ASPIRIANT

Market Snapshot

April 2017

Dear Client:

We are happy to see 2017 start out on a positive note. With almost all broad indices positive for the quarter, portfolios performed well during the period. Attached is your quarterly report with details on your portfolio.

Major Index & Currency Performance
Periods Ending March 31, 2017

			Annualized Trailing Total Return		
EQUITIES	Q1	1YR	3YR	5YR	10YR
S&P 500 TR	6.1	17.2	10.4	13.3	7.5
Russell 2000 TR	2.5	26.2	7.2	12.4	7.1
MSCI EAFE NR	7.2	11.7	0.5	5.8	1.1
MSCI Emerging Markets NR	11.4	17.2	1.2	0.8	2.7
MSCI All Country World NR	6.9	15.0	5.1	8.4	4.0
FIXED INCOME					
Bloomberg Barclays US Agg Bond TR	0.8	0.4	2.7	2.3	4.3
Bloomberg Barclays Municipal TR	1.6	0.2	3.5	3.2	4.3
Bloomberg Barclays HY Muni TR	4.1	4.3	5.5	5.6	4.3
CURRENCIES					
Euro (EUR vs. USD)	1.4	(6.1)	(8.1)	(4.3)	(2.2)
Pound (GBP vs. USD)	1.2	(13.0)	(9.1)	(4.8)	(4.4)
Yen (JPY vs. USD)	4.7	0.9	(2.6)	(5.9)	0.6
REAL ASSETS					
S&P GS Commodity Index TR	(5.1)	8.4	(22.7)	(15.0)	(9.0)
Wilshire Global Real Estate Securities Index TR	2.2	2.5	7.6	9.0	2.8
Alerian MLP TR	3.9	28.3	(5.2)	2.6	7.2
DEFENSIVE					
Aspiriant Defensive Allocation	2.9	**5.1**	---	---	---

Indices are unmanaged and have no fees. An investment may not be made directly in an index. Index returns shown are based in US dollars.
Source: Morningstar

With the first three months of the year and six weeks of a new presidency complete, the markets do not look much different than at the end of 2016. Continued strong performance in equity markets increased valuations to a precarious level, especially in the U.S. While the markets are not anticipating significant volatility in the near-term, prudence suggests managing risk is especially important at high valuation levels.

As fast as the market has rebounded since the election, market drops also come unexpectedly and can occur before you even realize it has begun. Defensive strategies, or assets outside of the traditional long-only portfolio, are an important part of protecting during this period of high valuations in stocks and bonds. With bonds rebounding during the quarter and equities higher, we look to reduce these positions in favor of an increased investment in defensive strategies.

Fixed Income

The Fed's well telegraphed plan to increase the federal funds rate and no real economic surprises during the quarter provided a stable environment for bonds. The Fed's increase in the federal funds rate did drive yields on shorter-term maturities up by approximately 0.25%. Meanwhile, slightly weaker than expected economic data pushed longer-term bond yields slightly lower from year-end. The stable environment brought average returns to the bond market with high-quality bonds returning approximately 1%, while high-yield bonds earned an above average 2% during the quarter. Municipal bonds rebounded in the first quarter from a poor end to 2016 with higher returns than their taxable counterparts. Municipals continue to provide an attractive yield as compared to taxable bonds for taxable investors. An environment of continued gradual increases in rates and no economic surprises is the best environment for long-term fixed income investors looking for a better return from the safety of bonds.

Real Assets

Real assets provide a way for portfolios to increase diversification and manage inflation risk. It is difficult to protect against inflation the market expects; these assets help to protect against unexpected inflation. Little change to actual and expected inflation during the quarter caused a rather benign quarter for real assets. International real estate provided strong returns for the quarter, up 7%, while domestic real estate returned just under 1%. Commodity markets were mixed during the quarter with metals up and energy prices down. Overall, the GSCI Commodity Index lost a few percent while Alerian MLP Infrastructure returned +4.1%.

Global Equity

The MSCI All Country World Index returned 6.9% during the quarter, sparked by strong performance from international markets. The improvement in emerging markets that started last year continued throughout the first quarter with the MSCI Emerging Market Index returning 11%. Meanwhile, the developing markets awakened during the quarter with Europe and the Asia (ex-Japan) regions both outperforming the U.S. Weakness in the dollar helped add to international performance. Overall, the MSCI EAFE Index returned over 7% while the S&P 500 returned 6%. The worst performance in the markets came from within U.S. small cap value; the only category with negative performance during the quarter.

Within Aspiriant, we added additional resources to our team through a merger with Stanford Investment Group, which closed at the end of January. We are happy to have the team on board as the additional resources will be a benefit to clients and all stakeholders of the firm. Please let us know if you have any questions regarding your portfolio, planning, or the improvements we continue to make within Aspiriant. We look forward to discussing your planning with you in the near future.

Best Regards,

John Allen, CFA®
Chief Investment Officer

Phil Kastenholz, CFA®
Director – Investment Strategy & Research

Important disclosures: *Past performance is no guarantee of future performance. All investments can lose value. Indices are unmanaged and it is impossible to invest directly in an index. The volatility of any index may be materially different than that of a model.*

Equities. *The S&P 500 is a market-capitalization weighted index that includes the 500 most widely held companies chosen with respect to market size, liquidity and industry. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The MSCI EAFE Index (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.*

Fixed Income. *The Barclays U.S. Aggregate Index represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. The Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. The Barclays High Yield Municipal Bond Index is an unmanaged index composed of municipal bonds rated below BBB/Baa.*

Real Assets. *The S&P GSCI® is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The returns are calculated on a fully collateralized basis with full reinvestment. Wilshire Global RESI is a broad measure of the performance of publicly traded global real estate securities, such as Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs). The index is capitalization-weighted. The Alerian MLP Index is a gauge of large and mid-cap energy Master Limited Partnerships (MLPs). The float-adjusted, capitalization-weighted index includes 50 prominent companies and captures approximately 75% of the available market capitalization.*