

QUARTER END MARKET STATISTICS

March 31, 2020	Q1	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Core Fixed Income (Gross)	4.52%	4.52%	10.41%	5.71%	4.18%	4.01%	4.66%
Core Fixed Income (Net)	4.45%	4.45%	10.14%	5.44%	3.92%	3.75%	4.40%
Barclays Aggregate Index	3.15%	3.15%	8.93%	4.82%	3.36%	3.19%	3.88%
Intermediate Fixed (Gross)	2.76%	2.76%	7.57%	4.51%	3.50%	3.21%	3.88%
Intermediate Fixed (Net)	2.69%	2.69%	7.31%	4.25%	3.24%	2.95%	3.62%
Barclays Intermediate G/C Index	2.40%	2.40%	6.88%	3.79%	2.76%	2.46%	3.14%
Short Duration (Gross)	0.63%	0.63%	3.66%	2.66%	2.16%	1.88%	2.16%
Short Duration (Net)	0.56%	0.56%	3.41%	2.40%	1.90%	1.63%	1.91%
ICE BofAML U.S. Corp & Gov't 1-3 Year Index	1.60%	1.60%	4.46%	2.58%	1.90%	1.62%	1.65%
Enhanced Index (Gross)	-20.29%	-20.29%	-6.91%	5.00%	6.87%	9.81%	11.18%
Enhanced Index (Net)	-20.36%	-20.36%	-7.19%	4.66%	6.54%	9.49%	10.87%
S&P 500 Index	-19.60%	-19.60%	-6.98%	5.10%	6.73%	9.62%	10.53%
SMID Cap Core Equity (Gross)	-26.68%	-26.68%	-17.13%	-1.78%	1.90%	N/A	N/A
SMID Cap Core Equity (Net)	-26.88%	-26.88%	-17.97%	-2.76%	0.89%	N/A	N/A
Russell 2500 Index	-29.72%	-29.72%	-22.47%	-3.10%	0.49%	N/A	N/A

Dear Friends & Investors,

First and foremost, we hope that this update finds you in good health. It's difficult to put into words just how much has changed in a few short months. The prior decade was a prosperous and tranquil time for investors. Just three months ago, investors were touting the 2010s as the only decade in modern history to sidestep both a bear market as well as a recession. That now feels like a lifetime ago. As countries around the world undertake extraordinary measures to slow the spread of COVID-19, market volatility has reawakened, and a global economic recession is all but certain. Throughout this period of unprecedented uncertainty, we remain steadfast in our commitment to delivering reliable risk-adjusted returns for our clients. At Johnson Asset Management, we are ready to partner with you and look forward to solidifying ourselves as a trusted resource as we navigate the challenging weeks and months ahead. Should you have any questions, please don't hesitate to reach out to any member of the Johnson team. We wish you continued health and wellbeing.

As always we invite your thoughts and comments.

Emily Fox

Director, Institutional Business Development

FIXED INCOME

Fixed Income markets have certainly done their best to squeeze a decade worth of events into the span of just a couple of weeks. Throughout February, policy makers announced a cascade of notable cancellations aimed at slowing the spread of COVID-19 throughout the world. As policy makers rushed to institute new policies aimed at protecting our health and wellbeing, it became clearer that the economy would not be spared. Equity markets across the world tumbled, and credit spreads widened viciously. In fact, the Bloomberg Barclays Investment Grade Corporate Index underperformed duration-matched Treasuries by 10.40% - outpacing even the losses generated the month Lehman Brothers went bankrupt.

In response to this market volatility, the Federal Reserve responded swiftly and powerfully. By late March, the Fed had unleashed a full arsenal of monetary policy tools, including zero percent interest rates, unlimited amounts of QE, and even corporate bond buying programs aimed at stabilizing markets and bolstering liquidity. So far, these tools have had some success. Investment grade spreads have tightened by about 100 bps from their peak, though they remain at +279 - a historically high level. Bond liquidity has also improved, though remains fragile.

Johnson's Quality Yield approach is built to withstand challenging environments just like these. The Johnson Core Fixed Income strategy has returned 4.52% gross of fees and 4.45% net of fees YTD, outpacing the benchmark by 137 bps gross of fees, and 130 bp net of fees. According to eVestment, that puts us in the 7th percentile YTD within the Core Fixed Income Universe. Much of the strategy's outperformance has been driven by our quality credit selection discipline. Additionally, we made proactive adjustments to boost the portfolios' allocation to government securities throughout the prior year. While we certainly did not foresee a global pandemic unfolding, the combination of tight credit valuations and elevated structural economic risk led us to make these timely strategic shifts. In addition to helping enhance our relative performance during this unprecedented period of volatility, our high-quality approach has also enabled us to provide our clients with ample liquidity to facilitate timely asset allocation shifts and rebalancing requests. Although the environment continues to remain highly uncertain, we are seeing a multitude of opportunities to buy extremely high-quality companies at historically attractive valuations. While interest rates remain quite low, eventual stabilization in credit spreads should boost total returns over time.

Large Cap Equity - Enhanced Index

During the first quarter, equities experienced tremendous volatility, with the VIX hitting levels not seen since the financial crisis. The S&P 500 set a new all-time high in mid-February, only to decline 33% from the peak before rallying over 15% to end the month of March. Despite that strong finish, the first quarter was still an ugly one for stocks, with the S&P finishing down over 19%, the worst quarter since 2008.

The Enhanced Index strategy lagged by about 0.69% gross of fees and 0.79% net of fees during the first quarter as returns on the bond portion of the portfolio were behind cost of carry in futures contracts. Although our increased allocation to government securities and quality credit selection mitigated exposure to the worst performing sectors of the bond market, severe spread-widening in corporate credit still proved to be a drag on relative returns. On a more positive note, the risk-off sentiment in equities as well as the Fed's emergency interest rate cuts have caused the cost of carry on futures contracts to decline meaningfully. We expect elevated yields on high-quality bonds coupled with stabilization in credit spreads to provide a tailwind for performance in the months ahead.

FIRST QUARTER MARKET COMMENTARY

(CONTINUED)

SMID Cap Core Equity

SMID Cap stocks experienced the worst quarter of performance on record, with the Russell 2500 Index dropping a dramatic 30% in the first quarter. Six of the fifteen largest one-day drops in the history of the Russell 2500 occurred during the first quarter, as well as 4 of the 15 largest one-day gains. The Johnson SMID Cap Core strategy is designed to experience less volatility during periods of market stress. As expected, the strategy exhibited lower volatility while outperforming the Russell 2500 by 304 bps gross of fees and 284 bps net of fees during the increased market turbulence. As markets become more risk-averse, lower market cap companies tend to experience a large negative impact on return. Our avoidance of the smallest, risky companies benefited performance during the first quarter. Additionally, our quality emphasis was additive to performance, and added protection in the hardest-hit sectors. Within cyclical sectors, such as Industrials, Energy, and Real Estate where the stock values experienced the greatest losses, the portfolio was invested in companies with stronger balance sheets and more stable profit margins, allowing these sectors to provide better relative returns.

This bear market has been unusual in that the winners during the long bull market – growth stocks in sectors such as Technology and Health Care – have also been winners during this steep downturn. The lack of rotation sharply contrasts with the last two major bear markets in 2000 and 2008, when market leaders, Technology and Financials, plummeted as bullish sentiment reversed. Our strategy is positioned to benefit from the mean reversion in valuation that a cyclical recovery would likely deliver. If the bear market continues, our quality emphasis on companies with strong management teams and higher financial strength will position the strategy to continue to provide defensive portfolio characteristics. Additionally, our focus on identifying value stocks should also be additive to future returns, as we believe there is greater opportunity for value stocks, which are currently extremely cheap relative to growth.

**Beginning January 1, 2010, the firm was redefined as Johnson Institutional Management which only includes institutional client assets with a single asset mandate. In 2019, Johnson Institutional Management was renamed Johnson Asset Management (JAM). Johnson Asset Management is a division of Johnson Investment Counsel, Inc. ("JIC"), an independent and privately owned Midwestern based investment advisory firm registered with the Securities and Exchange Commission. Johnson Institutional Management manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds. JIC's fees are available upon request and may be found in our Form ADV Part 2A. Performance data quoted herein represents past performance. Past performance does not guarantee or indicate future results. All data is current as of March 31, 2020 unless otherwise noted. Returns and net asset value will fluctuate. To determine if this strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing JIC's strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by any Bank or any Bank affiliate, and MAY lose value, including possible loss of principal. Johnson Asset Management claims compliance with the Global Investment Performance Standards.*

The Institutional Core composite includes all fee paying, fully discretionary, actively managed institutional fixed income portfolios with a minimum value of \$500,000 and an investment objective of broad investment grade, taxable fixed income, benchmarked against the Barclay's Capital Aggregate Index. The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

The Institutional Intermediate Fixed Income composite includes all fee paying, fully discretionary, actively managed institutional fixed income portfolios with a minimum value of \$500,000 and an investment objective of broad investment grade, taxable fixed income securities with an intermediate average duration, benchmarked against the Barclay's Capital Intermediate G/C Index. The Barclays Capital U.S. Intermediate Government/Credit Index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

The Short Duration Fixed Income composite includes all fee paying, fully discretionary, actively managed institutional fixed income portfolios with a minimum value of \$500,000 and an investment objective of short duration, investment grade taxable fixed income. The benchmark for this composite is the Merrill Lynch 1-3 Year G/C Index. The Merrill Lynch 1-3 Year Corporate/Government Bond Index includes publicly issued U.S. Treasury debt, U.S. government agency debt, taxable debt issued by U.S. states and territories and their political subdivisions, debt issued by U.S. and non-U.S. corporations, non-U.S. government debt and supranational debt.

The Enhanced Index Composite is comprised of all discretionary equity portfolios with a portfolio value greater than \$1 million and an investment objective of replicating the S&P 500 Index utilizing equity futures contracts and short duration fixed income securities. The benchmark for this composite is the S&P 500 Index, a broadly diversified large cap equity universe of U.S. companies.

JAM's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions are available upon request. Please contact our office at 513.389.2770 or 3777 West Fork Road, Cincinnati, OH 45247.

All returns reflect the reinvestment of investment income (dividends and/or interest) and capital gains. Valuations and returns are stated in U.S. dollars. Trade date accounting is used. Portfolio returns are calculated using time weighted return methodology on a monthly basis. Net returns shown reflect gross performance less the highest fee schedule for this strategy.

Actual client returns would also be reduced by brokerage commissions, custodial fees, and other client paid expenses detailed in JIC's Form ADV Part 2A.