



COVID-19 Market Update

Policy Response Update

- The Fed launched a program that allows about 170 foreign central banks and other international monetary authorities to enter repo agreements in order to facilitate the access to U.S. dollars.
- The Fed also announced it would exclude Treasury securities and deposits at the Fed from calculation of the supplementary leverage ratio. The changes to the supplementary leverage ratio are aimed to help ease strains in the treasury market.
- The People's Bank of China reduced the interest rate on seven day repos to 2.2% from 2.4%.
- France is currently working on a fiscal stimulus package that will focus on investment and financial aid for industrial sectors.



Economic & Market News

This Week:

- U.S. reports scheduled to be released this week include the producer price index, consumer sentiment, consumer price index and FOMC minutes.
- Non U.S. reports scheduled to be released this week include consumer confidence in Japan, inflation in China and balance of trade in Germany and the U.K.

Week in Review:

- U.S. ISM manufacturing PMI fell to 49.1 in March 2020 from 50.1 a month earlier. Market estimates expected a reading of 45.
- U.S. ISM non-manufacturing PMI fell to 52.5 in March 2020 from 57.3 a month earlier. Market forecasts were for a reading of 44.
- Initial jobless claims in the U.S. increased by 3.34 million week over week to 6.65 million in the week ended March 28.
- Business confidence in the E.U. fell 0.22 points month over month to -0.28 in March 2020 and were below market expectations of -0.05.
- The Caixin China manufacturing PMI increased to 50.1 in March 2020 from a record low of 40.3 in the previous month. Market expectations were for a reading of 45.5.
- Consumer confidence in the U.K. fell to -34 in March 2020 from -7 a month earlier.

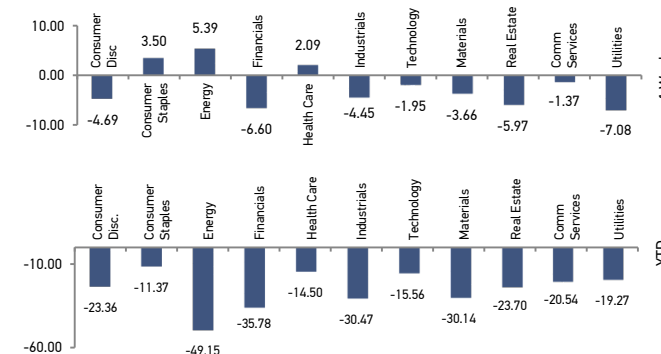
Index Returns	1 Week	MTD	3 MO	YTD
MSCI ACWI IMI	-2.77	-4.12	-25.81	-25.63
S&P 500	-2.02	-3.68	-22.67	-22.56
S&P MidCap 400	-5.89	-7.29	-34.60	-34.82
S&P SmallCap 600	-7.00	-9.11	-38.77	-38.77
MSCI World ex USA	-3.27	-4.49	-26.89	-26.71
MSCI EM IMI	-1.15	-1.94	-26.44	-25.87
Bloomberg Barclays US Aggregate Bond	0.73	0.26	2.87	3.42
Bloomberg Commodity	-0.83	0.55	-23.34	-22.88
DJ Equity All REIT	-7.60	-7.49	-28.62	-29.03

Bond Rates	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Fed Funds Target	0.05	1.59	1.55	1.83
2-Year Treasury	0.22	0.73	1.52	1.39
10-Year Treasury	0.59	1.02	1.79	1.54
3-Month LIBOR	1.39	1.31	1.87	2.04
Municipal Bond 10-Year	2.10	1.14	1.56	1.61
U.S. Inv. Grd. Corporate	3.48	2.33	2.77	2.80
U.S. High Yield	9.97	5.85	5.12	5.93

Commodities	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Oil (\$/barrel)	\$28.34	\$47.18	\$63.05	\$52.45
Gold (\$/oz)	\$1,645.70	\$1,644.40	\$1,552.40	\$1,513.80
Gasoline (\$/gallon)	\$0.69	\$1.53	\$1.75	\$1.56

Currencies	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Euro (\$/€)	1.08	1.12	1.12	1.10
Pound (\$/£)	1.23	1.28	1.31	1.24
Yen (¥/\$)	108.51	107.56	108.03	106.69

S&P 500 Sector Returns



S&P 1500 by Capitalization & Style¹

Value Blend Growth	1-Week			Large	Year-to-Date			
	Value	Blend	Growth		Value	Blend	Growth	
	-2.64%	-2.02%	-1.54%	Large	-28.12%	-22.56%	-17.63%	
	-7.19%	-5.89%	-4.83%		Mid	-40.22%	-34.82%	-29.85%
	-7.47%	-7.00%	-6.62%			Small	-43.32%	-38.77%

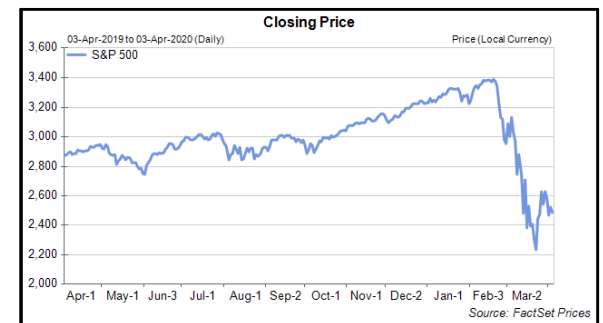
Equity Index Characteristics ²	P/E Ratio (TTM)	P/B Ratio (TTM)	P/CF Ratio (TTM)	Wtd Avg Mkt Cap (billions)
MSCI ACWI IMI	15.02	1.73	9.20	40.80
S&P 500	17.90	2.67	11.58	111.51
S&P MidCap 400	14.59	1.55	8.44	4.14
S&P SmallCap 600	13.11	1.31	6.39	1.28
MSCI World ex US	13.56	1.28	7.74	30.36
MSCI EM IMI	11.52	1.29	7.02	22.75

Upcoming Economic Events		Forecast			
Date	Locale	Indicator	Period	Consensus	Last ³
Tuesday 4-7-20	Germany	Industrial Production SA M/M	FEB	-0.95%	3%
	Japan	Leading Index (Preliminary)	FEB	-	90.5
Wednesday 4-8-20	United States	FOMC Minutes	-	-	-
	United States	Continuing Jobless Claims SA	3/28	-	3,029K
Thursday 4-9-20	United States	Initial Claims SA	4/4	5,000K	6,648K
	United Kingdom	Industrial Production SA M/M	Feb	0.15%	-0.1%
	United States	PPI SA M/M	MAR	-0.4%	-0.6%
	United States	Michigan Sentiment NSA (Preliminary)	APR	78	89.1
	China	CPI NSA Y/Y	MAR	4.8%	5.2%
Friday 4-10-20	United Kingdom	GDP M/M	FEB	0.1%	0%
	United States	CPI SA M/M	MAR	-0.3%	0.1%

10-Year Treasury Note Yields



S&P 500 Index Levels





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

²Characteristics as of 03.31.2020

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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