

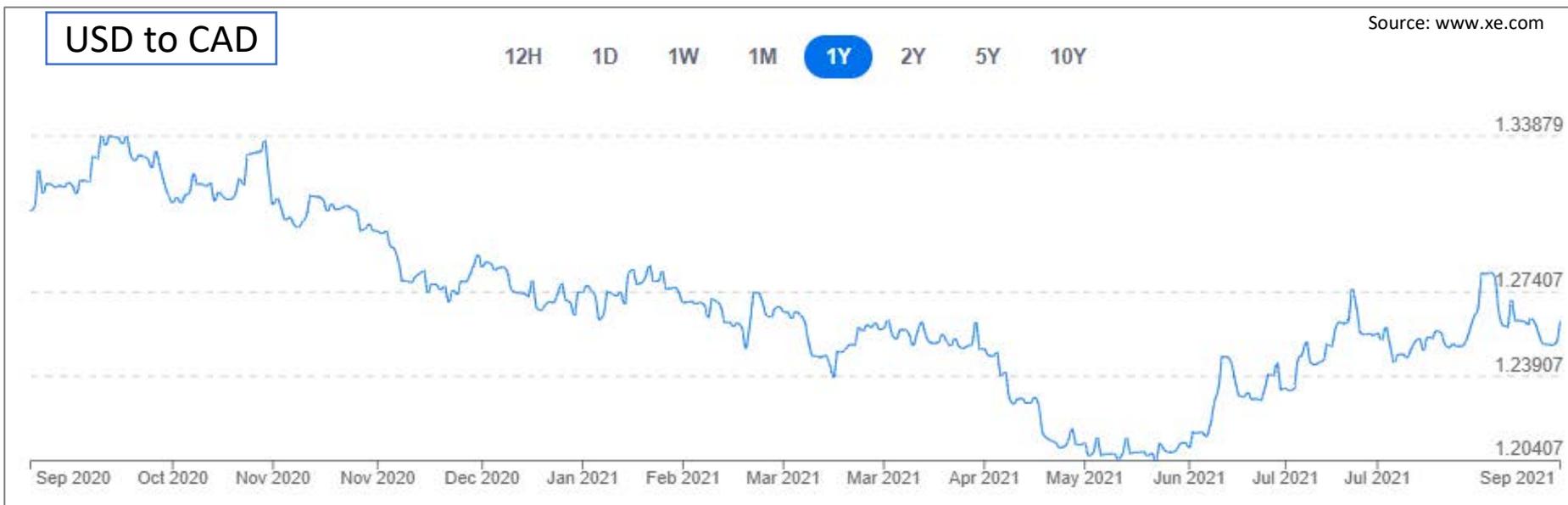
		<u>Aug 2021</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	3.04%	21.58%	31.17%	18.07%	18.02%	16.34%
U.S. Small Cap Equities	Russell 2000	2.24%	15.83%	47.08%	10.75%	14.38%	13.62%
Energy Infrastructure Equities	Alerian U.S. Midstream Energy	-0.85%	36.99%	56.91%	-0.96%	1.22%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT	1.75%	31.75%	44.17%	9.38%	6.44%	9.85%
Global Equities	MSCI All Country World Index	2.50%	15.91%	28.64%	14.34%	14.29%	11.27%
International Developed Equities	MSCI EAFE	1.76%	11.58%	26.12%	9.00%	9.72%	7.34%
Emerging Market Equities	MSCI Emerging Markets	2.62%	2.84%	21.12%	9.87%	10.40%	4.85%
U.S. Taxable Fixed Income	Bloomberg U.S. Aggregate	-0.19%	-0.69%	-0.08%	5.43%	3.11%	3.18%
U.S. Tax-Exempt Fixed Income	Bloomberg Municipal Aggregate	-0.37%	1.53%	3.40%	5.09%	3.30%	4.05%
High Yield Fixed Income	Bloomberg U.S. Corporate High Yield	0.51%	4.55%	10.14%	7.11%	6.66%	7.07%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.46%	3.76%	8.38%	4.15%	4.63%	4.89%
International Fixed Income	Bloomberg Global Aggregate Ex-U.S.	-0.61%	-3.57%	0.75%	3.66%	1.81%	0.72%

- Global equity markets were broadly higher in August, as developed countries continued to reopen despite a new wave of coronavirus cases.
  - The spread of the Delta variant accelerated globally in August, with key Asian supply chain countries hit hard.
- In the U.S., the S&P 500 Index gained 3.0%, supported by large-cap growth stocks that were up 4.2%.
- U.S. economic results in August suggested that the economy is past its peak growth rate, but still running hot, with higher earnings.
  - Markets reacted well to the Fed's Jackson Hole meeting, after Chairman Powell reiterated the central bank's position that higher inflation appears to be transitory, and that the labor market could prompt a start to tapering by year-end.
- International developed and emerging market equities performed well, adding 1.8% and 2.6%, respectively.
  - The Chinese regulatory concerns that arose in July persisted throughout August, with a widening number of industries impacted.
- In bond markets, the 10-year U.S. Treasury yield inched 0.07% higher to 1.30%, while shorter-term Treasury bond yields were unchanged.
- Investment grade bond yields rose in August, while prices declined, sending both the taxable and municipal indexes lower.
- High yield bonds and floating rate loans gained roughly 0.5% as credit fundamentals improved and bond spreads continued to narrow.

Note, the Bloomberg Barclays bond indexes have been rebranded and will no longer include a reference to the previously acquired Barclays.

### Economic Update

- The U.S. dollar strengthened 1.2% against the Canadian dollar in August, ending the month with an exchange rate of 1.2630.
- Canada's economy unexpectedly contracted in the second quarter, as GDP slowed at an annualized pace of 1.1%.
- This is down considerably from the revised 5.5% gain through the first three months of the year.
- Analysts had expected an economic expansion in the second quarter of 2.5%.
- The economic recovery appears to have fully stalled as economic growth in July appears to have fallen another 0.4%.
- Amid a fourth wave of the coronavirus, the Bank of Montreal cut its 2021 growth forecast and the Canadian dollar fell.



Date Range	USD to CAD	+/-
YTD	1.2754-1.2630	-1.0%
1-Year	1.3031-1.2630	-3.1%
3-Years	1.3077-1.2630	-3.4%

**\$USD 1,000,000**  
 =  
**\$CAD 1,263,031**  
  
**@ 1.2630**  
**(8/31/2021)**

CAD Profile	
*Inflation Rate	3.7% (July 2021)
Interest Rate	0.25% (7/14/2021)
Information	<a href="http://www.bankofcanada.ca">http://www.bankofcanada.ca</a>

\*Total CPI Inflation

Sources: xe.com, Statistics Canada, bankofcanada.com, Reuters, Bloomberg

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides 20 years of price history as well as past recessions. The embedded chart provides a zoomed-in image of the 2021 calendar year copper price movement.

Copper prices were up \$0.85 per pound year-to-date, or 24.2%.

Since the \$2.10 low point on March 23, 2020, prices have risen \$2.27 per pound, or 108.1%.

**The price of copper was \$4.37 per pound as of August 31, 2021.**



## Copper Price Outlook

Copper prices ended August 2.5% lower, or \$0.11 per pound. Starting at \$4.48 per pound, the price of copper moved erratically throughout the month, dipping as much as \$0.44 per pound, or 9.8%, before mostly recovering.

Copper prices slumped to their lowest point in nearly two months. This was due to a combination of factors, including weak economic data and persistent demand fears, interest rate and tapering uncertainty, and Chinese production speculation. According to commodity strategists at Saxo Bank in Copenhagen, “We’re seeing a breakdown in the technical, the growth outlook from China is not supportive and the dollar is challenging key resistance areas.”

While copper prices mostly recovered in August, the concerns raised above are likely to linger. The outlook remains for prices to fluctuate, while moving slightly lower by year-end.

The chart below shows the historical daily West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel, displayed in U.S. dollars. The chart provides 20 years of price history and includes shaded columns to reflect past U.S. economic recessions.

Oil prices were up \$19.98 per barrel year-to-date, or 41.2%.

Since the \$11.26 low point on April 21, 2020, prices have risen \$57.24 per barrel, or 508%.

**The price of crude oil was \$68.50 per barrel as of August 31, 2021.**



## Oil Price Outlook

Oil prices ended August 7.4% lower, or \$5.45 per barrel. Starting at \$73.95 per barrel, the price of crude oil moved erratically throughout the month, dipping as much as \$11.77 per barrel before partially recovering. The sharp mid-month decline was attributable to a combination of concerns about a recovery in demand amid a surge in coronavirus infections, and a strengthening of the U.S. dollar.

Looking ahead, consensus guidance suggests oil prices will remain volatile, and are likely to move in conjunction to positive or negative coronavirus developments and guidance on production. According to Reuters, “the head of Russia’s No. 2 oil producer Lukoil said that oil prices of \$65-\$75 were “comfortable” for consumers and that the OPEC+ group of leading oil producing nations was striving to maintain that price range by regulating output.”