



## May 2019 Monthly Market Update

Stock markets around the world continued their upward climb in April. An index of global equities, the MSCI ACWI, is up over 16% in the first four months of 2019. This is its best four-month start to a year ever (going back to its inception date in 1988). The story is the same for domestic stocks. Large-cap U.S. stocks (Vanguard 500 Index) have surged 18% this year—also their best start in over 30 years. Fears about a global recession, further interest rate hikes, a hard Brexit, and a U.S.-China trade war seem like distant memories. The reversal in equity markets and investor sentiment from the end of 2018 has been remarkable.

U.S. stocks led foreign equity markets in April. Large-cap stocks gained 4% and small-cap stocks (iShares Russell 2000 ETF) rose 3.4% for the month. Developed international stocks had gains of 2.8% (Vanguard FTSE Developed Markets ETF), with Europe helping the cause with a 3.9% return (Vanguard FTSE Europe ETF). Emerging-market stocks were also positive in April, notching a 2.1% gain (Vanguard FTSE Emerging Markets ETF). All major equity asset classes are up double digits for the year.

Interest rates across the U.S. Treasury curve finished the month pretty much where they started. U.S. core investment-grade bonds were flat in April (Vanguard Total Bond Market Index). Meanwhile, credit spreads continued to tighten after widening late last year. This led to continued price gains for the high-yield market in April, which is now up nearly 9% this year (ICE BofA Merrill Lynch U.S. High Yield Cash Pay Index). Floating-rate loans have also performed well and are up 5.7% in 2019 (S&P/LSTA Leveraged Loan Index).

April Benchmark Returns			
	MTD	QTD	YTD
<b>EQUITY BENCHMARKS</b>			
Vanguard 500 Index	4.0%	4.0%	18.2%
iShares Russell 1000 ETF	3.9%	3.9%	18.4%
iShares Russell 1000 Value ETF	3.5%	3.5%	15.7%
iShares Russell 1000 Growth ETF	4.4%	4.4%	21.1%
iShares Russell 2000 ETF	3.4%	3.4%	18.5%
Vanguard REIT	-0.1%	-0.1%	17.1%
iShares MSCI ACWI ETF	3.4%	3.4%	16.3%
Vanguard FTSE Developed Markets ETF	2.8%	2.8%	13.8%
Vanguard FTSE Europe ETF	3.9%	3.9%	15.2%
Vanguard FTSE Emerging Markets ETF	2.1%	2.1%	14.2%
<b>FIXED-INCOME BENCHMARKS</b>			
Vanguard Total Bond Market Index	0.0%	0.0%	3.0%
Vanguard Intermediate-Term Tax-Exempt	0.3%	0.3%	2.9%
iShares TIPS Bond ETF	0.2%	0.2%	3.5%
ICE BofA Merrill Lynch U.S. High Yield Cash Pay Index	1.4%	1.4%	8.9%
S&P/LSTA Leveraged Loan Index	1.7%	1.7%	5.7%
<b>ALTERNATIVE BENCHMARKS</b>			
HFRX Global Hedge Fund Index	0.7%	0.7%	3.3%
Bloomberg Commodity Index	-0.4%	-0.4%	5.9%
SG Trend Index	4.2%	4.2%	7.2%
3-Month LIBOR	0.2%	0.2%	0.9%