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**Market Review**

Source: Zephyr Style Advisor

Indexes are unmanaged, do not incur management fees, costs and expenses and cannot be invested in directly. Index performance assumes the reinvestment of dividends.

The major stock indexes posted positive returns in February, despite heightened volatility over concerns of rising interest rates and inflation expectations at the end of the month. While rising rates are a potential concern as they increase borrowing costs and dampen corporate earnings, it should be also be seen as the light at the end of the tunnel as rates have been rising due to ongoing vaccinations, declining coronavirus cases and likely additional stimulus. US stocks gained 2.8% for the month. Small-cap stocks, which have led the market for the past several months, maintained their strength, with the Russell 2000 index gaining 6.2%. International stocks lagged US stocks with developed markets finishing ahead of emerging markets.

Sector performance was mixed with seven out of eleven sectors with positive returns. Energy was the best performing sector led by higher oil prices, while utilities was the worst. Across styles, value stocks, which tend to more economically sensitive and include sectors like energy and financials, have outperformed growth stocks, which include sectors like technology, for the month and year. This trend has benefited dividend stocks which has outperformed the broad stock markets for the month and year.

The major bond indexes had another negative month as interest rates rose sharply. The yield on the 10-year Treasury note ended the month at 1.44%, up from 1.09% at the start of the month. While most bonds struggled, high-yield bonds posted small positive returns.

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Gold fell -6.6% as the global economic recovery showed improvement, and the US dollar rose. Commodities gained as oil rebounded after being crushed by weak demand in 2020.

Relative to a globally balanced (60/40) equity/bond index, allocations to commodities, US REITS and global equities helped, while global bonds and gold hurt for the month.

 INDEX INFORMATION

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| **Asset Class** | **Index** | **Definition** |
| US Equity | S&P 500 | measures the performance of 500 leading companies in the U.S. Constituents generally have a market-cap above $5 billion and represent approximately 80% of the investable market.  |
| Global Equity | MSCI ACWI  | measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe.  |
| International Developed Equity | MSCI EAFE | measures the equity performance of countries considered to represent developed markets, excluding the U.S. and Canada. |
| Emerging Markets (EM) Equity | MSCI Emerging Markets | measures the equity market performance of countries considered to represent emerging markets.  |
| China Equity | MSCI China | measures the performance of small-cap equities in developed market countries around the world, excluding the U.S. and Canada. The index covers approximately 14% of the market cap in each country. |
| US Small Cap EquityUS Equity | Russell 2000Nasdaq 100 | measures those companies in the Russell 2000 Index considered to represent the small-cap segment of the US equity market. measures companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology.  |
| Sector – Utilities | S&P 500 Sector Utilities  | measures the performance of companies that product, generate, transmit or distribute electricity, water or natural gas, and also includes power producers & energy traders and companies that engage in generation and distribution of electricity using renewable sources.  |
| Sector – Energy

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| US Municipal | Barclays US Municipal | measures the performance of the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. |

 | S&P 500 Sector EnergyBarclays US Municipal | measures the performance of companies involved in the development and production of crude oil, natural gas and provide drilling and other energy-related services.measures the performance of the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. |
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| Global Fixed Income | Bloomberg Barclays Global Aggregate | measures the performance of global, investment-grade debt from 24 local currency markets. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. |
| US Fixed Income | Bloomberg Barclays US Aggregate | measures the performance of USD-denominated, non-investment-grade, fixed-rate taxable corporate bonds. "High-yield" securities have the middle rating from Moody's, Fitch or S&P of Ba1/BB+/BB+ or below. Index excludes emerging market debt. |
| US High Yield Corporate Credit | Bloomberg Barclays Corporate High Yield | measures the performance of the investment-grade, fixed-rate, taxable corporate bond market. Includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements. |
| US Long Treasuries | Bloomberg Barclays US Treasury Long | measures the performance of US Treasury and US Agency markets. The index includes USD-denominated fixed-rate, nominal US Treasuries and US agency debentures (securities issued by the US government-owned or sponsored entities), and explicitly guaranteed by the US government. |
| Emerging Markets Fixed Income | Bloomberg Barclays Emerging Markets USD Aggregate | measures the performance of hard-currency emerging markets debt including fixed and floating-rate USD-denominated debt issued from sovereign, quasi-sovereign, and corporate emerging markets debt.  |
| International Fixed Income | Bloomberg Barclays Global Aggregate ex-USD | measures the performance of investment-grade debt from 24 local currency markets. This multi-currency index includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. It excludes bonds issued in USD. |
| Commodities | Bloomberg Commodity  | measures the performance of a broadly diversified exposure to physical commodities via futures contracts.  |
| Gold | Bloomberg Sub Gold | measures the performance of futures contract on Gold and is quoted in USD. |
| US REIT | FTSE NAREIT All Equity REITs  | measures the performance of a comprehensive family of REIT indexes that spans the commercial real estate space across the US economy. The index series provides investors with exposure to all investment and property sectors. |

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