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ECONOMY: US GDP Slows

Q1 GDP WEAKER THAN EXPECTED
According to the 'advanced' estimate, the U.S. economy expanded just 0.7% in Q1. This was below market expectations and the slowest growth since the first quarter of 2014. Despite rising consumer confidence since the election, consumer spending was soft in part due to weak auto sales and lower home-heating bills. Residential and business investment partially offset the decline in consumer spending.

EMPLOYMENT REBOUNDS
The Bureau of Labor Statistics reported that the U.S. economy added 211,000 jobs in April, more than double March's total of 98,000. The unemployment rate inched lower to 4.4%, the lowest since the summer of 2007, before the start of the Great Recession.

GOVERNMENT FUNDED….FOR NOW
Legislators agreed to a budget deal that funds the government through the end of fiscal year 2017, which ends September 30. The agreement avoided any controversial policy proposals that had the potential to derail the bill. Deep cuts to nondefense discretionary spending were avoided, and no funds were appropriated for a border wall. Defense spending received a $15 billion boost, although this was a smaller increase than what the White House had requested.

CONFIDENCE DECLINES, BUT STILL HIGH
The Conference Board ***Consumer Confidence Index***®, which had increased in March, declined slightly in April. The Index now stands at 120.3 (1985=100), down from 124.9 in March. *"Consumer confidence declined in April after increasing sharply over the past two months, but still remains at strong levels. Consumers assessed current business conditions and, to a lesser extent, the labor market less favorably than in March. Looking ahead, consumers were somewhat less optimistic about the short-term outlook for business conditions, employment and income prospects. Despite April's decline, consumers remain confident that the economy will continue to expand in the months ahead."*

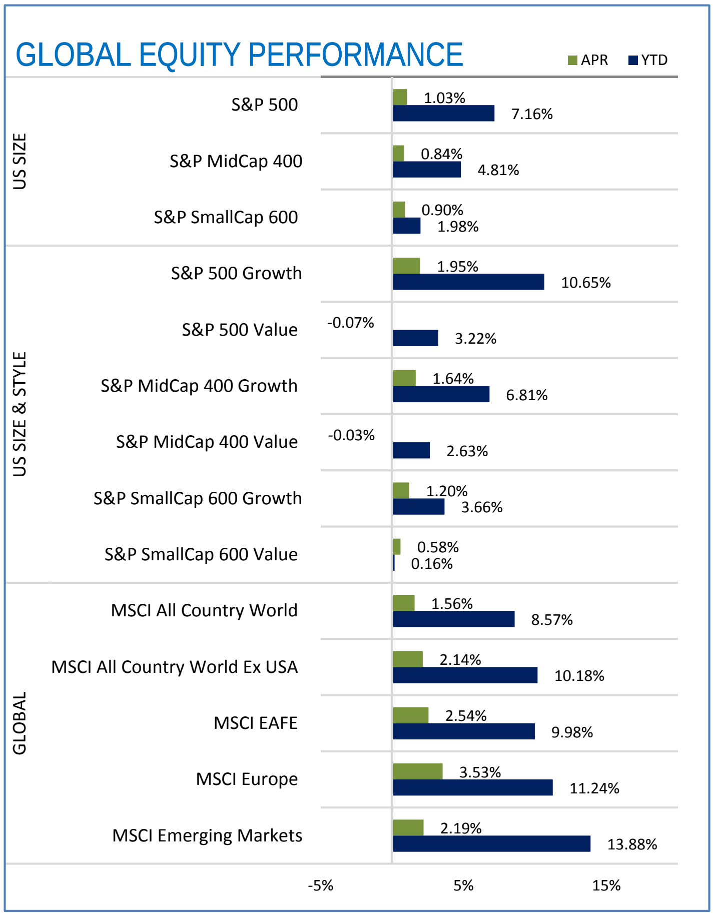
MACRON WINS FRENCH ELECTION
The first round results of France's presidential election sparked a global relief rally after centrist candidate Emmanuel Macron came in first, ahead of far-right leader Marine Le Pen. Macron ultimately won the election. This will hopefully stabilize the European political system, as Le Pen has been a critic of both the single currency system and the European Union.

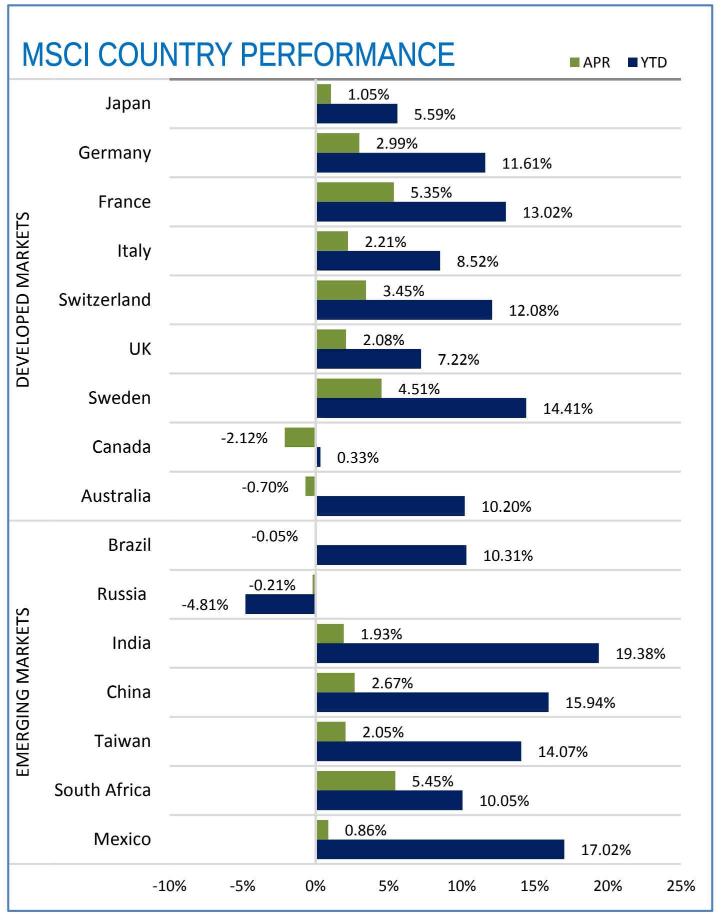
ECB MAINTAINS POLICY
The European Central Bank (ECB) kept interest rates unchanged in April and maintained its quantitative-easing program. However, continued economic growth and increases in inflation continue to intensify the monetary policy debate and have many questioning if the ECB will continue a program it has pledged to keep in place until the end of the year.

STRONG DATA FROM EUROZONE
The Eurozone composite Purchasing Managers Index, a private sector activity survey, accelerated to its fastest pace in six years. The economic confidence indicator, measured by the European commission, reached the highest level since the Global Financial Crisis in 2007. Lastly, Eurozone GDP expanded at 1.8% in Q1, in line with consensus expectations.

IMF REVISES GROWTH ESTIMATES UPWARD
The International Monetary Fund (IMF) slightly raised its economic forecasts for global growth this year. The organization slightly increased the projections for 2017 and 2018 relative to its forecast in October 2016. They now forecast 2017 and 2018 growth at 3.4% and 3.6% respectively. The IMF projects that advanced economies will grow 1.9% in 2017 and 2.0% in 2018, while emerging markets and developing economies will grow 4.5% in 2017 and 4.8% in 2018. The IMF estimated that the global economy grew 3.1% in 2016, the weakest since 2008-2009, due to a challenging first half of the year.

GLOBAL EQUITIES: Markets Continue Upward Momentum





Earnings Push S&P 500 Higher

U.S. equity markets kicked off April on a more volatile note, with the S&P 500 index experiencing its biggest one-day reversal in 14 months on April 5th. This was primarily attributed to the release of the Federal Reserve's March meeting minutes that revealed its intention to start unwinding its sizable $4.5 trillion balance sheet later this year. Despite this, better than expected earnings reports pushed the S&P 500 Index up 1.03% by month's end.

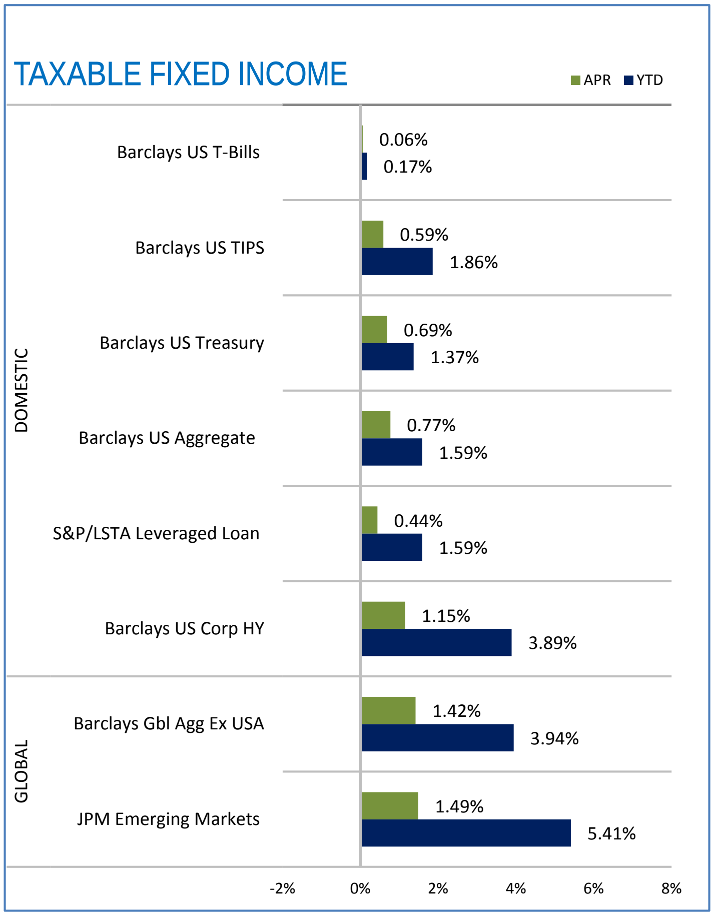
French Election Sparks Europe

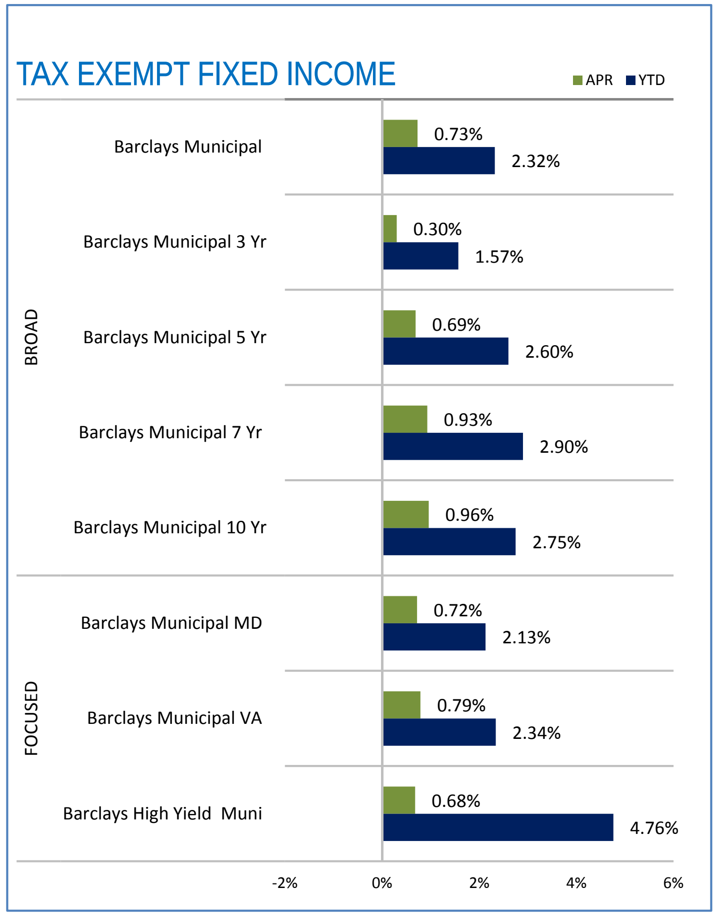
European equity markets surged again, as the MSCI Europe Index rose 3.53% in April. Much of the rally centered around the French elections. The result on the first ballot in late April was positively welcomed by investors given expectations of pro-Europe candidate Emmanuel Macron winning the election. His commitment to the European Union should be supportive to the continued economic recovery, as well as a reduction in political risk in the region.

Emerging Over Developed Again

Emerging equity markets edged past their developed market counterparts for the fourth consecutive month. Among the emerging market regions, EMEA (Europe, Middle East & Africa) performed the strongest, led by Poland, Greece and Turkey. Equity markets in emerging Asia also advanced higher, with all countries except Thailand posting positive returns. Overall, the MSCI Emerging Markets Index closed up 2.19% in April for a gain of 13.88% YTD.

FIXED INCOME: Global Yields Fall



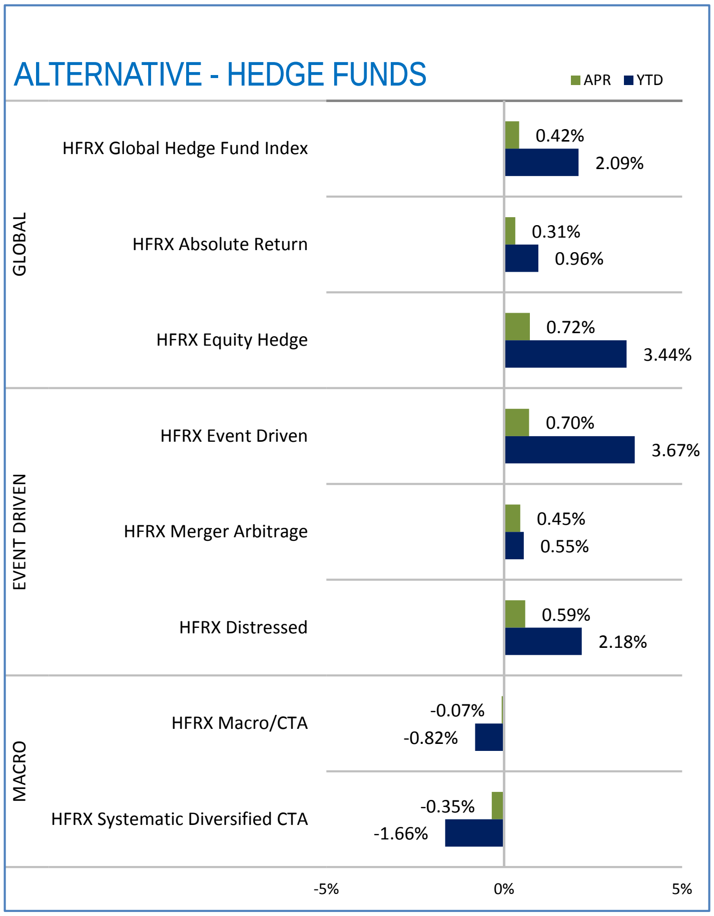


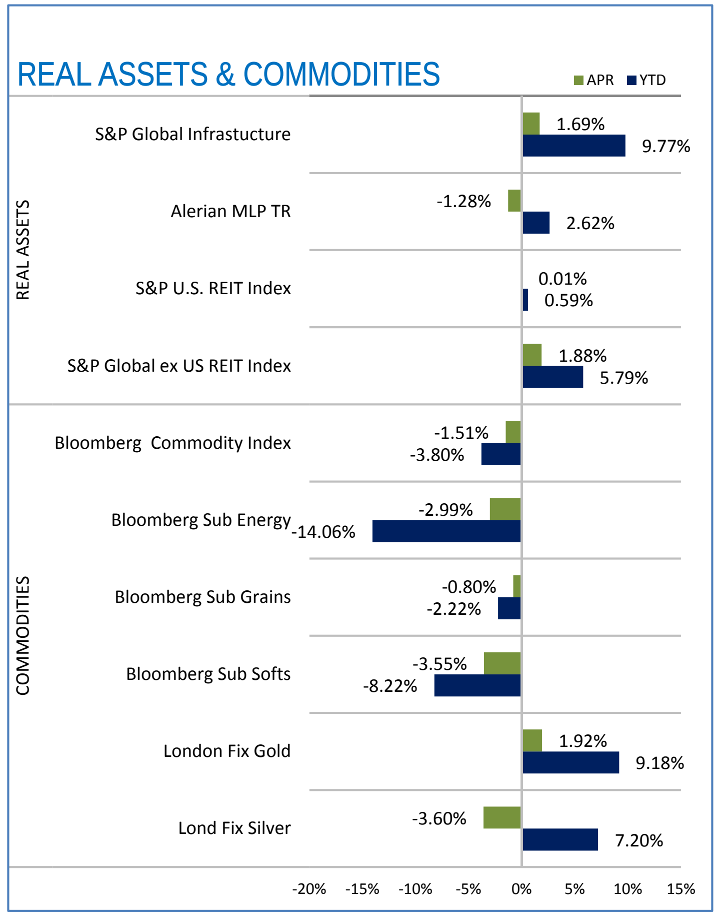
FALLING YIELDS BENEFIT BONDS
Most developed market yields fell in April as investors sought to reduce risk prior to the French elections. The 10-year U.S. Treasury yield fell below 2.20% for the first time since November, while the 10-year German Bund fell to a low of 0.16% before recovering by month's end. The Barclays U.S. Aggregate Bond Index closed the month up 0.77%.

MUNI'S: TAX REFORM & PUERTO RICO
Below-average new issue supply and positive flows into municipal bond funds supported pushed the Barclays Municipal Bond Index up 0.73% for April. While the White House unveiled a tax reform plan, it lacked details, specifically any that would negatively impact municipal bond investors. At the end of the month, creditors rejected Puerto Rico's first official debt restructuring offer, moving the island closer to filing bankruptcy.

CREDIT RISK REWARDED
High yield bond yields declined through the month, approaching the multi-year low set in early March, following a positive response to the French election outcome and strong corporate earnings. The Barclays U.S. High Yield Corporate Index rose 1.15% for April. Similarly, investors focused on the improving fundamentals within the emerging markets debt complex and investments continued to flow into the asset class. The JPM Emerging Markets Bond Index rose 1.49% in April.

ALTERNATIVES: Hedge Fund Inflows On The Rise





Investors Again Embracing Hedge Funds?

After fleeing hedge funds in 2016, investors are beginning to find their way back. According to industry tracker eVestment, March 2017 saw money come back at the fastest pace since August 2015 — a 20-month span that saw fund managers adjust fees and make other concessions as clients fled. Following a dismal 2016 that saw $106 billion in outflows, hedge funds gained $21.9 billion in inflows in Q1 2017.

REIT Performance Sector Driven

REIT returns ended flat in April as investor uncertainty late in the month diminished earlier gains. The S&P U.S. REIT Index closed up 0.01% in April, after being up by nearly 4% by mid month. There were some large disparities between real estate sectors in April, as industrial, residential and infrastructure REITs generated strong returns, while the retail and self storage sectors suffered large monthly declines.