

Student of the Market

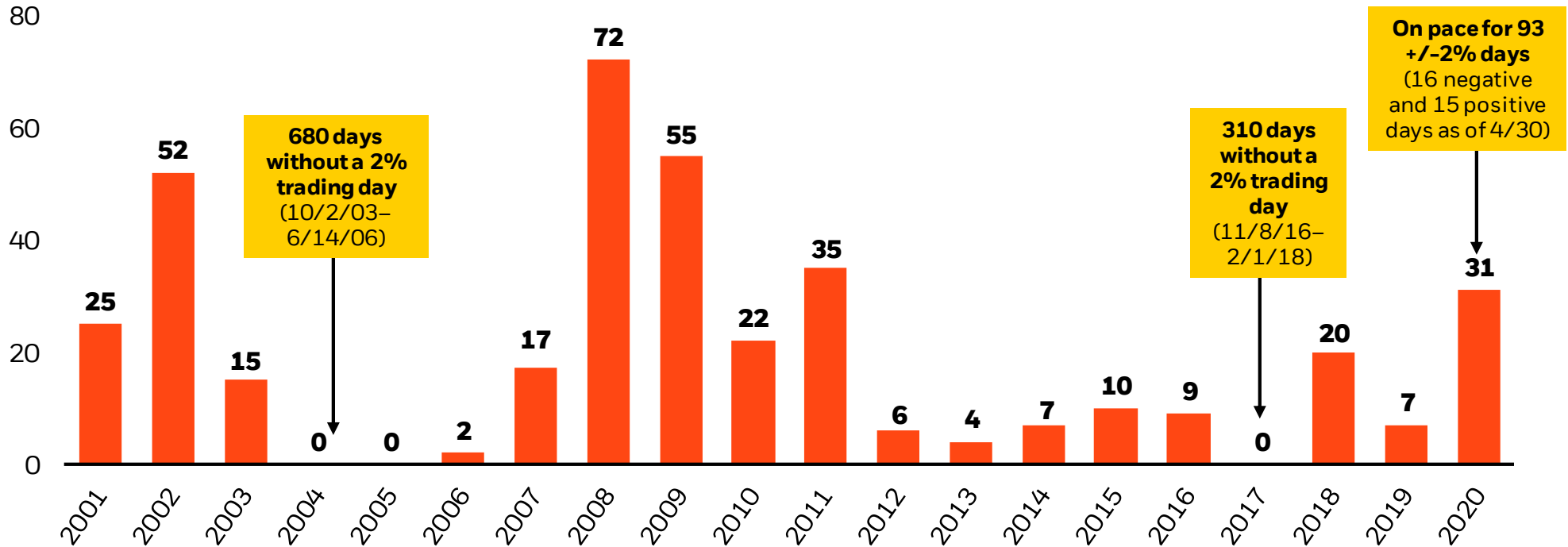
May 2020

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Historic market volatility

Number of single day stock market returns of +/-2% or more

Total +/-2% days for the S&P 500 (12/31/00 - 4/30/20)



Morningstar as of 4/30/20. Stock market represented by the S&P 500 Index, an unmanaged index that is generally considered representative of the U.S. stock market. 16 days were +/- 4% (8 positive, 8 negative). Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

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Best/worst days and months for the S&P 500 since 1950

15 best historic periods

Best Days*

Calendar Days	S&P 500 Gain*	Return 1 year later*
10/13/08	11.6%	7.0%
10/28/08	10.8%	10.9%
3/24/20	9.4%	?
3/13/20	9.3%	?
10/21/87	9.1%	9.8%
3/23/09	7.1%	42.7%
4/6/20	7.0%	?
11/13/08	6.9%	20.0%
11/24/08	6.5%	29.8%
3/10/09	6.4%	59.2%
11/21/08	6.3%	36.4%
3/26/20	6.2%	?
3/17/20	6.00%	?
7/24/02	5.7%	16.4%
9/30/08	5.4%	-9.4%
Average	7.6%	22.3%

Worst Days*

Calendar Days	S&P 500 Decline*	Return 1 year later*
10/19/87	-20.5%	23.1%
3/16/20	-12.0%	?
3/12/20	-9.5%	?
10/15/08	-9.0%	20.8%
12/01/08	-8.9%	35.9%
9/29/08	-8.8%	-4.1%
10/26/87	-8.3%	23.5%
10/09/08	-7.6%	17.8%
3/9/20	-7.6%	?
10/27/97	-6.9%	21.5%
8/31/98	-6.8%	38.0%
1/08/88	-6.8%	15.3%
11/20/08	-6.7%	45.1%
5/28/62	-6.7%	26.7%
8/08/11	-6.7%	25.2%
Average	-8.9%	24.1%

Best Months

Calendar Months	S&P 500 Gain	Return 1 year later
Oct-74	16.8%	26.0%
Jan-87	13.5%	-3.3%
Apr-20	12.8%	?
Jan-75	12.7%	36.6%
Jan-76	12.2%	5.3%
Aug-82	12.1%	44.2%
Oct-82	11.5%	28.0%
Dec-91	11.4%	7.6%
Aug-84	11.0%	18.2%
Oct-11	10.9%	15.2%
Nov-62	10.9%	21.5%
Nov-80	10.7%	-5.4%
Mar-00	9.8%	-21.7%
May-90	9.8%	11.8%
Apr-09	9.6%	38.8%
Average	11.7%	15.9%

Worst Months

Calendar Months	S&P 500 Decline	Return 1 year later
Oct-87	-21.5%	14.8%
Oct-08	-16.8%	9.8%
Aug-98	-14.5%	39.8%
Mar-20	-12.4%	?
Sep-74	-11.5%	38.1%
Nov-73	-11.1%	-23.8%
Sep-02	-10.9%	24.4%
Feb-09	-10.7%	53.6%
Mar-80	-9.7%	40.1%
Feb-01	-9.1%	-9.5%
Aug-90	-9.0%	26.9%
Dec-18	-9.0%	31.5%
Sep-08	-8.9%	-6.9%
Apr-70	-8.8%	32.1%
Oct-78	-8.7%	15.5%
Average	-11.4%	20.5%

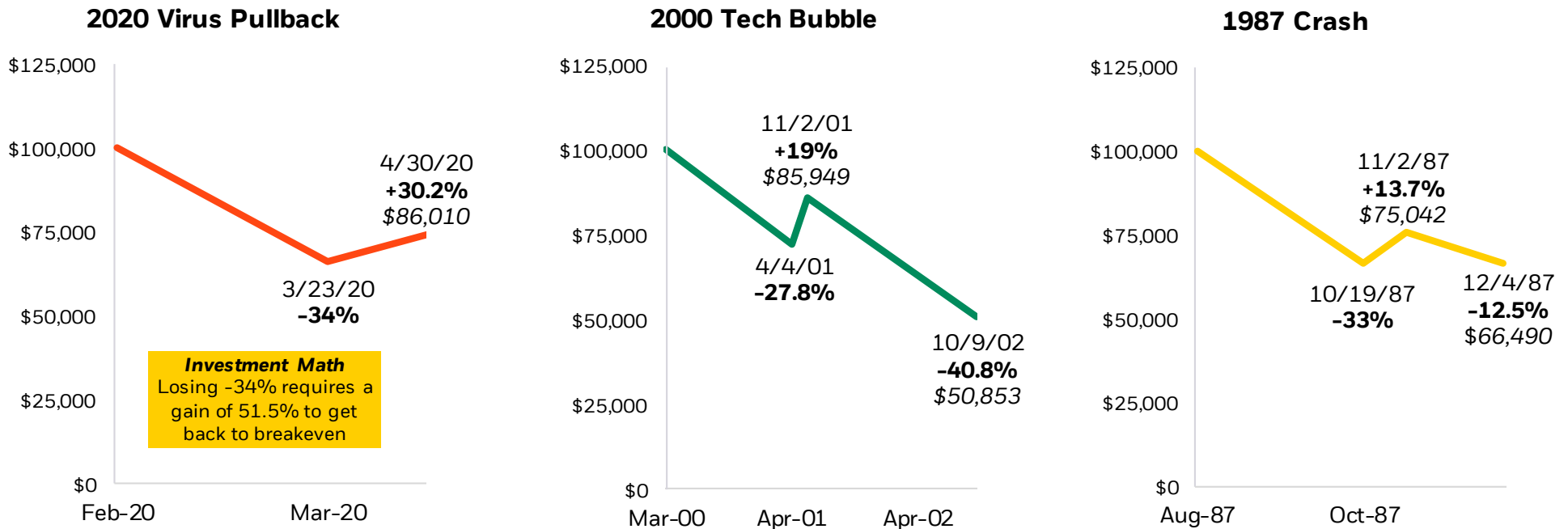
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Testing bear market lows

Recent bear markets

Looking for similar bear markets to the current pullback

(Growth of 100k, S&P 500 principal return only)

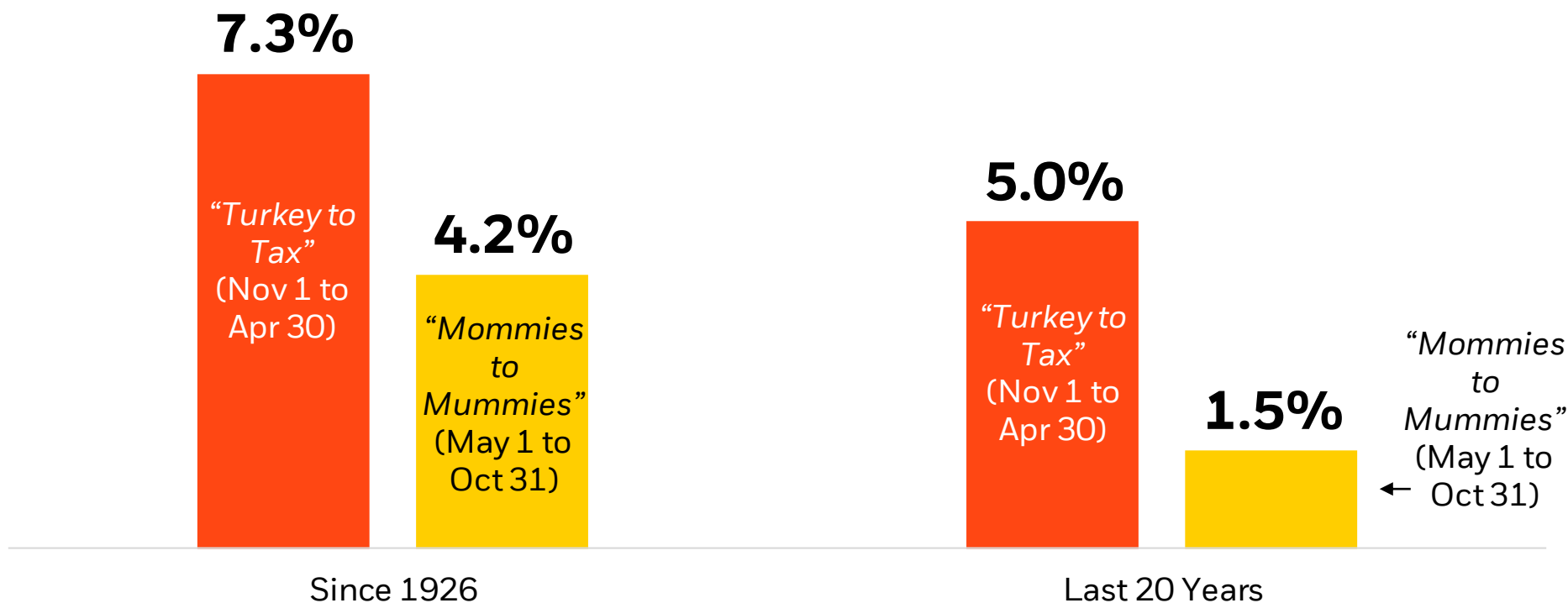


Morningstar as of 4/30/20. Stock market represented by S&P 500 Stocks PR Index, an unmanaged index that is generally considered representative of the principal return of the U.S. stock market. Principal return only, dividends not included. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

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Stocks entering a lower return seasonal period

Average 6-month cumulative returns of the S&P 500



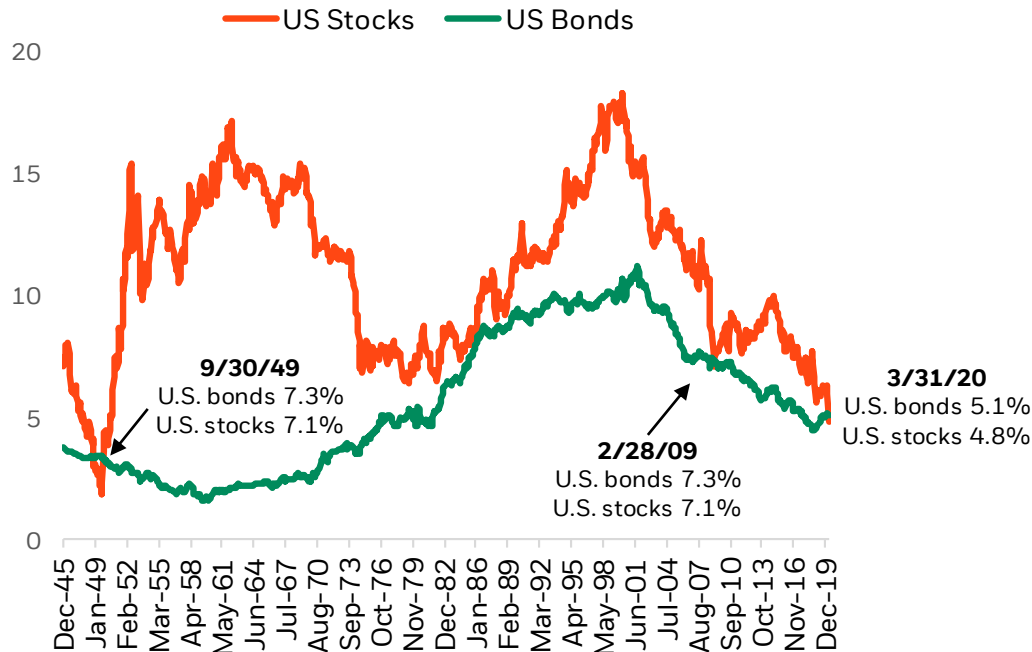
Morningstar as of 4/30/20. Stock market represented by S&P 500 and the IASBBI US Large Cap Index, an unmanaged index that is generally considered representative of the U.S. stock market, and US Bonds by the IASBBI US IT Bond Index and the BbgBarc US Aggregate Bond Index, an unmanaged index that is generally considered representative of the U.S. bond market. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

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Bonds outperforming stocks over the last 20 years

First time since February 2009 and only the 3rd time since 1926

20-year rolling performance of the S&P 500
(ending 3/31/20)



Performance after bonds outpace stocks over 20-year periods

Bonds outperform stocks over 20 years	Next 5 years	Next 10 years	Next 20 years
9/30/49	Stocks 23.3% Bonds 1.8%	Stocks 19.8% Bonds 1.3%	Stocks 14.0% Bonds 2.4%
2/28/09	Stocks 23.0% Bonds 5.1%	Stocks 16.7% Bonds 3.7%	?
3/31/20	?	?	?

Sources: BlackRock; Morningstar as of 3/31/20. U.S. stocks are represented by the S&P 500 Index and the IASBBI US Lrg Stock Tr USD Index, an unmanaged index that is generally considered representative of the U.S. stock market. Index performance is for illustrative purposes only. U.S. Bonds represented by the BbgBarc US Agg Bond Index and the IASBBI US IT Gov Index, an unmanaged index that is generally considered representative of the U.S. bond market. It is not possible to invest directly in an index. **Past performance does not guarantee or indicate future results.** *Indicates principal return, dividends not included.

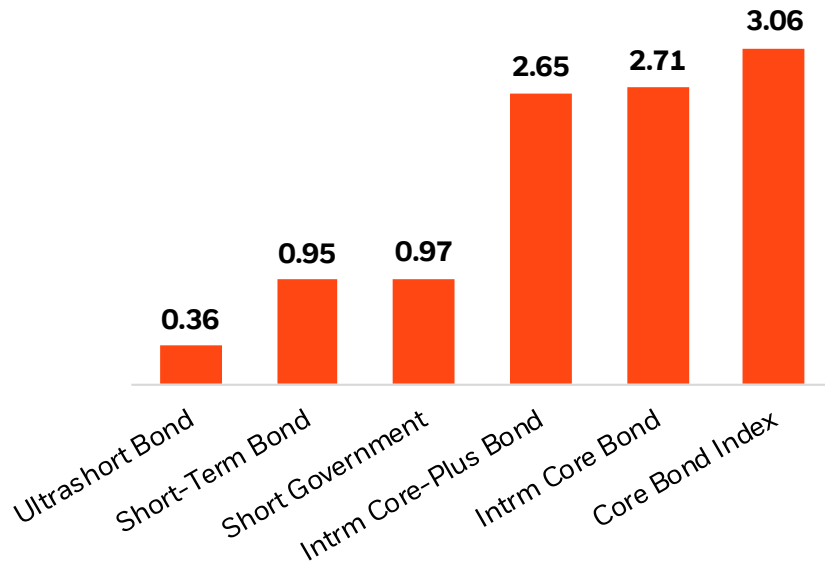
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Low risk bond strategies don't necessarily provide the best equity diversification

First time since February 2009 and only the third time since 1926

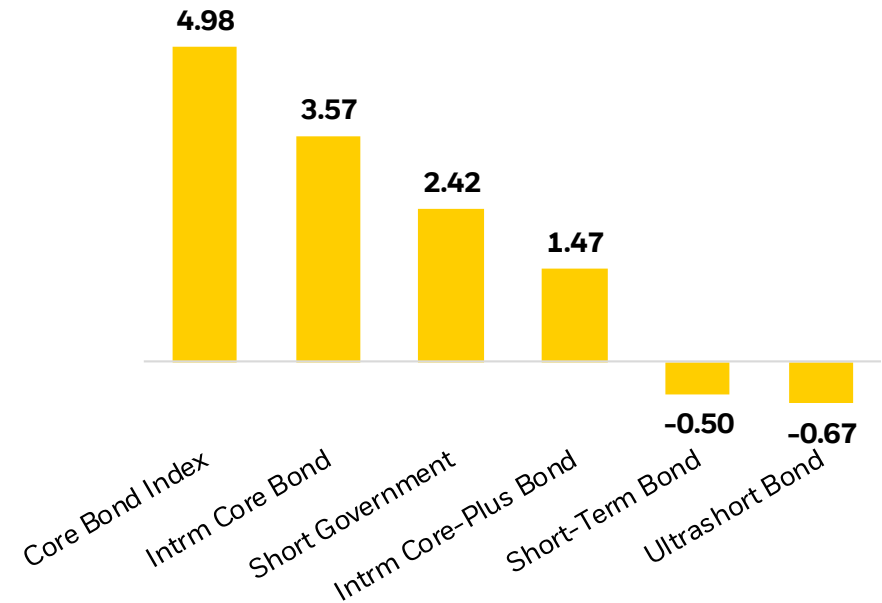
5 year risk prior to 2020 crisis

(5-year standard deviation, 12/31/14 - 12/31/19)



2020 total return

(YTD as of 4/30/20)



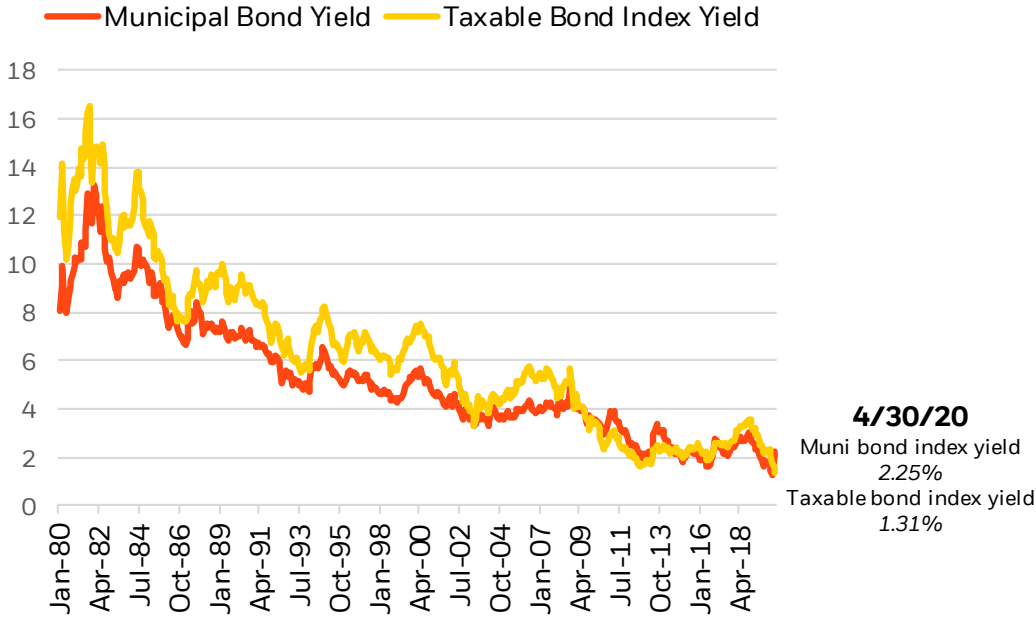
Sources: BlackRock; Morningstar as of 4/30/20. Core Bond Index represented by the BbgBarc USAgg Bond Index, an unmanaged index that is generally considered representative of the U.S. bond market, Ultrashort bonds represented by the Morningstar ultra short bond category, short-term bonds represented by the Morningstar short term bond category, short government represented by the Morningstar short government bond category, Intermediate core bonds represented by the Morningstar intermediate core bond category, intermediate core plus bonds represented by the Morningstar intermediate core plus category. It is not possible to invest directly in an index. **Past performance does not guarantee or indicate future results.** *Indicates principal return, dividends not included.

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Muni bond yields higher than taxable bond yields

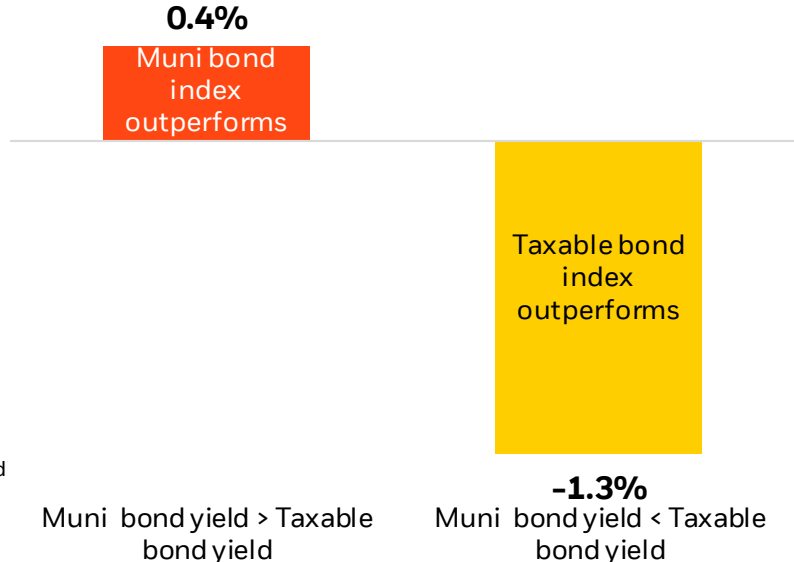
Annualized yield

(Based on month-end yields since 1979, not including tax adj. yield)



Relative performance of Muni bond index and Taxable bond index

(Return 1 year after, not including tax adj. returns)



Sources: BlackRock; Morningstar as of 4/30/20. Taxable bond yield represented by the BbgBarc USAgg Bond Yield Index, an unmanaged index that is generally considered representative of the U.S. bond market and the Municipal bond yield by the BbgBarc Municipal bond yield index, an unmanaged index that is generally considered representative of the Municipal bond market. Taxable bond total return represented by the BbgBarc USAgg Bond Index and the Municipal bond total return by the BbgBarc Municipal bond index. It is not possible to invest directly in an index. **Past performance does not guarantee or indicate future results.**

Student of the Market: May 2020

Returns as of 4/30/2020	Total Ret 1 Year	Total Ret 5 Years	Total Ret 10 Years
S&P 500 TR USD	0.86	9.12	11.69
BBgBarc Municipal TR USD	2.16	3.04	3.89
BBgBarc Municipal Yld USD	1.83	2.22	2.47
BBgBarc US Agg Bond TR USD	10.84	3.80	3.96
BBgBarc US Agg Bond Yld USD	2.13	2.56	2.42
IA SBBI US IT Govt TR USD	13.17	3.91	3.50
IA SBBI US Large Stock TR USD Ext	0.86	9.12	11.69
S&P 500 PR	-1.13	6.91	9.39
US Fund Intermediate Core Bond	8.80	3.19	3.58
US Fund Intermediate Core-Plus Bond	6.69	3.13	4.00
US Fund Short Government	4.46	1.51	1.42
US Fund Short-Term Bond	2.07	1.67	1.91
US Fund Ultrashort Bond	1.10	1.38	1.11

Source: Morningstar. Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than that shown.

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