

		<u>Feb. 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	-3.69%	1.83%	17.10%	11.14%	14.73%	9.73%
U.S. Mid Cap Equities	Russell Midcap	-4.13%	-0.52%	11.95%	8.01%	13.01%	10.05%
U.S. Small Cap Equities	Russell 2000	-3.87%	-1.36%	10.51%	8.55%	12.19%	9.75%
Master Limited Partnerships (MLP)	Alerian MLP	-9.69%	-4.49%	-15.22%	-10.39%	-3.48%	5.68%
Global Equities	MSCI All Country World Index	-4.20%	1.20%	18.79%	8.34%	10.07%	5.65%
International Developed Equities	MSCI EAFE	-4.51%	0.28%	20.13%	5.65%	7.06%	2.82%
Emerging Market Equities	MSCI Emerging Markets	-4.61%	3.34%	30.51%	8.97%	5.02%	2.65%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	-0.95%	-2.09%	0.51%	1.14%	1.71%	3.60%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	-0.30%	-1.47%	2.50%	2.22%	2.57%	4.66%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	-0.85%	-0.26%	4.18%	5.19%	5.33%	8.30%
Floating Rate Fixed Income	S&P/LSTA Leveraged Loan	0.20%	1.16%	4.22%	4.24%	4.01%	5.58%
International Fixed Income	Barclay's Global Aggregate Ex-U.S. ¹	-0.85%	2.16%	10.50%	3.40%	0.85%	2.01%

- Global equity markets were broadly negative in February as volatility spiked sharply; the MSCI ACWI fell 4.2% but remained up 1.2% year-to-date.
- The synchronized global turbulence stemmed from a confluence of factors, including: Rising interest rates; likelihood of higher inflation; ballooning U.S. deficits; erratic trade policies; and a general shift from monetary to fiscal policy.
- U.S. equities fell 3.7% as investor confidence was shaken by the rapidly escalating yield on the 10-Year U.S. treasury note, which is +0.45% year-to-date.
- While the recent turbulence has investors questioning if this is the top of the bull market, the healthy correction has served to reset U.S. equity prices.
- After a strong first month, equity infrastructure MLPs sold off as investors shed “risk assets;” the Alerian MLP index yielded 8.0% at month-end.
- International developed and emerging market equities paired losses in February, falling 4.5%, primarily due to U.S. equity market contagion.
- U.S. bond markets were negatively impacted by the unexpected steepening of the yield curve, while credit spreads moved very little.
- U.S. investment grade bonds declined between 0.3% and 1.0% in February, and while yields are slightly higher, valuations are less attractive.
- High yield bonds have provided a rate hike buffer, but the higher correlation to equities resulted in a down month for the index.
- Leveraged loans were the highlight of the trading period; they provided the only positive return with a relatively high variable rate yield.
- Global ex-U.S. bond markets pulled back along with U.S. Treasuries, but remain up 2.2% year-to-date.



- The Canadian dollar weakened 0.03% against the U.S. dollar in February; 0.81259 to 0.77947.
- The Canadian dollar has weakened 0.01% against the U.S. dollar year-to-date; 0.79499 to 0.77947.
- As of March 8, 2018 the exchange rate of \$1 CAD equaled 0.77364 U.S. dollars.
- As of March 8, 2018 the exchange rate of \$1 USD equaled 1.29258 Canadian dollars.
- Canadian inflation was 1.40% as of March 8, 2018, while the central bank rate was 1.25%.
- U.S. trade tariff discussions, centered around steel, disrupted currency markets in February.
- However, consensus suggests the Canadian dollar will strengthen against the U.S. dollar in 2018.

USD to CAD

	Last 30 Days	Last 90 Days
High	1.29801	1.29801
Low	1.24830	1.22601
Average	1.26787	1.26011
Volatility	0.36%	0.36%



Source: xe.com