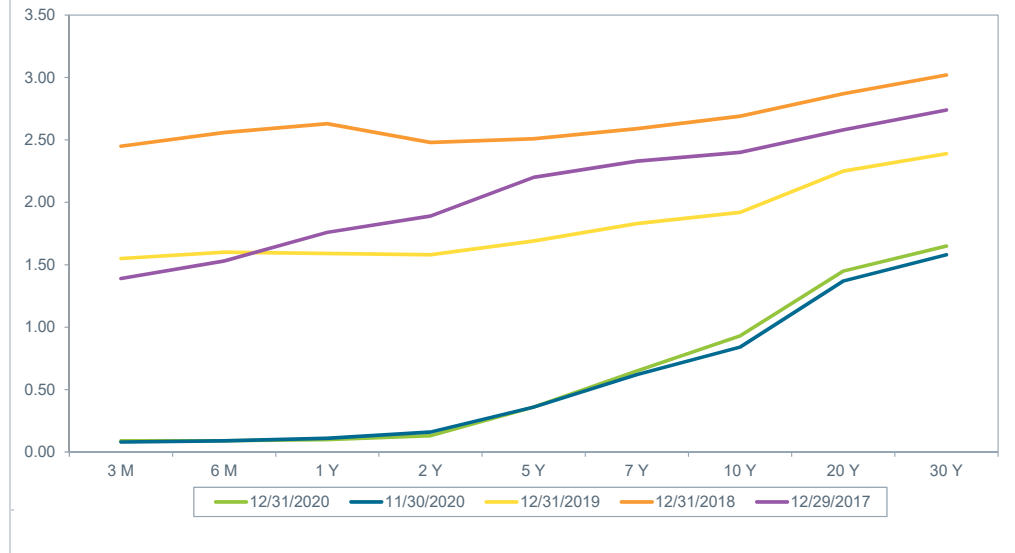


General Market Commentary

- December was a strong month for global equity markets, with all major US and international market indices posting mid to high-single digit returns. Continuing the recent trend, small cap indices outperformed their larger cap counterparts during the month, though the S&P 500 ended the year at an all-time high.
- On December 27th, President Trump signed a \$900 billion pandemic relief bill into law. The coronavirus relief package is intended to bolster the economy and provide relief to many. The bill includes stimulus payments to individuals, enhanced unemployment benefits, relief to small businesses, and funding for COVID-19 testing and the administration of vaccines.
- A COVID-19 variant believed to be significantly more transmittable was detected in the United Kingdom, causing many urban areas to increase lockdown restrictions and leading dozens of countries to impose travel and freight bans on the UK.
- Equity markets posted positive returns in December as the S&P 500 (Cap Wtd) Index returned 3.84% and the MSCI EAFE (Net) Index returned 4.65%. Emerging markets returned 7.35% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.14% in December, outperforming the 0.03% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 2.25%, 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 3.29% in December and 4.77% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 3.35% for the trailing one-year period and 10.33% for the trailing five-year period ending June 2020.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 3.14% for the month and 10.34% over the trailing one-year period.
- Crude oil's price increased by 7.01% during the month, but has decreased by 20.54% YoY.

Treasury Yield Curve (%)



Economic Indicators	Dec-20	Nov-20	Dec-19	10 Yr	20 Yr	
Federal Funds Rate (%)	0.09	—	0.09	1.55	0.63	1.49
Breakeven Inflation - 5 Year (%)	1.97	▲	1.70	1.70	1.72	1.82
Breakeven Inflation - 10 Year (%)	1.99	▲	1.79	1.79	1.94	2.01
Breakeven Inflation - 30 Year (%)	2.00	▲	1.92	1.81	2.06	2.24
Bloomberg US Agg Bond Index - Yield (%)	1.12	▼	1.15	2.31	2.35	3.51
Bloomberg US Agg Bond Index - OAS (%)	0.42	▼	0.48	0.39	0.52	0.63
Bloomberg US Agg Credit Index - OAS (%)	0.92	▼	1.00	0.90	1.30	1.45
Bloomberg US Corp: HY Index - OAS (%)	3.60	▼	4.12	3.36	4.73	5.43
Capacity Utilization (%)	74.54	▲	73.39	77.17	76.55	76.62
Unemployment Rate (%)	6.7	—	6.7	3.6	6.1	6.1
PMI - Manufacturing (%)	60.7	▲	57.5	47.8	53.8	52.6
Baltic Dry Index - Shipping	1,366	▲	1,227	1,090	1,109	2,299
Consumer Conf (Conf Board)	88.60	▼	92.90	128.20	96.04	90.63
CPI YoY (Headline) (%)	1.4	▲	1.2	2.3	1.7	2.1
CPI YoY (Core) (%)	1.6	—	1.6	2.3	1.9	2.0
PPI YoY (%)	-0.5	▲	-1.3	1.7	1.3	2.0
M2 YoY (%)	25.3	▲	25.1	6.7	7.5	6.8
US Dollar Total Weighted Index	111.65	▼	113.56	114.72	104.86	103.24
WTI Crude Oil per Barrel (\$)	49	▲	45	61	68	62
Gold Spot per Oz (\$)	1,898	▲	1,777	1,517	1,402	1,009

Treasury Yield Curve (%)	Dec-20	Nov-20	Dec-19	Dec-18	Dec-17
3 Month	0.09	0.08	1.55	2.45	1.39
6 Month	0.09	0.09	1.60	2.56	1.53
1 Year	0.10	0.11	1.59	2.63	1.76
2 Year	0.13	0.16	1.58	2.48	1.89
5 Year	0.36	0.36	1.69	2.51	2.20
7 Year	0.65	0.62	1.83	2.59	2.33
10 Year	0.93	0.84	1.92	2.69	2.40
20 Year	1.45	1.37	2.25	2.87	2.58
30 Year	1.65	1.58	2.39	3.02	2.74

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	3.84	12.15	18.40	18.40	14.18	15.22	12.92	13.88
Russell 2000	8.65	31.37	19.96	19.96	10.25	13.26	9.34	11.20
MSCI EAFE (Net)	4.65	16.05	7.82	7.82	4.28	7.45	4.39	5.51
MSCI EAFE SC (Net)	6.83	17.27	12.34	12.34	4.85	9.40	7.25	7.85
MSCI EM (Net)	7.35	19.70	18.31	18.31	6.17	12.81	6.17	3.63
Bloomberg US Agg Bond	0.14	0.67	7.51	7.51	5.34	4.44	4.09	3.84
ICE BofAML 3 Mo US T-Bill	0.01	0.03	0.67	0.67	1.61	1.20	0.87	0.63
NCREIF ODCE (Gross)	1.29	1.29	1.17	1.17	4.91	6.21	8.31	9.87
FTSE NAREIT Eq REITs Index (TR)	3.29	11.57	-8.00	-8.00	3.40	4.77	7.83	8.31
HFRI FOF Comp Index	3.14	7.59	10.34	10.34	4.71	4.46	3.61	3.27
Bloomberg Cmtly Index (TR)	4.97	10.19	-3.12	-3.12	-2.53	1.03	-5.80	-6.50

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.