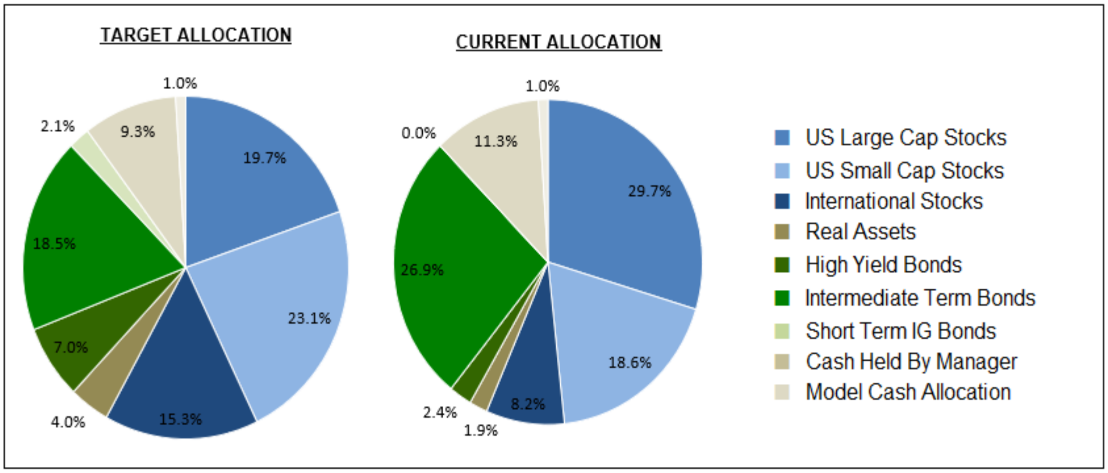
*General overall portfolio comments refer to the Moderate Growth allocations used in both the Pooled Fund Program and the Unified Managed Account Program. These general comments will be referred to as "Moderate Growth" throughout. Specific references to performance, current allocation, or comparison to indexes are derived from the CWA Model 5 Portfolio in the Pooled Fund Program; these specific comments will be referred to as "Model 5" throughout.

PORTFOLIO ANALYSIS

Overall Goal. We construct portfolios to generate a return that maximizes the probability that an investor will meet their retirement goals, as opposed to maximizing their asset base (which interjects significant risk). We believe that a value bias, international exposure and general diversification provide the best avenue to meet this objective. Our portfolios have lower volatility†, but can go through periods where they do not keep pace with the U.S. equity markets (the most common benchmark) because of our focus on value, fixed income and international stocks.

The **Moderate Growth Portfolio** is intended to provide a balanced allocation, with a slight overweight to equities over fixed income. The goal is to provide a balance of growth and income with lower volatility than an all-equity portfolio. Our target and current portfolio asset class allocations for Model 5 are listed below.



ACTUAL VS. TARGET

Underweight Equities

Equal Weight International Exposure

Equal Weight Intermediate and Long-Term Fixed Income

High Cash Position

LARGEST EQUITY AND FIXED INCOME POSITIONS

In normal market environments, Moderate Growth has a target allocation of 60% stocks & 40% bonds, with approximately 20% of the portfolio in international equities and fixed income. So, the portfolio is a global one – with a U.S. tilt. By design, the holdings are broadly diversified by location/country, by company size, by credit quality/yield and by maturity/duration. The investment managers have a degree of flexibility which allows them to respond to different market environments, and our equity managers are currently holding a large amount of cash (given current valuations).

† as of 03/31/2020, the 10-year volatility (standard deviation) of Model 5 is 7.7%, versus 13.3% for the S&P 500 Index.

PERFORMANCE

The Moderate Growth portfolios in the Pooled Fund Program and the Unified Managed Account Program have slightly different investments, costs and thus returns. Accordingly, we direct you to your account statement for your individual performance.

In March, Model 5 (net of fees and expenses) market performed[1] compared to the Global 60/40 Index, underperformed compared to the S&P Moderate Growth Index, and underperformed compared to the U.S. 60/40 Index which posted the following returns:

PERFORMANCE	MAR	COMMENTS
Global 60/40 Benchmark Index[(2)]	-9.53%	Both domestic and global equities saw double digit drawdowns during the month of March as the global economy experienced a hard stop due to the COVID-19 virus. Bond markets succumbed to illiquidity and selling pressure during March before rebounding after the Fed announced its unlimited quantitative easing initiative.
US 60/40 Benchmark Index[(3)]	-7.65%	
S&P Moderate Growth Index[(4)]	-7.93%	

(1) "Market Perform" means within a range of +10 bps to -10 bps of the applicable index for the month (or +/- 8 bps per month for YTD performance); "Outperform" means more than +10 bps for the month (or more than +8 bps per month for YTD performance); "Underperform" means more than -10 bps for the month (or more than -8 bps per month for YTD performance). **Please note performance comparison comments are based upon Model 5 Pooled Fund Program data. There are inherent limitations in the use of model performance – please read the Model Disclosure found on page 6. Investors should consult their individual custodial statement for actual performance of individual portfolios. Actual performance comparisons may differ from model comparisons.**
(2) Global 60/40 Benchmark is 60% MSCI ACWI Index & 40% Barclays Global Aggregate Bond Index.
(3) US 60/40 Benchmark is 60% S&P 500 Index & 40% Barclays U.S. Aggregate Bond Index.
(4) S&P Moderate Growth Index is 50% S&P Target Risk Moderate Index & 50% S&P Target Risk Growth Index.

MARKET PERFORMANCE

Equities

PERFORMANCE	MAR	MULTIPLE	COMMENTS
U.S. Equities[(5)]	-13.75%	19.1X	Broader markets sold off violently in the first half of the month before experiencing a reflexive rebound in late March.
International Developed[(6)]	-13.28%	14.8X	International equities were down in tandem with U.S. markets as COVID-19 swept the globe.
Emerging Markets[(7)]	-15.41%	12.0X	Emerging markets underperformed developed markets during the month as a U.S. Dollar funding crisis put excess selling pressure on Emerging Market countries.

(5) U.S. Equities are represented by the Russell 3000 Index.
(6) International Developed is the MSCI EAFE Index.
(7) Emerging Markets is the MSCI EM Index.

Fixed Income

PERFORMANCE	MAR	SPREAD OVER UST 10 YEAR	COMMENTS
U.S. Treasuries (Medium Duration)(8)	3.45%	-	Yields dropped measurably during the month to an all-time low for the 10-Year Treasury.
U.S. Treasuries (Longer Duration)(9)	6.24%	0.64%	Long-term Treasuries performed well in March as a global flight to quality pushed long yields lower.
Global Fixed Income(10)	-2.24%	0.63%	Global bonds fell and spreads widened. The spreads are now positive for the first time in many years.
Emerging Fixed Income(11)	-10.72%	6.01%	Emerging market sold off in dramatic fashion during the month.
High Yield(12)	-11.46%	9.17%	Credit in high yield blew out during the month as the oil crisis fueled an already spiraling high yield market.

(8) U.S. Treasuries (7-10 Years), represented by the Barclays U.S.T 7-10 Yr Total Return Index
(9) U.S. Treasuries (20+ Years), represented by the Barclays U.S.T 20+ Yr Total Return Index
(10) Barclays Global Aggregate Bond Index.
(11) Barclays Emerging Markets EMEA Total Return
(12) Barclays U.S. Corporate High Yield Index.

Commodities and Real Assets. The Model 5 portfolios do not have significant exposure to commodities, except indirectly. However, commodities and real assets (real estate) provide a good sense of global demand (in the case of industrial commodities) or fear (gold).

PERFORMANCE	MAR	TREND	COMMENTS
Energy(13)	-47.74%	DOWN	Oil is experiencing a likely generational bottoming.
Real Estate(14)	-19.95%	DOWN	Real Estate weakened amidst the risk off backdrop.
Industrial Metals(15)	-10.21%	DOWN	Industrial metals will likely remain weak with the specter of a looming global recession ahead.
Gold(16)	-0.22%	-	Gold was relatively flat during the month.

(13) S&P GSCI Energy Total Return Index.
(14) Dow Jones U.S. Real Estate Index.
(15) S&P GSCI Industrial Metals Total Return Index.
(16) SPDR Gold Shares (GLD).

Market Comments

The effects of COVID-19 on the global population and global economy have at this point been well publicized and argued to an extent that regurgitating all of it here seems like overkill. We instead thought we would take a few moments to talk about some things we are seeing and are expecting in the marketplace over the coming weeks.

Equities: The average stock in the market, as measured by the S&P 1500 Equal Weight Index, is down -37.1% for 2020 as of this writing (4/5/20).

By all fundamental measures, the market certainly appears cheap at first glance. The S&P 500 Index implies a forward multiple of roughly 17X times projected earnings at this level – certainly close enough to the historical average of 15X to warrant an argument over whether now is the time to buy.

However, these earnings estimates have not been revised down in large part, and we expect that to begin in earnest when corporate earnings announcements begin in the next few weeks. We expect a slew of dividend cuts, suspension of corporate buyback programs and estimates for 2020 to be slashed.

In short, we think the denominator in the P/E ratio is about to be written down and the market is actually more expensive right now than it appears on the surface. We believe over the coming weeks we will get some clarity on how corporate earnings and cash flow streams may appear for Q2.

Fixed Income: The Fed acting swiftly and boldly has gone a long way to help credit markets. Earlier in the month, corporate bond spreads were widening at a rapid pace as investors looked to divest themselves of corporate credit risk.

The resulting spillover and lack of liquidity was beginning to fuel equity market drawdowns and to increase volatility. The Fed announcing "unlimited Quantitative Easing" and extending their buying programs to include corporate bonds did the trick. Between March 6 and March 19, the Investment Grade Corporate Bond ETF was down over -21%, before subsequently rebounding and ending the month -8%. This rebound helped cool markets and dampen volatility.

While the Fixed Income markets will certainly have to adjust to potential waves of defaults and non-payments in the corporate bond sector and the mortgage sector, to name a few, the liquidity shortfall seems to have abated for the time being.

The Economy: The last two weeks have seen the two largest single week jumps in unemployment claims. That was to be expected, but the sheer volumes is unnerving (approx. 10 million claims in two weeks, and many other that have filed but have not been counted due to the backlog).

We expect economic data to get worse before it gets better–we are only scratching the surface of realizing the magnitude of the impact the quarantine has on the economy. The good news is, the market knows this data is going to be bad and some of that is priced in. The bad news is that we are only guessing as to what the true extent of the economic damage will be.

There is an old market adage that says, "don't try to catch a falling knife." It generally means investors should use prudence when stepping into violently volatile and uncertain market periods. The temptation is great, and everyone wants to be a hero and pick a bottom. One only needs to take a cursory study of behavioral finance to realize that this is not really possible, and in fact doesn't really matter in the longer term. Better to let the knife hit the ground and stop moving before picking it up. We continue to survey the markets, talk to managers and look for opportunities at this time, but with a manner of thoughtfulness and prudence rather than expediency.

Further Reading

1) **Note to Clients: Where We Are Nibbling at Value, Guggenheim Investments, April 5, 2020**

   Scott Minerd, Global CIO of Guggenheim, talks about where Guggenheim is seeing opportunities and their approach at reentering the markets at this time.

   https://www.guggenheiminvestments.com/institutional/perspectives/global-cio-outlook/note-to-clients-where-we-are-nibbling-at-value

2) **Why Valuations Don't Always Matter in a Bear Market, A Wealth of Common Sense, April 5, 2020**

   Ben Calson discusses why valuations don't always tell investors everything they need to know about the current market environment.

   https://awealthofcommonsense.com/2020/04/why-valuations-dont-always-matter-in-a-bear-market/

For questions, or to request additional information, please contact your CWA Financial Planner

DISCLOSURES

PAST PERFORMANCE IS NOT AN INDICATOR OF FUTURE MARKET RETURNS.
Cain Watters is a Registered Investment Advisor. Request Form ADV Part 2A for a complete description of Cain Watters Advisors' investment advisory services. Diversification does not ensure a profit and may not protect against loss in declining markets. No inference should be drawn that managed accounts will be profitable in the future or that the Manager will be able to achieve its objectives. Investing involves risk and the possibility of loss, including a permanent loss of principal.

Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses. All investments and strategies have the potential for profit or loss. Different types of investments involve higher and lower levels of risk. Historical performance returns for investment indexes and/or categories, usually do not deduct transaction and/or custodial charges or an advisory fee, which would decrease historical performance results. There are no assurances that a portfolio will match or exceed any specific benchmark.

This commentary contains the opinions of the CWA Investment Committee at the time of publication and is subject to change. Market and economic factors can change rapidly, producing materially different results. This update is intended for clients currently invested in CWA Recommended Investment Programs. This is not intended to be personalized investment advice. This does not take into account a particular investor's financial objectives or risk tolerances. Any specific mention of securities is for informational purposes only and is not intended as a recommendation or solicitation to purchase.

CWA Model 5 Moderate Growth Pooled Fund Program: The target allocation and portfolio data used throughout this presentation is for the CWA Model 5 recommended for participants in the Pooled Fund Program. This Model is the most common recommendation and is used here to illustrate the CWA methodology. Other CWA Recommended Investment Program models will vary in asset allocation and underlying manager and/or security selection. Clients should discuss these models and programs with their planner prior to selection.

***The CAPE ratio is a valuation measure that uses real earnings per share (EPS) over a 10-year period to smooth out fluctuations in corporate profits that occur over different periods of a business cycle. The ratio is generally applied to broad equity indices to assess whether the market is undervalued or overvalued. While the CAPE ratio is a popular and widely-followed measure, several leading industry practitioners have called into question its utility as a predictor of future stock market returns. The CAPE ratio, an acronym for Cyclically Adjusted P/E (i.e. Price-Earnings) ratio, was popularized by Yale University professor Robert Shiller. It is also known as the Shiller P/E ratio.*

+Statements relating to Value outperforming Growth are based upon the data of the Fama-French 3-Factor Model. A pioneering study by renowned academics, Eugene Fama and Ken French, suggesting that three risk factors: market (beta), size (market capitalization) and price (book/market value) dimensions explain 96% of historical equity performance.

Model Performance Disclosure: Model performance is NOT an indicator of future or actual results. Performance does not represent the returns that any individual investor actually received. Cain Watters Investors may incur a loss. *Cain Watters Models contain allocations to several different common pooled trust funds. Each individual pooled trust fund has a defined investment strategy; usually designed around a specific asset class. Investment managers and their respective strategies are chosen to meet each of the pooled funds' objectives. Investors in the models pay a monthly asset based trust fee, based on their average investment balance during the month. Model performance is calculated using the reported net asset value of each individual pooled fund. Performance for the individual funds is then weighted according to the model target allocation. Model performance includes the reinvestment of dividends and interest. The annual trust fee of 0.65% is subtracted from gross returns on a pro-rated basis of 0.0541% per month; and includes trust fees and investment advisory fees. For time periods prior to July 1, 2016 an annual trust fee of 1.05% or 0.0875% per month was used. Model performance has inherent limitations in that it does not reflect the effects of significant cash flows, or take into account actual client asset allocation that may differ materially from the target allocation due to rebalancing policies and changes in market values. This model performance information is provided for illustrative purposes only. Cain Watters Model investors may experience materially different returns.*

Use of Comparison Benchmark or Index: Indexes cannot be invested in directly. Index performance and statistics are provided for illustrative or comparison purposes and are chosen as commonly accepted representations of the performance of a particular segment of the market.