

# 2020 Annual Market Review

# Market Summary

## Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
<b>2020</b>	<b>STOCKS</b>				<b>BONDS</b>	
	<b>20.89%</b>	<b>7.59%</b>	<b>18.31%</b>	<b>-9.09%</b>	<b>7.51%</b>	<b>3.94%</b>
						

<b>Since Jan. 2001</b>						
Avg. Annual Return	9.5%	6.8%	13.6%	9.8%	4.9%	4.5%
Best Year	33.6% <b>2013</b>	39.4% <b>2003</b>	78.5% <b>2009</b>	37.4% <b>2006</b>	10.3% <b>2002</b>	8.8% <b>2014</b>
Worst Year	-37.3% <b>2008</b>	-43.6% <b>2008</b>	-53.3% <b>2008</b>	-45.7% <b>2008</b>	-2.0% <b>2013</b>	1.2% <b>2013</b>

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.

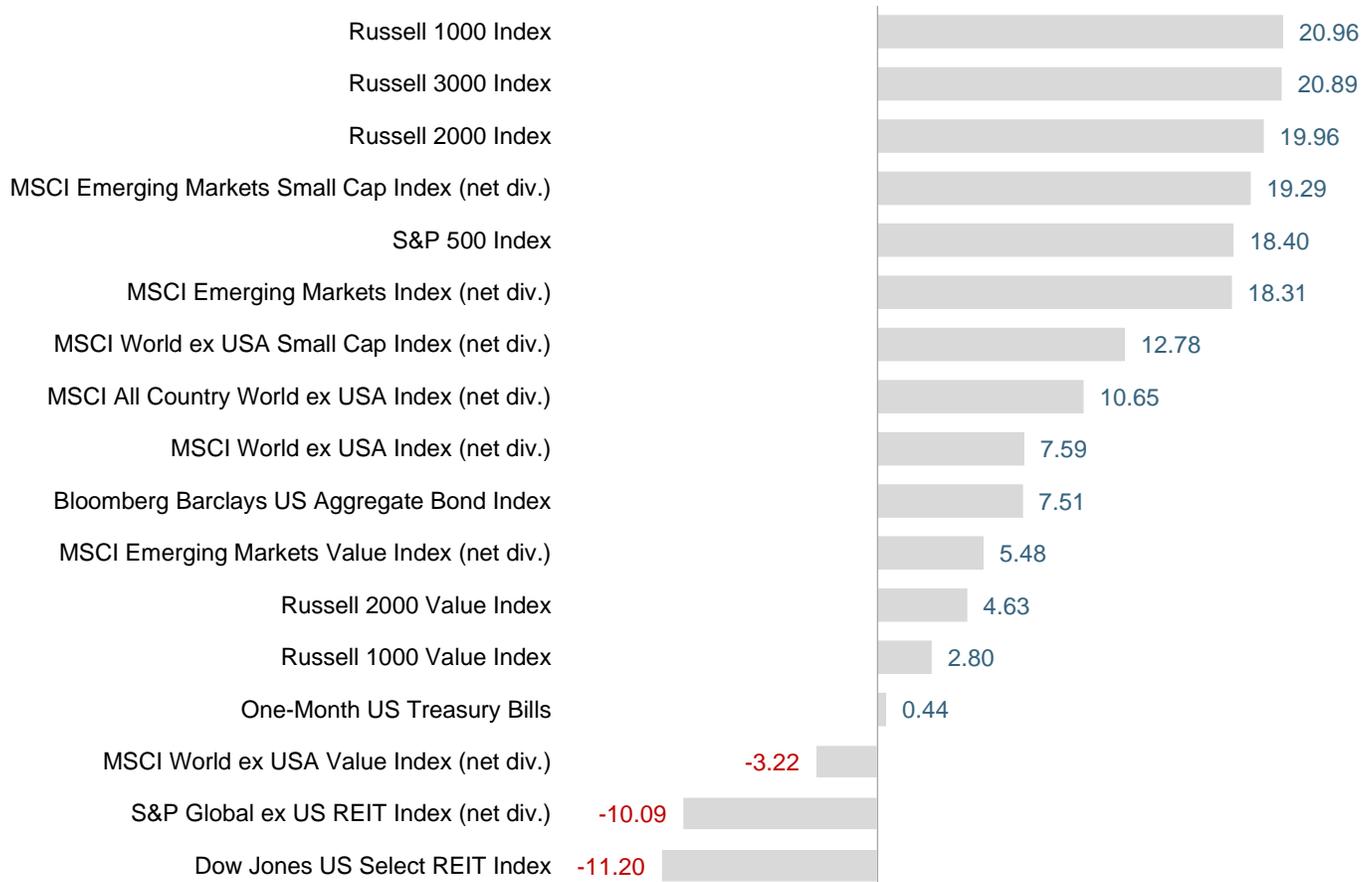
# World Asset Classes

## 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.



# US Stocks

## 2020 Index Returns

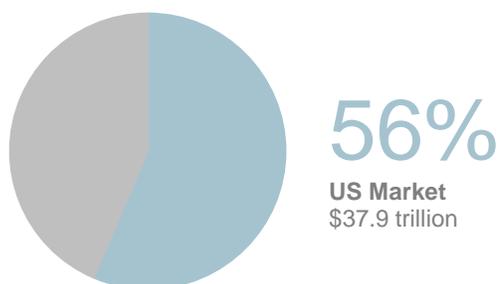
The US equity market posted positive returns for the year and outperformed emerging and non-US developed markets.

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

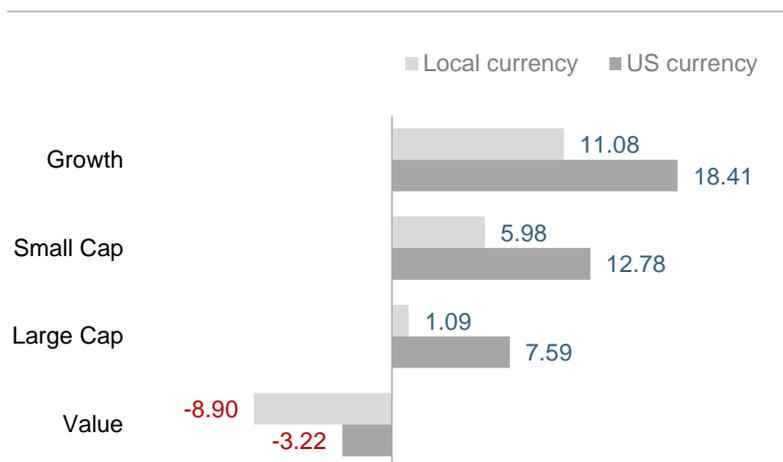
## 2020 Index Returns

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.

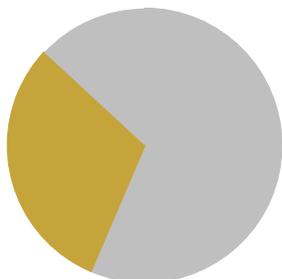
### Ranked Returns for 2020 (%)



### World Market Capitalization— International Developed

**30%**

International  
Developed Market  
\$20.5 trillion



### Period Returns (%)

\* Annualized

Asset Class	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

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 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

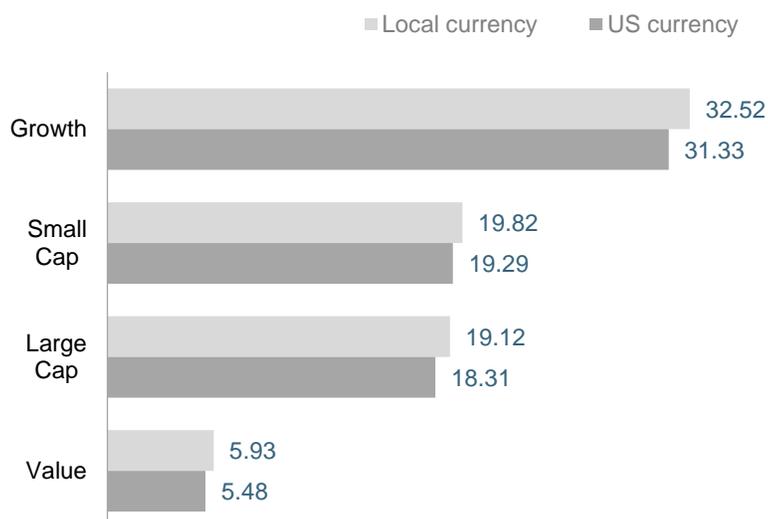
## 2020 Index Returns

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.

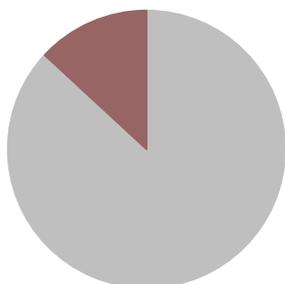
### Ranked Returns for 2020 (%)



### World Market Capitalization— Emerging Markets

13%

Emerging  
Markets  
\$8.8 trillion



### Period Returns (%)

\* Annualized

Asset Class	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.

# Real Estate Investment Trusts (REITs)

## 2020 Index Returns

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

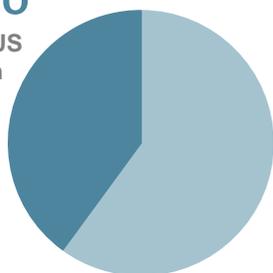
### Ranked Returns for 2020 (%)



### Total Value of REIT Stocks

40%

World ex US  
\$510 billion  
278 REITs  
(25 other countries)



60%

US  
\$767 billion  
115 REITs

### Period Returns (%)

\* Annualized

Asset Class	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.

# Fixed Income

## 2020 Index Returns

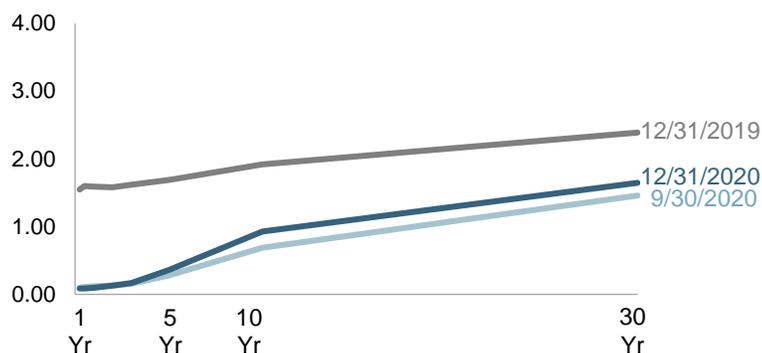
Interest rates declined in the US Treasury fixed income market in 2020. The yield on the 5-Year US Treasury note decreased 133 basis points (bps), ending at 0.39%. The yield on the 10-Year US Treasury note declined 98 bps to 0.93%. The 30-Year US Treasury bond yield decreased 72 bps to finish at 1.64%.

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.

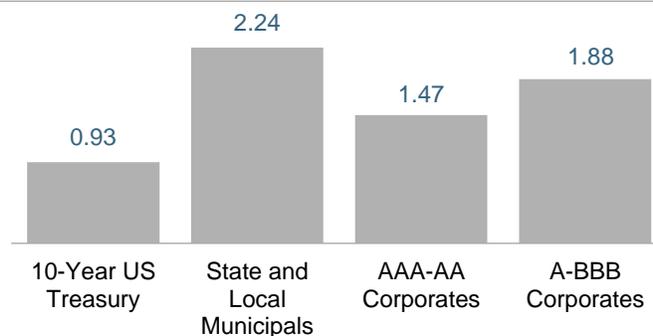
In terms of total returns, short-term corporate bonds gained 5.41%. Intermediate-term corporate bonds returned 7.47%.

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 ICE BofA US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA US 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 (SBBBI) 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.