As of 12/31/2020

Q1 2021

Spectrum Investor® Quarterly Newsletter

SPECTRUM INVESTMENT ADVISORS

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Newsletter Summary:

U.S. COVID-19 cases continue to rise
Vaccines have arrived
Value stocks lifted by vaccine/reopening potential
S&P 500 earnings recovery estimated by year-end 2021 (Factset)

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See important disclosures on Page 6

Our ADV Part 2A-2B & privacy notice can be found on our website.

US stocks landed at record-setting year-end levels after a wild 2020 that veered from a bear market to new highs achieved faster than ever before. The S&P 500, for the year 2020, was up 18.4%, while the Dow Jones Industrial Average (DJIA) was up 9.7%. The Nasdaq Composite gained 44%, its best year since 2009. The Russell 2000 small-cap stock index finished up 20%. The pandemic "put the U.S. economy and markets on the biggest roller coaster we have ever seen," said Jim Paulsen, Chief Investment Strategist for the Leuthold Group, LLC.

Throughout the year there was a lot of debate about what the recovery would look like, throwing out nearly every letter of the alphabet as a visual forecast. The chart on the bottom of this page shows the S&P 500 has seen a V-shaped recovery (sharp fall, sharp recovery) but that has not been the same experience for all parts of the market or economy. Many technology based firms benefited from social distancing measures, while other areas like travel and leisure have seen very little recovery as social distancing measures remain in place.

Some of the hardest hit industries (travel, financials, energy) fall in the value category. Comparing the Russell 1000 growth and value indexes, growth turned into positive territory in May, while value stocks just barely turned positive by the end of December, finishing 2020 up 2.4%. The turning point for value was the news that a vaccine would be ready and beginning in December 2020.

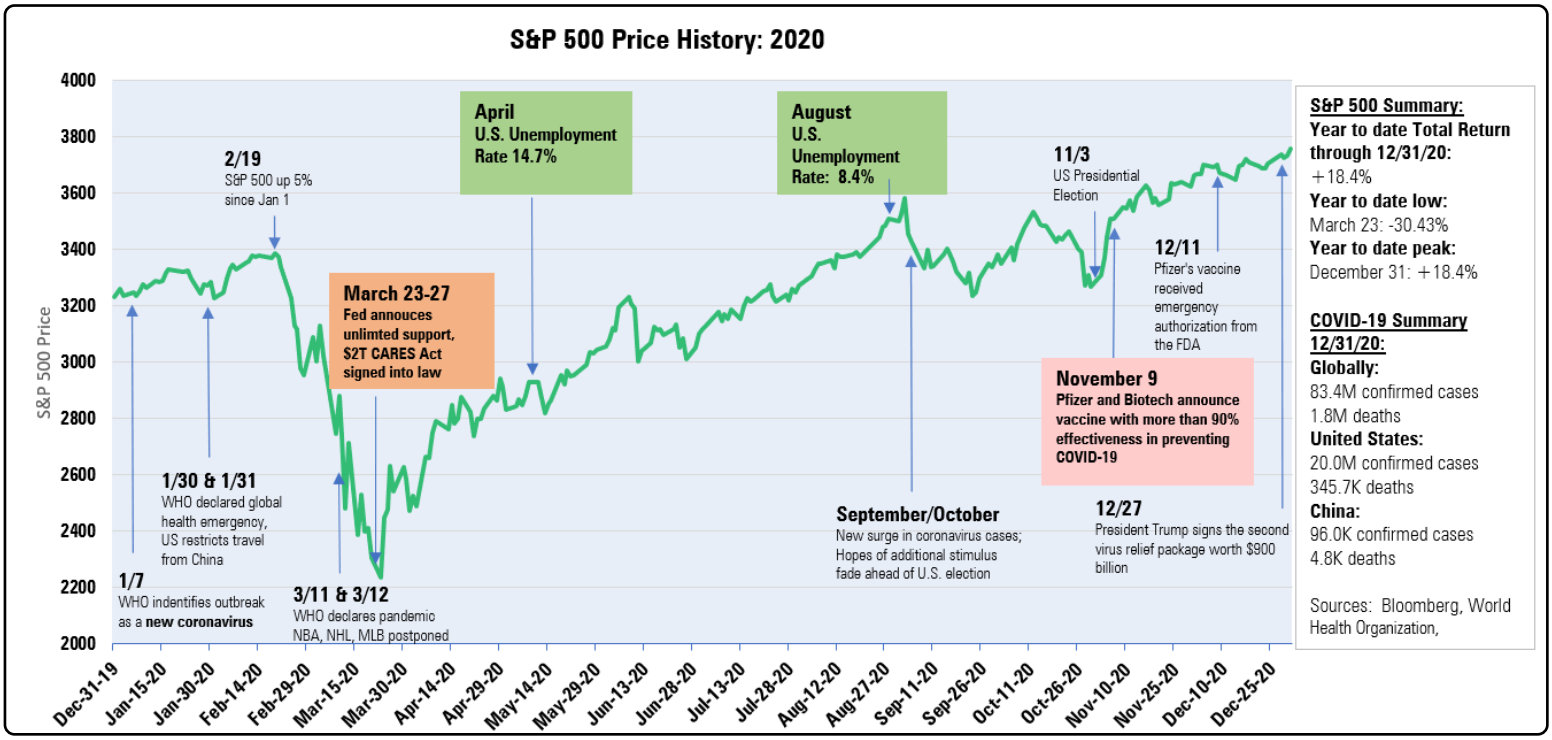
In 2021, the difference between growth and value stocks is likely to be closely tied to how successful vaccines are at providing a "return to normal" for the economy. Value stocks outperformed in the fourth quarter and in early 2021, a trend that could continue should we see an accelerated economic recovery in 2021. Long-term we continue to suggest staying diversified with a mix of growth and value in your portfolio.

The following are three reasons this bull market could continue:

1. Vaccine arrival: According to Jefferies Research, there will be enough supply generated in 2021 to vaccinate five billion people globally. That is more than five times the 83 million confirmed COVID-19 cases in all of 2020.

2. Stimulus bridge: To offset the economic damage of COVID-19, the total Federal Reserve stimulus for COVID-19 is now at $4 trillion, while the total Federal Government stimulus for COVID-19 is approaching $3 trillion. For comparison, the combined $7 trillion is approaching the total cost of all US wars combined, from the Revolutionary War to Afghanistan, when adjusted for inflation in today's dollars.

3. High liquidity: As of the end of the third quarter, US corporate cash levels have risen to a record $3.5 trillion, 37% higher versus a year ago. At the aggregate level, US households have saved $1.4 trillion more than they would have without the pandemic (Moody's Research). High amounts of cash can provide a buffer for what looks to be a difficult winter, but can also indicate pent up demand that could provide a spending boost once social distancing restrictions are lifted.



Quarterly Economic Update Continued

COVID-19 Fatalities by age, 2020

Age	% of Population	% of Fatalities
Under 25	31.5%	0.2%
25-64	52.1%	19.2%
65+	16.5%	80.6%

Source: Centers for Disease Control and Prevention, John Hopkins CSSE, JPMorgan. Guide to the Markets U.S. Data as of 12/31/2020.

COVID-19 cases and fatalities in the US reached new peaks in early 2021 at over 3,000 per day. About 80% of 2020 US COVID-19 fatalities occurred in those age 65 or older. By targeting higher risk people with the vaccine first, we should see a lower death rate by spring. Adding to the challenge are new strands of the virus that early on, appear easier to spread than the initial wave. This highlights the importance of a successful vaccination roll out.

According to Dr. David Kelly, Chief Global Strategist at JPMorgan,, unemployment peaked in April at 14.7%, but has now dropped to 6.75%, headed to 5% by the end of 2021. That assumption is based on roughly 150 million people in the US being vaccinated in the first half of 2021.

According to JPMorgan, the 2021-2022 outlook for corporate profits looks positive, with substantial year-over-year earnings growth in both 2021 and especially in 2022. It is important to remember that the stock market is forward looking and current prices are already anticipating much of the earnings recovery. For 2020, with the fourth quarter yet to report, the estimated earnings decline of the S&P 500 for 2020 is -12.9% (*FactSet*, 1/15/21). High expectations can be a potential for volatility should the actual outcomes disappoint. S&P 500 earnings are expected to grow 22.5% in 2021.

On the positive side, if the recovery is stronger than expected, one headwind for stocks could be inflation and rising interest rates. In the past 10 years, inflation has rarely exceeded the Fed's prior 2% target, primarily due to technology like smartphones and online retail, an aging demographic and lower energy costs (as a result of fracking technology). The extreme declines of 2020 could cause year-over-year inflation to go above the Federal Reserve's typical 2% target. In August 2020 the Fed announced it would view inflation on a longer-term average and also require full employment before raising interest rates. Forecasts from the Federal Reserve project short-term interest rates to remain near zero until 2023.

However, longer term interest rates, like the 10-year treasury, are influenced, but not controlled by the Fed. The 10-year treasury yield at year-end was 0.9%, still about 0.5% below the pre-pandemic lows. A moderate increase over the year can be tolerated, but a sharp move higher could cause stock market turbulence, particularly with higher valuations.

The close run-off election in Georgia, with both Senate seats going Democratic, creates a 50/50 tie in the Senate, with the Democrats now controlling the executive and legislative branch, with the Vice President acting as a tie breaker in the Senate. Dr. David Kelly does not envision a market correction due to the threat of rising coporate taxes and indicated that until the economy begins to recover, there will be no appetite for raising taxes in 2021, but likely in 2022. The current Biden proposal is to increase coporate taxes from 21% to 28%. The corporate tax rate had been 35% prior to the 2017 tax cuts. Alec Phillips, Chief U.S. Political Economist at Goldman Sachs believes the increase will be negotiated down to 25%.

What about our national debt?

According to *Kiplinger*, as recently as 2009 the amount of federal government debt was just 35% of our GDP. At the end of 2019, it was 79% and it's likely to hit 104% in 2021. Our nation's debt will likely rise to 109% in 2030 and approach 200% of GDP by 2050, according to estimates from the Congressional Budget Office. Dr. David Kelly believes that our nation's debt will peak at 108.9% and then level off. In comparison, Japan's debt has risen to 266% of GDP with no accompanying inflation. The Federal Reserve has signaled that it won't raise short-term rates for the next three years, so we can expect the rates the government pays in interest to stay relatively low for some time, which will also buoy the stock market.

The upside of our debt is that central banks around the world hold more dollars than currencies of any other country. Most of the world's exports and imports are priced in dollars. The world investors flock to US treasury securities because they are the safest in the world, with close to zero risk for default. A strengthening global economy may reduce investor demand for safety and therefore weaken the dollar.

As the US dollar weakens, look for international stocks to do better, especially in emerging markets. Although Brexit has officially passed, financial markets in Europe still face structural headwinds, indicating a slower recovery in Europe, which is heavily dependent on tourism, a sector that will likely be slow to come back until vaccinations for COVID-19 are more prevalent.

According to the Oxford Club, there are remarkable parallels between the 1920s and today. Both 20s began with a recovery from a devastating global pandemic. The Spanish flu in the 1920s has been the most significant human disaster in all of world history. The Spanish flu spread rapidly across the globe, aided by the movement of WWI troops. In terms of a death toll, the Spanish flu was far worse than COVID-19. It claimed the lives of more than 50 million people across the globe. India alone lost an estimated 18 million people, or around 6% of its population. Globally, coronavirus deaths have now surpasssed two million.

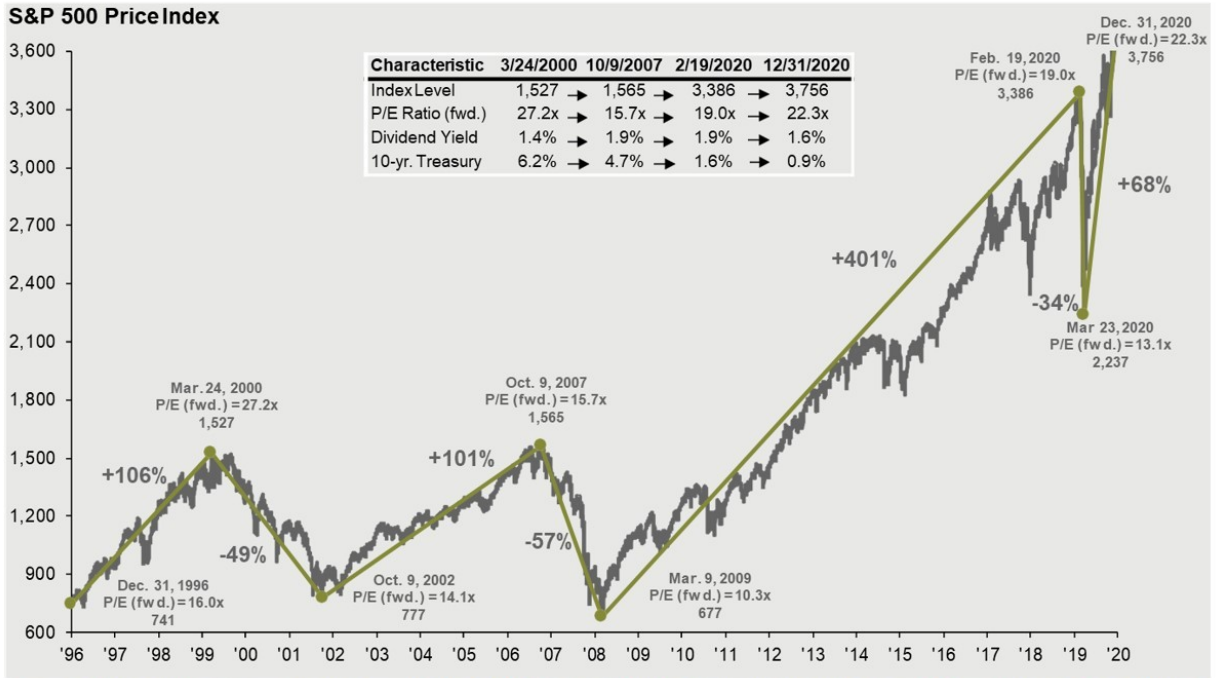
The Spanish flu claimed the lives of far more US citizens than WWI did, accounting for 675,000 American deaths compared with 116,516 US soldiers in combat. COVID-19 deaths in the US are likely to cross 400,000 total in January 2021. While the Spanish flu was a much more severe pandemic than COVID-19, it had a much less dramatic impact on the US economy. During the Spanish flu pandemic, industrial output fell sharply in the US but it rebounded within a few months. Businesses did not declare bankruptcy at higher rates than usual, real GDP and consumption fell by no more than 2%. The DJIA rose throughout the Spanish flu pandemic, surging 10.5% in 1918 and 30.5% in 1919. In comparison, we witnessed the fastest bull market in history after the market bottomed on March 23, 2020.

Overall, while many expect an economic recovery, particularly in the second half of 2021, there may be scarring that remains. For example, *Kiplinger* estimates that up to 20% of the workforce may remain remote well after the pandemic is under control. This could challenge office buildings, but would help to keep inflationary pressure lower.

We continue to suggest staying diversified, keeping your long-term goals in mind. 2020 was a roller coaster year, and a reminder that most of the time, the best thing to do is to ride out the storm and stay the course. It is always a good idea to re-evaluate your risk tolerance as we are all now a year older. Some of us may have aged more than a year over the last 12 months. If you are considering a change or would like a review of your portfolio, please contact our office. For more on the markets visit our website at www.spectruminvestor.com and click on Resources. This week we will be posting a recording of our January 19, 2021 webinar featuring Dr. Gregory Poland, Director of Vaccine Research at the Mayo Clinic and Dr. Brian Jacobsen, Senior Investment Strategist from Wells Fargo.

S&P 500 Index at Inflection Points: The chart below illustrates the performance history of the S&P 500 from 1996 to 12/31/20. As of 3/23/20, the S&P had dropped 30%, but recovered, down 8% as of 6/30/20. The S&P finished up 18.4% as of 12/31/20. As of 2/19/20, the 10-year treasury was 1.6% and is now down to 0.93% as of 12/31/20, which compares to the dividend yield of the S&P 500 of 1.6%. The current yield on stocks is higher than the yield on bonds, which favors stocks (see chart inset).

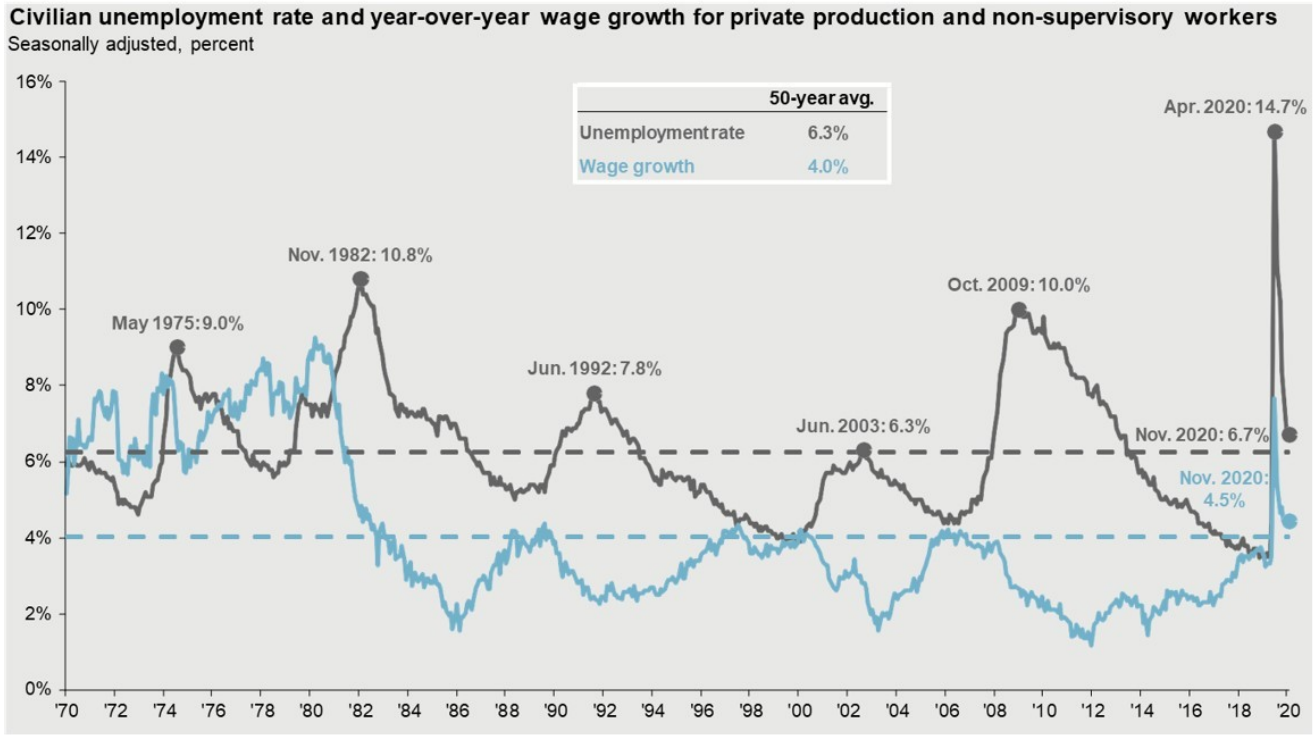
S&P 500 Index at Inflection Points



Source: Compustat, FactSet, Federal Reserve, Standard & Poor's, J.P. Morgan Asset Management. Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price to earnings ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns. See benchmark disclosures. Guide to the Markets – U.S. Data as of 12/31/2020.

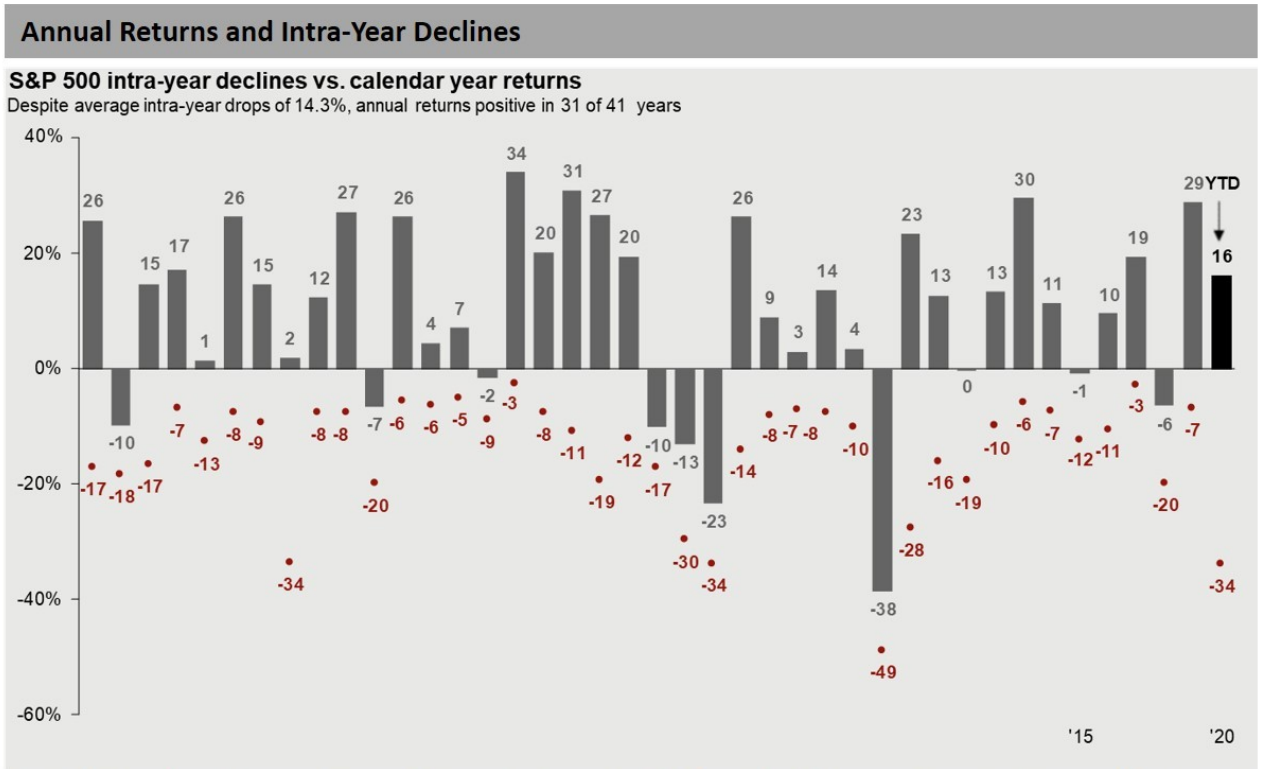
Unemployment and Wages: US unemployment spiked to 14.7% in April 2020, but has settled back to 6.7% as of November 2020. Dr. David Kelly, Chief Global Market Strategist at JPMorgan predicts that unemployment is likely headed to 5% by the end of 2021, and close to 4% by the end of 2022, which should be good for stocks. The chart below provides a look at previous high unemployment numbers. According to JPMorgan, economic data like unemployment, historically lags the stock market performance by an average of four and a half months.

Unemployment and Wages



Source: BLS, FactSet, JPMorgan Asset Management. Guide to the Markets – U.S. Data as of 12/31/2020.

Annual Returns and Intra-Year Declines: The chart below illustrates the year-end return of the S&P 500 Index vs. the intra-year declines for the past 40 years. As of December 31, 2020, the S&P was up 16%, without dividends, as investors battle between the opposing impacts of the coronavirus pandemic and unprecedented stimulus. According to JPM, the stock market historically finished up during 75% of calendar years. This chart can help a long-term investor understand the volatility of the market, and why, in most cases, we believe the best thing to do is stay the course.



Source: FactSet, Standard & Poor's, JPMorgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2020, over which time period the average annual return was 9.0%. Past performance is not indicative of future results. See benchmark disclosures. Guide to the Markets – U.S. Data as of December 31, 2020.

A New Bull Market May Be Unfolding, But Expect Choppiness Along the Way: Very simply, "don't fight the Fed." Federal Reserve Chairman Jerome Powell has indicated that he would like to leave short-term interest rates low for the next three years, until 2024. Historically, low interest rates are bullish for stocks. Be aware of the perils of market timing. The best days for the stock market usually follow the worst days. Missing the 10 best days of each decade of the stock market can cost you dearly. For example, in the 1970s, the S&P 500 return for the decade was 17%, but if you missed the 10 best days you were down 20%. In the 1980s, the return for the decade was 227% vs. 108% for missing the 10 best days. In the 1990s, the return was 316% vs. 186%. In the 2000s, the return was -24%, vs. -62% and in the 2010s, the return was 190% vs. 95%. Stay the course.

A new bull market may be unfolding, but expect choppiness along the way

Historically, a 30% or greater decline in the S&P 500 Index has led to strong forward returns (%), albeit not in a straight line

Peak	Trough	Drawdown (%)	1 yr from trough (%)	3 yr from trough (%)	5 yr from trough (%)
2/19/20	3/23/20	-33.79	?	?	?
10/9/07	3/9/09	-56.77	68.24	102.63	177.60
3/24/00	10/9/02	-49.15	33.73	53.96	101.50
8/25/87	12/4/87	-33.51	21.39	45.74	92.95
1/11/73	10/3/74	-48.20	38.01	55.33	75.96
11/29/68	5/26/70	-36.06	43.73	55.78	30.73
Cumulative averages		-42.91	41.02	62.69	95.75
Annualized averages			41.02	17.61	14.38

Source: FactSet, as of 12/31/20. John Hancock, Market Intelligence. The last two market cycle peaks occurred in October 2007 and March 2000. The S&P 500 Index tracks the performance of 500 of the largest publicly traded companies in the United States. It is not possible to invest directly in an index. Drawdown is a measure of market declines from a peak to a subsequent trough. Past performance does not guarantee future results. See important disclosures.

In Other Words

Lessons from 2020

Angie Franzone | Newsletter Editor

I recently took my daughters to the pediatrician for their annual check up and the doctor issued a challenge to them. Make this the year you learn something new, like how to bake or sew or make the fanciest braids, so that in the future when people ask you what you did in 2020, you can tell them you learned something you otherwise may not have. Essentially, when life hands you lemons, make lemonade.

Let's apply this line of thinking to our retirement plans. What are some things you can do differently in the new year when it comes to your investments that you may not have otherwise thought about if it weren't for the pandemic?

Contribute More to Your Retirement Plan

One thing 2020 has taught us is that we can save more than we think. The shutdowns that occurred because of the pandemic greatly restricted our ability to go out to restaurants, bars, movie theaters, concerts, sporting events, etc. You may have seen a slight uptick in your toilet paper spending, but in general, you probably spent less than normal due to the inability to socialize. As things slowly go back to normal, instead of going back to old spending habits, think about putting that extra bit of money you didn't spend at a restaurant toward your retirement plan contribution. As the below chart illustrates, even just increasing your contribution by 1% can make a big difference.

Additional Contribution	Reduction in bi-weekly take-home pay	Estimated additional monthly retirement income	Total employee contributions over 30 years
5%	$50	$933	$90,340
3%	$30	$560	$54,204
2%	$20	$373	$36,136
1%	$10	$187	$18,068

Source: Principal. This example is for illustrative purposes only. It assumes $35,000 in annual income, 3.5% annual wage growth, 30 years to retirement, 7% annual rate of return and a 25% tax bracket. Estimated monthly retirement income calculations assume a 4.5% annual withdrawal in retirement. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option. Reduced take-home pay is accurate for the initial year and would change based on participant's annual pay. Estimated savings amounts shown do not reflect the impact of taxes on pre-tax distributions. Individual taxpayer circumstances may vary.

Keep Your Emotions Out of Investing

The past 12 months have been full of uncertainty and volatility. In times like these it is hard to think long-term about your investments, but it is very important not to make financial decisions based on fear. Make your plan and stick with it. Don't try to time the market. Monday, March 9 was the largest point drop for the Dow Jones Industrial Average (DJIA) in history, followed by two more record-setting drops on March 12 and March 16. By March 23, the S&P 500 index fell 34% to a market low. Despite those drops, the market rebounded pretty quickly and as of 12/31/20 the S&P 500 is up 67.88% from the low on March 23 and up 18.4% year-to-date as of 12/31/20. How did you react to this volatility back in March? Did you keep contributing or did you panic and pull your money out? Remember, you are investing for the long-term, so stay focused on your financial goals and make decisions based on those goals, rather than on the "noise" surrounding the markets.

Diversify Your Investments

As we saw in 2020, things can drastically change at any moment and we have no control over it. What we can control, however, is how our assets are invested. It's important to find the right mix of stocks, bonds and cash to suit your time frame and risk tolerance. The amount of time you have to invest before retirement plays a major role in how aggressive your investments are. If you are closer to retirement, it makes sense that you will want to have less risky investments, like stocks and more safer ones, like bonds. If you are farther from retirement and have more time to invest, your portfolio can handle the volatility that comes along with being invested in the stock market. Determining what the right mix is for you and how much risk you can handle is an important task and can seem overwhelming on your own, which brings me to my final point:

Utilize the Support of a Financial Professional

Even if you had a plan at the start of 2020, you certainly couldn't have factored in a worldwide pandemic. Building a relationship with a financial adviser can help you sleep better at night when things get rocky in the markets. Reach out to an adviser at Spectrum who you can trust and rely on for support during challenging times such as these. Find a way to make something positive out of such a difficult year and think about what lessons you've learned from it.

Hindsight truly is 2020. Happy New Year!

Spectrum Investor® Update

Morningstar Category Averages	4th Qtr	1 Year	3 Year
Intermediate-Core Bond	0.95%	7.52%%	5.11%
Allocation 50%-70% Equity	10.30%	11.72%	7.76%
Large Cap Value	15.73%	2.91%	5.57%
Large Cap Blend	12.81%	15.83%	11.89%
Large Cap Growth	12.50%	35.86%	20.50%
Mid Cap Value	22.60%	2.63%	3.91%
Mid Cap Blend	20.78%	12.39%	8.27%
Mid Cap Growth	21.03%	39.26%	19.77%
Small Cap Value	30.94%	4.02%	2.20%
Small Cap Blend	28.06%	10.99%	6.41%
Small Cap Growth	27.25%	38.62%	18.76%
Foreign Large Cap Blend	15.77%	9.30%	4.18%
Real Estate	11.15%	-4.49%	4.18%
Natural Resources	24.44%	16.37%	2.80%

Source: Morningstar, 3 yr return is annualized. Morningstar classifies categories by underlying holdings and then calculates the average performance of the category. Past performance is not an indication of future results. Returns in Blue = Best, Returns in Red = Worst. Please see Benchmark Disclosures on pg. 6.

DOW: 30,606
NASDAQ: 12,888
S&P 500: 3,756
10 Yr T-Note: 0.92%
Inflation Rate: 1.3% (12/20)
Unemployment Rate: 6.7%

Data as of 012/31/20 unless otherwise noted. The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors. The S&P 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. Barrel of Oil: West Texas Intermediate. Inflation Rate: CPI. The market value, the last sale price multiplied by total shares outstanding, is calculated throughout the trading day, and is related to the total value of the Index. Indices cannot be invested into directly.

To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

Spectrum Wealth Management

The Problem with Cash

Brian White, CFP® | Wealth Manager

As a child, I was fortunate to learn about the power of interest. In the early 1980s, my Milwaukee Brewers wallet (with a Velcro strip to close it) was filled with a whole $20 I had saved up from chores and birthday money. My parents helped me open my first passbook savings account and deposited the money into the bank. After some time, I made another small deposit and learned that I had earned some interest. The bank was actually paying me to keep money there! Fast forward about 35 years and I'm trying to help my kids deposit their money in a bank account. A lot has changed, especially in the last couple of years.

The most significant difference is the short-term interest rates. A recent FDIC report shows the average savings account at 0.05% Annual Percentage Yield (APY). But a quick search of the larger banks shows the rate at closer to 0.01% APY. That's not very attractive and doesn't keep pace with the rate of inflation. With those rates, it's hard to convince a 13-year-old to put his money in the bank!

At Spectrum, we are frequently asked about different options for earning higher rates of interest on cash that is sitting in savings accounts. What are the choices? Is there something that earns a higher rate of interest?

Goals. Take a step back and focus on the goals for your money that is sitting in cash. What is your plan for it? Do you have a purchase in mind for the near term, such as a new car or home project? Is it an emergency fund, set aside for the unexpected? Or are these funds for something that is more than three years away?

If the goal is to grow the funds for retirement needs in the future (more than 5 years from now) or to pass on to future generations, consider investing those funds in a balanced mix of stocks, bonds and cash. Investing the money for the long-term is important to keep pace with inflation.

If the goal is to preserve the funds for the near-term, it's best to leave it in cash. We encourage all of our clients to keep their emergency funds and short-term cash needs in FDIC-insured accounts. These are typically banking institutions, but can also be found in some brokerage accounts. These earn minimal interest, but the FDIC insurance provides peace of mind when it comes to the return of your investment.

Risk/Reward. One of the most basic tenets of investing is the relationship between risk and reward. As you take on more risk, the potential for higher return increases. The potential for gains AND losses increase as you increase your risk level. Risk tolerance is a key phrase when it comes to investing. The question is often: "How much risk can you handle?" Questionnaires are developed to help determine the risk tolerance of an individual. Answers are based on the emotions of an investor and how much they're willing to lose if things go the wrong way.

One relatively new idea is an individual's risk capacity. This is a measure of the amount of risk you should be able to handle, given the time horizon and goals for the money. A 25-year-old investor who is funding a Roth IRA has a high risk capacity. The time horizon (over 30 years) and goals (funding retirement) suggest an aggressive portfolio would be appropriate. An 80-year-old investor doesn't have nearly the risk capacity that the 25-year-old has. Life expectancy, healthcare costs and income needs all change the goals and time horizon of the investor.

In theory, your investments should be made as a result of a healthy balance of risk tolerance and risk capacity. Does that translate to reality? Not always. As investment advisors, we see individual risk tolerance shift based on the markets. 2020 was a perfect example of that shift. Many of the individuals we talked to in March and April had significantly different views in December. Even though their risk capacity didn't change in those 8-9 months, their risk tolerance sure did. Individuals tend to be more aggressive when the market is up 18% vs. down 25%.

Silver Bullet? So, what's the magic investment to gain 4% guaranteed interest with complete liquidity? It simply doesn't exist. Unfortunately for savers, we are in an historically low interest rate environment. In order to achieve a higher rate of return on your cash, you have to take on more risk or lock up your money for a longer period of time. That risk needs to be commensurate with your goals and time horizon for the money you're investing. Should you have any questions on your particular situation, please contact us. We would be happy to help!

Benchmark Disclosures: Morningstar Category Averages: *Morningstar classifies mutual funds into peer groups based on their holdings. The Category Average calculates the average return of mutual funds that fall within the category during the given time period. The following indexes and their definitions provide an approximate description of the type of investments held by mutual funds in each respective Morningstar Category. One cannot invest directly in an index or category average.* ***Intermediate-Term Bonds: Barclays US Agg Bond Index****–Measures the performance of investment grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS and CMBS.* ***Allocation 50%-70% Equity****–These funds invest in both stocks and bonds and maintain a relatively higher position in stocks. These funds typically have 50%-70% of assets in equities and the remainder in fixed income and cash.* ***Large Cap Value: S&P 500 Value Index****–Measures the performance of value stocks of the S&P 500 index by dividing into growth and value segments by using three factors: sales growth, the ratio of earnings change to price and momentum.* ***Large Cap Blend: S&P 500 Index****–A market capitalization-weighted index composed of the 500 most widely held stocks whose assets and/or revenue are based in the US.* ***Large Cap Growth: S&P 500 Growth Index****–Measures the performance of growth stocks drawn from the S&P 500 index by dividing it into growth and value segments by using three factors: sales growth, the ratio of earnings change to price and momentum.* ***Mid Cap Value/Mid Cap Growth: S&P MidCap 400 Index****–A market cap weighted index that covers the complete market cap for the S&P 400 Index. All S&P 400 index stocks are represented in both and/or each Growth and Value index.* ***Mid Cap Blend: S&P MidCap 400 Index****–Measures the performance of mid-sized US companies, reflecting the distinctive risk and return characteristics of this market segment.* ***Small Cap Value: Russell 2000 Value Index****–Measures the performance of small-cap value segment of Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.* ***Small Cap Blend: Russell 2000 Index****–Measures the performance of the small-cap segment of the US equity universe. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.* ***Foreign Large Cap Blend: MSCI EAFE NR Index****–This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-US, developed country indexes.* ***Small Cap Growth: Russell 2000 Growth Index****–Measures the performance of small-cap growth segment of Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.* ***Real Estate: DJ US Select REIT Index****–Measures the performance of publicly traded real estate trusts (REITs) and REIT-like securities to serve as proxy for direct real estate investment.* ***Natural Resources: S&P North American Natural Resources Index****– Measures the performance of US traded securities classified by the Global Industry Classification Standard (GICS) as energy and materials excluding the chemicals industry and steel but including energy companies, forestry services, producers of pulp and paper and plantations. Past performance is no guarantee of future results. This report is for informational purposes only and should not be construed as a recommendation or solicitation to buy or sell any security, policy or investment.* ***PE Ratio*** *is the measure of the share price relative to the annual net income earned by the firm per share.*

IRS Indexed Limits for 2021:
401(k), 403(b), 457 Plan Deferral Limit is $19,500.
Catch-up Contribution limit is $6,500. Source: www.irs.gov