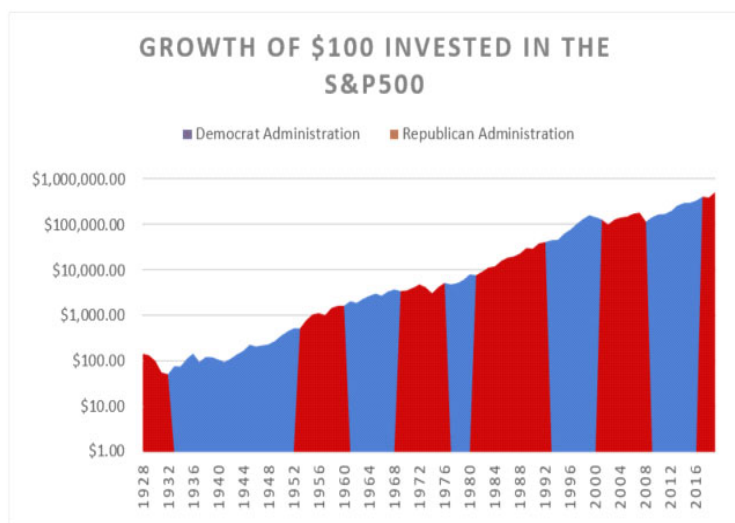


Market Commentary - 3rd Quarter 2020

“The recovery has progressed more quickly than generally expected. The most recent projections...show the recovery continuing at a solid pace.”

-Jerome Powell, Chairman of the Federal Reserve

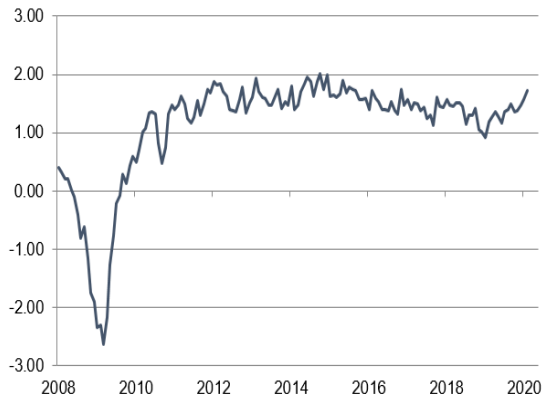


Source: NYU Stern School of Business

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500 Index	8.93	5.57	15.15	12.28	14.15	13.74
Russell 1000 Index	9.47	6.40	16.01	12.38	14.09	13.76
Russell 1000 Value Index	5.59	-11.58	-5.03	2.63	7.66	9.95
Russell 1000 Growth Index	13.22	24.33	37.53	21.67	20.10	17.25
Russell 2000 Index	4.93	-8.69	0.39	1.77	8.00	9.85
Russell 2000 Value Index	2.56	-21.54	-14.88	-5.13	4.11	7.09
Russell 2000 Growth Index	7.16	3.88	15.71	8.18	11.42	12.34
MSCI EAFE ND	4.80	-7.09	0.49	0.62	5.26	4.62
MSCI EAFE LOC	1.30	-9.08	-4.33	1.04	5.34	6.76
MSCI ACWI ex. US	6.25	-5.44	3.00	1.16	6.23	4.00
MSCI EAFE Small Cap ND	10.25	-4.20	6.84	1.40	7.37	7.33
MSCI Europe ND	4.51	-8.85	-0.79	-0.61	4.24	4.26
MSCI Japan ND	6.94	-0.68	6.91	3.94	7.51	6.20
MSCI EM ND	9.56	-1.16	10.54	2.42	8.97	2.50
MSCI EM LOC	8.79	2.93	12.84	5.21	10.04	5.99
DJ World Real Estate	2.98	-14.50	-11.36	1.32	5.14	6.07
DJ US Select REIT Index	0.83	-21.36	-22.33	-1.85	1.99	7.03
DJ-UBS US Commodity Index	9.07	-12.08	-8.20	-4.18	-3.09	-6.03
BofA ML 3-month T-Bill	0.04	0.64	1.10	1.69	1.20	0.64
BB Government 1-3 Yr	0.10	3.09	3.62	2.66	1.82	1.30
BB Government/Credit Bond	0.78	8.04	8.03	5.86	4.66	3.87
BB US Aggregate Bond	0.62	6.79	6.98	5.24	4.18	3.64
BB Long Government	0.13	21.13	16.21	11.79	8.18	7.18
BB Long U.S. Corporate	1.91	8.36	9.81	8.77	8.93	7.38
BB High Yield Corporate Bond	4.60	0.62	3.25	4.21	6.79	6.47
BB TIPS	3.03	9.22	10.08	5.79	4.61	3.57

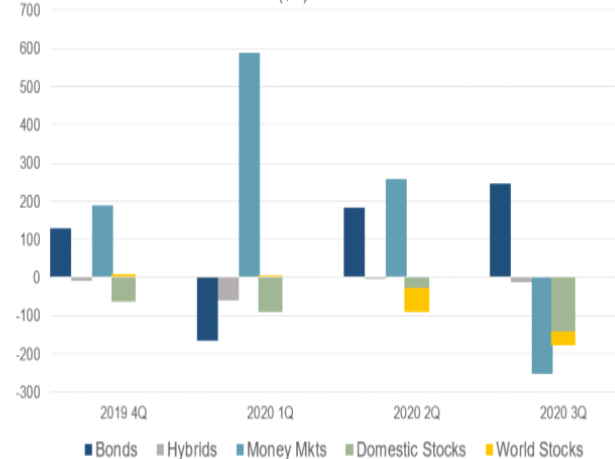
Market Commentary - 3rd Quarter 2020

FRB Leading Index for the United States, Percent, Monthly, Seasonally Adjusted



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.

Estimated Cash Flows in Mutual Fund and Exchange-Traded Fund Investing (\$B)



Source: Investment Company Institute

S&P/Case-Shiller 10-City Composite Home Price Index



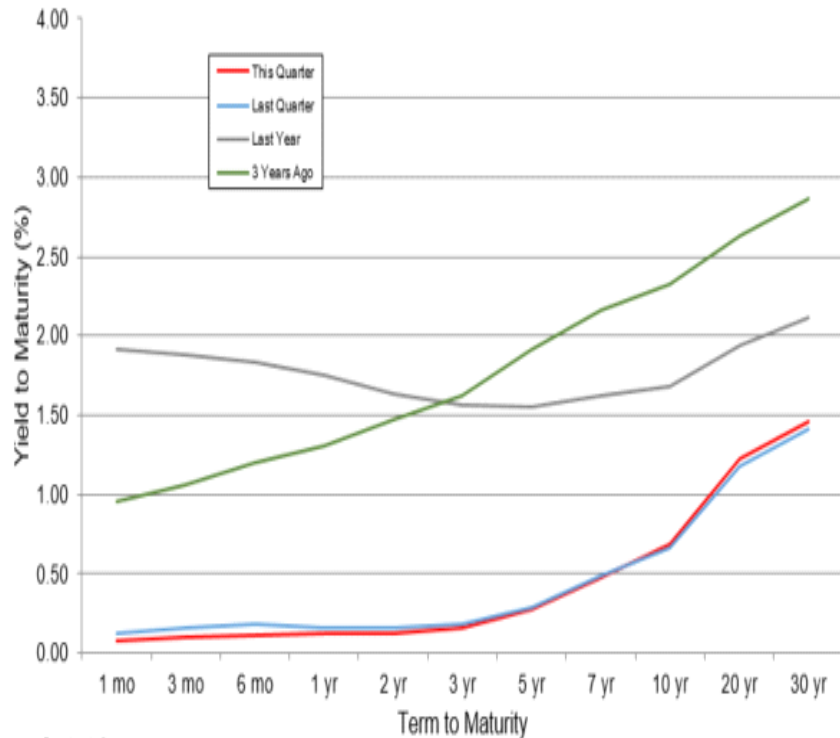
The S&P/Case-Shiller Home Price Indices are calculated monthly using a three-month moving average and published with a two month lag. Base Year 2000 = 100.

Summary

- Markets continued their advance over the quarter as accommodative monetary policy proved to dampen the negative economic impact of the pandemic.
- U.S. stocks (S&P 500) were up 8.93%, fully reversing the first quarter loss as the economy continued its recovery.
- Emerging markets and foreign developed markets were up 9.56% and 4.80%, respectively, also rebounding on an improved economic outlook and helped by a slightly weaker dollar.
- The Federal Reserve held rates steady and continued to grow their balance sheet.
- Investors decreased their holdings of stock mutual funds/ETFs, but increased their holdings in bond mutual funds/ETFs. For the quarter, stock funds had a net outflow of \$178 billion and bond funds had a net inflow of \$246 billion. Total money market mutual fund assets decreased by \$251 billion to \$4.4 trillion.
- The US gained 3,911,000 jobs this quarter. The unemployment rate fell to 7.9% from 11.1% at the end of June.
- The price of oil increased slightly from \$39 to \$40 a barrel over the quarter.

Market Commentary - 3rd Quarter 2020

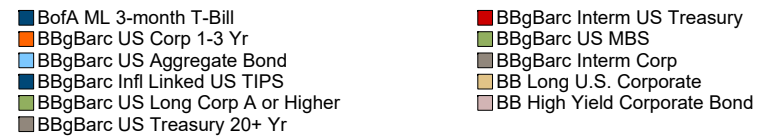
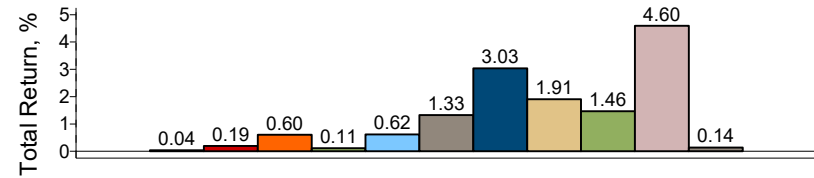
U.S. Treasury Yield Curve



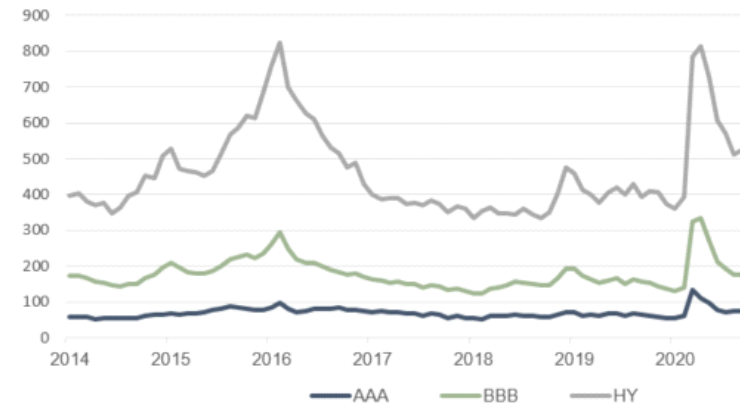
Source: Department of US Treasury

US Fixed Income - Quarter

Jul-20 - Sep-20



Spread to Treasuries (bps)



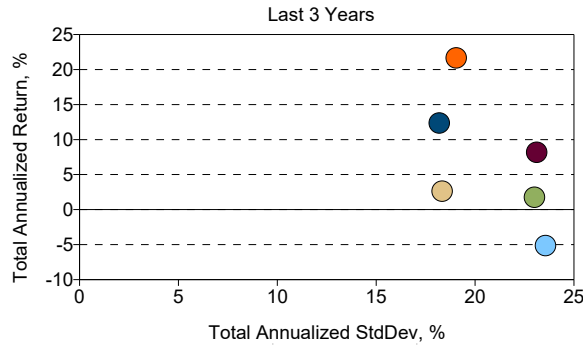
Source: Bank of America Merrill Lynch Option Adjusted Spread Index

U.S. bond market

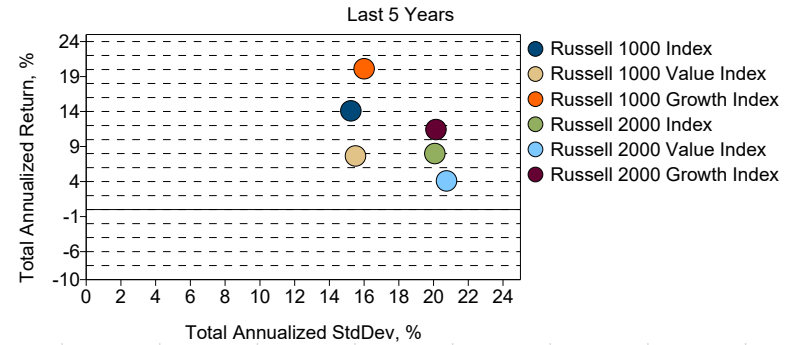
- The broad fixed income market was up over the quarter, as interest rates held steady and some investors looked to bonds as a haven from market volatility.
- The yield curve steepened slightly in the third quarter as the Fed kept short-term interest rates near 0%.
- The Federal Reserve has focused on providing much needed liquidity to the bond market and promised to keep rates low until 2023.
- Yields on the 10-year Treasury rose 3 basis points while yields on the 30-year Treasury rose by 5 basis points.
- US Mortgage Backed Securities were up the least, only rising 0.11%, as headwinds such as elevated supply and risk of forbearance have stalled the sector despite support from the Fed.
- High Yield Corporate Bonds performed the best for the quarter, up 4.6%, turning positive for the year.

Market Commentary - 3rd Quarter 2020

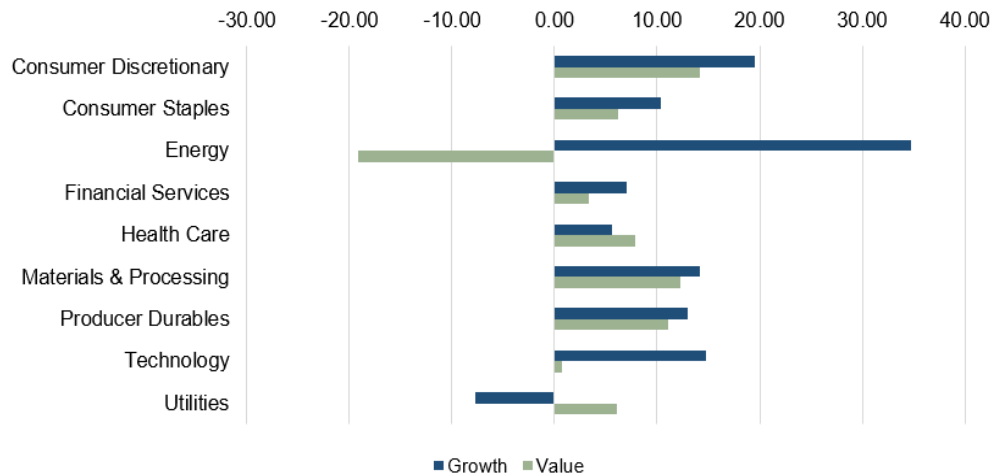
Performance vs. Risk



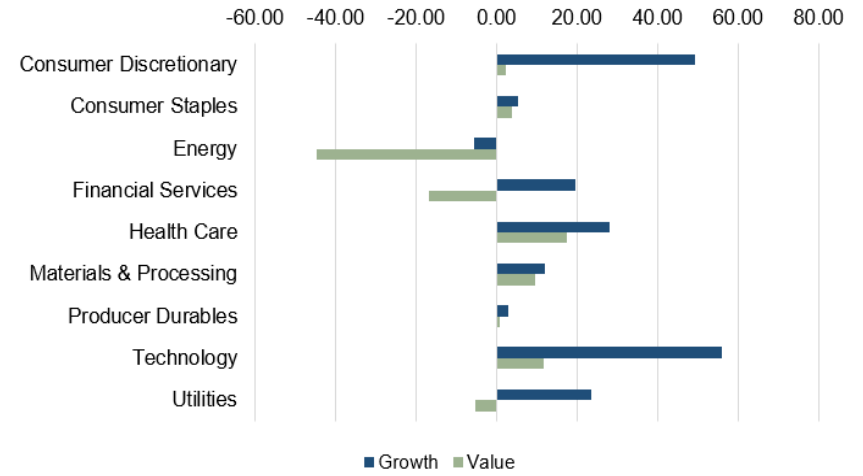
Performance vs. Risk



Russell 1000 Index Sector Quarterly Returns



Russell 1000 Index Sector Annual Returns



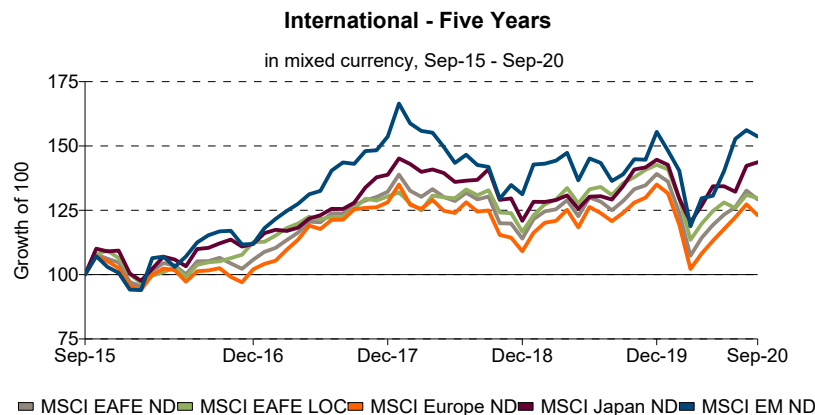
U.S. stock market

- Major domestic equity indices were up over the quarter, with large growth outperforming large value and small growth outperforming small value. The Russell 1000 Growth was the best performing index, up 13.22%.
- In the quarter, larger capitalization stocks outpaced smaller capitalization stocks, driven primarily by strong performance from large tech companies.
- REITs were up 0.83% for the quarter, but remained down year-to-date as worries lingered surrounding lease defaults, rising vacancy rates, and ultimately, lower cash flow and property values.
- The consumer discretionary sector performed the best, up 17.54% as businesses continued to reopen.
- The energy sector performed the worst, down 17.56%, as the price of oil remained low.

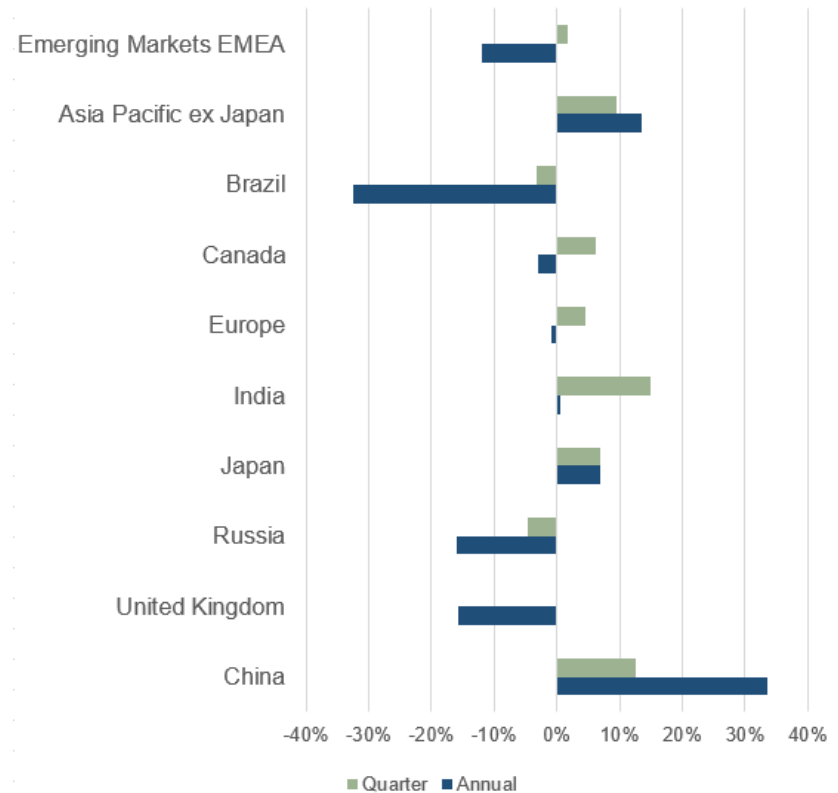
Market Commentary - 3rd Quarter 2020

	Units per US Dollar		
	This Quarter	Last Quarter	% Change
Euro	0.853	0.907	-5.97%
United Kingdom Pound	0.774	0.803	-3.58%
Japanese Yen	105.586	107.497	-1.78%
Chinese Yuan Renminbi	6.791	7.080	-4.09%
Mexican Peso	22.100	23.457	-5.78%
Canadian Dollar	1.332	1.412	-5.63%
Indian Rupee	73.559	75.368	-2.40%
Russian Ruble	77.612	77.894	-0.36%
Brazilian Real	5.631	5.185	8.61%

Source: www.xe.com



Regional Performance



Source: MSCI

International market

- The dollar was largely down or flat against other major currencies, but was up against the Brazilian Real.
- For the quarter, the EAFE Index was up 4.8% while local currency returns for developed markets were up 1.3%. The EM index was up 9.56% while local currency returns in emerging markets were up 8.79%.
- Among the major international regions, Indian stocks performed the best over the quarter, rising 14.95% as data showed the country continued to recover from the pandemic crisis.
- Russian stocks performed the worst, down 4.72%, hurt by a sharp decline in global oil demand.
- In the developed markets, small-cap international stocks outperformed large-cap international stocks.

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