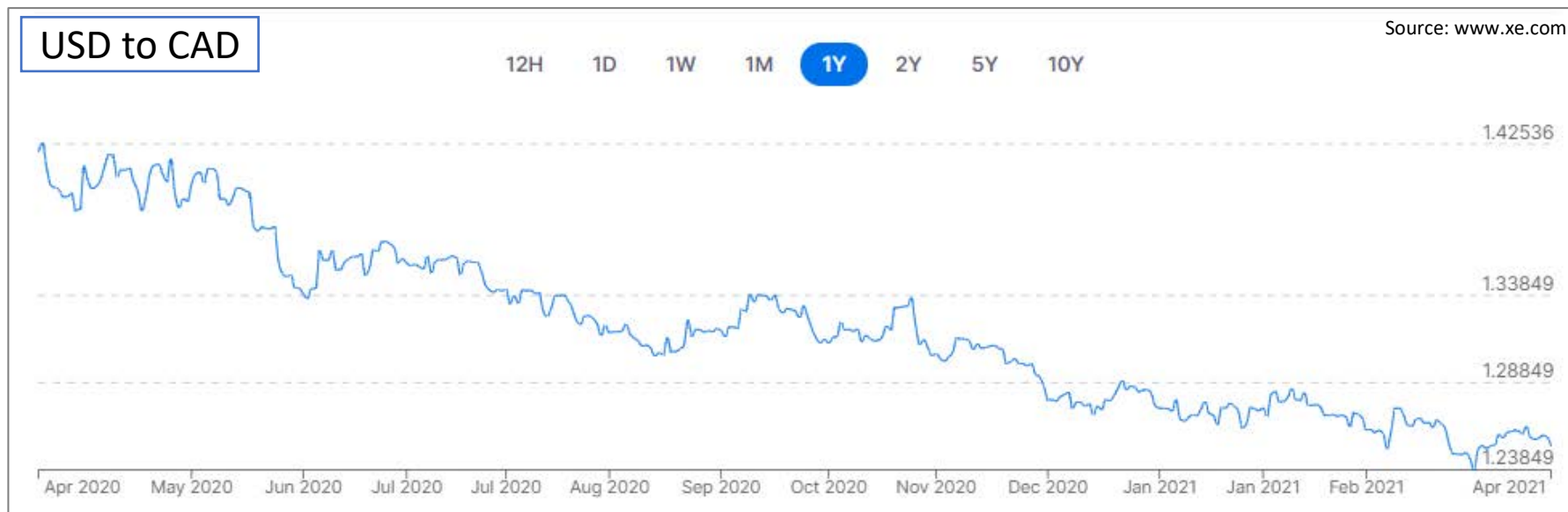


		<u>Mar 2021</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	4.38%	6.17%	56.35%	16.78%	16.29%	13.91%
U.S. Small Cap Equities	Russell 2000	1.00%	12.70%	94.85%	14.76%	16.35%	11.68%
Energy Infrastructure Equities	Alerian US Midstream Energy Index	6.94%	21.64%	98.76%	1.77%	3.92%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	1.25%	6.44%	32.23%	6.38%	3.25%	7.53%
Global Equities	MSCI All Country World Index	2.67%	4.57%	54.60%	12.07%	13.21%	9.14%
International Developed Equities	MSCI EAFE	2.30%	3.48%	44.57%	6.02%	8.85%	5.52%
Emerging Market Equities	MSCI Emerging Markets	-1.51%	2.29%	58.39%	6.48%	12.07%	3.65%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	-1.25%	-3.37%	0.71%	4.65%	3.10%	3.44%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.62%	-0.35%	5.51%	4.91%	3.49%	4.54%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	0.15%	0.85%	23.72%	6.84%	8.06%	6.48%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.00%	1.76%	20.69%	4.12%	5.28%	4.25%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	-2.42%	-5.29%	7.15%	1.15%	2.13%	1.26%

- Global equities markets extended gains in March amid continued global fiscal stimulus and accelerating COVID-19 vaccine rollout.
- March marked the one-year anniversary of the equity market bottom, with many equity indexes showing remarkable gains to record highs.
- The wide performance divergence between value and growth has narrowed considerably over the past year to less than 10%:
  - Year-to-date, the S&P 500 Value Index has outperformed the S&P 500 Growth Index by 8.7%.
  - Valuations continued to favor value stocks at quarter-end, with Current P/E for growth stocks at 29.2% compared to 18.2% for value.
  - Valuations for mid and small cap stocks were similar, with exaggerated growth valuations.
  - The surge in commodity prices supported value stocks with oil and copper rising 22% and 14% year-to-date, respectively.
- Energy infrastructure equities were the best performing asset class in March, during the first quarter, and over the past 12-months.
- Foreign equity returns were consistently positive during the first quarter, but emerging markets returns diverged in March, favoring international developed equities.
- Fixed income returns were generally low or negative in March and for the quarter as yields moved broadly higher.
  - The 10-year U.S. Treasury was down 7.0% in the first quarter during which time the yield increased by 0.8% to 1.7%.

## Economic Update

- The U.S. dollar declined 1.3% against the Canadian dollar in March.
- The Canadian economy grew 0.7% in January, beating analyst expectations.
- The economy appears to have grown almost as much in February, which would mark ten consecutive months of growth.
- The Conference Board of Canada “expects the Canadian economy to grow 5.08% in 2021, the highest since 2007 (+6.8%).”
- The growth is predicated in part by dramatically higher household savings, which surged from 1.4% prior to Covid-19, to 14.8% in 2020.
- A key headwind opposing the economic revival is what looks like an overheated real estate market.



Date Range	USD to CAD	+/-
Q1 2021	1.2754-1.2571	-1.4%
1-Year	1.4117-1.2571	-11.0%
3-Years	1.2896-1.2571	-2.5%

**\$USD 1,000,000**  
 =  
**\$CAD 1,257,130**  
 @ 1.25713  
 (3/31/2021)

CAD Profile	
*Inflation Rate	1.1% (February 2021)
Interest Rate	0.25% (3/10/2021)
Information	<a href="http://www.bankofcanada.ca">http://www.bankofcanada.ca</a>

\*Total CPI Inflation

Sources: xe.com, Statistics Canada, bankofcanada.com, National Post

<sup>1</sup> Organization for Economic Co-operation and Development

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 \$0.48 per pound year-to-date, or 13.6%.

Since the \$2.10 low point on March 23, 2020, prices have risen \$1.90 per pound, or 90.5%.

**The price of copper was \$4.00 per pound as of March 31, 2021.**



## Copper Price Outlook

Copper prices trended lower in March after rising steadily since the low point in March 2020. The decline was predominately attributable to uncertainty over the regulatory extension of the Radomiro Tomic mine, owned by Chile's Codelco, the world's largest copper producer. The mine, which added about 2% to total global copper production in 2020, was slated to end operation in 2022 as ore grades continued to decline. This coupled with a pending worker strike and a 4.8% decline in February production. Codelco was able to secure regulatory approval to extend the mine through 2030 (thanks to new technology) and struck a new contract deal to diffuse the strike.

Looking ahead, copper prices are expected to be volatile in response to Chile's announcement that it would close its borders during April amid a surge in Covid-19 cases. This action will create a short-term supply shortfall that may send prices higher, but lower Chinese demand and a higher dollar could neutralize the supply effects.

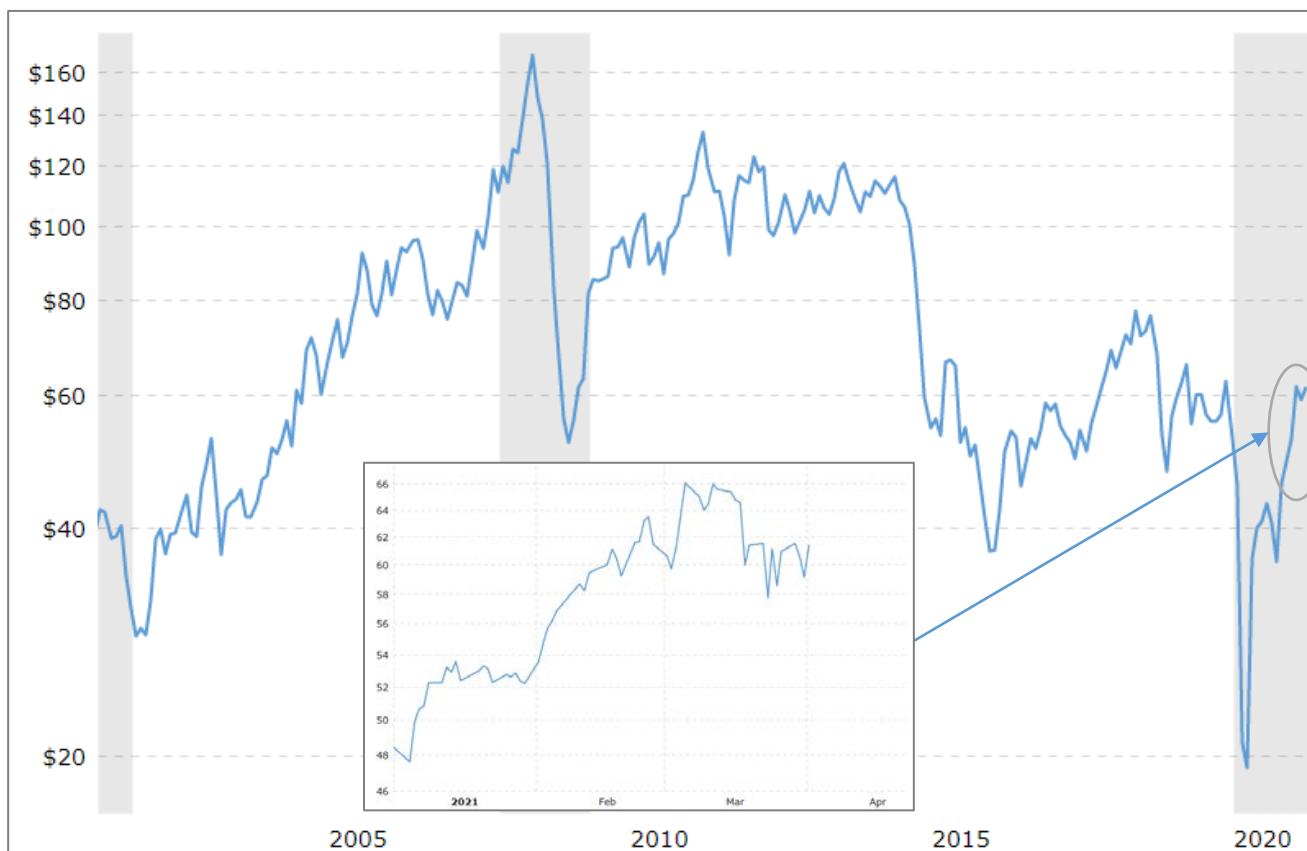
Fitch Solutions reaffirmed its outlook that copper prices will remain higher in 2021 compared to the past seven years.

The chart below shows the historical 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 \$10.64 per barrel year-to-date, or 21.9%.

Since the \$11.26 low point on April 21, 2020, prices have risen \$47.90 per barrel to the pre-pandemic level.

**The price of crude oil was \$59.16 per barrel as of March 31, 2021.**



## Oil Price Outlook

Oil prices declined \$2.34 per barrel in March, or 3.8%. Despite prices closing fairly close to where they opened, it was a particularly volatile period for oil, with crude prices fluctuating as much as 13%. The price swings were mainly attributable to speculation about the April OPEC+ meeting to consider the highly anticipated discussion of the group's production control policy.

Ahead of the meeting, Saudi Arabia hinted it would relax its voluntary one million barrels-per-date cuts, beginning with a 250,000 bpd increase in May/June. Following the meeting it was decided that the alliance would gradually curb production cuts beginning in May, an effort that was initially put in place to prop up prices and reduce oversupply.

The longer-term price outlook for crude oil remains positive, but over the near-term prices are expected to fluctuate as oil producers attempt to meet an uncertain demand.