

US Equity	May-24	YTD	Last 12m
S&P 500	5.0%	11.3%	28.2%
Russell 1000	4.7%	10.6%	28.0%
Russell 1000 Value	3.2%	7.6%	21.7%
Russell 1000 Growth	6.0%	13.1%	33.6%
Russell 2000	5.0%	2.7%	20.1%
Russell 2000 Value	4.7%	0.8%	21.8%
Russell 2000 Growth	5.4%	4.6%	18.4%
International Equity			
MSCI All-Country World ex-US	2.9%	5.8%	16.7%
MSCI EAFE	3.9%	7.1%	18.5%
MSCI Europe	4.8%	8.2%	19.7%
MSCI Japan	1.3%	7.0%	18.6%
MSCI Emerging Markets	0.6%	3.4%	12.4%
Fixed Income			
U.S. Intermediate Treasuries	1.1%	-0.6%	1.5%
U.S. Long Treasuries	2.9%	-6.6%	-7.2%
U.S. TIPS	1.7%	-0.1%	1.6%
Corporate IG Bond	1.9%	-1.1%	4.4%
High-Yield Bonds	1.1%	1.6%	11.2%
Tax-Exempt Bonds	0.3%	0.2%	6.0%
International Bonds	1.3%	-3.3%	0.8%
Emerging Market Bonds	1.7%	1.6%	8.9%
Currencies			
Us Dollar	-1.5%	3.3%	0.3%
Euro	1.7%	-1.7%	1.5%
Yen	-0.3%	11.5%	12.9%
Emerging Markets	0.5%	-0.9%	3.1%
Real Assets			
Commodities	1.8%	6.8%	10.9%
Energy	-1.4%	3.8%	10.1%
Industrial Metals	1.8%	15.1%	20.7%
Gold	8.8%	15.5%	18.6%
Master Limited Partnerships	0.2%	12.7%	35.4%
Real Estate Investment Trust	4.6%	-2.9%	10.2%
Alternative Investments*			
Equity Hedge	-1.8%	4.2%	12.0%
Equity Market Neutral	1.8%	7.3%	13.5%
Event Driven	-2.3%	-0.6%	7.2%
Relative Value Arbitrage	0.2%	2.9%	7.1%
Macro	1.1%	8.1%	9.4%

Source: Bloomberg data

*AI Source: HFRI Hedge Fund Indices

MONTHLY MARKET COMMENTARY, AS OF MAY 2024

In May, both equities and fixed income saw positive returns due to ongoing investor optimism. Developed market stocks were up by more than 4.0% ⁱⁱⁱ, and global bonds rose 1.3% ⁱⁱⁱ, with anticipated rate cuts driving performance. Growth sectors outperformed Value sectors by 2.8% ⁱⁱⁱ, and small cap stocks matched large cap returns at 5.0% ⁱⁱⁱ.

Equity: In May, US equities experienced a significant rebound, with a monthly return of 5.0% ⁱⁱⁱ. This recovery followed a dip in April and was primarily supported by better-than-expected first quarter earnings results across various sectors, which bolstered investor confidence. US Growth sectors outperformed US Value sector, with Technology and Communications leading the table while small cap stocks matched the performance of their large cap counterparts.

European stocks experienced a strong performance, driven by improving economic activity and increased investor interest due to relatively low valuations. The PMI data released during the month confirmed that economic activity was on the rise, with the services sector showing strength and signs of recovery in manufacturingⁱ. Corporate profits exceeded expectations, further bolstering investor confidence. As a result, European equities, delivered returns of 4.8% ⁱⁱⁱ.

Emerging market equities saw varied performance and ended with a 0.6% ⁱⁱⁱ gain. Chinese equities rebounded due to positive economic data, though the recovery's strength was questioned due to weak domestic demand and unresolved real estate sector issuesⁱ.



Fixed Income: In May, the fixed income market performed well, with global bonds returning 1.3% ⁱⁱⁱ. This positive performance was driven by investor expectations of interest rate cuts, although there were differences in timing between the US and Europe. In the US, the Federal Reserve's cautious stance on further rate hikes helped US Treasuries rally, with 2-year and 10-year yields falling by 17 and 19 basis points ⁱ, respectively. Meanwhile, the European Central Bank (ECB) signaled potential rate cuts in June, supported by moderating wage growth despite rising inflation.

Liquid Real Assets: The commodities market saw mixed results. Oil prices retreated after peaking in April, but broader commodity indices still delivered positive returns of 1.8% ⁱ. This overall gain was supported by solid global demand and ongoing geopolitical conflicts in the Middle East and Ukraine, which helped maintain upward pressure on commodity prices despite the decline in oil.

Sources:

- i. *Monthly Market Review (May 2024) – JPM Asset Management.*
- ii. *Capital Market Flash Report – Greycourt*
- iii. *Bloomberg data.*

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