong consumer spending, the main engine of economic growth in the US. This uptick in spending was offset by a decrease in business investment, falling from 2.7% to 2.3%.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	3,221.22	52.42	1.65%	28.5%
Dow Industrials	28,455.09	319.71	1.14%	22.0%
Nasdaq	8,924.96	190.08	2.18%	34.5%
Russell 2000	1,671.90	33.93	2.07%	24.0%
Euro Stoxx Index	418.40	6.38	1.55%	23.9%
Shanghai Composite	3,004.94	37.26	1.26%	20.5%
MSCI ACWI	561.00	5.62	1.01%	23.1%

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

	Last Price	Change	% Chg.	YTD %
MSCI EM	1,106.63	19.72	1.81%	14.6%
10-Year US Treas.	1.92	10 bps	NM	NM
Bloomberg Cmnts. Idx.	80.39	0.98	1.23%	4.8%
Gold	\$1,478.23	\$1.75	0.12%	15.3%
Crude Oil	\$60.33	\$0.38	0.63%	24.1%
Dollar Index	97.71	0.53	0.55%	1.6%
VIX Index	12.51	-0.12	-0.95%	-50.8%



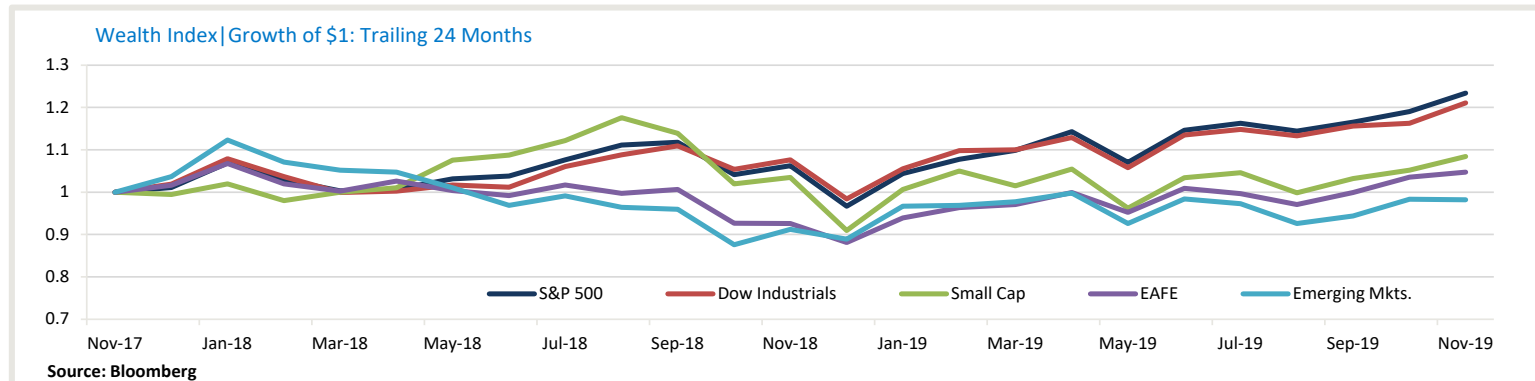
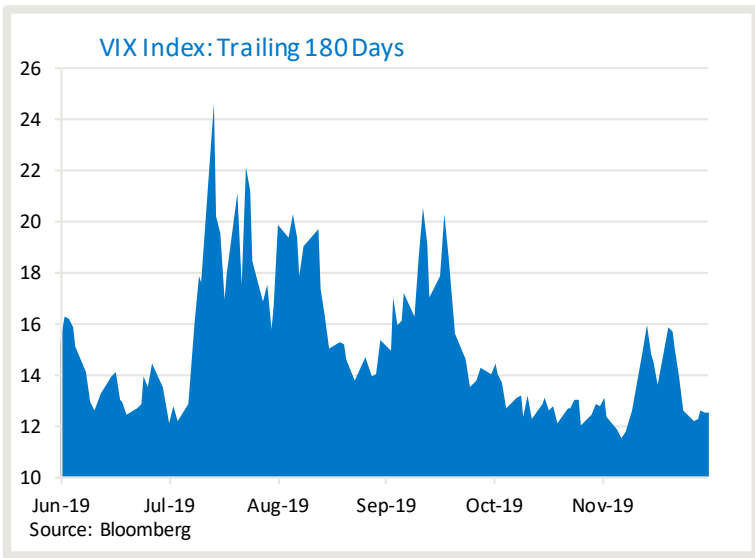
	One Week			YTD		
	Value	Growth		Value	Growth	
L	1.28%	1.68%	2.00%	22.83%	28.68%	33.84%
	1.83%	1.77%	1.68%	23.81%	28.19%	34.54%
S	2.11%	2.07%	2.03%	19.97%	23.98%	27.82%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	9.7	1.46%	25.1%
Consumer Staples	7.2	1.21%	24.4%
Energy	4.3	2.52%	6.7%
Financials	13.1	0.50%	28.9%
Health Care	14.2	2.30%	18.9%
Industrials	9.1	0.26%	26.9%
Information Technology	23.0	1.92%	46.7%
Materials	2.6	1.19%	20.7%
Real Estate	2.9	2.66%	23.7%
Communication Services	10.4	2.54%	31.7%
Utilities	3.3	2.71%	22.2%

Source: Bloomberg



The Economy and Markets

Trade War Truce—Phase -One Deal—Ho-Ho-Ho or Ho-Ho-Hum

Does Kris Kringle's sack of goodies hold a solution to what the market and investors have been waiting for in the contentious US and Chinese trade war that has lasted 529 days? Or does a lump of coal await both? On Friday, December 13, US and Chinese officials announced they had reached a "phase-one" deal just days before the next tariff hike would become effective. The deal negates roughly \$160 billion of additional tariffs on consumer goods, including electronics, cell phones, computers, and Santa's favorite...toys. So what has changed? What has stayed the same? Where does the most work still need to be done? How will this all turn out?

The tit-for-tat trade war between the world's two largest economies has had far-reaching effects, with the International Monetary Fund estimating the fallout will slow global growth in 2019 to 3.0%, the slowest pace in a decade. Implications for the US and Chinese economies are far reaching. Perhaps the most publicized negative impact has been to US farmers, as Chinese tariffs on US agricultural products have resulted in a loss of nearly two-thirds of their exports, forcing the US government to offer them billions in aid. On the other side of the coin, numbers from China show third-quarter economic growth slowing to its lowest point in ten years. As a telling sign, China, the world's biggest auto market, saw vehicle sales drop 11.7% from a year earlier, according to the China Association of Automobile Manufacturers. Also important to remember is the collateral damage caused to other economies, notably those in which GDP is derived from exports. A decrease in exports often forces companies to lower their growth estimates and, as a result, scale back investment, ultimately hurting future growth. Take Germany, for example, who derived roughly 40% of its GDP from exports in 2017. Currently, total US tariffs applied to Chinese goods are at \$550 billion. Chinese tariffs applied to US goods are at \$185 billion.

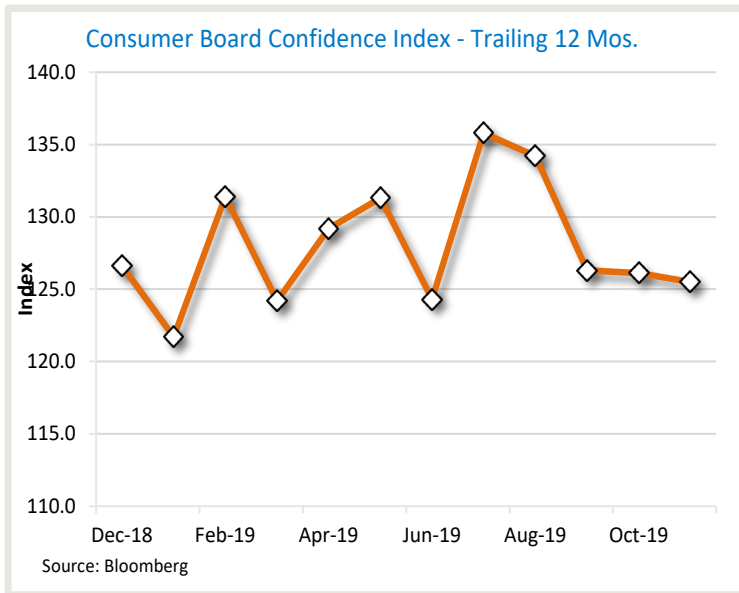
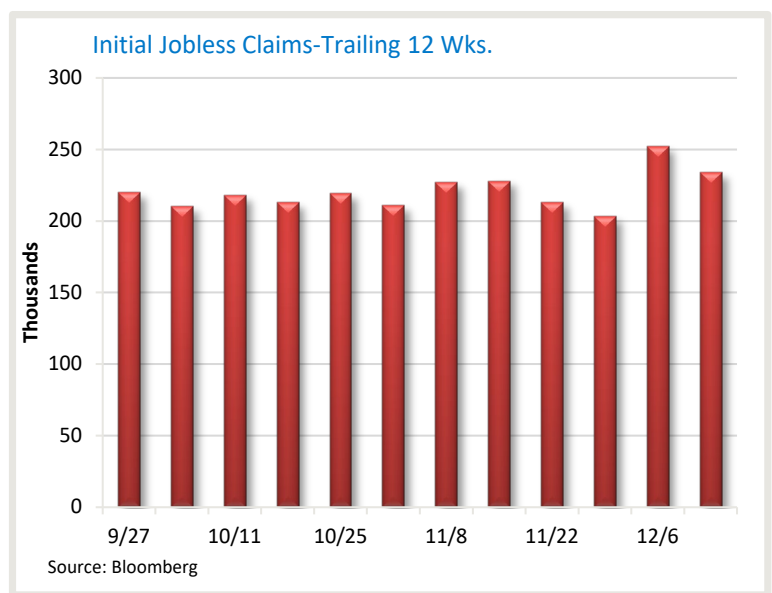
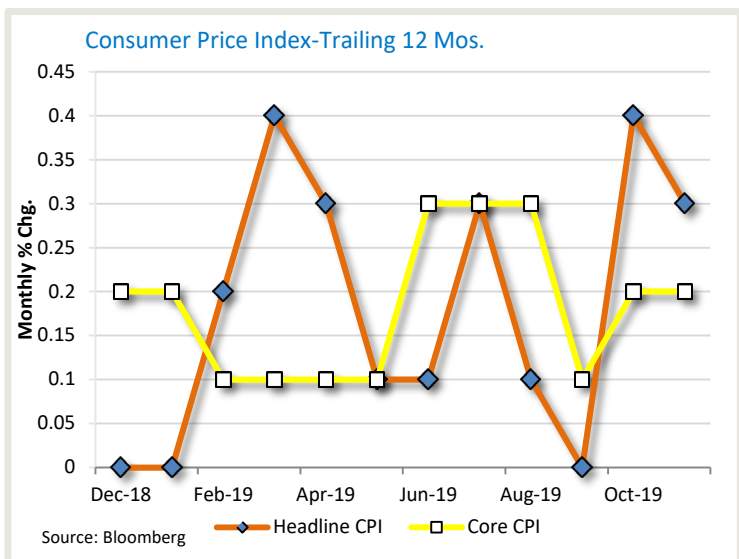
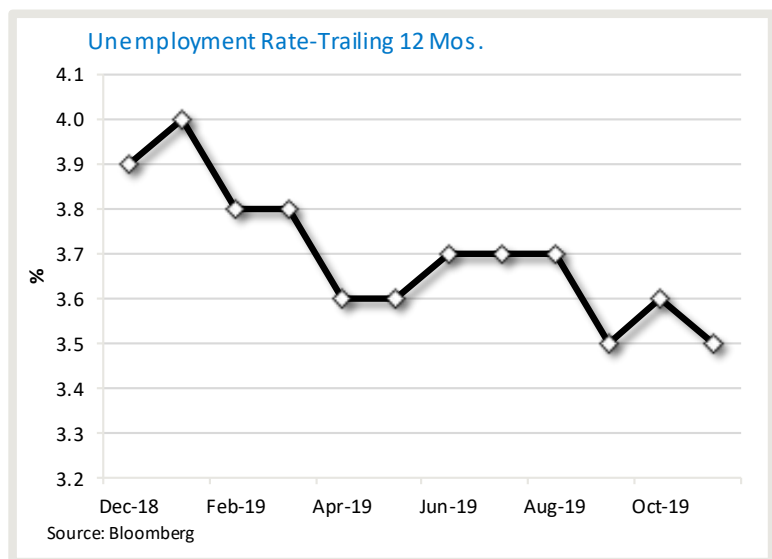
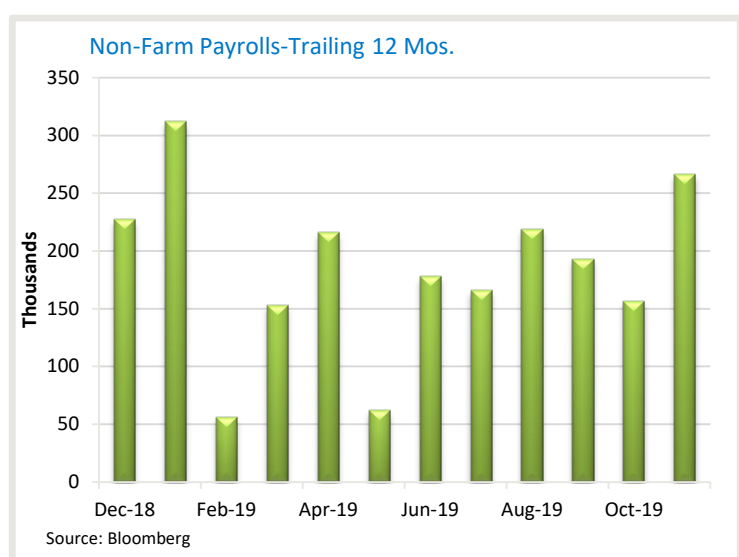
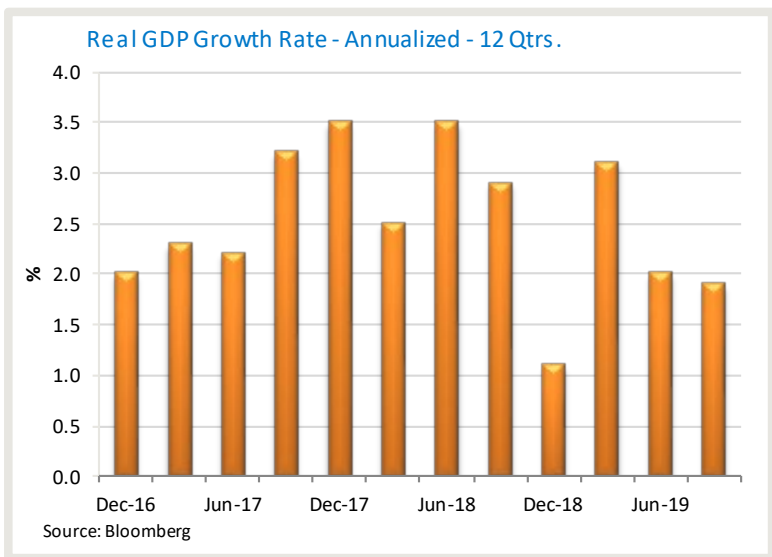
So what did the "phase-one" deal (expected to be signed in the first week of January) accomplish? The US agreed not to proceed with a 15% tariff on \$160 billion worth of consumer goods, and reduced the tariffs applied on September 1 to \$120 billion of Chinese goods from 15% to 7.5%. The initial 25% tariff on \$250 billion of Chinese imports would remain. In return, China agreed to purchase at least \$200 billion of US goods and services over the next two years. Beijing indicated it would substantially increase agricultural purchases as well, up to \$50 billion per year, according to President Trump.

Between the tit-for-tat tariff amounts and percentages lies the more difficult and core issues. These are largely the structural reforms that precipitated the trade war, and many see them as necessary for US firms to compete on an equal playing field in China. These reforms include frequent complaints by US executives that they are forced to share or give away technology and ideas in return for access to the Chinese market. Also included is the alleged theft of American intellectual property, such as counterfeiting name brands and stealing trade secrets, as President Trump notes. Finally, many cite the frequent government subsidies Chinese companies enjoy that create a lopsided competitive environment. Although this list is not nearly inclusive, these challenges, among others, could derail what has been accomplished in the "phase-one" deal, which does not materially address any of these concerns.

So big question..... how will this all turn out? Though many details are not yet available and appear murky, it is worth noting the trade talks have fallen apart previously, with President Trump and Chinese President Xi meeting at two international gatherings with the intention of a truce, only to end in a more combative stance. Although "phase-one" is a potential good starting point, is it possible the spirit of generosity and compromise will end with the holidays?

Ryan Knisely
Investment Analyst

Economic Data



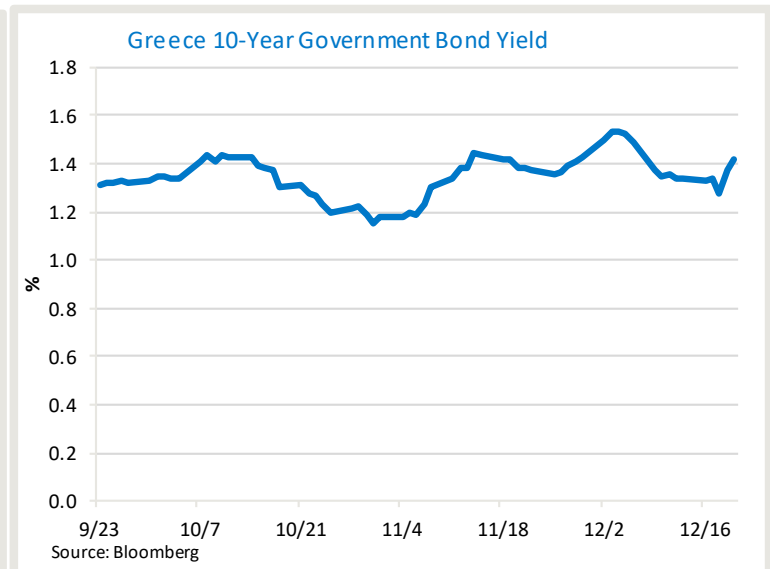
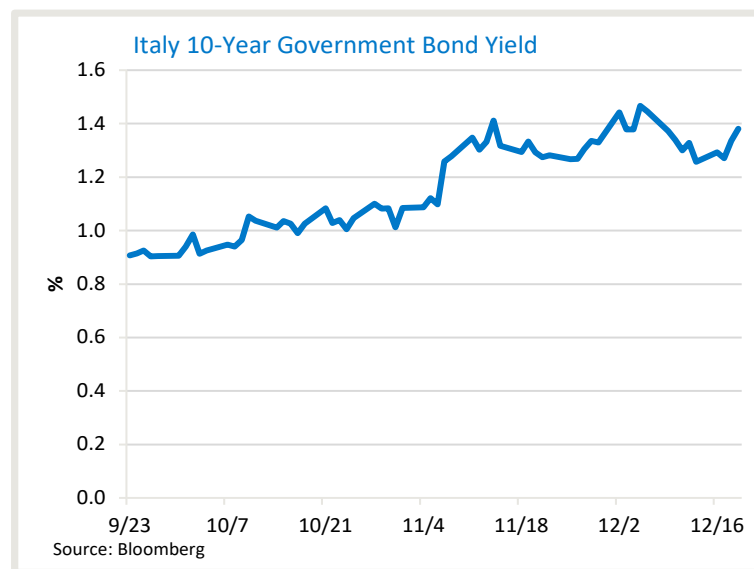
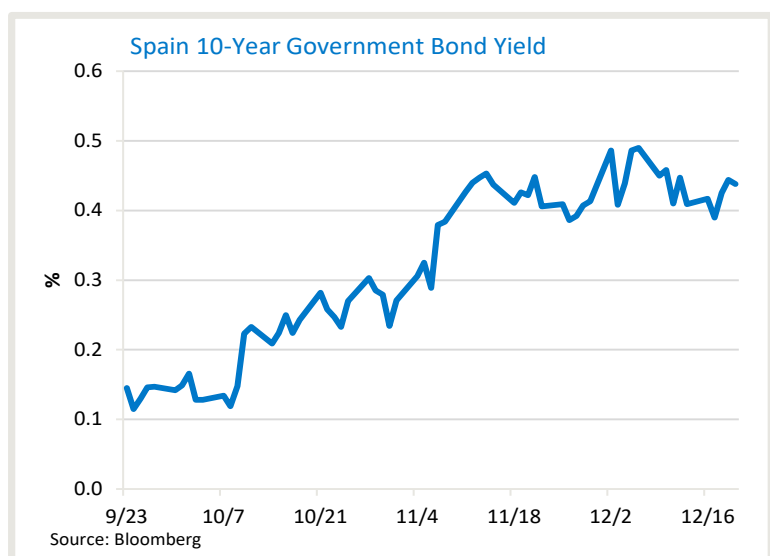
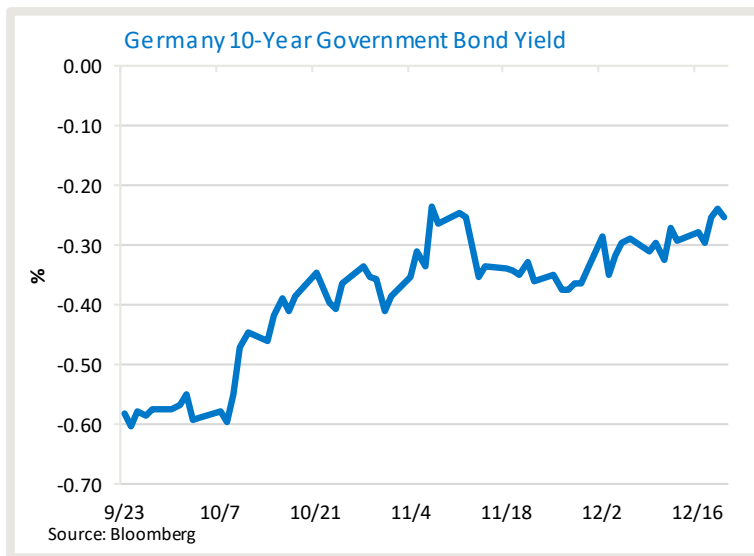
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	-0.25	-4 bps	NM	NM
Greece 10-Yr. Govt.	1.42	-8 bps	NM	NM
Italy 10-Yr. Govt.	1.40	-14 bps	NM	NM
Spain 10-Yr. Govt.	0.44	-3 bps	NM	NM
Belgium 10-Yr. Govt.	0.02	-4 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.05	-5 bps	NM	NM
Ireland 10-Yr. Govt.	0.06	-7 bps	NM	NM
Portugal 10-Yr. Govt.	0.41	-4 bps	NM	NM
Netherlands 10-Yr. Govt.	-0.12	-4 bps	NM	NM
U.K. 10-Yr. Govt.	0.78	1 bps	NM	NM

Source: Bloomberg
Basis points (bps)



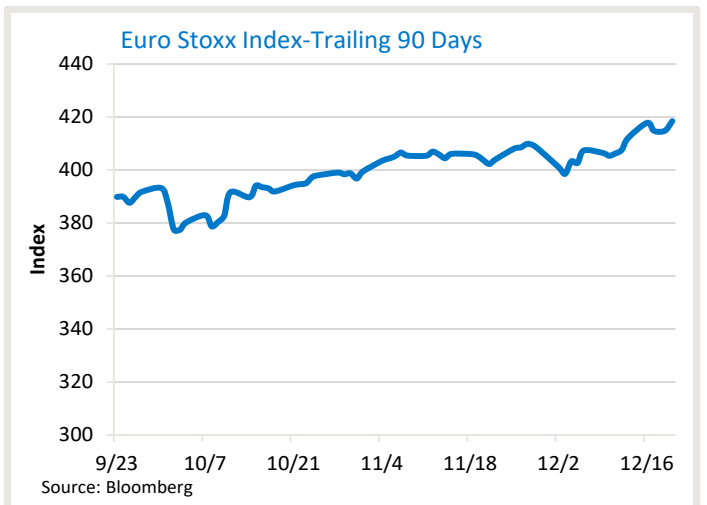
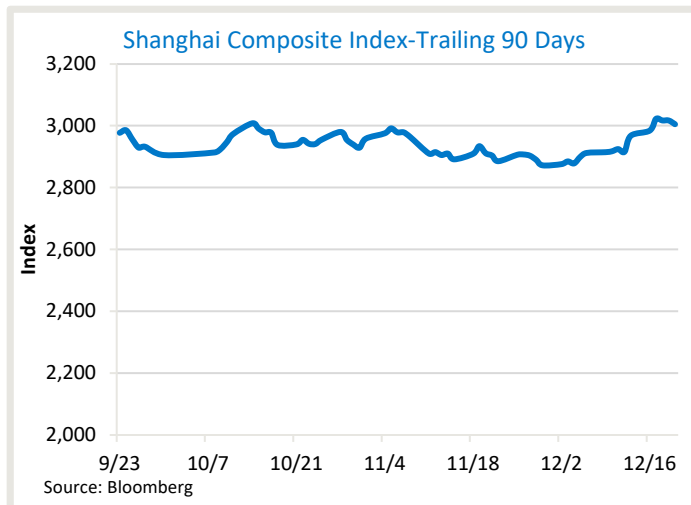
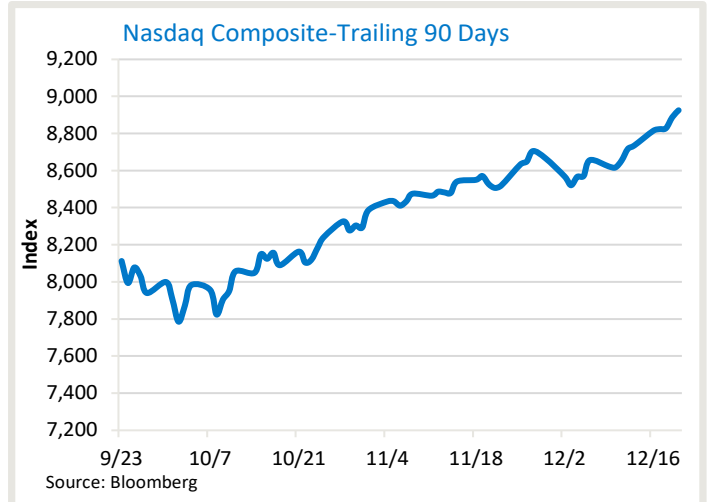
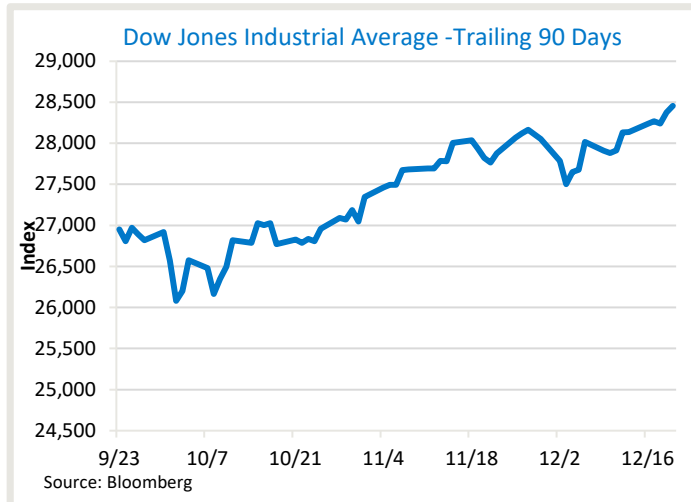
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	3,221.22	52.42	1.65%	28.50%
Dow Industrials	28,455.09	319.71	1.14%	21.98%
Nasdaq Composite	8,924.96	190.08	2.18%	34.51%
MSCI ACWI	561.00	5.62	1.01%	23.1%
MSCI EM	1,106.63	19.72	1.81%	14.6%
S&P/TSX (Canada)	17,118.44	115.80	0.68%	19.52%
Mexico IPC	44,505.64	284.91	0.64%	6.96%
Brazil Bovespa	115,121.10	2576.70	2.29%	31.01%
Euro Stoxx 600	418.40	6.38	1.55%	23.92%
FTSE 100	7,582.48	229.04	3.11%	12.70%
IBEX 35 (Spain)	9,675.50	111.80	1.17%	13.30%

	Last	Change	% Chg.	YTD %
Swiss Market Index	10,679.37	250.10	2.40%	26.69%
CAC 40 Index (France)	6,021.53	102.51	1.73%	27.29%
DAX Index (Germany)	13,318.90	36.18	0.27%	26.14%
Irish Overall Index	7,199.29	10.26	0.14%	31.38%
Nikkei 225	23,816.63	-206.47	-0.86%	19.00%
Hang Seng Index	27,871.35	183.59	0.66%	7.84%
Shanghai Composite	3,004.94	37.26	1.26%	20.49%
Kospi Index (S. Korea)	2,204.18	33.93	1.56%	7.99%
Taiwan Taiei Index	11,959.08	31.35	0.26%	22.94%
Tel Aviv 25 Index	1,677.56	-14.00	-0.83%	14.60%
MOEX Index (Russia)	3,015.93	19.93	0.67%	27.29%

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



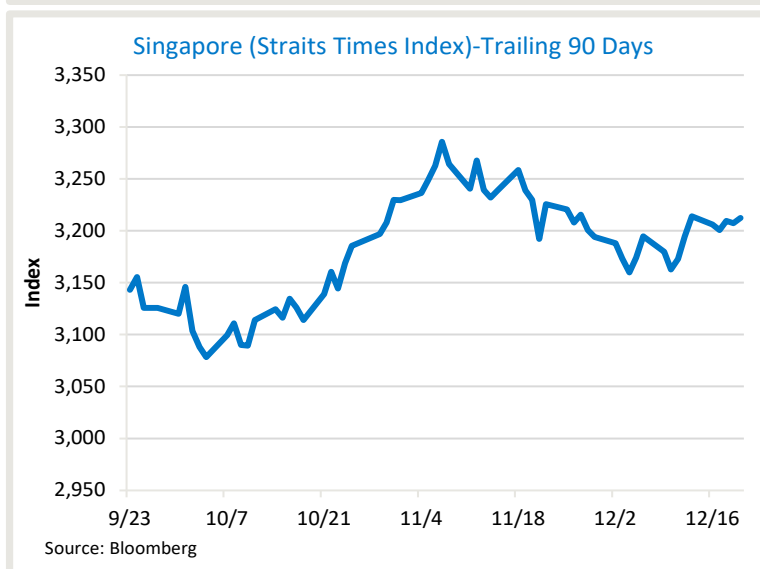
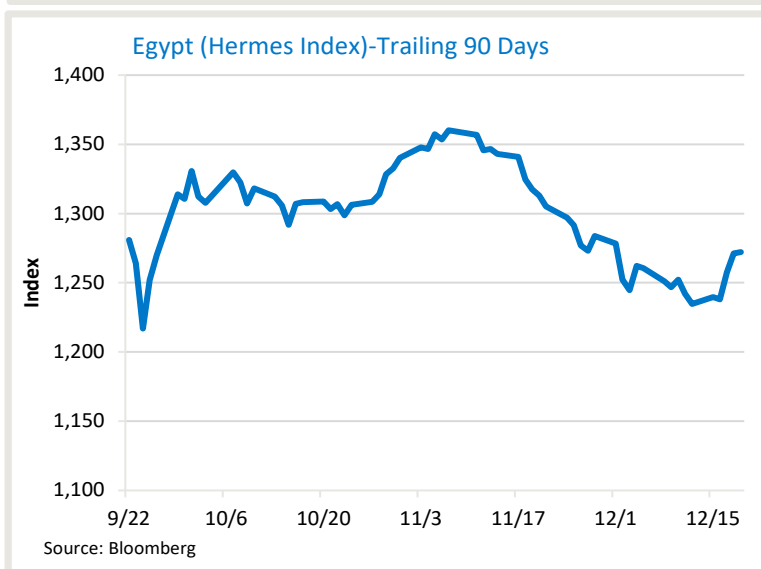
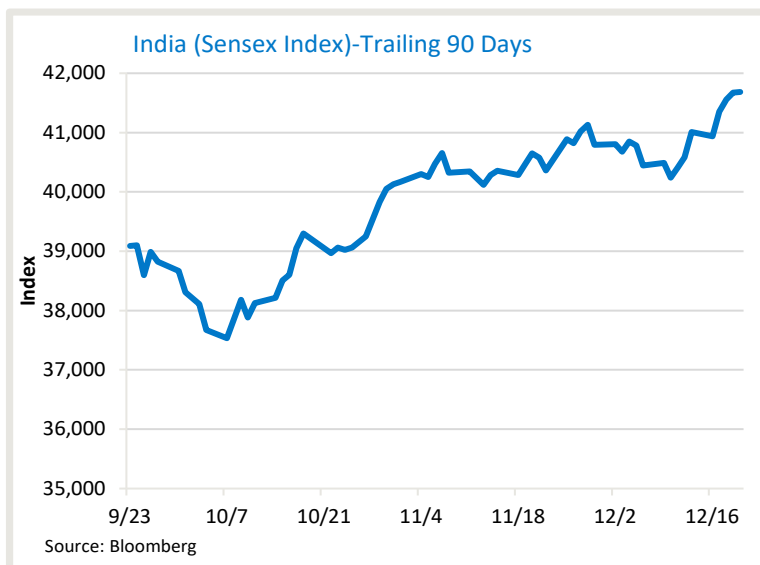
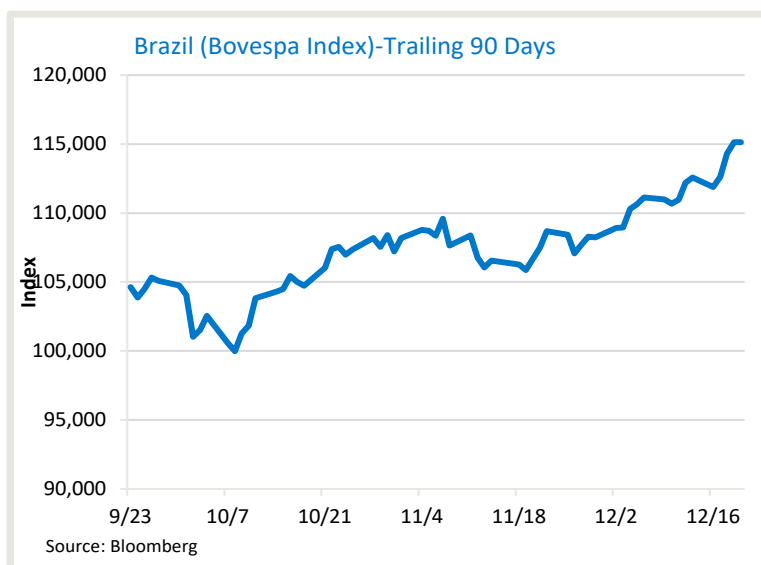
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,505.64	284.91	0.6%	7.0%
Brazil (Bovespa Index)	115,121.10	2576.70	2.3%	31.0%
MOEX Index (Russia)	3,015.93	19.93	0.7%	27.3%
Czech Republic (Prague)	1,108.30	14.89	1.4%	12.3%
Turkey (Istanbul)	111,176.75	700.20	0.6%	21.8%
Egypt (Hermes Index)	1,272.24	37.51	3.0%	-0.4%
Kenya (Nairobi 20 Index)	2,583.76	-4.08	-0.2%	-8.8%
Saudi Arabia (TASI Index)	8,291.39	285.62	3.6%	5.9%
Lebanon (Beirut BLOM Index)	764.02	5.48	0.7%	-21.8%
Palestine	522.83	-2.73	-0.5%	-1.2%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,871.35	183.59	0.7%	7.8%
India (Sensex 30)	41,681.54	0.00	0.0%	15.6%
Malaysia (KLCI Index)	1,610.18	39.02	2.5%	-4.8%
Singapore (Straits Times Index)	3,212.39	-1.66	-0.1%	4.7%
Thailand (SET Index)	1,572.92	-0.99	-0.1%	0.6%
Indonesia (Jakarta)	6,284.37	87.05	1.4%	1.5%
Pakistan (Karachi KSE 100)	40,832.99	-83.60	-0.2%	10.2%
Vietnam (Ho Chi Minh)	956.41	-9.77	-1.0%	7.2%
Sri Lanka (Colombo)	6,044.73	-44.94	-0.7%	-0.1%
Cambodia (Laos)	685.47	16.20	2.4%	-18.1%

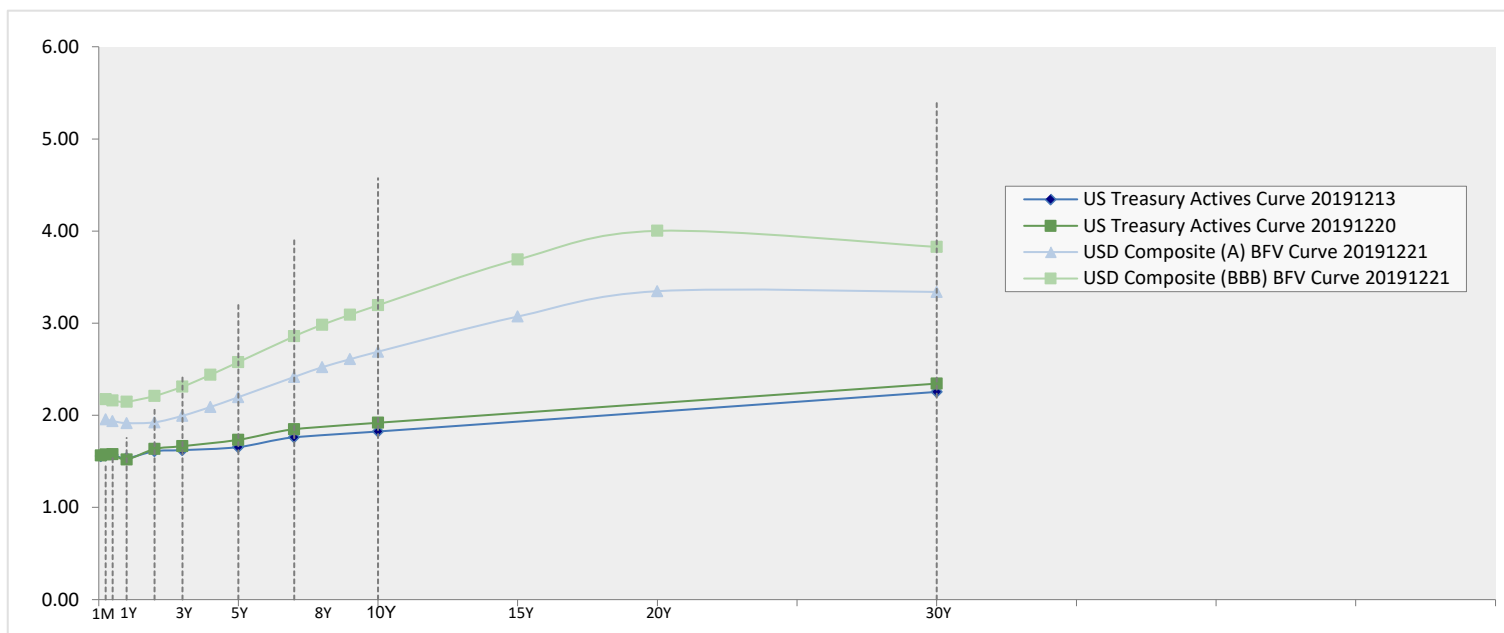


Interest Rates

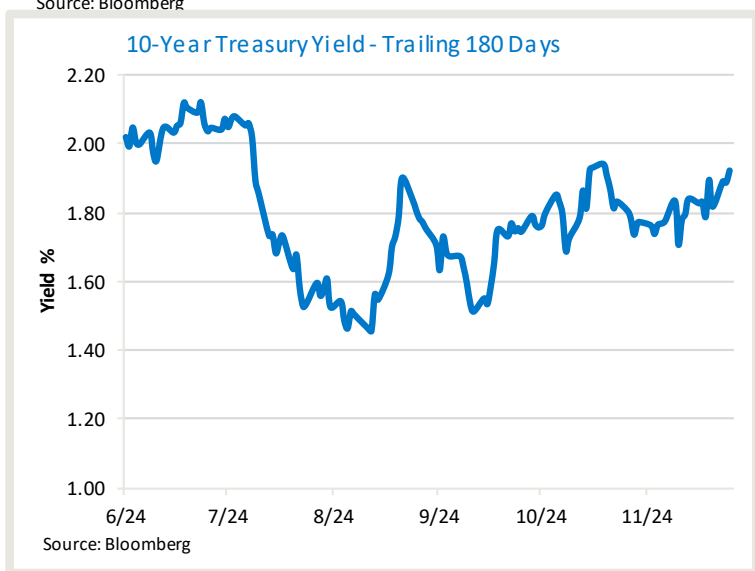
SELECTED INTEREST RATES

	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	1.73%	8 bps	NM	NM	Fed Funds Rate	1.75%	0.00	NM	NM
10-Yr. U.S. Treasury	1.92%	10 bps	NM	NM	Discount Rate	2.25%	0.00	NM	NM
30-Yr. U.S. Treasury	2.35%	10 bps	NM	NM	LIBOR (3 Mo.)	1.93%	3 bps	NM	NM
German 10-Yr. Govt.	-0.25%	-4 bps	NM	NM	Bond Buyer 40 Muni	2.74%	2 bps	NM	NM
France 10-Yr.	0.05%	-5 bps	NM	NM	Bond Buyer 40 G.O.	2.74%	NA	NM	NM
Italy 10-Yr.	1.40%	-14 bps	NM	NM	Bond Buyer 40 Rev.	3.21%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.76%	7 bps	NM	NM					

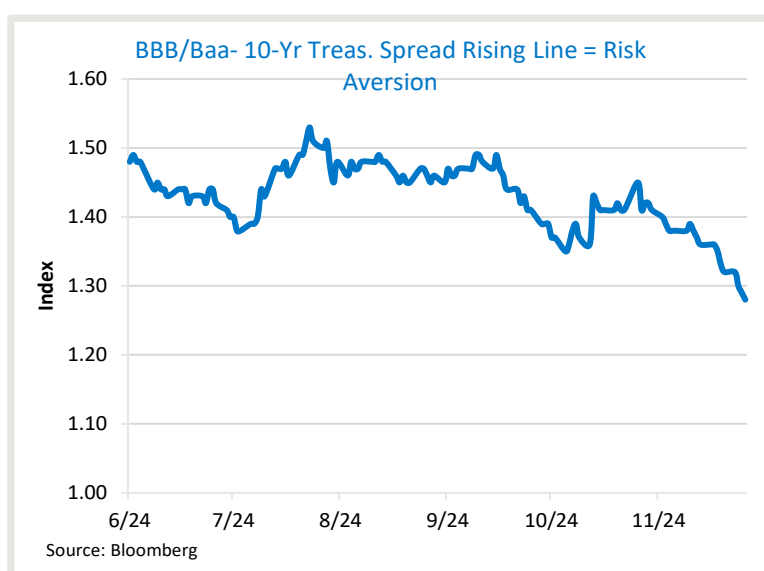
Source: Bloomberg



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Source: Bloomberg



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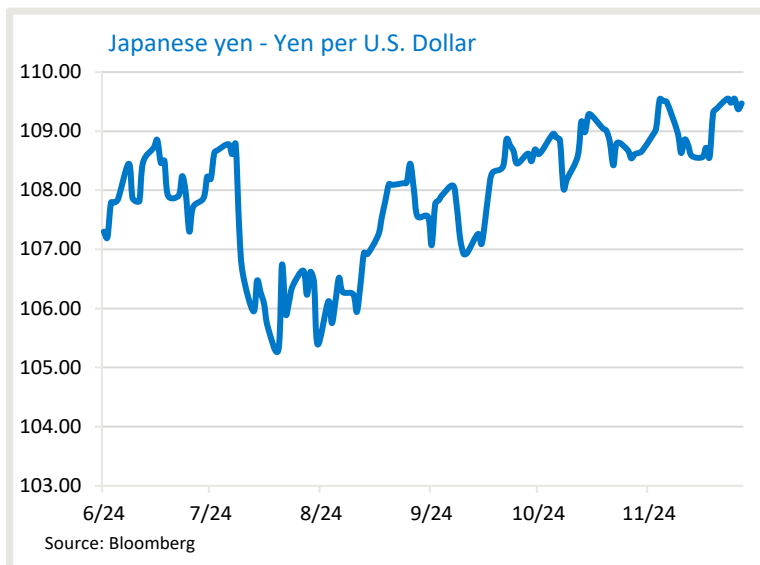
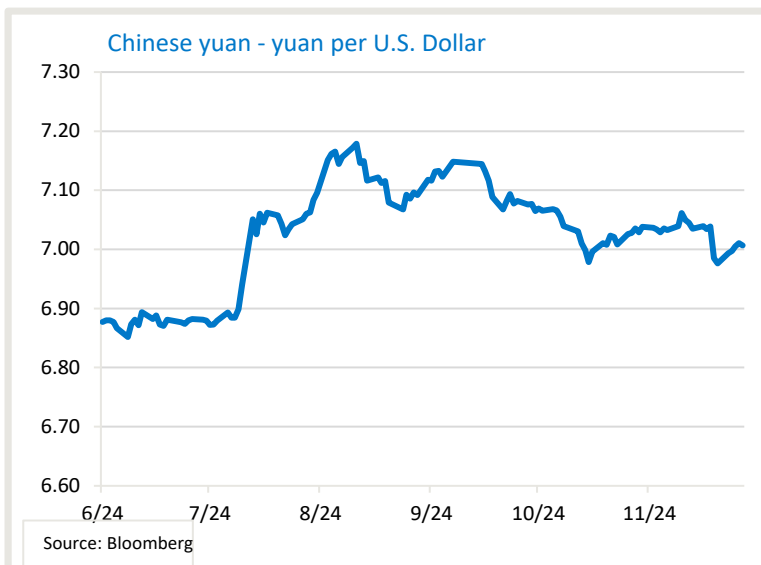
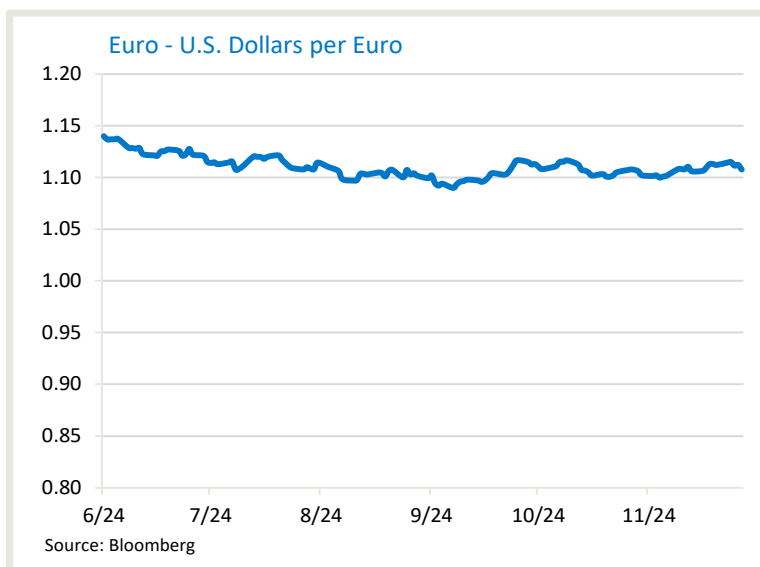
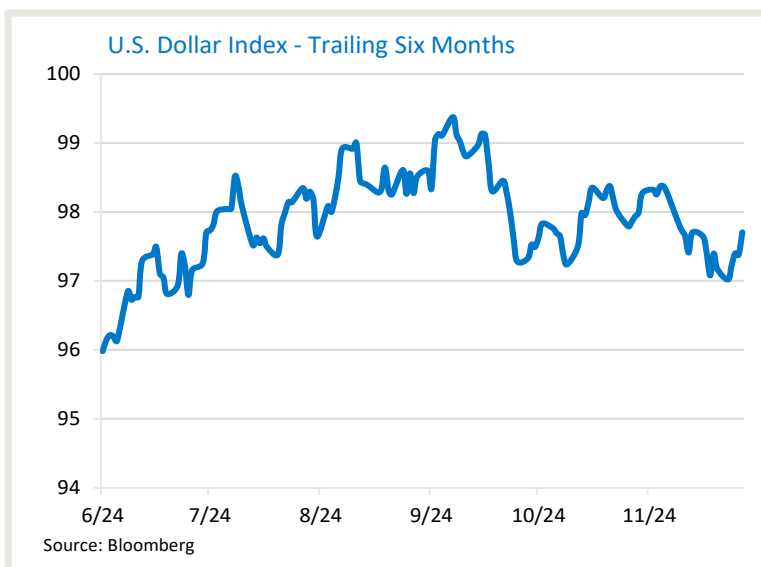
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	97.70	0.533	0.55%	1.59%
Euro	1.11	-0.004	-0.40%	-3.40%
Japanese Yen	109.47	0.090	-0.08%	0.20%
British Pound	1.30	-0.034	-2.54%	1.87%
Canadian Dollar	1.32	-0.001	0.11%	3.69%

	Last	Change	% Chg.	YTD %
Chinese Yuan	7.01	0.030	-0.43%	-1.83%
Swiss Franc	0.98	-0.003	0.28%	0.06%
New Zealand Dollar	0.66	0.001	0.11%	-1.68%
Brazilian Real	4.10	-0.010	0.24%	-5.45%
Mexican Peso	18.94	-0.108	0.57%	3.79%

Source: Bloomberg



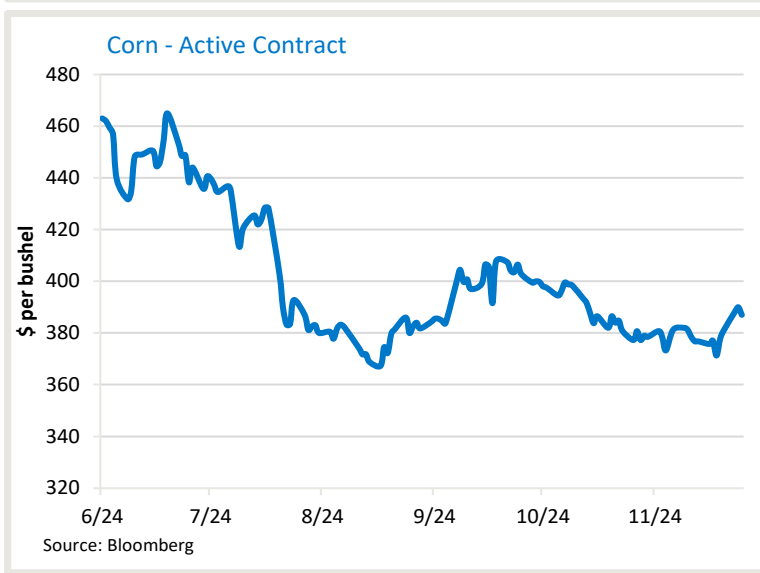
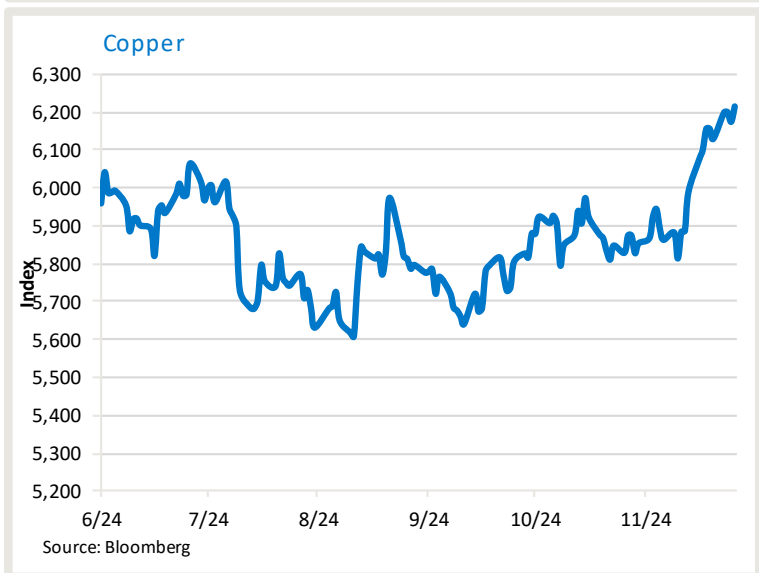
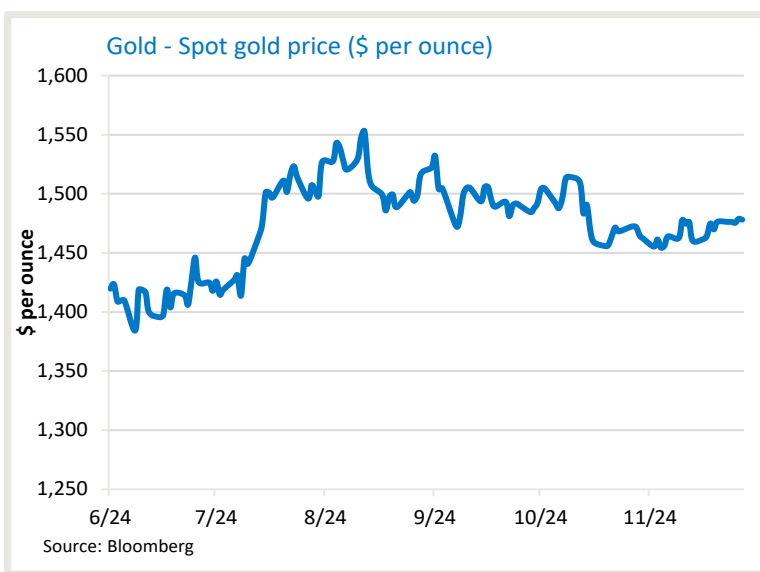
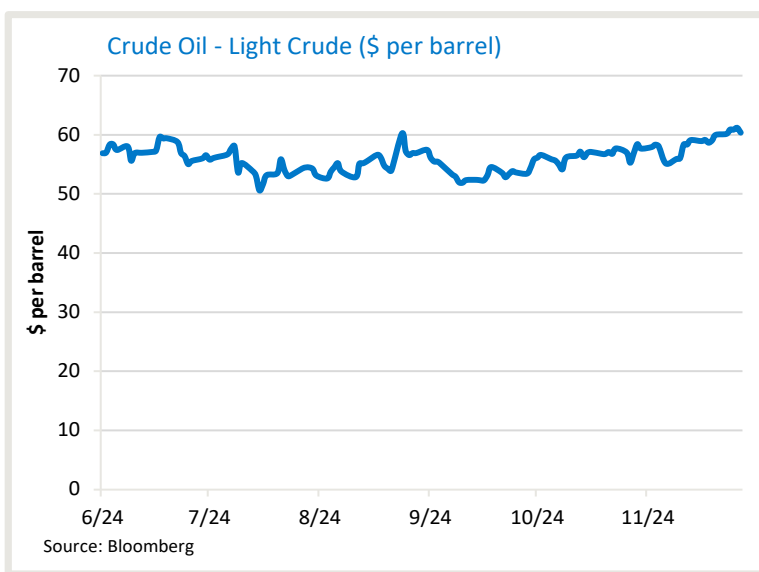
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	80.39	0.98	1.23%	4.79%
Crude Oil	\$60.33	\$0.38	0.63%	24.15%
Natural Gas	\$2.33	\$0.04	1.57%	-23.87%
Gasoline (\$/Gal.)	\$2.55	-\$0.01	-0.27%	13.12%
Heating Oil	201.87	3.33	1.68%	16.43%
Gold Spot	\$1,478.28	\$1.75	0.12%	15.25%
Silver Spot	\$17.20	\$0.26	1.51%	10.93%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$911.34	-\$17.64	-1.90%	14.51%
Corn	387.75	6.75	1.77%	-4.73%
Wheat	542.25	9.75	1.83%	-2.03%
Soybeans	938.25	16.75	1.82%	-1.63%
Sugar	13.54	0.04	0.30%	2.97%
Orange Juice	104.15	4.25	4.25%	-21.37%
Aluminum	1,797.00	29.00	1.64%	-2.65%
Copper	6,215.00	85.00	1.39%	4.19%

Source: Bloomberg; % change is based on price.

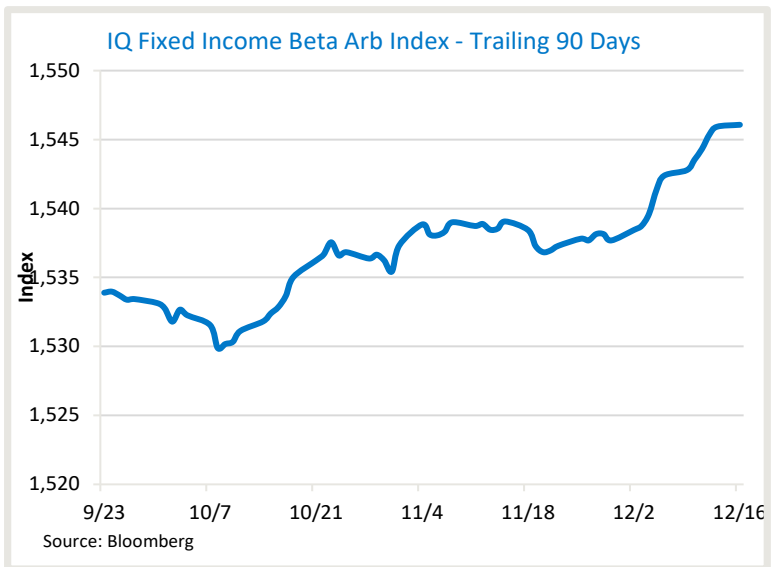
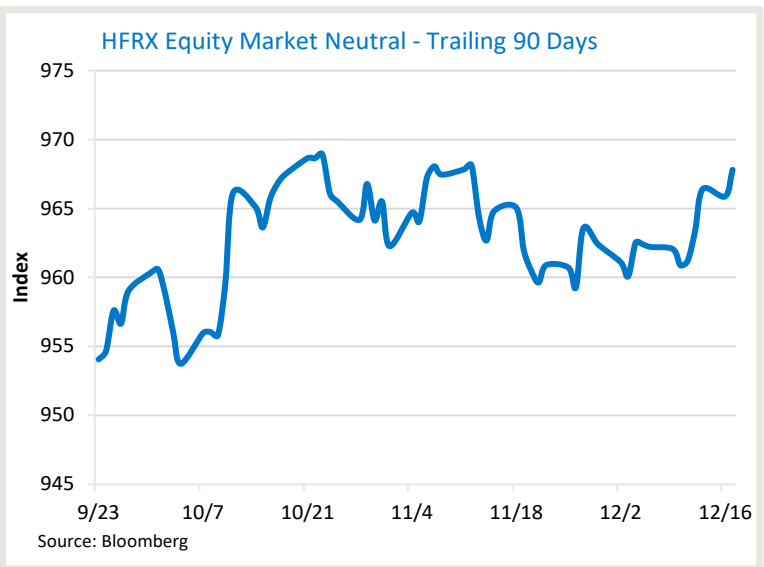
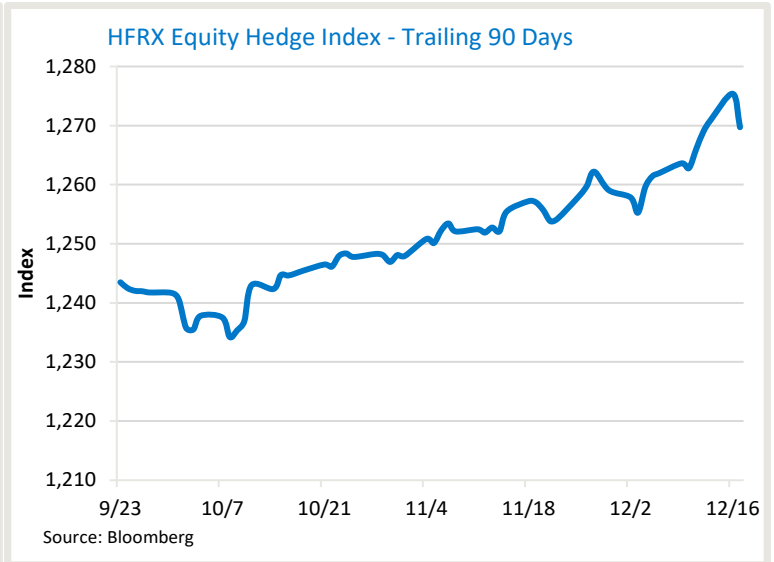
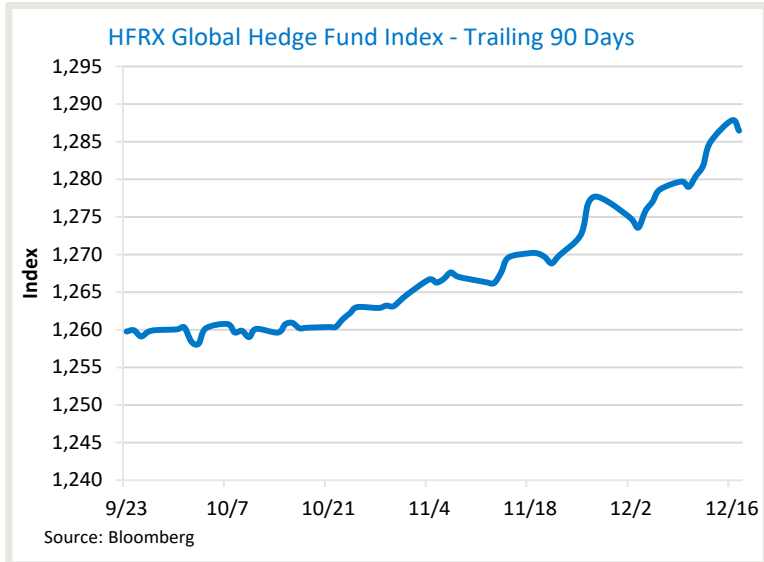


Alternative Investments

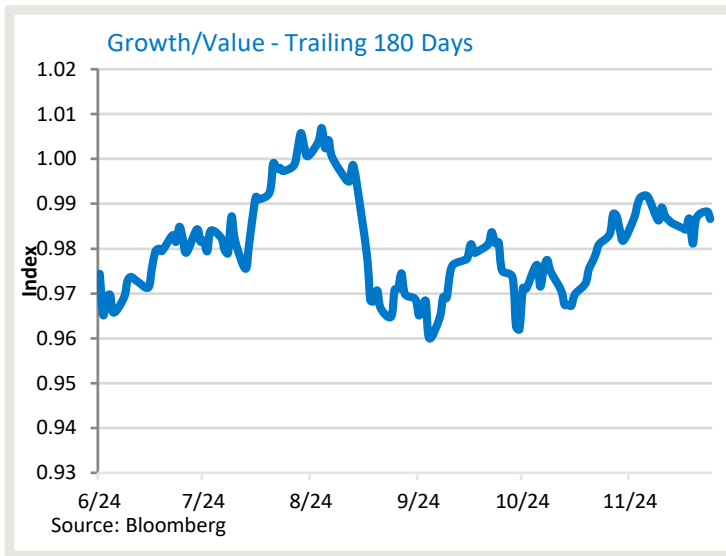
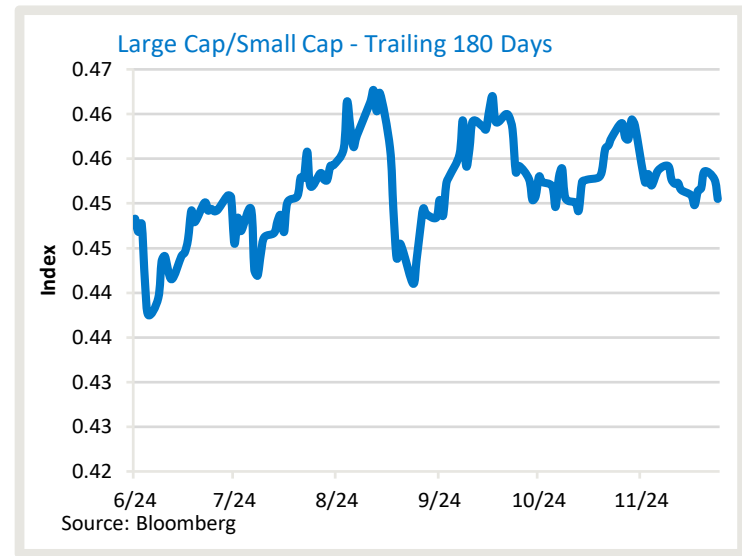
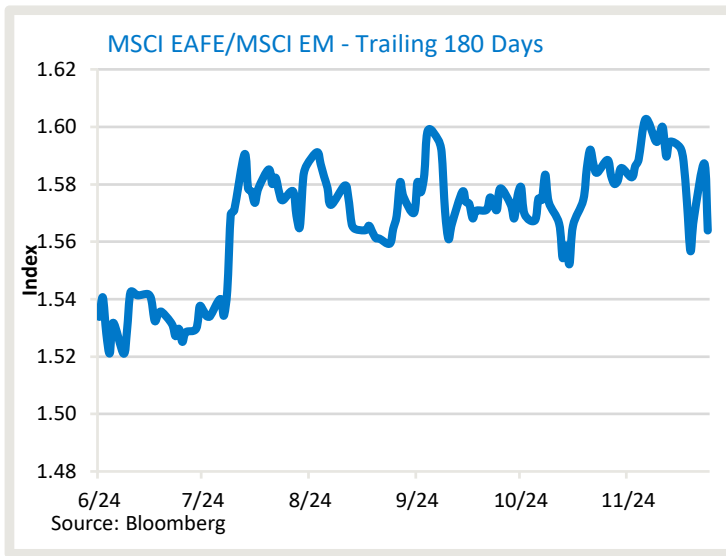
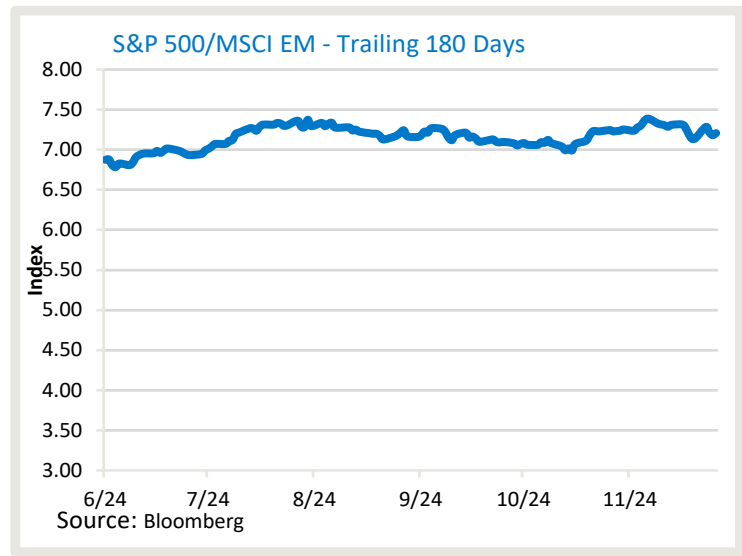
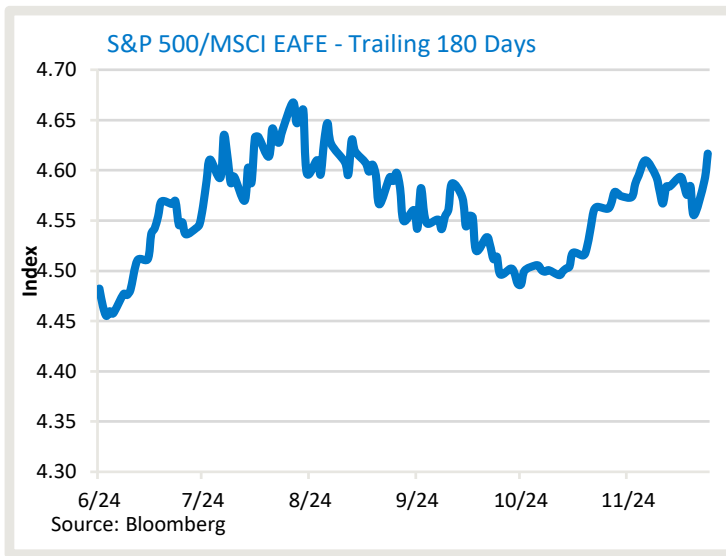
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1288.21	1.23	0.10%	8.09%	HFRX Special Situation Index	1305.55	1.89	0.15%	7.74%
HFRX Equity Market Neutral	963.89	0.74	0.08%	-0.57%	HFRX Merger Arbitrage Index	1823.54	4.84	0.27%	0.21%
HFRX Equity Hedge Index	1269.26	-1.24	-0.10%	10.30%	HFRX Convertible Arbitrage Index	829.43	1.80	0.22%	5.20%
HFRX Event-Driven Index	1612.14	2.43	0.15%	8.82%	HFRX Macro CTA Index	1179.10	2.04	0.17%	4.83%
HFRX Absolute Return Index	1105.07	2.28	0.21%	4.39%	IQ Fixed Income Beta Arb Index	1547.44	1.51	0.10%	5.80%

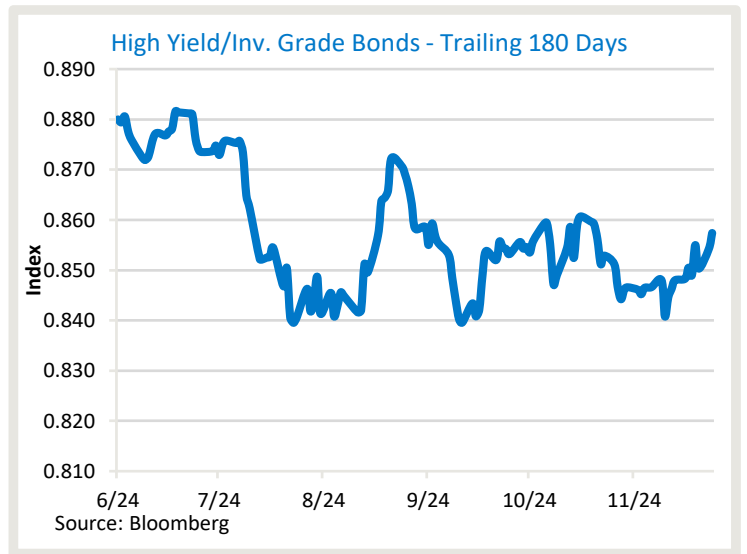
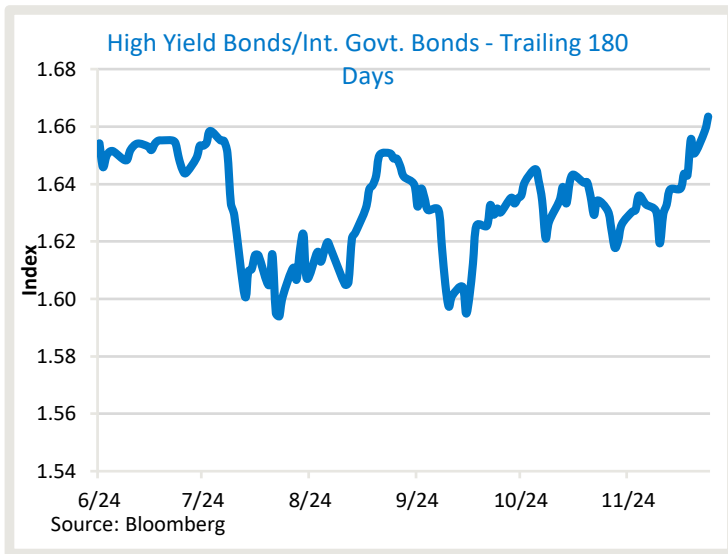
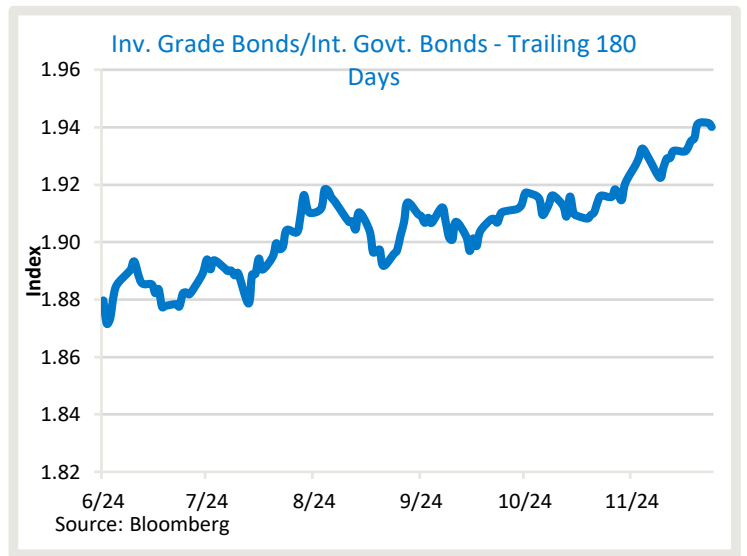
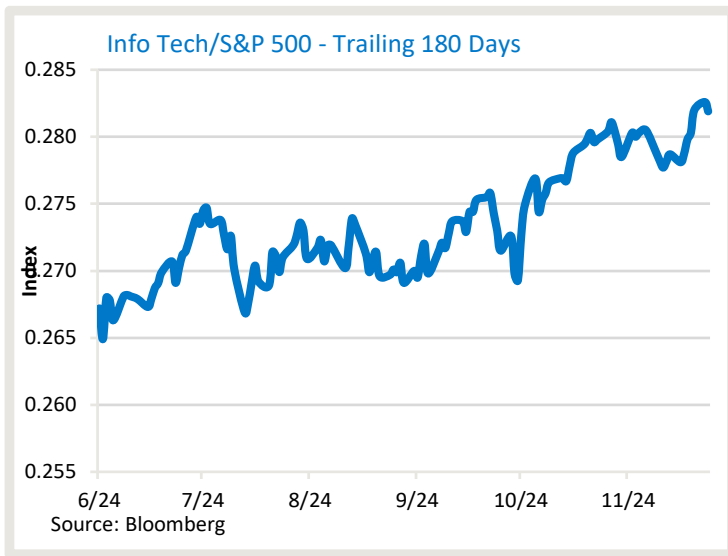
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21	11/28	12/5	12/12	12/19
Equity	Domestic Equity	Large Cap (R200)	-2.16%	1.10%	2.01%	0.29%	1.16%	1.66%	0.39%	0.38%	1.58%	-1.16%	1.65%	1.28%
		Small Cap (R2000)	-3.06%	-0.07%	3.80%	0.54%	0.79%	2.02%	-0.33%	-0.30%	3.17%	-1.18%	1.86%	1.35%
	Int'l. Equity	MSCI EAFE	-2.60%	0.86%	3.22%	1.02%	0.70%	1.33%	-1.01%	0.08%	0.98%	-0.63%	1.03%	1.69%
		MSCI Em. Mkts.	-1.69%	0.43%	3.20%	0.88%	0.44%	3.03%	-2.92%	0.22%	0.56%	-0.72%	2.67%	3.35%
Fixed Income	BarCap Agg. (AGG)	0.57%	-0.48%	-0.34%	0.05%	0.33%	-1.13%	0.54%	0.30%	0.17%	-0.28%	-0.28%	-0.05%	
	High Yield (JNK)	-1.37%	0.33%	0.72%	0.27%	-0.51%	-0.06%	-0.16%	-0.36%	0.91%	-0.41%	0.89%	0.81%	
Commodities	Bloomberg Commodity Index	-1.14%	0.26%	0.82%	0.98%	-0.14%	0.99%	-1.37%	-0.39%	-0.34%	-0.29%	1.23%	1.61%	
Alternatives	Hedge Funds (HFRX Global)	-0.13%	0.07%	0.09%	0.16%	0.14%	0.29%	0.00%	0.09%	0.70%	-0.05%	0.37%	0.50%	
Asset Allocation	60/40*	-1.30%	0.32%	1.54%	0.37%	0.64%	0.65%	-0.03%	0.18%	1.07%	-0.71%	0.91%	0.96%	
	48/32/20 (w/Alts.)**	-1.06%	0.27%	1.25%	0.33%	0.54%	0.58%	-0.03%	0.15%	0.99%	-0.58%	0.81%	0.87%	

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	1.00	1.04	1.06	1.09	1.07	1.04	1.03	1.05	1.02	0.98	1.35	1.15	1.40	1.05
Large Cap Growth	1.00	1.00	1.05	1.07	1.09	1.07	1.04	1.03	1.06	1.02	0.99	1.36	1.15	1.41	1.05
Large Cap Value	0.96	0.95	1.00	1.02	1.04	1.02	0.99	0.99	1.01	0.98	0.94	1.29	1.10	1.34	1.00
Mid Cap Core	0.94	0.94	0.98	1.00	1.03	1.01	0.97	0.97	0.99	0.96	0.93	1.27	1.08	1.32	0.99
Mid Cap Growth	0.92	0.91	0.96	0.98	1.00	0.98	0.95	0.95	0.97	0.93	0.90	1.24	1.05	1.29	0.96
Mid Cap Value	0.93	0.93	0.98	0.99	1.02	1.00	0.97	0.96	0.98	0.95	0.92	1.26	1.07	1.31	0.98
Small Cap Core	0.96	0.96	1.01	1.03	1.05	1.03	1.00	0.99	1.02	0.98	0.95	1.30	1.11	1.35	1.01
Small Cap Growth	0.97	0.97	1.01	1.03	1.06	1.04	1.01	1.00	1.02	0.99	0.95	1.31	1.11	1.36	1.02
Small Cap Value	0.95	0.95	0.99	1.01	1.04	1.02	0.98	0.98	1.00	0.97	0.93	1.28	1.09	1.33	0.99
Int'l. Developed	0.98	0.98	1.02	1.04	1.07	1.05	1.02	1.01	1.03	1.00	0.97	1.33	1.13	1.38	1.03
Emerging Markets	1.02	1.01	1.06	1.08	1.11	1.09	1.05	1.05	1.07	1.04	1.00	1.37	1.17	1.43	1.06
REITs	0.74	0.74	0.77	0.79	0.81	0.79	0.77	0.76	0.78	0.75	0.73	1.00	0.85	1.04	0.78
Commodities	0.87	0.87	0.91	0.93	0.95	0.93	0.90	0.90	0.92	0.89	0.86	1.18	1.00	1.22	0.91
Int. Bond	0.71	0.71	0.74	0.76	0.78	0.76	0.74	0.73	0.75	0.73	0.70	0.96	0.82	1.00	0.75
High Yield	0.95	0.95	1.00	1.01	1.04	1.02	0.99	0.98	1.01	0.97	0.94	1.29	1.10	1.34	1.00

Source: Bloomberg

The Relative Strength Matrix provides an indication of how the various asset classes have performed relative to one another over the past 30 days. A number greater than 1.0 indicates that the asset class in the far left column has outperformed the corresponding asset class in the top row over the past 30 days. A number below 1.0 means the asset class on the left has underperformed the asset class at the top. The green shading indicates outperformance, and the red shading indicates underperformance.

Index Overview & Key Definitions

Fed, The Fed or FED refers to the Federal Reserve System, the central bank of the United States. The **Federal Open Market Committee (FOMC)** is the monetary policymaking body of the Federal Reserve System. **Fed Funds Rate**, the interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. The **European Central Bank (ECB)** is the central bank for Europe's single currency, the euro. The ECB's main task is to maintain the euro's purchasing power and thus price stability in the euro area. The euro area comprises the 19 European Union countries that have introduced the euro since 1999. The **Gross Domestic Product (GDP)** rate is a measurement of the output of goods and services produced by labor and property located in the United States. **Basis Point(s)** is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security. A **separately managed account (SMA)** is an individual managed investment account offered typically by a brokerage firm through one of their brokers or financial consultants and managed by independent investment management firms (often called money managers for short) and have varying fee structures. The **Consumer Price Index (CPI)** measures the change in the cost of a fixed basket of products and services. The **Producer Price Index (PPI)** program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services. **Core CPI** is an additional CPI Index, excludes energy and food item price changes, and measures the "core" or "underlying" rate of inflation. The **PCE (Personal Consumption Expenditure) Index of Prices** is a US-wide indicator of the average increase in prices for all domestic personal consumption. Using a variety of data including U.S. Consumer Price Index and Producer Price Index prices, it is derived from personal consumption expenditures; essentially a measure of goods and services targeted towards individuals and consumed by individuals. The **Purchasing Managers' Index (PMI)** is an indicator of the economic health of the manufacturing sector. The **PMI** is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. **Brexit** is a commonly used term for the United Kingdom's withdrawal from the European Union. The **Kansas City Fed Manufacturing Survey** monitors manufacturing plants selected according to geographic distribution, industry mix and size in the Tenth Federal Reserve District. **West Texas Intermediate (WTI)**, also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. **Risk Premium** is the return in excess of the risk-free rate of return an investment is expected to yield. **LIBOR or ICE LIBOR** (previously BBA LIBOR) is a benchmark rate, which some of the world's leading banks charge each other for short-term loans. It stands for Intercontinental Exchange London Interbank Offered Rate and serves as the first step to calculating interest rates on various loans throughout the world.

The **Dow Jones Industrial Average (DOW or DJIA)** is an unmanaged index of 30 common stocks comprised of 30 actively traded blue chip stocks, primarily industrials and assumes reinvestment of dividends. The **S&P 500 Index** is an unmanaged index comprised of 500 widely held securities considered to be representative of the stock market in general. The **S&P/Case-Shiller Home Price Indices** measure the residential housing market, tracking changes in the value of the residential real estate market in 20 metropolitan regions across the United States. The **Nasdaq Composite Index** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. The **US Dollar Index** is a measure of the value of the United States dollar relative to a basket of foreign currencies. It is a weighted geometric mean of the dollar's value relative to other select currencies (Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona (SEK) & Swiss franc). The **FTSE 100 Index (FTSE 100)** is a share index of the 100 companies listed on the London Stock Exchange (LSE) with the highest market capitalization. The **Bloomberg Commodity Index (formerly the Dow Jones-UBS Commodity Index)** tracks prices of futures contracts on physical commodities on the commodity markets and is designed to minimize concentration in any one commodity or sector (currently 22 commodity futures in seven sectors). The **Barclays Capital US Credit Index** is an unmanaged index considered representative of publicly issued, SEC-registered US corporate and specified foreign debentures and secured notes. The **Barclays Capital US Aggregate Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of at least one year. The **Barclays Capital US Corporate High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. The index may include emerging market debt. The **Barclays Capital Municipal Bond Index** is an unmanaged index comprised of investment-grade, fixed-rate municipal securities representative of the tax-exempt bond market in general. The **Barclays Capital US Treasury Total Return Index** is an unmanaged index of public obligations of the US Treasury with a remaining maturity of one year or more. The **Barclays Capital Global Aggregate ex-U.S. Index** is a market capitalization-weighted index, meaning the securities in the index are weighted according to the market size of each bond type. Most U.S. traded investment grade bonds are represented. Municipal bonds, and Treasury Inflation-Protected Securities are excluded, due to tax treatment issues. The index includes Treasury securities, Government agency bonds, Mortgage-backed bonds, Corporate bonds, and a small amount of foreign bonds traded in U.S. The **Barclays Capital U.S. 5-10 Year Corporate Bond Index** measures the investment return of U.S. dollar denominated, investment-grade, fixed rate, taxable securities issued by industrial, utility, and financial companies with maturities between 5 and 10 years. Treasury securities, mortgage-backed securities (MBS) foreign bonds, government agency bonds and corporate bonds are some of the categories included in the index. The **Barclays Capital U.S. Corporate High-Yield Index** is composed of fixed-rate, publicly issued, non-investment grade debt. The **Barclays Capital U.S. Corporate 5-10 Year Index** includes U.S. dollar-denominated, investment-grade, fixed-rate, taxable securities issued by industrial, utility, & financial companies, with maturities between 5 & 10 years. The **Russell 1000 Index** is a market capitalization-weighted benchmark index made up of the 1000 largest U.S. companies in the Russell 3000 Index. The **Russell 1000 Growth Index** is an unmanaged index considered representative of large-cap growth stocks. The **Russell 1000 Value Index** is an unmanaged index considered representative of large-cap value stocks. The **Russell 2000 Index** is an unmanaged index considered representative of small-cap stocks. The **Russell 2000 Growth Index** is an unmanaged index considered representative of small-cap growth stocks. The **Russell 2000 Value Index** is an unmanaged index considered representative of small-cap value stocks. The **Russell 3000 Index** is an unmanaged index considered representative of the US stock market. The **Russell Midcap Index** is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The **Russell Midcap Growth Index** is an unmanaged index considered representative of mid-cap growth stocks. The **Russell Midcap Value Index** is an unmanaged index considered representative of mid-cap value stocks. The **HFRI Indices** are a series of benchmarks of hedge fund industry performance which are engineered to achieve representative performance of a larger universe of hedge fund strategies. Hedge Fund Research, Inc. employs the HFRI Methodology (UCITS compliant), a proprietary and highly quantitative process by which hedge funds are selected as constituents for the HFRI Indices. The **University of Michigan Consumer Sentiment Index (MCSI)** is a survey of consumer confidence conducted by the University of Michigan using telephone surveys to gather information on consumer expectations regarding the overall economy. The **CBOE Volatility Index (VIX)** is an up-to-the-minute market estimate of expected volatility that is calculated by using real-time S&P 500 Index option bid/ask quotes. The Index uses nearby and second nearby options with at least 8 days left to expiration and then weights them to yield a constant, 30-day measure of the expected volatility of the S&P 500 Index. The **MSCI EAFE Index** is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. The **MSCI EAFE Growth Index** is an unmanaged index considered representative of growth stocks of Europe, Australasia and the Far East. The **MSCI EAFE Value Index** is an unmanaged index considered representative of value stocks of Europe, Australasia and the Far East. The **MSCI EM (Emerging Markets) Latin America Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets in Latin America. The **MSCI World ex-U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries - excluding the US. With 1,002 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Japan Index** is designed to measure the performance of the large and mid-cap segments of the Japanese market. With 320 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan. The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The **MSCI Europe Index** is an unmanaged index considered representative of stocks of developed European countries. The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. The **Barclays Intermediate US Government/Credit Bond Index** is a market capitalization-weighted index of investment-grade, fixed-rate debt issues, including Treasuries, government-related and U.S. corporate securities, with maturities of at least one year and less than 10 years. The **NY Empire State Manufacturing Index** is based on the monthly survey of manufacturers in New York State – known as the Empire State Manufacturing Survey – conducted by the Federal Reserve Bank of New York. The **S&P The Dow Jones Wilshire U.S. REIT Index** tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. The **Russell Top 200 Index** measures the performance of the 200 largest companies in the Russell 1000 Index, with a weighted average market capitalization of \$186 billion. The **Barclays 1-3 Year US Treasury Bond Index** measures public US Treasury obligations with remaining maturities of one to three years. The **S&P LSTA Leveraged Loan Index** is an unmanaged capitalization-weighted syndicated loan index based upon market weightings, spreads and interest payments. It covers the US market back to 1997 and currently calculates on a daily basis. The **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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