

Wealth Management Solutions

Market Flash Report

August 2020



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Economic

- The Federal Reserve updated its monetary policy framework, implying that it may allow inflation to run above its 2% target for an indefinite period of time.
- Economic activity improved in August, but unemployment remained relatively unchanged.
- Prospects for additional fiscal stimulus in the US weakened as Democrats and Republicans were unable to strike a deal before recess.

Equities

- Led by US equities, all major global equity indices posted strong, positive returns in August.
- The S&P 500 and Nasdaq indices hit all time highs. The Dow Jones Industrial Average has reversed most of the losses from Q1.
- Growth stocks continue to outperform value stocks.
- Small cap stocks outperformed Large Cap stocks.

Fixed Income

- Global bond yields increased in August. The 10 Year US Treasury finished the month yielding 0.72%
- High quality credit underperformed lower quality credit.
- As the dollar weakened further, unhedged International Fixed Income outperformed its hedged counterpart.

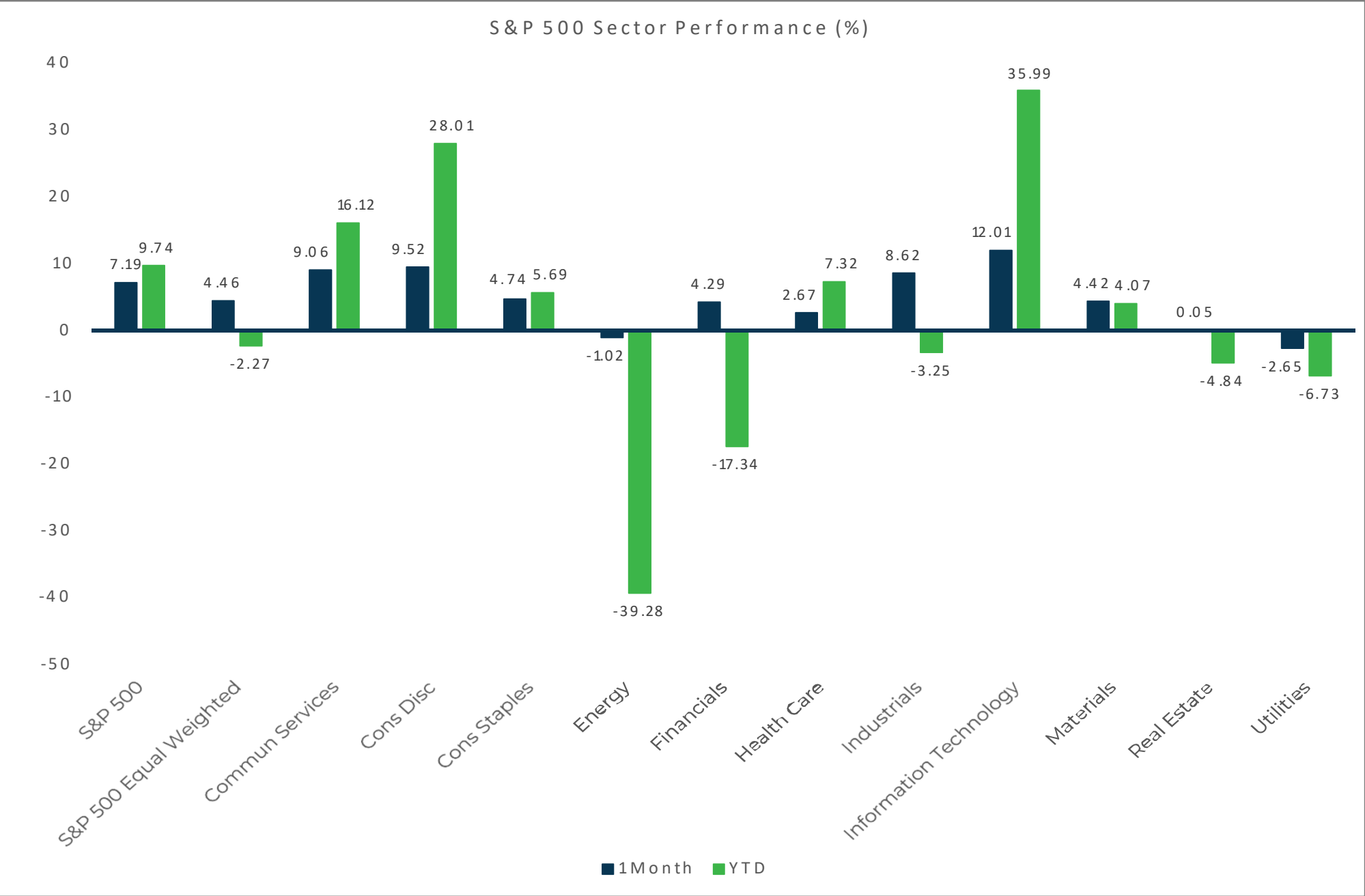
Market Performance (as of 8/31/20)

Market Performance

| <i>August 31, 2020</i> | MTD | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|-------------------------------|--------|--------|---------|---------|---------|---------|---------|
| Fixed Income Indices | | | | | | | |
| BarCap Municipal | -0.47% | 1.21% | 3.31% | 3.24% | 4.09% | 3.99% | 3.98% |
| BarCap US Aggregate Bond | -0.81% | 0.67% | 6.85% | 6.47% | 5.09% | 4.33% | 3.65% |
| Barclays US High Yield | 0.95% | 5.68% | 1.67% | 4.71% | 4.88% | 6.45% | 6.90% |
| S&P/LSTA Leveraged Loan | 1.49% | 3.48% | -1.29% | 0.89% | 3.02% | 3.74% | 4.34% |
| Barclays Global Aggregate | -0.15% | 3.03% | 6.11% | 5.54% | 3.91% | 4.10% | 2.63% |
| JPM GBI-EM Global Diversified | -0.33% | 2.68% | -4.39% | 1.55% | 0.74% | 4.57% | 1.29% |
| Equity Indices | | | | | | | |
| DJ Industrial Average | 7.92% | 10.62% | 1.30% | 10.27% | 11.58% | 14.21% | 13.79% |
| S&P 500 | 7.19% | 13.23% | 9.74% | 21.94% | 14.52% | 14.46% | 15.16% |
| NASDAQ Composite | 9.59% | 17.07% | 31.24% | 47.88% | 22.35% | 19.78% | 18.74% |
| Russell 1000 | 7.34% | 13.63% | 10.43% | 22.50% | 14.58% | 14.31% | 15.19% |
| Russell 1000 Growth | 10.32% | 18.81% | 30.47% | 44.34% | 24.18% | 20.66% | 19.02% |
| Russell 1000 Value | 4.14% | 8.25% | -9.35% | 0.84% | 4.50% | 7.53% | 11.05% |
| Russell Mid Cap | 3.52% | 9.59% | -0.41% | 8.73% | 8.83% | 9.76% | 13.11% |
| Russell 2000 | 5.63% | 8.56% | -5.53% | 6.02% | 5.03% | 7.65% | 11.53% |
| Russell 2000 Growth | 5.87% | 9.50% | 6.15% | 17.28% | 10.90% | 10.45% | 14.08% |
| Russell 2000 Value | 5.39% | 7.56% | -17.71% | -6.14% | -1.39% | 4.37% | 8.71% |
| MSCI ACWI | 6.16% | 11.82% | 5.12% | 17.12% | 9.56% | 10.81% | 10.49% |
| MSCI World | 6.72% | 11.86% | 5.73% | 17.41% | 10.42% | 11.04% | 11.36% |
| MSCI ACWI Ex USA | 4.30% | 9.00% | -2.73% | 8.79% | 3.12% | 6.26% | 5.74% |
| MSCI EAFE | 5.15% | 7.63% | -4.28% | 6.60% | 2.84% | 5.23% | 6.37% |
| MSCI EAFE Small Cap | 7.48% | 11.11% | -3.23% | 11.05% | 2.99% | 7.19% | 8.96% |
| MSCI Emerging Markets | 2.24% | 11.46% | 0.68% | 14.88% | 3.21% | 9.05% | 4.12% |
| MSCI Frontier Markets | 8.30% | 7.61% | -9.29% | -5.13% | -1.02% | 3.47% | 3.99% |
| Real Assets | | | | | | | |
| FTSE NAREIT Composite | 0.23% | 4.11% | -11.42% | -8.98% | 3.51% | 7.31% | 9.62% |
| Alerian MLP | 0.52% | -3.05% | -37.67% | -39.79% | -16.60% | -11.93% | -2.18% |
| Bloomberg Commodity | 6.76% | 12.86% | -9.04% | -3.90% | -3.13% | -3.10% | -5.05% |

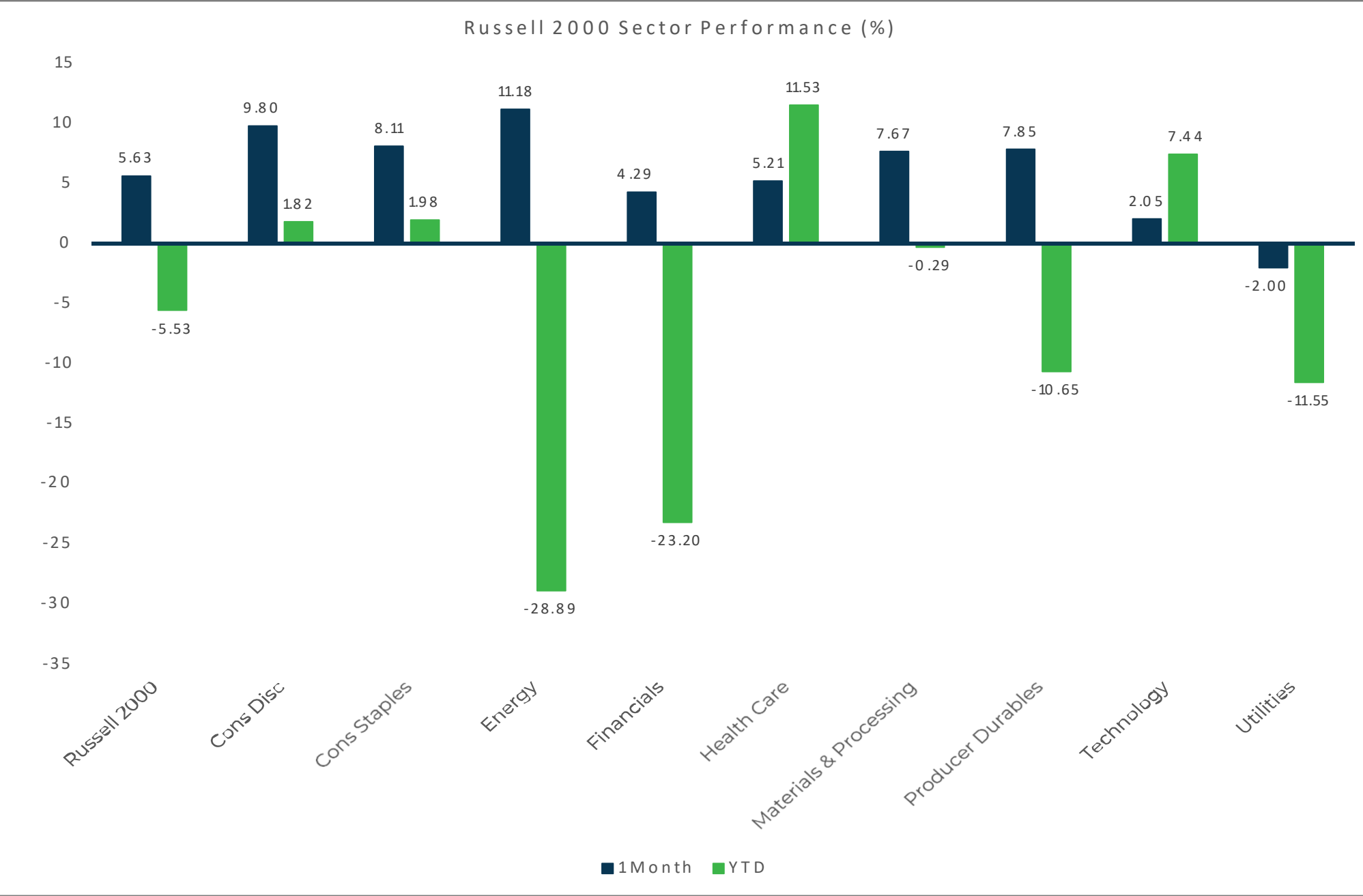
Source: Morningstar, Bloomberg, Barclays, MSCI, FTSE, Dow Jones, Factset Research, HFR
1-year, 3-year, 5-year, and 10-year data are annualized

Sector Performance – S&P 500 (as of 8/31/20)



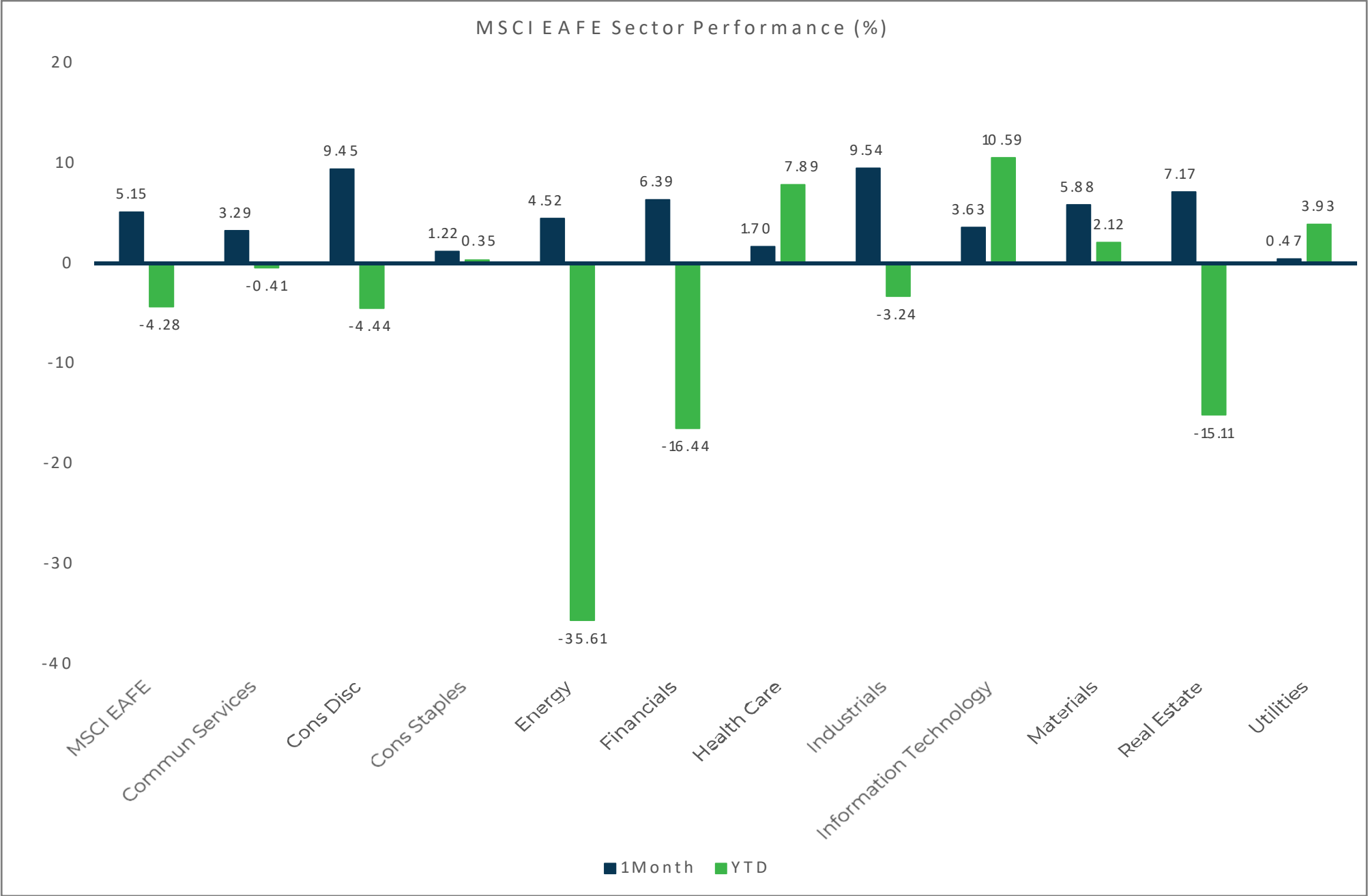
Source: S&P, Morningstar Direct

Sector Performance – Russell 2000 (as of 8/31/20)



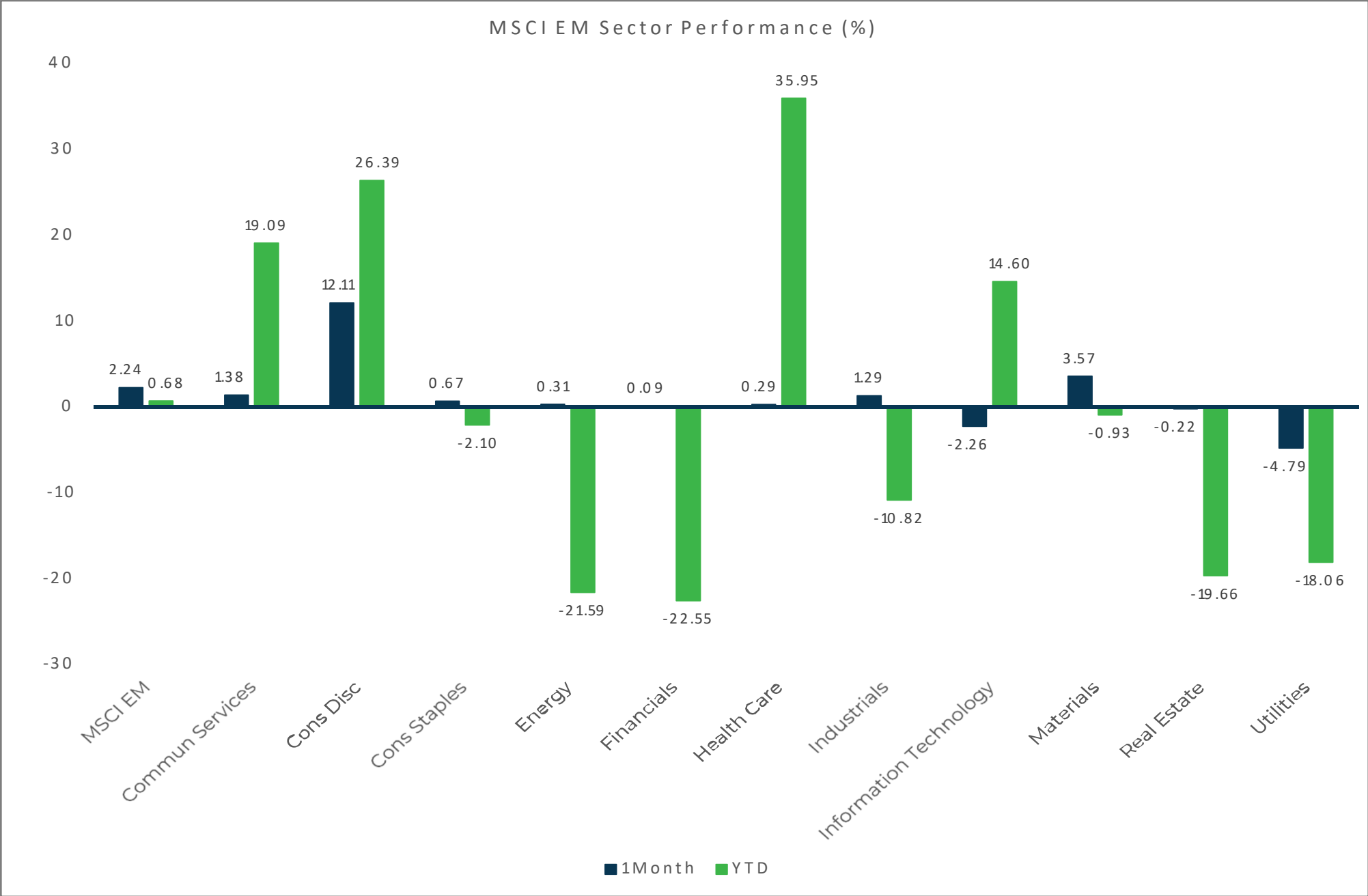
Source: Russell, Morningstar Direct

Sector Performance – MSCI EAFE (as of 8/31/20)



Source: MSCI

Sector Performance – MSCI EM (as of 8/31/20)



Source: MSCI