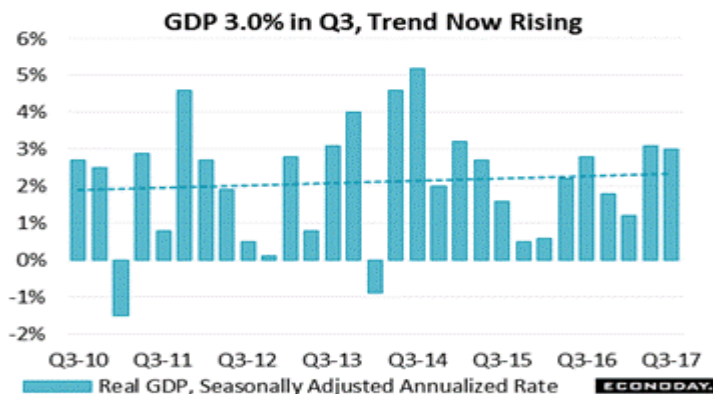


ECONOMIC/MARKET BRIEF



Performance as of October 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	2.33%	4.76%	16.91%	23.63%	10.77%	15.18%
Dow Jones	4.44%	7.40%	20.58%	32.07%	13.18%	15.12%
Russell MidCap	1.67%	3.67%	13.60%	21.09%	9.04%	14.87%
Russell 2000	0.85%	5.78%	11.89%	27.85%	10.12%	14.49%
MSCI EAFE	1.52%	4.01%	21.78%	23.44%	6.08%	8.53%
MSCI Emg Mkts	3.51%	5.39%	32.26%	26.45%	5.70%	4.83%
Barcap Aggr	0.06%	0.47%	3.20%	0.90%	2.40%	2.04%

○ POSITIVES

- Despite the hurricane disruptions, Payrolls rose 261,000 in October. In just under 4 years, unemployment gone down from 7% in 2013 to 4.1% in 2017
- Dow's bullish run (up 19.1% YTD) and confidence in the job market has been fueling this year's increasing consumer confidence.
- The US economy has been resilient, real GDP increased at an annual rate of 3% in the third Quarter of 2017, primarily due to an increase in consumer spending, inventory investment, business investment and exports. This back to back quarterly growth of 3% is a first in three years.
- Total exports obtained new highs, rising at 2.3% and were largely driven by financial and information services. The decline in dollar has made US products less expensive to foreigners.
- Another positive is the contraction in imports. Consumer imports and vehicle imports have both been slowing, two trouble spots that have traditionally deepened the deficit.

○ CHALLENGES

- Following the devastation of hurricane Maria, Puerto Rico has a long road to recovery and rebuilding.

