QUARTERLY

MARKET PERSPECTIVES

WEALTH MANAGEMENT INSIGHTS FROM STIFEL'S CIO OFFICE

Q2 2025

The first quarter of 2025 marked a shift in tone for markets, as optimism gave way to caution amid rising policy uncertainty and shifting growth expectations. In the U.S., markets digested a flurry of executive orders from the new Trump administration, including proposed tariffs that stirred volatility and dampened investor sentiment. The S&P 500 fell 4.27% – its first quarterly decline in over a year – led lower by technology and growth stocks. In contrast, defensive sectors and value-oriented equities showed relative strength.

Economic data was mixed. Confidence among consumers and small businesses weakened, while CEO sentiment and capital spending plans remained upbeat. Inflation remains elevated, keeping the Federal Reserve (Fed) cautious. While rate cuts are still expected later this year, the number of cuts and timing remains uncertain.

Bond markets responded to these crosscurrents with a sharp rally, as the 10-year Treasury yield fell from 4.80% to 4.20% during the quarter. Core bonds delivered solid returns, while municipal bonds lagged modestly. In commodities, gold surged nearly 20%, reflecting heightened risk aversion and a weaker U.S. dollar.

Outside the U.S., equity markets outperformed. China, Europe, and Japan posted gains, supported by policy stimulus, earnings momentum, and better valuations.

Amid growing uncertainty surrounding tariffs, market sentiment has begun to waver, yet the foundation of the U.S. economy remains intact. A strong labor market, resilient corporate earnings, and global growth drivers continue to offer support. Still, uncertainty around trade, inflation, and fiscal policy will likely shape the path ahead for both investors and policymakers. In 2025, market performance has broadened out, and we expect that to continue. This is a good time to align one's investment strategy to benefit from such a broadening market.

IN THIS ISSUE:

STIFEL

STIFEL

MACROECONOMIC OVERVIEW

TRUMP 2.0: FAST MOVES TEST CONFIDENCE

The first 100 days of President Trump's second term have brought a flurry of policy changes –nearly 100 executive orders have been signed, ranging from government restructuring to foreign policy shifts. But the markets have been most reactive to the administration's back-and-forth on trade. Tariffs were announced on April 2 – including 34% and 20% reciprocal tariffs on China and Europe and a blanket 10% tariff on all trading partners. This has stirred extreme volatility and raised questions about the outlook for economic growth.

Leading up to Trump's tariff announcements, investor sentiment had cooled, and both businesses and consumers became more cautious. Many economists have trimmed their growth forecasts, though the consensus still sees U.S. GDP expanding around 1.8% this year. At the start of the year, our base case outlook projected U.S. GDP growth of 1.5% to 2.5%, suggesting a positive, albeit slower, pace of economic expansion while also recognizing the potential for below-trend growth. The newly announced trade policies and ongoing uncertainty represent a meaningful downside risk to that forecast.

MIXED SIGNALS: SOFT DATA COOLING, BUT BUSINESS LEADERS STAY OPTIMISTIC

Tariff headlines and persistent inflation are weighing on consumer and small business sentiment. The University of Michigan Consumer Sentiment Index dropped to 57.9 in March – well below its 10-year average of 82.5. Small business optimism has also pulled back but remains above historical norms.

Consumers are expressing worries over tariffs and inflation. The expectations for year-ahead inflation rose from 5.8% in February to 6.2% in March in the Conference Board Consumer Confidence Index. Core inflation (as measured by the Personal Consumption Expenditures Index) remains elevated, rising 0.3% in January and 0.4% in February. While the Fed expects inflation to ease to 2.7% this year (prior to tariff announcement), rate cuts are likely on hold until later in 2025 as the Fed stays focused on its long-term inflation target of 2%.

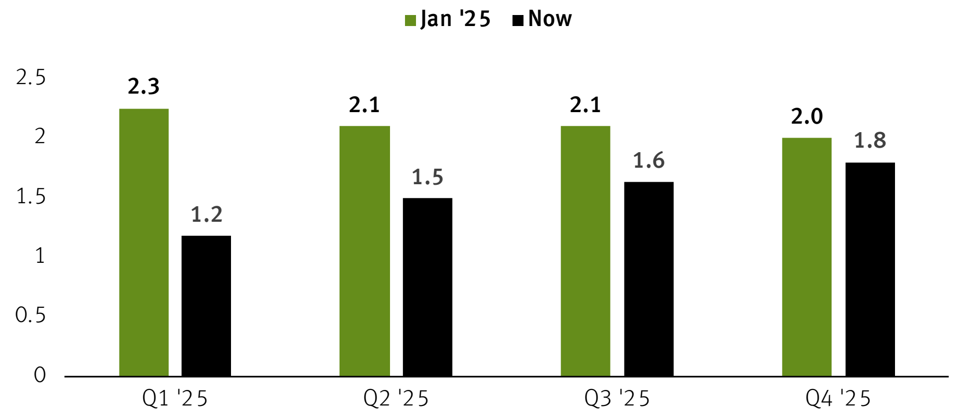
However, not all soft data measures are downbeat. As of February 20, the Conference Board CEO Confidence Survey was at a three-year high, and capital spending plans remain intact – suggesting that business leaders are still positioning for longer-term growth despite short-term uncertainty.

HARD DATA HOLDS FIRM: CONSUMERS, JOBS, AND EARNINGS PROVIDE A BACKSTOP

Beneath the surface noise, the economic foundation remains solid. The labor market continues to show strength, with unemployment near historic lows at 4.1% and wage growth outpacing inflation. Layoffs remain modest, and workforce participation is stable – factors that are supporting consumer spending. Inflation-adjusted consumption rose

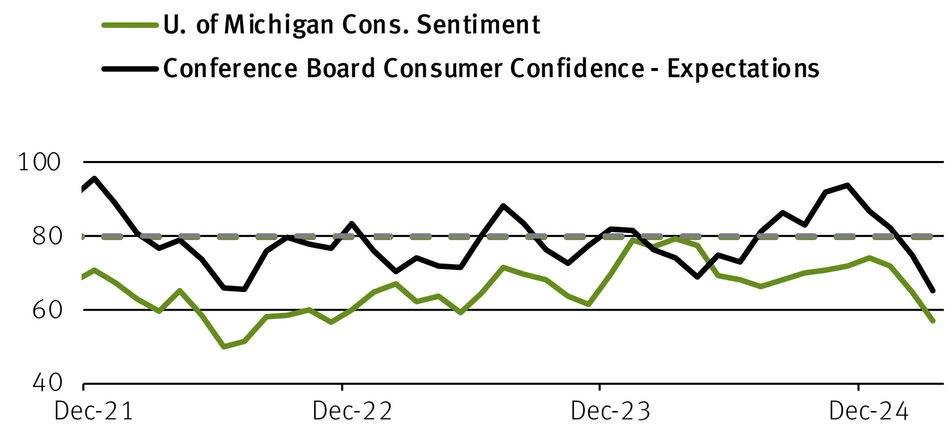
Figure 1. Consensus GDP Forecasts

Quarter-over-quarter, % gain



Source: Stifel CIO Office via Bloomberg as of March 31, 2025

Figure 2. Consumer Confidence and Sentiment



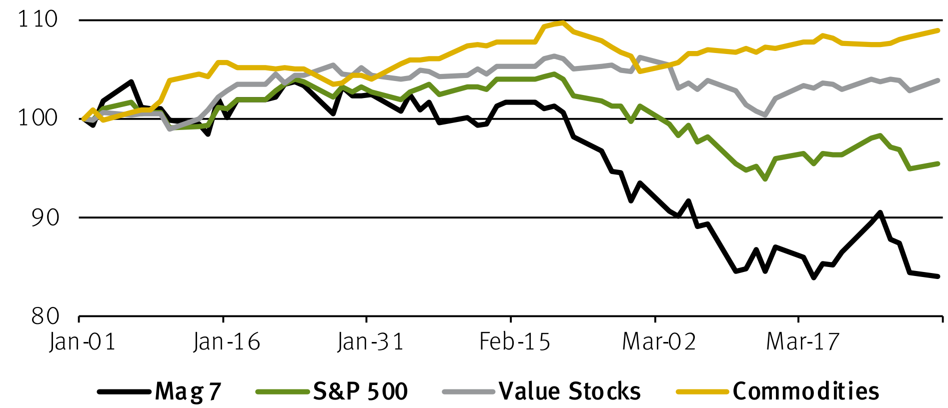
Source: Stifel CIO Office via Bloomberg as of March 31, 2025

0.1% in February and 2.8% over the year following a weather-related dip in January. Credit consumption is climbing even as higher rates and prices pinch budgets, but delinquencies remain manageable. A solid labor market may provide the Fed with wiggle room to be patient with monetary policy changes.

Business activity is steady, if uneven. Industrial production is growing, and the manufacturing and services sectors are still expanding, although manufacturing sector activity has been on the border of entering contraction. Technology investment continues to boom, especially in AI. The five largest cloud providers are expected to spend $267 billion this year – up sharply from $211 billion in 2024 – signaling strong conviction in future innovation.

Corporate earnings are also a bright spot: S&P 500 earnings rose 18.3% in Q4 and as of April 8th are expected to grow 10.9% in 2025.

Figure 3. Market Performance
Year-to-date, indexed to 100



Source: Stifel CIO Office via Bloomberg as of March 31, 2025

EQUITY MARKETS

U.S. STOCKS STUMBLE AMID UNCERTAINTY

U.S. equities got off to a slow start in 2025, with the S&P 500 falling 4.27% in the first quarter – marking the end of a five-quarter winning streak. Early optimism started to fade in late January, particularly in the tech sector, as investor sentiment soured following the debut of a new Chinese large language model (LLM) that rattled confidence in AI-related capital spending. In its announcement, DeepSeek claimed it matches OpenAI's ChatGPT at just 15% of the cost. This development sparked concerns about the competitive landscape and the return on investment for U.S. tech giants. As a result, the high-profile "Magnificent Seven" stocks (Google parent Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla) entered bear market territory, with the Bloomberg Magnificent 7 Index down 16% for the quarter and 21% from its December peak.

Despite the broader market's struggles, more defensive and value-oriented areas held up well. Energy (+9.5%), health care (+5.1%), and consumer staples (+4.8%) led sector performance. Meanwhile, consumer discretionary (-12.5%) and information technology (-12.3%) were notable laggards. Value stocks outperformed growth, with the Bloomberg 1000 Value Index up 3.8% year to date, while growth stocks fell 7.8%.

STRONG Q4 EARNINGS DIMMED BY CAUTIOUS FORWARD GUIDANCE

Corporate earnings for Q4 2024 were a bright spot. S&P 500 earnings rose 18.2% year over year – well ahead of the 11.7% estimate going into earnings season. AI and tariffs dominated commentary, with over 200 companies referencing AI and nearly half mentioning tariffs, up sharply from prior quarters. The rise in tariff-related concerns led many management teams to issue more cautious guidance for the year ahead.

In response, analysts have trimmed earnings forecasts. Q1 2025 earnings growth is now expected to come in at 9.8%, down from 11.5% at the start of the year. Full-year expectations have also been revised lower to 11.2%, from 12.7%. The expectation for all 11 sectors to post positive earnings growth this year is also contributing to the further broadening out of market returns.

GLOBAL EQUITIES TAKE THE LEAD

After years of U.S. equity dominance, 2025 has seen a shift in market leadership, challenging the narrative of "American Exceptionalism."

While the S&P 500 declined 4.27% in Q1, international markets posted strong gains. The MSCI ACWI ex-U.S. Index rose 5.2% in U.S. dollar currency, with China leading the charge – up 15.1% year to date – driven by ongoing stimulus measures and enthusiasm around DeepSeek and other AI models.

European equities also performed well, with the MSCI Europe Index (USD) gaining 10.8%, helped by fiscal initiatives and upbeat corporate earnings. Japanese equities lagged but still outpaced the U.S., with the MSCI Japan Index (USD) up 0.3% on the back of real GDP growth and meaningful wage increases.

That said, global risks remain. The potential for new U.S. tariffs threatens trade relations, and geopolitical uncertainty – including tensions in Eastern Europe – continues to weigh on the outlook. Still, the early shift in performance suggests investors are looking beyond the U.S. for opportunity.

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FIXED INCOME

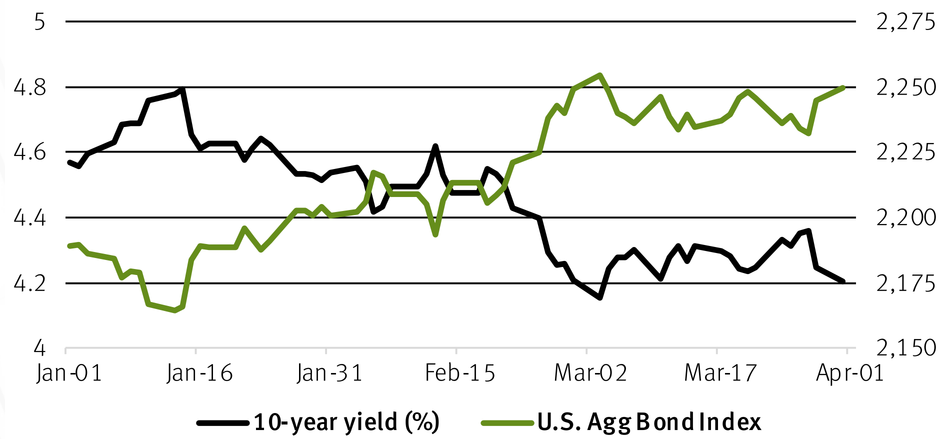
FROM FISCAL FEARS TO GROWTH CONCERNS

Bond markets saw notable shifts in Q1 as investor focus moved from fiscal concerns to economic uncertainty. The yield on the 10-year U.S. Treasury reached a high of 4.80% in January – driven by solid growth data, sticky inflation, and rising concern over the U.S. debt trajectory. However, as sentiment turned more cautious in February and March, yields declined sharply, ending the quarter near 4.20%, a drop of roughly 60 basis points.

This move supported a solid quarter for core bonds. The Bloomberg U.S. Aggregate Bond Index returned 2.78%, while municipal bonds lagged slightly, with the Bloomberg Municipal Bond Index down 0.22%. High-yield bonds posted a modest gain of 1.00%, helped by still-resilient corporate fundamentals.

Looking ahead, we expect yields to stabilize within a more normalized range. Our forecast sees the 10-year Treasury yield holding between roughly 4.25% and 4.75% over the remainder of 2025. Market expectations continue to adjust to a higher long-term neutral rate, now widely believed to be above 3% – well above the post-Great Recession average.

Figure 4. Fixed Income



Source: Stifel CIO Office via FactSet as of March 31, 2025

COMMODITIES

GLOBAL EQUITIES TAKE THE LEAD

Commodities posted mixed results in the first quarter. The S&P GSCI Commodity Index rose 3.4%, driven primarily by precious metals. Gold stood out, surging 19.4% as investors sought safe-haven assets amid geopolitical tensions, market volatility, and a weakening U.S. dollar.

Oil prices, on the other hand, were volatile and ended the quarter slightly lower, down 0.5%. The U.S. dollar declined 3.9% for the quarter, as rising uncertainty around domestic policy and slowing economic momentum shifted investor attention abroad. Stronger global performance, particularly in China and Europe, also contributed to currency pressure.

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DYNAMIC ASSET ALLOCATION

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

■ Underweight ■ Neutral ■ Overweight

	ASSET CLASS	CHANGE	CURRENT: Underweight	CURRENT: Neutral	CURRENT: Overweight	COMMENTS
EQUITY	**U.S. Equity vs. Non-U.S. Equity**	=		■		We guide investors to diversify between U.S. and non-U.S. equity, maintaining a neutral allocation versus our SAA. U.S. equities benefit from strong economic growth and innovation, but starting valuations may pose a headwind if company earnings underwhelm. Outside the U.S., attractive valuations are offset by geopolitical tensions and sluggish economic growth, softening their appeal.
EQUITY	**U.S. Large Cap vs. U.S. Small Cap**	=	■			Large cap companies offer stability and earnings resilience but face valuation pressures after strong performance in mega cap tech. Small caps are more vulnerable to higher-for-longer interest rates, which challenge companies reliant on financing or carrying significant debt. However, a favorable economic backdrop and an earnings recovery still present opportunities within small cap for skilled active investors.
EQUITY	U.S. Large Value vs. U. S. Large Growth	=		■		We believe investors should be diversified across both value and growth styles. We expect returns to broaden out beyond the M7 and have a preference for quality companies and those that are expected to benefit from our long-term investment themes. Value offers attractive relative valuations and benefits from higher yields, while growth continues to gain support from innovations like AI.
EQUITY	**Non-U.S. Developed Markets vs. Emerging Markets**	=		■		Both developed and emerging markets remain vulnerable to idiosyncratic risks and headwinds from geopolitical tensions, economic challenges, and an "America First" agenda from the incoming Trump administration. Despite ongoing stimulus, China continues to grapple with structural challenges stemming from its high debt levels and aging population, compounded by persistent issues in its real estate market.
EQUITY	Europe vs. Japan	=	■			Japanese equities have given back some of their gains recently, but we believe there is still the potential for relative outperformance. Japan's domestic reflation along with corporate governance reform are likely to enhance shareholder value in the medium-to-long term. In Europe, policy uncertainty in France and Germany, weaker Chinese growth, and the Russia-Ukraine war remain headwinds for the growth outlook.

(continued on next page)

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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**	=	Neutral	We recently moved to neutral between investment-grade and high-yield bonds. High-yield corporate spreads are tight, leaving little margin for error, but corporate fundamentals remain strong, and the rate-cutting cycle should mitigate some of the downside risks. In investment grade, we expect returns to be primarily driven by carry, offering steady income in a stable rate environment.
FIXED INCOME	Corporates Government/Agency MBS	=	Neutral	We remain neutral within the fixed income super sectors but believe there is opportunity within the asset class for active management. Asset-backed and mortgage-backed securities are attractive with 30-year mortgage rates remaining elevated, tempering prepayment risks.
FIXED INCOME	**Duration**	=	Neutral	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. Investors holding cash should consider extending duration.
ALTERNATIVES	**Private Assets**	=	Neutral	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.
ALTERNATIVES	**Hedge Funds**	=	Neutral	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.

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FIGURE 5. CAPITAL MARKET RETURNS (AS OF MARCH 31, 2025)

NORTH AMERICAN EQUITY	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. 3000 Index	-5.92	-4.86	-4.86	6.91	8.04	18.13
Standard & Poor's 500	-5.63	-4.27	-4.27	8.25	9.06	18.59
Standard & Poor's 500 Equal Weight	-3.38	-0.61	-0.61	4.06	16.33	125.99
Standard & Poor's/TSX (CAD)	-1.51	1.51	1.51	15.81	7.77	16.76
U.S. EQUITY BY SIZE/STYLE						
Bloomberg U.S. 1000 Index	-5.88	-4.61	-4.61	7.41	8.47	18.29
Bloomberg U.S. 1000 Growth Index	-7.32	-7.76	-7.76	7.35	8.81	18.57
Bloomberg U.S. 1000 Value Index	-2.25	3.85	3.85	7.89	7.39	17.69
Bloomberg U.S. 2000 Small Cap Index	-6.92	-10.09	-10.09	-3.07	0.25	15.23
Bloomberg U.S. 2000 Small Cap Growth Index	-7.30	-11.31	-11.31	-3.76	-0.95	11.54
Bloomberg U.S. 2000 Small Cap Value Index	-6.43	-8.46	-8.46	-2.14	1.57	20.04
Bloomberg U.S. Microcap Index	-10.11	-16.69	-16.69	-12.03	-9.04	12.50
Bloomberg Magnificent 7 Index	-10.17	-15.98	-15.98	20.02	19.84	39.65
INTERNATIONAL EQUITY (USD)						
MSCI AC World ex U.S.	-0.23	5.23	5.23	6.09	4.48	10.92
MSCI EAFE	-0.40	6.86	6.86	4.88	6.05	11.77
MSCI Europe	-0.30	10.48	10.48	6.87	7.33	13.15
MSCI Pacific	-1.80	0.34	0.34	6.79	0.42	10.11
MSCI Japan	0.15	0.34	0.34	-2.10	5.28	8.81
MSCI Emerging Markets	0.63	2.93	2.93	8.09	1.44	7.94

FIGURE 5. CAPITAL MARKET RETURNS (AS OF MARCH 31, 2025)

U.S.FIXED INCOME	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. Treasury Bills: 1-3 Months	0.34	1.04	1.04	5.03	4.33	2.60
Bloomberg U.S. Aggregate	0.04	2.78	2.78	4.88	0.52	-0.40
Bloomberg Gov't/Credit	0.05	2.70	2.70	4.66	0.45	-0.34
Bloomberg Treasury	0.23	2.92	2.92	4.51	-0.05	-1.67
Bloomberg U.S. TIPS	0.64	4.17	4.17	6.17	0.06	2.36
Bloomberg Municipal Bond Index	-1.69	-0.22	-0.22	1.22	1.53	1.07
Bloomberg U.S. Credit	-0.24	2.36	2.36	4.87	1.13	1.35
Bloomberg Corporate High Yield	-1.02	1.00	1.00	7.69	4.98	7.29
REAL ESTATE/COMMODITIES/ALTERNATIVES						
Wilshire U.S. Real Estate Securities Index	-2.68	2.52	2.52	11.80	-0.30	11.53
Wilshire Global ex U.S. Real Estate Securities Index	1.55	3.26	3.26	-2.17	-4.37	4.27
Wilshire Global Real Estate Securities	-2.05	2.59	2.59	8.22	-1.31	9.47
Bloomberg Commodity Index	3.93	8.88	8.88	12.28	-0.77	14.51
S&P GSCI Commodity (S&P GSCI)	2.90	4.89	4.89	3.83	1.25	20.74
Wilshire Liquid Alternatives Index	-0.96	0.76	0.76	2.00	2.43	4.49
Wilshire Liquid Alternative Equity Hedge Index	-2.07	0.01	0.01	3.10	5.30	8.54
Wilshire Liquid Alternative Event Driven Index	-0.07	1.51	1.51	1.47	1.60	3.47
Wilshire Liquid Alternative Global Macro Index	-0.64	-0.45	-0.45	-4.75	0.90	3.25
Wilshire Liquid Alternative Multi-strategy Index	-0.83	1.17	1.17	1.20	2.61	4.71
Wilshire Liquid Alternative Relative Value Index	-0.40	1.32	1.32	3.21	0.97	2.42
Wilshire Focused Liquid Alternative Index	-0.21	1.12	1.12	1.47	1.91	4.09

Source: Stifel Investment Strategy via Bloomberg as of March 31, 2025

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℠ (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℠ (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℠ 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℠ (WLIQAEH), Wilshire Liquid Alternative Global Macro Index℠ (WLIQAGM), Wilshire Liquid Alternative Relative Value Index℠ (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index℠ (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index℠ (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 IndexSM is a subset of the Wilshire Liquid Alternative IndexSM 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.

The Bloomberg Magnificent 7 Total Return Index is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 widely-traded companies classified in the United States and representing the Communications, Consumer Discretionary and Technology sectors as defined by Bloomberg Industry Classification System (BICS).

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

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

When investing in bonds, it is important to note that as interest rates rise, bond prices will fall.

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.

Diversification and asset allocation do not ensure a profit or protect against loss.

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