Global Market Investment Returns April 30, 2020

		April 2020	YTD	1-Year	3-Years	5-Years	10-Years
U.S. Large Cap Equities	S&P 500	12.82%	-9.29%	0.86%	9.04%	9.12%	11.69%
U.S. Small Cap Equities	Russell 2000	13.74%	-21.08%	-16.39%	-0.82%	2.88%	7.69%
Energy Infrastructure Equities	Alerian US Midstream Energy Index	40.91%	-35.29%	-37.39%	-14.66%	-11.41%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	7.83%	-22.92%	-17.85%	-1.77%	1.28%	6.96%
Global Equities	MSCI All Country World Index	10.71%	-12.94%	-4.94%	4.46%	4.37%	6.94%
International Developed Equities	MSCI EAFE	6.46%	-17.84%	-11.34%	-0.58%	-0.17%	3.55%
Emerging Market Equities	MSCI Emerging Markets	9.16%	-16.60%	-12.00%	0.57%	-0.10%	1.45%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	1.78%	4.98%	10.84%	5.17%	3.80%	3.96%
U.S. Tax-Exempt Fixed Income	Barclay’s Municipal Aggregate	-1.26%	-1.88%	2.16%	3.27%	3.04%	3.89%
High Yield Fixed Income	Barclay’s U.S. Corporate High Yield	4.51%	-8.75%	-4.11%	1.87%	3.44%	5.86%
Floating Rate Loans	S&P/LSTA Leveraged Loan	4.50%	-9.13%	-6.61%	0.54%	1.85%	3.39%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	2.04%	-0.69%	3.43%	2.78%	2.01%	1.67%

- Global equity markets responded strongly in April, with the MSCI All Country World Index recouping 50% of its first quarter loss.
- Markets rallied despite COVID-19 continuing to spread globally; however, some countries reported decreasing daily new infection rates.
- Sentiment was positive and volatility declined from historical levels, a direct result of massive central bank stimulus measures.
- Despite positive results in April, the global equity market return outlook remains highly uncertain as macroeconomic data turns negative:
    - The U.S. economy contracted by 4.8% in the first quarter (annualized).
    - Jobless claims have increased by 30 million in six weeks -- although many of the layoffs may be temporary.
    - The April flash composite Purchasing Manager’s Index (PMI) dropped 27%, and retail sales declined 8.4% in March.
    - Oil prices remain highly volatile, despite an agreement on production cuts, with oil futures briefly turning negative in April.
- The best performing asset class in April was Energy Infrastructure Equity, which gained 40.9%; the Index yield is 10.1%.
- The U.S. Federal Reserve’s actions to reduce the economic damage caused by the COVID-19 pandemic includes a commitment to unlimited government bond purchasing. It also includes buying investment grade and high yield corporate bonds (and/or ETFs).
- The Fed’s debt purchasing program contributed to corporate bond yield spread compression, which resulted in higher monthly returns.
- Municipal bonds reported negative returns in April, as state and local governments face a decline in tax revenue amid the lockdown.

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

Independence Asset Advisors

Canadian Economic & Currency Update — April 30, 2020

Economic Update

- The U.S. dollar weakened 1.5% against the Canadian dollar in April.
- The Canadian economy has been deeply impacted by COVID-19 business lockdown measures, as the country has been particularly affected by both plunging oil prices and the pandemic. Guidance suggests a dramatic contraction is possible in 2020, with a spike in deficit and debt levels. The Canadian economy stalled in February, even before the pandemic shuttered nearly all Canadian businesses, and preliminary data suggests the economy may have shrunk by a record 9% in March.
- A mounting concern is that the Federal aid program, called the Canadian Emergency Response Benefit (CERB), may impede an economic recovery as employees consider whether to stay at home and collect monthly aid or return to work as provinces gradually reopen.

Date Range	CAD to USD	+/-
YTD	0.7715-0.7093	-8.1%
1-Year	0.7436-0.7093	-4.6%
3-Years	0.7326-0.7093	-3.2%

$USD 1,000,000
=
$CAD 1,408,819

@1.40882
(05/06/2020)

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

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

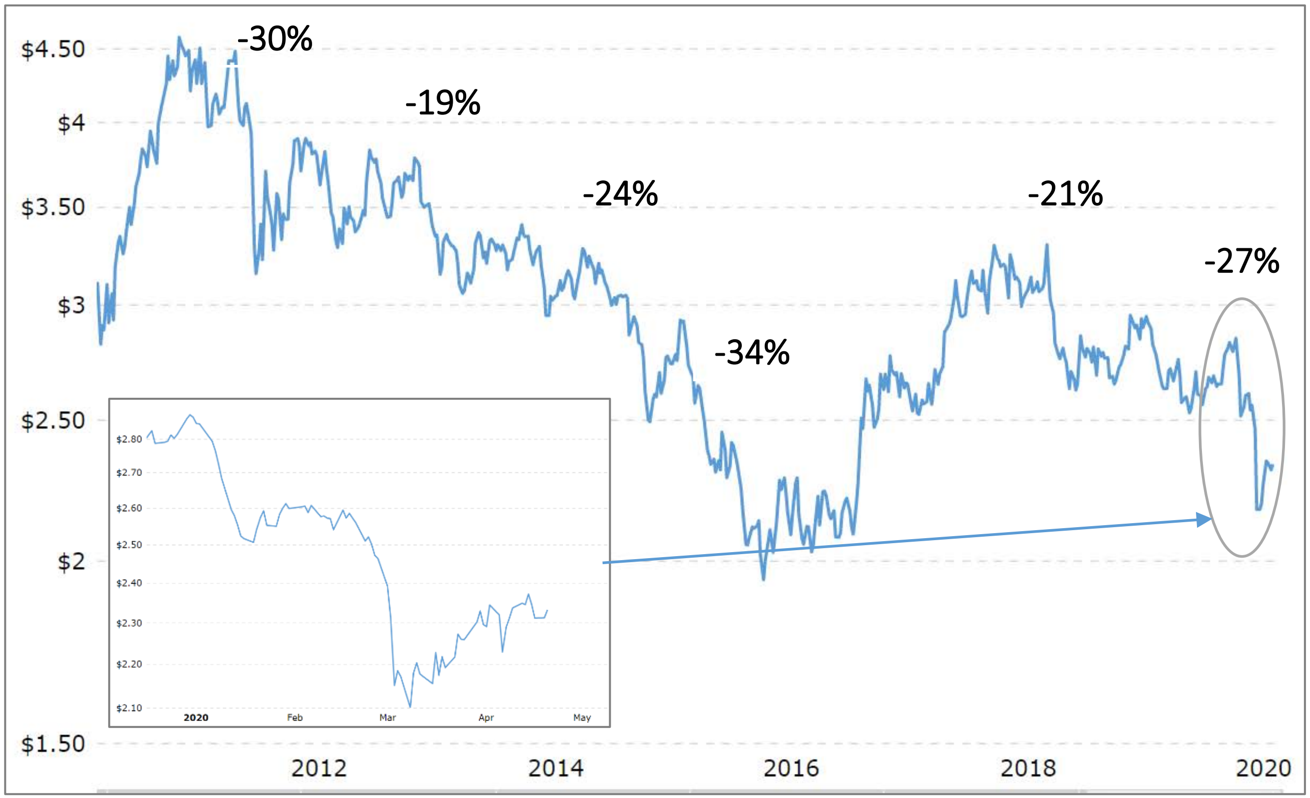
Independence Asset Advisors

Copper Price History & Outlook

April 30, 2020

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides ten years of price history, and would include shaded columns to reflect past U.S. economic recessions, though there has been no recession over the past decade.

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 April 6, 2020, is $2.33 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 11%, or $0.23, since the March low.



Copper Price Outlook

Copper has recouped approximately 41% of its price decline between the January 14th peak and the March 23rd trough. The commodity moved in fairly close alignment to the S&P 500 Index during the Feb/Mar sell-off, but copper's upmarket participation is only 39%. As for price outlook, we expect volatility and possibly some negative movement over the short-term. Supply is currently constrained by 25%, with capacity cut at every mine. We are also unsure of inventories and production reports coming out of China. However, there is optimism over medical data published by the New England Journal of Medicine that shows the coronavirus survives for much less time on copper surfaces than on plastic. It's hard to say if this alone will have any real impact on demand, but the likelihood that copper consumption increases as the metal is incorporated into face masks and hospital fixtures is compelling. Broker Liberum expects a small improvement in the second half to $2.50 per pound.

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

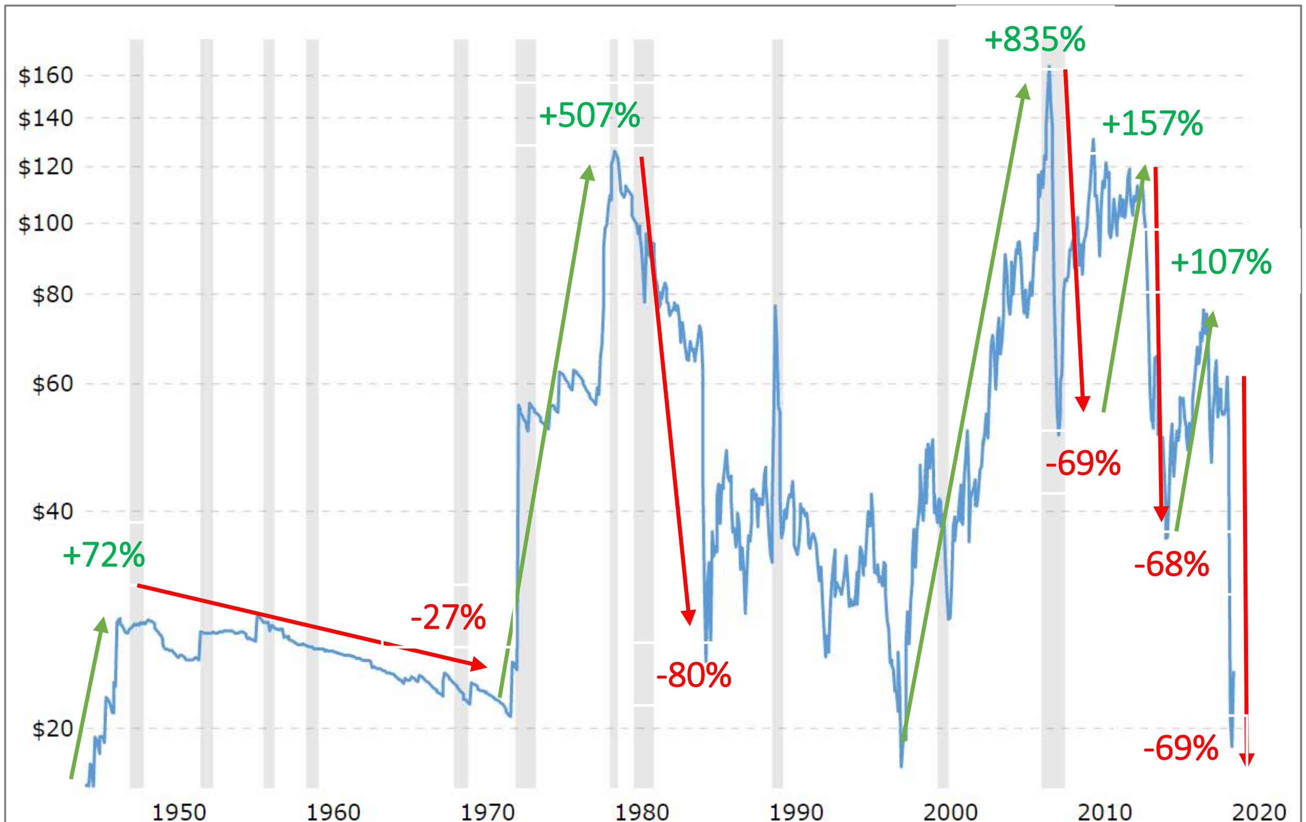
Independence Asset Advisors

Oil Price History & Outlook

April 30, 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.

The current price of oil, as of April 6, 2020, is $23.99 per barrel. 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%. This ties the 2008 price decline as the second largest over the past 30 years, but has the distinction of being the sharpest decline in history (speed-to-price decline ratio), with the price falling $52 in only three and a half months.



Sources: Macrotrends, Forbes

Oil Price Outlook

Oil prices have risen nearly $13 per barrel, or +113%, since closing at an all-time low of $11.26 in mid-April. The micro rally is attributable to investor optimism that business lockdown easing in the U.S. and around the world will result in a rapid increase in demand, which will in turn ease the pressure on storage facilities that are at maximum capacity. The lack of storage space for crude oil globally remains a huge problem, and analyst consensus agrees that it will keep a ceiling on oil prices over the near-term. <u>In terms of the near-term price outlook for oil</u>, we concur with Nicholas Cawley of Dailyfx.com, who writes, “front-month WIT oil futures will continue to be volatile until the storage problem is resolved and trades are confident that if their position expires they will be able to store oil at a reasonable price. With global economic activity unlikely to pickup in the foreseeable future, demand for oil will remain low and the current imbalance against excessive supply will continue to cap any rally in WTI oil futures.

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