

Capital Markets Flash Report

February 2020

U.S. Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	-8.2	-8.3	8.2	9.9	9.2	12.7
Russell 1000 Growth	-6.8	-4.7	15.1	15.7	12.4	14.8
Russell 1000 Value	-9.7	-11.6	0.5	3.8	5.5	10.4
Russell Mid Cap	-8.7	-9.4	2.3	6.6	6.4	11.9
Russell Mid Cap Growth	-6.9	-6.0	7.9	12.6	9.1	13.4
Russell Mid Cap Value	-9.9	-11.7	-1.4	2.2	4.4	10.8
Russell 2000	-8.4	-11.4	-4.9	3.5	5.1	10.4
Russell 2000 Growth	-7.2	-8.2	-0.7	7.9	6.5	12.1
Russell 2000 Value	-9.7	-14.6	-9.3	-0.8	3.6	8.7

The S&P 500 Index fell 8.2% in February. As coronavirus (COVID-19) cases continued to rise, investors contemplated the potential impacts that a pandemic could pose to global growth through disruptions to global supply chains and commerce. As a result, U.S. equity markets sold off rather sharply in the last week of February. In this environment, large-cap equities outperformed small-cap, with growth outperforming value across the entire market capitalization spectrum. From a sector standpoint, all eleven S&P 500 sectors were negative for the month, with the energy and financial sectors falling most sharply. Real estate, which was aided by the falling interest rate environment, was the best performing sector.

Fixed Income

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
BBgBarc US Agg	1.8	3.8	11.7	5.0	3.6	3.9
BBgBarc US Corp IG	1.3	3.7	15.8	6.7	5.0	5.7
BBgBarc US Corp HY	-1.4	-1.4	6.1	4.9	5.2	7.3
BBgBarc US Gov/Cr 1-3 Yr	0.8	1.4	4.9	2.5	1.9	1.6
BBgBarc US Gov/Cr Long	4.0	9.4	28.7	10.6	6.7	8.3
BBgBarc Municipal	1.3	3.1	9.5	5.3	4.0	4.5
FTSE WGBI USD	1.0	2.6	8.2	4.5	2.9	2.1
ICE BofAML US 3M T-Bill	0.1	0.3	2.2	1.7	1.1	0.6

U.S. bond markets were generally positive in February, with the Bloomberg Barclays Aggregate Bond Index returning a strong 1.8%. Rates fell across the curve, with the U.S. 10-year Treasury yield ending the month at 1.13%, down 39 basis points from the January close. The high yield bond market was largely negative during the month, as declining interest rates were not enough to offset spread widening. Investment grade and high yield bond spreads widened 20 and 110 basis points, respectively. Global bonds performed well during the month, with the FTSE WGBI Index returning 1.0%.

International Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
MSCI ACWI Ex USA	-7.9	-10.4	-0.7	4.2	2.2	4.3
MSCI EAFE	-9.0	-10.9	-0.6	3.9	2.0	4.8
MSCI EAFE Growth	-8.6	-9.2	5.5	7.3	4.2	6.4
MSCI EAFE Value	-9.5	-12.7	-6.6	0.5	-0.4	3.2
MSCI EAFE Small Cap	-9.8	-12.4	-0.9	4.1	4.6	7.6
MSCI EM	-5.3	-9.7	-1.9	4.9	2.7	3.2
MSCI EM Small	-7.1	-10.8	-6.8	-0.5	-0.1	2.1

International equities were also negative during the month, with the MSCI ACWI ex U.S. Index returning -7.9%, slightly outperforming most domestic equity indices. Style trends abroad were consistent with domestic trends, with large-cap outperforming small-cap and growth besting value. Emerging markets, despite negative absolute returns, outperformed developed markets during the month. China's equity market, which lagged in January, rebounded in February as the region began to show signs of controlling the virus, providing somewhat of a tailwind for emerging markets.

Commodities & Real Estate

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	-5.0	-12.0	-11.1	-5.2	-6.2	-5.6
S&P N.A. Natural Resources	-12.2	-19.5	-17.1	-7.7	-5.8	-0.5
FTSE Nareit Equity REITs	-8.0	-6.9	4.2	4.4	5.1	11.2
FTSE EPRA Nareit Developed	-8.2	-7.4	2.9	5.2	4.0	8.7

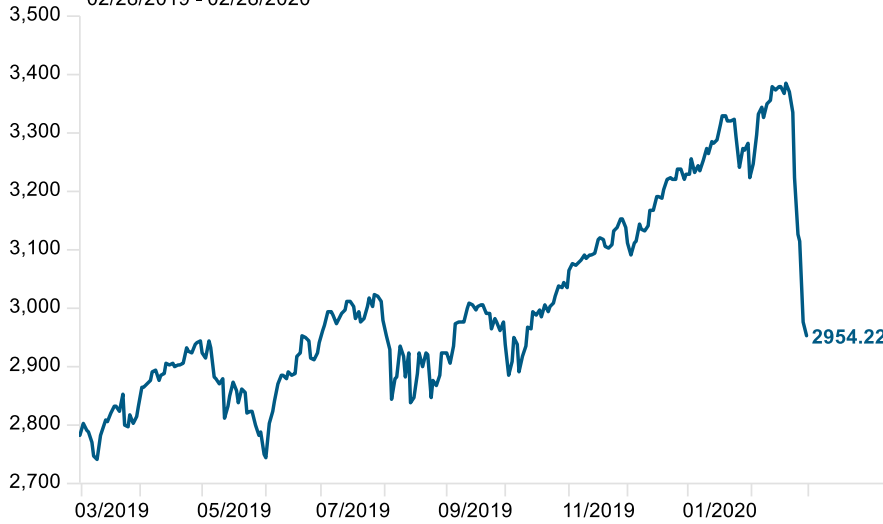
Commodities and natural resource equities performed poorly in February. Oil sold off during the month as coronavirus fears reduced demand forecasts for the commodity. REITs also produced negative absolute returns as widespread asset selling was more than enough to offset the positive impacts of declining interest rates. Seemingly no area of the market was left untouched, as gold, typically a safe haven asset, sold off during the last week of the month as well.

Capital Markets Flash Report

February 2020

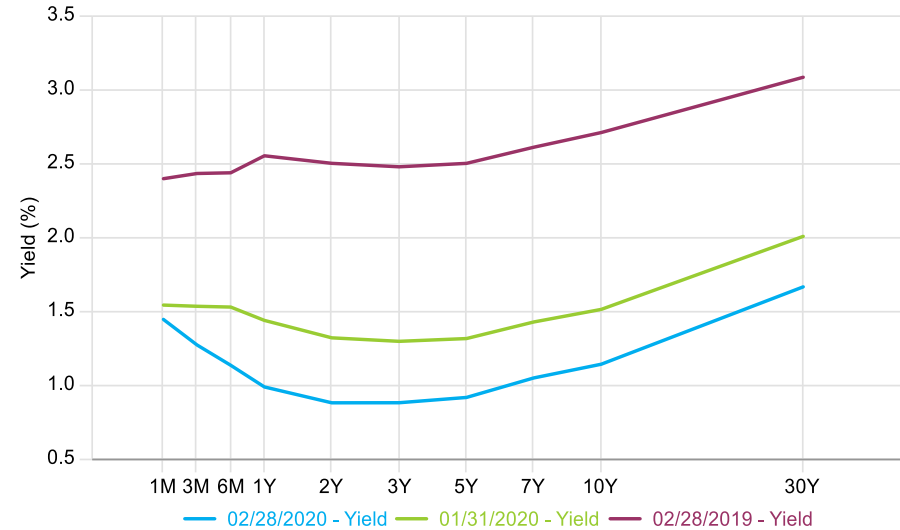
S&P 500 Price History - Trailing 1 Year

02/28/2019 - 02/28/2020



FactSet, S&P

United States Treasury Yield Curve



FactSet

Barclays Corporate Option Adjusted Spread - Trailing 1 Year

02/28/2019 - 02/28/2020



FactSet, Bloomberg Barclays

Commodity Prices - Trailing 1 Year

02/28/2019 - 02/28/2020



FactSet

Data Source Acknowledgements, Links, and Disclaimers

Bloomberg Barclays Global Indices, BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively “Bloomberg”). BARCLAYS is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, “Barclays”), used under license. Bloomberg Finance L.P. and its affiliates (collectively, “Bloomberg”) or Bloomberg’s licensors own all proprietary rights in the BLOOMBERG BARCLAYS INDICES. For more information please visit <https://www.bloomberg.com/professional/product/indices/bloomberg-barclays-indices/#/>

ICE®BofAML® Bond Indices, © Copyright 2018 Intercontinental Exchange, Inc. ICE® and ICE® BofAML® are registered trademarks owned by Intercontinental Exchange, Inc. For additional information please visit <https://www.theice.com/market-data/indices>

Credit Suisse, Copyright © 1997-2018 Credit Suisse Group AG and/or its affiliates. All rights reserved. For more information please visit https://research-doc.creditsuisse.com/docView?anguage=ENG&format=PDF&source_id=csplusresearchcp&document_id=807177640&serialid=RoryRQMgHsUxy1uzjtLu2wRwt4tIClfpGXmKix%2Fws84%3D

FTSE Russell & FTSE Nareit Indices, © Copyright FTSE Russell 2018; “FTSE Russell” is a trading name of FTSE International Limited (“FTSE”) and Frank Russell Company (“Russell”) and their respective subsidiary undertakings, which are members of the London Stock Exchange Group plc group. Nareit is the exclusive registered trademark of the National Association of Real Estate Investment Trusts. All rights in the Indexes vest in FTSE and Nareit. For more information please visit <https://www.ftserussell.com/index-series/index-spotlights>

S&P Dow Jones Indices, Copyright © 2018 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. For more information please visit <https://us.spindices.com/index-literacy/>

MSCI Indices, MSCI Inc. and all other service marks referred to herein are the exclusive property of MSCI and its affiliates. All MSCI indices are the exclusive property of MSCI and may not be used in any way without express written permission of MSCI. ©Copyright 2018 by MSCI Inc. All rights reserved. For more information please visit <https://www.msci.com/index-methodology>

NCREIF, Copyright © 2018 National Council of Real Estate Investment Fiduciaries. Redistribution of any NCREIF data is not permitted without express written from NCREIF. For more information please visit <https://www.ncreif.org/data-products/>

HFRI® Indices, © 2018 Hedge Fund Research, Inc – All rights reserved. All data and content on HFR Database products are for your informational and personal use only. For more information please visit <https://www.hedgefundresearch.com/hfri-index-methodology>

Disclaimer: The analysis in this report was prepared by Fiduciary Investment Advisors, LLC, utilizing data from third parties and other sources including but not limited to FIA computer software and selected information in the FIA database. Reasonable care has been taken to assure the accuracy of the data contained herein, and comments are objectively stated and are based on facts gathered in good faith. These reports do not constitute investment advice with respect to the purchase, sale or disposition of individual securities. FIA disclaims responsibility, financial or otherwise, for the accuracy or completeness of this report. This report and the information contained herein was prepared solely for the internal business use of our clients. This report is confidential and cannot be reproduced or redistributed to any party other than the intended recipients without the expressed consent of FIA. FIA does not intend to benefit any third-party recipient of its work product or create any legal duty from FIA consents to the release of its work product to such third party. FIA provides a copy of its SEC Form ADV Part II to clients without charge upon request.

Fiduciary Investment Advisors, LLC - 100 Northfield Drive, Windsor, CT 06095, www.fiallc.com, 1-866-466-9412

Performance data sourced from Morningstar Direct.