

## U.S. Equity

- ▶ Domestic equity markets, as represented by the S&P 500 Index (S&P), returned -8.72% in April.
- ▶ Within the S&P, only one of the 11 sectors posted positive returns. The Consumer Staples sector was the month's best performer, returning 2.56%. Energy was second best, though still negative, posting a return of -1.54%. Telecom was the worst-performing sector posting a negative return of -15.62%.
- ▶ By market capitalization, small-caps (Russell 2000) returned -9.91%, large-caps (Russell 1000 Index) returned -8.91%, and mid-caps (Russell Mid Cap Index) returned -7.70%. Value stocks outperformed growth stocks across all capitalizations.

## Non-U.S. Equity

- ▶ Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., returned -6.28%. Developed markets, represented by the MSCI EAFE Index, returned -6.47%, while emerging markets (EM), represented by the MSCI Emerging Markets Index, returned -5.56% in April.
- ▶ Within the ACWI ex-U.S. Index, all of the 11 sectors posted negative returns. Energy was the best-performing sector, returning -0.91%, and the second-best performer was Utilities, returning -1.74%. Information Technology was the worst performer by far, returning -11.67%.
- ▶ Non-U.S. returns were negative across the board, with EMEA (Europe, Middle East and Africa) performing the best, returning -3.27%, while EM Latin America, lagged for the month, returning -12.98%.

## Fixed Income

- ▶ At the end of April, the U.S. Treasury yield curve flattened, with the spread between 2- and 10-year rates shrinking to 19 basis points (bps), a potential sign of renewed concern about the economic outlook. The 10- and 30-year Treasury rates rose 60 and 55 bps, respectively, while the 2- and 5-year rates rose 38 and 50 bps, leading to the broad treasury index returning -3.21%.
- ▶ The Bloomberg Barclays U.S. Aggregate Index (Aggregate) lost -3.79% in April. Within the investment-grade (IG) credit spectrum, AAA-rated bonds returned -2.57%, AA-rated bonds returned -5.14%, A-rated bonds returned -5.15% and BBB-rated bonds returned -5.74%.
- ▶ Yields generally increased across the Treasury yield curve during the month of April, with the biggest increases happening at the longer end of the curve.

## Alternatives and Other Asset Classes

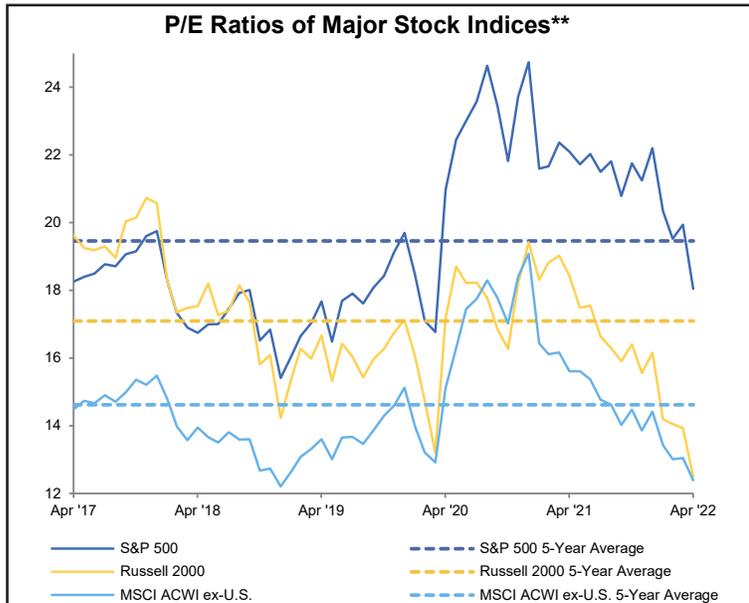
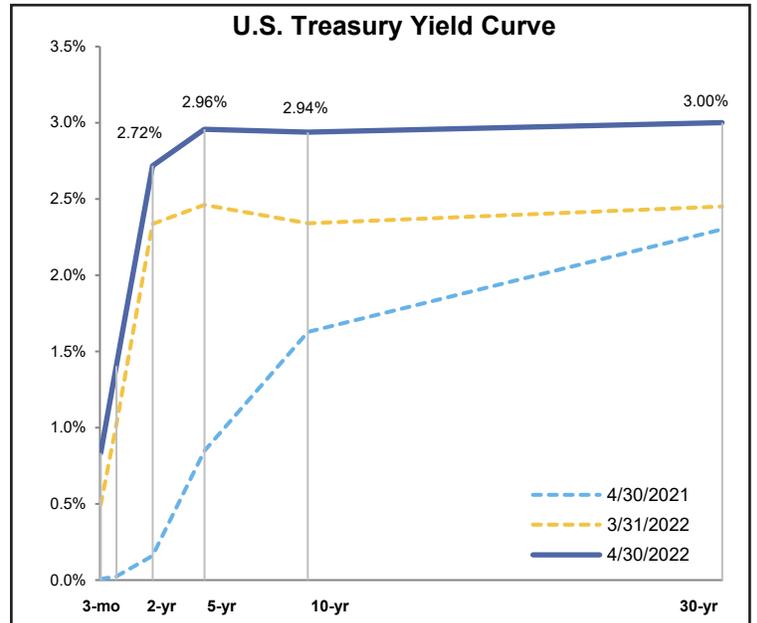
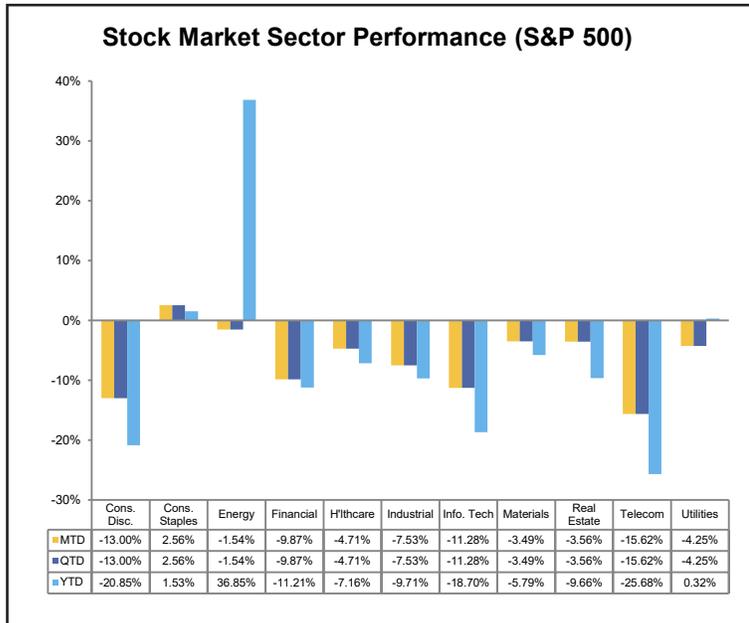
- ▶ Real estate investment trusts (REITs) represented by the FTSE NAREIT Index returned -4.39%. Performance was positive for one of the nine real estate sectors. Lodging & Resorts did the best, returning 2.04%. The worst-performing sector of the month was Office, returning -10.50%.
- ▶ The active contract for West Texas Intermediate (WTI) crude rose to \$104.69/barrel in April from \$100.28/barrel at the end of March.

## Items to Watch

- ▶ The first-quarter gross domestic product (GDP) numbers looked daunting, but underlying trends reduced concerns. The U.S. economy shrank for the first time since 2020, with GDP falling at an annualized rate of 1.4% in the first quarter of 2022. The report does not necessarily indicate weakness in the economy or a sign of a recession but instead illustrates how GDP calculations tend to be volatile from quarter to quarter.
- ▶ Final sales to domestic purchasers were up 2.7% versus 1.7% last quarter. Personal Consumption Expenditures (PCE) were also up 2.7% in the first quarter versus 2.5% in the fourth quarter of 2021, indicating strong personal consumption, the largest component of U.S. GDP. The contraction was due to a jump in imports, a drop in exports and a slower buildup in businesses' inventories. This trade deficit is more a sign of the global economies struggling than the U.S. economy slowing.
- ▶ In China, the purchasing managers' index (PMI) for the manufacturing sector came in at 47.4 in April, the worst level since February 2020, as the resurgence of domestic COVID-19 infections has weighed on China's factory activities and market demand. Meanwhile in Europe, the pressure of the war and the lockdowns in Chinese ports saw Eurozone manufacturing PMI fall to 55.5 in April from 56.5 in March, the lowest reading since January 2021.
- ▶ April saw a gain of 428,000 jobs, more than expected, with the headline unemployment rate holding at the post-pandemic low of 3.6%. These low levels of unemployment point to tightness in the labor market and the likely persistence of wage-based inflation pressures as wage growth continued in April, growing by a solid 0.3%, or 5.5% year-over-year. This adds more tension to the Federal Reserve's careful balancing act, as they seek to cool inflation without triggering a jump in unemployment.

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	-8.72%	-8.72%	-12.92%	0.20%
Russell 3000	-8.97%	-8.97%	-13.78%	-3.13%
Russell 2000	-9.91%	-9.91%	-16.70%	-16.90%
Russell 1000	-8.91%	-8.91%	-13.59%	-2.11%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	-6.28%	-6.28%	-11.38%	-10.31%
MSCI EAFE	-6.47%	-6.47%	-12.00%	-8.15%
MSCI Emerging Markets	-5.56%	-5.56%	-12.15%	-18.33%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	-3.79%	-3.79%	-9.50%	-8.51%
Bloomberg Barclays Global Agg	-5.48%	-5.48%	-11.30%	-12.63%
Bloomberg Barclays U.S. HY	-3.56%	-3.56%	-8.22%	-5.22%
Alternatives	MTD	QTD	YTD	1 YR
FTSE NAREIT Equity	-4.39%	-4.39%	-8.08%	11.92%
Bloomberg Commodity	4.08%	4.08%	30.57%	43.29%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	3.6%	3.6%
Initial Jobless Claims (4 week average)	179.8 K	177.5 K
CB Leading Economic Indicators	0.3	0.6
Capacity Utilization	78.3%	77.7%
GDP (annual growth rate)	-1.4%	6.9%
University of Michigan Consumer Confidence	65.2	59.4
New Home Starts	763 K	835 K
Existing Home Sales	5.8 MM	5.9 MM
Retail Sales (YoY)	8.7%	17.8%
U.S. Durable Goods (MoM)	1.1%	-1.7%
Consumer Price Index (YoY)	8.5%	7.9%
Producer Price Index (MoM)	1.9%	2.6%
Developed International*	12/31/2021	9/30/2021
Market GDP (annual rate)	5.0%	3.7%
Market Unemployment	5.9%	6.3%



Source: Bloomberg. Data as of April 30, 2022, unless otherwise noted.  
 \*Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of March 31, 2022 due to release dates of numerous countries.  
 \*\*P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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