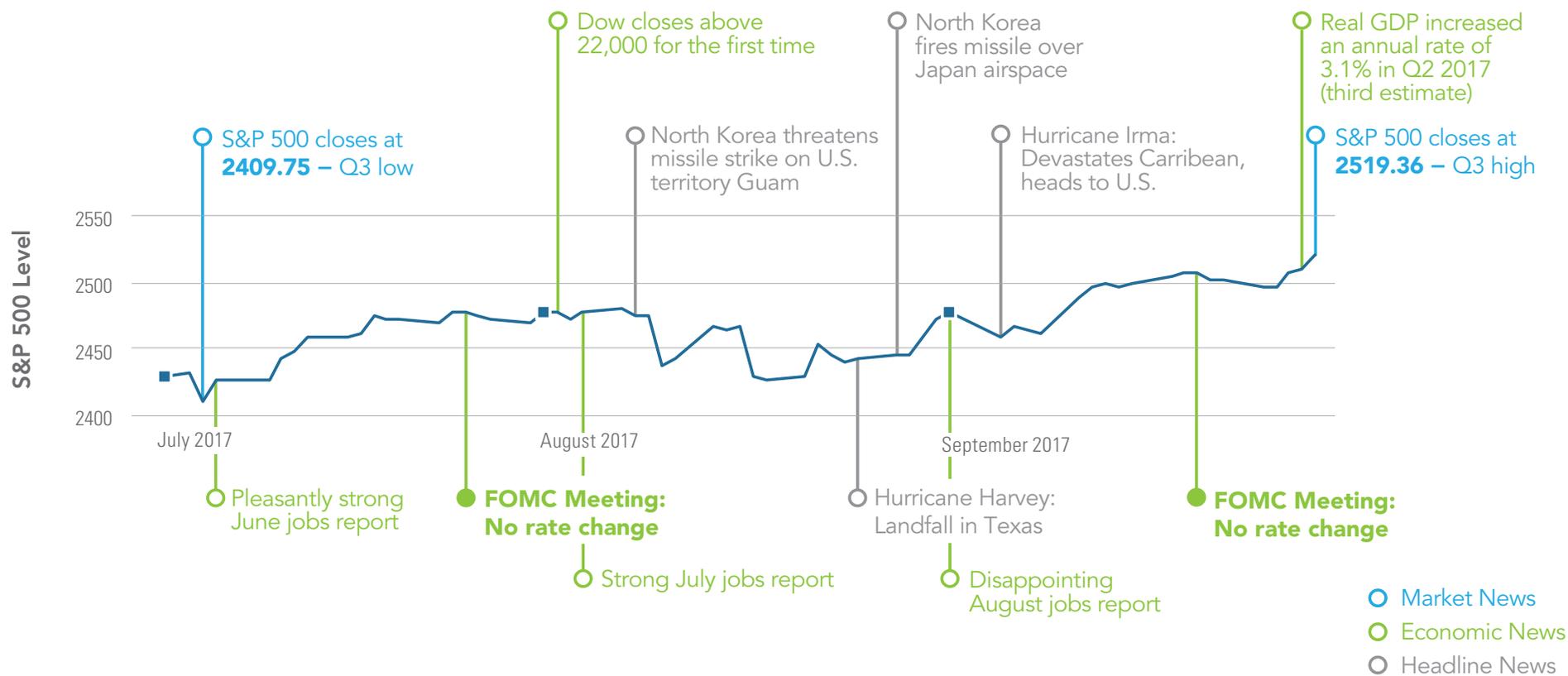


# Third Quarter 2017 in Review

THE S&P 500® INDEX AND KEY EVENTS



## 1 During the quarter, strong performance in equity markets

- Dow Jones® Industrial Average closed above 22,000 for the first time.
- US small cap (Russell 2000® Index: 5.7%) edged past non-US developed (MSCI EAFE Index: 5.5%) and US large cap (Dow Jones Industrial Average: 5.6%). Emerging markets delivered a resounding 8.0% (MSCI EM Index).

## 2 US bond markets positive across most sectors and maturities

- Positive performance generated by Treasuries (BofA Merrill Lynch 7-10 Year US Treasury Index: 0.5%) and municipals (S&P Municipal Bond Index: 1.0%).
- High yield was mixed, with municipals dipping into negative territory (S&P Municipal Bond High Yield Index: -0.1%) and corporates delivering positive returns (S&P 500 High Yield Corporate Bond Index: 1.6%).

## 3 Important events

- Consumer confidence remained high in Q3, although Hurricanes Harvey and Irma negatively impacted confidence in Texas and Florida.
- The Federal Open Market Committee (FOMC) left interest rates unchanged at its July and September meetings, reiterating the expectation for one more increase in 2017.
- The economy grew at a rapid 3.1% in Q2, bouncing back from a difficult start to the year (1.2% growth in Q1).

Data as of 9/30/17, unless noted. Sources: Bloomberg, Bureau of Economic Analysis.

### Important Information

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S&P 500 Index is an unmanaged index that is generally considered representative of the US equity market, consisting of 500 leading companies in leading industries of the US economy (typically large cap companies) representing approximately 75% of the investable US equity market. Dow Jones Industrial Average (a registered trademark of Dow Jones & Co., Inc.) is an unmanaged index composed of 30 common stocks. Russell 2000® Index consists of the smallest 2,000 securities in the Russell 3000® Index. This is the Frank Russell Company's small capitalization index that is widely regarded in the industry as the premier measure of small capitalization stocks. The Russell 3000 Index is composed of the 3,000 largest U.S. securities, as determined by total market capitalization. MSCI EAFE (Europe, Australasia, Far East) Index measures the equity market performance of countries considered to represent developed markets, excluding the U.S. and Canada. MSCI Emerging Markets (EM) Index measures the equity market performance of countries considered to represent emerging markets. The BofA Merrill Lynch 7-10 Year US Treasury Index is a subset of The BofA Merrill Lynch US Treasury Index including all securities with a remaining term to final maturity greater than or equal to 7 years and less than 10 years. The S&P Municipal Bond Index is a broad, market value-weighted index that seeks to measure the performance of the U.S. municipal bond market. The S&P 500 High Yield Corporate Bond Index, a subindex of the S&P 500 Bond Index, seeks to measure the performance of U.S. corporate debt issued by constituents in the S&P 500 with a high-yield rating. The S&P Municipal Bond High Yield Index consists of bonds in the S&P Municipal Bond Index that are not rated or are rated below investment grade. One cannot invest directly in an index.

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