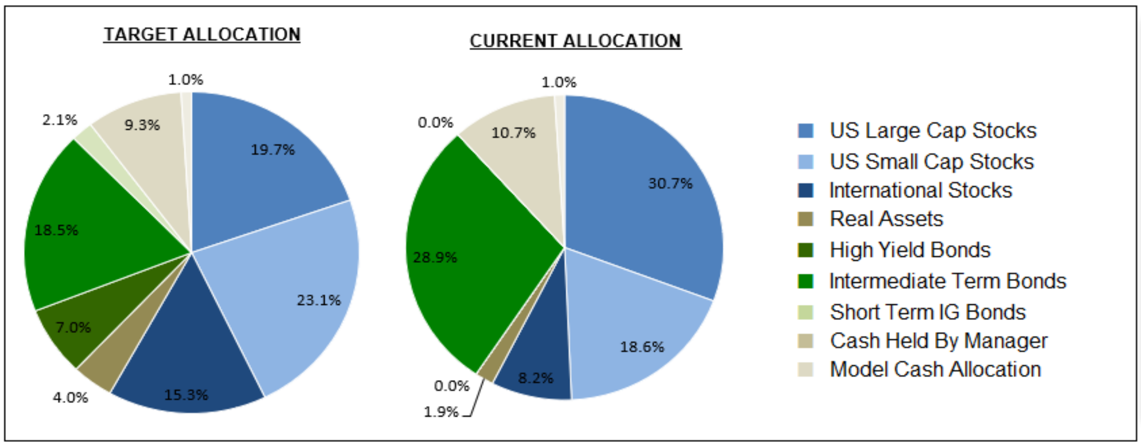
*General overall portfolio comments refer to the Moderate Growth allocations used in both the Pooled Fund Program and the Unified Managed Account Program. These general comments will be referred to as "Moderate Growth" throughout. Specific references to performance, current allocation, or comparison 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 05/31/2020, the 10-year volatility (standard deviation) of Model 5 is 7.9%, versus 13.5% 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 May, Model 5 (net of fees and expenses) outperformed[1] compared to the Global 60/40 Index, outperformed compared to the S&P Moderate Growth Index, and underperformed compared to the U.S. 60/40 Index which posted the following returns:

PERFORMANCE	MAY	COMMENTS
Global 60/40 Benchmark Index[2]	2.94%	Global and Domestic equities continued to march higher on the back of continued liquidity provided by the Fed, and additionally an uptick in optimism as the economy starts to reopen. Global and Domestic bonds were up modestly during the month.
US 60/40 Benchmark Index[3]	3.04%	
S&P Moderate Growth Index[4]	3.19%	

(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	MAY	MULTIPLE	COMMENTS
U.S. Equities[5]	5.35%	23.0X	U.S. Equities continued to move higher during the month, shrugging off continued economic weakness. Small Cap stocks began to play catchup in the latter part of May.
International Developed[6]	4.41%	18.2X	International equities saw a bounce in concert with the U.S.
Emerging Markets[7]	0.79%	15.0X	Emerging market equities were modestly higher during the month. Global economic reopening will largely shape the success of EM markets going forward as the rely on U.S. dollar flows.

(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	MAY	SPREAD OVER UST 10 YEAR	COMMENTS
U.S. Treasuries (Medium Duration)(8)	0.19%	-	The 10-Year remained relatively stable during the month.
U.S. Treasuries (Longer Duration)(9)	-1.99%	0.77%	Long Term Treasury yields drifted higher during the month.
Global Fixed Income(10)	0.44%	0.37%	Global bonds rallied in concert with the U.S. markets.
Emerging Fixed Income(11)	4.61%	4.12%	Emerging market bonds moved strongly higher and spreads tightened marginally.
High Yield(12)	4.41%	6.00%	High Yield markets continued to move back higher after strong selling in March. Spreads tightened markedly.

(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	MAY	TREND	COMMENTS
Energy(13)	35.22%	-	Oil rebounded sharply during the month from severely depressed prices.
Real Estate(14)	1.92%	-	Real estate rallied along with risk assets during May.
Industrial Metals(15)	2.94%	-	Industrial metals rallied during the month.
Gold(16)	2.59%	UP	Gold is once again in an uptrend as worries over inflation and dollar debasement have led investors to look for a hedge.

(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 market has disassociated itself from the real economy in the short term. We were already dealing with the worst economy since the Great Depression from a job-loss and economic data standpoint. Now we have layered social unrest and political upheaval into the mix, and the market continues to move higher.

Fed liquidity, combined with a complacent investor base, as contributed the most to the melt-up in stocks. The market has a steady flood of new capital being provided from the Fed's liquidity facilities, and it is being fed into a market where the masses have stepped away. This puts upward pressure on stock prices and has led to much of the drop since COVID-19 began being erased.

If one watches financial news media, the term "V shaped recovery" is often brought up, and the stock market action is then pointed to as evidence of this. The economy is not experiencing a V-shaped recovery, and the odds of that happening are, in our opinion, very low. Evidence abounds that a V-shaped recovery is not upcoming. For example, in January Untied Airlines and Zoom had the same market capitalization. As of the end of May, Zoom's market capitalization was now larger than all 5 major U.S. airlines combined.

While Zoom's business has been fueled by the lockdown and much of that business will continue to persist, you cannot have a V-shaped recovery in which a telecommunications company has a larger share of the market place than are 5 largest airlines. The airlines are integral to our economy. This current phenomenon points to a few different scenarios, both of which are the harbinger for large doses of market volatility:

1. The market will reprice to once again reflect business fundamentals, or
2. The capital distribution mechanism will kick in and right the ship for large swaths of the market.

Either of these scenarios is the foundation for our cornerstone belief for the remainder of 2020, and that is that market volatility will remain historically elevated, and at an extreme on a relative basis to what we have experienced over the past decade since the Financial Crisis. We still have an election coming, on top of the continued reopening of the economy and the current uncertainty towards the volatility within our own communities and society as a whole.

We should not look at the market action in April and May and think "V Bottom." Instead, we need to continue to think critically and unemotionally, and use economic data and history as guardrails for how we move forward. Risk management continues to be paramount as the market volatility could change quickly.

Further Reading

1) **A divided America cannot compete in a superpower duel with China, June 3, 2020**

Tensions with China are once again on the rise, and this article speaks to how America is currently in a weak position due to the dividedness of the country on a social and political level.

https://www.ft.com/content/be4b0758-a578-11ea-92e2-cbd9b7e28ee6

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.