Economic & Market News

This Week:
- U.S. economic reports scheduled to be released this week include Durable Orders, Productivity, Unemployment and Nonfarm Payrolls.
- Non-U.S. economic reports for the week include Manufacturing Data in Germany and the Eurozone, along with Unemployment and Monetary Policy decisions out of the Eurozone.

Week in Review:
- Second estimate preliminary U.S. Seasonally-Adjusted GDP in the first quarter of 2019 increased at an annual rate of 3.1% versus 2.2% reported in the fourth quarter of 2018.
- Final U.S. Consumer Sentiment remains at favorable levels, up 2.9% in May to 100.0, with year-ahead inflation expectations jumping from last month’s 2.6% to 2.9%.
- Seasonally-Adjusted Preliminary Industrial Production in Japan advanced 0.6% in April to 102.8 with an uptick in Motor Vehicles, Production Machinery and Transport Equipment.

S&P 1500 by Capitalization & Style1

<table>
<thead>
<tr>
<th>Value</th>
<th>Blend</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large</td>
<td>7.97%</td>
<td>10.74%</td>
</tr>
<tr>
<td>Mid</td>
<td>7.92%</td>
<td>9.60%</td>
</tr>
<tr>
<td>Small</td>
<td>5.64%</td>
<td>5.81%</td>
</tr>
</tbody>
</table>

S&P 500 Sector Returns

1-Week

<table>
<thead>
<tr>
<th>Sector</th>
<th>Consumer</th>
<th>Consumer Staples</th>
<th>Energy</th>
<th>Financials</th>
<th>Health Care</th>
<th>Industrials</th>
<th>Technology</th>
<th>Utilities</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>-2.23</td>
<td>-3.50</td>
<td>-6.45</td>
<td>-2.40</td>
<td>-2.38</td>
<td>-1.91</td>
<td>-0.86</td>
<td>-2.98</td>
</tr>
<tr>
<td>1 Week</td>
<td>13.04</td>
<td>10.42</td>
<td>9.85</td>
<td>1.34</td>
<td>16.69</td>
<td>4.97</td>
<td>14.36</td>
<td>11.01</td>
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Year-to-Date

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Please see important disclosures on next page. Note: All returns represent total return including dividends. All data is as of May 31, 2019.
Economic & Market News provided by Sterling Capital Management Asset Allocation Committee.

**S&P 1500:** An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500®, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

**Capitalization/Style Returns:** Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500® Value Index, S&P 500® Index, S&P 500® Growth Index, S&P MidCap 400® Value Index, S&P MidCap 400® Growth Index, S&P SmallCap 600® Value Index, S&P SmallCap 600® Growth Index. The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P MidCap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 400 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure market capitalization and growth along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are the 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Market Value. The Value factors are Book Value to price ratio, Earnings to Price Ratio, and Sales to Price Ratio.

**Index Returns:** Prices reflect closing price level for each stated date.

**S&P 500:** The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

**S&P SmallCap 600:** The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

**S&P MidCap 400:** The S&P MidCap 400 is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

**Barclays US Aggregate Bond Index:** The Barclays Capital U.S. Aggregate Bond Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more.

**MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

**MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI Emerging Markets Investable Market Index (IMI)** captures large, mid, and small cap representation across 23 Emerging Markets (EM) countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country.

**DJ UBS Commodity:** The DJ-UBSCI is composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid the delivery process and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as “rolling” a futures position. The DJ-UBSCI is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

**The DJ Equity ALL REIT Index** represents all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as Equity REITs according to the Dow Jones REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

**Bond Rates:** Fed Funds Target, FactSet; 2-Year Treasury, FactSet; 10-Year Treasury, FactSet; 10-Year Municipal, FactSet, High Yield, FactSet

**Commodities:** Oil, FactSet; Gold, FactSet; Gasoline, FactSet

**Sector Returns:** Sectors are based on the GICS Classification model. Return data are calculated by Morningstar Direct using constituents and weights as provided by Standard and Poor’s. Returns are cumulative total return for the stated period, including reinvestment of dividends.


**Currencies:** Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet

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