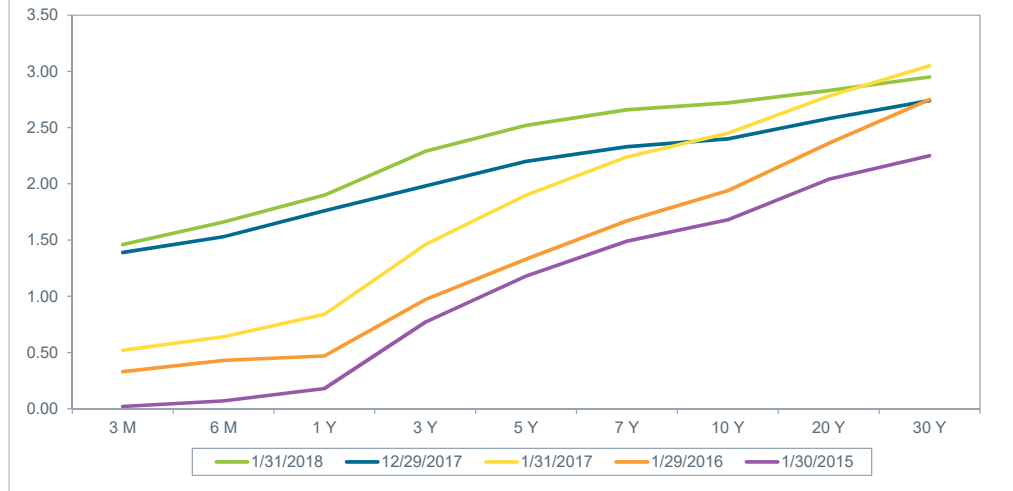


General Market Commentary

- Treasury yields surged in January, as the yield on the 10 year note increased 32 basis points since the end of the year.
- The US economy added 200,000 jobs during January, beating analyst expectations of 180,000. While unemployment remained unchanged at 4.1%, hourly wages rose 0.3% from the prior month, primarily due to a decrease in average hours worked.
- The US dollar continued its decline in January as many investors speculated that foreign central banks, including the European Central Bank, could scale back security purchasing programs in 2018.
- Equity markets posted positive returns in January as the S&P 500 (Cap Wtd) Index returned 5.73% and the MSCI EAFE (Net) Index returned 5.02%. Emerging markets returned 8.33% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -1.15% in January, underperforming the -0.98% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 3.21%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the Wilshire US REIT Index, returned -3.83% in January and 7.74% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 16.79% for the trailing one-year period and 13.27% for the trailing five-year period ending September 2017.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 2.23% for the month and 8.98% over the trailing one-year period.
- Crude oil's price increased by 7.13% during the month, and has increased by 22.57% YoY.

Economic Indicators	Jan-18	Dec-17	Jan-17	10 Yr	20 Yr	
Federal Funds Rate (%)	1.34 ▲	1.33	0.56	0.41	2.10	
Breakeven Inflation - 1 Year (%)	2.13 ▲	0.85	2.17	0.78	N/A	
Breakeven Inflation - 5 Year (%)	2.01 ▲	1.88	2.03	1.65	N/A	
Breakeven Inflation - 10 Year (%)	2.11 ▲	1.98	2.06	1.96	N/A	
Breakeven Inflation - 30 Year (%)	2.15 ▲	2.02	2.15	2.16	N/A	
Bloomberg US Agg Bond Index - Yield (%)	2.97 ▲	2.71	2.61	2.78	4.10	
Bloomberg US Agg Bond Index - OAS (%)	0.34 ▼	0.36	0.44	0.70	0.65	
Bloomberg US Agg Credit Index - OAS (%)	0.82 ▼	0.89	1.16	1.70	1.49	
Bloomberg US Corp: HY Index - OAS (%)	3.19 ▼	3.43	3.88	6.05	5.65	
Capacity Utilization (%)	77.54 ▼	77.70	75.73	75.85	77.52	
Unemployment Rate (%)	4.1 —	4.1	4.8	6.9	5.9	
PMI - Manufacturing (%)	59.1 ▼	59.3	55.6	52.6	52.4	
Baltic Dry Index - Shipping	1,152 ▼	1,366	800	1,860	2,291	
Consumer Conf (Conf Board)	125.40 ▲	123.10	111.60	76.53	92.92	
CPI YoY (Headline) (%)	2.1 —	2.1	2.5	1.7	2.1	
CPI YoY (Core) (%)	1.8 —	1.8	2.3	1.8	2.0	
PPI YoY (%)	3.0 ▼	3.3	2.9	1.8	2.1	
M2 YoY (%)	4.2 ▼	4.7	6.6	6.4	6.4	
US Dollar Total Weighted Index	N/A	N/A	87.47	93.13	80.07	86.68
WTI Crude Oil per Barrel (\$)	65 ▲	60	53	76	58	
Gold Spot per Oz (\$)	1,345 ▲	1,303	1,211	1,269	835	

Treasury Yield Curve (%)



Treasury Yield Curve (%)	Jan-18	Dec-17	Jan-17	Jan-16	Jan-15
3 Month	1.46	1.39	0.52	0.33	0.02
6 Month	1.66	1.53	0.64	0.43	0.07
1 Year	1.90	1.76	0.84	0.47	0.18
3 Year	2.29	1.98	1.46	0.97	0.77
5 Year	2.52	2.20	1.90	1.33	1.18
7 Year	2.66	2.33	2.24	1.67	1.49
10 Year	2.72	2.40	2.45	1.94	1.68
20 Year	2.83	2.58	2.78	2.36	2.04
30 Year	2.95	2.74	3.05	2.75	2.25

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	5.73	5.73	5.73	26.41	14.66	15.91	14.28	9.78
Russell 2000	2.61	2.61	2.61	17.18	12.12	13.33	12.07	9.76
MSCI EAFE (Net)	5.02	5.02	5.02	27.60	9.39	7.85	6.43	3.44
MSCI EAFE SC (Net)	5.11	5.11	5.11	35.04	16.05	12.83	9.81	7.40
MSCI EM (Net)	8.33	8.33	8.33	41.01	11.83	5.74	4.15	3.88
Bloomberg US Agg Bond	-1.15	-1.15	-1.15	2.15	1.14	2.01	3.02	3.71
BofA ML 3 Mo US T-Bill	0.12	0.12	0.12	0.93	0.45	0.29	0.24	0.35
NCREIF ODCE (Gross)	N/A	N/A	0.00	7.62	10.42	11.53	12.07	5.03
Wilshire US REIT	-3.83	-3.83	-3.83	0.89	1.69	7.74	9.31	6.91
HFRI FOF Comp Index	2.23	2.23	2.23	8.98	3.29	4.01	2.96	1.60
Bloomberg Cmdty Index (TR)	1.99	1.99	1.99	3.58	-3.32	-8.52	-8.02	-7.03

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. Breakeven Inflation does not have 20 years of history; therefore, its 20-year average is shown as "N/A."