



PRIVATE BANKING WEALTH MANAGEMENT

# Investment Presentation for Cambridge Redevelopment Authority

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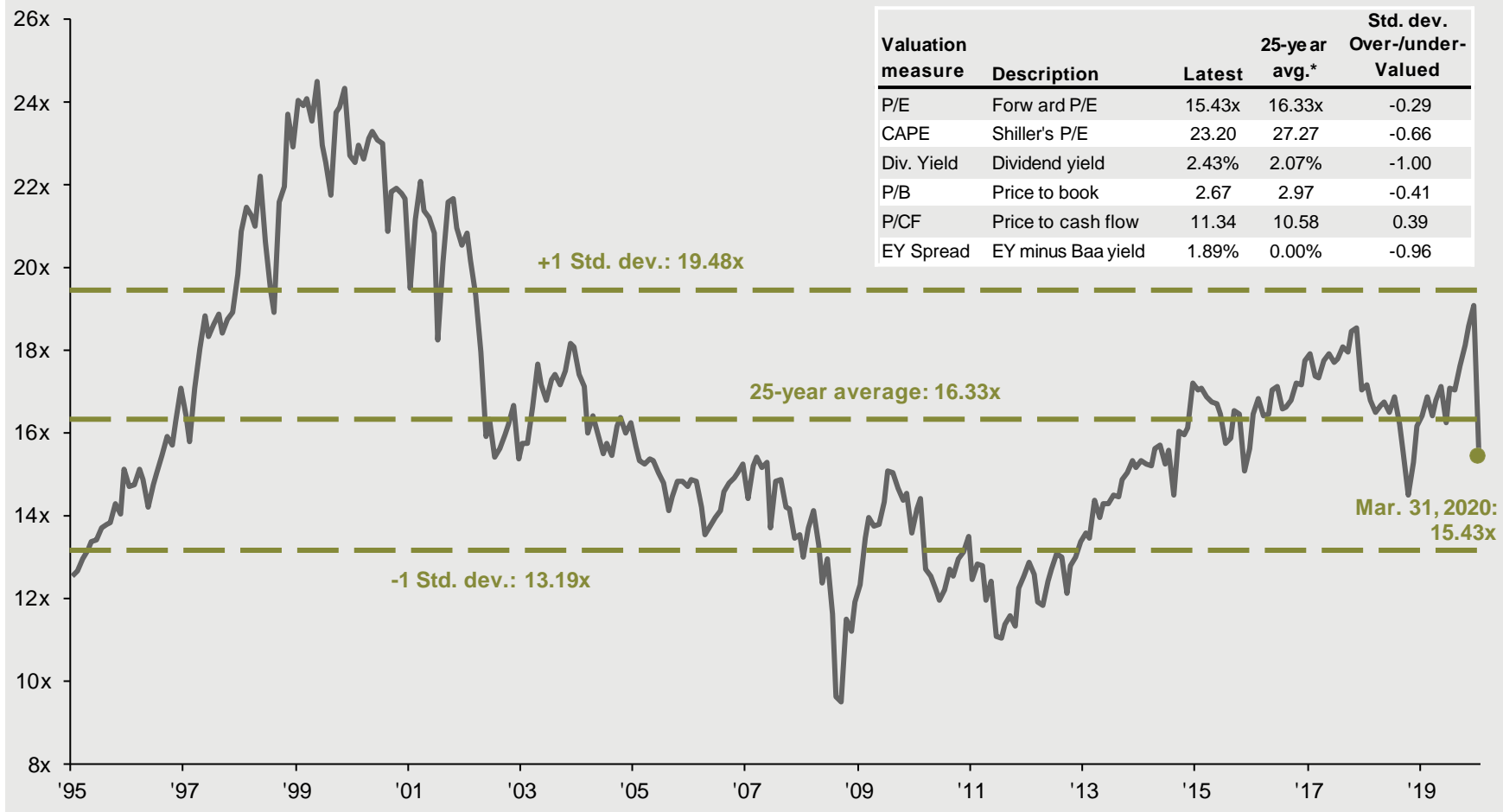
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# Q1 2020 Market Overview

# U.S. Valuations

S&P 500 Index: Forward P/E ratio



Guide to the Markets - U.S. Data are as of March 31, 2020

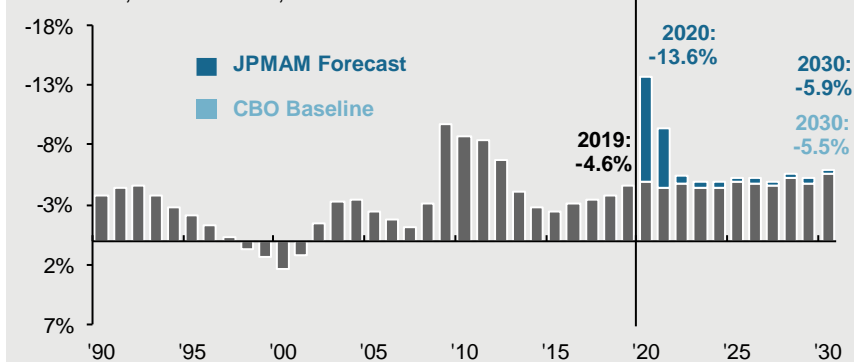
# CARES Act

## Coronavirus Aid, Relief, and Economic Security Act

Amount (\$ bn)	Measure
\$290	One-time stimulus checks amounting to \$1,200 per adult and \$500 per child up to certain income limits
\$260	Enhanced, expanded and extended unemployment benefits, adding \$600 per week to every unemployment check for 4 months, expanding program to cover contractors and self-employed and extending program to 39 weeks from 26 weeks
\$510	Loans to distressed businesses, cities and states. Includes \$29 billion for airlines, \$17 billion for firms deemed important for national security and \$454 billion as backstop for loans to other businesses, cities and states
\$377	Small business relief, largely in the form of "forgivable loans" for spending on payroll, rent and utilities
\$150	Direct aid to state and municipal governments
\$180	Health-related spending
\$516	Other spending and tax breaks
<b>\$2.283 trillion</b>	<b>~10.8% of GDP</b>

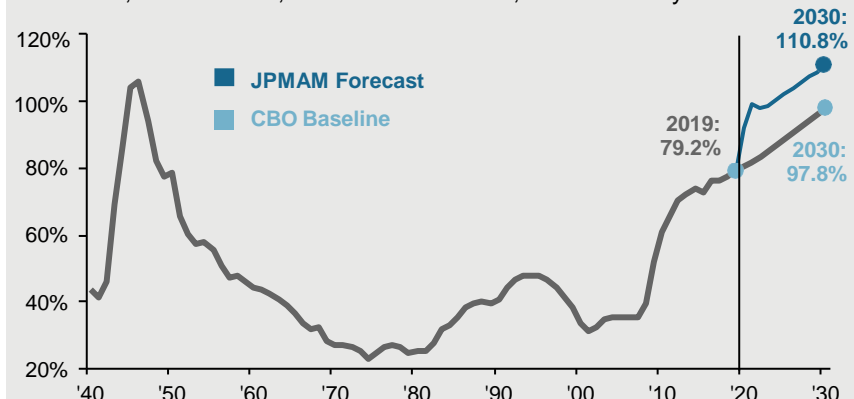
## Federal budget surplus/deficit

% of GDP, 1990 – 2030, 2020 CBO Baseline



## Federal net debt (accumulated deficits)

% of GDP, 1940 – 2030, 2020 CBO Baseline, end of fiscal year



Source: CBO, J.P. Morgan Asset Management; (Top and bottom right) BEA, Treasury Department.

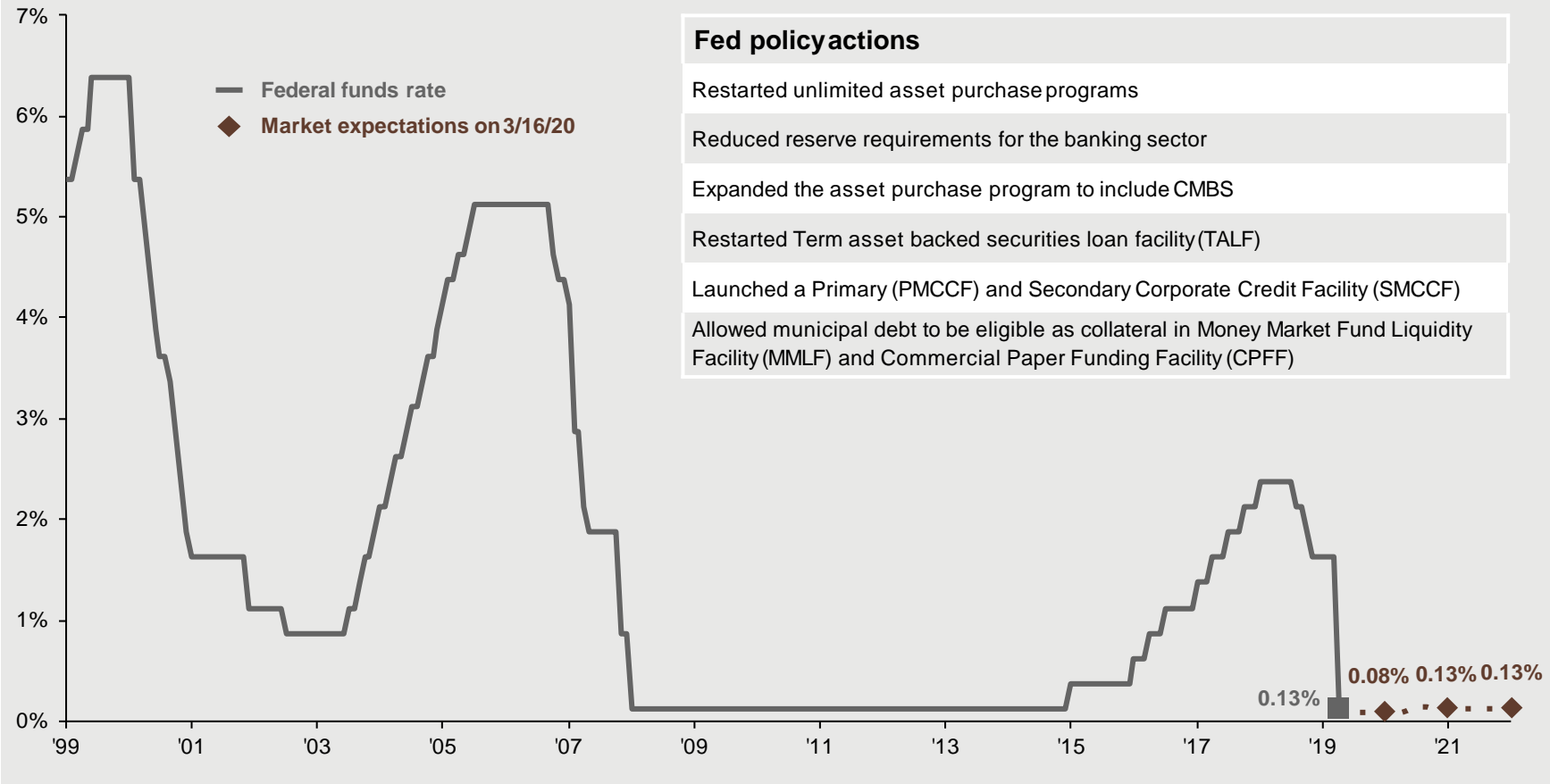
2020 Federal Budget is based on the Congressional Budget Office (CBO) March 2020 Baseline Budget Forecast. CBO Baseline economic assumptions are based on the Congressional Budget Office (CBO) January 2020 Update to Economic Outlook. Other spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Note: Years shown are fiscal years (Oct. 1 through Sep. 30).

Guide to the Markets – U.S. Data are as of March 31, 2020.

# The Fed and Interest Rates

## Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are the federal funds rates priced into the fed futures market as of the following date of the March 15, 2020 emergency cut and are through December 2022.

Guide to the Markets – U.S. Data are as of March 31, 2020.

# Fixed Income Returns

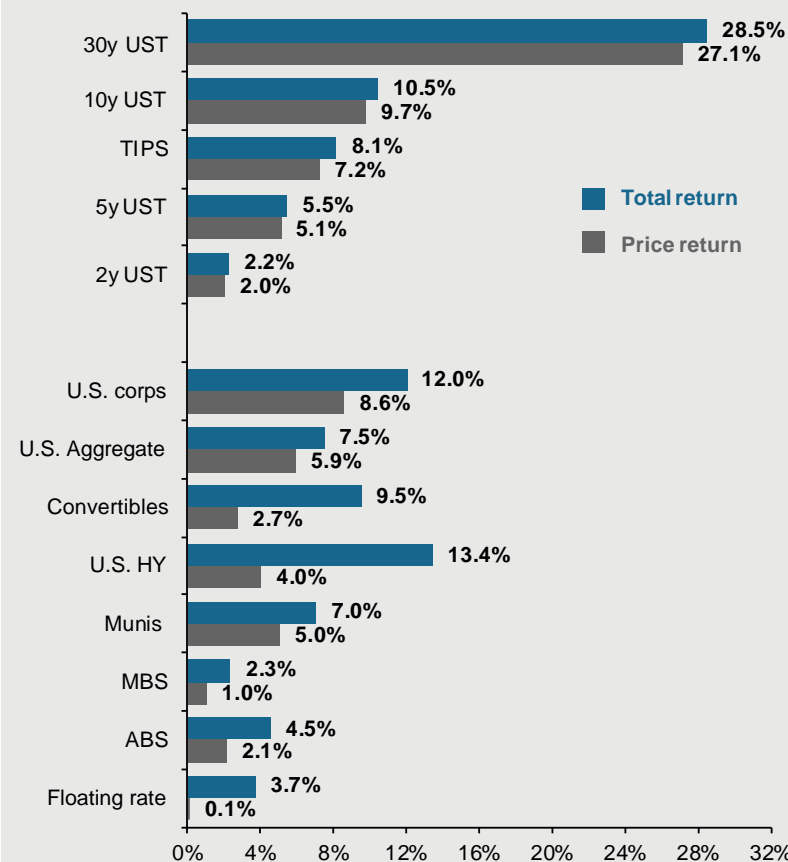
U.S. Treasuries	Yield		Return			
	3/31/2020	12/31/2019	2020 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P500
2-Year	0.23%	1.58%	2.82%	2 years	0.68	-0.40
5-Year	0.37%	1.69%	6.78%	5	0.92	-0.37
TIPS	-0.17%	0.15%	1.69%	10	0.60	0.14
10-Year	0.70%	1.92%	11.93%	10	1.00	-0.35
30-Year	1.35%	2.39%	25.80%	30	0.93	-0.35

## Sector

Corporates	3.43%	2.84%	-3.63%	11.6	0.44	0.35
U.S. Aggregate	1.59%	2.31%	3.15%	7.8	0.86	-0.01
Convertibles	6.77%	5.36%	-12.95%	-	-0.29	0.89
High Yield	9.44%	5.19%	-12.68%	6.1	-0.26	0.73
Municipals	2.01%	1.78%	-0.63%	13.0	0.40	0.09
MBS	1.34%	2.54%	2.82%	3.3	0.82	-0.15
ABS	4.29%	2.87%	-2.96%	2.2	0.01	0.26
Floating Rate	3.61%	2.30%	-2.83%	1.8	-0.23	0.43

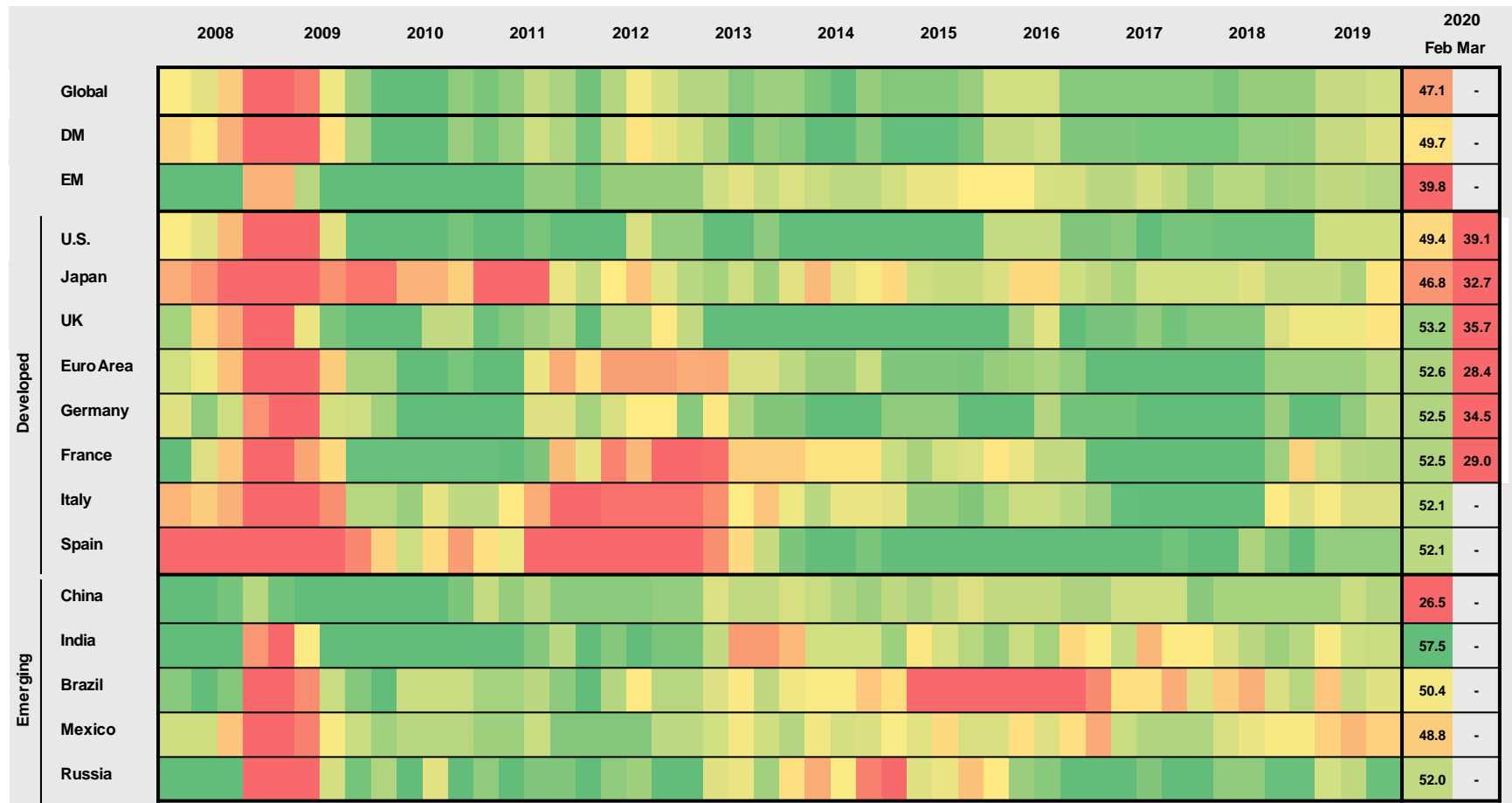
## Impact of a 1% fall in interest rates

Assumes a parallel shift in the yield curve



Source: Barclays, Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by – U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; Corporates: U.S. Corporates; Municipals: Muni Bond; High Yield: Corporate High Yield; TIPS: Treasury Inflation-Protected Securities (TIPS); U.S. Floating rate index; Convertibles: U.S. Convertibles Composite. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield to worst. Convertibles yield is based on U.S. portion of Bloomberg Barclays Global Convertibles. Correlations are based on 15-years of monthly returns for all sectors. Change in bond price is calculated using both duration and convexity according to the following formula: New Price = (Price + (Price \* -Duration \* Change in Interest Rates)) + (0.5 \* Price \* Convexity \* (Change in Interest Rates)^2). Chart is for illustrative purposes only. Past performance is not indicative of future results.  
Guide to the Markets – U.S. Data are as of March 31, 2020.

# Global Manufacturing Activity (PMI) Stalling



Source: Markit, J.P. Morgan Asset Management.  
 Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heatmap is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Data for the U.S. are back-tested and filled in from December 2007 to September 2008 due to lack of existing PMI figures. DM and EM represent developed markets and emerging markets, respectively. Past performance is not a reliable indicator of current and future results.  
 Guide to the Markets – U.S. Data are as of March 31, 2020.



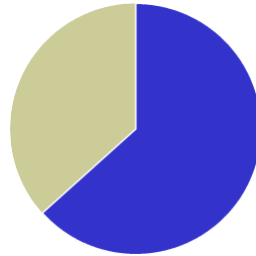
# Investment Performance



# Account Overview as of 5/11/2020

## Asset Allocation

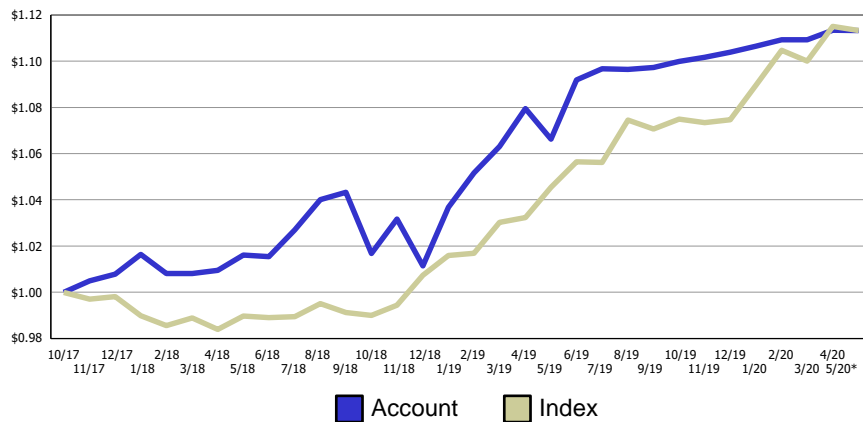
Category	Market Value	% Total
Cash & Enhanced Cash	4,873,473.67	63.2
Fixed Income	2,832,687.30	36.8
<b>Total</b>	<b>\$7,706,160.97</b>	<b>100.0%</b>



## Account Information

Total Market Value	\$7,706,160.97
Total Unrealized Gain/Loss	\$84,174.97
Estimated Annual Income	\$72,547.12
Estimated Portfolio Yield	0.94%
YTD Long Term Gain/Loss	\$0.00
YTD Short Term Gain/Loss	\$0.00
Portfolio Manager	Eric Jussaume
Relationship Manager	Erin Cooper
Fixed Income Strategy	Other
Investment Objective	Risk Averse

## Growth of \$1



## Account Flows

Flow Type	YTD
Beginning Market Value	\$ 9,650,450.40
Net Contributions Less Withdrawals	-2,013,500.00
Earned Income	47,422.85
Market Appreciation/Depreciation	34,640.00
Fees	-12,852.29
Ending Market Value	\$ 7,706,160.97
Account	0.85%
Index	3.59%

\*Market values include accruals; Total performance class used is Total Managed; Index account is Taxable Risk Averse Benchmark; An (\*) indicates a partial time period. Market value includes accrued interest.

## Performance Details as of 4/30/2020

	Market Value	% Total Account	3 Month	YTD	1 Year	Since Inception	Inception Date
<b>Total Return</b>	<b>7,707,037</b>	<b>100.00</b>	<b>0.62</b>	<b>0.86</b>	<b>3.14</b>	<b>4.39</b>	<b>10/31/2017</b>
<a href="#">Taxable Risk Averse Benchmark</a>			2.33	3.75	8.01	4.46	10/31/2017
<b>Cash &amp; Enhanced Cash</b>	<b>4,870,048</b>	<b>63.19</b>	<b>0.33</b>	<b>0.45</b>	<b>1.83</b>	<b>1.65</b>	<b>10/31/2017</b>
<a href="#">Lipper Money Market</a>			0.23	0.35	1.59	1.64	10/31/2017
<b>Fixed Income</b>	<b>2,836,989</b>	<b>36.81</b>	<b>1.53</b>	<b>1.91</b>	<b>4.63</b>	<b>3.02</b>	<b>10/31/2017</b>
<a href="#">Bloomberg Barclays 1-3 Yr Gov/Credit USD</a>			1.77	2.33	4.94	3.11	10/31/2017

Market values include accruals. All figures are total return and gross of fees. Horizons over one year are annualized. For historical benchmark changes, please see Benchmark Details report.

# Fixed Income Holdings

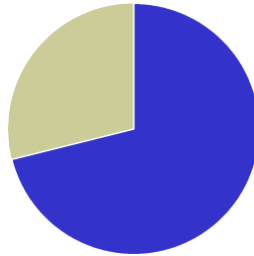
Pricing Date: 05/11/2020

Sector	Par Value	Issuer Name	Mdys	S&P	Coupon	Maturity	Call Date	Price	Mkt Value	% Held (MV)	YTW	YTM	ModDur	Eff Dur	Curr Yield	Ann Income
<b>US TREASURY</b>	<b>750,000</b>		<b>Aaa</b>	<b>AA+</b>	<b>0.000</b>	<b>0.333</b>		<b>99.953</b>	<b>749,648</b>	<b>20.92</b>	<b>0.14</b>	<b>0.14</b>	<b>0.34</b>	<b>0.33</b>	<b>0.00</b>	<b>1,055</b>
	750,000	UNITED STATES TREAS BILL	TSY	TSY	0.000	09/10/2020	N/A	99.953	749,648	20.92	0.14	0.14	0.34	0.33	0.00	1,055
<b>US AGENCY</b>	<b>750,000</b>		<b>Aaa</b>	<b>AA+</b>	<b>1.792</b>	<b>1.705</b>		<b>100.435</b>	<b>757,223</b>	<b>21.13</b>	<b>0.77</b>	<b>1.18</b>	<b>1.67</b>	<b>0.59</b>	<b>1.78</b>	<b>13,438</b>
	250,000	FEDERAL HOME LN MTG CORP	AGY	AA+	1.875	11/27/2020	N/A	100.894	254,370	7.10	0.23	0.23	0.54	0.54	1.86	4,688
	500,000	FEDERAL HOME LN MTG CORP	AGY	AGY	1.750	08/26/2022	08/26/2020	100.206	502,853	14.03	1.04	1.66	2.24	0.62	1.75	8,750
<b>CORPORATE</b>	<b>1,750,000</b>		<b>A2</b>	<b>A</b>	<b>2.646</b>	<b>2.443</b>		<b>103.315</b>	<b>1,819,292</b>	<b>50.77</b>	<b>1.20</b>	<b>1.26</b>	<b>2.29</b>	<b>2.21</b>	<b>2.56</b>	<b>46,313</b>
	250,000	CISCO SYS INC	A1	AA-	2.450	06/15/2020	N/A	100.095	252,722	7.05	1.43	1.43	0.09	0.10	2.45	6,125
	250,000	DISNEY WALT CO MTNS BE	A2	A-	2.150	09/17/2020	N/A	100.319	251,604	7.02	1.23	1.23	0.35	0.35	2.14	5,375
	250,000	INTEL CORP	A1	A+	2.875	05/11/2024	03/11/2024	106.587	266,467	7.44	1.12	1.18	3.79	3.66	2.70	7,188
	250,000	INTERNATIONAL BUSINESS MACHS	A2	A	2.500	01/27/2022	N/A	102.901	259,058	7.23	0.79	0.79	1.67	1.67	2.43	6,250
	250,000	TJX COS INC	A2	A	2.750	06/15/2021	04/15/2021	101.381	256,241	7.15	1.25	1.47	1.07	0.91	2.71	6,875
	250,000	UNION PAC CORP	Baa1	A-	3.000	04/15/2027	01/15/2027	106.750	267,417	7.46	1.92	1.95	6.26	6.15	2.81	7,500
	250,000	VISA INC	Aa3	AA-	2.800	12/14/2022	10/14/2022	105.170	265,783	7.42	0.65	0.78	2.49	2.33	2.66	7,000
<b>OTHER</b>	<b>250,000</b>		<b>N/A</b>	<b>N/A</b>	<b>2.150</b>	<b>1.461</b>		<b>102.676</b>	<b>256,896</b>	<b>7.17</b>	<b>0.31</b>	<b>0.31</b>	<b>1.44</b>	<b>1.44</b>	<b>2.09</b>	<b>5,375</b>
	250,000	BMW BK NORTH AMER SALT LAKE	N/A	N/A	2.150	10/27/2021	N/A	102.676	256,896	7.17	0.31	0.31	1.44	1.44	2.09	5,375
<b>Total:</b>	<b>3,500,000</b>		<b>Aa3</b>	<b>AA-</b>	<b>1.861</b>	<b>1.775</b>		<b>101.932</b>	<b>3,583,059</b>	<b>100.00</b>	<b>0.82</b>	<b>0.94</b>	<b>1.69</b>	<b>1.42</b>	<b>1.83</b>	<b>66,180</b>

# Account Overview as of 5/11/2020

## Asset Allocation

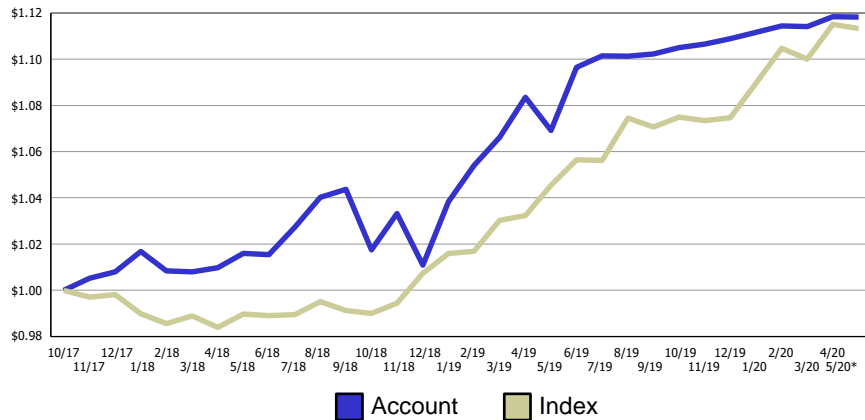
Category	Market Value	% Total
Cash & Enhanced Cash	4,716,334.79	71.2
Fixed Income	1,909,885.21	28.8
<b>Total</b>	<b>\$6,626,220.00</b>	<b>100.0%</b>



## Account Information

Total Market Value	\$6,626,220.00
Total Unrealized Gain/Loss	\$59,414.74
Estimated Annual Income	\$56,063.98
Estimated Portfolio Yield	0.85%
YTD Long Term Gain/Loss	\$0.00
YTD Short Term Gain/Loss	\$0.00
Portfolio Manager	Eric Jussaume
Relationship Manager	Erin Cooper
Fixed Income Strategy	Other
Investment Objective	Risk Averse

## Growth of \$1



## Account Flows

Flow Type	YTD
Beginning Market Value	\$ 6,579,460.82
Net Contributions Less Withdrawals	0.00
Earned Income	36,462.15
Market Appreciation/Depreciation	19,049.00
Fees	-8,751.96
Ending Market Value	\$ 6,626,220.00
Account	0.85%
Index	3.59%

\*Market values include accruals; Total performance class used is Total Managed; Index account is Taxable Risk Averse Benchmark; An (\*) indicates a partial time period. Market value includes accrued interest.

## Performance Details as of 4/30/2020

	Market Value	% Total Account	3 Month	YTD	1 Year	Since Inception	Inception Date
<b>Total Return</b>	<b>6,627,211</b>	<b>100.00</b>	<b>0.61</b>	<b>0.86</b>	<b>3.23</b>	<b>4.58</b>	<b>10/31/2017</b>
<a href="#">Taxable Risk Averse Benchmark</a>			2.33	3.75	8.01	4.46	10/31/2017
<b>Cash &amp; Enhanced Cash</b>	<b>4,713,459</b>	<b>71.12</b>	<b>0.35</b>	<b>0.48</b>	<b>1.79</b>	<b>1.72</b>	<b>10/31/2017</b>
<a href="#">Lipper Money Market</a>			0.23	0.35	1.59	1.64	10/31/2017
<b>Fixed Income</b>	<b>1,913,752</b>	<b>28.88</b>	<b>1.49</b>	<b>1.84</b>	<b>4.53</b>	<b>2.94</b>	<b>10/31/2017</b>
<a href="#">Bloomberg Barclays 1-3 Yr Gov/Credit USD</a>			1.77	2.33	4.94	3.11	10/31/2017

Market values include accruals. All figures are total return and gross of fees. Horizons over one year are annualized. For historical benchmark changes, please see Benchmark Details report.

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# Fixed Income Holdings

Pricing Date: 05/11/2020

Sector	Par Value	Issuer Name	Mdys	S&P	Coupon	Maturity	Call Date	Price	Mkt Value	% Held (MV)	YTW	YTM	ModDur	Eff Dur	Curr Yield	Ann Income
<b>US TREASURY</b>	<b>500,000</b>		<b>Aaa</b>	<b>AA+</b>	<b>0.000</b>	<b>0.333</b>		<b>99.953</b>	<b>499,765</b>	<b>20.74</b>	<b>0.14</b>	<b>0.14</b>	<b>0.34</b>	<b>0.33</b>	<b>0.00</b>	<b>703</b>
	500,000	UNITED STATES TREAS BILL	TSY	TSY	0.000	09/10/2020	N/A	99.953	499,765	20.74	0.14	0.14	0.34	0.33	0.00	703
<b>US AGENCY</b>	<b>500,000</b>		<b>Aaa</b>	<b>AA+</b>	<b>2.535</b>	<b>3.064</b>		<b>100.118</b>	<b>506,129</b>	<b>21.01</b>	<b>0.64</b>	<b>2.49</b>	<b>2.91</b>	<b>0.06</b>	<b>2.53</b>	<b>12,675</b>
	250,000	FEDERAL FARM CR BKS	AGY	AA+	2.370	06/10/2022	06/10/2020	100.138	252,830	10.49	0.65	2.30	2.02	0.08	2.37	5,925
	250,000	FEDERAL HOME LN MTG CORP	AGY	AA+	2.700	05/28/2024	05/28/2020	100.097	253,299	10.51	0.64	2.67	3.80	0.05	2.70	6,750
<b>CORPORATE</b>	<b>1,350,000</b>		<b>A2</b>	<b>A</b>	<b>2.652</b>	<b>2.470</b>		<b>103.330</b>	<b>1,403,622</b>	<b>58.25</b>	<b>1.21</b>	<b>1.28</b>	<b>2.31</b>	<b>2.23</b>	<b>2.57</b>	<b>35,800</b>
	200,000	CISCO SYS INC	A1	AA-	2.450	06/15/2020	N/A	100.095	202,177	8.39	1.43	1.43	0.09	0.10	2.45	4,900
	200,000	DISNEY WALT CO MTNS BE	A2	A-	2.150	09/17/2020	N/A	100.319	201,283	8.35	1.23	1.23	0.35	0.35	2.14	4,300
	200,000	INTEL CORP	A1	A+	2.875	05/11/2024	03/11/2024	106.587	213,174	8.85	1.12	1.18	3.79	3.66	2.70	5,750
	150,000	INTERNATIONAL BUSINESS MAC	A2	A	2.500	01/27/2022	N/A	102.901	155,435	6.45	0.79	0.79	1.67	1.67	2.43	3,750
	200,000	TJX COS INC	A2	A	2.750	06/15/2021	04/15/2021	101.381	204,993	8.51	1.25	1.47	1.07	0.91	2.71	5,500
	200,000	UNION PAC CORP	Baa1	A-	3.000	04/15/2027	01/15/2027	106.750	213,933	8.88	1.92	1.95	6.26	6.15	2.81	6,000
	200,000	VISA INC	Aa3	AA-	2.800	12/14/2022	10/14/2022	105.170	212,627	8.82	0.65	0.78	2.49	2.33	2.66	5,600
<b>Total:</b>	<b>2,350,000</b>		<b>Aa3</b>	<b>AA-</b>	<b>2.063</b>	<b>2.152</b>		<b>101.928</b>	<b>2,409,516</b>	<b>100.00</b>	<b>0.87</b>	<b>1.30</b>	<b>2.03</b>	<b>1.38</b>	<b>2.03</b>	<b>49,178</b>