

**Domestic Equity**

**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
S&P 500	7.05	4.30	18.54	10.42	14.19
Russell 1000 Growth	6.87	4.64	21.49	11.56	18.07
Russell 1000 Value	7.18	3.84	16.24	8.46	10.19
Russell Mid Cap	6.87	4.13	21.35	7.83	12.16
Russell Mid Cap Growth	7.02	5.40	26.08	13.94	16.49
Russell Mid Cap Value	6.75	3.19	18.02	3.68	8.95
Russell 2000	7.07	2.10	16.98	(3.31)	12.30
Russell 2000 Growth	7.70	2.75	20.36	(0.49)	14.69
Russell 2000 Value	6.37	1.38	13.47	(6.24)	9.81

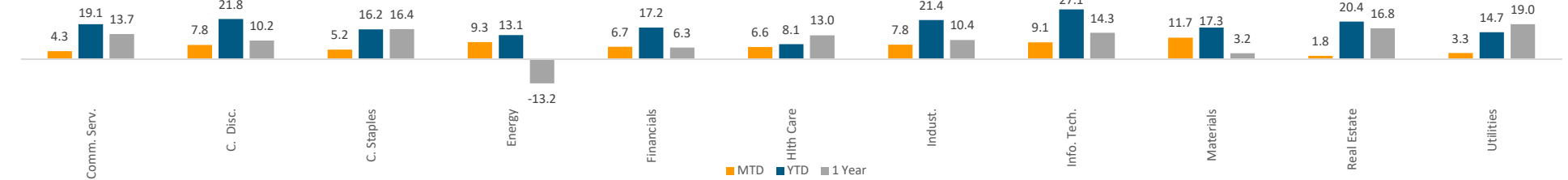
Central banks' dovish rhetoric (Fed & ECB), the U.S. and China restarting trade negotiations, and the U.S. agreeing to delay new tariffs energized global equity markets in June.

Strong returns were achieved across the capitalization spectrum. The tradeoff between growth and value was mixed this period. Value outpaced growth within large caps but growth led within small caps.

Cyclicals, along with technology, led U.S. equity market performance this period as renewed optimism regarding trade discussions between the U.S. and China got a second wind. Materials (+11.7%), energy (+9.3%) and technology (+9.1%) were the leaders within the S&P 500 Index for June, while more defensive segments, such as real estate (+1.8%) and utilities (+3.3%), witnessed a reversal in sector leadership on investors' renewed appetite for risk.

The S&P 500 Index posted its best first half of the year since 1997 (+18.5%) and did so despite moderating expectations for corporate earnings. Analyst forecasts anticipate S&P earnings to decline by 2.6% y/y in Q2, followed by a 0.5% contraction in Q3.

**S&P 500 Sector Performance**



**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
MSCI EAFE	5.93	3.68	14.03	1.08	9.11
MSCI ACWI ex US	6.02	2.98	13.60	1.29	9.39
MSCI EM	6.24	0.61	10.58	1.21	10.66
MSCI EAFE Small Cap	4.24	1.71	12.55	(6.35)	9.06
MSCI EAFE Growth	6.50	5.73	18.47	4.24	9.68
MSCI EAFE Value	5.33	1.54	9.58	(2.10)	8.46
MSCI Japan (USD)	3.74	1.02	7.75	(4.19)	8.06
MSCI Germany (USD)	7.33	7.12	14.52	(3.76)	8.30
MSCI UK (USD)	4.99	0.91	12.91	(2.05)	6.90
MSCI France (USD)	8.44	6.49	17.89	2.98	13.17
MSCI China (USD)	8.03	(4.02)	12.97	(6.73)	14.34
MSCI Brazil (USD)	6.17	7.17	15.90	39.43	17.59
MSCI Russia (USD)	8.72	16.85	31.08	27.06	20.87
MSCI India (USD)	(0.27)	0.50	7.70	7.94	10.52

**International Equity**

The potential for further ECB stimulus helped support developed foreign equity markets in June led by France and Germany. The MSCI EAFE Index gained 5.9%. However, sentiment continues to be somewhat inhibited by weak macroeconomic data, highlighted by lackluster manufacturing and consumer confidence results.

Reversing its strong outcome in May, the MSCI Japan Index's return of 3.7% was the weakest relative performer within the developed world in June. Japan's equity markets profile with a defensive quality that has recently exhibited an inability to keep pace in "risk-on" investing environments.

Investors in emerging markets focused on the outcome of the G20 meeting in June between the U.S. and China. Markets generally responded positively to the meeting's takeaways. The MSCI EM Index rose 6.2% for the month. Russian equity markets also helped boost the benchmark as oil prices witnessed a solid upward move.

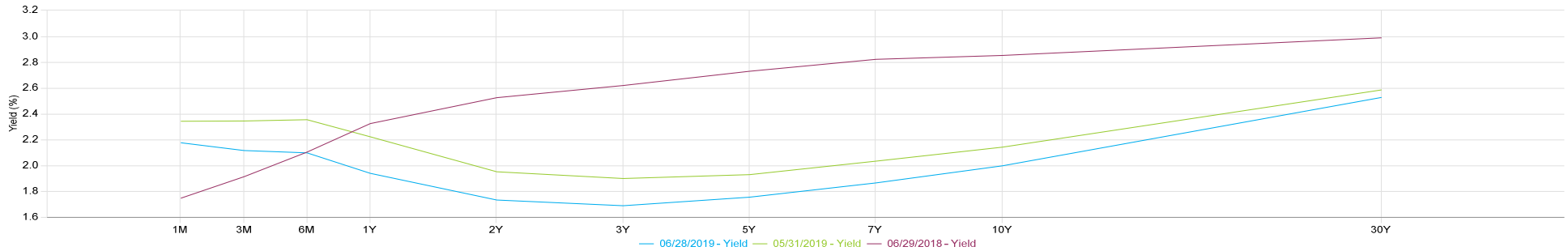
The U.S. dollar weakened versus all major global currencies as Fed rate cut expectations increased in June amid somewhat sluggish domestic economic data.

**Currency Spot Returns vs USD**

	MTD	QTD	YTD	1-Year	3-Year
Euro	2.19	1.42	(0.38)	(2.46)	0.83
Japanese Yen	0.78	2.73	1.83	2.81	(1.62)
British Pound	0.98	(2.33)	(0.07)	(3.60)	(1.63)
Australian Dollar	1.28	(1.21)	(0.32)	(5.02)	(1.96)
Chinese Renminbi	0.51	(2.16)	(0.04)	(3.54)	(1.11)

**Fixed Income**

**United States Treasury Yield Curve**



**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
BBgBarc US Agg	1.26	3.08	6.11	7.87	2.31
BBgBarc US Corp IG	2.45	4.48	9.85	10.72	3.94
BBgBarc US Corp HY	2.28	2.50	9.94	7.48	7.52
BBgBarc US Long Corp	4.12	7.23	15.77	15.19	5.45
BBgBarc US Gov/Credit	1.48	3.53	6.90	8.52	2.41
BBgBarc US Long Gov/Credit	2.78	6.59	13.46	13.82	3.76
BBgBarc Municipal	0.37	2.14	5.09	6.71	2.55
BBgBarc US TIPS	0.86	2.86	6.15	4.84	2.08
BofAML US T-Bill 3M	0.21	0.64	1.24	2.31	1.38
FTSE WGBI USD	2.33	3.57	5.38	5.48	1.01
JPM EMBI Plus USD	4.06	4.36	10.78	11.68	3.50

The rally in risk assets this month carried over to fixed income markets as bond prices moved in general lockstep with equity values. The Bloomberg Barclays U.S. Aggregate Bond Index witnessed favorable results, returning 1.3%.

Yields continued to fall with the front end of the yield curve witnessing the largest absolute declines. For the period, the spread between 2-year and 10-year Treasuries widened from 19 BPs to 25 BPs.

Investors' appetite for risk extended across the fixed income arena as well. Investment grade corporate bond spreads tightened this month, narrowing by 13 BPs to end the period at 115 BPs. High-yield spreads also tightened by 56 BPs to end the month at 377 BPs.

The FTSE WGBI Index jumped 2.3% in June, supported by both central banks' reaffirmation to lend stimulus as necessary and the favorable move in the euro (+2.2%).

**Commodities & Real Estate**

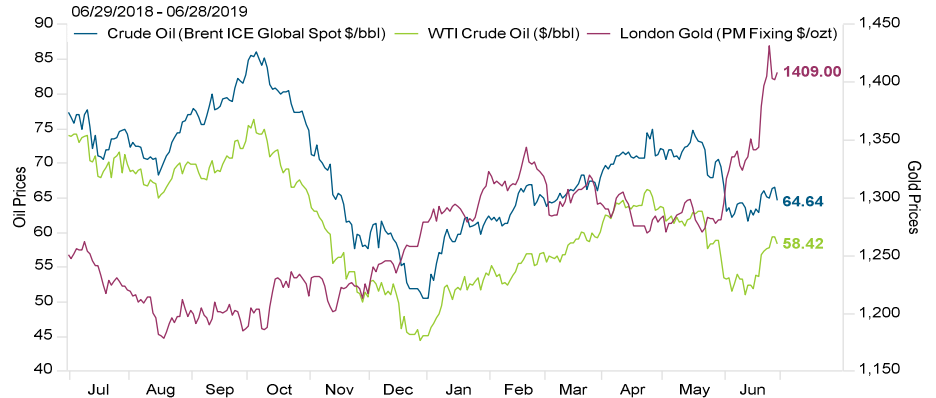
Commodities advanced in the month of June, led by gains in energy and gold. Investors' larger concerns relating to the state of the global economy were mitigated by the more immediate fear of potential supply disruptions arising from recent unrest in the Gulf region.

REIT returns stabilized in the month of June in conjunction with investors' resurgent appetite for risk but, perhaps more directly, as a result of the still favorable yield profile of the asset class against the backdrop of declining interest rates.

**Index Returns**

	MTD	QTD	YTD	1-Year	3-Year
Bloomberg Commodity	2.69	(1.19)	5.06	(6.75)	(2.18)
S&P N.A. Natural Resources	8.55	(1.40)	14.58	(14.10)	0.07
FTSE NAREIT Eq REITs	1.26	1.24	17.78	11.21	4.20
FTSE NAREIT Developed	1.56	(0.07)	14.51	7.68	4.46

**Commodity Prices - Trailing 1 Year**



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