

Market Review

Snapshot

Global and U.S. stocks delivered solid gains in April, even as familiar headwinds persisted, and another U.S. bank failed. U.S. bonds also advanced amid a volatile backdrop for Treasury yields.

- Despite lingering concerns about still-high inflation, banking industry unrest, growing recession risk and Fed policy uncertainty, U.S. stocks advanced in April. Better-than-expected earnings, particularly among large technology companies, helped drive a 1.56% monthly gain for the S&P 500 Index.
- Most S&P 500 sectors advanced for the month, led by the more defensive communication services and consumer staples sectors. The industrials and consumer discretionary sectors were the largest decliners.
- Non-U.S. developed markets stocks outperformed U.S. stocks, while emerging markets stocks posted a monthly loss.
- U.S. economic growth slowed to an annualized pace of 1.1% in the first quarter, compared with 2.6% in the fourth quarter. First-quarter economic growth in the eurozone was nearly flat.
- Annualized U.S. headline inflation eased in March, while core inflation inched higher. Inflation also moderated in Europe and the U.K. but remained notably higher than U.S. inflation. Markets generally expected developed markets central banks to keep raising rates in the near term.
- In the U.S., large-cap stocks generally outperformed small-cap stocks, which declined. Value outpaced growth, except among small caps. Outside the U.S., large-cap stocks outperformed, and value outperformed growth.
- U.S. Treasury yields were volatile for the month, but most bond market sectors posted gains.

Returns (%)

INDEX	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR
U.S. Large-Cap Equity							
S&P 500	1.56	2.72	9.17	2.66	14.52	11.44	12.19
U.S. Small-Cap Equity							
Russell 2000	-1.80	-8.07	0.89	-3.65	11.90	4.15	7.88
Intl. Developed Markets Equity							
MSCI World ex USA Index	2.84	2.67	11.09	7.05	12.01	3.91	4.74
Emerging Markets Equity							
MSCI Emerging Markets	-1.13	-4.74	2.78	-6.51	4.33	-1.04	1.80
Global Real Estate Equity							
S&P Global REIT	1.43	-5.97	2.82	-15.02	6.71	2.39	2.80
U.S. Fixed Income							
Bloomberg U.S. Aggregate	0.61	0.49	3.59	-0.43	-3.15	1.18	1.32
Global Fixed Income							
Bloomberg Global Aggregate Bond	0.44	0.17	3.46	-2.31	-3.91	-0.93	-0.03
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.39	1.14	1.48	2.97	1.04	1.43	0.87

Data as of 4/30/2023. 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	1.51	0.99	2.53	15.49
	Small	-2.49	-1.16	-3.13	4.84

		Non-U.S. Developed Markets			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Size	Large	3.30	2.56	9.03	13.61
	Small	2.18	1.33	6.83	6.85

		Emerging Markets			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Size	Large	0.29	-3.34	4.35	0.78
	Small	1.45	-0.09	3.15	6.00

- U.S. stocks broadly advanced in April and year to date. Size and style categories were mixed in April but most generated year-to-date gains.
- Large-cap stocks led their small-cap peers in April and year to date, gaining more than 1% and nearly 9% for each respective period. Small-caps declined nearly 2% in April and advanced nearly 1% year to date.
- Style categories were mixed in April, but year to date, the growth style significantly outperformed value across the size spectrum.

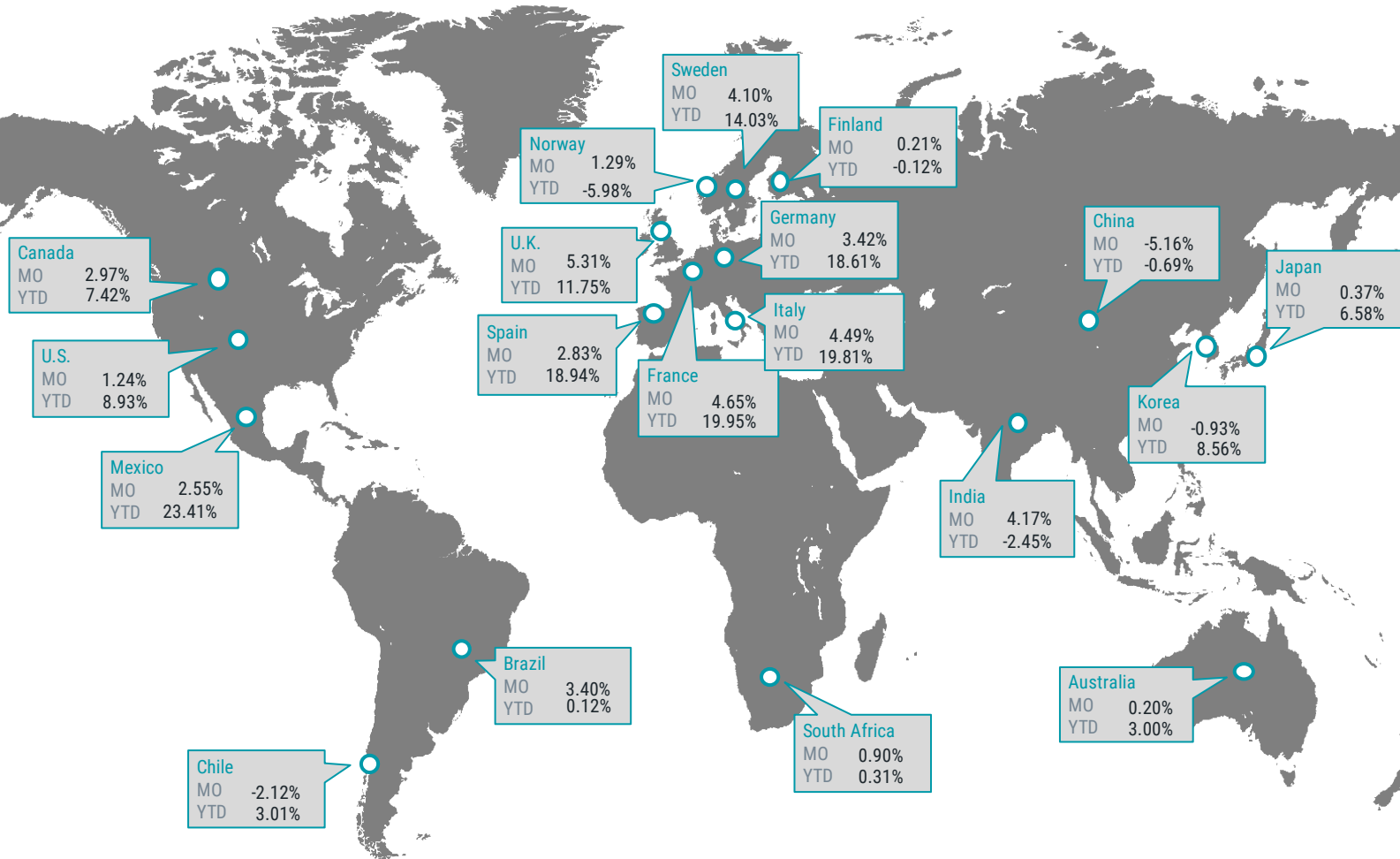
- International developed markets stocks posted solid monthly and year-to-date gains, and size and style indices were up across the board.
- Large-cap stocks gained nearly 3% and outperformed small-caps for the month. They also significantly outperformed year to date.
- Value stocks outperformed growth stocks in April. Year to date, the growth style held a slight edge among small-caps and a more significant advantage in the large-cap universe.

- The broad emerging markets stock index declined in April but advanced year to date.
- Small-cap stocks delivered a modest monthly gain, while large-caps declined. Year to date, small-caps advanced and outperformed large-caps, which also posted a gain.
- Value stocks outperformed growth stocks across capitalization categories in April. Year to date, value outperformed among large-caps but underperformed in the small-cap arena.

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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



Data as of 4/30/2023. Performance in USD. Past performance is no guarantee of future results. Source: FactSet. Countries are represented by MSCI country indices.

Fixed-Income Returns

Amid a looming debt ceiling showdown, Treasury yields were volatile in April, particularly among ultrashort-maturity securities. Nevertheless, bonds generally delivered modest gains for the month, with corporate bonds leading the way.

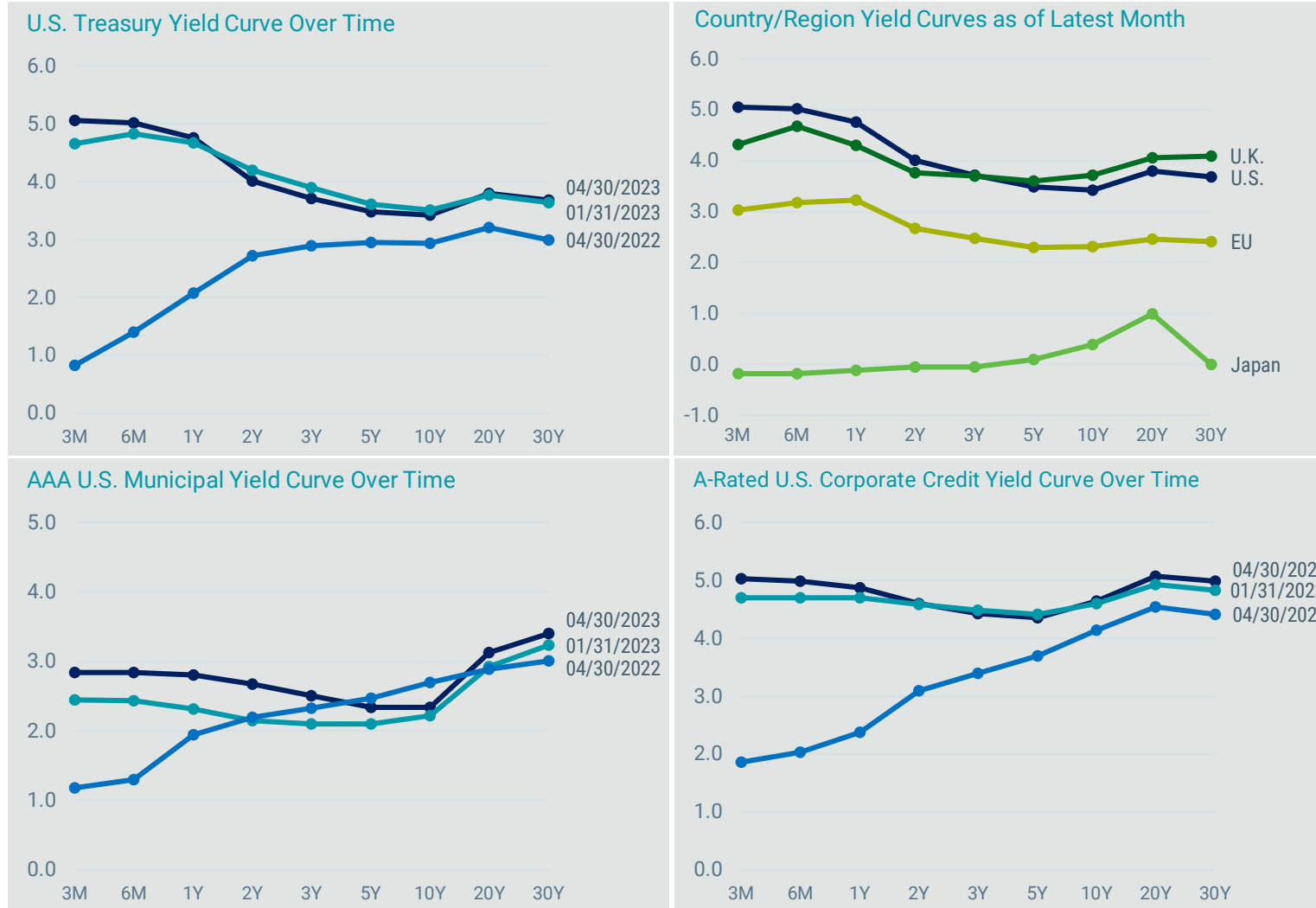
- The Bloomberg U.S. Aggregate Bond Index advanced 0.6% in April, with all its sectors posting gains.
- Credit spreads tightened slightly, and corporate bonds outperformed Treasuries and MBS. Meanwhile, high-yield corporates slightly outperformed investment-grade corporates.
- While investors generally expected another Fed rate hike in early May, they were less certain about Fed policy for the rest of the year. Two- and 10-year Treasury yields climbed through mid-month but ended April slightly lower versus March 31.
- Meanwhile, demand for ultrashort Treasuries skyrocketed ahead of debt ceiling negotiations, driving yields notably lower.
- Annual headline CPI eased from 6% in February to 5% in March, while core inflation inched up from 5.5% to 5.6%. While the energy component broadly declined 6.4% year over year, other key CPI categories remained elevated, including electricity (up 10.2), food (up 8.5%) and shelter (up 8.2%).
- Municipal bond yields rose for the month, particularly among short-maturity securities, and munis declined modestly.
- Inflation breakeven rates declined for the month, and TIPS underperformed nominal Treasuries.

Returns (%)

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Global Fixed Income							
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U.S. Fixed Income							
Bloomberg U.S. Aggregate	0.61	0.49	3.59	-0.43	-3.15	1.18	1.32
U.S. High-Yield Corporate							
Bloomberg U.S. Corporate High Yield Bond	1.00	0.77	4.60	1.22	4.71	3.28	4.01
U.S. Investment Grade							
Bloomberg U.S. Corporate Bond	0.77	0.28	4.29	0.68	-1.97	1.97	2.21
Municipals							
Bloomberg Municipal Bond	-0.23	-0.32	2.54	2.87	0.70	2.06	2.25
U.S. TIPS							
Bloomberg U.S. TIPS	0.11	1.59	3.45	-4.00	0.86	2.98	1.41
U.S. Treasuries							
Bloomberg U.S. Treasury Bond	0.54	1.03	3.56	-0.93	-4.24	1.01	0.87
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.39	1.14	1.48	2.97	1.04	1.43	0.87

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Global Yield Curves



Data as at 4/30/2023 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).