

Benchmark Returns for the Period Ended December 2019



	Quarter	Annualized		
		1 Year	5 Year	10 Year
US Treasury Bills (one month)	0.41%	2.14%	0.99%	0.52%
Barclays Capital US Gov't/Credit Inter Bond	0.37%	6.80%	2.57%	3.05%
Standard & Poor's 500	9.07%	31.49%	11.70%	13.56%
Russell 1000 Value (large cap value)	7.41%	26.54%	8.29%	11.80%
Russell 2000 (small cap)	9.94%	25.52%	8.23%	11.83%
Morgan Stanley Europe, Australasia and Far East (EAFE)	8.17%	22.01%	5.67%	5.50%
MSCI Emerging Markets	11.84%	18.42%	5.61%	3.68%
Wilshire REIT	-1.14%	25.76%	6.87%	11.94%

Source for returns: Morningstar™ as of 12/31/2019.

Quarterly Commentary

Global equity markets posted strong returns for the fourth quarter of 2019. Domestic equities (as measured by the S&P 500) returned 9.07%, international equities (as measured by the MSCI EAFE Index) returned 8.17%, and emerging markets (as measured by the MSCI Emerging Markets Index) returned 11.84%. Real Estate Investment Trusts (REITs), which delivered stellar returns for most of 2019, were the only equity asset class to decline in the fourth quarter.

As a whole, 2019 was a strong year for risk assets. Domestic equities led the way, with the S&P returning 31.49% for the year. International markets were up 22.01% for the year and emerging markets returned 18.42% – an impressive turnaround following the negative returns experienced in 2018.

Fixed income returns were also strong for 2019, with intermediate bonds returning 6.8% (as measured by the Barclay's US Gov't/Credit Intermediate Bond Index). The Federal Reserve reduced the fed funds rate three times amid concerns about tepid economic growth and minimal inflation. This led to a brief period when the yield curve inverted slightly. While the yield curve is still relatively flat by historical standards (with 2-year US Treasuries yielding 1.59% and 10-year US Treasuries yielding 1.92%), the mild inversion experienced earlier in 2019 dissipated in the fourth quarter.

Political uncertainty remained during the fourth quarter. Internationally, positive news regarding trade discussions between the US and China emerged; it appears that both countries are motivated to take constructive action sooner rather than later. Domestically, 2020 is an election year and, as we learned in 2016, making predictions now could be a fool's errand. During the 23 US presidential election years since 1928, the average return of the S&P 500 is above 10%. Put another way, it is all but impossible to see a statistical difference in investment returns between election and non-election years, although financial pundits will spend the majority of 2020 claiming to have found one. More important than the election process itself is sticking to your long-term investment goals regardless of who the front-runner is from week to week.

As we enter the 2020s, the only certain thing is uncertainty. Equity markets will have some up years and some down years, and we will face plenty of challenges. Uncertainty is the price of admission for earning positive investment returns.

Whether you consider 2020 to be the end of one decade or the beginning of another, all of us at Resource Consulting Group look forward to providing you guidance during the next ten years and beyond.

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Q4

Quarterly Market Review

Fourth Quarter 2019



RESOURCE CONSULTING GROUP

Integrated Wealth Management Since 1988



Quarterly Market Review

Fourth Quarter 2019

This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios.

Overview:

Market Summary

World Stock Market Performance

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks

Select Market Performance

Select Currency Performance vs. US Dollar

Real Estate Investment Trusts (REITs)

Commodities

Fixed Income

Global Fixed Income

Impact of Diversification



Quarterly Market Summary

Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
4Q 2019	STOCKS					BONDS	
	9.10% 	7.86% 	11.84% 	0.80% 		0.18% 	-1.11%
Since Jan. 2001							
Avg. Quarterly Return	2.1%	1.5%	2.9%	2.6%		1.2%	1.1%
Best Quarter	16.8%	25.9%	34.7%	32.3%		4.6%	4.6%
	2009 Q2	2009 Q2	2009 Q2	2009 Q3		2001 Q3	2008 Q4
Worst Quarter	-22.8%	-21.1%	-27.6%	-36.1%		-3.0%	-2.7%
	2008 Q4	2008 Q4	2008 Q4	2008 Q4		2016 Q4	2015 Q2

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2020, all rights reserved. Bloomberg Barclays data provided by Bloomberg.



Long-Term Market Summary

Index Returns

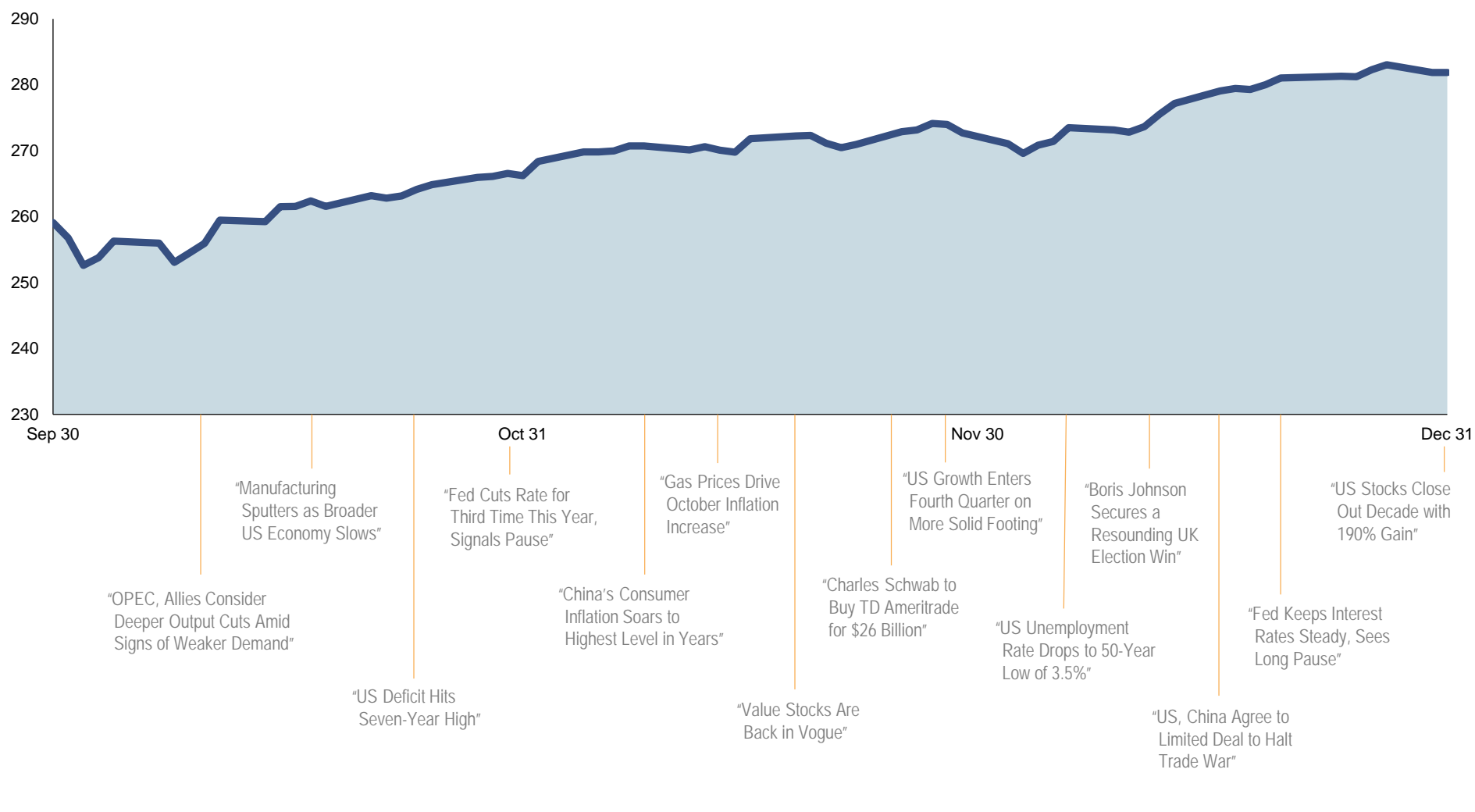
	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	31.02%	22.49%	18.42%	23.12%	8.72%	7.57%
5 Years						
	11.24%	5.42%	5.61%	5.56%	3.05%	3.87%
10 Years						
	13.42%	5.32%	3.68%	9.31%	3.75%	4.29%

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World Stock Market Performance

MSCI All Country World Index with selected headlines from Q4 2019



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2020, all rights reserved.

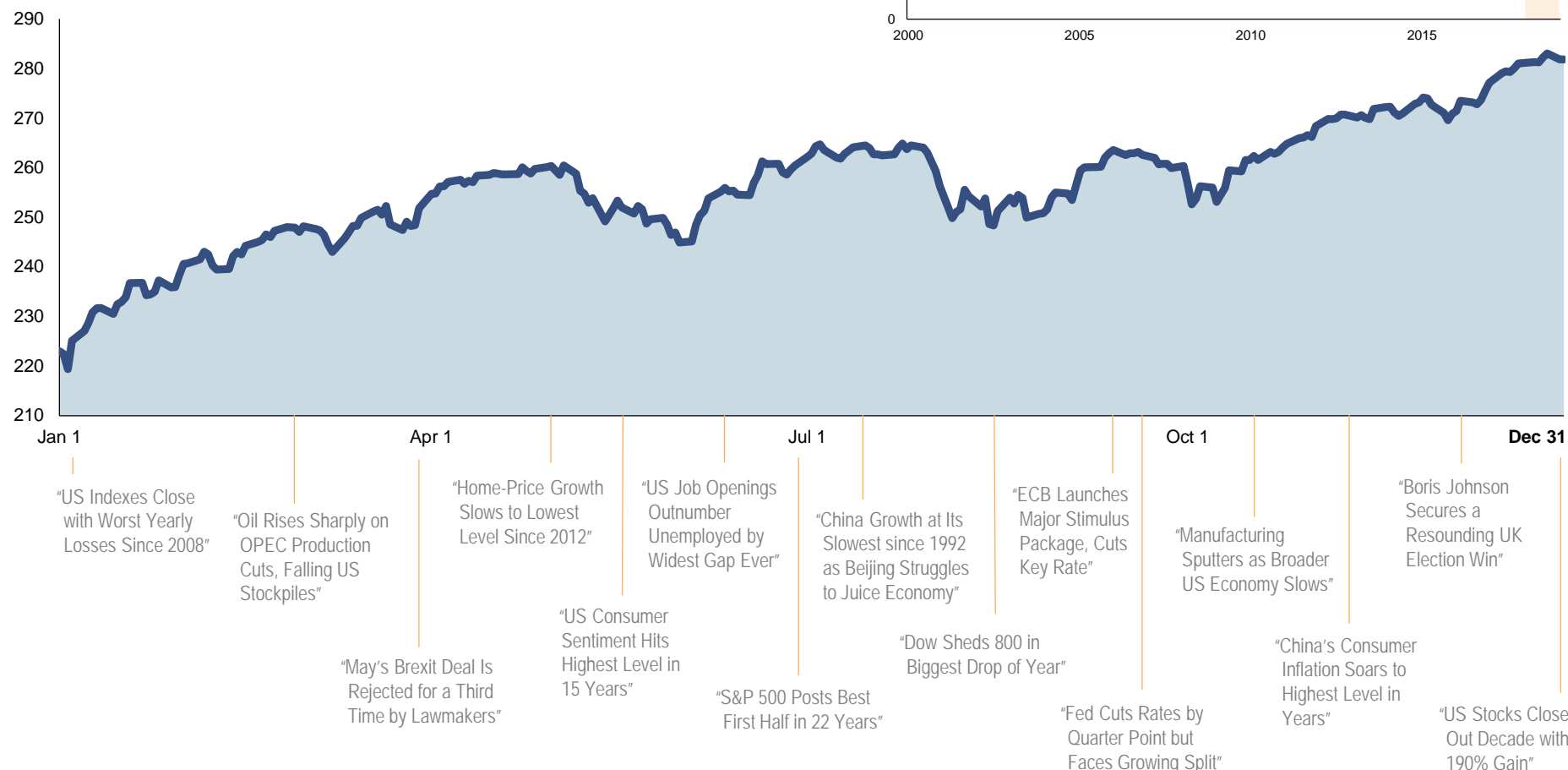
It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.



World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months

SHORT TERM (Q1 2019–Q4 2019)



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2020, all rights reserved.

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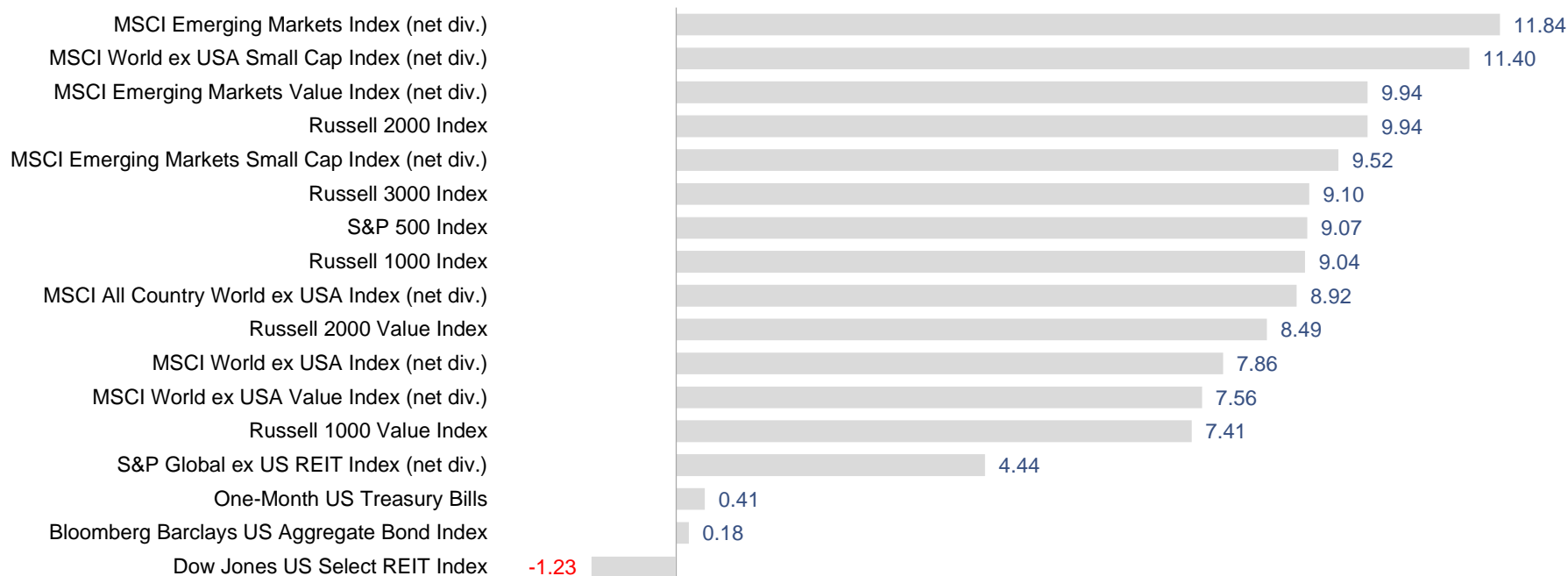
World Asset Classes

Fourth Quarter 2019 Index Returns (%)

Equity markets around the globe posted positive returns in the fourth quarter. Looking at broad market indices, US equities outperformed non-US developed markets but underperformed emerging markets.

Value stocks underperformed growth stocks in all regions. Small caps outperformed large caps in the US and non-US developed markets but underperformed in emerging markets.

REIT indices underperformed equity market indices in both the US and non-US developed markets.



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US Stocks

Fourth Quarter 2019 Index Returns

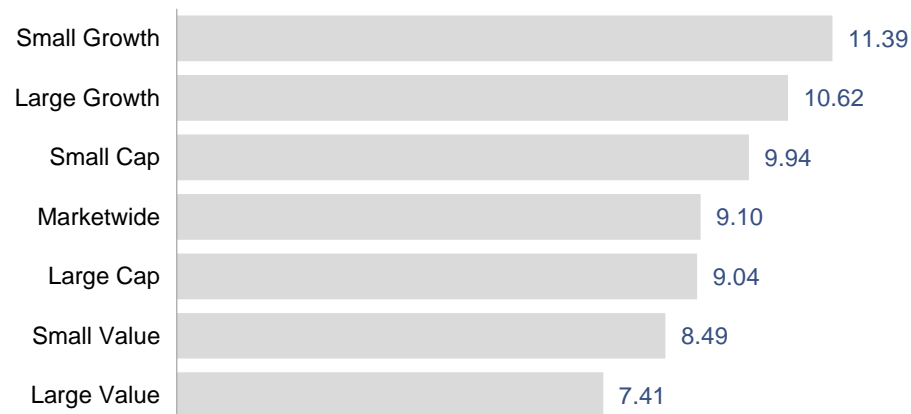
US equities outperformed non-US developed equities but underperformed emerging markets stocks in the fourth quarter.

Value underperformed growth in the US across large and small cap stocks.

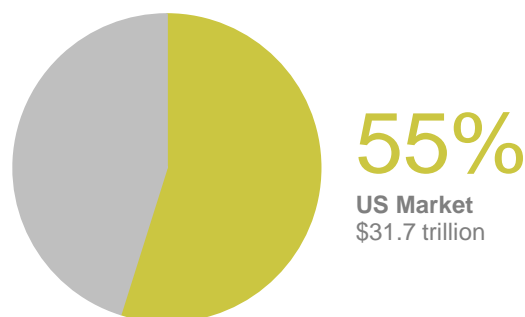
Small caps outperformed large caps in the US.

REIT indices underperformed equity market indices.

Ranked Returns (%)



World Market Capitalization—US



Period Returns (%)

* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Small Growth	11.39	28.48	12.49	9.34	13.01
Large Growth	10.62	36.39	20.49	14.63	15.22
Small Cap	9.94	25.52	8.59	8.23	11.83
Marketwide	9.10	31.02	14.57	11.24	13.42
Large Cap	9.04	31.43	15.05	11.48	13.54
Small Value	8.49	22.39	4.77	6.99	10.56
Large Value	7.41	26.54	9.68	8.29	11.80

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International Developed Stocks

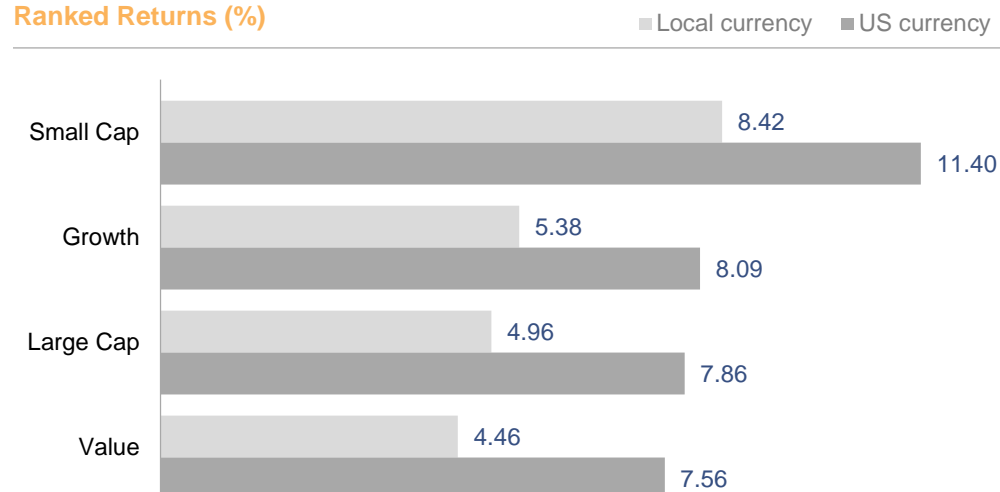
Fourth Quarter 2019 Index Returns

In US dollar terms, developed markets outside the US underperformed both the US equity market and emerging markets equities during the quarter.

Small caps outperformed large caps in non-US developed markets.

Value underperformed growth across large and small cap stocks.

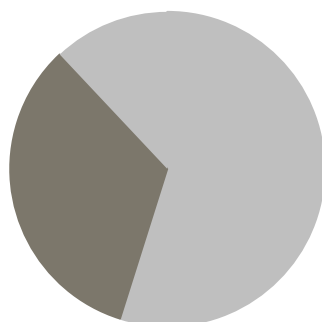
Ranked Returns (%)



World Market Capitalization—International Developed

33%

International Developed Market
\$19.2 trillion



Period Returns (%)

* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Small Cap	11.40	25.41	10.42	8.17	8.04
Growth	8.09	27.92	12.34	7.18	6.51
Large Cap	7.86	22.49	9.34	5.42	5.32
Value	7.56	17.02	6.36	3.59	4.05

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Emerging Markets Stocks

Fourth Quarter 2019 Index Returns

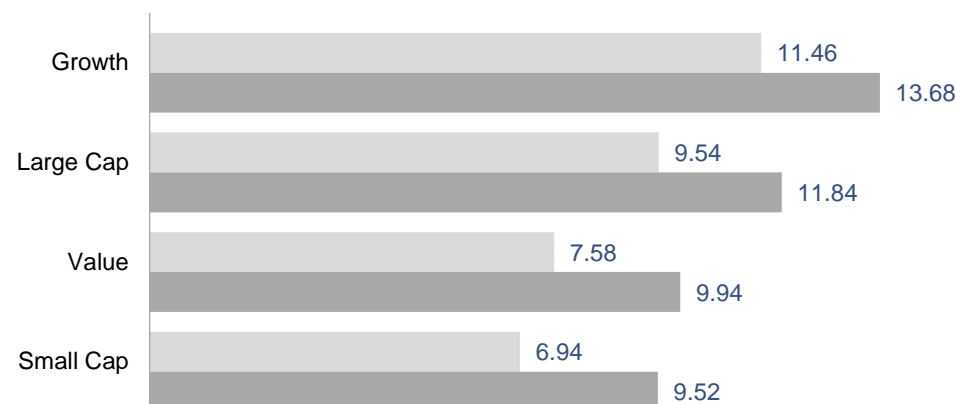
In US dollar terms, emerging markets outperformed developed markets, including the US, in the fourth quarter.

Value stocks underperformed growth stocks.

Small caps underperformed large caps.

Ranked Returns (%)

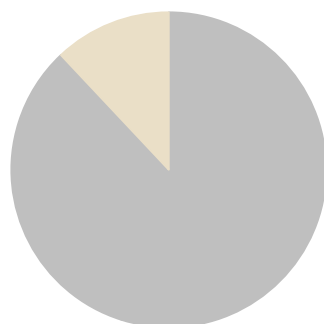
Local currency US currency



World Market Capitalization—Emerging Markets

12%

Emerging Markets
\$6.9 trillion



Period Returns (%)

* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Growth	13.68	25.10	14.50	7.45	5.20
Large Cap	11.84	18.42	11.57	5.61	3.68
Value	9.94	11.94	8.57	3.67	2.08
Small Cap	9.52	11.50	6.70	2.97	2.95

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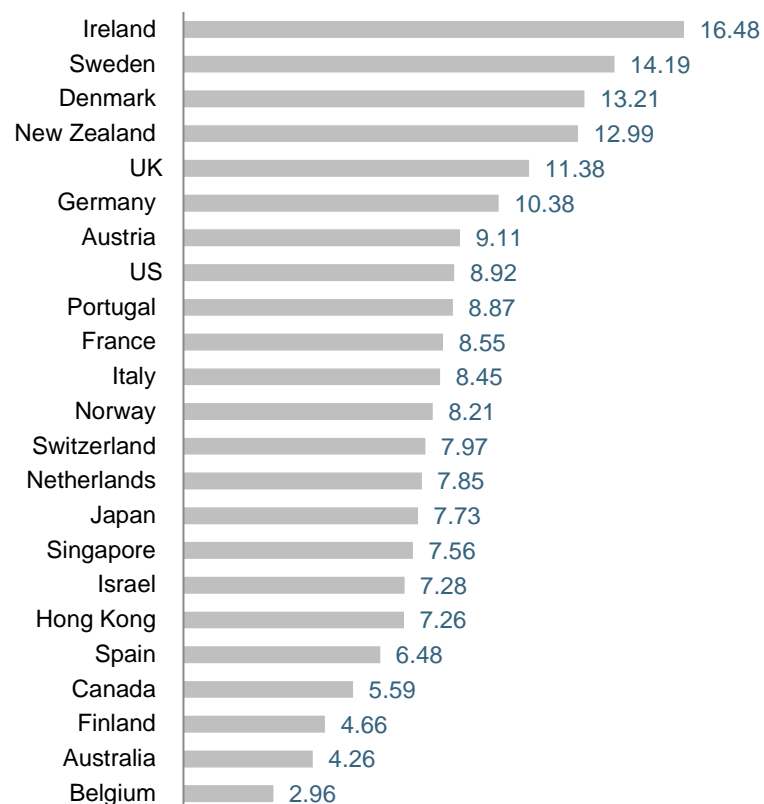


Select Market Performance

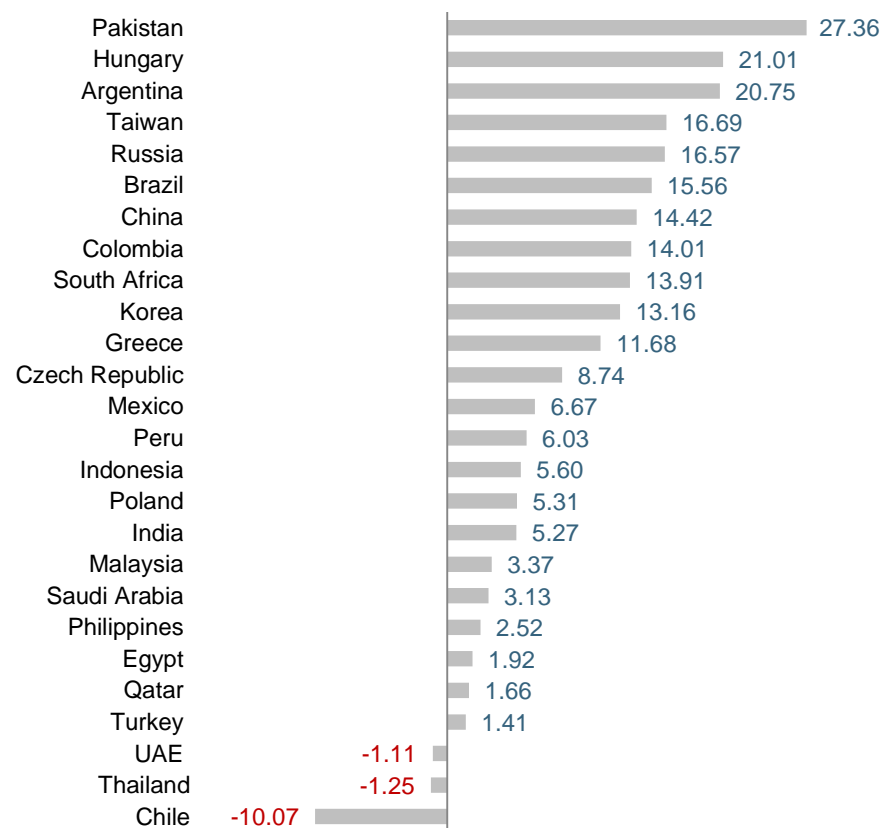
Fourth Quarter 2019 Index Returns

In US dollar terms, Ireland and Sweden recorded the highest country performance in developed markets in the fourth quarter, while Australia and Belgium posted the lowest returns. In emerging markets, Pakistan and Hungary were the top performers, while Chile and Thailand posted the lowest performance.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)



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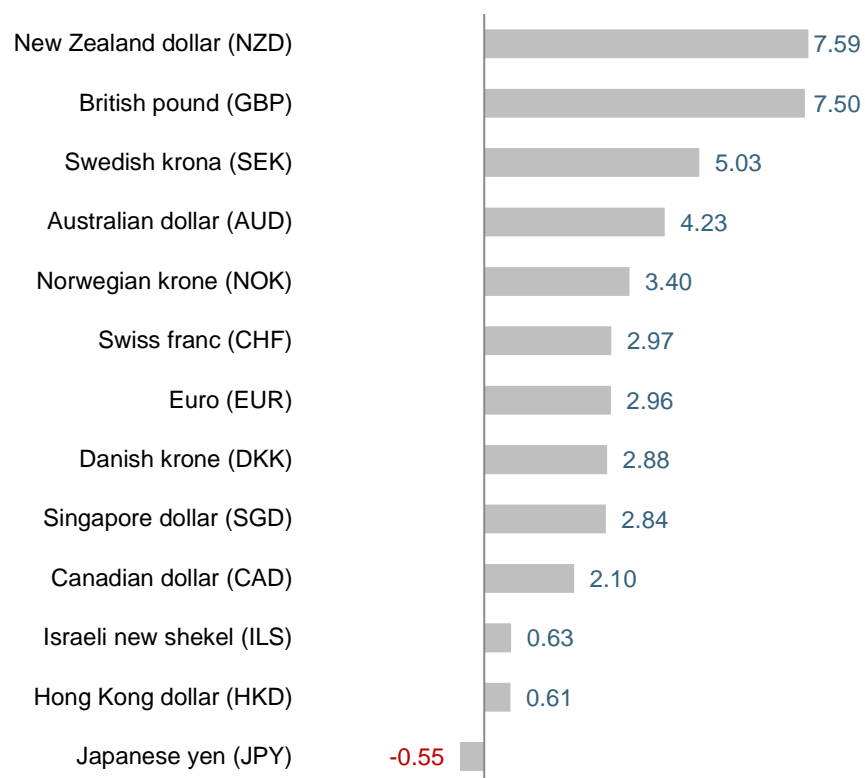


Select Currency Performance vs. US Dollar

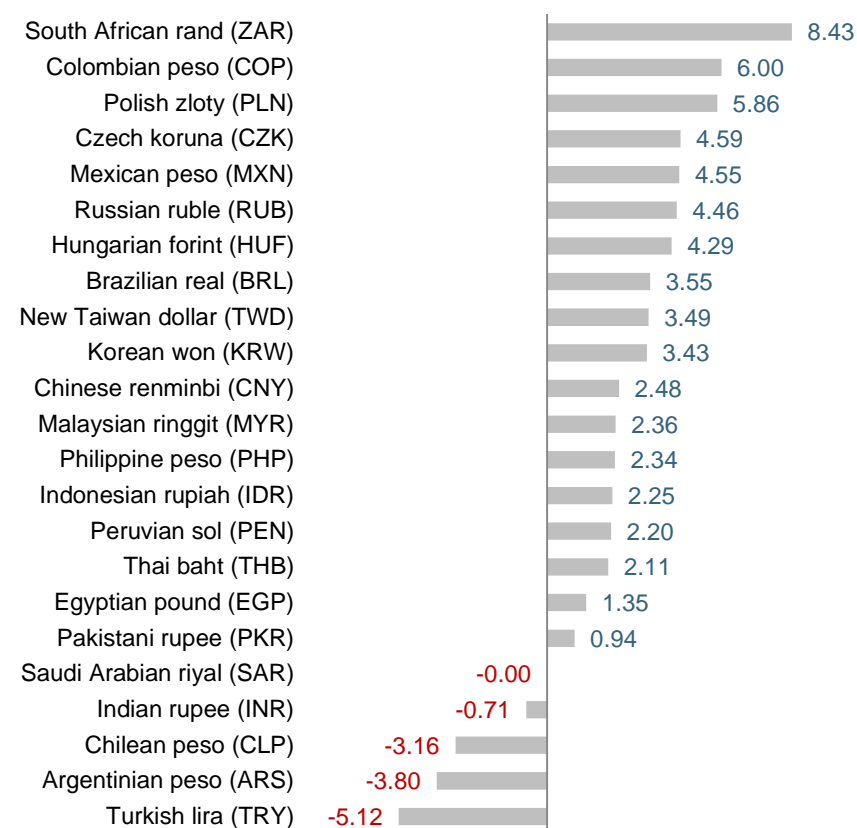
Fourth Quarter 2019

In developed and emerging markets, most currencies appreciated vs. the US dollar. The few exceptions included the Japanese yen and the Turkish lira.

Ranked Developed Markets (%)



Ranked Emerging Markets (%)



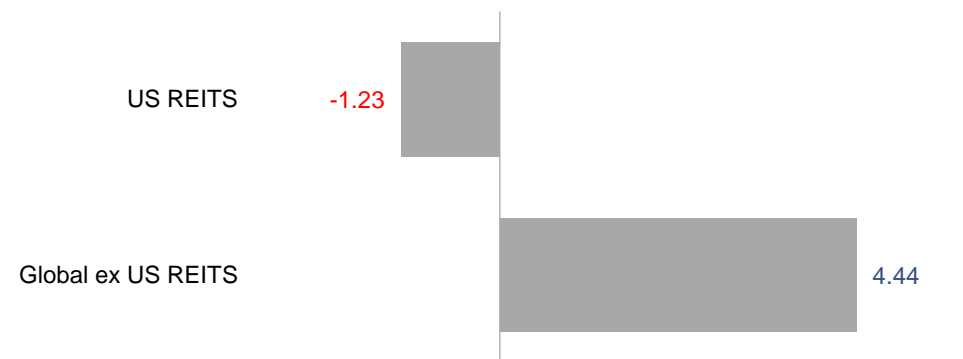


Real Estate Investment Trusts (REITs)

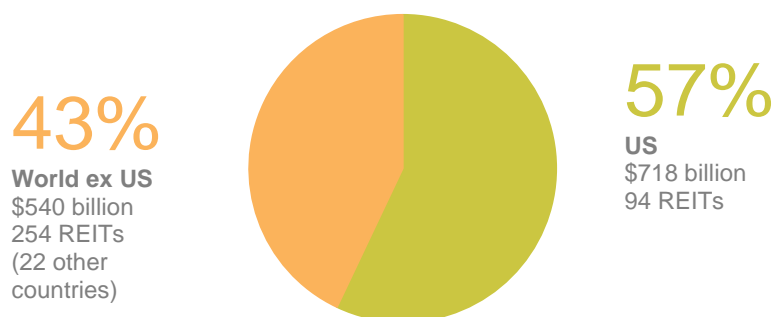
Fourth Quarter 2019 Index Returns

US real estate investment trusts (REITs) underperformed non-US REITs in US dollar terms during the fourth quarter.

Ranked Returns (%)



Total Value of REIT Stocks



Period Returns (%)

* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Global ex US REITs	4.44	23.59	9.79	5.65	7.74
US REITs	-1.23	23.10	6.95	6.40	11.57

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.



Commodities

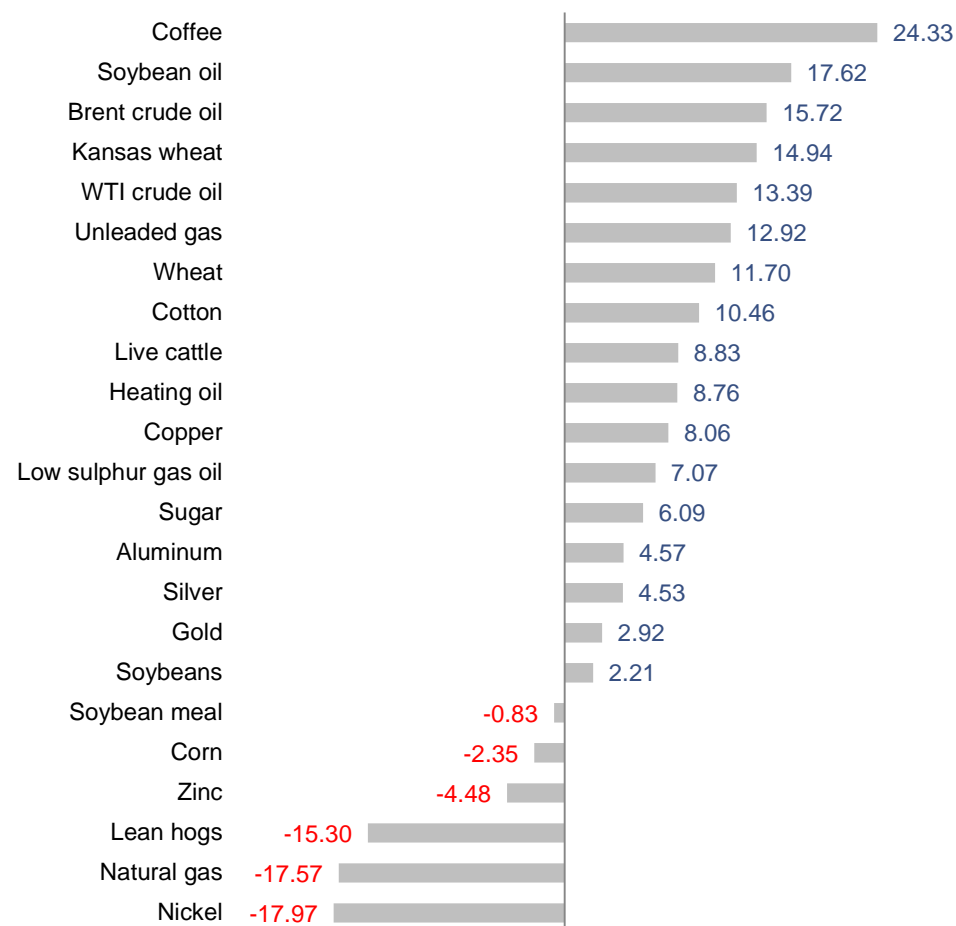
Fourth Quarter 2019 Index Returns

The Bloomberg Commodity Index Total Return increased 4.42% in the fourth quarter.

Coffee and soybean oil were the top performers, gaining 24.33% and 17.62%, respectively.

Nickel and natural gas were the worst performers, declining by 17.97% and 17.57%, respectively.

Ranked Returns (%)



Period Returns (%)

* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Commodities	4.42	7.69	-0.94	-3.92	-4.73



Fixed Income

Fourth Quarter 2019 Index Returns

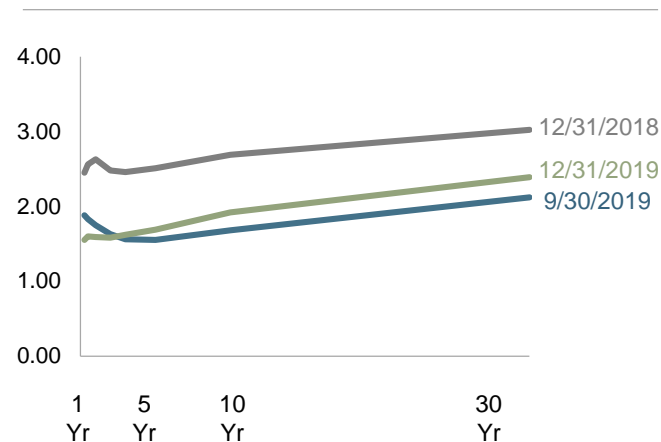
Interest rate changes were mixed in the US Treasury market during the fourth quarter. The yield on the 5-year Treasury note increased 14 basis points (bps), ending at 1.69%. The yield on the 10-year note rose 24 bps to 1.92%. The 30-year Treasury bond yield increased 27 bps to 2.39%.

On the short end of the yield curve, the 1-month Treasury bill yield decreased to 1.48%, while the yield on the 1-year bill dipped 16 bps to 1.59%. The 2-year note yield finished at 1.58% after a decrease of 5 bps.

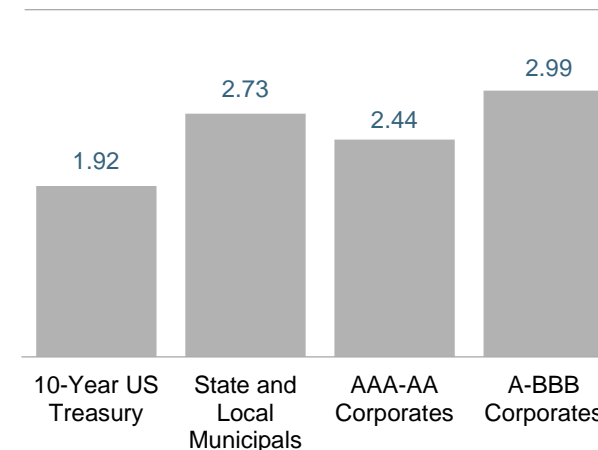
In terms of total returns, short-term corporate bonds gained 0.95%. Intermediate corporate bonds had a total return of 1.10%.

The total return for short-term municipal bonds was 0.84%, while intermediate-term munis returned 0.93%. General obligation bonds outperformed revenue bonds.

US Treasury Yield Curve (%)



Bond Yield across Issuers (%)



Period Returns (%)

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays US High Yield Corporate Bond Index	2.61	14.32	6.37	6.13	7.57
FTSE World Government Bond Index 1-5 Years	1.01	2.43	2.40	0.74	0.19
Bloomberg Barclays US TIPS Index	0.79	8.43	3.32	2.62	3.36
Bloomberg Barclays Municipal Bond Index	0.74	7.54	4.72	3.53	4.34
ICE BofA 1-Year US Treasury Note Index	0.59	2.93	1.78	1.25	0.83
ICE BofA US 3-Month Treasury Bill Index	0.46	2.28	1.67	1.07	0.58
Bloomberg Barclays US Aggregate Bond Index	0.18	8.72	4.03	3.05	3.75
FTSE World Government Bond Index 1-5 Years (hedged to USD)	0.18	3.86	2.37	1.92	1.85
Bloomberg Barclays US Government Bond Index Long	-4.06	14.75	6.95	4.16	6.97

*Annualized

One basis point (bps) equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2020 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2020 ICE Data Indices, LLC. S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.



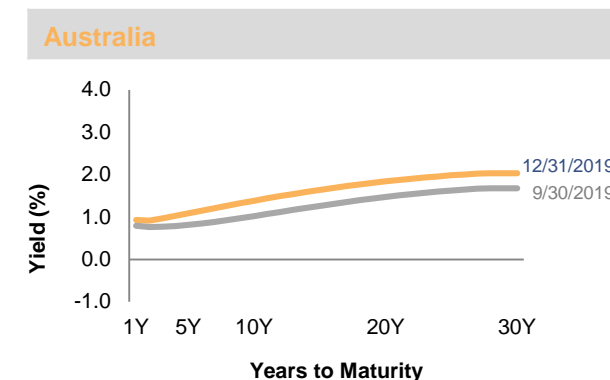
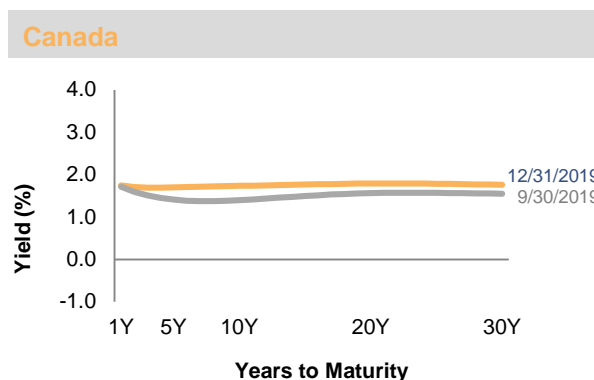
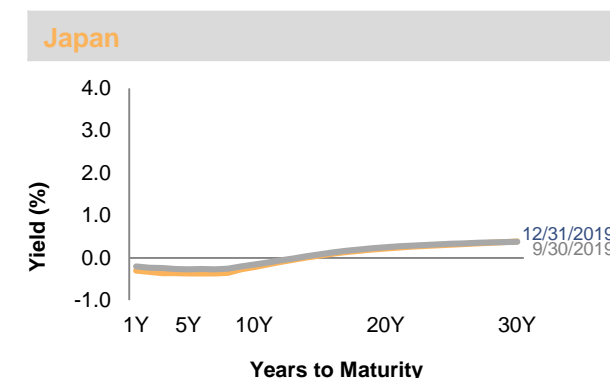
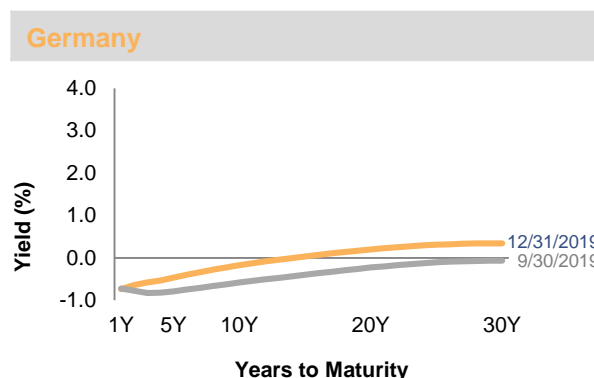
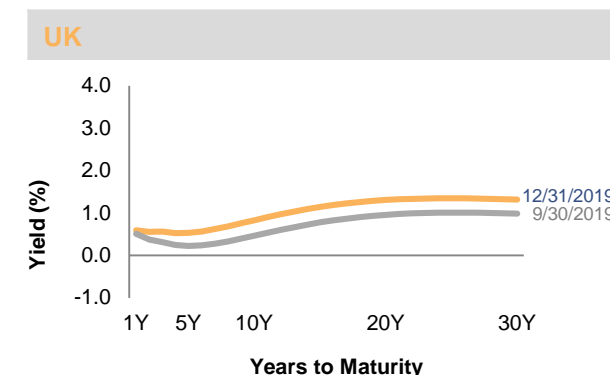
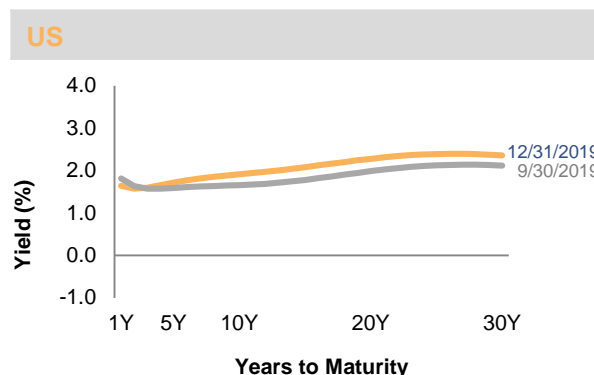
Global Fixed Income

Fourth Quarter 2019 Yield Curves

Interest rates in global developed markets generally increased during the fourth quarter.

Longer-term bonds generally underperformed shorter-term bonds in the global developed markets.

Short- and intermediate-term nominal rates are negative in Japan and Germany.



Changes in Yields (bps) since 9/30/2019

	1Y	5Y	10Y	20Y	30Y
US	-17.2	12.7	25.4	29.3	24.1
UK	8.2	30.6	36.8	34.9	33.1
Germany	-1.4	32.2	40.9	42.7	40.3
Japan	16.9	23.8	19.6	7.0	3.9
Canada	3.0	29.0	33.7	22.7	21.0
Australia	13.7	27.4	36.2	36.7	35.3



Impact of Diversification

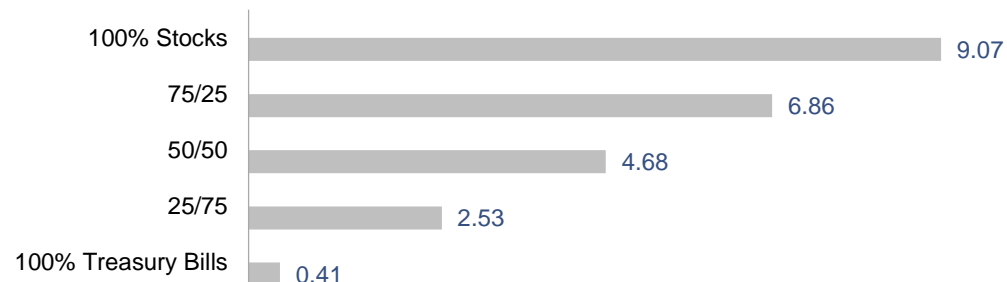
Fourth Quarter 2019

These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

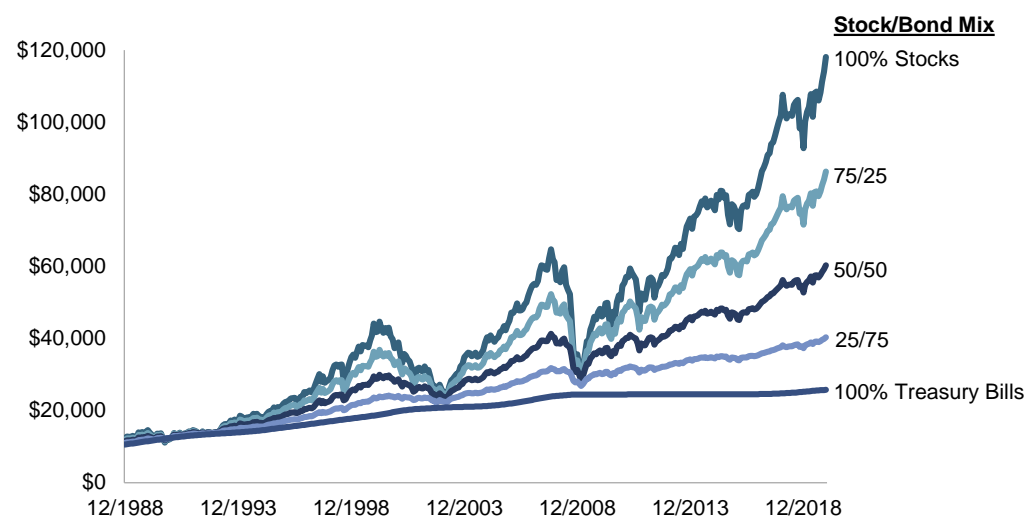
Period Returns (%)

Asset Class	QTR	* Annualized					10-Year STDEV ¹
		1 Year	3 Years*	5 Years*	10 Years*		
100% Stocks	9.07	27.30	13.05	9.00	9.37	13.18	
75/25	6.86	20.69	10.21	7.08	7.27	9.89	
50/50	4.68	14.29	7.35	5.10	5.09	6.59	
25/75	2.53	8.11	4.47	3.07	2.83	3.30	
100% Treasury Bills	0.41	2.14	1.58	0.99	0.52	0.22	

Ranked Returns (%)



Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio. Diversification does not eliminate the risk of market loss. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio. Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2020, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).