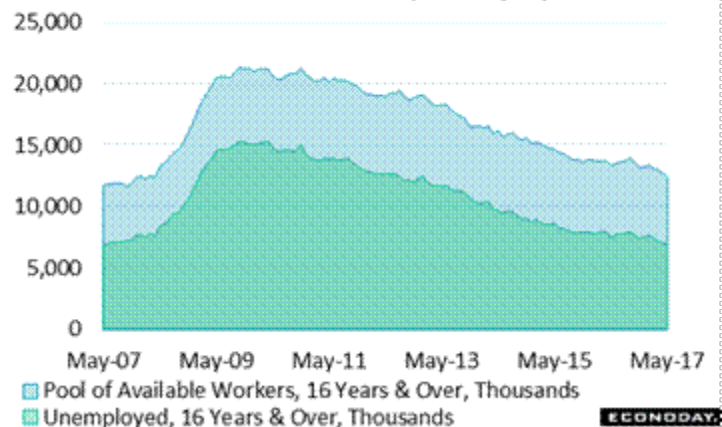


ECONOMIC/MARKET BRIEF

Slack Absorbed: Pool at 12.4 Mln, Unemployed at 6.9 Mln



○ POSITIVES

- European equities continue to outpace the U.S. market with solid fundamentals and increased investor confidence in response to Emmanuel Macron's French presidential win
- The ISM non-manufacturing Index came in at 56.9, driven by strong backlogs and strength in employment
- 1st quarter GDP was revised up from 0.7% to 1.2%

○ CHALLENGES

- As the pool of candidates dwindled to a 9 year low, non-farm payrolls posted its weakest reading in nearly 5 years, adding just 138,000 jobs in May
- Wage growth remains surprisingly weak even as the unemployment rate sits at a 16-year low of 4.3%
- The effects of low wages has likely played a part in weakening vehicle sales & a decline in existing home sales; further weakness in consumer spending is expected
- Political uncertainty remains a near-term risk given the multiple challenges facing the Trump administration

Performance as of May 31, 2017

<u>Index</u>	<u>Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 YR</u>	<u>3 YR</u>	<u>5 YR</u>
S&P 500	1.41%	2.57%	8.66%	17.47%	10.14%	15.42%
Dow Jones	0.71%	1.56%	7.47%	21.16%	10.65%	13.96%
Russell MidCap	0.91%	1.53%	6.92%	15.86%	8.50%	15.13%
Russell 2000	-2.03%	-0.83%	1.48%	20.36%	8.00%	14.04%
MSCI EAFE	3.67%	9.23%	14.01%	16.44%	1.53%	10.21%
MSCI Emg Mkts	2.96%	7.87%	17.25%	27.41%	1.62%	4.54%
Barcap Aggr	0.77%	1.49%	2.38%	1.58%	2.53%	2.24%

Nonfarm Payrolls: Growth Slowing

