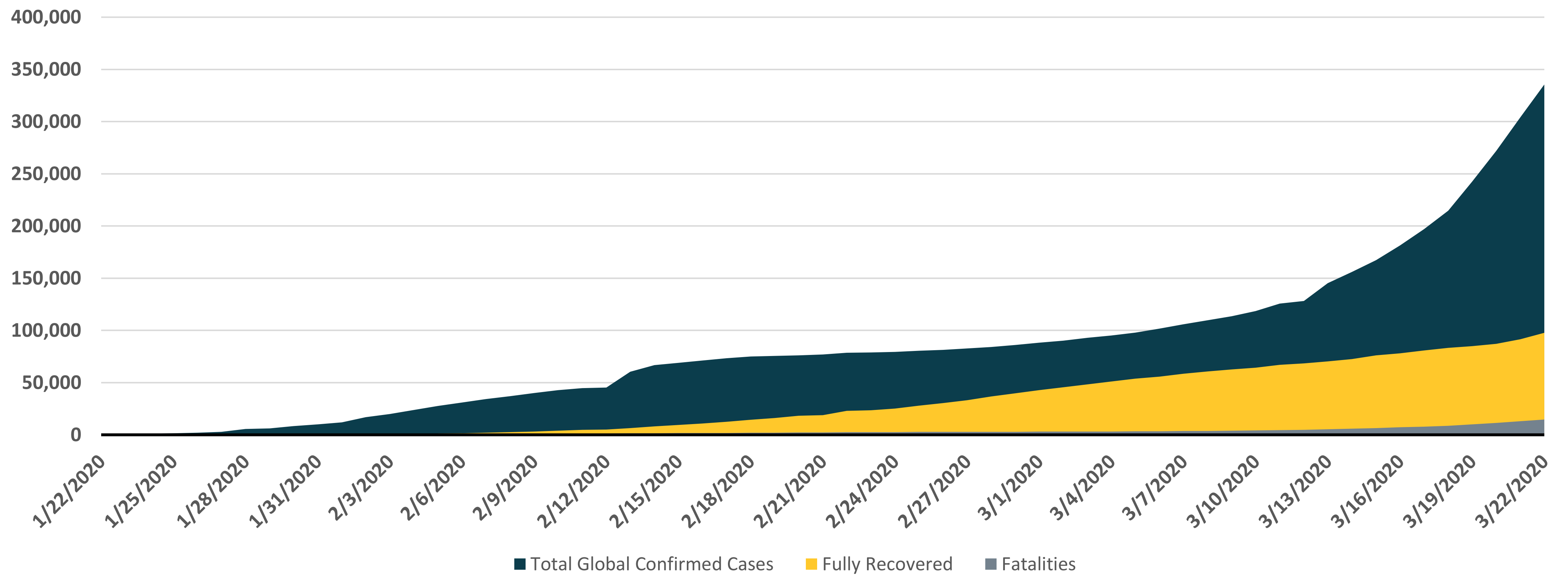
Savant Capital Management's

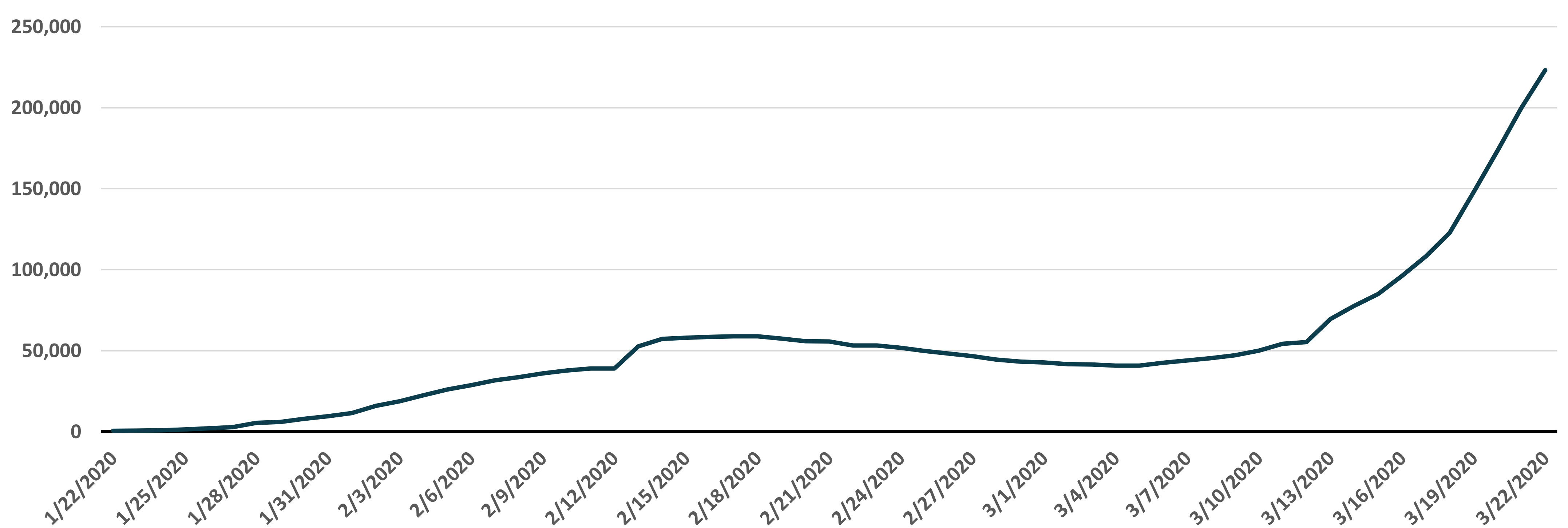
Guide to the Coronavirus Crisis

Coronavirus Cases: By the Numbers

Coronavirus



Global Active Cases

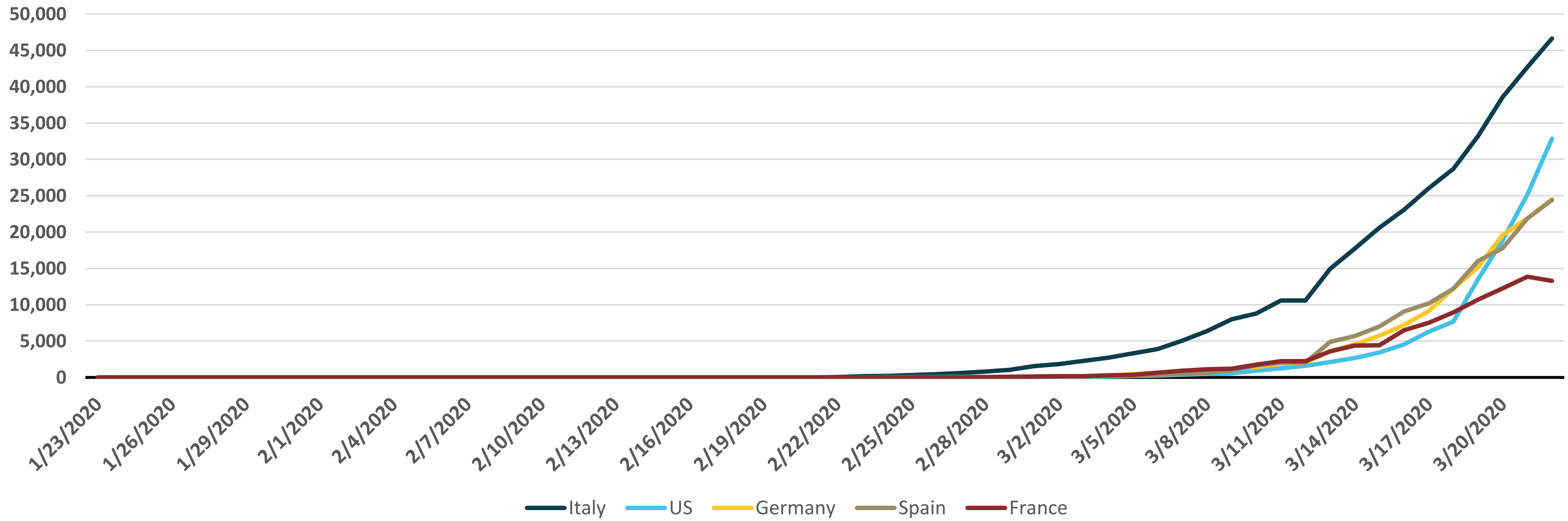


Data Source: Humanitarian Data Exchange. Data as of 03/22/2020.

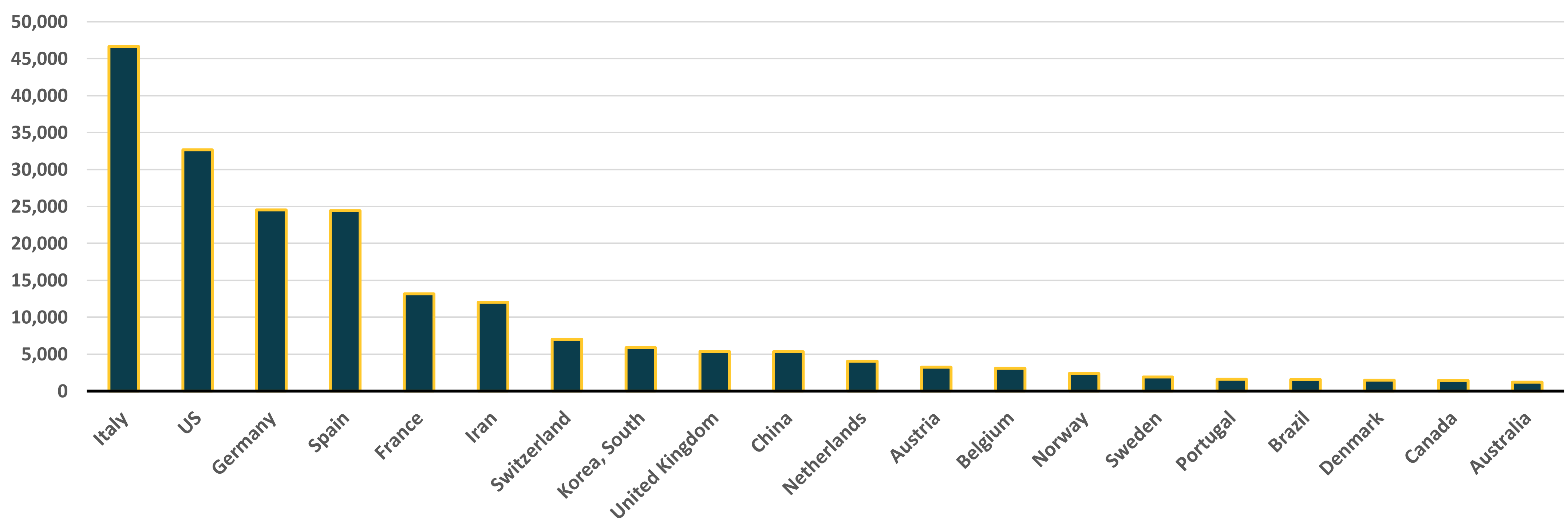
Active Coronavirus Cases in Focus: Highest Country Exposure

Coronavirus

Top 5 Countries in Current Active Cases: Active Case Track



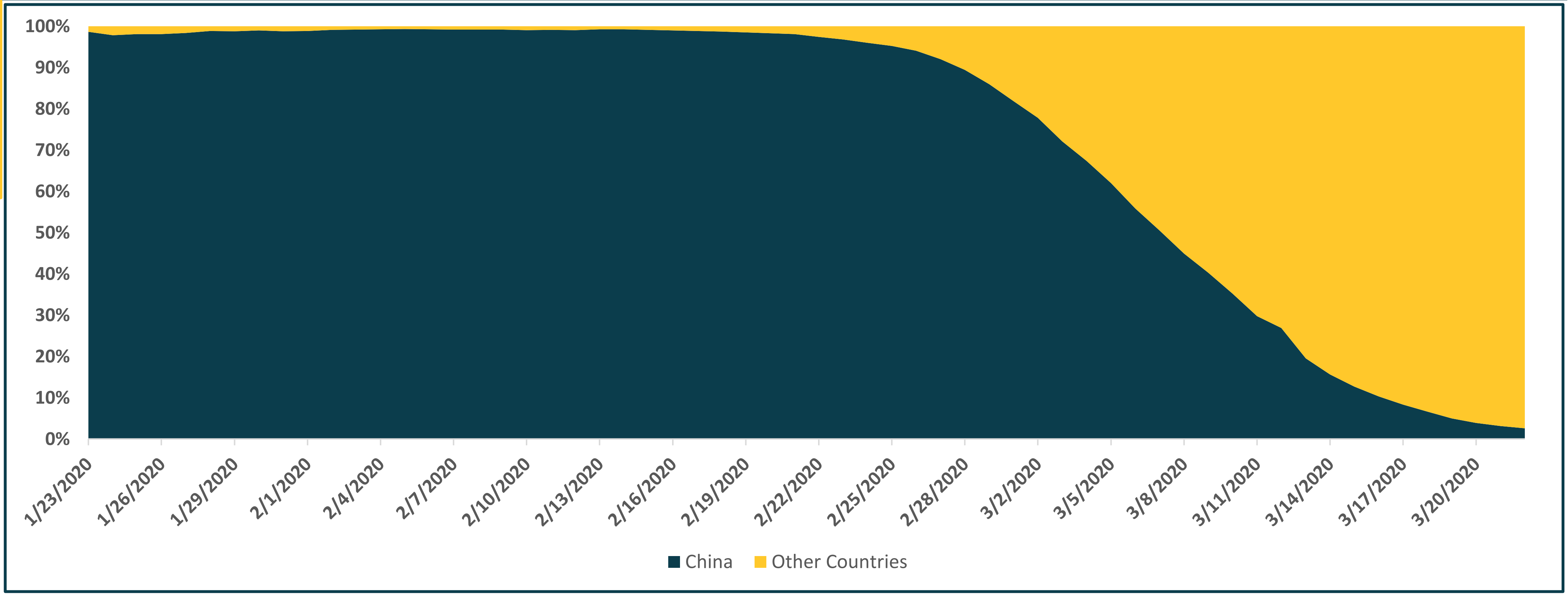
Top 20 Countries: Current Active Cases

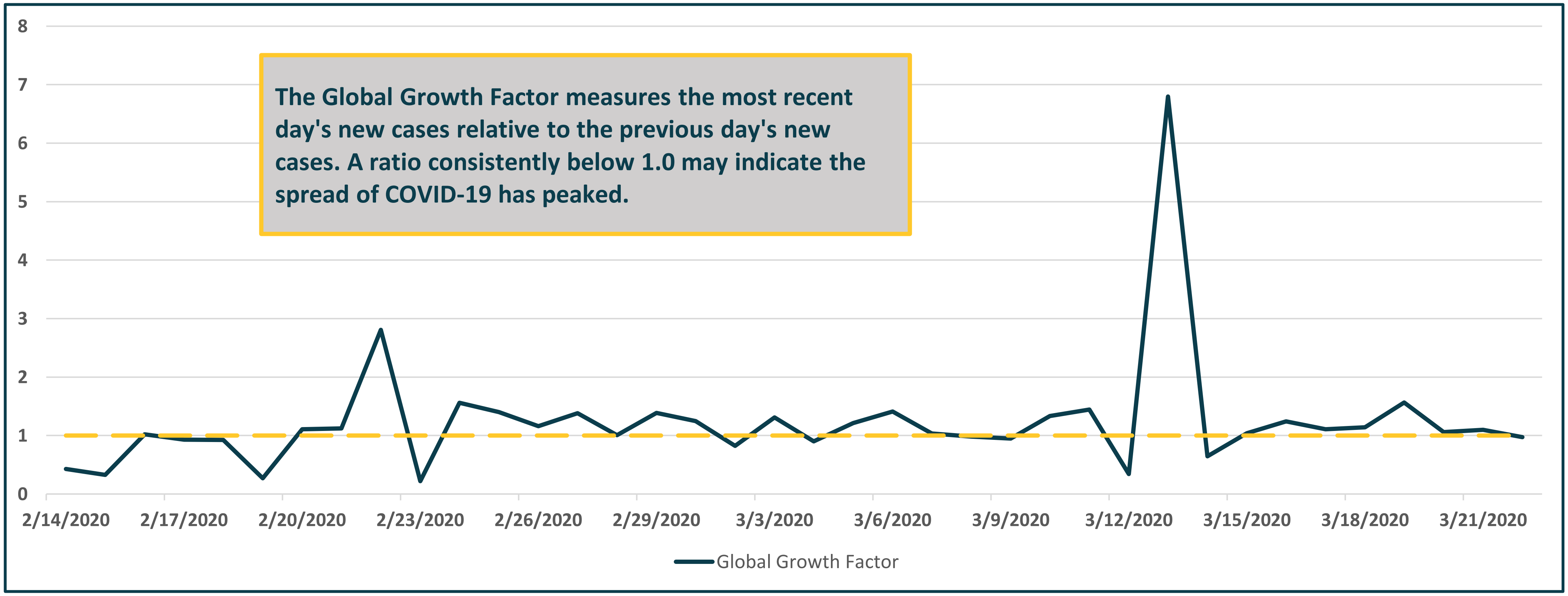


Data Source: Humanitarian Data Exchange. Data as of 03/22/2020.

Active Coronavirus Cases in Focus

Coronavirus

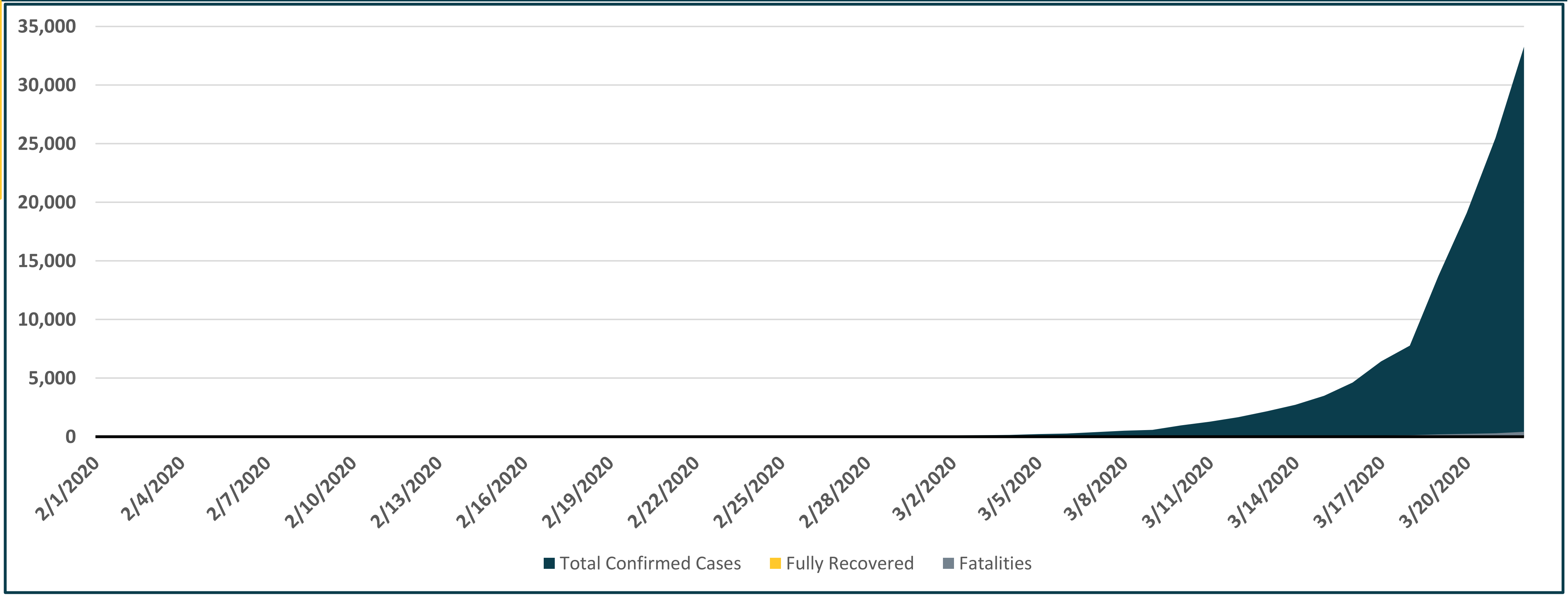


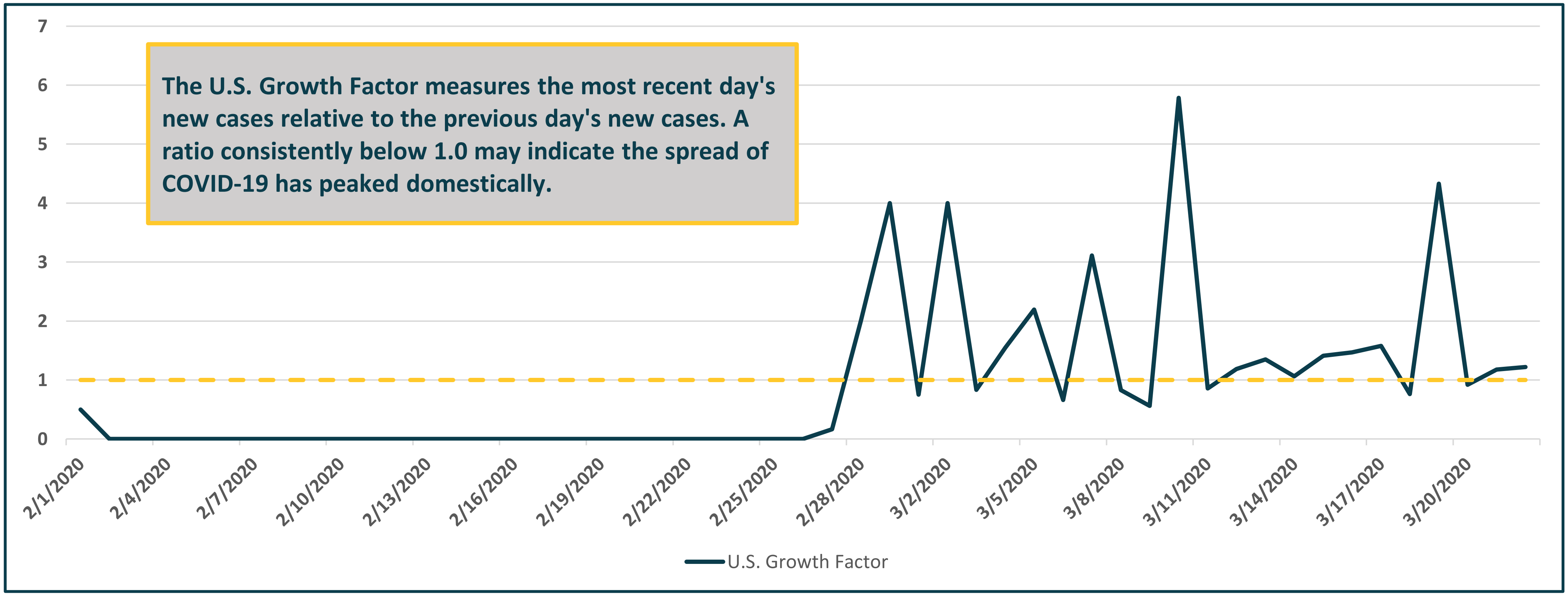


Data Source: Humanitarian Data Exchange. Data as of 03/22/2020.

United States Coronavirus Cases in Focus

Coronavirus

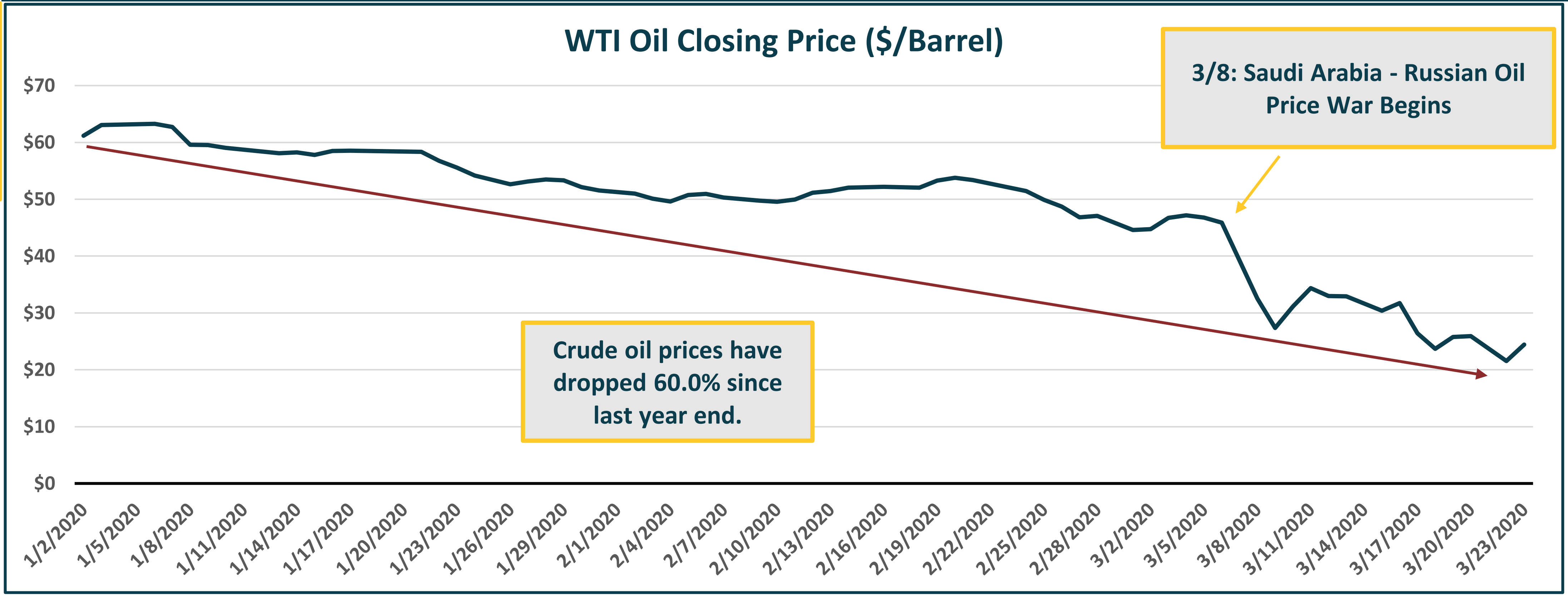




Data Source: Humanitarian Data Exchange. Data as of 03/22/2020.

The Oil Price War

Oil Price War



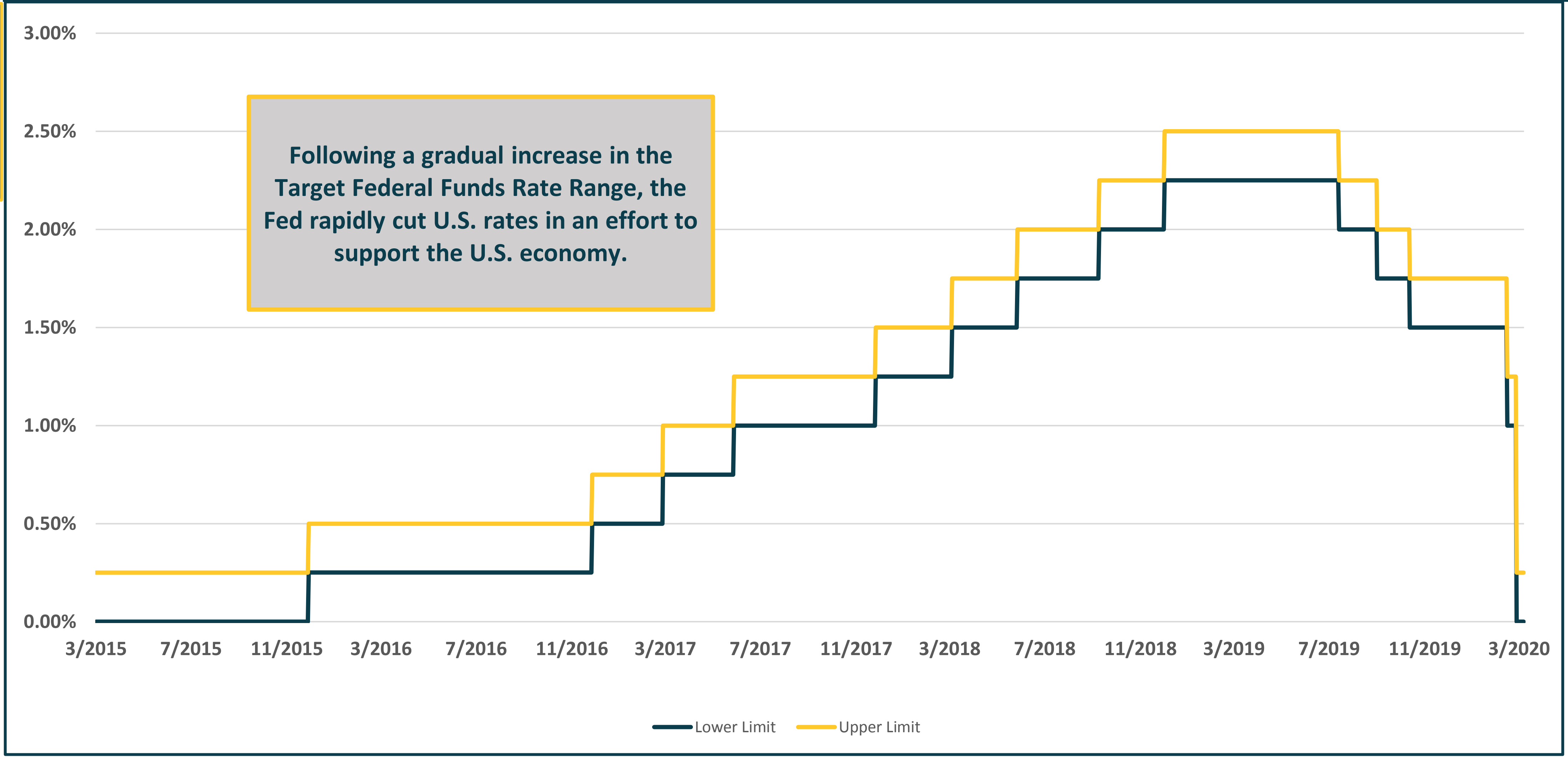
4.6%	**Energy sector representation in the global stock market**
3.3%	**Energy sector representation in the U.S. stock market**

While the energy sector makes up a relatively small portion of the global stock market, investors have been concerned that depressed demand due to COVID-19 partnered with increased supply generated by the price war may foretell of difficulties ahead for the sector that have potential to ripple into other areas of the economy.

Data sources: Morningstar Direct, Yahoo Finance.

Monetary and Fiscal Policymakers Unload the Bazooka

Policy Response

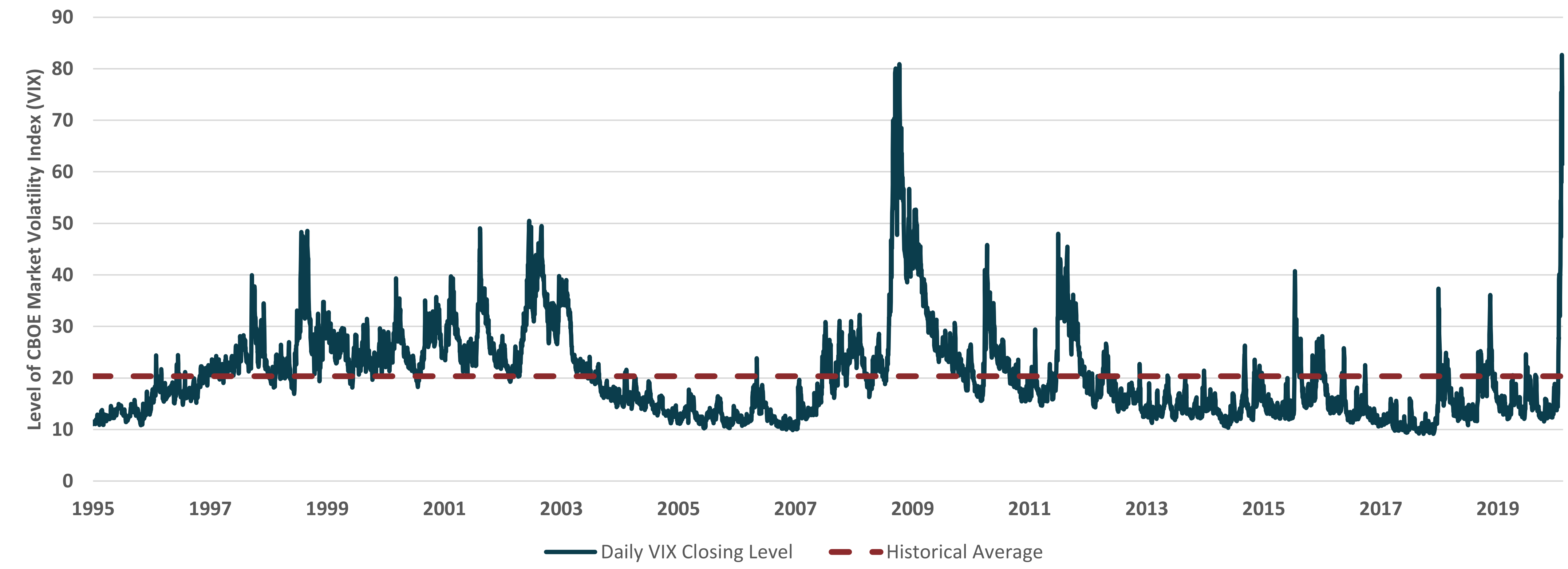


The Fed's efforts (rate cuts and liquidity support) have not gone unmatched by central banks from around the globe. The Bank of England has cut interest rates and restarted their quantitative easing program. The European Central Bank has added to their bond buying program to stimulate European economies. Australia and Japan's respective central banks have cut rates and jumpstarted their bond buying programs. Meanwhile Indonesia and South Africa's central banks have joined in with rate cuts. Furthermore, governments from around the globe are also joining the act with fiscal stimulus. In the U.S., some estimates place the expected fiscal stimulus to be worth greater than $1 Trillion.

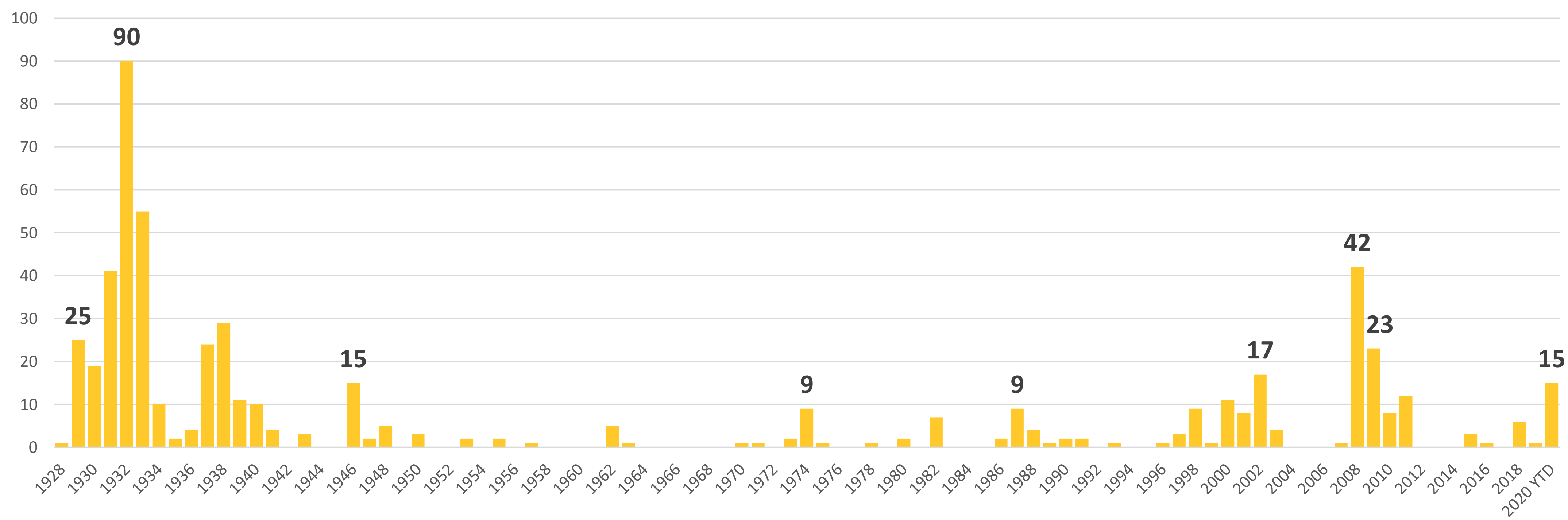
Data source: YCharts. Data as of 03/24/2020.

Historic Levels of Volatility But Not Unprecedented

Volatility



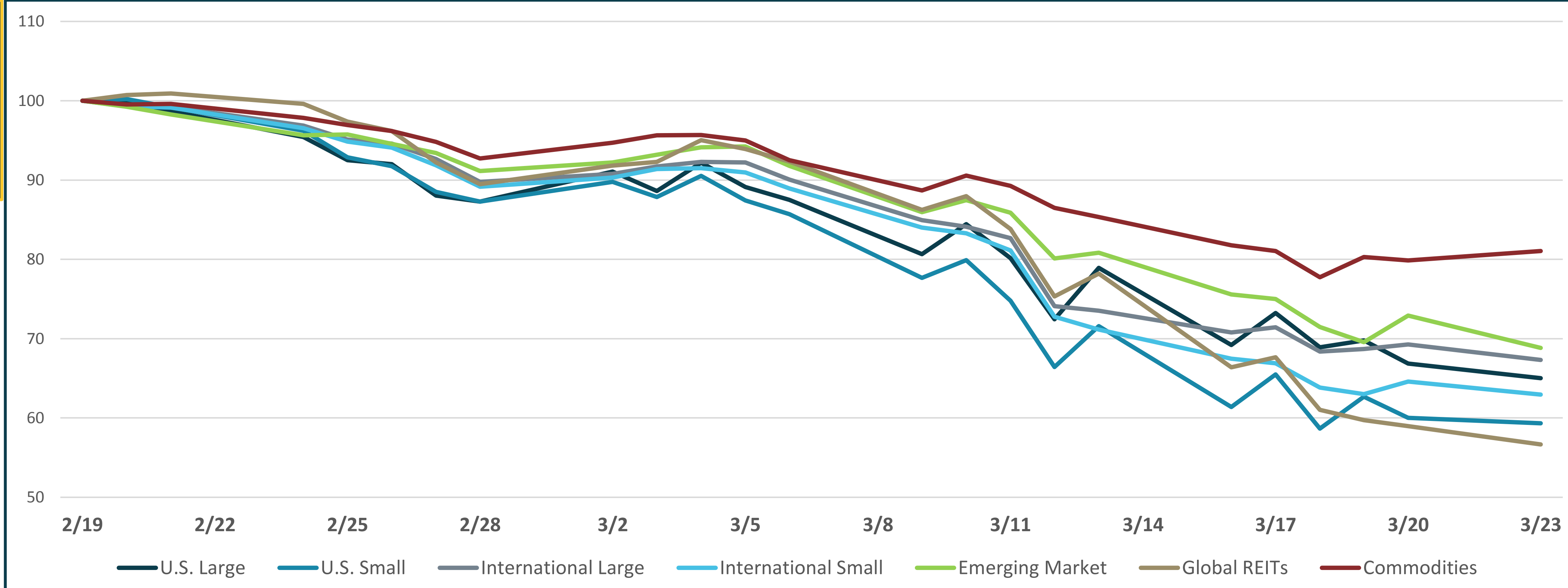
Trading Days with S&P 500 Moves Greater than +/- 3%



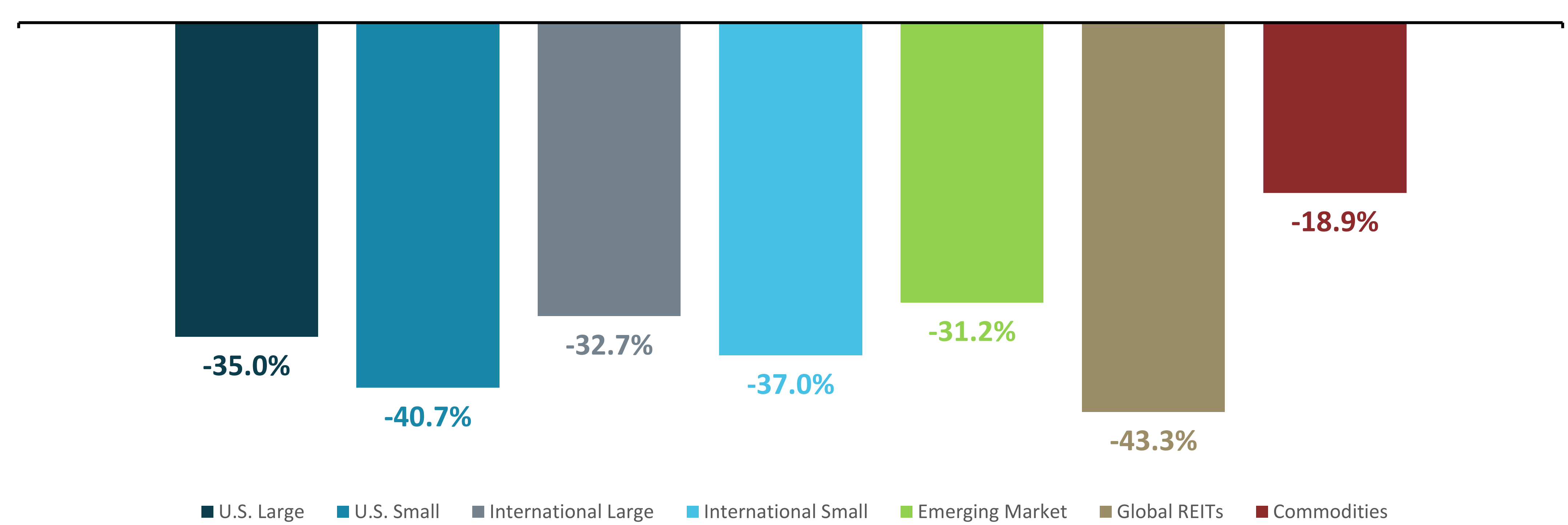
Data source: Morningstar Direct. Data as of 03/23/2020. The CBOE Volatility Index (VIX) is a market index that represents the market's expectation for 30-day forward looking volatility based on market pricing.

Risk Assets Have Struggled

Equity & Risk Assets

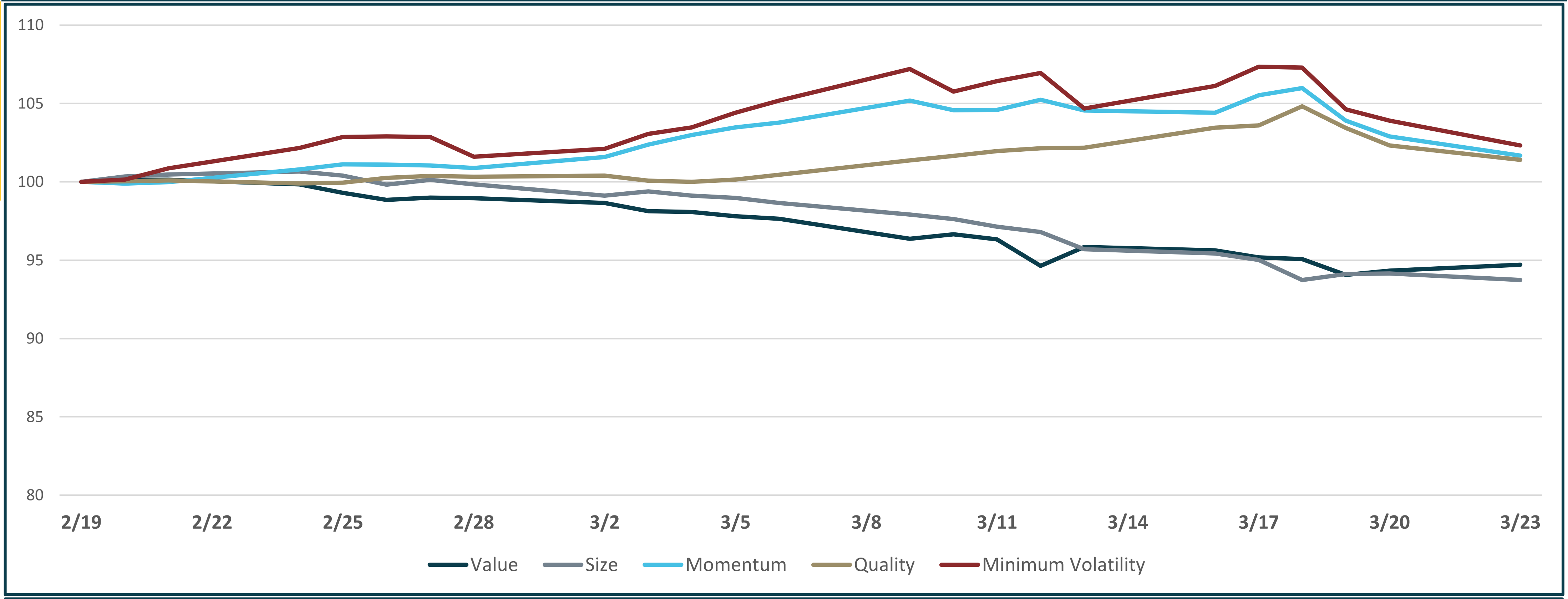


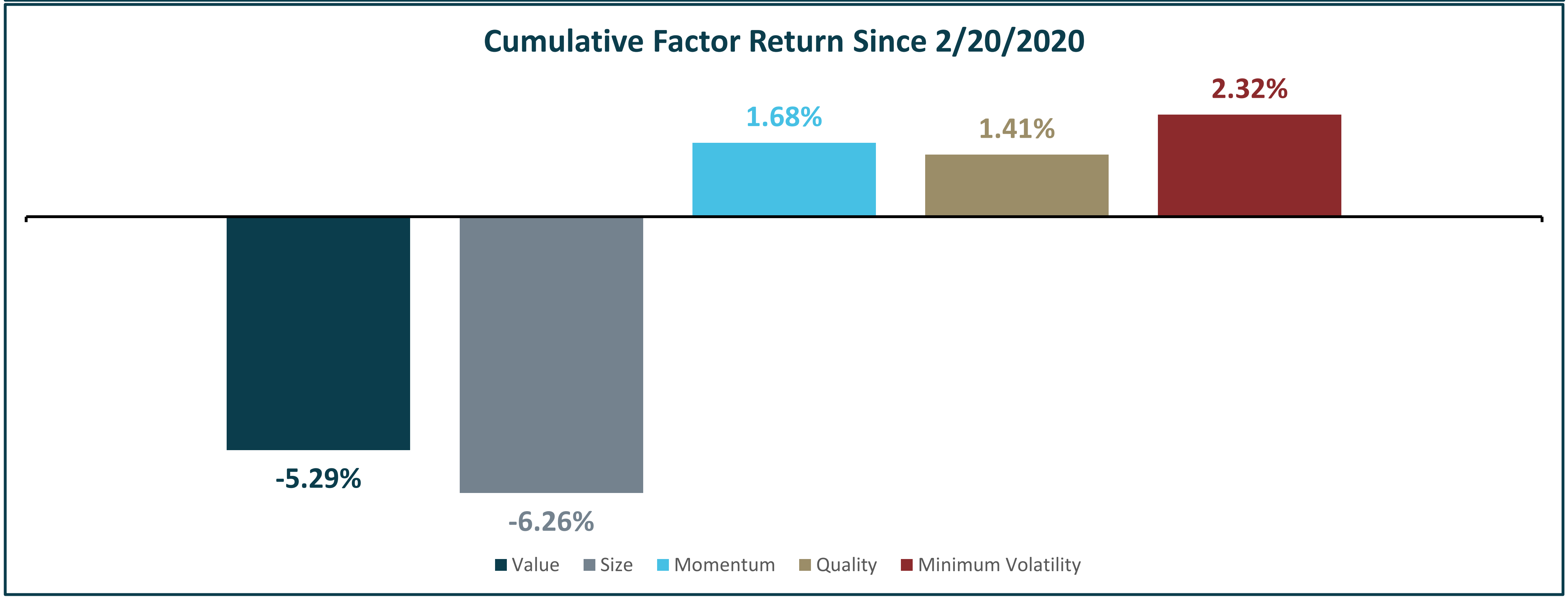
Cumulative Return Since 2/20/2020



Data source: Morningstar Direct. Data as of 03/23/2020. See Endnote 1 further disclosures.

U.S. Equity Factor Performance During Current Bear Market

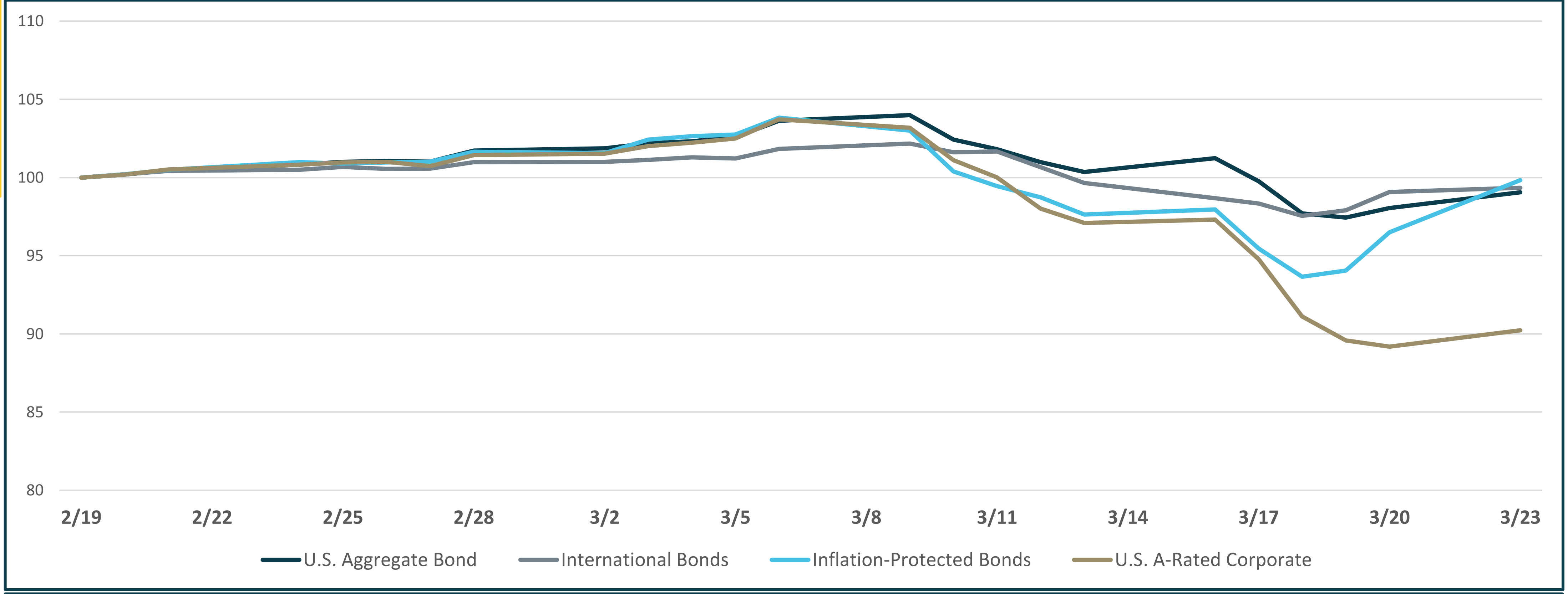


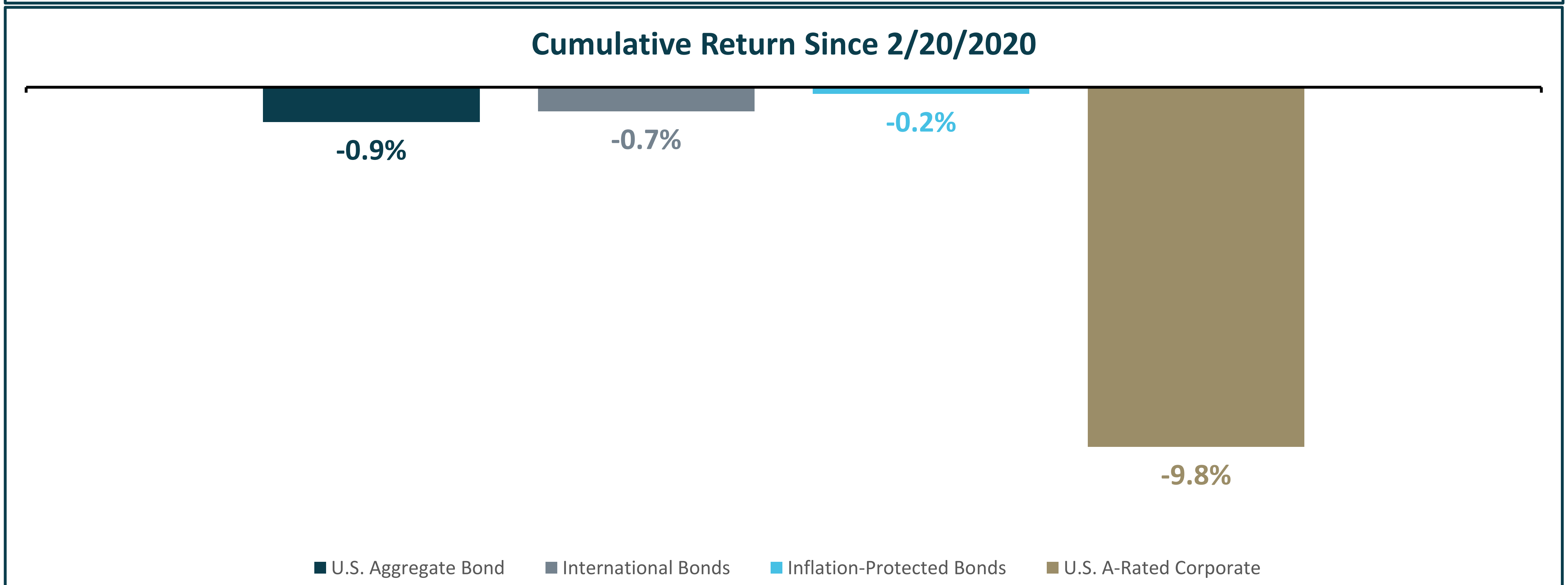


Data source: Morningstar Direct. Data as of 03/23/2020. See Endnote 2 for further disclosures.

What About Bonds?

Fixed Income

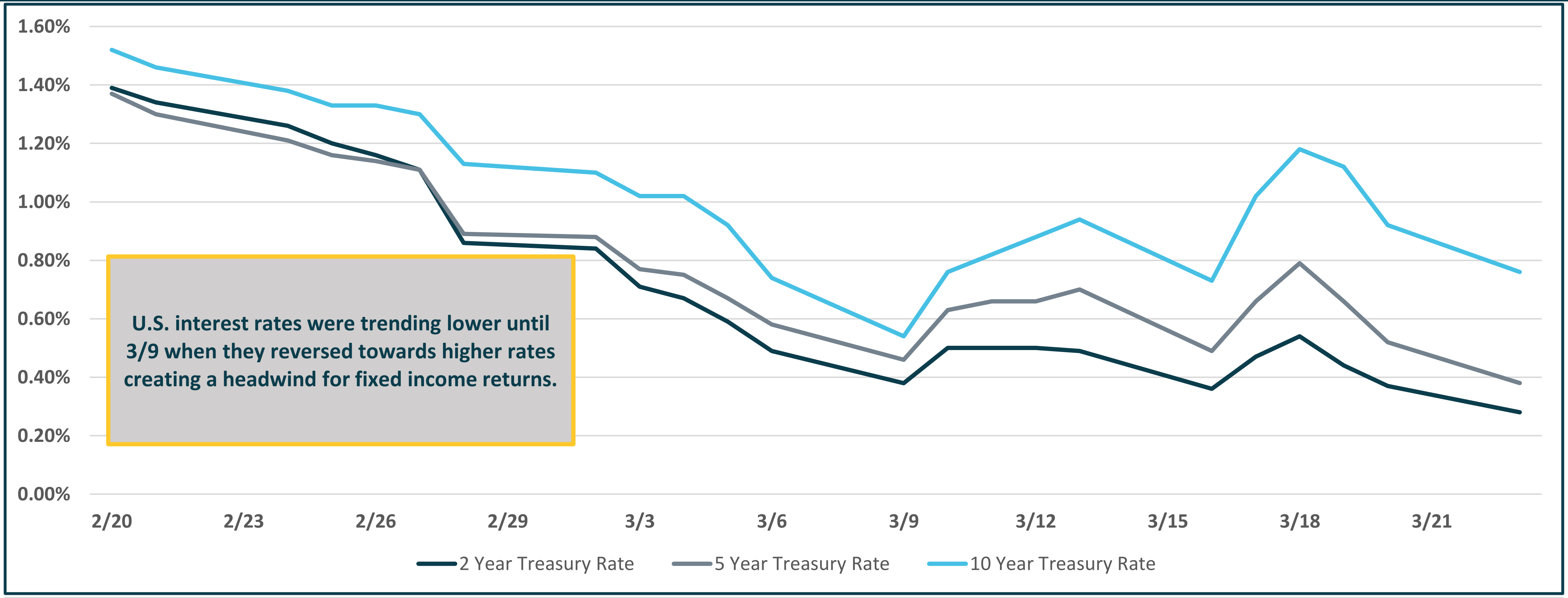


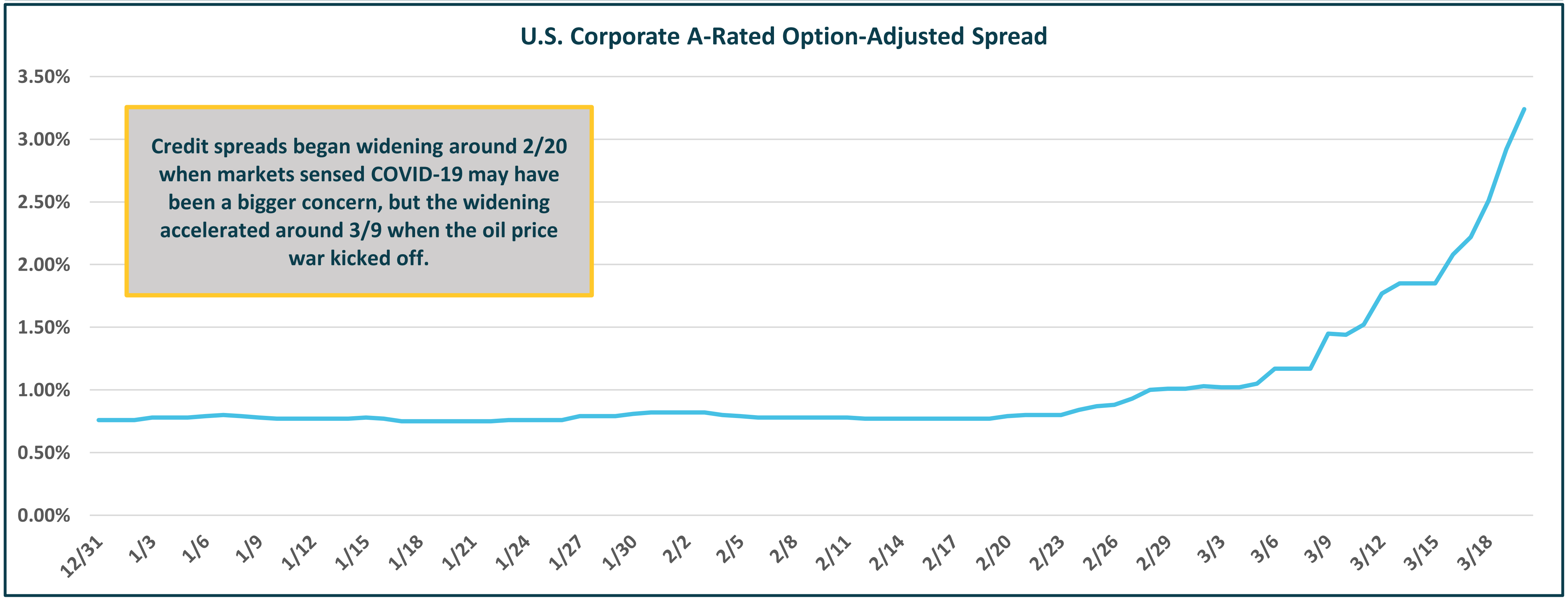


Data source: Morningstar Direct. Data as of 03/23/2020. See Endnote 3 for further disclosures.

Bonds are Safe Havens...Why Aren't They Working?!

Fixed Income

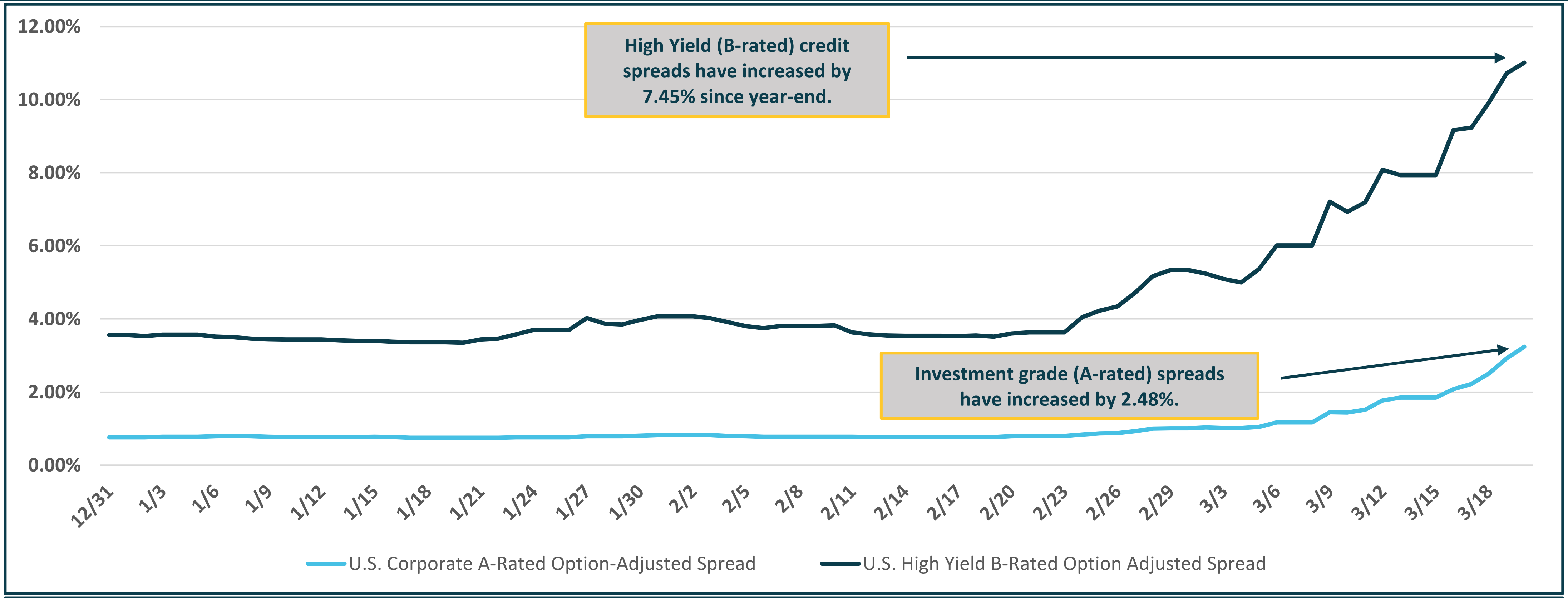


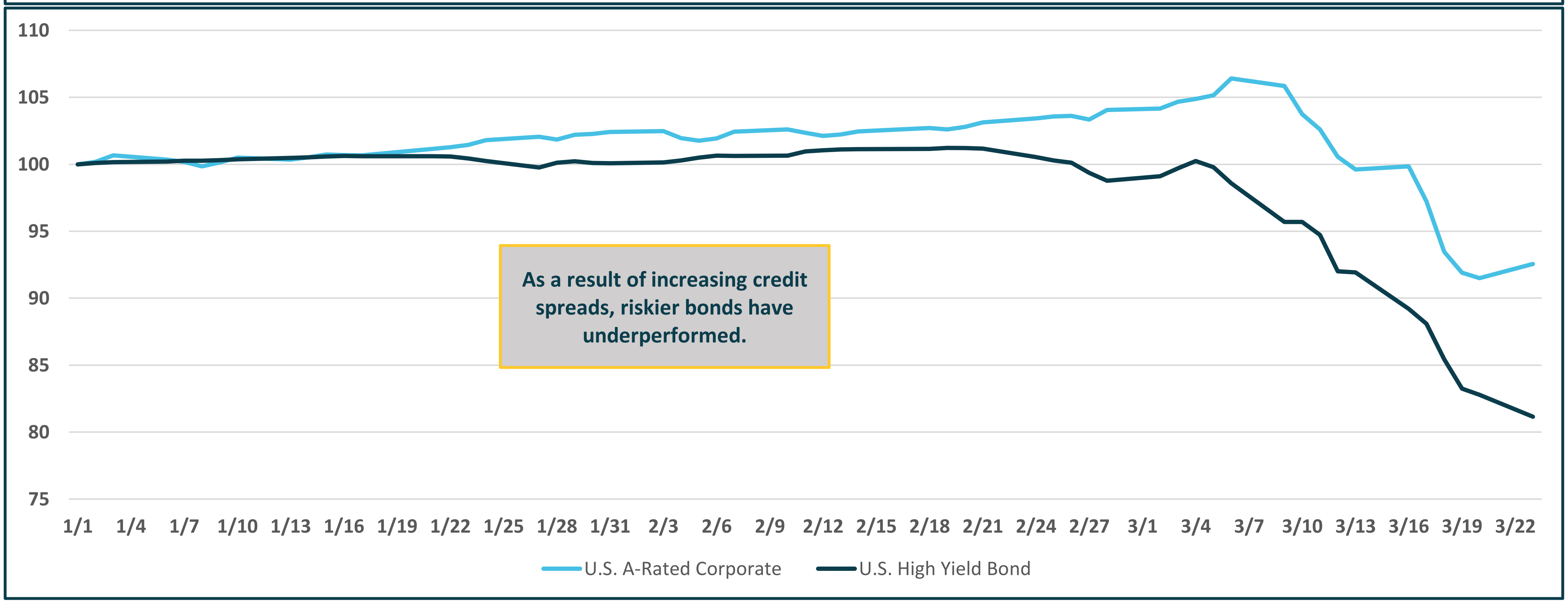


Data source: YCharts. Data as of 03/23/2020.

High Yield Bonds Have Suffered Larger Losses

Fixed Income

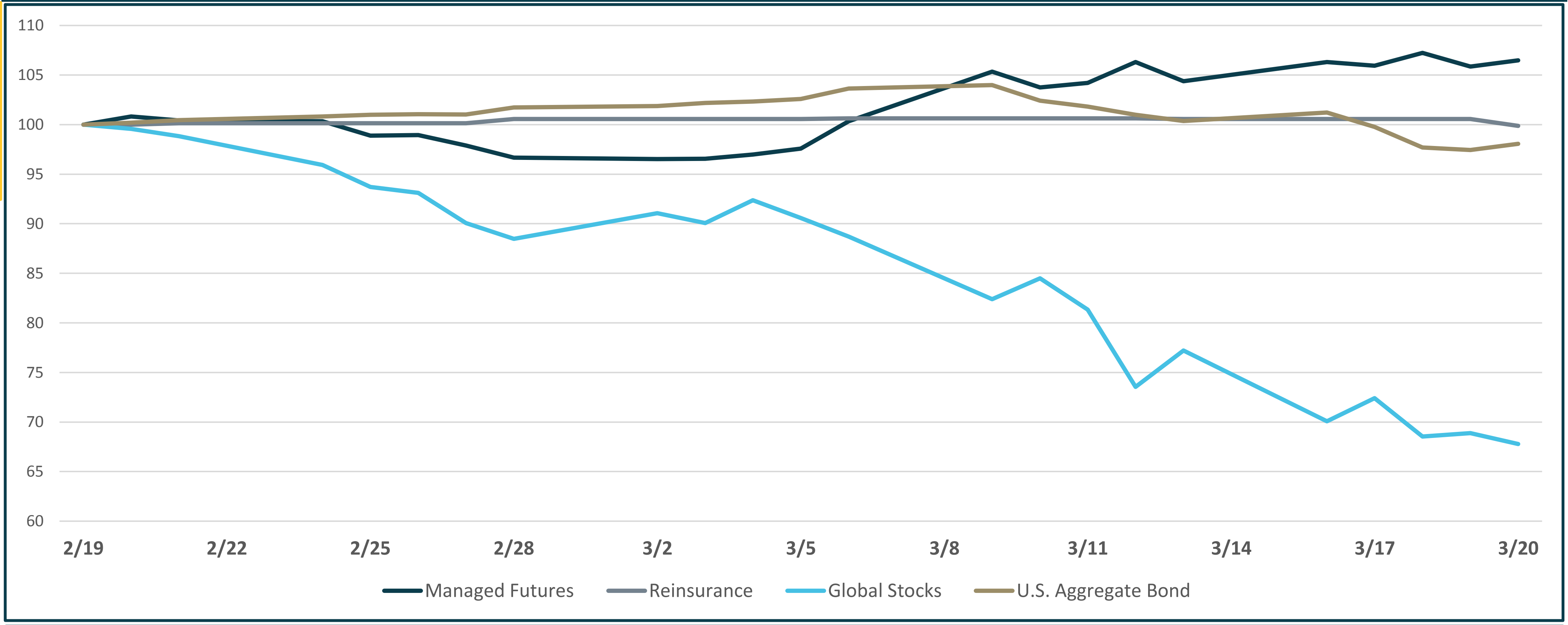




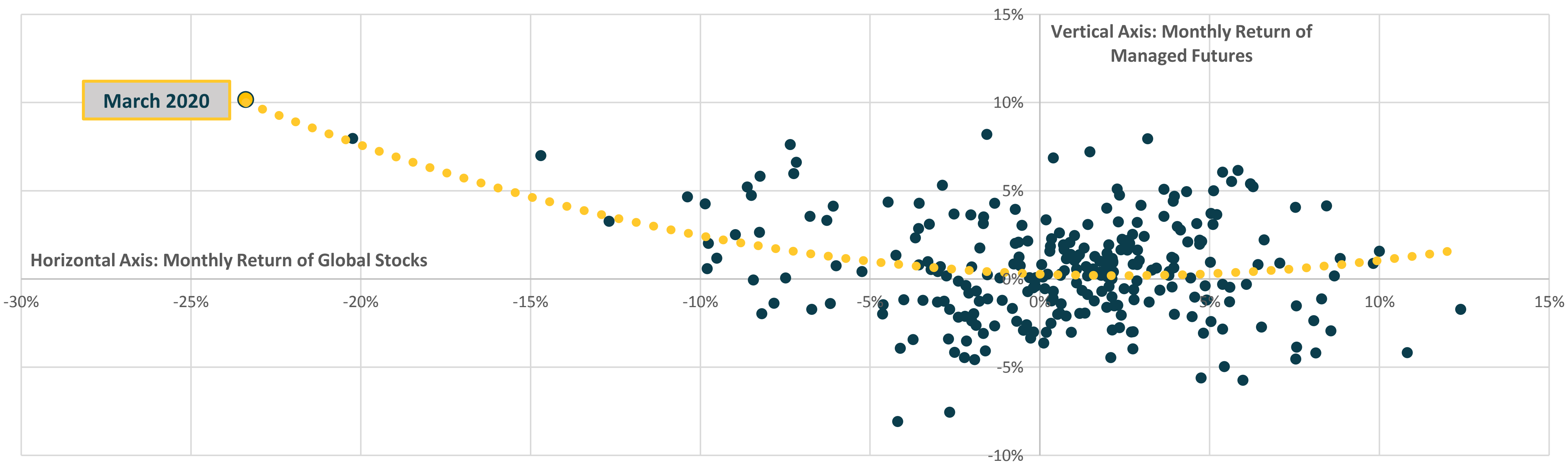
Data sources: Ycharts, Morningstar Direct. Data as of 03/23/2020. See Endnote 4 for further disclosures.

A Few Alternatives Have Provided Diversification

Alternatives



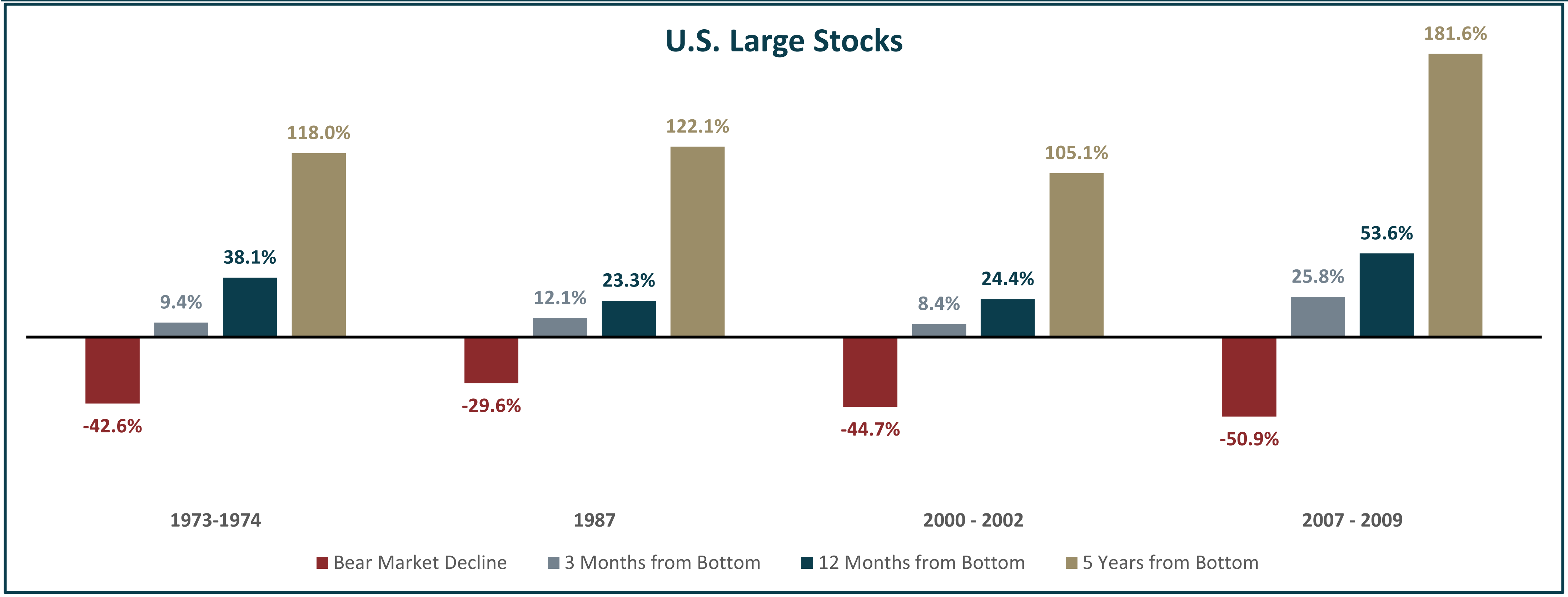
Managed Futures Performs Best When Markets Go From Bad to Worse or Good to Great

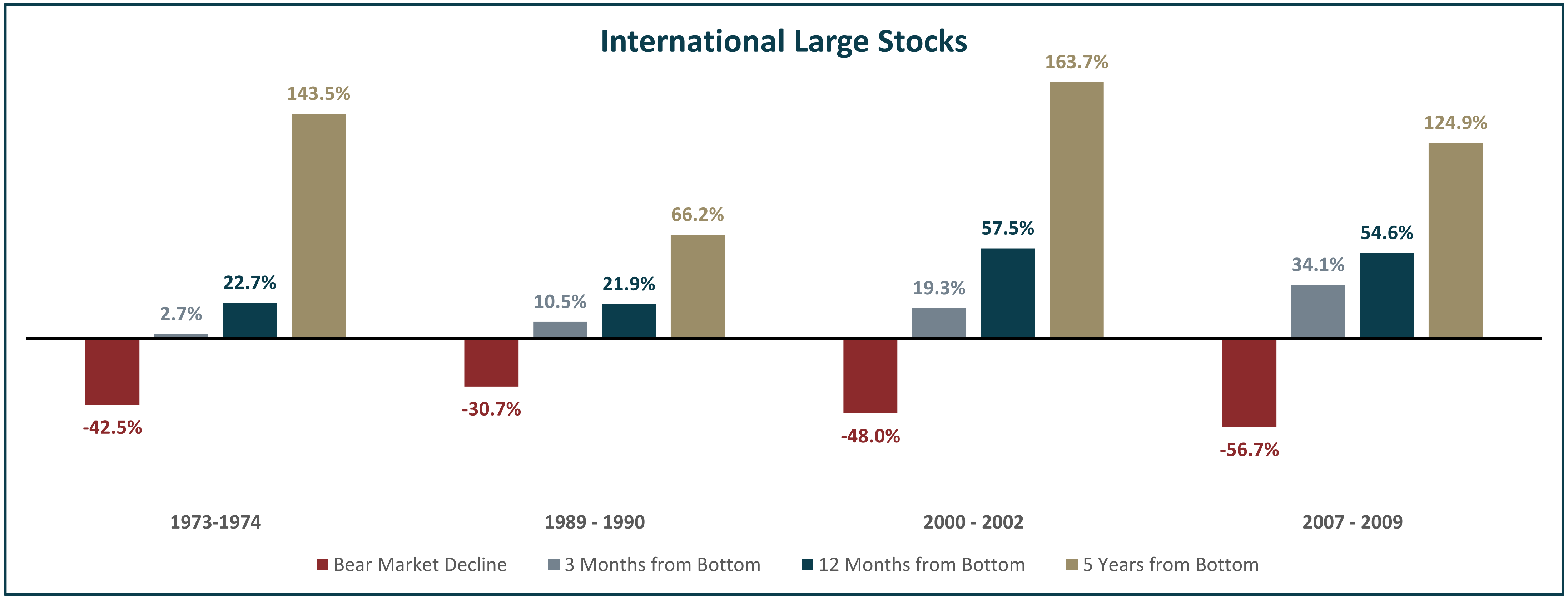


Data source: Morningstar Direct. Data as of 03/23/2020. See Endnote 5 for further disclosures.

Historical Perspective: Stocks Have Always Bounced Back

Historical Perspective

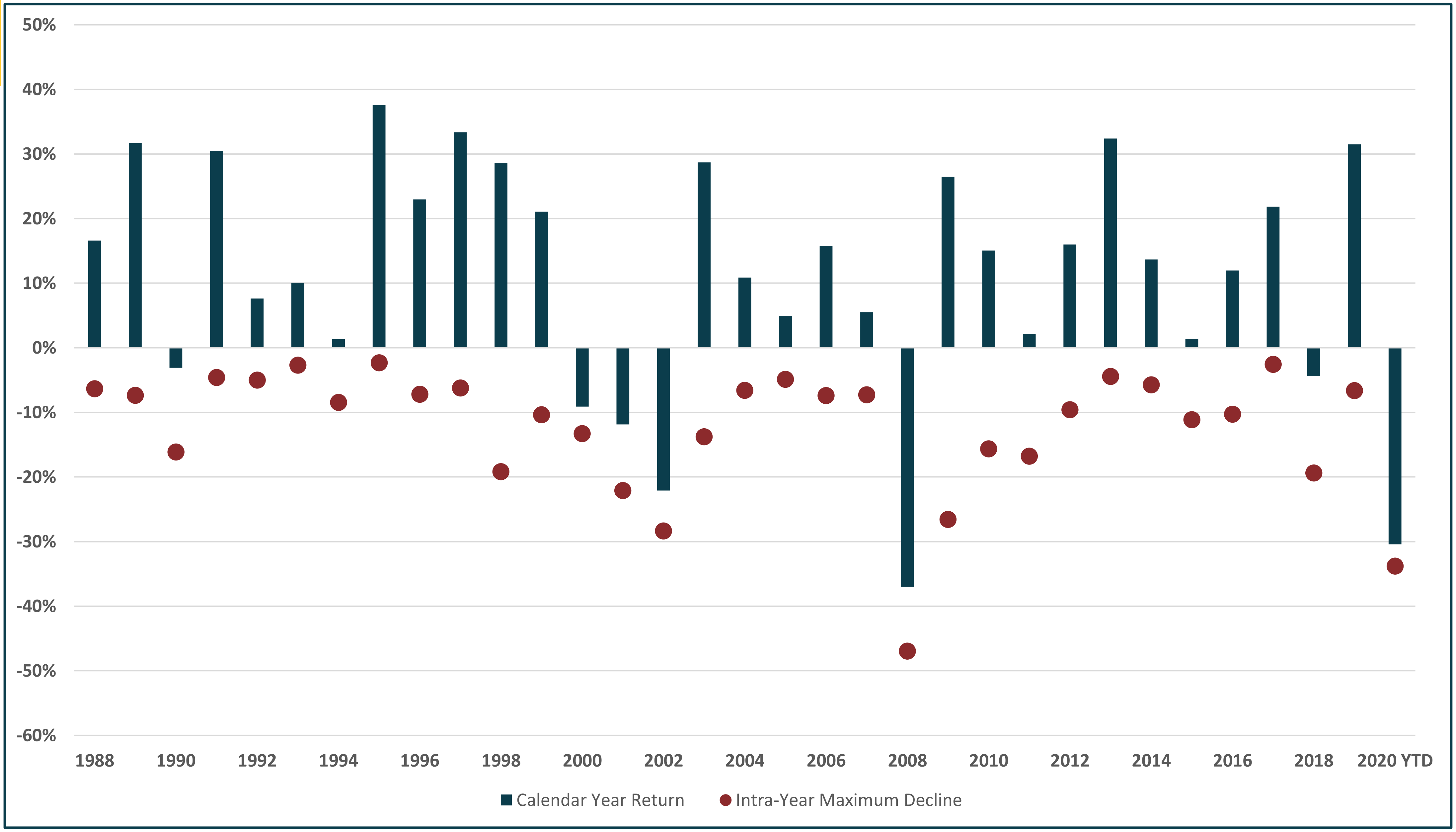




Data source: Morningstar Direct. Data as of 03/24/2020. See Endnote 6 for further disclosures.

Historical Perspective: Intra-Year Declines vs. Calendar Year Returns

Historical Perspective



Data source: Morningstar Direct. Data as of 03/23/2020. This chart focuses on the calendar year returns and intra-year declines of the S&P 500 TR USD Index.

Historically, Small Value Stocks Outperform Following Bear Markets

Historical Perspective

← Value — Growth →

Large ↑ — Small ↓

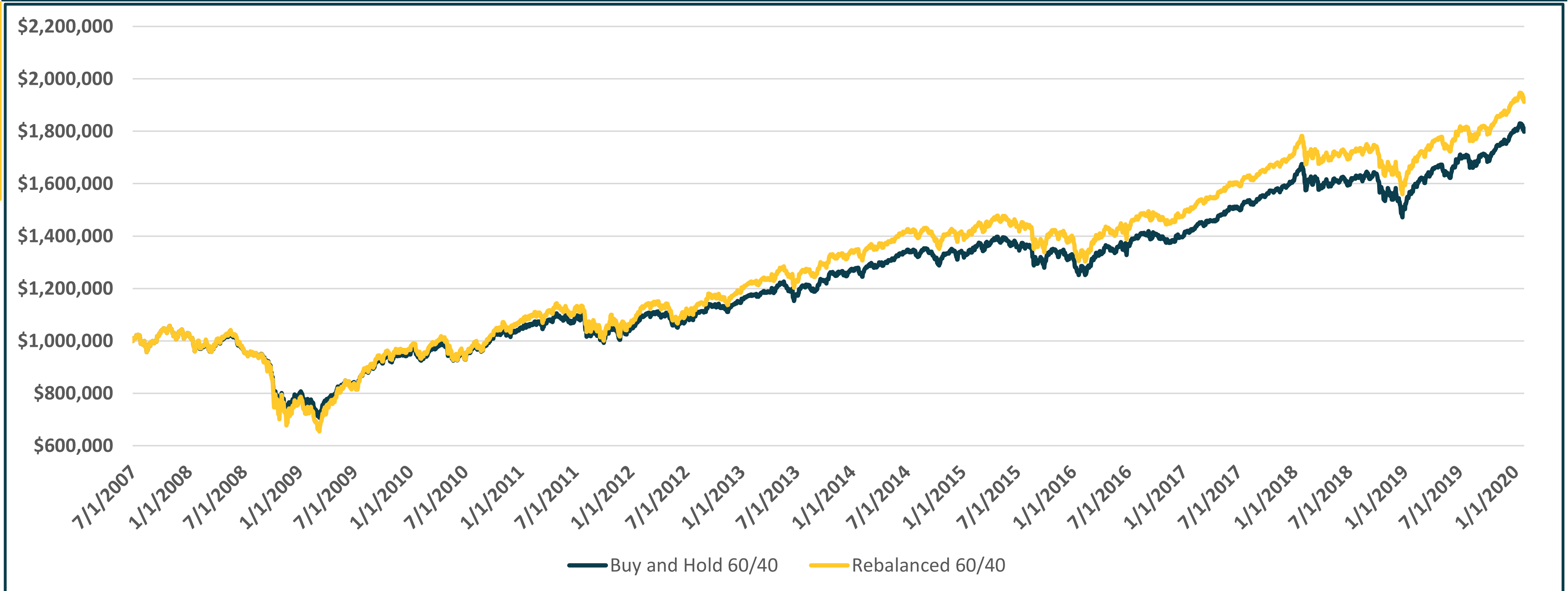
12.1%	59.4%	38.8%	54.0%	61.3%	61.8%	53.5%	63.5%	38.4%	55.9%
103.9%	81.4%	69.7%	85.6%	72.7%	78.7%	74.2%	73.0%	69.4%	60.5%
73.8%	95.7%	87.6%	110.5%	62.5%	92.9%	83.6%	74.6%	71.5%	68.6%
88.5%	96.5%	84.2%	92.2%	93.0%	81.7%	77.6%	79.8%	78.4%	86.0%
79.3%	90.1%	87.7%	89.6%	67.0%	76.5%	91.1%	93.5%	73.9%	69.3%
97.6%	86.7%	90.7%	99.1%	86.0%	79.7%	96.6%	71.9%	82.2%	55.3%
64.3%	94.3%	83.4%	75.6%	77.5%	81.3%	84.1%	86.5%	88.9%	79.8%
90.4%	98.0%	77.8%	81.2%	86.9%	87.4%	88.1%	91.9%	107.1%	60.0%
90.5%	104.2%	73.9%	88.2%	86.2%	85.5%	85.1%	89.5%	66.7%	65.2%
116.9%	108.2%	93.2%	94.5%	79.7%	96.2%	92.6%	81.3%	78.8%	67.1%

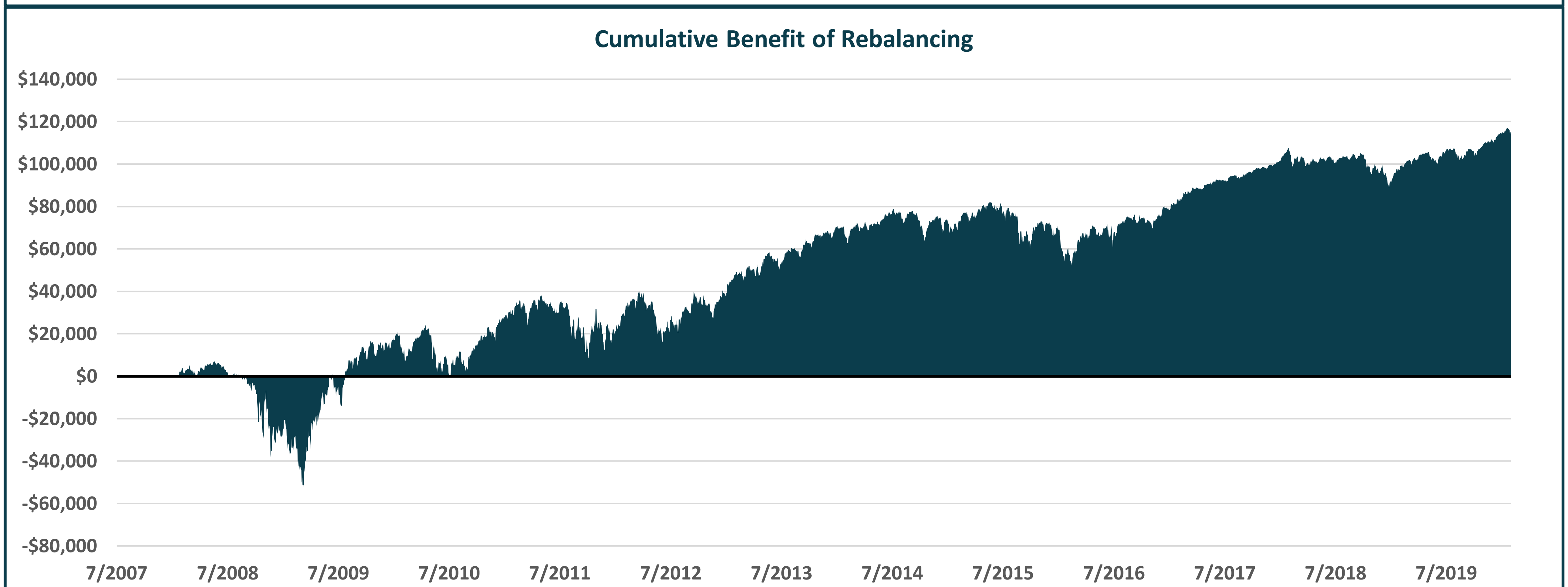
On average, smaller, value-oriented stocks have exhibited the strongest cumulative returns for the three years following a bear market. This study reviews returns following the 1973 - 1974, 1987, 2000 - 2002, and 2007-2009 bear markets.

Data source: Kenneth R. French Data Library. Data as of 03/24/2020. See Endnote 7 for further disclosures.

A Case Study in Rebalancing: The Great Financial Crisis and Beyond

Historical Perspective





Data source: Morningstar Direct. Data as of 03/24/2020. See Endnote 8 for further disclosures.

Disclosures

Endnote 1: U.S. Large: CRSP US Total Market Index, U.S. Small: Russell 2000 TR USD, International Large: MSCI EAFE NR USD, International Small: S&P EPAC Small TR USD, Emerging Market Stocks: MSCI EM NR USD, Global REITs: S&P Global REIT TR USD, Commodities: Bloomberg Commodity TR USD.

Endnote 2: Factor returns were calculated by subtracting the broad market return from each factor index return. Broad market : MSCI USA All GR USD, Value : MSCI USA Enhanced Value Index, Size : MSCI USA Low Size Index, Momentum : MSCI USA Momentum Index, Quality : MSCI USA Sector Neutral Quality Index.

Endnote 3: U.S. Aggregate Bond: BBgBarc US Agg Bond TR USD, International Bonds: JPM GBI Global Ex US TR Hdg USD, Inflation-Protected Bonds: ICE BofA US Inflation-Linked Treasury, US A-Rated Corporate: BBgBarc US Corp A TR USD.

Endnote 4: U.S. High Yield: BBgBarc Ba to B U.S. High Yield TR USD, US A-Rated Corporate: BBgBarc US Corp A TR USD.

Endnote 5: Managed Futures: Credit Suisse Mgd Fut Liquid TR USD, Reinsurance: SwissRe Global Cat Bond TR USD,Global Stocks: MSCI ACWI IMI NR USD, U.S. Aggregate Bond: BBgBarc Agg Bond TR USD

Endnote 6: US Large Stocks : IA SBBI US Large Stock TR, International Stocks: MSCI EAFE NR USD.

Endnote 7: Where the Kenneth R. French Data Library did not have complete returns data, the decile in that time period was excluded from the study. For the 3 years following the 1973-1974 bear market, the following segments were excluded: ME10BM8, ME10BM9, ME10BM10. Return data was complete for the three years following the 1987 and 2000-2002 bear markets. For the 3 years following the 2007-2009 bear market, only the ME10BM10 segment was missing data and therefore excluded from the study. Of the 400 segments of the market reviewed, 396 had complete data.

Endnote 8: Stocks are represented by the MSCI ACWI IMI NR USD Index. Bonds are represented by the BBgBarc US Agg Bond TR USD Index. For the 'Buy and Hold 60/40', the investor is assumed to start with $600,000 in stocks and $400,000 in bonds. The investor simply holds the positions and accepts the changes to the portfolio allocation mandated by buy and hold returns. The 'Rebalanced 60/40' investor is assumed to start with the same $600,000 in stocks and $400,000 in bonds. However, when this investor's stock allocation drifts below 55% or above 65%, the portfolio is automatically rebalanced back to target. This exhibit does not take taxes strategies such as tax loss harvesting nor tax considerations such as capital gain taxes into account. This case study utlizes returns from 7/1/2007 through 1/31/2020.