Insights from Stifel's CIO Office

INVESTMENT STRATEGY BRIEF:

Pandemic Update

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An Outlook for a Strong Recovery

Base Case (70%)

- The pandemic subsides in most nations by the end of 1H 2022
- A period of global synchronized and above-trend growth is likely into 2022
- Washington policy and spending proposals are likely to be scaled back
- Federal Reserve (Fed) remains patient, but starts to increasingly signal tapering before year-end
- Geopolitical tensions begin to resurface, but don't derail the recovery
- Markets focus more on fundamentals with the potential for increased volatility

Bull Case (15%)

- Increased consumer and business spending support robust economic recovery
- Earnings growth accelerates further
- Employment nears pre-COVID levels
- Fiscal and monetary policy prevents overheating

Bear Case (15%)

- New COVID-19 variants prove to be resistant to current vaccines
- Supply/demand imbalances and strong consumer lead to higher inflation
- Geopolitical tensions rise and U.S.-China relations reignite
- "Animal Spirits" are impacted and equity markets correct

See our Stifel Outlook 2021 report and video.

Risks

Troublesome coronavirus variants
- Faster-spreading variants of the virus
- Possibly resistant to vaccine
- Impact of the boundary of herd immunity

Market Excess
- Focused segments of the market are richly valued
- Certain market areas are disconnected from fundamentals

Results Are "Too Good"
- Heating up inflation
- Higher rates

Slower Global Recovery
- Certain countries falling behind vaccination curve

Possible Market Correction
- Some possibility of a market correction in the second half of 2021
- Pullback as a temporary pause possible even in our *Base Case*

Coronavirus/Major Investment Themes

Productive Competition

Fourth Industrial Revolution

Shifting Demographics

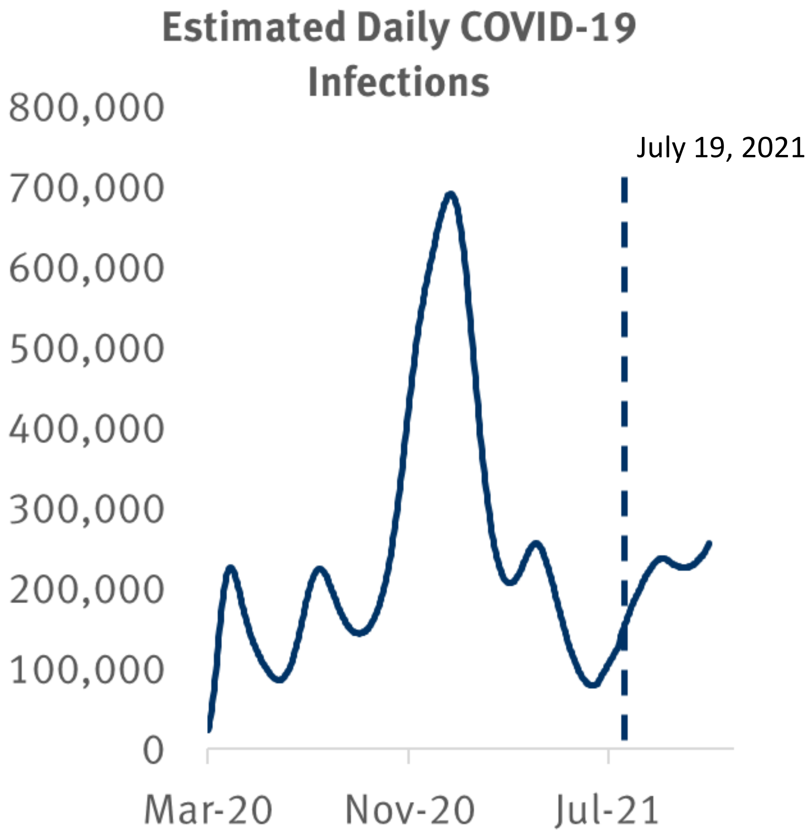
Geopolitical Tensions and Protectionism

Managing Through Economic Recovery

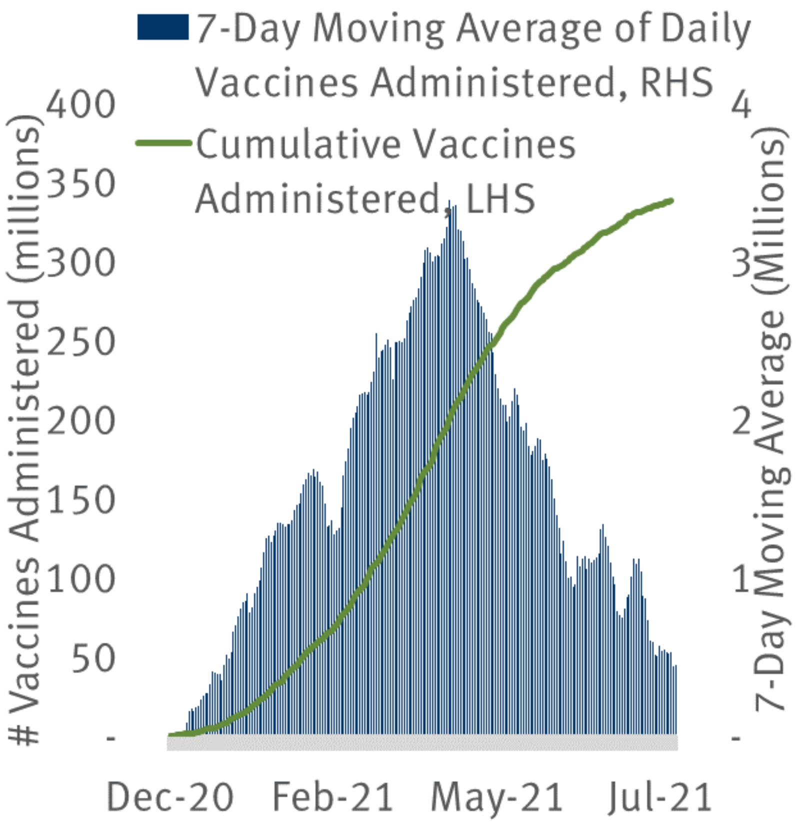
VIEW REPORT

VIEW VIDEO

Pandemic Update

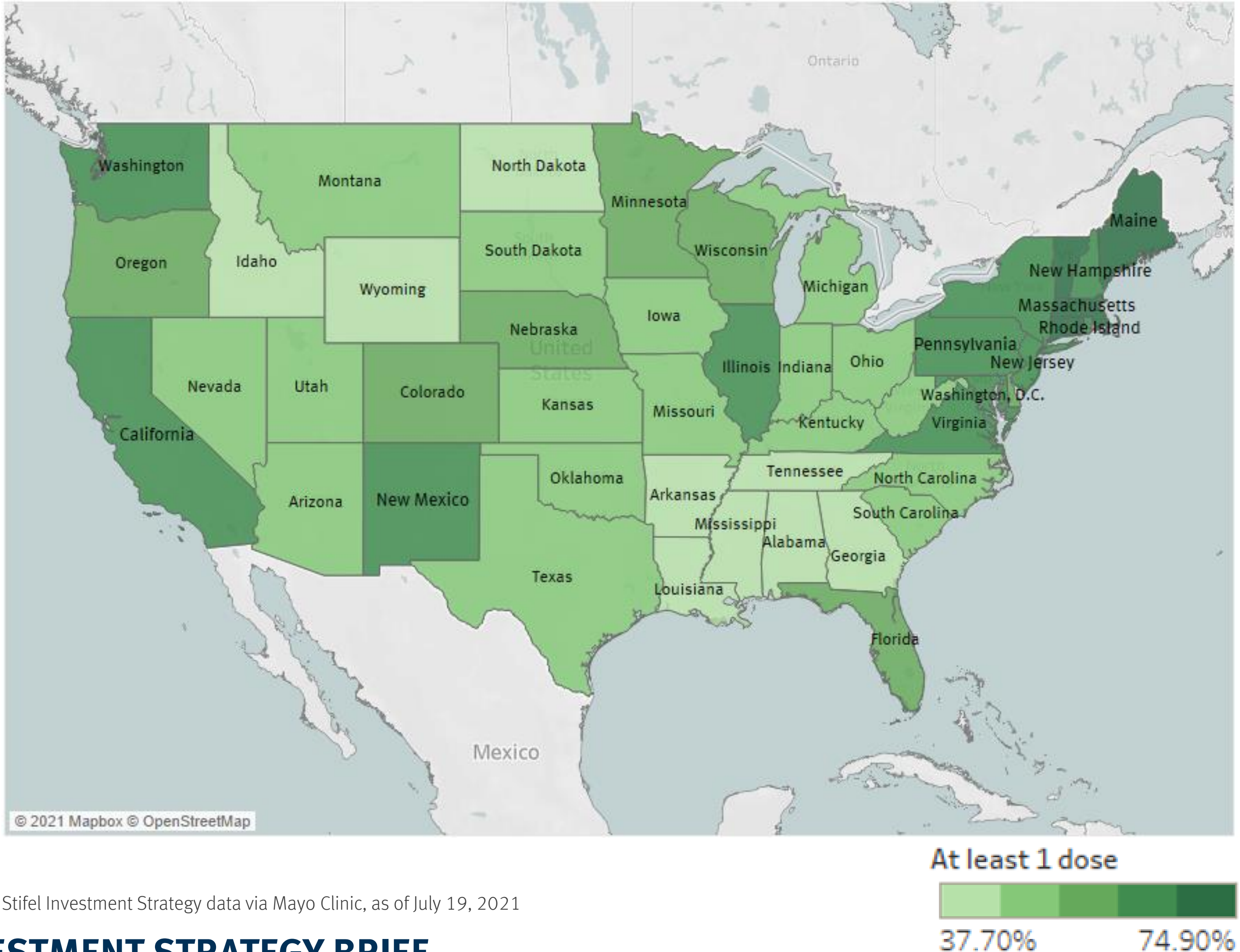


Source: Stifel Investment Strategy via Institute for Health Metrics and Evaluation (IHME), as of July 15, 2021



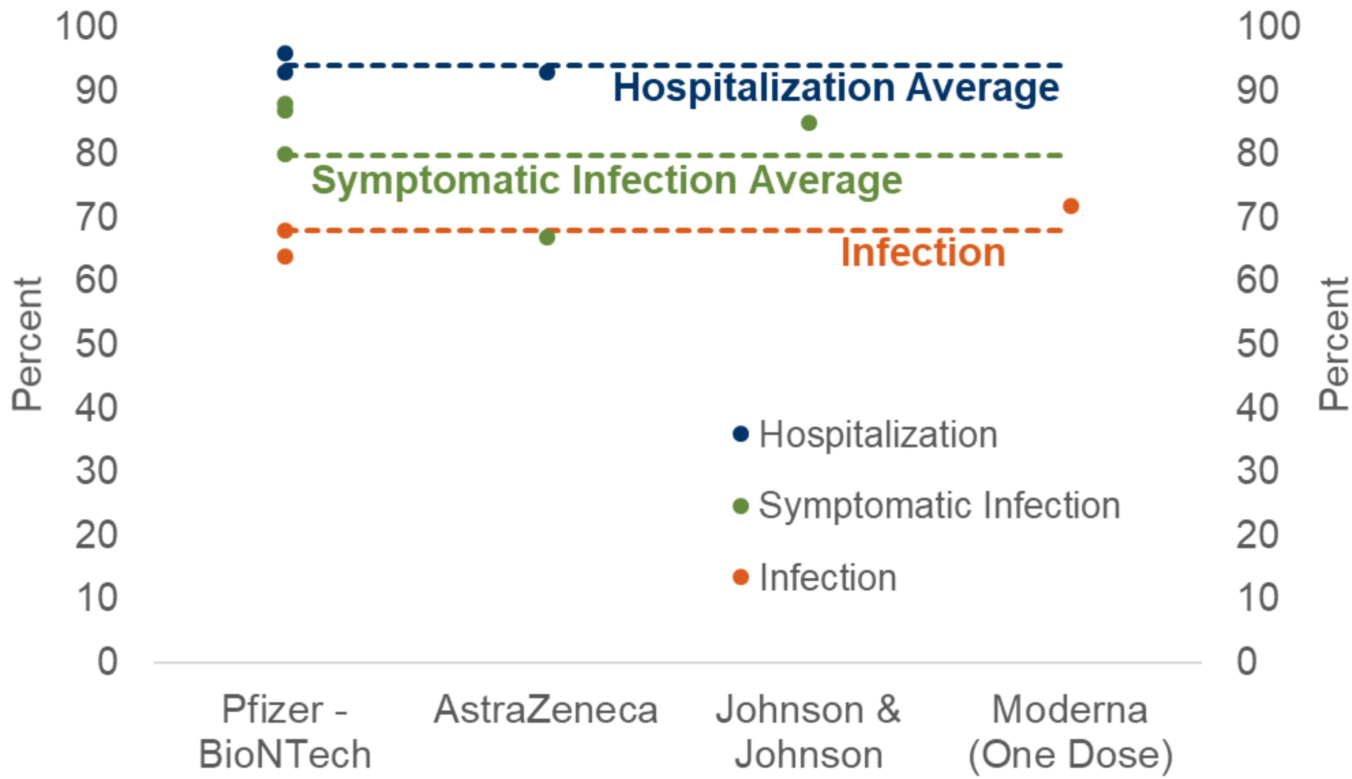
Source: Stifel Investment Strategy via Bloomberg, as of July 19, 2021

% of Population Having Received at Least 1 Dose



Source: Stifel Investment Strategy data via Mayo Clinic, as of July 19, 2021

Vaccine Efficacy Against Delta (Dot = Study Result)



Pfizer Israel and Singapore studies included Moderna in estimate. England Pfizer and AstraZeneca symptomatic infection estimate include sample that was mainly but not entirely Delta variant. Johnson & Johnson ENSEMBLE study severe/critical disease data displayed above as "Symptomatic Infection". Moderna vaccine study conducted by medRxiv in Canada looked only at partial vaccination, described as "one dose" above.

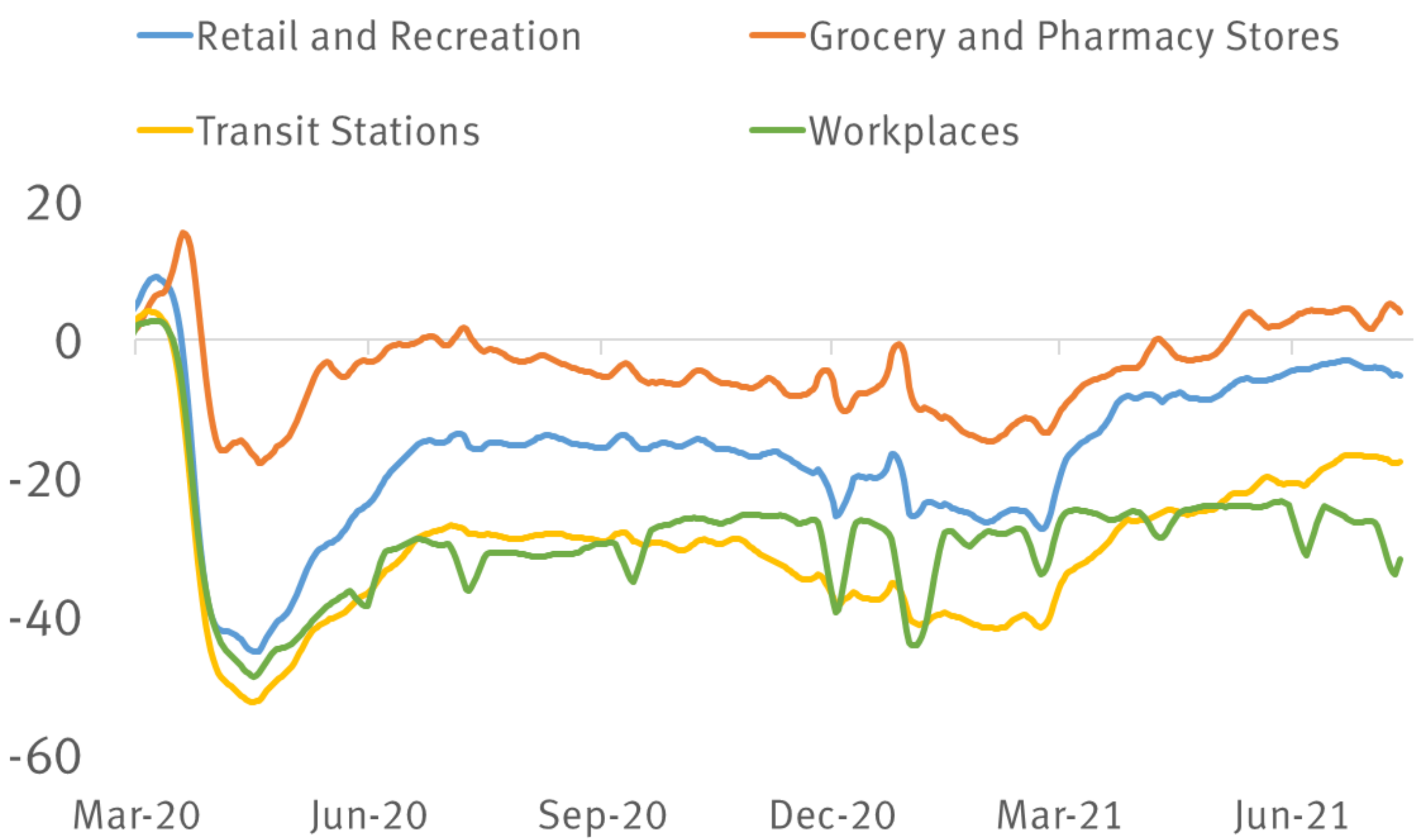
Source: Stifel Investment Strategy via medrxiv, Johnson & Johnson, Pfizer, Goldman Sachs as of July 21, 2021

Vaccination Progress Globally

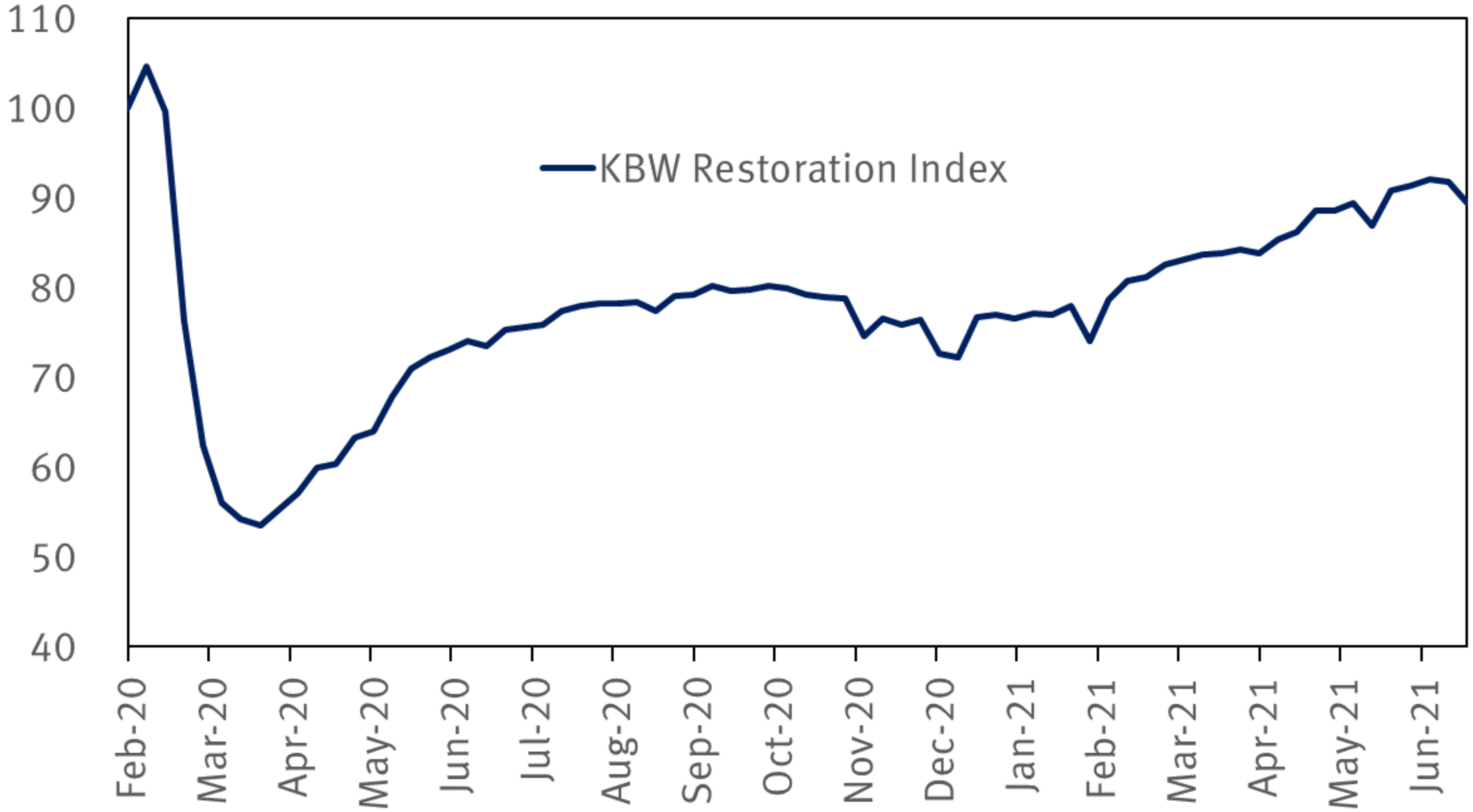
Country/Region	Doses Administered		Pct. of population	
	Per 100 people	Total	Vaccinated	Fully Vaccinated
World	**48**	**3,654,818,611**	-	-
U.A.E.	167	16,358,244	79%	69%
Malta	144	723,299	76%	71%
Bahrain	137	2,241,494	67%	63%
Chile	130	24,729,280	71%	62%
Uruguay	130	4,512,820	71%	59%
Iceland	129	466,434	74%	70%
Aruba	126	133,750	67%	59%
Qatar	124	3,523,001	68%	57%
U.K.	123	82,266,702	69%	54%
Mongolia	122	3,930,877	65%	57%
Israel	121	10,978,694	63%	58%
Canada	120	45,252,632	70%	50%
Singapore	118	6,726,540	73%	47%
Denmark	111	6,477,508	67%	45%
Belgium	111	12,700,513	67%	46%
Curaçao	109	171,832	58%	51%
Maldives	108	575,737	60%	48%
Spain	107	50,239,048	62%	50%
Portugal	106	10,909,589	64%	46%
Netherlands	105	18,273,238	67%	43%
Mainland China	104	1,456,557,000	–	–
Ireland	104	5,142,677	62%	45%
Hungary	104*	10,155,466*	57%	54%
Luxembourg	103	640,604	62%	42%
Germany	103	85,615,430	60%	46%
Italy	102	61,543,227	61%	44%
Austria	102	9,035,554	58%	46%
United States	101	336,604,158	56%	48%

Source: Stifel Investment Strategy via New York Times, as of July 19, 2021

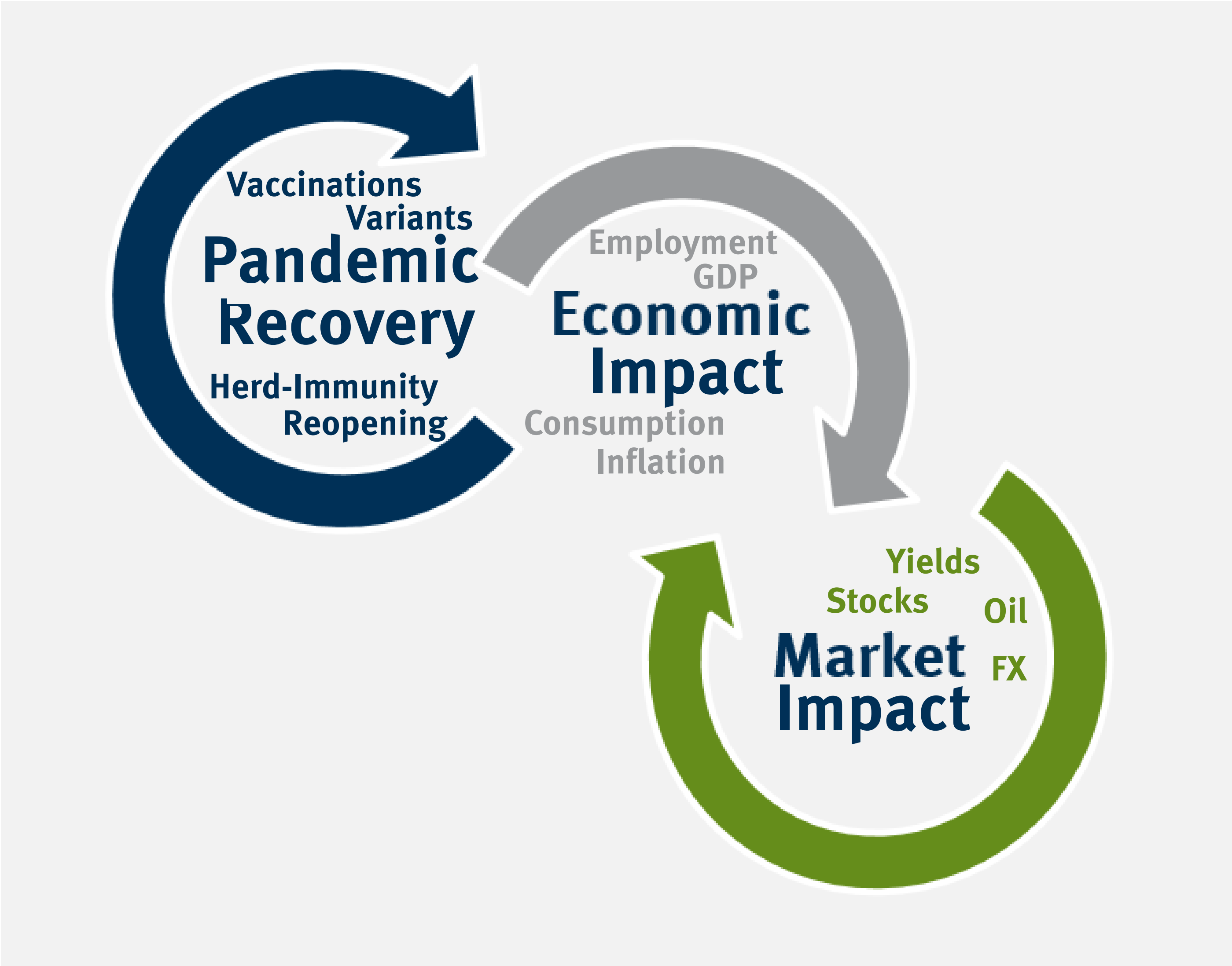
Mobility Trends



Source: Stifel Investment Strategy via Google Mobility Trends, as of July 13, 2021; based on 7-day moving average data.



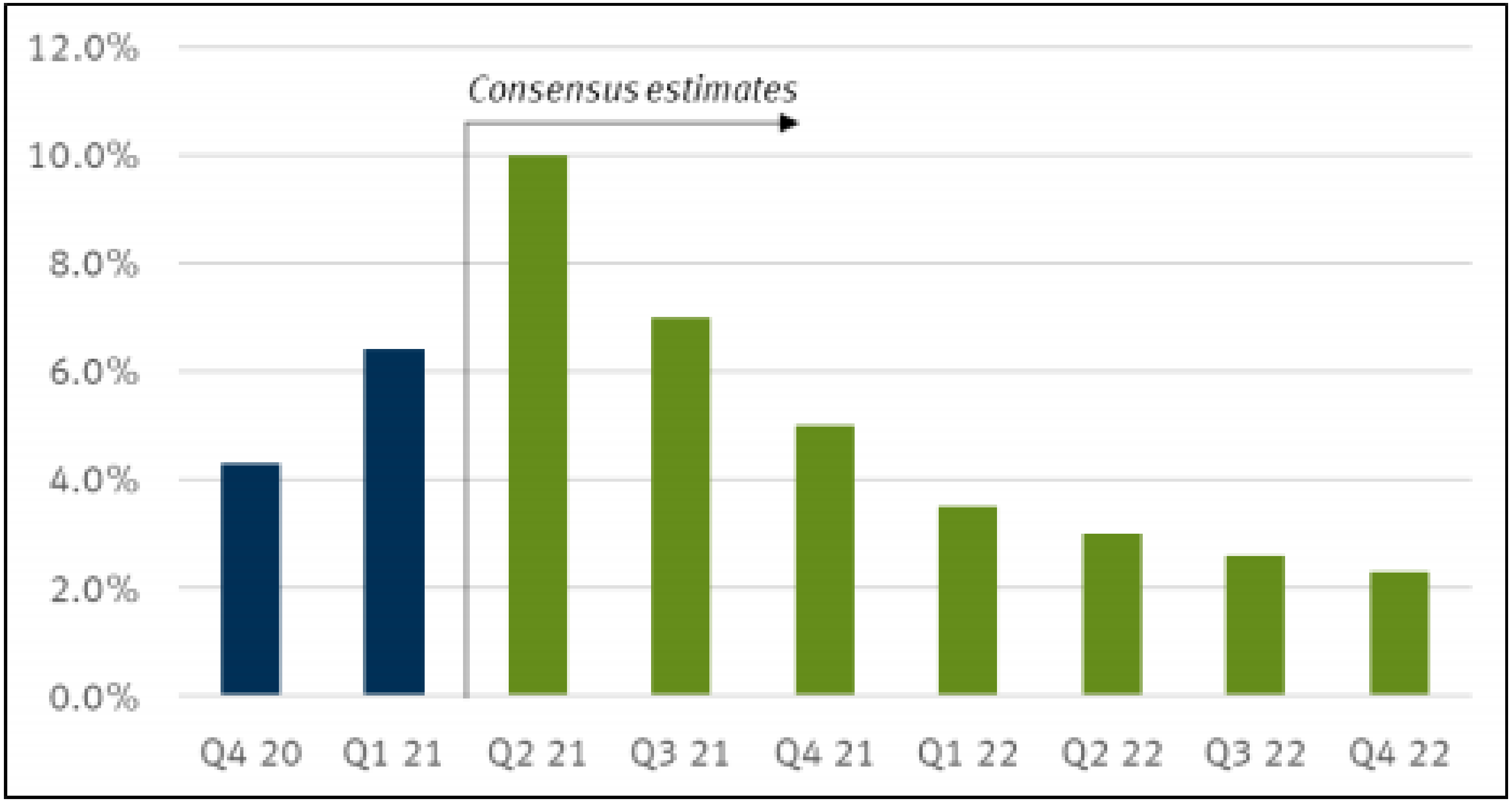
Source: Stifel Investment Strategy data via KBW, as of July 9, 2021


Vaccinations
Variants
Pandemic
Recovery
Herd-Immunity
Reopening
Employment
GDP
Economic
Impact
Consumption
Inflation
Yields
Stocks
Oil
Market
Impact
FX

Macro Environment

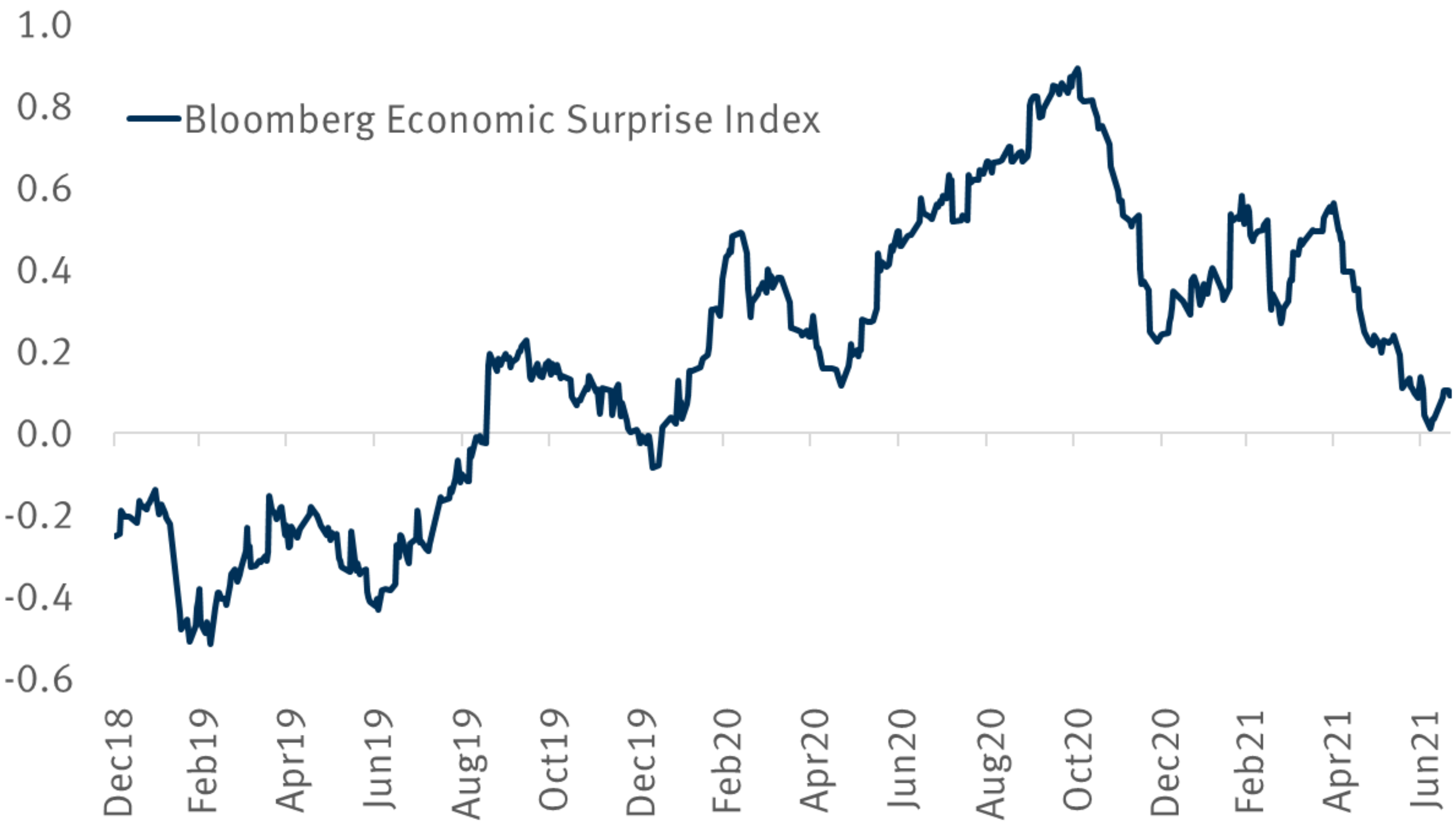
Market Sight|Lines – July 9, 2021

Figure 1. Real GDP (QoQ% SAAR)



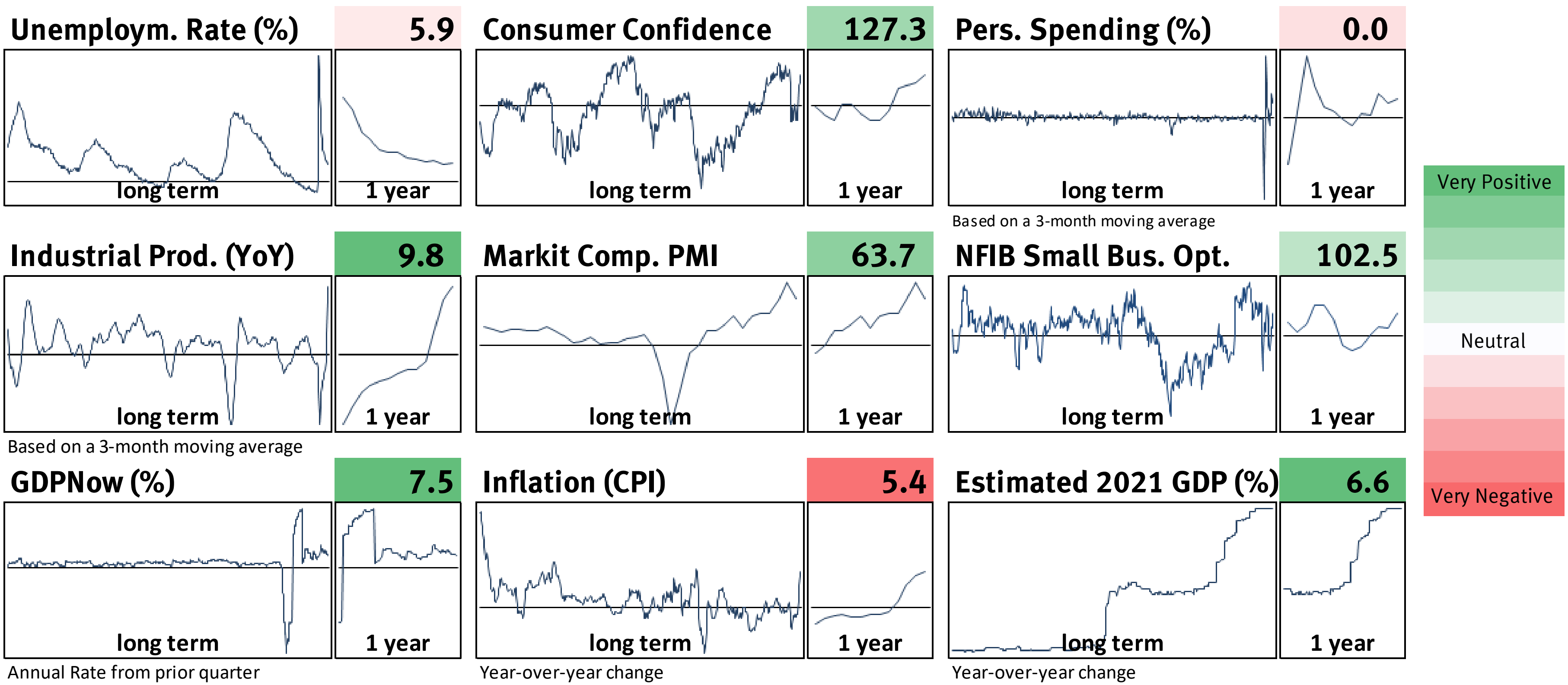
Source: Stifel Investment Strategy via Bloomberg as of July 7, 2021

Quarter-over-quarter (QoQ) Seasonally Adjusted Annual Rate (SAAR)



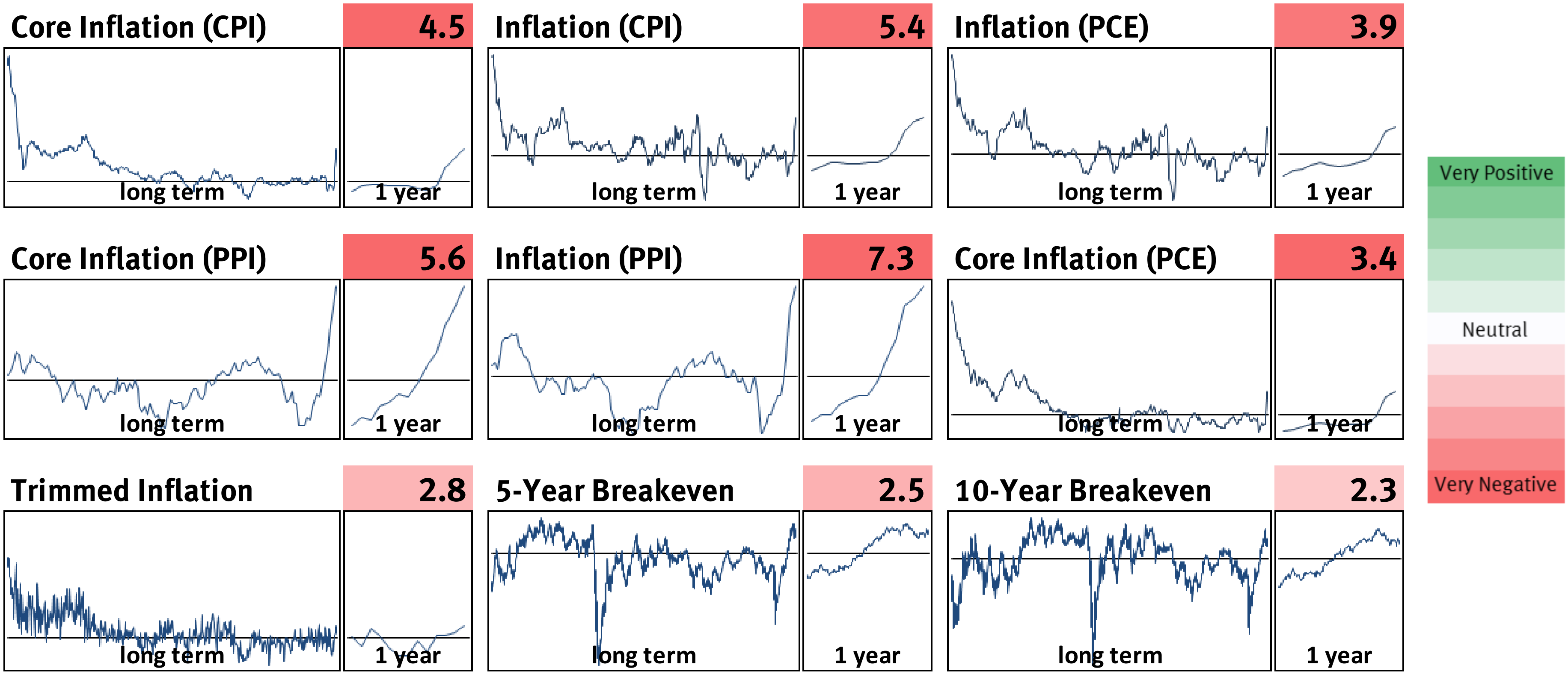
Source: Stifel Investment Strategy data via Bloomberg, as of July 20, 2021

The Economy



Source: Stifel Investment Strategy via Bloomberg, as of July 19, 2021

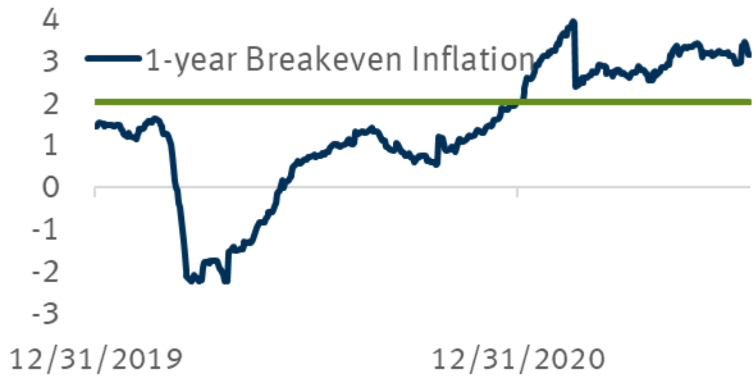
Inflation

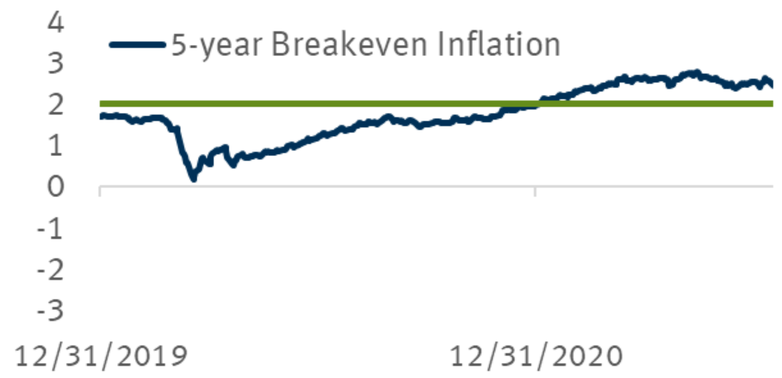


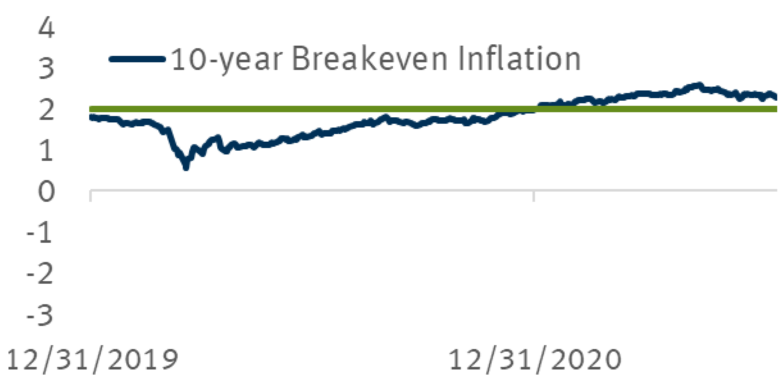
All Inflation numbers reflect percent year-over-year changes.

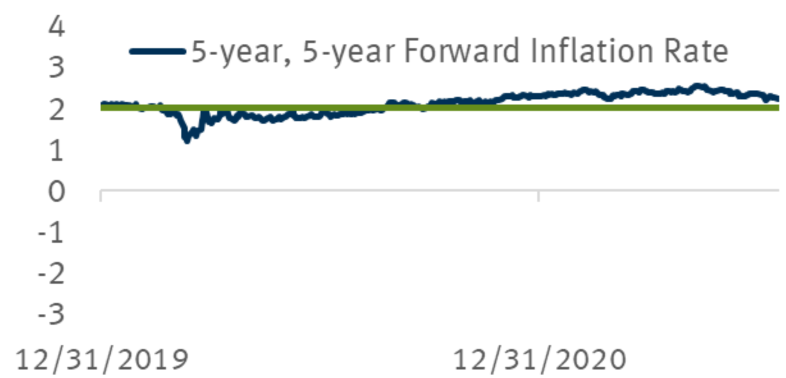
Source: Stifel Investment Strategy via Bloomberg, as of July 19, 2021

Inflation



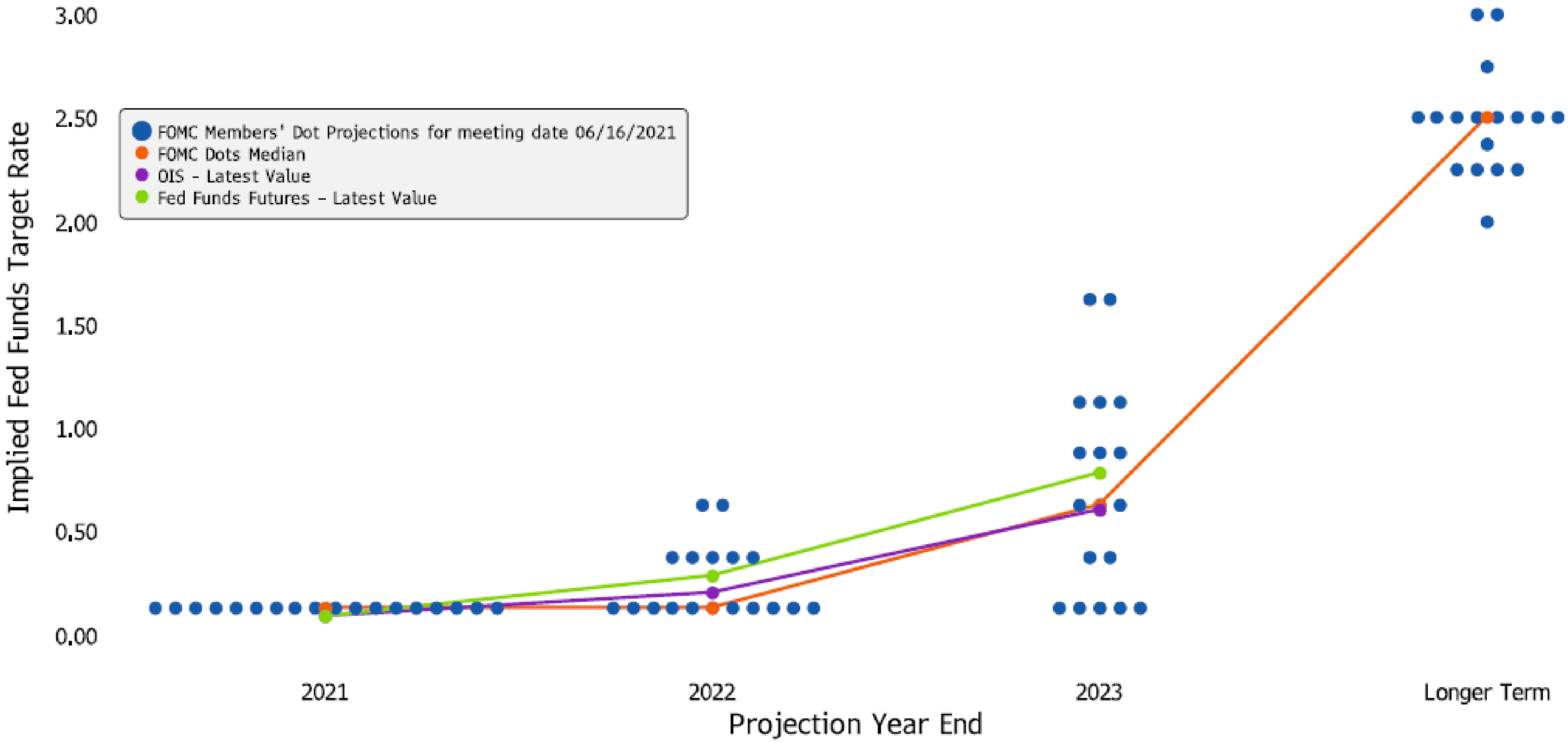






Source: Stifel Investment Strategy via Bloomberg, as of July 20, 2021

Macro Environment: **Federal Reserve (Fed)**

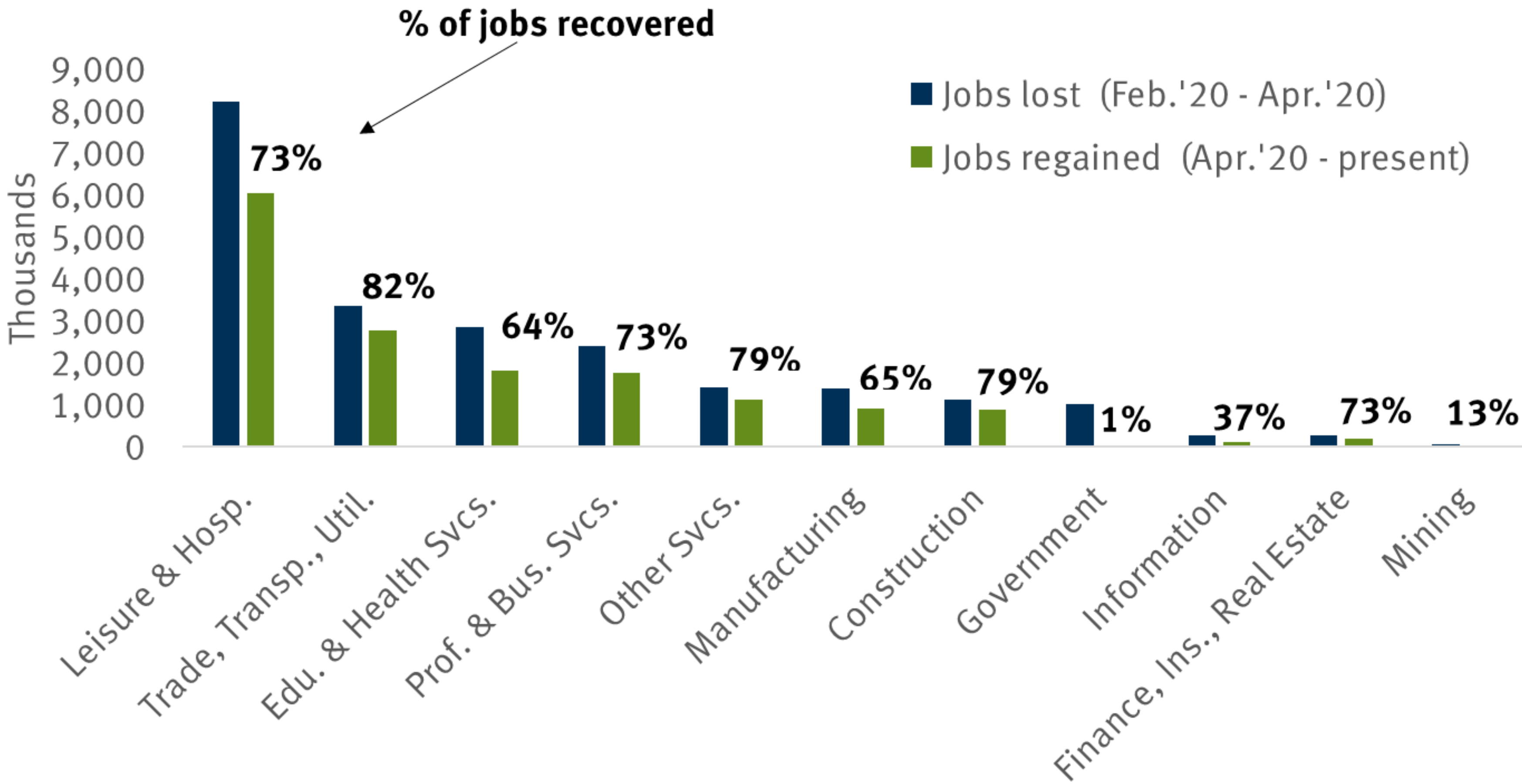


Source: Stifel Investment Strategy via Bloomberg, as of July 19, 2021

Powell Comments and FOMC Minutes

- 2021 outlook upgraded on vaccination progress and stimulus
  - Stronger **GDP** growth –7.0% vs. 6.5% in March
  - **Unemployment** at 4.5% by year end
  - **Inflation** higher this year (3.4%)…
    - but coming down to 2.1% next year
- July 27-28 meeting expected to reveal additional details on tapering Treasury and mortgage securities
- Signaled two rate hikes by 2023

Jobs Lost and Regained by Industry



Source: Stifel Investment Strategy data via Bloomberg and Bureau of Labor Statistics, as of July 14, 2021

The Consumer

127.3 *Conference Board Consumer Confidence* ***(as of Jun 30, 2021)***	***18.0%*** *Retail Sales* *(as of Jun 30, 2021)*
12.4% *Savings Rate* *(as of May 31, 2021)*	**5.9%** *Unemployment Rate* ***(as of Jun 30, 2021)***

Source: Stifel Investment Strategy data via Bloomberg, as of July 20, 2021

Short Term	Long Term
Coronavirus	***Debt***
Variants	Government and Corporate
Herd Immunity	Foreign Holders of National Debt
Macro Environment	Misallocation of Capital
Money Supply	***Valuations***
Inflation	"Big-Tech"
Rates	Dollar Devaluation
Policy	***Social***
Fiscal Stimulus Appetite	Inequality
Taxes	Climate Change
Regulation	Environmental and Health
Fundamentals	***Economic Growth***
Valuations	Productivity
Earnings Growth	Labor Force
"Zombie" Companies	Policy Intervention
Geopolitics	
Trade Tensions	
Productive Competition	
Technical	
Market Breadth	
Hedge Fund Leverage	
Seasonality	

Macro Environment: **GDP Survey**

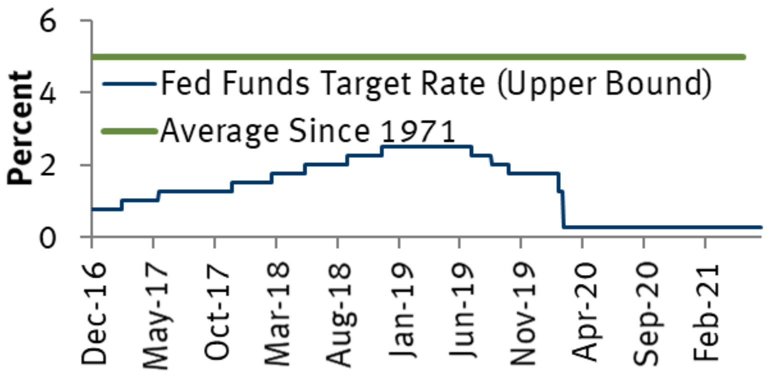
U.S. GDP (YoY%)	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	2020	2021	2022
Consensus Estimates	-5.0	-31.4	33.4	4.3	6.4	9.2	7.1	5.1	-3.5	6.6	4.1
Stifel*	-2.6	-28.4	18.0	3.8	7.0	8.2	5.0	4.5	-3.5	6.1	4.2
IHS Markit	3.0	-35.5	33.2	2.9	6.7	8.0	7.5	8.2	-3.6	6.6	5.0
Goldman Sachs	-9.0	-33.0	35.0	5.0	7.5	8.5	9.5	6.0	-3.4	6.8	4.7
Pantheon Macro	-6.0	-30.0	35.0	6.0	6.4	9.5	8.0	5.0	-3.4	6.8	4.5
Capital Economics	-3.5	-30.0	30.0	4.5	7.0	8.2	3.5	3.4	-3.5	6.0	3.5
Strategas	0.0	-33.0	25.0	8.5	10.0	11.0	4.0	4.5	-3.2	6.5	3.5
Julius Baer	-4.0	-25.0	29.5	2.0	4.0	11.5	8.0	4.0	-3.5	7.0	3.5
UBS	-5.1	-31.7	29.7	4.5	4.0	9.0	8.1	8.1	-3.5	6.9	6.0
Wells Fargo	-1.2	-36.8	28.6	4.0	4.8	9.2	8.8	8.1	-3.5	7.0	5.7
Bloomberg Economics	3.0	-37.0	28.0	2.5	6.0	10.0	8.3	4.0	-3.5	6.8	4.3
Barclays	-1.5	-31.7	30.0	4.0	5.0	11.0	8.0	6.5	-3.5	7.1	3.8
JPMorgan Chase	-10.0	-32.9	34.5	4.8	3.5	9.0	8.3	3.0	-3.5	6.5	4.0
Bank of America ML	-7.0	-35.0	33.0	5.0	7.0	10.0	9.0	5.0	-3.5	7.0	5.5
Congressional Budget Office**									-2.4	7.4	3.1
Federal Reserve**									-2.4	7.0	3.3

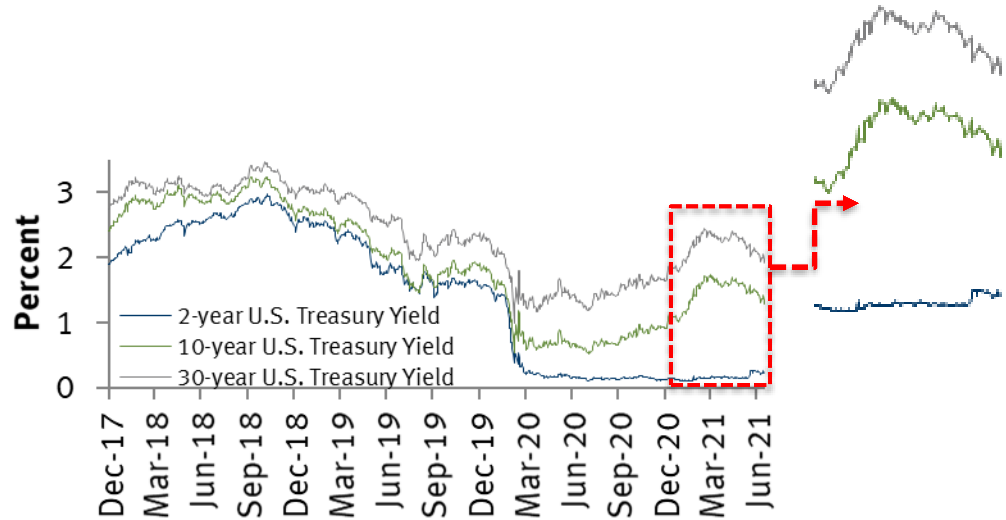
Annualized percent change from prior quarter and year-over-year change are shown for quarterly and yearly periods, respectively.
*Based on Stifel sell-side Economics department estimates. **Percent change from fourth quarter to fourth quarter one year ago.

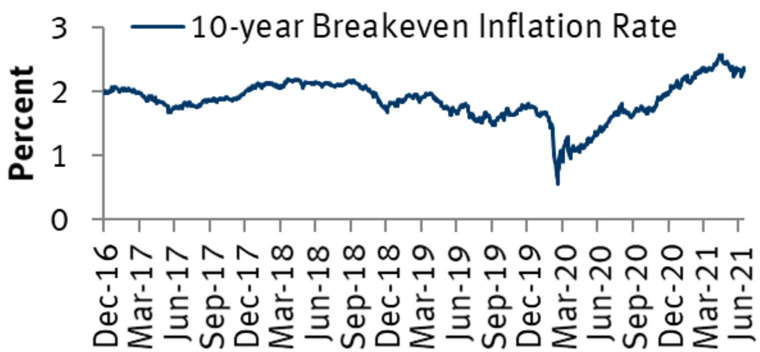
Source: Stifel Investment Strategy data via Bloomberg and Capital Economics, as of July 15, 2021. Federal Reserve estimates are as of June 16, 2021. IHS Markit, Pantheon Macro, Congressional Budget Office, and Strategas estimates are as of July 8, 2021. Figures in grey areas under "Consensus Estimates" represent reported results.

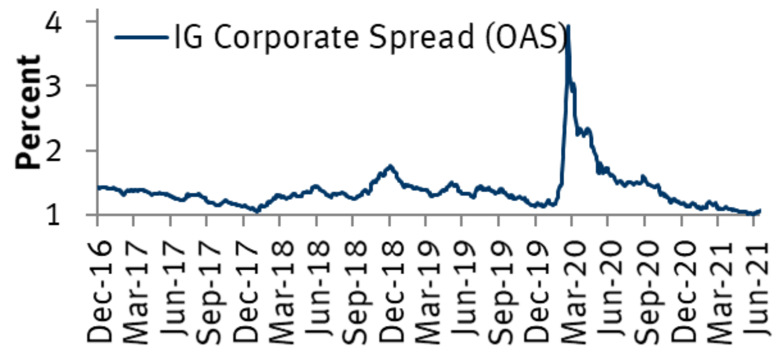
Markets

Rates and Spreads





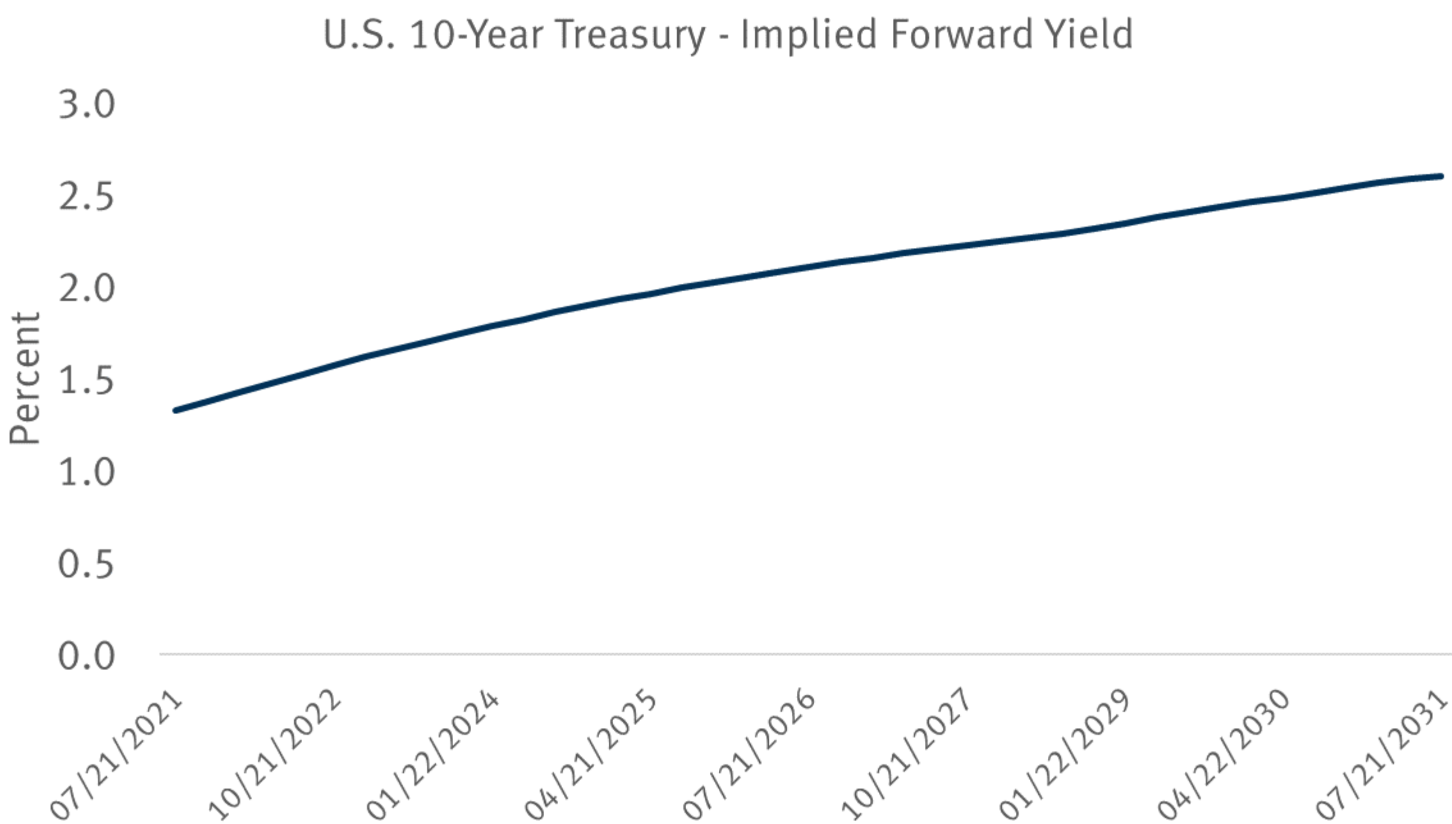




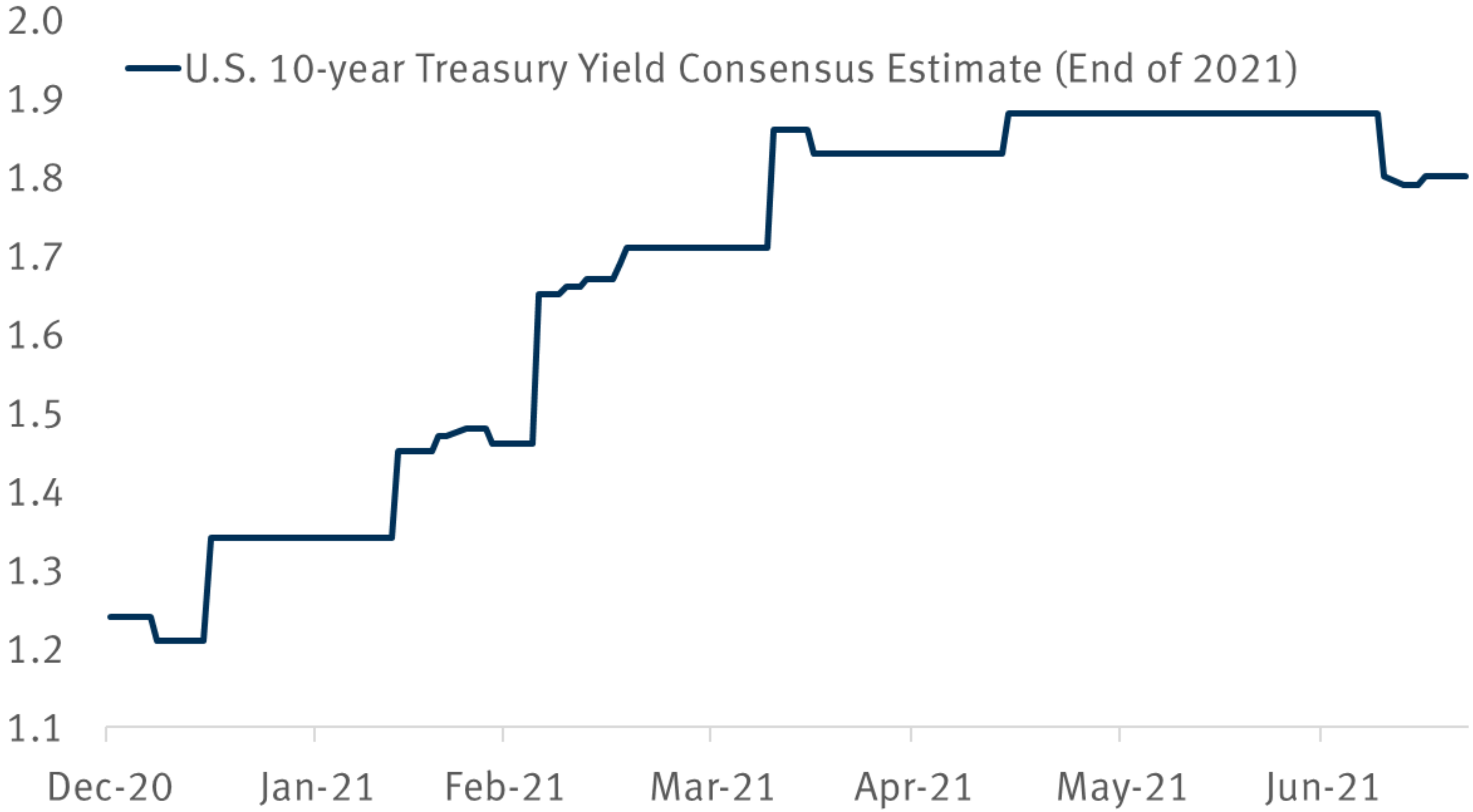
OAS Spread is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is adjusted to take into account an embedded option

Source: Stifel Investment Strategy data via Bloomberg, as of July 16, 2021

10-Year Treasury



Source: Stifel Investment Strategy via Bloomberg, as of July 21, 2021



Source: Stifel Investment Strategy via Bloomberg, as of July 20, 2021

Possible factors that have driven rates lower

- **Peaking economic growth**
- **Monetary policy outlook**
- **Repricing of inflation expectations**
- **Delta variant growth scare**
- **Technicals**
- **Non-U.S. investor demand**

Possible factors that may drive rates higher

- **Forward curve suggests yields are too low**
- **Global synchronous growth is above expectations**
- **Repricing of the Fed's monetary policy outlook**
- **Long-term inflation is higher**
- **Treasury issues more bonds**

Performance

2020

Index	12/31 to 2/19	2/19 to 3/23	3/23 to 9/2	9/2 to 12/31	Full 2020
S&P 500 Index	5.1%	-33.8%	61.4%	5.4%	18.4%
S&P 500 Equal Weighted Index	2.6%	-39.0%	59.6%	12.9%	12.8%
NYSE FANG+ Index	25.6%	-30.9%	113.4%	9.6%	103.1%
Russell 2000 Index	1.6%	-40.7%	59.8%	24.5%	19.9%
MSCI EAFE Index	-0.8%	-32.7%	43.1%	12.8%	7.8%
MSCI EM Index	-0.9%	-31.2%	49.6%	15.9%	18.3%
BBG/Barclays U.S. Agg	2.0%	-0.9%	6.2%	0.2%	7.5%

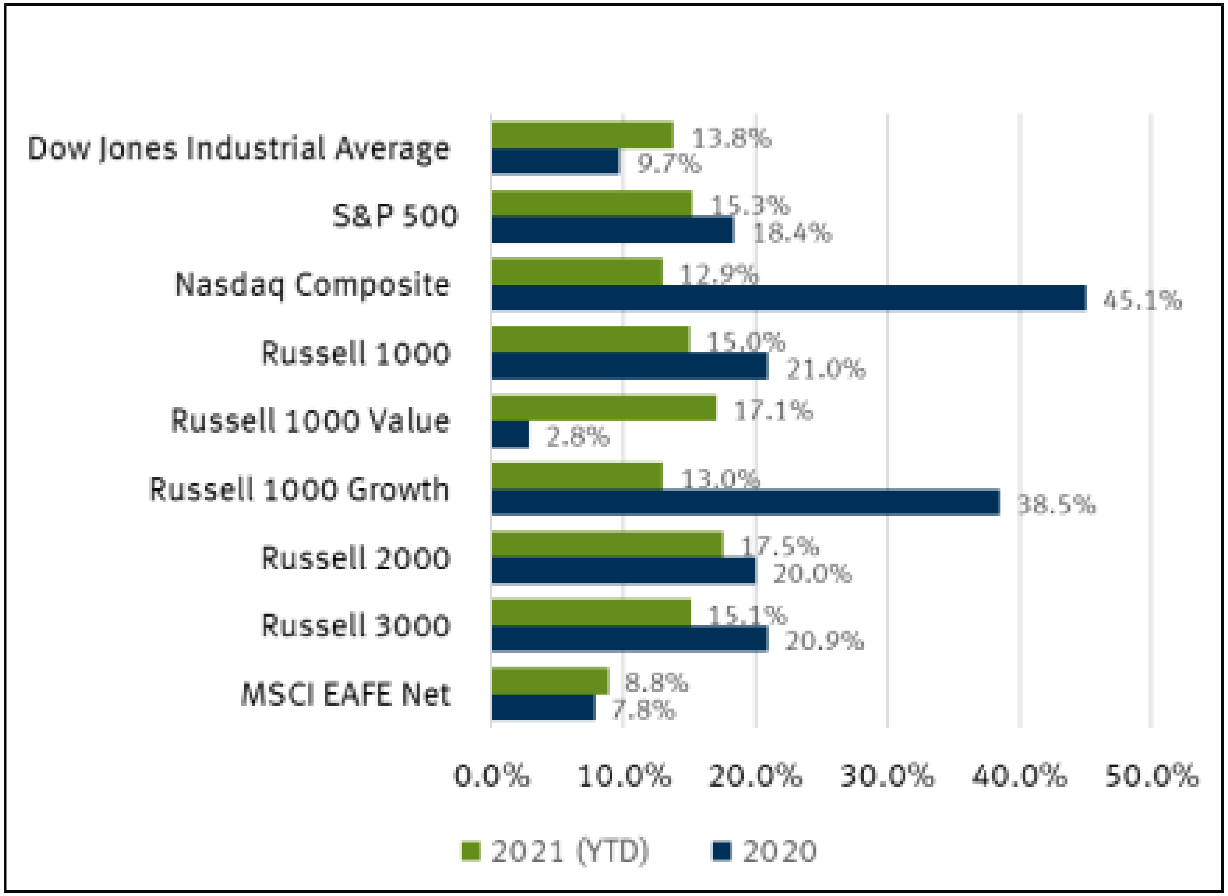
2021

Index	12/31 to 1/29	1/29 to 3/31	3/31 to 7/20	2021 YTD
S&P 500 Index	-1.0%	7.3%	9.2%	16.0%
S&P 500 Equal Weighted Index	-0.8%	12.4%	5.9%	18.1%
NYSE FANG+ Index	1.9%	0.7%	10.1%	12.9%
Russell 2000 Index	5.0%	7.3%	-0.9%	11.6%
MSCI EAFE Index	-1.1%	4.6%	2.8%	6.4%
MSCI EM Index	3.1%	-0.8%	0.4%	2.7%
BBG/Barclays U.S. Agg	-0.7%	-2.7%	2.9%	-0.5%

Source: Stifel Investment Strategy data via Bloomberg, as of July 20, 2021

Market Sight|Lines – July 9, 2021

Figure 2. Equity Market Returns

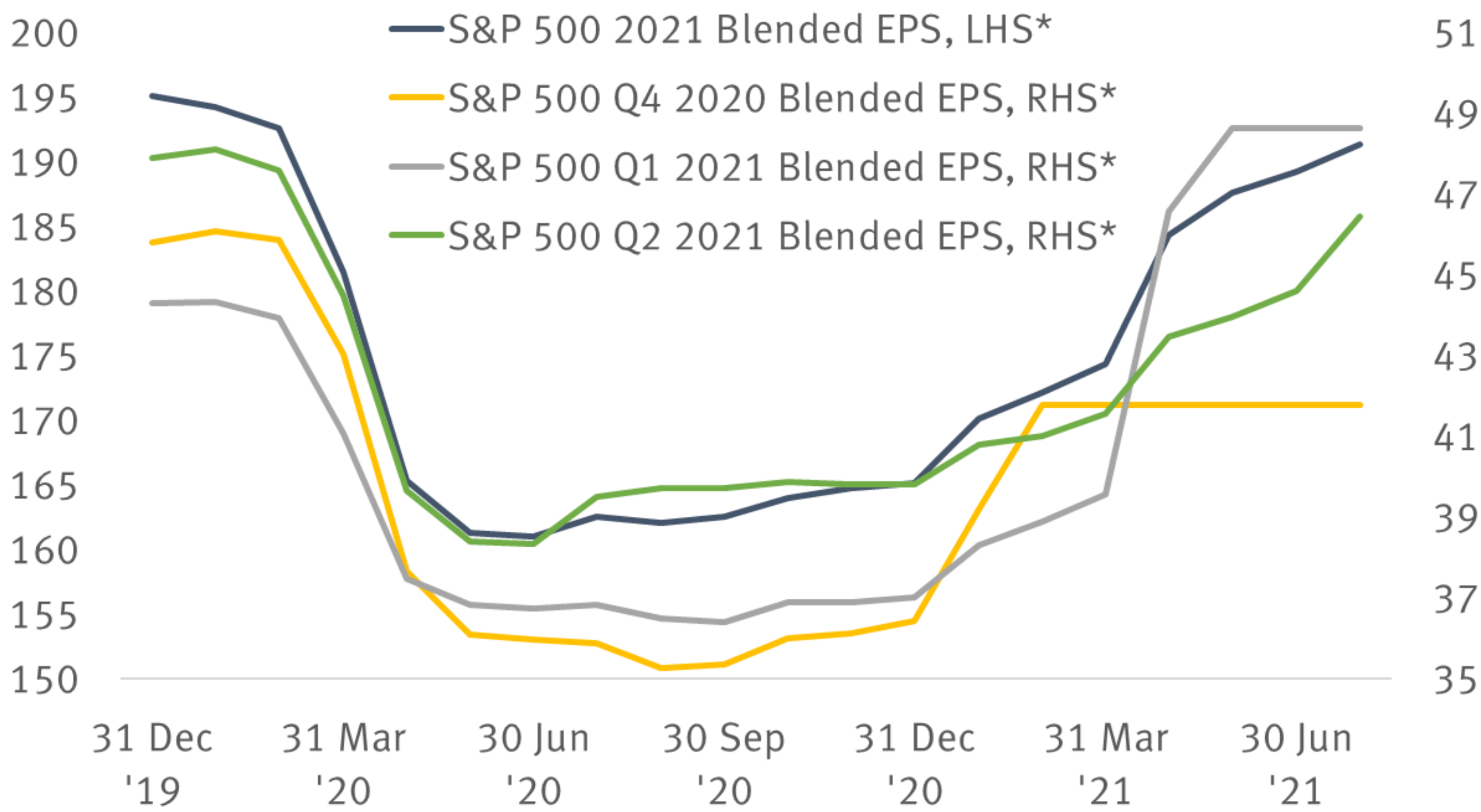


Source: Stifel Investment Strategy via Bloomberg as of June 30, 2021

All index returns are total return.

Earnings

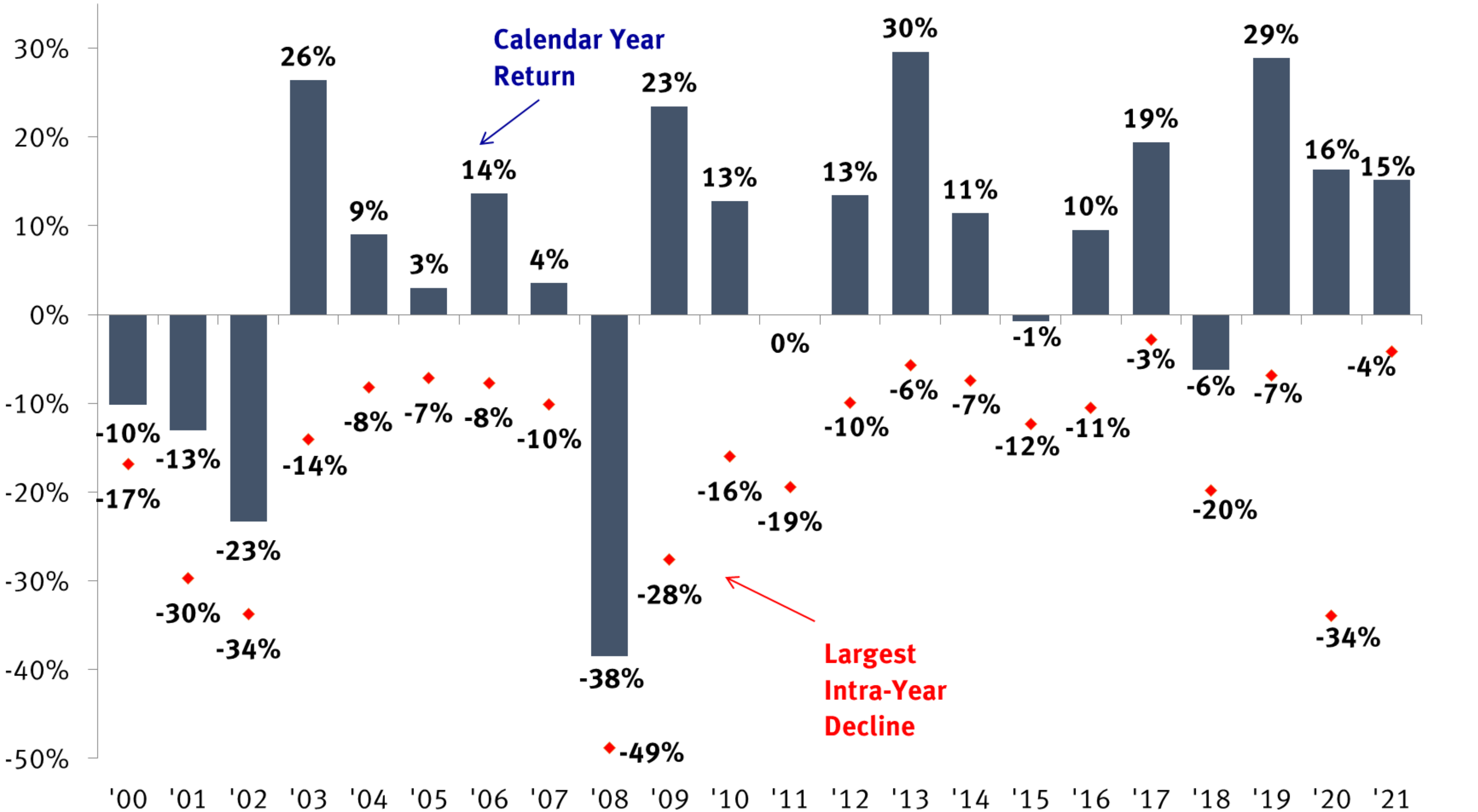
S&P 500 Earnings



Source: Stifel Investment Strategy via FactSet, as of July 16, 2021; The blended rate combines actual results for companies that have reported and estimated results for companies that have yet to report.
*LHS – left hand side, RHS – right hand side.

S&P 500 Calendar Year Returns vs. Intra-Year Declines

Despite frequent intra-year declines, returns are positive most of the time



Source: Stifel Investment Strategy via Bloomberg, as of July 15, 2021

Dynamic Leanings

144 ASSET ALLOCATION MODELS FOR YOUR SELECTION

6
Risk Profiles

2
Time Frames

- Strategic (Long Term)
- Dynamic (Near Term)

3
Levels of Liquidity

- Tier 1
- Tier 2
- Tier 3

2
Equity Choices

- U.S. Focused
- Global

2
Equity Choices

- Tax Sensitive
- Taxable

	Asset Class	Previous	Current	Comments
Equity	U.S. Equity	▼	▼	Our base case assumes above-trend economic growth in 2021 and likely into 2022 supported by fiscal and monetary stimulus, a gradual return to "normal," and herd immunity. Equity markets outside the U.S., which generally underperformed in 2020, are more dependent on trade and levered to cyclical sectors, which should bode well for their future performance. A weakening/ stable dollar is expected to be a tailwind for non-U.S. markets.
	U.S. Large Cap	▼	▼	Smaller businesses, or those in weaker financial condition, have suffered, and some have gone out of business as a result of the COVID-19 shutdowns. Risks still remain, but we are more upbeat looking forward as the vaccine provides clarity for a path forward and the economic data continues to suggest that the economy is regaining ground.
	Large Value vs. Large Growth	▲	▲	The large cap value segment of the market has underperformed large cap growth as many of the underlying companies were more impacted by the COVID-19 lockdowns and social distancing measures. Value stocks are poised to continue their relative outperformance given their greater cyclical exposure.
	U.S. Small Cap	▲	▲	Smaller businesses, or those in weaker financial condition, have suffered, and some have gone out of business as a result of the COVID-19 shutdowns. Risks still remain, but we are more upbeat looking forward as the economic data suggests that the economy is regaining ground.
	Small Value vs. Small Growth	■	■	We recommend a diversified approach, investing in both small cap value and growth.
	Non-U.S. Equity	▲	▲	Our base case assumes above-trend economic growth in 2021 and likely into 2022 supported by fiscal and monetary stimulus, a gradual return to "normal," and herd immunity. Equity markets outside the U.S., which generally underperformed in 2020, are more dependent on trade and levered to cyclical sectors, which should bode well for their future performance. A weakening/stable dollar is expected to be a tailwind for non-U.S. markets.
	Non-U.S. Developed Markets	■	■	We are neutral within non-U.S. equity between developed and emerging markets as we find the risks to be balanced between both.
	Europe vs. Asia	■	■	The European economy is more exposed to global trade with public companies generating 50% of revenue outside of Europe. Japan has been relatively successful at containing the virus, and ongoing structural and corporate reform is a tailwind for company earnings. However, both Europe and Japan face some challenges that keep us at neutral within developed markets, for now.
	Emerging Markets	■	■	A weaker dollar, stable oil prices, and a stronger global economy should benefit most emerging market countries. However, weaker healthcare systems and less attractive relative valuations keep us on the sidelines, for now, relative to non-U.S. developed markets.

▲ Overweight ▼ Underweight ■ Neutral

Our U.S. Large Cap Equity guidance is based on the Russell 1000 Index which includes the Russell Top 200 and Russell Midcap Indices.

	Asset Class	Previous	Current	Comments
Fixed Income	U.S. Investment Grade	▼	▼	Within fixed income, we are tilting to an overweight of U.S. high yield relative to U.S. investment grade with the use of active management. Default rates in high yield have come down, and while the impacts of COVID-19 will persist, we believe there is opportunity in certain cyclical sectors and the potential for yield enhancement in a low-yield environment.
	Corporates *Government/Agency* *MBS*	■	■	We recommend a diversified approach to the full spectrum of investment grade fixed income.
	Inflation Protected	▲	▲	The Fed has revised its policy framework to allow for inflation to be above 2% for extended periods of time. We believe inflation will trend higher through the year on account of accommodative central banks, continued fiscal support, and a restart of the economy.
	Duration	■	■	The Fed is expected to stay accommodative for the foreseeable future, and while interest rates will likely move higher as the economy recovers, we don't anticipate rates rising significantly. We believe we are in a lower for longer environment and remain neutral duration.
	U.S. High Yield	▲	▲	Within fixed income, we are tilting to an overweight of U.S. high yield relative to U.S. investment grade with the use of active management. Default rates in high yield have come down, and while the impacts of COVID-19 will persist, we believe there is opportunity in certain cyclical sectors and the potential for yield enhancement in a low-yield environment.

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.

▲ Overweight ▼ Underweight ■ Neutral

Finding Our Guidance

The following summarizes how we deliver our economic and market analysis and corresponding investment guidance, along with some helpful links.

- *Sight|Lines* is a weekly note for clients, along with a video summary and a podcast on Spotify, Apple, Omny, and Google.
- Market Pulse is shared when the S&P 500 Index moves up or down 2%.
- The monthly *Investment Strategy Brief* video series shares our update on the current economic and market environment. The podcast: Spotify, Apple, Omny, and Google.
- In *Conversations Podcast*, Stifel's Chief Investment Officer, Michael O'Keeffe, sits down with leaders at Stifel and in the finance industry to have thought provoking conversations related to the finance industry. Episodes are released monthly.
- The weekly, monthly, and quarterly *Market Perspectives* provide a recap of the most recent period's global market results.
- The monthly Favorite 15 shares our favorite 15 slides for the month.
- *Stifel's Allocation Insights* provides our dynamic asset allocation leanings quarterly.
- The *Stifel 2021 Outlook Report and Video:* provide our annual outlook and related articles.
- Stifel's Approach to Asset Allocation summarizes our asset allocation approach and provides a catalogue of various recommended asset mix models.
- The *Stifel Financial ID* video series provides an overview of our work in behavioral finance and the related *Stifel Financial ID* model.

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.

Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

Past performance does not guarantee future results. Investing involves risk, including the possible loss of principal. Asset allocation and diversification do not ensure a profit or protection against loss.

Alternative Investments or Non-Traditional Assets – Alternative investments may include, but are not limited to: Real Estate Investment Trusts (REITs), Commodities, Futures, Hedge Funds, Venture Capital, Limited Partnerships, etc.

Real Estate – 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.

Commodities and Futures – The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

Hedge Funds – *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.*

Venture Capital – Venture capital investments involve substantial risks. The risks associated with investing in companies in the start-up or expansion stages of development are greater than those of companies in later stages, because the companies' business concepts generally are unproven and the companies have little or no track record.

Limited Partnerships – Generally, limited partnership investments are suitable only for a narrow class of relatively sophisticated investors. Limited partnership investments may be speculative in nature and be subject to resale restrictions or illiquidity. An investment is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Bonds – When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. High-yield bonds have greater credit risk than higher quality bonds.

Duration – Duration is a measure of the sensitivity of the price -- the value of principal -- of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.

Standard Deviation – Standard deviation is a measure of the dispersion of a set of data from its mean. It is calculated as the square root of variance by determining the variation between each data point relative to the mean. If the data points are further from the mean, there is higher deviation within the data set.

International and Emerging Markets – 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.

Private Equity – 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.

Short Positions – The investor should note that when a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker will demand more collateral and the manager might have to close out that short position at an inopportune time to limit any further losses.

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

Appendix: Index Descriptions

Bloomberg Barclays U.S. Treasury Bills 1-3 Months 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.

Bloomberg Barclays U.S. Corporate IG Index is an unmanaged index considered representative of fixed-rate investment-grade taxable bond debt.

Bloomberg Barclays U.S. Aggregate Corporate Index is an unmanaged index considered representative of fixed-rate investment-grade taxable bond debt.

Bloomberg Barclays U.S. Corporate High Yield is an unmanaged index considered representative of fixed-rate, noninvestment-grade debt.

Bloomberg Barclays U.S. Government Bond Index is an unmanaged index considered representative of fixed-rate, investment-grade US Government debt.

Bloomberg Barclays Global Aggregate This index provides a broad-based measure of the global investment-grade, fixed-rate debt market.

DXY Index is a measure of the value of the U.S. dollar relative to the value of a basket of currencies of the majority of the U.S.'s most significant trading partners.

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

Russell 1000 Index represents approximately 1,000 of the largest companies in the U.S. equity markets, the Russell 1000 is a subset of the Russell 3000 Index. The Russell 1000 (maintained by the Russell Investment Group) comprises over 90% of the total market capitalization of all listed U.S. stocks and is considered a bellwether index for large cap investing.

Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index.

MSCI EAFE Index captures large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. With 914 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets (EM) Index captures large and mid cap representation across 23 Emerging Markets (EM) countries. With 837 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Morgan Stanley Market implied pace of hikes index (MSPOKE) is the number of Fed rate hikes in the 12 months following the first rate hike implied by the Eurodollar interest rate futures market.

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

Wilshire 5000 Index is a market-capitalization-weighted index of the market value of all stocks actively traded in the United States.

VIX Index shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

EURO STOXX 50 is a stock index of Eurozone stocks designed by STOXX, an index provider owned by Deutsche Börse Group. According to STOXX, its goal is "to provide a blue-chip representation of Supersector leaders in the Eurozone

Cash & Cash Eq. is represented by the Bloomberg Barclays U.S. Treasury 3-6 months Bill Index, comprised of treasury bills issued by the U.S. government with less than one year to maturity.

U.S. Gov't Bonds is represented by the Bloomberg Barclays U.S. Government Bond Index, comprised of the U.S. Treasury and U.S. Agency indexes.

U.S. Corp IG Bonds is represented by the Bloomberg Barclays U.S. Corporate Bond Index, comprised of the investment grade, fixed –rate, taxable corporate bond market.

High-Yield Bonds is represented by the Bloomberg Barclays U.S. Corporate High Yield Bond Index, comprised of U.S. Dollar denominated, high-yield, fixed- rate corporate bond market securities.

U.S. LC (Large Cap) equities is represented by Russell 1000 Index, comprised of 1,000 of the largest U.S. securities based on a combination of their market cap and current index membership.

U.S. SC (Small Cap) equities is represented by the Russell 2000 Index, comprised of 2,000 of the smallest U.S. securities based on a combination of their market cap and current index membership.

Dev Int'l Equities is represented by the MSCI EAFE Index, comprised of equity securities that belong to markets outside of the U.S. and Canada.

EM Equities is represented by the MSCI EM Index, comprised of equity securities that belong to emerging markets.

Moderate Bench stands for moderate benchmark portfolio return which is a blended portfolio of stocks (60% weight, represented by MSCI AC World Index) and bonds (40% weight, represented by Bloomberg Barclays U.S. Agg Gov/Credit).

MSCI AC World Index is comprised of equity securities belonging to 23 developed markets and 24 emerging markets countries.

Bloomberg Barclays U.S. Government/Credit Bond Index is comprised investment grade, dollar-denominated, fixed-rate Treasuries, government-related and corporate securities.

KBW Restoration Index is composed of 13 high-frequency economic indicators. These indicators include those with longer histories (initial jobless claims, MBA mortgage applications, and steel production) along with newly developed gauges tracking mobility, dining reservations, and airport traffic, among others. KBW set each of the 13 indicators to 100 as of the end of February 2020, the official end of the longest economic cycle in U.S. history, and update the Index each week.