QUARTERLY COORDINATES

Our Flag Was Still There

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RAYMOND JAMES®

OUR FLAG WAS STILL THERE: AGENDA

1 Market Volatility

Monitoring Risks O’er The Ramparts

INSIGHT:
The COVID-19 outbreak was a ‘Black Swan’ event that resulted in historic levels of market volatility. The critical lockdowns led to an unprecedented halt in economic activity, but as restrictions were lifted, optimism replaced fear. From the anticipated rebound to the possible development of a vaccine, a lot of positive news has been priced into the market. With many risks still outstanding, it is important for investors to cautiously assess potential areas of opportunity.

BOTTOM LINE:
A number of risks remain and we expect volatility to remain elevated over the next 12 months. Between the upcoming election, escalating US/China tensions, a potential second wave of COVID-19, and a possible setback in vaccine development, there is no shortage of volatility-inducing catalysts.

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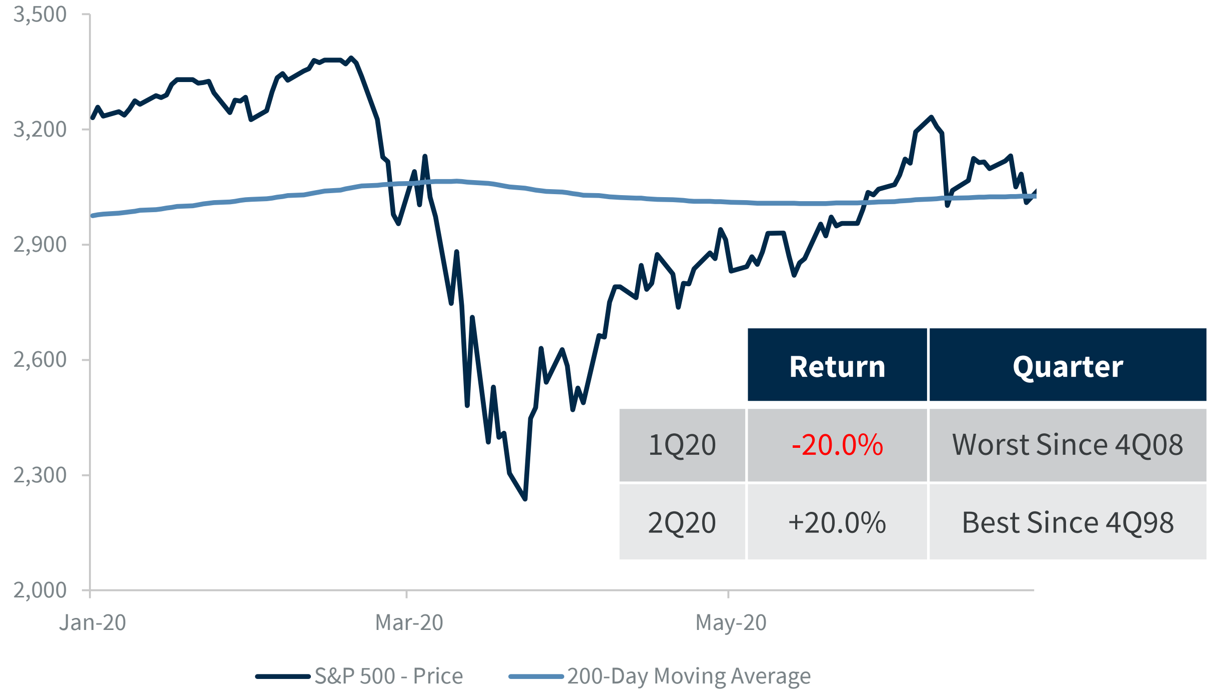
A VOLATILE FIRST HALF OF THE YEAR

IN DEALING WITH THE COVID CRISIS AND SUBSEQUENT SOCIAL DISTANCING MEASURES AND SHUTDOWNS IN ECONOMIC ACTIVITY, THE FIRST HALF OF 2020 BROUGHT AN UNPRECEDENTED LEVEL OF VOLATILITY

- Given the impact of COVID-19, there was a significant dispersion amongst risk assets both year-to-date and between 1Q and 2Q.

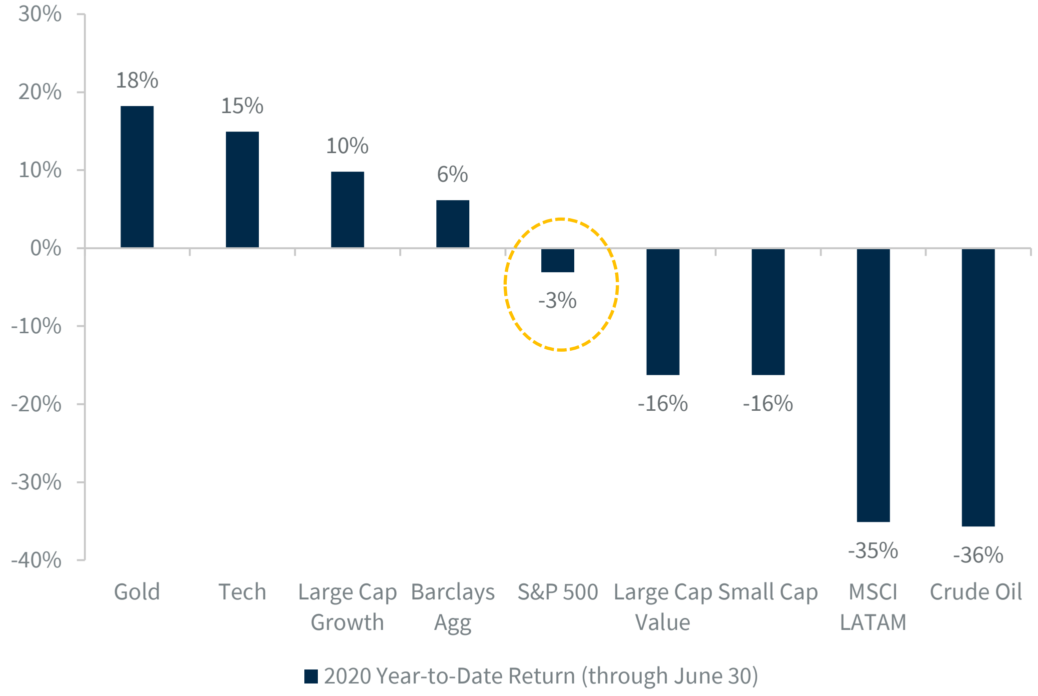
S&P 500 Dives, then Thrives



	Return	Quarter
1Q20	-20.0%	Worst Since 4Q08
2Q20	+20.0%	Best Since 4Q98

Source: FactSet, as of 6/30/2020

Biggest Winners and Losers (YTD)



Source: FactSet, as of 6/30/2020

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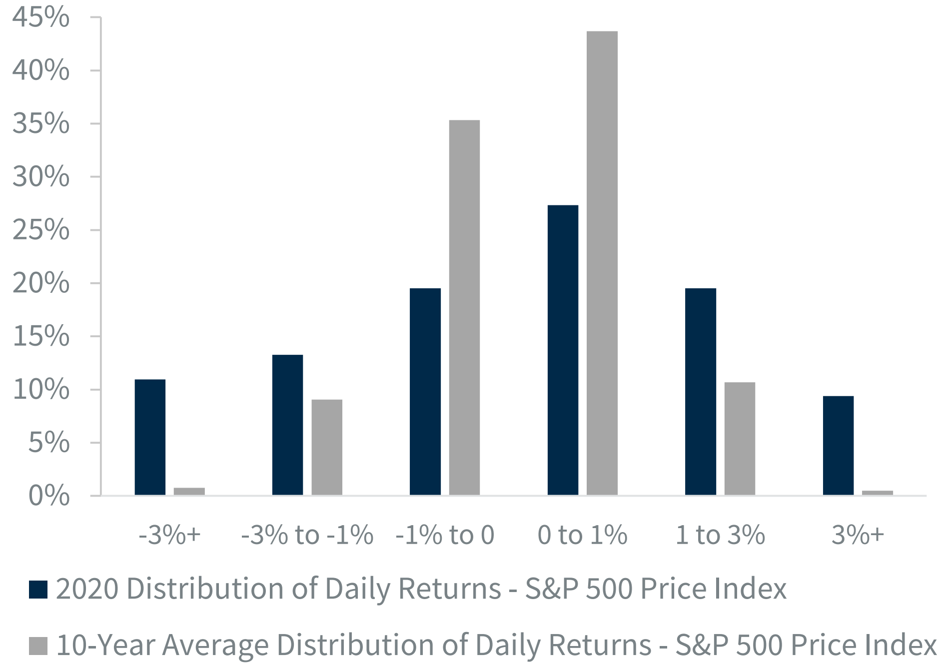
A VOLATILE START TO THE YEAR

THE COVID-19 OUTBREAK RESULTED IN BOTH AN HISTORIC DECLINE AND AN HISTORIC RALLY FOR THE EQUITY MARKET, WITH DAILY MOVEMENTS HEAVILY DICTATED BY NEWS HEADLINES

- On an annualized basis, the S&P 500 has experienced nearly 2.5x times the number of daily returns less than or greater than 1% than is typically seen in a year. So far, more than half of the trading days have resulted in a return in this range.

Distribution of Daily Returns

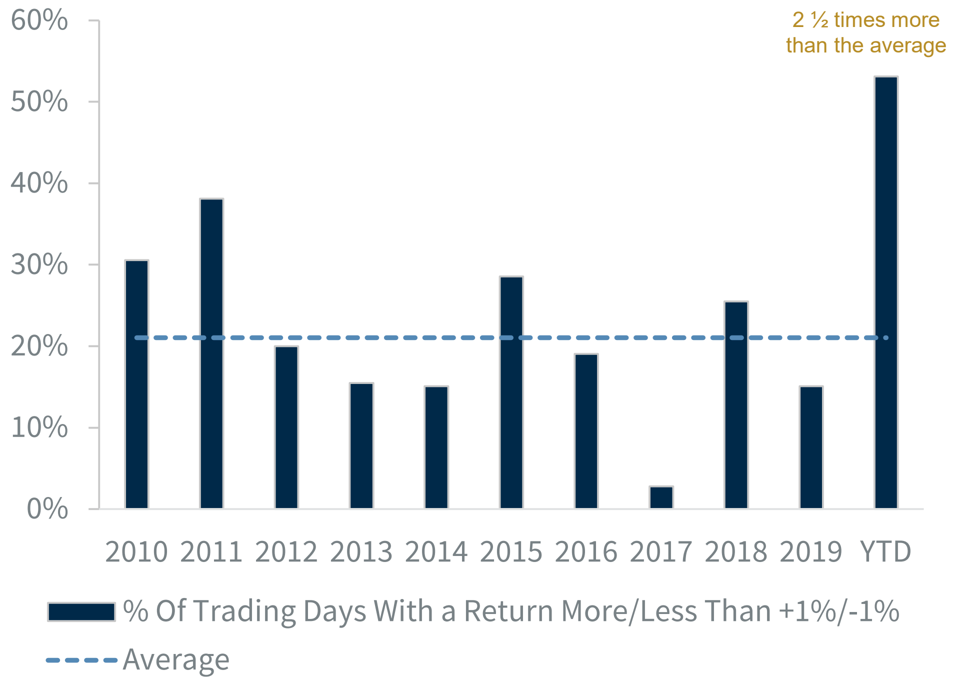


Source: FactSet, as of 7/2/2020

-3% vs -33%

S&P 500 YTD (all Days) vs. Missing the Best 5 Days

Most Volatile Year Over The Last Decade



Source: FactSet, as of 7/2/2020

WHAT COULD BE PRICED INTO THE MARKET?

UNCERTAINTY AND VOLATILITY CAN BE SEEN BY COMPARING ANSWERS FROM PREVIOUS SURVEYS

- In January 2020, the median S&P 500 price target for 2020 was 3,443 or ~+5%. In April of 2020, just three months later amid the COVID-19 outbreak that forecast was slashed to 2,929 or ~-10%. In July 2020, that forecast was increased to 3,161 or about ~-2%.
- Similarly, influential macro factors remained the same, but their weight changed significantly in just three months, with political and geopolitical risk increasing significantly despite COVID-19 still being every day's major headline.

Chances of a 2nd Wave in the Fall/Winter?

75%

If there is a 2nd Wave, the Shutdown Would Be Limited to States and Localities

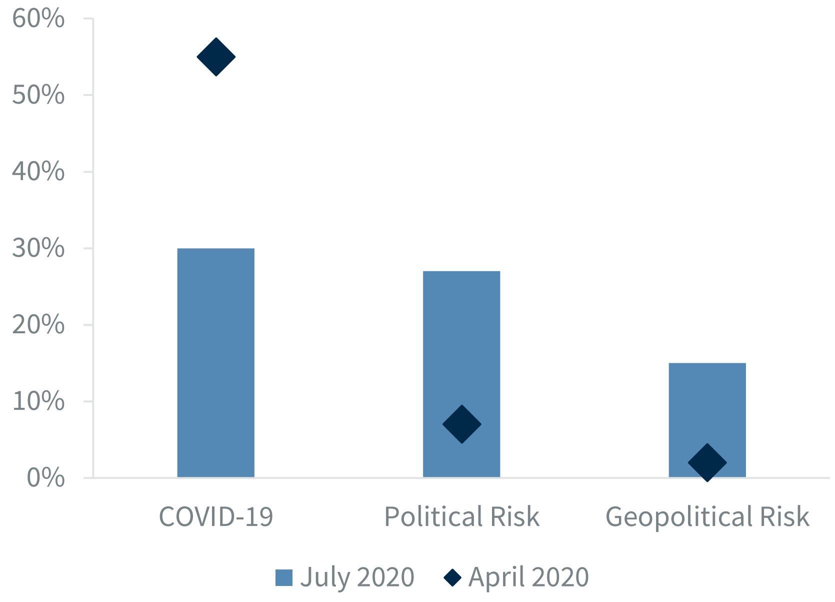
69%

Vaccine Available by 2Q21

75%

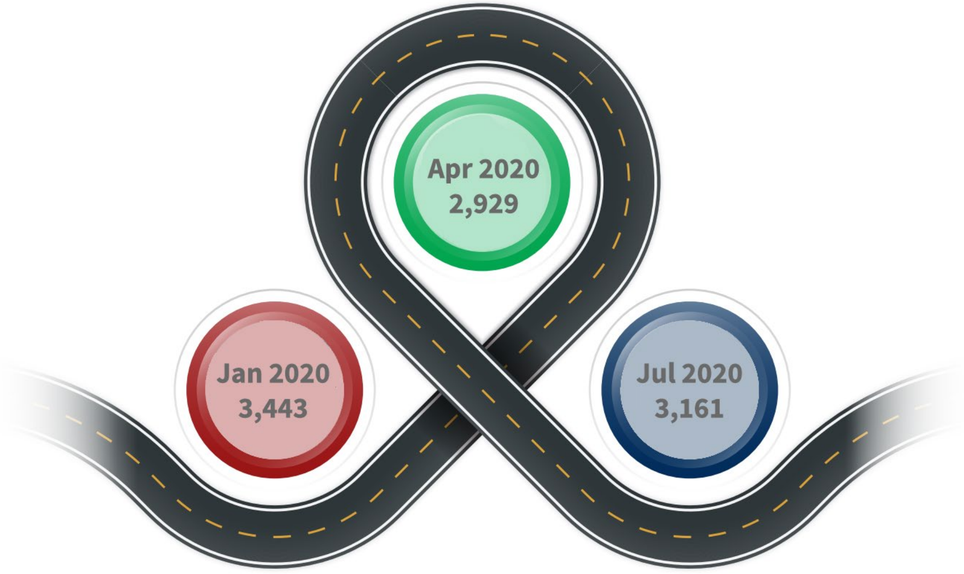
Source: RJ Investment Strategy Sentiment Survey

Which Macro Factors Will Be Most Influential on Markets Over the Next 12 Months?



Source: Raymond James Investment Strategy Sentiment Survey

What is your year-end S&P 500 Target?



Source: Raymond James Investment Strategy Sentiment Survey

Results shown on this page are obtained by averaging the responses received to the Quarterly Investment Strategy Sentiment Survey in December 2019, March 2020, and June 2020.

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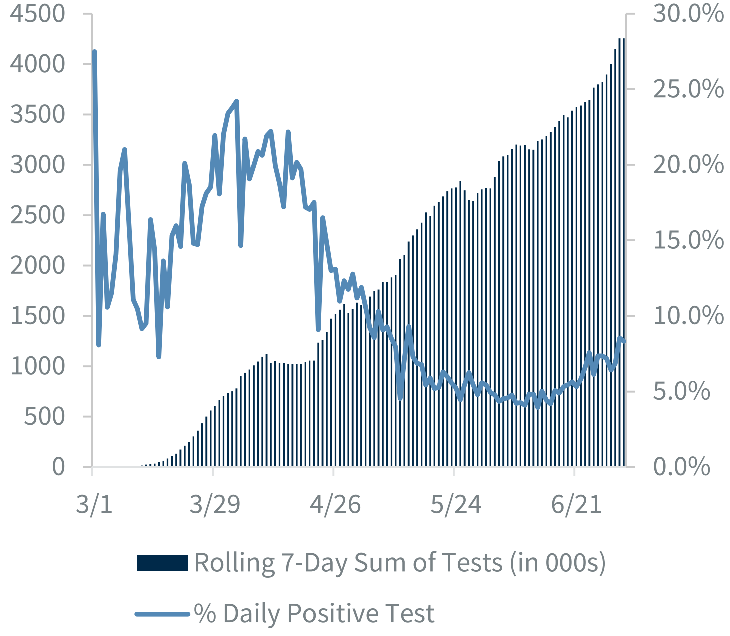
COVID-19 UPDATE – THE GOOD, THE BAD, THE UGLY

DAILY DEATHS ARE DECLINING, BUT HOSPITALIZATIONS AND NEW CASES ARE INCREASING

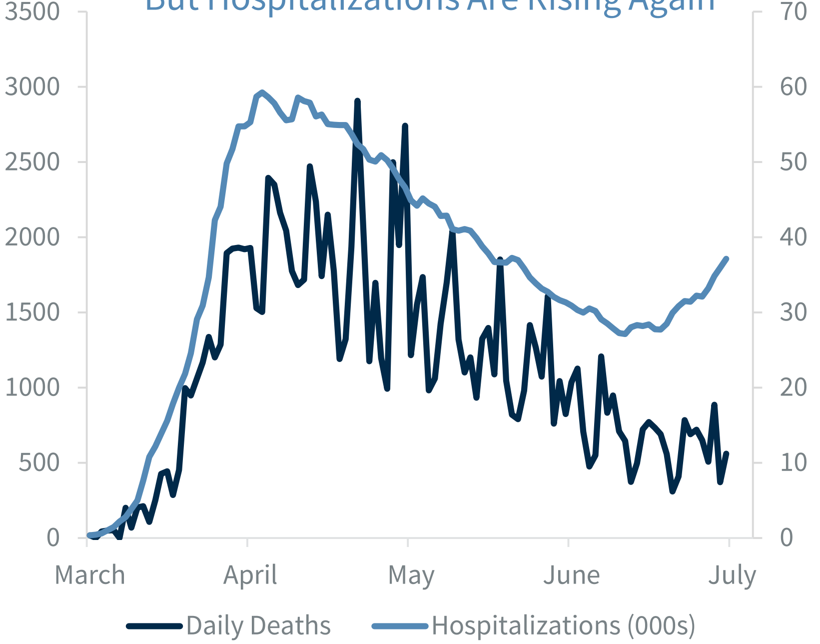
- The good: testing ramped up significantly, with over 4 million tests administered weekly. However, the percentage of positives is once again above 5%.
- The bad: the US is by far the country with the most deaths (~135,000). However, the number of daily deaths continues to decrease.
- The ugly: new daily cases of COVID-19 continue to increase with an average of ~50,000 new cases per day. The significant recent increase in new cases made the last ten days the worst ten days since the pandemic began.

Testing Continues to Increase



Source: FactSet, as of 7/6/2020

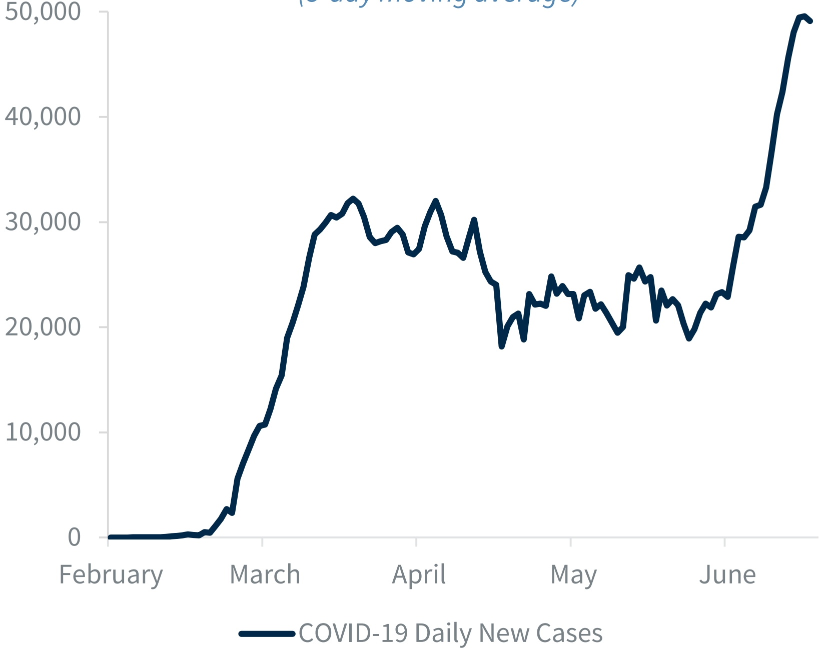
Daily Deaths Continue to Decrease But Hospitalizations Are Rising Again



Source: FactSet, as of 7/6/2020

New Daily Cases of COVID-19 Are Increasing

(5-day moving average)



Source: FactSet, as of 7/6/2020

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THERAPEUTIC & VACCINE DEVELOPMENT

Treatment In Hospital

Mitigation → Pre-Exposure → Post-Exposure → No Oxygen → Non-Invasive Oxygen → Ventilator

Proven or Essentially Proven Effective

- Social Distancing & Masks
- Remdesivir
- Dexamethasone

Anticipated/Potential Proof of Efficacy By Year-End

- Vaccine
- Anti-Inflammatories
- Complement Inhibitors
- Vaccine With Neutralizing Antibodies & Convalescent Plasma

Sources: Raymond James Research & US Department of Health & Human Services

$10B
of funding through Operation Warp Speed

300M
goal dosage quantity by January 2021

14
vaccines selected from a 100+ candidate pool

80-90%
probability a limited-quantity vaccine available in 2020

3
priority recipients: healthcare workers, age 65+, & pre-existing conditions

2021
anticipated timeframe for widespread availability

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VOLATILITY-INDUCING CATALYSTS—NOVEMBER ELECTIONS

MARKETS CONTINUE TO SHOW A RISING PROBABILITY OF A DEMOCRATIC SWEEP IN NOVEMBER

- Markets currently reflect an ~82% probability that Democrats will maintain the House, while only a 41% probability (and declining over recent months) that Republicans will maintain the Senate.
- As a result, markets now see a Democratic sweep as the most likely scenario in November.

Will Donald Trump Win Reelection in 2020?

46%

Democratic House Republican Senate

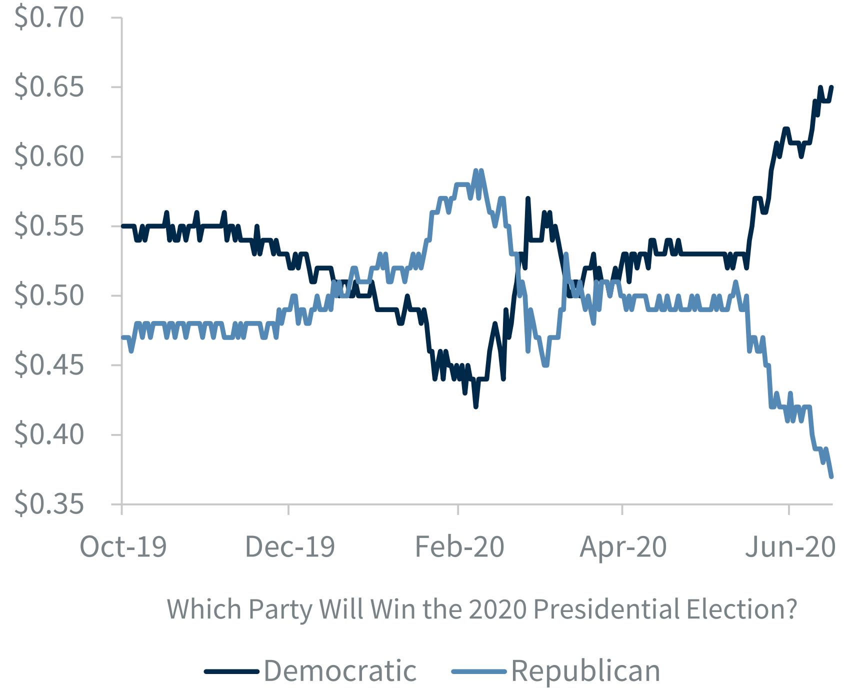
57%

Democratic House Democratic Senate

31%

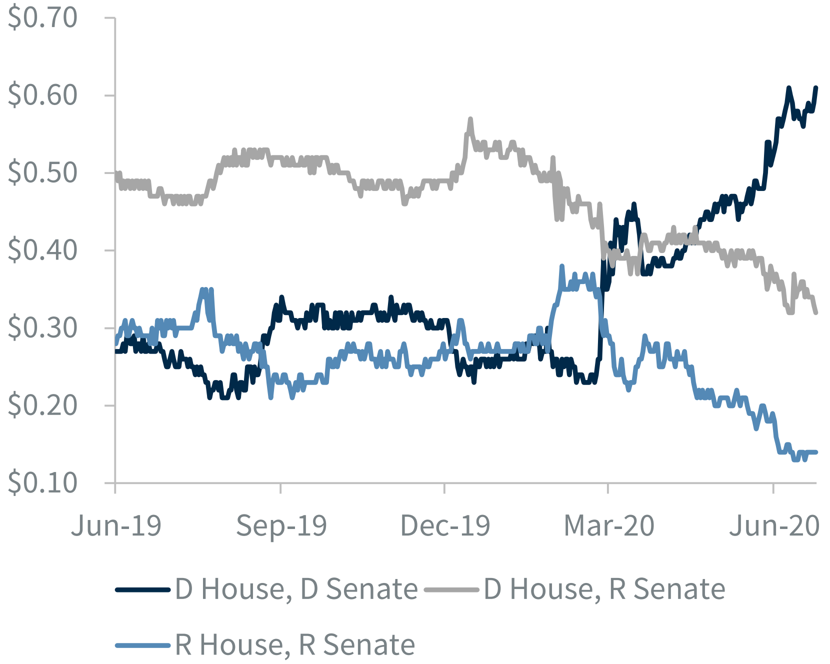
Source: RJ Investment Strategy Sentiment Survey

Who Will Win the Presidency?



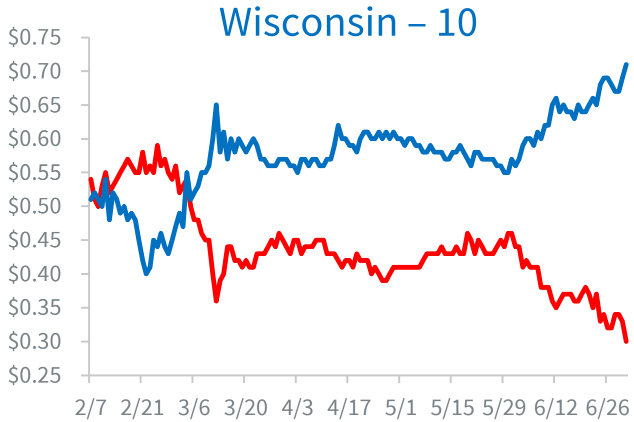
Source: Bloomberg, as of 7/1/2020

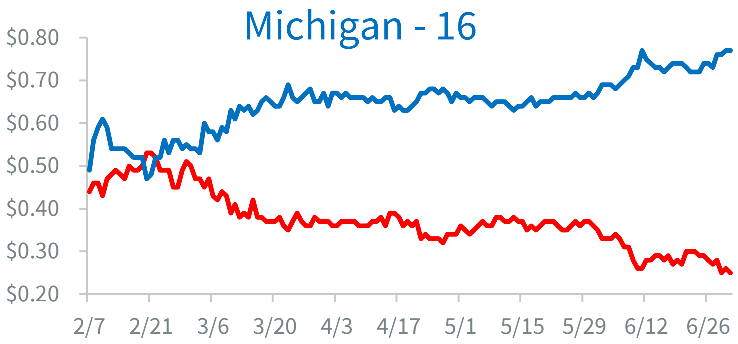
What Will Be the Composition of Congress?

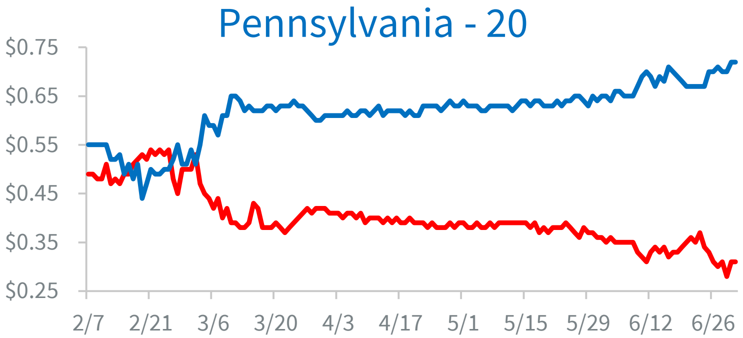


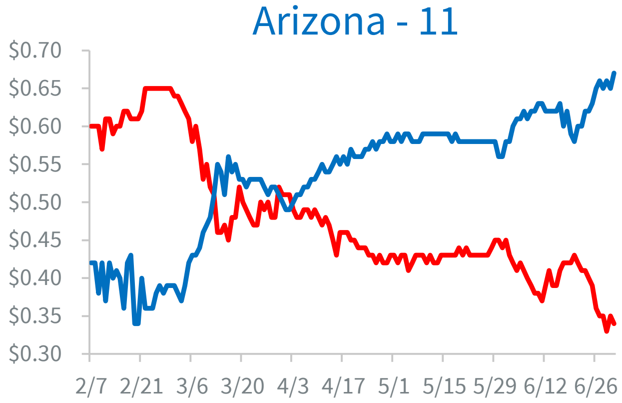
Source: Bloomberg, as of 7/1/2020

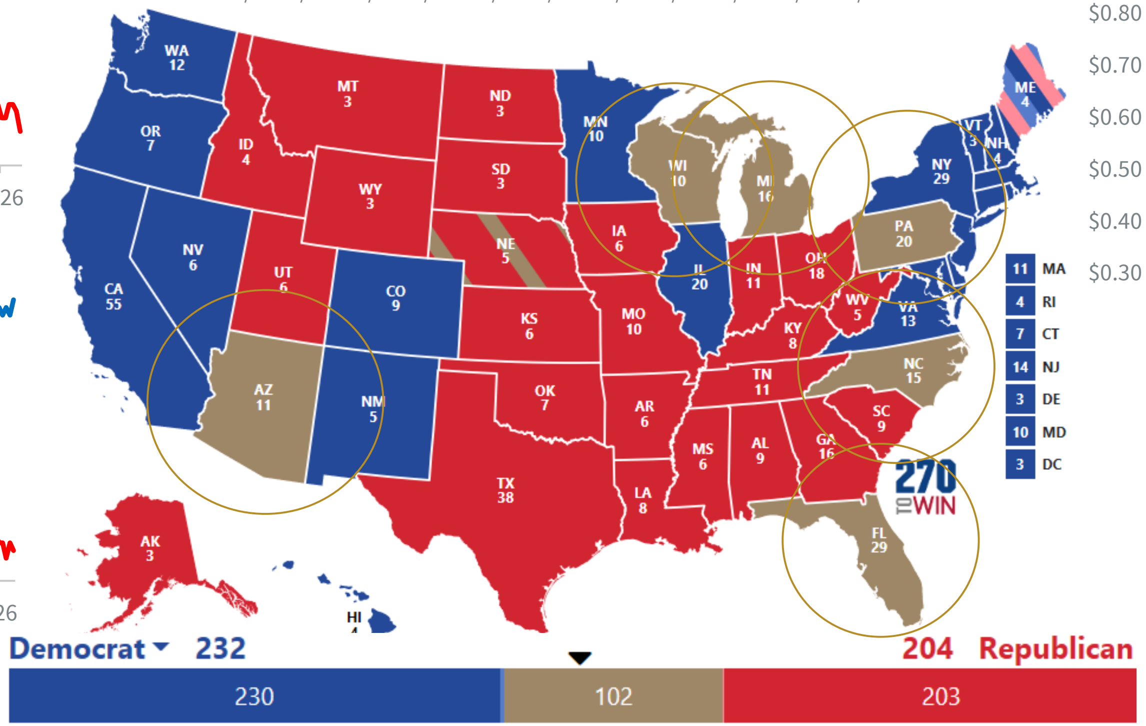
2020 ELECTION UPDATE

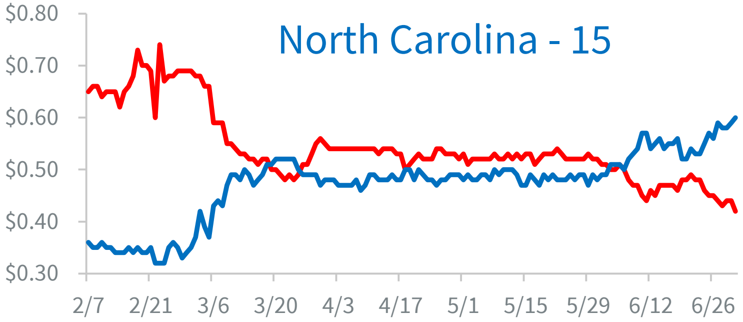


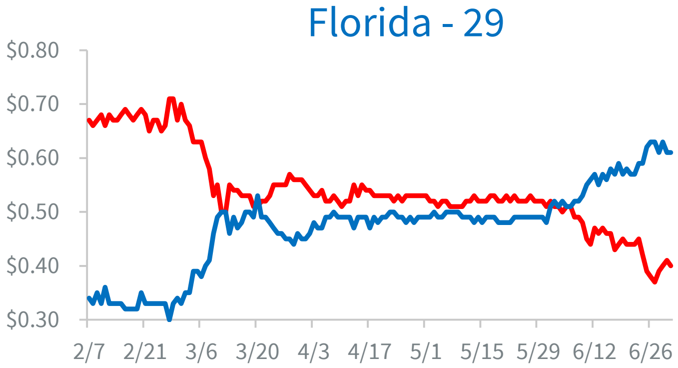












Source: Bloomberg, as of 7/1/2020

VOLATILITY-INDUCING CATALYSTS—NOVEMBER ELECTIONS

RECESSIONS HAVE HISTORICALLY ENDED PRESIDENTIAL REELECTION BIDS

- If the economy has experienced a recession in the two years leading up to a reelection, that president has lost every time dating back to 1945.
- However, as the recession was short term in nature, and President Trump still has elevated approval ratings on both the economy and within the Republican party, he maintains a chance to buck this trend.

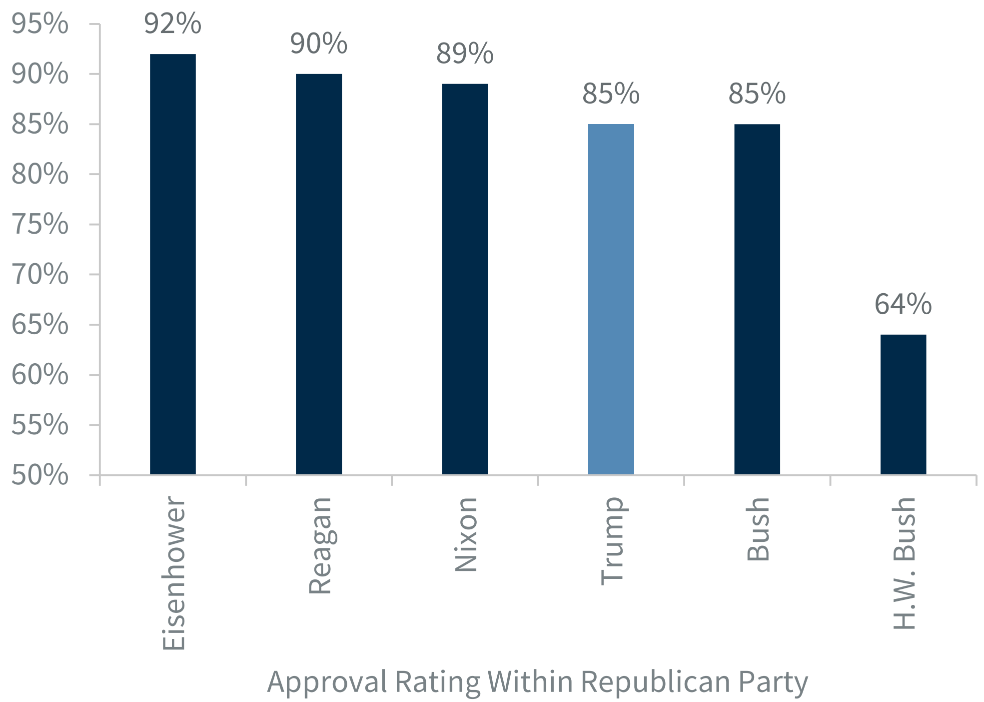
Recessions Hamper Re-Election Bids

No Recession Two Years Before Election		
President	**Recession**	**Reelected**
Obama	No	✔
Bush	No	✔
Clinton	No	✔
Reagan	No	✔
Nixon	No	✔
LBJ	No	✔
Eisenhower	No	✔
Truman	No	✔

Recession Two Years Before Election		
President	**Recession**	**Reelected**
H.W. Bush	Yes	✖
Carter	Yes	✖
Ford	Yes	✖

Source: Bloomberg, as of 6/15/2020

Presidential Approval Rating Through First Term



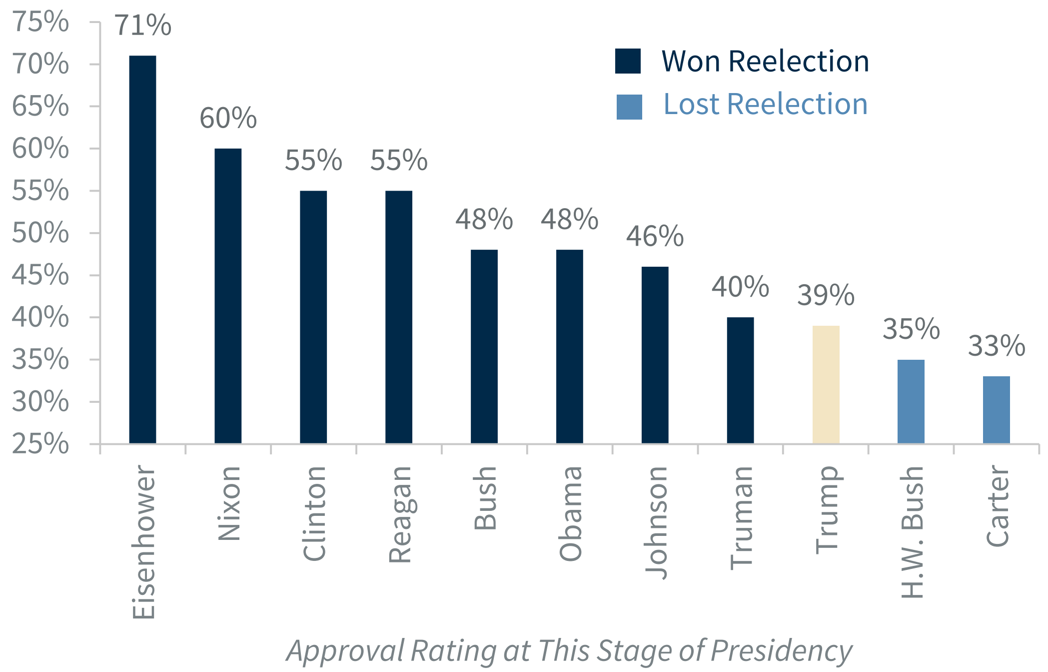
Source: Gallup, as of 7/1/2020

VOLATILITY-INDUCING CATALYSTS—NOVEMBER ELECTIONS

PRESIDENT TRUMP'S APPROVAL RATING PUTS HIM IN DANGEROUS TERRITORY FROM AN HISTORICAL PERSPECTIVE

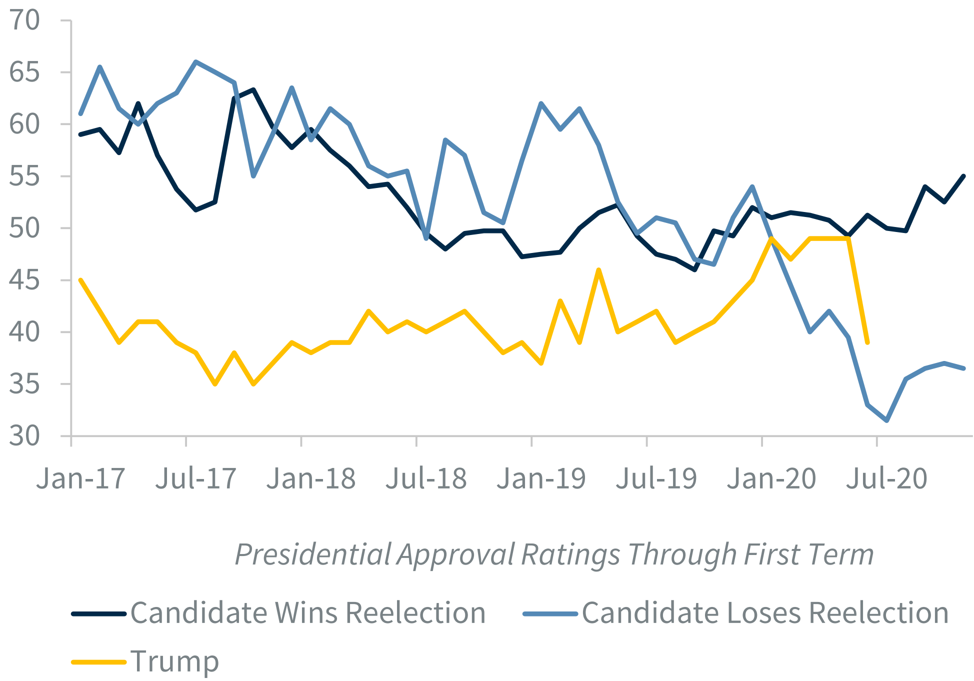
- Dating back to 1945, no president has won reelection with an overall approval rating lower than 40%. Currently, President Trump's overall approval rating stands at 39%.
- Historically, reelection candidates who have won see their approval ratings rise into the election. And vice-versa for those who have lost.

Trump Approval Rating in Dangerous Territory



Source: Raymond James Equity Research

Presidential Approval Rating Through First Term



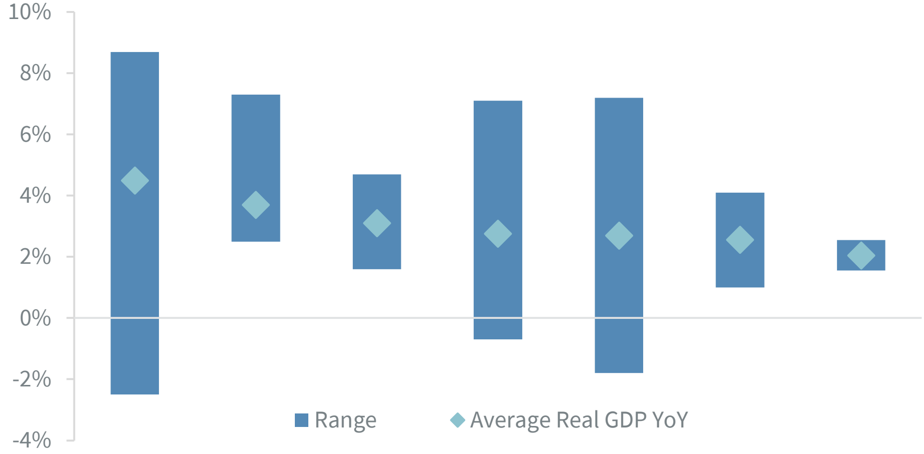
Source: Raymond James Equity Research

THE DYNAMICS OF WASHINGTON DC ON THE ECONOMY AND EQUITY MARKET

HEADLINE VS. DETAILED ANALYSIS OF THE WASHINGTON EFFECT

- It is important to look beyond the simple average of performance of various political compositions in Washington as the volatility in observations and the lack of occurrences can impact the reliability of the results.
- While the composition of Washington is important, it is only one factor in our analysis. Other important factors include the business cycle, Fed policy, earnings growth, trends and valuations.

Annualized GDP Under Various Government Compositions



President	D	D	R	R	R	R	D
Senate	D	R	R	D	R	D	D
House	D	R	R	D	D	R	R
Occurrence	28%	11%	11%	30%	11%	3%	6%

Source: Raymond James Investment Strategy / all data is post World War II

S&P 500 Performance Under Various Government Compositions

President	D	D	R	R	D	R	R
Senate	R	D	R	R	D	D	D
House	R	R	D	R	D	D	R
Occurrence	11%	6%	11%	11%	28%	30%	3%

Source: Raymond James Investment Strategy / all data is post World War II

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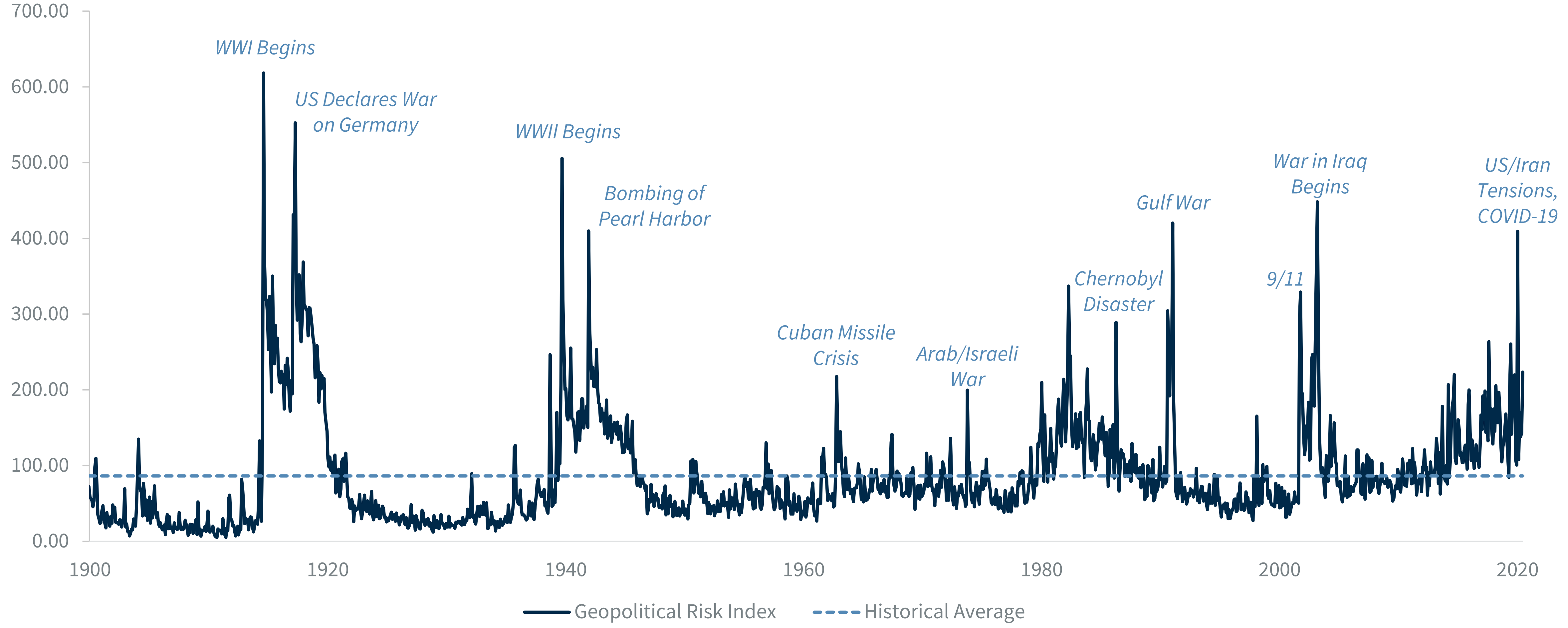
VOLATILITY-INDUCING CATALYSTS—GEOPOLITICAL RISKS ELEVATED

LED BY COVID AND THE ESCALATION OF TENSIONS BETWEEN THE US AND IRAN, GEOPOLITICAL RISK HAS BEEN ELEVATED IN 2020



Source: Federal Reserve

2 ECONOMY

Dawn's Early Light Of An Economic Recovery

INSIGHT:
The scale of the lockdowns will result in the shortest, deepest recession in post-World War II history, but whether it be wars, pandemics, financial crises, or bursting bubbles the US economy has always persevered.

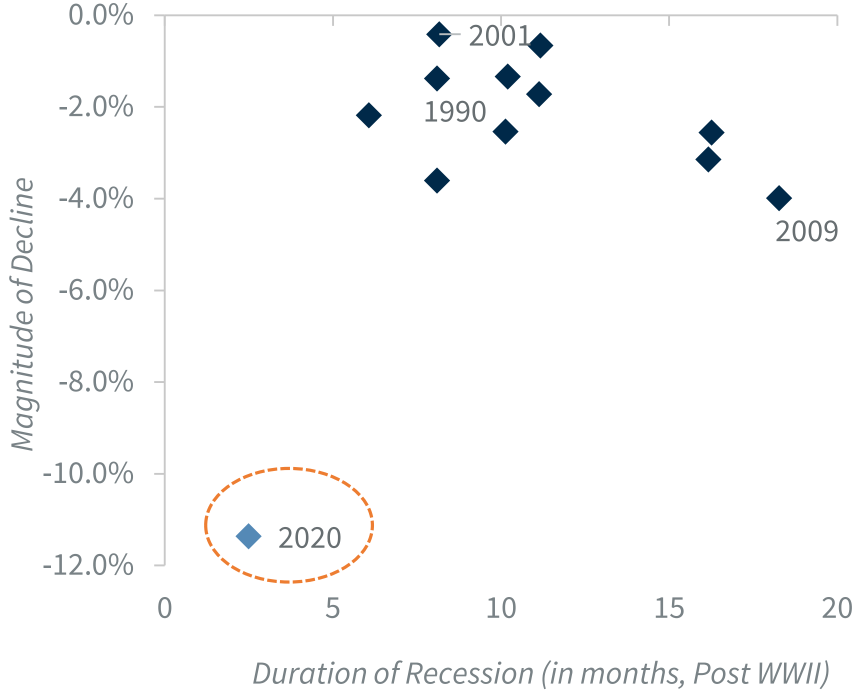
BOTTOM LINE:
Real-time activity metrics suggest the 'bottom' occurred in April. As states gradually, successfully ease restrictions, pent-up consumer demand combined with policymaker action should lead to an historic rebound. We expect a K-shaped recovery, as some industries were inherently favored during the shutdowns, some will quickly regain traction, some will take longer to bounce back due to psychological barriers, and some may unfortunately be forced to file for bankruptcy.

THE END OF THE RECESSION?

THE SHARPEST, YET SHORTEST, RECESSION IN HISTORY APPEARS TO BE OVER

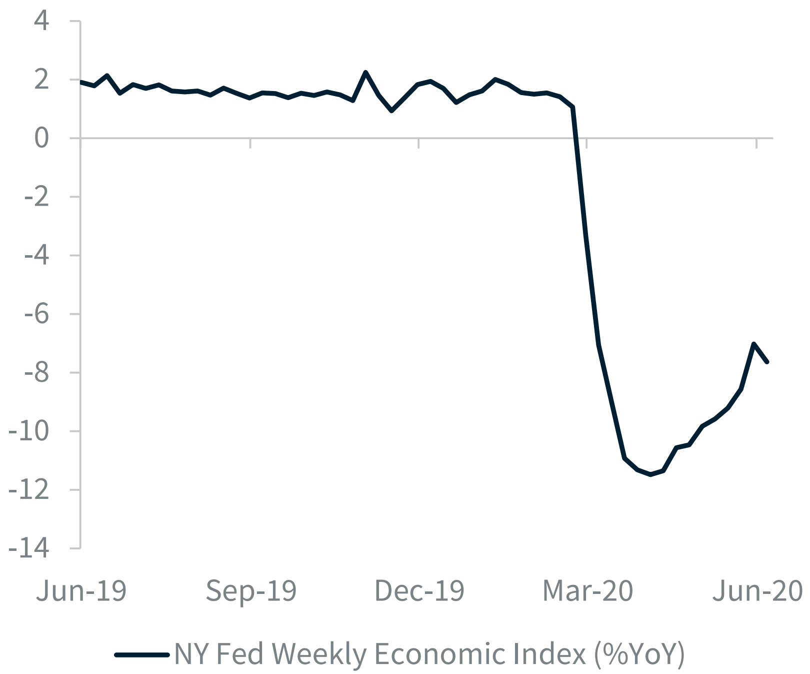
- The COVID-driven recession led the US economy to post the sharpest recession in the post WWII era.
- However, as economic data suggests the bottom is behind us, economic growth is likely to accelerate in 2H20 and 2021.

Sharpest and Shortest Decline in History



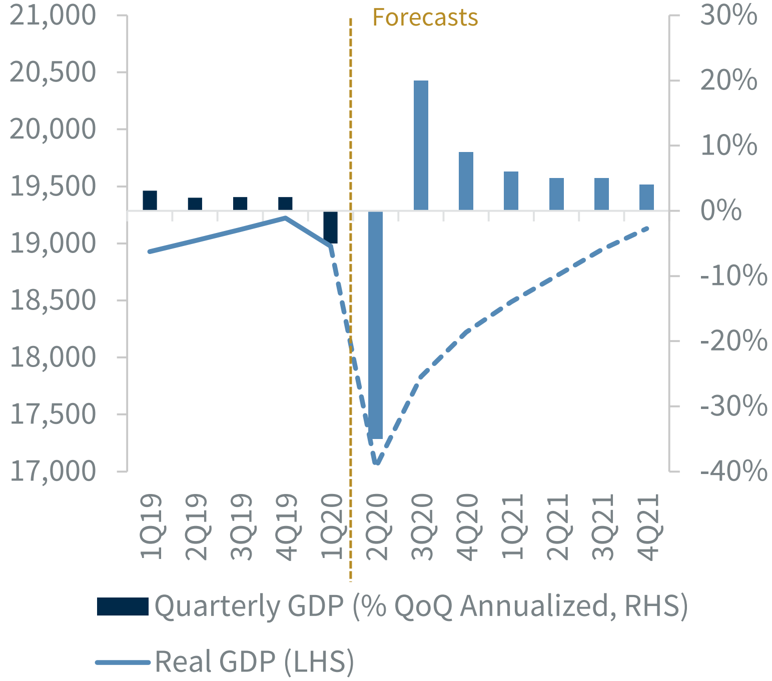
Source: FactSet

Economic Data Suggests Bottom is Behind Us



Source: NY Federal Reserve, as of 7/1/2020

Sharp Acceleration in Growth in 2H20 & 2021



Source: FactSet, Raymond James estimates

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REAL-TIME ACTIVITY LEVEL UPDATE

REAL-TIME ECONOMIC INDICATORS REFLECT A BOTTOMING IN ECONOMIC GROWTH

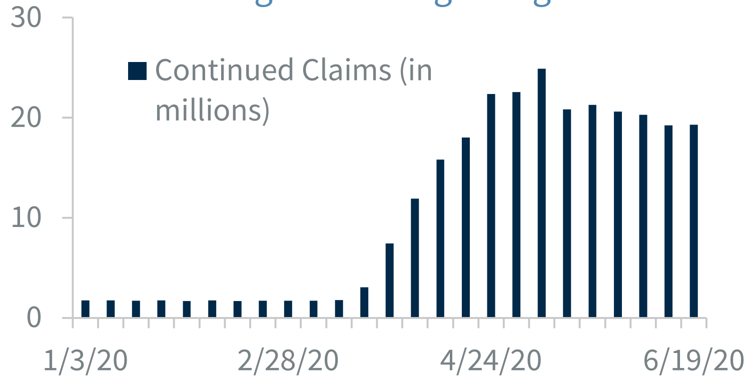
- Real-time economic indicators suggest that economic activity has bottomed and that the US economy is out of recession. However on a year-over-year basis, economic activity remains depressed.

Real-Time Activity Metrics Recover Off Lows, But Remain Depressed

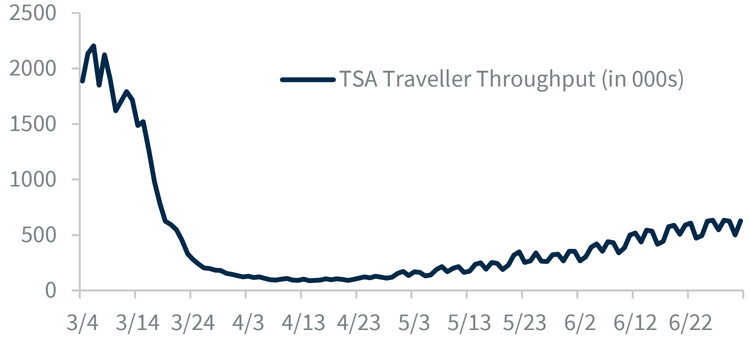
Activity Metric	Off Low	% YoY
TSA Screenings	+615%	-75%
Restaurant Bookings	+35%	-65%
Consumer Comfort	+6.7	-22.2
Continuing Claims	-5.6 mill.	+19 mill.
Hotel Occupancy Rates	+25%	-38.7%
Gasoline Demand	+69%	-21%

Source: FactSet, as of 7/1/2020

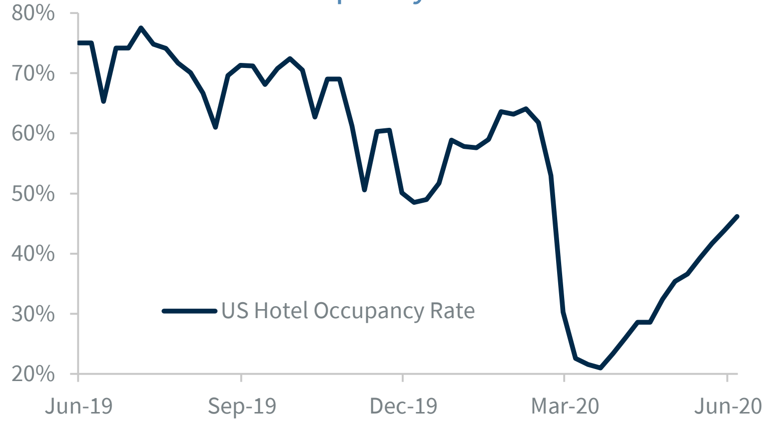
Continuing Claims Beginning to Decrease



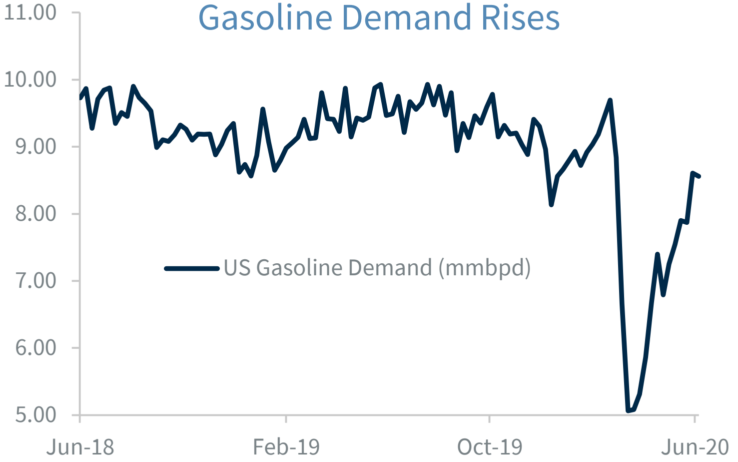
TSA Screenings Bounce



Hotel Occupancy Rates Increase



Gasoline Demand Rises



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MANY MILES OF RECOVERY STILL TO GO

DUE TO FACTORS SUCH AS CAPACITY LIMITS AND THE PSYCHOLOGICAL IMPACT OF THE VIRUS, IT WILL TAKE MANY INDUSTRIES SOME TIME BEFORE THEY TRULY ARE 'BACK TO NORMAL'

- The virus also caused unemployment claims to surge to historic highs, leaving many consumers with reduced spending capabilities until they return to the workplace.

What Will You Be Comfortable Doing By The End of This Year?

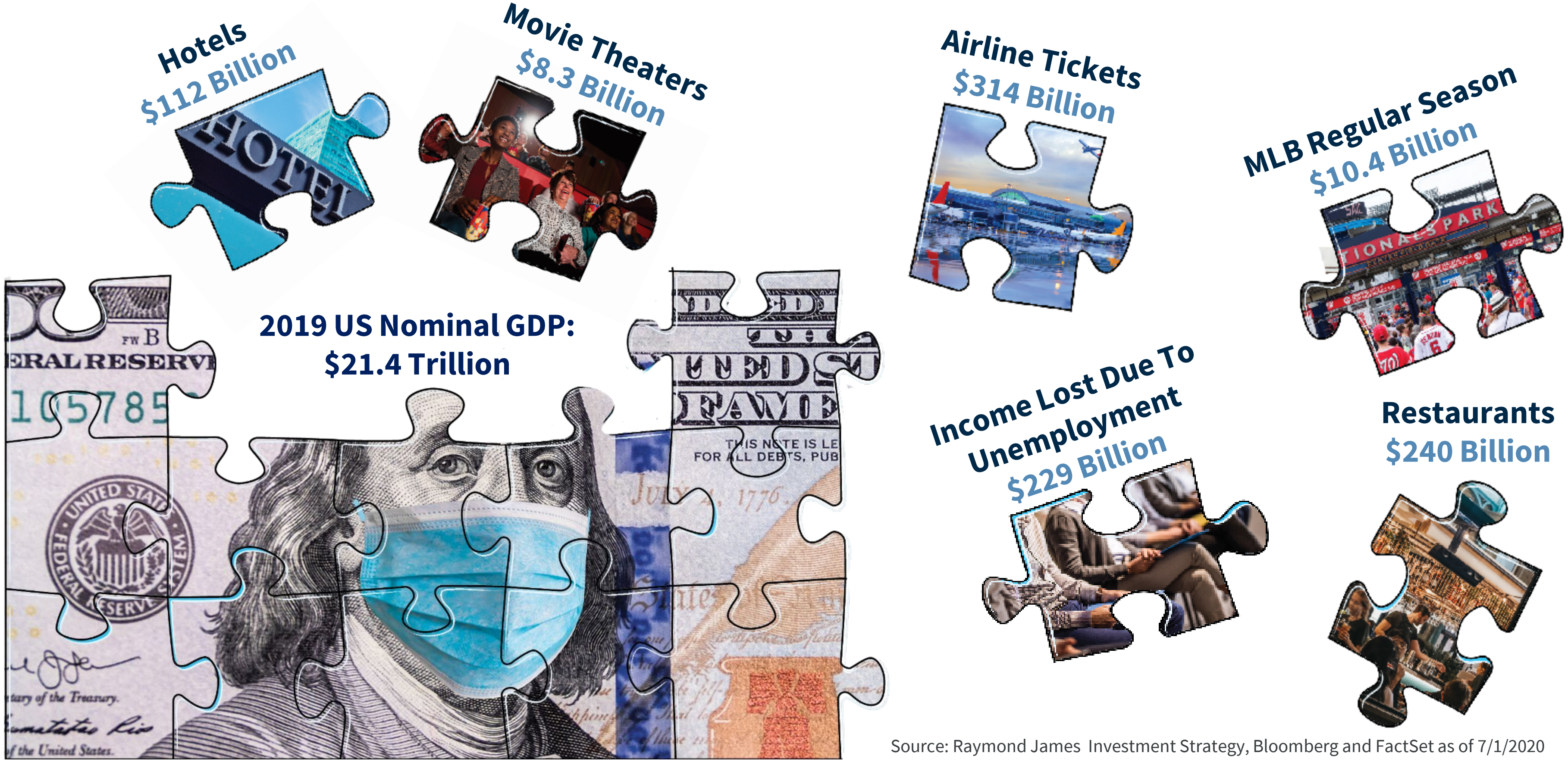
8%
Go To a Crowded Sporting Event

20%
Get On a Plane

25%
Go To a Restaurant

31%
Go To Work

Source: RJ Investment Strategy Sentiment Survey



Source: Raymond James Investment Strategy, Bloomberg and FactSet as of 7/1/2020

THE ECONOMIC ROADMAP UNDER THE SURFACE

Medical Supplies, E-Commerce, Streaming

on average, viewers were streaming

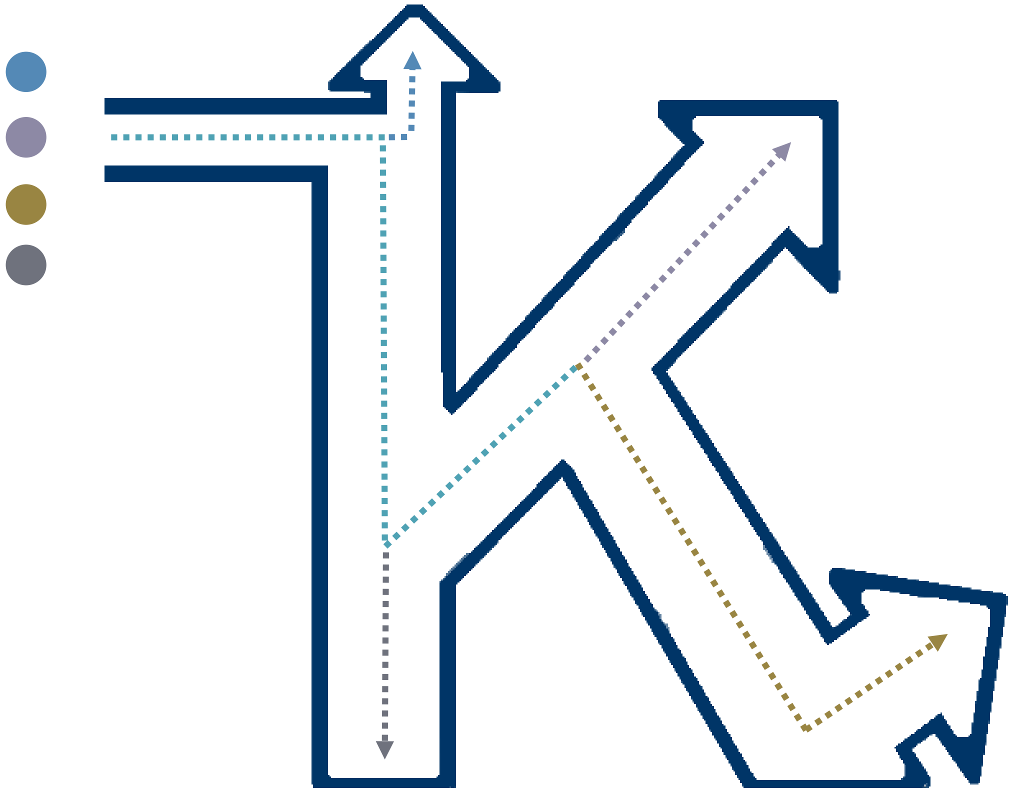
8

hours of content during the lockdown, double the pre-COVID level

Over-Leveraged, Cash-Flow Driven Small Businesses

60%

of businesses report sales volumes <75% of pre-COVID levels



-5.3%

2020 GDP Target

+4.9%

2021 GDP Target

Home Improvements, Surgeries, Technology

78%

of homeowners wish to make home improvements with the average list having ~6 projects

Airlines, Entertainment, Car Sales

33%

of respondents said finance constraints due to COVID-19 would "greatly influence" their decision to buy a vehicle

Source: Bloomberg, National Retail Federation, Institute for Business Value, OnePoll

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3 Policymakers' Responses

Stimulus Sparks Continue To Fly

INSIGHT:

The immediate and unprecedented monetary and fiscal stimulus actions undertaken by the Federal Reserve (Fed) and Congress mitigated the downside risks to the economy and helped prevent the worst case scenario from occurring.

BOTTOM LINE:

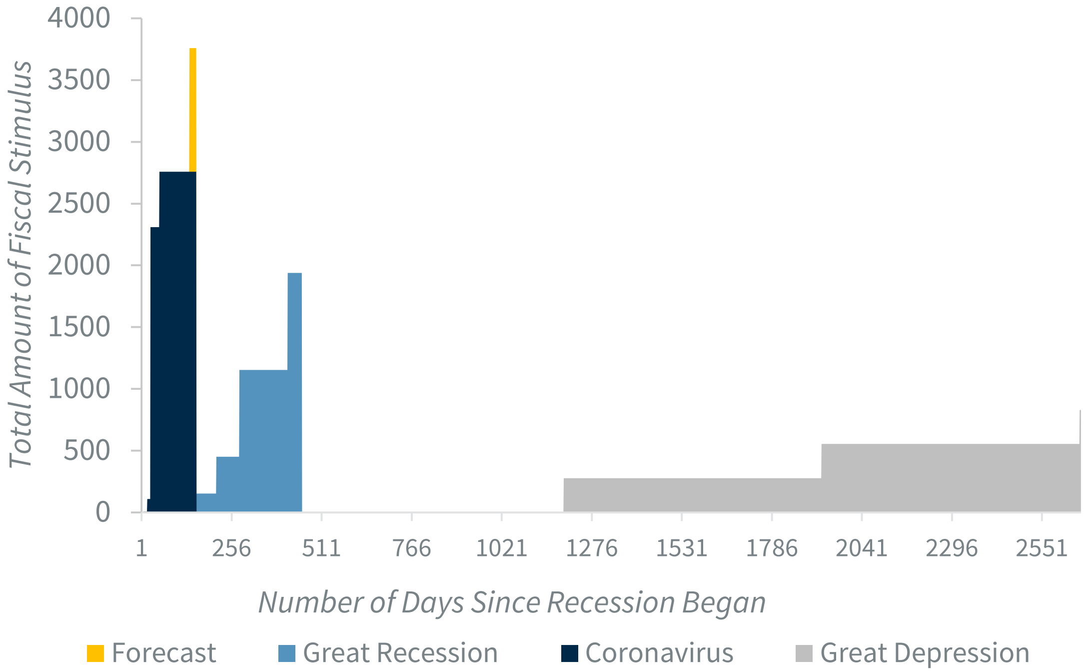
The Fed has continued to exercise non-traditional easing tactics, and a number of the established programs are yet to be utilized to their full capacity. Congress is expected to pass additional relief, not only as an emergency response, but in support of the economic recovery.

PHASE FOUR OF FISCAL STIMULUS LIKELY TO PASS

THE MAGNITUDE AND SPEED OF THE DECLINE IN ECONOMIC GROWTH WAS ATYPICAL FROM PREVIOUS RECESSIONS

- The swiftness and magnitude of fiscal policy has far surpassed anything done by policymakers during the Great Recession and Depression.
- While the rising deficit remains a concern for some policymakers, the passage of a phase four package targeting state and local aid is likely. However, differences on both sides remain before the package is completed.

Unprecedented Speed and Magnitude of Fiscal Policy



Source: FactSet, as of 7/1/2020

What Each Side Wants in Phase Four Stimulus

State and Local Funding	Payroll Tax Cut
Increased Funding for PPP	Increased Funding for PPP
Increased Climate Initiative Spending	Liability Protections
Extension of Unemployment Insurance Boost	Hiring Tax Credit
Extension of Food Stamps and Medicare Benefits	Corporate Tax Credit

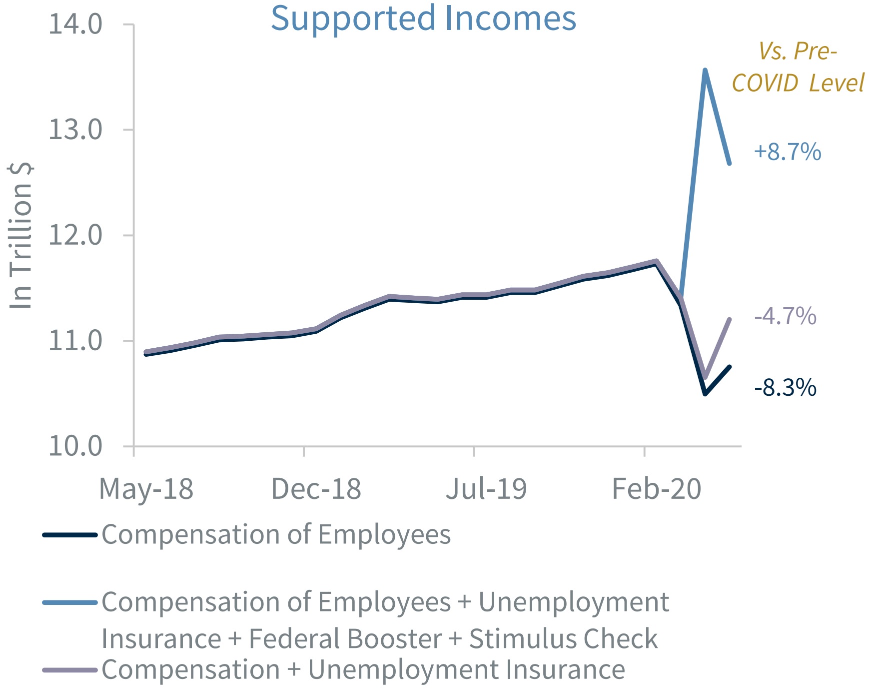
Source: Raymond James Equity Research

MORE FISCAL STIMULUS IS LIKELY NEEDED

THE NEED FOR STATE AND LOCAL AID AND CONSUMER IMPACTS MAKE A PHASE FOUR PASSAGE LIKELY

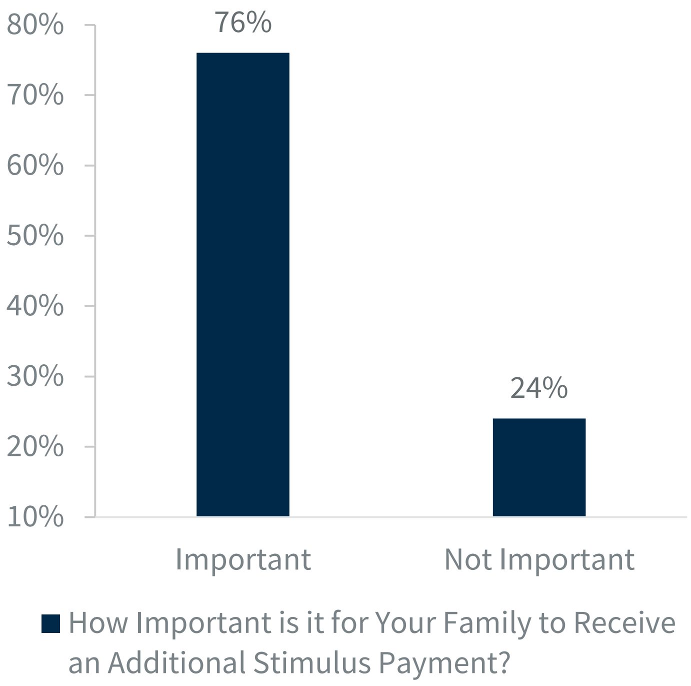
- The additional federal unemployment insurance booster ($600/week) and stimulus checks more than offset the $1.1 trillion decline in employee compensation during the COVID-19 crisis.
- Rising state and local budget deficits as a result of COVID-19 heighten the need for state and local aid funding.

Federal Unemployment Booster Has Supported Incomes



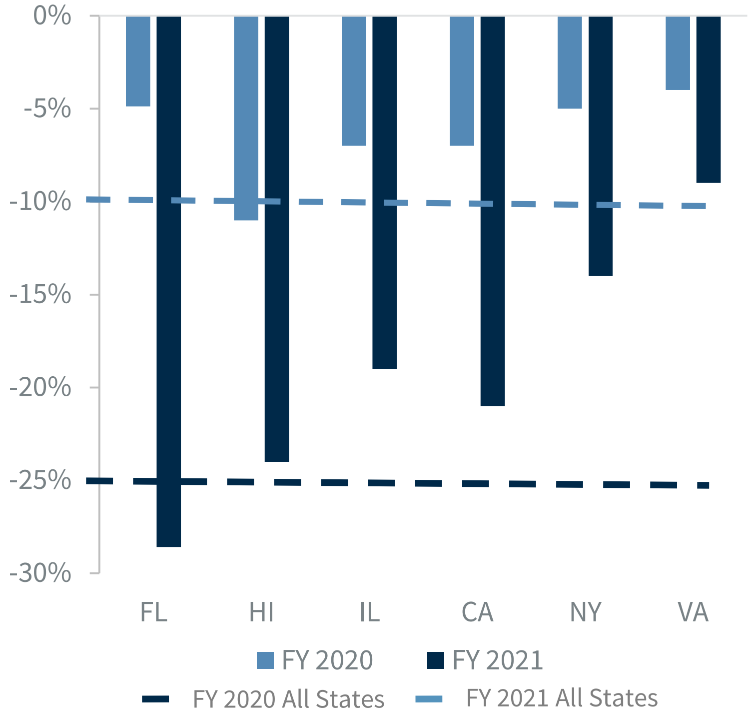
Source: FactSet

Polling on the Side of Additional Check



Source: Peter G. Peterson Foundation, www.pgpf.org

Widening Municipal Budget Deficits



Source: Center on Budget and Policy Priorities

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FED LIKELY TO KEEP RATES ON HOLD FOR FORESEEABLE FUTURE

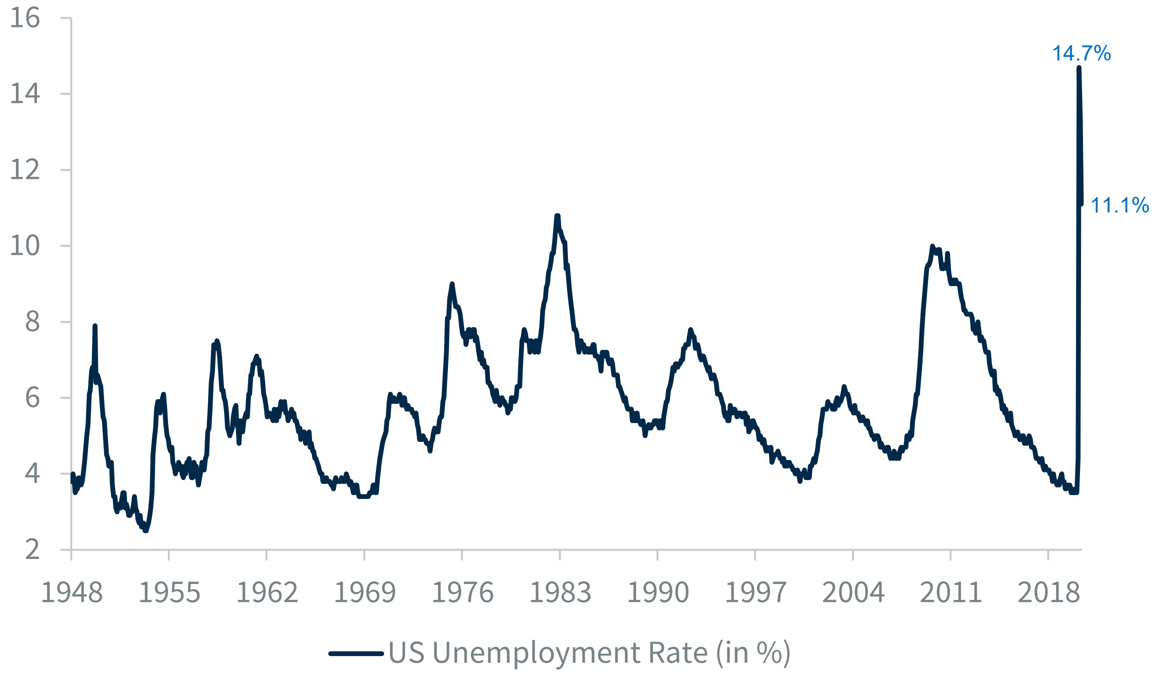
AS CONDITIONS REMAIN A LONG WAY FROM THE FED'S DUAL MANDATE, THE FED WILL REMAIN ACCOMMODATIVE WITH POLICY

- Inflation continues to move lower, and is now at the lowest level since 2011. As inflation remains significantly below the Fed's target of 2%, the Fed will likely keep rates low for the foreseeable future.
- This is also consistent with the labor market, as the unemployment rate remains far from full employment.

Inflation Well-Below Target at Multi-Year Lows

Source: FactSet, as of 7/1/2020

Labor Market Far From Full Employment



Source: FactSet, as of 7/2/2020

4 Fixed Income

US Treasurys Earned Their Stripes

INSIGHT:
Fears surrounding the virus's impact on global growth led the demand for US Treasurys to spike. While the economic recovery should push yields higher, the upside is limited as the Fed, retirees, buyers from overseas, and institutions will keep demand steady.

BOTTOM LINE:
The Fed expanded the scope of its purchases to include a substantial portion of investment-grade debt and municipal bonds, which should lead spreads to narrow further. We continue to favor these sectors over high-yield bonds which will be subject to heightened risks given the expected uptick in defaults and exposure to Energy and brick-and-mortar retailers.

TREASURYS EARN THEIR STRIPES

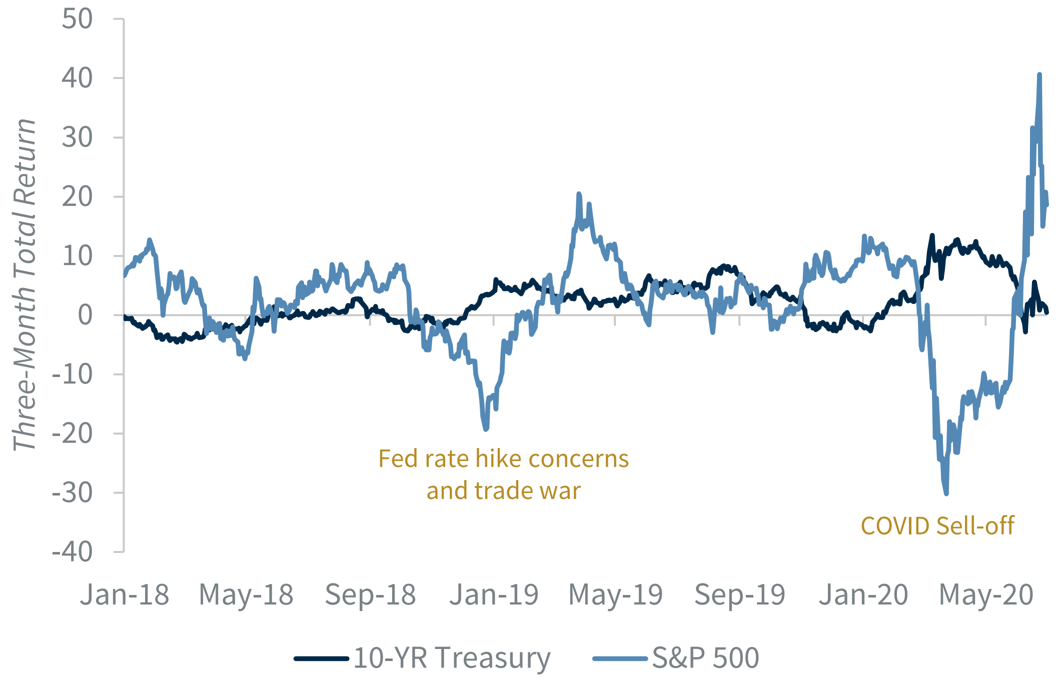
DESPITE THE RISK ASSET RALLY IN 2Q20, TREASURY YIELDS REMAIN NEAR RECORD LOWS

- After falling to record lows in 1Q20 as a result of the COVID-19 crisis, Treasury yields continue to hover near record lows.
- Treasurys ‘earned their stripes’ during the first half of the year, as they proved to be a solid diversifier during periods of elevated volatility, and also remained supportive during the risk asset rally in 2Q.

Treasury Yields Remain Near Record Lows

Source: FactSet, as of 7/1/2020

Treasurys Earn Their Stripes During Downturn



Source: FactSet, as of 7/1/2020

A BALANCING ACT FOR TREASURY YIELDS WEIGHTED TO THE UPSIDE

INTEREST RATES ARE LIKELY TO RISE INTO YEAR END, BUT THE RISE WILL LIKELY BE CONTAINED

- Due to improving economic data and elevated issuance to finance fiscal deficits, we expect Treasury yields to rise modestly into year end (1.00% 10-year Treasury forecast). However, the rise in yields should be contained due to balancing factors.

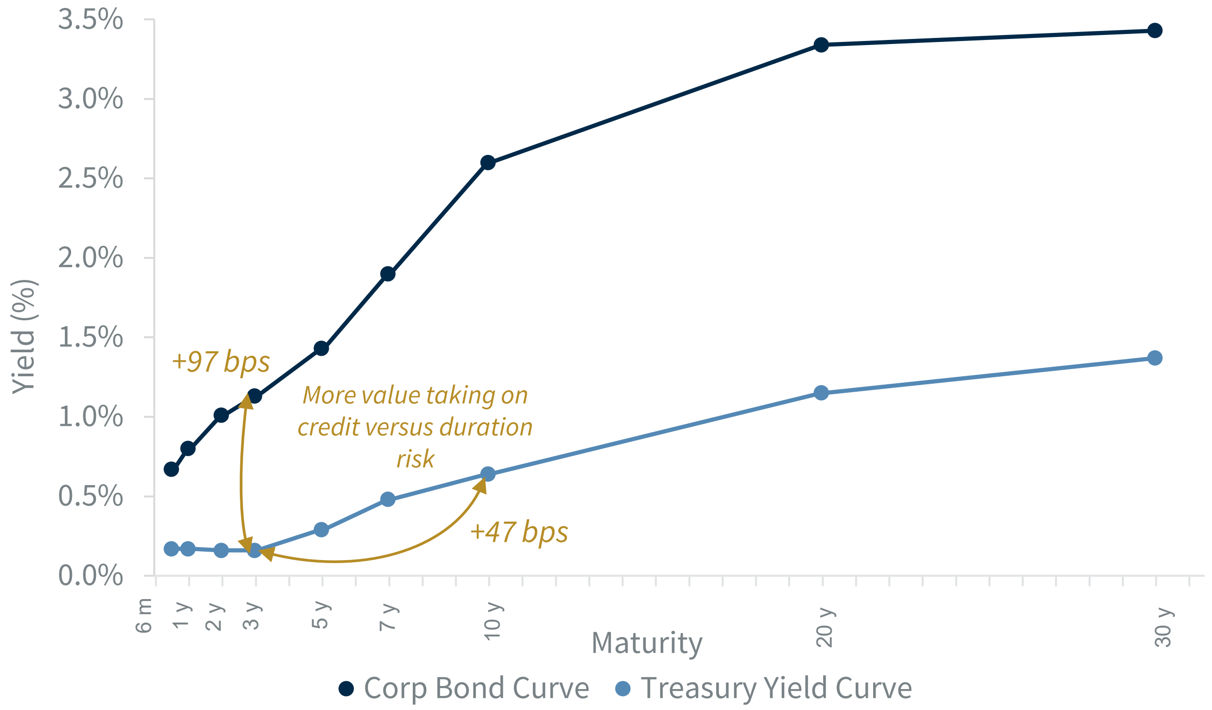
Source: Raymond James Investment Strategy

PREFER CREDIT OVER DURATION RISK

GIVEN OUR EXPECTATION FOR A MODEST RISE IN RATES AND THE FLATNESS OF THE YIELD CURVE, WE BELIEVE THAT INVESTORS ARE BETTER COMPENSATED FOR TAKING CREDIT RISK RELATIVE TO DURATION RISK

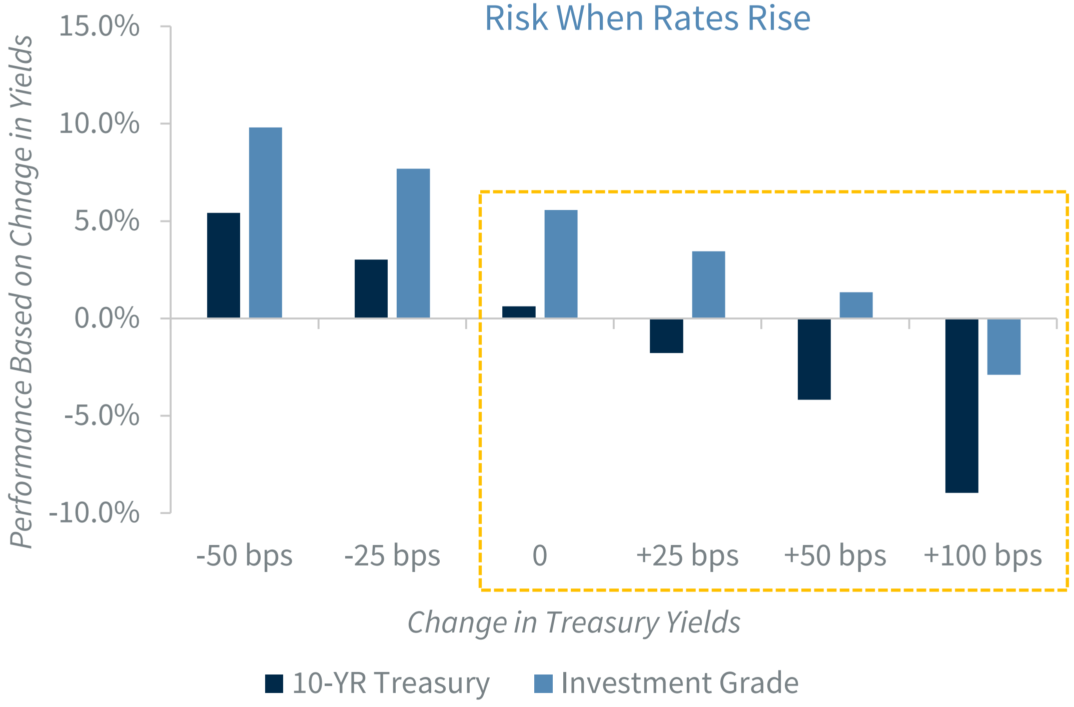
- Our expectation for a modest decline in spreads and elevated coupons make taking credit risk more favorable then duration risk.

Credit Curve Provides Better Risk/Reward



Source: FactSet, as of 7/1/2020

Longer-Duration Assets Bring Greater Risk When Rates Rise

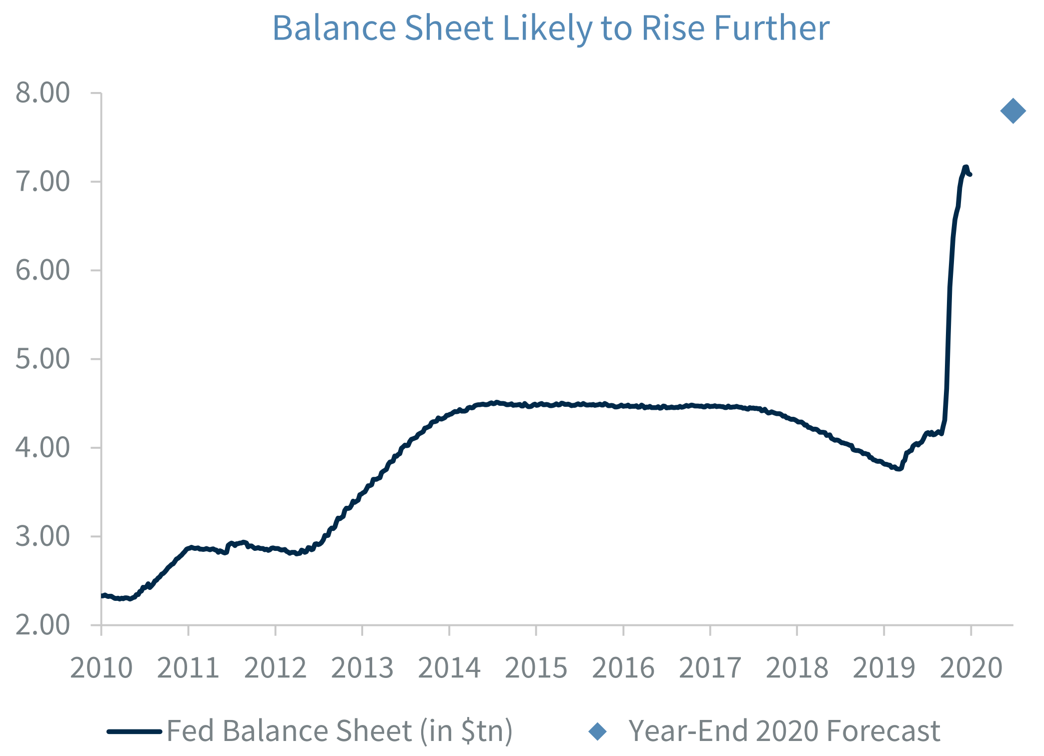


Source: FactSet. Investment-grade return factors in 20 bps decline in spreads relative to Treasurys.

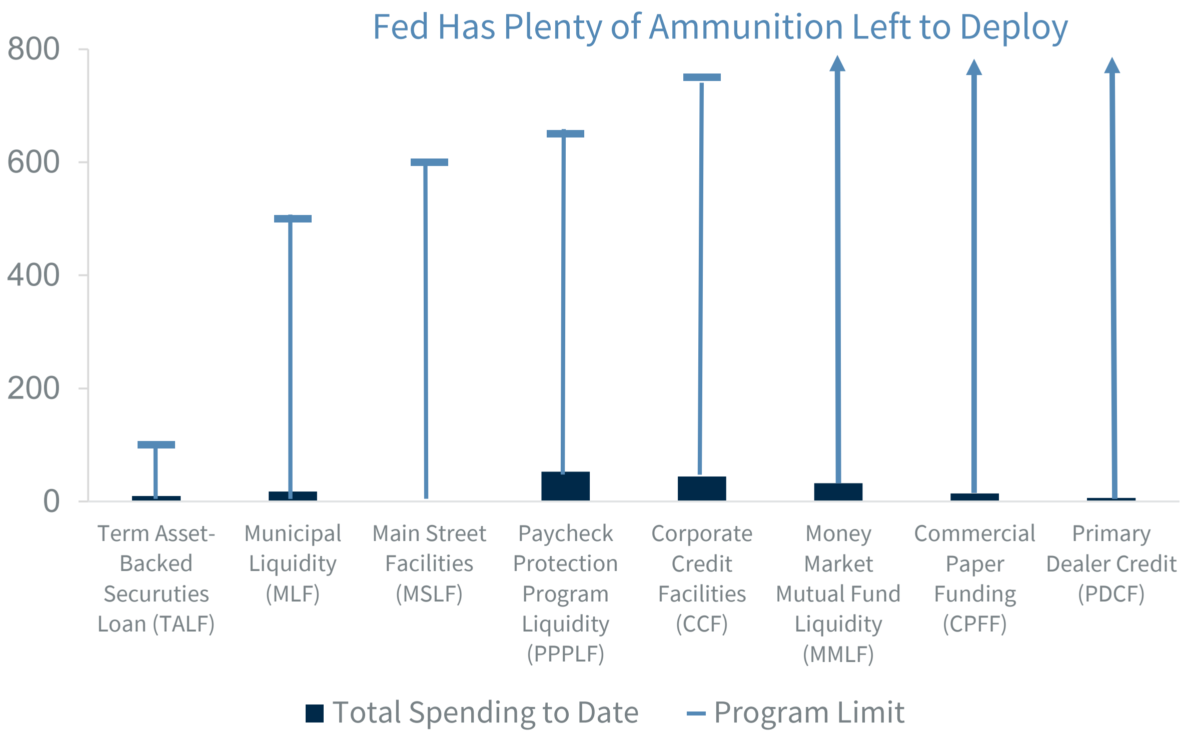
FED AND CONGRESS ACTED SWIFTLY AND AGGRESSIVELY

THE MAGNITUDE OF THE MONETARY STIMULUS HAS BEEN ARGUABLY MORE POWERFUL

- At the early signs of economic weakness, the Fed brought interest rates to zero with two swift emergency rate cuts, announced an unlimited amount of purchases through quantitative easing measures, and widened the scope of its purchases to include municipal and corporate bonds.
- To date, the Fed has spent little of the full capacity of its programs.



Source: FactSet, as of 7/1/2020



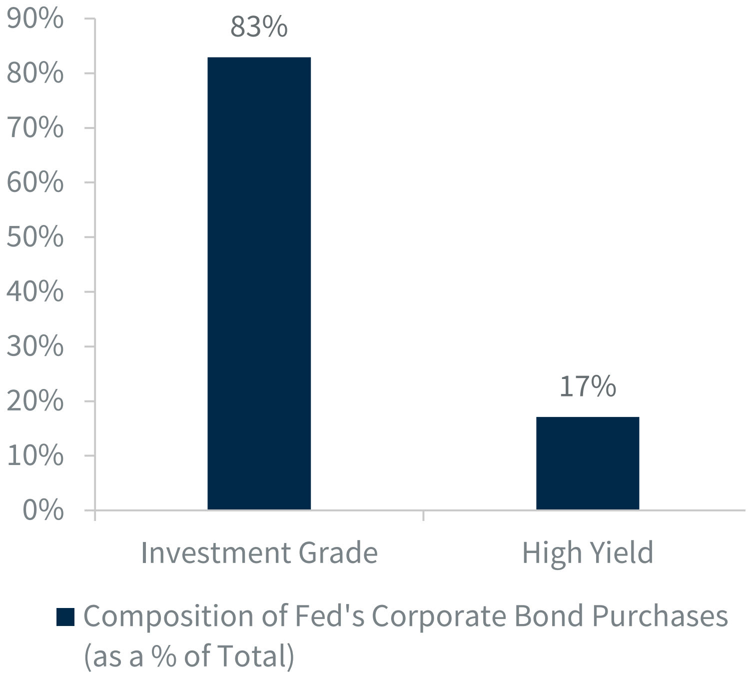
Source: FactSet, data as of 6/20/2020

FAVOR INVESTMENT GRADE OVER HIGH-YIELD BONDS

WITHIN THE CREDIT SPACE, WE CONTINUE TO FAVOR INVESTMENT GRADE OVER HIGH YIELD

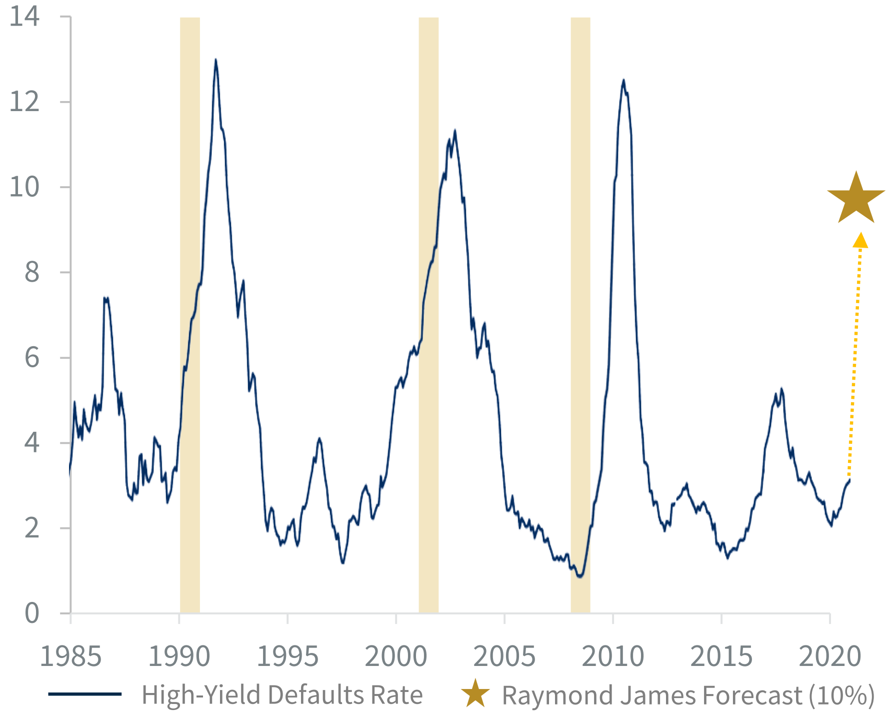
- Fed corporate bond purchases have been tilted toward investment grade, as investment grade makes up ~83% of its corporate bond purchases.
- Additionally, high-yield bonds are likely to face headwinds from rising default rates, and elevated exposure to at risk areas such as Energy and brick and mortar retailers.

Fed Purchases Tilted Towards IG



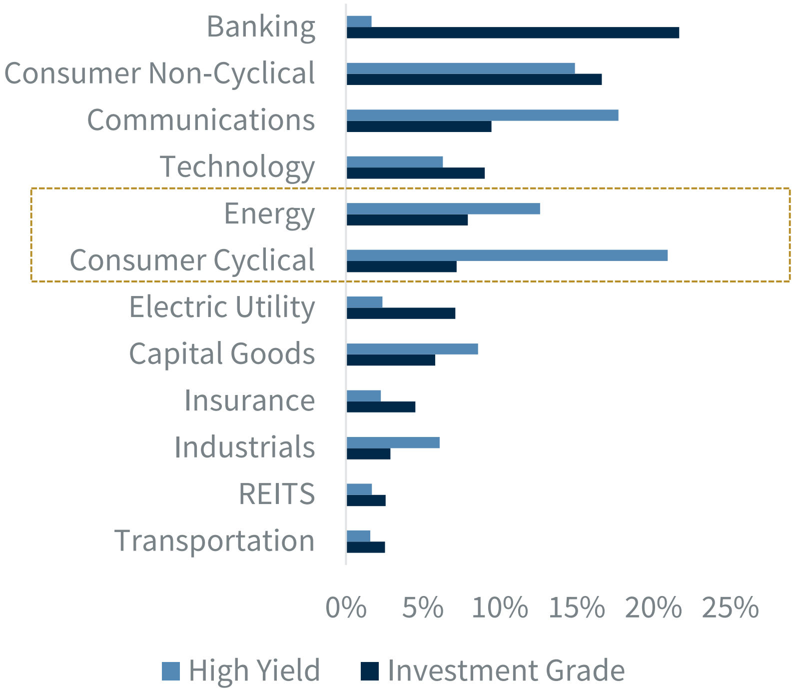
Source: Bloomberg, as of 6/15/2020

High-Yield Defaults to Increase



Source: Bloomberg, as of 7/1/2020

Sector Composition Hampers High Yield



Source: FactSet, as of 7/1/2020

RAYMOND JAMES

RARE OPPORTUNITY FOR MUNICIPAL BONDS

RECENT VOLATILITY BRINGS ATTRACTIVE ENTRY-POINT FOR MUNICIPAL BONDS

- While they have narrowed, municipal yields remain significantly elevated to Treasurys from an historical basis.
- As municipal bonds have a significantly higher credit quality relative to corporate bonds, we expect default rates to remain low despite rising budget deficits and increased volatility.

Municipal Yields Remain Elevated Relative to Treasurys

Source: Bloomberg, as of 7/1/2020

Municipal Bonds Have Higher Credit Quality

Source: FactSet

5 Equities

We Pledge Our Allegiance To US Equities

INSIGHT:
Substantial stimulus measures, yields remaining lower for longer, states reopening their economies, and promising vaccine trials have contributed to valuations rising to the highest levels since the early 2000s.

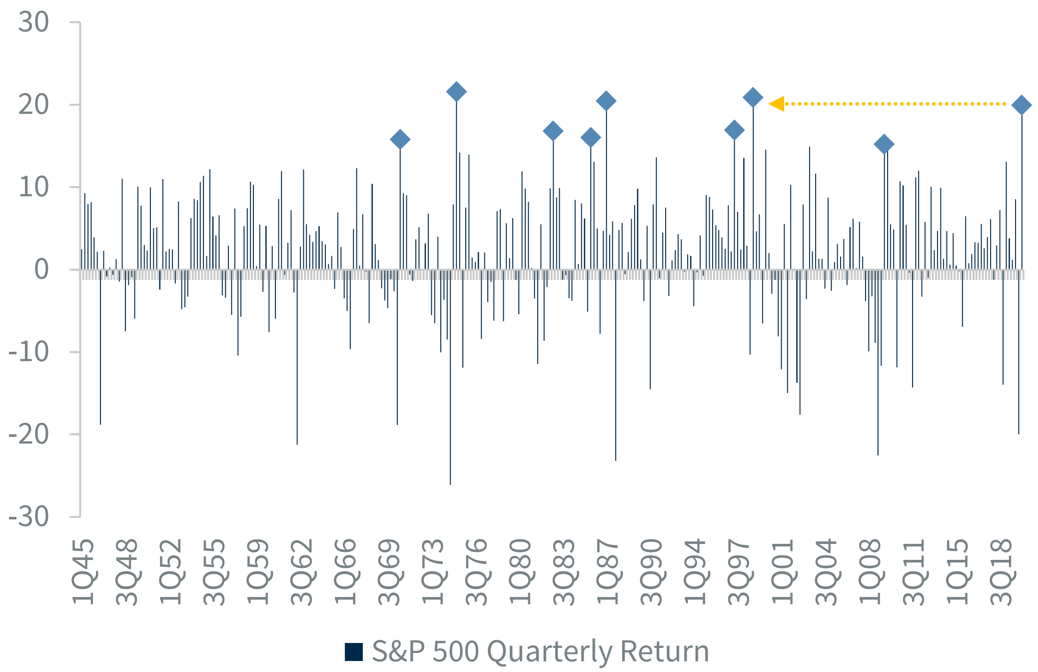
BOTTOM LINE:
Despite the recent rally, the post-recessionary period should continue to be supportive of equities over the next 12 to 24 months. The US economy has begun its robust recovery, and more cyclical and/or growth-oriented sectors should stand to benefit.

2Q SEES STRONG EQUITY RETURNS

FOLLOWING THE WORST QUARTER IN A DECADE IN 1Q20, 2Q20 BROUGHT STRONG EQUITY RETURNS

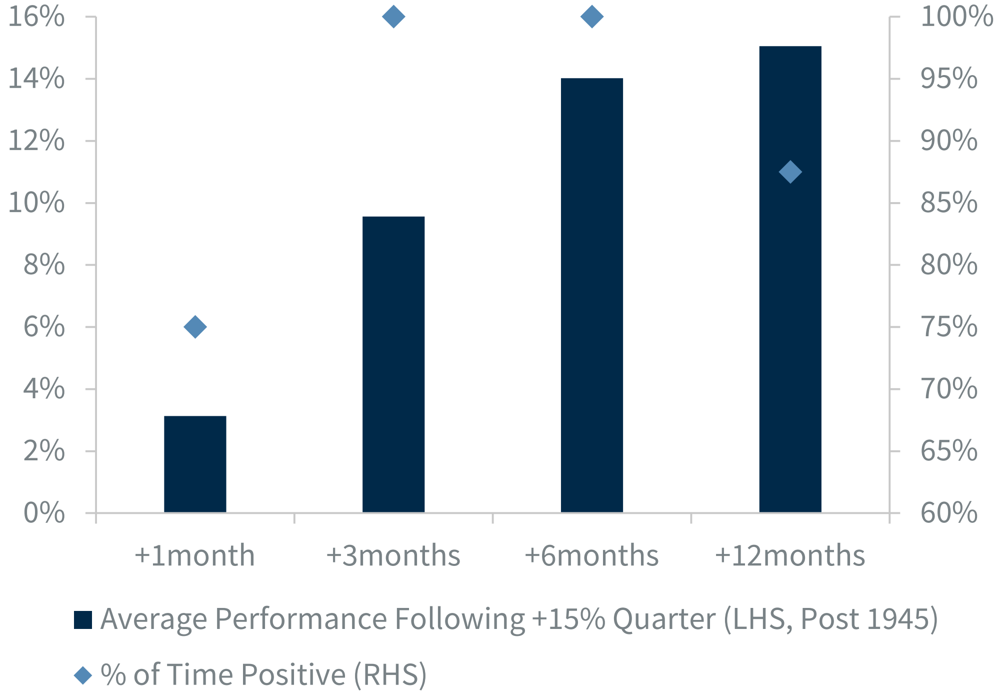
- The S&P 500 rallied ~20% in the second quarter, marking the best quarter of equity returns since 4Q98.
- Strong quarters such as these have typically not hampered future performance, as following the eight quarters of +15% returns dating back to 1945, the S&P 500 was higher on average over the next 6 to 12 months.

A Quarter for the Record Books



Source: Bloomberg, as of 7/1/2020

Strong Quarters Typically Lead to Further Strength

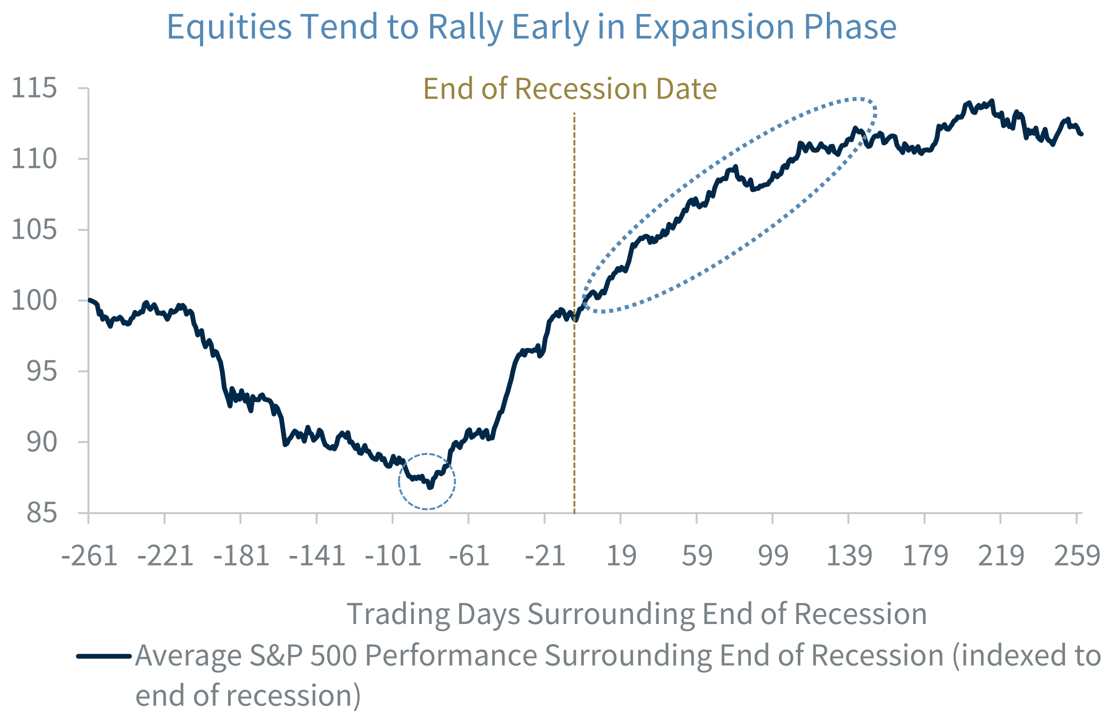


Source: Bloomberg, as of 7/1/2020

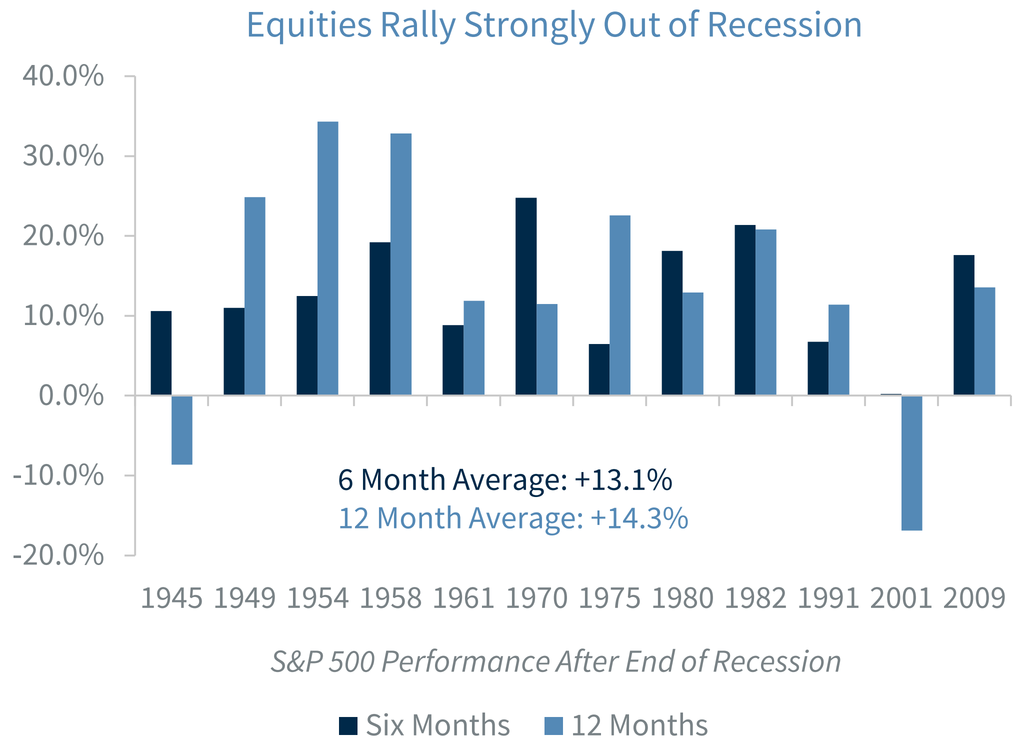
REASONS WHY WE ARE BULLISH LONGER TERM

EQUITIES TYPICALLY RALLY STRONGLY COMING OUT OF RECESSION

- The sharp current rally is not unusual, as equities typically bottom ~3-4 months before the end of the recession.
- The market typically rallies following the end of the recession, as equities are up~14% on average in the 12 months following the end of the recession on average, dating back to 1945.



Source: FactSet, as of 7/1/2020



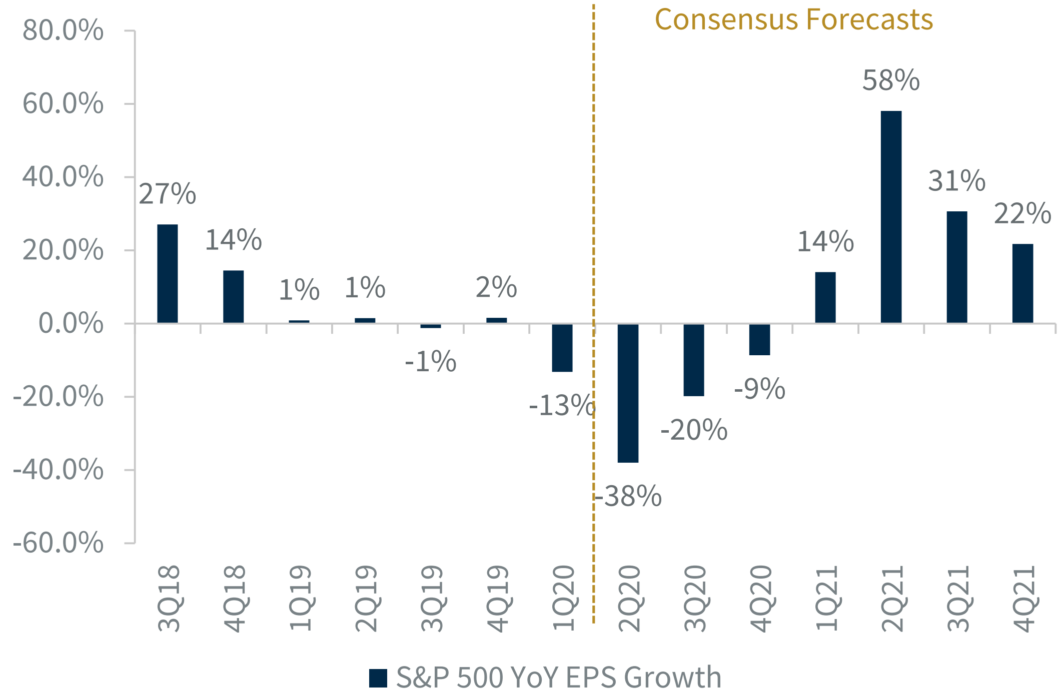
Source: FactSet, as of 6/8/2020

REASONS WHY WE ARE BULLISH LONGER TERM

EQUITIES WILL ALSO BE SUPPORTED BY IMPROVING EARNINGS GROWTH AND ELEVATED CASH LEVELS

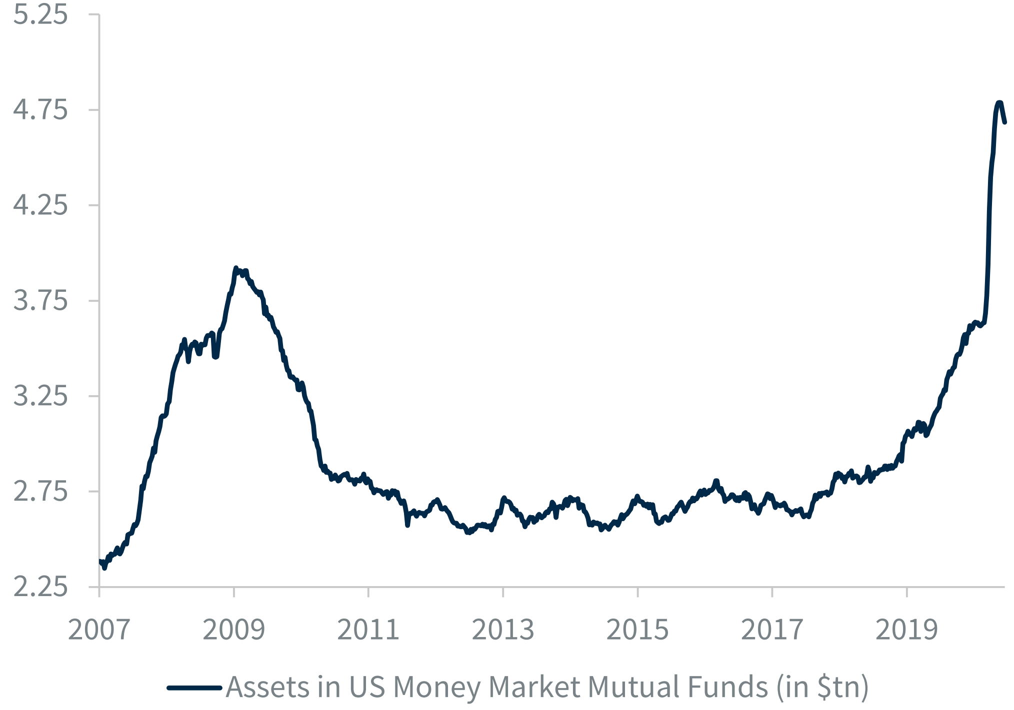
- Earnings growth is likely to accelerate along with the rebound in economic activity. Currently, earnings growth is expected to rise 29% in 2021.
- Additionally, the amount of cash on the sidelines (in money market mutual funds) remains near record highs at ~$4.8 trillion. Elevated levels of cash should be supportive of equity markets going forward.

Earnings to Rebound With Economic Growth



Source: FactSet, as of 7/1/2020

Money Market Assets Near Record High



Source: FactSet, as of 6/8/2020

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NEAR-TERM CAUTIOUS ON THE MARKET

WHILE WE REMAIN POSITIVE LONGER TERM, WE ARE CAUTIOUS ON THE EQUITY MARKET NEAR TERM

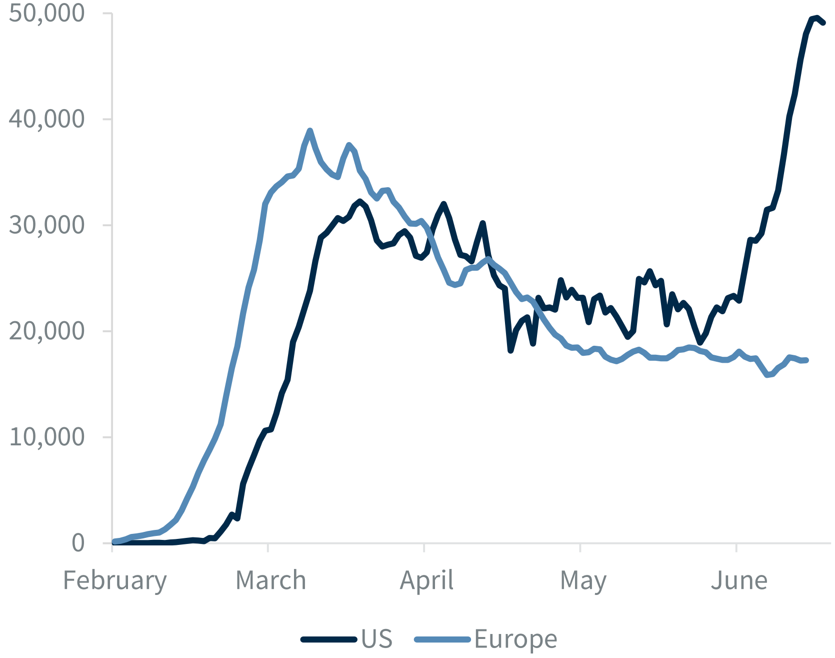
- Following the sharp rally in the equity market in the second quarter, next 12-month valuations for the S&P 500 are at the highest level since 2001.
- Additionally, rising probabilities for a potential second wave of COVID-19 and elevated political risks will likely be headwinds for the market over the near term.

Valuations at Multi-Year Highs

Source: Bloomberg, as of 6/15/2020

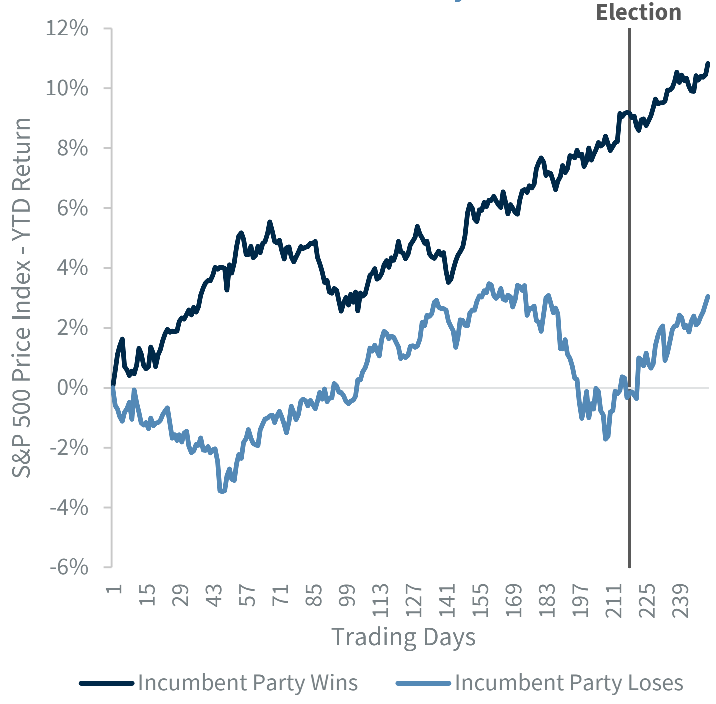
Potential Impact of COVID Second Wave

COVID-19 Daily New Cases (5-day moving average)



Source: Bloomberg, as of 7/6/2020

Political Uncertainty Within Market



Source: Factset, as of 6/24/2020

NEAR-TERM CAUTIOUS ON THE MARKET

WHILE WE REMAIN POSITIVE LONGER TERM, WE ARE CAUTIOUS ON THE EQUITY MARKET NEAR TERM

- The US equity market has significantly outperformed the fixed income market over the last quarter, and a potential rebalance could see ~$1.7 trillion in outflows from equity markets.
- The S&P 500 pattern closely resembles (~90% correlation) the recovery from the Great Recession, and it would be possible to experience similar volatility over the short term.

13%

5% or More Pullback in the S&P 500 in Q3

59%

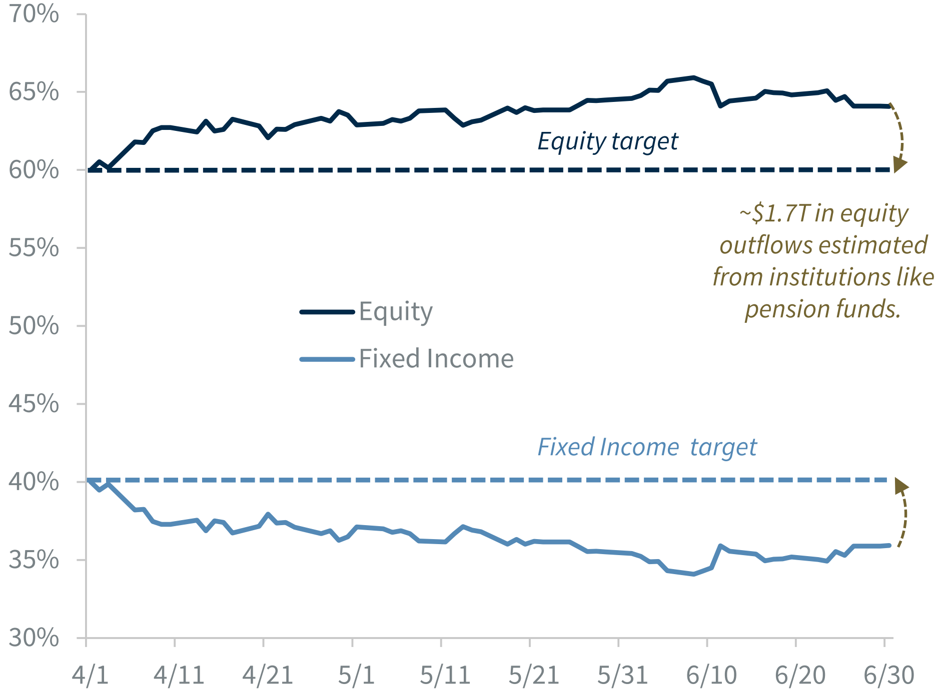
Equities as the Best Performing Asset Class in 2020

93%

Preferred Equity Region: US

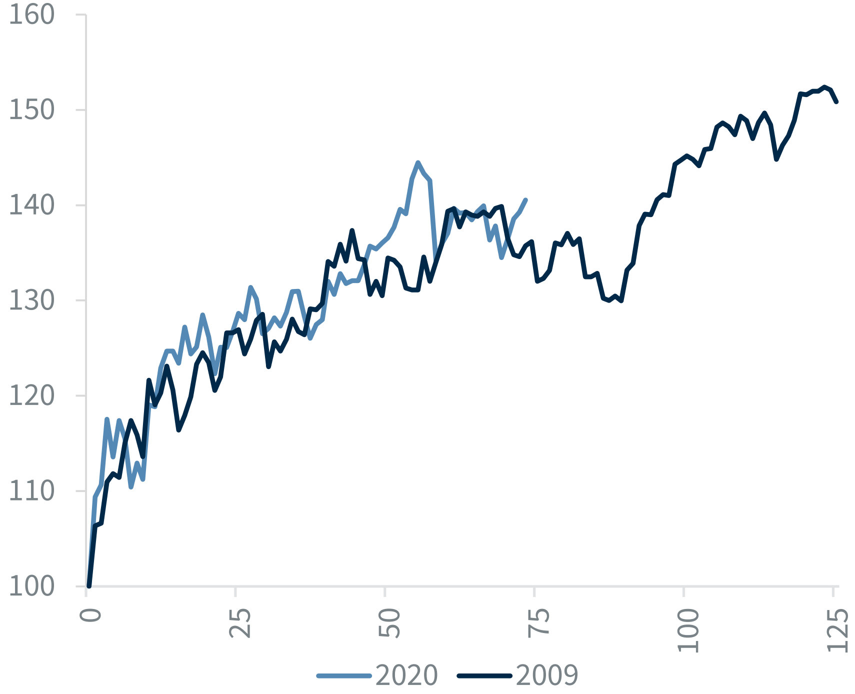
Source: RJ Investment Strategy Sentiment Survey

~$1.7T in Potential Equity Outflows for Rebalancing



Source: FactSet, as of 6/30/2020

S&P 500 Recovery in 2009 vs. 2020



Source: FactSet, as of 7/2/2020

FAVOR CYCLICALLY-ORIENTED SECTORS

WE REMAIN BIASED TO CYCLICAL SECTORS OVER DEFENSIVE SECTORS

- Cyclical sectors should benefit from improving economic growth, stronger earnings growth and our expectation for rising earnings growth.
- We are overweight the Information Technology, Communication Services, Consumer Discretionary and Health Care sectors.

Cyclical Tilt to Overweight Sectors

Overweight	Equal Weight	Underweight
Information Technology	Financials	Materials
Communication Services	Industrials	Utilities
Consumer Discretionary	Consumer Staples	Real Estate
Health Care		Energy

Cyclical Sectors

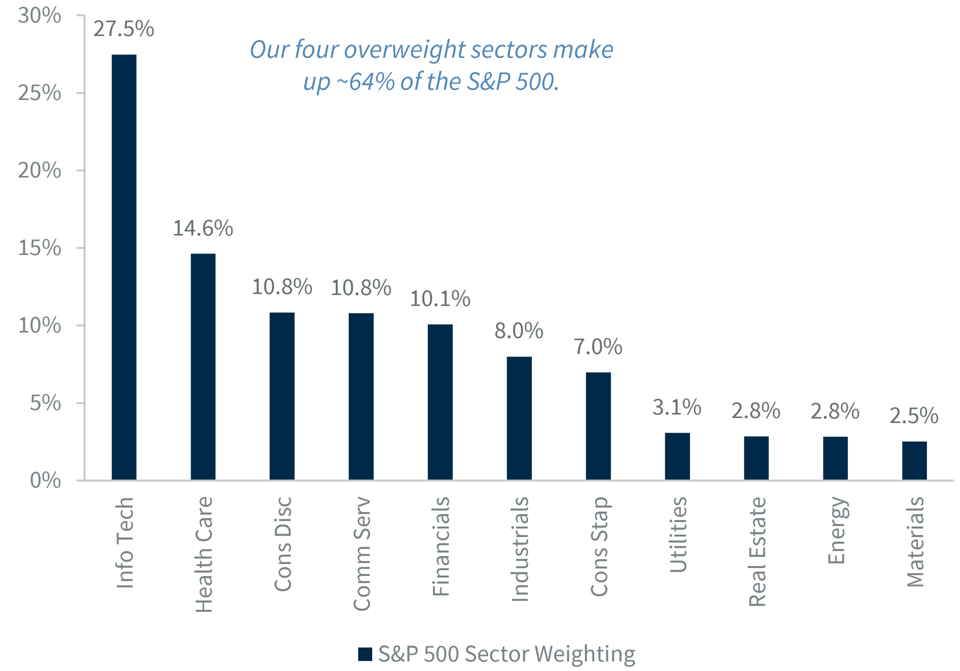
Defensive Sectors

Source: Raymond James Equity Portfolio & Technical Strategy

3,111

2020 S&P 500 Target

Sector Weightings in S&P 500



Source: FactSet, as of 6/8/2020

RATIONALE FOR OVERWEIGHT SECTORS

OVERWEIGHT FOUR SECTORS HEADING INTO 2H20

- Info Tech, Communication Services, Health Care and Consumer Discretionary are our four favorite sectors heading into 2H20.




<table>
<tr><th></th><th>Info Tech</th><th>Health Care</th><th>Communication Services</th><th>Consumer Discretionary</th></tr>
<tr><td>Reasons for Optimism</td>
<td>1. Software-related fixed investment growing ~8% annually.
2. Largest cash stockpile for shareholder friendly actions.
3. Spending for 5G and the potential for broadband in infrastructure should bring spending to the sector.
4. Will benefit from work-from-home.</td>
<td>1. Aging demographics to support overall Health Care sector.
2. Historically cheap on a relative basis to the S&P 500.
3. Increased spending for PPE and hospital supplies is supportive.
4. Potential for a COVID-19 vaccine should boost biotech.</td>
<td>1. Will be supported by increased broadband and 5G spending.
2. On a historical PE basis, the sector is attractive relative to the S&P 500.
3. Combination of both growth and defensive characteristics are attractive in current environment.
4. EPS growth stronger than S&P 500.</td>
<td>1. Additional round of fiscal stimulus supportive of consumer spending.
2. Sector weighting benefits trends to online shopping.
3. Debt payments as a % of disposable income at record lows.
4. Rising consumer confidence supportive of future spending.</td></tr>
</table>

Source: Raymond James Investment Strategy

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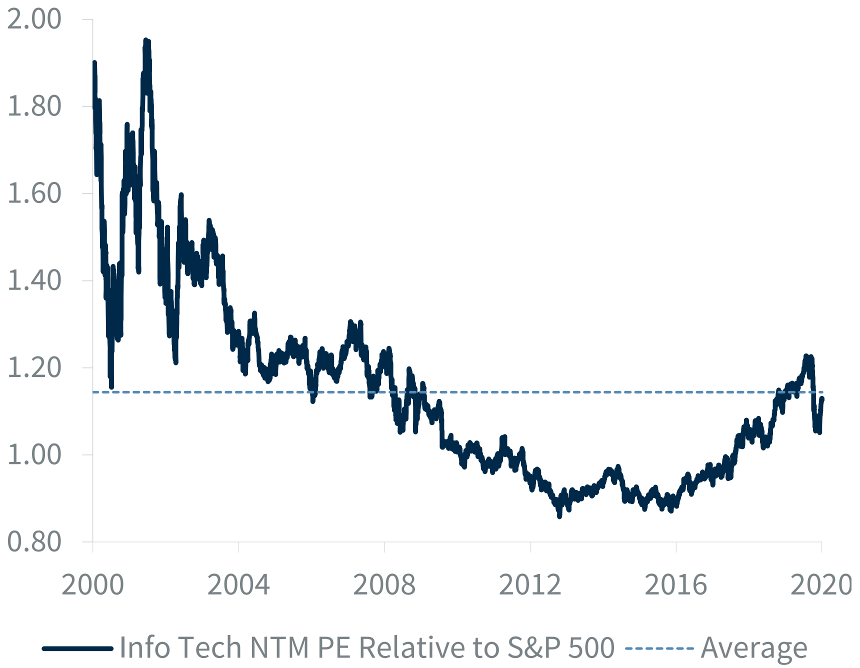
FAVORITE SECTORS TURNING MORE POSITIVE ON A FUNDAMENTAL BASIS

DESPITE OUTPERFORMANCE, OUR SECTORS HAVE BECOME FUNDAMENTALLY MORE ATTRACTIVE

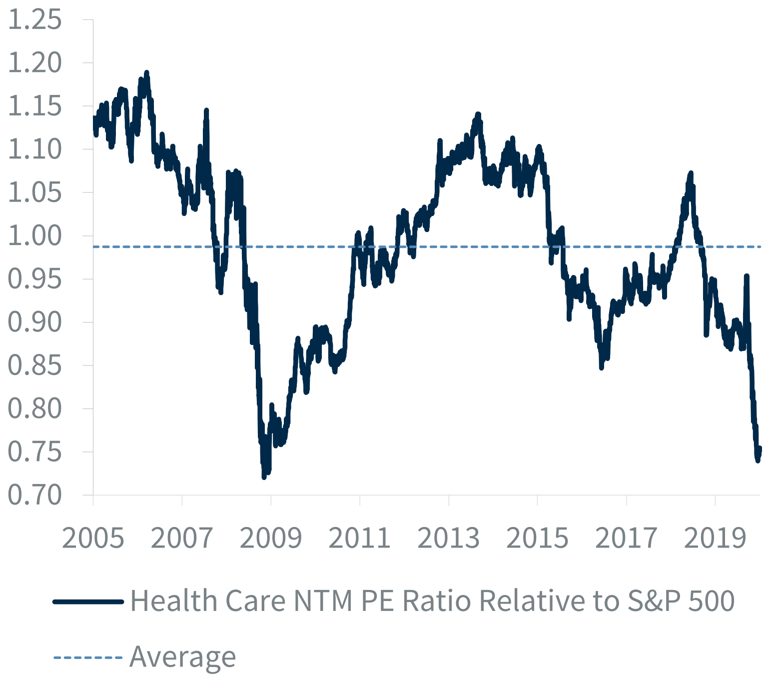
- Information Technology, Health Care and Communication Services (three of our favorite sectors) have been three of the best performing sectors year-to-date.
- Despite this, all have turned fundamentally more attractive on a next twelve-month relative PE basis to the S&P 500 and all are below historical averages.

Info Tech Relative PE Near Historical Averages



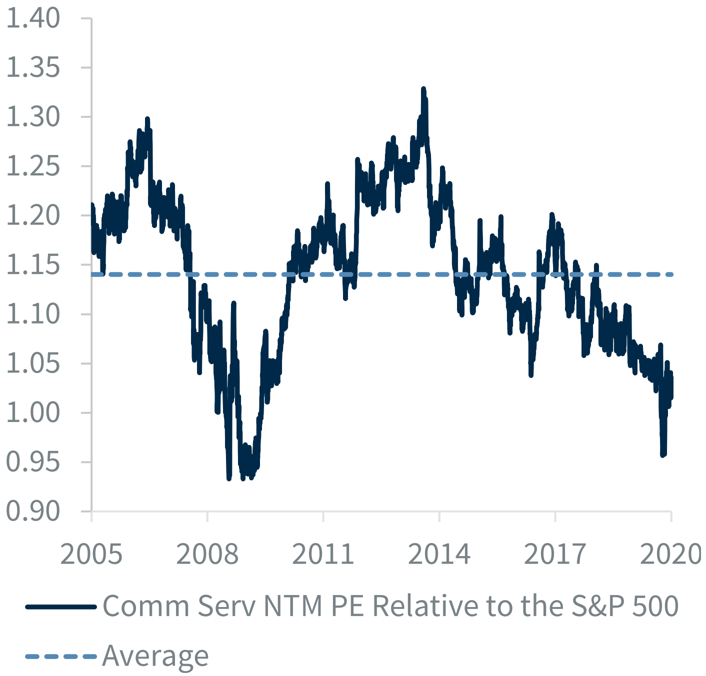
Source: Bloomberg, as of 7/2/2020

Health Care PE Near Multi-Year Lows



Source: Bloomberg, as of 7/2/2020

Comm Services Also Declining



Source: Bloomberg, as of 7/2/2020

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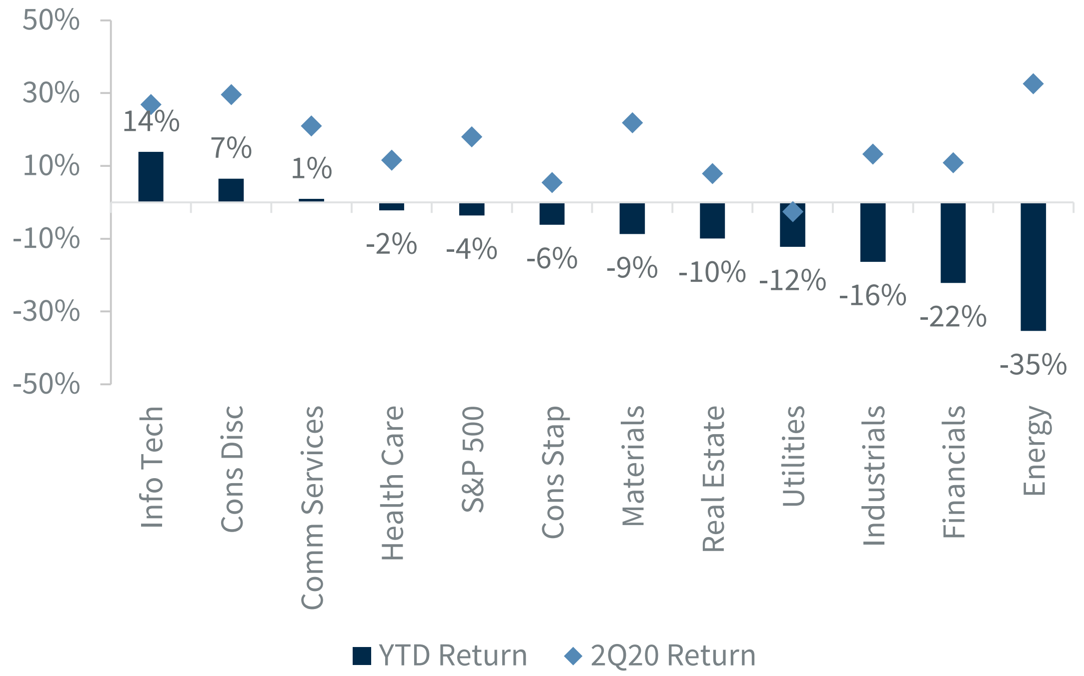
2Q SEES STRONG EQUITY RETURNS

THE COVID CRISIS HAS RESULTED IN SIGNIFICANT DISPERSION IN EQUITY RETURNS BENEATH THE SURFACE

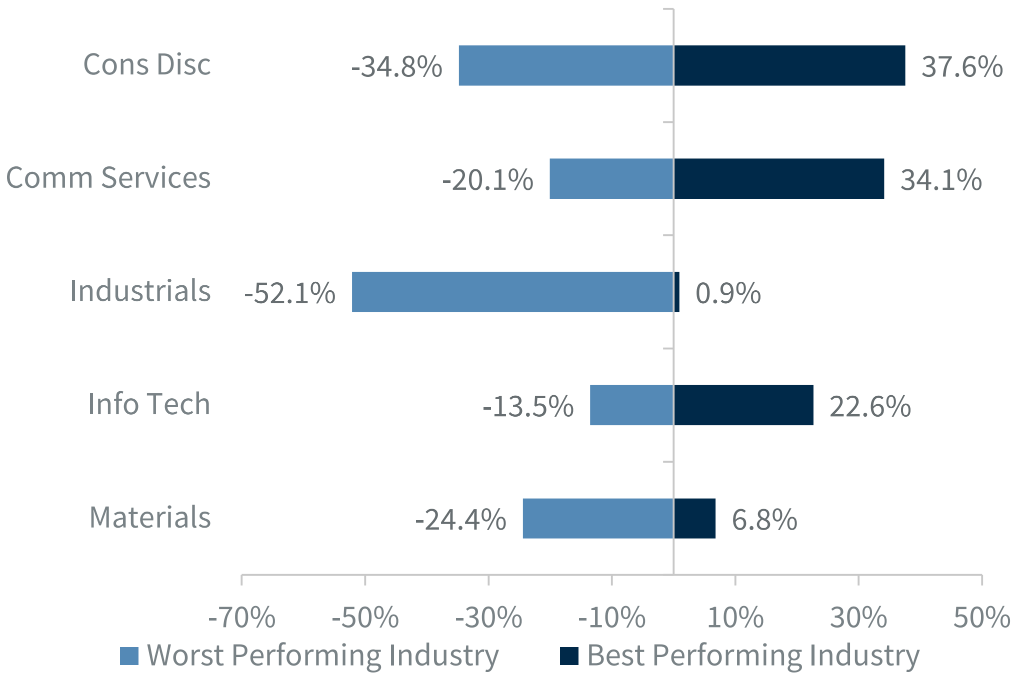
- Similar to the ‘K’ economy, the COVID crisis has resulted in many winners and losers as industries have been impacted differently.
- For example, within the Consumer Discretionary space, the internet retail industry has outperformed the automobile industry by ~70%.

Not All Returns Created Equal



Source: FactSet, as of 7/2/2020

Significant Intra-Sector Dispersion

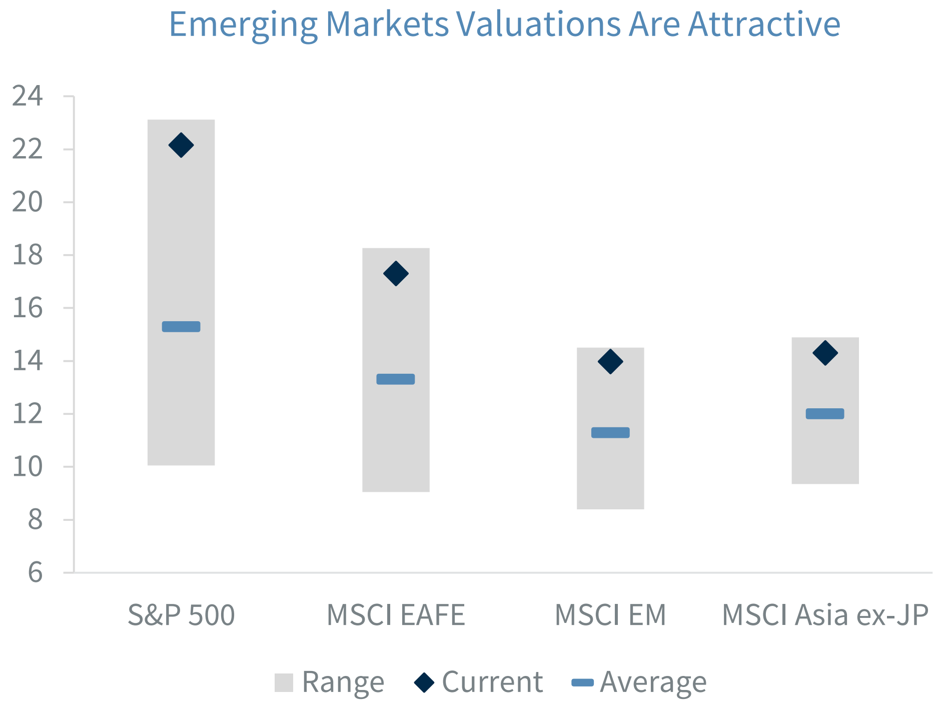


Source: FactSet, as of 7/2/2020

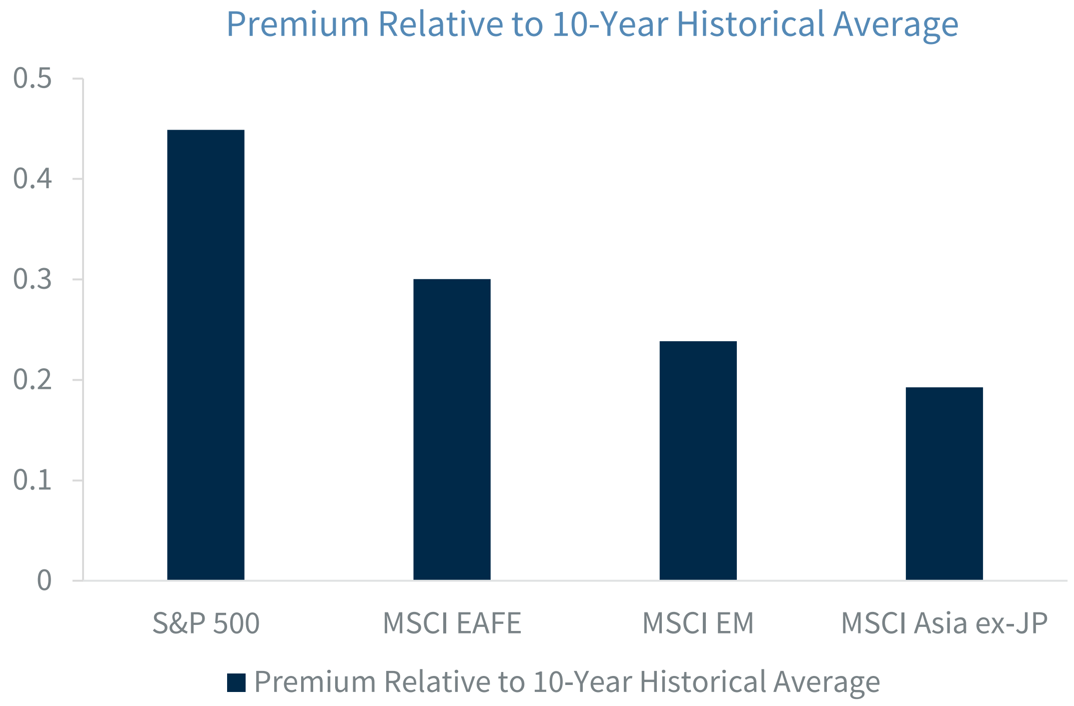
INTERNATIONAL MARKETS

ASIAN EMERGING MARKETS OFFER OPPORTUNITY AMONG INTERNATIONAL MARKETS

- Equity markets across the world have been rattled by COVID-19, but despite the US market being the most resilient one of all, valuations in Asia are attractive from an historical valuation perspective.
- In fact, the premium relative to the 10-year historical average for Asia ex-Japan is less than half that of the S&P 500. This is due to the additional ‘security’ that investors are willing to pay for, such as an enormous fiscal stimulus, stronger balance sheets, and technology giants domiciled in the US.



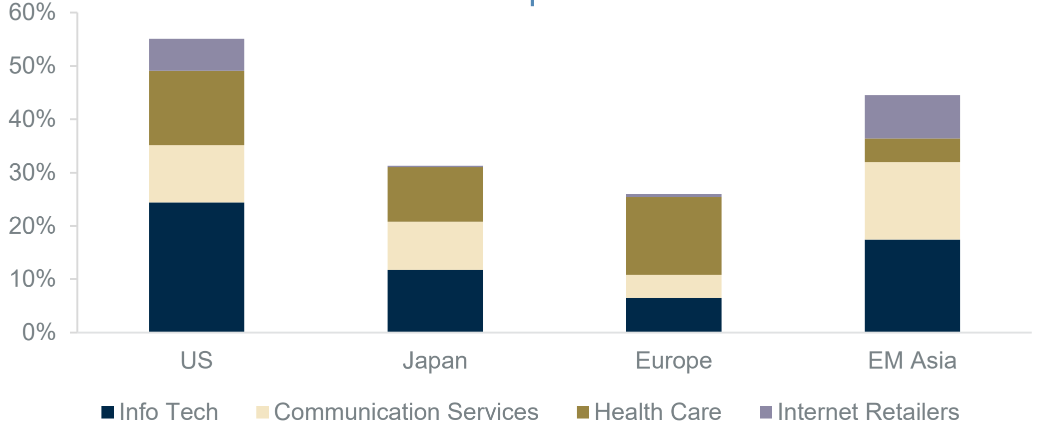
Source: FactSet, as of 7/1/2020



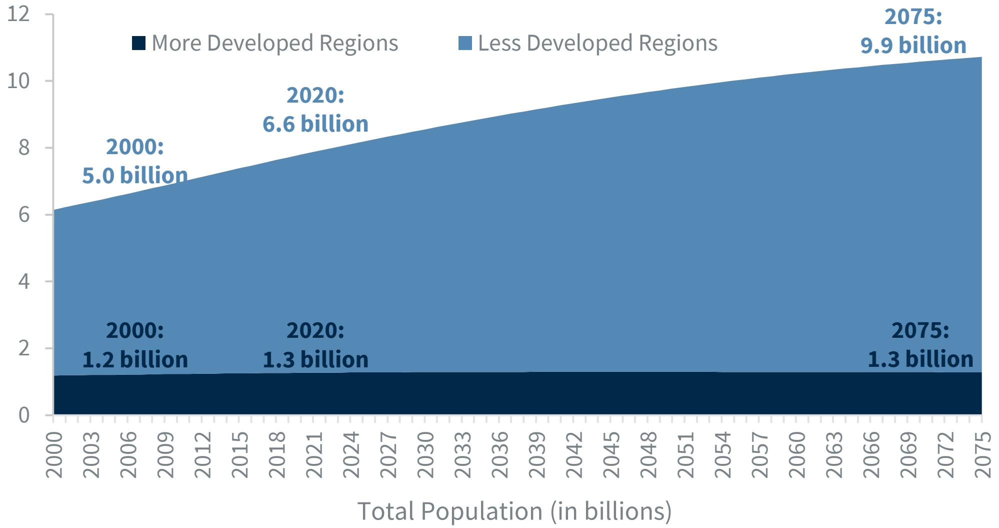
Source: FactSet, as of 7/1/2020

ASIAN EMERGING MARKETS – LONG-TERM TAILWINDS

Sector Composition



Favorable Demographics



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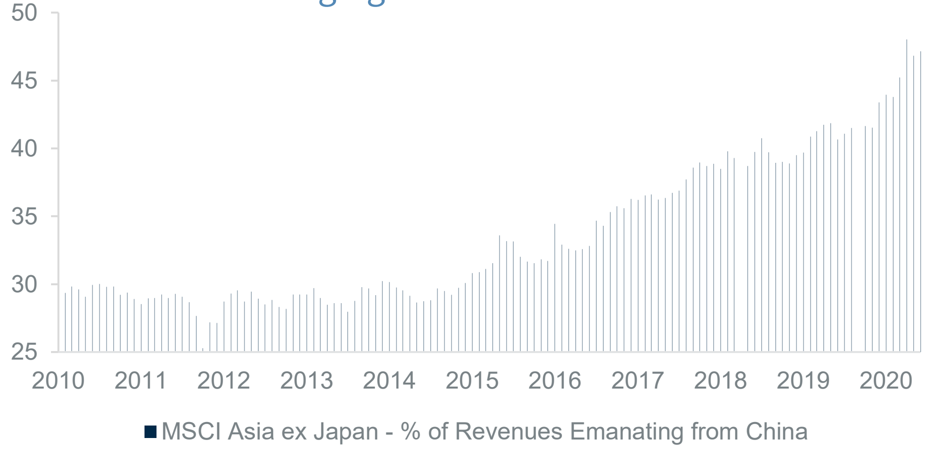
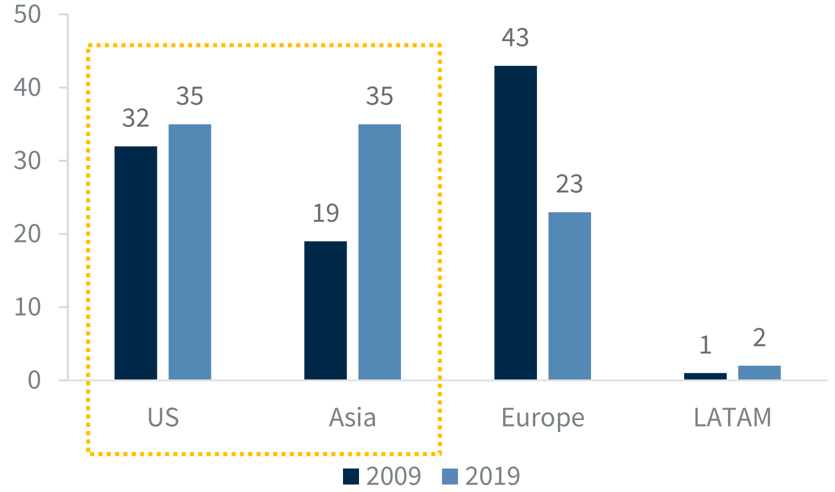
Reasons to Be Optimistic on Asian Emerging Markets

Half of Emerging Markets Revenues Are From China



Domicile of Fortune 100 Companies



Sources: FactSet, as of 7/1/2020

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6 Dollar & Commodities

Oil Prices At The Liberty Of Global Demand

INSIGHT:
Oil demand should begin to normalize as economies across the globe reopen, with the fallout from the COVID-19 outbreak having peaked during the shutdowns. The production cut agreement between OPEC and Russia as well as reduced supply within the US should also help oil prices rebound.

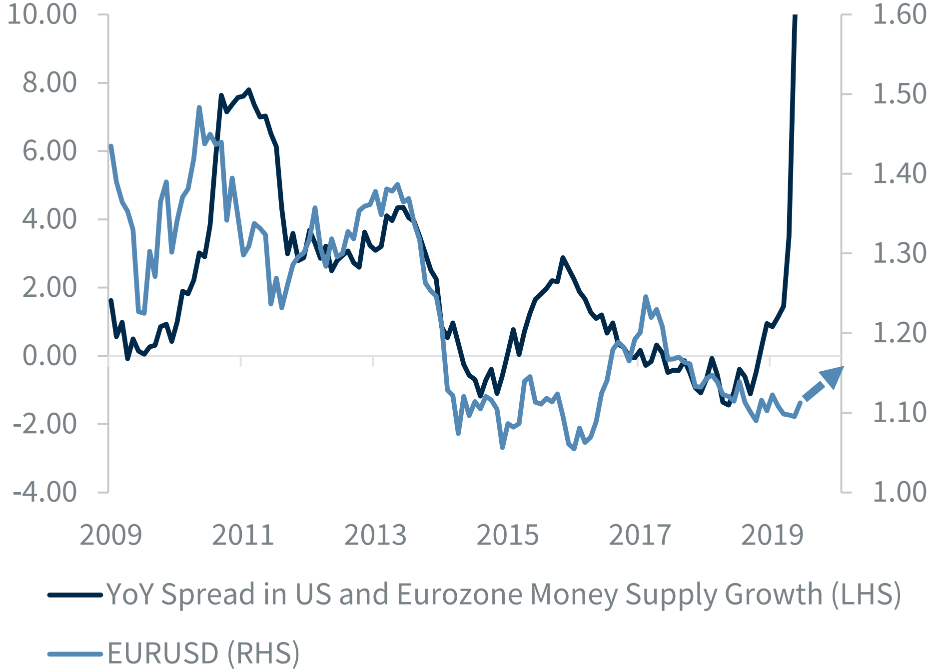
BOTTOM LINE:
Oil prices reached record lows due to weakened global demand and excess supply amid the Saudi-Russia price war. While it will take time for demand to return to pre-COVID-19 levels, the gradual improvement should be supportive of oil prices over the next 12 months.

A PANORAMIC VIEW OF THE DOLLAR AND OIL

DOLLAR HEADWINDS GOING FORWARD

- Rising money supply growth as a result of Fed accommodative policy will likely weigh on the dollar.
- Additionally, falling interest rate differentials should limit further dollar strength going forward.

Rising Money Supply a Headwind for Dollar Strength

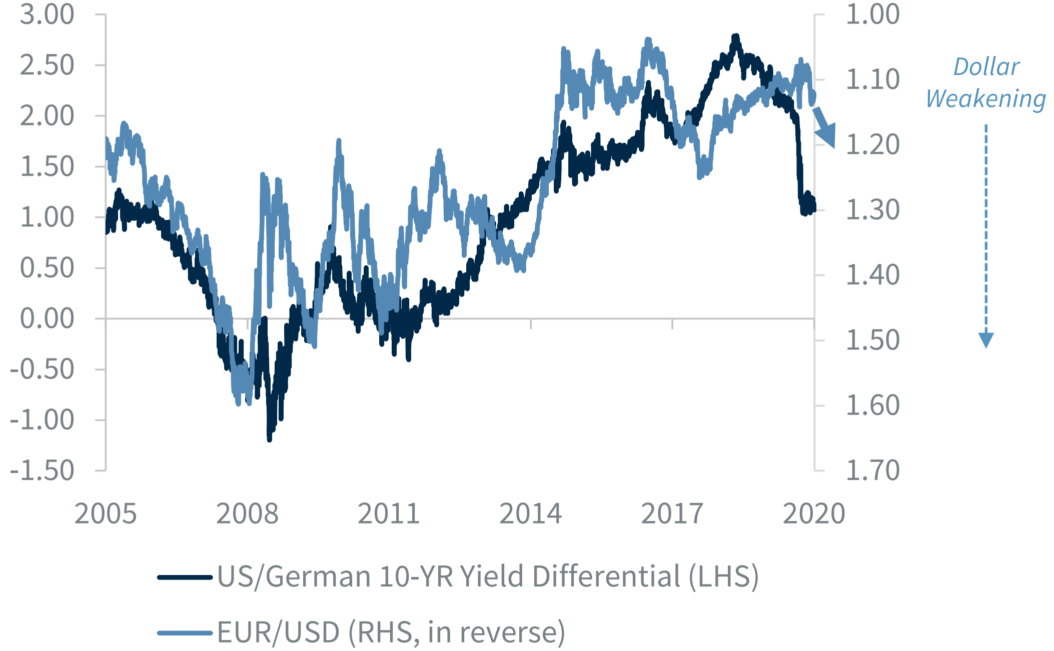


Source: FactSet, as of 7/1/2020

1.15

Year-End 2020
EUR/USD
Forecast

Yield Curve Differentials Narrowing

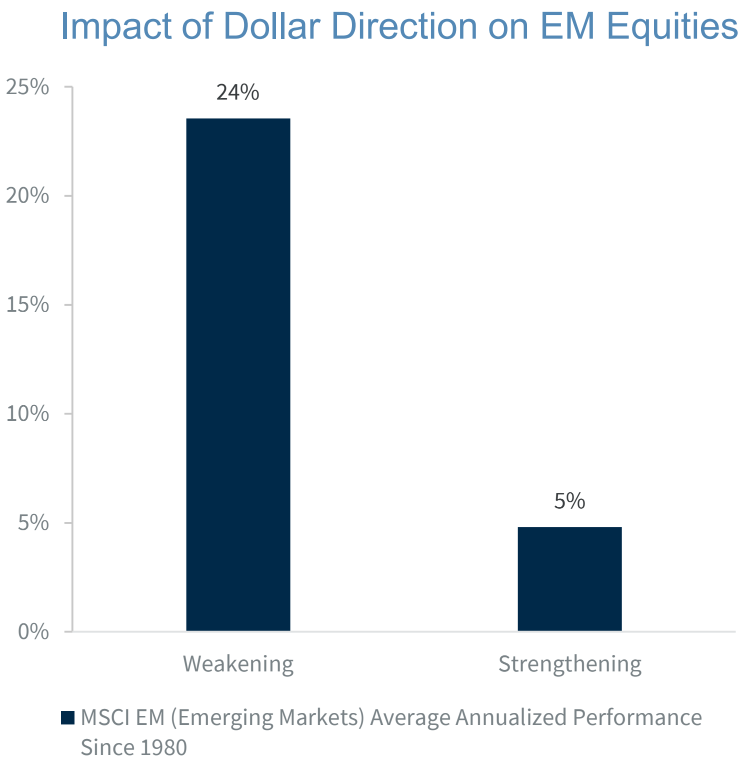


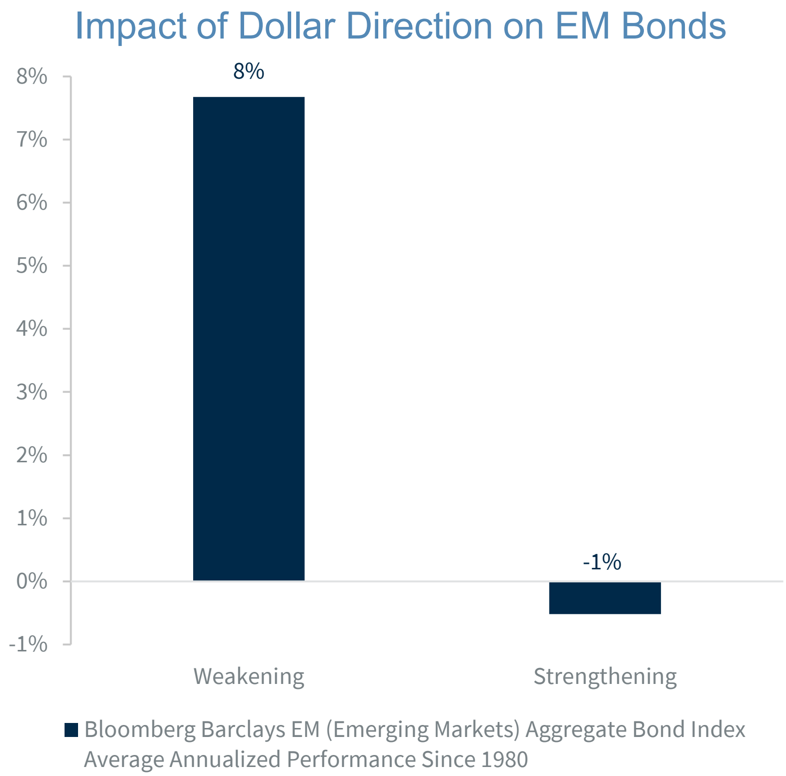
Source: FactSet, as of 7/1/2020

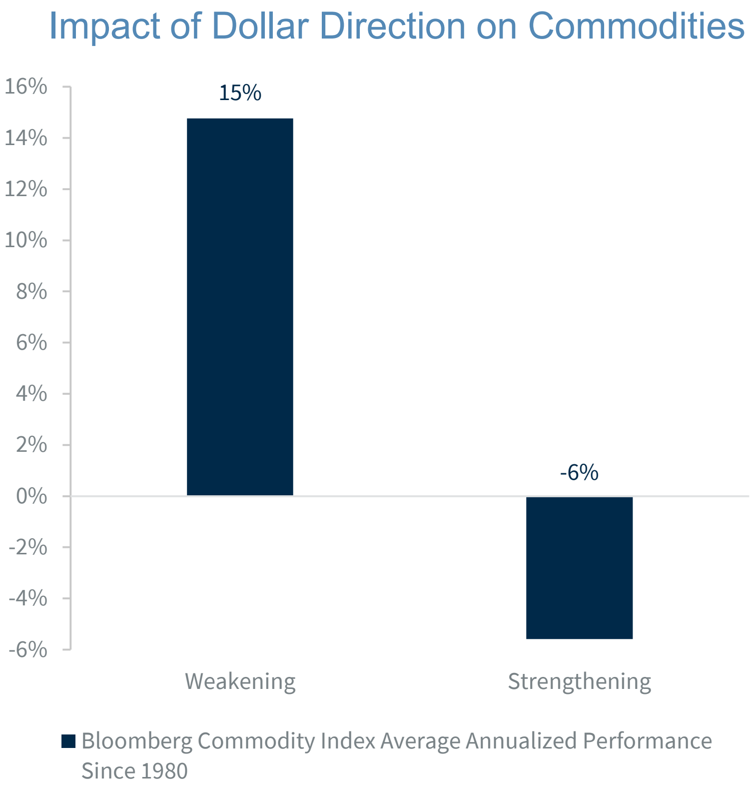
A PANORAMIC VIEW OF THE DOLLAR AND OIL

THE IMPACT OF THE US DOLLAR ON VARIOUS ASSET CLASSES

- Given their negative correlation to the US dollar, EM equities, EM bonds, and commodities should benefit from our expectation of a slight weakening in the dollar over the next 12 months.







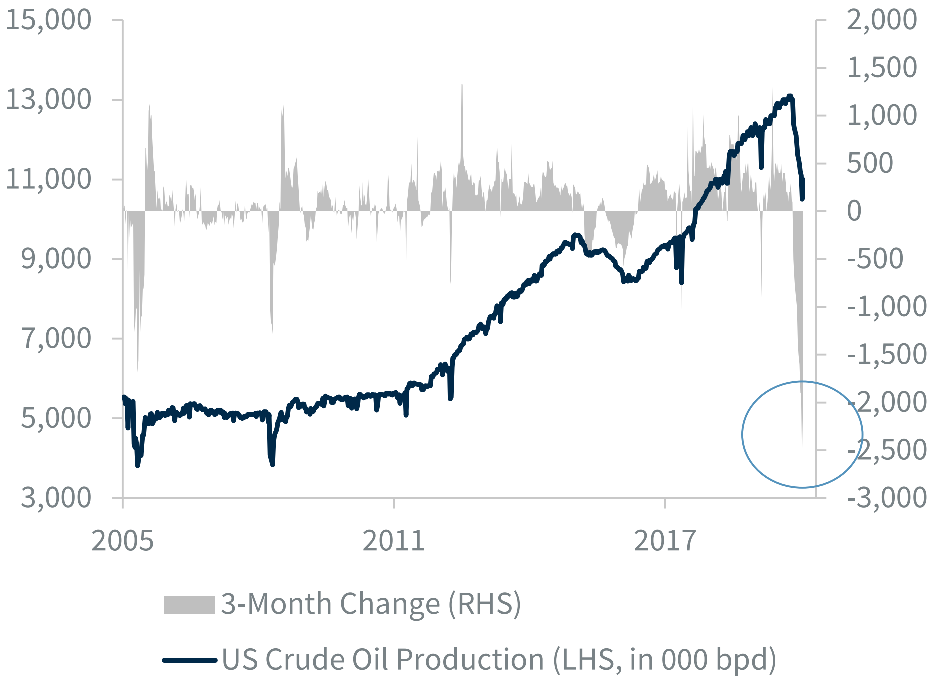
Sources: FactSet, as of 7/1/2020

LIMITED UPSIDE FOR CRUDE OIL AT CURRENT LEVELS

CRUDE OIL HAS RALLIED AS ECONOMIC ACTIVITY HAS RECOVERED AND US PRODUCTION CAME OFFLINE

- Given the decline in crude oil prices in 1Q20, US production has fallen sharply over the past three months, as 2.5 million barrels per day of production has come offline over that time period.
- However, as prices have rallied, oil rigs counts will likely recover as well, which should lead to an uptick in production and limit the rise in prices.

US Production Slows Dramatically

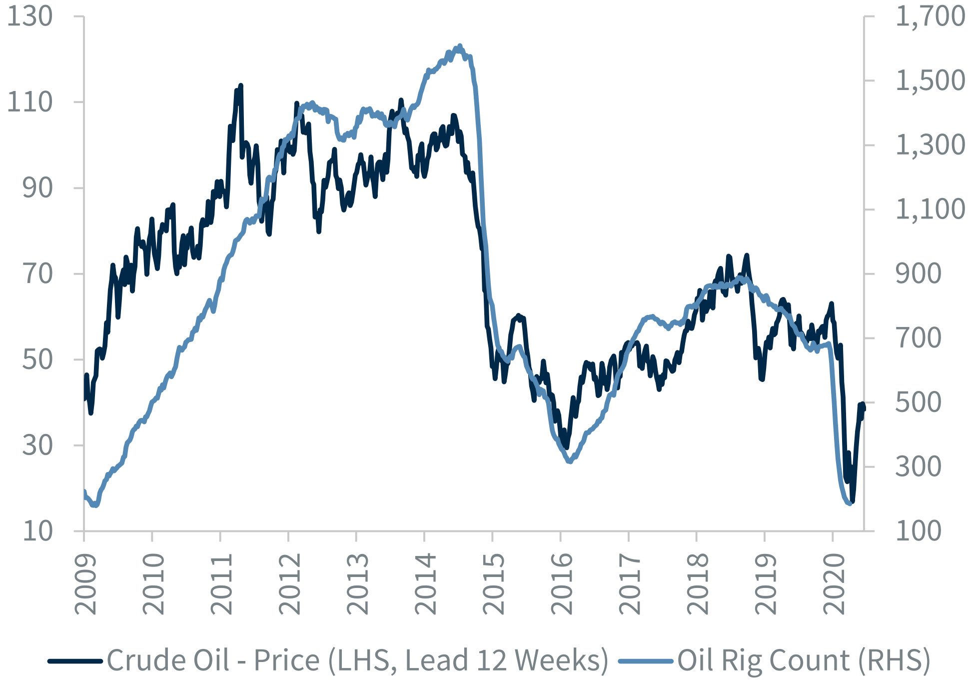


Source: FactSet, as of 7/1/2020

$38

Year-End 2020 WTI Forecast

Rig Count Declines to 2009 Levels



Source: FactSet, as of 7/1/2020

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7 Asset Allocation

Shooting For The Stars

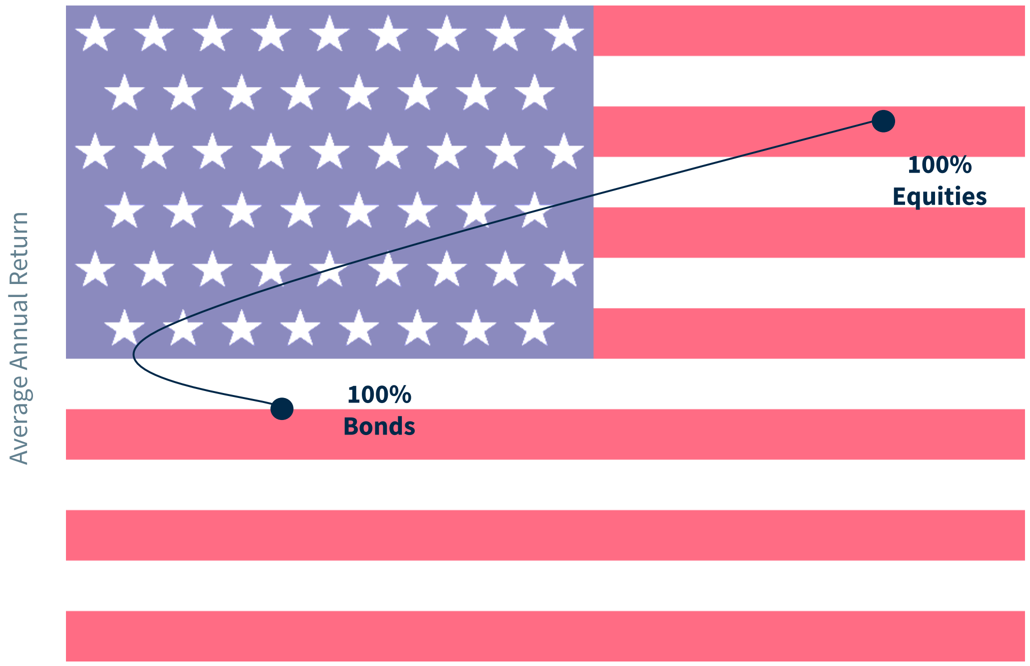
INSIGHT:

The COVID-19 outbreak was not the first volatility inducing event in US stock market history, and it will surely not be the last. Events such as this prove that the principles of asset allocation and selectivity are a perfect union, that can help your portfolio endure times of heightened uncertainty.

BOTTOM LINE:

Portfolio decisions should account for both long-term investment goals and risk tolerance, ultimately seeking an allocation that maximizes return for a given amount of risk.

2020 LESSONS OF ASSET ALLOCATION



10 Things investors should remember

1. Take care of yourself

2. Stay calm and do not panic

Do not make emotionally charged, panic decisions

3. Stick to your plan

You and your advisor created the right allocation for you in calmer times don't abandon it now

4. Make sure you are properly diversified and know what you own

5. Remember your time horizon

6. Have cash on hand for short-term liquidity needs

7. Talk with your advisor & *Shoot For The Stars*

Review your risk tolerance
Rebalance your portfolio if applicable
Tax-loss harvesting if appropriate

8. Dollar-cost average

9. It's about percentages, not points.

1,000 points on the Dow is now ~4%, while 1,000 points in 2009 was ~14%

10. Remain long-term optimistic

We have had both volatility and viral outbreaks before

Source: Raymond James Investment Strategy

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INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets. Investing in emerging markets can be riskier than investing in well-established foreign markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors 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.

OIL | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

CURRENCIES | Currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

GOLD | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

FIXED INCOME | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

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FIXED INCOME DEFINITION

AGGREGATE BOND | **Bloomberg Barclays US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | **Bloomberg Barclays US Corporate High Yield Total Return Index:** The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | **Bloomberg Barclays US Credit Total Return Index:** The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

US DOLLAR | The U.S. Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the U.S. dollar gains "strength" (value) when compared to other currencies.

200 DAY MOVING AVERAGE | 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

US INDEXES AND EQUITY SECTORS DEFINITION

S&P 500 | The **S&P 500 Total Return Index:** The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

RUSSELL 2000 | **Russell 2000 Total Return Index:** This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | **MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | **MSCI Emerging Markets Net Return Index:** This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

MSCI EAFE | 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 22 developed nations.

GERMAN BUND | A bund is a debt security issued by Germany's federal government, and it is the German equivalent of a U.S. Treasury bond.

SMALL CAP | Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

LARGE-CAP STOCK | also known as big caps are shares that trade for corporations with a market capitalization of $10 billion or more. Large-cap stocks tend to be less volatile during rough markets as investors fly to quality and stability and become more risk-averse

MSCI AC WORLD EX-US | **The MSCI AC ex USA** Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 26 Emerging Markets (EM) countries*. With 2,215 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

LATAM | **MSCI EM Latin America Net Return Index:** The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

ASIA EX-JAPAN | **MSCI Pacific Ex Japan Net Return Index:** The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | **MSCI Japan Net Return Index:** The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

COMMODITIES DEFINITION

BLOOMBERG BARCLAYS COMMODITY INDEX | Bloomberg Barclays Commodity Index is a commodity group sub index of the Bloomberg CITR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

BLOOMBERG BARCLAYS EMERGING MARKETS AGGREGATE BOND INDEX | The Bloomberg Barclays Emerging Markets Aggregate Bond Index is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

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DATA SOURCES:

FactSet and Bloomberg.

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