

# Market Commentary

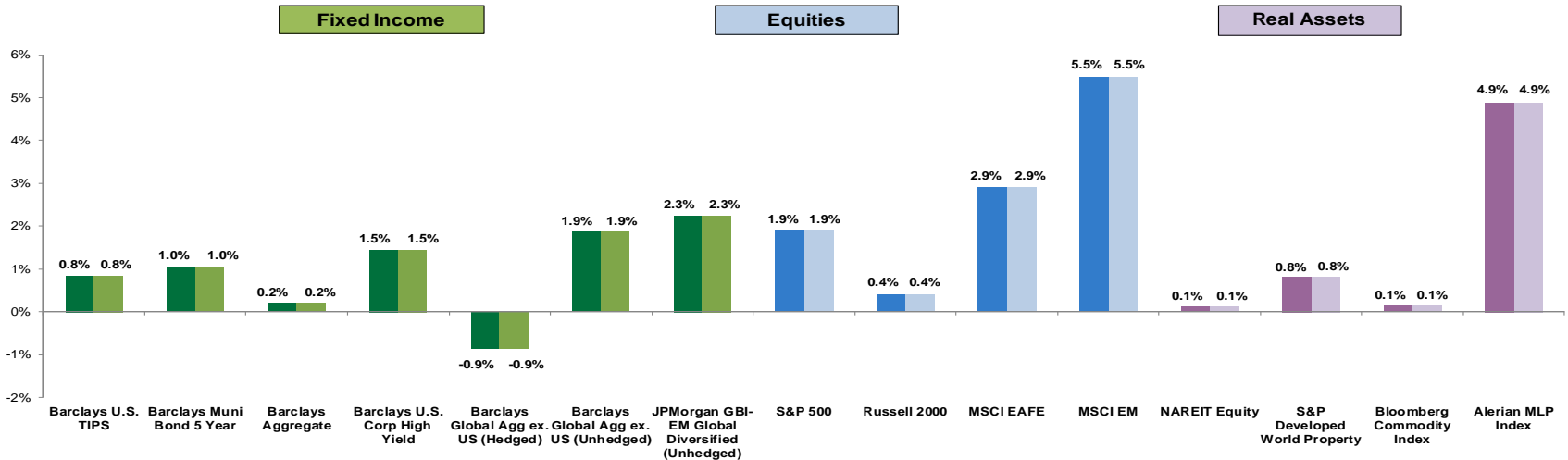
## January 2017

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# Global Markets Summary

January 2017

## Asset Class Returns



Source: Bloomberg

Key: Left Bar: Recent Month  
Right Bar: Year-To-Date

### Fixed Income

- The 10-year Treasury yield was mostly unchanged during the month.
- TIPS outperformed Treasuries as inflation expectations edged up and small business sentiment strengthened.
- International fixed income and emerging markets debt were strong performers as currency moves were additive to returns.

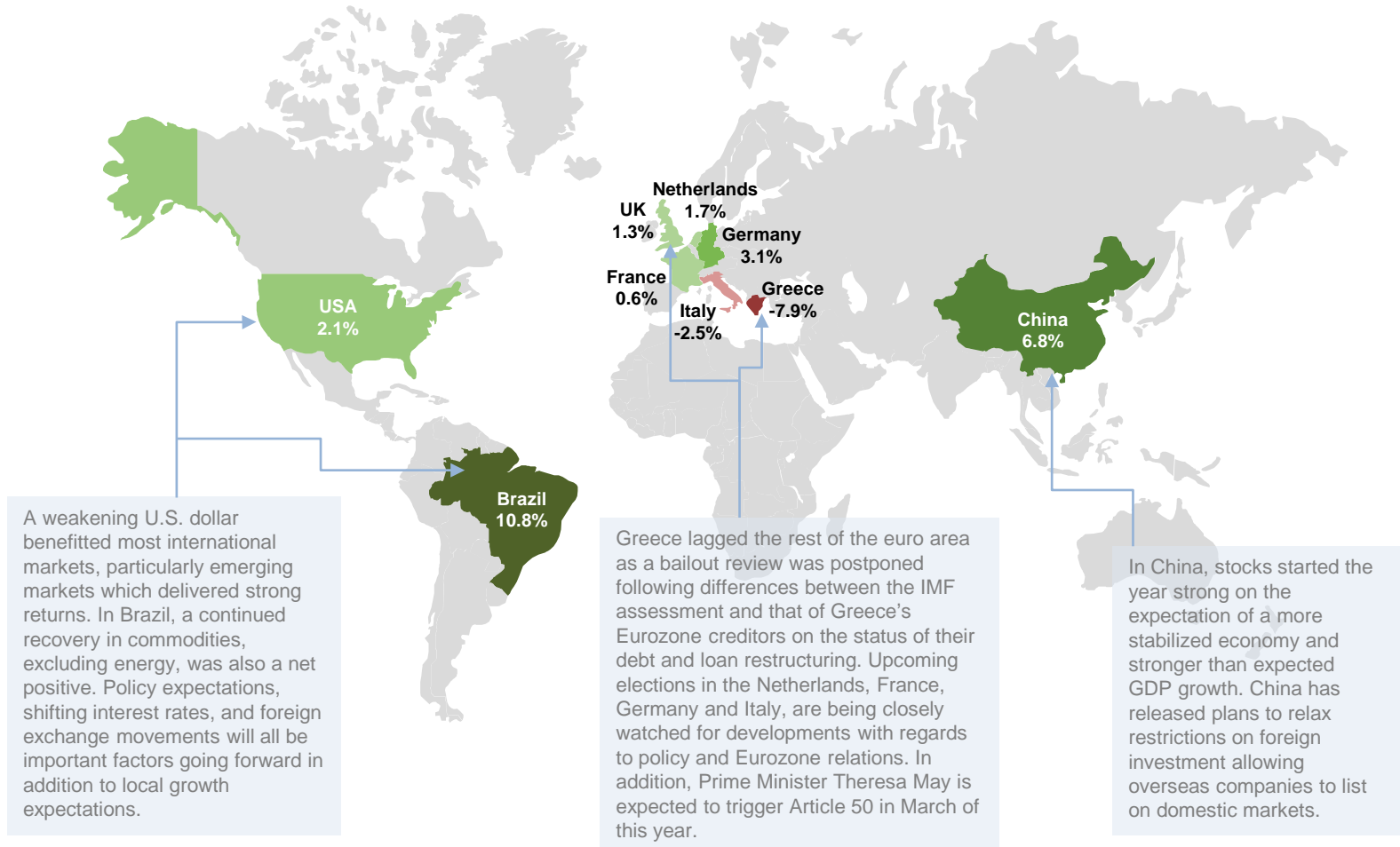
### Equities

- Positive returns in the U.S. were led by the technology sector which outperformed. Energy (producers) and telecom lagged.
- International developed countries outpaced the U.S. with strength coming from Asia.
- Emerging markets, notably Brazil and China, showed resilience after initially falling after the U.S. election.

### Real Assets

- MLPs outperformed other real assets as volumes remained stable despite softness in oil and natural gas prices.
- Global REITs outperformed domestic REITs as currency movements benefitted local currency positions.
- Commodities excluding energy performed well with agriculture, industrial metals and precious metals all seeing strong gains.

# Global Highlights



*Performance reflects MSCI Country Index Gross returns USD*

*Please reference the disclosures at the end of this presentation for additional information related to the material presented.*

## Financial Markets Performance

As of January 31, 2017

Periods greater than one year are annualized

All returns are in U.S. dollar terms

<b>Global Fixed Income Markets</b>	<b>1 mo</b>	<b>3 mo</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg Barclays 1-3-Month T-Bill	0.1%	-0.3%	0.1%	0.4%	0.7%	0.6%	0.9%	2.1%	2.4%
Bloomberg Barclays US TIPS	0.8%	-1.2%	0.8%	4.0%	1.9%	0.6%	3.3%	4.4%	5.3%
Bloomberg Barclays Municipal Bond (5 Year)	1.0%	-1.2%	1.0%	-0.5%	1.7%	1.8%	2.8%	3.9%	3.8%
Bloomberg Barclays US Aggregate	0.2%	-2.0%	0.2%	1.5%	2.6%	2.1%	3.4%	4.4%	4.5%
Bloomberg Barclays U.S. Corporate High Yield	1.5%	2.8%	1.5%	20.8%	4.9%	7.0%	8.1%	7.5%	8.4%
Bloomberg Barclays Global Aggregate ex-US Hedged	-0.9%	-1.6%	-0.9%	2.4%	4.2%	4.1%	4.0%	4.3%	4.4%
Bloomberg Barclays Global Aggregate ex-US Unhedged	1.9%	-4.4%	1.9%	2.9%	-2.2%	-1.4%	0.6%	2.8%	5.3%
Bloomberg Barclays U.S. Long Gov / Credit	0.3%	-4.9%	0.3%	4.8%	5.9%	3.9%	7.1%	6.9%	6.9%
JPMorgan GBI-EM Global Diversified	2.3%	-3.2%	2.3%	12.0%	-1.9%	-2.3%	1.2%	4.1%	N/A
<b>Global Equity Markets</b>	<b>1 mo</b>	<b>3 mo</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	1.9%	7.8%	1.9%	20.0%	10.8%	14.1%	13.7%	7.0%	6.9%
Dow Jones Industrial Average	0.6%	10.2%	0.6%	23.9%	10.9%	12.3%	13.1%	7.4%	7.4%
NASDAQ Composite	4.3%	8.6%	4.3%	23.3%	12.5%	16.4%	16.2%	9.8%	8.5%
Russell 3000	1.9%	8.5%	1.9%	21.7%	10.3%	13.9%	13.8%	7.1%	7.3%
Russell 1000	2.0%	8.0%	2.0%	20.8%	10.5%	14.0%	13.8%	7.1%	7.2%
Russell 1000 Growth	3.4%	6.9%	3.4%	17.2%	10.8%	13.9%	14.3%	8.4%	6.8%
Russell 1000 Value	0.7%	9.1%	0.7%	24.6%	10.1%	14.1%	13.3%	5.6%	7.5%
Russell Mid Cap	2.4%	9.2%	2.4%	24.7%	9.5%	13.9%	14.6%	7.7%	9.7%
Russell Mid Cap Growth	3.3%	8.2%	3.3%	20.0%	8.2%	12.6%	14.1%	7.8%	8.4%
Russell Mid Cap Value	1.7%	10.0%	1.7%	29.2%	10.7%	15.0%	15.0%	7.4%	10.3%
Russell 2000	0.4%	14.7%	0.4%	33.5%	7.9%	13.0%	13.9%	6.9%	8.6%
Russell 2000 Growth	1.6%	12.2%	1.6%	26.8%	6.2%	12.5%	14.2%	7.7%	7.8%
Russell 2000 Value	-0.7%	17.1%	-0.7%	40.2%	9.5%	13.4%	13.5%	6.0%	9.0%
MSCI ACWI ex. U.S.	3.6%	3.8%	3.6%	16.7%	1.4%	4.8%	4.7%	1.7%	6.9%
MSCI EAFE	2.9%	4.3%	2.9%	12.6%	1.2%	6.5%	5.4%	1.4%	6.3%
MSCI EAFE Growth	3.4%	2.1%	3.4%	7.4%	1.8%	6.6%	6.0%	2.3%	6.1%
MSCI EAFE Value	2.5%	6.5%	2.5%	17.9%	0.4%	6.3%	4.6%	0.5%	6.5%
MSCI EAFE Small Cap	3.5%	3.5%	3.5%	15.2%	4.2%	9.9%	8.9%	3.4%	10.3%
MSCI Emerging Markets	5.5%	0.9%	5.5%	25.9%	1.8%	0.5%	2.4%	2.8%	10.0%
<b>Alternatives</b>	<b>1 mo</b>	<b>3 mo</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
FTSE NAREIT Equity REITs	0.1%	3.0%	0.1%	12.4%	11.9%	10.6%	14.5%	4.2%	10.8%
S&P Developed World Property ex-US	2.1%	-0.6%	2.1%	10.1%	3.9%	8.3%	8.0%	0.7%	9.6%
S&P Developed World Property	0.8%	1.0%	0.8%	11.1%	7.4%	9.4%	10.7%	2.1%	10.0%
Bloomberg Commodity Total Return	0.1%	3.3%	0.1%	13.8%	-11.3%	-9.4%	-5.3%	-5.6%	1.2%
Alerian MLP	4.9%	12.0%	4.9%	39.6%	-4.5%	2.8%	8.8%	8.0%	11.3%

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When referencing asset class returns or statistics, the following indices are used to represent those asset classes. Each index is unmanaged and investors can not actually invest directly into an index: Cash – Citigroup 90 Day T-Bill; TIPS – Bloomberg Barclays US Treasury TIPS; Aggregate Bond – Bloomberg Barclays US Aggregate Bond Index; Municipal Bond – Bloomberg Barclays Municipal 5-Year Bond, High Yield – Bloomberg Barclays US Corporate High Yield; Foreign Bond – Bloomberg Barclays Global Aggregate Ex USD; Local Currency Denominated Emerging Markets Debt – JPMorgan GBI-EM Global Diversified Unhedged Index; Large Value – Russell 1000 Value; Large Blend – S&P 500; Large Growth – Russell 1000 Growth; Small Value – Russell 2000 Value; Small Blend – Russell 2000; Small Growth – Russell 2000 Growth; International – MSCI EAFE; Emerging Markets – MSCI EM; REITs - FTSE NAREIT Equity REITs; Commodities – Bloomberg Commodity Index; MLP – Alerian MLP; Hedge Funds – HFRI Fund of Funds Composite Index; Balanced – 5% Bloomberg Barclays US Treasury TIPS, 10% Bloomberg Barclays US Aggregate Bond Index, 4.5% Bloomberg Barclays Global Aggregate Ex USD, 4.5% Bloomberg Barclays Global Aggregate Ex USD (Hedged), 9% Bloomberg Barclays US Corporate High Yield, 2% JPMorgan GBI-EM Global Diversified Unhedged Index, 16% S&P 500, 5% Russell 2000, 12% MSCI EAFE, 7% MSCI EM, 5% FTSE NAREIT Equity REITs, 5% Bloomberg Commodity Index, 5% Alerian MLP, 10% HFRI Fund of Funds Composite Index; Domestic Equity Indices – Russell 1000, Russell 1000 Growth, Russell 1000 Value, Russell Mid-Cap, Russell Mid Cap Growth, Russell Mid-Cap Value, Russell 2000, Russell 2000 Growth, Russell 2000 Value; International Developed Markets – MSCI EAFE; US Dollar – US Dollar Index; Unhedged Developed Fixed Income – Bloomberg Barclays Global Aggregate Ex USD (Hedged); Real Assets – Bloomberg Commodity Index; Materials, Financials, Energy, Oil & Gas, Healthcare, Information Technology, Consumer Related Sectors – Dow Jones Sector Indices; Small Cap Securities – Russell 2000, Russell 2000 Growth, Russell 2000 Value; Large Cap Securities – Russell 1000, Russell 1000 Growth, Russell 1000 Value; Mid Cap Securities – Russell Mid Cap, Russell Mid Cap Growth, Russell Mid Cap Value; Growth; Russell 1000 Growth, Russell Mid Cap Growth, Russell Small Cap Growth; Value – Russell 1000 Value, Russell Mid Cap Value, Russell 2000 Value; Fixed Income Markets – Bloomberg Barclays US Treasury TIPS, Bloomberg Barclays Municipal 5-Year Bond, Bloomberg Barclays Aggregate; Investment Grade Corporate Securities – Bloomberg Barclays US Credit; Long Maturity Treasuries – Bloomberg Barclays US Treasury 20+ Year; Shorter Dated Issues – Bloomberg Barclays US Treasury 1-3 Year; Industrial-, Financial- and Utility-Related Credits – Bloomberg Barclays Fixed Income Sector Indices; BB-Rated, B-Rated and CCC-Rated – Bloomberg Barclays Fixed Income Credit Quality Indices; MBS – Bloomberg Barclays US MBS; ABS – Bloomberg Barclays ABS; Crude Oil – Bloomberg Composite Crude Oil; Australia, New Zealand, Japan, China, India, Taiwan, South Korea, Brazil, Mexico, Chile, South Africa, Turkey, Egypt, Hungary, Poland, Russia, Canada, United Kingdom, Spain, Germany, Italy, France – MSCI Country Index Gross return USD; Natural Gas – Bloomberg Natural Gas