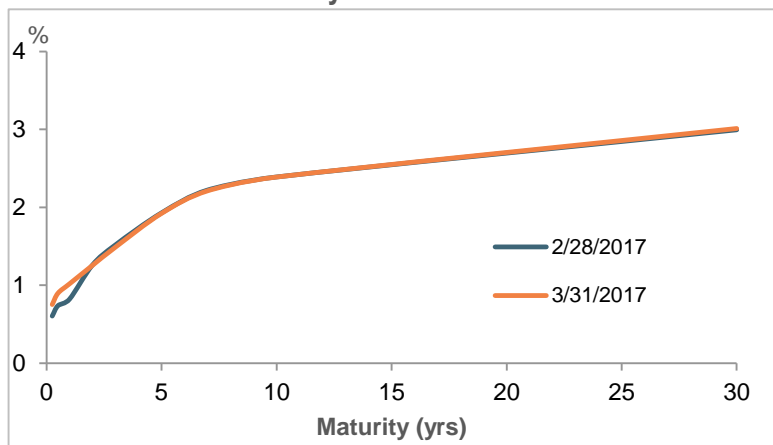


MARKET NEWS

- Consumer confidence soared to its highest level in over 15 years, as investors expressed optimism about labor market strength and improving business conditions¹
- The Federal Reserve raised rates 0.25%, but left future hike projections unchanged, signaling a more dovish tone than expected¹
 - Committee members are currently predicting two more hikes in 2017, and it's likely that additional focus will be shifted to the normalization of the Fed's balance sheet
- Treasury yields sold off across the curve ahead of the Fed meeting, then subsequently fell and recovered most of the losses¹
 - The 10-year yield reached a high of 2.63% on March 13th, then rallied 24bps to close the month at 2.39%
- Investment-grade corporate issuance totaled roughly \$125 billion, which was \$20 billion higher than expectations, but in line with March 2016 supply²
 - A majority of the issuance priced in the first half of the month, as equity weakness drove a risk-off tone and depressed activity through month-end
- Falling oil prices and negative political headlines weighed on corporate spreads, which leaked modestly wider over the course of the month, closing at 118bps¹
- In the asset-backed securities (ABS) sector, issuance flooded the market with over \$25 billion pricing – the heaviest month of supply in 8 years³
 - Credit deteriorated slightly, particularly in subprime issues, but healthy demand for the high-quality sector supported the market, and the year-to-date spread tightening trend continued through March
- Despite increased political uncertainty, municipal bond volatility was relatively muted in March, as healthy demand met light supply, reinforcing a strong technical that supported spreads through the first quarter¹

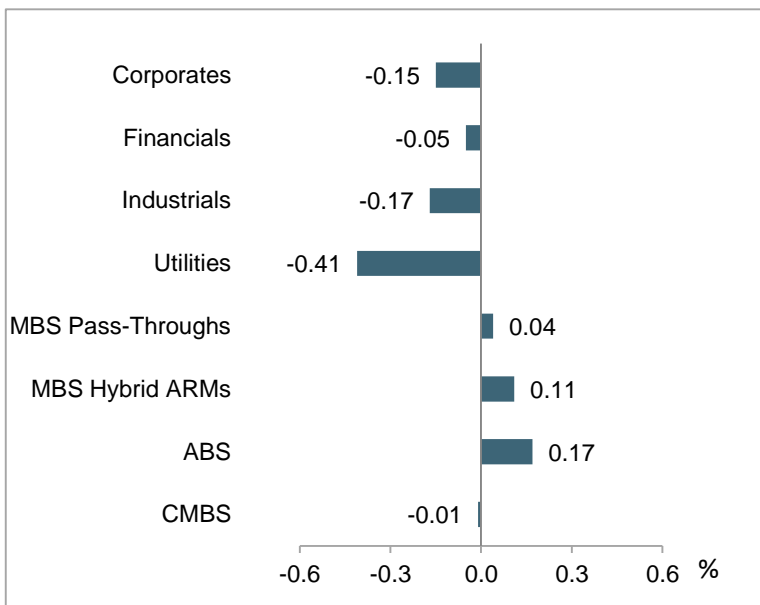
MARKET STATISTICS

Treasury Yield Curve¹



Maturity	2-year	5-year	10-year	30-year
3/31/2017	1.26	1.92	2.39	3.01
MTD Change	0.00	-0.01	0.00	0.01

March Excess Returns^{1*}



As of: 3/31/17. Sources: 1. Bloomberg Barclays 2. Citigroup 3. BofA Merrill Lynch

*Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries.

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