

Retirement Funding Advisors

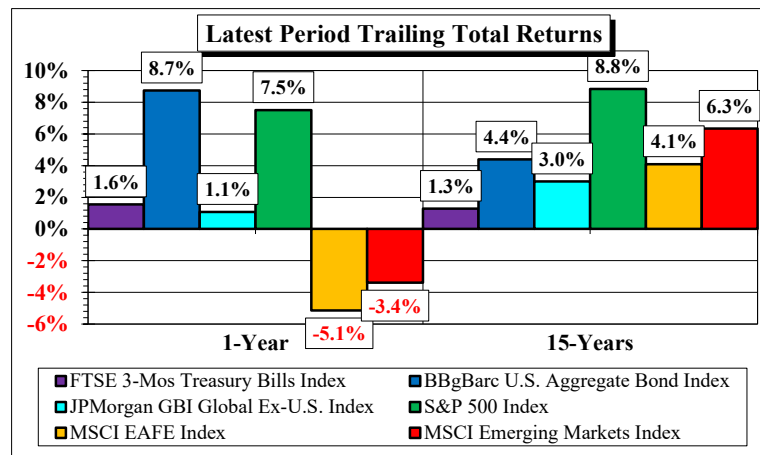
THE (CAPITAL) MARKETS ENVIRONMENT

For the Periods Ending June 30, 2020

“And this, too, shall pass away” – Abraham Lincoln (1859)

Stock Market Index Statistics	Trail. 12M P/E Ratio	Fwd. 12M P/E Ratio	Fwd. 12M EPS Grw.	Dividend Yield
S&P 500 Index	22.0x	24.2x	-8.9%	1.9%
MSCI EAFE Index	15.8x	17.1x	-7.3%	2.8%
MSCI EM Index	16.0x	14.1x	+13.8%	2.6%

Source: S&P Dow Jones Indices, LLC and MSCI, Inc.



Capital Market Index / Morningstar Category	25 years	YTD	1 Mon.	3 Mos.	1 Yr.	3 Yrs.	5 Yrs.	7 Yrs.	10 Yrs.	15 Yrs.	20 Yrs.
U.S. Consumer Price Index (Inflation)	2.1%	-1.1%	-0.1%	-1.3%	0.1%	1.6%	1.6%	1.4%	1.7%	1.9%	2.0%
FTSE 3-Month Treasury Bills Index (Cash)	2.3%	0.5%	0.0%	0.1%	1.6%	1.7%	1.2%	0.8%	0.6%	1.3%	1.6%
Bloomberg Barclays U.S. Aggregate Bond Index (Bonds)	5.4%	6.1%	0.6%	2.9%	8.7%	5.3%	4.3%	4.0%	3.8%	4.4%	5.1%
JPMorgan Government Bond Index Global Ex-U.S. (Bonds)	3.8%	1.2%	0.8%	2.4%	1.1%	2.9%	3.4%	1.6%	1.8%	3.0%	4.2%
S&P 500 Index (Large-Cap Stocks)	9.3%	-3.1%	2.0%	20.5%	7.5%	10.7%	10.7%	12.1%	14.0%	8.8%	5.9%
S&P MidCap 400 Index (Mid-Cap Stocks)	10.8%	-12.8%	1.3%	24.1%	-6.7%	2.4%	5.2%	8.0%	11.3%	8.2%	8.3%
Russell 2000 Index (Small-Cap Stocks)	8.2%	-13.0%	3.5%	25.4%	-6.6%	2.0%	4.3%	7.2%	10.5%	7.0%	6.7%
MSCI EAFE Index (Intl. Stocks - Developed Mkts.)	4.5%	-11.3%	3.4%	14.9%	-5.1%	0.8%	2.1%	3.9%	5.7%	4.1%	2.9%
MSCI Emerging Markets Index (Intl. Stocks - Undeveloped Mkts.)	N/A	-9.8%	7.4%	18.1%	-3.4%	1.9%	2.9%	3.2%	3.3%	6.3%	N/A
Morningstar Allocation-15% to 30% Equity	4.8%	-1.5%	1.3%	7.8%	1.8%	2.9%	3.0%	3.2%	4.1%	3.7%	4.1%
Morningstar Allocation-30% to 50% Equity	5.1%	-3.0%	1.5%	10.6%	1.3%	3.4%	3.7%	4.1%	5.1%	4.2%	4.0%
Morningstar Allocation-50% to 70% Equity	6.2%	-3.6%	1.6%	13.0%	2.2%	4.8%	4.9%	5.9%	7.3%	5.3%	4.4%
Morningstar Allocation-70% to 85% Equity	6.4%	-6.8%	1.8%	16.1%	-0.6%	3.9%	4.5%	6.1%	7.8%	5.4%	4.2%
Morningstar Allocation-85% + Equity	7.1%	-8.3%	2.2%	18.9%	-1.3%	4.2%	5.0%	7.0%	9.1%	6.0%	4.8%
Morningstar Nontraditional Bond	N/A	-2.6%	1.3%	5.5%	-0.4%	1.4%	1.8%	1.7%	2.0%	2.4%	3.0%
Morningstar Muni National Intermediate Bond	4.0%	1.1%	1.1%	2.6%	3.1%	3.3%	3.1%	3.1%	3.2%	3.4%	3.9%
Morningstar Intermediate Core Bond	4.8%	5.5%	1.0%	3.9%	7.8%	4.8%	4.0%	3.7%	3.8%	4.0%	4.6%
Morningstar Intermediate Core-Plus Bond	5.3%	4.3%	1.3%	5.5%	6.8%	4.6%	4.0%	3.8%	4.1%	4.5%	5.1%
Morningstar Multisector Bond	5.3%	-2.0%	1.6%	7.7%	0.6%	2.7%	3.2%	3.3%	4.3%	4.4%	5.0%
Morningstar World Bond	4.6%	0.5%	1.4%	5.9%	1.5%	2.7%	2.9%	2.2%	2.8%	3.4%	4.5%
Morningstar Large Value	7.2%	-15.3%	0.3%	15.7%	-7.7%	2.1%	4.3%	6.5%	9.5%	5.6%	5.3%
Morningstar Large Blend	7.7%	-5.5%	1.6%	19.4%	3.7%	8.1%	8.1%	9.7%	11.7%	7.3%	4.6%
Morningstar Large Growth	8.6%	7.5%	3.8%	27.2%	16.9%	15.8%	12.7%	14.1%	14.7%	9.3%	4.6%
Morningstar Mid-Cap Value	8.4%	-19.6%	1.1%	19.3%	-13.4%	-1.7%	1.7%	5.0%	8.7%	5.9%	7.1%
Morningstar Mid-Cap Blend	8.6%	-12.6%	1.4%	22.1%	-6.3%	2.1%	3.7%	6.5%	9.6%	6.5%	6.1%
Morningstar Mid-Cap Growth	9.1%	3.1%	2.9%	30.0%	9.3%	12.2%	9.4%	11.3%	12.9%	8.7%	5.0%
Morningstar Small Value	8.2%	-22.9%	2.9%	22.4%	-17.2%	-5.0%	-0.2%	3.0%	7.2%	4.7%	7.2%
Morningstar Small Growth	9.1%	-0.5%	3.8%	32.1%	4.3%	9.7%	7.9%	10.1%	12.4%	8.0%	5.4%
Morningstar Foreign Large Value	4.4%	-16.7%	3.4%	14.6%	-11.2%	-3.3%	-0.8%	1.6%	3.7%	2.6%	2.7%
Morningstar Foreign Large Growth	5.4%	-1.9%	4.7%	21.3%	6.0%	6.3%	5.5%	6.5%	7.5%	5.8%	3.1%
Morningstar Diversified Emerging Mkts	5.5%	-9.9%	7.0%	20.6%	-4.2%	0.8%	2.1%	2.4%	2.7%	5.3%	5.6%

R.F.A. Mathematics of Investing Fact

-20%/+25% - An initial investment of \$10,000 that falls to \$8,000 is a mathematical loss of **-20%**. To gain back your original \$10,000 investment from \$8,000 requires not a return of +20% but **+25%**. Given this mathematical principal, prudent Investment Advisors hue to the edict of being the ‘tortoise’ rather than the ‘hare’. Or, in a different vernacular, provide Clients upside participation but with moreover downside protection.

Capital Market Index / Morningstar Category	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
U.S. Consumer Price Index (Inflation)	2.2%	2.1%	2.2%	2.0%	0.7%	0.7%	1.4%	1.8%	3.0%	1.4%	2.8%	-0.1%
FTSE 3-Month Treasury Bills Index (Cash)	2.3%	1.9%	0.8%	0.3%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	1.8%
Bloomberg Barclays U.S. Aggregate Bond Index (Bonds)	8.7%	0.0%	3.5%	2.7%	0.6%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%
JPMorgan Government Bond Index Global Ex-U.S. (Bonds)	5.2%	-1.7%	9.9%	1.9%	-4.8%	-2.5%	-5.1%	0.8%	5.9%	6.8%	3.9%	11.4%
S&P 500 Index (Large-Cap Stocks)	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%
S&P MidCap 400 Index (Mid-Cap Stocks)	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%	37.4%	-36.2%
Russell 2000 Index (Small-Cap Stocks)	25.5%	-11.0%	14.7%	21.3%	-4.4%	4.9%	38.8%	16.4%	-4.2%	26.9%	27.2%	-33.8%
MSCI EAFE Index (Intl. Stocks - Developed Mkts.)	22.0%	-13.8%	25.0%	1.0%	-0.8%	-4.9%	22.8%	17.3%	-12.1%	7.8%	31.8%	-43.4%
MSCI Emerging Markets Index (Intl. Stocks - Undeveloped Mkts.)	18.4%	-14.6%	37.3%	11.2%	-14.9%	-2.2%	-2.6%	18.2%	-18.4%	18.9%	78.5%	-53.3%
Morningstar Allocation—15% to 30% Equity	10.9%	-3.1%	6.5%	5.7%	-2.1%	3.4%	4.0%	8.3%	1.8%	9.6%	19.2%	-16.3%
Morningstar Allocation—30% to 50% Equity	14.8%	-5.0%	9.6%	6.7%	-2.4%	3.9%	7.1%	9.2%	1.7%	10.0%	20.4%	-18.9%
Morningstar Allocation—50% to 70% Equity	18.9%	-5.9%	13.2%	7.4%	-2.0%	5.8%	16.1%	11.9%	-0.4%	11.7%	24.0%	-28.2%
Morningstar Allocation—70% to 85% Equity	21.1%	-7.8%	16.2%	7.8%	-2.7%	5.6%	20.9%	13.4%	-3.4%	13.4%	29.3%	-34.4%
Morningstar Allocation—85% + Equity	24.5%	-9.2%	19.7%	7.9%	-1.8%	5.5%	26.7%	15.4%	-4.2%	14.8%	30.1%	-38.5%
Morningstar Nontraditional Bond	6.7%	-1.2%	4.3%	4.7%	-1.5%	0.9%	0.4%	7.0%	-0.9%	5.6%	19.0%	-14.2%
Morningstar Muni National Intermediate Bond	6.8%	0.8%	4.5%	-0.2%	2.5%	6.3%	-2.3%	5.6%	8.4%	2.2%	12.5%	-2.7%
Morningstar Intermediate Core Bond	8.3%	-0.5%	3.8%	3.2%	-0.3%	5.1%	-1.4%	6.9%	5.8%	7.7%	13.5%	-5.1%
Morningstar Intermediate Core-Plus Bond	8.9%	-0.6%	4.3%	3.9%	-0.4%	5.4%	-0.9%	7.8%	6.3%	8.6%	15.0%	-4.0%
Morningstar Multisector Bond	9.7%	-1.6%	6.1%	7.1%	-2.0%	3.4%	2.2%	11.6%	2.9%	10.6%	25.7%	-15.0%
Morningstar World Bond	6.8%	-1.4%	6.9%	3.8%	-4.1%	1.7%	-2.9%	7.8%	3.3%	6.8%	13.6%	-2.2%
Morningstar Large Value	25.0%	-8.6%	16.1%	14.6%	-4.1%	10.2%	31.2%	14.6%	-0.8%	13.6%	24.3%	-37.4%
Morningstar Large Blend	28.6%	-6.2%	20.5%	10.1%	-1.5%	10.7%	31.3%	14.9%	-1.4%	14.2%	28.2%	-37.9%
Morningstar Large Growth	31.7%	-2.2%	27.8%	3.2%	3.6%	10.1%	33.9%	15.2%	-2.6%	15.4%	35.2%	-40.9%
Morningstar Mid-Cap Value	24.8%	-12.9%	13.6%	17.6%	-5.2%	9.3%	34.9%	16.5%	-3.9%	22.0%	34.1%	-37.0%
Morningstar Mid-Cap Blend	25.9%	-11.3%	15.9%	13.7%	-4.5%	7.8%	34.4%	15.9%	-4.1%	22.7%	37.5%	-39.7%
Morningstar Mid-Cap Growth	32.3%	-6.7%	24.5%	5.7%	-1.0%	6.9%	34.8%	14.0%	-4.2%	24.8%	38.9%	-43.9%
Morningstar Small Value	21.2%	-15.4%	9.1%	25.7%	-7.0%	3.3%	36.2%	16.0%	-4.3%	25.7%	29.9%	-32.5%
Morningstar Small Growth	27.7%	-6.0%	21.8%	11.0%	-2.5%	2.6%	40.8%	13.2%	-3.6%	27.0%	35.1%	-41.8%
Morningstar Foreign Large Value	18.0%	-15.4%	22.4%	3.1%	-3.3%	-6.1%	21.0%	16.5%	-12.9%	7.4%	29.9%	-42.5%
Morningstar Foreign Large Growth	27.9%	-14.2%	31.3%	-2.6%	1.1%	-4.0%	17.9%	18.1%	-12.6%	14.2%	39.2%	-46.8%
Morningstar Diversified Emerging Mkts	19.1%	-16.1%	34.7%	8.1%	-13.7%	-3.0%	-0.7%	18.1%	-19.6%	18.6%	73.4%	-54.7%

Note: Periods longer than 1-year are average annualized rates of total return. Source: Morningstar™ and Zephyr StyleADVISOR™. U.S. Consumer Price Index (Inflation) lagged 1-month.

R.F.A. Bond Market Fact

...except 2018 [nearly], 2013, 1999, and 1994 – In the past 20 calendar years, the domestic bond market has never posted a negative total return...**except 2018 [nearly], 2013, 1999, and 1994**. In a normal interest rate cycle, bonds can be the ‘buoyant life-jackets’ to a diversified asset allocation portfolio. Generally, Bonds provide long-term total returns lower than Stocks, but their fundamental structure and priority along the capital structure provide diversification benefits. **Note that for 2018, the total return for the domestic bond market was 0.0%; but up until 4th quarter it had a negative -1.6% year-to-date total return.**