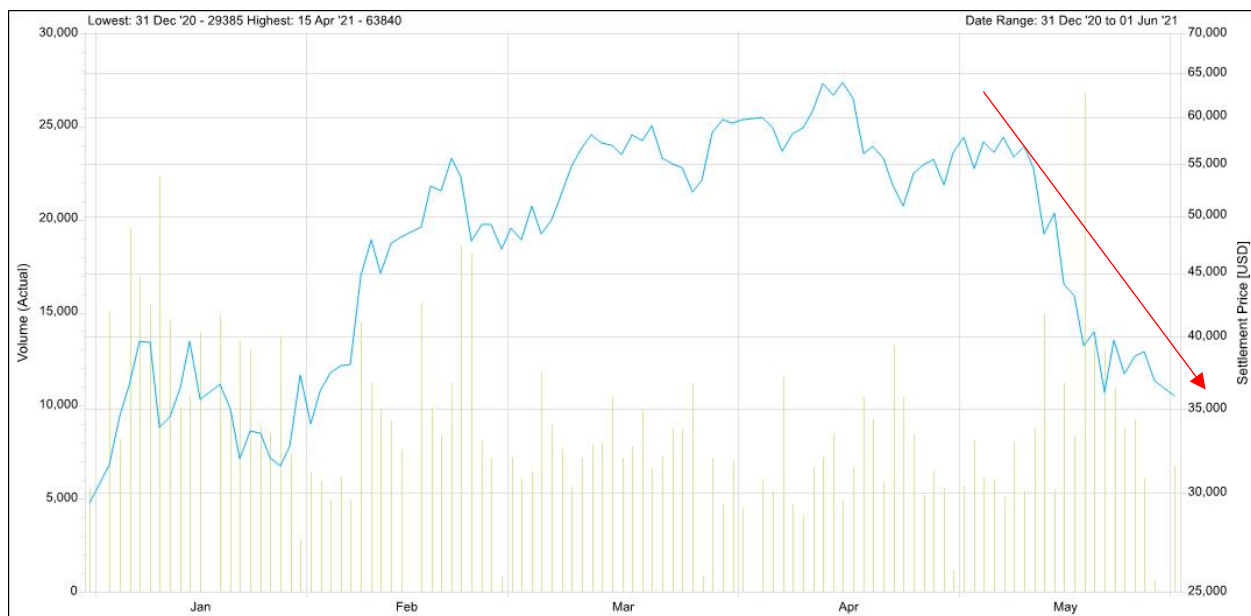


Memorandum

Memorial Day is a solemn and reverent time to acknowledge and recognize all those distinguished service people who have so selflessly given their lives so we can live in an open, free and democratic country. This year, the word “open” has a particularly wonderful ring to it as we are more fully reopening our public areas, businesses, homes - and lives in general. We celebrate this positive news and look forward to actually seeing you, our clients, in the months ahead.

The markets continue to move between the inflation fears trade and a more optimistic view based on a continued strong economic backdrop and positive corporate earnings reports. The March quarter corporate earnings season is behind us and the results were strong. According to FactSet, with 95% of firms in the S&P 500 having reported, the blended year/year earnings growth increase was 51.9%, the highest rate since the first quarter of 2010 (55.4%). This puts the forward 12 month P/E at 21.2% versus the five-year average of 18%. The markets while positive, are volatile--just look at the price of Bitcoin below as a well reported example which can cause you to scratch your head in wonder as to some of the underlying tenets across the macro landscape. In addition to Bitcoin falling back, the SPAC trade, unprofitable small company stocks and Chinese internet stocks have also come back to earth of late.

BITCOIN Price History (year to date)



Equity Markets

Stocks around the world were generally positive in May, with value outpacing growth and minor differences between the cap ranges. Non U.S. Developed stocks beat U.S. stocks (for the month. EAFE returned 3.6% versus S&P 500 0.7%), reflecting improved vaccination rates and economic optimism for Europe.

As of 28 May 2021

Equity	YTD (%)	Equity	MTD (%)
All Cap U.S. Stocks		All Cap U.S. Stocks	
Russell 3000	12.3	Russell 3000	0.5
Growth	6.2	Growth	-1.5
Value	19	Value	2.4
Large Cap U.S. Stocks		Large Cap U.S. Stocks	
S&P 500	12.6	S&P 500	0.7
Russell 1000	12.1	Russell 1000	0.5
Growth	6.3	Growth	-1.4
Value	18.4	Value	2.3
Mid Cap U.S. Stocks		Mid Cap U.S. Stocks	
S&P 400	18.8	S&P 400	0.2
Russell Midcap	14.6	Russell Midcap	0.8
Growth	3.4	Growth	-1.5
Value	20.9	Value	2
Small Cap U.S. Stocks		Small Cap U.S. Stocks	
S&P 600	23.2	S&P 600	2.1
Russell 2000	15.3	Russell 2000	0.2
Growth	4.1	Growth	-2.9
Value	27.5	Value	3.1
International		International	
MSCI EAFE NR (USD)	10.4	MSCI EAFE NR (USD)	3.6
MSCI EAFE NR (LOC)	12	MSCI EAFE NR (LOC)	2.8
MSCI EM NR (USD)	6	MSCI EM NR (USD)	1.1
MSCI EM NR (LOC)	5.9	MSCI EM NR (LOC)	0.3

Fixed Income Markets

Bonds were modestly positive for both U.S. and non U.S. markets in May. Long duration and credit related securities had the largest gains during the month. The 10-year U.S. Treasury yield ended the month at 1.58%, and the 30 year at 2.26%, which is down from the March quarter end rates of 1.74% and 2.41%, respectively. The same yield drop was felt throughout credit and high yield markets. In a sign of the times, Amazon came to market in May with an \$18.5 billion

bond offering across eight tranches and the Amazon 20 year bond set a record for the lowest spread on a 20-year corporate bond at 0.7% over comparable Treasuries.

As of 28 May 2021

Fixed Income	YTD (%)		Fixed Income	MTD (%)
<i>Barclays Capital</i>			<i>Barclays Capital</i>	
U.S. Aggregate	-2.3		U.S. Aggregate	0.3
U.S. Treasury: 1-3 Year	0.1		U.S. Treasury: 1-3 Year	0.1
U.S. Treasury	-3.2		U.S. Treasury	0.3
U.S. Treasury Long	-11.1		U.S. Treasury Long	0.5
U.S. TIPS	1.1		U.S. TIPS	1.2
U.S. Credit: 1-3 Year	0.3		U.S. Credit: 1-3 Year	0.2
U.S. Intermediate Credit	-0.9		U.S. Intermediate Credit	0.5
U.S. Credit	-2.7		U.S. Credit	0.7
U.S. Intermediate G/C	-1		U.S. Intermediate G/C	0.4
U.S. Govt/Credit	-2.9		U.S. Govt/Credit	0.5
U.S. Govt/Credit Long	-7.9		U.S. Govt/Credit Long	0.8
U.S. MBS	-0.7		U.S. MBS	-0.2
U.S. Corp High Yield	2.2		U.S. Corp High Yield	0.3
Global Aggregate (USD)	-2.5		Global Aggregate (USD)	0.7
Emerging Markets (USD)	-1.3		Emerging Markets (USD)	0.9

With one month left in the second quarter, it looks like we may continue the positive quarterly environment for equities, and if bonds stay positive in June, they may also deliver a small positive quarter in contrast to the March period. We will provide a more in depth review of the markets, including the private markets, when the June quarter numbers are available.

We hope you and your families had a peaceful and safe Memorial Day.

Segal Marco Advisors