Market Outlook

Three in One

Q3 2020

SEE IMPORTANT DISCLOSURES AT THE END OF THIS PRESENTATION

Contents

SUMMARY

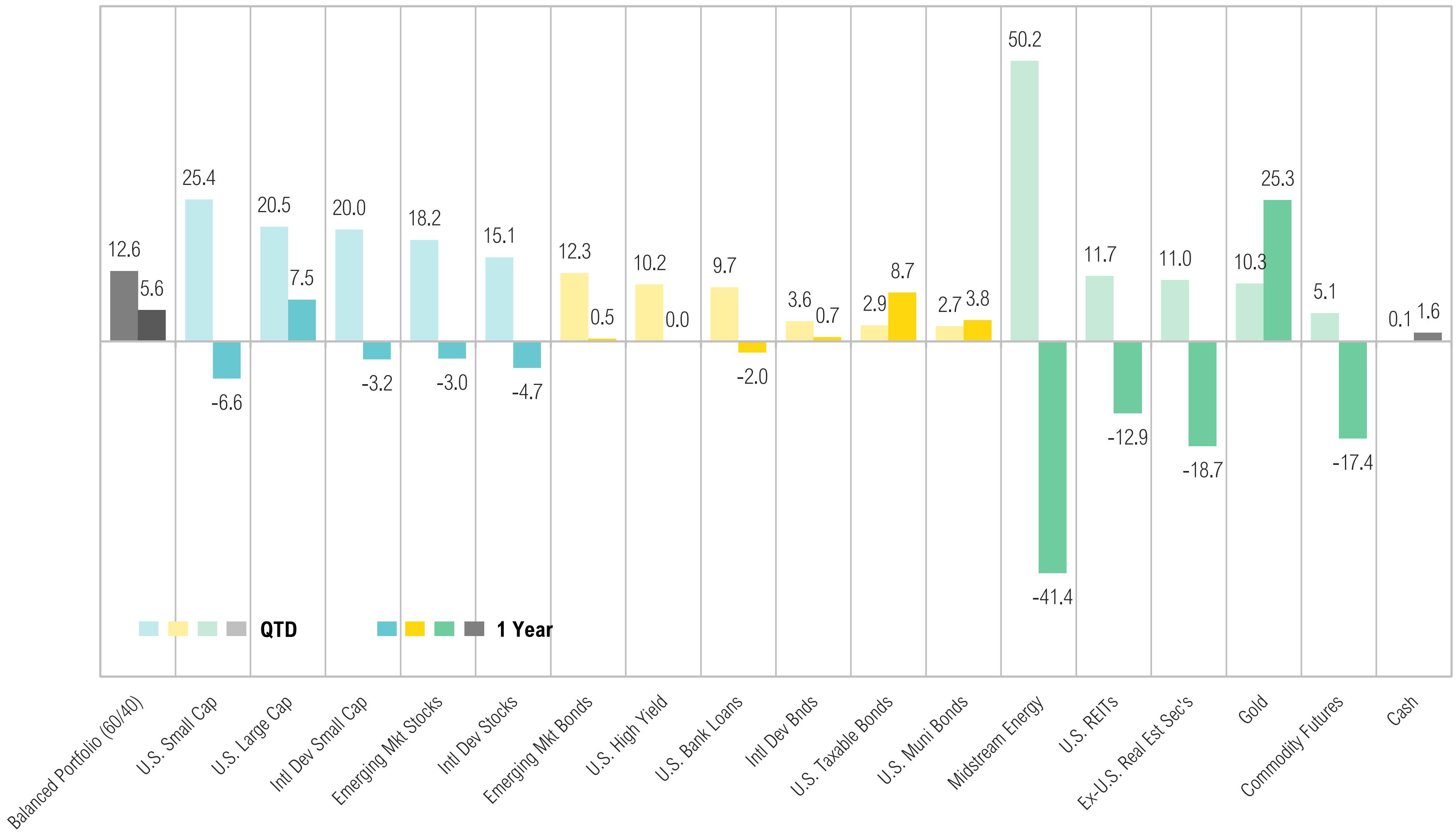
"In the normal recession, unemployment goes up, delinquencies go up, charge-offs go up, home prices go down, none of that's true here...Savings are up, incomes are up, home prices are up...So it's just very peculiar times."

Jamie Dimon, *JPMorgan Chase CEO, July 2020*


KROES '20

Q2, 2020 Market Review

QTD & TRAILING 1-YEAR TOTAL RETURNS



Source: Bloomberg

Market Outlook Summary

Q3,2020

Growth, Inflation & Policy

- The U.S. and global economy entered a severe recession late in Q1 as evidenced by rapidly rising jobless claims, unemployment, and the dramatic drop-off in global trade and GDP growth. We expect growth to stabilize in 2H but to recover slower than consensus given the poor health of the economy and credit markets leading up to the crisis.
- Global inflation will decline with demand during the recession and then likely increase in the recovery. Excessive debt levels will subdue inflation until MMT-funded "helicopter money" becomes ongoing policy. This structural change may take as long as until the next general election in 2024, but we believe it may be inevitable given there is no political appetite or will for the alternative.
- Global monetary policy has "crossed the Rubicon" with implications for l-term real growth (lower), risky assets (higher) and alternative currencies (higher).

Equities

- **U.S. equity** valuations are back in the top-quintile, implying muted forward long-term returns substantially below those of the last decade.
- Lower valuations for **international developed equity** will not be enough to materially overcome slowing growth, poor demographics, heightened geopolitical risk and trade tensions. However, in the short-term, mismanagement of the Covid-19 crisis has removed the U.S. competitive advantage.
- Long-term return expectations for **emerging market equity** remain relatively stable as higher growth and less foreign consumption dependency should drive earnings growth in excess of developed peers; tactical outlook impacted dramatically by significant disruption due to Covid-19 crisis
- To the extent the crisis results in less capital deployed and lower EBITDA multiples, the next several vintage years should provide attractive entry points for private equity and venture. Secondaries may be particularly attractive if investors are forced to generate liquidity for operations in the coming years.

Fixed Inc. & Credit

- U.S. Treasury yields may rise as a result of liquidity injections, but a structural ceiling on **developed market rates** from demographics and debt overhang will likely not get overcome until persistent MMT-funded stimulus via some form of ongoing Universal Basic Income (UBI).
- Central Bank intervention has removed tail risks in investment-grade bonds and some high yield bonds. While riskier segments of the market could continue to rally short-term, the risks for any sector that falls outside of government support remain substantial and require much lower clearing prices.

Real Assets

- **U.S. commercial private and listed real estate** cycle has peaked and is facing an extremely challenging period as the market starts to price in an extended downturn with some segments (retail, entertainment, hospitality and office) likely experiencing permanent impairment and requiring restructuring.
- Commodities are in a bottoming process as declining demand is being met with reduced supply. Coupled with a potential structural shift higher in inflation in the coming years, an attractive entry point in **commodity futures** is near (or upon us).
- **The energy space** remains oversupplied in the short-term, but reduced supply should bring the market back into balance in 2021. After the purge, the midstream space should be able to return to its roots as the low-growth, higher return on asset business it was over a decade ago.
- **Gold** will continue to benefit if pool of negative-yielding sovereign debt ($15 trillion now) grows or fiscal spending/quantitative easing programs persist.

Opportunistic

- On aggregate, across most **hedge fund and liquid alternative** categories, near record low hurdle rate/opportunity cost of U.S. core 60/40 portfolios (expected 10-year nominal returns of 4.5%) and higher expected volatility are offset by high fees and declining manager alphas; however, the "riches are in the niches" – exceptional boutique managers have the potential to add value given increased volatility.
- The **closed-end funds** space is attractive as discounts have widened to over 10% across almost all sectors.

Asset Allocation

- Unrealistic expectations for forward returns based on the last 10 years still pose a major risk for U.S. investors. Current low bond yields and high equity valuations will result in 10-year forward returns 3-4% below those of the last 10 years. As evidence, over the last 20 years diversification across asset classes and geographies with regular rebalancing has delivered higher returns and less risk than U.S. stocks.
- **Cash and short-term bonds** do not have the explicit convexity of tail risk hedges, but they have implicit convexity ("shadow value") if used tactically to deploy into potential future dislocations. Unlike most other hedges, cash and short-term bonds have very low fees and liquidity risk.

GROWTH, INFLATION & POLICY

"It is very likely that this year the global economy will experience its worst recession since the Great Depression, surpassing that seen during the global financial crisis a decade ago…

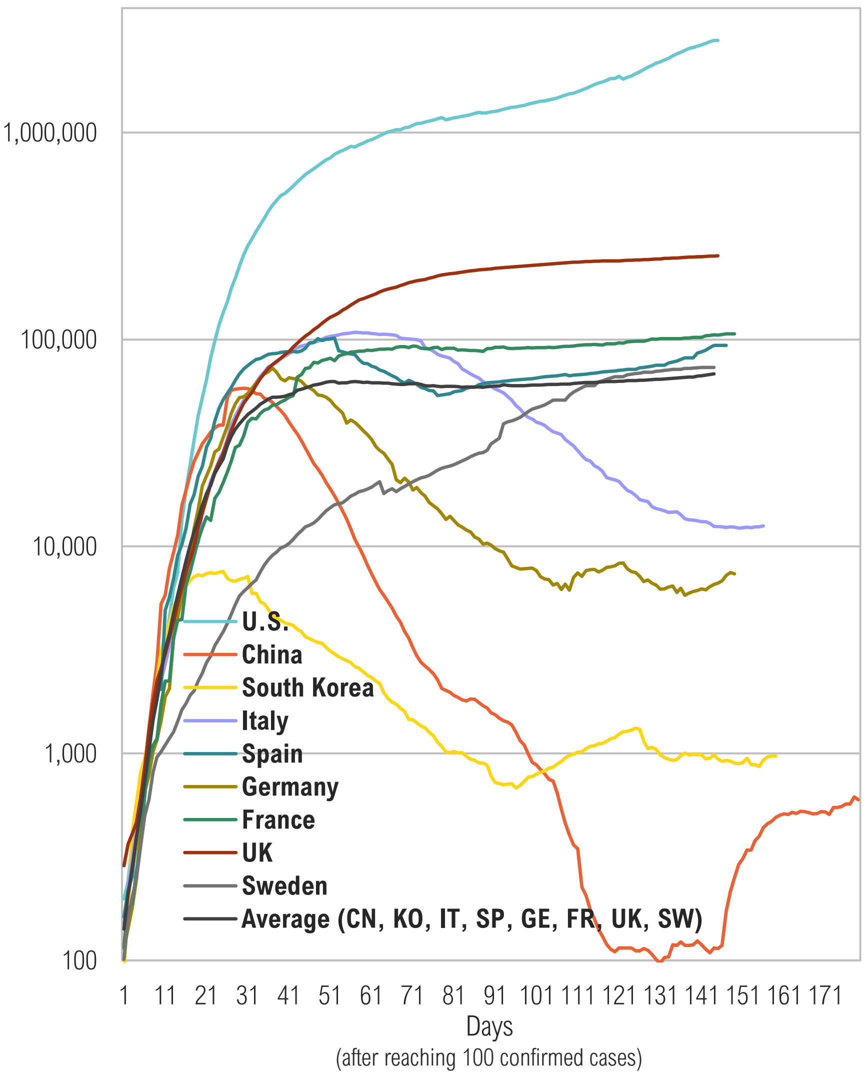
I think it makes a difference that there are lenders of last resort, that monetary policy is proactively able to come in and ensure enough liquidity in markets, that fiscal policy is able to play a major role in supporting firms and households."

Gita Gopinath, *IMF Chief Economist, April 2020*

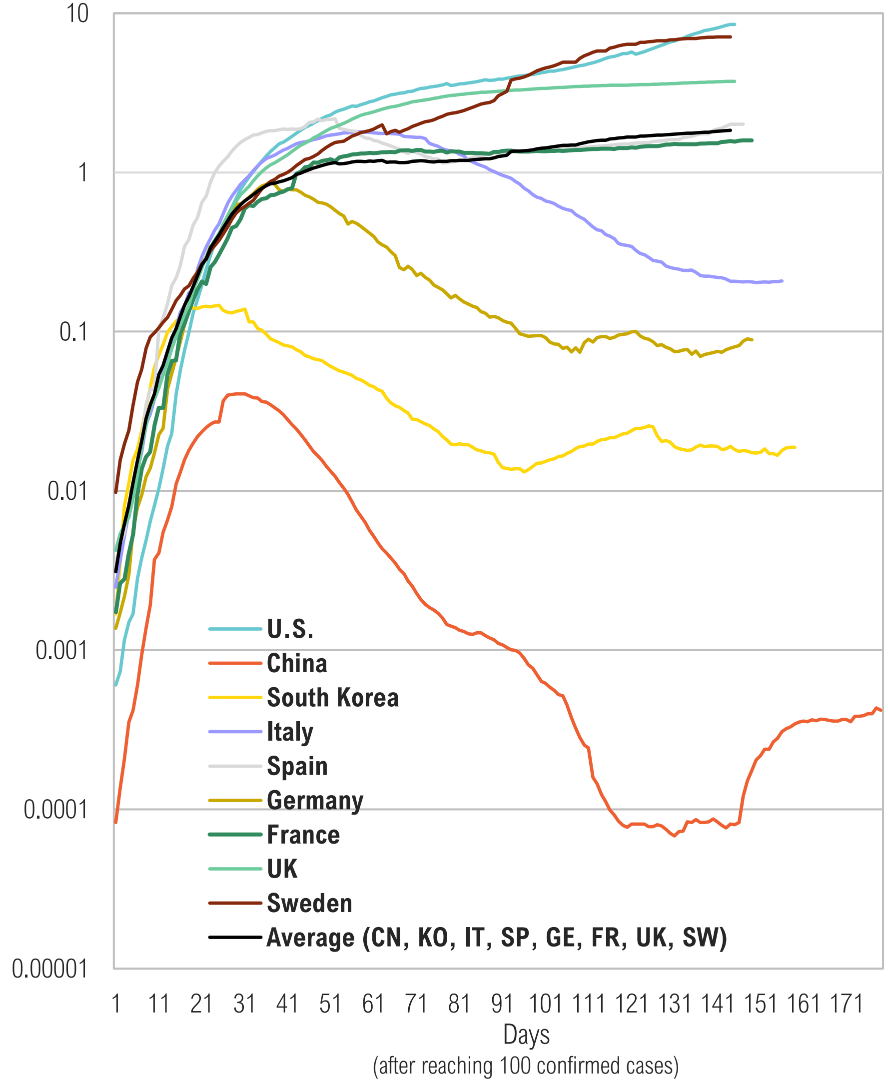
Active Cases Remain Elevated in Many Countries

DAILY ACTIVE CASES (TOTAL CASES LESS RECOVERIES & DEATHS) AFTER REACHING 100 CONFIRMED CASES

Active Cases, Log Scale



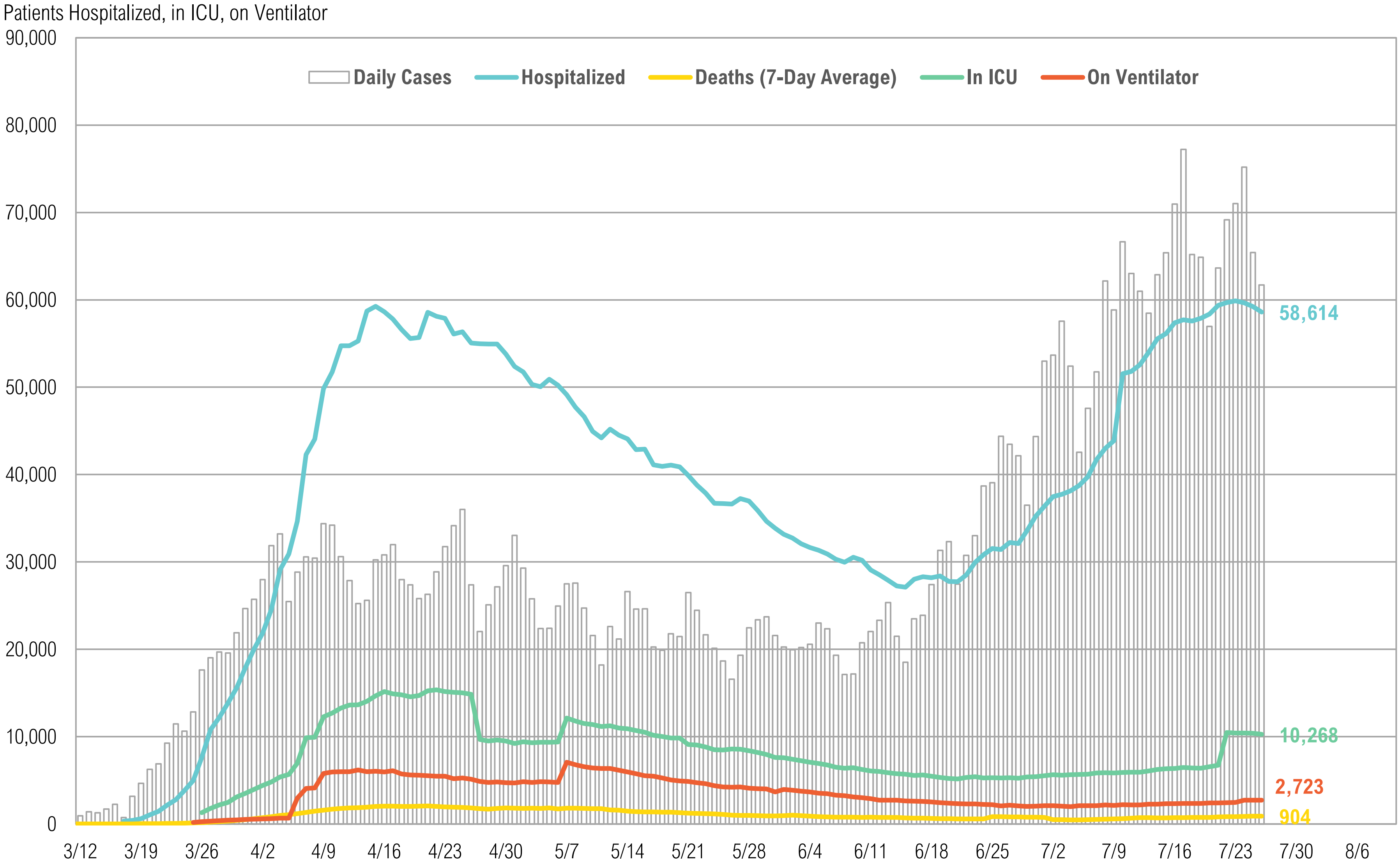
Active Cases Per 1,000 People, Log Scale



Source: WHO, CDC, Bloomberg

Surge in Cases & Hospitalizations Leading to Rollbacks

U.S. COVID-19 PATIENTS CURRENTLY HOSPITALIZED, IN ICU, ON VENTILATOR, *AS OF 7/26/2020*



Source: CovidTracking.com

Tracking the Recovery

VARIOUS MARKET & ECONOMIC INDICATORS, *WEEKLY*

	1/24	1/31	2/7	2/14	2/21	2/28	3/6	3/13	3/20	3/27	4/3	4/10	4/17	4/24
Virus														
New Covid-19 Cases (U.S.)	5	3	3	2	2	59	444	2,981	29,777	107,633	195,893	218,511	203,496	206,976
New Covid-19 Fatalities (U.S.)	0	0	0	0	0	1	20	52	513	2,834	8,955	13,711	14,859	13,936
Lockdown Index (0-100)	0	0	0	6	6	6	11	30	67	73	73	75	75	73
Economy														
Jobless Claims (000')[1]	282	229	225	220	209	199	217	200	251	2,920	6,016	6,211	4,965	4,282
Gasoline Inventories (Mn Barrels)[1]	260	261	261	261	259	256	252	247	241	239	247	257	262	263
New York Fed Economic Index	2	2	2	2	2	2	1	1	-3	-7	-9	-11	-11	-11
Public Transit Ridership (%)	1	3	3	3	5	5	4	-1	-36	-62	-68	-72	-73	-71
Mortgage Applications (%)[2]	5	11	0	-6	-9	-4	-6	-1	-2	-16	-25	-34	-36	-34
Consumer Comfort[1]	67	67	66	66	64	63	63	63	60	56	50	45	41	40
Same Store Sales (YoY%)[1]	5	6	6	5	6	5	6	6	9	9	6	5	-2	-7
Restaurant Booking (YoY%)					-1	1	-6	-36	-99	-100	-100	-100	-100	-100
Active Oil Rigs (%)[2]	-1	-1	-1	0	0	0	0	0	-2	-8	-17	-26	-36	-44
Steel Production (%)[2]	3	3	2	1	2	2	3	2	0	-1	-11	-18	-33	-32
Financial Markets														
S&P 500 (%)[2]	2	0	3	5	3	-9	-8	-16	-29	-21	-23	-14	-11	-12
Russell 2000 (%)[2]	0	-3	-1	1	0	-12	-13	-28	-39	-32	-37	-25	-26	-26
Russell Microcap (%)[2]	-1	-4	-2	-1	0	-11	-13	-29	-40	-34	-38	-28	-28	-27
Financial Conditions	1	0	1	1	1	-1	-2	-4	-6	-6	-5	-3	-3	-3
Bbg U.S. Corp HY Spread (Bps)	356	390	354	344	359	500	550	727	1,013	921	942	785	705	775
NYSE % above 200-day MA	61	51	55	59	56	22	24	7	3	5	5	11	13	13
VIX	15	19	15	14	17	40	42	58	66	66	47	42	38	36

	5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26	7/3	7/10	7/17	7/24
Virus													
New Covid-19 Cases (U.S.)	192,256	171,750	156,966	156,481	146,953	152,172	151,695	185,821	269,112	339,595	416,292	468,328	460,721
New Covid-19 Fatalities (U.S.)	12,801	11,846	10,034	8,158	6,663	6,131	5,218	4,237	5,834	4,144	5,256	5,331	6,400
Lockdown Index (0-100)	73	73	73	73	73	73	73	73	73	69	69	69	69
Economy													
Jobless Claims (000')[1]	3,515	2,856	2,357	2,182	1,915	1,620	1,561	1,463	1,460	1,427	1,395	1,513	1,371
Gasoline Inventories (Mn Barrels)[1]	260	256	253	256	255	258	259	257	255	257	252	249	247
New York Fed Economic Index	-11	-11	-10	-10	-10	-9	-9	-8	-8	-7	-7	-7	-7
Public Transit Ridership (%)	-71	-69	-68	-66	-65	-61	-58	-55	-53	-52	-52	-53	-53
Mortgage Applications (%)[2]	-27	-22	-14	-9	-1	4	10	14	10	9	15	8	10
Consumer Comfort[1]	37	36	35	36	37	39	40	41	43	43	44	45	45
Same Store Sales (YoY%)[1]	-8	-9	-8	-10	-6	-7	-10	-8	-6	-6	-7	-6	-8
Restaurant Booking (YoY%)	-99	-97	-93	-87	-82	-75	-65	-60	-58	-57	-62	-59	-57
Active Oil Rigs (%)[2]	-52	-57	-62	-65	-67	-70	-71	-72	-72	-73	-73	-74	-73
Steel Production (%)[2]	-33	-39	-36	-37	-36	-36	-36	-35	-35	-34	-32	-31	-30
Financial Markets													
S&P 500 (%)[2]	-12	-9	-11	-9	-6	-1	-6	-4	-7	-3	-1	0	0
Russell 2000 (%)[2]	-25	-20	-25	-19	-17	-10	-17	-15	-17	-14	-15	-12	-12
Russell Microcap (%)[2]	-25	-21	-24	-18	-17	-10	-16	-13	-15	-12	-14	-11	-11
Financial Conditions	-2	-1	-1	-1	-1	0	-1	-1	-1	0	0	0	0
Bbg U.S. Corp HY Spread (Bps)	745	725	757	680	637	536	611	578	615	600	597	556	504
NYSE % above 200-day MA	13	17	15	21	25	38	24	27	21	27	27	34	35
VIX	37	28	32	28	28	25	36	35	35	28	27	26	26

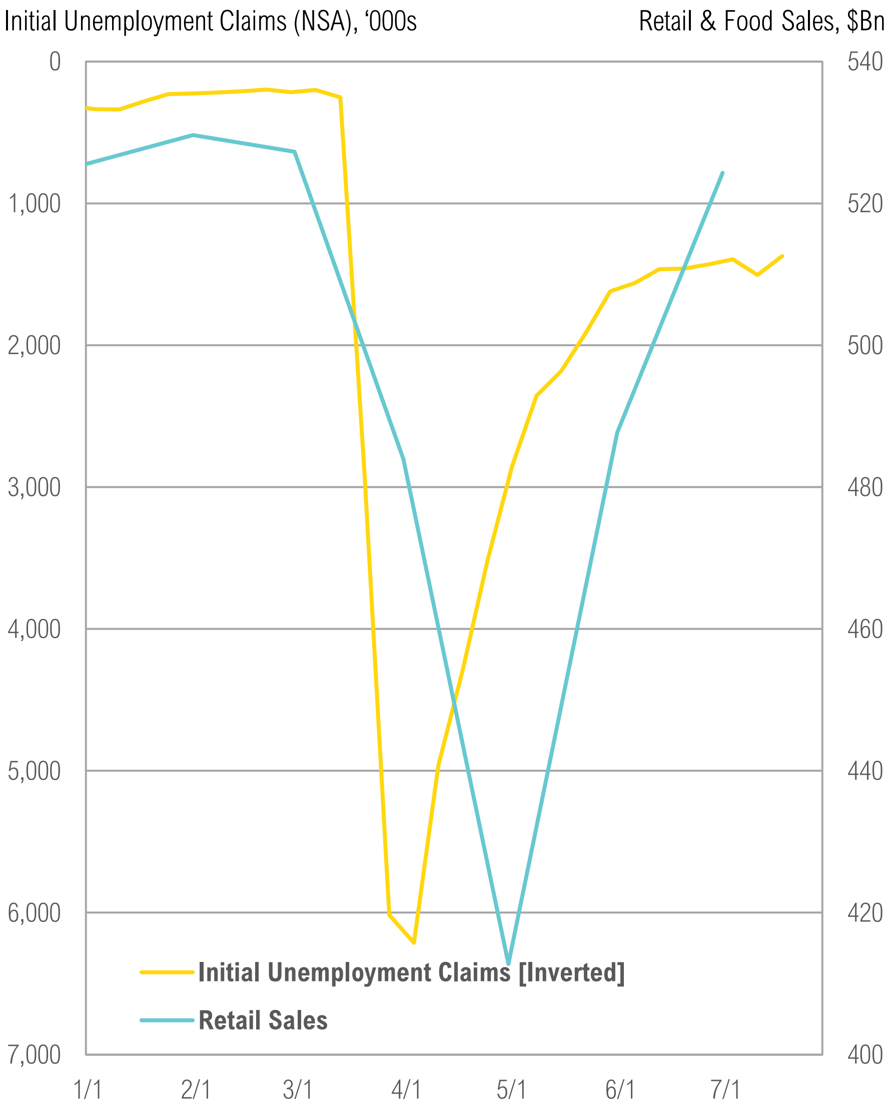
Source: Bloomberg, Oxford Government Response Tracker, Moovit and OpenTable.

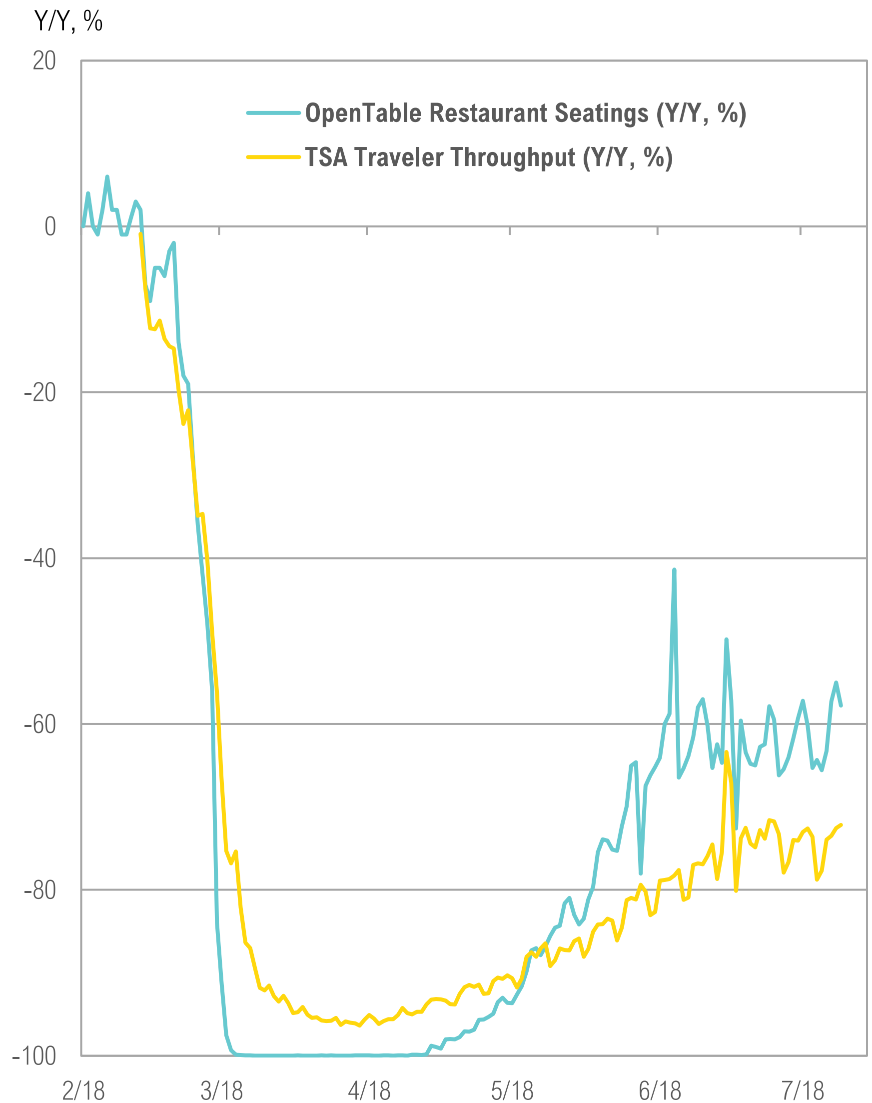
1 Data references release date, not measurement period, which is lagged by one week.

2 Data represents the percent change from the average of the first two weeks in January.

A "V" in Consumption, But Not in Activity

INITIAL UNEMPLOYMENT CLAIMS VS. RETAIL & FOOD SALES (LHS), OPENTABLE SEATINGS & TSA THROUGHPUT (RHS)

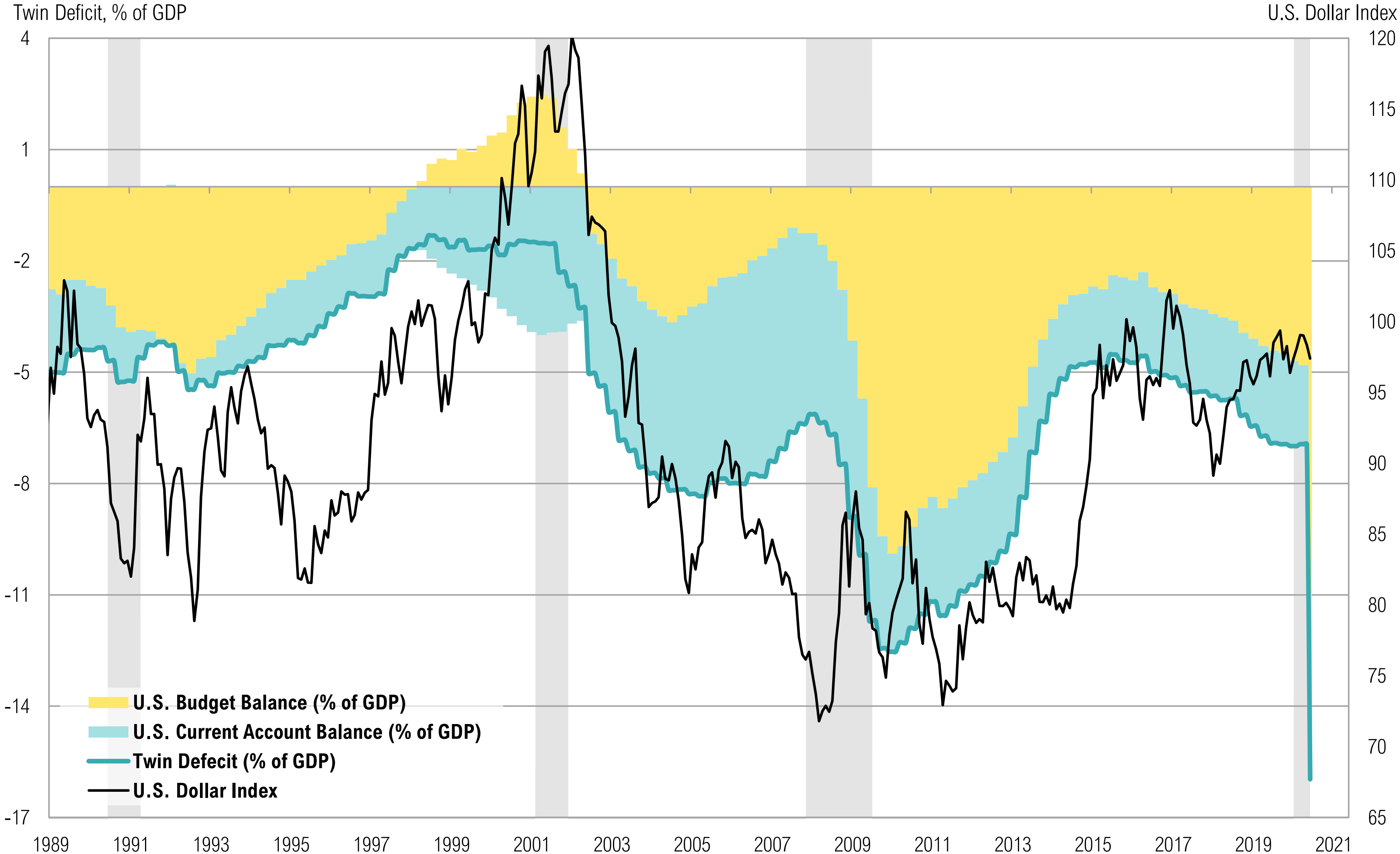




Source: Bloomberg

Growing Twin Deficit Will Be a Headwind for the Dollar

U.S. BUDGET & CURRENT ACCOUNT BALANCE AS A % OF GDP VS. U.S. DOLLAR INDEX, *1/1/1989 – 6/30/2020*

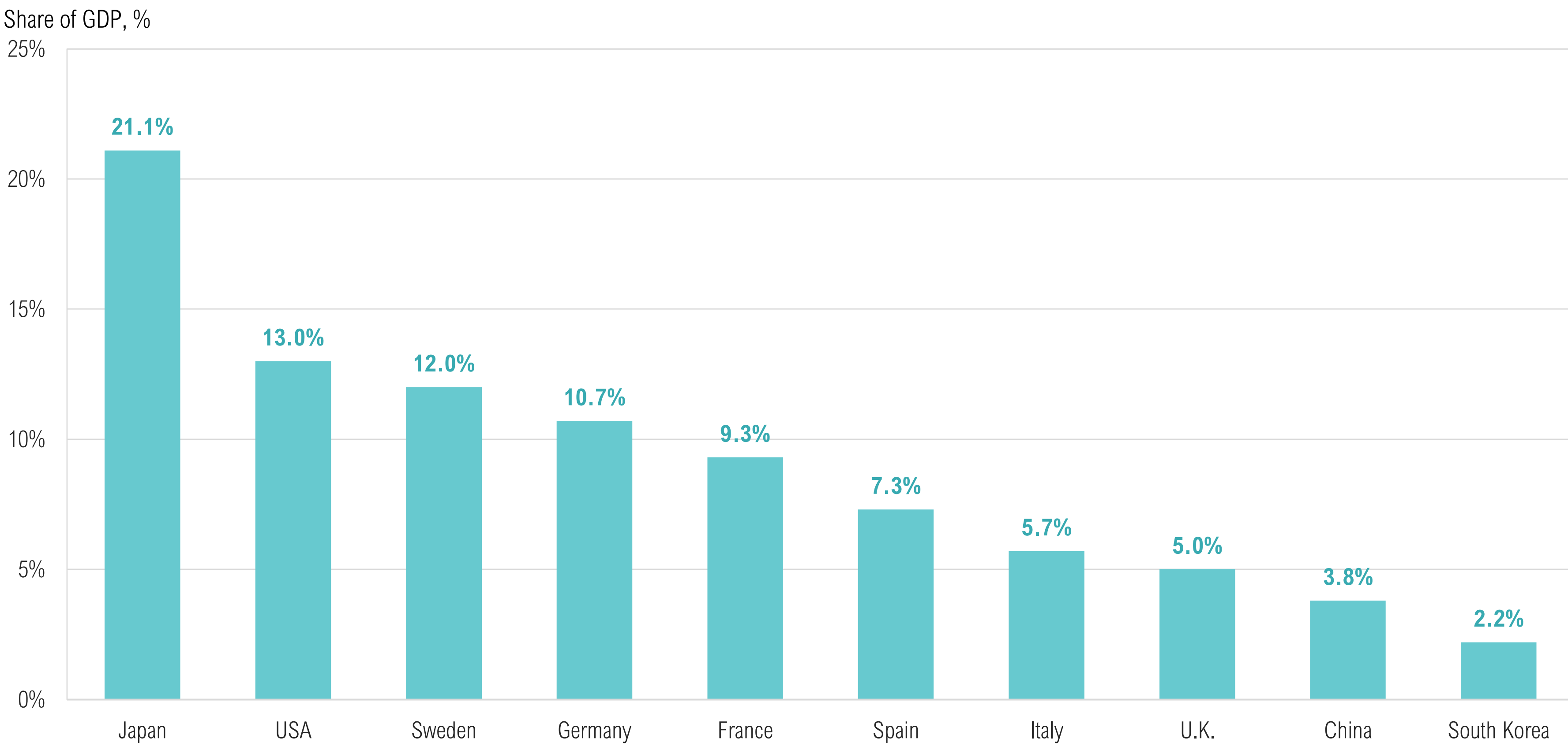


Source: SpringTide calculations based on 2019 GDP.

Global Fiscal Policy Response to COVID-19

GOVERNMENT SPENDING AS % OF GDP, *AS OF 5/10/2020*

- During the week of July 20, the European Union finally agreed on a $858 billion fiscal package in response to the pandemic. It still needs to be approved by all EU member parliaments over the coming weeks which means any funds are unlikely to be available until late this year.
- This highlights a structural fiscal disadvantage (or arguably advantage) relative to the U.S., where the response has been more aggressive in terms of timing and magnitude than most countries.



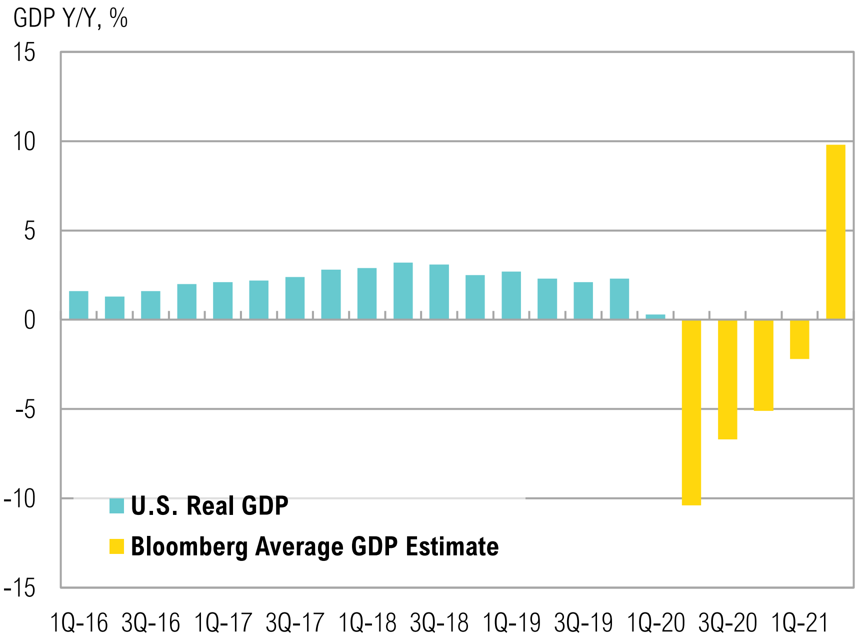
Source: Statista

Inflation Expectations are Low but Trending Higher

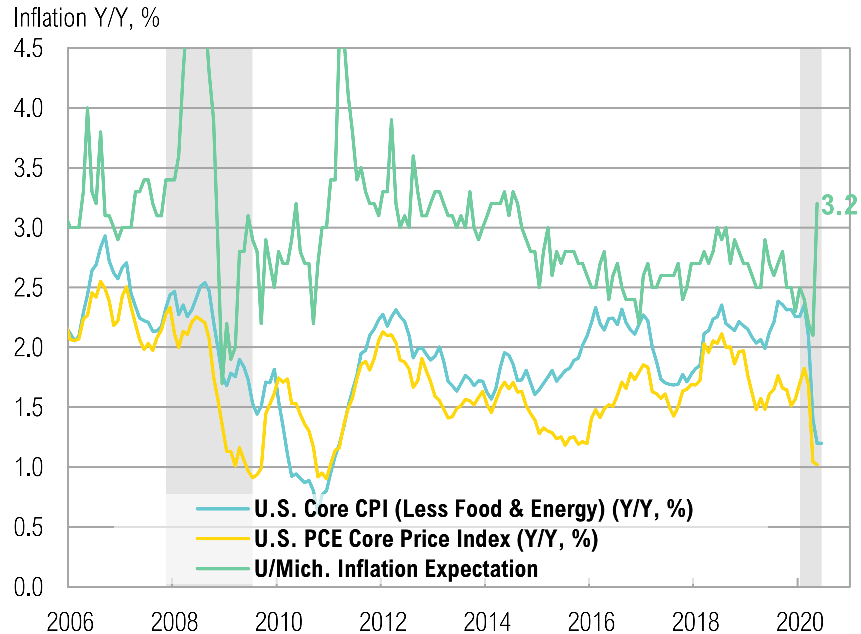
U.S. GDP Y/Y (LHS), U.S. TIPS BREAKEVEN RATES (RHS), *AS OF 7/27/2020*

- Risk assets snapped backed dramatically in the second quarter as global economic data stabilized and a combination of fiscal and monetary stimulus alleviated the economic and market fallout from the Covid-19 crisis.
- The National Bureau of Economic Research (NBER) officially dated the start of the recession – and end of the 128-month U.S. economic expansion – as February 2020.
- U.S. real GDP growth is expected to drop over 10% on a year-over-year basis in Q2 but is expected to bounce back by 2021. The range of forecasts serves as a reminder that no one knows how or when the Covid-19 crisis will end.
- U.S. headline and core inflation declined during the quarter, helping bonds deliver attractive returns. While current inflation is low, inflation expectations have started to trend higher.

U.S. REAL GROSS DOMESTIC PRODUCT (GDP) GROWTH



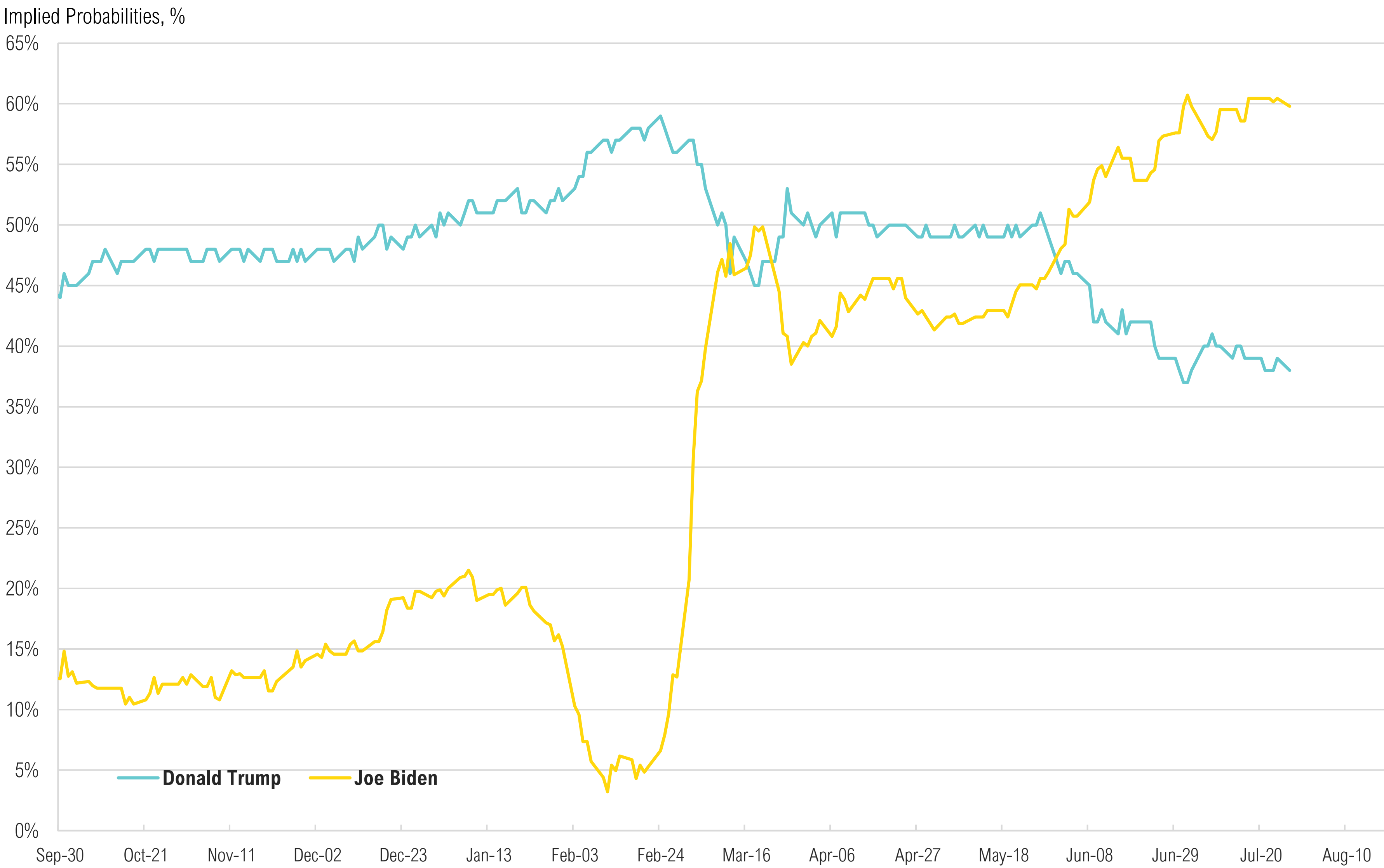
U.S. HEADLINE & CORE INFLATION (CPI)



Source: SpringTide calculations based on 2019 GDP.

Who Will Win the 2020 U.S. Presidential Election

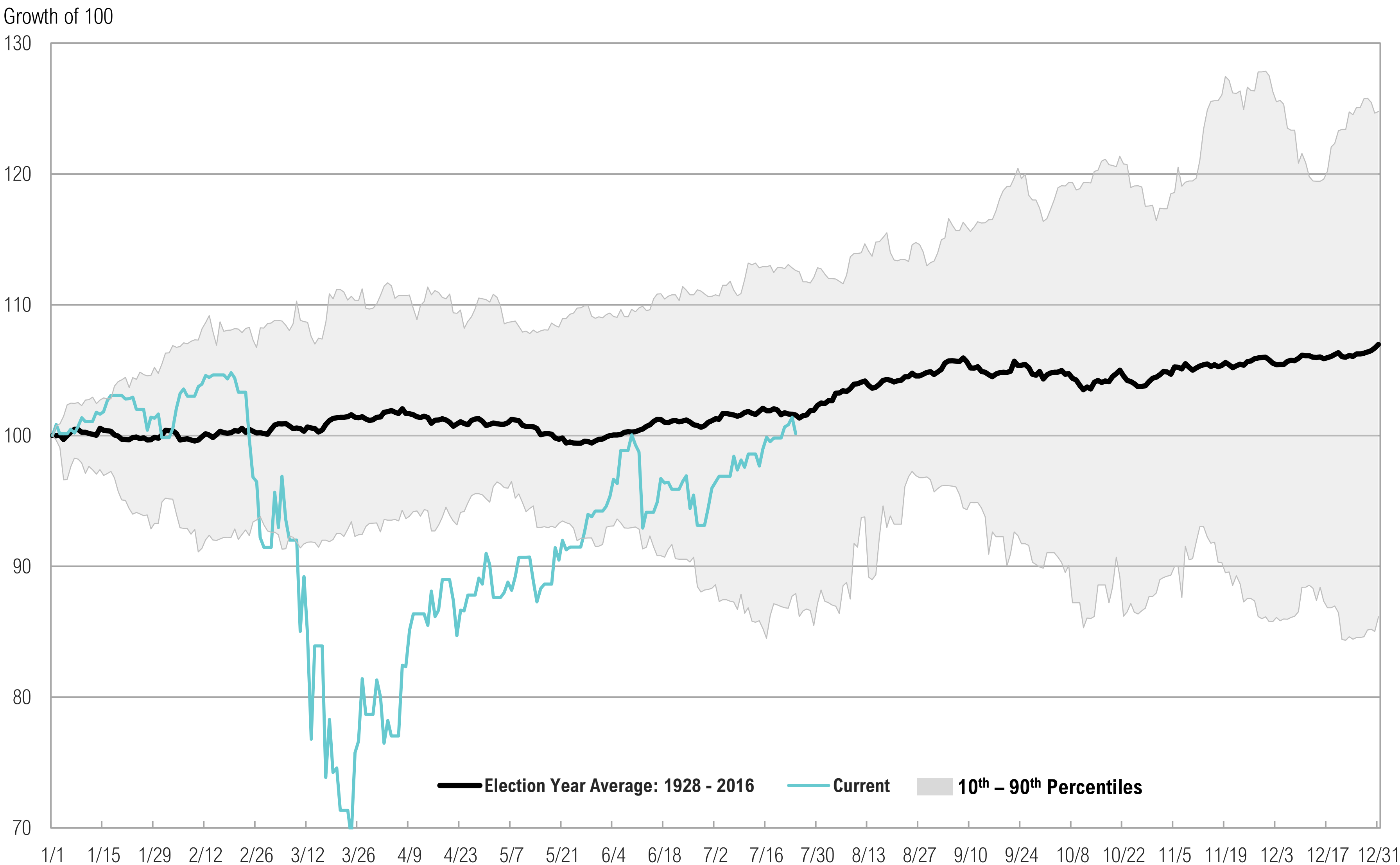
U.S. PRESIDENTIAL CANDIDATE IMPLIED ODDS OF WINNING ELECTION, *9/30/2019 - 7/27/2020*



Source: Bloomberg

S&P 500 During Presidential Election Years

S&P 500 INDEX DURING PRESIDENTIAL ELECTION YEARS (1928-2016), *AS OF 7/24/2020*



Source: Bloomberg

“*You know... they're bolstering the stock market. Ok, there's a floor to the stock market. Everybody knows it's not going below a certain place.“*

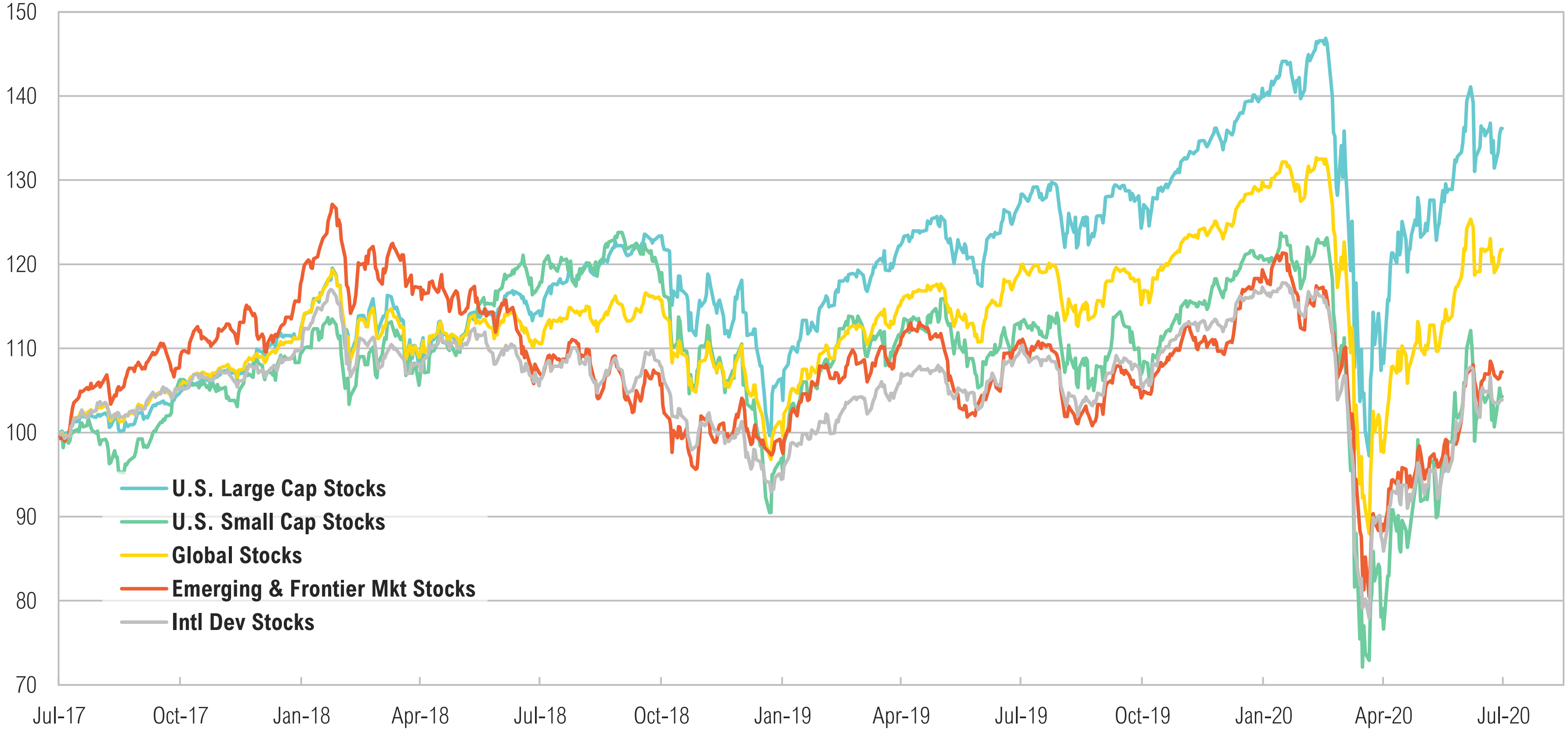
Nancy Pelosi, *House Speaker, July 21, 2020*

Source: https://www.speaker.gov/newsroom/72120-1

Equity Returns

CALENDAR YEAR & TRAILING TOTAL RETURNS

Growth Index, *3 Years*



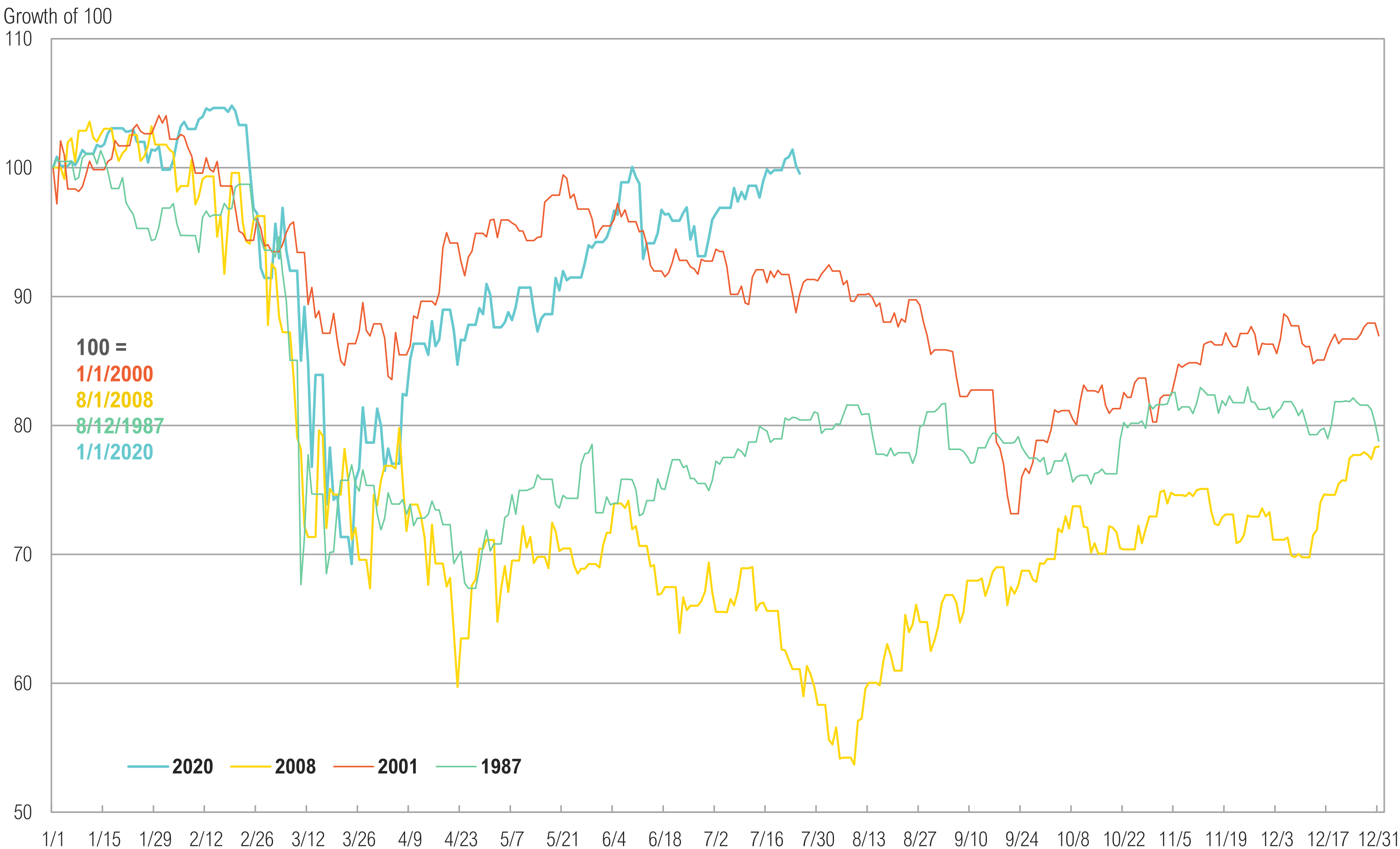
Asset Class	Benchmark	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
U.S. Large Cap Stocks	S&P 500 Index	20.5	-3.1	31.5	-4.4	21.8	12.0	1.4	7.5	10.7	10.7	14.0
U.S. Small Cap Stocks	Russell 2000 Index	25.4	-13.0	25.5	-11.0	14.6	21.3	-4.4	-6.6	2.0	4.3	10.5
Intl Dev Stocks	MSCI EAFE Index	14.9	-11.3	22.0	-13.8	25.0	1.0	-0.8	-5.1	0.8	2.1	5.7
Emerging & Frontier Mkt Stocks	MSCI EM Index	18.1	-9.8	18.4	-14.6	37.3	11.2	-14.9	-3.4	1.9	2.9	3.3
Global Stocks	MSCI ACWI Index	19.2	-6.3	26.6	-9.4	24.0	7.9	-2.4	2.1	6.1	6.5	9.2

Source: Bloomberg

Returns for periods greater than one year are annualized.

Coronavirus Crisis vs. Major Bear Markets of History

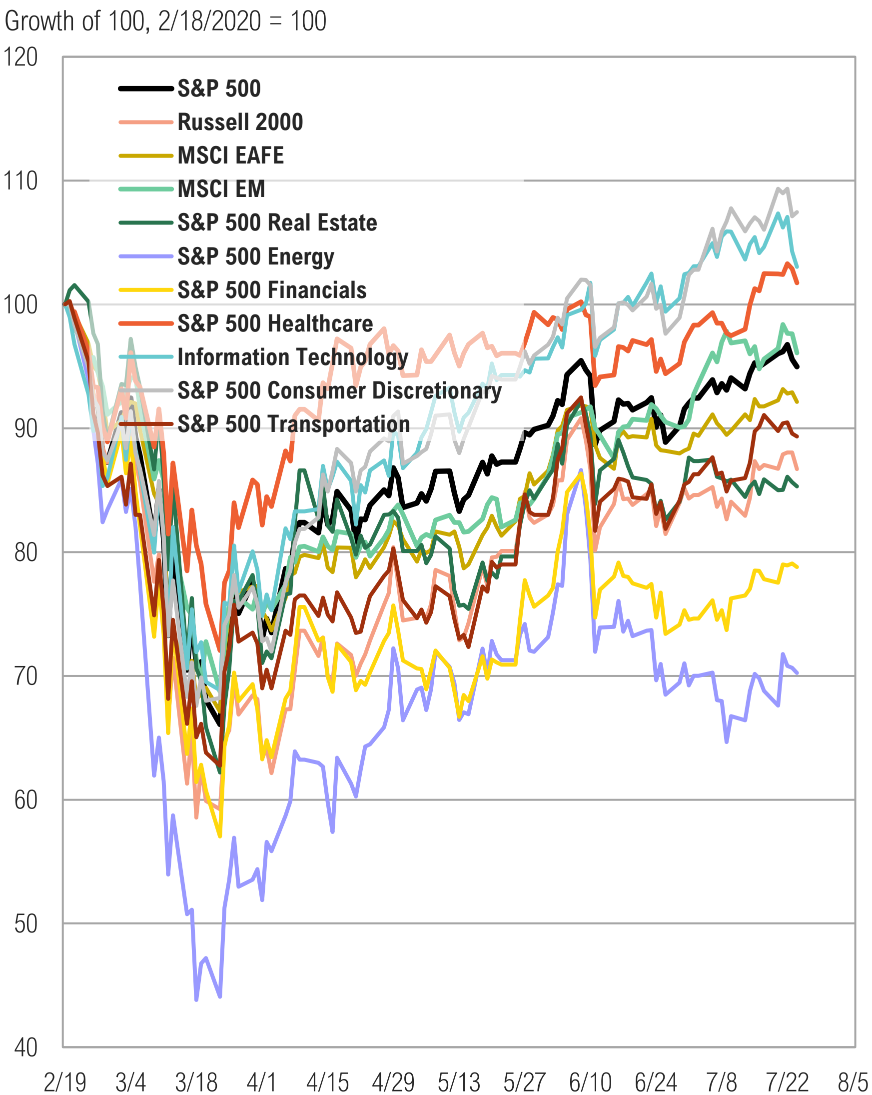
S&P 500 INDEX GROWTH OF 100 DURING SELECT PERIODS, *AS OF 7/24/2020*

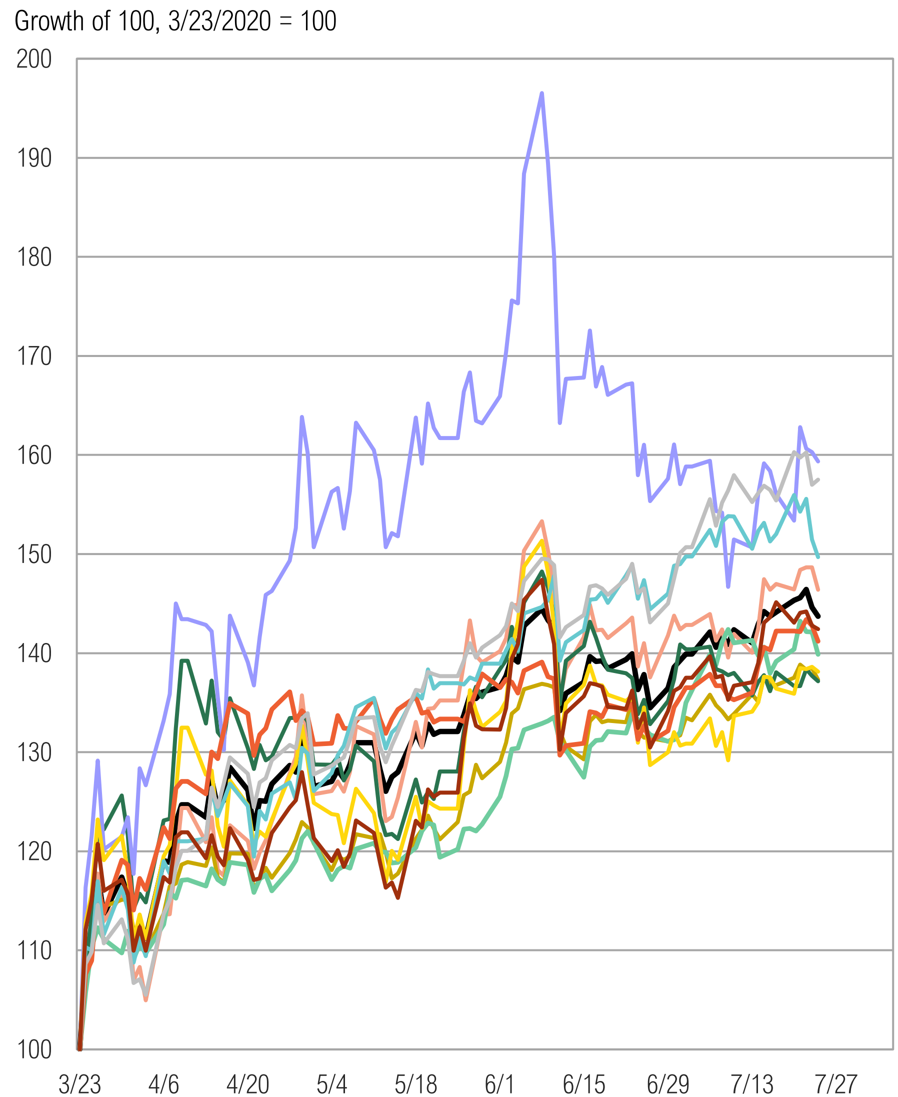


Source: Bloomberg

Equity Internals: Decline & Rally

EQUITY INDEX & SELECT SECTOR PERFORMANCE, *AS OF 7/24/2020*

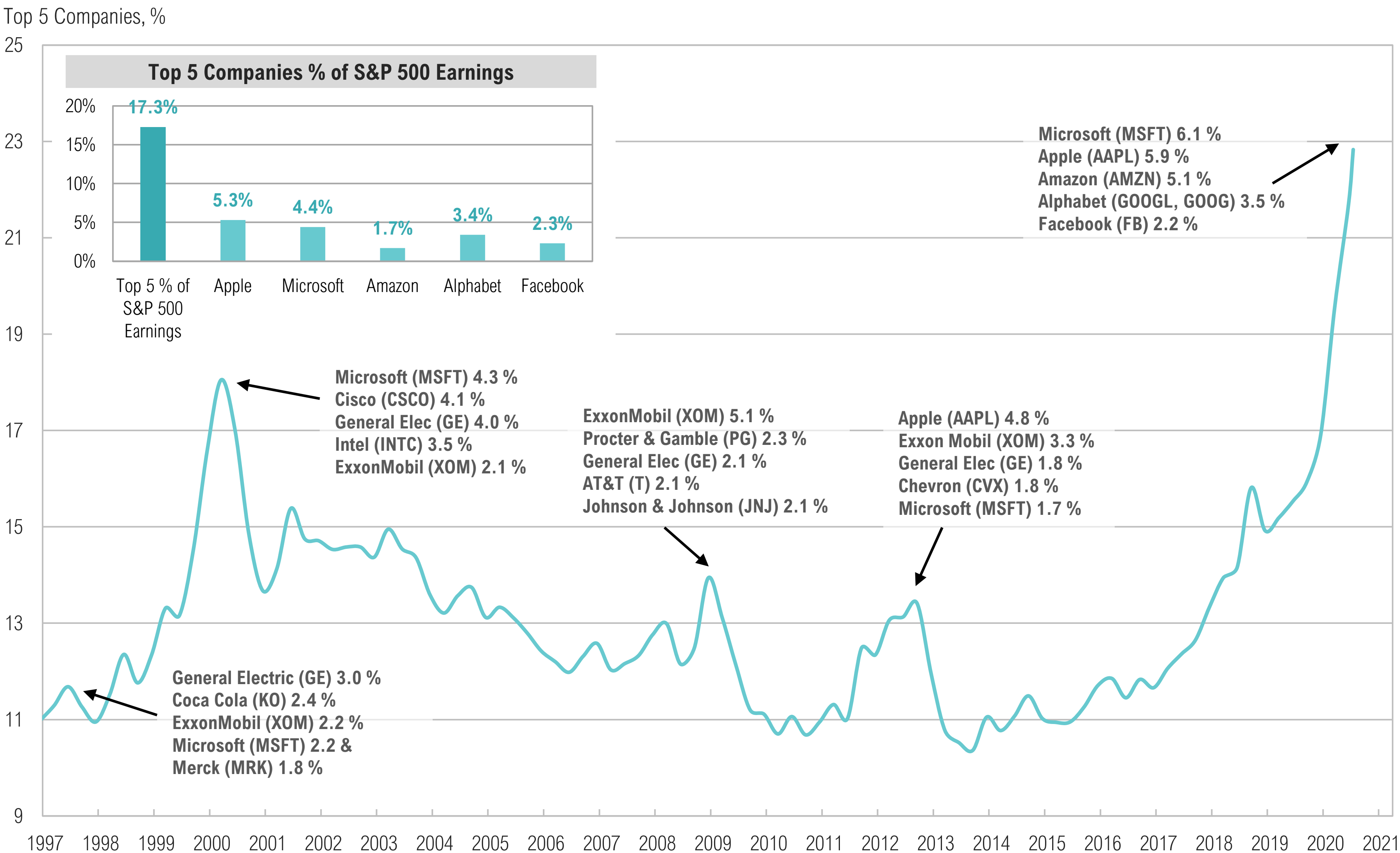




Source: Bloomberg

Winner Take All Markets May Be Around for a While

TOP 5 COMPANIES % OF S&P 500 MARKET CAP & EARNINGS, *AS OF 6/30/2020*

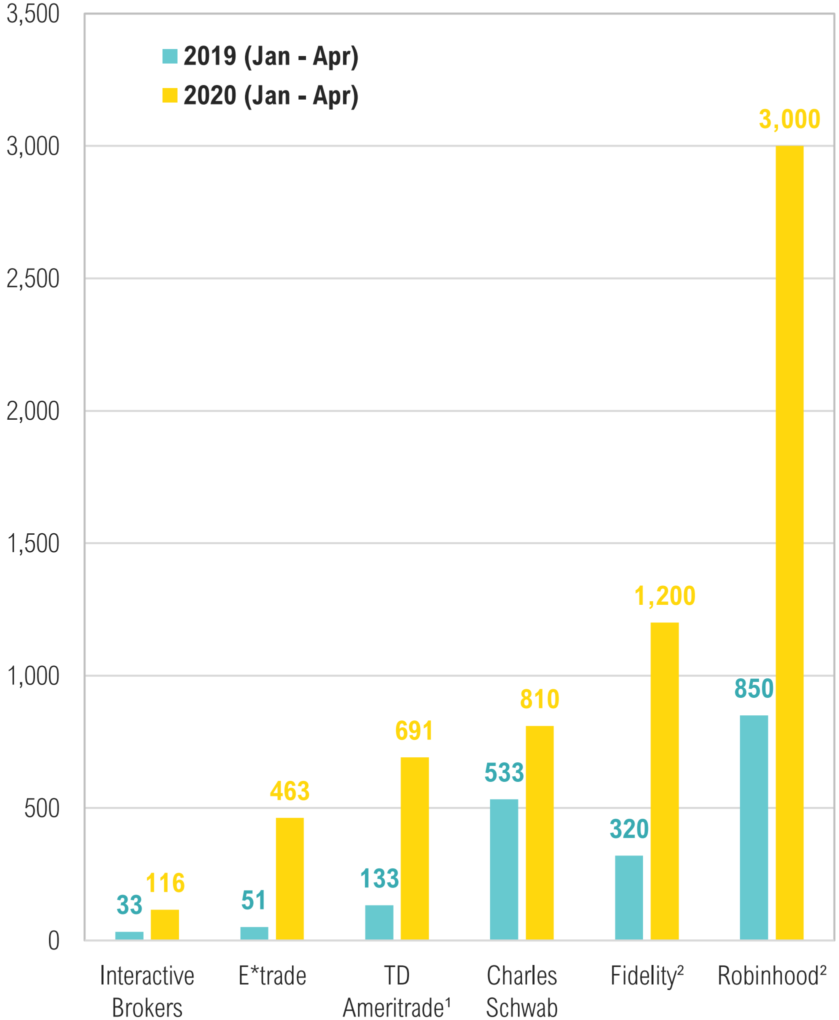


Source: Bloomberg

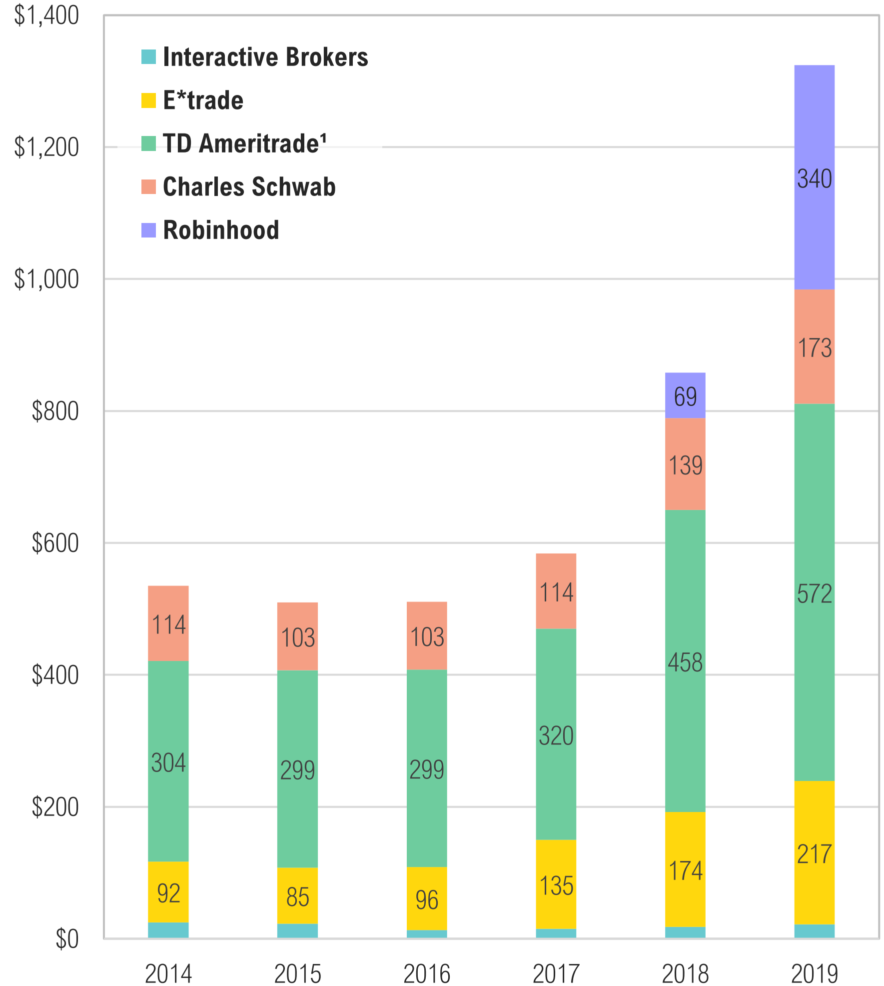
The Rise of Retail Traders

NEW RETAIL ACCOUNTS, *2020 VS. 2019* (LHS); ORDER ROUTING REVENUE, *2014-2019* (RHS)

New Retail Accounts, *'000s*



Order Routing Revenue by Broker, *2014-2019*

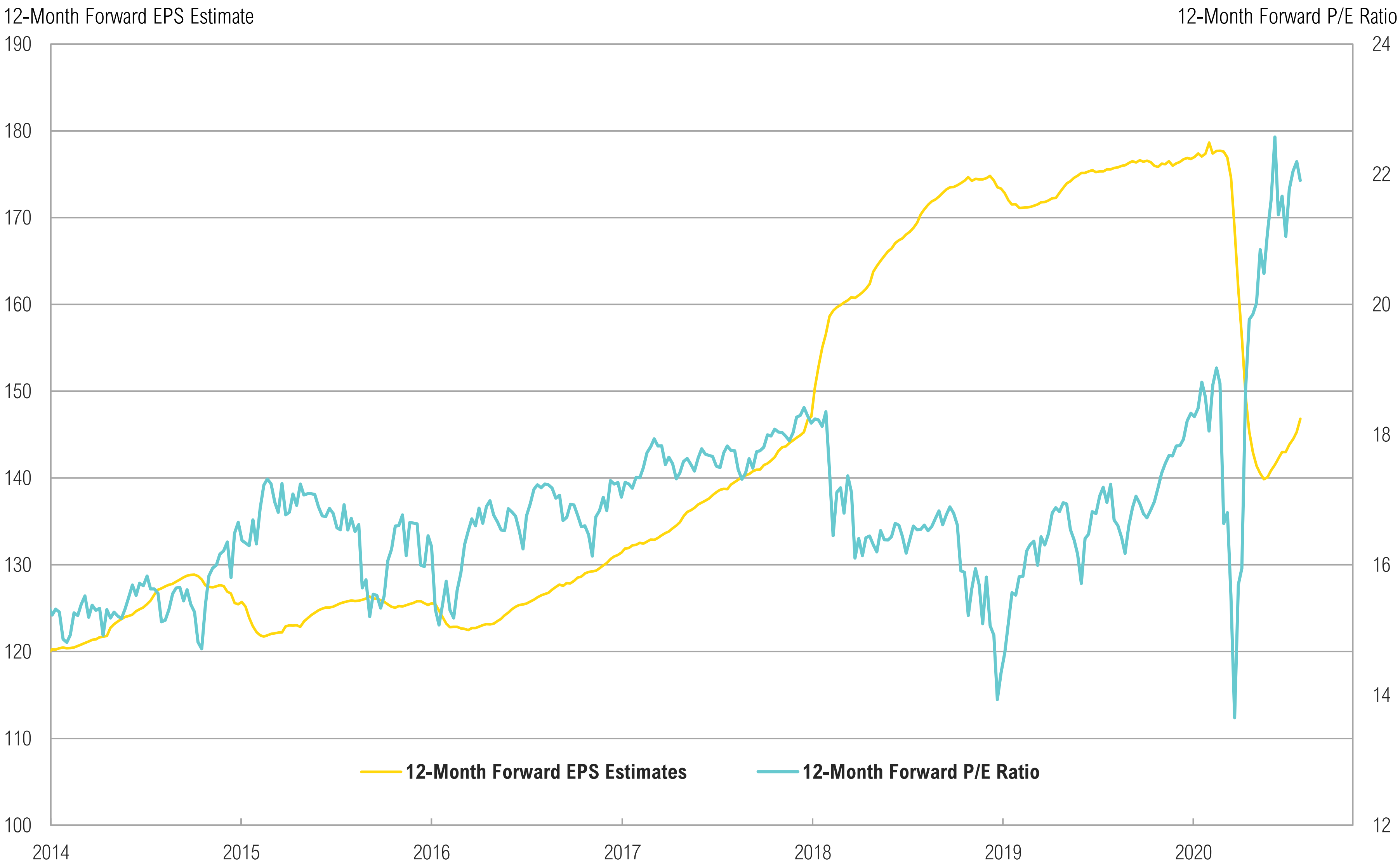


Source: Forbes, Bloomberg, JPMorgan, Alphacution, SEC, company data, SpringTide estimates for 2019 and 2020 may be based on partial year data (partial data is assumed to be representative of rest of period.

[1] TD Ameritrade data does not include April data. [2] Fidelity and Robinhood data for 2019 is estimated.

U.S. Corporate Earnings Expectations

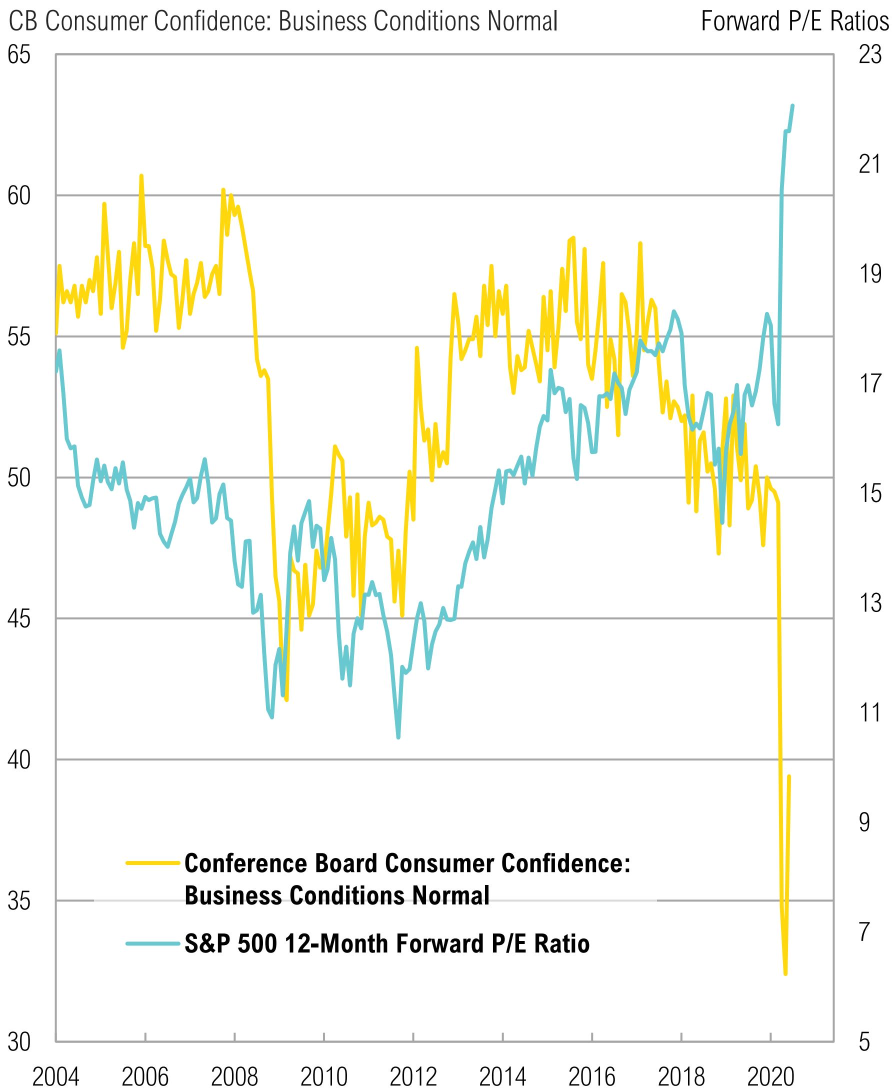
S&P 500 12-MONTH FORWARD P/E RATIO VS. 12-MONTH FORWARD EPS ESTIMATES, *AS OF 7/24/2020*

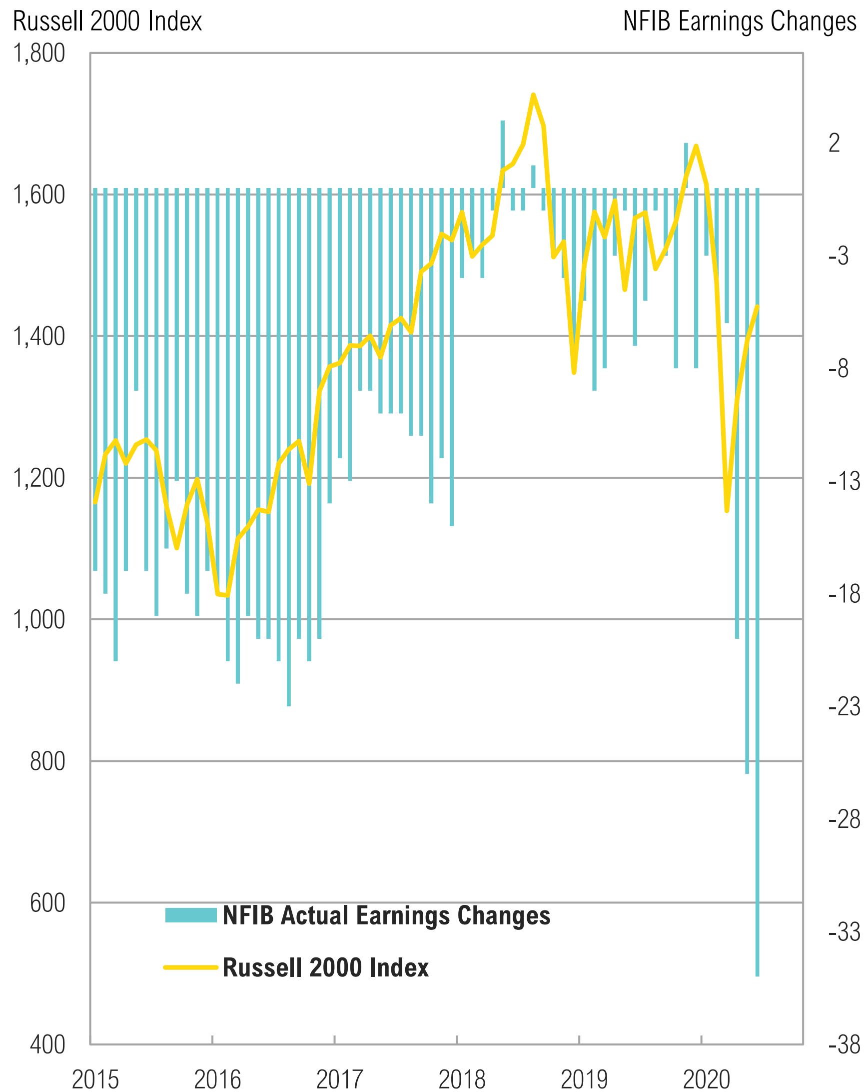


Source: Bloomberg

Wall Street vs. Main Street

CB CONSUMER CONFIDENCE BUSINESS CONDITIONS VS. S&P FORWARD P/E RATIO, RUSSELL 2000 INDEX VS. SMALL BUSINESS

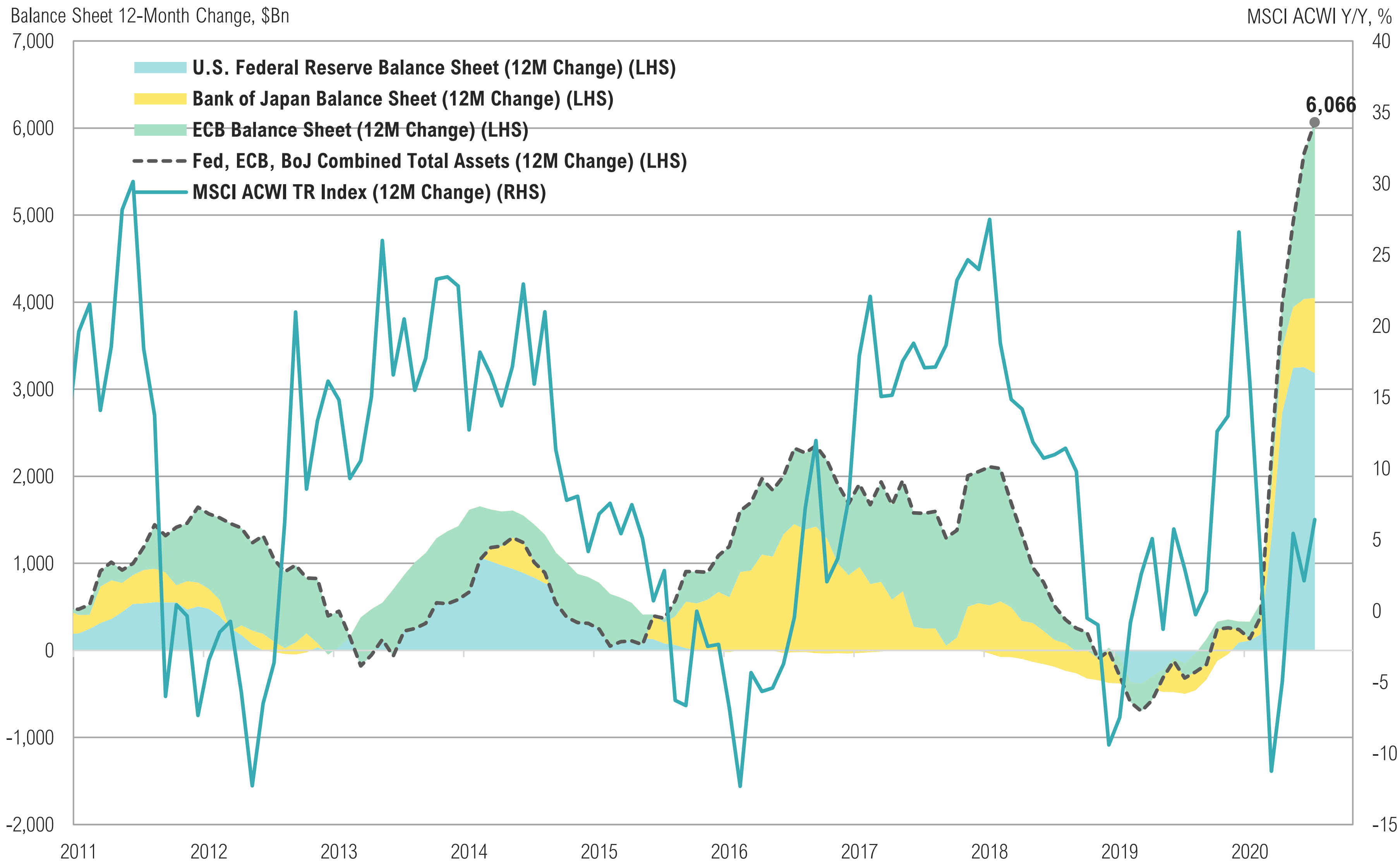




Source: Bloomberg

Central Bank "BS" and Global Stocks

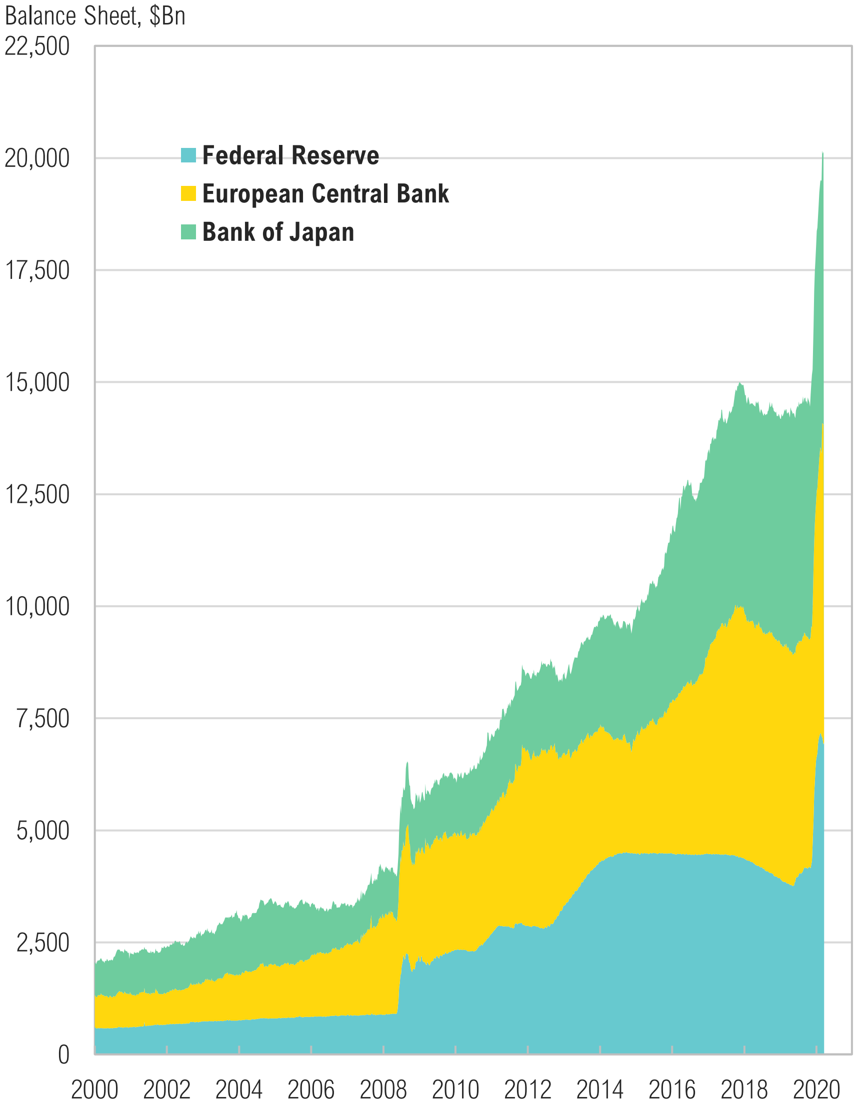
CENTRAL BANK BALANCE SHEETS 12-MONTH CHANGE VS. MSCI ACWI Y/Y % CHANGE, *1/1/2011 – 7/22/2020*

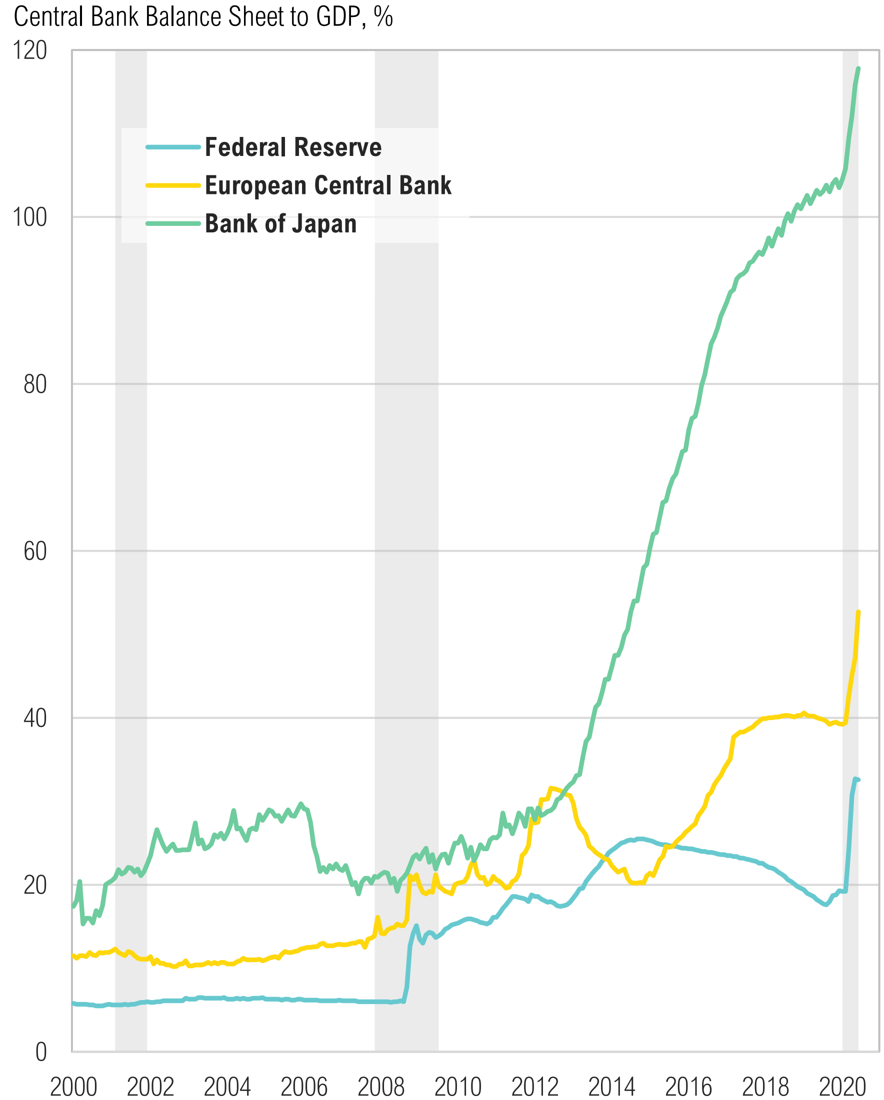


Source: Bloomberg, SpringTide calculations

Fed Can Provide More Stimulus Relative to Other Central Banks

CENTRAL BANK BALANCE SHEETS (LHS), CENTRAL BANK BALANCE SHEETS AS % OF GDP (RHS), *5/31/2000 – 7/15/2020*

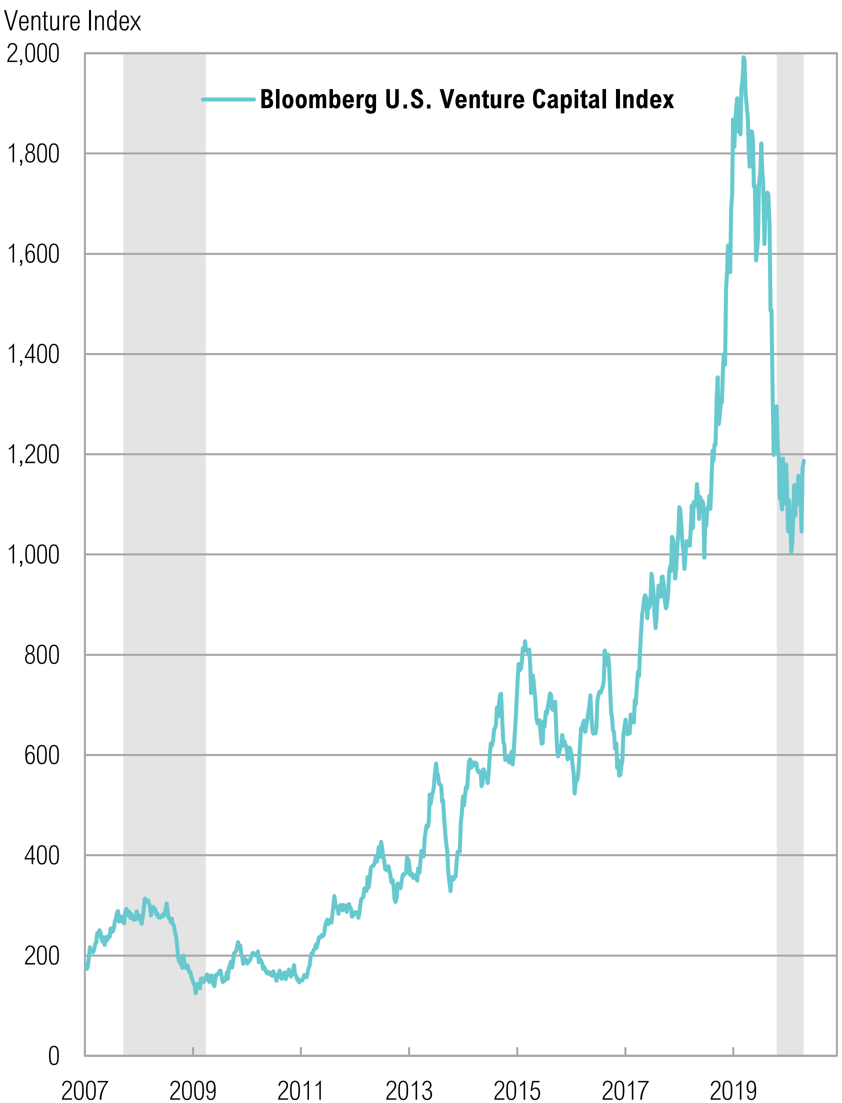


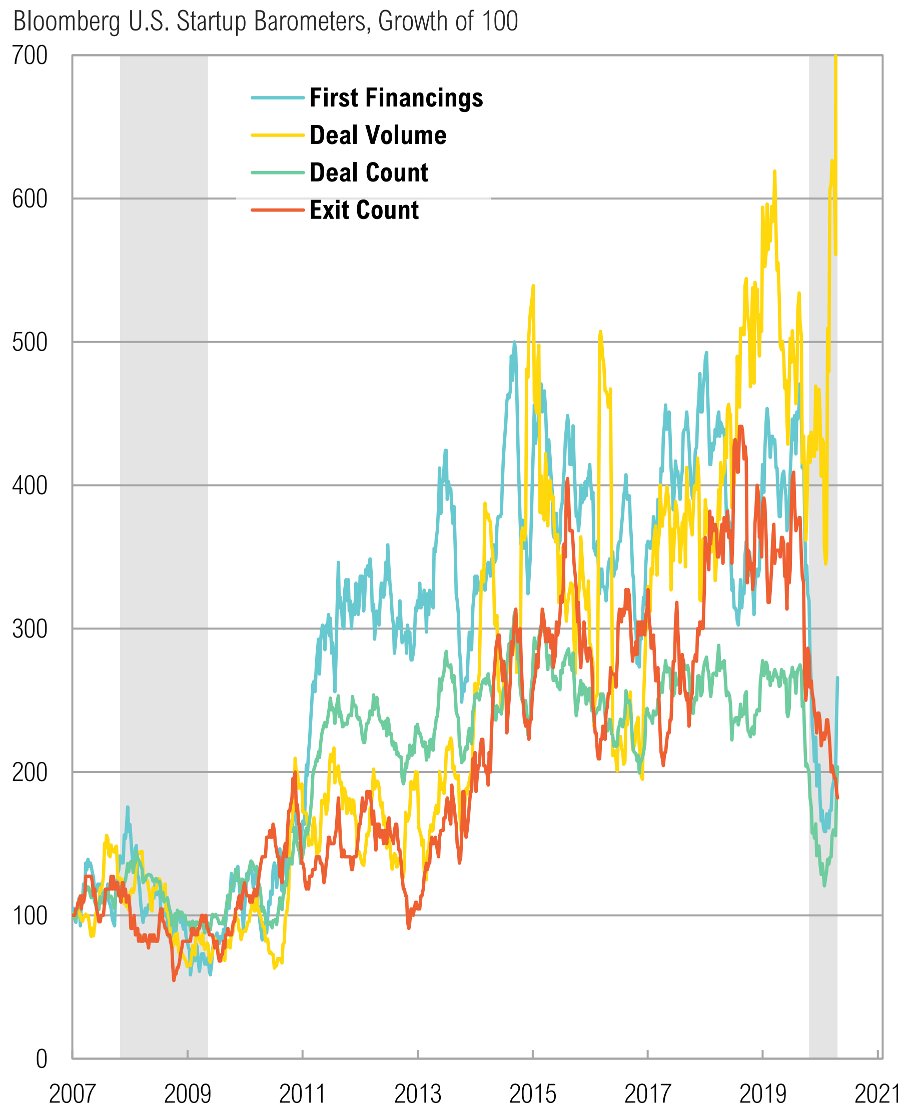


Source: Bloomberg

Venture Activity Cut in Half From Peak

BLOOMBERG U.S. STARTUP (VENTURE CAPITAL) INDICES, *5/1/2007 – 7/27/2020*

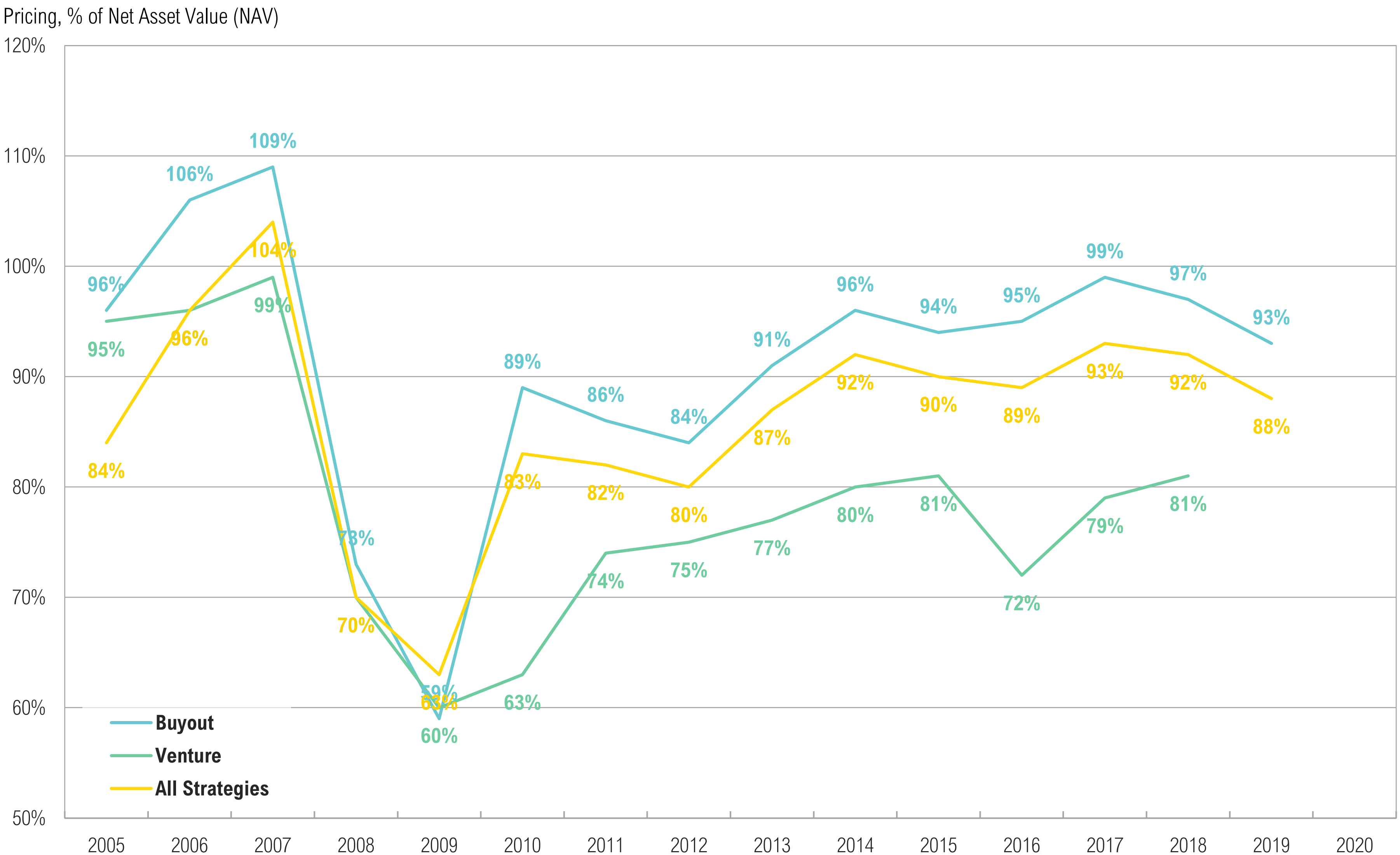




Source: Bloomberg

Buyout & Venture Secondaries Should Get Interesting

BUYOUT, VENTURE CAPITAL & ALL PRIVATE EQUITY MEDIAN SECONDARY DISCOUNT TO NET ASSET VALUE, *2005 - 2019*



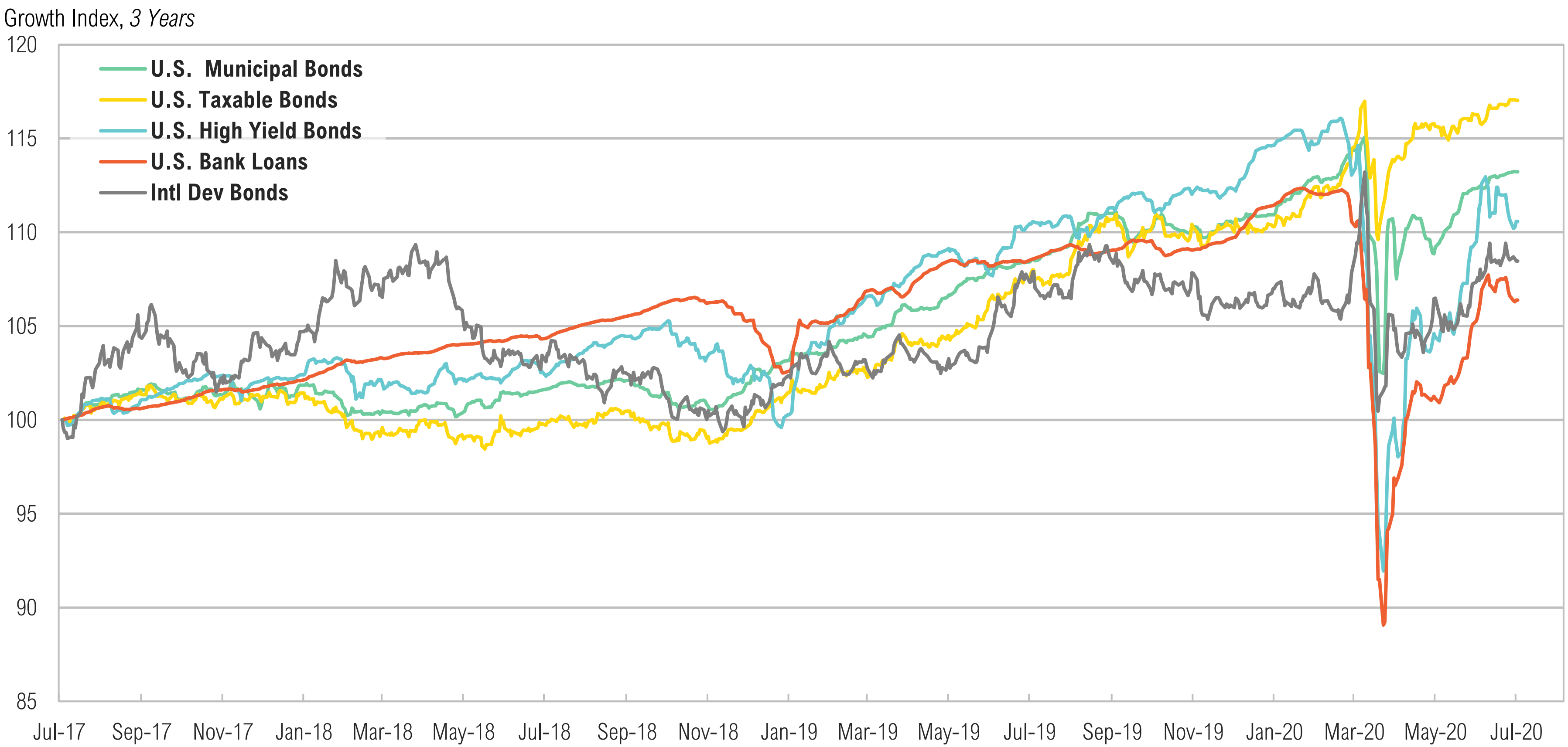
Source: AltAssets, Setter Capital, Aberdeen, Palico

> *"Post-GFC experience shows that low interest rates don't trickle down. They inflate financial assets primarily owned by the rich. The idea is to increase borrowing, but the last thing we need is more debt."*

Sheila Bair, *Former Chair of the FDIC, June 12, 2020*

Fixed Income & Credit Returns

CALENDAR YEAR & TRAILING TOTAL RETURNS



Asset Class	Benchmark	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
U.S. Municipal Bonds	BBgBarc Municipal 1-10Y Blend 1-12Y Index	2.7	2.1	5.6	1.6	3.5	-0.1	2.4	3.7	1.7	2.3	3.2
U.S. Taxable Bonds	BBgBarc US Agg Bond Index	2.9	6.1	8.7	0.0	3.5	2.6	0.5	2.7	1.8	2.3	3.7
U.S. High Yield Bonds	BBgBarc US Corporate High Yield Index	10.2	-3.8	14.3	-2.1	7.5	17.1	-4.5	4.5	9.5	4.5	11.5
U.S. Bank Loans	S&P/LSTA Leveraged Loan Index	9.7	-4.6	8.6	0.4	4.1	10.2	-0.7	3.5	6.7	3.7	8.2
Intl Dev Bonds	S&P International Sov Ex-US Bond Index	3.6	1.5	4.6	-2.3	11.3	1.6	-6.6	-3.6	2.2	-0.3	2.5

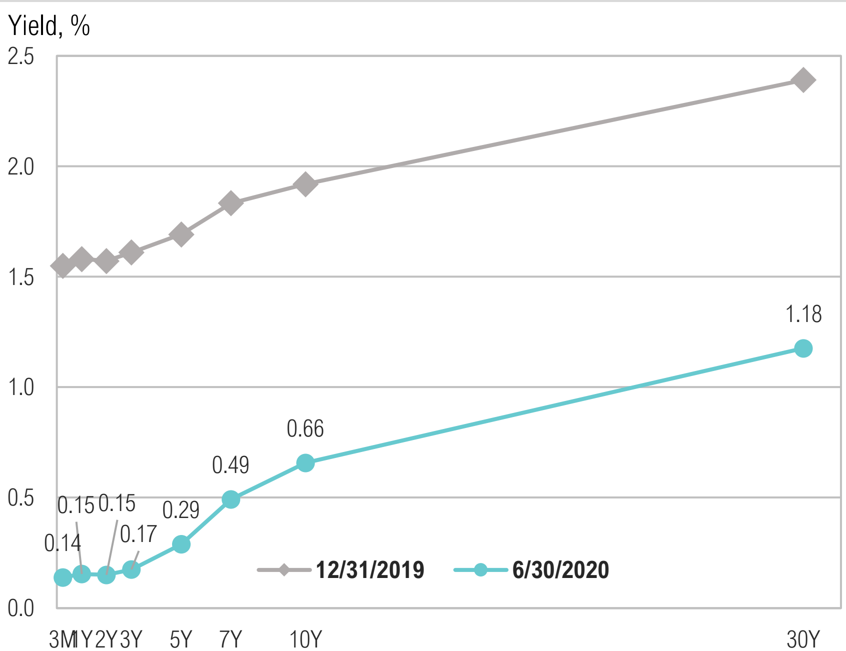
Source: Bloomberg
Returns for periods greater than one year are annualized.

Fixed Income & Credit Review

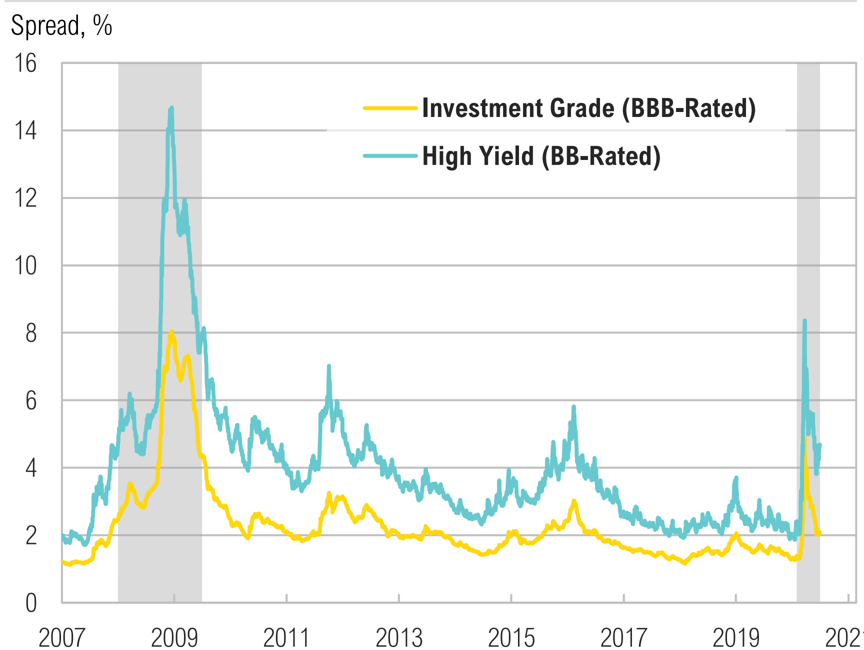
COMMENTARY & MARKET DATA

- Riskier sectors snapped back in what turned out to be an almost mirror-image of the first quarter with high yield bonds and bank loans jumping 10.2% and 9.7%, respectively.
- Over the quarter, high yield bond spreads dropped 233 basis points from 8.77% to 6.44%.
- Discounts on liquid exchange-traded funds (ETFs) narrowed with most normalizing as the Fed began purchasing these funds as part of the Secondary Market Corporate Credit Facility (SMCCF).
- Intermediate-term municipal bonds were the worst performing sector, delivering 2.7% on a pre-tax basis (roughly 4.1% on a taxable equivalent basis assuming a 35% marginal tax rate).

TREASURY YIELD CURVE



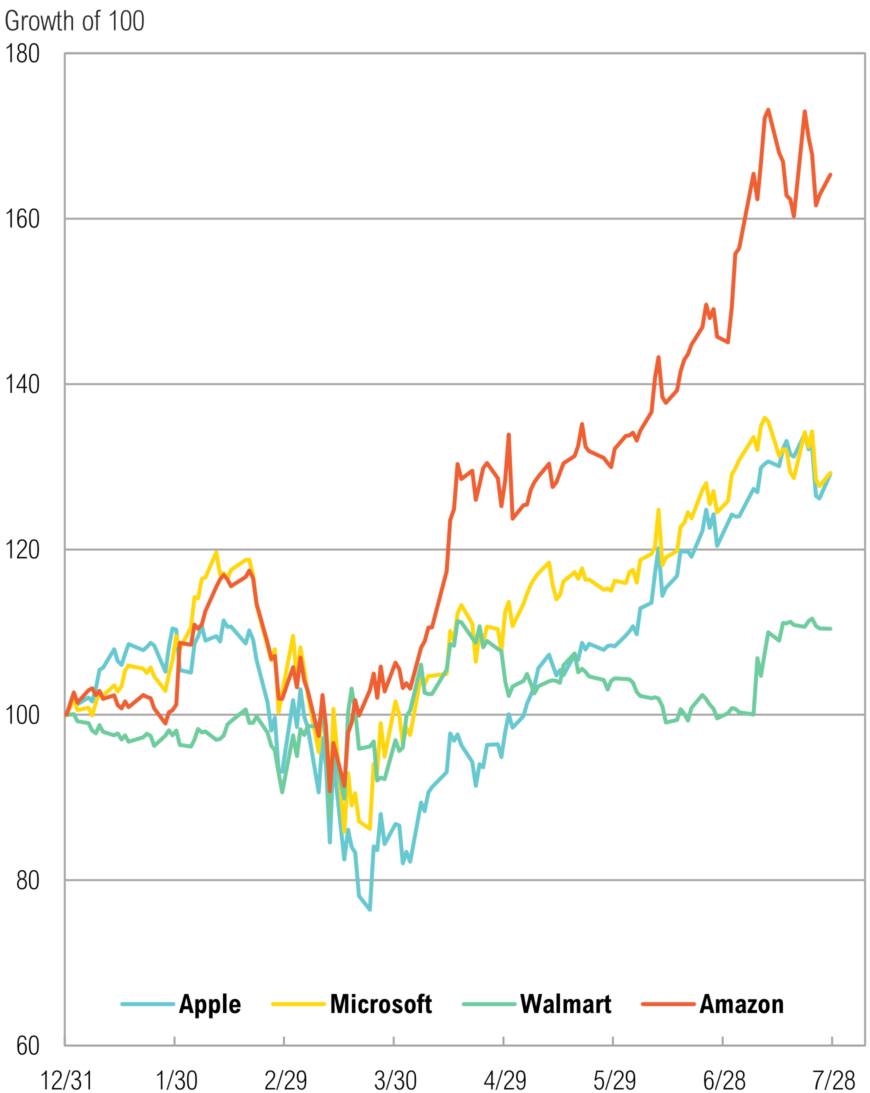
CREDIT SPREADS

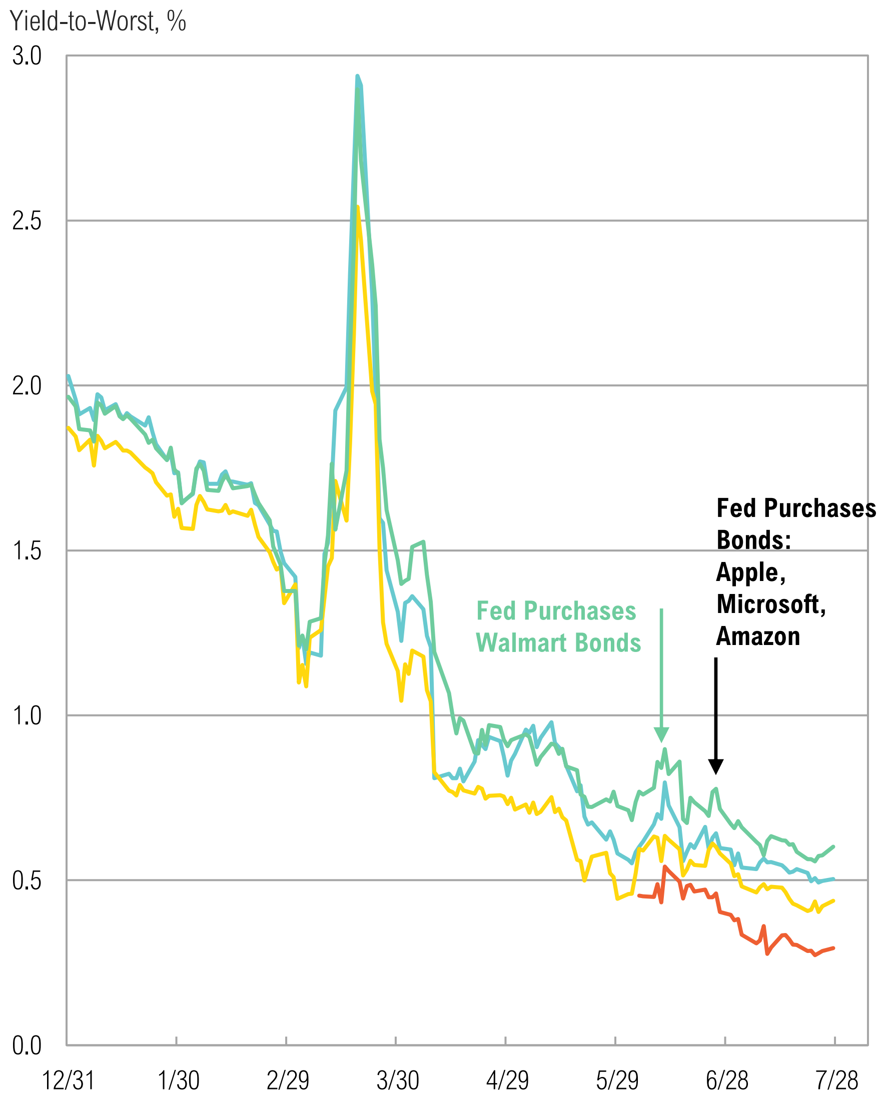


Source: Bloomberg

Fed Purchases of Corporate Bonds

APPLE, MICROSOFT, WALMART, AMAZON: STOCK GROWTH OF 100 (LHS), BOND YIELD-TO-WORST (RHS), *AS OF 7/27/2020*

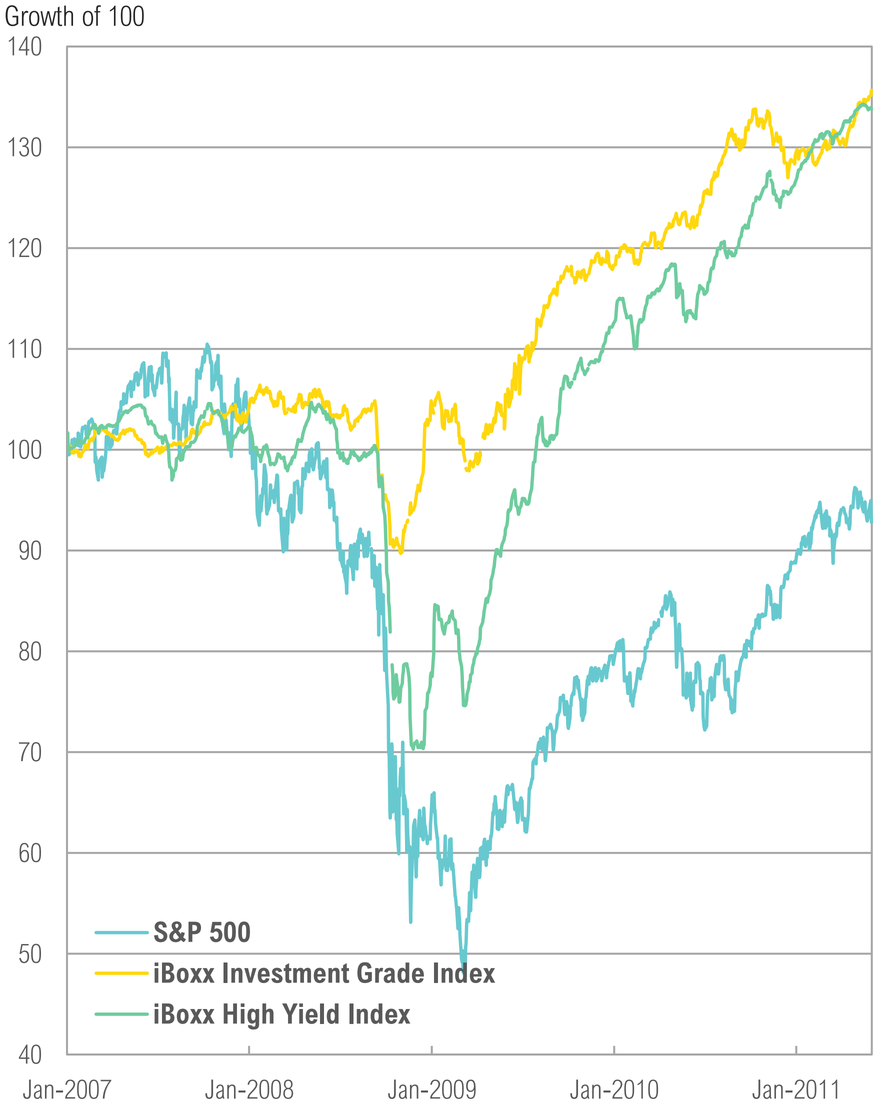


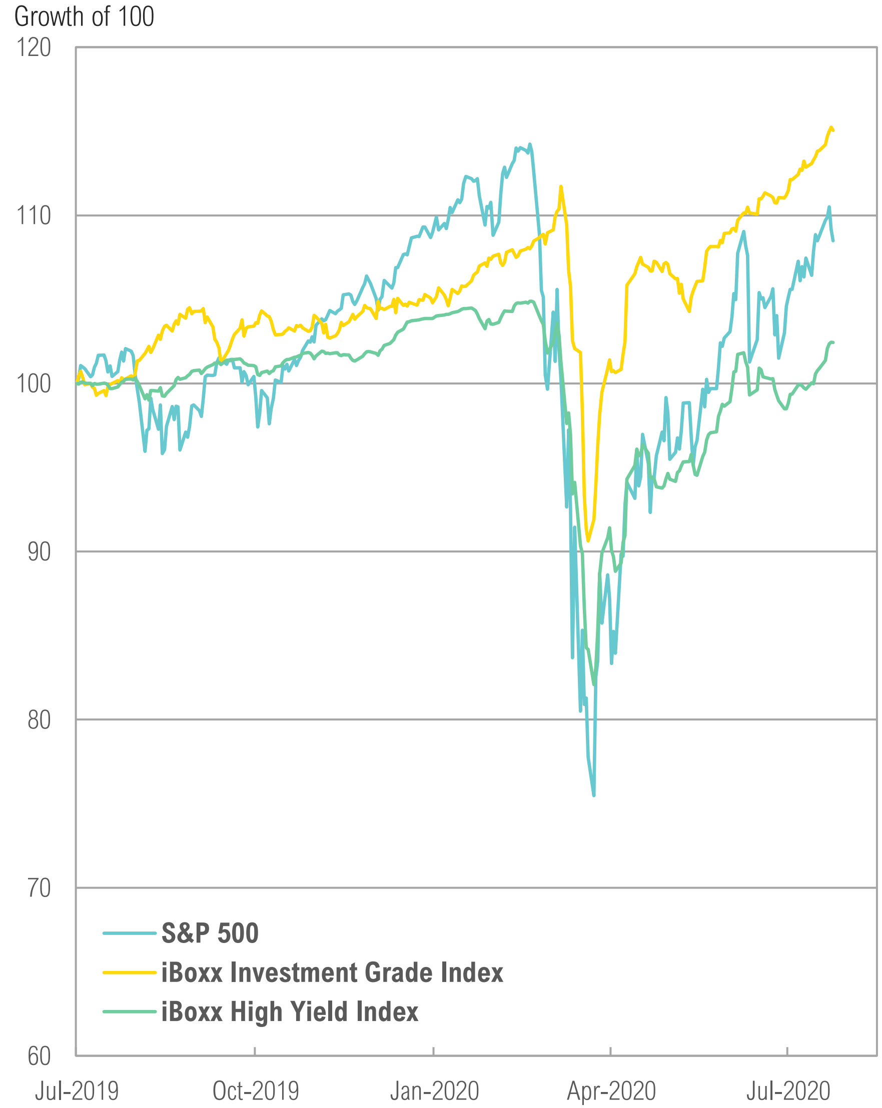


Source: Bloomberg

Watch Credit to Lead Equities On the Way Out

S&P 500 INDEX VS. iBOXX INVESTMENT GRADE INDEX & iBOXX HIGH YIELD INDEX, *AS OF 7/24/2020*

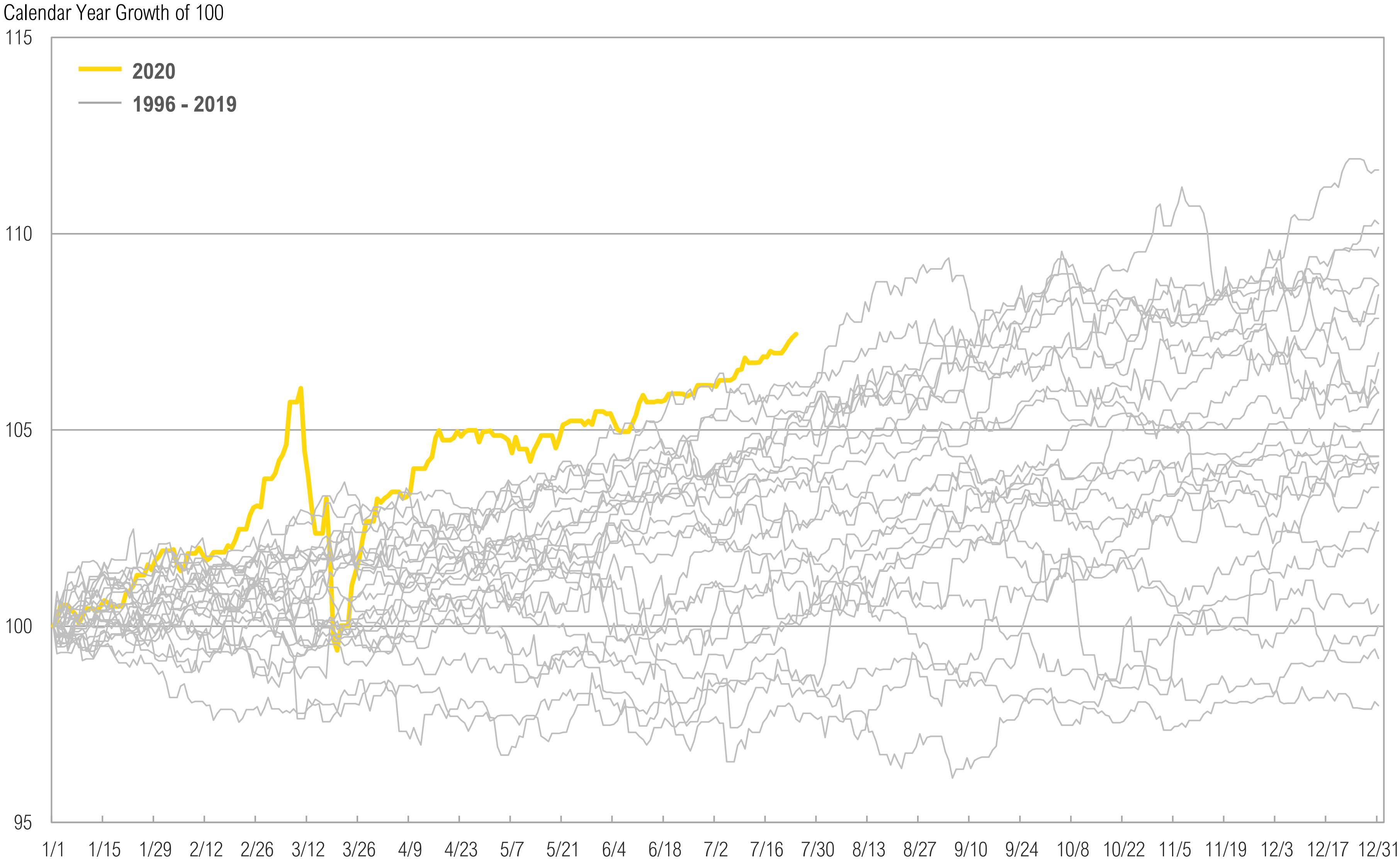




Source: Bloomberg

A Record Year for U.S. Core Bonds

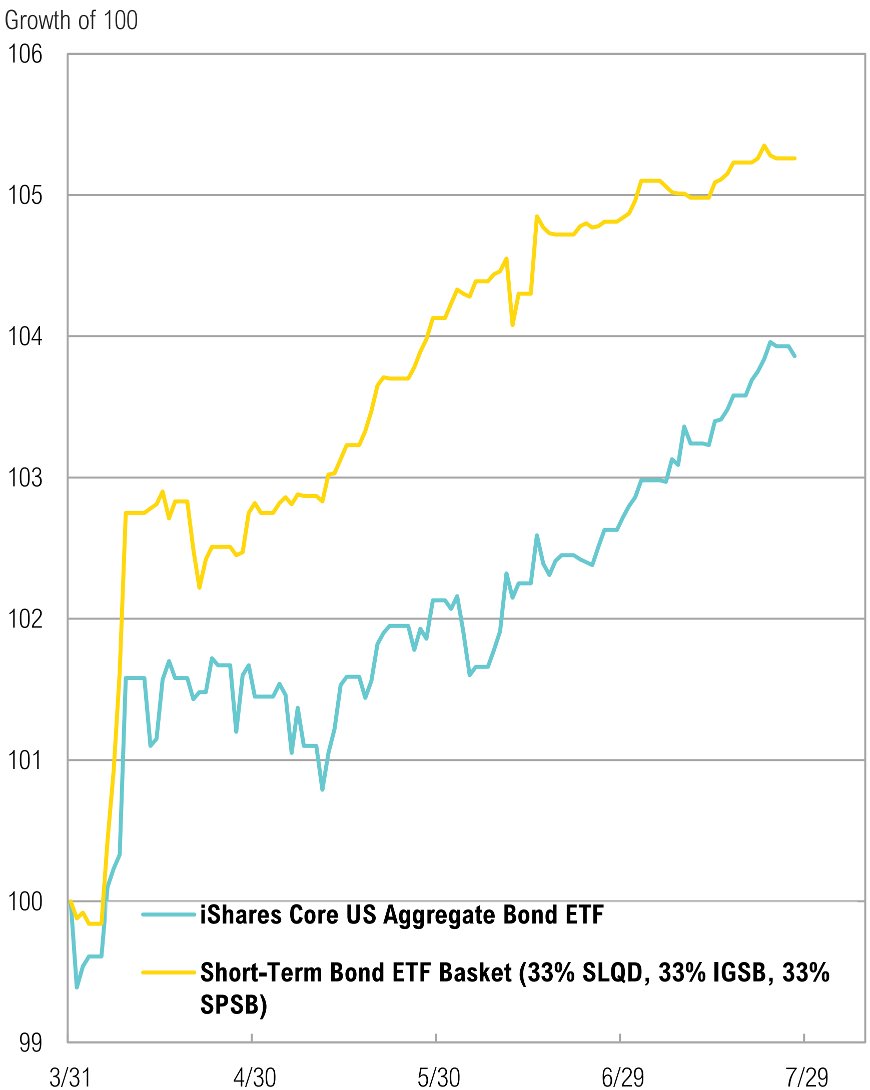
BLOOMBERG U.S. AGGREGATE BOND INDEX: GROWTH OF 100 BY CALENDAR YEAR, *AS OF 7/24/2020*

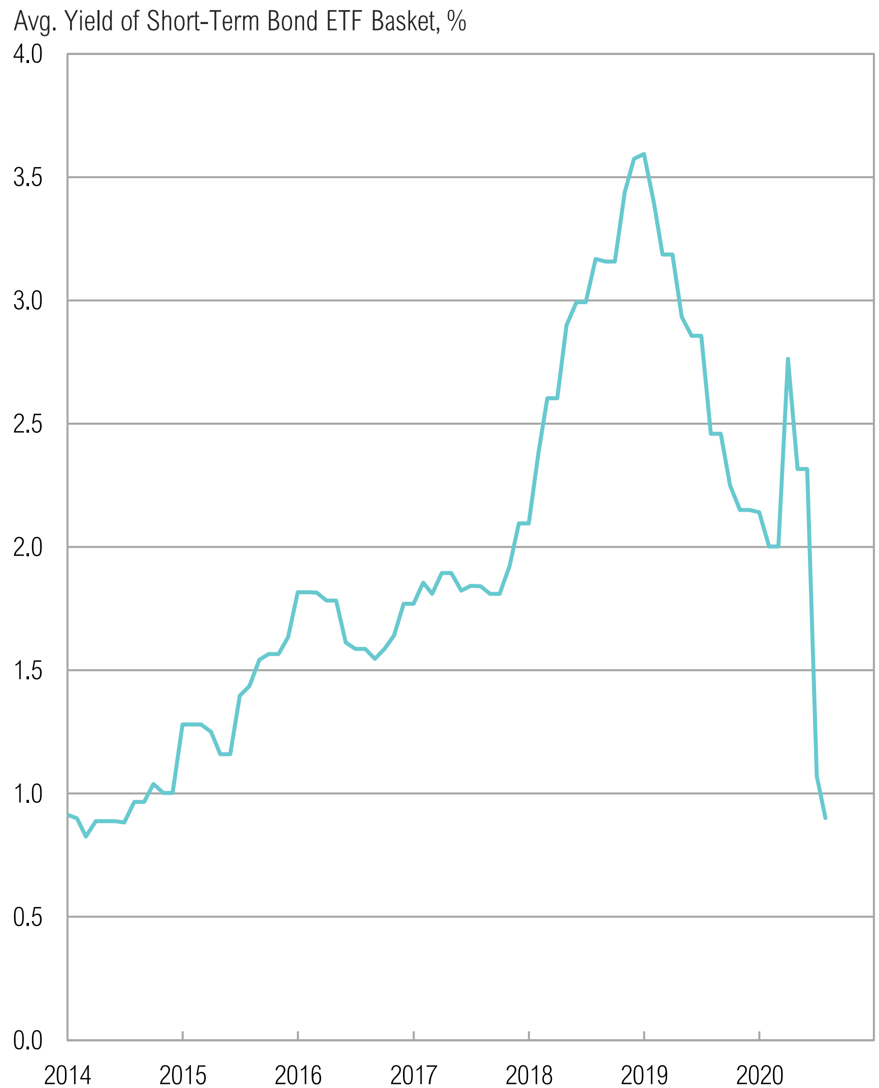


Source: Bloomberg

Short-Term Corporate Bond ETF Basket vs. U.S. Core Bonds

SHORT-TERM BOND ETF BASKET VS. iSHARES CORE U.S. AGGREGATE BOND ETF, *AS OF 7/24/2020*

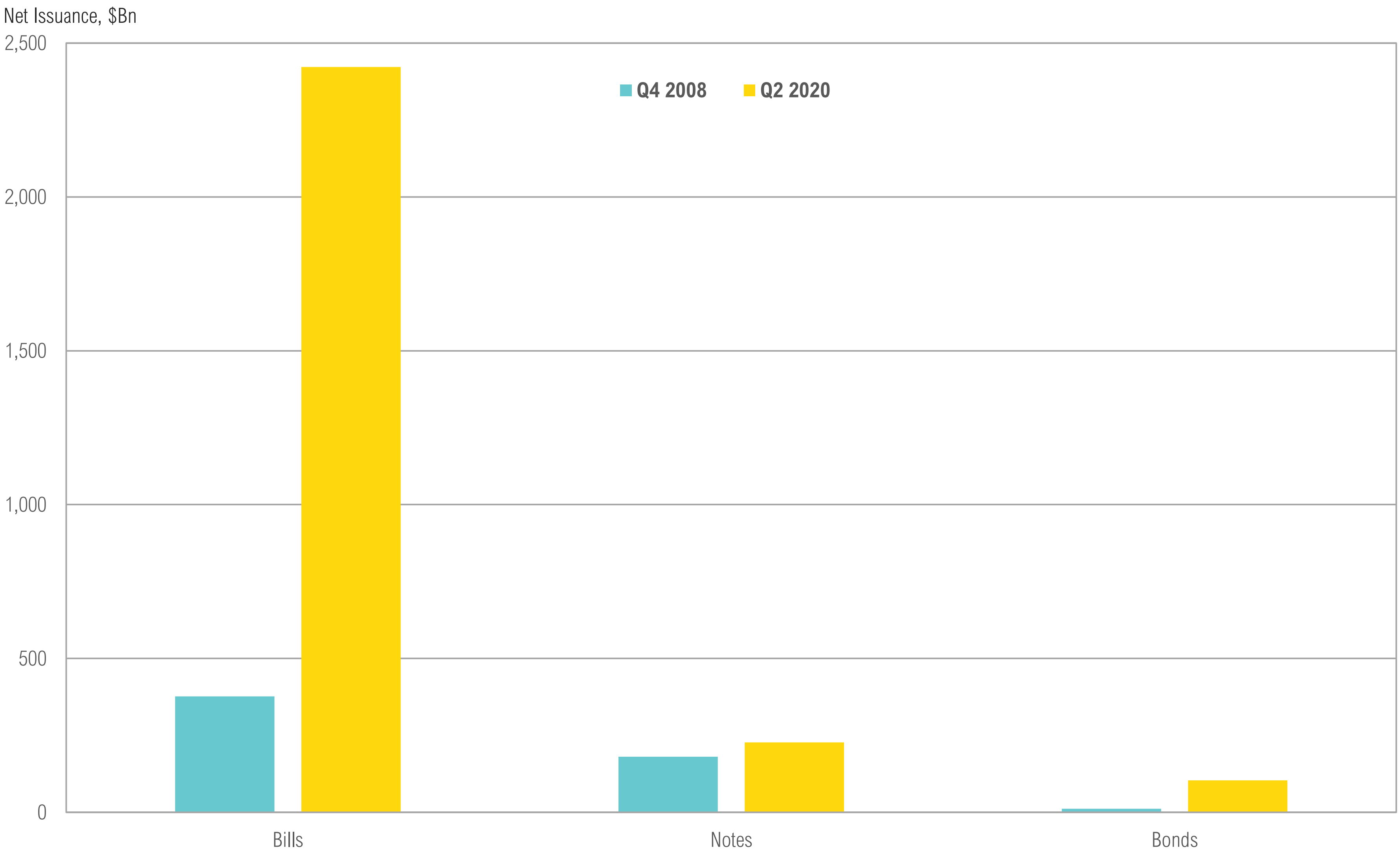




Source: Bloomberg, Morningstar
Yield is represented by SEC Yield.

Treasury Issuance Has Been Concentrated in Shorter Duration Bills

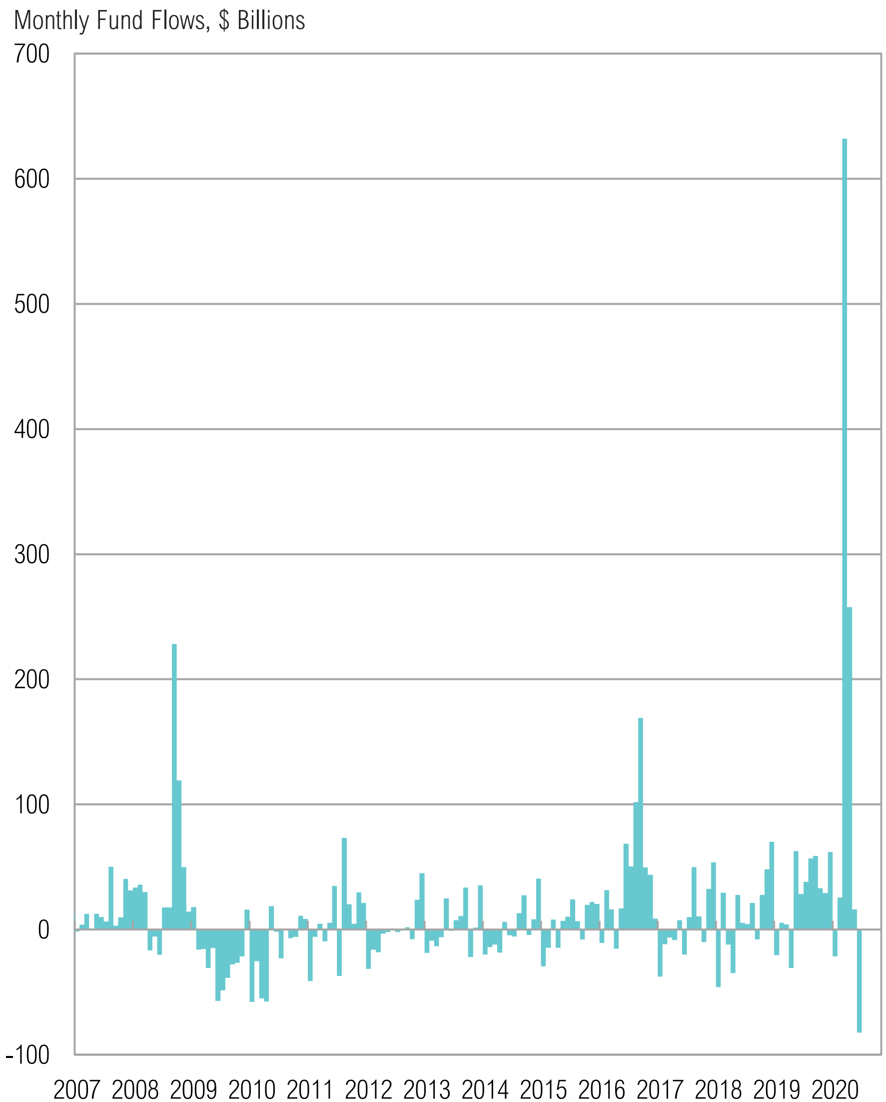
U.S. TREASURY ISSUANCE, *AS OF 6/30/2020*

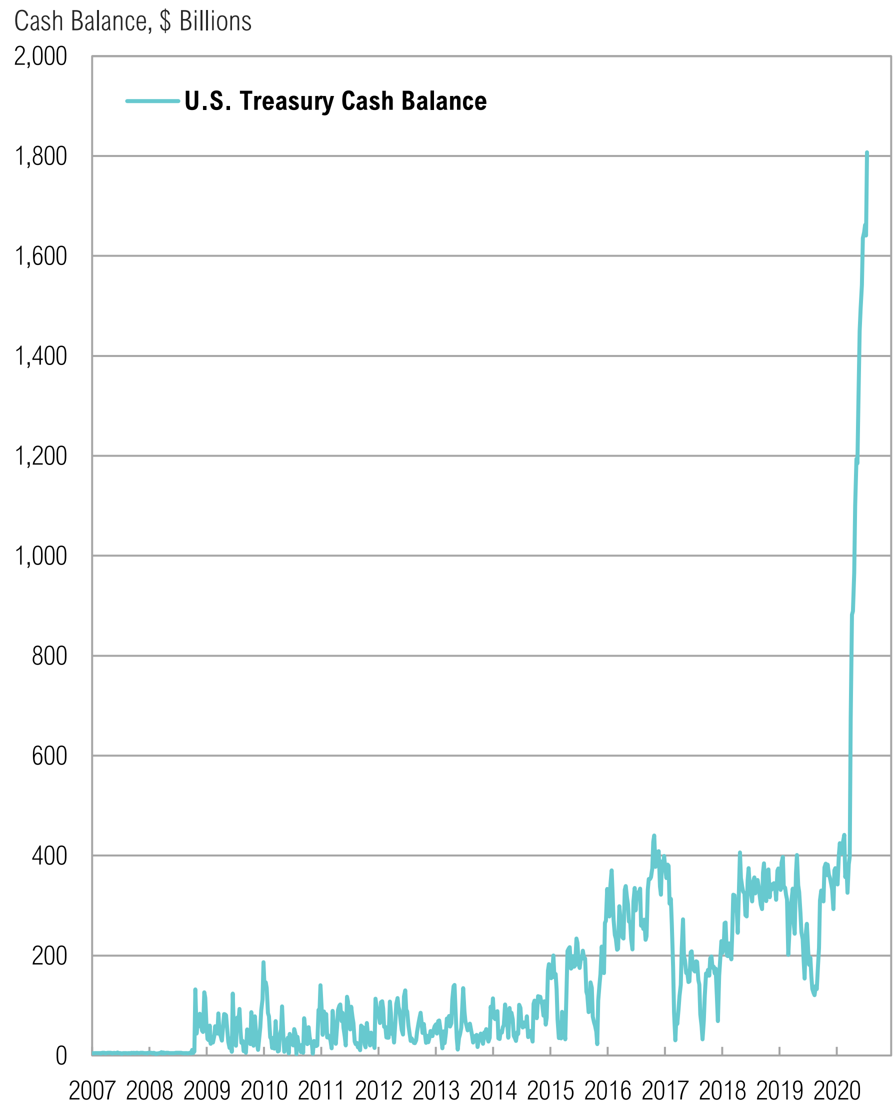


Source: Bloomberg

Buyers Have Enabled U.S. Treasury to Build Enormous Cash Reserve

U.S. TREASURY CASH BALANCE, *1/1/2007 – 7/15/2020*

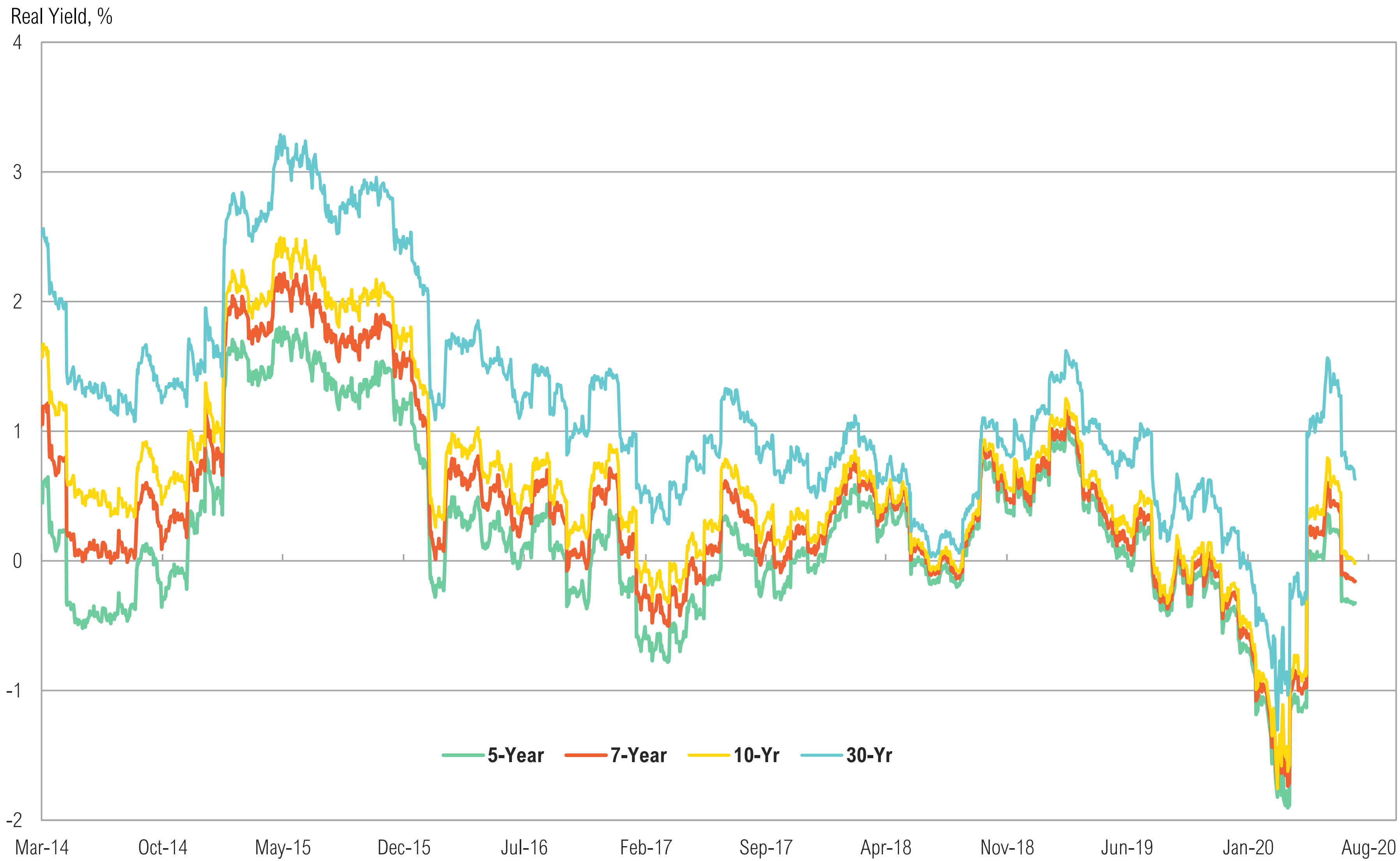




Source: Bloomberg

Negative Real Yields Across the Curve

U.S. TREASURY YIELDS ADJUSTED FOR INFLATION AS MEASURED BY CPI, *3/17/2014 - 7/24/2020*

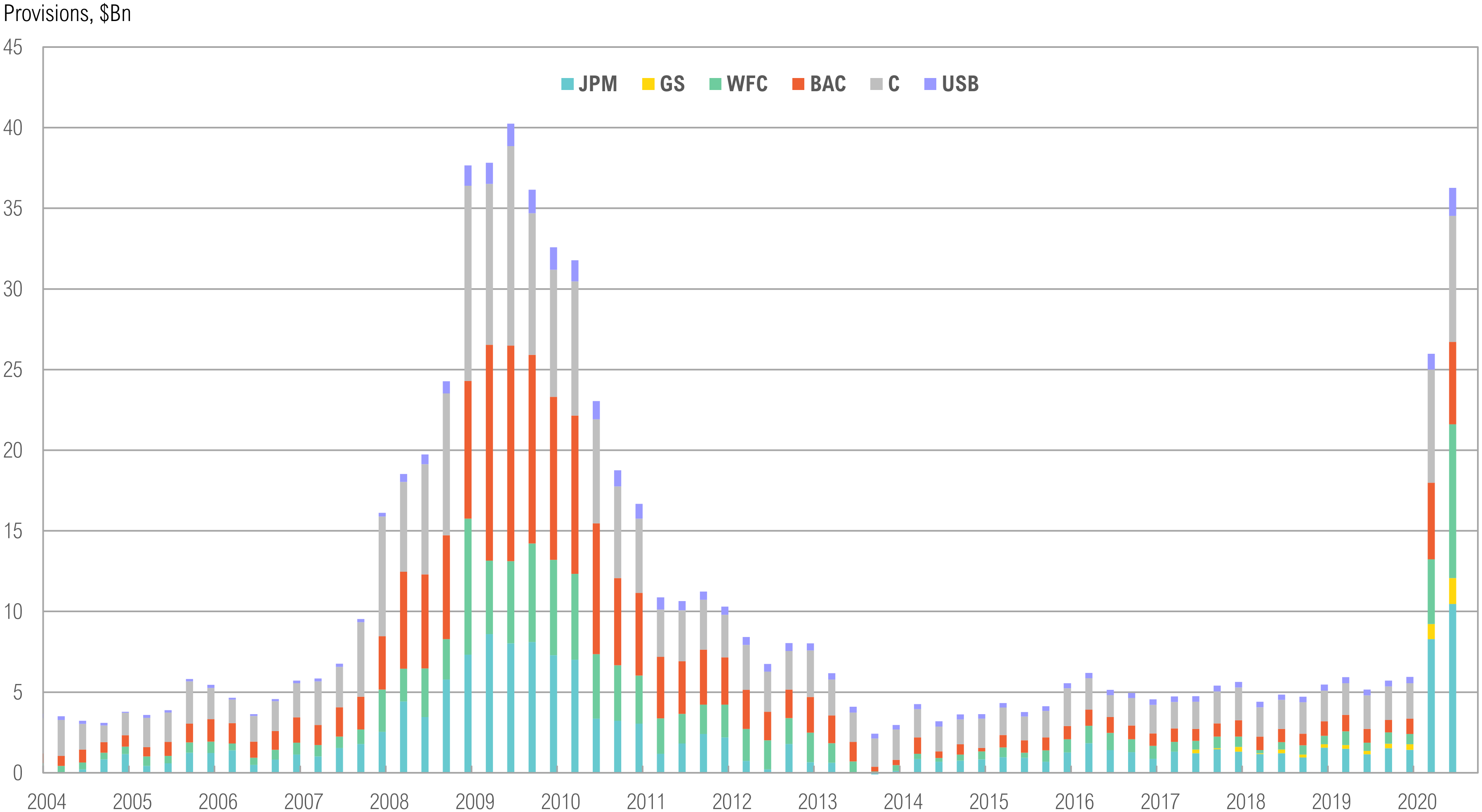


Source: Bloomberg

U.S. Bank Provisions for Loan Losses Jump

PROVISIONS FOR LOAN LOSSES, *3/31/2004 - 6/30/2020*

- JP Morgan CEO, Jamie Dimon, “If you look at the base case, an adverse case, an extremely adverse case, they're all possible and we're just guessing at the probabilities of those things; that's all we're doing. You're going to have a much murkier economic environment going forward than you had in May and June, and you have to be prepared for that.“ He goes on to say "We simply don't know, and, by the way, we're wasting time guessing.”



Source: Bloomberg

REAL ASSETS

"Possibly without serious vetting and a conscious decision to adopt it, Modern Monetary Theory is here. Whether we like it or not, we'll get to see its impact much quicker than I had thought. (And remember, 100% of the "top scholars" polled by The University of Chicago Booth School of Business disagreed with some of MMT's claims)."

Howard Marks, *Oaktree Chairman, March 2020*

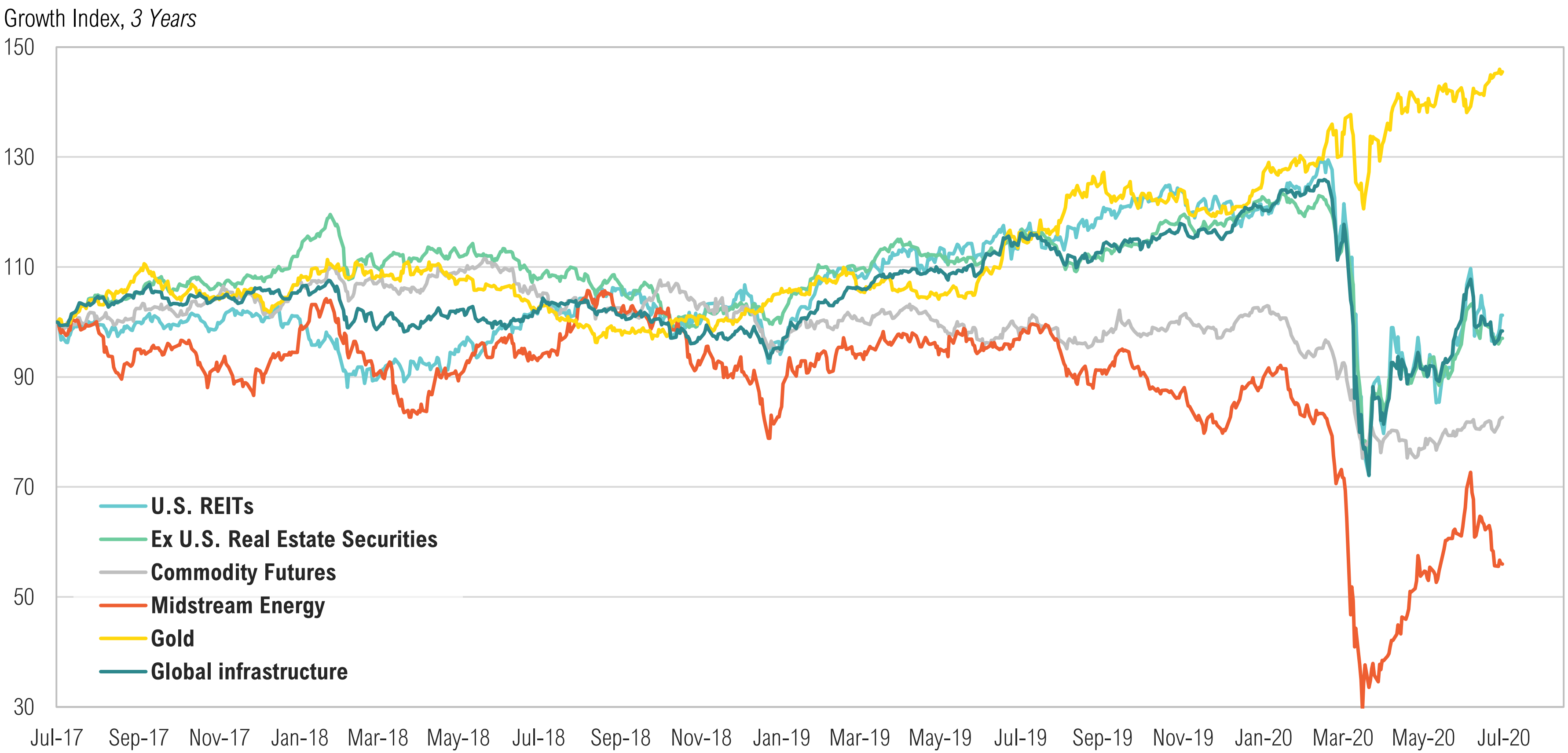
"You can't continue to run deficits, sell debt or print money rather than be productive and sustain that over a period of time."

Ray Dalio, *Bridgewater Associates Co-Founder, July 2020*

Source: https://www.oaktreecapital.com/docs/default-source/memos/which-way-now.pdf
https://www.marketwatch.com/story/billionaire-investor-ray-dalio-warns-us-china-conflict-could-become-a-capital-war-that-hits-the-dollar-2020-07-27

Real Asset Returns

TRAILING & CALENDAR YEAR TOTAL RETURNS

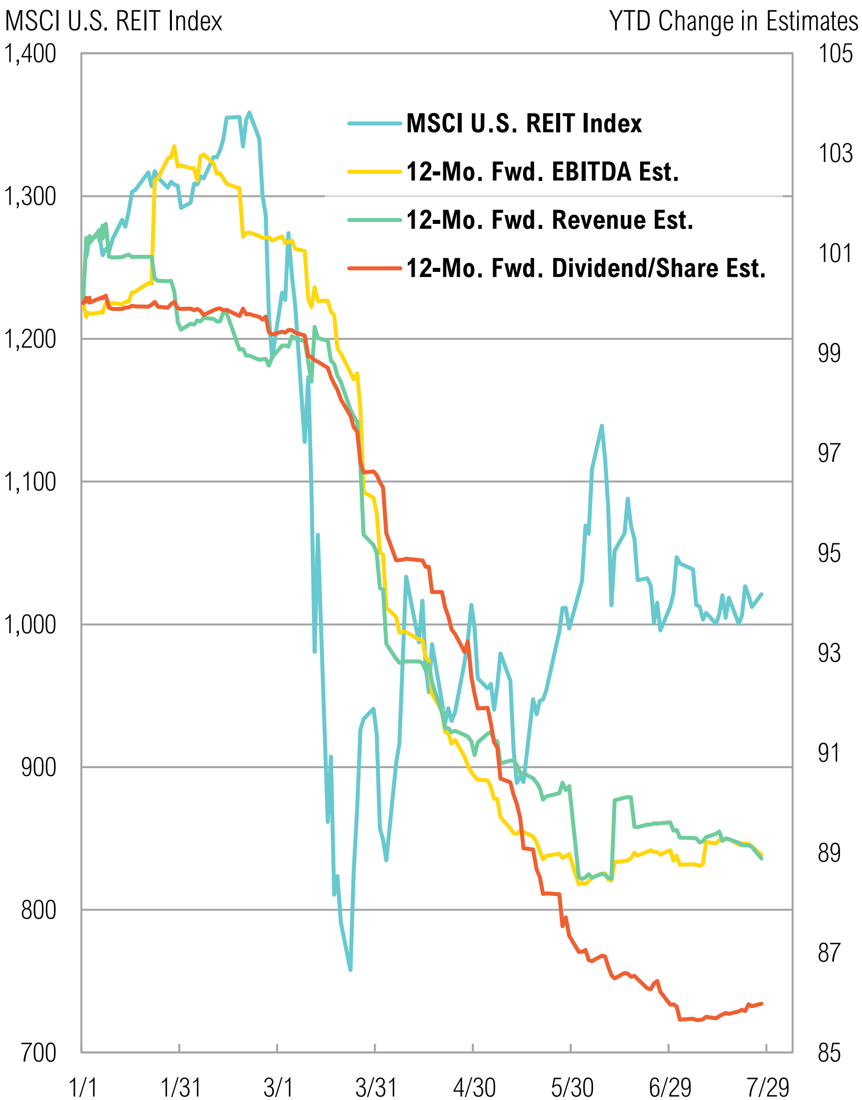


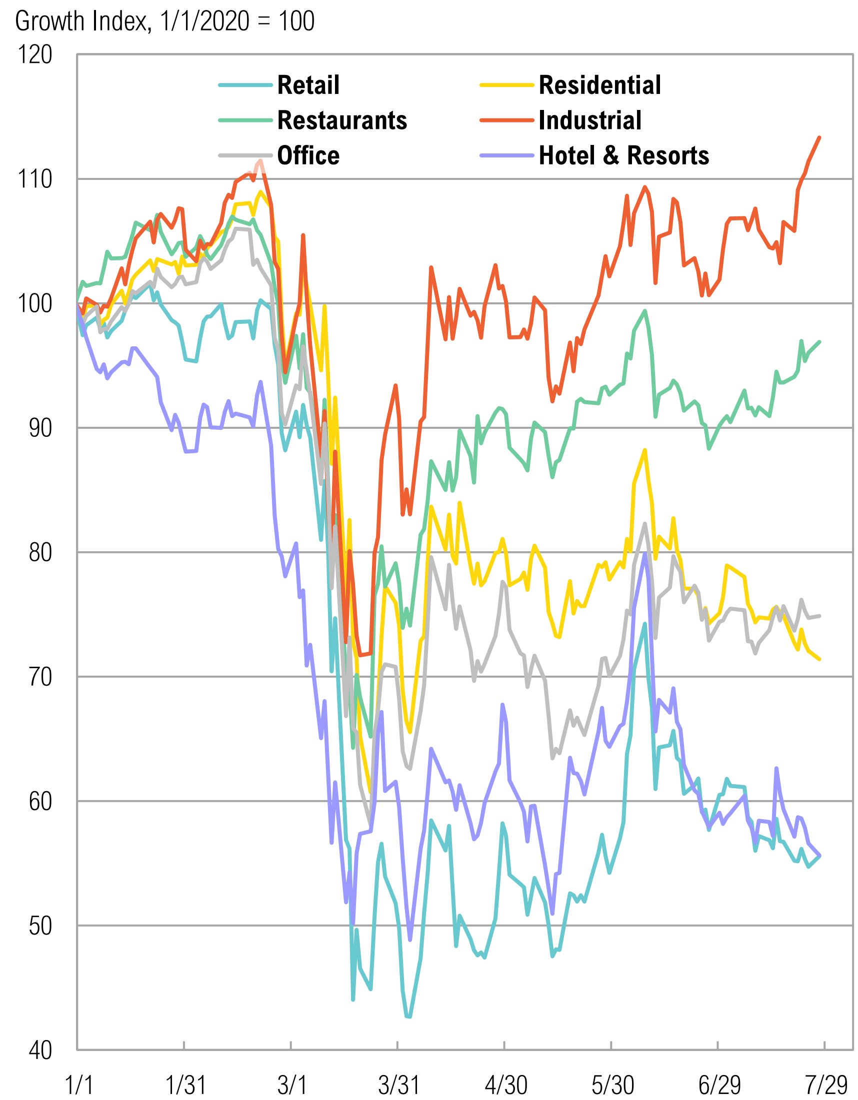
Asset Class	Benchmark	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
U.S. REITs	MSCI US REIT Index	11.4	-18.9	24.3	-5.8	3.7	7.1	1.3	-13.9	-1.2	2.7	7.7
Ex U.S. Real Estate Securities	S&P Global Ex US REIT Index	11.0	-24.9	24.7	-6.5	16.7	4.0	-2.8	-18.7	-1.5	0.8	6.7
Commodity Futures	Bloomberg Commodity Index	5.1	-19.4	7.7	-11.2	1.7	11.8	-24.7	-17.4	-6.1	-7.7	-5.8
Midstream Energy	Alerian MLP Index	50.2	-35.7	6.6	-12.4	-6.5	18.3	-32.6	-41.4	-16.8	-12.9	-1.4
Gold	LBMA Gold Price AM	10.3	16.3	18.8	-1.1	11.9	9.1	-11.4	25.3	12.5	8.5	3.6
Global Infrastructure	S&P Global Infras Index	13.9	-19.4	27.0	-9.5	20.1	12.4	-11.5	-14.8	-0.9	2.6	6.9

Source: Bloomberg
Returns for periods greater than one year are annualized.

Retail, Hotel & Resort and Office REITs Remain Challenged

MSCI U.S. REIT INDEX VS. YTD CHANGE IN ESTIMATES (LHS), REIT SECTOR PERFORMANCE (RHS), *1/1/2020 – 7/27/2020*

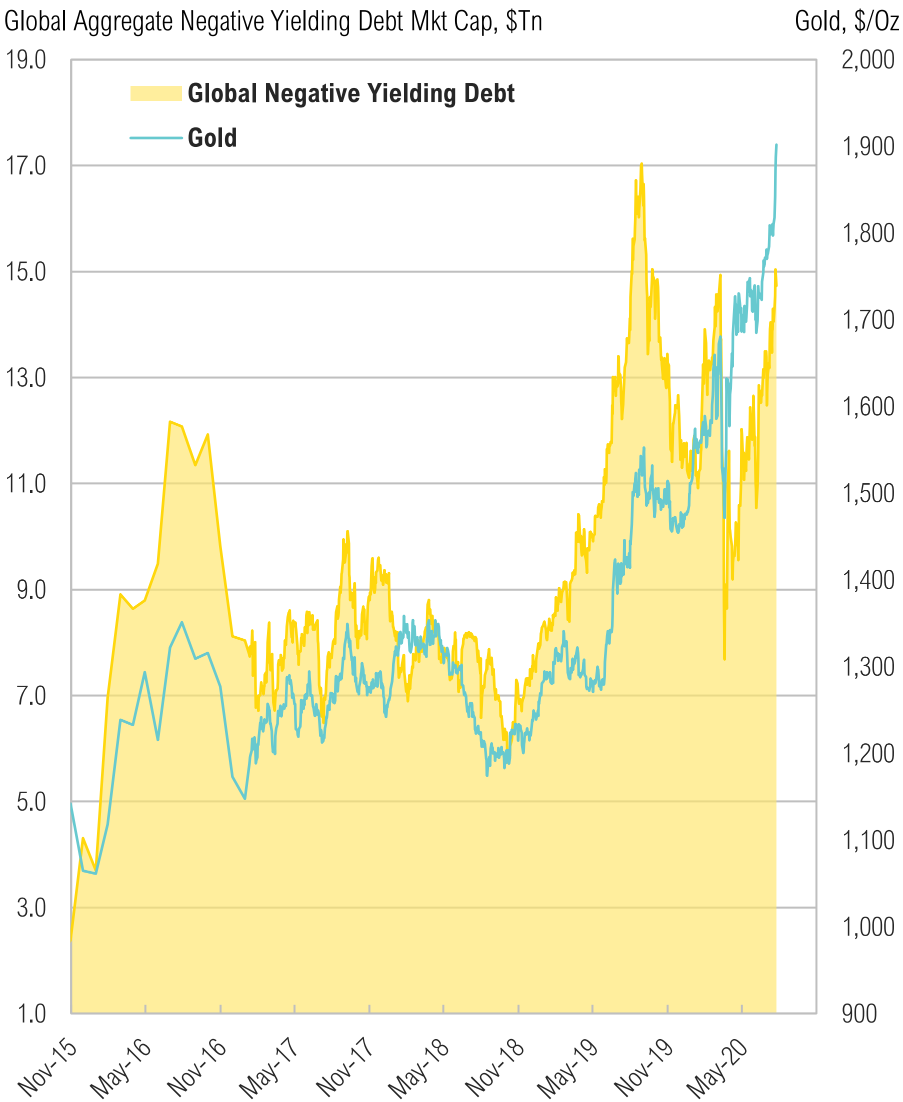


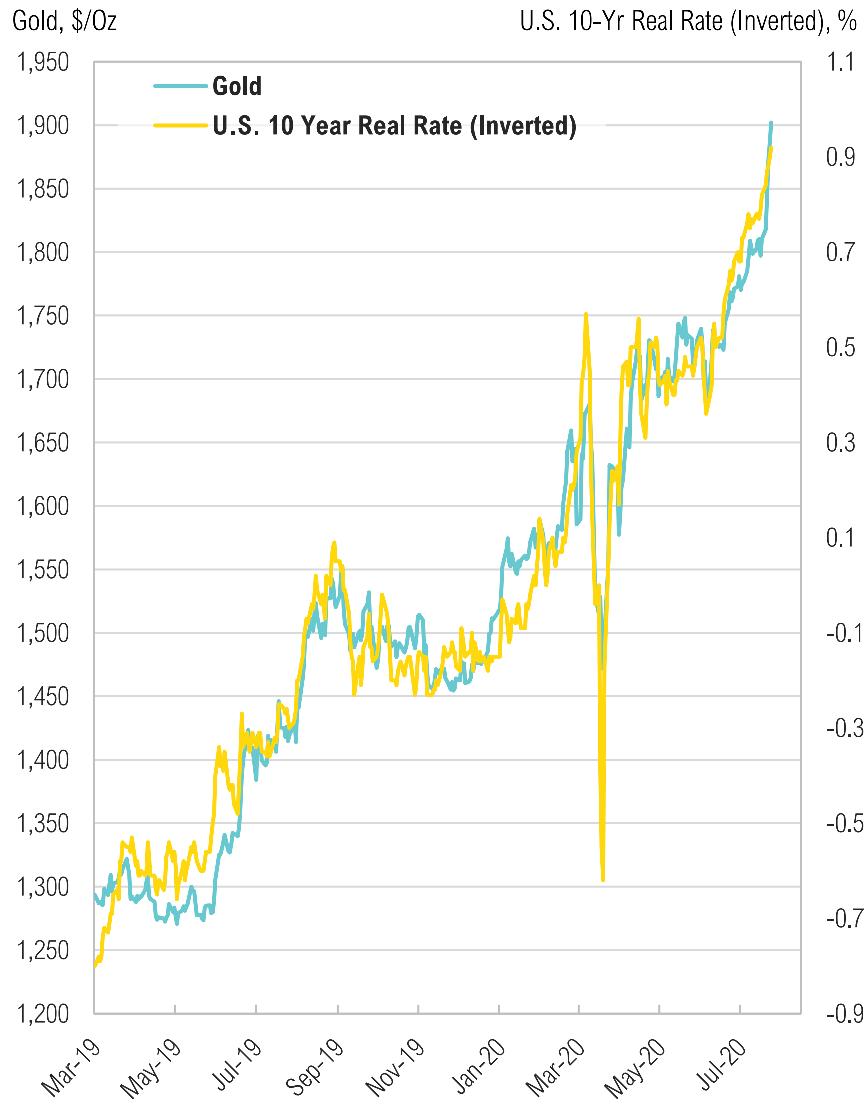


Source: Bloomberg

Gold Increasingly Viewed as an Alternative Safe Haven

GOLD & NEGATIVE YIELDING DEBT MARKET CAP (LHS), GOLD VS. REAL U.S. 10-YEAR YIELD (RHS), *11/1/2015 - 7/24/2020*

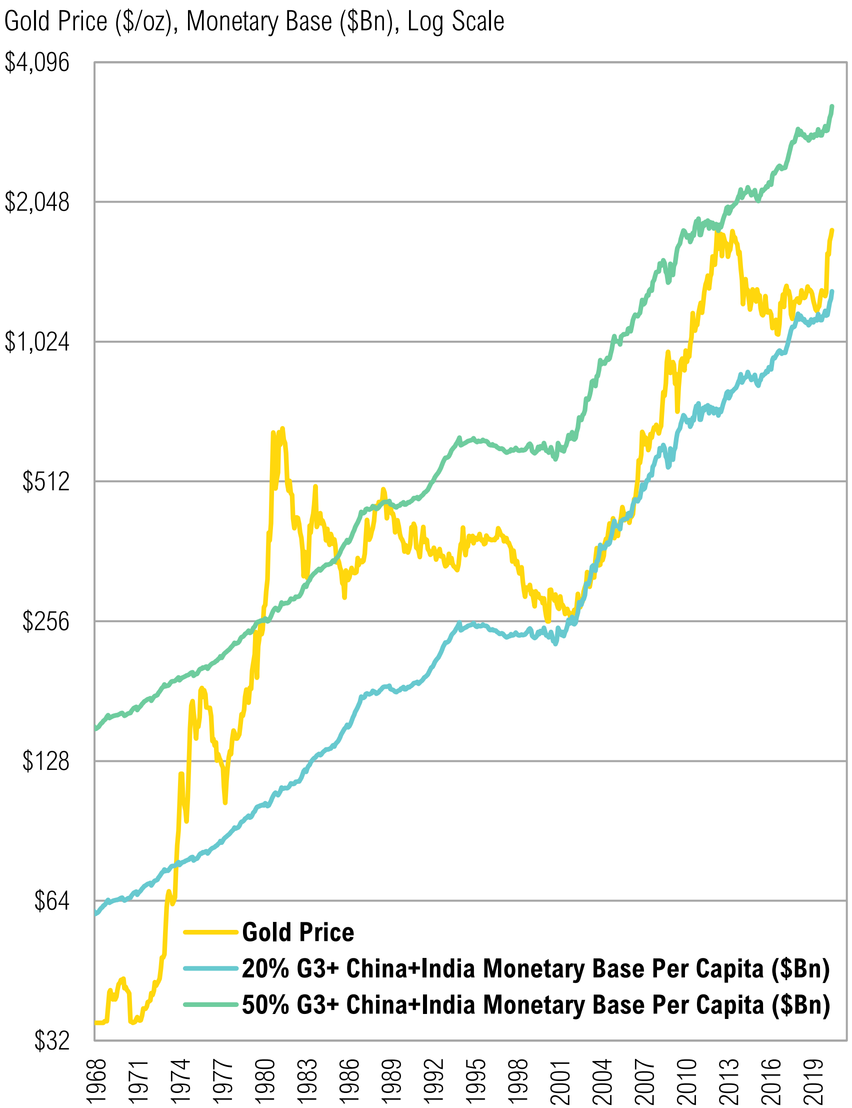




Source: Bloomberg

Gold Trying to Keep Up With Exploding Money Supply

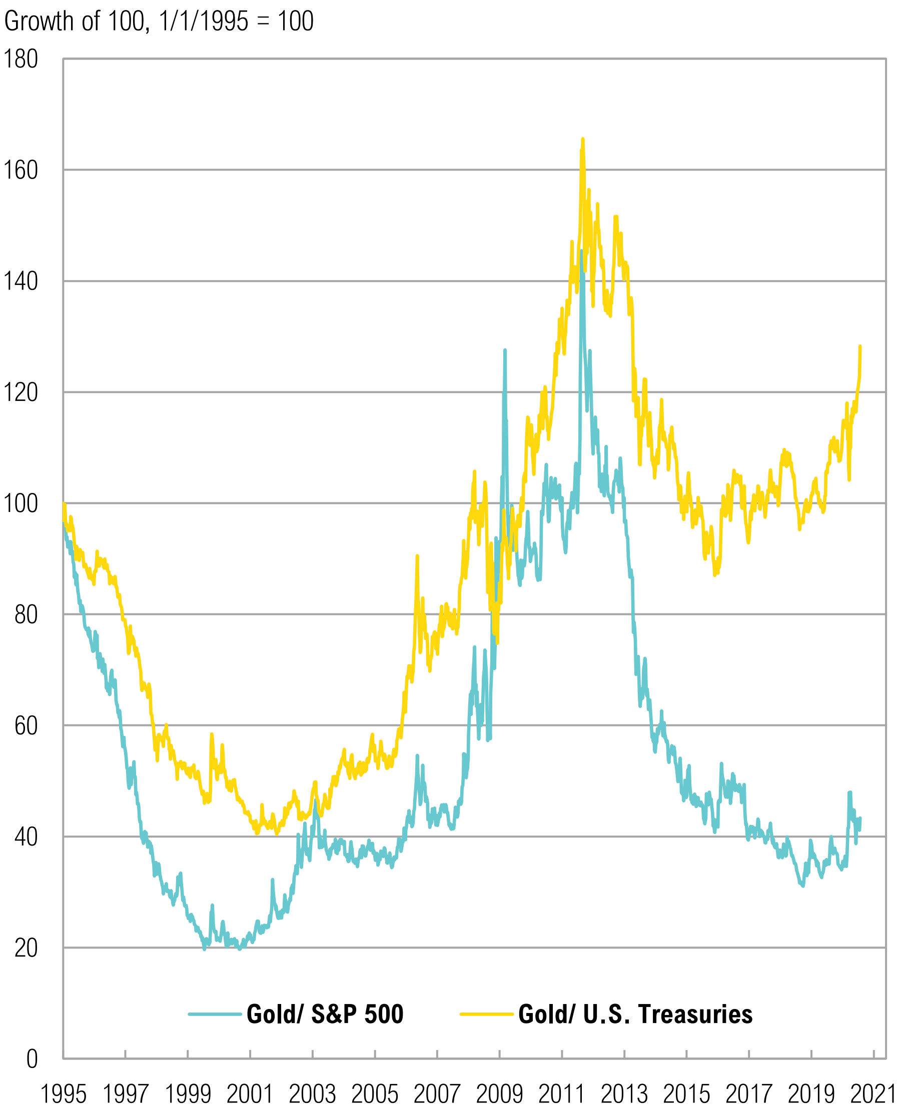
GOLD RELATIVE PERFORMANCE VS. S&P 500 (LHS), U.S. TREASURIES, AND GOLD MINERS (RHS), *AS OF 7/24/2020*

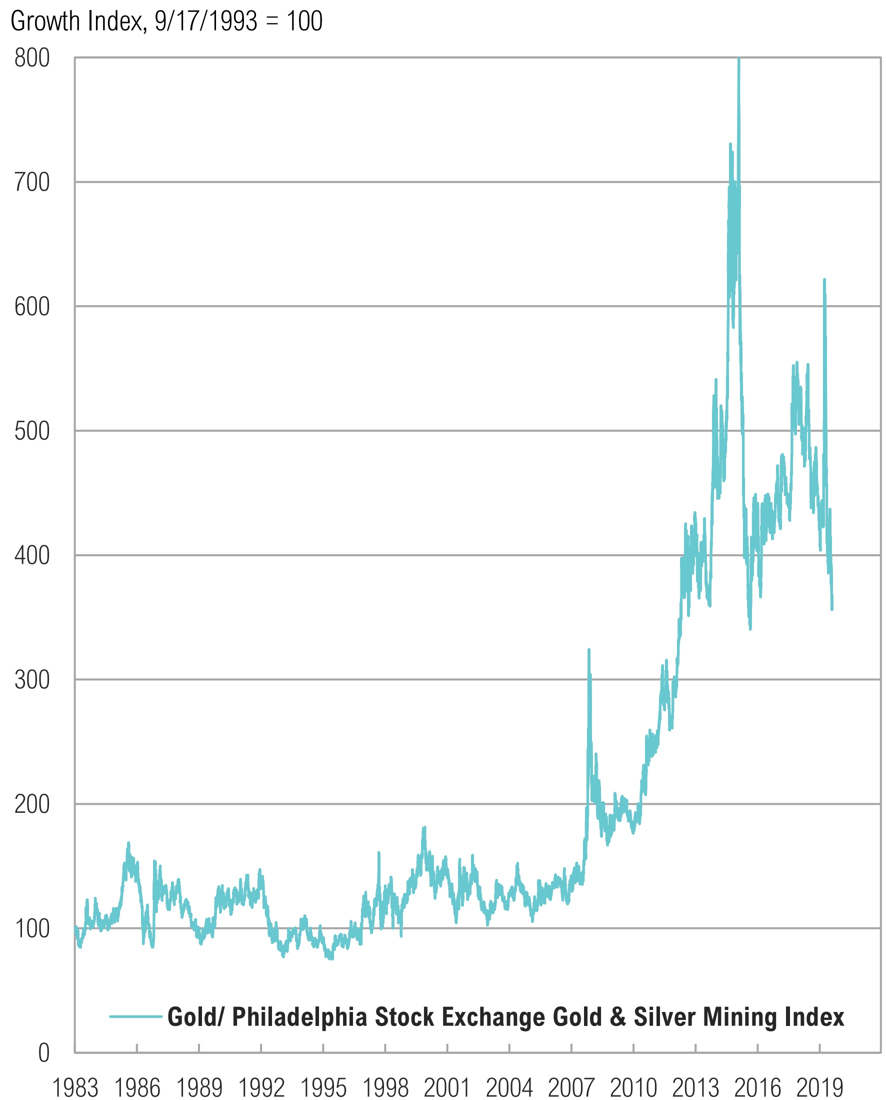


Source: Bloomberg

Gold has Room to Run vs. Core Stocks & Bonds…
& Miners Have Room to Run vs. Physical

GOLD RELATIVE PERFORMANCE VS. S&P 500, U.S. TREASURIES, AND GOLD MINERS, *AS OF 7/24/2020*

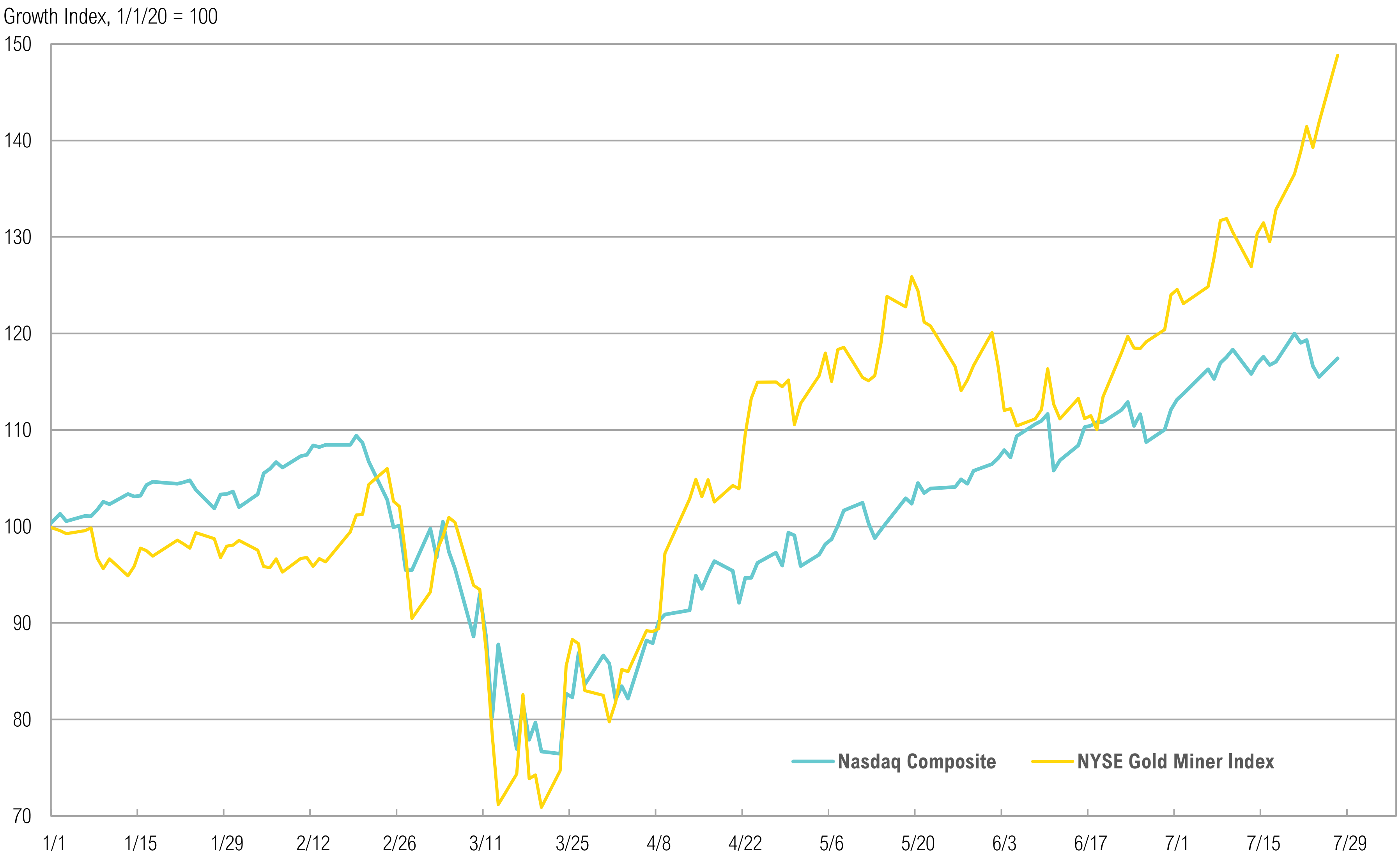




Source: Bloomberg

The Next Bubble? Gold Miners vs. Technology Stocks

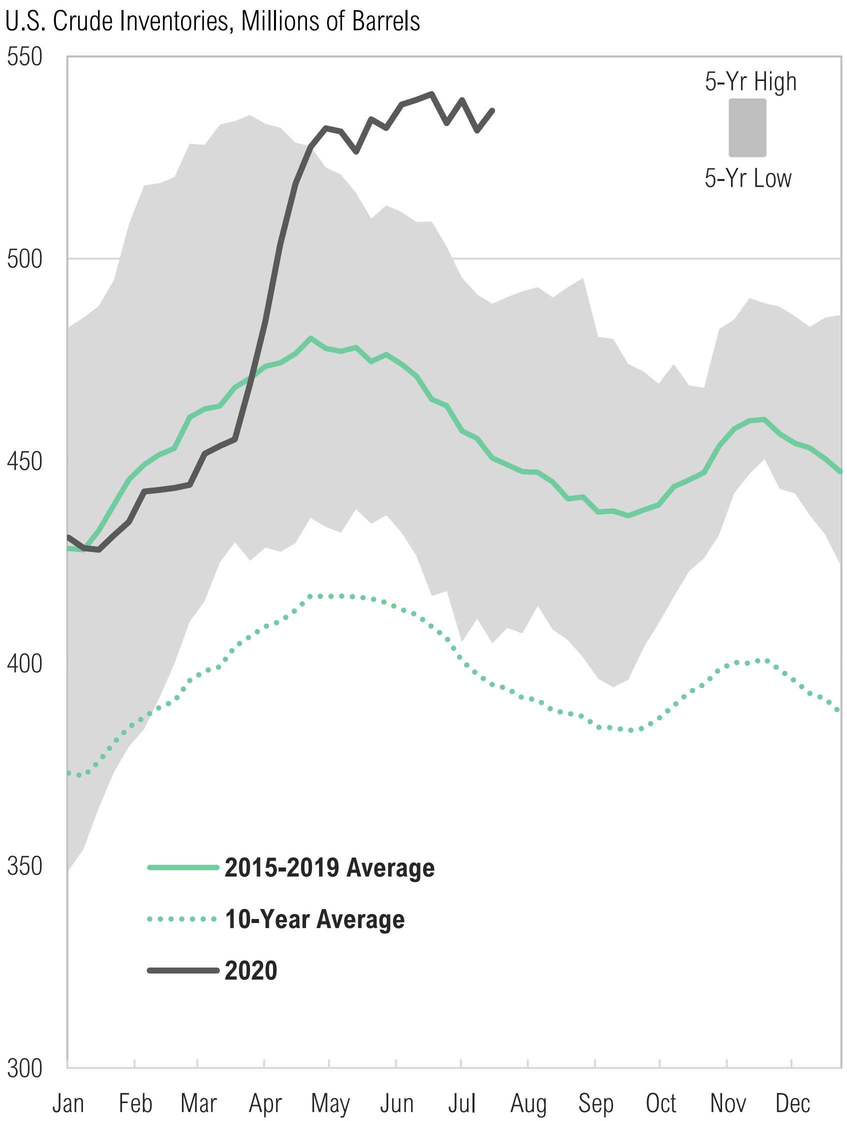
NASDAQ COMPOSITE VS. NYSE GOLD MINING INDEX GROWTH OF 100, *1/1/2020 - 7/27/2020*

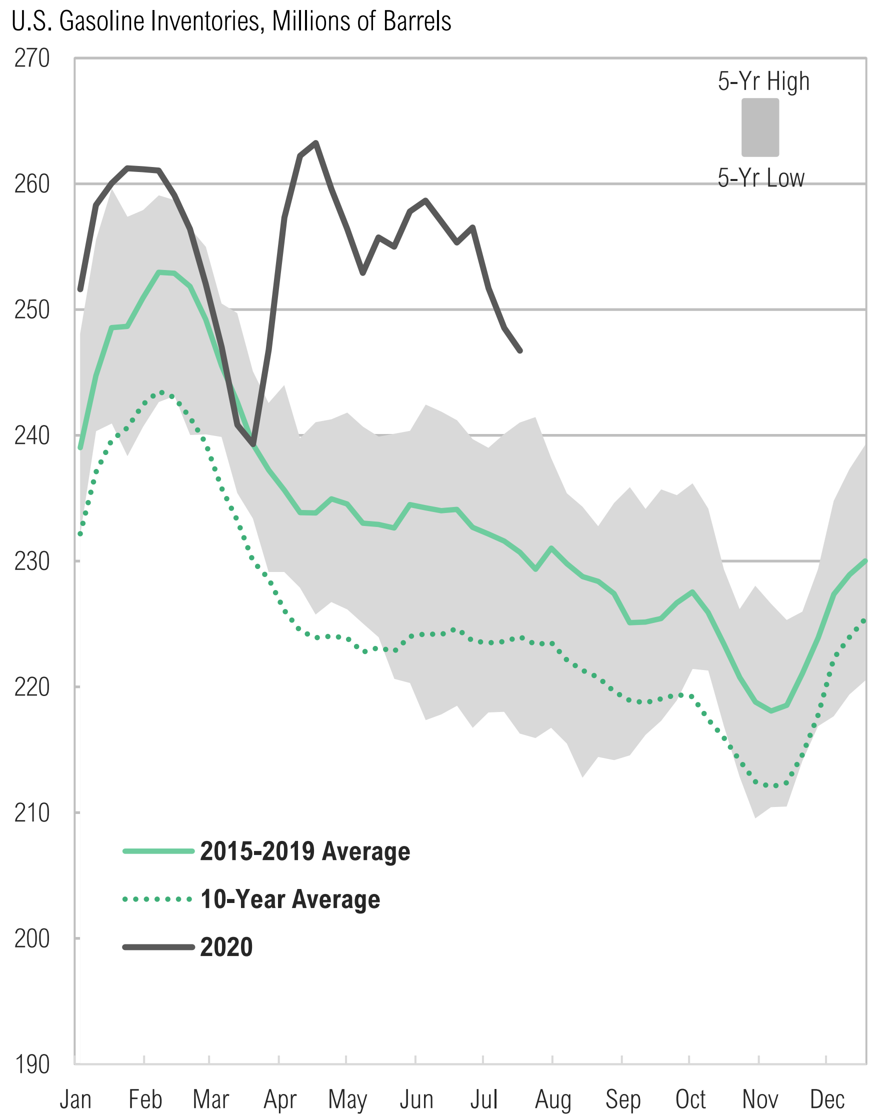


Source: Bloomberg

U.S. Crude Oil & Gasoline Inventories Remain Elevated

U.S. CRUDE OIL & GASOLINE INVENTORIES IN MILLIONS OF BARRELS, *AS OF 7/17/2020*

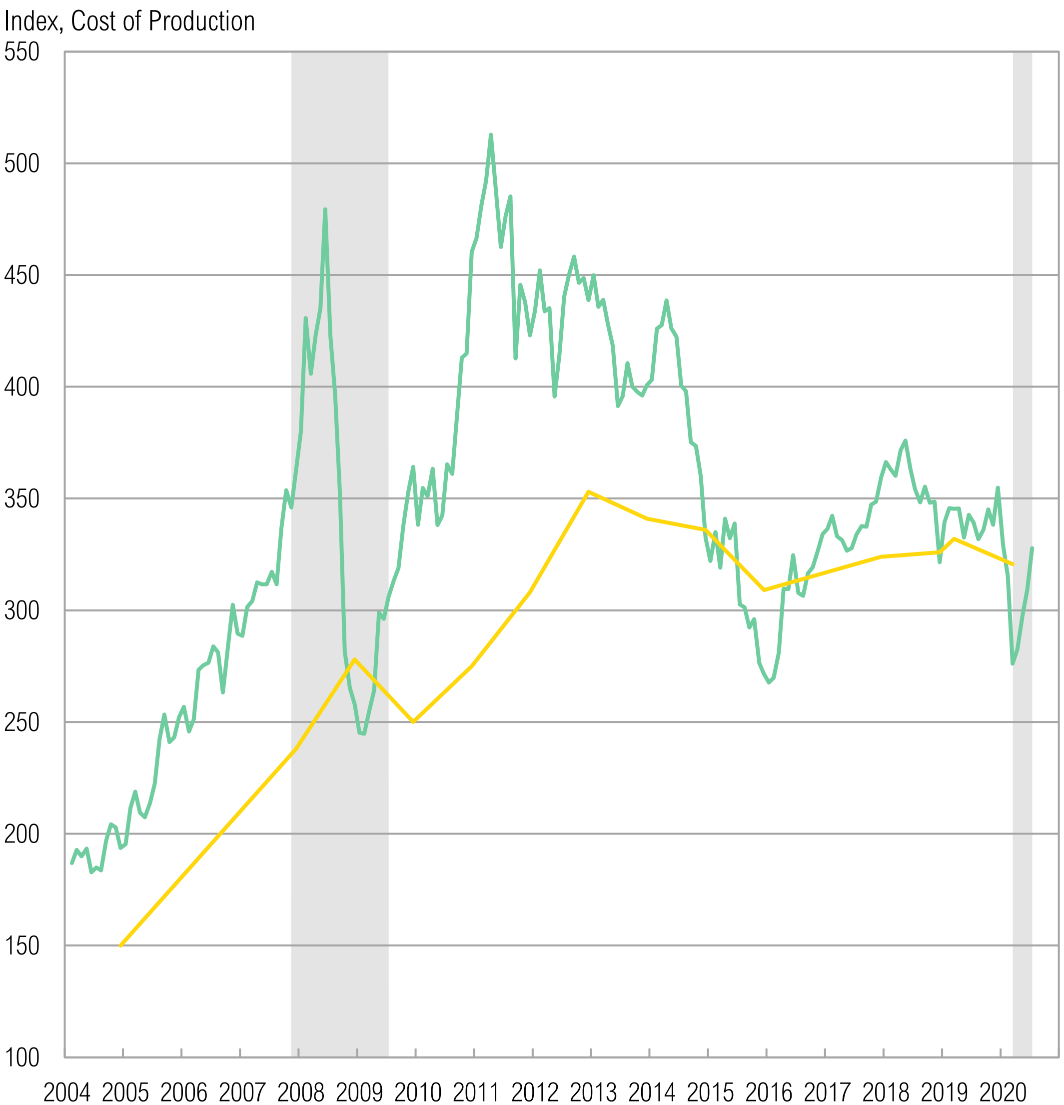




Source: EIA, SpringTide calculations

Commodities Back to Marginal Cost of Production

BLOOMBERG COMMODITY SPOT INDEX VS. ESTIMATED WEIGHTED COST OF PRODUCTION, *1/1/2004 – 7/27/2020*



COMMODITY PRICES VS. COP | 6/30/20

Commodity	Cost of Production (COP)	Price	Price vs. COP
WTI Crude	$59.0	$41.7	-29%
Brent Crude	$64.0	$43.4	-32%
RBOB Gasoline	$1.7	$1.3	-26%
Heating Oil	$1.7	$1.3	-28%
Natural Gas	$3.4	$1.7	-50%
Corn	$3.8	$3.3	-15%
Wheat	$6.5	$5.3	-19%
KC Wheat	$6.3	$4.4	-30%
Soybeans	$8.7	$9.1	4%
Soybean Meal	$256.0	$292.5	14%
Soybean Oil	$0.2	$0.3	97%
Lean Hogs	$0.6	$0.5	-3%
Live Cattle	$1.1	$1.0	-8%
Sugar	$0.1	$0.1	-13%
Coffee	$1.1	$1.1	-1%
Cotton	$0.9	$0.7	-23%
LME Aluminium	$2,122.0	$1,682.5	-21%
CMX Copper	$2.3	$2.9	26%
LME Nickel	$12,368.0	$13,684.0	11%
LME Zinc	$2,168.0	$2,232.5	3%
Gold	$1,010.0	$1,931.0	91%
Silver	$12.0	$24.5	104%
Platinum	$1,050.0	$958.6	-9%

Source: Bloomberg, Core Commodity Management (COP)

OPPORTUNISTIC

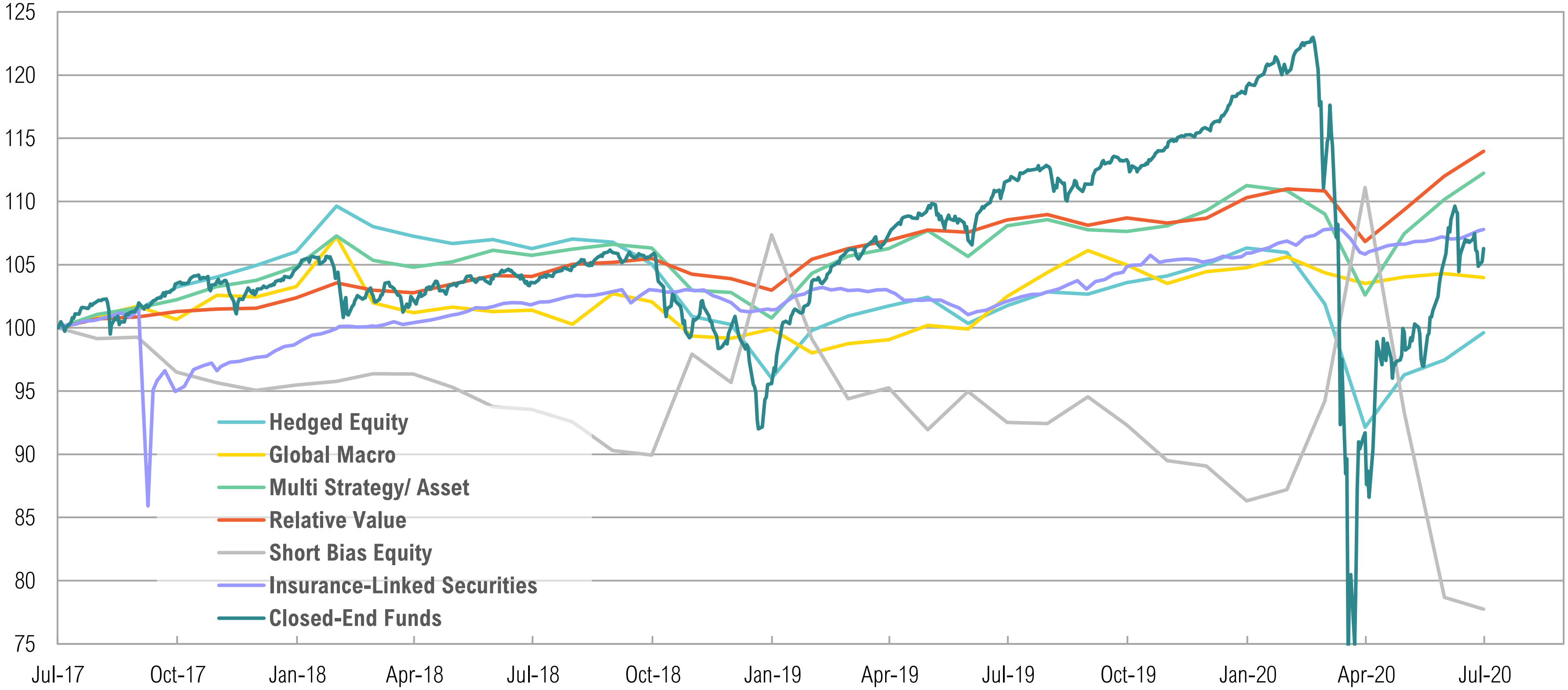
> *"In some respects it's different because of the Fed and the liquidity they've introduced and the inflation for financial assets that comes with that. But on a bigger picture, it's so similar [to the Tech Bubble]. Everybody is a genius in a bull market, everybody is making money right now because you've got the Fed put and that brings people in who otherwise wouldn't participate."*

Mark Cuban, *Entrepreneur & Investor, July 2020*

Opportunistic Strategy Returns

CALENDAR YEAR & TRAILING TOTAL RETURNS

Growth Index, *3 Years*



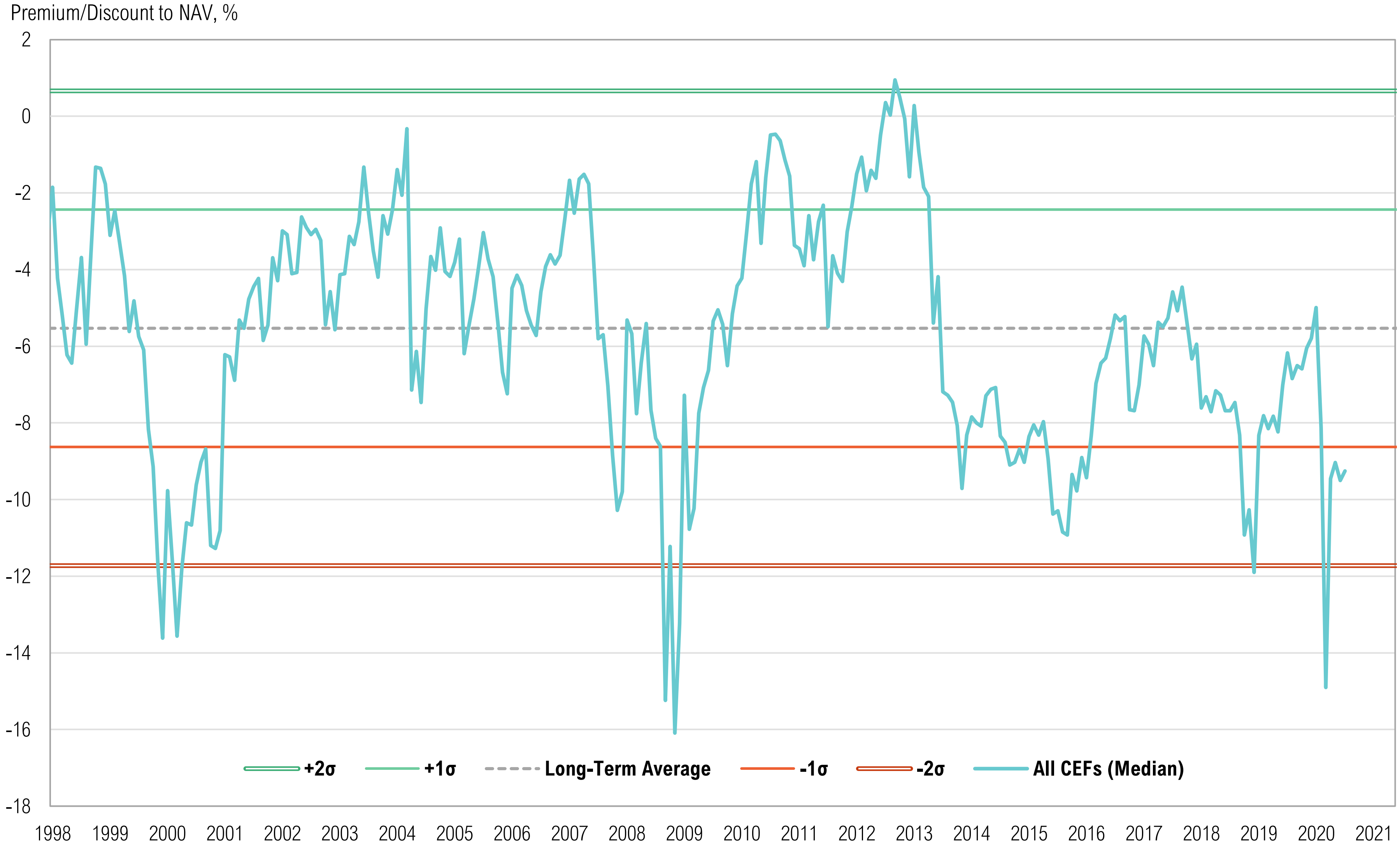
Asset Class	Benchmark	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
Hedged Equity	HFRX Equity Hedge Index	8.1	-6.3	10.7	-9.4	10.0	0.1	-2.3	-2.1	-0.1	-0.3	0.9
Global Macro	HFRX Macro-CTA Index	0.5	-0.7	4.8	-3.2	2.5	-2.9	-2.0	1.5	1.3	-0.1	-0.4
Multi Strategy/ Asset	HFRI Fund Weighted Composite Index	9.4	0.9	10.4	-3.9	8.6	5.5	-1.1	3.9	3.9	3.4	4.3
Relative Value	HFRI Relative Value Index	6.7	3.3	7.1	0.6	5.1	7.6	-0.3	5.0	4.5	4.1	5.2
Short Bias Equity	HFRX Short Bias Index	-30.0	-9.9	-19.6	12.4	-11.2	-4.8	1.3	-16.0	-8.0	-6.7	-8.1
Insurance-Linked Securities	SwissRe Global Cat Bond Index	1.9	1.8	4.4	2.8	0.5	6.6	4.3	5.6	2.5	3.9	5.8
Closed-End Funds	S-Network Composite Closed-End Index	15.9	-10.8	24.6	-8.5	14.4	14.9	-1.1	-4.7	2.0	5.5	6.7

Source: Bloomberg

Returns for periods greater than one year are annualized.

Closed-End Fund Discounts Got as Wide as the Financial Crisis

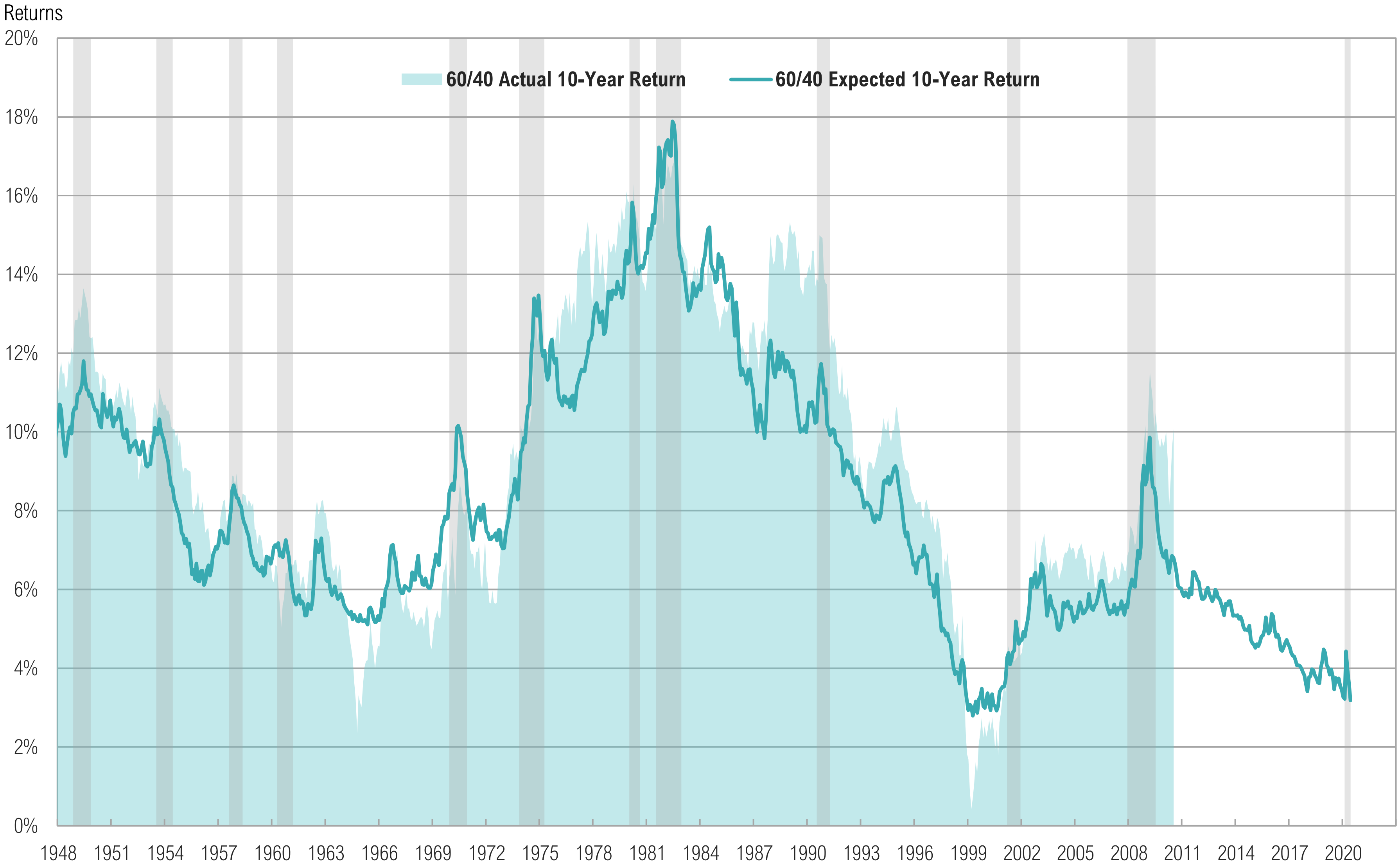
CLOSED-END FUND UNIVERSE MEDIAN PREMIUM/ DISCOUNT TO NET ASSET VALUE, *1/1/1998 – 7/27/2020*



Source: Morningstar, SpringTide calculations

Expected Returns for a 60/40 Remain Low

ESTIMATED 60/40 PORTFOLIO 10-YEAR RETURNS VS. ACTUAL 10-YEAR RETURNS, *1/1/1948 – 6/30/2020*



Source: Bloomberg, S&P, Shiller, SpringTide calculations

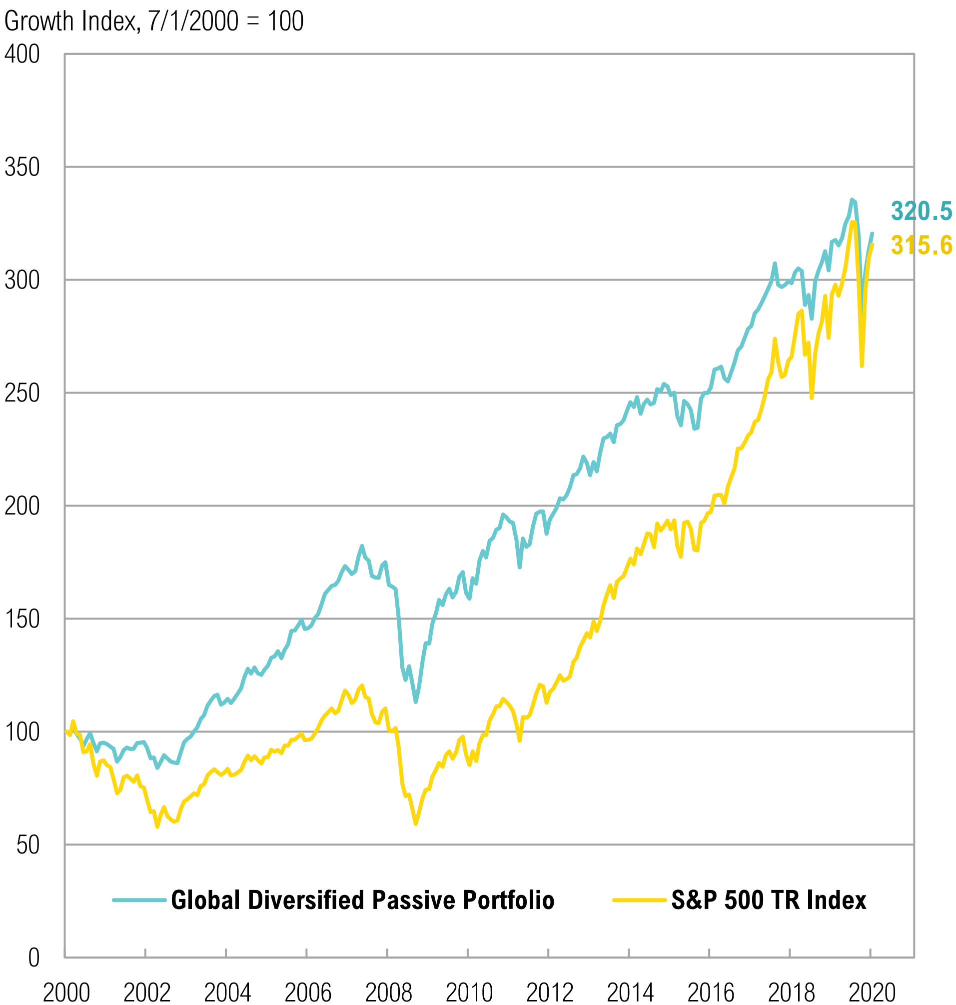
> *"Over the last two centuries, the fraction of inflation's long-run variation explained by long-run money growth has been very high, and relatively stable, in the United States, the United Kingdom and several other countries."*

Luca Benati, *European Central Bank, March 2009*

Source: ECB working Paper No. 1027, March 2009: https://www.ecb.europa.eu/pub/pdf/scpwps/ecbwp1027.pdf

Diversification Still Works Over the Long-Term

GLOBAL DIVERSIFIED PASSIVE PORTFOLIO VS. S&P 500 TOTAL RETURN INDEX GROWTH OF 100, *7/1/2000 – 6/30/2020*



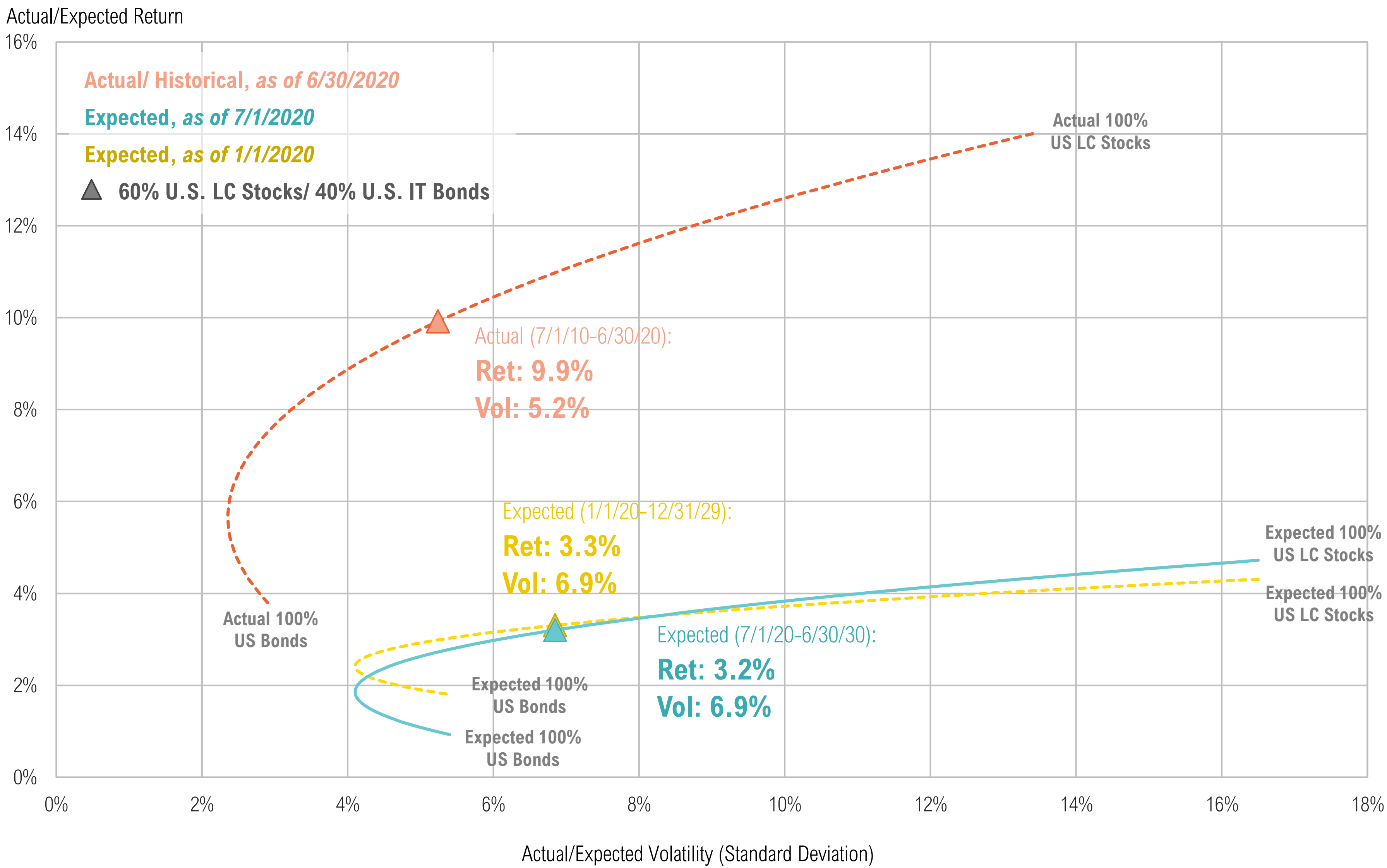
20-YEAR TOTAL RETURNS VS. RISK | 2000-2020

Asset Class	Total Return 20-Yr	Std. Dev. 20-Yr	Sharpe Ratio 20-Yr
U.S. Taxable Bonds	5.1	3.4	1.04
U.S. Municipal Bonds	4.1	3.0	0.83
Emerging & Frontier Mkt Bonds	8.1	8.9	0.73
Global Diversified Passive Portfolio	***6.0***	***10.3***	***0.43***
U.S. REITs	9.4	21.5	0.36
Intl Developed Bonds	4.1	7.9	0.32
Ex U.S. Real Estate Secs	7.2	18.3	0.31
U.S. Large Cap Stocks	6.1	15.3	0.30
U.S. Stocks (S&P 500)	5.9	15.0	0.29
U.S. Small Cap Stocks	6.7	19.8	0.26
Emerging & Frontier Mkt Stocks	6.9	21.7	0.25
Global Stocks	4.9	15.7	0.21
Intl Dev Large Cap Stocks	3.4	16.6	0.11

Source: Morningstar. Total return data is annualized. Data as of 6/30/2020. Performance for Diversified Portfolio represented by the following total return indices (portfolio weights in parenthesis): U.S. Stocks = S&P 500 Index; U.S. LC Stocks (18%) = Russell 1000 Index; U.S. SC Stocks (10%) = Russell 2000 Index; EM & Frontier Bonds (8%) = JPM EMBI Global Index; U.S. REITS (5%) = MSCI US REIT Index; Ex US Real Est Secs (5%) = S&P Global Ex US Property Index; EM & Frontier Stocks (8%) = MSCI EM Index; Global Stocks = MSCI ACWI Index; Intl Dev LC Stocks (13%) = MSCI EAFE Index; U.S. Taxable Bonds (17%) = BbgBarc U.S. Agg bond index; U.S. Muni Bonds (17%) = BbgBarc U.S. Muni Bond 1-10 (1-12) TR Index.

60/40 Expected Returns

10-YEAR HISTORICAL VS. EXPECTED ANNUALIZED RETURNS & STANDARD DEVIATION, *AS OF 6/30/2020*



Source: Bloomberg, S&P, Shiller, SpringTide calculations

Asset Class Correlations

10-YEAR TRAILING CORRELATIONS, *AS OF 6/30/2020*

Asset Class	U.S. Large Cap Stocks	U.S. Small & Micro Cap	Intl Dev Large Cap Stocks	Intl Dev Small & Micro Stocks	Emerging & Frontier Mkt Stocks	Global Stocks	Venture Capital	Global Private Equity	U.S. Interm-Term Muni Bonds	U.S. High Yield Muni Bonds	U.S. Interm-Term Bonds	U.S. High Yield Bonds	U.S. Bank Loans	Intl Developed Bonds	Emerging & Frontier Mkt Bonds	Public BDCs	U.S. REITs	Ex U.S. Real Estate Securities	Private Real Estate	Commodity Futures	Midstream Energy	Gold	Long/Short Equity	Managed Futures	Relative Value	Closed-End Funds	Insurance-Linked Securities	Digital Assets	Cash & Cash Equivalents
U.S. Large Cap Stocks	1.00																												
U.S. Small & Micro Cap	0.91	1.00																											
Intl Dev Large Cap Stocks	0.87	0.77	1.00																										
Intl Dev Small & Micro Stocks	0.86	0.80	0.96	1.00																									
Emerging & Frontier Mkt Stocks	0.76	0.68	0.85	0.84	1.00																								
Global Stocks	0.96	0.87	0.96	0.94	0.87	1.00																							
Private Equity	0.29	0.23	0.38	0.35	0.37	0.35	1.00																						
Venture Capital	0.27	0.20	0.33	0.29	0.31	0.31	0.76	1.00																					
U.S. Interm-Term Muni Bonds	-0.04	-0.10	0.07	0.08	0.09	0.03	0.04	0.09	1.00																				
U.S. High Yield Muni Bonds	0.11	0.08	0.19	0.21	0.23	0.17	0.01	0.01	0.77	1.00																			
U.S. Interm-Term Bonds	-0.11	-0.17	-0.05	-0.05	0.06	-0.06	-0.03	0.05	0.75	0.56	1.00																		
U.S. High Yield Bonds	0.78	0.75	0.80	0.80	0.76	0.83	0.36	0.31	0.28	0.42	0.18	1.00																	
U.S. Bank Loans	0.66	0.67	0.63	0.67	0.57	0.68	0.26	0.21	0.21	0.42	0.03	0.86	1.00																
Intl Developed Bonds	0.34	0.23	0.53	0.53	0.58	0.47	0.18	0.19	0.36	0.32	0.41	0.46	0.22	1.00															
Emerging & Frontier Mkt Bonds	0.53	0.46	0.63	0.61	0.67	0.62	0.20	0.21	0.59	0.65	0.45	0.79	0.66	0.59	1.00														
Public BDCs	0.78	0.83	0.69	0.73	0.61	0.77	0.28	0.24	0.16	0.30	0.04	0.83	0.83	0.29	0.65	1.00													
U.S. REITs	0.64	0.62	0.62	0.62	0.56	0.66	0.24	0.28	0.32	0.48	0.33	0.71	0.63	0.43	0.64	0.69	1.00												
Ex U.S. Real Estate Securities	0.72	0.65	0.82	0.83	0.78	0.81	0.30	0.28	0.35	0.46	0.27	0.80	0.66	0.67	0.79	0.73	0.78	1.00											
Private Real Estate	0.11	0.01	0.19	0.20	0.19	0.16	0.63	0.59	0.20	0.11	0.20	0.29	0.26	0.19	0.25	0.17	0.16	0.25	1.00										
Commodity Futures	0.55	0.54	0.62	0.62	0.65	0.63	0.34	0.22	0.04	0.11	-0.10	0.63	0.49	0.49	0.49	0.52	0.38	0.60	0.13	1.00									
Midstream Energy	0.70	0.65	0.60	0.63	0.55	0.68	0.31	0.22	0.15	0.21	0.08	0.74	0.75	0.27	0.55	0.78	0.56	0.63	0.18	0.48	1.00								
Gold	0.08	0.06	0.13	0.18	0.32	0.15	0.06	0.07	0.32	0.19	0.39	0.20	0.03	0.49	0.34	0.15	0.14	0.28	0.07	0.42	0.14	1.00							
Long/Short Equity	0.92	0.91	0.89	0.92	0.85	0.95	0.33	0.28	0.02	0.20	-0.09	0.83	0.74	0.38	0.60	0.81	0.63	0.74	0.13	0.63	0.71	0.18	1.00						
Managed Futures	0.25	0.12	0.25	0.22	0.22	0.26	0.11	0.11	0.16	0.12	0.32	0.14	-0.02	0.28	0.15	0.08	0.17	0.25	0.12	0.15	0.07	0.33	0.22	1.00					
Relative Value	0.77	0.74	0.82	0.82	0.76	0.84	0.35	0.27	0.17	0.35	0.03	0.88	0.79	0.37	0.68	0.76	0.62	0.72	0.25	0.61	0.72	0.14	0.89	0.19	1.00				
Closed-End Funds	0.82	0.77	0.80	0.81	0.76	0.85	0.32	0.26	0.33	0.42	0.18	0.88	0.79	0.42	0.78	0.85	0.76	0.83	0.18	0.57	0.78	0.21	0.84	0.13	0.83	1.00			
Insurance-Linked Securities	0.14	0.10	0.13	0.14	0.12	0.14	0.05	0.05	0.08	0.18	0.05	0.19	0.26	0.12	0.18	0.16	0.13	0.18	0.07	0.12	0.18	0.04	0.14	0.11	0.20	0.14	1.00		
Digital Assets	-0.03	-0.14	0.16	0.16	0.15	0.06	-0.11	-0.10	0.19	0.23	0.19	-0.04	-0.08	0.23	0.18	-0.21	-0.07	0.23	-0.08	0.01	0.02	0.14	0.03	0.16	-0.01	0.05	0.15	1.00	
Cash & Cash Equivalents	-0.01	-0.08	-0.04	-0.11	-0.12	-0.03	-0.01	0.31	0.22	0.11	0.22	-0.15	-0.16	0.02	0.02	-0.05	0.13	0.08	-0.24	-0.13	0.00	0.01	-0.07	0.08	-0.07	-0.06	-0.14	-0.20	1.00

Source: Bloomberg, CA, Pitchbook, Morningstar, NAREIT, SpringTide calculations.
Correlations for asset classes with less than 10 years of benchmark data are calculated since inception.

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