

# Investment Market Summary - April 2017



## STANDARD INDICES (In USD)

	Apr 2017	YTD 2017	1 Years	3 Years	5 Years	10 Years
S&P 500 TR	1.0%	7.2%	17.9%	10.5%	13.7%	7.2%
MSCI AC World Index	1.6%	8.6%	15.1%	5.3%	9.0%	3.7%
MSCI EAFE	2.5%	10.0%	11.3%	0.9%	6.8%	0.9%
MSCI Emerging Markets	2.2%	13.9%	19.1%	1.8%	1.5%	2.5%
Alerian MLP Index	-1.3%	2.6%	14.1%	-6.9%	1.9%	6.4%
Bloomberg Barclays US Agg Index	0.8%	1.6%	0.8%	2.7%	2.3%	4.3%
Bloomberg Barclays Muni Bond 5 Year Index	0.7%	2.6%	0.5%	2.1%	2.0%	3.9%
Bloomberg Barclays US Corp High Yield	1.2%	3.9%	13.3%	4.7%	6.8%	7.4%
Bloomberg Commodity Index	-1.5%	-3.8%	-1.3%	-15.0%	-9.7%	-6.5%
US Dollar Index	-1.3%	-3.1%	6.4%	7.6%	4.7%	2.0%

## HEADLINES

Bullish investor sentiment returned to the markets as investors were relieved by French presidential election results. Although the French results will not be final until another round of votes is cast, the leading candidate, Emmanuel Macron, is a mainstream centrist candidate who campaigned strongly for a more cohesive Euro region. For the month, international markets, led by the Euro region, rallied strongly. The MSCI EAFE Index rose 2.5% in USD terms, while Emerging Markets (EM), as represented by the MSCI EM Index, returned 2.2% in USD terms. The S&P 500 Index lagged, but still gained 1.0%.

Despite the rally for riskier assets, fixed income also posted a strong month, with the Bloomberg Barclays U.S. Aggregate Bond Index returning 0.8%. Longer-term Treasury yields fell as inflation expectations cooled following a rise post U.S. elections. Credit also performed well, with the Bloomberg Barclays U.S. Corporate High Yield Index gaining 1.2%. Credit spreads tightened on the month, as investors looked to increase exposures. Credit has remained in a sweet spot as commodity prices have stabilized, defaults have remained low, and economic confidence has risen.

Commodities weakened on the month even as the U.S. Dollar fell. WTI Crude Oil prices slid as concerns over increases in U.S. drilling and

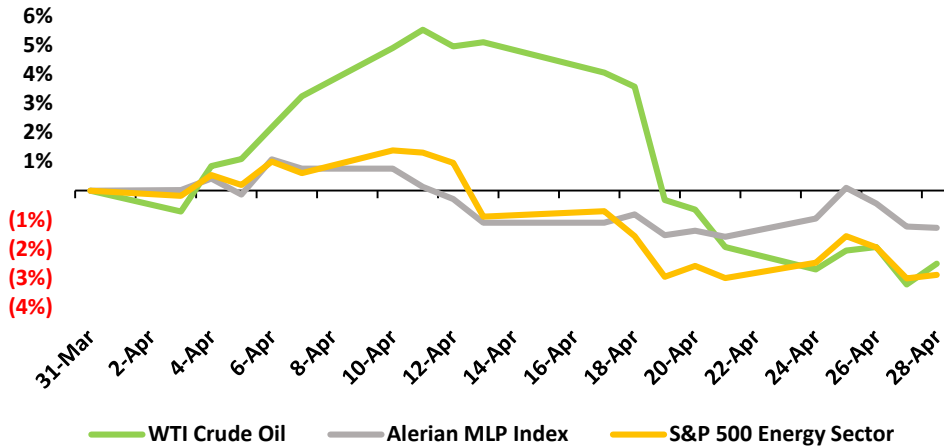
production offset rumors about OPEC members planning to push for an extension in production cuts. Natural Gas prices edged higher, but the continued drop in oil prices weighed on MLPs. The Alerian MLP Index lost 1.3%, breaking from its relative resilience this year in the face of weak oil and gas prices. WTI Crude Oil is down 8.2% this year, while Natural Gas has plunged 12.0%. However, the Alerian Index is still up 2.6% on the year.

Closed-End Funds (CEFs) maintained momentum as discounts tightened, and bond yields remained low. Equities and Taxable Fixed Income CEFs, as represented by the First Trust Equity and Taxable Fixed Income CEF Indices, rose 2.7% and 2.4%, respectively. Yields remaining at low levels have kept up the appetite for discounted assets offering high current income. Likewise, strong investor sentiment has helped many of the underlying asset classes within CEFs, such as credit and equities.

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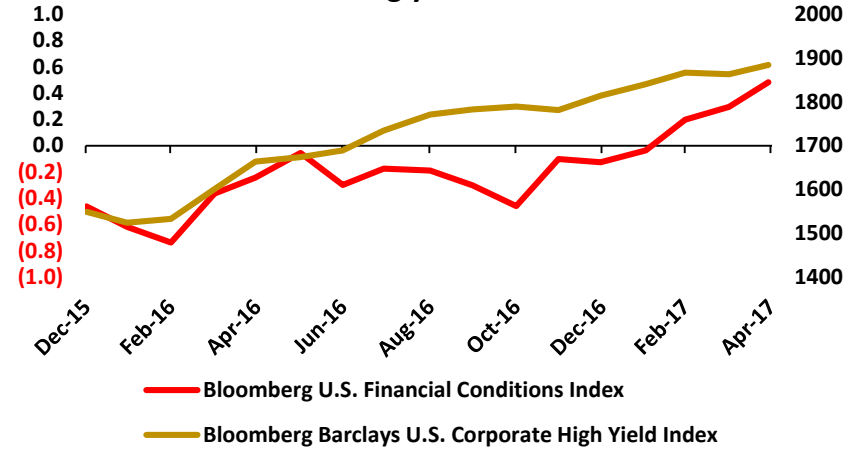


## Weakness In Oil Drags Down Energy



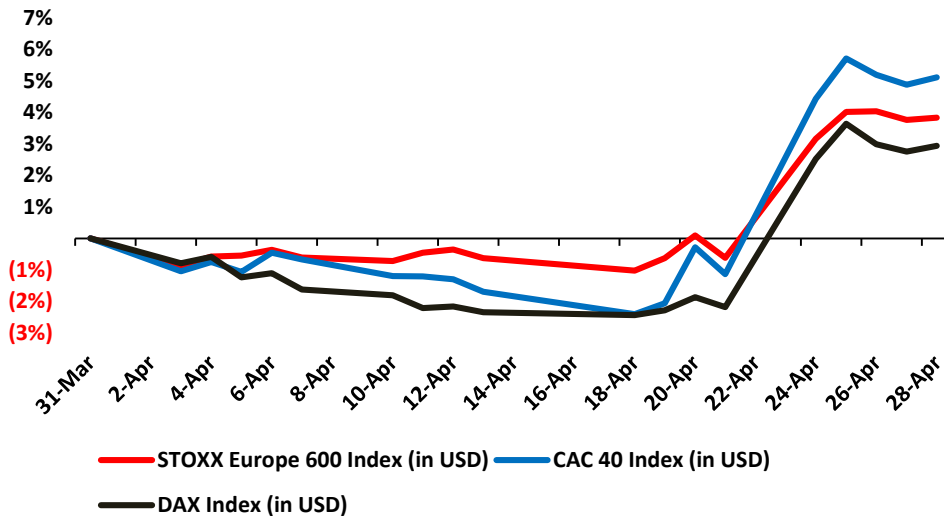
Source: Bloomberg

## The Credit Rally Continues As Financial Conditions Are Increasingly Accommodative



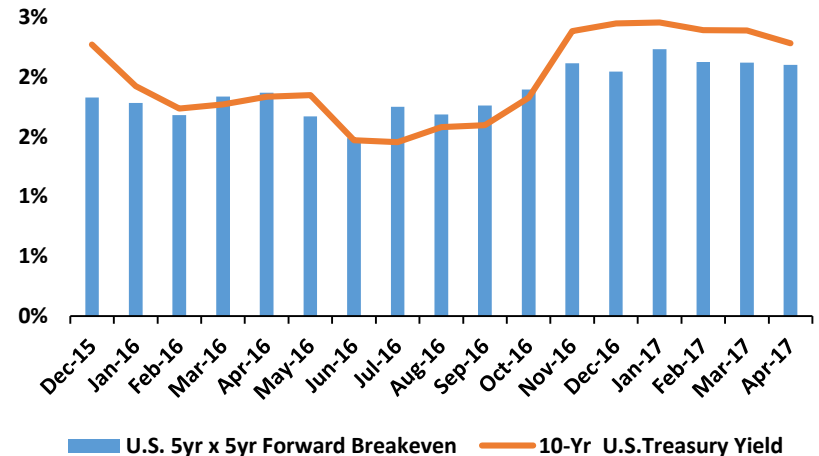
Source: Bloomberg

## French Elections Lift Europe



Source: Bloomberg

## Longer Term Yields Trend Lower As Inflation Expectations Cool



Source: Bloomberg

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