

		<u>March 2018</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	-2.54%	-0.76%	13.99%	10.78%	13.31%	9.49%
U.S Mid Cap Equities	Russell Midcap	0.06%	-0.46%	12.20%	8.01%	12.09%	10.21%
U.S. Small Cap Equities	Russell 2000	1.29%	-0.08%	11.79%	8.39%	11.47%	9.84%
Master Limited Partnerships (MLP)	Alerian MLP	-6.94%	-11.12%	-20.07%	-11.24%	-5.85%	5.60%
Global Equities	MSCI All Country World Index	-2.14%	-0.96%	14.85%	8.12%	9.20%	5.57%
International Developed Equities	MSCI EAFE	-1.80%	-1.53%	14.80%	5.55%	6.50%	2.74%
Emerging Market Equities	MSCI Emerging Markets	-1.86%	1.42%	24.93%	8.81%	4.99%	3.02%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.64%	-1.46%	1.20%	1.20%	1.82%	3.63%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.37%	-1.11%	2.66%	2.25%	2.73%	4.40%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	-0.60%	-0.86%	3.78%	5.17%	4.99%	8.27%
Floating Rate Fixed Income	S&P/LSTA Leveraged Loan	0.28%	1.45%	4.43%	4.20%	3.89%	5.62%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	1.43%	3.62%	11.75%	4.63%	1.23%	1.85%

- Strong January gains followed by an over-10% correction in global equity markets and high volatility led the MSCI All Country World Index to decline 1% in the quarter. The February market correction and negative quarterly returns effectively reset prices and improved equity valuations.
- U.S. equities lost less than 1% while volatility was markedly higher in Q1. Fundamentals continue to support a positive outlook for global equities in 2018 as underlying economic data was largely favorable, including:
 - *GDP Growth (A+)*: Analysts increased forecasted GDP growth from 2.5% to 2.7%.
 - *Inflation (B+)*: Consensus expectation is for inflation to remain around 1.9% in 2018.
 - *Unemployment (A+)*: U.S. unemployment reached 17-year lows at 4.1%.
 - *Interest Rates (A)*: Jerome Powell raised the Federal Funds Rate target by 0.25% as expected in his first meeting as Chairman.
- Master Limited Partnerships fell victim to headline risk, notably the FERC proposal, and the Alerian MLP Index ended the first quarter down 11.1%.
- Non-U.S. equity results were mixed, with international developed equities finishing the quarter 1.5% lower and emerging markets gaining 1.4%.
- Investment grade U.S. bond markets were broadly negative in Q1, down between 1% and 1.5%, as yields moved higher and prices declined.
- The 10-year U.S. Treasury lost 2.4% during the quarter after its yield spiked 0.34%; the spread between the 10-year and 30-year is now only 0.23%.
- U.S. high yield bonds fell 0.9% in the quarter, but continued to offer a compelling >5% yield; floating rate loans had an excellent quarter, up 1.5%.
- International fixed income gained 3.6% in the quarter to outperform U.S. bonds.



- U.S. trade tariff discussions, centered around steel, significantly disrupted currency markets.
- A NAFTA breakup has been and remains the most potent risk to the Canadian dollar.
- The CAD appears to be pricing in a sizable risk premium, creating upside potential if negotiations are successful.
- Consensus continues to suggest the Canadian dollar will strengthen against the U.S. dollar.

Date Range	CAD/USD	+/-
January	0.795-0.813	+2.2%
February	0.813-0.779	-4.1%
March	0.779-0.775	-0.5%
1Q 2018	0.795-0.775	-2.5%

USD to CAD

	Last 30 Days	Last 90 Days
High	1.30979	1.30979
Low	1.28093	1.22601
Average	1.29298	1.26499
Volatility	0.43%	0.40%



Source: www.xe.com