Global Market Investment Returns — May 31, 2020

		May 2020	YTD	1-Year	3-Years	5-Years	10-Years
U.S. Large Cap Equities	S&P 500	4.76%	-4.97%	12.84%	10.23%	9.86%	13.15%
U.S. Small Cap Equities	Russell 2000	6.51%	-15.95%	-3.44%	1.98%	3.72%	9.23%
Energy Infrastructure Equities	Alerian US Midstream Energy Index	7.97%	-30.13%	-30.46%	-10.82%	-9.57%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	-0.63%	-23.41%	-18.09%	-1.80%	1.16%	7.48%
Global Equities	MSCI All Country World Index	4.35%	-9.16%	5.43%	5.19%	5.29%	8.47%
International Developed Equities	MSCI EAFE	4.35%	-14.26%	-2.81%	-0.37%	0.79%	5.27%
Emerging Market Equities	MSCI Emerging Markets	0.77%	-15.96%	-4.39%	-0.15%	0.88%	2.47%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.47%	5.47%	9.42%	5.07%	3.94%	3.92%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	3.18%	1.24%	3.98%	3.81%	3.74%	4.14%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	4.41%	-4.73%	1.32%	3.04%	4.27%	6.71%
Floating Rate Loans	S&P/LSTA Leveraged Loan	3.77%	-5.71%	-2.89%	1.66%	2.57%	4.01%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	0.30%	-0.40%	2.67%	2.14%	2.70%	2.035

- Global equity markets extended gains in May, as focus shifted to the relaxation of lockdown measures and affects on the economy.
- Global containment efforts have resulted in lower infection rates, especially in the U.S. and Europe; 65% and 90% off peak, respectively.
- In the U.S., stocks gained 4.8% in May, but economic data has been poor. The unemployment rate reached 14.7% in April, purchasing manager' indices showed a dramatic decline in manufacturing and services, and corporate earnings contracted 14% (YoY).
- Despite investor optimism, economic activity in May suggests second quarter U.S. corporate earnings could decline as much as 40% (YoY).
- Energy infrastructure equities gained 8% in May, yet the Alerian MLP Index remains 392 points, or 72%, below its August 2014 peak.
- U.S. REITs ended the month slightly negative overall, but the sector rallied nearly 13% during the second half.
- Outside the U.S., international developed and emerging markets equities gained 4.4% and 0.8%, respectively.
- The performance variance is attributable to a combination of new infection rates, which are significantly lower across Europe and the U.K. (cases are increasing in India and Brazil), and a stronger financial support and business recovery plan outlined by the EAFE countries.
- In fixed income markets, below investment grade bonds and loans performed the best, while taxable investment grade bonds gained 0.5%.
- Municipal bonds rallied 3.2% in May, the best monthly return since September 2009; the yield compressed approximately 0.50% to 1.7%.
- Global bonds gained 0.3%, a result of massive buyback programs and a slightly weaker U.S. dollar.

Source: eVestment Analytics, Eaton Vance *Monthly Market Monitor*, JP Morgan *Guide to the Markets,* WSJ, FactSet, Alerian

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Canadian Economic & Currency Update — May 31, 2020

Economic Update

- The U.S. dollar weakened 3.0% against the Canadian dollar in May.
- Amid the replacement of Stephen Poloz by Tiff Macklem on June 2nd, the duo released a joint policy statement suggesting that the worst of the COVID-19 crisis is over, and that Canadian policymakers would be actively shifting focus to support an economic recovery.
- The Bank of Canada will continue to support the economy via large-scale asset purchases, with the intention of increasing or decreasing monetary policy support in an effort to achieve the inflation target.
- The Bank of Canada maintained its benchmark interest rate at 0.25%, citing an avoidance of its "worst case scenario" in April.
- GDP was 2.1% lower in the first quarter and is estimated to be 10-20% lower in the second quarter; this is slightly better than forecast.

Date Range	USD to CAD	+/-
YTD	1.2962-1.3491	+4.1%
1-Year	1.3471-1.3491	+0.1%
3-Years	1.3489-1.3491	0.0%

$USD 1,000,000
=
$CAD 1,348,903

@1.34890
(06/03/2020)

CAD Profile	
Inflation Rate	1.60%
Interest Rate	0.25%
Information	http://www.bankofcanada.ca

Sources: xe.com, FinancialPost, bankofcanada.ca, Nasdaq.com

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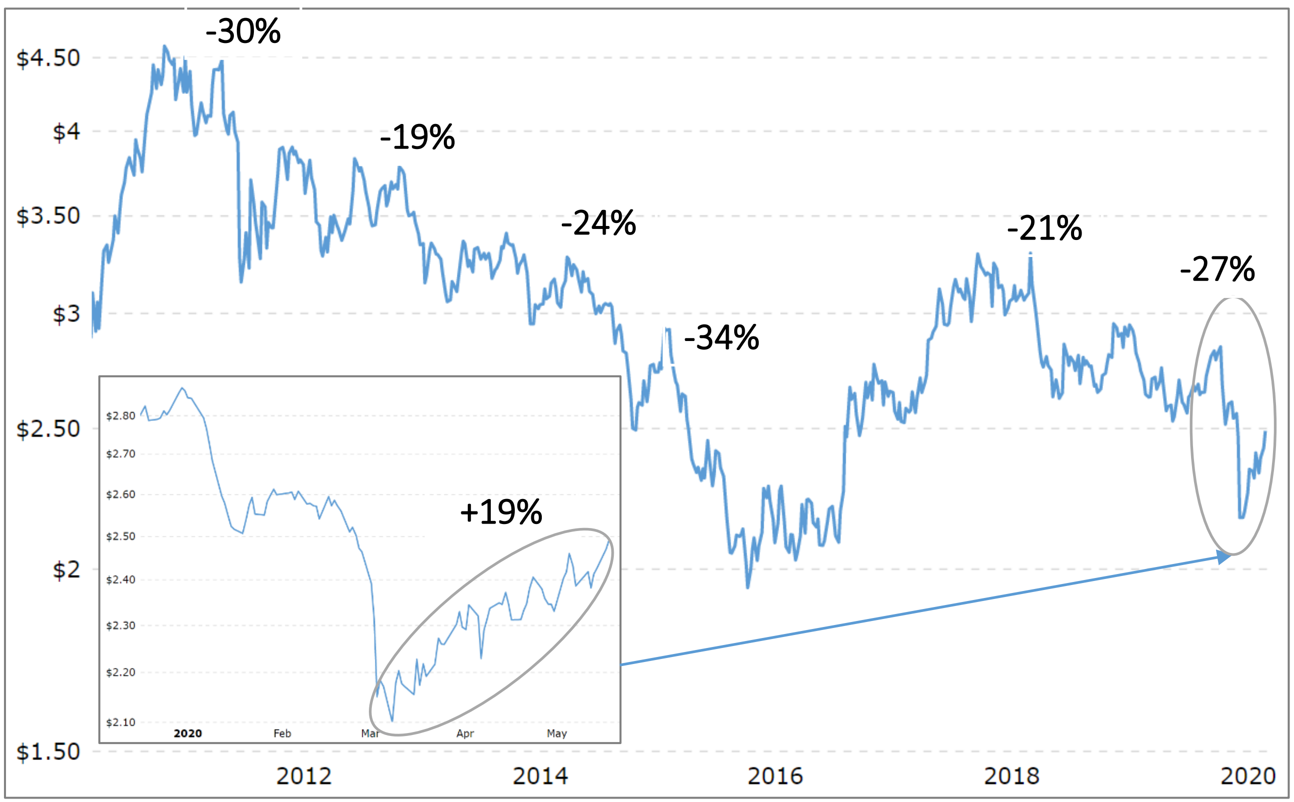
Copper Price History & Outlook

May 31, 2020

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound.

The chart embedded in the bottom left hand corner provides a zoomed-in image of the 2020 TYD copper price movement. The current price of copper, as of June 3, 2020, is $2.49 per pound. Copper began the year priced at $2.80 per pound, before falling 25%, or $0.70 per pound, to 2.10% on March 23, 2020. The commodity has recovered 19%, or $0.39, since the March low.



Copper Price Outlook

The rebound in copper extended into May, with the commodity gaining nearly $0.40 per pound since the March low.

The rebound aligns with the rapid recovery of global stock markets, and has also been driven by broad investor optimism and massive fiscal and monetary stimulus from China, the commodity's top consumer.

According to metals analysts at Bank of America, while demand for copper has collapsed due to the global non-essential business lockdowns, a rebound of activity in China has been a positive sign.

BofA suggests global copper consumption could contract by 18% year-on-year in 2020, if global GDP drops by 4.2% year-on-year, which is the base case of the firm's economics.

On Friday, May 29th, Bank of America analysts increased their price forecast for copper in 2020 by 5.4%.

Sources: Barron's, Morgan Stanley, RJO Futures, International Copper Study Group, Macrotrends, S&P Global, gov.capital

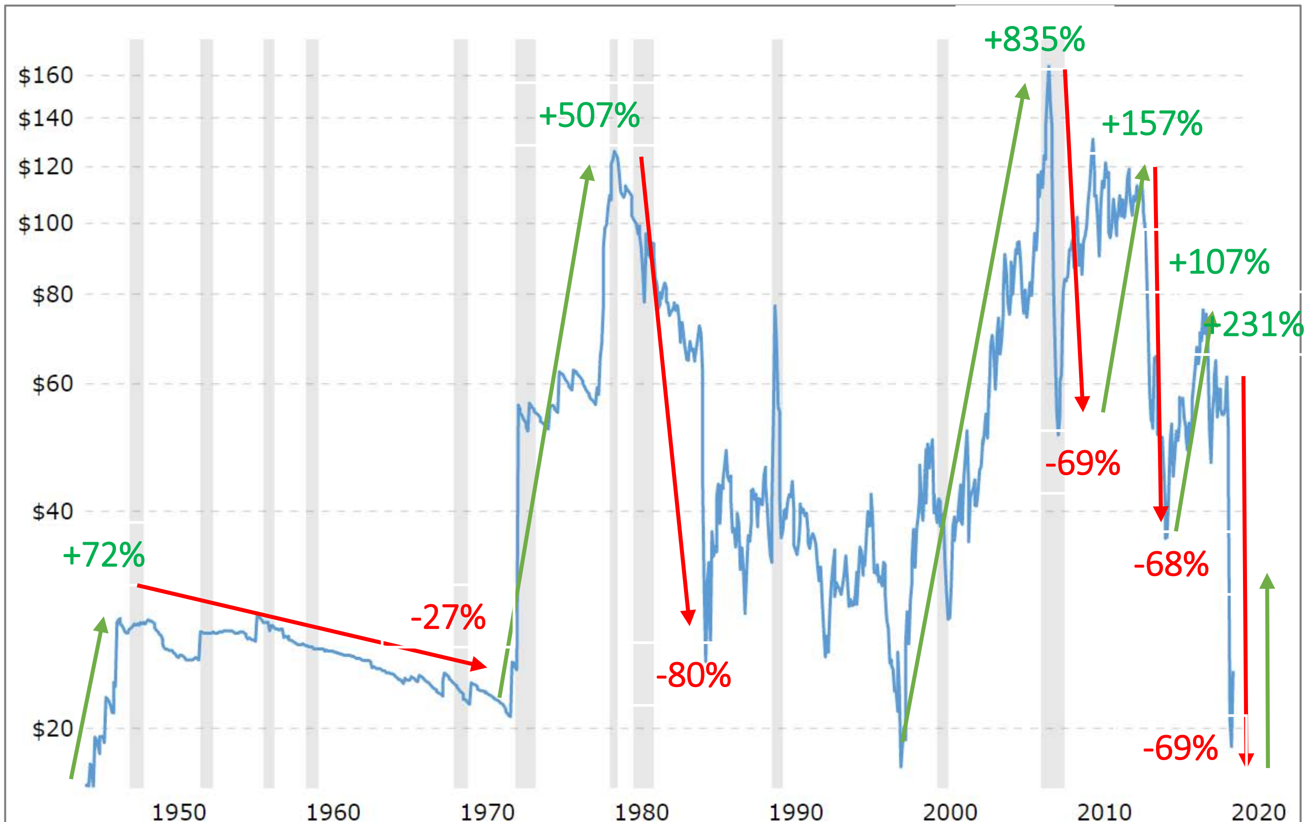
Oil Price History & Outlook

May 31, 2020

The chart below shows the historical daily West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel, which is displayed in U.S. dollars. The chart provides 30 years of price history, and includes shaded columns to reflect past U.S. economic recessions.

Oil began 2020 priced at $61.14 per barrel before falling to $11.26 on April 21, 2020. From the January 7th peak to the April 21st trough, oil prices declined 69%. Oil prices have since recovered 231%, or $26.03 per barrel.

The current price of oil, as of June 3, 2020, is $37.29 per barrel.



Sources: Macrotrends, Forbes

Oil Price Outlook

WTI oil has recovered approximately 51% of its price decline after the January high. However, as business and consumer demand remains low, and storage facilities remain at capacity, it is uncertain how high the price could continue to climb in the near term. Adding to the uncertainty is the timing of the OPEC+ meeting, and the group's decision on output. The meeting will focus on the crude producers' willingness to substantially extend global production cuts of 9.7 million barrels per day from May through June, which are currently scheduled to taper down after June. According to the deputy bureau chief at Energy intelligence, a meeting this week is unlikely to occur, but Reuters has reported that Saudi Arabia and Russia (and several other producers), have reached a preliminary agreement to extend existing cuts by at least one month.

Without increased demand, it is difficult to forecast a higher price in the near-term. However, a production cut extension could stabilize or slightly increase the price.

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