



The Scorecard

Your Personal CFO

Date: *April 30, 2017*

Tips From the Pro

Paper copies of financial records don't need to be held forever. Now is a good time to audit your files, make electronic copies, then securely dispose of paper you don't need.

Hazards

Investing based on a good story rather than facts

Taking on additional risk just to get the feeling of "doing something"

Relying exclusively on numbers - common sense is an underrated investing tool

Front Nine: Market Update

	Annualized				
	1-Month	1-Year	3-Year	5-Year	10-Year
Barclays US Aggregate	0.77%	0.83%	2.66%	2.27%	4.30%
Barclays US Municipal	0.73%	0.14%	3.39%	3.16%	4.37%
Barclays US TIPS	0.59%	1.73%	1.77%	0.69%	4.22%
S&P 500	1.03%	17.92%	10.47%	13.68%	7.15%
S&P 1000	0.86%	21.59%	10.42%	13.92%	8.69%
MSCI EAFE	2.54%	11.29%	0.86%	6.78%	0.87%
MSCI Emerging Markets	2.19%	19.13%	1.79%	1.49%	2.47%
Wilshire Real Estate	0.10%	5.65%	9.44%	9.44%	4.48%
Bloomberg Commodities	-1.51%	-1.32%	-15.03%	-9.74%	-6.47%

Back Nine: Data From Your CFO

	Most Recent	Previous Month	Start of Year	YTD Change
S&P500 P/E Ratio(Fwd)	19.6	19.1	18.2	1.4
S&P500 P/E Ratio(TTM)	23.4	23.7	22.5	0.9
6 Month CD	0.16%	0.15%	0.15%	0.01%
10-Year Treasury	2.28%	2.39%	2.45%	-0.17%
S&P 500 Yield	1.95%	1.96%	2.04%	-0.09%
Fed Funds Rate	0.75-1.00%	0.50-0.75%	0.50-0.75%	0.25%
WTI Oil	\$49.33	\$50.72	\$53.72	-8.17%
Unemployment	4.50%	4.70%	4.60%	-0.10%
CPI	2.40%	2.70%	1.70%	0.70%

At the Turn

When expecting a low-return environment, investment product sellers will turn to levered products to make returns look artificially high and products with increased complexity to make their strategies seem more intelligent. Leverage plus complexity more often leads to ruin than riches.

Please see important disclosures on the next page.

19th Hole: Cocktail Party Trivia

Lipper's Hedge Fund Database reports that hedge funds returned 12.6% annualized from 1996 through 2014. Adjusting for survivorship and backfill bias, this number is cut in half, to 6.3% annualized. The S&P 500 returned 8.6% annualized over that time.



FAIRWAY
Wealth Management LLC



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Front Nine: Market Update:

Bond Returns: All returns represent total return. Bond Index: Barclays US Aggregate provided by Barclays Capital; Barclays US Municipal provided by Barclays Capital; Barclays US TIPS provided by Barclays Capital.

Equity Price Levels and Returns: All returns represent total return for state period. Equity Index: S&P 500 provided by Standard & Poor's; S&P 1000 provided by Standard & Poor's; MSCI EAFE provided by MSCI – gross official pricing; MSCI Emerging Markets provided by MSCI – gross official pricing; Wilshire Real Estate Securities Index provided by Wilshire Associates Inc; Commodity Index: Bloomberg Commodity provided by Bloomberg Professional® Service. No index mentioned on the Front Nine Report includes any trading expenses, management fees or other costs.

Back Nine: Data from your CFO:

S&P 500 P/E Ratio (Forward 12 Month) provided by S&P 500 Earnings and Estimate Report; S&P 500 P/E Ratio (Trailing Twelve Month) provided by S&P 500 Earnings and Estimate Report; 6 Month CD Rate provided by FDIC.gov; 10-Year Treasury Rate provided by Bloomberg; S&P 500 Yield provided by S&P 500 Earnings and Estimate Report; Federal Funds Rate provided by Federal Reserve Bank of New York; Price of WTI provided by Bloomberg; Unemployment Rate provided by Bureau of Labor Statistics; Consumer Price Index provided by Bureau of Labor Statistics; Certain information on the Back Nine Report are economic trends and do not necessarily reflect account or market performance.

At the Turn

Source: TCW's Gino Nucci, CFA, speaking at IMCA's ACE conference 5/2/2017

19th Hole: Cocktail Party Trivia:

Source: Getmansky, Lee, and Lo <https://pdfs.semanticscholar.org/4668/ed5be35190a76ef83a1a23660b4b0611c074.pdf>; Morningstar Direct

All Indexes, where applicable, include the reinvestment of dividends and other earnings but do not include any trading expenses, management fees or other costs. Unless otherwise stated, all data is as of April 30, 2017 or as of most recently available. *Past performance does not guarantee future results. Diversification does not guarantee investment returns and does not eliminate the risk of loss.*

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