

Market Review

Snapshot

U.S. and global stocks snapped a five-month winning streak in April, as most major U.S. and global indices declined. Bond returns also declined amid inflation pressures and rising Treasury yields.

- The S&P 500 Index logged its first monthly decline since October but maintained a year-to-date gain. The index declined 4% in April, dropping its year-to-date gain to 6%.
- All S&P 500 sectors declined in April except utilities, which gained nearly 2%. The real estate sector was the weakest, declining more than 8%.
- Non-U.S. developed markets stocks declined but fared better than U.S. stocks in April. Year to date, they advanced but lagged U.S. stocks. Emerging markets stocks posted a slight gain for the month and outperformed non-U.S. developed markets stocks year to date.
- The annual U.S. headline inflation rate rose to 3.5% in March, a six-month high, while core inflation was unchanged at 3.8%. Core inflation eased in the eurozone and the U.K. but remained above target levels.
- The futures market continued to scale back its expectations for Fed rate cuts in 2024 ahead of the Fed's May 1 monetary policy announcement. The European Central Bank held rates steady at its April meeting.
- All size and style indices declined for the month. Large-cap stocks outpaced their smaller peers, and the value style slightly underperformed growth among large-caps but outperformed in the small-cap space.
- U.S. Treasury yields surged in April, and the broad bond market declined.

Returns (%)

INDEX	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR
U.S. Large-Cap Equity							
S&P 500	-4.08	4.29	6.04	22.66	8.06	13.19	12.41
U.S. Small-Cap Equity							
Russell 2000	-7.04	1.73	-2.22	13.32	-3.18	5.83	7.22
Intl. Developed Markets Equity							
MSCI World ex USA	-2.65	2.35	2.79	9.14	2.93	6.31	4.36
Emerging Markets Equity							
MSCI Emerging Markets	0.45	7.83	2.83	9.88	-5.69	1.89	2.96
Global Real Estate Equity							
S&P Global REIT	-6.23	-3.47	-7.35	-0.68	-3.68	0.00	2.86
U.S. Fixed Income							
Bloomberg U.S. Aggregate	-2.53	-3.02	-3.28	-1.47	-3.54	-0.16	1.20
Global Fixed Income							
Bloomberg Global Aggregate Bond	-2.52	-3.22	-4.55	-2.47	-5.93	-1.61	-0.44
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.44	1.32	1.76	5.43	2.80	2.07	1.40

Data as of 4/30/2024. Performance in USD. Periods greater than one year have been annualized. Past performance is no guarantee of future results. Source: FactSet.

Equity Returns | Size and Style

		U.S.			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Size	Large	-4.27	-4.24	4.33	6.69
	Small	-6.37	-7.70	-3.66	-0.70

		Non-U.S. Developed Markets			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Size	Large	-1.16	-3.83	3.37	3.34
	Small	-1.99	-3.77	0.85	-1.59

		Emerging Markets			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Size	Large	0.69	0.45	2.46	4.51
	Small	2.82	1.15	4.14	1.97

- U.S. stocks retreated in April, but most indices maintained solid year-to-date gains. U.S. stocks lagged their non-U.S. peers for the month and outperformed year to date.
- Large-cap stocks declined in April but outpaced small-caps, which fell 7%. Year to date, large-caps gained nearly 6%, while small-caps declined 2%.
- In April, value stocks outpaced growth stocks among small-caps but slightly lagged among large-caps. Year to date, growth stocks retained a performance advantage across the board.

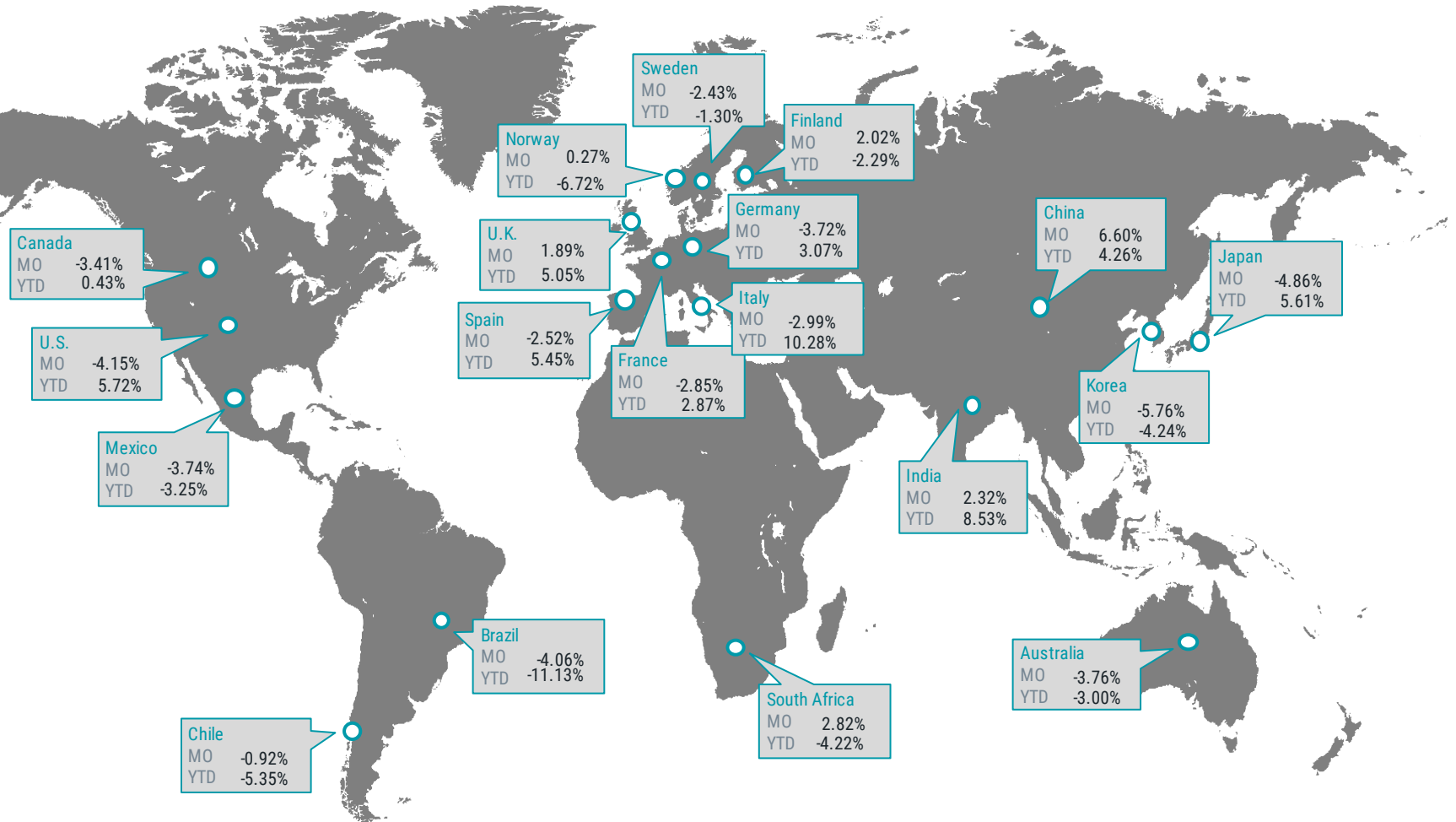
- International developed markets stocks declined but outperformed U.S. stocks in April. They lagged U.S. stocks year to date.
- Large-cap stocks outperformed small-caps in April. Year to date, large-caps gained more than 3%, while small-caps declined 0.4%.
- Value stocks fared better than their growth-style peers across the board in April. Year to date, value and growth stocks performed similarly among large-caps, and value outperformed in the small-cap arena.

- The broad emerging markets stock index advanced modestly in April and outperformed developed markets. Emerging markets stocks gained nearly 3% year to date.
- Small-cap stocks outperformed large-caps in April. Year to date, large-caps outpaced their small-cap peers.
- Value stocks outperformed growth stocks in April, most notably among small-caps. Year to date, growth stocks outperformed in the large-cap arena, but they lagged their value-style peers among small-caps.

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U.S. Equity, International Developed Markets and Emerging Markets Equity style boxes are represented by Russell, MSCI World ex USA and MSCI Emerging Markets indices, respectively.

Equity Returns | Country



Fixed-Income Returns

U.S. bonds broadly retreated in April. Amid persistent inflation and changing expectations for Fed rate cuts, Treasury yields rose.

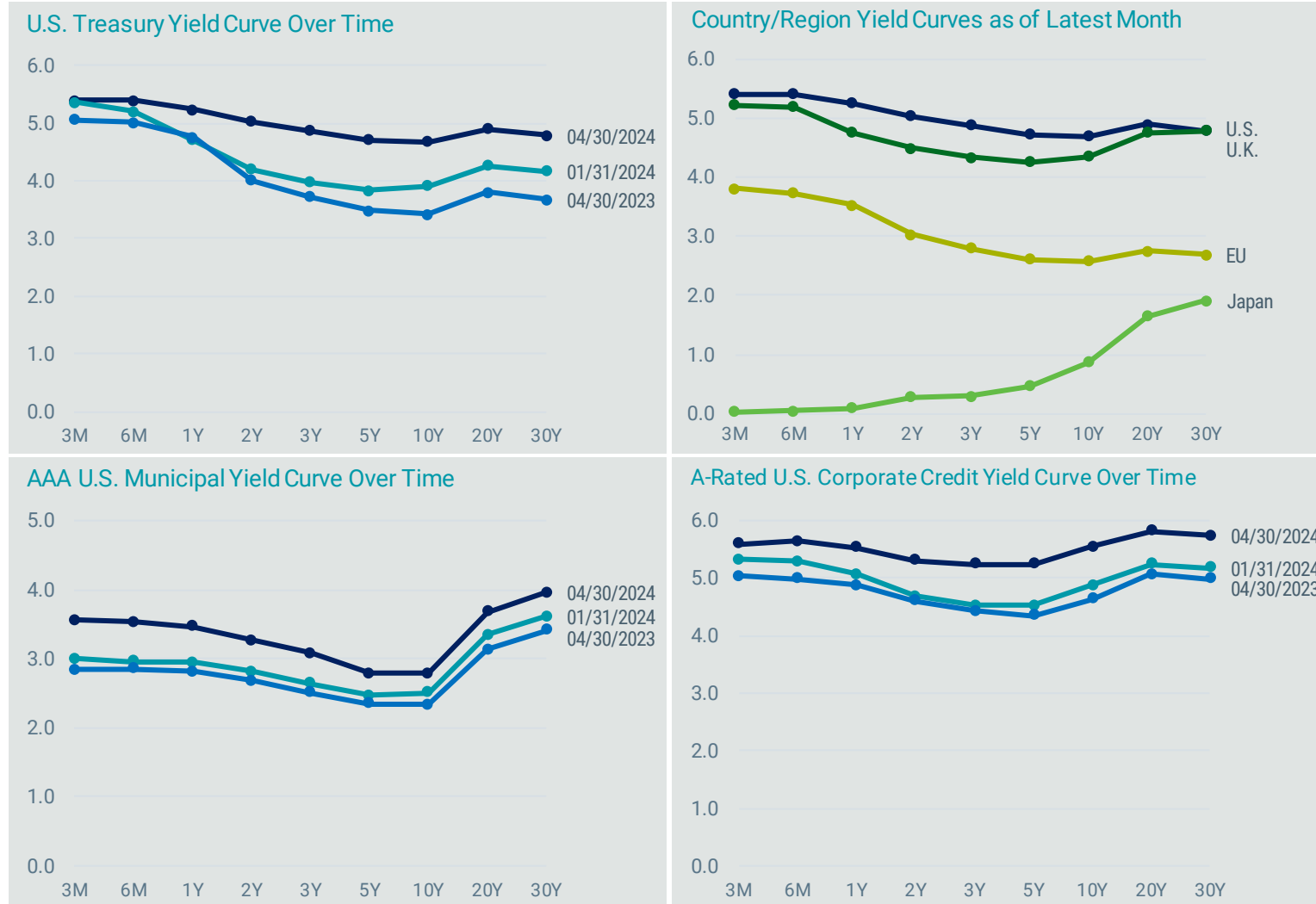
- The Bloomberg U.S. Aggregate Bond Index returned -2.53% in April, as all sectors declined. April's loss pushed the index's year-to-date return to -3.28%.
- Treasury yields soared for the month, with the 10-year note climbing 48 bps to 4.69%. The two-year Treasury yield jumped 42 bps to 5.05%, and the yield curve remained inverted.
- Credit spreads tightened slightly, but corporate bonds underperformed Treasuries. MBS also underperformed Treasuries. High-yield corporates declined but outperformed investment-grade corporates.
- The headline inflation rate rose to 3.5% (year over year) in March, from 3.2% in February. Core CPI increased 3.8% (year over year), unchanged from February. Core PCE, the Fed's preferred gauge, also remained unchanged in March at 2.8%.
- With inflation remaining firm, markets recalibrated their expectations for Fed rate cuts. By the end of April, the futures market priced in only one Fed rate cut for the year — a 25-bps cut in November.
- Municipal bonds declined for the month but outperformed Treasuries.
- Inflation expectations increased in April, and TIPS outperformed nominal Treasuries.

Returns (%)

INDEX	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR
Global Fixed Income							
Bloomberg Global Aggregate Bond	-2.52	-3.22	-4.55	-2.47	-5.93	-1.61	-0.44
U.S. Fixed Income							
Bloomberg U.S. Aggregate	-2.53	-3.02	-3.28	-1.47	-3.54	-0.16	1.20
U.S. High-Yield Corporate							
Bloomberg U.S. Corporate High Yield Bond	-0.94	0.52	0.52	9.02	1.51	3.72	4.28
U.S. Investment Grade							
Bloomberg U.S. Corporate Bond	-2.54	-2.77	-2.93	1.00	-3.07	0.89	2.23
Municipals							
Bloomberg Municipal Bond	-1.24	-1.11	-1.62	2.08	-1.10	1.26	2.41
U.S. TIPS							
Bloomberg U.S. TIPS	-1.69	-1.94	-1.77	-1.35	-1.55	2.07	1.90
U.S. Treasuries							
Bloomberg U.S. Treasury Bond	-2.33	-2.99	-3.26	-2.80	-3.73	-0.50	0.74
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.44	1.32	1.76	5.43	2.80	2.07	1.40

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Global Yield Curves



Data as of 4/30/2024. Source: Bloomberg.

Yield is a rate of return for bonds and other fixed-income securities. A yield curve is a line graph that shows yields of fixed-income securities from a single sector (e.g., Treasuries) over various maturities (e.g., five and 10 years) at a single point in time (e.g., 12/31/2020).