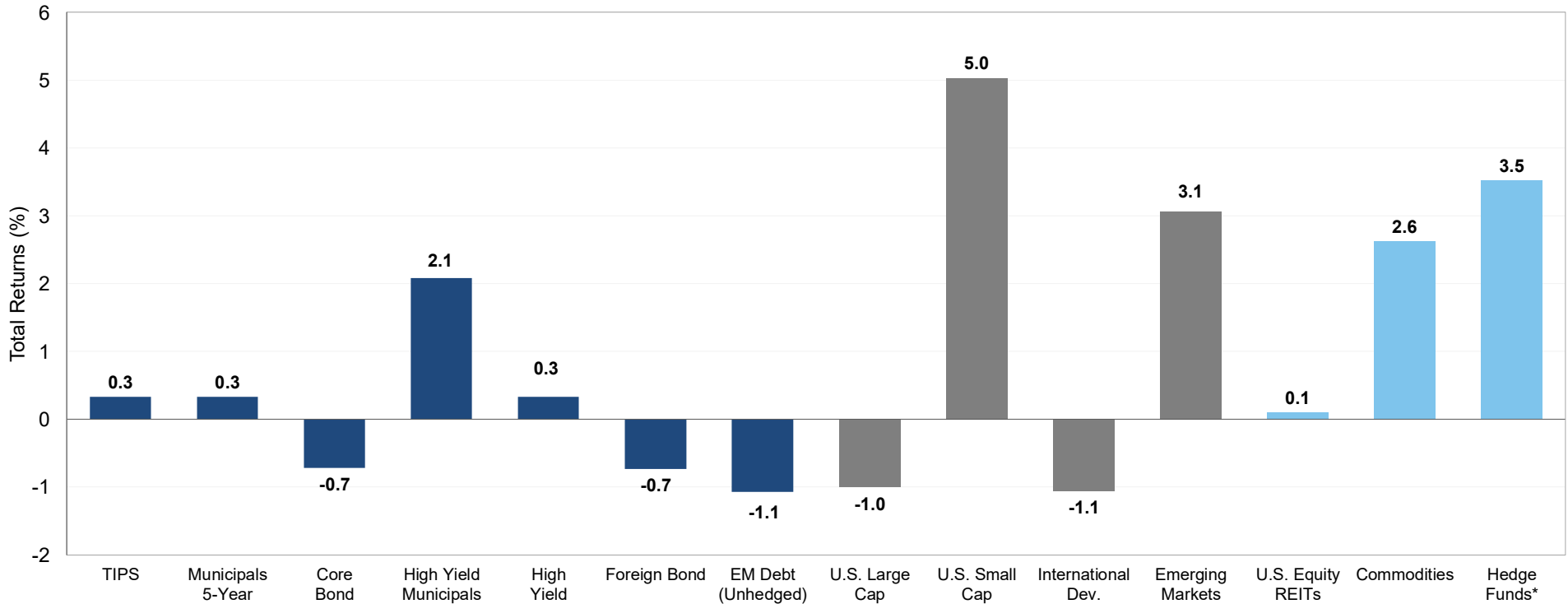


# MARKET RECAP

## *January 2021*

## ASSET CLASS PERFORMANCE (January 2021)



\*Hedge Funds returns are lagged one month. Return reflects the December 2020 return.  
Sources: Bloomberg, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian.

### Fixed Income (January)

- Rising Treasury rates in the intermediate and long part of the curve
- + Strong demand from taxable investors benefitted the municipal market
- U.S. dollar strength hurt foreign bonds

### Equities (January)

- + Vaccination progress supported more economically-sensitive stocks that were hardest hit by COVID-19 mitigation efforts
- + Strength in a couple large Chinese securities, notably Tencent and Alibaba, benefitted emerging markets

### Real Assets / Alternatives (January)

- + Rising inflation expectations supported higher commodity prices
- + Reopening optimism modestly supported residential and retail properties

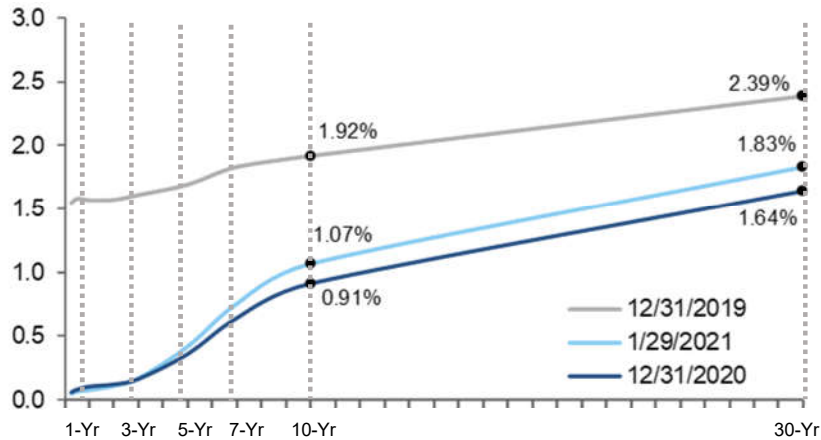
See disclosures for list of indices representing each asset class.

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# FIXED INCOME MARKET UPDATE

## U.S. Treasury Curve

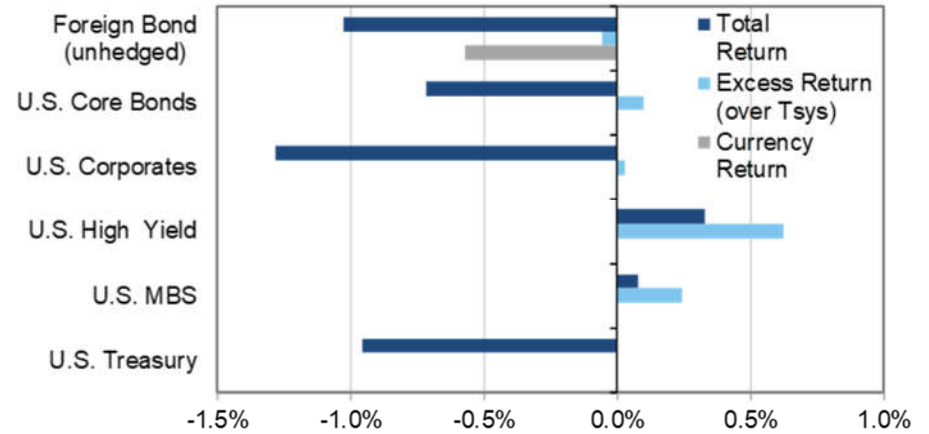
The Treasury curve steepened in January with notable increases in both the 10-year and 30-year Treasury rates.



Source: Bloomberg.

## Index Performance Attribution (January 2021)

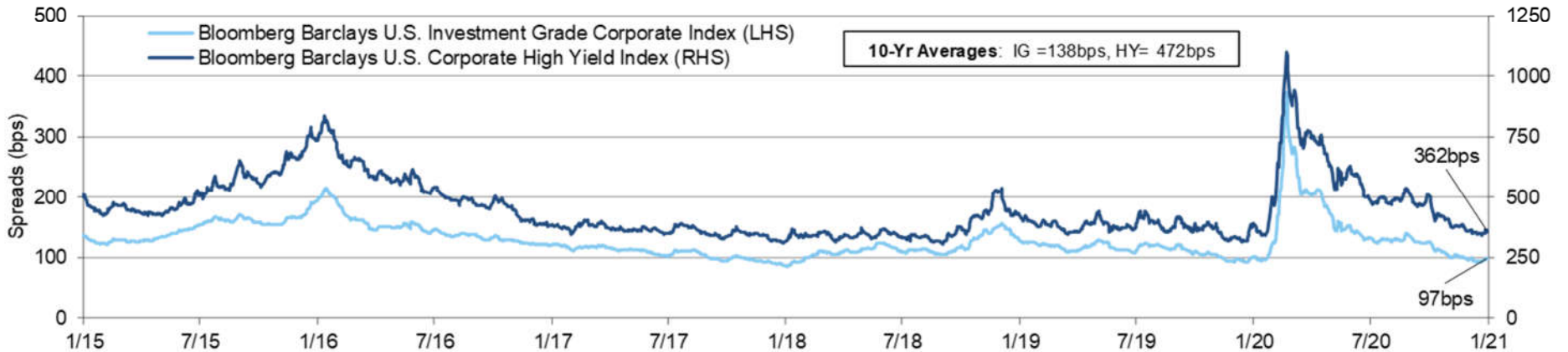
Rising Treasury yields detracted from bond returns during the month, but demand from yield-starved investors kept spreads near historic lows.



Source: Bloomberg.

## Credit Market Spreads – Trailing 5 Years

Investment grade and high yield spreads remained relatively flat over the course of the month. Optimism around the vaccines and economic reopening supported investor appetite for credit risk.



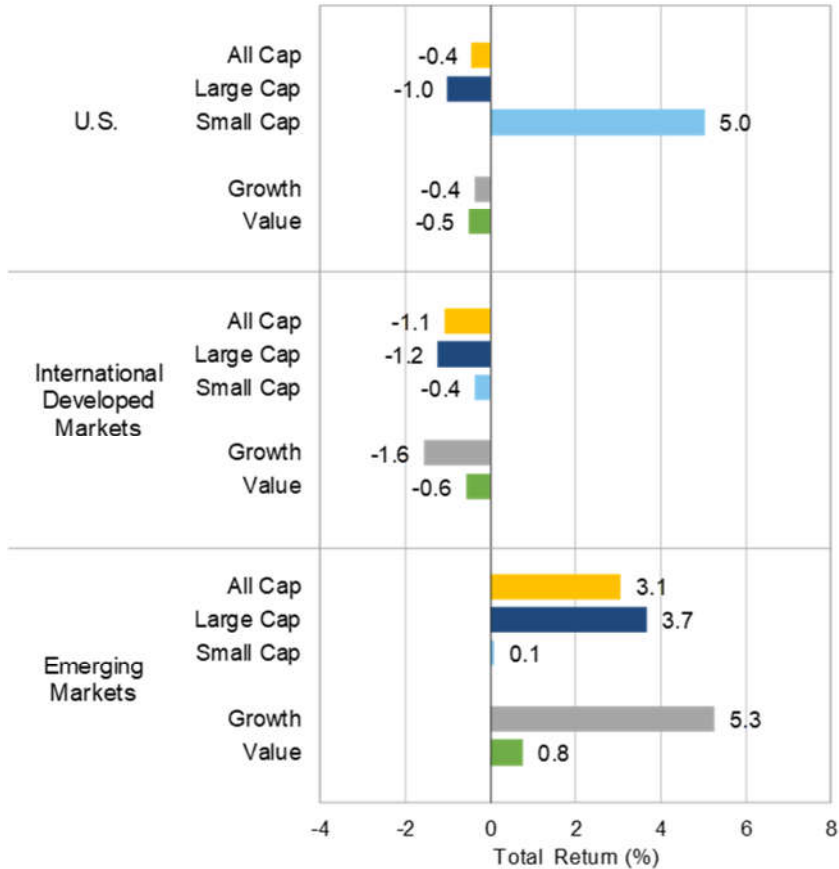
Source: Bloomberg.

See disclosures for list of indices representing each asset class.

## EQUITY MARKET UPDATE

*Market Capitalization and Style Performance (Jan 2021)*

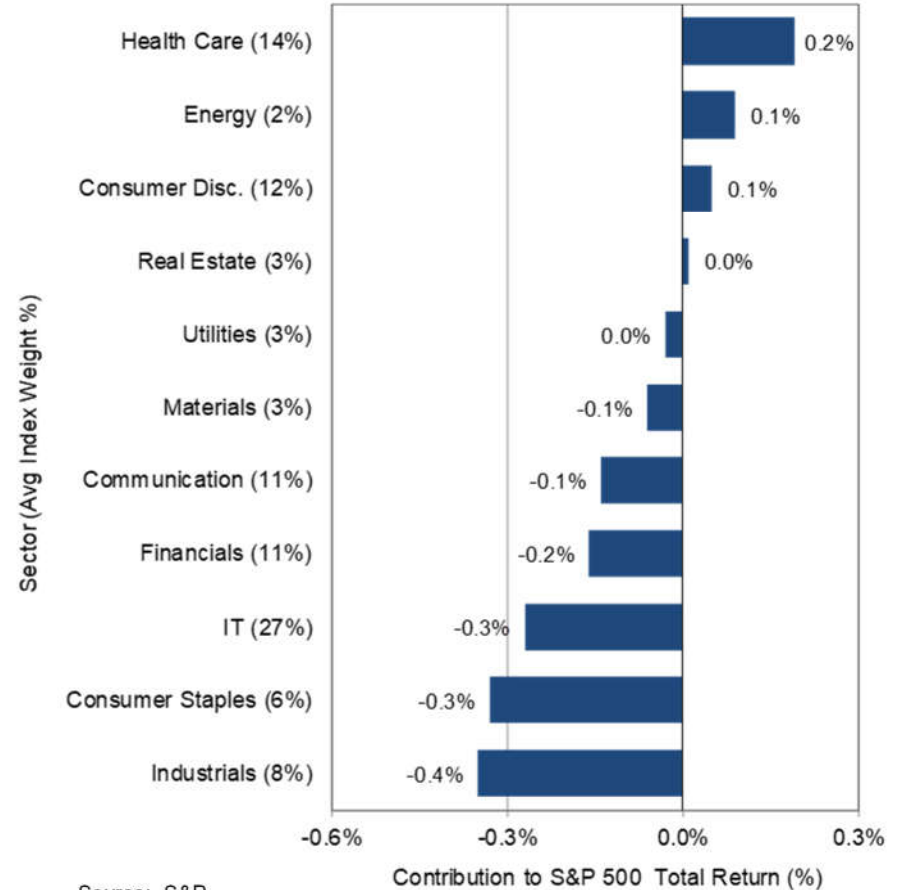
*U.S. small caps that were hit hardest from COVID continued the rebound into 2021. Emerging market growth companies led by China also outperformed.*



Sources: S&P, Russell, MSCI.

U.S. Equities – Contribution to Return by Sector (Jan 2021)

Several healthcare companies announced strong earnings results, highlighting positive vaccine and COVID testing developments.



Source: S&P

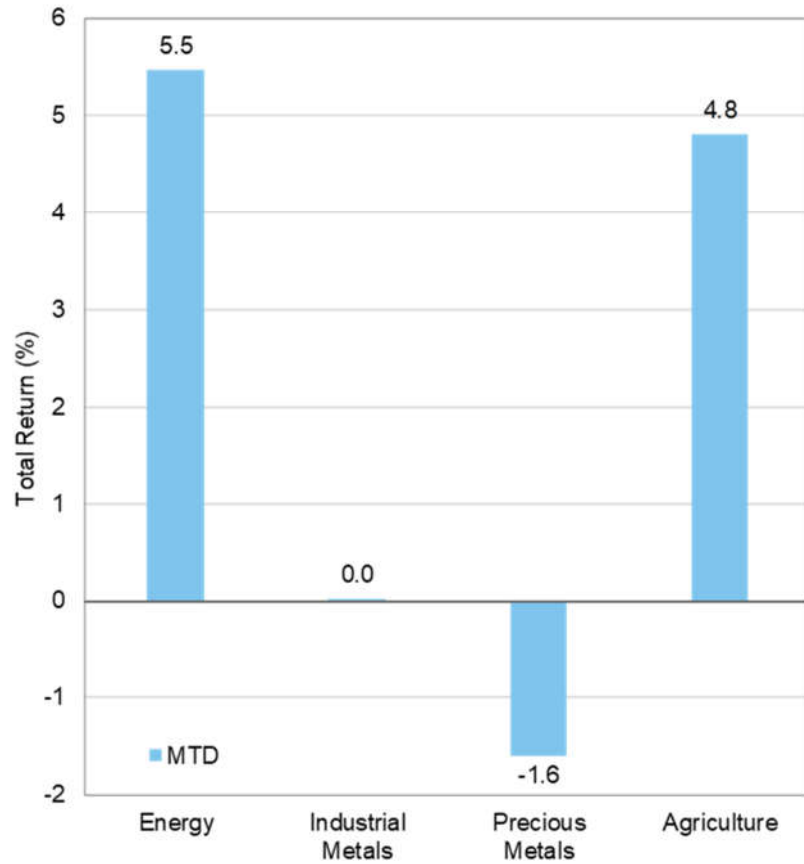
See disclosures for list of indices representing each asset class, region or country. CAPE = cyclically adjusted price/earnings ratio. Past performance does not indicate future performance and there is a possibility of a loss.

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## REAL ASSETS MARKET UPDATE

### Real Assets Performance

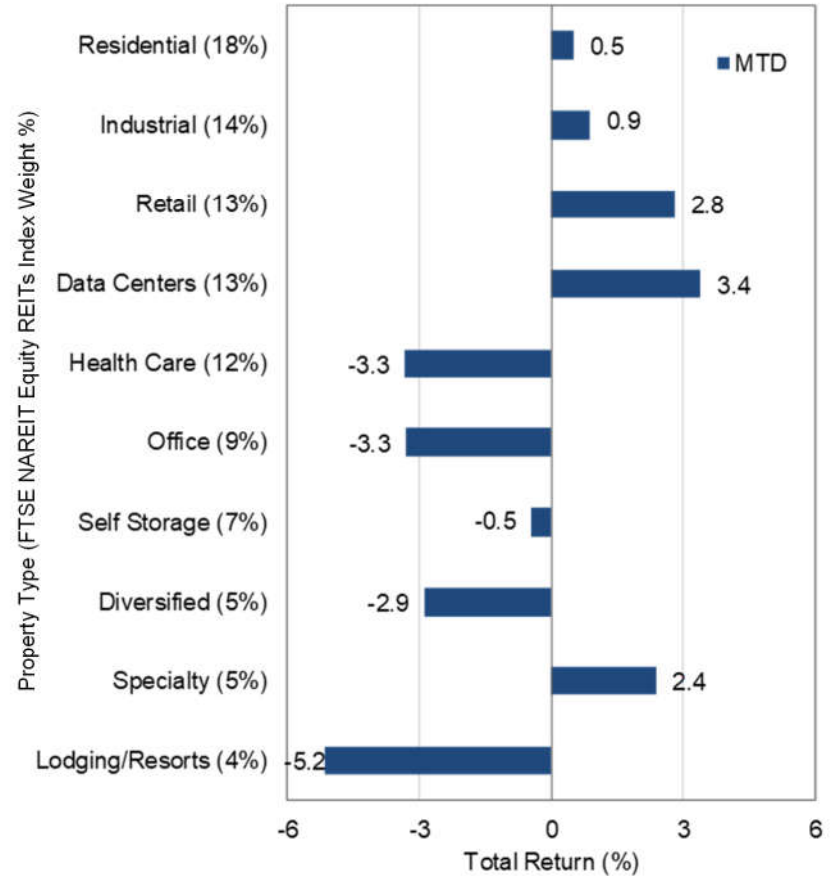
While rising inflation expectations benefitted commodities in aggregate, accelerating growth and inflation weighed on precious metals in January.



Source: Bloomberg as of 1/31/21.

### REIT Sector Performance

The largest three sectors of the index (residential, industrial and retail), generated positive returns as reopening measures benefitted these properties.



Source: FTSE as of 1/31/21.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

## Financial Markets Performance

Total return as of January 31, 2021

Periods greater than one year are annualized

All returns are in U.S. dollar terms

Global Fixed Income Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.0%	0.4%	1.5%	1.1%	0.8%	0.6%	1.1%
Bloomberg Barclays U.S. TIPS	0.3%	0.3%	9.1%	6.3%	4.8%	3.7%	3.8%	4.3%
Bloomberg Barclays Municipal Bond (5 Year)	0.3%	0.3%	3.4%	4.0%	2.6%	2.7%	3.1%	3.7%
Bloomberg Barclays High Yield Municipal Bond	2.1%	2.1%	4.5%	7.8%	6.9%	6.7%	7.2%	5.5%
Bloomberg Barclays U.S. Aggregate	-0.7%	-0.7%	4.7%	5.5%	4.0%	3.8%	3.8%	4.4%
Bloomberg Barclays U.S. Corporate High Yield	0.3%	0.3%	7.4%	6.1%	9.0%	5.7%	6.6%	7.4%
Bloomberg Barclays Global Aggregate ex-U.S. Hedged	-0.4%	-0.4%	1.7%	4.9%	4.0%	4.3%	4.4%	4.3%
Bloomberg Barclays Global Aggregate ex-U.S. Unhedged	-1.0%	-1.0%	8.2%	2.8%	4.6%	1.8%	1.9%	3.5%
Bloomberg Barclays U.S. Long Gov / Credit	-3.0%	-3.0%	7.1%	9.5%	8.2%	7.7%	8.0%	7.2%
JPMorgan GBI-EM Global Diversified	-1.1%	-1.1%	2.9%	1.1%	6.4%	2.0%	1.5%	4.7%
Global Equity Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	-1.0%	-1.0%	17.2%	11.7%	16.1%	13.3%	13.5%	9.6%
Dow Jones Industrial Average	-2.0%	-2.0%	8.5%	7.1%	15.5%	12.3%	12.4%	9.7%
NASDAQ Composite	1.4%	1.4%	44.2%	22.1%	24.6%	19.4%	18.5%	13.5%
Russell 3000	-0.5%	-0.5%	20.5%	12.4%	16.7%	13.2%	13.5%	9.7%
Russell 1000	-0.8%	-0.8%	19.8%	12.5%	16.7%	13.4%	13.6%	9.8%
Russell 1000 Growth	-0.7%	-0.7%	34.5%	19.9%	22.2%	17.9%	16.8%	12.4%
Russell 1000 Value	-0.9%	-0.9%	4.1%	4.4%	10.7%	8.6%	10.1%	7.0%
Russell Mid Cap	-0.3%	-0.3%	17.7%	10.1%	14.9%	11.2%	12.1%	9.4%
Russell Mid Cap Growth	-0.3%	-0.3%	33.9%	18.2%	20.5%	15.1%	14.8%	11.1%
Russell Mid Cap Value	-0.2%	-0.2%	6.8%	4.5%	10.9%	8.4%	10.2%	8.0%
Russell 2000	5.0%	5.0%	30.1%	11.1%	16.5%	10.5%	11.8%	8.6%
Russell 2000 Growth	4.8%	4.8%	42.7%	16.5%	20.2%	13.1%	14.1%	10.3%
Russell 2000 Value	5.3%	5.3%	16.4%	5.1%	12.3%	7.6%	9.2%	6.7%
MSCI ACWI	-0.5%	-0.5%	17.0%	7.9%	13.6%	9.4%	8.9%	6.8%
MSCI ACWI ex. U.S.	0.2%	0.2%	14.0%	3.1%	10.5%	5.6%	4.8%	4.4%
MSCI EAFE	-1.1%	-1.1%	8.9%	2.2%	8.8%	4.8%	5.2%	4.0%
MSCI EAFE Growth	-1.4%	-1.4%	17.4%	7.5%	11.7%	7.8%	7.3%	5.6%
MSCI EAFE Value	-0.8%	-0.8%	0.2%	-3.2%	5.8%	1.7%	2.8%	2.2%
MSCI EAFE Small Cap	-0.4%	-0.4%	15.3%	3.0%	11.1%	7.4%	7.7%	5.7%
MSCI Emerging Markets	3.1%	3.1%	27.9%	4.4%	15.0%	7.7%	4.2%	6.1%
Alternatives	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.4%	1.3%	1.3%	1.8%	1.9%	1.6%	1.7%	1.9%
FTSE NAREIT Equity REITs	0.1%	0.1%	-9.0%	4.9%	5.5%	7.2%	8.0%	6.0%
S&P Developed World Property x U.S.	-1.5%	-1.5%	-6.6%	0.2%	6.8%	5.1%	5.6%	4.3%
S&P Developed World Property	-0.7%	-0.7%	-7.6%	2.5%	6.1%	5.9%	6.6%	4.9%
Bloomberg Commodity Total Return	2.6%	2.6%	7.3%	-2.3%	1.9%	-5.5%	-6.4%	-4.0%
HFRI Fund of Funds Composite*	3.5%	10.7%	10.7%	4.8%	4.5%	3.7%	3.3%	3.0%
HFRI Fund Weighted Composite*	4.5%	11.7%	11.7%	5.5%	6.1%	4.6%	4.2%	4.7%
Alerian MLP	5.8%	5.8%	-20.0%	-12.7%	-2.6%	-8.3%	-2.0%	3.6%

Source: Bloomberg. (\*) denotes reported with a one-month lag.

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## DISCLOSURES & DEFINITIONS

### INDEX AND BENCHMARK DEFINITIONS:

- **Bloomberg Barclays Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Barclays Muni 5 Year Index** is the 5 year (4-6) component of the Municipal Bond index.
- **Bloomberg Barclays U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Barclays Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg Barclays U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** 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 Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 3000** measures the performance of the entire U.S. stock market.
- **Russell 3000 Growth** measures the performance of the Russell 3000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 3000 Value** measures the performance of those Russell 3000 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World ex USA Index** captures large and mid-cap representation across Developed Markets countries (excluding the United States).
- **MSCI World ex USA Growth Index** measures the performance of the MSCI World ex USA companies with higher P/B ratios and higher forecasted growth values.
- **MSCI World ex USA Value Index** measures the performance of the MSCI World ex USA companies with lower P/B ratios and higher forecasted growth values.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across Developed Markets countries (excluding the United States) and Emerging Markets countries. The index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across Developed Markets countries (excluding the US) and Emerging Markets countries. The index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI EAFE Large Cap** is an equity index which captures large-cap representation across Developed Markets countries around the world, excluding the US and Canada.
- **MSCI EAFE Small Cap** is an equity index which captures small-cap representation across Developed Markets countries around the world, excluding the US and Canada.
- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. The index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. The index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **MSCI Emerging Markets Large Cap** captures large-cap representation across Emerging Markets countries.
- **MSCI Emerging Markets Small Cap** captures small-cap representation across Emerging Markets countries.
- **MSCI Emerging Markets Growth** measures the performance of the MSCI Emerging Markets companies with higher P/B ratios and higher forecasted growth values.
- **MSCI Emerging Markets Value** measures the performance of the MSCI Emerging Markets companies with lower P/B ratios and higher forecasted growth values.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

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