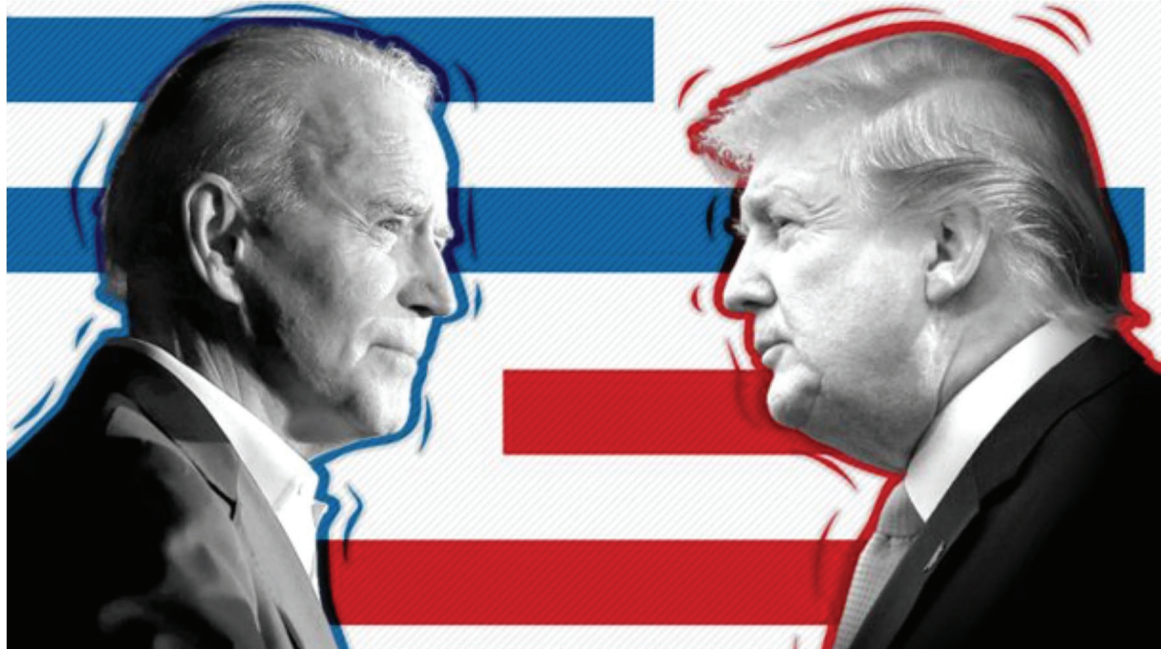


COMMENTARY

It is hard to believe we are less than two months away from the 2020 Presidential Election but here we are! With both parties wrapping up their "virtual" national conventions late last month, we are now a few weeks away from the candidates taking to the debate stage at the end of September.



With most of the news cycle focused on the presidential election, let's take a look at what's at stake on the congressional side. The U.S. House majority is currently held by the Democrats with 233 seats to the Republicans 196. There are around 25 seats that are currently considered toss-up races that could go to either the Democrats or the Republicans and Republicans would need a net gain of at least 17 seats to gain the

ECONOMIC HIGHLIGHTS

S&P 500	3,500.31
DIJA	28,430.05
NASDAQ	11,775.46
OIL	\$42.61/BARREL
GOLD	\$1,978.60/OUNCE
10-YEAR TREASURY FIELD	0.69%
UNEMPLOYMENT	10.20%
GDP	-33.30%
PPI	-0.40%
CPI	0.60%



Supported by low interest rates and a stock market at all-time highs, the housing sector continues to show strength. New home sales and existing home sales greatly exceeded consensus expectations.



The Federal Reserve provided some insight into their outlook and strategy at the annual Jackson Hole conference (held virtually). Their accommodative policy should continue, and the Fed expects interest rates to remain low. Also announced was a policy of average inflation targeting, where the Fed could allow time periods of inflation above 2% to compensate for periods of inflation below 2%.



The consumer confidence index did not look good in August. The Conference Board's index dropped 9 points to 84.8. This is below April's low of 85.7. Michigan's consumer sentiment index dropped as well, coming in at 72.8. This is only slightly above April's low of 71.



majority in the House. On the Senate side, there are 35 seats up for election in 2020 with Republicans currently at a slight majority holding 53 of the 100 seats. Six Senate seats are viewed as toss-ups and Democrats would need to net gain 3 or 4 seats to take control (depending on the outcome of the Presidential election). The results of the presidential and congressional elections will certainly have an impact on upcoming policy and the economy, but we will have to see the results before we can assess what impacts may be in store.

The Schwab Center for Financial Research found that since 1928, the S&P 500 ended positive in 17 out of the last 23 presidential election years, which is 74% of the time. Another pattern that was found is that when the S&P 500 has performed positively the 3 months prior to the election, the incumbent has won the election 87% of the time. If these trends hold true again, it may indicate Trump remaining in the White House, but Biden has been remained the leader in polling data. And while these are certainly fascinating patterns to ponder, if we have learned anything from 2020 it is that this year has been anything but predictable!

The most prudent thing we can do is to continue to follow our due diligence process when evaluating the markets and individual accounts. Our long-term view on the equity market is still bullish and we believe we are in the middle part of a secular bull market that from a historical perspective could have another 10 years left. We expect the markets to continue to be bumpy in the short-term as treatment options for COVID-19 are still being developed and as we get deeper into election season. From a portfolio positioning standpoint, we are always looking for intermediate-term and long-term opportunities and continue to monitor accounts daily with our commitment to rebalance accounts as they fall outside of their equity-to-fixed income ratio.

MARKET TRACKER

INDEX	3 MO	1 YR	3 YR	5 YR
S&P 500	15.48%	21.94%	14.52%	14.46%
MSCI EAFE	11.26%	6.13%	2.34%	4.72%
BAR AGG BOND	1.31%	6.47%	5.09%	4.33%





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.

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