

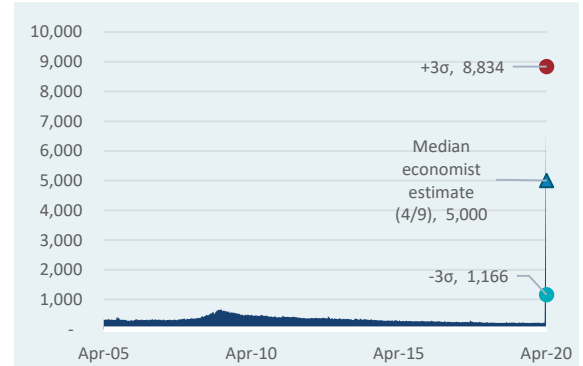
Capital Markets Snapshot

March 23rd to April 3rd, 2020

U.S. Economy

- U.S. Congress passed a \$2.2 trillion relief package featuring aid for large corporations (~\$500B), small businesses (~\$377B), and state and local governments (~\$340B). Most adults will be sent a \$1200 check, and \$300B in unemployment benefits were also included.
- Initial jobless claims came in at 3.3 million and 6.6 million the last two weeks, each several multiples of previous all-time highs. The claims data implied an actual unemployment rate near 10% and is expected to move much higher over the coming weeks.
- The Markit U.S. Services PMI fell to 39.8 from 49.4 despite a spike in supplier deliveries, implying severe supply chain disruptions.

U.S. WEEKLY INITIAL JOBLESS CLAIMS (000s)

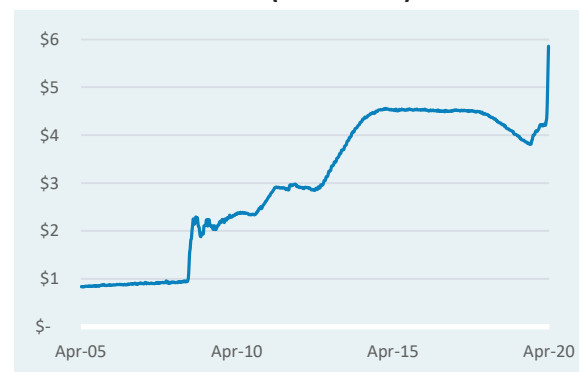


Source: Department of Labor, Bloomberg, as of 4/5/20

U.S. Markets

- The S&P 500 Index posted a partial recovery and gained 8.1% over the period. Still, the S&P 500 Index finished the month of March -12.4% lower, its 15th worst monthly return since 1871.
- The Federal Reserve announced it would buy Treasuries and agency mortgage-backed securities “in the amounts needed” to ensure effective transmission of monetary policy. The Fed balance sheet has swelled from \$4.2T to 5.9T since February 26th.
- Liquidity in the Treasury market improved, primarily due to the Fed purchasing about \$700B in securities across the curve. Long-term Treasuries returned 7.8% and the 30-year yield fell to 1.21%.

FED BALANCE SHEET (TRILLIONS)

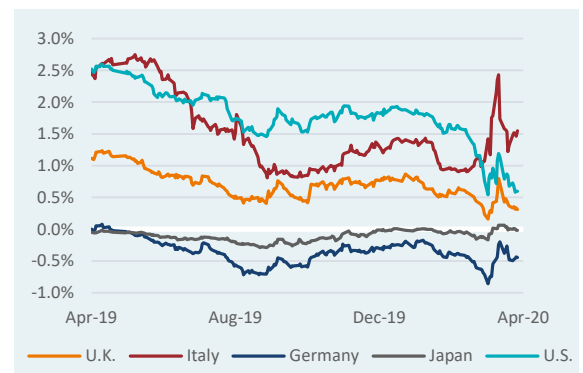


Source: Federal Reserve, Bloomberg, as of 4/1/20

International Economy

- The European Central Bank expanded its Pandemic Emergency Purchase Programme by announcing it would scrap the “issue limits” which constrained purchases to one third of member state debt, and by extending the timeline for potential purchases.
- China appears set to announce a large fiscal stimulus package which could result in a deficit near 3.5% of gross domestic product and include tax reductions worth about \$352 billion. China has not run a deficit in excess of 3.0% of its GDP in the last decade.
- The J.P. Morgan Global Services Purchasing Managers’ Index fell from 47.1 to 37.0 in March, its lowest level since the ‘08 crisis.

TEN-YEAR SOVEREIGN BOND YIELDS

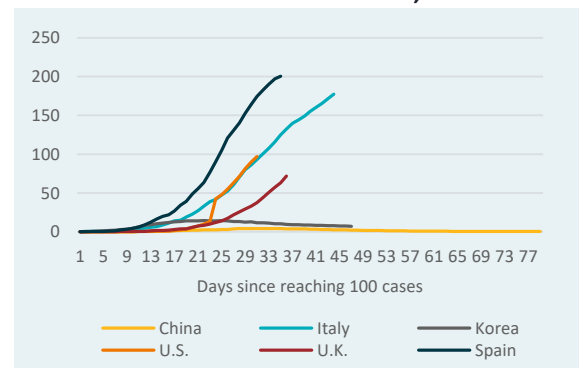


Source: Bloomberg, as of 4/3/20

International Markets

- Global risk assets rebounded from likely technically oversold levels while the spread of COVID-19 continued to wreak havoc on worldwide economic activity. The MSCI ACWI Index posted a return of 7.3% while global confirmed COVID-19 deaths neared 70,000.
- S&P Global Ratings cut its sovereign credit score for Mexico by one notch to BBB based on concern that COVID-19 strains and an oil price rout might further dampen the country’s outlook. Moody’s downgraded South Africa’s credit rating into junk territory.
- Energy markets bounced on rumors that OPEC+ was considering a production cut of up to 15 million bpd, but details remain unclear.

ACTIVE COVID-19 CASES PER 100,000 PEOPLE



Source: Bloomberg, as of 4/3/20

Verus

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Capital Markets Snapshot

MARKET PERFORMANCE

	Last Two Weeks 3/23/2020 - 4/3/2020		March		Q1 2020		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
Equities								
S&P 500 TR USD	8.05	71.37	-12.35	93.44	-19.60	56.95	-22.56	56.48
Russell 2000 TR USD	3.87	77.02	-21.73	104.73	-30.61	63.47	-36.69	63.58
MSCI ACWI NR USD	7.27	60.69	-13.50	73.69	-21.37	45.11	-24.38	44.69
MSCI EAFE NR USD	7.04	51.51	-13.35	56.91	-22.83	35.33	-26.43	34.82
MSCI EM NR USD	3.69	52.88	-15.40	57.98	-23.60	36.92	-25.09	36.46

Fixed Income

Barclays US Treasury US TIPS TR USD	5.31	16.64	-1.76	21.30	1.69	12.94	3.82	12.84
Barclays US Treasury TR USD	2.50	7.66	2.89	16.48	8.20	10.34	9.00	10.11
Barclays Long Term US Treasury TR USD	7.77	25.29	6.05	52.98	20.90	32.64	24.43	31.97
Barclays US Agg Bond TR USD	3.40	5.12	-0.59	13.27	3.15	8.25	3.42	8.06
Barclays US Credit TR USD	6.48	9.82	-6.63	22.08	-3.14	13.64	-3.40	13.32
Barclays High Yield Corporate TR USD	4.44	23.72	-11.46	27.67	-12.68	16.97	-14.48	16.67
JPM EMBI Global Diversified TR USD	4.04	27.00	-13.85	35.34	-13.38	21.53	-13.87	21.15

Other

Bloomberg Commodity TR USD	1.80	26.50	-12.81	34.58	-23.29	22.46	-22.88	23.05
Wilshire US REIT TR USD	7.11	75.47	-19.96	106.58	-25.63	64.90	-32.17	64.62
MSCI Currency Factor Mix ER USD	-1.22	5.12	0.73	7.13	1.17	4.57	1.59	4.52

Source: Morningstar, Data as of last available market close, Top/bottom two highlighted.

ECONOMIC DATA - RELEASED

Date	Country	Event	Freq	Period	Surv(M)	Actual	Surprise
03/23/20	EC	Consumer Confidence	M	Mar A	-13.0	-11.6	0.3
03/26/20	US	Initial Jobless Claims	W	21-Mar	1700k	3283k	1.6
03/27/20	US	PCE Deflator YoY	M	Feb	1.7%	1.8%	1.4
04/01/20	US	ISM Manufacturing	M	Mar	44.5	49.1	1.7
04/01/20	EC	Markit Eurozone Manufacturing PMI	M	Mar F	44.6	44.5	-0.1
04/01/20	US	Markit US Manufacturing PMI	M	Mar F	48.0	48.5	0.2
04/03/20	US	Change in Nonfarm Payrolls	M	Mar	-100k	-701k	-1.0
04/03/20	US	Unemployment Rate	M	Mar	3.8%	4.4%	1.6
04/03/20	US	Underemployment Rate	M	Mar	--	8.7%	--
04/03/20	US	ISM Non-Manufacturing Index	M	Mar	43.0	52.5	2.9
04/03/20	FR	Markit France Composite PMI	M	Mar F	30.1	28.9	-1.5
04/03/20	GE	Markit/BME Germany Composite PMI	M	Mar F	36.8	35.0	-2.3
04/03/20	EC	Markit Eurozone Services PMI	M	Mar F	28.2	26.4	-2.5
04/03/20	EC	Markit Eurozone Composite PMI	M	Mar F	31.4	29.7	-1.9
04/03/20	UK	Markit/CIPS UK Composite PMI	M	Mar F	36.0	36.0	0.0

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
04/06/20	EC	Sentix Investor Confidence	M	Apr	-17.1	-37.5	8.1
04/06/20	UK	Markit/CIPS UK Construction PMI	M	Mar	52.6	44.0	3.2
04/06/20	GE	Industrial Production WDA YoY	M	Feb	-1.3%	-3.0%	1.0
04/07/20	JN	Eco Watchers Survey Outlook SA	M	Mar	24.6	19.0	2.7
04/08/20	UK	Monthly GDP (3M/3M)	M	Feb	0.0%	0.1%	0.1
04/09/20	IT	Industrial Production WDA YoY	M	Feb	-0.1%	-2.3%	1.8
04/09/20	US	PPI Ex Food and Energy YoY	M	Mar	1.4%	1.2%	0.4
04/09/20	CA	Unemployment Rate	M	Mar	5.6%	7.4%	1.3
04/09/20	US	Initial Jobless Claims	W	4-Apr	6648k	5000k	1082.0
04/09/20	US	Continuing Claims	W	28-Mar	3029k	--	--
04/09/20	US	U. of Mich. Sentiment	M	Apr P	89.1	75.0	6.6
04/10/20	US	CPI Ex Food and Energy YoY	M	Mar	2.4%	2.3%	0.0
04/14/20	US	NFIB Small Business Optimism	M	Mar	104.5	--	--
04/15/20	US	Retail Sales Ex Auto MoM	M	Mar	-0.4%	-0.8%	2.1
04/16/20	US	Housing Starts	M	Mar	1599k	1392k	134.8

Source: Bloomberg



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