

**MARKET COMMENTARY**

April experienced an extension of gains realized in the first quarter. This, in spite of a slumping dollar and the US economy posting a disappointing GDP number in Q4. Meanwhile, Europe's economy continues to find its footing, as measures such as availability of credit improved, and oil prices reversed their downtrend and rose sharply upward in April. International stocks continued their outperformance in 2015, with developed international stocks gaining 4% and emerging markets returning over 7%. In the US, large cap stocks were up about 1% for the month. The 10-year Treasury yield rose during the month, while intermediate term bond returns dipped a slight 0.4%. High yield bonds gained 1.2%.

**MARKET NEWS**

- The US economy posted a disappointing Q1 GDP number, with annualized growth at modest 0.2%, due to the harsh winter in the northeast and a slowdown in business investment
- The crude oil market reversed trend in month, rising sharply higher as the market appears to attribute recent price weakness to excess supply, not waning demand; WTI crude remains 40% below its peak in June 2014

**INDEX RETURNS & MARKET LEVELS<sup>1,2</sup>**

	Description	Month	3 Months	YTD	1yr
<b>Equities</b>					
S&P 500	<i>U.S. large cap</i>	0.96%	5.07%	1.92%	12.98%
Russell 2000	<i>U.S. small cap</i>	-2.55%	5.03%	1.65%	9.71%
MSCI EAFE	<i>Non-U.S. developed</i>	4.08%	8.63%	9.16%	1.66%
MSCI EM	<i>Emerging markets</i>	7.69%	9.45%	10.10%	7.80%

	Description	Month	3 Months	YTD	1yr
<b>Fixed Income</b>					
Barclays U.S. Aggregate	<i>U.S. core inv. grade</i>	-0.36%	-0.84%	1.24%	4.46%
Barclays Municipal	<i>U.S. municipal</i>	-0.52%	-1.27%	0.48%	4.80%
BofAML High Yield Master II	<i>U.S. sub inv. grade</i>	1.20%	3.07%	3.78%	2.59%
JPMorgan EMBI Global TR	<i>Emerging markets</i>	1.97%	3.72%	4.07%	4.50%

	Description	Month	3 Months	YTD	1yr
<b>Alternatives</b>					
HFRX Global Hedge Fund	<i>Hedge funds</i>	0.21%	2.57%	2.27%	1.31%
Alerian MLP	<i>MLPs</i>	6.18%	3.80%	0.63%	-0.71%
S&P U.S. REIT	<i>REITs</i>	-5.87%	-7.59%	-1.40%	13.03%
Bloomberg Commodity TR	<i>Commodities</i>	5.73%	2.88%	-0.55%	-24.69%

<b>U.S. Economic Measures</b>		
U.S. GDP <sup>3</sup>	0.2%	(Q1 2015, advance est.)
CPI-U ex Food & Energy <sup>4</sup>	1.8%	(3/31/2015)
Unemployment Rate	5.5%	(3/31/2015)

	Levels		
	5/1/2015	12/31/2014	5/1/2014
<b>Rates</b>			
2yr U.S. Treasury	0.60%	0.67%	0.41%
10yr U.S. Treasury	2.12%	2.17%	2.63%
3mo LIBOR	0.28%	0.26%	0.22%
Prime Rate	3.25%	3.25%	3.25%
30yr Mortgage Fixed	3.85%	4.04%	4.49%

<b>Commodities</b>			
Gold (\$/oz.)	1,176	1,206	1,279
Copper (\$/MT)	6,362	6,359	6,671
Oil-WTI (\$/barrel)	59.11	53.49	99.41
Corn (\$/bushel)	3.54	3.80	4.96

<b>Currencies</b>			
Euro (\$/€)	1.12	1.21	1.39
Pound (\$/£)	1.52	1.56	1.69
Jap. Yen (¥/\$)	120.12	119.90	102.27

*Notes:* 1) Sources: Bloomberg, J.P. Morgan Asset Management, Morningstar, Hedge Fund Research, Bureau of Labor Statistics, Bureau of Economic Analysis. 2) Data as of the date of this report unless otherwise noted. 3) U.S. GDP measures the percentage change during the referenced quarter as published by BEA. 4) Consumer Price Index for All Urban Consumers: U.S. City Average, All Items Less Food and Energy is based on 12-month percent change as published by BLS.

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