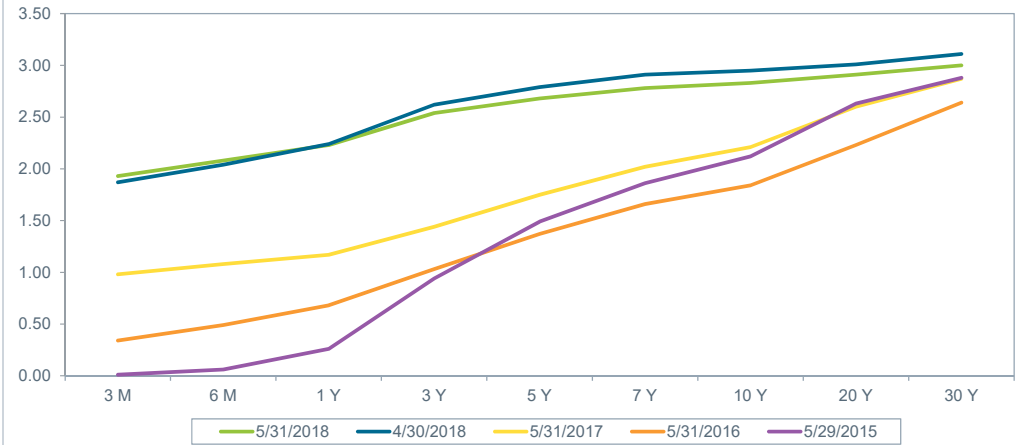


General Market Commentary

- While US Equity markets surged upwards during May, international markets faced headwinds from increased fears of a trade war between the US and China, and geopolitical tension in Italy arising from populist political movements looking to significantly increase the country's spending.
- Weaker-than-expected US inflation data, coupled with a rise in the US dollar caused increased volatility in US treasury markets as yields fell sharply towards the end of the month.
- The US unemployment rate fell to 3.8% in May, the lowest figure since 2000. This drop was primarily driven by a decrease in the labor force participation rate, which dipped to 62.7% as of month-end.
- Equity markets posted mixed returns in May as the S&P 500 (Cap Wtd) Index returned 2.41% and the MSCI EAFE (Net) Index returned -2.25%. Emerging markets returned -3.54% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.71% in May, outperforming the 0.65% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -2.30%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the Wilshire US REIT Index, returned 2.22% in May and 6.83% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 17.45% for the trailing one-year period and 13.57% for the trailing five-year period ending December 2017.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 0.68% for the month and 5.63% over the trailing one-year period.
- Crude oil's price fell by 2.23% during the month, but has increased by 38.74% YoY.

Treasury Yield Curve (%)



Economic Indicators	May-18	Apr-18	May-17	10 Yr	20 Yr
Federal Funds Rate (%)	1.70 ▲	1.69	0.83	0.38	2.04
Breakeven Inflation - 1 Year (%)	1.65 ▼	1.67	1.20	0.77	N/A
Breakeven Inflation - 5 Year (%)	2.05 ▼	2.11	1.76	1.64	N/A
Breakeven Inflation - 10 Year (%)	2.09 ▼	2.18	1.84	1.95	N/A
Breakeven Inflation - 30 Year (%)	2.09 ▼	2.19	1.96	2.15	N/A
Bloomberg US Agg Bond Index - Yield (%)	3.22 ▼	3.29	2.46	2.73	4.06
Bloomberg US Agg Bond Index - OAS (%)	0.42 ▲	0.40	0.42	0.67	0.65
Bloomberg US Agg Credit Index - OAS (%)	1.09 ▲	1.02	1.07	1.66	1.49
Bloomberg US Corp: HY Index - OAS (%)	3.62 ▲	3.38	3.63	5.93	5.61
Capacity Utilization (%)	77.86 ▼	78.06	76.22	75.76	77.43
Unemployment Rate (%)	3.8 ▼	3.9	4.3	6.9	5.9
PMI - Manufacturing (%)	58.7 ▲	57.3	55.5	52.9	52.5
Baltic Dry Index - Shipping	1,090 ▼	1,341	878	1,618	2,293
Consumer Conf (Conf Board)	128.00 ▲	125.60	117.60	78.32	92.81
GPI YoY (Headline) (%)	2.8 ▲	2.5	1.9	1.6	2.2
CPI YoY (Core) (%)	2.2 ▲	2.1	1.7	1.8	2.0
PPI YoY (%)	4.1 ▲	2.4	2.8	1.7	2.2
M2 YoY (%)	3.8 ▲	3.7	5.9	6.4	6.4
US Dollar Total Weighted Index	89.27 ▲	87.63	92.04	80.59	86.49
WTI Crude Oil per Barrel (\$)	67 ▼	69	48	75	59
Gold Spot per Oz (\$)	1,299 ▼	1,315	1,269	1,283	852

Treasury Yield Curve (%)	May-18	Apr-18	May-17	May-16	May-15
3 Month	1.93	1.87	0.98	0.34	0.01
6 Month	2.08	2.04	1.08	0.49	0.06
1 Year	2.23	2.24	1.17	0.68	0.26
3 Year	2.54	2.62	1.44	1.03	0.94
5 Year	2.68	2.79	1.75	1.37	1.49
7 Year	2.78	2.91	2.02	1.66	1.86
10 Year	2.83	2.95	2.21	1.84	2.12
20 Year	2.91	3.01	2.60	2.23	2.63
30 Year	3.00	3.11	2.87	2.64	2.88

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	2.41	2.80	2.02	14.38	10.98	12.98	12.86	9.14
Russell 2000	6.07	6.99	6.90	20.76	10.98	12.18	11.35	9.64
MSCI EAFE (Net)	-2.25	-0.02	-1.55	7.97	4.33	5.93	4.88	2.10
MSCI EAFE SC (Net)	-0.96	0.39	0.63	14.65	10.34	10.92	8.41	6.10
MSCI EM (Net)	-3.54	-3.97	-2.61	14.03	6.17	4.52	1.82	1.62
Bloomberg US Agg Bond	0.71	-0.04	-1.50	-0.37	1.39	1.98	2.54	3.72
ICE BofAML 3 Mo US T-Bill	0.15	0.28	0.64	1.28	0.62	0.39	0.30	0.36
NCREIF ODCE (Gross)	N/A	N/A	2.20	8.07	9.99	11.43	11.79	5.11
Wilshire US REIT	2.22	3.65	-4.11	0.52	4.28	6.83	7.68	5.94
HFRI FOF Comp Index	0.68	0.92	1.18	5.63	1.74	3.27	2.69	1.36
Bloomberg Cmtly Index (TR)	1.42	4.04	3.62	11.02	-2.84	-6.64	-8.02	-7.92

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."