



KEY TAKEAWAYS

- The U.S. economy expanded at a 2.3% annual rate in the first quarter. While this beat analyst expectations, growth was at a slower pace compared to the 2.9% rate seen in Q4 2017. The economy continues to plod along with consumer sentiment elevated and unemployment low.
- Yields across the curve continued to increase and the 10-year Treasury crossed the 3% mark in April for the first time since 2014. Expectations of increasing inflation pressures have pushed yields higher so far this year with rates up around 0.5% from year end.
- Earnings growth for members of the S&P 500 have been strong so far this year. With just over half of members reporting results, 79% of companies have beaten EPS expectations. The market response so far, however, has been muted.
- Oil prices surged over the past two months, partly due to falling inventories and continued strong demand from a growing global economy. OPEC extended their production cuts which should also support higher prices over the near term. Increasing oil prices have helped fuel a rebound in energy associated companies, with the S&P 500 Energy sector up over 9% in April.

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INDEX PERFORMANCE (as of 4/30/18)

Equity	April	Three-Month	One-Year
U.S. Large Cap	0.4%	-5.8%	13.3%
U.S. Small Cap	0.9%	-1.8%	11.5%
Developed Non-U.S.	2.3%	-4.1%	14.5%
Emerging Market	-0.4%	-6.8%	21.7%
Real Assets			
Real Estate	1.6%	-3.1%	8.3%
Commodities	2.6%	0.2%	8.0%
Natural Resource Equities	7.8%	-1.0%	10.5%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	0.7%	-0.8%	3.3%
Emerging Market Debt	-3.0%	-3.0%	8.4%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	-0.7%	-1.1%	-0.3%
U.S. Treasuries	-0.8%	-0.6%	-1.1%
U.S. Municipal Bonds	-0.3%	-0.4%	0.3%
Month-End Values/Yield	Current	Prior Month	One-Year Ago
CBOE Volatility Index	15.9	20.0	10.8
10-Year Treasury Yield	2.9%	2.7%	2.3%

Sources: Bloomberg, Morningstar, treasury.gov.

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