



Selected Market Indexes January, 2021

Equities

- January was down a bit in Large Cap as a result of the last three days of the month.
- Small and Mid Cap and Emerging Markets, however were positive.
- Longer term Large Cap returns are much higher than the long term average, due to rebound from 2008-9 early in those periods.
- REITs continue to suffer from the unknown, but significant, impact of Covid on hotels, office buildings and retail.
- Foreign Developed was about the same as U.S. Large Cap in January but long term returns have been poor.

Fixed Income

- Federal Reserve reduced short term rates to 0% in March 2020 and expect to hold until 2023.
- Extensive Fed purchases of bonds have also kept longer term rates low. There is a limit to how long and how much.
- Fixed Income total returns were down a bit but current yields are at historic lows. There is little upside in bond prices going forward.
- High Yield spread over Treasury rates is less than the default rate forecast by Moody's. Total return up slightly in January.

Asset Class Indexes - Total Return	End Of:		Periods Ending January 31, 2021				
	January	2020	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	-1.01	18.40	-1.01	17.25	11.70	16.16	13.50
S&P 400 Mid Cap	1.50	13.66	1.50	18.46	7.96	14.01	11.46
S&P 600 Small Cap	6.29	11.29	6.29	23.18	9.04	15.21	12.59
S&P US REIT	0.15	-7.52	0.15	-8.46	5.06	5.39	7.85
MSCI EAFE (Foreign Developed)	-1.07	7.82	-1.07	8.94	2.23	8.84	5.15
MSCI Emerging Markets	3.07	18.31	3.07	27.89	4.42	15.03	4.23
Bloomberg Barclay's US Aggregate Bond	-0.72	7.51	-0.72	4.72	5.49	4.00	3.75
Bloomberg Barclay's US High Yield	0.33	7.11	0.33	7.44	6.14	9.01	6.60
Fixed Income Rates	End Of:		On January 31				
	January	2020		2019	2017	2015	2010
Fed Funds Target	0-25	0-25		1.75-2.00	1.00-1.25	0.25-0.5	0-0.25
10 Year Treasury	1.11	0.93		1.68	2.33	2.06	2.53
30 Year Treasury	1.87	1.65		2.12	2.86	2.87	3.69

Data Sources: FactSet Research Systems via AJO Partners; Federal Reserve; U.S. Treasury

Index results do not reflect any investment costs or fees. Investments in securities involve the risk of loss, particularly over shorter time frames. Future results will be different from past results.

The information is believed to be accurate and from reliable sources but is not guaranteed.

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Additional information on The Chadwick Group, Inc. may be obtained by contacting us by phone, regular mail, email, or by visiting our website:

The Chadwick Group, Inc.
P.O. Box 624
10 Ferrous Court
Hunt Valley, MD 21030

Email: info@chadwickadvisory.com

Phone: 443-422-9617

www.chadwickadvisory.com