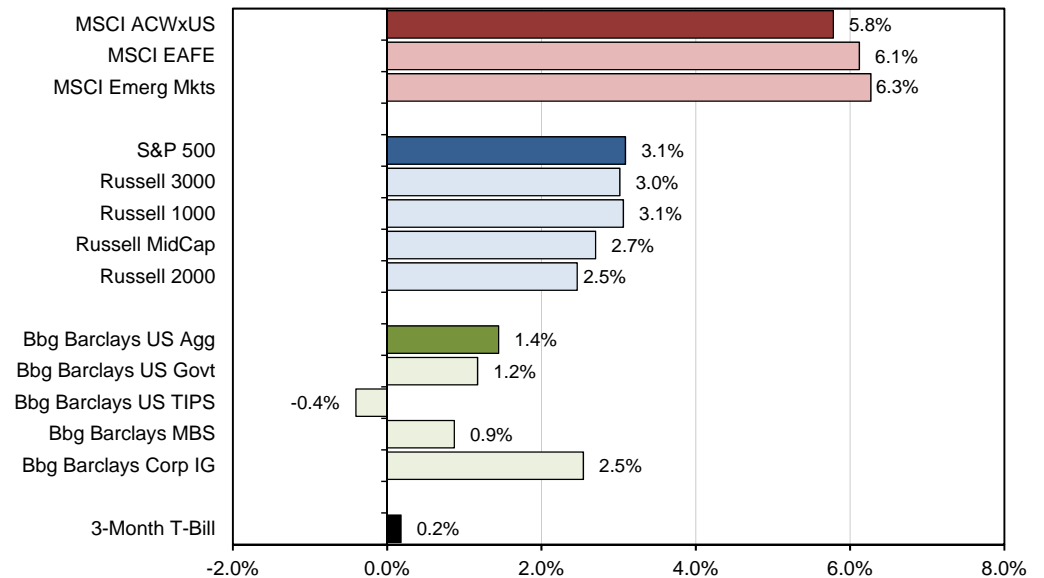


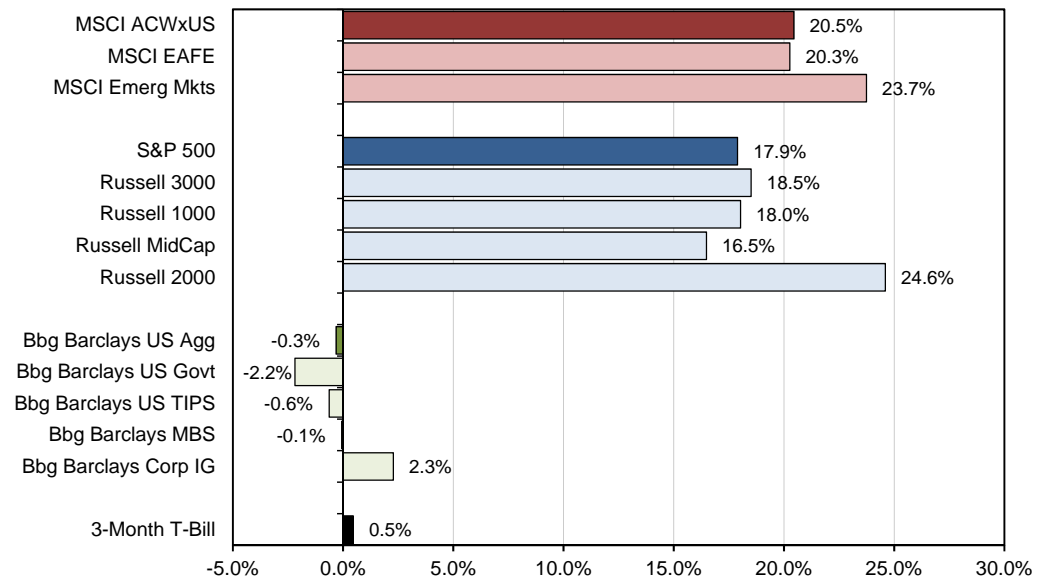
## **2nd Quarter 2017 Market Environment**

- Returns for the 2<sup>nd</sup> quarter of 2017 were positive for most major equity and fixed income indices. Broad domestic and international equity market performance was largely fueled by continued improvement in economic data worldwide. Domestic equities trailed international indices during the quarter. While U.S. economic fundamentals and corporate earnings growth were viewed positively, political concerns surrounding the pace of implementation of Trump administration expansive fiscal policy reforms and the fallout associated with the dismissal of FBI Director James Comey dampened investor enthusiasm. Despite these concerns, investor optimism remained high and many major domestic equity indices hit record levels during the quarter. Large cap stocks continued a year-to-date trend of outperformance relative to small cap equities with the S&P 500 Index returning 3.1% versus a 2.5% return for the Russell 2000 Index. However, small cap stock returns still show substantial outperformance relative to large cap indices over the one-year period due to their remarkable performance in the second half of 2016.
- International equity market benchmarks continued to outpace U.S. markets through the 2<sup>nd</sup> quarter of 2017 as both developed and emerging market international equities saw benefits from continued strength in global macroeconomic data, a weakening U.S. Dollar (USD) and ongoing accommodative global central bank policies. While the ongoing improvement in the global economy pushed international index returns higher, gains were tempered toward the end of the quarter as central banks began to signal an increased probability of a future reduction in stimulus. Emerging markets narrowly outperformed developed markets for the quarter. The MSCI Emerging Market Index returned 6.3% for the quarter and a solid 23.7% for the 1-year period. While weaker by comparison, the developed market MSCI EAFE Index also posted robust performance returning 6.1% for the quarter and 20.3% for the year.
- The yield curve flattened through the 2<sup>nd</sup> quarter of 2017 as interest rates in the U.S. declined through the majority of the second quarter before rising moderately in June. The rise in interest rates coincided with the Federal Open Market Committee's (FOMC) June meeting and their decision to further tighten monetary policy by raising short-term interest rates by 0.25%. The Fed also announced a plan to systematically shrink the size of its balance sheet, gradually reducing its securities holdings by tapering the amount they reinvest as securities mature. This can be viewed similarly to a tightening of monetary policy. Broad fixed income indices were generally positive through the quarter with the bellwether Bloomberg Barclays U.S. Aggregate Index returning 1.4% for the quarter. Benefitting from falling credit spreads, corporate credit was the only investment grade sector to post gains over the 1-year period returning 2.3% versus a -0.3% return for the Bloomberg Barclays U.S. Aggregate Index.

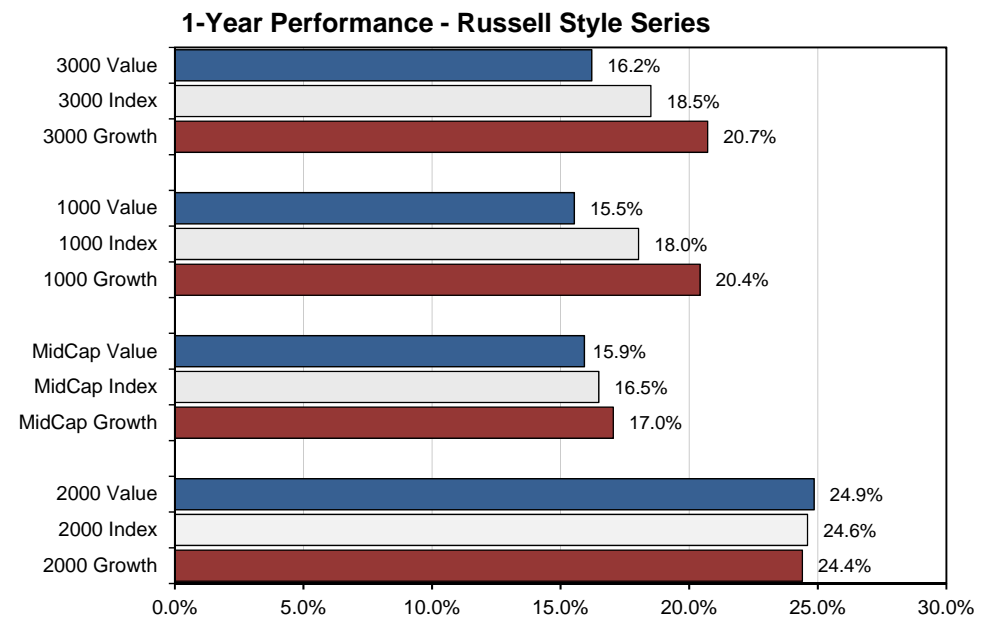
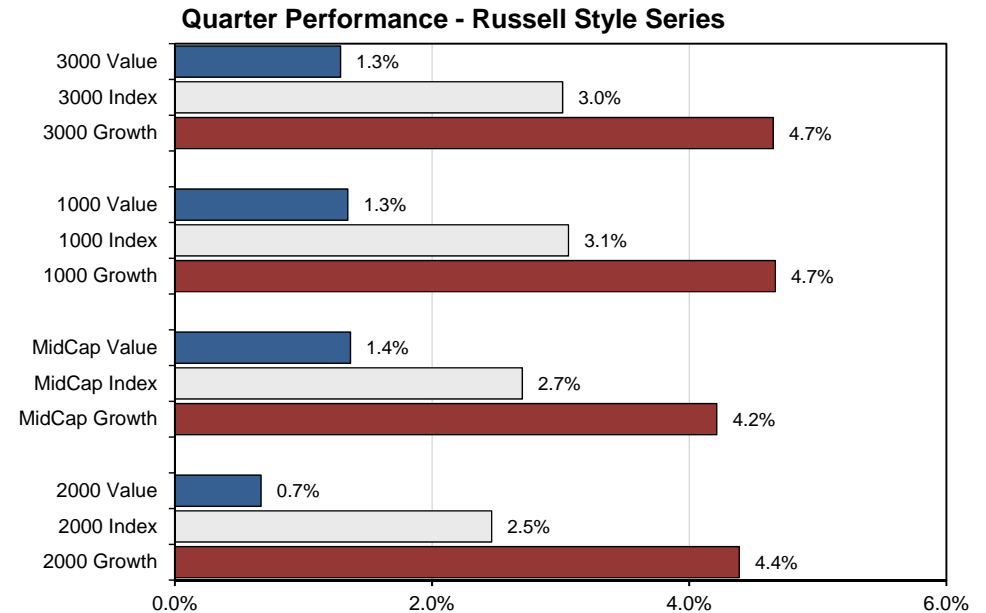
### Quarter Performance



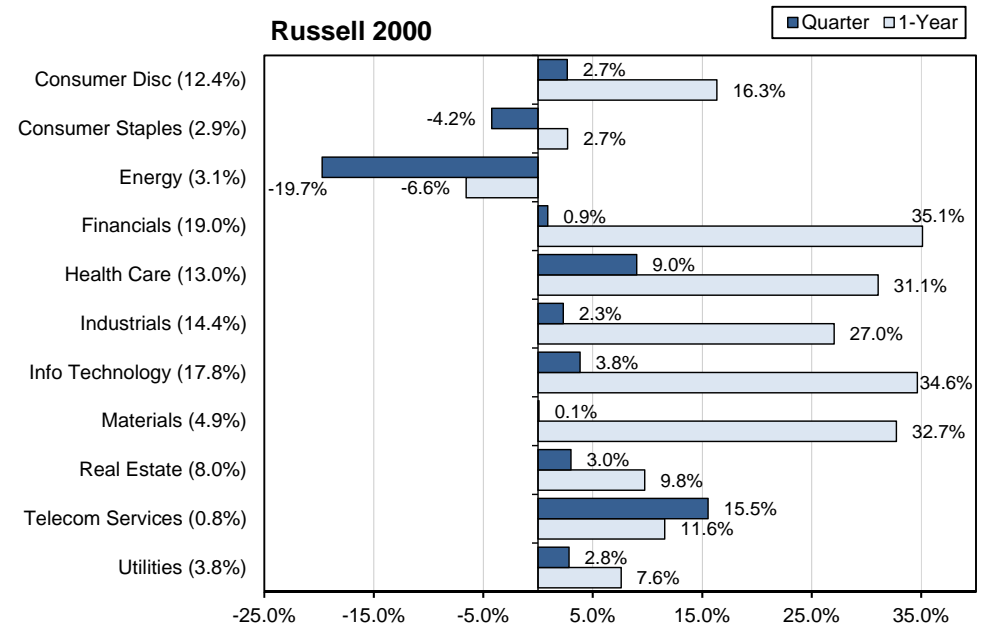
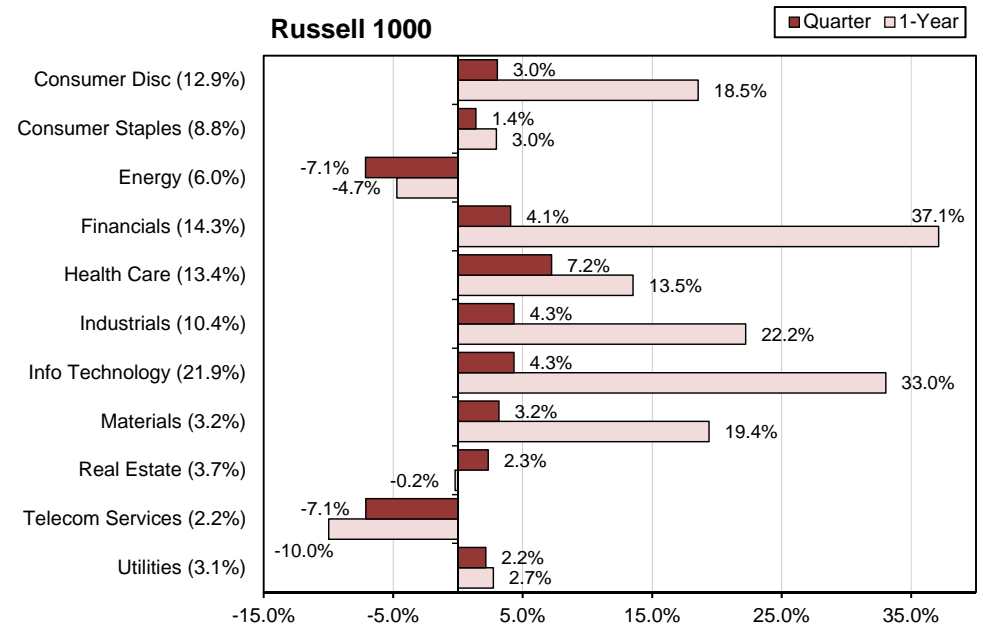
### 1-Year Performance



- U.S. equity index returns were positive across the style and capitalization spectrum for the 2<sup>nd</sup> quarter and the trailing 1-year period. Domestic equity index returns were driven by positive trends in economic data reported throughout the period including improvements in GDP, consumer and business sentiment, and employment. In addition, corporate earnings grew at a double digit pace for 1Q 2017 with most sectors showing improvement. U.S. equity returns were somewhat subdued by ongoing political concerns. Media attention surrounding the dismissal of FBI Director James Comey and the ongoing gridlock associated with the repeal and replacement of the Affordable Care Act has cast doubt on the current administration's ability to implement promised expansionary fiscal policy measures.
- Large cap stocks were the best performing capitalization segment for the quarter for both core and growth issues while mid cap equities posted a slight premium relative to other capitalizations within the value spectrum. While large cap stocks were the best performers, returns for the quarter fell in a narrow range for the period. Large-cap stocks represented by the Russell 1000 Index returned 3.1% for the quarter while the small cap Russell 2000 Index returned 2.5%. This return spread was partially due to the effects of rising interest rates and a falling USD. Conversely, over the 1-year period, small cap issues still maintain a considerable performance advantage, with the Russell 2000 returning 24.6% versus a return of 18.0% for the Russell 1000.
- Building on trends from the 1<sup>st</sup> quarter, index sector allocations were a substantial contributor to growth index outperformance during the 2<sup>nd</sup> quarter. Growth indices benefitted from significant underweights to the energy and telecommunications sectors, both of which lagged the broad index return. Growth benchmarks also benefitted from greater exposure to the information technology and health care sectors which posted strong sector returns. The Russell 2000 Value Index's return of 0.7% was the worst performing style index for the period. Over the 1-year period, growth indices outperformed value indices in the large and mid cap market capitalizations, but underperformed value equities within the small cap space.
- Domestic equity valuations appear stretched relative to historical levels based on Forward Price/Earnings ratios (P/E), with even the most reasonably valued indices trading above their historical P/E valuations. Index P/E valuations range from 112% to 134% of their respective 15-year P/E averages. The mid cap core and small cap value indices appear the most inexpensive and the large cap growth and small cap growth segments look the most overvalued.



- Sector performance within the Russell 1000 Index was largely positive for the 2<sup>nd</sup> quarter. Five of eleven economic sectors outpaced the Russell 1000 Index return, and nine of eleven sectors posted gains during the period. Energy trailed for the second consecutive quarter as crude prices continued to fall. While OPEC continues to take measures to limit production, accelerating output from shale producers in the U.S. fueled concerns of oversupply, putting downward pressure on prices. Telecommunication services was the only other large cap sector to post negative performance for the quarter, also returning -7.1%. Despite continued uncertainty surrounding potential reform, health care was the best performing sector in the large cap index, returning 7.2%. Technology and industrials also performed well as increasing business and consumer confidence and strong earnings pushed stock prices 4.3% higher in both sectors through the quarter. Over the trailing 1-year period, financials and technology were the best performing sectors in the Russell 1000, each returning greater than 30%. Eight of eleven large cap economic sectors posted positive returns for the 1-year period with six posting double digit returns.
- Small cap sector results generally lagged their large capitalization counterparts for the 2<sup>nd</sup> straight quarter. Six of eleven economic sectors outpaced the Russell 2000 Index return for the quarter, and nine of eleven sectors posted positive results for the period. Most of the sector trends observable in large cap index sector performance also impacted small cap sectors. However, small cap telecom services outperformed large cap telecom stocks by over 20%, returning 15.5%. Similar to large cap issues, energy was the biggest detractor, falling -19.7% for the quarter. Returns for health care were also solid through the quarter posting a 9.0% gain. Over the 1-year period, the materials, financials, health care and technology sectors each posted returns in excess of 30% and seven sectors had gains greater than 10%. Energy was the only Russell 2000 sector to post a negative return over last year, falling -6.6%.
- Using S&P 500 sector valuations as a proxy for the market, Forward P/E ratios for eight of the GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the energy, materials and utilities sectors appear the most extended. In contrast the technology, health care and telecommunications sectors were trading at a discount to their long-term average P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of June 30, 2017

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.24%	0.7%	53.5%	Information Technology
Microsoft Corp	2.23%	5.2%	38.0%	Information Technology
Amazon.com Inc	1.66%	9.2%	35.3%	Consumer Discretionary
Johnson & Johnson	1.54%	6.9%	12.0%	Health Care
Facebook Inc A	1.52%	6.3%	32.1%	Information Technology
Exxon Mobil Corp	1.48%	-0.6%	-10.7%	Energy
Berkshire Hathaway Inc B	1.40%	1.6%	17.0%	Financials
JPMorgan Chase & Co	1.39%	4.6%	51.0%	Financials
Alphabet Inc A	1.19%	9.7%	32.1%	Information Technology
Alphabet Inc C	1.18%	9.5%	31.3%	Information Technology

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Wayfair Inc Class A	0.01%	89.9%	97.1%	Consumer Discretionary
Alnylam Pharmaceuticals Inc	0.03%	55.6%	43.7%	Health Care
SunPower Corp	0.00%	53.1%	-39.7%	Information Technology
First Solar Inc	0.01%	47.2%	-17.7%	Information Technology
Zillow Group Inc C	0.02%	45.6%	35.1%	Information Technology
Yum China Holdings Inc	0.06%	45.0%	N/A	Consumer Discretionary
Zillow Group Inc A	0.01%	44.5%	33.3%	Information Technology
Whole Foods Market Inc	0.06%	43.0%	33.9%	Consumer Staples
IAC/InterActiveCorp	0.03%	40.0%	83.4%	Information Technology
Akorn Inc	0.01%	39.3%	17.7%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Frontier Communications Corp Class B	0.00%	-44.2%	-73.4%	Telecommunication Services
Enesco PLC Class A	0.00%	-42.3%	-46.6%	Energy
Weatherford International PLC	0.01%	-41.8%	-30.3%	Energy
Whiting Petroleum Corp	0.01%	-41.8%	-40.5%	Energy
Noble Corp PLC	0.00%	-41.5%	-55.9%	Energy
Nabors Industries Ltd	0.01%	-37.3%	-17.3%	Energy
Chicago Bridge & Iron Co NV	0.00%	-35.5%	-42.3%	Industrials
Diamond Offshore Drilling Inc	0.00%	-35.2%	-55.5%	Energy
Hertz Global Holdings Inc	0.00%	-34.4%	-73.8%	Industrials
United States Steel Corp	0.02%	-34.4%	32.4%	Materials

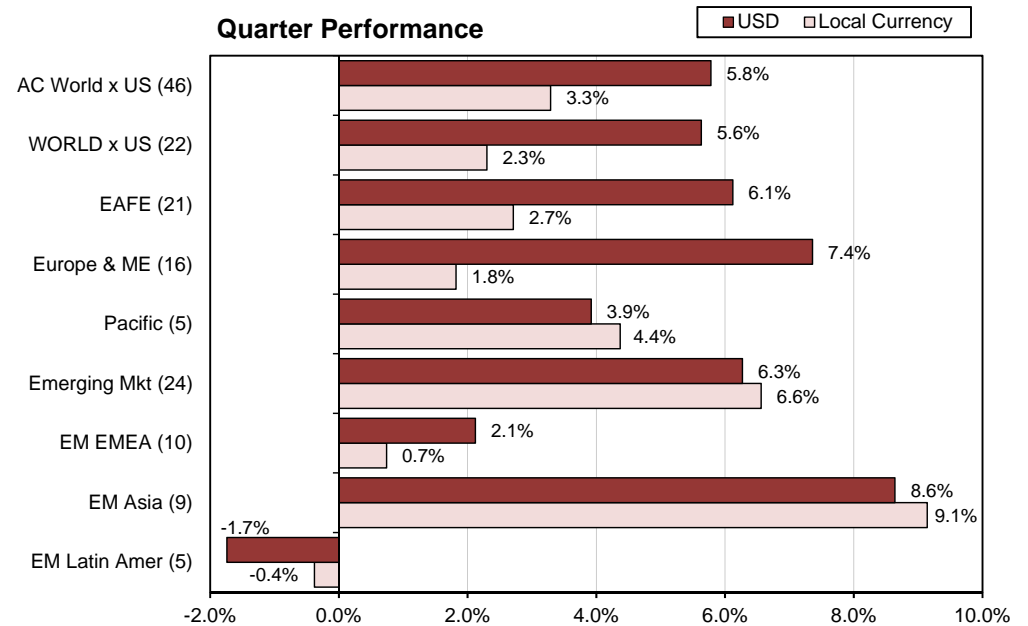
Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Kite Pharma Inc	0.26%	32.1%	107.3%	Health Care
Gramercy Property Trust	0.23%	13.0%	11.8%	Real Estate
Catalent Inc	0.23%	23.9%	52.7%	Health Care
Medidata Solutions Inc	0.23%	35.6%	66.8%	Health Care
Parexel International Corp	0.23%	37.7%	38.2%	Health Care
Healthsouth Corp	0.22%	13.6%	27.5%	Health Care
Idacorp Inc	0.22%	3.6%	7.8%	Utilities
bluebird bio Inc	0.22%	15.6%	142.7%	Health Care
Fair Isaac Corp	0.22%	8.1%	23.4%	Information Technology
WGL Holdings Inc	0.22%	1.7%	21.1%	Utilities

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Straight Path Communications Inc	0.08%	399.4%	549.3%	Telecommunication Services
Altimmune Inc	0.00%	294.3%	146.8%	Health Care
Global Sources Ltd	0.01%	142.4%	118.1%	Information Technology
Puma Biotechnology Inc	0.13%	134.9%	193.4%	Health Care
Angie's List Inc	0.03%	124.4%	96.5%	Information Technology
Conn's Inc	0.02%	118.3%	154.0%	Consumer Discretionary
Weight Watchers International Inc	0.05%	114.6%	187.4%	Consumer Discretionary
NantKwest Inc	0.01%	113.8%	22.0%	Health Care
NovoCure Ltd	0.05%	113.6%	48.2%	Health Care
Vivint Solar Inc	0.01%	108.9%	90.6%	Industrials

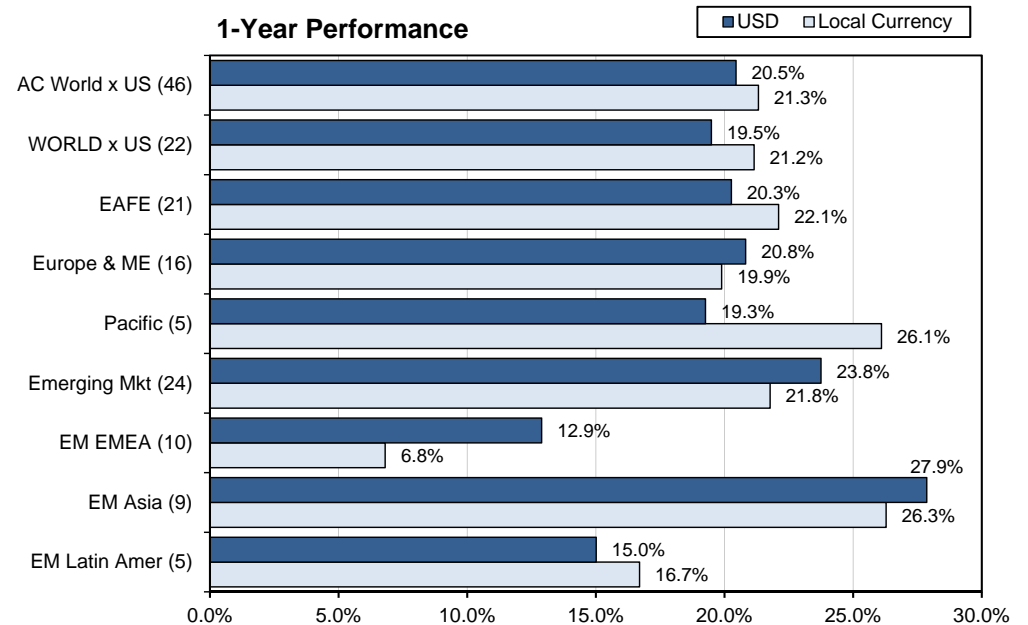
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
First NBC Bank Holding Co	0.00%	-99.3%	-99.8%	Financials
Seadrill Ltd	0.00%	-76.8%	-88.6%	Energy
Avinger Inc	0.00%	-76.4%	-96.2%	Health Care
Bonanza Creek Energy Inc	0.03%	-75.5%	-85.9%	Energy
EXCO Resources Inc	0.00%	-71.5%	-86.4%	Energy
XBiotech Inc	0.00%	-71.5%	-77.5%	Health Care
Vince Holding Corp	0.00%	-69.6%	-91.4%	Consumer Discretionary
NewLink Genetics Corp	0.01%	-69.5%	-34.7%	Health Care
Cobalt International Energy Inc	0.00%	-69.1%	-87.7%	Energy
Terravia Holdings Inc	0.00%	-67.8%	-91.1%	Materials

- International equity returns for the 2<sup>nd</sup> quarter were largely driven by ongoing improvement in the global economy, a weakening USD and political news in Europe and the U.K. Emerging markets were the greatest beneficiaries of these trends, outperforming developed economies for the second straight quarter. While USD strength remains on the high side of its 10-year range, the USD continued its year-to-date decline, providing further tailwinds to international index returns denominated in USD. However, the 1-year performance for broad international indices still show a modest negative currency impact due to USD strength.
- Broad developed market international index performance was positive for the 2<sup>nd</sup> quarter in both USD and local currency terms with the MSCI EAFE Index returning 6.1% and 2.7% respectively. Eurozone, U.K. and Japanese markets advanced on the back of positive macroeconomic data and strong corporate earnings. Similar to U.S. markets, ongoing political developments also had an effect on international markets with elections in France and the U.K. making headline news. In France, the presidential election of centrist candidate Emmanuel Macron calmed market fears of further break-up within the European Union. Macron's party also won parliamentary majority giving rise to optimism on the possibility of new economic reforms. In the U.K., Prime Minister Theresa May's decision to call special elections in an attempt to strengthen her party's parliamentary position prior to the start of Brexit negotiations had the opposite effect and resulted in a hung parliament, increasing the odds of a "hard Brexit" scenario. Markets gave back some gains towards the end of the quarter as central bank commentary indicated the increased possibility of tightened monetary policy in the future. When viewed over the last 12 months, developed market index performance is robust in both USD and local currency terms, with the MSCI EAFE returning 20.3% and 22.1% respectively.
- A supportive global economic environment and a weakening USD allowed emerging markets to build on their strong start to the year, outperforming developed markets, and returning 6.3% and 6.6% in USD and local currency terms respectively. Greece had a particularly good quarter, returning 33.8% in USD terms, after it was able to reach an agreement to obtain additional bailout funds needed to pay creditors. Russia, Qatar and Brazil were the worst performing countries in the index. Russia and Qatar both suffered from falling oil prices. Qatar was also subject to a blockade by several neighboring countries alleging that Qatar is responsible for supporting instability within the region. Brazilian equities fell as corruption allegations against its President, Michel Temer, increased political risk within the country, putting downward pressure on equity markets. One year returns on the MSCI Emerging Market Index are an impressive 23.8% in USD terms.

**Quarter Performance**



**1-Year Performance**



**The Market Environment**  
**U.S. Dollar International Index Attribution & Country Detail**  
As of June 30, 2017

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.1%	4.7%	24.2%
Consumer Staples	11.5%	7.6%	7.3%
Energy	4.7%	-0.7%	6.1%
Financials	21.5%	7.2%	39.8%
Health Care	10.8%	7.2%	4.6%
Industrials	14.5%	7.0%	24.5%
Information Technology	6.1%	9.5%	35.8%
Materials	7.5%	3.3%	33.1%
Real Estate	3.6%	4.6%	7.7%
Telecommunication Services	4.3%	4.8%	2.2%
Utilities	3.4%	7.2%	7.1%
<b>Total</b>	<b>100.0%</b>	<b>6.1%</b>	<b>20.3%</b>

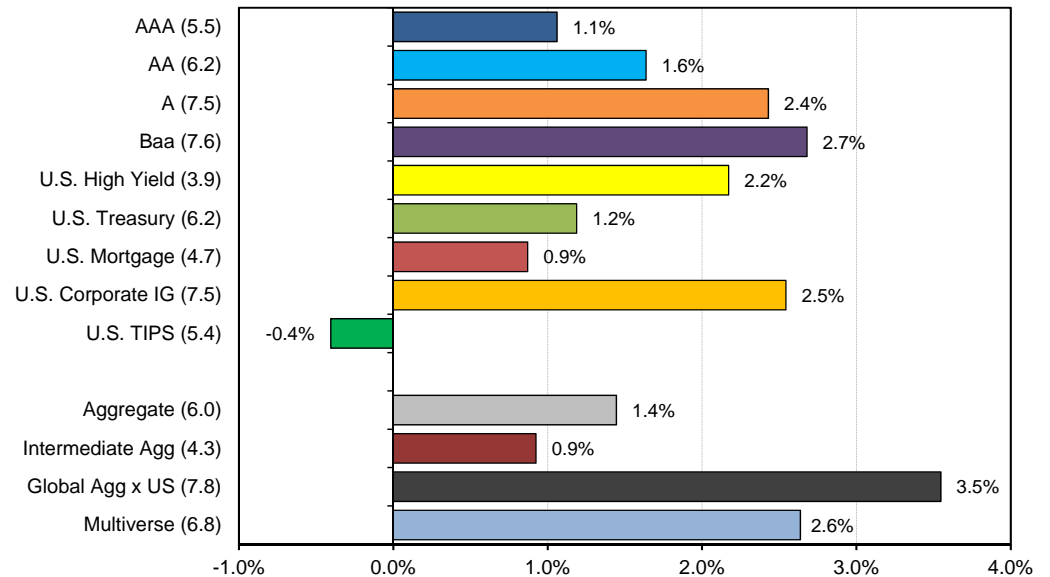
MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	5.6%	23.7%
Consumer Staples	9.9%	7.1%	6.5%
Energy	6.3%	-2.9%	6.5%
Financials	23.3%	5.7%	33.6%
Health Care	8.1%	7.2%	4.3%
Industrials	12.0%	6.8%	23.8%
Information Technology	10.8%	12.9%	41.9%
Materials	7.6%	1.7%	27.2%
Real Estate	3.2%	5.8%	9.1%
Telecommunication Services	4.4%	4.0%	3.3%
Utilities	3.1%	5.2%	5.9%
<b>Total</b>	<b>100.0%</b>	<b>5.8%</b>	<b>20.5%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.6%	8.4%	21.4%
Consumer Staples	6.8%	5.1%	2.5%
Energy	6.6%	-4.9%	15.9%
Financials	23.6%	3.9%	26.6%
Health Care	2.4%	4.4%	1.9%
Industrials	5.7%	3.9%	16.1%
Information Technology	26.6%	15.5%	46.9%
Materials	7.1%	-0.5%	28.1%
Real Estate	2.7%	11.4%	18.6%
Telecommunication Services	5.4%	2.0%	5.1%
Utilities	2.6%	-1.8%	1.6%
<b>Total</b>	<b>100.0%</b>	<b>6.3%</b>	<b>23.8%</b>

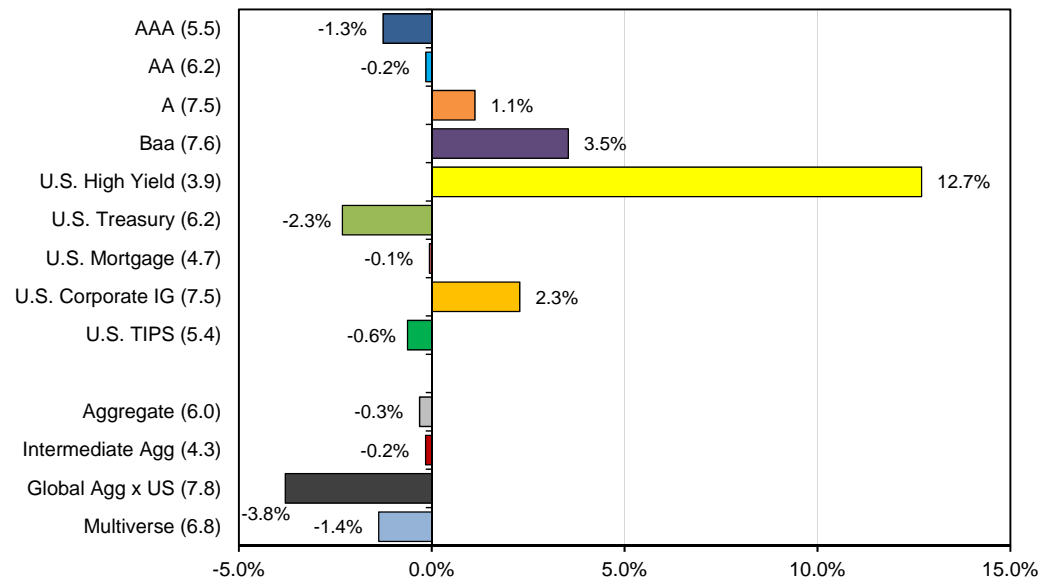
Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1-Year Return
Japan	23.5%	16.3%	5.2%	19.2%
United Kingdom	17.7%	12.3%	4.7%	13.4%
France	10.5%	7.3%	9.1%	28.1%
Germany	9.5%	6.6%	6.4%	28.7%
Switzerland	8.5%	5.9%	9.0%	16.5%
Australia	7.1%	4.9%	-1.9%	18.3%
Netherlands	3.5%	2.5%	7.8%	28.2%
Hong Kong	3.5%	2.4%	7.2%	23.8%
Spain	3.5%	2.4%	7.9%	38.4%
Sweden	2.9%	2.0%	8.6%	26.7%
Italy	2.3%	1.6%	9.0%	30.9%
Denmark	1.8%	1.3%	15.3%	4.7%
Singapore	1.3%	0.9%	5.3%	14.9%
Belgium	1.1%	0.8%	4.8%	2.1%
Finland	1.0%	0.7%	13.4%	25.0%
Israel	0.7%	0.5%	6.5%	-2.3%
Norway	0.6%	0.4%	4.1%	14.9%
Ireland	0.5%	0.3%	3.8%	15.8%
Austria	0.2%	0.2%	21.8%	65.0%
New Zealand	0.2%	0.1%	8.1%	10.4%
Portugal	0.2%	0.1%	3.1%	15.2%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>69.6%</b>	<b>6.1%</b>	<b>20.3%</b>
Canada		6.6%	0.6%	11.7%
<b>Total Developed Countries</b>		<b>76.2%</b>	<b>5.6%</b>	<b>19.5%</b>
China		6.6%	10.6%	32.2%
Korea		3.7%	10.2%	34.9%
Taiwan		3.0%	8.8%	32.9%
India		2.1%	2.9%	17.5%
Brazil		1.6%	-6.7%	17.0%
South Africa		1.6%	3.5%	10.2%
Mexico		0.9%	7.2%	12.0%
Russia		0.8%	-10.0%	10.3%
Indonesia		0.6%	8.5%	17.2%
Malaysia		0.6%	5.1%	2.7%
Thailand		0.5%	2.4%	17.1%
Poland		0.3%	13.6%	42.6%
Philippines		0.3%	7.1%	-6.2%
Turkey		0.3%	19.3%	8.1%
Chile		0.3%	-2.1%	14.0%
United Arab Emirates		0.2%	1.3%	8.4%
Qatar		0.2%	-10.9%	-2.3%
Colombia		0.1%	2.5%	8.8%
Peru		0.1%	7.2%	17.2%
Greece		0.1%	33.8%	50.4%
Hungary		0.1%	19.4%	44.4%
Czech Republic		0.0%	8.1%	10.0%
Pakistan		0.0%	-2.3%	18.3%
Egypt		0.0%	3.2%	-2.1%
<b>Total Emerging Countries</b>		<b>23.8%</b>	<b>6.3%</b>	<b>23.8%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>5.8%</b>	<b>20.5%</b>

- Most broad fixed income benchmarks finished the 2<sup>nd</sup> quarter with modest gains. The Bloomberg Barclays U.S. Aggregate Index ended the quarter with a 1.4% increase. Interest rates fell through most of the period before rising near the end of the quarter. The Federal Open Market Committee (FOMC) voted to increase short-term interest rates by 25 basis points (bps) during their June meeting. This represented the third consecutive interest rate increase in the last 3 quarters. While inflation remains below target, the Fed viewed the economy as healthy enough to warrant continued tightening. This caused a flattening of the yield curve as short-term market yields rose through the quarter, but long term interest rates fell. The Fed also outlined plans to gradually reduce its balance sheet by slowing the rate of reinvestment of the Treasury and mortgage backed securities (MBS) it holds on its books as the securities mature. The amount reinvested each month will fall systematically, reducing the size of the Fed's balance sheet over time. Implementation of this plan could begin before the end of the year and would be viewed as further tightening of monetary policy. This news from the Fed put upward pressure on interest rates as the quarter came to a close. Most investment grade indices posting slightly negative returns over the last year. The Bloomberg Barclays U.S. Aggregate index returned -0.3% for the 1-year period.
- Lower quality bonds outperformed higher quality issues for both the quarter and 1-year period as contracting credit spreads from improvements in economic fundamentals acted as a tailwind to these issues. During the 2<sup>nd</sup> quarter credit spreads for high yield debt decreased by 19 bps versus only 9 bps for investment grade corporate issues. BAA issues more than doubled the return of AAA securities, returning 2.7% versus a more modest 1.1% for AAA debt. High yield debt has been the largest beneficiary of the strengthening economy, returning 2.2% for the quarter and 12.7% for the 1-year period.
- A review of sector performance shows investment grade credit outpacing other Treasuries, and MBS indices. As previously mentioned, corporate issues benefited from tightening credit spreads. MBS trailed Treasuries and investment grade corporates for the quarter as the Fed's plan to taper their ongoing reinvestment in agency MBS pushed spreads on MBS 5 bps higher while spreads tightened across all other fixed income sectors. TIPS posted the worst returns for the quarter, falling -0.4%, as lower inflation expectations drove prices lower. Led by a weakening USD, global bond indices posted solid results for the quarter. However, hawkish comments from several global central banks pared some gains at the end of the period. Fixed income returns over the 1-year period were broadly negative with only corporate issues posting gains. Despite a strong start to 2017, global bond returns trail domestic indices over the 1-year period with the Bloomberg Barclays Aggregate ex U.S. returning -3.8% for the period.

**Quarter Performance**



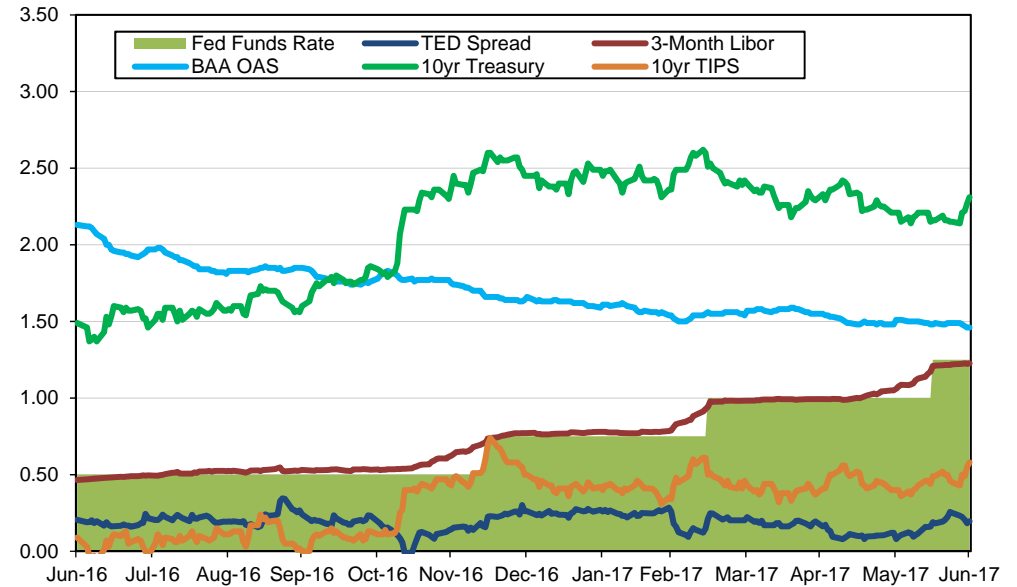
**1-Year Performance**





- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) rose dramatically in the 4<sup>th</sup> quarter of 2016, held largely steady during the 1<sup>st</sup> quarter of 2017 and then gradually fell through most of 2<sup>nd</sup> quarter before spiking at the end of June. The yield on the 10-year Treasury has fallen to 2.31% from 2.45% at the start of the year. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady decline in credit spreads throughout 2016 and into 2017. This decline is equivalent to an interest rate decrease on corporate bonds, which produces a tailwind for corporate bond index returns. These credit spreads have tightened by about 65 bps over the last 12-months. The green shading at the bottom of the graph illustrates the continued increase in the Federal Funds Rate due to a less accommodative Fed monetary policy.
- The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. Similar to the 1<sup>st</sup> quarter, the yield curve flattened further throughout the 2<sup>nd</sup> quarter as yields on shorter-term maturities rose, while interest rates on the long end of the curve (5-years and beyond) continued to decline. Interest rate movement during the period was relatively muted, the significant upward shift in interest rates since the end of 2016 is clearly visible. Yields on the 3-month Treasury Bill have jumped by almost 75 bps since September 30, 2016. Yields on the 30-year Treasury Bond have increased by more than 50 bps over the same period.
- Despite the rise in short-term interest rates, most fixed income indices finished the 2<sup>nd</sup> quarter in positive territory. In a rising rate environment, it is generally expected that longer-duration market indices will fall more than equivalent lower-duration benchmarks. However, the magnitude of interest rate shifts across the term structure and spread movements can lead to atypical short-term results. Finally, while global benchmarks are impacted by the same local yield and duration factors as domestic benchmarks, the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. This currency effect can either be an offsetting benefit to negative yield and duration factors in a rising rate environment as it has been year-to-date, or it can further exacerbate negative performance as it did in 2016.

1-Year Trailing Market Rates



Treasury Yield Curve

