

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

**MARKET COMMENTARY**

- U.S. equities posted a third straight week of strong gains as volatility eased; global markets also rallied. Beside a surprisingly strong U.S. jobs report, the biggest tailwind was massive fiscal and monetary stimulus, which stayed in focus this week as the European Central Bank (ECB) exceeded expectations. Investors also focused on upticks in monthly economic data and respondent comments about a pickup in demand.
- The traction behind these tailwinds was evidenced by the outperformance of value and cyclical assets, bearish yield-curve steepening and a softer U.S. dollar. The two- to ten-year U.S. Treasury yield spread widened to 69 basis points from 49 bp last week; the ten-year yield closed at 0.91%, up from 0.65%. "Risk-on" sentiment pushed oil futures up and gold futures down; the Bloomberg Commodity index rose for the week.
- U.S. nonfarm payrolls rose by 2.5 million in May and the unemployment rate declined to 13.3%, well ahead of expectations for 1.9% and a significant decline from 14.7% in April. Employment rose sharply in leisure and hospitality, construction, education and health services and retail trade.
- May ISM nonmanufacturing came in at 45.4 versus April's 41.8. The report noted increases in new orders and business activity.
- The ISM Manufacturing index signaled modest improvement, rising to 43.1 in May from 41.5 in April. New orders, production and employment all rose significantly. The final May Markit manufacturing purchasing managers' index (PMI) read 39.8, surpassing April's 36.1 reading. New orders, employment and output expectations improved slightly.
- China's Caixin/Markit Manufacturing PMI unexpectedly crossed into expansion in May, rising to 50.7 from 49.4 in April. China's official manufacturing PMI came in at 50.6 for May compared to 50.8 in April. Markit German manufacturing PMI rose to 36.6 in May from April's 34.5 print.
- The ECB boosted its Pandemic Emergency Purchase Program by €600 billion, higher than the €500 billion consensus, and lengthened the program from year-end 2020 until June 2021. As expected, the ECB left its key deposit rate unchanged at -0.5%. Its asset purchase program will continue at a monthly pace of €20 billion for as long as necessary, together with a €120 billion temporary envelope until year-end.

ASSET CLASS / BENCHMARK	1 WEEK	1 MONTH	YTD	1 YEAR
<b>Investment Grade Fixed Income</b>				
iShares Short-Term National AMT-Free Muni Bond ETF	(0.2)	1.4	1.4	2.7
iShares National AMT-Free Muni Bond ETF	(0.5)	2.2	1.4	4.0
iShares Core US Aggregate Bond ETF	(0.5)	0.2	5.1	8.8
<b>Global Equity</b>				
iShares MSCI ACWI	5.9	13.1	(3.5)	9.4
<b>U.S. Equity</b>				
iShares Core S&P 500 ETF	5.0	11.6	(0.2)	15.2
iShares Russell Mid Cap ETF	6.9	16.8	(4.5)	6.1
iShares Russell 2000 ETF	8.1	18.6	(9.0)	1.5
iShares Core U.S. Value ETF	7.1	13.7	(9.1)	6.9
iShares Core U.S. Growth ETF	3.7	11.2	6.8	21.1
<b>Foreign Equity</b>				
iShares MSCI EAFE ETF	7.0	15.2	(8.1)	2.2
iShares MSCI EAFE Small Cap ETF	6.5	17.1	(9.2)	3.7
iShares MSCI EAFE Value ETF	9.5	17.3	(14.1)	(6.1)
iShares MSCI EAFE Growth ETF	4.4	12.9	(2.4)	10.1
<b>Emerging Markets Equity</b>				
iShares MSCI Emerging Markets ETF	8.5	14.0	(8.8)	3.1
iShares MSCI Emerging Markets Small Cap ETF	9.6	15.9	(11.8)	(4.8)
<b>"Other" Asset Classes</b>				
iShares U.S. Real Estate ETF	9.3	14.9	(8.3)	(1.4)
iShares International Developed Real Estate ETF	9.3	13.0	(16.2)	(9.3)
SPDR Barclays High Yield Bond ETF	3.0	7.7	(2.2)	3.3
iShares S&P GSCI Commodity Indexed Trust	5.9	14.8	(35.8)	(29.4)

## 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.