

May 31, 2020

401k PORTFOLIO JUNE 2020 UPDATE & NEWSLETTER

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TAKE CONTROL OF YOUR FUTURE

June 2020 Newsletter

Equity indices continued their torrid recovery from the pandemic related panic that struck in March. Since the March 23 low, the S&P is up 36%. Looking back, the decision to stay the course and not make any radical changes in our model portfolios has proven to be the best course of action. That was a difficult decision on our part - everything taken into account - but we chose to take the long-term view and in this case, we believed that the pandemic was an extraordinary event, not a crisis created by any fundamental weakness or fragility. As always, **EZTracker** model portfolios follow a long-term investment horizon, and our goal is to deliver superior results over time, not just measured by one week, one month or one year.

Two months ago, around the time that markets were at the local bottom, our portfolio changes included reducing international and overweighting domestic growth sectors, which moves have proven to be positive. **EZTracker model portfolios continue to be well balanced for a continued recovery so there are no changes for this month. For new subscribers, please see page 5 for more details.**



What is Behind Equities' Continued Strength?

In the face of another 2.1 million unemployment filings this week, bringing the number of jobs claimed by the pandemic to over 40 million, the S&P rallied - gaining 2.7% this week and 6% this month, cutting the total year-to-date loss to just 5.8%, which is the same level the S&P was last Halloween just 7 months ago. With unemployment at Great Depression levels, why is the stock market so resilient?

- Consumer confidence rose this month to 86.6 this month from 85.7 in April;
- There is evidence that the economy is showing signs of life, re-opening after months of lockdowns, providing hope that consumer spending recovers more quickly than feared to power a recovery;
- The Fed took unprecedented action to bolster the economy and prop-up the financial markets. In addition to lowering S/T rates to zero and cutting bank reserve requirements, it again implemented asset-purchase programs (quantitative easing "QE"). Today's QE is far more expansive than the programs first adopted in 2008 in the amount of money to be spent and the types of assets that can be purchased.
- Close to 90% of those laid off said they believed their jobs loss to be temporary.

The above reasons are NOT to say that the markets are out of the woods just yet. The markets are still vulnerable to further declines from corporate profit warnings, dividend cuts and corporate insolvencies. Moreover, red flag stumbling blocks include US-China relations, which turned worse over China's enforcement clampdown over Hong Kong and Trump's vowing to punish China for the Coronavirus.

Sentiment: According to a TMF Group survey of 300 US executive decision-makers, 2/3 expect the American economy will recover from the recession within one year and nearly three-quarters of those high-level execs are very or somewhat confident in the US economy despite the pandemic. The survey included a wide range industries, from technology and finance to manufacturing and retail.

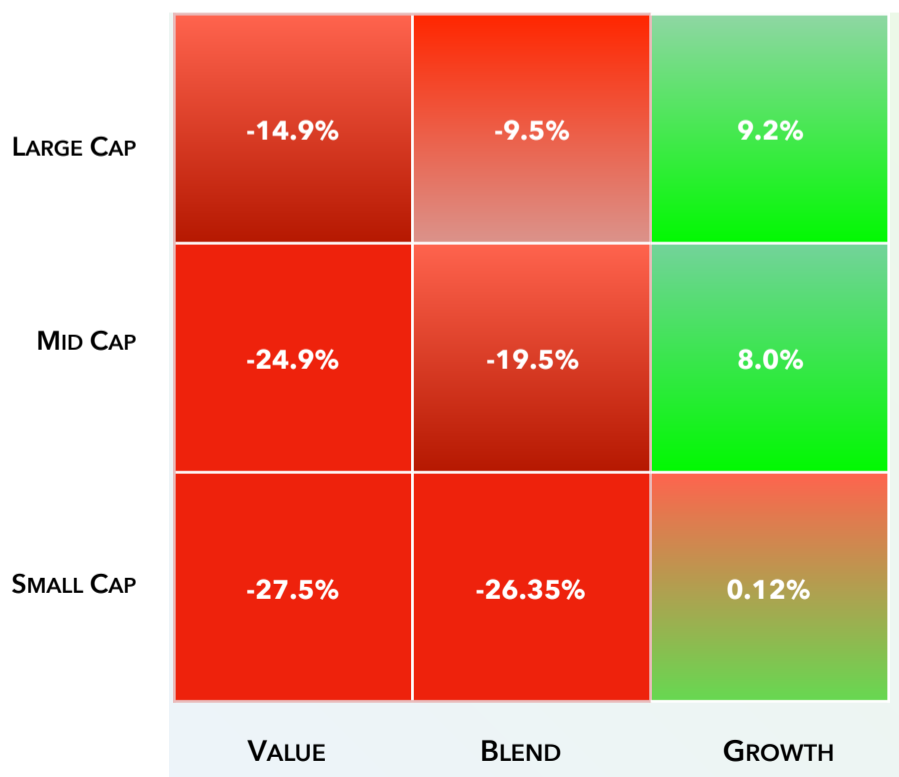
Sixty-one percent of executives surveyed said the financial support to workers and businesses had a very positive or somewhat positive effect on their companies. To wit, Congress and the White House enacted a record-breaking stimulus package that provides cash to American households and small businesses, as well as bailouts to the airline industry. The Federal Reserve, meanwhile, slashed interest rates to zero, promised to buy an unlimited amount of bonds and rolled out a series of emergency facilities that unfroze capital markets. This unprecedented firepower unleashed by the federal government in response to the economic collapse is one reason for continued optimism.

Employment: The Labor Department reported Thursday that more than 2.1 million laid-off workers applied for unemployment last week as the pandemic and ensuing lockdown continued to wreak havoc on the jobs market. The new report, which covers W/E May 23, pushes the 10-week total job losses since mid-March to close to 40 million, an unemployment rate unseen since the Great Depression. Although it's the tenth straight week that layoffs were counted in the millions – this week was the lowest number of jobless claims since prior to the lockdown. Continuing claims, or Americans who have been receiving benefits for at least two weeks, dropped to 21.05 million, down about 3.86 million from the previous week's total -- a sign that some Americans are starting to return to work.

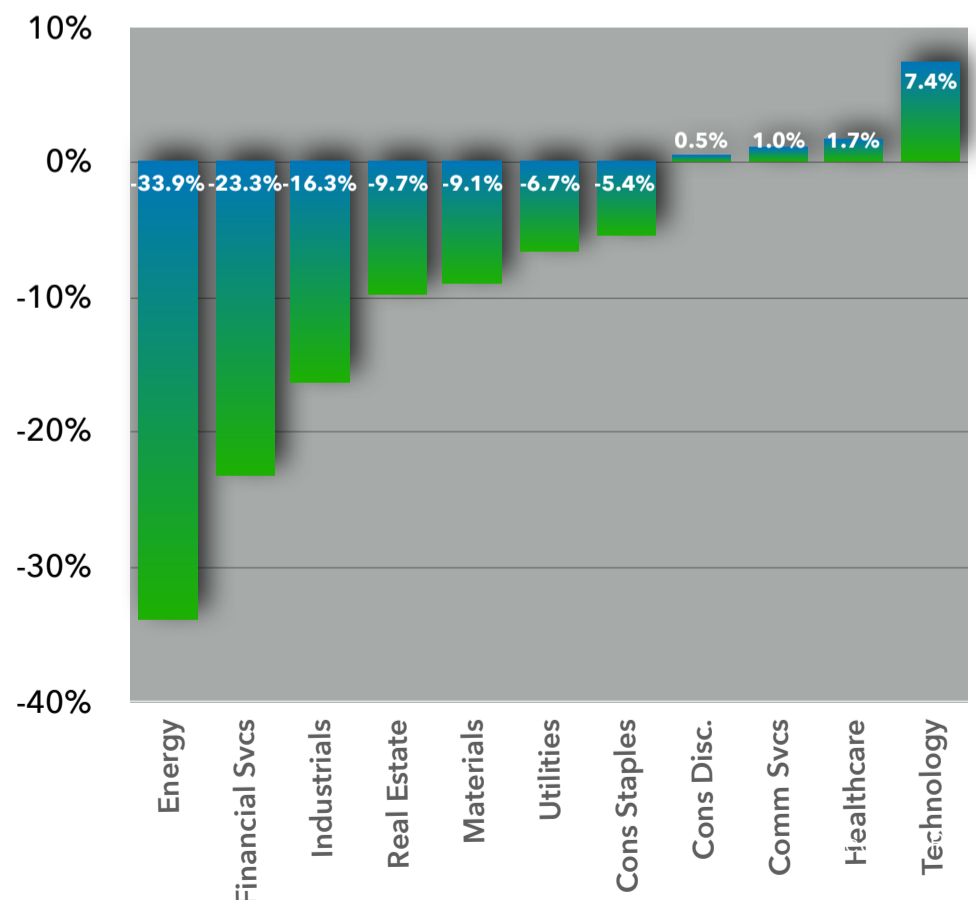
Sector Analysis: . All eleven S&P sectors gained over this last month, led by Communication Svcs (+7.44%), Technology (+7.18%), and Materials (+6.88%). The top two sectors have segments that continue to benefit from social distancing. The lowest performing sector was Consumer Staples (+1.66%) and Energy (+2.00%).

Index Analysis: For the first time since March, some sectors are in the green YTD. All growth indices are positive, with Large Cap and Mid Cap growth leading the way. Value indices remain behind.

2020 YTD Index Performance: Returns (%)



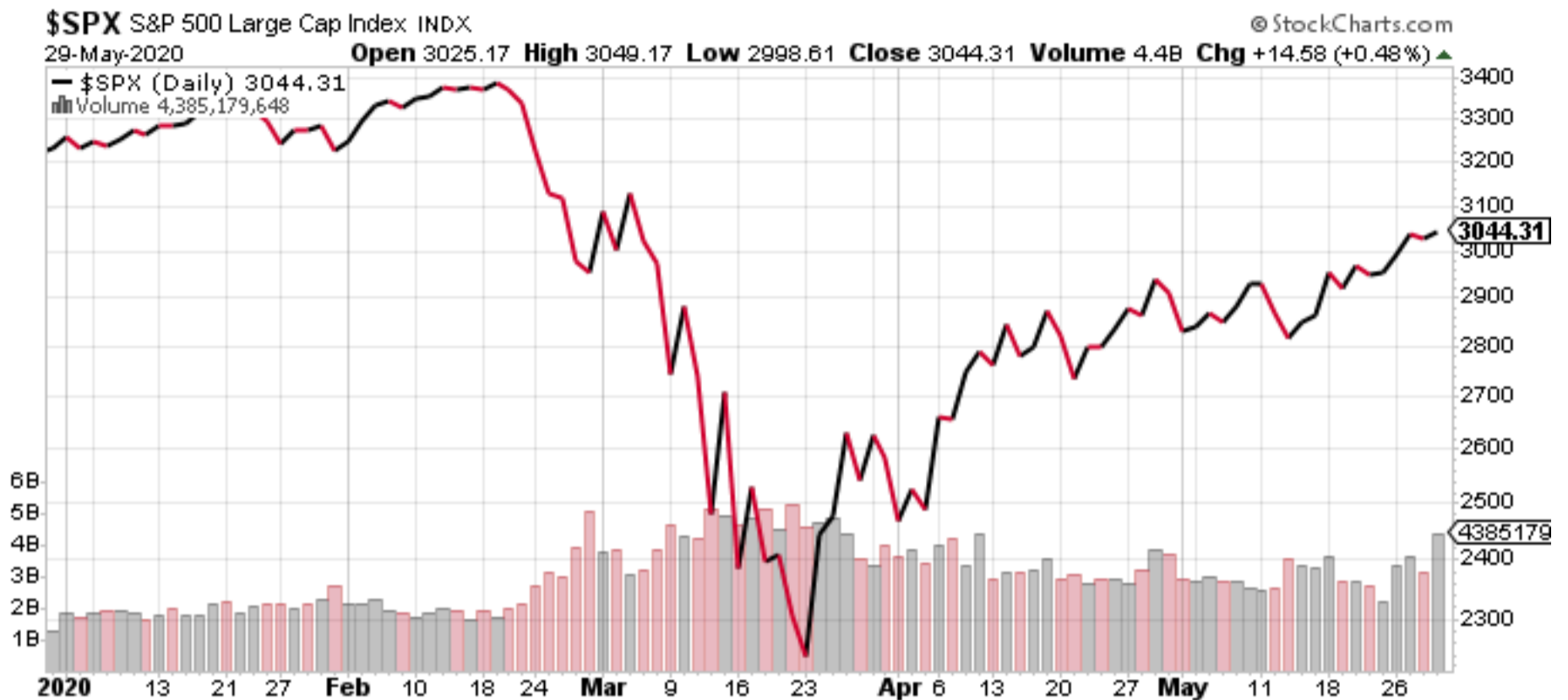
2020 YTD Sector Performance: Returns (%)



Overall Market and Model Portfolio Performance

YEAR TO DATE CHART

The chart below shows the YTD performance of the S&P 500. It is evident that the rebound since the low on March 23 has almost brought the equity markets back to the same level as January 1. We at **EZTracker** take the long view, knowing it is impossible to perfectly hit the peaks and the valleys, and feel comfortable that staying the course and not panic selling has been the right decision.



Periodically, we compare the performance of **EZTracker** model portfolios to the alternatives such as target date retirement funds, Morningstar risk benchmarks, S&P and the DJII. The chart below shows how the **EZTracker** model portfolios have performed in comparison for YTD 2020.

Through May 31, 2020	YTD 2020	EZTracker Outperformance
EZTracker Aggressive (95% stocks/5% bonds target)	-1.1%	-
EZTracker Moderate (70% stocks/30% bonds target)	-0.1%	-
EZTracker Conservative (40% stocks/60% bonds target)	0.6%	-
Morningstar Benchmarks	YTD 2020	EZT Outperformance
Aggressive Target Risk Index (95% stocks/5% bonds)	-10.8%	+9.8%
Moderate Target Risk Index (70% stocks/30% bonds)	-6.1%	+5.9%
Conservative Target Risk Index (40% stocks/60% bonds)	-0.9%	+1.5%
Target Date Funds	YTD 2020	EZT Outperformance
JPMCB SmartRetirement DRE Income CF10 (36% stocks/64% bonds)	-3.0%	
JPMCB SmartRetirement DRE 2020 CF10 (43% stocks/57% bonds)	-3.3%	+3.8%
JPMCB SmartRetirement DRE 2025 CF10 (55% stocks/45% bonds)	-5.0%	
JPMCB SmartRetirement DRE 2030 CF10 (65% stocks/35% bonds)	-6.6%	
JPMCB SmartRetirement DRE 2035 CF10 (71% stocks/29% bonds)	-8.0%	+7.9%
JPMCB SmartRetirement DRE 2040 CF10 (78% stocks/22% bonds)	-9.2%	
JPMCB SmartRetirement DRE 2045 CF10 (80% stocks/20% bonds)	-10.0%	
JPMCB SmartRetirement DRE 2050 CF10 (80% stocks/20% bonds)	-10.0%	
JPMCB SmartRetirement DRE 2055 CF10 (80% stocks/20% bonds)	-10.2%	
JPMCB SmartRetirement DRE 2060 CF10 (80% stocks/20% bonds)	-10.1%	+9.0%
Traditional Indices	YTD 2020	EZT Outperformance
Dow Jones Industrial Average (100% US 30 stocks/0% bonds)	-11.1%	+10.0%
S&P 500 Index (100% US 500 stocks/0% bonds)	-5.8%	+4.7%

EZTracker provides three model portfolios for **Atlas Air**; Aggressive, Moderate, Conservative. Each is designed for different investment needs and styles, as well as level of risk.

STEP 1: Update Current Investments

Current Subscribers:



Aggressive, Moderate & Conservative Portfolios:
There are NO CHANGES this month. If you are a new subscriber, please follow the directions under New Subscribers.

New Subscribers:

Rebalance your 401k using the chart below for the portfolio you want to follow. If you need assistance, call our free help hotline at 201.503.6445.

EZTracker Model Portfolios	Symbol	Aggressive	Moderate	Conservative	Buy Date
Fidelity 500 Index Fund	FXAIX	40%	33%	19%	3/30/20
Janus Henderson Enterprise Fund	JDMNX	15%	11%	7%	3/30/20
Fidelity Contrafund K6	FLCNX	40%	29%	18%	3/30/20
Pioneer Bond Fund	PICYX	5%	14%	29%	3/30/20
Pru Guaranteed Inc			13%	27%	3/30/20
		100%	100%	100%	

Your individual percentages may vary somewhat from those indicated above due to rounding, timing of purchases, and performance every month (In many cases even though there may be no changes for a particular month you may notice a small change, due to performance/rounding).

STEP 2: Update Future Investment Elections

If you are adding cash to your 401k through payroll deductions, set your Future Contributions identical to your Current Investment in the above **EZTracker** Model Portfolio chart.

All the model portfolios consist of core holdings representing major market segments, plus top performers based on current market conditions. Some market conditions may cause us to deviate from the following indicative percentages.



- Aggressive Portfolio:**
 95-100% invested in equities. This is a high risk/high reward portfolio.
- Moderate Portfolio:**
 70% invested in equities and 30% invested in bonds or Fidelity Managed Income Portfolio II Class I.
- Conservative Portfolio:**
 40% invested in equities and 60% invested in bonds or Fidelity Managed Income Portfolio II Class I. This is our lowest risk portfolio.

Which Portfolio is Right for You: Selecting the right portfolio is an individual decision based on your **willingness** and **ability** to take risk. Only you can decide. Planning your retirement is more important than ever. Your portfolio choice will vary based on age, retirement horizon, savings & expenses, pension & social security income, other investment assets, personality, and other factors. We believe you can take control of your 401k and plan for the retirement you envision. We've arranged for advisors at Friedenthal Financial to do a **COMPLIMENTARY RISK ASSESSMENT** for you. Or, you can take this **SHORT QUIZ** on your own that they've provided. No personal information is required for the quiz. Your privacy is protected.

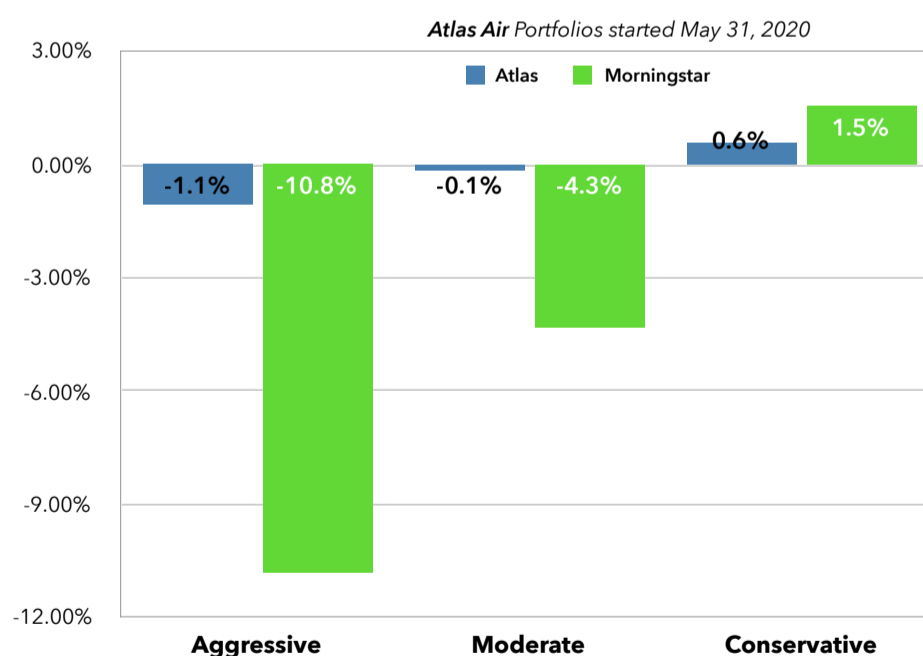
Performance

The **EZTracker** methodology used for **Atlas Air 401k** is the same methodology (investing in the best performing funds) we've used since we began publishing in 2002. It has consistently delivered superior long-term results. While past performance is no guarantee of future results, our past performance validates this long-term investing philosophy.

Current Performance Through May 31, 2019	MTD May*	YTD 2020
EZTracker Aggressive	8.53%	-1.05%
EZTracker Moderate	6.73%	-0.13%
EZTracker Conservative	4.66%	0.58%
Morningstar Benchmarks		
Aggressive Target Risk Index	8.68%	-10.84%
Moderate Target Risk Index	5.75%	-4.30%
Conservative Target Risk Index	2.49%	1.54%
S&P 500	7.32%	-5.77%

* Performance since last newsletter

YTD Total Return vs Morningstar Benchmarks



Morningstar Target Risk Index

The Morningstar Target Risk Index series serve as benchmarks to help with investment selections. They cover a global set of stocks, bonds and commodities. While not investable indices, they represent challenging benchmarks for long-term investing plans such as the **EZTracker** model portfolios.

Historical Performance

Any investment strategy should be measured one way: Results over time. Not one-week, one-month, not even one-year. While past performance is not a guarantee of future performance, our record has been excellent in delivering long-term returns. As with any long-term investing strategy, you should not expect dramatic short-term results to offset past losses.

Monthly Fund Data



Below is the current fund performance for the alternatives in the **Atlas Air 401k plan**. The “Tracker Average” is a weighted average of performance over the past year and is a key factor in selecting funds for inclusion in the **EZTracker** model portfolios.

Fund (Long Name)	Fund (Short Name)	Total Return				YTD	Tracker Average
		1 MO	3 MO	6 MO	12 MO		
Fidelity Contrafund K6	FLCNX	1.77%	14.95%	6.55%	14.28%	3.14%	20.48%
MFS International Intrinsic Value Fund	MINHX	5.61%	13.22%	0.24%	6.43%	-1.85%	13.90%
PIMCO Real Return Fund	PRRIX	1.54%	4.97%	5.40%	8.62%	5.43%	11.19%
Fidelity 500 Index Fund	FXAIX	2.67%	10.10%	-3.48%	6.11%	-6.23%	8.40%
Pioneer Bond Fund	PICYX	4.40%	1.31%	2.09%	5.78%	2.13%	7.40%
Invesco Oppenheimer International	OIDIX	6.04%	10.81%	-5.11%	1.72%	-7.66%	7.35%
Wells Fargo Emerging Markets Equity Fund	EMGNX	6.81%	5.82%	-6.04%	3.46%	-10.23%	5.48%
JPMorgan SmartRetirement 2020 Fund	JTTIX	3.26%	2.88%	-1.57%	3.08%	-2.71%	4.18%
JPMorgan SmartRetirement Income Fund	JSIIX	3.19%	2.71%	-1.40%	2.95%	-2.36%	4.07%
Fidelity Capital & Income Fund	FAGIX	5.98%	5.24%	-4.13%	0.24%	-5.90%	4.00%
JPMorgan SmartRetirement 2025 Fund	JNSIX	3.56%	3.73%	-3.09%	2.21%	-4.53%	3.49%
JPMorgan SmartRetirement 2030 Fund	JSMIX	3.87%	4.42%	-4.48%	1.21%	-6.21%	2.73%
Janus Henderson Enterprise Fund	JDMNX	2.26%	9.97%	-6.76%	-0.59%	-9.03%	2.66%
Pru Guaranteed Inc		0.19%	0.56%	1.14%	2.40%	1.14%	2.34%
JPMorgan SmartRetirement 2035 Fund	SRJIX	3.94%	5.20%	-5.51%	0.64%	-7.70%	2.32%
JPMorgan SmartRetirement 2040 Fund	SMTIX	4.11%	5.81%	-6.44%	-0.07%	-8.88%	1.86%
JPMorgan SmartRetirement 2055 Fund	JFFIX	4.19%	6.26%	-7.24%	-0.67%	-9.81%	1.39%
JPMorgan SmartRetirement 2045 Fund	JSAIX	4.22%	6.29%	-7.24%	-0.73%	-9.79%	1.38%
JPMorgan SmartRetirement 2050 Fund	JTSIX	4.20%	6.24%	-7.27%	-0.73%	-9.82%	1.33%
Columbia Dividend Income Fund Class A		1.64%	4.71%	-8.40%	-0.80%	-10.81%	-1.56%
Templeton Global Bond Fund/United States	FBNRX	0.12%	-2.85%	-2.57%	-5.58%	-4.26%	-5.94%
American Century Mid Cap Value Fund	AMDVX	4.32%	4.94%	-15.98%	-8.17%	-17.81%	-8.13%
Fidelity Real Estate Investment Portfolio	FRESX	4.02%	-4.74%	-15.69%	-12.17%	-16.72%	-15.59%
PIMCO CommodityRealReturn Strategy	PCRIX	6.10%	-2.95%	-18.18%	-15.89%	-21.32%	-16.87%
Goldman Sachs Small Cap Value Fund	GSSIX	4.51%	0.76%	-25.71%	-21.21%	-27.56%	-22.72%



Questions, Comments, Problems?

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