Global Market Investment Returns — March 31, 2017

		Mar. 2017	Year To Date	One Year	Three Years	Five Years
U.S. Large Cap Equities	S&P 500	0.12%	6.07%	17.17%	10.37%	13.30%
U.S Mid Cap Equities	Russell Midcap	(0.16%)	5.15%	17.03%	8.48%	13.09%
U.S. Small Cap Equities	Russell 2000	0.13%	2.47%	26.22%	7.22%	12.35%
Master Limited Partnerships (MLP)	Alerian MLP	(1.30%)	3.95%	28.32%	(5.17%)	2.64%
International Developed Equities	MSCI EAFE	2.75%	7.25%	11.67%	0.50%	5.83%
Emerging Market equities	MSCI Emerging Markets	2.52%	11.45%	17.22%	1.18%	0.81%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	(0.05%)	0.82%	0.44%	2.68%	2.34%
U.S. Tax-Exempt Fixed Income	Barclay’s Municipal Aggregate	0.22%	1.58%	0.15%	3.55%	3.24%
High Yield Fixed Income	Barclay’s U.S. Corporate High Yield	(0.22%)	2.70%	16.39%	4.56%	6.82%
Floating Rate Fixed Income	S&P/LSTA Leveraged Loan	0.08%	1.15%	9.72%	3.57%	4.58%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	0.30%	2.48%	(3.93%)	(2.68%)	(1.13%)

- A strong first quarter for global equities amid improved U.S. consumer/business survey data and broad-based earnings growth in Europe.
- U.S. equity markets were tepid in March, as investors began to question the new administration’s ability to deliver on its primary objectives.
- In terms of first quarter U.S. equity attribution, large outperformed small-cap and growth outperformed value, but may be getting expensive.
- Midstream MLPs returned nearly 4% during the first quarter, but fell in March alongside a 6.3% decline in crude oil prices ($50.60/barrel).
- International equities ended the quarter on a high note, up 7.3% YTD, as investors reacted favorably to the rejection of anti-euro politicians.
- Emerging market equities have had a good start to the year, up 11% YTD, thanks to a pause in the upward trajectory of the U.S. dollar.
- The Federal Reserve raised the target range for its federal funds by 0.25% in March, from 0.75% to 1.0%; the 10-Year Treasury fell to 2.40%.
- U.S. investment grade taxable and municipal bond indexes gained between 0.8% and 1.6% during the first quarter; yields fell slightly.
- U.S. high yield corporate bonds reported a negative return for only the third time in fifteen months; defaults remain low, yields average 6%.
- Floating rate loans gained in each of the first three month of the year and continue to serve as a buffer against rising rates.
- Global bonds have benefitted from a softening U.S. dollar, having gained 2.5% during the first quarter.

Independence Asset Advisors