US Equity	Feb-24	YTD	Last 12m
S&P 500	5.3%	7.1%	30.5%
Russell 1000	5.4%	6.9%	29.8%
Russell 1000 Value	3.7%	3.8%	14.0%
Russell 1000 Growth	6.8%	9.5%	45.9%
Russell 2000	5.7%	1.5%	10.0%
Russell 2000 Value	3.3%	-1.4%	5.6%
Russell 2000 Growth	8.1%	4.7%	14.2%
International Equity			
MSCI All-Country World ex-US	2.5%	1.5%	12.5%
MSCI EAFE	1.8%	2.4%	14.4%
MSCI Europe	1.6%	1.4%	12.6%
MSCI Japan	3.0%	7.8%	26.9%
MSCI Emerging Markets	4.8%	-0.1%	8.7%
Fixed Income			
U.S. Intermediate Treasuries	-1.1%	-0.9%	3.6%
U.S. Long Treasuries	-2.3%	-4.4%	-2.8%
U.S. TIPS	-1.1%	-0.9%	2.5%
Corporate IG Bond	-1.5%	-1.7%	6.0%
High-Yield Bonds	0.3%	0.3%	11.0%
Tax-Exempt Bonds	0.5%	0.0%	7.1%
International Bonds	-1.3%	-2.6%	3.1%
Emerging Market Bonds	0.4%	-0.2%	7.9%
Currencies			
Us Dollar	0.9%	2.8%	-0.7%
Euro	-0.1%	-2.1%	2.2%
Yen	2.1%	6.3%	10.1%
Emerging Markets	0.2%	-0.7%	3.7%
Real Assets			
Commodities	-1.5%	-1.1%	-3.9%
Energy	-0.4%	2.4%	-8.2%
Industrial Metals	-0.6%	-2.4%	-9.8%
Gold	-7.2%	-16.2%	-7.3%
Master Limited Partnerships	4.3%	9.0%	30.9%
Real Estate Investment Trust	2.0%	-2.2%	5.6%

Source: Bloomberg data

MONTHLY MARKET COMMENTARY, AS OF FEBRUARY 2024

February was mixed across asset class returns, equities rode on the back of positive earnings results and strong economic data *(US PMI reading coming at 51.8 and the US economy adding 353,000 jobs during January)*[i], while fixed income markets came under pressure as interest rate cuts appear to be delayed further into 2024. Commodity markets took a hit as gas and agricultural prices continued to drop. Real estate returns were flat as the expectation of slower rate cuts outran the positive impact delivered from strong economic data.

US Equity: The S&P 500 rose +5.3% during the month, as advancements in AI drove investor inflows, with Nvidia surpassing its peers in the "Magnificent Seven" as it delivered record revenue results, leading Growth stocks to outperform Value during the month. But gains were broader across sectors as Industrials (+6.98%) and Materials (+6.27%) were amongst the top performers of the month, only surpassed by Consumer Discretionary (+8.60%) and followed by Info Tech (+6.19%). Worst performing sectors were Utilities (+0.53%) and Consumer Staples (+2.12%)[ii].

International Equity: Chinese equity delivered strong results (+8.40%) for the month after a new stimulus package from the central government, including a $57 billion inflow[i] from state-backed funds and a cut to the 5-year loan prime rate, was well received by investors. Japanese equities managed to deliver a +4.90% return for the month even though the economy entered a technical recession (GDP print of -0.1% QoQ) [ii]. European stocks underperformed their peers during the month (+2.80%). Despite an improvement in the PMI reading for January (from 47.9 to 48.9) [ii] which suggests that the worst part of growth weakness is over, the ECB is still grappling with higher-than-expected inflation. This coupled with strong labor and wage growth data, seems to indicate that the path towards interest rate moderation could be longer than anticipated.

Fixed Income: After January inflation data came slightly above expectations (3.1% YoY) [iii] and the US Labor Market delivered better-than-expected results, investors were forced to adjust expectations of rate cuts from the Fed. Rates rose across the yield curve which caused Treasuries to come under pressure, ultimately delivering a drop of -1.30% for the month. Performance in Europe was similar, with German government bonds falling -1.40%. UK Gilts suffered deeper losses (-3.60% YTD) as wage growth in the UK came way above expectations, proving that bringing inflation under control could be a tougher challenge than what was expected.

In credit, US Investment-Grade bonds had smaller losses as strong coupons helped mitigate the fall. In contrast, High Yield bonds saw benefits from the risk-on sentiment that flooded the month and managed to deliver a +0.3% return for the month.

Liquid Real Assets: Global commodity indices fell -1.5% for the month as natural gas prices fell significantly. Precious metals dropped as gold fell -0.2% given that the higher-for-longer narrative supported more competitive yields in Treasuries. Real Estate Investment Trusts came in at a +2.0% for the month, benefiting from the equity rally[iv].

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[i] Monthly Markets Review – JPM: https://am.jpmorgan.com/gb/en/asset-management/adv/insights/market-insights/market-updates/monthly-market-review/

[ii] Bloomberg Data

[iii] Capital Market Flash Report – Greycourt: https://www.greycourt.com/point-of-view/flash-report-february-2024/