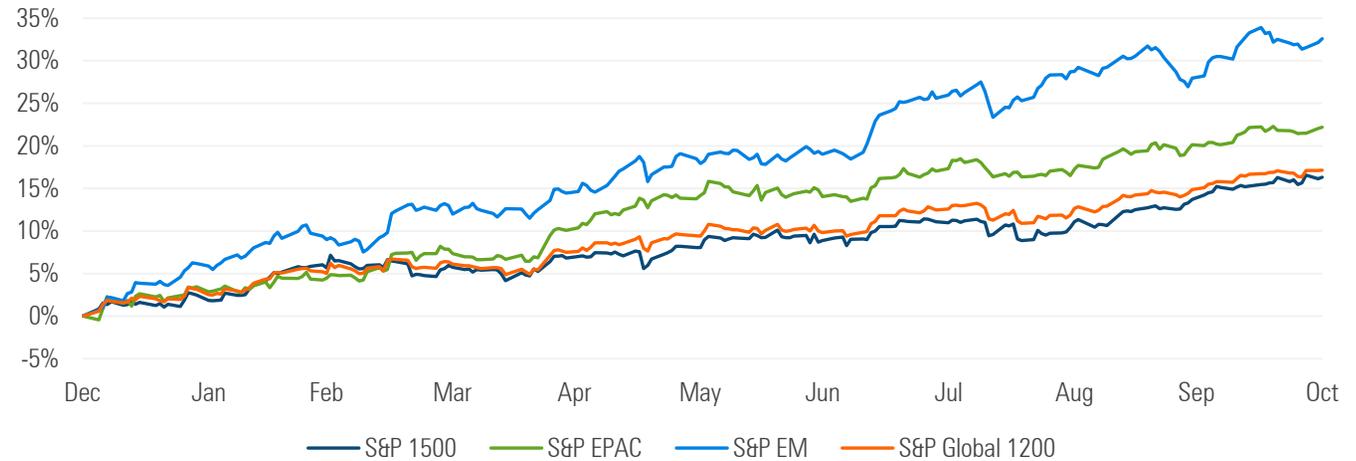


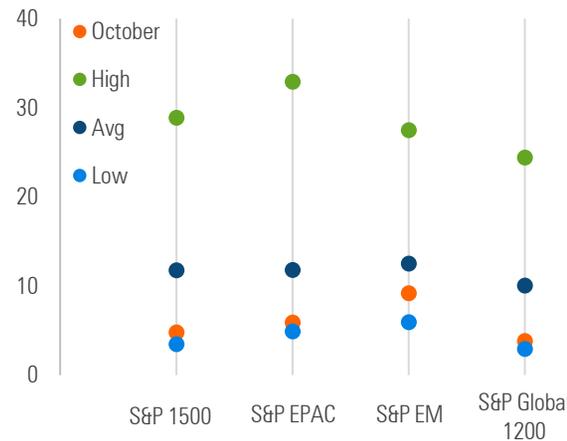
GLOBAL EQUITIES SET RECORD WITH 12TH CONSECUTIVE POSITIVE MONTHLY RETURN

- Prior to 2017, dating back to 1988, the global equity market had recorded just one streak of 11 consecutive months of positive returns (ending February 2004). October 2017 marks the first time it has notched 12 consecutive months of positive returns[†]
- Notwithstanding their strong growth, earnings multiples remain below their post-crisis peak from August 2016, amid strong 2017 earnings growth.
- Volatility on the S&P 500 Index touched its 2017 low in October, reaching a level not seen since August 1965.
- From the start of its time series in 1990 through 2016, the VIX never closed below 10 more than four times in any calendar year. In October it did it 11 times, bringing its 2017 total to 35.
- EM equities resumed their ascent in October after a small decline in September, bringing their YTD total return to 26.7%, their best YTD return through October since 2009.
- Already up 27% YTD through the end of Q3, tech stocks posted their strongest month of 2017, rising 7.7% and bringing their YTD return to 35.7%

Global Equity Markets: 2017 YTD % Δ



30-Day Volatility: 5-Year Historical Range



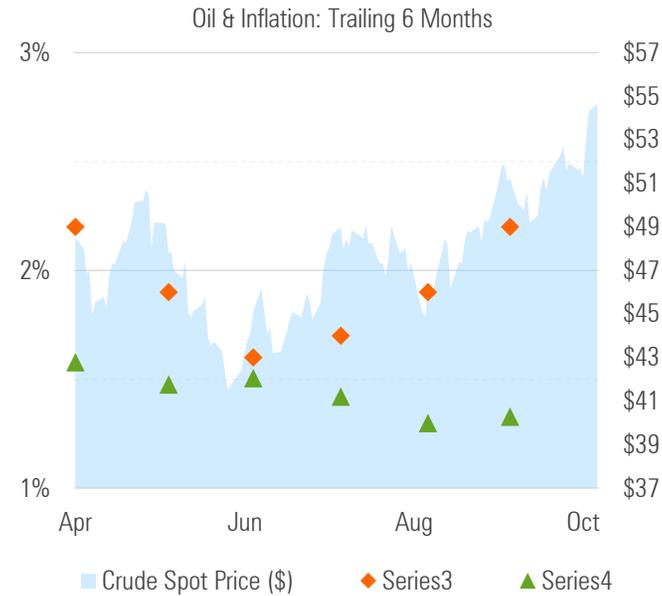
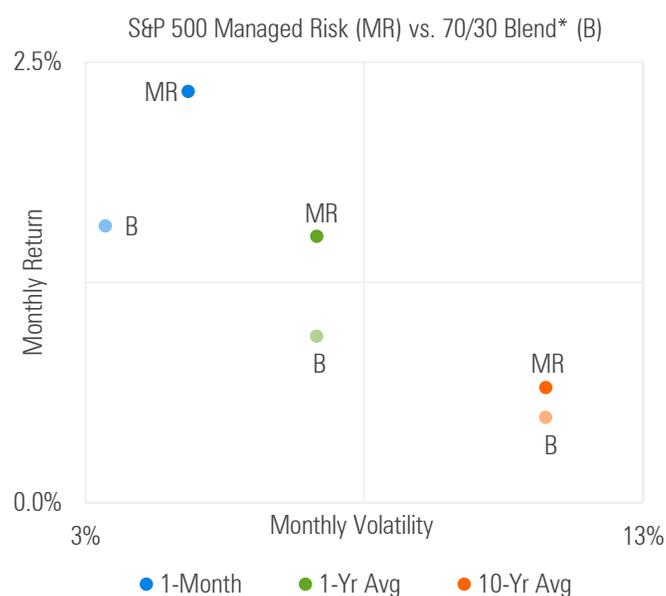
Rolling 3-Month Correlation to S&P 1500



- The U.S. dollar climbed for its second straight month, finishing October 4% above the 2017 low it touched in early September.
- After rising more than 11% in September, the price of Midland crude oil rose another 7% in October, closing at \$54.93/barrel, its highest price level in more than two years.
- Yearly inflation as measured by CPI broke back above the 2% level for the first time since April, while PCE (personal consumption expenditures), the Fed's preferred measure of inflation, held steady at 1.3%.
- After falling to 2.04% in early September, the yield on the 10-yr Treasury climbed to 2.47% in October, its highest level since March.
- Low equity-market volatility meant that the [S&P 500 Managed Risk Index](#), which has an 18% vol target and no fixed allocation to bonds, maintained its 100% equity allocation for the fifteenth consecutive month. It matched the return and volatility of the S&P 500 while outperforming a 70/30 stock/bond* blend by 76 bps.

‡ As measured by the MSCI ACWI

*As measured by the S&P 500 Index and the S&P US Aggregate Bond Index.



Total Returns as of October 31, 2017										
	S&P 500	S&P 500 MR	S&P 400	S&P 600	S&P EPAC	S&P EM	S&P Global 1200	S&P US AGG	Crude Oil	US Dollar
1 Month	2.3%	2.3%	2.3%	0.9%	1.7%	3.6%	2.1%	0.1%	7.2%	1.7%
3 Months	4.8%	4.8%	4.6%	5.9%	4.1%	5.2%	4.6%	0.5%	12.2%	2.4%
6 Months	9.1%	9.1%	6.7%	7.8%	11.0%	15.9%	10.3%	1.5%	13.3%	-2.9%
1 Year	23.6%	23.6%	23.5%	27.9%	23.8%	26.7%	24.1%	0.9%	17.0%	-2.3%



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MILLIMAN.COM/FRM

Chicago

71 South Wacker Drive
Chicago, IL 60606
+1 855 645 5462

London

11 Old Jewry Road
London
EC2R 8DU
UK
+44 0 20 7847 1557

Sydney

32 Walker Street
North Sydney, NSW 2060
Australia
+610 2 8090 9100

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