To mark the Thanksgiving holiday, Weekly Headings will not publish next Friday, November 24.
Enjoy your time with family and friends!

November 17, 2023

WEEKLY HEADINGS

THOUGHTS OF THE WEEK

Larry Adam, Chief Investment Officer, Private Client Group

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Gobble, Gobble, Gobble! On behalf of the Investment Strategy team, we extend our sincerest wishes for a Happy Thanksgiving wherever your holiday travels may take you! And this Thanksgiving is expected to be another bustling travel time, with AAA projecting over 55 million people traveling—an increase of 2.3% over the previous year. It's easy to see why Thanksgiving is one of the most cherished American holidays—it is a time to gather with family and friends, share a hearty meal with all your favorite trimmings (I'm partial to corn-bread stuffing and green bean casserole!), and express gratitude for all the good things that happened over the last year. As we get into the spirit of Thanksgiving and reflect upon the past year, we list below five financial-related dynamics we are most grateful for:

Key Takeaways

US Economic Growth Continues To Outpace Other G7 Nations

Strong Labor Market Should Cushion Next Downturn

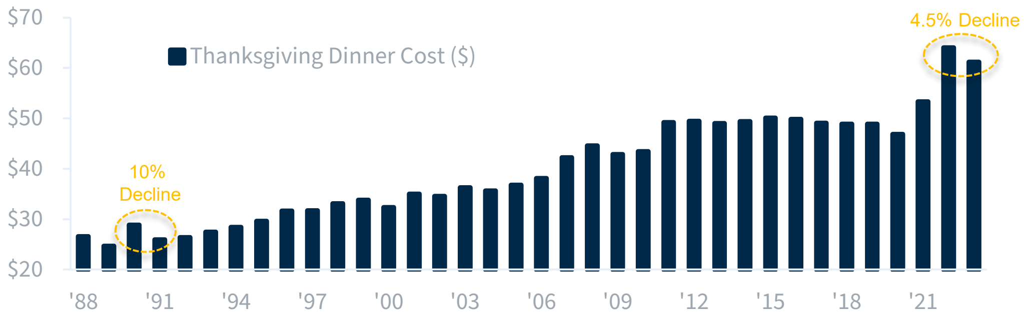
Disinflationary Trends Remain Intact

- **Resilient US Economy** | Following the surge in inflation, the most aggressive Fed tightening cycle since the 1980s and multi-decade lows in business and consumer confidence, calls for a US recession have been prevalent all year. However, a resilient consumer and strong labor market have helped the US economy sidestep a recession thus far. In fact, the US economy grew at its fastest pace since 4Q21, rising 4.9% in the 3Q23. In addition, since COVID, the US economy has been a standout relative to its Developed Market counterparts. Specifically, since the end of 2019, US GDP growth has cumulatively increased 7.4%, far outpacing the next strongest G7 country (Canada: +3.5%). While we expect the US economy to enter a recession in the first half of next year, solid consumer (record net worth, low debt serving costs as a % of disposable income) and corporate fundamentals should ensure that it is one of the shortest and mildest recessions going back to 1945.
- **Strong Labor Market** | The US labor market continues to defy gravity and is another reason why the economy has avoided a recession up until this point. With the US economy adding 8.4 million jobs over the last 24 months, more people working has helped propel consumer spending. In fact, a record 161 million Americans are now employed, above the pre-COVID high of 158.5 million. Wage growth has also been healthy, with average hourly earnings increasing 4.4% over the last year—outpacing the rate of inflation (~3.2%). And with the number of job openings (9.6 million) still outpacing the total number of unemployed workers for each of the last 29 months, we expect more muted job losses relative to history during the next recession as businesses will be reticent to layoff employees given the struggle to find qualified workers in the post-pandemic period.
- **Disinflationary Trend Remains Intact** | Inflation has cooled considerably over the last year, falling from a peak of 9.1% in June 2022 to just 3.2% currently!* Easing price pressures reflect falling energy prices (-4.5% YoY), lower goods prices and more subdued transportation costs—thanks to declining used car prices (-7.1% YoY) and airfares (-13.2% YoY). It also reflects a modest easing in shelter costs, which we suspect will be major driver of further disinflationary forces as we progress into 2024. In addition, the American Farm Bureau Federation has reported that the average cost for a Thanksgiving feast for ten people will drop to $61.17 per person this year, a 4.5% decline compared to 2022. We are grateful for these disinflationary trends as it has fueled optimism (and we agree) that the Federal Reserve's tightening cycle has likely come to an end.
- **Robust Equity Market Gains** | Following the worst annual performance since 2008 (S&P 500: -18% in 2022), 2023 was the first year in two decades that strategists, in aggregate, forecasted a negative year for the S&P 500. However, we are thankful that has not occurred as the S&P 500 is on pace to rise ~20% on a total return basis (almost double the annual historical average)! Returns have been driven by P/E expansion, a result of better-than-expected growth, decelerating inflation and an incrementally less aggressive Fed. Importantly, we are most thankful for MAGMAN—the six mega-cap Tech-related names (MSFT, APPL, GOOGL, META, AMZN, NVDA). These stocks, in aggregate, are up 69% year-to-date, accounting for over 75% of the returns for the S&P 500. However, ex-MAGMAN, the S&P 500 would be up only 6%. With our view that the Fed starts cutting rates in mid-2024, inflation eases further, and interest rates move lower, additional equity market upside is likely over the next 12 months.
- **The Income Is Back In Fixed Income** | The bond market has faced unprecedented losses over the last two years as the Fed rapidly raised interest rates to respond to rising inflation pressures. While the sharp increases in longer maturity bonds have been painful for investors—with the 10-year Treasury yield climbing to its highest level in sixteen years—there is a silver lining. Bonds now provide healthy income and some of the most compelling valuations relative to other asset classes in over a decade! The high starting level of yields is an attractive opportunity to lock-in elevated rates, particularly as history has shown that 10-year yields decline on average ~100 bps and bonds perform well on a total return basis in the 12-months following the Fed's final rate hike.

CHART OF THE WEEK

A Decline in the Cost of Thanksgiving Dinner

According to the American Farm Bureau, the average cost of a Thanksgiving dinner is ~$61 this Thanksgiving. This marks a 4.5% decline vs 2022, which is the largest annual decline in cost since 1991.



*See Charts of the week on page 3.

RAYMOND JAMES

ECONOMY

- Inflation reports this week confirmed the ongoing disinflationary trend, with the top line figures for the Consumer Price Index (CPI, 3.2%), Producer Price Index (PPI, 1.3%), and Import/Export Price Indices (-2%, -4.9%) slowing YoY.* While most of the declines can be attributed to falling energy prices, even core measures (excluding the volatile food and energy components) continue to slow down.
- Per October's Retail Sales report, the consumer kicked off the 4th quarter on a weaker note, with the Total Retail and Food Services Index (-0.1% MoM) declining for the first time since March. The Control Group measure, however, continued to grow (0.2% MoM).
- **Focus of the Week:** All in all, this has been a 'good news' week for the Federal Reserve (Fed) and its fight against inflation, thereby further cementing expectations for the end of the rate hike cycle among market participants. Next week's calendar is lighter ahead of the Thanksgiving holiday, but attention will turn to the FOMC minutes for further Fed commentary analysis, as well as the Leading Economic Indicators report which is expected to reflect negative growth for the 19th consecutive month—a clear recession signal.

November 20 – November 24

MON	Leading Indicators	WED	Jobless Claims Durable Orders FOMC Minutes	FRI	*(Markets close at 1:00 p.m. EDT)*
TUE	Existing Home Sales	THU	Thanksgiving Day *(markets closed)*	FUTURE EVENTS	11/27 New Home Sales 11/30 PCE 12/1 ISM Manufacturing

US EQUITY

- Resilient margins were a key theme for the S&P 500 throughout the 3Q23 earnings season. Despite anemic sales growth, S&P 500 margins remained above historical averages in the third quarter on the back of cost cutting, falling input costs and hiring discipline. Companies received further welcome news on the margin front this week, as producer prices (a key indicator of input costs) posted the largest month-over-month decline since 2020. Elevated margins should continue to support earnings as we move into 2024, which is one reason why we remain optimistic on the equity market over the next 12 months.
- Not to be left out, small-capitalization stocks enjoyed their best week relative to large-cap stocks in 2023 outperforming by 2.8% WTD.* We caution investors not to extrapolate short term moves as a long-term trend when it comes to the size trade. First, the National Federation of Independent Business (NFIB) Small Business Optimism Index remains muted. Second, persistent small-cap outperformance usually awaits an economic recession, which we think is approaching but not just yet. Third, the ratio of the Russell 2000 to the S&P 500 has shown no sign of bottoming and is at its lowest level since the early 2000s.
- **Focus of the Week**: As discussed, we're thankful for this year's notable equity performance led primarily by the mega-cap tech related names (MAGMAN).In the same spirit, we highlight Nvidia's earnings release this coming Tuesday (11/21). Indeed, the fervor about the potential benefits and productivity enhancements from artificial intelligence (AI) has been another big driver for stocks year-to-date.* Thus far during earnings season, AI related spend appears strong throughout the tech sector. Markets await Nvidia's insights as to whether the trend is a secular growth story rather than another short-term technology fad.

FIXED INCOME

- Moody's downgrade of the US credit outlook from stable to negative turned out to be a non-event for the bond market. This was likely because Moody's reaffirmed the nation's AAA-status and the rationale behind the outlook change (i.e., rising debt servicing costs, high levels of debt and political polarization) did not contain any new information, particularly after Fitch's downgrade in early August. The potential government shutdown was also averted as a stopgap funding bill was passed until early 2024.
- With the near-term event risks now off the table, the Treasury market benefited from some bond-friendly data this week (i.e., easing inflation pressures, softer employment and slower spending data). The latest economic data, which paints a picture of a gradual slowdown, helped drive yields lower with the 10-year Treasury yield hitting a 2-month low of 4.43%. Fed fund futures also erased any potential for a final rate hike in December, brought forward the timing of the first rate cut, and added an additional rate cut (now pricing in ~100 basis point) by year-end 2024.* This has been good news given our call for lower rates into next year as growth softens and the disinflationary trend remains intact. However, given the speed of the move, we are keeping our eye on financial conditions, which have significantly loosened since the end of October.
- **Focus of the Week:** The upcoming FOMC meeting minutes will be the key focal point for next week. The market will be clued into the Fed's discussion about how restrictive policy is and looking for any insights on how long policy rates will remain elevated.

POLITICS

- DC saw several developments this week that can reduce market anxieties around both domestic and international political risk. The House and Senate passed a two-step, clean continuing resolution (CR) that extends current funding levels through January 19 for Agriculture, Energy-Water, Military Construction-VA, and Transportation-HUD bills, and through February 2 for all others (including funding for the Department of Defense). The Biden-Xi meeting can also be viewed as a positive for stabilizing the US-China relationship and associated macro risk. The meeting produced policy developments that were limited in scope and number but still meaningful, including the resumption of military-to-military communications (that can help mitigate miscommunications around key Indo-Pacific geopolitical flashpoints) and commitments to cooperate on addressing the flow of fentanyl precursors from China.

ENERGY/SECURITY

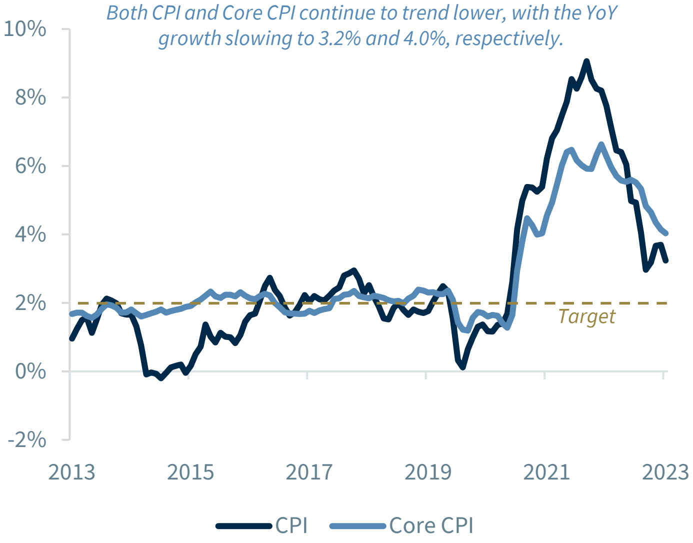
- As winter gets underway, European gas storage stands at 99.5% of capacity as of this week, reinforcing its ability to live without Russian natural gas.* This is Europe's second winter since the Russian government made a deliberate decision in mid-2022 to cut off gas supply into the European market, and the gas weaponization strategy by the Kremlin has failed. Supply is higher than at any point over the past three years. The ability of the global LNG market to replace the bulk of the lost volumes from Russia, alongside energy efficiency and robust expansion of wind and solar in the electricity mix, translates into ample energy supply for the winter ahead.

*See Charts of the week on page 3.

Charts of the Week

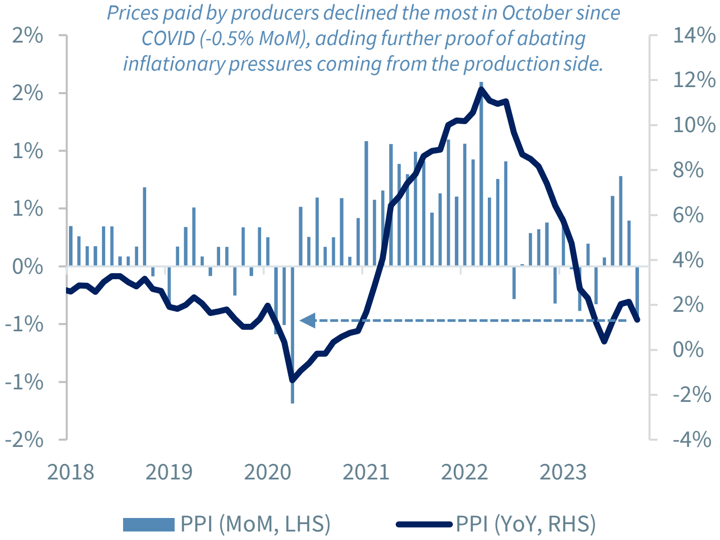
Disinflation: Consumer Prices

Both CPI and Core CPI continue to trend lower, with the YoY growth slowing to 3.2% and 4.0%, respectively.



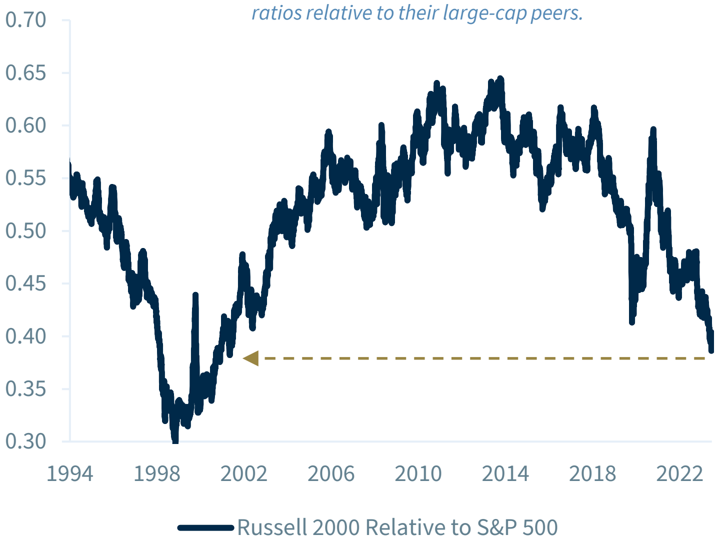
Disinflation: Producer Prices

Prices paid by producers declined the most in October since COVID (-0.5% MoM), adding further proof of abating inflationary pressures coming from the production side.

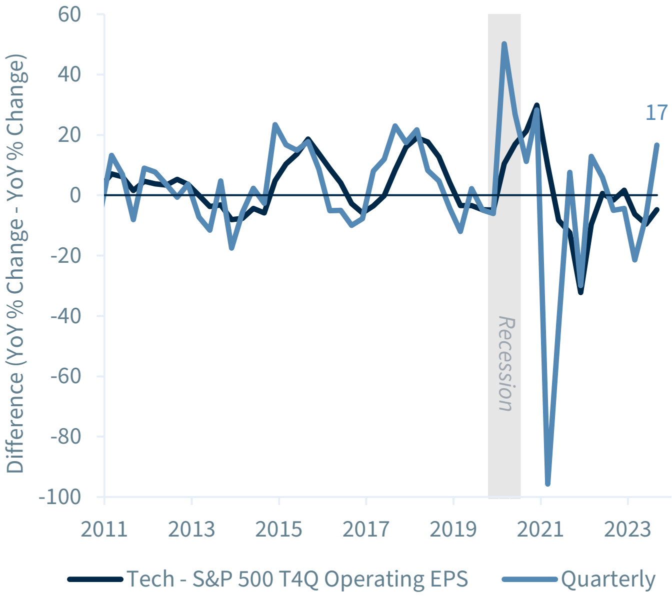


Small Caps Are Lagging at a Historic Pace

Small caps have underperformed YTD by the widest margin in 20 years, given higher economic sensitivity and lower interest coverage ratios relative to their large-cap peers.

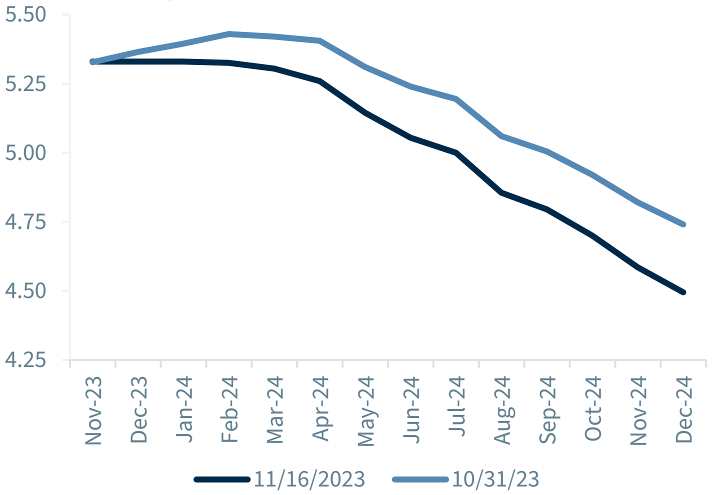


Tech Earnings Have Turned a Corner



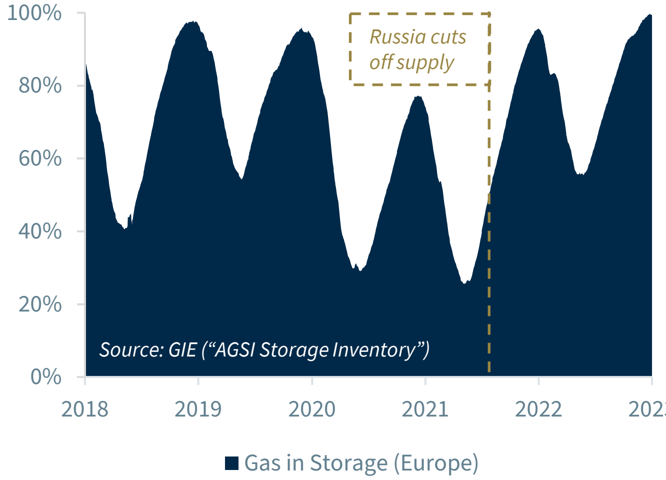
Fed Funds Futures Price In More Rate Cuts

The market eliminated the potential for a December rate hike and is pricing in nearly 100 basis points of rate cuts by year-end 2024.



European Gas Storage Replenished

European gas storage stands at ~99.5% of capacity as we head into the second winter since Russia cut off gas supply.



* Index definitions can be found on the disclosure pages

Asset Class Performance | Distribution by Asset Class and Style (as of November 16)**

Weekly Returns (as of November 16)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	3.4%	3.8%	4.2%
Mid Cap	4.2%	4.2%	4.4%
Small Cap	5.1%	5.2%	5.3%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	1.0%	3.0%	2.3%
Mid Cap	1.4%	2.9%	1.7%
Small Cap	1.2%	3.1%	1.5%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	0.1%	1.1%	1.6%
Invest. Grade	0.5%	1.3%	1.9%
High Yield	0.6%	0.8%	1.6%

Year-to-Date Returns (as of November 16)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	3.2%	18.7%	35.3%
Mid Cap	1.9%	5.8%	13.2%
Small Cap	0.0%	2.1%	3.7%

International Equities (MSCI indices)

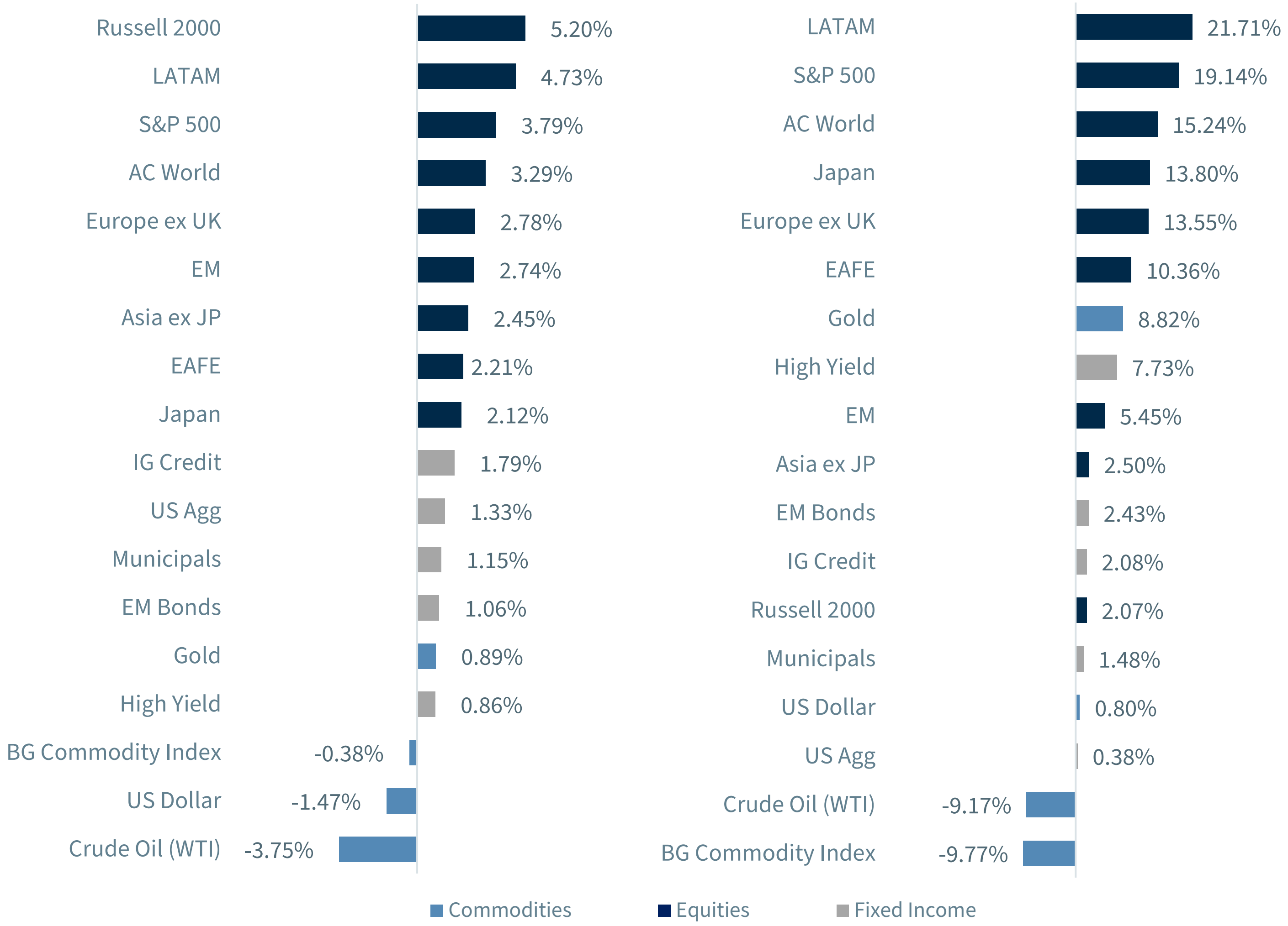
	Dev. Mkt	World	Emerg. Mkt
Large Cap	12.7%	17.5%	5.8%
Mid Cap	10.9%	7.3%	10.3%
Small Cap	7.3%	6.9%	18.7%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	4.5%	0.8%	-2.0%
Invest. Grade	3.3%	3.1%	2.4%
High Yield	8.5%	7.8%	5.9%

Asset Class Performance | Weekly and Year-to-Date (as of November 16)**

Weekly*** Year-to-Date***



**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

Weekly Data**

Data as of November 16

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	4508.2	3.8	7.6	19.1	15.8	9.2	12.4	11.7
DJ Industrial Average	34945.5	3.1	5.7	5.4	4.1	5.3	6.6	8.1
NASDAQ Composite Index	14113.7	4.4	9.8	34.8	26.2	5.8	14.3	13.5
Russell 1000	4736.7	3.8	7.6	18.7	9.5	9.5	10.7	10.9
Russell 2000	4408.2	5.2	6.8	2.1	(8.6)	3.9	3.3	5.6
Russell Midcap	7232.3	4.2	7.2	5.8	(1.0)	6.0	7.1	8.1

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	503.9	4.8	5.3	4.7	2.0	6.6	10.1	8.2
Industrials	885.9	3.8	6.7	8.2	8.1	7.9	9.9	9.6
Comm Services	238.4	4.5	9.5	50.9	43.2	4.5	11.2	7.3
Utilities	314.2	3.6	4.1	(9.8)	(6.5)	0.7	5.9	8.3
Consumer Discretionary	1314.3	4.3	8.9	31.8	19.8	2.3	10.5	11.2
Consumer Staples	733.7	1.5	2.4	(3.7)	(2.2)	4.4	8.0	8.0
Health Care	1495.3	2.4	3.1	(4.3)	(1.7)	6.4	8.9	10.9
Information Technology	3256.9	4.7	12.3	51.2	43.0	16.0	23.6	20.9
Energy	630.1	0.4	(2.8)	(3.1)	(7.1)	38.2	9.6	3.5
Financials	578.1	3.9	7.7	3.3	0.8	10.2	7.7	9.6
Real Estate	224.9	5.8	8.5	(0.1)	(1.5)	2.0	5.0	7.4

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Months Treasury Bill (%)	5.4	0.1	0.2	4.4	5.0	2.0	1.8	1.2
2-Year Treasury (%)	4.9	0.4	0.6	2.1	2.4	(0.8)	0.9	0.7
10-Year Treasury (%)	4.5	1.6	3.7	(2.0)	(2.7)	(7.6)	(0.3)	0.6
Bloomberg US Corporate HY	8.8	0.9	3.0	7.7	7.9	1.2	3.9	4.2
Bloomberg US Aggregate	5.2	1.3	3.2	0.4	0.6	(4.7)	0.5	1.2
Bloomberg Municipals	--	1.1	3.8	1.5	3.0	(1.5)	1.7	2.5
Bloomberg IG Credit	5.8	1.8	4.0	2.1	2.7	(4.7)	1.6	2.4
Bloomberg EM Bonds	7.9	1.1	3.0	2.4	5.0	(4.5)	0.8	2.4

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	72.9	(3.7)	(10.0)	(9.2)	(14.8)	20.8	5.2	(2.5)
Gold ($/Troy Oz)	1987.3	0.9	(0.4)	8.8	11.9	1.7	10.2	4.4
Bloomberg Commodity Index	101.8	(0.4)	(2.7)	(9.8)	(12.9)	11.3	3.9	(1.9)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	104.3	(1.5)	(2.2)	0.8	(1.8)	4.0	1.6	2.6
Euro	1.1	1.5	2.9	1.9	4.5	(2.8)	(0.9)	(2.1)
British Pound	1.2	1.2	2.5	3.4	4.6	(1.9)	(0.6)	(2.5)
Japanese Yen	150.4	0.4	0.7	(12.3)	(7.4)	(11.4)	(5.6)	(4.0)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	683.6	3.3	7.5	15.2	13.4	5.9	9.4	8.0
MSCI EAFE	2079.5	2.2	6.9	10.4	11.8	4.0	6.0	4.2
MSCI Europe ex UK	2331.2	2.8	7.9	13.5	14.7	5.1	7.8	5.2
MSCI Japan	3489.3	2.1	6.8	13.8	14.9	1.1	4.9	4.8
MSCI EM	982.3	2.7	7.4	5.5	6.1	(3.8)	2.8	2.6
MSCI Asia ex JP	619.8	2.5	6.8	2.5	4.4	(5.5)	3.0	3.9
MSCI LATAM	2461.1	4.7	12.7	21.7	20.1	12.4	4.0	1.2
Canada S&P/TSX Composite	14590.9	2.4	6.3	3.4	0.5	5.9	5.8	4.0

**Weekly performance calculated from Thursday close to Thursday close.

DISCLOSURES

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The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Diversification and asset allocation do not ensure a profit or protect against a loss.

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

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

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

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

FIXED INCOME | Fixed-income securities (or bonds) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

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

CONSUMER PRICE INDEX | The Consumer Price Index (CPI) measures the overall change in consumer prices based on a representative basket of goods and services over time.

PRODUCER PRICE INDEX | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

ISM MANUFACTURING INDEX | The ISM manufacturing index, also known as the purchasing managers' index (PMI), is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at more than 300 manufacturing firms.

ISM NON-MANUFACTURING (SERVICES) INDEX | The ISM Non-Manufacturing, or Services Index, measures business activity for the overall economy; above 50 indicating growth, while below 50 indicating contraction. The index represents the economic activity of more than 15 industries, measuring employment, prices, and inventory levels.

NAHB HOUSING MARKET INDEX | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly sentiment survey of members of the National Association of Home Builders (NAHB). The index measures sentiment among builders of U.S. single-family homes and is a widely watched gauge of the U.S. housing sector.

NFIB SMALL BUSINESS INDEX | The National Federation of Independent Business (NFIB) Small Business Optimism Index is a composite of ten seasonally adjusted components. It provides a indication of the health of small businesses in the U.S., which account of roughly 50% of the nation's private workforce.

MICHIGAN CONSUMER SENTIMENT INDEX | The Michigan Consumer Sentiment Index is a monthly survey of how consumers feel about the economy, personal finances, business conditions, and buying conditions.

IMPORT/EXPORT PRICE INDEX | The Import and Export Price Indexes measure average changes in prices of goods and services that are imported to or exported from the US.

TOTAL RETAIL AND FOOD SERVICES INDEX | The Total Retail and Food Services Index is a subset of Retail Sales data that specifically measures US retail and food services sales.

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DATA SOURCE | FactSet, Bloomberg as of 11/16/2023

DOMESTIC EQUITY DEFINITION

DOW JONES INDUSTRIAL AVERAGE (DJIA) | The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

NASDAQ COMPOSITE INDEX | The **Nasdaq Composite Index** is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

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

S&P 500 EQUAL WEIGHT INDEX | The **S&P 500 Equal Weight Index:** The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

LARGE GROWTH | **Russell 1000 Growth Total Return Index:** This index represents a segment of the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | **Russell Mid Cap Growth Total Return Index:** This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

LARGE BLEND | **Russell 1000 Total Return Index:** This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | **Russell 2000 Growth Total Return Index:** This index represents a segment of the Russell 2000 Index with a greater-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

MID BLEND | **Russell Mid Cap Total Return Index:** This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

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

LARGE VALUE | **Russell 1000 Value Total Return Index:** This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

MID VALUE | **Russell Mid Cap Value Total Return Index:** This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | **Russell 2000 Value Total Return Index:** This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

MAGMAN | MAGMAN stocks is a term used to describe six of the current largest and least volatile technology companies listed on the NASDAQ – Microsoft, Apple, Google, Meta, Amazon, and Netflix.

COMMODITY INDEX DEFINITION

BLOOMBERG COMMODITY INDEX (BCOM) | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

DUTCH TTF | The Dutch Title Transfer Facility is a virtual trading hub for gas in the Netherlands and is the primary gas pricing hub for the European gas market.

FIXED INCOME DEFINITION

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

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

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

MUNICIPAL | **Bloomberg Municipal Total Return Index:** The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

BLOOMBERG EMERGING MARKET BOND INDEX | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment- grade and below-investment-grade securities.

GERMAN BUND | The German bund is a sovereign debt instrument issued by Germany's federal government to finance outgoing expenditures.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | **MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

EMERGING MARKETS ASIA | **MSCI EM Asia Net Return Index:** The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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

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

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

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

FOREIGN DEVELOPED MARKETS | **MSCI EAFE Net Return Index:** This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

EUROPE EX UK | MSCI Europe Ex UK Net Return Index: The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI ACWI | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

CANADA S&P/TSX COMPOSITE | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on Canada's primary stock exchange, the Toronto Stock Exchange (TSX). It is the equivalent of the S&P 500 index in the United States, and as such is closely monitored by Canadian investors.

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