



July 2, 2020

## MARKET STATISTICS

### INDEX RETURNS

#### EQUITIES (%)

|              | WTD  | MTD   | YTD    |
|--------------|------|-------|--------|
| S&P 500      | 4.02 | 0.98  | -2.13  |
| DJIA         | 3.25 | 0.10  | -8.34  |
| Nasdaq       | 4.62 | 1.49  | 14.42  |
| Russell 1000 | 4.06 | 1.04  | -1.80  |
| Russell 2000 | 3.85 | -0.65 | -13.55 |
| Russell 3000 | 4.05 | 0.95  | -2.57  |

#### FOREIGN (%)

|                | WTD  | MTD  | YTD    |
|----------------|------|------|--------|
| MSCI ACWI      | 2.22 | 0.49 | -5.51  |
| MSCI ACWI xUSA | 0.41 | 0.38 | -10.41 |
| MSCI EAFE      | 0.22 | 0.20 | -10.85 |
| MSCI EM        | 0.22 | 0.78 | -9.00  |

#### FIXED INCOME (%)

|                          | WTD  | MTD  | YTD   |
|--------------------------|------|------|-------|
| US Intermediate Gov/Cred | 0.13 | 0.07 | 5.35  |
| U.S. Aggregate           | 0.12 | 0.12 | 6.26  |
| US Corp High Yield       | 0.35 | 0.73 | -3.09 |
| Municipal Bond           | 0.05 | 0.00 | 2.08  |

#### OTHERS (%)

|                          | WTD   | MTD   | YTD    |
|--------------------------|-------|-------|--------|
| DJ Eqty REIT TOT RE IDX  | 5.16  | 1.97  | -11.44 |
| Alerian MLP Index        | -0.05 | -1.80 | -36.90 |
| S&P GSCI Index Spot Indx | 3.35  | 1.00  | -24.64 |
| Dollar Index Spot        | -0.22 | -0.18 | 0.86   |

### RUSSELL STYLE

#### RETURNS YTD (%)

|           | VALUE  | CORE   | GROWTH |
|-----------|--------|--------|--------|
| Large Cap | -16.05 | -1.80  | 11.79  |
| Mid Cap   | -18.00 | -8.57  | 5.77   |
| Small Cap | -24.90 | -13.55 | -2.61  |

### ECONOMIC SCORECARD

#### SELECTED RELEASES

|                              | ESTIMATE | ACTUAL   | DIFFERENCE |
|------------------------------|----------|----------|------------|
| Unemployment Rate            | 12.5%    | 11.1%    | -1.4%      |
| Change in Nonfarm Payrolls   | 3230k    | 4800k    | 1570k      |
| ISM Manufacturing            | 49.8     | 52.6     | 2.8        |
| Durable Goods Orders         | 15.8%    | 15.7%    | -0.1%      |
| Trade Balance                | -\$53.2b | -\$54.6b | -\$1.4b    |
| Conf. Board Cons. Confidence | 91.5     | 98.1     | 6.6        |

### COMMODITY PRICES

#### ALTERNATIVES

|                          | 7/2/2020   | 6/30/2020  | 12/31/2019 |
|--------------------------|------------|------------|------------|
| Generic Crude Oil Future | \$40.33    | \$39.27    | \$61.06    |
| Generic Gold Future      | \$1,787.60 | \$1,800.50 | \$1,523.10 |
| Dollar Index Spot        | \$97.22    | \$97.39    | \$96.39    |
| Euro Spot                | \$1.12     | \$1.12     | \$1.12     |

### S&P 500

#### SECTOR RETURNS (%)

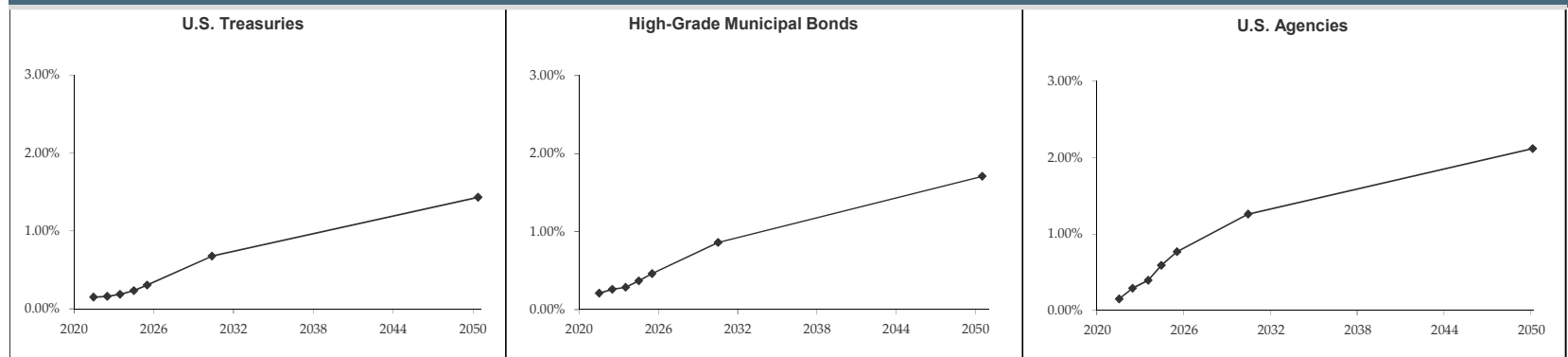
|               | YTD    |
|---------------|--------|
| Discretionary | 9.54   |
| Staples       | -5.16  |
| Energy        | -36.24 |
| Financials    | -24.30 |
| Health Care   | 0.63   |
| Industrials   | -14.36 |
| Info Tech     | 15.68  |
| Materials     | -5.01  |
| Real Estate   | -6.50  |
| Telecom       | 1.85   |
| Utilities     | -8.87  |

| U.S. Treasury Yields |          |       |
|----------------------|----------|-------|
| Coupon               | Maturity | YTM   |
| 0.000%               | 06/17/21 | 0.15% |
| 0.125%               | 06/30/22 | 0.16% |
| 0.250%               | 06/15/23 | 0.19% |
| 1.750%               | 06/30/24 | 0.23% |
| 0.250%               | 06/30/25 | 0.30% |
| 0.625%               | 05/15/30 | 0.67% |
| 1.250%               | 05/15/50 | 1.43% |

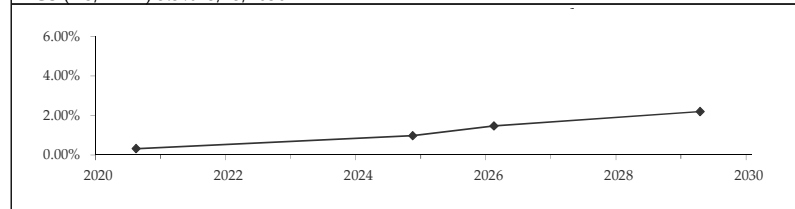
| Municipal Bond Yields <sup>1</sup> |       |                         |
|------------------------------------|-------|-------------------------|
| Maturity                           | YTM   | Tax-Equiv. <sup>2</sup> |
| 07/06/21                           | 0.21% | 0.30%                   |
| 07/06/22                           | 0.26% | 0.37%                   |
| 07/06/23                           | 0.29% | 0.41%                   |
| 07/06/24                           | 0.37% | 0.53%                   |
| 07/06/25                           | 0.46% | 0.66%                   |
| 07/06/30                           | 0.86% | 1.23%                   |
| 07/06/50                           | 1.71% | 2.44%                   |

| U.S. Agency Yields - Active Bonds |        |          |          |       |              |
|-----------------------------------|--------|----------|----------|-------|--------------|
| Agency                            | Coupon | Maturity | Price    | YTM   | To Muni (bp) |
| FHLB                              | 1.125% | 07/14/21 | \$100.97 | 0.15% | -15          |
| FNMA                              | 0.300% | 06/24/22 | \$99.97  | 0.29% | -8           |
| FFCB                              | 2.875% | 07/17/23 | \$107.43 | 0.39% | -2           |
| FFCB                              | 2.450% | 06/25/24 | \$107.25 | 0.59% | +6           |
| FFCB                              | 2.320% | 07/03/25 | \$107.54 | 0.77% | +11          |
| FFCB                              | 2.840% | 06/17/30 | \$114.44 | 1.26% | +3           |
| FFCB                              | 2.760% | 02/03/50 | \$113.31 | 2.12% | -32          |

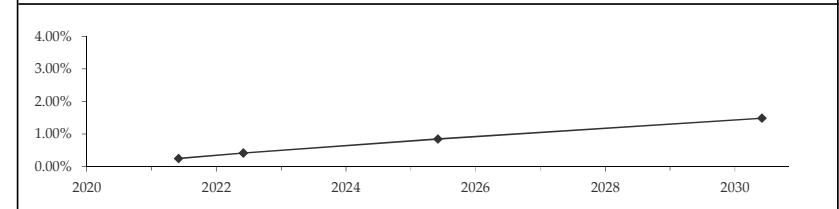
### Current Yield Curves



| Corporate Bond Yields           |          |       |                  |
|---------------------------------|----------|-------|------------------|
| Description                     | Price    | YTM   | To Treasury (bp) |
| WFC (A2/A-) 2.1% 7/26/2021      | \$101.82 | 0.32% | +16              |
| JPM (A2/A-) 2.3% 10/15/2025     | \$105.39 | 0.98% | +75              |
| MS (A3 *+/BBB+) 3.63% 1/20/2027 | \$113.27 | 1.47% | +116             |
| GS (A3/BBB+) 3.3% 3/15/2030     | \$109.16 | 2.20% | +152             |



| Bullet & Callable Agency Bond Yields <sup>3</sup> |           |         |       |       |
|---|-----------|---------|-------|-------|
| Description                                       | Call Date | Price   | YTM   | YTW   |
| FFCB 0.21% 6/23/2021                              | 09/23/20  | \$99.99 | 0.25% | 0.25% |
| FHLMC 0.38% 6/22/2022                             | 12/22/20  | \$99.95 | 0.41% | 0.41% |
| FFCB 0.83% 6/17/2025                              | 09/17/20  | \$99.93 | 0.85% | 0.84% |
| FFCB 1.45% 6/11/2030                              | 06/11/21  | \$99.70 | 1.48% | 1.48% |



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

Key: bp - basis points. One basis point is 1/100 of one percent. YTM - yield to maturity; YTC - yield to call.

Factual materials obtained from sources believed to be reliable but cannot be guaranteed. Part II of Form ADV is available upon request. For further information please contact FCI at (800) 615-2536.



July 10, 2020

## MARKET STATISTICS

### INDEX RETURNS

#### EQUITIES (%)

|              | WTD   | MTD   | YTD    |
|--------------|-------|-------|--------|
| S&P 500      | 1.76  | 2.79  | -0.38  |
| DJIA         | 0.96  | 1.08  | -7.44  |
| Nasdaq       | 4.01  | 5.57  | 19.01  |
| Russell 1000 | 1.90  | 3.00  | 0.10   |
| Russell 2000 | -0.64 | -1.27 | -14.09 |
| Russell 3000 | 1.76  | 2.75  | -0.82  |

#### FOREIGN (%)

|                | WTD  | MTD  | YTD   |
|----------------|------|------|-------|
| MSCI ACWI      | 1.12 | 2.69 | -3.45 |
| MSCI ACWI xUSA | 1.35 | 3.56 | -7.57 |
| MSCI EAFE      | 0.07 | 1.50 | -9.69 |
| MSCI EM        | 4.51 | 8.87 | -1.70 |

#### FIXED INCOME (%)

|                          | WTD  | MTD  | YTD   |
|--------------------------|------|------|-------|
| US Intermediate Gov/Cred | 0.18 | 0.25 | 5.54  |
| U.S. Aggregate           | 0.54 | 0.66 | 6.84  |
| US Corp High Yield       | 0.40 | 1.13 | -2.71 |
| Municipal Bond           | 0.35 | 0.35 | 2.43  |

#### OTHERS (%)

|                          | WTD   | MTD   | YTD    |
|--------------------------|-------|-------|--------|
| DJ Eqty REIT TOT RE IDX  | -2.32 | -0.40 | -13.50 |
| Alerian MLP Index        | -4.55 | -6.26 | -39.77 |
| S&P GSCI Index Spot Indx | 0.31  | 2.58  | -23.46 |
| Dollar Index Spot        | -0.53 | -0.75 | 0.28   |

### RUSSELL STYLE

#### RETURNS YTD (%)

|           | VALUE  | CORE   | GROWTH |
|-----------|--------|--------|--------|
| Large Cap | -15.81 | 0.10   | 15.70  |
| Mid Cap   | -18.46 | -8.29  | 7.76   |
| Small Cap | -25.97 | -14.09 | -2.51  |

### ECONOMIC SCORECARD

#### SELECTED RELEASES

|                             | ESTIMATE  | ACTUAL    | DIFFERENCE |
|-----------------------------|-----------|-----------|------------|
| Initial Jobless Claims      | 1375k     | 1314k     | -61k       |
| Continuing Claims           | 18800k    | 18062k    | -738k      |
| ISM Non-Manufacturing Index | 50.2      | 57.1      | 6.9        |
| Markit US Services PMI      | 46.9      | 47.9      | 1.0        |
| PPI Final Demand MoM        | 0.4%      | -0.2%     | -0.6%      |
| Consumer Credit             | -\$15.00b | -\$18.28b | -\$3.30b   |

### COMMODITY PRICES

#### ALTERNATIVES

|                          | 7/10/2020  | 6/30/2020  | 12/31/2019 |
|--------------------------|------------|------------|------------|
| Generic Crude Oil Future | \$40.57    | \$39.27    | \$61.06    |
| Generic Gold Future      | \$1,801.30 | \$1,800.50 | \$1,523.10 |
| Dollar Index Spot        | \$96.66    | \$97.39    | \$96.39    |
| Euro Spot                | \$1.13     | \$1.12     | \$1.12     |

### S&P 500

#### SECTOR RETURNS (%)

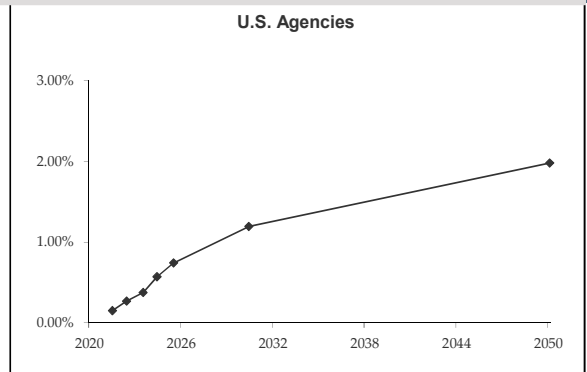
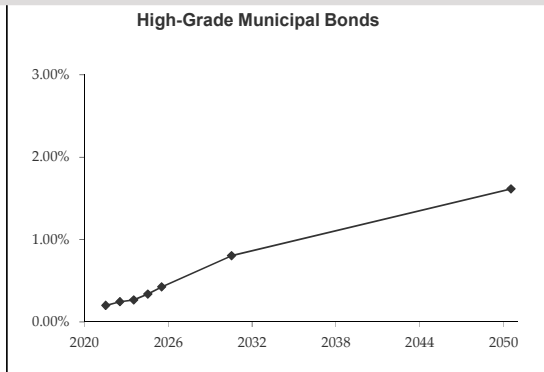
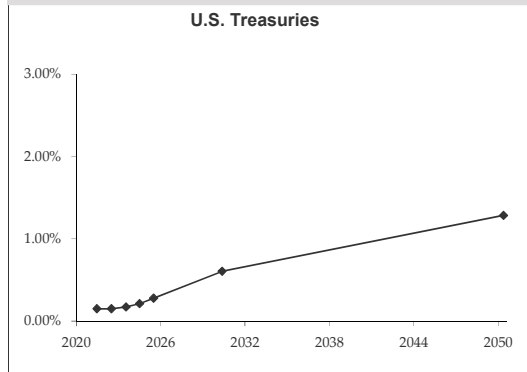
|                        | YTD    |
|------------------------|--------|
| Discretionary          | 14.83  |
| Staples                | -2.80  |
| Energy                 | -39.19 |
| Financials             | -22.66 |
| Health Care            | -0.25  |
| Industrials            | -15.55 |
| Info Tech              | 18.81  |
| Materials              | -4.28  |
| Real Estate            | -8.08  |
| Communication Services | 6.86   |
| Utilities              | -9.03  |

| Coupon | Maturity | YTM   |
|--------|----------|-------|
| 0.000% | 06/17/21 | 0.15% |
| 0.125% | 06/30/22 | 0.15% |
| 0.125% | 07/15/23 | 0.17% |
| 1.750% | 06/30/24 | 0.21% |
| 0.250% | 06/30/25 | 0.28% |
| 0.625% | 05/15/30 | 0.60% |
| 1.250% | 05/15/50 | 1.28% |

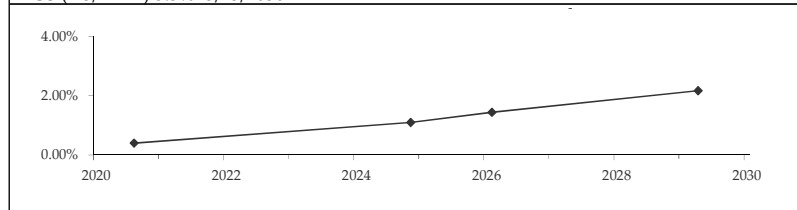
| Maturity | YTM   | Tax-Equiv. <sup>2</sup> |
|----------|-------|-------------------------|
| 07/13/21 | 0.20% | 0.29%                   |
| 07/13/22 | 0.25% | 0.35%                   |
| 07/13/23 | 0.27% | 0.38%                   |
| 07/13/24 | 0.34% | 0.48%                   |
| 07/13/25 | 0.42% | 0.61%                   |
| 07/13/30 | 0.80% | 1.15%                   |
| 07/13/50 | 1.62% | 2.31%                   |

| Agency | Coupon | Maturity | Price    | YTM   | To Muni (bp) |
|--------|--------|----------|----------|-------|--------------|
| FHLB   | 1.125% | 07/14/21 | \$100.95 | 0.15% | -14          |
| FNMA   | 0.300% | 06/24/22 | \$100.02 | 0.27% | -8           |
| FFCB   | 2.875% | 07/17/23 | \$107.45 | 0.37% | -1           |
| FFCB   | 2.450% | 06/25/24 | \$107.29 | 0.57% | +9           |
| FFCB   | 2.320% | 07/03/25 | \$107.64 | 0.74% | +13          |
| FFCB   | 2.840% | 06/17/30 | \$115.08 | 1.19% | +4           |
| FFCB   | 2.760% | 02/03/50 | \$116.57 | 1.98% | -33          |

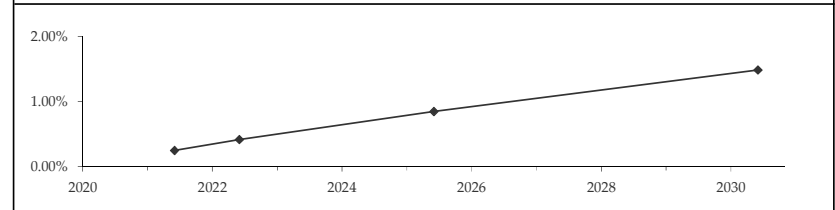
Current Yield Curves



| Description                     | Price    | YTM   | To Treasury (bp) |
|---------------------------------|----------|-------|------------------|
| WFC (A2/A-) 2.1% 7/26/2021      | \$101.71 | 0.40% | +25              |
| JPM (A2/A-) 2.3% 10/15/2025     | \$105.14 | 1.10% | +89              |
| MS (A3 *+/BBB+) 3.63% 1/20/2027 | \$113.41 | 1.44% | +116             |
| GS (A3/BBB+) 3.3% 3/15/2030     | \$109.40 | 2.17% | +157             |



| Description           | Call Date | Price   | YTM   | YTW   |
|-----------------------|-----------|---------|-------|-------|
| FFCB 0.21% 6/23/2021  | 09/23/20  | \$99.99 | 0.25% | 0.25% |
| FHLMC 0.38% 6/22/2022 | 12/22/20  | \$99.95 | 0.41% | 0.41% |
| FFCB 0.83% 6/17/2025  | 09/17/20  | \$99.93 | 0.85% | 0.84% |
| FFCB 1.45% 6/11/2030  | 06/11/21  | \$99.70 | 1.48% | 1.48% |



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

Key: bp - basis points. One basis point is 1/100 of one percent. YTM - yield to maturity; YTC - yield to call.

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## ECONOMIC OUTLOOK

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### *Summary*

After several months of cratering economic data due to the “Great Lockdown”, June brought some much needed relief. As many regions slowly lifted their “shelter-in-place” orders, growth began to pick up, albeit from significantly depressed levels. Nearly all economic releases during the month showed improvement for the first time since March, though most remain far from their pre-COVID levels. With that in mind, many respected economists now believe we are emerging from a recession that began in February, and likely ended in May. However, this does not mean we are in the clear, as they also believe that high unemployment will likely create lingering issues for the economy moving forward. This hopefully indicates the worst is behind us, though a great deal of uncertainty remains.

To illustrate this point, initial unemployment claims have decreased for 15 consecutive weeks, yet they still register weekly levels that would constitute pre-COVID records. The reported continuing claims number (the overall number of people receiving unemployment benefits) has also been trending lower for nearly two months, yet it doesn’t include independent contractors, self-employed, or “gig economy” workers who can now receive benefits due to the CARES Act, but would have otherwise been ineligible for unemployment assistance. When those individuals are included in the total, the continuing claims number is actually increasing substantially. The ambiguity in the data may ultimately cause more questions than answers.

In the short term, even with the job losses, overall income remains high due to the fiscal stimulus enacted by the government. With the extra boost in unemployment benefits set to expire at July month-end, and a virus that just won’t

go away, there is likely more for Congress to do. We are experiencing the onset of a “second wave” across the nation, and while it is unlikely that an uptick in cases will lead to another country-wide lockdown, it is highly probable that certain regions will experience some form of rolling economic shutdowns even if they are not mandated by the local or federal government. The extent to which that happens will determine the rate of growth in the economy but the hope is that the country will continue to re-open at a faster rate than hotspot regions cause closures.

### *Positives*

Retail sales month-over-month (MoM) beat expectations (17.7% vs 8.4% expected)

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Pending home sales MoM reached a record high (44.3% vs 19.3% expected)

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The ISM Non-Manufacturing Index is back in expansionary territory (57.1)

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Personal savings rates above 20% averaged below 9% pre-COVID

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### *Negatives*

New factory orders (ex-transportation) MoM missed estimates (2.6% vs. 6.5% expected)

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Construction spending MoM decreased more than estimates (-2.1% vs +1.0% expected)

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## EQUITY OUTLOOK

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### *Summary*

Equity markets continued to march higher in June with the S&P 500 adding 2.0% during the month. The index's 20.5% rebound in the second quarter leaves it down just 3.1% year-to-date following the massive pandemic-fueled losses in the opening quarter of 2020. Investors remained focused on impact of fiscal and monetary stimulus and glimmers of hope around economic reopening.

Growth stocks regained momentum over value in June. The Russell 1000 Growth Index rose 4.4% while the Russell 1000 Value Index declined 0.7%. The market continues to reward those companies that are well-positioned to flourish in the current and post-pandemic economies. Information technology and consumer discretionary were the best performing sectors posting increases of 7.7% and 5.0% respectively. The laggards were utilities, which fell 4.7%, and health care, down 2.4%.

The United States has seen a surge in new COVID-19 cases primarily in states that were among the most aggressive to reopen. There has been much debate about whether this is a second wave or a reacceleration of the first. Regardless, while the media has focused much attention on the outbreak, capital markets are looking beyond the virus in an attempt to accurately determine stock valuations.

As long-term investors of client capital, we acknowledge the risk associated with the current conditions but value stocks based on future cash flows. By some measures stocks broadly look expensive, though given the low discount rate other valuation measures look quite reasonable. Headline risks

remain substantial and daily volatility will likely continue for the balance of the year. However, barring a major setback on the virus front, the current bull trend should remain intact over the near term.

### *Positives*

Health care and pharmaceutical industries continue to make medical breakthroughs concerning the COVID-19 outbreak

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Many retail investors have been on the sidelines throughout the rally

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Accommodative Federal Reserve and global central bank policy

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### *Negatives*

Rising geopolitical tensions

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As people let down their guard, additional virus waves appear possible

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### *Unknowns*

The presidential election is basically a coin flip at this time

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Any additional round (or two) of stimulus is likely to be met by partisan bickering

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## FIXED INCOME OUTLOOK

### *Summary*

At the conclusion of the June meeting of the Federal Reserve Open Market Committee (FOMC), Federal Reserve Chairman Powell confirmed they intend to keep the overnight rate unchanged (at 0.25%) through 2022. They also plan on continuing their open market operations by purchasing at least \$80 billion of U.S. Treasury securities and \$40 billion of mortgage-backed securities per month indefinitely. While they discussed the further step of yield curve targeting, it was not viewed favorably by many of the participants and will not likely become an “official policy tool” of the FOMC in the near term.

Even without the official yield targeting policy, the Federal Reserve is firmly in control of the front of the yield curve and heavily influencing longer maturities. As such, Treasury yields ended the month of June at levels nearly identical to where they began. Besides a four-day bump in yields following the release of May’s surprisingly strong payroll report, the 10-year note traded in a 13 basis point (bps) range, even narrower than the 20 bps range that has existed since late March. To put this stability in context, since the turn of the century there have only been three calendar quarters in which the 10-year traded in a range less than 30 bps on a nightly closing basis. The average trading range over the same 82 calendar quarters has been 73 bps.

The Treasury market delivered a modest 9 bps return for the month of June but the six-month return was still an outstanding 8.71%. With the Fed on hold and content at current yield levels, there is little opportunity for outsized returns from the Treasury market going forward. We expect more “coupon-like” returns in the coming months. If the spread of the coronavirus continues to reaccelerate, the Fed might target lower rates further out on the curve and employ more of their “unofficial policy tools.”

Corporate credits were again the star performers of the bond market for the third consecutive month. Investment-grade credit spreads narrowed by another 25 bps which lead this sector to deliver a return of 1.96% for the month of June. Intermediate corporate bonds had a return of 1.63% for June, far surpassing the intermediate Treasury market return of 0.08%. Given the Fed’s additional focus on the “smooth functioning of financial markets” and the support programs put to insure such, we believe investment-grade corporate bonds still have room to deliver solid returns in the second half of the year.

### *Positives*

Investment-grade corporate bonds supported by Fed purchases

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Federal Reserve’s rate policy will cap rates across the curve

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Inflation likely to be lower, not higher, in the next few years

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### *Negatives*

Fed does not want to pursue a negative interest rate policy

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Corporate debt issuance to set new record levels

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### *Unknowns*

The spread of the coronavirus and the progress toward a vaccine

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Likelihood of new tariffs with China and Russia

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Election outcome

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## MARKET STATISTICS

### INDEX RETURNS

#### EQUITIES (%)

|              | WTD   | MTD  | YTD    |
|--------------|-------|------|--------|
| S&P 500      | 1.25  | 4.10 | 0.88   |
| DJIA         | 2.29  | 3.42 | -5.30  |
| Nasdaq       | -1.08 | 4.43 | 17.73  |
| Russell 1000 | 1.19  | 4.24 | 1.31   |
| Russell 2000 | 3.56  | 2.26 | -11.02 |
| Russell 3000 | 1.32  | 4.13 | 0.50   |

#### FOREIGN (%)

|                | WTD   | MTD  | YTD   |
|----------------|-------|------|-------|
| MSCI ACWI      | 0.85  | 4.23 | -2.00 |
| MSCI ACWI xUSA | 0.91  | 4.56 | -6.67 |
| MSCI EAFE      | 2.19  | 4.15 | -7.33 |
| MSCI EM        | -2.17 | 5.60 | -4.65 |

#### FIXED INCOME (%)

|                          | WTD  | MTD  | YTD   |
|--------------------------|------|------|-------|
| US Intermediate Gov/Cred | 0.18 | 0.34 | 5.64  |
| U.S. Aggregate           | 0.28 | 0.82 | 7.01  |
| US Corp High Yield       | 0.99 | 2.07 | -1.81 |
| Municipal Bond           | 0.42 | 0.92 | 3.02  |

#### OTHERS (%)

|                          | WTD   | MTD   | YTD    |
|--------------------------|-------|-------|--------|
| DJ Eqty REIT TOT RE IDX  | 0.62  | 0.22  | -12.96 |
| Alerian MLP Index        | 2.41  | -4.00 | -38.32 |
| S&P GSCI Index Spot Indx | 0.12  | 3.94  | -22.45 |
| Dollar Index Spot        | -0.72 | -1.47 | -0.45  |

### RUSSELL STYLE

#### RETURNS YTD (%)

|           | VALUE  | CORE   | GROWTH |
|-----------|--------|--------|--------|
| Large Cap | -12.93 | 1.31   | 14.74  |
| Mid Cap   | -14.98 | -5.50  | 8.70   |
| Small Cap | -22.75 | -11.02 | 0.29   |

### ECONOMIC SCORECARD

#### SELECTED RELEASES

|                           | ESTIMATE | ACTUAL | DIFFERENCE |
|---------------------------|----------|--------|------------|
| Retail Sales Advance MoM  | 5.0%     | 7.5%   | 2.5%       |
| Initial Jobless Claims    | 1250k    | 1300k  | 50k        |
| Continuing Claims         | 17500k   | 17338k | -162k      |
| NFIB Sm Business Optimism | 97.8     | 100.6  | 2.8        |
| CPI MoM                   | 0.5%     | 0.6%   | 0.1%       |
| Housing Starts MoM        | 22.2%    | 17.3%  | -4.9%      |

### COMMODITY PRICES

#### ALTERNATIVES

|                          | 7/17/2020  | 6/30/2020  | 12/31/2019 |
|--------------------------|------------|------------|------------|
| Generic Crude Oil Future | \$40.59    | \$39.27    | \$61.06    |
| Generic Gold Future      | \$1,812.10 | \$1,800.50 | \$1,523.10 |
| Dollar Index Spot        | \$95.96    | \$97.39    | \$96.39    |
| Euro Spot                | \$1.14     | \$1.12     | \$1.12     |

### S&P 500

#### SECTOR RETURNS (%)

|               | YTD    |
|---------------|--------|
| Discretionary | 12.97  |
| Staples       | -0.89  |
| Energy        | -37.35 |
| Financials    | -21.08 |
| Health Care   | 4.89   |
| Industrials   | -10.62 |
| Info Tech     | 17.44  |
| Materials     | 0.92   |
| Real Estate   | -8.04  |
| Telecom       | 5.87   |
| Utilities     | -5.19  |

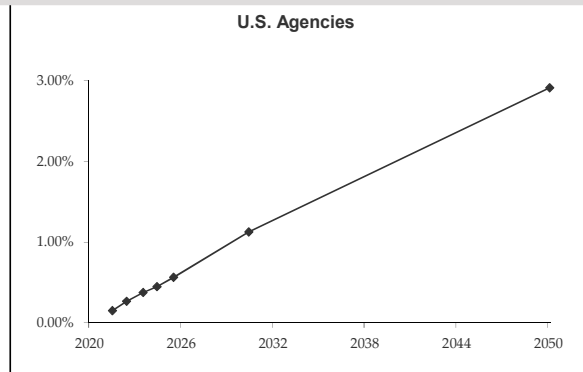
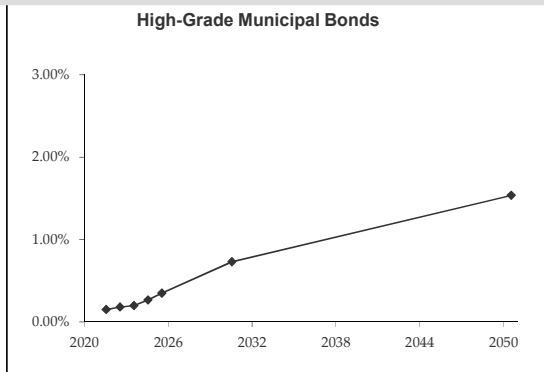
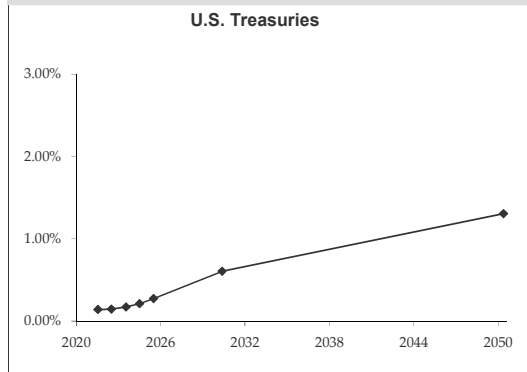


| U.S. Treasury Yields |          |       |
|----------------------|----------|-------|
| Coupon               | Maturity | YTM   |
| 0.000%               | 07/15/21 | 0.14% |
| 0.125%               | 06/30/22 | 0.15% |
| 0.125%               | 07/15/23 | 0.17% |
| 1.750%               | 06/30/24 | 0.21% |
| 0.250%               | 06/30/25 | 0.27% |
| 0.625%               | 05/15/30 | 0.60% |
| 1.250%               | 05/15/50 | 1.31% |

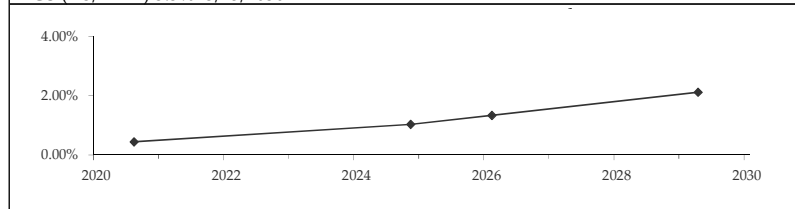
| Municipal Bond Yields <sup>1</sup> |       |                         |
|------------------------------------|-------|-------------------------|
| Maturity                           | YTM   | Tax-Equiv. <sup>2</sup> |
| 07/20/21                           | 0.15% | 0.21%                   |
| 07/20/22                           | 0.18% | 0.26%                   |
| 07/20/23                           | 0.20% | 0.28%                   |
| 07/20/24                           | 0.27% | 0.38%                   |
| 07/20/25                           | 0.35% | 0.50%                   |
| 07/20/30                           | 0.73% | 1.04%                   |
| 07/20/50                           | 1.54% | 2.19%                   |

| U.S. Agency Yields - Active Bonds |        |          |          |       |              |
|-----------------------------------|--------|----------|----------|-------|--------------|
| Agency                            | Coupon | Maturity | Price    | YTM   | To Muni (bp) |
| FHLB                              | 1.125% | 07/14/21 | \$100.95 | 0.15% | -6           |
| FNMA                              | 0.320% | 06/24/22 | \$100.06 | 0.27% | +1           |
| FFCB                              | 2.875% | 07/17/23 | \$107.40 | 0.37% | +9           |
| FFCB                              | 2.450% | 06/25/24 | \$107.76 | 0.44% | +6           |
| FFCB                              | 2.320% | 07/03/25 | \$108.52 | 0.56% | +6           |
| FFCB                              | 2.840% | 06/17/30 | \$115.75 | 1.12% | +8           |
| FFCB                              | 2.760% | 02/03/50 | \$97.00  | 2.91% | +72          |

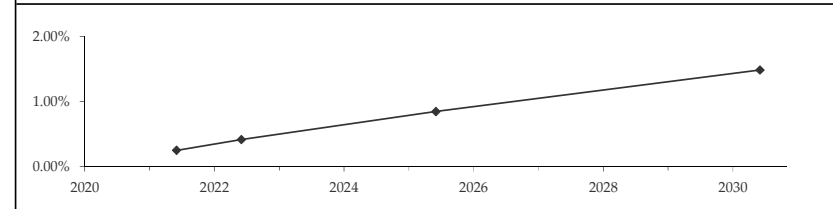
Current Yield Curves



| Corporate Bond Yields           |          |       |                  |
|---------------------------------|----------|-------|------------------|
| Description                     | Price    | YTM   | To Treasury (bp) |
| WFC (A2/A-) 2.1% 7/26/2021      | \$101.67 | 0.44% | +30              |
| JPM (A2/A-) 2.3% 10/15/2025     | \$105.48 | 1.03% | +82              |
| MS (A3 *+/BBB+) 3.63% 1/20/2027 | \$114.22 | 1.33% | +106             |
| GS (A3/BBB+) 3.3% 3/15/2030     | \$109.83 | 2.12% | +152             |



| Bullet & Callable Agency Bond Yields <sup>3</sup> |           |         |       |       |  |
|---|-----------|---------|-------|-------|--|
| Description                                       | Call Date | Price   | YTM   | YTW   |  |
| FFCB 0.21% 6/23/2021                              | 09/23/20  | \$99.99 | 0.25% | 0.25% |  |
| FHLMC 0.38% 6/22/2022                             | 12/22/20  | \$99.95 | 0.41% | 0.41% |  |
| FFCB 0.83% 6/17/2025                              | 09/17/20  | \$99.93 | 0.85% | 0.84% |  |
| FFCB 1.45% 6/11/2030                              | 06/11/21  | \$99.70 | 1.48% | 1.48% |  |



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

Key: bp - basis points. One basis point is 1/100 of one percent. YTM - yield to maturity; YTC - yield to call.

Factual materials obtained from sources believed to be reliable but cannot be guaranteed. Part II of Form ADV is available upon request. For further information please contact FCI at (800) 615-2536.



## MARKET STATISTICS

### INDEX RETURNS

#### EQUITIES (%)

|              | WTD   | MTD  | YTD    |
|--------------|-------|------|--------|
| S&P 500      | -0.28 | 3.82 | 0.61   |
| DJIA         | -0.76 | 2.66 | -6.00  |
| Nasdaq       | -1.33 | 3.04 | 16.17  |
| Russell 1000 | -0.29 | 3.95 | 1.03   |
| Russell 2000 | -0.39 | 1.86 | -11.37 |
| Russell 3000 | -0.29 | 3.83 | 0.22   |

#### FOREIGN (%)

|                | WTD  | MTD  | YTD   |
|----------------|------|------|-------|
| MSCI ACWI      | 0.81 | 5.41 | -0.89 |
| MSCI ACWI xUSA | 1.47 | 6.41 | -5.02 |
| MSCI EAFE      | 1.24 | 5.46 | -6.17 |
| MSCI EM        | 2.14 | 8.85 | -1.71 |

#### FIXED INCOME (%)

|                          | WTD  | MTD  | YTD   |
|--------------------------|------|------|-------|
| US Intermediate Gov/Cred | 0.21 | 0.54 | 5.84  |
| U.S. Aggregate           | 0.45 | 1.23 | 7.44  |
| US Corp High Yield       | 1.50 | 3.75 | -0.19 |
| Municipal Bond           | 0.36 | 1.30 | 3.41  |

#### OTHERS (%)

|                          | WTD   | MTD   | YTD    |
|--------------------------|-------|-------|--------|
| DJ Eqty REIT TOT RE IDX  | -0.61 | -0.40 | -13.50 |
| Alerian MLP Index        | 1.39  | -2.67 | -37.46 |
| S&P GSCI Index Spot Indx | 1.24  | 4.97  | -21.68 |
| Dollar Index Spot        | -1.65 | -3.12 | -2.11  |

### RUSSELL STYLE

#### RETURNS YTD (%)

|           | VALUE  | CORE   | GROWTH |
|-----------|--------|--------|--------|
| Large Cap | -12.78 | 1.03   | 13.93  |
| Mid Cap   | -14.67 | -5.30  | 8.63   |
| Small Cap | -22.21 | -11.37 | -1.11  |

### ECONOMIC SCORECARD

#### SELECTED RELEASES

|                             | ESTIMATE | ACTUAL | DIFFERENCE |
|-----------------------------|----------|--------|------------|
| Markit US Services PMI      | 51.0     | 49.6   | -1.4       |
| Markit US Manufacturing PMI | 52.0     | 51.3   | -0.7       |
| Initial Jobless Claims      | 1300k    | 1416k  | 116k       |
| Continuing Claims           | 17100k   | 16197k | -903k      |
| Existing Home Sales MoM     | 21.4%    | 20.7%  | -0.7%      |
| New Home Sales MoM          | 3.6%     | 13.8%  | 10.2%      |

### COMMODITY PRICES

#### ALTERNATIVES

|                          | 7/24/2020  | 6/30/2020  | 12/31/2019 |
|--------------------------|------------|------------|------------|
| Generic Crude Oil Future | \$41.21    | \$39.27    | \$61.06    |
| Generic Gold Future      | \$1,900.00 | \$1,800.50 | \$1,523.10 |
| Dollar Index Spot        | \$94.36    | \$97.39    | \$96.39    |
| Euro Spot                | \$1.17     | \$1.12     | \$1.12     |

### S&P 500

#### SECTOR RETURNS (%)

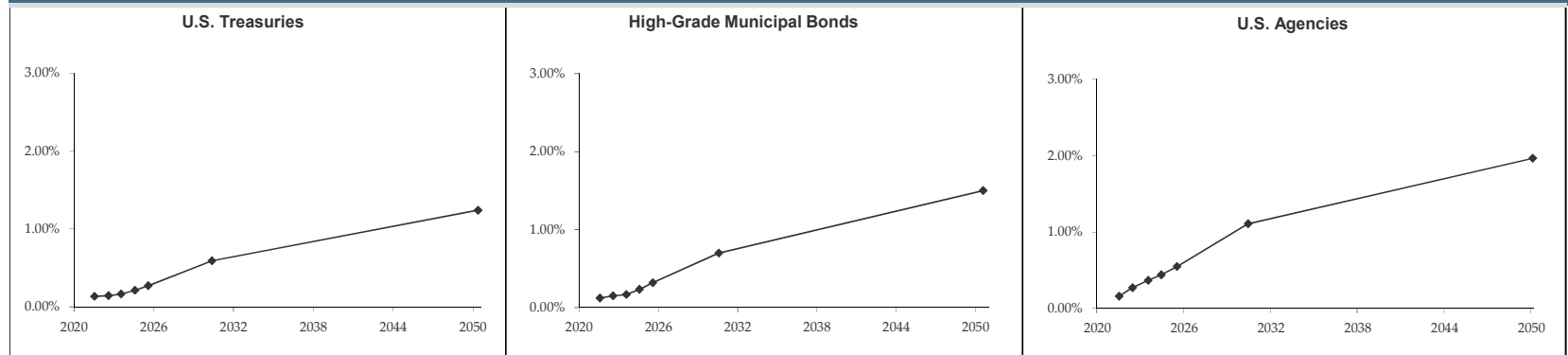
|                        | YTD    |
|------------------------|--------|
| Discretionary          | 14.50  |
| Staples                | 0.02   |
| Energy                 | -36.03 |
| Financials             | -20.08 |
| Health Care            | 4.13   |
| Industrials            | -10.79 |
| Info Tech              | 15.63  |
| Materials              | 1.47   |
| Real Estate            | -8.64  |
| Communication Services | 4.66   |
| Utilities              | -5.10  |

| U.S. Treasury Yields |          |       |
|----------------------|----------|-------|
| Coupon               | Maturity | YTM   |
| 0.000%               | 07/15/21 | 0.13% |
| 0.125%               | 07/31/22 | 0.14% |
| 0.125%               | 07/15/23 | 0.16% |
| 1.750%               | 07/31/24 | 0.21% |
| 0.250%               | 07/31/25 | 0.27% |
| 0.625%               | 05/15/30 | 0.59% |
| 1.250%               | 05/15/50 | 1.24% |

| Municipal Bond Yields <sup>1</sup> |       |                         |
|------------------------------------|-------|-------------------------|
| Maturity                           | YTM   | Tax-Equiv. <sup>2</sup> |
| 07/27/21                           | 0.12% | 0.17%                   |
| 07/27/22                           | 0.15% | 0.21%                   |
| 07/27/23                           | 0.17% | 0.24%                   |
| 07/27/24                           | 0.23% | 0.33%                   |
| 07/27/25                           | 0.32% | 0.45%                   |
| 07/27/30                           | 0.70% | 1.00%                   |
| 07/27/50                           | 1.50% | 2.14%                   |

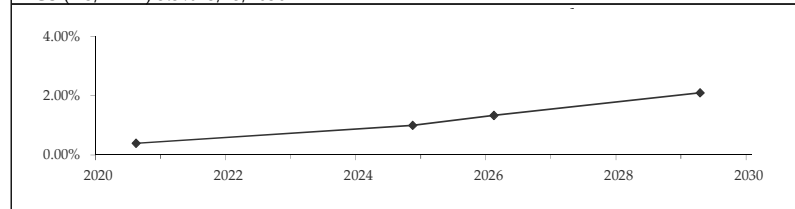
| U.S. Agency Yields - Active Bonds |        |          |          |       |              |
|-----------------------------------|--------|----------|----------|-------|--------------|
| Agency                            | Coupon | Maturity | Price    | YTM   | To Muni (bp) |
| FHLB                              | 1.125% | 07/14/21 | \$100.93 | 0.16% | -2           |
| FNMA                              | 0.300% | 06/24/22 | \$100.01 | 0.27% | +5           |
| FFCB                              | 2.875% | 07/17/23 | \$107.37 | 0.37% | +13          |
| FFCB                              | 2.450% | 06/25/24 | \$107.74 | 0.44% | +11          |
| FFCB                              | 2.320% | 07/03/25 | \$108.56 | 0.55% | +9           |
| FFCB                              | 2.840% | 06/17/30 | \$115.89 | 1.11% | +11          |
| FFCB                              | 2.760% | 02/03/50 | \$117.76 | 1.96% | -18          |

### Current Yield Curves



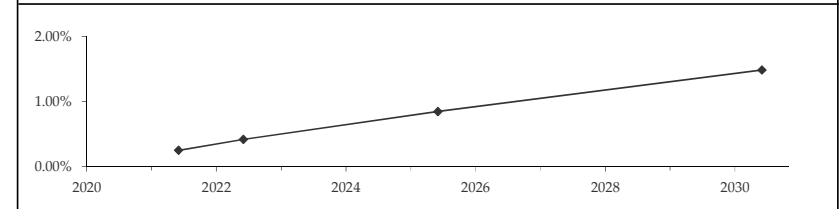
### Corporate Bond Yields

| Description                     | Price    | YTM   | To Treasury (bp) |
|---------------------------------|----------|-------|------------------|
| WFC (A2/BBB+) 2.1% 7/26/2021    | \$101.68 | 0.39% | +25              |
| JPM (A2/A-) 2.3% 10/15/2025     | \$105.60 | 1.00% | +79              |
| MS (A3 *+/BBB+) 3.63% 1/20/2027 | \$114.18 | 1.33% | +106             |
| GS (A3/BBB+) 3.3% 3/15/2030     | \$110.01 | 2.10% | +151             |



### Bullet & Callable Agency Bond Yields <sup>3</sup>

| Description           | Call Date | Price   | YTM   | YTW   |
|-----------------------|-----------|---------|-------|-------|
| FFCB 0.21% 6/23/2021  | 09/23/20  | \$99.99 | 0.25% | 0.25% |
| FHLMC 0.38% 6/22/2022 | 12/22/20  | \$99.95 | 0.42% | 0.42% |
| FFCB 0.83% 6/17/2025  | 09/17/20  | \$99.93 | 0.85% | 0.84% |
| FFCB 1.45% 6/11/2030  | 06/11/21  | \$99.70 | 1.48% | 1.48% |



(1) High-grade municipal bonds. (2) Based on a 30% marginal federal income tax bracket. (3) Graph displays yield to call.

Key: bp - basis points. One basis point is 1/100 of one percent. YTM - yield to maturity; YTC - yield to call.

Factual materials obtained from sources believed to be reliable but cannot be guaranteed. Part II of Form ADV is available upon request. For further information please contact FCI at (800) 615-2536.



## MARKET STATISTICS

### INDEX RETURNS

#### EQUITIES (%)

|              | WTD   | MTD  | YTD    |
|--------------|-------|------|--------|
| S&P 500      | 1.73  | 5.64 | 2.38   |
| DJIA         | -0.16 | 2.51 | -6.14  |
| Nasdaq       | 3.69  | 6.85 | 20.46  |
| Russell 1000 | 1.80  | 5.86 | 2.88   |
| Russell 2000 | 0.88  | 2.77 | -10.58 |
| Russell 3000 | 1.75  | 5.68 | 2.00   |

#### FOREIGN (%)

|                | WTD   | MTD  | YTD   |
|----------------|-------|------|-------|
| MSCI ACWI      | 0.73  | 5.33 | -0.96 |
| MSCI ACWI xUSA | 0.22  | 5.58 | -5.75 |
| MSCI EAFE      | -0.75 | 3.81 | -7.63 |
| MSCI EM        | 2.04  | 9.33 | -1.25 |

#### FIXED INCOME (%)

|                          | WTD  | MTD  | YTD  |
|--------------------------|------|------|------|
| US Intermediate Gov/Cred | 0.19 | 0.69 | 6.00 |
| U.S. Aggregate           | 0.25 | 1.44 | 7.67 |
| US Corp High Yield       | 0.65 | 4.50 | 0.53 |
| Municipal Bond           | 0.27 | 1.60 | 3.71 |

#### OTHERS (%)

|                          | WTD   | MTD   | YTD    |
|--------------------------|-------|-------|--------|
| DJ Eqty REIT TOT RE IDX  | 4.25  | 3.84  | -9.82  |
| Alerian MLP Index        | -2.14 | -3.62 | -38.07 |
| S&P GSCI Index Spot Indx | -1.24 | 3.77  | -22.57 |
| Dollar Index Spot        | -1.01 | -4.01 | -3.02  |

### RUSSELL STYLE

#### RETURNS YTD (%)

|           | VALUE  | CORE   | GROWTH |
|-----------|--------|--------|--------|
| Large Cap | -12.95 | 2.88   | 18.26  |
| Mid Cap   | -14.22 | -3.79  | 12.48  |
| Small Cap | -21.93 | -10.58 | 0.27   |

### ECONOMIC SCORECARD

#### SELECTED RELEASES

|                        | ESTIMATE | ACTUAL | DIFFERENCE |
|------------------------|----------|--------|------------|
| GDP Annualized QoQ     | -34.5%   | -32.9% | 1.6%       |
| Core PCE QoQ           | -0.9%    | -1.1%  | -0.2%      |
| Personal Income        | -0.6%    | -1.1%  | -0.5%      |
| Personal Spending      | 5.2%     | 5.6%   | 0.4%       |
| Initial Jobless Claims | 1445k    | 1434k  | 11k        |
| Continuing Claims      | 16200k   | 17018k | 818k       |

### COMMODITY PRICES

#### ALTERNATIVES

|                          | 7/31/2020  | 6/30/2020  | 12/31/2019 |
|--------------------------|------------|------------|------------|
| Generic Crude Oil Future | \$40.42    | \$39.27    | \$61.06    |
| Generic Gold Future      | \$1,971.70 | \$1,800.50 | \$1,523.10 |
| Dollar Index Spot        | \$93.48    | \$97.39    | \$96.39    |
| Euro Spot                | \$1.18     | \$1.12     | \$1.12     |

### S&P 500

#### SECTOR RETURNS (%)

|                        | YTD    |
|------------------------|--------|
| Discretionary          | 16.88  |
| Staples                | 0.91   |
| Energy                 | -38.65 |
| Financials             | -20.77 |
| Health Care            | 4.54   |
| Industrials            | -10.93 |
| Info Tech              | 21.41  |
| Materials              | -0.34  |
| Real Estate            | -4.88  |
| Communication Services | 6.47   |
| Utilities              | -4.20  |