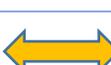
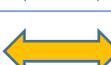


## Quarterly Asset Class Outlook Q4 2017

Asset Class	Sector	Current Outlook	Change	Comments
<b>Equities</b>	<b>U.S. Large Cap</b>			Broad synchronized global growth supports large cap multi-nationals.
	<b>U.S. Mid Cap</b>			Should benefit from a higher weighting to the Industrials sector if substantial increases in military spending are enacted.
	<b>U.S. Small Cap</b>			Small caps are likely beneficiaries of tax reform. Recent strength in the energy and financial sectors is encouraging.
	<b>U.S. Growth</b>			Health Care and Technology continue to show momentum due to earnings strength.
	<b>U.S. Value</b>			Financials should benefit from increases in dividends and buybacks. Energy has stabilized as inventories begin to recede.
	<b>International</b>			Economic growth in Europe has accelerated, driving corporate earnings growth. The Bank of Japan remains extremely accommodative.
	<b>Emerging Markets</b>			Positioned to gain from improving trade volumes, better corporate earnings and a benign dollar.
<b>Fixed Income</b>	<b>Treasuries</b>			The Fed announced plans to reduce its balance sheet, beginning with a small amount, then gradually increasing. Initially, the impact will be modest but there is the potential for rate volatility down the road.
	<b>Mortgage Backed Securities</b>			Solid risk adjusted returns against the backdrop of an improving housing market support the sector. Favor non-agency mortgages.
	<b>Investment Grade Corporate Bonds</b>			Balance sheets are solid but spreads are at their tightest levels in this cycle.
	<b>High Yield Bonds</b>			Debt levels remain elevated as spreads have tightened, but low default rates persist.
<b>Alternatives</b>	<b>Real Estate</b>			Housing stability favors homebuilders but interest rate sensitivity can cause volatility in REITS.
	<b>Commodities</b>			A mixed picture across the sector. Copper prices edged higher due to global growth while supply pushed Natural Gas prices lower.
	<b>US Dollar</b>			Pro-growth fiscal stimulus should benefit the dollar, but potential trade restrictions could trigger international retaliation.

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