

### Monthly Market Commentary

Life is starting to return to normal as we once knew it! Much of the country has been vaccinated and the economy is starting to reopen. There is a lot to look forward to including the warm summer months, events, and spending time with family! Looking forward to the end of the month, we hope that you all have a safe and enjoyable Memorial Day Weekend!

Global markets continued their strong run in April, supported by strong economic data that continues to surprise on the upside, a positive shift in consumer sentiment as more people get vaccinated, and economies that are normalizing. Positive economic momentum should continue for some time as we compare against easier base effects and pent-up demand should be strong as we get into the summer. Having said that, despite various nations making progress in controlling the spread of Covid-19, there remain countries where the pandemic is far from under control such as India and Brazil. The uneven path of normalization across the globe may have an extended impact on global connectivity and supply chains in the later part of the year and it remains an unknown for now.

On the economic front, US first quarter 2021 GDP came in at 0.4% YoY vs -2.4% YoY in the fourth quarter of 2020, which is the first positive print since the pandemic started. Inflation also picked up in the first quarter to 1.9% YoY vs 1.2% YoY in the fourth quarter of 2020. The US economy continues to improve and is moving in the right direction so far, but it is also likely growth rates will peak in the second quarter as base effects start to normalize in the second half of the year and benefits of peak stimulus start to fade. However, growth should remain relatively stronger than the average growth in the last 10 years at least until the end of the year on an absolute basis. From a bottom-up perspective, first quarter 2021 revenue and earnings for S&P 500 have come in stronger than expectations so far with 60% of companies reporting revenue and earnings growth of 11.3% and 50.6% respectively. We continue to maintain full exposure and are cognizant of the risks as we head into the summer months.

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