

## KEY TAKEAWAYS

- As investors await more concrete details of potential tax reform within the U.S., market indices continue to push to all time highs entering the final two months of the year. We are roughly half way through the Q3 earnings season and have seen solid results, 77% of S&P 500 companies have beaten EPS estimates.
- Despite the recent hurricanes, Q3 GDP within the U.S. was strong. Expectations are that the Federal Reserve remains on track to raise rates by 0.25% one more time in 2017. The current rate remains between 1% and 1.25%.
- The European Central Bank announced plans to extend thier quantitative easing starting in January 2018, although at a reduced rate (€30B down from €60B per month). This extension will last through September 2018, and the terms were left open ended to further extend or increase the pace of purchases, should adverse economic conditions develop. The announcement came as no surprise to markets and is a continuation of easy monetary policy around the globe.
- President Trump's nomination of the next Chairman to the Federal Reserve is expected to be announced in the coming days. Jerome Powell, a current Fed governor, has been identified as a front runner. Mr. Powell is expected to provide continuity to existing monetary policy. Other potential nominess include John Taylor and existing Fed Chairwoman Janet Yellen. Regardless of who is nominated, none of the candidates are expected to make any impromptu changes to monetary policy.

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## INDEX PERFORMANCE (as of 10/31/17)

Equity	October	Year-to-Date	One-Year
U.S. Large Cap	2.3%	16.9%	23.6%
U.S. Small Cap	0.9%	11.9%	27.8%
Developed Non-U.S.	1.5%	22.3%	24.0%
Emerging Market	3.5%	32.6%	26.9%
Real Assets			
Real Estate	-0.2%	11.6%	11.1%
Commodities	2.1%	-0.8%	2.3%
Natural Resource Equities	-1.3%	-5.7%	2.4%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	0.4%	7.5%	8.9%
Emerging Market Debt	-2.8%	11.1%	5.2%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	0.1%	3.2%	0.9%
U.S. Treasuries	-0.1%	2.1%	-0.7%
U.S. Municipal Bonds	0.1%	3.8%	1.7%
Month-End Values/Yields	Current	Prior Month	One-Year Ago
CBOE Volatility Index	10.2	9.5	17.1
10-Year Treasury Yield	2.4%	2.3%	1.8%

Sources: Bloomberg, Morningstar, JPMorgan

You cannot invest directly in an index; therefore, performance returns do not reflect any management fees. Returns of the indices include the reinvestment of all dividends and income, as reported by the commercial databases involved.

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