

**Domestic Equity**

**Index Returns**

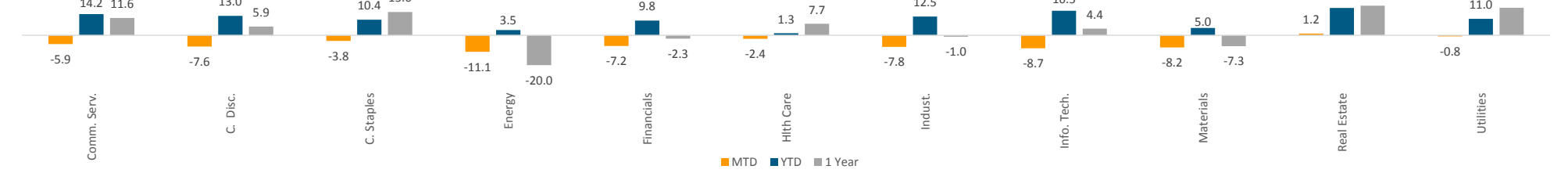
	MTD	QTD	YTD	1-Year	3-Year
S&P 500	(6.35)	(2.56)	10.74	3.78	11.72
Russell 1000 Growth	(6.32)	(2.08)	13.68	5.39	15.33
Russell 1000 Value	(6.43)	(3.11)	8.45	1.45	7.98
Russell Mid Cap	(6.14)	(2.56)	13.55	1.59	9.87
Russell Mid Cap Growth	(5.75)	(1.51)	17.81	6.87	13.88
Russell Mid Cap Value	(6.42)	(3.34)	10.56	(2.09)	6.92
Russell 2000	(7.78)	(4.64)	9.26	(9.04)	9.75
Russell 2000 Growth	(7.42)	(4.60)	11.76	(6.88)	11.72
Russell 2000 Value	(8.17)	(4.70)	6.67	(11.32)	7.68

Global equity markets suffered their worst month so far in 2019, as trade negotiations between the U.S. and China quickly deteriorated and tariffs were, once again, weaponized on both fronts. Overall, signs of the global economic slowdown continued to weigh on sentiment in May.

As global equity markets faltered this month, investors sought the safety of the more defensive, bond-proxy segments of the S&P 500 Index. Real estate (+1.15%) was the only sector to witness a positive return, while all others fell into the red. Utilities (-0.77%) and health care (-2.36%) rounded out the top-three. The 10-year Treasury bond yield fell to an 18-month low in May (2.13%), helping boost the more yield-centric areas of the equity markets. The deep cyclical and growth-oriented sectors, such as energy (-11.14%) and technology (-8.69%), declined the most this period.

Large cap names continued to outpace small caps this month, as markets rewarded the perceived safety and more defensive characteristics of large caps. However, relative outperformance was somewhat subdued. Growth remained ahead of value in May, however, broad-based volatility weighed on both investment styles equally.

**S&P 500 Sector Performance**



**International Equity**

**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
MSCI EAFE	(4.80)	(2.13)	7.64	(5.75)	5.82
MSCI ACWI ex US	(5.37)	(2.87)	7.15	(6.26)	6.72
MSCI EM	(7.26)	(5.30)	4.09	(8.70)	9.88
MSCI EAFE Small Cap	(5.29)	(2.43)	7.97	(11.91)	5.64
MSCI EAFE Growth	(3.87)	(0.72)	11.24	(3.27)	6.77
MSCI EAFE Value	(5.79)	(3.59)	4.04	(8.23)	4.81
MSCI Japan (USD)	(3.96)	(2.63)	3.86	(9.97)	5.86
MSCI Germany (USD)	(6.59)	(0.20)	6.69	(12.45)	3.73
MSCI UK (USD)	(6.00)	(3.89)	7.54	(7.60)	3.90
MSCI France (USD)	(6.12)	(1.80)	8.72	(5.98)	7.97
MSCI China (USD)	(13.09)	(11.15)	4.57	(18.17)	11.83
MSCI Brazil (USD)	1.71	0.95	9.16	20.40	22.31
MSCI Russia (USD)	3.55	7.48	20.56	17.29	18.46
MSCI India (USD)	0.22	0.78	7.99	7.18	11.11

Developed non-U.S. equity markets were slightly more resilient than the U.S. this month, led primarily by Japan. Additionally, while macroeconomic data was mixed, European Parliament elections yielded a positive result, helping alleviate some of this period's volatility. On the contrary, the U.K. continued to dampen any upside, as Theresa May announced her resignation, primarily due to Parliament's refusal to back her Brexit deal. In summary, the MSCI EAFE Index fell 4.80% this period.

The MSCI Japan Index's return of -3.96% was the top performer within the developed world. The strong appreciation in the yen was the primary driver behind this month's solid relative results. The yen, a perceived safe-haven asset, was well supported this month as investors' appetite for risk was significantly dampened.

The MSCI China Index (-13.09%) witnessed its worst monthly return in over five years, as trade discussions between the U.S. and China reached a temporary stalemate and the tariff battle regained traction. The MSCI EM Index dropped 7.26% for the month. Conversely, Russian equity markets surged, as one of Russia's largest and most powerful company's, Gazprom (+31%), announced a first time 15% dividend payout.

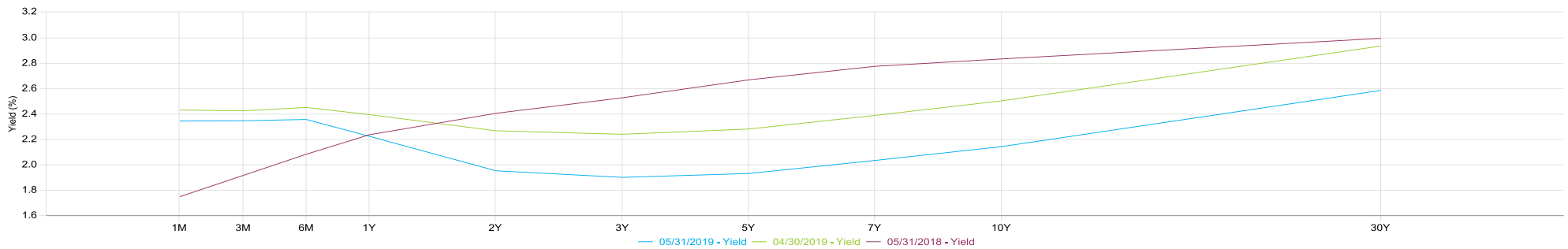
Despite investors' attraction to the safety of the Japanese yen, the U.S. dollar strengthened versus most major global currencies, as the global slowdown weighed more heavily on currency markets outside the U.S.

**Currency Spot Returns vs USD**

	MTD	QTD	YTD	1-Year	3-Year
Euro	(0.57)	(0.76)	(2.52)	(4.54)	0.03
Japanese Yen	2.58	1.94	1.05	0.06	0.71
British Pound	(3.32)	(3.27)	(1.04)	(5.28)	(4.69)
Australian Dollar	(1.56)	(2.46)	(1.58)	(8.43)	(1.48)
Chinese Renminbi	(2.41)	(2.65)	(0.54)	(7.27)	(1.56)

**Fixed Income**

**United States Treasury Yield Curve**



**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
BBgBarc US Agg	1.78	1.80	4.80	6.40	2.50
BBgBarc US Corp IG	1.43	1.98	7.23	7.45	3.88
BBgBarc US Corp HY	(1.19)	0.22	7.49	5.51	7.04
BBgBarc US Long Corp	2.30	2.99	11.19	9.08	5.43
BBgBarc US Gov/Credit	1.96	2.02	5.34	6.73	2.65
BBgBarc US Long Gov/Credit	4.13	3.71	10.40	10.05	4.48
BBgBarc Municipal	1.38	1.76	4.71	6.40	2.96
BBgBarc US TIPS	1.65	1.99	5.25	4.36	2.49
BofAML US T-Bill 3M	0.23	0.42	1.02	2.26	1.32
FTSE WGBI USD	1.72	1.21	2.98	2.79	1.45
JPM EMBI Plus USD	1.04	0.29	6.46	6.22	3.67

Risk-off was the prominent theme in May, as bond prices rose throughout most segments. Trade tensions and the gradual slowing of global growth drove the flight-to-safety rotation. The Bloomberg Barclays U.S. Aggregate Bond Index exhibited robust results, returning 1.78%.

Yields fell throughout the entirety of the curve; however, the long and middle areas exhibited the greatest decreases in yield. For the period, the spread between 2-year and 10-year Treasuries narrowed from 24bps to 19bps.

Investment grade corporate bond spreads reversed course in May, widening 17 bps to end the month at 128bps. High-yield spreads also expanded, closing the month at 433bps from 358bps.

The FTSE WGBI Index rose 1.72% this period, as the U.S. dollar strengthened, once again, versus most major global currencies. Performance was supported mostly by falling global rates and appreciation in the yen, which was the only currency to strengthen versus the USD.

**Commodities & Real Estate**

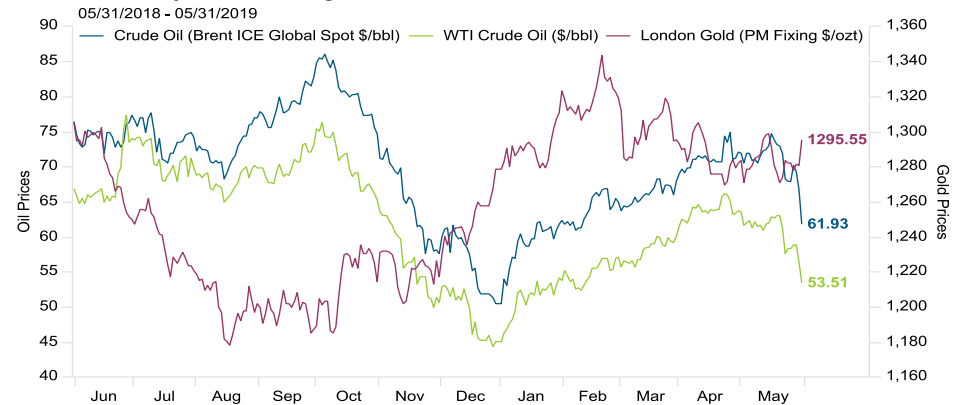
Commodities declined during the month of May, retreating alongside falling bond yields. A lower likelihood of any near-term resolution to U.S. and China trade disputes weighed on broad commodities. Oil prices slid on fears of slowing demand and higher than anticipated production.

Despite their declines, global REITs were among top performing equities in the month. Falling interest rates were beneficial for the group as investors sought out their relatively higher dividend payments. All regions produced a negative return, with Asia Pacific witnessing the steepest drop.

**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
Bloomberg Commodity	(3.36)	(3.77)	2.31	(12.37)	(1.73)
S&P N.A. Natural Resources	(9.53)	(9.17)	5.55	(20.18)	(1.48)
FTSE NAREIT Eq REITs	0.22	(0.01)	16.32	14.62	6.13
FTSE NAREIT Developed	(0.29)	(1.61)	12.75	7.53	5.16

**Commodity Prices - Trailing 1 Year**



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