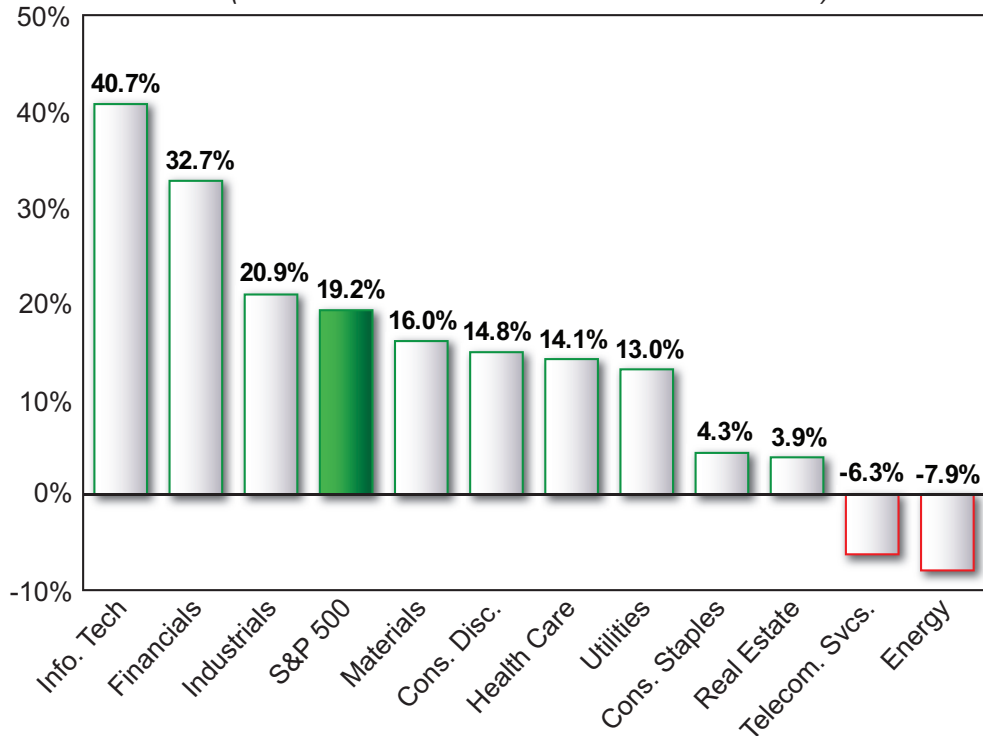


How The S&P 500 Index Has Performed Since The Brexit Vote

S&P 500 Index and S&P 500 Sector Index Returns
(Cumulative Total Returns from 6/23/16-8/30/17)



Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. On 6/23/17, the citizens of the United Kingdom (UK) voted to exit ("Brexit") the European Union (EU). The term Brexit came from merging the words Britain and exit.
2. The EU is an economic and political partnership involving 28 European countries. The UK is the first member to opt out of the EU. It is scheduled to exit on 3/29/19, according to BBC News.
3. While Brexit initially created some anxious moments in the equities markets, its impact spanned just 10 trading days.
4. The sell-off in the S&P 500 Index only lasted two trading days. It took eight trading days to fully recover the losses, according to data from Bloomberg.
5. The five top-performing sector indices since the Brexit vote on 6/23/17 are cyclical in nature. One might have thought that equity investors would have favored defensive sectors considering we were entering uncharted territory, in our opinion.
6. In case anyone may be wondering if the order of the sector indices in the chart were skewed by the "Trump Rally" following his victory on 11/8/16 (election day), the answer is no.
7. From 6/23/16 through 11/8/16 (not shown in chart), the five top-performing sector indices were also cyclical in nature, according to data from Bloomberg. Their total returns were as follows: Information Technology (10.63%); Financials (6.26%); Industrials (2.85%); Consumer Discretionary (0.12%); and Energy (-0.02%).

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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