QUARTERLY

MARKET PERSPECTIVES

Q2 2024

WEALTH MANAGEMENT INSIGHTS
FROM STIFEL'S CIO OFFICE

Investor focus in the first quarter oscillated between enthusiasm for artificial intelligence (AI) and interest rate cut expectations by the Federal Reserve (Fed). Robust earnings from the "Magnificent Seven" (M7) led equities higher, with both the market-cap weighted and equal-weighted S&P 500 posting gains, indicating broad market participation. Hotter inflation and a strong economy led to a reversal in market expectations for rate cuts by the Fed and a 32 basis point (bps) rise in the U.S. 10-Year Treasury. Despite this, equity markets moved higher with the S&P 500 setting a new record high 25 times during the quarter. This indicates to us that some "uncertainty fatigue" has set in among investors on a belief that inflation is still trending down and rate cuts aren't necessary for the economy to keep growing.

The Atlanta Fed's GDPNow forecast model estimates the U.S. economy expanded 2.3% in the first quarter, reigniting hopes for a soft landing. As we look ahead, despite what seems to be unwavering economic optimism in the media and among some market watchers, we challenge ourselves to think differently. While not our base case, a recession still remains a possibility. Our **2024 Outlook** called for muted economic growth and we are closely watching the consumer, who may be showing signs of a slowdown in spending. We caution that company earnings forecasts for the full year may be too optimistic, potentially leading to market volatility. However, we would view a market correction as an opportunity to dollar cost average and invest **excess cash** into a well diversified portfolio.

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STIFEL

MACROECONOMIC OVERVIEW

A SOFT LANDING IS STILL WITHIN REACH

Consumer spending remains the main driver of stronger-than-expected economic growth, supported by a solid labor market and rising real wages. With the labor market still tight, wage pressures remain and are helping offset some of the impact of higher prices and elevated debt servicing costs. The Fed's latest summary of economic projections (SEP) revised higher its projection for economic growth this year to 2.1% from its 1.4% December forecast.

LABOR MARKET CONTINUING ITS NORMALIZATION.

February job growth was stronger than expected, but the unemployment rate moved higher to 3.9%. The prior 2-month payrolls were revised downward and wage growth has been trending lower. Although initial jobless claims remain at historical lows, continuing claims have trended above their 6-month moving average since the second half of last year, suggesting some loosening in the labor market. The Fed sees the unemployment rate at 4.0% at the end of the year.

CONSUMER SPENDING TAKES A BREATHER.

Consumers dialed back on spending in January, with real personal outlays falling 0.1%, the first decline since August 2023. Retail sales in February were weaker than expected, rising 0.6%. The retail sales control group, which is often seen as a more precise measure of consumer spending, was flat over the month, whereas economists expected a 0.4% increase. The consumer is expected to still contribute to our economy's growth this year, albeit at a slower pace.

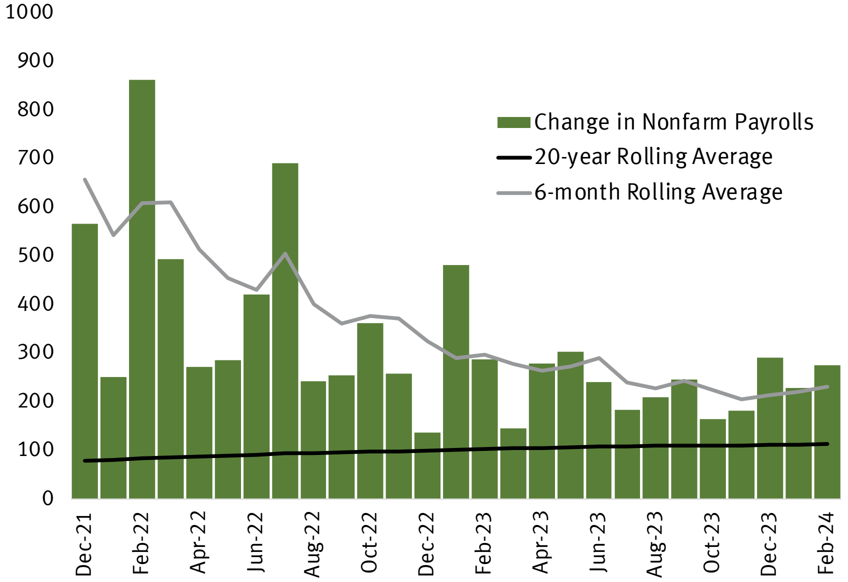
CONSUMERS SAVING LESS TO KEEP UP WITH HIGHER PRICES.

Consumer spending has been supported by a lower personal savings rate. With income outpacing spending in January, the savings rate ticked higher to 3.8%, but remains well below the prepandemic average of 6.2%. This is one gauge that reinforces the possibility that the consumer may well be "spending beyond their means."

RECENT INFLATION REPORTS MAY BE A "BUMP IN THE ROAD."

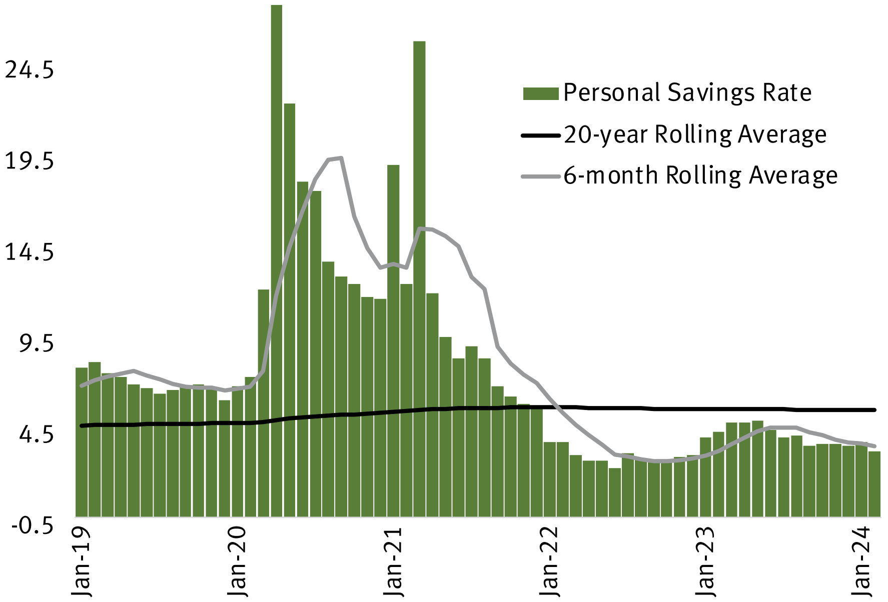
The Fed **left rates unchanged** in March but continued to signal its intent to lower rates later in the year. The median personal consumption expenditures inflation projection for 2024 was left unchanged at 2.4%, suggesting the Fed sees continued disinflation. However, the Consumer Price Index (CPI) rose 0.3% and 0.4% in January and February, respectively, levels above what the Fed would like to see. Referring to these hotter prints, Chairman Jerome Powell said they may have been a "bump on the road" to inflation coming down gradually toward 2%.

Figure 1. The labor market is gradually cooling



Source: Stifel CIO Office via Bloomberg as of March 31, 2024

Figure 2. Personal savings rate remains below the 20-year average



Source: Stifel CIO Office via Bloomberg as of March 31, 2024

THE MANUFACTURING AND HOUSING SECTORS ARE STILL WEAK.

The manufacturing industry remains weak, with the Institute for Supply Management Manufacturing Purchasing Managers' Index below 50, indicating contraction, for 16 consecutive months. This is a result of continued inventory destocking, a shift in spending from goods to services, and a weak economic recovery in China. Similarly, the housing sector has been under pressure ever since the Fed began raising rates. A combination of higher mortgage rates and limited housing supply has discouraged some home buyers.

U.S. EQUITY

EARNINGS RESULTS WERE POSITIVE, LED BY THE MAGNIFICENT SEVEN

During the first quarter companies reported earnings results for Q4 2023. Overall, earnings for the S&P 500 were up 4.1% year-over-year versus the 1.5% expected before earnings season began. There was significant dispersion among sectors with four posting double digit earnings growth - Communication Services, Consumer Discretionary, Utilities, and Information Technology - and four posting double digit declines - Energy, Materials, Health Care, and Financials.

The Magnificent Seven – Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla – saw earnings grow 59.4%. Excluding these companies, earnings for the remaining 493 companies of the S&P 500 declined 4.3%.

WIDENING PROFIT MARGINS WERE THE MAIN STORY.

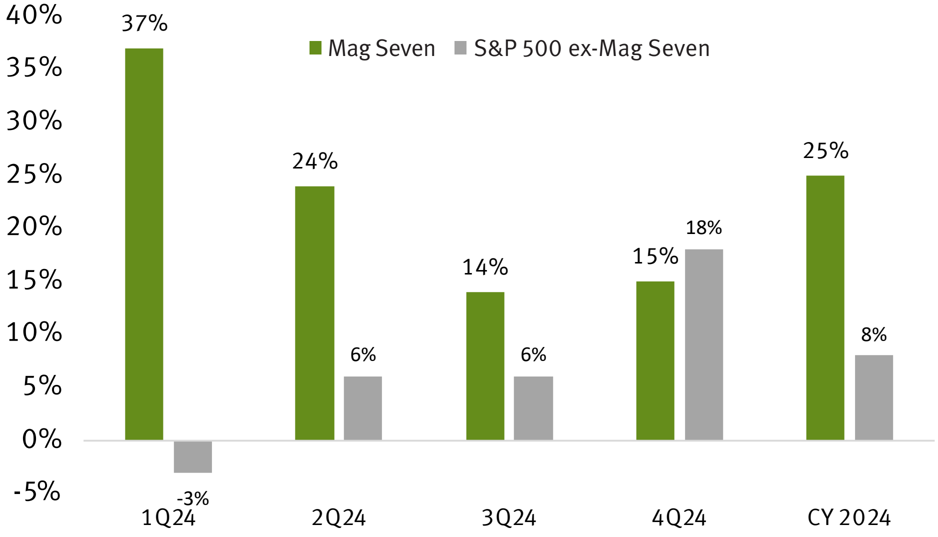
Companies, similar to consumers, have been facing higher costs and this led to an earnings decline for the S&P 500 from Q4 2022 through Q2 2023. Many firms have adapted and reduced costs to improve their bottom line. The information technology, communication services, and consumer discretionary sectors saw notable expansion in profit margins compared to Q4 2022. So it's no surprise these the sectors posted double digit earnings growth and have led the bull market that began in October 2022. The utilities sector saw profit margin expansion mainly due to declining commodity prices, which can be seen in the earnings decline for energy companies.

Figure 3. S&P 500 Earnings Recap - 4Q 2023

Sector	Earnings Growth	Margin Improvement
Utilities	32.1%	3.8%
Information Technology	23.0%	3.3%
Communication Services	44.7%	3.0%
Consumer Discretionary	34.2%	1.5%
Industrials	6.3%	0.3%
Consumer Staples	5.0%	0.1%
Real Estate	7.9%	-0.1%
Materials	-20.4%	-1.7%
Health Care	-15.8%	-2.0%
Energy	-25.3%	-2.3%
Financials	-14.8%	-3.4%

Source: Stifel CIO Office via FactSet, as of March 31, 2024

Figure 4. Forecasted S&P 500 Earnings Growth (year over year)



Source: Stifel CIO Office via FactSet, as of March 31, 2024

CONSENSUS 2024 EARNINGS ESTIMATE MAY BE TOO OPTIMISTIC.

For the full year, analysts forecast earnings growth of 10.6% and a continued expansion in profit margins. We believe this may be optimistic, possibly influenced by recency bias. We see earnings growth more in line with our long-term estimate of 6.5%. For reference, excluding the M7, the S&P 500 is forecasted to see earnings grow 7.7%.

NON-U.S. EQUITY

JAPANESE STOCKS HIT ALL-TIME HIGHS WHILE CHINESE MARKET TOUCHES A FIVE YEAR LOW.

The global equity market, represented by the MSCI All Country ex USA Index, began the year with a 4.53% (USD) gain, trailing behind U.S. stocks.

Japan continues to be a standout performer despite the economy entering into a technical recession over the second half of 2023. Year-to-date (YTD), the Nikkei 225 is up 12.4% as the Bank of Japan (BoJ) dropped its negative interest rate policy while the country emerges from a prolonged period of deflation.

Chinese equities have been facing pressure amidst a real estate slump and a weaker post-pandemic economic recovery. The Chinese government announced a number of supportive interventions but nevertheless the MSCI China Index saw a 2.27% decline YTD, following a 11.1% drop in 2023.

FIXED INCOME

The stronger inflation numbers brought into alignment market expectations for rate cuts with the Fed's "dot-plot" for three quarter-point cuts this year. However, the Fed now expects it will have to cut rates at a modestly slower pace in 2025 and sees the long-run neutral rate for monetary policy slightly higher at 2.6%. This reinforces the "higher for longer" message that emerged last year, reinforcing our view that we're headed to a **Fiscal Transition**.

The 2-Year and 10-Year U.S. Treasury yields increased to 4.62% and 4.20%, respectively, as a result of the stronger inflation readings and economic data. Against this backdrop, U.S. corporate bond spreads remain tight, even in light of concerns around commercial real estate and its impact regional banks. Both investment grade and high yield corporate bond spreads narrowed during the quarter to end at 90 bps and 299 bps, respectively.

COMMODITIES

THE S&P GSCI COMMODITY INDEX HAS RISEN BY 8.74% YEAR TO DATE.

Oil prices trended higher as continued economic growth suggested demand should stabilize. The International Energy Agency (IEA) revised its view on oil demand and now sees a tighter-than-anticipated market in 2024. West Texas Intermediate (WTI) and Brent Crude Oil each increased 21% in the first quarter.

Gold prices rose to an all-time high of $2,229.87/oz as hopes grew that the Fed will lower rates later this year, which in turn may lead to a weaker dollar. A weaker dollar typically drives gold prices higher because more gold can be purchased when the dollar is weaker. Increasing geopolitical uncertainty and buying by emerging market central banks also supported gold's rally.

Natural gas has been the most significant mover among commodities, down 27.5% year to date, driven by a sustained increase in supply and weak demand from the US.

DYNAMIC ASSET ALLOCATION

The following table summarizes our thinking across various asset classes and regions.

⬛ Underweight ▨ Neutral 🟩 Overweight

	ASSET CLASS	CHANGE	CURRENT			COMMENTS
			⬛	▨	🟩	
EQUITY	**U.S. Equity vs. Non-U.S. Equity**	=		▨		We remain neutral between U.S. and non-U.S. equity. Our base case calls for a soft landing in the U.S., but we believe valuations have priced in this scenario and the consensus earnings outlook is too optimistic. We recognize, however, that momentum is strong, and the eventual Fed easing should be supportive of U.S. stocks. Non-U.S. equity valuations are attractive; however, growth trends are diverging and Europe and China face headwinds. We guide investors to consider active management.
	U.S. Large Cap vs. U.S. Small Cap	=	⬛			Small cap equity valuations remain attractive and reflect worries about an economic downturn and the greater vulnerabilities from higher financing costs. We have a preference for quality companies with strong balance sheets regardless of market capitalization. We believe there is opportunity within small cap for skilled active investors.
	U.S. Large Value vs. U. S. Large Growth	=		▨		We believe in this new regime, investors should be diversified across both value and growth styles. Within U.S. large cap, we expect returns to broaden out and have a preference for quality companies and those that are expected to benefit from our long-term investment themes, such as AI and the Fourth Industrial Revolution.
	Non-U.S. Developed Markets vs. Emerging Markets	=		▨		Both developed and emerging markets remain vulnerable to idiosyncratic risks and headwinds stemming from geopolitical tensions and a slowing global economy. China is facing structural headwinds, and investors are worried about policy uncertainty and possible stresses in its property sector.
	Europe vs. Japan	=	⬛			Japan was a solid performer in 2023, but we believe there is still the potential for relative outperformance. Japan's economic growth remains positive, and corporate governance reform is likely to enhance shareholder value in the medium to long term. In Europe, weaker Chinese growth and the Russia-Ukraine war remain headwinds for the growth outlook.

(continued on next page)

DYNAMIC ASSET ALLOCATION (CONTINUED)

The following table summarizes our thinking across various asset classes and regions.

■ Underweight ▨ Neutral 🟩 Overweight

	ASSET CLASS	CHANGE	CURRENT			COMMENTS
			■	▨	🟩	
FIXED INCOME	**U.S. Investment Grade vs. U.S. High Yield**	=			🟩	We favor a quality tilt and prefer investment grade for passive investors. Spreads for high yield remain tight and do not appropriately reflect the increased risk of recession and credit deterioration, in our view.
	Corporates Government/Agency MBS	=	■			We have a modest preference for government securities relative to investment-grade corporate bonds, which can be expressed with passive investments or may be implemented by active managers. Treasury yields remain attractive and should provide an added diversification benefit if the economy deteriorates.
	Duration	=		▨		We view duration as a diversifier in a multi-asset class portfolio given the macroeconomic uncertainty and volatility in yields, and so we remain neutral on duration as compared to the overall market.
ALTERNATIVES	**Private Assets**	=		▨		For investors interested in alternative investments and able to handle illiquidity, exposure to some combination of private equity, private debt, and/or private real estate can be considered as part of a diversified portfolio.
	Hedge Funds	=		▨		For investors interested in alternative investments and able to handle less liquidity who have conviction about manager skill, exposure to hedge funds can be a helpful part of a diversified portfolio. This is especially true in volatile, low-return environments.

FIGURE 5. CAPITAL MARKET RETURNS (AS OF MARCH 29, 2024)

NORTH AMERICAN EQUITY	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. 3000 Index	3.22	9.98	9.98	29.35	9.68	14.33
Standard & Poor's 500	3.22	10.56	10.56	29.88	11.49	15.05
Standard & Poor's/TSX (CAD)	4.14	6.62	6.62	13.96	9.11	9.96
U.S. EQUITY BY SIZE/STYLE						
Bloomberg U.S. 1000 Index	3.22	10.32	10.32	30.02	10.31	14.70
Bloomberg U.S. 1000 Growth Index	1.98	10.74	10.74	34.54	10.40	16.79
Bloomberg U.S. 1000 Value Index	6.08	9.37	9.37	20.65	9.68	11.34
Bloomberg U.S. 2000 Small Cap Index	3.30	3.83	3.83	18.06	0.41	8.84
Bloomberg U.S. 2000 Small Cap Growth Index	2.58	5.31	5.31	16.69	-2.92	7.55
Bloomberg U.S. 2000 Small Cap Value Index	4.23	1.98	1.98	19.68	4.39	10.37
Bloomberg U.S. Microcap Index	3.10	5.68	5.68	12.06	-9.84	7.64
INTERNATIONAL EQUITY (USD)						
MSCI AC World ex U.S.	2.98	4.53	4.53	13.09	1.89	5.94
MSCI EAFE	3.18	5.67	5.67	15.19	4.75	7.30
MSCI Europe	3.74	5.23	5.23	14.11	6.19	7.96
MSCI Pacific	1.29	-1.73	-1.73	2.39	-0.52	2.96
MSCI Japan	2.54	10.49	10.49	25.19	3.53	7.67
MSCI Emerging Markets	2.20	2.09	2.09	7.86	-5.14	2.16

FIGURE 5. CAPITAL MARKET RETURNS (AS OF MARCH 29, 2024)

U.S.FIXED INCOME	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. Treasury Bills: 1-3 Months	0.46	1.32	1.32	5.37	2.65	2.02
Bloomberg U.S. Aggregate	0.92	-0.78	-0.78	1.70	-2.46	0.36
Bloomberg Gov't/Credit	0.88	-0.72	-0.72	1.74	-2.35	0.62
Bloomberg Treasury	0.64	-0.96	-0.96	0.05	-2.73	-0.08
Bloomberg U.S. TIPS	0.82	-0.08	-0.08	0.45	-0.53	2.49
Bloomberg Municipal Bond Index	0.00	-0.39	-0.39	3.13	-0.41	1.59
Bloomberg U.S. Credit	1.23	-0.41	-0.41	4.15	-1.86	1.39
Bloomberg Corporate High Yield	1.18	1.47	1.47	11.15	2.19	4.21
REAL ESTATE/COMMODITIES/ALTERNATIVES						
Wilshire U.S. Real Estate Securities Index	1.53	0.09	0.09	12.49	4.60	4.45
Wilshire Global ex U.S. Real Estate Securities Index	5.76	-0.76	-0.76	11.24	-1.72	-1.14
Wilshire Global Real Estate Securities	2.58	-0.14	-0.14	12.10	2.70	2.69
Bloomberg Commodity Index	3.31	2.19	2.19	-0.56	9.11	6.38
S&P GSCI Commodity (S&P GSCI)	4.73	10.36	10.36	11.14	18.05	7.83
Wilshire Liquid Alternatives Index	1.47	3.16	3.16	8.25	1.95	2.92
Wilshire Liquid Alternative Equity Hedge Index	2.39	6.04	6.04	15.22	5.82	6.00
Wilshire Liquid Alternative Event Driven Index	0.75	1.01	1.01	5.26	0.94	2.60
Wilshire Liquid Alternative Global Macro Index	2.71	7.03	7.03	8.03	4.62	4.58
Wilshire Liquid Alternative Multi-strategy Index	1.98	4.57	4.57	10.54	2.50	2.76
Wilshire Liquid Alternative Relative Value Index	0.42	0.07	0.07	3.50	-1.06	0.80
Wilshire Focused Liquid Alternative Index	1.33	3.32	3.32	7.41	1.66	2.92

Source: Stifel Investment Strategy via Bloomberg as of March 29, 2024

**Represents annualized returns*

DISCLOSURE

The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 322 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

The MSCI EM (Emerging Markets) Europe, Middle East and Africa Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of Europe, the Middle East, and Africa.

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related, and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (agency and nonagency). Provided the necessary inclusion rules are met, U.S. Aggregate-eligible securities also contribute to the multicurrency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

The Bloomberg U.S. Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index. It includes investment-grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related, and corporate securities.

The Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The U.S. Treasury Index is a component of the U.S. Aggregate, U.S. Universal, Global Aggregate, and Global Treasury Indices.

The Bloomberg U.S. Treasury U.S. TIPS index includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value.

The Bloomberg U.S. Municipal Index covers the U.S. dollar-denominated, long-term, tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

The Bloomberg U.S. Credit Index measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is composed of the U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals, and local authorities.

The Bloomberg U.S. Corporate High Yield Bond Index measures the U.S. dollar-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. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

The Bloomberg Global Aggregate Bond Index is a flagship measure of global investment-grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.

The Bloomberg Emerging Markets Hard Currency Aggregate Index is a flagship hard currency Emerging Markets debt benchmark that includes U.S. dollar-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

The Wilshire U.S. REIT Index is a float-adjusted market capitalization-weighted index that measures U.S. publicly traded real estate investment trusts (REITs), excluding mortgage REITs, net-lease REITS, real estate finance companies, home builders, large landowners and sub-dividers, hybrid REITS, and companies that have more than 25% of their assets in direct mortgage investments.

The Wilshire ex U.S. Real Estate Investment Trust Index^{SM} (Wilshire ex U.S. REIT) measures global publicly traded real estate investment trusts, less all U.S. securities.

The Wilshire ex U.S. REIT is a subset of the Wilshire ex U.S. Real Estate Securities Index^{SM} (Wilshire ex U.S. RESI).

The Wilshire Global REIT Index is a float-adjusted, market capitalization-weighted index that measures global publicly traded real estate investment trusts (REITs), excluding mortgage REITs, net-lease REITS, real estate finance companies, home builders, large landowners and sub-dividers, hybrid REITS, and companies that have more than 25% of their assets in direct mortgage investments.

Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted two-thirds by trading volume and one-third by world production, and weight-caps are applied at the commodity, sector, and group level for diversification. Roll period typically occurs from the sixth to the tenth business day based on the roll schedule.

The S&P GSCI (formerly the Goldman Sachs Commodity Index) serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time. The index was originally developed by Goldman Sachs. In 2007, ownership transferred to Standard & Poor's, which currently owns and publishes it. Futures of the S&P GSCI use a multiple of 250. The S&P GSCI contains as many commodities as possible, with rules excluding certain commodities to maintain liquidity and investability in the underlying futures markets. The index currently comprises 24 commodities from all commodity sectors.

The Wilshire Liquid Alternative Index^{SM} measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. The Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index^{SM} (WLIQAEH), Wilshire Liquid Alternative Global Macro Index^{SM} (WLIQAGM), Wilshire Liquid Alternative Relative Value Index^{SM} (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index^{SM} (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index^{SM} (WLIQAED).

The MSCI World ex USA All Cap Index captures large, mid, small, and micro cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 8,138 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

The MSCI EAFE Index (Europe, Australasia, and the Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI Europe Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the developed markets in Europe.

The MSCI Pacific Index captures large and mid cap representation across five Developed Markets (DM) countries in the Pacific region. With 470 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The Bloomberg U.S. 1000 Total Return Index is a float market-cap-weighted benchmark of the 1,000 most highly capitalized U.S. companies. .

The Bloomberg U.S. 1000 Growth Total Return Index provides exposure to companies with superior growth factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Bloomberg U.S. 1000 Value Total Return Index provides exposure to companies with superior value factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Bloomberg U.S. 3000 Total Return Index is a float market-cap-weighted benchmark of the 3,000 most highly capitalized U.S. companies.

The Bloomberg U.S. 2000 Total Return Index is a float market-cap-weighted benchmark of the lower 2,000 in capitalization of the Bloomberg U.S. 3000 Index.

The Bloomberg U.S. 2000 Value Total Return Index provides exposure to companies with superior value factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Bloomberg U.S. 2000 Growth Total Return Index is a float market-cap-weighted equity benchmark derived from membership of the Bloomberg U.S. 2000 Index.

The Bloomberg U.S. Micro Cap Total Return Index is a float market-cap-weighted benchmark of those securities in the U.S. Aggregate Equity Index with a market capitalization ranking of lower than 2,500.

The Standard & Poor's 500 Index is a capitalization-weighted index that is generally considered representative of the U.S. large capitalization market.

The S&P/TSX Composite Index is the benchmark Canadian index, representing roughly 70% of the total market capitalization on the Toronto Stock Exchange with about 250 companies included in it. The Toronto Stock Exchange is made up of over 1,500 companies.

The S&P 500 Equal Weight Index is the equal-weight version of the widely regarded Standard & Poor's 500 Index, which is generally considered representative of the U.S. large capitalization market. The index has the same constituents as the capitalization-weighted S&P 500, but each company in the index is allocated a fixed weight of 0.20% at each quarterly rebalancing.

The NASDAQ-100 is a modified capitalization-weighted index that is comprised of the largest non-financial companies listed on the National Association of Securities Dealers Automated Quotation System stock market. It includes both foreign and domestic companies, and does not include any financial or investment companies.

The Bloomberg 1-3 Month U.S. Treasury Bill Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than three months and more than one month, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

The Zillow Observed Rent Index (ZORI): A smoothed measure of the typical observed market rate rent across a given region. ZORI is a repeat-rent index that is weighted to the rental housing stock to ensure representativeness across the entire market, not just those homes currently listed for-rent. The index is dollar-denominated by computing the mean of listed rents that fall into the 40th to 60th percentile range for all homes and apartments in a given region, which is once again weighted to reflect the rental housing stock. Details available in ZORI methodology.

The Wilshire Focused Liquid Alternative Index^{SM} is a subset of the Wilshire Liquid Alternative Index^{SM} and measures the performance of a focused basket of mutual funds that provides risk adjusted exposure to equity hedge, global macro, relative value, and event driven alternative investment strategies.

High yield bonds have greater credit risk than higher quality bonds.

Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies.

There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries.

When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance.

Alternative investments involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing tax information, are not subject to the same regulatory requirements as more traditional investments, and often charge high fees, which may erode performance. An investment is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Private equity funds are not appropriate for all investors. Investors should be aware that private equity funds may contain speculative investment practices that can lead to a loss of the entire investment. Private equity funds may invest in entities in which no secondary market exists and, as such, may be highly illiquid. The funds are not required to provide periodic pricing or valuation information to investors and often charge high fees that can erode performance. Additionally, they may involve complex tax structures and delays in distributing tax information.

Investors should be aware that hedge funds often engage in leverage, short-selling, arbitrage, hedging, derivatives, and other speculative investment practices that may increase investment loss. Hedge funds can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, and often charge high fees that can erode performance. Additionally, they may involve complex tax structures and delays in distributing tax information. While hedge funds may appear similar to mutual funds, they are not necessarily subject to the same regulatory requirements as mutual funds.

Indices are unmanaged and are not available for direct investment. Past performance is no guarantee of future results. Index returns include the reinvestment of dividends but do not include adjustments for brokerage, custodian, and advisory fees.

Past performance is not indicative of future results.

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