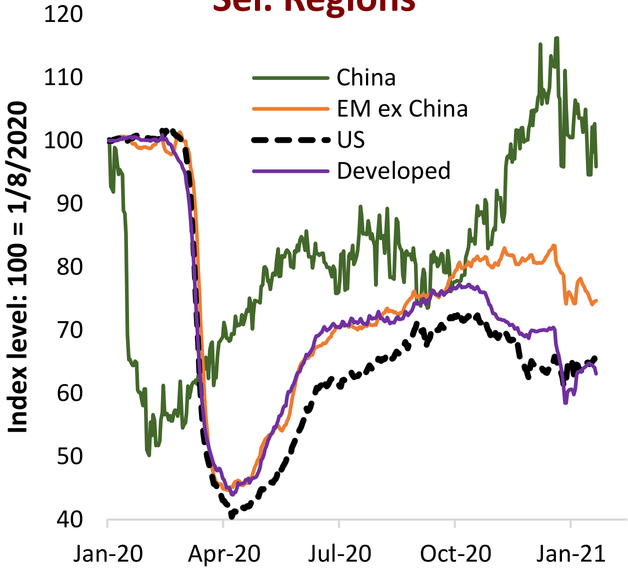
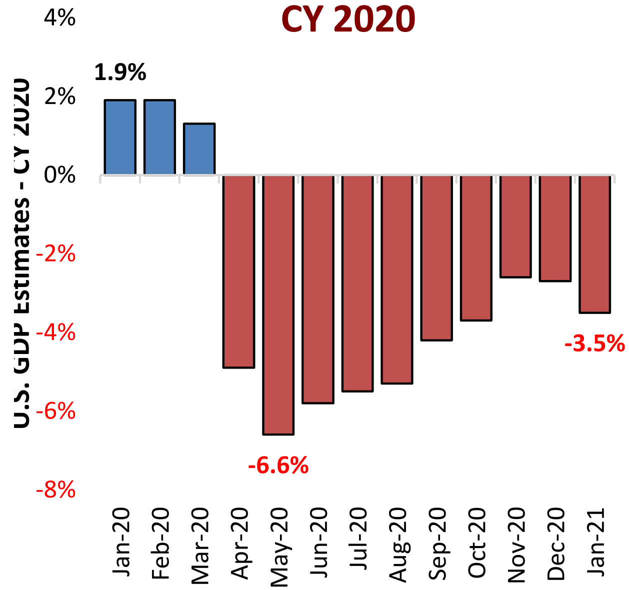
Global GDP Growth

Daily Activity. Indicators – Sel. Regions



Data as of 1/21/2021

U.S. GDP Growth Est. Progression – CY 2020



GDP YoY Growth Estimates*

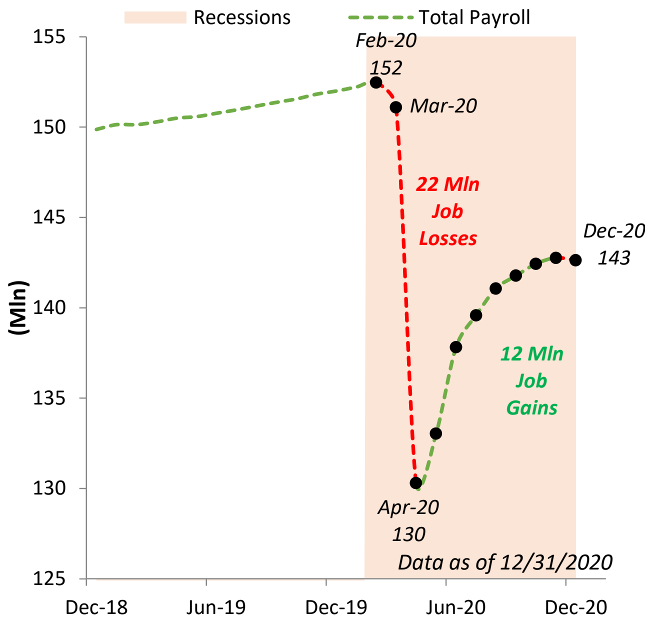
Sel. Regions	2020	2021	2022
Global	**-3.7%**	**5.9%**	**4.5%**
Developed Markets	**-5.1%**	**4.9%**	**4.2%**
United States	-3.5%	5.4%	3.7%
Japan	-5.1%	3.0%	2.7%
Euro Area	-7.1%	4.9%	5.0%
United Kingdom	-10.0%	5.2%	7.3%
Emerging Markets	**-1.5%**	**7.5%**	**4.9%**
Brazil	-4.6%	2.6%	2.9%
Mexico	-8.5%	5.1%	3.7%
Emerging Asia	**-0.1%**	**8.9%**	**5.4%**
India	-6.5%	13.6%	4.7%
China	2.3%	9.4%	5.6%
Korea	-1.0%	4.0%	4.4%
EMEA EM	**-2.8%**	**3.4%**	**4.3%**
Russia	-3.5%	2.8%	3.0%
South Africa	-7.0%	3.8%	2.2%

**Estimates as of 1/28/2021*

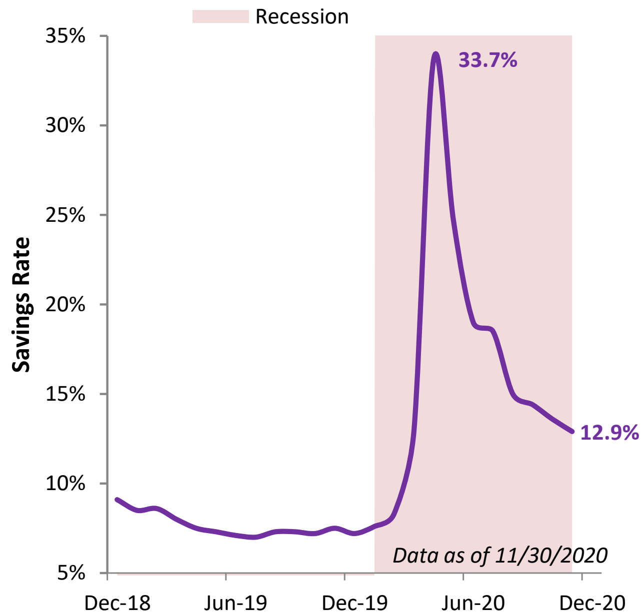
- As COVID-19 began to spread throughout the globe, countries responded by closing schools and businesses, as well as ordering people to stay home, which dramatically decreased economic activity.
- Economists had no comparable events to help predict what the virus could do to the global economy.
- In January 2020, a monthly survey of economists predicted that U.S. GDP would grow 1.9% in 2020. By April, the expected growth rate had declined to a contraction of 4.9%, and by May, economists were predicting a contraction of 6.6% for the full year.
- Despite these dire predictions, economic activity rebounded as governments slowly eased restrictions and supported the economy with massive fiscal stimulus.
- Currently, infections and deaths are surging again and as governments reimpose restrictions, economists are again lowering forecasts, though not as drastically as in the first half of 2020.

U.S. Economy – Vaccines, The Game-Changer

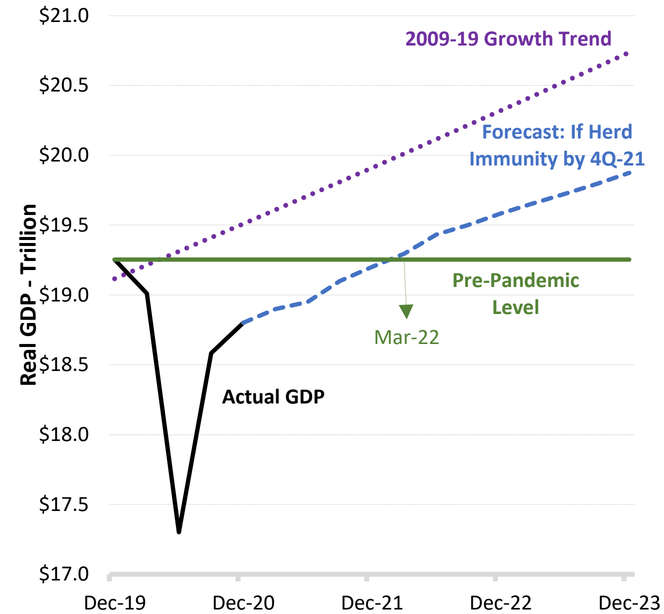
Employment—Nonfarm Payroll



Savings % of Disposable Income



Real GDP: Pre-Pandemic & Forecast

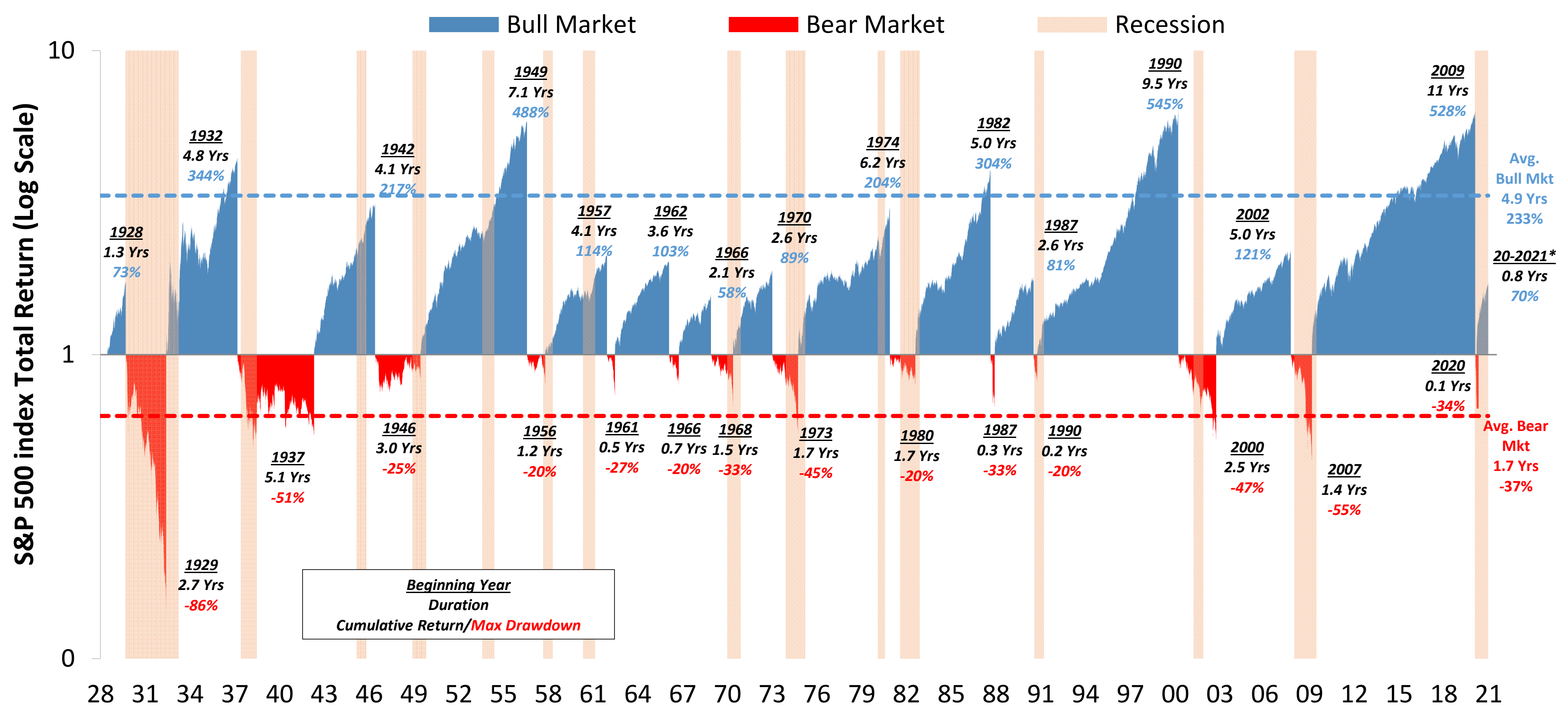


- In December, the U.S. Food and Drug Administration granted emergency authorization to the Coronavirus vaccines developed by Pfizer/BioNTech and Moderna.
- The vaccines reduce the economic uncertainty for households, businesses, and policy makers.
- The current downturn has been like no other. Economic forecasters have been surprised by the strength of the economic rebound during the summer, but gains have slowed recently.
- Elevated savings, an aggressive response from fiscal and monetary policy, and noneconomic forces that drove the current downturn suggest there is a pent-up demand that could produce a sharp rebound as broad vaccine distribution is achieved.
- If there is widespread delivery of a Coronavirus vaccine and herd immunity is accomplished by the end of 2021, real GDP could return to its pre-pandemic level by March, 2022.

Source: Bloomberg, Grant Thornton LLP (GDP forecast) and Monticello Associates

S&P 500 Index – Bull & Bear Markets

S&P 500 Index – Since 1928 – Daily Total Return Calculations

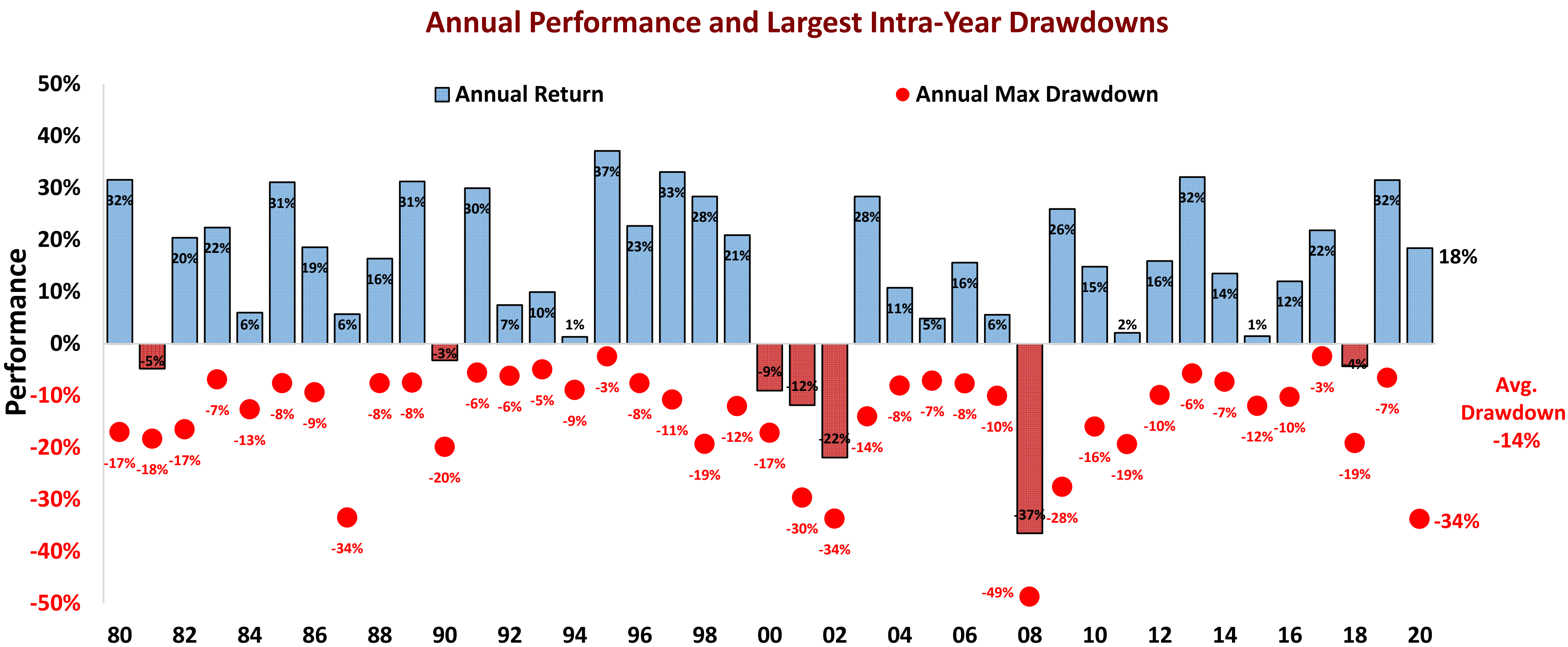


- The latest bull market—which started on March 23, 2020— has appreciated 70% as of December 30, 2020.
- Bear markets—defined as peak-to-trough declines of 20% or more—have been shorter and less impactful compared to bull markets since 1928.
- Missing out on rebounds can be worse than holding on through bear market declines.

** 20-2021 bull market started on 3/23/2020, data through 12/31/2020*

Source: Bloomberg and Monticello Associates

S&P 500 Index – Drawdowns



- Long-term investors should not overreact to short-term volatility. Markets tend to fluctuate between good and bad years, with stock indices often falling by double-digit percentages before bouncing back.
- The S&P 500 index appreciated by 18% during 2020, despite experiencing a 34% intra-year peak-to-trough decline. This decline was larger than the long-term average intra-year market drawdown of 14%.
- History in heavily on the side of investors that do not overreact to market corrections.