

Market Commentary

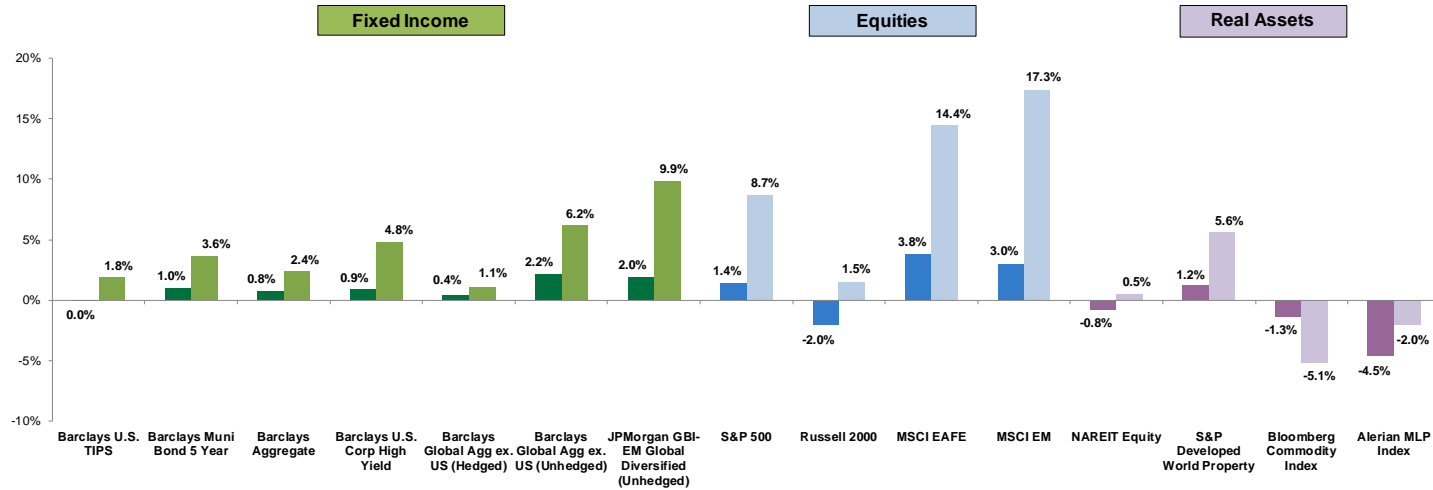
May 2017

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Global Markets Summary

May 2017

Asset Class Returns



Source: Morningstar

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

Fixed Income

- Fixed income markets extended year-to-date gains during May. International markets generally outpaced domestic.
- The yield on the 10-Year U.S. Treasury fell 8 basis points during the month of May continuing the trend seen thus far in 2017 of global demand for U.S. government securities.
- Emerging markets debt continues to outpace other fixed income assets year-to-date.

Equities

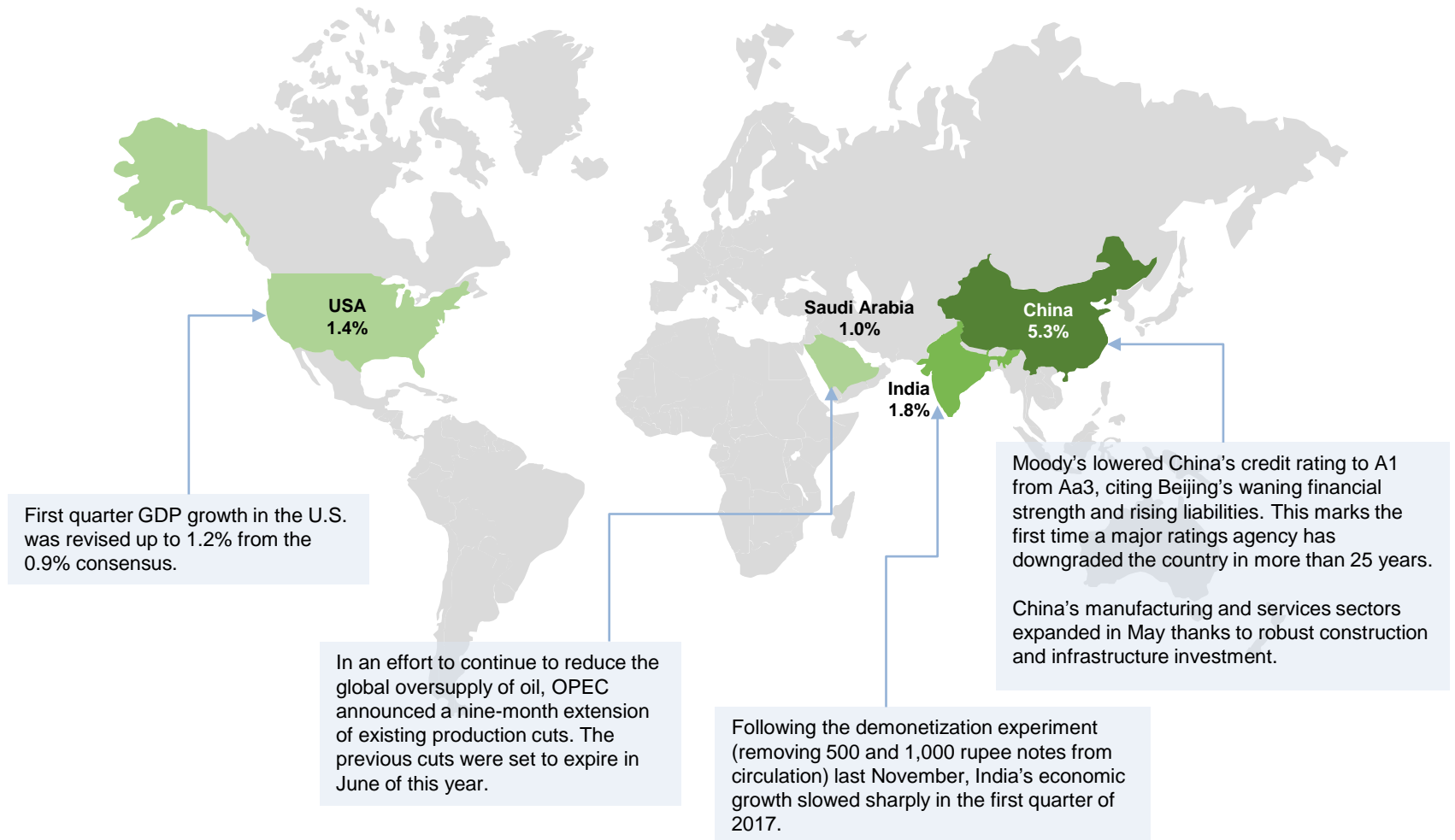
- Global equities gained with international markets outpacing domestic markets. Across styles, growth outperformed value.
- Within developed international markets, Europe generally outperformed the Pacific and Far East regions.
- Domestically, small cap stocks trailed large caps, posting negative returns for the month.

Real Assets

- Real assets were mostly lower with only international real estate finishing higher during the month. MLPs fared the worst.
- Declines in both oil and natural gas weighed on returns in the commodities index and were also felt in the MLP space.
- Asian and European REIT markets both outpaced their North American counterparts. Continued easy money policies and recovering economies are key contributors to the divergence.

Global Highlights

May 2017



Stated returns reflect each country's MSCI Gross Country Index in U.S. Dollars

Financial Markets Performance

As of May 31, 2017

Periods greater than one year are annualized

All returns are in U.S. dollar terms

Global Fixed Income Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.1%	0.1%	0.2%	0.4%	0.2%	0.1%	0.1%	0.5%	1.2%
Bloomberg Barclays US TIPS	(0.0%)	0.5%	1.8%	2.4%	1.1%	0.3%	3.2%	4.4%	5.0%
Bloomberg Barclays Municipal Bond (5 Year)	1.0%	1.7%	3.6%	1.8%	2.2%	2.1%	3.0%	4.0%	3.8%
Bloomberg Barclays US Aggregate	0.8%	1.5%	2.4%	1.6%	2.5%	2.2%	3.4%	4.5%	4.5%
Bloomberg Barclays U.S. Corporate High Yield	0.9%	1.8%	4.8%	13.6%	4.7%	7.3%	8.3%	7.5%	8.5%
Bloomberg Barclays Global Aggregate ex-US Hedged	0.4%	1.0%	1.1%	1.7%	4.1%	4.1%	4.0%	4.5%	4.5%
Bloomberg Barclays Global Aggregate ex-US Unhedged	2.2%	4.0%	6.2%	(0.0%)	(2.0%)	(0.2%)	2.0%	3.0%	5.0%
Bloomberg Barclays U.S. Long Gov / Credit	2.0%	3.0%	5.2%	3.0%	5.0%	4.0%	7.3%	7.4%	7.2%
JPMorgan GBI-EM Global Diversified	2.0%	5.5%	9.9%	12.2%	(2.6%)	0.3%	1.9%	3.9%	-
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	1.4%	2.6%	8.7%	17.5%	10.1%	15.4%	14.4%	6.9%	7.8%
Dow Jones Industrial Average	0.7%	1.6%	7.5%	21.2%	10.6%	14.0%	13.9%	7.2%	7.8%
NASDAQ Composite	2.7%	6.7%	15.7%	26.8%	14.8%	18.5%	16.9%	10.2%	10.4%
Russell 3000	1.0%	2.2%	8.0%	17.7%	9.7%	15.3%	14.2%	7.0%	8.1%
Russell 1000	1.3%	2.4%	8.5%	17.5%	9.8%	15.4%	14.4%	7.0%	8.0%
Russell 1000 Growth	2.6%	6.2%	14.3%	20.3%	11.9%	16.0%	15.6%	8.8%	8.3%
Russell 1000 Value	(0.1%)	(1.3%)	3.0%	14.7%	7.7%	14.7%	13.1%	5.1%	7.5%
Russell Mid Cap	0.9%	1.5%	6.9%	15.9%	8.5%	15.1%	14.1%	7.3%	9.9%
Russell Mid Cap Growth	2.4%	4.5%	11.1%	16.7%	8.8%	14.6%	14.1%	7.7%	9.5%
Russell Mid Cap Value	(0.3%)	(0.8%)	3.6%	15.3%	8.2%	15.6%	14.0%	6.8%	10.0%
Russell 2000	(2.0%)	(0.8%)	1.5%	20.4%	8.0%	14.0%	12.5%	6.4%	8.6%
Russell 2000 Growth	(0.9%)	2.1%	6.3%	19.7%	8.6%	14.4%	13.5%	7.4%	8.7%
Russell 2000 Value	(3.1%)	(3.6%)	(2.9%)	21.0%	7.3%	13.7%	11.5%	5.3%	8.3%
MSCI ACWI ex. U.S.	3.3%	8.4%	14.1%	18.8%	1.7%	8.9%	6.9%	1.6%	7.0%
MSCI EAFE	3.8%	9.6%	14.4%	17.0%	2.0%	10.7%	8.3%	1.5%	6.5%
MSCI EAFE Growth	5.2%	11.5%	17.8%	14.8%	3.7%	10.9%	9.1%	2.5%	6.6%
MSCI EAFE Value	2.5%	7.8%	11.2%	19.1%	0.2%	10.4%	7.4%	0.5%	6.4%
MSCI EAFE Small Cap	3.8%	10.5%	17.0%	17.1%	6.5%	14.2%	11.7%	3.7%	10.1%
MSCI Emerging Markets	3.0%	7.9%	17.3%	27.9%	2.0%	4.9%	4.0%	2.6%	10.3%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	(0.8%)	(2.9%)	0.5%	2.9%	8.0%	10.2%	12.0%	4.8%	10.1%
S&P Developed World Property ex-US	3.3%	6.7%	11.9%	8.3%	3.6%	10.6%	10.2%	0.8%	9.2%
S&P Developed World Property	1.2%	1.5%	5.6%	5.3%	5.4%	10.4%	10.9%	2.3%	9.4%
Bloomberg Commodity Total Return	(1.3%)	(5.4%)	(5.1%)	(2.4%)	(14.6%)	(8.2%)	(5.6%)	(6.6%)	0.1%
Alerian MLP	(4.5%)	(7.0%)	(2.0%)	6.2%	(9.3%)	2.6%	6.9%	5.9%	11.0%

Disclosures

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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