QUARTERLY

MARKET PERSPECTIVES

Q4 2024

WEALTH MANAGEMENT INSIGHTS FROM STIFEL'S CIO OFFICE

The U.S. economy remains in good shape, with a growth rate of 3% in the second quarter and estimates suggesting growth above 2% in the third quarter. Returns were positive for most asset classes despite bouts of market volatility.

Inflation's continued descent and weaker economic data raised concerns that the economy may be slowing faster than anticipated and the Federal Reserve (Fed) may be "behind the curve" on lowering rates.

Technical factors such as light trading volumes during summer months, a concentration of the U.S. equity market in big tech companies, and the rapid unwinding of a carry trade involving the Japanese yen amplified volatility. However, these concerns faded as the Fed began its monetary easing cycle in September, and equity markets rallied into quarter end.

As we look ahead to the remainder of the year, we see opportunities in equities and fixed income for investors.

As the Fed progresses with its rate cuts, we expect market leadership to continue to broaden beyond the big tech-oriented companies. We expect increased market volatility into and through the November U.S. elections, and we're mindful of building global risks like increased military conflicts, weakening economies, and tensions in U.S.-China relations. This backdrop continues to support our preference for quality companies and active management.

Turning to fixed income, bond yields remain elevated. We also continue to see fixed income remaining an important part of an asset mix strategy for two reasons: 1) bonds can generate reliable income, helpful to investors drawing on and spending portfolio income, and 2) total portfolio volatility can be softened due to the diversification benefits of bonds combined with stocks.

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MACROECONOMIC OVERVIEW

THE U.S. ECONOMY IS IN GOOD SHAPE.

In the second quarter of the year, the economy grew by 3%, much better than experts initially thought and higher than the 1.6% growth registered in the first quarter. This trend likely continued in the third quarter, with many estimates suggesting growth above 2%. The main reasons for this acceleration in growth compared to the first quarter are an increase in businesses stocking up on inventory and more spending by consumers.

CONSUMER SPENDING CONTINUES TO EXCEED EXPECTATIONS.

Despite concerns about a slowing job market and higher prices, consumer spending (as measured by personal consumption expenditures, or PCE) rose by 0.5% in July, following a 0.3% increase in June. For the second quarter, spending grew at an annual rate of 2.8%.

Companies continue to point to a more discerning consumer during earnings calls, but not enough to suggest a hard stop in spending. We are likely to see spending slow in the coming months as disposable income grows at a slower pace.

"THE COOLING IN LABOR MARKET CONDITIONS IS UNMISTAKABLE,"

Fed Chair Jerome Powell said in his Jackson Hole speech in August. The latest jobs data showed that the number of jobs created slowed to 185,000 per month on average for the three months ending in August. This is well below the 251,000 average last year and the 192,000 average in the five years before the pandemic.

The unemployment rate ticked down to 4.1 in September, though it remains almost a percentage point higher from the start of last year. Following the September monetary policy meeting, Chair Powell said the Fed does not "seek or welcome further cooling in labor market conditions."

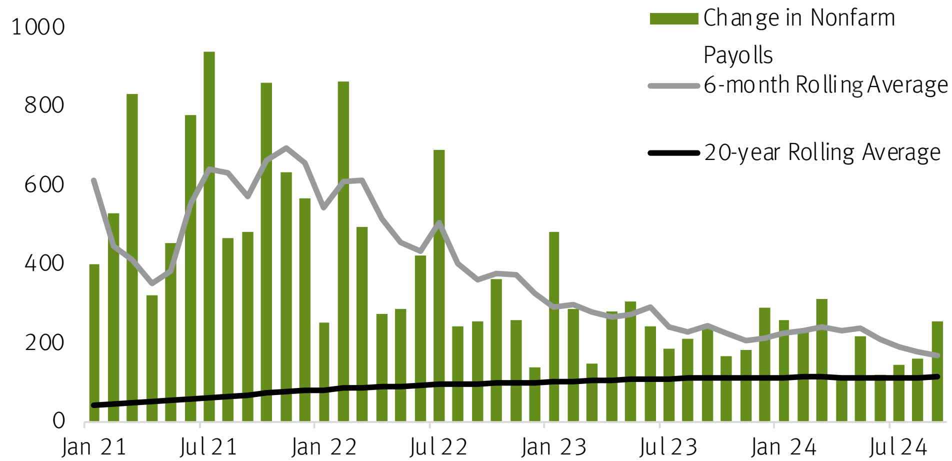
INFLATION IS ON THE ESCALATOR DOWN TO THE FED'S 2% TARGET.

The consumer price index (CPI) rose 0.2% in August, the same increase as in July. Over the year, CPI decelerated to 2.5% in August from 2.9% in July, the smallest annual increase since February 2021. The shelter component remains sticky, but disinflationary pressures stemming from a cooling jobs market, slowing wage growth, and reduced markups support the Fed's median projection of PCE inflation getting to 2.1% in 2025.

THE MONETARY POLICY EASING CYCLE IS UNDERWAY.

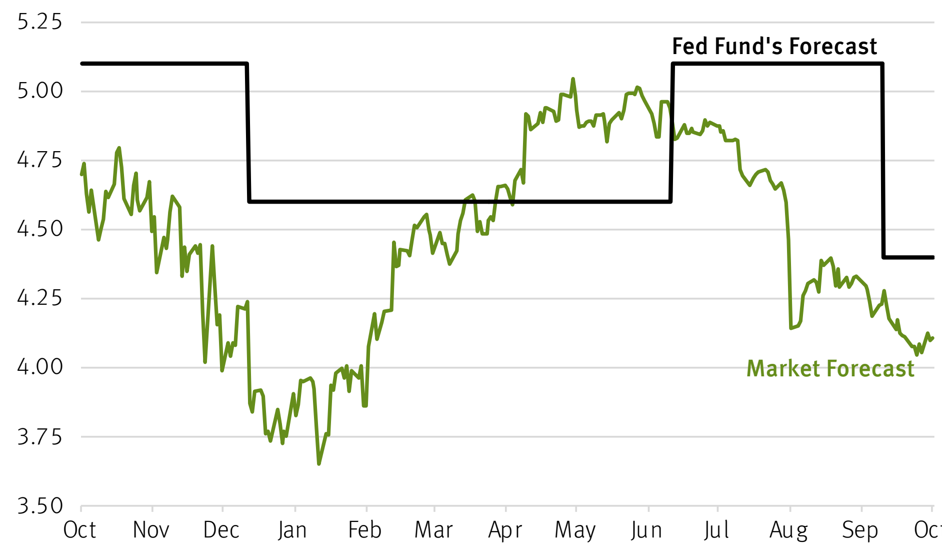
Progress on inflation toward the Fed's 2% target and a cooling labor market gave the Fed confidence to cut the federal funds rate by 50 basis points (bps) in September. The Fed's statement had meaningful changes, including acknowledging that the risks to achieving its dual mandate "are roughly in balance."

Figure 1. Nonfarm Payrolls Continue to Slow



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

Figure 2. Markets Are Expecting More Cuts Before Year-End



Source: Stifel CIO Office via Bloomberg as of September 30, 2024

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The "dot plot" shows Fed officials expect 50 more bps of rate cuts this year and 100 bps next year. Investors remain focused on the risk of monetary policy error as the Fed tries to "thread the needle" to keep inflation under control while avoiding a recession.

U.S. EQUITY

THE FOCUS ON AI SPEND AND SLOWING INFLATION WAS A RECIPE FOR A STRONG MARKET ROTATION.

Investors rotated into laggards like value and small capitalization stocks in July following the weaker-than-expected inflation print and a disappointing start to the "big tech" earnings season. Investor optimism around AI shifted to concern about whether the increased capital expenditures will generate enough return on investment.

Between July 10 and July 31, value stocks (Bloomberg U.S. 1000 Value Total Return Index) and small cap stocks (Bloomberg U.S. 2000 Total Return Index) rose 4.4% and 9.8%, respectively. Meanwhile, the "Magnificent Seven" stocks declined 9.9%. This rotation coincided with a 25-bp decline in the 10-year Treasury yield.

The S&P 500 advanced 5.9% in the third quarter, with 10 of the 11 sectors rising. Contrary to the prior quarter, the information technology sector was one of the worst performing, up just 1.4% compared to the utilities sector, which rose 18.5%.

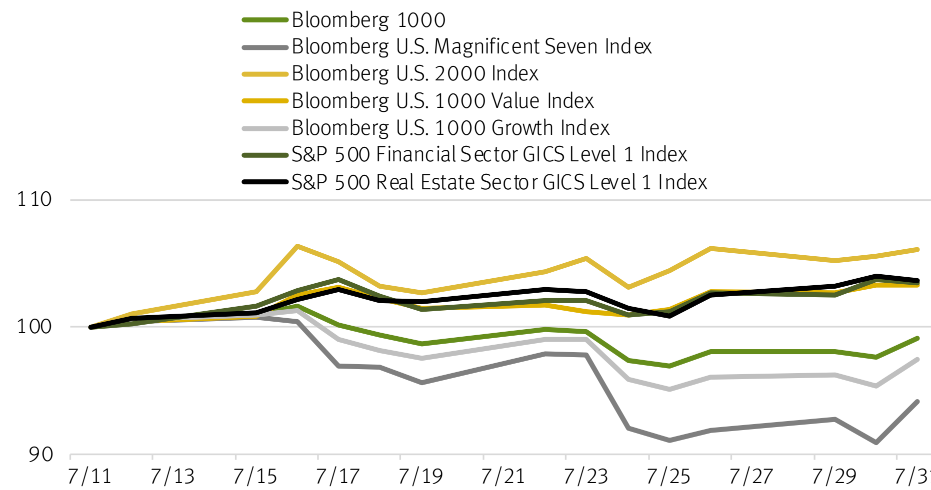
S&P 500 COMPANY EARNINGS WELL AHEAD OF EXPECTATIONS.

Earnings grew 11.4% in Q2 from a year ago. Growth for the "Magnificent Seven" slowed but was still magnificent at 35.2%. The remaining 493 stocks saw earnings grow 6.6%, the first positive earnings quarter in five quarters. Looking forward, analysts expect earnings for the benchmark to grow by 4.9% and 15.4% for Q3 and Q4, respectively.

HOW DID SHARE PRICES REACT TO THESE IMPRESSIVE RESULTS?

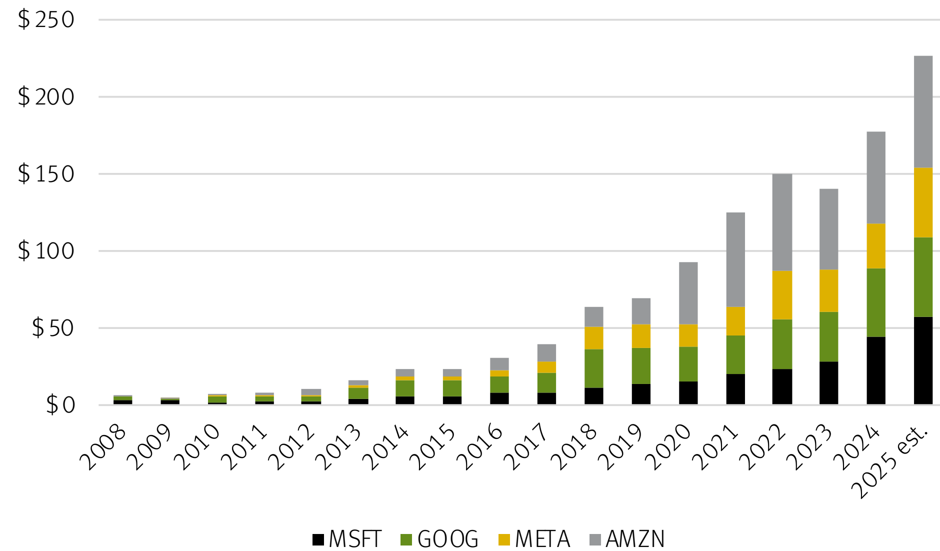
As you'd expect, on average, companies that beat estimates saw their stock prices rise, but slightly below average. In contrast, companies that reported below analysts' expectations saw larger-than-average declines in the two days surrounding their announcements. Valuations remain elevated, with the forward 12-month P/E ratio for the S&P 500 at 21.4x, above the five-year average of 19.5x.

Figure 3. Softer Inflation Was a Recipe For a Strong Market Rotation



Source: Stifel CIO Office via Bloomberg as of September 30, 2024

Figure 4. Big Tech is Spending Large on Capital Expenditures



Source: Stifel CIO Office via Bloomberg as of September 30, 2024

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NON-U.S. EQUITY

THE GLOBAL EQUITY MARKET, REPRESENTED BY THE MSCI ALL COUNTRY EX USA INDEX, OUTPERFORMED U.S. STOCKS THIS QUARTER, RISING 8.0% (USD).

THE EUROZONE ECONOMY IS SEEING DIVERGING PERFORMANCE.
Germany is on the brink of recession, while France, Italy, and Spain are expanding. The European Central Bank (ECB) began its easing cycle in June, and investors expect another rate cut as early as October, given the recent weakness in economic data. European stocks (MSCI Europe Index) rose 6.6% (USD) for the quarter.

JAPANESE EQUITIES EXPERIENCED THEIR LARGEST ONE-DAY DROP SINCE 1987.
The MSCI Japan Index (USD) dropped almost 11% in a single day as investors unwound a carry trade involving the Japanese yen. The benchmark recovered its losses and ended the quarter 5.7% higher. Investors remain hopeful that a combination of monetary, fiscal, and corporate policy changes will mean the end of deflation and a return to steady economic growth.

CHINA IS TRYING TO REIGNITE GROWTH TO HIT ITS 5% TARGET.
Policymakers unveiled the most aggressive stimulus package since the pandemic to bolster China's economy. Deflationary pressures are evident, and investors are worried this may create a spiral as consumers delay purchases because they expect prices to fall further. Economic growth in 2024 is now at risk of being below the government's target of 5%. The stimulus included liquidity, real estate, and equity market measures. Chinese equities then advanced 21.8% in the final week of the quarter, bringing their quarterly return to 23.5%.

FIXED INCOME

YIELDS REVERSE COURSE, AND THE 2-10 SPREAD IS NO LONGER NEGATIVE.
Declining inflation, concerns about the health of the U.S. economy, and the anticipation of, and eventual, interest rate cuts by the Fed led to a decline in Treasury yields. The 2-year Treasury yield fell 1.1% over the quarter, compared to a 0.6% drop in the 10-year Treasury yield. Bond prices rise as yields fall, and the Bloomberg U.S. Aggregate Bond Index increased by 5.2% in the third quarter.

SOFT LANDING HOPES CALM CORPORATE SPREADS.
High-yield corporate spreads widened by 81 bps over a two-week period during the summer, reaching 3.81% on August 5. This move was due to concerns that the economy may be slowing faster than anticipated and the Fed may be "behind the curve" on lowering rates. Investment-grade spreads also widened by 20 bps during this same time period.

As the quarter progressed and the Fed's rate cut decision revived hopes of a soft landing, spreads narrowed with high yield closing the quarter at 2.95%. Spreads remain tight by historical standards and reflect the expectations of a benign macroeconomic backdrop.

WE'RE HEADED TO A FISCAL TRANSITION.
The Fed's latest Summary of Economic Projections sees the long-run neutral rate for monetary policy slightly higher at 2.9%. Meanwhile, the June Congressional Budget Office (CBO) budget update estimates our annual debt cost will increase to $1.7 trillion in 2034. As we discussed over the last couple of years, the Fed's "higher for longer" projection reinforces our view that we're headed to a Fiscal Transition.

COMMODITIES

OIL PRICES FALL TO GIVE CONSUMERS A BREAK AT THE PUMP.
Rising tensions in the Middle East weren't enough to offset concerns around the health of the global economy and demand for oil. Oil prices fell to a near three-year low, with West Texas Intermediate (WTI) and Brent Crude Oil declining around 17% for the quarter. The average price at the pump for a gallon of gas was $3.18 at the end of the quarter, 30 cents lower since June 30.

According to its latest monthly report, OPEC expects oil demand to increase by 2.0 million barrels per day in 2024, a slight decrease from the previous forecast of 2.1 million barrels per day.

GOLD PRICES RALLY FOR A FOURTH CONSECUTIVE QUARTER.
Central banks continue to buy gold at a historic rate. Some investors have attributed this, in part, to central banks looking to diversify away from U.S. Treasuries amid worries about the deteriorating fiscal situation in the U.S. China's central bank, in particular, has been a big buyer. Gold prices have also risen, given its appeal as a perceived safe haven asset during geopolitical and economic uncertainty. Gold ended the quarter at $2,634.58/troy ounce, up 13.2%.

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

(continued on next page)

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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 move to neutral between investment grade and high yield bonds. Spreads are tight, but corporate fundamentals remain strong and the start of the Federal Reserve's rate cutting cycle should mitigate some of the downside risks.
FIXED INCOME	Corporates Government/Agency MBS	→	Neutral	We have closed our overweight to government securities relative to investment-grade corporate bonds, as we see corporate fundamentals remaining strong and the Fed's easing dampening downside 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.
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.

FIGURE 5. CAPITAL MARKET RETURNS (AS OF SEPTEMBER 30, 2024)

NORTH AMERICAN EQUITY	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. 3000 Index	2.06	6.12	20.48	35.13	10.05	15.23
Standard & Poor's 500	2.14	5.89	22.08	36.35	11.91	15.98
Standard & Poor's/TSX (CAD)	3.15	10.54	17.24	26.74	9.52	10.95
U.S. EQUITY BY SIZE/STYLE						
Bloomberg U.S. 1000 Index	2.12	5.94	21.04	35.57	10.57	15.53
Bloomberg U.S. 1000 Growth Index	2.65	4.87	23.33	39.79	10.39	17.89
Bloomberg U.S. 1000 Value Index	0.89	8.53	15.99	26.59	10.13	11.52
Bloomberg U.S. 2000 Small Cap Index	0.82	9.95	10.51	27.13	1.90	10.57
Bloomberg U.S. 2000 Small Cap Growth Index	0.93	8.93	11.37	27.43	-1.40	8.94
Bloomberg U.S. 2000 Small Cap Value Index	0.67	11.30	9.45	26.77	5.87	12.49
Bloomberg U.S. Microcap Index	-0.31	8.07	2.46	16.83	-9.97	8.65
INTERNATIONAL EQUITY (USD)						
MSCI AC World ex U.S.	2.69	8.06	14.21	25.35	4.14	7.59
MSCI EAFE	0.92	7.26	12.99	24.77	5.48	8.20
MSCI Europe	0.39	6.58	12.77	25.23	6.66	8.90
MSCI Pacific	7.41	14.29	15.09	28.20	4.80	6.33
MSCI Japan	-0.58	5.72	12.35	21.55	2.67	7.15
MSCI Emerging Markets	6.68	8.72	16.86	26.05	0.40	5.75

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FIGURE 5. CAPITAL MARKET RETURNS (AS OF SEPTEMBER 30, 2024)

U.S.FIXED INCOME	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. Treasury Bills: 1-3 Months	0.43	1.36	4.08	5.52	3.57	2.34
Bloomberg U.S. Aggregate	1.34	5.20	4.45	11.57	-1.39	0.33
Bloomberg Gov't/Credit	1.40	5.10	4.39	11.31	-1.50	0.41
Bloomberg Treasury	1.20	4.74	3.84	9.72	-1.78	-0.20
Bloomberg U.S. TIPS	1.50	4.12	4.85	9.79	-0.57	2.62
Bloomberg Municipal Bond Index	0.99	2.71	2.30	10.37	0.09	1.39
Bloomberg U.S. Credit	1.71	5.71	5.23	13.81	-1.12	1.07
Bloomberg Corporate High Yield	1.62	5.28	8.00	15.74	3.10	4.72
REAL ESTATE/COMMODITIES/ALTERNATIVES						
Wilshire U.S. Real Estate Securities Index	2.63	15.07	14.87	33.56	4.65	5.41
Wilshire Global ex U.S. Real Estate Securities Index	4.63	16.50	11.11	29.36	0.86	0.83
Wilshire Global Real Estate Securities	3.11	15.42	13.89	32.41	3.59	4.05
Bloomberg Commodity Index	4.86	0.68	5.86	0.96	3.66	7.79
S&P GSCI Commodity (S&P GSCI)	-0.08	-5.26	5.23	-6.06	8.81	8.03
Wilshire Liquid Alternatives Index	0.93	2.56	6.32	10.18	2.35	3.18
Wilshire Liquid Alternative Equity Hedge Index	0.90	3.45	11.34	17.27	6.27	6.70
Wilshire Liquid Alternative Event Driven Index	0.24	2.22	3.53	6.06	1.57	2.66
Wilshire Liquid Alternative Global Macro Index	1.20	-2.62	3.53	0.28	2.73	3.30
Wilshire Liquid Alternative Multi-strategy Index	0.83	1.58	7.02	10.47	2.67	3.02
Wilshire Liquid Alternative Relative Value Index	1.01	3.57	3.62	8.39	-0.19	1.15
Wilshire Focused Liquid Alternative Index	0.74	2.00	5.60	7.95	1.83	2.93

Source: Stifel Investment Strategy via Bloomberg as of September 30, 2024

**Represents annualized returns*

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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 Index℠ is a subset of the Wilshire Liquid Alternative Index℠ 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.

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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