

Investment Market Summary - January 2017



STANDARD INDICES (In USD)

	Jan 2017	YTD 2017	1 Years	3 Years	5 Years	10 Years
S&P 500 TR	1.9%	1.9%	20.0%	10.8%	14.1%	7.0%
MSCI AC World Index	2.7%	2.7%	17.9%	5.5%	8.7%	3.7%
MSCI EAFE	2.9%	2.9%	12.0%	0.7%	6.0%	1.0%
MSCI Emerging Markets	5.5%	5.5%	25.4%	1.4%	0.2%	2.5%
Alerian MLP Index	4.9%	4.9%	39.6%	-4.5%	2.8%	8.0%
Bloomberg Barclays US Agg Index	0.2%	0.2%	1.5%	2.6%	2.1%	4.4%
Bloomberg Barclays Muni Bond 5 Year Index	1.0%	1.0%	-0.5%	1.7%	1.8%	3.9%
Bloomberg Barclays US Corp High Yield	1.5%	1.5%	20.8%	4.9%	7.0%	7.5%
Bloomberg Commodity Index	0.1%	0.1%	13.8%	-11.3%	-9.4%	-5.6%
US Dollar Index	-2.6%	-2.6%	-0.1%	7.0%	4.6%	1.6%

HEADLINES

Global equity markets had a strong start to the year, with the MSCI All Country World Index rising 2.7% in USD terms. Leading the drive were non-U.S. markets, with the MSCI Emerging Markets (EM) and MSCI EAFE Indices returning 5.5% and 2.9% in USD terms, respectively. Supporting international equity returns was a weakening U.S. Dollar, which fell 2.6%, as measured by the U.S. Dollar Index. The Dollar's weakness was a turnaround from its recent surge since the U.S. presidential election, and the opposite can be said for the strength in international equity markets. U.S. markets were positive as well, gaining 1.9%.

MLPs surged 4.9%, as the new Trump administration signaled a more friendly regulatory stance towards energy infrastructure. One of President Trump's first executive orders advanced approval of the Keystone XL and Dakota Access pipelines, projects which were essentially sidelined during the previous administration. Also, oil prices stabilizing above \$50 since December of last year has led to improved investor sentiment towards MLPs, after a volatile period the past few years. Stability in oil prices along with a potentially less restrictive environment for new growth projects may lead to stronger cash flow growth and visibility going forward.

After a solid 2016, Closed-End Funds (CEFs) gained another 3.8% in January, as measured by the First Trust Composite CEF Index. Equity CEFs were the best performers, climbing 4.8%, as measured by the First

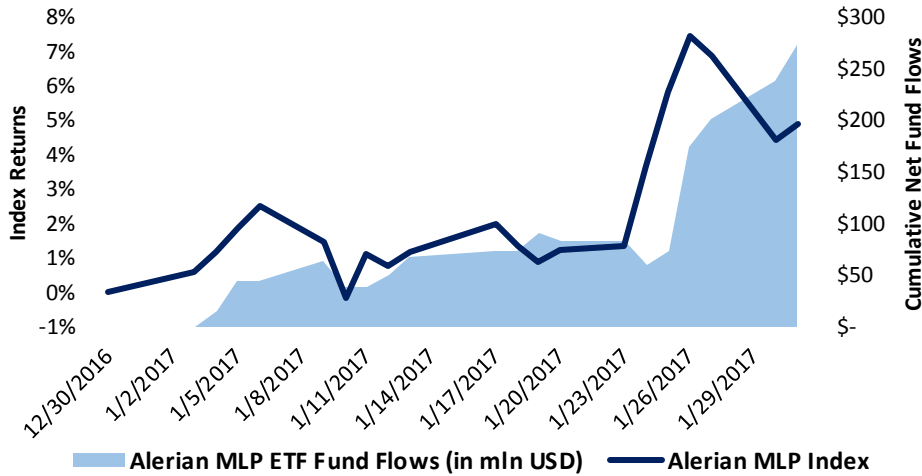
Trust Equity CEF Index. CEFs tend to exhibit a seasonality effect, with investors selling towards the end of the year for tax purposes, and then coming back into the space at the beginning of the new year. Over the past year, discounts have tightened back closer to historical averages after remaining wide for the past few years.

Higher quality fixed income markets were relatively quiet (although Munis posted a solid month following a rough end to 2016), while credit continued to rally. The Bloomberg Barclays U.S. Aggregate Bond and Bloomberg Barclays U.S. Corporate High Yield Bond Indices returned 0.2% and 1.5%, respectively. With economic sentiment remaining positive and commodity prices stabilizing, credit has recovered from a low hit in early February of last year. In higher quality fixed income markets in the U.S., yields remained roughly flat month-over-month, pausing from a spike in yields following the U.S. election and heightened expectations for accelerating inflation and economic growth.

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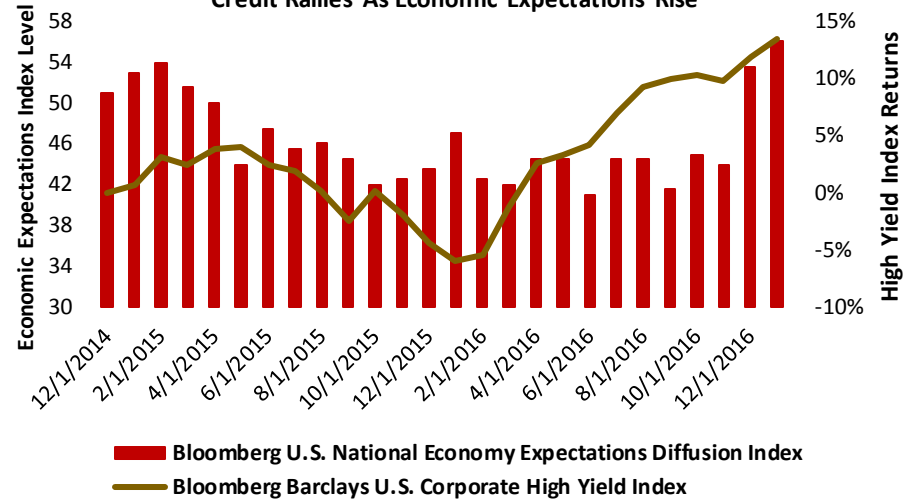


Investors Dip Back Into MLPs As Regulatory Sentiment Improves



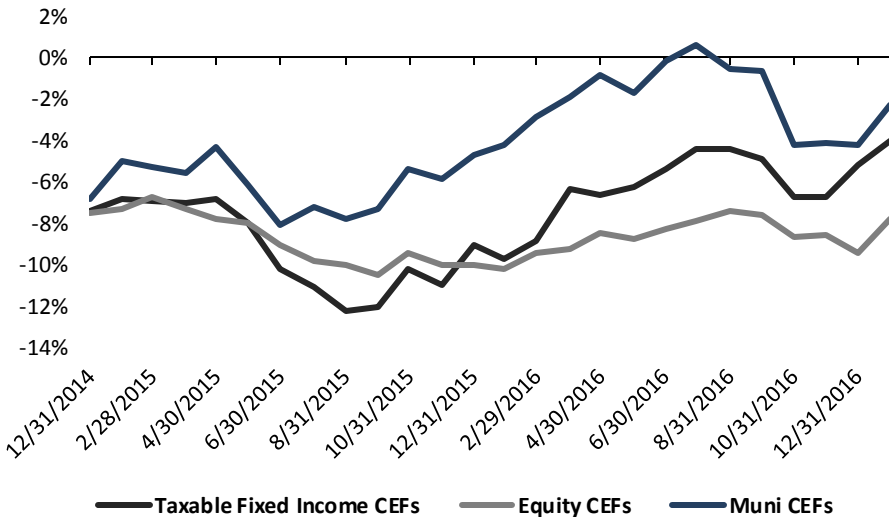
Source: Bloomberg

Credit Rallies As Economic Expectations Rise



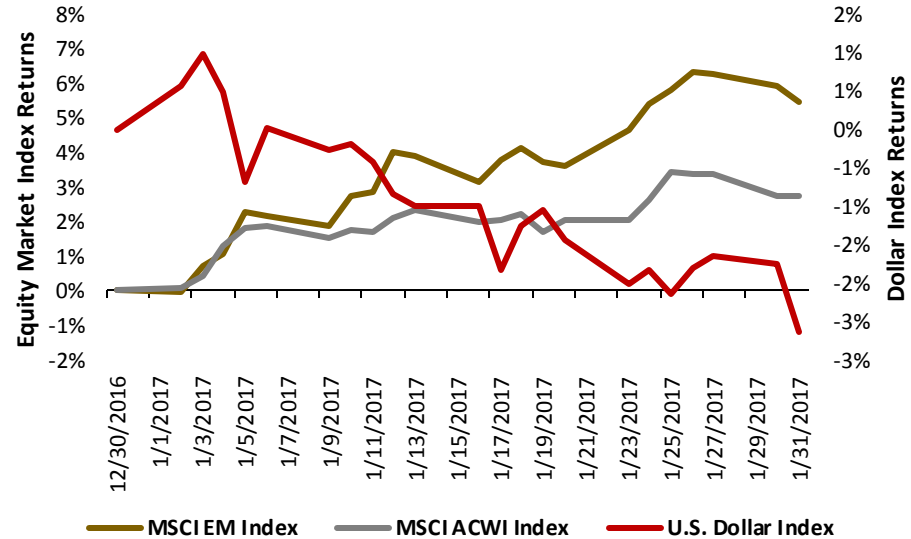
Source: Bloomberg

Closed-End Fund Discounts Narrow



Source: Equal-Weighted Indices Internally Calculated Using the U.S.-Incorporated/Domiciled CEF Universe; Data from Bloomberg

EM Leads World Equity Markets As The Dollar Slides



Source: Bloomberg

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