

Market Facts and Figures from Q1 2021

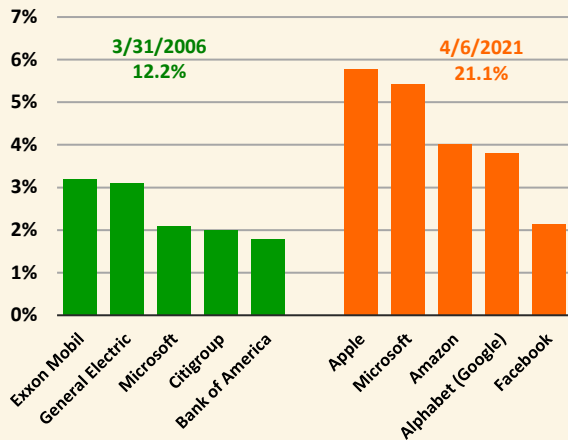
After being left behind in recent years, US small value stocks led the way to open 2021.

2021 1Q US Returns (Russell Indices)

	Value	Core	Growth
Large	11.3%	5.9%	0.9%
Mid	13.1%	8.1%	-0.6%
Small	21.2%	12.7%	4.9%

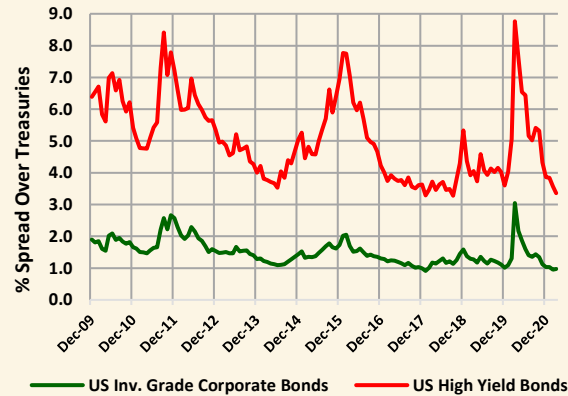
The S&P 500 has become much more "top heavy" than it was 15 years ago.

Weight of Top 5 Stocks In S&P 500 Index



Corporate bond credit spreads have returned to their pre-pandemic lows.

US Bond Market Option-Adjusted Spreads



Best and Worst Markets

Developed Markets

Top 3	2021 1Q	Bottom 3	2021 1Q
Sweden	11.25%	Denmark	-3.02%
Netherlands	11.19%	Portugal	-4.27%
Norway	10.96%	New Zealand	-10.63%

Emerging Markets

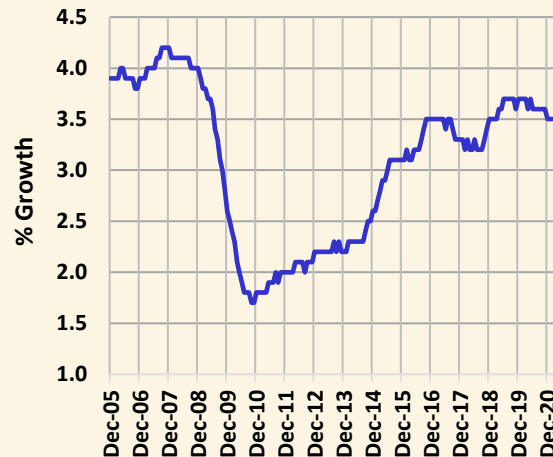
Top 3	2021 1Q	Bottom 3	2021 1Q
Chile	16.86%	Philippines	-10.63%
Saudi Arabia	16.47%	Colombia	-17.22%
UAE	15.10%	Turkey	-20.43%

Frontier Markets

Top 3	2021 1Q	Bottom 3	2021 1Q
Zimbabwe	92.33%	Bangladesh	-7.91%
Lebanon	29.96%	Mauritius	-9.89%
Kazakhstan	25.25%	Trin. & Tobago	-12.50%

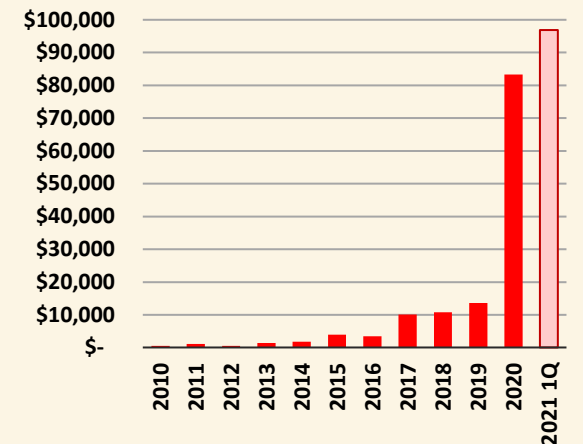
While unemployment remains elevated, wage growth for those still employed has been resilient.

Atlanta Fed Wage Growth Tracker



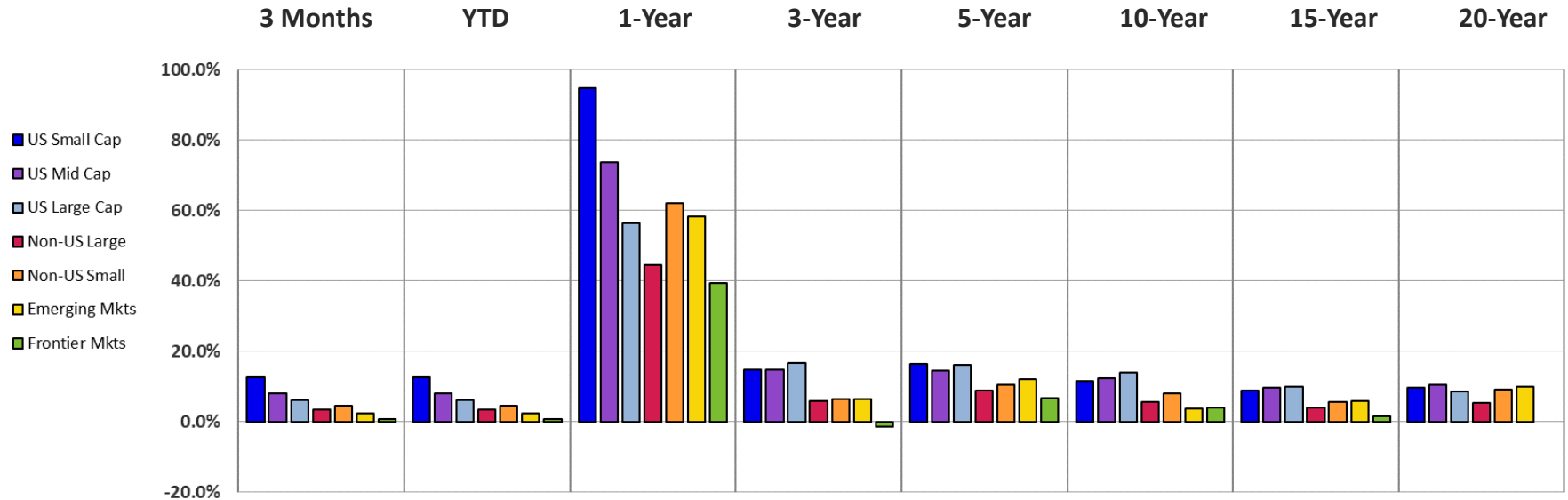
The pace of new IPOs for Special Purpose Acquisition Companies (SPACs) skyrocketed in Q1.

SPAC Proceeds Raised Per Year (\$mil)



World Equity Performance

Quarter Ending March 31, 2021

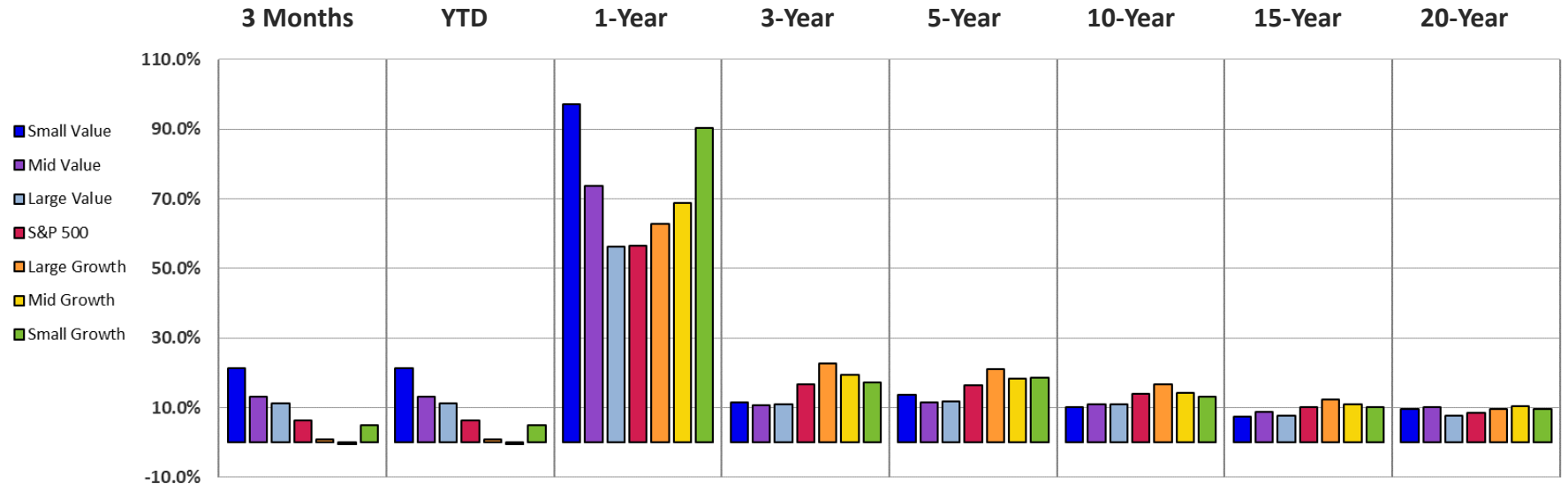


Market Category	3 Months	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	20-Year
US Small Cap	12.7%	12.7%	94.8%	14.8%	16.4%	11.7%	8.8%	9.8%
US Mid Cap	8.1%	8.1%	73.6%	14.7%	14.7%	12.5%	9.8%	10.5%
US Large Cap	6.2%	6.2%	56.4%	16.8%	16.3%	13.9%	10.0%	8.5%
Non-US Large	3.5%	3.5%	44.6%	6.0%	8.8%	5.5%	4.1%	5.5%
Non-US Small	4.5%	4.5%	62.0%	6.3%	10.5%	8.0%	5.7%	9.3%
Emerging Mkts	2.3%	2.3%	58.4%	6.5%	12.1%	3.7%	6.0%	10.0%
Frontier Mkts	0.8%	0.8%	39.3%	-1.4%	6.6%	3.9%	1.6%	

US stocks continued to lead their non-US counterparts to open the new year. Over the past decade, US stocks have produced an annualized return in the 12-14% range, while non-US stocks have managed to return only mid-single digits.

U.S. Equity Style Performance

Quarter Ending March 31, 2021

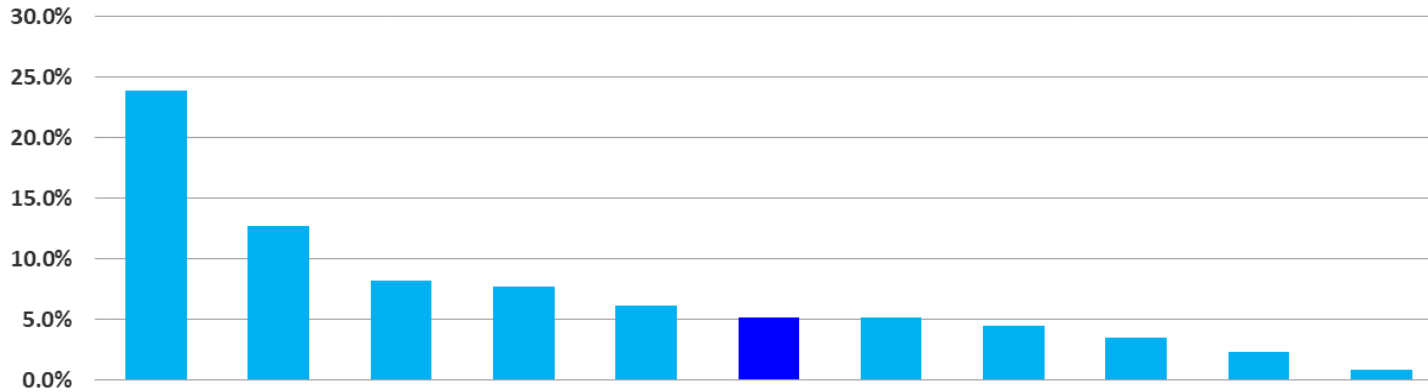


Small Value	21.2%	21.2%	97.1%	11.6%	13.6%	10.1%	7.4%	9.5%
Mid Value	13.1%	13.1%	73.8%	10.7%	11.6%	11.1%	8.7%	10.1%
Large Value	11.3%	11.3%	56.1%	11.0%	11.7%	11.0%	7.7%	7.7%
S&P 500	6.2%	6.2%	56.4%	16.8%	16.3%	13.9%	10.0%	8.5%
Large Growth	0.9%	0.9%	62.7%	22.8%	21.0%	16.6%	12.4%	9.6%
Mid Growth	-0.6%	-0.6%	68.6%	19.4%	18.4%	14.1%	11.0%	10.5%
Small Growth	4.9%	4.9%	90.2%	17.2%	18.6%	13.0%	10.0%	9.7%

Small value stocks continued their very strong rally in Q1, as the market turns away from large growth and towards the long-ignored value areas of the US market. The small value index is up an impressive 97.1% over the trailing 12-month period, which roughly coincides with the pandemic market bottom. Mid value and large value were also up double-digits to start the year.

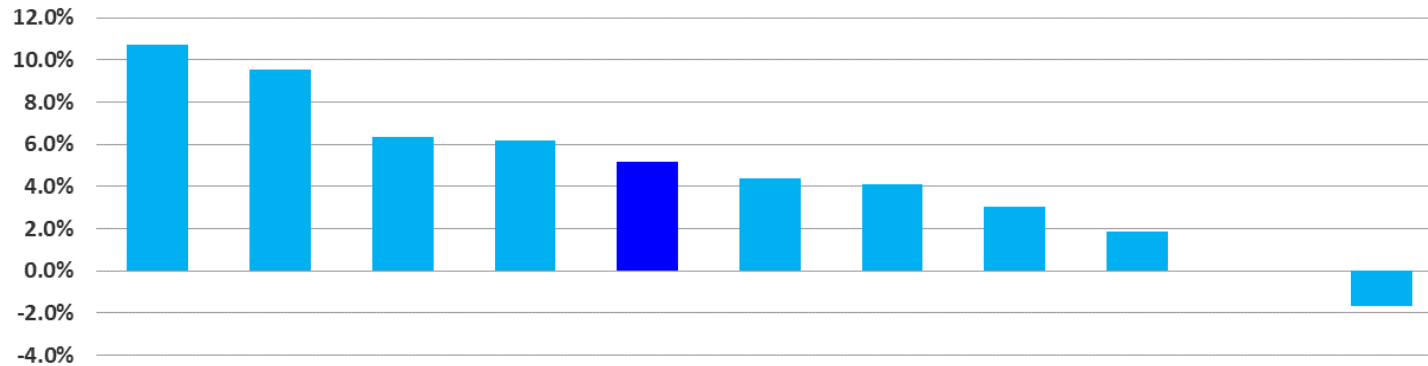
Equity Performance Breakdown

2021 1Q World Index Returns



	Russell Micro Cap	Russell 2000	Russell Mid Cap	MSCI Emrg Small Cap	S&P 500	MSCI ACWI IMI	S&P 100	MSCI EAFE Small Cap	MSCI EAFE	MSCI Emerging Markets	MSCI Frontier Markets
2021 1Q Return	23.9%	12.7%	8.1%	7.7%	6.2%	5.1%	5.1%	4.5%	3.5%	2.3%	0.8%

2021 1Q Country Returns for the MSCI ACWI IMI



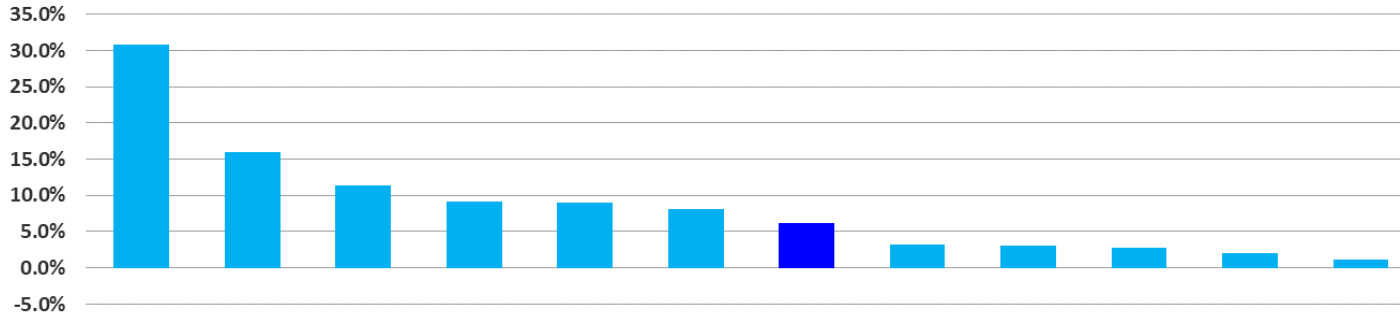
	Taiwan	Canada	United Kingdom	U.S.	MSCI ACWI IMI Index	France	Germany	Australia	Japan	China	Switzerland
2021 1Q Return	10.7%	9.5%	6.3%	6.2%	5.1%	4.4%	4.1%	3.0%	1.9%	0.0%	-1.7%
Weight in ACWI	1.9%	2.9%	4.0%	57.2%	-	2.7%	2.4%	2.0%	6.9%	4.5%	2.3%

The smallest stocks in the US were the biggest winners in the first quarter, with the Russell Micro Cap index gaining nearly 24%. Strong stock returns in the US were likely driven at least in part by fiscal policy, given the passage of the \$1.9 trillion stimulus bill and the possibility of an infrastructure bill of similar size on the way. However, some investors fear these measures may lead to a spike in inflation.

The Taiwan stock market led the major markets in Q1, gaining 10.7%. Meanwhile, the neighboring Chinese market was one of the weakest performers in the first quarter. The US and UK economies have been aided by the speedy rollout of the Covid vaccines – by the end of the first quarter, the US and the UK had a higher number of shots administered per 100 people (49 and 55, respectively) than all but a small handful of countries.

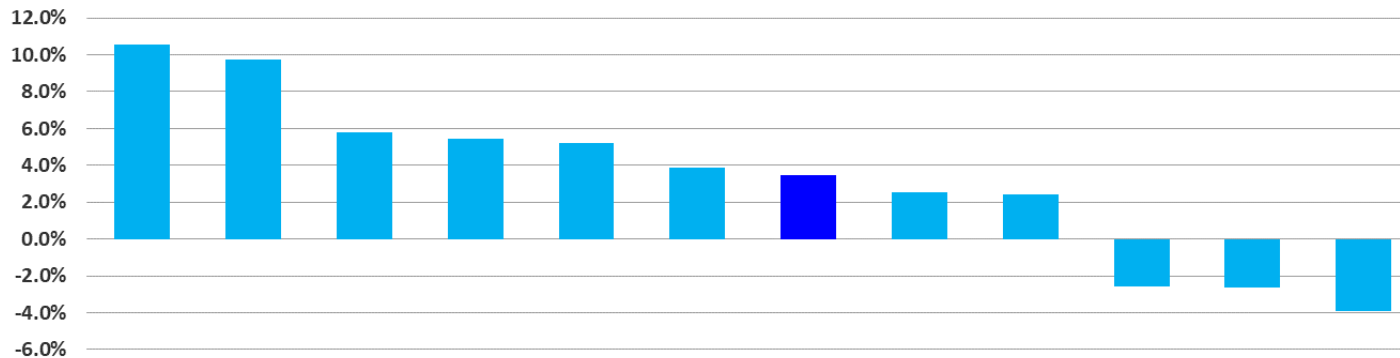
Equity Performance Breakdown

2021 1Q Sector Returns for the S&P 500



	Energy	Financials	Industrials	Materials	Real Estate	Communic. Services	S&P 500 Index	Health Care	Consumer Discretionary	Utilities	Technology	Consumer Staples
2021 1Q Return	30.9%	16.0%	11.4%	9.1%	9.0%	8.1%	6.2%	3.2%	3.1%	2.8%	2.0%	1.2%
Weight in S&P	2.8%	11.3%	8.9%	2.7%	2.5%	10.9%	-	13.0%	12.4%	2.7%	26.6%	6.1%

2021 1Q Sector Returns for the MSCI EAFE



	Energy	Financials	Consumer Discretionary	Industrials	Materials	Communic. Services	MSCI EAFE Index	Real Estate	Technology	Utilities	Consumer Staples	Health Care
2021 1Q Return	10.6%	9.7%	5.8%	5.4%	5.2%	3.9%	3.5%	2.5%	2.4%	-2.6%	-2.6%	-3.9%
Weight in EAFE	3.3%	17.3%	12.8%	15.5%	8.0%	5.2%	-	3.1%	9.0%	3.7%	10.3%	12.0%

For the second straight quarter, all 11 sectors of the S&P 500 posted a positive return, and once again it was the Energy sector that led the way (+30.9%). The Energy sector has been boosted by a surge in the price of oil, which is up approximately 65% over the past six months. Technology stocks finally cooled off in Q1, gaining just 2% and outperforming only the Consumer Staples sector.

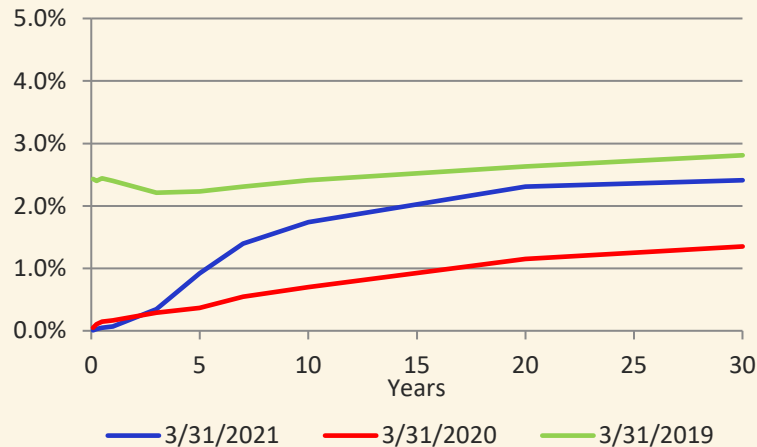
Energy was also the top sector in the non-US markets, though the difference in performance was less dramatic than in the US. Long-term bond yields started to rise in the first quarter, helping to drive solid returns in the Financial sector (+9.7%). The more defensive Consumer Staples and Utilities sectors were laggards, as investors tended to favor more cyclical sectors in Q1 with the possible end of the pandemic in sight.

Fixed Income Performance

Fixed Income Rates of Return		2021 1Q	YTD	1 Year	3 Year	5 Year	10 Year
Broad Market Indices	BBgBarc US Aggregate TR	-3.37%	-3.37%	0.71%	4.65%	3.10%	3.44%
	BBgBarc US Govt/Credit TR	-4.28%	-4.28%	0.86%	4.99%	3.36%	3.70%
Intermediate Indices	BBgBarc US Int Agg TR	-1.61%	-1.61%	1.38%	4.17%	2.66%	2.88%
	BBgBarc US Govt/Credit Int TR	-1.86%	-1.86%	2.01%	4.36%	2.75%	2.88%
Government Only Indices	FTSE 3 Month Treasury	0.02%	0.02%	0.21%	1.45%	1.15%	0.60%
	BBgBarc US Govt 1-3 Yr TR	-0.05%	-0.05%	0.36%	2.80%	1.73%	1.31%
	BBgBarc US Govt Int TR	-1.72%	-1.72%	-1.20%	3.75%	2.07%	2.28%
	BBgBarc US TIPS TR	-1.47%	-1.47%	7.54%	5.68%	3.86%	3.44%
	BBgBarc US Govt Long TR	-13.39%	-13.39%	-15.60%	5.84%	3.17%	6.30%
Municipal Indices	BBgBarc US Municipal TR	-0.35%	-0.35%	5.51%	4.91%	3.49%	4.54%
	BBgBarc US Municipal 1 Yr TR	0.20%	0.20%	1.91%	1.93%	1.41%	1.13%
	BBgBarc US Municipal 10 Yr TR	-0.57%	-0.57%	5.44%	5.25%	3.54%	4.66%
	BBgBarc US Municipal 20 Yr TR	-0.30%	-0.30%	6.40%	5.90%	4.38%	5.82%
Mortgage Backed Indices	BBgBarc US MBS TR	-1.10%	-1.10%	-0.09%	3.75%	2.43%	2.83%
Corporate Bond Indices	BBgBarc US Credit TR	-4.45%	-4.45%	7.88%	5.95%	4.67%	4.83%
	BBgBarc US High Yield TR	0.85%	0.85%	23.72%	6.84%	8.06%	6.48%
World Bond Indices	FTSE World Government Bond	-5.68%	-5.68%	1.82%	2.09%	2.15%	1.66%
	BBgBarc EM USD Sovereign TR	-5.44%	-5.44%	12.64%	3.72%	4.47%	5.42%

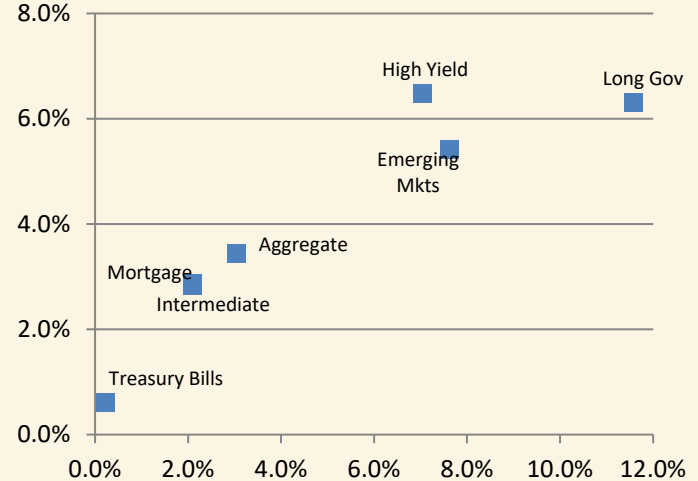
Source: Morningstar Advisor Workstation

United States Yield Curve



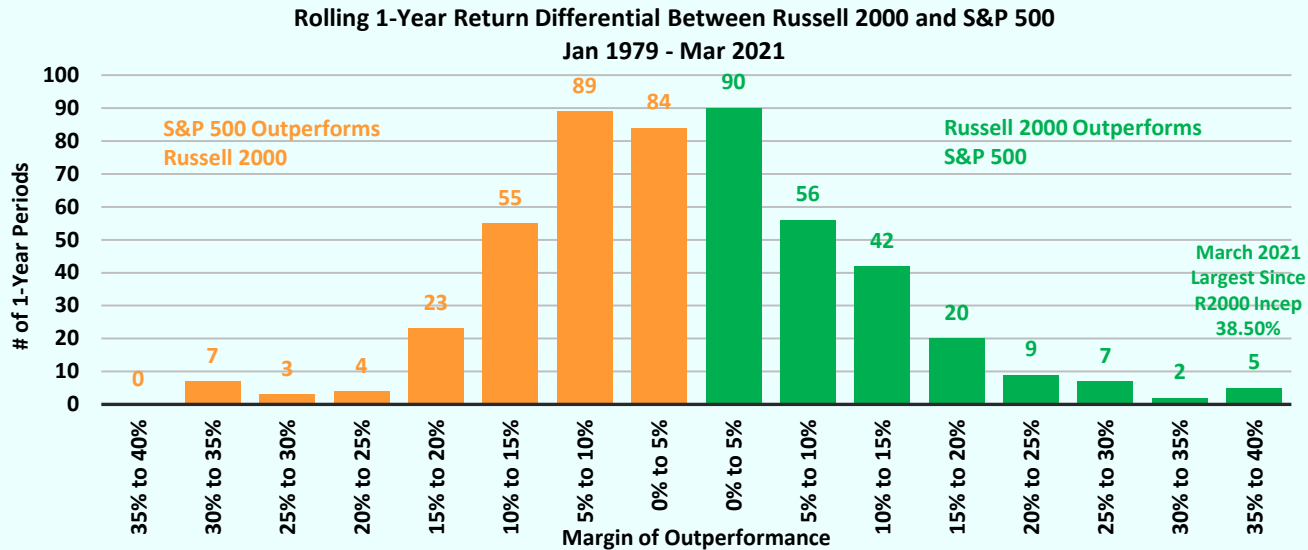
Source: United States Treasury

10 Yr Risk vs Return - Selected Indices



MARKET MICROSCOPE – The Market Shifts To Small Cap Stocks

For the 1-year period ending 3/31/2021, the Russell 2000 Index outperformed the S&P 500 Index by 38.50%. This marked the largest gap in 1-year performance between the two indexes since the inception of the Russell index in 1979.



A look at the rolling 1-year differential chart demonstrates the importance of sticking to an asset allocation plan. When the market shifts from favoring large caps to favoring small caps, the change has often been very sharp and sudden (see 1982-83, 1991, 1999-2000, and 2020-21).

