

2020 Annual Market Review

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This report features world capital market performance for the past year.

Overview:

Market Summary

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks

Select Country Performance

Select Currency Performance vs. US Dollar

Real Estate Investment Trusts (REITs)







Commodities

Fixed Income

Impact of Diversification

Market Summary

Index Returns

| | US Stock Market | International Developed Stocks | Emerging Markets Stocks | Global Real Estate | US Bond Market | Global Bond Market ex US |
|------------------------|--|---|--|--|---|---|
| 2020 | STOCKS | | | | BONDS | |
| | 20.89%  | 7.59%  | 18.31%  | -9.09%  | 7.51%  | 3.94%  |
| Since Jan. 2001 | | | | | | |
| Avg. Annual Return | 9.5% | 6.8% | 13.6% | 9.8% | 4.9% | 4.5% |
| Best Year | 33.6% 2013 | 39.4% 2003 | 78.5% 2009 | 37.4% 2006 | 10.3% 2002 | 8.8% 2014 |
| Worst Year | -37.3% 2008 | -43.6% 2008 | -53.3% 2008 | -45.7% 2008 | -2.0% 2013 | 1.2% 2013 |

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

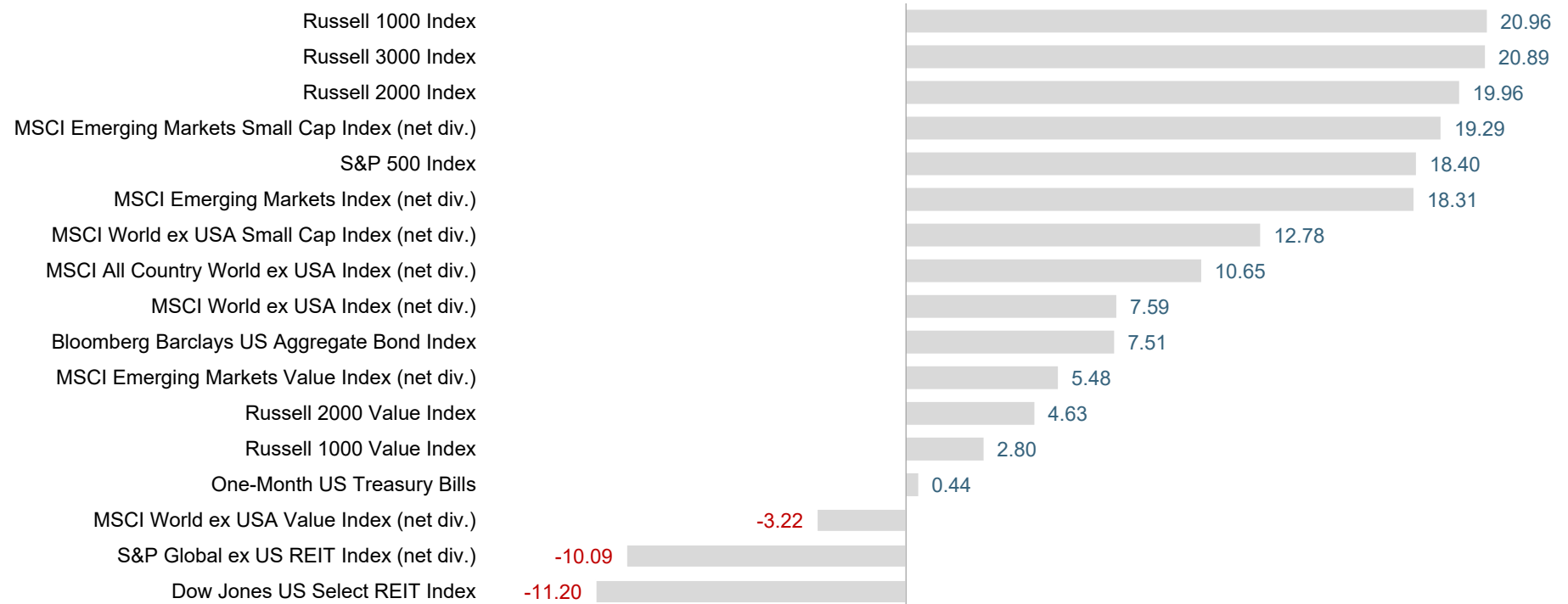
World Asset Classes

2020 Index Returns (%)

Equity markets around the globe posted positive returns in 2020. Looking at broad market indices, US equities outperformed emerging and non-US developed markets.

Value underperformed growth across regions. Small caps outperformed large caps in non-US developed and emerging markets but underperformed in the US.

REIT indices underperformed equity market indices in both the US and non-US developed markets.



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US Stocks

2020 Index Returns

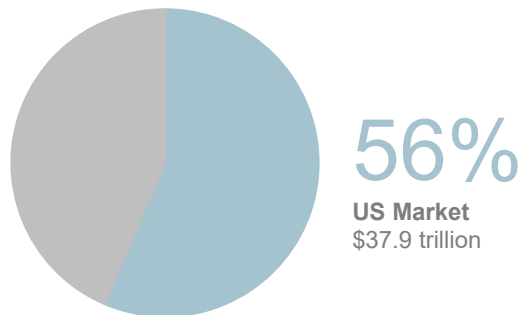
The US equity market posted positive returns for the year and outperformed emerging and non-US developed markets.

Value underperformed growth across large and small cap stocks.

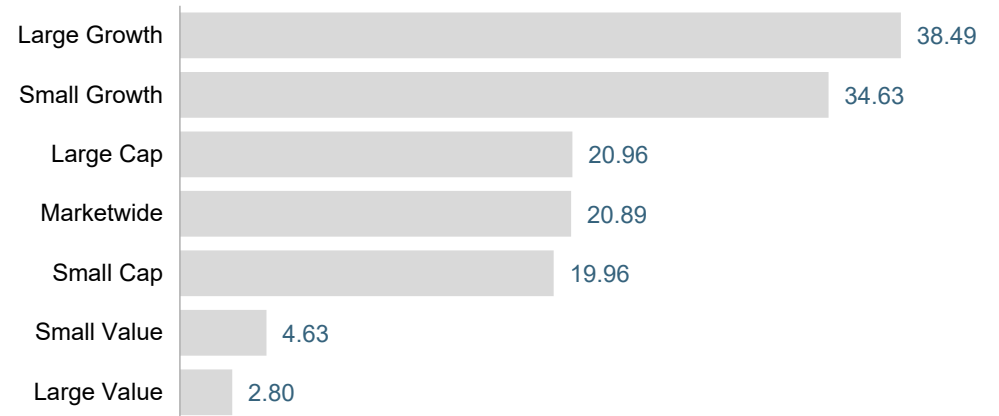
Small caps underperformed large caps.

REIT indices underperformed equity market indices.

World Market Capitalization—US



Ranked Returns for 2020 (%)



Period Returns (%)

| Asset Class | * Annualized | | | |
|--------------|--------------|----------|----------|-----------|
| | 1 Year | 3 Years* | 5 Years* | 10 Years* |
| Large Growth | 38.49 | 22.99 | 21.00 | 17.21 |
| Small Growth | 34.63 | 16.20 | 16.36 | 13.48 |
| Large Cap | 20.96 | 14.82 | 15.60 | 14.01 |
| Marketwide | 20.89 | 14.49 | 15.43 | 13.79 |
| Small Cap | 19.96 | 10.25 | 13.26 | 11.20 |
| Small Value | 4.63 | 3.72 | 9.65 | 8.66 |
| Large Value | 2.80 | 6.07 | 9.74 | 10.50 |

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Cap Value (Russell 1000 Value Index), Large Cap Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Cap Value (Russell 2000 Value Index), and Small Cap Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved.

International Developed Stocks

2020 Index Returns

Developed markets outside the US posted positive returns for the year but underperformed emerging markets and US equities.

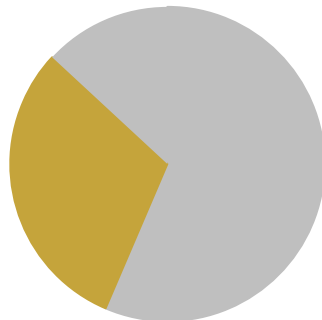
Value underperformed growth.

Small caps outperformed large caps.

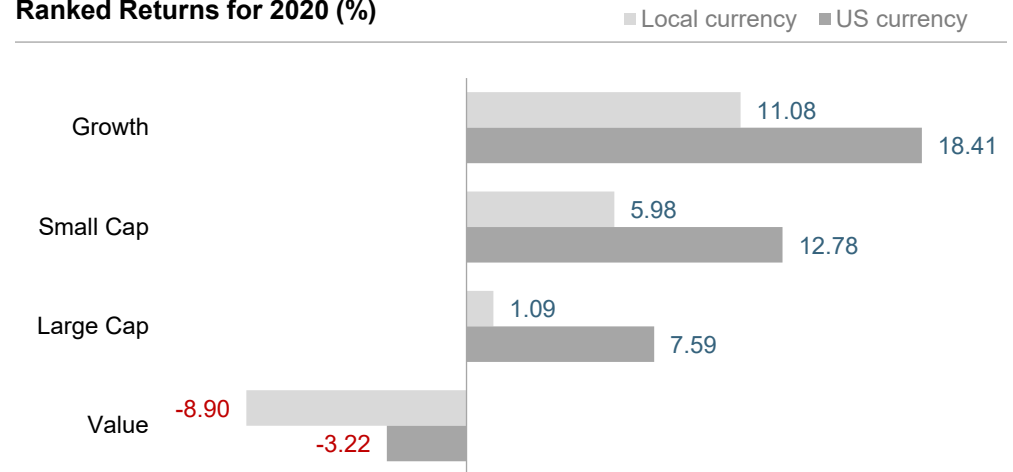
World Market Capitalization—International Developed

30%

International
Developed Market
\$20.5 trillion



Ranked Returns for 2020 (%)



Period Returns (%)

| Asset Class | * Annualized | | | |
|-------------|--------------|----------|----------|-----------|
| | 1 Year | 3 Years* | 5 Years* | 10 Years* |
| Growth | 18.41 | 9.57 | 10.50 | 7.01 |
| Small Cap | 12.78 | 5.04 | 9.63 | 6.98 |
| Large Cap | 7.59 | 4.22 | 7.64 | 5.19 |
| Value | -3.22 | -1.28 | 4.57 | 3.23 |

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Market segment (index representation) as follows: Large Cap (MSCI World ex USA Index), Small Cap (MSCI World ex USA Small Cap Index), Value (MSCI World ex USA Value Index), and Growth (MSCI World ex USA Growth). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI World ex USA IMI Index is used as the proxy for the International Developed market. MSCI data © MSCI 2021, all rights reserved.

Emerging Markets Stocks

2020 Index Returns

Emerging markets posted positive returns for the year, outperforming developed ex US equity markets but underperforming US equities.

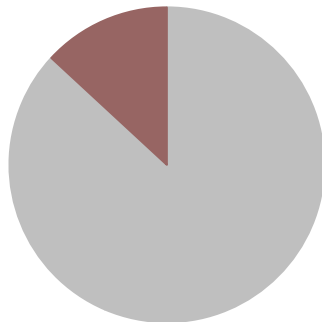
Value underperformed growth.

Small caps outperformed large caps.

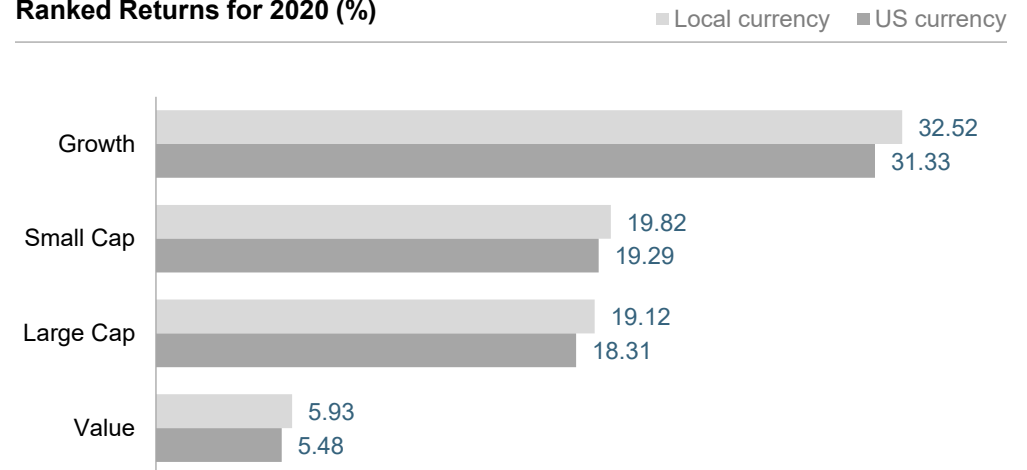
World Market Capitalization—Emerging Markets

13%

Emerging Markets
\$8.8 trillion



Ranked Returns for 2020 (%)



Period Returns (%)

| Asset Class | * Annualized | | | |
|-------------|--------------|----------|----------|-----------|
| | 1 Year | 3 Years* | 5 Years* | 10 Years* |
| Growth | 31.33 | 10.33 | 16.23 | 6.21 |
| Small Cap | 19.29 | 2.69 | 8.19 | 2.29 |
| Large Cap | 18.31 | 6.17 | 12.81 | 3.63 |
| Value | 5.48 | 1.77 | 9.18 | 0.90 |

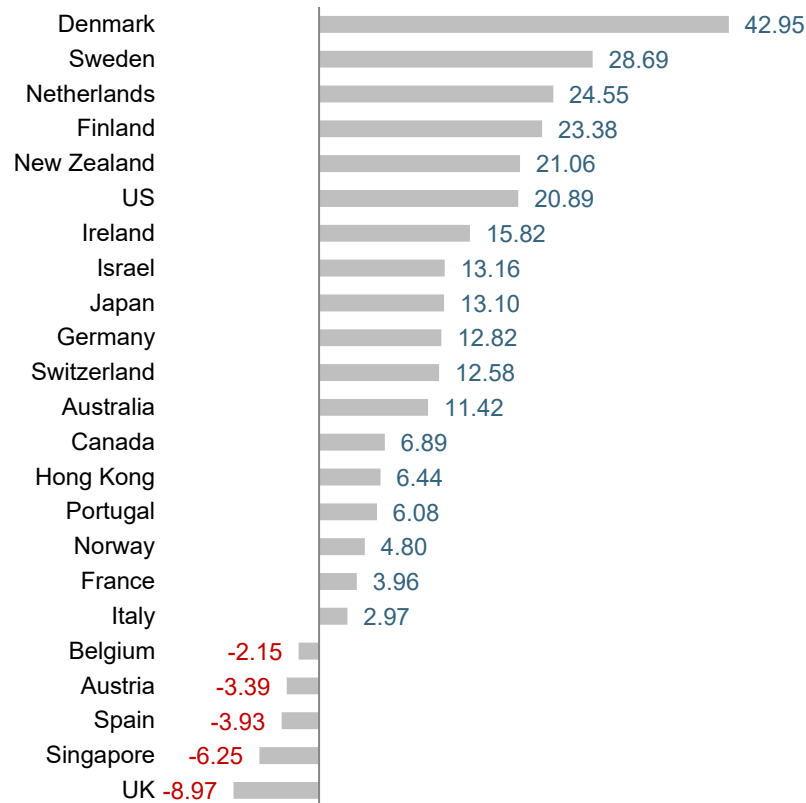
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Large Cap (MSCI Emerging Markets Index), Small Cap (MSCI Emerging Markets Small Cap Index), Value (MSCI Emerging Markets Value Index), and Growth (MSCI Emerging Markets Growth Index). All index returns are net of withholding tax on dividends. World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. MSCI Emerging Markets IMI Index used as the proxy for the emerging market portion of the market. MSCI data © MSCI 2021, all rights reserved.

Select Market Performance

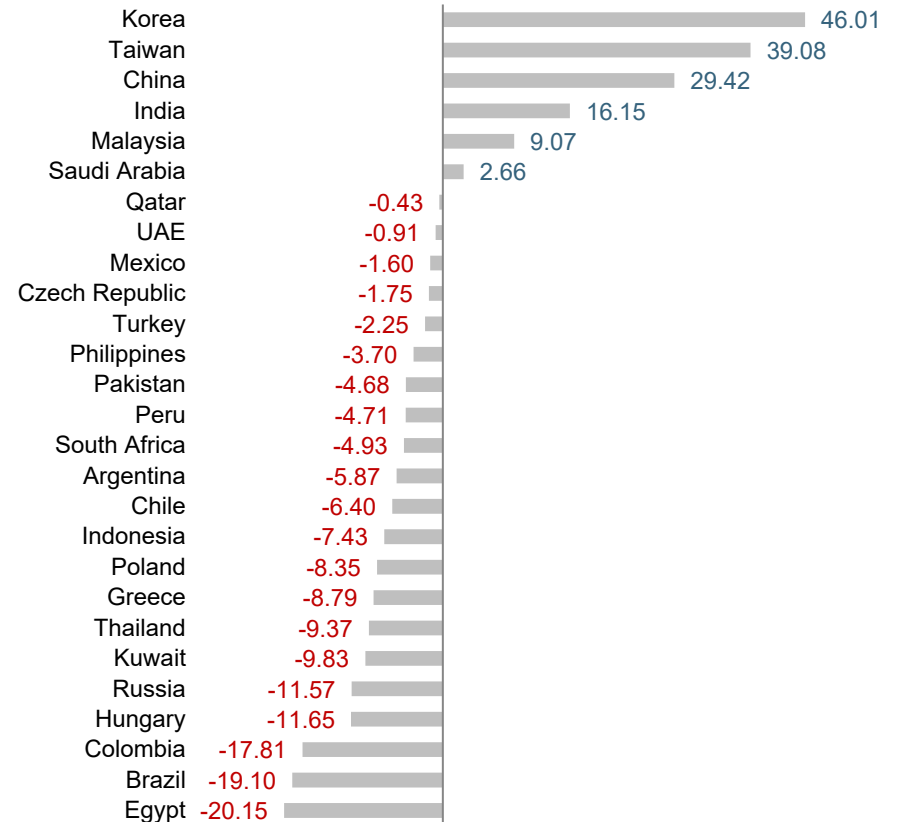
2020 Index Returns

In US dollar terms, Denmark and Sweden recorded the highest country performance in developed markets, while the UK and Singapore posted the lowest returns for the year. In emerging markets, Korea and Taiwan recorded the highest country performance, while Egypt and Brazil posted the lowest performance.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



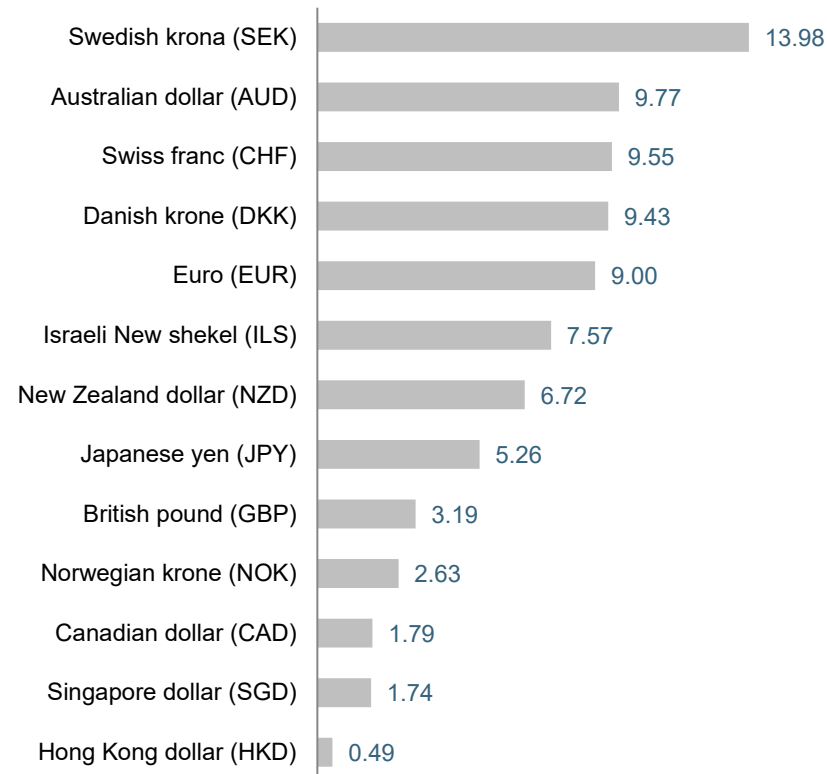
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), MSCI USA IMI Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. MSCI data © MSCI 2021, all rights reserved. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014.

Select Currency Performance vs. US Dollar

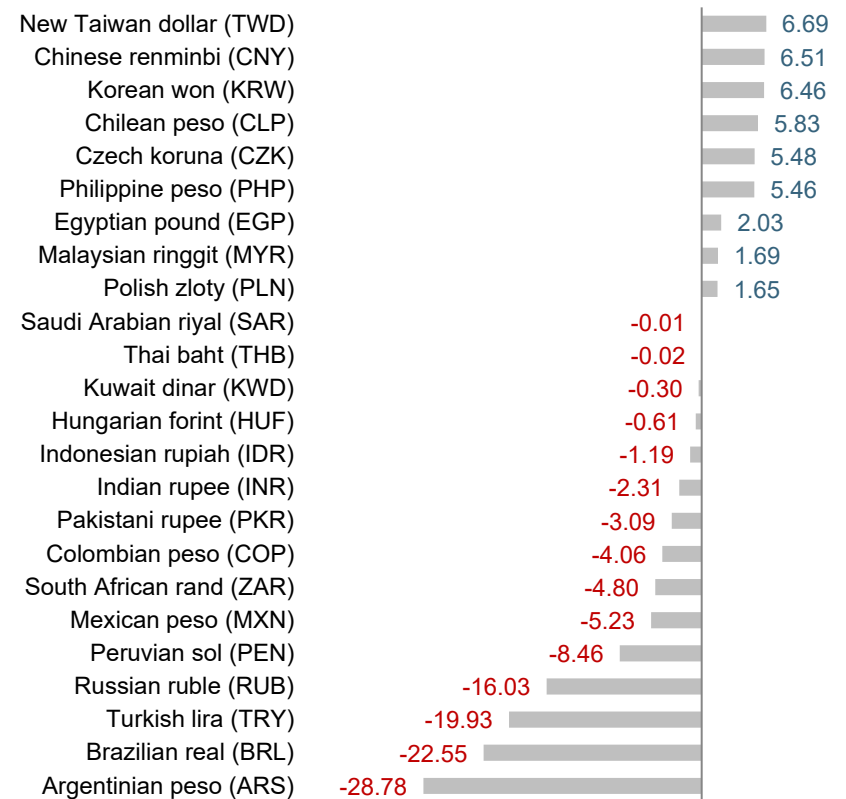
2020

In developed markets, all currencies appreciated versus the US dollar. In emerging markets, currency performance versus the US dollar was mixed. Most currencies generally depreciated versus the US dollar, but some, notably the Taiwan dollar and Chinese renminbi, appreciated.

Ranked Developed Markets (%)



Ranked Emerging Markets (%)

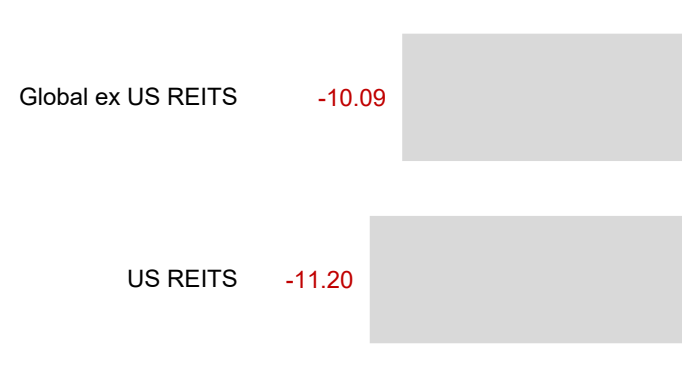


Real Estate Investment Trusts (REITs)

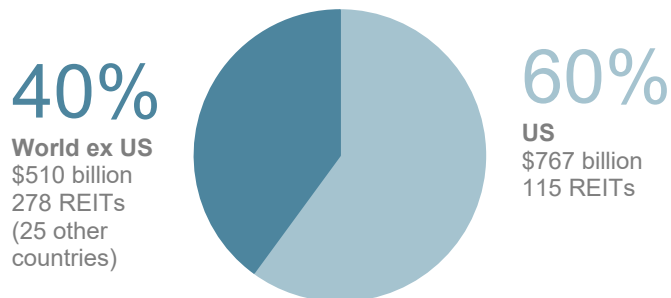
2020 Index Returns

US real estate investment trusts underperformed non-US REITs during the year.

Ranked Returns for 2020 (%)



Total Value of REIT Stocks



Period Returns (%)

| Asset Class | * Annualized | | | |
|--------------------|--------------|----------|----------|-----------|
| | 1 Year | 3 Years* | 5 Years* | 10 Years* |
| Global ex US REITS | -10.09 | 0.95 | 4.17 | 4.94 |
| US REITS | -11.20 | 1.54 | 3.00 | 7.56 |

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Commodities

2020 Index Returns

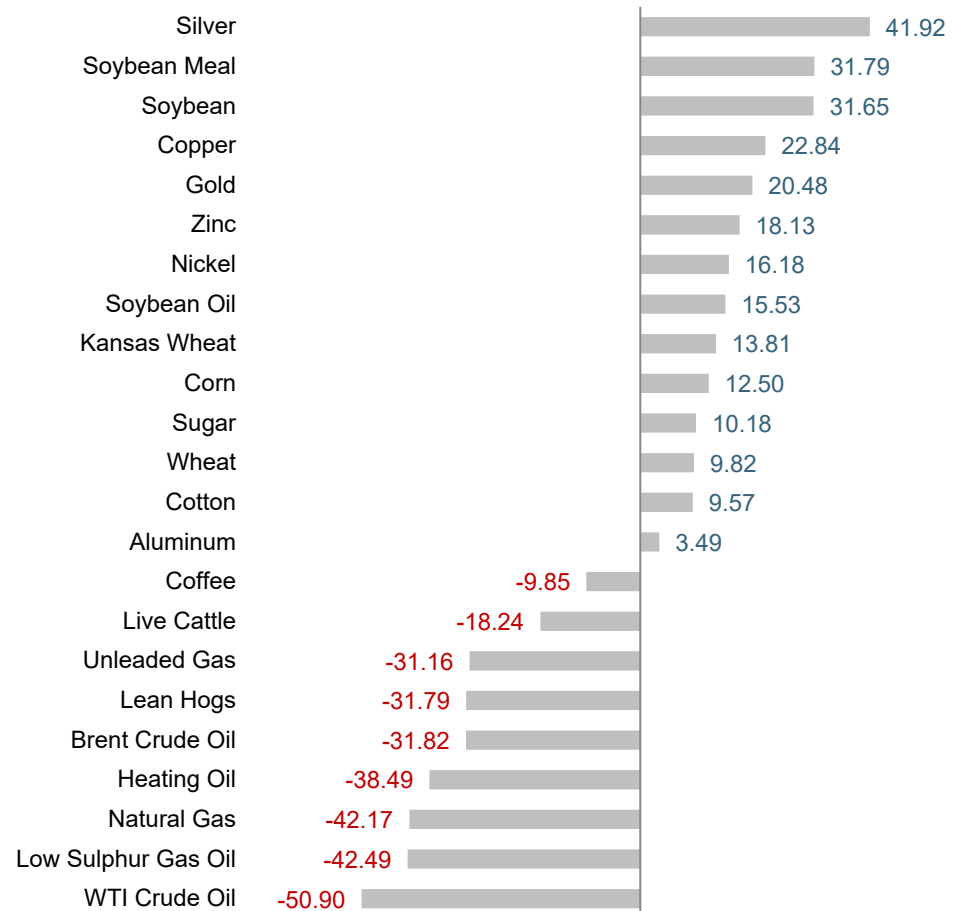
The Bloomberg Commodity Index Total Return declined 3.12% in 2020.

Silver and soybean meal were the best performers, returning 41.92% and 31.79%, respectively.

WTI crude oil and low sulfur gas oil were the worst performers, declining 50.90% and 42.49%, respectively.

| Period Returns (%) | | * Annualized | | |
|--------------------|--------|--------------|----------|-----------|
| Asset Class | 1 Year | 3 Years* | 5 Years* | 10 Years* |
| Commodities | -3.12 | -2.53 | 1.03 | -6.50 |

Ranked Returns for Individual Commodities (%)



Fixed Income

2020 Index Returns

Interest rates declined in the US Treasury fixed income market in 2020. The yield on the 5-Year US Treasury note decreased 133 basis points (bps), ending at 0.39%. The yield on the 10-Year US Treasury note declined 98 bps to 0.93%. The 30-Year US Treasury bond yield decreased 72 bps to finish at 1.64%.

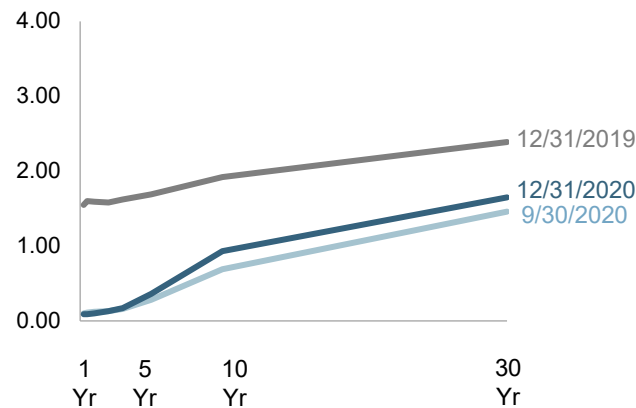
On the short end of the yield curve, the 1-Month US Treasury bill yield decreased 140 bps to end at 0.08%, while the 1-Year US Treasury bill yield declined 151 bps to 0.13%. The 2-Year US Treasury note finished at 0.09%, a decrease of 149 bps.

In terms of total returns, short-term corporate bonds gained 5.41%.

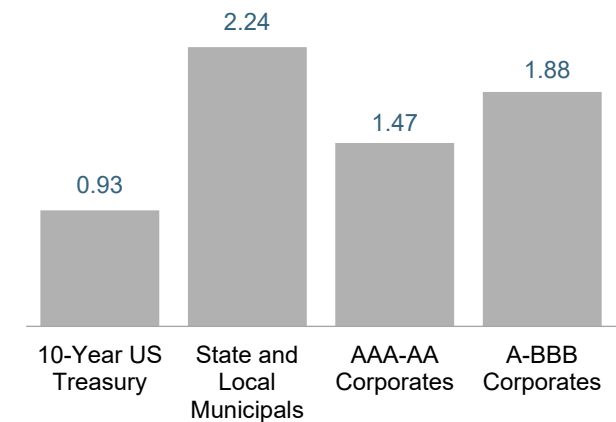
Intermediate-term corporate bonds returned 7.47%.

The total return for short-term municipal bonds was 3.15%, while intermediate-term municipal bonds returned 5.18%. Revenue bonds outperformed general obligation bonds for the year.

US Treasury Yield Curve (%)



Bond Yields across Issuers (%)



Period Returns (%)

| Asset Class | *Annualized | | | |
|--|-------------|----------|----------|-----------|
| | 1 Year | 3 Years* | 5 Years* | 10 Years* |
| Bloomberg Barclays US Government Bond Index Long | 17.55 | 9.83 | 7.84 | 7.74 |
| Bloomberg Barclays US TIPS Index | 10.99 | 5.92 | 5.08 | 3.81 |
| Bloomberg Barclays US Aggregate Bond Index | 7.51 | 5.34 | 4.44 | 3.84 |
| Bloomberg Barclays US High Yield Corporate Bond Index | 7.11 | 6.24 | 8.59 | 6.80 |
| FTSE World Government Bond Index 1-5 Years | 6.45 | 2.67 | 2.70 | 0.43 |
| Bloomberg Barclays Municipal Bond Index | 5.21 | 4.64 | 3.91 | 4.63 |
| FTSE World Government Bond Index 1-5 Years (hedged to USD) | 3.21 | 3.06 | 2.36 | 1.97 |
| ICE BofA 1-Year US Treasury Note Index | 1.82 | 2.20 | 1.58 | 0.93 |
| ICE BofA US 3-Month Treasury Bill Index | 0.67 | 1.61 | 1.20 | 0.64 |

One basis point (bps) equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2021 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2021 ICE Data Indices, LLC. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Global Fixed Income

2020 Yield Curves

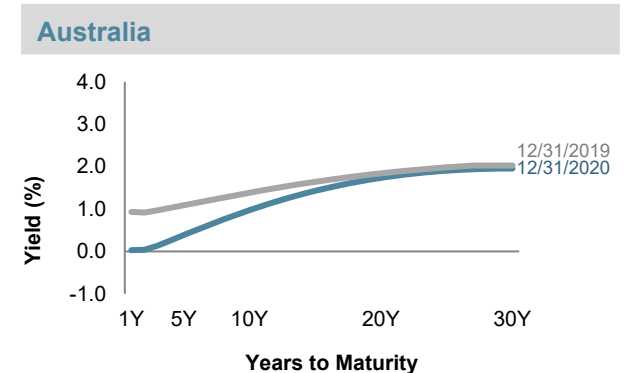
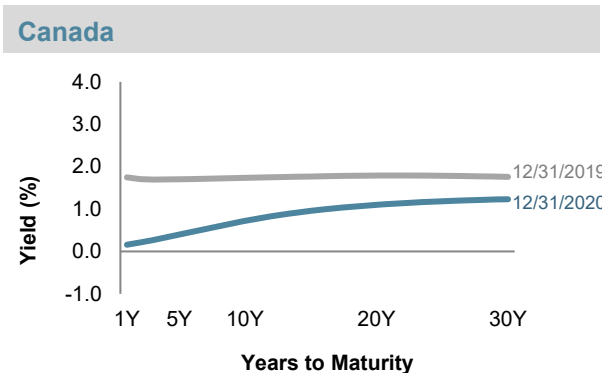
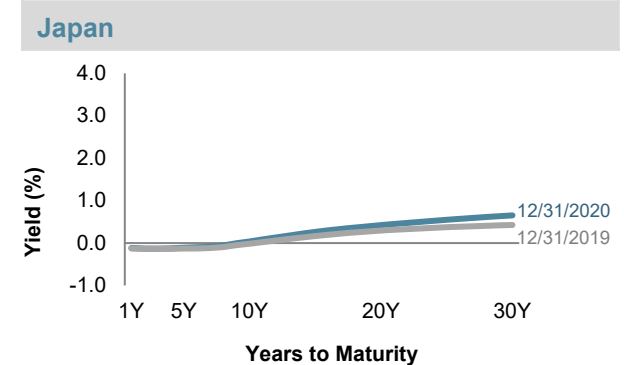
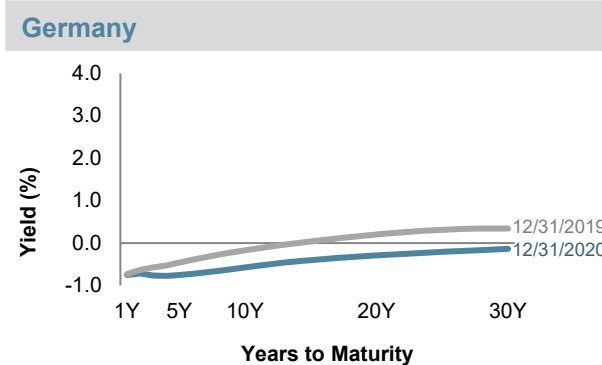
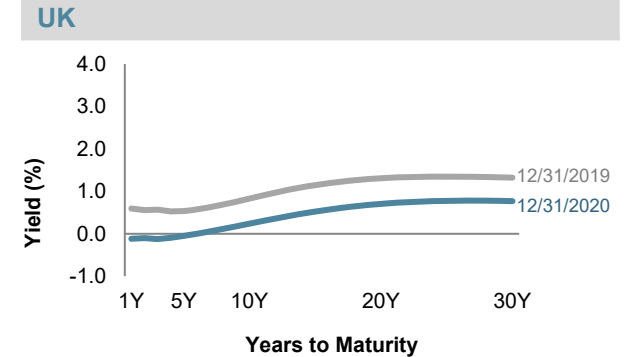
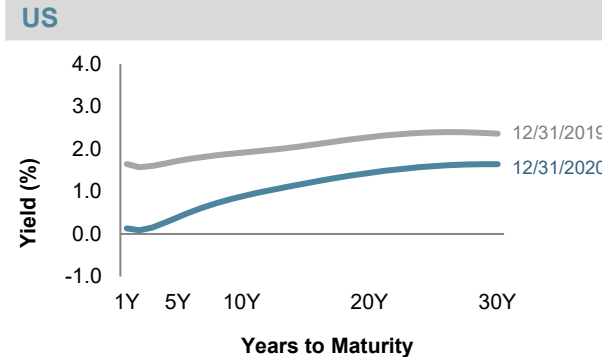
Changes in government bond interest rates in the global developed markets were mixed for the year.

Longer-term bonds generally outperformed shorter-term bonds in global ex-US developed markets.

Short- and intermediate-term nominal interest rates were negative in Japan, while all maturities finished in negative territory in Germany.

Changes in Yields (bps) since 12/31/2019

| | 1Y | 5Y | 10Y | 20Y | 30Y |
|-----------|--------|--------|--------|-------|-------|
| US | -151.4 | -132.5 | -102.7 | -84.0 | -71.7 |
| UK | -71.6 | -58.6 | -59.3 | -60.5 | -55.3 |
| Germany | -2.1 | -29.7 | -40.2 | -49.4 | -48.0 |
| Japan | 1.1 | 1.8 | 5.1 | 12.9 | 22.6 |
| Canada | -158.5 | -130.4 | -101.3 | -69.0 | -52.8 |
| Australia | -90.0 | -70.2 | -41.0 | -10.6 | -7.2 |



Impact of Diversification

2020 Returns

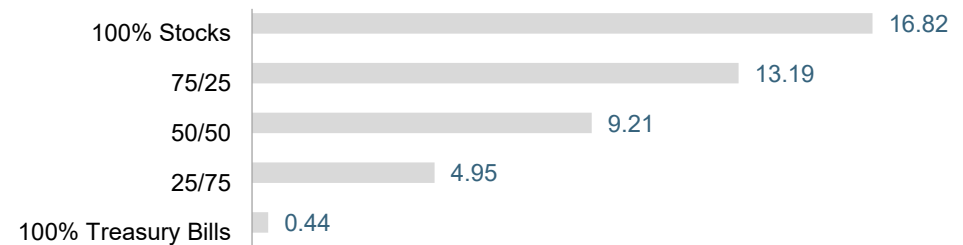
These portfolios illustrate the performance of different global stock/bond mixes. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

Period Returns (%)

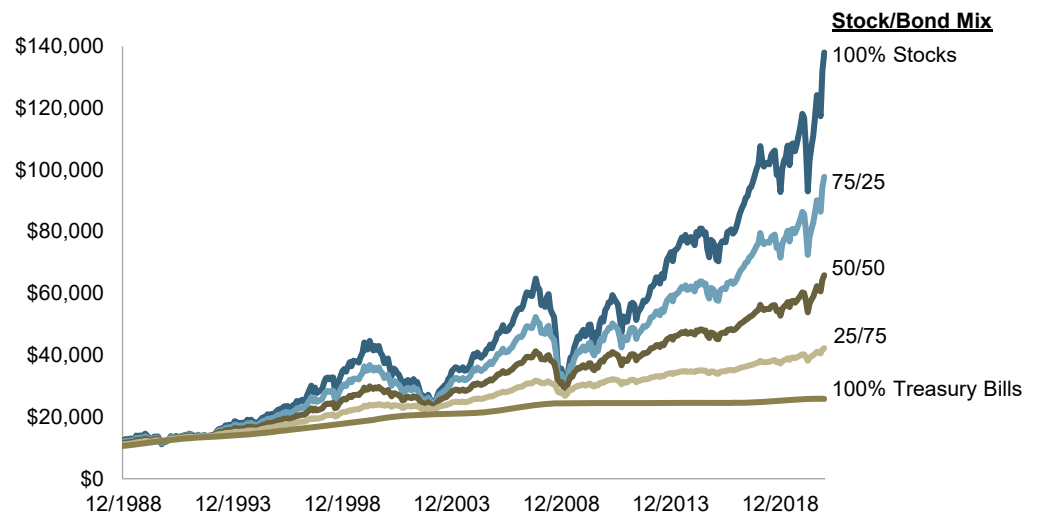
* Annualized

| Asset Class | 1 Year | 3 Years* | 5 Years* | 10 Years* | 10-Year STDEV ¹ |
|---------------------|--------|----------|----------|-----------|----------------------------|
| 100% Stocks | 16.82 | 10.64 | 12.86 | 9.71 | 14.07 |
| 75/25 | 13.19 | 8.62 | 10.04 | 7.55 | 10.55 |
| 50/50 | 9.21 | 6.40 | 7.12 | 5.30 | 7.02 |
| 25/75 | 4.95 | 4.01 | 4.13 | 2.96 | 3.51 |
| 100% Treasury Bills | 0.44 | 1.46 | 1.07 | 0.55 | 0.23 |

Ranked Returns for 2020 (%)



Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.

Diversification does not eliminate the risk of market loss. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2021, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).