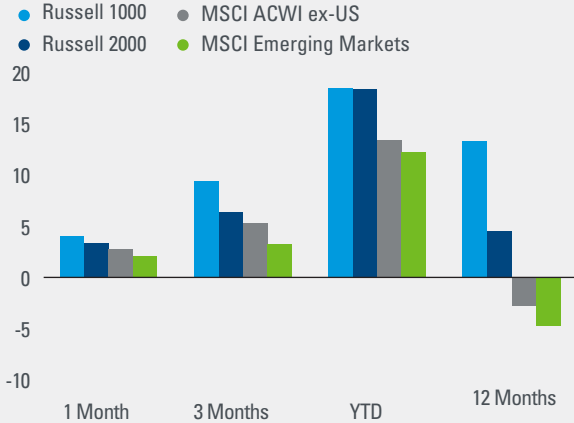


# MARKET INSIGHTS MONTHLY



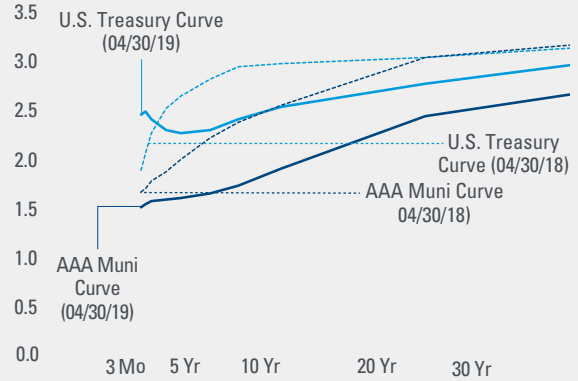
**CAMDEN  
CAPITAL**

## EQUITY PERFORMANCE



Source: Bloomberg, FactSet 04/30/19

## DOMESTIC YIELD CURVE



Source: Bloomberg, FactSet 04/30/19

		1 Mo	3 Mos	YTD	12 Mos
Large Cap	S&P 500	4.05	9.48	18.25	13.49
	DJIA	2.66	6.99	14.79	12.63
	Russell 1000	4.04	9.43	18.60	13.33
	Russell 1000 Value	3.55	7.53	15.90	9.06
	Russell 1000 Growth	4.52	11.34	21.35	17.43
Small/Mid Cap	Russell 2000	3.40	6.50	18.48	4.61
	Russell 2000 Value	3.78	4.71	16.16	2.19
	Russell 2000 Growth	3.05	8.22	20.71	6.91
	Russell Microcap	1.91	4.32	15.26	-1.73
	Russell Midcap	3.81	9.19	20.97	10.69
	Russell Midcap Value	3.30	7.12	18.14	5.76
All Cap	Russell Midcap Growth	4.50	12.12	25.00	17.64
	Russell 3000	3.99	9.22	18.60	12.68
	Russell 3000 Value	3.56	7.34	15.92	8.58
International Markets	Russell 3000 Growth	4.41	11.11	21.30	16.61
	MSCI EAFE	2.91	6.33	13.33	-2.73
	MSCI ACWI ex US	2.72	5.45	13.44	-2.75
	MSCI Europe	3.73	8.00	15.14	-2.35
	MSCI Japan	1.39	2.10	8.33	-6.84
	MSCI AC Asia Pacific ex Japan	1.78	5.76	13.47	-2.49
	MSCI EAFE SMID	3.07	5.73	13.97	-6.07

		1 Mo	3 Mos	YTD	12 Mos
Int'l - Continued	MSCI ACWI ex US SMID	2.42	4.78	13.01	-6.63
	MSCI Emerging Mkts	2.12	3.24	12.29	-4.68
	MSCI EMEA	5.22	0.27	11.11	-3.08
	MSCI Latin America	0.46	-5.68	8.43	-4.77
	MSCI Frontier Markets	0.23	2.29	7.15	-11.87
Sectors - S&P 500 GICS	Communication Services	6.53	10.01	21.42	15.93
	Consumer Discretionary	5.71	10.91	22.33	16.89
	Consumer Staples	2.52	9.16	14.83	18.38
	Energy	0.07	4.86	16.51	-7.29
	Financials	9.00	8.73	18.34	4.29
	Healthcare	-2.63	-1.01	3.79	10.52
	Industrials	4.11	9.51	22.02	10.56
	Information Technology	6.43	19.26	27.57	22.76
	Materials	3.64	8.36	14.31	3.04
	Real Estate	-0.60	5.42	16.71	21.32
	Utilities	0.93	8.16	11.87	17.96

Source: Bloomberg, FactSet 04/30/19

(Data continued on following page.)

All data represent total returns, where applicable. Information contained in this report is from sources deemed to be reliable. We cannot guarantee the accuracy or completeness of such information and we assume no liability for damages resulting from or arising out of the use of such information. Further, please note that past performance is not indicative of future results.

	1 Mo	3 Mos	YTD	12 Mos
BI BarCap US Agg	0.03	1.89	2.97	5.29
BI BarCap US Credit Total Return Value	0.49	3.16	5.39	6.38
BI BarCap 1-10 Muni	0.09	1.29	2.13	4.74
BI BarCap HY Muni	0.56	3.72	4.41	8.26
BI BarCap Inv. Grade Credit	0.54	3.28	5.71	6.50
BI BarCap Muni Long Bond (22+)	0.82	4.12	4.70	7.41
BI BarCap US Agg Securitized MBS	-0.06	1.30	2.11	4.89
BI BarCap US TIPS	0.33	2.16	3.54	3.10
BI BarCap US Treasury Interm	0.04	1.20	1.63	4.45
BI BarCap US Treasury	-0.28	1.35	1.83	4.77
S&P/LSTA US Leveraged Loan	2.09	3.64	7.32	4.76
ML Preferred Stock Hybrid	0.68	3.56	9.75	5.63
BI BarCap Credit-Corporate-High Yield	1.42	4.08	8.78	6.74
ML US Convert ex-Mandatory	2.89	5.84	13.25	11.27
JPM GBI Global ex US Hedged	-0.07	1.85	2.98	5.32
JPM GBI Global ex US Unhedged	-0.69	-1.05	0.86	-2.68
JPM GBI-EM Global Div	-0.18	-2.58	2.74	-4.93
JPM ELMI+	0.08	-1.13	1.55	-2.41
JPM EMBI+ Composite	-0.74	0.27	5.37	3.41

Fixed Income

	1 Mo	3 Mos	YTD	12 Mos
HFRX Absolute Return	0.29	-0.37	0.85	-0.03
HFRX Market Directional	1.20	0.87	2.30	-6.96
HFRX Convertible Arb.	0.48	-0.20	1.53	0.00
HFRX Equity Hedge	0.67	2.65	6.67	-3.97
HFRX Market Neutral	-0.50	-1.19	-1.06	-4.82
HFRX Event Driven	0.47	-1.24	1.27	-6.44
HFRX Merger Arb.	0.08	-2.64	-1.68	-1.60
HFRX Relative Value Arb.	0.21	0.34	2.83	0.40
HFRX Global Hedge Fund	0.66	1.13	3.28	-2.77
HFRX Macro Index	1.15	2.22	0.27	-1.43
HFRX Systematic Diversified	1.83	3.99	1.30	-1.06
Bloomberg Commodity	-0.42	0.41	5.88	-8.03
DJ Select US REIT	-0.19	3.67	15.50	17.76
Alerian MLP	-1.33	2.33	15.27	5.08

Alternatives

	Latest Mo End (04/30/19)	3 Mos Ago (01/31/19)	Latest Yr End (12/31/18)	12 Mos Ago (04/30/18)
U.S. Dollar Index Value	97.48	95.58	96.17	91.84
USD vs. Yen	111.43	108.90	109.65	109.32
Euro vs. USD	1.12	1.14	1.15	1.21
Gold (\$ per Troy Ounce)	1283.10	1320.70	1282.10	1314.90
Crude Oil (\$ per Barrel)	63.91	53.79	45.41	68.57

Currency

Cmty

Source: Bloomberg, FactSet 04/30/19

# APRIL 2019 IN REVIEW

May Update | As of April 30, 2019

## ECONOMY GREEN SHOOTS IN APRIL ECONOMIC DATA

Green shoots appeared in U.S. economic data as the economy entered the second quarter.

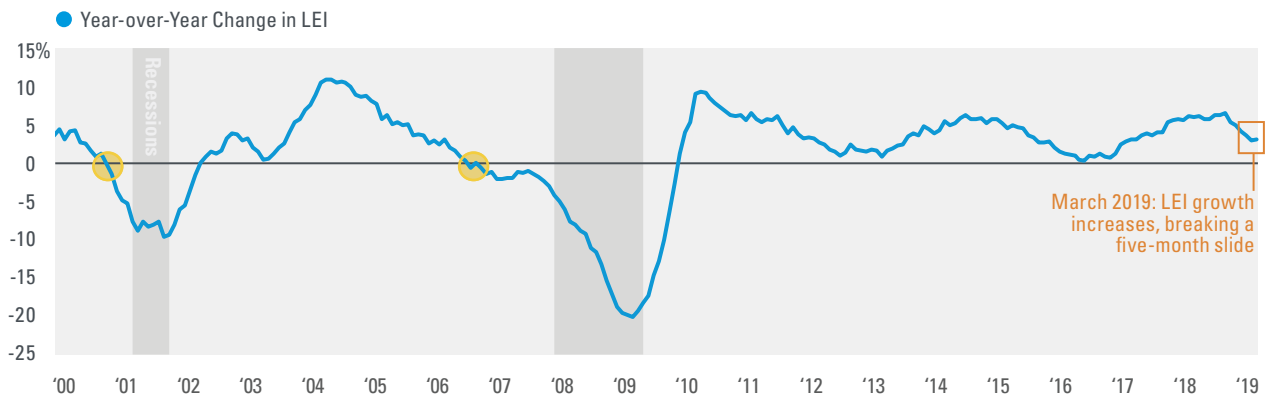
Leading indicators signaled low odds of a recession in the coming year. The Conference Board's Leading Economic Index (LEI) rose 3.1% year over year in March, breaking a five-month slide in annual growth.

Jobs data at the beginning of April confirmed that signs of labor market weakness earlier in the year were temporary. Nonfarm payrolls growth exceeded estimates, while the unemployment rate held steady near a cycle low. Overall, the U.S. labor market remained robust for this point in the cycle, with no apparent sign of the rapid slowing that has often occurred before the onset of a recession.

Consumer inflation slowed, reflecting the sting of lower global demand [Figure 2]. The core Consumer Price Index, which excludes food and energy, increased 2% year over year, the slowest pace in 13 months. Core personal consumption expenditures (PCE), the Federal Reserve's (Fed) preferred inflation gauge, rose 1.6% year over year in March, its slowest growth since September 2017.

However, wage and producer price growth remained steady, signaling pricing pressures continued to build. Average hourly earnings grew 3.2% year over year, a level of growth that should continue to bolster consumer confidence and support consumer spending. The core Producer Price Index (PPI), which

### 1 LEADING INDICATORS SHOW ECONOMY DIGGING OUT OF SOFT PATCH



Source: Conference Board 04/18/19

LEI= The Conference Board's Leading Economic Index

excludes food and energy prices, rose 2.6% year over year in March.

U.S. manufacturing reports sent mixed signals about the health of the sector in March. The Institute for Supply Management's (ISM) manufacturing Purchasing Managers' Index (PMI), a gauge of U.S. manufacturing health, rebounded slightly after hitting a new low in February. Markit's PMI declined to a 21-month low in March, but preliminary data for April showed a slight rebound in manufacturing activity.

Consumer and business spending data ticked up, though confidence gauges deteriorated further, reflecting U.S. consumers' and businesses' uncertainty amid global headwinds. Retail sales rose 1.6% in March, its biggest monthly gain since September 2017, while new orders for nondefense capital goods grew 1.3% in March, the biggest monthly rise since July 2018, according to preliminary data. However, the Conference Board's

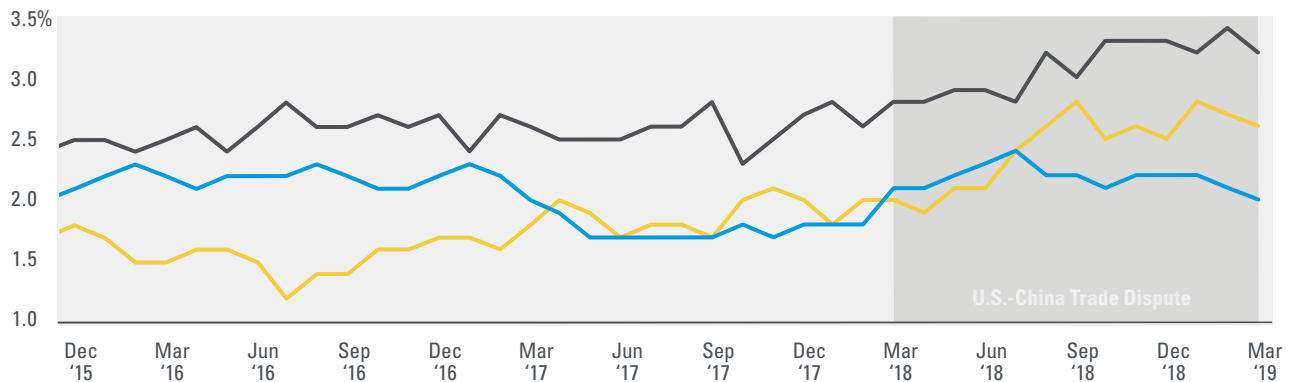
Consumer Confidence Index slid in March, while the National Federation of Independent Business's (NFIB) measure of business confidence was unchanged near a two-year low.

### ECB, Bank of Japan Keep Rates Unchanged

The Fed took a break from rate changes prior to its next policy meeting, scheduled to conclude May 1. The European Central Bank (ECB) announced April 10 that it would leave rates unchanged and reiterated its plans to hold rates through 2019. The ECB noted concerns around trade uncertainty and Brexit, and policymakers reportedly discussed plans to provide more stimulus if economic growth in the region doesn't improve. The Bank of Japan (BoJ) also kept rates unchanged at historically low levels in an April 25 announcement and pledged to keep rates low until at least the spring of 2020.

## 2 CONSUMER PRICES BEAR THE BRUNT OF A GLOBAL SLOWDOWN

- 12-Month Growth in Core Consumer Price Index
- 12-Month Growth in Core Producer Price Index
- 12-Month Growth in Average Hourly Earnings



Source: Bureau of Labor Statistics 04/12/19

## GLOBAL EQUITIES

### RALLY CONTINUED IN APRIL AS S&P 500 REACHED NEW RECORD HIGHS

The S&P 500 Index returned 4% in April, the fourth-straight positive month, its best April since 2009, and the best start to a year since 1987. The index hit a fresh all-time closing high on April 23, its first in nearly seven months. The Nasdaq fared better during the month with its 4.8% return, while the Dow Jones Industrials Average (+2.7%) and Russell 2000 Index (+3.4%) both lagged the S&P 500. The Nasdaq leads the major indexes year to date with its 22.4% return through April 30, followed by the Russell 2000 (+18.5%), S&P 500 (18.2%), and the Dow (14.8%).

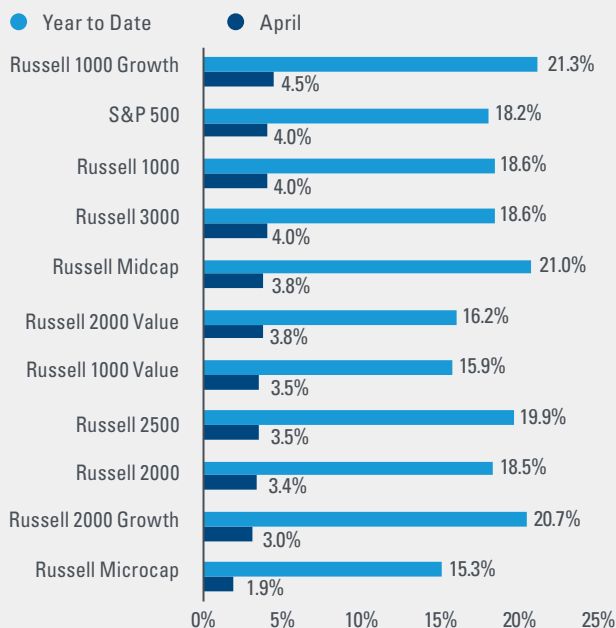
Increasing optimism surrounding prospects for a U.S.-China trade agreement remained a key driver for stock market gains—as has been the case throughout 2019. As April ended, reports suggested a deal might be imminent; the key remaining question centered on the United States’ use of tariffs as part of the enforcement mechanism going forward.

Evidence of improving economic growth in the United States and a good start to first quarter earnings season also helped support April’s market gains. A better-than-expected first quarter gross domestic product (GDP) report got most of the headlines, but strong rebounds in retail sales and job growth in March were notable. The first batch of results suggested expectations for first quarter profits may have been lowered too much. Although guidance from corporate executives has been mixed overall, estimates have held up relatively well as reports have come in.

Stocks also received some support from the Federal Reserve (Fed) and the bond market. The central bank has maintained its patient stance, backed by soft inflation data even in the absence of further evidence of economic weakness. The dovish stance has resulted in the bond market pricing in a rate cut later this year (which is difficult to square with incoming data), while also steepening the yield curve

#### DOMESTIC INDEX PERFORMANCE

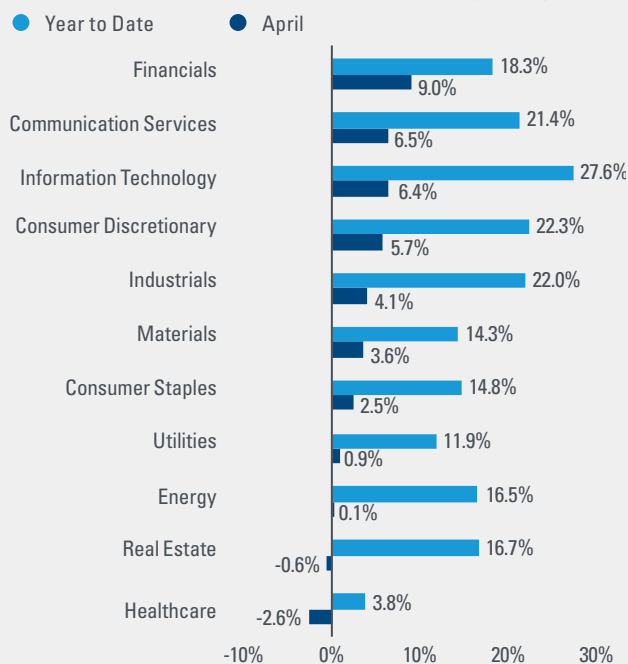
(Sorted by Monthly Return)



Source: FactSet 04/30/19

#### S&P 500 SECTOR PERFORMANCE

(Sorted by Monthly Return)



Source: FactSet 04/30/19

Indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

Stock investing involves risk, including loss of principal.

Because of its narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies.

(the difference between short-term and long-term interest rates), a widely followed recession signal. As the Fed's two-day policy meeting began on April 30, no material changes to policy were anticipated.

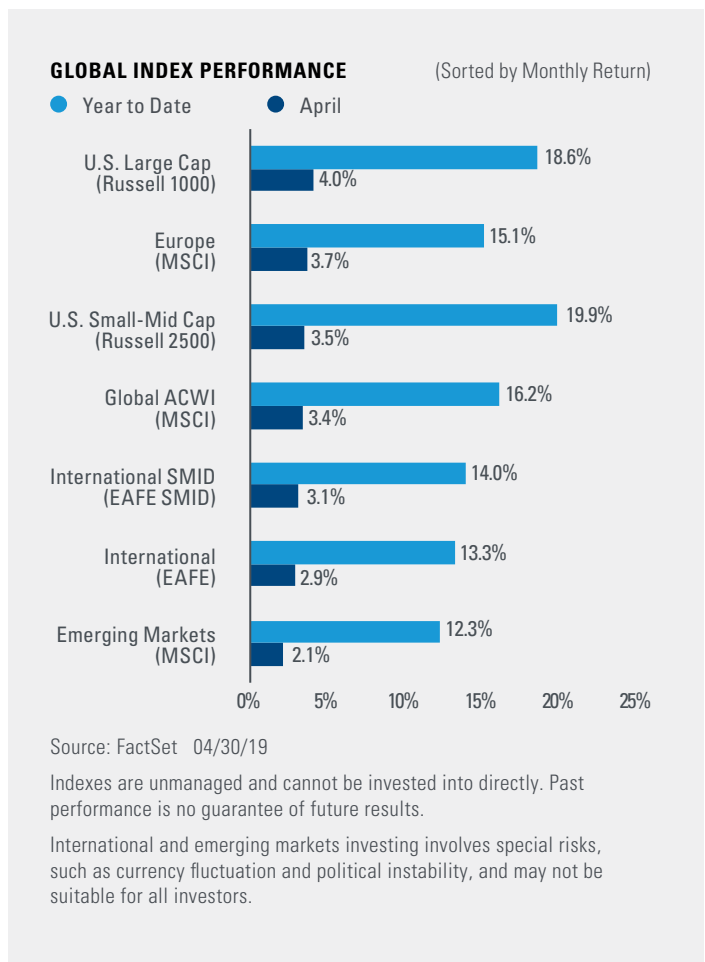
Despite rising stock prices and healthy credit markets, small cap stocks underperformed large caps during the month. The large cap Russell 1000 Index returned 4%, above the 3.8% and 3.4% returns for the Russell Midcap and Russell 2000 Indexes. Large cap outperformance, which likely reflected, at least in part, the market's view that larger, more global companies will probably benefit more from a U.S.-China trade deal, was primarily attributable to the communication services and healthcare sectors. Mid caps have outpaced large and small caps year to date with a 21% return.

Growth outpaced value for the fourth straight month despite financials sector leadership. The Russell 1000 Growth Index returned 4.5%, ahead of the 3.6% return for the Russell 1000 Value Index. The growth style benefited from strength in the communication services and information technology sectors, while value was hurt by energy sector weakness. Growth leads value by more than five percentage points year to date.

Cyclical sectors were ahead in April, led by financials with notable strength in communication services and information technology. Financials benefited from a steepening yield curve and the well-received start of earnings season, with JPMorgan Chase a notable outperformer. Other big individual stock contributors included Microsoft and Facebook.

### International

International developed and emerging market (EM) equities both failed to keep up with U.S. equities in April for the second straight month, despite evidence of stabilizing international growth. During the month, MSCI EAFE and EM indexes returned 2.9% and 2.1%, respectively. Year to date, the 13.3% and 12.3% returns for international developed and EM equities have trailed the S&P 500's 18.2% return. A more growth-oriented United States has helped drive



2019 outperformance, as has a strong U.S. dollar, though these were not big factors in April.

Leadership among developed international markets came from Germany and France, based on MSCI country indexes, while Japan lagged among major country markets. Germany benefited from improving prospects for a trade deal, though the threat of tariffs on German autos lingered as May began. U.K. stocks modestly underperformed as policymakers agreed on a six-month Brexit extension through October 31.

Within EM, gains in China and Taiwan were offset by losses in Brazil and only marginal gains in South Korea and India. Despite trade progress, China's equities essentially matched broad EM—the MSCI China Index returned 2.2% for the month.

## FIXED INCOME

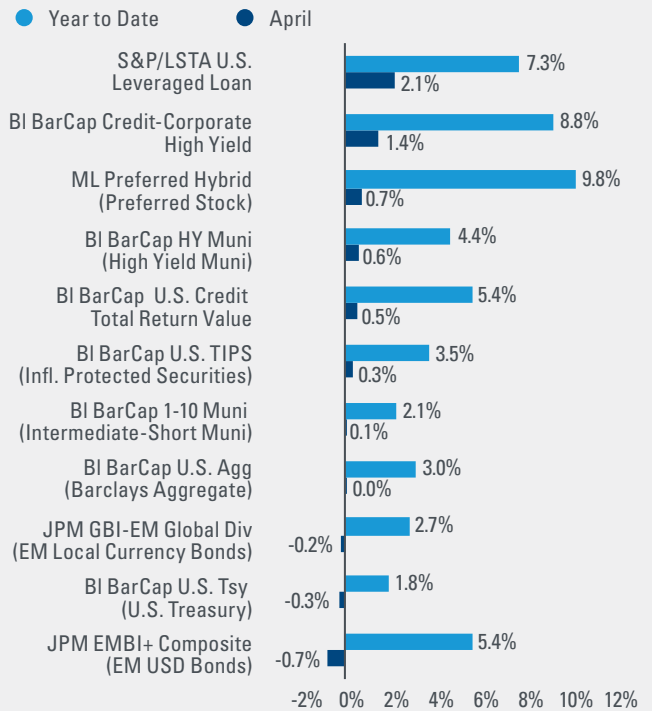
### ECONOMIC REBOUND FUELS 10-YEAR YIELD JUMP

Treasury prices slid and yields jumped in April amid improving economic conditions. The 10-year Treasury yield climbed 10 basis points (0.10%), its biggest monthly gain since September 2018. The benchmark yield climbed as high as 2.59% on April 17 before sliding through the end of the month to close at 2.50%. The yield curve steepened further, as the spread between the 2-year and 10-year yields rose to its highest point since November 2018.

Eight of the 11 fixed income asset classes we track gained in April, even as long-term U.S. government bonds declined (as shown in the Fixed Income Performance Table). Bank loans increased 2.1%, the best performer of all classes, while high-yield corporate bonds climbed 1.4%. Investment-grade bonds (represented by the Bloomberg Barclays U.S. Aggregate Credit Index) rose 0.5%, while the broader Bloomberg Barclays U.S. Aggregate Bond Index was unchanged on the month. Dollar-based emerging market debt fell 0.7%.

#### FIXED INCOME PERFORMANCE

(Sorted by Monthly Return)



#### U.S. TREASURY YIELDS

Security	03/31/19	04/30/19	Change in Yield
3 Month	2.40	2.43	0.03
2 Year	2.27	2.27	0.00
5 Year	2.23	2.28	0.05
10 Year	2.41	2.51	0.10
30 Year	2.81	2.93	0.12

#### AAA MUNICIPAL YIELDS

Security	03/31/19	04/30/19	Change in Yield
2 Year	1.52	1.54	0.02
5 Year	1.67	1.66	-0.01
10 Year	2.12	2.05	-0.07
20 Year	2.62	2.57	-0.05
30 Year	2.76	2.69	-0.07

Source: Bloomberg, FactSet 04/30/19

Indexes are unmanaged and cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise, and bonds are subject to availability and change in price.



## ALTERNATIVE INVESTMENTS LONG EQUITY EXPOSURE DRIVES MANAGED FUTURES

Alternative investment performance was mixed during April, while the S&P 500 Index set record highs (+4%) for the month, and the Bloomberg Barclays U.S. Aggregate Bond Index was marginally higher, gaining 0.03%. At the underlying subcategory level, the HFRX Systematic Diversified CTA Index led gains with a return of 1.8%. Returns were concentrated within the long equity positioning of most models. This exposure has steadily grown over the course of the year, as global equity markets continue their swift move upwards. Select commodity exposure was also positive during the month, as long oil exposure and short agriculture contracts such as soybean and wheat delivered strong profits and attractive diversification benefits from traditional markets.

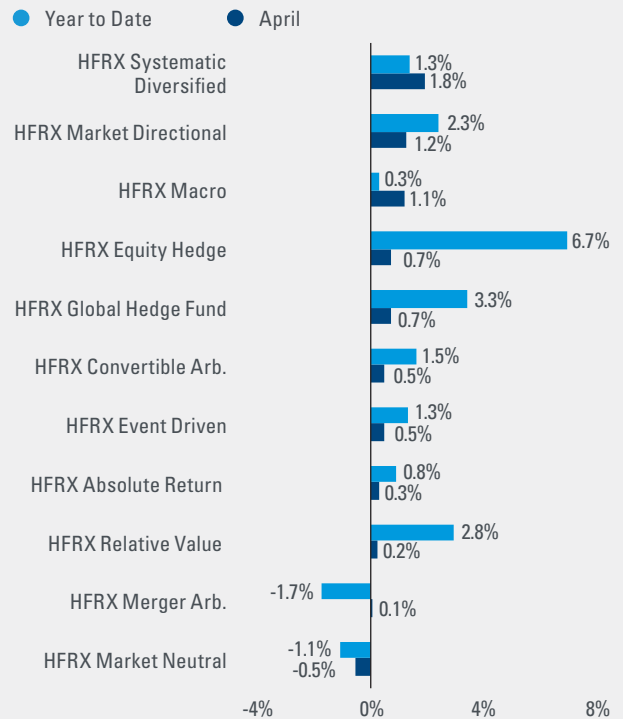
The HFRX Equity Market Neutral Index was the only index in negative territory, with a loss of 0.5%. The outperformance of growth over value during the month continued to weigh on performance, as many strategies in this space maintain a long value bias and short growth stocks. For 2019, the Index has declined a disappointing 1.1%. The HFRX Equity Hedge Index gained 0.7%, although it underperformed on a risk-adjusted basis. There was significant dispersion within the category, as the top decile of funds gained over 4%, while the lowest decile was in negative territory. In general, there has been a growing divide over the year-to-date run-up in equities: Many managers have been active in increasing or decreasing their beta profiles as compared to their historical averages either to participate further in potential market gains or to better protect during a sell-off.

The HFRX Merger Arbitrage Index gained 0.08%. Deal flow remains healthy, while a large oil-related transaction at the end of the month has resulted in a bidding war. Overall, strategies have been able to find attractive opportunities to deploy capital.

Returns for the HFRX Distressed Index were not available at the time of publishing.

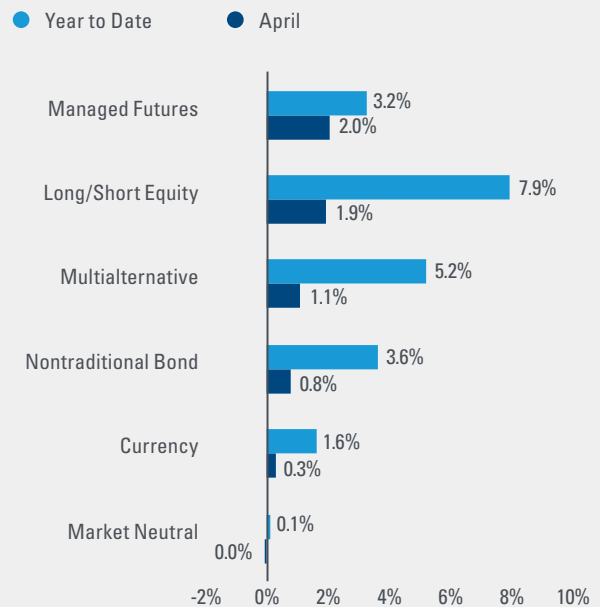
### HFRX INDEX PERFORMANCE

(Sorted by Monthly Return)



### MORNINGSTAR INDEX PERFORMANCE

(Sorted by Monthly Return)



Source: FactSet 04/30/19

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Alternative strategies may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.



## REAL ASSETS

### GLOBAL INFRASTRUCTURE THE SOLE ADVANCER

Global infrastructure was the only liquid real asset category in positive territory during April, while international real estate and master limited partnerships (MLP) were the biggest monthly laggards.

#### Master Limited Partnerships

MLPs trailed the broad equity market in April, as the Alerian MLP index lost 1.3%. The positive impact of higher oil prices was more than offset by the market's preference for more cyclical investments, rising interest rates, and falling natural gas prices. MLPs have produced a solid 15.3% year-to-date return.

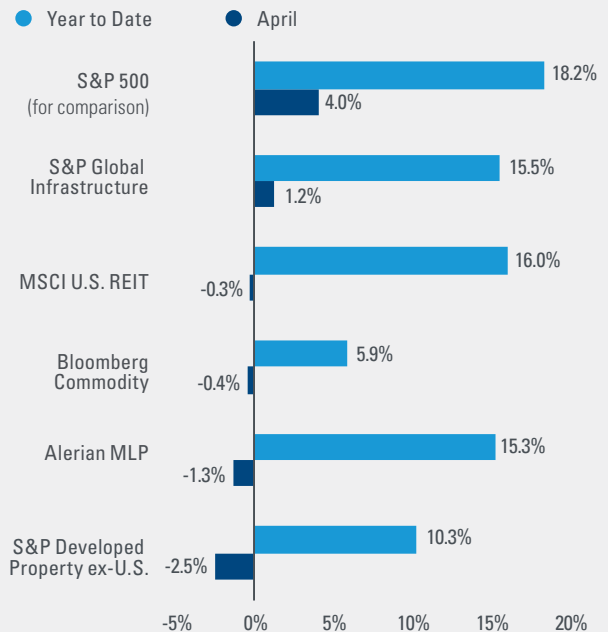
#### Real Estate and Global Infrastructure

Domestic real estate investment trusts (REIT) lagged broad U.S. equities in April as the MSCI U.S. REIT Index slipped 0.3%. The group has trailed the S&P 500 Index year to date but has delivered a strong 16% return so far this year. Broadly, underperformance from more defensive, interest rate-sensitive sectors weighed on REIT relative performance. The industrial sector was the top monthly performer and is the top-performing sector year to date amid strong supply/demand metrics for warehouses and distribution centers. Online disruption continued to weigh on retail, the worst performing domestic REIT sector for the month. International real estate, measured by the S&P Developed Property ex U.S. Index, lagged U.S. real estate and international equities in April with a 2.5% loss.

The S&P Global Infrastructure Index gained 1.2% during April, outpacing U.S. and international real estate. Year to date, the S&P Global Infrastructure Index's 15.5% return has trailed both the S&P 500 and the MSCI ACWI global equity indexes.

Investing in real estate/REITs involves special risks such as potential illiquidity and may not be suitable for all investors. There is no assurance that the investment objectives of this program will be attained.

#### LIQUID REAL ASSET PERFORMANCE (Sorted by Monthly Return)



Source: FactSet 04/30/19

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#### Commodities

The Bloomberg Commodity Index slipped 0.4% in April, bringing its year-to-date advance to 5.9%. Constrained global supply, partly from OPEC production caps and tougher Iran sanctions, and steady demand pushed crude oil prices about 6% higher, while natural gas prices slipped 5% during the month. Improving prospects for a U.S.-China trade deal failed to lift China-sensitive metal and grain prices, with particular weakness in aluminum within the industrial metals complex. A firm U.S. dollar and the market's preference for riskier assets held precious metals back. The slump in agriculture continued, with notable weakness in wheat, soybeans, and livestock, though unfavorable weather helped corn limit losses, and cocoa prices rose. ■

## **IMPORTANT DISCLOSURE INFORMATION**

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