

		<u>March 2019</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	1.94%	13.65%	9.50%	13.51%	10.91%	15.92%
U.S Mid Cap Equities	Russell Midcap	0.86%	16.54%	6.47%	11.82%	8.81%	16.88%
U.S. Small Cap Equities	Russell 2000	-2.09%	14.58%	2.05%	12.92%	7.05%	15.36%
Master Limited Partnerships (MLP)	Alerian MLP	3.43%	16.82%	15.11%	5.69%	-4.73%	10.12%
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	2.88%	15.72%	19.73%	5.29%	8.91%	18.52%
Global Equities	MSCI All Country World Index	1.26%	12.18%	2.60%	10.67%	6.45%	11.98%
International Developed Equities	MSCI EAFE	0.63%	9.98%	-3.71%	7.27%	2.33%	8.96%
Emerging Market Equities	MSCI Emerging Markets	0.84%	9.93%	-7.41%	10.68%	3.68%	8.94%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	1.92%	2.94%	4.48%	2.03%	2.74%	3.77%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	1.58%	2.90%	5.38%	2.71%	3.73%	4.72%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	0.94%	7.26%	5.93%	8.56%	4.68%	11.26%
Floating Rate Loans	S&P/LSTA Leveraged Loan	-0.21%	3.96%	2.93%	5.65%	3.61%	7.98%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	0.71%	1.52%	-4.14%	0.96%	-0.26%	2.46%

- Global equities ended the first quarter up more than 12%; this offset 96% of the unrealized loss from the fourth quarter of 2018.
- The recovery in equity markets is largely a result of the Fed's shift to a dovish stance in response to lower forecasted global growth, as well as the U.S. administration's decision to delay its Chinese tariff increases, which was a response to the fourth quarter market declines.
- U.S. equities gained 13.7% during the first quarter, and while valuations are not cheap relative to the historical averages, the market appears optimistic that a neutral monetary policy and progress on trade can support activity in the coming months.
- Midstream MLPs and U.S. REITs outperformed in March; both asset classes offer relatively good value with sustainably high yields.
- Foreign equities have gained nearly 10% this year, a favorable outcome considering these asset classes have had to contend with an unresolved Brexit, trade uncertainty, geopolitical issues and lower growth forecast stemming from weak industrial production and exports.
- The U.S. investment grade bond markets also showed gains in March; the Barclays Aggregate yields 3.3% with a 5.8 year duration.
- U.S. high yield bonds and leveraged loans cooled off in March, but both asset classes were up for the quarter and defaults have fallen.
- Non-U.S. bonds gained 0.7% in March and are now up 1.5% for the year. This asset class has been inversely correlated with the U.S. dollar, and the negative 4.1% 1-year return aligns with an 8% U.S. dollar strengthening during that period.

Economic Update

The Canadian dollar is currently trading at 0.7501 against the U.S. dollar (April 2, 2019). Year-to-date, the Canadian dollar has strengthened 2.3% against the U.S. dollar; it weakened 7.9% against the USD in 2018.

The movement of the Canadian dollar appears to be tied to oil prices. This is supported by a rolling correlation between the currency and the commodity of nearly 90%. This correlation is due, in large part, to the amount of the nation's total foreign exchange earnings that are collected through crude oil sales.

Interest Rate Update

The Bank of Canada held its benchmark interest rate steady at 1.75% when it met in early March. Currently, the market is pricing in an 8% chance the central bank will cut rates in April. While this scenario seems unlikely, it does call into question the possibility of future rate hikes, especially since the economic slowdown that began at the end of last year has been a bit worse than expected.

Date Range	CAD to USD	+/-
March	0.7595-0.7495	-1.3%
Year-to-Date	0.7329-0.7495	+2.3%
1-Year	0.7754-0.7495	-3.3%

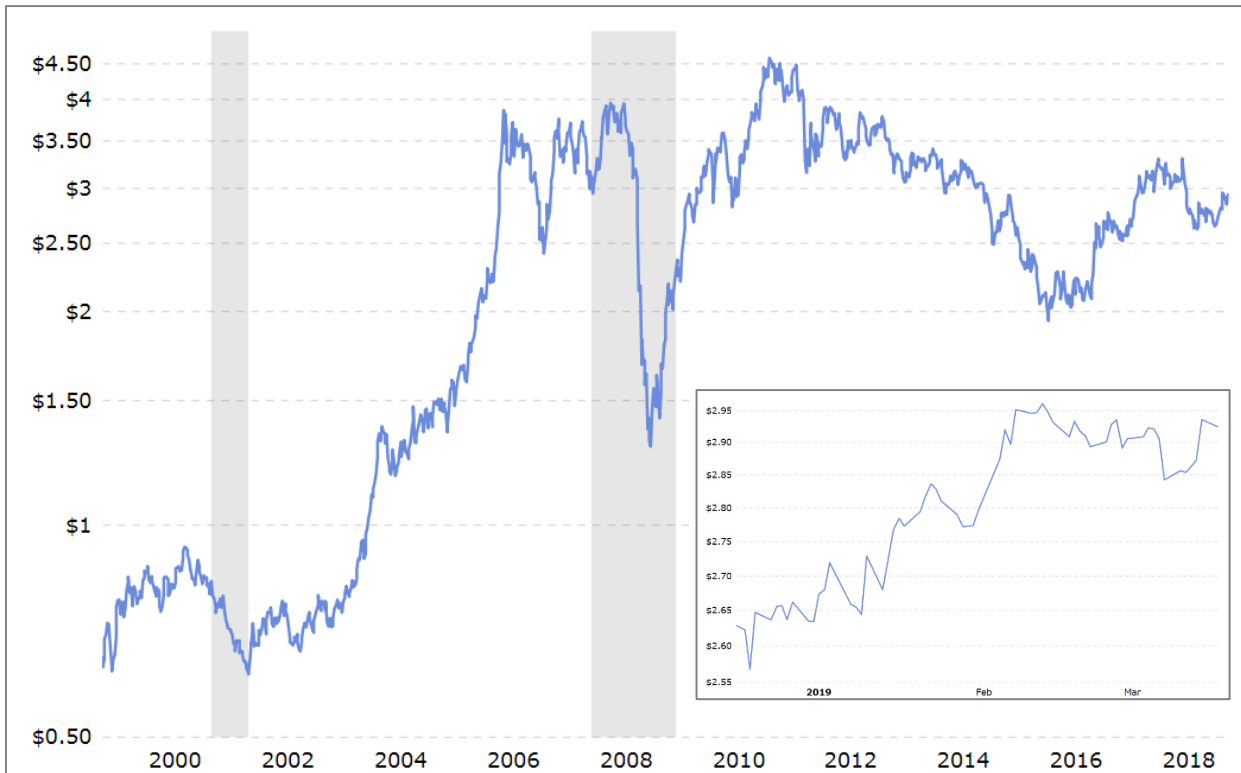
USD to CAD	30-Days	90-Days
High	1.34453	1.36299
Low	1.32850	1.30907
Average	1.33674	1.32879
Volatility	0.29%	0.35%



Source: www.xe.com

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides twenty years of price history, and also includes shaded columns that reflect past U.S. economic recessions.

The smaller chart in the bottom right hand corner provides a zoomed image of the year-to-date price movement of the commodity. The current price of copper, as of April 2, 2019, is \$2.92 per pound. Copper opened the year priced at \$2.62 per pound and hit a high/low of \$2.96/\$2.57 on January 3rd and February 27th, respectively. Copper has gained 11.2% year-to-date.



Copper Price Outlook

Analyst guidance continues to suggest that futures prices stay significantly below their record \$4.629 settlement, hit on February 14, 2011.

RJO Futures sees a positive push to the upside on supply and demand news for copper, and an upward longer-term trend line.

According to RJO, fundamental news is having a pressuring effect on the copper market but prices have been resilient. This is likely attributable to a possible global copper deficit and a change in China's tax policies that would boost demand for the commodity.

Guidance suggests a near-term value of between \$2.88 and \$2.90, with an upside of \$2.95.