

# Wealth Management Solutions

## Market Flash Report

October 2020



## Disclaimer

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- Equity Markets
  - US Large Cap equity markets suffered in October, posting the worst performance since March of 2020. For the exception of Utilities, all sectors of US equity markets posted losses for the month. The Dow Jones Industrial Average declined more than 4.5%, the S&P declined more than 2.5%, and the tech heavy Nasdaq declined more than 2.25%.
  - US Small Cap stocks and Emerging Market stocks were bright spots for equity investors, posting gains of more than 2% for the month.
- Fixed Income Markets
  - Fixed income markets were relatively flat for the month. Riskier fixed income assets classes outperformed more conservative, higher quality fixed income.
  - Treasury yields increased across the yield curve as investors began to price in the potential impact of a “blue wave” on election night.
- An Update on the Election
  - Although it appears that Joe Biden will win the Presidential election and that Congressional leadership will not change, election outcomes are likely to be challenged.
  - It is likely that election outcomes will not be official for weeks, potentially creating volatility in capital markets over the short term.
  - Assuming that Joe Biden is elected President and US Congress remains split, the following assumptions can be made:
    - Meaningful tax reform is unlikely
    - Regulatory changes will be relatively minimal
    - Another round of fiscal stimulus may not be as large as originally assumed
  - Long term investors should understand that volatility related to the election is a short term event and should stay true to their long term investment strategy.

# Market Performance (as of 10/31/20)

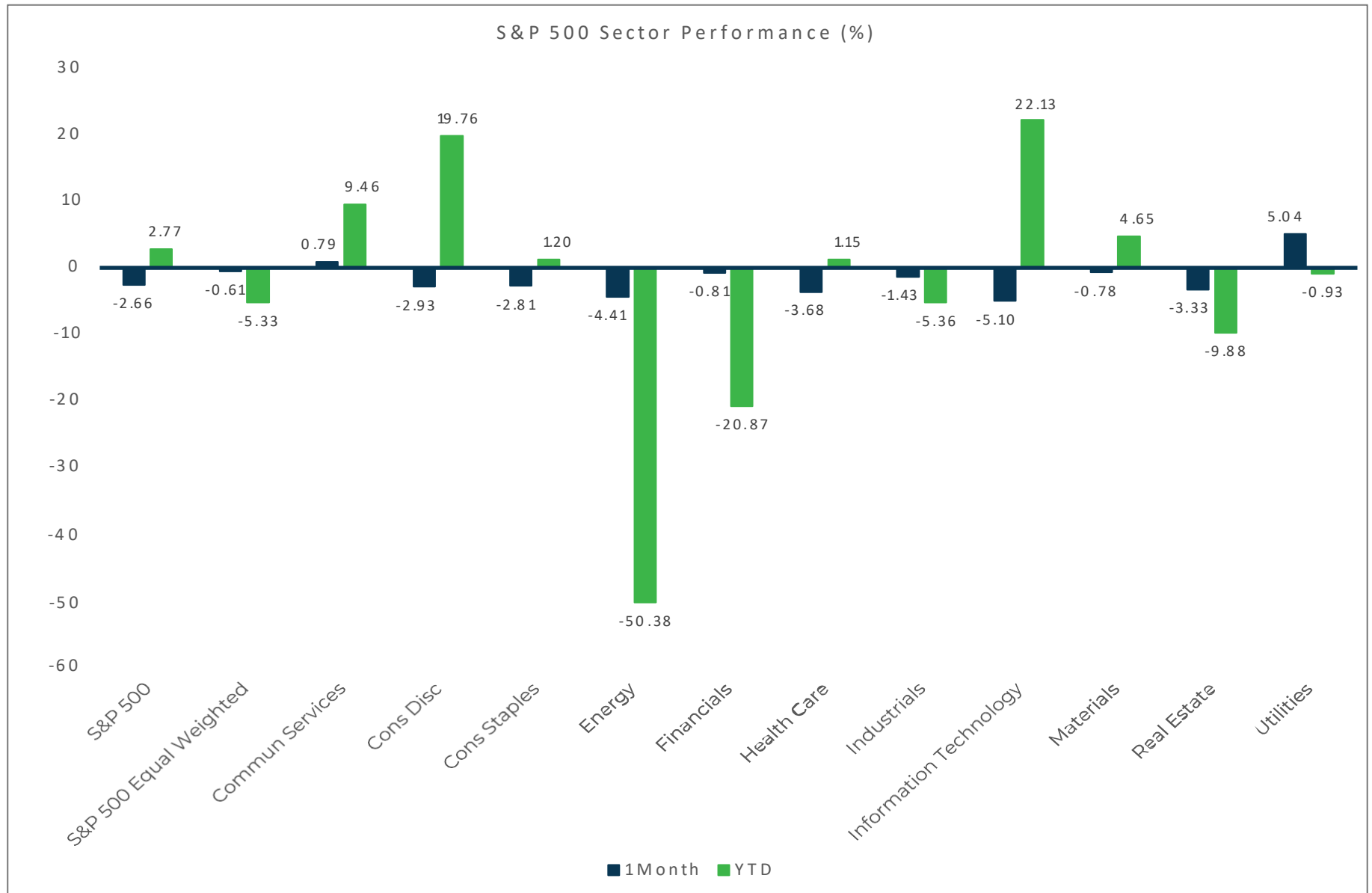
## Market Performance

<b>October 31, 2020</b>	<b>MTD</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
<b>Fixed Income Indices</b>							
BarCap Municipal	-0.30%	-0.30%	3.02%	3.59%	4.09%	3.70%	3.99%
BarCap US Aggregate Bond	-0.45%	-0.45%	6.32%	6.19%	5.06%	4.08%	3.55%
Barclays US High Yield	0.51%	0.51%	1.13%	3.49%	4.24%	6.32%	6.25%
S&P/LSTA Leveraged Loan	0.20%	0.20%	-0.46%	1.72%	2.97%	4.09%	4.12%
Barclays Global Aggregate	0.10%	0.10%	5.82%	5.63%	4.26%	3.90%	2.24%
JPM GBI-EM Global Diversified	0.43%	0.43%	-5.92%	-3.81%	1.27%	3.94%	0.44%
<b>Equity Indices</b>							
DJ Industrial Average	-4.52%	-4.52%	-5.38%	0.34%	6.74%	11.12%	11.82%
S&P 500	-2.66%	-2.66%	2.77%	9.71%	10.42%	11.71%	13.01%
NASDAQ Composite	-2.29%	-2.29%	21.61%	31.59%	17.49%	16.64%	15.84%
Russell 1000	-2.41%	-2.41%	3.83%	10.87%	10.63%	11.79%	13.05%
Russell 1000 Growth	-3.40%	-3.40%	20.11%	29.22%	18.77%	17.32%	16.31%
Russell 1000 Value	-1.31%	-1.31%	-12.74%	-7.57%	1.94%	5.82%	9.48%
Russell Mid Cap	0.64%	0.64%	-1.72%	4.12%	6.77%	8.95%	11.40%
Russell 2000	2.09%	2.09%	-6.77%	-0.14%	2.19%	7.27%	9.64%
Russell 2000 Growth	0.76%	0.76%	4.67%	13.37%	7.90%	10.36%	11.95%
Russell 2000 Value	3.58%	3.58%	-18.74%	-13.92%	-4.05%	3.71%	7.06%
MSCI ACWI	-2.41%	-2.41%	-0.68%	5.42%	6.08%	8.70%	8.48%
MSCI World	-3.04%	-3.04%	-0.98%	4.91%	6.55%	8.73%	9.25%
MSCI ACWI Ex USA	-2.13%	-2.13%	-7.11%	-2.19%	0.29%	4.76%	3.91%
MSCI EAFE	-3.98%	-3.98%	-10.44%	-6.46%	-0.76%	3.35%	4.31%
MSCI EAFE Small Cap	-3.48%	-3.48%	-7.24%	-1.02%	0.02%	5.77%	6.92%
MSCI Emerging Markets	2.08%	2.08%	1.15%	8.62%	2.32%	8.31%	2.78%
MSCI Frontier Markets	1.06%	1.06%	-7.64%	-2.30%	-1.50%	3.56%	3.02%
<b>Real Assets</b>							
FTSE NAREIT Composite	-3.23%	-3.23%	-16.49%	-16.97%	1.74%	4.43%	8.01%
Alerian MLP	4.38%	4.38%	-43.80%	-42.52%	-18.47%	-12.46%	-4.26%
Bloomberg Commodity	1.41%	1.41%	-10.85%	-8.75%	-4.41%	-2.73%	-6.36%

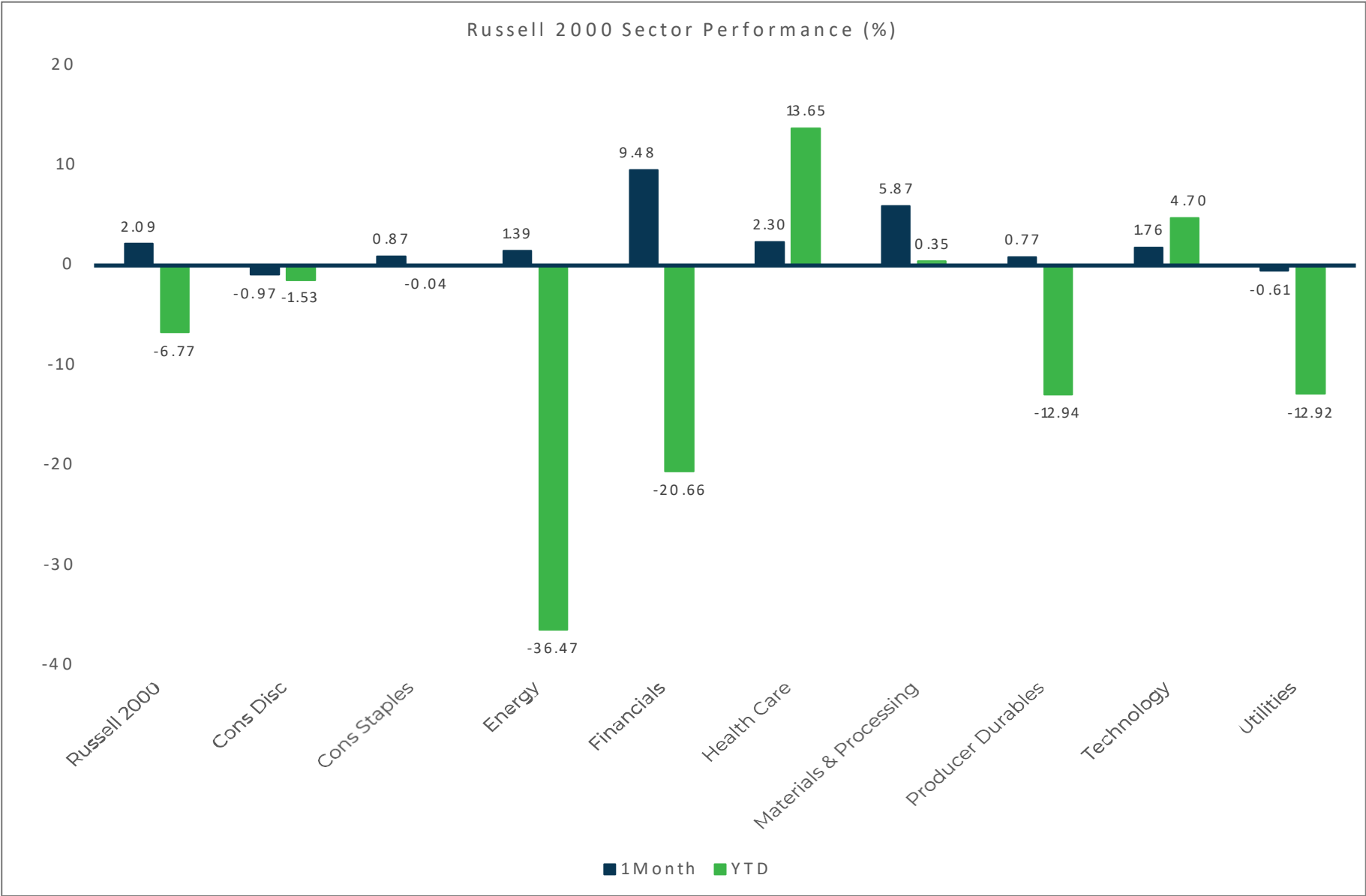
Source: Morningstar, Bloomberg, Barclays, MSCI, FTSE, Dow Jones, Factset Research, HFR

1-year, 3-year, 5-year, and 10-year data are annualized

# Sector Performance – S&P 500 (as of 10/31/20)

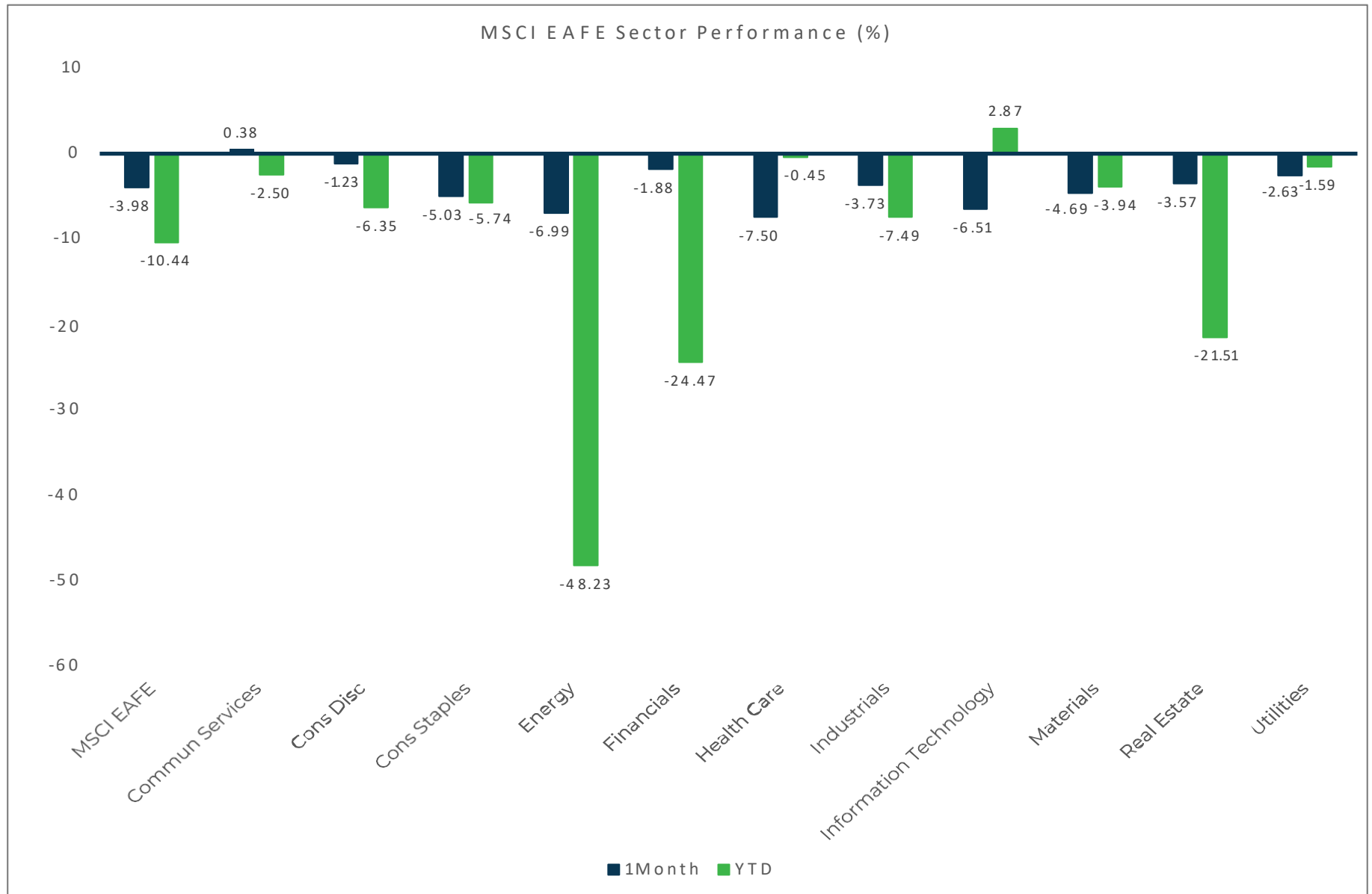


# Sector Performance – Russell 2000 (as of 10/31/20)



Source: Russell, Morningstar Direct

# Sector Performance – MSCI EAFE (as of 10/31/20)



# Sector Performance – MSCI EM (as of 10/31/20)

