

Global Economy

The US economy continued down the path of slow but steady growth. A string of economic reports showed improving conditions in the US labor and housing markets, while manufacturing may be finding a bottom. Employment climbed and wages increased as the US added 215,000 jobs in March, following a revised 245,000 February increase. The unemployment rate rose to 5.0% from 4.9% and wage growth increased 2.3% in March compared to one year earlier.

Manufacturing expanded in March for the first time in seven months as the Institute for Supply Management's (ISM) factory index climbed to 51.8 from 49.5 in March. Index levels above 50 denote expansion and it was the first time since August that the gauge exceeded 50. The ISM's services index rose to 54.5 from 53.4 in March, the first gain in five months as 12 of 18 industries expanded during the month. The faster pace of activity within the services sector alleviates concerns that declining commodity prices and a strong US dollar may have negative implications for the broad economy.

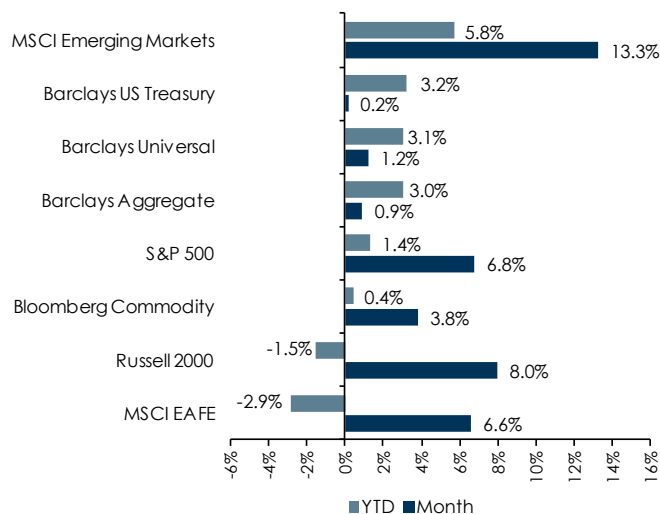
The latest read on US inflation signaled a pickup in inflationary pressures. Core CPI, which strips out volatile food and energy costs, rose 0.3% in February for a second consecutive month, which is the first such back to back increase since early 2001. Core CPI climbed 2.3% from February 2015, the biggest year-over-year advance since May 2012. However, this uptick was not sufficient to persuade policy makers to lift the benchmark Fed funds rate in March. Policy makers cited concerns over global growth as a key element in their decision to keep the target range between 0.25% and 0.50%, but estimated that interest rates would likely move up 0.50% by year end due to an improving economy.

Globally, Japan's economy contracted during Q415 hurt by slower consumer spending and a stronger yen, which is weighing on corporate profits and spending. The euro zone's economic recovery remains lackluster having expanded only 0.4% (QoQ) on average, over the last four quarters. Growth has been supported by domestic spending while business spending has declined.

	Current	Dec-15
US GDP (%)	1.40	0.70
US Unemployment (%)	5.00	5.00
CPI (Core) (%)	2.30	2.00
Fed Funds (%)	0.25 – 0.50	0.25 – 0.50
10 Year U.S.T Yld (%)	1.77	2.27
S&P 500 Div Yld (%)	2.19	2.15
S&P 500 P/E (Trailing)	18.73	18.27
Gold/oz.	\$1,234.20	\$1,060.20
Oil (Crude)	\$38.34	\$37.04
Gasoline (Natl Avg)	\$2.17	\$2.14
USD/Euro	\$1.14	\$1.09
USD/GBP	\$1.44	\$1.47
Yen/U.S.D	¥112.57	¥120.22

Global Markets

Key Market Indices



In the US, the S&P 500 index rose 6.8% in March amid stronger than forecast economic data and a more dovish Fed. Policy makers now project only two interest rate hikes in 2016, which is down from the originally projected four moves communicated after its December meeting. Gains were broad based across sectors, led by energy shares, up 9.2%, leaving the sector in positive territory for the year. Healthcare companies were the laggard, up a modest 2.6%. Both mid and small capitalization stocks outpaced large caps as the Russell Midcap posted a gain of 8.2%, while the Russell 2000 moved up 8.0%. Midcaps were paced by energy (+9.5%) and technology (+9.3%) companies, while small cap energy related companies soared nearly 20.0% for the month.

Global equities recovered strongly in March following the volatile start to the year. An increase in investor risk appetite was fueled by higher commodity prices and increased stimulus in Japan, Europe and China. European stocks rose, with the MSCI Europe index gaining 6.4% (USD), helped by a stronger euro that rose 4.7% versus the US dollar (USD) in March. Japanese equities posted positive returns, as the MSCI Japan index climbed 4.9% (USD).

Emerging market stocks surged during the month, due to deferred expectations of monetary tightening in the US and an easing of USD strength, which buoyed risk appetites. The MSCI Emerging Markets index advanced 13.3% in March, the most since May 2009 with several markets up double digits. For instance, Brazilian stocks performed particularly well, with the MSCI Brazil index up 30.5% (USD), driven by a rally in commodity prices and investor optimism that the ongoing political turmoil could soon be resolved. Meanwhile, the Chinese benchmark Shanghai Composite index added 13.5% (USD) after the government provided additional stimulus to support the economy and stock markets.

A jump in oil prices (up 13.6%) and a weaker USD helped boost commodity markets in March, as the Bloomberg Commodity index posted a gain of 3.8%. Gold prices were flat for the month, but advanced 16.4% through the first three months of the year.

Global Markets (continued)

The overall dovish tone of the Fed policy statement in March and a downward revision to interest rate projections helped drive US bond prices higher. While acknowledging economic activity continued to expand at a moderate pace, policy makers noted "global economic and financial developments continue to pose risks." Furthermore, the median of the Fed's updated quarterly projections saw the Fed funds rate at 0.875% at the end of 2016, implying only two 0.25% rate increases this year. In addition, policy makers cut their projections for inflation to 1.2% this year from 1.6%. They now expect inflation to reach the 2.0% target in 2018.

US Treasury prices advanced in March for the third consecutive month after foreign central bankers announced additional monetary stimulus and investors sought the safety of US government bonds. The BofA Merrill Lynch US Treasury index rose 0.14%, following a gain of 0.98% in February. Two-year Treasury yields, the security most sensitive to Fed policy projections, dropped 5 basis points (bps) to 0.72%, the lowest since February 18. The ten-year note started the month at 1.73% and rose as high as 2.0% just before the Fed meeting. Ultimately, the ten-year yield fell to 1.77% by month's end. US corporate bonds rallied as average yields on the Barclays US Corporate Investment Grade index fell to 3.21% from 3.55% in February. Strong retail flows helped drive US high yield bonds higher as the Barclays US Corporate High Yield index jumped 4.4% for the month.

A moderate economic recovery in the euro zone coupled with anemic inflation compelled the European Central Bank (ECB) to unveil new stimulus in March to fight deflation and spur growth. The ECB expanded monthly bond purchases to 80 billion euros from 60 billion euros and will now include non-bank corporate bonds. They also lowered the deposit interest rate deeper into negative territory. Euro zone inflation was negative for a second month in March and has not come near the ECB's goal of just under 2.0% since 2013. German 10-year yields rose 5 bps to 0.15%, while Italian 10-year yields fell 20 bps to 1.22% amid expectations of further support from the ECB's expanded asset purchasing program. Emerging market bonds advanced, as the JPMorgan EMBI Global index posted a return of 3.4% (USD) as the spread to US Treasury bond yields fell sharply to 434 bps from 483 at the close of February.

Selected Bond Yields

10 Year Sovereign Bond Yields (%)		
	Current	Dec-15
Japan	-0.03	0.27
Germany	0.15	0.63
France	0.49	0.99
Italy	1.22	1.60
Spain	1.44	1.77
United States	1.77	2.27
Portugal	2.94	2.52
Greece	8.59	8.29

Indices Report (Periods Ending March 31, 2016)

Index Name	1 Month (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)
Equity							
S&P 500	6.78	1.35	1.78	11.82	11.58	7.01	5.99
Russell 1000	6.97	1.17	0.50	11.52	11.35	7.06	6.28
Russell 1000 Growth	6.74	0.74	2.52	13.61	12.38	8.28	6.03
Russell 1000 Value	7.20	1.64	-1.54	9.38	10.25	5.72	6.40
Russell 2500	8.33	0.39	-7.31	8.16	8.58	6.47	8.76
Russell 2000	7.98	-1.52	-9.76	6.84	7.20	5.26	7.65
Russell 2000 Growth	7.66	-4.68	-11.84	7.91	7.70	6.00	6.86
Russell 2000 Value	8.29	1.70	-7.72	5.73	6.67	4.42	8.22
Wilshire 5000 Cap Wtd	7.19	1.29	0.35	11.30	11.04	6.97	6.63
MSCI ACWI	7.48	0.38	-3.81	6.10	5.80	4.63	5.63
MSCI ACWI ex US	8.21	-0.26	-8.78	0.76	0.76	2.40	5.43
MSCI EAFE	6.59	-2.88	-7.87	2.68	2.76	2.27	4.80
MSCI EAFE Local Currency	3.02	-6.40	-10.78	6.94	6.69	2.20	3.22
MSCI EAFE Growth	6.51	-1.96	-3.35	4.19	4.08	3.29	4.79
MSCI EAFE Value	6.68	-3.84	-12.36	1.10	1.38	1.18	4.71
MSCI Emerging Markets	13.26	5.75	-11.70	-4.15	-3.80	3.34	9.69
Fixed Income							
BofA ML 1-3 Yr Treasury	0.17	0.90	0.92	0.77	0.87	2.48	2.71
Barclays US Aggregate	0.92	3.03	1.96	2.50	3.78	4.90	4.97
Barclays Gov't Bond	0.16	3.12	2.37	2.11	3.42	4.52	4.57
Barclays US Credit	2.52	3.92	0.93	2.86	5.00	5.70	5.79
Barclays 10 Yr Municipal	0.30	1.90	4.42	3.87	5.79	5.41	5.25
Barclays US Corp High Yield	4.44	3.35	-3.69	1.84	4.93	7.01	7.38
Citigroup World Gov't Bond	2.66	7.09	5.92	0.49	1.16	4.19	5.28
Barclays Global Aggregate	2.70	5.90	4.57	0.87	1.81	4.35	5.25
Barclays Multiverse	2.89	5.88	4.36	0.87	1.90	4.43	5.36
Real Assets							
NCREIF Property	--	--	--	--	--	--	--
NFI ODCE Net	1.97	1.97	12.64	12.59	12.20	5.38	6.94
FTSE NAREIT US Real Estate	10.14	6.00	4.43	10.47	11.89	6.56	11.56
Bloomberg Commodity	3.82	0.42	-19.56	-16.87	-14.15	-6.16	-0.53
Cash and Equivalents							
US T-Bills 90 Day	0.05	0.07	0.12	0.07	0.08	1.16	1.53

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.