

# Market Update

Stoker Ostler

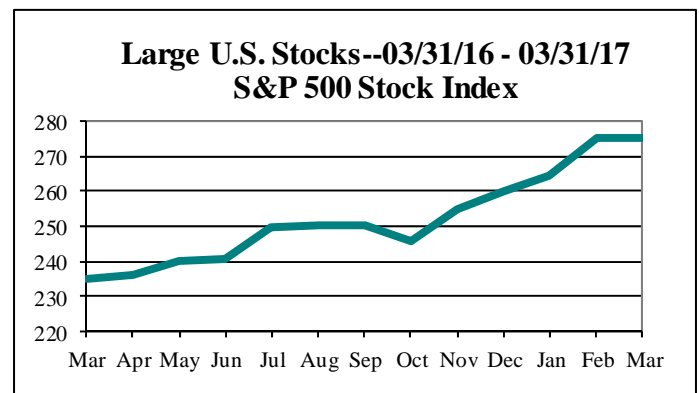
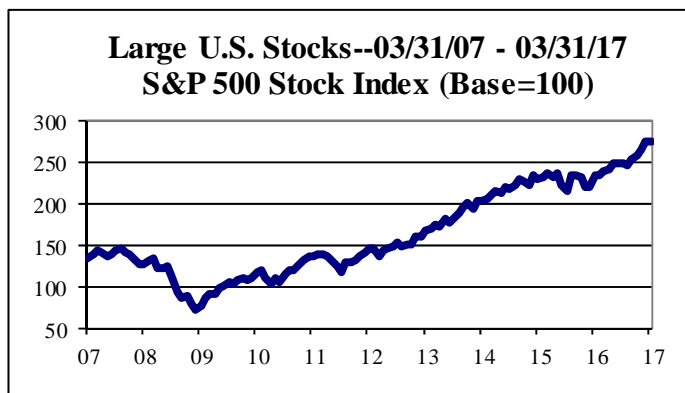
BMO  A part of BMO Financial Group

March 2017

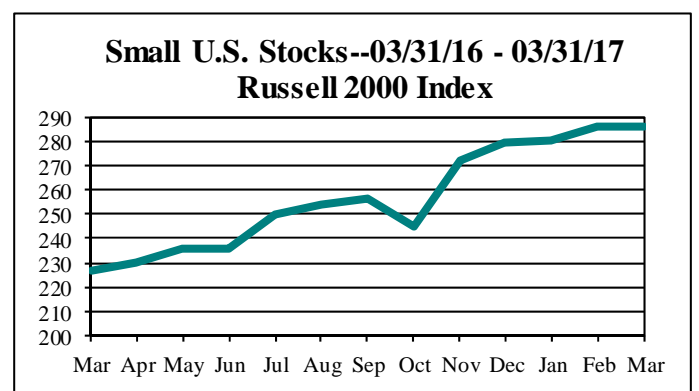
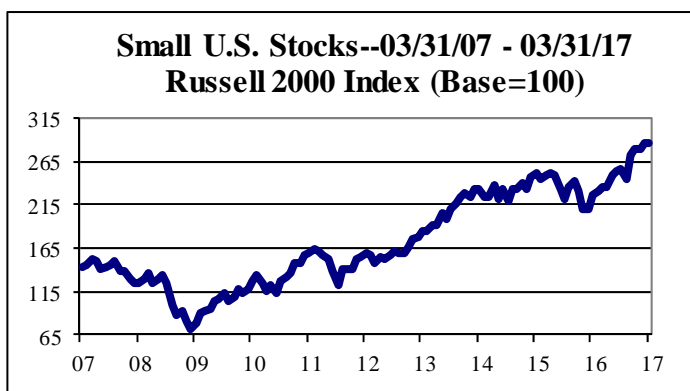
## U.S. Markets

U.S. stocks continued their steady climb during the first quarter of 2017. The S&P 500 Index finished the quarter up 6.1%, buoyed by strong performance across most market sectors. After strong increases during the final quarter of last year, U.S. small-cap stocks slowed, with the Russell 2000 Index finishing the quarter up just 2.5%. Oil prices slipped, however, as crude oil surpluses increased, particularly in the U.S. Oil finished the quarter at \$50.60, down 5.8% from the previous quarter's close. Gold rallied during the quarter, finishing at \$1,247 per troy ounce, up 8.5% since its close at the end of last year.

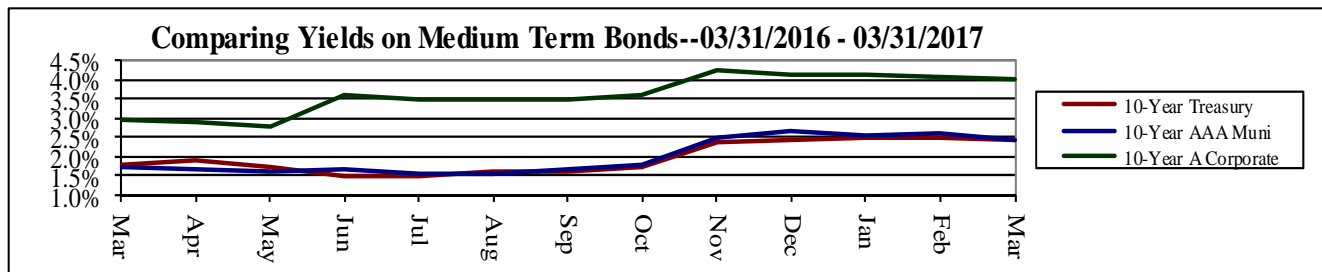
Economic conditions continued to improve throughout the quarter with U.S. consumer confidence at the highest levels seen since 2000. Jobless claims fell to their lowest level in over 40 years, pushing the unemployment rate down to 4.5%. Inflation also began to increase – a positive sign for future economic growth. Partly due to the improving economy, the Federal Reserve increased the federal funds rate to 0.75%. The Federal Reserve also signaled their intent to continue increasing interest rates this year. Despite rising rates, bonds posted positive returns this quarter, with the Barclays U.S. Aggregate Index rising 0.8%.



Thru 03/31/17	Year to Date	1 Year	5 Years	10 Years
S&P 500	+6.1%	+17.2%	+13.3%	+7.5%



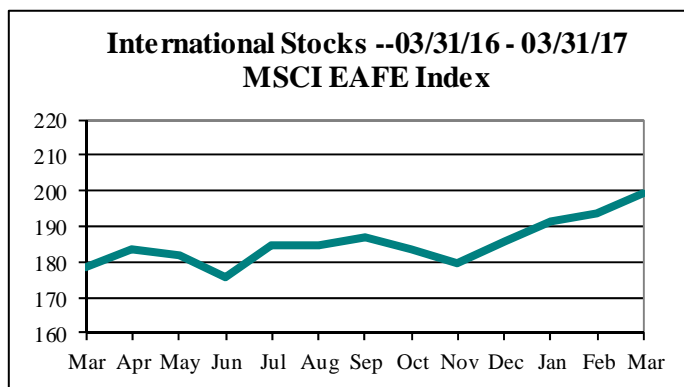
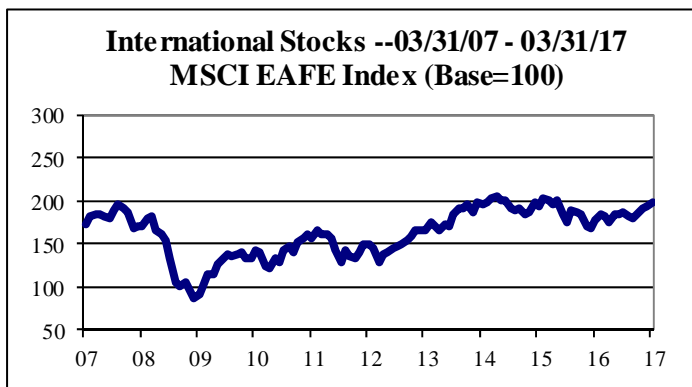
Thru 03/31/17	Year to Date	1 Year	5 Years	10 Years
Russell 2000	+2.5%	+21.3%	+12.3%	+7.1%



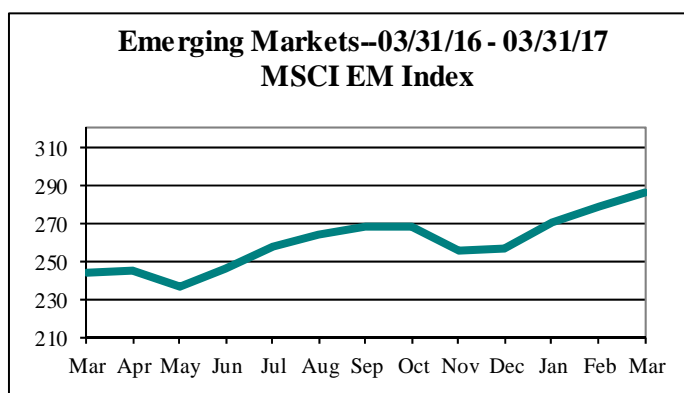
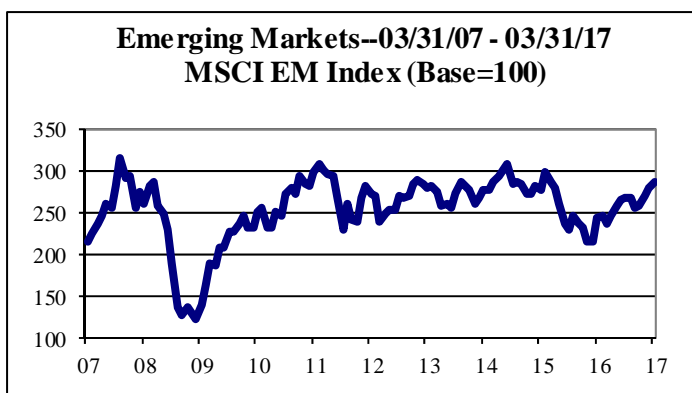
## International Markets

International stocks enjoyed even stronger gains than domestic stocks this past quarter. Developed international large-cap stocks (MSCI EAFE Index) increased 7.3% during the quarter, with developed international small-cap stocks (MSCI EAFE Small-cap Index) increasing 8.0%. These positive returns were driven by improving economic conditions in Europe and other developed economies. Inflation rose above 2% in Europe for the first time in four years. This positive economic sign has boosted consumer and business confidence in the Eurozone. The European Central Bank is continuing its bond purchase program in an effort to further stoke inflation and economic growth across the continent.

Emerging market stocks soared higher this quarter with the MSCI Emerging Markets Index increasing 11.4%. These gains came as the U.S. dollar depreciated and economic conditions improved throughout the world.



Thru 03/31/17	Year to Date	1 Year	5 Years	10 Years
MSCI EAFE	+7.3%	+11.7%	+6.0%	+1.4%



Thru 03/31/17	Year to Date	1 Year	5 Years	10 Years
MSCI EM	+11.4%	+17.2%	+1.0%	+2.9%

*Attention: Please do not leave time sensitive trade or transaction requests on voice mail or e-mail. Please contact your Portfolio Manager if there are any changes in your financial situation or investment objectives, or if you wish to impose, add or modify any restrictions to the management of your account. Our current disclosure statement is set forth on Form ADV Part 2A and is available for your review upon request.*