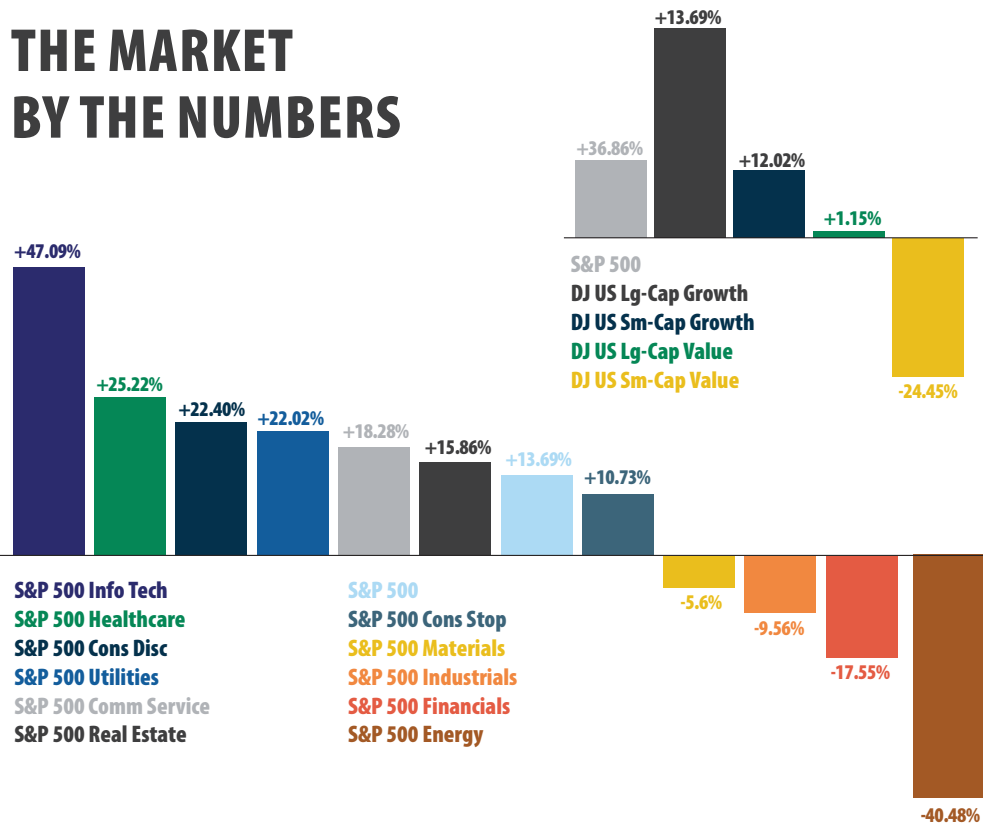


COMMENTARY

We have been in a bifurcated market since the market low made during the financial crisis on March 6th, 2009. Investors have favored large caps stocks over small caps, and growth stocks over value, with only small pockets of time not favoring large cap growth. From a sector level it has been pretty much technology and consumer discretionary, then everything else. But instead of looking all the way back to 2009, we want to look back to when we first rolled out our sector and style rotation strategies in select models back in March 2018.

Style Rotation – The Dow Jones U.S. Large Cap Growth Index and from March 1st, 2018 to May 29th, 2020 the index is up +36.86% vs. the S&P 500 index up +13.69%. Dow Jones U.S. Small Cap Growth Index was a

THE MARKET BY THE NUMBERS



ECONOMIC HIGHLIGHTS

S&P 500	3,044.31
DIJA	25,383.11
NASDAQ	9,489.87
OIL	\$35.49/BARREL
GOLD	\$1,751.70/OUNCE
10-YEAR TREASURY FIELD	0.65%
UNEMPLOYMENT	14.70%
GDP	-5%
CONSUMER PRICE INDEX (CPI)	-0.8% (12 MO CHANGE +0.3%)
CORE CPI	-0.4% (12 MO CHANGE +1.4%)



Consumer confidence improved in May, rising to 86.6. Economists had estimated the reading would come in at 82.3.



Around the US, and the world, Covid-19 restrictions are being lifted and economies are beginning to restart. Only time will tell if this re-opening is the start of getting back to 'normal', or if restrictions will need to resume due to additional waves.



Tensions between the US and China are on the rise, primarily over Hong Kong. China has paused the purchase of some American farm goods, further putting the Phase-One trade deal at risk.

close third, up +12.02%, while the Dow Jones U.S. Large Cap Value Index is barely positive at +1.15%. Now here is where the bifurcation in the market really stands out. Dow Jones U.S. Small Cap Value Index is down -24.25%, a greater than 60% difference between Dow Jones U.S. Large Cap Growth Index and Dow Jones U.S. Small Cap Value Index. Out of the 27 months we have been running our style rotation strategy, we have only held Small Cap Value for 4 of those months and 23 months we have held Large Cap Growth. We are watching to see if momentum changes and when a move to small cap value will make sense. It could be next month, or it could be next year. We do not know when it will happen, but history suggests it might happen eventually.

Sector Rotation – we will not go through all the sectors and all the numbers like we did for style rotation, but we do want to point out a few key ones. Information technology is up 47.09% since March 1st, 2018 and we have held technology since implementation of our sector rotation strategy. This has worked out very well for the portfolio, but it is not only what you hold that helps it is also what you avoid. From inception of sector rotation, we have not held – Energy (-40.48%), Industrials (-9.56%), Materials (-5.06%), or Communications Services (18.28%). Hold what is going up and avoid what is not, that is how momentum strategies work. We won't be right every time as we don't have a crystal ball (or the island in paradise that comes with it), but if we can be on the right side of momentum and catch long-term trends, we believe these strategies will complement our portfolios.

(all dates and figures above from www.stockcharts.com)

From a tactical portfolio position, we are currently positioned more bullish and with our disciplined rebalancing process we were adding to equities and selling fixed income as the market was falling in March. We see long-term opportunities in the high-yield fixed income market with active management being key in the high yield space to avoid companies that have weak balance sheets. We also expect this to be a bumpy ride for the first few months, but the long-term benefits should outweigh the short-term bumps. From a portfolio positioning standpoint, we are always looking for opportunities both in the intermediate-term and long-term. We continue to monitor accounts daily and are committed to our rebalancing process.

MARKET TRACKER

INDEX	3 MO	1 YR	3 YR	5 YR
S&P 500	3.59%	12.84%	10.23%	9.86%
MSCI EAFE	-3.73%	-2.81%	-0.37%	0.79%
BAR AGG BOND	1.65%	9.42%	5.07%	3.94%



The index, a member of the Dow Jones Total Stock Market Indices family, is designed to measure the performance of large-cap U.S. equity securities that are classified as "growth" based on a multi-factor analysis. The index, a member of the Dow Jones Total Stock Market Indices family, is designed to measure the performance of small-cap U.S. equity securities.

The index, a member of the Dow Jones Total Stock Market Indices family, is designed to measure the performance of large-cap U.S. equity securities that are classified as "value" based on a multi-factor analysis.

The index, a member of the Dow Jones Total Stock Market Indices family, is designed to measure the performance of small-cap U.S. equity securities.

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The S&P 500[®] Utilities comprises those companies included in the S&P 500 that are classified as members of the GICS[®] utilities sector.

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The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the Nasdaq. The Nasdaq is a global electronic marketplace for buying and selling securities, as well as the benchmark index for U.S. technology stocks and is also used to refer to the Nasdaq Composite, an index of more than 3,000 stocks listed on the Nasdaq exchange. The NASDAQ Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad based index. The MSCI EAFE index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted. The Bloomberg Barclays US Aggregate Bond Index, which was originally called the Lehman Aggregate Bond Index, is a broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly.

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