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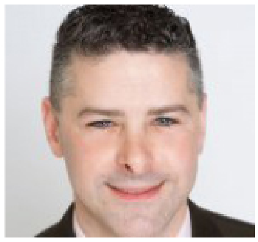


February 2020

Market Update

(all values as of 01.31.2020)

Stock Indices:

Dow Jones	28,256
S&P 500	3,225
Nasdaq	9,150

Bond Sector Yields:

2 Yr Treasury	1.33%
10 Yr Treasury	1.51%
10 Yr Municipal	1.18%
High Yield	5.38%

YTD Market Returns:

Dow Jones	-0.99%
S&P 500	-0.16%
Nasdaq	1.99%
MSCI-EAFE	-2.12%
MSCI-Europe	-2.56%
MSCI-Pacific	-1.46%
MSCI-Emg Mkt	-4.69%
US Agg Bond	1.92%
US Corp Bond	2.34%
US Gov't Bond	2.38%

Commodity Prices:

Gold	1,593
Silver	18.03
Oil (WTI)	51.63

Currencies:

Dollar / Euro	1.10
Dollar / Pound	1.30
Yen / Dollar	108.86
Dollar / Canadian	0.75

Macro Overview

Amid uncertainty surrounding the spread of the coronavirus throughout China and internationally, global equity and bond markets reacted to supply chain disruptions and factory closures. China's vast manufacturing sector, which is an essential component of supply chains for many U.S. companies, has become vulnerable to plant closures and employee quarantines throughout the country.

Markets are concerned that the coronavirus may impede global growth and recently implemented trade agreements as shuttered manufacturing facilities may reduce Chinese exports as well as imports of raw materials and commodities into China.

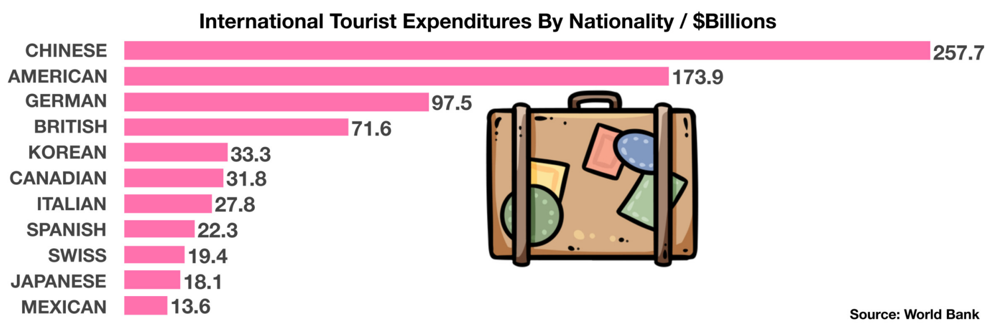
The Dow Jones Industrial Index hit 29,000 in mid-January for the first time ever, bolstered by the first phase of a U.S.-China trade deal and assurances by the Federal Reserve that no anticipated rate increases are expected anytime soon.

Britain's tumultuous 47-year membership of the European Union (EU) ended on January 31st, resulting from a vote to exit the EU in 2016, also known as Brexit. Britain's departure from the EU is the first significant exit from the EU of any of the 27-member countries. The exit is expected to influence the financial, banking, and immigration structure for the entire EU.

The phase one trade deal between China and the United States has alleviated some uneasiness surrounding trade tensions. The U.S. will retain most tariffs on $360 billion of goods from China until a phase two agreement is reached.

Closed manufacturing facilities due to the virus outbreak throughout China are expected to have a lingering affect on U.S. and foreign companies with operations in the country. Supply chain issues affecting products ranging from cell phones, computers, and televisions to furniture and toys may hinder production of such products for some time. An accompanying concern is that Chinese consumers refrain from spending, thus hindering Chinese consumer expenditures at home and abroad. According to the World Bank, Chinese tourists spent over $271 billion in 2017 worldwide, more than any other international traveler. Global economic growth is sensitive to China's massive manufacturing and consumer base, generating wholesale and retail trade worldwide.

(Sources: Commerce Department, EuroStat, Social Security Admin., World Bank)



Stocks Move Higher Early In The Year – Equity Market Review

The Dow Jones Industrial Index closed above 29,000 for the first time ever in mid-January as equities excelled, but then pulled back from record levels at month's end. The 29,000 mark is a preliminary milestone for the next milestone of 30,000. The S&P 500 Index and the Nasdaq reached higher levels as well in mid-January, with an overall pullback for the indices at the end of the month.

The phase one trade deal between China and the United States helped propel equities higher as the anticipation of less friction between the countries is expected to eventually advance trade activity. A low rate environment along with minimal inflationary pressures continue to be a dynamic driver for expansion and hiring objectives of companies. (Sources: Dow Jones, Bloomberg)

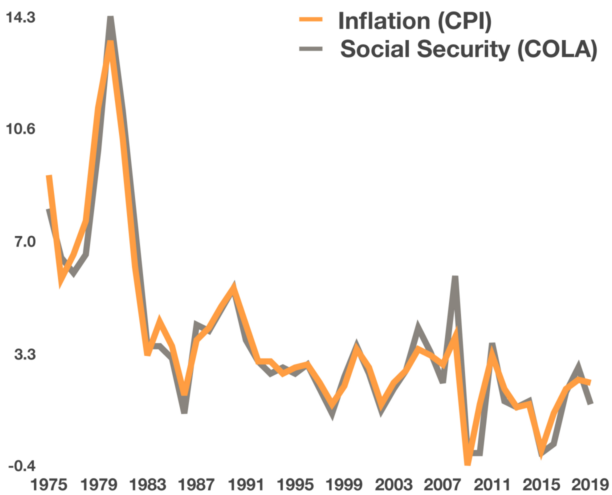
Rates Fluctuate In January – Fixed Income Overview

Bond yields moved lower in late January as the threat of the Chinese coronavirus influenced a shift from stocks to bonds. U.S. corporate and government bond indices advanced ahead of domestic and international stock indices in January, pulling the yield on the 10-year U.S. Treasury down to 1.51% on January 31st.

The low rate environment continues to fuel mortgage refinances helping to sustain housing prices across the nation. Mortgage rates for conventional 30-year fixed loans fell to levels not seen since before the 2016 presidential election. (Sources: U.S. Treasury, Fannie Mae)

Social Security COLA Increases Trying To Keep Up With Inflation – Retirement Planning

The latest Cost of Living Adjustment (COLA) for Social Security payments is barely keeping up with inflation. The 1.6% increase in Social Security payments effective for 2020 are less than the most recent inflation numbers as measured by the Consumer Price Index (CPI) of 2.3% over the past year. Retirees receiving Social Security benefit payments are finding that the latest COLA increase is not keeping up with increases in food, energy, and medical costs, which all increased more than the 1.6% COLA adjustment.



Over the decades, Americans have become increasingly dependent on Social Security payments, however, for some Americans it may not be enough to rely on Social Security alone. Unfortunately, Social Security is a major source of income for many of the elderly, where nine out of ten retirees 65-years of age and older receive benefit payments representing an average of 41% of their income. Over the years, Social Security benefits have come under more pressure due to the fact that retirees are living longer. In 1940, life expectancy for both male and females was 63, fifteen years less than life expectancy rates today.

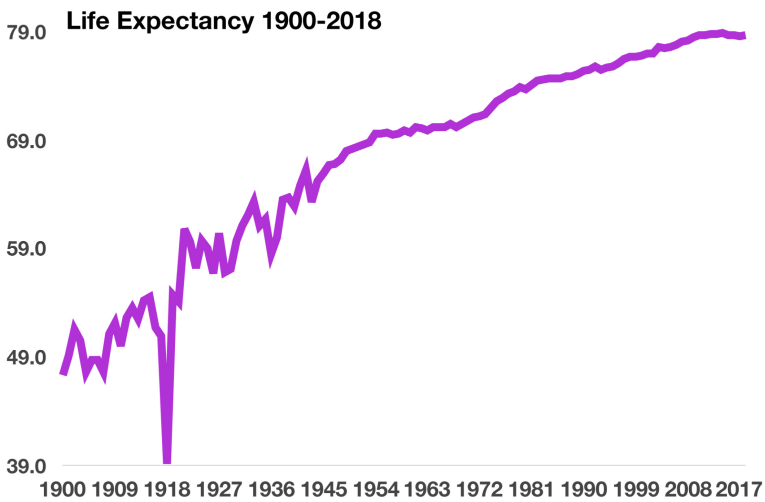
Source: Social Security Administration

LIFE EXPECTANCY 100 YEARS AGO WAS 54 YEARS OF AGE

Life Expectancy Rises In U.S. For First Time In Four Years – Demographics

Life expectancy for Americans rose for the first time in four years according to the most recent data released by the Centers for Disease Control. The data, which is as of 2018, shows the first slight increase since 2014.

The life expectancy average at birth for male and females is 78.7 years, with women expecting to live to the age of 81.2 and men to 76.2. The Centers for Disease Controls noted that the slight increase was attributable to lower mortality from cancer, accidents, and unintentional injuries. Drug overdose deaths among younger individuals also declined, falling 4% in 2018, the first such decline in 28 years.



Historically, the current life expectancy of reaching 78.7 years of age was absolutely unheard of 100 years ago. Life expectancy for males and females in 1920 was 54 years of age, 24 years less than today's life expectancy. Advancement in medical technology and more favorable work conditions has gradually led to higher life expectancy in the United States. (Source: Centers for Disease Controls and Prevention's National Center for Health Statistics)

Personal Loans Will Affect Credit Scores More – Consumer Finance

Every five years or so, credit reporting agencies modify how a consumer's credit score is calculated. The latest revision will analyze personal unsecured loans and how they are being used by consumers. Over the past few years, personal loans have been growing faster than any other consumer debt category. The problem is that many consumers have been using personal loans as a way to transfer or pay off existing credit card debt, thus shifting credit debt to an unsecured loan status. The revised calculation is expected to influence roughly 40 million American consumers, affecting those with both good and bad credit scores. Other dynamics that will hinder credit scores due to the revised calculation include rising debt levels and more recent late payments.

Other changes were made over a year ago that actually helped lift some consumer credit scores. Bank account balances and utility payments were added as a factor in calculating scores, affecting nearly every consumer.

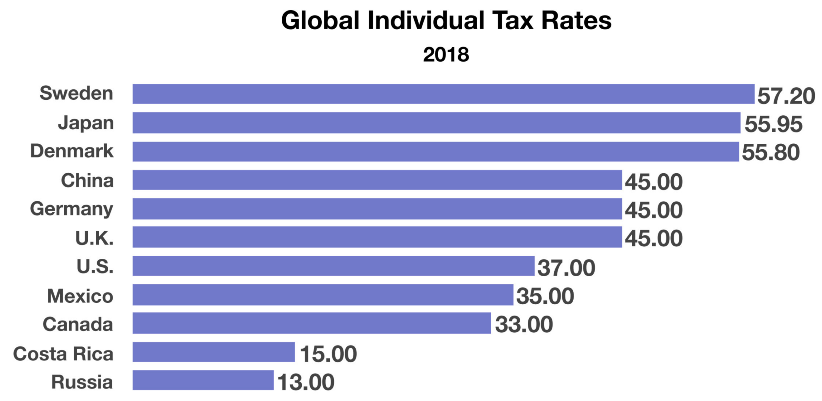
In light of the recent revisions, some believe that it might be a good idea to pay down existing personal loan balances in order to avoid the risk of any negative reporting to a consumer's credit score.

Sources: Federal Trade Commission; Consumer Information

COSTA RICA HAS BECOME A BEACON BECAUSE OF ITS CLIMATE AND 15% TAX RATE

U.S. Tax Rates Considered Low Versus Other Countries – Fiscal Policy

Relative to other countries, U.S. income tax rates are considered low. Imposed tax rates vary from country to country depending on the country's tax base, overall government expenditures and social programs offered. Public and social programs including healthcare and education, as well as the demographics of a country's taxpayers, also contribute to tax rates.



Scandinavian countries have historically maintained higher tax rates in order to subsidize the various social programs offered to its citizens. Sweden and Denmark both have tax rates for individual taxpayers in excess of 55%. Other countries not offering similar social programs such as Russia and Costa Rica, impose lower rates. Costa Rica has become a beacon for some people partially because of its climate and 15% tax rate. (Source: Tax Policy Center, OECD; https://stats.oecd.org

Unemployment Periods Lasting Less – Labor Market Update

Workers are spending less time unemployed according to data compiled by the Department of Labor. The number of workers that are unemployed for a period of 27 weeks or more fell to 1,186,000 in December 2019. The data reveals that workers are finding jobs quicker and that companies are hiring at a faster pace.

Unemployment time has been consistently decreasing since September 2019, a positive observation as noted by economists. A 50-year low for the unemployment rate has contributed to shortened unemployment periods for workers, as demand for skilled labor has gradually increased.

(Source: Bureau of Labor Statistics, U.S. Department of Labor, The Economics Daily