Covenant
Asset Management, LLC

First Quarter 2021
Investment Perspectives

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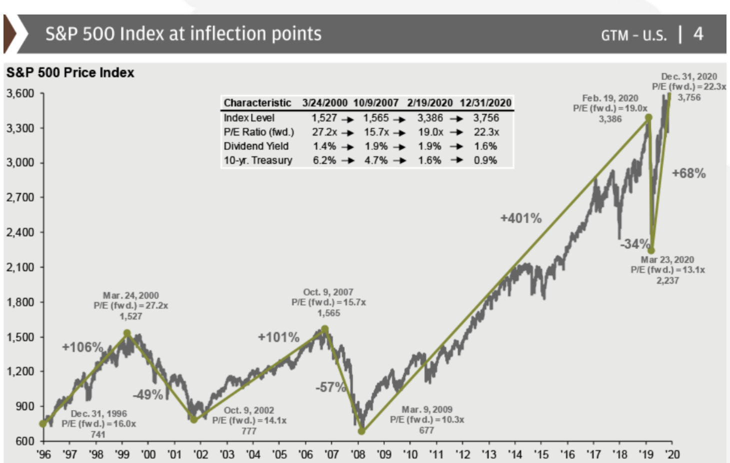
Economic and Financial Markets Review & Outlook

Covenant Asset Management is pleased to offer our latest investment perspectives. In this publication we review 2020 results and highlight key economic, financial and political themes which we expect will drive markets and investment performance in the coming months.

The end of 2020 concludes one of the most memorable years in the lives of anyone alive today. Since the events of last year are still fresh in our minds, we will focus only on those that are most consequential to the economy and financial markets. Covid-19 defined nearly every aspect of our lives and the lingering effects will remain with us well into 2021 and perhaps beyond. In 2020, we witnessed the fastest recession and bear market in history followed by the fastest economic and market recovery ever. After plummeting 32.9% in the second quarter, U.S. GDP soared 33.1% in the third quarter.



Characteristic	3/24/2000	10/9/2007	2/19/2020	12/31/2020
Index Level	1,527 →	1,565 →	3,386 →	3,756
P/E Ratio (fwd.)	27.2x →	15.7x →	19.0x →	22.3x
Dividend Yield	1.4% →	1.9% →	1.9% →	1.6%
10-yr. Treasury	6.2% →	4.7% →	1.6% →	0.9%

Source: Compustat, FactSet, Federal Reserve, Standard & Poor's, J.P. Morgan Asset Management.
Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of December 31, 2020.

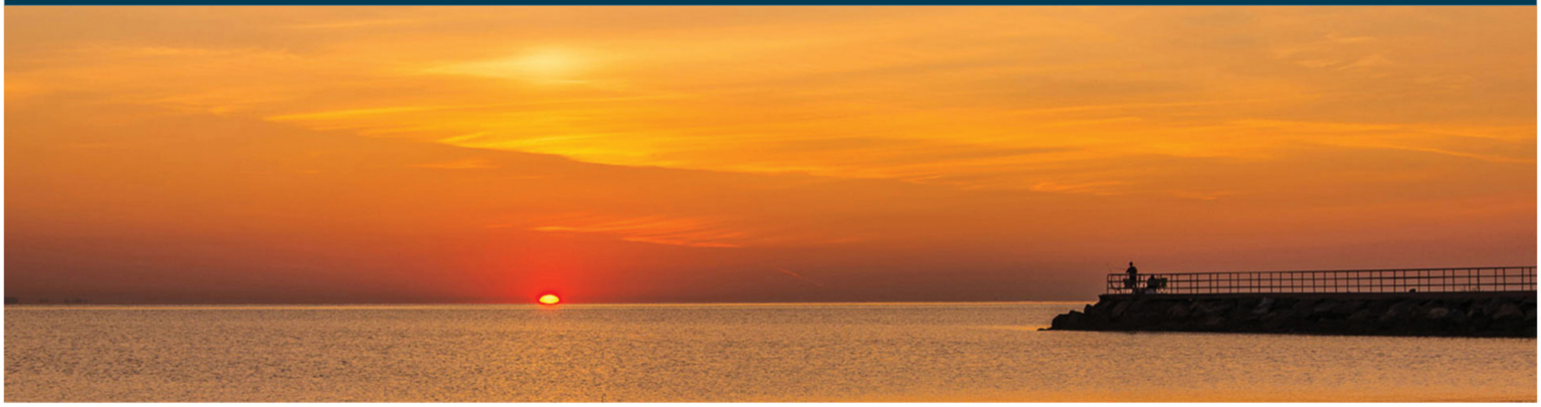
J.P.Morgan Asset Management

Key Themes

1. The conclusion of 2020 ends perhaps the most unforgettable year in our lifetimes.
2. With a new year, a new President and new Congress comes a shift in policy priorities, including regulatory and legislative changes.
3. Monetary Policy is expected to remain highly accommodative throughout 2021.
4. Covid-19 continues to frame the 2021 outlook for financial markets.

Stocks had a similar rollercoaster ride from mid-February to mid-March when market indices crashed between 35-40% in three weeks and then snapped back to regain all of their losses by the middle of August. By the end of the year, all major stock market indexes had posted solid gains. The DJIA gained 9.7%, the S&P 500 18.4%, the Russell 2000, a small cap index, was up 20% and Nasdaq jumped 45%. Growth- oriented investments far surpassed Value once again, continuing a trend that has lasted nearly 13 years. Investors dove into stocks that were deemed beneficiaries of economic lockdowns. These included much of technology, anything online such as shopping, streaming video, and the virtualization of communications, healthcare and finance. Once vaccines began to be approved, sector performance broadened as investors began to look ahead to the re-opening of more segments of the economy, expected to start around mid-2021. Value and small cap stocks attracted more sponsorship when it became apparent that Joe Biden had won the Presidency and Congress would either be divided or be comprised of the narrowest of Democratic control.

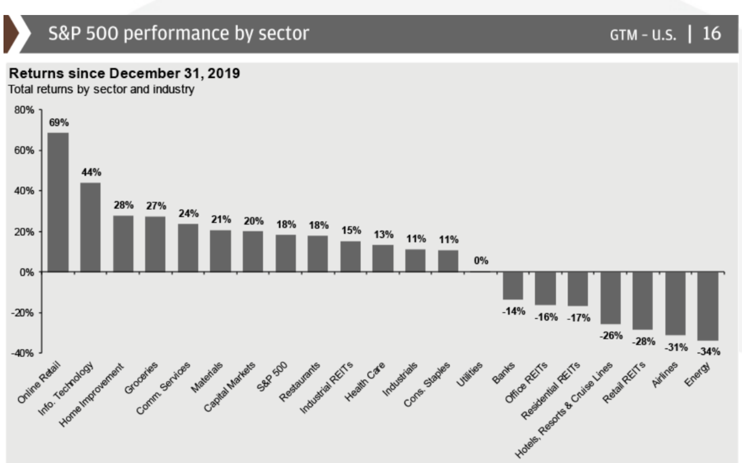
Economic and Financial Markets Review



With Georgia's Senate races decided, we now know that Democrats will be in control of both houses of Congress. Investors are betting that, with narrow margins in the House and Senate, significant policy changes are not likely, but major Federal stimulus in the form of Covid-19 relief and infrastructure spending is more possible.

The early focus of the Biden Administration promises to be vaccine distribution and additional Covid-19 aid. However, Democrats are also committed to clean energy legislation and infrastructure spending. In order to pay for the spending required to fund these initiatives, we should expect tax code changes. These changes are likely to include higher income tax rates on the wealthy and on businesses. In addition, higher capital gains and estate tax rates are anticipated. After 4 years of federal regulatory rollbacks, the incoming Administration is expected to utilize regulations to promote its policy agenda in areas such as energy, healthcare and financial services.

Less friendly business policies would ordinarily be a cause of concern for investors. However, in the near-term, these concerns are less important than the massive government aid being sent to individuals and capital markets. The Federal Reserve Bank promises to maintain its zero interest rate policy into 2023 and to continue its asset purchase program throughout 2021, at a minimum. Through its emergency actions since March, the Fed has increased the money supply by more than 25%. Investors have long worried that printing money through quantitative easing during the 2008-2009 financial crisis and during the Covid-19 pandemic would lead to inflation. Inflation as measured by the consumer price index during the entire period from 2008 until the present has remained low. However, asset value inflation is increasingly obvious in the behavior of stock prices and real estate. The price paid for the Fed's actions is a weaker dollar. The long-term consequences are less clear and will depend on the ability of the Federal Government to exhibit spending restraint once the pandemic ends.



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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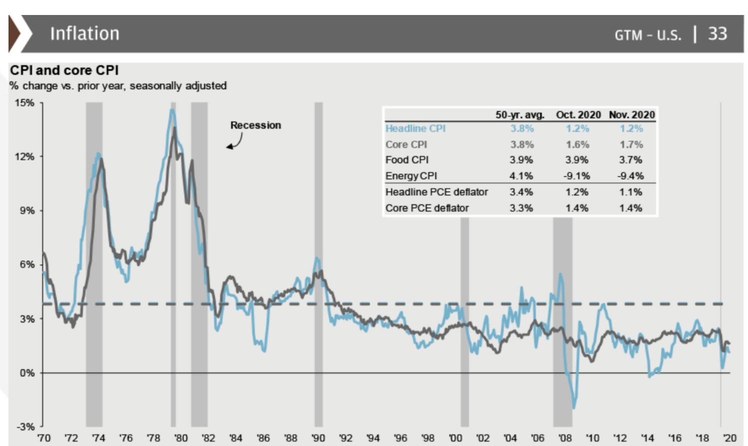

	50-yr. avg.	Oct. 2020	Nov. 2020
Headline CPI	3.8%	1.2%	1.2%
Core CPI	3.8%	1.6%	1.7%
Food CPI	3.9%	3.9%	3.7%
Energy CPI	4.1%	-9.1%	-9.4%
Headline PCE deflator	3.4%	1.2%	1.1%
Core PCE deflator	3.3%	1.4%	1.4%

Source: BLS, FactSet, J.P. Morgan Asset Management.
CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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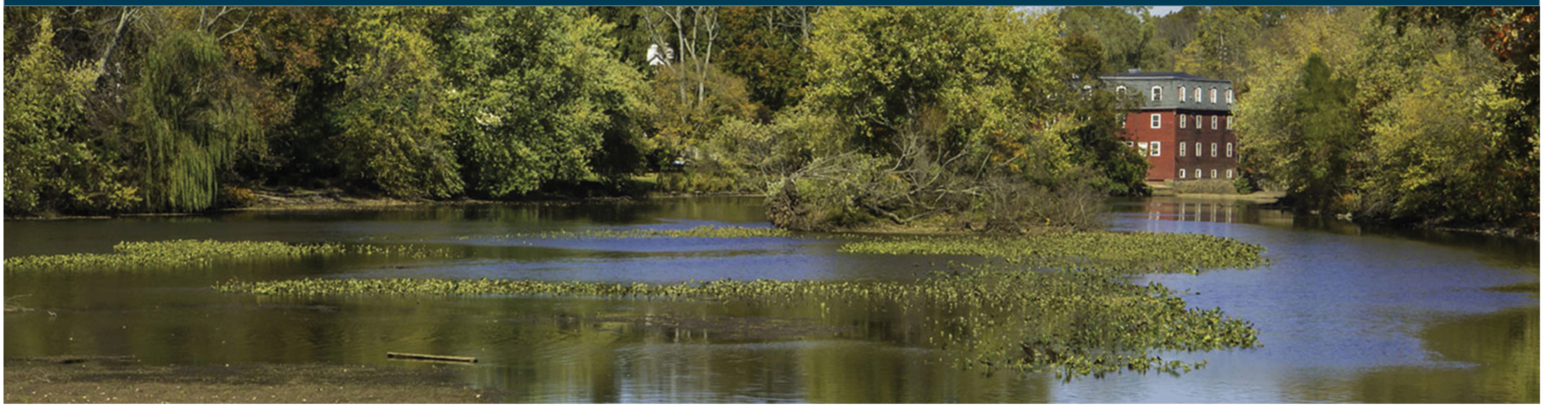
Economic and Financial Markets Challenges

As we enter 2021, the stock market continues on a favorable trend line. The market is notoriously forward-looking and typically looks ahead 6-9 months in forecasting important variables such as corporate earnings growth and interest rates. Vaccines are expected to curb the spread of Covid-19, corporate earnings should continue rebounding, and the Fed has assured investors that it won't raise interest rates anytime soon. Large cap growth investing has trounced other size and styles of investing for a very long time. The reason for this is not hard to understand as our economy has rapidly transformed into an information and digital-communications-based one. Companies that provide the infrastructure, hardware, software and services for the digital economy have prospered while those that rely on traditional sectors of the economy have suffered. During the early stages of an economic recovery, it is common for those companies that benefit from the surge in activity to attract investors. After such a wide disparity in performance in 2020, including the previous dozen years, it would not be surprising to experience some reversal during 2021. Value stocks, small cap stocks and foreign stocks may outperform large cap growth stocks in the early months of this year. If market interest rates rise, growth stocks would suffer more as future earnings expectations are not as valuable when discounted at higher rates.

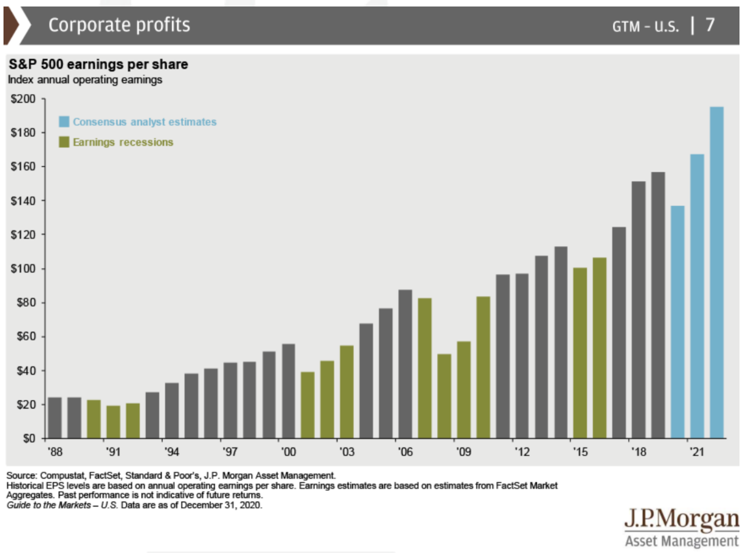
Covenant employs two styles of U.S. equity management, an equity growth and a dividend appreciation style. As with markets over-all, Covenant's Equity Growth Model far exceeded the performance of major stock market indices in 2020, including our own Dividend Appreciation model. However, if markets rotate to traditional parts of the economy, it may benefit styles such as dividend appreciation more than growth. We encourage clients and investors seeking current income to find it in non-traditional asset classes as opposed to high-grade bonds. These would include REITs, MLPs and high yield stocks and bonds. Proper asset allocation that aligns with your investment objectives and adherence to disciplined investment strategies are the keys to successful investing. Two thousand twenty once again highlighted the pitfalls of attempts at market timing. Had they known in advance all of the events that would transpire during the year, how many investors would have predicted the type of investment results that were experienced by those who merely stayed the course and did not allow their emotions to get in the way? We will have more to say on the concept of market timing in an upcoming blog.

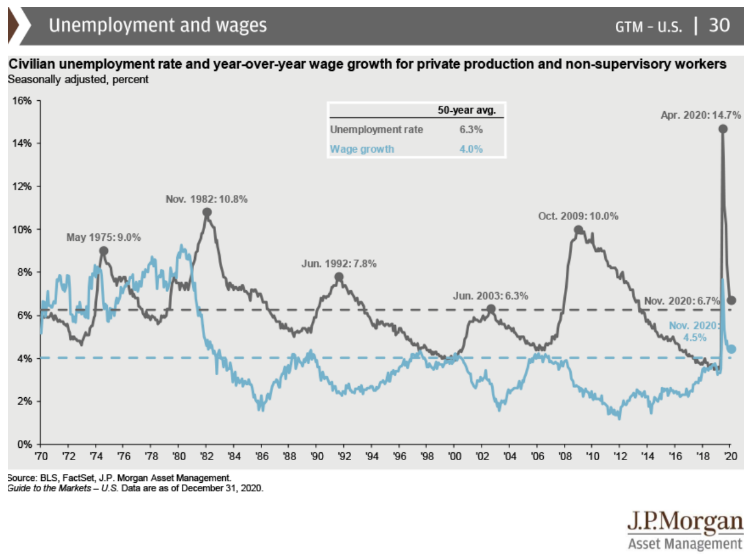
Perhaps now more than anytime in our 21-year history, we are thankful to all of our clients and friends who have been so supportive and encouraging during the past twelve months. We wish each of you a happy, healthy and prosperous 2021 and look forward to speaking with you soon. We are always available for audio and video calls, but we especially look forward to meeting again face-to-face sometime soon!

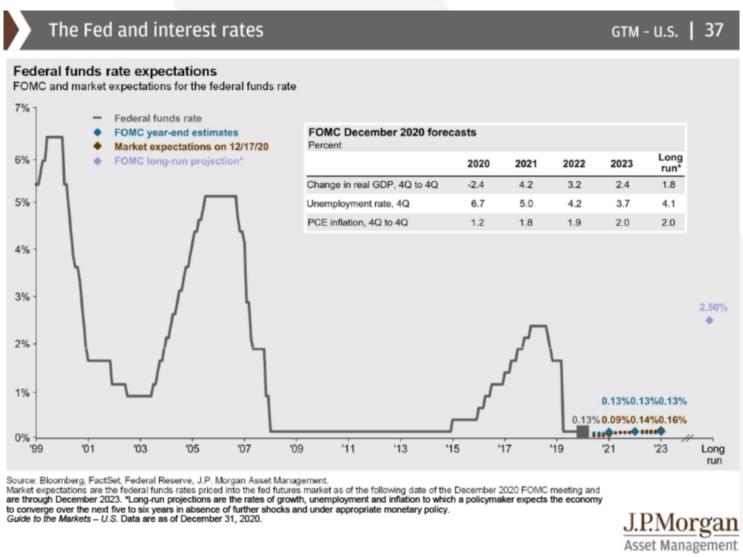
Economic & Financial Markets Charts

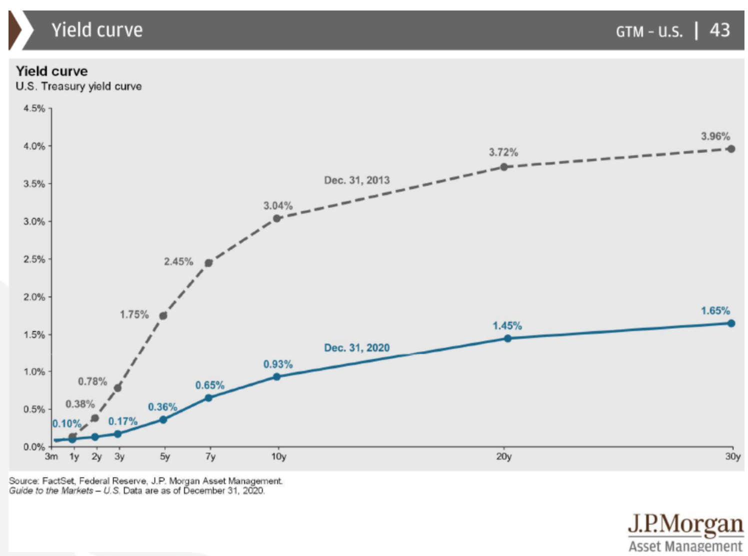


Rather than write extensively about equity valuations, economic statistics and investing principles, we offer the following charts organized by topic and courtesy of J.P. Morgan Asset Management:









Economic & Financial Markets Charts

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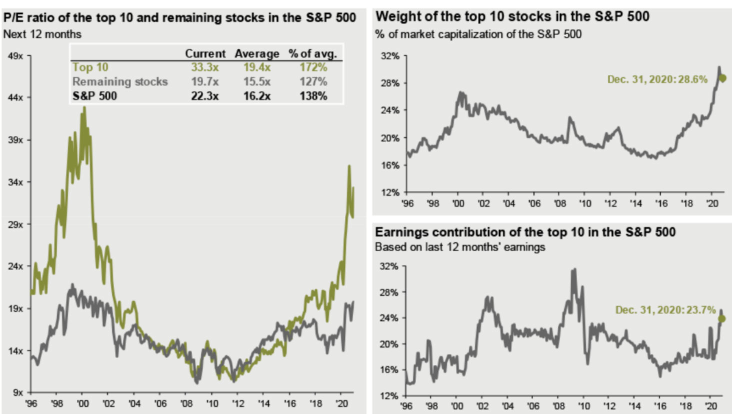
S&P 500: Index concentration, valuations and earnings

GTM – U.S. | 11



	Current	Average	% of avg.
Top 10	33.3x	19.4x	172%
Remaining stocks	19.7x	15.5x	127%
S&P 500	22.3x	16.2x	138%

Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
The top 10 S&P 500 companies are based on the 10 largest index constituents at the beginning of each month. The weight of each of these companies is revised monthly. As of December 31, 2020, the top ten companies in the index were: AAPL (6.8%), MSFT (5.3%), AMZN (4.5%), FB (2.1%), TSLA (1.7%), GOOGL (1.7%), GOOG (1.6%), BRK.B (1.4%), JNJ (1.3%), JPM (1.2%) and V(1.2%).
Guide to the Markets – U.S. Data are as of December 31, 2020.

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Returns and valuations by style

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10-year annualized

	Value	Blend	Growth
Large	10.5%	13.9%	17.2%
Mid	10.5%	12.4%	15.0%
Small	8.7%	11.2%	13.5%

YTD

	Value	Blend	Growth
Large	2.8%	18.4%	38.5%
Mid	5.0%	17.1%	35.6%
Small	4.6%	20.0%	34.6%

Since market peak (February 2020)

	Value	Blend	Growth
Large	1.6%	12.7%	26.8%
Mid	3.2%	12.8%	26.8%
Small	6.9%	18.1%	28.1%

Since market low (March 2020)

	Value	Blend	Growth
Large	64.2%	70.2%	84.9%
Mid	82.4%	88.8%	97.1%
Small	87.9%	99.0%	108.2%

Current P/E vs. 20-year avg. P/E

	Value	Blend	Growth
Large	17.9 / 13.7	22.3 / 15.4	31.2 / 18.5
Mid	18.2 / 14.3	22.6 / 16.2	39.3 / 20.2
Small	18.0 / 16.8	30.1 / 20.9	76.2 / 38.4

Current P/E as % of 20-year avg. P/E

	Value	Blend	Growth
Large	130.6%	144.8%	168.5%
Mid	127.1%	139.4%	194.6%
Small	107.2%	143.6%	198.5%

Source: FactSet, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management.
All calculations are cumulative total return, including dividends reinvested for the stated period. Since Market Peak represents period from February 19, 2020 to December 31, 2020. Since Market Low represents period from March 23, 2020 to December 31, 2020. Returns are cumulative returns, not annualized. For all time periods, total return is based on Russell style indices with the exception of the large blend category, which is based on the S&P 500 Index. Past performance is not indicative of future returns. The price-to-earnings is a bottom-up calculation based on the most recent index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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The Federal Reserve balance sheet

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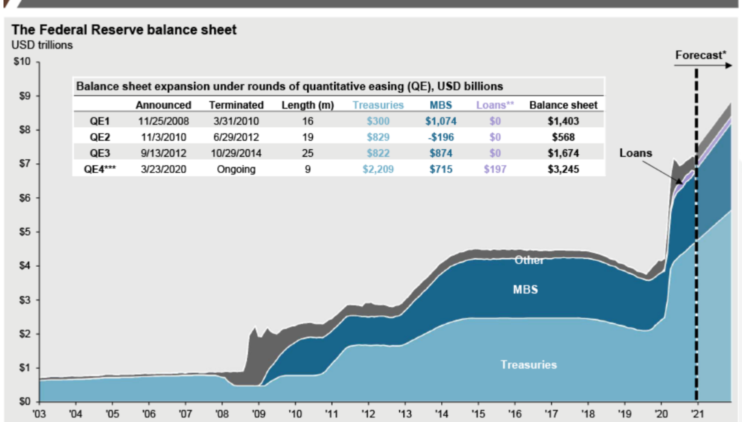

Balance sheet expansion under rounds of quantitative easing (QE), USD billions

	Announced	Terminated	Length (m)	Treasuries	MBS	Loans**	Balance sheet
QE1	11/25/2008	3/31/2010	16	$300	$1,074	$0	$1,403
QE2	11/3/2010	6/29/2012	19	$829	-$196	$0	$568
QE3	9/13/2012	10/29/2014	25	$822	$874	$0	$1,674
QE4***	3/23/2020	Ongoing	9	$2,209	$715	$197	$3,245

Source: FactSet, Federal Reserve, J.P. Morgan Investment Bank, J.P. Morgan Asset Management.
Currently, the balance sheet contains $4.4 trillion in Treasuries and $2.0 trillion in MBS. The end balance sheet forecast is $5.4 trillion in Treasuries and $2.5 trillion in MBS by December 2021. *Balance sheet forecast assumes the Federal Reserve maintains its current pace of purchases of Treasuries and MBS through December 2021 as suggested in the December 2020 FOMC meeting. **Loans include liquidity and credit extended through newly established corporate credit facilities in March 2020. Loan figures shown are max usage over the QE period referenced and are not growth of loan portfolio over the period. Other includes primary, secondary and seasonal loans, repurchase agreements, foreign currency reserves, and maiden lane securities. ***QE4 is ongoing and the expansion figures are as of the most recent Wednesday close as reported by the Federal Reserve.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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Federal finances

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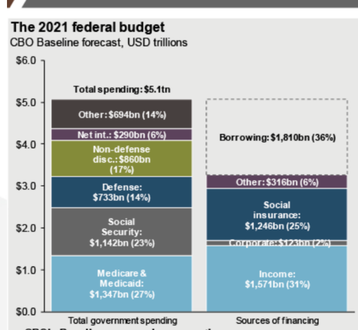

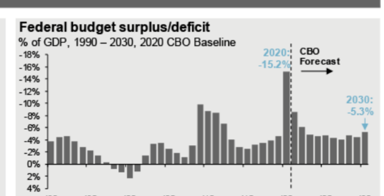

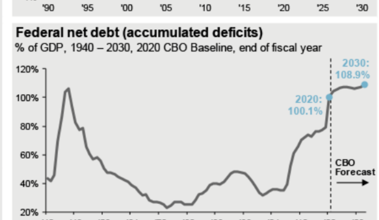

CBO's Baseline economic assumptions

	2021	'22-'23	'24-'25	'26-'30
Real GDP growth	1.1%	2.9%	2.3%	2.1%
10-year Treasury	0.8%	1.2%	1.7%	2.7%
Headline inflation (CPI)	0.9%	1.9%	2.3%	2.2%
Unemployment	9.1%	7.0%	5.9%	4.7%

Source: CBO, J.P. Morgan Asset Management; (Top and bottom right) BEA, Treasury Department.
2021 Federal Budget is based on the Congressional Budget Office (CBO) September 2020 Baseline Budget Forecast. CBO Baseline economic assumptions are based on the Congressional Budget Office (CBO) July 2020 Update to Economic Outlook. Other spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Note: Years shown are fiscal years (Oct. 1 through Sep. 30).
Guide to the Markets – U.S. Data are as of December 31, 2020.

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Economic & Financial Markets Charts

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Market volatility

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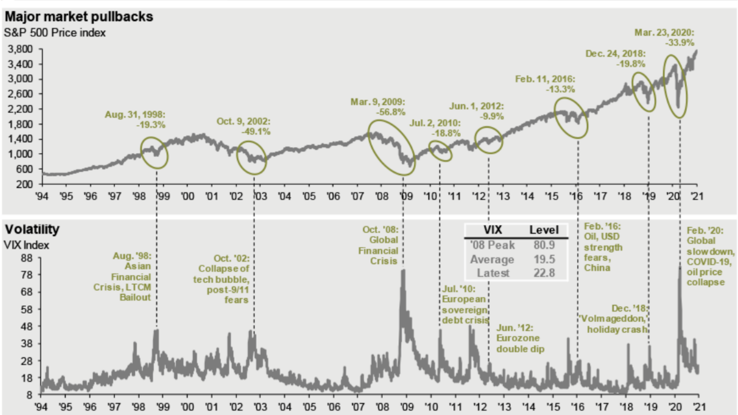

Source: CBOE, FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Drawdowns are calculated as the prior peak to the lowest point.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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Factor performance

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2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2006 - 2020 Ann.	2006 - 2020 Vol.
High Div. 21.1%	Momen. 17.8%	Min. Vol. -25.7%	Value 38.8%	Small Cap 26.9%	High Div. 14.3%	Cyclical 20.1%	Value 43.2%	Value 17.7%	Momen. 9.3%	Small Cap 21.3%	Momen. 37.8%	Min. Vol. 1.5%	Cyclical 36.3%	Momen. 29.6%	Momen. 11.7%	Small Cap 22.6%
Value 19.7%	Defens. 17.7%	Defens. -26.7%	Cyclical 36.9%	Multi-Factor 18.3%	Min. Vol. 12.9%	Value 16.8%	Small Cap 38.8%	Min. Vol. 16.5%	Min. Vol. 5.6%	High Div. 16.3%	Cyclical 27.3%	Momen. -1.6%	Quality 34.4%	Cyclical 27.8%	Quality 10.7%	Value 20.3%
Small Cap 18.4%	Quality 10.1%	High Div. -27.6%	Multi-Factor 29.8%	Momen. 18.2%	Defens. 10.1%	Small Cap 16.3%	Multi-Factor 37.4%	High Div. 14.9%	Quality 4.6%	Value 15.9%	Quality 22.5%	High Div. -2.3%	Momen. 28.1%	Small Cap 20.0%	Cyclical 10.4%	Cyclical 19.8%
Multi-Factor 16.6%	Multi-Factor 5.5%	Quality -31.2%	Small Cap 27.2%	Cyclical 17.9%	Quality 7.5%	Multi-Factor 15.7%	Cyclical 35.0%	Multi-Factor 14.8%	Cyclical 2.6%	Cyclical 14.0%	Value 22.2%	Defens. -2.9%	Min. Vol. 28.0%	Quality 17.1%	Min. Vol. 10.1%	Momen. 17.9%
Defens. 15.9%	Min. Vol. 4.3%	Small Cap -33.8%	Quality 24.9%	High Div. 15.9%	Multi-Factor 7.3%	Momen. 15.1%	Momen. 34.8%	Momen. 14.7%	High Div. 0.7%	Multi-Factor 13.7%	Multi-Factor 21.5%	Cyclical -5.3%	Value 27.7%	Multi-Factor 11.4%	Multi-Factor 9.6%	Multi-Factor 17.5%
Cyclical 15.0%	Value 1.1%	Value -36.9%	High Div. 18.4%	Min. Vol. 14.7%	Momen. 6.1%	Quality 12.8%	Quality 34.3%	Cyclical 13.6%	Multi-Factor 0.4%	Min. Vol. 10.7%	High Div. 19.5%	Quality -5.6%	Multi-Factor 26.6%	Min. Vol. 5.8%	High Div. 9.4%	Quality 15.6%
Min. Vol. 15.0%	High Div. 0.0%	Multi-Factor -39.3%	Min. Vol. 18.4%	Quality 14.2%	Value -2.7%	Min. Vol. 11.2%	High Div. 28.9%	Defens. 13.0%	Defens. -0.9%	Quality 9.4%	Min. Vol. 19.2%	Multi-Factor -9.7%	Small Cap 25.5%	Defens. 5.2%	Small Cap 8.9%	High Div. 15.0%
Quality 12.8%	Cyclical -0.8%	Momen. -40.9%	Momen. 17.6%	Value 12.7%	Cyclical -3.4%	Defens. 10.7%	Defens. 28.9%	Quality 10.7%	Small Cap -4.4%	Defens. 7.7%	Small Cap 14.6%	Small Cap -11.0%	High Div. 22.5%	High Div. 1.7%	Defens. 8.6%	Defens. 13.7%
Momen. 10.7%	Small Cap -1.6%	Cyclical -44.8%	Defens. 16.5%	Defens. 12.0%	Small Cap -4.2%	High Div. 10.6%	Min. Vol. 25.3%	Small Cap 4.9%	Value -6.4%	Momen. 5.1%	Defens. 12.3%	Value -11.1%	Defens. 21.4%	Value -0.2%	Value 8.6%	Min. Vol. 13.1%

Source: FactSet, MSCI, Russell, Standard & Poor's, J.P. Morgan Asset Management. The MSCI High Dividend Yield Index aims to offer a higher than average dividend yield relative to the parent index that passes dividend sustainability and persistence screens. The MSCI Minimum Volatility Index optimizes the MSCI USA Index using an estimated security co-variance matrix to produce low absolute volatility for a given set of constraints. The MSCI Defensive Sectors Index includes: Consumer Staples, Energy, Health Care and Utilities. The MSCI Cyclical Sectors Index contains: Consumer Discretionary, Communication Services, Financials, Industrials, Information Technology and Materials. Securities in the MSCI Momentum Index are selected based on a momentum value of 12-month and 6-month price performance. Constituents of the MSCI Sector Neutral Quality Index are selected based on stronger quality characteristics to their peers within the same GICS sector by using three main variables: high return-on-equity, low leverage and low earnings variability. Constituents of the MSCI Enhanced Value Index are based on three variables: price-to-book value, price-to-forward earnings and enterprise value-to-cash flow from operations. The Russell 2000 is used for small cap. The MSCI USA Diversified Multiple Factor Index aims to maximize exposure to four factors – Value, Momentum, Quality and Size. Annualized volatility is calculated as the standard deviation of quarterly returns multiplied by the square root of 4. *Guide to the Markets – U.S.* Data are as of December 31, 2020.

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Stock market since 1900

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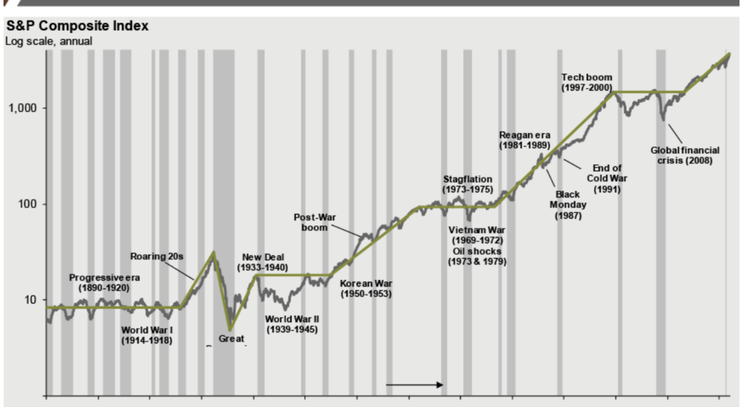

Source: FactSet, NBER, Robert Shiller, J.P. Morgan Asset Management.
Data shown in log scale to best illustrate long-term index patterns. Past performance is not indicative of future returns. Chart is for illustrative purposes only.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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Asset class returns

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2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2006 - 2020 Ann.	2006 - 2020 Vol.
REITs 35.1%	EM Equity 39.8%	Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	Large Cap 9.8%	EM Equity 23.3%
EM Equity 32.6%	Comdty. 16.2%	Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Small Cap 8.9%	REITs 23.1%
DM Equity 26.9%	DM Equity 11.6%	Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	High Yield 7.5%	Small Cap 22.6%
Small Cap 18.4%	Asset Alloc. 7.1%	High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	REITs 7.1%	DM Equity 19.1%
Large Cap 15.8%	Fixed Income 7.0%	Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	EM Equity 6.9%	Comdty. 18.8%
Asset Alloc. 15.3%	Large Cap 5.5%	Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	Asset Alloc. 6.7%	Large Cap 16.7%
High Yield 13.7%	Cash 4.8%	Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	DM Equity 5.0%	High Yield 12.2%
Cash 4.8%	High Yield 3.2%	REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Fixed Income 4.5%	Asset Alloc. 11.8%
Fixed Income 4.3%	Small Cap -1.6%	DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Cash 1.2%	Fixed Income 3.2%
Comdty. 2.1%	REITs -15.7%	EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	Comdty. -4.0%	Cash 0.8%

Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Barclays Global HY Index, Fixed Income: Bloomberg Barclays US Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg Barclays 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg Barclays US Aggregate, 5% in the Bloomberg Barclays 1-3m Treasury, 5% in the Bloomberg Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/05 to 12/31/20. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of December 31, 2020.

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