WINTHROP WEALTH

2020 MARKET REVIEW & OUTLOOK

Andrew Murphy, CFA
Senior Director, Portfolio Management

info@winthropwealth.com

109 State Street, 2nd Floor
Boston, MA 02109

www.winthropwealth.com

617.530.1010

2020 OVERVIEW

Our goal with this piece is to provide a recap and analysis of the major financial events that occurred in 2020, and to offer context for our market outlook.

- **US Equity Markets**: The S&P 500 increased by +12.1% in the fourth quarter and ended the year up by +18.4%. The market reached a new all-time high on New Year's Eve when the S&P closed at 3,756. We will continue to highlight that 2020 has been a roller-coaster year as the S&P 500 fell by nearly -34% from February 19th to March 23rd before increasing by over +70% since then. During the selloff, not many investors were predicting that the US equity market would finish positive for the year, let alone end up higher by double-digits and at a new all-time high. This is yet another example of the power of maintaining a long-term investment viewpoint.

- **US Fixed Income Markets**: The Bloomberg Barclays US Aggregate Bond index (Agg), which acts as a proxy for the investment-grade bond market, increased by +0.7% in Q4 and +7.5% in 2020. For the year, the decline in interest rates were positive for returns (bond prices move inversely to interest rates).

- **Interest Rates**: Interest rates remain at historically low levels, but long-term yields have increased some in the past several months. The 10-year Treasury started the year at 1.92%, before falling to an all-time low of 0.51% in August and ending the year at 0.91%. The 3-Month Treasury yield decreased from 1.54% to 0.06% throughout the year. The Federal Open Market Committee (FOMC) controls shorter term Treasury rates by setting the target federal funds rate range. The market controls long term Treasury rates as investor demand will vary based on future expectations of inflation and economic growth.

- **Municipal Bond Market Update**: Over nine months into the pandemic and it is no surprise that most state and local governments are under financial stress. However, it is a pleasant surprise that state budget revenues are coming in better than expected due to higher incomes from wealthier individuals and gains in the stock market. While there are still reasons to be concerned about the municipal market, we will point out that the yields on the 10-year national index and several larger states, including California, New York, and Massachusetts are below their pre-pandemic levels. We will continue to utilize on high quality municipal bonds when appropriate for taxable investors while maintaining a focus on achieving ballast, stability, and income from our fixed income.

- **The Fed**: In response to the Covid-19 pandemic, the Fed established the most accommodative monetary policy environment in United States history by lowering interest rates, restarting their quantitative easing program, and creating several emergency lending facilities. The Fed deserves a significant amount of credit for the returns in most asset classes this year. The Fed's policies have helped aid the economy, lower interest rates, calm credit markets, and boost equity prices. In the future, the Fed remains committed to using their full range of tools to support the economy for as long as is needed.

- **Fiscal Stimulus**: Congress was finally able to pass an additional $900 billion fiscal stimulus package (~4% of GDP) in late December. The stimulus package includes aid to households, businesses, and schools as well as increased funding for testing and vaccines.

- **US Economy**: While the United States officially entered into a recession in February, the economy likely bottomed at some point in April and has been slowly recovering since. Going forward, the magnitude of reopening, consumer activity, and recovery in the labor market will vary based on the prevalence of Covid-19 cases. We firmly agree with the Fed's assessment that, "the path of the economy will depend significantly on the course of the virus." Next year's GDP estimate of +4.2% is heavily dependent on a successful vaccine rollout.

- **US Equity Market Outlook**: The market will remain supported by accommodative monetary policy and accelerating corporate and economic growth driven by the vaccine rollout and the recently announced fiscal stimulus package. However, a short-term pause or pullback would not surprise us given stretched valuations and signs of froth. We are moving into 2021 with a measured approach meaning that portfolio allocations are neutral to slightly underweight as we trimmed some equities and locked in gains while the stock market rallied to new highs in the latter half of the year. Our investment process favors trimming on strength and buying on weakness rather than chasing the latest outperforming asset class, which in our opinion creates unnecessary portfolio turnover and volatility. On the equity side, we remain tilted toward high quality US large cap stocks (we allocate across regions, countries, market caps, factors, styles, sectors, and industries). On the fixed income side, we continue to focus on achieving ballast, stability, and income while accounting for short-term cash needs. We will continue to utilize our time-tested investment process based on risk management, asset allocation, and security selection as we monitor new developments and maintain critical flexibility to take advantage of opportunities as they arise.

Please see some of our most recent market commentaries:

- ***Winthrop Wealth Principles for Investing in the Stock Market***
- ***Post-Election***
- ***The Federal Reserve***
- ***Federal Debt***

US EQUITY MARKETS

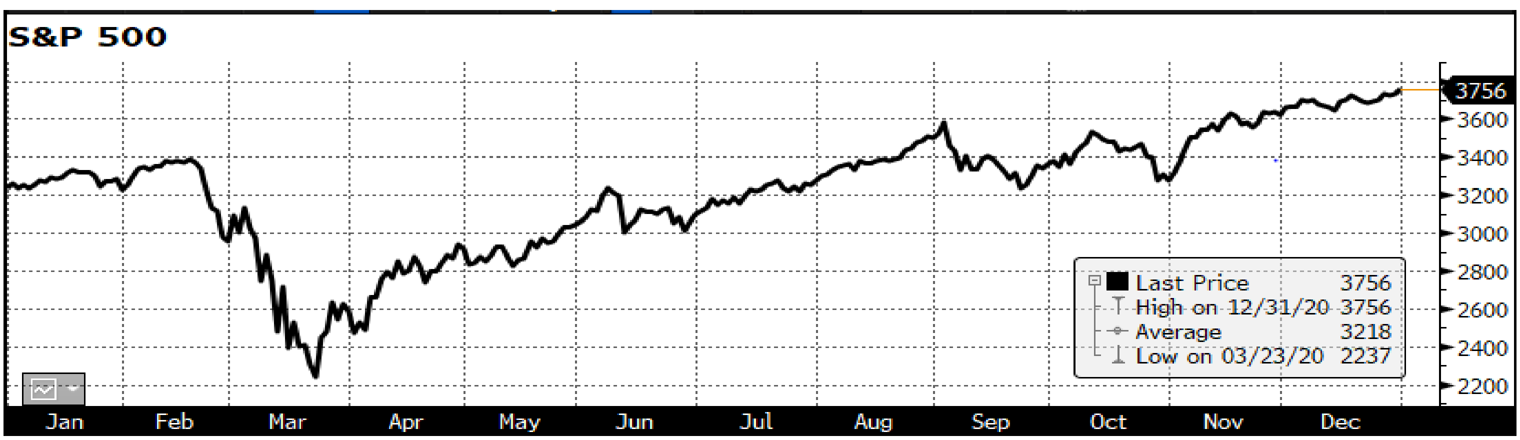
The S&P 500 increased by +12.1% in the fourth quarter and ended the year higher by +18.4%. The market reached a new all-time high on New Year's Eve when the S&P closed at 3,756. We will continue to highlight that 2020 has been a roller-coaster year as the S&P 500 fell by nearly -34% from February 19th to March 23rd before increasing by over +70% since then. During the selloff, not many investors were predicting that the US equity market would finish positive for the year, let alone end up higher by double-digits and at a new all-time high. This is yet another example of the power of maintaining a long-term investment viewpoint.

- **Market Cap**: Small Caps were the top performer for the year (+19.9%) after a torrid 4th quarter (+31.4%).
- **Style**: Growth (Russell 1000 Growth: +38.5%) outperformed Value (Russell 1000 Value: +2.8%) for the 4th consecutive year.
- **Sector**: Eight out of eleven sectors were positive for the year with Technology (+43.9%) and Consumer Discretionary (+33.3%) as the leaders, and Real Estate (-2.7%) and Energy (-33.7%) as the laggards.

US Equity Market Performance								
Broad Market	**4th Quarter**	**2020**	**Style**	**4th Quarter**	**2020**	**Sector**	**4th Quarter**	**2020**
S&P 500	12.14%	18.39%	Russell 1000 Growth	11.39%	38.49%	Materials	14.47%	20.73%
Russell 3000	14.68%	20.88%	Russell 1000 Value	16.25%	2.78%	Health Care	8.03%	13.45%
Dow Jones Industrial Average	10.73%	9.72%				Industrials	15.67%	11.05%
Nasdaq	15.67%	45.06%				Consumer Staples	6.35%	10.75%
			Sector	**4th Quarter**	**2020**	Utilities	6.58%	0.52%
Size	**4th Quarter**	**2020**	Technology	11.81%	43.89%	Financials	23.19%	-1.76%
Mid Cap (S&P 400)	24.36%	13.65%	Consumer Discretionary	8.04%	33.30%	Real Estate	4.94%	-2.17%
Small Cap (Russell 2000)	31.36%	19.93%	Communication Services	13.82%	23.61%	Energy	27.76%	-33.68%

The market rally this year was driven by progress on Covid treatments, accommodative monetary policy, fiscal stimulus, optimism on vaccines, and the reopening on the economy. We will also point out that for much of the year the market rotated between "stay-at-home" and "reopening" stocks. Stay-at-home stocks are generally mega-cap growth companies that can still grow revenues and earnings while businesses are shut. Reopening stocks are cyclical companies that operate better as the economy reopens. Stay-at-home stocks outperformed for the year but whenever we received positive news on vaccines the reopening stocks would receive a shot in the arm. We would expect reopening stocks to perform well next year as the vaccine distribution continues to grow and economic growth accelerates. However, rather than choose one style over the other, we prefer to construct diversified portfolios across regions, countries, market caps, factors, styles, sectors, and industries and tilt toward the areas we feel provide the most potential benefit. Please see our ***Client Question of the Month on Portfolio Diversification (October 2019)***.

S&P 500 - 2020



(Source: Bloomberg)

Signs of froth

The stock market swings like a pendulum between greed and fear, and at the end of 2020 it is easy to see examples of overexuberance. Most valuation measures are stretched by historical measures. The forward price-to-earnings (P/E) ratio of the S&P 500 reached 22.6x at the end of the year, far above the 25-year average of 16.5x, and the highest level since the tech bubble of the late 1990s. The only way to argue for a reasonable valuation is in comparison to historically low interest rates. We know that low interest rates dictate higher valuations, but what happens if interest rates rise? Furthermore, we will point out other signs of froth including, the average first day-return for IPOs averaged 40% this year (Bloomberg), a record number of special-purpose acquisition vehicles (SPACs) coming to market, a boom in cryptocurrency returns, individual stocks rapidly increasing after announcing stock-splits, and sentiment indicators reaching their highest levels in years. All of this gives us reason for near-term caution. A pullback in the market early next year would not surprise us and in our view would be a healthy sign of some excess being removed.

US FIXED INCOME MARKETS

The Bloomberg Barclays US Aggregate Bond index (Agg), which acts as a proxy for the investment-grade bond market, increased by +0.7% in Q4 and +7.5% in 2020. For the year, the decline in interest rates were positive for returns (bond prices move inversely to interest rates). Although bonds with higher credit risk sold off in the first quarter, most areas of the fixed income market produced strong returns for the year, including, High Yield (+7.1%), Corporates (+9.9%), and Munis (+5.2%).

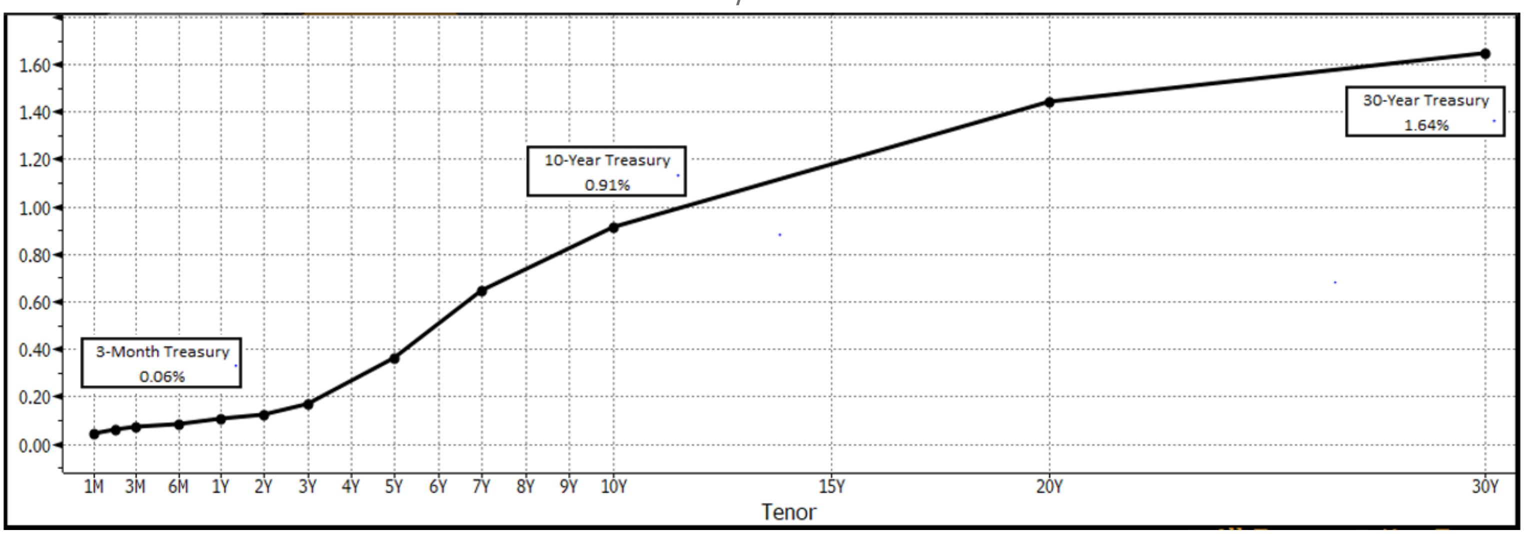
	Returns					Fundamental Estimates		
Bloomberg Barclays Index	**4th Quarter**	**2020**	**2019**	**2018**		**Yield to Worst**	**Credit Spread (bps)**	**Duration**
Aggregate	0.67%	7.51%	8.72%	0.01%		1.1%	42	6.1
Treasury Bills	0.02%	0.54%	2.21%	1.83%		0.1%		0.1
Corporates	3.05%	9.89%	14.54%	-2.51%		1.7%	96	8.8
High Yield	6.45%	7.11%	14.32%	-2.08%		4.2%	360	3.5
Securitized MBS/ABS/CMBS	0.31%	4.18%	6.44%	0.99%		1.2%	42	2.4
Munis	1.82%	5.21%	7.54%	1.28%		1.1%		5.2

INTEREST RATES

Interest rates remain at historically low levels, but long-term yields have increased some in the past several months. The 10-year Treasury started the year at 1.92%, before falling to an all-time low of 0.51% in August and ending the year at 0.91%. The 3-Month Treasury yield decreased from 1.54% to 0.06% throughout the year. The Federal Open Market Committee (FOMC) controls shorter term Treasury rates by setting the target federal funds rate range. The market controls long term Treasury rates as investor demand will vary based on future expectations of inflation and economic growth.

The yield curve is a graph of a Treasury bond's maturity and its rate of return for various time periods. The typical maturities referenced generally range from 3-Months to 30-Years. The yield curve does have a positive slope with long-term yields above short-term yields.

Treasury Yield Curve



(Source: Bloomberg)

MUNICIPAL BOND MARKET UPDATE

Over nine months into the pandemic and it is no surprise that most state and local governments are under financial stress. However, it is a pleasant surprise that state budget revenues are coming in better than expected due to higher incomes from wealthier individuals and gains in the stock market. According to the Center on Budget and Policy Priorities, in the spring states were expected to report total budget shortfalls of $650 billion through fiscal year 2020, and now that deficit is estimated at $400 billion. This development helps explain why the municipal bond market returned +5.2% this year. Additionally, Municipal Market Analytics reported that there have been 75 municipal bond defaults this year, but most have been in smaller high-yield or non-rated issues. While there are still reasons to be concerned about the municipal market, we will point out that the yields on the 10-year national index and several larger states, including California, New York, and Massachusetts are below their pre-pandemic levels. Furthermore, we expect that Congress will include additional aid to state and local governments in the next fiscal stimulus package. We will continue to utilize on high quality municipal bonds when appropriate for taxable investors while maintaining a focus on achieving ballast, stability, and income from our fixed income.

THE FED - MONETARY STIMULUS

The Federal Reserve serves as the central bank of the United States and performs key functions designed to promote the health of the economy and stability of the financial system. The three key entities include the Board of Governors, twelve Federal Reserve Banks, and the Federal Open Market Committee (FOMC). The FOMC sets monetary policy in accordance with its mandate from Congress: to promote maximum employment, stable prices, and moderate long-term interest rates. According to the Fed, "monetary policy directly affects interest rates; it indirectly affects stock prices, wealth, and currency exchange rates. Through these channels, monetary policy influences spending, investment, production, employment, and inflation in the United States." Please see our ***Client Question of the Month on The Fed*** which details the key entities, and the impact monetary policy has on the economy, interest rates, and stock prices.

In response to the Covid-19 pandemic, the Fed established the most accommodative monetary policy environment in United States history. The Fed acted in three main ways: lowering interest rates, restarting their quantitative easing program, and creating thirteen emergency lending facilities.

Interest Rates		Balance Sheet		Commentary
Federal Funds Rate	Federal Funds Rate 2020 Change	Fed Balance Sheet	Fed Balance Sheet 2020 Change	December FOMC Statement
0 - 0.25%	-1.50% (Rate cuts on March 3rd and March 15h)	$7.4 Trillion	+ $3.2 Trillion	The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee expects to maintain an accommodative stance of monetary policy until these outcomes are achieved.

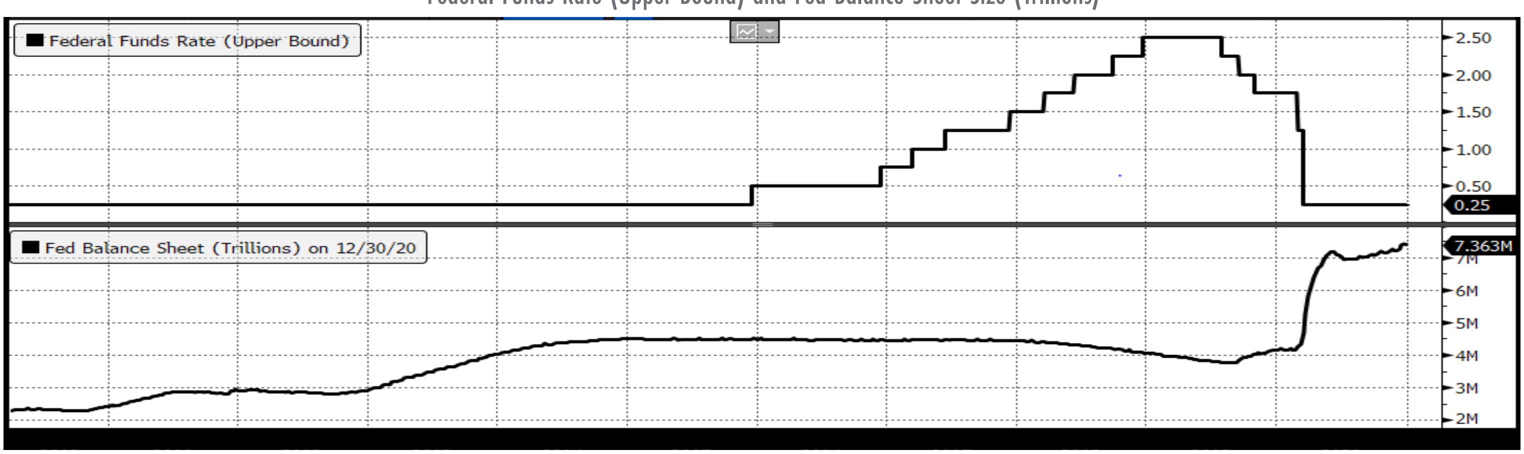
Interest Rates: The federal funds rate is currently at a range of 0% to 0.25% after the FOMC cut rates by-1.50% total in March, both times at unscheduled meetings. In August, Chair Powell formally announced a change to the FOMC's Statement on Longer-Run Goals and Monetary Policy Strategy to reflect average inflation targeting. Under the new policy, the FOMC now "seeks to achieve inflation that averages 2% over time." Essentially, it means that interest rates are likely to stay lower for a longer period of time. Most FOMC members do not expect to raise interest rates until at least 2024.

Quantitative Easing Program: The Fed will continue purchasing at least $80 billion in Treasuries and $40 billion in agency mortgage-backed securities per month to help "foster smooth market functioning and accommodative financial conditions, thereby supporting the flow of credit to households and businesses." In December, the Fed announced that the monthly purchases will continue until "substantial further progress has been made toward the Committee's maximum employment and price stability goals." The Fed's purchases will expand the size of its balance sheet and should help keep long-term interest rates low while ensuring that fixed income markets function smoothly.

Lending Facilities: The Fed announced thirteen emergency credit and liquidity facilities that are designed to provide stability to the financial system and support the flow of credit to households, businesses, and state and local governments. The facilities fall into two categories: stabilizing short-term funding markets and providing more-direct support for credit across the economy. Several of the emergency facilities will close at the end of the year, but they can be restarted with Congressional authorization.

The Fed deserves a significant amount of credit for the returns in most asset classes this year. The Fed's policies have helped aid the economy, lower interest rates, calm credit markets, and boost equity prices. Going forward, the Fed remains committed to using their full range of tools to support the economy for as long as is needed.

Federal Funds Rate (Upper Bound) and Fed Balance Sheet Size (Trillions)



(Source: Bloomberg)

FISCAL STIMULUS

Congress was finally able to pass an additional $900 billion fiscal stimulus package (~4% of GDP) in late December. After haggling over the details for months, the bill passed overwhelmingly in the House and Senate before President Trump begrudgingly signed it. The stimulus package includes aid to households, businesses, and schools as well as increased funding for testing and vaccines. Notably, Congress was not able to agree on the Republican priority of increased liability protection for businesses or the Democratic priority of additional aid to state and local governments. These issues will likely be addressed early next year by the new Congress.

Here are the details of the Covid-19 Aid Bill:

Category	Covid-19 Aid Bill
Direct Payments	Households will receive up to $600 for each adult and $600 for each dependent. Payments will vary based on income.
Unemployment Subsidy	Workers will be eligible for a $300-per-week federal unemployment subsidy. The legislation also extends the benefit period to 50 weeks.
Education	The bill includes over $80 billion for public and private K-12 schools and colleges.
Testing and Vaccines	States will receive $22 billion for Covid testing, tracing, and mitigation programs. The bill also includes about $30 billion in funding for vaccine distribution.
Small Business	The bill includes $284 billion in forgivable loans through the Paycheck Protection Program and expands elibibility to certain businesses and nonprofits.

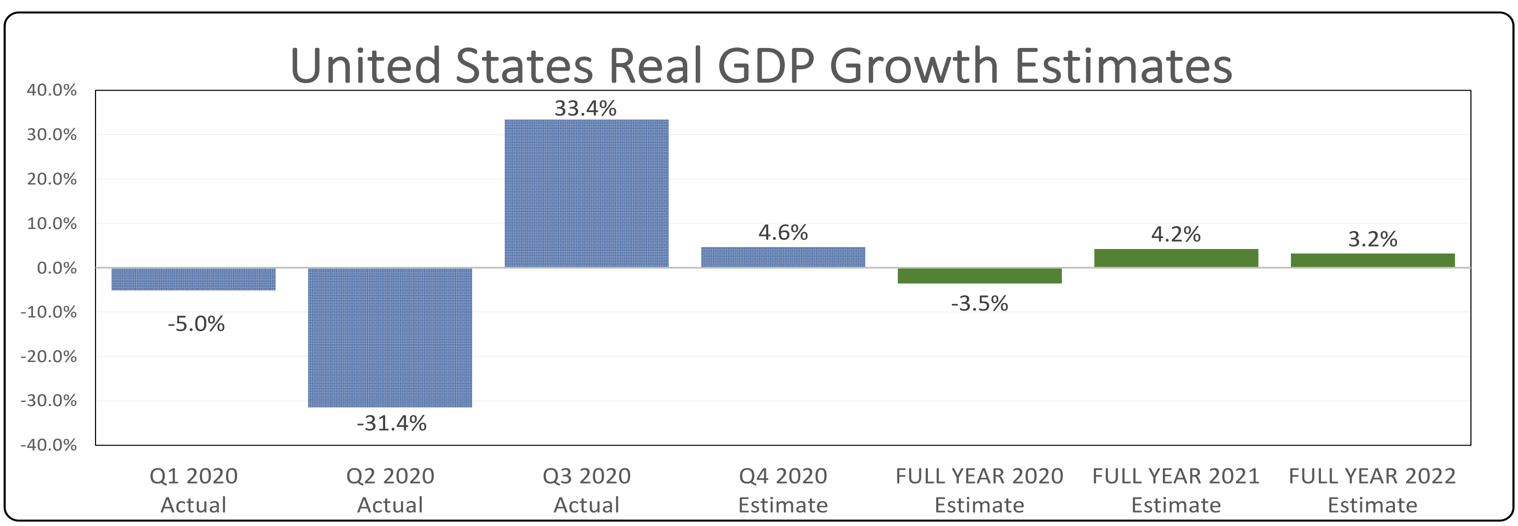
US ECONOMY

The United States entered into an economic recession in February, ending the longest expansion on record dating back to 1854. The economic expansion began in June 2009 and lasted 128 months. The economy also likely bottomed at some point in April and has been recovering since. Going forward, the magnitude of reopening, consumer activity, and recovery in the labor market will vary based on the prevalence of Covid-19 cases and the vaccine rollout. We firmly agree with the Fed's assessment that, "the path of the economy will depend significantly on the course of the virus." Next year's GDP estimate of +4.2% is heavily dependent on a successful vaccine rollout. Here are some key data points we are monitoring to assess the health of the economy.

Consumer Spending: According to Goldman Sachs, high frequency data suggests that consumer spending reached 95% of the pre-virus level in late December, up from April's low of 80%. The US Census Bureau's measure of Retail Sales increased by +4.1% year-over-year in November, up from April's reading of -19.9%. Consumer spending data is critical as it drives about 70% of GDP

Labor Market: The unemployment rate was 6.7% in November. Over the last 50-years, the highest reading was 14.7% in April 2020, while the lowest reading was 3.5% in September 2019. At the end of the year, about 55% of the 22 million jobs that were lost in March and April have been regained. The Fed estimates that the unemployment rate will decrease to 5.5% by the end of 2021.

Manufacturing: The Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) reading for November came in at a strong 57.5%, well above April's 41.5%. According to ISM, "the past relationship between the PMI and the overall economy corresponds to a +4.3% increase in annualized real GDP in November. The ISM Manufacturing PMI reading dates to 1948 and is a widely followed indicator for the health of the manufacturing sector and overall economy.



OUTLOOK

Our market outlook is typically based on four segments: Monetary Policy, Economic Growth, Corporate Earnings, and Valuation. In the current period, we added data on the Coronavirus and Fiscal Stimulus to help shape our viewpoint.

CORONAVIRUS UPDATE

There is a race between the spread of the virus and distribution of vaccines.

Positive

- **Testing:** The United States averaged over 1.8 million new tests per day by the end of the year.
- **Treatments:** According to the Milken Institute, there are currently 319 treatments in development.
- **Vaccines Doses Distributed**: Over 12.5 million.
- **# of people who received first vaccine dose:** Over 2.5 million.
- **Vaccine Timeline**: US Surgeon General Jerome Adams said he expects that most Americans will have access to a vaccine by early in the second quarter of 2021.

Negative

Daily new cases remained around 200,000 per day and the number of people currently hospitalized reached a new peak.

MONETARY POLICY

The Fed has established the most accommodative monetary policy environment in United States history.

- **Interest Rates:** The federal funds rate is currently at a range of 0% to 0.25%. Most FOMC members do not expect to raise interest rates until at least 2024.
- **Quantitative Easing Program:** The Fed will continue purchasing at least $80 billion in Treasuries and $40 billion Mortgage Backed Securities per month to help "foster smooth market functioning and accommodative financial conditions."
- **Lending Facilities:** The Fed announced thirteen new credit and liquidity facilities that are designed to provide stability to the financial system and support the flow of credit to households, businesses, and state and local government. Several of the emergency facilities will close at year-end, but they can be restarted with Congressional authorization.

ECONOMIC GROWTH

Going forward, the magnitude of reopening, consumer activity, and recovery in the labor market will vary based on the prevalence of Covid-19 cases. We firmly agree with the Fed's assessment that, "the path of the economy will depend significantly on the course of the virus." Next year's GDP estimate of +4.2% is heavily dependent on a successful vaccine rollout.

Positive

- According to Goldman Sachs, high frequency data suggests that consumer spending reached 95% of the pre-virus level in late 2020, up from April's low of 80%.

Negative

- The number of people currently unemployed remains high as about 55% of the 22 million jobs that were lost in March and April have been regained.

FISCAL STIMULUS

Congress was finally able to pass an additional $900 billion fiscal stimulus package in late December.

The stimulus package includes aid to households, businesses, and schools as well as increased funding for testing and vaccines.

We expect the new Congress will begin negotiating additional stimulus immediately.

CORPORATE EARNINGS

S&P 500 earnings are estimated recover and increase in 2021 and 2022 after declining by -15% in 2020.

- 2019 Actual: $163 (+1%)
- 2020 Estimate: $140 (-15%)
- 2021: Estimate: $170 (+22%)
- 2022: Estimate: $197 (+16%)

Over long time periods, earnings drive stock prices.

VALUATION

Most valuation measures are stretched by historical measures. The forward price-to-earnings (P/E) ratio of the S&P 500 reached the highest level since the tech bubble of the late 1990s.The P/E ratio is calculated as the current price divided by the earnings-per-share.

- Forward P/E (next 12-months): 22.6x.
- 25-Year Average: 16.5x.

Valuation analysis is subjective and typically based on interest rates, earnings growth estimates, and historical or relative values.

The rally since March (+70% since 3/23) was driven by progress on Covid, massive amounts of monetary and fiscal stimulus, and optimism on vaccines and the reopening of the economy. Going forward, the market will remain supported by accommodative monetary policy and accelerating corporate and economic growth driven by the vaccine rollout and the recently announced fiscal stimulus package. However, a short-term pause or pullback would not surprise us given the previously discussed stretched valuations and signs of froth. A market pullback is common and should not be a major cause for concern given that the S&P 500 has averaged a peak-to-trough decline of -15.8% each year since 1928 despite producing a total annualized return of +9.6% over the same period. Furthermore, the market will remain sensitive to key risks including the continued spread of Covid-19, any issues with the vaccine and/or distribution, the relationship between the US and China, and the upcoming Georgia Senate elections. We will continue to rely on our time-tested investment process to utilize any volatility as an opportunity to reposition portfolios.

We are moving into 2021 with a measured approach meaning that portfolio allocations are neutral to slightly underweight as we trimmed some equities and locked in gains while the stock market rallied to new highs in the latter half of the year. Our investment process favors trimming on strength and buying on weakness rather than chasing the latest outperforming asset class, which in our opinion creates unnecessary portfolio turnover and volatility. On the equity side, we remain tilted toward high quality US large cap stocks (we allocate across regions, countries, market caps, factors, styles, sectors, and industries). On the fixed income side, we continue to focus on achieving ballast, stability, and income while accounting for short-term cash needs.

At Winthrop Wealth, we apply a total net worth approach to both comprehensive financial planning and investment management. Financial planning drives the investment strategy and provides a roadmap to each client's unique goals and objectives. The comprehensive financial plan defines cash flow needs, is stress tested for various market environments, optimizes account structures, considers tax minimization strategies, and continuously evaluates financial risks as circumstances and/or goals change. The investment management process is designed to provide well-diversified portfolios constructed with a methodology based on prudent risk management, asset allocation, and security selection.

US Equity											
Index	**4th Quarter**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
S&P 500	12.14%	18.39%	31.48%	-4.39%	21.82%	11.95%	1.37%	14.17%	15.20%	13.87%	7.46%
Russell 3000	14.68%	20.88%	31.01%	-5.25%	21.12%	12.72%	0.47%	14.48%	15.41%	13.78%	7.81%
Dow Jones Industrial Average	10.73%	9.72%	25.34%	-3.48%	28.11%	16.43%	0.21%	9.90%	14.63%	12.95%	7.94%
Nasdaq	15.67%	45.06%	36.74%	-2.81%	29.73%	8.97%	7.11%	24.46%	22.19%	18.55%	9.73%
S&P 400	24.36%	13.65%	26.17%	-11.10%	16.23%	20.73%	-2.18%	8.43%	12.33%	11.48%	9.29%
Russell 2000	31.36%	19.93%	25.49%	-11.03%	14.63%	21.28%	-4.41%	10.22%	13.23%	11.19%	8.72%
Russell 1000 Growth	11.39%	38.49%	36.39%	-1.51%	30.21%	7.07%	5.67%	22.99%	20.99%	17.20%	8.26%
Russell 1000 Value	16.25%	2.78%	26.52%	-8.28%	13.64%	17.33%	-3.84%	6.05%	9.72%	10.49%	6.80%
International Equity											
MSCI Index	**4th Quarter**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
EAFE	16.05%	7.82%	22.01%	-13.79%	25.03%	1.00%	-0.81%	4.28%	7.44%	5.51%	4.50%
Europe	17.63%	7.89%	23.20%	-16.90%	28.07%	1.34%	-1.42%	3.37%	7.47%	5.23%	3.65%
Japan	15.26%	14.48%	19.61%	-12.88%	23.99%	2.38%	9.57%	6.06%	8.65%	6.49%	3.72%
China	11.20%	29.49%	23.46%	-18.88%	54.07%	0.90%	-7.82%	9.05%	15.05%	7.61%	10.83%
Emerging Markets	19.70%	18.31%	18.42%	-14.57%	37.28%	11.19%	-14.92%	6.20%	12.80%	3.63%	9.58%
ACWI ex US	17.01%	10.65%	21.51%	-14.20%	27.19%	4.50%	-5.66%	4.89%	8.92%	4.92%	5.23%
US Fixed Income											
Bloomberg Barclays Index	**4th Quarter**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Aggregate	0.67%	7.51%	8.72%	0.01%	3.54%	2.65%	0.55%	5.34%	4.43%	3.84%	4.83%
Treasury Bills	0.02%	0.54%	2.21%	1.83%	0.81%	0.26%	0.03%	1.52%	1.13%	0.59%	1.42%
Corporates	3.05%	9.89%	14.54%	-2.51%	6.42%	6.11%	-0.68%	7.06%	6.74%	5.63%	6.09%
Securitized MBS/ABS/CMBS	0.31%	4.18%	6.44%	0.99%	2.51%	1.77%	1.47%	3.85%	3.16%	3.09%	
High Yield	6.45%	7.11%	14.32%	-2.08%	7.50%	17.13%	-4.47%	6.24%	8.58%	6.79%	7.83%
Munis	1.82%	5.21%	7.54%	1.28%	5.45%	0.25%	3.30%	4.64%	3.91%	4.62%	4.73%
US Equity Sectors											
Index	**4th Quarter**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Technology	11.81%	43.89%	50.29%	-0.29%	38.83%	13.85%	5.92%	29.19%	27.78%	20.66%	9.29%
Real Estate	4.94%	-2.17%	29.00%	-2.23%	10.85%	1.12%	1.24%	7.26%	6.70%	8.11%	
Industrials	15.67%	11.05%	29.32%	-13.32%	21.01%	18.85%	-2.56%	7.57%	12.35%	11.93%	7.16%
Energy	27.76%	-33.68%	11.81%	-18.10%	-1.01%	27.36%	-21.12%	-15.31%	-5.20%	-2.67%	3.46%
Consumer Discretionary	8.04%	33.30%	27.94%	0.82%	22.98%	6.03%	10.11%	19.80%	17.51%	17.67%	10.35%
Communication Services	13.82%	23.61%	32.69%	-12.53%	-1.25%	23.48%	3.40%	12.79%	11.83%	10.07%	4.72%
Consumer Staples	6.35%	10.75%	27.61%	-8.39%	13.49%	5.38%	6.60%	8.99%	9.13%	11.78%	8.32%
Utilities	6.58%	0.52%	26.35%	4.11%	12.10%	16.29%	-4.84%	9.76%	11.50%	11.26%	5.89%
Materials	14.47%	20.73%	24.58%	-14.70%	23.84%	16.69%	-8.38%	8.66%	13.13%	8.99%	8.78%
Financials	23.19%	-1.76%	32.09%	-13.04%	22.14%	22.75%	-1.56%	4.11%	11.08%	10.75%	3.26%
Health Care	8.03%	13.45%	20.82%	6.47%	22.08%	-2.69%	6.89%	13.43%	11.63%	15.87%	7.51%
	Calendar Year Returns							**Annualized Returns**			

DISCLOSURES

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

The prices of small cap stocks and mid cap stocks are generally more volatile than large cap stocks.

All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds.

The Barclays Capital U.S. Credit Bond Index measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year.

The Barclays Capital Municipal Bond Index is a broad market performance benchmark for the tax-exempt bond market, the bonds included in this index must have a minimum credit rating of at least Baa.

The Barclays Capital US Corporate High Yield Bond index is an index representative of the universe of fixed-rate, non-investment grade debt.

No investment strategy assures success or protects against loss. Asset allocation does not ensure a profit or protect against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Rebalancing a portfolio may cause you to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss. All investing involves risk which you should be prepared to bear.