

Market Indices <sup>1</sup>	April	Year-to-Date
S&P 500	1.03%	7.16%
Russell 3000	1.06%	6.86%
MSCI EAFE	2.54%	9.97%
MSCI Emerging Markets	2.19%	13.88%
Barclays U.S. Aggregate Bond	0.77%	1.59%
Barclays U.S. Municipal Bond	0.73%	2.32%
Barclays U.S. Corporate High Yield	1.15%	3.89%

<sup>1</sup>Morningstar Direct (all performance percentages are total return based, which include reinvested dividend, interest)

**At-A-Glance**

- The NASDAQ Composite was the leader among the major U.S. equity indices in April, as technology earnings drove the index to reach then finish the month above 6,000 for the first time. The index rose 2.4% last month, and was up 12.7% YTD.
- According to FactSet, overall S&P 500 company earnings are expected to grow 12.5% in the first quarter, the highest since September 2011 and the first double-digit increase since December 2011.
- Foreign equities generally outpaced U.S. markets in April and year-to-date (YTD).

U.S. stocks advanced for a sixth straight month, as strong earnings overshadowed both a pullback in economic growth and increased geopolitical risks. Global equity indices approached or reached record highs, also, as the first round winner of France’s presidential elections eased concerns the nation may leave the European Union. The S&P 500 ended lower on the final session of the month after the Commerce Department reported that the U.S. economy expanded by 0.7% in the first quarter, the slowest growth pace in three years and down from 2.1% GDP growth the quarter prior. Weak consumer spending was the primary drag on domestic growth. On the other hand, wages and benefits rose at the fastest pace since 2007 and headline business investment rose 9.4%, the most since 2013. On the earnings front, with nearly 300 S&P 500 companies reporting first quarter results, approximately 85% have topped analysts’ profit projections. Moreover, 66% of S&P 500 companies have exceeded their revenue forecasts, their highest level since the second quarter 2011.

Within the S&P 500, 8 of its 11 major sector groups advanced in April, led by Technology (+2.52%), Consumer Discretionary (+2.44%), and Industrials (+1.76%). Telecom (-3.31%), Energy (-2.89%), and Financials (-0.84%) lagged. On a year-to-date basis, all but two sectors posted gains. Technology again took top honors, up 15.41%, followed by Consumer Discretionary (+11.09%) and Healthcare (+10.04%). Energy (-9.38%) and Telecom (-7.15%) are this year’s worst performers.

Small cap stocks, as measured by the Russell 2000 Index, performed best in April, outperforming large and mid cap shares. The Russell 2000 Index gained 1.1% last month, while the Russell Mid Cap Index returned 0.77%. Large cap stocks, as measured by the S&P 500, have gained the most this year, up 7.16% YTD. Growth stocks outperformed value stocks in April, with the Russell 1000 Growth Index up 2.29%, while the Russell 1000 Value Index declined 0.19%. The outperformance in growth stocks has continued to widen on a year-to-date basis, with growth shares up 11.4%, while value stocks trailed with a 3.07% YTD gain.

The MSCI EAFE Index, a broad performance measure of global developed markets outside of the U.S. and Canada, outperformed emerging market equities last month, rallying 2.54%. The MSCI Emerging Markets Index posted a 2.19% advance in April. On a YTD basis, however, the MSCI Emerging Markets Index has risen the most, up 13.88% versus a return of 9.97% for the MSCI EAFE Index. The MSCI All Country World Index excluding the U.S. rose 2.14% in April and 10.17% YTD.

Amid rising geopolitical risks, prices on benchmark 10-year U.S. Treasury notes rose in April, pulling its yield lower by 10.7 basis points to end the month at 2.28%. The Bloomberg Barclays U.S. Municipal Bond Index gained 0.73% last month, while the Bloomberg Barclays U.S. Aggregate Bond Index, a broader measure of U.S. investment grade bonds, rose 0.77%. At the other end of the credit spectrum, the Bloomberg Barclays U.S. Corporate High Yield Index, a proxy for below-investment grade corporate bonds, was the best performing domestic bond index, returning 1.15% in April and 3.89% YTD.

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The **Bloomberg Barclays Capital U.S. Aggregate Bond Index**, which was originally called the Lehman Aggregate Bond Index, is a broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly.

The **Bloomberg Barclays US Municipal Bond Index** covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Many of the subindices of the Municipal Index have historical data to January 1980. In addition, several subindices based on maturity and revenue source have been created, some with inception dates after January 1980, but no later than July 1, 1993. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly.

The **Bloomberg Barclays US Corporate High Yield Index** measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 6.3 years. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly.

The **Barclays U.S. Government Bond Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government). The US Government Index is a component of the U.S. Government/Credit and U.S. Aggregate Indices, and eligible securities also contribute to the multi-currency Global Aggregate Index. The U.S. Government Index has an inception date of January 1, 1973.

The **Bloomberg Commodity Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual reweightings of the components).

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell Midcap Index** measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.

The **S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The **NASDAQ Composite Index** includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based capitalization-weighted index.