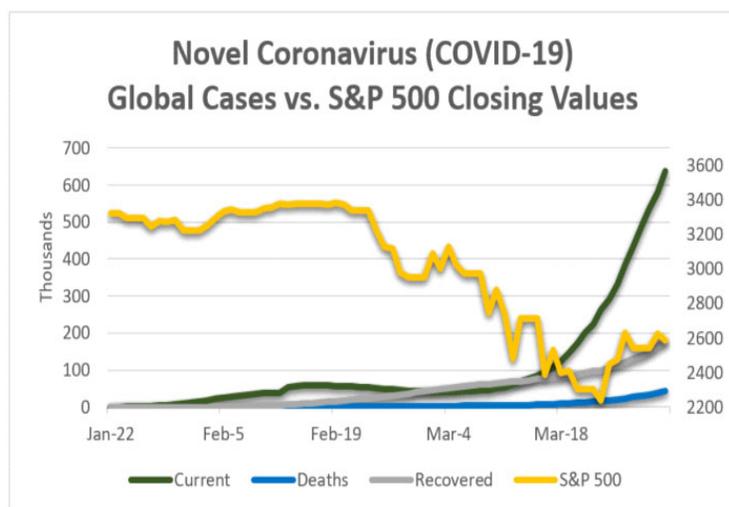


Market Commentary - 1st Quarter 2020

"It's very hard to say how big the effects will be or how long they will last. That's going to depend of course on how widely the virus spreads, which is something that is highly uncertain and I would say, in fact, unknowable."

-Jerome Powell, Chairman of the Federal Reserve



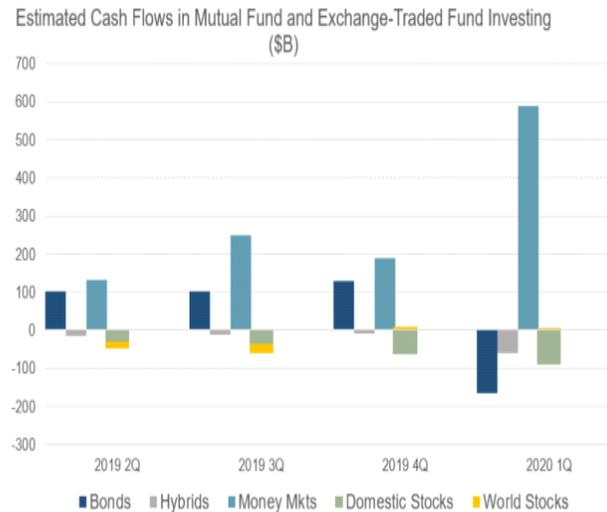
Source: Johns Hopkins CSSE

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500 Index	-19.60	-19.60	-6.98	5.10	6.73	10.53
Russell 1000 Index	-20.22	-20.22	-8.03	4.64	6.22	10.39
Russell 1000 Value Index	-26.73	-26.73	-17.17	-2.18	1.90	7.67
Russell 1000 Growth Index	-14.10	-14.10	0.91	11.32	10.36	12.97
Russell 2000 Index	-30.61	-30.61	-23.99	-4.64	-0.25	6.90
Russell 2000 Value Index	-35.66	-35.66	-29.64	-9.51	-2.42	4.79
Russell 2000 Growth Index	-25.76	-25.76	-18.58	0.10	1.70	8.89
MSCI EAFE ND	-22.83	-22.83	-14.38	-1.82	-0.62	2.72
MSCI EAFE LOC	-20.43	-20.43	-12.12	-1.31	0.34	4.85
MSCI ACWI ex. US	-23.36	-23.36	-15.57	-1.96	-0.64	2.05
MSCI EAFE Small Cap ND	-27.52	-27.52	-18.15	-2.88	0.97	4.81
MSCI Europe ND	-24.33	-24.33	-15.50	-2.34	-1.31	2.46
MSCI Japan ND	-16.79	-16.79	-6.69	0.95	1.82	3.83
MSCI EM ND	-23.60	-23.60	-17.69	-1.62	-0.37	0.68
MSCI EM LOC	-19.02	-19.02	-12.65	1.73	2.41	4.15
DJ World Real Estate	-25.86	-25.86	-19.57	-1.09	0.27	5.49
DJ US Select REIT Index	-28.52	-28.52	-23.96	-4.28	-1.42	6.88
DJ-UBS US Commodity Index	-23.29	-23.29	-22.31	-8.61	-7.76	-6.74
BofA ML 3-month T-Bill	0.57	0.57	2.25	1.83	1.19	0.64
BB Government 1-3 Yr	2.73	2.73	5.37	2.69	1.84	1.45
BB Government/Credit Bond	3.37	3.37	9.82	5.17	3.54	4.15
BB US Aggregate Bond	3.15	3.15	8.93	4.82	3.36	3.88
BB Long Government	20.63	20.63	32.28	13.30	7.32	8.89
BB Long U.S. Corporate	-4.51	-4.51	9.57	6.66	4.74	7.30
BB High Yield Corporate Bond	-12.68	-12.68	-6.94	0.77	2.78	5.64
BB TIPS	1.70	1.70	6.85	3.46	2.67	3.48

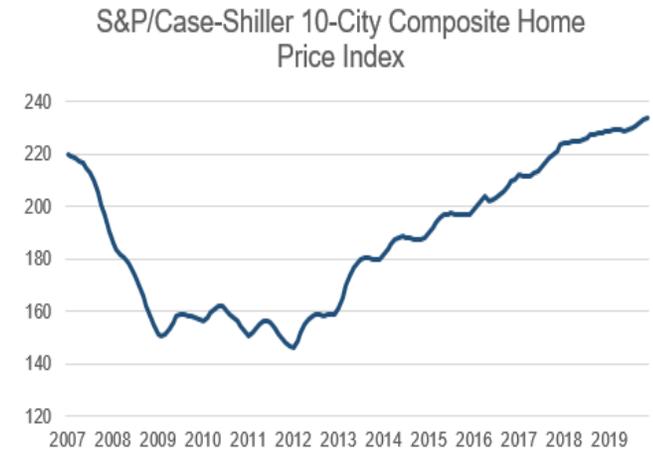
Market Commentary - 1st Quarter 2020



The Leading Index predicts the six-month growth rate of the United States' Coincident Economic Activity Index, which incorporates nonfarm payroll employment, the unemployment rate, average hours worked in manufacturing and wages and salaries in estimating economic activity.



Source: Investment Company Institute



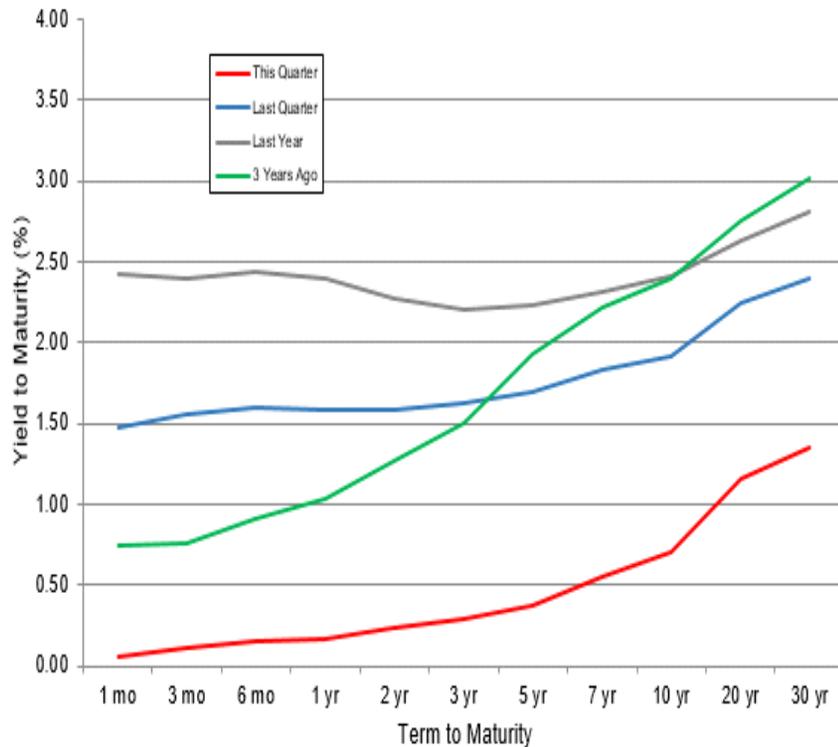
The S&P/Case-Shiller Home Price Indices are calculated monthly using a three-month moving average and published with a two month lag. Base Year 2000 = 100.

Summary

- Equity markets and high yield fixed income securities were down significantly for the quarter as investors reacted to the sudden onset of the coronavirus pandemic and the resulting economic consequences.
- U.S. stocks (S&P 500) were down 19.6%, ending the longest running bull market in history after its 11-year anniversary in March.
- Emerging markets and foreign developed markets were down 23.6% and 22.83%, respectively, due to perceived economic impacts of the global pandemic and exacerbated by a stronger dollar.
- The Federal Reserve cut rates twice during March to mitigate deteriorating economic conditions of the Covid-19 Pandemic.
- Investors decreased their holdings of domestic stock and bond mutual funds/ETFs, but slightly increased their holdings in world stock mutual funds/ETFs. For the quarter, stock funds had a net outflow of \$82 billion and bond funds had a net outflow of \$166 billion. Total money market mutual fund assets increased by \$590 billion to \$4.2 trillion.
- The US lost 212,000 net jobs this quarter, with 701,000 losses in March. The unemployment rate rose to 4.4%.
- The price of oil decreased from \$61 to \$20 a barrel over the quarter, triggered by a price war between Saudi Arabia and Russia, and exacerbated by a global economic downturn.

Market Commentary - 1st Quarter 2020

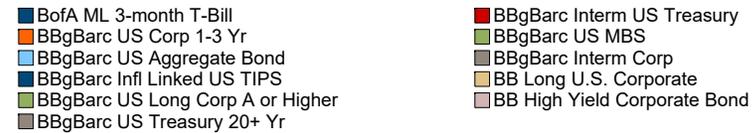
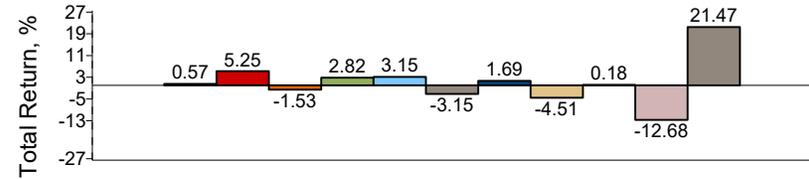
U.S. Treasury Yield Curve



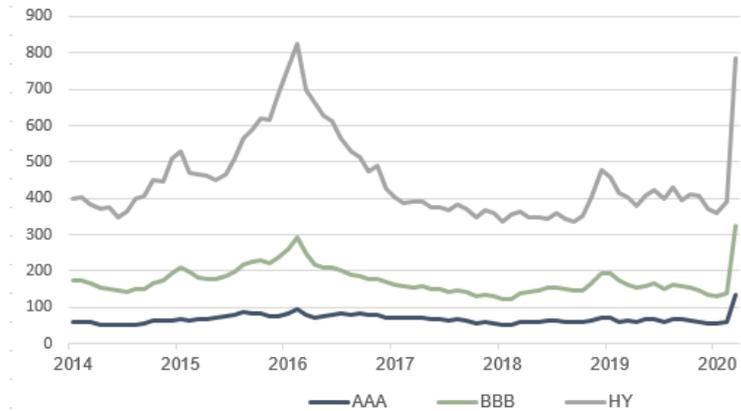
Source: Department of US Treasury

US Fixed Income - Quarter

Jan-20 - Mar-20



Spread to Treasuries (bps)



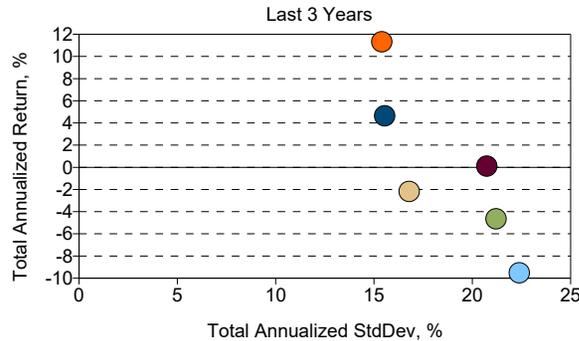
Source: Bank of America Merrill Lynch Option Adjusted Spread Index

U.S. bond market

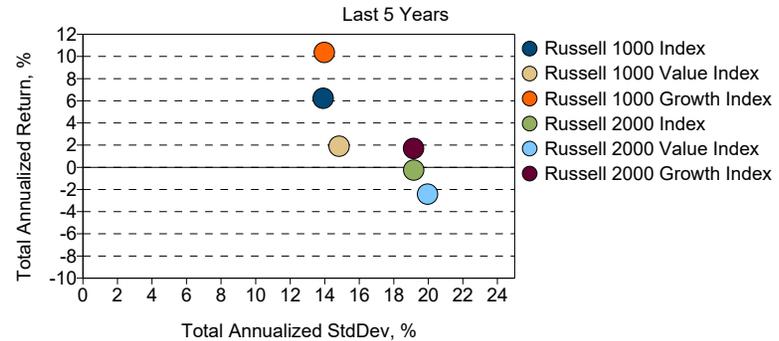
- The broad fixed income market was up as the volatile market triggered a flight to safety.
- The yield curve shifted down and steepened over the quarter as the Fed cut rates to near 0%.
- The Federal Reserve cut rates twice during the quarter, making an initial cut of 50bps in early March and another emergency 100bps cut in mid-March, as market conditions worsened and liquidity was challenged.
- Yields on the 10-year Treasury fell 122 basis points while yields on the 30-year Treasury dropped by 104 basis points.
- High Yield corporate bonds performed the worst, down 12.68%, as liquidity became problematic and investors offloaded risk.
- Long-term U.S. Treasuries performed the best, up 21.47%, as investors sought higher quality investments and yields shifted lower.

Market Commentary - 1st Quarter 2020

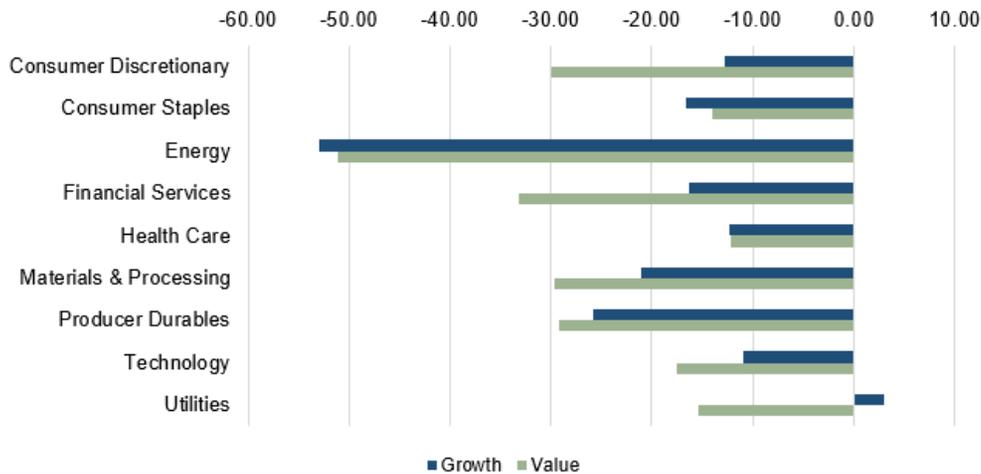
Performance vs. Risk



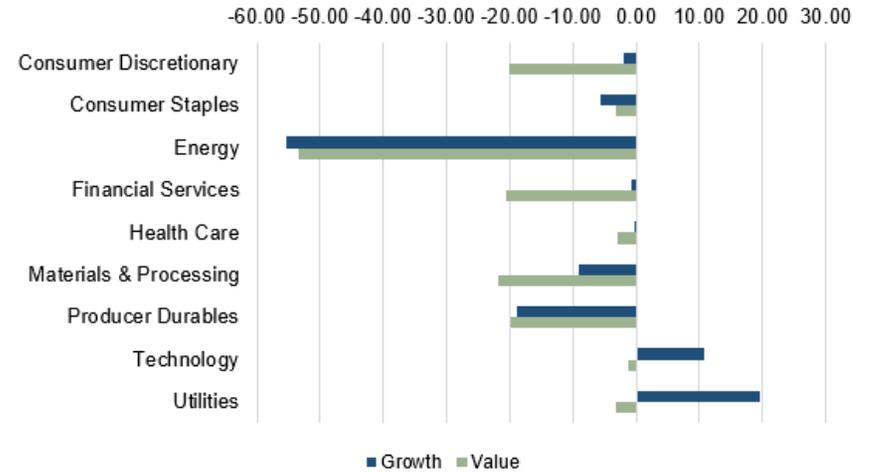
Performance vs. Risk



Russell 1000 Index Sector Quarterly Returns



Russell 1000 Index Sector Annual Returns



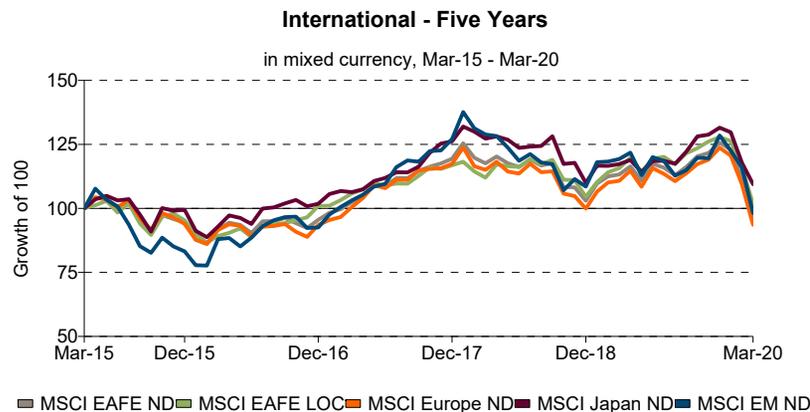
U.S. stock market

- Major domestic equity indices were down over the quarter, with large growth outperforming large value and small growth outperforming small value. The Russell 1000 Growth was the best performing index, down only 14.10%.
- In the quarter, larger capitalization stocks outpaced smaller capitalization as investors generally viewed larger companies as more resilient during the economic downturn.
- REITs were down 28.52%, as worries rose surrounding lease defaults, rising vacancy rates, and ultimately, lower cash flow and property values.
- The Energy sector, down 51.22%, performed the worst, as the price of oil plummeted as a result of a price war.
- Technology was down the least, falling only 11.77%, as many tech companies were less affected by the virus as work continued remotely.

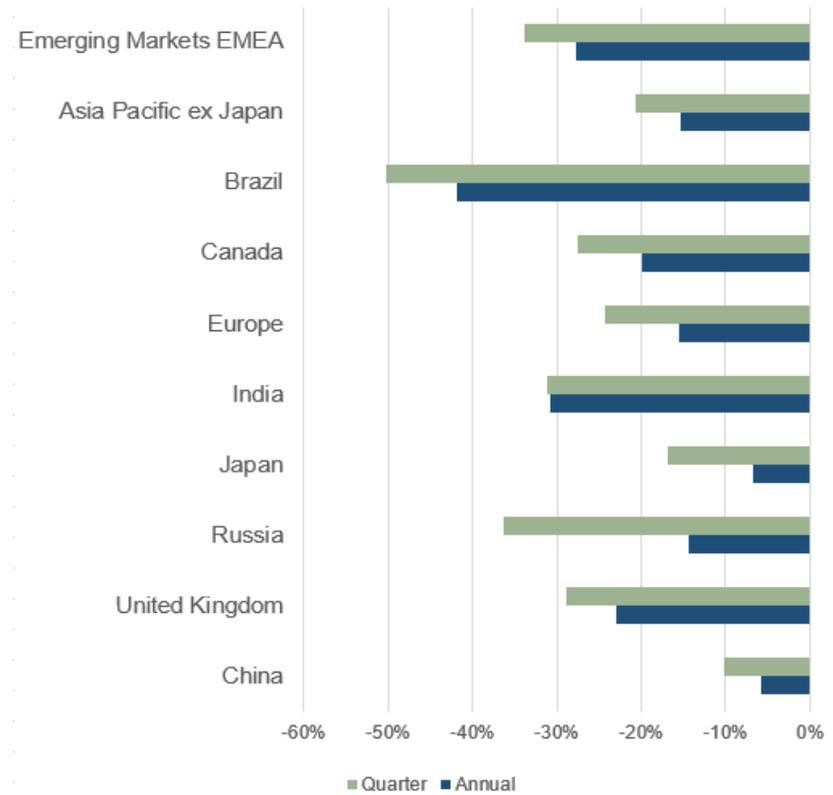
Market Commentary - 1st Quarter 2020

	Units per US Dollar		
	This Quarter	Last Quarter	% Change
Euro	0.907	0.891	1.85%
United Kingdom Pound	0.803	0.754	6.53%
Japanese Yen	107.497	108.679	-1.09%
Chinese Yuan Renminbi	7.080	6.963	1.68%
Mexican Peso	23.457	18.858	24.39%
Canadian Dollar	1.412	1.296	8.91%
Indian Rupee	75.368	71.292	5.72%
Russian Ruble	77.894	62.084	25.47%
Brazilian Real	5.185	4.019	29.00%

Source: www.xe.com



Regional Performance



Source: MSCI

International market

- The dollar was largely up against other major currencies, with the exception of the Japanese Yen.
- Saudi Arabia broke an OPEC output agreement in March after Russia refused to make deeper oil production cuts in the midst of the global downturn, initiating an oil price war.
- For the quarter, the EAFE Index was down 22.83% while local currency returns for developed markets were down 20.43%. The EM index was down 23.60% while local currency returns in emerging markets were down 19.02%.
- Among the major international regions, Chinese stocks were down the least for the quarter, falling only 10.22%, as cases of the coronavirus supposedly started to decline despite China being where the global pandemic started.
- Brazilian stocks performed the worst, falling 50.23% as president Bolsonaro was viewed as not taking the crisis seriously enough and downplaying virus concerns.
- In the developed markets, large-cap international stocks outperformed small-cap international stocks.

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