Global Market Investment Returns — September 30, 2015

		Sep. 2015	Year To Date	One Year	Three Years	Five Years
U.S. Large Cap Equities	S&P 500	(2.47%)	(5.29%)	(0.61%)	12.40%	13.34%
U.S Mid Cap Equities	Russell Midcap	(3.60%)	(5.84%)	(0.25%)	13.91%	13.40%
U.S. Small Cap Equities	Russell 2000	(4.91%)	(7.73%)	1.25%	11.02%	11.73%
International Developed Equities	MSCI EAFE	(5.08%)	(5.28%)	(8.66%)	5.63%	3.98%
Emerging Market equities	MSCI Emerging Markets	(3.01%)	(15.47%)	(19.28%)	(5.27%)	(3.58%)
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.68%	1.13%	2.94%	1.71%	3.10%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.72%	1.77%	3.16%	2.88%	4.14%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	(2.60%)	(2.45%)	(3.43%)	3.51%	6.15%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	0.43%	(4.82%)	(7.67%)	(4.00%)	(0.85%)

- It was a tumultuous third quarter for global equities as positive economic indicators were replaced by worries over Chinese and global growth, and indecision by the Fed. The S&P 500 declined nearly 7% and had its worst quarter since 2011.
- U.S. equity index returns appear to be headline-driven and not based on mostly positive fundamentals.
- Growth outperformed value, while the energy sector reported positive quarterly earnings growth for the first time in 2015.
- Greece reached a deal with creditors during the quarter and avoided a "Grexit," while the European economy grew for the 9th consecutive quarter.
- The Chinese economy struggled throughout the quarter amid weak economic indicators, a currency devaluation and local market instability.
- The Chinese property market improved, however, and the slowdown is now being viewed as a transition to a slower, more sustainable growth path.
- International developed equities outperformed emerging markets in Q3, but both indexes underperformed large-cap U.S. equities.
- The summer equity selloff has resulted in attractive international developed equity valuations, while the emerging markets outlook remains stressed.
- The Fed decided not to initiate a rate "lift-off" in September, citing weak domestic inflation and "recent global economic financial developments." These concerns may not prevent the Fed from raising rates in 2015, but it may result in a slower raise pattern than previously forecasted.
- The global bond market was overwhelmingly positive in light of the selloff in equities, with the 10-year U.S. Treasury up over 2% for the quarter.
- U.S. taxable and municipal investment grade bonds returned 1.1% and 1.8% YTD, respectively, while U.S. high yield declined along with equities.