RAYMOND JAMES | INVESTMENT MANAGEMENT

PORTFOLIO STRATEGY

Michael Gibbs, Managing Director, Lead Portfolio Manager | (901) 579-4346 | michael.gibbs@raymondjames.com
Joey Madere, CFA | (901) 529-5331 | joey.madere@raymondjames.com
Richard Sewell, CFA | (901) 524-4194 | richard.sewell@raymondjames.com
Mitch Clayton, CMT, Senior Technical Analyst | (901) 579-4812 | mitch.clayton@raymondjames.com

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2024 2nd Quarter Equity Market Update

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GIBBS CAPITAL MANAGEMENT

A division of Eagle Asset Management

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Summary of key data points

While the S&P 500 has continued to glide higher, price action beneath the surface has not been quite as smooth **(pg. 11)**, which has been a challenge for active management and the average investor that is well diversified.

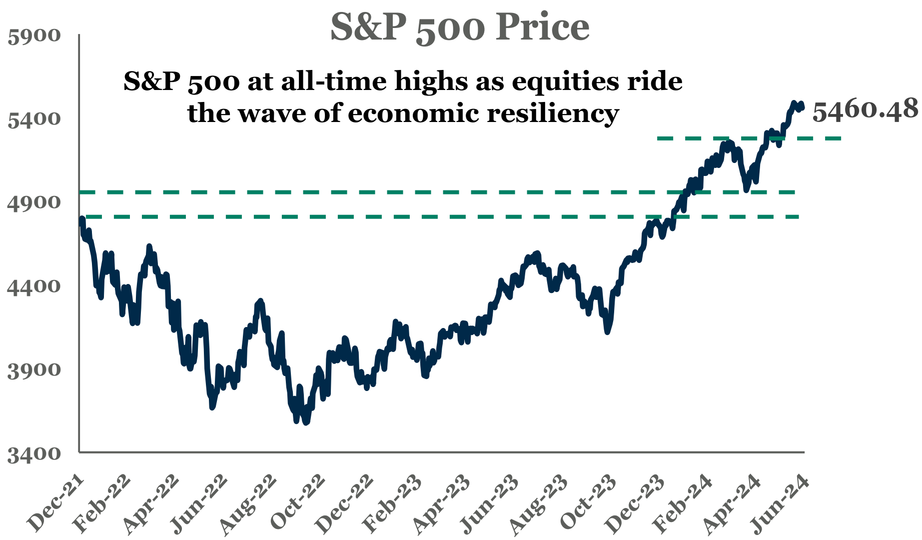
- Relative performance of the equal-weight index moving towards lows **(pg. 13)**
- NVDA accounted for over 40% of the 2Q return of the S&P 500 and nearly 1/3 YTD **(pg. 7)**
- "Mag 7" stocks have accounted for nearly 2/3 of YTD gains **(pg. 7)**
- 52% of the cap-weighted S&P 500 index is from the 3 Tech-centric sectors of Technology, Communication Services, and Consumer Discretionary vs. 27.6% for the equal-weight index **(pg. 8)**
- The Technology sector accounts for ~32.5% weighting in the S&P 500, the highest weighting since the dot com bubble **(pg. 9)**
- Semiconductors & Semiconductor Equipment industry is at its highest weighting **(pg. 9)**
- Several defensive areas are at/near their lowest weightings in the S&P 500 including Utilities, Consumer Staples, and Real Estate **(pg. 10)**

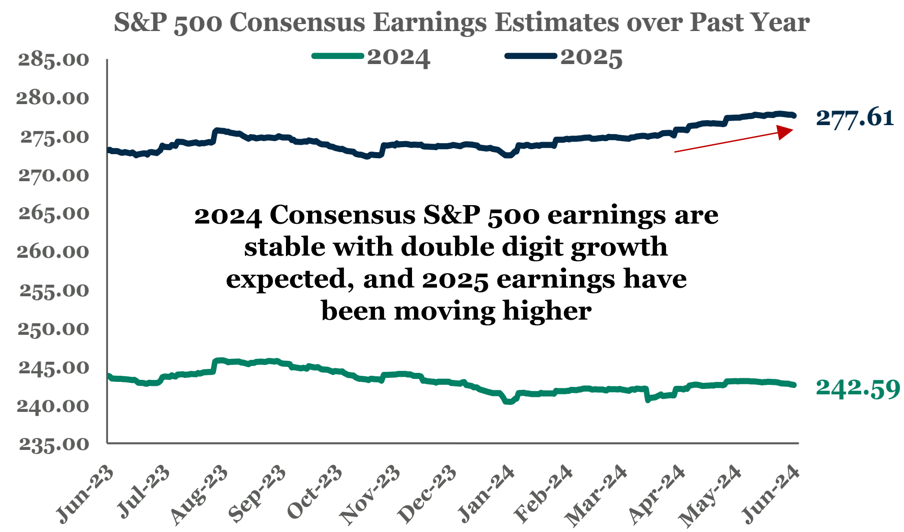
Opportunity for Broadening (pg. 13): We do believe there remains opportunity for the average stock to outperform in the future including: 1) attractive valuation with the average S&P P/E at ~550 bps discount to the cap-weight; 2) relative earnings have ticked up slightly, which is something we will monitor closely as there has been a 0.84 correlation over the last year between relative performance and relative earnings; and 3) concentration is elevated, which has historically presented opportunity for the "average stock" to gain relative performance.

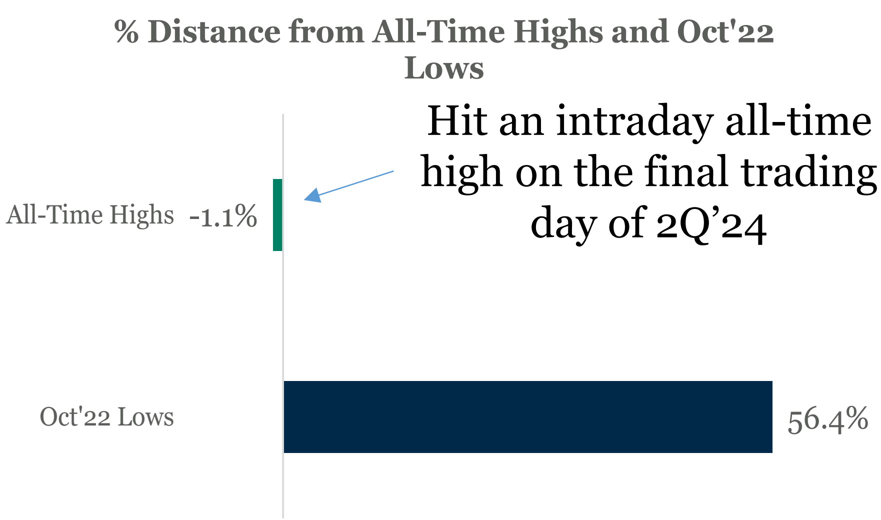
Diversification is still important (pg. 12): Diversification remains paramount, and any broadening out should favor active management in the coming years. Currently, the narrow outperformance from Tech mega-caps has resulted in a spike in market concentration with the top 5 constituents accounting for ~27% of the S&P 500. Historically, spikes in market concentration have typically presented opportunity for the "average stock" to gain relative performance—thus favoring active management. Additionally, it is important to note that leadership can change over time, so it is important not to get complacent.

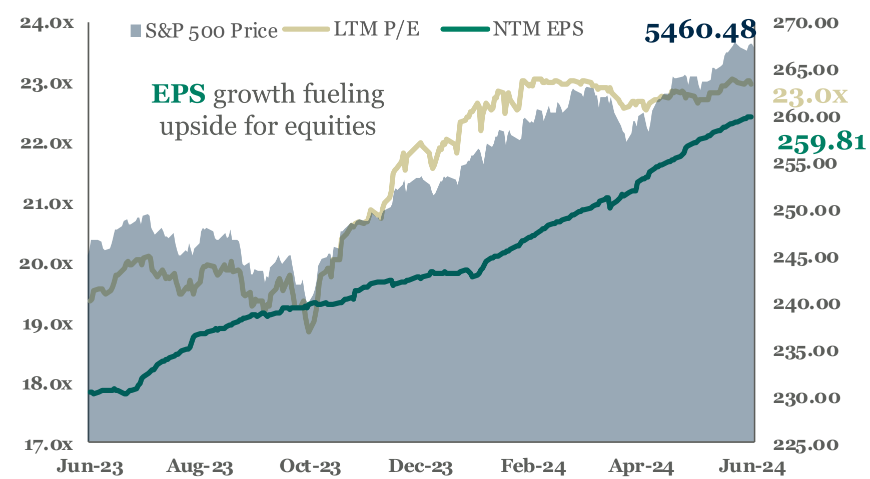
2024/2025 Equity Outlook (pg. 24- 28): Overall, we maintain a positive bias for equities as the U.S. economy remains resilient and growing, AI enthusiasm, inflation that continues on a downward path, contained credit spreads and the Fed is still positioned to become more accommodative this year. Thus, we maintained our most realistic earnings scenario of $245-$255 for 2024 and initiated a 2025 EPS forecast of $260-270. Currently, consensus estimates are at ~$243 and ~$278 respectively. Based on our 2025 EPS estimate, we forecast a year-end 2025 price objective of 5460-5940, flat to up ~9% from current levels.

S&P 500



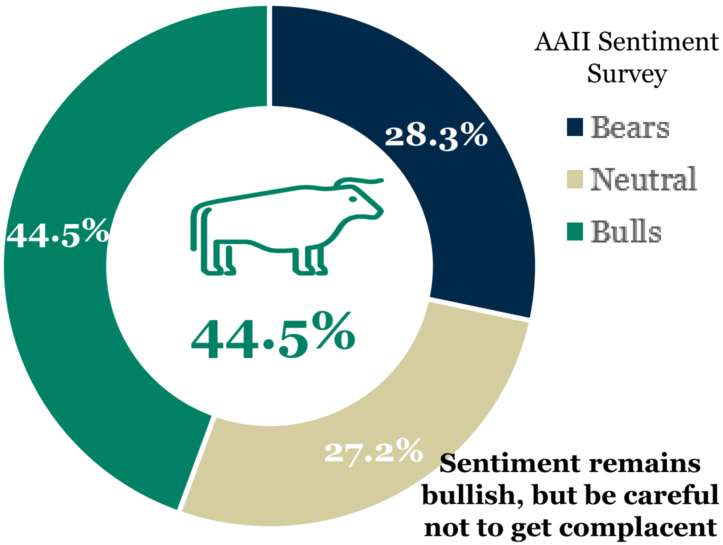


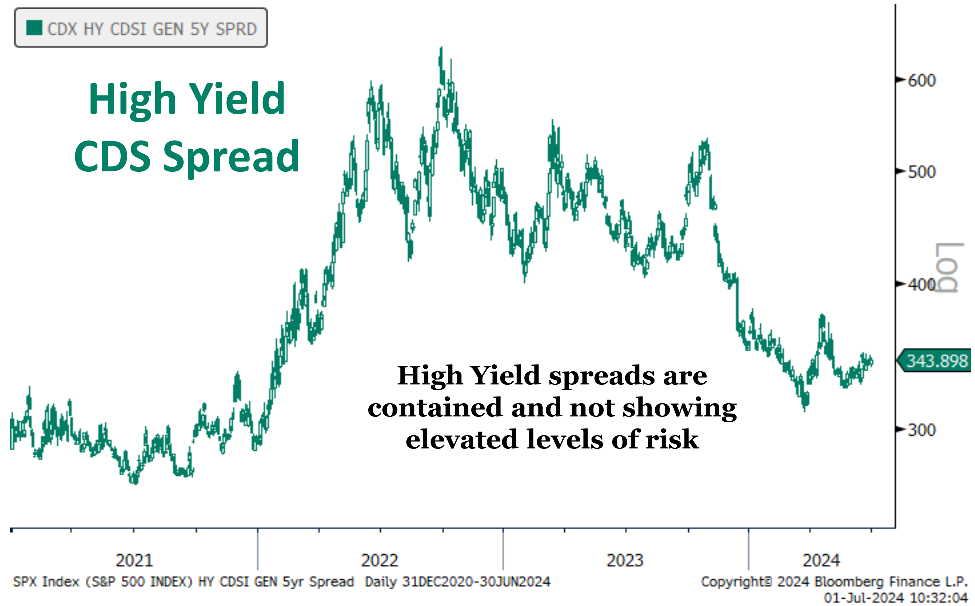




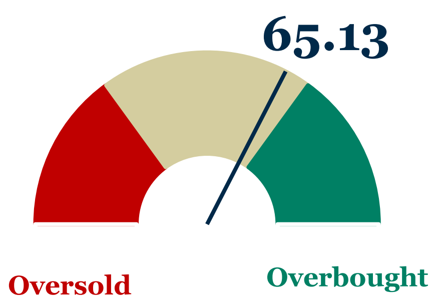
Source: FactSet
All pricing as of the S&P 500 closing price on June 28, 2024

Market Sentiment- Be Mindful of Becoming Complacent

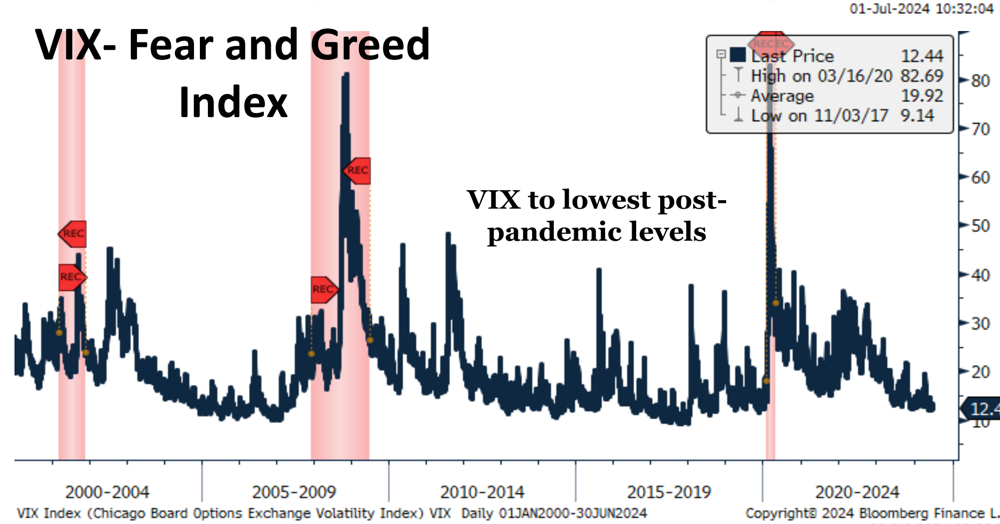




S&P 500 Relative Strength Index (RSI)



Despite price strength for the S&P 500, RSI is not in overbought territory



Source: Bloomberg and FactSet

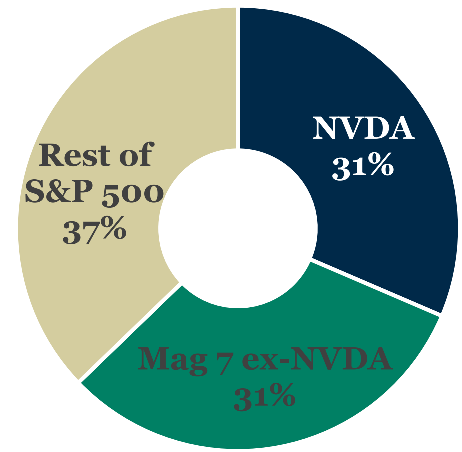
2Q'24 Review

Despite the strength in U.S. equities, it has been challenging for active, diversified managers given the concentration of returns. In fact, one stock made up nearly 1/3 of the returns YTD!

Tech Drove 1H'24 Returns

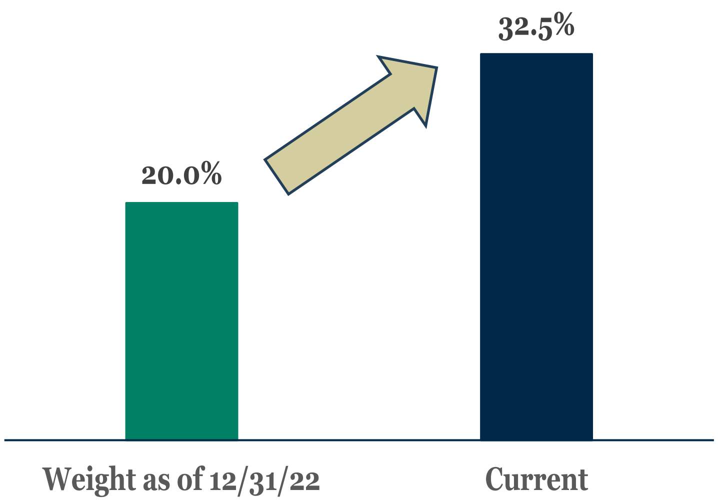
Despite the equity markets being up just shy of 15% in the first half of 2024, it has been challenging for active, diversified managers given the significant degree of concentration over the last 2 years. Since the end of 2022, the market weighting in the S&P 500 of the Magnificent 7 has gone from 20% to 32.5% currently. In fact, ~2/3 of returns YTD have come from the Mag 7 names (in fact 1/3 of the S&P 500 return has been from just one name). This high degree of concentration has driven the cap-weight returns for the S&P 500 higher, while the relative performance of the equal-weight has been challenged.

% YTD Contributions of Return

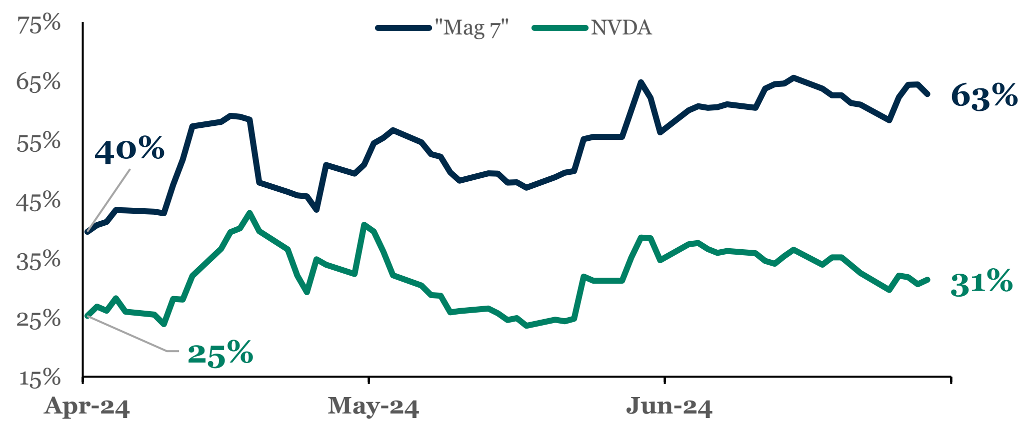


1 stock is contributing nearly 1/3 of the YTD returns for the cap-weight S&P 500 index!

S&P 500 Weighting of the Magnificent 7



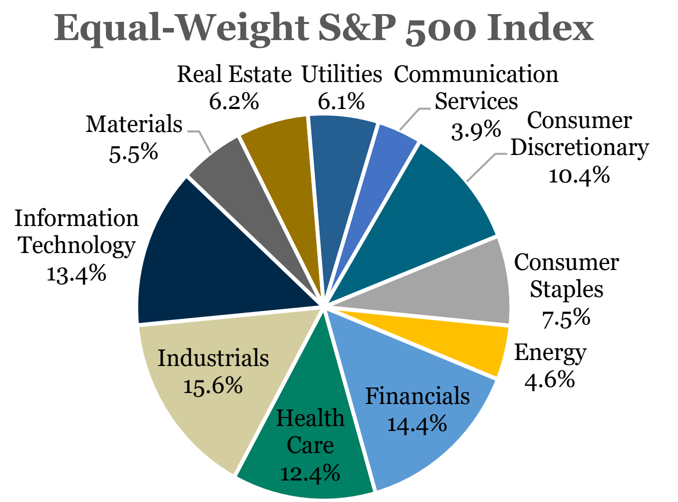
"Magnificent 7" Tech Heavyweights
% Contributions to S&P 500 Returns

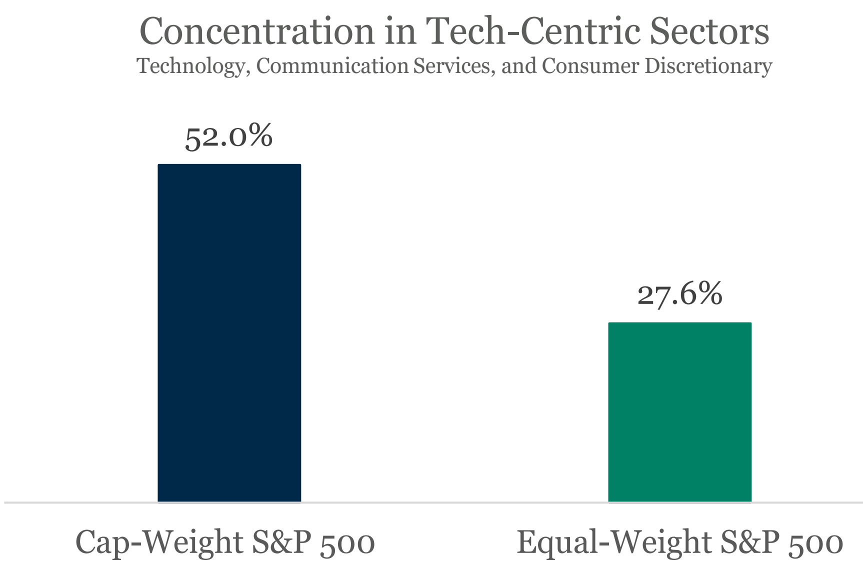


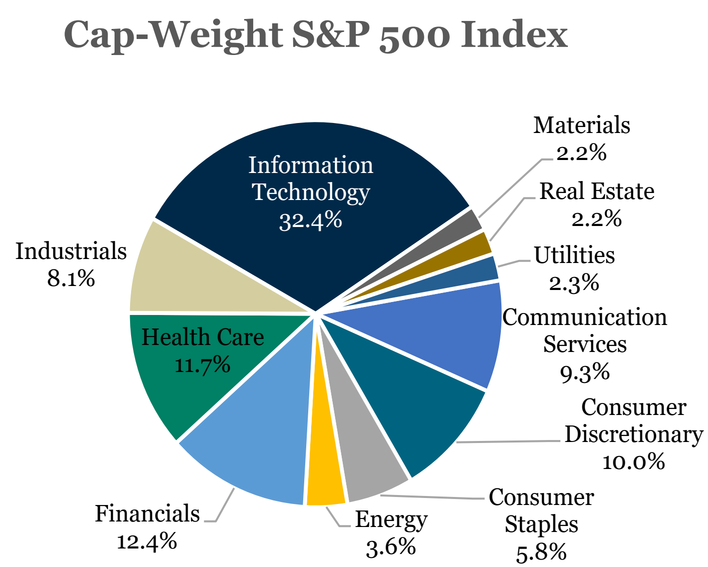
Source: FactSet

Concentration of S&P 500

The great influence of the "Mag 7" over the last year and half has made it difficult to achieve returns above the benchmark for active, well-diversified investors. The high degree of concentration begs the question, is the cap-weight index the proper index for comparison or is the equal-weight index more appropriate for better diversification. Our takeaway is that the widely used S&P 500 benchmark is unlikely to change for many despite the 3 Tech centric sectors making up over 50% of the index vs. the equal-weight index at less than 30%, which provides better diversification. In fact, with the equal-weight index, no sector makes up more than 16% of the index vs. Tech which is ~32% in the cap-weight S&P 500.

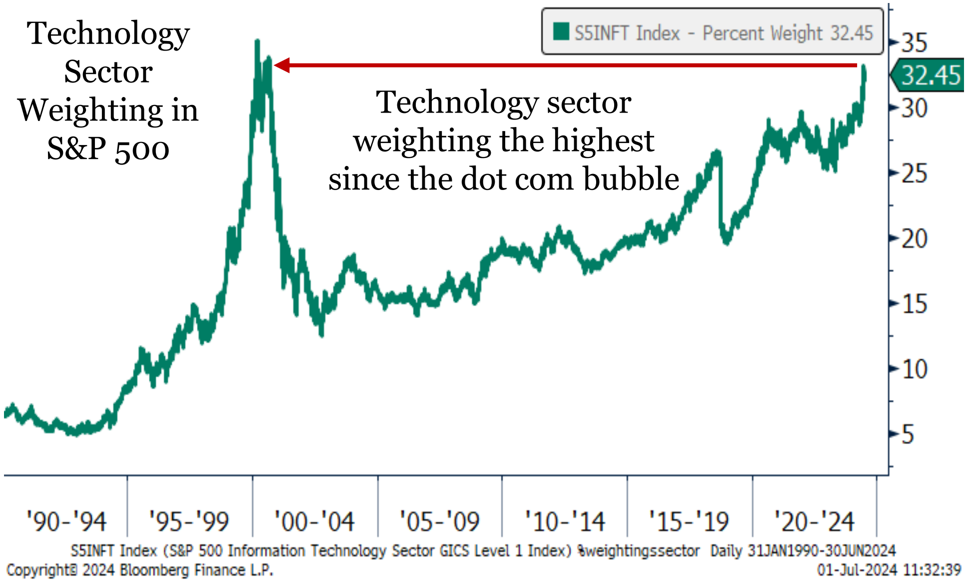


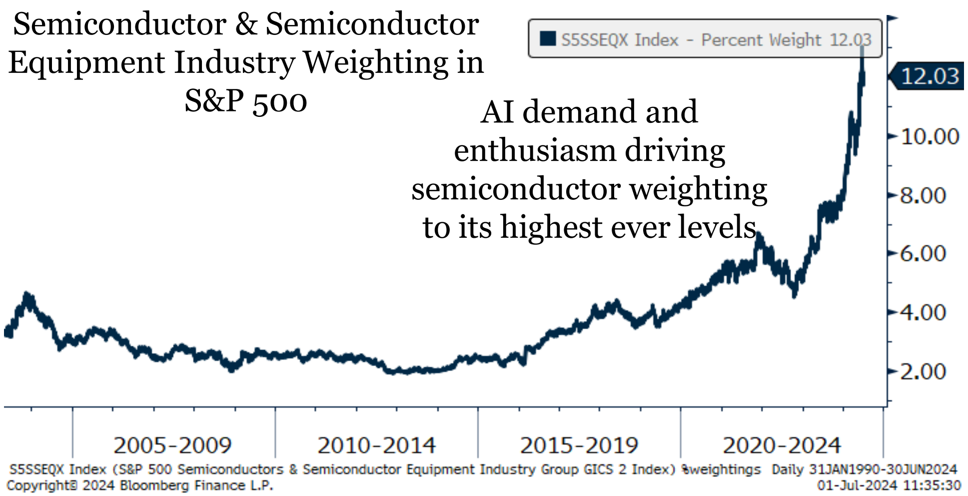




Source: FactSet

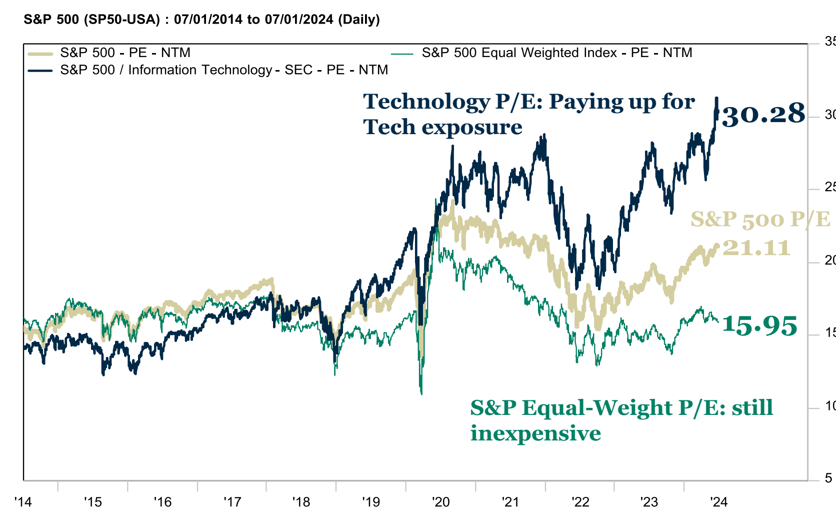
Concentration in Tech





To put the degree of concentration into perspective, we looked at the weighting of the Technology sector and weighting of the semiconductor & semiconductor equity industry within the S&P 500 over time, and had the following takeaways:

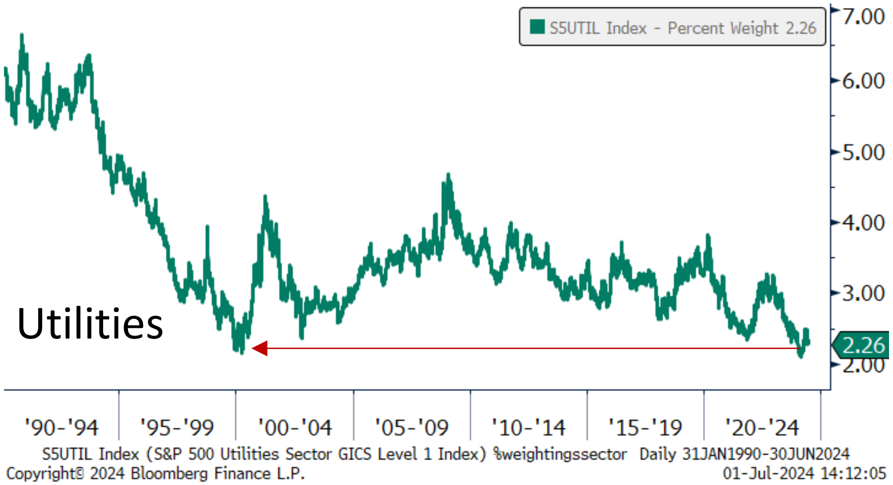
- The Tech sector concentration is rivaling that of the dot com bubble, which was known for its excesses
- Investors have been willing to "pay up" to gain increasing exposure to Tech as Tech valuations are extended, while the "average stock" valuation remains attractive.
- AI demand and enthusiasm is real. While the data does not go back as far, there has not been another time period that semiconductors & semiconductor equipment have made up this much of the S&P 500 weighting.

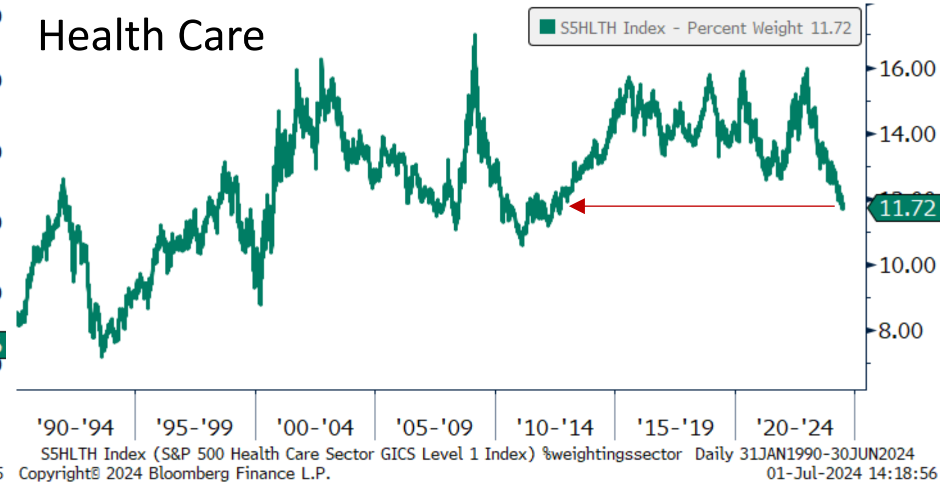


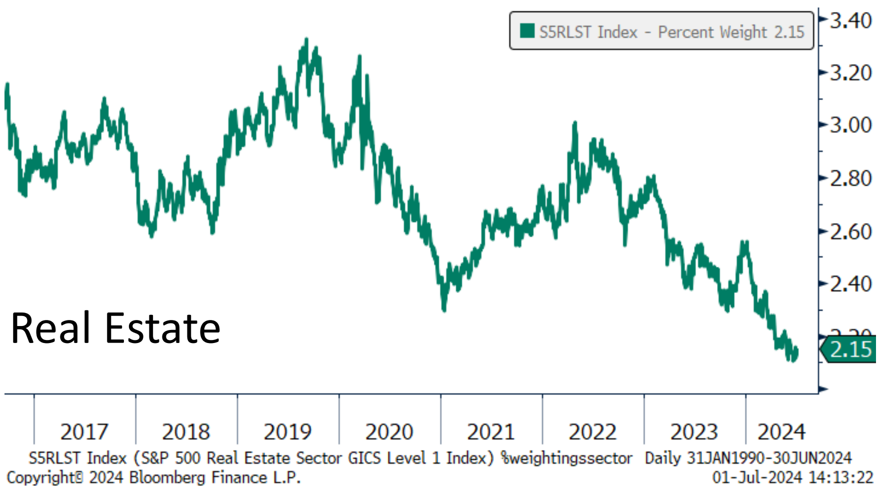
Source: Bloomberg and FactSet

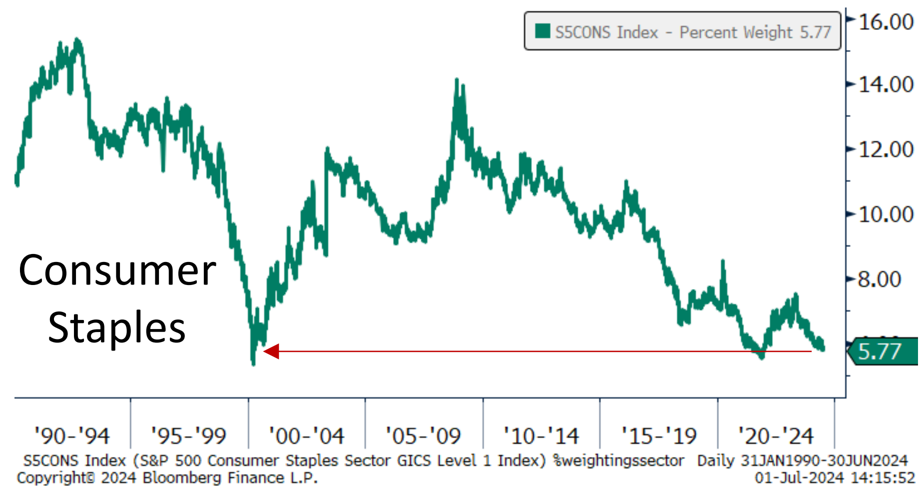
Concentration in Defensive Areas

While investors have been willing to pay up to increase Tech exposure, investors have not been as eager to increase exposure in defensive areas of the market. In fact, Staples, Utilities, and Real Estate are near their lowest weightings in the index while Health Care is at its lowest weighting in over a decade. As long as the economy remains healthy and more cyclical/growth sectors can do well, the low weightings of the defensive sectors in the index should be another positive bias for equities in the intermediate to long-term.







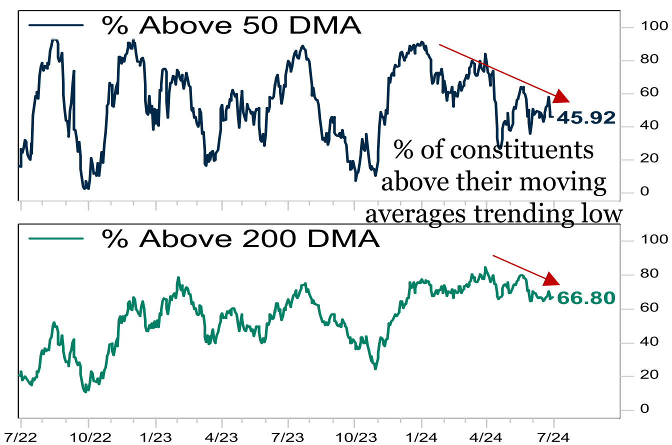


Source: Bloomberg

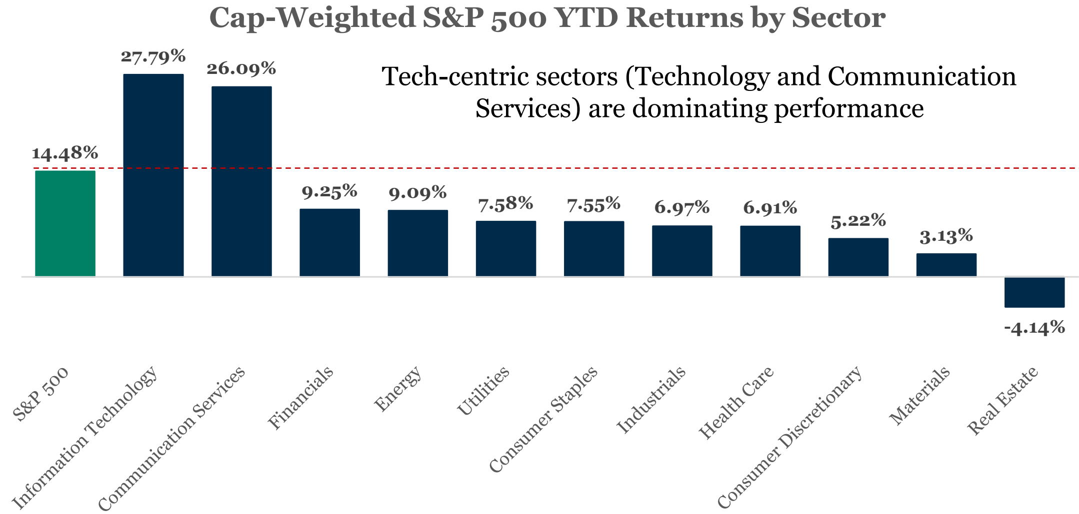
Rotation Under the Surface

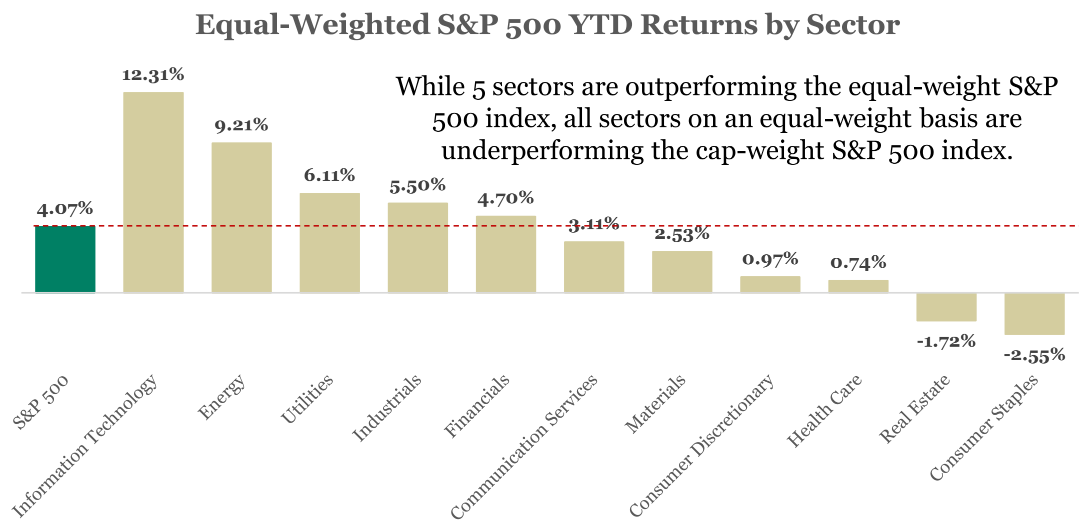
Making things more complicated for equity investors has been the rotation under the surface. While the tech-centric sectors (Tech and Communication Services) have dominated the cap-weighted index (only 2 sectors to outperform the S&P 500 YTD), allowing for a glide path higher. However, price action beneath the surface has not been quite as smooth. In fact, all sectors on an equal-weight basis have underperformed the cap-weight S&P 500 index.

Additionally, the percentage of members trading above their respective 50-DMA and 200-DMA has been trending lower (with higher lows). Currently, only ~46% of constituents are trading above their 50-DMA, while 67% are trading above the 200-DMA.



Source: FactSet

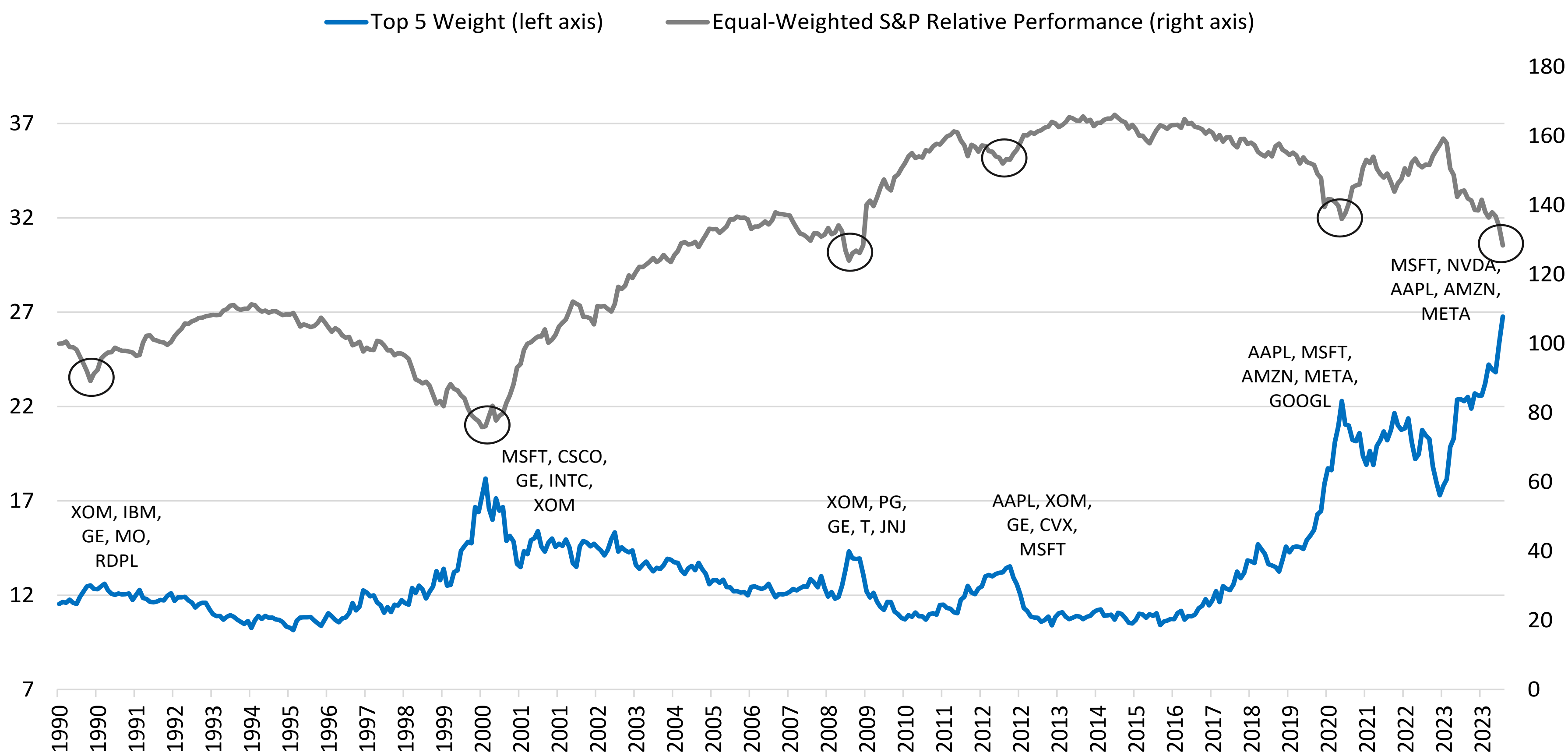




Diversification Is Still Important

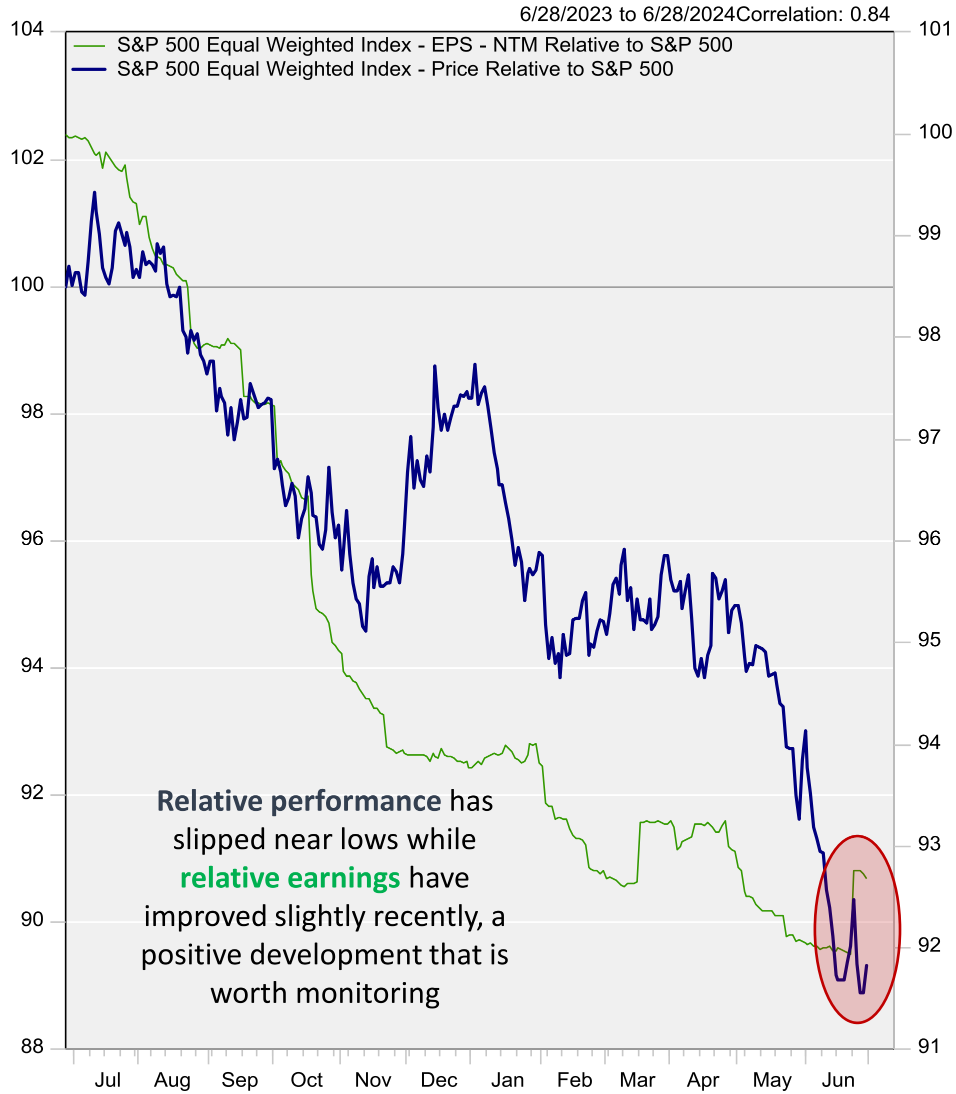
Overall, diversification remains paramount, and any broadening out should favor active management in the coming years. Currently, the narrow outperformance from Tech mega-caps has resulted in a spike in market concentration with the top 5 constituents accounting for ~27% of the S&P 500. Historically, spikes in market concentration have typically presented opportunity for the “average stock” to gain relative performance—thus favoring active management. Additionally, it is important to note that leadership can change over time, so it is important not to get complacent.

S&P 500- Top 5 Constituent Weighting & Relative Performance

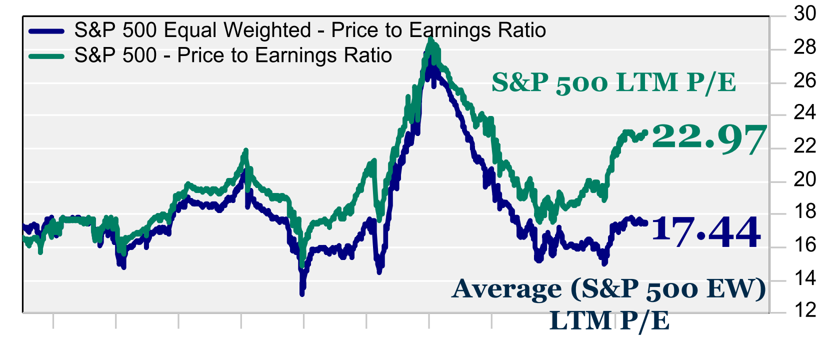


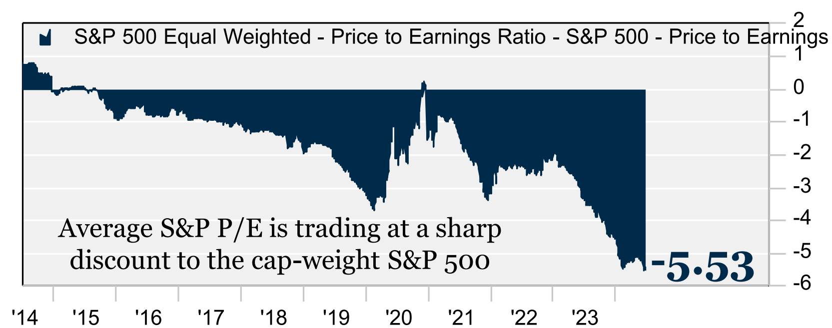
Source: FactSet

Opportunity for Active Management: Broadening in Breadth



As the equal-weight index has slipped near lows, breadth has been challenged. However, we do believe there remains opportunity for the average stock to outperform in the future including: 1) attractive valuation with the average S&P P/E at ~550 bps discount to the cap-weight; 2) relative earnings have ticked up slightly, which is something we will monitor closely as there has been a 0.84 correlation over the last year between relative performance and relative earnings; and 3) concentration is elevated, which has historically presented opportunity for the "average stock" to gain relative performance.

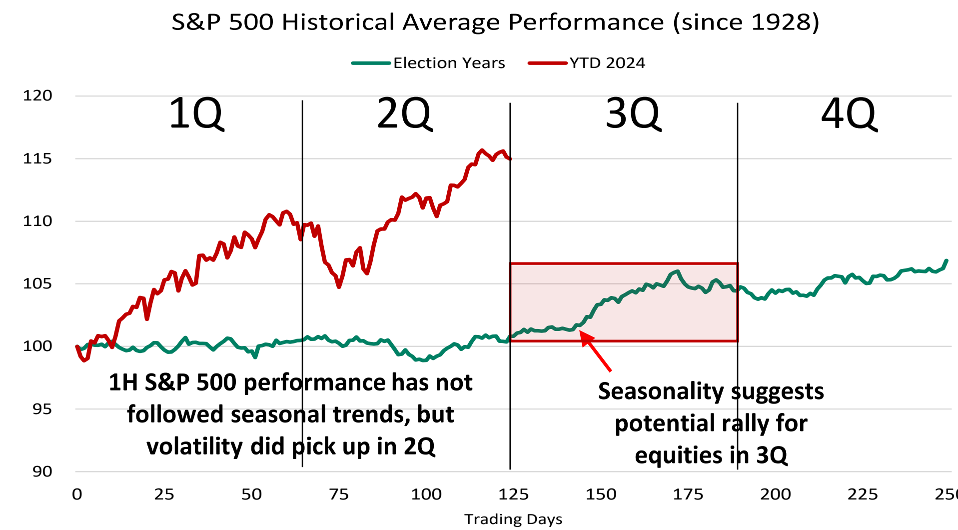


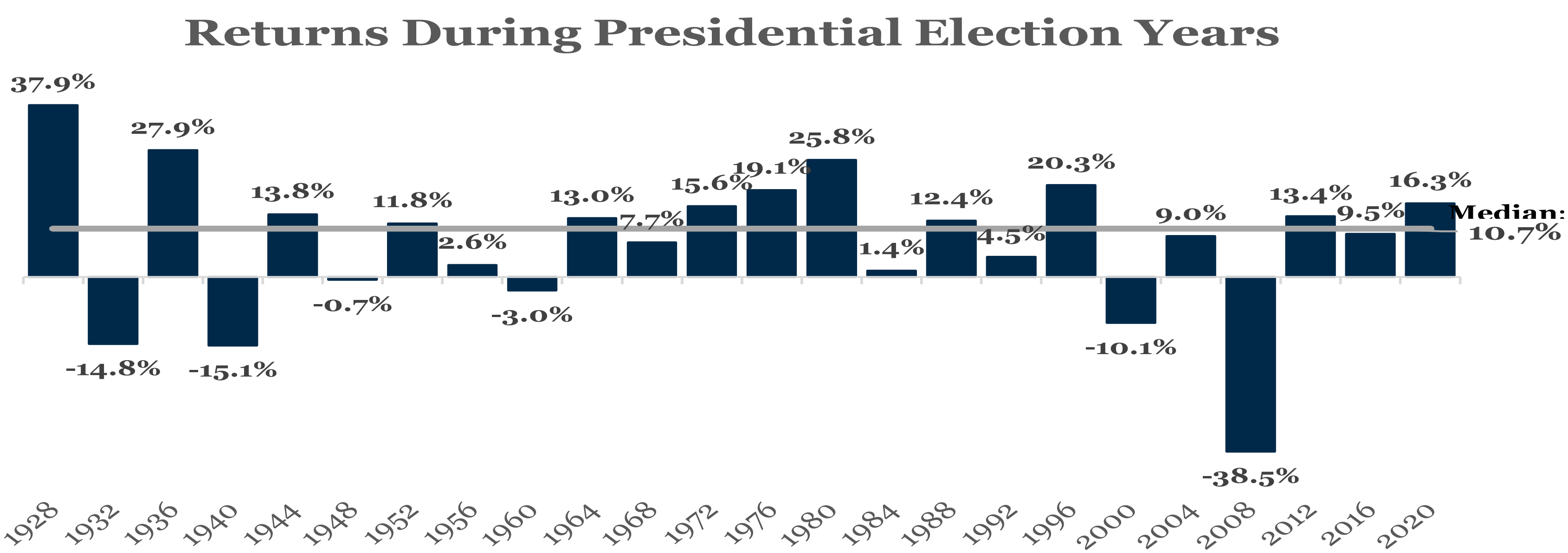


Source: FactSet

Election Year Seasonality

Historically, presidential election years have been favorable for stock market returns with a median return of 10.7%. Since the 1928 election, 75% of election years have seen positive full-year returns.

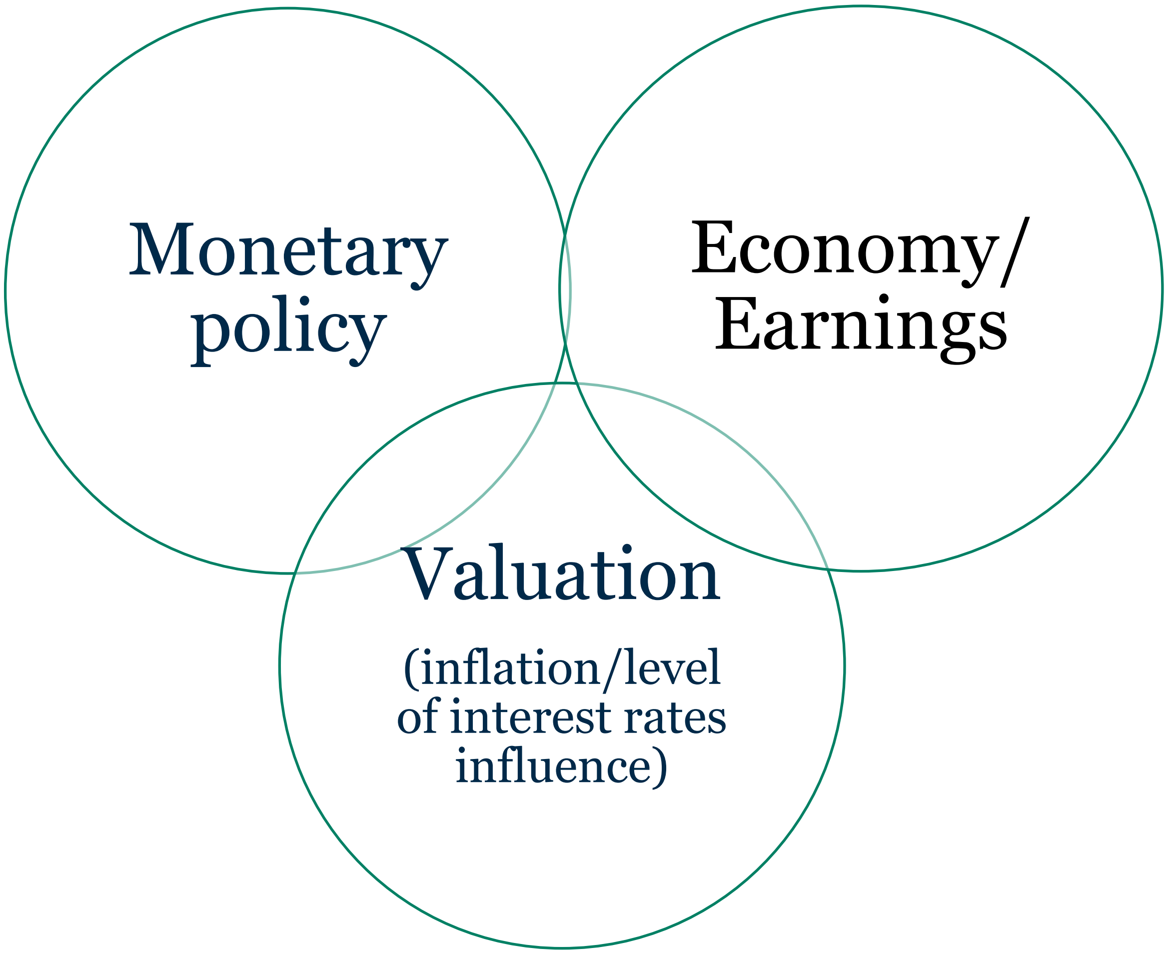




Source: FactSet

Pillars to Long-term Market Returns

Pillars to Long-term Stock Market Returns



Three Pillars to Long-Term Stock Market Returns

1) Monetary (and Fiscal) Stimulus

- *Tight Fed policy currently, but rate hikes cycle seems to be finished with 1-2 rate cuts expected in 2024*

2) Economic/Earnings Growth

- *Economic conditions in the US have been resilient as the lagged effect of rapid Fed tightening has not led to widespread deterioration*

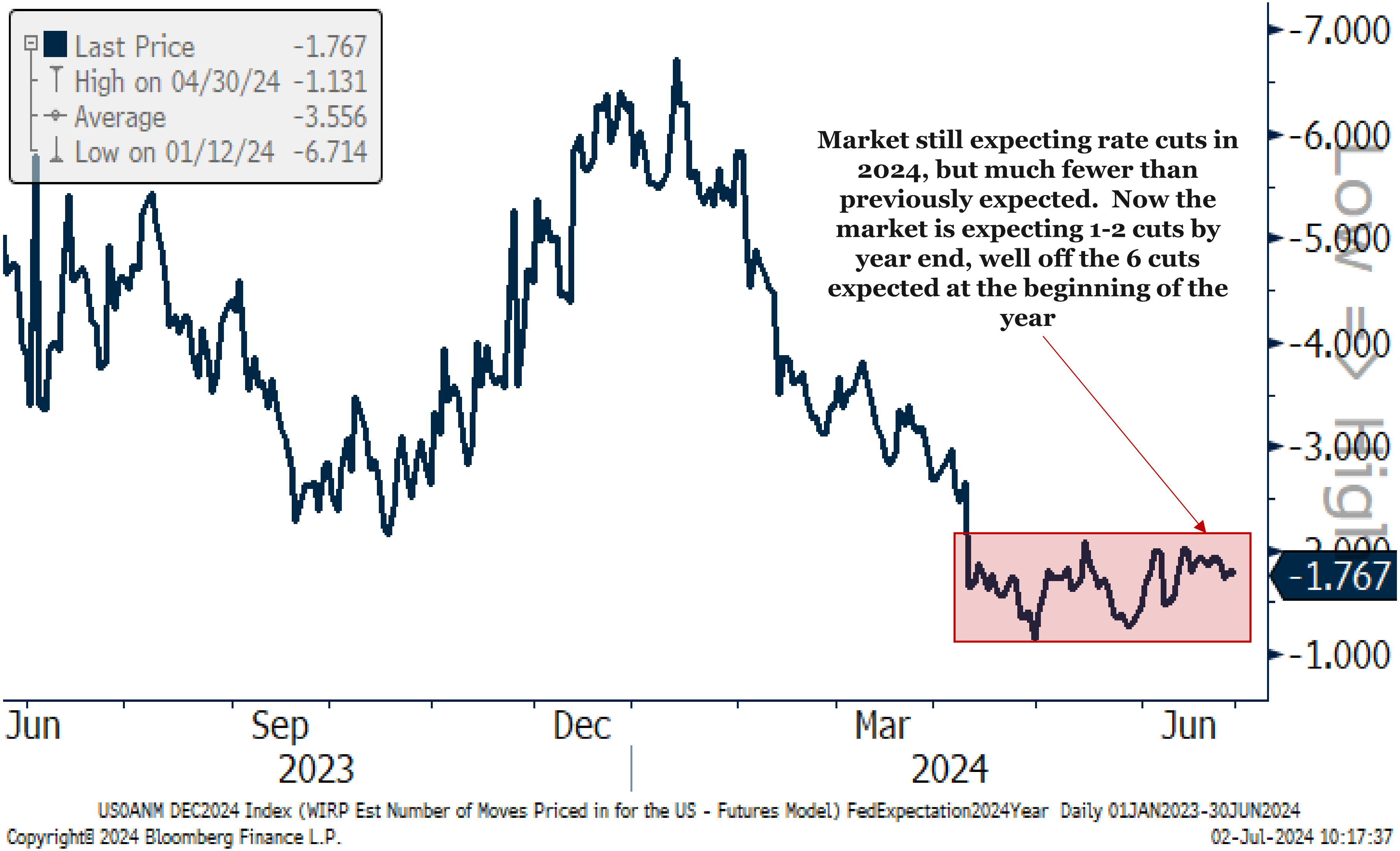
3) Valuation

- *Bifurcated market, the average stock valuation remains inexpensive vs. Tech+ centric stocks*

Plenty of uncertainty and potential headwinds from the "Big-3" market influences but gaining more clarity on the monetary policy and stronger-than-expected economy.

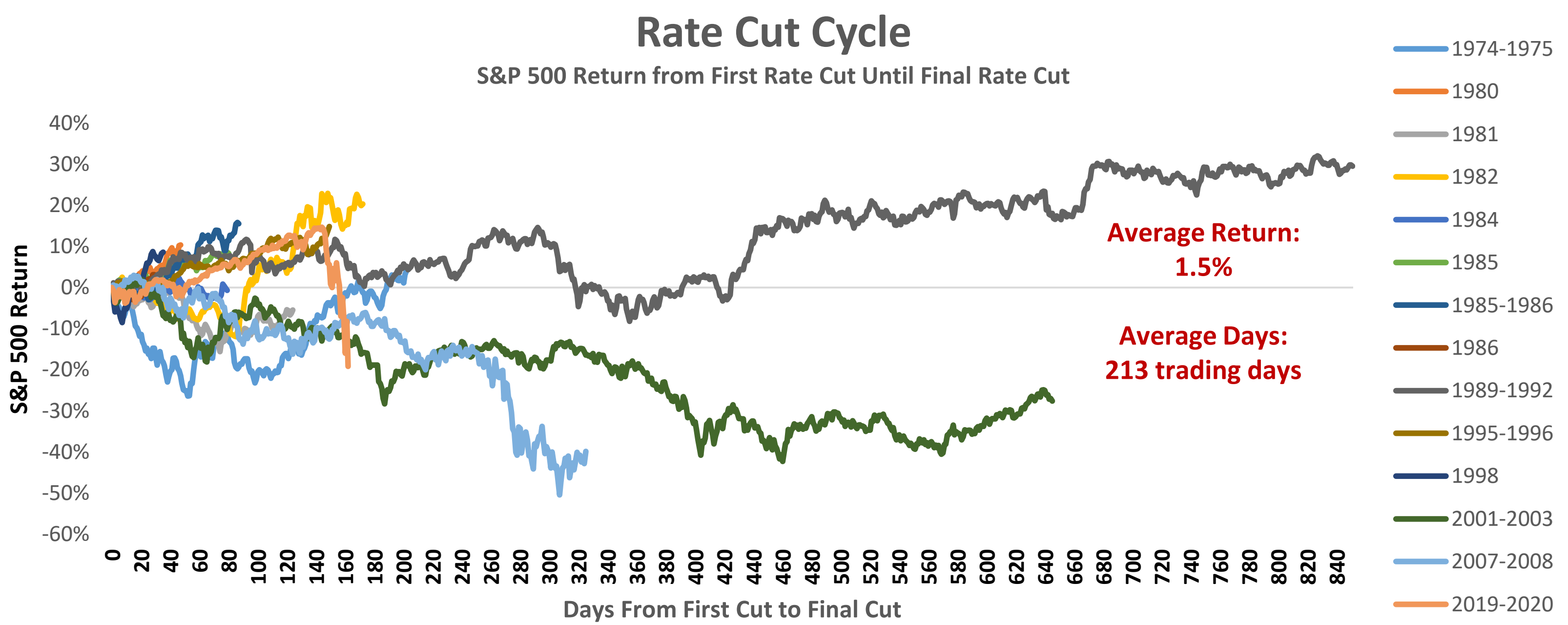
Source: FactSet

Monetary Policy- Rate Cuts Delayed, but Still Expected in 2024



Source: Bloomberg

Monetary Policy- Shifting to Rate Cut Cycle



Noteable Drawdowns After Initial Rate Cut

Initial Rate Cut	S&P 500 Bottom	Drawdown Following Initial Rate Cut	Months to Market Low From Initial Cut
Sep-07	Mar-09	-55%	18
Jan-01	Oct-02	-42%	22
Aug-19	Mar-20	-24%	8
Nov-81	Aug-82	-18%	10
Sep-98	Oct-98	-9%	1
Jun-89	Oct-90	-8%	17
Oct-87	Dec-87	-5%	2
Average		**-23%**	**11**

Historically, the Fed has shifted from a tightening cycle to be more accommodative due to swift deterioration in the macro environment, thus there have been notable drawdowns following the first rate cut.

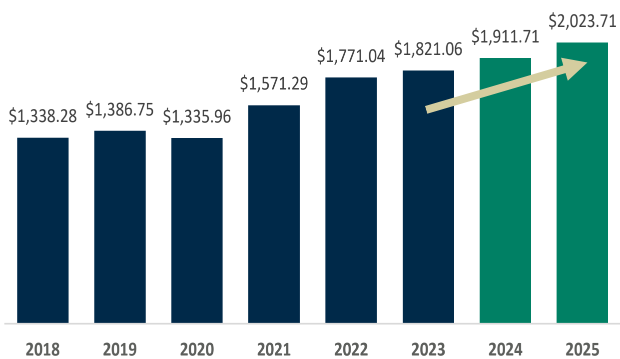
While we can not rule out a sell-off (if macro deteriorates more than expected or market takes a breather following the recent run), this time could be different if inflation continues to moderate. Additionally, markets tend to like looser monetary policy.

Source: FactSet

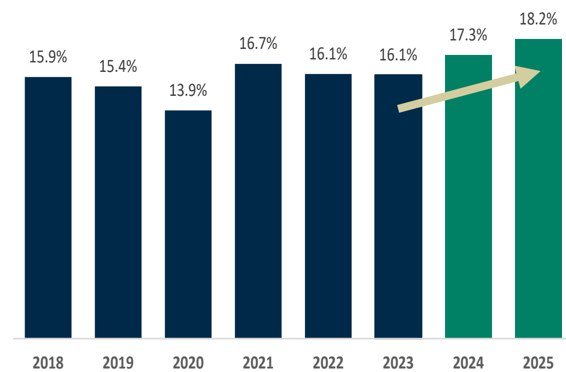
Economy/Earnings: EPS Growth to Drive Returns

Sales Growth + Margin Expansion = EPS Growth

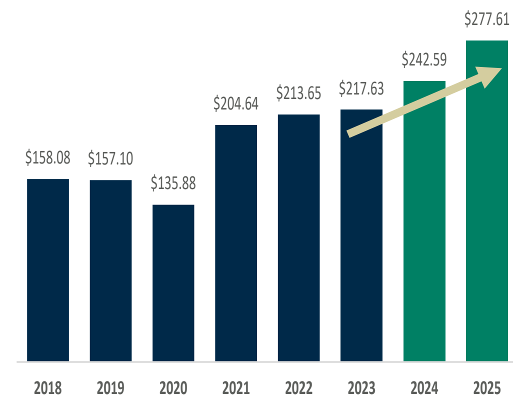
S&P 500 Sales Per Share

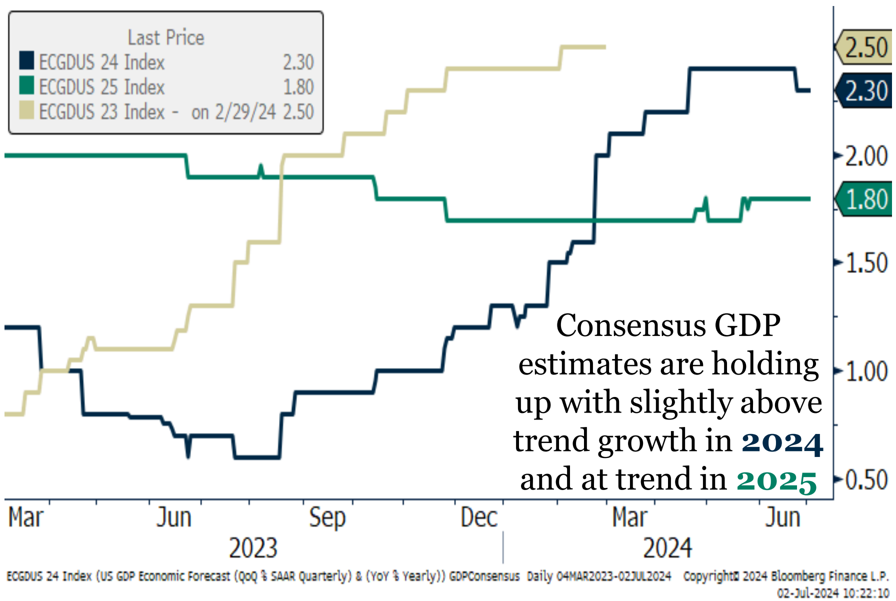


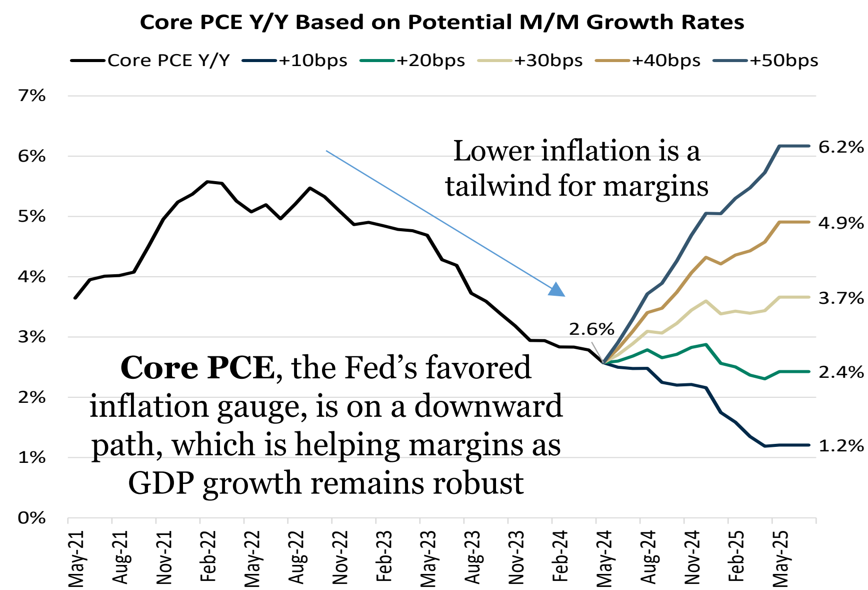
S&P 500 EBIT Margins



S&P 500 EPS

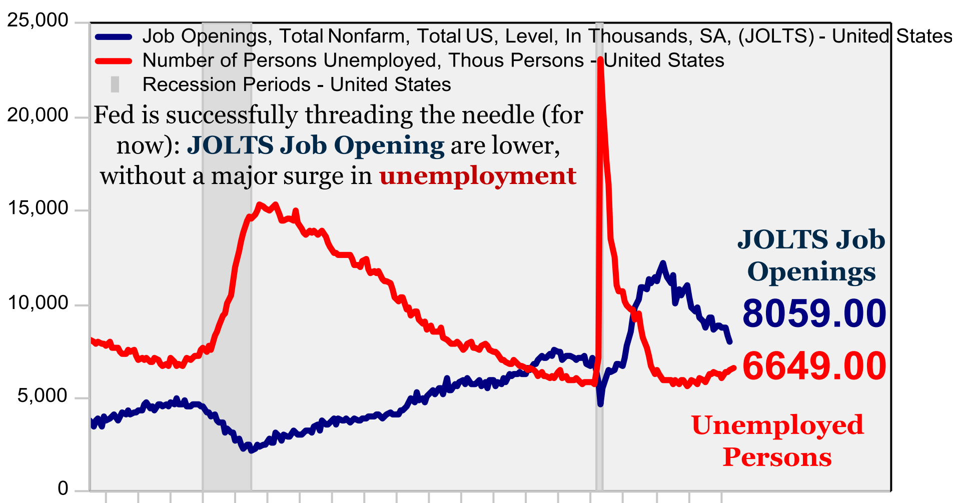


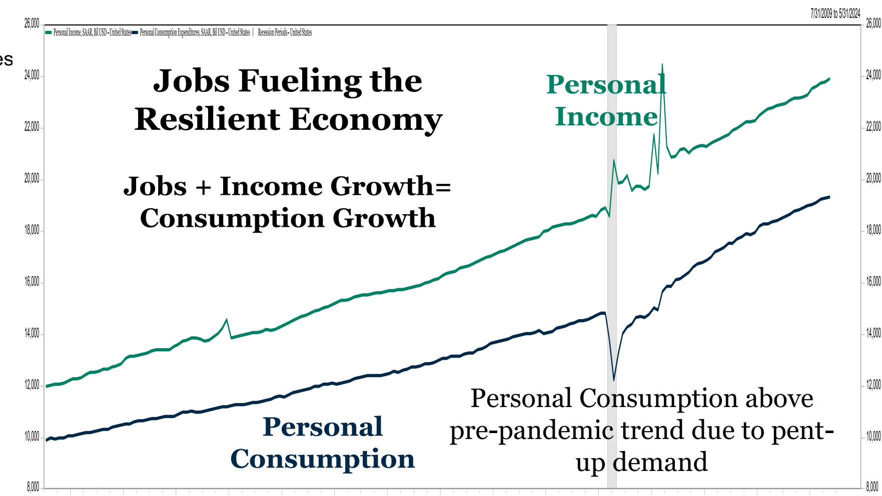


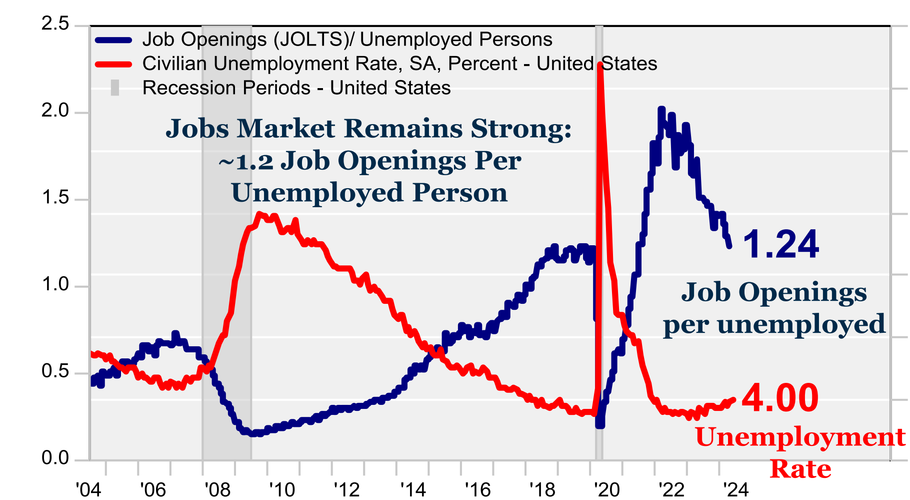


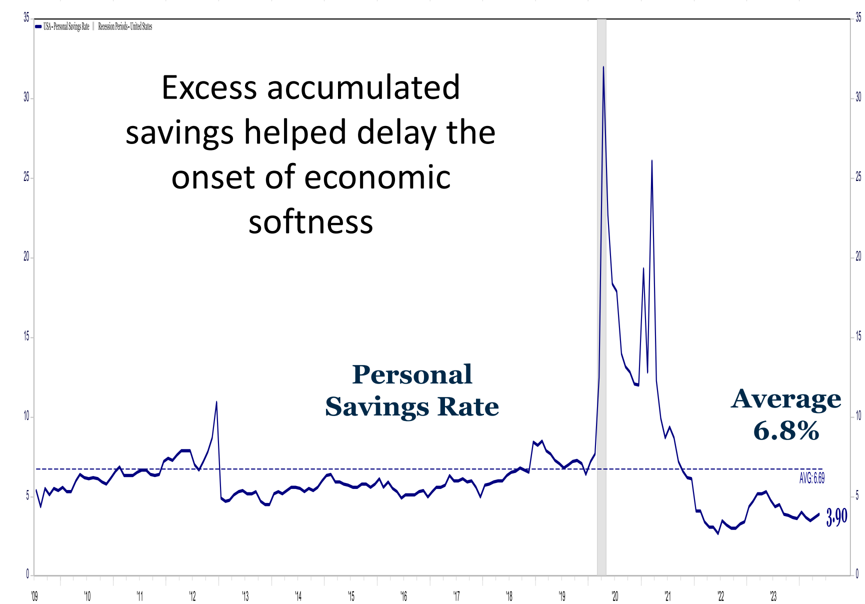
Source: Bloomberg and FactSet

Economy/Earnings: Jobs Continue to Fuel the Resilient Economy



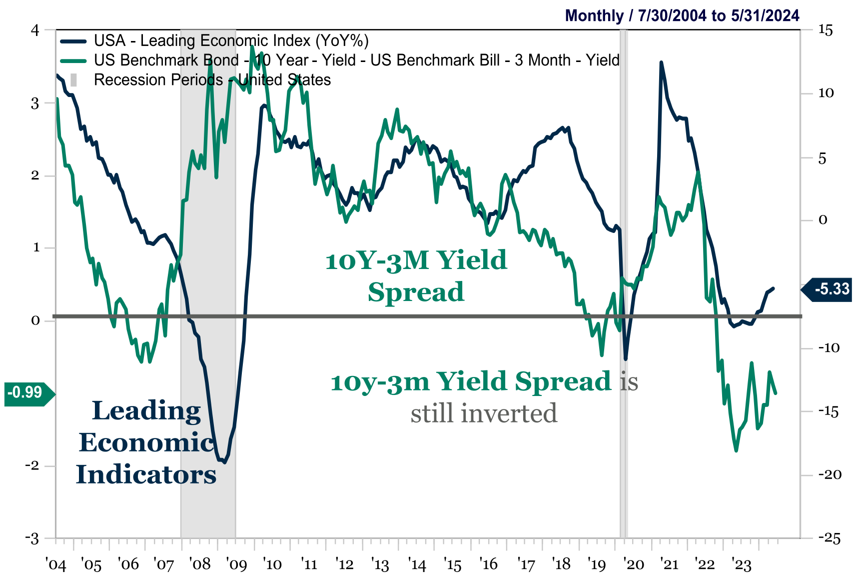


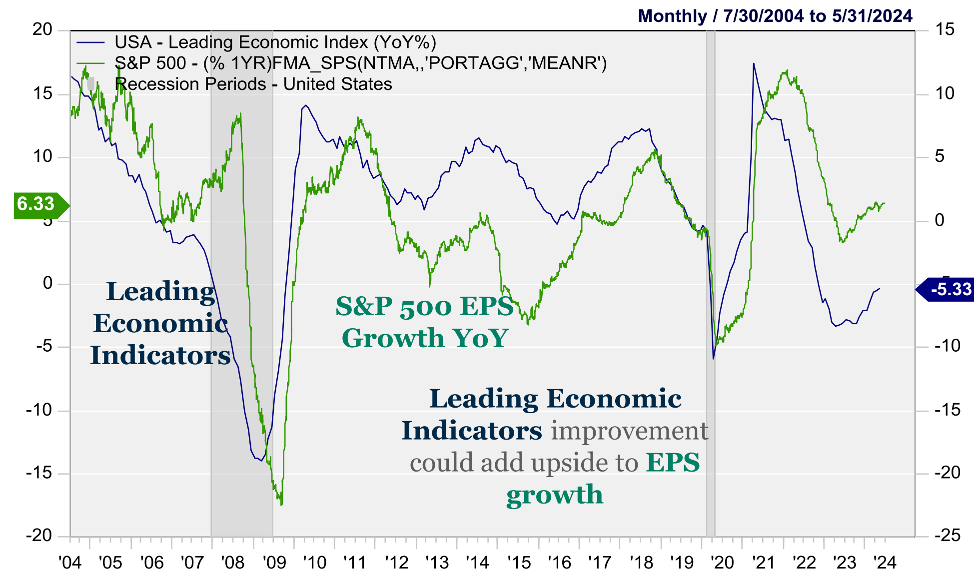


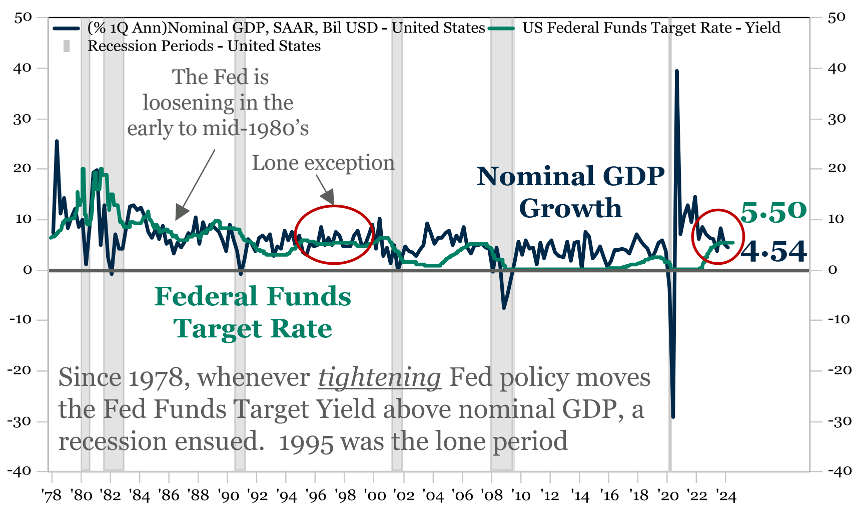


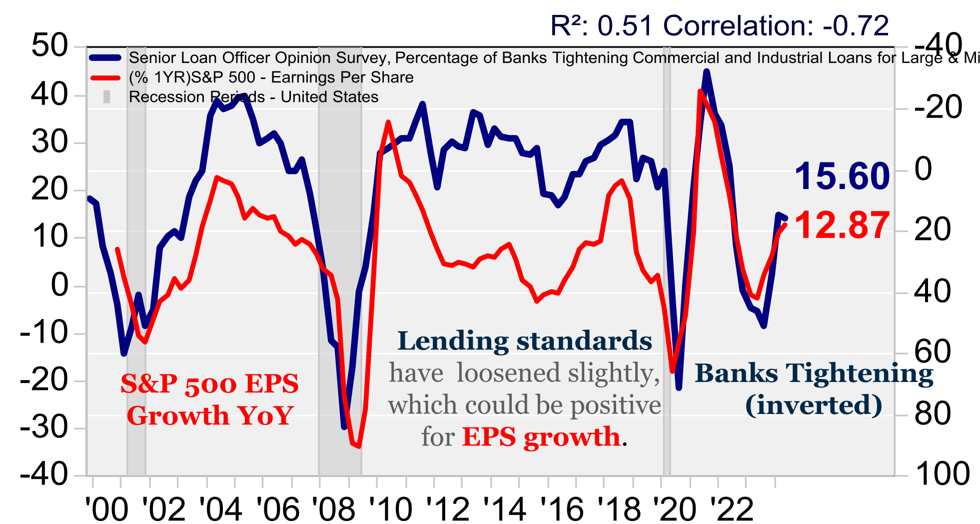
Source: FactSet

Economy/Earnings: Traditional Recessionary Signals Improving







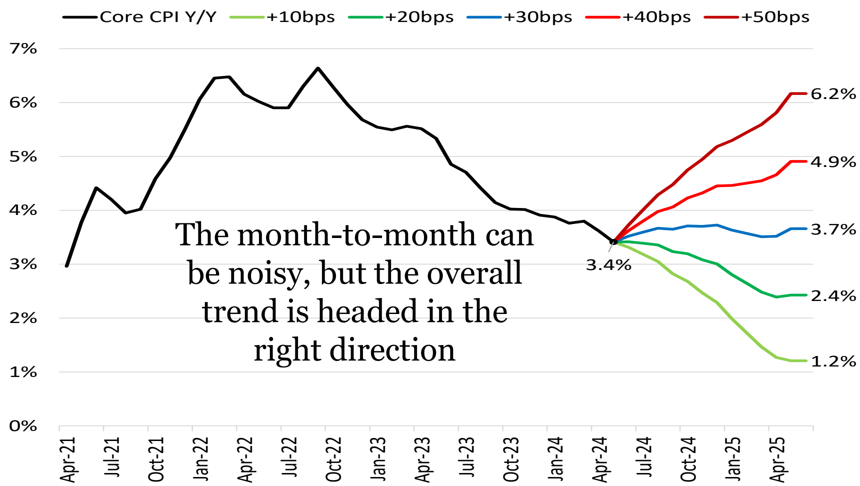


Source: FactSet

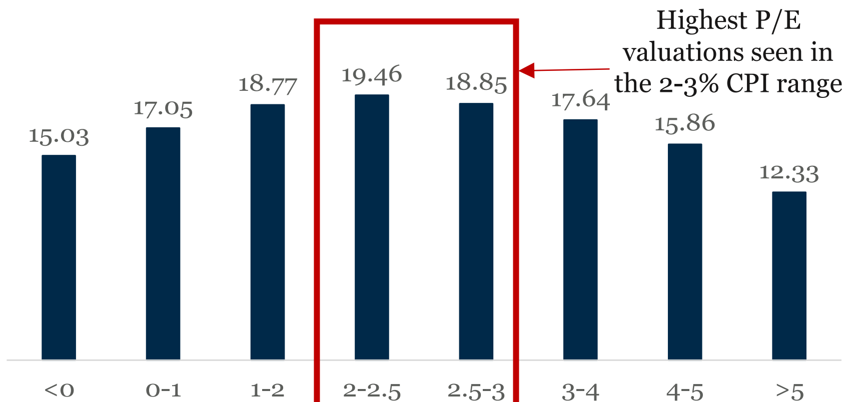
Valuation: Inflation Continues to Moderate

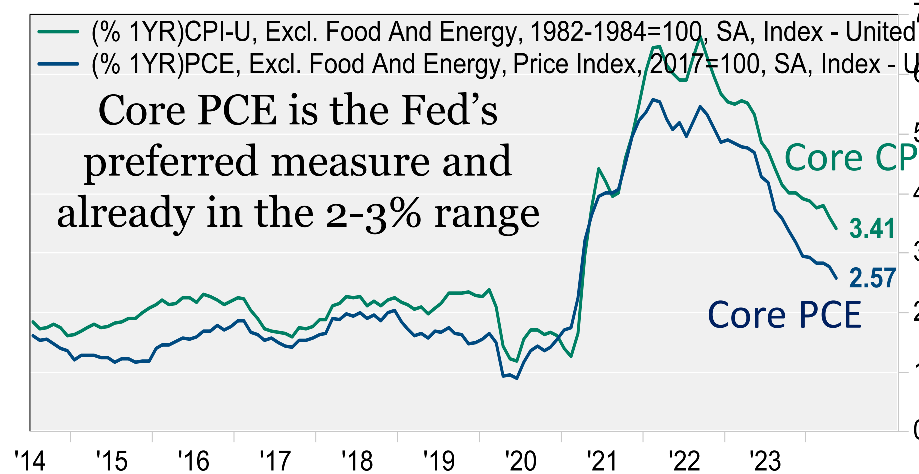
Inflation remains elevated, but the expectation is for inflation to continue to moderate below 3%, with highest P/E valuations seen in the 2-3% CPI range

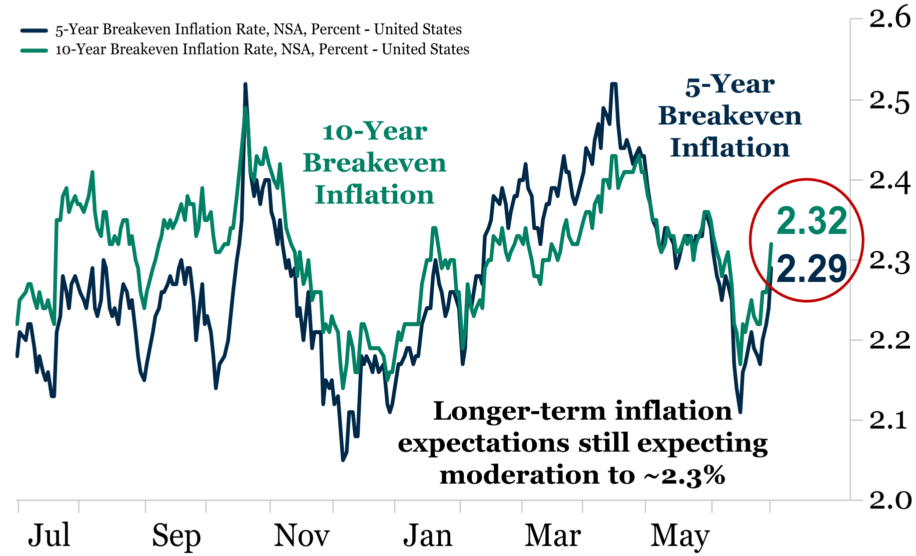
Core CPI Y/Y Based on Potential M/M Growth Rates



Average P/E based on Inflation Range (since 1954)

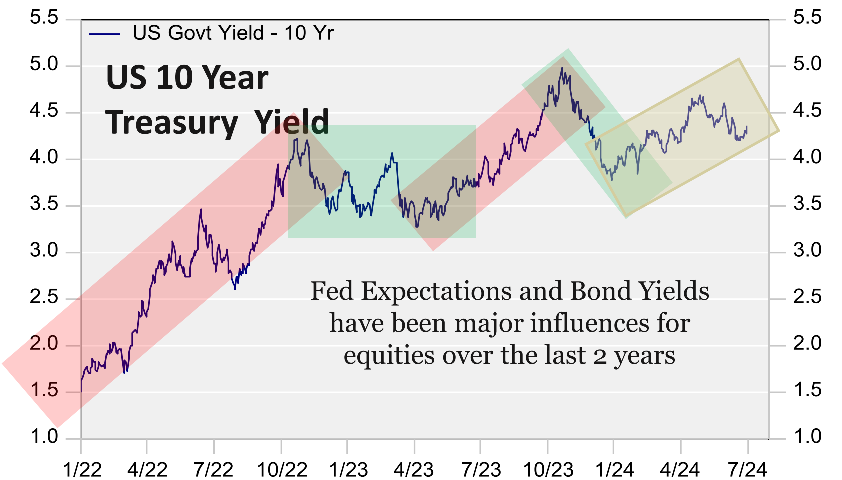


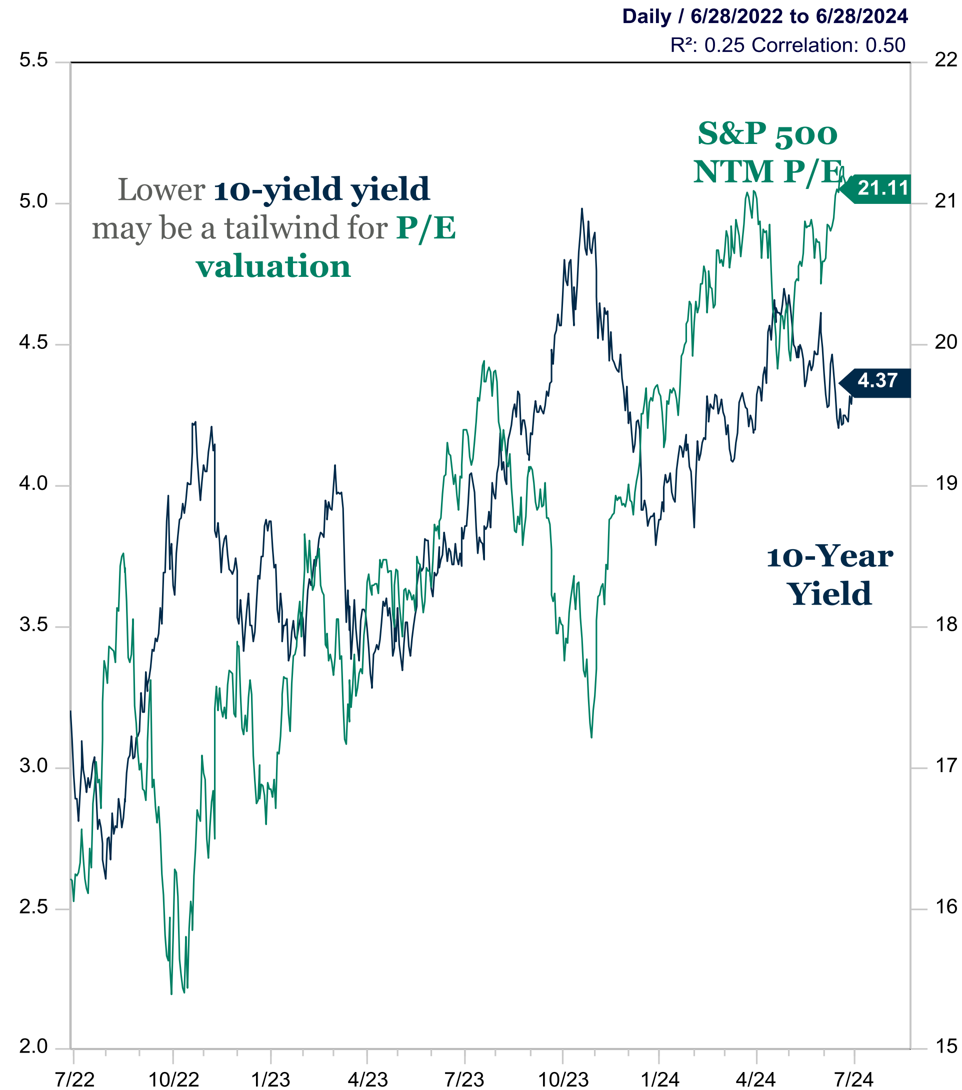




Source: FactSet

Valuation: Interest Rates





Source: FactSet

2024/2025 EPS Outlook

2024 Earnings Outlook

Seems like the most realistic scenario currently

	Mild Recession/Below Trend Economic Growth	Above Trend Economic Growth (+2-3% GDP Growth)	Super Charged Economic Growth (+4-5% GDP Growth)
2024 Year-End EPS	**$220-$230** 21-22X P/E	**$245-$255** 21-22X P/E	**$265-$275** 22-23X P/E
	Economic growth turns sluggish, but inflation continues to moderate, and the Fed becomes less restrictive. While a recession is still possible, it would likely be mild and short-lived, allowing full year economic growth to be positive YoY.	Goldilocks scenario in which the Fed successfully achieves a "no landing". The lagged impact from the Fed's tightening cycle is not enough to dampen the resiliency of the U.S. economy, which is able to grow above trend. Current 2024 consensus EPS expectations are for ~$243.	Unlikely at this point, but economic growth is super charged by productivity gains from AI, resulting in much better-than-expected GDP growth. Inflation remains contained given the productivity gains, and the Fed is not forced to be more hawkish. Given the unexpectedly higher growth, multiples remain elevated.
2024 Year-End Price Objective	**4620-5060**	**5145-5610**	**5830-6325**

Source: FactSet

2024 Outlook

Given a resilient economy, AI enthusiasm, moderating inflation, less aggressive monetary policy, and contained credit spreads, we see economic growth now with the potential to grow above trend in 2024, thus driving our expectation for 2024 year-end EPS of $245-$255. Given our belief that a 21-22x P/E multiple is warranted, we see upside for equities to 5145-5610.

2024 S&P 500 EPS Estimates	LTM P/E									
	16x	17x	18x	19x	20x	21x	22x	23x	24x	25x
215	3440	3655	3870	4085	4300	4515	4730	4945	5160	5375
220	3520	3740	3960	4180	4400	4620	4840	5060	5280	5500
225	3600	3825	4050	4275	4500	4725	4950	5175	5400	5625
230	3680	3910	4140	4370	4600	4830	5060	5290	5520	5750
235	3760	3995	4230	4465	4700	4935	5170	5405	5640	5875
240	3840	4080	4320	4560	4800	5040	5280	5520	5760	6000
245	3920	4165	4410	4655	4900	5145	5390	5635	5880	6125
250	4000	4250	4500	4750	5000	5250	5500	5750	6000	6250
255	4080	4335	4590	4845	5100	5355	5610	5865	6120	6375
260	4160	4420	4680	4940	5200	5460	5720	5980	6240	6500
265	4240	4505	4770	5035	5300	5565	5830	6095	6360	6625
270	4320	4590	4860	5130	5400	5670	5940	6210	6480	6750
275	4400	4675	4950	5225	5500	5775	6050	6325	6600	6875
280	4480	4760	5040	5320	5600	5880	6160	6440	6720	7000

Seems like the most realistic scenario currently

Source: FactSet

2025 Earnings Outlook

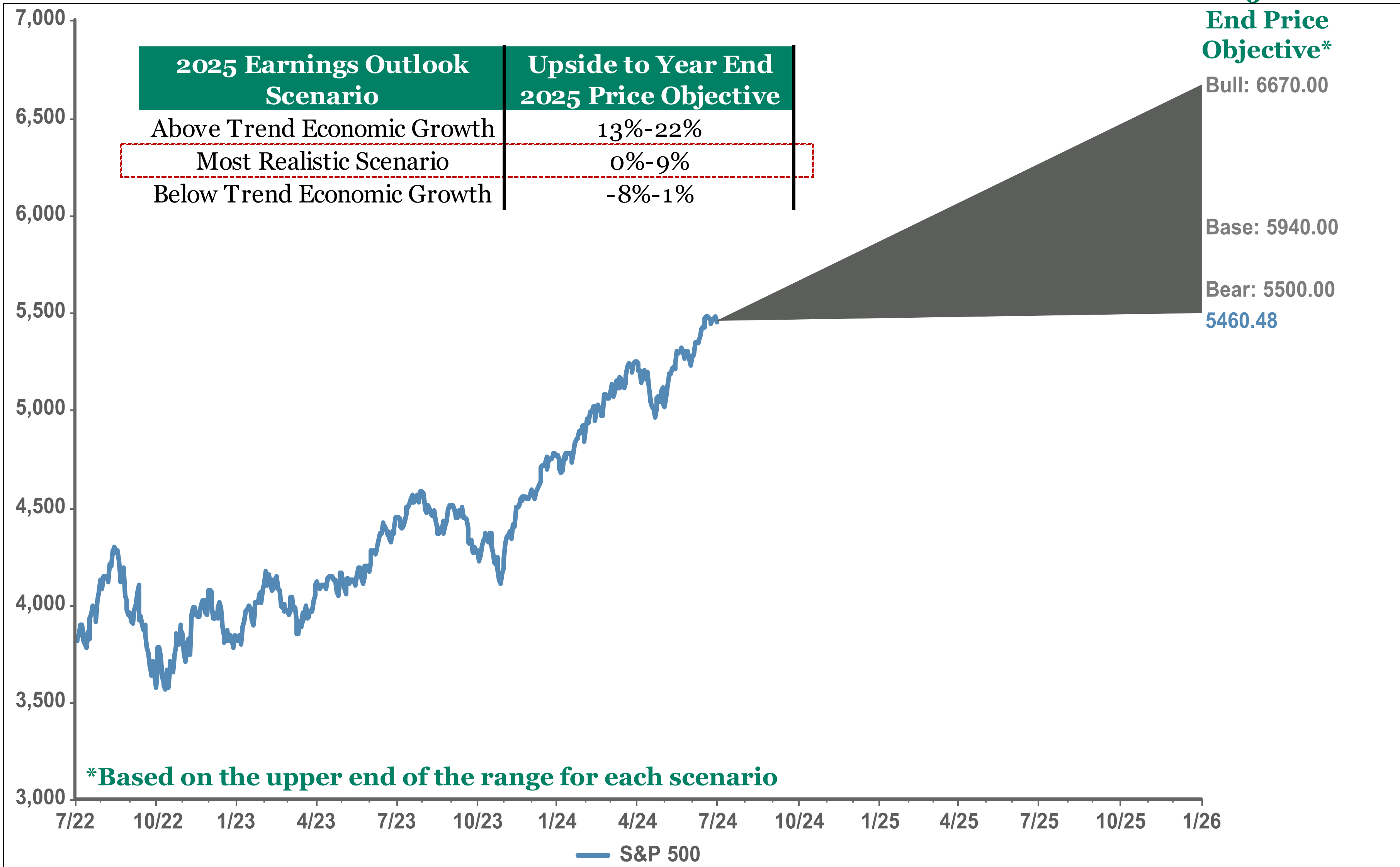
Seems like the most realistic scenario currently

	Below Trend Economic Growth	At Trend Economic Growth (+2% GDP Growth)	Above Trend Economic Growth (+3-4% GDP Growth)
2025 Year-End EPS	$240-$250 21-22X P/E	$260-$270 21-22X P/E	$280-$290 22-23X P/E
	Economic growth is below trend as the lagged impact of higher rates impacts the economy. Fed becomes less restrictive, which helps to stabilize the economic challenges, allowing full year economic growth to be positive YoY, but below trend.	The U.S. economy will continue to grow at trend allowing the Fed to continue its trend to become more accommodative as inflation trends stabilize near the Fed's long-term target. Current 2025 consensus EPS expectations are for ~$278.	Economic growth remains robust and above trend. Inflation does not reaccelerate, but the Fed maintains its higher for longer stance. However, the higher growth offsets the higher rates as EPS growth is strong. Multiples remain elevated to compensate for growth.
2025 Year-End Price Objective	5040-5500	5460-5940	6160-6670

Source: FactSet

2025 Earnings Outlook

2025 Earnings Outlook Scenario	Upside to Year End 2025 Price Objective
Above Trend Economic Growth	13%-22%
Most Realistic Scenario	0%-9%
Below Trend Economic Growth	-8%-1%



Source: FactSet

Supplemental Slides

Supplemental Pages

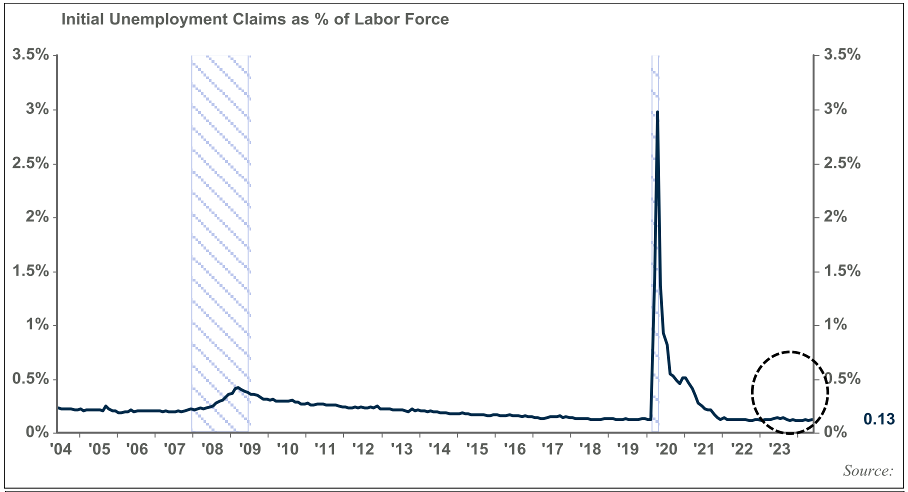
Stat Pack Estimates (June 28, 2024: S&P 500 5460.48)

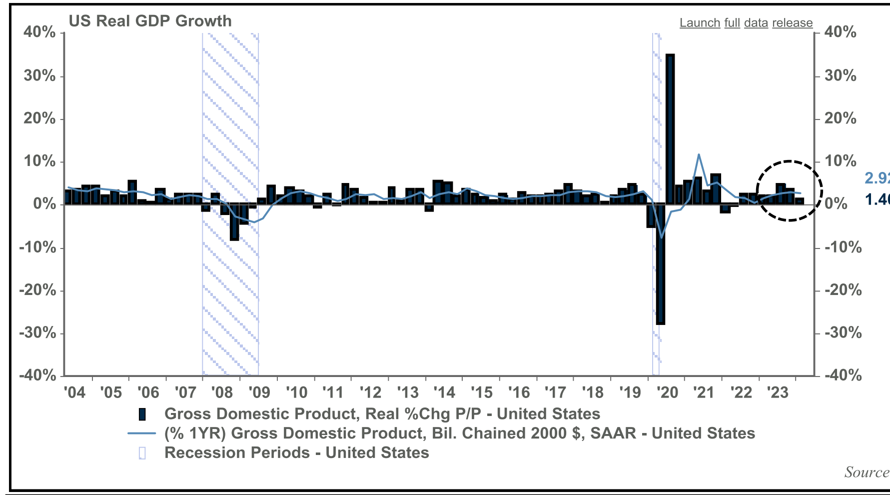
Stat Pack of Forecasts		
	2024 Estimates	2025 Estimates
Consensus EPS S&P 500[1]	$242.59 (Bottom up- Analysts)	$277.61 (Bottom up- Analysts)
EPS Growth S&P 500	11.5% bottom up	14.4% bottom up
Margins (EPS/Sales-using bottom up est.)	12.7% (consensus[1])	13.7% (consensus[1])
EPS if Margins stay flat (high probability from elevated levels)		$256.80 (based on consensus revenues)
GDP	Fed 2.1%; Consensus 2.3%	Fed 2.0%; Consensus 1.8%
CPI	Headline 3.1%[1]	Headline 2.4%[1]
PCE (Personal Consumption Expenditures)	2.8% (ex-F&E)[1]	2.3% (ex-F&E)[1]
Dividend/Dividend Growth S&P 500	$74.74[1] +8.7% Payout ratio: 30.8% (of bottom up est.)	$78.19[1] +4.6% Payout ratio: 28.2% (of bottom up est.)
Revenue Growth Per Share S&P 500 (only bottom up available)	+5.0% ($1,911.71/share[1])	+5.9% ($2,023.71/share[1])
P/E	~22.5x[2]	~19.7x [2]
Earnings Yield S&P 500	4.4% (using bottom up est.)	5.1% (using bottom up est.)
Fed Funds (average)	5.05%[1]	3.75%[1]
10 Year Treasury Yield	4.13%[1]	3.85%[1]

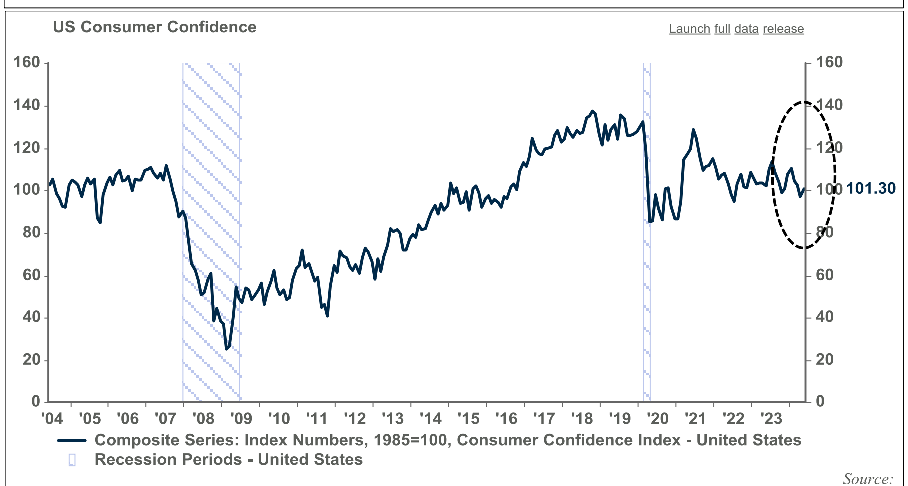
[1] FactSet and Bloomberg;
[2] Current PE based on consensus 2024 and 2025 bottom up estimates

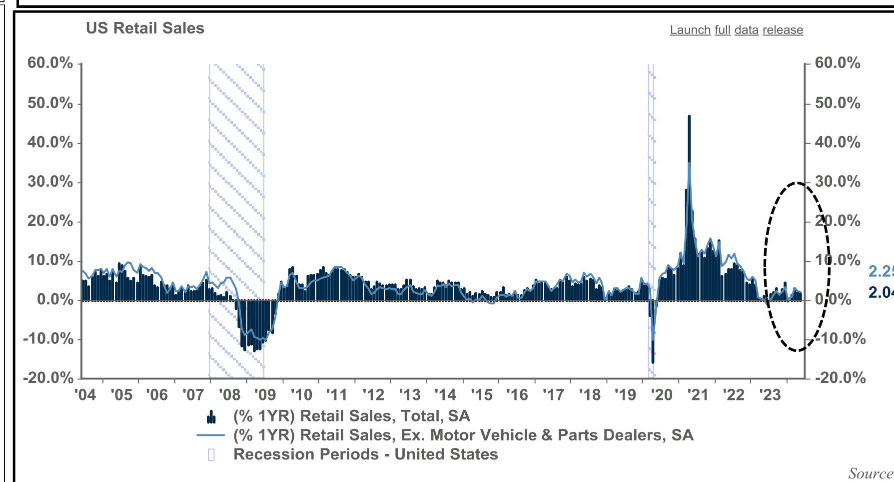
Source: Bloomberg and FactSet

U.S. Economic Conditions





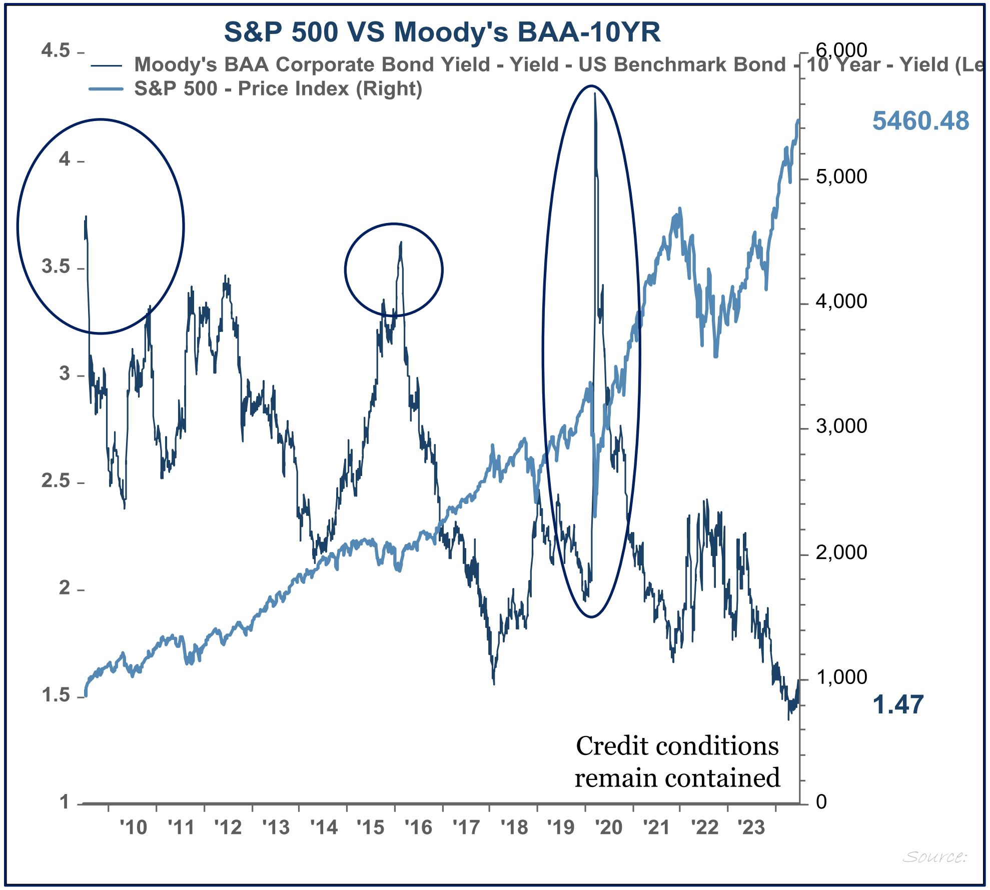


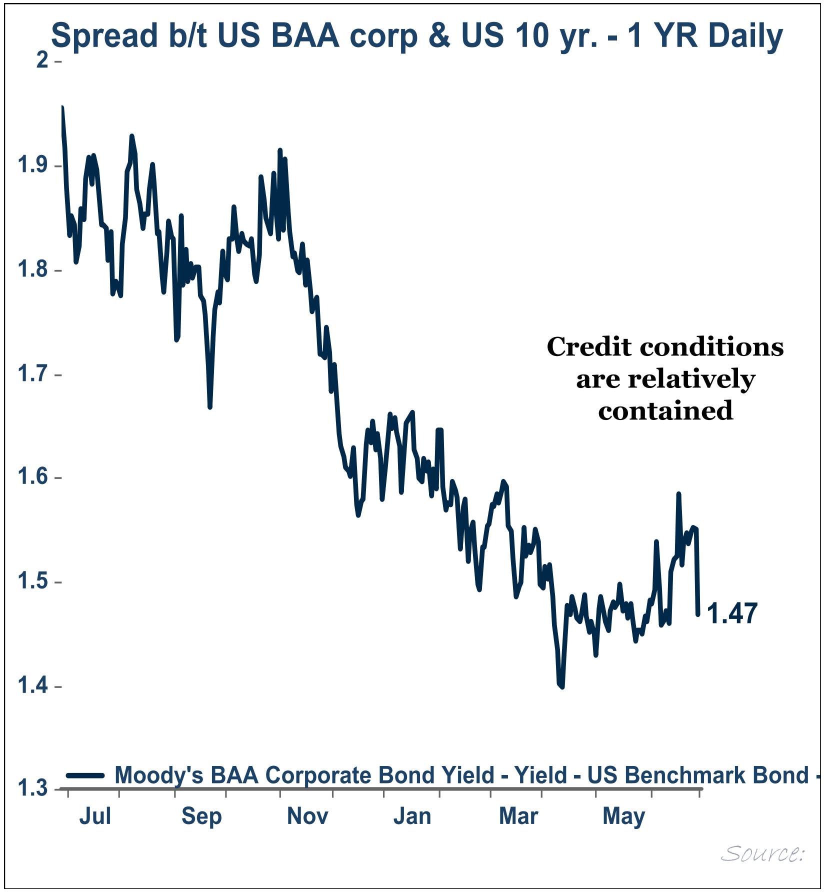


Source: FactSet

Credit Conditions

The credit markets are relatively contained despite the lagged impact from higher rates. We will continue to keep a keen eye on the credit markets for signs of further deterioration.

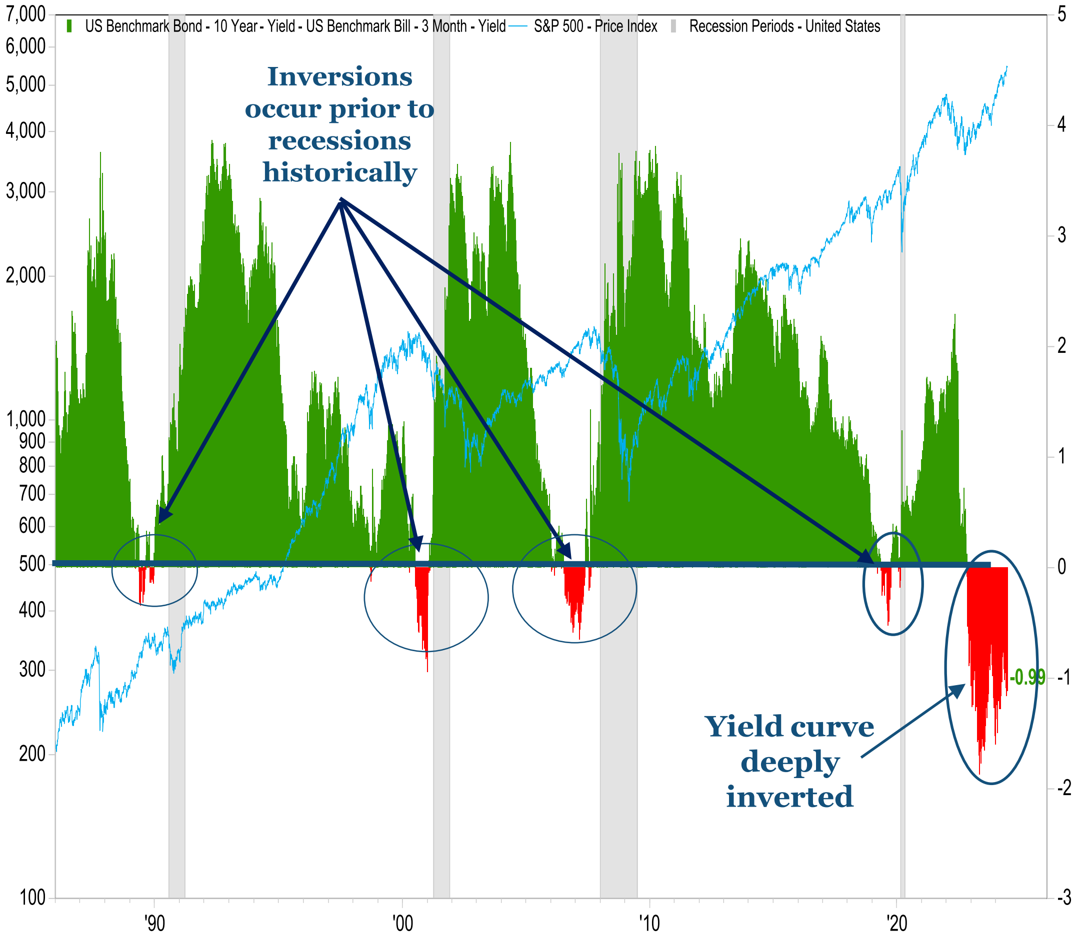




Source: FactSet

2024: Areas to Watch: Inversion of Yield Curve

The spread between the 10-year and 3-month is inverted. A narrowing of the yield curve would likely be negative for the Financial sector.



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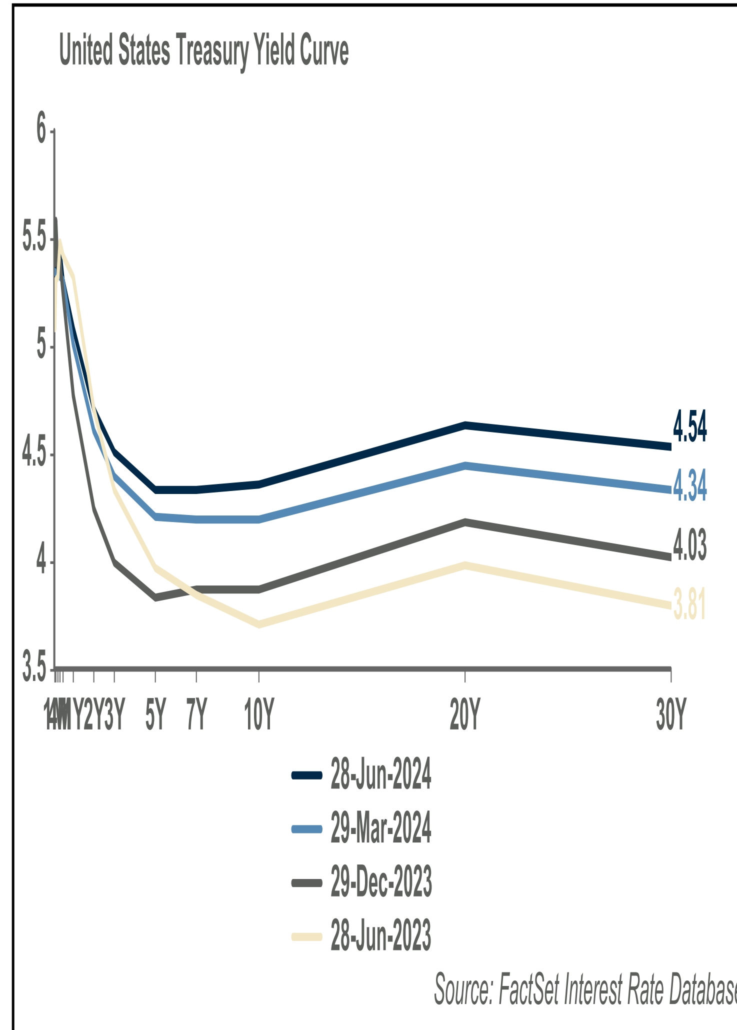
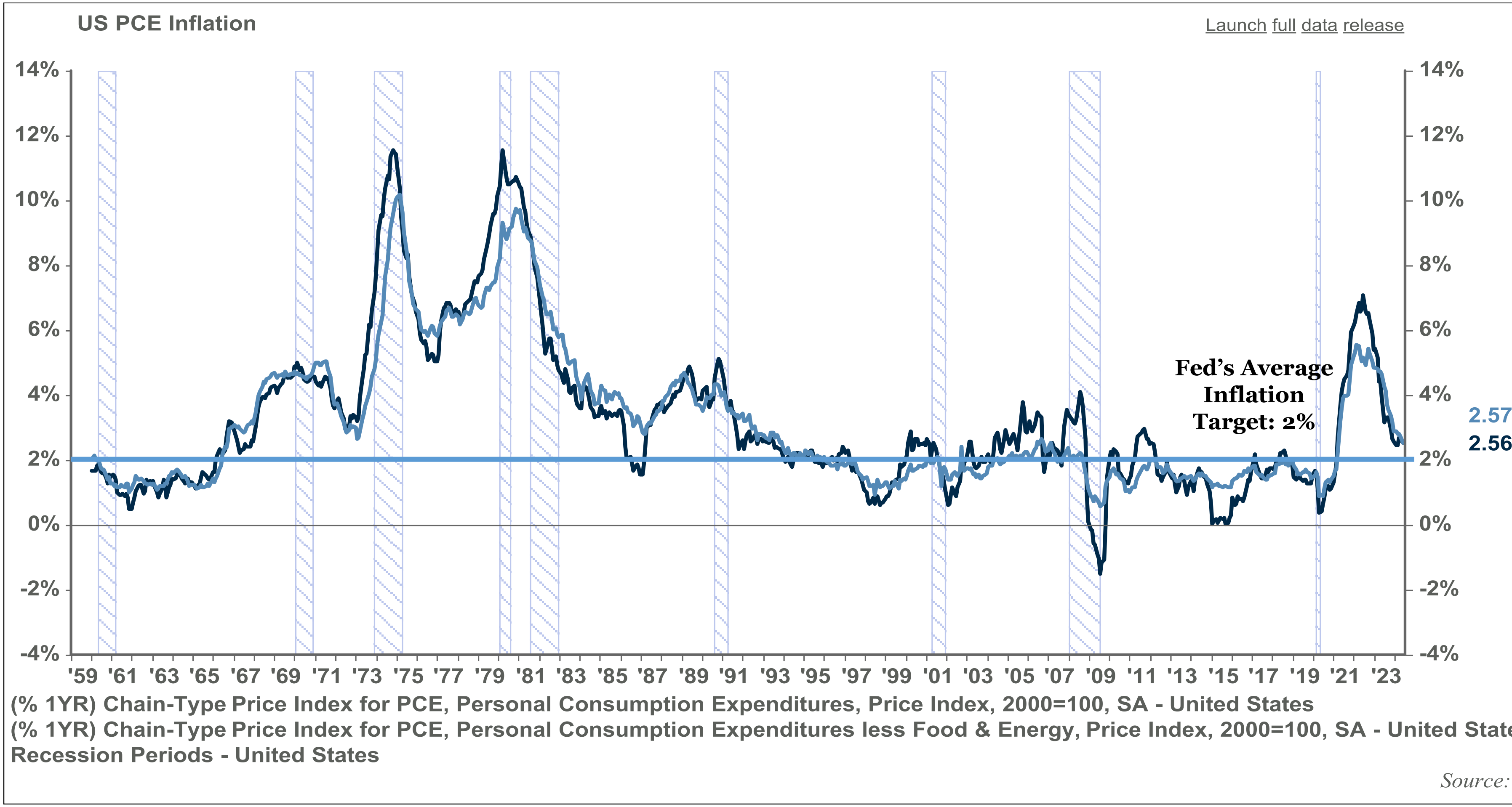


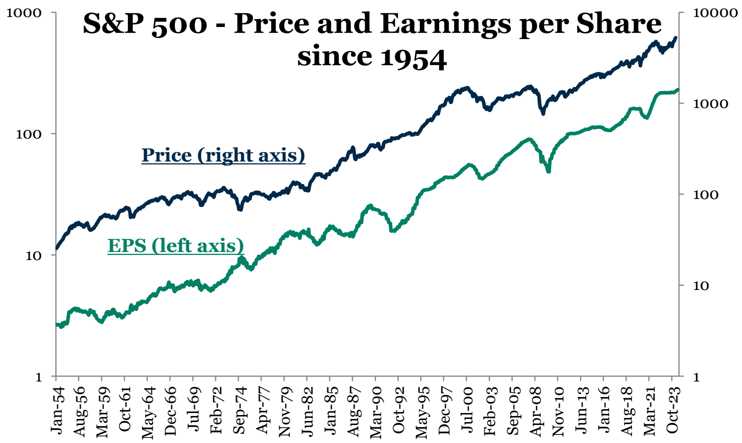
2024: Areas to Watch: Inflation

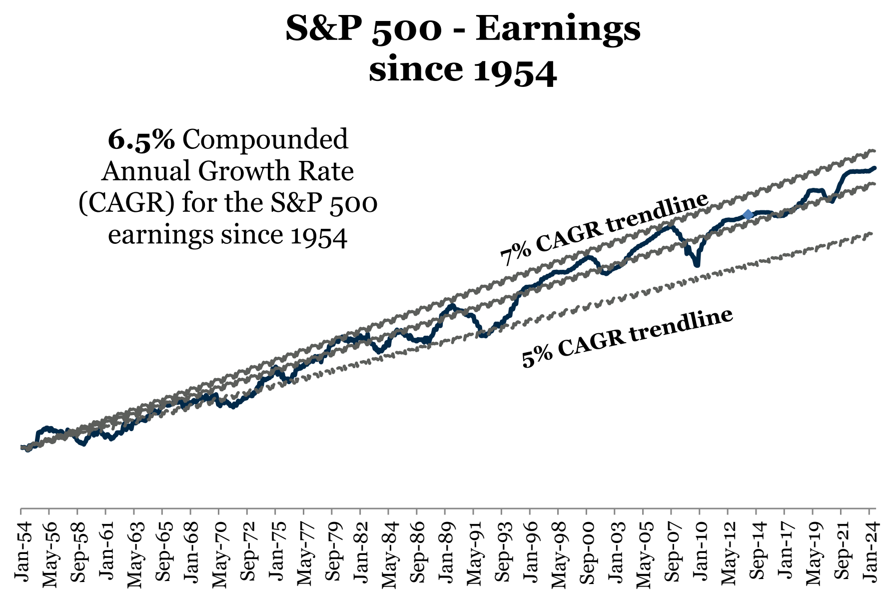
This is an area we continue to watch closely. After some debate if inflation was transitory, inflation has been more sticky resulting in the FOMC's call to action by raising rates to combat the higher prices. Despite inflation being more persistent in the Services sector, we continue to believe there are opportunities for inflation to moderate.



Source: FactSet

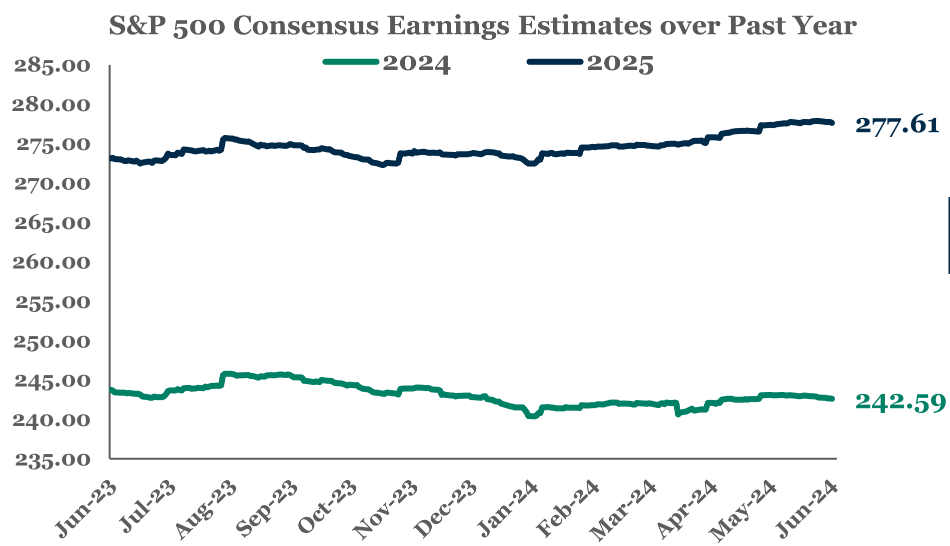
S&P 500 Earnings – Long-Term Mother's Milk of the Market





S&P 500 since 1954:

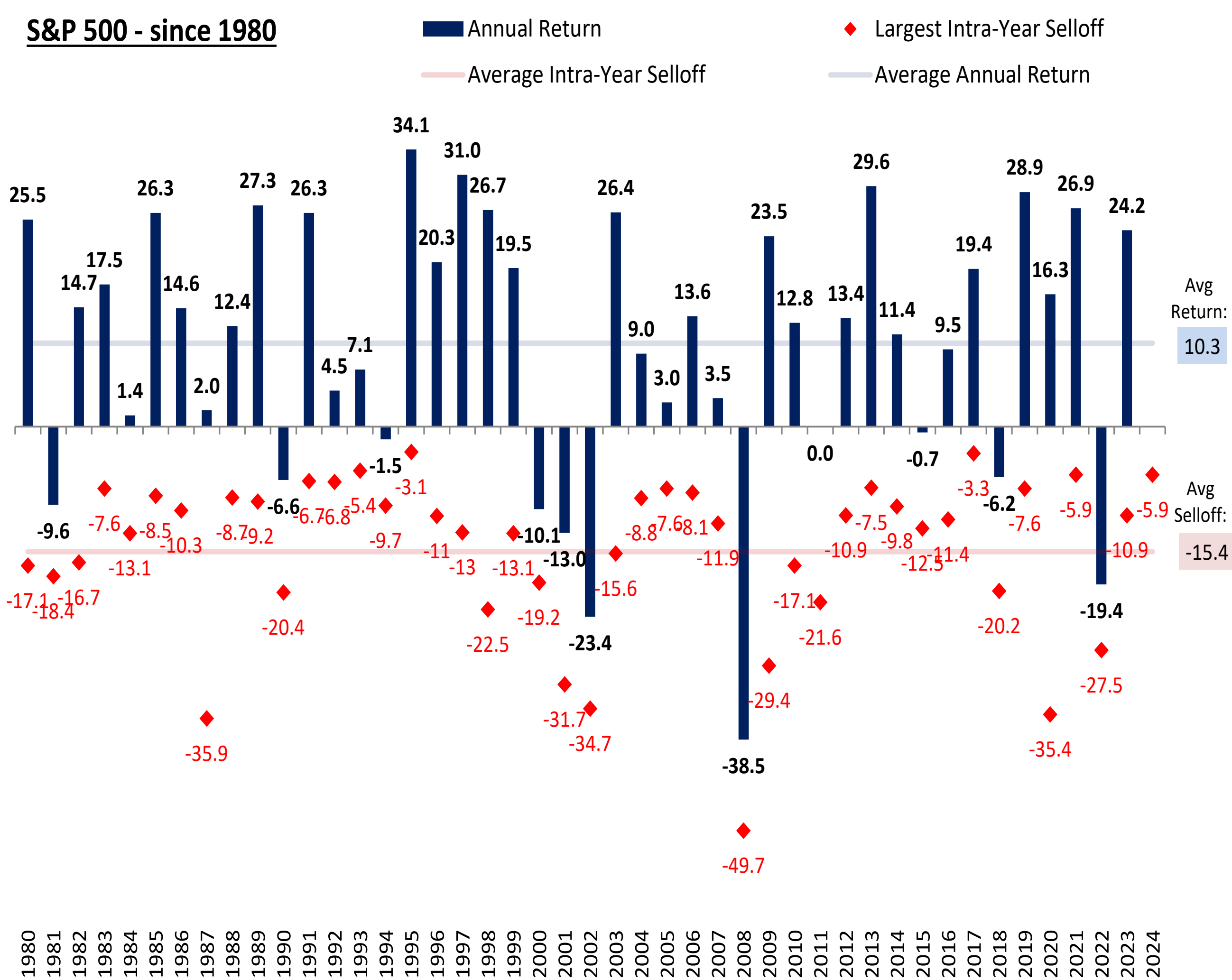
- **Earnings CAGR**: 6.5%
- **S&P 500 Price CAGR**: 7.8%



Year	EPS Growth YoY
2024	11.5%
2025	14.4%

Source: FactSet

Market Selloff Stats

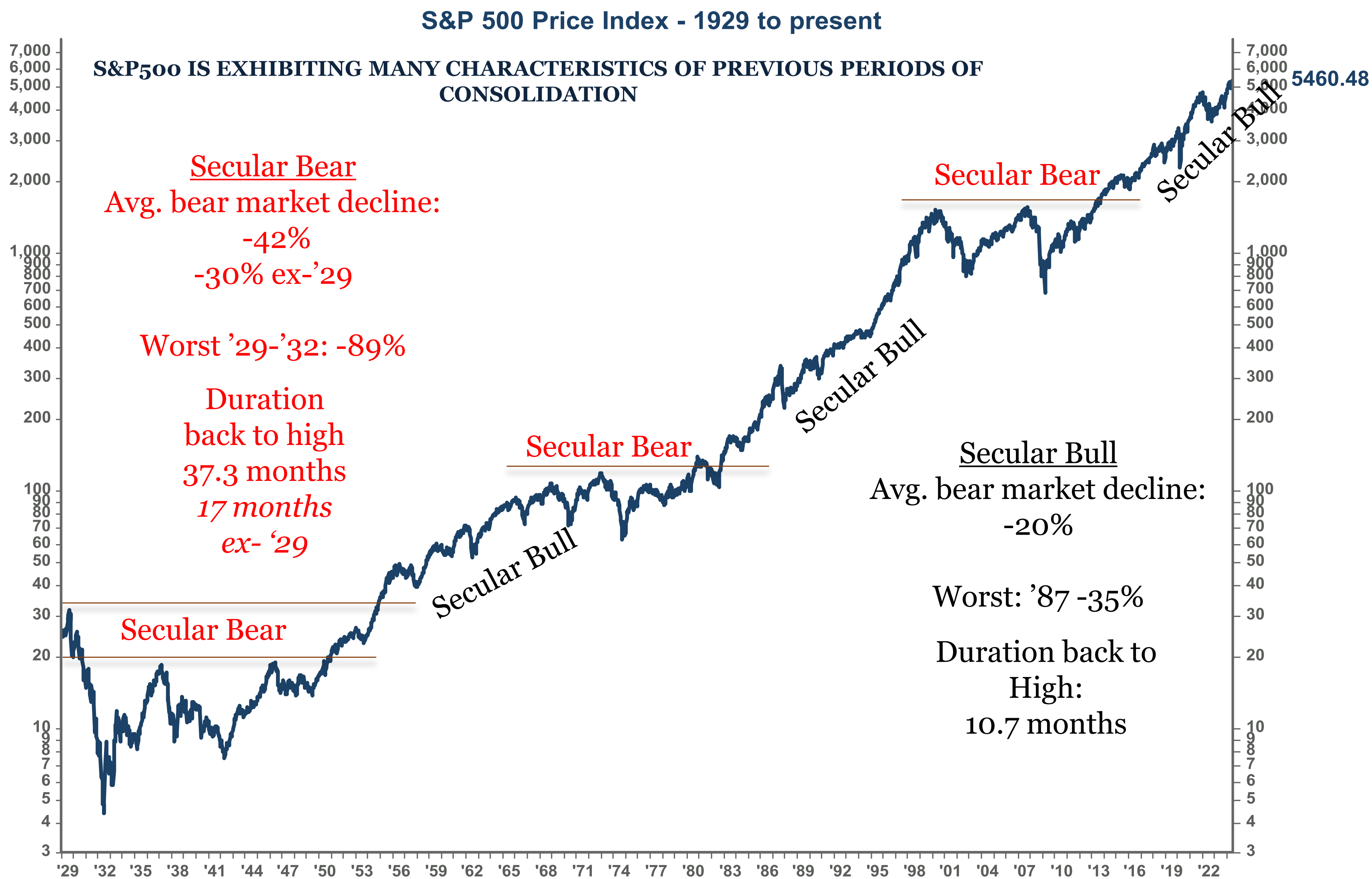


Source: FactSet

Selloffs are common:

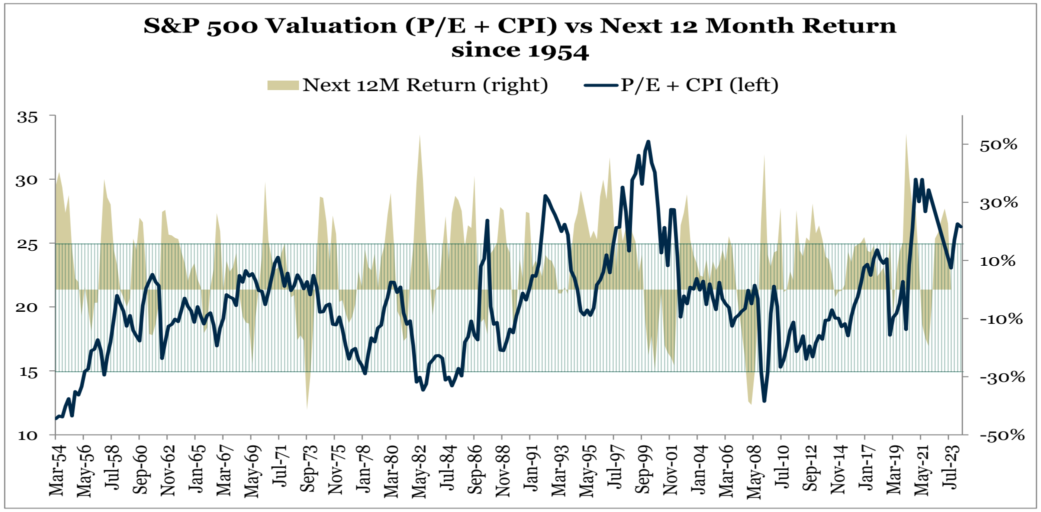
- Average Largest Intra-year selloff: -15.4%
- Ex-bear market years still normal to get 8-12% drawdown intra-year
- Average Annual return is : +10.3%

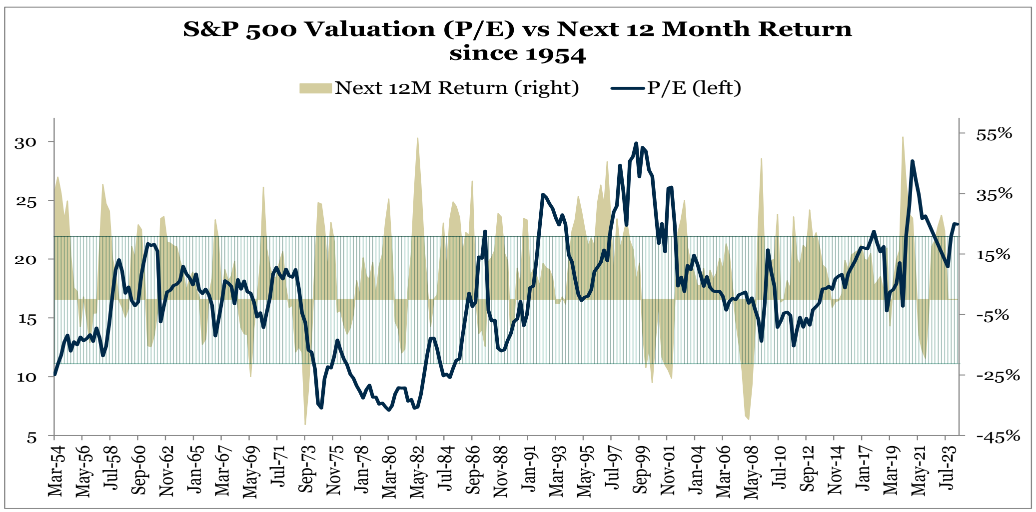
Secular Bull and Bear Markets



Source: FactSet

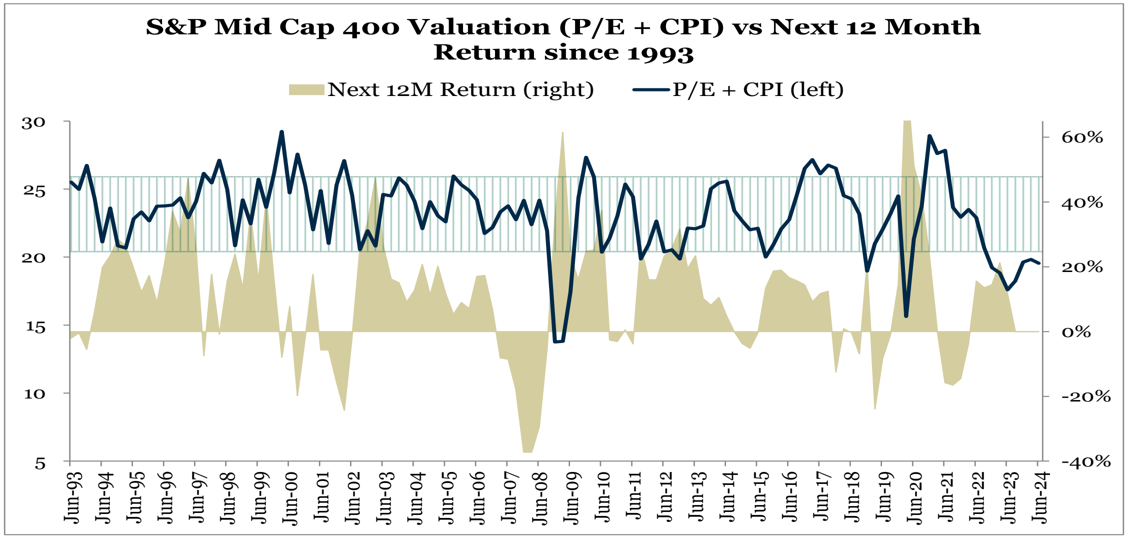
S&P 500 Valuation

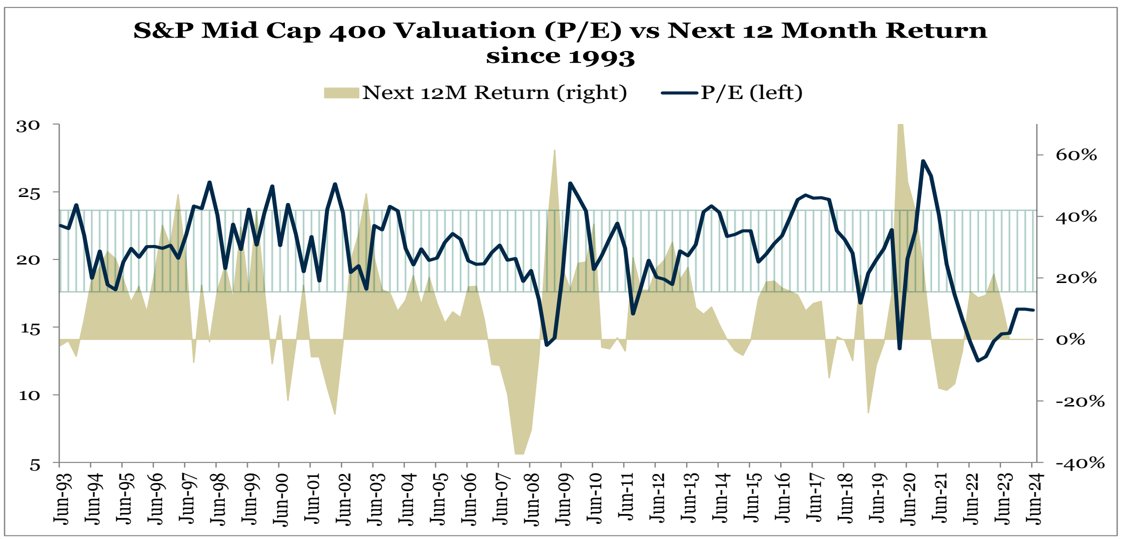




Source: FactSet

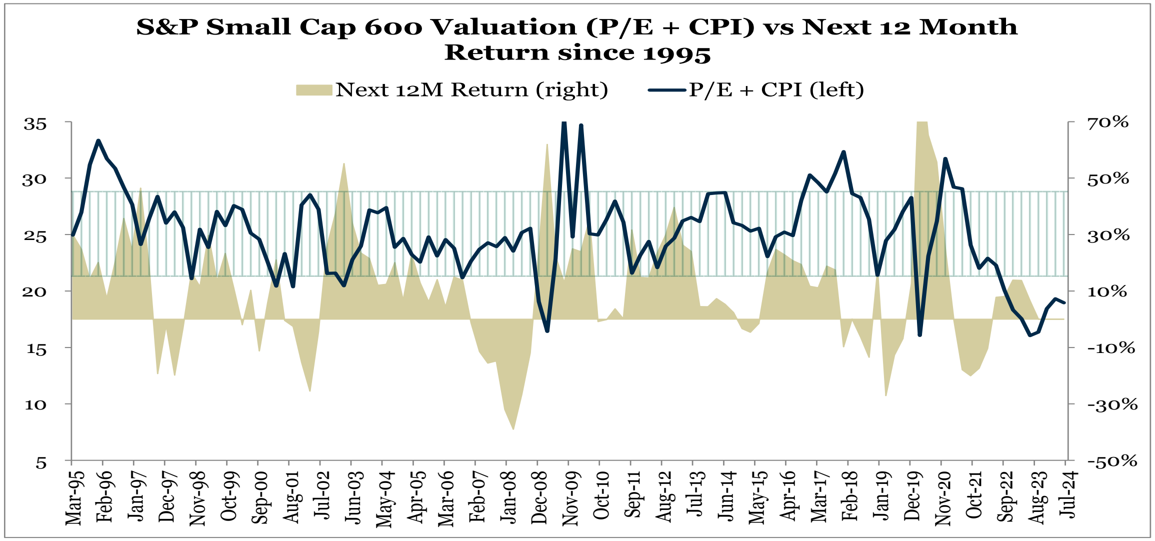
S&P Mid Cap 400 Valuation

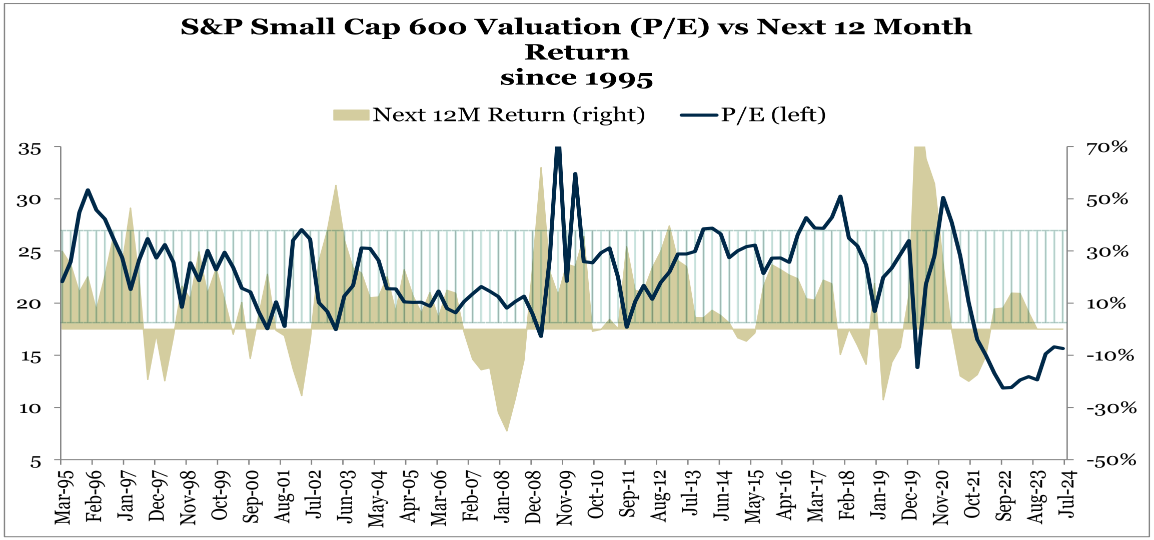




Source: FactSet

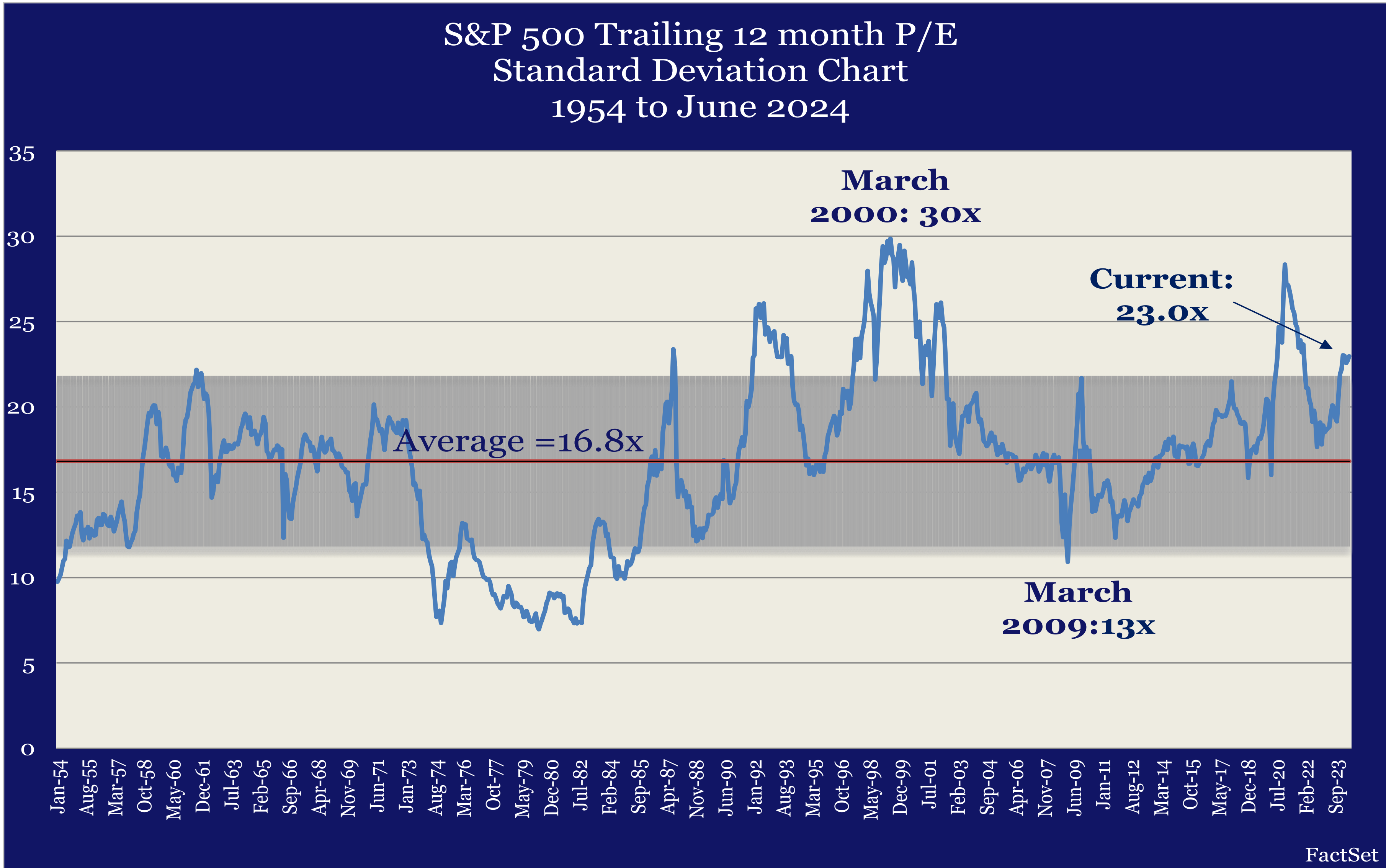
S&P Small Cap 600 Valuation



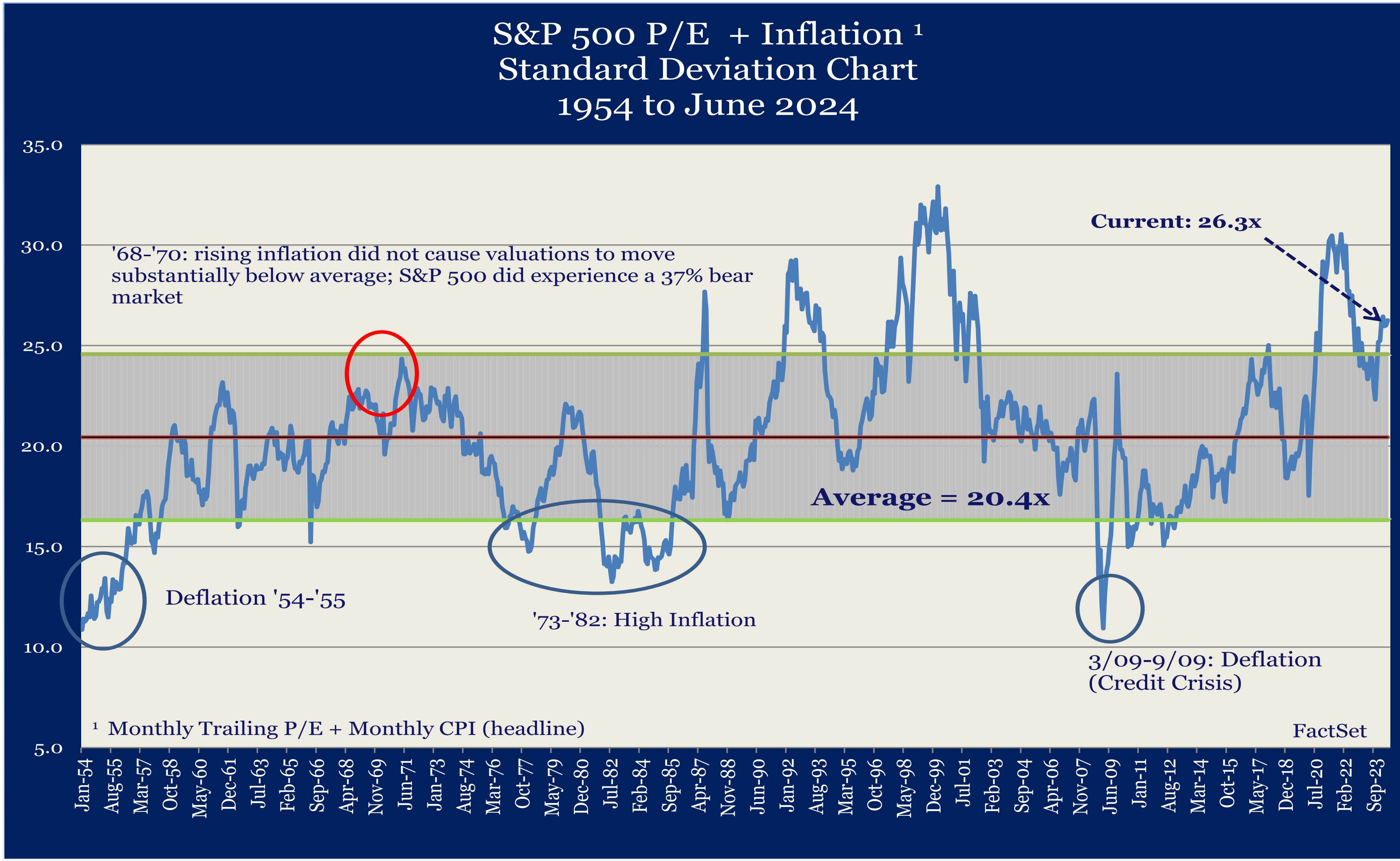


Source: FactSet

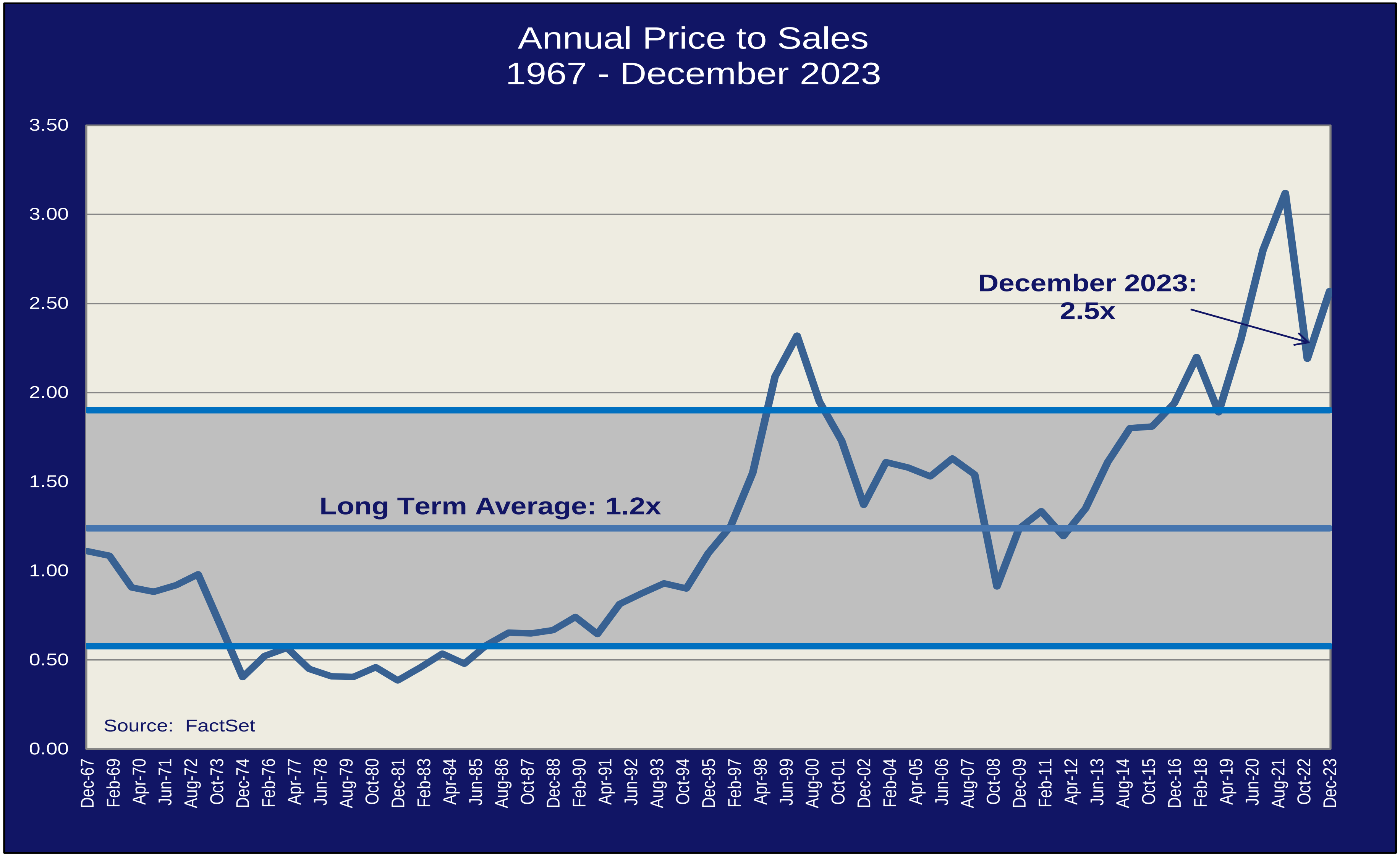
S&P 500: Long Term P/E



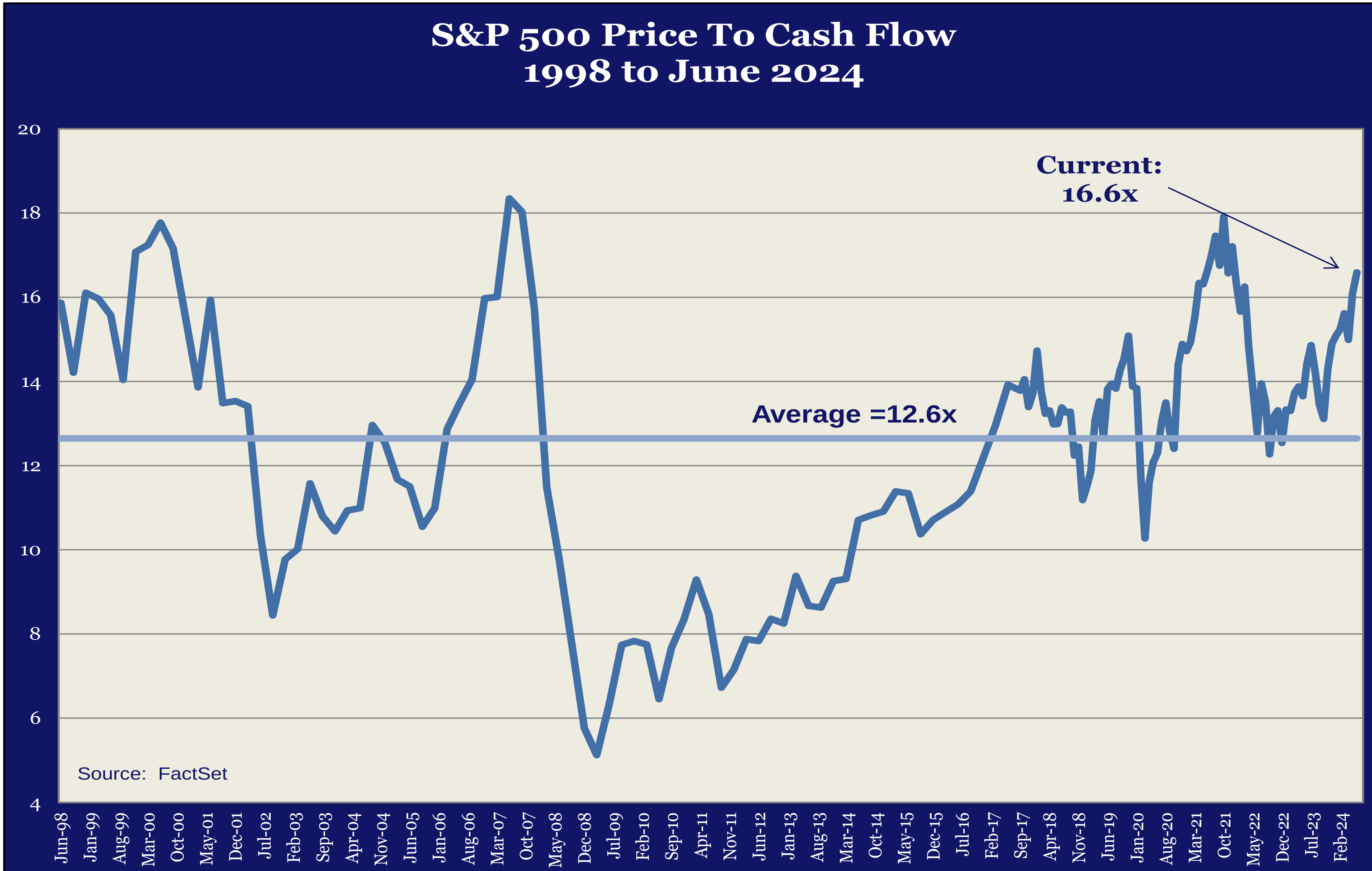
S&P 500: Inflation-Adjusted P/E



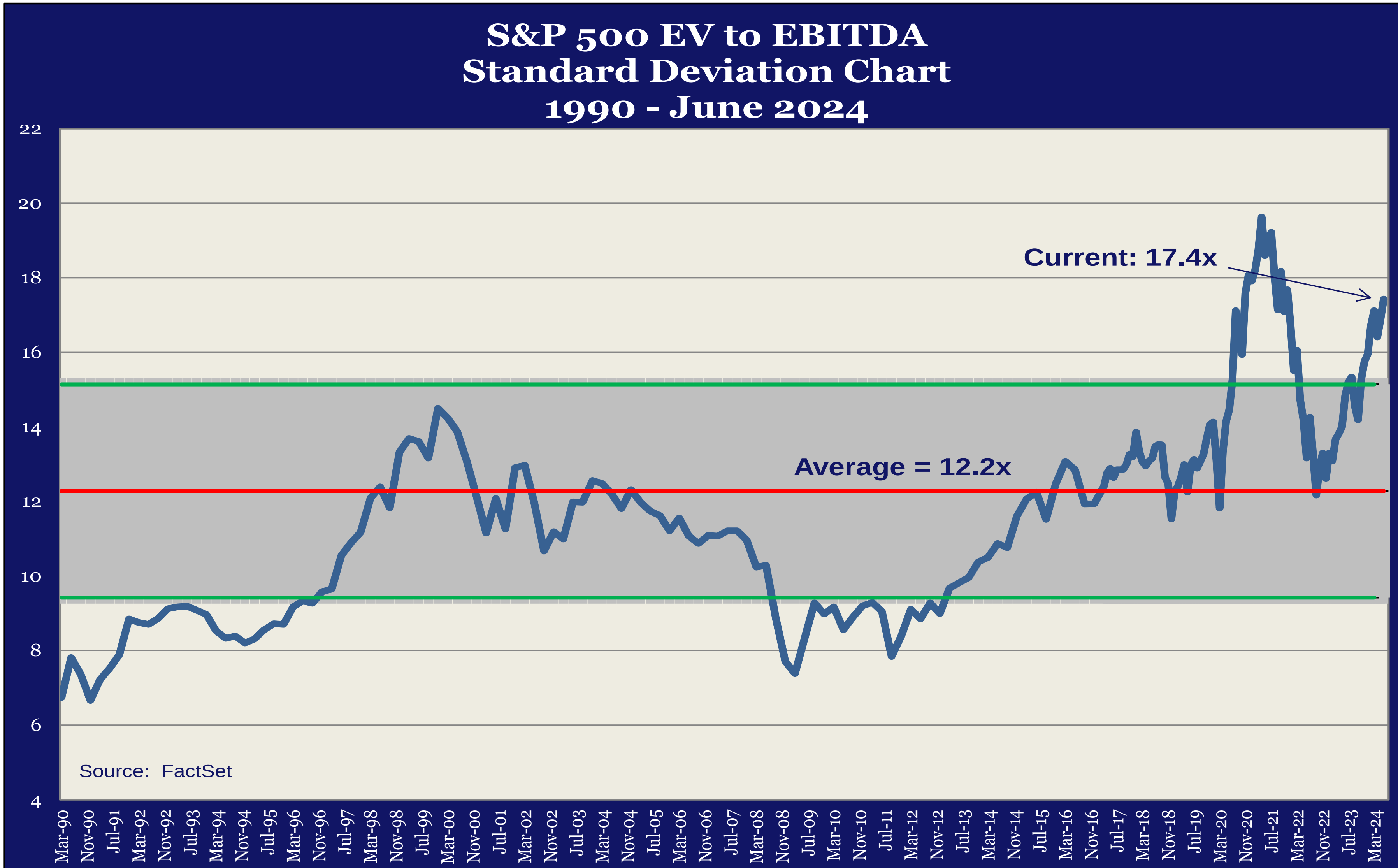
S&P 500: Price to Sales



S&P 500: Price to Cash Flow



S&P 500: EV to EBITDA



Definitions

S&P Mid-Cap 400 – Provides investors with a benchmark for mid-sized companies.

S&P Small Cap 600 – Provides investors with a benchmark for small-sized companies.

U.S. Treasury – Securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

200-DMA– The 200-day moving average is a popular technical indicator which investors use to analyze price trends. It is simply a security's average closing price over the last 200 days.

50-DMA– The 50-day moving average is a popular technical indicator which investors use to analyze price trends. It is simply a security's average closing price over the last 50 days.

Weighting – Sector percentage (%) of S&P 500

Total Return – Price return including dividends received

Beta – Measure of volatility in comparison to the market as a whole

Dividend Yield – Dividends received divided by price; reflects the percentage return off of dividends received.

Dividend Payout Ratio – Dividends distributed divided by net income; reflects the percentage of net income distributed in dividends.

Long-Term EPS Growth – Estimated earnings per share growth over the next three to five years, as received from consensus analyst forecasts.

Free Cash Flow Yield – Free cash flow divided by price. The free cash flow per share a company is expected to earn against its market price per share.

Magnificent Seven Stocks – The Magnificent Seven stocks are a group of influential companies in the U.S. stock market: Apple, Alphabet, Amazon, Meta Platforms, Microsoft, Nvidia and Tesla. The foregoing is not a recommendation to purchase or sell the stocks of these companies.

Price to Sales – Market cap divided by sales of companies in the sector or S&P 500

Price Earnings Ratio (P/E) – The price of the stock divided by its earnings per share.

EV to EBITDA – Enterprise Value (EV) divided by EBITDA (Earnings Before Interest, Tax, Depreciation, & Amortization).

- LTM P/E – P/E calculated with the last 12 months earnings reported.
- NTM P/E – P/E calculated with the consensus earnings estimates over the next 12 months.

Relative P/E – The sector's multiple divided by the S&P 500 multiple; represents a premium or discount relative to the S&P 500's valuation. We use last 12-month P/E in this report.

Relative Ratio – The sector's relative P/E multiple vs. its respective 10-year average relative P/E.

Relative Strength – Calculates price performance relative to the S&P 500 over time.

Standard Deviation – Measures the fluctuations of returns around the arithmetic average return of investment. The higher the standard deviation, the greater the variability (and thus risk) of the investment returns.

IMPORTANT INVESTOR DISCLOSURES

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Sector investments are companies engaged in business related to a specific sector. They are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

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Index Definitions

The **S&P 500** is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.

The **Dow Jones Industrial Average (DJIA)** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ.

The **NASDAQ Composite** is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market.

The **MSCI World All Cap Index** captures large, mid, small and micro-cap representation across 23 Developed Markets (DM) countries. With 11,732 constituents, the index is comprehensive, covering approximately 99% of the free float-adjusted market capitalization in each country.

The **MSCI EAFE (Europe, Australasia, and Far East)** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 21 developed nations.

The **MSCI Emerging Markets Index** is designed to measure equity market performance in 23 emerging market countries. The index's three largest industries are materials, energy, and banks.

The **Russell 2000** index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks.

The **NYSE Alerian MLP** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

The **Barclays Intermediate Government/Credit Bond** 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 **Euro Stoxx 50 Index** is a market capitalization weighted stock index of 50 large, blue-chip European companies operating within Eurozone nations. Components are selected from the Euro STOXX Index which includes large-, mid- and small-cap stocks in the Eurozone.

The **China CSI 300** is a capitalization-weighted stock market index designed to replicate the performance of top 300 stocks traded in the Shanghai and Shenzhen stock exchanges. It had a sub-indexes CSI 100 Index and CSI 200 Index.

The **S&P 500 Futures** is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **DJIA Futures** is a stock market index futures contract traded on the Chicago Mercantile Exchange`s Globex electronic trading platform. Dow Futures is based off the Dow 30 stock index.

The **Nasdaq 100 Futures** is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international companies listed on the NASDAQ.

Europe: DAX (Deutscher Aktienindex (German stock index)) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange.

Asia: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions.