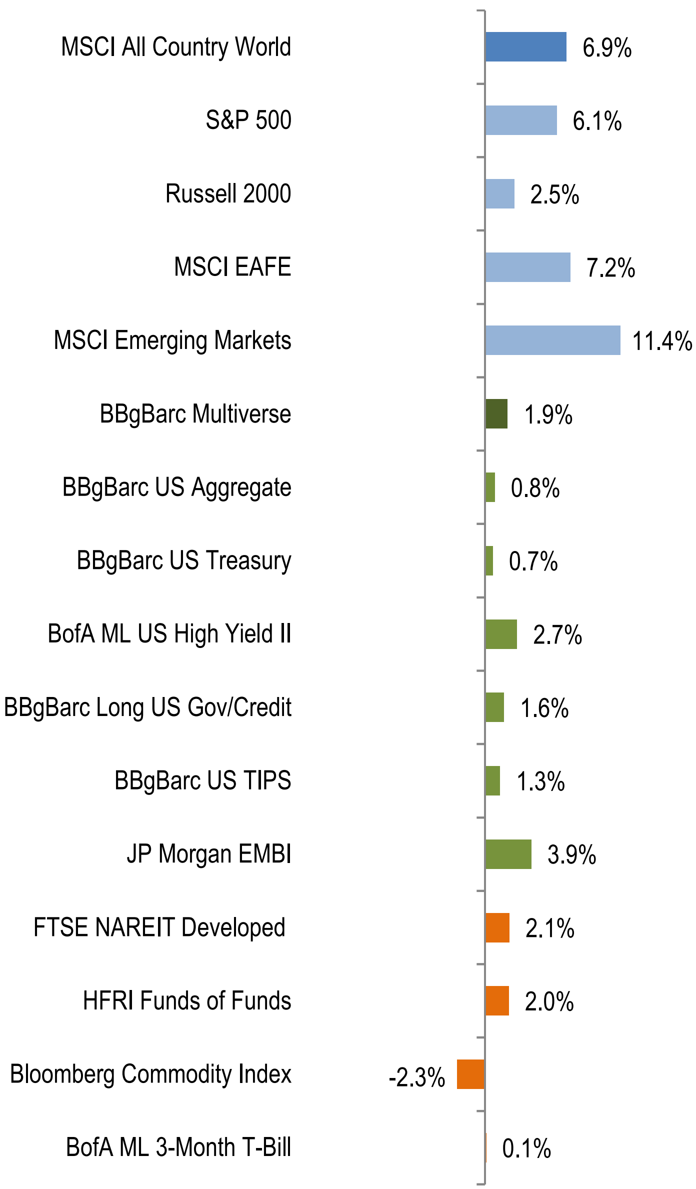
Sellwood CONSULTING LLC

Global Market Overview

As of March 31, 2017

First Quarter 2017



First Quarter 2017: Finally, Synchronized Global Economic Growth

Global markets rose in the first quarter, responding to improving economic news around the world. After eight years, it appears that global economies are finally rising synchronously, although in the US, the policy baton is being passed from the Federal Reserve to fiscal policymakers, while in Europe, monetary policy remains the driver of growth.

Aside from commodities and US small cap value stocks, world asset prices rose in the first quarter of 2017. International indices, led by emerging markets, were the best performing major asset class, with the MSCI ACWI ex US Index returning almost 8% for the quarter. These gains were aided by a slight depreciation in the US dollar. The US stock market rose approximately 6% in the quarter as the bull market that began in early 2009 continued into another year. The US stock market has now risen for eight consecutive years, one year less than the record 9 years during the 1990s expansion.

Domestically, US investors continued to bet on the Trump administration's promise to roll back regulation and decrease taxes. After falling in the fourth quarter, healthcare stocks rebounded as the Republican-controlled House of Representatives couldn't agree on a plan to repeal and replace the Affordable Care Act. Republican leaders have shifted focus towards a possible tax code overhaul. US employment continued to expand and the strong job market allowed the Federal Reserve to raise interest rates for the third time since the financial crisis. Even with the rate hike and the possibility of three more this year, long-dated Treasury yields were little changed over the quarter. Corporate spreads tightened as the Bloomberg Barclays Aggregate Bond Index finished up almost 1% for the first quarter.

Internationally, Latin American and Asian markets helped push international indices higher over the quarter. Interestingly, emerging market equities were up over 10% in the quarter despite a decline in commodity prices. European equity markets also performed well as the European Central Bank continued its stimulus efforts.

	QTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	6.1%	6.1%	17.2%	10.4%	13.3%	7.5%
Russell 2000	2.5%	2.5%	26.2%	7.2%	12.4%	7.1%
MSCI EAFE (USD)	7.2%	7.2%	11.7%	0.5%	5.8%	1.1%
MSCI EAFE (Local)	4.7%	4.7%	18.0%	7.3%	10.7%	2.3%
MSCI Emerging Markets (USD)	11.4%	11.4%	17.2%	1.2%	0.8%	2.7%
MSCI Emerging Markets (Local)	7.8%	7.8%	15.1%	5.6%	5.1%	4.9%
BBgBarc US Aggregate	0.8%	0.8%	0.4%	2.7%	2.3%	4.3%
FTSE NAREIT Developed	2.1%	2.1%	0.9%	5.3%	7.3%	1.1%
HFRI Fund of Funds	2.0%	2.0%	5.9%	1.7%	3.2%	1.2%
BofA ML 3-Month T-Bill	0.1%	0.1%	0.4%	0.2%	0.1%	0.7%

Returns for periods longer than 1 year are annualized.

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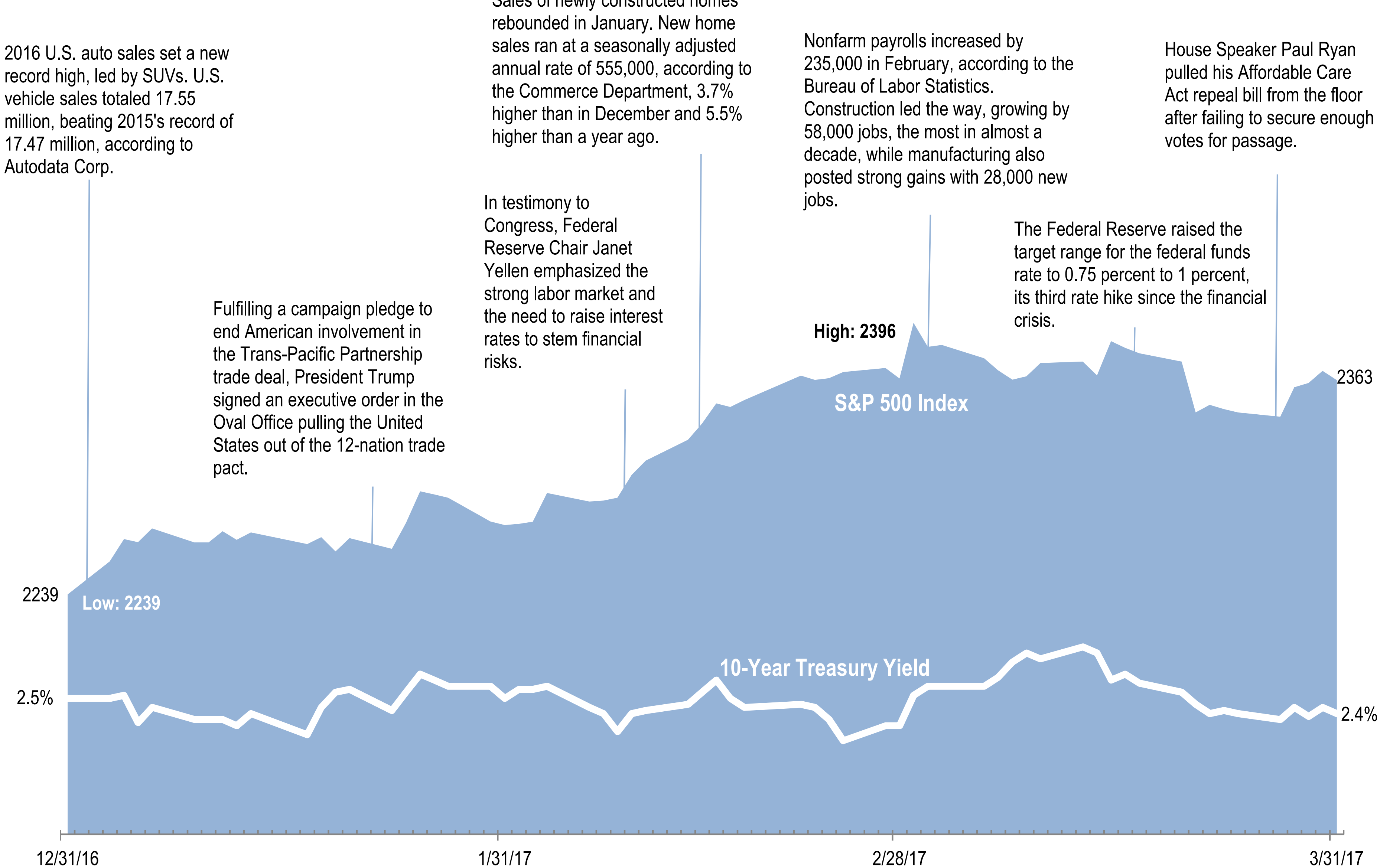
S&P 500 Quarter-End Review

As of March 31, 2017



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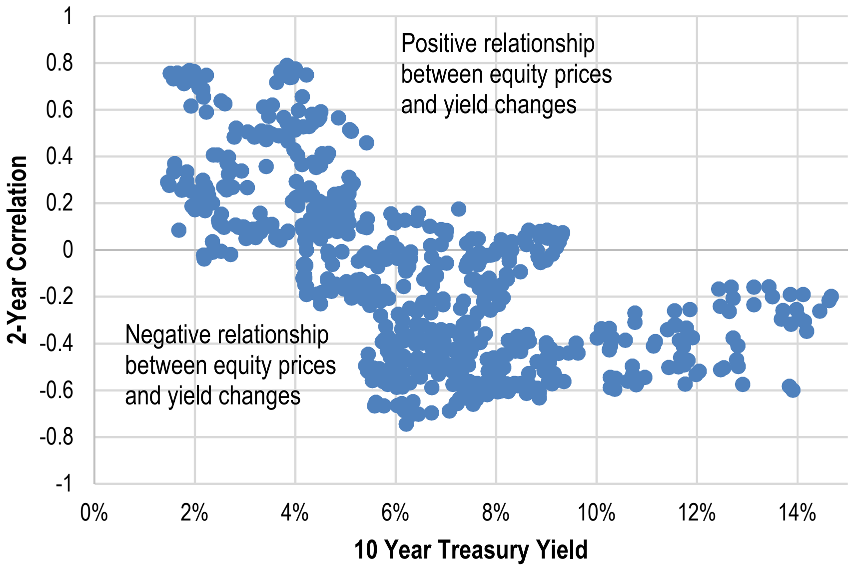
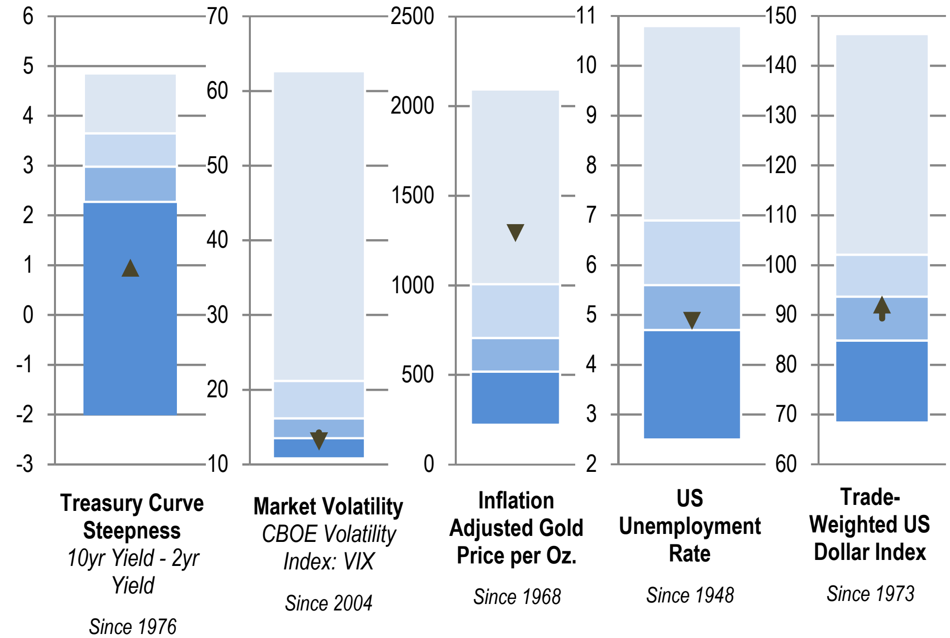
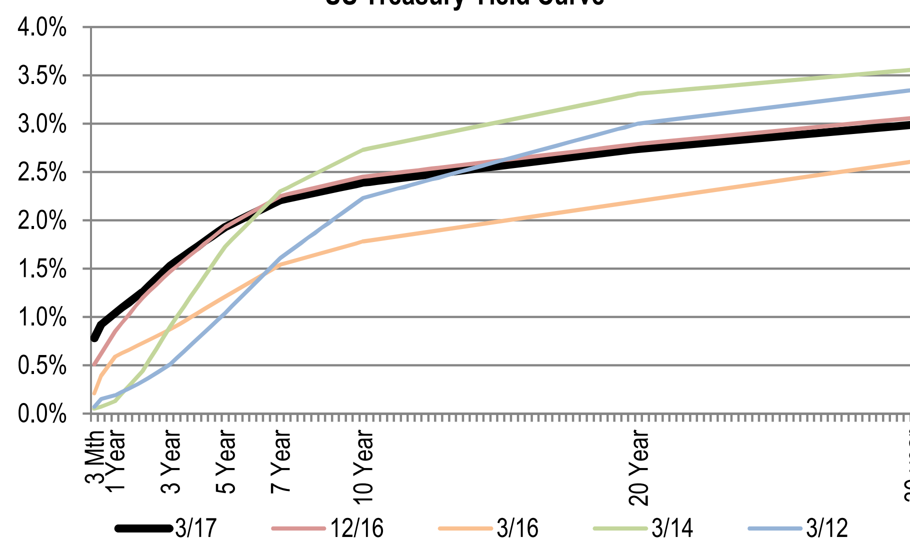
Correlation Between US Equity Returns and Interest Rates
(1962-present)





	3/2017	12/2016	3/2016	3/2014	3/2012
Market Inflation Expectations					
5 Year	1.8	1.8	1.5	1.7	2.0
10 Year	2.0	2.0	1.6	2.1	2.3
20 Year	2.0	2.0	1.6	2.3	2.4
CPI Year-over-Year	---	2.1	0.9	1.6	2.6
West Texas Crude Oil	47.0	53.8	36.9	101.6	103.0
Trade Wtd Dollar Index	93.9	96.6	90.9	76.9	72.9
Consumer Sentiment Index	97.6	98.2	91.0	80.0	76.2
US Corp Profits (% of GDP)	---	9%	8%	10%	11%
Real GDP Growth YoY	---	2.1	0.8	-1.2	2.7
Federal Funds Rate	0.91	0.54	0.36	0.08	0.13
US Govt Debt (% of GDP)	---	106%	105%	103%	98%

US Treasury Yield Curve



Arrows represent year on year change.

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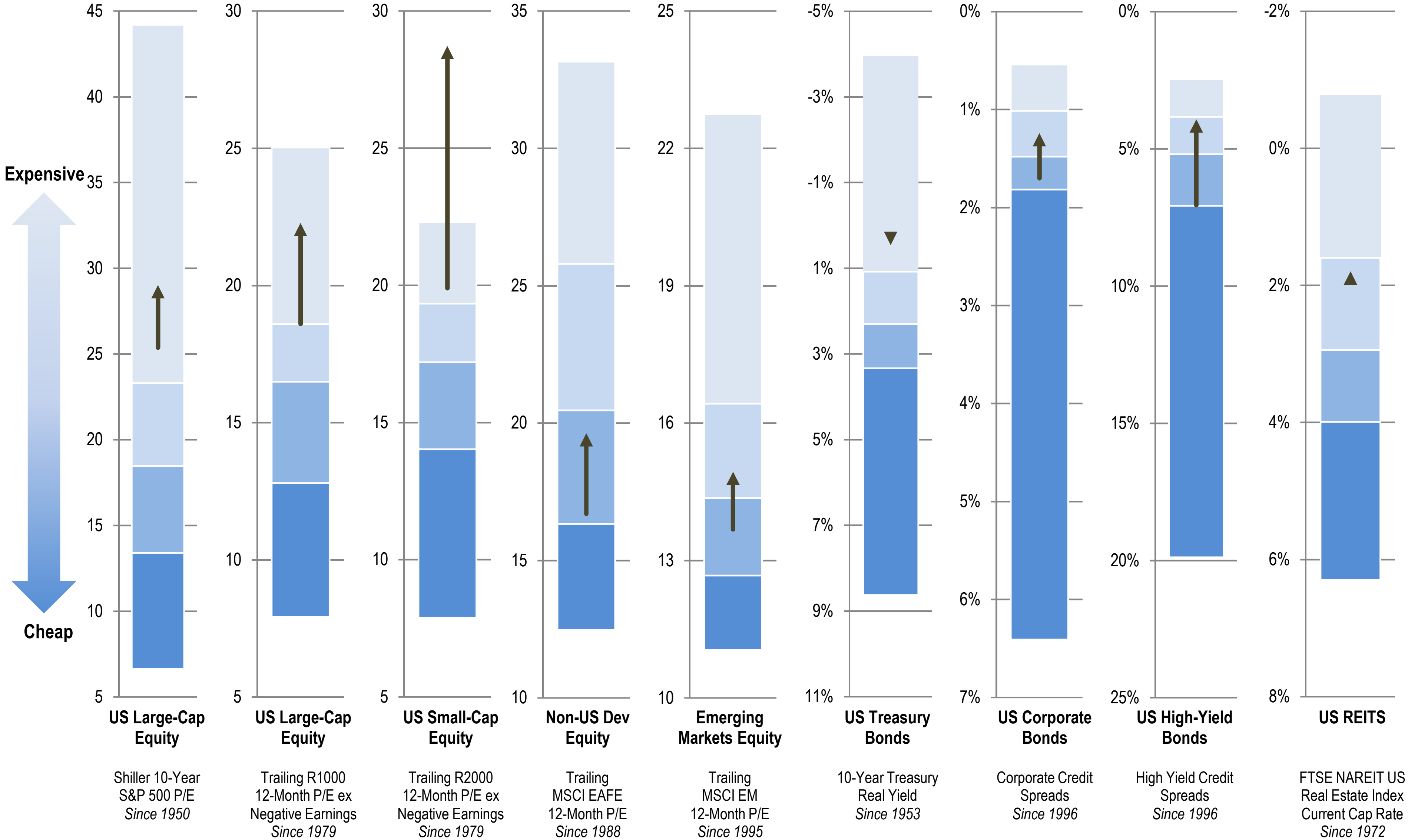
Global Market Valuations - One Year Change

As of March 31, 2017



Trailing 12 month P/E and cap rate metrics exclude the top and bottom 5%. Current Russell metrics are as of 02/28/2017.

10-Year Treasury real yields are based on the constant maturity TIPS yields calculated by the Federal Reserve. Prior to 2003, real yields are calculated by adjusting the nominal yield with the prior 12-month change in core CPI-U.

Real cap rates are inflation adjusted using the applicable 10-year TIPS breakeven inflation rate. Prior to 2003, real cap rates are calculated by adjusting the cap rate with the prior 12-month change in the core CPI-U.

P/E metrics calculated by InvestorForce use different methodology.

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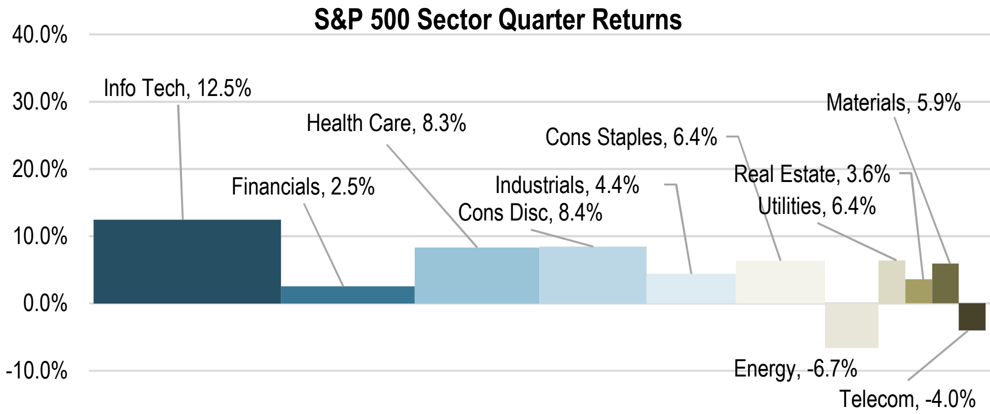
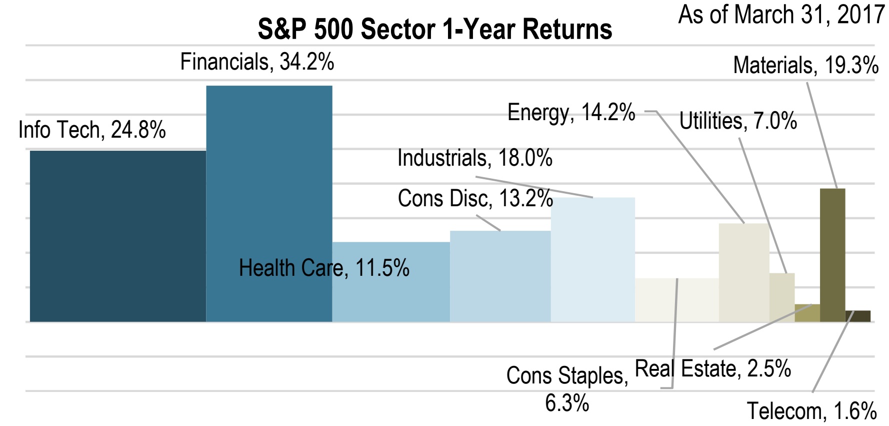
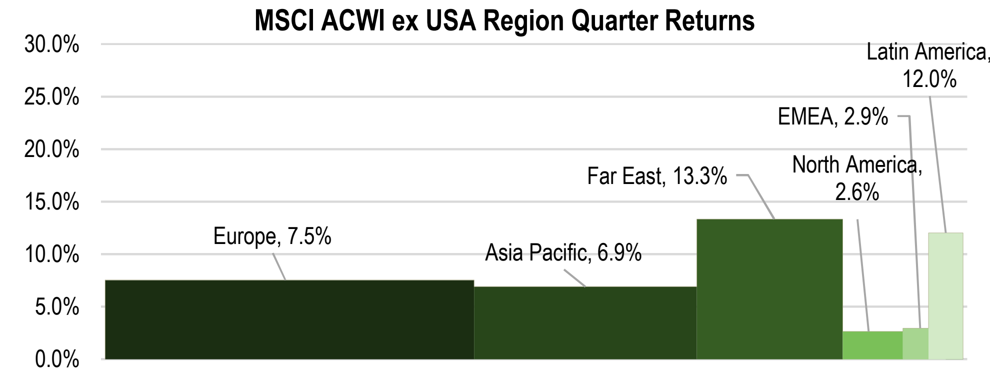
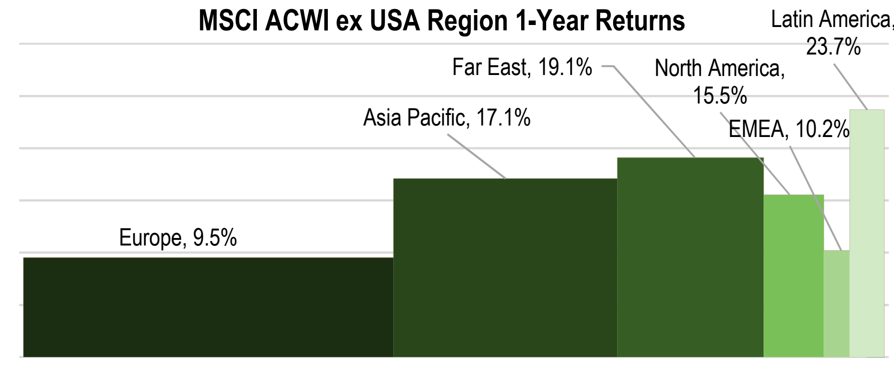
Sector and Region Returns

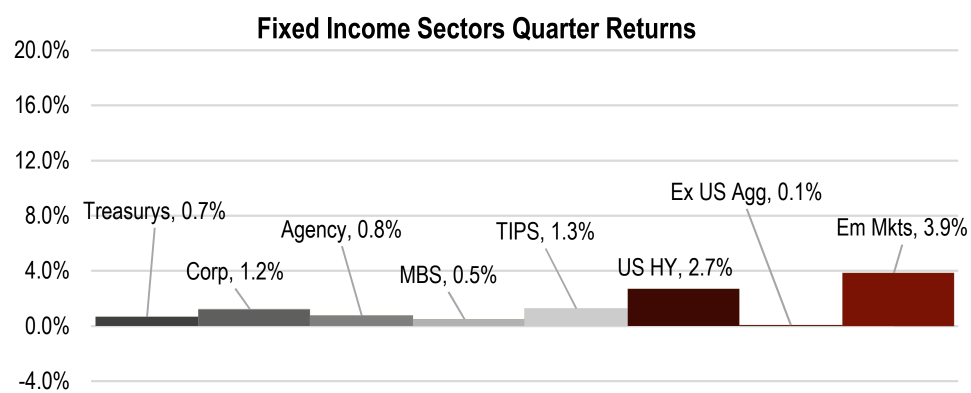
As of March 31, 2017

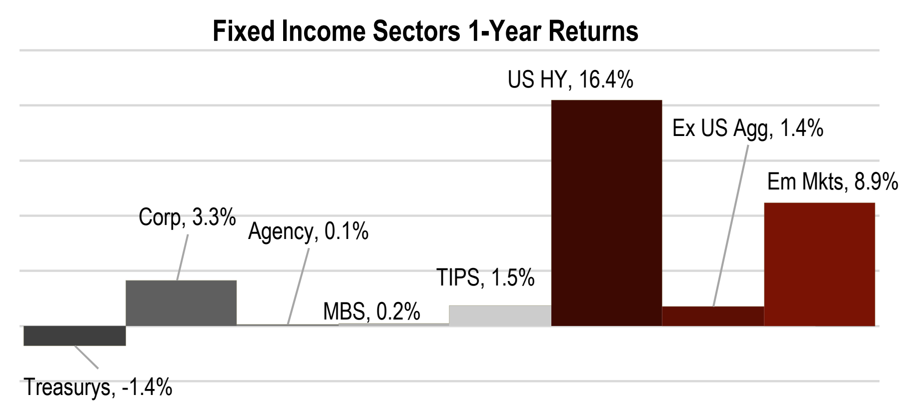












The equity bar widths depict end of the quarter region and sector weights. Fixed income bar widths do not depict specific sector weights.