



COVID-19 Market Update

Monetary Policy Response Update

- The Bank of England announced the activation of an emergency liquidity measure in a Contingent Term Repo Facility to smooth the functioning of money markets.
- China's central bank is discussing reducing the interest rates banks pay to depositors in an attempt to help banks turn out higher profits as they are asked to help spur an economic recovery following the virus outbreak.

Fiscal Policy Response Update

- President Trump signed a \$2.2 trillion relief package into law on March 27. The package includes relief for a number of stakeholders including individuals, businesses, states, municipalities and the financial markets. Highlights of the bill include:
 - \$350 billion for small businesses with 500 or fewer employees
 - \$500 billion for the Treasury's Exchange Stabilization Fund: Of the \$500 billion, \$50 billion is earmarked for passenger airlines, \$8 billion for cargo carriers and \$17 billion for businesses critical to infrastructure and national security
 - \$500 billion for individuals in the form of one-time payments
 - \$260 billion for emergency unemployment insurance
 - \$150 billion for healthcare
 - \$150 billion for state and local governments
- The U.K has allocated approximately 57 billion pounds to support the economy according to Treasury estimates and calculations by Bloomberg Economics. The aid includes the promise to pay the wages of employees at risk of unemployment, support for the National Health Service, grants and tax cuts. The aid, amounting to 2.5% of GDP, is more than the 2% pledged during the Great Financial Crisis.
- Japan's government is considering a 56 trillion yen stimulus package to combat the economic repercussions of the coronavirus. The package would amount to approximately 10% of GDP and would include direct payments to citizens.



Economic & Market News

This Week:

- U.S. reports scheduled to be released this week include consumer confidence, ISM manufacturing and non-manufacturing indices, factory orders and employment figures.
- Non U.S. reports scheduled to be released this week include business confidence, consumer confidence, Markit manufacturing and services PMI in the E.U., consumer confidence in the U.K., and manufacturing and non-manufacturing PMI in China.

Week in Review:

- U.S. Markit manufacturing PMI decreased from 50.7 in February to 49.2 in March. Market expectations were for a reading of 42.8.
- U.S. Markit services PMI fell to 39.1 in March from 49.40 in February. Market expectations were for a reading of 42.
- U.S. initial jobless claims increased to 3.28 million for the week ended March 21 from 282,000 the prior week.
- Germany's Ifo business climate indicator was revised lower to 86.1 in March, which represented the lowest reading since July 2009.
- German consumer sentiment fell 5.6 points to 2.7 heading into April 2020. The reading was well below market expectations of 7.1.

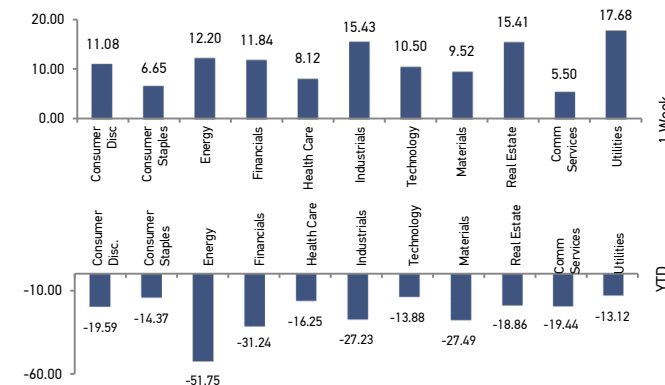
Index Returns	1 Week	MTD	3 MO	YTD
MSCI ACWI IMI	10.19	-15.58	-23.68	-23.51
S&P 500	10.28	-13.84	-21.17	-20.96
S&P MidCap 400	13.06	-21.43	-30.71	-30.75
S&P SmallCap 600	10.83	-24.15	-33.97	-34.16
MSCI World ex USA	11.08	-15.21	-24.40	-24.23
MSCI EM IMI	4.94	-16.86	-25.19	-25.01
Bloomberg Barclays US Aggregate Bond	2.66	-1.05	2.53	2.67
Bloomberg Commodity	2.65	-11.60	-22.66	-22.23
DJ Equity All REIT	16.41	-18.47	-22.55	-23.20

Bond Rates	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Fed Funds Target	0.10	1.58	1.55	1.83
2-Year Treasury	0.26	1.11	1.59	1.62
10-Year Treasury	0.75	1.30	1.87	1.67
3-Month LIBOR	1.37	1.58	1.94	2.10
Municipal Bond 10-Year	1.76	1.14	1.63	1.70
U.S. Inv. Grd. Corporate	3.69	2.49	2.82	2.92
U.S. High Yield	9.85	5.99	5.14	5.68

Commodities	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Oil (\$/barrel)	\$21.51	\$47.09	\$61.72	\$55.91
Gold (\$/oz)	\$1,654.10	\$1,642.50	\$1,518.10	\$1,506.40
Gasoline (\$/gallon)	\$0.57	\$1.41	\$1.75	\$1.65

Currencies	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Euro (\$/€)	1.11	1.10	1.12	1.09
Pound (\$/£)	1.24	1.29	1.31	1.23
Yen (¥/\$)	108.19	109.99	109.58	108.15

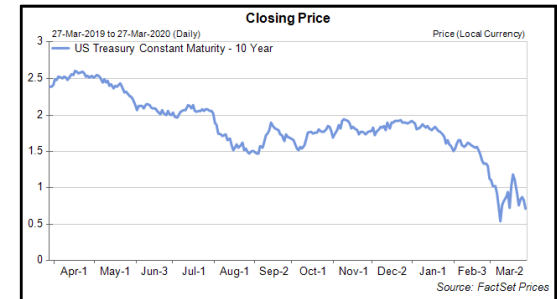
S&P 500 Sector Returns



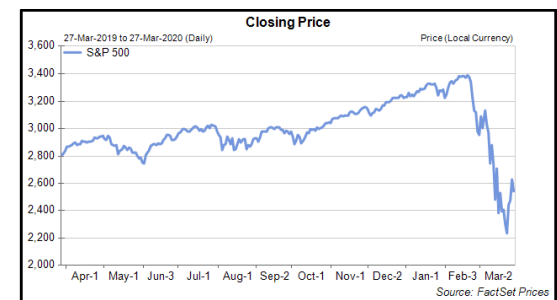
Equity Index Characteristics ²	P/E Ratio (TTM)	P/B Ratio (TTM)	P/CF Ratio (TTM)	Wtd Avg Mkt Cap (billions)
MSCI ACWI IMI	17.09	2.00	10.58	42.68
S&P 500	19.53	3.04	13.01	116.89
S&P MidCap 400	18.16	1.91	10.50	4.92
S&P SmallCap 600	16.44	1.60	8.15	1.53
MSCI World ex US	15.61	1.49	8.93	33.66
MSCI EM IMI	13.14	1.50	8.05	23.38

Date	Locale	Forecast			
		Indicator	Period	Consensus	Last ³
Monday 3-30-20	Germany	CPI NSA M/M (Preliminary)	MAR	-0.1%	0.4%
	Japan	Industrial Production SA M/M (Preliminary)	FEB	0.2%	1%
	Japan	Unemployment Rate	FEB	2.4%	2.4%
Tuesday 3-31-20	Germany	Unemployment Rate	MAR	5.1%	5%
	United States	Consumer Confidence	MAR	111	130.7
	United States	S&P/Case-Shiller comp. 20 HPI M/M	JAN	0.5%	0.4%
	Eurozone	CPI EU Harmonized Y/Y (Flash)	MAR	0.8%	1.2%
Wednesday 4-1-20	United Kingdom	GDP SA Q/Q (Final)	Q4	0%	0%
	United States	ISM Manufacturing SA	MAR	46.3	50.1
	Eurozone	Markit PMI Manufacturing SA (Final)	MAR	44.8	44.8
Thursday 4-2-20	Germany	Markit PMI Manufacturing SA (Final)	MAR	45.5	45.7
	Eurozone	Unemployment Rate	FEB	7.4%	7.4%
	United States	ADP Employment Survey SA	MAR	-200K	183K
	United States	Continuing Jobless Claims SA	3/21	-	1,803K
Friday 4-3-20	United States	Initial Claims SA	3/28	3,250K	3,283K
	United States	Durable Orders SA M/M (Final)	FEB	1.2%	1.2%
	United States	Unemployment Rate	MAR	3.8%	3.5%
United States	Nonfarm Payrolls SA	MAR	-145K	273K	
United States	ISM Non Manufacturing SA	MAR	44.4	57.3	

10-Year Treasury Note Yields



S&P 500 Index Levels



S&P 1500 by Capitalization & Style¹

1-Week				Year-to-Date			
Value	Blend	Growth		Value	Blend	Growth	
10.81%	10.28%	9.87%	Large	-26.16%	-20.96%	-16.34%	
12.22%	13.06%	13.75%		Mid	-35.58%	-30.75%	-26.28%
9.31%	10.83%	12.12%			Small	-38.74%	-34.16%



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¹Style boxes are derived from the components of the S&P 1500 Index

²Characteristics as of 02.29.2020

³May include flash/preliminary estimates

Economic & Market News provided by Sterling Capital Management Asset Allocation Committee.

S&P 1500: An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500[®], the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

Capitalization/Style Returns: Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500 Value Index, S&P 500 Index, S&P 500 Growth Index, S&P Mid Cap 400 Value Index, S&P Mid Cap 400 Index, S&P Mid Cap 400 Growth Index, S&P Small Cap 600 Value Index, S&P Small Cap 600 Index, S&P Small Cap 600 Growth Index. The S&P 500[®] Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P[®] Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P Midcap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Momentum. The Value factors are Book Value to price Ratio, Earnings to Price Ratio, and Sales to Price Ratio.

Index Returns: Prices reflect closing price level for each stated date.

S&P 500: The S&P 500[®] Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P[®] Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

S&P Small Cap 600: The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

S&P Mid Cap 400: The S&P MidCap 400 is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 400 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

Barclays US Aggregate Bond Index: The Barclays Capital U.S. Aggregate Bond Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more.

The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

The **MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI Emerging Markets Investable Market Index (IMI)** captures large, mid and small cap representation across 23 Emerging Markets (EM) countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country.

DJ UBS Commodity: The DJ-UBSCI is composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid the delivery process and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as "rolling" a futures position. The DJ-UBSCI is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

The DJ Equity ALL REIT Index represents all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as Equity REITs according to the Dow Jones REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

Bond Rates: Fed Funds Target, FactSet; 2-Year Treasury, FactSet; 10-Year Treasury, FactSet; 10-Year Municipal, FactSet; High Yield, FactSet

Commodities: Oil, FactSet; Gold, FactSet; Gasoline, FactSet

Sector Returns: Sectors are based on the GICS Classification model. Return data are calculated by Morningstar Direct using constituents and weights as provided by Standard and Poor's. Returns are cumulative total return for the stated period, including reinvestment of dividends.

Equity Index Characteristics: Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for S&P 500, S&P MidCap 400, and S&P Small Cap 600 taken from Morningstar Direct and based on a trailing 12-month period. Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for MSCI ACWI, MSCI World ex USA, and MSCI Emerging Markets Investable Market taken from Morningstar Direct and based on a trailing 12-month period.

Currencies: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet

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