

Global Economy

The moderate pace of economic growth during the fourth quarter of last year spilled over into the first quarter of 2016. The economy expanded at its slowest pace in two years, held back by reduced consumer spending and a slump in corporate spending resulting from weak global demand. The economy grew at an estimated 0.5% annualized rate after the modest 1.4% fourth quarter advance. Household purchases, which account for almost 70% of the economy, rose at a 1.9% annual pace, compared with 2.4% last quarter. The downturn in corporate spending weighed heavily on growth, as spending on equipment and structures dropped at a 5.9% annualized pace, the largest decline since the second quarter of 2009.

Federal Reserve (Fed) policy makers maintained their view that economic activity would expand at a moderate pace and labor market indicators would continue to strengthen after keeping the target range for the federal funds rate at 0.25% to 0.50%. Although labor market conditions strengthened they noted "market-based measures of inflation in compensation remain low." The employment cost index (ECI), that tracks wages and benefits for private industry, climbed 1.9% over the past 12 months, the smallest gain in two years. Moreover, the Fed expects inflation to continue to track below its 2.0% target in the near term due to prior declines in energy and import prices.

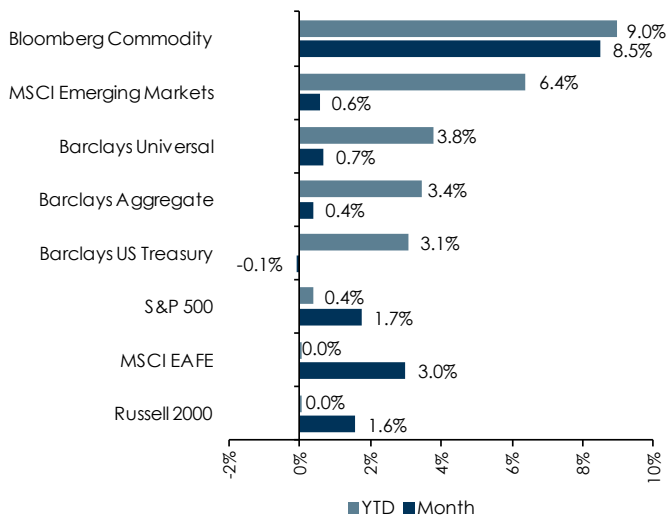
The impact of a strong US dollar and weak global demand continues to restrain US manufacturing activity as the Institute for Supply Management's (ISM) factory index declined to 50.8, barely above the 50 level that indicates expansion.

Euro area first quarter growth (+0.60%) was the fastest in a year and unemployment in March was the lowest since 2011. However, there was a renewed decline in consumer prices as the annual inflation rate fell to -0.2% in April, signaling the European Central Bank's (ECB) efforts to stoke inflation have yet to materialize. Japan's headline inflation fell 0.1% in March from the previous year, down from February's 0.3% rise while core inflation, excluding food and energy, rose 0.7%, down from February's reading of 0.8%.

	Current	Dec-15
US GDP (%)	0.50	0.70
US Unemployment (%)	5.00	5.00
CPI (Core) (%)	2.20	2.00
Fed Funds (%)	0.25 – 0.50	0.25 – 0.50
10 Year U.S.T Yld (%)	1.83	2.27
S&P 500 Div Yld (%)	2.19	2.15
S&P 500 P/E (Trailing)	19.17	18.27
Gold/oz.	\$1,290.50	\$1,060.20
Oil (Crude)	\$45.92	\$37.04
Gasoline (Natl Avg)	\$2.34	\$2.14
USD/Euro	\$1.15	\$1.09
USD/GBP	\$1.46	\$1.47
Yen/U.S.D	¥106.50	¥120.22

Global Markets

Key Market Indices



US equity markets edged higher in April, following strong gains in March. The S&P 500 reached a four month high on April 20, coming within 1% of the record close set in May 2015. Six of the S&P 500's ten sectors rose, led by energy companies that benefited from a rally in oil prices. Technology stocks lagged due to disappointing first quarter earnings reports. First quarter corporate earnings were at the forefront, as more than half of S&P 500 members have reported earnings, with 74% beating profit forecasts and 41% exceeding sales expectations. Mid and small cap US equities outpaced large caps, as both the Russell MidCap and Russell 2000 climbed over 1.0%.

Global equities rose sharply in April buoyed by a weaker US dollar (USD) and a more dovish tone from the Fed. European stocks advanced, as the benchmark Stoxx 600 index touched its highest level since January, before a stronger euro and mixed earnings releases prompted profit taking prior to month end. The Stoxx 600 rose 2.4% (USD) led by a surge of nearly 14% in materials stocks. Japanese equities tumbled on the final day of trading after the Bank of Japan (BoJ) unexpectedly kept its bond buying and negative interest rate policies in place. Investors had expected additional easing measures to be announced. Despite these last minute trading pressures, the Nikkei 225 index posted a gain of 3.3% (USD) for the month of April.

Emerging market stocks and currencies advanced in April. Currencies were supported by higher commodity prices, which benefited commodity exporters such as Russia and Columbia. The MSCI Emerging Markets Currency index rose 0.9% in April, following a 5.2% gain in March. The Russian ruble climbed higher after central bank policy makers signaled they may look to cut interest rates in the near term. Brazilian stocks advanced for a third consecutive month amid speculation a new administration might assume power and help lead the country out of recession.

Signs of stabilizing economic growth in China and declining US crude oil production led to outsized gains in commodity prices, as the Bloomberg Commodity index returned 8.5% for the month. Oil prices rebounded nearly 20% to \$45.92 per barrel, while gold reached its highest level since January 2015.

Global Markets (continued)

Bond investors turned positive after the Fed signaled a more gradual and data dependent path for interest rate normalization. Markets have pushed out expectations for when the Fed will next tighten monetary policy. Futures show investors assign only a 12% probability that the Fed will boost borrowing costs by June. However, they price a 60% chance of a rate hike by December, per Bloomberg data. The trend of US Treasury yields in April was reflective of the uncertainty regarding the outcome of the Fed meeting. Overall, US Treasuries posted a monthly decline for the first time in 2016, as the BofA Merrill Lynch US Treasury index lost 0.1%. US corporate credit spreads narrowed during the month. The spread on the Barclays US Corporate Investment Grade index fell to 146 basis points (bps) from 163 bps in March, as the index gained 1.4% in April. The Barclays US Corporate High Yield index rose 3.9%, after spreads dropped to 577 bps from 656 bps at the beginning of the month.

Euro area government bond yields found little support in the first month of the ECB's expanded monthly bond purchase program that was increased to €80 billion from €60 billion. Germany's 10-year bond yield rose to 0.27% from 0.15% in March. Italy's 10-year yield rose 27 bps to 1.49%, while Spain's 10-year yield jumped to 1.59% from 1.44% in March. Yields on UK bonds increased ahead of a referendum on European Union membership. Recent polls showed the projected outcome of the June 23 vote was too close to call prompting foreign investors to exit UK bond positions in April. The 10-year UK bond yield jumped 18 bps to 1.60% from the end of March.

The combination of a weaker USD and a softer tone from the Fed helped boost investor risk appetites, leading to a rally in emerging market debt in April. The spread over US Treasuries on the JPMorgan EMBI Global index reached 538 bps on February 11, the highest since May 2009. From that point forward, declining yields drove the spread down to 410 bps by the end of April. For the month, the emerging market index gained 1.9% (USD), the third consecutive monthly gain. Yields on local currency emerging market debt have also declined. The average yield on the JPMorgan GBI-EM Global Diversified index fell 13 bps to 6.38% from the end of March, resulting in a monthly gain of 2.6% (USD) for the index.

Selected Bond Yields

10 Year Sovereign Bond Yields (%)		
	Current	Dec-15
Japan	-0.08	0.27
Germany	0.27	0.63
France	0.63	0.99
Italy	1.49	1.60
Spain	1.59	1.77
United States	1.83	2.27
Portugal	3.16	2.52
Greece	8.58	8.29

Indices Report (Periods Ending April 30, 2016)

Index Name	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)
Equity							
S&P 500	0.39	1.74	1.21	11.26	11.02	6.91	5.49
Russell 1000	0.54	1.72	0.34	11.06	10.81	6.99	5.77
Russell 1000 Growth	-0.91	-0.18	1.07	12.47	11.44	8.20	5.13
Russell 1000 Value	2.10	3.77	-0.40	9.59	10.13	5.67	6.21
Russell 2500	1.47	1.87	-4.27	8.57	8.28	6.59	8.26
Russell 2000	1.57	0.03	-5.94	7.53	6.98	5.42	7.22
Russell 2000 Growth	1.00	-3.73	-8.27	8.50	7.15	6.14	6.11
Russell 2000 Value	2.12	3.86	-3.71	6.50	6.77	4.61	8.05
Wilshire 5000 Cap Wtd	0.65	1.83	0.34	10.86	10.52	6.90	6.10
MSCI ACWI	1.54	1.93	-5.13	5.62	5.26	4.44	5.24
MSCI ACWI ex US	2.72	2.45	-10.87	0.42	0.33	2.16	5.16
MSCI EAFE	3.00	0.04	-8.89	1.92	2.16	2.09	4.53
MSCI EAFE Local Currency	1.36	-5.13	-10.66	5.83	6.55	2.28	2.89
MSCI EAFE Growth	2.00	0.00	-5.06	3.40	3.24	3.03	4.46
MSCI EAFE Value	4.08	0.08	-12.73	0.37	1.02	1.08	4.51
MSCI Emerging Markets	0.56	6.35	-17.56	-4.23	-4.28	2.69	9.38
Fixed Income							
BofA ML 1-3 Yr Treasury	0.03	0.93	0.91	0.74	0.79	2.45	2.69
Barclays US Aggregate	0.38	3.43	2.72	2.29	3.60	4.95	5.02
Barclays Gov't Bond	-0.10	3.02	2.77	1.79	3.18	4.54	4.63
Barclays US Credit	1.22	5.19	2.77	2.67	4.90	5.87	5.91
Barclays 10 Yr Municipal	0.80	2.72	5.89	3.70	5.51	5.51	5.40
Barclays US Corp High Yield	3.92	7.40	-1.12	2.54	5.41	7.35	7.75
Citigroup World Govt Bond	1.26	8.44	6.09	0.55	0.77	4.08	5.39
Barclays Global Aggregate	1.33	7.31	4.84	0.85	1.46	4.29	5.35
Barclays Multiverse	1.45	7.41	4.64	0.88	1.58	4.39	5.47
Real Assets							
NCREIF Property	0.00	2.21	11.84	11.91	11.93	7.61	8.95
NFI ODCE Net	0.00	1.97	12.64	12.59	12.20	5.38	6.94
FTSE NAREIT US Real Estate	-2.39	3.47	7.86	7.25	10.12	6.70	11.21
Bloomberg Commodity	8.51	8.96	-17.45	-13.76	-13.32	-6.01	-0.22
Cash and Equivalents							
US T-Bills 90 Day	0.03	0.10	0.15	0.08	0.08	1.13	1.50

Definitions

Barclays Capital Aggregate

The Barclays Capital Aggregate index covers the U.S. investment grade fixed rate bond market, including government and corporate securities, agency mortgage pass-through securities, and asset-backed securities.

Barclays Capital Global Aggregate Index

The Barclays Capital Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and U.S.D investment grade 144A securities.

Barclays Capital Muni 5 Yr

The Barclays Capital Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody's, S&P, and Fitch. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date.

Barclays Capital U.S. Credit Index

This index is the U.S. Credit component of the U.S. Government/Credit Index. It consists of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

The Barclays U.S. Treasury Index

The Barclays U.S. Treasury Index is a component of the Barclays U.S. Aggregate Index. This U.S. Treasury Index includes only public obligations of the U.S. Treasury with a remaining maturity of one year or more. U.S. Treasury bills are excluded due to the maturity constraint.

The Barclays Capital U.S. Universal Index

The Barclays Capital U.S. Universal Index represents the union of the U.S. Aggregate Index, the U.S. High-Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, and the non-ERISA portion of the CMBS Index. Municipal debt, private placements, and non-dollar-denominated issues are excluded from the Universal Index. The only constituent of the index that includes floating-rate debt is the Emerging Markets Index.

BofA ML High-Yield Index Master II

The BofA ML High-Yield Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Bloomberg Commodity Index

The Dow Jones UBS Commodity Total Return Index aims to provide broadly diversified representation of commodity markets as an asset class. The index is comprised of futures contracts on physical commodities. Currently the index includes 20 commodity nearby futures contracts, which are weighted to account for economic significance and market liquidity

CITI World Government Bond Index

The WGBI is a market-capitalization-weighted benchmark that tracks the performance of the 19 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, the Netherlands, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

FTSE EPRA/NAREIT Developed Index

The FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITs worldwide. The index constituents are free-float adjusted as well as screened for liquidity, size and revenue. The index incorporates Real Estate Investment Trusts (REITs) and Real Estate Holding & Development companies. Constituents are classified into distinct property sectors based on gross invested book assets as disclosed in the latest published financial statement.

HFRI Fund of Funds (FOF) Conservative Index

The HFRI Monthly Indices (HFRI) are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. FOFs classified as "Conservative" exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index.

HFRI Fund of Funds (FOF) Strategic Index

The HFRI Monthly Indices (HFRI) are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. FOFs classified as 'Strategic' exhibit one or more of the following characteristics: seeks superior returns by primarily investing in funds that generally engage in more opportunistic strategies such as Emerging Markets, Sector specific, and Equity Hedge; exhibits a greater dispersion of returns and higher volatility compared to the HFRI Fund of Funds Composite Index.

MSCI ACWI Index (exU.S.)

The MSCI ACWI Index (ex U.S.) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets outside the United States. The MSCI ACWI consists of 44 country indices comprising 23 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI EAFE® Index

The MSCI EAFE Index (Europe, Australasia, Far East) is an unmanaged free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. & Canada. As of June 2006 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom.

MSCI EAFE Growth Index

The MSCI-EAFE Growth Index is an unmanaged index constructed from the constituents of the MSCI EAFE Index on a country-by-country basis for the 21 countries included in the index.

MSCI EAFE Value Index

The MSCI-EAFE Value Index is an unmanaged index constructed from the constituents of the MSCI EAFE Index on a country-by-country basis for the 21 countries included in the index.

MSCI Emerging Markets Index

The MSCI Emerging Markets Index is an unmanaged float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2006 the MSCI Emerging Markets Index consisted of the following 22 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Ncreif® Property Index

Ncreif Property Index is a quarterly time series composite total rate of return measure of investment performance of a large pool of individual commercial real estate properties acquired in the private market for investment purposes only.

Russell 1000® Growth Index

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates.

Russell 1000® Value Index

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth rates.

Russell 2000® Index

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index.

Russell 2000® Growth Index

The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth rates.

Russell 2000® Value Index

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Midcap® Index

The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities in the Russell 1000 Index based on a combination of their market cap and current index membership.

S&P 500

Standard and Poor's 500 Index is a capitalization-weighted index of 500 large U.S. stocks. The index is designed to measure performance of the broad domestic stock market through changes in the aggregate market value of 500 stocks representing all major industries.

General Notes and Disclaimers

The views contained in this report are those of Asset Consulting Group (ACG). The information contained herein is given as of the date hereof and this does not purport to give information as of any other date. Neither the delivery of this memorandum nor any information sales contained herein shall, under any circumstances, create an implication that there has been no change in the matters discussed herein since the date hereof.

The information presented herein is for informational purposes only and is not intended as an offer to sell or the solicitation of an offer to purchase any securities or any product or service.

Past performance is not indicative of future results. Given the inherent volatility of the securities markets, it should not be assumed that investors will experience returns comparable to those shown here. Market and economic conditions may change in the future producing materially different results than those shown here.

Although the information presented herein has been obtained from and is based upon sources ACG believes to be reliable, no representation or warranty, express or implied, is made as to the accuracy or completeness of that information. Such information is not necessarily all-inclusive and is not guaranteed as to its accuracy. Accordingly, ACG does not itself endorse or guarantee, and assumes no liability whatsoever for, the accuracy or reliability of any third party data or the financial information contained herein.

All information presented herein is subject to a disclaimer included in all research. Any material excerpted or summarized from a full research report is subject to the terms of the disclaimer. The information in this report, including research, is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation.

Comparisons of the performance of any securities or portfolio to the market indicators, benchmarks and indices presented herein may not be meaningful since the constitution and risks associated with each market indicator, benchmark or index may be significantly different. Accordingly, no representation or warranty is made to the sufficiency, relevance, importance, appropriateness, completeness, or comprehensiveness of the market data, information or summaries contained herein for any specific or purpose.

The information and views described herein is general in nature and is not intended as investment advice or recommendations. This material is distributed with the understanding that it is not rendering accounting, legal or tax advice. Please consult your legal or tax advisor concerning such matters.

No part of this publication may be copied, or duplicated in any form without the written consent ACG. ACG is not responsible for typographical or clerical errors in this report or in the dissemination of its contents. Reliance upon information in the report is at the sole discretion of the reader.