



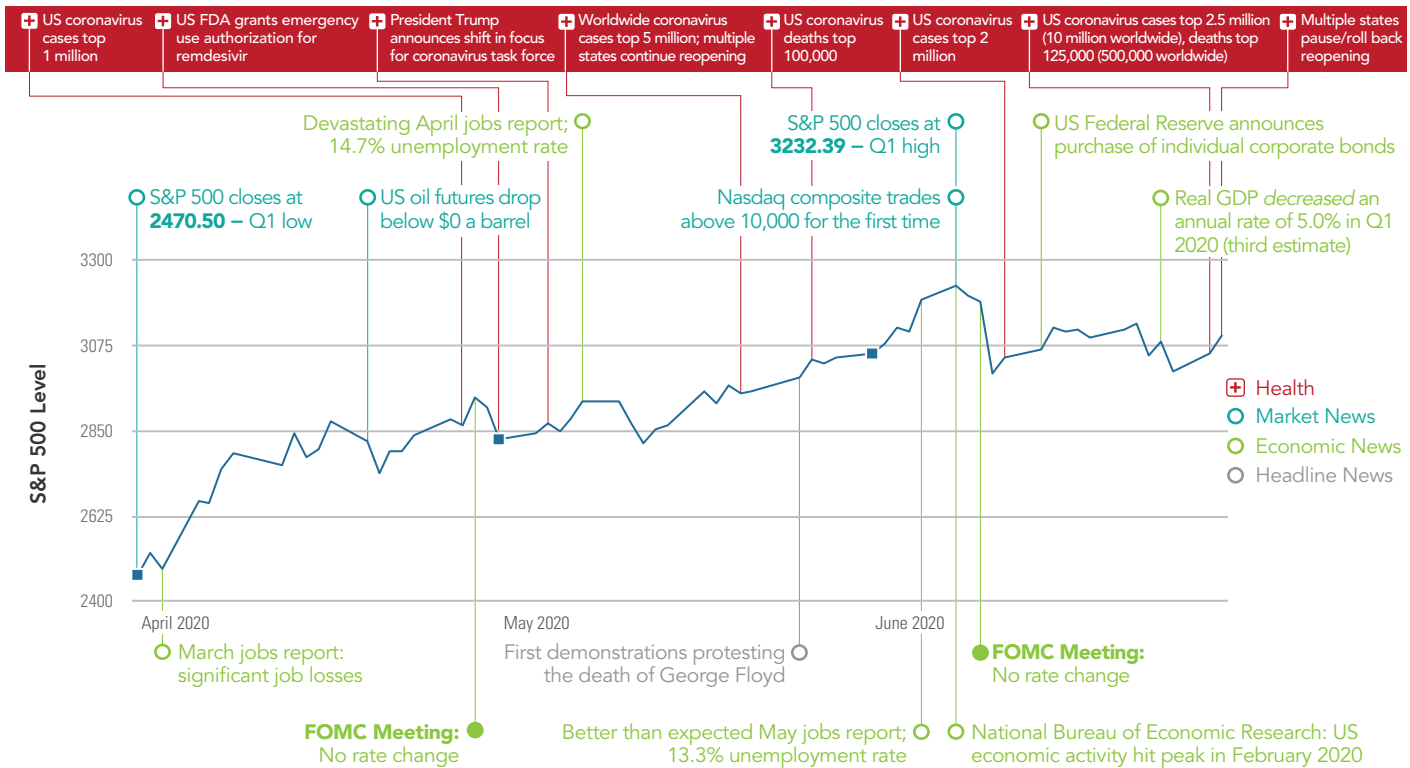
Personal Portfolios



Quarterly Market Review

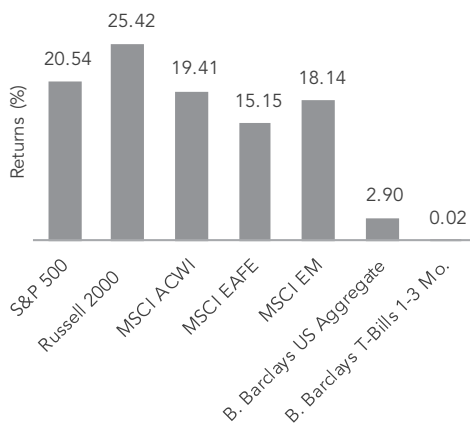
SECOND QUARTER 2020

The S&P 500® Index and Key Events



Index Returns

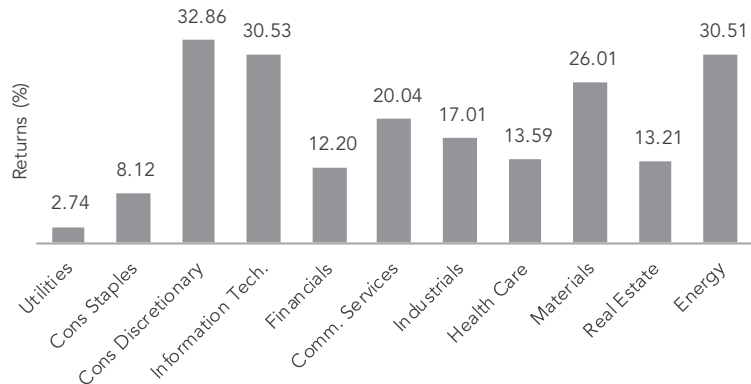
Q2 2020



As of 6/30/20. Source: Bloomberg.

S&P Sector Returns

Q2 2020



As of 6/30/20. Source: Bloomberg.

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Savos Investments

Second Quarter 2020 in Review

Global equities rebound

- After a punishing first quarter, equities rallied in the second quarter. Both the S&P 500® and Dow Jones Industrial Average® delivered three months of positive returns, including their “best quarters” since 1998 (S&P 500) and 1987 (Dow). US small cap, US large cap, emerging markets, and non-US developed stocks all delivered positive returns.

Fixed income sectors positive

- Fixed income was also a bright spot during the second quarter. Returns were very strong for high yield corporate and investment grade corporate bonds. Returns were not as strong, but still positive, for municipal and broad investment grade bonds. Treasuries also landed in very mild positive territory.

Important events

- Coronavirus continued to concern, with more than 10 million diagnosed cases and 500,000 deaths globally at the close of the quarter.
- The Federal Open Market Committee (the Fed) left the fed funds rate unchanged at the April and June meetings. Notably, as exhibited in the “dot plot,” all Fed participants anticipate a flat rate path through 2021. In June, the Federal Reserve announced it would include purchases of “eligible” individual corporate bonds in an ongoing effort to maintain the liquidity of the corporate bond market.
- In June, the National Bureau of Economic Research reported US monthly economic activity hit a peak in February 2020, and officially designated the economy as in a recession.
- The US unemployment rate reached a high of 14.7% in April, declining slightly in May, to 13.3%.
- As a result of the pandemic and “stay at home” orders, US real gross domestic product (GDP) declined 5.0% in the first quarter (third estimate).

Savos expectations

- Savos expectations for 2020: bumpy economic rebound as local officials and companies react to COVID-19 data; policy stimulus cliff causes volatility in capital markets; elevated unemployment continues.

About Savos Investments

Savos Investments specializes in risk-managed strategies for financial advisors and their clients on the AssetMark platform. Savos aims to help clients reach their financial goals with expertly constructed portfolios and personalized investment solutions.

Simply Smart. Simply Savos.

Second quarter 2020 returns: Dow Jones Industrial Average: 18.51%; S&P 500, 20.54%; Russell 2000® Index: 25.42%; MSCI EAFE Index: 15.15%; MSCI EM Index: 18.14%; Bloomberg Barclays US Treasury 7-10 Year Index: 0.89%; S&P 500® Investment Grade Corporate Bond Index: 7.90%; S&P Municipal Bond Index: 2.57%; S&P 500 High Yield Corporate Bond Index: 10.84%; Bloomberg Barclays US Aggregate Bond Index: 2.90%.

Sources: Bloomberg; FactSet; U.S. Department of Labor, Bureau of Labor Statistics; Bureau of Economic Analysis; National Bureau of Economic Research.

The S&P 500® Index 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. The MSCI All Country World (ACWI) Index measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe. The MSCI EAFE® Index measures the equity performance of countries considered to represent developed markets, excluding the U.S. and Canada. The MSCI Emerging Markets (EM) Index measures the equity market performance of countries considered to represent emerging markets. The Russell 2000® Index measures the performance of companies considered to represent the small-cap segment of the US equity market. The Bloomberg Barclays US Aggregate Bond Index measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related and Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS sectors. The Bloomberg Barclays US Treasury 7-10 Year Index measures the performance of US Treasury bonds, including all publicly issued securities with 7 to 9.9999 years to maturity. The Bloomberg Barclays US Corporate Bond Index 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. The Bloomberg Barclays US Municipal Bond Index 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. The Bloomberg Barclays US Corporate High Yield Bond Index 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. The Dow Jones Industrial Average® measures the performance of an index of 30 large U.S. companies. Excludes the transportation industry and utilities sector.

Top Contributors and Detractors

SECOND QUARTER 2020

SAVOS PERSONAL PORTFOLIOS

Core Equity

Dividend Equity

Contributors

Apple Inc.
Microsoft Corporation
Mastercard Incorporated Class A
ONEOK, Inc.
Eli Lilly and Company

Detractors

Intel Corporation
KeyCorp
Seagate Technology PLC
PPL Corporation
AT&T Inc.

Global Equity

Contributors

MarketAxess Holdings Inc.
Mastercard Incorporated Class A
Apple Inc.
Target Corporation
Home Depot, Inc.

Detractors

Consolidated Edison, Inc.
Xerox Holdings Corporation
CME Group Inc. Class A
Molson Coors Beverage Co. Class B
Biogen Inc.

Sustainable Equity

Contributors

Apple Inc.
Cintas Corporation
Visa Inc. Class A
American Tower Corporation
Microsoft Corporation

Detractors

Biogen Inc.
Hershey Company
Walmart Inc.
Principal Financial Group, Inc.
Realty Income Corporation

Focused Equity

International Equity

Contributors

Agnico Eagle Mines Limited
Franco-Nevada Corporation
Barrick Gold Corporation
NICE Ltd Sponsored ADR
Astrazeneca PLC Sponsored ADR

Detractors

Companhia Paranaense de Energia
Sponsored ADR Pfd Class B
Grifols, S.A. Spons. ADR Class B
KB Financial Group Inc. Spons. ADR
TIM Participacoes S.A. Spons. ADR
Sands China Ltd. Unspons. ADR

Small/Mid Cap Equity

Contributors

Meritage Homes Corporation
Wendy's Company
Deckers Outdoor Corporation
Kinsale Capital Group, Inc.
Scotts Miracle-Gro Company Class A

Detractors

Meta Financial Group, Inc.
NorthWestern Corporation
Kemper Corporation
Redwood Trust, Inc.
Invesco Mortgage Capital Inc.

Source: Savos. May include securities not held for the entire quarter. For illustrative purposes, a contributor implies a positive contribution to return and a detractor implies a negative detraction from return.

Top Contributors and Detractors (continued)

Focused Equity (continued)

US REIT

Contributors

Camden Property Trust
National Health Investors, Inc.
NexPoint Residential Trust Inc
W. P. Carey Inc.
EastGroup Properties, Inc.

Detractors

Essex Property Trust, Inc.
Piedmont Office Realty Trust, Inc. A
Washington Real Estate Invest. Trust
Easterly Government Properties, Inc.
Public Storage

Tactical Equity

Savos US Risk Controlled Strategy

Contributors

USRC Equity Basket

Detractors

SPDR Bloomberg Barclays 1-3
Month T-Bill ETF

Bond

Flexible Short Duration Bond

Contributors

PIMCO Enhanced Short Maturity
Active ETF
JPMorgan Ultra-Short Income ETF
iShares 0-5 Year High Yield
Corporate Bond ETF
iShares Floating Rate Bond ETF
iShares MBS ETF

Detractors

VanEck Vectors Fallen Angel High
Yield Bond ETF
JPMorgan Global Bond
Opportunities Fund I Class
iShares Short Treasury Bond ETF
iShares Fallen Angels USD Bond ETF
iShares 1-3 Year Treasury Bond ETF

Municipal Bond

Contributors

iShares National Muni Bond ETF
Nuveen Short Duration High Yield
Municipal Bond Fd Cl I
iShares iBonds Dec 2022 Term
Muni Bond ETF

Detractors

Nuveen High Yield Municipal Bond
Fund Class I

Source: Savos. May include securities not held for the entire quarter. For illustrative purposes, a contributor implies a positive contribution to return and a detractor implies a negative detraction from return.

Top Contributors and Detractors (continued)

Focused Bond

California Municipal Bond

Contributors

Invesco Oppenheimer Rochester
California Municipal Fund Class Y

BlackRock California Municipal
Opportunities Fund - Institutional

Nuveen California High Yield
Municipal Bond Fund Class I

Detractors

New York Municipal Bond

Contributors

BlackRock New York Municipal
Opportunities Fund - Institutional

iShares New York Muni Bond ETF

Invesco Oppenheimer Rochester
New York Municipals Fund Class Y

Detractors

Intermediate Duration Bond

Contributors

JPMorgan Ultra-Short Income ETF

iShares 0-5 Year High Yield
Corporate Bond ETF

PIMCO Enhanced Short Maturity
Active ETF

iShares 7-10 Year Treasury Bond ETF

iShares 20+ Year Treasury Bond ETF

Detractors

iShares 1-3 Year Treasury Bond ETF

iShares Short Treasury Bond ETF

Source: Savos. May include securities not held for the entire quarter. For illustrative purposes, a contributor implies a positive contribution to return and a detractor implies a negative detraction from return.

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For more complete information about the various investment solutions available and the fees and risks associated with them, please refer to the Disclosure Brochure, which you can obtain from your financial advisor. The opinions expressed here are those of Savos Investments and are subject to change at any time.

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