

CHARTBOOK

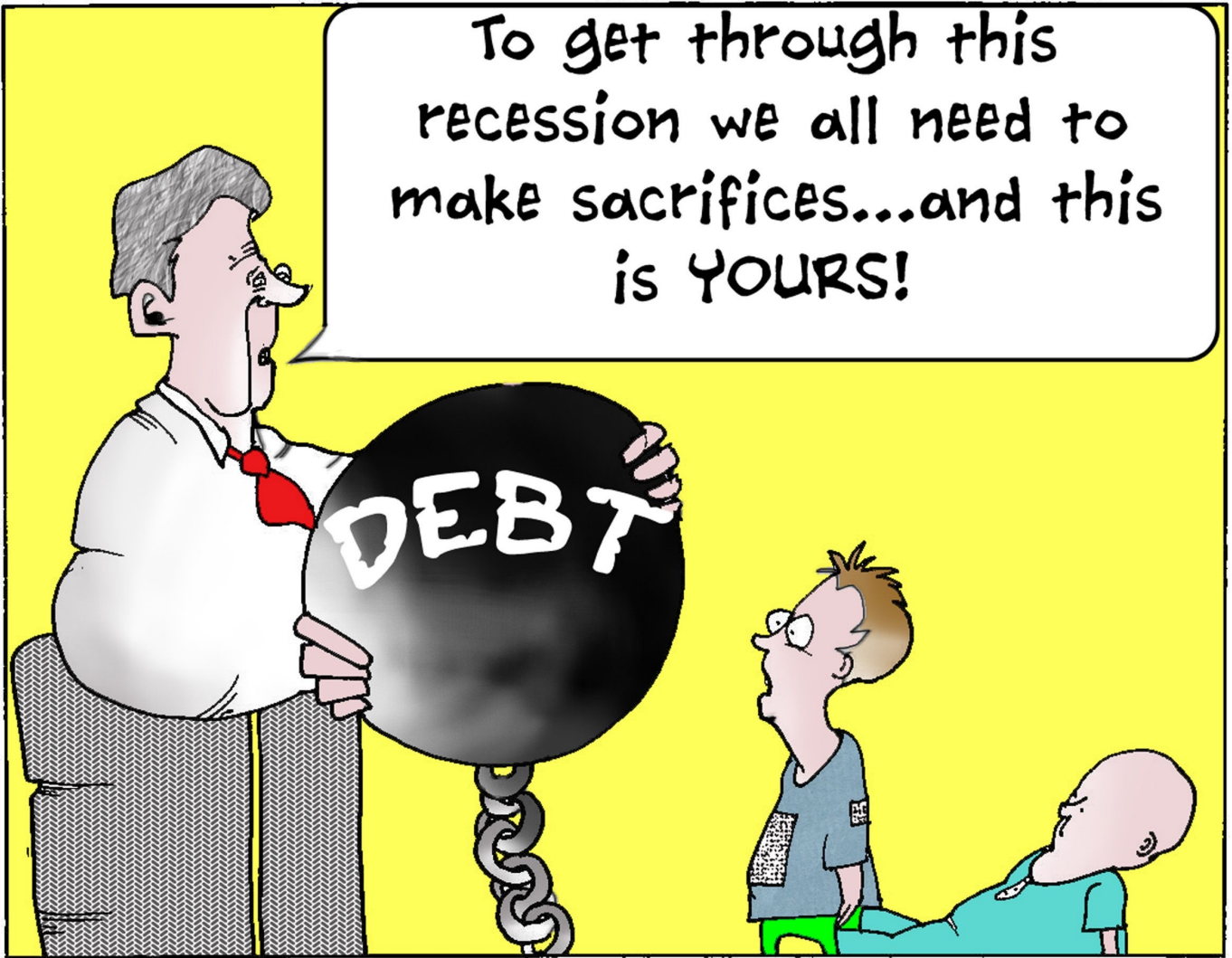
JUNE 2021



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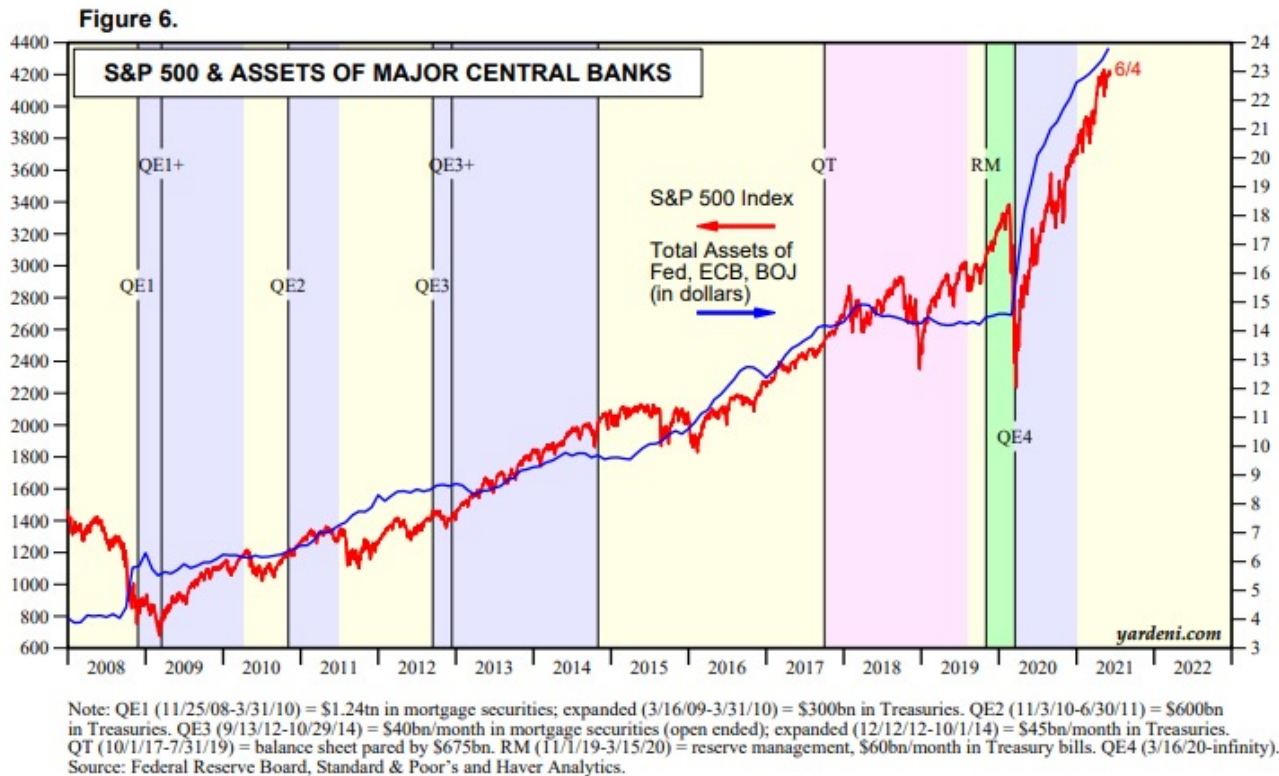
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"DON'T WORRY, THE MONEY WE'RE THROWING AT THE ECONOMY IS NOT U.S. TAXPAYER MONEY. IT'S BORROWED MONEY."

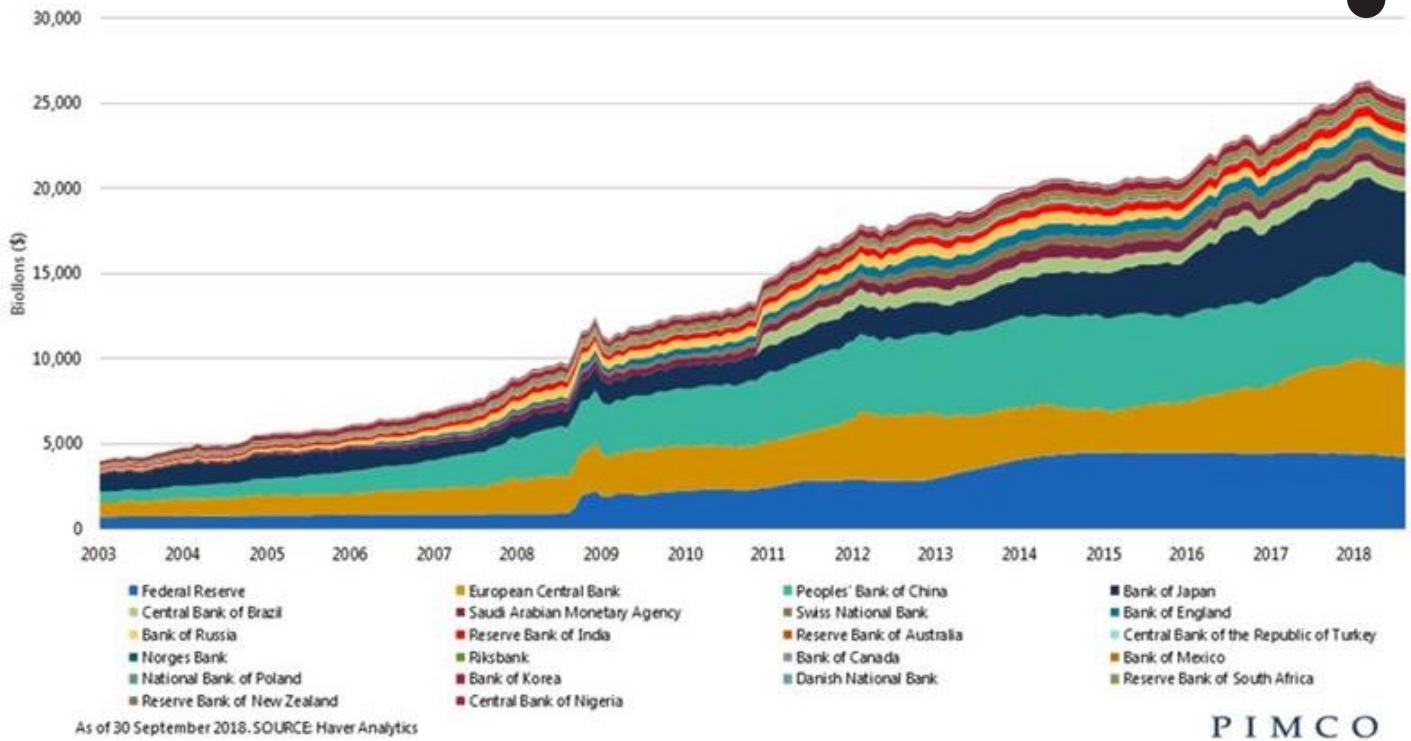
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THE STOCK MARKET IS HIGHLY CORRELATED TO QE



It is our opinion that continuing QE has artificially boosted asset prices all the way along. Big bursts of QE resurrected markets after the 2008 financial crisis and 2020 Covid crisis although 'Main Street's' recovery took far longer. QE is highly correlated to rising asset prices.

HOW MUCH CAN THE WORLD PRINT, AND FOR HOW MUCH LONGER? THE 22 LARGEST CENBANKS WERE PRINTING WAY BEFORE COVID



Source: Pimco

www.dentresearch.com

The printing peak of the 22 biggest CenBank printers reached 26 trillion in 2018. Central banks printed an additional 10 trillion in 2020 as an antidote to the global Covid recession. The black dot highlights only 2020 printing!

HUGE LEAP IN PRINTING BY MAJOR CENTRAL BANKS WHO WILL PAY IT BACK?

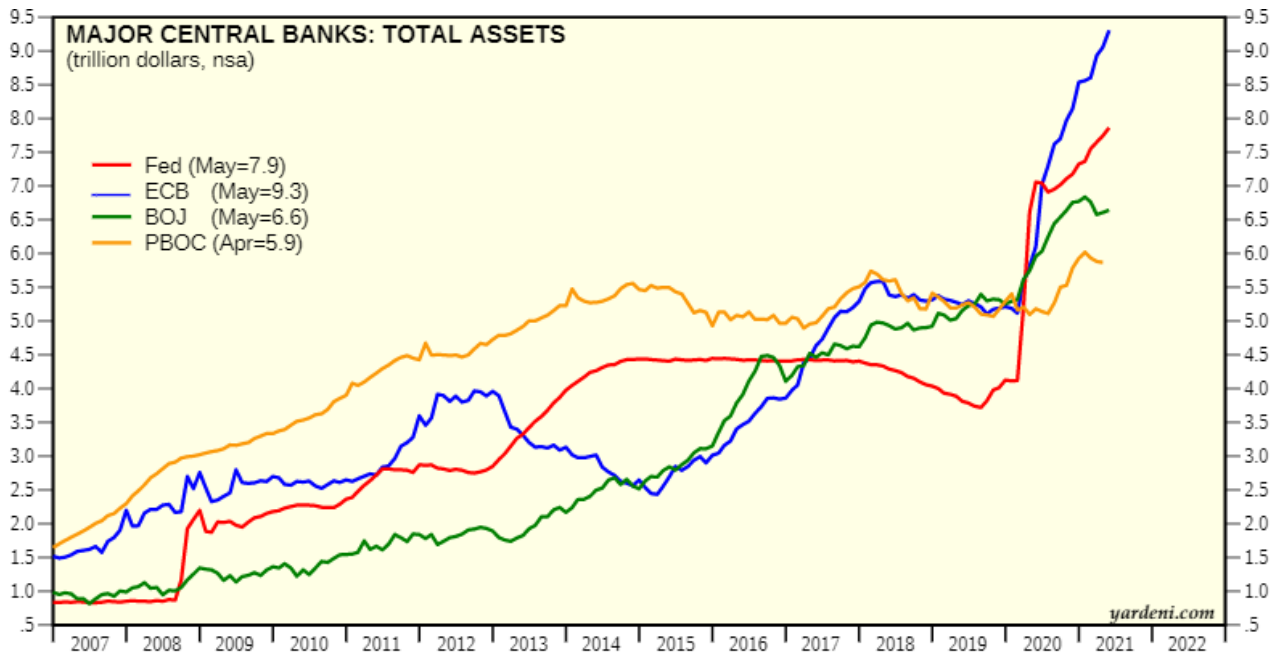
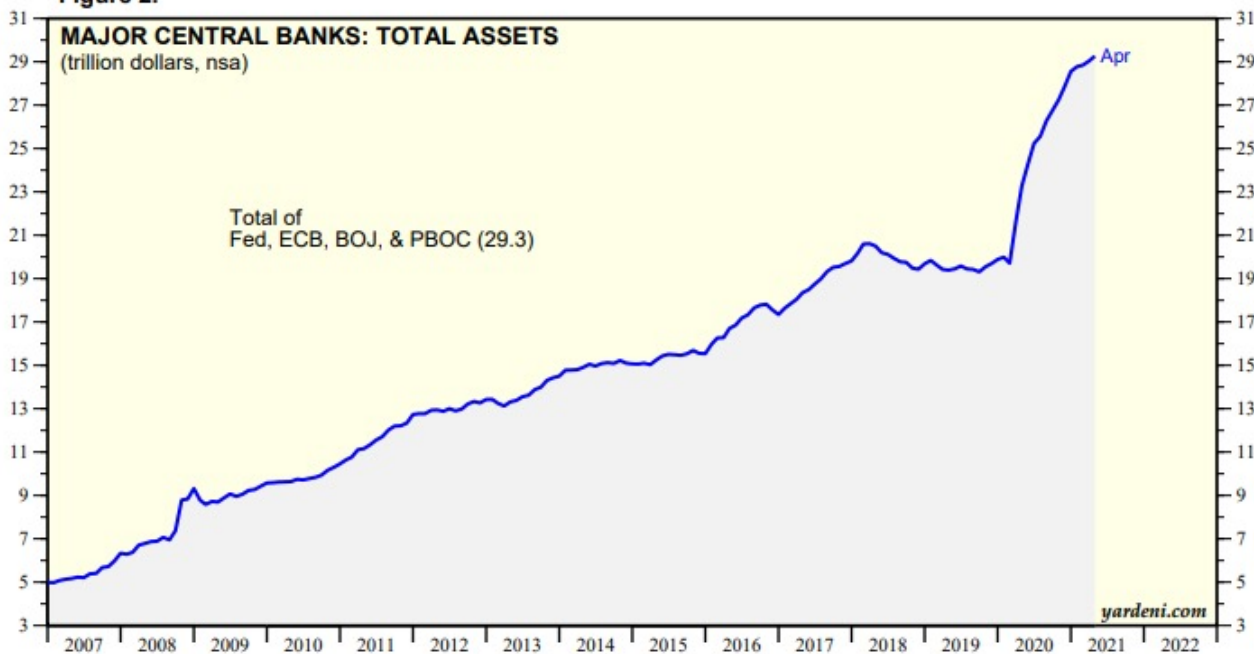
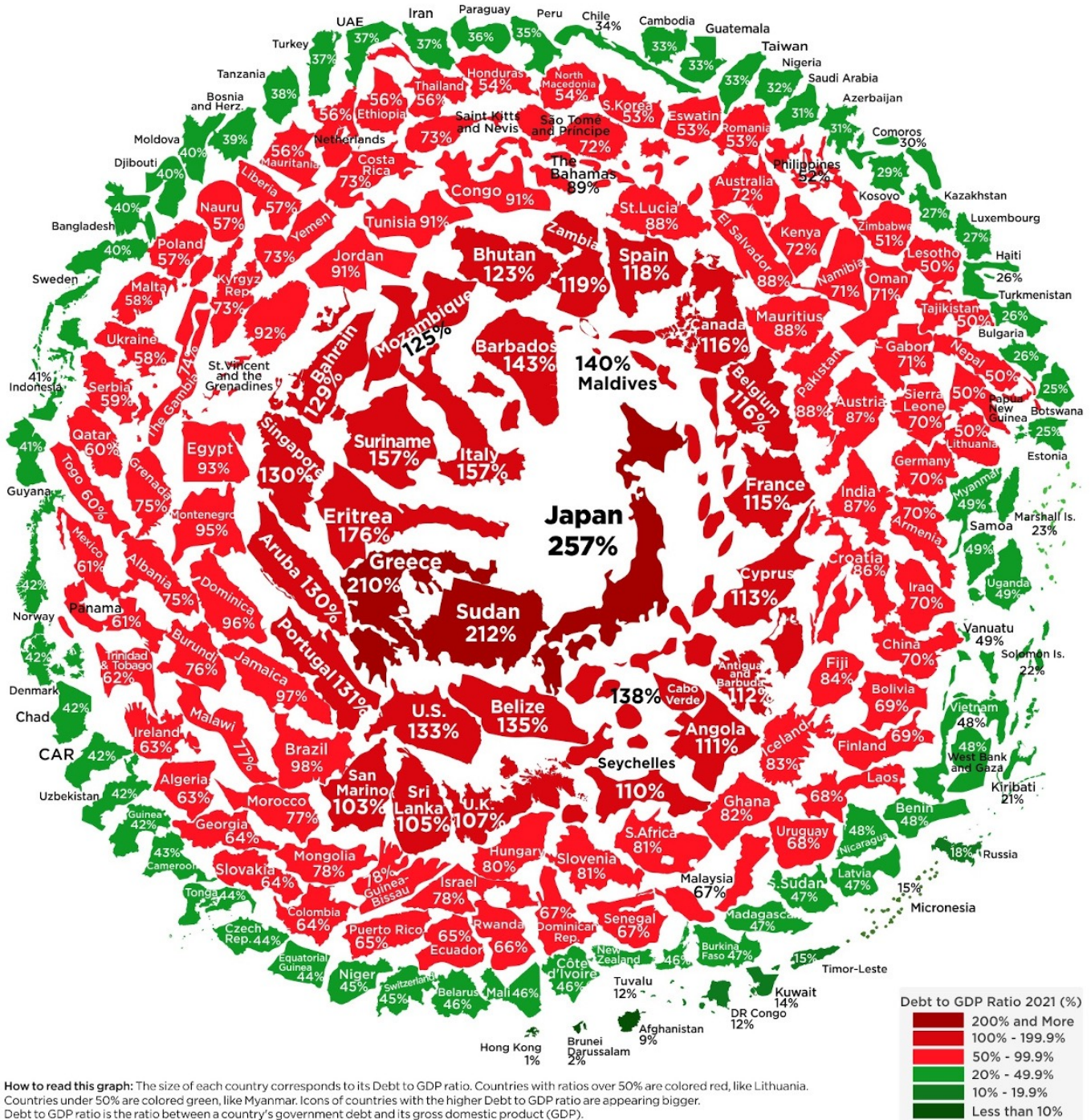


Figure 2.



As of April, 2021, the printing of the largest four Central Banks was 3 trillion more than the printing of the largest 22 Central Banks in September 2018 at now, 29 trillion.

NOT A VIRTUOUS CIRCLE: GOVERNMENTS DEBT AS A PERCENTAGE OF GDP



How to read this graph: The size of each country corresponds to its Debt to GDP ratio. Countries with ratios over 50% are colored red, like Lithuania. Countries under 50% are colored green, like Myanmar. Icons of countries with the higher Debt to GDP ratio are appearing bigger. Debt to GDP ratio is the ratio between a country's government debt and its gross domestic product (GDP).

Article & Sources:
<https://howmuch.net/articles/state-of-the-worlds-government-debt-2021>
 International Monetary Fund (IMF) - <https://www.imf.org/>

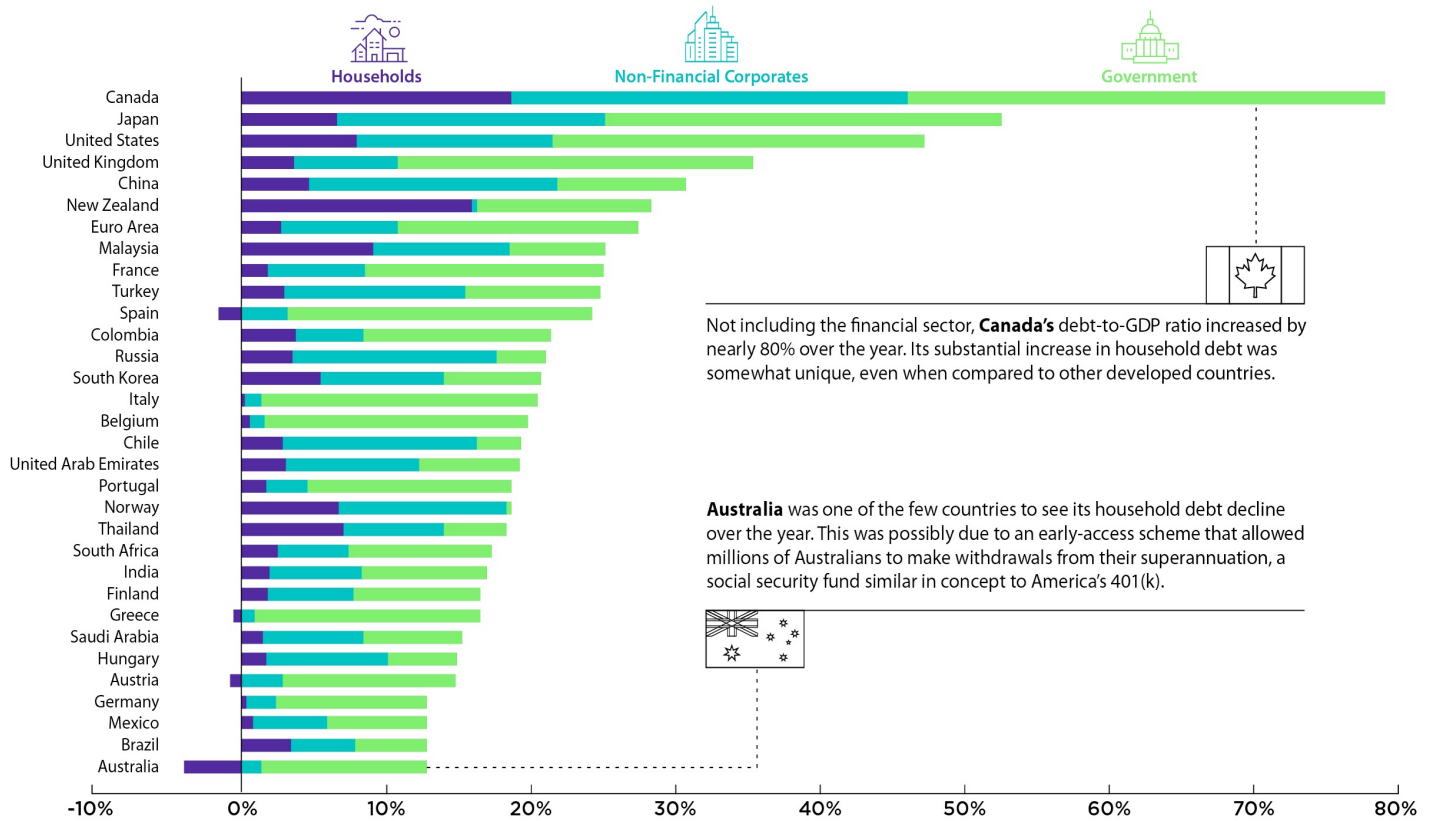


<https://www.visualcapitalist.com/government-debt-in-2021/>

INCREASE IN DEBT-TO-GDP RATIOS ONLY FIRST THREE QUARTERS OF 2020!

CHANGE IN DEBT-TO-GDP

(Q42019-Q32020)



Not including the financial sector, **Canada's** debt-to-GDP ratio increased by nearly 80% over the year. Its substantial increase in household debt was somewhat unique, even when compared to other developed countries.

Australia was one of the few countries to see its household debt decline over the year. This was possibly due to an early-access scheme that allowed millions of Australians to make withdrawals from their superannuation, a social security fund similar in concept to America's 401(k).

Source: IIF, Deutsche Bank

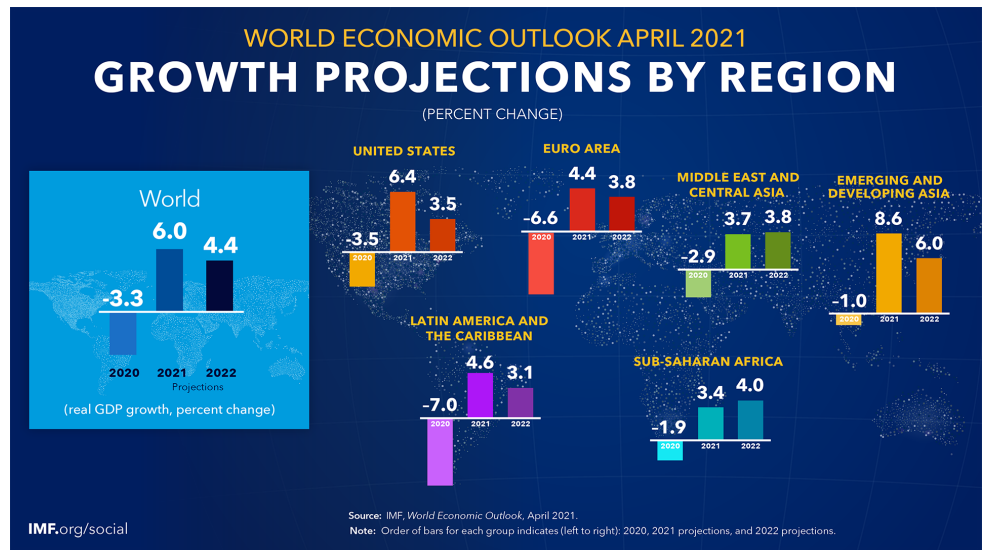
visualcapitalist.com

Source: IIF, Deutsche Bank

<https://www.visualcapitalist.com/debt-to-gdp-continues-to-rise-around-world/>

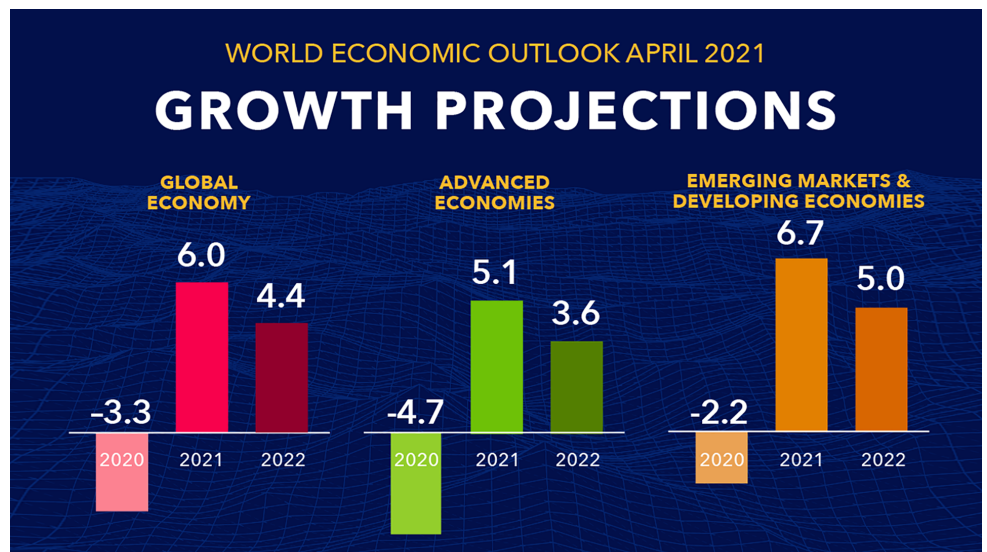
Chart: Debt-to-GDP Continues to Rise Around the World

Regional growth projections are of course, very high for 2021 relative to the pre-pandemic normal period.



<https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

It is noteworthy that while developing economies are projected to resume their higher pre-Covid growth, the projections for the developed world in 2022 are greater than growth pre-Covid, which we feel is likely attributable to the unprecedented stimulus extant.



<https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

THE RATE OF GROWTH WILL CONTINUE IN 2022 BUT IS LIKELY TO MODERATE IN 2023 AND BEYOND

GLOBAL GDP FORECASTS FOR 2021 AND 2022

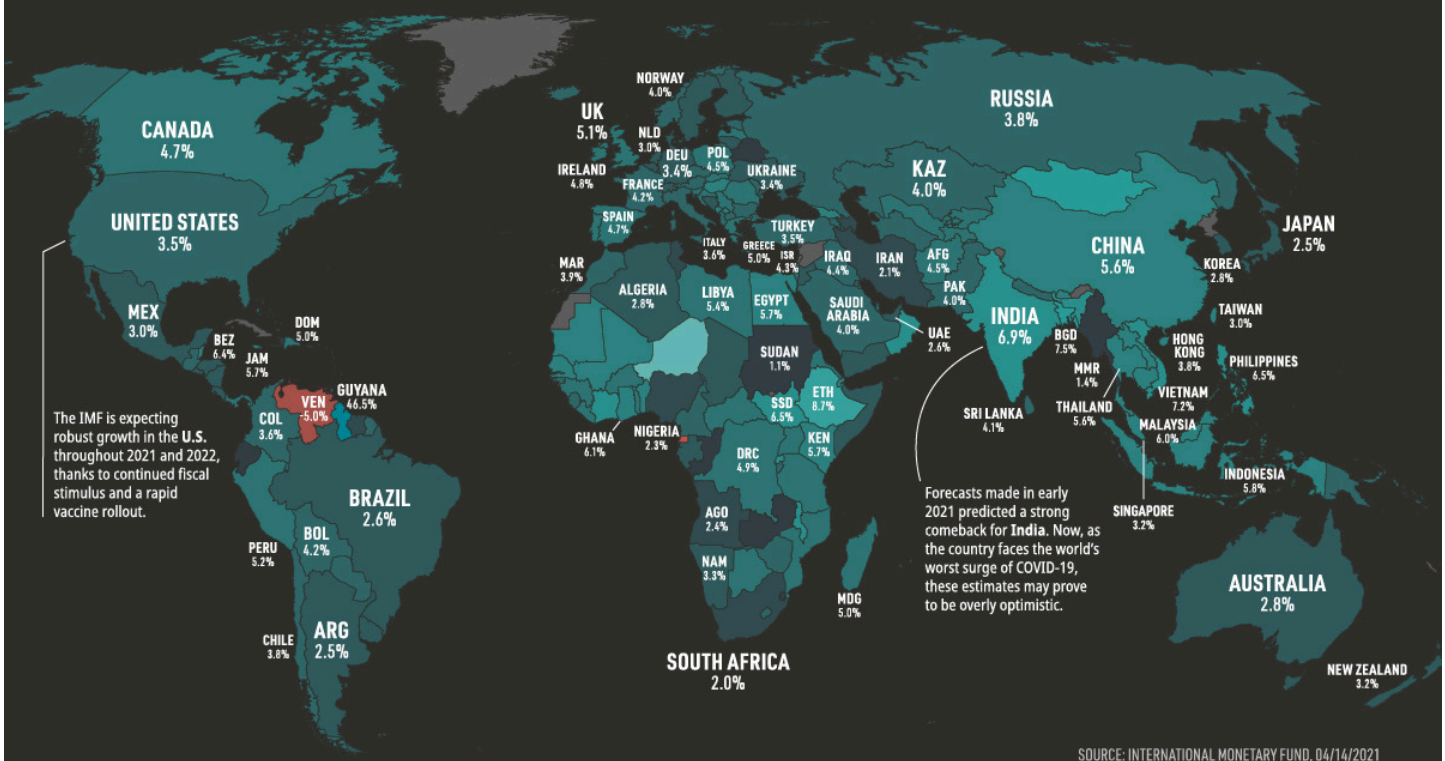
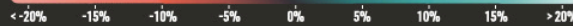
In its April 2021 report, the International Monetary Fund (IMF) projected a strong recovery in 2021 and 2022 thanks to ongoing fiscal support, vaccine rollouts, and a general adaptation to pandemic life.

Which economies will see the greatest recoveries?

2022

2022 global forecast: +4.4%

Real GDP, Projected Annual % Change



The IMF is expecting robust growth in the U.S. throughout 2021 and 2022, thanks to continued fiscal stimulus and a rapid vaccine rollout.

Forecasts made in early 2021 predicted a strong comeback for India. Now, as the country faces the world's worst surge of COVID-19, these estimates may prove to be overly optimistic.

SOURCE: INTERNATIONAL MONETARY FUND, 04/14/2021



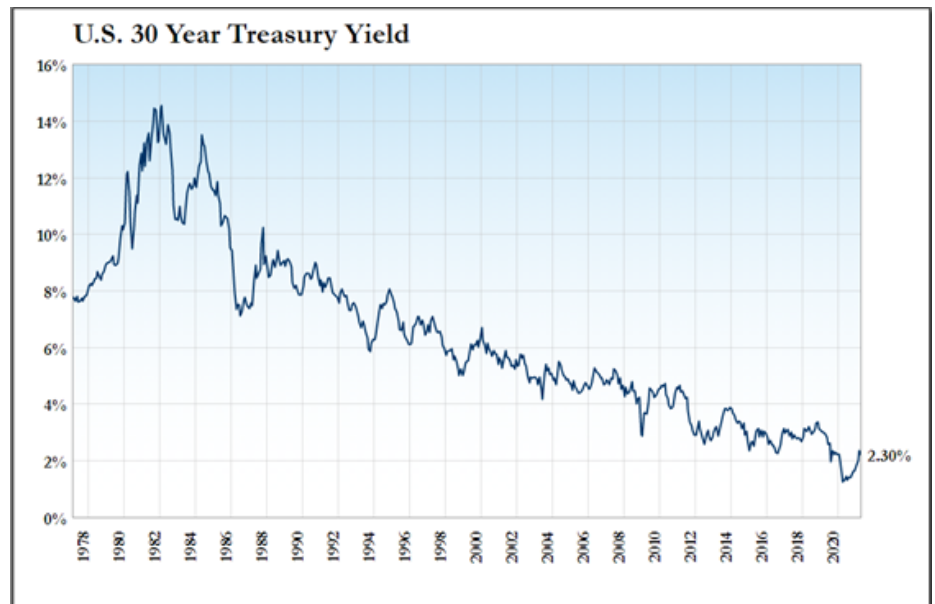
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RATES WILL REMAIN IN HISTORICAL RANGE BAND UNTIL DECISIVE BREAKOUT

Since 2014 we have said that the band will hold until broken. We have been right.



Through April 30, 2021 from Eikon

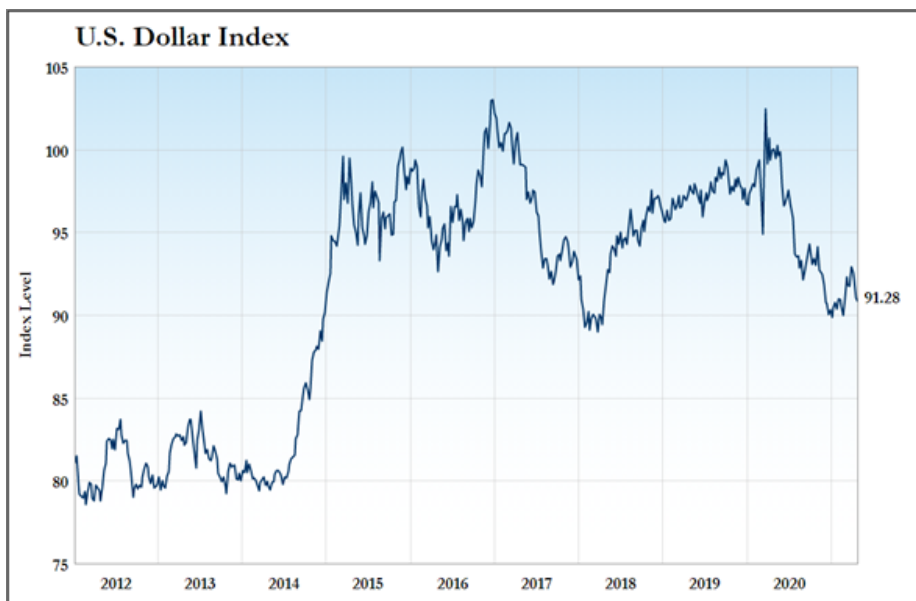
This applies to all Treasury rates despite the Fed's Harker recent admission that it IS time to think about thinking about, tapering. In future, also, U.S. creditors might demand higher interest rates to buy the bonds of an increasingly indebted United States.



Through April 30, 2021 from Eikon

THE ACTION IN THE U.S. DOLLAR AND GOLD REFLECTS THE WORLD'S OPINION OF U.S. STRENGTH

The action in the U.S. dollar versus a basket of foreign currencies provides insight into our relative strength.



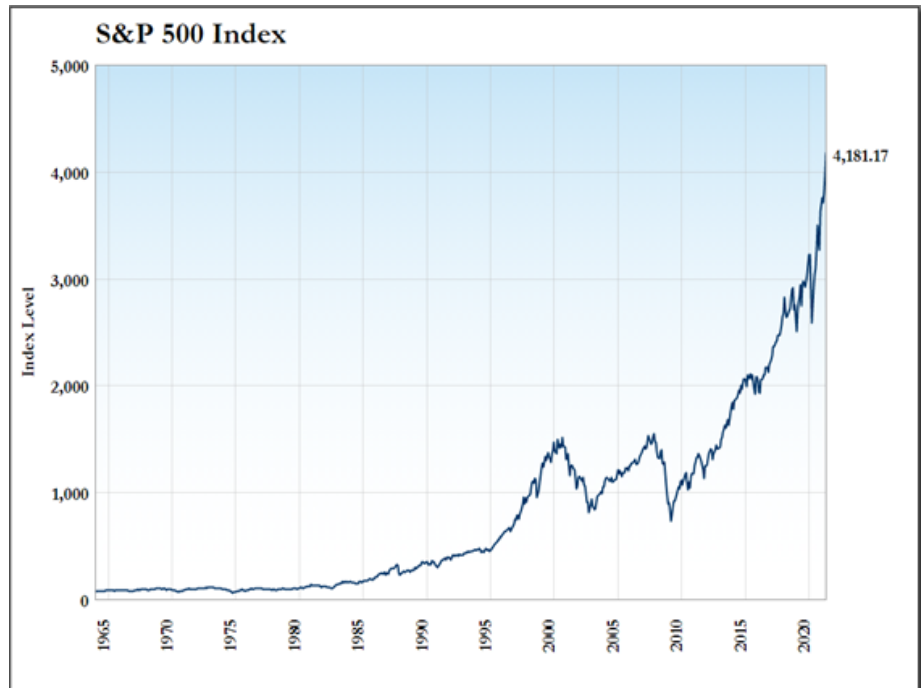
Eikon 4.30.21

The action in gold, as an alternative source of wealth is another 'tell' on the perceived strength of the U.S. Similarly, the rise in U.S. interest rates despite our fed's added demand, indicates less bond buying by others.



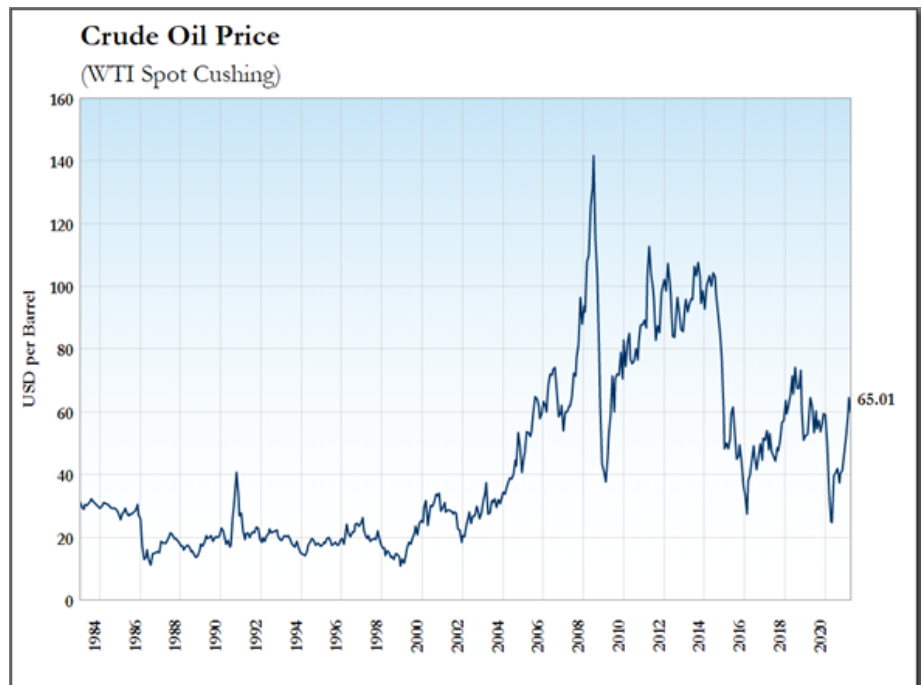
Eikon 4.30.21

Highly correlated to QE.
As QE is reduced, stock
values will be too.



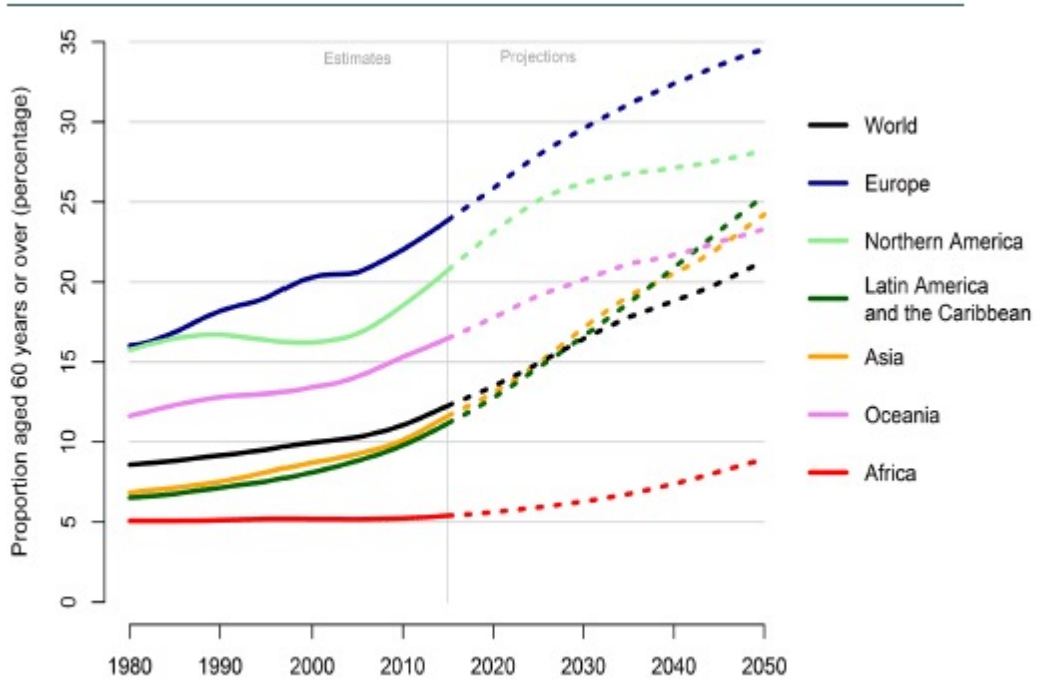
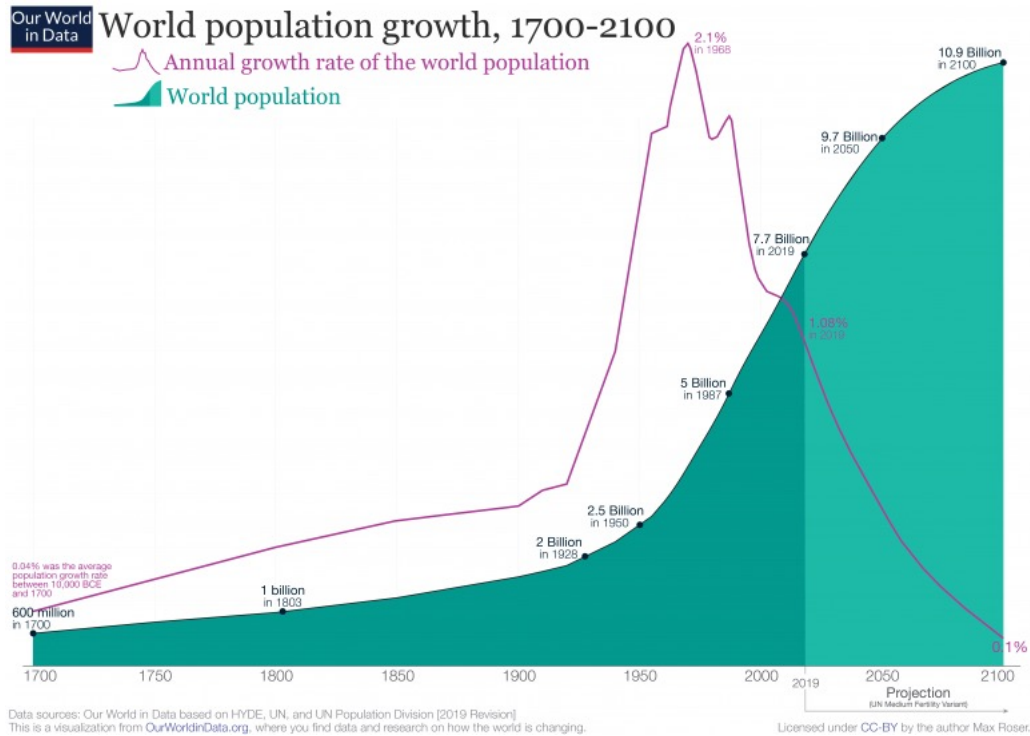
Eikon 4.30.2021

In October we said that
oil prices were unlikely to
languish at the then price
of 39.27. We were right,
with prices at 63.01 at the
end of April.



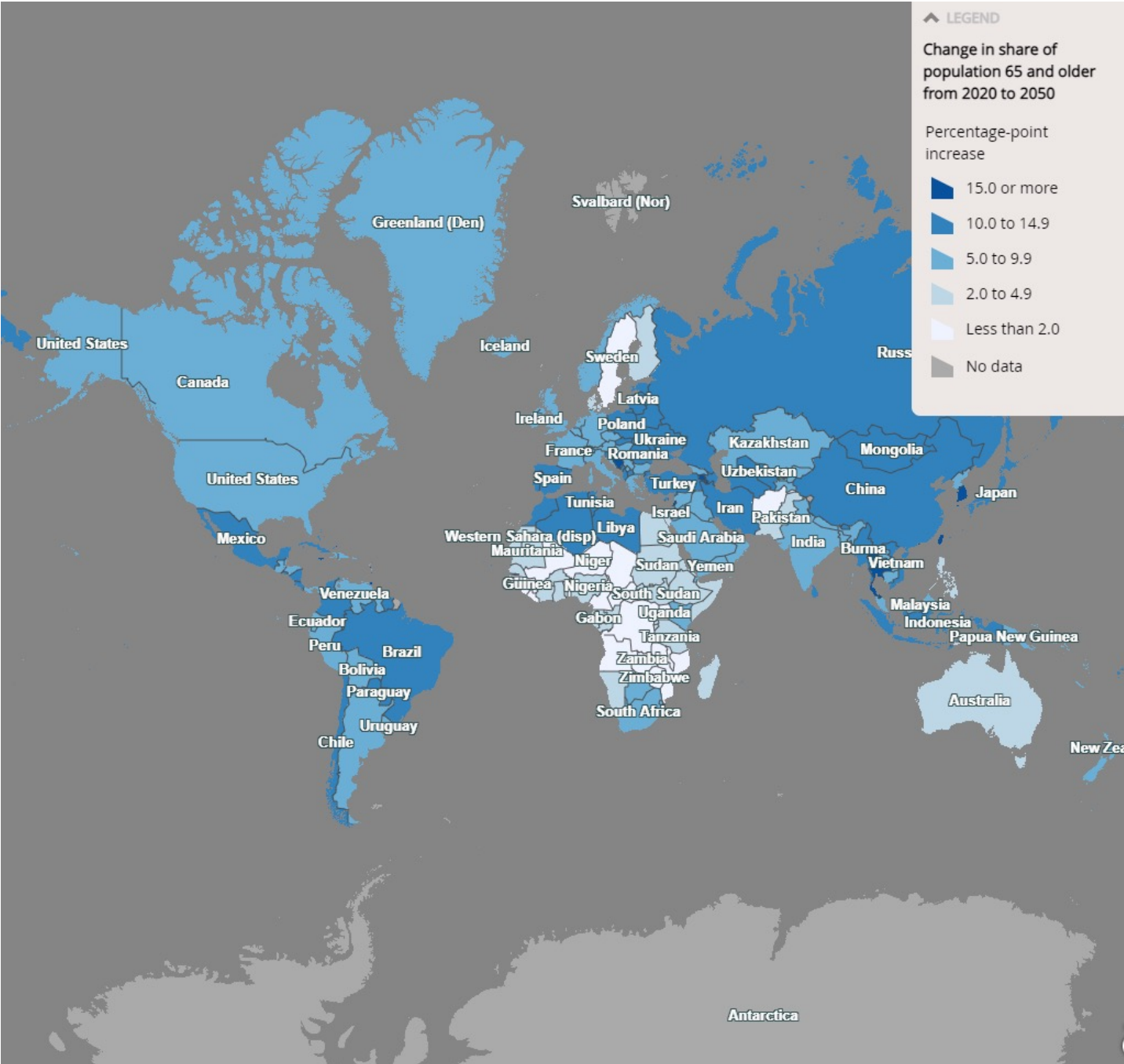
Eikon 4.30.2021

DEMOGRAPHICS REMAIN THE PRIMARY LONG TERM ARBITER OF GROWTH AND CONTINUED SLOWING IN DEVELOPED WORLD



Data Source: United Nations (2017). World Population Prospects: the 2017 Revisions.

RAPID GROWTH OF THE 'OVER 65' POPULATION IS PROJECTED FOR THE NEXT 30 YEARS



<https://mtgis-portal.geo.census.gov/arcgis/apps/MapJournal/index.html?appid=f52fc67152a34623b57029e069861318>

Generally speaking, and with all else being equal, a higher birth rate equates to higher growth.

TWENTY YEAR VIEW OF ASSET CLASS RETURNS

Annual Returns of Key Indices (2001-2020) Ranked in Order of Performance (Best to Worst)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Small Cap Value	14.03%	23.86%	48.53%	33.16%	17.54%	43.72%	11.81%	5.24%	41.25%	20.09%	7.84%	20.85%	43.30%	14.73%	5.67%	31.77%	30.21%	1.68%	36.39%	38.49%
Equity	12.35%	10.26%	46.02%	22.25%	13.82%	23.48%	11.09%	-28.92%	37.21%	24.50%	2.64%	18.05%	34.32%	13.69%	1.38%	17.54%	25.03%	-1.52%	31.49%	34.63%
Fixed Income	8.44%	3.88%	39.17%	20.69%	13.50%	23.47%	8.62%	-36.61%	34.47%	20.03%	2.11%	17.51%	33.48%	13.45%	0.55%	11.36%	22.17%	-4.58%	28.56%	18.40%
Small Cap Growth	-0.22%	-11.43%	36.18%	13.51%	7.10%	22.24%	7.05%	-36.63%	27.75%	16.71%	0.39%	16.60%	32.35%	13.05%	-0.41%	11.77%	21.83%	-3.59%	26.54%	7.82%
Large Cap Value	-11.81%	-15.94%	31.77%	14.51%	7.10%	22.24%	7.05%	-36.63%	26.59%	16.67%	-2.91%	15.20%	32.39%	13.05%	-0.41%	11.31%	13.01%	-8.22%	21.60%	7.51%
Large Cap Growth	-11.81%	-15.94%	31.77%	14.51%	7.10%	22.24%	7.05%	-36.63%	26.59%	16.67%	-2.91%	15.20%	32.39%	13.05%	-0.41%	11.31%	13.01%	-8.22%	21.60%	7.51%
Large Cap Core	-11.88%	-20.85%	28.67%	10.88%	4.88%	13.55%	5.48%	-38.44%	20.38%	15.51%	-5.50%	14.59%	22.78%	5.60%	-1.58%	7.07%	13.66%	-9.31%	22.40%	4.63%
Large Cap Value	-12.73%	-22.10%	25.65%	7.64%	4.71%	13.55%	4.17%	-38.44%	19.69%	15.51%	-8.14%	13.55%	2.23%	5.60%	-1.58%	7.07%	13.66%	-9.31%	22.40%	4.63%
Int'l	-21.44%	-23.99%	22.66%	6.13%	4.15%	9.07%	-4.65%	-38.54%	18.72%	6.54%	-13.37%	4.22%	-2.03%	-4.90%	-7.48%	2.65%	3.54%	-12.80%	8.72%	2.29%
Small Cap Growth	-22.32%	-30.26%	4.11%	4.33%	2.43%	-2.71%	-9.78%	-48.90%	5.03%	4.90%	-14.82%	-11.44%	-9.58%	-17.04%	-24.70%	1.00%	1.70%	-13.79%	7.69%	-8.18%
Equity	-22.32%	-30.26%	4.11%	4.33%	2.43%	-2.71%	-9.78%	-48.90%	5.03%	4.90%	-14.82%	-11.44%	-9.58%	-17.04%	-24.70%	1.00%	1.70%	-13.79%	7.69%	-8.18%

The Barclays US Aggregate Bond Index is an unmanaged market-weighted index that is a U.S. Government and agency securities. It is made up of the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Reserve Bank of New York.

The Bloomberg Commodity Index reflects the return of underlying futures prices of 22 physical commodities. It is a market-weighted index of the returns of 22 physical commodities.

The Morgan Stanley Capital International (MSCI) EAFE Index is an unmanaged index that measures the total returns of developed foreign stock markets in Europe, Asia, and the Far East.

The Russell 1000 Growth Index consists of large-cap companies that have higher price-to-book ratios and higher forecasted growth values.

The Russell 2000 Value Index consists of multi-cap companies that have lower price-to-book ratios and lower forecasted growth values.

The S&P 500 Index is an unmanaged index that consists of the common stocks of 500 large-capitalization companies, within various industrial sectors, most of which are listed on the New York Stock Exchange.

The FTSE EPIC RANKING Index is designed to report on general trends in eligible real estate equities worldwide.

The FTSE EPIC RANKING Global Real Estate Index is designed to report on general trends in eligible real estate equities worldwide.

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