



WISCO
Investment Management

Third Quarter 2020

DEAR CLIENTS & FRIENDS;

The Wisco-managed portfolios performed well in the third quarter. Our lower risk portfolios (Conservative & Balanced) were up in the mid-single digit range while our higher risk portfolios (Growth & Aggressive) were up in the high-single digit range. Performance was driven by gains in the global equity markets as well as in our commodity-metals positions.

The U.S. and International stock markets continued to recover in the third quarter, rising 9% and 6% respectively, and have returned to positive territory for the year. We believe the gains have been driven primarily by Central Bank stimulus actions in the past six months, historically low interest rates and the potential for a COVID-19 vaccination on the horizon (although the timing is uncertain). The sharp recovery in the U.S. stock market has occurred despite our recessionary economy (which was officially declared by the National Bureau of Economic Research in February). Historically, U.S. recessions have lasted about 15-months, on average, with stocks generally faring well as the economy re-enters the early stages of a new expansion cycle.

The Barclays aggregate bond index was flat this quarter but has rallied 7% year-to-date. The 10-year treasury yield remained relatively stable this period ending the quarter at 0.7% (fixed income prices and interest rates generally move inversely with each other). For perspective, the 10-year treasury was yielding 3.1% two-years ago. Treasury rates remain near historical lows which is also making it challenging for low-risk, income-oriented investors to earn yields commensurate with inflation and may also be driving demand towards riskier assets.

Our commodity exposures consisted of a gold and silver fund this quarter. **Gold was up 6% while silver increased 28%.** Precious metals have performed extremely well this year as investment demand has been driven by their safe-haven status and hedging ability against an increasing money supply. Wisco uses alternative exposures (like metals) in our ETF portfolios as they tend to improve portfolio diversification when combined with traditional investments.

This has been a challenging and stressful time in the financial markets and in life. During periods of high volatility its natural for investors to second guess their investment choices. However, third quarter results reinforce how important it is to remain disciplined to your long-term investment strategy and to 'stay the course'. Although the U.S. stock market may remain bumpy for the remainder of the year, we anticipate economic growth to re-accelerate in 2021.

At Wisco, we believe our approach of designing well-diversified, low-cost investment portfolios is the best way to produce favorable results over time. We would like to thank you for providing us with the opportunity to work with you as your investment adviser. We appreciate your business!

Sincerely,

The Wisco Team



Learn More: wiscoinvest.com

Third Quarter 2020

Wisco Investment Management

Wisco-managed portfolios are constructed using five asset classes; Domestic Equity, International Equity, Domestic Fixed Income, Alternative Investments and Money Market. Our current managed portfolio asset class allocations are as follows:

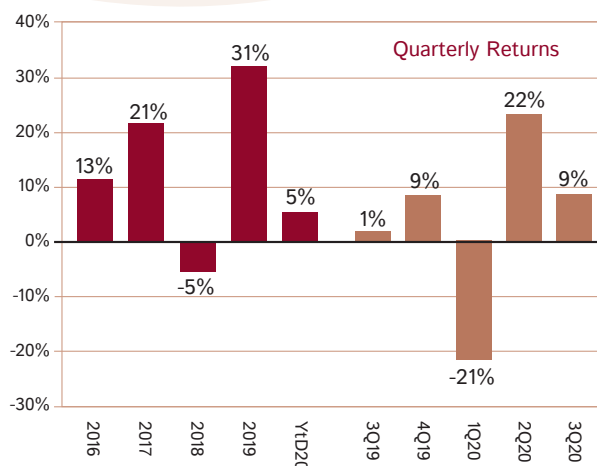
WISCO MANAGED PORTFOLIOS

	Conservative	Balanced	Balanced Growth	Growth	Aggressive
Domestic Equity	24%	33%	41%	49%	59%
International Equity	5%	9%	12%	18%	23%
Domestic Fixed Income	60%	47%	36%	22%	7%
Alternative Investments	10%	10%	10%	10%	108%
Money Market	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%
Target Volatility*	6%	8%	10%	12%	15%

*Target Volatility is our estimate for the annual standard deviation of portfolio returns.
Source: Wisco Investment Management LLC

Third Quarter 2020 Market Review

DOMESTIC EQUITY



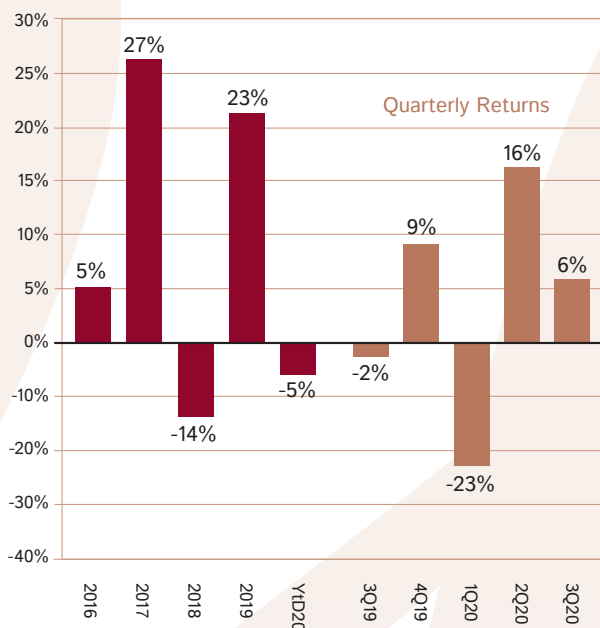
Source: Dow Jones U.S. Broad Stock Market Index and Wisco.

The stock market had another strong quarter returning 9% and has recovered all of what was lost in March's historic decline. The S&P 500 continued its upward momentum from 2Q reaching a new all-time high August 18th and peaking September 2nd at 3588. The S&P 500 finished the quarter at 3363, 53% above the March 23rd bottom. The United States' 2Q20 GDP posted its worst ever decline of -31.4%, amid widespread stay at

home orders to combat COVID-19. S&P 500 earnings experienced a 32% earnings decline. By sector, strength in Utilities (+9% earnings growth) and Health Care (+8%) were more than offset by declines in Industrials and Energy. Going forward, consensus estimates suggest earnings will decline 19% in 2020, while 2021 earnings are projected to be modestly higher than the peak reached in 2019. In the near term, we feel political uncertainty around the November election along with challenges from the COVID-19 crisis could be headwinds for growth. However, ample liquidity from the Fed, along with the potential for another stimulus package could stabilize markets and the economy. Longer term, a vaccine and/or more effective treatment for COVID-19 could unleash pent-up demand adding to growth in 2021 and beyond.

The S&P 500 is trading at 25x 2020 consensus earnings and 20x 2021 consensus earnings, which is higher than historic averages. While a higher Price-to-Earnings ratio (PE) can be justified by low interest rates, Wisco did modestly reduce domestic equity exposure in July based on valuation and near-term uncertainties. Longer-term, we still want exposure to domestic equity.

INTERNATIONAL EQUITY

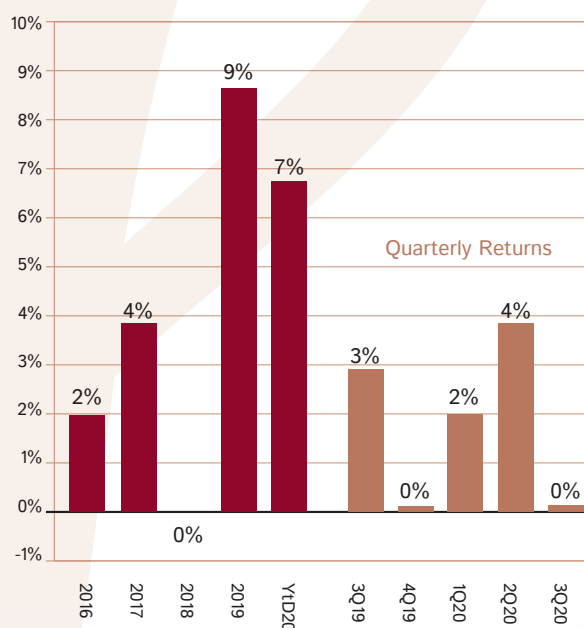


Source: MSCI ACWI ex USA and Wisco

The MSCI All World Index increased 6% in 3Q20, with FTSE Developed Large Cap Index up 6%, FTSE Small Cap Index up 10% and FTSE Emerging Market Index up 10%. In Europe, there was very little volatility with most countries returning between 4% and -2%. The Euro Stoxx 50 returned 3%. Asia did have more dispersion with Japan flat, Hong Kong down 3% and South Korea up 14%. Emerging markets had increases in Shanghai (12%), Taiwan (15%), and Brazil (1%).

2Q20 GDPs declined 39% in the Eurozone, 59% in Britain and 69% in India, as COVID-19 shutdowns negatively impacted economies. These numbers will improve in 3Q20, however, the global recession is likely to last well into 2021, as COVID-19 cases remain stubbornly high around the world. China's economy was the exception, as GDP in 2Q20 was 54%. In terms of valuation, international stocks trade at a 17 PE versus a 25 PE for the United States which suggests valuations might be more attractive abroad. In addition, we feel international economies could recover quicker than the domestic economy as some nations, like China, have seen new Covid-19 cases decline. For these reasons, we maintain international equity positions in all our client portfolios.

DOMESTIC FIXED INCOME



Source: Barclays Capital U.S. Aggregate Bond Index and Wisco.

The Barclays U.S. Aggregate Bond Index was flat in 3Q20, but up 7% year-to-date with Intermediate Treasuries (flat in 3Q, up 8% Y-t-D), Investment Grade Bonds (up 1% in 3Q, up 7% Y-t-D) and High Yield Bonds (up 4% in 3Q, down 1% Y-t-D). The 10-year treasury yield stayed in a narrow range in the quarter starting at 0.65%, bottoming Aug. 6th at 0.50%, peaking Aug. 28th at 0.75% before finishing the quarter at 0.68%. Annual CPI in August was 1.3%, higher than the previous four months but still tame. After being very active the first half of the year, cutting the fed funds rate from 1.5% to 0% and increasing the money supply (M2) 19%, the Federal Reserve's activity moderated with no change in fed funds and M2 up just 3% in 3Q20.

After posting solid returns in the first half of the year, the fixed income market barely moved in 3Q20. Going forward, we continue to feel it is unlikely yields move materially higher anytime soon. The economy remains weak, the Fed appears committed to easy monetary policies for an extended period, and inflation remains in check. For these reasons, we increased our Fixed Income exposure in July in all our client portfolios and prefer Investment Grade to Treasuries and short duration to long duration.

ALTERNATIVE INVESTMENTS

The Dow Jones-UBS Commodity Index increased 11% in the quarter. In agriculture, grain prices were strong in 3Q20. Wheat prices increased 18%¹, corn prices were up 12% and soybean prices increased 16%¹. Grain prices were helped by accelerated purchases from China after delays in the first half of the year.

Precious metals continued to do well. Silver posted another strong quarter increasing 28%³ in 3Q20. Gold prices increased 6%² in the quarter and are now up 24%² for the year. Precious metals have benefited from its safe haven status and provide a hedge against an ever-increasing money supply.

The Cushing, Oklahoma spot price for WTI crude oil increased from \$39.37/barrel to \$40.47/barrel in the quarter. For the year, spot oil is down 34%.

Wisco holds positions in alternative investments because these assets tend to not be correlated with stocks and bonds and improve a portfolios risk adjusted return. Currently, Wisco holds gold and silver in all our client portfolios. Precious metals could benefit from geopolitical uncertainty caused by the upcoming elections. Plus, gold and silver could benefit from central banks around the world aggressively increasing the money supply. We like gold more than silver because gold is rarer, and silver's price is more correlated to economic growth.

MONEY MARKET

The current money market yield is 0.03%. Given this low yield, Wisco is going to hold a minimal amount of Cash/ Money Market assets in our client portfolios.

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1. Return calculation based on the near future contract as quoted in the Wall Street Journal.
2. Return calculation uses Aberdeen Physical Gold Shares (SGOL) as a proxy for gold.
3. Return calculation uses Aberdeen Physical Silver Trust ETF (SIVR) as a proxy for silver.
4. Return calculation uses Cushing, OK WTI spot price FOB as a proxy for oil.

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Wall Street to Wisconsin