U.S. Equities
October 2017

KEY HIGHLIGHTS

- The S&P 500® gained 2.22% in October, bringing its YTD return to 15.03%.
- The Dow Jones Industrial Average® returned 4.34% for the month and was up 18.29% YTD.
- The S&P MidCap 400® was up 2.18% for the month and up 10.51% YTD.
- The S&P SmallCap 600® returned 0.89% in October, with an 8.84% return YTD.

Exhibit 1: Index Returns

INDEX	1-MONTH (%)	YTD (%)	1-YEAR (%)
S&P 500	2.22	15.03	21.12
Dow Jones Industrial Average	4.34	18.29	28.85
S&P MidCap 400	2.18	10.51	21.57
S&P SmallCap 600	0.89	8.84	26.22

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

MARKET SNAPSHOT

The market didn't need the vice president to break this tie, as the 11-11 score easily went to market participants. The S&P 500 posted new closing highs for half of the October trading days: 11 of 22, an occurrence not seen since May 2013, and only six months have posted more than 11 since 1930 (1961 and 1998 had months with 13 new closing highs). While half is great, for the week of Oct. 16-20, 2017, the index posted a perfect week, closing each day with a new closing high and marking the 18th such event in index history (since 1928, last seen in March 1998). There was little disagreement on why, as the indictment came down squarely on the power of earnings. As of Oct. 31, 2017, 69.2% of S&P 500 Q3 2017 earnings were reported (based on market value; 52.4% of the issues), with 74% beating (historical average is 67%), and the quarter is set to post a new record for earnings. Even more relevant, sales beat 65% of the time and are expected to post a 5.6% year-over-year gain, as they also set a new record, with the takeaway being you can't keep increasing the bottom-line via cuts and buybacks, so the current sales growth is a major factor. We have not seen retail yet, and while predictions call for increased spending this holiday season (along with another earnings record in Q4 2017), we'll have to wait a little while before we give thanks for continued higher sales (although the evidence is mounting).

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S&P Dow Jones Indices' Market Attributes® series provides market commentary highlighting developments across various asset classes.

There were other events, issues, shows, and dramas in October, although "there ain't nothin' like a good earnings season to prime the market." The market watched and digested, but only slightly reacted to events in Washington, as the budget passed (but didn't go away), with income tax now coming to bat. In initials, the EPA repealed Obama's Clean Power Plan, which had been blocked by the courts (and never went into effect); the FCC was reported to be implementing significant changes to ownership of U.S. television stations and newspapers (expected in November 2017), removing many of the restrictions and controls. Subsidies under the ACA (Obamacare) were cut by Trump, as the U.S. Congress tried to ride to the rescue to save voters from the dark side of voting. While the FOMC waits for a whiff of inflation, a whiff of independence was seen in Catalonia, with the Street interest in whether the whiff will drift, given several areas are in similar situations, which could change the map or bloody the local streets—not to mention the effect it could have on currencies and debt. Elections for some incumbents were good, as Abe (Japan) and Xi Jining (China) not only won, but extended their power and ruling time, as Austria took a turn to the right, along with the election of a 31-year-old prime minister (Sebastian Kurz). Of interest (and potential impact) was a proposed name change, as Republican in-fighting continued with two Republican senators (Flake and Corker), saying they would not run for re-election and chastising Trump, adding their voices to former President George Bush and current Senator John McCain. More are expected to exit as Congress and Trump & Company come to terms with each other, with the key question being if Trump gets his choices elected to their seats or if the Democrats will. The name change proposal (from the unbiased traders at the bar) is to "It's my party: love it or leave it"—with the market stat being both the S&P 500 and global markets were up 20% since the November election.

Earnings came through and supported the market, as the S&P 500 posted 11 new closing highs in the 22 trading days of October; 50 YTD of the 210 trading days. For October 2017, the S&P 500 posted a 2.22% gain (2.33% with dividends), as it posted its seventh consecutive monthly gain (11 of 12 from November 2016; March 2017 was down 0.04% but up 0.12% with dividends—which would make it 12 for 12—and global markets are 12 for 12). The market set 11 new highs (nine last month); the three-month gain was 4.25% (4.76%), the YTD gain was 15.03% (17.91%), and the one-year return was 21.12% (23.63%). Seven of eleven sectors gained (eight gained last month), as telecommunication services continued to fall, off 8.69% in October (with the help of AT&T's 14.1% decline), as it was the worst-performing sector YTD, off 16.05% (AT&T was down 20.9% YTD). Information technology was the big winner, adding 7.67% for the month and up 35.69% YTD, the best of any sector (helped by Apple, up 46.0% YTD, Alphabet, up 30.4%, and 31.7%, and Microsoft, up 33.9%; Amazon, up 47.4%, is a consumer discretionary issue).

Since the Nov. 8, 2016, election, the S&P 500 was up 20.36% (22.73% with dividends) and set 58 new closing highs (50 YTD 2017, 18 in 2016, 10 in 2015, and 52 in 2014). Consolidated global markets posted a strong month, extending their streak to 12 consecutive months of gains. Global markets were up 1.97% for the month and 17.82% YTD. The breakdown had emerging markets up 2.53% and up 27.19% YTD, as developed markets were up 1.90% and up 16.85% YTD. Statistical highlights for October had the S&P 500 close at 2,575.26, up 2.22% (2.33% with dividends) from September's 2,519.36, when it increased 1.93%; for the three-month period, the index was up 4.25% (4.76% with dividends); year-to-date, the index was up 15.03% (16.91% with dividends) and up 20.36% (22.73%) from the Nov. 8, 2016, election 2,139.56 close, as it posted 11 new closing highs for the month (last closing high on Oct. 27, 2017, at 2,581.07). The Dow closed at 23,377.24, up 4.34% from September's 22,405.09 and up 18.29% YTD (19,762.60), as it also posted 12 new closing highs in October (last closing high on Oct. 24, 2017, at 23,441.86). Oil rose for the month to close at USD 54.44, up 5.4%

from September's USD 51.64 (and USD 47.07 for August), and it was up 1.0% from the USD 53.89 year-end 2016 price. The 10-year U.S. Treasury Bond closed at 2.38%, up from last month's 2.34%, as it briefly traded above the December 2016 close of 2.45%. Gold was down 0.8% for the month, closing at USD 1,271.80 from September's USD 1,282.50, and it was up 10.4% from year-end 2016's USD 1,152.00. The pound closed at 1.3295, down from 1.3399 in September (1.2345 in December 2016), the euro moved down to 1.1649 from 1.1814 (1.0520), and the yen was at 113.70 from 112.50 (117.00). VIX® closed at 10.15, as it traded as high as 13.20 and as low as 9.11, up from September's 9.51 (14.04 at year-end 2016). The one-year bottom-up S&P 500 target price was 2,755 (7.0%), as the same for The Dow was at 25,104 (7.4%), crossing 25,000 for the first time.

Congress is expected unveil some of its income tax legislation on Nov. 1 or 2, 2017. Trump is expected to announce his pick for the Fed chair on Nov. 2, 2017. Earnings were strong, showing sales growth, but retail reporting may split into brick-and-mortar versus web, and the holiday season could be Amazon versus Wal-Mart; one key metric will be overall sales growth, as well as continued brick-to-web movement. Major short-term unknowns that could affect the market include North Korea, Mueller's investigation, and the reaction to his actions, as well as the potential spread of Catalonia-inspired independence moves. Historically, November posts gains 59.6% of the time, with an average gain of 3.95% for the up months and a 4.25% average decrease for the down months, with an overall average 0.68% gain. Fed watch dates are: Dec. 12-13, 2017*; Jan. 30-31, 2018; March 20-21, 2018*; May 1-2, 2018; June 12-13, 2018*; July 31-Aug.1, 2018; Sept. 25-26, 2018*; Nov. 7-8, 2018; Dec. 18-19, 2018* (*press conference).

Global events included Catalonia's declaration of independence from Spain, as the Spanish government authorized Prime Minister Mariano Rajoy to direct that region's government. Rajoy then dismissed the Catalonia government and said he would hold new regional elections on Dec. 21, 2017; Catalonia's former President, Carles Puigdemont, fled to Belgium. In elections, Austria's right and far-right parties won in a preliminary election, with the new prime minister expected to be 31-year-old Sebastian Kurz. Japanese Prime Minister Abe easily won weekend elections, creating a super-majority (two-thirds) in parliament, as some saw his victory as a win by default. At its five-year gathering, the Chinese Communist Party paved the way for Xi Jining to continue his second five-year term as president, as it added his name into the Chinese constitution, an event seen as increasing his power, as well as his longevity. Venezuela missed, then paid (within the grace period), a USD 586 million debt payment, as the market remained nervous over its debt and ability to meet repayments.

In politics, Trump rejected dialogue with North Korea, saying Secretary of State Tillerson "was wasting his time." Soon after, Tillerson said he "never considered leaving his post," as reports spoke about a prior difficulty he had with the president. President Trump refused to certify that Iran is complying with its nuclear accord, sending the issue to the U.S. Congress for "considerations." Trump visited Puerto Rico to review the hurricane damage and promised aid, mentioning that the country's prior budget difficulties would need to be resolved as well (they have USD 74 billion in debt, approximately USD 21,700 per capita; currently Massachusetts has the most debt of any U.S. state, at approximately USD 11,100 per capita, with the average U.S. state obligation at USD 3,600 per capita). The U.S. Environmental Protection Agency repealed Obama's Clean Power Plan, which had been blocked by the courts and never went into effect. The U.S. Federal Communications Commission was reported to be implementing significant changes to ownership of U.S. television stations and newspapers next month (November 2017), removing many of the restrictions and controls. The House passed the Senate's version of the budget, as both chambers will move on to income tax reform; initial details on the tax

plan are expected to be released in early November 2017. The U.S. Senate overruled (51-to-50, as Vice President Pence voted to break a 50-50 tie) a regulation that permitted consumers to sue banks and charge card companies. It was the most significant legislative victory for the Trump administration, which has struggled with Congress. The U.S. Congress worked to reinstate healthcare subsidies for Obamacare after Trump stopped them, as the annual enrollment period closed in. While a bipartisan deal appeared to be worked out, it was not to Trump's liking, as Congress continued the work. Republican in-fighting continued, as U.S. Senator Jeff Flake said he would not run for re-election and chastised Trump, adding another Republican dissenting voice to that of Senator Bob Corker (who was a Trump supporter at one point), former President George Bush, and Senator John McCain. More are expected to exit as Congress and Trump & Company come to terms, with the key question being whether Trump will get his "people" elected to their seats or if the Democrats will. Former Trump campaign election chairman Paul Manafort became the first person indicted by Special Counsel Robert Mueller's (former FBI director) investigation into Russian matters related to the U.S. November 2016 presidential election, with more indictments expected.

In central bank activity, speculation continued on the next Fed Chair (Yellen's term ends Feb. 3, 2018, but her membership at the Fed goes through Jan. 31, 2024). Currently there is a "gang of four" list, which includes Yellen, Governor Jerome Powel (the current favorite), and former Governor Kevin Wash, with all three having inside experience at the Fed and being seen as different but relatively similar (ticks up and down), as well as Stanford economist John Taylor. Gary Cohn, Trump's current economic adviser (and former Goldman Sachs president) appears to be off the list. The market will look at its two main objectives for the Fed: interest rates, most expectations are for them to increase at different speeds, and unwinding the USD 4.5 trillion balance sheet, where expectations vary much more. The JOLTS Report for August said that 6.082 million jobs were ready to be filled, when a slightly higher 6.16 million was expected; however, even with a miss, the amount of job openings is high. The Beige Book showed that regional labor shortages continued, especially for skilled workers, as it noted some signing bonuses were being utilized. The FOMC notes from its Sept. 19-20, 2017, meeting, which had a news conference (after Hurricane Harvey, but before the employment report) gave no new information, but reinforced the view of another interest rate increase at the Dec. 12-13, 2017, meeting (potential for a 0.25% increase), as the FOMC voiced concerns over low inflation and a tightening labor market. The ECB met, as it reduced its buying stimulus program from EUR 60 million to EUR 30 million per month (now USD 35 billion) starting in January 2018, as it extended the buying period to September 2018 (from December 2017), adding that the program may last beyond that, but at a lower amount. The International Monetary Fund raised China's expected 2017 growth to 6.8% from 6.7%, as it increased China's expected 2018 growth to 6.5% from 6.4%. The Bank of Japan met and kept its interest rates and policy unchanged, as expected. In global economics, eurozone unemployment came in unchanged for the third consecutive month, at 9.1% for August. German Industrial Production increased 2.6% in August, when a 0.7% gain was expected; the year-over-year gain was 4.7%. UK inflation for September reached 3.0%, a five-year high, as speculation that the Bank of England could increase interest rates in November 2017 (currently at 0.25%). Q3 2017 UK GDP increased 0.4%, as the year-over-year rate was 1.5%. Japanese Wholesale Prices for September increased 3.0% year-over-year. China's Q3 2017 GDP was up 6.8% year-over-year, ahead of the official government target of 6.5%.

In U.S. economics, the Manufacturing PMI for September came in at 53.1, slightly beating the 53.0 estimate (August was 52.8), as the ISM Manufacturing Index came in at 60.8, much higher than the 58.0 estimate (August was 58.8). The Services PMI for August came in at 55.3, down from August's

56.0. The October PMI Composite Flash report beat the 54.8 estimate, posting 55.7 (September was 54.6), as the Manufacturing component increased 2.89% over September and the Services component was up 1.5% (from September). The ISM Non-Manufacturing Index for August came in at 59.8, up from both the estimated 55.5 level and the August 55.3 reading. The PPI for September posted a 0.4% increase, as expected, and the year-over-year rate was 2.6%. The September CPI came in up 0.5%, when a 0.6% increase was expected, as the year-over-year rate was 2.2%; Core CPI, which excludes food and energy, was up 0.1% for the month and up 1.7% year-over-year. Construction Spending for August came in up 0.5%, when a lower 0.3% gain was expected, as July was restated down to -1.2% from the originally reported -0.6%; the year-over-year rate was 2.5%. International Trade for August showed exports gained 0.4%, as imports declined 0.1%, resulting in a USD 42.4 billion monthly deficit (as expected). International Trade for September posted a 0.7% increase in exports, as imports increased 0.9%, resulting in a trade deficit of USD 64.1 billion. Import Prices moved up 0.7% in September, when a 0.5% gain was expected, and the year-over-year rate was 2.7%; exports increased 0.8%, when a 0.4% gain was expected, and the year-over-year rate was 2.9%. Motor Vehicle Sales for September beat expectations, as auto maker Ford (F) posted an 8.7% increase (when 2.3% was expected), with General Motors (GM) posting an 11.9% increase. Sales increased in areas affected by hurricanes, as consumers purchased replacement autos. Factory Orders for August increased 1.2%, when a 1.0% increase was expected; July had declined 3.3%. Wholesale Trade for August posted a 0.9% increase when a 1.0% gain was expected. Durable Goods Orders were up 2.2% for September when a 1.0% gain was expected, as the year-over-year rate was 8.3%. Retail Inventories fell 1.0% in September when a 0.6% increase was expected; a drawdown in auto inventories affected the report. Wholesale Inventories for September increased 0.3% when a 0.8% increase was expected. Industrial Production for September rose 0.3% when 0.2% was expected; Manufacturing was up 0.1% when a higher 0.4% was expected. Capacity Utilization came in at 76.0%, up from August's 75.8%. Personal Income for September increased 0.4%, as expected, as Consumer Spending increased 1.0% when a 0.9% gain was expected. The PCE Price Index for September increased 0.4%, as expected, with the year-over-year rate up 1.6%. The Leading Indicators for September declined 0.2% when a 0.1% gain was expected. Consumer Spending for October came in at 100.7 when a 101.0 reading was expected; September was 101.1. Consumer Confidence for October easily beat, as it came in at 125.9, when a slight increase to 121.0 from September's 120.6 was expected. The preliminary Q3 2017 GDP (update on Nov. 29, 2017, with the final on Dec. 21, 2017) came in at 3.0% when a lower 2.5% reading was expected. The high reading came even as the hurricanes had a negative impact, with back-to-back 3% readings (Q2 2017 was 3.1%) not seen since 2014.

In housing, the Housing Market Index for September came in at 68 when it was expected to be flat at 64. Housing Starts for September came in shy of the 1.17 million annualized rate, at 1.13 million, as did Permits, which came in at 1.21 million units, shy of the 1.24 million estimate. The August S&P CoreLogic Case-Shiller Home Price Index for 20 cities posted a 0.4% gain, when a 0.6% gain was expected, as the year-over-year gain was 5.9%. The August FHFA House Index came in up 0.7%, when a lower 0.4% gain was expected, as the year-over-year rate was 6.6%. Existing Home Sales for September came in at an annual rate of 5.4 million units, beating the 5.3 million estimate, marking a 0.7% increase from August, and the year-over-year gain was down 1.5%. New Home Sales for September came in at 667,000 units annually when a lower 555,000 was expected; August was 561,000. On the down side, Pending Home Sales for September came in flat when a 0.4% gain was expected, as the year-over-year decline was 3.5%.

In employment, the ADP private employment report posted 135,000 net new jobs for September, when 140,000 was expected, as August was restated down to 228,000 from the originally reported 237,000. August brought a disappointing employment report, as it posted 156,000 new jobs when 180,000 were expected. Meanwhile, September posted a decline of 33,000 when a gain of 100,000 was expected—and that was okay with the market (mostly). The first decline in monthly net new jobs since September 2010 had a fall guy, the hurricanes, as the Street took the numbers as a one-off, with the hope that the numbers would improve as the ground dries out. Beyond the top-line miss, however, the report had several good stats. The unemployment rate declined to 4.2% from August's 4.4% and was the lowest since February 2001, as wages increased 0.5% (to USD 26.55 per hour) when a 0.3% gain was expected, with the year-over-year gain up 2.9% (showing some signs of pressure due to a tight labor market, but also a potential impact from a lack of lower wage earners). The average hours worked was unchanged at 34.4, as the participation rate increased to 63.1% from August's 62.8%. The Employment Cost Index for Q3 2017 came in up 0.7%, as expected, as the year-over-year gain was 2.6%.

In the "deal or no deal" category, food servicing issue Aramark (ARMK) said it would buy two rivals, supplies and services issues Avendra (owned by Marriott [MAR]) for USD 1.3 billion and uniform and supplies company AmeriPride for USD 1 billion. Insurance issue Harford Financial Services (HIG) said it would buy the life and disability unit from Aetna Group (AET) for USD 1.45 billion. Retail drug store CVS Health (CVS) was reported to be in merger talks with Aetna for USD 66 billion. Homebuilder Lennar (LEN) said it would purchase CalAtlantics Group (CAA) via an exchange of shares of USD 5.7 billion, in a deal valued at USD 9.3 billion (including debt). Software solutions issue Rockwell Automotive (ROK) said it received and rejected an offer from Emerson Electric (EMR) for USD 27 billion. Retailer Nordstrom (JWN) suspended its plans to go private. In a highly public battle, consumer packaged products maker Protector & Gamble (PG) defeated an effort from investor Nelson Peltz to get board representation.

There were high hopes for earnings, as the Street expected not just growth, but a new record, meaning any disappointment would be translated into selling—and judging from the new highs, those hopes (overall) came through. As of Oct. 31, 2017, 69.2% of the S&P 500 value was reported (62.4% of the issues), with the result appearing to be a new record for earnings and (more relevant) a new record for sales (can't keep increasing the bottom-line via cuts and buybacks). On the earnings front, the hurricanes took their toll, as casualty issues took (and are expected to take) actual charges for payments, as well book provisions for future costs (so the cash-flow will show up later in Q4 2017). Of the 317 issues that have declared, 233 of them have beaten estimates, a 73.5% beat rate (compared to the historical 67% beat rate). At this point, Q4 2017 estimates have ticked down slightly, implying another good quarter (and record), as many expect 2017 to post a record year, although it has a current 20.5 P/E. As for 2018 (currently with a 17.8 P/E), a 15.0% gain is expected. While it is always nice to have high expectations, given the possibility of tax reform, the estimate does appear to be within the realm of possibilities. As for sales, the news there was even better (although retail is yet to report), as 203 of 314 issues beat estimates, a 64.6% beat rate, with sales expected to post a 5.6% year-over-year gain, setting a quarterly record. The ability of companies to make their bottom line via cost cuts and buybacks has been proven, but at some point you need to increase the top line in order to increase the bottom line.

On an issue level, retail giant Wal-Mart (WMT) redesigned its website in preparation for the holiday season, announced it would open 1,000 online grocery pickup locations, and authorized a new USD 20

billion share buyback program. The pre-season match up appears to be Amazon (AMZN) versus Wal-Mart, as Wal-Mart puts its USD 3.3 billion purchase of Jet.com and new store polices into play. The overall retail concern is that while the two battle, they might not increase sales, but rather take away from smaller retailers that cannot compete at their level. General Electric's (GE) new CEO John Flannery (Jeff Immelt was the former CEO) made several leadership changes, trying to turn around its business model. The company missed on earnings, warned on forward profits, and said it would look to sell USD 20 billion in assets and cut costs by USD 1 billion; the issue was down 24.6% YTD. Health care product maker Pfizer (PFE) said it would auction off its consumer healthcare business in November 2017, estimated to be worth USD 15 billion. Citigroup (C) returned USD 1.7 billion to the Lehman Brothers estate, dating back to the 2008 financial crisis. Ford's (F) CEO outlined a plan to cut USD 16 billion in costs, as it would concentrate on trucks, SUVs, and electric cars. Streaming online service Netflix (NFLX) said it would increase its subscription price, as it issued USD 1.6 billion in debt to support projects. Verizon's (VZ) Yahoo said its 2013 breach affected all of its 3 billion users, not the 1 billion that was originally stated in its 2016 disclosure. Package delivery issue UPS (UPS) said it would increase prices by 4.9% later this year; FedEx (FDX) raised its prices last month. Insurance issue Anthem (ANTM) said it would start a pharmaceutical benefits unit (IngenioRx) in 2020, ending its relationship with Express Scripts Holdings (ESRX). Telecommunication services issue AT&T (T) said its DIRECTV subscriptions declined, as the issue of "cutting-the-cord" continued to migrate from traditional landlines to cable subscriptions; AT&T declined 14.1% for the month and was off 20.9% YTD. Mexican fast food restaurant Chipotle Mexican Grill (CMG) missed earnings, as the issue declined 11.7% for the month; year-to-date, the issue was down 27.9%. Acadia Healthcare (ACHC) declined 34.3% for the month, missing on earnings and wiping out its YTD gain (down 5.3% YTD). S&P Dow Jones Indices added S&P MidCap 400 application software issue Cadence Design System (CDNS) to the S&P 500, and it removed Staples (SPLS), which was acquired by Sycamore Partners.

In the IPO market, data center services issue Switch (SWCH) did its IPO at USD 17, after an expected range of USD 14-USD 16, as it traded as high as USD 24.90 and closed at USD 19.13 (it traded as low as USD 18.51), up 12.5% from the IPO price. IPOs have been volatile, as streaming TV and media issue Roku (ROKU) fell 23.2% to close at USD 20.38, after its USD 14 IPO last month and reaching USD 29.80 at one point in October. Meal delivery issue Blue Apron (APRN) did its IPO in June at USD 10 (down from the initial range of USD 15-USD 17) and closed the month at USD 4.77, off 12.5% for the month and off 52.3% from its IPO, as it said it would lay off 300 of its approximately 5,000 workers.

Also of note, the National Retail Federation said it estimated this year's holiday sales will increase between 3.6% and 4% (the past five years have averaged a 3.5% increase), as retailers are expected to hire 500,000-550,000 temporary workers, down from last year's 575,000. Investor George Soros, 87 years old, transferred USD 18 billion to his Open Society Foundation. Bitcoin traded over USD 6,400, up over 500% YTD, as the upcoming split (referred to a "fork") will create new coins. The U.S. October 2017 fiscal year ended with a USD 666 billion deficit (sixth-largest in history for the U.S.), as the U.S. took in USD 3.3 trillion and spent USD 4.0 trillion. The U.S. savings rate declined to a 10-year low in September, at 3.1%, down from 3.6% in August; it was 6.3% in 2015.

In yields, rates, and commodities, interest rates moved up in October, as the ECB scheduled a reduction in stimulus (and an extension of the time), the U.S. prepared for a potential December U.S. interest increase (FOMC meets Dec. 12-13, 2017), and the Street (especially currency traders) awaited President Trump's pick for the next Fed Chair. The 10-year U.S. Treasury Bond closed at 2.38%, up from last month's 2.34% and as it traded a tick higher than year-end 2016's 2.45% during the month.

The 30-year U.S. Treasury Bond closed at 2.87%, up from last month's 2.86% (3.07% at year-end 2016). The euro closed at 1.1651, down from last month's 1.1814 (1.0520 at year-end 2016); the British pound sterling closed at 1.3285, down from last month's 1.3399 (1.2345); the yen closed at 113.70 from last month's 112.50 (117.00; reverse reference, which is usually used); and the yuan closed at 6.6355, down from last month's 6.6366 (6.9448). Gold closed at USD 1,271.80, down from last month's USD 1,282.50 (year-end 2016 was USD 1,152.00). Oil moved up but stayed in a trading range, closing the month at USD 54.44 (its one-year range is USD 43-58), up from last month's USD 51.64 (USD 53.89). U.S. gasoline pump prices (all grades) decreased, closing the month at USD 2.602, down from last month's USD 2.701 per U.S. gallon (USD 2.419). VIX, "the fear factor," closed the month at 10.15, up from last month's 9.51 close (14.04 at year-end 2016; 23 before the U.S. Nov. 8, 2016, election); it traded as high as 13.20 and as low as 9.11.

In dividends, October posted a 10.33% increase year-over-year for actual cash payments (based on dividend ex-dates), as the YTD gain was 7.42%. The average dividend increase for October was 11.01%, up from 8.78% in September and the bank-inspired leap in August of 13.78% and July's 16.62%. The YTD average decreased to 11.64% from September's 11.73% YTD (11.89% YTD in August). For the remainder of the year, 2017 continues to be expected to beat 2016 and set a new payment record, with an expected growth rate of over 7%, up from 2016's 5.44% gain. As income tax reform and repatriation play out in Washington (together or separate), which could be retroactive for all (or parts) of 2017, actual 2017 dividend payments are not expected to see an impact.

INDEX REVIEW

S&P 500

The index didn't need the vice president to break this tie, as the 11-11 score easily went to market participants. The S&P 500 posted new closing highs for one-half of the October trading days: 11 of 22, an event last seen in May 2013, with only six months better than 11 since 1930 (1961 and 1998 had months of 13 new closing highs). While half is great, for the week of Oct. 16-20, 2017, the market posted a perfect week, closing each day with a new closing high and marking the 18th occurrence of such an event in index history (since 1928, and last seen in March 1998). There was little disagreement on why, as the indictment came down squarely on the power of earnings. As of Oct. 31, 2017, 69.2% of S&P 500 Q3 2017 earnings had reported (based on market value; 62.4% of the issues), with 74% beating (historical average is 67%), and the quarter is set to post a new earnings record. Even more relevant, reported sales have beat 65% of the time and are expected to post a 5.6% year-over-year gain, as they also set a new record for sales, with the takeaway being you can't keep increasing the bottom line via cuts and buybacks, so the current sales growth is a major factor. We have not seen retail yet, and while predictions call for increased spending this holiday season (along with another record earnings for Q4 2017), we'll have to wait a little while before we give thanks for continued higher sales (although the evidence is mounting).

Breadth was strongly positive, as earnings came in better than expected, with the index setting new records on half of the trading days. For the month, 318 issues gained (an average of 4.76% each), down from last month's 334 gainers (232 the prior month), with 24 of them up at least 10% (49 last month), as 186 were down (an average decline of 5.57%), down from September's 170 (272 in the prior month), with 32 of them down at least 10% (9 last month). For the three-month period, 324 issues gained (an average of 9.25% each), with 121 up at least 10% (average 16.29%), as 180 declined (an

average decline of 9.66%), with 72 down at least 10% (average loss of 18.08%). Year-to-date, breadth remained strongly positive, as 352 issues were up (average 25.54%), with 145 of them up at least 25%, and 149 issues were down (average loss of 15.82%), with 29 of them down at least 25%.

In sectors, 7 of the 11 sectors gained (8 gained last month), as telecommunication services continued to fall, off 8.69% in October (with the help of AT&T's 14.1% decline), and it was the worst-performing sector YTD, off 16.05% (AT&T was down 20.9% YTD). Information technology was the big winner, adding 7.67% for the month and up 35.69% YTD, the best of any sector, helped by Apple, up 46.0% YTD; Alphabet, up 30.4% for the month and 31.7% YTD; and Microsoft, up 33.9% (Amazon, up 47.4% YTD, is a consumer discretionary issue).

At this point, the market appears to be continuing its momentum of rising prices and new highs. November will continue to test those levels as the market continues to digest earnings, gets a look at income tax reform, and finds out who will sit in the Fed Chair for the next four years.

The Dow®

The Dow Jones Industrial Average did the best of any of the core indices again, as it posted 12 new closing highs in October, which had 22 trading days (54.5%). Year-to-date, The Dow posted new closing highs on 54 of the 210 trading days (25.7%). The result is that the price-weighted Dow has beat out the market-cap-weighted S&P 500, S&P MidCap 400, and S&P SmallCap 600 for the one-month period, three-month period, YTD, and for the one-year period.

For the month, The Dow closed at 23,377.24, up 4.34% (4.44% with dividends), from September's 22,405.09 (when it gained 2.08%) and August's close of 21,948—with the 24,000 mark 2.67% away. The recent historical numbers were equally pleasing, as the three-month gain was 6.79% (7.40%), the YTD increase was 18.29% (20.58%), with the one-year period up 28.85% (32.07%). The recent run-up, however, has not yet caught up with the longer-term returns, as the five-year-return was 110.26, which is the lowest of the four headline indices.

Identifying which issues helped The Dow the most this month was not as easy as identifying which issues did the best. Chip maker Intel (INTC) was up 19.46% for October (up 25.42% YTD), with Wal-Mart up 11.74 % (up 26.32% YTD), and software issue Microsoft (MSFT) up 11.67% (up 33.86% YTD). Together the three accounted for 17.9% of The Dow's gain. However, adhesive issue 3M (MMM), which was up 9.79% accounted for 14.37% of the gain by itself, with Apple, which was up 9.68% (up 45.95% YTD, the best Dow issue for that time period) accounting for 10.57%, and health care manager UnitedHealth Group (UNH), up 7.34% (31.35% YTD) accounting for 10.18% of the return. So the three double-digit gainers added 17.9%, as three single-digit gainers added 35.1%—with the moral of the stat being know your index. On the bottom of the index was drug maker Merck, off 13.96% and now in the red YTD by 6.42%. General Electric (GE) fell 16.63% for the month (and was off 36.20% YTD, the worst Dow issue), but due to its weighting, it only took the Dow down slightly (27 points). By comparison, business systems issue International Business Machines (IBM) was up 6.19% for the month (off 7.19% YTD) and added 64 points to The Dow for the month.

For the month, 23 issues gained an average of 6.35% each (19 did so last month), as 7 declined, an average loss of 6.13% each (11 declined in September), while 23 were up YTD (average 24.35%; 23 were also up last month), with 7 down (average 10.78% decline; 7 last month as well). More telling was that 17 issues were up at least 10%, while 2 were down at least 10%.

S&P MidCap 400

The S&P MidCap 400 posted a 2.18% gain after last month's 3.76% gain and a 1.69% decline in August, leaving the index up 4.23% for the quarter—the lowest of the four headline indices. Year-to-date, the mid-cap index was up 10.51%, with a one-year return of 22.62%.

Eight of the eleven sectors posted gains, the same as last month (two were up in August). Information technology easily did the best, up 5.79% for the month and up 23.71% YTD. Utilities posted a strong 4.53% gain for the month (up 10.91% YTD), as telecommunication services rebounded 4.03%, but remained down 37.49% YTD (the worst mid-cap sector). Consumer sectors were split, as consumer discretionary added 1.76% and was up 9.43% YTD, while consumer staples fell 1.02% and was down 3.70% YTD. Real estate fell 1.27% and was in the red YTD, off 3.30%. Health care bucked the trend, adding 0.86% for the month (large-cap and small-cap health care declined), as the sector was up 21.02% YTD, double the mid-cap index's YTD return.

Breadth turned strongly positive from strongly negative last month, as 235 issues gained an average of 6.20% each, down from last month's 293 issues (148 gained in August), as 165 issues declined an average of 5.92% each, up from 107 decliners in September (and 251 in August).

Overall moves of at least 10% decreased, as 40 gained at least 10% (an average 15.94% each), down from 83 last month, and 27 declined at least 10% (an average loss of 14.24%), down from 8 in September. Year-to-date, breadth remained positive (and gained), as 238 issues were up (241 were up in September), and 158 issues declined (154 were down last month).

S&P SmallCap 600

The roller coaster continued for the S&P SmallCap 600, as it posted the lowest monthly gain, up 0.89%, after posting the best last month with a 7.56% gain, and the worst the month before that (August) with a 2.69% decline. For the three-month period, the small-cap index posted a 5.61% gain (better than the large and mid caps), as its YTD return was 8.84% (which was the lowest of the core indices). Over the longer five-year period, the index had the best return, up 144.16%, as was its 10-year return (at 111.61%) and century-to-date return (from December 1999, up 361.12%—9.81% compounded annually).

Seven of the eleven sectors gained, down from nine last month (three in August). In a stark contrast to the S&P 500, small-cap telecommunication services did the best, up 4.14% (compared to a decline of 8.69% for the S&P 500), as the sector was up 4.14% YTD, compared to the large-cap sector's -16.05% and mid-cap sector's -37.49%. Utilities also did well, adding 3.49%, as it was up 19.11% YTD. Information technology added 2.80% for the month (not the dominance it demonstrated in the large or mid caps), as it was up 16.39% YTD. Energy did the worst for the month and YTD, off 3.56% in October and down 32.16% YTD. Health care also fell, off 1.33%, as it was up 25.01% YTD.

For the month, breadth remained positive but declined significantly from last month, as 314 issues gained, an average of 7.20% each, down from last month's strong breadth of 506 issues (August had 220 gainers). On the down side, 285 issues declined, off an average 7.40% each, up from last month's 93 (and August's 381 issues). Major gains of at least 10% were posted by 86 issues, with an average gain of 15.76%, down from 248 issues last month. Major decliners of at least 10% increased to 77 issues (off an average of 17.27%) from last month's 16. Extreme movements had 5 issues up at least

25% (26 last month), with 10 down at least 25% (versus 2 last month). Year-to-date, breadth was positive and ticked up, as 331 were up (327 last month) and 269 were down (241 last month), while 146 issues were up at least 25% and 94 were down at least 25%.

S&P Global BMI

Global markets posted a strong October, extending their streak to 12 consecutive months of gains, with the last global decline being a 1.99% drop in October 2016 (Trump has not seen a global decline while in office). Both developed and emerging markets did similar, as the U.S. slightly beat the overall index (with the U.S. making up 50.48% of the global market). For October, global markets posted a 1.97% gain, the same as they did in September and up from August's 0.17% gain (which was the closest the group came to moving into the red over the past year). Of the 47 markets, 30 posted gains, down from 31 in September and 30 in August. The U.S. posted the same 2.07% gain, as global markets excluding the U.S. gain was 1.87%. For the three-month period, global markets gained 4.15% and the U.S. posted 4.36%, leaving global markets up 3.93% excluding the U.S. Year-to-date, however, the earlier U.S. sub-par returns became evident, as global markets were up 17.82% and absent the U.S.'s 14.67% return they were up 21.22%. From the November 2016 U.S. election (coming up on its one-year anniversary), non-U.S. global markets outperformed the U.S. gains, returning 21.66%, as the U.S. gained slightly less, with 20.93%. While the variance is small, the U.S. outperformed from the election to year-end 2016, accounting for 89% of the global gain, as its YTD contribution has declined to 41% (contributing 47% of the global gains since the election). Over the longer term, the U.S. still dominates the gains; the global markets' three-year return was 19.57%, but absent the U.S.'s 27.12%, global markets' three-year return was 12.19%.

Sectors continued to vary greatly, as 9 of the 11 sectors posted gains, up from 7 in September and 6 in August. Telecommunication services did the worst, falling 2.70%, as the sector remained positive YTD, with a 0.48% gain. Health care was the other decliner, off 0.88%, as it was up 17.49% YTD. Energy posted a gain after last month's 8.08% rebound (even as oil slightly increased), as the sector was up 0.69% for the month but remained the worst-performing sector YTD, off 2.44% (and the only sector in the red for that time period). Consumer staples managed a small gain, up 0.15% for the month and up 10.04% YTD; consumer discretionary was up 1.72% and up 16.88% YTD. Information technology did the best in October, adding 6.78%, as it continues up; year-to-date, the sector was up 38.23%, and it was up 59.62% over the three-year period (the best-performing sector). Financials gained 1.40%, as interest rates increased, but the sector was still up a sub-par 15.96% YTD.

Emerging markets remained volatile, though they outperformed developed markets for the month, adding 2.53% in October after declining 0.73% in September (they were up 2.78% in August), as 15 of the 22 markets gained, up from 11 in September but down from 17 in August. For the three-month period, emerging markets added 4.62% and their YTD gain was 27.19%, leaving their one-year gain also at 21.19%. Over the two-year period, they increased 30.92%, and the three-year return was 9.37%, as prior declines start to give way to the recovery. India did the best, up 7.31% for the month and up 37.23% YTD. Peru was next, adding 5.46% for the month and up 30.01% YTD, with Taiwan doing the third best, up 5.45% for the month and up 26.50% YTD. Columbia did the worst, off 8.46%, as the country remained up 3.10% YTD, but down 39.25% over the three-year period. Mexico fell 7.92% and was up 14.25% YTD, as Brazil declined 3.42% and was up 21.90% YTD. Of note was Russia, which declined 1.32% but remained positive YTD, up 0.67%, as its three-year return was 2.98%. Developed markets did well, but not as well as emerging markets, as they posted a 1.90% gain

(up 1.69% without the U.S.) after last month's broad 2.29% gain (they were down 0.13% in August). For the month, 15 of the 25 markets were up, down from last month's 20, but higher than August's 13. Overall, developed markets were up 4.10% for the three-month period (3.76% ex-the U.S.), up 16.85% YTD (19.76%), and up 21.24% from the November 2016 election (21.57% ex-the U.S.). Korea did the best, up 8.25%, even as tensions with North Korea continued; the country was up 37.81% YTD. Singapore was next, adding 4.78% (up 25.35% YTD) followed by Japan, which gained 4.35% (and was up 18.72% YTD). New Zealand did the worst, off 2.94%, as it was down 5.09% over the three-month period and up 12.14% YTD. Finland was next, off 2.14% for the month and up 18.27% YTD, as Switzerland declined 1.59% and was up 16.75% YTD. Of note, Spain fell 0.32%, as its issues with separatists continued, while the country remained up 24.54% YTD. The UK was up 0.64% as Brexit talks continued (up 13.91% YTD), while Germany posted a 1.51% gain and was up 26.30% YTD.

PERFORMANCE RECAP

Exhibit 2: Monthly Returns

S&P 500	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	503.07	-0.72	-9.28	-0.36	-21.56	13.67	136.49
Materials	369.69	3.80	18.43	26.07	21.45	71.55	131.11
Industrials	605.29	0.15	12.49	22.42	27.48	117.88	121.41
Consumer Discretionary	731.97	2.02	12.99	17.96	35.56	163.77	144.56
Consumer Staples	546.55	-1.59	2.78	0.98	13.65	84.41	162.70
Health Care	938.35	-0.84	17.75	20.49	20.48	159.93	187.15
Financials	441.16	2.82	14.13	34.60	37.35	125.28	37.12
Information Technology	1096.28	7.67	35.69	36.93	63.41	179.97	35.77
Telecommunication Services	148.26	-8.69	-16.05	-6.04	-7.81	22.13	-54.07
Utilities	279.35	3.86	13.18	11.37	20.97	73.67	96.12
Real Estate	200.55	0.68	5.43	5.79	10.66	72.67	-
S&P 500	2575.26	2.22	15.03	21.12	27.61	117.64	75.28
DOW JONES INDUSTRIAL AVERAGE	**PRICE**	**1-MONTH (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**FR 12/99 (%)**
Dow Jones Industrial Average	23377.24	4.34	18.29	28.85	34.43	110.26	103.33
S&P MIDCAP 400	**PRICE**	**1-MONTH (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**FR 12/99 (%)**
Energy	371.40	-3.58	-26.81	-11.70	-52.96	-44.96	111.67
Materials	498.53	2.94	16.44	28.00	34.50	119.59	349.25
Industrials	973.55	2.90	16.09	32.31	39.75	170.88	446.89
Consumer Discretionary	738.82	1.76	9.43	18.64	14.64	126.44	271.42
Consumer Staples	1627.90	-1.02	-3.70	-1.96	10.07	175.93	834.41
Health Care	1582.05	0.86	21.02	29.97	52.20	252.89	794.24
Financials	972.22	1.71	7.68	27.42	42.28	110.02	193.86
Information Technology	2300.11	5.79	23.71	35.32	57.82	131.41	172.96
Telecommunication Services	163.73	4.03	-37.49	-30.16	-41.15	-10.19	-65.39
Utilities	541.74	4.53	10.91	14.43	28.00	107.55	291.10
Real Estate	222.42	-1.27	-2.95	-0.94	-	-	-
S&P MidCap 400	1835.10	2.18	10.51	21.57	29.35	121.33	312.69
S&P SMALLCAP 600	**PRICE**	**1-MONTH (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**FR 12/99 (%)**
Energy	519.76	-3.56	-32.16	-14.55	-61.92	-44.12	234.47
Materials	516.78	2.59	6.39	31.62	16.25	95.84	274.86
Industrials	1021.80	2.14	12.08	30.93	38.87	145.45	411.05
Consumer Discretionary	510.47	-1.59	5.66	19.86	17.92	125.27	276.65
Consumer Staples	1711.31	0.65	3.84	14.39	30.53	161.63	758.44
Health Care	2191.41	-1.33	25.01	36.47	56.19	276.50	1110.46
Financials	1028.25	2.13	3.36	29.21	39.39	126.48	251.05
Information Technology	707.44	2.80	16.39	32.36	68.76	210.88	158.69
Telecommunication Services	3.02	4.14	4.14	21.29	25.05	15.41	-95.89
Utilities	987.21	3.49	19.11	24.85	54.69	131.54	425.95
Real Estate	203.80	-1.20	1.39	10.38	-	-	-
S&P SmallCap 600	912.04	0.89	8.84	26.22	34.22	144.16	361.12

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 3: Total Returns

INDEX	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
S&P 500	2.33	16.91	23.63	35.93	102.72	106.38
S&P MidCap 400	2.26	11.88	23.48	35.69	102.23	135.87
S&P SmallCap 600	0.95	9.96	27.92	39.92	112.70	140.52
S&P Composite 1500	2.28	16.30	23.76	36.05	103.06	109.84
Dow Jones Industrial Average	4.44	20.58	32.07	44.97	102.17	118.82

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 4: S&P Global BMI, Emerging, Sorted by October Performance

BMI MEMBER	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	1.97	4.15	17.82	21.25	21.68	19.57
Global Ex-U.S.	1.87	3.93	21.22	20.85	19.12	12.19
Emerging	2.53	4.62	27.19	21.19	30.92	9.37
India	7.31	3.60	37.23	25.96	35.32	29.28
Peru	5.46	13.63	30.01	35.07	76.72	27.65
Taiwan	5.45	3.86	26.50	22.70	36.11	20.64
Chile	4.68	12.14	37.99	30.50	50.66	23.34
Hungary	4.48	6.79	32.25	36.94	89.44	104.22
China	3.69	8.73	41.37	34.87	35.50	30.70
Thailand	3.31	9.74	20.67	20.86	32.92	6.26
Egypt	2.63	6.58	16.42	-15.22	-13.86	-36.65
Czech Republic	2.61	7.56	31.30	22.78	15.20	0.87
Poland	2.02	4.44	46.26	46.47	34.57	3.76
U.A.E.	2.00	-0.83	3.43	8.21	3.19	-18.38
South Africa	1.68	-1.83	10.27	6.79	7.83	-7.64
Indonesia	0.59	-0.46	10.25	2.56	32.99	-1.88
Philippines	0.30	1.32	16.11	5.50	8.53	1.23
Malaysia	0.19	1.59	16.27	5.74	10.18	-24.29
Turkey	-0.31	-6.25	27.03	11.65	3.68	-21.38
Greece	-0.94	-10.37	17.98	28.76	-4.44	-47.54
Russia	-1.32	11.35	0.67	16.68	35.37	2.69
Qatar	-2.52	-13.62	-20.87	-18.42	-26.17	-38.29
Brazil	-3.42	7.11	21.90	8.68	80.30	-6.75
Mexico	-7.92	-10.64	14.25	-0.92	-7.04	-24.96
Colombia	-8.46	-6.02	3.10	1.64	9.32	-39.25

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 5: S&P Global BMI, Developed, Sorted by October Performance

BMI MEMBER	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Developed	1.90	4.10	16.85	21.25	20.72	20.67
Developed Ex-U.S.	1.69	3.76	19.76	20.76	16.40	12.81
Korea	8.25	6.60	37.81	32.69	32.39	27.03
Singapore	4.78	2.75	25.35	23.91	18.96	0.24
Japan	4.35	5.99	18.72	16.52	20.34	29.72
Austria	3.08	6.75	48.48	51.63	53.78	50.14
United States	2.07	4.36	14.67	21.58	24.11	27.12
Australia	1.72	-0.49	11.01	12.31	22.49	-6.28
Germany	1.51	7.85	26.30	29.64	23.95	26.29
Netherlands	1.22	3.48	31.13	32.22	30.81	38.83
France	1.18	6.63	26.78	30.83	21.33	25.40
Belgium	1.17	2.62	20.71	16.55	14.32	24.21
Denmark	1.15	4.39	32.41	29.13	21.09	32.94
Hong Kong	1.14	2.06	22.23	13.25	14.71	8.11
United Kingdom	0.64	2.38	13.91	18.56	1.15	-3.35
Norway	0.01	5.26	18.29	22.23	25.14	-4.87
Ireland	0.01	4.99	20.91	25.91	17.37	46.72
Spain	-0.32	-1.02	24.54	22.03	8.09	-7.29
Canada	-0.56	2.83	9.12	12.97	21.35	-3.98
Sweden	-0.72	3.09	21.29	26.19	19.09	15.94
Portugal	-0.72	5.03	24.99	21.43	9.93	-2.78
Israel	-0.77	-7.68	3.92	1.49	-13.46	-10.64
Italy	-0.80	4.59	31.08	40.62	7.88	9.74
Luxembourg	-1.57	-3.61	11.52	12.52	21.01	-11.72
Switzerland	-1.59	-0.61	16.75	18.72	7.46	7.58
Finland	-2.14	-0.76	18.27	21.30	17.60	16.06
New Zealand	-2.94	-5.09	12.14	7.48	27.53	18.78

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 6: Price-to-Earnings Ratios

INDEX	2014	2015	2016	ESTIMATED 2017
S&P 500	14.73	22.69	24.24	20.52
S&P 500 Consumer Discretionary	16.89	22.17	21.98	21.23
S&P 500 Consumer Staples	15.96	22.18	21.58	20.08
S&P 500 Energy	12.03	-38.97	-144.15	33.52
S&P 500 Financials	13.46	16.83	18.54	16.26
S&P 500 Health Care	14.68	21.02	22.11	19.70
S&P 500 Industrials	14.76	19.49	22.36	20.35
S&P 500 Information Technology	14.19	22.20	28.86	22.22
S&P 500 Materials	16.20	38.50	28.39	21.23
S&P 500 Telecommunication Services	43.21	14.02	15.04	13.26
S&P 500 Utilities	14.84	22.21	20.44	19.35
S&P 500 Real Estate	-	-	-	36.33
INDEX	**2014**	**2015**	**2016**	**ESTIMATED 2017**
S&P MidCap 400	18.71	30.41	28.43	22.73
S&P 400 Consumer Discretionary	18.19	20.80	19.46	17.44
S&P 400 Consumer Staples	16.80	23.84	23.12	20.83
S&P 400 Energy	22.82	-4.95	-6.99	186.63
S&P 400 Financials	18.61	25.05	21.69	18.81
S&P 400 Health Care	21.24	27.39	31.70	25.01
S&P 400 Industrials	15.55	21.56	24.23	21.72
S&P 400 Information Technology	23.60	40.03	38.54	26.11
S&P 400 Materials	17.93	28.08	27.88	18.80
S&P 400 Telecommunication Services	34.07	13.29	51.33	-11.86
S&P 400 Utilities	15.52	23.42	22.25	22.22
S&P 400 Real Estate	-	-	-	32.95
INDEX	**2014**	**2015**	**2016**	**ESTIMATED 2017**
S&P SmallCap 600	22.04	42.43	35.63	26.21
S&P 600 Consumer Discretionary	21.45	23.16	21.39	20.76
S&P 600 Consumer Staples	18.26	20.41	22.49	26.32
S&P 600 Energy	77.57	-2.48	-4.37	-63.39
S&P 600 Financials	20.10	26.37	22.33	19.24
S&P 600 Health Care	21.59	43.30	158.00	70.80
S&P 600 Industrials	17.85	24.72	27.55	23.09
S&P 600 Information Technology	31.37	41.01	41.74	26.42
S&P 600 Materials	22.56	46.69	27.07	22.51
S&P 600 Telecommunication Services	24.20	36.50	43.14	75.50
S&P 600 Utilities	16.69	23.40	27.68	26.84
S&P 600 Real Estate	-	-	-	33.63

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 7: Operating EPS Changes

INDEX	Q3 2016 OVER Q3 2015 (%)	Q4 2016 OVER Q4 2015 (%)	Q1 2017 OVER Q1 2016 (%)	Q2 2017 OVER Q2 2016	Q3 2017E OVER Q3 2016	2016 OVER 2015 (%)	2017E OVER 2016 (%)
S&P 500	12.78	20.99	20.23	18.72	10.81	5.78	18.13
S&P 500 Consumer Discretionary	5.69	1.92	4.55	1.75	0.94	9.40	3.54
S&P 500 Consumer Staples	8.99	8.83	4.90	6.67	6.04	4.15	7.46
S&P 500 Energy	119.25	105.00	243.17	233.50	371.26	74.54	530.09
S&P 500 Financials	17.25	16.50	24.86	27.84	-11.57	3.43	14.04
S&P 500 Health Care	11.47	10.97	0.29	7.68	13.94	9.61	12.23
S&P 500 Industrials	-2.98	-7.62	8.33	12.32	6.00	-3.29	9.86
S&P 500 Information Technology	2.78	13.28	28.27	30.71	35.32	0.00	29.91
S&P 500 Materials	198.40	674.29	176.65	-0.41	1.34	53.54	33.72
S&P 500 Telecommunication Services	-9.09	-26.59	-3.57	45.83	9.23	-18.91	13.39
S&P 500 Utilities	15.19	1400.00	2.46	14.18	-6.29	21.51	5.63
S&P 500 Real Estate	-	-	-	-	5.41	-	-
INDEX	**Q3 2016 OVER Q3 2015 (%)**	**Q4 2016 OVER Q4 2015 (%)**	**Q1 2017 OVER Q1 2016 (%)**	**Q2 2017 OVER Q2 2016**	**Q3 2017E OVER Q3 2016**	**2016 OVER 2015 (%)**	**2017E OVER 2016 (%)**
S&P MidCap 400	17.84	54.76	34.11	20.82	8.11	16.33	25.07
S&P 400 Consumer Discretionary	16.43	13.17	7.07	19.91	8.57	16.22	11.59
S&P 400 Consumer Staples	-3.77	4.23	1.16	0.61	20.73	-1.84	11.02
S&P 400 Energy	68.94	66.05	101.77	116.18	108.67	46.60	103.75
S&P 400 Financials	44.52	43.21	50.32	47.46	-28.28	23.34	15.33
S&P 400 Health Care	-14.98	-11.62	1.12	-33.62	66.69	-0.04	26.73
S&P 400 Industrials	4.97	-8.27	3.85	7.93	10.60	0.95	11.57
S&P 400 Information Technology	44.10	33.38	68.15	27.26	47.41	25.83	47.62
S&P 400 Materials	37.16	38.99	93.36	32.97	44.22	12.24	48.32
S&P 400 Telecommunication Services	-82.86	-400.00	-450.00	-267.40	-538.36	-84.76	-532.60
S&P 400 Utilities	5.44	55.19	14.54	0.00	-4.70	15.08	0.12
S&P 400 Real Estate	-	-	-	-	-42.29	-	-
INDEX	**Q3 2016 OVER Q3 2015 (%)**	**Q4 2016 OVER Q4 2015 (%)**	**Q1 2017 OVER Q1 2016 (%)**	**Q2 2017 OVER Q2 2016**	**Q3 2017E OVER Q3 2016**	**2016 OVER 2015 (%)**	**2017E OVER 2016 (%)**
S&P SmallCap 600	55.56	37.74	34.14	15.96	28.99	30.21	35.94
S&P 600 Consumer Discretionary	-4.69	48.74	-19.44	-6.72	0.91	17.47	3.02
S&P 600 Consumer Staples	10.61	-34.26	-40.92	8.32	-37.35	-1.26	-14.57
S&P 600 Energy	78.34	77.89	85.61	95.50	98.73	61.30	93.11
S&P 600 Financials	31.68	24.71	40.02	12.00	5.50	24.70	16.05
S&P 600 Health Care	-89.44	-116.95	-119.35	-101.70	1396.88	-65.95	123.14
S&P 600 Industrials	15.15	-23.24	21.23	-5.23	14.06	0.41	19.30
S&P 600 Information Technology	12.50	27.97	92.43	39.13	55.16	11.51	57.99
S&P 600 Materials	68.66	421.43	84.11	17.57	-22.98	85.16	20.27
S&P 600 Telecommunication Services	-33.33	0.00	-150.00	-50.00	0.00	-12.50	-42.86
S&P 600 Utilities	103.56	-20.45	0.51	58.27	-10.09	1.54	3.11
S&P 600 Real Estate	-	-	-	-	-7.86	-	-

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 8: Breadth of Change (Issues With Monthly Price Changes as Described by Type)

S&P 500

TYPE	OCTOBER 2017	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	318	4.76	324	9.25	352	25.54
Down	186	-5.57	180	-9.66	149	-15.82
Up >= 10%	24	13.72	121	16.29	267	31.94
Down <= -10%	32	-14.56	72	-18.08	88	-23.35
Up >= 25%	1	28.30	12	32.16	145	43.95
Down <= -25%	1	-30.76	10	-31.13	29	-36.96
Up >= 50%	0	0.00	1	57.58	33	71.41
Down <= -50%	0	0.00	0	0.00	4	-55.08

S&P MIDCAP 400

TYPE	OCTOBER 2017	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	235	6.20	248	11.41	238	25.18
Down	165	-5.92	152	-10.11	158	-16.51
Up >= 10%	40	15.94	114	19.13	173	32.64
Down <= -10%	27	-16.74	60	-19.26	85	-26.49
Up >= 25%	4	29.16	25	32.57	93	46.50
Down <= -25%	4	-30.44	13	-34.36	35	-40.43
Up >= 50%	0	0.00	1	63.31	24	75.04
Down <= -50%	0	0.00	0	0.00	8	-58.67

S&P SMALLCAP 600

TYPE	OCTOBER 2017	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	314	7.20	396	15.85	331	35.02
Down	285	-7.40	202	-13.39	269	-22.27
Up >= 10%	86	15.76	229	23.83	253	44.32
Down <= -10%	77	-17.27	99	-22.60	177	-31.26
Up >= 25%	5	31.73	78	38.53	146	63.86
Down <= -25%	10	-33.30	32	-37.80	94	-44.31
Up >= 50%	0	0.00	7	92.30	63	98.44
Down <= -50%	1	-71.18	5	-61.12	33	-62.44

DOW JONES INDUSTRIAL AVERAGE

TYPE	OCTOBER 2017	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	23	6.35	24	9.44	23	24.35
Down	7	-6.13	6	-9.83	7	-10.78
Up >= 10%	3	14.29	9	15.09	17	30.74
Down <= -10%	2	-15.29	3	-15.36	2	-23.26
Up >= 25%	0	0.00	1	28.25	12	36.45
Down <= -25%	0	0.00	0	0.00	1	-36.20
Up >= 50%	0	0.00	0	0.00	1	65.71
Down <= -50%	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of Oct. 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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