



Market Outlook

The Coronavirus Crisis

Q2 2020

Contents

SUMMARY		GROWTH, INFLATION & POLICY		EQUITY		FIXED INCOME & CREDIT	
Cartoon: The Storm	4	Active Cases by Country	7	Returns Summary	19	Returns Summary	33
1Q, 2020 Market Review	5	Fatalities Heat Map	8	Coronavirus vs. Past Bears	20	Core Bond Volatility	34
		Cases & Recoveries	9	Sector Performance	21	Neg. Real Yields	35
		Reservations & Travel	10	Inflation, Jobs & P/Es	22	Credit vs. Stocks	36
		U.S. GDP Estimates	11	EPS & Valuations	24	Cracks Prior to Crisis	37
		Election Probabilities	12	EM Book Values	25	Credit vs. Economy	38
		Stocks vs. Election Years	13	Value vs. Growth	26	Loan Loss Provisions	39
		Core Inflation	14	Central Banks & Equities	27	Leveraged Loan Mkt	40
		U.S. Labor Market	15	Buybacks Slowing	28	Private Mkt Leverage	41
		CB Balance Sheets	16	Profit Margins	29		
		Global Policy Response	17	Venture Capital	30		
				Zoom & Market Efficiency	31		
REAL ASSETS		OPPORTUNISTIC		ASSET ALLOCATION		DISCLOSURES	
Returns Summary	43	Returns Summary	52	Diversification Works	56		
Neg. Yield Debt vs. Gold	44	Closed-End Fund Discounts	53	60/40 Expected Returns	57		
Gold Equity vs. Gold	45	Bitcoin	54	Stock vs. Bond Yields	58		
Crude Oil Inventories	46			Correlation Matrix	59		
Crude Futures Go Negative	47						
Commodities Below COP	48						
Midstream Energy	49						
REITs	50						

SUMMARY

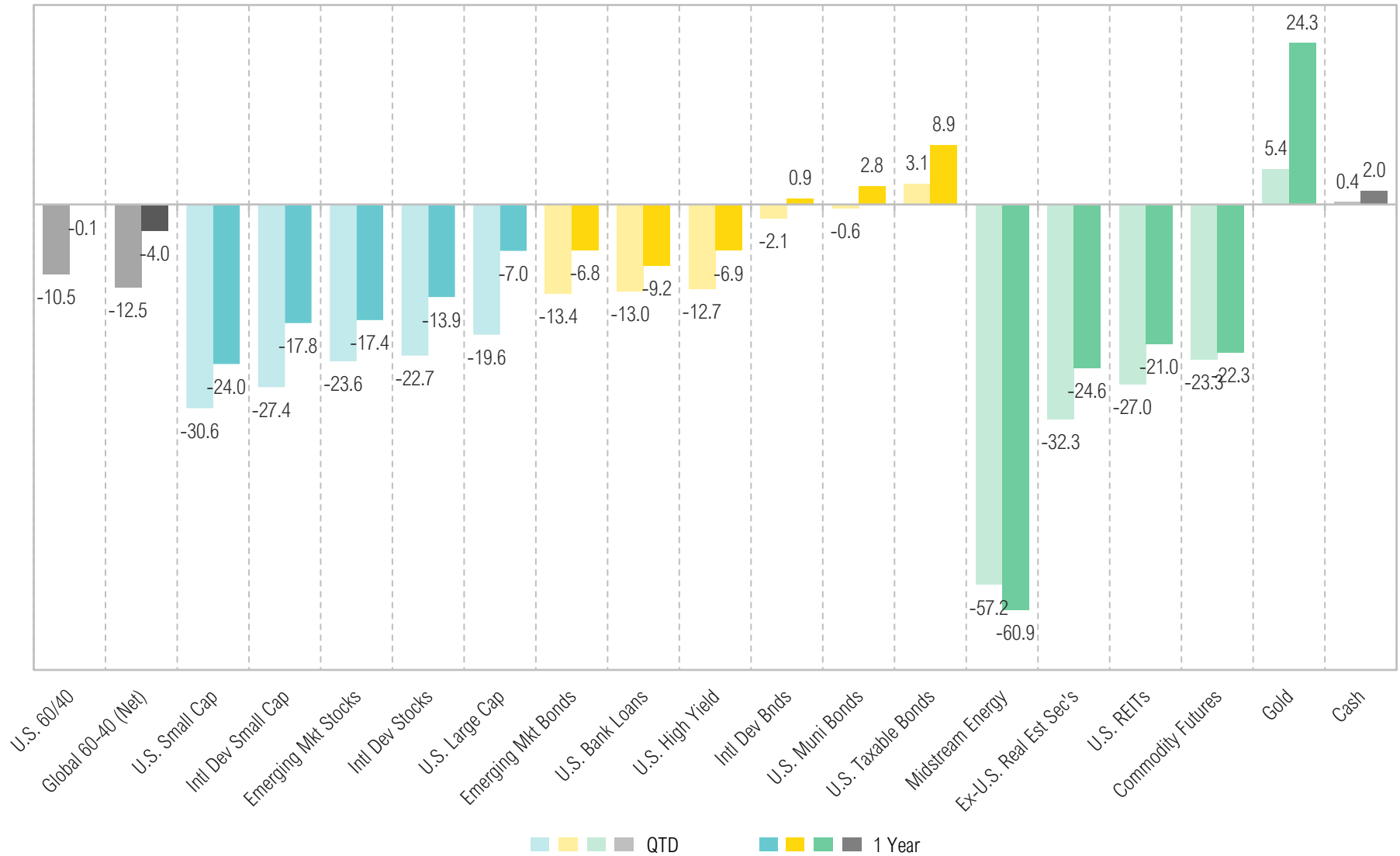
“ *The worst pandemic in modern history was the Spanish flu of 1918, which killed tens of millions of people. Today, with how interconnected the world is, it would spread faster.*”

Bill Gates, 2014



1Q, 2020 Market Review

QTD & TRAILING 1 YEAR TOTAL RETURNS



Source: Bloomberg

GROWTH, INFLATION & POLICY

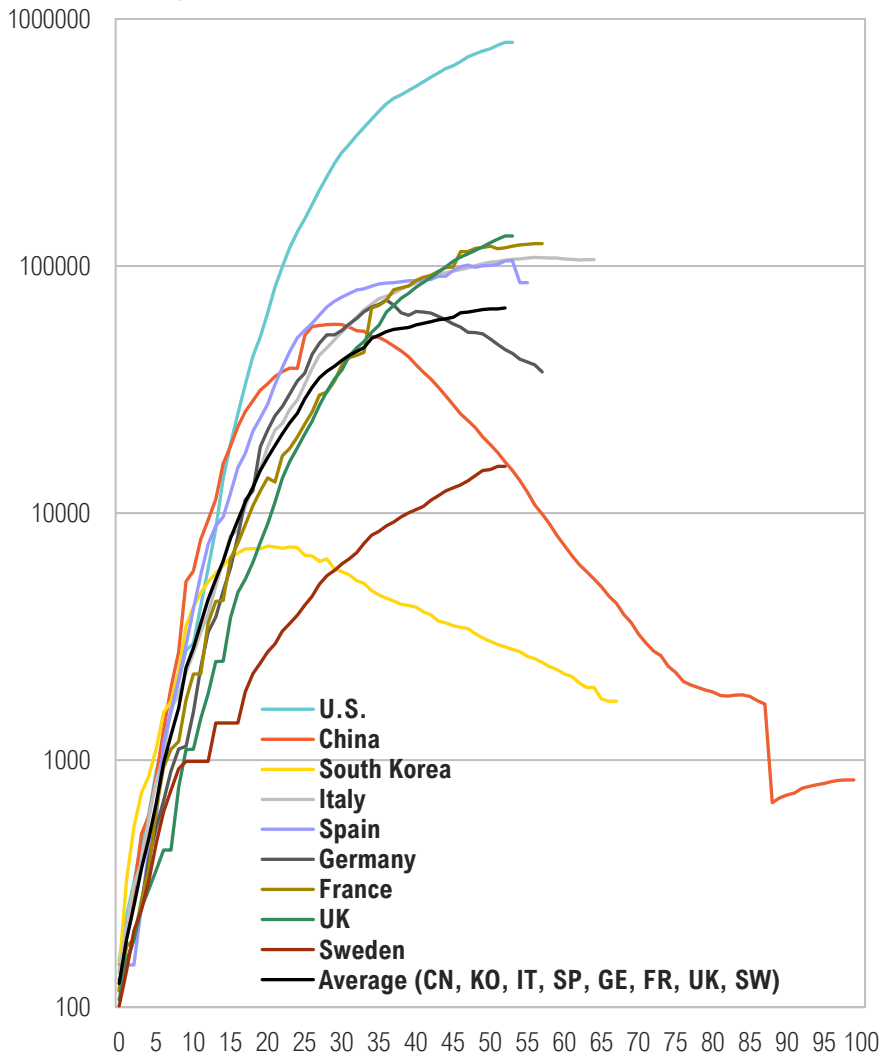
“*The Coronavirus is very much under control in the USA. We are in contact with everyone and all relevant countries. CDC & World Health have been working hard and very smart. Stock Market starting to look very good to me!”*

Donald Trump, February 24, 2020

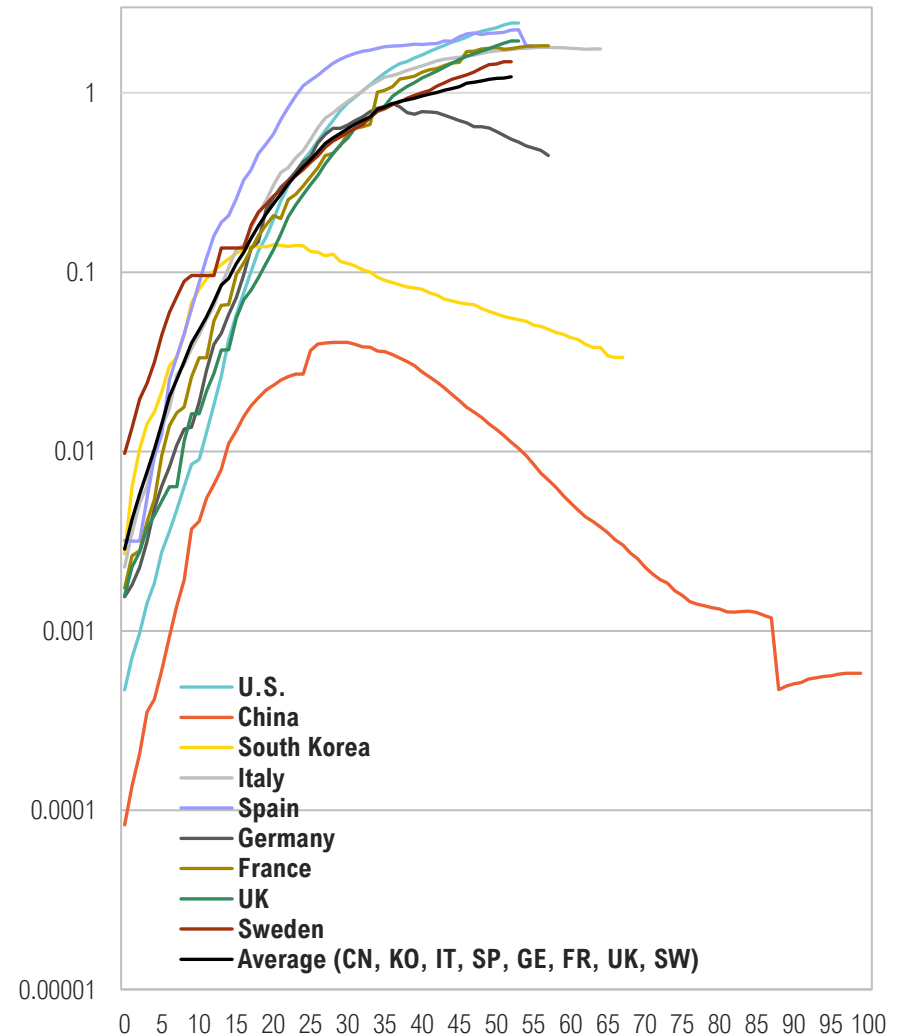
Lockdowns & Other Containment Working: Broad-Based Plateauing

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

Hopeful Signs that the Curve is Flattening

DAILY CHANGE IN TOTAL DEATHS

Worst day for
world and
U.S.



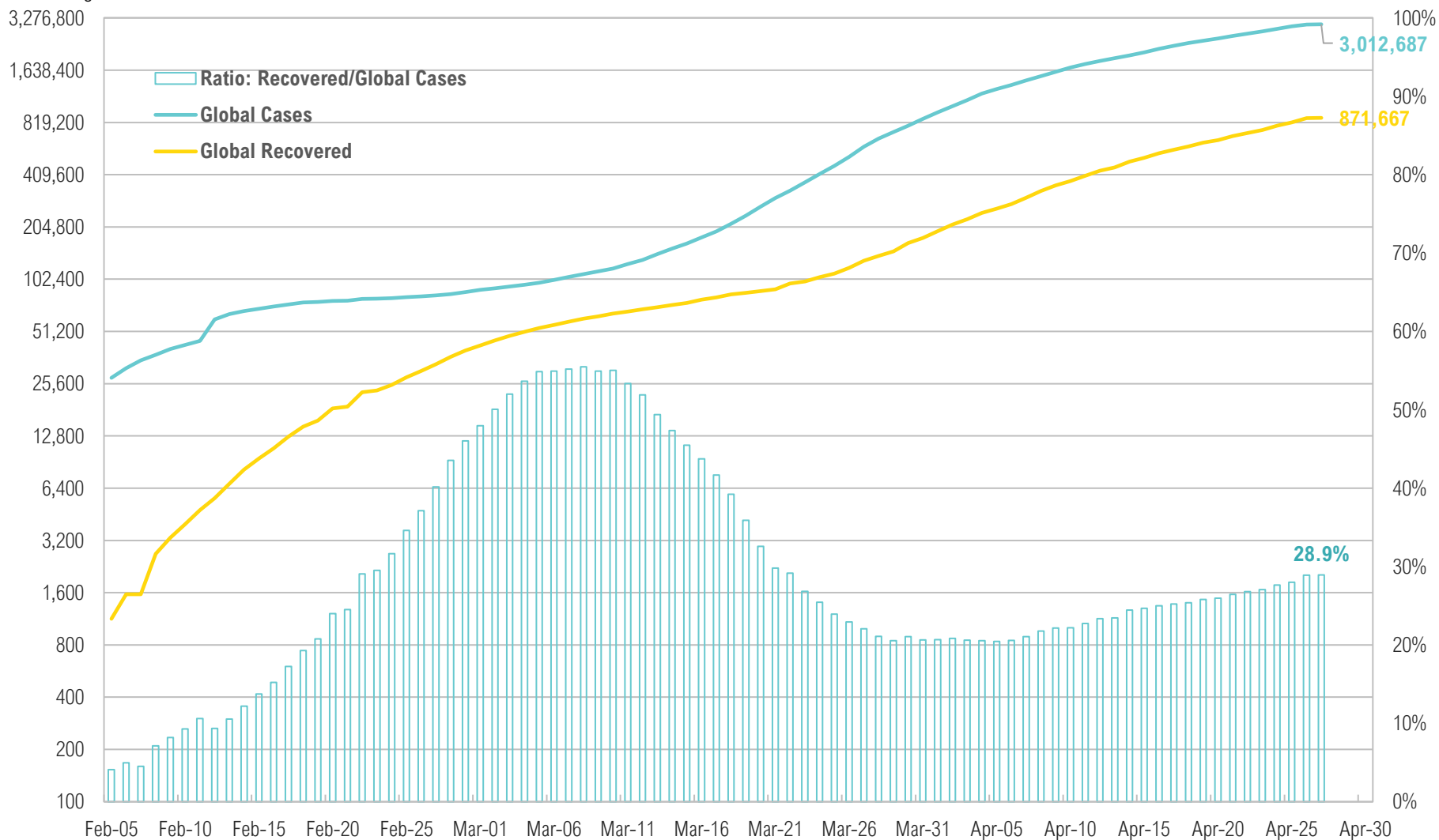
	3/27	3/28	3/29	3/30	3/31	4/01	4/02	4/03	4/04	4/05	4/06	4/07	4/08	4/09	4/10	4/11	4/12	4/13	4/14	4/15	4/16	4/17	4/18	4/19	4/20	4/21	4/22	4/23	4/24	4/25	4/26
Global	3.8k	3.4k	3.0k	4.0k	4.5k	5.1k	5.8k	6.1k	5.6k	4.7k	5.3k	7.3k	6.4k	7.2k	7.1k	6.1k	5.4k	5.4k	7.0k	7.7k	11.1k	8.6k	5.9k	5.8k	4.4k	7.1k	6.0k	7.4k	5.1k	7.0k	3.7k
Developed																															
U.S.	396	447	167	817	865	1.2k	864	1.4k	1.1k	1.2k	1.3k	1.9k	1.9k	1.9k	2.1k	1.8k	1.5k	1.5k	2.4k	2.3k	5.0k	3.8k	1.9k	2.5k	956	2.7k	1.7k	3.2k	1.1k	2.8k	1.1k
Canada	14	7	1	28	0	20	30	49	46	47	58	42	55	73	61	84	63	63	123	107	248	98	164	105	124	166	165	161	145	163	114
Japan	2	3	2	2	1	0	6	0	14	8	7	1	1	5	0	9	15	20	3	32	12	0	32	14	27	18	18	29	0	32	12
UK	181	260	210	180	382	564	569	685	709	623	442	786	940	882	981	918	737	718	782	765	865	848	891	597	455	828	773	640	775	815	414
Germany	123	82	108	104	130	156	176	168	169	140	226	206	333	258	160	104	151	172	301	309	248	300	186	104	220	224	229	260	148	154	99
France	299	320	294	419	502	511	1.4k	1.1k	1.1k	519	833	1.4k	544	1.3k	987	636	561	555	781	1.4k	732	783	646	369	574	537	544	516	356	403	242
Italy	969	889	756	812	837	727	760	766	681	525	636	604	542	610	570	619	431	566	602	578	525	575	482	433	454	534	437	464	420	415	260
Spain	1.0k	844	821	913	748	923	961	850	749	694	700	704	747	655	634	525	603	547	499	557	503	687	41	410	399	430	435	440	367	378	288
Netherlands	112	93	132	93	175	135	166	151	164	115	103	234	147	148	117	133	94	86	122	190	182	144	142	84	67	165	140	123	112	120	67
Australia	1	1	2	2	2	1	3	4	2	5	5	5	5	1	3	3	3	1	1	1	0	3	2	2	1	0	3	2	2	2	3
Switzerland	70	33	36	59	74	55	48	55	75	49	50	56	74	53	54	34	70	32	36	65	42	46	41	25	36	49	31	40	40	10	11
Sweden	39	0	5	36	34	59	69	50	15	28	76	114	96	106	77	17	12	20	114	170	130	67	111	29	40	185	172	84	131	40	2
Greece	2	4	7	7	3	2	2	10	5	5	6	2	2	4	5	1	5	1	2	1	3	3	2	3	3	5	0	4	5	0	4
Emerging																															
China	5	3	5	4	1	7	10	4	3	2		2	2	1	3			2	1		1.3k										1
Indonesia	9	15	12	8	14	21	13	11	10	7	11	12	19	40	26	21	46	26	60	10	29	22	15	47	8	26	19	12	42	31	23
Korea	5	8	6	4	3	4	5	3	6	3	6	8	4	4	3	3	3	5	3	4	1	2	2	2	1	1	2	0	0	2	1
Taiwan	0	0	1	2	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Brazil	16	21	22	29	36	43	83	36	82	42	79	122	132	137	117	66	90	125	177	228	187	224	201	90	125	154	165	425	339	387	229
Mexico	6	4	0	12	1	8	13	10	19	15	31	16	33	20	39	40	23	36	74	43	37	60	104	36	26	145	113	99	0	236	46
Russia	2	0	4	1	8	7	6	4	9	2	2	11	5	13	18	12	24	18	0	28	34	41	40	48	44	51	57	42	60	66	66
South Africa	0	0	1	1	2	0	0	4	0	2	1	1	5	0	6	1	0	2	0	7	14	2	2	2	4	0	7	10	4	7	1
Iran	144	139	123	117	141	138	124	134	158	151	136	133	121	117	122	125	117	111	98	94	92	89	73	87	91	88	94	90	93	76	60
India	4	4	3	5	3	23	14	0	27	18	19	24	18	49	22	39	43	27	35	29	26	38	35	38	33	53	36	40	59	45	57

Source: Bloomberg, WHO

Global Recoveries Are Now Keeping Pace with Cases

CUMULATIVE TOTAL CASES AND RECOVERIES

Cases, Log Scale

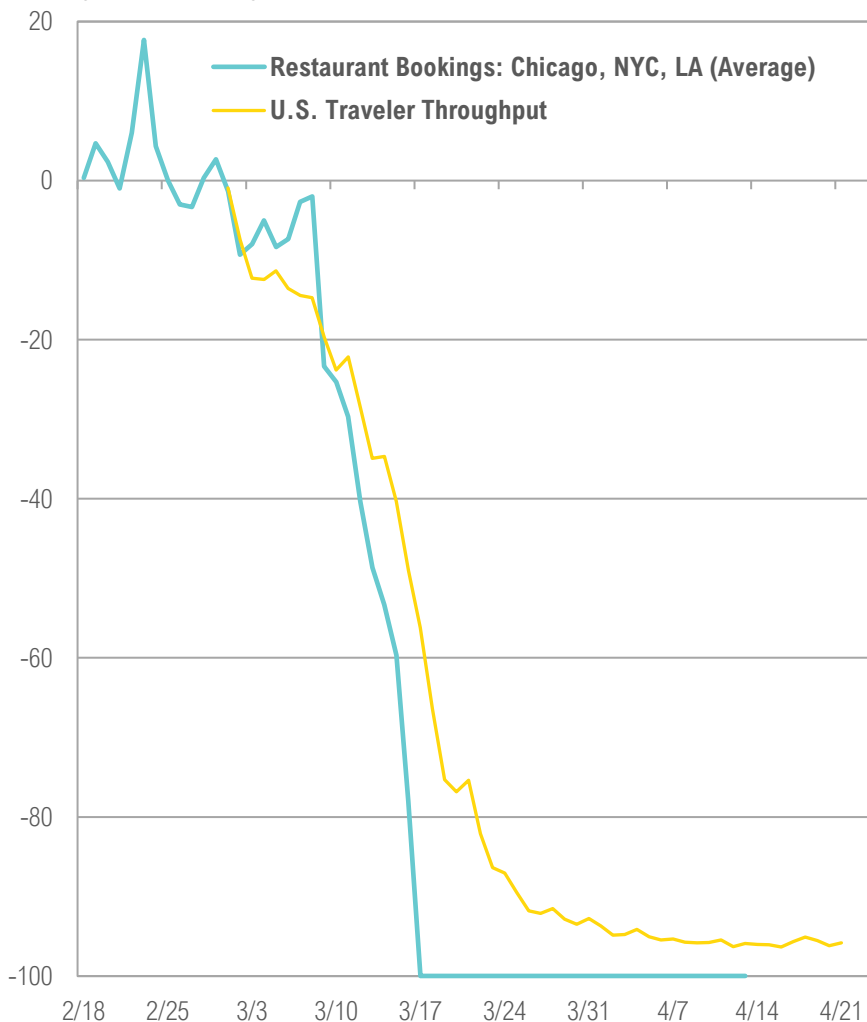


Source: Bloomberg

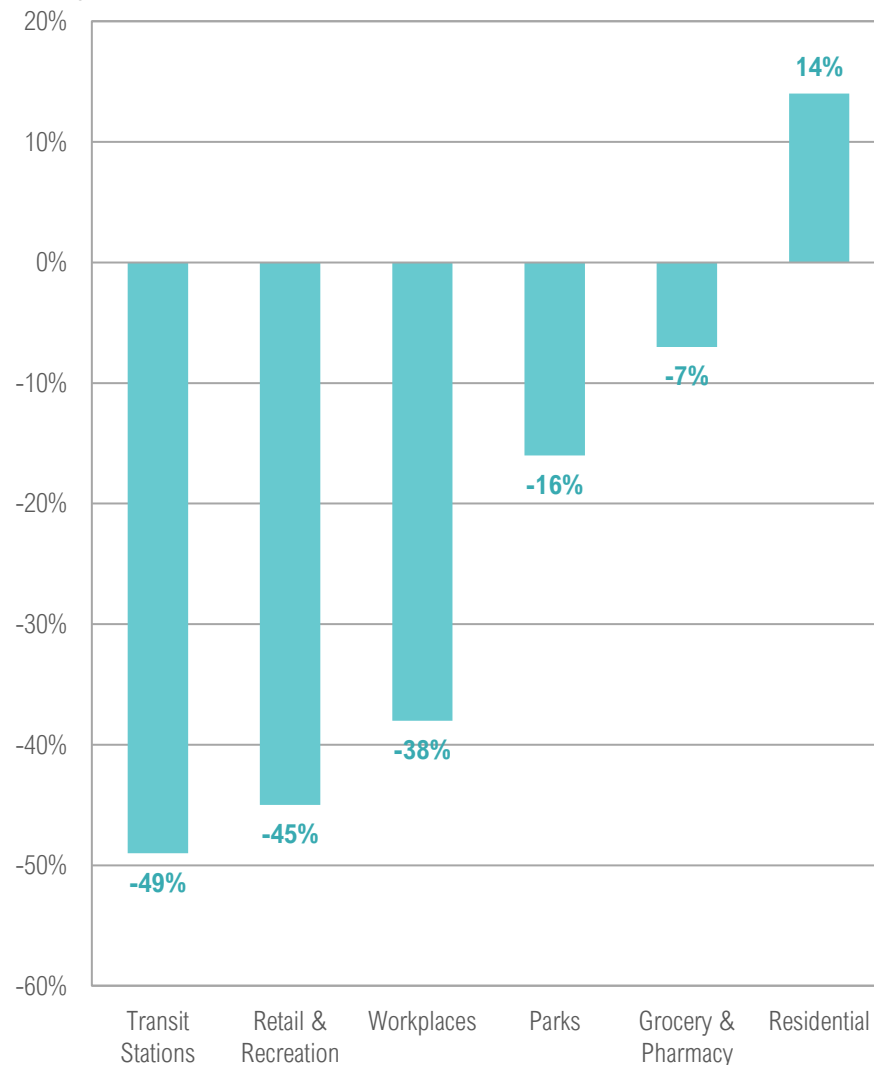
Total Shutdowns, Partial Shutdowns & Some Increases

CHANGE IN RESTAURANT BOOKINGS TRAVEL VS. LAST YEAR (LHS) & CHANGE IN U.S. MOBILITY (RHS)

Change from 1 Year Ago, %



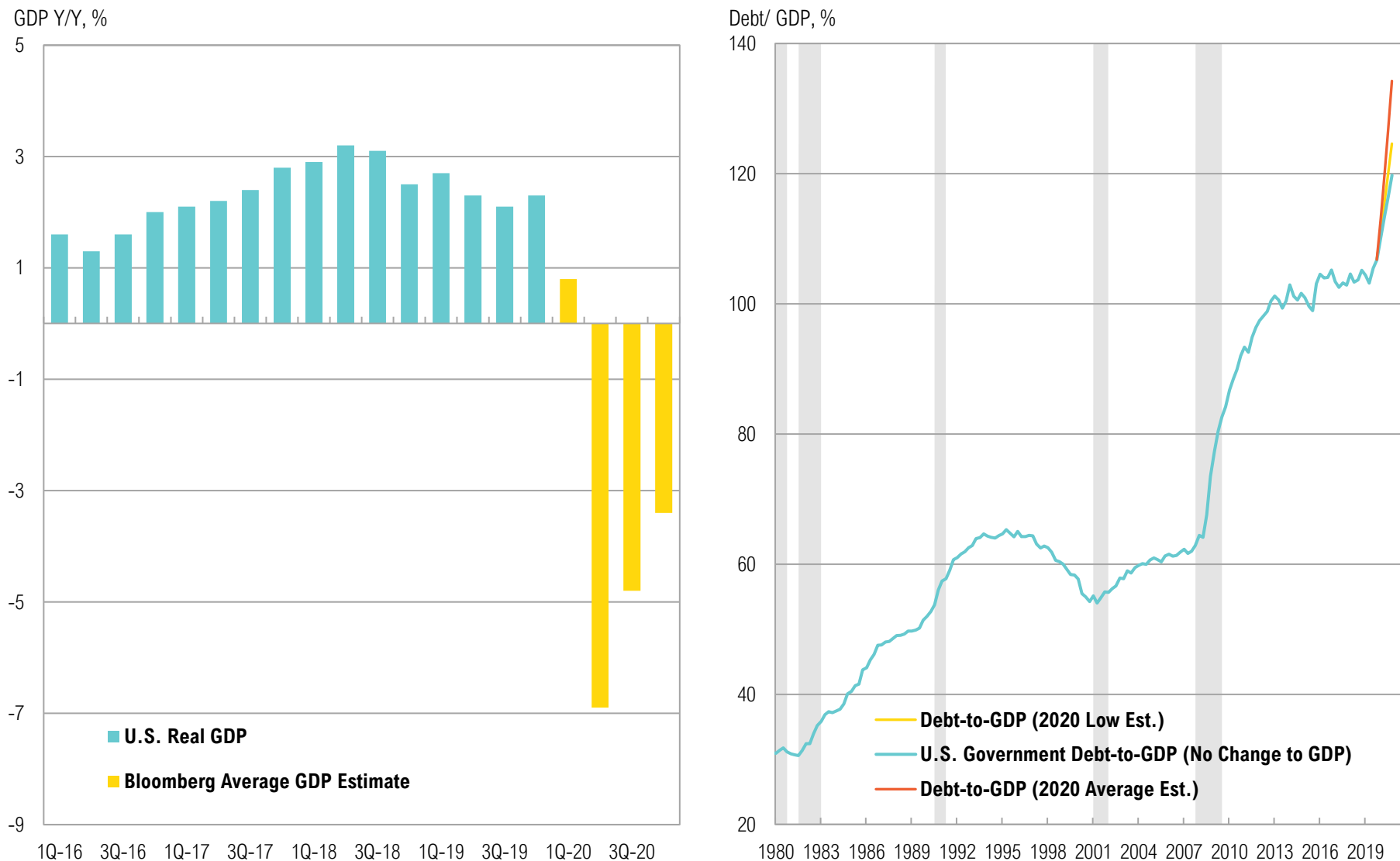
Change from Median, %



Source: OpenTable, TSA, Google, SpringTide calculations

U.S. GDP Estimates

BLOOMBERG AVERAGE GDP ESTIMATE (LHS), U.S. GOVERNMENT DEBT-TO-GDP ESTIMATES (RHS)

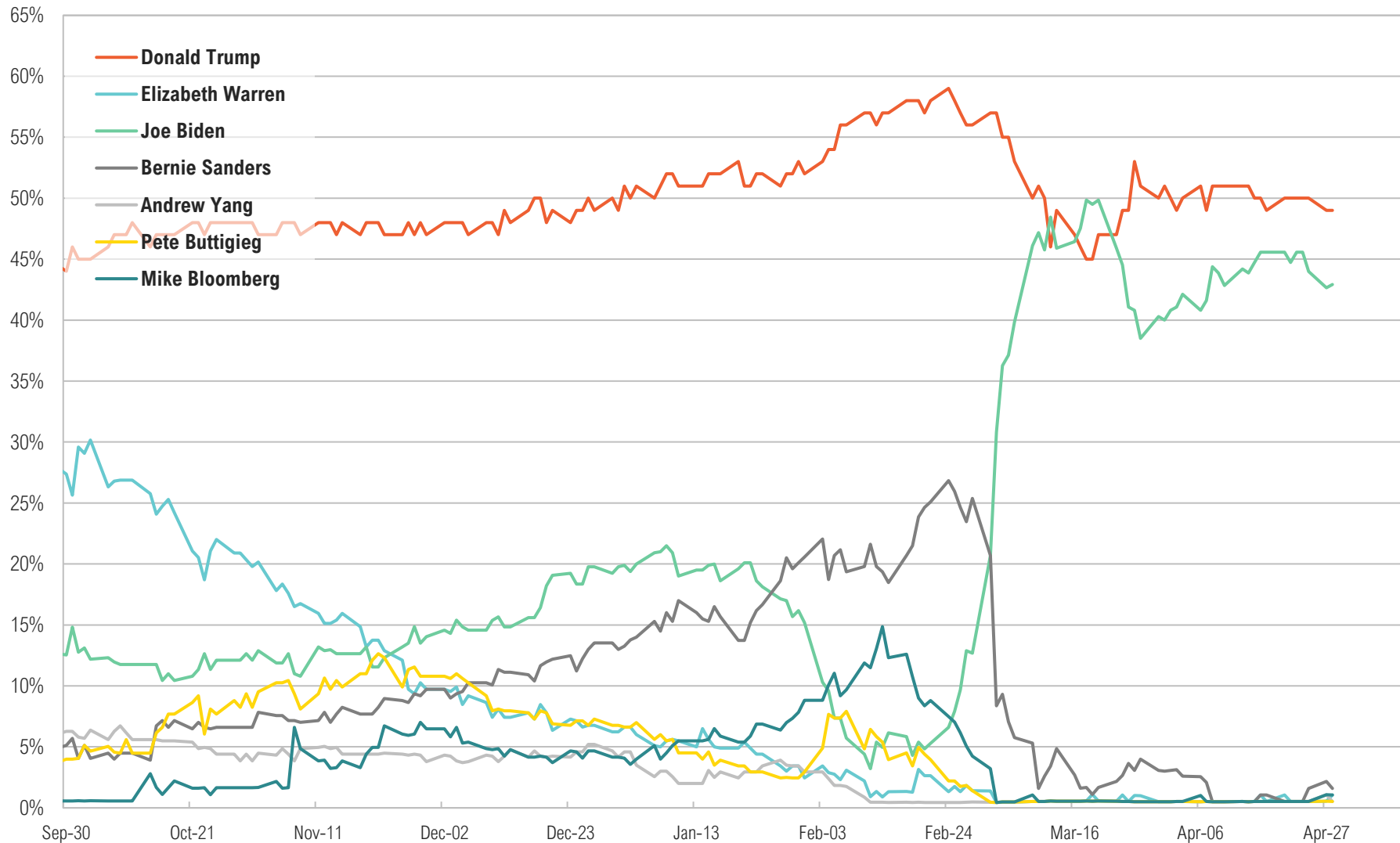


Source: Bloomberg

Trump vs. Biden

U.S. PRESIDENTIAL ELECTION CANDIDATE PROBABILITIES OF WINNING

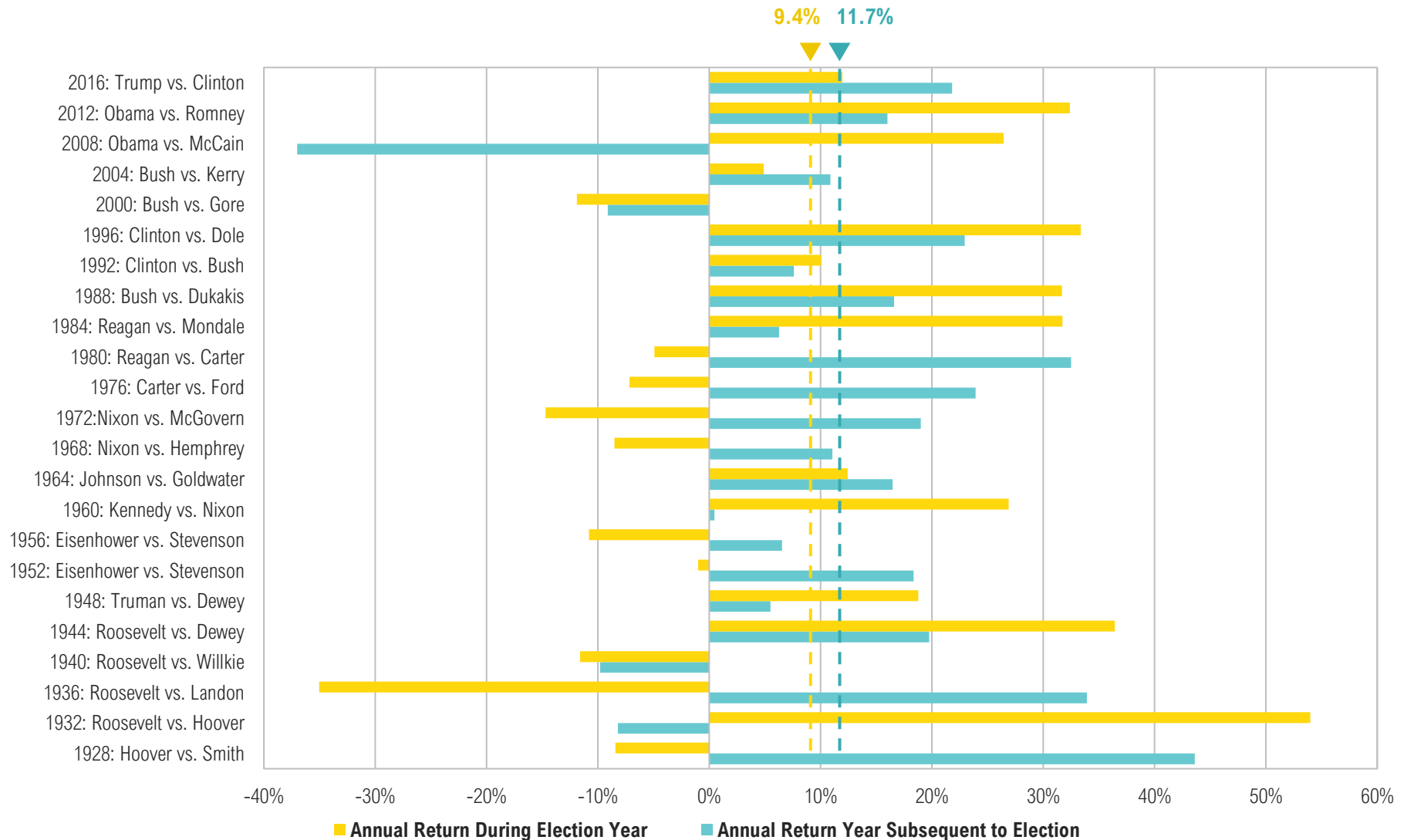
Prediction-Market Implied Odds



Source: PredictIt

Election and Post Election Year Annual Returns for Large Cap

S&P 500 ANNUAL RETURNS IN ELECTION AND YEARS SUBSEQUENT TO ELECTION, *CALENDAR YEARS, 1928 - 2016*

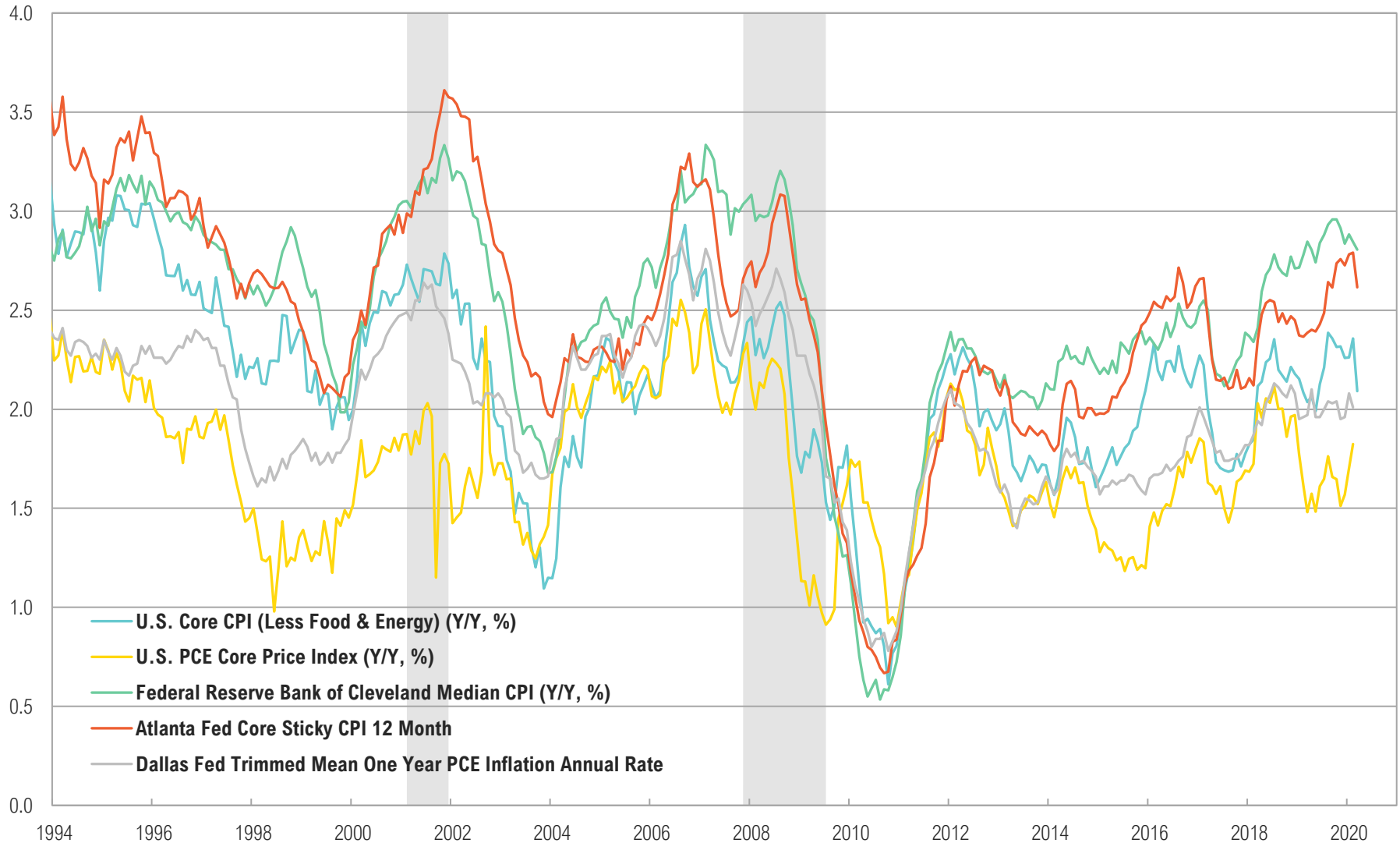


Source: Bloomberg

Most Measures of Core Inflation Have Come Down

SELECT MEASURES OF U.S. INFLATION, 1/1/1994 – 3/31/2020

Inflation Y/Y, %

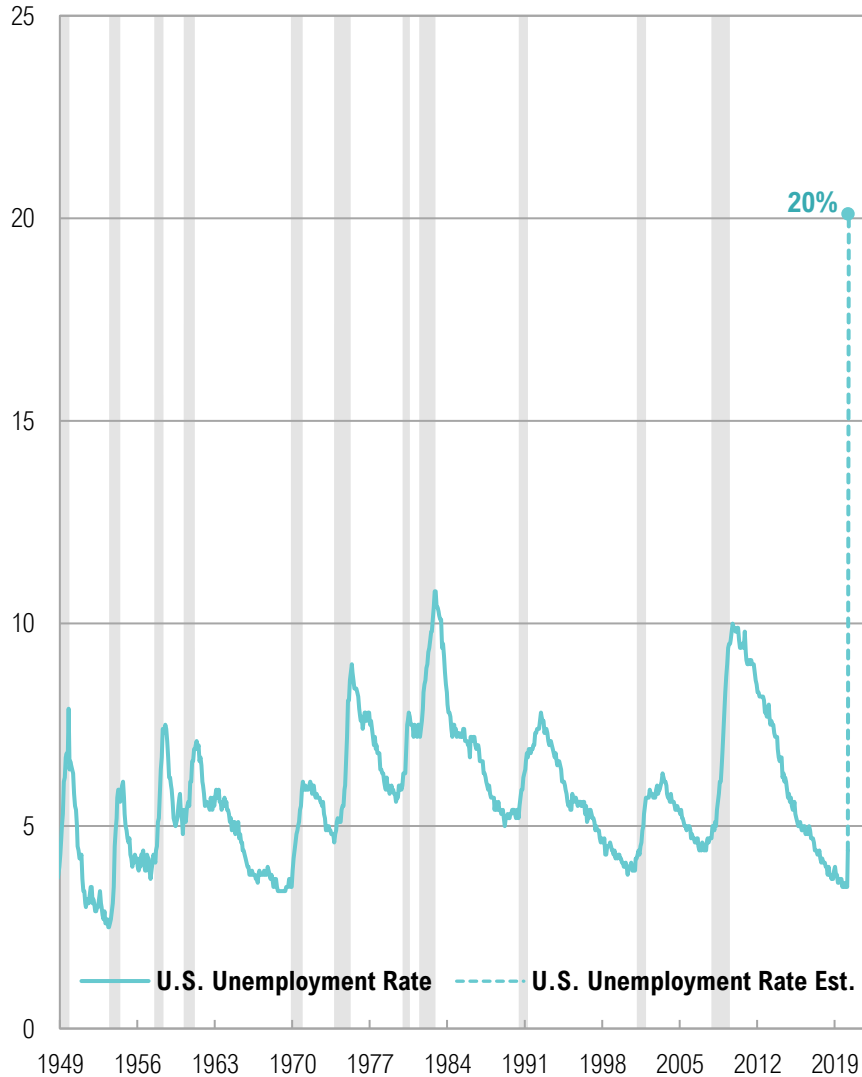


Source: Bloomberg

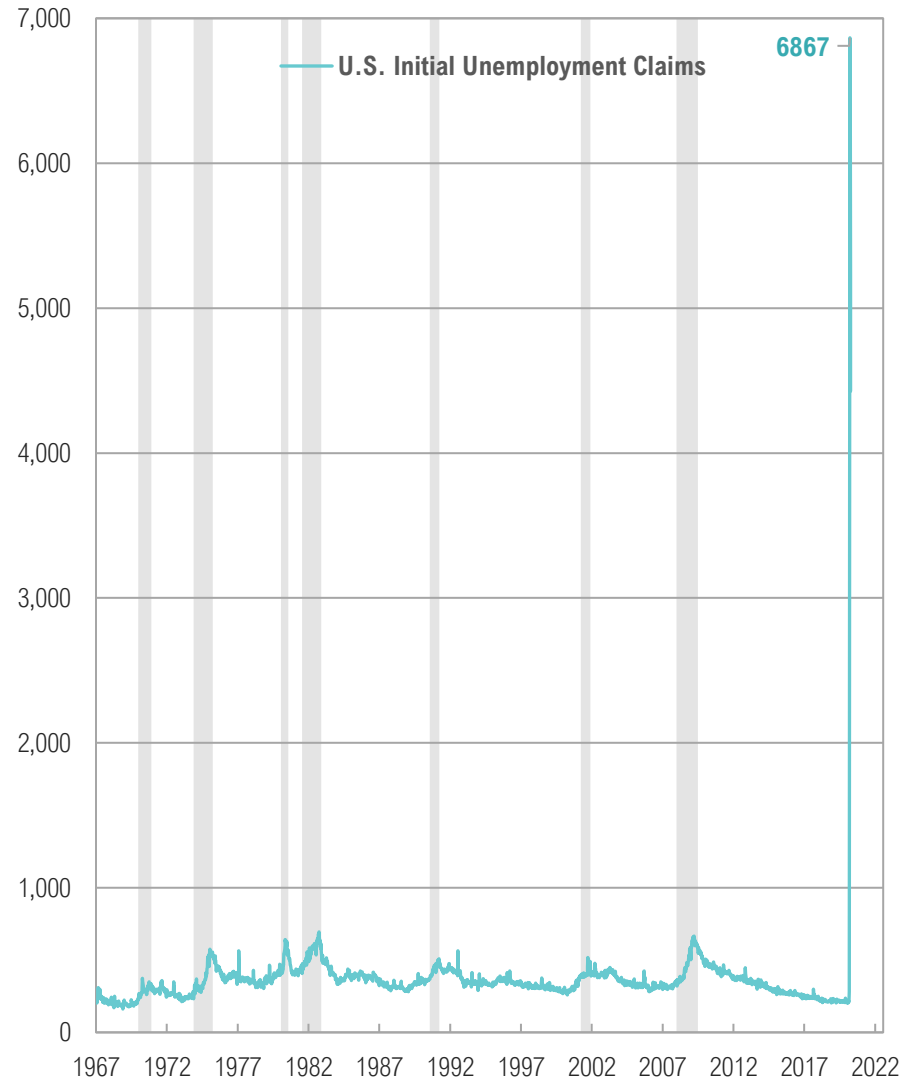
Per Economists, Unemployment Rate Could Approach 20%

U.S. UNEMPLOYMENT RATE (LHS), U.S. INITIAL UNEMPLOYMENT CLAIMS (RHS), AS OF 4/18/2020

Unemployment Rate, %



Initial Unemployment Claims, '000

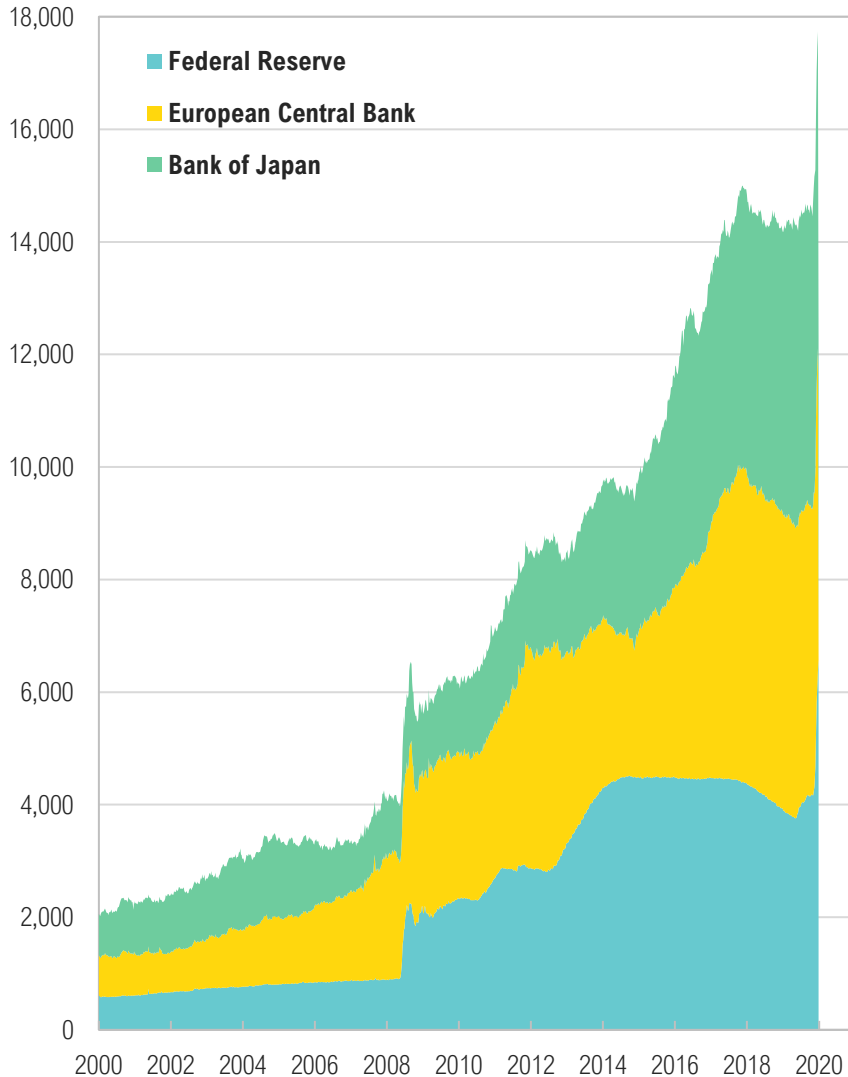


Source: Bloomberg

Unprecedented Central Bank Balance Sheet Expansion

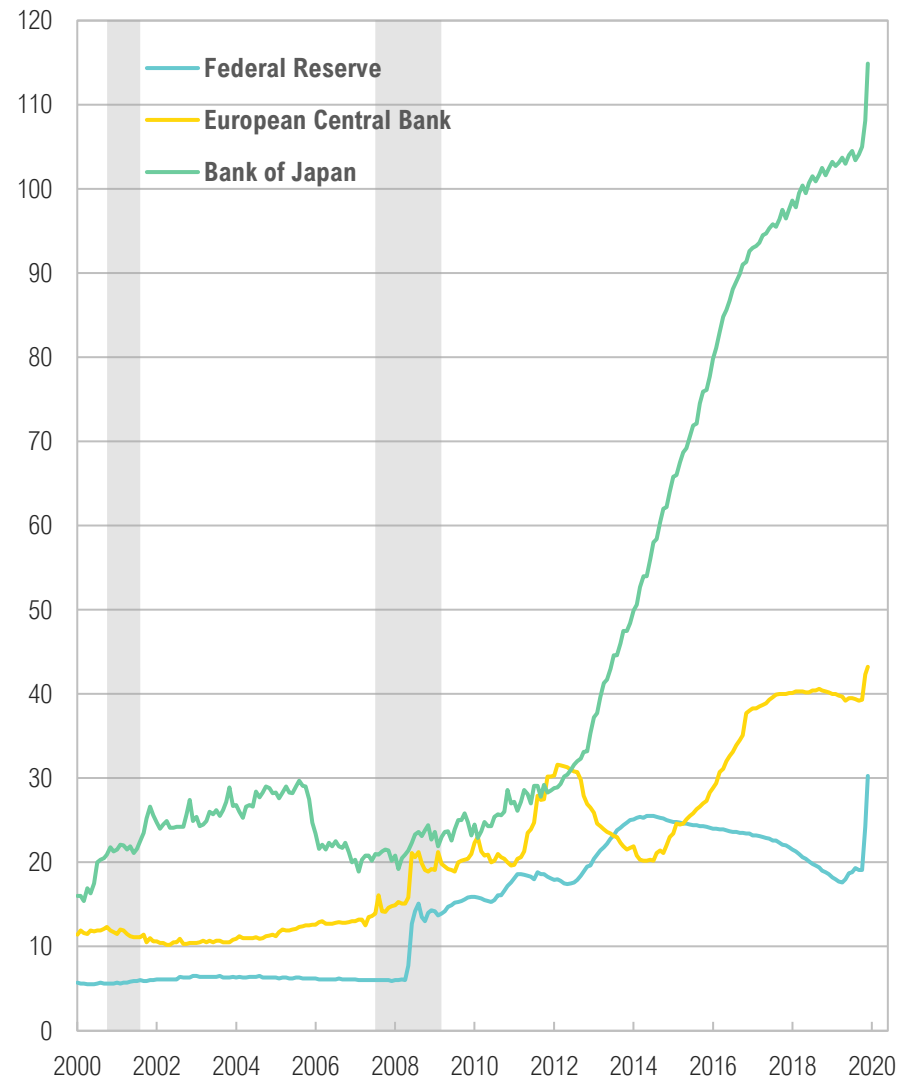
CENTRAL BANK BALANCE SHEETS (LHS), CENTRAL BANK BALANCE SHEETS AS % OF GDP (RHS), 5/31/2000 – 4/22/2020

Balance Sheet, \$Bn



Source: Bloomberg

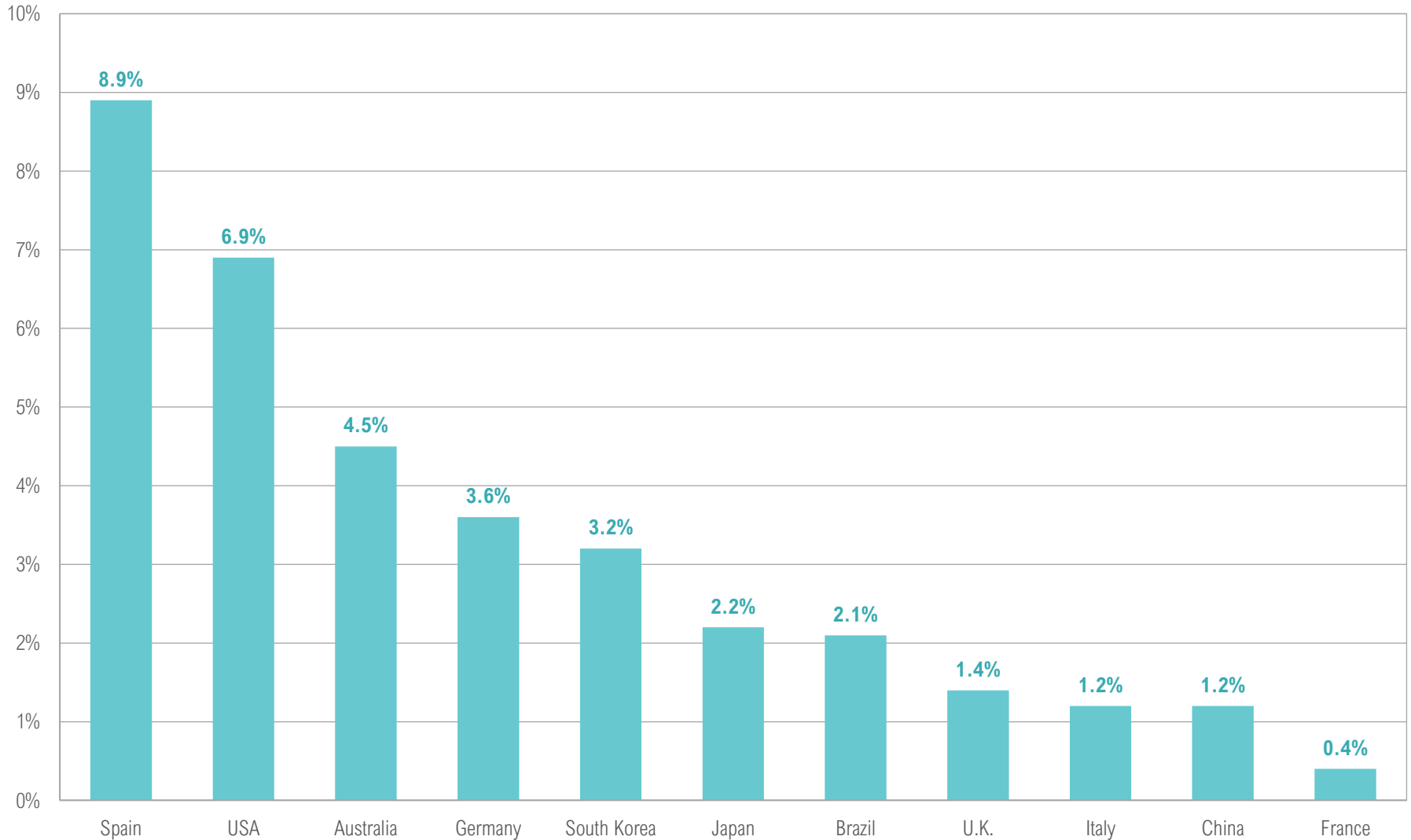
Central Bank Balance Sheet to GDP, %



Global Policy Response to COVID-19

GOVERNMENT SPENDING AS % OF GDP, AS OF 3/31/2020

Change from 1 Year Ago, %



Source: SpringTide calculations based on 2019 GDP.

EQUITY

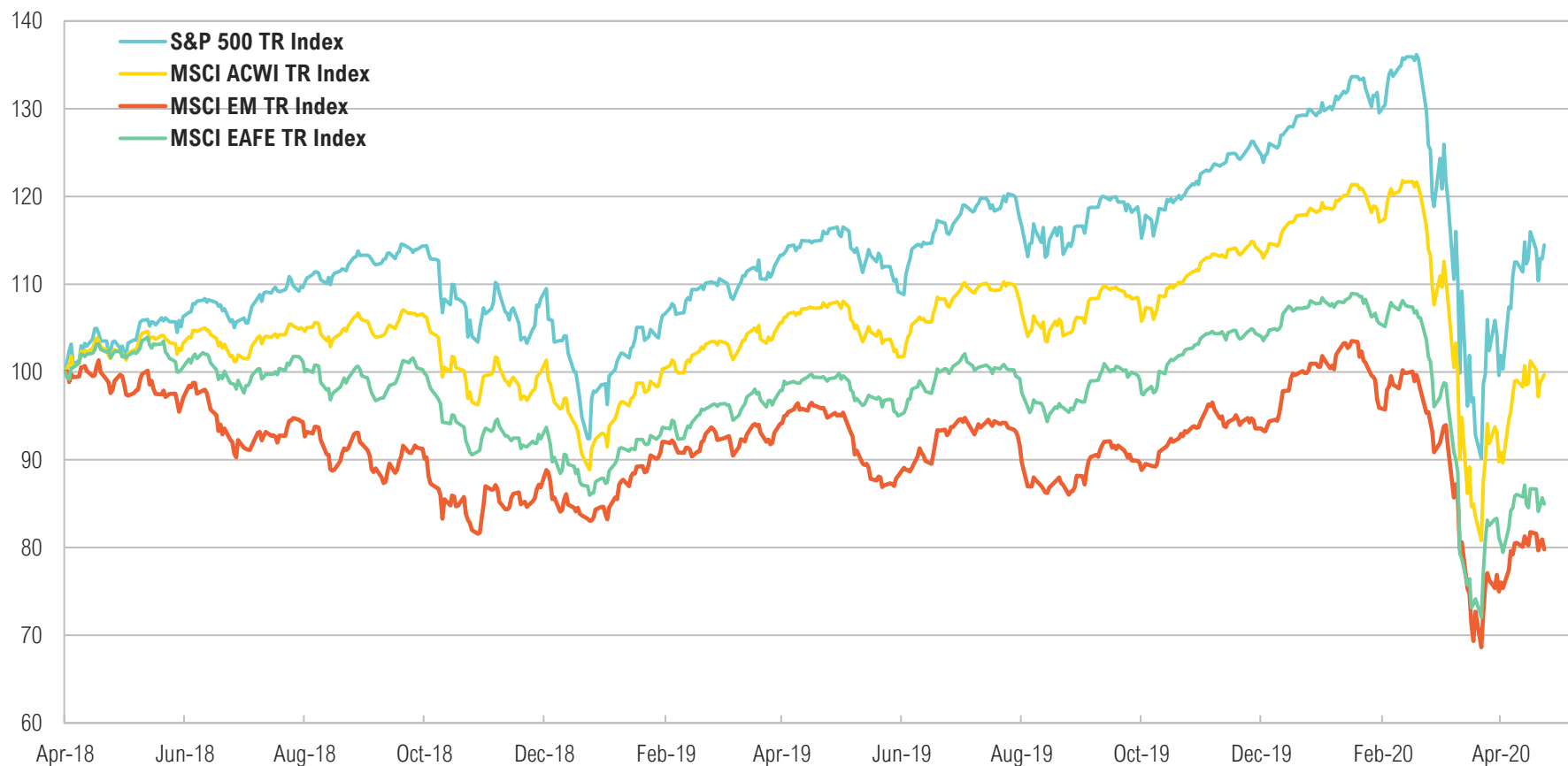
“ *One of the things that we’re hearing a lot from business contacts and leaders in the community is our concerns that even as the pandemic passes, even as the restrictions are relaxed gradually over time, people may take quite a while before they’re willing to get back on airplanes or trains or go to the theater or go to concerts and things like that. So, I think there are some risks that it takes longer to get that recovery for the economy than just what happens in terms of the formal restrictions that are in place.*”

John Williams, New York Fed President, April 2020

Equity Returns

CALENDAR YEAR & TRAILING TOTAL RETURNS, AS OF 4/24/2020

Growth Index, 3 Year Total Return



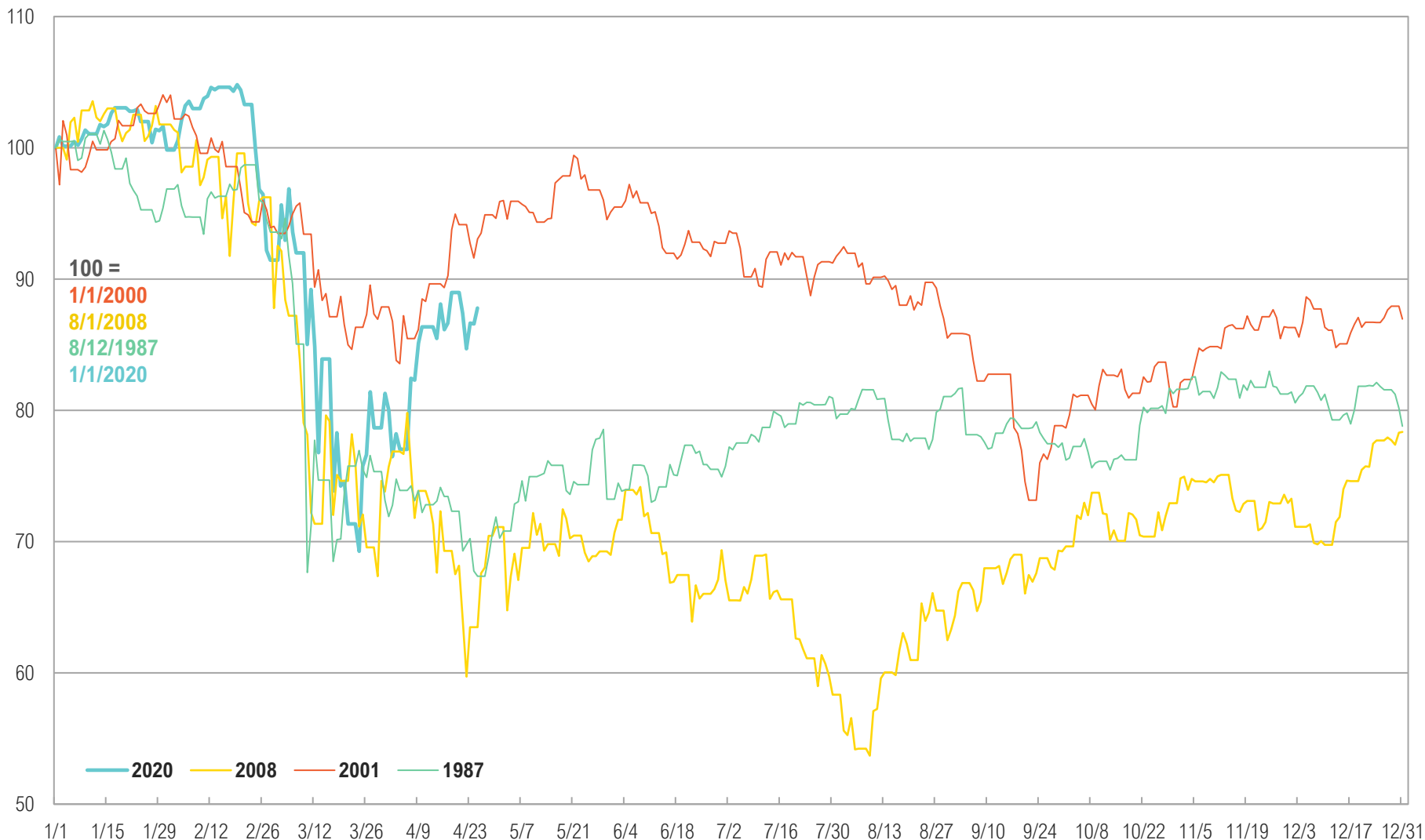
Asset Class	Benchmark	1-Wk	MTD	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
U.S. Large Cap Stocks	S&P 500 TR	3.1	11.3	11.3	-10.5	31.5	-4.4	21.8	12.0	1.4	1.1	9.1	8.9	11.5
Intl Dev Stocks	MSCI EAFE NR	0.8	4.0	4.0	-19.7	22.0	-13.8	25.0	1.0	-0.8	-13.5	-0.5	-0.4	2.9
Emerging & Frontier Mkt Stoc	MSCI EM NR	1.5	6.3	6.3	-18.8	18.4	-14.6	37.3	11.2	-14.9	-15.6	0.2	-0.5	1.1
Global Stocks	MSCI ACWI NR	2.2	8.6	8.6	-14.6	26.6	-9.4	24.0	7.9	-2.4	-6.2	4.4	4.1	6.6

Source: Bloomberg

Coronavirus Crisis vs. Major Bear Markets of History

S&P 500 INDEX GROWTH OF 100 DURING SELECT PERIODS, AS OF 4/24/2020

Growth of 100

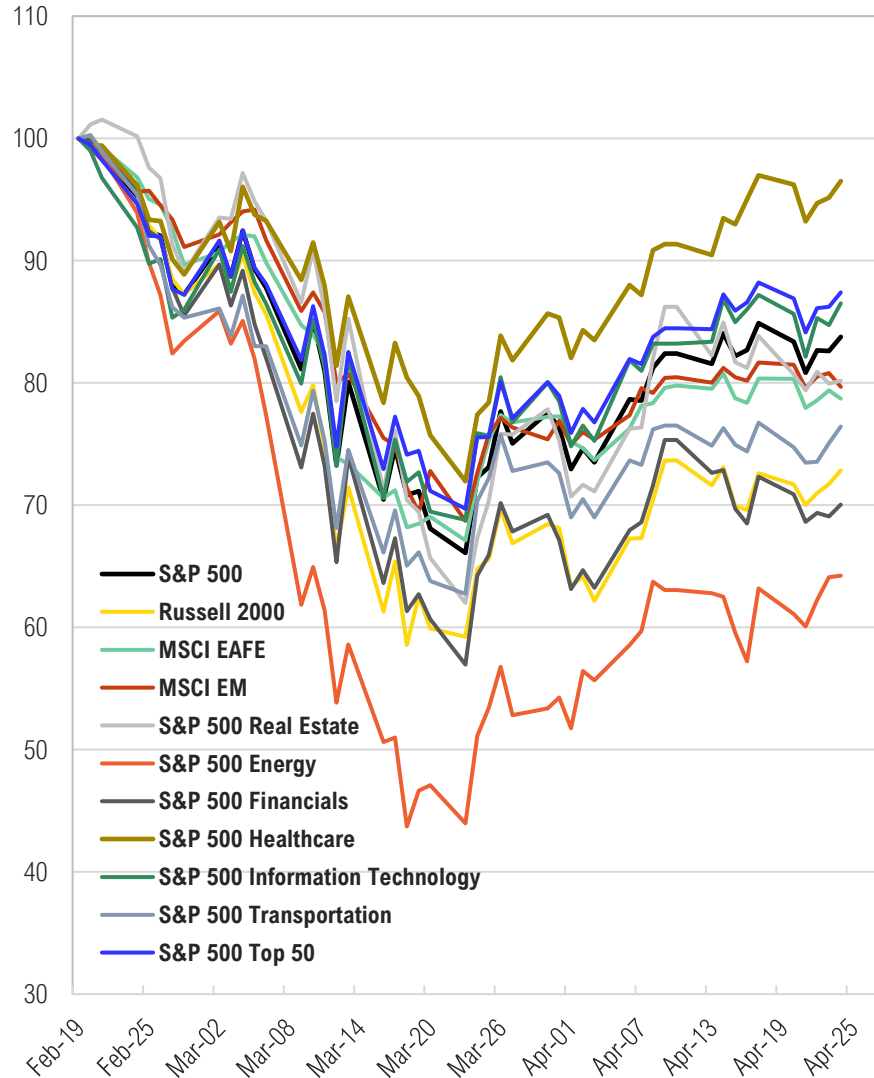


Source: Bloomberg

Equity Market Internals: Decline & Rally

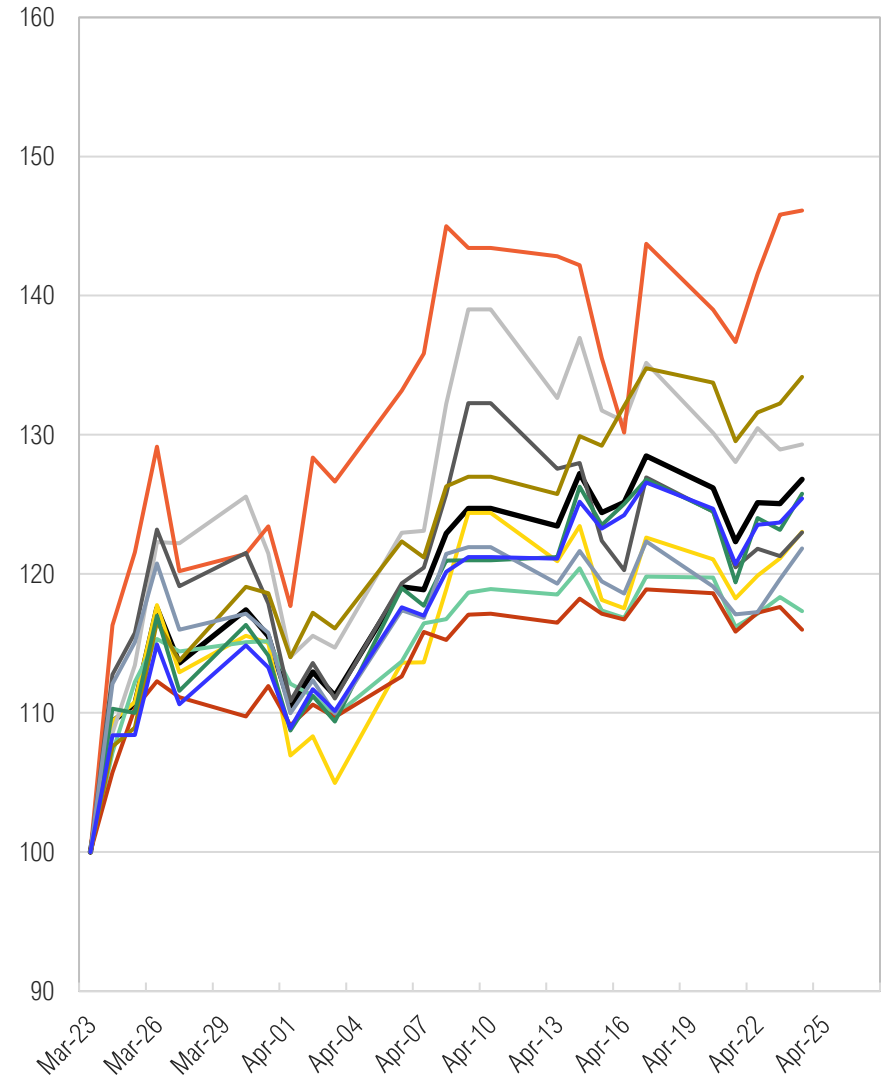
EQUITY INDEX & SELECT SECTOR PERFORMANCE, AS OF 4/24/2020

Growth of 100, 2/29/2020 = 100



Source: Bloomberg

Growth of 100, 3/23/2020 = 100

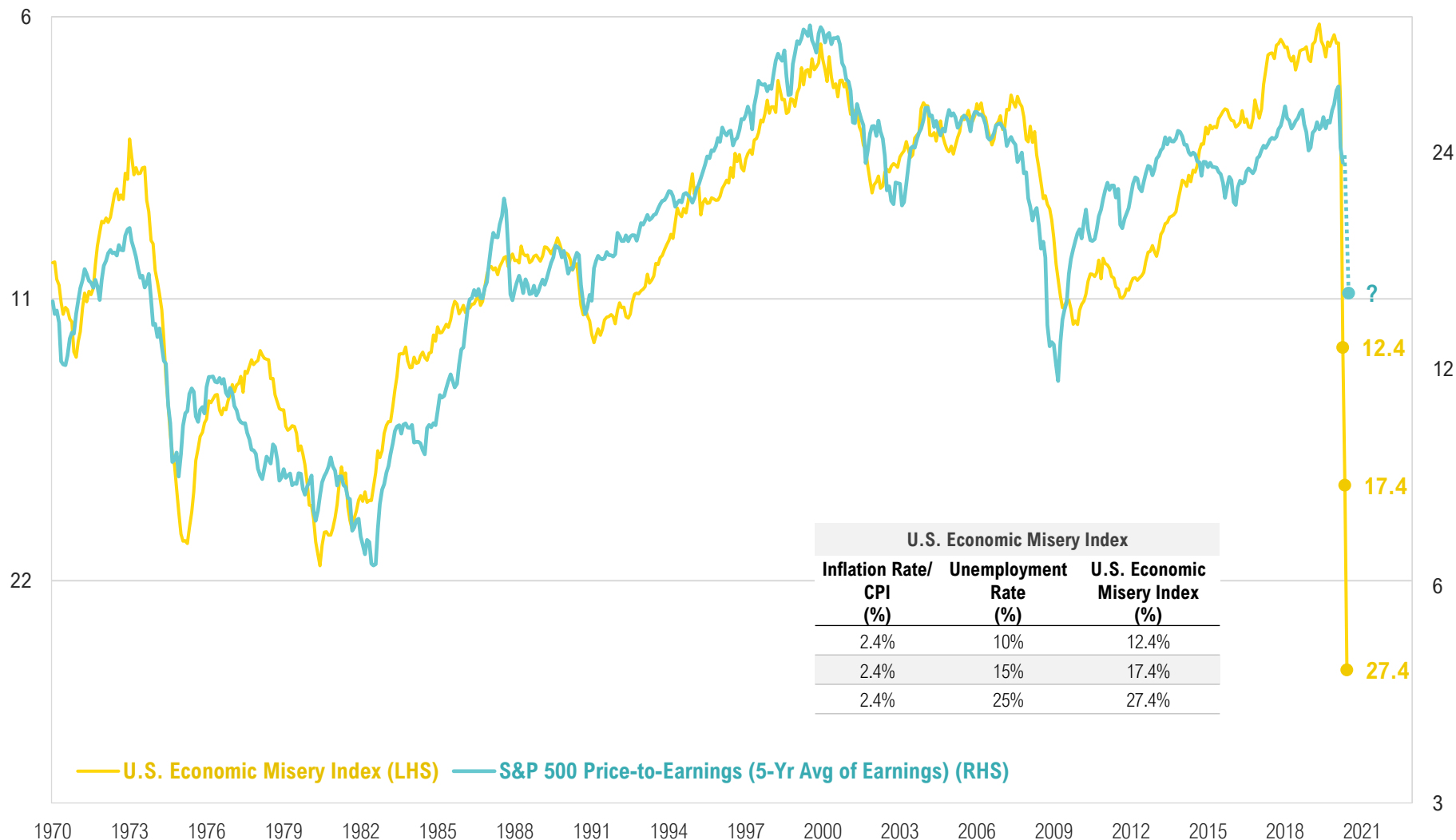


Higher Unemployment Generally Means Lower Equity Prices

S&P 500 P/E RATIO ("SHILLER P/E 5") VS. U.S. ECONOMIC MISERY INDEX (INVERTED), 1970 - 2020

Economic Misery Index, %, Inverted Log Scale

S&P 500 Price-to-Earnings (P/E), Log Scale



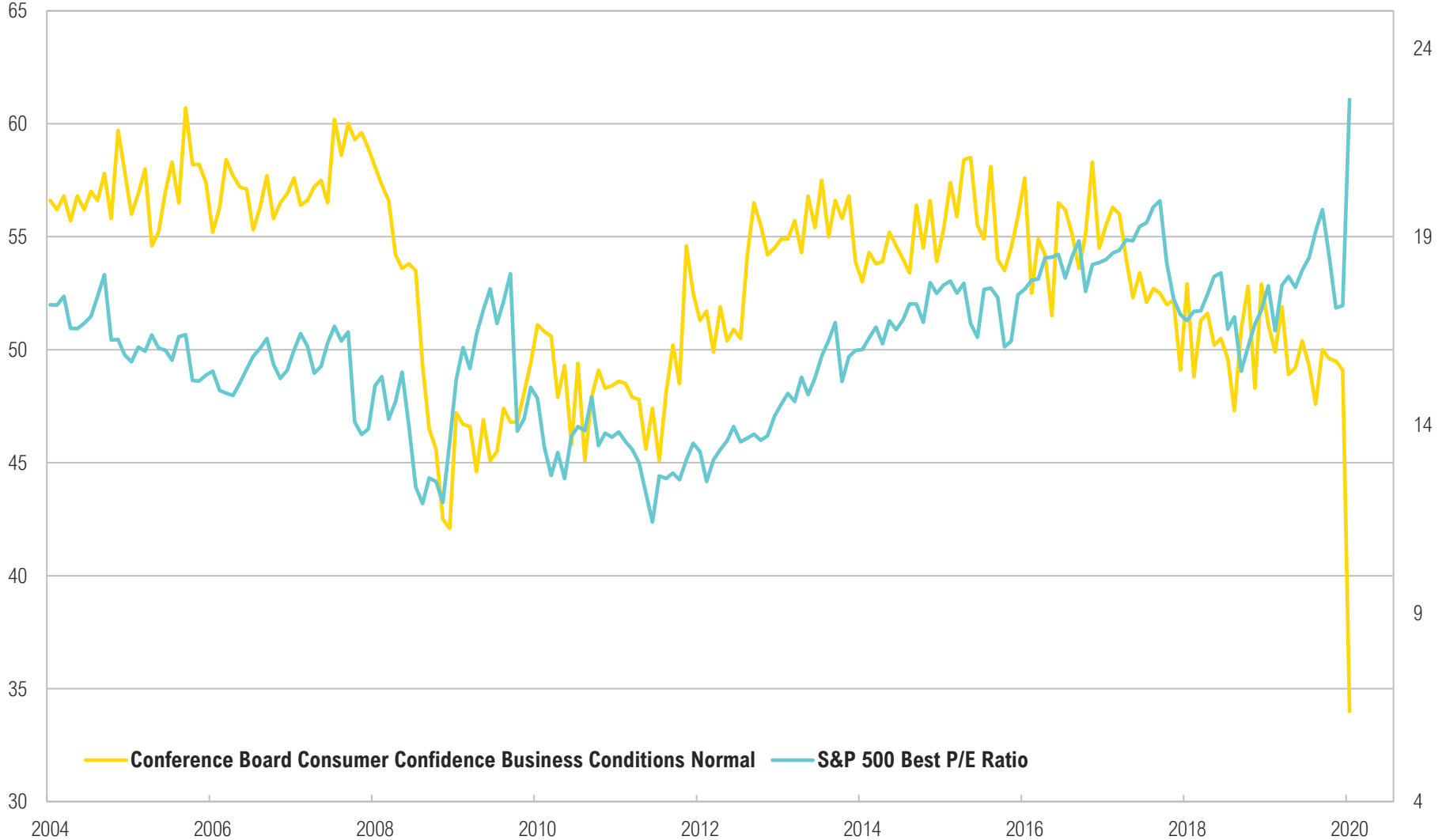
Source: Bloomberg, SpringTide calculations

The Great Battle of the Economy vs. Markets

CONFERENCE BOARD CONSUMER CONFIDENCE VS. S&P ESTIMATED P/E RATIO, 2004 - CURRENT

CB Consumer Confidence Business Conditions Normal

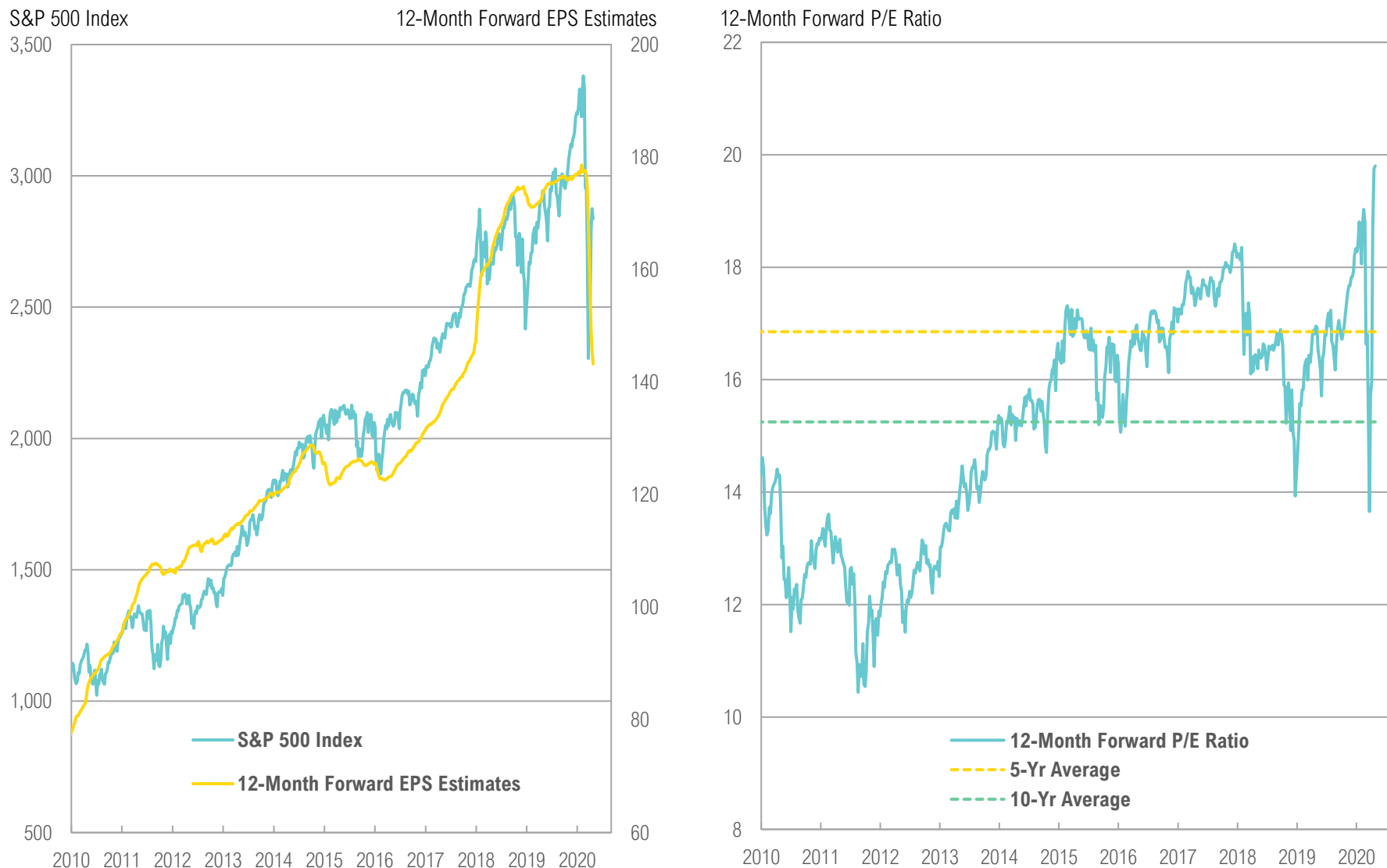
S&P 500 Est. P/E Ratio



Source: Bloomberg

Decline in EPS Has Driven Valuations to Cycle Highs

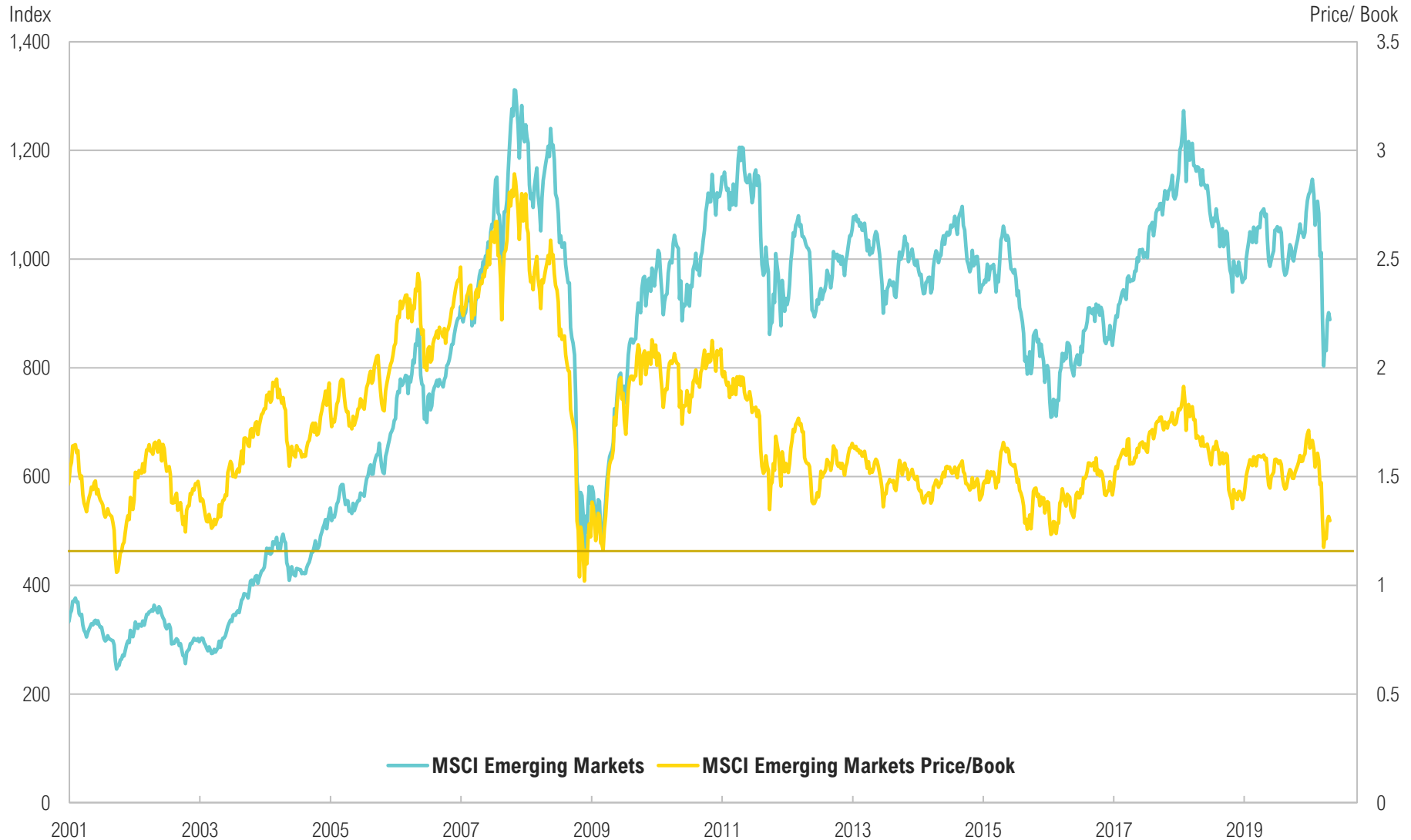
S&P 500 INDEX VS. 12-MONTH FORWARD EPS ESTIMATES (LHS), 12-MONTH FORWARD P/E RATIO (RHS), 2010 - 2020



Source: Bloomberg

Emerging Mkt Equities Look Cheap Relative to Book Values, But...

MSCI EMERGING MARKETS INDEX VS. PRICE/ BOOK RATIO, 1/1/2000 – 4/23/2020

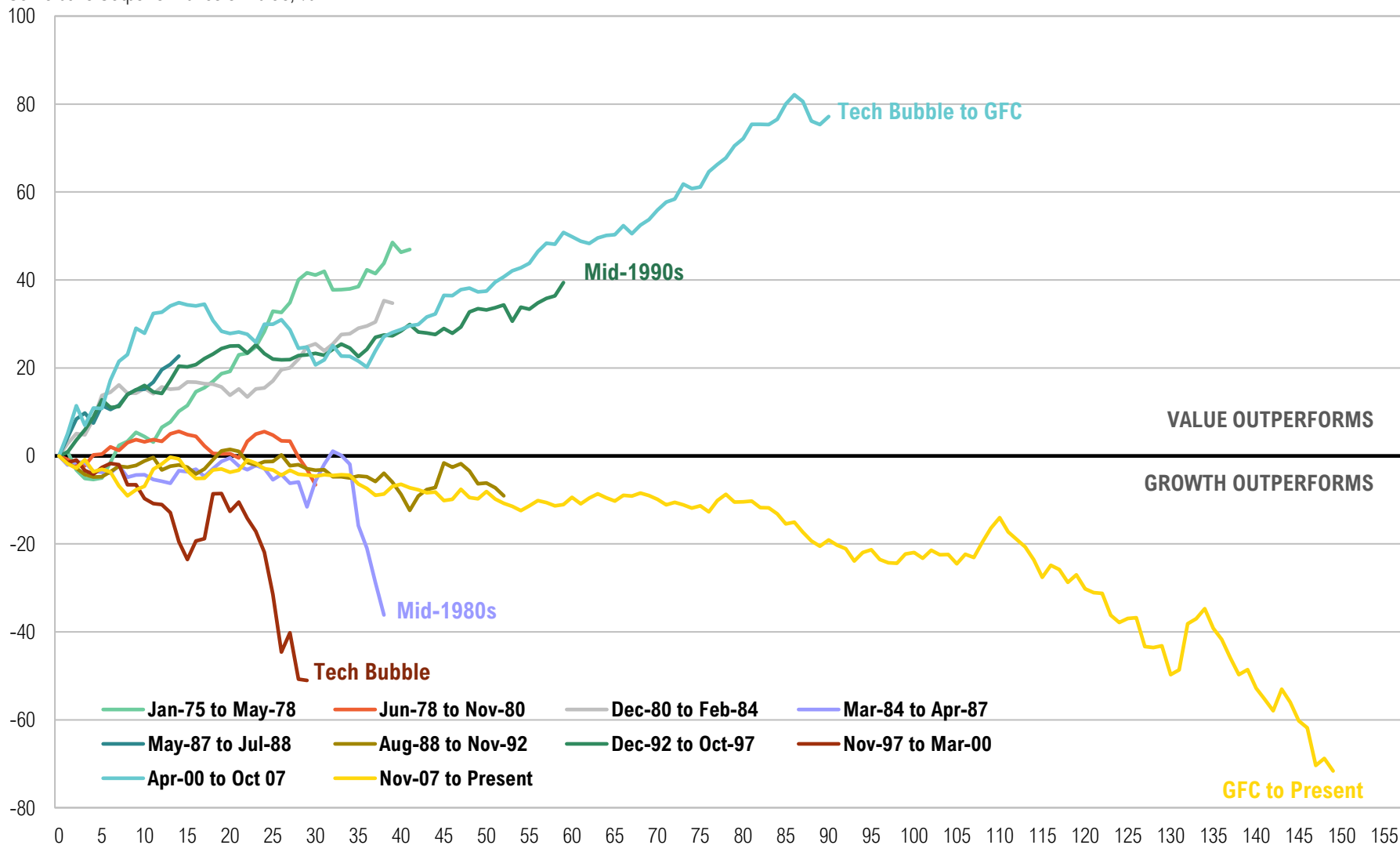


Source: Bloomberg

Current Growth Cycle at Extreme Levels

MSCI WORLD VALUE VS. MSCI WORLD GROWTH DURING SELECT PERIODS

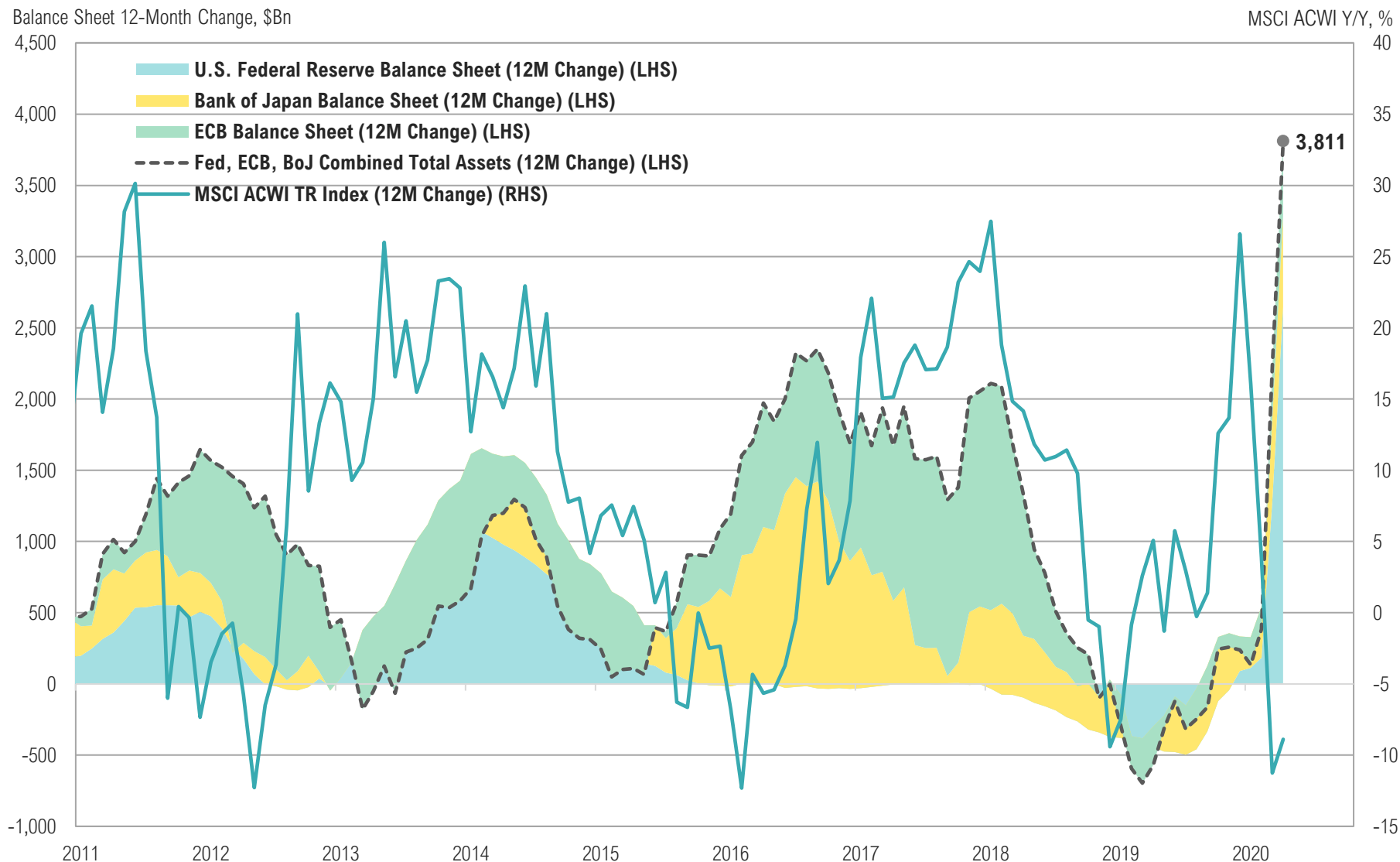
Cumulative Outperformance of Value, %



Source: Bloomberg

CB Balance Sheets and Global Stocks

CENTRAL BANK BALANCE SHEETS 12-MONTH CHANGE VS. MSCI ACWI Y/Y % CHANGE, 1/1/2011 – 4/22/2020

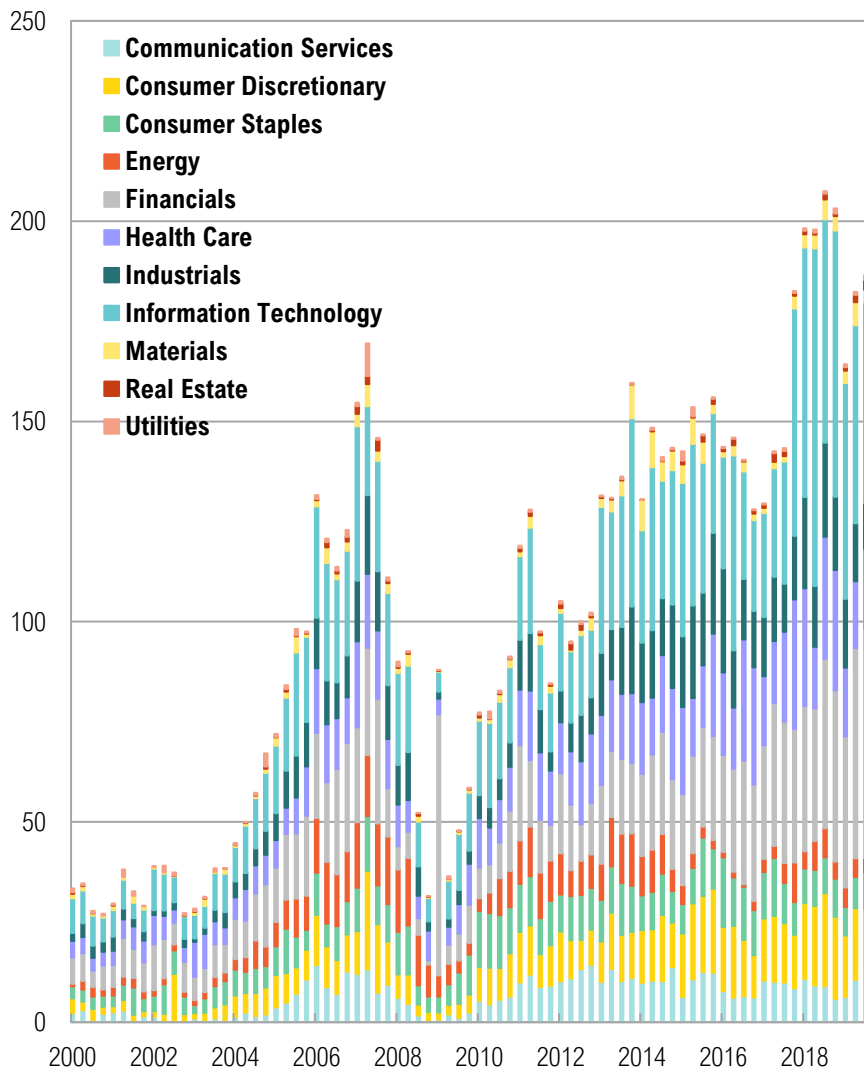


Source: Bloomberg, SpringTide calculations

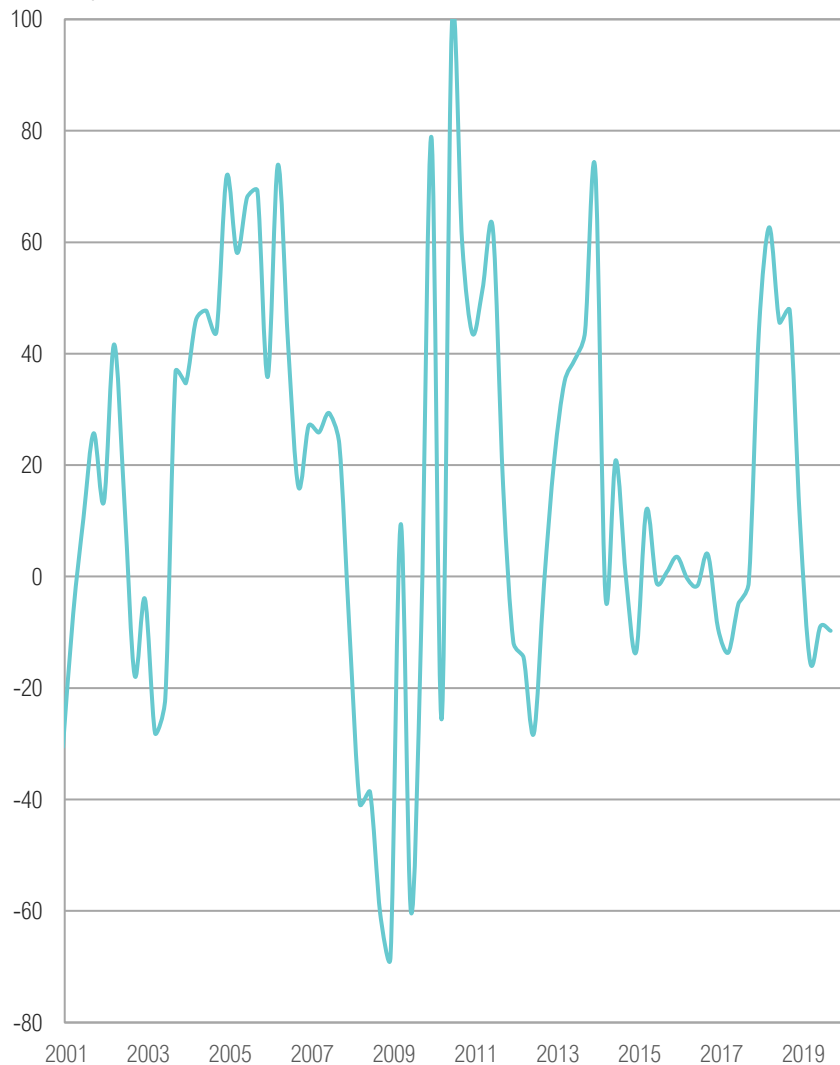
Buybacks: Large Source of Equity Demand Slowing

CORPORATE BUYBACKS BY S&P 500 SECTOR (LHS) & BUYBACKS QUARTERLY Y/Y % CHANGE (RHS), 3/31/2000 – 12/31/2019

Billions, \$



Quarterly Y/Y, %

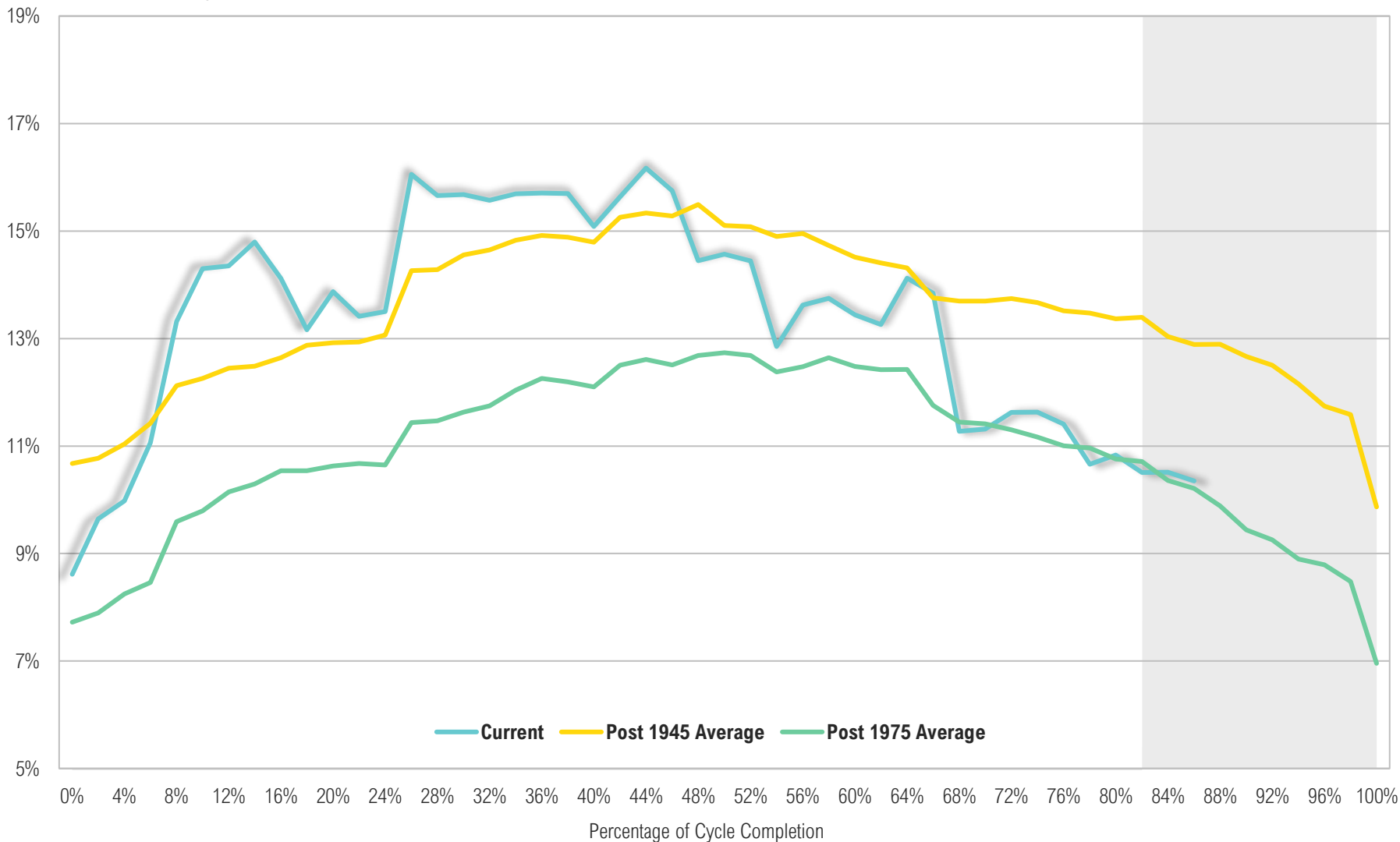


Source: Bloomberg

U.S. Corporate Profits Were Rolling Over Prior to Coronavirus

U.S. CORPORATE PROFIT MARGINS: POST-1945 AVERAGE, POST-1975 AVERAGE & CURRENT, AS OF 3/31/2020

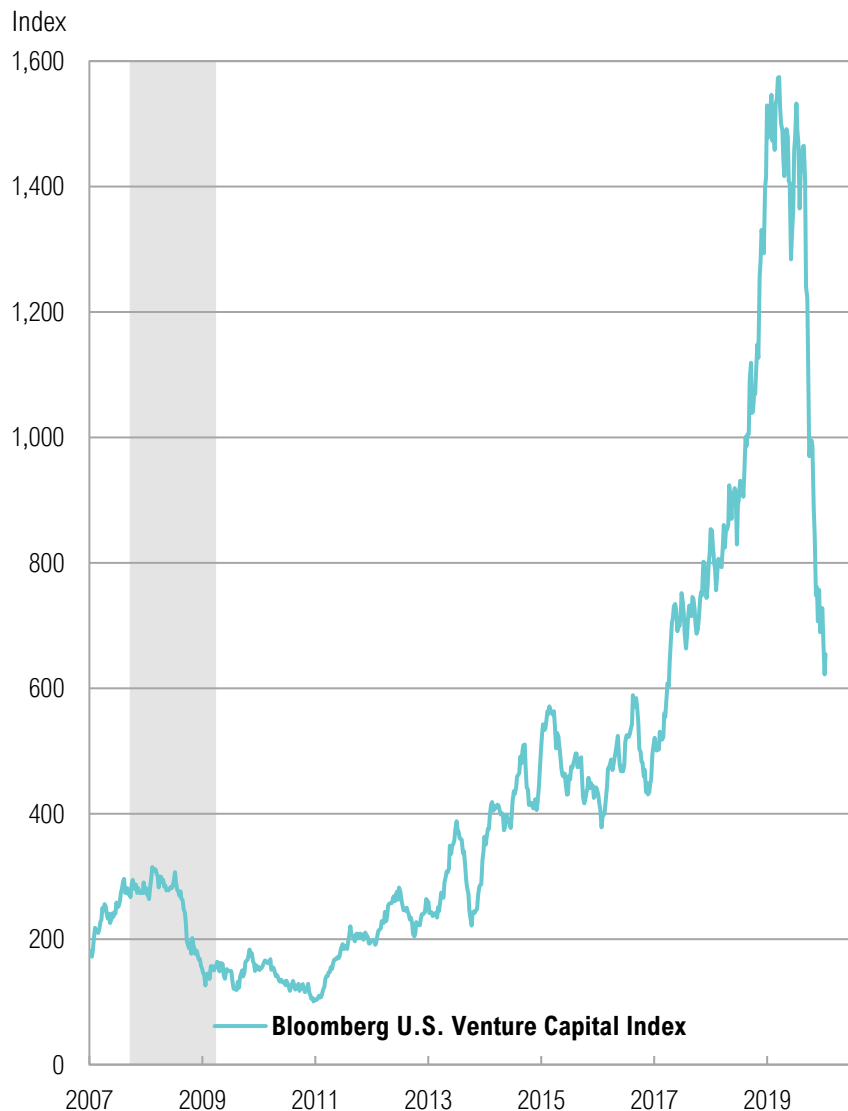
U.S. Corporate Profit Margins, %



Source: FRED, NIPA, SpringTide calculations.

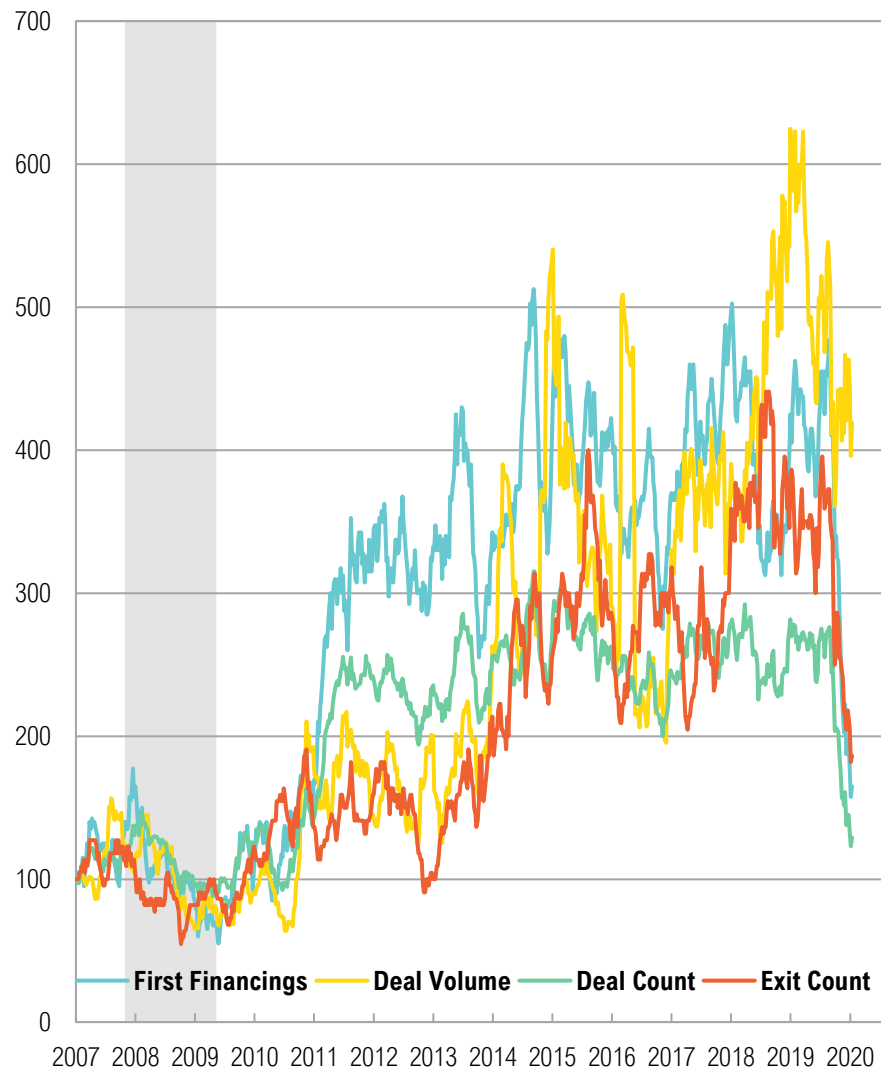
Venture Capital Washout

BLOOMBERG U.S. STARTUP (VENTURE CAPITAL) INDICES, 2007 – 4/20/2020



Source: Bloomberg

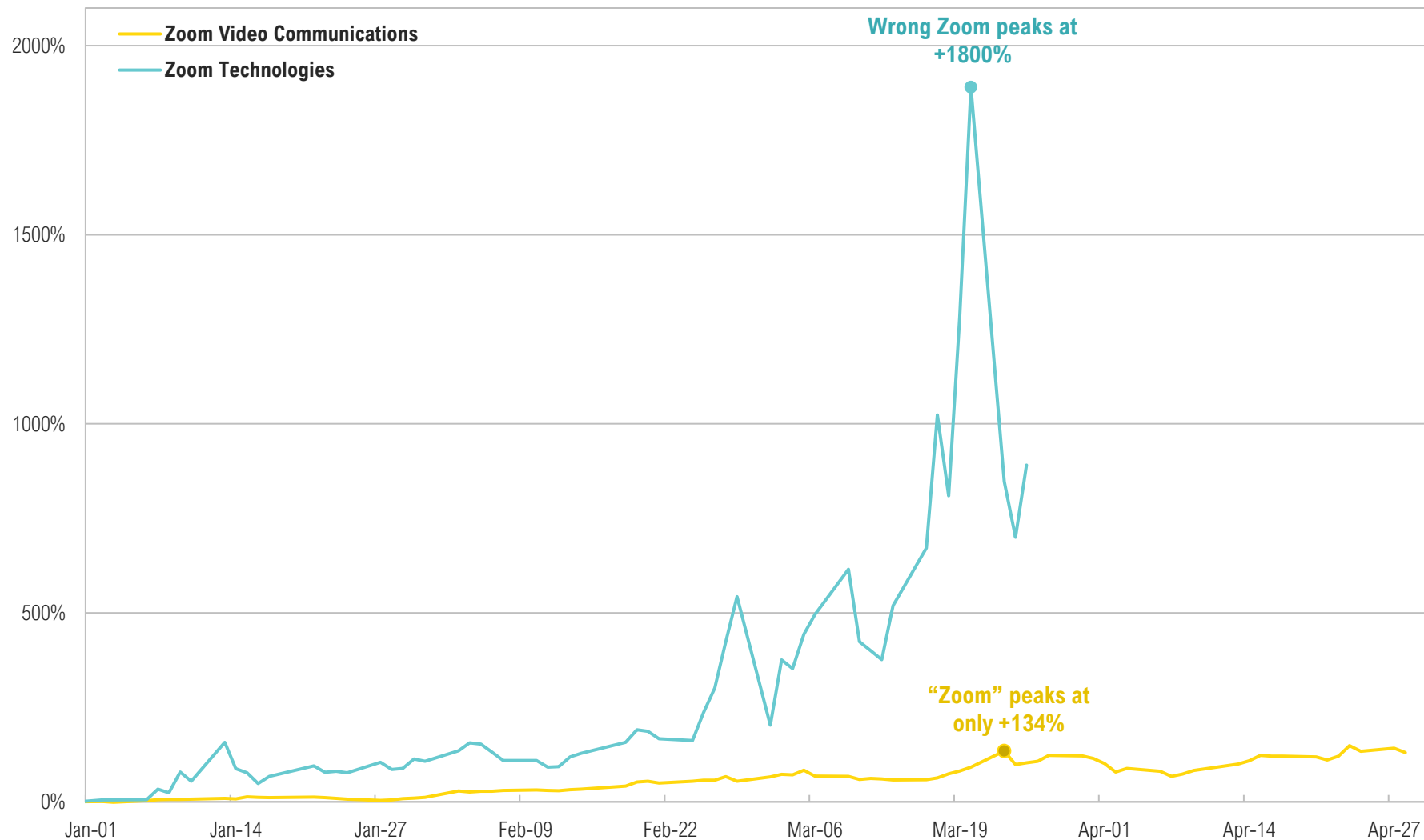
Bloomberg U.S. Startup Barometers, Growth of 100



Markets Are Not Always as Efficient As We Think

ZOOM VIDEO COMMUNICATIONS VS. ZOOM TECHNOLOGIES PRICE PERFORMANCE, 1/1/2020 - CURRENT

YTD Growth, %



Source: Bloomberg

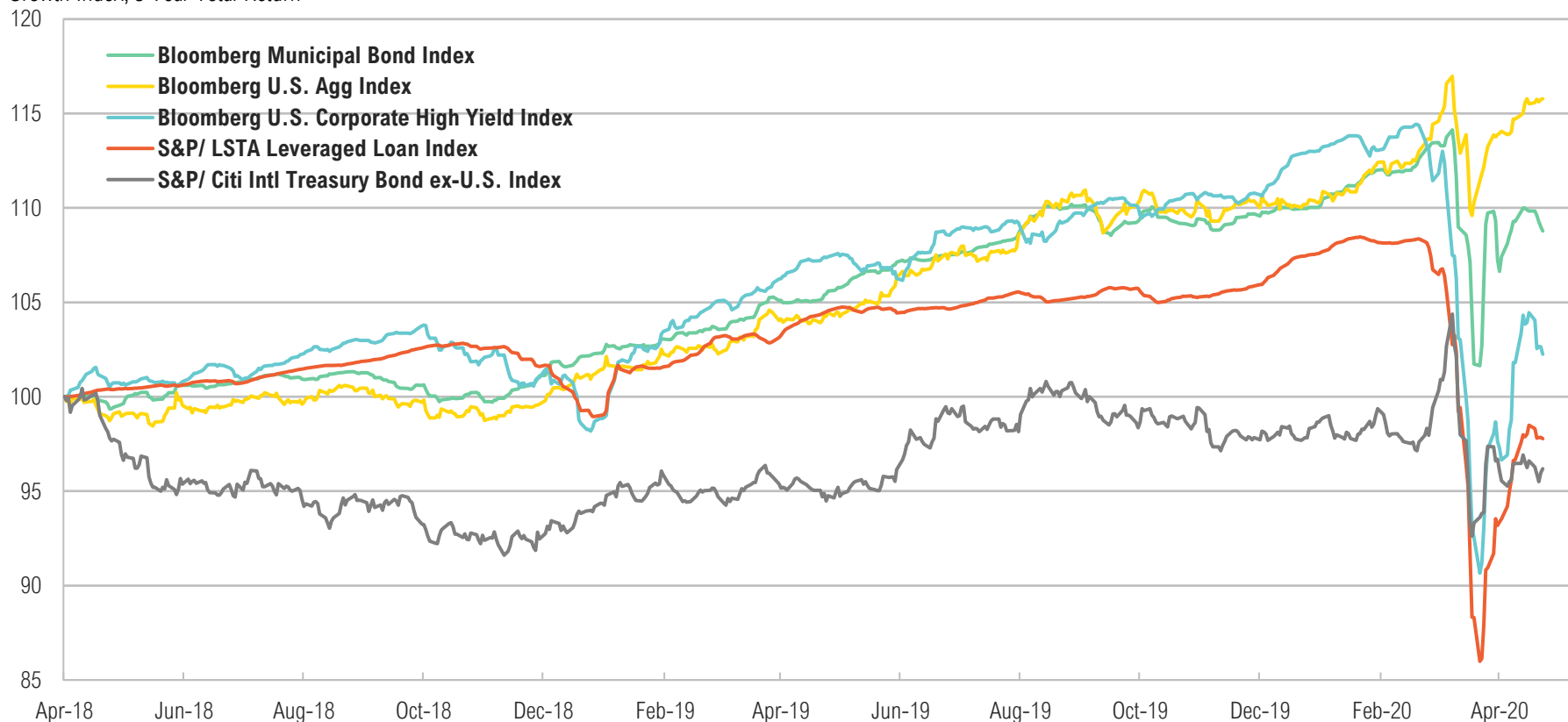
“ *We can do what we can do, and we will do it to the absolute limit of those powers... we will keep at it, and we will be at it with the legal authorities that we have until we get through this thing. We will keep using our authorities... but there are authorities that we don't have and there may be a need for those authorities to be used as well as ours.*”

Jerome “Jay” Powell, *Federal Reserve Chairman*

Fixed Income & Credit Returns

CALENDAR YEAR & TRAILING TOTAL RETURNS, AS OF 4/24/2020

Growth Index, 3 Year Total Return



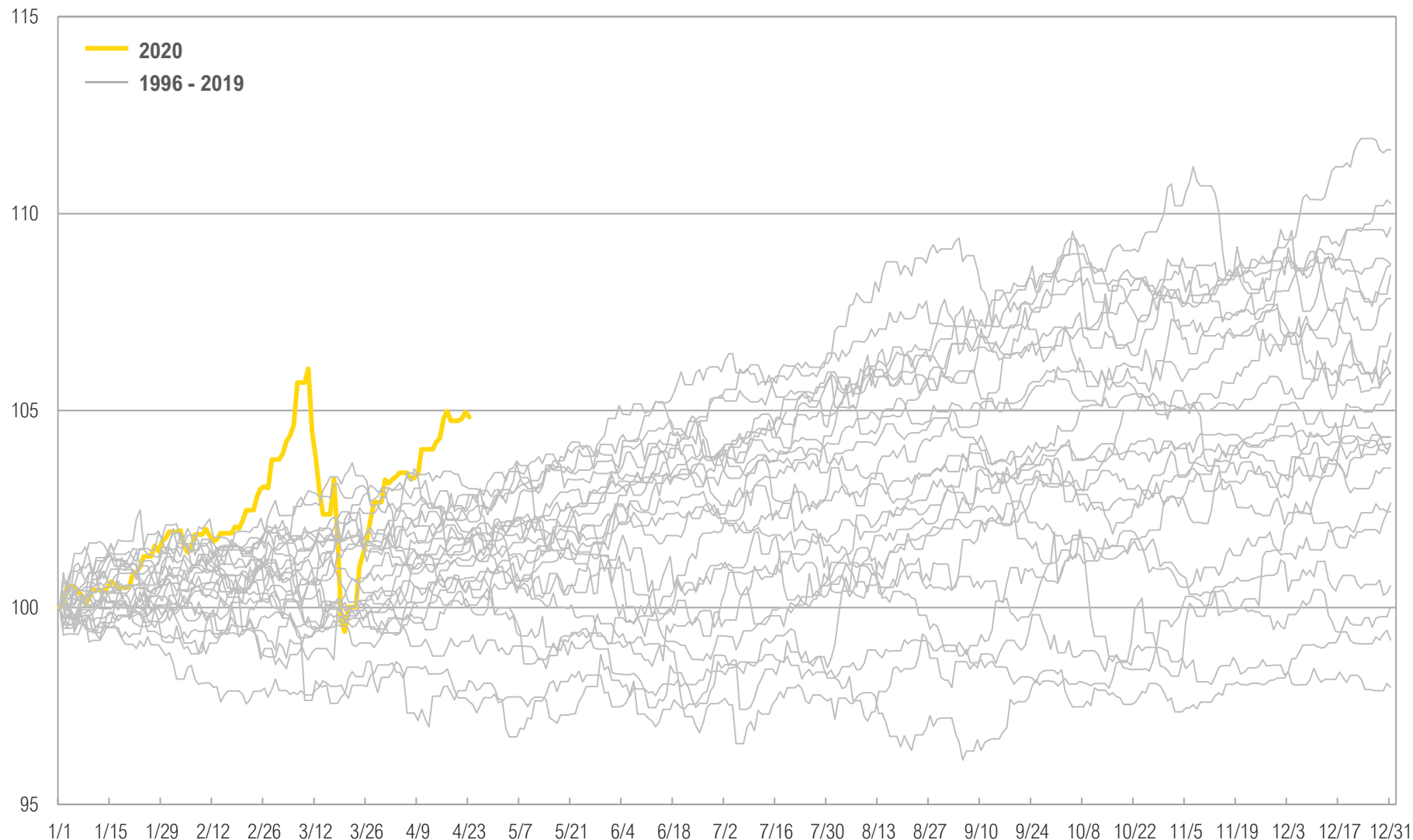
Asset Class	Benchmark	1-Wk	MTD	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
U.S. Municipal Bonds	BBgBarc Municipal 1-10Y Blend 1-12Y	0.4	0.8	0.8	0.2	5.6	1.6	3.5	-0.1	2.4	3.7	1.7	2.3	3.2
U.S. Taxable Bonds	BBgBarc US Agg Bond TR	0.7	1.5	1.5	4.7	8.7	0.0	3.5	2.6	0.5	2.7	1.8	2.3	3.7
U.S. High Yield Bonds	BBgBarc US Corporate High Yield TR	2.1	5.3	5.3	-8.0	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 TR	1.9	5.3	5.3	-8.4	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 TR	0.1	0.0	0.0	-2.1	4.6	-2.3	11.3	1.6	-6.6	-3.6	2.2	-0.3	2.5

Source: Bloomberg

A Record Year for U.S. Core Bonds

BLOOMBERG U.S. AGGREGATE BOND INDEX: GROWTH OF 100 BY CALENDAR YEAR, AS OF 4/23/2020

Calendar Year Growth of 100

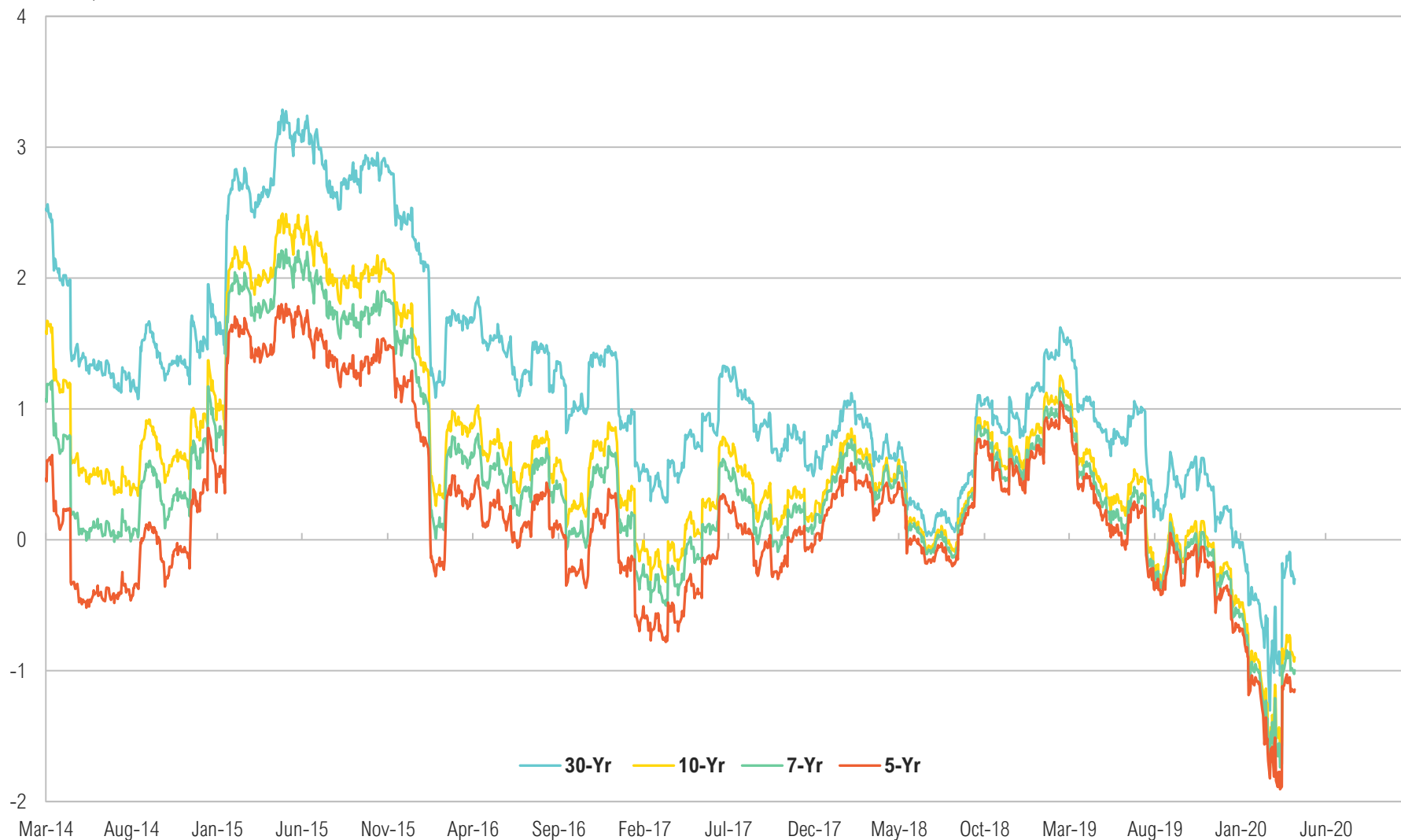


Source: Bloomberg

Negative Real Yields Across the Curve

U.S. TREASURY YIELDS ADJUSTED FOR INFLATION AS MEASURED BY CPI, 3/17/2014 - 4/21/2020

Real Yield, %

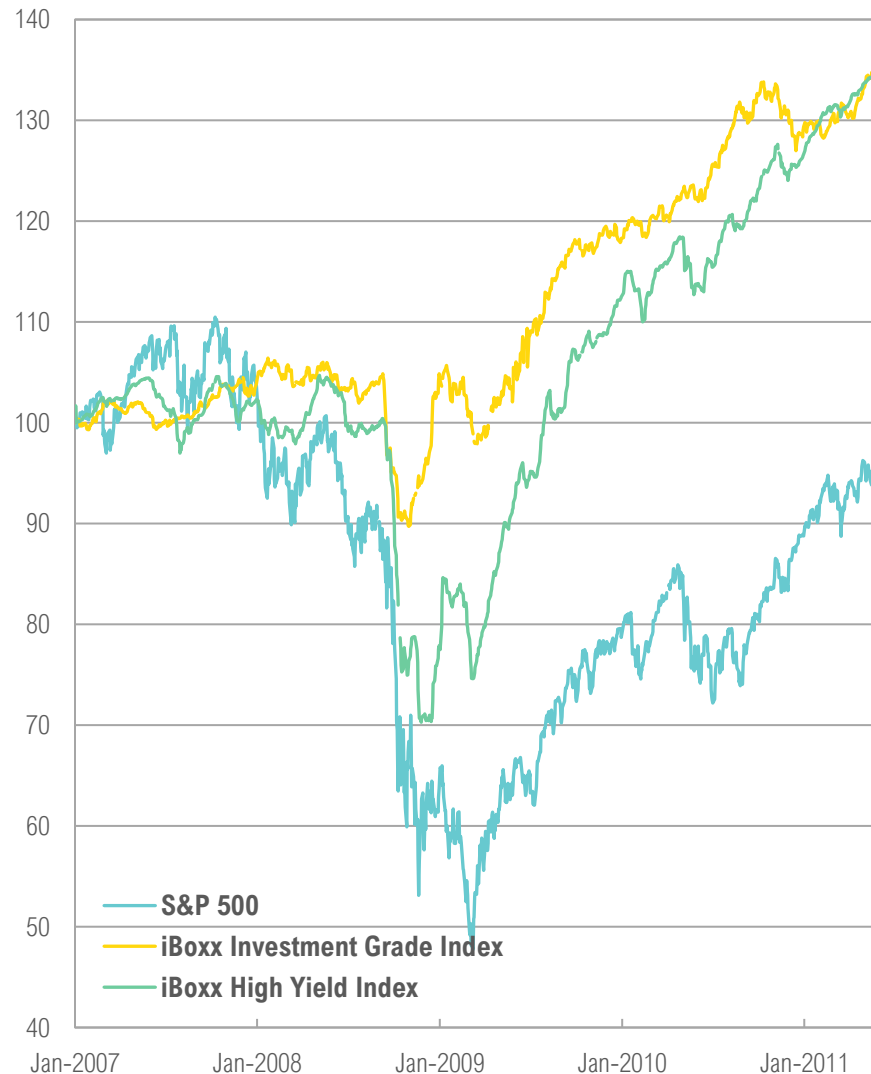


Source: Bloomberg

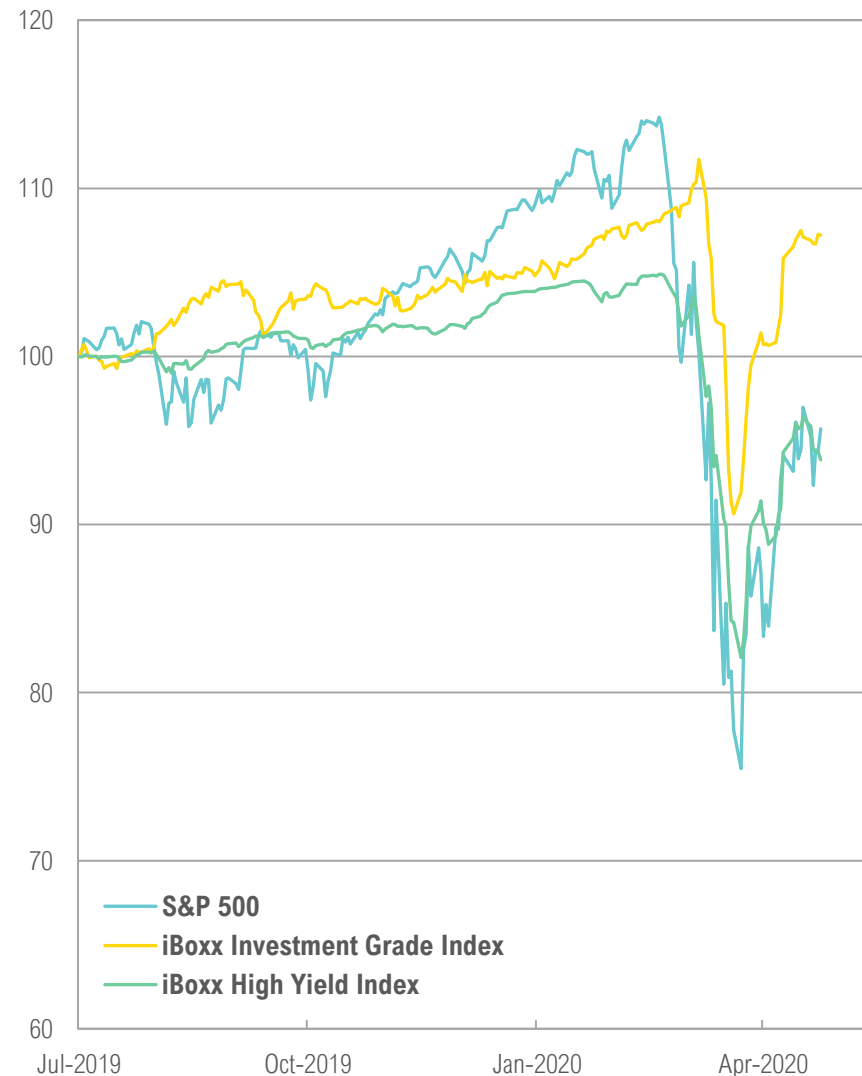
Watch Credit to Lead Equities On the Way Out

S&P 500 INDEX VS. iBOXX INVESTMENT GRADE INDEX & iBOXX HIGH YIELD INDEX

Growth of 100



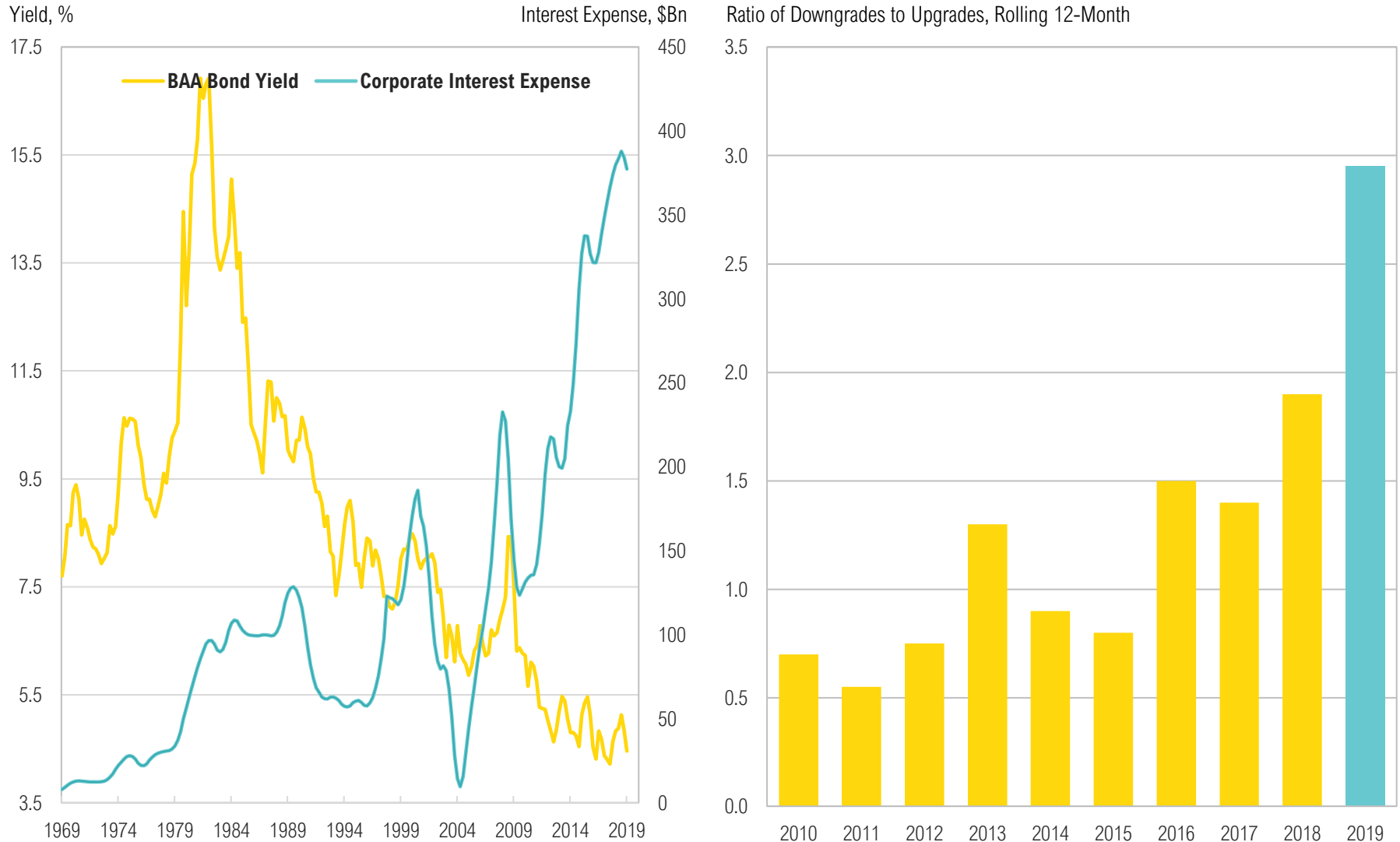
Growth of 100



Source: Bloomberg

Credit Was Already Cracking Before the Crisis Started

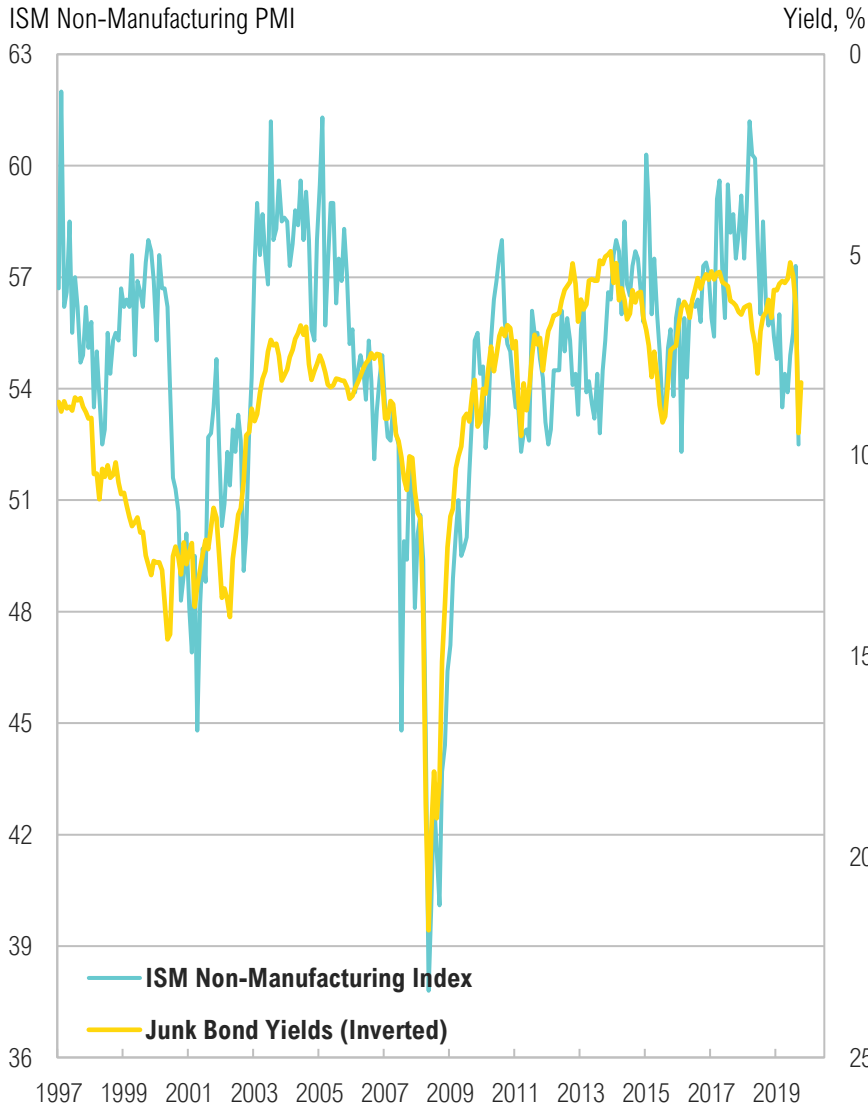
BOND YIELDS VS. INTEREST EXPENSE (LHS), U.S. LEVERAGED LOANS RATIO OF DOWNGRADES TO UPGRADES (RHS), 2010-2019



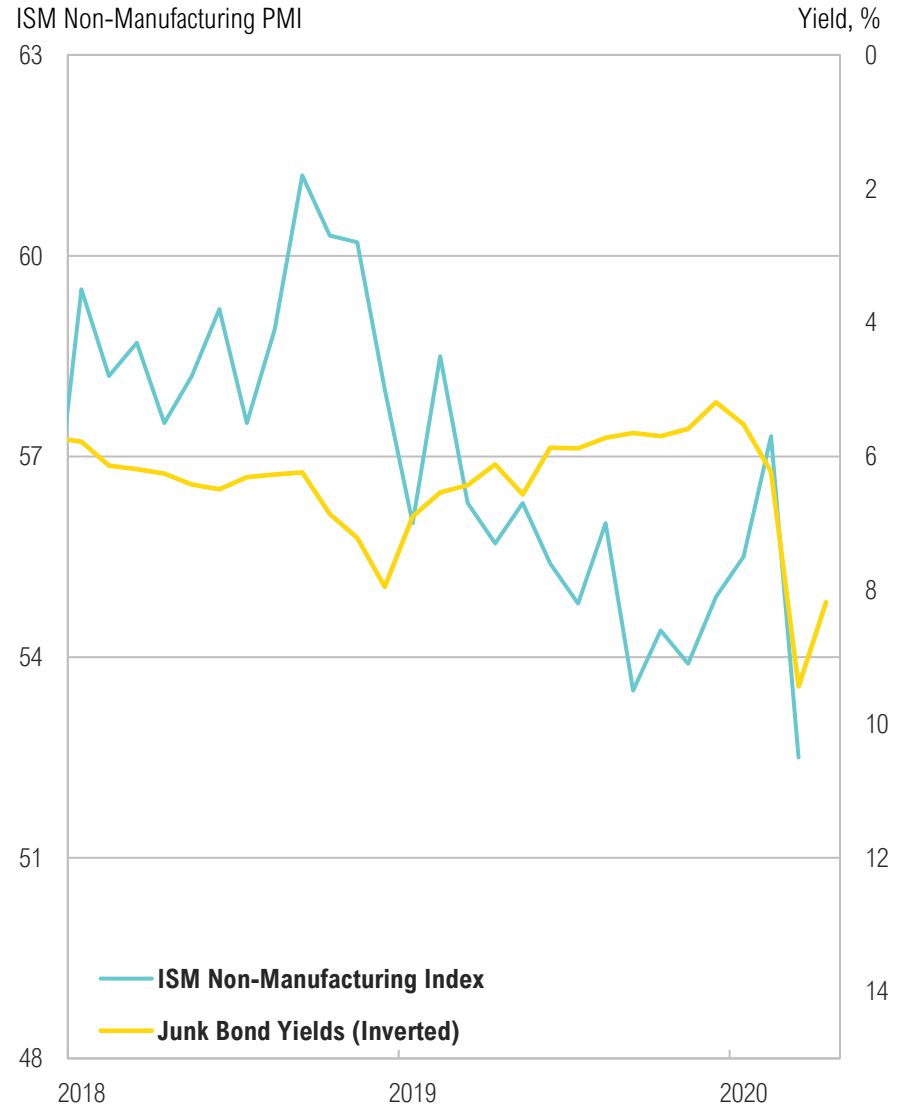
Source: LCD S&P Global Market Intelligence

Credit Was Already Cracking Before the Crisis Started

ISM NON-MANUFACTURING VS BBG HIGH YIELD INDEX, 7/1/1997 – 3/31/2020



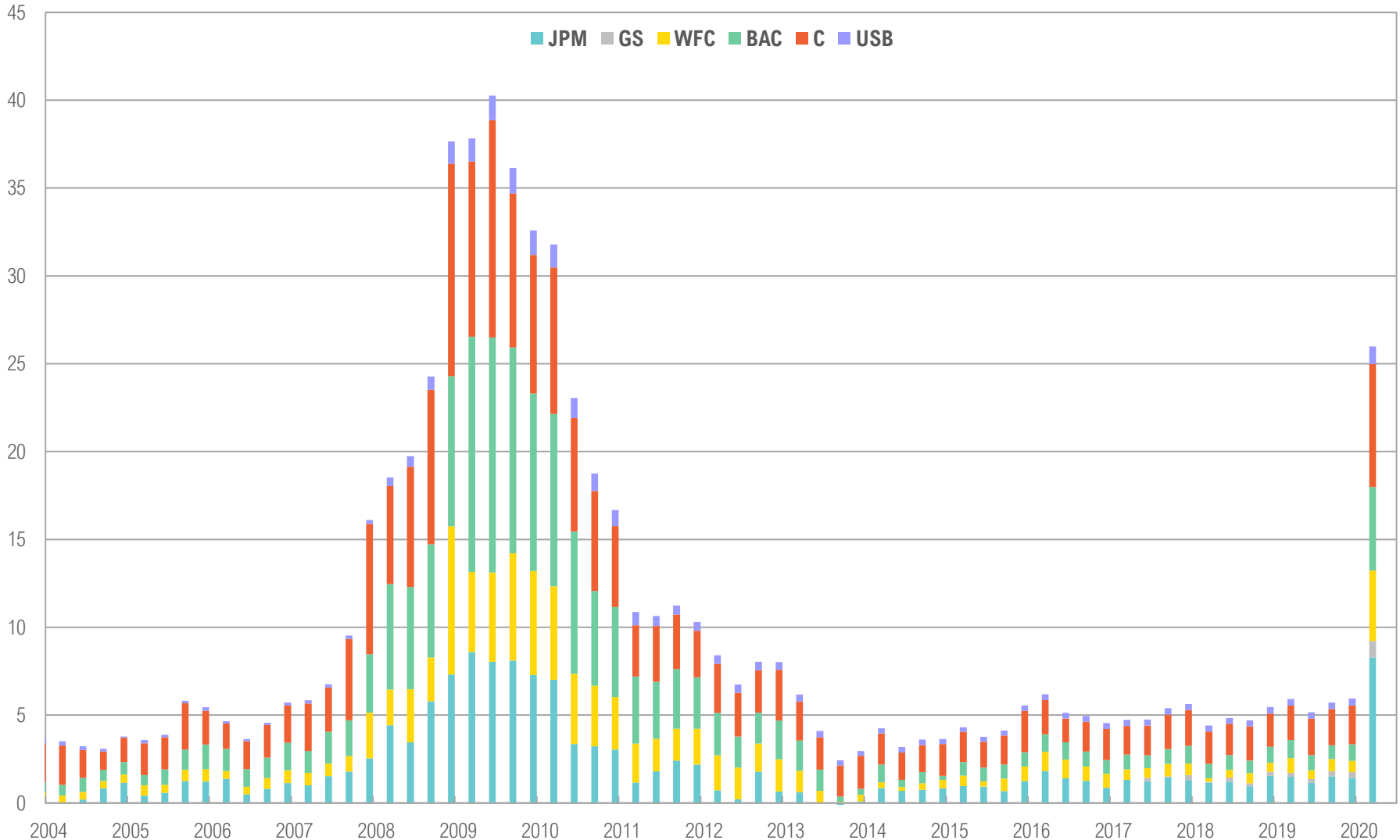
Source: Bloomberg



U.S. Bank Provisions for Loan Losses Jump

PROVISIONS FOR LOAN LOSSES, 3/31/2004 - 3/31/2020

Provisions, \$Bn

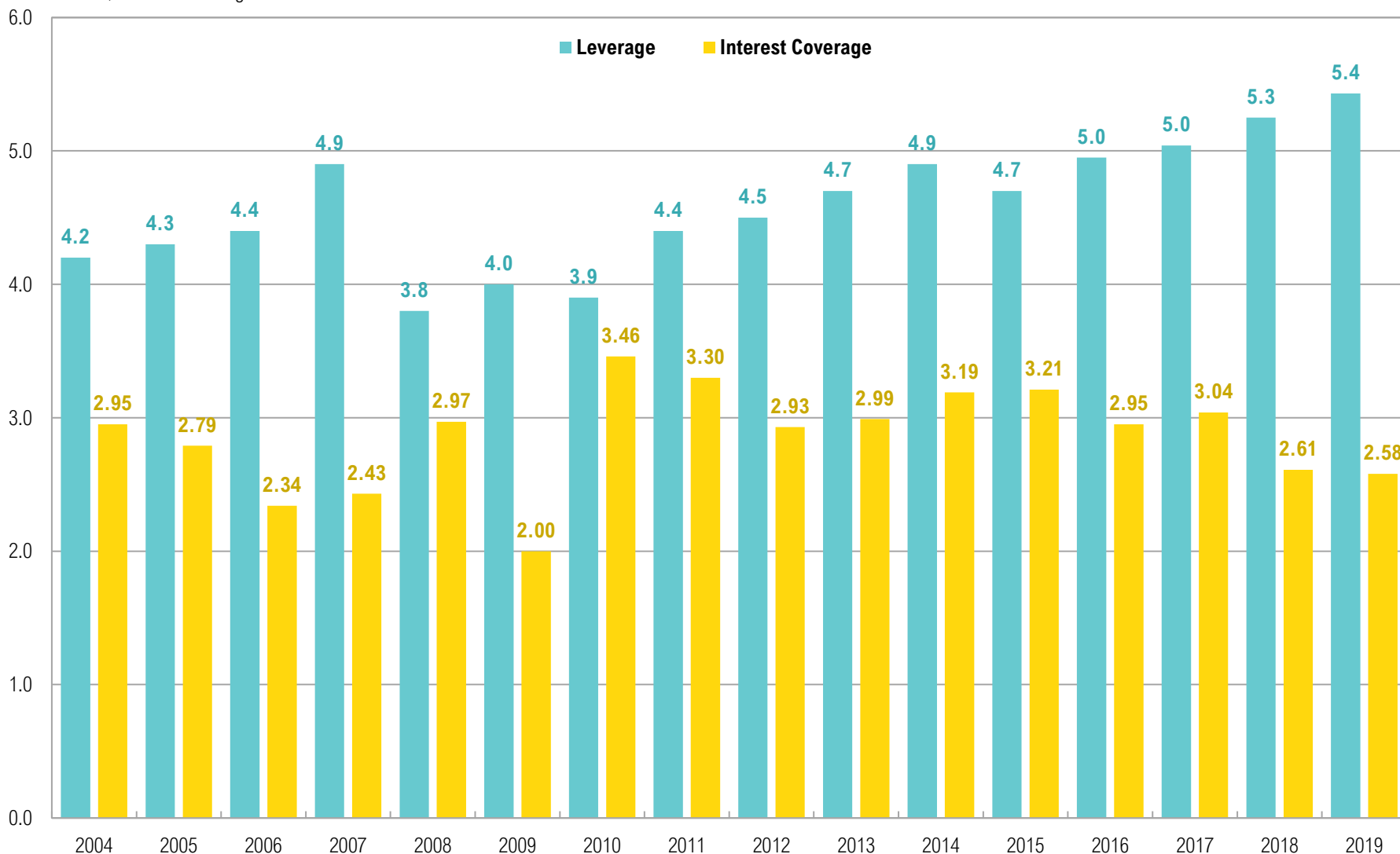


Source: Bloomberg

Prior to Crisis, Leverage Was Above Last Cycle Peak

LEVERAGED LOAN DEBT/ EBITDA MULTIPLES & INTEREST COVERAGE, 3/31/2004 - 3/31/2020

Debt/EBITDA, Interest Coverage

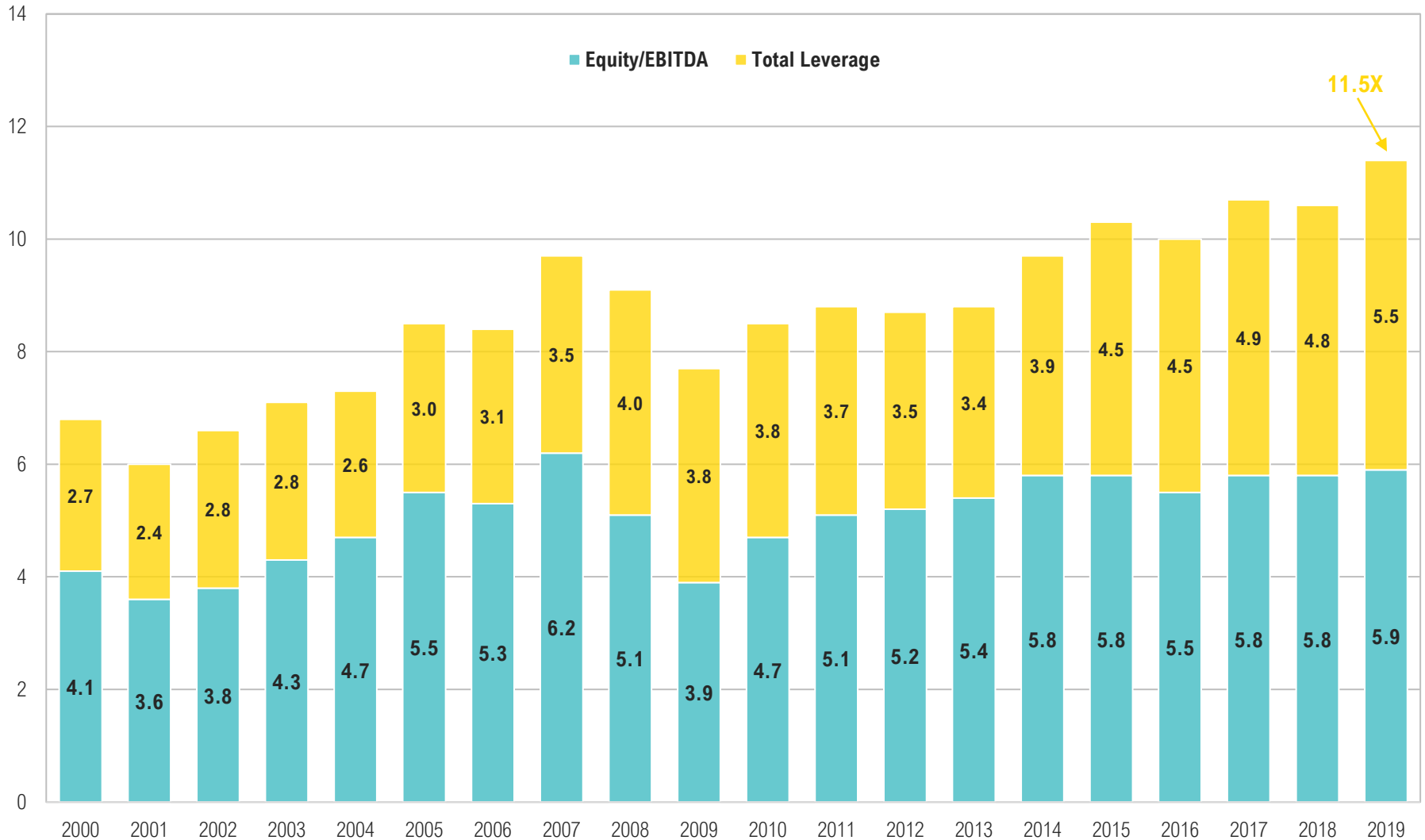


Source: S&P, Paceline

Leveraged Buyout Valuations

EQUITY/EBITDA AND TOTAL LEVERAGE RATIOS, 2000 - 2019

Multiple



Source: Bloomberg, Pitchbook

REAL ASSETS

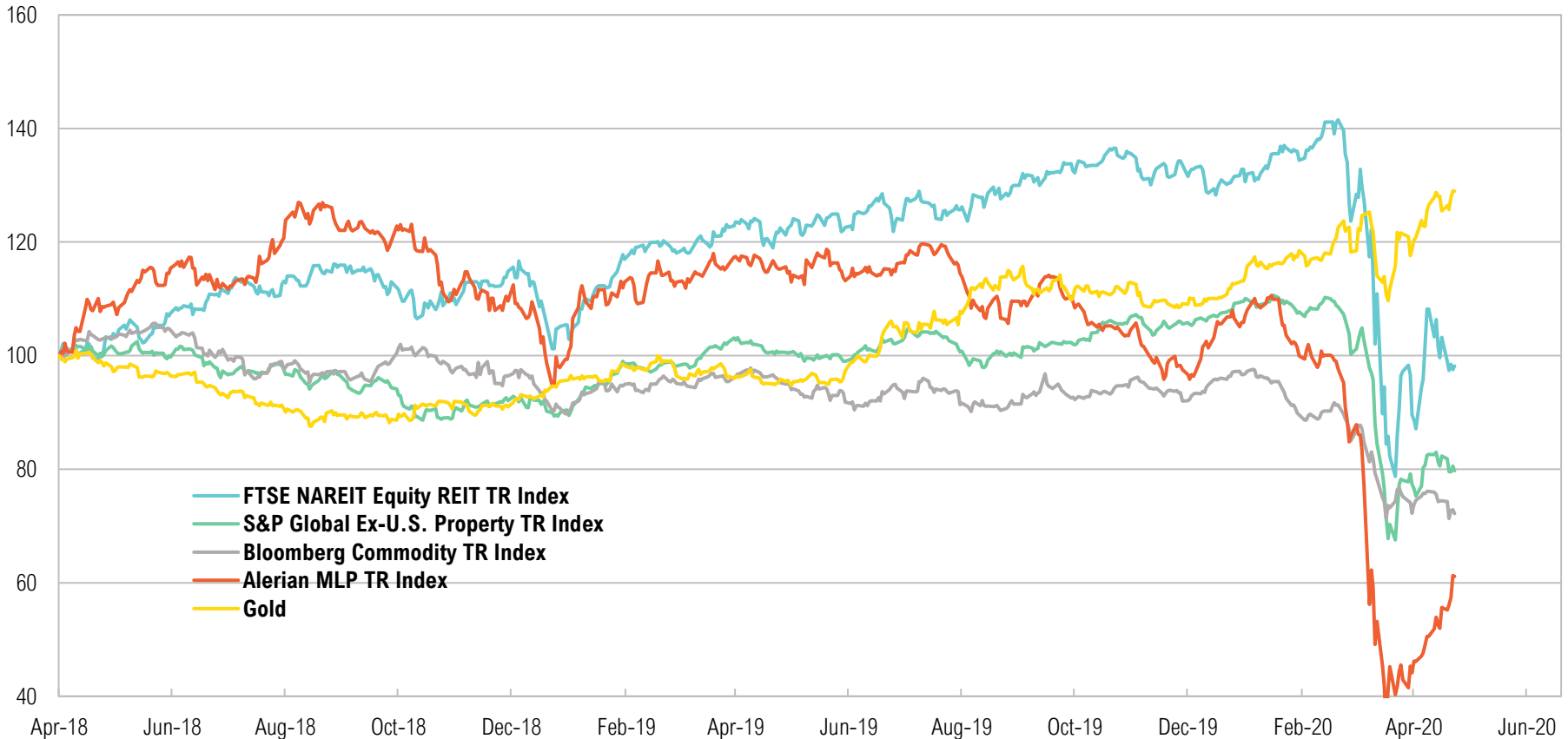
“ *There is no safe store of value. Deficit spending is simply a scheme for the hidden confiscation of wealth. Gold stands in the way of this insidious process. It stands as a protector of property rights.*

Alan Greenspan, *Economist & Former Fed Chairman*, 1966

Real Asset Returns

TRAILING & CALENDAR YEAR TOTAL RETURNS, AS OF 4/24/2020

Growth Index, 3 Year Total Return



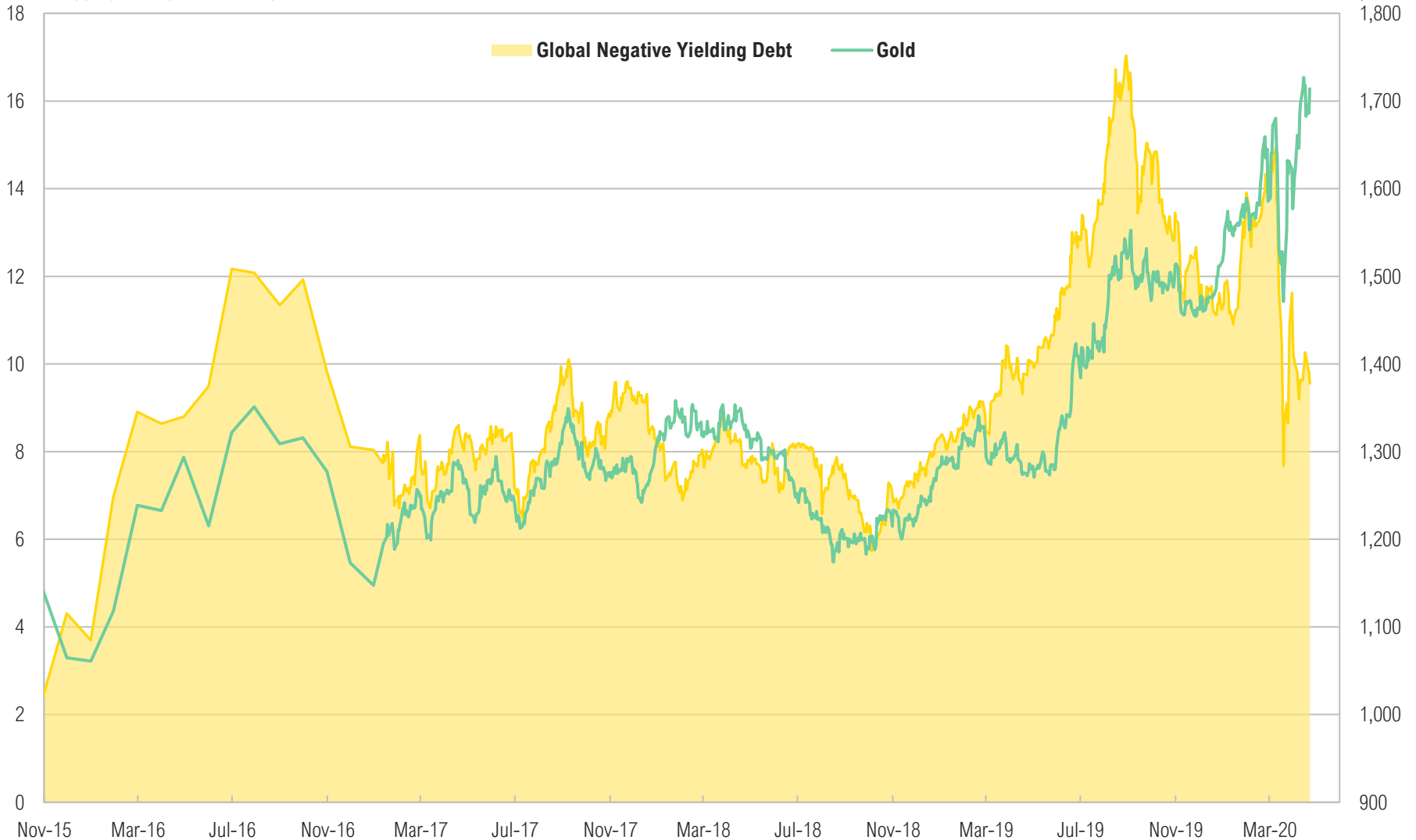
Asset Class	Benchmark	1-Wk	MTD	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
U.S. REITs	MSCI US REIT NR	-4.6	6.9	6.9	-22.2	24.3	-5.8	3.7	7.1	1.3	-14.3	-3.1	0.2	6.7
Ex U.S. Real Estate Securities	S&P Global Ex US REIT TR	-0.1	5.1	5.1	-28.9	24.7	-6.5	16.7	4.0	-2.8	-20.4	-3.3	-1.3	4.9
Broad Commodity Futures	Bloomberg Commodity TR	-2.2	0.4	0.4	-23.0	7.7	-11.2	1.7	11.8	-24.7	-22.7	-8.7	-8.4	-6.9
Energy Partnerships	Alerian MLP TR	2.8	14.7	14.7	-50.9	6.6	-12.4	-6.5	18.3	-32.6	-55.3	-25.3	-19.1	-3.9
Gold	LBMA Gold Price AM	3.3	7.1	7.1	12.8	18.8	-1.1	11.9	9.1	-11.4	33.8	10.1	7.4	4.0

Source: Bloomberg

Negative Yielding Debt & Gold

GLOBAL NEGATIVE YIELDING DEBT MARKET CAP & GOLD, 11/1/2015 – 4/22/2020

Global Aggregate Negative Yielding Debt Mkt Cap, \$Tn



Source: Bloomberg

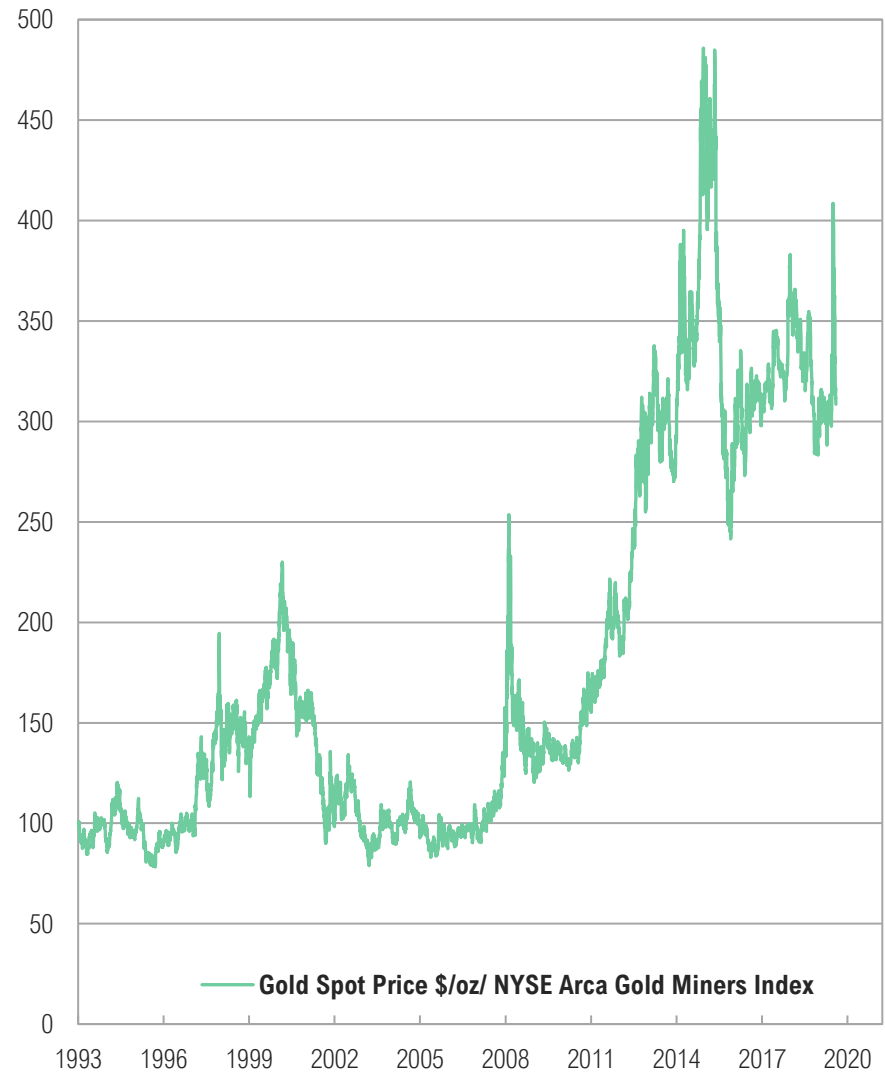
Gold vs. Core U.S. Stocks and Bonds

GOLD RELATIVE PERFORMANCE VS. S&P 500, U.S. TREASURIES & GOLD MINERS, 1/1/1995 - 4/21/2020

Growth of 100, 1/1/1995 = 100



Growth Index, 9/17/1993 = 100

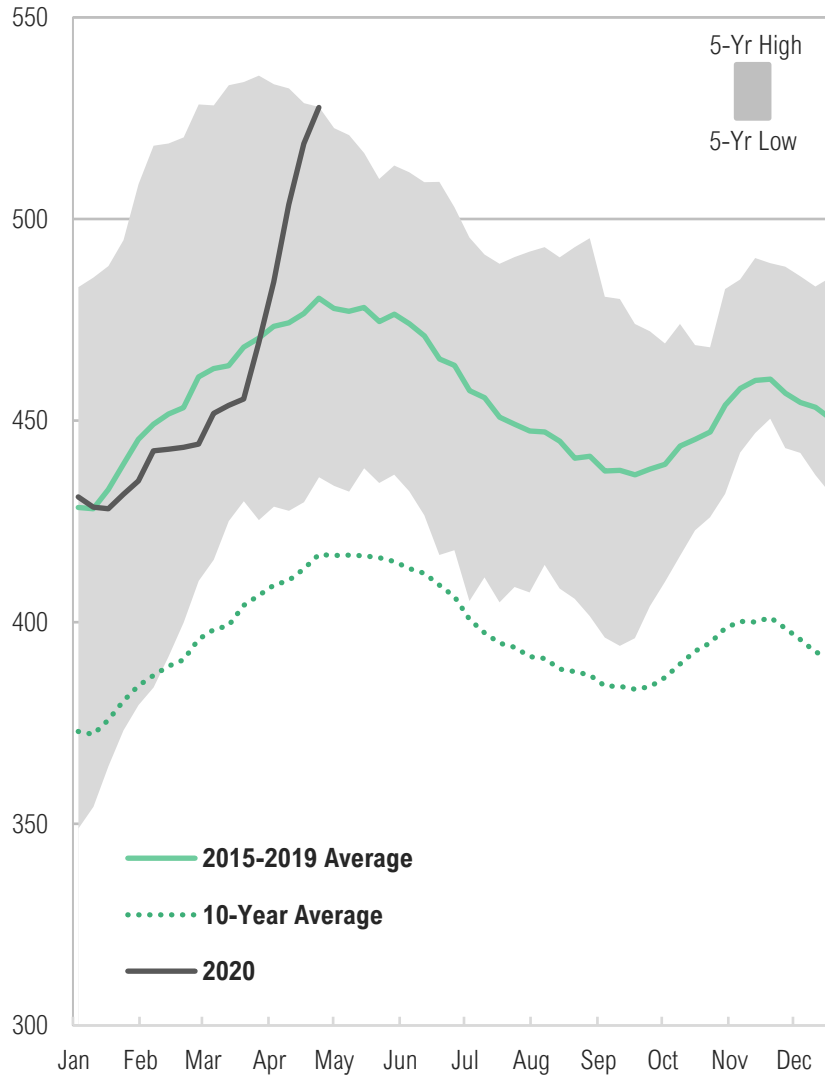


Source: Bloomberg

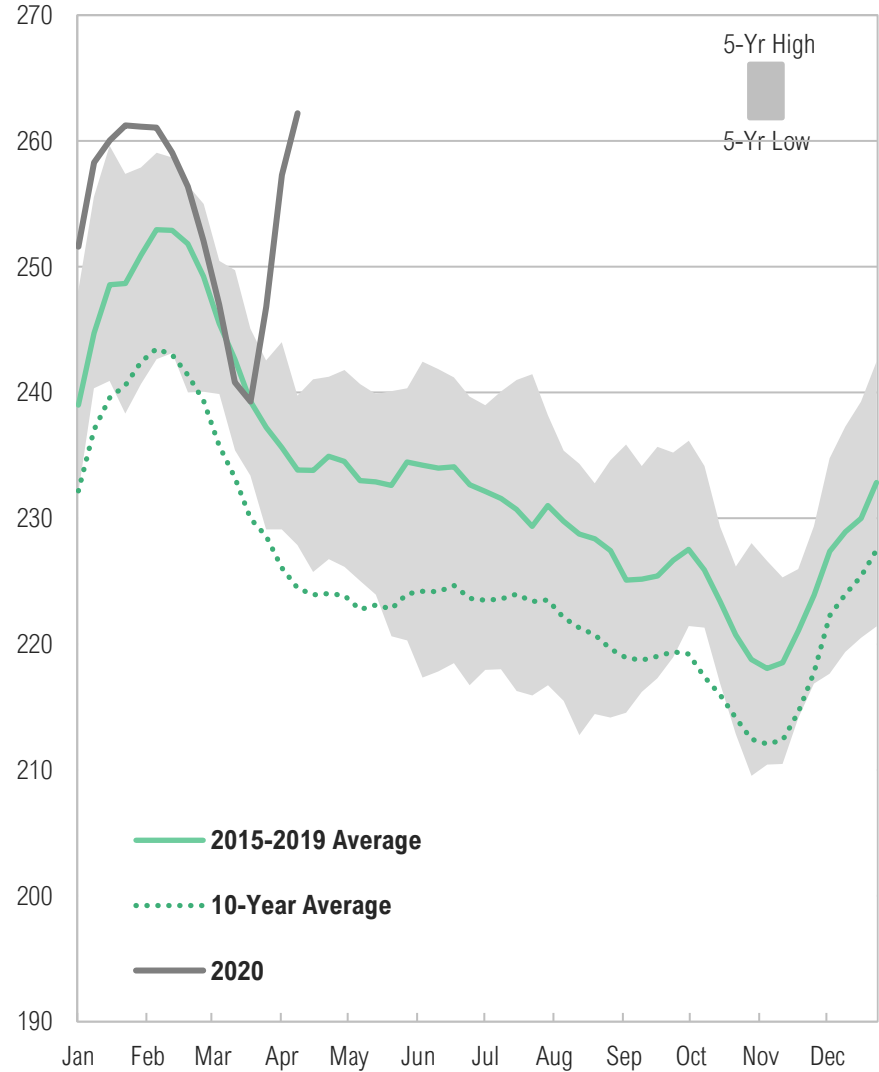
U.S. Crude Oil & Gasoline Inventories Jump

U.S. CRUDE OIL & GASOLINE INVENTORIES IN MILLIONS OF BARRELS

U.S. Crude Inventories, Millions of Barrels



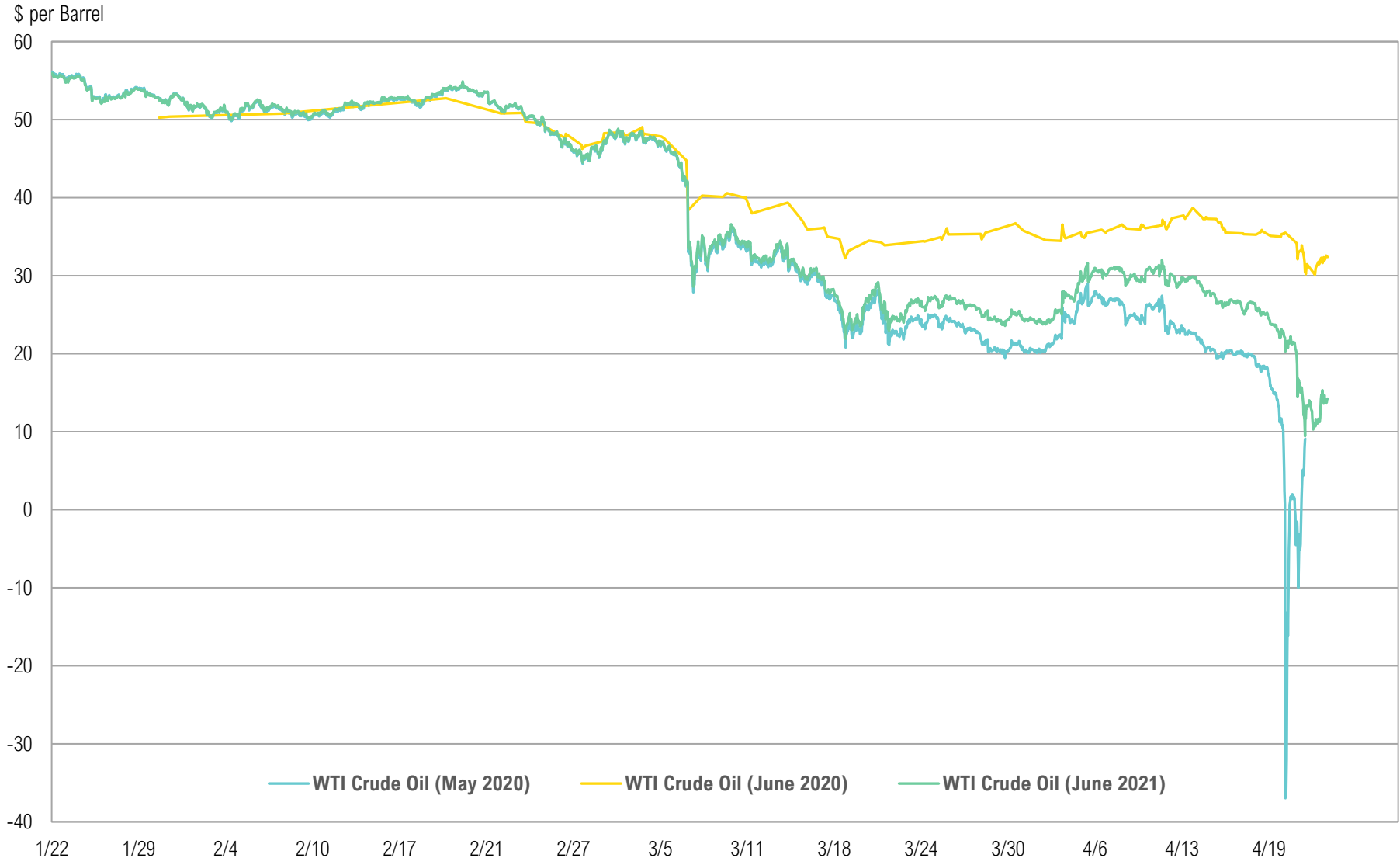
U.S. Gasoline Inventories, Millions of Barrels



Source: EIA, SpringTide calculations

Crude Briefly Trades Below Negative \$38 Per Barrel

MAY 2020, JUNE 2020 & MAY 2021 WTI CRUDE OIL FUTURES, \$/BARREL, 1/22/20 – 4/22/20

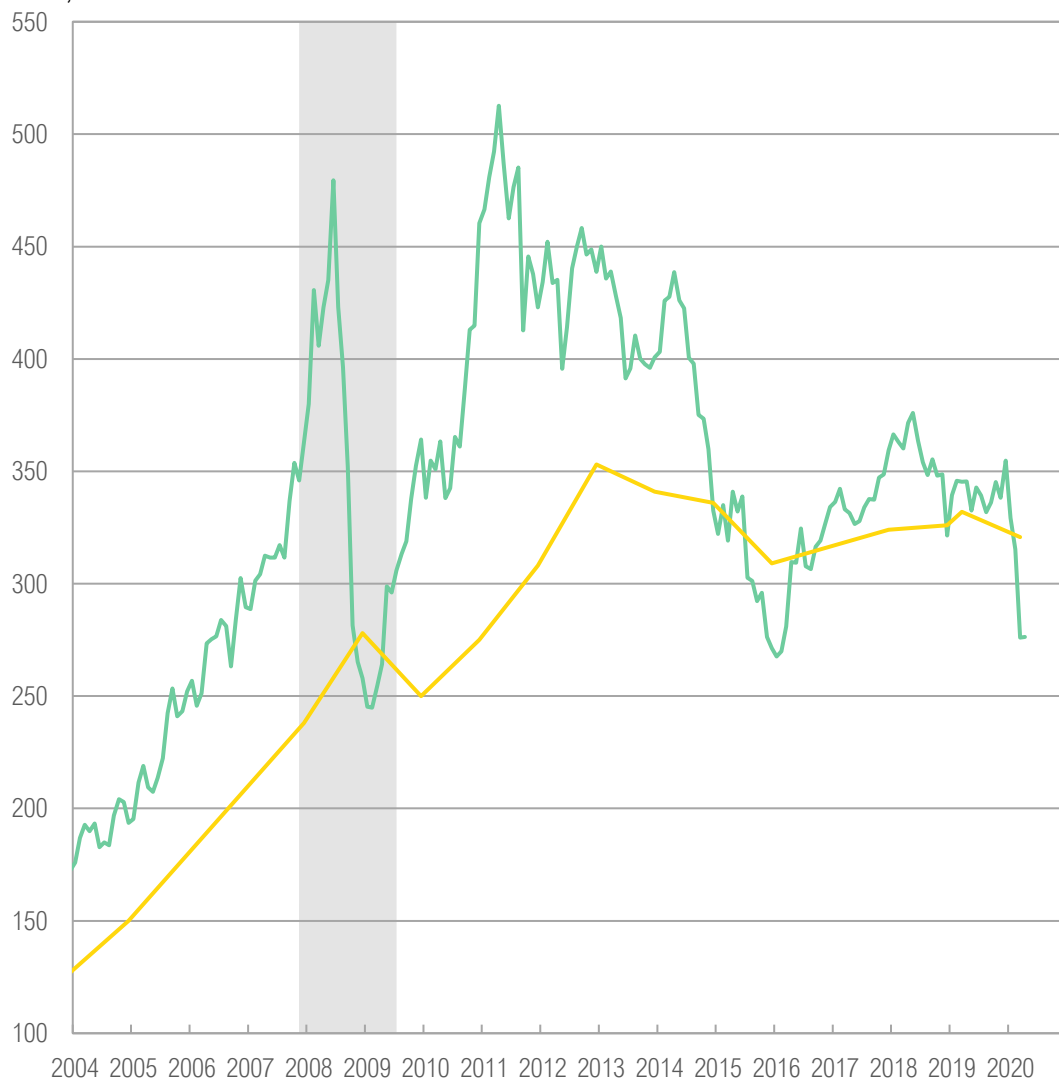


Source: EIA, SpringTide calculations

Commodities Below Cost of Production

BLOOMBERG COMMODITY SPOT INDEX VS. ESTIMATED WEIGHTED COST OF PRODUCTION, 1/1/2004 – 4/28/2020

Index, Cost of Production



Source: Bloomberg, Core Commodity Management (COP)

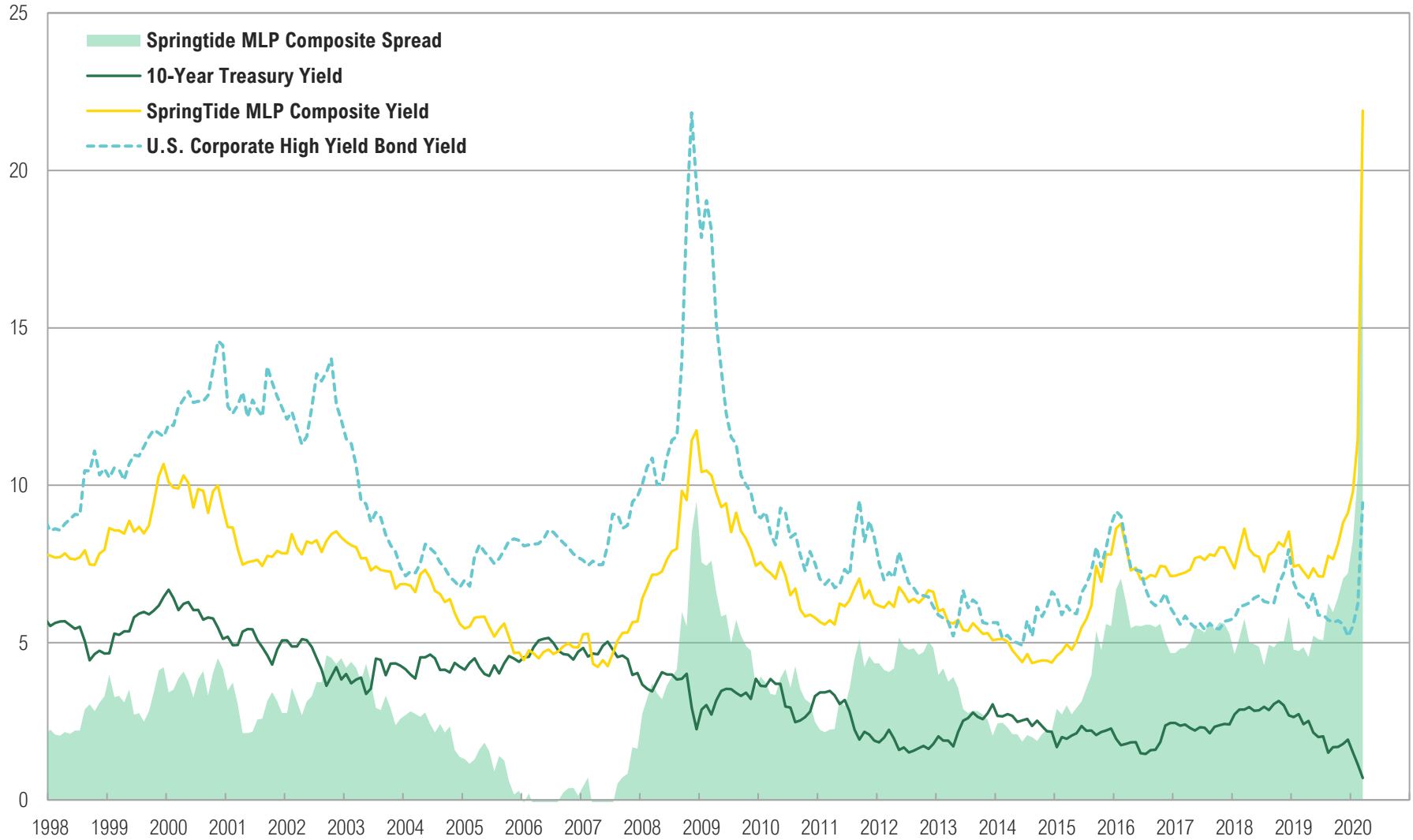
COMMODITY PRICES VS. COP | 3/31/20

Commodity	Cost of Production (COP)	Price	Price vs. COP
WTI Crude	\$59.0	\$20.1	-66%
Brent Crude	\$64.0	\$23.0	-64%
RBOB Gasoline	\$1.7	\$0.6	-67%
Heating Oil	\$1.7	\$1.0	-42%
Natural Gas	\$3.4	\$1.6	-52%
Corn	\$3.8	\$3.4	-11%
Wheat	\$6.5	\$5.7	-12%
KC Wheat	\$6.3	\$4.9	-22%
Soybeans	\$8.7	\$8.9	2%
Soybean Meal	\$256.0	\$322.0	26%
Soybean Oil	\$0.2	\$0.3	80%
Lean Hogs	\$0.6	\$0.5	-7%
Live Cattle	\$1.1	\$1.0	-6%
Sugar	\$0.1	\$0.1	-29%
Coffee	\$1.1	\$1.2	8%
Cotton	\$0.9	\$0.5	-41%
LME Aluminium	\$2,122.0	\$1,502.0	-29%
CMX Copper	\$2.3	\$2.2	-3%
LME Nickel	\$12,368.0	\$11,443.0	-7%
LME Zinc	\$2,168.0	\$1,898.0	-12%
Gold	\$1,010.0	\$1,583.0	57%
Silver	\$12.0	\$14.0	17%
Platinum	\$1,050.0	\$724.0	-31%

Midstream Energy: Survivors Should Thrive

MLP COMPOSITE YIELDS VS. U.S. TREASURY NOTE YIELD, 1998 - 3/31/2020

Yield/ Spread, %

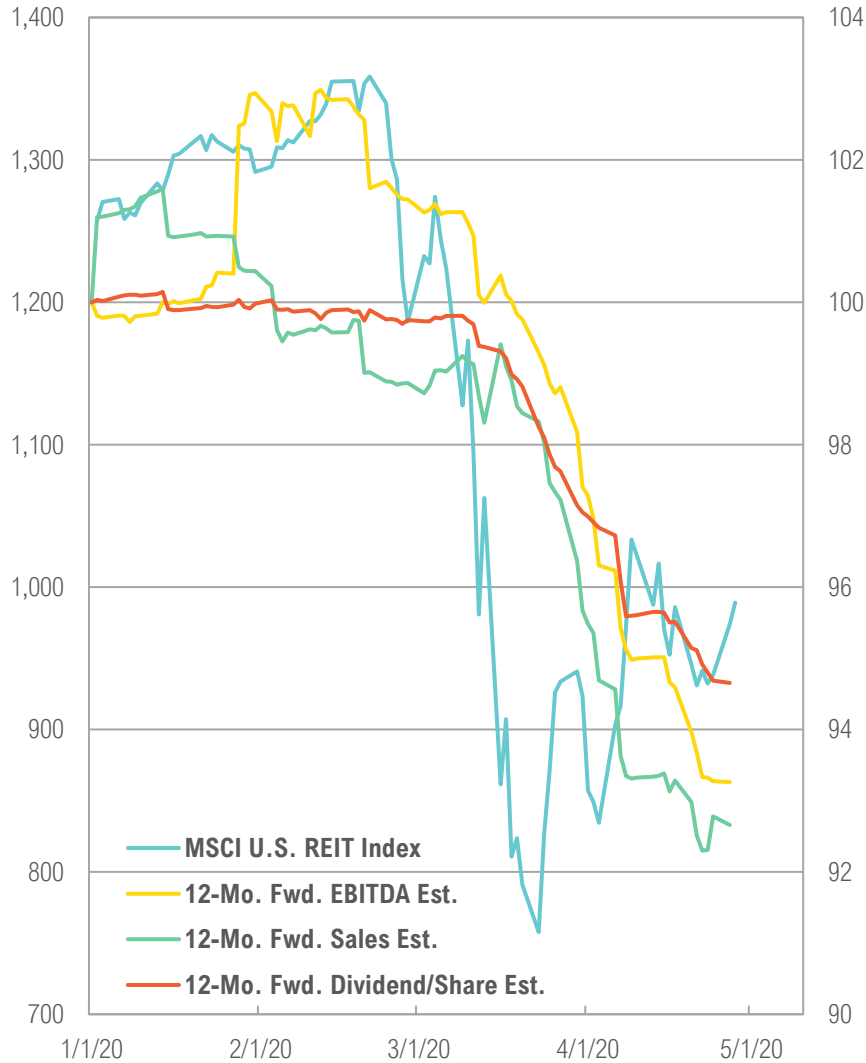


Source: Bloomberg, FRED

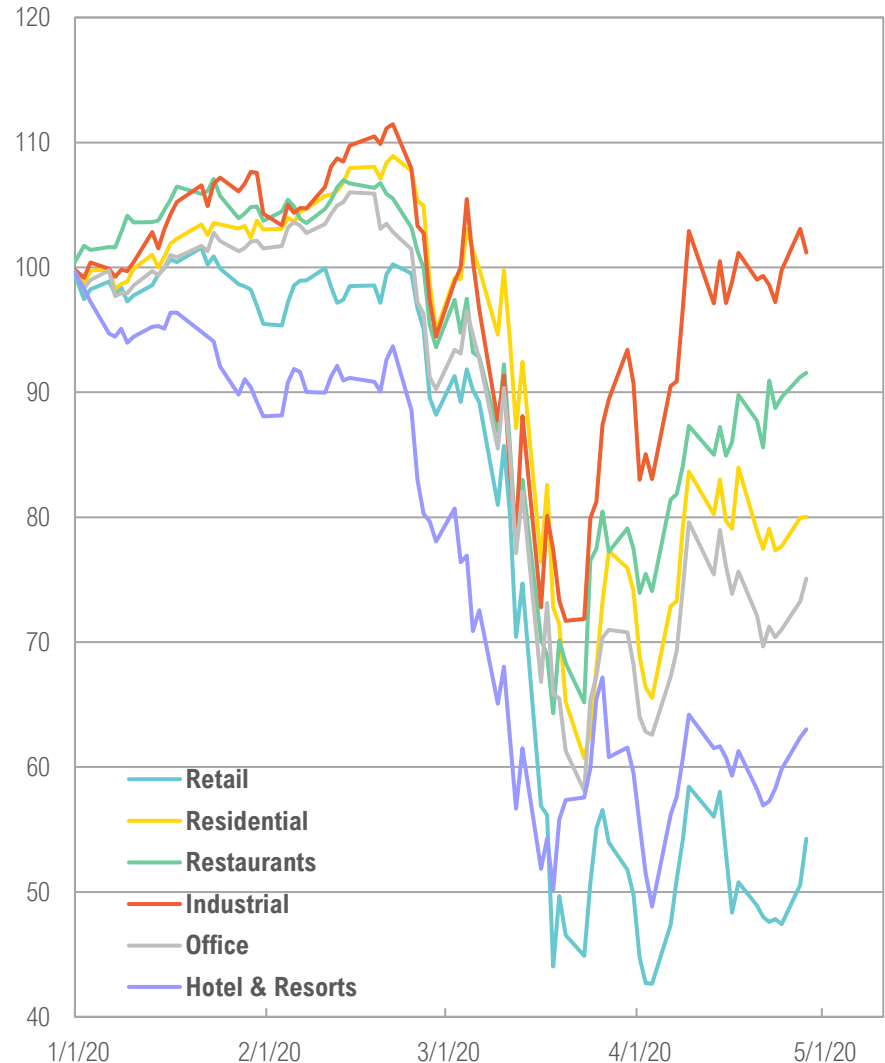
Retail, Hotel & Resort and Office REITs Remain Challenged

MSCI U.S. REIT INDEX VS. YTD CHANGE IN ESTIMATES (LHS), REIT SECTOR PERFORMANCE (RHS), 1/1/2020 – 4/28/2020

MSCI U.S. REIT Index



Growth Index, 1/1/2020 = 100



Source: Bloomberg

OPPORTUNISTIC

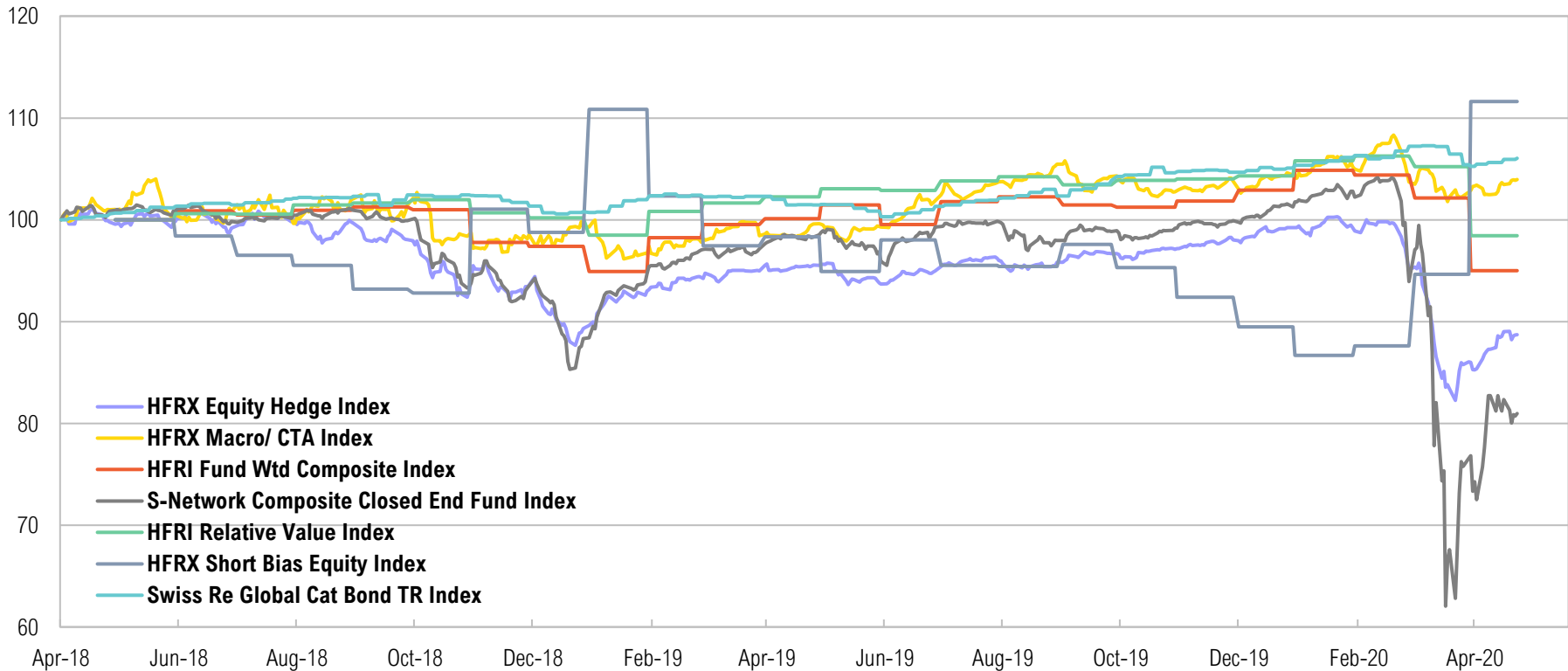
“ *Business are closing and people are unemployed through no fault of their own, and so moral hazard is not a relevant consideration* ”

Richard Clarida, *Fed Vice Chairman*

Opportunistic Strategy Returns

CALENDAR YEAR & TRAILING TOTAL RETURNS, AS OF 4/24/2020

Growth Index, 3 Year Total Return



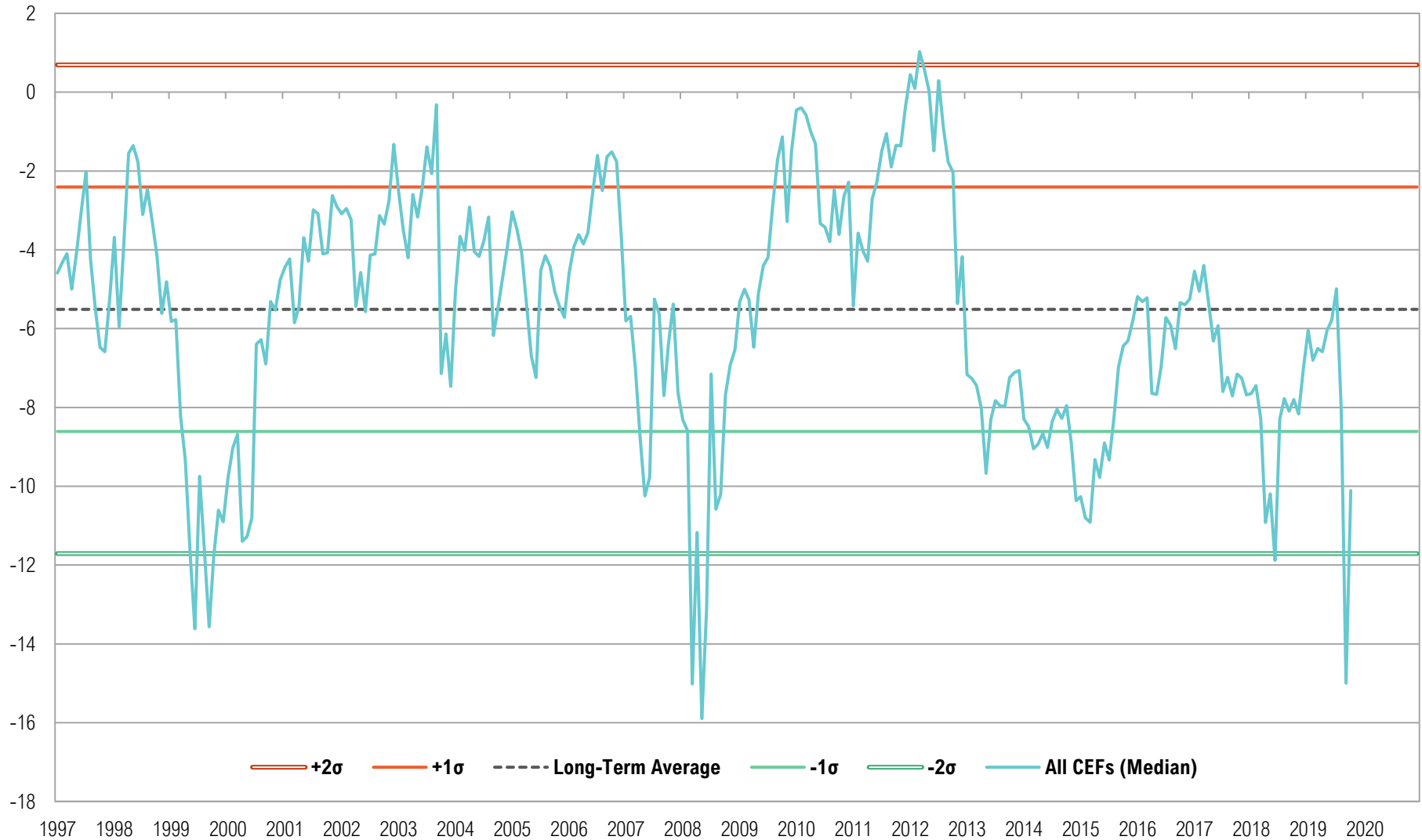
Asset Class	Benchmark	1-Wk	MTD	QTD	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr
Long/Short Credit	US Fund Long-Short Credit	1.0	2.8	2.8	-6.6	7.5	-1.6	2.4	4.5	-2.6	-4.1	0.6	0.7	3.1
Long/Short Equity	US Fund Long-Short Equity	0.7	4.1	4.1	-8.9	11.9	-6.3	11.2	2.3	-2.0	-4.9	1.0	1.0	3.3
Managed Futures	US Fund Managed Futures	0.5	-0.1	-0.1	0.0	4.7	-5.8	3.0	-2.8	-0.9	3.0	0.6	-1.6	-0.1
Options Overlay	US Fund Options-based	1.1	5.2	5.2	-8.5	14.6	-5.5	9.1	5.4	-0.5	-3.6	1.0	1.6	3.8
Short Bias Equity	US Fund Bear Market	-2.5	-12.6	-12.6	14.0	-30.1	7.2	-27.0	-21.1	-5.1	-0.6	-13.2	-14.4	-18.8
Insurance-Linked Securities	SwissRe Global Cat Bond TR	0.3	0.6	0.6	0.6	4.4	2.8	0.5	6.6	4.3	4.2	2.4	3.7	5.7
Closed-End Funds	S-Network Composite Closed-End TR	-1.5	6.2	6.2	-18.2	24.6	-8.5	14.4	14.9	-1.1	-10.5	0.1	3.0	5.0

Source: Bloomberg

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

SPRINGTIDE CLOSED-END FUND UNIVERSE MEDIAN PREMIUM/ DISCOUNT TO NET ASSET VALUE, 7/1/1997 – 4/24/2020

Premium/Discount to NAV, %

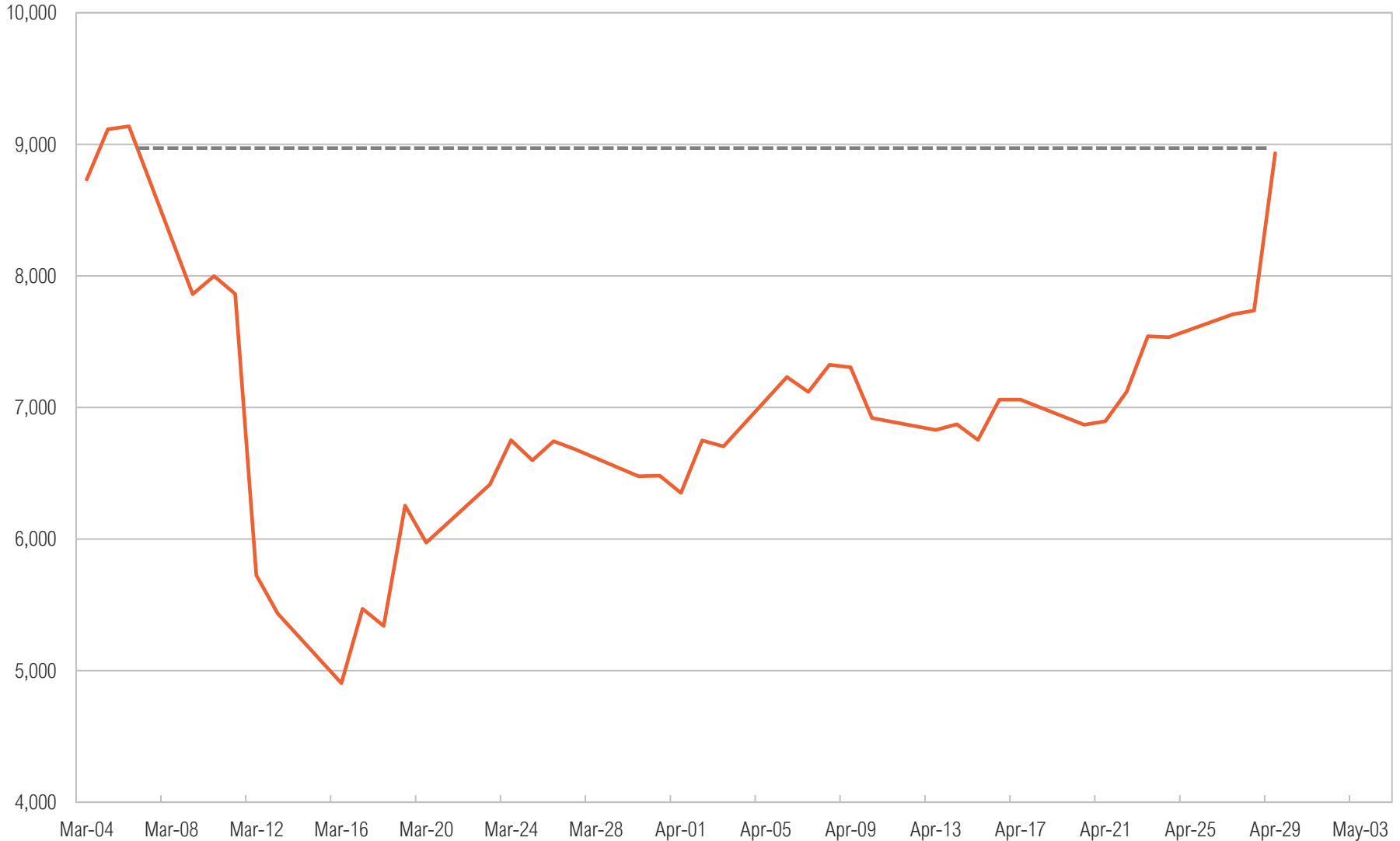


Source: Morningstar, SpringTide calculations

Like Gold, is Bitcoin Telling us Something About Macro Risk?

BITCOIN PRICE, 3/4/2020 - 4/29/2020

Price, \$



Source: Bloomberg

ASSET ALLOCATION

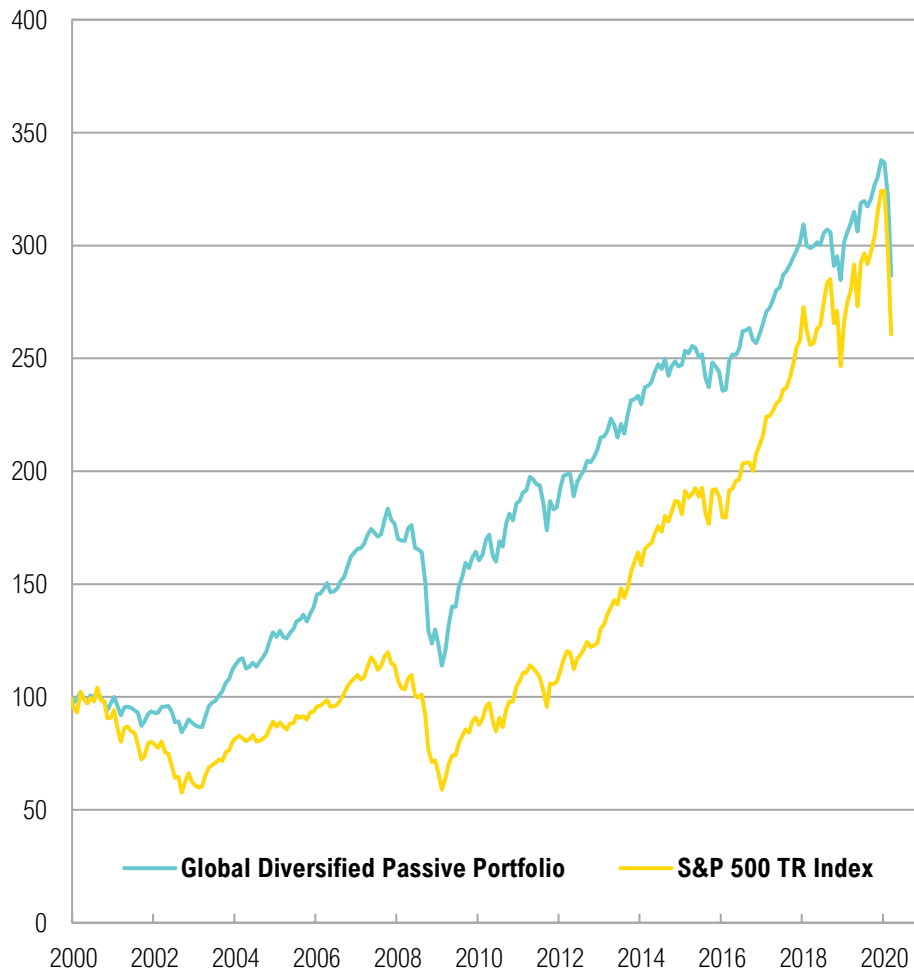
“ *An expert in any field will have an advantage over a rookie. But neither the veteran nor the rookie can be sure what the next flip will look like. The veteran will just have a better guess.*

Annie Duke, *Thinking in Bets*

Diversification Still Works Over the Long-Term

GLOBAL DIVERSIFIED PASSIVE PORTFOLIO VS. S&P 500 TOTAL RETURN INDEX GROWTH OF 100, JAN-'00 – MAR-'20

Growth Index, 1/1/2000 = 100



Source: Morningstar. Total return data is annualized. Data as of 3/31/2020. 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.

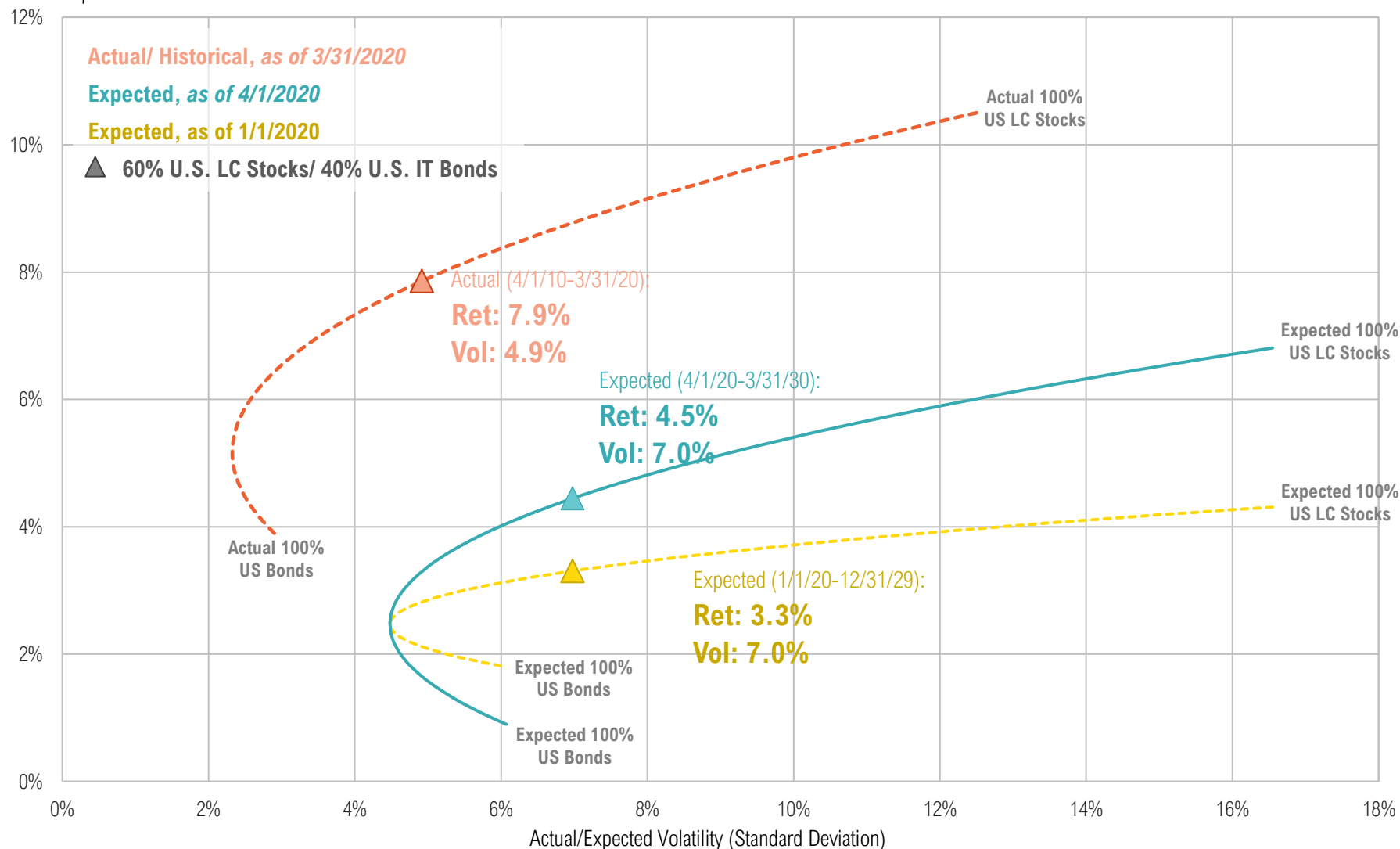
20-YEAR TOTAL RETURNS VS. RISK | 2000-2020

Asset Class	Total Return 20-Yr	Std. Dev. 20-Yr	Sharpe Ratio 20-Yr
U.S. Taxable Bonds	5.1	3.4	1.00
U.S. Municipal Bonds	4.0	3.0	0.79
Emerging & Frontier Mkt Bonds	7.5	8.9	0.66
U.S. REITs	9.3	21.5	0.36
Global Diversified Passive Portfolio	5.3	10.3	0.36
Intl Developed Bonds	3.9	8.0	0.28
Ex U.S. Real Estate Secs	6.6	18.4	0.27
U.S. Large Cap Stocks	4.9	15.0	0.22
U.S. Stocks (S&P 500)	4.8	14.7	0.21
U.S. Small Cap Stocks	5.3	19.8	0.18
Emerging & Frontier Mkt Stocks	5.5	21.7	0.18
Global Stocks	3.7	15.6	0.13
Intl Dev Large Cap Stocks	2.4	16.6	0.05

60/40 Expected Returns Rise as U.S. Stocks Decline

10-YEAR HISTORICAL VS. EXPECTED ANNUALIZED RETURNS & STANDARD DEVIATION, AS OF 3/31/2020

Actual/Expected Return

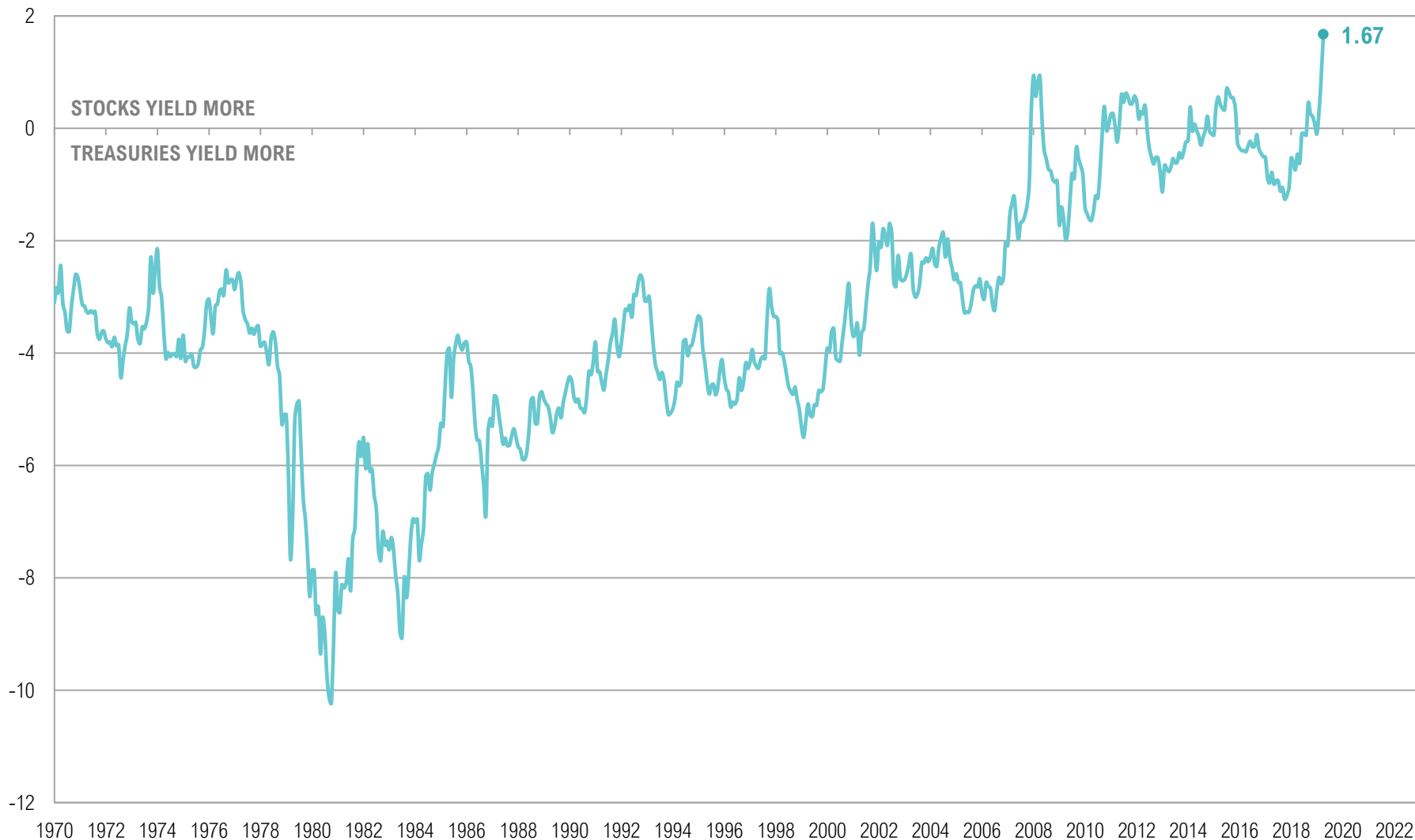


Source: Bloomberg, S&P, Shiller, SpringTide calculations

Equity Yields Still Competitive Relative to Bond Yields

S&P 500 DIVIDEND YIELD – U.S. 10-YEAR TREASURY NOTE, 1/1/1970 – 3/31/2020

Spread, %



Source: Bloomberg

Asset Class Correlations

10-YEAR TRAILING CORRELATIONS*, AS OF 3/31/2020

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	Energy MLPs	Gold	Long/Short Equity	Managed Futures	Relative Value	Closed-End Funds	Insurance-Linked Securities	Digital Assets	Cash & Cash Equivalents	U.S. Short-Term Muni Bonds	U.S. Short-Term Bonds
U.S. Large Cap Stocks	1.00																														
U.S. Small & Micro Cap	0.89	1.00																													
Intl Dev Large Cap Stocks	0.85	0.72	1.00																												
Intl Dev Small & Micro Stocks	0.82	0.74	0.95	1.00																											
Emerging & Frontier Mkt Stocks	0.74	0.64	0.84	0.84	1.00																										
Global Stocks	0.96	0.84	0.96	0.93	0.87	1.00																									
Private Equity	0.25	0.14	0.34	0.32	0.31	0.31	1.00																								
Venture Capital	0.25	0.16	0.30	0.27	0.28	0.29	0.75	1.00																							
U.S. Interm-Term Muni Bonds	-0.19	-0.29	-0.08	-0.09	-0.01	-0.13	0.05	0.08	1.00																						
U.S. High Yield Muni Bonds	-0.02	-0.13	0.06	0.06	0.13	0.03	0.03	-0.01	0.73	1.00																					
U.S. Interm-Term Bonds	-0.22	-0.28	-0.11	-0.11	0.00	-0.15	0.07	0.08	0.81	0.68	1.00																				
U.S. High Yield Bonds	0.74	0.67	0.80	0.77	0.76	0.81	0.42	0.33	0.06	0.21	0.13	1.00																			
U.S. Bank Loans	0.62	0.59	0.64	0.65	0.57	0.66	0.41	0.28	-0.17	0.05	-0.12	0.81	1.00																		
Intl Developed Bonds	0.32	0.19	0.53	0.53	0.57	0.47	0.19	0.19	0.33	0.30	0.37	0.46	0.18	1.00																	
Emerging & Frontier Mkt Bonds	0.43	0.28	0.59	0.53	0.67	0.56	0.24	0.23	0.46	0.49	0.50	0.69	0.36	0.64	1.00																
Public BDCs	0.73	0.79	0.66	0.67	0.59	0.73	0.30	0.23	-0.12	0.02	-0.07	0.72	0.66	0.26	0.43	1.00															
U.S. REITs	0.61	0.57	0.58	0.57	0.51	0.62	0.21	0.26	0.21	0.32	0.30	0.65	0.46	0.42	0.51	0.60	1.00														
Ex U.S. Real Estate Securities	0.67	0.55	0.83	0.81	0.78	0.80	0.30	0.29	0.21	0.28	0.25	0.73	0.47	0.72	0.73	0.59	0.71	1.00													
Private Real Estate	0.21	0.12	0.24	0.25	0.23	0.23	0.67	0.65	0.12	0.22	0.30	0.26	0.23	0.20	0.36	0.18	0.17	0.34	1.00												
Commodity Futures	0.54	0.50	0.58	0.58	0.63	0.61	0.28	0.18	-0.07	-0.07	-0.11	0.60	0.43	0.50	0.43	0.48	0.32	0.58	0.26	1.00											
Energy MLPs	0.61	0.53	0.59	0.53	0.54	0.62	0.36	0.25	0.00	0.08	-0.02	0.67	0.53	0.28	0.41	0.57	0.43	0.52	0.04	0.56	1.00										
Gold	0.03	0.03	0.10	0.15	0.30	0.12	0.10	0.08	0.35	0.23	0.37	0.19	-0.05	0.46	0.39	0.12	0.13	0.29	0.20	0.45	0.11	1.00									
Long/Short Equity	0.91	0.88	0.88	0.91	0.84	0.95	0.30	0.27	-0.19	0.01	-0.21	0.79	0.68	0.36	0.46	0.75	0.56	0.69	0.20	0.61	0.62	0.15	1.00								
Managed Futures	0.36	0.24	0.35	0.34	0.32	0.38	0.11	0.14	0.22	0.27	0.31	0.29	0.17	0.31	0.32	0.25	0.35	0.42	0.01	0.25	0.22	0.34	0.36	1.00							
Relative Value	0.73	0.67	0.79	0.80	0.73	0.80	0.42	0.29	-0.03	0.17	-0.04	0.86	0.82	0.33	0.56	0.72	0.55	0.66	0.35	0.56	0.73	0.10	0.85	0.31	1.00						
Closed-End Funds	0.78	0.69	0.79	0.77	0.77	0.83	0.31	0.25	0.17	0.26	0.13	0.82	0.63	0.45	0.68	0.73	0.67	0.77	0.12	0.56	0.68	0.20	0.80	0.29	0.80	1.00					
Insurance-Linked Securities	0.09	0.02	0.06	0.08	0.06	0.07	0.11	0.05	0.01	0.09	0.02	0.09	0.18	0.08	0.06	0.07	0.02	0.08	0.12	0.06	0.10	0.02	0.07	0.13	0.15	0.04	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	-0.13	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	-0.19	-0.13	0.00	0.01	-0.07	0.08	-0.07	-0.06	-0.14	-0.20	1.00		
U.S. Short-Term Muni Bonds	-0.11	-0.23	-0.03	-0.04	0.05	-0.06	0.14	0.10	0.77	0.48	0.59	0.09	-0.11	0.33	0.36	-0.10	0.14	0.15	0.03	0.00	0.01	0.35	-0.10	0.19	0.01	0.13	-0.04	-0.02	0.28	1.00	
U.S. Short-Term Bonds	-0.12	-0.17	0.00	-0.02	0.10	-0.04	0.18	0.14	0.62	0.49	0.82	0.21	0.01	0.40	0.44	0.05	0.28	0.26	0.12	0.08	0.03	0.36	-0.07	0.21	0.06	0.15	-0.04	0.00	0.41	0.61	1.00

* Correlations for asset classes with less than 10 years of benchmark data are calculated since inception.

Source: Bloomberg, CA, Pitchbook, Morningstar, NAREIT, SpringTide calculations.

Disclaimer & Terms of Use

Magnus Financial Group LLC (“Magnus”) did not produce and bears no responsibility for any part of this report whatsoever, including but not limited to any macroeconomic views as well as any errors or omissions. Research and data used in the presentation have come from third-party sources that Magnus has not independently verified presentation and the opinions expressed are not by Magnus or its employees and are current only as of the time made and are subject to change without notice. Magnus bears no responsibility for any part of this report whatsoever, including but not limited to any macroeconomic views as well as any errors or omissions.

This report may include estimates, projections or other forward-looking statements, however, due to numerous factors, actual events may differ substantially from those presented. The graphs and tables making up this report have been based on unaudited, third-party data and performance information provided to us by one or more commercial databases. Except for the historical information contained in this report, certain matters are forward-looking statements or projections that are dependent upon risks and uncertainties, including but not limited to factors and considerations such as general market volatility, global economic risk, geopolitical risk, currency risk and other country-specific factors, fiscal and monetary policy, the level of interest rates, security-specific risks, and historical market segment or sector performance relationships as they relate to the business and economic cycle.

Additionally, please be aware that past performance is not a guide to the future performance of any manager or strategy, and that the performance results and historical information provided displayed herein may have been adversely or favorably impacted by events and economic conditions that will not prevail in the future. Therefore, it should not be inferred that these results are indicative of the future performance of any strategy, index, fund, manager or group of managers. Index benchmarks contained in this report are provided so that performance can be compared with the performance of well-known and widely recognized indices. Index results assume the re-investment of all dividends and interest.

The information provided is not intended to be, and should not be construed as, investment, legal or tax advice nor should such information contained herein be construed as a recommendation or advice to purchase or sell any security, investment, or portfolio allocation. An investor should consult with their financial advisor to determine the appropriate investment strategies and investment vehicles. Investment decisions should be made based on the investor’s specific financial needs and objectives, goals, time horizon and risk tolerance. This presentation makes no implied or express recommendations concerning the way any client’s accounts should or would be handled, as appropriate investment decisions depend upon the client’s specific investment objectives.

Investment advisory services offered through Magnus; securities offered through third party custodial relationships. More information about Magnus can be found on its Form ADV at www.adviserinfo.sec.gov.

TERMS OF USE

This report is intended solely for the use of its recipient. There is a fee associated with the access to this report and the information and materials presented herein. Redistribution or republication of this report and its contents are prohibited. Expert use is implied.



90 Park Avenue, Suite 1800,
New York, NY 10016

(800) 339-1367

service@magnusfinancial.com