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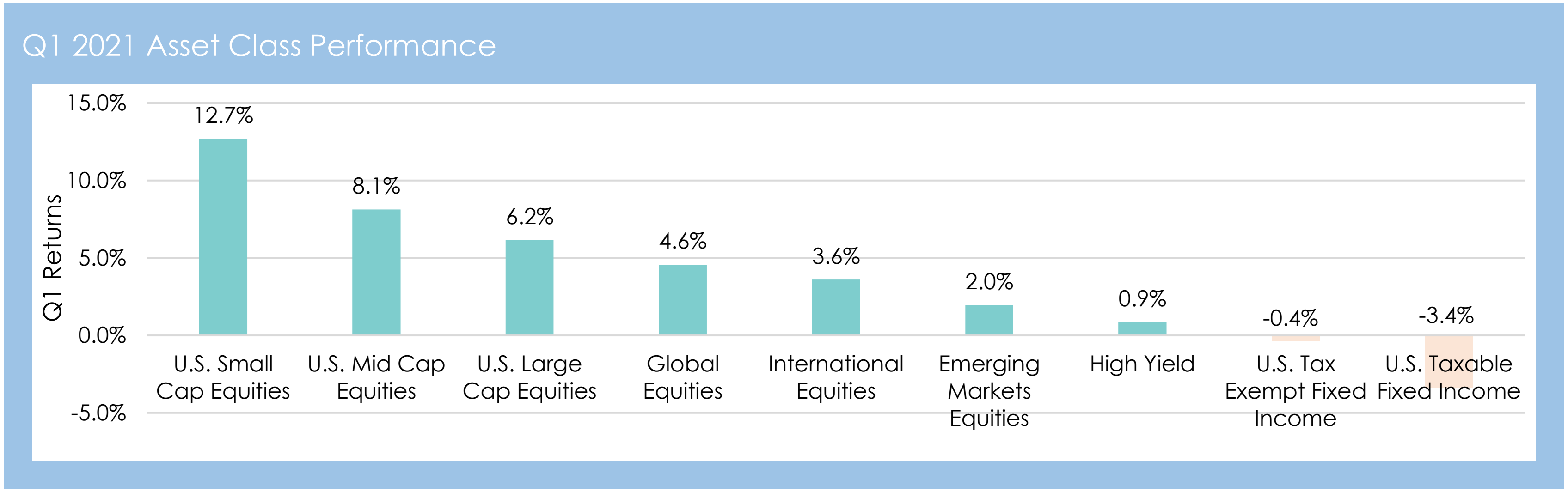
WITH YOU EVERY MILE

MARKET LANDSCAPE | Q1 2021

MIRACLE MILE ADVISORS

Q1 2021 PERFORMANCE SUMMARY



Quarterly Recap

Global equity markets rallied in the first quarter of 2021 as the world marked the one-year anniversary of the global pandemic. Positive catalysts during the quarter included improving economic data pointing to further recovery, the approval of another round of fiscal stimulus, and states reopening as COVID vaccinations became more widely distributed. However, market risks remain with investors' primary concern being the rise in bond yields due to expectations for higher growth and an uptick in inflation data.

Q1 2021 Economic & Market Highlights

- Equity markets worldwide gained 4.6% for the quarter, while the bond market suffered its worst quarterly performance in nearly 40 years.
- The 10-year Treasury yield rose 82 basis points for the quarter on the heels of strong economic data and new rounds of fiscal stimulus, stoking expectations of stronger growth.
- The U.S. labor market continues to improve with the economy adding over 1.6 million jobs in the first three months of the year.
- In March, President Biden signed a $1.9 trillion relief plan into law and announced plans for a $2.25 trillion infrastructure plan.

INVESTMENT STRATEGY GROUP'S OUTLOOK

- The U.S. economy continues to recover, with states reopening and consumption on the increase. We have revised our 2021 GDP growth forecast upward to +6.0-6.5%.
- Inflation data has ticked higher which is normal in an economic recovery. Some of this uptick is due to forces that are expected to be transitory, e.g., pandemic-associated supply chain disruptions. We expect inflation to be more of a concern in 2022 as more economies around the globe emerge from the pandemic and its economic effects.
- The U.S. dollar strengthened in Q1 as U.S. interest rates rose. However, we expect the dollar to resume weakening during the remainder of the year due to the U.S. budget and current account deficits, falling interest rate differentials, and the fact that the USD is a counter-cyclical currency which weakens when global growth accelerates.
- We are constructive on equities, especially the cyclical sectors such as financials and industrials.
- For the intermediate term, we favor corporate bonds and other spread products over Treasuries.

MARKET RISKS

NEAR TERM

Higher Interest Rates

- Both the U.S. economy and equities have become dependent on continued low interest rates. A significant rise in interest rates would be detrimental to economic growth and risk assets, and even concerns that interest rates will increase sooner than expected could induce market weakness.

Changes in Tax Policy

- Biden has proposed increasing the corporate tax rate from 21% to 28%, increasing the global minimum tax from 13% to 21%, ending tax breaks for fossil fuel companies. Any changes that are enacted would likely take effect in 2022.

LONGER TERM

Policy Mistakes

- Against the backdrop of a post-pandemic economic recovery, sustained monetary and fiscal stimulus will eventually push inflation to problematic levels. It is far from clear that the policy makers will be able to "stick the landing" in terms of the pace and manner in which stimulus is withdrawn.

Global Supply Chain and Geopolitical Uncertainty

- Chip shortages worldwide and a blockage in the Suez Canal signal a major risk for economics and the need for improving supply chains domestically.
- U.S.-China relations have not improved under President Biden as tensions between both countries escalated after a summit in Alaska.

MARKET OPPORTUNITIES

NEAR TERM

Cyclical Areas of the Market

- Fiscal stimulus measures, pent-up demand for goods and services, and states reopening all portend a strong economic recovery during 2021. This strength favors cyclical sectors of the market.
- Recent data indicate accelerating prospects for Industrials, especially the transportation industries.

Preferred Securities and Loans

- Loan funds hold floating rate securities that have minimal interest rate sensitivity. Preferred stock is mainly issued by financial companies that are net beneficiaries of higher interest rates.
- With their higher yields and lower effective durations, preferred securities and loan funds offer income investors opportunities to lower their risks from rising interest rates.

LONGER TERM

Rotation into Value Stocks

- Value stocks have outperformed growth stock over the past two quarters. Given the propensity for value stocks to outperform during periods of strong economic growth, and given growth stocks' decade-long dominance, the rotation into value is likely still in its early innings.

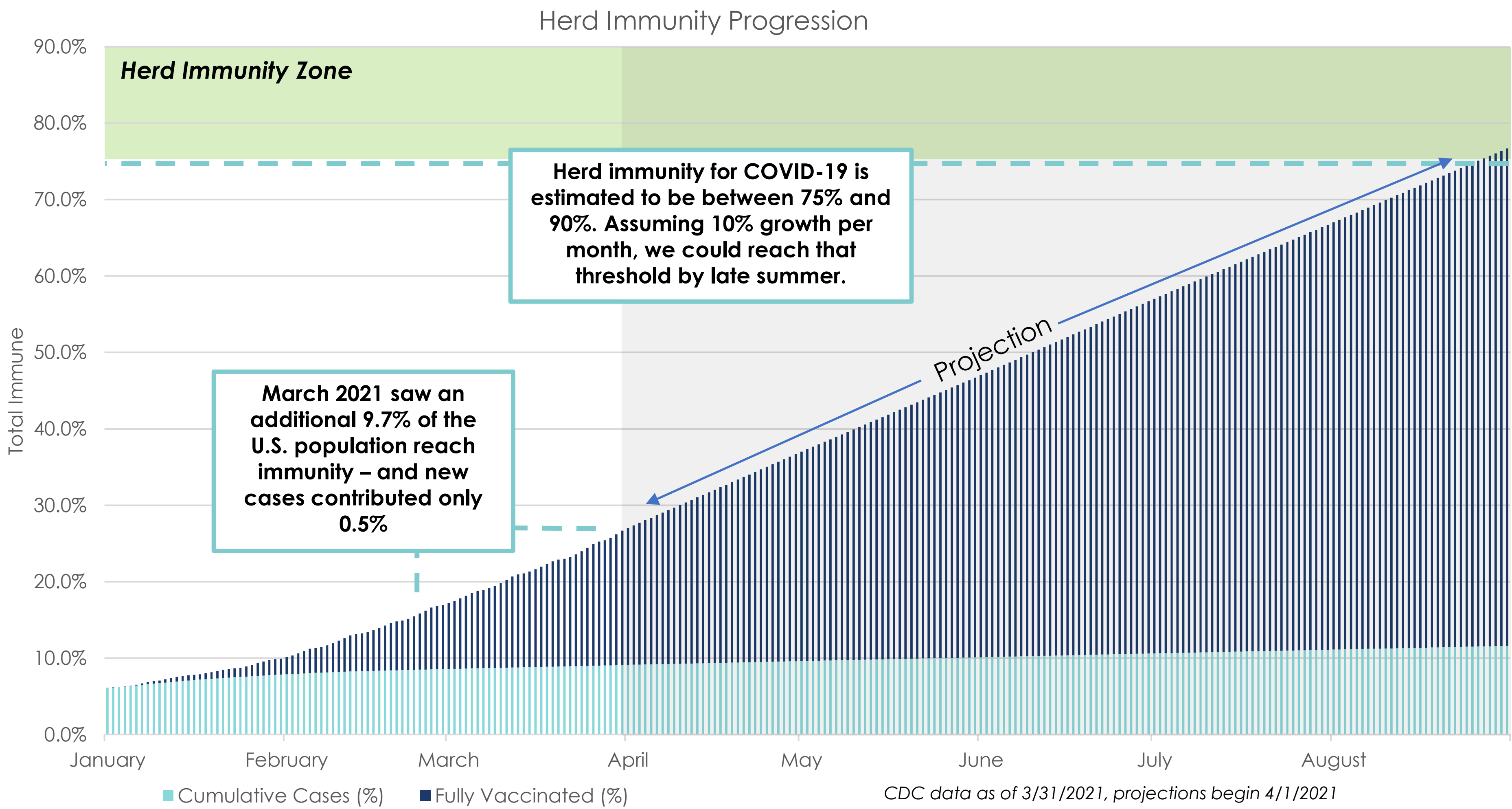
Non-U.S. Investments

- A weaker USD favors foreign investments for U.S. dollar investors.
- Non-U.S. equity markets have badly trailed U.S. equities for the last decade. However, cheaper valuations and improving growth prospects overseas make non-U.S. stocks attractive.

ECONOMY: HERD IMMUNITY IS LIKELY

Herd Immunity is Likely Nearing. With three approved vaccines to date, President Biden is optimistic of a full reopening by early summer. We expect herd immunity to boost consumption to the end of the year.

Investment Outlook: The economy and market are not the same. From a market standpoint, a lot of the good economic prospects are priced in. Hence, we would expect to see some market pullbacks even with positive economic data.

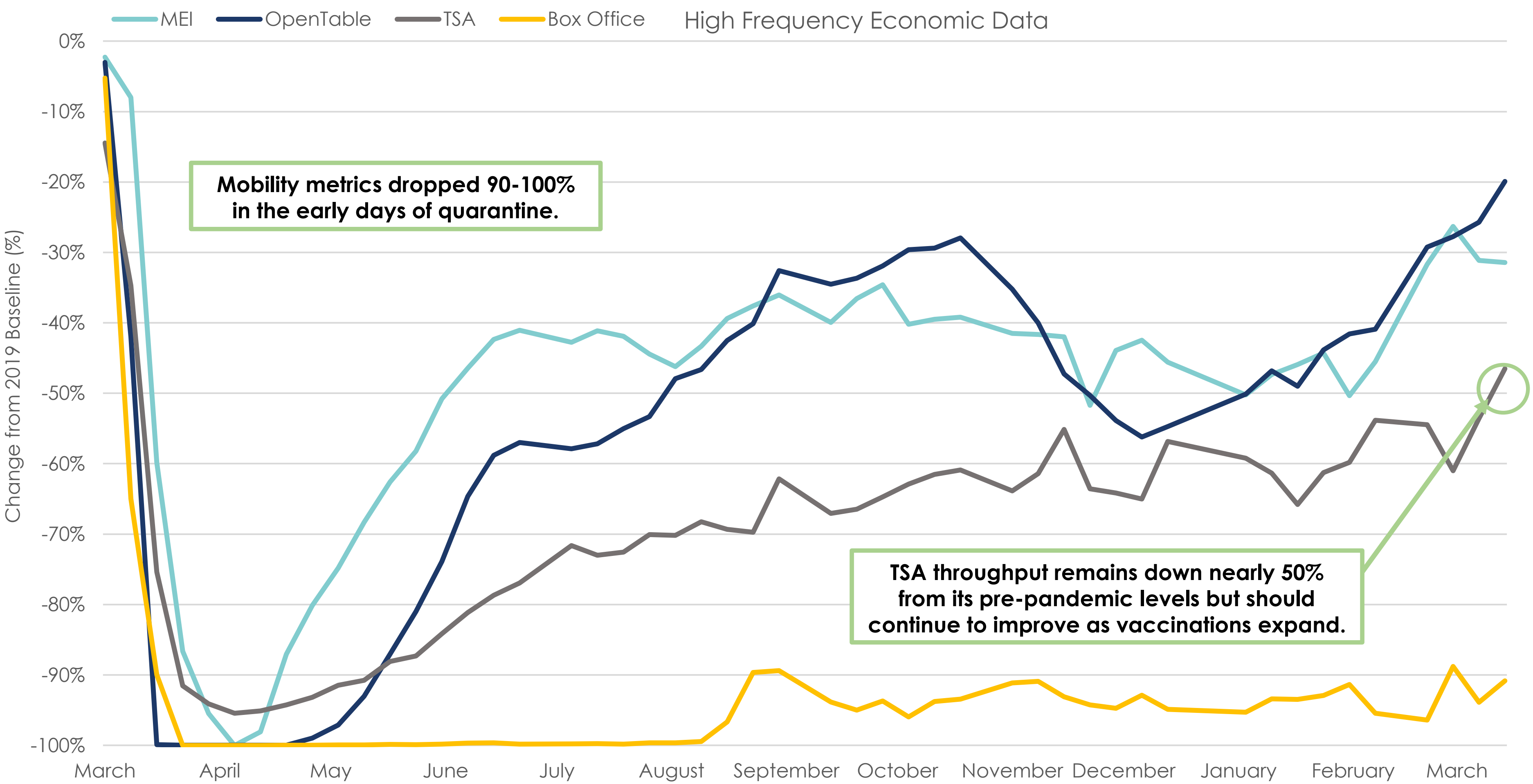


CDC data as of 3/31/2021, projections begin 4/1/2021

ECONOMY: HIGH FREQUENCY DATA

New Challenges, New Measurements. The pandemic impacted many areas of human activity. Analysts and other observers have devised new ways to study these impacts and the recovery via "high frequency" activity data.

Investment Outlook: Data show strong recovery, but there is still considerable room for improvement, particularly in travel.

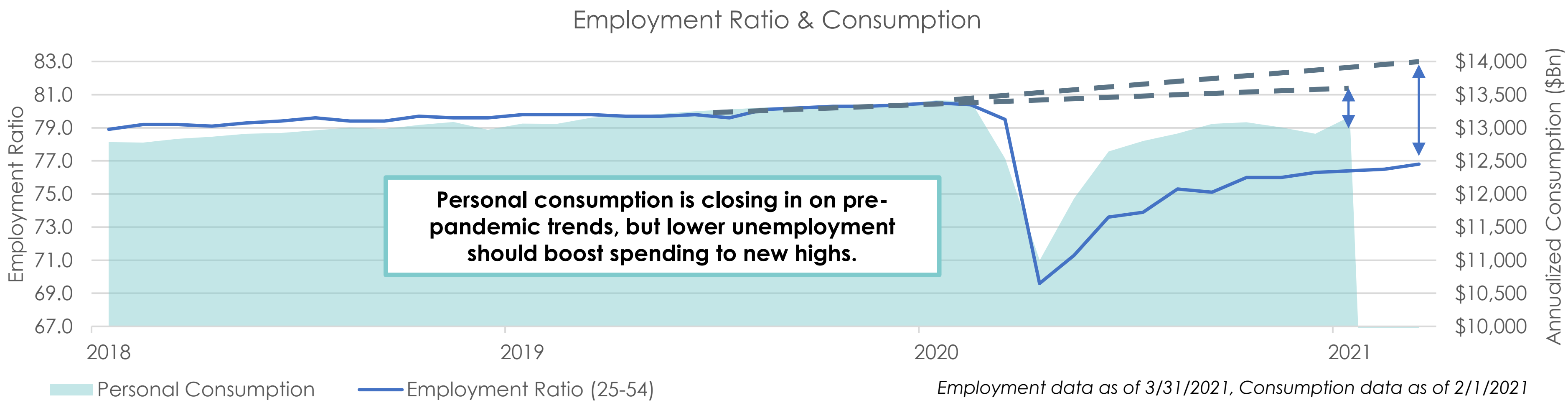


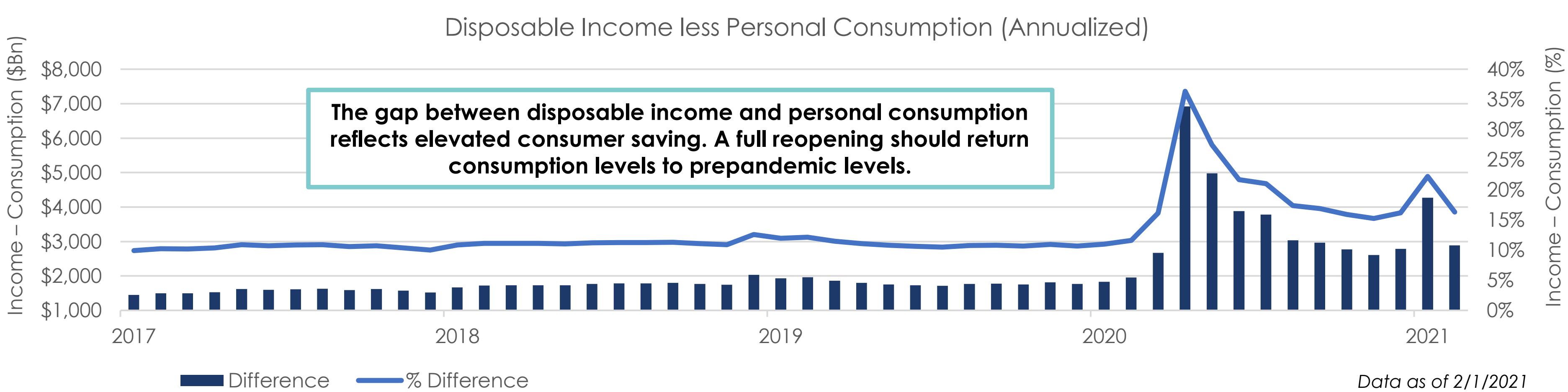
Data as of 3/31/2021

ECONOMY: EMPLOYMENT & CONSUMPTION

Employment Continues to Improve. The unemployment rate has steadily improved, with permanent job losses appearing to have peaked. As vaccination expands, unemployment will continue to recover with a boost to consumer spending.

Investment Outlook: Equity markets and the economy will continue to strengthen; however, markets have rallied this year with the expectation of strong economic data.

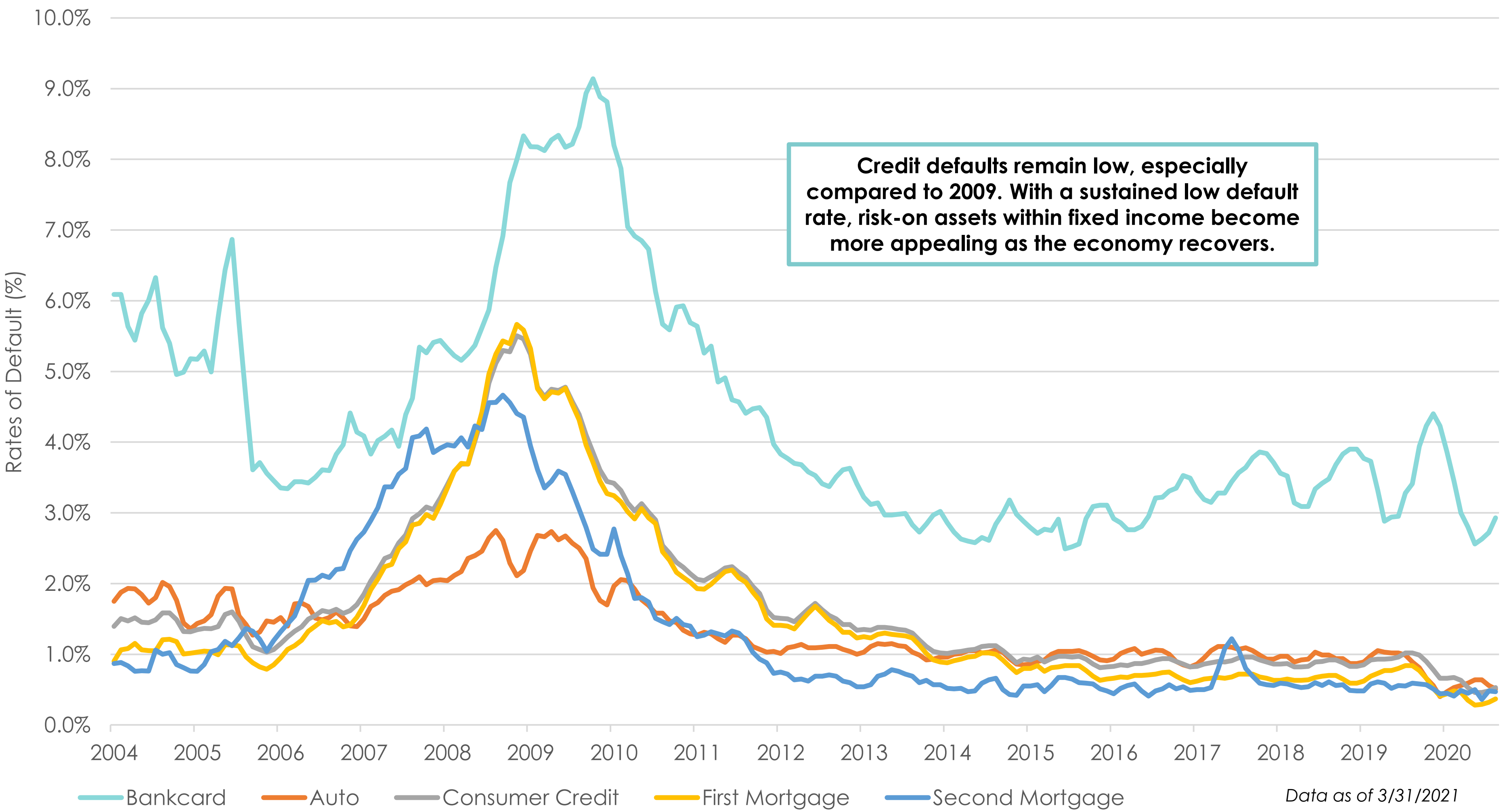




ECONOMY: CREDIT DEFAULTS

Credit Defaults Remain Low. Stimulative monetary and fiscal policies have kept credit defaults low despite the pandemic's economic effects. If policy supports are removed before employment has recovered, defaults would likely rise.

Investment Outlook: A year into the pandemic, the markets have gained confidence that Fed and government policy support will continue for an extended period.

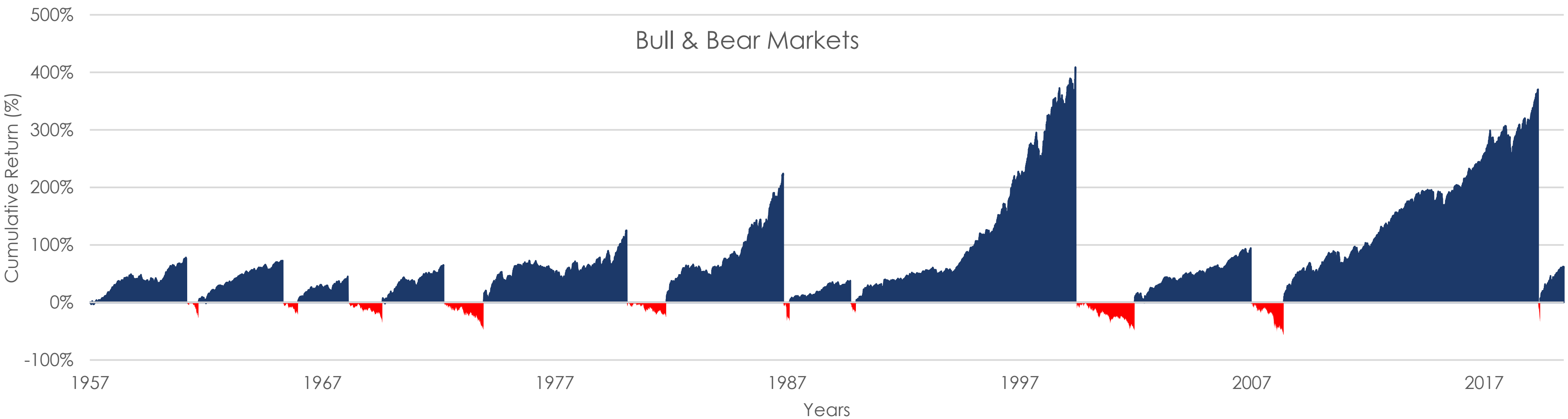


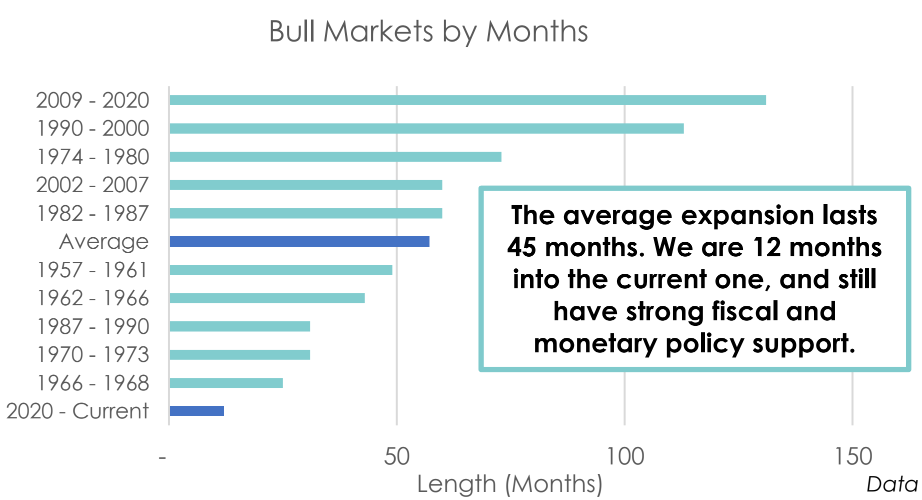
Data as of 3/31/2021

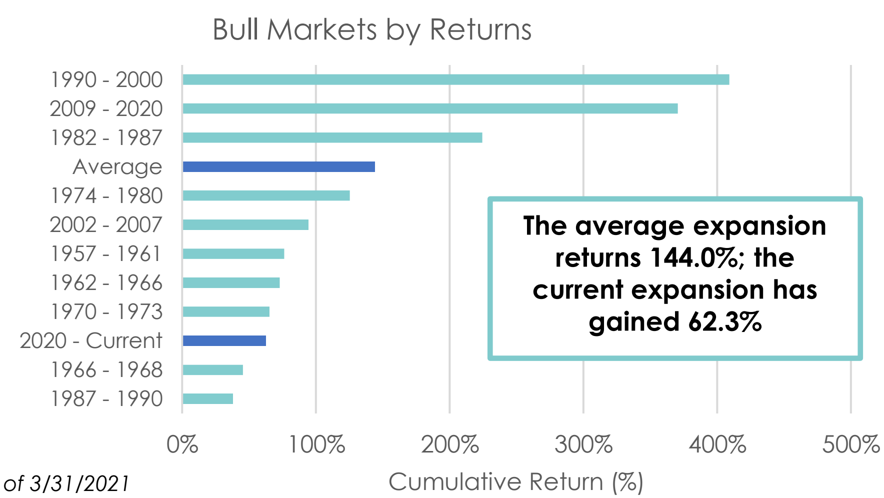
MARKETS: BULL MARKET HISTORY

The Current Expansion is Young. The pandemic shocked markets in early 2020, leading to an intense, but short bear market. Historical patterns suggest that the current market expansion will last a lot longer that the brief bear did.

Investment Outlook: As the economy strengthens post-pandemic, and both fiscal and monetary policy remain supportive, we believe that equity markets will continue to appreciate at least through 2021.





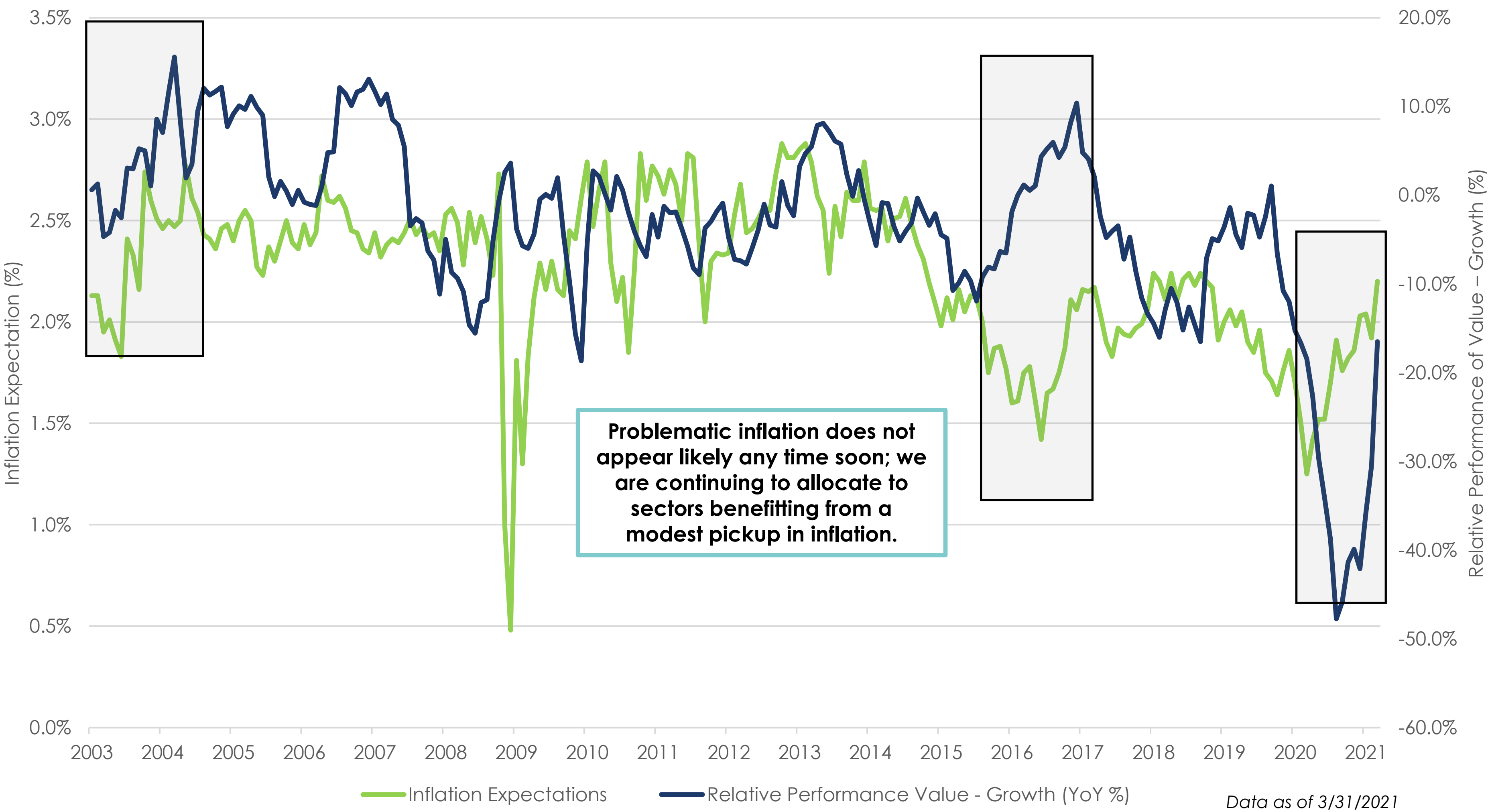


Data as of 3/31/2021

MARKETS: VALUE VS. GROWTH

Rotation into Value. The 2020 market rebound was very concentrated in mega-cap and other growth stocks. This year, the broadening of the market has seen favorable returns for value stocks, providing a healthy balance in the market.

Investment Outlook: Fed statements have expressed commitment to accommodative policy until its inflation and employment targets are reached which is expected to be 2023. If the Fed lets the economy "run hot," value stocks should outperform.

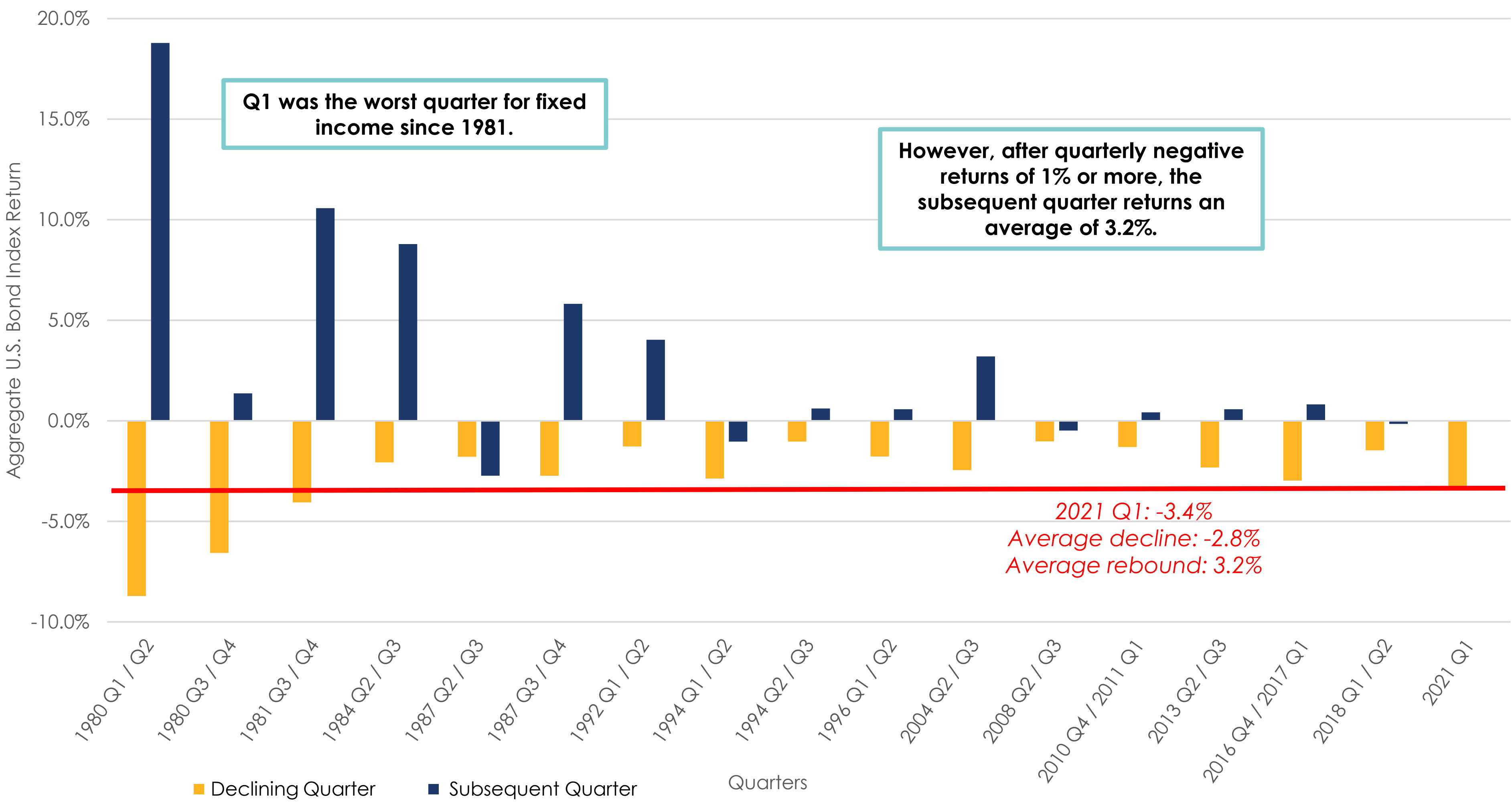


Data as of 3/31/2021

MARKETS: FIXED INCOME

Bonds Provided Sticker Shock in Q1. In Q1, the U.S. Aggregate Bond Index had its worse quarter in nearly 40 years. Historically, bonds have tended to bounce back following a down quarter.

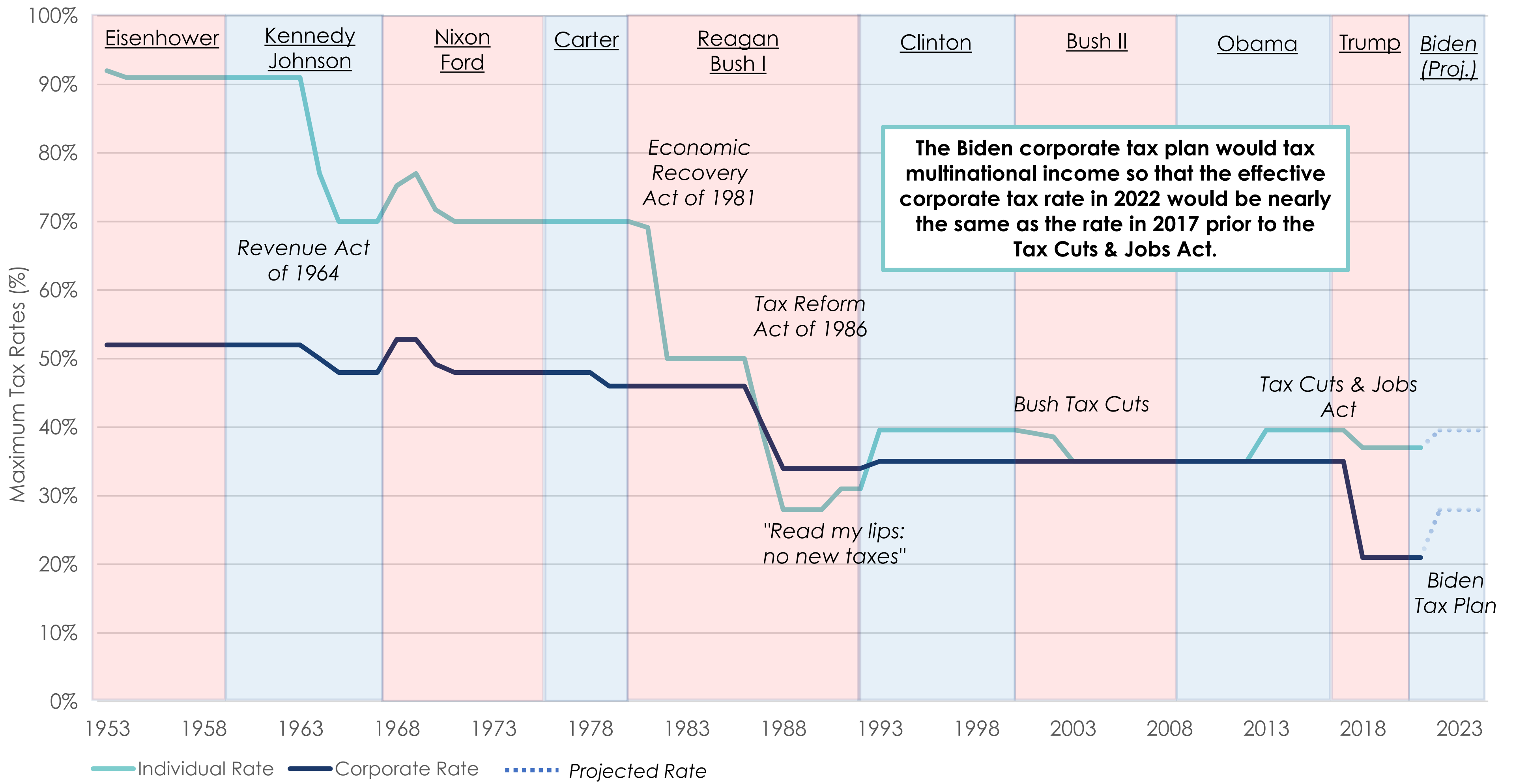
Investment Outlook: With low yields and rising rates, allocating within fixed income is challenging today. Finding investments that reasonable risk/reward characteristics requires looking in some of the niche areas of the fixed income space.



POLICY: TAX RATES

Taxes Are Likely to Rise. The 2020 elections ended with Democrats in control of the House and Presidency, and with the slimmest possible majority in the Senate. We anticipate that this configuration will result in a moderate level of tax increases.

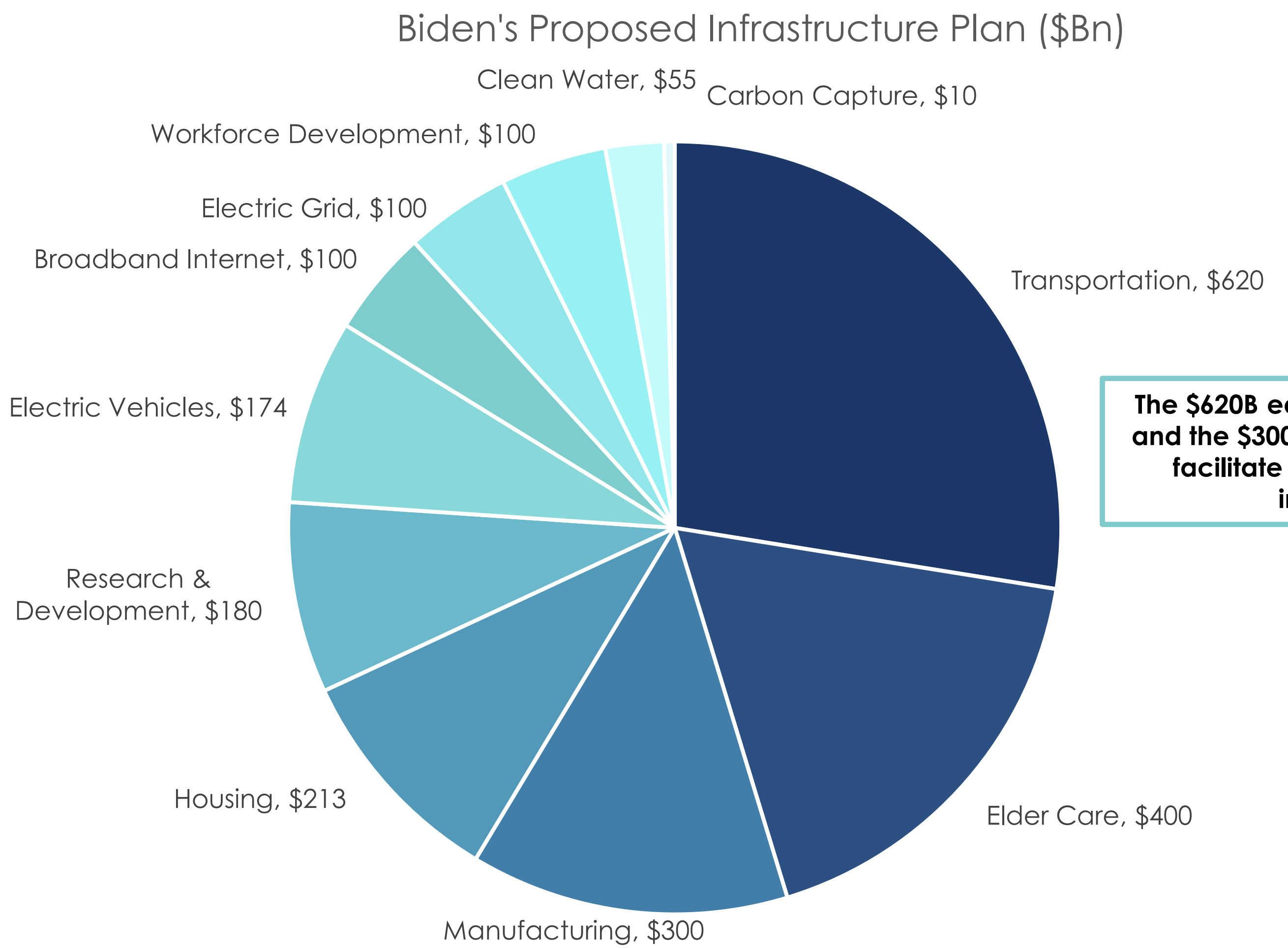
Investment Outlook: The elements of the most recent Biden tax proposal are not surprising. The potential estate tax changes could have the most impact on higher net-worth tax-payers.



POLICY: INFRASTRUCTURE PLAN

A Ten-Year Plan. President Biden released a sweeping plan to spend on transportation, renewable energy, manufacturing and efforts to combat climate change.

Investment Outlook: The multi-year plan has a challenging path ahead of it, and the eventual outcomes for its many components are likely to differ significantly from the proposals just put forward.



The $620B earmarked for transportation, and the $300B for manufacturing, should facilitate a long-term boon for the industrials sector.

ASSET CLASS PERFORMANCE SUMMARY

ASSET CLASS	PERFORMANCE		
Growth	**Q1 2021**	**2020**	**2019**
Global Equities	+4.6%	+16.3%	+26.4%
U.S. Large Cap Equities	+6.2%	+18.4%	+31.5%
U.S. Mid Cap Equities	+8.1%	+17.1%	+30.6%
U.S. Small Cap Equities	+12.7%	+19.9%	+25.5%
International Developed Equities	+3.6%	+7.8%	+22.0%
Emerging Markets Equities	+2.0%	+18.3%	+18.4%
Opportunistic Yield			
High Yield	+0.9%	+7.1%	+14.3%
Income & Stability			
U.S. Tax Exempt Fixed Income	-0.4%	+5.2%	+7.5%
U.S. Taxable Fixed Income	-3.4%	+7.5%	+8.7%

Sources: S&P, MSCI, Russell, Bloomberg

Performance values are the returns of the respective indices and are not inclusive of management fees: Global Equities = MSCI All Country World Index, U.S. Large Cap = S&P 500 Composite, U.S. Mid Cap = Russell Midcap, U.S. Small Cap = Russell 2000, International = MSCI EAFE Net, Emerging Markets = MSCI EM (Emerging Markets) Net, U.S. Tax Exempt Fixed Income = Bloomberg Barclays U.S. Municipal Index, U.S. Taxable Fixed Income = Bloomberg Barclays U.S. Aggregate Index, High Yield = Bloomberg Barclays U.S. High Yield Corporate Index. Past performance is no guarantee of future results.

IMPORTANT DISCLOSURES

Page 2: Asset Class Returns are the returns of the respective indices and are not inclusive of management fees: Global Equites = MSCI All Country World Index, U.S. Large Cap = S&P 500 Composite, U.S. Mid Cap = Russell Midcap, U.S. Small Cap = Russell 2000, International = MSCI EAFE Net, Emerging Markets = MSCI EM (Emerging Markets) Net, U.S. Tax Exempt Fixed Income = Bloomberg Barclays U.S. Municipal Index, U.S. Taxable Fixed Income = Bloomberg Barclays U.S. Aggregate Index, High Yield = Bloomberg Barclays U.S. High Yield Corporate Index. Past performance is no guarantee of future results.

Page 6: Cumulative cases and fully vaccinated % provided by CDC. Projections from April onward assume a 9.5% monthly increase in full vaccinations and .5% increase in new cases.

Page 7: Information provided by TSA, OpenTable, Dallas FED's Mobility Engagement Index, and Box Office Mojo.

Page 8: Employment and personal consumption information provided by FRED.

Page 9: Credit defaults for bank cards, auto, mortgages, and consumer credit provided by YCharts.

Page 10: S&P 500 price returns provided by Bloomberg. Additional market context provided by CNBC.

Page 11: Value = MSCI USA Value Gross Returns and Growth = MSCI USA Growth Gross Returns, data is from Morningstar. Inflation expectation data is from FRED (T5YIFR).

Page 12: U.S. fixed income market is represented by the Bloomberg Barclays U.S. Aggregate Bond Total Return.

Page 13: Rates provided by the TaxPolicyCenter.org.

Page 14: Policy plan information provided by Bloomberg