

Market Recap Q2 Jerry Chafkin – AssetMark CIO

US Stocks had a strong second quarter, in fact the best quarter since 1998, returning + 20.5%, a far cry from the Q1 return of (-19.6%), which was one of the fastest tumbles in history. That said, portfolio performance experienced by many, for the second quarter and year-to-date periods will probably disappoint investors as diversified portfolio performance once again exhibited lower returns relative to those of widely reported US stock indexes.

Index	Q2 2020	YTD 2020	5 Year	10 Year
S&P 500	+ 20.54%	(- 3.08%)	+ 10.73%	+13.99%
MSCI ACWI	+ 19.22%	(- 6.25%)	+ 6.46%	+ 9.16%
Bloomberg Barclays Global Bond Aggregate	+ 3.32%	+ 2.98%	+ 3.56%	+ 2.81%
Bloomberg Commodity	+ 5.08%	(- 19.40%)	(- 7.69%)	(- 5.82%)

*Clark Capital Review

There are few prudent alternatives to broad diversification across asset classes, regions, sectors and styles due to the unusual combination of unknowns this year: election, Congressional discord, Coronavirus and vaccine progress. For the next 12-18 months, investors should be prepared to see swings between big down days and big up days.

Disclaimer: This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events. Index returns are for illustrative purposes only. Indexes are unmanaged and cannot invest directly in an index. Past performance does not guarantee future results.

Kezia Samuels AssetMark Director

How can the S&P 500 be so strong while many companies are going out of business? (see attached for add'l info)

Concentration is the answer. The S&P 500 performance has been driven this year by 6 stocks, largely mega cap technology names like: Facebook, Apple, Netflix, Amazon, Microsoft, Alphabet (FANAMA). They have collectively enjoyed a year to date return of + 5.35% through end of June 2020. The remaining 494 stocks in the S&P 500 are down (- 8.43%) and thus the net S&P 500 return through June was (- 3.1%). These six stocks represent over 20% of the overall value of the S&P 500... just 6 stocks. If you were to take them out of the S&P 500, returns have been more normal.

How does this recession compare to others?

Since WW II, the 2020 recession will likely be one of the worst but the shortest. The definition of recession is "consistent economic decline". Since, at this point, we have begun a recovery, technically the recession is over.

It is important to note that the recovery will be uneven across companies and sectors. Industries and companies who have been able to "open" again, are recovering better. Industries like travel and leisure are suffering because travel is down a lot. In fact, air travel is down 79% year over year.

KSH Advisors News/Updates

Pumpkin Growing Charity Challenge – Need Your Pics!

- Grand Prize \$250 donation
- 2nd prize \$100 donation
- 3rd prize \$ 50 donation

Switch from Pershing to AssetMark Trust Has Begun

If you are affected, you will hear from me a week ahead of your "transition" so we can coordinate delivery of your "e-signature" required paperwork. Process is gradual and will be completed in mid-September. Questions? Please call.

R.I.P. Macie – Pumpkin Mascot/Winner from 2019



Client creates lovely photos with iPhone lenses!

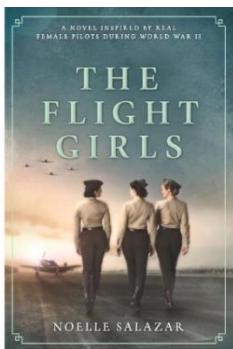


Cathy enjoys photographing her garden flowers using her cell phone and her "Moment" macro lens ... She shared that it takes a bit of practice but it is fun and rewarding.

Client Corner

Thank you to all of you for sharing your thoughts, stories, milestones (bitter and sweet) during an uncertain time. Enjoy the pictorial and thoughts from the ranks of fellow clients...Think I got everyone who shared but if I missed you, please forgive me.

Recommended book by
Thiere, Sandy and Kathy



Dave and Libby's new baby
"Brisco" – "Keeping us moving"



Lani has a "she shed"
Painting and crafting!



Linda and Steve
Weaving camping chairs



Fawn and Greg making face masks
Supplying family and friends with PPE



Bev and Rick – now fully retired!
Catching up on home projects



Jerry and Chris' – Pumpkins
Plants are loving fish fertilizer



Volunteering Rocks!

Jan and Guy have been volunteering with EastWest Food Rescue - a grassroots effort to save food crops in E. Washington from going to waste by bringing them to W. Washington for food banks. When the virus outbreak caused school and restaurant closures, farmers were unable to sell their potatoes and onions destined for those markets. Crops were going to be plowed under. EastWest Food Rescue was launched to help both sides of the state. Volunteers in convoys drive to Othello every Friday and bring back crops to Farmer Frog in Woodinville, a partner in this effort. We have been bagging loose potatoes into 50-pound bags for distribution to Puget Sound food banks and other charitable organizations that feed the needy. There are usually quite a few young people and families helping out. To date, over a million pounds of food have been saved. The effort has expanded to now include apples and eggs as well as the potatoes and onions. For more information, check out their website: <https://eastwestfoodrescue.org>