



KEY TAKEAWAYS

- Growing concerns around the spread of Coronavirus drove market movements in February. The number of confirmed cases and deaths continues to grow, leading equity markets to sell off as uncertainty around the economic outlook increases.
- The S&P 500 surged over 5% in early February before reversing course on the 19th, and subsequently dropping over 12% from all-time highs. Volatility spiked with the VIX Index hitting its highest level since mid-2015, coinciding with the S&P 500 suffering its worst single-day decline in over two years.
- Core Fixed Income, led by Treasuries, further benefitted from the ongoing decline in interest rates. The 10-year Treasury yield fell to just above 1% as traders rushed to safe-haven assets.
- Emerging Market equities held up somewhat better during the month with Chinese equities, as represented by the MSCI China Index, increasing by nearly 1% in February.
- A number of governments and central banks around the globe have announced emergency measures to help minimize the economic and health impacts of the virus. More recently, the Fed cut interest rates by 0.5% in early March in an emergency move to combat the growing risks to the economy.
- Markets are likely to remain volatile over the near-term, until more clarity is gained on whether the spread of Coronavirus has been contained and the magnitude of the economic impact can be better understood.

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INDEX PERFORMANCE (as of 2/29/20)

Equity	February	Year-to-Date	One-Year
U.S. Large Cap	-8.2%	-8.3%	8.2%
U.S. Small Cap	-8.4%	-11.4%	-4.9%
Developed Non-U.S.	-9.0%	-10.9%	-0.6%
Emerging Market	-5.3%	-9.7%	-1.9%
Real Assets			
Real Estate	-7.4%	-7.7%	3.0%
Commodities	-5.0%	-12.0%	-11.1%
Natural Resource Equities	-12.2%	-19.5%	-17.1%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	-1.4%	-1.4%	6.1%
Emerging Market Debt	-3.4%	-4.7%	3.7%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	1.8%	3.8%	11.7%
U.S. Treasuries	2.7%	5.2%	12.2%
U.S. Municipal Bonds	0.7%	2.0%	6.4%
Month-End Values/Yield	Current	Prior Month	One-Year Ago
CBOE Volatility Index	40.1	18.8	14.8
10-Year Treasury Yield	1.1%	1.5%	2.7%

Sources: Bloomberg, Morningstar, treasury.gov, S&P Dow Jones Indices.

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