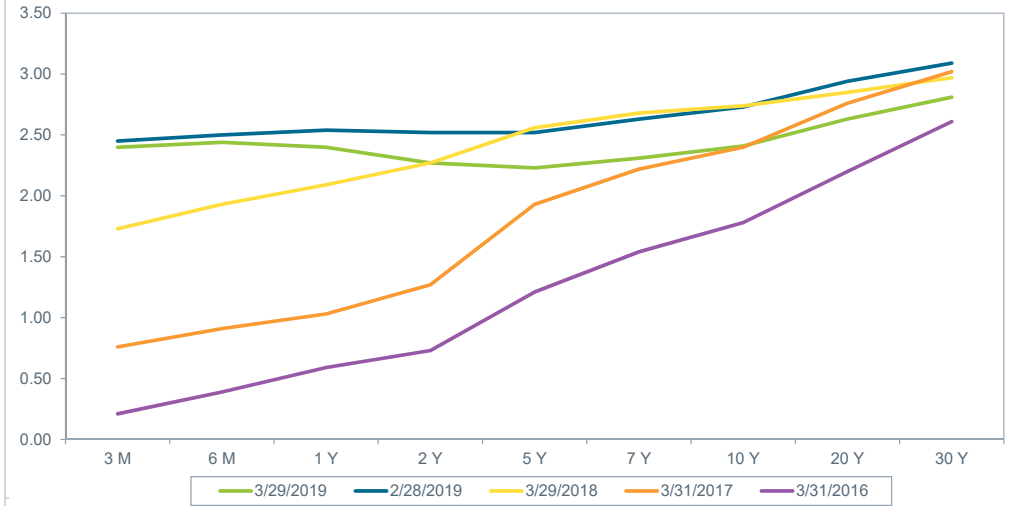


General Market Commentary

- The Federal Open Market Committee (FOMC) left interest rates unchanged at its March meeting. The FOMC's economic outlook softened, as suggested by zero projected rate hikes in 2019, and only one in 2020. As a result, 10-year yields declined notably in the days after the FOMC meeting, and traded below 3-month yields as the US Treasury yield curve inverted.
- Though equity markets faltered early in March due to poor economic news, most global market segments rallied throughout the remainder of the month, primarily driven by strong corporate earnings and accommodative monetary policy.
- International developed markets lagged their US and emerging counterparts, primarily due to the release of poor economic data in Germany and France and increased uncertainty over Brexit. British Parliament passed an amendment giving itself the authority to vote on Brexit options, a direct rebuke to Prime Minister Theresa May.
- Equity markets posted positive returns in March as the S&P 500 (Cap Wtd) Index returned 1.94% and the MSCI EAFE (Net) Index returned 0.63%. Emerging markets returned 0.84% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 1.92% in March, outperforming the 1.23% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.89%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 3.35% in March and 9.12% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 18.01% for the trailing one-year period and 13.40% for the trailing five-year period ending September 2018.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 0.90% for the month and 0.11% over the trailing one-year period.
- Crude oil's price increased by 5.10% during the month, but has decreased by 7.39% YoY.

Treasury Yield Curve (%)



Economic Indicators	Mar-19	Feb-19	Mar-18	10 Yr	20 Yr
Federal Funds Rate (%)	2.43 ▲	2.40	1.68	0.47	1.91
Breakeven Inflation - 5 Year (%)	1.79 ▼	1.86	2.04	1.73	1.86
Breakeven Inflation - 10 Year (%)	1.87 ▼	1.94	2.06	2.01	2.03
Breakeven Inflation - 30 Year (%)	1.92 ▼	1.98	2.07	2.16	2.27
Bloomberg US Agg Bond Index - Yield (%)	2.93 ▼	3.21	3.12	2.61	3.95
Bloomberg US Agg Bond Index - OAS (%)	0.44 ▼	0.45	0.41	0.56	0.64
Bloomberg US Agg Credit Index - OAS (%)	1.13 ▼	1.14	1.03	1.43	1.47
Bloomberg US Corp: HY Index - OAS (%)	3.91 ▲	3.79	3.54	5.21	5.53
Capacity Utilization (%)	78.80 ▼	79.00	78.19	75.98	77.27
Unemployment Rate (%)	3.8 —	3.8	4.0	6.7	5.9
PMI - Manufacturing (%)	55.3 ▲	54.2	59.3	54.1	52.8
Baltic Dry Index - Shipping	689 ▲	658	1,055	1,385	2,311
Consumer Conf (Conf Board)	124.10 ▼	131.40	127.00	85.25	92.80
CPI YoY (Headline) (%)	1.5 —	1.5	2.4	1.6	2.2
CPI YoY (Core) (%)	2.1 —	2.1	2.1	1.8	2.0
PPI YoY (%)	1.4 ▲	0.5	3.0	1.5	2.3
M2 YoY (%)	3.8 ▼	4.0	4.0	6.1	6.2
US Dollar Total Weighted Index	92.07 ▲	91.16	86.37	81.62	86.26
WTI Crude Oil per Barrel (\$)	60 ▲	57	65	73	61
Gold Spot per Oz (\$)	1,292 ▼	1,313	1,326	1,315	892

Treasury Yield Curve (%)	Mar-19	Feb-19	Mar-18	Mar-17	Mar-16
3 Month	2.40	2.45	1.73	0.76	0.21
6 Month	2.44	2.50	1.93	0.91	0.39
1 Year	2.40	2.54	2.09	1.03	0.59
2 Year	2.27	2.52	2.27	1.27	0.73
5 Year	2.23	2.52	2.56	1.93	1.21
7 Year	2.31	2.63	2.68	2.22	1.54
10 Year	2.41	2.73	2.74	2.40	1.78
20 Year	2.63	2.94	2.85	2.76	2.20
30 Year	2.81	3.09	2.97	3.02	2.61

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	1.94	13.65	13.65	9.50	13.51	10.91	12.85	15.92
Russell 2000	-2.09	14.58	14.58	2.05	12.92	7.05	10.74	15.36
MSCI EAFE (Net)	0.63	9.98	9.98	-3.71	7.27	2.33	5.63	8.96
MSCI EAFE SC (Net)	0.16	10.65	10.65	-9.36	7.50	4.47	8.21	12.76
MSCI EM (Net)	0.84	9.93	9.93	-7.41	10.68	3.68	2.69	8.95
Bloomberg US Agg Bond	1.92	2.94	2.94	4.48	2.03	2.74	2.48	3.77
ICE BofAML 3 Mo US T-Bill	0.22	0.60	0.60	2.12	1.19	0.74	0.56	0.43
NCREIF ODCE (Gross)	1.42	1.42	1.42	7.52	7.97	10.17	10.77	8.74
FTSE NAREIT Eq REITs Index (TR)	3.35	16.33	16.33	20.86	6.13	9.12	9.25	18.28
HFRI FOF Comp Index	0.90	4.59	4.59	0.11	3.92	2.20	3.10	3.54
Bloomberg Cmnty Index (TR)	-0.18	6.32	6.32	-5.25	2.22	-8.92	-7.14	-2.56

The previous month's CPI YoY is used as a proxy for the current YoY return until it becomes available. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

