

# August 2020 Market Update

Stock market bears looking for a dip were disappointed in August as U.S. equities posted a 6.9% gain, their second-best month in 2020. The overall U.S. market broke through all-time highs to finish up 8.2% year-to-date. Large cap growth stocks continued to outperform, up 9.6%.

International stocks underperformed U.S. stocks, returning 4.6% for the month. International stocks are down 3.0% year-to-date.

Bonds gave back some of their July gains, dropping 0.8%. Yields were slightly higher on short maturity Treasuries and much higher on longer maturities. 10-year Treasuries rose from 0.55% to 0.72%.

Real estate continued to lag the broader market, up only 0.8% for the month and down 14.3% YTD.

New coronavirus cases declined. Federal Reserve Chairman Jay Powell announced a landmark policy change requiring the Fed be less aggressive in raising interest rates to head off inflation.

**Table 1: Benchmark Index Performance as of August 31, 2020**

Benchmark Index	1 Mo	3 Mo	YTD	5 Yr Ann
U.S. Stocks	6.9%	15.1%	<b>8.2%</b>	13.9%
International Stocks	4.6%	14.1%	<b>-3.0%</b>	5.8%
U.S. Bonds	-0.8%	1.3%	<b>6.9%</b>	4.3%
U.S. Real Estate	0.8%	8.1%	<b>-14.3%</b>	5.1%

**Table 2: Vanguard Global Asset Allocation Benchmarks as of Aug 31, 2020**

Vanguard Fund or ETF: % Stock/% Bond	1 Mo	3 Mo	YTD	1 Year
Total World Stock ETF: 100/0	6.0%	15.0%	<b>4.0%</b>	16.0%
LifeStrategy Growth Fund: 80/20	4.6%	12.0%	<b>5.1%</b>	14.3%
LifeStrategy Moderate Growth Fund: 60/40	3.2%	9.2%	<b>5.4%</b>	12.0%
LifeStrategy Conservative Growth Fund: 40/60	1.8%	6.5%	<b>5.7%</b>	9.7%
LifeStrategy Income Fund: 20/80	0.5%	3.8%	<b>5.6%</b>	7.2%
Total International Bond ETF: 0/100	-0.8%	0.7%	<b>2.6%</b>	0.9%

**Chart 1: 2020 Year-to-Date Market Index Performance**

