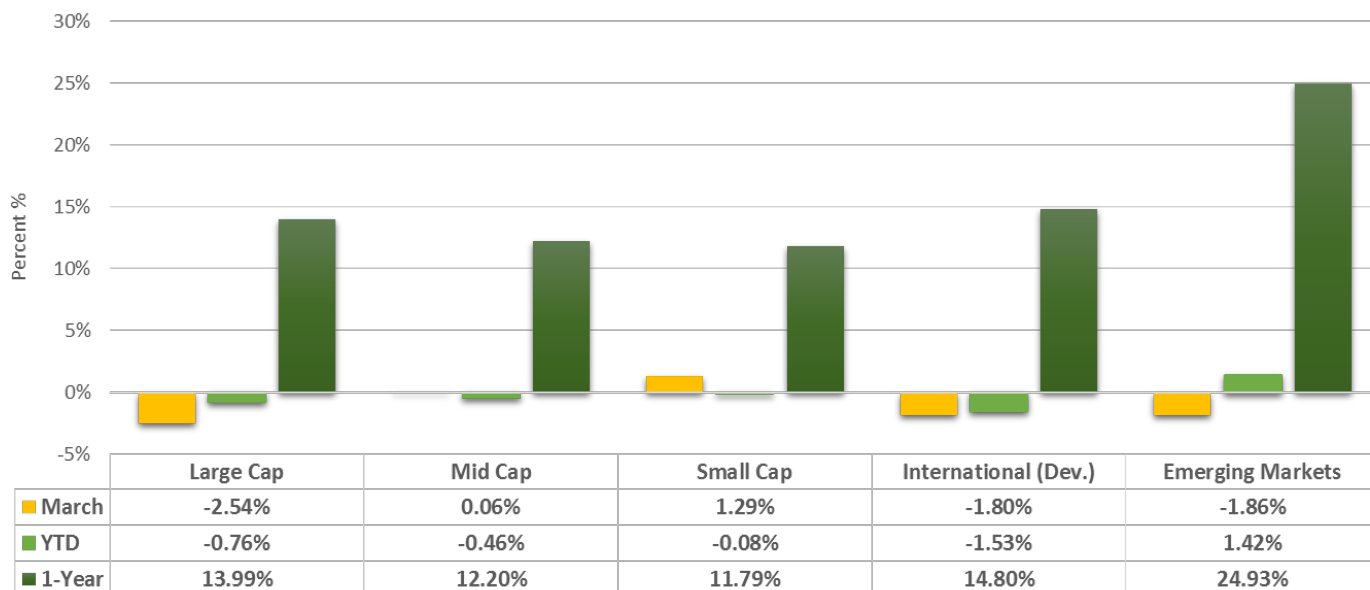


March 2018

Market Update and Economic Developments

- On March 22, President Trump initiated a process to impose tariffs on up to \$60 billion worth of Chinese imports. Global equities fell in March, amid fears of a burgeoning trade war.
- The S&P 500 Index shed 2.54% in March, and closed the first quarter down 0.76%.
- Volatility persisted throughout March. In the first quarter of 2018, the S&P 500 incurred six trading days of +/-2% moves, after not experiencing one such trading day in 2017.
- U.S. initial jobless claims fell to a seasonally adjusted level of 215,000 for the week ending March 24, the lowest level of claims since 1973.
- The United Kingdom and the European Union reached a joint legal agreement regarding the Brexit transition, with "Brexit Day" scheduled for March 30, 2019.

EQUITIES

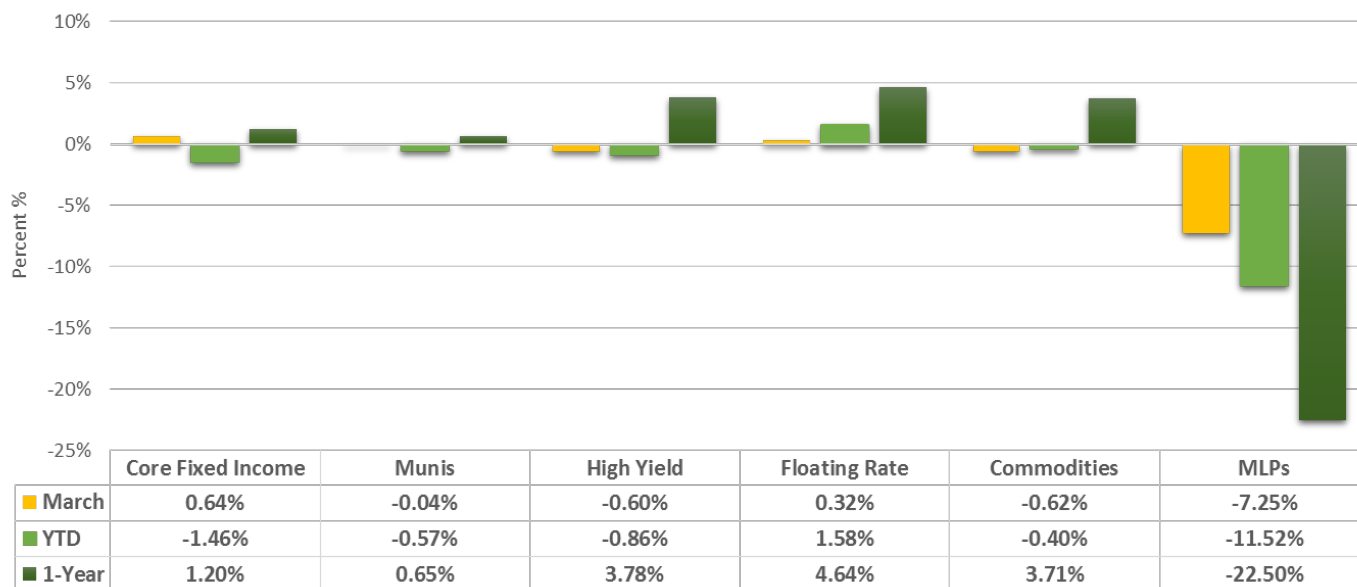


Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM.

Fixed Income Market Update and Economic Developments

- On March 21, the Federal Open Market Committee (FOMC) raised its benchmark federal funds target rate by 0.25% to a range between 1.50% and 1.75%.
- In regards to projected future rate hikes, the FOMC maintained its 2018 target of three increases, while increasing its 2019 target from two rate hikes to three.
- The yield curve continued to flatten, with the yield spread between the 10-year and 2-year US Treasury closing March at 0.47%, its tightest reading in 10 years.
- The three-month London interbank offered rate (LIBOR) closed the month at 2.31%, its highest level since late 2008. Floating rate loans have benefited from LIBOR's rise, as their yields are typically structured as a spread over LIBOR.
- MLPs tumbled in March following a Federal Energy Regulatory Commission (FERC) ruling. FERC announced that MLPs can no longer recover the cost of income taxes in setting tariffs on interstate cost-of-service pipelines. While the policy change will be noteworthy for certain MLPs, most do not appear to be affected.

FIXED INCOME AND OTHERS



Benchmark Indexes: Domestic Fixed Income - Barclays US Agg; Municipal Bonds - Barclays 4-6 Yr Muni; High Yield - Barclays US Corp. HY; Floating Rate – CSFB Leveraged Loan Index; Commodities - Bloomberg Commodity; MLPs - Alerian MLP Infrastructure.