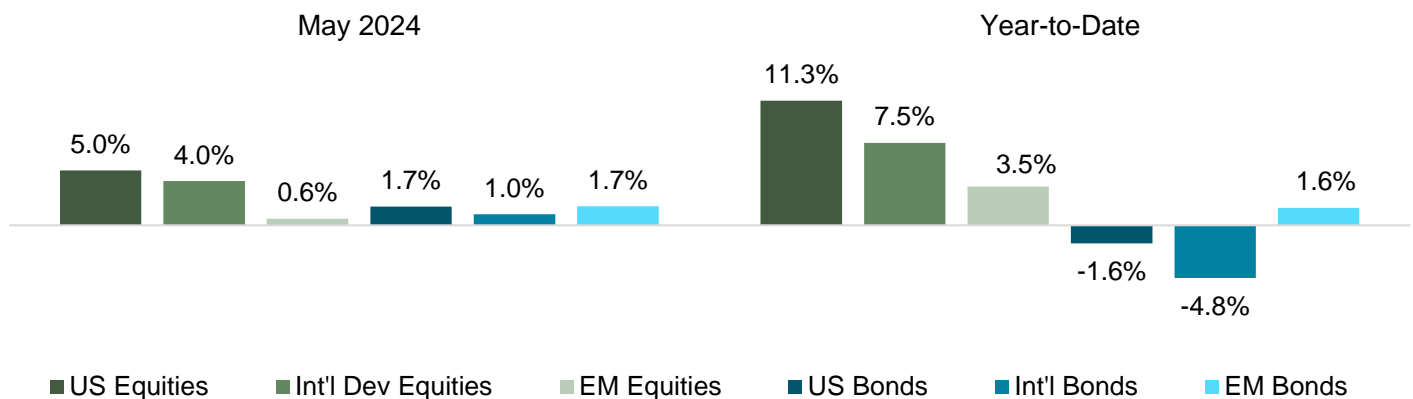


Monthly Market Review

May 2024 Market Review

Returns as of May 31, 2024



Source: FactSet

Stocks and bonds rebounded in May after suffering declines in April. Corporate earnings growth was better than expected, which helped U.S. equities set new all-time highs. U.S. equities gained 5%, followed by international developed equities at 4%. Emerging market equities saw weaker returns, with a gain of 0.6% due to tensions in the Middle East and weaker demand for oil.

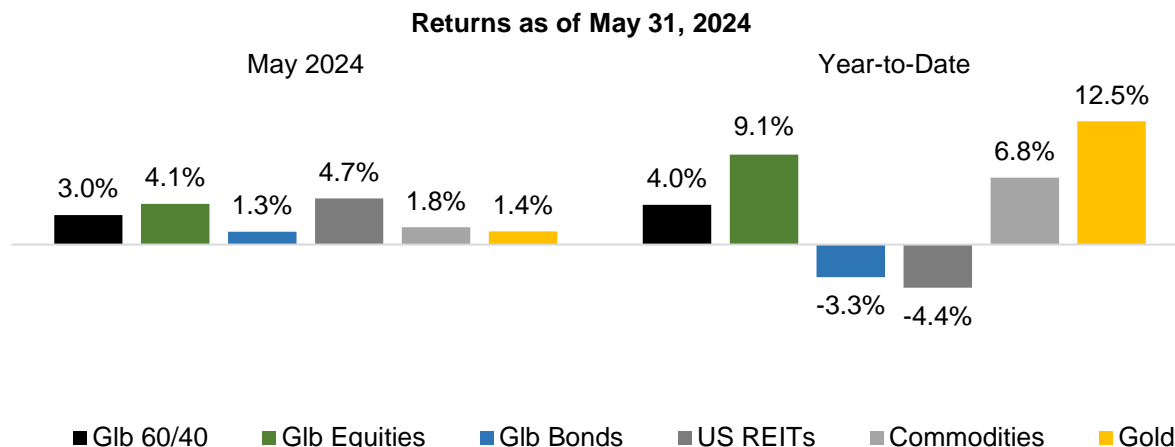
Across U.S. equity sectors, 10 out of 11 sectors gained in May. Technology-heavy sectors did the best on expectations of potential interest rate cuts, while the energy sector fell on weaker oil prices. Small-cap stocks regained momentum as they also stand to benefit from declining interest rates. Large-cap growth equities were the top-performing size and style as a handful of stocks like Nvidia, Apple, Microsoft, and Alphabet drove more than half of May's S&P 500 returns¹.

Fixed income markets rose in May as bond yields fell in anticipation of interest rate cuts. U.S. and emerging market bonds saw similar returns, both gaining 1.7%, followed by international developed bonds returning 1.0%. Longer duration and corporate investment grade bonds were generally favored over shorter duration and high yield bonds. Municipal bonds broadly saw declines.

Despite challenges in the oil market, broad commodities saw positive performance in May, with a return of 1.8%. Gold continued its strength on the year with a gain of 1.4% as inflation remained sticky and geopolitical tensions continued. While U.S. REITs have struggled year-to-date, the prospect of interest rate cuts supported a strong gain of 4.7% in May.

¹ <https://www.nasdaq.com/articles/may-2024-review-and-outlook>

The global 60/40 balanced portfolio returned 3.0% in May, with traditional stock and bond indexes broadly seeing positive returns.



Source: FactSet

INDEX DEFINITIONS

Asset Class	Index	Definition
Commodities	Bloomberg Commodity	Measures the performance of a broadly diversified exposure to physical commodities via futures contracts.
Emerging Markets Bonds	Bloomberg Emerging Markets USD Aggregate	Measures the performance of hard-currency emerging markets debt, including fixed and floating-rate USD-denominated debt issued from sovereign, quasi-sovereign, and corporate emerging markets debt.
Emerging Markets (EM) Equity	MSCI Emerging Markets	Measures the equity market performance of countries considered to represent emerging markets.
Global 60/40 Index Blend	60% MSCI ACWI, 40% Bloomberg Global Aggregate	Measures the performance of a blend of global equities and global bond indexes used as a benchmark for balanced portfolios.
Global Equity	MSCI ACWI	Measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe.
Global Bonds	Bloomberg Global Aggregate	Measures the performance of global, investment-grade debt from 24 local currency markets. This benchmark includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.
Gold	Bloomberg Gold – Total Return	Measures the performance of futures contracts on gold and is quoted in USD.
International Bonds	Bloomberg Global Aggregate ex-USD	Measures the performance of investment-grade debt from 24 local currency markets. This multi-currency index includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. It excludes bonds issued in USD.
International Developed Equity	MSCI EAFE	Measures the equity performance of countries considered to represent developed markets, excluding the US and Canada.

Sector – Energy	S&P 500 Energy	Measures the performance of companies involved in the development and production of crude oil, natural gas and provide drilling and other energy-related services.
US Bonds	Bloomberg US Aggregate	Measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors.
US Equity	S&P 500	Measures the performance of 500 leading companies in the US Constituents generally have a market cap above \$5 billion and represent approximately 80% of the investable market.
US REIT	S&P Composite 1500 Real Estate	Measures the performance of publicly traded US real estate securities, such as real estate investment trusts (REITs) and real estate operating companies.

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