

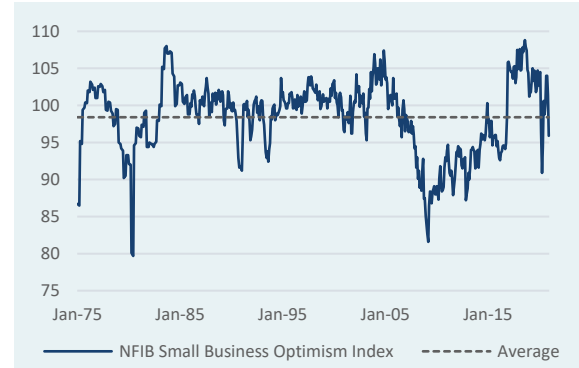
Capital Markets Snapshot

January 11th to January 22nd, 2021

U.S. Economy

- The Biden administration unveiled a \$1.9 trillion stimulus proposal which would include stimulus checks, additional unemployment benefits, and rental and small business assistance. Republican support for the size of the package waned through last week.
- The NFIB Small Business Optimism Index sunk from 101.4 to 95.9 (exp. 100.2) in December and fell back below the average value since 1975 of 98.4. The drop was historically large and driven by a worsening outlook for sales and business conditions in 2021.
- Initial jobless claims rose to their highest level since August, and increases were larger in states with more stringent restrictions.

SMALL BUSINESS OPTIMISM

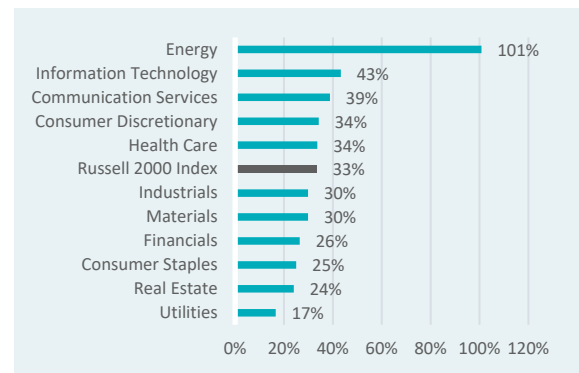


Source: National Federation of Independent Business, as of 12/31/20

U.S. Markets

- Small-cap stocks extended their rally, and the Russell 2000 Index gained 3.7% over the period, bringing its year-to-date return to +9.8%. Over the last year, small cap stocks (+30.5%) have significantly outperformed large-cap stocks (S&P 500 +17.8%).
- Inflation-protected Treasury securities were the top performers in the fixed income space and gained 0.9%. The Federal Reserve now holds on its balance sheet roughly 20% of all TIPS, compared to 9% back in February, and has likely played a large role in the recovery.
- Surges in SPAC activity and retail option speculation have some market participants concerned about a frothy market.

SMALL-CAP SECTOR THREE-MONTH RETURNS

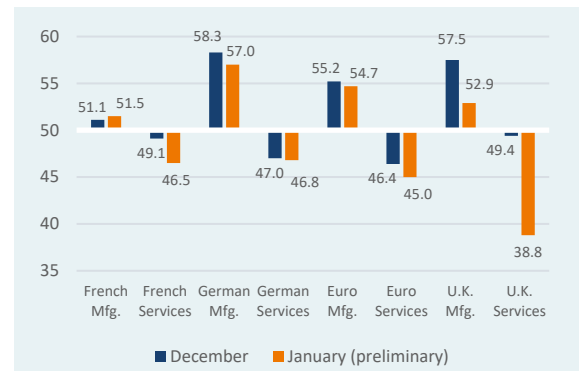


Source: FTSE, Bloomberg, as of 1/22/21

International Economy

- The global vaccination campaign picked up steam, and by the end of the period, around 60 million doses had been administered. In the U.S., average daily vaccinations over the past week reached one million, on track with the Biden administration's goal.
- Markit PMI data revealed a sharp contraction in European services sector activity in January, as renewed lockdowns rippled across the continent. Manufacturing sector activity, which tends to be more resilient to lockdowns, expanded, but at a slower pace.
- Chinese real GDP grew 2.3% in 2020, making China likely the only major country whose economy expanded over the past year.

EUROPEAN PURCHASING MANAGERS' INDICES

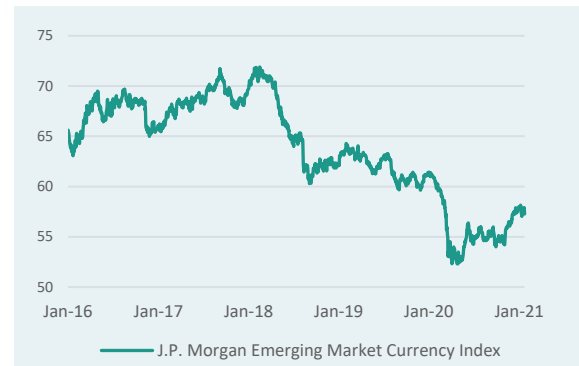


Source: Markit, Bloomberg, preliminary data as of 1/31/21

International Markets

- Emerging market equities (+2.9%) outpaced large-cap U.S. equities (+0.5%) and international developed equities (-0.7%) in U.S. dollar terms. Emerging market currencies weakened slightly relative to the U.S. dollar, resulting in headwinds for performance.
- The ECB left the size of its bond-buying program unchanged at €1.85 trillion but tweaked its guidance for the Eurozone outlook, stoking fears that it might reduce monthly purchases. Ten-year Italian bond yields rose 22 bps to 0.75% over the last two weeks.
- Emerging market currencies (JPM EMCI) weakened 0.4% relative to the dollar, driven by a weaker Chilean peso and Russian ruble.

EMERGING MARKET CURRENCIES



Source: J.P. Morgan, Bloomberg, as of 1/22/21



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Capital Markets Snapshot

MARKET PERFORMANCE

Equities

	Last Two Weeks 1/11/2021 - 1/22/2021		MTD		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
S&P 500 TR USD	0.47	10.95	2.36	13.23	2.36	13.23	2.36	13.23
Russell 2000 TR USD	3.70	20.22	9.84	25.11	9.84	25.11	9.84	25.11
MSCI ACWI NR USD	0.48	10.53	3.20	10.73	3.20	10.73	3.20	10.73
MSCI EAFE NR USD	-0.67	10.85	2.47	10.59	2.47	10.59	2.47	10.59
MSCI EM NR USD	2.91	14.77	7.88	15.33	7.88	15.33	7.88	15.33

Fixed Income

Barclays US Treasury US TIPS TR USD	0.94	2.23	0.16	3.79	0.16	3.79	0.16	3.79
Barclays US Treasury TR USD	0.16	2.72	-1.02	3.55	-1.02	3.55	-1.02	3.55
Barclays Long Term US Treasury TR USD	0.20	9.95	-3.74	12.24	-3.74	12.24	-3.74	12.24
Barclays US Agg Bond TR USD	0.20	2.40	-0.75	2.96	-0.75	2.96	-0.75	2.96
Barclays US Credit TR USD	0.29	4.06	-1.14	4.78	-1.14	4.78	-1.14	4.78
Barclays High Yield Corporate TR USD	0.24	2.01	0.48	1.62	0.48	1.62	0.48	1.62
JPM EMBI Global Diversified TR USD	-0.43	4.14	-1.24	4.04	-1.24	4.04	-1.24	4.04

Other

Bloomberg Commodity TR USD	-0.68	13.72	1.36	15.10	1.36	15.10	1.36	15.10
Wilshire US REIT TR USD	3.89	18.26	1.21	22.57	1.21	22.57	1.21	22.57
MSCI Currency Factor Mix ER USD	-0.18	1.53	-0.03	1.49	-0.03	1.49	-0.03	1.49

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
01/12/21	US	NFIB Small Business Optimism	M	Dec	100.2	95.9	-3.9
01/13/21	US	CPI YoY	M	Dec	1.3%	1.4%	1.2
01/13/21	US	CPI Ex Food and Energy YoY	M	Dec	1.6%	1.6%	0.0
01/14/21	US	Continuing Claims	W	2-Jan	5000k	5271k	2.8
01/14/21	UK	Index of Services 3M/3M	M	Nov	2.5%	3.7%	2.1
01/14/21	UK	Monthly GDP (3M/3M)	M	Nov	3.3%	4.1%	1.1
01/15/21	EC	Trade Balance SA	M	Nov	22.0b	25.1b	0.2
01/15/21	US	PPI Ex Food, Energy, Trade YoY	M	Dec	0.9%	1.1%	3.0
01/15/21	US	Empire Manufacturing	M	Jan	6.0	3.5	-1.1
01/15/21	US	Retail Sales Advance MoM	M	Dec	0.0%	-0.7%	-1.7
01/15/21	US	U. of Mich. Sentiment	M	Jan P	79.5	79.2	-0.2
01/20/21	US	NAHB Housing Market Index	M	Jan	86	83	-2.3
01/21/21	US	Building Permits	M	Dec	1608k	1709k	3.4
01/21/21	US	Housing Starts	M	Dec	1560k	1669k	4.4
01/21/21	US	Philadelphia Fed Business Outlook	M	Jan	11.8	26.5	5.7

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
01/25/21	GE	IFO Business Climate	M	Jan	92.1	91.4	0.9
01/26/21	US	S&P CoreLogic CS 20-City YoY NSA	M	Nov	7.95%	8.65%	0.5
01/26/21	US	Conf. Board Consumer Confidence	M	Jan	88.6	89.0	2.1
01/28/21	US	Advance Goods Trade Balance	M	Dec	-\$84.8b	-\$83.5b	1.6
01/28/21	US	GDP Annualized QoQ	Q	4Q A	33.4%	4.2%	1.0
01/29/21	US	Personal Income	M	Dec	-1.1%	0.1%	0.5
01/29/21	US	Personal Spending	M	Dec	-0.4%	-0.4%	0.3
01/29/21	US	PCE Deflator YoY	M	Dec	1.1%	1.2%	0.1
02/01/21	US	ISM Manufacturing	M	Jan	60.7	59.8	1.9
02/02/21	EC	GDP SA YoY	Q	4Q A	-4.3%	--	--
02/03/21	US	ISM Services Index	M	Jan	57.2	56.9	0.2
02/04/21	EC	Retail Sales YoY	M	Dec	-2.9%	--	0.0
02/05/21	US	Change in Nonfarm Payrolls	M	Jan	-140k	100k	188.1
02/05/21	US	Unemployment Rate	M	Jan	6.7%	6.7%	0.0
02/05/21	US	Consumer Credit	M	Dec	\$15.274b	\$13.000b	1.3

Source: Bloomberg



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