

Global Economy

Risk assets outperformed in March and consumer sentiment rose sharply amid continued vaccine distribution and optimism around the economic outlook. However, inflation fears have also taken hold, as some investors worry persistently higher inflation could force the Fed to tighten policy earlier than expected. The newest Covid relief bill, a \$1.9 trillion dollar package, was signed into law mid-month and by month-end investors were also digesting President Biden's proposed \$2.3 trillion infrastructure plan, to be paid for with higher corporate taxes. Global vaccine distribution remains inconsistent as the need for lockdowns linger and new variants continue to circulate. Fueled by virus variants and complacency, cases have begun increasing again both in the US and globally. While the US is ahead of the global vaccination rate, experts warn about the potential for a fourth wave in the US and urge patience towards reopening.

The Federal Open Market Committee met in March but did not change policy rates, a widely expected outcome. Forward guidance on rates continued to support maintaining the current target range through 2023, although four FOMC participants now favor higher rates in 2022, up from one in December. The statement noted improved economic conditions and changed the projection for 2021 GDP to 6.5% vs. 4.2% in December. The Fed also remains dedicated to its current rate of asset purchases of \$120 billion per month, and the bank's balance sheet expanded to \$7.7 trillion.

The third estimate of 4Q-20 real GDP indicated the US GDP expanded at a rate of +4.3% annualized with an upward revision to private inventory investment partially offset by a downward revision to nonresidential fixed investment. The Atlanta Fed's quantitative GDP model currently forecasts a robust 6.2% growth for 1Q-21, on the upper end of analysts' consensus estimates of roughly 3 - 7% growth.

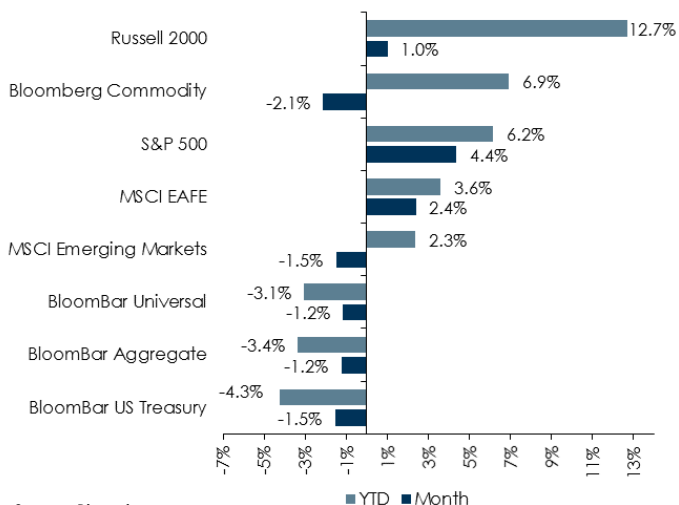
Weekly initial unemployment claims declined in March, falling below 700,000 for the first time since pandemic related job losses began. Monthly employment figures exceeded forecasts as employers added 916,000 jobs and unemployment fell to 6.0%. The recovery was broad-based, with leisure & hospitality again netting the largest gains with 280,000 jobs added. In another encouraging sign, labor force participation also improved to 61.5% but is still below the February 2020 level of 63.3%. Core CPI declined to +1.3% year-over-year, while the FOMC's preferred measure, Core PCE, also declined to +1.4% year-over-year through February.

	Current	Dec-20
US GDP (%)	4.30	4.00
US Unemployment (%)	6.00	6.70
CPI (Core) (%)	1.30	1.60
Fed Funds (%)	0.00 – 0.25	0.00 – 0.25
10 Year UST Yld (%)	1.74	0.92
S&P 500 Div Yld (%)	1.46	1.57
S&P 500 P/E (Trailing)	32.25	29.92
Gold/oz.	\$1,713.80	\$1,895.10
Oil (Crude)	\$59.16	\$48.52
Gasoline (Natl Avg)	\$2.94	\$2.33
USD/Euro	\$1.17	\$1.22
USD/GBP	\$1.38	\$1.37
Yen/USD	¥110.72	¥103.25

Source: Bloomberg

Global Markets

Key Market Indices



Source: Bloomberg

Returns for major equity indices were mostly positive in March, as optimism around economic growth continued. The S&P 500, which represents large US-based entities, returned +4.4% for the month. Rising rates continued to support a rotation from growth to value sectors. All large cap sectors were positive for the month, but Utilities (+10.1%), Industrials (+8.8%), and Consumer Staples led the way while IT (+1.6%) and Energy (+2.7%) were the laggards. The Russell 2000, representing small cap stocks, returned +1.0% in March. Materials (+10.9%), Financials (+6.6%), and Utilities (+6.5%) outperformed with Health Care (-6.4%) and IT (-4.4%) trailing. Value significantly outperformed growth across the market cap spectrum.

In the broad international developed markets, the MSCI EAFE index returned +2.4% for the month. The index experienced minimal sector dispersion with Consumer Staples (+4.6%), Utilities (+4.1%) and Consumer Discretionary (+3.7%) leading and Energy (-1.3%) the only negative performer. Among developed countries, Ireland (+8.8%), Norway (+6.5), and Sweden (+6.1%) were the top performers, with Israel (-1.8%), Finland (-1.6%), and New Zealand (-1.1%) lagging and most others generally in the +1.0% to +4.0% range.

Emerging market stocks, as represented by the MSCI Emerging Markets index, underperformed their large cap developed market counterparts at -1.5%. Saudi Arabia (+9.1%), Chile (+8.4%), and Mexico (+8.4%) were the best performers in the month while Turkey (-15.6%), Peru (-10.9%), and Egypt (-9.5%) lagged. China, at nearly 40% of the index, returned -6.3% for the month.

Real estate, as measured by the FTSE EPRA/NAREIT Developed index, performed in line with equities with a +3.0% return. The energy-related Alerian MLP outperformed other equities at +6.9%. The near-month NYMEX oil halted its rally with a -3.8% but is up a robust 189% for the past year. Gold was down -0.9% and is off around 20% from August 2020 highs. The diversified Bloomberg Commodity index was also down -2.1% but is up +35% for the past one-year.

Global Markets (continued)

US Treasury yields continued to move higher, and the yield curve steepened as long-end yields rose on the prospects of future growth and higher inflation expectations. The 10-year and 30-year treasury yields each reached their highest level since January 2020. Given this backdrop, the overall UST complex had a negative return for the month at -1.5%, with trailing one-year returns at -4.4%. Sovereign yields outside of the US did not track US Treasuries this month, generally moving modestly lower, and the global stock of negative yielding debt rose to \$13.3 trillion.

The BloomBar US Aggregate Bond index outperformed risk-free US Treasuries on an absolute and duration-matched basis. The benchmark lost -1.3% in March, with 12-month performance of just +0.7%. Corporate supply continued to be heavy, which weighed on spreads somewhat as they widened 1 bps. With higher US Treasury yields and moderately wider spreads, the benchmark's yield-to-worst rose 19 bps to 1.61%.

The BloomBar 1-15-Year Municipal index returned +0.5% in March to rebound from a dismal February as the roughly \$360 billion in direct aid to state and local governments found in the newest stimulus package helped ease credit concerns. Municipal/treasury ratios tightened, with the 10-year moving from 80% to 62%. While there has been ample supply in the Muni market, demand has also remained steady and has the potential to increase if a change to individual tax rates incentivizes investors to seek out tax-exempt income, an outcome some are predicting.

The BloomBar US Corporate High Yield index returned +0.2% for the month. Supply continued to be heavy, with a new monthly record of \$59 billion in issuance. Nonetheless, spreads were supported by demand and the risk-on environment, and tightened 16 bps. All-in yields declined 2 bps to 4.23%. Bank loans also had positive performance in the month as investors seeking out enhanced income and floating interest rates have led to strong inflows for the category. Emerging market bonds performed poorly as EM sovereign rates rose and the stronger US dollar weighed on returns.

Selected Bond Yields

10 Year Sovereign Bond Yields (%)		
	Current	Dec-20
Japan	0.09	0.02
Germany	-0.29	-0.57
France	-0.05	-0.34
United Kingdom	0.84	0.19
Spain	0.34	0.04
United States	1.74	0.92
Italy	0.67	0.54
Mexico	6.84	5.53
Brazil	9.28	6.91

Source: Bloomberg

Indices Report (Periods Ending March 31, 2021)

Index Name	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)
Equity							
S&P 500	4.38	6.17	56.35	16.78	16.29	13.91	10.02
Russell 1000	3.78	5.91	60.59	17.31	16.66	13.97	10.17
Russell 1000 Growth	1.72	0.94	62.74	22.80	21.05	16.63	12.38
Russell 1000 Value	5.88	11.26	56.09	10.96	11.74	10.99	7.69
Russell 2500	1.64	10.93	89.40	15.34	15.93	12.20	9.53
Russell 2000	1.00	12.70	94.85	14.76	16.35	11.68	8.83
Russell 2000 Growth	-3.15	4.88	90.20	17.16	18.61	13.02	10.05
Russell 2000 Value	5.23	21.17	97.05	11.57	13.56	10.06	7.38
Wilshire 5000 Cap Wtd	3.67	6.49	62.23	17.18	16.71	13.82	10.11
MSCI ACWI	2.72	4.68	55.31	12.66	13.81	9.73	7.61
MSCI ACWI ex US	1.34	3.60	50.03	7.02	10.28	5.41	4.96
MSCI EAFE	2.40	3.60	45.15	6.54	9.37	6.02	4.59
MSCI EAFE Local Currency	5.35	7.72	37.11	7.59	9.35	8.01	4.53
MSCI EAFE Growth	1.23	-0.49	43.00	10.26	11.26	7.61	5.88
MSCI EAFE Value	3.48	7.60	46.48	2.45	7.21	4.25	3.15
MSCI Emerging Markets	-1.49	2.34	58.92	6.87	12.48	4.02	6.30
Fixed Income							
ICE BofA ML 1-3 Yr Treasury	0.03	-0.05	0.24	2.77	1.71	1.29	2.22
BloomBar US Aggregate	-1.25	-3.37	0.71	4.65	3.10	3.44	4.29
BloomBar Gov't Bond	-1.51	-4.14	-4.26	4.10	2.25	2.83	3.76
BloomBar US Credit	-1.59	-4.45	7.88	5.95	4.67	4.83	5.36
BloomBar 10 Yr Municipal	0.56	-0.57	5.44	5.25	3.54	4.66	4.78
BloomBar US Corp High Yield	0.15	0.85	23.72	6.84	8.06	6.48	7.36
FTSE World Gov't Bond	-2.09	-5.68	1.82	2.09	2.15	1.66	3.51
BloomBar Global Aggregate	-1.92	-4.46	4.67	2.80	2.66	2.23	3.78
BloomBar Multiverse	-1.89	-4.34	5.46	2.85	2.88	2.39	3.91
Real Assets							
NCREIF Property	0.00	0.00	0.89	4.30	5.45	8.64	6.88
NFI ODCE Net	0.00	0.00	-0.40	3.32	4.87	8.47	5.21
FTSE NAREIT US Real Estate	4.57	8.87	37.78	9.45	5.33	8.56	6.15
Bloomberg Commodity	-2.15	6.92	35.04	-0.20	2.31	-6.28	-3.42
Cash and Equivalents							
US T-Bills 90 Day	0.01	0.03	0.12	1.50	1.19	0.63	1.17

Definitions

Bloomberg Barclays Capital Aggregate

The Bloomberg 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.

Bloomberg Barclays Capital Global Aggregate Index

The Bloomberg 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.

Bloomberg Barclays Capital Muni 5 Yr

The Bloomberg 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.

Bloomberg 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 Bloomberg Barclays U.S. Treasury Index

This index is the U.S. Treasury component of the Bloomberg 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 Bloomberg Barclays Capital U.S. Universal Index

The Bloomberg 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.

Disclosures and Legal Notice

The views expressed herein are those of Asset Consulting Group (ACG). They are subject to change at any time. These views do not necessarily reflect the opinions of any other firm.

This report was prepared by ACG for you at your request. 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. Accordingly, ACG does not itself endorse or guarantee, and does not itself assume liability whatsoever for, the accuracy or reliability of any third party data or the financial information contained herein.

Certain information herein constitutes forward-looking statements, which can be identified by the use of terms such as "may", "will", "expect", "anticipate", "project", "estimate", or any variations thereof. As a result of various uncertainties and actual events, including those discussed herein, actual results or performance of a particular investment strategy may differ materially from those reflected or contemplated in such forward-looking statements. As a result, you should not rely on such forward-looking statements in making investment decisions. ACG has no duty to update or amend such forward-looking statements.

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 a security.

Please be aware that there are inherent limitations to all financial models, including Monte Carlo Simulations. Monte Carlo Simulations are a tool used to analyze a range of possible outcomes and assist in making educated asset allocation decisions. Monte Carlo Simulations cannot predict the future or eliminate investment risk. The output of the Monte Carlo Simulation is based on ACG's capital market assumptions that are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions. Capital market assumptions based on other models or different estimates may yield different results. ACG expressly disclaims any responsibility for (i) the accuracy of the simulated probability distributions or the assumptions used in deriving the probability distributions, (ii) any errors or omissions in computing or disseminating the probability distributions and (iii) any reliance on or uses to which the probability distributions are put.

The projections or other information generated by ACG regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Judgments and approximations are a necessary and integral part of constructing projected returns. Any estimate of what could have been an investment strategy's performance is likely to differ from what the strategy would actually have yielded had it been in existence during the relevant period. The source and use of data and the arithmetic operations used for calculating projected returns may be incorrect, inappropriate, flawed or otherwise deficient.

Past performance is not indicative of future results. Given the inherent volatility of the securities markets, you should not assume that your investments will experience returns comparable to those shown in the analysis contained in this report. For example, market and economic conditions may change in the future producing materially different results than those shown included in the analysis contained in this report. Any comparison to an index is for comparative purposes only. An investment cannot be made directly into an index. Indices are unmanaged and do not reflect the deduction of advisory fees.

This report 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 assurance can be given that the investment objectives described herein will be achieved and investment results may vary substantially on a quarterly, annual or other periodic basis. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information.