

# August 2019 Market Update

## Key Takeaways

Equity markets posted moderate losses in August while bonds and real estate posted strong gains.

U.S. equities posted 1.8% losses while developed markets dropped 2.6% and emerging markets 4.9%. For the year, the U.S. equity market has posted a 17.9% gain, well surpassing 9.7% and 3.9% in developed and emerging markets.

Bond markets finished much higher as weak economic data reduced inflation concerns. Ten-year Treasuries went from 2.02% to 1.50% and the 30-year from 2.53% to 1.96%, the lowest yield ever for a 30-year Treasury. Thirty-year German Bund yields went negative in August. The rally in bonds spurred real estate markets as they outperformed equities by nearly 5% and stand as the best performing asset year-to-date.

The global economic forecast continues to edge lower as trade disruptions reduce activity. Germany, suffering from slower exports due to trade wars, saw GDP drop 0.1% in Q2 and is expected to be down 0.2% in Q3, technically pushing into recession.

**Table 1: Benchmark Index Performance as of August 31, 2019**

Benchmark Index	1 Mo	3 Mo	YTD	5 Yr Ann
Domestic Equities (S&P 1500 Composite)	-1.83%	6.62%	17.85%	9.9%
International Developed Equities (MSCI EAFE)	-2.59%	1.88%	9.66%	1.9%
Emerging Market Equities (MSCI EM)	-4.88%	-0.17%	3.90%	0.4%
Fixed Income (Bloomberg Barclays US Aggregate)	2.59%	4.11%	9.10%	3.3%
US Real Estate (S&P US REIT Index)	3.11%	5.68%	21.98%	7.9%
Global Equities (MSCI ACWI)	-2.37%	4.33%	13.80%	5.5%

**Chart 1: 2019 Market Index Performance**

