

May 2018 Monthly Update

Key Takeaways

U.S. equity markets turned in a solid month, surpassing international equities as the dollar strengthened and as rising rates pressured emerging market equities.

US small cap indices, such as the S&P 600 Small Cap and the Russell 2000, set all-time highs in May.

International developed markets struggled as the rising dollar, concerns about higher interest rates, and concerns about Italy's political future pushed the market to reduce their risk exposure. Some emerging market countries experienced double-digit drops.

Bond yields had a turbulent month, rising slowly through mid-May only to drop in late May due to a flight-to-quality episode. Ten-year Treasuries started at 2.95%, rose to 3.11% but ended at 2.83%.

Real estate returns outpaced all asset categories, continuing their recovery from an early-year sell-off.

Table 1: Benchmark Index Performance as of May 31, 2018

<i>Benchmark Index</i>	<i>1 Mo</i>	<i>YTD</i>	<i>2017</i>	<i>5 Year</i>
Domestic Equities (S&P 1500 Composite)	2.65%	2.27%	21.1%	13.0%
International Developed Equities (MSCI EAFE)	-2.25%	-1.55%	25.0%	5.9%
Emerging Market Equities (MSCI EM)	-3.54%	-2.61%	37.3%	4.5%
Fixed Income (Bloomberg Barclays US Aggregate)	0.71%	-1.50%	3.5%	2.0%
US Real Estate (S&P US REIT Index)	4.31%	-2.77%	4.3%	6.8%
Global Equities (MSCI ACWI)	0.12%	0.11%	24.0%	8.9%

Chart 1: Market Index Performance through May 31, 2018

