

		<u>Aug. 2018</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	3.26%	9.94%	19.66%	16.11%	14.52%	10.86%
U.S Mid Cap Equities	Russell Midcap	3.11%	8.15%	17.89%	13.37%	12.80%	10.92%
U.S. Small Cap Equities	Russell 2000	4.31%	14.26%	25.45%	16.11%	13.00%	10.46%
Master Limited Partnerships (MLP)	Alerian MLP	1.58%	7.58%	7.30%	-0.67%	-1.97%	7.32%
Global Equities	MSCI All Country World Index	0.79%	3.38%	11.41%	11.85%	9.67%	6.71%
International Developed Equities	MSCI EAFE	-1.93%	-2.28%	4.39%	7.04%	5.73%	3.66%
Emerging Market Equities	MSCI Emerging Markets	-2.70%	-7.18%	-0.68%	11.42%	5.04%	3.45%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.64%	-0.96%	-1.05%	1.76%	2.49%	3.70%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.26%	0.25%	0.49%	2.71%	4.12%	4.32%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	0.74%	2.00%	3.40%	7.00%	5.63%	8.50%
Floating Rate Fixed Income	S&P/LSTA Leveraged Loan	0.40%	3.32%	4.88%	4.85%	4.04%	5.40%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	-0.31%	-1.98%	-1.64%	2.92%	0.44%	2.01%

- Global equity markets diverged in August as excellent second quarter GDP growth propelled U.S. markets higher, while a deterioration of trade discussions between the U.S. and China and Turkey resulted in a broad sell-off of risk assets.
- The S&P 500 extended its decade-long growth trend in August, gaining 3.3%, which solidified the record for longest-running bull market.
- Smaller capitalization U.S. equity markets performed even better, with the Small Business Optimism Index (NFIB) reaching a 35-year high.
- Master limited partnerships performed well despite the reintroduction of U.S. sanctions against Iran; the Alerian MLP Index yields 7.6%.
- Foreign equity markets were broadly negative in August, with international developed and emerging markets equities falling 1.9% and 2.7%, respectively. Unlike the U.S., which benefitted from strong macro data and the absence of inflation concerns, foreign markets bore the full brunt of various headwinds and geopolitical tensions that dragged most global indexes lower.
- Amid the broad global risk asset sell-off, the search for “safe-haven” investments resulted in higher U.S. treasury prices and lower yields.
- U.S. investment grade taxable and municipal bonds were up in August, with minimal activity and a good balance of supply and demand.
- High yield bonds and floating rate loans performed well and remain a good option for investors looking to offset negative price return amid rising rates; while the Fed held rates steady in August, consensus guidance supports further tightening at 0.25% per quarter.
- Foreign bond markets declined 0.3% in August amid the broad equity market sell-off.



- The Canadian dollar weakened 0.4% against the U.S. dollar in August; year-to-date the currency has weakened 3.8%.
- The monthly currency volatility is directly attributable to NAFTA discussions, which saw the U.S. make some headway with Mexico while Canada was seemingly excluded from negotiations.
- Trade discussions between the U.S. and Canada are set to renew this week, and most investors are anticipating a deal can still be made.
- The Canadian economic outlook is favorable according to National Bank of Canada, which states “A strong performance in the second quarter leaves Canada’s economy with little to no slack. With the housing market having seemingly shaken off the effects of tighter macro prudential measures, the Bank of Canada can now more confidently tackle mounting inflation pressures with tighter monetary policy. We continue to expect real GDP to grow 2% this year, although our call for 1.9% growth in 2019 assumes Canada can avoid tariffs by striking a new trade deal with the U.S.”

Date Range	CAD/USD	+/-
August 2018	0.768-0.765	-0.4%
1H 2018	0.795-0.761	-4.3%
YTD 2018	0.795-0.765	-3.8%

	CAD/USD	+/-
High	1.31601	1.33298
Low	1.29046	1.29046
Average	1.30438	1.30989
Volatility	0.37%	0.36%

