

Second Quarter Review

July 2017

Strong corporate profits and an improved global outlook propelled the S&P 500 Index to new heights despite political uncertainty. The index steadily increased during the quarter, reaching a new level 11 times, returning 3.1% amidst modest volatility. The S&P 500 index has now gone 324 calendar days without a 2% or greater 1-day drop, its longest such streak since 2007. International equities turned in a great performance during the second quarter. The MSCI EAFE returned 6.1% for the quarter, while the MSCI Emerging Markets Index posted gains of 6.4%.

As the second largest economy next to the US, China represents 28% of the emerging market index. Because it is often a topic of interest, we have included our latest commentary, *China's Worries: High Debt and Low Growth*, written by Towneley's Director of Research and Portfolio Strategist, Shu Chin Li. Ms. Li is an expert in international equity analysis.

Market Returns Second Quarter 2017 and Trailing 12 Months

