

Just the Facts

MARKET INTELLIGENCE FROM SAVOS INVESTMENTS



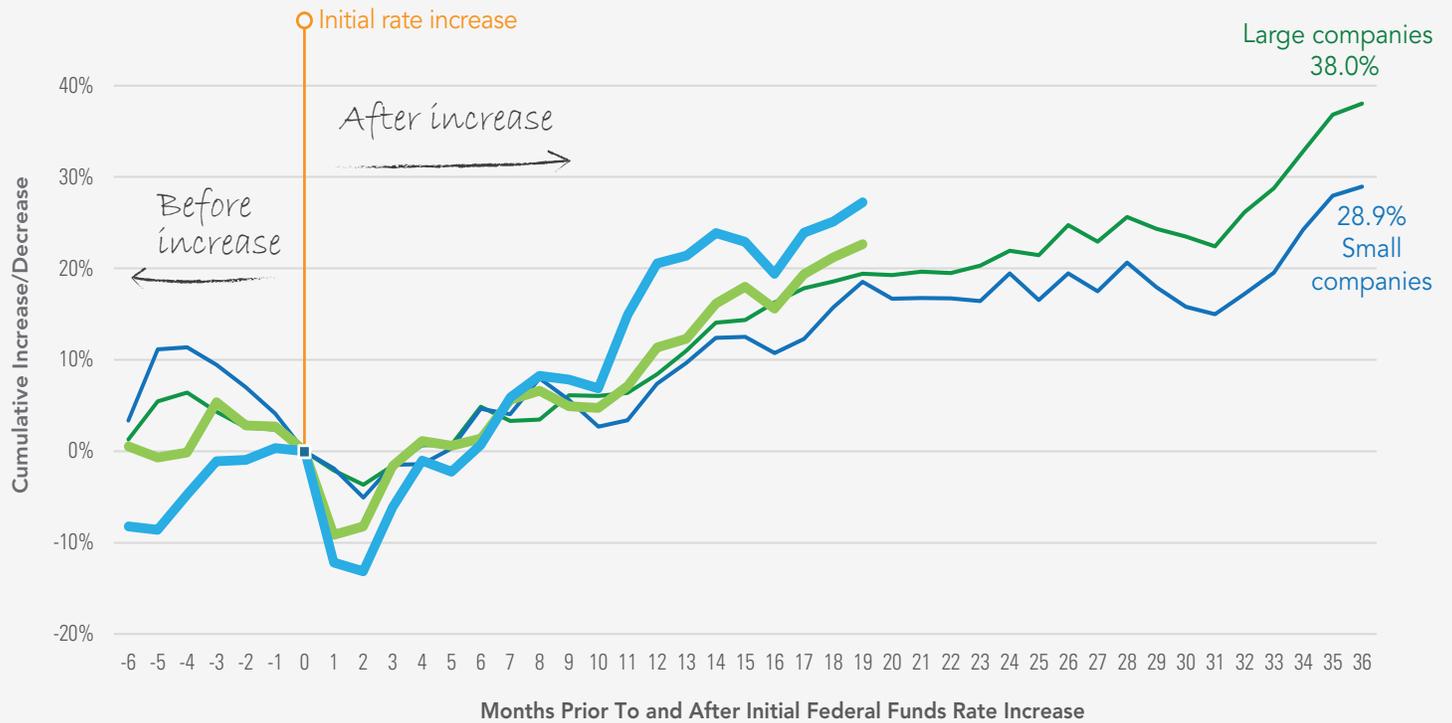
Rising Rates and the US Equity Market

The timing and pace of Federal Funds rate increases has been at the forefront of market analysis for more than two years. We asked our research team to answer the question, "How does the US equity market typically perform just before and after the first interest rate increase in a cycle of rate increases?"

Historically, the US equity market has trended down just before the first increase. After that increase, the market has averaged strong performance, with large companies outperforming small companies. For the current period, small companies are outperforming large companies.

US equity indices performance during periods of Federal Funds rate increases (since 1987)

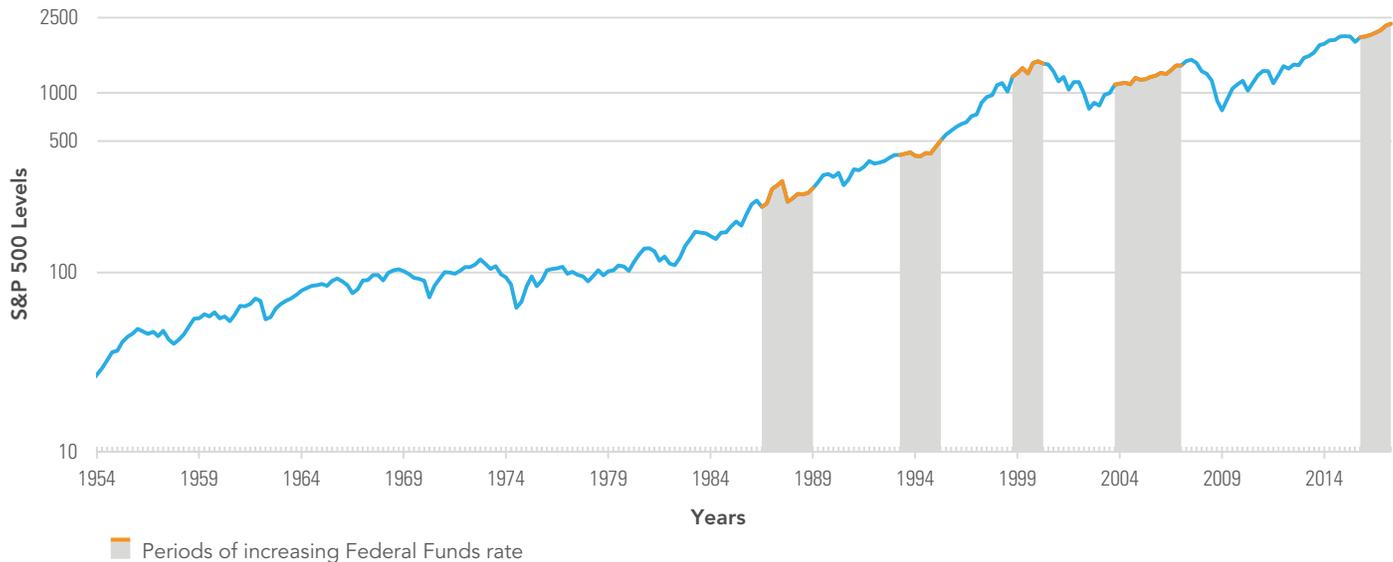
Current period (starting 12/17/15) vs. average of prior periods



- Large companies, average*
- Small companies, average*
- Large companies, since 12/17/15
- Small companies, since 12/17/15

*Large companies represented by the S&P 500®, small companies represented by the Russell 2000® Index. Average refers to average performance over four periods of rate increases from Q3 1987 through Q2 2007. Sources: Federal Reserve Board, Standard and Poor's, Russell Investment Group, Bloomberg. Data as of 7/16/2017.

Indexed S&P 500 levels for periods of rising interest rates



Sources: Bloomberg, Federal Reserve Board. Data as of 6/30/2017.

About Savos Investments

Savos Investments, a boutique investment firm, is focused on serving AssetMark advisors and their clients. Savos provides innovative solutions to meet the needs of the most discerning financial advisors and investors. Savos crafts high quality, outcome-oriented, client-centric portfolios.

Savos is lead by Jason Thomas, PhD, CFA, Chief Investment Officer. Prior to Savos, Dr. Thomas was with the Federal Reserve Bank of San Francisco, Goldman Sachs and Aspiriant.

Simply Smart. Simply Savos.

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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. 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. It is not possible to invest directly in an index.

The prices of small and mid cap company stocks are generally more volatile than large company stocks. They often involve higher risks because these companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

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