

Market Commentary

Stocks continued their march lower last week as Coronavirus numbers indicated further infections and more businesses temporarily closing to the public during the government-mandated social distancing. The Dow was down 13.77% last week, while the S&P 500 lost 12.22%, the Nasdaq gave up 10.45%, while the Russell 2000 lost 11.77%. Bonds also took it on the chin as the BB US. Agg Index lost 2.35% and short-term bonds were off 0.90% for the week. Overseas, the MSCI EAFE Index gave up 4.24%, while the MSCI Emerging Markets Index declined 7.89%. Economic Releases will be eyed in the weeks ahead as investors look for signs of the “Coronavirus effect.” The key releases this week are Chicago Fed, New Home Sales, Durable Goods, Capital Goods, GDP (Q4), Advance Trade, Personal Income, Consumer Spending, & Consumer Sentiment. Earnings Releases are slim. The key earnings releases for this week are SY, HOME, NKE, PAYX, MU, GME, WOR, & FDS. While there wasn’t much to cheer about in the market returns last week, there were some positives on the virus front and in government stimulus packages. So far, the US government has enacted Phase 1 and Phase 2 of the Coronavirus stimulus packages. Phase 1 was signed into law on March 6th, which provided \$8.3 billion in emergency funding to agencies and state & local departments to aid in stopping the spread of the virus. Phase 2 was designed to assist people who were sick and/or out of work due to the Coronavirus by providing paid sick, family, and medical leave, as well as, guaranteed testing for the virus. Phase 3 is in the works now, but Congress is still hammering out the details to provide liquidity, assistance to individuals, and assistance to businesses affected by the virus. Phase 3 looks to provide about \$1 trillion in stimulus relief. However, per usual, politicians in Washington D.C. are delaying enacting Phase 3 over policy differences. On the virus front, Italy saw the first slowdown in Daily New Cases and Daily Deaths. The U.S. also saw a brief slowdown in Daily New Cases on Saturday and Daily Deaths Friday & Saturday. With testing ongoing, slowdowns in these numbers over several consecutive days would be a very positive sign.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	-12.63%	-22.54%
Industrials	-14.72%	-37.42%
Energy	-10.45%	-57.67%
Communication Svcs	-10.72%	-26.89%
Basic Materials	-10.25%	-36.14%
Consumer Cyclical	-12.53%	-31.52%
Financial Svcs	-14.44%	-36.64%
Real Estate	-21.47%	-34.81%
Consumer Defensive	-9.67%	-20.98%
Healthcare	-11.27%	-22.77%
Utilities	-14.57%	-26.28%

Key Indices	1 Week Return	YTD Return
S&P 500	-12.22%	-28.66%
Dow Jones Industrial Average	-13.77%	-32.81%
Russell 2000	-11.77%	-39.04%
Nasdaq	-10.45%	-23.33%
MSCI EAFE	-4.24%	-31.57%
BBgBarc Agg Bond	-2.35%	0.01%
60% S&P / 40% BB Agg Bond	-8.27%	-17.19%

Key Rates—as of 3/20/2020	
3mth T-bills	-0.01%
2yr U.S. Treasury	0.33%
10yr U.S. Treasury	0.88%
Fed Funds	0.00%-0.25%

Investment Styles—1 Week Returns

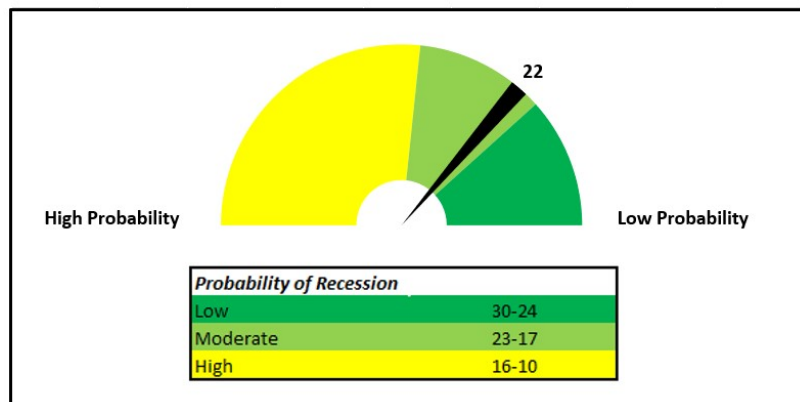
Value	Blend	Growth	
-11.21%	-14.23%	-12.50%	Large
-13.99%	-15.60%	-11.90%	Mid
-14.24%	-13.14%	-11.16%	Small

Investment Styles—YTD Returns

Value	Blend	Growth	
-32.15%	-29.75%	-21.50%	Large
-43.25%	-35.99%	-27.38%	Mid
-45.92%	-41.66%	-31.53%	Small

Recession Indicator

The current score of our Recession Indicator suggests a moderate probability of a recession in the next 6-12 months. There are 2 criterion of the Indicator, Unemployment & the NAAIM that are problematic. The majority of measurements within the Indicator are at healthy levels. Unemployment & the NAAIM are currently trending well below historical norms. However, 8 of the 10 criteria are not indicating recessionary levels. GDP, the Yield Curve, Inflation, and Wages, are at moderate historical levels. Leading Indicators, Consumer Sentiment, Financial Stress, and Housing Starts are at levels that indicate a strong, vibrant economy. The Indicator has moved higher 1 point within the last 20 days.



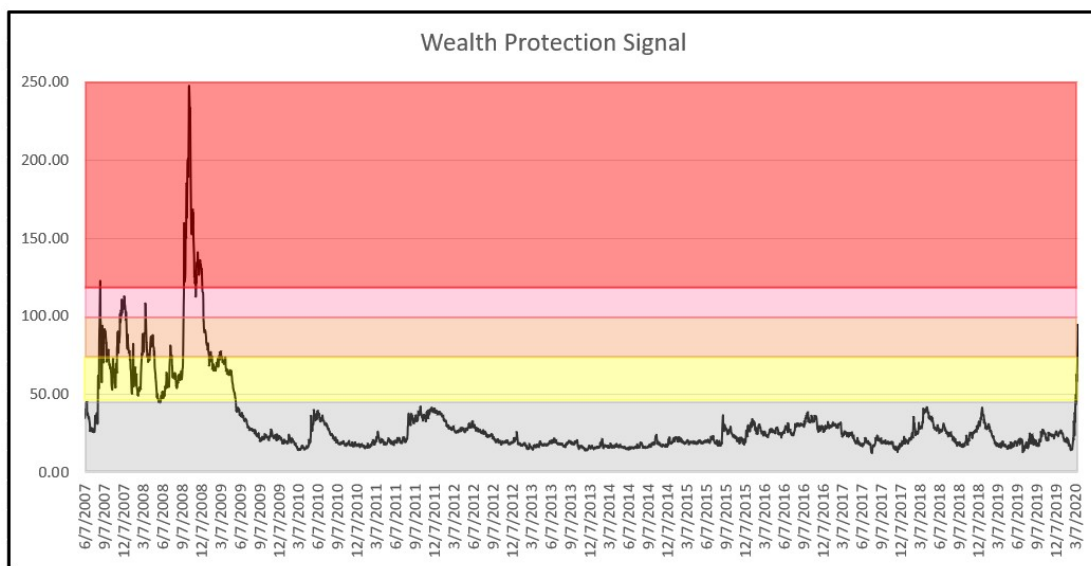
Wealth Protection Signal

Description

The Wealth Protection Signal measures panic or “fear” among investors, as well as, “volatility” in the market. The Signal is comprised of a proprietary weighting to the VIX Index (volatility) and to the TED Spread (fear). When these indices spike, major market meltdowns tend to follow. The Signal is also measured against the Yield Curve. When the 1st Cash Raise Level is reached, the Yield Curve (2yr Treasury Bond Yields > than 10yr Treasury Bond Yields) must also be inverted or have been inverted within the past 90 days in order for the 1st Cash Raise Level to trigger.

Current Level

The current level of the Wealth Protection Signal is at 91.36 as of Friday’s close on March 20th, 2020. Last week, we reached the second trigger point of 70. Both the VIX Index and the TED Spread Index spiked on Monday of last week causing the Wealth Protection Signal to rise. However, the VIX has begun to decline over the past several days. This week will be critical to see if that trend continues or whether we begin to see a higher trend in the Signal. The Wealth Protection Signal is currently indicating that investors should have a 20% cash-weighting within their respective asset allocation.



Current Level
91.36
3/20/2020

Disclosures

Sources: Investment Style returns are derived from Morningstar, Inc. (<https://indexes.morningstar.com/indexdata#>). Key Rates table derived from Bloomberg. (<https://www.bloomberg.com/markets/rates-bonds/government-bonds/us>). Sectors and Key Indices tables are derived from Charles Schwab Advisor Center.

Recession Indicator is comprised of 10 economic measurements including, the Yield Curve, GDP, Inflation, Wage Growth, Unemployment, Housing Starts, Consumer Sentiment, Leading Indicators, the Fed's Financial Stress Index, and the NAAIM (National Association of Active Investment Managers) Index.

Wealth Protection Signal is comprised of the VIX and the TED Spread Indices. The VIX Index is the Chicago Board of Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. The TED Spread is the price difference between 3-month futures contracts for U.S. Treasuries and 3-month futures contracts for Eurodollars having identical expiration months.

All sectors and indices shown are unmanaged and investors cannot invest directly in any index. The graphs shown are for illustrative purposes only. Opinions and forecasts expressed herein may not actually occur. Performance data quoted represents past performance, which is not a guarantee of future results.

Important Information

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For current Eudaimonia Asset Management information, please visit the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with Eudaimonia Asset Management's CRD #299379.

Risk Disclosure

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

All investments include a risk of loss that clients should be prepared to bear. The principal risks of Eudaimonia Asset Management strategies are disclosed in the publicly available Form ADV Part 2A.