

Capital Markets Flash Report

July 2020

U.S. Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	5.6	2.4	12.0	12.0	11.5	13.8
Russell 1000 Growth	7.7	18.3	29.8	20.9	16.8	17.3
Russell 1000 Value	4.0	-12.9	-6.0	2.7	5.4	10.1
Russell Mid Cap	5.9	-3.8	2.0	7.3	7.8	12.2
Russell Mid Cap Growth	8.0	12.5	18.1	17.1	13.0	15.2
Russell Mid Cap Value	4.7	-14.2	-8.4	0.6	4.3	10.0
Russell 2000	2.8	-10.6	-4.6	2.7	5.1	10.1
Russell 2000 Growth	3.4	0.3	6.0	8.8	7.5	12.6
Russell 2000 Value	2.1	-21.9	-15.9	-3.9	2.2	7.3

The S&P 500 Index continued higher in July, gaining 5.6% during the month. The index has crossed into positive territory on a year-to-date basis and is within 4% of its February highs. U.S. indices rose despite the pickup in new Covid-19 cases, with Arizona, California, Florida, and Texas now accounting for about 44% of new cases within the U.S. Fiscal and monetary stimulus has helped buoy markets throughout the pandemic, and accommodative policies continued during the month. The Federal Reserve extended its lending program to businesses, governments, and individuals through the end of the year, and Congress is currently debating a second major stimulus package. During the month, large capitalization stocks outperformed mid- and small-cap, and growth outpaced value. At the sector level, the consumer discretionary and utilities sectors led the way, while energy was the laggard and the only sector with a negative absolute return during the month.

Fixed Income

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
BBgBarc US Agg	1.5	7.7	10.1	5.7	4.5	3.9
BBgBarc US Corp IG	3.3	8.4	12.4	7.2	6.4	5.6
BBgBarc US Corp HY	4.7	0.7	4.1	4.5	5.9	6.8
BBgBarc US Gov/Cr 1-3 Yr	0.2	3.1	4.5	2.8	2.1	1.6
BBgBarc US Gov/Cr Long	5.3	18.8	24.3	12.1	9.6	8.3
BBgBarc Municipal	1.7	3.8	5.4	4.5	4.1	4.3
FTSE WGBI USD	3.6	7.9	8.9	4.6	4.3	2.4
ICE BofAML US 3M T-Bill	0.0	0.6	1.5	1.7	1.2	0.6

U.S. bond markets were generally positive in July, with the Bloomberg Barclays Aggregate Bond Index returning 1.5%. Rates moved lower across the curve, particularly within longer dated maturities. The U.S. 10-year Treasury yield ended the month at 0.55%, down 11 basis points from its June close. In this environment, investment grade and high yield bond spreads contracted 138 and 17 basis points, respectively, and outperformed Treasury securities. International bond markets produced strong positive returns as well, with the FTSE WGBI returning 3.6% in July.

International Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
MSCI ACWI Ex USA	4.5	-7.0	0.7	1.4	3.2	4.5
MSCI EAFE	2.3	-9.3	-1.7	0.6	2.1	5.0
MSCI EAFE Growth	4.5	0.8	9.2	6.6	5.9	7.4
MSCI EAFE Value	0.2	-19.1	-12.3	-5.4	-1.9	2.5
MSCI EAFE Small Cap	3.4	-10.2	0.4	0.4	4.3	7.5
MSCI EM	8.9	-1.7	6.5	2.8	6.1	3.3
MSCI EM Small	9.2	-4.7	1.1	-1.2	2.0	2.0

International equities produced strong returns in July, despite trailing domestic equities, with the MSCI ACWI ex U.S. Index returning 4.5%. During the month, the European Union agreed to a historic \$860 billion recovery fund geared towards fighting the economic fallout created by the Covid-19 pandemic in the 27-nation bloc. The recovery fund will consist of a combination of non-repayable grants and low interest rate loans. From a style perspective, small-caps outperformed large-caps, and growth bested value. Emerging market equities outperformed their developed market counterparts, benefitting from the risk-on environment and a weaker dollar.

Commodities & Real Estate

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	5.7	-14.8	-12.1	-5.1	-4.5	-5.9
S&P N.A. Natural Resources	1.2	-25.5	-21.7	-8.7	-4.5	-1.2
FTSE Nareit Equity REITs	4.0	-15.4	-10.7	1.0	3.7	8.5
FTSE EPRA Nareit Developed	2.8	-18.7	-13.4	-0.4	2.1	6.5

Commodities, natural resource equities, and REITs were all positive during the month of July. Oil markets continued higher during the month, with the WTI crude September futures contract ending the month at \$40.43 per barrel, up from \$39.66 at the end of June. Precious metals continued their strong performance as well, with gold setting a new all-time high in the period.

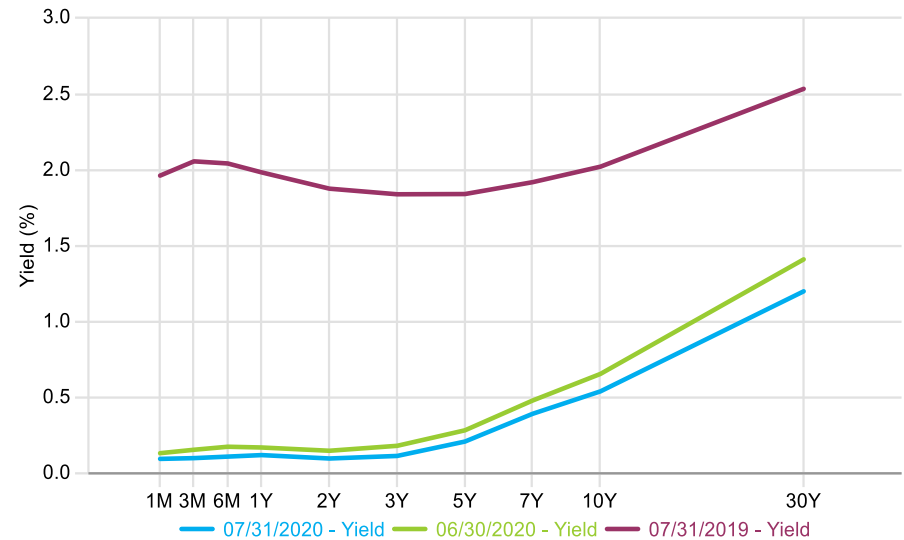
S&P 500 Price History - Trailing 1 Year

07/31/2019 - 07/31/2020



FactSet, S&P

United States Treasury Yield Curve



FactSet

Barclays Corporate Option Adjusted Spread - Trailing 1 Year

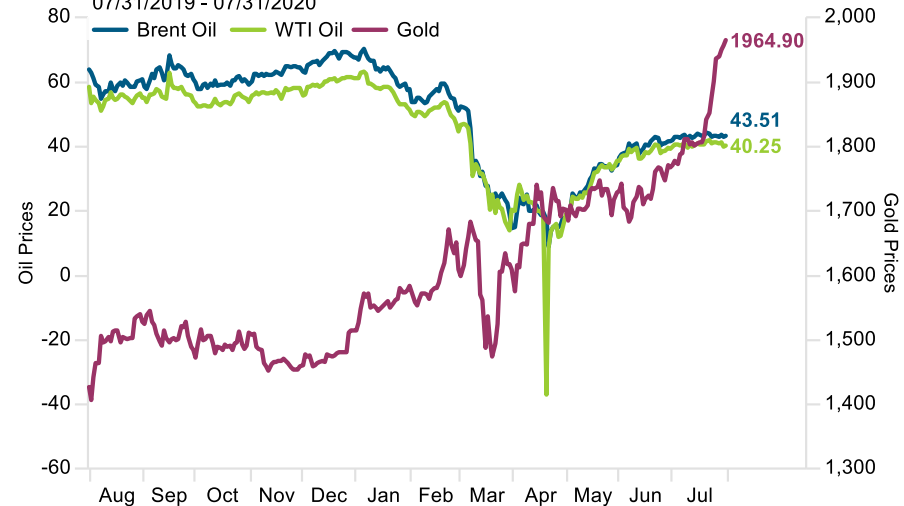
07/31/2019 - 07/31/2020



FactSet, Bloomberg Barclays

Commodity Prices - Trailing 1 Year

07/31/2019 - 07/31/2020



FactSet

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Fiduciary Investment Advisors, LLC - 100 Northfield Drive, Windsor, CT 06095, www.fiallc.com, 1-866-466-9412

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