THE ROSELINE GROUP™

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Q1 2020 Market Perspective

INDEX	QTD	INDEX	QTD
US Equities		**Fixed Income**	
S&P 500 Index	-19.60%	US 10Y Treasury Bond (Price)	7.99%
NYSE	-25.96%	Barclay's US Aggregate Bond Index	3.33%
NASDAQ	-14.18%	High Yield Corporate Bonds	-10.95%
Equal-Weight Indices		**Precious Metals**	
Value Line Geometric Equity Index	-35.82%	Gold Bullion	3.98%
Economically-Sensitive Indices		Silver Bullion	-21.69%
Dow Jones Transportation Index	-29.07%	Precious Metals Miners (GDX)	-21.31%
Hedged Equity Benchmark Index		**Commodities**	
HFRX Equity Hedge Index	-13.33%	Bloomberg Commodity Index	-23.53%
International Equities		S&P GSCI Commodity Index	-42.34%
MSCI EAFE (Developed Markets)	-22.83%	**Currencies**	
MSCI Emerging Markets	-23.60%	US Dollar (DXY)	2.76%

Sources: Kitco, Google Finance, Standard and Poors, HFR, StockCharts.
An investor cannot invest in an index. See disclosures for an explanation of the indices mentioned above.
Data as of March 31, 2020.

Our world has changed more profoundly than most of us can remember. A global health emergency which compels the world to come to a halt is simply unprecedented in the modern era.

The effect of Covid-19 on our physical health and economic well-being has clearly been destructive, as Robert Schiller describes in his recent article "The Two Pandemics".[1] The related shock to the global economy and financial markets has been similarly unprecedented: global markets of almost all kinds suffered double digit declines for the quarter. Only U.S. Treasury Bonds and gold were up for the quarter, as essentially all other asset classes were hit by the pandemic selloff.

| EQUITY MARKETS

The S&P 500 was down 19.6% for the quarter, somewhat better than equities in developed international markets (the widely-used EAFE index was down 22.8%) and in emerging markets (down 23.6%). The S&P 500 had been up 4.8% for the year on February 19 before pulling back as much as 34% by March 23 and finally rallying 15% to the end of the first quarter.

| FIXED INCOME

Fixed income markets only offered a safe haven for investors in U.S. Treasuries, which dramatically outperformed corporate bonds -- even those considered high quality corporates. LQD, an exchange-traded-fund which tracks investment-quality corporate debt with an average duration of 9 years, fell almost 22% from March 6 to March 19 before recovering 17% to finish the quarter. By comparison, U.S. Treasuries of similar duration fell only 3.5% from March 6 - 19, and finished the quarter up about 0.9%.

| COMMODITIES AND PRECIOUS METALS

Gold provided a positive return for the quarter but was not completely immune from universal "sell-everything" pressure that occurred in March. Gold fell over 12% from March 9 through March 19, before recovering 7% to finish the quarter up about 4%. Silver was initially up 4.9% year-to-date through February 24 before plunging 37.7% through March 18, then recovering 20% before quarter-end. Mining companies suffered through a similar pattern, up 6% for the year through February 24, followed by a 38.8% decline, and then a 21.3% rebound.

Gold had already begun its upward-moving trend before the pandemic; after getting through the initial sell-off in March, bullion has benefitted from its safe-haven status, historically low interest rates, and unlimited quantitative easing. Gold is widely seen as positioned to reach an all-time high. Bank of America recently predicted gold would reach $3,000 per ounce.[2] The premiums being paid for gold coins are at the highest level in six years, more than tripling in the last two months.[3]

While silver has lagged gold so far in 2020, this is not unusual. Silver often lags gold when the initial gold buying wave is driven by fear. Silver generally catches up when it becomes clear there is a bull market in precious metals as a whole. Industrial buyers drive more than 50% of silver demand; a decline in demand has been offset by mine closures in Mexico and Peru, which account for approximately 40% of global supply.[4] The gold-to-silver ratio (at left) has reached historic levels, which should eventually lead to strong silver performance.

Gold and silver mining companies remain historically cheap relative to both U.S. stocks and gold bullion. Historically, the miners have shown leverage of 2 to 3 times the price of gold in both bull and bear cycles. This leverage to the price of gold was on full display late in the first quarter of this year, as noted above.[5] However, since the end of the first quarter, the miners have rebounded sharply to seven-year highs, returning 53.7% from March 31 to May 5.

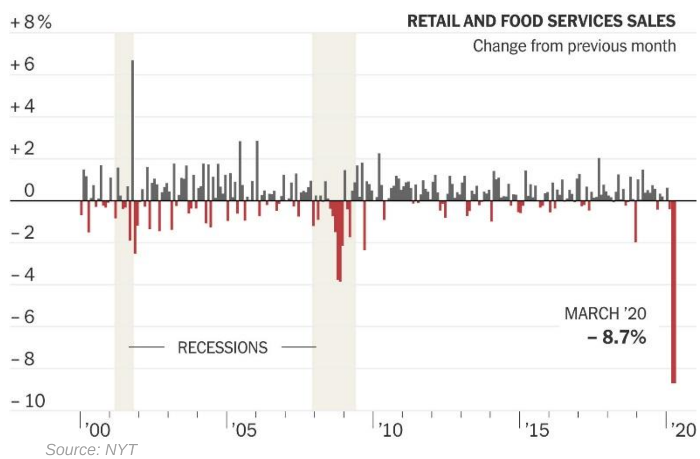
Commodities moved lower, led by a collapse in the price of oil, which fell 66.8% for the quarter. The unprecedented decline in oil prices resulted in front-month oil futures contract prices going negative in April.[6] In response, major oil producing countries announced a historic cut of almost 10M barrels of oil a day, about 10% of global supply, effective April 12.[7] This came after a dispute between Saudi Arabia and Russia over market share, resulting in a "flooded" world oil market in March. Many analysts believe this was a coordinated attack to drive U.S. oil shale producers out of business and retake lost market share from U.S. producers.[8] Clearly, there is a glut in global oil supplies with limited storage capacity. Oil prices remain volatile as uncertainty continues regarding global economy activity.

| ECONOMIC OUTLOOK

There is obvious economic carnage and consensus among economists: unemployment is soaring as more than 26 million Americans filed jobless claims from mid-March to the end of April.[9] Forecasts are that unemployment will continue to spike, possibly to Depression-era highs.[10] An estimate by the St.

Louis Federal Reserve shows that job losses could total 47 million, which would represent an unemployment rate of 32%. Small business loan programs will achieve some rehiring soon, but that might only soften the additional job losses. Job recoveries are eventually expected to occur unevenly over the next 18 months, with unemployment likely above 6% through the end of 2021.[11] Without federal assistance, massive layoffs and pay cuts are likely within state and local government.[12]

We will surely suffer the largest contraction our economy has ever experienced during the second quarter. The median forecast in Bloomberg's monthly survey of 69 economists is an annualized decline of 25% for the quarter ending June 30.[10] In March, industrial production fell 5.4%, the worst decline since 1946; retail sales dropped 8.7%, the worst decline on record; and U.S. factory orders fell 14.4%, the second-worst decline on record.[13,14,15] Because large parts of the country were not shut down until the end of March, April's reported decline will be historic.

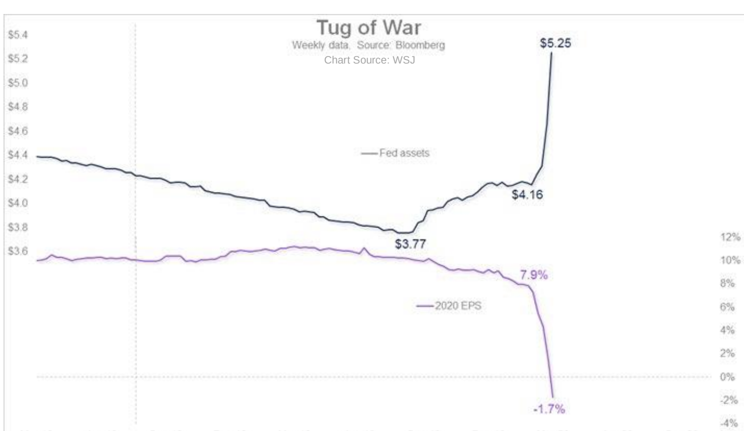


Source: NYT

Global Markets. Goldman Sachs has said the global economic hit from the pandemic will likely be four times worse than the financial crisis of 2008.[16] The World Trade Organization forecasts global trade volume will fall between 13% and 32%.[17] The International Monetary Fund's chief economist wrote that the cumulative loss to global GDP over 2020 and 2021 could be nine trillion dollars, larger than the economies of Germany and Japan combined.[18] China acknowledged for Q1 that its economy shrank for the first time since 1992.[19]

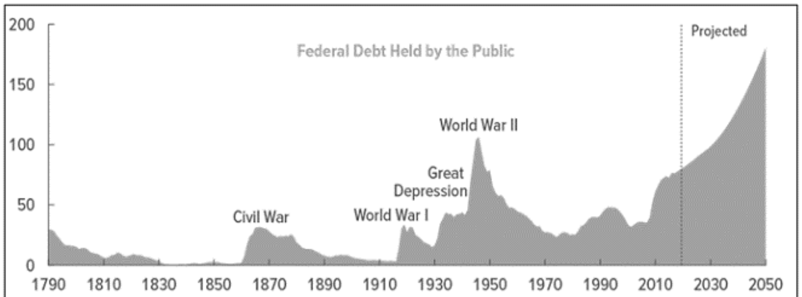
In a monthly poll of global fund managers conducted between March 16 and March 30, 90% of managers expected equities to fall further or stay around current levels over the next three months; 95% expected government bonds to appreciate or stay at current levels; and 100% believed that a global recession was already underway.[20]

U.S. Markets. In the U.S., market strategists are expecting S&P 500 company earnings to be down 20% to 30% from the same period last year, but opinions vary widely as to what the market itself will do.[21] JP Morgan Chase claims the worst is past and sees the S&P staying around $2,850 for the near term. Goldman Sachs said in late March that the same index could fall to $2,000 before recovering to finish the year at $3,000.[22] Two weeks later, after extraordinary intervention by the Federal Reserve, Goldman said it was unlikely the market would fall any further.[23] INTL FCStone derives a fair value of $1,800 for the S&P 500, and Guggenheim has said the index could fall to anywhere from $1,200-$1,500.[24,25] Howard Marks, co-founder of Oaktree Capital Management, was recently quoted saying: "We're only down 15% from the all-time high of February 19th, and it seems to



me that the world is more than 15% screwed up."[26] Veteran investor Jim Rogers said in a recent interview that he expects in the next couple of years to have the worst bear market in his lifetime.[27]

Federal Reserve Policy. The wild card, as has been the case since the Great Recession, is the Federal Reserve. Since the central bank unveiled a series of unprecedented measures to support the economy, stocks have gained 30%.[28] Some have commented that the Federal Reserve has changed the fundamental risk/reward proposition in financial markets, increasing the likelihood of price gains, but diminishing their magnitude. The Fed has initiated asset buying sprees across financial markets.[29]



Source: Congressional Budget Office

Before the pandemic began, the Fed had been actively supporting the corporate repurchase market. In response to this crisis, the Federal Reserve announced emergency rate cuts in March and April, and then on March 23 announced that it would buy up to $500 billion in state and municipal bonds, up to $850 billion in corporate bonds and ETFs,[30] and make up to $600 billion in loans for small and mid-sized companies.[31] In March, the central bank began to buy $75 billion of government bonds daily.[32] On April 9, the Federal Reserve announced creation of a "Secondary Market Corporate Credit Facility", which would leverage $75 billion in funding from the Treasury department to purchase up to $750 billion of uncollateralized corporate debt and ETFs.[33]

We are in an unprecedented time. The only thing that is clear is that we will continue to experience uncertainty in all parts of our life. Those who are able to make the best of this may be well rewarded.

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DISCLOSURES

A. Past performance is not a guarantee of future results.

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DEFINITIONS

The ***Standard & Poor's 500 Index*** *(S&P 500 TR) is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.*

The ***NYSE Composite*** *is a stock market index covering all common stock listed on the New York Stock Exchange, including American depositary receipts, real estate investment trusts, tracking stocks, and foreign listings. Over 2,000 stocks are covered in the index, of which over 1,600 are from United States corporations and over 360 are foreign listings.*

The ***NASDAQ Composite*** *is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. Along with the Dow Jones Average and S&P 500 it is one of the three most-followed indices in US stock markets. The composition of the NASDAQ Composite is heavily weighted towards information technology companies.*

The ***Value Line Geometric Composite Index*** *is an index created by the Kansas City Board of Trade in 1961, and is the first market index to trade futures market. It is an equally weighted index using a geometric average. The index contains approximately 1,675 companies from the NYSE, American Stock Exchange, Nasdaq, Toronto and over-the-counter markets.*

The ***Dow Jones Transportation*** *Average is a U.S. stock market index from S&P Dow Jones Indices of the transportation sector, and is the most widely recognized gauge of the American transportation sector.*

The ***HFRX Equity Hedge Index*** *is provided by Hedge Fund Research, Inc. and is a commonly-used benchmark for Equity Hedge funds. Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities.*

The ***Morgan Stanley Capital International (MSCI) EAFE Index*** *is a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia and Southeast Asia. This international index has been in existence for more than 30 years.*

The ***MSCI Emerging Markets Index*** *is an index that is designed to measure equity market performance in global emerging markets. The Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 21 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.*

The ***Barclays US Aggregate Bond Index*** *is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).*

The ***iShares U.S. Treasury Bond ETF (GOVT)*** *is an exchange-traded fund that seeks to track the investment results of an index composed of U.S. Treasury bonds. It offers market-cap-weighted exposure to the broad Treasury bond market across the term structure, from one year to 30 years.*

DEFINITIONS CONTINUED ON NEXT PAGE

DEFINITIONS (CONTINUED)

*The **iShares iBoxx USD Investment Grade Corporate Bond ETF (LQD)** is an exchange-traded fund that tracks a market-weighted index of US corporate investment-grade bonds across the maturity spectrum.*

*The **SPDR Bloomberg Barclays High Yield Bond ETF (JNK)** is an exchange-traded fund that tracks a market-weighted index of highly liquid, high-yield, US dollar-denominated corporate bonds.*

***Gold and silver bullion** is legal tender that is held in reserves by central banks or used by institutional investors. Bullion is gold and silver that is officially recognized as being at least 99.5% pure and is in the form of bars or ingots.*

*The **VanEck Vectors Gold Miners ETF (GDX)** is an exchange-traded fund that seeks to track the overall performance of companies involved in the gold mining industry.*

*The **Bloomberg Commodity Index** is a broadly diversified commodity price index distributed by Bloomberg Indexes. The index tracks prices of futures contracts on physical commodities on the commodity markets, and is designed to minimize concentration in any one commodity or sector.*

*The **U.S. Dollar Index (DXY)** is an index of the value of the United States dollar relative to a basket of foreign currencies. The Index goes up when the U.S. dollar gains "strength" (value) when compared to other currencies. It is a weighted geometric mean of the dollar's value relative to the following select currencies: euro, Japanese yen, pound sterling, Canadian dollar, Swedish krona, and Swiss franc.*

*The **Invesco CurrencyShares Euro Trust (FXE)** is an exchange-traded fund that tracks the changes in value of the euro relative to the US dollar. The euro is the currency of 19 European Union countries.*

*The **Invesco CurrencyShares Japanese Yen Trust (FXY)** is an exchange-traded fund designed to track the price of the Japanese yen. The Japanese yen is the national currency of Japan and the currency of the accounts of the Bank of Japan, the Japanese central bank.*