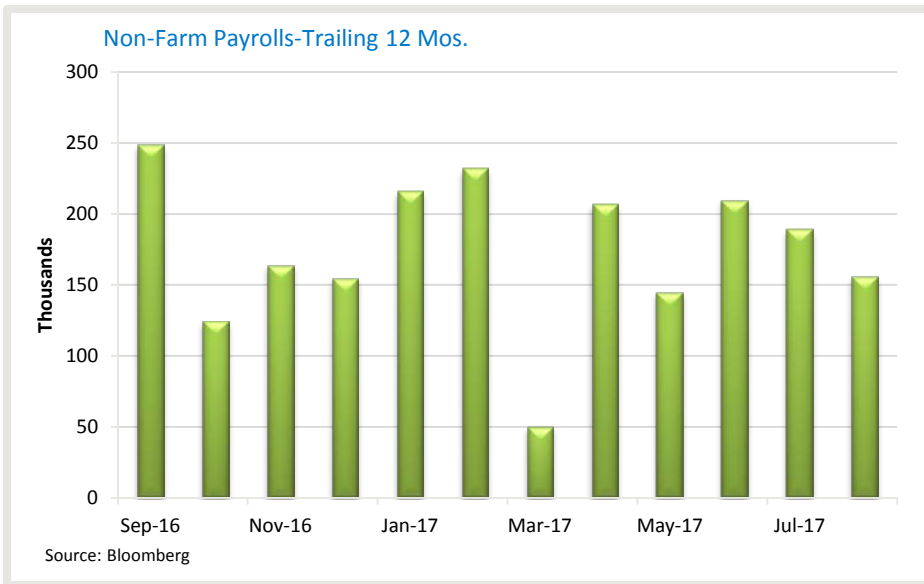


Weekly Market Review

September 8, 2017

Chart of the Week



Weekly Highlights

- **US headlines** focused on recovery after Hurricane **Harvey** and possible devastation from Hurricane **Irma**, as well as **President Trump's move to end Deferred Action for Childhood Arrivals (DACA)**.
- This week's economic calendar included the **International Trade Balance** expanding in July; **jobless claims** increasing to a two-year high due to Hurricane Harvey, which is also the largest jump since superstorm Sandy; **crude inventories** rose, moving into the upper half of the average range for this time of year.

Talking Points

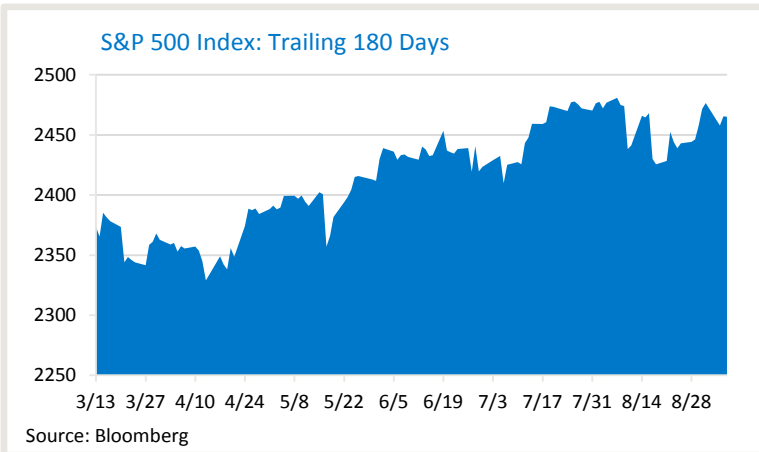
- **T+2 settlement began on Tuesday.** T+3 had been used since 1995 when the settlement cycle was shortened from T+5. The change was made to reduce risk, and will align North America with other international markets.
- US stock market indexes declined on Tuesday, and attempted to regain ground throughout the week. Ultimately, **US stock market indexes closed the week lower**, as they were unable to shake off insurance losses from Hurricanes Harvey & Irma.
- **International markets also fell**, as weak export data from China hurt Asian issuances, and also pressured European shares.
- **Oil moved higher for the week**, despite a Friday sell-off, as Hurricane Irma casts a shadow over Hurricane Harvey recovery.
- **Gold prices** rose, trading above \$1,300, which represents a 100-month high; **US Treasury yields fell**; the **US Dollar fell**, as the Euro remains strong after the European Central Bank (ECB) stays put.

Market Dashboard

	Last Price	Change	% Chg.	YTD %
S&P 500	2,461.43	-15.12	-0.61%	9.9%
Dow Industrials	21,797.79	-189.77	-0.86%	10.3%
Nasdaq	6,360.19	-75.14	-1.17%	18.2%
Russell 2000	1,399.43	-14.14	-1.00%	3.1%
Euro Stoxx Index	375.51	-0.63	-0.17%	3.9%
Shanghai Composite	3,365.24	-1.88	-0.06%	8.4%
Russell Global	2,000.01	-1.78	-0.09%	13.5%

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

	Last Price	Change	% Chg.	YTD %
Russell Global EM	3,428.30	1.92	0.06%	25.5%
10-Year US Treas.	2.06	-10 bps	NM	NM
DJ UBS Comm. Idx.	84.76	-0.22	-0.25%	-3.1%
Gold	\$1,346.62	\$21.47	1.62%	17.4%
Crude Oil	\$47.58	\$0.27	0.57%	-16.6%
Dollar Index	91.30	-1.51	-1.63%	-10.7%
VIX Index	12.12	1.99	19.64%	-13.7%



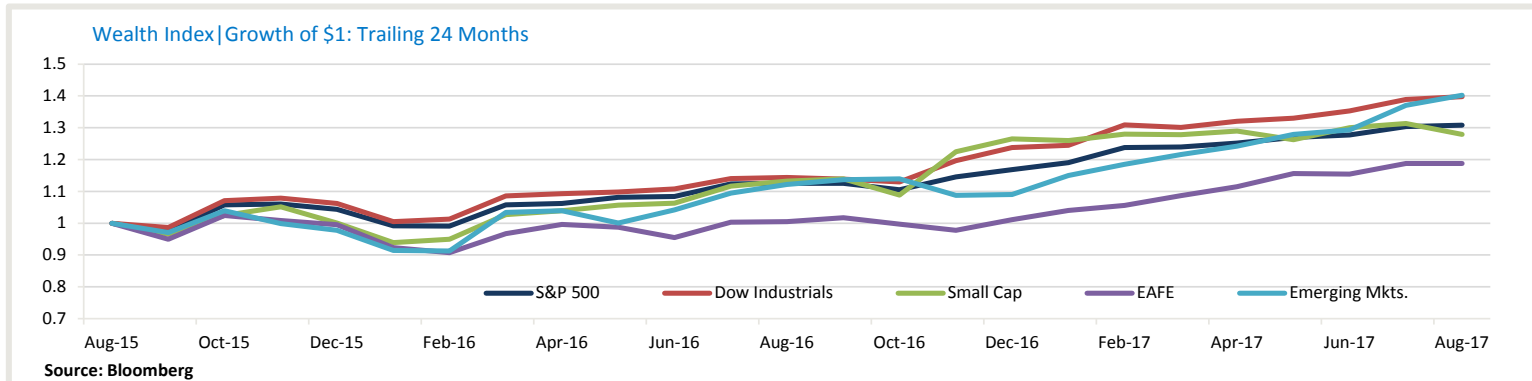
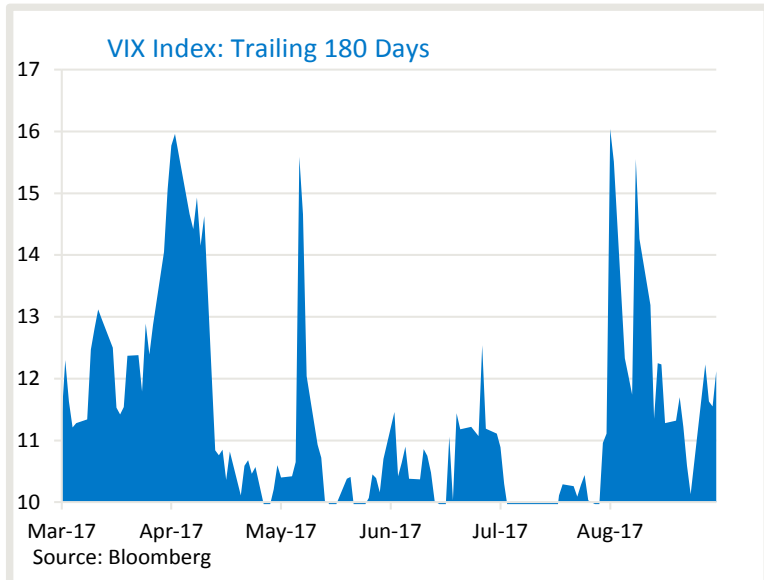
	One Week			YTD		
	Value	Growth		Value	Growth	
L	-0.95%	-0.66%	-0.40%	2.38%	10.83%	19.15%
	-0.89%	-0.69%	-0.44%	2.74%	7.25%	13.10%
S	-1.31%	-1.00%	-0.70%	-3.14%	3.12%	10.06%

Source: Bloomberg

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

	% Wgt in S&P 500	Week % Chg.	YTD % Chg.
Consumer Discretionary	12.0	-1.07%	9.3%
Consumer Staples	8.6	0.09%	6.2%
Energy	5.8	1.30%	-15.0%
Financials	13.9	-2.84%	3.1%
Health Care	14.9	1.53%	19.4%
Industrials	10.1	-0.58%	7.7%
Information Technology	23.3	-1.06%	23.9%
Materials	2.9	-1.10%	9.9%
Real Estate	3.1	0.79%	7.5%
Telecom Services	2.1	-4.51%	-15.2%
Utilities	3.3	0.93%	13.0%

Source: Bloomberg



The Economy and Markets

A Macro View: Hidden news – Could a Quiet Storm be Brewing?

This week's news headlines revolved around hurricanes Harvey and Irma, as well as President Trump's move to end DACA. The expansive nature of these events may have buried the news that the Vice Chairman of the Federal Reserve (Fed) announced his resignation, which raises questions about the Fed's structure and why it matters. So let's explore the Fed's establishment and structure and how it has evolved into what we have today, as well as the future ramifications of the Vice Chairman's Stanley Fischer's departure.

The Federal Reserve, colloquially called the Fed, is the central bank system of the United States (US). Created in 1913 by an act of Congress, and signed into law by President Woodrow Wilson, its mission was to provide central control of the monetary system to alleviate financial crises. The US Congress established three key objectives for the Fed at the time, which have expanded to five: maximize employment; stabilize prices; moderate long-term interest rates; supervise and regulate banks; and maintain stability of the financial system. As if the Fed's objectives aren't complex enough, the structure can also be confusing. So let's simplify it.

The four main components of the Federal Reserve System are (1) the Board of Governors, (2) the twelve regional Federal Reserve Banks, (3) the Federal Open Market Committee (FOMC), and (4) the country's member banks. The governing body, which we hear about the most, is the Federal Reserve Board (the Board), consisting of seven members (governors), who are appointed by the President and confirmed by the Senate. Each governor serves staggered 14-year terms. The Board is led by the Chair and the Vice Chair, whom the President appoints from among the sitting Governors. The Chair and Vice Chair both serve four-year terms, each can be renominated by the President until their 14-year Board terms expire.

The twelve regional Federal Reserve Banks serve twelve districts across the US, representing each economic region. Each bank has nine directors, who appoint a President who sits on the Federal Open Market Committee. The FOMC sets monetary policy, and consists of the Board and the twelve regional presidents, although only five bank presidents vote at any given time. The president of the New York bank is one of the five voting presidents, and the other four voting members rotate through on one-year terms. Finally, the member banks are private institutions in the US, primarily national banks.

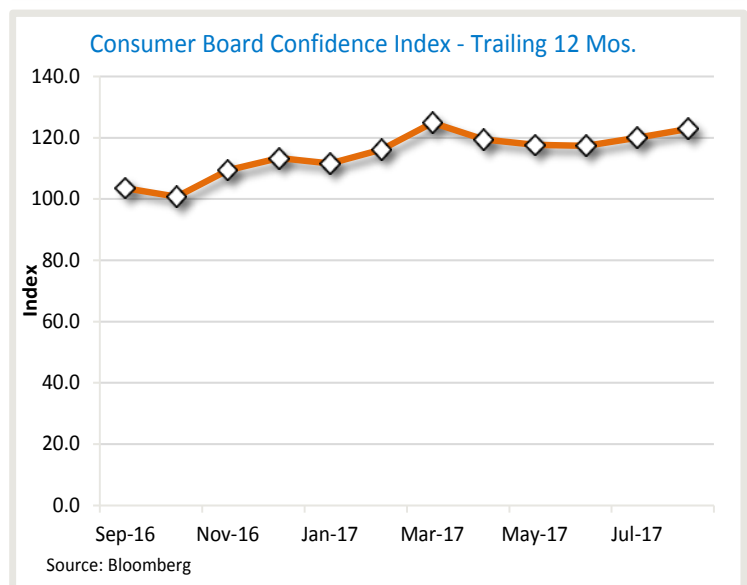
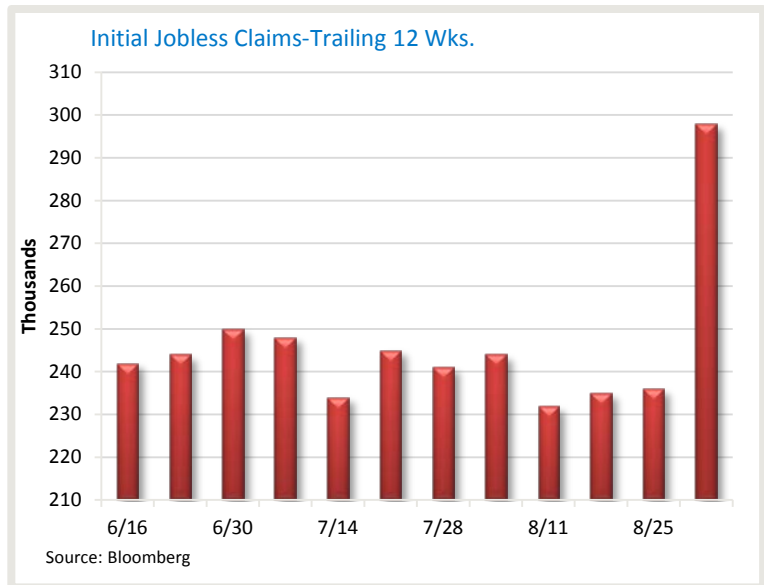
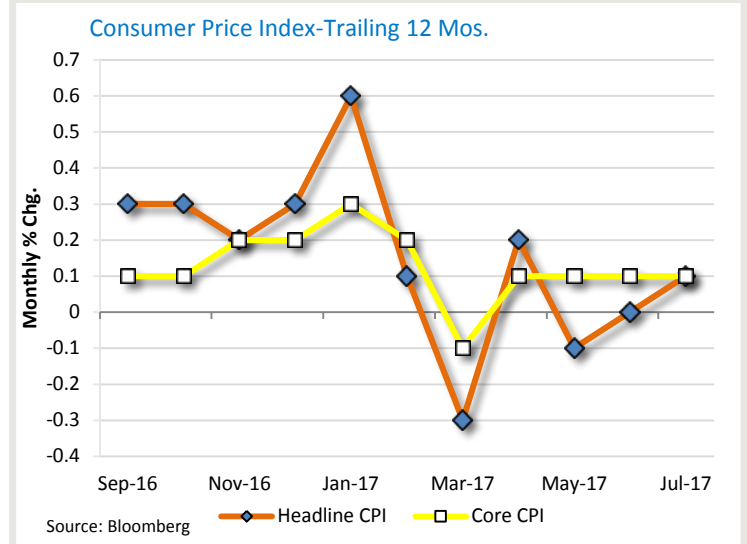
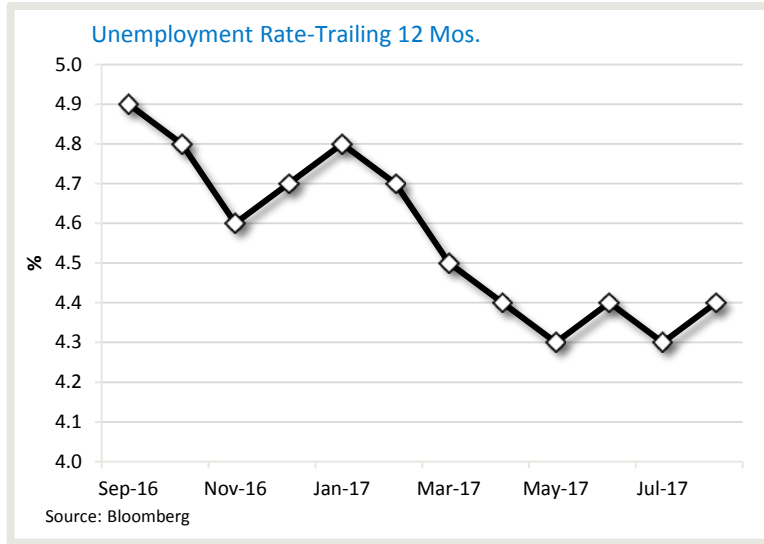
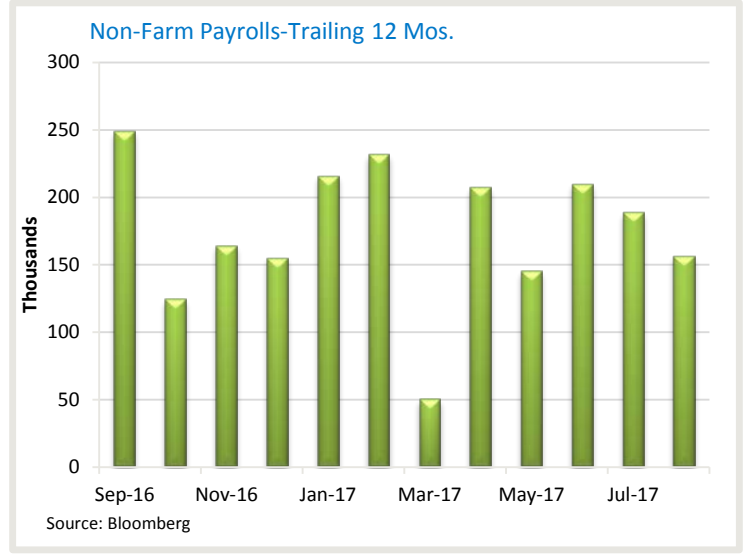
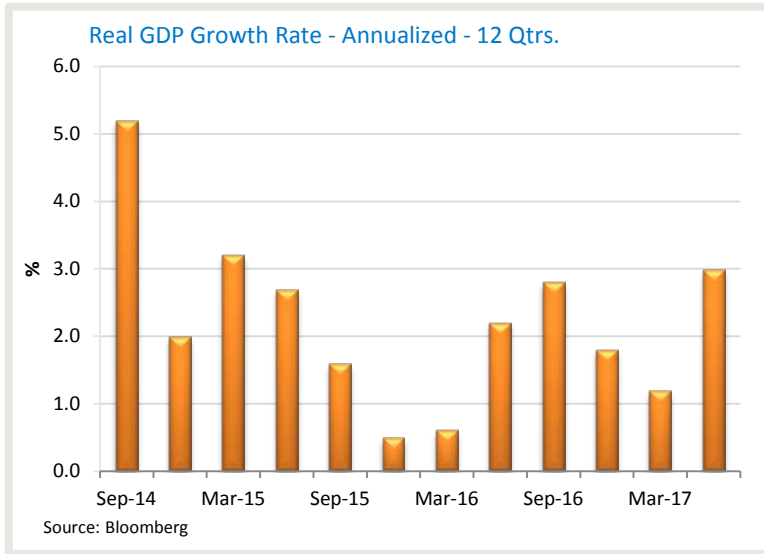
Now that we have explained the Fed's structure, let's consider the current Board. The seven-member Board consists of Chair Janet Yellen (whose chair term ends in February 2018, and 14-year governor term ends in 2028), Vice Chair Stanley Fischer (who announced his mid-October departure this week), Lael Brainard (through 2026), and Jerome Powell (through 2028). Three vacancies exist. The Board exercises broad supervisory control over the financial services industry, administers certain consumer protection regulations, and oversees the nation's payment system. Therefore, Vice Chair Fischer's departure in October means President Trump could completely reshape the panel. The political saying "personnel is policy" couldn't be more true when it comes to the Board—changing more than half the panel could mean sweeping changes across US financial markets, including financial deregulation, a top priority for President Trump.

President Trump has nominated private equity manager Randal Quarles to fill one of the vacancies, and just yesterday, the Senate Banking Committee voted to advance his nomination to the full Senate. Additionally, the President still must consider whether to renominate Chair Yellen to another four-year term. Although he has said he may renominate her, the administration is also considering other candidates. Should she not be renominated, Ms. Yellen would be only the third Fed leader since 1934 to serve a single term.

Although we have yet to discover the nominees for the remaining three Federal Reserve Board governors, it is clear that President Trump can change the shape of the Board, and consequently the shape of the US monetary system. This is hardly news to be swept under the headlines, even if there are larger storms, both figuratively and literally, tormenting the nation.

Stephanie Hagglund
AVP, Investment Analyst

Economic Data



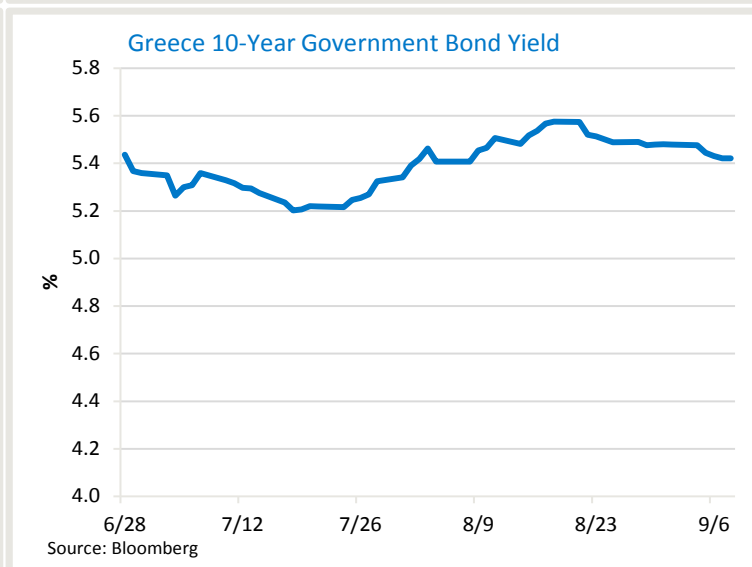
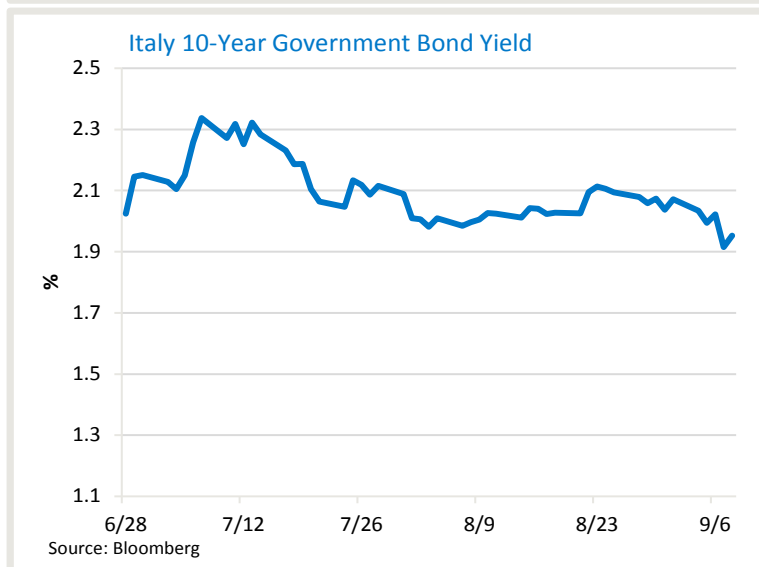
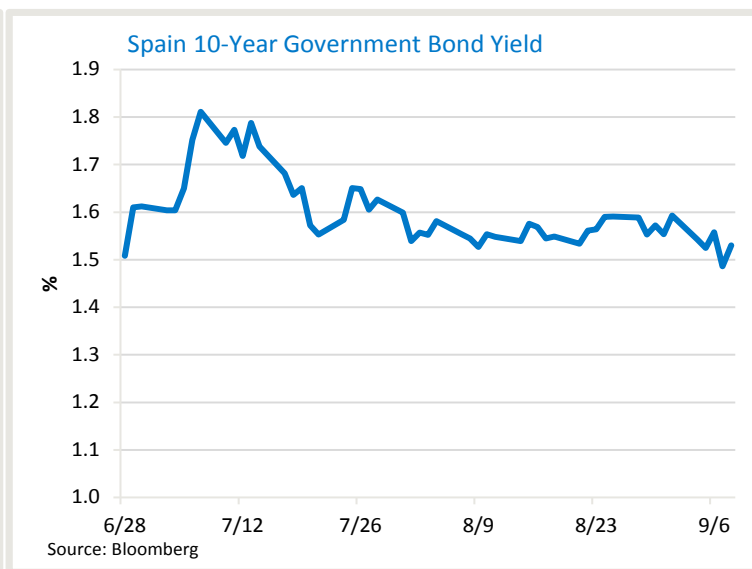
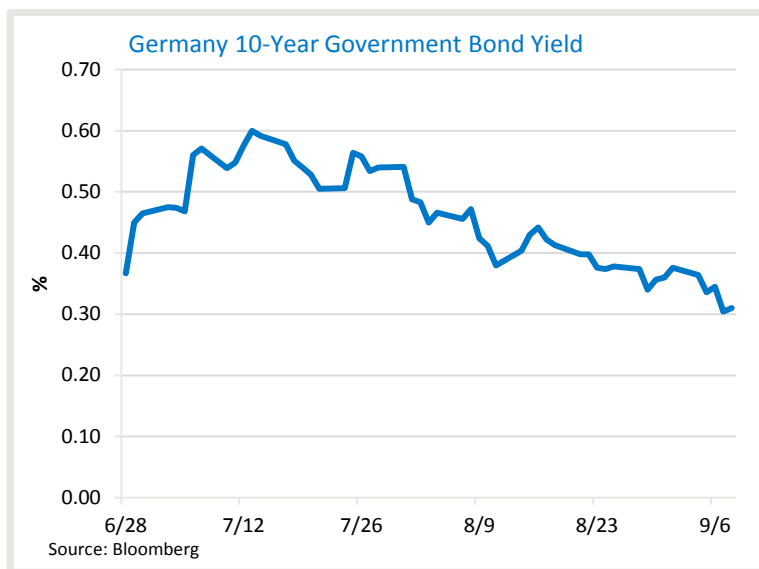
Eurozone

SELECTED EUROPEAN SOVEREIGN YIELD PERFORMANCE

	Last	Change	% Chg.	YTD %
Germany 10-Yr. Govt.	0.31	6 bps	NM	NM
Greece 10-Yr. Govt.	5.42	4 bps	NM	NM
Italy 10-Yr. Govt.	1.95	10 bps	NM	NM
Spain 10-Yr. Govt.	1.53	6 bps	NM	NM
Belgium 10-Yr. Govt.	0.62	6 bps	NM	NM

	Last	Change	% Chg.	YTD %
France 10-Yr. Govt.	0.61	7 bps	NM	NM
Ireland 10-Yr. Govt.	0.63	6 bps	NM	NM
Portugal 10-Yr. Govt.	2.77	3 bps	NM	NM
Netherlands 10-Yr. Govt.	0.44	6 bps	NM	NM
U.K. 10-Yr. Govt.	0.99	7 bps	NM	NM

Source: Bloomberg
Basis points (bps)



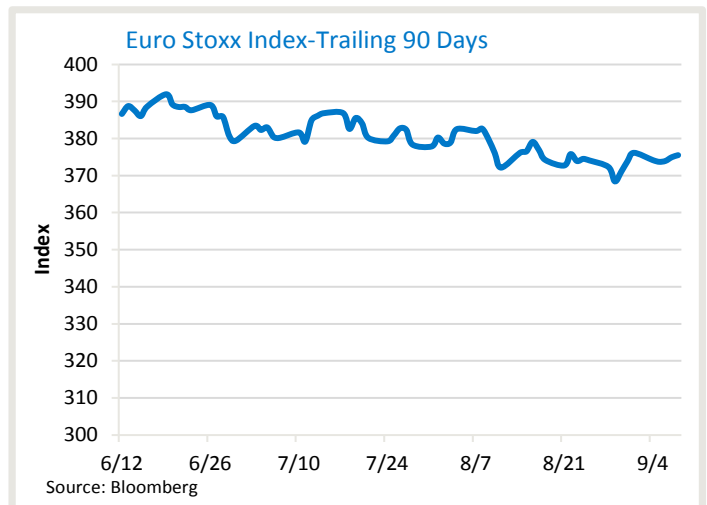
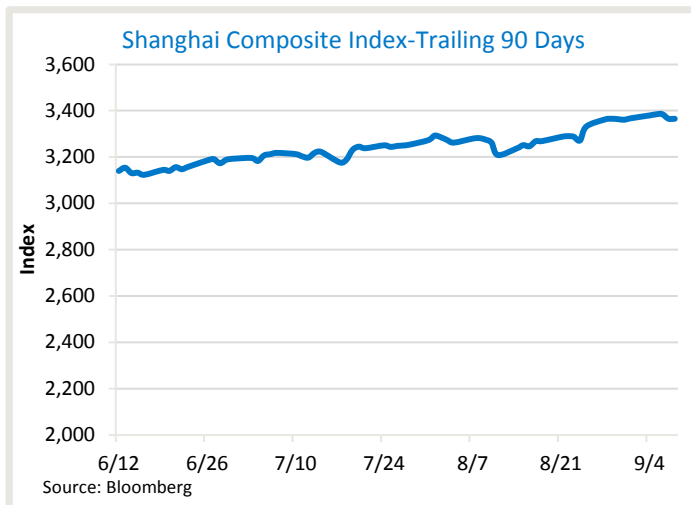
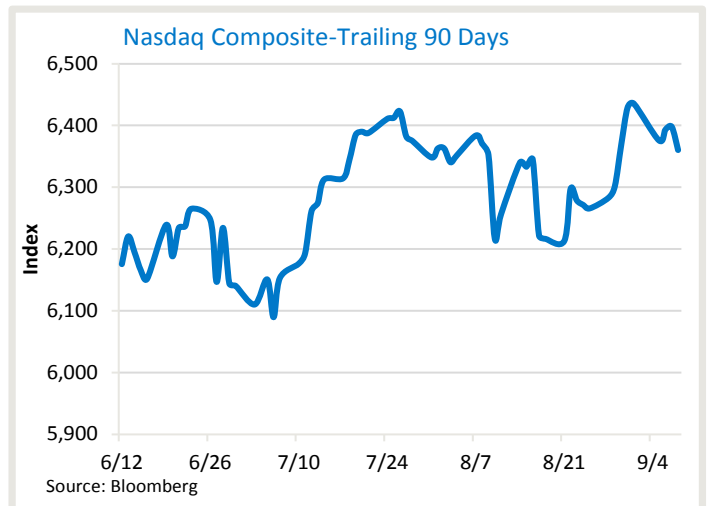
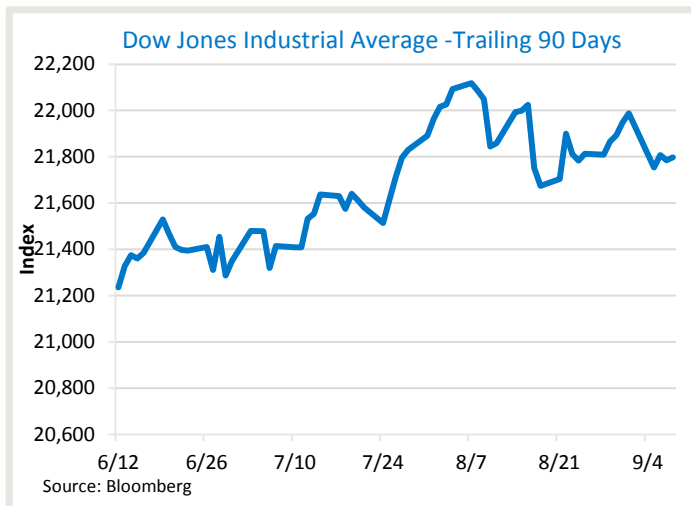
Equities

WORLD MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
S&P 500	2,461.43	-15.12	-0.61%	9.94%
Dow Industrials	21,797.79	-189.77	-0.86%	10.30%
Nasdaq Composite	6,360.19	-75.14	-1.17%	18.15%
Russell Global	2,000.01	-1.78	-0.09%	13.5%
Russell Global EM	3,428.30	1.92	0.06%	25.5%
S&P/TSX (Canada)	14,985.32	-206.28	-1.36%	-1.98%
Mexico IPC	50,083.80	-997.05	-1.95%	9.73%
Brazil Bovespa	73,078.85	1155.74	1.61%	21.34%
Euro Stoxx 600	375.51	-0.63	-0.17%	3.90%
FTSE 100	7,377.60	-60.90	-0.82%	3.29%
IBEX 35 (Spain)	10,129.60	-195.90	-1.90%	8.31%

	Last	Change	% Chg.	YTD %
Swiss Market Index	8,912.05	-29.57	-0.33%	8.42%
CAC 40 Index (France)	5,113.49	-9.77	-0.19%	5.17%
DAX Index (Germany)	12,303.98	161.34	1.33%	7.17%
Irish Overall Index	6,681.82	-27.41	-0.41%	2.53%
Nikkei 225	19,274.82	-416.65	-2.12%	0.84%
Hang Seng Index	27,668.47	-284.69	-1.02%	25.76%
Shanghai Composite	3,365.24	-1.88	-0.06%	8.43%
Kospi Index (S. Korea)	2,343.72	-13.97	-0.59%	15.66%
Taiwan Taiex Index	10,609.95	15.13	0.14%	14.66%
Tel Aviv 25 Index	1,388.09	-12.85	-0.92%	-5.62%
MICEX Index (Russia)	2,032.75	21.77	1.08%	-8.96%

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



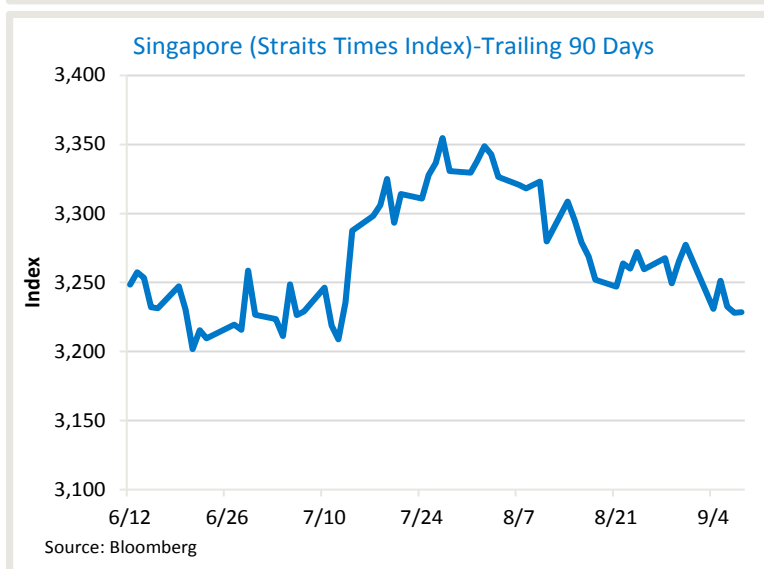
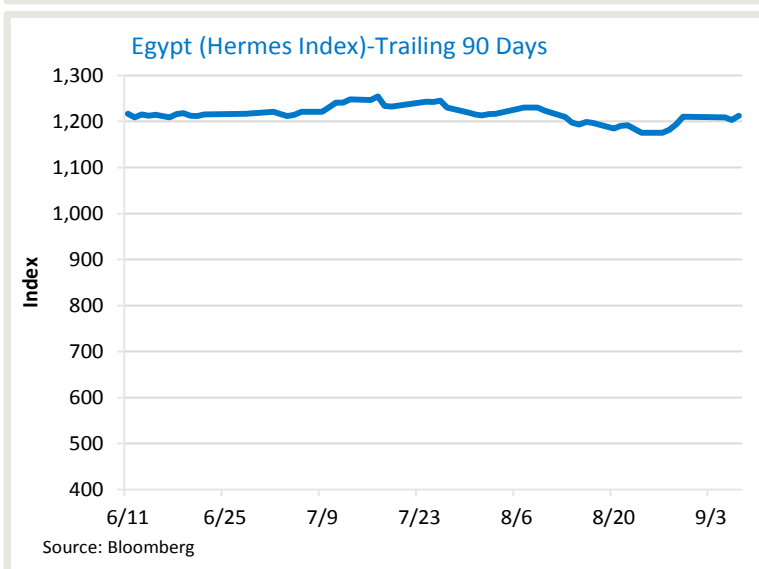
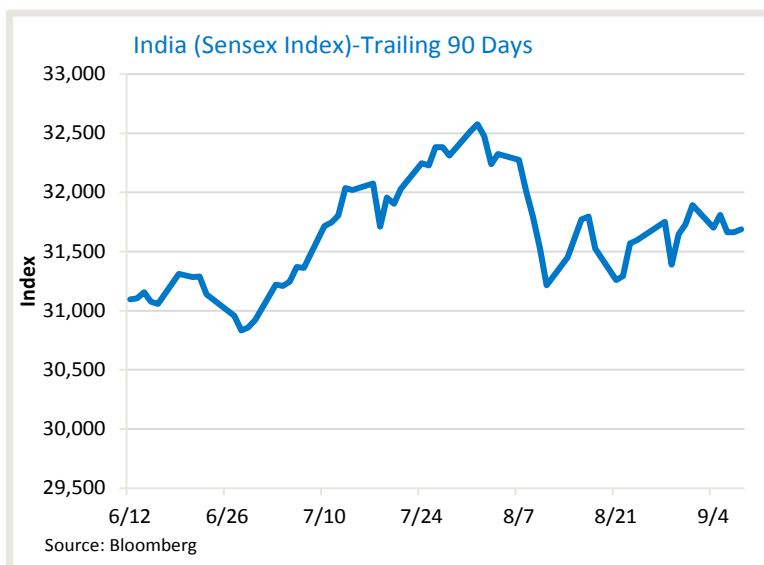
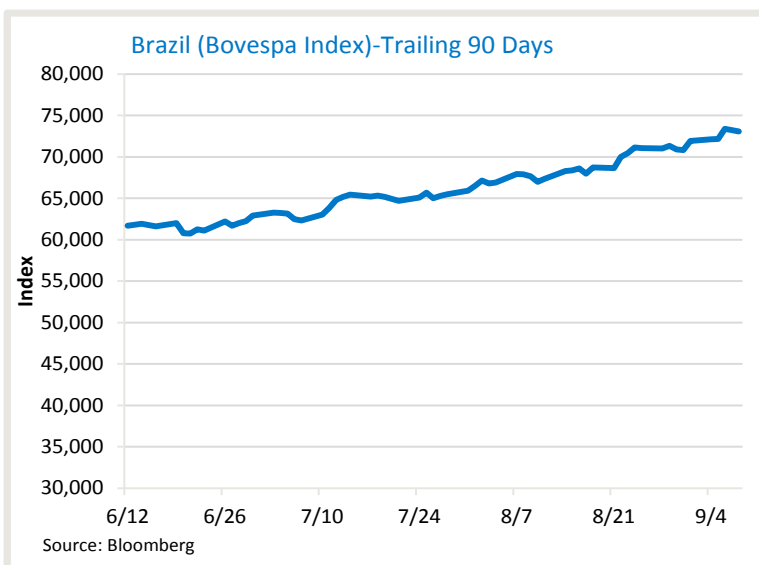
Equities – Emerging and Frontier Markets

EMERGING AND FRONTIER MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Mexico IPC	50,083.80	-997.05	-2.0%	9.7%
Brazil (Bovespa Index)	73,078.85	1155.74	1.6%	21.3%
MICEX Index (Russia)	2,032.75	21.77	1.1%	-9.0%
Czech Republic (Prague)	1,021.07	-0.90	-0.1%	10.8%
Turkey (Istanbul)	108,451.70	-1558.80	-1.4%	38.8%
Egypt (Hermes Index)	1,212.65	2.72	0.2%	11.4%
Kenya (Nairobi 20 Index)	3,839.99	33.19	0.9%	20.5%
Saudi Arabia (TASI Index)	7,360.61	114.95	1.6%	2.1%
Lebanon (Beirut BLOM Index)	1,157.45	-4.11	-0.4%	-4.5%
Palestine	570.60	4.49	0.8%	7.6%

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

	Last	Change	% Chg.	YTD %
Hang Seng Index	27,668.47	-284.69	-1.0%	25.8%
India (Sensex 30)	31,687.52	-204.71	-0.6%	19.0%
Malaysia (KLCI Index)	1,779.90	6.74	0.4%	8.4%
Singapore (Straits Times Index)	3,228.56	-48.70	-1.5%	12.1%
Thailand (SET Index)	1,635.61	17.19	1.1%	6.0%
Indonesia (Jakarta)	5,857.12	-6.94	-0.1%	10.6%
Pakistan (Karachi KSE 100)	41,401.02	194.03	0.5%	-13.4%
Vietnam (Ho Chi Minh)	801.20	18.44	2.4%	20.5%
Sri Lanka (Colombo)	6,375.86	-14.40	-0.2%	2.4%
Cambodia (Laos)	1,030.72	1.25	0.1%	1.6%

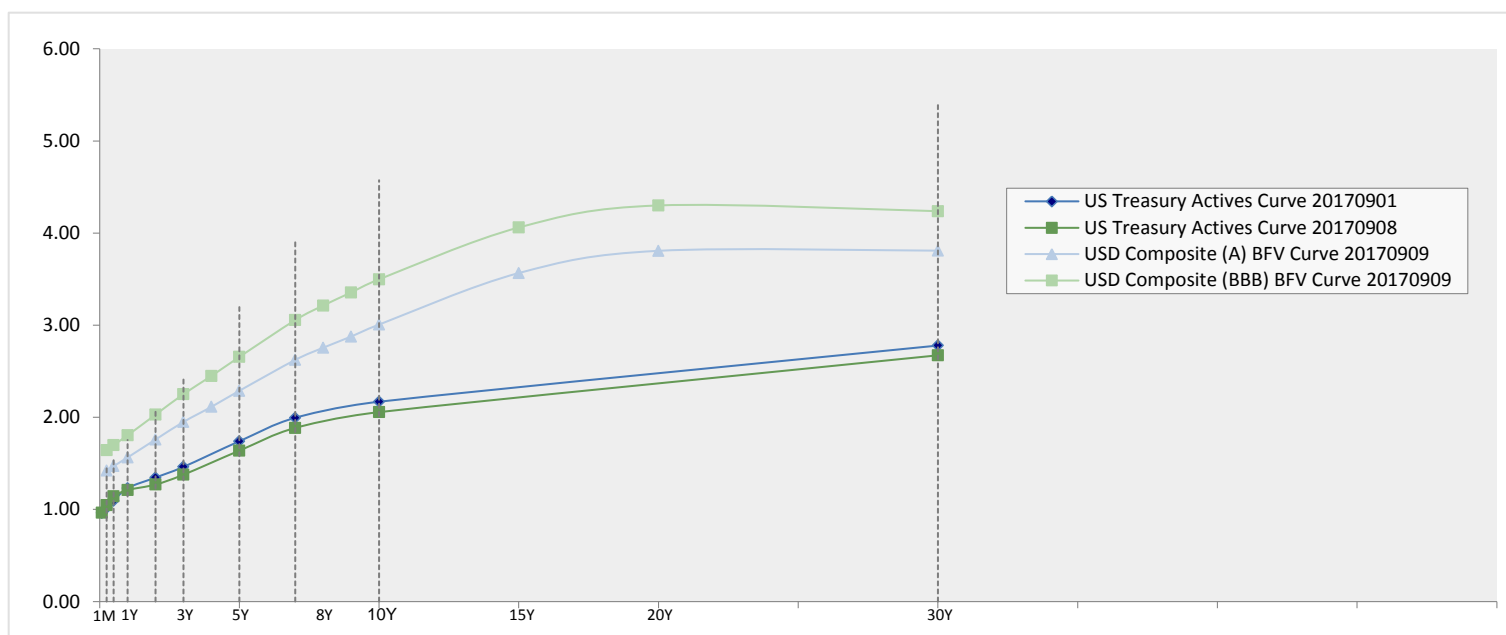


Interest Rates

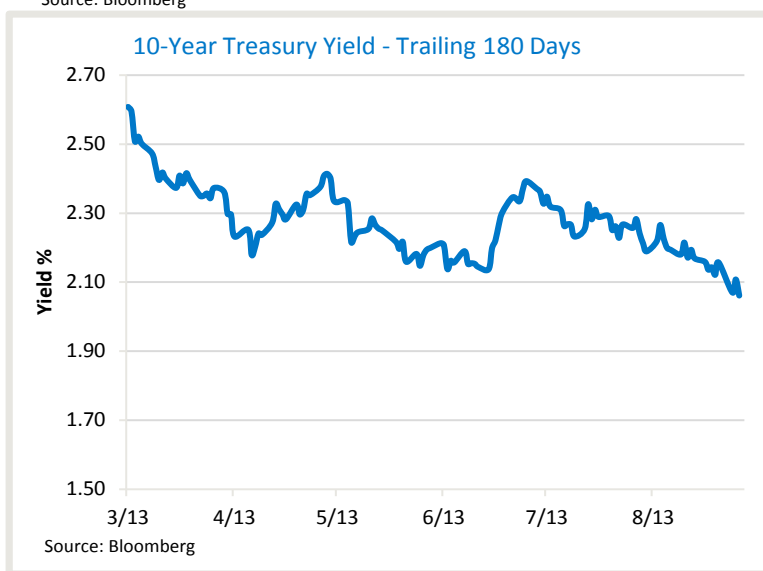
SELECTED INTEREST RATES

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
2-Yr. U.S. Treasury	1.26%	2 bps	NM	NM	Prime Rate	4.25%	0.00	NM	NM
5-Yr. U.S. Treasury	1.64%	-9 bps	NM	NM	Fed Funds Rate	1.25%	0.00	NM	NM
10-Yr. U.S. Treasury	2.06%	-10 bps	NM	NM	Discount Rate	1.75%	0.00	NM	NM
30-Yr. U.S. Treasury	2.68%	-9 bps	NM	NM	LIBOR (3 Mo.)	1.32%	0 bps	NM	NM
German 10-Yr. Govt.	0.31%	6 bps	NM	NM	Bond Buyer 40 Muni	3.34%	-8 bps	NM	NM
France 10-Yr.	0.61%	7 bps	NM	NM	Bond Buyer 40 G.O.	3.49%	NA	NM	NM
Italy 10-Yr.	1.95%	10 bps	NM	NM	Bond Buyer 40 Rev.	3.70%	NA	NM	NM
Fed 5-Yr Fwd BE Inf.	1.80%	2 bps	NM	NM					

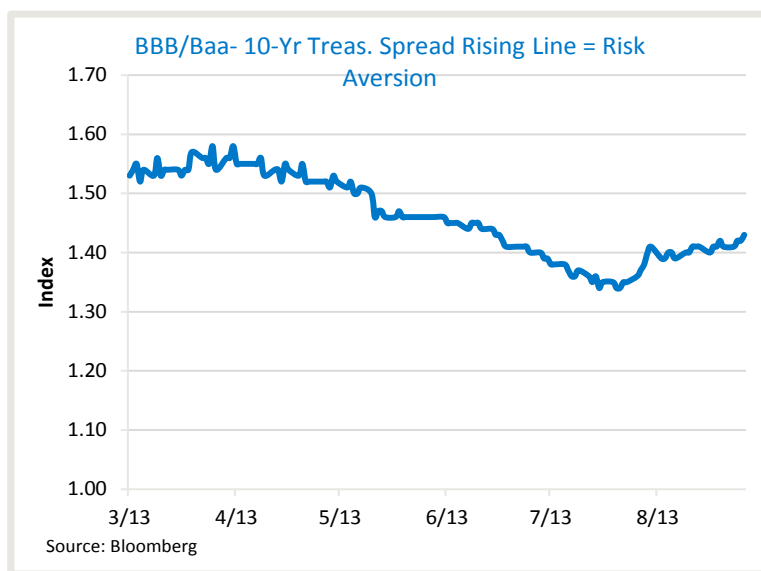
Source: Bloomberg



Source: Bloomberg



Source: Bloomberg



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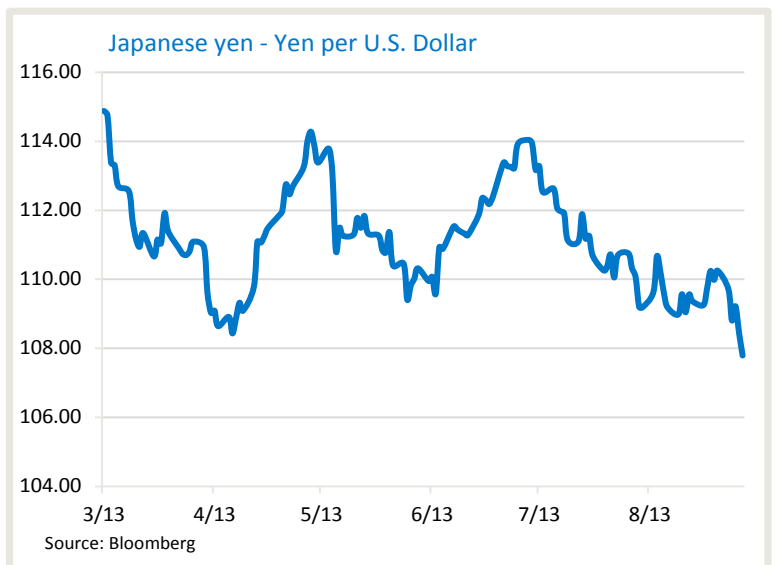
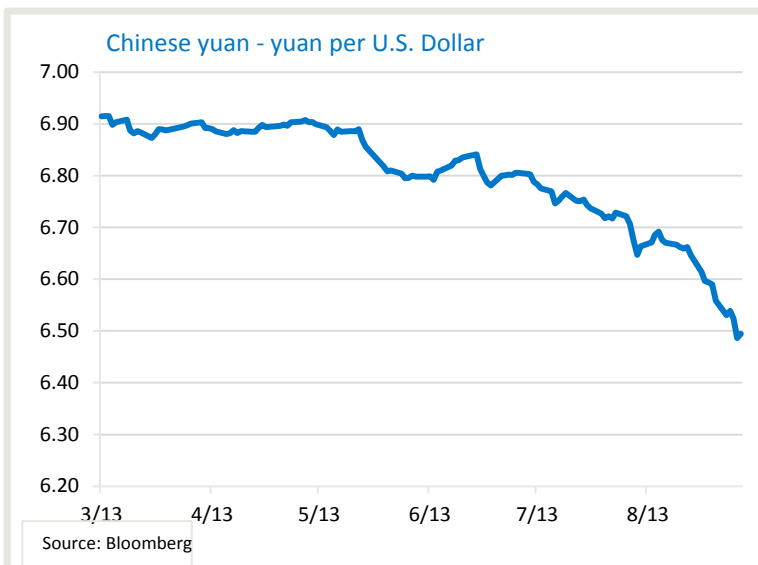
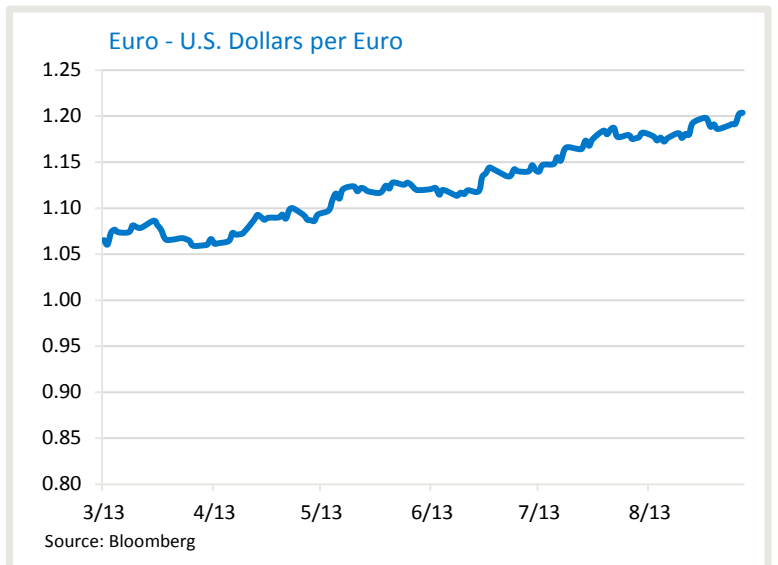
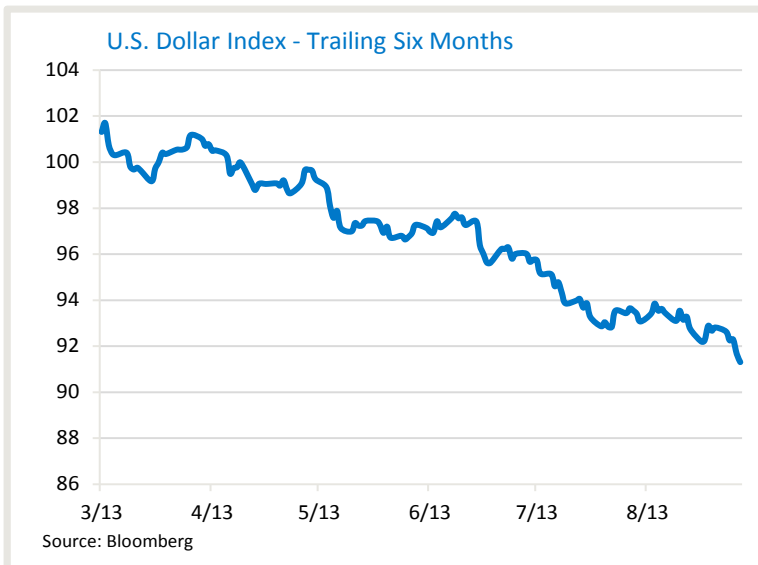
Currencies

SELECTED CURRENCY PERFORMANCE

	Last	Change	% Chg.	YTD %
Dollar Index	91.29	-1.511	-1.63%	-10.67%
Euro	1.20	0.018	1.49%	14.45%
Japanese Yen	107.78	-2.460	2.28%	8.51%
British Pound	1.32	0.026	1.98%	7.03%
Canadian Dollar	1.21	-0.025	2.03%	10.64%

	Last	Change	% Chg.	YTD %
Chinese Yuan	6.49	-0.064	0.99%	6.94%
Swiss Franc	0.94	-0.021	2.19%	7.93%
New Zealand Dollar	0.73	0.011	1.54%	4.82%
Brazilian Real	3.08	-0.057	1.85%	5.41%
Mexican Peso	17.71	-0.118	0.67%	17.13%

Source: Bloomberg



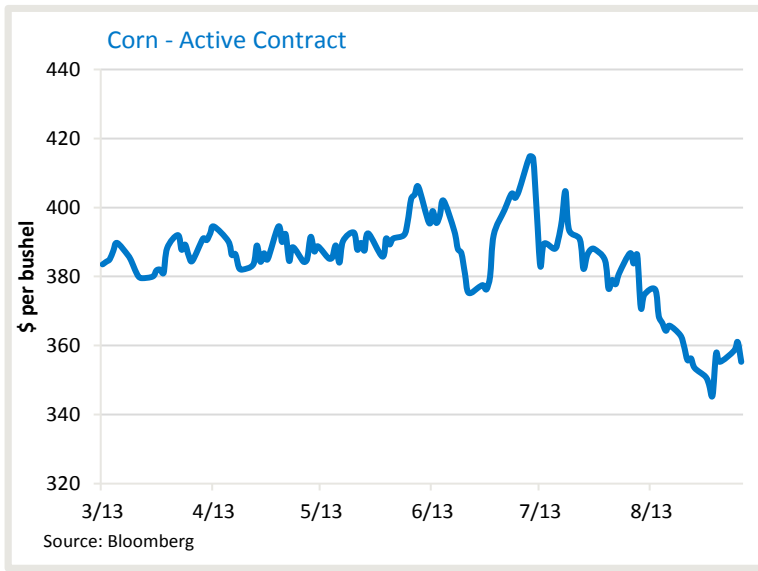
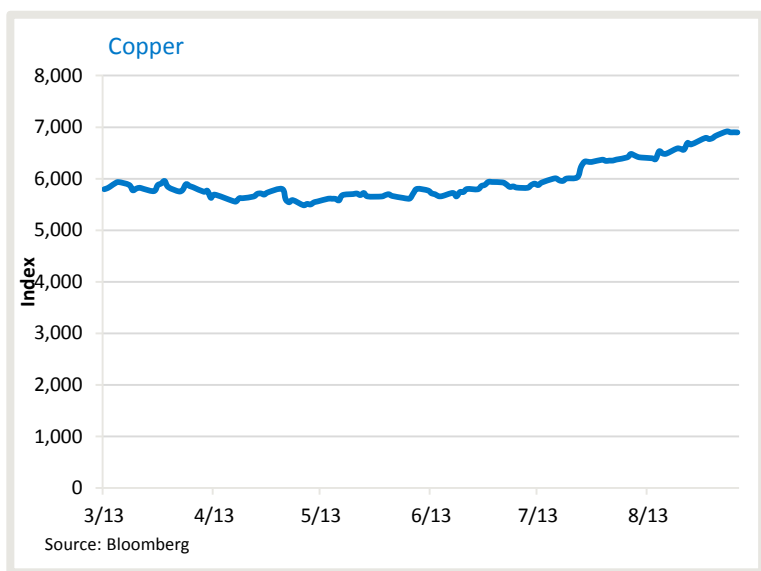
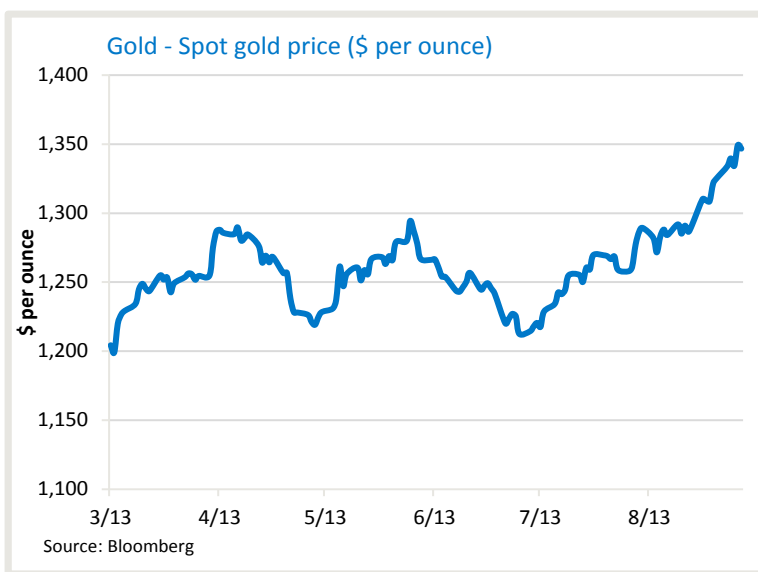
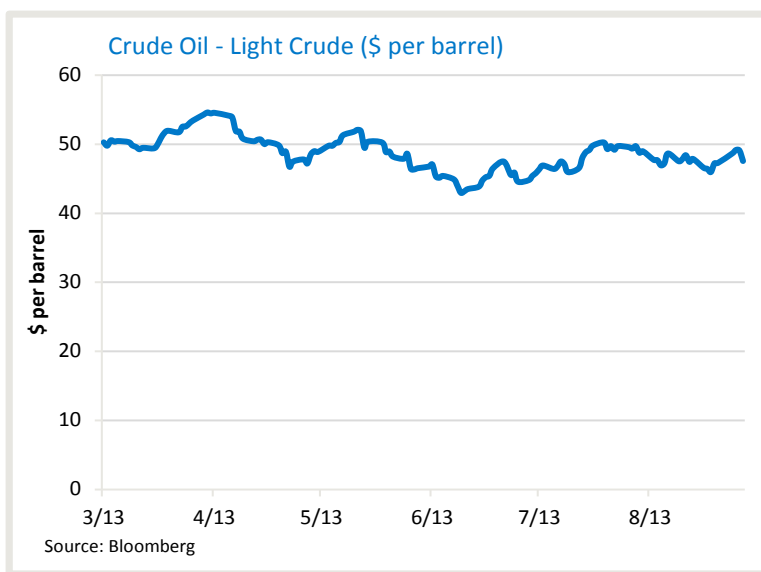
Commodities

SELECTED COMMODITY MARKET PERFORMANCE

	Last	Change	% Chg.	YTD %
Bloomberg Comm. Idx.	84.76	-0.22	-0.25%	-3.14%
Crude Oil	\$47.57	\$0.27	0.57%	-16.61%
Natural Gas	\$2.90	-\$0.17	-5.67%	-18.88%
Gasoline (\$/Gal.)	\$2.67	\$0.08	3.24%	14.47%
Heating Oil	176.97	2.10	1.20%	-0.91%
Gold Spot	\$1,346.62	\$21.47	1.62%	17.36%
Silver Spot	\$17.96	\$0.23	1.31%	12.77%

	Last	Change	% Chg.	YTD %
Platinum Spot	\$1,007.68	\$0.10	0.01%	11.58%
Corn	356.75	-1.00	-0.28%	-6.12%
Wheat	437.75	3.25	0.75%	-5.86%
Soybeans	962.00	16.75	1.77%	-2.75%
Sugar	14.09	-0.31	-2.15%	-24.45%
Orange Juice	154.00	20.20	15.10%	-17.29%
Aluminum	2,107.00	-29.00	-1.36%	24.45%
Copper	6,898.50	63.50	0.93%	24.62%

Source: Bloomberg; % change is based on price.

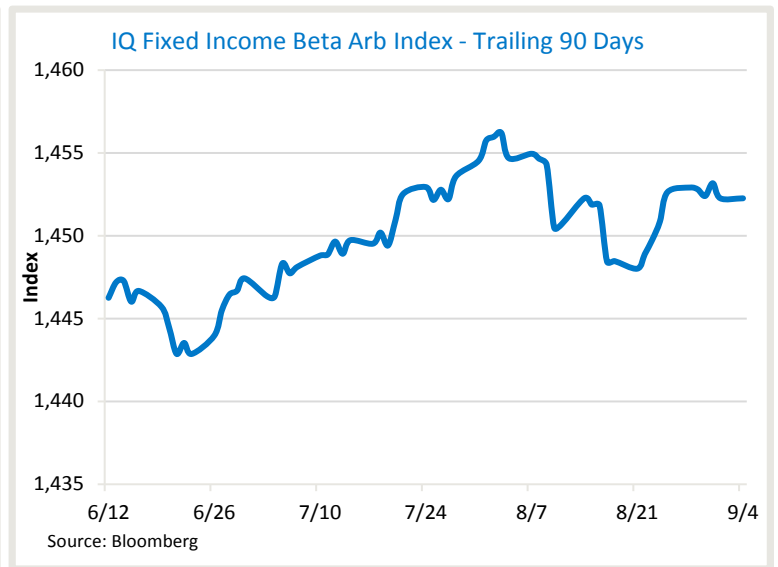
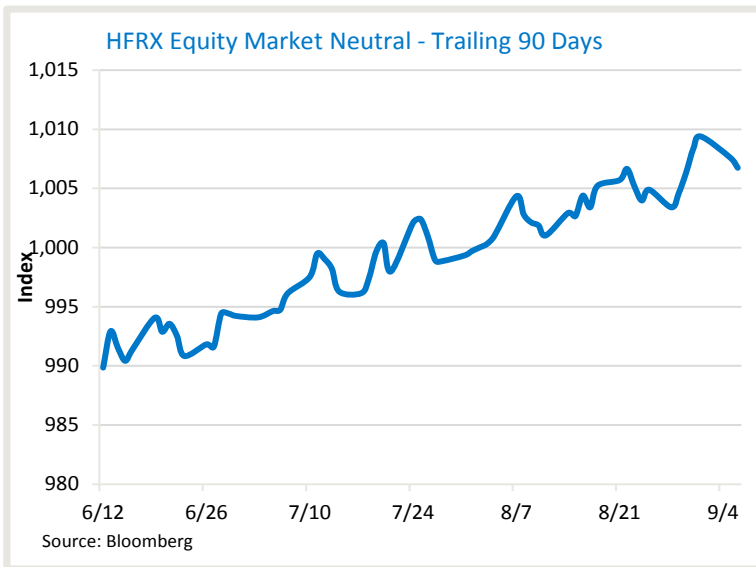
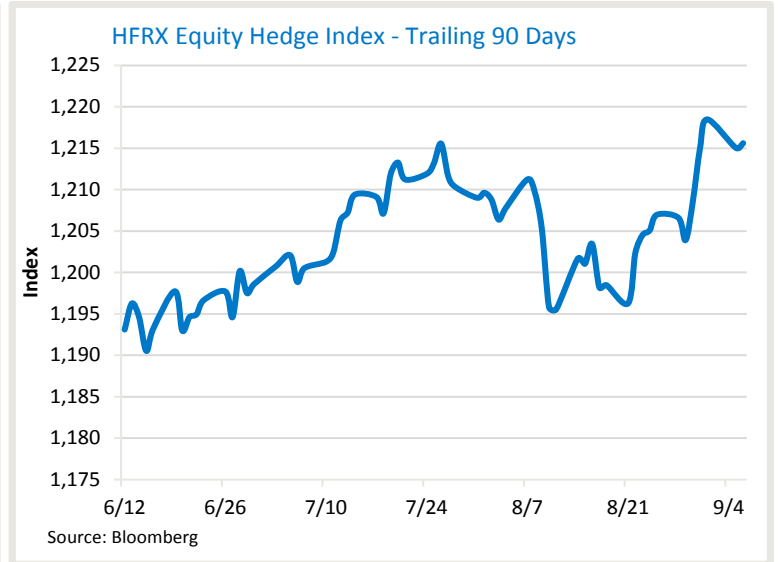
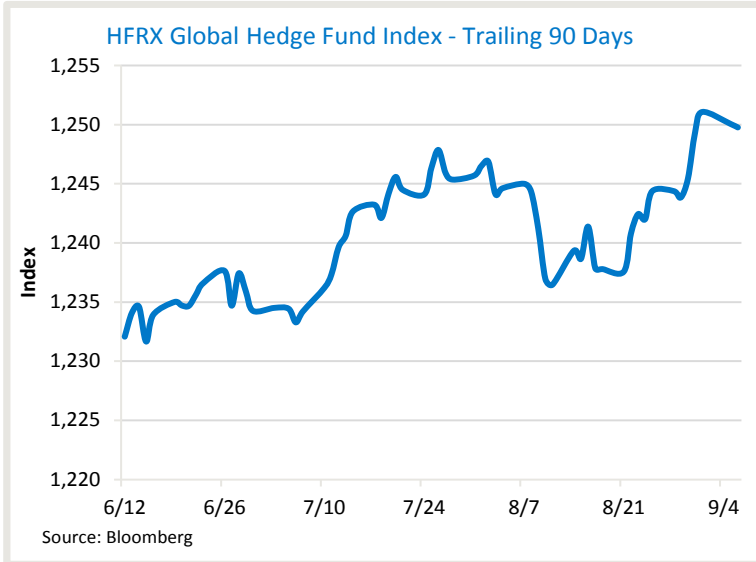


Alternative Investments

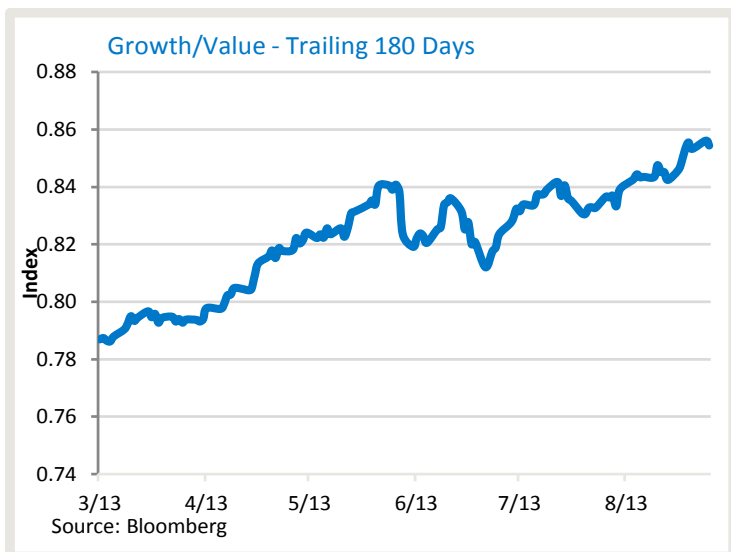
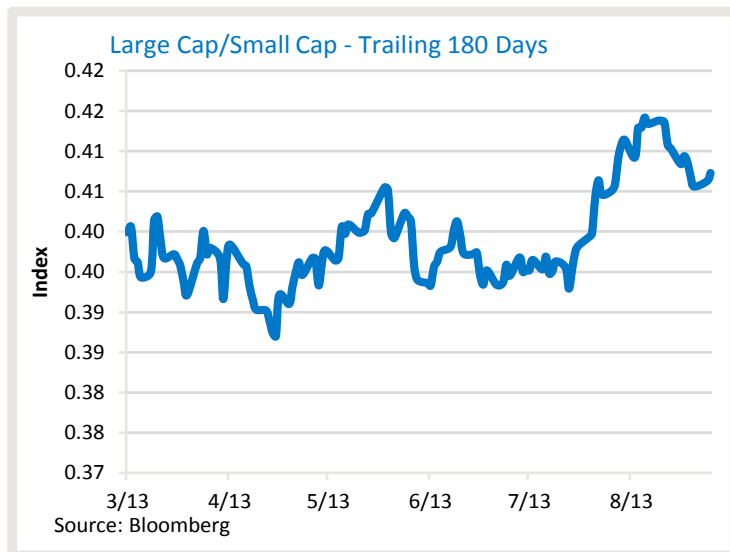
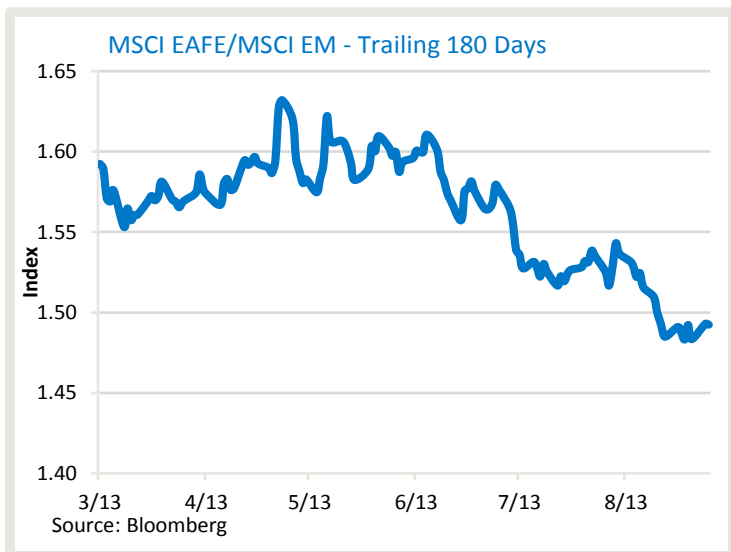
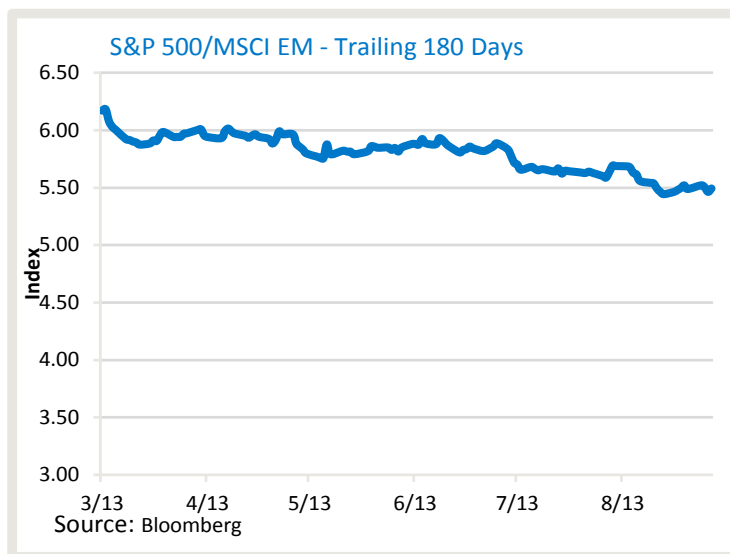
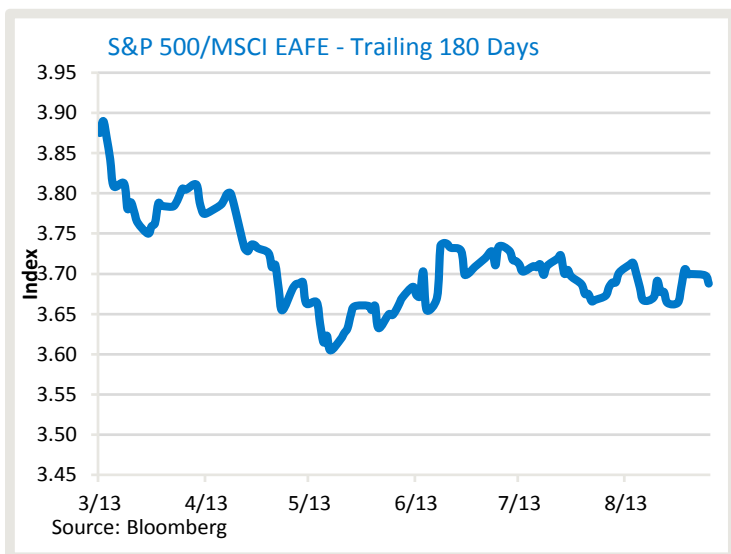
SELECTED ALTERNATIVE INVESTMENT INDEX PERFORMANCE

	Last	Change	% Chg.	YTD %		Last	Change	% Chg.	YTD %
HFRX Global Hedge Fund Index	1249.76	-1.31	-0.10%	3.85%	HFRX Distressed Index	1099.14	1.42	0.13%	2.43%
HFRX Equity Market Neutral	1006.74	-2.65	-0.26%	1.97%	HFRX Merger Arbitrage Index	1836.41	-0.29	-0.02%	1.32%
HFRX Equity Hedge Index	1215.62	-2.87	-0.24%	5.21%	HFRX Convertible Arbitrage Index	782.37	0.06	0.01%	5.35%
HFRX Event-Driven Index	1654.96	-3.44	-0.21%	5.79%	HFRX Macro CTA Index	1146.07	0.75	0.07%	0.94%
HFRX Absolute Return Index	1054.17	-0.29	-0.03%	2.50%	IQ Fixed Income Beta Arb Index	1450.81	-1.45	-0.10%	2.17%

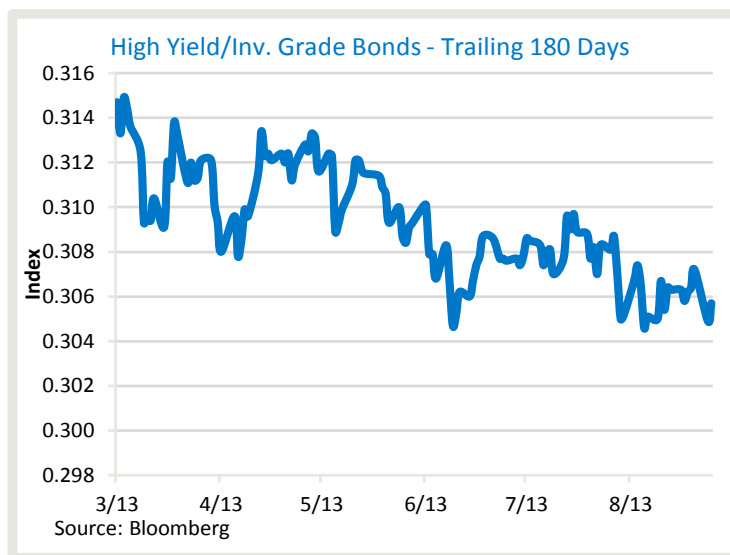
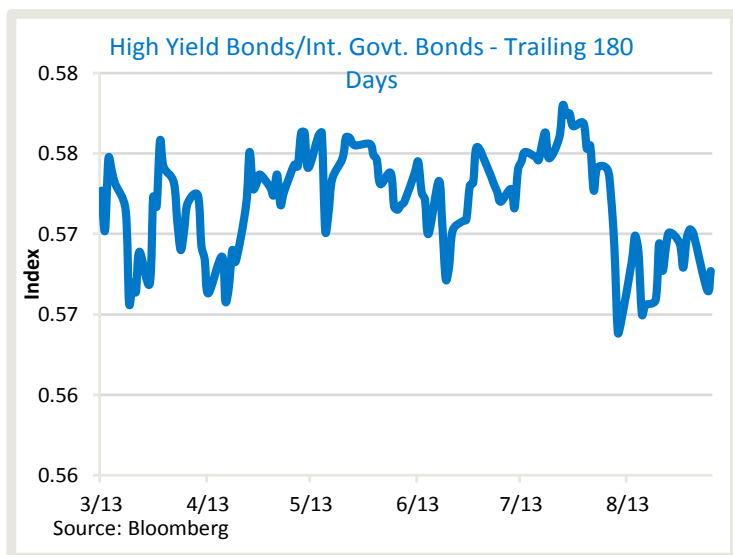
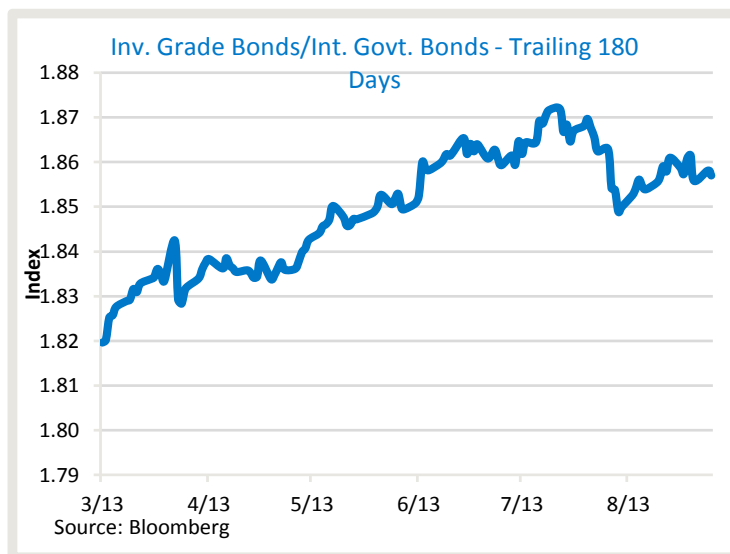
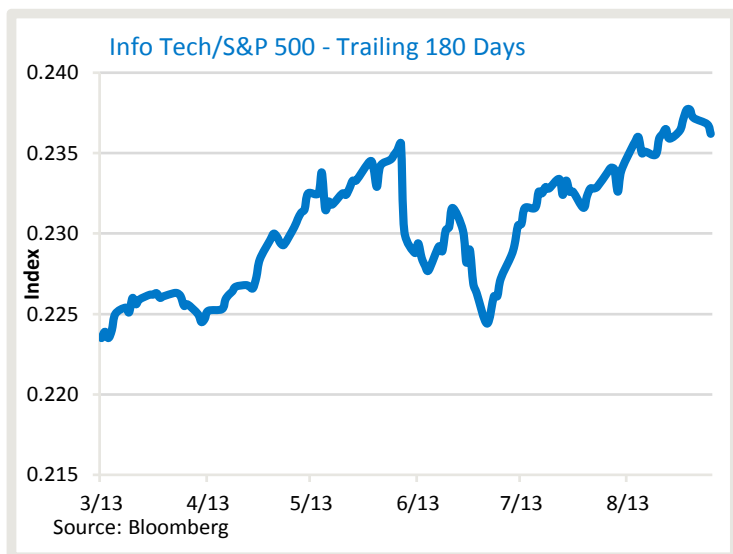
Source: Bloomberg; Index % change is based on price.



Portfolio Construction



Portfolio Construction (continued)



WEEKLY ASSET CLASS PERFORMANCE (Prior 12 weeks ending Thursday)

			6/22	6/29	7/6	7/13	7/20	7/27	8/3	8/10	8/17	8/24	8/31	9/7
Equity	Domestic Equity	Large Cap (R200)	0.23%	-0.69%	-0.39%	1.58%	1.10%	0.10%	0.05%	-1.24%	-0.30%	0.35%	1.41%	-0.30%
		Small Cap (R2000)	-0.39%	0.83%	-1.09%	1.77%	1.17%	-0.61%	-1.98%	-2.33%	-0.99%	1.10%	2.29%	-0.47%
	Int'l. Equity	MSCI EAFE	0.48%	0.52%	-0.70%	1.19%	1.73%	-0.07%	0.98%	-1.43%	-0.05%	0.35%	0.59%	0.94%
		MSCI Em. Mkts.	0.52%	0.52%	-0.78%	3.43%	1.79%	0.90%	-0.46%	-0.74%	0.67%	1.80%	0.49%	0.22%
Fixed Income	BarCap Agg. (AGG)	-5.67%	-3.48%	17.54%	-2.37%	-1.14%	-5.06%	-5.48%	-7.09%	0.35%	0.52%	-1.20%	12.35%	
	High Yield (JNK)	-0.56%	0.43%	-0.67%	0.68%	0.65%	0.13%	-0.53%	-1.42%	0.27%	0.73%	0.57%	-0.59%	
Commodities	Bloomberg Commodity Index	-1.93%	2.49%	1.34%	-0.50%	2.16%	0.65%	-1.06%	0.25%	-1.03%	1.01%	1.37%	1.19%	
Alternatives	Hedge Funds (HFRX Global)	0.32%	0.02%	-0.21%	0.59%	0.40%	0.03%	-0.14%	-0.58%	0.07%	0.34%	0.59%	0.03%	
Asset Allocation	60/40*	-1.89%	-1.22%	5.74%	0.20%	0.43%	-1.76%	-2.00%	-3.41%	-0.08%	0.47%	0.37%	4.31%	
	48/32/20 (w/Alts.)**	-1.45%	-0.97%	4.55%	0.28%	0.42%	-1.40%	-1.63%	-2.84%	-0.01%	0.44%	0.41%	3.45%	

Source: Bloomberg; *60/40 portfolio = 30% Large Cap/10% Small Cap/15% EAFE/5% Emerging Markets/35% BarCap Agg./5% High Yield.

**48/32/20 portfolio = 24% Large Cap/8% Small Cap/12% EAFE/4% Emerging Markets/28% BarCap Agg./4% High Yield/20% HFRX Global Index.

RELATIVE STRENGTH MATRIX (BASED ON 30-DAY RSI)

	Large Cap Core	Large Cap Growth	Large Cap Value	Mid Cap Core	Mid Cap Growth	Mid Cap Value	Small Cap Core	Small Cap Growth	Small Cap Value	Int'l. Developed	Emerging Markets	REITs	Comm.	Int. Bond	High Yield
Large Cap Core	1.00	0.92	1.17	1.09	0.98	1.19	1.10	1.02	1.20	0.93	0.88	0.95	0.93	1.08	1.13
Large Cap Growth	1.08	1.00	1.26	1.18	1.07	1.29	1.19	1.11	1.29	1.01	0.95	1.03	1.00	1.17	1.22
Large Cap Value	0.86	0.79	1.00	0.93	0.84	1.02	0.94	0.88	1.02	0.80	0.75	0.81	0.79	0.92	0.96
Mid Cap Core	0.92	0.85	1.07	1.00	0.90	1.09	1.01	0.94	1.10	0.86	0.80	0.87	0.85	0.99	1.03
Mid Cap Growth	1.02	0.94	1.19	1.11	1.00	1.21	1.12	1.04	1.21	0.95	0.89	0.97	0.94	1.09	1.14
Mid Cap Value	0.84	0.78	0.98	0.91	0.83	1.00	0.92	0.86	1.00	0.78	0.73	0.80	0.78	0.90	0.94
Small Cap Core	0.91	0.84	1.06	0.99	0.89	1.08	1.00	0.93	1.08	0.85	0.79	0.86	0.84	0.98	1.02
Small Cap Growth	0.98	0.90	1.14	1.06	0.96	1.16	1.08	1.00	1.17	0.91	0.85	0.93	0.91	1.05	1.10
Small Cap Value	0.84	0.77	0.98	0.91	0.82	1.00	0.92	0.86	1.00	0.78	0.73	0.80	0.78	0.90	0.94
Int'l. Developed	1.07	0.99	1.25	1.17	1.06	1.28	1.18	1.10	1.28	1.00	0.94	1.02	0.99	1.16	1.21
Emerging Markets	1.14	1.06	1.34	1.25	1.12	1.36	1.26	1.17	1.37	1.07	1.00	1.09	1.06	1.23	1.29
REITs	1.05	0.97	1.23	1.15	1.03	1.25	1.16	1.08	1.26	0.98	0.92	1.00	0.97	1.13	1.18
Commodities	1.08	1.00	1.26	1.18	1.06	1.28	1.19	1.10	1.29	1.01	0.94	1.03	1.00	1.16	1.21
Int. Bond	0.93	0.86	1.08	1.01	0.91	1.11	1.02	0.95	1.11	0.87	0.81	0.88	0.86	1.00	1.04
High Yield	0.89	0.82	1.04	0.97	0.87	1.06	0.98	0.91	1.06	0.83	0.78	0.85	0.82	0.96	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.

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 **DJ-UBS Commodity Index Total Return SM** measures the collateralized returns from a basket of 19 commodity futures contracts representing the energy, precious metals, industrial metals, grains, softs and livestock sectors. 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 **Philadelphia Fed Manufacturing Index** is a regional Federal Reserve Bank index measuring changes in business growth and is constructed from a survey of participants who voluntarily answer questions regarding the direction of change in their overall business activities. The **ISM Non-Manufacturing Index** is an index based on surveys of more than 400 non-manufacturing firms' purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM) and also tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys that monitors economic conditions of the nation. The **Housing Market Index** (HMI) is based on a monthly survey of NAHB members designed to take the pulse of the single-family housing market. In May 2007, **Markit's U.S. PMI** research was extended out to cover producers of metal goods. In October 2009, Markit's U.S. Manufacturing PMI survey panel was extended further to cover all areas of U.S. manufacturing activity. The **NY Empire State Index** is an index 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 headline number for the NY Empire State Index refers to the survey's main index, which summarizes general business conditions in New York State. The **Industrial Production Index** is an economic indicator that measures real output for all facilities located in the United States manufacturing, mining, and electric, and gas utilities (excluding those in U.S. territories). The **Dow Jones U.S. Select 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.

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