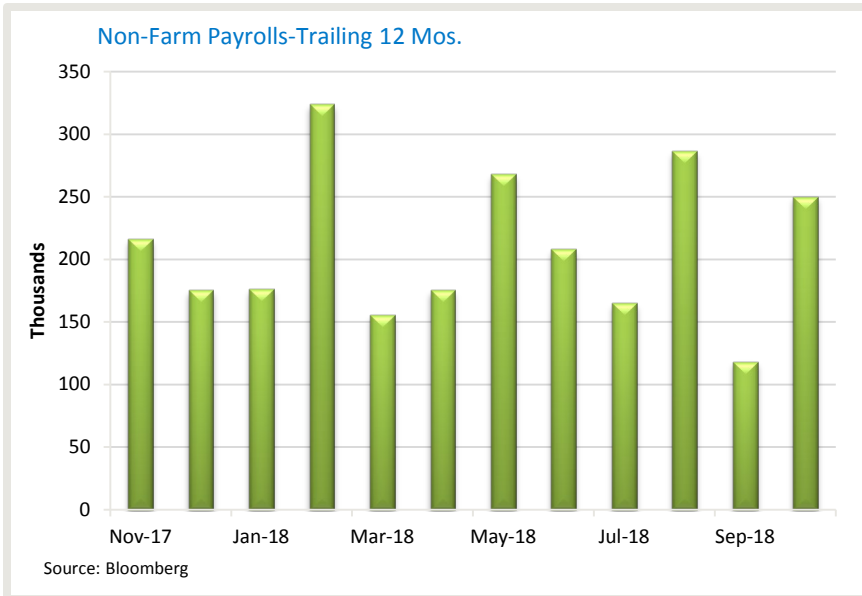


# Weekly Market Review

November 9, 2018

## Chart of the Week



## Weekly Highlights

- The Federal Reserve kept rates at their current level. In a statement released after the most recent meeting on rates, the Federal Open Market Committee (FOMC) maintained its positive outlook for the US economy, and indicated that another rate rise is likely in December, the last meeting of the year. The Committee voted unanimously to keep rates steady, and will monitor economic data closely in the coming year to determine the number of rate hikes in 2019.
- Initial jobless claims fell for the week ended November 3. In the latest of strong economic data, initial jobless claims fell from a seasonally adjusted 215,000 the previous week to 214,000. In other labor market news, the number of unfilled jobs exceeds the number of unemployed persons in the US by more than one million.
- Producer prices rose 0.6% in October from the prior month. The Producer Price Index, a measure of prices businesses receive for their goods and services, also increased from a year earlier, gaining 2.9% in value. The index has risen each year since 2016. The gains largely were driven by rising prices for services, signaling that the economy is on solid footing.

## Talking Points

- Stocks pushed higher in US equity markets despite a moderate pullback on Friday, whereas growth and value stocks produced similar results. Meanwhile, large cap outperformed small cap stocks. Non-US developed equities also rose for the week, albeit to a lesser degree than their US counterparts, and value outperformed growth stocks. In emerging markets, stocks were slightly lower for the week, as Latin American equities sold off sharply, led by Brazil, which was one of the worst-performing markets around the globe.

- Treasury yields were stable for the week, as the curve slightly flattened. Yields shorter than 10 years rose marginally, whereas yields on the 20- and 30 year notes fell. Overall, moves in the yield curve were muted, as the Fed decided to hold rates steady, with one more meeting to come before the end of the year.

- Commodity prices retreated during the week, led by a sharp drop in the price of oil. In fact, oil entered bear market territory, as it was down 21% from its October highs. Global economic growth concerns have dampened the demand outlook and have left market participants searching for a bottom.

- Volatility declined significantly during the week, as the CBOE Volatility Index (VIX) fell more than 10%. The US dollar was slightly higher for the week.

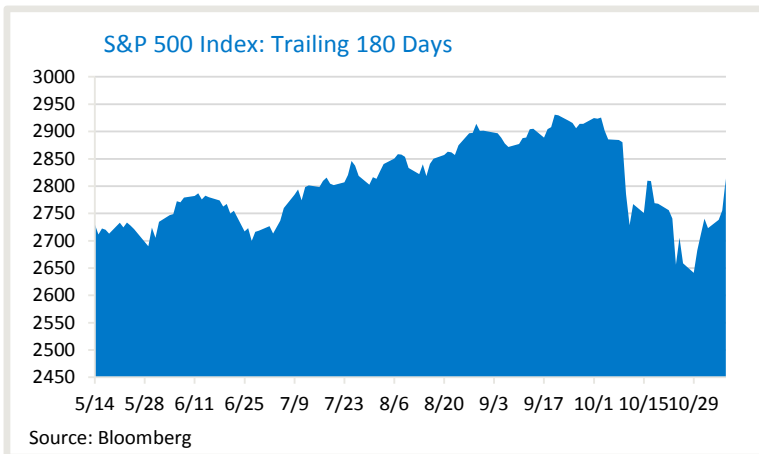
- Consumer sentiment remained high in the US. The University of Michigan Index of Consumer Sentiment was 98.3 in November, which was down from 98.6 in October.

## Market Dashboard

	Last Price	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	2,781.01	57.95	2.1%	4.0%
<b>Dow Industrials</b>	25,989.30	718.47	2.8%	5.1%
<b>Nasdaq</b>	7,406.90	49.91	0.7%	7.3%
<b>Russell 2000</b>	1,549.49	1.51	0.1%	0.9%
<b>Euro Stoxx Index</b>	365.74	1.66	0.5%	-6.0%
<b>Shanghai Composite</b>	2,598.87	-77.60	-2.9%	-21.4%
<b>Russell Global</b>	2,080.02	38.84	1.9%	-3.0%

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

	Last Price	Change	% Chg.	YTD %
<b>Russell Global EM</b>	3,101.38	-5.13	-0.2%	-14.9%
<b>10-Year US Treas.</b>	3.19	-3 bps	NM	8 bps
<b>Bloomberg Cmnts. Idx.</b>	82.89	-0.99	-1.2%	-6.0%
<b>Gold</b>	\$1,209.70	-\$23.22	-1.9%	-7.1%
<b>Crude Oil</b>	\$59.84	-\$3.28	-5.2%	3.1%
<b>Dollar Index</b>	96.89	0.35	0.4%	5.2%
<b>VIX Index</b>	17.36	-2.15	-11.0%	57.2%



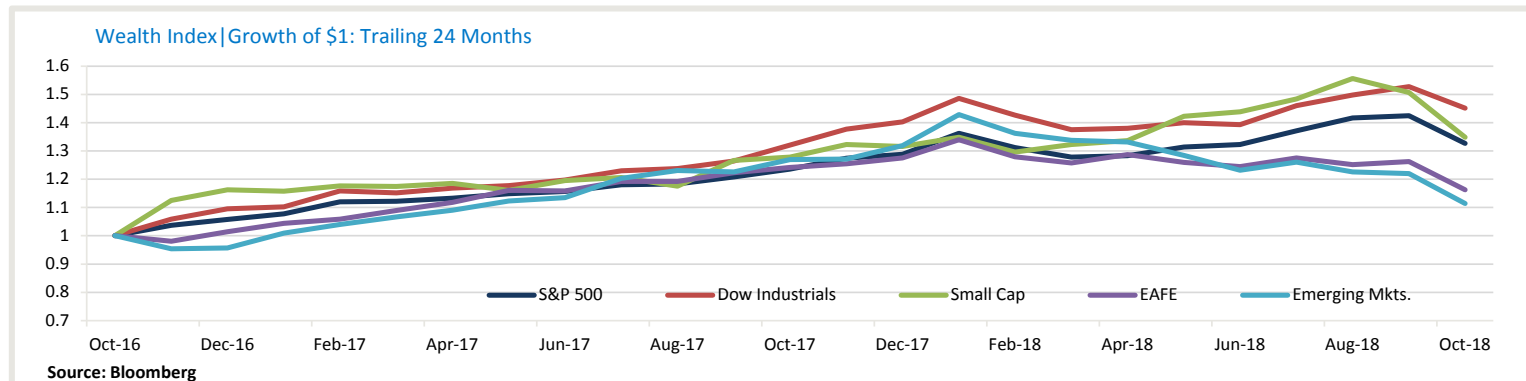
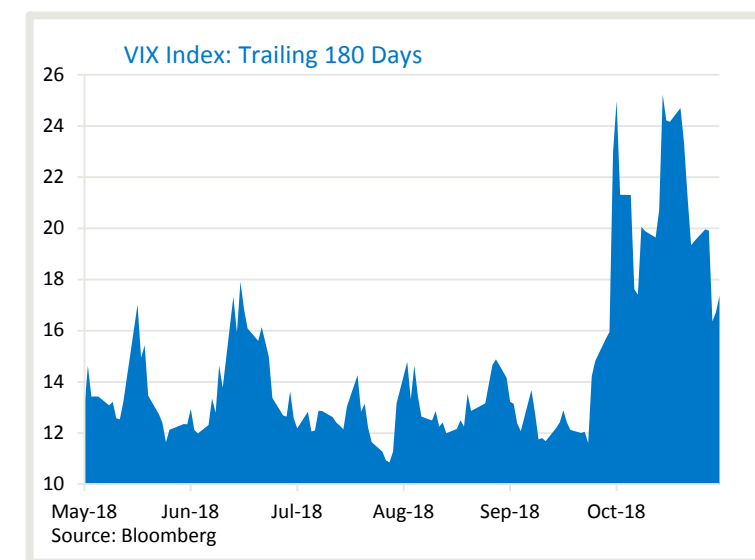
	One Week			YTD		
	Value	Growth		Value	Growth	
L	2.43%	2.19%	1.97%	0.66%	5.19%	9.03%
	1.65%	1.21%	0.58%	-3.35%	-0.27%	3.67%
S	0.67%	0.10%	-0.45%	-1.45%	0.91%	3.10%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
<b>Consumer Discretionary</b>	10.0	1.99%	10.9%
<b>Consumer Staples</b>	7.4	2.88%	-0.5%
<b>Energy</b>	5.6	0.94%	-5.2%
<b>Financials</b>	13.7	2.61%	-3.2%
<b>Health Care</b>	15.3	4.01%	12.4%
<b>Industrials</b>	9.4	2.05%	-4.6%
<b>Information Technology</b>	20.4	1.40%	10.6%
<b>Materials</b>	2.6	1.86%	-9.3%
<b>Real Estate</b>	2.8	3.65%	0.4%
<b>Communication Services</b>	9.8	-0.20%	-9.9%
<b>Utilities</b>	3.1	3.10%	3.9%

Source: Bloomberg



## The Economy and Markets

### ***A Macro View: Beyond the US Mid-Term Elections: Emerging Markets Look To Turn the Corner***

Now that the US mid-term elections are behind us, it is a good time to reflect on the potential implications for an asset class that might not spring to mind: emerging markets equity. To appreciate the effect of the US elections on emerging markets, it is necessary to take a step back and review the issues affecting the asset class. On the back of surging earnings and global synchronized economic growth, emerging markets soared in 2017, with the MSCI Emerging Markets Index (USD) up 37% in a market driven by growth and momentum. The euphoric highs of 2017 faded relatively quickly, as a variety of macroeconomic events and adverse headline news created a distinct headwind for emerging markets equities, which are now down more than 12% year to date. We believe that several factors will be vital for emerging markets to turn the corner and get out of the doldrums.

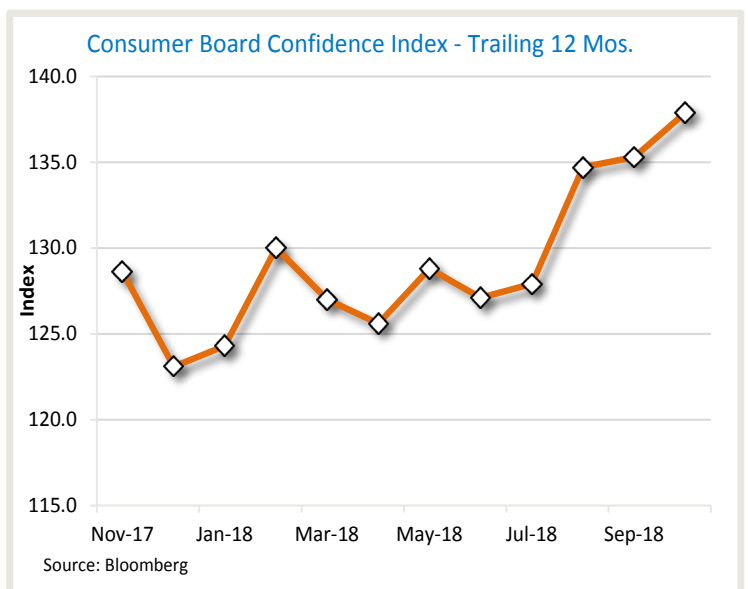
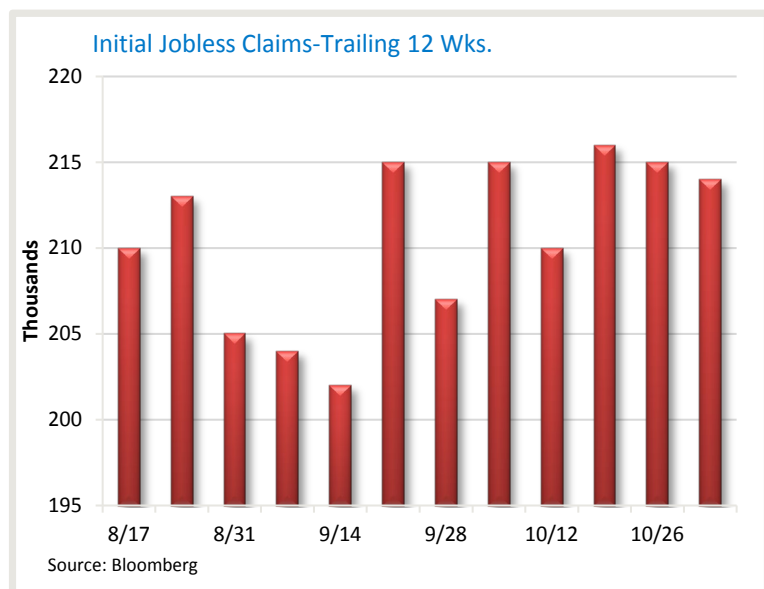
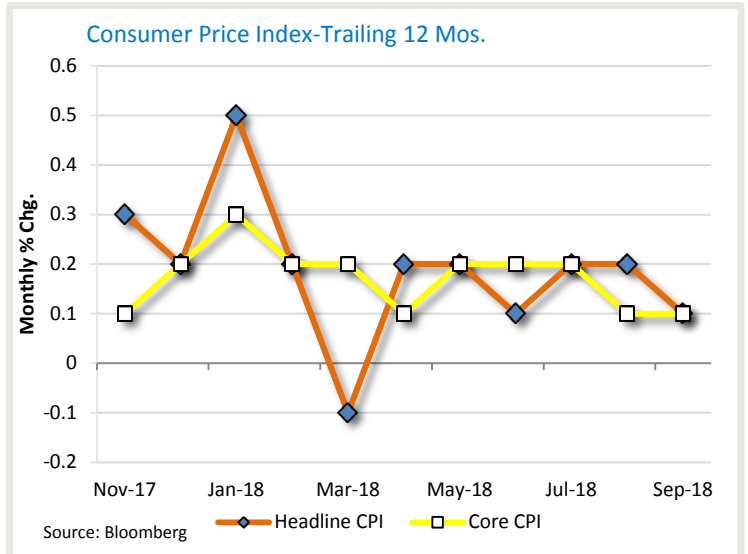
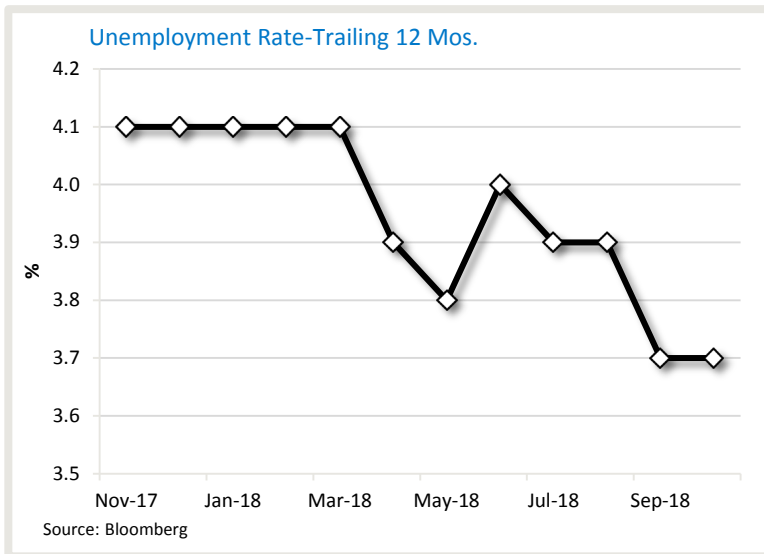
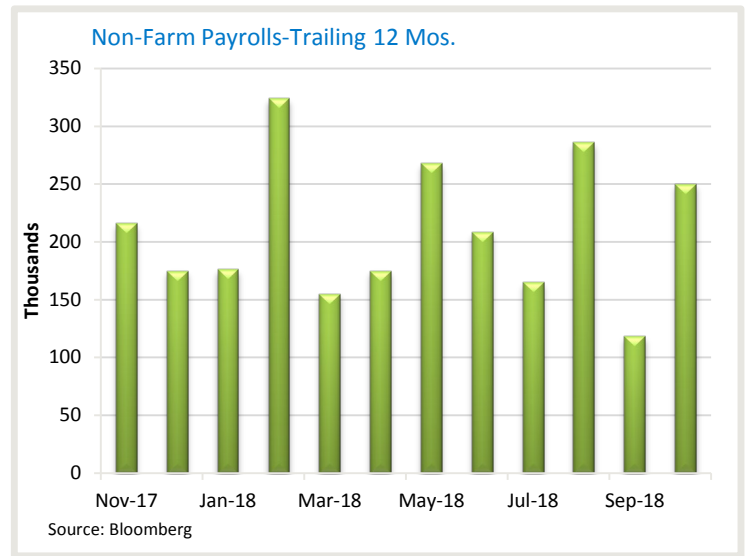
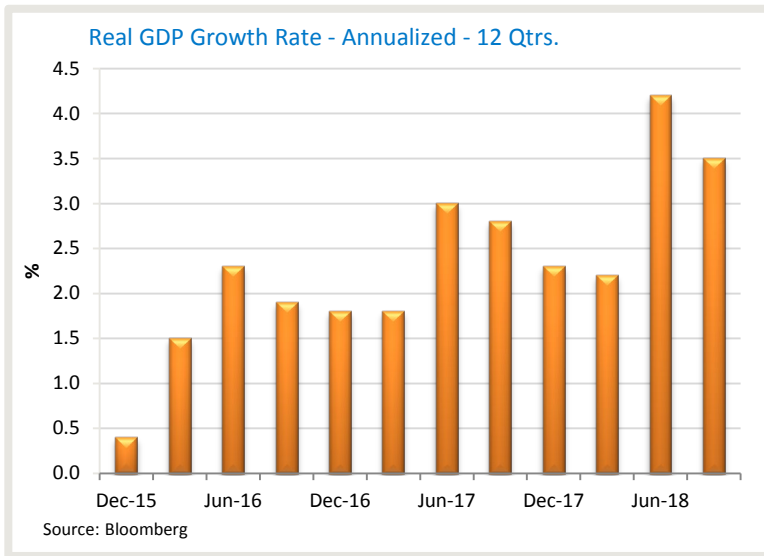
The champagne-induced hangovers had barely subsided in 2018 when the global synchronized economic growth story that helped lift markets around the world disintegrated. Data indicated that the European economy was decelerating, which negatively affected non-US equity markets. Despite positive economic data in the US, which normally bolsters emerging markets, the Federal Reserve (the Fed) has moved to normalize monetary policy by increasing rates to head off the potential of an overheated economy. The US dollar strengthened as a result, which adversely affected emerging markets currencies, particularly in countries with a negative current account balance. Given the economic momentum in the US, it is likely that the Fed will continue to tighten monetary policy in the near term. That being said, the Fed policy futures market indicates that in mid-2019, rate hikes are expected to slow, which undoubtedly can help ease the pressure on emerging markets.

The larger cloud hanging over emerging markets equity is the escalating trade conflict between the world's two largest economies: the US and China. In a sequence of tit-for-tat announcements, the two nations have introduced a series of escalating tariffs on a wide range of goods. The trade spat has effectively dampened the mood of emerging markets participants as they try to decipher the implications of a broader trade war involving China—the most important of the emerging markets. Many portfolio managers feel that after losing the House of Representatives, President Trump, after applying heavy pressure on China to change its trade practices, will take a more conciliatory approach and ultimately strike a deal, as he did in renegotiating NAFTA (now known as the US-Mexico-Canada Agreement or “USMCA”). Alternatively, some portfolio managers believe that given the resistance the President's legislative agenda will face from the opposition party now in power in the House, he will seek trade policy that does not require legislative approval to make sweeping changes. Either way, it seems the issue of trade policy with China will come to a head later this month when President Trump and President Xi Jinping of China meet to hammer out an agreement. If the two sides can come to an acceptable agreement, the broader emerging markets space will no longer be threatened by a trade war.

There is no doubt that emerging markets have faced a variety of headwinds so far in 2018. Although their economies continue to develop, market reforms continue apace, and earnings remain strong, significant macroeconomic and headline issues have distracted market participants from good news in the asset class. With the mid-term elections in the rear view mirror and a potential thawing of trade relations between the US and China on the horizon, there is hope that emerging markets will move past their recent difficulties.

*Dan Homan, CFA*

## Economic Data



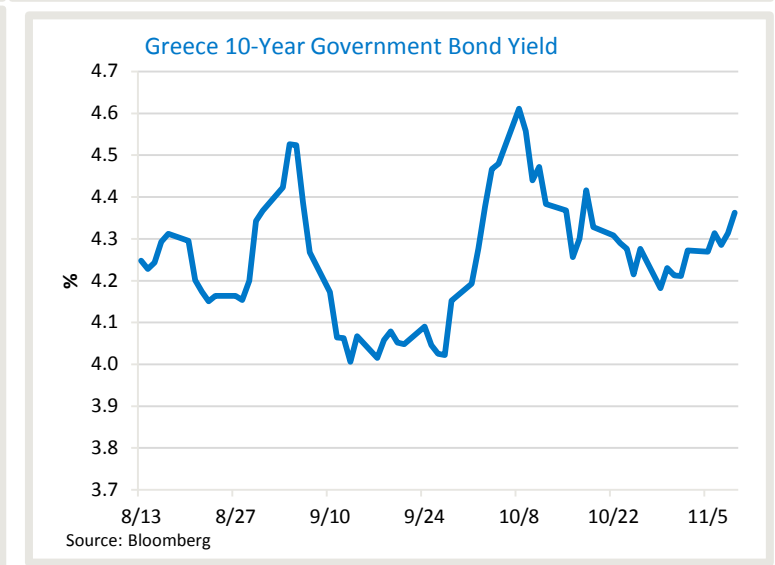
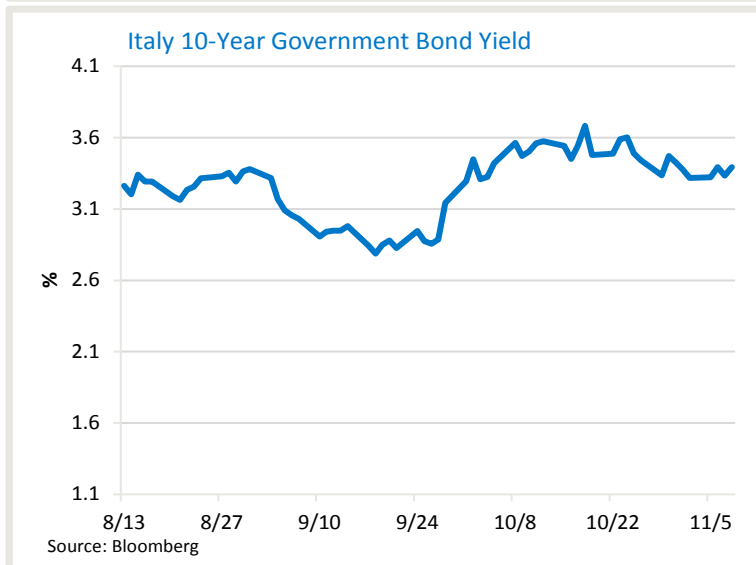
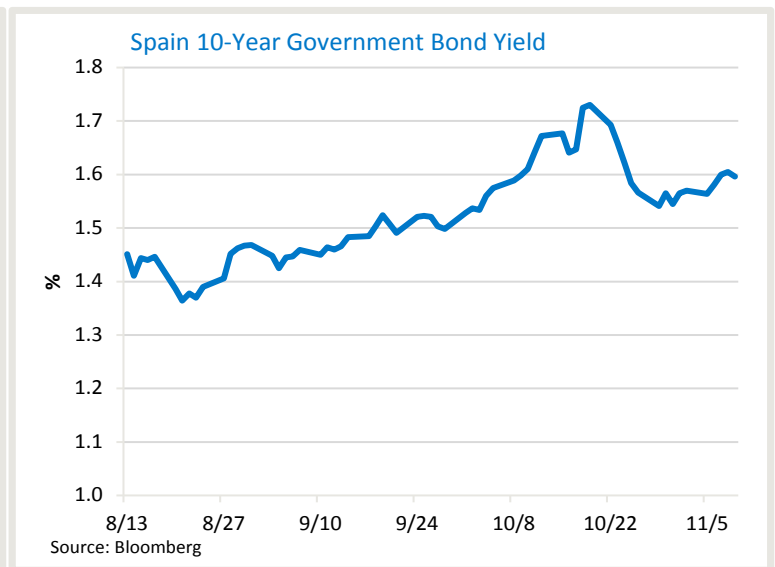
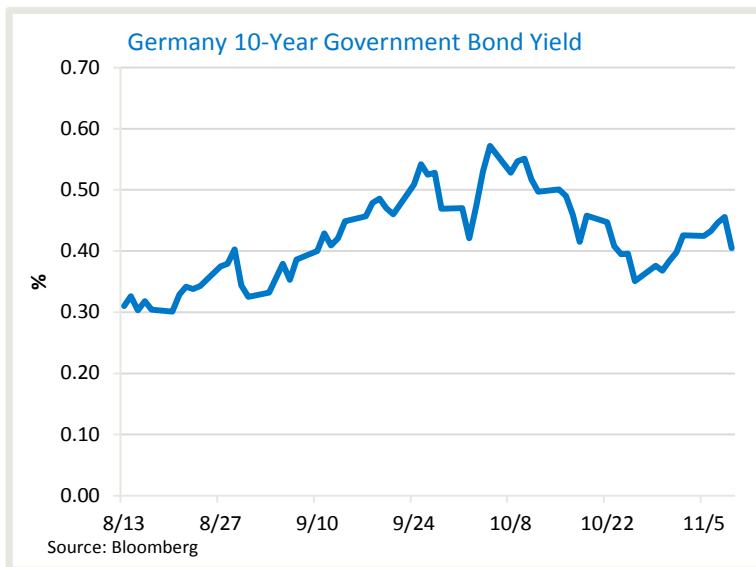
## Eurozone

### SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.41	2 bps	NM	NM
Greece 10-Yr. Govt.	4.36	-7 bps	NM	NM
Italy 10-Yr. Govt.	3.40	-7 bps	NM	NM
Spain 10-Yr. Govt.	1.60	-2 bps	NM	NM
Belgium 10-Yr. Govt.	0.82	-1 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.78	0 bps	NM	NM
Ireland 10-Yr. Govt.	0.97	2 bps	NM	NM
Portugal 10-Yr. Govt.	1.94	-6 bps	NM	NM
Netherlands 10-Yr. Govt.	0.54	0 bps	NM	NM
U.K. 10-Yr. Govt.	1.49	0 bps	NM	NM

Source: Bloomberg  
Basis points (bps)

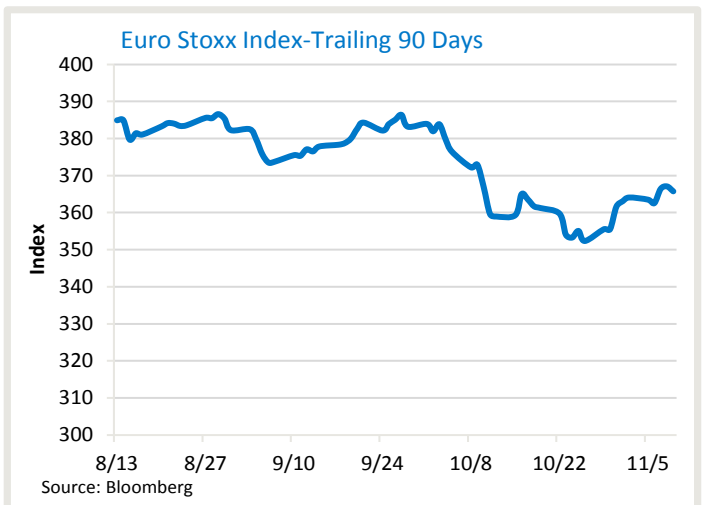
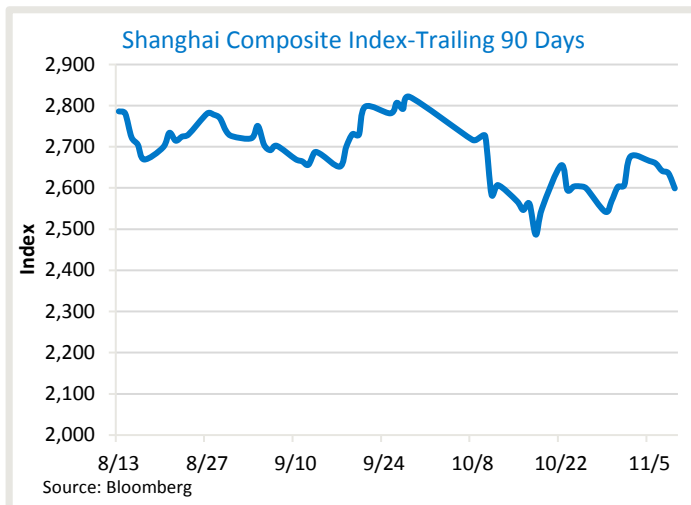
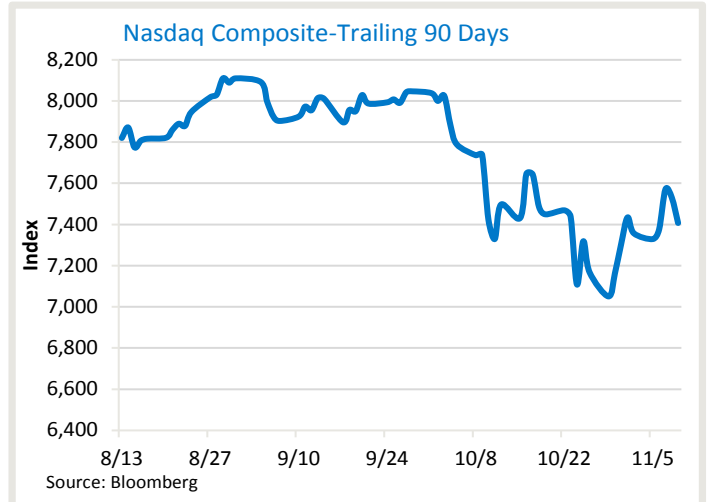
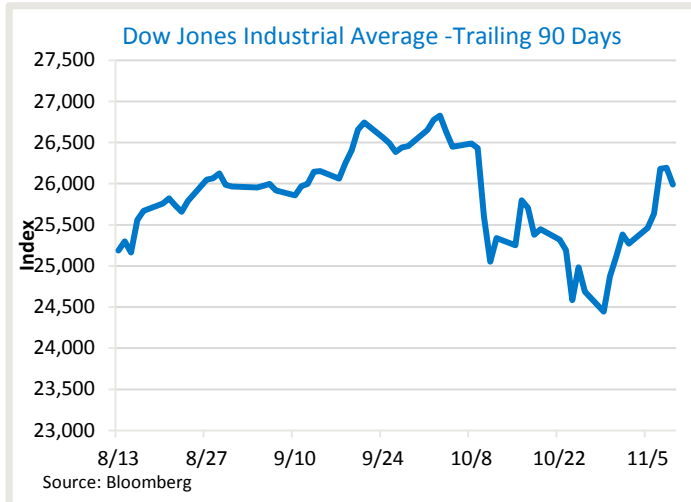


## Equities

### WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>S&amp;P 500</b>	<b>2,781.01</b>	<b>57.95</b>	<b>2.13%</b>	<b>4.02%</b>	<b>Swiss Market Index</b>	<b>9,074.03</b>	<b>81.73</b>	<b>0.91%</b>	<b>-3.28%</b>
<b>Dow Industrials</b>	<b>25,989.30</b>	<b>718.47</b>	<b>2.84%</b>	<b>5.14%</b>	<b>CAC 40 Index (France)</b>	<b>5,106.75</b>	<b>4.62</b>	<b>0.09%</b>	<b>-3.87%</b>
<b>Nasdaq Composite</b>	<b>7,406.90</b>	<b>49.91</b>	<b>0.68%</b>	<b>7.29%</b>	<b>DAX Index (Germany)</b>	<b>11,529.16</b>	<b>10.17</b>	<b>0.09%</b>	<b>-10.75%</b>
<b>Russell Global</b>	<b>2,080.02</b>	<b>38.84</b>	<b>1.90%</b>	<b>-3.0%</b>	<b>Irish Overall Index</b>	<b>6,172.13</b>	<b>-51.94</b>	<b>-0.83%</b>	<b>-12.31%</b>
<b>Russell Global EM</b>	<b>3,101.38</b>	<b>-5.13</b>	<b>-0.17%</b>	<b>-14.9%</b>	<b>Nikkei 225</b>	<b>22,250.25</b>	<b>6.59</b>	<b>0.03%</b>	<b>-2.26%</b>
<b>S&amp;P/TSX (Canada)</b>	<b>15,274.44</b>	<b>155.16</b>	<b>1.03%</b>	<b>-5.77%</b>	<b>Hang Seng Index</b>	<b>25,601.92</b>	<b>-884.43</b>	<b>-3.34%</b>	<b>-14.43%</b>
<b>Mexico IPC</b>	<b>44,263.74</b>	<b>-1269.55</b>	<b>-2.79%</b>	<b>-10.49%</b>	<b>Shanghai Composite</b>	<b>2,598.87</b>	<b>-77.60</b>	<b>-2.90%</b>	<b>-21.42%</b>
<b>Brazil Bovespa</b>	<b>85,641.19</b>	<b>-2777.84</b>	<b>-3.14%</b>	<b>12.09%</b>	<b>Kospi Index (S. Korea)</b>	<b>2,086.09</b>	<b>-9.91</b>	<b>-0.47%</b>	<b>-15.46%</b>
<b>Euro Stoxx 600</b>	<b>365.74</b>	<b>1.66</b>	<b>0.46%</b>	<b>-6.02%</b>	<b>Taiwan TaieX Index</b>	<b>9,830.01</b>	<b>-76.58</b>	<b>-0.77%</b>	<b>-7.64%</b>
<b>FTSE 100</b>	<b>7,105.34</b>	<b>11.22</b>	<b>0.16%</b>	<b>-7.58%</b>	<b>Tel Aviv 25 Index</b>	<b>1,657.49</b>	<b>46.06</b>	<b>2.86%</b>	<b>9.78%</b>
<b>IBEX 35 (Spain)</b>	<b>9,134.80</b>	<b>141.80</b>	<b>1.58%</b>	<b>-9.05%</b>	<b>MOEX Index (Russia)</b>	<b>2,403.47</b>	<b>25.52</b>	<b>1.07%</b>	<b>13.92%</b>

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



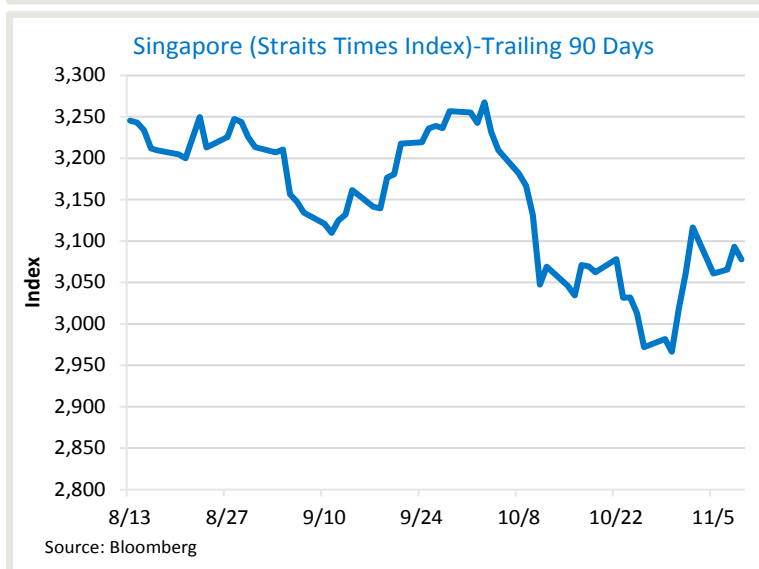
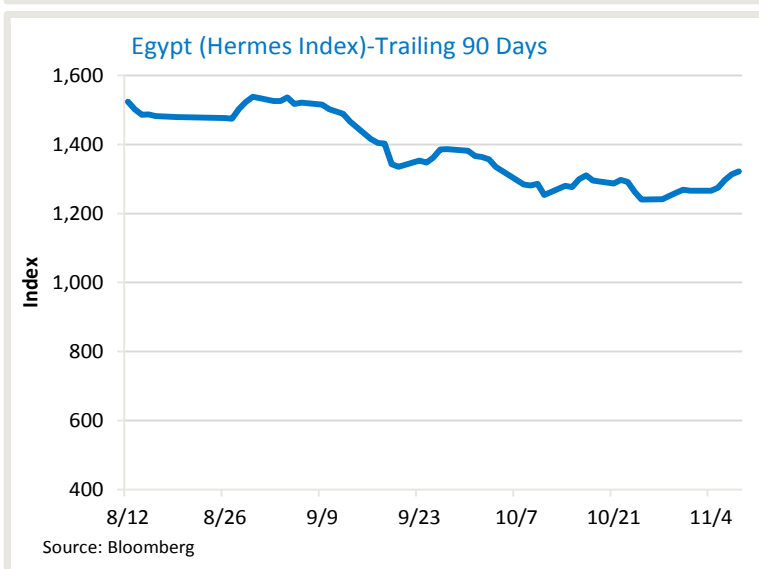
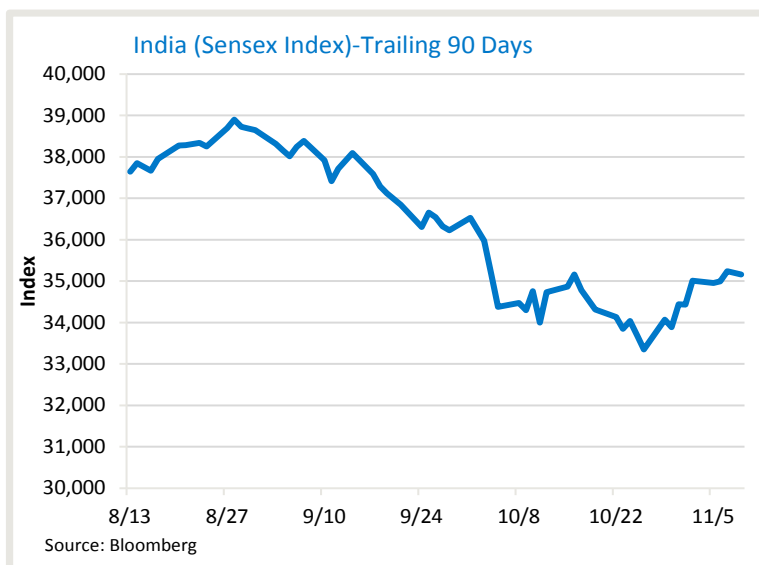
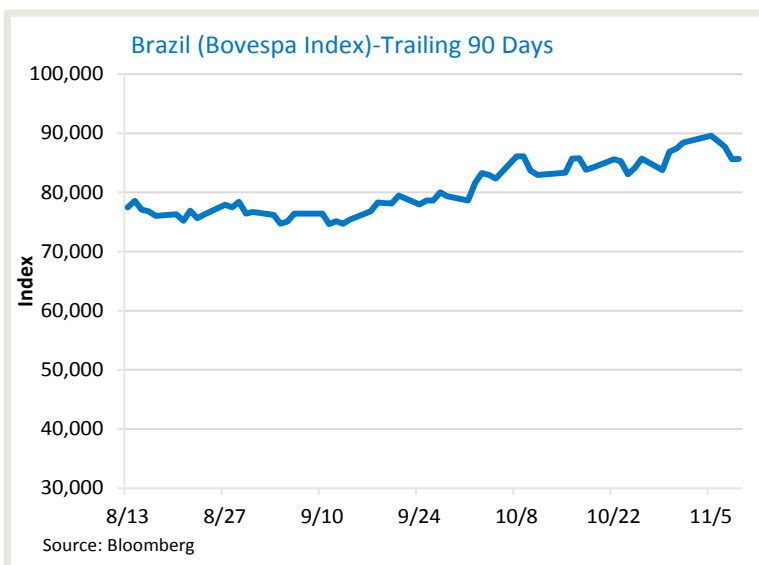
## Equities – Emerging and Frontier Markets

### EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	44,263.74	-1269.55	-2.8%	-10.5%
Brazil (Bovespa Index)	85,641.19	-2777.84	-3.1%	12.1%
MOEX Index (Russia)	2,403.47	25.52	1.1%	13.9%
Czech Republic (Prague)	1,089.08	21.35	2.0%	1.0%
Turkey (Istanbul)	92,839.19	-1283.81	-1.4%	-19.5%
Egypt (Hermes Index)	1,321.68	55.39	4.4%	-8.0%
Kenya (Nairobi 20 Index)	2,833.29	2.19	0.1%	-23.7%
Saudi Arabia (TASI Index)	7,743.39	-135.98	-1.7%	7.2%
Lebanon (Beirut BLOM Index)	973.59	-5.82	-0.6%	-15.2%
Palestine	529.13	1.94	0.4%	-7.9%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	25,601.92	-884.43	-3.3%	-14.4%
India (Sensex 30)	35,158.55	146.90	0.4%	3.2%
Malaysia (KLCI Index)	1,708.09	1.17	0.1%	-4.9%
Singapore (Straits Times Index)	3,077.97	17.12	0.6%	-9.5%
Thailand (SET Index)	1,668.52	-13.32	-0.8%	-4.9%
Indonesia (Jakarta)	5,874.15	-32.14	-0.5%	-7.6%
Pakistan (Karachi KSE 100)	41,388.88	-615.21	-1.5%	2.3%
Vietnam (Ho Chi Minh)	914.29	-10.57	-1.1%	-7.1%
Sri Lanka (Colombo)	5,978.63	-135.50	-2.2%	-6.1%
Cambodia (Laos)	828.57	-10.40	-1.2%	-17.0%

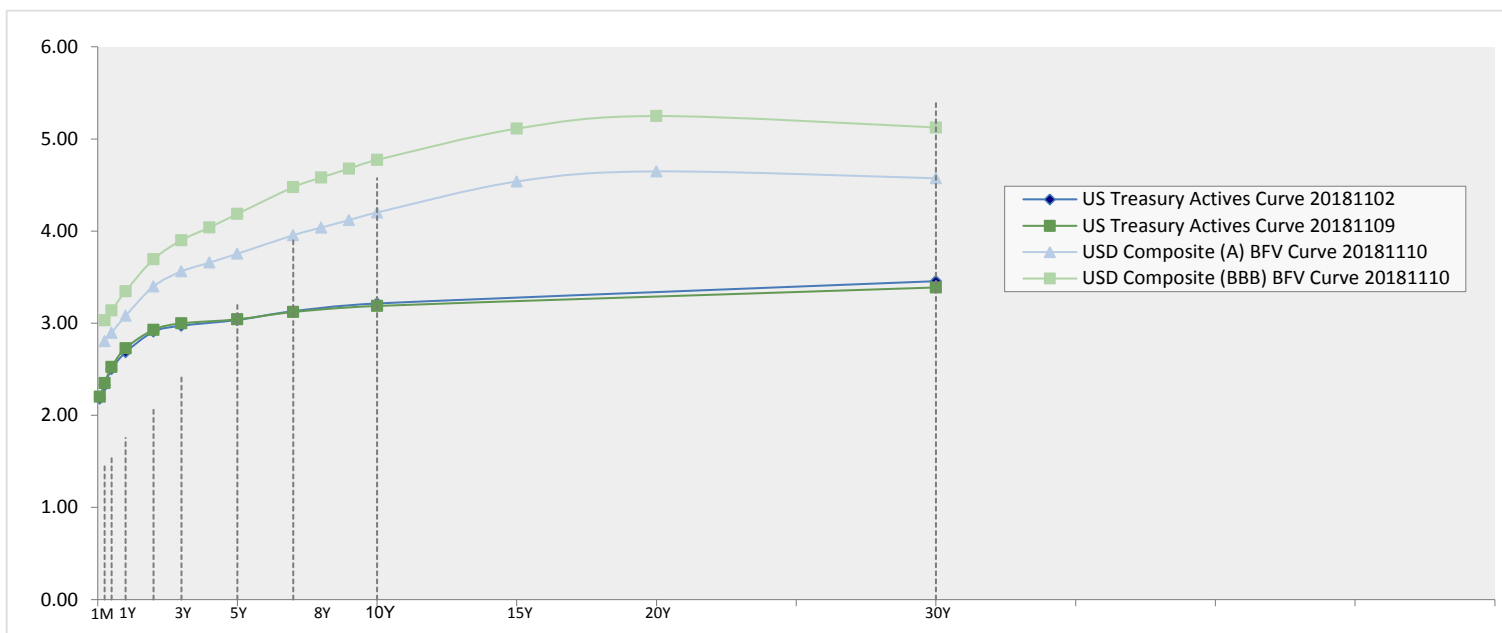


## Interest Rates

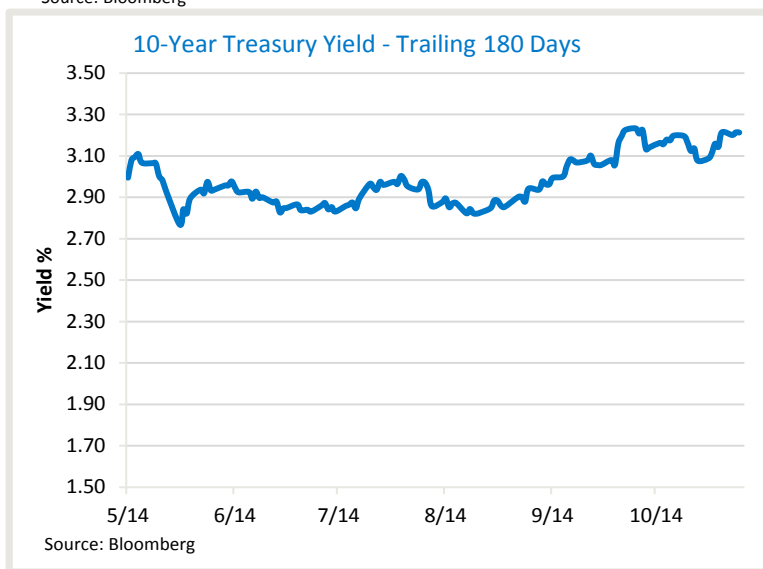
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	2.93%	0 bps	NM	NM	Prime Rate	5.25%	0.00	NM	NM
5-Yr. U.S. Treasury	3.04%	1 bps	NM	NM	Fed Funds Rate	2.25%	0.00	NM	NM
10-Yr. U.S. Treasury	3.19%	-3 bps	NM	NM	Discount Rate	2.75%	0.00	NM	NM
30-Yr. U.S. Treasury	3.39%	-6 bps	NM	NM	LIBOR (3 Mo.)	2.61%	2 bps	NM	NM
German 10-Yr. Govt.	0.41%	2 bps	NM	NM	Bond Buyer 40 Muni	4.57%	-5 bps	NM	NM
France 10-Yr.	0.78%	0 bps	NM	NM	Bond Buyer 40 G.O.	4.36%	NA	NM	NM
Italy 10-Yr.	3.40%	-7 bps	NM	NM	Bond Buyer 40 Rev.	4.85%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	2.07%	1 bps	NM	NM					

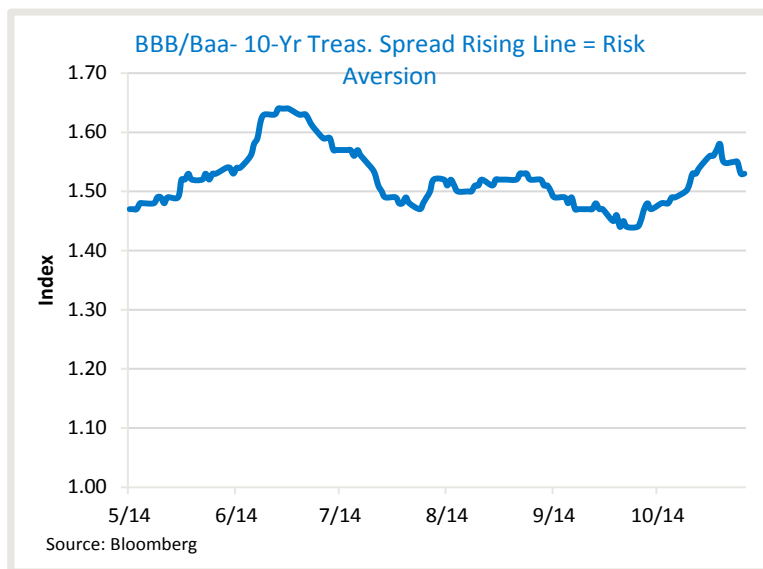
Source: Bloomberg



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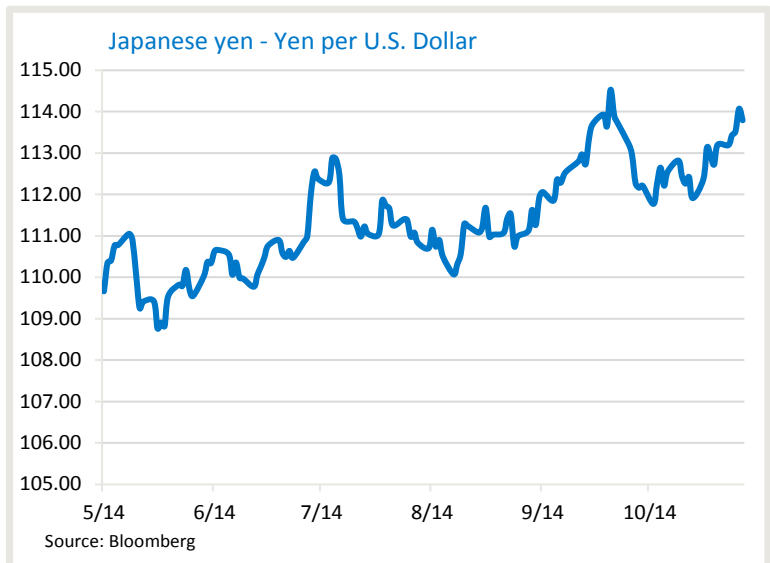
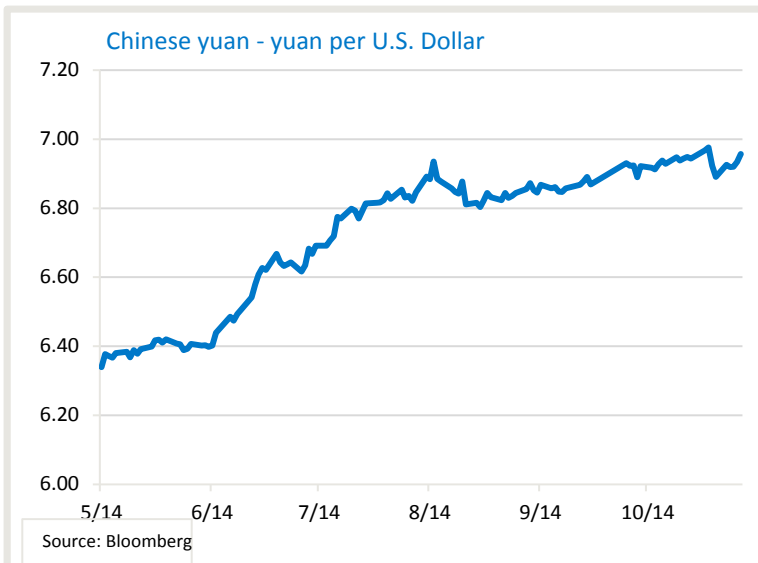
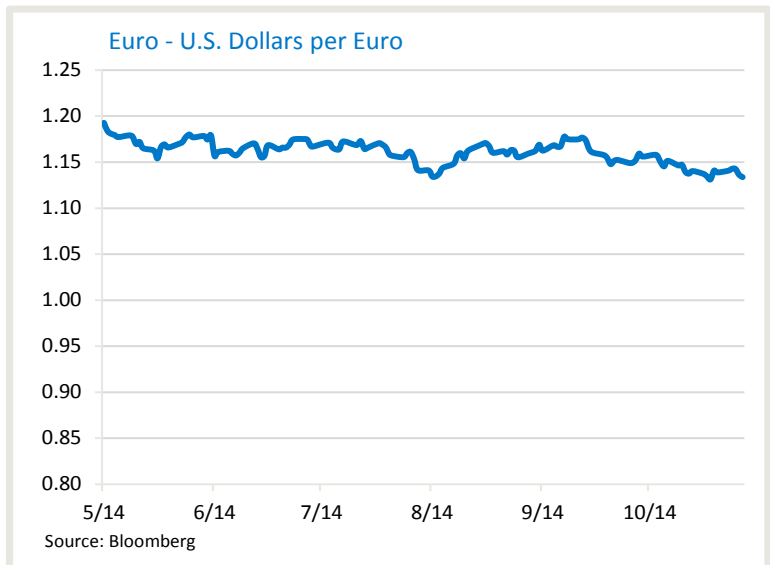
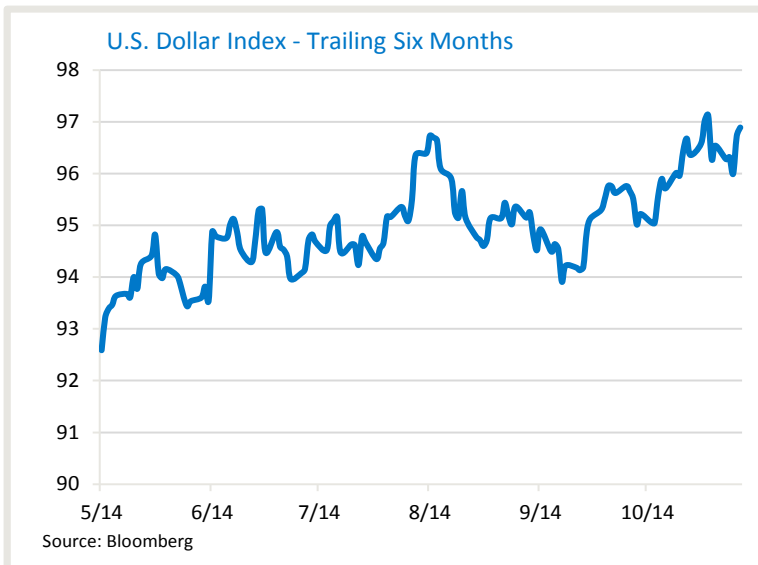
## Currencies

### SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
<b>Dollar Index</b>	<b>96.89</b>	<b>0.349</b>	<b>0.36%</b>	<b>5.17%</b>
<b>Euro</b>	<b>1.13</b>	<b>-0.005</b>	<b>-0.45%</b>	<b>-5.56%</b>
<b>Japanese Yen</b>	<b>113.79</b>	<b>0.590</b>	<b>-0.52%</b>	<b>-0.97%</b>
<b>British Pound</b>	<b>1.30</b>	<b>0.000</b>	<b>0.02%</b>	<b>-4.00%</b>
<b>Canadian Dollar</b>	<b>1.32</b>	<b>0.009</b>	<b>-0.65%</b>	<b>-4.74%</b>

	Last	Change	% Chg.	YTD %
<b>Chinese Yuan</b>	<b>6.96</b>	<b>0.066</b>	<b>-0.95%</b>	<b>-6.47%</b>
<b>Swiss Franc</b>	<b>1.01</b>	<b>0.002</b>	<b>-0.21%</b>	<b>-3.11%</b>
<b>New Zealand Dollar</b>	<b>0.67</b>	<b>0.008</b>	<b>1.17%</b>	<b>-5.06%</b>
<b>Brazilian Real</b>	<b>3.73</b>	<b>0.031</b>	<b>-0.82%</b>	<b>-11.31%</b>
<b>Mexican Peso</b>	<b>20.09</b>	<b>0.088</b>	<b>-0.44%</b>	<b>-2.20%</b>

Source: Bloomberg

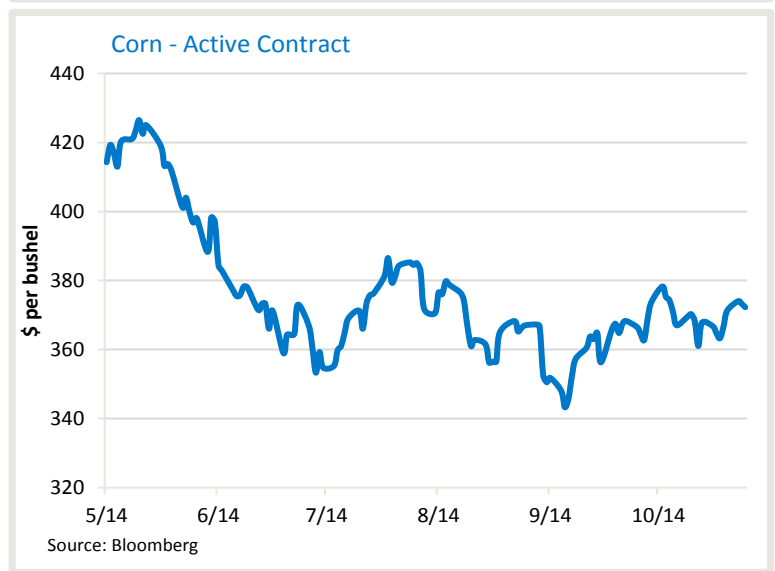
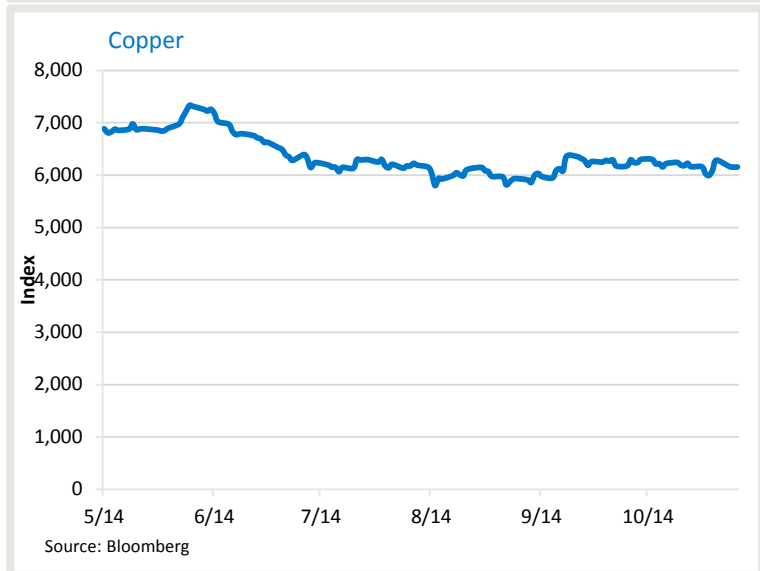
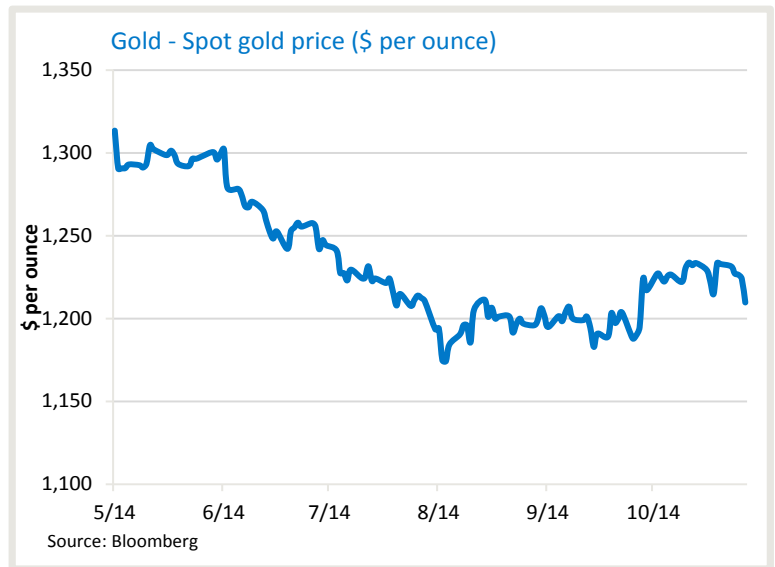
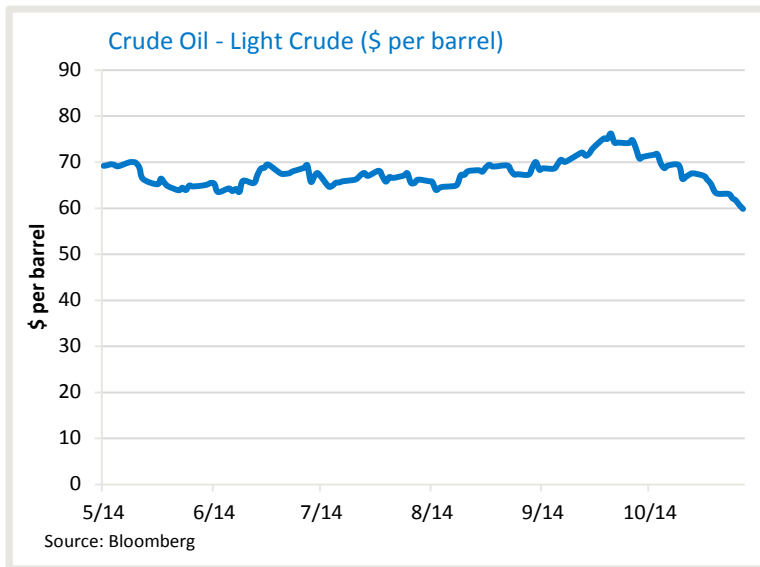


## Commodities

### SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
<b>Bloomberg Comm. Idx.</b>	<b>82.89</b>	<b>-0.99</b>	<b>-1.18%</b>	<b>-5.98%</b>	<b>Platinum Spot</b>	<b>\$853.31</b>	<b>-\$14.75</b>	<b>-1.70%</b>	<b>-8.06%</b>
<b>Crude Oil</b>	<b>\$59.80</b>	<b>-\$3.28</b>	<b>-5.19%</b>	<b>3.08%</b>	<b>Corn</b>	<b>369.75</b>	<b>-1.50</b>	<b>-0.40%</b>	<b>-3.71%</b>
<b>Natural Gas</b>	<b>\$3.72</b>	<b>\$0.43</b>	<b>13.19%</b>	<b>24.02%</b>	<b>Wheat</b>	<b>502.00</b>	<b>-6.75</b>	<b>-1.33%</b>	<b>4.15%</b>
<b>Gasoline (\$/Gal.)</b>	<b>\$2.72</b>	<b>-\$0.05</b>	<b>-1.84%</b>	<b>9.49%</b>	<b>Soybeans</b>	<b>886.75</b>	<b>-1.00</b>	<b>-0.11%</b>	<b>-9.79%</b>
<b>Heating Oil</b>	<b>215.67</b>	<b>-1.52</b>	<b>-0.70%</b>	<b>10.38%</b>	<b>Sugar</b>	<b>12.73</b>	<b>-0.71</b>	<b>-5.28%</b>	<b>-18.87%</b>
<b>Gold Spot</b>	<b>\$1,209.51</b>	<b>-\$23.22</b>	<b>-1.88%</b>	<b>-7.15%</b>	<b>Orange Juice</b>	<b>136.15</b>	<b>-2.00</b>	<b>-1.45%</b>	<b>-4.99%</b>
<b>Silver Spot</b>	<b>\$14.16</b>	<b>-\$0.55</b>	<b>-3.75%</b>	<b>-16.38%</b>	<b>Aluminum</b>	<b>1,990.00</b>	<b>17.00</b>	<b>0.86%</b>	<b>-12.26%</b>
					<b>Copper</b>	<b>6,155.00</b>	<b>-128.00</b>	<b>-2.04%</b>	<b>-15.07%</b>

Source: Bloomberg; % change is based on price.

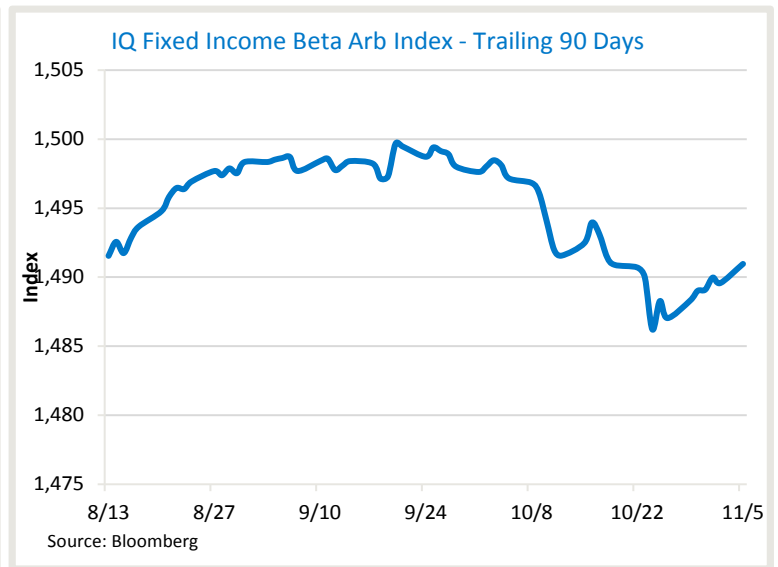
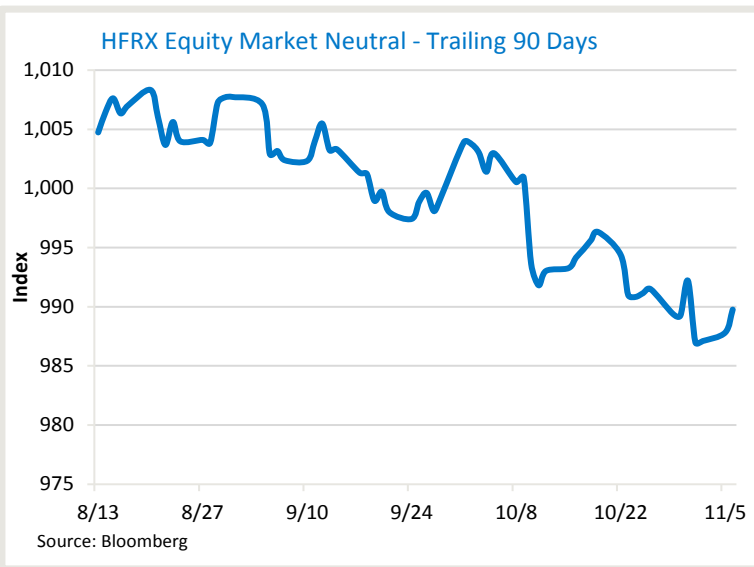
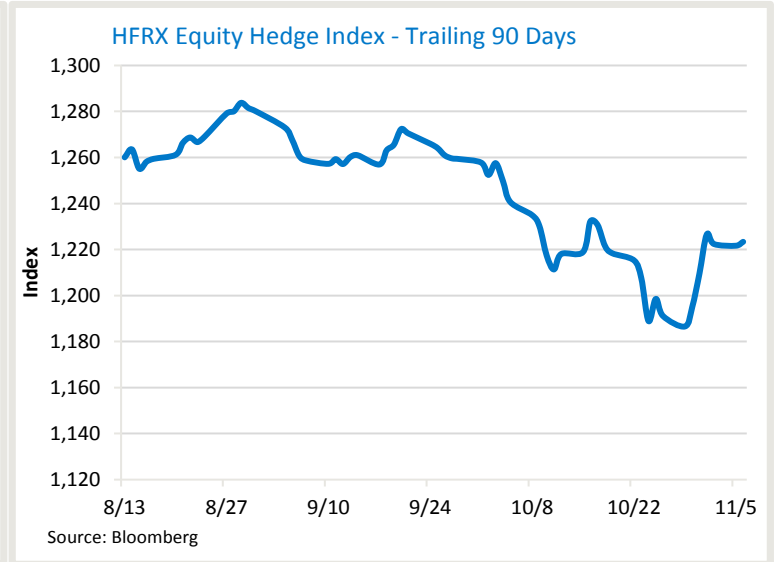
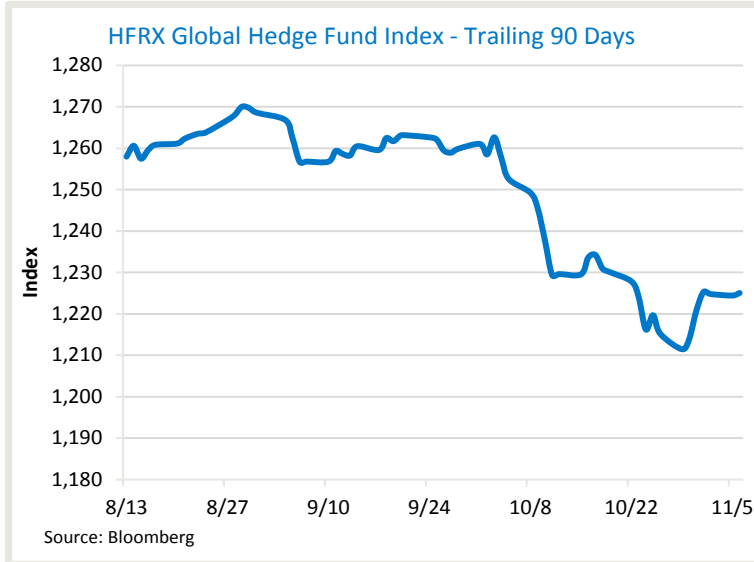


## Alternative Investments

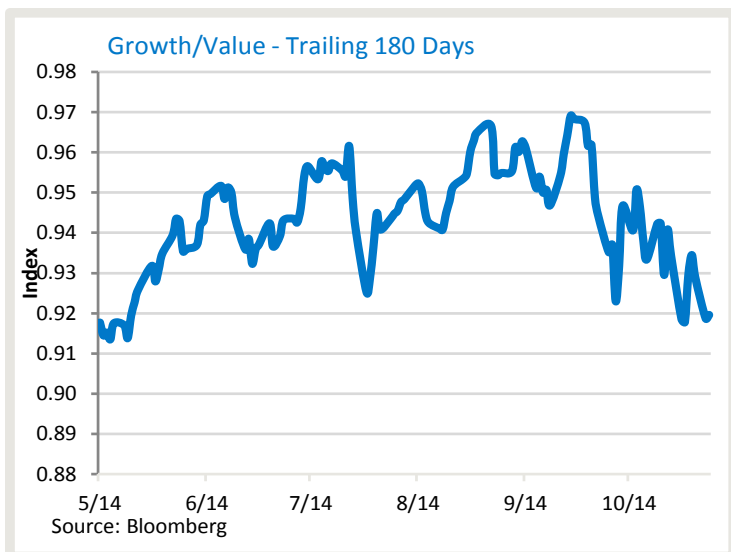
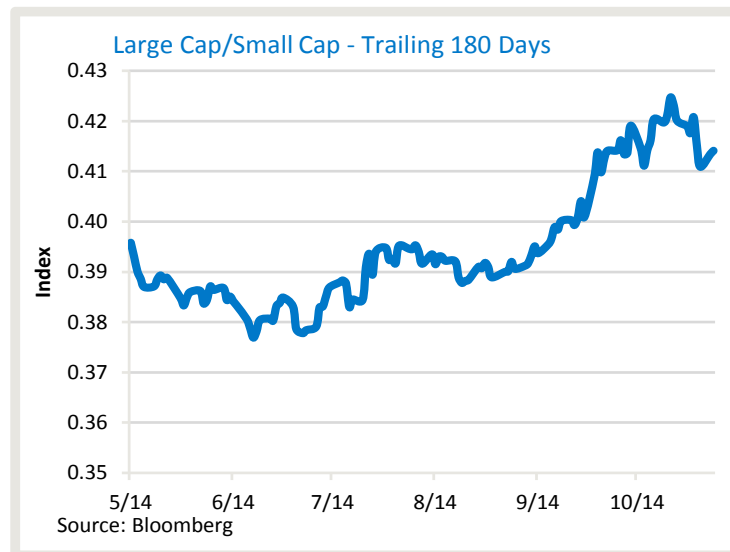
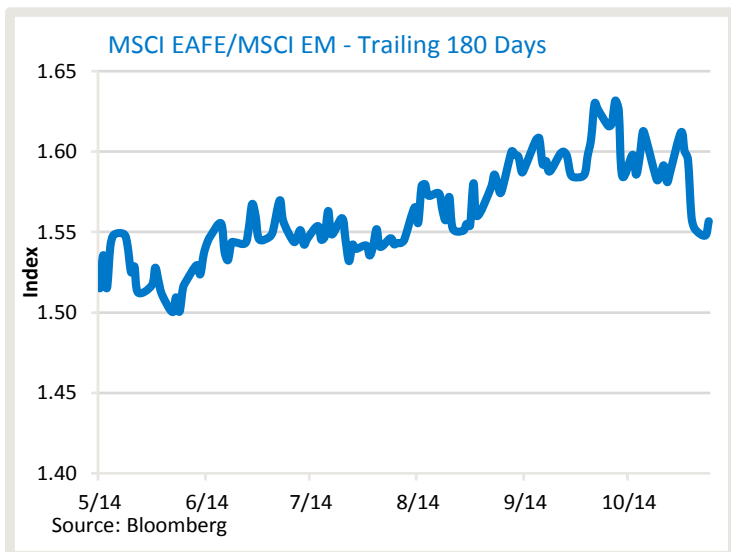
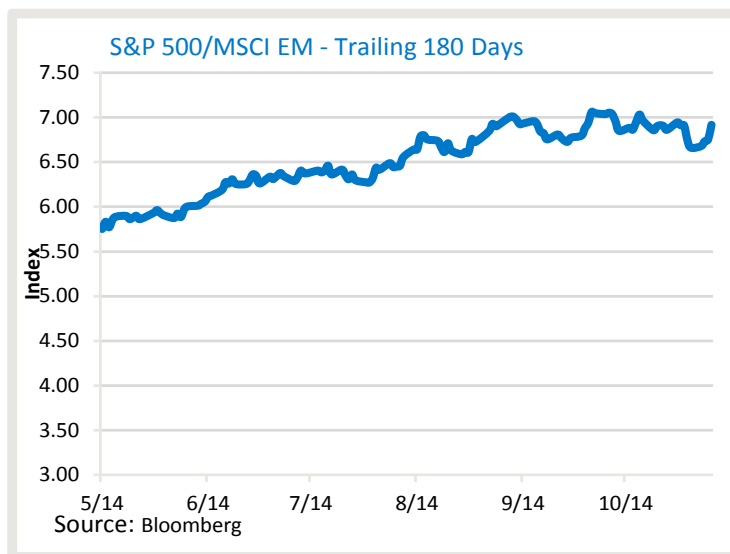
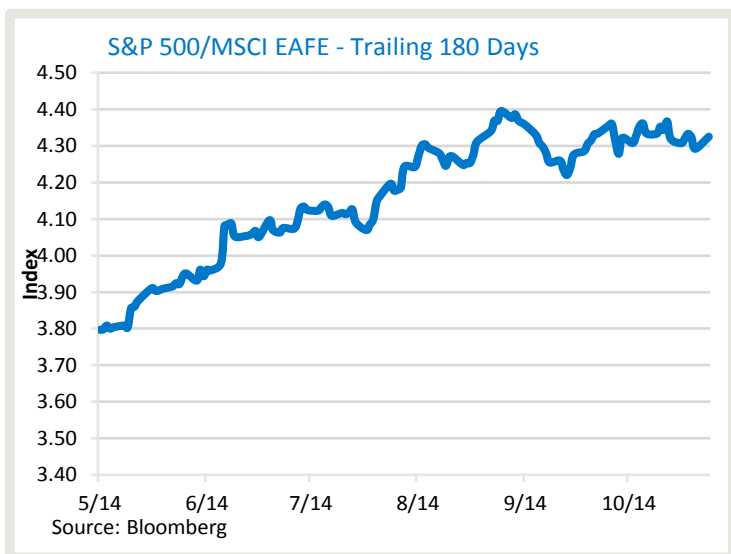
### SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1227.79	3.00	0.24%	-3.75%	HFRX Distressed Index	1035.63	1.85	0.18%	-6.42%
HFRX Equity Market Neutral	990.86	3.76	0.38%	-1.35%	HFRX Merger Arbitrage Index	1808.49	1.38	0.08%	-2.40%
HFRX Equity Hedge Index	1230.70	8.34	0.68%	-3.15%	HFRX Convertible Arbitrage Index	801.58	0.48	0.06%	0.67%
HFRX Event-Driven Index	1521.32	2.85	0.19%	-8.67%	HFRX Macro CTA Index	1101.52	-1.78	-0.16%	-5.36%
HFRX Absolute Return Index	1072.68	1.29	0.12%	0.88%	IQ Fixed Income Beta Arb Index	1490.46	0.89	0.06%	1.36%

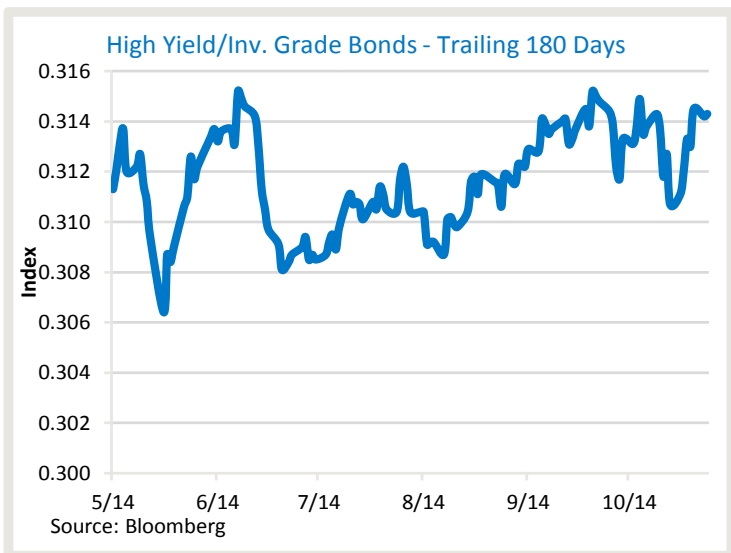
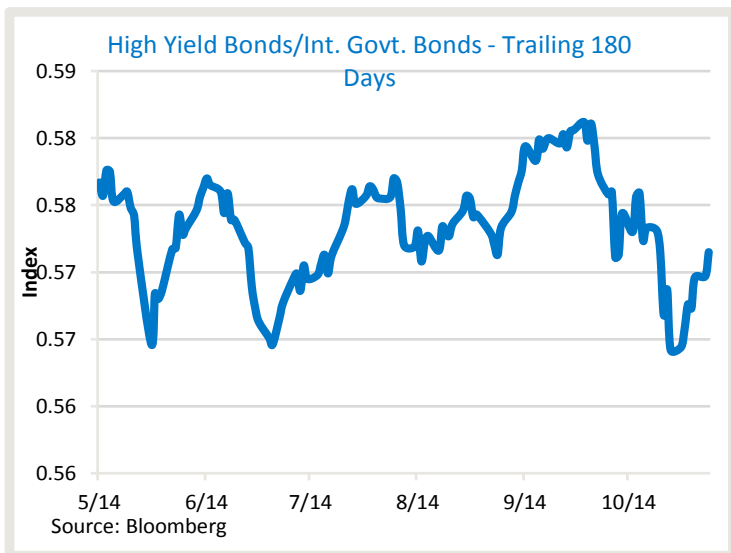
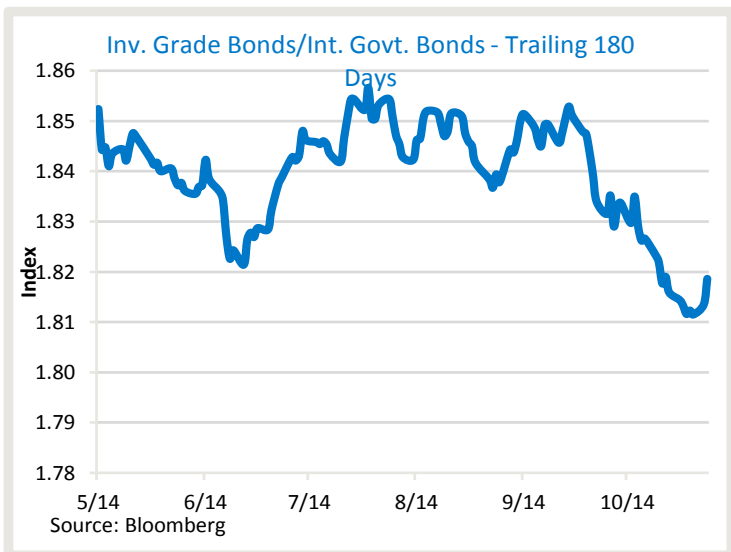
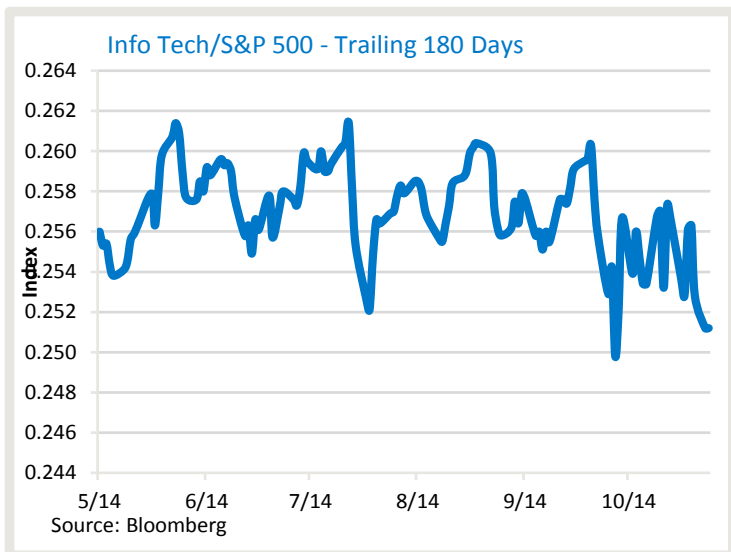
Source: Bloomberg; Index % change is based on price.



## Portfolio Construction



## Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			8/23	8/30	9/6	9/13	9/20	9/27	10/4	10/11	10/18	10/25	11/1	11/8
Equity	Domestic Equity	Large Cap (R200)	0.49%	1.73%	-0.95%	1.03%	0.98%	-0.32%	-0.29%	-6.01%	1.52%	-2.08%	0.99%	2.39%
		Small Cap (R2000)	1.86%	0.89%	-1.03%	-0.01%	0.34%	-1.72%	-2.58%	-6.16%	0.99%	-3.87%	2.97%	2.15%
	Int'l. Equity	MSCI EAFE	1.29%	1.49%	-3.13%	0.81%	2.69%	0.21%	-2.23%	-4.66%	0.06%	-3.68%	2.36%	1.68%
		MSCI Em. Mkts.	2.61%	0.92%	-3.74%	-0.06%	1.90%	1.39%	-3.89%	-5.51%	1.70%	-2.26%	2.37%	2.27%
Fixed Income	BarCap Agg. (AGG)	0.20%	-0.18%	-0.22%	-0.30%	0.46%	0.24%	-1.01%	0.15%	-0.25%	0.19%	-0.31%	-0.32%	
	High Yield (JNK)	0.33%	0.06%	-0.58%	0.62%	0.06%	0.19%	-0.86%	-1.12%	0.14%	-0.34%	-0.37%	0.68%	
Commodities	Bloomberg Commodity Index	0.12%	0.61%	-1.42%	0.35%	1.40%	1.04%	2.40%	-1.00%	-0.20%	-1.31%	-1.23%	-0.37%	
Alternatives	Hedge Funds (HFRX Global)	0.32%	0.49%	-1.02%	0.12%	0.38%	-0.33%	-0.12%	-2.23%	0.13%	-0.91%	0.46%	0.20%	
Asset Allocation	60/40*	0.74%	0.82%	-1.15%	0.35%	0.66%	-0.08%	-1.27%	-3.40%	0.57%	-1.62%	0.94%	1.22%	
	48/32/20 (w/Alts.)**	0.66%	0.75%	-1.12%	0.30%	0.61%	-0.13%	-1.04%	-3.16%	0.48%	-1.48%	0.85%	1.02%	

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	1.03	0.95	1.05	1.05	1.05	1.09	1.08	1.10	1.14	1.07	0.94	1.16	1.35	1.12
Large Cap Growth	0.97	1.00	0.93	1.02	1.02	1.02	1.06	1.05	1.07	1.11	1.04	0.92	1.13	1.31	1.09
Large Cap Value	1.05	1.08	1.00	1.10	1.10	1.10	1.15	1.14	1.15	1.20	1.12	0.99	1.22	1.42	1.18
Mid Cap Core	0.95	0.98	0.91	1.00	1.00	1.00	1.04	1.03	1.05	1.09	1.02	0.90	1.10	1.29	1.07
Mid Cap Growth	0.95	0.98	0.91	1.00	1.00	1.00	1.04	1.03	1.05	1.09	1.02	0.90	1.11	1.29	1.07
Mid Cap Value	0.95	0.98	0.91	1.00	1.00	1.00	1.04	1.03	1.04	1.09	1.02	0.90	1.10	1.28	1.07
Small Cap Core	0.91	0.94	0.87	0.96	0.96	0.96	1.00	0.99	1.00	1.04	0.98	0.86	1.06	1.24	1.03
Small Cap Growth	0.92	0.95	0.88	0.97	0.97	0.97	1.01	1.00	1.02	1.06	0.99	0.87	1.07	1.25	1.04
Small Cap Value	0.91	0.94	0.87	0.96	0.95	0.96	1.00	0.98	1.00	1.04	0.97	0.86	1.06	1.23	1.02
Int'l. Developed	0.88	0.90	0.83	0.92	0.92	0.92	0.96	0.95	0.96	1.00	0.94	0.83	1.02	1.18	0.98
Emerging Markets	0.94	0.96	0.89	0.98	0.98	0.98	1.02	1.01	1.03	1.07	1.00	0.88	1.09	1.26	1.05
REITs	1.06	1.09	1.01	1.11	1.11	1.12	1.16	1.15	1.17	1.21	1.13	1.00	1.23	1.43	1.19
Commodities	0.86	0.89	0.82	0.91	0.90	0.91	0.94	0.93	0.95	0.98	0.92	0.81	1.00	1.17	0.97
Int. Bond	0.74	0.76	0.71	0.78	0.78	0.78	0.81	0.80	0.81	0.84	0.79	0.70	0.86	1.00	0.83
High Yield	0.89	0.92	0.85	0.94	0.93	0.94	0.97	0.96	0.98	1.02	0.95	0.84	1.03	1.20	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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Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates.

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

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