

QUARTERLY COORDINATES 4Q 2024

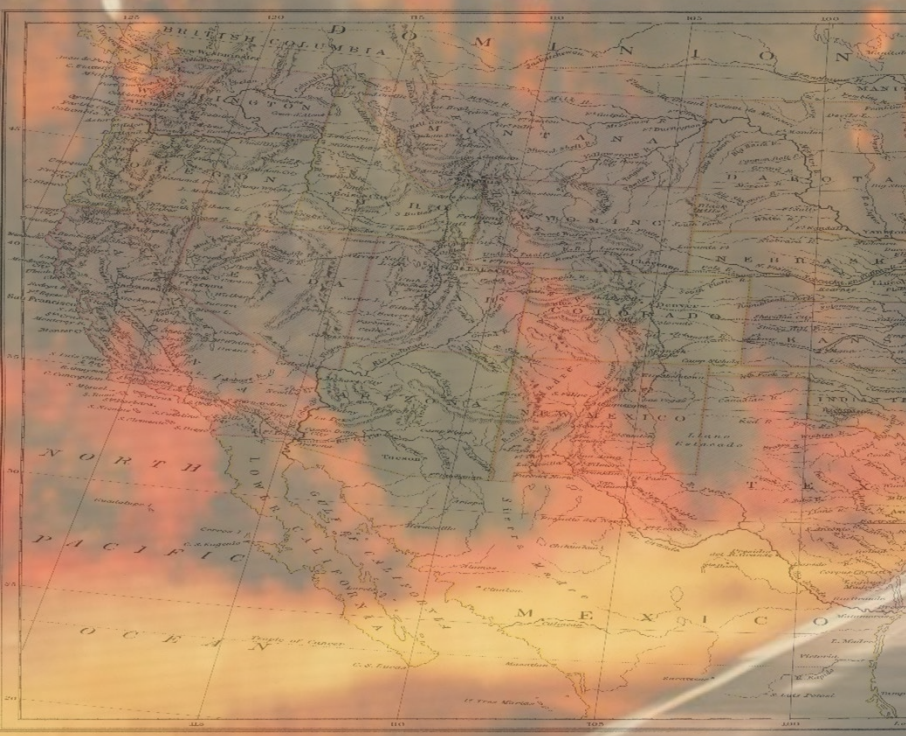


The Great
American
★ ROAD TRIP ★

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Chief Investment Officer

4Q24 MARKET OUTLOOK: THE GREAT AMERICAN ROAD TRIP

- 1** Introduction | The Great American Road Trip
- 2** Economy | The US Economy Continues to Shine Bright
- 3** Monetary Policy | Next Stop: Washington DC and the Federal Reserve
- 4** Politics | A Trip Through the Blue Wall
- 5** Fixed Income | Heading Through the Breadbasket of America
- 6** Energy | Entering the Energy Capital of the World
- 7** Equities | Favorable Set up for Equities
- 8** Asset Allocation | Building a Portfolio Set to Last



1

Introduction

The Great American Road Trip

INSIGHT:

“It’s not the journey, it’s the destination.” The American Road Trip is a staple in American culture, and it has seen a resurgence in recent years. Similar to financial markets, there are oftentimes detours and forks in the road during a road trip. Stay the course!

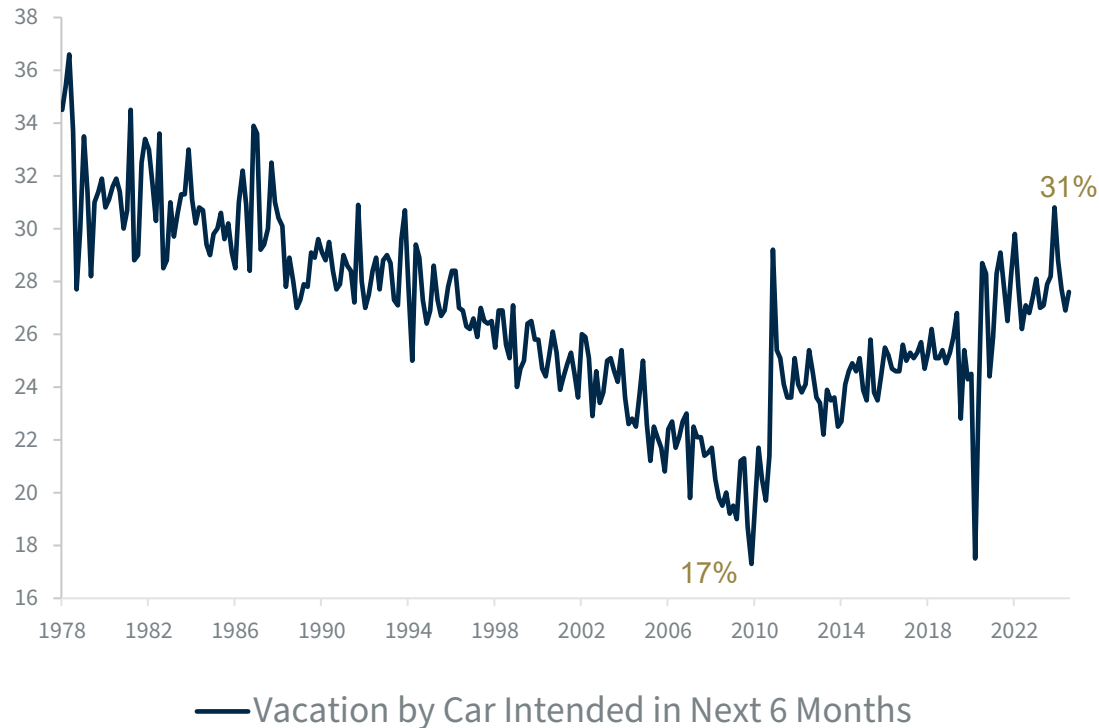
BOTTOM LINE:

There are several forks in the road for markets over the coming months: will the economy enter a soft landing or a recession? Will Republicans or Democrats win? The journey makes the destination sweeter.

THE GREAT AMERICAN ROAD TRIP

A ROAD TRIP IS AN AMERICAN STAPLE

After Multi-Decade Decline – The Return of the Road Trip



Source: FactSet, Data as of 9/28/2024.



“Life's like a road that you travel on. When there's one day here and the next day gone. Sometimes you bend, sometimes you stand. Sometimes you turn your back to the wind. There's a world outside every darkened door, where blues won't haunt you anymore. Where the brave are free and lovers soar. Come ride with me to the distant shore

We won't hesitate. To break down the garden gate. There's not much time left today, yeah

Life is a highway. I wanna ride it all night long. If you're goin' my way. Well, I wanna drive it all night long”

-Rascal Flatts – ‘Life is a Highway’

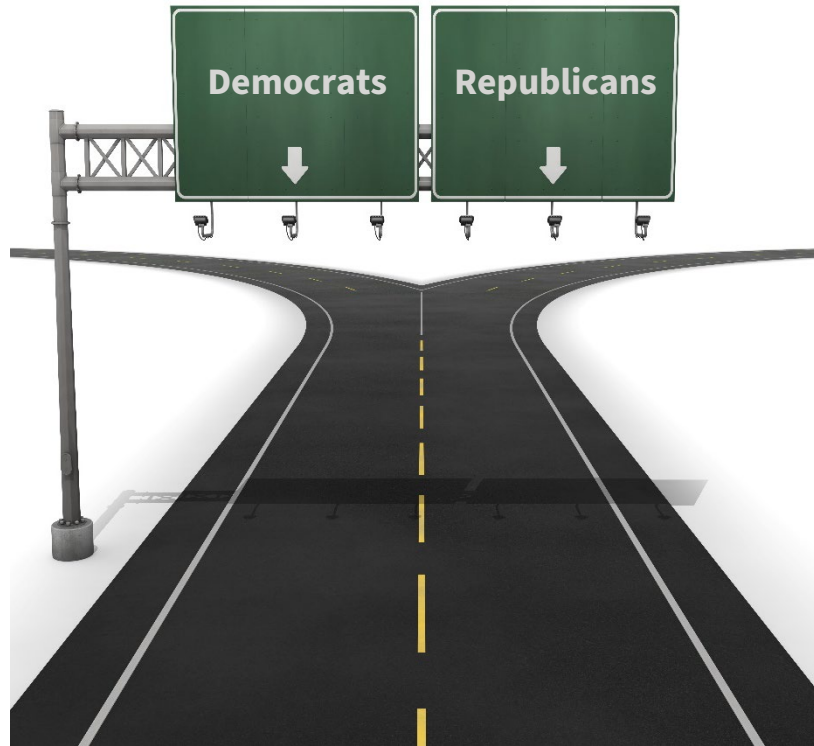
THE GREAT AMERICAN ROAD TRIP—CROSSROADS AHEAD

FORK IN THE ROAD UPCOMING FOR INVESTORS

Economy



Politics



Equity Market/Fixed Income





2 Economy

The US Economy Continues to Shine Bright

INSIGHT:

Following a traditional road map would suggest that the US economy should have entered a recession already. However, due to the resilience of consumer and business spending, a soft landing is our base case for the economy.

BOTTOM LINE:

While potential ‘falling rocks’ (e.g., higher rates, a continued slowdown) remain for the US economy, strength in the consumer, continued government spending and business capex lead the US economy on the path of expansion.

RECALCULATING THE TIMING OF A POTENTIAL RECESSION

FOLLOWING A HISTORICAL MAP WOULD SUGGEST A RECESSION WOULD ALREADY BE HERE

Following a Traditional 'Recessionary Road Map' Would Have Been an Impediment for Investors



ISM Manufacturing in Contraction



Consumer Now a Larger Part of the Economy

Most Aggressive Fed Tightening in 40 Years



Consumer and Businesses Less Interest Rate Sensitive

Leading Economic Indicators Falling



Too Heavily Weighted to Goods Areas of Economy

Growth Forecasts
'Rerouted' With
Newer Data



Recession
2Q22



Mild Recession
3Q23



Soft Landing
TBD



CONTINUED SUNNY FORECAST FOR THE US ECONOMY

A SOFT LANDING REMAINS OUR BASE CASE

Growth Drivers (Why Growth Surprised to Upside)

- 1 Healthy Job Growth**
US Economy Added 370k Jobs/Month on Average Since Year-End 2020
- 2 Stimulus Savings**
\$1.8 Trillion in Stimulus Checks Has Supported Consumer Spending
- 3 Additional Government Stimulus**
\$1.7 Trillion in Stimulus from the IRA, CHIPS and Infrastructure Acts
- 4 Reopening Travel Spending**
Travel Spending Has Increased ~30% Since Year-End 2019
- 5 AI Investment/Tech Focus**
Intellectual Property Investment Increased 11.5% Since 2019

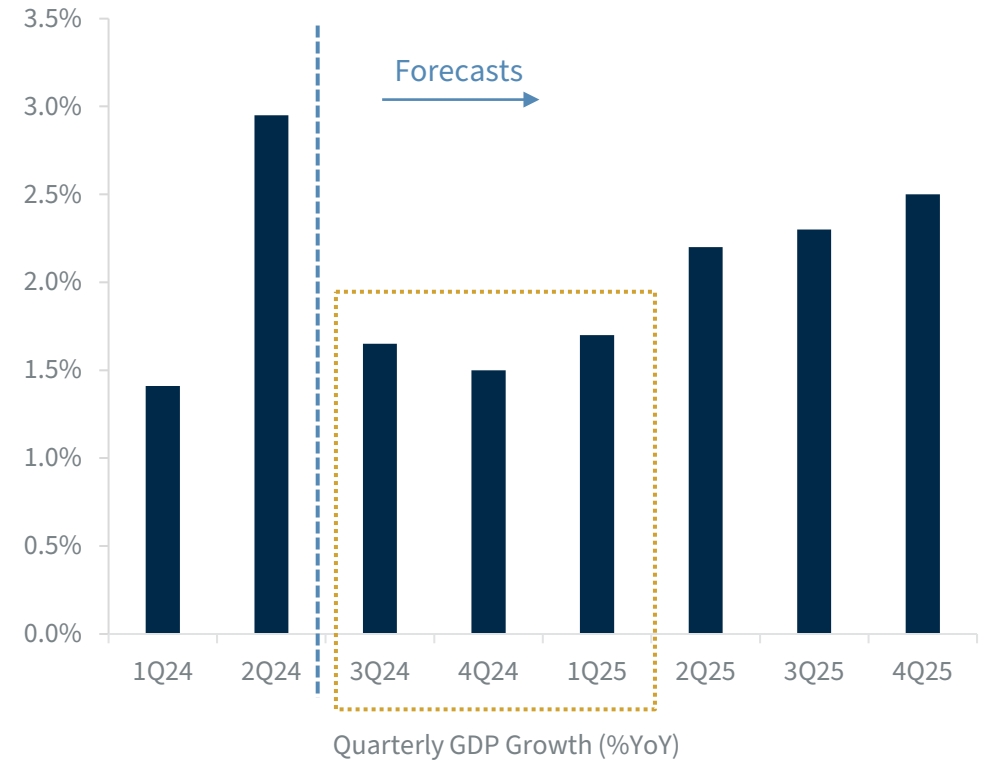
2.6%

2024 US GDP Forecast

2.0%

2025 US GDP Forecast

Updated Growth Forecast – Resilience Continues

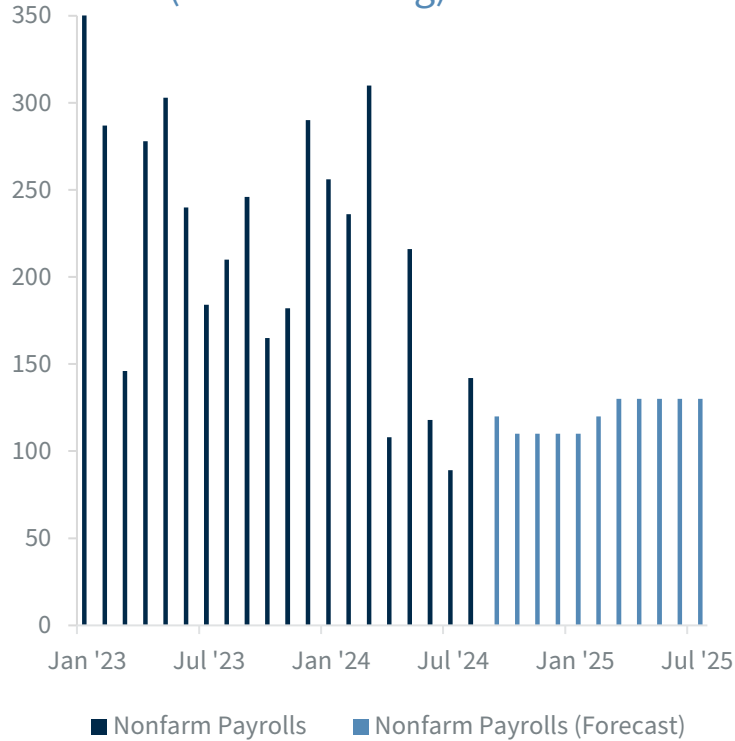


Source: FactSet, Data as of 9/28/2024.

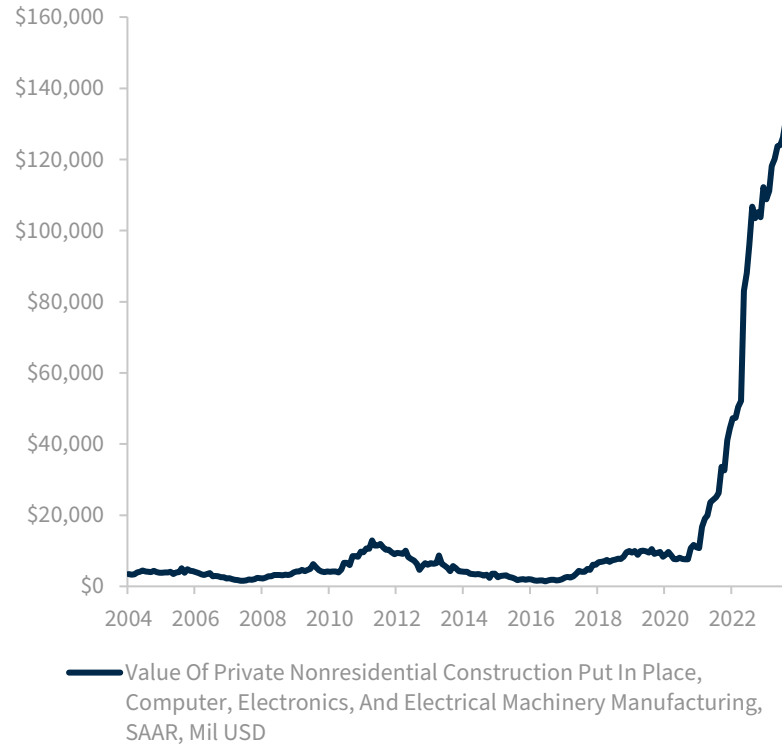
CONTINUED SUNNY FORECAST FOR THE US ECONOMY

WHY WE EXPECT THE ECONOMIC EXPANSION TO CONTINUE

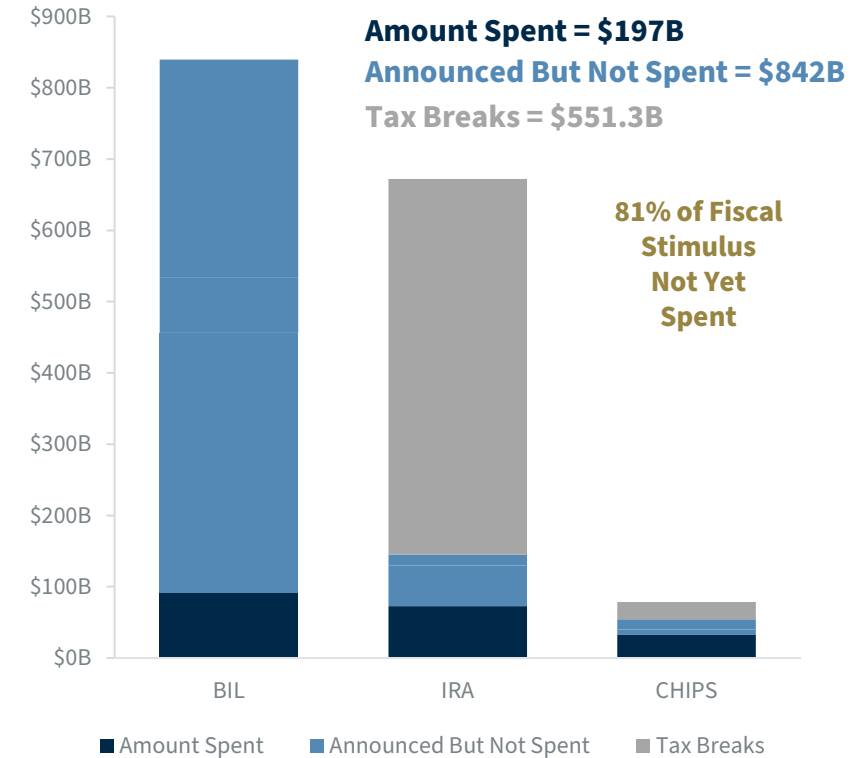
Consumer Supported by Still Positive (Albeit Slowing) Job Growth



Business Spending Remains Robust – Particularly in CHIPS/AI



Still Money Left in the Government Tap

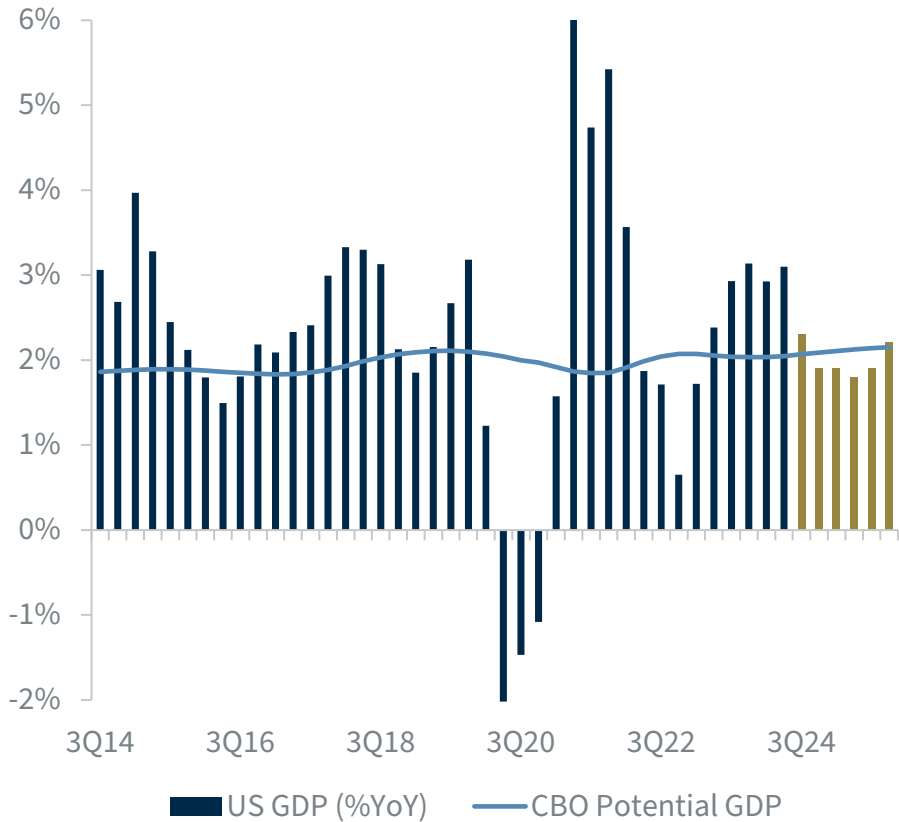


Source: FactSet, Data as of 9/28/2024.

CONTINUED SUNNY FORECAST FOR THE US ECONOMY

SLOW AND STEADY CAN EXTEND THE RECOVERY

Growth Moving Back to Potential GDP



2.0%

Potential GDP
Forecast

Current Expansion in Line With Historical Expansions

Years	Duration of Expansion (in Quarters)	Magnitude of Expansion
1949-1953	14	29%
1954-1957	12	14%
1958-1960	7	12%
1961-1969	34	53%
1970-1973	12	16%
1975-1980	19	22%
1980-1981	2	4%
1982-1990	30	37%
1991-2001	37	42%
2001-2007	24	19%
2009-2020	37	24%
2020-Today	14	12%
Average (all Periods)	20	24%
Average (since 1982)	28	27%

Source: FactSet, Data as of 9/28/2024. Expansion references period after recovery (recovering lost activity in recession) to peak prior to next recession.



3

Monetary Policy

Next Stop: Washington DC and the Federal Reserve

INSIGHT:

The Federal Reserve (Fed) has officially embarked on the path of cutting interest rates. With a continued slowdown in inflation and an easing labor market, we expect rate cuts to continue moving forward.

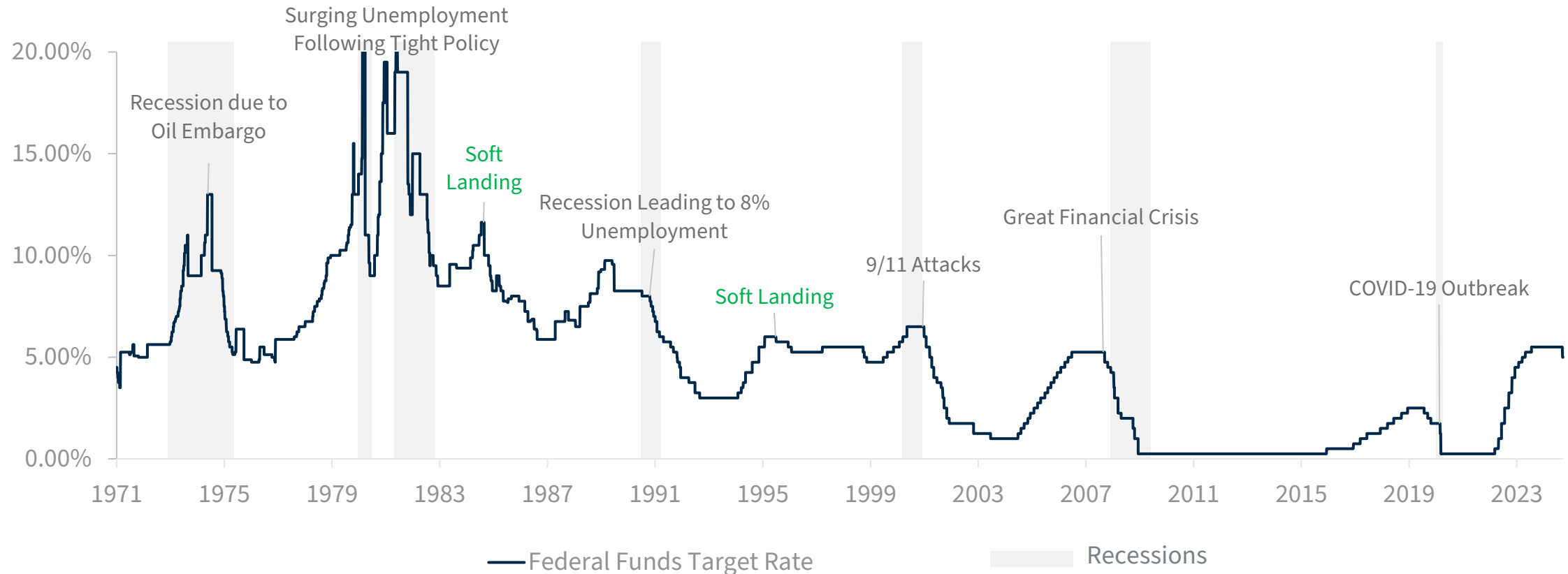
BOTTOM LINE:

As we expect the Fed to continue on the path of cutting rates, a soft landing remains our base case. Rate cuts will be supportive of consumer spending (particularly interest rate-sensitive areas) and help prop up hiring in the labor market.

VISITING A CHERISHED LANDMARK—THE FEDERAL RESERVE

WHILE THE FED HAS EMBARKED ON RATE CUTS – IT IS NOT YET AT ITS DESTINATION

A Rate Cut to Conserve the Expansion

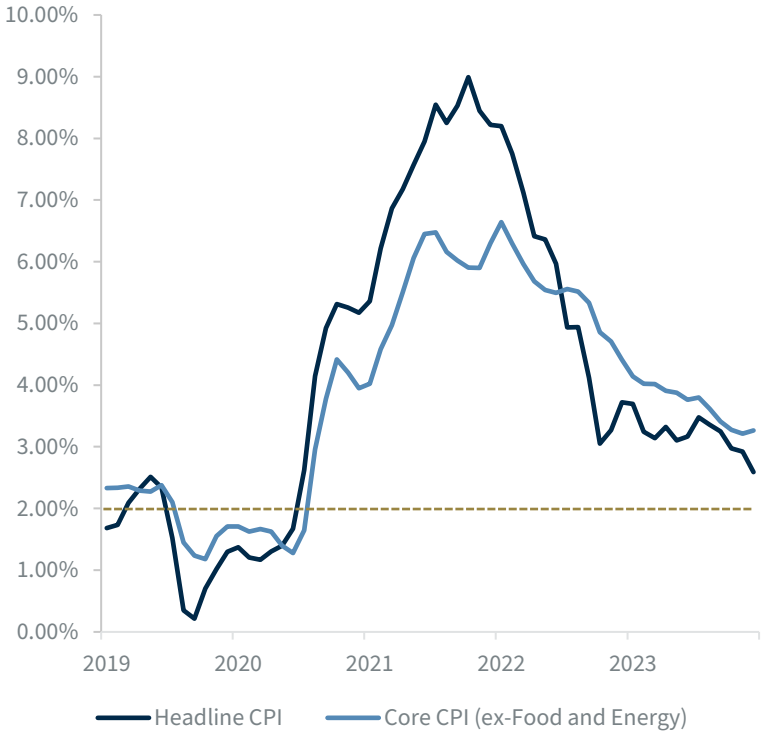


Source: FactSet, Bloomberg Data as of 9/28/2024.

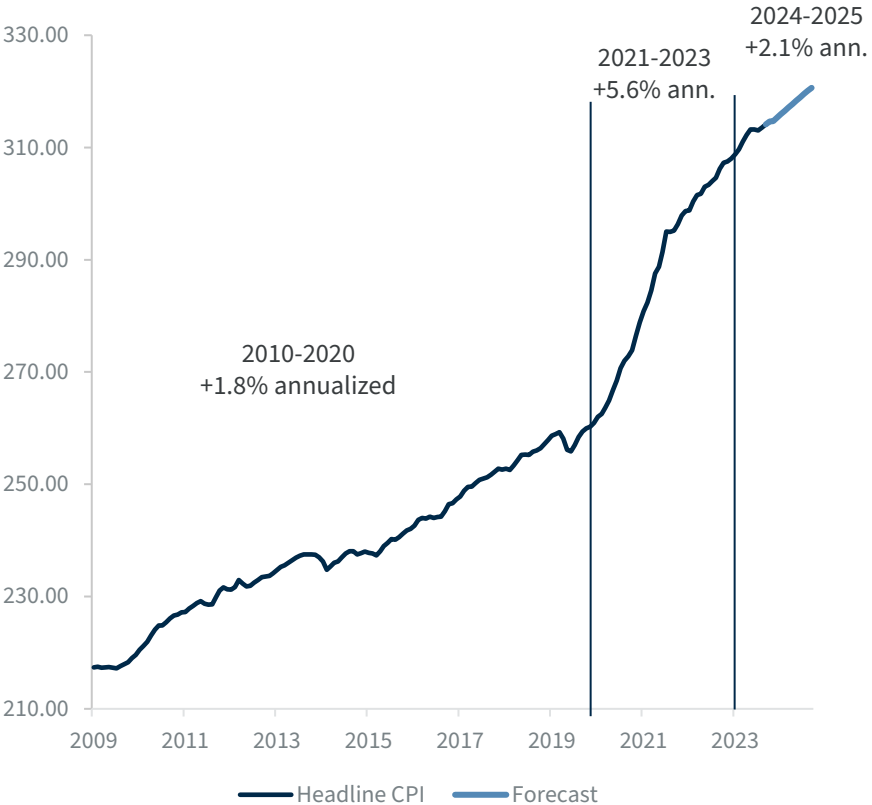
SLOWING INFLATION SUPPORTS FED CUTS

IT IS THE PACE NOT THE LEVEL OF INFLATION THAT MATTERS GOING FORWARD





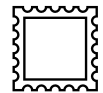
Inflation Decelerating Quickly
(and Likely to Continue)



It's the Pace, Not the Level



Category Impacts

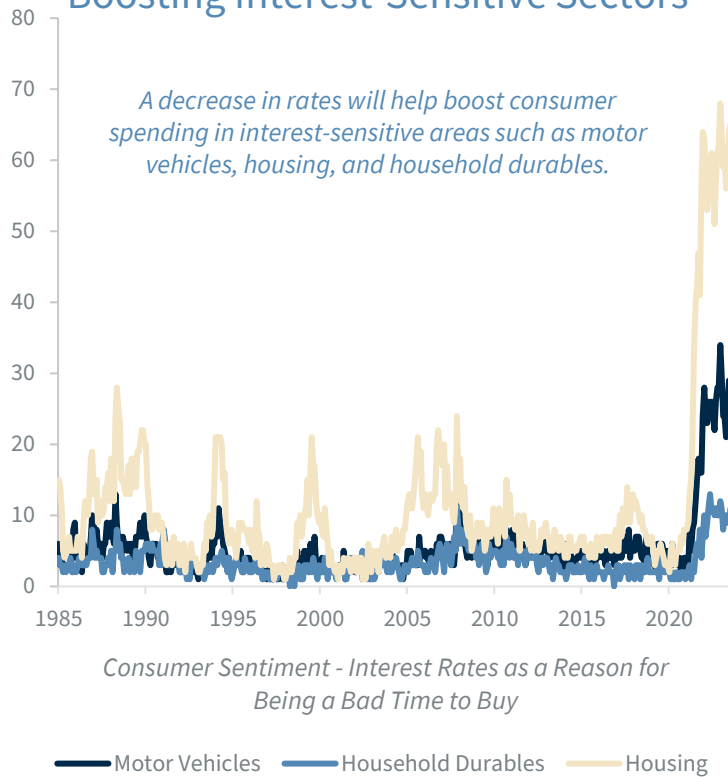
	Change Since 2019	Current
 Housing	+25%	Apartment List: -1%
 Groceries	+26%	+1%
 Used Vehicles	+24%	-9%
 Energy	+25%	-4%
 Stamps	+55%	No change in 2025

Source: FactSet, Bloomberg Data as of 9/28/2024.

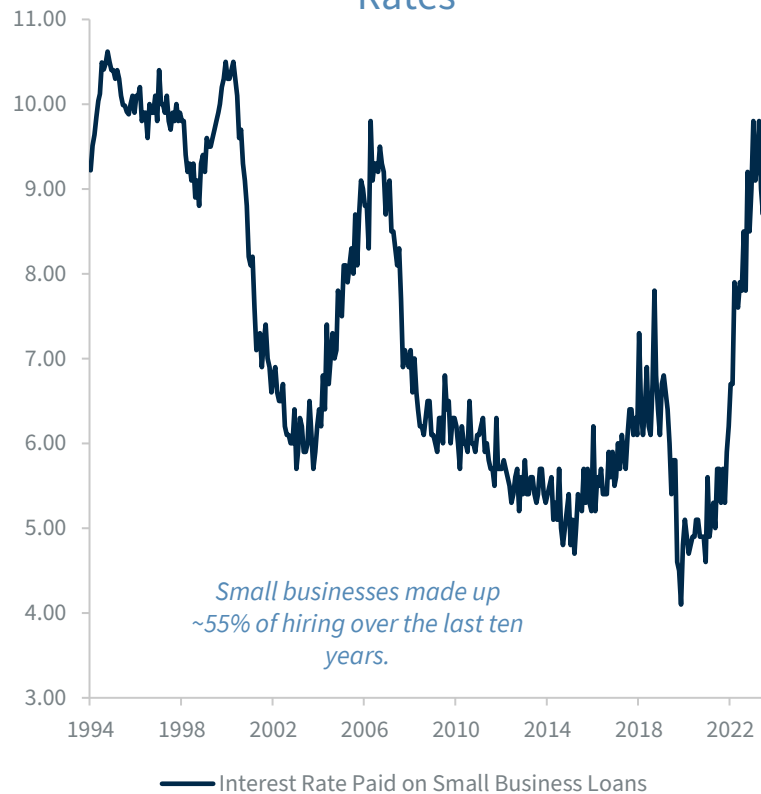
FED CUTS SUPPORTIVE OF ECONOMIC GROWTH

FED CUTS LIKELY TO PROVE EFFECTIVE ON THE PATH OF A SOFT LANDING

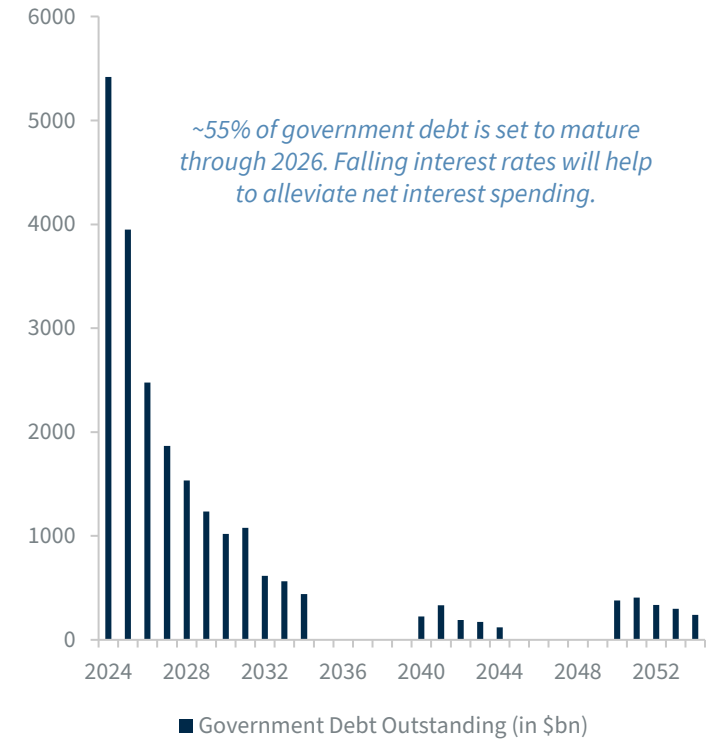
Consumer Rates Likely to Fall Boosting Interest-Sensitive Sectors



Businesses Supported By Falling Rates



Net Interest for Government Less of a Headwind if Rates Fall

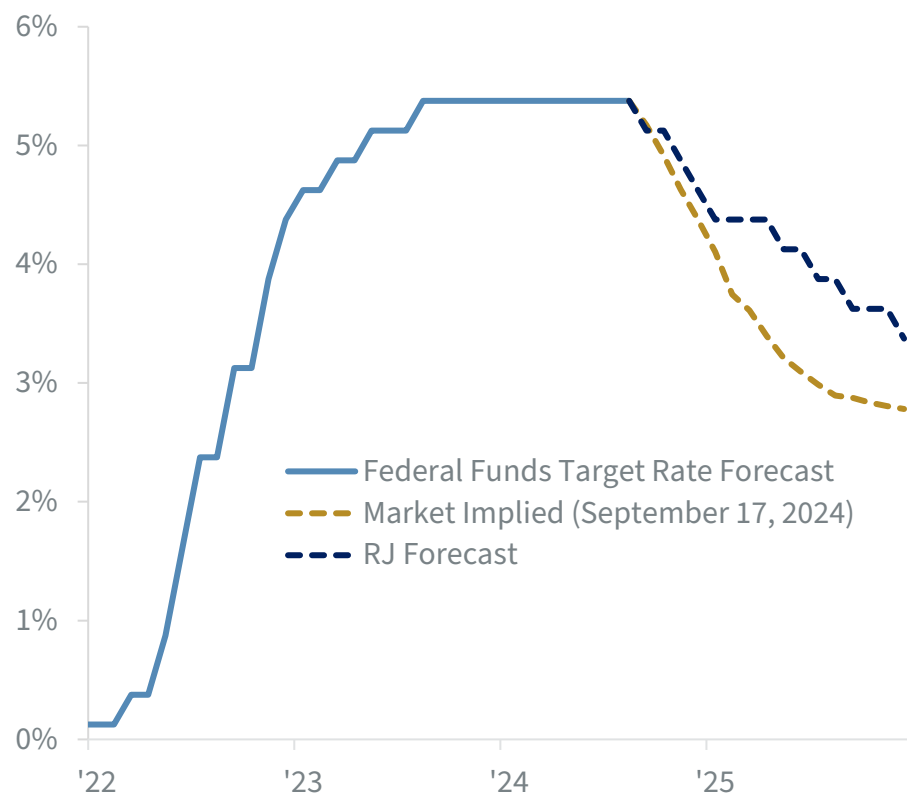


Source: FactSet, Bloomberg Data as of 9/28/2024.

MARKET LIKELY TOO AGGRESSIVE IN PRICING OF RATE CUTS

MARKET MAY BE GETTING AHEAD OF ITSELF WITH MAGNITUDE OF RATE CUTS

Number of Cuts in Soft Landing and Recessionary Environments



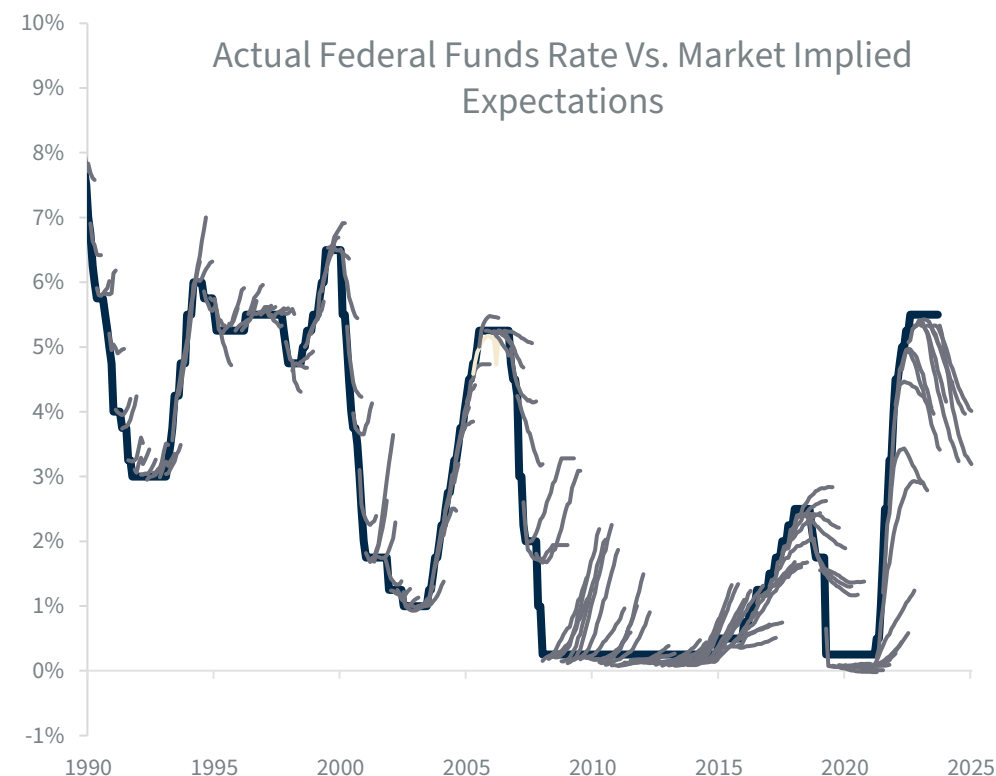
2.75%

Year-End 2025
Market Fed Funds
Forecast

3.4%

RJ Expected Year-
End 2025 Fed Funds
Forecast

Not Unusual for Market to Get Overly Aggressive With Rate Cut Expectations



Actual Federal Funds Rate Vs. Market Implied Expectations

Source: FactSet, Bloomberg Data as of 9/28/2024.



4 Politics

A Trip Through the Blue Wall

INSIGHT:

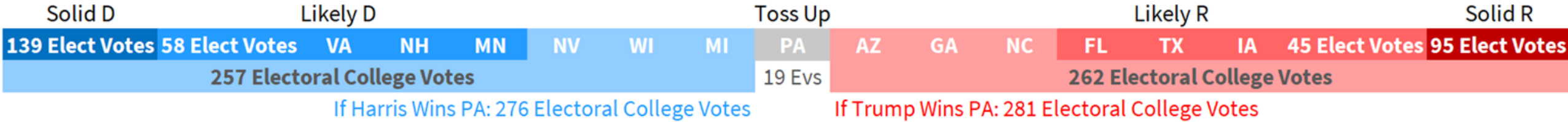
When looking at polling, betting markets, capital market indicators or enthusiasm metrics, the election appears to be a toss-up. The election will likely come down to one of the blue wall states – Pennsylvania.

BOTTOM LINE:

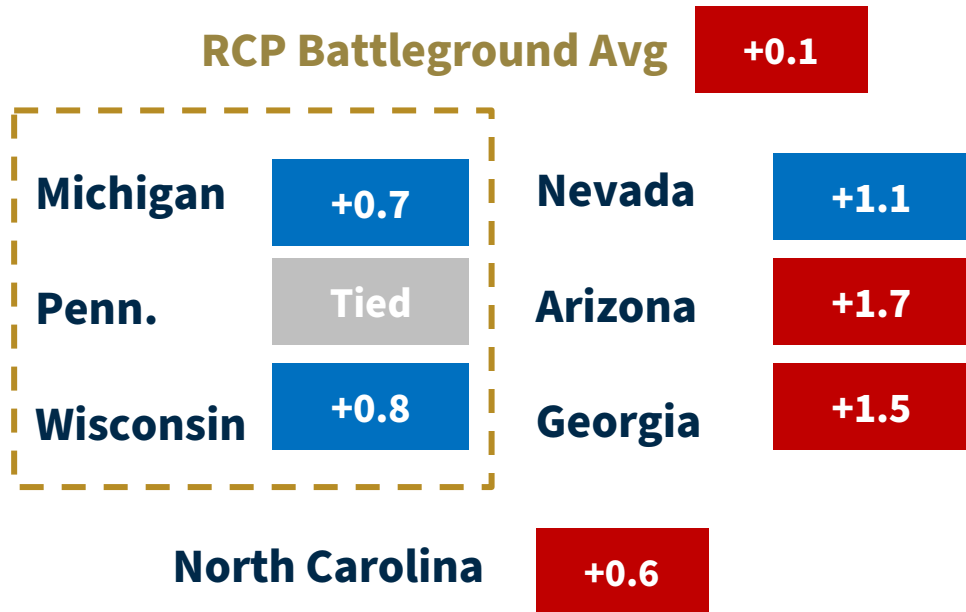
While the presidential election remains a toss-up, gridlock in Congress is our base case. Regardless of the eventual election outcome, not making knee-jerk portfolio decisions is critical, as staying invested regardless of who wins has been fruitful for investors.

PENNSYLVANIA CRITICAL FOR ELECTION OUTCOME

HOWEVER, PRESIDENT TRUMP CURRENTLY HAS THE ELECTORAL COLLEGE ADVANTAGE



Swing State Polling Remains Tight



Small Margins Make a Big Difference

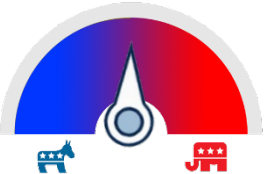
Year	Electoral College Spread	Vote Difference	Total Third-Party Votes
2016	35	Pennsylvania: 68k Michigan: 11k Wisconsin: 27k	Pennsylvania: 230k Michigan: 250k Wisconsin: 160k
2020	37	Wisconsin: 21k Georgia: 12k Arizona: 10k	Wisconsin: 50k Georgia: 64k Arizona: 52k

Penn.
19 Electoral Votes –
Likely to be Tipping
Point State in
Election

PRESIDENTIAL ELECTION CHECKLIST

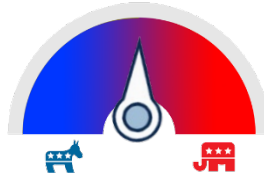
Polling Metrics

Polling/Betting Markets



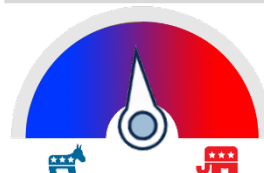
Both polling (2.3 point national lead) and betting markets (49%-49% probability) suggest that Harris is the slight favorite.

Swing State Polling



Both Harris and Trump lead in three swing states, while the key state of Pennsylvania is tied.

Favorability Rating

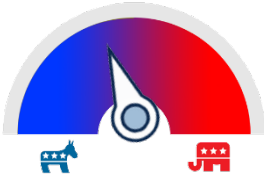


Both VP Harris and former President Trump have approval ratings below 50%, but Harris holds a slight lead.



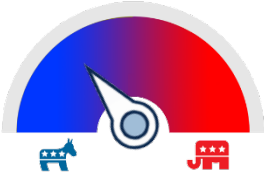
Capital Market Indicators

Economy



A recession in the two years before the election has been a solid predictor. No recession is an advantage for Harris.

Three-Month Equity Performance



The three-month performance of the S&P 500 has predicted 20 out of the last 24 elections. The demarcation line is 5,186.

Volatility Assessment



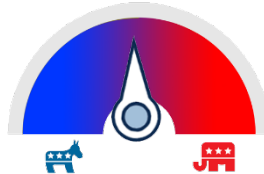
Thus far, the VIX peaked in early August and has declined, suggesting support for VP Harris.

Overall Race Indicated by Checklist



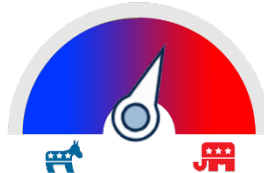
Enthusiasm

Google Searches



Vice President Harris is seeing slightly higher Google search traffic than former President Trump.

Party Registrations



Republican party registrations have outpaced Democratic in key swing states.

Total Money Raised



Harris has outraised Trump (\$500.7 million to \$268.5 million); Harris currently has more cash on hand.



Source: Bloomberg, as of 10/3/2024.

FORECAST FOR ELECTION OUTCOMES

WE EXPECT GRIDLOCK STEMMING FROM 2024 PRESIDENTIAL ELECTION, BUT DO NOT UNDERESTIMATE THE POTENTIAL FOR A SWEEP

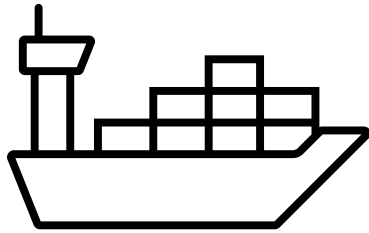
2024 Election Scenario Analysis

	Projection	Rationale
President	50%/50%	<ul style="list-style-type: none">• Both candidates maintain a lead in three of seven swing states, while the tipping point state of Pennsylvania is tied• Economy remains on solid footing, favoring Harris• Both candidates have depressed favorability ratings
Senate	70% Probability Of <u>Republican</u> Win	<ul style="list-style-type: none">• Base case is 50 Dem/50 Rep seats to start with Senator Manchin (D-WV) retiring and high likelihood Republicans win• Republicans need to flip one additional seat to control• Three toss-up seats (AZ, MT, OH), all of which Democrats are defending
House	55% Probability Of <u>Democratic</u> Win	<ul style="list-style-type: none">• 192 and 201 Solid/Likely Dem/Rep seats respectively• 18 Republican held House seats in Biden districts• Due to redistricting, only 23 toss-up competitive seats in 2024 – this is down from 164 in 1998

Source: FactSet, Data as of 9/28/2024.

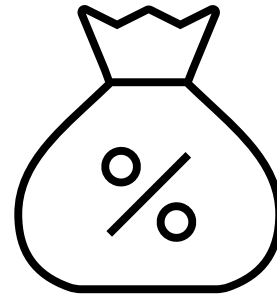
THREE MAJOR POLICY QUESTIONS IN THE ELECTION

KEY POLICY QUESTIONS STEMMING FROM THE ELECTION



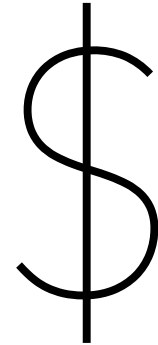
Tariffs

Former President Trump is seeking to increase tariffs on all imported goods



Expiration of 2017 Tax Cuts

Set to expire in 2025, would weigh on corporate earnings and consumer spending



National Debt

While the national debt continues to move to record highs, neither candidate appears serious about tackling this burgeoning problem.



5 Fixed Income

Heading Through the Breadbasket of America

INSIGHT:

Just as the agricultural production of these states helps sustain our economy, fixed income is a staple part of a portfolio. Like a steady supply of foodstuffs, bonds (particularly high-quality bonds) provide stability and consistent income.

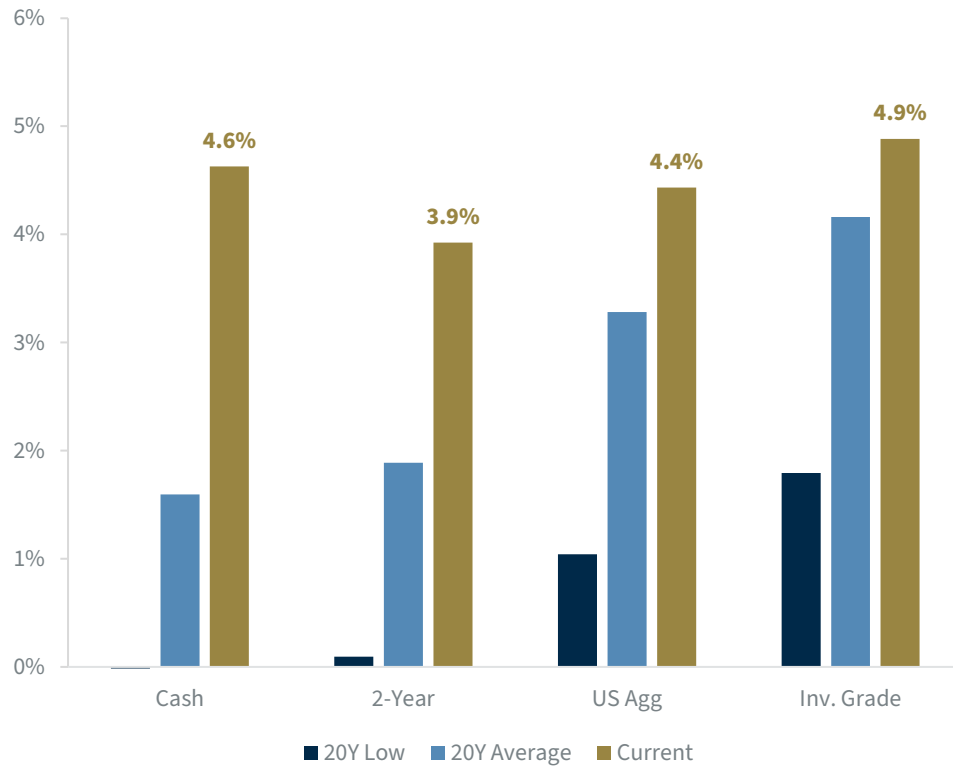
BOTTOM LINE:

We forecast bond yields will likely stay relatively stable over the next 12 months, with the 10-year Treasury yield staying in a tight range around 4%. As the Fed continues to cut interest rates, investors should slowly transition their cash holdings to longer-duration bonds.

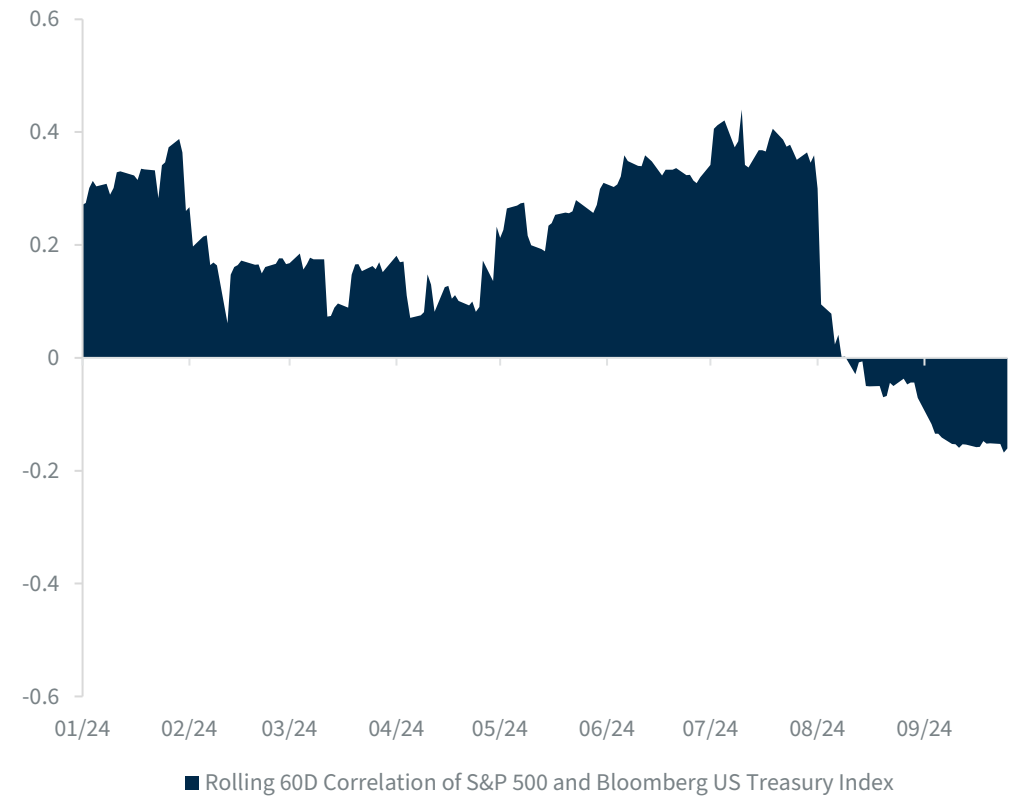
BONDS BEHAVING LIKE BONDS AGAIN

BONDS REMAIN A STAPLE IN A DIVERSIFIED PORTFOLIO

Yields Remain Historically Attractive



Stock-Bond Correlations Flip Negative Again

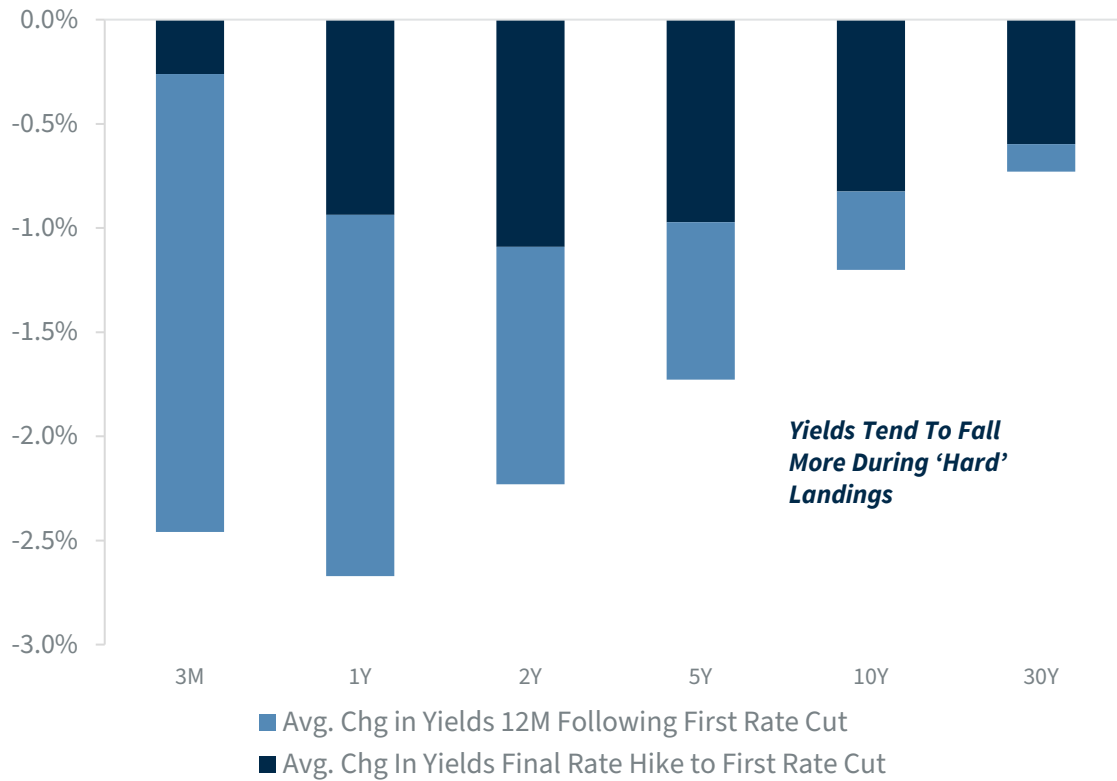


Source: Factset Data as of 10/4/2024.

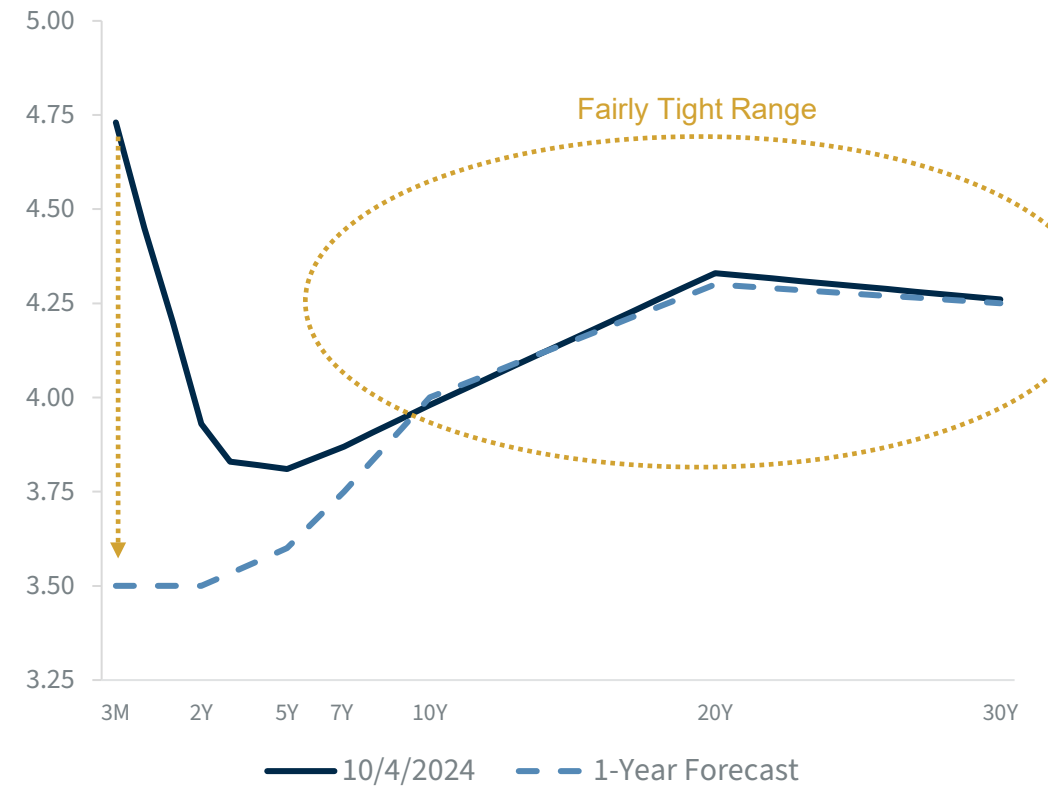
YIELDS ALREADY REFLECT SOFT LANDING OUTCOME

TREASURY YIELDS ALREADY MOVED IN ANTICIPATION OF FED'S EASING CYCLE

Average Yield Move Into Easing Cycles



Yield Curve Should Steepen As Fed Reduces Rates

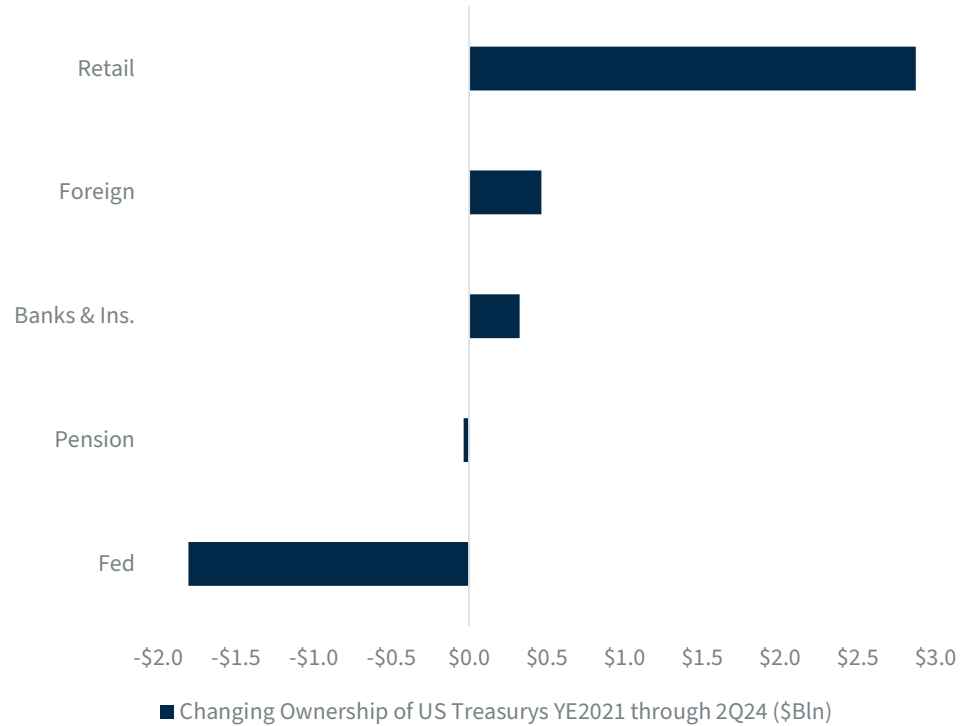


Source: FactSet Data as of 10/4/2024.

DEBT DYNAMICS AND ISSUANCE REMAIN A KEY FOCUS

DEBT DYNAMICS REMAIN A GROWING CONCERN FOR BOND MARKET, BUT DEMAND IS STILL HEALTHY

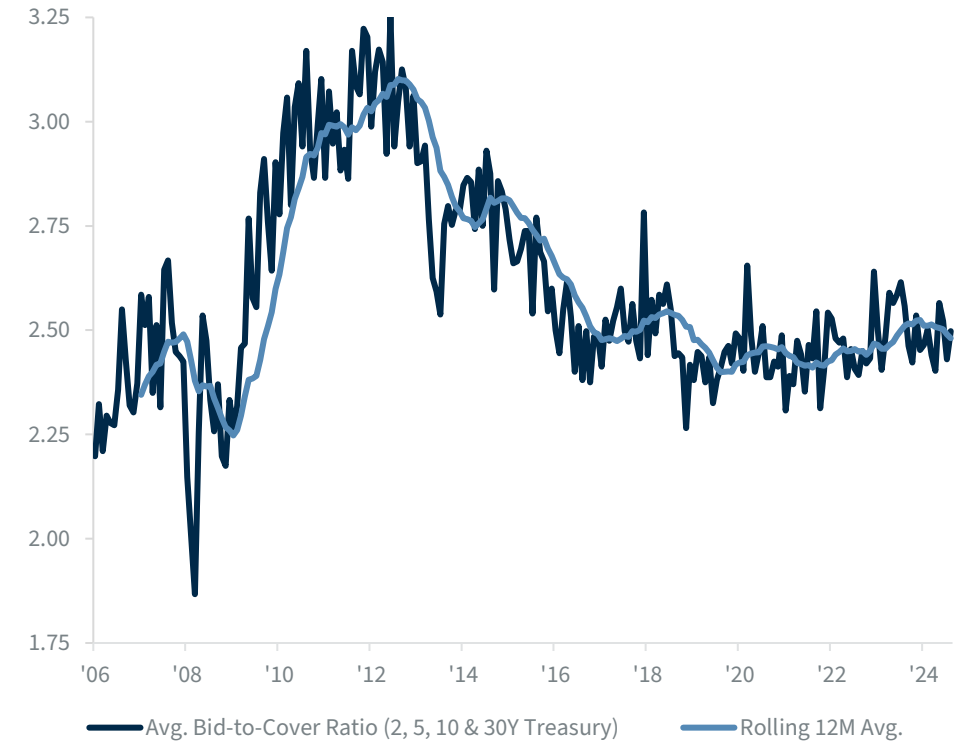
Shifting Demand For US Treasurys



~4.0%

12-Month
10-Year Treasury
Target

Keep An Eye On Treasury Demand



Source: FactSet Data as of 9/26/2024.

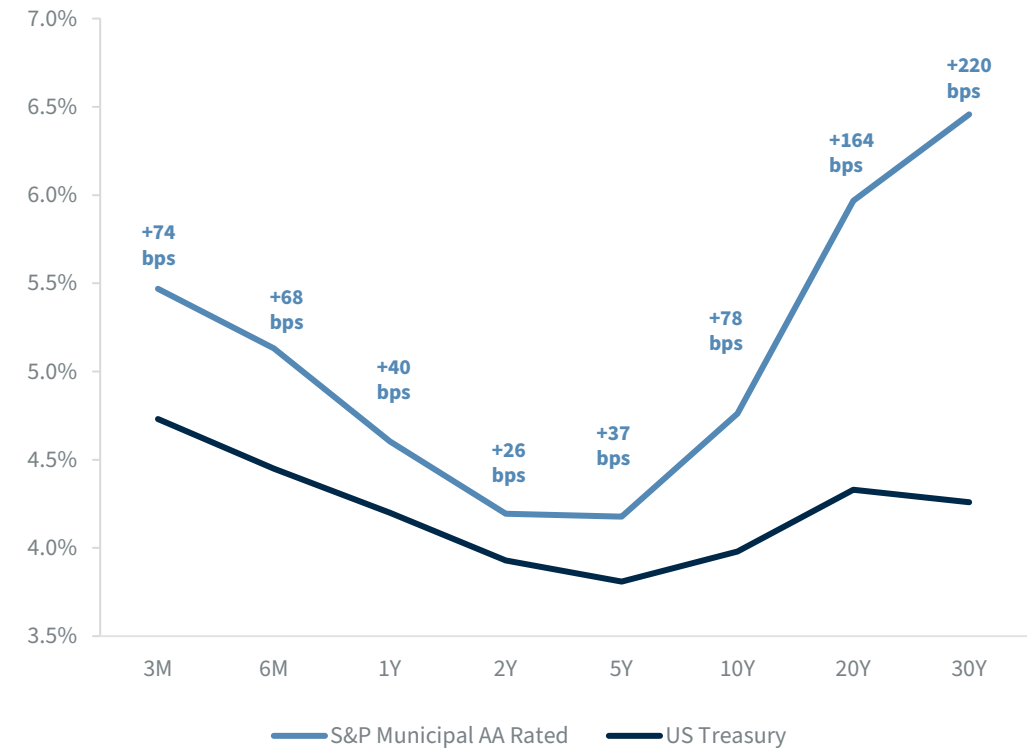
FAVOR HIGH-GRADE CREDIT AND MUNIS

NO REASON TO TAKE ADDITIONAL RISK WHEN HIGH-QUALITY BONDS PROVIDE ATTRACTIVE INCOME STREAM

Five Tailwinds For High-Grade Credit

- 1** Economy Still Growing, On Track For A Soft Landing
- 2** Positive Earnings Growth For Corporations
- 3** Improving Ratings Momentum—Upgrades > Downgrades
- 4** Attractive Yields Provide Reasonable ‘Stable’ Income
- 5** Positive Technicals—Strong Investor Appetite

Tax-Equivalent Yields On Munis Look Attractive



Source: Factset Data as of 10/4/2024.

Tax-equivalent yield (TEY) calculation uses top bracket 40.8%



6 Energy

Heading into the Energy Capital of the World

INSIGHT:

Texas and Lea County in New Mexico are arguably the energy capitals of the world and have helped propel the US to be the largest energy producer in the world. Rising US production and slowing demand in China have weighed on prices.

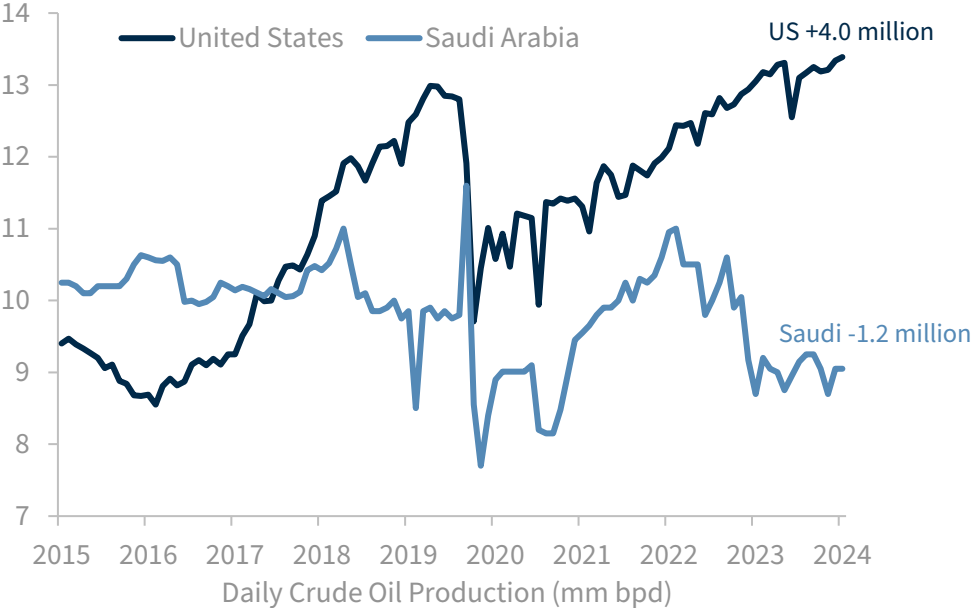
BOTTOM LINE:

Despite rising geopolitical risk overseas, we expect only limited upside for crude oil prices over the next 12 months as record US production and sluggish global demand should help keep prices contained around \$75/bbl.

US REMAINS THE OIL CAPITAL OF THE WORLD

US THE LARGEST OIL PRODUCER IN THE WORLD

US vs. Saudi Arabia Oil Production



Top Producing Oil States

- Texas
- New Mexico
- North Dakota
- Colorado
- Alaska



Increasing Productivity in Oil Rigs

Year	Total Rigs	Production
2015	538	9.2
2019	677	12.9
2024	488	13.2

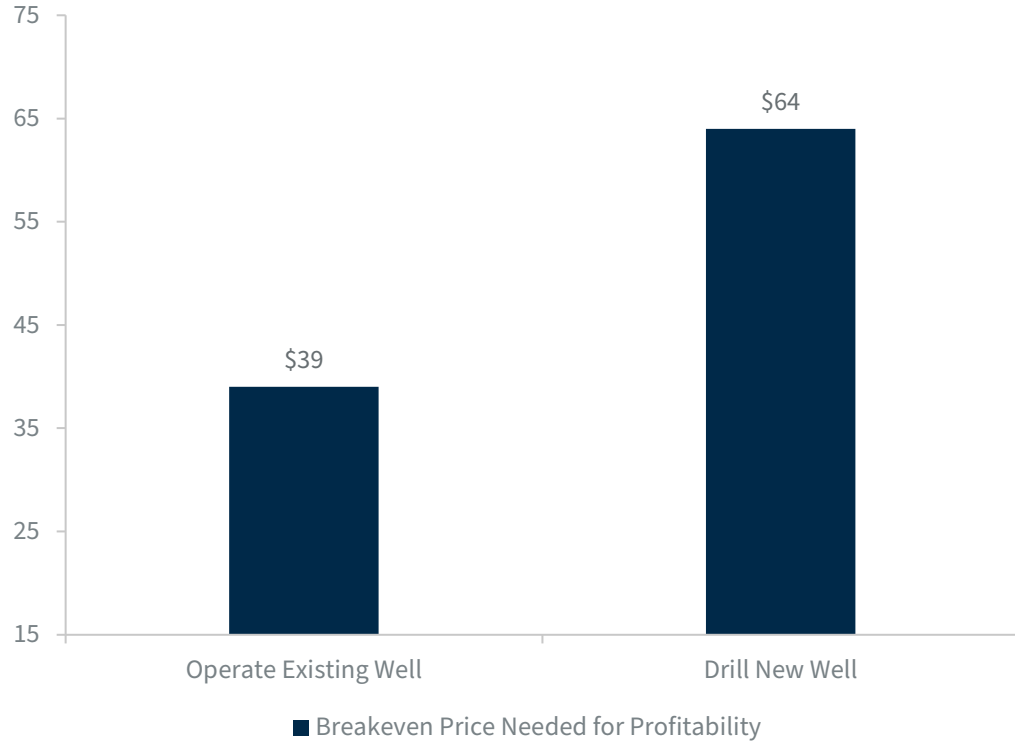
*28% fewer rigs
2% more production*

Source: FactSet, Data as of 9/28/2024.

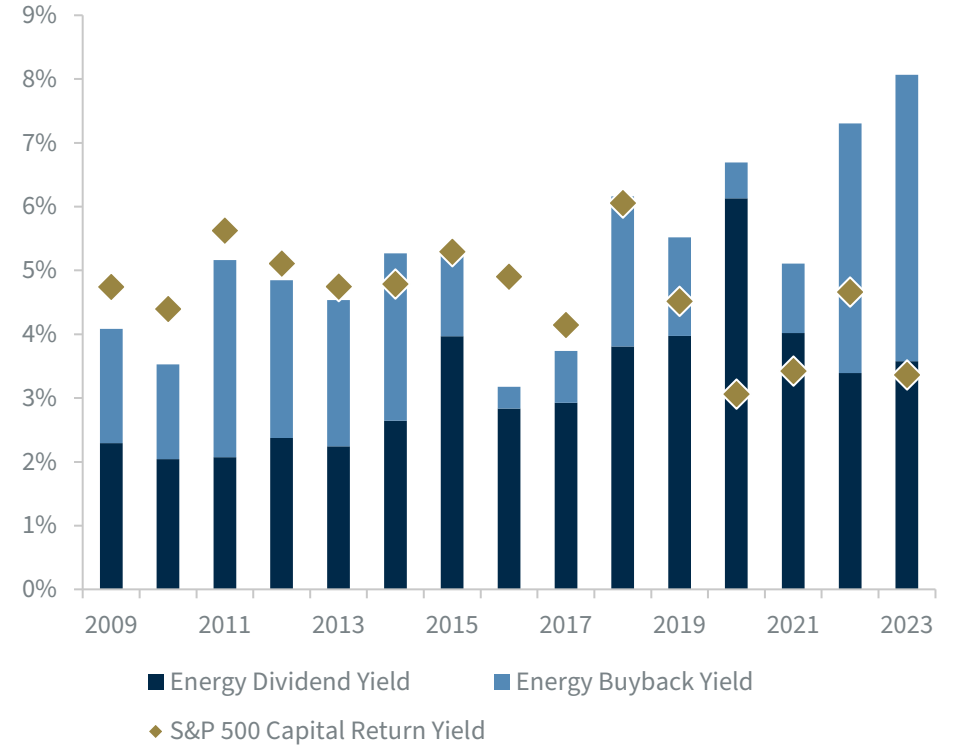
TAILWINDS FOR THE ENERGY SECTOR

SLIGHT UPSIDE IN PRICES IS SUPPORTIVE OF ENERGY SECTOR

Oil Producers Profitably Drilling Oil at Current Levels



Profitability Allows Energy Sector to Return Cash to Shareholders



Source: FactSet, Data as of 9/28/2024.



7 Equities

Favorable Conditions Set Equities Up for Strong Performance

INSIGHT:

Like the weather conditions in Southern California, conditions are set up for the bull market to continue over the next 12 months. However, akin to slower travel speeds in the region, the bull market is likely to move at a slower pace in the near term.

BOTTOM LINE:

Still positive economic growth, rising earnings, and a record amount of cash on the sidelines remain supportive of the equity market moving forward. We remain optimistic about the Tech, Industrials, and Health Care sectors and small-cap stocks.

CONDITIONS SET UP FOR BULL MARKET LONGER TERM

FIVE FAVORABLE CONDITIONS FOR THE BULL MARKET TO CONTINUE LONGER TERM

Southern California Weather Stats

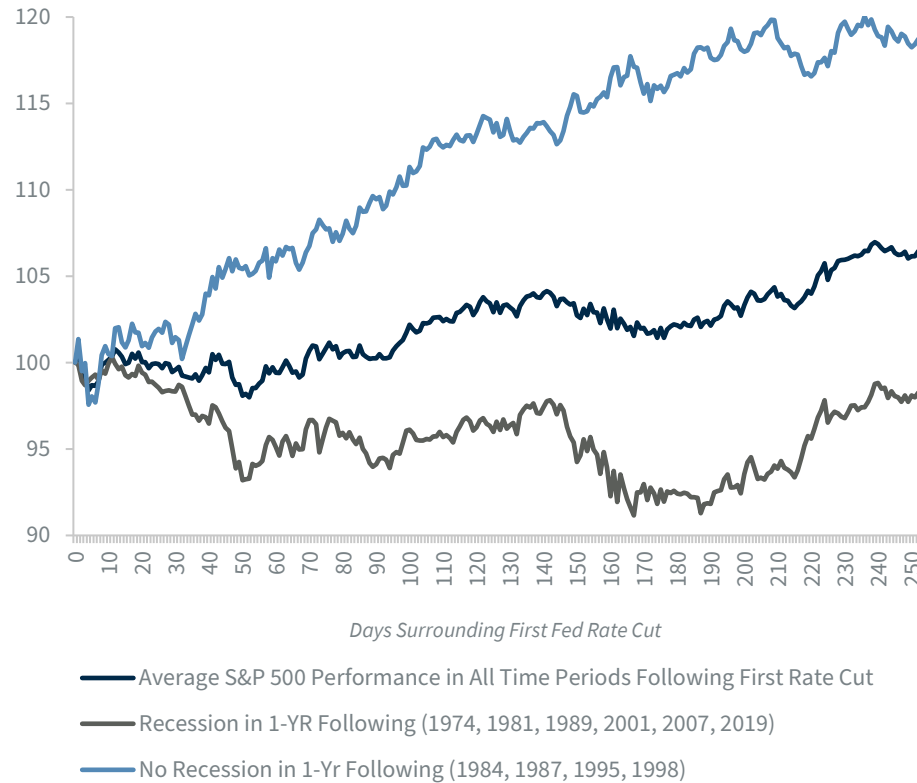
266 Sunny Days
(national average 205)

43 Days of Rain
(national average 152)

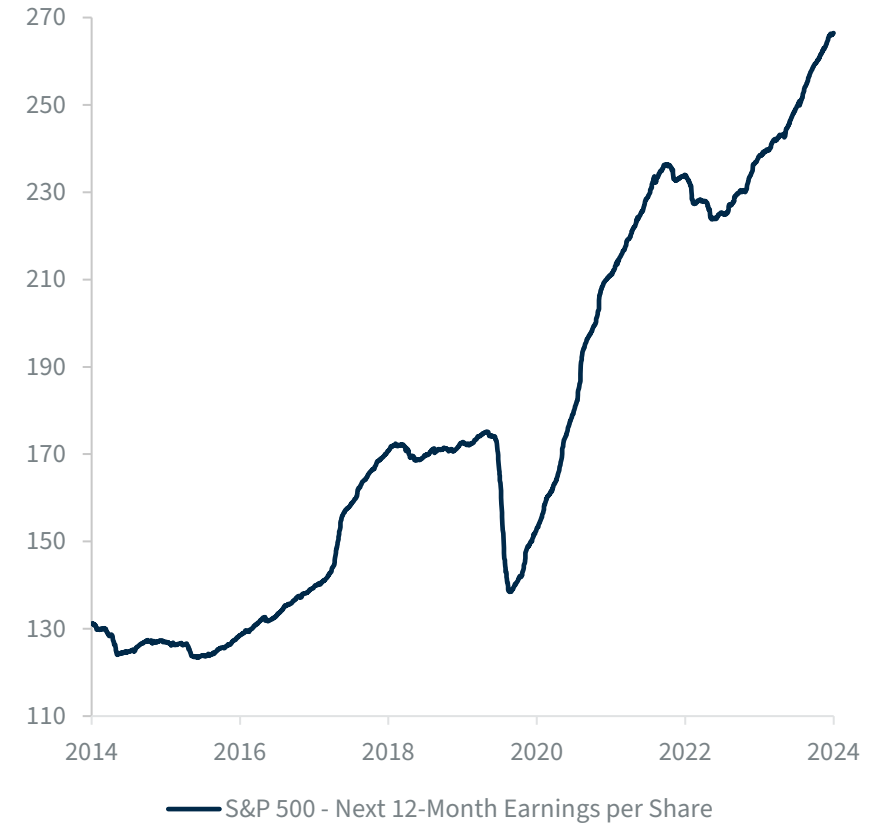
70° Average High Temperature

Rarely Experiences Hurricanes/Tornadoes

1 Rate Cuts in No Recession Environment Supportive of Equities Longer Term



2 Earnings Continue to Move Higher



Source: FactSet, Data as of 9/28/2024.

CONDITIONS SET UP FOR BULL MARKET LONGER TERM

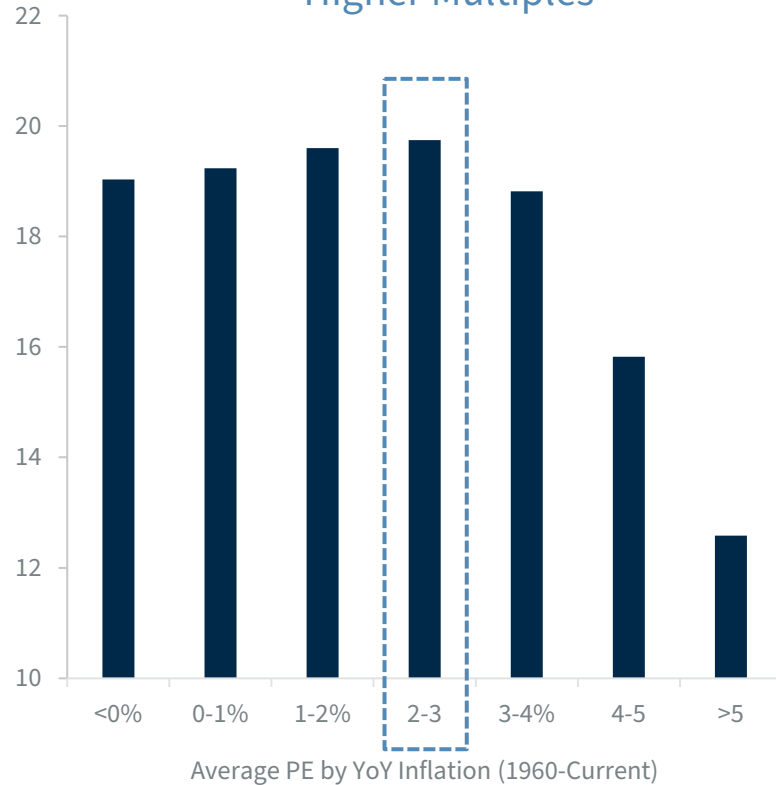
FIVE FAVORABLE CONDITIONS FOR THE BULL MARKET TO CONTINUE LONGER TERM

5,850

12-Month S&P 500
Price Target

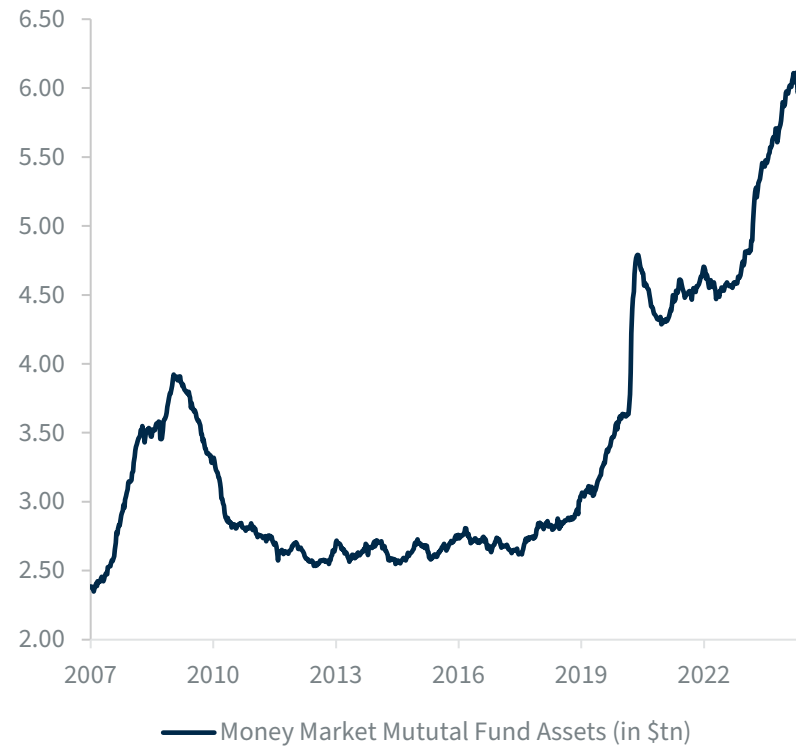
3

Slower Inflation Supportive of
Higher Multiples



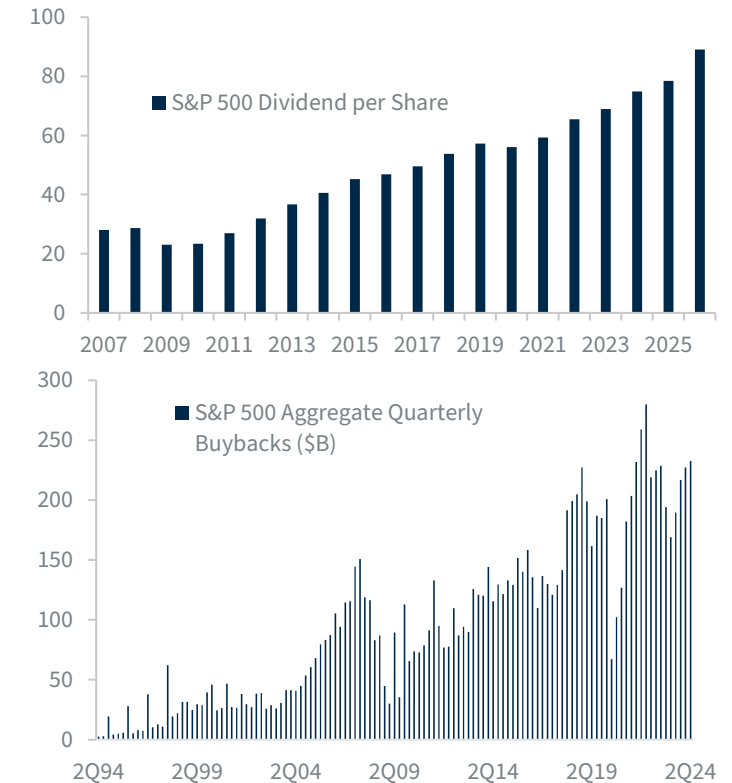
4

Investors Continue to Have
Record Cash on the Sidelines



5

Dividends and Buybacks Increasing



Source: FactSet, Data as of 9/28/2024.

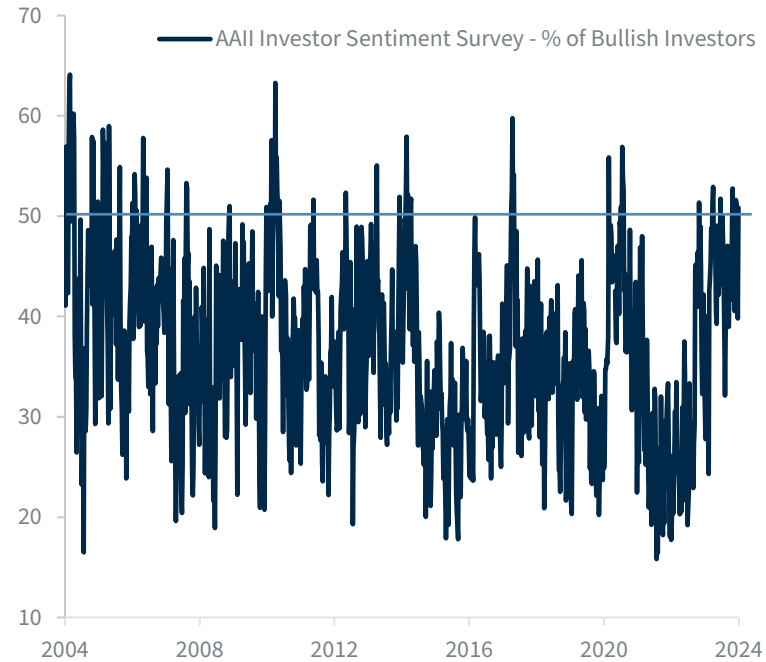
SLOWER SPEEDS LIKELY IN THE NEAR TERM

WHILE THE BULL MARKET IS LIKELY TO CONTINUE, SOME 'TRAFFIC PATTERNS' MAY SLOW ITS SPEED NEAR TERM

Year Three of Bull Market Typically Sees More Muted Returns

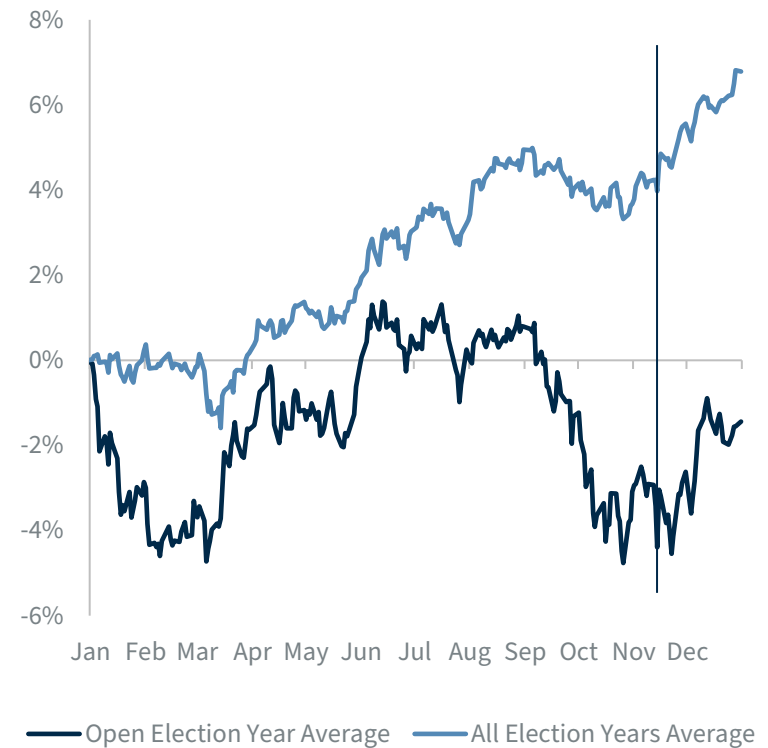
Year of Bull Market	Average Return	% of Time Positive
Year 1	40%	100%
Year 2	13%	100%
Year 3	2%	63%

Investors Overly Optimistic



	+1Month	+3Months	+6Months	+12Months
Performance Following Bullish Investors >50%	-0.6%	-0.8%	+1.5%	-0.3%
% of Time Positive	48%	52%	80%	60%

Volatility Likely Elevated into Election



Source: FactSet, Data as of 9/28/2024.

LOOKING INTO OUR FAVORITE SECTORS

INFO TECH, HEALTH CARE AND INDUSTRIALS ARE OUR FAVORITE SECTORS

Info Tech



Health Care



Industrials



Thematic

Continued AI Investment
Technological Advances

Aging Demographics
Post-Election Certainty

Beneficiary of Government Spending
Replenishing Defense Stockpiles

Fundamental

Earnings Growth Outpacing Market
Highest Margin of Any Sector

Undervalued Sector on PEG Basis
Accelerating Earnings

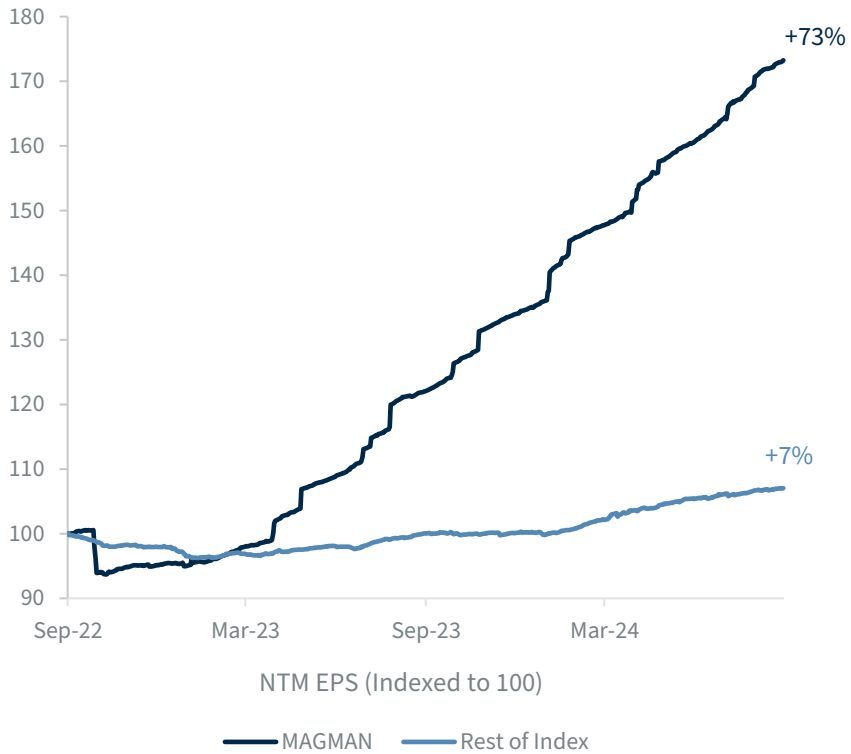
Bottoming in EPS Revisions
Core Capital Goods Orders at Record

Source: FactSet, Data as of 9/28/2024.

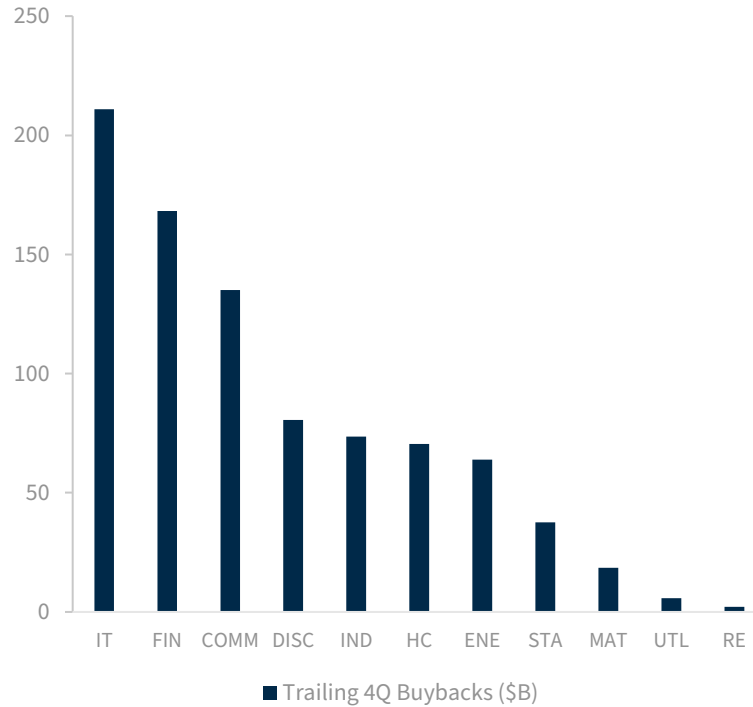
WHY WE STILL LIKE THE TECH SECTOR MOVING FORWARD

SILICON VALLEY IS HIGH ON OUR BUCKET LIST – WHY WE LIKE TECH MOVING FORWARD

Earnings Growth Outpacing the Market



Healthy Dividends and Buybacks



AI Remains in its Early Stages

“Without AI, this work would have required nearly 100x the current head count to complete in the same amount of time.”

-Walmart

“We have recently launched a set of AI-driven solutions around our cybersecurity offerings”

- Mastercard

“Our growing AI portfolio made up of hundreds of practical use cases will generate billions of dollars of efficiencies over the next several years”

- UnitedHealth

40-55%

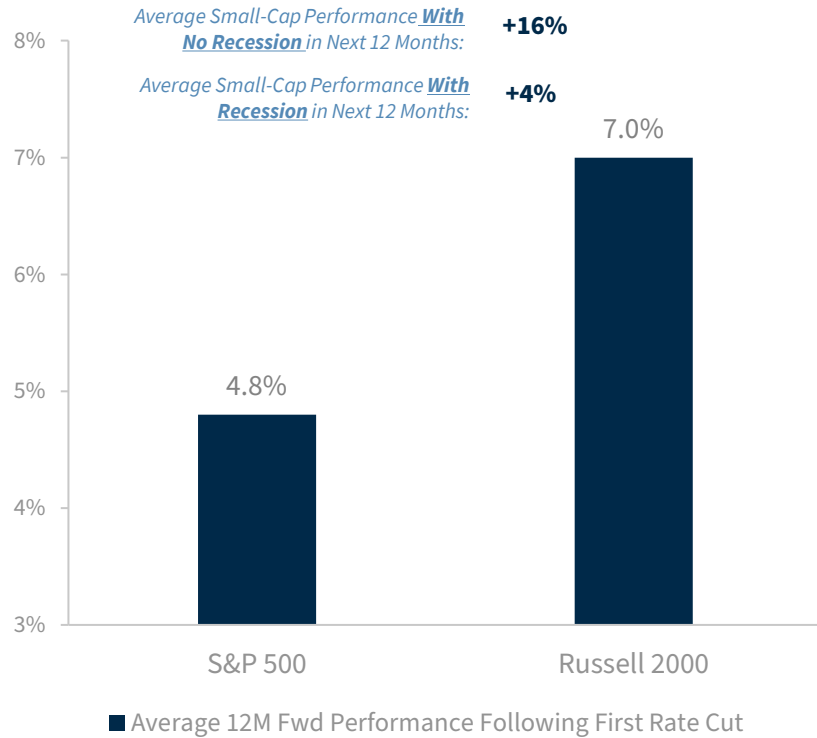
Expected 3-Year Annual Growth Rate in AI Market

Source: FactSet, Data as of 9/28/2024. MAGMAN represents mega-cap tech consisting of MSFT, APPL, GOOGL, META, AMZN, NVDA.

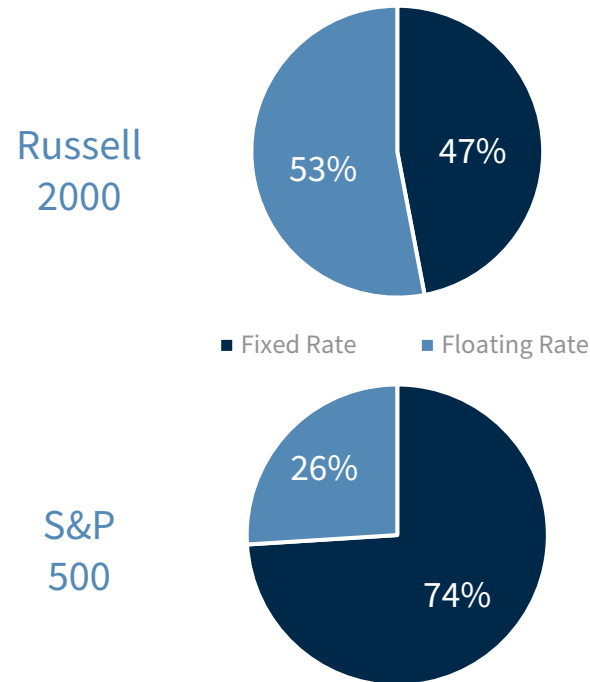
FAVORABLE CONDITIONS FOR SMALL CAP

LIKE CONVERTIBLES, SMALL CAPS WORK BEST IN SUNNY WEATHER

Outperform Following Rate Cuts

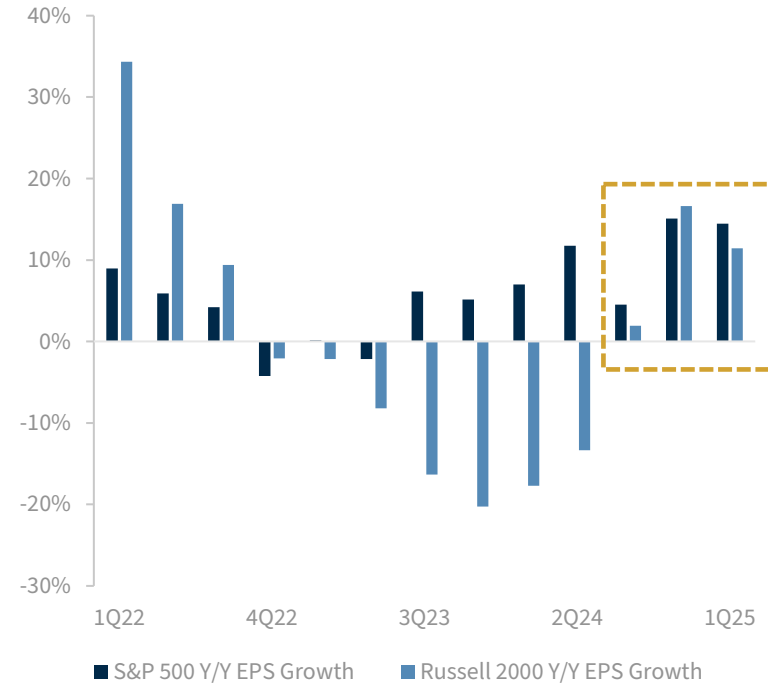


Falling Interest Rates Supportive of Small Cap



44% Small-Cap Companies Have Negative Earnings

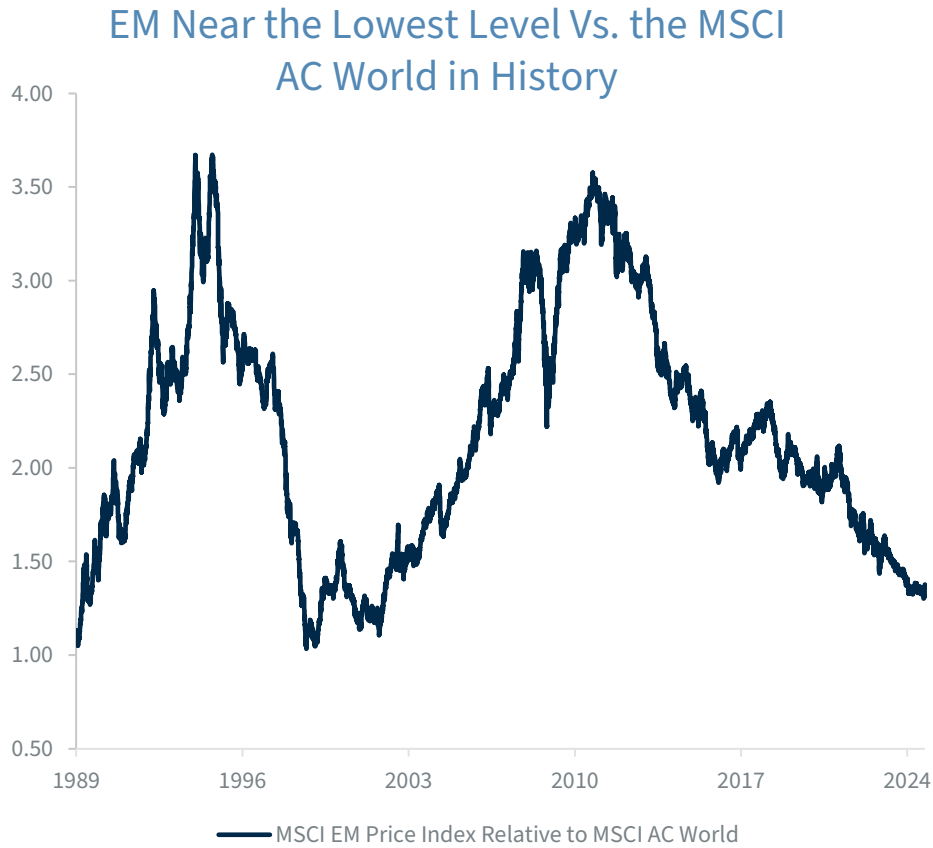
Earnings Growth Set to Pick Up in No Recession Environment



Source: FactSet, Data as of 9/28/2024.

SUPPORTIVE FACTORS FOR EMERGING MARKETS

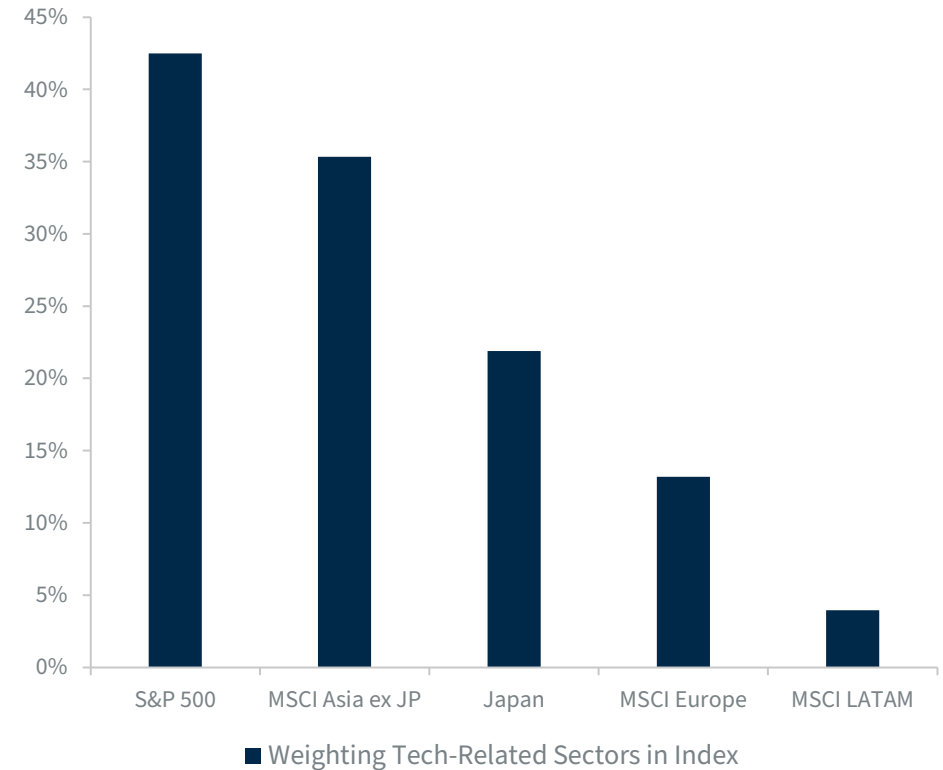
CONDITIONS ARE TURNING MORE FAVORABLE FOR EMERGING MARKETS, BUT SELECTIVITY IS CRITICAL



Supportive Factors for Emerging Markets

- Global Monetary Policy Easing Cycle
- Rebounding Economic Growth
- Dollar Stabilization
- Improving Earnings Growth

Look for Areas With Higher Tech Weighting



Source: FactSet, Data as of 9/28/2024.



8

Asset Allocation

Like the Golden Gate Bridge, Build a Portfolio to Last

INSIGHT:

Having a broad perspective is needed when managing a portfolio. Similar to road trips, markets often experience detours and do not move in a straight line. Building a portfolio that can withstand these incidents is critical.

BOTTOM LINE:

Take the long view when it comes to investment decisions; don't be distracted by the day-to-day headline noise. Staying the course will help you reach your destination!

MARKETS DO NOT MOVE IN A STRAIGHT LINE

SIMILAR TO A ROAD TRIP, MARKETS OFTENTIMES TAKE TWISTS AND TURNS



*“It's not the destination,
it's the journey”*

-Ralph Waldo Emerson

ROAD TRIP ALLOCATION

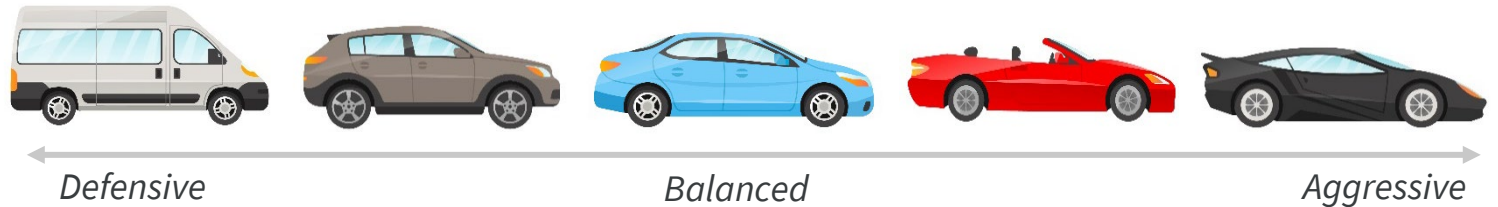
PICK YOUR TRAVEL PARTNER

Selecting the right companion is one of the most crucial decisions in a journey. An experienced advisor can help you navigate your financial journey, choose the most suitable investment vehicles, and much more.

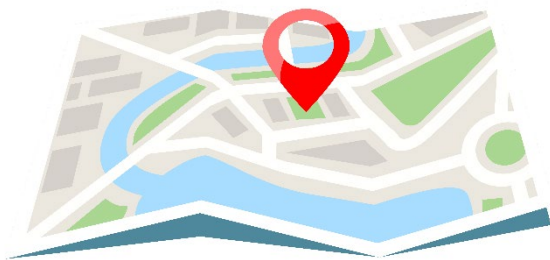


PICK YOUR INVESTMENT VEHICLE

Selecting the right investment vehicle based on your risk tolerance, comfort levels, and time horizon.



CUSTOMIZE YOUR TRIP



The destination is crucial, but the adventures along the way are what truly make a trip memorable. In the same way, your advisor can help you chart the course and tailor it to create pleasant and unforgettable experience.



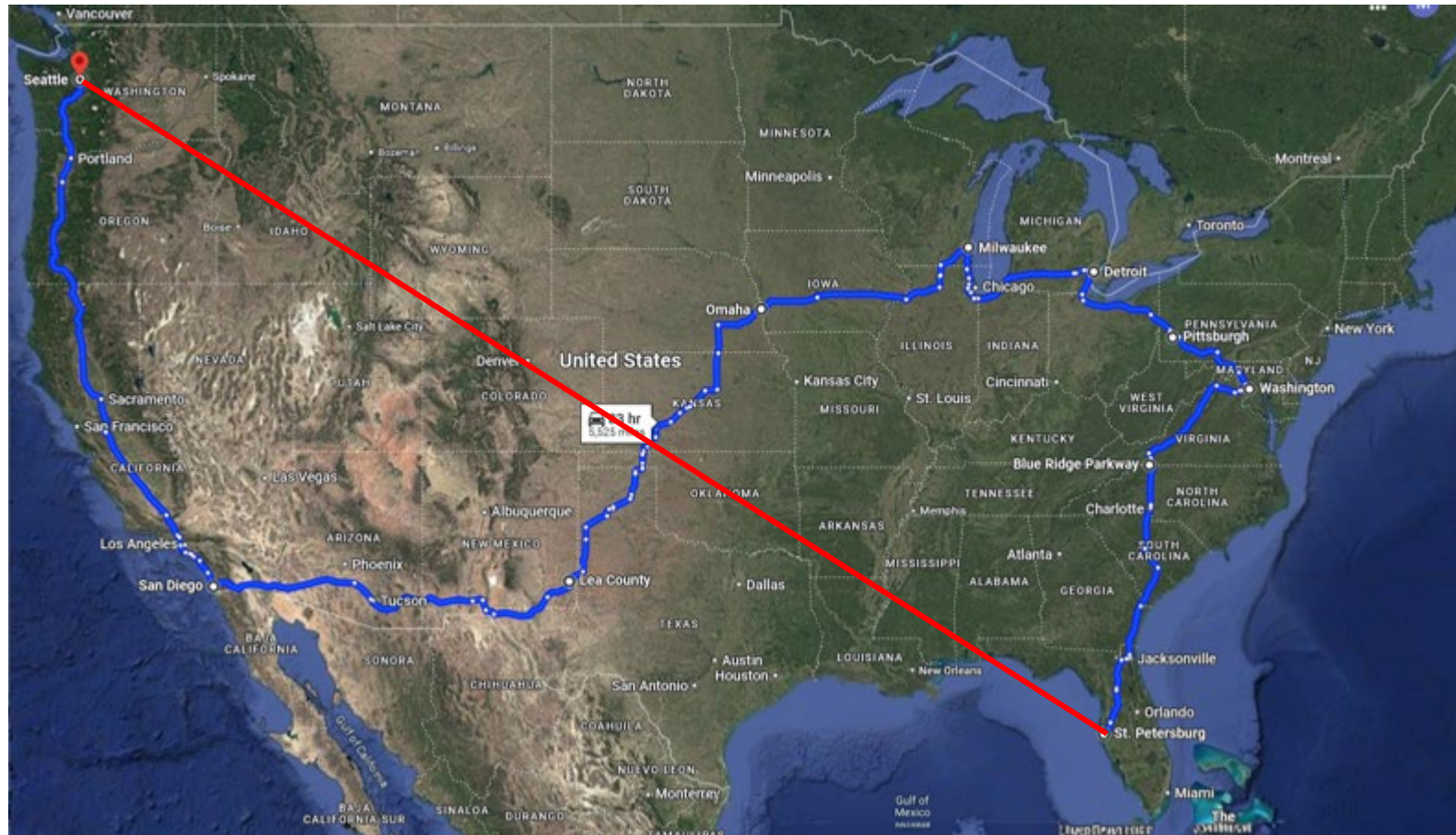
Traffic jams and detours are inevitable on road trips, so stock up on plenty of snacks to keep you going. Similarly, markets don't always move in straight lines and can experience slowdowns, so be prepared!



A great playlist is essential for a fun road trip, but sometimes you need someone to pick the perfect songs. Similarly, your advisor can help you cut through the noise of the news and deliver clear, valuable insights!

MARKETS DO NOT MOVE IN A STRAIGHT LINE

SIMILAR TO A ROAD TRIP, MARKETS OFTENTIMES TAKE TWISTS AND TURNS



Miles Driven
5,525 miles



Total Time on Road
83 Hours



Air Miles
2,516 miles



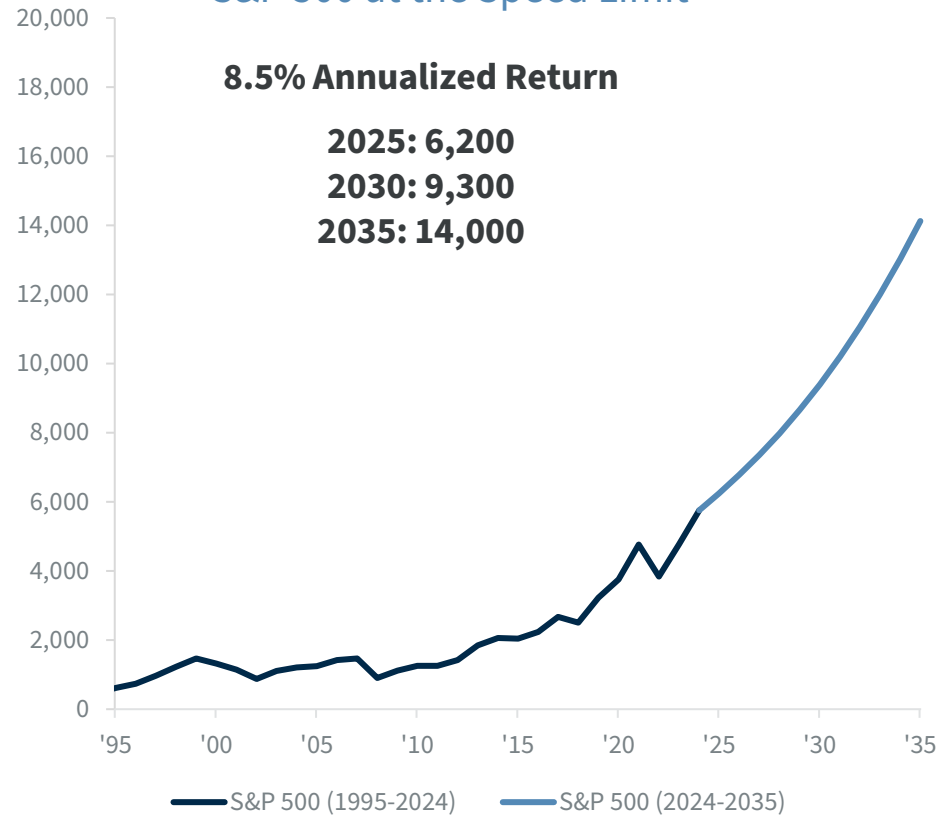
Total Time in Air
6 Hours

Source: FactSet, Data as of 9/28/2024.

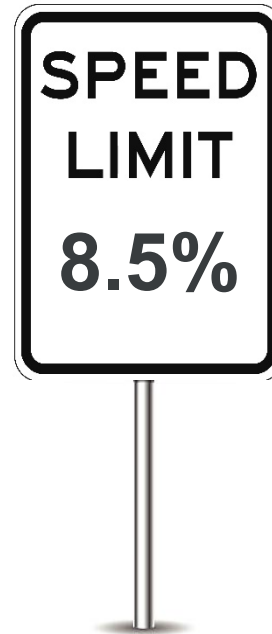
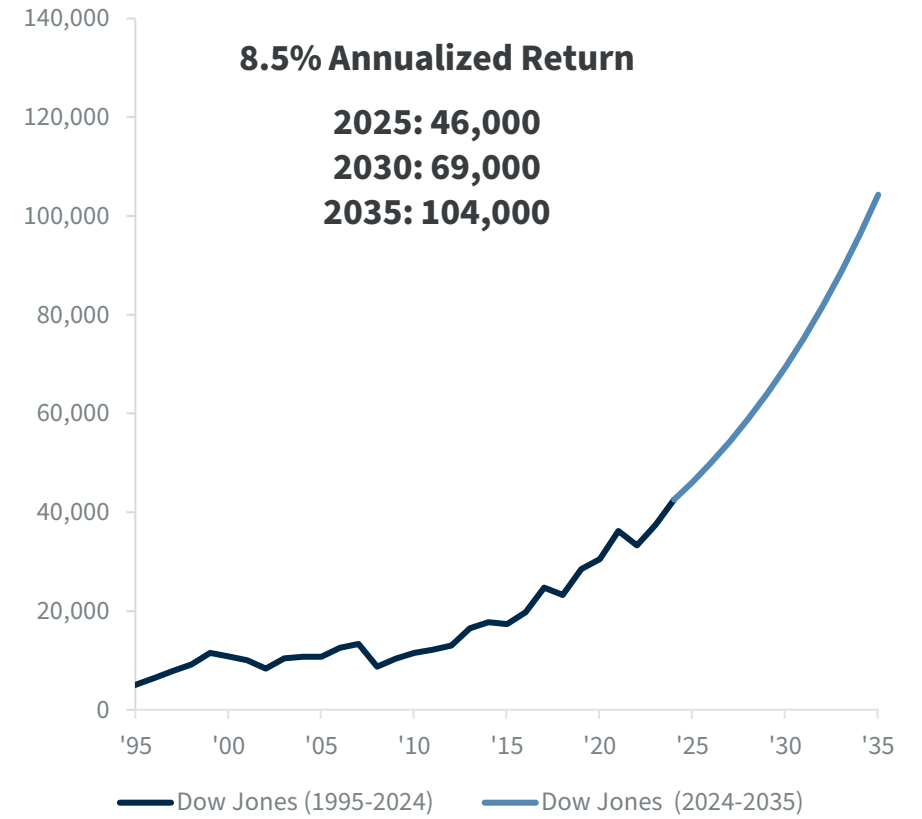
ROAD TRIP ALLOCATION

STAYING THE COURSE CAN LEAD TO BEAUTIFUL DESTINATIONS!

S&P 500 at the Speed Limit



Dow Jones at the Speed Limit



Source: FactSet, Data as of 9/28/2024.



UPCOMING WEBINARS

November 7 | 4:00 pm ET

Post-Election Conference Call

This presentation will discuss the outcome and impacts following the election.

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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, including the Technology sector, 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. Investing in the Energy sector involves special risks including potential adverse effects of state & federal regulation and may not be suitable for all investors.

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.

WEST TEXAS INTERMEDIATE | West Texas Intermediate can refer to a grade or a mix of crude oil, and/or the spot price, the futures price, or the assessed price for that oil; colloquially WTI usually refers to the price of the New York Mercantile Exchange WTI Crude Oil futures contract or the contract itself.

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.

US TREASURY INDEX | An index based on recent auctions of US Treasury bills and is commonly used as a benchmark when determining interest rates, such as mortgage rates.

CAPEX | CAPEX Capital Expenditures are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. CapEx is often used to undertake new projects or investments by a company.

FIXED INCOME DEFINITION

AGGREGATE BOND | **Bloomberg 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 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 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, supnationals 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 COMMODITY INDEX | Bloomberg 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.

WTI | West Texas Intermediate can refer to a grade or a mix of crude oil, and/or the spot price, the futures price, or the assessed price for that oil; colloquially WTI usually refers to the price of the New York Mercantile Exchange WTI Crude Oil futures contract or the contract itself.

BLOOMBERG EMERGING MARKETS AGGREGATE BOND INDEX | The Bloomberg 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.

ZILLOW OBSERVED RENT INDEX | A measure of the typical home value and market changes across a given region and housing type. It reflects the typical value for homes in the 35th to 65th percentile range. Available as a smoothed, seasonally adjusted measure and as a raw measure.

[ADOBE DIGITAL PRICE INDEX](#) | The Digital Price Index is the most comprehensive measure of inflation in the digital economy, and it's made possible by the ability of Adobe Analytics to turn terabytes of data into useable insights.

[NAR HOUSING AFFORDABILITY INDEX](#) | The Housing Affordability Index measures whether or not a typical family earns enough income to qualify for a mortgage loan on a typical home at the national and regional levels based on the most recent price and income data.

[COX AUTOMOTIVE INDEX](#) | The Cox Automotive/Moody's Analytics Vehicle Affordability Index measures the ability of a household earning the median income to afford the purchase of an average-priced automobile.

[MUNICIPAL SECURITIES](#) | Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

[REBALANCING](#) | Rebalancing a non-retirement account could be a taxable event that may increase your tax liability.

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Every type of investment, including ETFs and mutual funds, involves risk. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. Changing market conditions can create fluctuations in the value of an ETF or mutual fund investment. In addition, there are fees and expenses associated with investing in ETFs and mutual funds that do not usually occur when purchasing individual securities directly. Separately Managed Accounts (SMAs) may not be appropriate for all investors. SMA's may be more appropriate for affluent investors who can diversify their investment portfolio across multiple investment styles. All investments carry a certain degree of risk and no one particular investment style or manager is suitable for all types of investors. Alternative Investments involve substantial risks that may be greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. These risks include but are not limited to: limited or no liquidity, tax considerations, incentive fee structures, speculative investment strategies, and different regulatory and reporting requirements. There is no assurance that any investment will meet its investment objectives or that substantial losses will be avoided.

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