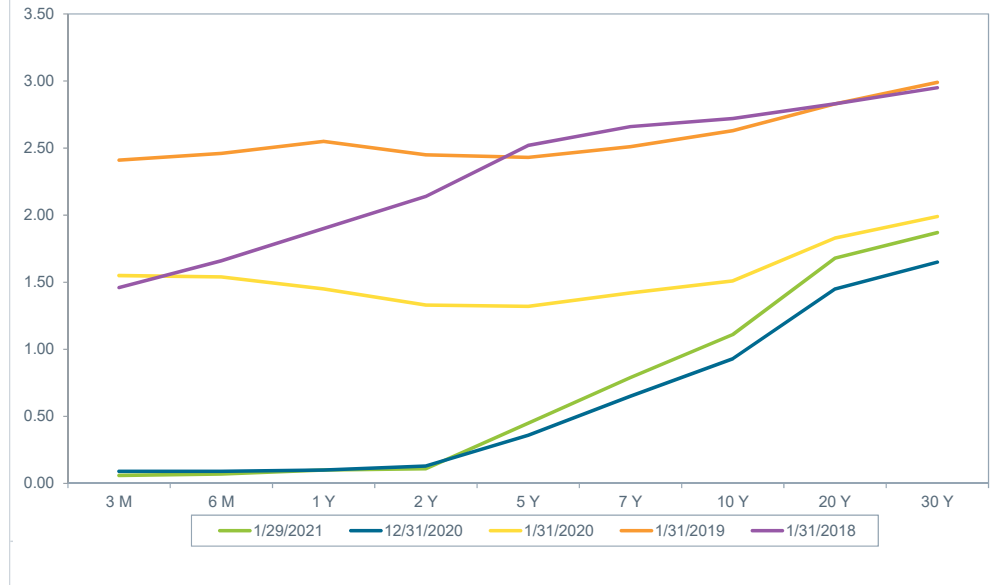


**General Market Commentary**

- Equity markets began the month strong, before pulling back sharply the last week of January, finishing with mixed results. Broad international and US indices ended the month roughly flat, although domestic small cap indices outperformed their large cap counterparts and finished with mid-single digit returns. The strong performance early in the month was largely due to vaccine and stimulus optimism, but pulled back in part due to renewed uncertainty over likelihood of the large \$1.9T stimulus package being passed by Congress, and due to the continued spread of COVID-19 combined with delays in the distribution of vaccines.
- Adding to the downwards pricing pressure on equity markets towards the end of the month, groups of retail investors attempted to enact a short squeeze on select hedge funds with large short interest in certain small cap stocks. Some hedge funds were forced to sell large amounts of liquid equity positions in order to remain solvent.
- At the January Federal Reserve meeting, the FOMC announced it would continue its pace of purchasing assets while keeping the federal funds rate near zero to support the economy, noting that the US' economic outlook remains uncertain.
- Equity markets posted negative returns in January as the S&P 500 (Cap Wtd) Index returned -1.01% and the MSCI EAFE (Net) Index returned -1.07%. Emerging markets returned 3.07% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -0.72% in January, underperforming the -0.24% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -1.41%, 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 0.10% in January and 5.51% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 13.35% for the trailing one-year period and 12.99% for the trailing five-year period ending September 2020.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned -0.88% for the month and 9.58% over the trailing one-year period.
- Crude oil's price increased by 7.58% during the month, and has increased by 1.24% YoY.

Economic Indicators	Jan-21	Dec-20	Jan-20	10 Yr	20 Yr
Federal Funds Rate (%)	0.07 ▼	0.09	1.59	0.63	1.47
Breakeven Inflation - 5 Year (%)	2.22 ▲	1.97	1.60	1.73	1.82
Breakeven Inflation - 10 Year (%)	2.10 ▲	1.99	1.64	1.94	2.01
Breakeven Inflation - 30 Year (%)	2.10 ▲	2.00	1.73	2.05	2.24
Bloomberg US Agg Bond Index - Yield (%)	1.17 ▲	1.12	2.02	2.34	3.49
Bloomberg US Agg Bond Index - OAS (%)	0.36 ▼	0.42	0.44	0.52	0.62
Bloomberg US Agg Credit Index - OAS (%)	0.92 —	0.92	0.98	1.30	1.45
Bloomberg US Corp: HY Index - OAS (%)	3.62 ▲	3.60	3.90	4.72	5.41
Capacity Utilization (%)	75.55 ▲	74.88	76.88	76.57	76.61
Unemployment Rate (%)	6.3 ▼	6.7	3.5	6.1	6.1
PMI - Manufacturing (%)	58.7 ▼	60.5	51.1	53.8	52.7
Baltic Dry Index - Shipping	1,452 ▲	1,366	1,366	1,111	2,300
Consumer Conf (Conf Board)	89.30 ▲	87.10	130.40	96.24	90.46
CPI YoY (Headline) (%)	1.4 —	1.4	2.5	1.7	2.1
CPI YoY (Core) (%)	1.4 ▼	1.6	2.3	1.9	2.0
PPI YoY (%)	0.4 ▲	-0.5	2.5	1.2	2.0
M2 YoY (%)	25.8 ▲	24.6	6.8	7.7	6.9
US Dollar Total Weighted Index	112.24 ▲	111.56	115.77	105.01	103.22
WTI Crude Oil per Barrel (\$)	52 ▲	49	52	68	62
Gold Spot per Oz (\$)	1,848 ▼	1,898	1,589	1,406	1,016

**Treasury Yield Curve (%)**



Treasury Yield Curve (%)	Jan-21	Dec-20	Jan-20	Jan-19	Jan-18
3 Month	0.06	0.09	1.55	2.41	1.46
6 Month	0.07	0.09	1.54	2.46	1.66
1 Year	0.10	0.10	1.45	2.55	1.90
2 Year	0.11	0.13	1.33	2.45	2.14
5 Year	0.45	0.36	1.32	2.43	2.52
7 Year	0.79	0.65	1.42	2.51	2.66
10 Year	1.11	0.93	1.51	2.63	2.72
20 Year	1.68	1.45	1.83	2.83	2.83
30 Year	1.87	1.65	1.99	2.99	2.95

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-1.01	-1.01	-1.01	17.25	11.70	16.16	13.32	13.50
Russell 2000	5.03	5.03	5.03	30.17	11.11	16.50	10.55	11.78
MSCI EAFE (Net)	-1.07	-1.07	-1.07	8.94	2.23	8.84	4.84	5.15
MSCI EAFE SC (Net)	-0.37	-0.37	-0.37	15.27	3.00	11.12	7.43	7.72
MSCI EM (Net)	3.07	3.07	3.07	27.89	4.42	15.03	7.65	4.23
Bloomberg US Agg Bond	-0.72	-0.72	-0.72	4.72	5.49	4.00	3.76	3.75
ICE BofAML 3 Mo US T-Bill	0.01	0.01	0.01	0.54	1.57	1.20	0.87	0.64
NCREIF ODCE (Gross)	N/A	N/A	N/A	1.19	4.92	6.21	8.32	9.88
FTSE NAREIT Eq REITs Index (TR)	0.10	0.10	0.10	-9.00	4.92	5.51	7.23	7.97
HFRI FOF Comp Index	-0.88	-0.88	-0.88	9.58	3.76	4.93	3.61	3.21
Bloomberg Comdty Index (TR)	2.63	2.63	2.63	7.31	-2.33	1.90	-5.49	-6.35

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.

