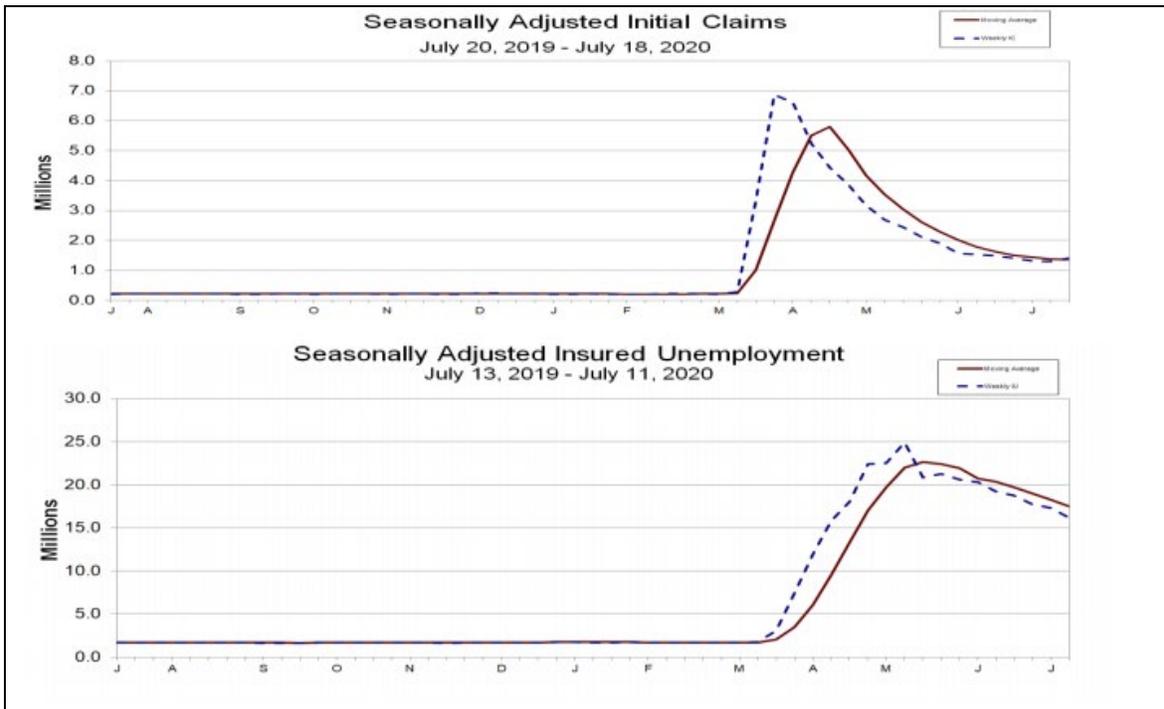




Main Street and Wall Street Remain Disconnected

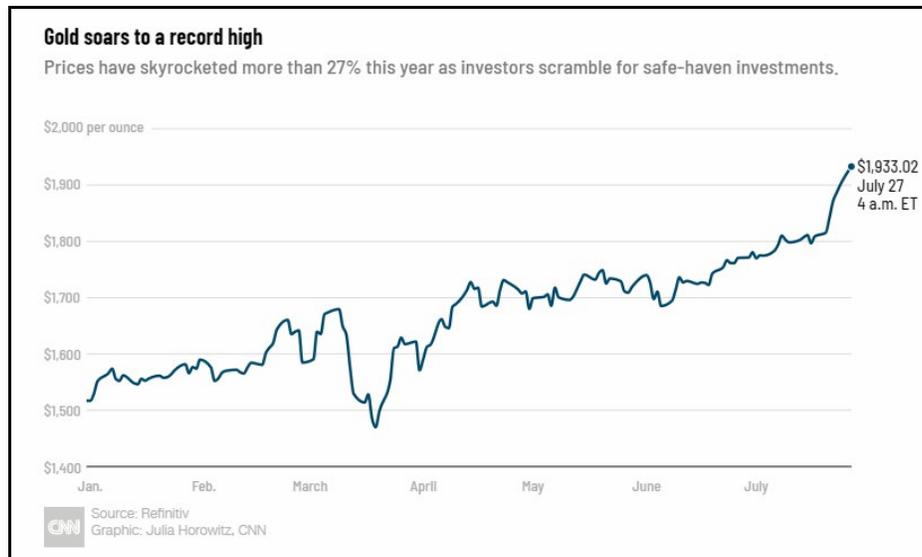
For most Americans, the coronavirus pandemic has left a long-lasting scar that has yet to heal. Millions of people have been quarantined, jobs have been lost, children have gone without schooling, and there remains no certain end to this global pandemic. Yet, amidst all of the pain on main street, markets continue to climb and investors remain optimistic about the future. This can be seen in the continued growth of domestic equities markets, where tech stocks like Apple, Google, and Amazon continue to lead the charge. Testing for the first Phase 3 clinical trial of a vaccine for the coronavirus has begun, bringing the country closer to eradicating this issue from the globe entirely. Outside of the virus, tensions between the US and China are at an all-time high. Consulates were closed in Houston and Chengdu, leading many to wonder if this will reignite a trade war between the two nations. Given the unpredictable nature of the pandemic, it is impossible to know whether the economic devastation and social unrest will derail the market recovery. And so the best approach is to remain invested but with caution and diversification as we continue to weather the storm.

Unemployment is still a problem



Even as the domestic economy began to open in the summer, unemployment remained a concern. For the week ending July 18th, Americans filed more than 1.4 million unemployment claims (seasonally adjusted), up by 109,000 from the week prior.

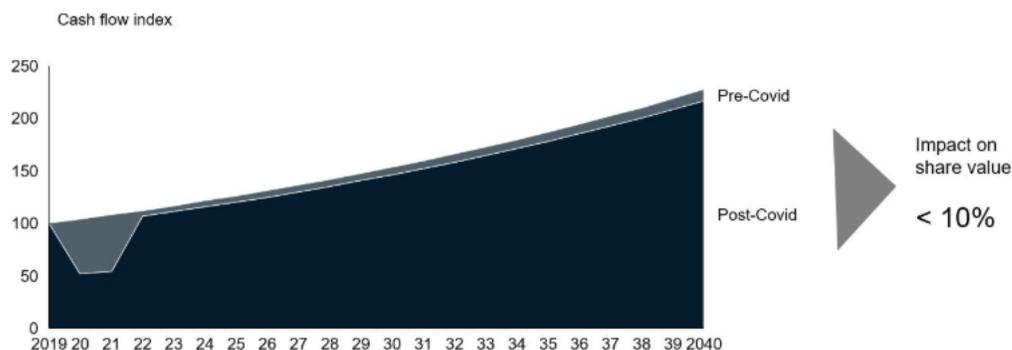
Gold hits a record high



With so much uncertainty in the world, investors are fleeing to the safe-haven of gold. As a result, gold prices hit record highs, above \$1,933 per ounce, for the first time ever. This is a 27% jump in gold prices year-to-date. But it's not just uncertainty that's driving gold prices. The United States has kept interest rates low in order to help jumpstart an economic recovery. But as a result, investors who would have otherwise been happy with the yield from government bonds now are looking elsewhere to invest, and gold has become their main target. Additionally, fears of inflation have sent many investors to gold and away from the US Dollar, which could be devalued over time if inflation becomes a bigger issue.

The virus isn't affecting stocks as much as expected

Market discounts long-term cash flows, not just this year and next



MCKINSEY

Source: McKinsey

Many expected stocks to take a huge hit when the coronavirus caused the economy to contract. However, estimates show that even with the virus, corporate cash flows aren't impacted to the extent previously thought. Zooming out to a long-term view, corporate cash flows will dip in the coming year and possibly into 2021 and 2022, but will likely recover quickly, and as a result, won't have a significant effect on share value in the long run.

Articles We're Reading

Fed won't be happy with how the economy is performing, but is not perturbed enough for aggressive action ... [\(link\)](#)

Loss of international students could damage US economy, experts say ... [\(link\)](#)

Climate change: Summers could become 'too hot for humans'... [\(link\)](#)

Market Snapshot

For the Month Ending 7/31/2020 (Cumulative Returns)¹

United States Markets	1-Month	3-Month	YTD	1-Year
Dow Jones Industrial Average	2.38%↑	8.55%↑	7.39%↓	1.62%↓
S&P 500	5.51%↑	12.32%↑	1.25%↑	9.76%↑
The NASDAQ Composite	6.82%↑	20.88%↑	19.76%↑	31.43%↑
U.S. Mid Cap	5.96%↑	16.13%↑	3.25%↓	1.67%↑
U.S. Small Cap	3.32%↑	12.78%↑	12.09%↓	8.04%↓

Global Markets	1-Month	3-Month	YTD	1-Year
Nikkei 225	2.59%↓	7.51%↑	8.23%↓	0.88%↓
Hang Seng	0.69%↑	0.20%↓	12.75%↓	11.46%↓
Shanghai Comp	10.90%↑	15.73%↑	8.52%↑	12.87%↑
FTSE 100	4.41%↓	0.06%↓	21.81%↓	22.26%↓
DAX	0.02%↑	13.37%↑	7.06%↓	1.02%↑

Fixed Income	1-Month	3-Month	YTD	1-Year
Corporate Bonds	3.10%↑	7.88%↑	9.75%↑	14.80%↑
Municipal Bonds	1.45%↑	5.65%↑	3.77%↑	5.20%↑
High Yield Bonds	5.06%↑	7.53%↑	0.29%↓	3.34%↑

Market Indicators	Rate	Market Indicators	Value
10 Year Treasury	0.55%	WTI Crude Oil	40.27
Fed Funds Target	0 to 0.25%	Gold - Spot Price	1,974.69
Inflation Rate	0.6%	U.S. Dollar	93.35
Unemployment Rate	11.1%	CBOE Volatility Index	24.46

¹Source – Morningstar, Inc. Corporate Bonds is presented as the iShares iBoxx \$ Investment Grade Corporate Bond ETF. Municipal Bonds is presented as the iShares National Municipal Bond ETF. High Yield Bonds is presented as the iShares iBoxx \$ High Yield Corporate Bond ETF. 10 Year Treasury refers to the valuation of a 10 Year Treasury Note, a debt obligation issued by the U.S. Department of the Treasury. Fed Funds Target represents upper limit of the federal funds target range established by the Federal Open Market Committee. Inflation Rate provided for the purposes of this report by the U.S. Bureau of Labor Statistics. Unemployment Rate calculated by the U.S. Bureau of Labor Statistics. WTI Crude Oil refers to the price of a barrel of West Texas Intermediate NYMEX) Crude Oil. Gold – Spot Price relates to the valuation of an ounce of gold, as traded on the NYSE Arca Exchange. U.S. Dollar refers to the U.S. Dollar Index (DXY). All Returns are denominated in USD (United States Dollar), unless otherwise explicitly noted.

Did You Know?

The origination of vaccines

The first vaccine ever developed is credited to Edward Jenner who, in 1776, developed a method to fight against the smallpox virus by inoculating a small amount of the virus into another human. Two years later, a widespread vaccine was developed for that same virus, saving countless lives in the process...[\(link\)](#)

Presented by the Investment Committee of Lake Street, an SEC Registered Investment Adviser

The information contained herein constitutes general information and is not directed to, designed for, or individually tailored to, any particular investor or potential investor. This report is not intended to be a client-specific suitability analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities. Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Diversification does not ensure a profit or guarantee against a loss. There is no assurance that any investment strategy will be successful. Investing involves risk and you may incur a profit or a loss.