



Market Call: For Better or Worse?

May 27, 2020

Agenda

- Some better long-term returns
- Asset allocation matters
- What to watch
- Olympian lessons for your financial plan
- Mobile data and what it can tell us
- Why technology continues to lead the way
- Q&A

Asset Allocation in the Current Market Environment

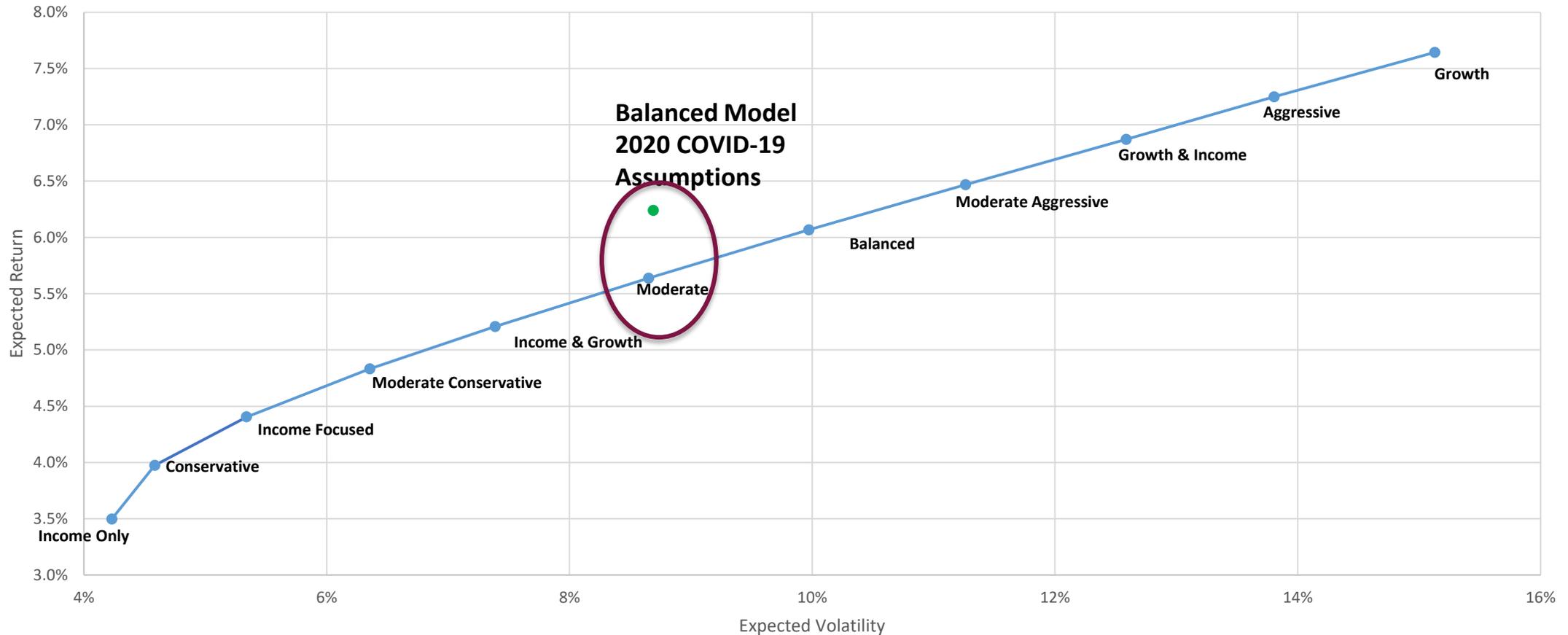
Presented by: Annette Hellmer

Change in Long-Term Return Assumptions

ASSET CLASS	JP Morgan 2019 Assumptions	JP Morgan 2020 Assumptions	JPM 2020 COVID-19 Update	Difference
Inter-Term Govt Bond	3.31%	2.76%	2.26%	-0.50%
High Yield Bonds	5.82%	5.52%	7.21%	1.69%
Large Cap U.S. Stocks	6.03%	6.55%	8.14%	1.59%
Small Cap U.S. Stocks	7.47%	8.12%	8.81%	0.69%
International Stocks	7.94%	8.48%	10.46%	1.98%
Commodities/Natural Resources	3.50%	3.73%	5.71%	1.98%
Hedge Funds	4.06%	4.76%	5.26%	0.50%
REITs	7.35%	7.09%	9.07%	1.98%

Source: JP Morgan Long-Term Capital Market Assumptions

Long-Term Asset Allocation



For illustrative purposes only. Expected return and risk figures are based on forward-looking, long-term capital market assumptions and the current characteristics of Johnson Financial Group model portfolios. Actual client results may vary significantly from the information presented herein. Return information does not take into consideration fees, including Johnson Financial Group advisory fees, which reduce portfolio returns. The performance information shown here is not a guarantee and may be subject to change without notice to you.

Capital Allocation– What are We Watching?

- COVID - 19
 - » *Trends in new infections*
 - » *Progress on Therapeutics & Vaccine*
 - » *Potential “Second Wave”*
- Economy
 - » *Pace of Re-opening of US and global economies*
 - » *Continued government Stimulus*
 - » *Consumer and Business Confidence*
 - » *Employment*
- Politics
 - » *2020 U.S. Election*
 - » *Tensions with China*
- Valuations
 - » *What expectations are reflected in asset prices?*
 - » *How can we take advantage of market volatility?*

What Can Olympic Athletes Teach Us About Planning?

Presented by: Joe Maier

What the 1980 US Hockey Team Teaches Us About Loss Aversion



What Hope Solo Teaches Us About Action Bias



Photo Source: UPI.com

What Michelle Kwan Teaches
Us About Intrinsic vs Extrinsic
Reward...and Happiness



Photo Source: racked.com

What Michael Phelps Teaches Us About the Power of Negative Thinking



Photo Source: GQ.com

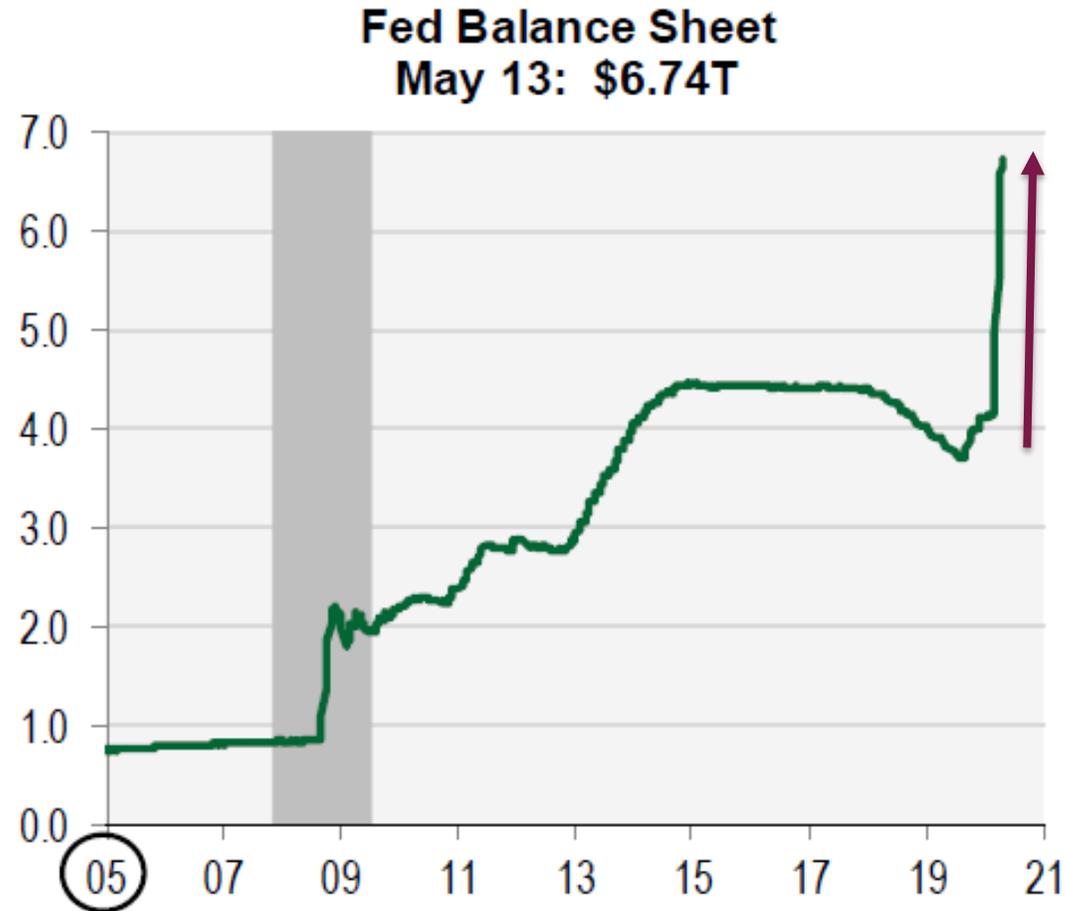
So What Does This Teach Us About Our Planning?

- Understand the Emotional Pain of Economic Loss
- Only do something when doing something gets you closer to your goals
- Use your assets and income to accomplish YOUR wishes, hopes, dreams and desires
- Build a plan that anticipates hard times...and still works

Mobile Data and Economy

Presented by: Brian Andrew

Financial Asset Support

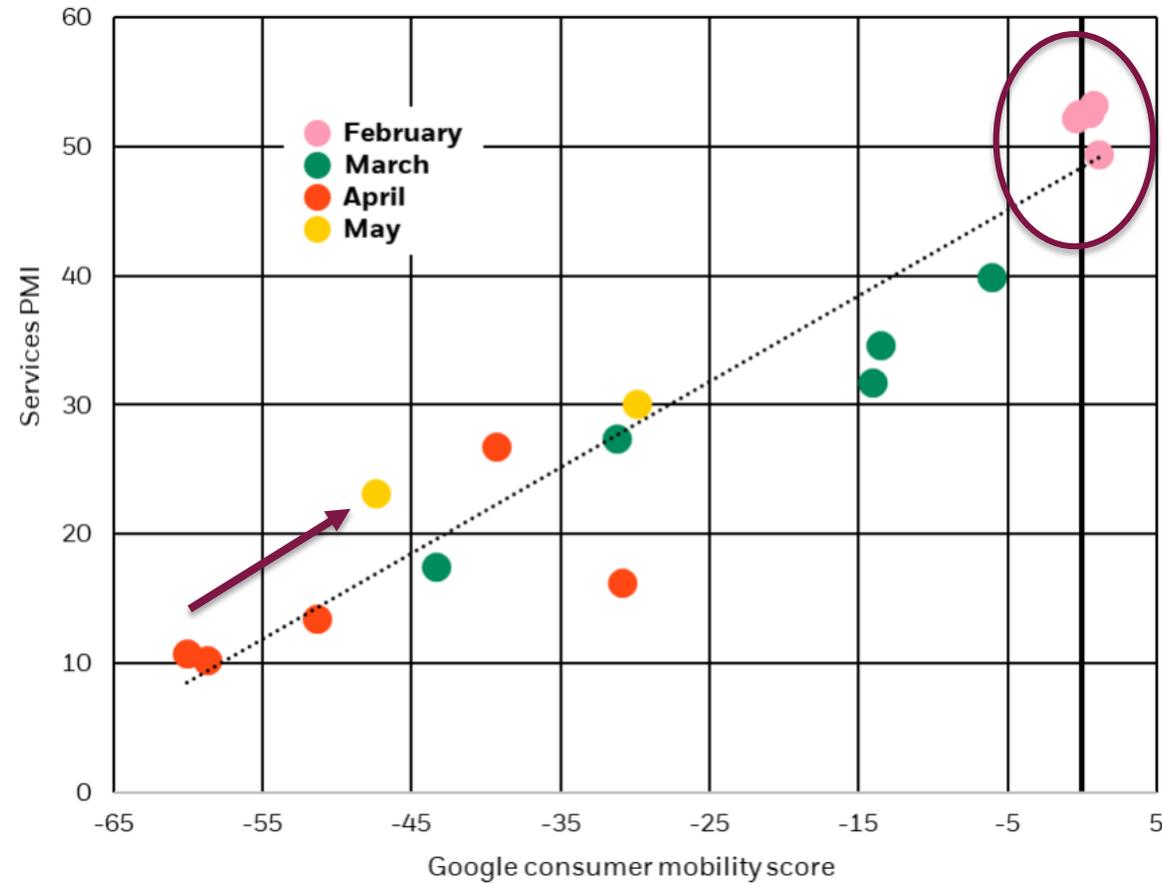


Source: Cornerstone Macro, Federal Reserve Bank

Where Are We?

Measuring mobility

Google mobility data and developed market services PMIs, February to May 2020



Source: BlackRock, Google, Institute of Supply Management

Where Are We In Wisconsin?

Retail & recreation

-27% compared to baseline



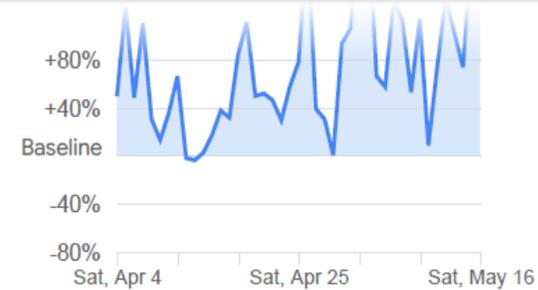
Grocery & pharmacy

+4% compared to baseline



Parks

+164% compared to baseline



Transit stations

-13% compared to baseline



Workplaces

-18% compared to baseline



Residential

+7% compared to baseline

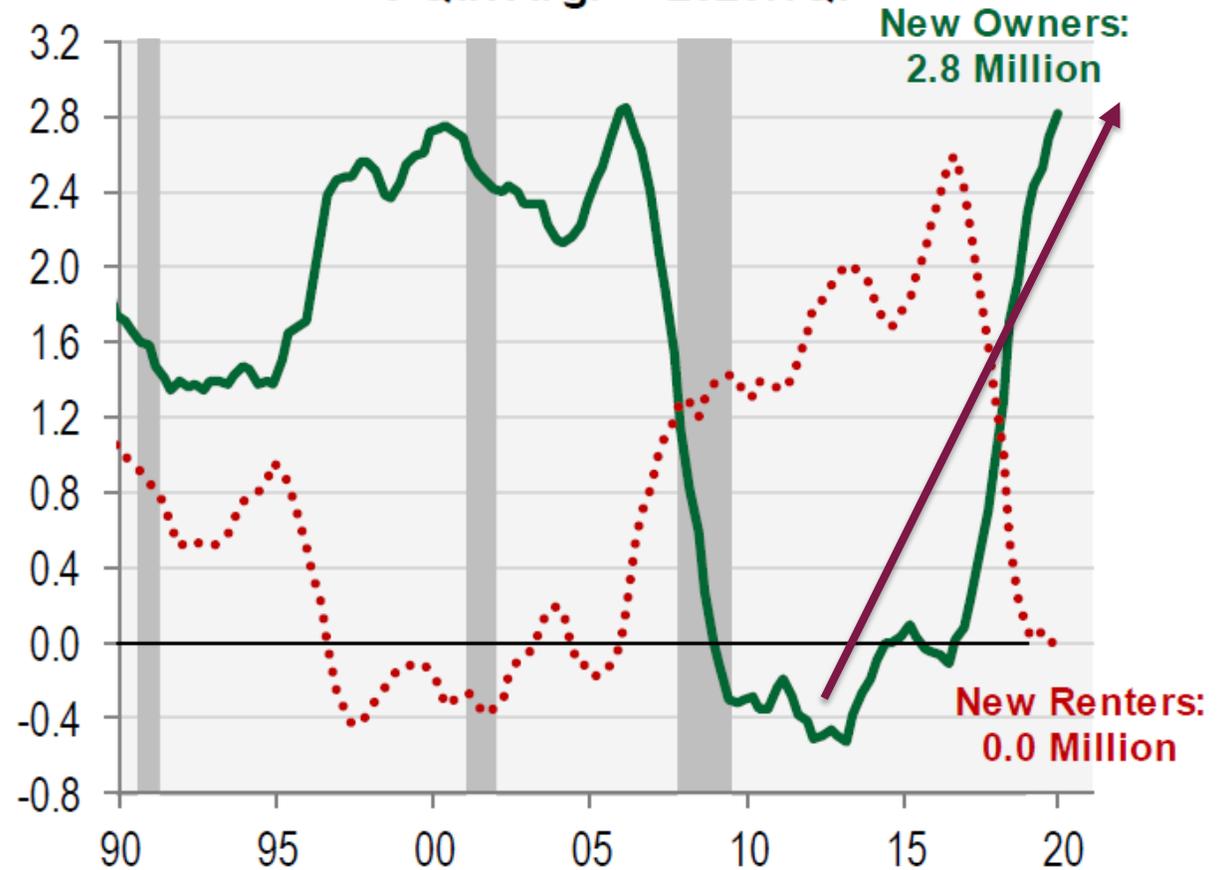


Source: BlackRock, Google, Institute of Supply Management

Don't Forget!

Long-term the next generation will create more growth

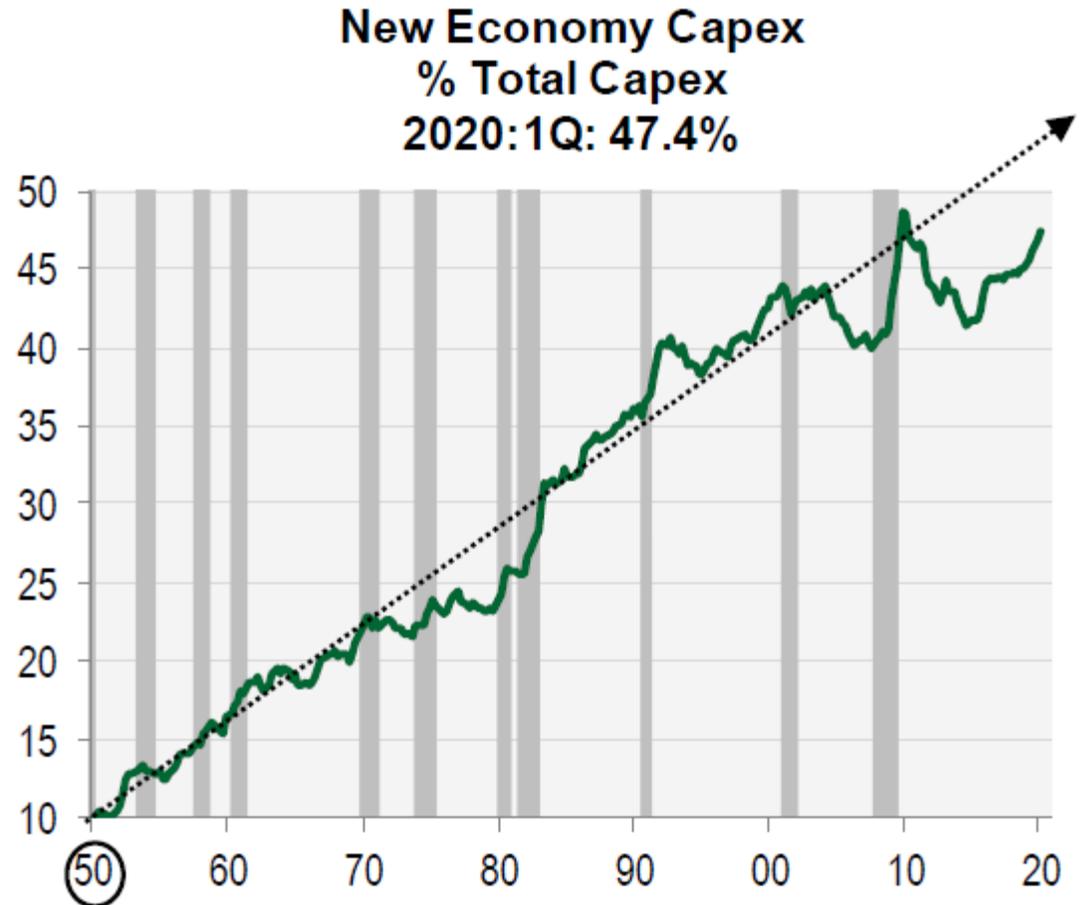
U.S. Household Formations: Renters vs. Owners
8 Qtr. Avg. 2020:1Q:



Source: Cornerstone Macro

Investing In Technology

Why tech is leading the market!



Source: Cornerstone Macro

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