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Economic/Political Summary

- Political Events:** The political events in March (failure of the Republican led Health Care Bill, Supreme Court debates, Executive orders on the Climate and continued Trade discussions) reminded all of us that uncertainty and confrontation is the status quo in the Republican controlled House and Senate. From an investment viewpoint, with the collapse of health care legislation, focus has renewed itself on the potential reduction in trade regulation and potential changes in Corporate Tax Rates. Globally political events in Europe and Asia continue to focus on U.S. trade discussions and continued unresolved issues in the U.K (Brexit) and Europe (French Elections). In Asia, the conflict between China and North Korea remains the primary political event.
- Economic Events:** In general economic events provided positive information for the U.S. with continued growth in corporate profits, albeit with some contradicting information with a softening in interest rates and GDP growth reflective of an economy with modest growth.

Market Summary and Commentary

- U.S. Equity:** In March U.S. equity markets experienced somewhat flat returns, with large cap indices trading in a relatively small range as economic and political events gave no clear signal as to future anticipated interest rate increases or a faster paced economic environment. In summary, U.S. equity markets posted flat returns in March with the S&P 500 Index (TR) and U.S., small cap stocks (Russell 2000 Index (TR)) were up .1% . The 1.9%, while large cap growth stocks were down a -1% (Russell 1000 Growth Index (TR)) and large cap value stocks (Russell 1000 Value TR) which were up 1.2%.
- Non-U.S. equity markets:** Non U.S. equity markets (emerging and developed) experienced positive returns, in March continuing their performance in previous months. The MSCI EAFE Index (U.S. Dollar TR) was up 2.9% and the MSCI Emerging Markets Index (U.S. Dollar TR) was up 2.6%.
- U.S. and Non-U.S. Fixed Income:** The BBgBarc US Agg Bond had a .0% return; the BBgBarc IG at -.3% return, the BBgBarc High Yield Corp. a -.2% return and the BBgBarc GL Agg Corp a .0% return. In terms of yields, the short-term government rates remained steady at below 1% and 10 year government rates at or near 2.5%, while the U.S. Dollar was down or flat against most major currencies reflecting the uncertainty of the US. Commodity market.
- Market Commentary:** With volatility below long term averages and barring unexpected GDP growth a range bound equity markets seems likely in the near future. In short, this does not seem like the time to take major market bets.

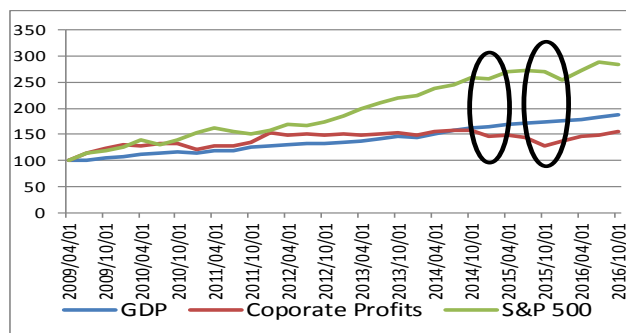
Performance

April, 2017

Major Market Indices	Mar-17	YTD	2016	2015
DJ Industrial Average	-0.6%	5.2%	16.5%	0.2%
S&P 500	0.1%	6.1%	12.0%	1.4%
Russell Mid Cap	-0.2%	5.1%	13.8%	-2.5%
Russell 2000	0.1%	2.5%	21.3%	-4.4%
Russell 1000 Growth	-1.0%	3.3%	17.3%	-3.8%
Russell 1000 Value	1.2%	5.3%	11.3%	-1.4%
MSCI ACWI All Cap	1.3%	6.9%	9.0%	-1.7%
MSCI EAFE	2.9%	7.4%	1.5%	-0.4%
MSCI EM	2.6%	11.5%	11.6%	-14.6%
BBgBarc US Agg Bond	0.0%	0.8%	2.7%	0.6%
BBgBarc IG Ind	-0.3%	1.2%	7.2%	-1.8%
BBgBarc High Yield Corp.	-0.2%	2.7%	17.1%	-4.5%
BBgBarc Gbl Agg Corp	0.0%	1.6%	4.3%	-3.6%
Wilshire Liquid Alternative	0.0%	1.4%	2.3%	-3.4%
S&P GSCI Gold	-0.4%	8.2%	7.7%	-10.9%
S&P GSCI Crude Oil	-7.3%	-9.1%	8.0%	-45.3%

SCWA Commentary: When is Past Prologue?

Most investors use the past as a means to determine where the future might be going. This is especially true in the financial world where asset prices are supposed to reflect future corporate earnings and the general health of the economy. So what happens when the past offers no clear picture of where the markets are going. In recent months we have received conflicting information with corporate profits rising while GDP has not risen at the same pace. The stock market's past increases reflected the rising GDP and expected future corporate growth but if one looks at the recent softening of the stock market, interest rates and GDP the next months may provide an interesting if not friendly answer. Is the Stock Market saying corporate profits will soften, or is it the other way around and we are just ready to take off. I guess we will have to just wait and see. No one said it would be easy.



The above material does not constitute investment advice and is not guaranteed as to accuracy and is not intended as an endorsement of any specific investment. Reliance upon information in this report is at the sole discretion of the reader.

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