



Economic & Market Commentary

Market Update – April 2019

Global stocks rallied 3.3% during April resulting in a 16% year-to-date return. Markets that led with some of the strongest returns during the month were Germany (+7.0%), South Africa (+8.1%), and Sweden (+6.1%). Short- and intermediate-term bonds rose 0.2% for the month. Alternatives generally pulled back during April with the exception of managed futures (+0.5%).

Economy

- The Consumer Price Index rose to 1.9% in the latest report, while unemployment fell to 3.6%.
- The Consumer Confidence Index jumped five points in April, which should support consumer spending in the coming months.
- The first quarter 2019 U.S. GDP data surprised investors with a 3.2% annualized rate, up from a rate of 2.2% in the fourth quarter.

Stocks

- The S&P 500 gained 4.0% while U.S. small stocks followed with a 3.4% return. Growth stocks continued to outperform value stocks. Sector strength came from financials, technology, and communication services.
- Returns across international stock markets ranged from 2.1%-3.2% during the month. Year-to-date, returns are in the double-digit positive range as are those for the U.S.

Bonds

- Bond returns were modestly positive in April, with the exception of international bonds (-0.1%).
- Corporate bonds were the bright spot during the month as well as year-to-date periods. The 10-year U.S. Treasury ended the month at 2.5%, not far from its starting yield.

Alternatives

- REITs, commodities, and reinsurance struggled during April with returns slightly in the red. Managed futures, however, benefited from positive stock and bond trends ending with a positive 0.5% return.

Brexit: 3 Years and 3 Rejections Later

The UK vote in June 2016 resulting in the decision to leave the European Union (EU) was historic! However, here we are three years later with uncertainty still surrounding that decision. The UK was originally due to leave the EU on March 29, 2019; however, the withdrawal agreement reached between the EU and the UK has now been rejected three times by UK Members of Parliament.

Now what? To start, there was a six-month extension granted until October 31, 2019. However, if there is an agreed upon withdrawal deal ratified by the UK and EU in the meantime, they will leave before the deadline.

There are various paths the UK may be on from here: 1) leave the EU with the ratified deal, 2) leave the EU without a deal, 3) get another extension, or 4) Brexit gets cancelled. The main point of having a deal is to ensure as smooth as possible an exit from the EU for businesses and individuals and to allow time to work through a permanent trading relationship. If up to Prime Minister Theresa May, she would like to leave the EU as soon as possible so the UK does not have to participate in the EU Parliament elections across Europe in late May.

Currently, there are daily negotiations in an effort to work toward a resolution to move forward. No nation state has ever left the EU so there is a complicated web of policies and decisions to set. The agreement (yet to be ratified) that was published in November 2018 is a whopping 585 pages!

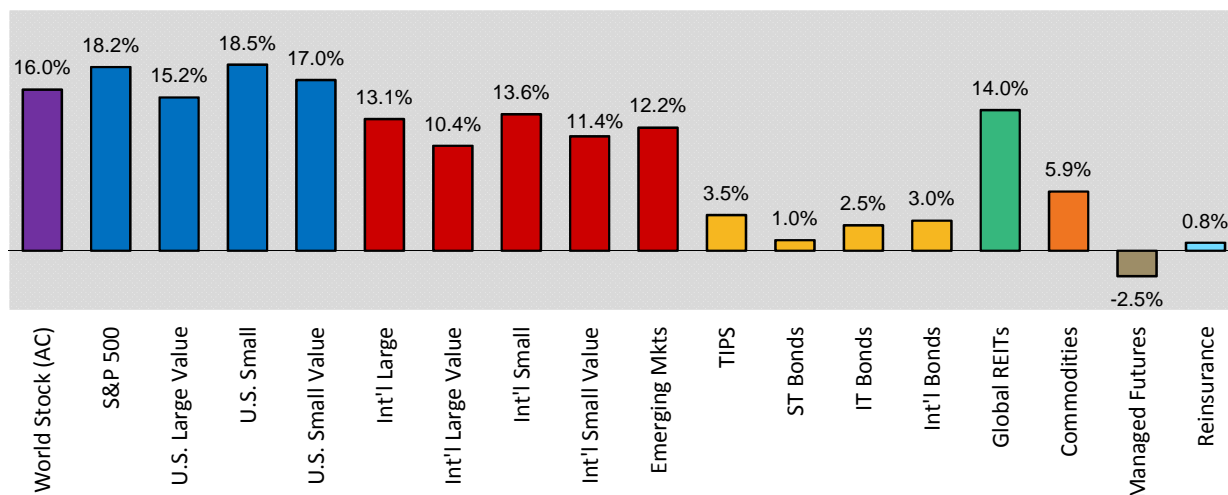
Meanwhile, the FTSE 100 Index (index of 100 largest stocks on the London Stock Exchange) has risen nearly 15% this year (as of 4/30/19) alongside strong returns from other world stock markets. As we have said in previous commentary, we likely will not know the true impact of Brexit for many years. As always, it will be important to separate geopolitical noise from true market fundamentals. But this uncertainty, once again, reinforces the importance of maintaining a globally diversified portfolio.

Sources: Morningstar, St. Louis Federal Reserve, BBC, Bloomberg

For more information, call 866.489.0500
or visit www.savantcapital.com.

 **SAVANT**[®]
BUILDING IDEAL FUTURES

MARKET RETURNS Year-To-Date as of 4/30/2019



MARKET RETURNS - Longer Term Annualized as of 4/30/2019

| | 1 Month | YTD | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years |
|---------------------|---------|-------|--------|---------|---------|----------|----------|
| STOCKS | | | | | | | |
| S&P 500 | 4.0% | 18.2% | 13.5% | 14.9% | 11.6% | 15.3% | 9.0% |
| U.S. Large Value | 3.2% | 15.2% | 10.2% | 11.8% | 9.0% | 13.9% | 8.2% |
| U.S. Small | 3.4% | 18.5% | 4.6% | 13.6% | 8.6% | 14.1% | 8.7% |
| U.S. Small Value | 3.6% | 17.0% | 3.3% | 10.5% | 7.4% | 13.9% | 8.7% |
| Int'l Large | 2.8% | 13.1% | -3.2% | 7.2% | 2.6% | 8.0% | 5.5% |
| Int'l Large Value | 2.3% | 10.4% | -6.8% | 6.3% | 0.7% | 6.7% | 4.8% |
| Int'l Small | 3.2% | 13.6% | -8.1% | 7.5% | 5.2% | 11.2% | 8.2% |
| Int'l Small Value | 2.7% | 11.4% | -10.8% | 6.2% | 4.1% | 10.8% | 8.2% |
| Emerging Mkts | 2.1% | 12.2% | -5.0% | 11.3% | 4.0% | 7.5% | 8.7% |
| World Stock (AC) | 3.3% | 16.0% | 4.3% | 11.2% | 6.9% | 11.3% | 7.4% |
| BONDS | | | | | | | |
| TIPS | 0.3% | 3.5% | 3.1% | 1.7% | 1.7% | 3.6% | 4.0% |
| Short-Term Bonds | 0.2% | 1.0% | 2.4% | 1.0% | 0.6% | 0.5% | 1.5% |
| Interm-Term Bonds | 0.2% | 2.5% | 5.0% | 1.6% | 2.1% | 3.1% | 3.5% |
| International Bonds | -0.1% | 3.0% | 5.3% | 3.3% | 4.5% | 4.2% | 4.5% |
| ALTERNATIVES | | | | | | | |
| Global REITs | -0.4% | 14.0% | 13.1% | 5.7% | 7.0% | 13.9% | 8.6% |
| Commodities | -0.4% | 5.9% | -8.0% | -0.7% | -9.4% | -2.7% | -2.7% |
| Managed Futures | 0.5% | -2.5% | 1.3% | -3.4% | 3.6% | 1.5% | 4.9% |
| Reinsurance | -0.8% | 0.8% | 1.2% | 3.0% | 3.7% | 6.8% | 7.0% |

Source: Morningstar Direct. Indices used in above graphs: S&P 500 Index, U.S. Large Value-MSCI U.S. Prime Market Value Index, U.S. Small-Russell 2000 Index, U.S. Small Value-MSCI U.S. Small Value Index, Int'l Large-MSCI EAFE Index, Int'l Large Value-MSCI EAFE Value Index, Int'l Small-S&P EPAC Small Index, Int'l Small Value-S&P EPAC Small Value Index, Emerging Mkts-MSCI Emerging Markets Index, World Stock Index-MSCI All Country World IMI Index, TIPS-Barclays Gbl Infl Linked US TIPS Index, Short-Term Bonds-Ibbotson 1 Yr Treasury Const Mtg Index, Interm-Term Bonds-Barclays Interm-Term Govt/Credit Index, International Bonds-JPM GBI Global Ex US Hdg, Global REITs-S&P Global REIT Index, Commodities-Bloomberg Commodity Index, Managed Futures-Credit Suisse Mgd Futures Liquid Index, Reinsurance-SwissRe Global Cat Bond Index.

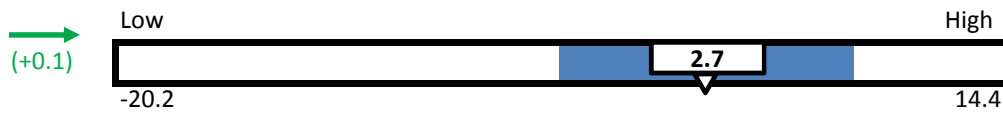
Past performance is historical and does not guarantee or indicate future results. Index returns assume reinvestment of all distributions and unlike mutual funds, do not reflect fees or expenses. It is not possible to invest directly in an index. This report is not intended to provide personalized investment advice. Some information has been produced by unaffiliated third parties, and while it is deemed reliable, the advisor does not guarantee its accuracy or completeness.

For more information, call 866.489.0500
or visit www.savantcapital.com.



Economic Indicators

Leading Economic Index Year over Year Change (%)



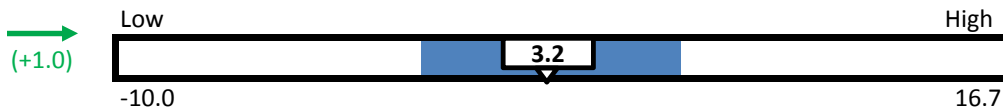
Unemployment (%)



Inflation CPI (YOY %)



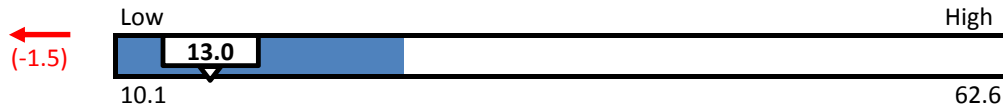
Real GDP Growth (%)



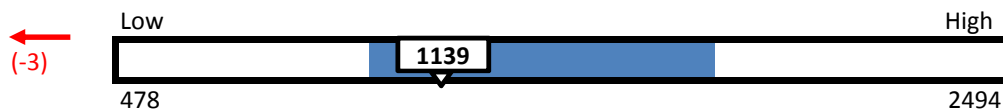
Consumer Confidence



VIX - Market Volatility





Housing Starts (000s)



10-year Treasury Yield (%)



 Typical range (within 1 standard deviation of the median)

 Current Value

 Historical Range

 Change in value since last month

*See appendix for sources and data ranges

Appendix

Leading Economic Index Year over Year Change (%)

The Leading Economic Index is composed of 10 indicators used to forecast the direction of the economy. A fall in the index over three consecutive months is seen as a sign of a recession. The value shown represents the 12-month change in the index level. *(Data Source: The Conference Board. Monthly data since 1/1/1959)*

Unemployment

The unemployment rate measures the percentage of workers that are out of work in the U.S. labor force. *(Data Source: U.S. Bureau of Labor Statistics. Monthly data since 1/1/1948)*

Inflation CPI (YOY)

The Consumer Price Index (CPI) measures the change in the price level for a broad basket of goods in the U.S. economy. The value shown represents the percent change in the index from a year ago. *(Data Source: U.S. Bureau of Labor Statistics. Monthly data since 1/1/1948)*

Real GDP Growth

Real GDP Growth represents the change in the market value of all output in the U.S. economy. It is an annualized quarterly measure. *(Data Source: U.S. Bureau of Economic Analysis. Quarterly data since 4/1/1947)*

Consumer Confidence

The Consumer Confidence Index measures the level of optimism among U.S. consumers on the economy and their overall financial situation. *(Data Source: The Conference Board. Monthly data since 1/31/1991)*

VIX

The CBOE Volatility Index (VIX) measures the volatility of the S&P 500 index. An increase in the index level represents a spike in market volatility. Conversely, a decrease in the index represents a move towards stability. *(Data Source: Chicago Board Options Exchange. Daily data since 1/2/1990)*

Housing Starts

The number of housing starts (new construction) in the U.S. each year. *(Data Source: U.S. Bureau of the Census. Monthly data since 1/1/1959)*

10-year Treasury

The annualized return that would be realized for holding a 10-year Treasury bond to maturity. The 10-year Treasury yield is the primary benchmark for measuring interest rate movements. *(Data Source: U.S. Board of Governors of the Federal Reserve System. Daily data since 1/2/1962)*

Disclosure

Savant Capital Management is a Registered Investment Advisor. Savant's marketing material should not be construed by any existing or prospective client as a guarantee that they will experience a certain level of results if they engage Savant's services. Please Note: "Ideal" is not intended to give assurance as to achieving successful results. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by Savant Capital Management), will be profitable for a client's portfolio.

For informational purposes only. Not intended to be personalized investment advice.