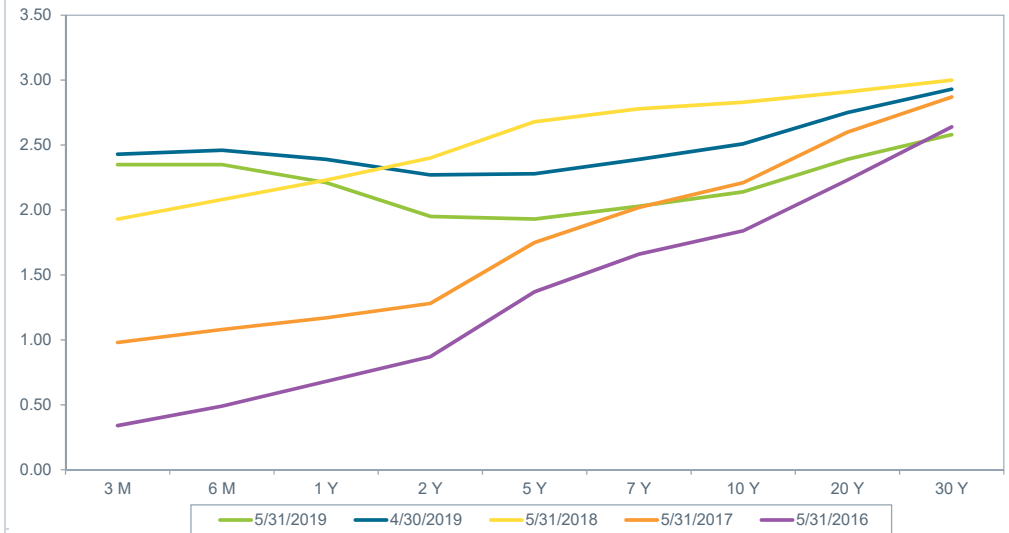


General Market Commentary

- Global equity markets sold off sharply throughout the month due to multiple factors, including expectations for monetary policy and the United States' expanding trade disputes with Mexico and China.
- The US Treasury yield curve flattened and inverted across certain maturity points during May, as yields dropped along the entire curve with the most significant drop in yields occurring in the intermediate and long-dated issuances. Federal Reserve Chairman Powell noted that the FOMC does not see a "strong case" for an interest rate cut, erasing hopes of more accommodative monetary policy in a low-inflation market environment.
- President Trump announced a planned 5% tariff on all goods imported from Mexico, an unexpected move driven by disputes surrounding immigration policy. Additionally, trade talks between the US and China broke down as the world's two largest economies failed to reach a trade agreement during May negotiations.
- Equity markets posted negative returns in May as the S&P 500 (Cap Wtd) Index returned -6.35% and the MSCI EAFE (Net) Index returned -4.80%. Emerging markets returned -7.26% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 1.78% in May, outperforming the 1.48% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 1.33%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 0.22% in May and 7.89% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 10.61% for the trailing one-year period and 11.82% for the trailing five-year period ending December 2018.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned -0.85% for the month and -0.70% over the trailing one-year period.
- Crude oil's price fell by 16.29% during the month, and has decreased by 20.20% YoY.

Treasury Yield Curve (%)



Economic Indicators	May-19	Apr-19	May-18	10 Yr	20 Yr
Federal Funds Rate (%)	2.40 ▼	2.45	1.70	0.51	1.89
Breakeven Inflation - 5 Year (%)	1.59 ▼	1.86	2.05	1.75	1.86
Breakeven Inflation - 10 Year (%)	1.74 ▼	1.95	2.09	2.01	2.04
Breakeven Inflation - 30 Year (%)	1.83 ▼	1.99	2.09	2.16	2.27
Bloomberg US Agg Bond Index - Yield (%)	2.69 ▼	2.97	3.22	2.60	3.92
Bloomberg US Agg Bond Index - OAS (%)	0.49 ▲	0.44	0.42	0.54	0.64
Bloomberg US Agg Credit Index - OAS (%)	1.20 ▲	1.04	1.09	1.38	1.47
Bloomberg US Corp: HY Index - OAS (%)	4.33 ▲	3.58	3.62	5.06	5.51
Capacity Utilization (%)	78.07 ▲	77.92	78.08	76.13	77.23
Unemployment Rate (%)	3.6 -	3.6	3.8	6.6	5.9
PMI - Manufacturing (%)	52.1 ▼	52.8	58.7	54.4	52.8
Baltic Dry Index - Shipping	1,096 ▲	1,011	1,090	1,366	2,310
Consumer Conf (Conf Board)	134.10 ▲	129.20	128.80	86.87	92.78
CPI YoY (Headline) (%)	1.8 ▼	2.0	2.8	1.6	2.2
CPI YoY (Core) (%)	2.0 ▼	2.1	2.2	1.8	2.0
PPI YoY (%)	1.0 ▼	2.0	4.1	1.6	2.3
M2 YoY (%)	4.1 ▲	3.9	3.8	6.0	6.2
US Dollar Total Weighted Index	92.84 ▲	92.54	89.27	81.82	86.21
WTI Crude Oil per Barrel (\$)	54 ▼	64	67	73	61
Gold Spot per Oz (\$)	1,305 ▲	1,284	1,299	1,321	900

Treasury Yield Curve (%)	May-19	Apr-19	May-18	May-17	May-16			
3 Month	2.35	2.43	1.93	0.98	0.34			
6 Month	2.35	2.46	2.08	1.08	0.49			
1 Year	2.21	2.39	2.23	1.17	0.68			
2 Year	1.95	2.27	2.40	1.28	0.87			
5 Year	1.93	2.28	2.68	1.75	1.37			
7 Year	2.03	2.39	2.78	2.02	1.66			
10 Year	2.14	2.51	2.83	2.21	1.84			
20 Year	2.39	2.75	2.91	2.60	2.23			
30 Year	2.58	2.93	3.00	2.87	2.64			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-6.35	-2.56	10.74	3.78	11.72	9.66	13.53	13.95
Russell 2000	-7.78	-4.64	9.26	-9.04	9.75	6.71	11.32	12.84
MSCI EAFE (Net)	-4.80	-2.13	7.64	-5.75	5.82	1.27	7.46	6.23
MSCI EAFE SC (Net)	-5.29	-2.43	7.97	-11.91	5.64	3.84	9.86	9.43
MSCI EM (Net)	-7.26	-5.30	4.10	-8.70	9.88	1.79	3.82	5.03
Bloomberg US Agg Bond	1.78	1.80	4.80	6.40	2.50	2.70	2.45	3.83
ICE BofAML 3 Mo US T-Bill	0.23	0.42	1.02	2.26	1.32	0.83	0.62	0.47
NCREIF ODCE (Gross)	N/A	N/A	1.42	7.52	7.97	10.18	10.77	8.74
FTSE NAREIT Eq REITs Index (TR)	0.22	-0.01	16.32	14.61	6.13	7.89	9.53	14.88
HFRI FOF Comp Index	-0.85	0.06	4.69	-0.70	3.61	2.11	3.41	3.11
Bloomberg Cmnty Index (TR)	-3.36	-3.77	2.31	-12.37	-1.73	-9.52	-6.32	-4.18

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

