

MARKET INSIGHTS

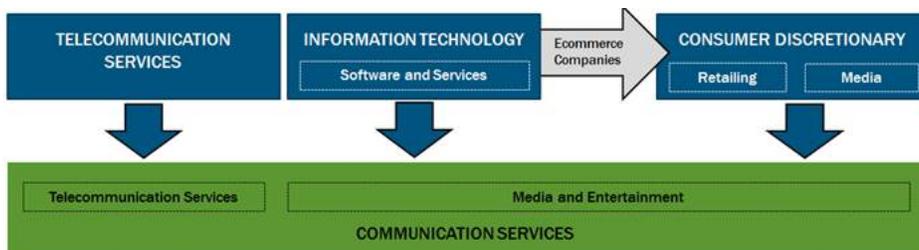
from Ziegler Capital Management



Graduation Day

As the dog days of summer approach, one would assume that now would be the perfect time to kick back and relax, perfecting one's summer grilling technique. However, before you light up the charcoal and break out the flip flops, there are a few market changes of which you should be aware.

While the Russell universe went through their annual reconstitution on June 22, the more significant 2018 Global Industry Classification Standard (GICS) changes will go into effect as of September 28, 2018. These changes are designed to reflect the evolution of how people communicate and access entertainment content, among other things. The need for this update became evident as a result of the integration and consolidation among telecommunication, media, and internet companies. For example, the telecommunications services sector will be broadened and renamed communication services. In addition, media companies will also move from consumer discretionary to communication services. Internet services companies will move from information services to communication services as well. Also, e-commerce companies will move from the information technology sector to the consumer discretionary sector.



While the GICS changes are still a few months away, it's worth understanding the *why* behind the changes in order to take advantage of any opportunities that may present themselves.

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Russell 1000 Value: A derivative of the Russell 1000 designed to focus on value names.

Russell 1000 Growth: A derivative of the Russell 1000 designed to focus on growth names.

Russell 2000 Value: A broadly diversified index predominantly made up of value stocks of small U.S. companies. Seeks to closely track the index's return, which is considered a gauge of small-cap value U.S. stock returns.

Russell 2000 Growth: Refers to a composite of small cap companies located in the United States that also exhibit a growth probability. The Russell 2000 Growth Index is published and maintained by FTSE Russell.

Russell 2000: designed to measure the performance of the small capitalization companies in the United States equities market. The index is a composite of roughly 2,000 securities issued by companies with market capitalization values averaging \$2 billion.

Past performance does not guarantee future results.