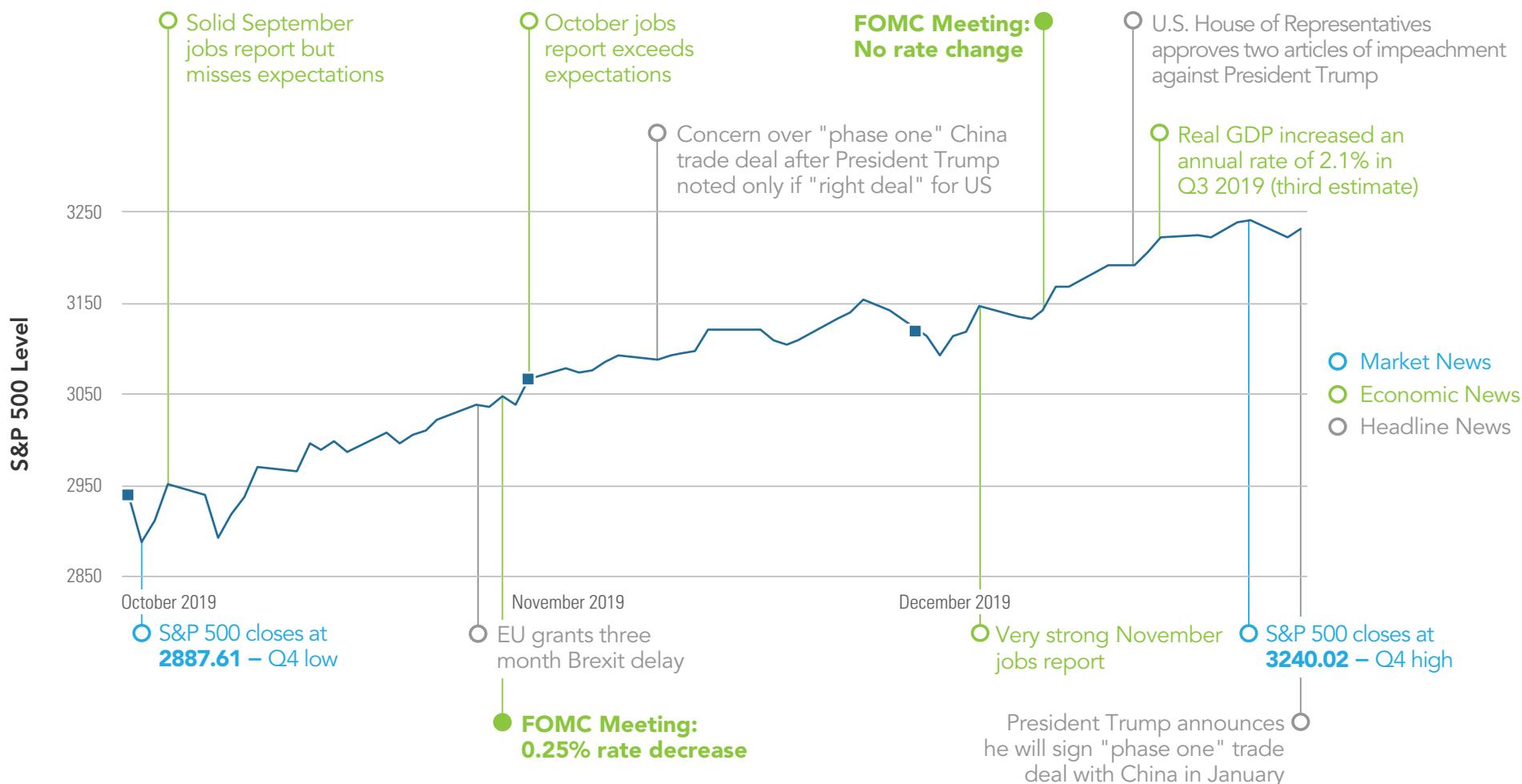


# Fourth Quarter 2019 in Review

THE S&P 500® INDEX AND KEY EVENTS



## Global equities soar

- Finishing a banner year for stocks across the globe, the final quarter of the year was positive for equity investors. Emerging market stocks led the way, followed by US small and large cap US stocks and non-US developed market stocks.

## Majority of fixed income markets positive

- In the fourth quarter as interest rates fell, yield-oriented market segments performed well including investment grade and high yield corporate bonds and municipal bonds, while Treasuries delivered negative returns. For 2019, a combination of declining Treasury yields and concerns about slowing economic growth provided a positive environment for most bond investors.

## Important events

- The Federal Open Market Committee (the Fed) decreased the fed funds rate in October, the third rate cut of the year. While the rate was left unchanged in December, the accompanying statement indicated a low probability of a fed funds rate hike in 2020.
- Concerns regarding a possible trade deal with China continued during the fourth quarter, ending on a potential high note with the December announcement a “phase one” deal to be signed in mid-January.

## Savos expectations and Fed watch

- Savos expectations for 2020: moderate economic growth; strong corporate profits for large companies, smaller companies continue to struggle; Fed on hold until late in the year.

Data as of 12/31/19, unless noted. Sources: Bloomberg, Bureau of Economic Analysis.

## 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.*

Fourth quarter and year 2019 returns: S&P 500® Index: 9.1%, 31.5%; Russell 2000® Index: 9.9%, 25.5%; MSCI EAFE Index: 8.2%, 22.8%; MSCI EM Index: 11.7%, 18.6%; Bloomberg Barclays US Treasury 7-10 Year Index: -1.2%, 8.5%; Bloomberg Barclays US Corporate Bond Index: 1.2%, 14.4%; Bloomberg Barclays US Municipal Bond Index: 0.7%, 7.5%; Bloomberg Barclays US Corporate High Yield Bond Index: 2.6%, 14.3%; Bloomberg Barclays US Aggregate Bond Index: 0.2%, 8.7%.

## 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.

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