

# Capital Markets Flash Report

August 2020

## U.S. Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	7.2	9.7	21.9	14.5	14.5	15.2
Russell 1000 Growth	10.3	30.5	44.3	24.2	20.7	19.0
Russell 1000 Value	4.1	-9.3	0.8	4.5	7.5	11.0
Russell Mid Cap	3.5	-0.4	8.7	8.8	9.8	13.1
Russell Mid Cap Growth	2.7	15.5	23.6	17.9	14.9	16.0
Russell Mid Cap Value	4.0	-10.8	-1.3	2.5	6.1	10.9
Russell 2000	5.6	-5.5	6.0	5.0	7.7	11.5
Russell 2000 Growth	5.9	6.2	17.3	10.9	10.5	14.1
Russell 2000 Value	5.4	-17.7	-6.1	-1.4	4.4	8.7

The S&P 500 Index continued to push higher in August, gaining 7.2% during the month. This marks the fifth straight month of positive returns for the index, which has now recaptured the all-time highs reached back in February. Mega cap growth names were the strongest performers during the month. Small-mid capitalization names, although still strong on an absolute basis, trailed their large cap counterparts. The disparity between growth and value was mixed across the market capitalization spectrum, with growth outperforming within large cap and value besting growth within the mid cap space. Growth modestly outperformed value within small cap. At the sector level, technology was the standout, while energy and utilities were the laggards, posting negative absolute returns for the month.

## Fixed Income

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
BBgBarc US Agg	-0.8	6.9	6.5	5.1	4.3	3.7
BBgBarc US Corp IG	-1.4	6.9	7.5	6.4	6.2	5.2
BBgBarc US Corp HY	1.0	1.7	4.7	4.9	6.5	6.9
BBgBarc US Gov/Cr 1-3 Yr	0.0	3.1	3.7	2.8	2.2	1.6
BBgBarc US Gov/Cr Long	-3.7	14.4	10.9	9.9	9.0	7.3
BBgBarc Municipal	-0.5	3.3	3.2	4.1	4.0	4.0
FTSE WGBI USD	-0.5	7.4	5.6	4.0	4.2	2.1
ICE BofAML US 3M T-Bill	0.0	0.6	1.3	1.7	1.2	0.6

U.S. bond markets were generally negative in August, with the Bloomberg Barclays Aggregate Bond Index returning -0.8%. Rates moved higher across the curve, particularly within longer dated maturities, which presented a headwind for longer duration fixed income securities. The U.S. 10-year Treasury yield ended the month at 0.72%, up 17 basis points from its July close. In this environment, investment grade and high yield bond spreads contracted 4 and 11 basis points, respectively. Spread compression helped high yield corporates eke out a modest 1.0% return during the month. International bond markets produced negative absolute returns, with the FTSE WGBI returning -0.5% in August.

## International Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
MSCI ACWI Ex USA	4.3	-3.1	8.3	2.6	5.8	5.3
MSCI EAFE	5.1	-4.6	6.1	2.3	4.7	5.9
MSCI EAFE Growth	4.5	5.3	15.5	8.0	8.5	8.2
MSCI EAFE Value	5.9	-14.4	-3.2	-3.4	0.8	3.5
MSCI EAFE Small Cap	7.5	-3.5	10.7	2.6	6.8	8.6
MSCI EM	2.2	0.4	14.5	2.8	8.7	3.8
MSCI EM Small	4.1	-0.8	10.8	-0.5	5.0	2.4

International equities produced strong results in August, despite trailing domestic equities, with the MSCI ACWI ex U.S. Index returning 4.3%. From a style perspective, small caps outperformed large caps, and value beat growth. Emerging market equities underperformed their developed market counterparts, returning 2.2% during the month. The emerging market index has now moved into positive territory on a year-to-date basis. From a country standpoint, Germany and Japan performed well within developed markets, while China was among the top performers within emerging markets.

## Commodities & Real Estate

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	6.8	-9.0	-3.9	-3.1	-3.1	-5.1
S&P N.A. Natural Resources	1.0	-24.7	-16.6	-7.2	-3.5	-0.8
FTSE Nareit Equity REITs	0.8	-14.8	-12.9	1.3	5.2	8.7
FTSE EPRA Nareit Developed	2.6	-16.6	-12.9	0.4	3.9	6.8

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 October futures contract ending the month at \$42.85 per barrel, up from \$40.43 at the end of July. Commodities, natural resource equities, and REITs all benefitted from the risk-on market environment and optimism surrounding a pick-up in economic activity.

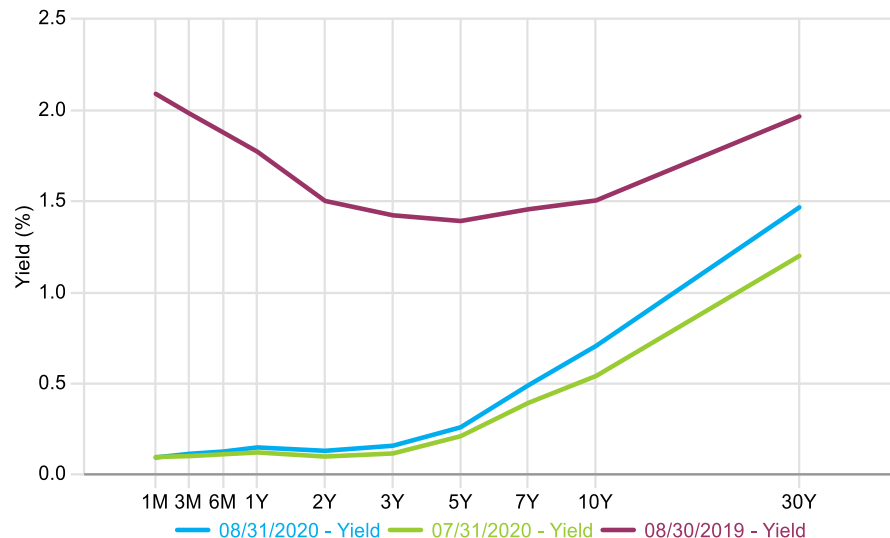
## S&P 500 Price History - Trailing 1 Year

08/30/2019 - 08/31/2020



FactSet, S&P

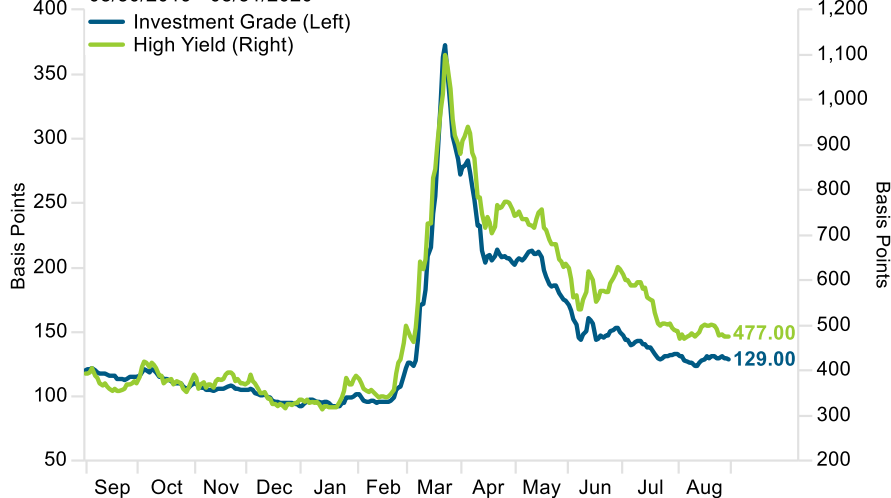
## United States Treasury Yield Curve



FactSet

## Barclays Corporate Option Adjusted Spread - Trailing 1 Year

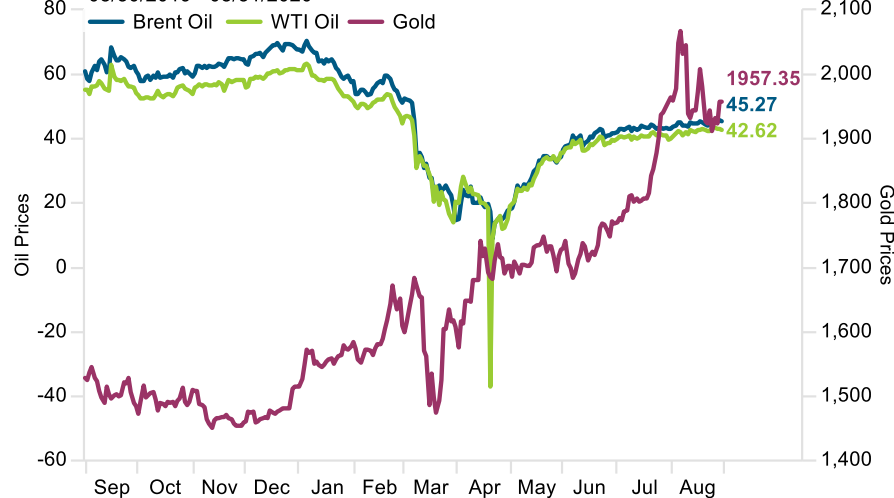
08/30/2019 - 08/31/2020



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## Commodity Prices - Trailing 1 Year

08/30/2019 - 08/31/2020



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## Data Source Acknowledgements, Links, and Disclaimers

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**Performance data sourced from Morningstar Direct.**