

Market & Investment Update

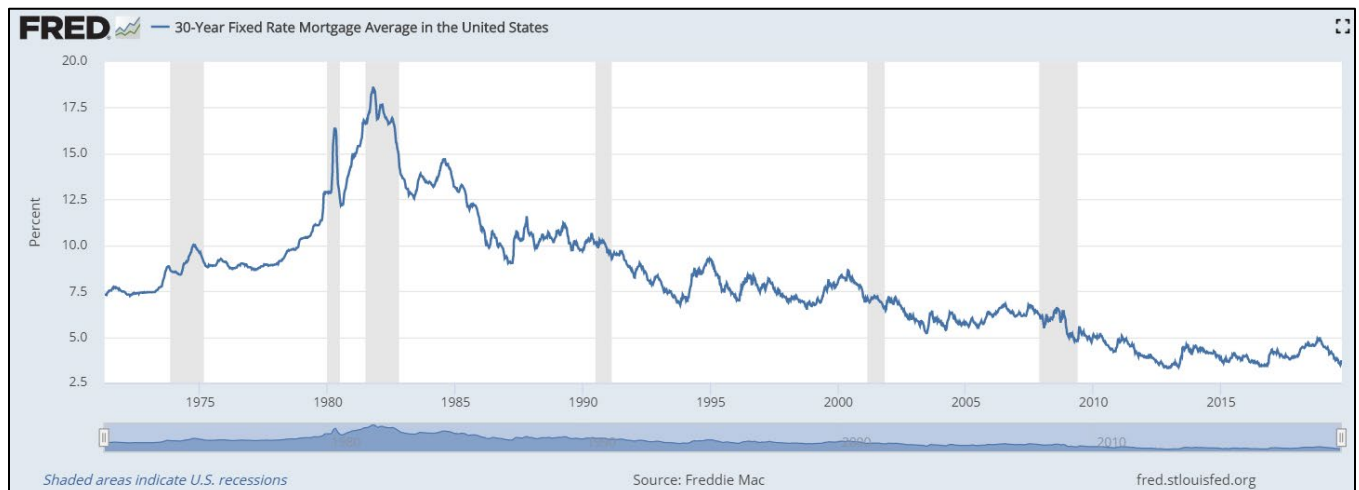
October 1, 2019

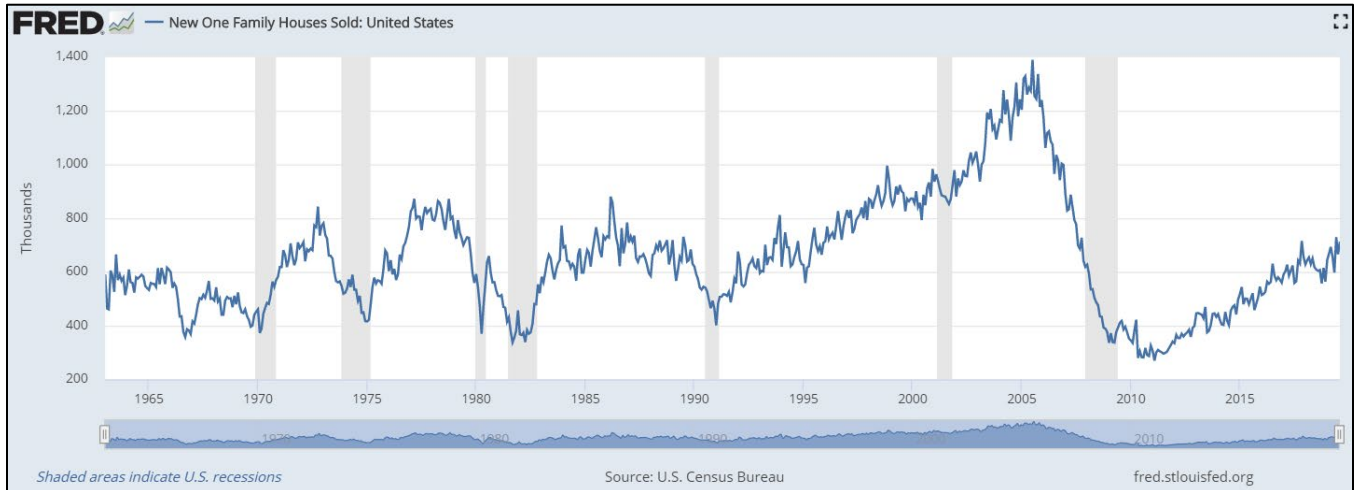
US equities, as measured by the S&P 500 index, declined by approximately one percent this week. The US House of Representatives announced a formal impeachment inquiry into President Trump following a whistle-blower report that alleged he had pressured the President of Ukraine, Volodymyr Zelensky, into investigating the activities of the son of 2020 Presidential candidate, Joe Biden. The report also alleged that President Trump may have been using US military aid to Ukraine as leverage. The impeachment inquiry appears to be moving swiftly, but it is difficult to determine at this stage what the outcome may be, if any. It may present an additional level of uncertainty regarding legislative productivity in Washington as well as trade negotiations with China (which are set to resume in a few weeks). Reports on Friday that the White House is considering options to restrict US investment in China may also create future volatility.

News Highlights

Consumers: The Commerce Department reported Friday that US consumer spending rose 0.1% in August. As of the end of June, year-over-year spending was up 1.4%, led by housing and services spending but held back by declines in recreational vehicles, clothing, and durable goods. Personal incomes rose 0.4% in August, leading to a modestly higher savings rate.

Housing: The S&P CoreLogic Case-Shiller US National Home Price Index rose 3.2% annually in July. The increase in home prices was likely aided by a decline in mortgage rates that began last Fall. New single family homes have also continued to rise since the last recession.





Economic Releases This Week:

- Tuesday
 - Markit Manufacturing PMI (September)
 - ISM Manufacturing Index (September)
- Wednesday
 - ADP Employment Report (September)
- Thursday
 - Weekly Jobless Claims (September 28th)
 - Markit Services PMI (September)
 - ISM Non-Manufacturing Index (September)
- Friday
 - Nonfarm Payrolls (September)
 - Unemployment Rate (September)
 - Average Hourly Earnings (September)

Asset Class Returns (as of September 27, 2019)

| Category | Representative Index | YTD 2019 | 2018 |
|----------------------------|-------------------------|----------|--------|
| US Large Cap Equity | S&P 500 | 19.9% | -4.4% |
| US Small Cap Equity | Russell 2000 | 14.0% | -11.0% |
| Foreign Developed Equity | MSCI EAFE | 13.2% | -13.8% |
| Emerging Market Equity | MSCI Emerging Markets | 5.9% | -14.6% |
| US High Yield Fixed Income | ICE BofAML High Yield | 11.5% | -2.3% |
| US Fixed Income | Barclays Aggregate Bond | 8.5% | 0.0% |
| Cash Equivalents | ICE BofAML 3 Mo Deposit | 1.8% | 2.1% |

Prices & Interest Rates (as of September 27, 2019)

| Representative Index | Current | Year-End 2018 |
|---------------------------|---------|---------------|
| S&P 500 | 2,962 | 2,507 |
| Dow Jones Industrial Avg. | 26,820 | 23,327 |
| NASDAQ | 7,940 | 6,635 |
| Crude Oil | \$56.18 | \$46.49 |
| Gold | \$1,503 | \$1,291 |
| 2 Year Treasury | 1.63% | 2.48% |
| 10 Year Treasury | 1.69% | 2.69% |
| 30 Year Treasury | 2.13% | 3.02% |

Source: Morningstar, Bloomberg, US Treasury (total returns shown gross of fees)

Past performance may not be representative of future results. All investments are subject to loss. Forecasts regarding the market or economy are subject to a wide range of possible outcomes. The views presented in this market update may prove to be inaccurate for a variety of factors. These views are as of September 27, 2019 and are subject to change based on



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changes in fundamental economic or market-related data. Please contact your Financial Advisor in order to complete an updated risk assessment to ensure that your investment allocation is appropriate.