OLD DOMINION

CAPITAL MANAGEMENT, INC.

MONTHLY UPDATE AND COMMENTARY
APRIL 2018

Recap: The U.S. economy appeared to be slow earlier this year, after the last three quarters of 2017 featured some of the best growth in a decade. Consumer spending eased, financial markets seemed more volatile and the expected pace of economic growth appeared to slow in the first quarter to near the lackluster 2% rate that had been a hallmark of this long, but unspectacular expansion. Still, tax cuts, which had put more money in consumers' pockets and which had intended to incentivize business investment, could support growth later this year.

Despite the recent slowdown, the fundamentals of the economy have certainly supported continued expansion. The unemployment rate has been at a 17-year low since October. The tight labor market has finally started to drive faster wage growth and wage inflation which turned above 2%, indicating wage gains had outstripped inflation. These dynamics have spoken to the underlying strength of consumer fundamentals, even before income tax cuts fed through.

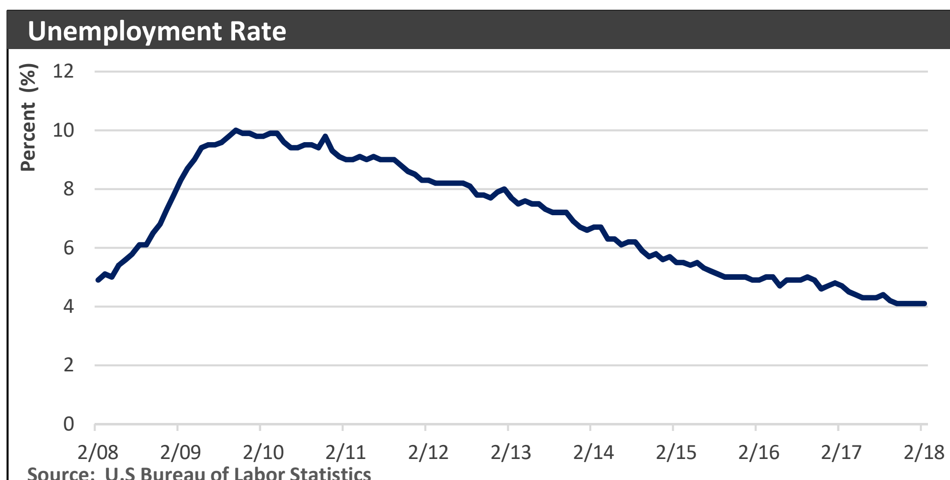
With workers becoming scarce, businesses have ramped up investment. This has been an encouraging sign that stronger productivity growth may be just around the corner. There have been concrete signs that inflation has firmed. In fact, the Federal Reserve's preferred inflation gauge, the core PCE deflator, has run at a 2.1% annualized pace over the past three months. As temporary factors weighing on inflation in 2017 have faded, price growth should accelerate.

The Federal Reserve has a tricky balancing act in weighing how quickly to raise interest rates given the uncertainty about how the economy will respond to tax cuts and spending increases. With a slightly faster pickup in inflation in recent months, interest rate hikes should average at least three per year in 2018 and 2019, respectively.

GDP: The U.S. economy entered 2018 with stronger momentum than earlier thought, though corporate profits weakened at the end of 2017 against a backdrop of significant changes to the tax code. Gross domestic product rose at a 2.9% annual rate in the fourth quarter of 2017, only a little slower than the third quarter's 3.2% growth.

Labor Market: The labor market has remained a bright spot in the economy, as it has for most of the current economic expansion. U.S. employers hired workers at the strongest pace in a year and a half, with the unemployment rate having held at a 17-year low in February, but the pace of wage growth eased.

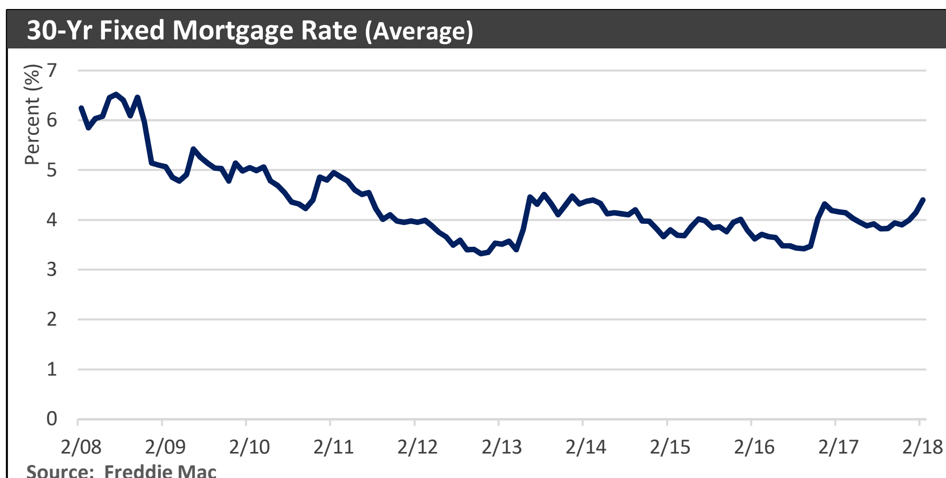
However, for every job opening in America, there has been barely more than one unemployed person available to take it. This could be a sign the labor market will continue to tighten - and that employers will need to attract those who are not actively looking for work if they intend to keep hiring. So far this year, they have kept hiring, adding more than half a million people to payrolls.



It has helped shift the narrative from one where the unemployed were not well-matched for available jobs, to one where there just might not be enough job seekers to meet the demand for labor. Many employers have raised wages, and that has helped those who were out of the workforce, to consider returning. Firms have also offered more training to address skills shortfalls and have been considering a wider population of people than they had in the recent past.

Housing: U.S. mortgage rates have hit their highest level since 2014, a new challenge for a housing market that has been central to the economic recovery but has remained vulnerable to even modest headwinds. If the trend should persist, it

could hamper a sector that represents about 15% of U.S. gross-domestic product. Rising mortgage rates have already crimped refinancing activity and pushed would-be home buyers who were on the margins, out of the market as home prices also have risen.



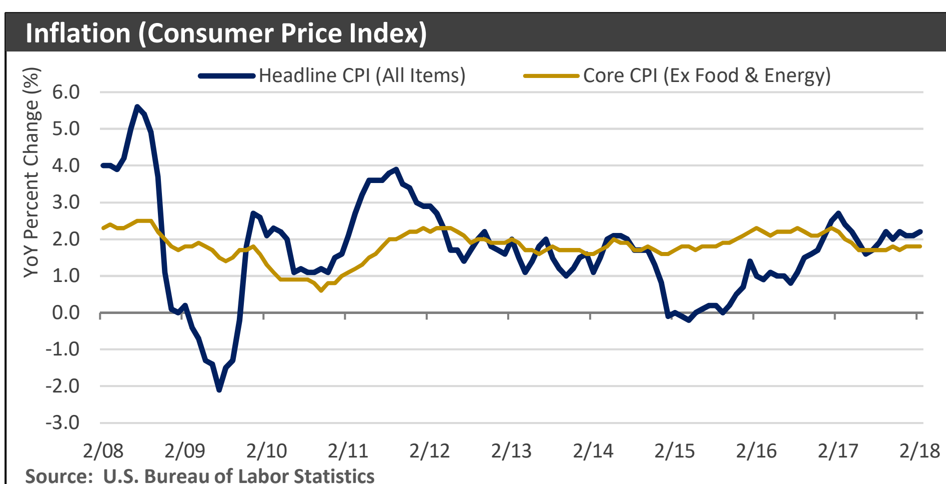
A continued increase in home prices has been a sign of strength for the economy. But in recent months, home sales activity has dropped sharply amid low inventory levels, tax-code changes and buyers' growing weariness from being priced out of the market.

Manufacturing Index: The Institute for Supply Management (ISM) index of manufacturing for February rose 1.7 points to 60.8 – a new cycle high marking the 18th consecutive month that the index has been in expansionary territory. The U.S. manufacturing sector continued to surprise to the upside, as demand for U.S. manufactured goods remained robust. This demand was supported by tax cuts. Capacity pressures, exchange rate volatility, and component shortages have pushed up input prices.

Alongside strong domestic demand came encouraging signs of robust foreign demand. New export orders surged to a cycle-high, and global demand for manufactured goods remained strong in many parts of the world. This bodes well for first quarter global trade volumes and economic activity more broadly.

Non-Manufacturing Index: The ISM's non-manufacturing index fell by 0.4 points to 59.5 in February, after rising by an impressive 3.9 points in the month prior. After a brief lull at the end of 2017, the U.S. nonmanufacturing sector has resumed a healthier level of activity at the start of 2018, with the index largely holding on to last month's gain. Broad strength among a few of the main sub-indicators, particularly business activity and new orders – with the latter reaching a new cyclical peak – along with a broadly positive outlook among survey contacts, has added further credence to this narrative. Current levels of the ISM nonmanufacturing index, alongside the manufacturing index, would suggest that the U.S. economy should grow near 2% (annualized) during the first quarter.

Inflation: U.S. inflation has been at a turning point. As headwinds to price growth have turned to tailwinds, inflation should also turn higher. Core inflation has gained momentum in recent months and inflation expectations have begun to rise—especially market-based measures. A variety of forces should push inflation higher this year; the only question would be how quickly.

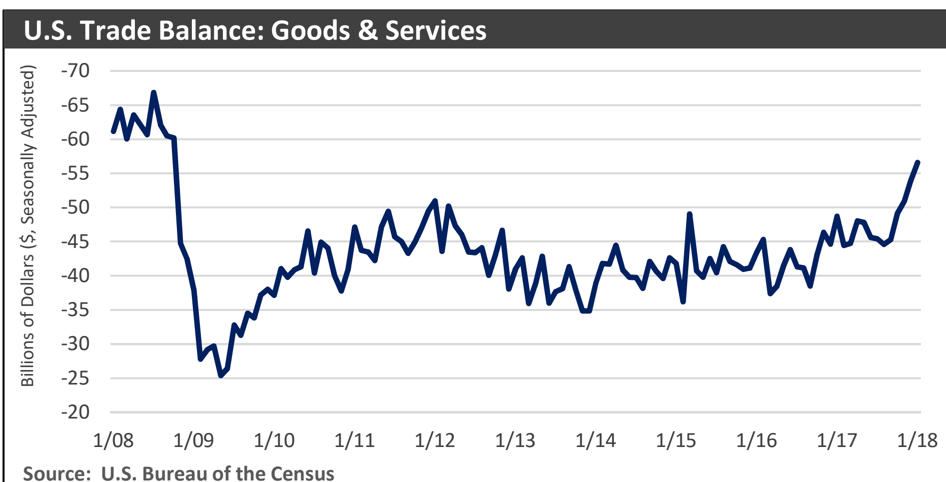


It has been estimated that tightening labor markets will lift inflation by between 0.1 to 0.3 percentage points, with close to half of this coming from the impact of fiscal stimulus. The Trump administration has announced a package of tariffs, likely to add further to inflation over the next two years. All told, these tariffs should raise inflation by 0.1 to 0.2 percentage points annually over the next two years.

Higher inflation rate has a number of important implications for investors and economy watchers. First, it means the Federal Reserve will continue to raise its key lending rate, possibly even above its intended terminal rate to keep inflationary pressures contained. Second, it will counteract some of the fiscal stimulus and enthusiasm around the benefits of tax cuts, particularly on the personal side. Households will face higher interest rates and higher prices, eating into the gains from tax cuts. Third, higher inflation may require a higher risk premium for inflation to be built into longer-term yields, putting pressure on highly-leveraged corporate borrowers and mitigating the salutary effects of lower corporate tax rates on investment.

Federal Reserve: The Federal Reserve raised the upper bound limit of the federal funds rate one quarter of a percentage point to 1.75% in March, in a widely expected move, despite less-than-stellar economic data in Q1. Business fixed investment and household spending moderated from Q4, The Fed's policy statement acknowledged, but an upgrade to labor market conditions encouraged the FOMC. The decision to continue rate hikes amid softer economic data has affirmed the Fed's confidence in this economy's underlying strength and its determination to normalize rates. Looking further ahead, at least three more rate hikes in 2018, followed by three additional increases in 2019 are expected.

Trade Deficit: The U.S. deficit in international trade in goods and services widened to $56.6 billion in January from an upwardly revised figure of $53.9 billion in December. Although the value of overall imports was roughly flat in January relative to the previous month, exports of goods and services fell by $2.7 billion in January. The weakness in exports was due, at least in part, to a decline in aircraft and petroleum exports.



Although some rebound in real exports was expected in February and March, it was evident that export growth in the first quarter was weak and the headwinds on real GDP growth from this sector should continue.

Exports should recover in the coming months due to solid growth in the rest of the world and a weaker dollar. However, imports should also rise amidst strong domestic demand, keeping trade as a drag on real GDP growth.

Tariffs: The Trump administration announced a 25% import tariff on steel and 10% on aluminum. While nothing has been signed yet, should these tariffs be introduced, they will lead to higher input prices for many manufacturing and construction industries which have relied heavily on steel and aluminum imports and ultimately will result in higher prices for U.S. consumers. This will pose an upside risk to the Fed's inflation outlook.

However, trading partners are expected to retaliate, levying tariffs on U.S. exports. Economic studies have shown that the overall costs to the economy from these trade battles should outweigh the job gains in the protected sectors.

The White House followed the announcement of forthcoming steel and aluminum tariffs with a 25% tariff on up to $50 billion in Chinese imports. As expected, China has announced how it would retaliate with tariffs on about $3 billion in U.S. goods. The relatively modest size of the planned retaliation suggested China would be willing to pursue dialogue with the U.S. to address trade disputes about the continuous violation of intellectual property rights of U.S. firms that operate in China. It is not clear when or even if the announced tariffs will come into effect. The U.S. has already walked back the scope of recently announced steel and aluminum tariffs, by exempting more countries, suggesting that this announcement was just an opening shot.

The U.S. does have a leg to stand on, when it comes to China's trade practices. However, even a just war has collateral damage. Many U.S. companies are likely to be hurt if these tariffs come to pass, even if the actions are short-lived.

This localized damage, however, should not deal a body blow to the over $19 trillion U.S. economy, which looks set to grow quite strongly over the next two years. However, as demonstrated by markets in recent weeks, it is the indirect effects of a more adversarial global trade environment and the uncertainty it breeds that could hamper investment and trigger volatility on financial markets.

Euro Zone: Real GDP in the Eurozone grew 2.5% in 2017, the strongest annual growth rate since 2007. There have been some signs that the economic activity in the euro area has decelerated a bit thus far in 2018, but the expansion should generally remain intact.

Although the ECB is expected to "taper" its QE program further later this year, benign inflation means that the ECB is probably in no hurry to tighten policy. Indeed, it is believed that the ECB will refrain from hiking rates until well into 2019. Macroeconomic policy in the Eurozone will remain accommodative at least for now, and bank credit has been accelerating. Some deceleration in Eurozone real GDP this year is expected, but the expansion is likely to generally remain intact.

Global: The global economy has continued its slow-but-steady upward swing in Q1 as economic growth around the world has remained solid. World export volumes and industrial production have strengthened relative to the 2015-2016 period, but the upward momentum began to lose some steam late last year as favorable effects began to fade. After growing 3.2% in 2016 and 3.6% in 2017, real global GDP growth is expected to climb 3.5% this year and next, in line with the long-run average.

The emerging market outlook has been mixed. Economic growth in China was again solid in Q4, rising 6.8% year over year. While the Q4 expansion was likely supported by a resilient consumer sector and improving international trade, a slowdown in investment spending seen over the past several years has presented a downside risk to China's more rapid pace of economic growth. Policymakers are aware of the rising leverage that has accompanied robust growth in investment spending, and gradually unwinding these risks would likely exert headwinds on the economy. Coupled with an aging population, Chinese economic growth is expected to continue to slow in coming years. Other emerging market economies, such as Russia and Brazil have emerged from deep recessions, but recent cyclical strength has masked underlying structural challenges that continue to limit potential growth in these countries.

Outlook and Risks: Healthy momentum and fiscal stimulus should see U.S. growth accelerate to 2.7% in 2018, and 2.9% in 2019, as the boost to government spending ramps up. As the temporary lift from tax cuts and spending fade, growth is expected to moderate to around 2.0% by the end of 2020. With the economy already operating at or near full employment, the fiscal boost is expected to pull forward the path of inflation and monetary tightening.

At 4.1%, the current unemployment rate is likely near its natural rate. Above-trend economic growth over the next two years will likely pressure this figure downward in the near-term. This should lead to higher wages that draw people currently on the sidelines back into the labor market. The tighter labor market and wage pressures should result in a pass-through to consumer inflation. A very modest overshoot of the Federal Reserve's 2.0% target over the next few years is expected.

The global economy, without major problems to hold it back, has been gaining momentum in recent months and quarters. One factor that could derail the global expansion would be protectionist trade measures, which risk an escalation of retaliatory tariffs among major global economies. The recent steel and aluminum tariffs introduced in the United States, while mercifully not as expansive as originally described, could have negative effects for businesses.

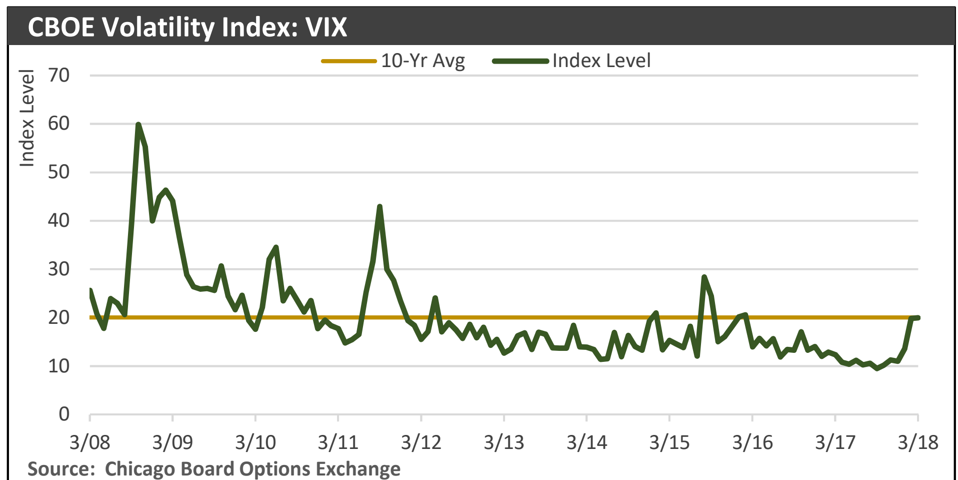
It is not expected that tariffs will start a broad and destructive trade war, at least not at this stage. However, given the trend of nationalist and fringe political parties outperforming in European elections, the risk of escalation cannot be discounted altogether.

Another factor that could prove to create headwinds for global growth would be a swift withdrawal of accommodative monetary policy and the fallout from some geopolitical event. While these risks are always present, the seemingly accelerated pace of major global events, including the planned meeting between North Korea and the United States, would bring these risks into sharp focus.

Those risks aside, one would be hard-pressed to point to a better time for global growth conditions than those that exist at present.

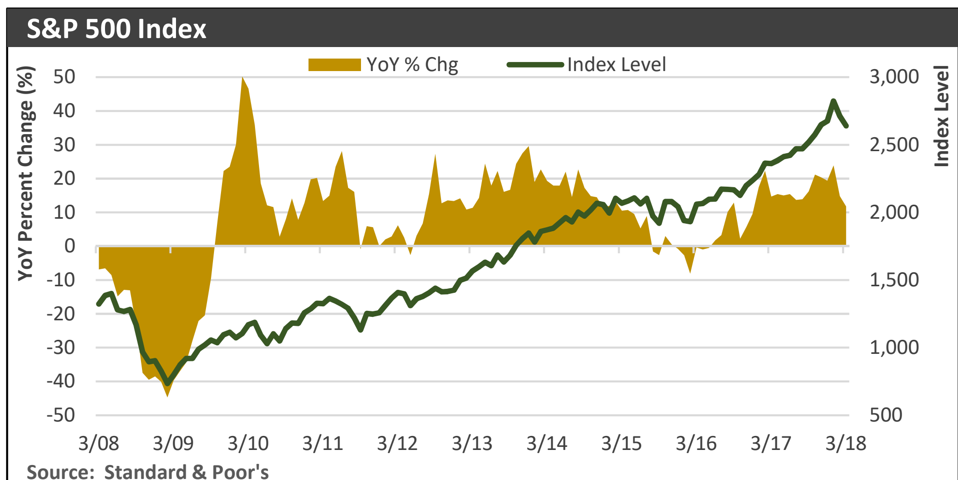
Capital Market Review

Recap: The S&P 500 Index finally saw a return of market volatility back towards more "normal" levels and the Index witnessed a decline of 0.76% to kick off the first quarter of 2018. Despite investor and business confidence remaining high, markets faced pressure around concerns of inflation moving higher, trade tensions, and potential headwinds from higher interest rates. Meanwhile, the Bloomberg Barclays US Aggregate Bond Index declined 1.46% in the first quarter as interest rates ticked higher.



2017 saw some of the lowest volatility on record, with stagnant low levels across the year in the VIX Index. There were only a few short bursts higher that were quickly stomped out by market participants. As 2018 began the stock market saw continued strength, but toward the end of January market participants wrestled with a host of concerns that finally pushed some of them to the sidelines after benefitting from an extended upswing.

Domestic Stocks: The S&P 500 Index finally saw its extended streak of positive monthly total returns come to a close in the first quarter. An improving earnings forecast and benefits from the tax law changes provided some support, and with small declines in markets values many market indexes now trade at price-to-earnings levels that are the same or lower than where they were one year ago. Nonetheless, current values remain above longer-term average levels. According to the Wall Street Journal the S&P 500 Index now trades at less than 17 times forward earnings estimates and about 24.5 times training estimates. Research analysts are looking for overall 2018 S&P 500 operating earnings to climb 24% and come in near $156. Final Q4 2017 earnings results are almost in, coming in near $124.50 with 21% growth over 2016.



Mid and small-cap stocks also faced similar market stress, but did slightly better than their larger brethren to start off the

year. The Russell Mid-Cap Index declined 0.46% in the first quarter. The Russell 2000 Index representing small stocks was almost flat, declining only 0.08%. As a result investors with allocations to these diversifying asset classes did potentially see a marginal benefit from exposures to these areas in the quarter, depending on individual investment results.

Interestingly, Growth stocks remained in favored territory relative to Value stocks. Investors continued to pay up for those companies that could deliver higher levels of earnings growth, although some cracks started to show and selectivity became more pronounced. Many individual names in the S&P 500 Index, for example, faced more pressure than the Index itself which was supported by just a few larger weighted holdings. For the quarter the Russell 1000 Growth Index returned +1.42%, while the Russell 1000 Value Index returned -2.83%. This compares to the corresponding returns of +2.30% for the Russel 2000 Growth Index and -2.64% for the Russell 2000 Value Index.

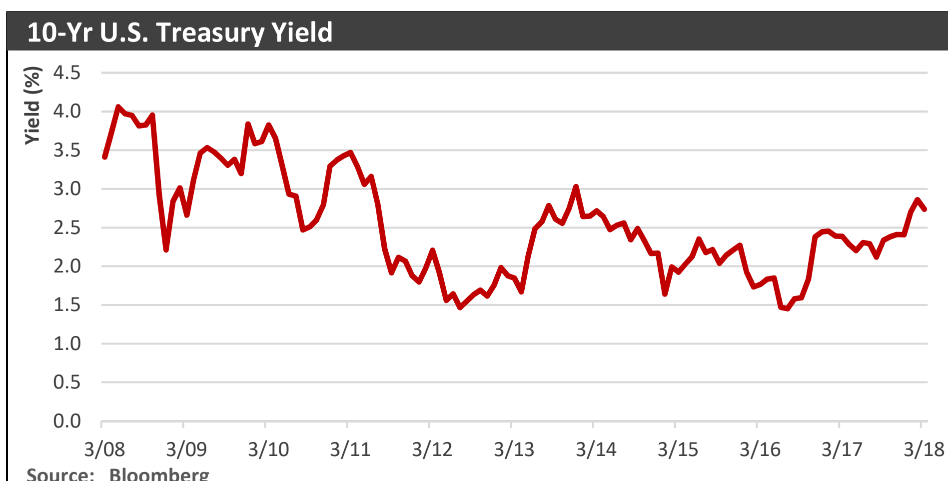
Sector performance for the S&P 500 Index was overwhelmingly negative to start off the year, with nine of eleven sectors landing in negative territory. The growth-oriented Technology and Consumer Discretionary sectors were the only positive areas, returning 3.53% and 3.09%, respectively. The dividend heavy Consumer Staples and Telecom sectors each declined over 7% as investors shunned areas considered to be “bond proxies” that were likely to suffer further if interest rates continued to move higher as expected. Energy, Materials, and Real Estate stocks each declined over 5% for the quarter.

Foreign Stocks: Developed equity markets outside the U.S. also struggled to start of 2018, after outpacing domestic stocks in 2017. The MSCI EAFE returned -1.53% for the quarter while the MSCI ACWI ex USA Index (that has greater emerging markets exposure) was down 1.18%. Many developed foreign declined by larger amounts in local currencies, however U.S. dollar weakness benefited returns to American investors.

Emerging Markets stocks were one of the few areas showing positive returns for the quarter (also benefiting from a weak U.S. dollar). Performance results saw some support from investor flows into the asset class following outsized returns in 2017. The MSCI Emerging Markets Index posted a return of 1.42% for the quarter.

Bonds: The US 10-Year Treasury closed the quarter with a 2.74% yield, up sharply from the 2.40% level where it ended 2017. In late February and early March the yield had settled in near 2.9% and looked like it might make a run to cross over 3%. But late quarter weakness in stock markets led the rate to decline somewhat as investors sought the safety of Treasury securities. Similar 10-Year notes for Germany and Japan posted yields near 0.5% and 0.04%, respectively (compared to about 0.4% in Germany and 0.05% in Japan at the end of 2017). The Bloomberg Barclays U.S. Aggregate Index declined 1.46% during the quarter, while the Bloomberg Barclays Global Aggregate ex U.S. rose 1.36%. The larger return from international bonds was primarily driven by a weaker U.S. dollar for the period.

The high yield corporate bond market that had been a refuge for bond investors also slipped a bit in the quarter. The space had seen regular support as there were few other areas where investors could obtain higher interest rates for higher incremental income. Improving economic signals, stronger corporate balance sheets, and low default rates continue to be supportive, although inflation fears, trade policy concerns, and growing fiscal deficits mounted on the opposite side of the ledger. For the quarter the Bloomberg Barclays High Yield Corporate Index was down 0.86%.



Non-Traditional Investments: Commodity-related investments returns did not move materially higher on average. OPEC

saw some success as it continued its efforts to curtail member production to support oil prices (although production in the continental United States moved higher). WTI ended the quarter near $65, up from $60 per barrel at the end of 2017. Meanwhile U.S. natural gas started the year near $3 and reached a peak of $3.66 toward the end of January, only to decline sharply in subsequent weeks and close the quarter near $2.66. Lower natural gas prices and changes to FERC rate policies disrupted interest in MLP investments and the Alerian MLP Index declined 11.12% for the quarter.

Real estate investments also saw periods of volatility over the quarter as investors wrestled with moves in interest rates and the perception that rates would continue to move higher over time. Rising interest rate environments are generally viewed negatively by real estate investors that fear negative impacts to property values. However, often times these fears prove short-lived, particularly in markets with positive fundamentals and rental rates adjusting higher. Real estate investment returns in the first quarter of 2018 saw a fair amount of variance depending on the particular focus of the strategy or index. In the first quarter of 2018 the FTSE NAREIT Equity REIT Index returned 1.16%.

Outlook: The recent changes to corporate tax policies have added to expected corporate earnings growth in the coming year as analysts increased their 2018 forecast for the S&P 500 Index by $11 since last quarter (Earnings are now expected to come in near $156 for 2018, from about $145 as the year began). As a result, market valuations have declined a bit. Market weakness also relieved some pressure on valuation levels. There is no question that valuation levels remain stretched above longer-term averages, and this in and of itself provides reasoning to err on the side of caution from getting excessively bullish. On the other hand, interest rate levels remain low by historical standards, respectable earnings growth expectations, and anticipated strength and recovery in global economies remain supportive of equity markets.

As interest rates move higher fixed income investments could face sizable headwinds, although there certainly will be periods of stability. Based on recent economic and market trends and forgoing a significant change to current inflation trends, the Federal Reserve has forecasted 3 interest rate hikes in 2018, one of which occurred at the March meeting. Market expectations seem to be aligned with this Fed forecast at the moment with additional 25 basis point hikes at the June and September meetings. However, should the current economic and inflationary trends strengthen, there is increased likelihood of a fourth 25 basis point hike at the December meeting as well.

As strategic investors we prefer to focus on maintaining a disciplined long-term positive perspective on capital markets. While short-term market disruptions are inevitable, no attempts are made to make substantial portfolio adjustments as markets ebb and flow. Our preference is to make meaningful and purposeful allocations to client portfolios, and adjust them occasionally as needs arise. At the same time, we are mindful of the many potential risks that could impact positive outcomes over shorter periods. While coming up with an exhaustive list of potential culprits that could upset markets in 2018 is inherently faulty, we do make an attempt based on our reviews of the markets and economic environment. The list of potential risks to 2018 results could include (in no particular order): changes in leadership at the Federal Reserve that materially change current outlooks and communications to market participants, relatively high domestic stock market valuations, continued polarization in Washington and the unwillingness to “cross the aisle” in order to effect meaningful beneficial policy reforms, the second year of a presidency struggling to exert influence and any associated upheavals in both domestic and foreign policies, potential impacts from the removal of global economic stimulus and rising interest rates, and inevitably the persistent threats from geopolitics, terrorism, and other “black swan” events.

Index Performance as of 3/31/18

	1 Week	1 Month	QTD	3 Month	YTD	1 Year	3 Year	5 Year
Russell								
3000 Value	-0.04	-4.79	-1.30	-0.03	-1.30	7.39	8.02	11.93
3000	0.29	-3.69	1.39	2.40	1.39	16.22	10.59	14.37
3000 Growth	0.60	-2.64	4.02	4.77	4.02	25.52	13.15	16.78
1000 Value	0.10	-4.78	-1.09	0.35	-1.09	7.75	8.02	12.05
1000	0.41	-3.67	1.62	2.75	1.62	16.70	10.77	14.56
1000 Growth	0.70	-2.62	4.27	5.09	4.27	26.11	13.51	17.04
Mid Cap Value	-0.65	-4.93	-2.74	-1.54	-2.74	5.47	7.07	12.03
Mid Cap	-0.36	-4.13	-0.52	0.40	-0.52	11.95	8.00	13.01
Mid Cap Growth	0.00	-3.14	2.34	2.89	2.34	20.60	9.33	14.24
2000 Value	-1.88	-5.00	-3.83	-4.75	-3.83	2.96	8.02	10.59
2000	-1.23	-3.87	-1.36	-1.76	-1.36	10.51	8.54	12.19
2000 Growth	-0.65	-2.85	0.94	1.06	0.94	18.44	8.92	13.72
Standard & Poors								
S&P 500	0.51	-3.69	1.83	2.96	1.83	17.10	11.14	14.74
Consumer Disc	-0.29	-3.46	5.55	8.10	5.55	22.15	12.90	17.34
Consumer Staples	-0.50	-7.76	-6.30	-4.22	-6.30	-0.32	5.03	9.86
Energy	0.26	-10.82	-7.42	-2.90	-7.42	-2.80	-2.40	-0.35
Financials	-0.05	-2.78	3.51	5.54	3.51	19.94	15.77	17.37
Health Care	0.04	-4.45	1.90	1.25	1.90	14.31	7.01	16.08
Industrials	0.16	-3.95	1.15	3.07	1.15	16.28	11.69	15.14
Information Technology	2.19	0.10	7.73	7.74	7.73	36.26	20.14	22.22
Materials	-0.56	-5.26	-1.33	0.58	-1.33	15.98	7.21	11.39
Real Estate	1.05	-6.71	-8.47	-8.94	-8.47	-3.02	2.20	6.97
Telecom Services	-0.27	-7.06	-6.55	-1.15	-6.55	-5.01	3.79	5.02
Utilities	0.50	-3.86	-6.81	-12.53	-6.81	-1.99	6.45	9.50
Other U.S. Equity								
Dow Jones Industrial Avg.	1.02	-3.96	1.69	3.64	1.69	23.10	14.16	15.02
Wilshire 5000 (Full Cap)	0.26	-3.75	1.41	2.56	1.41	16.21	10.40	14.19
International Equity - Broad Market								
MSCI EAFE	-0.43	-4.51	0.28	1.89	0.28	20.13	5.65	7.06
MSCI EM	-1.16	-4.61	3.34	7.05	3.34	30.51	8.97	5.02
MSCI Frontier Markets	0.26	-1.49	4.16	7.41	4.16	29.23	6.90	8.59
MSCI ACWI	-0.11	-4.20	1.20	2.84	1.20	18.79	8.33	10.08
MSCI ACWI Ex USA	-0.69	-4.72	0.59	2.84	0.59	21.63	6.24	6.31
MSCI AC Asia Ex Japan	-0.76	-4.98	2.21	4.97	2.21	31.93	9.92	8.10
International Equity - Country Region								
MSCI Brazil	-0.66	-2.01	14.48	19.74	14.48	22.95	12.91	-0.08
MSCI BRIC	-1.54	-5.30	5.56	8.59	5.56	36.36	11.20	6.41
MSCI China	-2.34	-6.40	5.28	7.30	5.28	46.71	12.63	11.03
MSCI Europe	-1.26	-5.88	-0.79	0.70	-0.79	20.54	4.27	6.59
MSCI India	0.19	-6.70	-3.49	1.22	-3.49	21.17	4.06	8.69
MSCI Japan	1.22	-1.51	3.01	3.73	3.01	21.77	9.69	10.44
MSCI EM Latin America	-1.52	-3.61	9.07	13.91	9.07	21.10	7.65	-1.68
MSCI Russia	-0.52	0.93	13.62	16.86	13.62	27.99	16.53	0.80

Index Performance as of 3/31/18

	1 Week	1 Month	QTD	3 Month	YTD	1 Year	3 Year	5 Year
Fixed Income								
Barclays U.S. Aggregate	0.37	-0.95	-2.09	-1.64	-2.09	0.51	1.14	1.71
ICE BofAML US 3M Trsy Bill	0.03	0.09	0.21	0.33	0.21	0.99	0.48	0.31
Barclays U.S. Gov't	0.43	-0.74	-2.06	-1.76	-2.06	-0.52	0.37	0.91
Barclays U.S. Credit	0.39	-1.51	-2.43	-1.65	-2.43	2.12	2.17	2.77
Barclays High Yield Corp.	0.11	-0.85	-0.26	0.05	-0.26	4.18	5.19	5.34
Barclays Municipal	0.06	-0.30	-1.47	-0.44	-1.47	2.50	2.22	2.57
Barclays TIPS	0.55	-0.97	-1.82	-0.92	-1.82	-0.18	0.79	-0.11
Barclays Gbl Agg Ex USD	-0.17	-0.85	2.16	2.44	2.16	10.50	3.40	0.85
Barclays Global Aggregate	0.06	-0.89	0.29	0.64	0.29	6.01	2.45	1.23
JPM EMBI Global Div	0.37	-1.99	-2.03	-1.31	-2.03	4.39	5.75	4.50
Alternative Investments								
Alerian MLP	-3.03	-9.69	-4.49	0.04	-4.49	-15.22	-10.39	-3.48
Bloomberg Commodity	-0.12	-1.73	0.22	3.21	0.22	1.58	-4.69	-8.08
FTSE NAREIT Equity REIT	0.59	-7.71	-11.57	-11.76	-11.57	-10.12	0.39	5.76
S&P Global Natural Res.	-0.40	-5.08	-0.11	5.60	-0.11	18.93	5.73	2.42
S&P N. Amer Natural Res.	-0.74	-9.83	-7.71	-2.46	-7.71	-2.99	-2.89	-1.45

Sources: Department of Commerce, Department of Labor, Morningstar, Bloomberg, Institute for Supply Management, Eurostat, National Bureau of Statistics of China.

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