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Grimes Investment Quarterly | 03/31/21

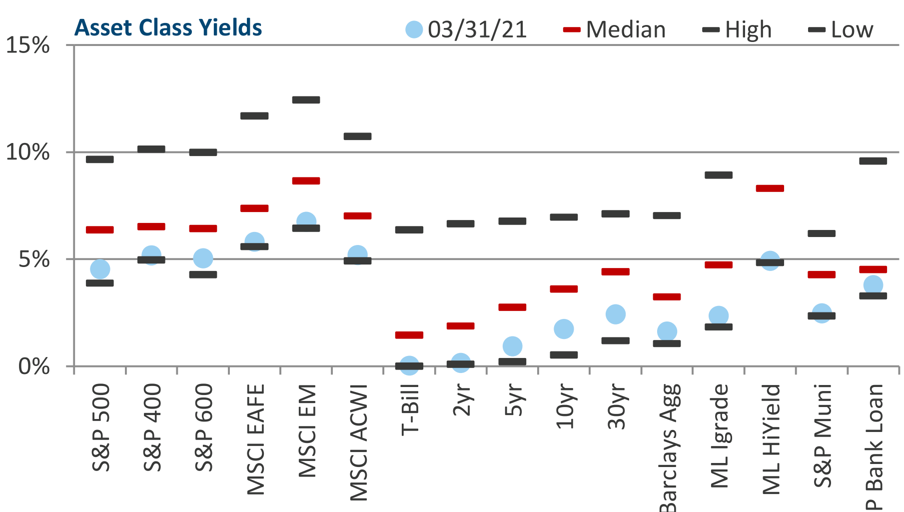
Major Asset Class Returns

Index	Q1'21	2020	2019
S&P 500	6%	18%	31%
S&P Mid Cap 400	13%	14%	26%
Russell 2000	13%	20%	26%
MSCI EAFE	4%	8%	23%
MSCI Emerging Markets	2%	19%	19%
MSCI All Country World	5%	17%	27%
T-Bill	0%	1%	2%
7-10yr Tsy	-6%	10%	8%
Barclays Aggregate	-3%	8%	9%
ML Investment Grade	-4%	10%	14%
ML High Yield	1%	6%	14%
S&P Muni	0%	5%	7%
S&P Bank Loan	1%	3%	11%

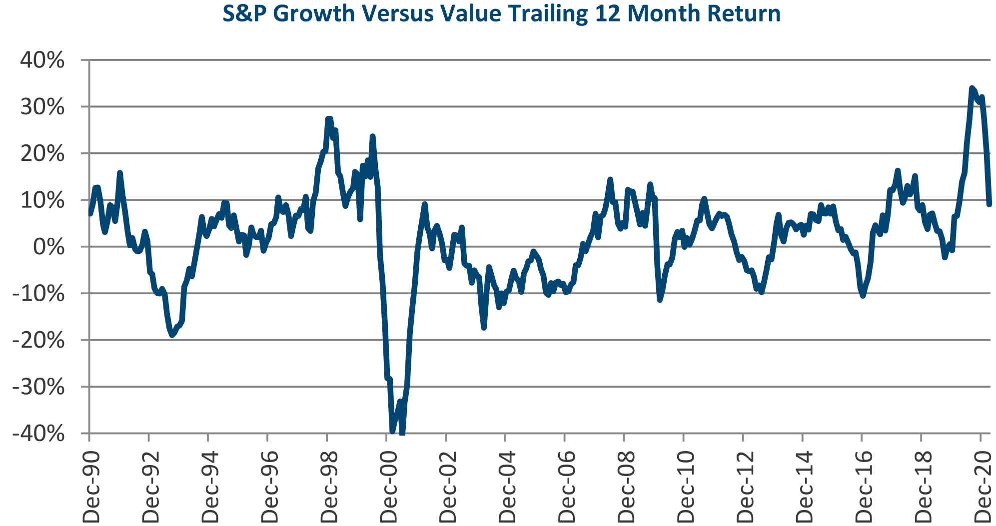
Overview: Q1'21 saw the market continue to rally on Covid-19 vaccine progress and re-opening optimism, although trends shifted beneath the surface. The S&P 500 rose 6% in Q1'21. The more U.S. centric and cyclical Russell 2000 rose 13%. Meanwhile, the MSCI EAFE (+4% 'Q1) and MSCI EM (+2% Q1) trailed as the strong US dollar detracted from returns. Overall, the MSCI ACWI was up 5%. For Fixed Income, rates rose (10yr yield moved from 0.92% to 1.74%), but spreads tightened. The Bloomberg/Barclays Aggregate index (-3%), 7-10 yr Treasury index (-6%) and ML Igrade (-4%) fell on duration sensitivity, while the ML High Yield (+1%) and S&P Bank Loan indices (+1%) were able to tread water.

Asset Class Yields: Asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities are near lows across the board. The short end of the yield curve is still near historic lows, though the longer end has ticked higher. Credit sensitive HiYield and Floating Rate are down as the Fed has compressed spreads with its new bond programs.

Growth Outperforming Value: Growth outperforming Value has been an ongoing theme in the markets for much of the post 2009 recovery, due to steady economic growth and technological disruption. During 2020 the gap between trailing 12 month returns in the S&P Growth and Value indices (shown below) reached 33.3%, exceeding the prior record June 2000 peak by 10%. The reversal of this trend in Q1'21, as Value outperformed Growth 10.7% to 2.1%, was the most significant trend during this period. The recovery has had a two-fold benefit. First, Value stocks tend to be more cyclical, and thus have risen on an improving economic outlook. Second, since Growth stocks have more of their earnings in the future, when rates rise and future earnings are worth less discounted to the present, it has been a headwind.



Equity earnings yield | Fixed Income yield to maturity



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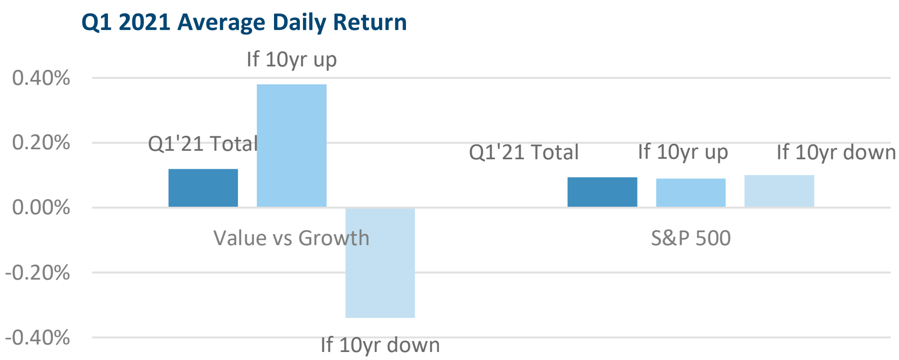

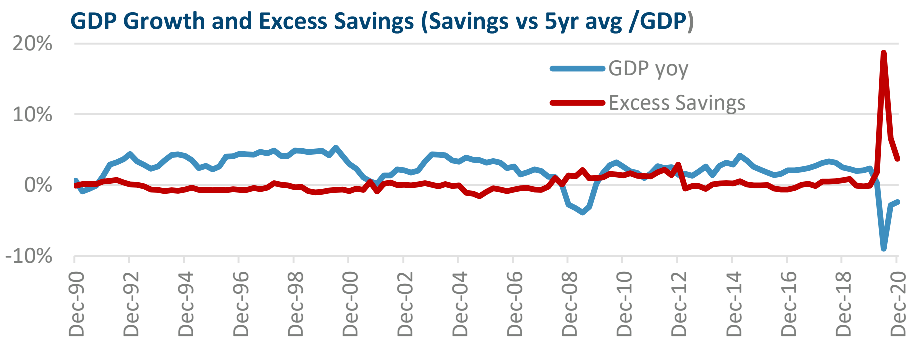

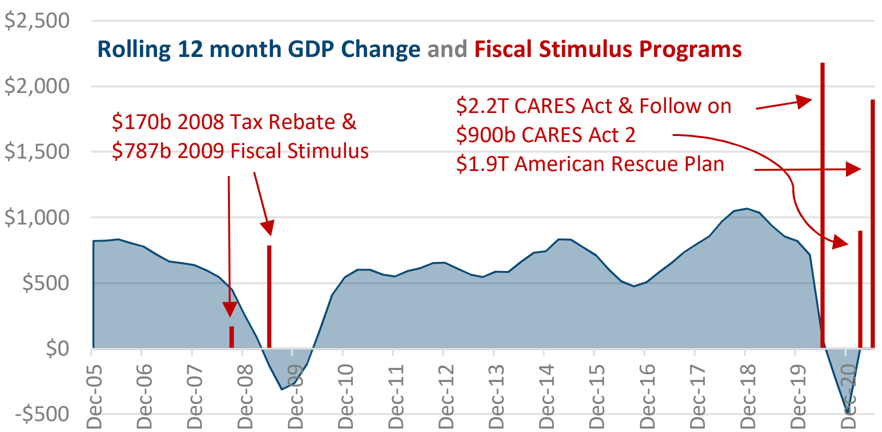

Value versus Growth and Risng Rates: The two most relevant trends in Q1'21 were rising interest rates and Growth versus Value. On top of that, the two trends are related. The chart to the left shows average daily returns for the S&P 500 and Value minus Growth (ie Value's relative performance to Growth), along with the average daily returns on days separated by whether the 10yr Treasury yield rose or fell.

For the S&P 500, the three bars are nearly identical, at about 9 bps per day. But for the Value versus Growth gap, the 11 bps average return (equating to about 8% relative outperformance for Q1) varies between positive 38 bps for days that yields rose compared to lagging by 34 bps on the days the 10yr yield declined. Cumulatively for the quarter, the 10yr up days lead to over 15% of outperformance versus 7% of underperformance on the 10yr down days.

There is logic to this relationship, both for valuation (higher rates favor lower PE stocks) and fundamental (a recovering economy is good for cyclical value stocks) reasons.

While Q1's 82 bps jump in the 10yr Treasury was large, these factors pushing rates higher are likely in place for the remainder of the year. This would be a likely driver, then, for Value to continue its performance relative to Growth. On the other hand, if the pace of rate increases slowed, Growth could make up some ground.

Two More Rounds of Stimulus Will Add to Pent Up Spending: One of the most unusual features of the economic data in 2020 was the spike in Personal Savings, measured as Personal Income minus Personal Spending. The fiscal stimulus did its job of providing a counter balance to lost activity, but in Q2'20 even those who wanted to spend on certain activities could not. This combination of a surge in income with restricted spending created a spike in "Excess Savings", measured as Savings versus their 5 year average. The surge equated to 19% of Q2'20 GDP compared to a historic range of a -2% to +3%. Q3'20 achieved a 7% rate, itself a record if not for Q2, as economic activity recovered but certain spending was still restricted. Q4'20 was a still high 4%.

The $900b CARES Act 2 was passed on 12/26/20, followed by the $1.9 trillion American Rescue Plan (ARP) on 3/11/21, pushing the total fiscal spending to $5.4 trillion. The $300b in cash payments ($1200/person) in the CARES Act contributed to the Q2'20 jump in excess savings. The $900b CARES Act 2 included $160b ($600/person) and the ARP includes $410b ($1400/person). While not yet evident in quarterly GDP data, January's Personal Income and Spending report showed a 10% Income jump versus a 3% Spending increase, creating a 20% Savings Rate for the month. This is evidence that Q1'21 and Q2'21 should get another boost to incomes and, even though more of this can be spent, it will provide considerable boost for the remainder of 2021, at the same time that wider vaccine distribution will allow more economic activity to resume.

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Equity Markets Summary

Headline Indices	Q1'21	2020	2019	Fwd PE*	Avg PE**	+/- avg
Dow	8.3%	9.7%	25.3%			
Nasdaq	3.0%	44.9%	36.7%			
Russell 2000	12.7%	20.0%	25.5%			
Asset Classes	**Q1'21**	**2020**	**2019**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	6.2%	18.4%	31.5%	22.1	15.7	41%
S&P Mid Cap 400	13.5%	13.7%	26.2%	19.3	15.3	26%
S&P Small Cap 600	18.2%	11.3%	22.8%	19.9	15.5	28%
MSCI EAFE	3.6%	8.3%	22.7%	17.2	13.6	27%
MSCI Emerging Markets	2.3%	18.7%	18.9%	14.8	11.5	28%
MSCI AC World	4.7%	16.8%	27.3%	19.2	14.2	35%
S&P 500 Sectors	**Q1'21**	**2020**	**2019**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	3.1%	33.3%	27.9%	37.3	17.5	113%
Consumer Staples	1.1%	10.7%	27.6%	20.8	17.7	18%
Energy	30.9%	-33.7%	11.8%	22.3	13.9	60%
Financials	16.0%	-1.7%	32.1%	14.8	12.3	20%
Healthcare	3.2%	13.4%	20.8%	16.3	16.1	1%
Industrials	11.4%	11.1%	29.4%	25.7	15.9	62%
Technology	2.0%	43.9%	50.3%	25.8	17.4	49%
Materials	9.1%	20.7%	24.6%	20.0	15.2	32%
Telecom	8.1%	23.6%	32.7%	23.4	17.9	31%
Utilities	2.8%	0.5%	26.3%	19.0	14.5	31%
Growth vs Value	**Q1'21**	**2020**	**2019**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	2.1%	33.5%	31.1%	27.7	18.1	53%
S&P Value	10.8%	1.4%	31.9%	17.9	13.1	37%
International	**Q1'21**	**2020**	**2019**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	4.7%	8.5%	24.2%	17.7	12.4	42%
Germany (DAX)	9.4%	3.5%	25.5%	15.8	12.7	25%
UK (FTSE)	3.9%	-14.3%	12.1%			
Japan (Nikkei)	7.0%	18.3%	20.7%			
MSCI Asia Pac xJapan	2.8%	22.8%	19.5%	17.7	14.4	22%
S. Korea (KOSPI)	6.5%	30.8%	7.7%	21.2	19.4	9%
India (Sensex)	3.9%	17.2%	15.7%			
China (Shenzhen)	-4.8%	35.2%	36.0%	13.5	9.8	38%
S&P Latin America 40	-6.0%	-11.3%	13.9%	10.1	11.5	-12%
Brazil (Bovespa)	-2.0%	2.9%	31.6%	10.1	10.7	-5%
Mexico	7.4%	3.4%	7.9%	15.7	14.5	8%

Asset Classes: Q1'21 saw the headline equity markets rally continue on good Covid-19 developments, but there were shifts beneath the surface. The S&P 500 (+6.2) seemingly continued to tick higher. But the U.S. centric Russell 2000 (+12.7%) outpaced the MSCI EAFE (+3.6%) and the MSCI EM (+2.3%), where vaccine roll outs have been slower. In addition, the rising dollar has knocked 3-5% off foreign index returns. Representing all these indices, the MSCI ACWI was +4.7%.
The notable trend in Q1 was a shift from US large cap tech leadership to more traditional industrial sectors, evident in the Dow (+8.3%) outpacing the NASDAQ (+3.0%).

While rising optimism has caused analyst profit forecasts to rise, this has been reflected in rising prices. Consequently, valuations are above average across the board. A certain degree of the lost profits is due to lockdowns, and the markets are justified in looking past those losses. But the other part of this is that low interest rates have made higher valuations justifiable. As rates have risen, this has been a headwind for the higher multiple segments of the market. The good news is, thus far, the rise in the lower multiple groups have taken up some of the slack.

S&P Sectors: Energy (+31%), Financials (+16%), and Industrials (+11%) benefited from the re-opening hopes in Q1. After leading for most of 2020, Technology (+2%), Discretionary (+3%), and Staples (+1%) lagged, though were still higher. Other than Health, every other sector's forward PE ratio is significantly above average.

Growth vs Value: The relative performance of Growth versus Value was the major trend in Q1. Value (+10.8%) outperformed Growth (+2.1%) by about 8%, reversing the 2020 pattern. Drilling down, the relative relationship became very closely tied to interest rates. On days rates rose, Value would frequently outperform. On days rates were lower, Growth would make up ground. Both the valuation (higher rates favor lower PE stocks) and fundamental (a recovering economy is good for cyclical value stocks) contributed to this.

Global Markets: Globally markets were mixed, with developed outperforming EM. Asia xJapan (+3%) versus S&P Latin America (-6%) illustrates the former's better handling of the pandemic. Of note, these index returns are in local currency. It does not reflect the negative impact of the rising dollar.

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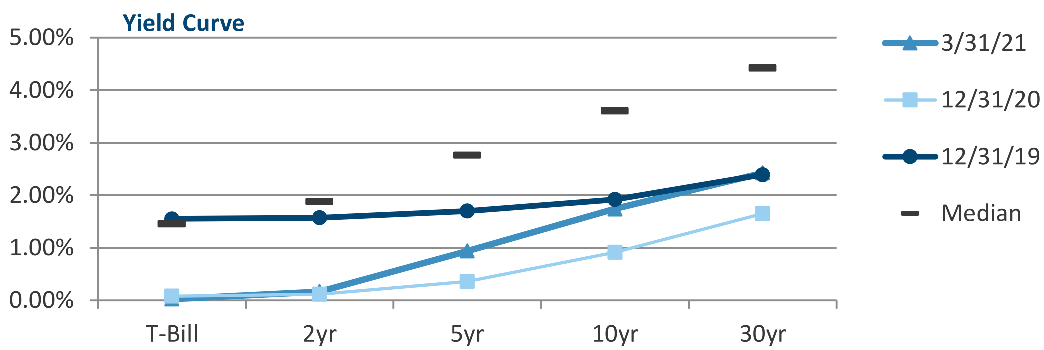
Fixed Income Markets Summary

Headline Indices	Q1'21	2020	2019	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	-3.4%	7.5%	8.7%	1.62%	-0.12%	0.35%	-0.47%
ML Investment Grade	-4.5%	9.8%	14.2%	2.35%	0.61%	1.07%	-0.46%
ML High Yield	0.9%	6.2%	14.4%	4.92%	3.18%	4.58%	-1.41%
S&P Nat'l Muni	-0.4%	4.9%	7.4%	2.47%	0.73%	0.72%	0.01%
S&P Leveraged Loan	1.0%	2.8%	10.7%	3.79%	3.76%	4.02%	-0.26%
T-Bill	0.0%	0.6%	2.2%				
NYMEX 7-10yr Tsy	-5.7%	10.0%	8.5%				
Treasury Yields	**3/31/21**	**12/31/20**	**12/31/19**			**Avg***	**+/- avg**
T-Bill	0.03%	0.08%	1.55%			1.46%	-1.43%
2yr	0.16%	0.12%	1.57%			1.88%	-1.72%
5yr	0.94%	0.36%	1.69%			2.76%	-1.83%
10yr	1.74%	0.92%	1.92%			3.61%	-1.87%
30yr	2.42%	1.65%	2.39%			4.42%	-2.00%
10yr Sovereign Yields	**3/31/21**	**12/31/20**	**12/31/19**			**Avg***	**+/- avg**
US	1.74%	0.92%	1.92%			2.68%	-0.95%
Germany	-0.30%	-0.58%	-0.19%			1.92%	-2.22%
Japan	0.09%	0.02%	-0.02%			0.31%	-0.23%
UK	0.83%	0.20%	0.82%			3.05%	-2.22%
France	-0.05%	-0.34%	0.12%			3.15%	-3.21%
Spain	0.33%	0.04%	0.46%			3.69%	-3.36%
Italy	0.66%	0.54%	1.42%			3.89%	-3.23%
China	3.16%	2.90%	3.30%			3.53%	-0.37%
Brazil	7.93%	6.77%	7.70%			11.54%	-3.62%
Mexico	6.12%	6.08%	7.54%			6.92%	-0.80%



Asset Classes: The bond market, as measured by the Bloomberg Barclays Aggregate Bond Index, was down 3% in Q1 as interest rates rose. While credit spreads tightened due to rising economic on progress with Covid-19 vaccines, the impact of higher rates was larger.

Duration: With a more pronounced sensitivity to interest rates, the 7-10yr Treasury Index was down 5.7% in Q1.

Credit: Higher credit risk outperformed in Q1, as vaccine progress reduced bankruptcy risk. The ML High Yield Index (+0.9%) and the S&P Leveraged Loan Index (+1.0%) were slightly higher. The trade off between credit and duration can be seen in the ML Investment Grade, which declined 4.5% as duration's drag outweighed the boost from credit. The S&P National Muni Index (-0.4%) ticked lower as well, though it was not as pronounced.

Treasury Yields: Rates were up in Q1, with the 10yr Treasury yield rising 82 bps to 1.74%.

Yield Curve: The yield curve shows how the market's thinking has shifted. The dark blue 12/31/19 line shows rates just before the pandemic struck, and thus could be seen as "normal". The light blue 12/31/20 line is where rates stood in the first weeks of vaccines, when the timing of the roll out was uncertain. Just three months later, you can see the 3/31/21 yield curve balances the two. The longer end (the 10yr and 30yr) have risen back to the 12/31/19 "normal" level, reflecting an expected economic recovery. But the short end (the 90 day T-Bill and 2yr Treasury) remain pinned lower by expectations the Fed will be keeping short term rates at 0% well into 2023. For the rest of 2021, we can use the long end to gauge the markets opinion of the economy, and the short end to gauge the markets opinion of Fed policy. Right now it pricing a very favorable "improving economy, but the Fed holding rates down".

Global Rates: Globally, interest rates are well below average, but they have all ticked up in Q1. Germany (-.30%) and France (-.05%) remain negative.
Other than Brazil's 116 bps jump, no other country has seen its rates move up as much as the US. Thus, the gap between the US and other countries remains significant.

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Major Economic Indicators and Consensus Forecasts

	2021/2022 Average Forecast				Actual		
	12m ch	Mar-21	Dec-20	Mar-20	Feb-21	Avg*	+/- avg
US GDP	2.78	4.73	3.58	1.95	-2.39	2.37	-4.75
EU GDP	2.63	4.13	4.15	1.50	-4.92	1.88	-6.80
Japan GDP	1.58	2.53	2.35	0.95	-1.30	0.95	-2.26
UK GDP	3.73	5.25	5.00	1.53	-7.34	2.21	-9.55
China GDP	0.95	6.80	6.85	5.85	3.20	8.50	-5.30
US CPI	-0.23	1.88	1.85	2.10	1.68	1.66	0.01
EU CPI	-0.35	1.08	0.93	1.43	0.94	0.85	0.09
Japan CPI	-0.50	0.40	0.45	0.90	-0.39	0.49	-0.88
UK CPI	0.00	1.70	1.70	1.70	0.41	1.71	-1.30
China CPI	-0.15	1.95	2.15	2.10	-0.49	1.99	-2.48
US UnN	0.98	4.93	5.33	3.95	6.20	5.00	1.20
EU UnN	0.82	8.45	8.78	7.63	8.70	9.50	-0.80
Japan UnN	0.50	2.50	2.50	2.00	2.90	3.00	-0.10
UK UnN	2.00	5.95	6.40	3.95	4.30	4.80	-0.50
China UnN	-0.35	4.15	4.88	4.50	5.70	4.00	1.70

Foreign Exchange		Q1'21	2020	2019	2018	2017	2016
Euro		-4%	9%	-2%	-5%	14%	-3%
Yen (Japan)		-7%	5%	1%	3%	4%	3%
Pound (UK)		1%	3%	4%	-6%	9%	-16%
Yuan (China)		0%	7%	-1%	-5%	7%	-7%
Won (S. Korea)		-4%	6%	-4%	-4%	13%	-3%
Real (Brazil)		-8%	-23%	-4%	-14%	-2%	22%
Peso (Mexico)		-3%	-5%	4%	-1%	5%	-16%
Commodities		**Q1'21**	**2020**	**2019**	**2018**	**2017**	**2016**
Oil	$59.16	22%	-21%	35%	-25%	12%	45%
Gold	$1,691	-10%	25%	18%	-1%	13%	8%
Copper	$4.00	14%	26%	6%	-20%	31%	18%

GDP: Comparing economic forecasts today to a year ago shows how the outlook has improved. The US, for example, saw its blended 2021/2022 forecast rise from 1.95% to 4.73%. After the US comes the UK, hard hit a year ago but now well into its vaccine rollout, it has risen from 1.53% to 5.25%. The forecasts for the EU and Japan have moved higher, as well. Only China, whose economic disruption was minimized, is up less than 1% over that period. This illustrates just how far expectations for 2021 and 2022 have come since the first quarter of 2020. This improved outlook is key to the market's recovery since then.

CPI: Unlike the GDP forecasts, inflation expectations are relatively steady versus a year ago. This has more to do with the short term mechanics of inflation, as a 2021 jump is expected to be followed by a 2022 dip. Longer term, there are questions as to whether the added government debt, the aggressive central bank stimulus and/or a quick snap back in the economy could spur inflation.

Unemployment: While Unemployment forecasts are up versus a year ago, that is due to the fact that strategists were too busy cutting their GDP expectations. For example, 3.95% US unemployment is a pre, not post, Covid reading. It is notable that the current forecast is already below 5%, having ticked down from 5.3% on 12/31/20.

Foreign Exchange: Currencies were mostly weaker versus the dollar in Q1, as the US economy seems to be picking up steam faster than other countries. Supporting this is the 1% rise in the pound, representing the other major western country that is as far along in vaccinating its population. Should other countries get their programs under way, the dollar could fall back. But so far in 2021, foreign exchange has been a drag for international stock returns.

Commodities: Oil rose 22% in Q1 thanks to the combination of the ongoing economic recovery (especially hopes for oil-intensive travel to recover) and OPEC maintaining production discipline until the aforementioned demand recovery arrives. Copper's 14% rise reflects the improved economic outlook, as does gold's 10% decline.

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Index Returns | 2004 to Present

	Q1'21	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Dow	8.3%	9.7%	25.3%	-3.5%	28.1%	16.5%	0.2%	10.0%	29.7%	10.2%	8.4%	14.1%	22.7%	-31.9%	8.9%	19.0%	1.7%	5.3%
Nasdaq	2.8%	43.6%	35.2%	-3.9%	28.2%	7.5%	5.7%	13.4%	38.3%	15.9%	-1.8%	16.9%	43.9%	-40.5%	9.8%	9.5%	1.4%	8.6%
Russell 2000	12.7%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8%	-1.6%	18.4%	4.6%	18.3%
S&P 500	6.2%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%	5.5%	15.8%	4.9%	10.9%
S&P Mid Cap 400	13.5%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%	37.4%	-36.2%	8.0%	10.3%	12.6%	16.5%
S&P Small Cap 600	18.2%	11.3%	22.8%	-8.5%	13.2%	26.6%	-2.0%	5.8%	41.3%	16.3%	1.0%	26.3%	25.6%	-31.1%	-0.3%	15.1%	7.7%	22.6%
MSCI EAFE	3.6%	8.3%	22.7%	-13.4%	25.6%	1.5%	-0.4%	-4.5%	23.3%	17.9%	-11.7%	8.2%	32.5%	-43.1%	11.6%	26.9%	14.0%	20.7%
MSCI Emerging Markets	2.3%	18.7%	18.9%	-14.2%	37.8%	11.6%	-14.6%	-1.8%	-2.3%	18.6%	-18.2%	19.2%	79.0%	-53.2%	39.8%	32.6%	34.5%	26.0%
MSCI All Country World	4.7%	16.8%	27.3%	-8.9%	24.6%	8.5%	-1.8%	4.7%	23.4%	16.8%	-6.9%	13.2%	35.4%	-41.8%	12.2%	21.5%	11.4%	15.8%
S&P Growth	2.1%	33.5%	31.1%	0.0%	27.4%	6.9%	5.5%	14.9%	32.8%	14.6%	4.7%	15.1%	31.6%	-34.9%	9.1%	11.0%	4.0%	6.1%
S&P Value	10.8%	1.4%	31.9%	-9.0%	15.4%	17.4%	-3.1%	12.4%	32.0%	17.7%	-0.5%	15.1%	21.2%	-39.2%	2.0%	20.8%	5.8%	15.7%
Barclays Aggregate Bond	-3.4%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%
ML Investment Grade	-4.5%	9.8%	14.2%	-2.2%	6.5%	6.0%	-0.6%	7.5%	-1.5%	10.4%	7.5%	9.5%	19.8%	-6.8%	4.7%	4.4%	2.0%	5.4%
ML High Yield	0.9%	6.2%	14.4%	-2.3%	7.5%	17.5%	-4.6%	2.5%	7.4%	15.6%	4.4%	15.2%	57.5%	-26.4%	2.2%	11.7%	2.7%	10.9%
S&P Nat'l Muni	-0.4%	4.9%	7.4%	1.0%	5.1%	0.4%	3.3%	8.9%	-3.3%	6.5%	11.2%	2.0%	12.2%					
S&P Leveraged Loan	1.0%	2.8%	10.7%	-0.6%	3.3%	10.9%	-2.8%	1.0%	5.0%	10.5%	0.6%	9.7%	52.2%	-28.2%	1.7%	6.6%	5.0%	5.0%
T-Bill	0.0%	0.6%	2.2%	1.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%					
7-10yr Tsy	-5.7%	10.0%	8.5%	0.9%	2.6%	1.1%	1.6%	9.0%	-6.0%	4.2%	15.6%	9.4%	-6.0%	18.0%	10.2%	2.7%	2.4%	4.4%

International	Q1'21	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
MSCI Eurozone	4.7%	8.5%	24.2%	-16.2%	29.0%	2.2%	-0.8%	-7.7%	30.0%	22.5%	-16.9%	-3.4%	32.8%	-47.1%	20.3%	37.3%	9.6%	22.2%
Germany (DAX)	9.4%	3.5%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%	23.8%	-40.4%	22.3%	22.0%	27.1%	7.3%
UK (FTSE)	3.9%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.6%	9.0%	22.1%	-31.3%	3.8%	10.7%	16.7%	7.5%
Japan (Nikkei)	6.3%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%	19.0%	-42.1%	-11.1%	6.9%	40.2%	7.6%
MSCI Asia Pac xJapan	2.8%	22.8%	19.5%	-13.7%	37.3%	7.1%	-9.1%	3.1%	3.7%	22.6%	-15.4%	18.4%	73.7%	-51.6%	37.2%	33.2%	21.0%	23.0%
S. Korea (KOSPI)	6.5%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%	49.7%	-40.7%	32.3%	4.0%	54.0%	10.5%
India (Sensex)	3.9%	17.2%	15.7%	7.2%	29.6%	3.5%	-3.7%	31.9%	10.7%	28.0%	-23.6%	19.1%	83.3%	-51.8%	48.8%	48.8%	44.6%	15.6%
China (Shenzhen)	-4.8%	35.2%	36.0%	-33.3%	-3.6%	-14.7%	63.4%	33.9%	20.0%	1.4%	-32.9%	7.1%	116.9%	-61.8%	167.0%	96.4%	-11.8%	-16.5%
S&P Latin America 40	-6.0%	-11.3%	13.9%	-6.0%	26.9%	32.5%	-30.9%	-11.1%	-12.3%	6.4%	-18.3%	16.7%	97.1%	-49.4%	50.5%	42.6%	56.1%	38.7%
Brazil (Bovespa)	-2.0%	2.9%	31.6%	15.0%	26.9%	38.9%	-13.3%	-2.9%	-15.5%	7.4%	-18.1%	1.0%	82.7%	-41.2%	43.6%	32.9%	27.7%	17.8%
Mexico	7.2%	1.2%	4.6%	-15.6%	8.1%	6.2%	-0.4%	1.0%	-2.2%	17.9%	-3.8%	20.0%	43.5%	-24.2%	11.7%	48.6%	37.8%	46.9%

S&P 500 Sectors	Q1'21	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Consumer Discretionary	3.1%	33.3%	27.9%	0.8%	23.0%	6.0%	10.1%	9.7%	43.1%	23.9%	6.1%	27.7%	41.3%	-33.5%	-13.2%	18.6%	-6.4%	13.2%
Consumer Staples	1.1%	10.7%	27.6%	-8.4%	13.5%	5.4%	6.6%	16.0%	26.1%	10.8%	14.0%	14.1%	14.9%	-15.4%	14.2%	14.4%	3.6%	8.2%
Energy	30.9%	-33.7%	11.8%	-18.1%	-1.0%	27.4%	-21.1%	-7.8%	25.1%	4.6%	4.7%	20.5%	13.8%	-34.9%	34.4%	24.2%	31.4%	31.5%
Financials	16.0%	-1.7%	32.1%	-13.0%	22.2%	22.8%	-1.5%	15.2%	35.6%	28.8%	-17.1%	12.1%	17.2%	-55.3%	-18.6%	19.2%	6.5%	10.9%
Healthcare	3.2%	13.4%	20.8%	6.5%	22.1%	-2.7%	6.9%	25.3%	41.5%	17.9%	12.7%	2.9%	19.7%	-22.8%	7.2%	7.5%	6.5%	1.7%
Industrials	11.4%	11.1%	29.4%	-13.3%	21.0%	18.9%	-2.5%	9.8%	40.7%	15.3%	-0.6%	26.7%	20.9%	-39.9%	12.0%	13.3%	2.3%	18.0%
Technology	2.0%	43.9%	50.3%	-0.3%	38.8%	13.8%	5.9%	20.1%	28.4%	14.8%	2.4%	10.2%	61.7%	-43.1%	16.3%	8.4%	1.0%	2.6%
Materials	9.1%	20.7%	24.6%	-14.7%	23.8%	16.7%	-8.4%	6.9%	25.6%	15.0%	-9.8%	22.2%	48.6%	-45.7%	22.5%	18.6%	4.4%	13.2%
Telecom	8.1%	23.6%	32.7%	-12.5%	-1.3%	23.5%	3.4%	3.0%	11.5%	18.3%	6.3%	19.0%	8.9%	-30.5%	11.9%	36.8%	-5.6%	19.9%
Utilities	2.8%	0.5%	26.3%	4.1%	12.1%	16.3%	-4.8%	29.0%	13.2%	1.3%	19.9%	5.5%	11.9%	-29.0%	19.4%	21.0%	16.8%	24.3%

Blue to orange represents best to worst return for each period. Index data is total teturn.

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Index Definitions

Index	Description
Equity	
S&P 500	Large US companies ($10b+ market cap)
S&P Mid Cap 400	Medium US companies ($5-10b market cap)
Russell 2000, S&P Small Cap 600	Small US companies (<$10b market cap)
MSCI Europe Australia Far East	Foreign Developed. Returns are in US$
MSCI Emerging Markets	Emerging Markets. Returns are in US$
Fixed Income	
Barclays Aggregate	Represents the entire US bond market
S&P 3mo Tbill	Short term Treasury Bills
Barclays 7-10yr Tsy	Ten Year Treasury Bonds
Barclays 10yr TIPS	Treasury Inflation Protected Securities
S&P Nat'l Muni	Municipal Bonds
BofA/ML Corp	Investment Grade (Higher Credit Quality) Corporate Bonds
BofA/ML High Yield	High Yield (Lower Credit Quality) Corporate Bonds
S&P Leveraged Loan 100	Floating Rate Bank Loans
BofA / ML EM Debt	Emerging Market Debt
Alternatives	
HFRI Fund of Funds	Represents the entire hedge fund universe

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Disclosures

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-The Standard & Poor's 500 is a market capitalization weighted index of 500 widely held domestic stocks often used as a proxy for the U.S. stock market. The Standard & Poor's 400 is a market capitalization weighted index of 400 mid cap domestic stocks. The Standard & Poor's 600 is a market capitalization weighted index of 600 small cap domestic stocks.
-The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ stock market, except for rights, warrants, units, and convertible debentures.
-The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 21 emerging markets. The MSCI All Country World Index is a free float adjusted market capitalization index designed to measure the performance of large and mid and cap stocks in 23 developed markets and 24 emerging markets. With over 2,800 constituents it represents over 85% of the global equity market.
-The Barlcays Aggregate Index represents the total return performance (price change and income) of the US bond market, including Government, Agency, Mortgage and Corporate debt.
-The BofA Merrill Lynch Investment Grade and High Yield Indices are compiled by Bank of America / Merrill Lynch from the TRACE bond pricing service and intended to represent the total return performance (price change and income) of investment grade and high yield bonds.
-The S&P/LSTA U.S. Leveraged Loan 100 is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments.
-The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index. The S&P Municipal Bond Index constituents undergo a monthly review and rebalancing, in order to ensure that the Index remains current, while avoiding excessive turnover. The Index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary.
-The BofA Merrill Lynch US Emerging Markets External Sovereign Index tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets.
-The HFRI Fund of Funds index is compiled by the Hedge Funds Research Institute and is intended to represent the total return performance of the entire hedge fund universe.