

## Tactical Weekly Recap

Markets around the world finished the quarter on a positive note this week. Federal Reserve Chair Janet Yellen spoke on Wednesday and indicated that the Fed would continue its plan to shrink its balance sheet. This appeared justified after a GDP report showed 3.1% growth in the second quarter. Proposed tax cuts helped fuel a market rally. The Nasdaq and the S&P 500 both hit new highs, rising 1.1%, and 0.7%, respectively, while the Dow rose 0.3%. Bloomberg's Dollar Spot index rose 1% to 1160.43.

Europe also rose as Brexit talks began to heat up. The STOXX jumped 1.3% on the week while the euro fell sharply. In Asia, the TOPIX rose 0.6% while many markets in the region closed lower. The MSCI Emerging Markets index, which has been one of the strongest performers of the year, fell 1.9% for the week. Emerging markets are down almost 3% since their high two weeks ago. Oil had another good week, rising 1.9% and ending at \$51.67. The 10-year Treasury rose 8 basis points (0.08%) to 2.33%.

S&P Sectors	Symbol	1-Week CHANGE in Holdings	
		Price	US Large Cap
 Consumer discretionary	XLY	+0.60%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Consumer staples	XLP	+0.11%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Energy	XLE	+1.90%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Financials	IYF	+1.34%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Healthcare	XLV	+0.18%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Industrials	XLI	+0.35%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Infotech	IYW	+1.24%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Materials	XLB	+0.44%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Telecoms	IYZ	-0.66%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>
 Utilities	XLU	-0.34%	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>

For color bars, see legend on p.3 (1)

## Securities Commentary

 **XLE:** The energy sector was the best performer in the S&P 500 this week, with XLE up 1.90% as oil had a good week. Oil prices hit a six-month high, with US crude futures up \$1.01 this week to \$51.67 a barrel. In the past three weeks, XLE rose 2.07%, 3.58%, and 1.29%, respectively.

 **IYW:** Tech shares continued last week's slide, declining early in the week before recovering and ending up 1.24% on Friday. The sector has been the best performer in the S&P 500 this year, with IYW up nearly 26%. As we roll into the fourth quarter, tech shares may be supported by the typical tail-wind of holiday technology sales, which will boost share prices further into 2018.

 **XLU:** Utilities continued to struggle this week, with XLU sustaining its third weekly loss in a row. This "safe-haven" sector has been a laggard this year, with a year-to-date return of 11.78% versus 14.24% for the S&P 500. Federal Reserve Chair Yellen's comments this week that it would be "imprudent to keep monetary policy on hold" heightened expectations of higher rates.

		1-Week CHANGE in Holdings			
	Symbol	Price	Conservative Growth	Global Growth	US-Focused Growth
<b>US Equity</b>					
US large cap	IVV	+0.73%			
US large & mid cap	SCHX	+0.70%			
US mid cap	IJH	+1.55%			
US small cap	IJR	+3.48%			
US small cap	SCHA	+2.45%			
US REITs	SCHH	+0.76%			
<b>International Equity</b>					
European large & mid cap	VGK	+0.22%			
Asian ex-Japanese large & mid cap	AAXJ	-0.96%			
Japanese large & mid cap	EWJ	+0.51%			
International small cap	SCZ	+0.91%			
Emerging market	IEMG	-1.26%			
<b>Fixed Income</b>					
US investment-grade corporates	LQD	+0.21%			
Emerging market	PCY	-0.07%			

For color bars, see legend on p.3 (1)

## Securities Commentary

**IVV/SCHX:** US stocks had a good week, with the S&P 500, Nasdaq, and Russell 2000 ending the week at new record highs. Markets faced conflicting news stories this week as the president's tax plan was a boon to stocks while Yellen's comments on the need to normalize monetary policy weighed on investors. Year-to-date, the S&P 500 is up 14.24%.

**IJR/SCHA:** Small-cap stocks rallied strongly this week, with IJR and SCHA up 3.48% and 2.45%, respectively. The strength in small-cap ETFs came from the fact that the Russell 2000 set a record high amid a strong showing for nearly all US equities. Small-caps benefited from growing optimism over the Trump administration's tax plan, which could be particularly beneficial to small-cap companies, which tend to pay higher effective tax rates than large companies.

**EWJ:** EWJ logged its fourth positive week in a row, posting a 0.51% increase this week. Japanese shares have benefited from the strong response of the Abe administration to the North Korean threat. With the Japanese prime minister enjoying growing political support, he has called for a snap election to consolidate political power thereby giving a boost to the market.

(1) The green and red colored bars represent the ETF asset holdings within each strategy at the beginning and end of the 1-week period. Green signifies that the asset is held by the strategy and red signifies that it is not held. The left-hand side of the colored bar shows the opening position for the first day of the week and the right-hand side shows the end position as of the market's close on the last day of the week. Examples follow:

-  A solid green bar means the ETF was held from the beginning to the end of the 1-week period.
-  A solid red bar means the ETF was not held during the week.
-  A bar with green on the left changing to red on the right indicates that the ETF was held by the strategy at the beginning of the week but later sold and not held as of the week's end.
-  A bar with red on the left changing to green on the right indicates that the ETF was not held by the strategy at the beginning of the week but later acquired and held as of the week's end.

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Before investing in an ETF, you should read both its summary prospectus and its full prospectus, which provide detailed information on the ETF's investment objective, principal investment strategies, risks, costs, and historical performance (if any). The SEC's EDGAR system, as well as Internet search engines, can help you locate a specific ETF prospectus. You can also find prospectuses on the websites of the financial firms that sponsor a particular ETF, as well as through your broker.

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