Q2'2021 MARKET REVIEW & OUTLOOK

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SECOND QUARTER 2021 HIGHLIGHTS

- **US Equity Markets**: The S&P 500 increased by +8.6% in the second quarter bringing the market higher by +15.2% for the year. The market ended the quarter at another new all-time high when the S&P 500 closed at 4,298. We will continue to highlight the power of maintaining a long-term investment viewpoint. After declining by nearly -34% during the pandemic selloff last year (2/19/20 to 3/23/20), the S&P 500 is up by over +96% from the low.

- **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 +1.8% in the quarter as the decline in interest rates was positive for returns (bond prices move inversely to interest rates). Other areas of the fixed income market also produced solid results, including, Corporates (+3.6%), High Yield (+2.7%), and Munis (+1.4%).

- **Inflation**: The latest Core PCE inflation reading (May) increased by +3.4% Y/Y, the highest level since 1992. While the Fed admitted that recent inflation data has been higher than expected, they still believe the latest increases are transitory. The Fed estimates that inflation will level out to around 2% by 2022. In other words, the Fed believes inflation has peaked.

- **Interest Rates**: One of the bigger surprises of the quarter was the decrease in the 10-Year Treasury yield. After reaching an all-time low of 0.51% in August 2020, the 10-Year yield increased to 1.74% at the end of the first quarter before declining to its present level of 1.47%. Long-term interest rates are typically mainly driven by estimates of economic growth and inflation. The drop in the 10-Year was partially due to the decreasing odds of additional major fiscal stimulus bills passing and the market coming around to the idea that inflation may have peaked.

- **The Fed**: Now that the economy is on the path to recovery and inflation pressures are rising, the Fed must decide when to tighten monetary policy by first taking their foot off the gas pedal (tapering the quantitative easing program) and next by hitting the brake (raising interest rates). The Fed's timeline has accelerated in the last few months as both economic growth and inflation have been higher than previously forecast. Our sense is that the Fed will begin tapering within the next six months and will raise interest rates in late 2022.

- **Fiscal Stimulus**: The Biden administration is working to pass the three-part Build Back Better plan, that also includes proposals for the American Jobs Plan (infrastructure) and the American Family Plan (~$1.8 trillion).

- **US Economy**: Economic growth is estimated to materially increase due to the amount of fiscal and monetary stimulus combined with the vaccine rollout and subsequent reopening. After declining by -3.5% in 2020, Real GDP is expected to increase by +7.0% in 2021 and +3.3% in 2022.

- **US Equity Market Outlook**: Financial markets will now begin to transition as we have reached peak levels of corporate earnings growth, economic growth, fiscal stimulus, and monetary stimulus. In contrast to last year, the stock market will face headwinds caused by the economic recovery, including, higher interest rates and inflation, the possibility that the Fed may tighten earlier than expected, and the potential for higher taxes. We still observe signs of froth and investor complacency as the market has essentially moved higher in a straight line over the past fifteen months. History shows us that the past year is the exception and not the rule; stocks do not move in a straight line forever and volatility is inevitable. We will continue to apply our time-tested investment process based on risk management, asset allocation, and security selection to utilize any volatility as an opportunity to reposition portfolios.

  Please see some of our most recent market commentaries:
  - **Market Timing Does Not Work**
  - **Withdrawing Money**
  - **Tax-Loss Harvesting**

US EQUITY MARKETS

The S&P 500 increased by +8.6% in the second quarter bringing the market higher by +15.2% for the year. The market ended the quarter at another new all-time high when the S&P 500 closed at 4,298. We will continue to highlight the power of maintaining a long-term investment viewpoint. After declining by nearly -34% during the pandemic selloff last year (2/19/20 to 3/23/20), the S&P 500 is up by over +96% from the low.

- **Market Cap**: Large Caps (+8.6%) outperformed Mid (+3.6%) and Small Caps (+4.3%).
- **Style**: Growth (Russell 1000 Growth: +11.9%) exceeded Value (Russell 1000 Value: +5.2%).
- **Sector**: Ten of eleven were positive for the quarter with Real Estate (+13.1%) and Technology (+11.6%) as the leaders, and Consumer Staples (+3.8%) and Utilities (-0.4%) as the laggards.

US Equity Market Performance								
Broad Market	**2nd Quarter**	**2021**	**Style**	**2nd Quarter**	**2021**	**Sector**	**2nd Quarter**	**2021**
S&P 500	8.55%	15.24%	Russell 1000 Growth	11.93%	12.98%	Communication Services	10.72%	19.67%
Russell 3000	8.24%	15.10%	Russell 1000 Value	5.21%	17.04%	Health Care	8.40%	11.85%
Dow Jones Industrial Average	5.08%	13.79%				Financials	8.36%	25.60%
Nasdaq	9.68%	12.92%				Consumer Discretionary	6.95%	10.27%
			Sector	**2nd Quarter**	**2021**	Materials	4.97%	14.50%
Size	**2nd Quarter**	**2021**	Real Estate	13.09%	23.30%	Industrials	4.48%	16.40%
Mid Cap (S&P 400)	3.64%	17.59%	Technology	11.56%	13.76%	Consumer Staples	3.83%	5.02%
Small Cap (Russell 2000)	4.29%	17.53%	Energy	11.29%	45.61%	Utilities	-0.37%	2.47%

The overall market continues to be driven by progress on the vaccine rollout, accommodative monetary policy, fiscal stimulus, strong corporate earnings growth, and the reopening on the economy. Last quarter, we highlighted the difference between growth stocks (mainly Technology, Consumer Discretionary, and Communication Services) whose current share price is heavily dependent on earnings potential sometimes several years into the future and cyclical stocks (mostly Financials, Energy, and Industrials) that are levered to the strength of the economy. Growth stocks performed well in the second quarter as the decline in interest rates provided a boost to share prices (please see our **Client Question on Why Interest Rates Impact Stock Prices**). Cyclical stocks also did well as the economy continues to improve. 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 on Portfolio Diversification**).

S&P 500 - 2021

(Source: Bloomberg)

Signs of Froth (Still)

We continue to point our signs of froth in the markets including, a record number of special-purpose acquisition companies (SPACs) coming to market, almost 100 unprofitable US companies raising funds through secondary offerings since March (Bloomberg), the volatility in cryptocurrency prices (please see our May 2021 recap for our thoughts on Bitcoin and cryptocurrencies), meme stocks, **Gamestop**, AMC, Non-fungible Tokens (NFT), sentiment indicators reaching their highest levels in years, and overall stretched valuations. Our view is that the massive amounts of fiscal and monetary stimulus are mostly to blame for this activity. We suspect that some of the froth will decline along with liquidity (levels of fiscal and monetary stimulus have likely peaked), and this will be a positive development for the overall health of the market.

US FIXED INCOME MARKETS

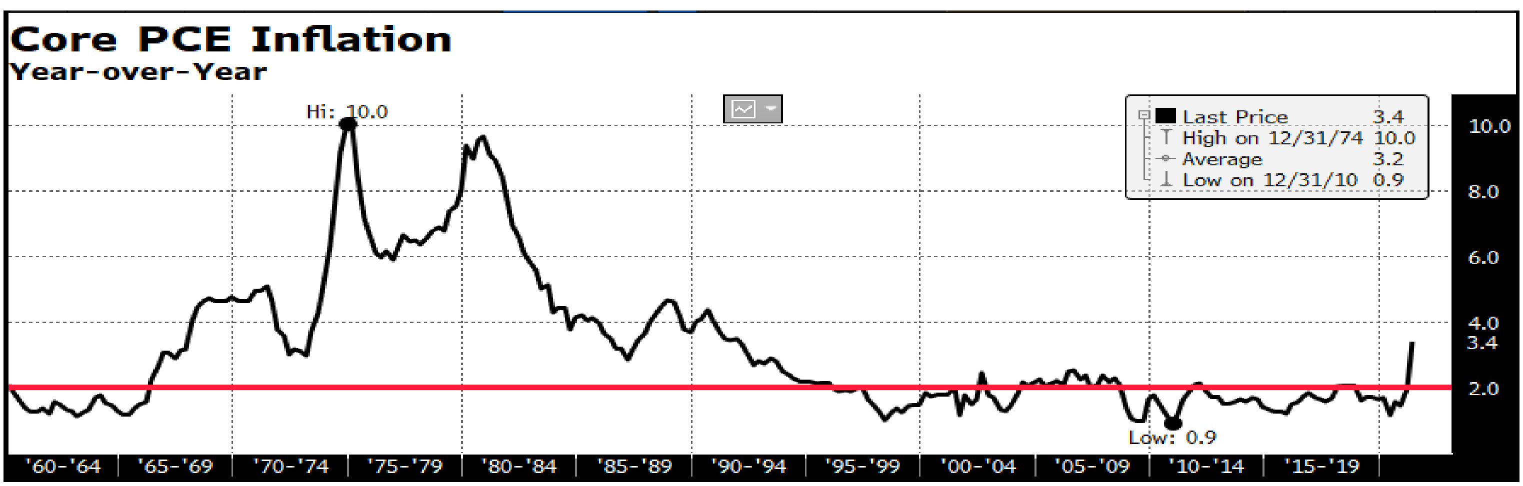
The Bloomberg Barclays US Aggregate Bond index (Agg), which acts as a proxy for the investment-grade bond market, increased by +1.8% in the quarter as the decline in interest rates was positive for returns (bond prices move inversely to interest rates). Other areas of the fixed income market also produced solid results, including, Corporates (+3.6%)and Munis (+1.4%).

	Returns				Fundamental Estimates		
Bloomberg Barclays Index	**2nd Quarter**	**2021**	**2020**	**2019**	**Yield to Worst**	**Credit Spread (bps)**	**Duration**
Aggregate	1.83%	-1.60%	7.51%	8.72%	1.5%	32	6.5
Treasury Bills	0.00%	0.02%	0.54%	2.21%	0.0%		0.1
Corporates	3.55%	-1.27%	9.89%	14.54%	2.0%	80	8.7
High Yield	2.74%	3.62%	7.11%	14.32%	3.7%	268	3.7
Securitized MBS/ABS/CMBS	0.44%	-0.74%	4.18%	6.44%	1.7%	29	4.1
Munis	1.42%	1.06%	5.21%	7.54%	1.0%		5.0

Inflation Update

Inflation is defined as the rate at which prices increase over a period of time. The Fed's preferred measure of inflation is the US Bureau of Economic Analysis (BEA) Core Personal Consumption Expenditures (PCE) Index. The Core PCE Inflation Index measures prices paid by consumers across several categories excluding food and energy. You may have noticed prices going up at the grocery store or the gas station, but that is not reflected here. Inflation readings measured on a year-over-year basis were expected to increase during the spring and summer of 2021 due to the base effect of being compared to the early part of the pandemic in 2020 and the amount of fiscal and monetary stimulus. The latest Core PCE inflation reading (May) increased by +3.4% Y/Y, the highest level since 1992. While the Fed admitted that recent inflation data has been higher than expected, they still believe the latest increases are transitory. The Fed estimates that inflation will level out to around 2% by 2022. In other words, the Fed believes inflation has peaked.

We are also in the transitory camp due to the Fed's influence and the deflationary forces of technological innovation, aging demographics, and globalization. While we believe inflation readings are likely to decelerate in the latter half of the year, we are still hedging by holding little cash in portfolios, avoiding long-term bonds, and overweighting equities of companies that are able to grow their cash flows, earnings, and dividends. Please see our Client Question on Inflation that details how the data is calculated, why the Fed cares about and targets inflation, and the impact it has on various asset classes (cash, fixed income, and equities).



(Source: Bloomberg)

Interest Rates

One of the bigger surprises of the quarter was the decrease in the 10-Year Treasury yield. After reaching an all-time low of 0.51% in August 2020, the 10-Year yield increased to 1.74% at the end of the first quarter before declining to its present level of 1.47%. Long-term interest rates are typically mainly driven by estimates of economic growth and inflation. The drop in the 10-Year was partially due to the decreasing odds of additional major fiscal stimulus bills passing and the market coming around to the idea that inflation may have peaked. We will not read too much into the decline in rates as this is far from a normal environment. Interest rates in the United States are being held down by low global bond yields (10-Year government bond yields in Germany are still negative while Japan is only slightly positive) and the Fed's quantitative easing program (the Fed is still purchasing $80 billion in Treasuries per month). The current consensus estimate for the 10-Year yield at the end of 2021 is 1.88%. We still believe the most likely scenario is for the 10-Year Treasury yield to drift higher, inflation to move back toward 2%, and for neither to restrict economic growth.

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 on The Fed** which details the key entities, and the impact monetary policy has on the economy, interest rates, and stock prices.

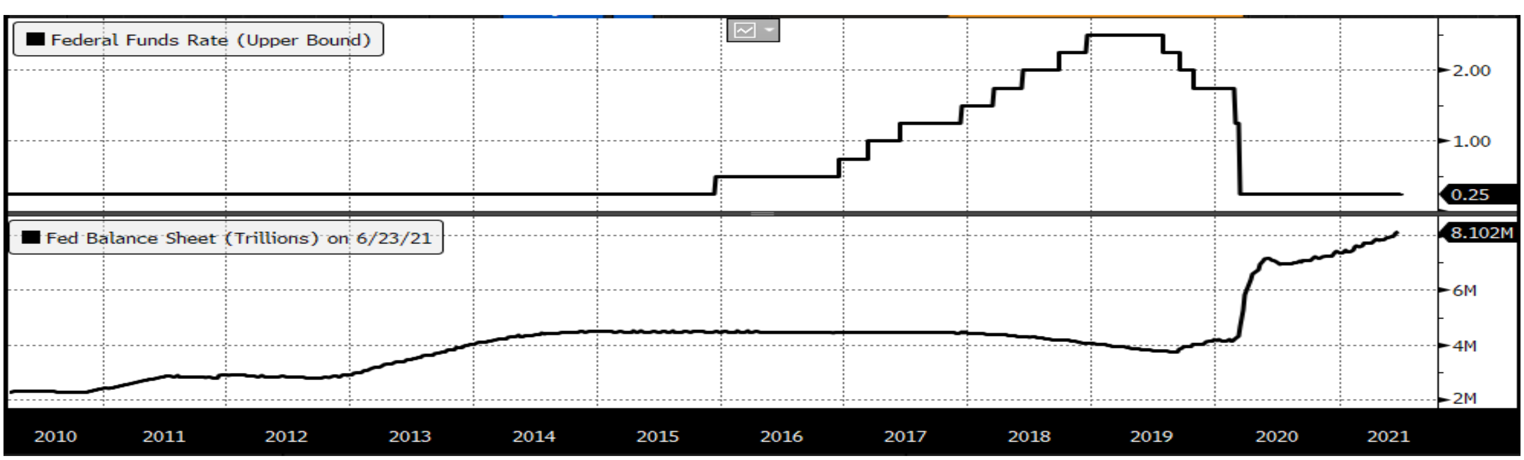
Interest Rates	Balance Sheet		Commentary
Federal Funds Rate	Fed Balance Sheet	Fed Balance Sheet 2021 Change	June FOMC Statement
0 - 0.25%	$8.1 Trillion	+ $0.7 Trillion	The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. The Committee expects to 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 2020, both times at unscheduled meetings. The committee expects to maintain an accommodative stance of monetary policy until inflation averages 2% and the economy reaches maximum employment. While interest rate increases are still a long way away, the estimated timeframe is narrowing. The FOMC's most recent Summary of Economic Projections (SEP) showed that most members now forecast the next rate increase to occur in 2023 versus the previous estimate of 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." At the latest FOMC meeting, Chair Powell acknowledged that the committee started discussing tapering the quantitative easing program. The Fed will announce more details on the time and pace of their tapering plan in the next few months.

The Fed's response to the global pandemic (lowering interest rates to zero, restarting their quantitative easing program, and launching several lending facilities) helped save the economy from a major recession and was the main driver of the stock market boom over the last fifteen months. Now that the economy is on the path to recovery and inflation pressures are rising, the Fed must decide when to tighten monetary policy by first taking their foot off the gas pedal (tapering the quantitative easing program) and next by hitting the brake (raising interest rates). The Fed's timeline has accelerated in the last few months as both economic growth and inflation have been higher than previously forecast. Our sense is that the Fed will begin tapering within the next six months and will raise interest rates in late 2022. We also expect that the Fed will telegraph their actions far in advance to try and not upset the financial markets. While the stock market would prefer for the Fed to remain ultra-accommodative, that is a recipe for financial bubbles and inflation, so the Fed must act before either get out of hand. "When will the Fed tighten?" will be one of the most important questions facing financial markets in 2021. The Fed is not ready to hit the brake yet, but they are getting close to easing their foot off the monetary policy gas pedal.

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



(Source: Bloomberg)

FISCAL STIMULUS UPDATE

Since the start of the pandemic, Congress has passed three major fiscal stimulus bills, including the CARES Act ($2.3 trillion) in March 2020, the Consolidated Appropriations bill ($900 billion) in December 2020, and the American Rescue Plan ($1.9 trillion) in March 2021. The American Rescue Plan is a portion of the Biden administration's three-part Build Back Better plan, that also includes proposals for the American Jobs Plan (infrastructure) and the American Family Plan (~$1.8 trillion). While several Senators were able reach a deal on about $580 billion in new infrastructure spending, the final bill still needs to pass through Congress, and it is also unclear whether Democrats will be willing to pass the measure unless it is paired with parts of the American Family Plan. We expect further negotiations and for the proposals to evolve over the next several weeks and months.

The White House is proposing increases to the corporate, individual, and capital gains rates as well as additional funding to the IRS to curtail tax evasion to fund the latest proposals. Note that these are currently just proposals, the majority in Congress is razor-thin and any bill will need either all Democrats to vote in favor or bipartisan support.

We also want to remind everyone that taxes were already scheduled to increase. Most of the individual and estate tax provisions as part of the Tax Cuts and Jobs Act (TCJA) of 2017 are set to expire after 2025. Individual tax rates are set to effectively return to where they were pre-TCJA. Keep in mind that the tax code evolves – there have been plenty of tax changes in the past and there will be more in the future.

As part of our comprehensive financial planning process, we provide tax analysis and minimization strategies as well as cash flow management. We will analyze your past tax returns and help estimate your current year tax situation so that we can proactively introduce and implement strategies that best fit your unique circumstances.

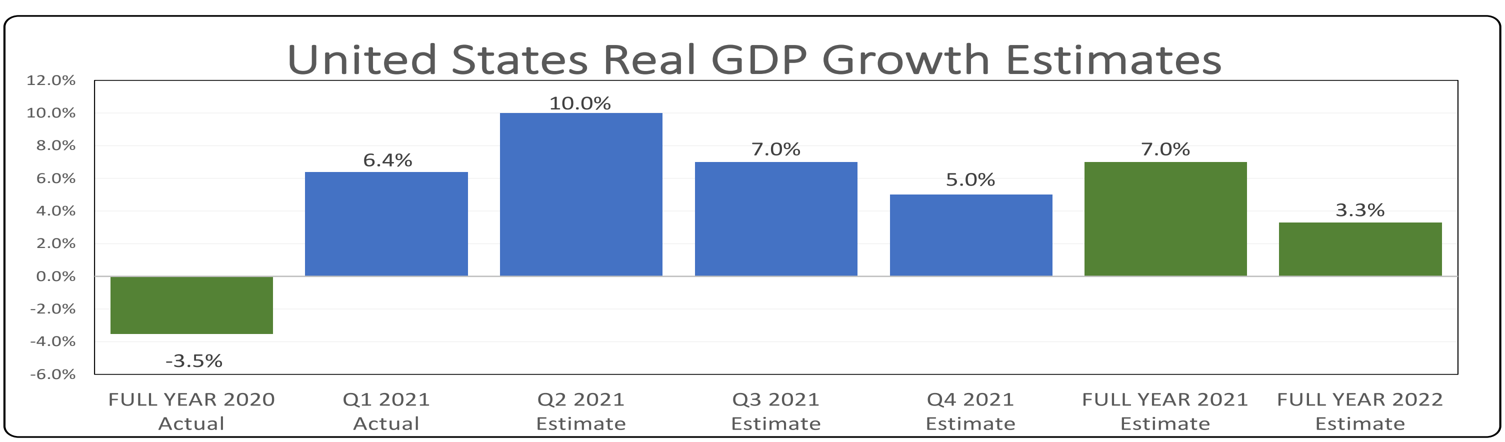
US ECONOMY

Economic growth is estimated to materially increase due to the amount of fiscal and monetary stimulus combined with the vaccine rollout and subsequent reopening. After declining by -3.5% in 2020, Real GDP is expected to increase by +7.0% in 2021 and +3.3% in 2022. While certain parts of the economy are doing exceptionally well, the labor market has been a bit weaker than expected over the last few months, mainly due supply issues as workers are hesitant to accept positions due to covid concerns, childcare issues, and supplemental unemployment benefits. We remain in the camp that the labor market will accelerate, and that economic growth will achieve the current estimates. 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 102% of the pre-virus level in June, up from a low of 80% in April 2020. The US Census Bureau's measure of Retail Sales increased by +28.1% year-over-year in May, up from last April's reading of -19.9%. Consumer spending data is critical as it drives about 70% of GDP

Labor Market: The last two employment reports (April and May) came in far weaker than expected. Although the economy added 837,000 jobs over those two months, each report was well-below estimates. The next several employment reports will be critical as we will learn if the recent disappointments were a speed bump or a sign that the economic recovery is not as strong as people think. While the unemployment rate now stands at 5.8%, the economy has lost about 7.6 million jobs since the pandemic started.

Manufacturing: The Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) reading for May came in at a strong 61.2%; the third highest reading in the last 35 years. According to ISM, "the past relationship between the PMI and the overall economy corresponds to a +5.2% increase in annualized real GDP." The ISM Manufacturing PMI reading dates back 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

Data continues to improve as the vaccine rollout gains momentum.

Vaccines

- **Total Vaccines Delivered:** 382,000,000.
- **# of People Who Received At Least One Dose**: 181,000,000.
- **# of People Fully Vaccinated**: 155,000,000.
- **% of Population Over 65 Years Old Fully Vaccinated**: 55%.

Cases

- New Cases 7-Day Average: 12,600.
    - Down from 250,000 in January 2021.

Hospitalizations

- 7-Day Average: 12,000.
    - Down from 125,000 in January 2021.

Source: CDC.

MONETARY POLICY

The Fed remains accommodative:

- **Interest Rates**: The federal funds rate is currently at a range of 0% to 0.25%. Most FOMC members now forecast the next rate increase to occur in 2023.
- **Quantitative Easing Program**: The Fed will continue purchasing at least $80 billion in Treasuries and $40 billion in agency MBS per month to help "foster smooth market functioning and accommodative financial conditions."
- Now that the economy is on the path to recovery and inflation pressures are rising, the Fed must decide when to tighten monetary policy by first taking their foot off the gas pedal (tapering the quantitative easing program) and next by hitting the brake (raising interest rates). Our sense is that the Fed will begin tapering within the next six months and will raise interest rates in late 2022.

FISCAL STIMULUS

Since the start of the pandemic, Congress has passed three major fiscal stimulus bills, including the CARES Act ($2.3 trillion) in March 2020, the Consolidated Appropriations bill ($900 billion) in December 2020, and the American Rescue Plan ($1.9 trillion) in March 2021.

The Biden administration is working to pass the three-part Build Back Better plan, that also includes proposals for the American Jobs Plan (infrastructure) and the American Family Plan (~$1.8 trillion).

The White House is proposing increases to the corporate, individual, and capital gains rates as well as additional funding to the IRS to curtail tax evasion to fund the latest proposals. Note that these are currently just proposals, the majority in Congress is razor-thin and any bill will need either all Democrats to vote in favor or bipartisan support.

ECONOMIC GROWTH

Economic growth is estimated to materially increase due to the amount of fiscal and monetary stimulus combined with the vaccine rollout and subsequent reopening. While certain parts of the economy are doing exceptionally well, the labor market has been a bit weaker than expected over the last few months. We remain in the camp that the labor market will accelerate, and that economic growth will achieve the current estimates.

Real GDP Estimates:

2021: +7.0%
2022: +3.3%
2023: +2.4%

CORPORATE EARNINGS

S&P 500 earnings are estimated recover and increase after declining by-14% in 2020.

S&P 500 Earnings Estimates

- **2021 Estimate**: $190 (+35%)
- **2021: Estimate**: $212 (+11%)
- **2022: Estimate**: $234 (+10%)

Over long time periods, earnings drive stock prices.

VALUATION

Most valuation measures are stretched by historical measures. The P/E ratio is calculated as the current price divided by the earnings-per-share.

- Forward P/E (next 12-months): 21.4x.
- 25-Year Average: 16.6x.

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

The S&P 500 has increased by over 96% since the pandemic selloff last year due to massive amounts of monetary and fiscal stimulus, optimism on vaccines, and the reopening of the economy. Financial markets will now begin to transition as we have reached peak levels of corporate earnings growth, economic growth, fiscal stimulus, and monetary stimulus. While the absolute levels will remain high, the growth rates will begin to decelerate as we move further away from the pandemic and the economy transitions into a mid-cycle environment. In contrast to last year, the stock market will face headwinds caused by the economic recovery, including, higher interest rates and inflation (which will weigh on valuations that are already stretched), the possibility that the Fed may tighten earlier than expected, and the potential for higher taxes (the Build Back Better plan may include higher corporate, individual, estate, and capital gains taxes). We still observe signs of froth and investor complacency as the market has essentially moved higher in a straight line over the past fifteen months. History shows us that the past year is the exception and not the rule; stocks do not move in a straight line forever and volatility is inevitable. We will continue to apply on our time-tested investment process to utilize any volatility as an opportunity to reposition portfolios.

Our portfolio positioning has remained consistent over the last several months as we continue through the year with a measured approach, meaning that portfolio allocations are neutral to slightly underweight as we trimmed equities and locked in gains while the stock market continued to rally to new highs. 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 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.

Q2'2021 MARKET RETURNS

US Equity										
Index	**Q2 2021**	**YTD 2021**	**2020**	**2019**	**2018**	**2017**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
S&P 500	8.55%	15.24%	18.39%	31.48%	-4.39%	21.82%	18.66%	17.62%	14.65%	8.60%
Russell 3000	8.24%	15.10%	20.88%	31.01%	-5.25%	21.12%	18.72%	17.86%	14.52%	8.91%
Dow Jones Industrial Average	5.08%	13.79%	9.72%	25.34%	-3.48%	28.11%	15.02%	16.64%	13.33%	8.74%
Nasdaq	9.68%	12.92%	45.05%	36.74%	-2.81%	29.73%	25.78%	25.85%	19.23%	11.13%
S&P 400	3.64%	17.59%	13.65%	26.17%	-11.10%	16.23%	13.15%	14.27%	12.19%	10.13%
Russell 2000	4.29%	17.53%	19.93%	25.49%	-11.03%	14.63%	13.49%	16.43%	12.15%	9.24%
Russell 1000 Growth	11.93%	12.98%	38.49%	36.39%	-1.51%	30.21%	25.14%	23.64%	17.69%	9.77%
Russell 1000 Value	5.21%	17.04%	2.78%	26.52%	-8.28%	13.64%	12.40%	11.85%	11.43%	7.71%
International Equity										
MSCI Index	**Q2 2021**	**YTD 2021**	**2020**	**2019**	**2018**	**2017**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
EAFE	5.17%	8.83%	7.82%	22.01%	-13.79%	25.03%	8.27%	10.27%	5.83%	5.77%
Europe	6.75%	11.73%	7.89%	23.20%	-16.90%	28.07%	8.42%	11.54%	5.08%	5.30%
Japan	-0.28%	1.28%	14.48%	19.61%	-12.88%	23.99%	7.24%	10.18%	7.11%	4.23%
China	2.27%	1.83%	29.49%	23.46%	-18.88%	54.07%	10.36%	16.58%	7.70%	10.83%
Emerging Markets	5.05%	7.45%	18.31%	18.42%	-14.57%	37.28%	11.27%	13.02%	4.19%	10.07%
ACWI ex US	5.48%	9.16%	10.65%	21.51%	-14.20%	27.19%	9.38%	11.07%	5.38%	6.45%
US Fixed Income										
Bloomberg Barclays Index	**Q2 2021**	**YTD 2021**	**2020**	**2019**	**2018**	**2017**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Aggregate	1.83%	-1.60%	7.51%	8.72%	0.01%	3.54%	5.34%	3.02%	3.40%	4.56%
Treasury Bills	0.00%	0.02%	0.54%	2.21%	1.83%	0.81%	1.27%	1.11%	0.58%	1.29%
Corporates	3.55%	-1.27%	9.89%	14.54%	-2.51%	6.42%	7.79%	4.90%	5.17%	5.75%
Securitized MBS/ABS/CMBS	0.44%	-0.74%	4.18%	6.44%	0.99%	2.51%	3.92%	2.35%	2.72%	
High Yield	2.74%	3.62%	7.11%	14.32%	-2.08%	7.50%	7.45%	7.48%	6.64%	7.81%
Munis	1.42%	1.06%	5.21%	7.54%	1.28%	5.45%	5.10%	3.25%	4.29%	4.63%
US Equity Sectors										
Index	**Q2 2021**	**YTD 2021**	**2020**	**2019**	**2018**	**2017**	**3-Year**	**5-Year**	**10-Year**	**20-Year**
Technology	11.56%	13.76%	43.88%	50.29%	-0.29%	38.83%	30.30%	31.19%	21.77%	11.00%
Real Estate	13.09%	23.30%	-2.17%	29.00%	-2.23%	10.85%	14.71%	9.42%	9.03%	
Industrials	4.48%	16.40%	11.05%	29.32%	-13.32%	21.01%	14.99%	14.37%	12.57%	8.01%
Energy	11.29%	45.61%	-33.68%	11.81%	-18.10%	-1.01%	-6.10%	-0.81%	-0.13%	5.60%
Consumer Discretionary	6.95%	10.27%	33.30%	27.94%	0.82%	22.98%	19.36%	19.67%	17.65%	10.36%
Communication Services	10.72%	19.67%	23.61%	32.69%	-12.53%	-1.25%	23.27%	10.89%	11.15%	5.80%
Consumer Staples	3.83%	5.02%	10.75%	27.61%	-8.39%	13.49%	14.14%	8.04%	11.40%	9.25%
Utilities	-0.37%	2.47%	0.52%	26.35%	4.11%	12.10%	10.54%	7.43%	10.44%	6.72%
Materials	4.97%	14.50%	20.73%	24.58%	-14.70%	23.84%	14.87%	14.58%	9.98%	9.28%
Financials	8.36%	25.60%	-1.76%	32.09%	-13.04%	22.14%	13.90%	16.98%	13.45%	4.58%
Health Care	8.40%	11.85%	13.45%	20.82%	6.47%	22.08%	17.03%	14.06%	15.51%	9.02%
	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.