

Market Commentary

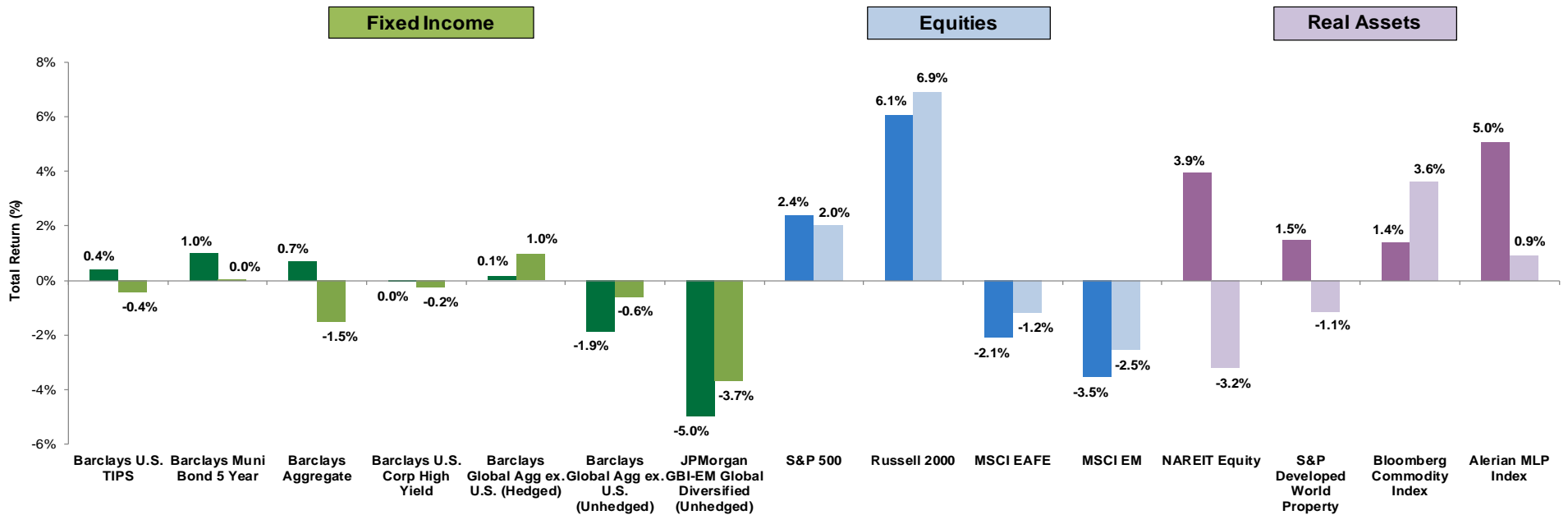
May 2018

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Global Markets Summary

May 2018

Asset Class Returns



Source: Morningstar

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

Fixed Income

- The 10-year U.S. Treasury fell 9 bps to end the month at 2.86%.
- The decline in yield was a direct benefit to bond prices as the Barclays Agg gained during the month along with TIPS and Munis.
- Unhedged indices fell as emerging markets currencies took center focus. A rally in the dollar caused emerging indices to fall as the market digested their prospects under tighter U.S. policy.

Equities

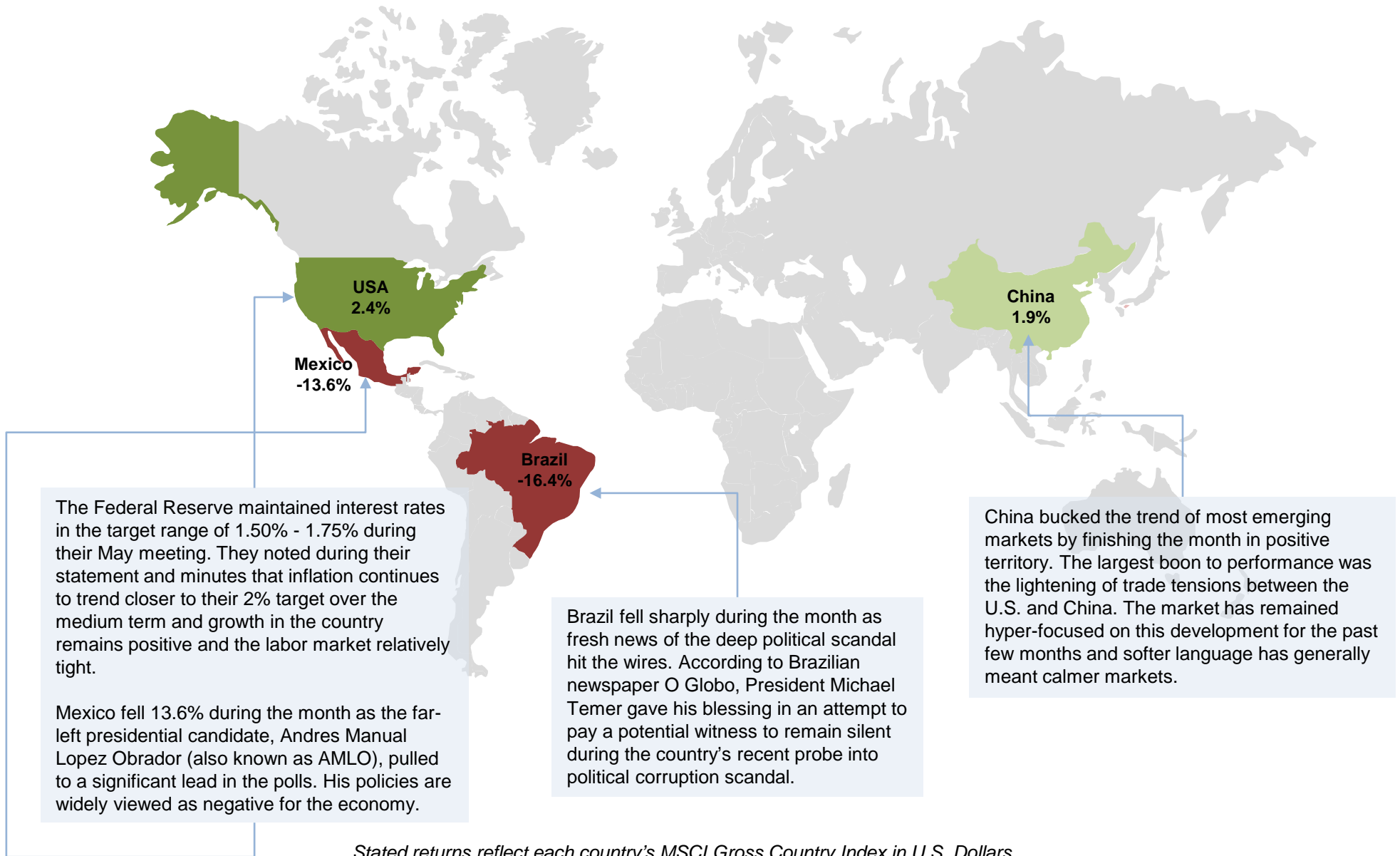
- Domestic equities moved higher with smaller capitalization companies significantly outperforming large cap names. Growth equities tended to outperform value-oriented names.
- International names were lower as France and Germany both fell. Within emerging markets, Brazil and Mexico were the largest decliners. Fresh news of additional political scandals peppering the headlines in Brazil led to declines.

Real Assets

- All asset classes within real assets finished in positive territory during the month.
- MLPs were the strongest performer within real assets as energy prices remained firmly higher and the space was absent significant negative news. Some consolidation occurred amongst GPs and LPs as MLPs remain near historical lows.
- Domestic REITs outperformed international as fundamentals remain strong and supply in check.

Global Highlights

May 2018



Financial Markets Performance

Total Returns as of May 31, 2018

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%	0.4%	0.6%	1.2%	0.6%	0.4%	0.3%	0.3%	1.2%
Bloomberg Barclays US TIPS	0.4%	1.4%	(0.4%)	0.7%	1.5%	0.9%	2.1%	3.1%	3.9%
Bloomberg Barclays Municipal Bond (5 Year)	1.0%	0.6%	0.0%	(0.4%)	1.6%	1.7%	2.3%	3.3%	3.2%
Bloomberg Barclays HY Muni	2.1%	4.0%	3.1%	6.4%	5.2%	4.4%	6.9%	5.8%	6.1%
Bloomberg Barclays US Aggregate	0.7%	0.6%	(1.5%)	(0.4%)	1.4%	2.0%	2.5%	3.7%	3.8%
Bloomberg Barclays U.S. Corporate High Yield	(0.0%)	0.0%	(0.2%)	2.3%	4.9%	4.9%	6.1%	7.8%	7.9%
Bloomberg Barclays Global Aggregate ex-US Hedged	0.1%	1.1%	1.0%	2.4%	3.0%	3.7%	4.2%	4.3%	4.0%
Bloomberg Barclays Global Aggregate ex-US Unhedged	(1.9%)	(2.7%)	(0.6%)	3.4%	3.5%	0.8%	0.2%	1.9%	3.5%
Bloomberg Barclays U.S. Long Gov / Credit	1.1%	0.8%	(4.4%)	0.6%	3.3%	4.3%	6.0%	6.9%	5.8%
JPMorgan GBI-EM Global Diversified	(5.0%)	(6.8%)	(3.7%)	1.0%	2.5%	(1.7%)	(0.6%)	2.7%	6.4%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	2.4%	0.2%	2.0%	14.4%	11.0%	13.0%	12.9%	9.1%	9.3%
Dow Jones Industrial Average	1.4%	(1.9%)	(0.2%)	18.9%	13.5%	12.8%	12.8%	9.7%	9.7%
NASDAQ Composite	5.5%	2.6%	8.3%	21.3%	15.0%	18.0%	16.2%	12.7%	11.9%
Russell 3000	2.8%	1.1%	2.5%	15.1%	10.7%	12.9%	12.6%	9.2%	9.7%
Russell 1000	2.6%	0.6%	2.2%	14.6%	10.7%	12.9%	12.7%	9.2%	9.6%
Russell 1000 Growth	4.4%	1.9%	6.2%	21.0%	13.9%	15.7%	14.5%	10.9%	10.3%
Russell 1000 Value	0.6%	(0.8%)	(1.9%)	8.2%	7.4%	10.1%	10.9%	7.4%	8.7%
Russell Mid Cap	2.3%	2.2%	1.6%	12.7%	8.6%	11.8%	11.4%	9.2%	11.2%
Russell Mid Cap Growth	3.7%	2.6%	5.0%	18.4%	10.0%	13.0%	11.8%	9.6%	11.1%
Russell Mid Cap Value	1.1%	1.8%	(1.0%)	8.3%	7.6%	10.8%	11.2%	9.0%	11.0%
Russell 2000	6.1%	8.4%	6.9%	20.8%	11.0%	12.2%	11.3%	9.6%	10.6%
Russell 2000 Growth	6.3%	7.8%	8.8%	25.1%	10.8%	13.3%	12.0%	10.5%	11.0%
Russell 2000 Value	5.8%	9.0%	4.8%	16.4%	11.0%	11.0%	10.6%	8.7%	10.0%
MSCI ACWI	0.2%	(0.9%)	0.4%	12.4%	8.1%	9.5%	8.4%	5.5%	8.9%
MSCI ACWI ex. U.S.	(2.2%)	(2.2%)	(1.6%)	10.2%	5.2%	5.9%	4.3%	2.3%	8.5%
MSCI EAFE	(2.1%)	(1.5%)	(1.2%)	8.5%	4.8%	6.4%	5.4%	2.6%	8.0%
MSCI EAFE Growth	(0.1%)	0.4%	0.5%	10.4%	6.3%	7.4%	6.1%	3.2%	8.1%
MSCI EAFE Value	(4.2%)	(3.4%)	(3.0%)	6.5%	3.3%	5.4%	4.5%	1.9%	7.8%
MSCI EAFE Small Cap	(0.9%)	(0.5%)	0.9%	15.1%	10.7%	11.3%	8.8%	6.5%	11.6%
MSCI Emerging Markets	(3.5%)	(5.7%)	(2.5%)	14.4%	6.6%	4.9%	2.2%	2.0%	11.8%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	3.9%	9.5%	(3.2%)	1.3%	4.9%	7.0%	7.9%	6.2%	9.9%
S&P Developed World Property ex-US	(0.9%)	2.3%	0.3%	10.1%	5.5%	6.4%	6.8%	3.9%	10.1%
S&P Developed World Property	1.5%	5.8%	(1.1%)	6.0%	5.1%	6.5%	7.2%	4.8%	9.8%
Bloomberg Commodity Total Return	1.4%	3.4%	3.6%	11.0%	(2.8%)	(6.6%)	(8.0%)	(7.9%)	(0.6%)
Alerian MLP	5.0%	5.7%	0.9%	(3.7%)	(8.1%)	(3.2%)	2.1%	6.1%	9.4%

Source: Morningstar

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.