Global Market Investment Returns   March 31, 2020

		March 2020	YTD	1-Year	3-Years	5-Years	10-Years
U.S. Large Cap Equities	S&P 500	-12.35%	-19.60%	-6.98%	5.10%	6.73%	10.53%
U.S Mid Cap Equities	Russell Midcap	-19.49%	-27.07%	-18.31%	-0.81%	1.85%	8.77%
U.S. Small Cap Equities	Russell 2000	-21.73%	-30.61%	-23.99%	-4.64%	-0.25%	6.90%
Energy Infrastructure Equities	Alerian US Midstream Energy Index	-44.86%	-54.08%	-56.30%	-24.54%	-16.56%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	-22.28%	-28.52%	-23.96%	-4.28%	-1.42%	6.88%
Global Equities	MSCI All Country World Index	-13.50%	-21.37%	-11.26%	1.50%	2.85%	5.88%
International Developed Equities	MSCI EAFE	-13.35%	-22.83%	-14.38%	-1.82%	-0.62%	2.72%
Emerging Market Equities	MSCI Emerging Markets	-15.40%	-23.60%	-17.69%	-1.62%	-0.37%	0.68%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	-0.59%	3.15%	8.93%	4.82%	3.36%	3.88%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	-3.63%	-0.63%	3.85%	3.96%	3.19%	4.15%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	-11.46%	-12.68%	-6.94%	0.77%	2.78%	5.64%
Floating Rate Loans	S&P/LSTA Leveraged Loan	-12.36%	-13.05%	-9.16%	-0.78%	1.14%	3.08%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	-3.22%	-2.68%	0.74%	2.57%	2.04%	1.39%

- Global equity markets plunged in March as governments moved quickly to close non-essential businesses and keep individuals isolated.
- The speed with which business activity halted is unprecedented, and while some essential sectors of the economy have minimized losses, all eleven sectors have lower growth rates today compared to December 31, 2019, due to lower EPS estimates.
- According to FactSet, as of April 3rd, the following estimates are available for U.S. companies:
  - Earnings Growth: First quarter estimated earnings growth dropped from +4.3% in December to -7.3% at the end of March.
  - Earnings Guidance: 72 S&P 500 companies have issued negative Q1 guidance, while 32 have issued positive Q1 guidance.
  - Valuation: The forward 12-month P/E ratio for the S&P 500 is 15.3 vs. the 10-yr. average of 15. Not necessarily cheap.
- Energy infrastructure experienced its worth month ever, as the index contended with COVID-19 closures and a Saudi/Russian/U.S. oil war.
- Foreign equity markets performed slightly worse compared to U.S. markets, and while valuations/yields continue to favor non-U.S. developed equities.
- U.S. bond markets declined in March, but provided some shelter from the equity market sell-off; municipals and taxables diverged.
- International bonds were negative in March amid a stronger dollar, global flight to quality, and proposed government debt buying.

Source: eVestment Analytics, Eaton Vance *Monthly Market Monitor*, JP Morgan *Guide to the Markets,* WSJ, FactSet

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Economic Update

- The U.S. dollar strengthened 5.0% against the Canadian dollar in March.
- The Canadian government has closed nearly all offices, factories, stores and restaurants. Construction has ceased, workers have all been sent home, and there is a concern that many jobs will no longer exist when the stay at home order is lifted. Over 1 million citizens filed for unemployment insurance in one week, and the government is expecting an additional 4 million requests this week.
- With all businesses is a state of suspension, and now that Canada's housing bubble has burst, the consensus forecast from the Big Five bank economists is for Canada's economy to shrink 23% in the second quarter (two weeks earlier the estimated was only half this).
- Other institutions, such as Capital Economics, have forecast an even deeper second quarter contraction of as much as 35%.

Date Range	CAD to USD	+/-
Q1 2020	0.7456-0.7083	-8.0%
1-Year	0.7714-0.7083	-5.0%
3-Years	0.7492-0.7083	-6.0%

$USD 1,000,000
=
$CAD 1,396,450

@1.39645
(04/07/2020)

CAD Profile	
Inflation Rate	1.60%
Interest Rate	0.25%
Information	http://www.bankofcanada.ca

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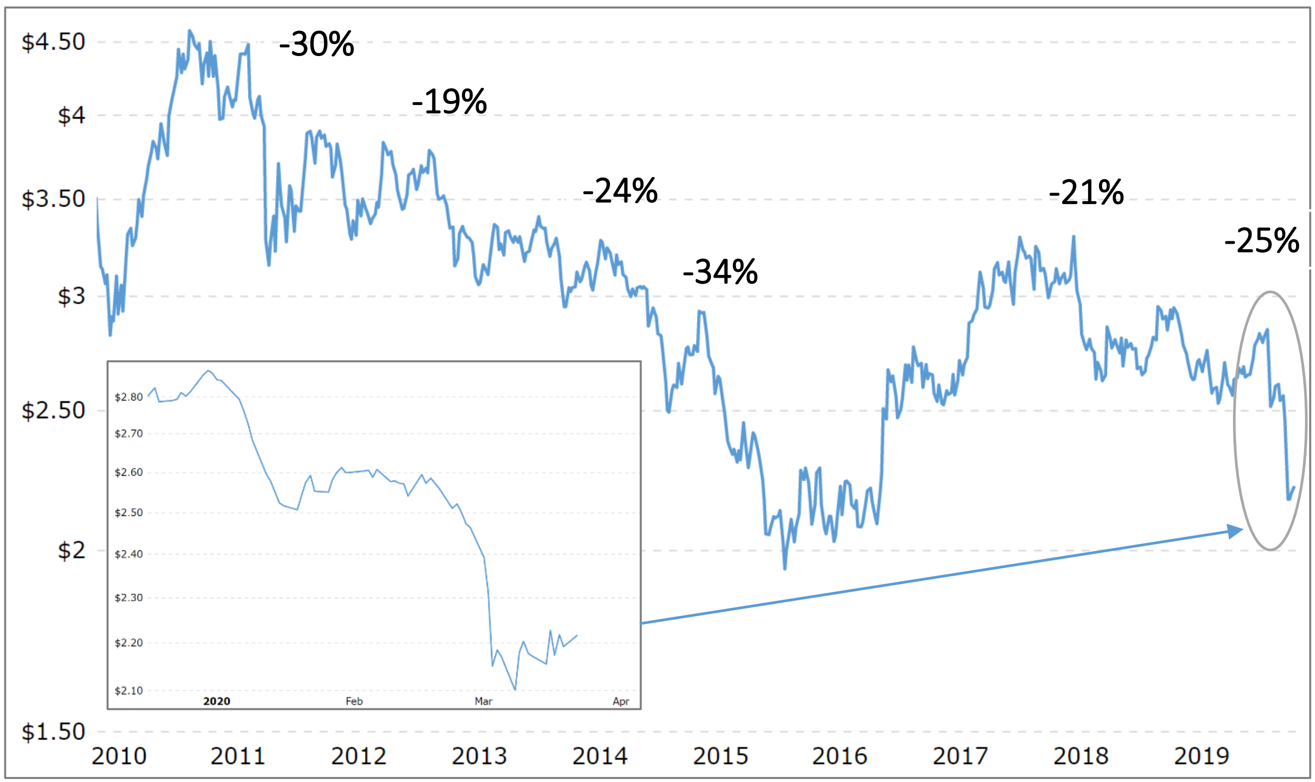
Sources: xe.com, FinancialPost, bankofcanada.ca, Nasdaq.com

Copper Price History & Outlook

March 31, 2020

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides ten years of price history, and would include shaded columns to reflect past U.S. economic recessions, though there has been no recession over the past decade.

The chart embedded in the bottom left hand corner provides a zoomed-in image of the first quarter copper price movement. The current price of copper, as of April 6, 2020, is $2.22 per pound. Copper began the year priced at $2.80 per pound, before falling 25%, or $0.70 per pound, to 2.10% on March 23, 2020. The commodity has recovered 6%, or $0.12, since the March low.



Copper Price Outlook

Copper prices have fallen to 2016 lows as a result of the coronavirus pandemic.

Copper prices have long served as a barometer for global markets returns, and there is a strong correlation between economic slowdowns and the commodity price. This is due to copper's broad variety of end uses.

As global construction projects have halted and consumer spending has stalled, the demand for copper has fallen along with its price.

Perception has also impacted copper prices. Because investors rely on the metal as a barometer for near-term markets, expected bearish market environments typically see a shift from long positioning to short positioning, which we are currently seeing.

Until global governments lift their stay at home orders and allow companies of all sizes to resume normal business, it is unlikely the price of copper will recover.

Sources: Barron's, Morgan Stanley, RJO Futures, International Copper Study Group, Macrotrends, S&P Global, gov.capital

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Oil Price History & Outlook

March 31, 2020

The chart below shows the historical daily West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel, which is displayed in U.S. dollars. The chart provides 30 years of price history, and includes shaded columns to reflect past U.S. economic recessions.

The current price of oil, as of April 6, 2020, is $26.08 per barrel. Oil began 2020 priced at $61.06 per barrel before falling to $20.09 on March 30, 2020. This $40.97 decline, or negative 67%, is the third steepest oil price decline over the past 30 years. The steepest decline, negative 69% in 2008, resulted in a recession; however, the second largest decline, negative 68% in 2015, was not followed by a recession.

Sources: Macrotrends, Forbes

Oil Price Outlook

The first quarter oil price decline was a result of a culmination of factors, including A) Saudi Arabia; B) Russia; C) the United States; and D) the Coronavirus Outbreak.

The oil price war began when Saudi Arabia increased its output, following a scheduled OPEC+ meeting in Vienna that was cancelled when Russia refused to cut production. Saudi Arabia attempted to punish Russia, its partner in price control, by threatening to increase its production by 2.3 million bpd (barrels per day). It is believed that Russia's refusal to cut production, and desire to increase it, was an effort to regain a footing against U.S. shale, which has turned the U.S. into the world's largest producer of crude oil; as OPEC+ continued to cut production, U.S. shale has persistently increased.

The global demand for oil has plummeted as a result of COVID-19, and with fewer drivers on the road and limited air travel, oil prices will remain low until a global production agreement is established.

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