

CPWM's Weekly Market Monitor is designed to provide a summary of recent market commentary and statistics.

MARKET COMMENTARY

- On Memorial Day we honor those in the military who made the ultimate sacrifice for America.
- U.S stocks rallied strongly on the week, bouncing back from last week's wavering. Asian and European stocks gained slightly, as did gold. Oil sold off after an OPEC meeting produced no breakthrough to reduce oversupply, but then rallied for a solid gain. The yield on the 10-year U.S. Treasury increased slightly, ending the week at 2.25%.
- Q1 GDP was revised up to a 1.2% annual rate from the 0.7% advance estimate, better than expected. Nonresidential fixed investment and personal consumption expenditures increased more than previously estimated.
- U.S. durable goods orders disappointed in April, declining 0.7% versus a March gain of 2.3% but better than an expected 1.5% contraction.
- The University of Michigan's final reading of May consumer sentiment was 97.1, up slightly versus April's final reading. The index has risen 2.5% since May 2016.
- Inflation expectations, which the Federal Reserve closely monitors, were little changed between April and May. While one-year expectations rose in May to 2.6%, up from 2.5% the month before, five-year inflation expectations held steady at 2.4%.
- The U.S. Census Bureau and the Department of Housing and Urban Development reported that new home sales rose to a seasonally adjusted annual rate of 569,000 in April, which was significantly below the March rate of 642,000 but slightly above April 2016. The median home price fell 3% as supply rose.
- The U.S. Composite PMI Output Index measured a modest rebound of business activity growth in May, pointing to the strongest upturn in U.S. private sector output since February.
- The minutes of the Federal Open Market Committee's (FOMC) May meeting showed Fed officials expected that it would "soon be appropriate" to raise short-term interest rates. Markets have interpreted this to mean the Fed will make its next move in June, likely with another move later in the year.
- The FOMC minutes further revealed the Fed is moving toward a consensus on how to start shrinking its holdings of Treasury and mortgage securities. Under the approach discussed, later this year the Committee would allow gradually increasing amounts of those securities to mature without reinvesting the proceeds.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
Investment Grade Fixed Income				
iShares Short-Term National AMT-Free Muni Bond ETF	0.1	0.3	1.2	0.7
iShares National AMT-Free Muni Bond ETF	0.3	1.3	2.9	0.5
iShares Core US Aggregate Bond ETF	(0.1)	0.7	2.1	1.3
Global Equity				
iShares MSCI ACWI	0.9	2.4	11.3	17.9
U.S. Equity				
iShares Core S&P 500 ETF	1.4	1.4	8.6	17.9
iShares Russell Mid Cap ETF	1.2	0.4	6.9	16.6
iShares Russell 2000 ETF	1.1	(2.5)	2.3	23.1
iShares Core U.S. Value ETF	1.0	(0.7)	3.1	16.3
iShares Core U.S. Growth ETF	1.9	2.8	13.3	20.6
Foreign Equity				
iShares MSCI EAFE ETF	(0.1)	3.5	14.4	16.0
iShares MSCI EAFE Small Cap ETF	0.5	3.9	16.8	16.7
iShares MSCI EAFE Value ETF	(0.5)	2.1	11.4	18.0
iShares MSCI EAFE Growth ETF	0.3	4.7	17.4	13.8
Emerging Markets Equity				
iShares MSCI Emerging Markets ETF	1.4	4.2	19.2	28.6
iShares MSCI Emerging Markets Small Cap ETF	0.6	0.3	15.5	18.5
"Other" Asset Classes				
iShares U.S. Real Estate ETF	0.8	(0.6)	3.8	5.8
iShares International Developed Real Estate ETF	0.7	2.1	10.4	5.2
SPDR Barclays High Yield Bond ETF	0.4	1.1	4.4	12.5
iShares S&P GSCI Commodity Indexed Trust	(1.5)	0.6	(7.4)	(6.5)

IMPORTANT NOTES

ALL COMMENTARY SOURCED FROM VOYA GLOBAL PERSPECTIVES REPORT AND TO BE USED FOR INFORMATIONAL PURPOSES ONLY.

PRIOR PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. INDIVIDUAL INVESTOR PERFORMANCE MAY VARY. ALL INVESTING INVOLVES THE RISK OF LOSS INCLUDING THE POSSIBLE LOSS OF ALL AMOUNTS INVESTED. DIFFERENT TYPES OF INVESTMENTS INVOLVE VARYING DEGREES OF RISK, AND THERE CAN BE NO ASSURANCE THAT ANY SPECIFIC INVESTMENT WILL BE PROFITABLE.

MARKET-RELATED DATA INCLUDED IN CHARTS AND GRAPHS IS SOURCED MORNINGSTAR.COM.

ALL RETURNS REFERENCED ARE EXCHANGE TRADED FUNDS (ETFs) DESIGNED TO TRACK A PARTICULAR INDEX OR BENCHMARK. THERE CAN BE NO GUARANTEE THE ETFs ACHIEVE THEIR OBJECTIVE. BENCHMARK DESCRIPTIONS PROVIDED BELOW.

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EXCHANGE TRADED FUND DESCRIPTIONS:

- THE ISHARES SHORT-TERM NATIONAL AMT-FREE MUNI BOND ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF INVESTMENT-GRADE U.S. MUNICIPAL BONDS WITH REMAINING MATURITIES BETWEEN ONE MONTH AND FIVE YEARS.
- THE ISHARES NATIONAL AMT-FREE MUNI BOND ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF INVESTMENT-GRADE U.S. MUNICIPAL BONDS.
- THE ISHARES CORE U.S. AGGREGATE BOND ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF THE TOTAL U.S. INVESTMENT-GRADE BOND MARKET.
- THE ISHARES MSCI ACWI ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE AND MID-CAPITALIZATION DEVELOPED AND EMERGING MARKET EQUITIES.
- THE ISHARES CORE S&P 500 ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE-CAPITALIZATION U.S. EQUITIES.
- THE ISHARES RUSSELL MID-CAP ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF MID-CAPITALIZATION U.S. EQUITIES.
- THE ISHARES RUSSELL 2000 ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF SMALL-CAPITALIZATION U.S. EQUITIES.
- THE ISHARES CORE U.S. VALUE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF A BROAD-BASED INDEX COMPOSED OF U.S. EQUITIES THAT EXHIBIT VALUE CHARACTERISTICS.
- THE ISHARES CORE U.S. GROWTH ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF A BROAD-BASED INDEX COMPOSED OF U.S. EQUITIES THAT EXHIBIT GROWTH CHARACTERISTICS.
- THE ISHARES MSCI EAFE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE-, MID- AND SMALL-CAPITALIZATION DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA.
- THE ISHARES MSCI EAFE SMALL CAP ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF SMALL-CAPITALIZATION DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA.
- THE ISHARES MSCI EAFE VALUE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA, THAT EXHIBIT VALUE CHARACTERISTICS.
- THE ISHARES MSCI EAFE GROWTH ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF DEVELOPED MARKET EQUITIES, EXCLUDING THE U.S. AND CANADA, THAT EXHIBIT GROWTH CHARACTERISTICS.
- THE ISHARES MSCI EMERGING MARKETS ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF LARGE- AND MID-CAPITALIZATION EMERGING MARKET EQUITIES.
- THE ISHARES MSCI EMERGING MARKETS SMALL CAP ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF SMALL-CAPITALIZATION EMERGING MARKET EQUITIES.
- THE ISHARES U.S. REAL ESTATE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF U.S. EQUITIES IN THE REAL ESTATE SECTOR.
- THE ISHARES INTERNATIONAL DEVELOPED REAL ESTATE ETF SEEKS TO TRACK THE INVESTMENT RESULTS OF AN INDEX COMPOSED OF REAL ESTATE EQUITIES IN DEVELOPED NON-U.S. MARKETS.
- THE SPDR® BARCLAYS HIGH YIELD BOND ETF SEEKS TO PROVIDE INVESTMENT RESULTS THAT, BEFORE FEES AND EXPENSES, CORRESPOND GENERALLY TO THE PRICE AND YIELD PERFORMANCE OF THE BARCLAYS HIGH YIELD VERY LIQUID INDEX.
- THE ISHARES S&P GSCI COMMODITY INDEXED TRUST SEEKS TO TRACK THE RESULTS OF A FULLY COLLATERALIZED INVESTMENT IN FUTURES CONTRACTS ON AN INDEX COMPOSED OF A DIVERSIFIED GROUP OF COMMODITIES FUTURES.