



Monthly Market Review

U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P), returned 1.99% in June. The index performance benefited from signs of emerging economic growth but was adversely impacted by a resurgence of new COVID-19 cases.
- Within the S&P, five of 11 sectors posted positive returns. Information Technology did best and solidified its leadership within the index during 2020, returning 7.14%. Consumer Discretionary followed, returning 4.99% as consumer confidence improved during the month. Meanwhile, the Utilities sector, the worst performer of the month, returned -4.66%, followed by Healthcare, returning -2.38%.
- By market capitalization, small-caps (Russell 2000) returned 3.53%, large-caps (Russell 1000 Index), returned 2.21% and mid-caps (Russell Mid Cap Index) returned 1.80%. Growth stocks outperformed value stocks across all capitalizations.

Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., ended the month up 4.52%, as world economies continued to bounce back from April-lows. Developed markets ex-U.S., represented by the MSCI EAFE Index, returned 3.41% while emerging markets (EM), represented by the MSCI Emerging Markets Index, returned 7.35% in June.
- Within the ACWI ex-U.S. Index, all 11 sectors posted positive returns. Information Technology did best, returning 8.40%, followed by Communication Services, returning 8.30%. The Energy sector was the worst performer, returning 0.90%, followed by Healthcare with a return of 1.90%.
- Within the ACWI ex-U.S. Index, EM Asia performed best during the month, returning 8.24%. Japan was the worst-performing region during the month, returning -0.01%.

Fixed Income

- The Bloomberg Barclays U.S. Aggregate Index (Aggregate) returned 0.63% in June. It was helped by the Federal Reserve's steadfast effort to add market liquidity and bring yields down, although gains eased toward the end of the month as the rate of new COVID-19 cases accelerated in the U.S.
- Investment-grade (IG) credit within the Aggregate returned 1.83%. Within the IG credit spectrum, AAA-rated bonds returned 0.24%, AA-rated bonds returned 1.09%, A-rated bonds returned 1.60%, and BBB-rated bonds returned 2.45%. High Yield (HY), represented by the Bloomberg Barclays U.S. Corporate HY Index, returned 0.98% in June.
- Changes in yields were mostly flat across the U.S. Treasury Yield curve in June.

Alternatives and Other Asset Classes

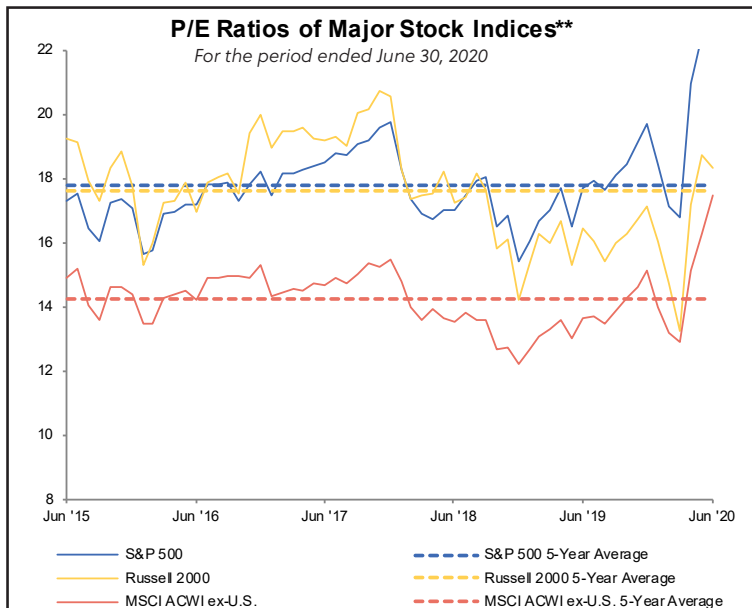
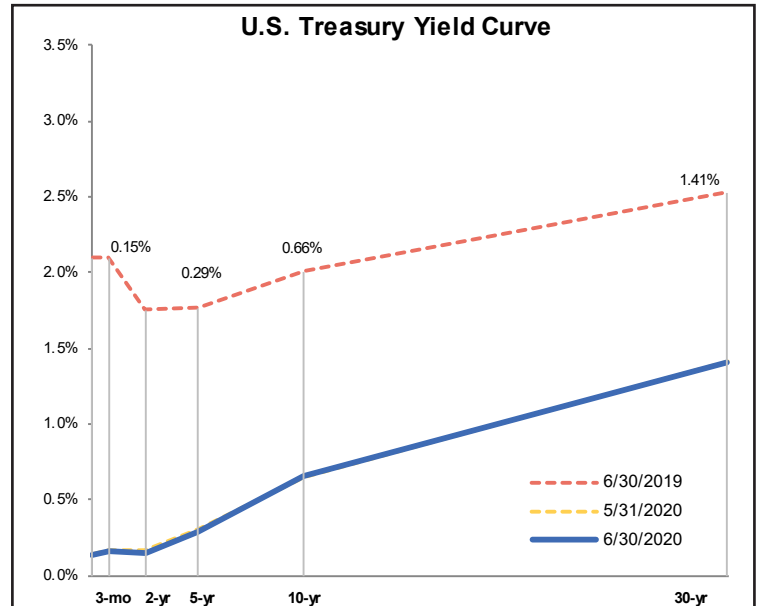
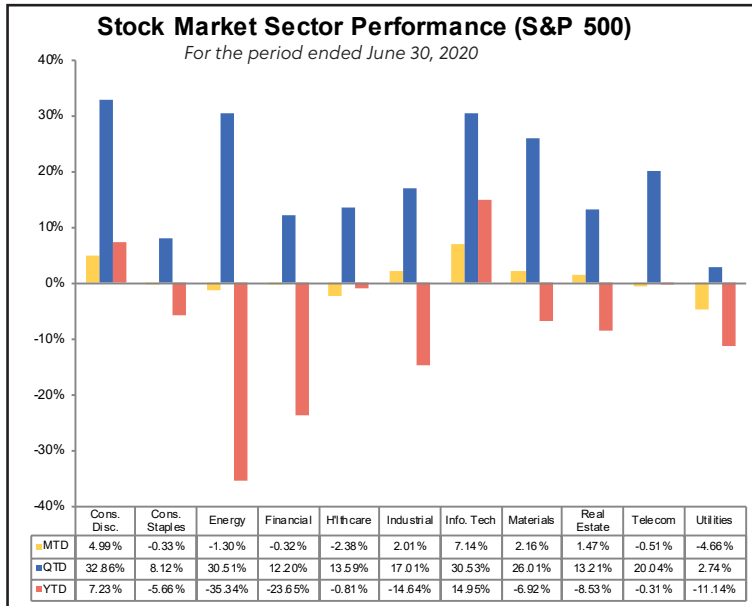
- Real estate investment trusts (REITs) represented by the FTSE NAREIT Index rose 3.06% in June. Performance was positive in six of nine real estate sectors. Retail did best, returning 13.24%. The worst performing REIT sector of the month was Lodging/Resorts, returning -5.36%.
- The active contract for West Texas Intermediate (WTI) crude increased to \$39.27/barrel in June from \$35.49/barrel at the end of May as demand continues to claw back from April lows.

Items to Watch

- The ongoing economic recovery took a blow in late June as new cases of COVID-19 surged across many U.S. states. As of June 30, more than a dozen states had paused or rolled back reopening plans, threatening to erase recent payroll gains and suspend economic activity into the fall. The U.S. is now recording its highest daily infection rates at nearly 40,000.
- The resurgence of infections has shifted more attention toward fiscal stimulus programs expected in late July or August. The Federal Reserve continues to provide strong monetary support, while Congress debates a spending bill, likely between \$1-3 trillion, for economic relief. The bill could include additional stimulus checks, extended jobless benefits and back-to-work bonuses.
- The enthusiasm surrounding the June jobs report's substantial gains was diminished by the resurgence of new coronavirus infections but they were welcome improvements nonetheless. A record 4.8 million jobs were added in June, surpassing expectations once again and resulting in an unemployment rate of 11.1%, down from 13.3% in May. Adding to the encouragement, May's payroll gains were revised up by 190,000. Interestingly, the Labor Department also announced an increase in initial jobless claims and continuing jobless claims over the last week of June.
- U.S. gross domestic product (GDP) is expected to take a much deeper dive in the second quarter, with estimates from economists coming in around -30% to -40%. First-quarter GDP fell 5% and projections for the third quarter bounce back for nearly 20% growth. Other economic indicators showed improvement in June, including ISM manufacturing PMI back in expansion territory at 52.6 and consumer confidence at 98.1.

Total Return of Major Indices as of 06/30/2020				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	1.99%	20.54%	-3.09%	7.49%
Russell 3000	2.29%	22.03%	-3.48%	6.52%
Russell 2000	3.53%	25.42%	-12.99%	-6.65%
Russell 1000	2.21%	21.82%	-2.81%	7.47%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	4.52%	16.12%	-11.00%	-4.80%
MSCI EAFE	3.41%	14.88%	-11.34%	-5.13%
MSCI Emerging Markets	7.35%	18.08%	-9.78%	-3.39%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	0.63%	2.90%	6.14%	8.74%
Bloomberg Barclays Global Agg	0.89%	3.32%	2.98%	4.22%
Bloomberg Barclays U.S. HY	0.98%	10.18%	-3.80%	0.03%
Alternatives	MTD	QTD	YTD	1 YR
FTSE NAREIT Equity	3.06%	11.82%	-18.71%	-13.04%
Bloomberg Commodity	2.27%	5.04%	-19.67%	-18.43%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	11.1%	13.3%
Initial Jobless Claims (4 week average)	1503.8 K	1621.3 K
CB Leading Economic Indicators	2.8	-6.1
Capacity Utilization	64.8%	64.0%
GDP (annual growth rate)	-5.0%	2.1%
University of Michigan Consumer Confidence	78.1	72.3
New Home Starts	676 K	580 K
Existing Home Sales	3.9 MM	4.3 MM
Retail Sales (YoY)	-6.6%	-16.7%
U.S. Durable Goods (MoM)	15.7%	-18.1%
Consumer Price Index (YoY)	0.1%	0.3%
Producer Price Index (MoM)	2.3%	-3.5%
Developed International*	3/31/2020	12/31/2019
Market GDP (annual rate)	-1.2%	1.7%
Market Unemployment	6.3%	6.2%



Source: Bloomberg. Data as of June 30, 2020, 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, 2020 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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