Economic and Market Review

Low volatility/attractive returns

SECOND QUARTER 2017

Important information and disclosures

Please remember that all investments carry some level of risk, including the potential loss of Principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Diversification does not assure a profit and does not protect against loss in declining markets.

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Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Correlations measure the strength and direction of a linear relationship between two random variables. The value will range between -1 and 1. Rolling correlations are trailing correlations in overlapping cycles for a given period of time. The periods shift based on a chosen length (typically 1 month) resulting in a continuous stream of trailing correlations e.g. a three year rolling value shifted by 1 month will show you the trailing 3 year value for each month displayed. Correlations are useful for understanding the behavior of correlations over multiple time periods. Demonstrates patterns or longer term trends in the return data.

Rolling returns are trailing returns in overlapping cycles for a given period of time. The returns shift based on a chosen length (typically 1 month) resulting in a continuous stream of trailing returns e.g. a three year rolling return shifted by 1 month will show you the trailing 3 year return for each month displayed.

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Economic Indicators Dashboard

MARKET VOLATILITY

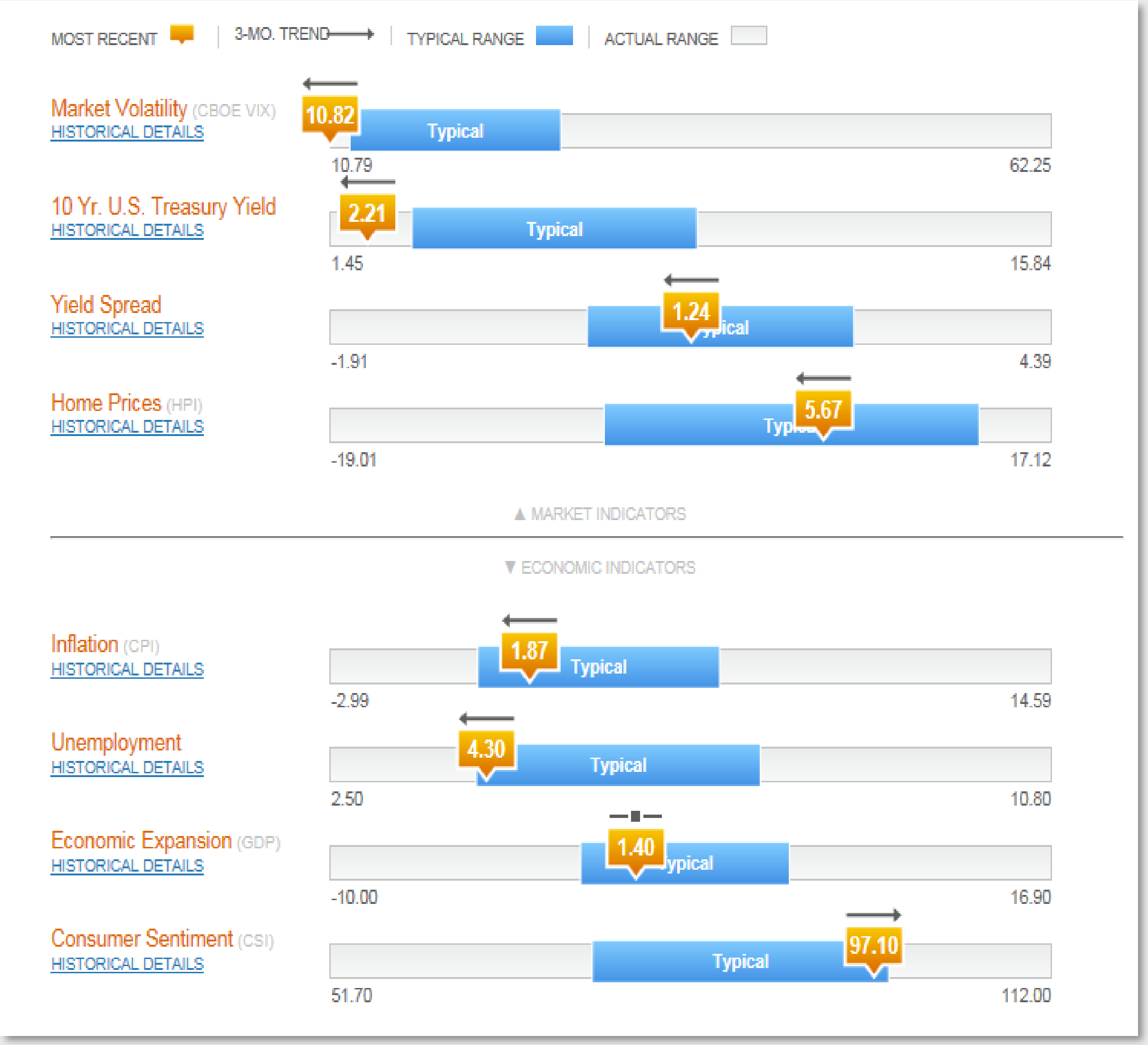
- Remains very low, but ticked up at the end of June due to uncertain central bank policy

YIELD SPREAD

- Short-term yields have risen with the Fed's two rate increases this year, but long-team yields have fallen on inflation and growth worries

INFLATION

- Moves lower from 2.2% at the end of May to 1.9% at the end of June

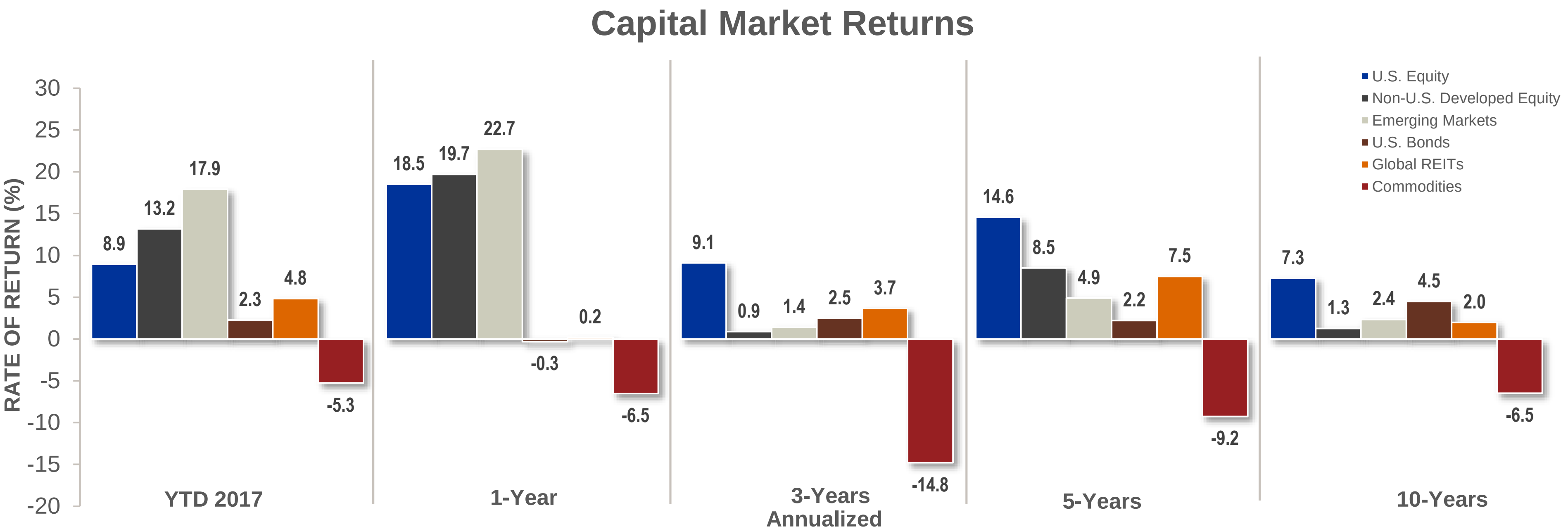


http://www.russellinvestments.com, current state as of 6/29/2017. ***See appendix for category definitions.***

Russell Investments' Economic Indicators Dashboard charts several key indicators to help investors assess economic and market trends.

Capital markets

PERIODS ENDING JUNE 2017



U.S. equity: (Russell 3000® Index) U.S. stock index which includes the 3,000 largest U.S. stocks as measured by market capitalization

Non-U.S. developed equity: (Russell Developed ex-U.S. Large Cap Index) International market index that includes Western Europe, Japan, Australia and Canada

Emerging markets: (Russell Emerging Markets Index) Emerging markets index that includes S. Korea, Brazil, Russia, India and China

U.S. bonds: (Bloomberg Barclays U.S. Aggregate Bond Index) Broad index for U.S. Fixed Income market

Global REITs: (FTSE EPRA/NAREIT Developed Index) Index for global publicly traded real estate securities

Commodities: (Bloomberg Commodity Index Total Return) Broad index of common commodities

CAPITAL MARKETS YTD 2017:

› **U.S. equity** up on continued positive sentiment

› **Developed non-U.S.** stock markets up for Q2 based on solid economic data, improved corporate earnings and diminished political risk

› **Emerging markets** up on a weak U.S. dollar and rising global consumer demand

› **U.S. bonds** up due to low inflation and positive economic data

› **Global real estate** up across all regions

› **Commodities** weak due to continued double digit losses in the energy sector

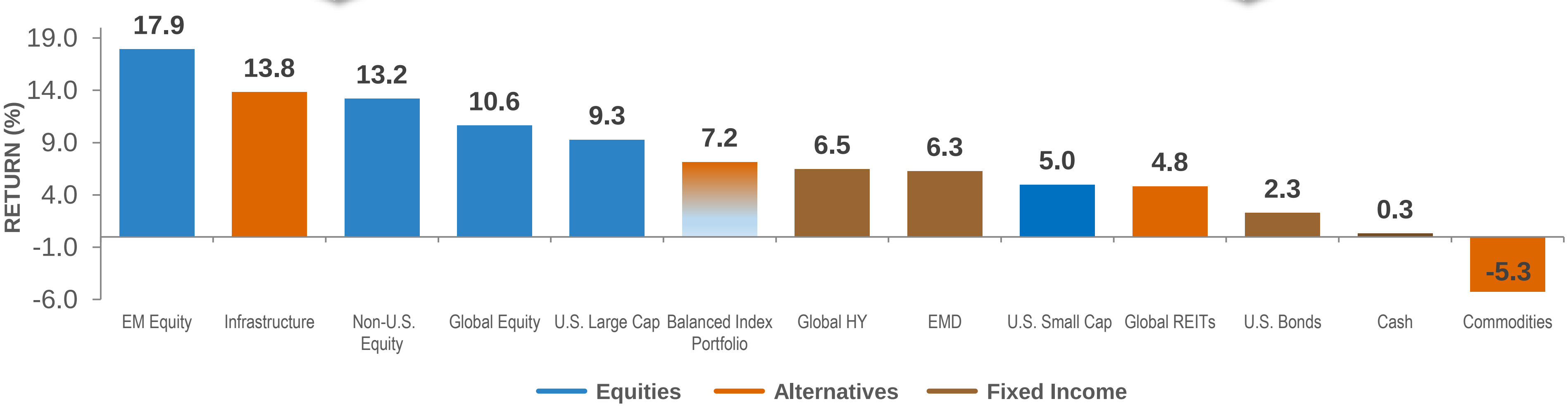
Source: Russell, Barclays, Bloomberg, and FTSE NAREIT.
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

What worked and what didn't work

What worked

What didn't work

Year-to-date returns as of June 30, 2017



WHAT WORKED

- **Emerging markets & global equity** had strong gains, benefiting from strong economic data, improved earnings and reduced political risk
- **Infrastructure** up based on positive investor sentiment, and strong returns from airports and toll roads

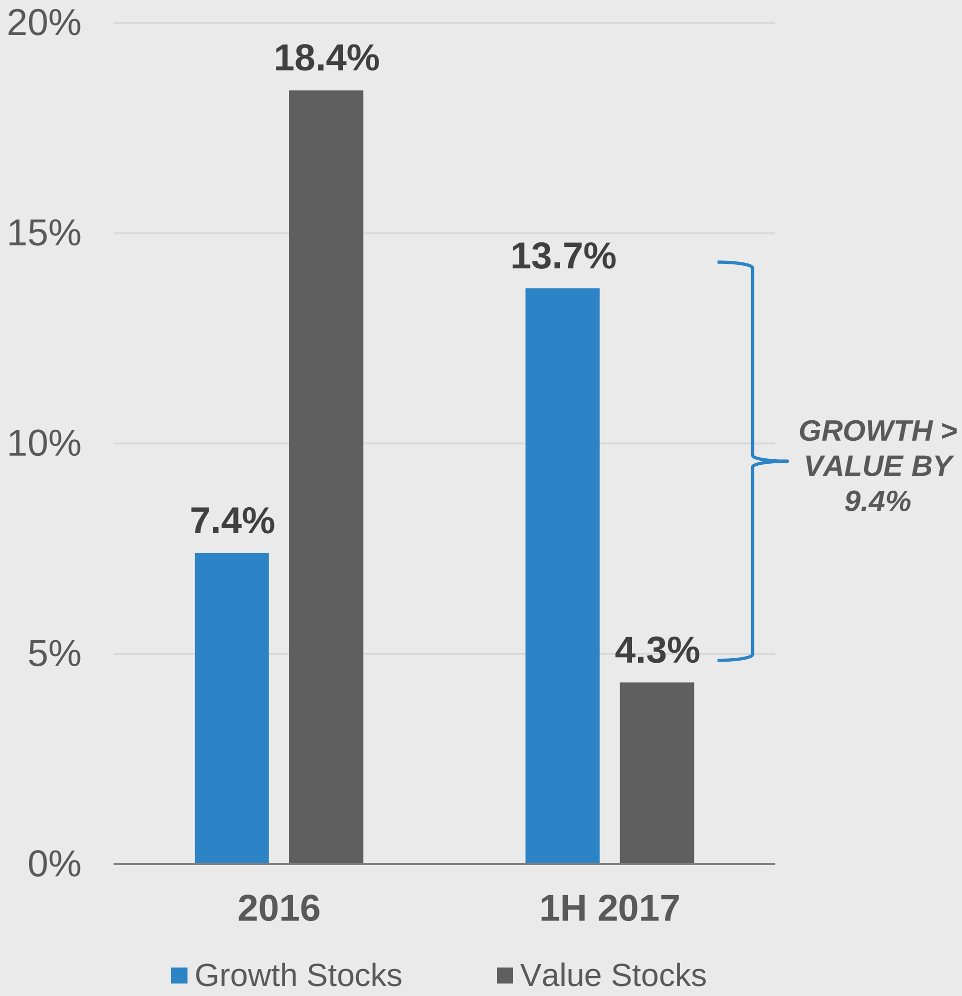
WHAT DIDN'T WORK

- **Commodities** returns were mixed with some of the worst returns in the energy sector; unleaded gas was down YTD -21.2% and natural gas was down -24.8%

U.S. Small Cap: Russell 2000® Index; U.S. Large Cap: Russell 1000® Index; Global: Russell Developed Large Cap Index; Non-U.S.: Russell Developed ex-U.S. Large Cap Index; Infrastructure: S&P Global Infrastructure Index; Global High Yield: Bloomberg Barclays Global High Yield Index; Global REITs: FTSE EPRA/NAREIT Developed Index; Cash: Citigroup 1-3 Month T-Bill Index; EM Equity: Russell Emerging Markets Index; U.S. Bonds: Bloomberg Barclays U.S. Aggregate Bond Index; EMD: JPM EMBI Plus Bond Index; Commodities: Bloomberg Commodity Index Total Return; Balanced Index: 5% U.S. Small Cap,15% U.S. Large Cap, 10% Global, 12% Non-U.S., 4% Infrastructure, 5% Global High Yield, 4% Global REITs, 0% Cash, 6% EM Equity, 30% U.S. Bonds, 5% EMD and 4% Commodities.
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

U.S. stock leadership reversal

GROWTH STOCKS ON A RUN IN 2017



2016

- **VALUE:** Energy (+25.9%) & Utilities (+20.4%)
- **GROWTH:** Health Care (-2.9%)

1H 2017

- **GROWTH:** Technology (+16.9%) & Health Care (+16.8%)
- **VALUE:** Energy (-13.6%) & Utilities (0.6%)
- YTD dominated by limited tech names:

  Apple, Google (Alphabet), Microsoft, Amazon, Facebook =

  - 10% of market capitalization but
  - 23% of market's return of 8.9%

Dramatic reversals require active/nimble approach to navigate

Growth: Russell 3000® Growth Index / Value: Russell 3000® Value Index.
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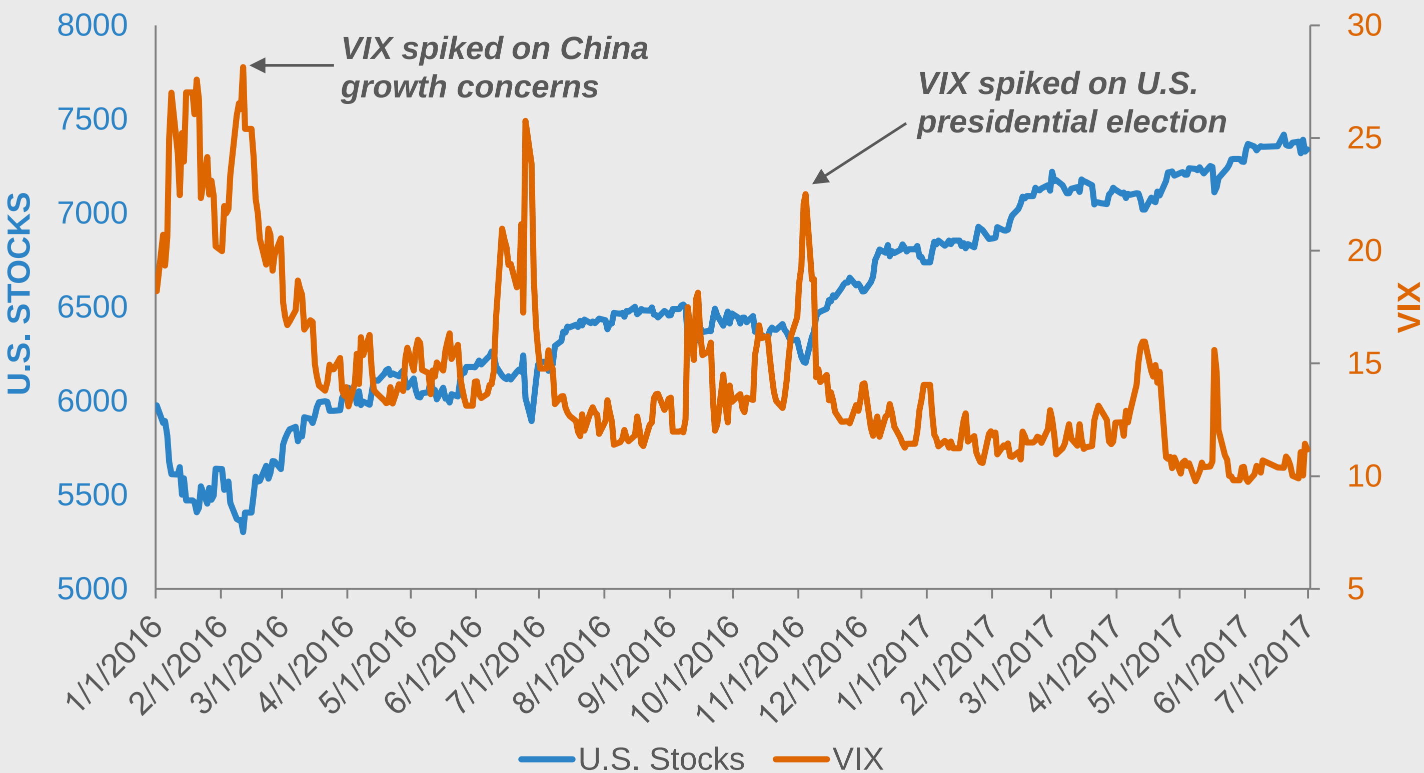
What goes down must come up

STOCK VOLATILITY UNUSUALLY LOW



U.S. EQUITIES UP 23% SINCE JANUARY 2016

VIX TRENDING LOW VS. HISTORY

- Markets have had attractive returns with below average volatility
- While volatility has been on pause, it should not be forgotten

Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility using the implied volatilities of a wide range of S&P 500® index options.
U.S. Stocks: Russell 3000® Index; VIX: Yahoo Finance.
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Russell Investments' 2017 global market outlook

Q3 UPDATE

KEY EXPECTATIONS

UNITED STATES
Late cycle?

- 2% GDP growth, with downside risk
- Q1 corporate earnings good, but likely as good as it gets for 2017
- No more Fed hikes this year, given soft inflation

Underweight: Expensive valuations without enough cyclical support

EUROZONE
Positive momentum

- 1.5% GDP growth, with upside potential
- 5%–10% earnings growth with room to expand
- Optimistic about business cycle

Overweight: Strong fundamentals

ASIA-PACIFIC
Emerging strength

- 5% GDP growth
- More optimistic on developing vs developed countries
- Valuations slightly expensive given recent performance

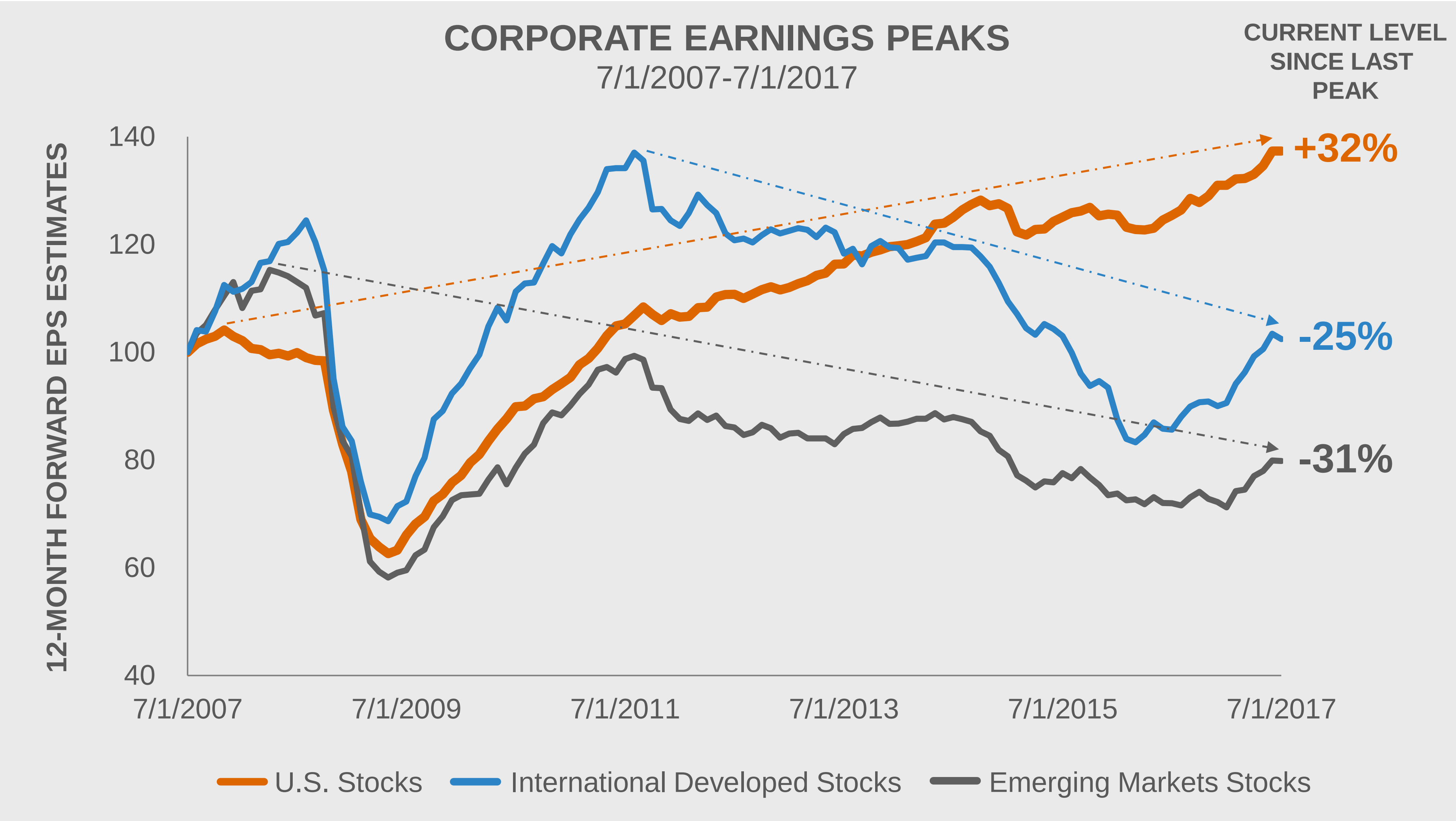
Neutral: Tailwind from resilient global trade, but valuations now slightly expensive

Given global uncertainty and expensive valuations, we believe in diversifying sources of returns.

There is no guarantee the stated expectations will be met.
As of 6/30/2017
Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment.

Non-U.S. corporate earnings still have room to expand

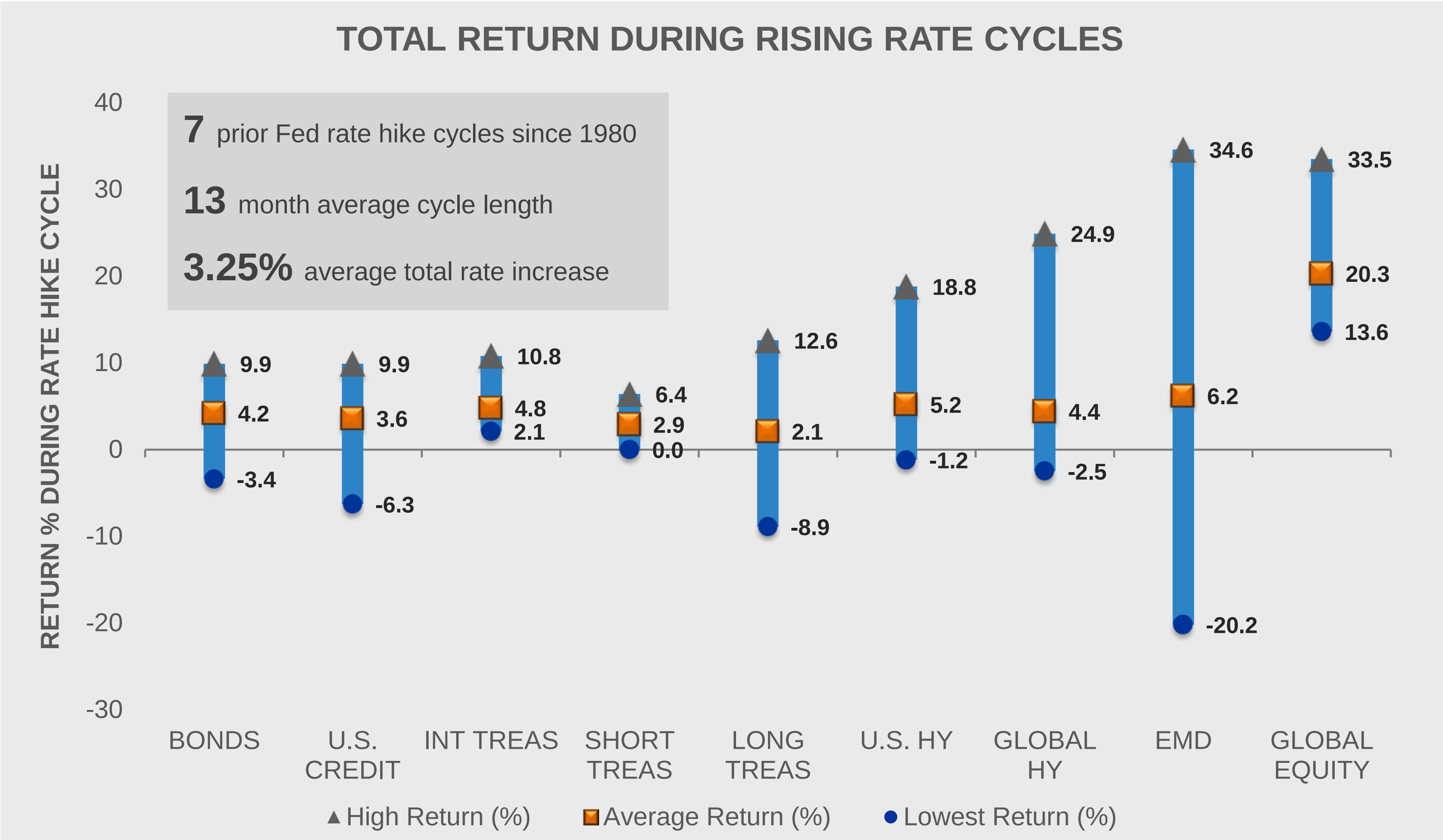
U.S. EARNINGS WELL BEYOND PREVIOUS CYCLE



Source: Thomson Reuters Datastream, as of June 30, 2017.
U.S. Stocks: S&P 500® Index; International Developed Stocks: MSCI EAFE Index; and Emerging Markets Stocks: MSCI Emerging Markets Index

Do rising rates sink bond returns?

NOT NECESSARILY

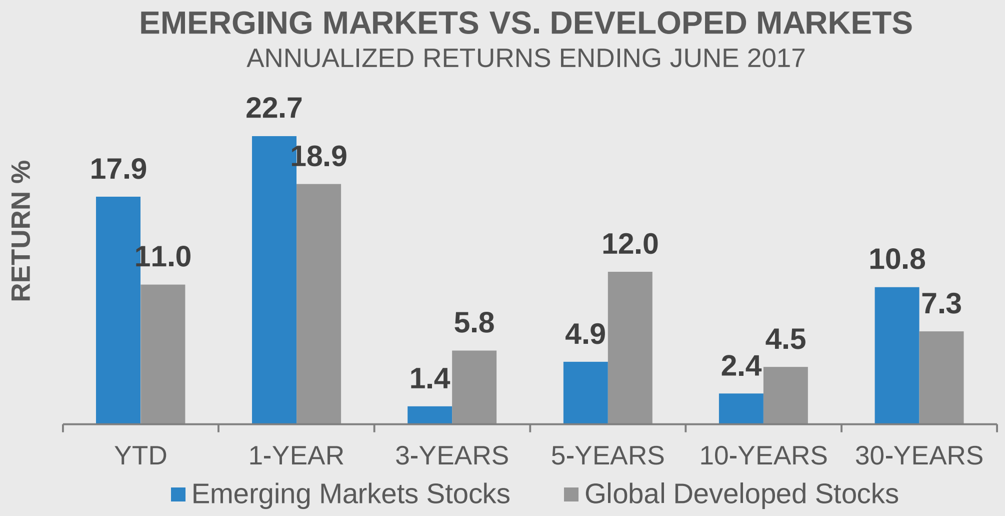


Bonds: Bloomberg Barclays U.S. Aggregate Bond Index; U.S. Credit: Bloomberg Barclays U.S. Credit Index; Int Treas: Bloomberg Barclays Intermediate Treasury Index; Short Treas: Bloomberg Barclays Short Treasury Index; Long Treasury: Bloomberg Barclays Long Treasury Index; U.S. HY: Bloomberg Barclays U.S. High Yield Index; Global HY: BofA Merrill Lynch Global High Yield Index; EMD: JP Morgan Emerging Markets Debt Index; Global Equity: MSCI World Index.

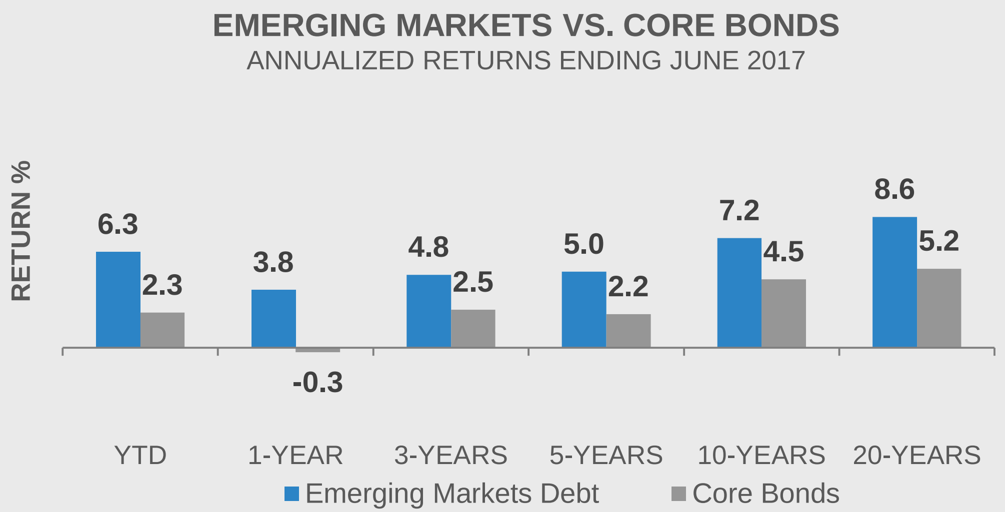
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Two ways to participate in emerging markets

STOCKS AND BONDS



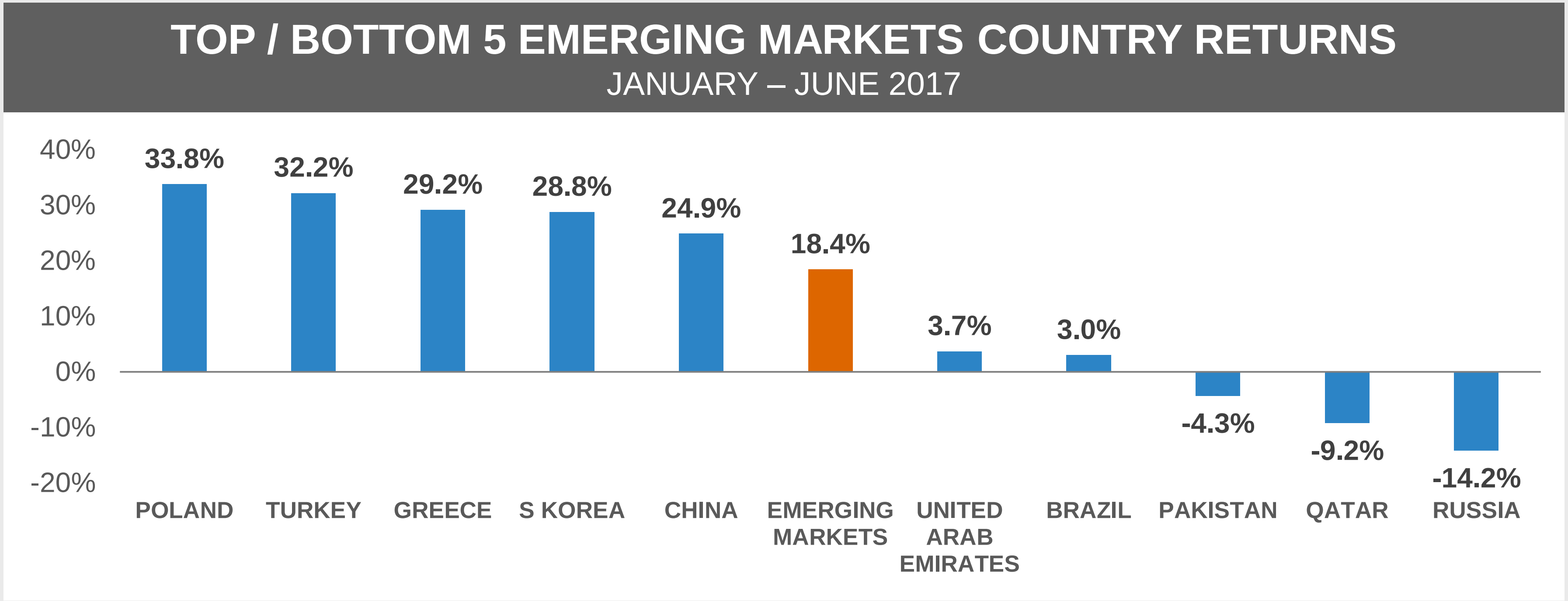
- Long term emerging markets equities have outperformed developed markets
- Near term results show potential for mean reversion



- Emerging Market Debt (EMD) has outperformed core bonds
- Can provide additional diversification

Sources: MSCI World Index and MSCI Emerging Markets Index, JP Morgan Emerging Markets Debt Index and Bloomberg Barclays U.S. Aggregate Bond Index.
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Emerging markets are not monolithic



- Why consider Emerging Markets?
  - 12% of global market capitalization / 85% of global population / 39% of global GDP
- Investing opportunities are wide ranging
- Active management can help navigate disparate markets

All returns are MSCI Emerging Markets Index Country Returns. Emerging Markets Cap = MSCI All Country World Index (May 2017); Population: IMF 2016; GDP: IMF, 2016 (both population and GDP reflect emerging and developing countries).
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Market experience of new administrations

FIRST TERM PRESIDENTS IN THEIR FIRST TWO YEARS

PRESIDENT 1960 – PRESENT	FIRST TWO YEARS IN OFFICE	60/40 ANNUALIZED YEARS 1 & 2	60/40 ANNUALIZED YEARS 3 & 4
KENNEDY	1961-62	6.3%	12.7%
JOHNSON	1965-66	1.6%	11.5%
NIXON	1969-70	1.7%	12.8%
CARTER	1977-78	0.8%	19.6%
REAGAN	1981-82	11.7%	12.3%
BUSH	1989-90	11.2%	16.9%
CLINTON	1993-94	4.5%	20.8%
BUSH	2001-02	-6.6%	13.4%
OBAMA	2009-10	14.6%	7.3%
AVERAGE		5.3%	14.2%

- Positive, but modest first two years on average
- Second two years have historically rewarded investors

60/40 Index Portfolio: 60% S&P 500® Index / 40% Ibbotson Government Bond linked to Bloomberg Barclays U.S. Aggregate Bond Index.
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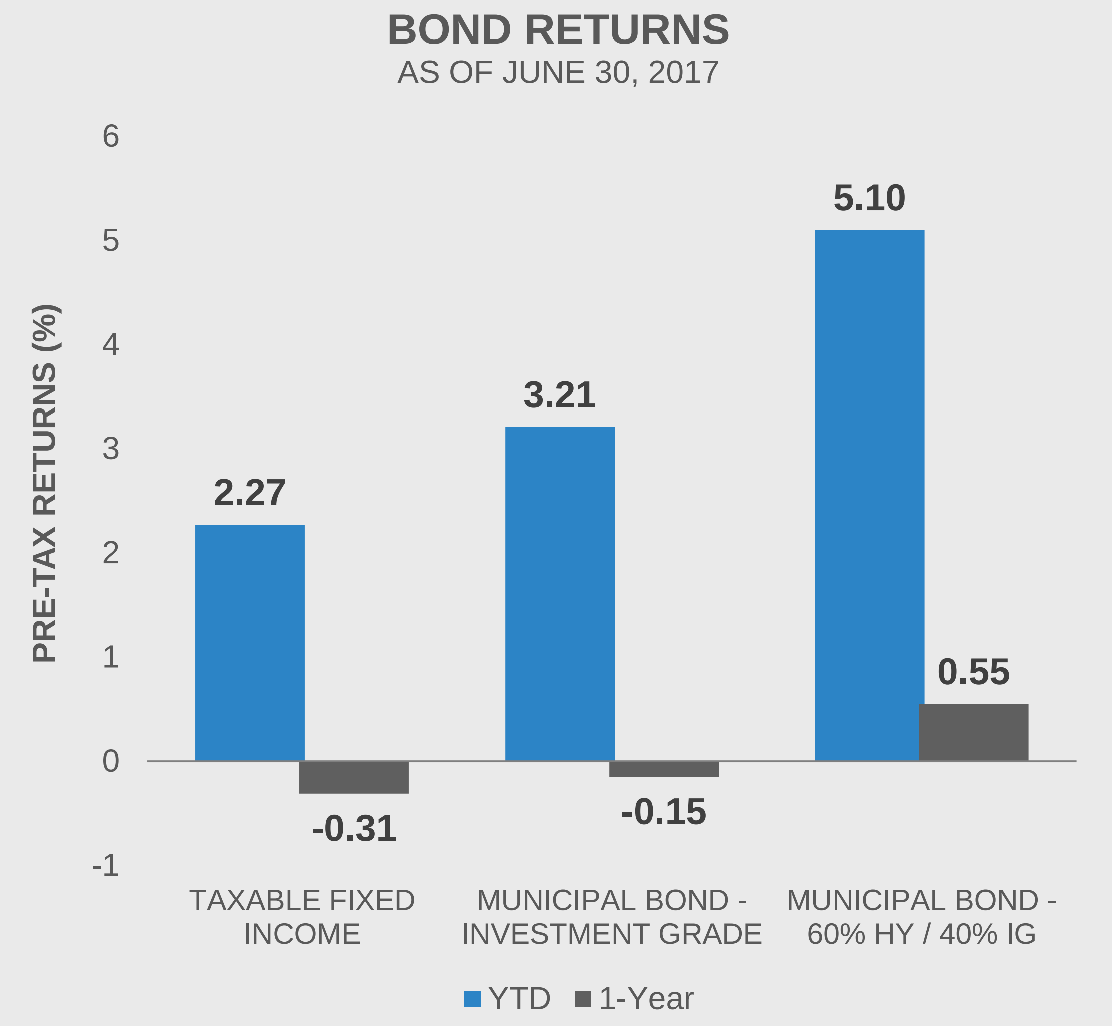
Municipal bonds recover from late 2016 pullback

MUNICIPALS OUTPERFORMING YTD EVEN ON PRE-TAX BASIS



2017 MUNICIPAL RETURNS DRIVEN BY:

- Tax reform efforts appear delayed to 2018
- Strong investor demand
- Light issuer supply
- Municipals remain an attractive asset class for taxable investors

Taxable Fixed Income: Bloomberg Barclays U.S. Aggregate Index; Municipal Bond – Investment Grade: Bloomberg Barclays 1-15 Year Municipal Bond Index; Municipal Bond – 60% HY / 40% IG: Bloomberg Barclays 60% Muni High Yield Index / 40% Municipal Bond Index.
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Watching the paint dry in 2017

- Caution around near-term outlook for growth and inflation will likely stop Fed hiking
- Process of winding down the balance sheet likely to start

FED BALANCE SHEET

- Now: $4.5 trillion
- 2008: $900 billion
- $2.5 trillion in treasuries
- $1.8 trillion in mortgages

SLOW ROLL OFF

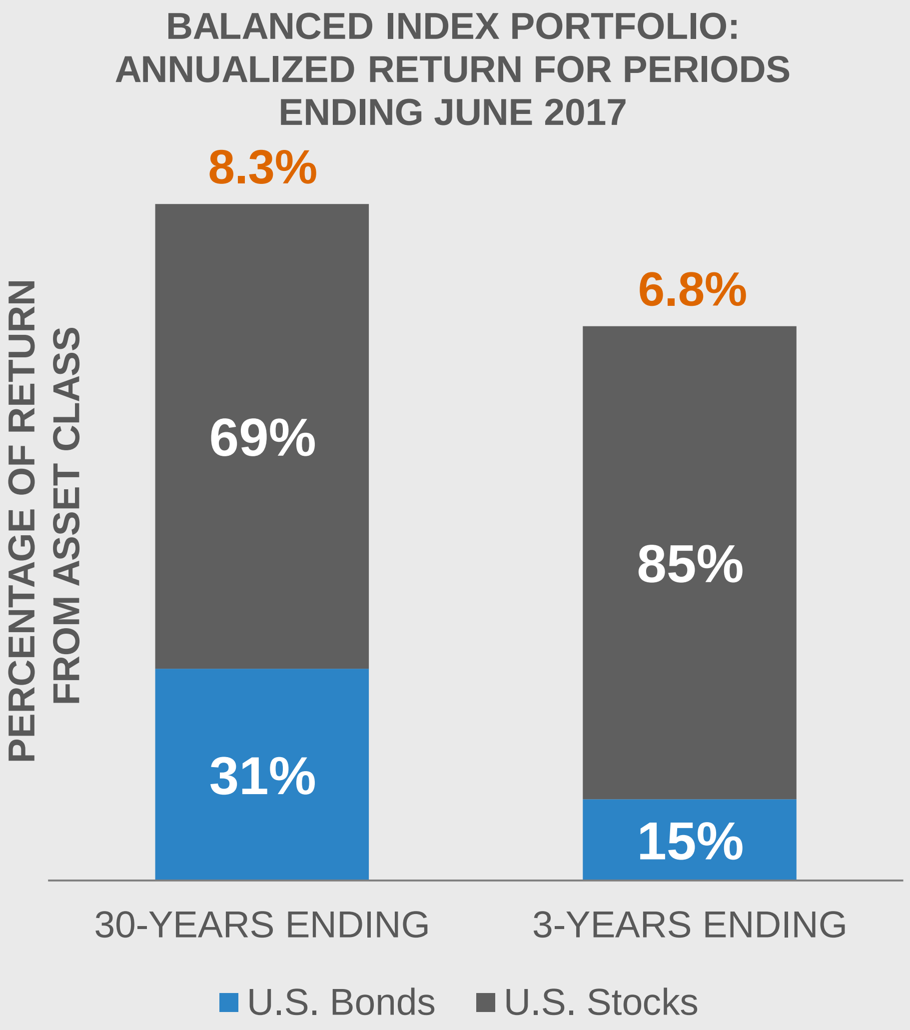
- Beginning at $10 billion target per month
- Gradually increasing $50 billion monthly

- Target balance likely to be considerably larger than 2008 levels
- Normalization could increase the 10-Year yield by 10 to 20 bps
- Impact on bond markets should be modest

Growth assets may need to work smarter

LOW INTEREST RATES ARE REDUCING BOND CONTRIBUTIONS

- Low interest rates have created lower bond returns
- Growth assets may need to generate more to reach comparable outcomes
- Diversified growth exposures and strategies can help manage risks and volatility
  - Non-U.S. stocks
  - Non-U.S. bonds
  - Real assets
  - Dynamic strategies



Sources: Stocks are the S&P 500® Index, Bonds are the Bloomberg Barclays U.S. Aggregate Bond Index. Balanced Bond Index: 60% S&P 500 / 40% Bloomberg Barclays U.S. Aggregate Bond Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Russell Investments

Important information and disclosures

Risks of asset classes discussed in this presentation:

Global, International and Emerging markets return may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation. Such securities may be less liquid and more volatile. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and political systems with less stability than in more developed countries.

Real Asset risks:

Investments in infrastructure-related companies have greater exposure to adverse economic, financial, regulatory, and political risks, including, governmental regulations. Global securities may be significantly affected by political or economic conditions and regulatory requirements in a particular country.

Commodities may have greater volatility than traditional securities. The value of commodities may be affected by changes in overall market movements, changes in interest rates or sectors affecting a particular industry or commodity, and international economic, political and regulatory developments.

Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks. Investments in international markets can involve risks of currency fluctuation, political and economic instability, different accounting standards, and foreign taxation.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than $2 billion) than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks. Investors should consider the additional risks involved in small cap investments.

Large capitalization (large cap) investments involve stocks of companies generally having a market capitalization between $10 billion and $200 billion. The value of securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions.

Defensive style emphasizes investments in equity securities of companies that are believed to have lower than average stock price volatility, characteristics indicating high financial quality, (which may include lower financial leverage) and/or stable business fundamentals.

Dynamic style emphasizes investments in equity securities of companies that are believed to be currently undergoing or are expected to undergo positive change that will lead to stock price appreciation. Dynamic stocks typically have higher than average stock price volatility, characteristics indicating lower financial quality, (which may include greater financial leverage) and/or less business stability.

Although stocks have historically outperformed bonds, they also have historically been more volatile. Investors should carefully consider their ability to invest during volatile periods in the market.

An Investment Grade is a system of gradation for measuring the relative investment qualities of bonds by the usage of rating symbols, which range from the highest investment quality (least investment risk) to the lowest investment quality (greatest investment risk).

Gross domestic product (GDP) refers to the market value of all final goods and services produced within a country in a given period. It is often considered an indicator of a country's standard of living.

Bonds:

With fixed income securities, such as bonds, interest rates and bond prices tend to move in opposite directions. When interest rates fall, bond prices typically rise and conversely when interest rates rise, bond prices typically fall. When interest rates are at low levels there is risk that a sustained rise in interest rates may cause losses to the price of bonds. Bond investors should carefully consider these risks such as interest rate, credit, repurchase and reverse repurchase transaction risks. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, is inherent in portfolios that invest in high yield ("junk") bonds or mortgage backed securities, especially mortgage backed securities with exposure to sub-prime mortgages. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries. When interest rates are at low levels there is risk that a sustained rise in interest rates may cause losses to the price of bonds.

Growth:

Growth investments focus on stocks of companies whose earnings/profitability are accelerating in the short-term or have grown consistently over the long-term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. A stock's value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments.

Value:

Value investments focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that the stocks' intrinsic values may never be realized by the market, or, that the stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

Index definitions

Bloomberg Barclays Global High-Yield Index: An index which provides a broad-based measure of the global high-yield fixed income markets. The Global High-Yield Index represents that union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices.

Bloomberg Barclays High Yield Municipal Bond Index: An unmanaged index considered representative of noninvestment-grade bonds. FactSet Research Systems Inc. Barclays Intermediate U.S. Credit Index is an unmanaged index of dollar-denominated, investment-grade, publicly issued securities with maturities of one to 10 years.

Bloomberg Barclays Intermediate Treasury Index: Measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

Bloomberg Barclays Short Treasury Index: Is composed of all treasuries that have a remaining maturity between one and twelve months.

Bloomberg Barclays U.S. Aggregate Bond Index: An index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities. (specifically: Barclays Government/Corporate Bond Index, the Asset-Backed Securities Index, and the Mortgage-Backed Securities Index).

Bloomberg Barclays U.S. Credit Bond Index: Measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year.

Bloomberg Commodity Index Family: Represents the major commodity sectors within the broad index: Energy (including petroleum and natural gas), Petroleum (including crude oil, heating oil and unleaded gasoline), Precious Metals, Industrial Metals, Grains, Livestock, Softs, Agriculture and ExEnergy. Also available are individual commodity sub-indexes on the 19 components currently included in the DJ-UBSCI℠, plus brent crude, cocoa, feeder cattle, gas oil, lead, orange juice, platinum, soybean meal and tin.

Bloomberg Commodity Index Total Return: Composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid the delivery process and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as "rolling" a futures position.

BofA Merrill Lynch Global High Yield Index: Tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or Eurobond markets.

Citigroup 1-3 Month T-Bill Index: An unmanaged index that tracks short-term U.S. government debt instruments.

FTSE NAREIT: An Index designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the U.S. economy, offering exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets.

FTSE NAREIT all Equity Index: Measures the performance of the commercial real estate space across the U.S. economy offering exposure to all investment and property sectors.

FTSE EPRA/NAREIT Developed Index: A global market capitalization weighted index composed of listed real estate securities in the North American, European and Asian real estate markets.

JPM Emerging Market Bond Index (EMBI): Dollar-denominated sovereign bonds issued by a selection of emerging market countries.

JPM EMBI Plus Bond Index: Tracks total returns for traded external debt instruments in the emerging markets.

MSCI country indices: Indices which include securities that are classified in that country according to the MSCI Global Investable Market Index Methodology, together with companies that are headquartered or listed in that country and carry out the majority of their operations in that country.

MSCI AC World ex-U.S. Index: The MSCI All Country (AC) World ex U.S. Index tracks global stock market performance that includes developed and emerging markets but excludes the U.S.

The MSCI AC (All Country) Asia ex Japan Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Asia, excluding Japan. The MSCI AC Asia ex Japan Index consists of the following 10 developed and emerging market country indexes: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.

MSCI EAFE (Europe, Australasia, Far East) Index: A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

MSCI Emerging Markets Index: A float-adjusted market capitalization index that consists of indices in 21 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI Europe Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following 15 developed market country indexes: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Russell 1000® Index: Measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.

Russell 1000® Growth Index: Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index: Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

Russell 1000® Defensive Index: Subset of top 1000 U.S. equities with companies that demonstrate less than average exposure to certain risk. (lower stock price volatility, higher quality balance sheets, stronger earnings profile).

Russell 1000® Dynamic Index: Subset of top 1000 U.S. equities with companies that demonstrate than average exposure to certain risks. (higher stock price volatility, lower quality balance sheets, uneven earnings profile).

Russell 2000® Index: Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2000® Growth Index: Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000® Value Index: Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower expected growth values.

Russell 3000® Index: Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Index definitions (cont'd)

Russell 3000® Growth Index: Measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000® Value Index: Measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Developed Large Cap Index: Offers investors access to the large-cap segment of the developed equity universe. Constructed to provide a comprehensive and unbiased barometer for the large-cap segment of this market and is completely reconstituted annually to accurately reflect the changes in the market over time.

Russell Developed ex-U.S. Large Cap Index: Offers investors access to the large-cap segment of the developed equity universe, excluding companies assigned to the U.S. Constructed to provide a comprehensive and unbiased barometer for this market segment and is completely reconstituted annually to accurately reflect the changes in the market over time.

Russell Emerging Markets Index: Measures the performance of the investable securities in emerging countries globally. Constructed to provide a comprehensive and unbiased barometer for this market segment and is completely reconstituted annually to accurately reflect the changes in the market over time.

Russell Global Index: Measures the performance of the global equity market based on all investable equity securities. All securities in the Russell Global Index are classified according to size, region, country, and sector, as a result the Index can be segmented into thousands of distinct benchmarks.

The S&P 500® Index is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the S&P 500® are those of large publicly held companies that trade on either of the two largest American stock market exchanges: the New York Stock Exchange and the NASDAQ.

The S&P Global Infrastructure Index: Provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure across the global listed infrastructure market, the index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation, and Energy.

U.S. Energy: Within the Russell 3000®, those energy-related businesses, such as oil companies involved in the exploration, production, servicing, drilling and refining processes, and companies primarily involved in the production and mining of coal and other fuels used in the generation of consumable energy. Gas extraction, distribution and pipeline companies classify into this Sector.

U.S. Health Care: Within the Russell 3000®, those companies that manufacture health care equipment and supplies or provide health care-related services such as lab services, in-home medical care and health care facilities. Also included are companies involved in research, development and production of pharmaceuticals and biotechnology.

U.S. Material & Processing: Within the Russell 3000®, those companies that extract or process raw materials, and companies that manufacture chemicals, construction materials, glass, paper, plastic, forest products and related packaging products. Metals and minerals miners, metal alloy producers, and metal fabricators are included.

U.S. Technology: Within the Russell 3000®, those companies that serve the information technology, telecommunications technology and electronics industries.

Economic Indicators Dashboard definitions

Market Indicators

HOME PRICES – The S&P/Case-Shiller Home Price Index is a measurement of U.S. residential real estate prices, tracking changes in top 20 metropolitan regions. This indicator value represents the trailing year over year % change in the home prices index as of last month-end. Residential real estate represents a large portion of the US economy and the Home Price index helps us monitor the value of real estate.

MARKET VOLATILITY(VIX) – CBOE VIX (Chicago Board Options Exchange Volatility Index) measures annualized implied volatility as conveyed by S&P 500 stock index option prices and is quoted in percentage points per annum. For instance, a VIX value of 15 represents an annualized implied volatility of 15% over the next 30 day period. The VIX measures implied volatility, which is a barometer of investor sentiment and market risk.

10 YR. U.S. TREASURY YIELD – The yield on the 10 year U.S. Treasury note issued by the U.S. Government. It is important because it is seen as a benchmark for interest rate movements and borrowing costs in the economy.

YIELD SPREAD – The spread between 3 month Treasury bill yields and 10 year Treasury note yields measures the market outlook for future interest rates. A normal or upward-sloping yield curve, can imply that investors expect the economy to grow and inflation to eat into asset returns. They thus demand a higher yield for long-term Treasuries. An inverted yield curve has often been an indicator of coming recessions, but not always. For example, reduced inflation expectations could cause the yield curve to flatten.

Economic Indicators

CONSUMER SENTIMENT – The University of Michigan Survey of Consumer Sentiment Index is an economic indicator which measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation.

ECONOMIC EXPANSION (GDP) – GDP (Gross Domestic Product) measures the total market value of a nation's output of goods and services during a specific time period. It is usually measured on a quarterly basis. Current GDP is based on the current prices of the period being measured. Nominal GDP growth refers to GDP growth in nominal prices (unadjusted for price changes). Real GDP growth refers to GDP growth adjusted for price changes. Calculating Real GDP growth allows economists to determine if production increased or decreased, regardless of changes in the purchasing power of the currency.

INFLATION – The Consumer Price Index (CPI) NSA (non-seasonally adjusted) measures changes in the price level of a market basket of consumer goods and services purchased by households. This indicator value represents the trailing year over year % change in the CPI index as of last month-end.

UNEMPLOYMENT – The Bureau of Labor Statistics measures employment and unemployment of all persons over the age of 15 using two different labor force surveys conducted by the United States Census Bureau (within the United States Department of Commerce) and the Bureau of Labor Statistics (within the United States Department of Labor) that gather employment statistics monthly. The data reported here is seasonally adjusted (SA) to account for seasonal gains in employment leading up to Christmas.

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