The S&P 500 Bond Index gained 0.70% in July and was up 4.28% YTD. Lower-quality issues outperformed for the month, as the high-yield components gained 0.99%. Materials and energy were the top-performing sectors, up 1.02% and 1.01%, respectively. Telecommunication services was the only negative sector, returning -0.08%.

The broad S&P U.S. Aggregate Index lagged investment-grade corporate bonds, returning only 0.39% for the month. All of the aggregate’s components had positive returns; taxable municipals, up 0.86%, and investment-grade corporate bonds, up 0.98%. Materials and energy were the top-performing sectors, up 1.02% and 1.01%.

The S&P U.S. High Yield Corporate Bond Index returned 1.14% for July. Yields have tightened 55 bps YTD; weighted option-adjusted spreads for the index are now only 332 bps.

The weakened U.S. dollar helped boost international bonds. The S&P International Corporate Bond Index returned 3.46% in July, while the S&P International Treasury Bond Ex-U.S. Index returned 3.03%.

The S&P/LSTA U.S. Leveraged Loan 100 Index was up 0.77% for the month after a poor performance in June (-0.20%) driven by a shift in market technicals.

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data EOD as of July 31, 2017. Index performance based on total return. Returns for international indices are in USD. Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results.
27.2% (or US $27,200). Over a three year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 8.35% (or US $8,350). For example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US $10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US $1,650), the net return would be 8.35% (or US $8,350) for the year. Over a three year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative net return of 27.2% (or US $27,200).