

MassMutual Funds

Investors continued to bid up global stock prices in August in response to generally positive news regarding a COVID-19 vaccine, the economy, corporate earnings and monetary and fiscal policy. The NASDAQ Composite ended the month at a record high helped by high growth companies such as Tesla and Apple which were up 74% and 22%, respectively, in August.

The U.S. 10-year Treasury note yield rose to end the month 0.72%, as investors sold off treasuries in response to improving economic data and U.S. Federal Reserve's announcement that they planned to keep interest rates lower for longer and expectations that Congress will pass a second fiscal stimulus package. The price of a barrel of West Texas Intermediate crude oil ended the month at \$43.04 helped by an improving economy and a weaker U.S. dollar.

The housing market has rebounded considerably with sales of newly constructed houses in July up 14% from June as pent-up demand, low interest rates and a desire to exit urban areas drove demand. Home prices are also rising as indicated by the S&P CoreLogic Case-Shiller U.S. National Home Price Index which was up 4.3% in June.

Second quarter 2020 earnings season is thankfully behind us with the S&P 500® Index companies reporting an earnings per share decline of 31.8% for the quarter. This is the largest year-over-year decline since the first quarter of 2009. Despite such dire near-term results, investors responded positively to future guidance along with the record 84% of companies that have reported positive earnings surprises. The forward 12-month P/E ratio for the S&P 500 is 22.8, well above both the 5- and 10-year average.

Reports, Speeches and Market Movers:

- Mon: Japan Unemployment Rate, Japan PMI Manufacturing, China Manufacturing PMI
- Tues: U.S. ISM Manufacturing Index, Eurozone Inflation
- Wed: Japan PMI Composite, China Services PMI
- Thurs: U.S. Jobless Claims, U.S. Goods and Services Trade, Eurozone Retail Sales
- Fri: U.S. Employment Situation
- Sun: China Merchandise Trade

Monthly Market Commentary

August 2020

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Index Returns (%)					
Index Returns are as of 08/31/2020	Level	1Mo	QTD	YTD	1Yr
S&P 500	3500	7.19%	13.23%	9.74%	21.94%
Dow Jones Industrial Average	28430	7.92%	10.62%	1.30%	10.27%
Russell 2000	1562	5.63%	8.56%	-5.53%	6.02%
MSCI EAFE	1910	5.14%	7.59%	-4.61%	6.13%
MSCI Emerging Markets	1102	2.21%	11.34%	0.45%	14.49%
BBg Barclays U.S. Agg. Bond	2377	-0.81%	0.67%	6.85%	6.47%
BBg Barclays U.S. Corporate High Yield	2219	0.95%	5.68%	1.67%	4.71%
NASDAQ Composite	11775	9.70%	17.22%	32.07%	49.33%

Yields (%)			
	8/31/2020	7/31/2020	1 Yr Ago
2-Yr Treasury	0.14	0.11	1.50
10-Yr Treasury	0.72	0.55	1.50
30-Yr Treasury	1.49	1.20	1.96

Commodities (\$)			
	8/31/2020	7/31/2020	1 Yr Ago
U.S. Dollar Index Spot Rate	92.14	93.35	98.92
Bbg Barclay Commodity Index	73.32	68.68	77.00
WTI	43.04	40.10	55.07
Natural Gas	2.63	1.80	2.29
Copper	6667	6413	5652
Gold	1968	1976	1521

Past Performance is No Guarantee of Future Results

Investors should consider an investment option's objectives, risks, fees and expenses carefully before investing. This and other information can be found in the applicable prospectus or summary prospectuses for the products indicated, which are available from MassMutual at www.massmutual.com/product-performance/product-performance-listing-page or by calling 1-866-444-2601. Please read them carefully before investing. Past performance is no guarantee of future results.

Indexes are unmanaged, do not incur fees or expenses, do not reflect any deduction for taxes, and cannot be purchased directly by investors.

(1) Price-weighted average of 30 actively traded Blue Chip stocks, primarily industrials, but also including other service-oriented firms; may be used as a benchmark for large cap stocks. (2) Widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies. (3) Broad-based index of over 5000 companies, which measure all domestic, and non-U.S. based common stocks listed on the NASDAQ Stock Market, Inc. (4) Unmanaged index representing the performance of small-cap U.S. stocks. (5) Unmanaged index consisting of approximately 1,200 stocks in developed market countries outside of North and South America, and represents approximately 85 percent of the total market capitalization in those countries. (6) Unmanaged index of fixed rate investment grade securities with at least one year to maturity combining the Bloomberg Barclays U.S. Treasury Bond Index, the Bloomberg Barclays U.S. Government-Related Bond Index, the Bloomberg Barclays U.S. Corporate Bond Index, and the Bloomberg Barclays U.S. Securitized Bond Index.

The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index of fixed-rate investment-grade securities with at least one year to maturity, combining the Bloomberg Barclays U.S. Treasury Bond Index, the Bloomberg Barclays U.S. Government-Related Bond Index, the Bloomberg Barclays U.S. Corporate Bond Index, and the Bloomberg Barclays U.S. Securitized Bond Index.

The Bloomberg Barclays U.S. Corporate High-Yield Bond Index covers the universe of fixed rate, non-investment-grade debt from corporate sectors.

The S&P 500® Index is a widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies.

The Russell 2000 Index is a widely recognized, unmanaged index representative of common stocks of smaller capitalized U.S. companies.

The MSCI EAFE Index is a widely recognized, unmanaged index representative of equity securities in developed markets, excluding the U.S. and Canada.

The MSCI Emerging Markets (EM) Index is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries.

The Index is designed to represent the performance of emerging stock markets throughout the world and excludes certain market segments unavailable to U.S.-based investors.

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