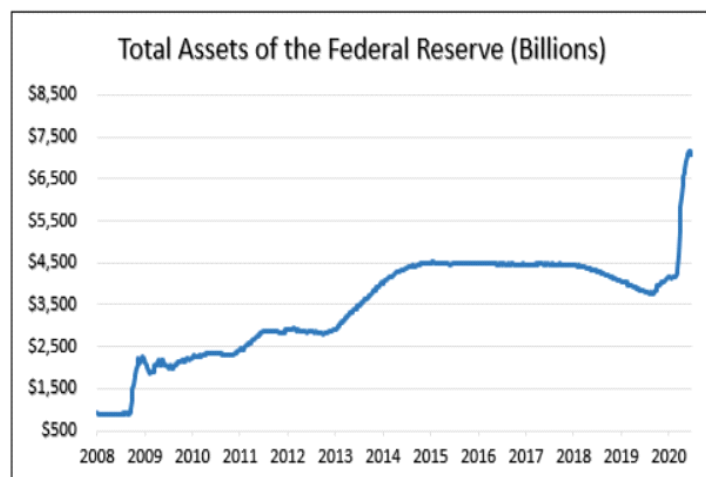


Market Commentary - 2nd Quarter 2020

“Given the nature of the crisis, all hands should be on deck, all available tools should be used...so that from the household to the large corporate account, all economic players can access financing through their banks.”

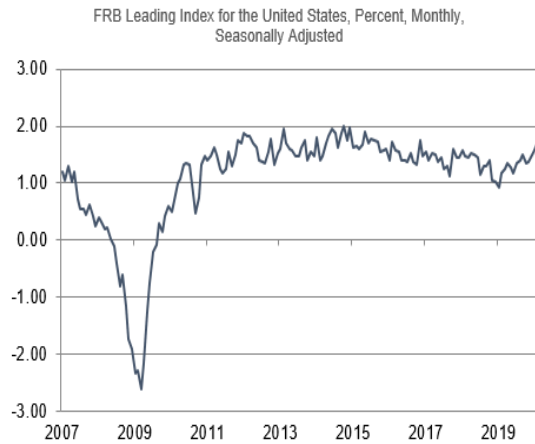
-Christine Lagarde, President of the European Central Bank



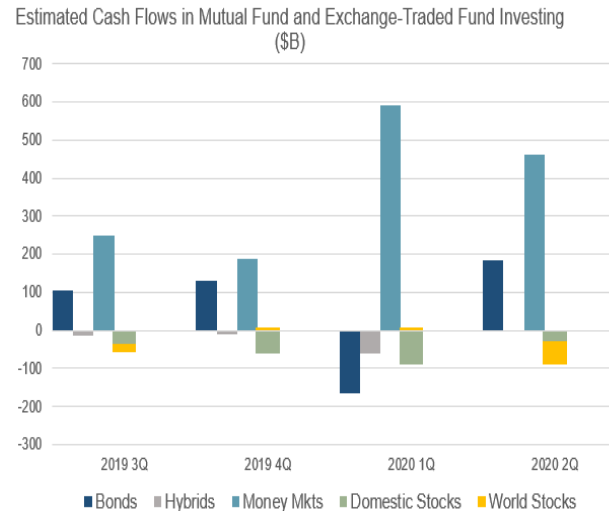
Source: Board of Governors of the Federal Reserve System (US), Assets: Total Assets: Total Assets (Less Eliminations From Consolidation): Wednesday Level [WALCL], retrieved from FRED, Federal Reserve Bank of St. Louis.

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500 Index	20.54	-3.08	7.51	10.73	10.73	13.99
Russell 1000 Index	21.82	-2.81	7.48	10.64	10.47	13.97
Russell 1000 Value Index	14.29	-16.26	-8.84	1.82	4.64	10.41
Russell 1000 Growth Index	27.84	9.81	23.28	18.99	15.89	17.23
Russell 2000 Index	25.42	-12.98	-6.63	2.01	4.29	10.50
Russell 2000 Value Index	18.91	-23.50	-17.48	-4.35	1.26	7.82
Russell 2000 Growth Index	30.58	-3.06	3.48	7.86	6.86	12.92
MSCI EAFE ND	14.88	-11.34	-5.13	0.81	2.05	5.73
MSCI EAFE LOC	12.80	-10.25	-3.83	1.74	3.12	7.36
MSCI ACWI ex. US	16.12	-11.00	-4.80	1.13	2.26	4.97
MSCI EAFE Small Cap ND	19.88	-13.11	-3.52	0.53	3.81	8.02
MSCI Europe ND	15.26	-12.78	-6.78	0.00	1.46	5.65
MSCI Japan ND	11.61	-7.12	3.10	2.97	3.45	6.09
MSCI EM ND	18.08	-9.78	-3.39	1.90	2.86	3.27
MSCI EM LOC	16.85	-5.38	1.73	4.86	5.48	6.38
DJ World Real Estate	11.98	-16.98	-10.73	1.39	3.54	7.56
DJ US Select REIT Index	9.11	-22.01	-17.71	-1.99	2.45	8.27
DJ-UBS US Commodity Index	5.08	-19.40	-17.38	-6.14	-7.69	-5.82
BofA ML 3-month T-Bill	0.02	0.60	1.63	1.77	1.19	0.64
BB Government 1-3 Yr	0.26	2.99	4.12	2.71	1.86	1.36
BB Government/Credit Bond	3.71	7.21	10.02	5.87	4.74	4.13
BB US Aggregate Bond	2.90	6.14	8.74	5.32	4.30	3.82
BB Long Government	0.28	20.97	25.14	11.96	9.21	7.71
BB Long U.S. Corporate	11.36	6.34	13.79	8.80	8.76	7.82
BB High Yield Corporate Bond	10.18	-3.80	0.03	3.33	4.79	6.68
BB TIPS	4.24	6.01	8.28	5.05	3.75	3.52

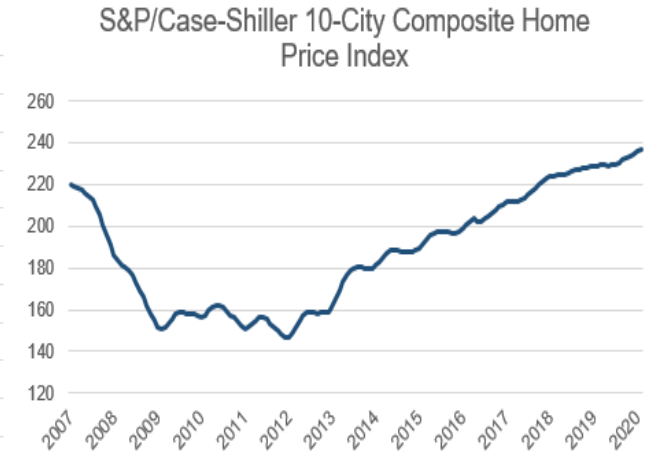
Market Commentary - 2nd Quarter 2020



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



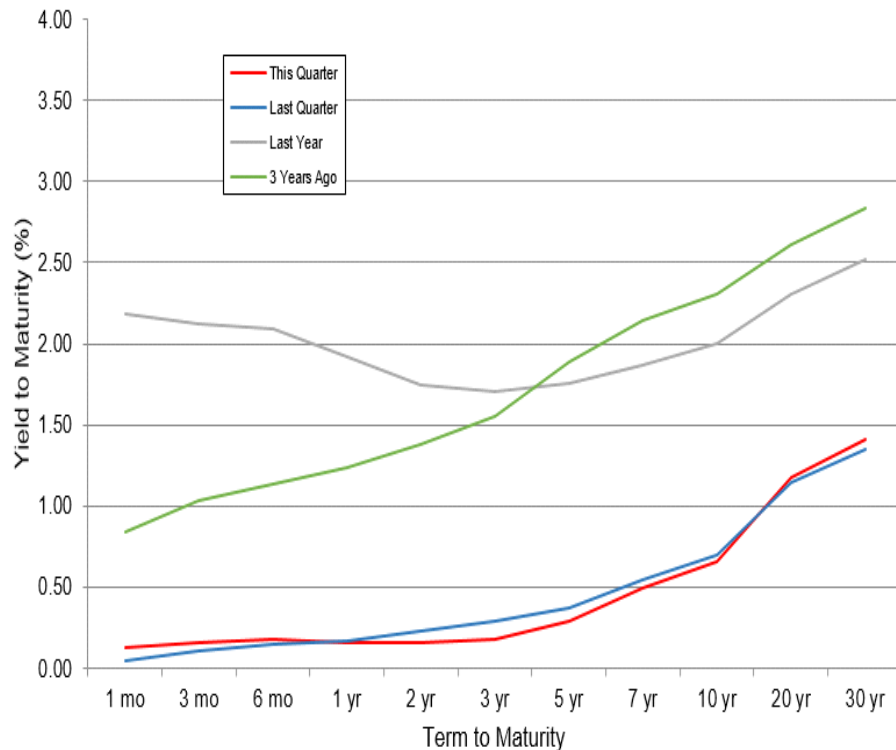
The S&P/Case-Shiller Home Price Indices are calculated monthly using a three-month moving average and published with a two month lag. Base Year 2000 = 100.

Summary

- Markets were up significantly for the quarter as rapid monetary and fiscal policy reactions to the global pandemic dampened the negative economic impact.
- U.S. stocks (S&P 500) were up 20.54%, marking their best quarter in over 20 years and erasing most but not all of the first-quarter loss.
- Emerging markets and foreign developed markets were up 18.08% and 14.88%, respectively, also rebounding on an improved economic outlook and helped by a slightly weaker dollar.
- The Federal Reserve kept rates low and significantly grew their balance sheet to mitigate deteriorating economic conditions of the COVID-19 Pandemic.
- 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 \$89 billion and bond funds had a net inflow of \$183 billion. Total money market mutual fund assets increased by \$461 billion to \$4.7 trillion.
- The US lost 13,288,000 net jobs this quarter, with 20,787,000 losses in April. The unemployment rate rose to 11.1% from 4.4% at the end of March.
- The price of oil increased from \$20 to \$39 a barrel over the quarter, staging a dramatic comeback and marking the largest quarterly increase in 30 years.

Market Commentary - 2nd Quarter 2020

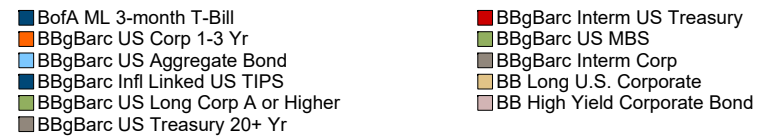
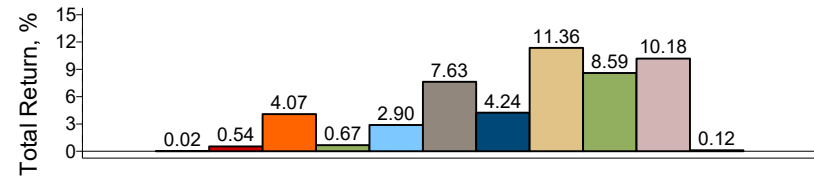
U.S. Treasury Yield Curve



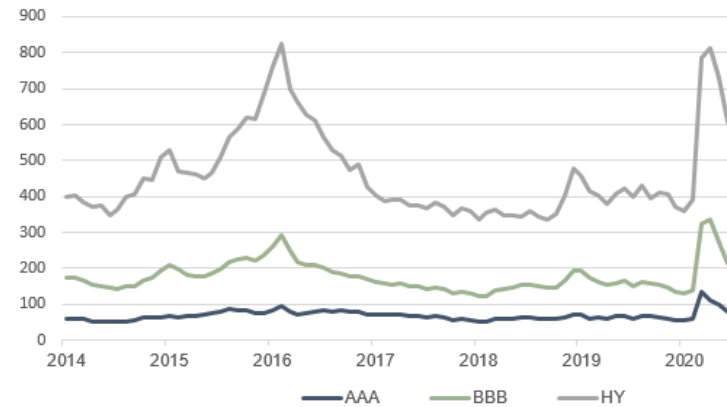
Source: Department of US Treasury

US Fixed Income - Quarter

Apr-20 - Jun-20



Spread to Treasuries (bps)



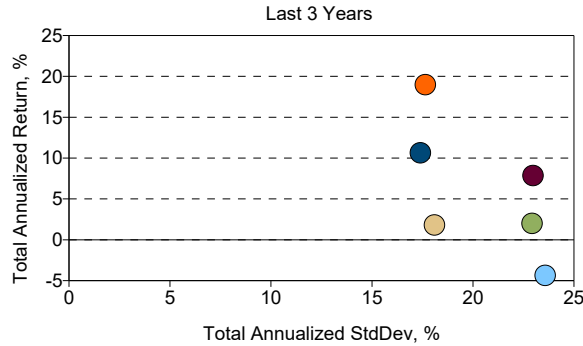
Source: Bank of America Merrill Lynch Option Adjusted Spread Index

U.S. bond market

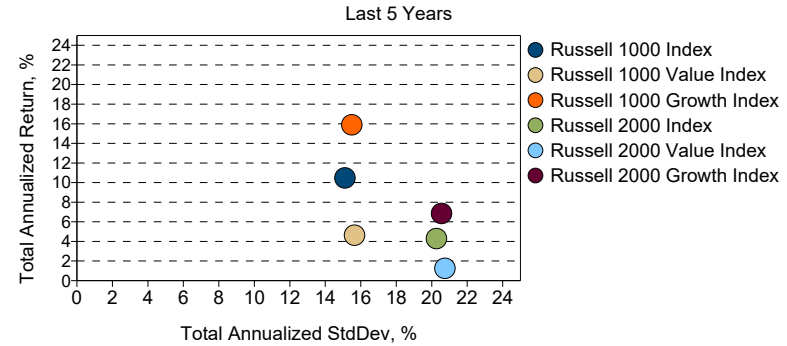
- The broad fixed income market was up over the quarter, as interest rates declined slightly and some investors looked to bonds as a haven from market volatility.
- The yield curve steepened modestly in the second quarter as the Fed kept short-term interest rates near 0%.
- The Federal Reserve has focused on providing much needed liquidity to the bond market.
- Yields on the 10-year Treasury fell 4 basis points while yields on the 30-year Treasury rose by 6 basis points.
- Long-term U.S. Treasuries were up the least, only rising 0.12%, putting a pause on their strong year-to-date performance.
- Long-term U.S. Corporate Bonds performed the best for the quarter, up 11.36%, as the Federal Reserve announced plans to buy corporate bonds.

Market Commentary - 2nd Quarter 2020

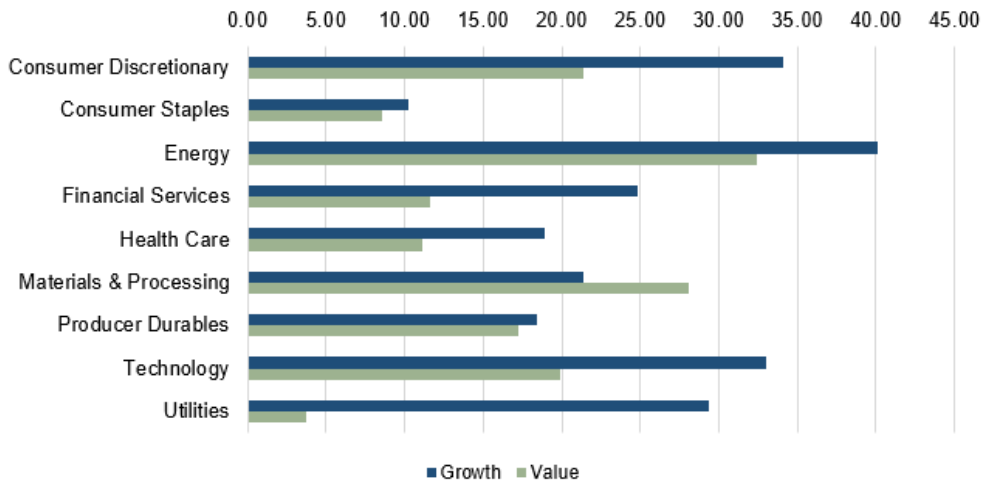
Performance vs. Risk



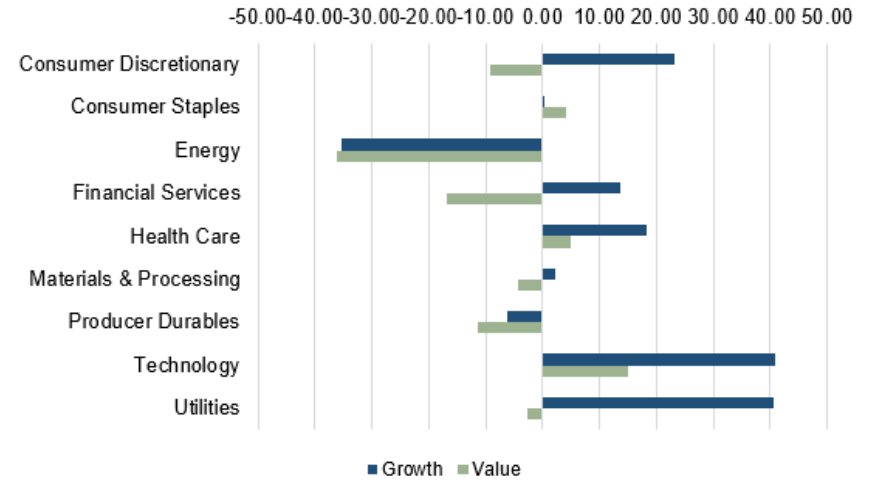
Performance vs. Risk



Russell 1000 Index Sector Quarterly Returns



Russell 1000 Index Sector Annual Returns



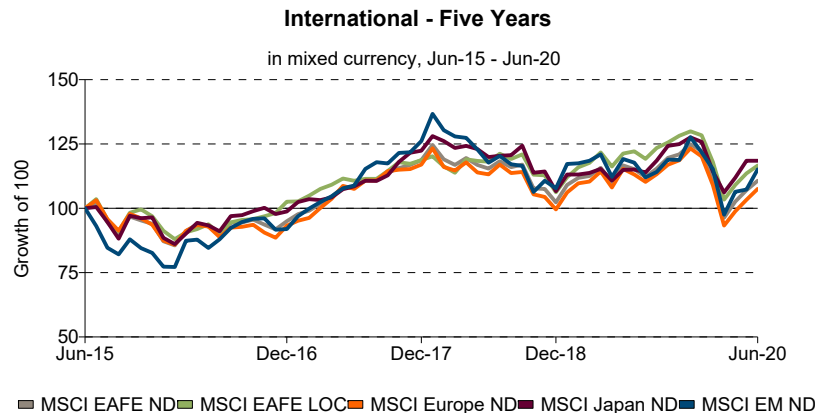
U.S. stock market

- Major domestic equity indices were up over the quarter, with large growth outperforming large value and small growth outperforming small value. The Russell 2000 Growth was the best performing index, up 30.58%.
- In the quarter, smaller capitalization stocks outpaced larger capitalization stocks as investors showed their appetite for risk.
- REITs were up 9.11% for the quarter, but remained down 22.01% year-to-date as worries lingered surrounding lease defaults, rising vacancy rates, and ultimately, lower cash flow and property values.
- Utilities, up only 4.05%, rose the least, as investors sought riskier assets during the market recovery.
- The energy sector performed the best, up 32.64%, as the price of oil made a partial comeback after its historic lows in the first quarter.

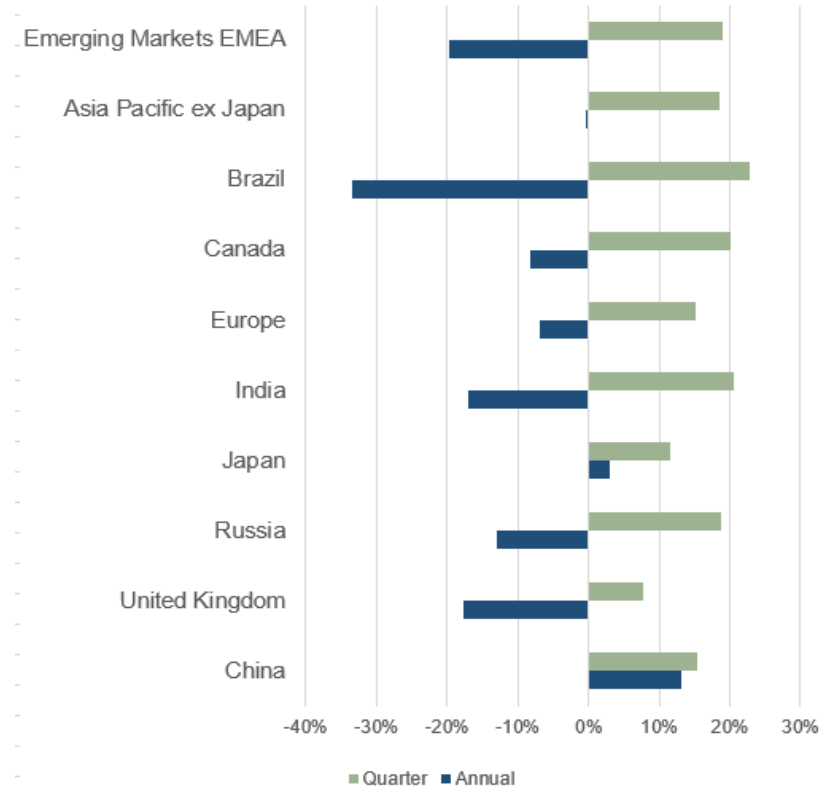
Market Commentary - 2nd Quarter 2020

	Units per US Dollar		
	This Quarter	Last Quarter	% Change
Euro	0.890	0.907	-1.88%
United Kingdom Pound	0.809	0.803	0.70%
Japanese Yen	107.785	107.497	0.27%
Chinese Yuan Renminbi	7.065	7.080	-0.21%
Mexican Peso	23.080	23.457	-1.61%
Canadian Dollar	1.362	1.412	-3.54%
Indian Rupee	75.525	75.368	0.21%
Russian Ruble	71.213	77.894	-8.58%
Brazilian Real	5.485	5.185	5.79%

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.
- The oil price war involving Saudi Arabia and Russia abated in April after the OPEC alliance agreed to cut production, removing about 10% of global supply.
- For the quarter, the EAFE Index was up 14.88% while local currency returns for developed markets were up 12.80%. The EM index was up 18.08% while local currency returns in emerging markets were up 16.85%.
- Among the major international regions, Brazilian stocks performed the best over the quarter, rising 22.85%, but making up only about half of their significant losses during the first quarter.
- U.K. stocks were up the least, rising only 7.79% as investors cashed in on their recent rally in June.
- In the developed markets, small-cap international stocks outperformed large-cap international stocks.

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