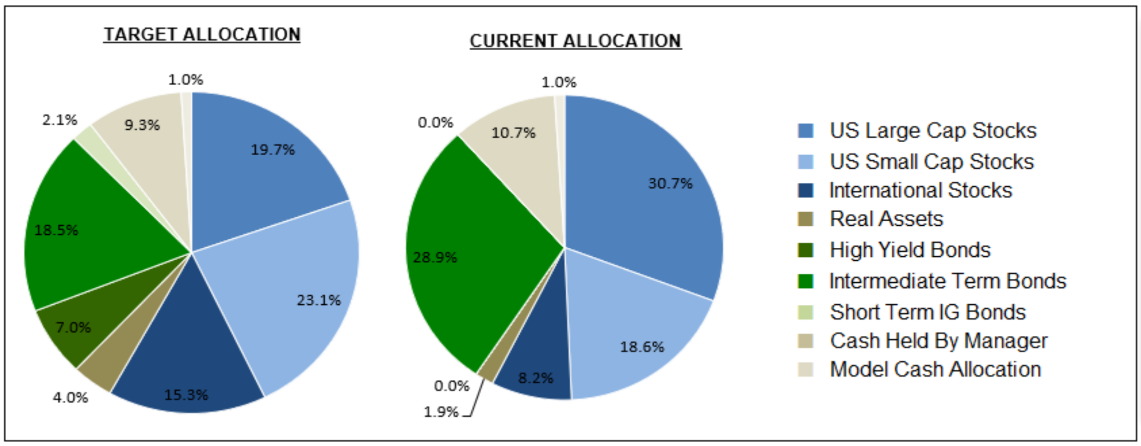
*General overall portfolio comments refer to the Moderate Growth allocations used in both the Pooled Fund Program and the Unified Managed Account Program. These general comments will be referred to as "Moderate Growth" throughout. Specific references to performance, current allocation, or comparison 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 09/30/2020, the 10-year volatility (standard deviation) of Model 5 is 8.0%, versus 13.2% 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 September, Model 5 (net of fees and expenses) underperformed[1] compared to the Global 60/40 Index, underperformed compared to the S&P Moderate Growth Index, and market-performed compared to the U.S. 60/40 Index which posted the following returns:

PERFORMANCE	SEP	COMMENTS
Global 60/40 Benchmark Index[2]	-1.72%	Global stocks outperformed compared to Domestic stocks during the month by 0.7%. Global bonds modestly underperformed Domestic bonds during September. September was volatile with large cap stocks performing in-line with the broader market for the month, which is a sea change from the rest of 2020.
US 60/40 Benchmark Index[3]	-2.30%	
S&P Moderate Growth Index[4]	-1.56%	

(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	SEP	MULTIPLE	COMMENTS
U.S. Equities[5]	-3.64%	30.5X	The broad market was lower during the month, led by volatility in the top end of the index, namely high valuation technology stocks.
International Developed[6]	-2.59%	35.8X	International equities outperformed US equities during the month. International equities are not as heavily weighted to high multiple technology stocks, which led the markets lower during September.
Emerging Markets[7]	-1.62%	20.3X	Emerging market equities moved lower during the month, yet outperformed developed markets.

(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	SEP	SPREAD OVER UST 10 YEAR	COMMENTS
U.S. Treasuries (Medium Duration)(8)	0.25%	-	The 10-Year yield moved lower during the month.
U.S. Treasuries (Longer Duration)(9)	0.39%	0.77%	Long term Treasury yields moved modestly lower during the month.
Global Fixed Income(10)	-0.36%	0.23%	Global bonds were slightly negative during the month.
Emerging Fixed Income(11)	-0.92%	3.56%	Emerging market bonds moved lower during the month as the U.S. dollar strengthened.
High Yield(12)	-1.03%	4.74%	High Yield bonds moved lower in concert with the equity market during the month.

(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	SEP	TREND	COMMENTS
Energy(13)	-8.03%	-	Oil broke trend and had a poor month during September. A stronger U.S. dollar combined with continued troubled supply/demand dynamics made the Oil sector likely to remain volatile.
Real Estate(14)	-2.27%	-	Real estate dropped in concert with the equity market during the month.
Industrial Metals(15)	-2.24%	-	Industrial metals pulled back after a strong several months rebound.
Gold(16)	-4.17%	-	Gold had a poor month due to U.S. dollar strength.

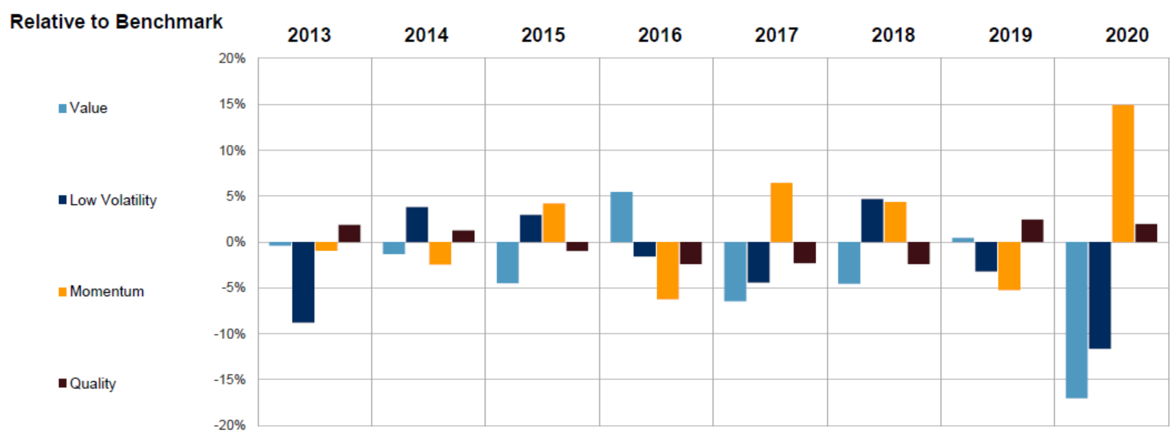
(13) S&P GSCI Energy Total Return Index.
(14) Dow Jones U.S. Real Estate Index.
(15) S&P GSCI Industrial Metals Total Return Index.
(16) SPDR Gold Shares (GLD).

Market Comments

We have written quite often about the growing disparity between Growth and Value equities in the market. 2020 has exacerbated this disparity, and we have now reached record differentials. Year to date, the Russell 1000 Growth Index is +24.3%, versus -11.6% for the Russell 1000 Value Index (a 35.9% differential). For the broader market, the Russell 3000 Index is +23.0% YTD versus -12.2% for the Russell 3000 Value Index (a 35.2% differential). This is the widest disparity since Growth and Value Indexes became prominent in the early 1990s – even wider than at the peak of the internet bubble in 1999-2000.

The S&P 500 is constructed to generally be weighted 50/50 between growth and value. Yet growth stocks have outperformed so much that they now comprise over 70% of the index. Due to the inflation of a handful of technology stocks, the index now resembles more of a momentum-based index rather than a snapshot of the large capitalization market in the U.S. as it is intended.

Total Return	2013	2014	2015	2016	2017	2018	2019	2020
Value	31.99%	12.36%	-3.13%	17.40%	15.36%	-8.95%	31.93%	-11.47%
Low Volatility	23.59%	17.49%	4.34%	10.37%	17.41%	0.27%	28.26%	-6.09%
Momentum	31.42%	11.23%	5.56%	5.70%	28.27%	-0.04%	26.25%	20.48%
Quality	34.24%	14.95%	0.38%	9.56%	19.51%	-6.79%	33.91%	7.52%
S&P 500	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	5.57%



Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of September 30, 2020. 2

As with prior period, the narrative is always “this time is different”, followed with a litany of examples of why this is so. In turn, over every other period in market history, the gap between value and growth has always mean reverted and the conversion back to the mean is generally swift and violent. With record high valuations at the top end of the indexed, we find it to be a higher probability that capital will become value seeking at some point and that the markets will rationalize. In the meantime, we are more comfortable with valuations in the value sector than we are with the growth sector at this current time.

Further Reading

1) **The Markets Are Entering Their Most Dangerous Season, Barrons, September 18, 2020**

This article highlights why this period in years past is the most troubling for equity markets, and how layering on the election in this particular year may make September-October a troubling period for speculative investors.

https://www.barrons.com/articles/the-financial-markets-enter-their-most-treacherous-season-51600477523?refsec=up-and-down-wall-street

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.