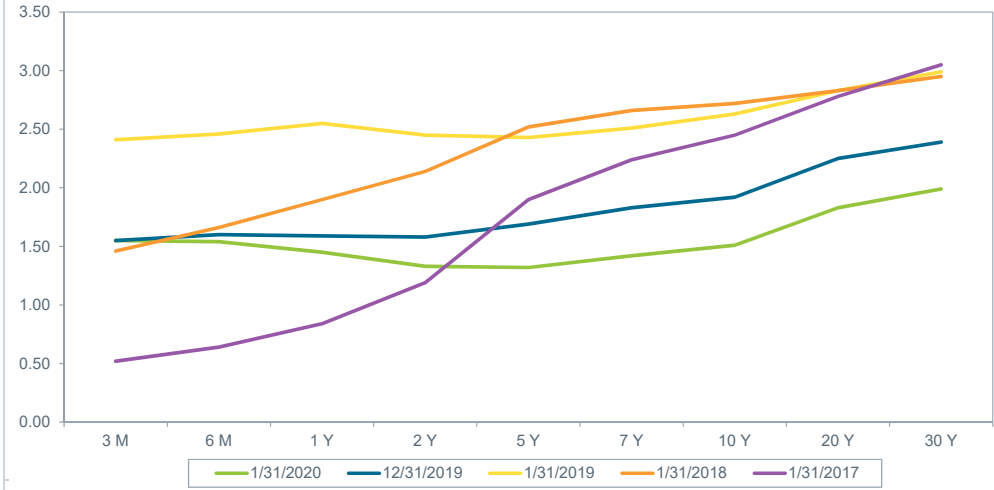


General Market Commentary

- Global equity markets experienced a notable uptick in volatility during January. Equity markets started the month off strong, but pulled back sharply in the second half of the month as fears of a global coronavirus pandemic increased. Investors worry that the spread of the coronavirus could restrict global travel, depress consumer demand, and limit trade between China and its trade partners.
- International equity markets ended the month down over 2.5% with emerging markets dropping even further. Most US equity indices returned close to 0% during January, as better-than-expected corporate earnings and economic data helped limit market losses.
- US Treasury interest rates dropped significantly in January as the yield curve flattened. A decrease in forward-looking inflation expectations coupled with safe haven flows from equity markets into fixed income assets pushed rates lower.
- Equity markets posted negative returns in January as the S&P 500 (Cap Wtd) Index returned -0.04% and the MSCI EAFE (Net) Index returned -2.09%. Emerging markets returned -4.66% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 1.92% in January, outperforming the 1.43% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 1.09%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 1.21% in January and 6.08% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 7.76% for the trailing one-year period and 11.68% for the trailing five-year period ending September 2019.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 0.31% for the month and 6.04% over the trailing one-year period.
- Crude oil's price fell by 15.56% during the month, and has decreased by 4.15% YoY.

Treasury Yield Curve (%)



Economic Indicators	Jan-20	Dec-19	Jan-19	10 Yr	20 Yr
Federal Funds Rate (%)	1.59 ▲	1.55	2.40	0.63	1.77
Breakeven Inflation - 5 Year (%)	1.60 ▼	1.70	1.73	1.75	1.84
Breakeven Inflation - 10 Year (%)	1.64 ▼	1.79	1.86	1.99	2.03
Breakeven Inflation - 30 Year (%)	1.73 ▼	1.81	1.94	2.12	2.25
Bloomberg US Agg Bond Index - Yield (%)	2.02 ▼	2.31	3.15	2.50	3.77
Bloomberg US Agg Bond Index - OAS (%)	0.44 ▲	0.39	0.47	0.52	0.63
Bloomberg US Agg Credit Index - OAS (%)	0.98 ▲	0.90	1.21	1.31	1.45
Bloomberg US Corp: HY Index - OAS (%)	3.90 ▲	3.36	4.23	4.79	5.46
Capacity Utilization (%)	76.78 ▼	77.09	79.00	76.73	77.08
Unemployment Rate (%)	3.6 ▲	3.5	4.0	6.2	5.9
PMI - Manufacturing (%)	50.9 ▲	47.8	55.5	54.2	52.6
Baltic Dry Index - Shipping	487 ▼	1,090	668	1,258	2,323
Consumer Conf (Conf Board)	131.60 ▲	128.20	121.70	91.97	92.51
CPI YoY (Headline) (%)	2.5 ▲	2.3	1.6	1.8	2.2
CPI YoY (Core) (%)	2.3 —	2.3	2.2	1.8	2.0
PPI YoY (%)	2.5 ▲	1.9	0.4	1.8	2.2
M2 YoY (%)	7.0 ▲	6.7	4.2	5.9	6.2
US Dollar Total Weighted Index	115.79 ▲	114.72	113.48	102.55	102.86
WTI Crude Oil per Barrel (\$)	52 ▼	61	54	72	62
Gold Spot per Oz (\$)	1,589 ▲	1,517	1,321	1,352	940

Treasury Yield Curve (%)	Jan-20	Dec-19	Jan-19	Jan-18	Jan-17
3 Month	1.55	1.55	2.41	1.46	0.52
6 Month	1.54	1.60	2.46	1.66	0.64
1 Year	1.45	1.59	2.55	1.90	0.84
2 Year	1.33	1.58	2.45	2.14	1.19
5 Year	1.32	1.69	2.43	2.52	1.90
7 Year	1.42	1.83	2.51	2.66	2.24
10 Year	1.51	1.92	2.63	2.72	2.45
20 Year	1.83	2.25	2.83	2.83	2.78
30 Year	1.99	2.39	2.99	2.95	3.05

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-0.04	-0.04	-0.04	21.68	14.54	12.37	13.90	13.97
Russell 2000	-3.21	-3.21	-3.21	9.21	7.28	8.23	10.17	11.88
MSCI EAFE (Net)	-2.09	-2.09	-2.09	12.10	7.76	5.12	5.25	5.76
MSCI EAFE SC (Net)	-2.90	-2.90	-2.90	12.30	8.58	8.18	8.17	8.53
MSCI EM (Net)	-4.66	-4.66	-4.66	3.81	7.88	4.48	2.36	3.78
Bloomberg US Agg Bond	1.92	1.92	1.92	9.64	4.62	3.01	3.10	3.79
ICE BofAML 3 Mo US T-Bill	0.13	0.13	0.13	2.22	1.70	1.10	0.80	0.59
NCREIF ODCE (Gross)	N/A	N/A	N/A	5.34	7.09	8.97	10.17	11.42
FTSE NAREIT Eq REITs Index (TR)	1.21	1.21	1.21	14.11	8.53	6.08	9.12	12.67
HFRI FOF Comp Index	0.31	0.31	0.31	6.04	3.66	2.41	3.16	2.90
Bloomberg Cmnty Index (TR)	-7.36	-7.36	-7.36	-5.38	-3.47	-4.74	-8.04	-4.74

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

