

# 2020 Annual Market Review

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This report features world capital market performance for the past year.

## Overview:

Market Summary

World Asset Classes

US Stocks







International Developed Stocks

Emerging Markets Stocks

Fixed Income

# Market Summary

## Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
<b>2020</b>	<b>STOCKS</b>				<b>BONDS</b>	
	<b>20.89%</b> 	<b>7.59%</b> 	<b>18.31%</b> 	<b>-9.09%</b> 	<b>7.51%</b> 	<b>3.94%</b> 
<b>Since Jan. 2001</b>						
Avg. Annual Return	9.5%	6.8%	13.6%	9.8%	4.9%	4.5%
Best Year	33.6% 2013	39.4% 2003	78.5% 2009	37.4% 2006	10.3% 2002	8.8% 2014
Worst Year	-37.3% 2008	-43.6% 2008	-53.3% 2008	-45.7% 2008	-2.0% 2013	1.2% 2013

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

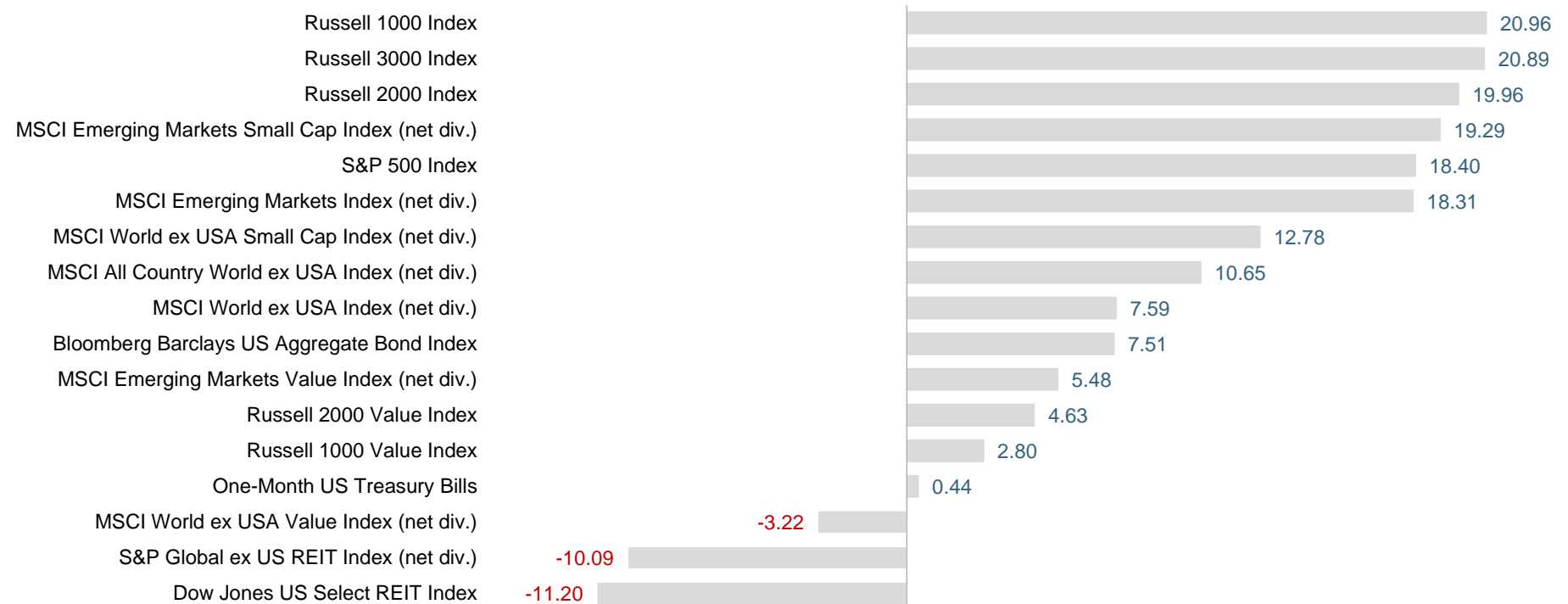
# World Asset Classes

## 2020 Index Returns (%)

Equity markets around the globe posted positive returns in 2020. Looking at broad market indices, US equities outperformed emerging and non-US developed markets.

Value underperformed growth across regions. Small caps outperformed large caps in non-US developed and emerging markets but underperformed in the US.

REIT indices underperformed equity market indices in both the US and non-US developed markets.



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# US Stocks

## 2020 Index Returns

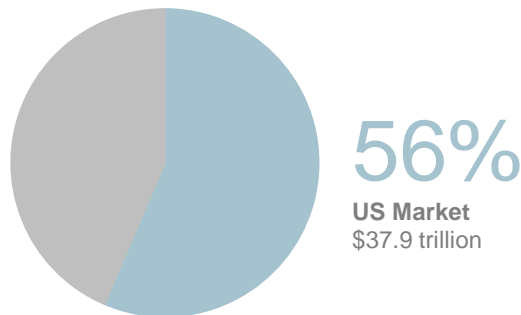
The US equity market posted positive returns for the year and outperformed emerging and non-US developed markets.

Value underperformed growth across large and small cap stocks.

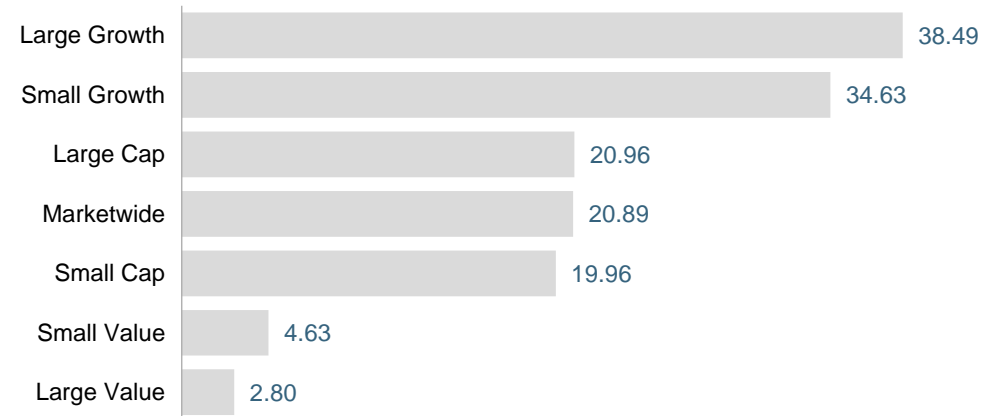
Small caps underperformed large caps.

REIT indices underperformed equity market indices.

### World Market Capitalization—US



### Ranked Returns for 2020 (%)



### Period Returns (%)

\* Annualized

Asset Class	1 Year	3 Years*	5 Years*	10 Years*
Large Growth	38.49	22.99	21.00	17.21
Small Growth	34.63	16.20	16.36	13.48
Large Cap	20.96	14.82	15.60	14.01
Marketwide	20.89	14.49	15.43	13.79
Small Cap	19.96	10.25	13.26	11.20
Small Value	4.63	3.72	9.65	8.66
Large Value	2.80	6.07	9.74	10.50

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# International Developed Stocks

## 2020 Index Returns

Developed markets outside the US posted positive returns for the year but underperformed emerging markets and US equities.

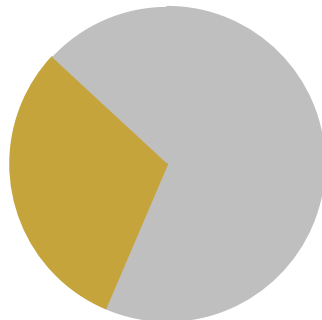
Value underperformed growth.

Small caps outperformed large caps.

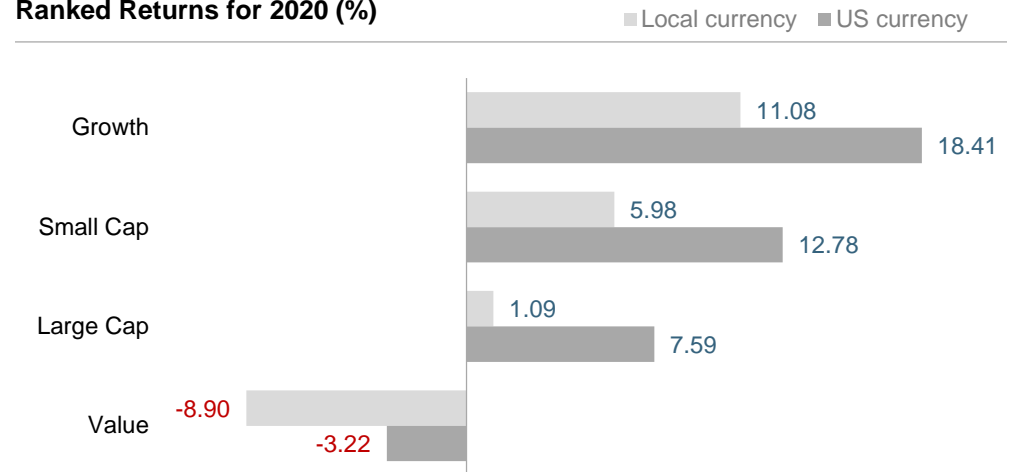
### World Market Capitalization—International Developed

**30%**

International  
Developed Market  
\$20.5 trillion



### Ranked Returns for 2020 (%)



### Period Returns (%)

Asset Class	* Annualized			
	1 Year	3 Years*	5 Years*	10 Years*
Growth	18.41	9.57	10.50	7.01
Small Cap	12.78	5.04	9.63	6.98
Large Cap	7.59	4.22	7.64	5.19
Value	-3.22	-1.28	4.57	3.23

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# Emerging Markets Stocks

## 2020 Index Returns

Emerging markets posted positive returns for the year, outperforming developed ex US equity markets but underperforming US equities.

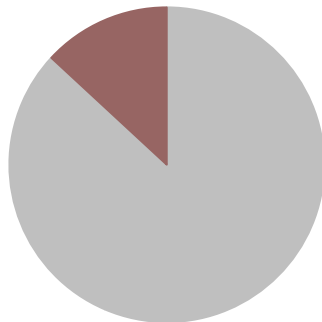
Value underperformed growth.

Small caps outperformed large caps.

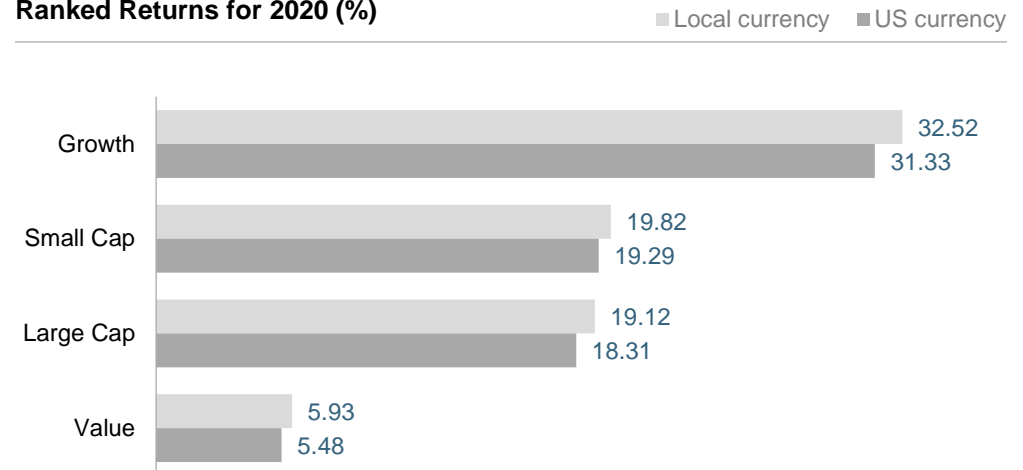
### World Market Capitalization—Emerging Markets

**13%**

Emerging Markets  
\$8.8 trillion



### Ranked Returns for 2020 (%)



### Period Returns (%)

Asset Class	* Annualized			
	1 Year	3 Years*	5 Years*	10 Years*
Growth	31.33	10.33	16.23	6.21
Small Cap	19.29	2.69	8.19	2.29
Large Cap	18.31	6.17	12.81	3.63
Value	5.48	1.77	9.18	0.90

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# Fixed Income

## 2020 Index Returns

Interest rates declined in the US Treasury fixed income market in 2020. The yield on the 5-Year US Treasury note decreased 133 basis points (bps), ending at 0.39%. The yield on the 10-Year US Treasury note declined 98 bps to 0.93%. The 30-Year US Treasury bond yield decreased 72 bps to finish at 1.64%.

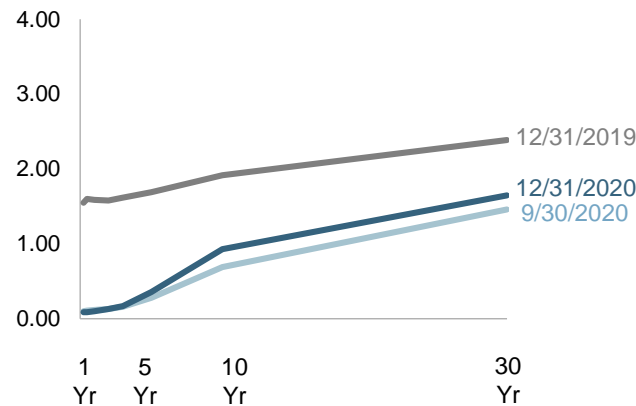
On the short end of the yield curve, the 1-Month US Treasury bill yield decreased 140 bps to end at 0.08%, while the 1-Year US Treasury bill yield declined 151 bps to 0.13%. The 2-Year US Treasury note finished at 0.09%, a decrease of 149 bps.

In terms of total returns, short-term corporate bonds gained 5.41%.

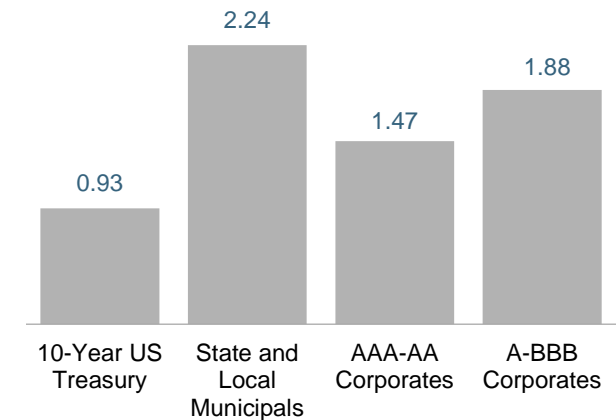
Intermediate-term corporate bonds returned 7.47%.

The total return for short-term municipal bonds was 3.15%, while intermediate-term municipal bonds returned 5.18%. Revenue bonds outperformed general obligation bonds for the year.

### US Treasury Yield Curve (%)



### Bond Yields across Issuers (%)



### Period Returns (%)

Asset Class	*Annualized			
	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg Barclays US Government Bond Index Long	17.55	9.83	7.84	7.74
Bloomberg Barclays US TIPS Index	10.99	5.92	5.08	3.81
Bloomberg Barclays US Aggregate Bond Index	7.51	5.34	4.44	3.84
Bloomberg Barclays US High Yield Corporate Bond Index	7.11	6.24	8.59	6.80
FTSE World Government Bond Index 1-5 Years	6.45	2.67	2.70	0.43
Bloomberg Barclays Municipal Bond Index	5.21	4.64	3.91	4.63
FTSE World Government Bond Index 1-5 Years (hedged to USD)	3.21	3.06	2.36	1.97
ICE BofA 1-Year US Treasury Note Index	1.82	2.20	1.58	0.93
ICE BofA US 3-Month Treasury Bill Index	0.67	1.61	1.20	0.64

One basis point (bps) equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (S&P) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2021 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2021 ICE Data Indices, LLC. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.