

		<u>Dec 2020</u>	<u>Q4 2020</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	3.84%	12.15%	18.40%	14.18%	15.22%	13.88%
U.S. Small Cap Equities	Russell 2000	8.65%	31.37%	19.96%	10.25%	13.26%	11.20%
Energy Infrastructure Equities	Alerian US Midstream Energy Index	2.66%	29.17%	-24.96%	-8.24%	-0.57%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	3.24%	12.92%	-11.20%	1.54%	3.00%	7.56%
Global Equities	MSCI All Country World Index	4.64%	14.68%	16.25%	10.06%	12.26%	9.13%
International Developed Equities	MSCI EAFE	4.65%	16.05%	7.82%	4.28%	7.45%	5.51%
Emerging Market Equities	MSCI Emerging Markets	7.35%	19.70%	18.31%	6.17%	12.81%	3.63%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.14%	0.67%	7.51%	5.34%	4.44%	3.84%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.61%	1.82%	5.21%	4.64%	3.91%	4.63%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	1.88%	6.45%	7.11%	6.24%	8.59%	6.80%
Floating Rate Loans	S&P/LSTA Leveraged Loan	1.35%	3.82%	3.14%	4.02%	5.24%	4.32%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	2.17%	5.09%	10.11%	4.23%	4.89%	1.99%

- Global equity markets extended gains in December, propelled by the U.S. election results and the rollout of effective COVID-19 vaccines.
- U.S. equities were broadly positive as investor sentiment sent more cyclical small-cap, international and EM indexes higher.
 - Growth stocks did slightly better than value stocks during the month, but pricing and yield continued to favor value companies.
 - At the sector level, Financials led the way with a 6.3% gain while Energy moved 4.4% higher amid a 7% jump in the price of crude oil.
 - U.S. REITs added 3.2% in December and are up 24% since March, but the index remains negative 11.2% for the year.
- Foreign equities outperformed U.S. large cap stocks in December on a Brexit deal struck just before the year-end deadline.
 - International developed and emerging markets equities are now priced on par with U.S. value stocks.
- In fixed income markets, investment grade corporate bonds and municipal bonds were positive in December.
- High yield bonds and leveraged loans outperformed investment grade as defaults plateaued and spreads tightened.
- International bonds gained 2.2% in December and 10.1% in the past year as the U.S. dollar weakened nearly 7% in 2020.

Economic Update

- The U.S. dollar declined 1.7% against the Canadian dollar in December.
- The COVID-19 pandemic has significantly impacted the Canadian economy and the second wave of infections resulted in 63,000 lost jobs in December. This was the first negative jobs result since April, and it increased Canada's unemployment rate to 8.6%.
- The pandemic has been particularly challenging for small and medium-sized enterprises (SMEs), which account for 60% of Canada's total employment and 50% of its GDP; the government's massive support programs have ballooned the federal debt-to-GDP ratio from 31% in 2019-20 to 51% in 2020-21.
- Looking ahead, OECD¹ is forecasting Canada's economy will grow by 3.5% in 2021, which is slightly higher than the U.S. (3.2%).



Date Range	USD to CAD	+/-
Q4 2020	1.3323-1.2754	-4.3%
1-Year	1.2962-1.2751	-1.6%
3-Years	1.2573-1.2754	+1.4%

\$USD 1,000,000
=
\$CAD 1,275,410

@ 1.27541
(12/31/2020)

CAD Profile	
*Inflation Rate	1.0% (Up 0.3% MoM)
Interest Rate	0.3%
Information	http://www.bankofcanada.ca

*Total CPI Inflation

Sources: xe.com, Bloomberg

¹ 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 chart embedded in the bottom right-hand corner provides a zoomed-in image of the 2020 calendar year copper price movement.

The price of copper as of December 31st was \$3.52 per pound. Copper began 2020 priced at \$2.80 per pound, before falling 25%, or \$0.70 per pound, to \$2.10 on March 23, 2020. The commodity has fully recovered from the March low.



Copper Price Outlook

Copper prices continued to rise in December and ended the year at their highest point since February 2013.

The price surge was attributable to a combination of factors, notably the anticipation of a new U.S. presidential administration that has proposed massive investments in new green infrastructure.

Copper is a key material in the development of power and construction projects which should constrain supply and push prices even higher over the next year.

According to Goldman Sachs, “The bull market for copper is now fully underway with prices up 50% from the 2020 lows.... This current price strength is not an irrational aberration; rather, we view it as the first leg of a structural bull market in copper.”

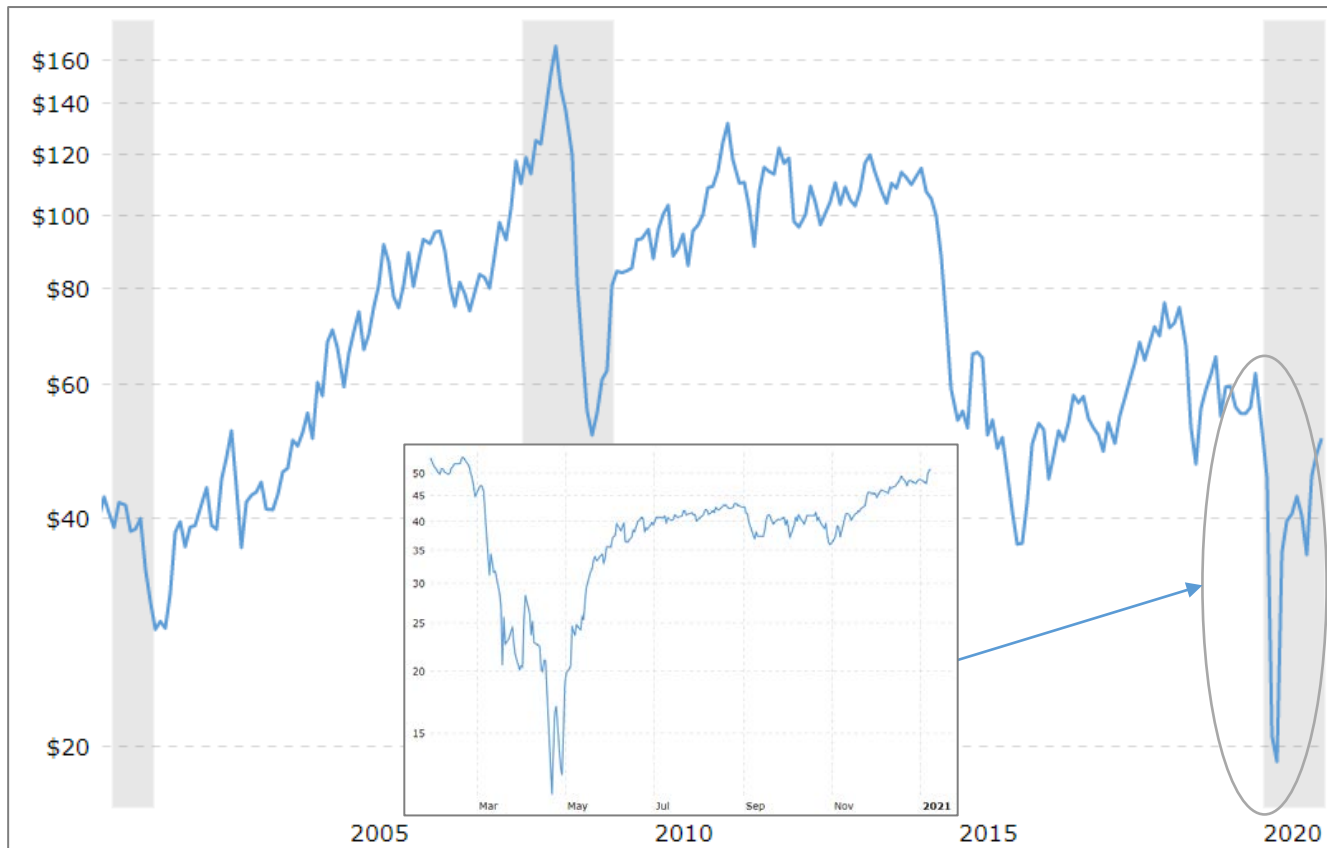
Goldman has increased its price outlook for copper in 2021 by 27%.



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 20 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%.

The price of oil as of December 31, 2021 was \$48.52 per barrel.



Oil Price Outlook

Oil prices had almost fully recovered from their pre-April low by the end of December.

The global demand for fuel decreased by 30% on average in 2020. While demand appears to be increasing as COVID-19 restrictions are gradually relaxed, there is concern that it may not increase enough to meet or exceed pre-pandemic levels.

In addition, dozens of countries met and agreed to implement “net-zero emissions over the next 30 years” during the Paris Agreement meeting in December.

Over the short-term, consensus suggests crude prices will continue to recover and rise, but the outlook is less favorable over the longer-term, as technology improves and renewable energy sources replace oil-based energy production.