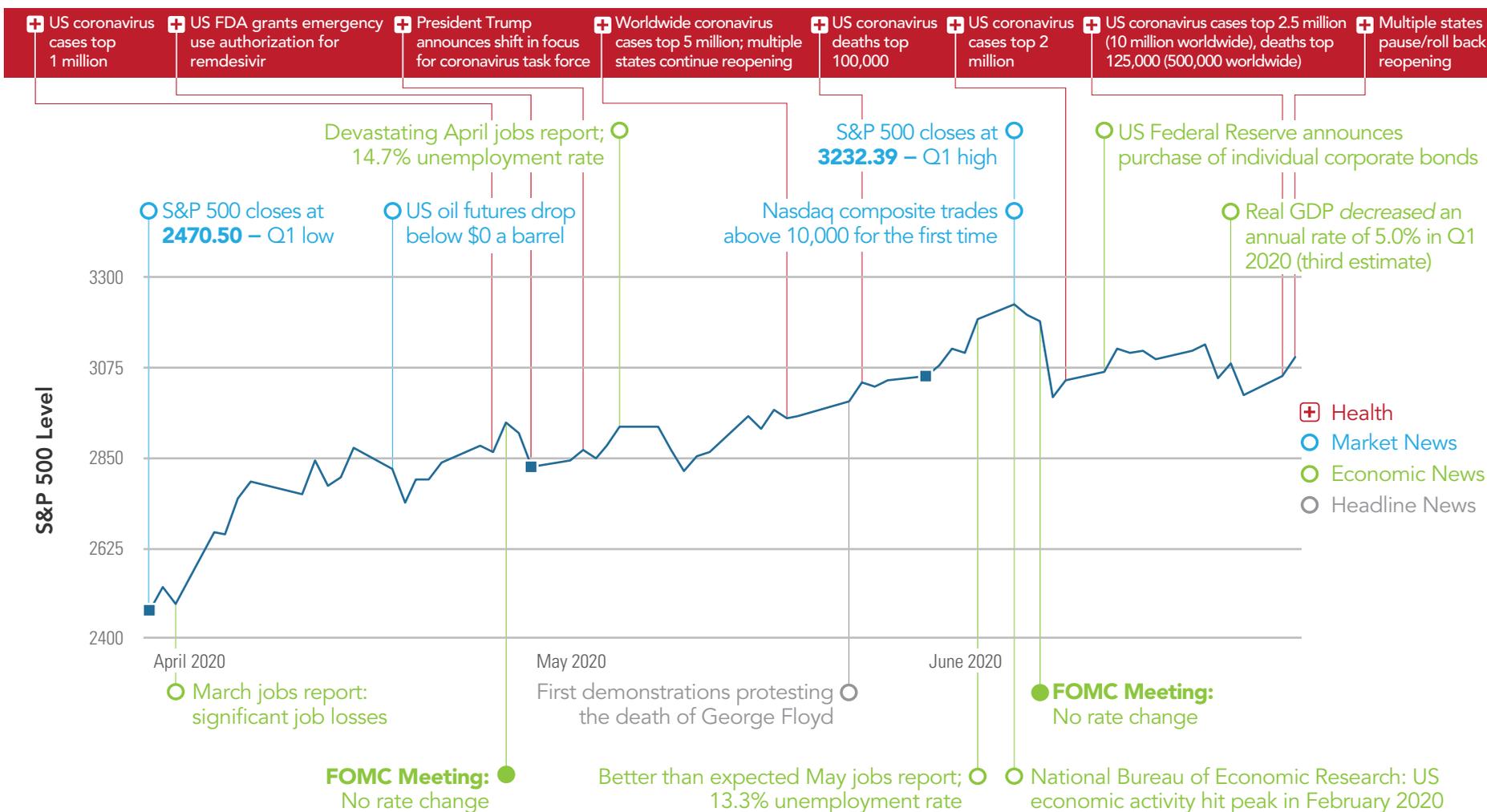


Second Quarter 2020 in Review



THE S&P 500® INDEX AND KEY EVENTS



Global equities rebound

- After a punishing first quarter, equities rallied in the second quarter. Both the S&P 500® and Dow Jones Industrial Average® delivered three months of positive returns, including their “best quarters” since 1998 (S&P 500) and 1987 (Dow). US small cap, US large cap, emerging markets, and non-US developed stocks all delivered positive returns.

Fixed income sectors positive

- Fixed income was also a bright spot during the second quarter. Returns were very strong for high yield corporate and investment grade corporate bonds. Returns were not as strong, but still positive, for municipal and broad investment grade bonds. Treasuries also landed in very mild positive territory.

Important events

- Coronavirus continued to concern, with more than 10 million diagnosed cases and 500,000 deaths globally at the close of the quarter.
- The Federal Open Market Committee (the Fed) left the fed funds rate unchanged at the April and June meetings. Notably, as exhibited in the “dot plot,” all Fed participants anticipate a flat rate path through 2021. In June, the Federal Reserve announced it would include purchases of “eligible” individual corporate bonds in an ongoing effort to maintain the liquidity of the corporate bond market.
- In June, the National Bureau of Economic Research reported US monthly economic activity hit a peak in February 2020, and officially designated the economy as in a recession.
- The US unemployment rate reached a high of 14.7% in April, declining slightly in May, to 13.3%.
- As a result of the pandemic and “stay at home” orders, US real gross domestic product (GDP) declined 5.0% in the first quarter (third estimate).

Savos expectations

- Savos expectations for 2020: bumpy economic rebound as local officials and companies react to COVID-19 data; policy stimulus cliff causes volatility in capital markets; elevated unemployment continues.

About Savos Investments

Savos Investments specializes in risk-managed strategies for financial advisors and their clients on the AssetMark platform. Savos aims to help clients reach their financial goals with expertly constructed portfolios and personalized investment solutions.

Simply Smart. Simply Savos.

Second quarter 2020 returns: Dow Jones Industrial Average: 18.51%; S&P 500, 20.54%; Russell 2000® Index: 25.42%; MSCI EAFE Index: 15.15%; MSCI EM Index: 18.14%; Bloomberg Barclays US Treasury 7-10 Year Index: 0.89%; S&P 500® Investment Grade Corporate Bond Index: 7.90%; S&P Municipal Bond Index: 2.57%; S&P 500 High Yield Corporate Bond Index: 10.84%; Bloomberg Barclays US Aggregate Bond Index: 2.90%.

Sources: Bloomberg; FactSet; U.S. Department of Labor, Bureau of Labor Statistics; Bureau of Economic Analysis; National Bureau of Economic Research.

Important Information

All investments involve the risk of potential investment losses as well as the potential for investment gains. Prior performance is no guarantee of future results. This information is not a solicitation for investment, but is intended only as a discussion of certain economic or finance related topics, or as a general discussion of certain services offered to financial advisors through the AssetMark platform. Opinions are those of Savos and may change at any time. Investors seeking more information about the investments available on the AssetMark platform should discuss with their financial advisor. Prior to making any investment decision, investors should always discuss their particular situation with both a qualified financial advisor and a qualified tax advisor. Financial advisors may seek more information regarding all services offered through the AssetMark platform by contacting Savos at (818) 528-3788.

It is not possible to invest directly in an index. The S&P 500® Index measures the performance of 500 leading companies in the U.S. Constituents generally have a market-cap above \$5 billion and represent approximately 80% of the investable market. The MSCI All Country World (ACWI) Index measures large- and mid-cap equity performance of developed and emerging markets. Represents approximately 85% of the global equity investment universe. The MSCI EAFE® Index measures the equity performance of countries considered to represent developed markets, excluding the U.S. and Canada. The MSCI Emerging Markets (EM) Index measures the equity market performance of countries considered to represent emerging markets. The Russell 2000® Index measures the performance of companies considered to represent the small-cap segment of the US equity market. The Bloomberg Barclays US Aggregate Bond Index measures the performance of USD-denominated, investment-grade, fixed-rate taxable bond market of SEC-registered securities. The index includes Treasury bonds, Government-related and Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS sectors. The Bloomberg Barclays US Treasury 7-10 Year Index measures the performance of US Treasury bonds, including all publicly issued securities with 7 to 9.9999 years to maturity. The Bloomberg Barclays US Corporate Bond Index measures the performance of the investment-grade, fixed-rate, taxable corporate bond market. Includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers that meet specified maturity, liquidity and quality requirements. The Bloomberg Barclays US Municipal Bond Index measures the performance of the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The Bloomberg Barclays US Corporate High Yield Bond Index measures the performance of USD-denominated, non-investment-grade, fixed-rate taxable corporate bonds. "High-yield" securities have the middle rating from Moody's, Fitch or S&P of Ba1/BB+/BB+ or below. Index excludes emerging market debt. The Dow Jones Industrial Average® measures the performance of an index of 30 large U.S. companies. Excludes the transportation industry and utilities sector.

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