



INVESTMENT STRATEGY BRIEF:

Watching for Uncertainty to Fade

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STIFEL

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Changes in Washington, D.C.

Roadblocks to Growth

PATH	DESCRIPTION	PROBABILITY
Erosion of Animal Spirits	Erratic policy shifts or poor communication about government policy can trigger an equity market correction or bear market.	15%
Global Recession	Positive U.S. economic forecasts may be undermined by foreign policy shifts, risking a global recession and bear market.	15%
Sustained Stagflation	If a recession occurs with persistent inflation, we risk sustained stagflation and a more severe bear market.	<5%
U.S. Fiscal Trajectory and Debt Mismanagement	Eroding investor confidence and the U.S. dollar losing its reserve status could trigger an economic depression and severe bear market.	<3%
Constitutional Unrest	Conflicts within the government, or even civil unrest, amplifies uncertainty and could disrupt the U.S. economy and markets.	<1%

President Trump is quickly implementing significant policy changes, increasing uncertainty, dampening Animal Spirits, and contributing to stock market weakness.

**Tariffs and
Trade Policy**

**Fiscal and
Tax Policy**

**Department of
Government Efficiency**

**Health and
Human Services**

**Immigration and
Border Security**

**Department of
Education**

Other anticipated changes include areas like judiciary and the legal system, housing and urban development, and artificial intelligence and technology.

WASHINGTON POLICY STRATEGY

Potomac Perspective

Brian Gardner

April 9, 2025

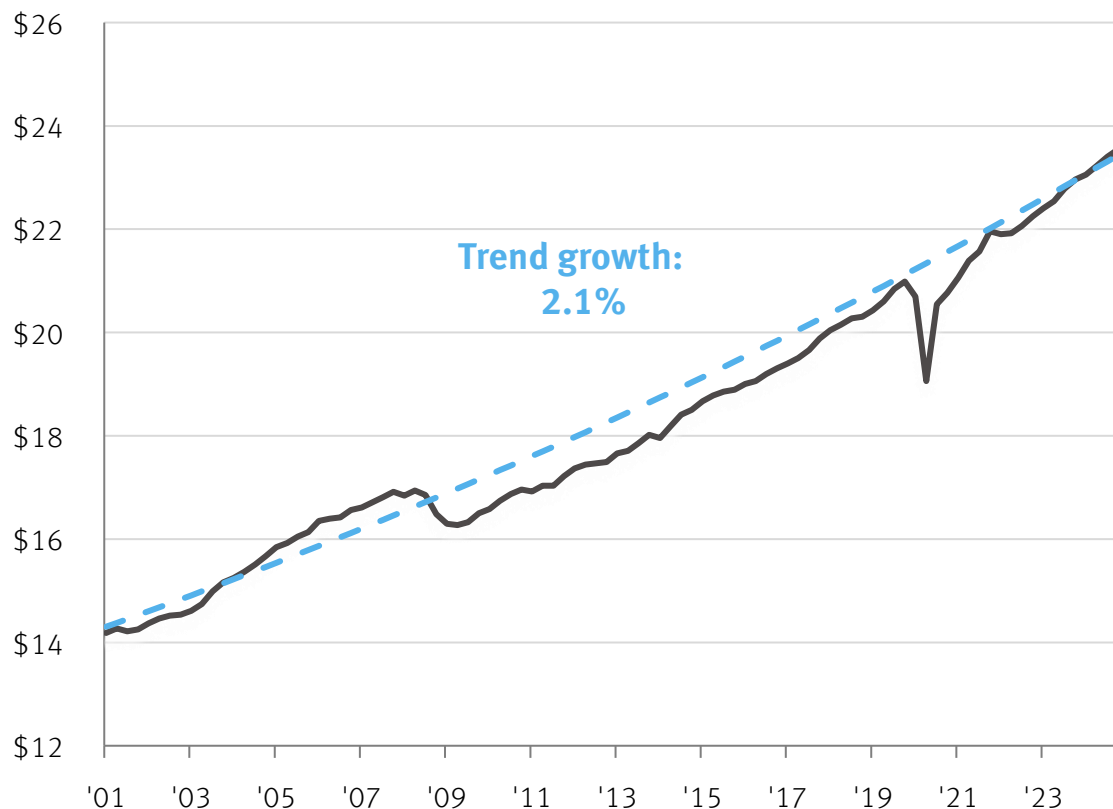
The tariff drumbeat continues as President Trump said on Tuesday night that he intends to impose new tariffs on pharmaceuticals. This has been previously signaled but may have been overshadowed by headlines on global tariffs.

Wednesday could be a key day for legislation to extend the Trump tax cuts. A morning meeting could determine whether the House will finish the budget resolution before the Easter holiday or if the process will drag out longer than Republican leaders have indicated and longer than some investors might expect. A delay could be a slight, but temporary, negative for the markets. Regarding the Trump deregulatory agenda, the Senate is scheduled to vote on the administration's SEC nominee. The Senate Banking Committee will also hold a hearing on the Federal Reserve's point person on bank regulation. We see both of these as affirming the administration's deregulatory agenda and a positive for the capital markets and banks.

Economy

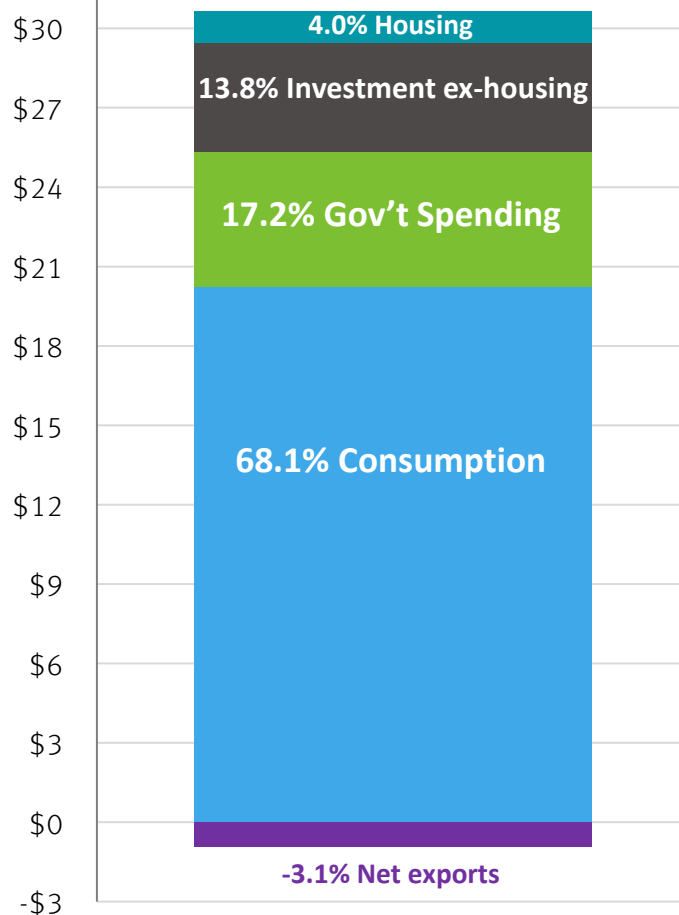
Real GDP

Trillions of chained (2017) dollars, seasonally adjusted at annual rates



Components of GDP

4Q24 nominal GDP, USD trillions



Source: Stifel CIO Office via Bloomberg, as of April 22, 2025.

U.S. GDP	Date of Estimate	2023	2024	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	2026
Actual		2.9	2.8	1.6	3.0	3.1	2.4						
January Consensus								1.9	2.0	2.0	2.0	2.1	2.0
Consensus	4/22/2025							1.0	1.5	1.6	1.8	1.7	1.8
Stifel	4/22/2025	2.8	2.8	1.9	2.4	2.1	2.2	0.3	0.6	1.8	2.4	1.6	2.0
Goldman Sachs	4/22/2025	2.8	2.8	3.1	2.6	3.0	1.8	0.4	0.6	0.3	0.8	1.3	1.3
Capital Economics	4/17/2025	2.4	2.8	2.5	2.3	3.4	2.8	0.1	1.4	1.3	1.3	1.7	1.4
Strategas	4/21/2025	2.4	2.8	2.5	1.8	2.7	2.5	0.0	1.1	-1.0	0.5	1.1	0.6
UBS	4/22/2025	2.4	2.8	2.1	1.9	3.0	2.0	0.4	2.2	-0.3	-0.2	1.5	0.8
Wells Fargo	4/9/2025	2.4	2.8	2.2	1.5	3.2	2.7	0.4	2.1	-1.0	-1.2	1.3	1.5
Bloomberg Economics	4/17/2025	2.4	2.8	2.7	2.0	3.1	2.5	0.4	0.8	0.1	1.1	1.4	1.3
Barclays	4/17/2025	2.5	2.8	2.5	2.5	3.0	2.5	1.0	0.5	-1.5	-0.5	1.1	0.6
JPMorgan Chase	4/11/2025	2.5	2.8	2.3	2.0	3.2	2.8	0.0	1.0	-0.5	-0.5	1.1	1.0
Federal Reserve**	3/19/2025	2.6	2.5									1.7	1.8

Annualized percent change from prior quarter and year-over-year change are shown for quarterly and yearly periods, respectively. Stifel estimates based on Stifel sell-side Economics department estimates. **Percent change from fourth quarter to fourth quarter one year ago. "Consensus Estimates" for time periods that have passed represent actual results and consensus estimates in grey shaded boxes represent first estimate of year.

Source: Stifel CIO Office via Bloomberg, as of April 22, 2025. Federal Reserve (Fed) estimates are as of March 19, 2025.

Economic
INSIGHT

April 7, 2025

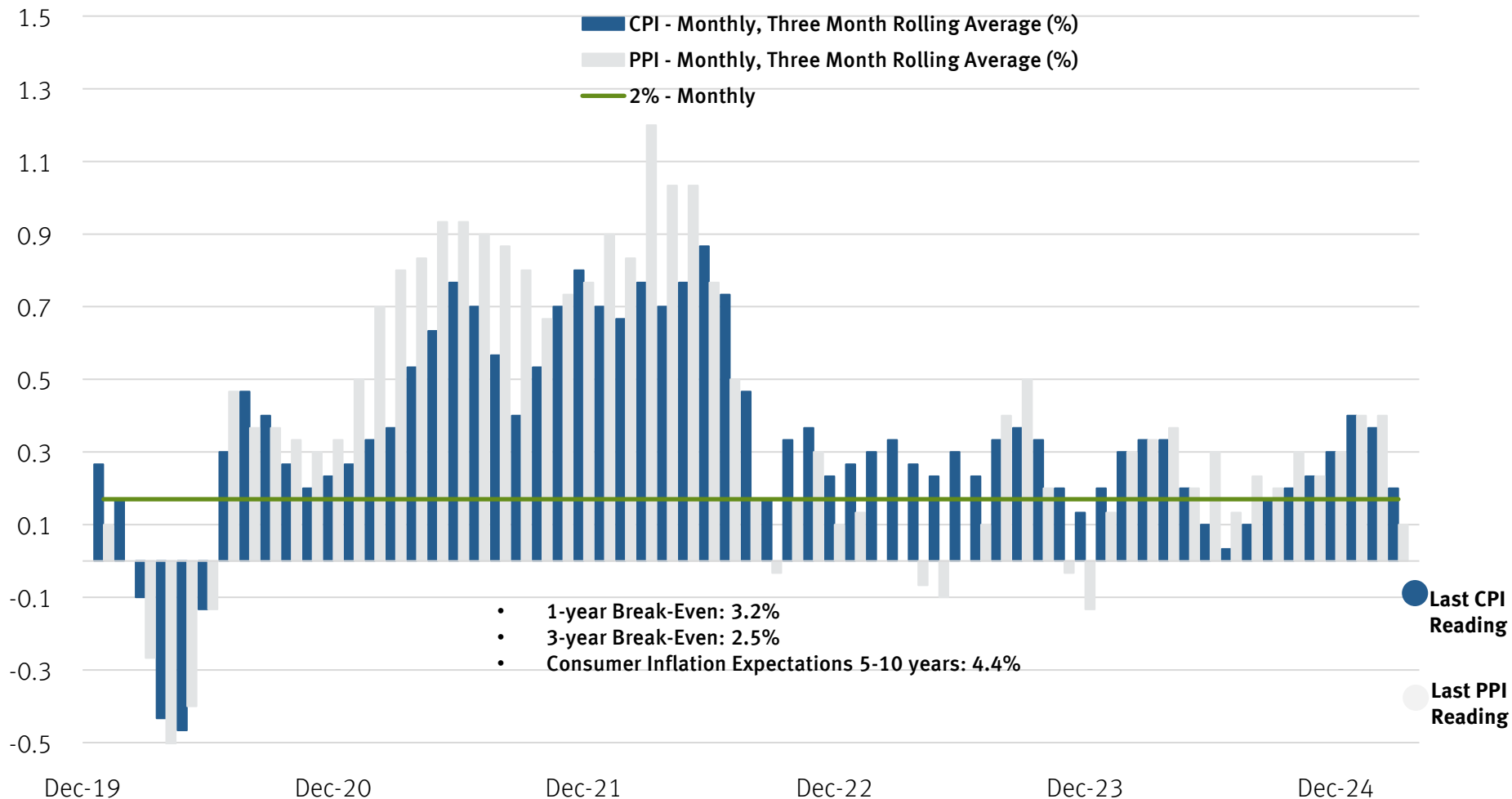
A Stronger-than-Expected March Employment Report Does Little to Quell Tariff Tantrum

A stronger-than-expected March employment report, with payrolls rising 228,000, underscores the still solid nature of the U.S. economy, as well as the challenge to assess the potential risk and impact of recent fiscal policy initiatives on the domestic labor market. The administration's attempt to reduce the number of government employees, and sever government contracts, coupled with the latest tariff announcements materially reshaping international trade policy, not to mention ongoing unfavorable weather-related traumas in various parts of the country, will continue to generate sizable volatility in the hiring figures.

For the market, today's report does little to quell fears of further price increases and deteriorating growth prospects. Investors, seemingly engulfed in a tariff tantrum, continue to call for further monetary policy relief with expectations for up to four additional rate cuts by year-end. For the Federal Reserve (Fed), meanwhile, the latest read on payrolls should offer a welcome indication of persistent resilience in domestic fundamentals. As such, this could allow the Committee to divert slightly more focus to tackling still elevated inflation (at least one can hope), or at the very least, offer justification for a further "wait and see" approach.

This week, we take a closer look at the latest March payrolls report and what it means for future Fed policy.

Monthly Inflation Trends

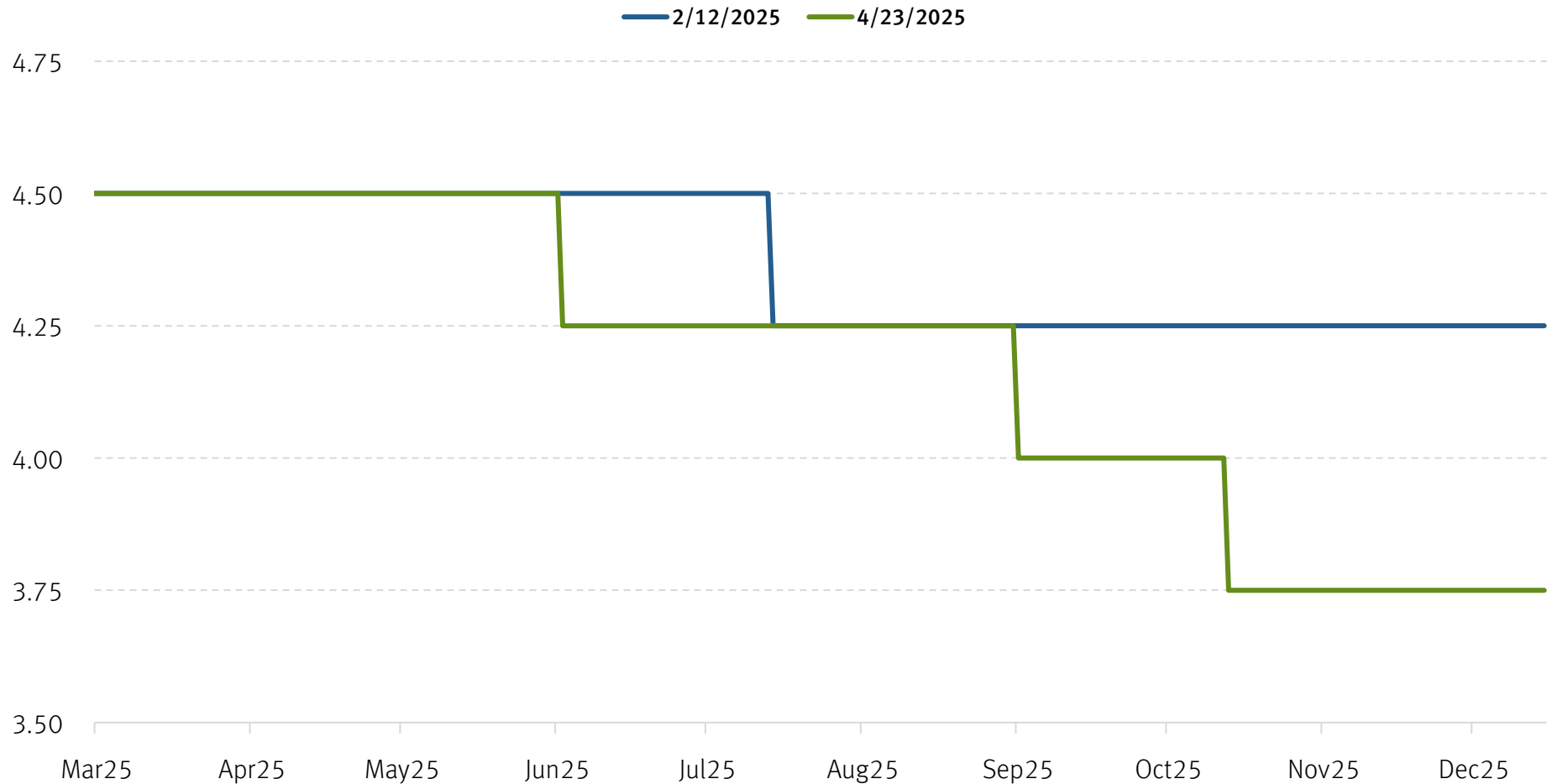


Source: Stifel CIO Office via Bloomberg, as of April 23, 2025

CPI = Consumer Price Index

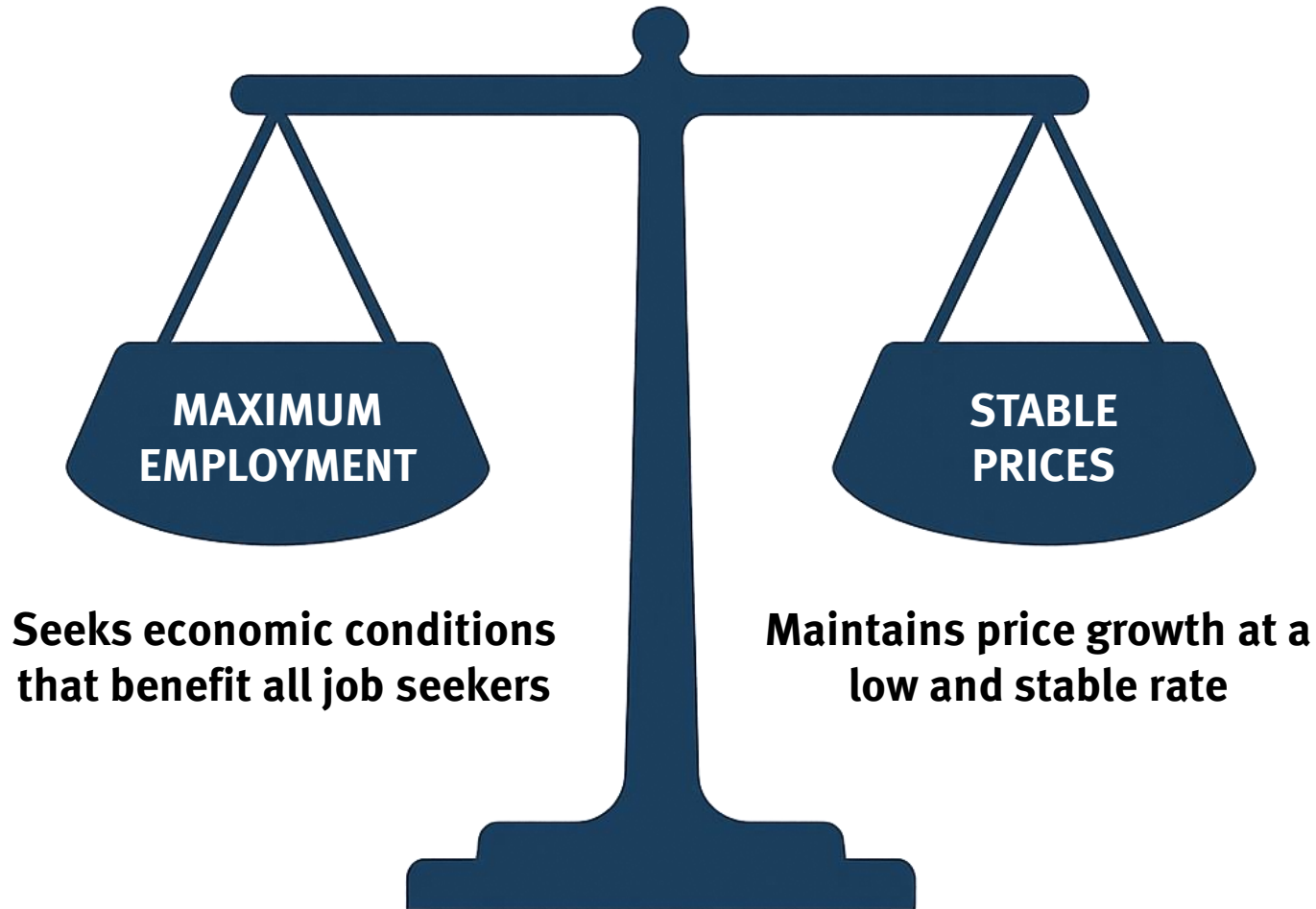
PPI = Producer Price Index

Fed Funds Target Rate - Upper Bound



Source: Stifel CIO Office via Bloomberg, as of April 23, 2025

The Federal Reserve aims to balance its dual mandate of



Debt Added Since GFC

Households	\$5.7 trillion
Corporate	\$8.5 trillion
Federal	\$27.0 trillion

10-year Treasury Yield

Now	4.3%
10 Years Forward	5.6%
20 Years Forward	4.6%

In a higher rate regime, the cost of debt will increase going forward for all segments of the economy: The Consumer, Business, Government

Current Government Debt

2024 Deficit: \$1.8 trillion
 Total Debt: \$36 trillion
 Net Interest:
 15% revenue
 12% spending
 33% discretionary

CBO Forecast 2034

2034 Deficit: \$2.6 trillion
 Total Debt: \$56 trillion
 Net Interest:
 18% revenue
 14% spending
 43% discretionary

Quotes

“The...federal government’s fiscal path...is on an unsustainable path...you’ve got a very large deficit...So, it’s important...they be dealt with. It is ultimately a threat to the economy ...” – Jay Powell

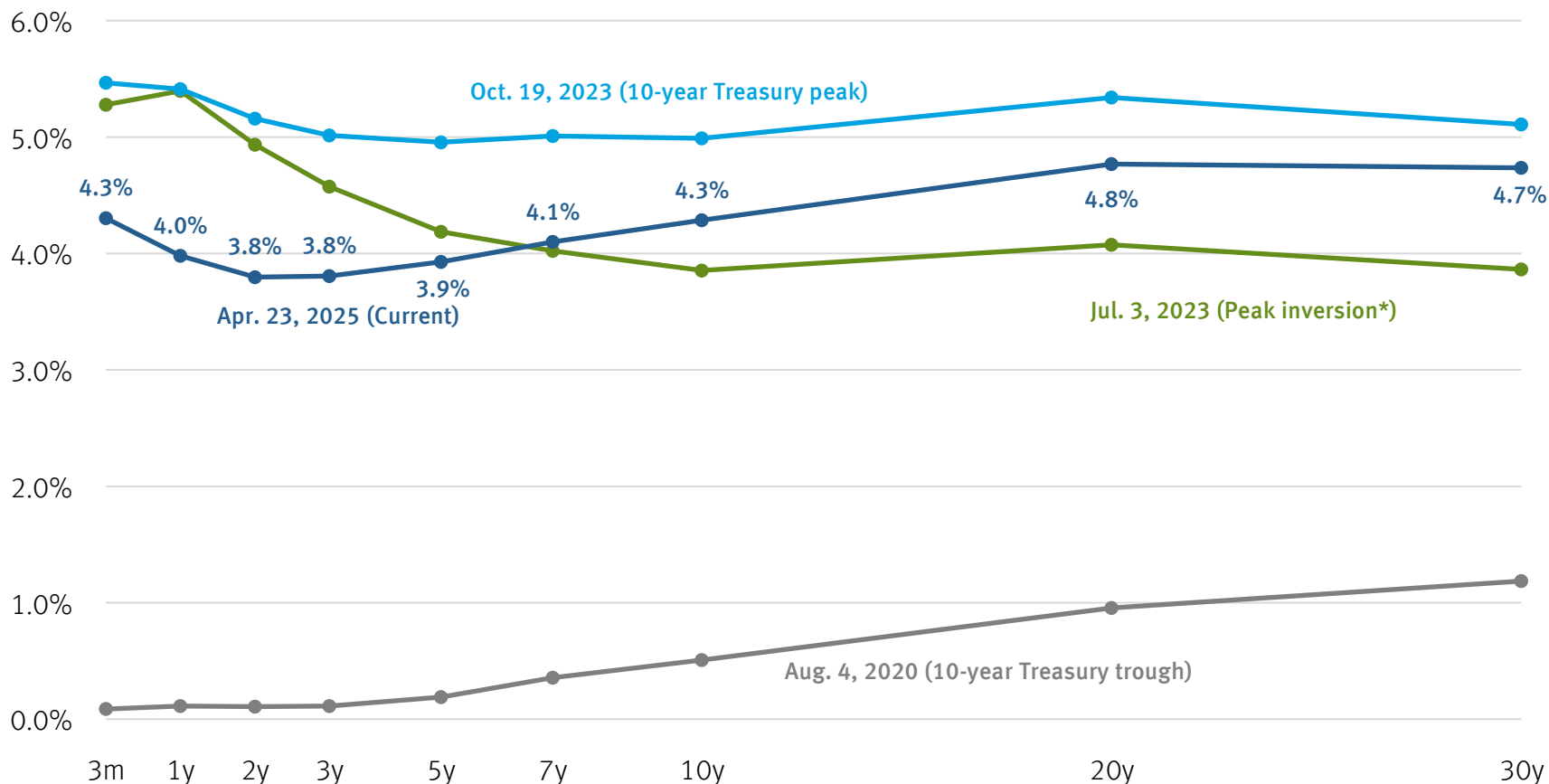
“Any country can borrow money and drive growth, but it may not always lead to good growth, so I think America should be quite aware that we’ve got to focus on it more.” – Jamie Dimon

“We must work to get our fiscal house in order and adjust federal domestic discretionary spending that has grown by an astonishing 40 percent over the past four years.” – Scott Bessent

We remain optimistic that the U.S. will ultimately get through this fiscal transition stronger. But how much pain will we experience through the process, and when?

Markets

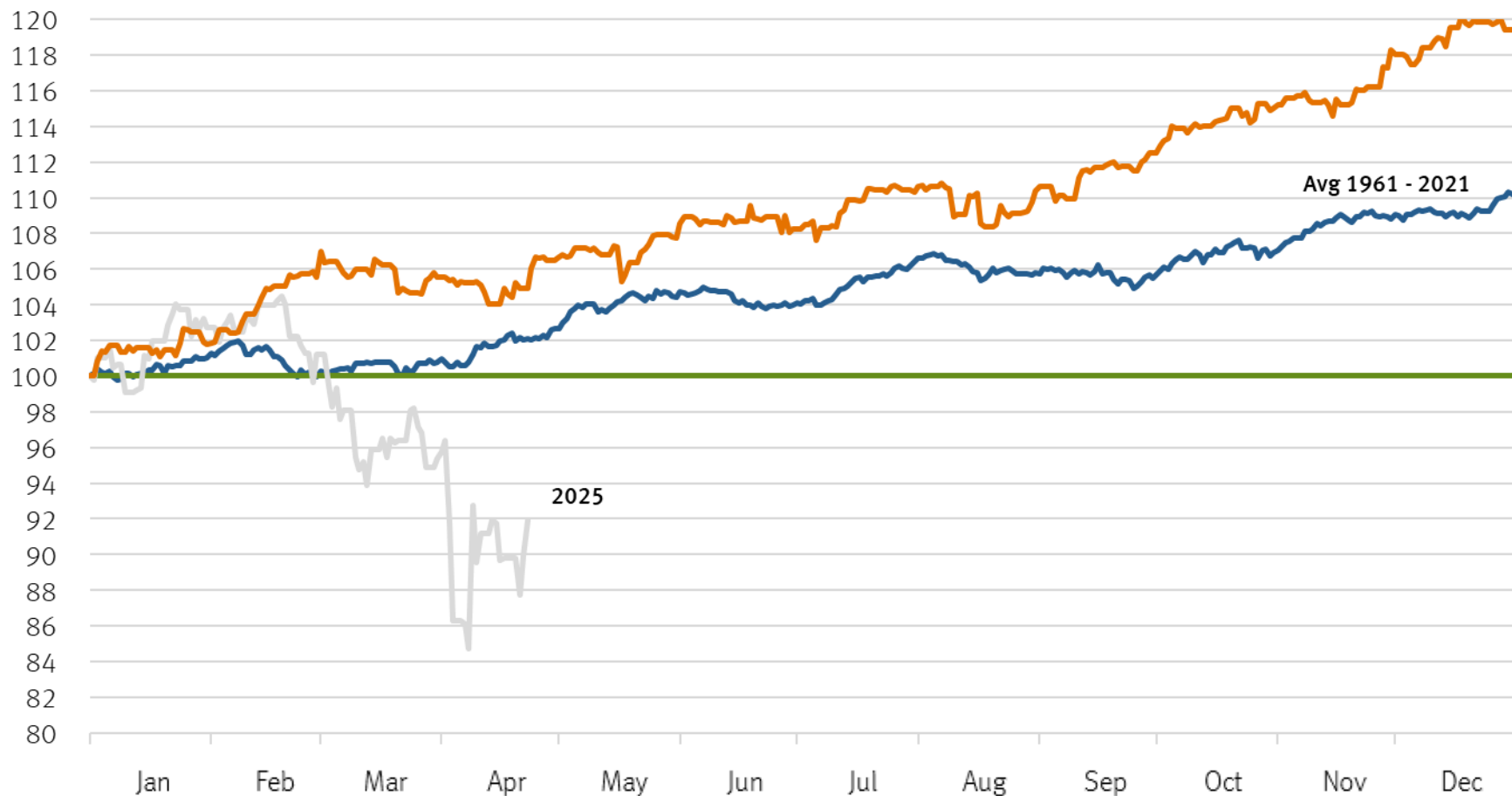
U.S. Treasury Yield Curve



*Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury.

Source: Stifel CIO Office via Bloomberg, as of April 23, 2025.

S&P 500 Average Price Returns In First Year of Presidential Cycle



Source: Stifel CIO Office via Strategas Research Partners and Bloomberg, as of April 23, 2025. (intra-day)

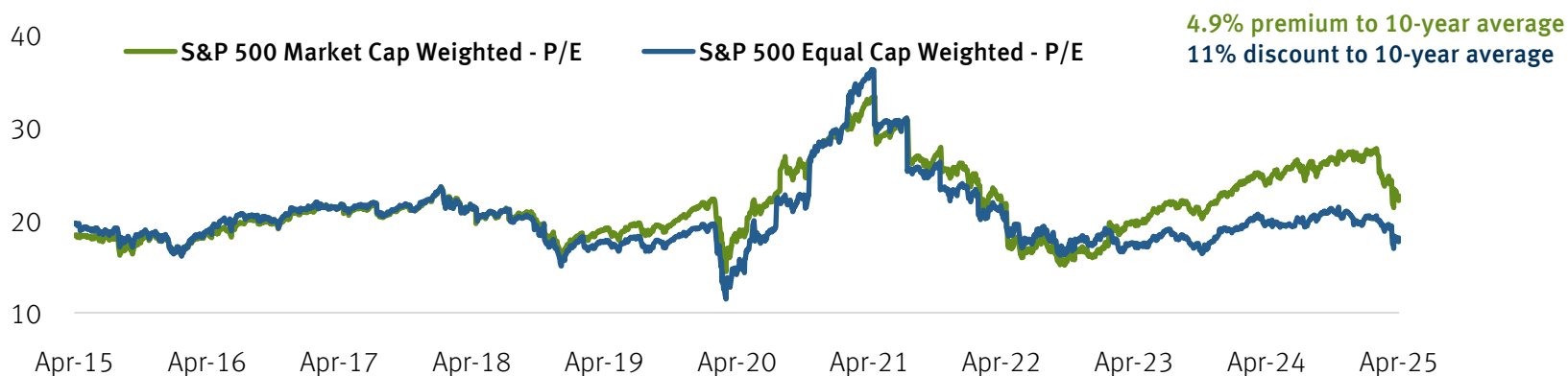
S&P 500 First Reached Current Level on June 18, 2024



Source: Stifel CIO Office via Bloomberg, as of April 23, 2025

	EPS	S&P 500 P/E							Current S&P 500 Index Level
		18x	19x	20x	21x	22x	23x	24x	
Consensus 2025 EPS →	\$285	5,130	5,415	5,691	5,985	6,268	6,555	6,840	→
	\$275	4,950	5,225	5,492	5,775	6,048	6,325	6,600	
	\$265	4,766	5,031	5,288	5,561	5,824	6,090	6,355	
	\$260	4,680	4,940	5,192	5,460	5,718	5,980	6,240	
Consensus 2024 EPS →	\$250	4,500	4,750	4,992	5,250	5,498	5,750	6,000	
	\$240	4,328	4,568	4,801	5,049	5,288	5,530	5,770	
	\$230	4,140	4,370	4,593	4,830	5,058	5,290	5,520	

16.2% needed to reach recent high



In 2024:

- **The Magnificent Seven (M7) Stocks are together up 60%, now approximately 30% of the cap-weighted S&P 500 and over 53% of the index return.***

EPS = Earnings Per Share

*Source: Stifel CIO Office and Bloomberg, as of April 22, 2025

Index	2022	2023	2024	2025 YTD	Peak to Date
S&P 500 Index	-18.1%	26.3%	25.0%	-7.7%	-11.8%
S&P 500 Eq. Weight.	-11.5%	13.8%	13.0%	-6.3%	-12.1%
S&P Quality High Dividend	-0.3%	5.5%	11.1%	-5.5%	-11.2%
S&P 500 Financials	-10.6%	12.1%	30.5%	-0.7%	-7.3%
KBW Reg. Banking	-6.9%	-0.4%	13.2%	-9.8%	-20.3%
Bloomberg U.S. 1000 Value	-2.5%	9.4%	13.6%	-2.3%	-9.0%
Bloomberg U.S. 1000 Growth	-27.5%	36.1%	28.9%	-10.5%	-14.0%
Bloomberg Magnificent 7	-45.3%	107.0%	67.3%	-19.3%	-20.6%
NYSE FANG+ Index	-40.0%	96.4%	51.0%	-11.4%	-17.2%
Bloomberg U.S. 2000	-20.1%	17.1%	12.0%	-14.2%	-21.1%
MSCI EAFE Index	-14.5%	18.2%	3.8%	7.9%	-3.1%
MSCI EM Index	-20.1%	9.8%	7.5%	0.5%	-8.8%
Bloomberg U.S. Agg	-13.0%	5.5%	1.3%	1.6%	-2.3%

Source: Stifel CIO Office via Bloomberg, as of April 23, 2025 (intra-day)

Data for S&P 500 Eq. Weight., S&P Quality High Dividend, MSCI EAFE, MSCI EM, and Bloomberg U.S. Agg is as of April 22, 2025

U.S. Dollar (DXY)



The U.S. Dollar Index (DXY) indicates the general international value of the USD. The DXY does this by averaging the exchange rates between the USD and major world currencies.
Source: Stifel CIO Office via Bloomberg, as of April 22, 2025

Market downturns happen frequently, but historically don't last forever

S&P 500 Index (1954-2024)

Size of decline	-5% or more	-10% or more	-15% or more	-20% or more
Average frequency	About twice per year	About once every 18 months	About once every three years	About once every six years
Average length	46 days	135 days	256 days	402 days
Last occurrence	July 2024	July 2023	August 2022	January 2022

Source: Stifel CIO Office via. Capital Group, RIMES, Standard & Poor's. As of December 31, 2024. Average frequency assumes 50% recovery of lost value. Average length measures market high to market low. Past performance is not indicative of future results.

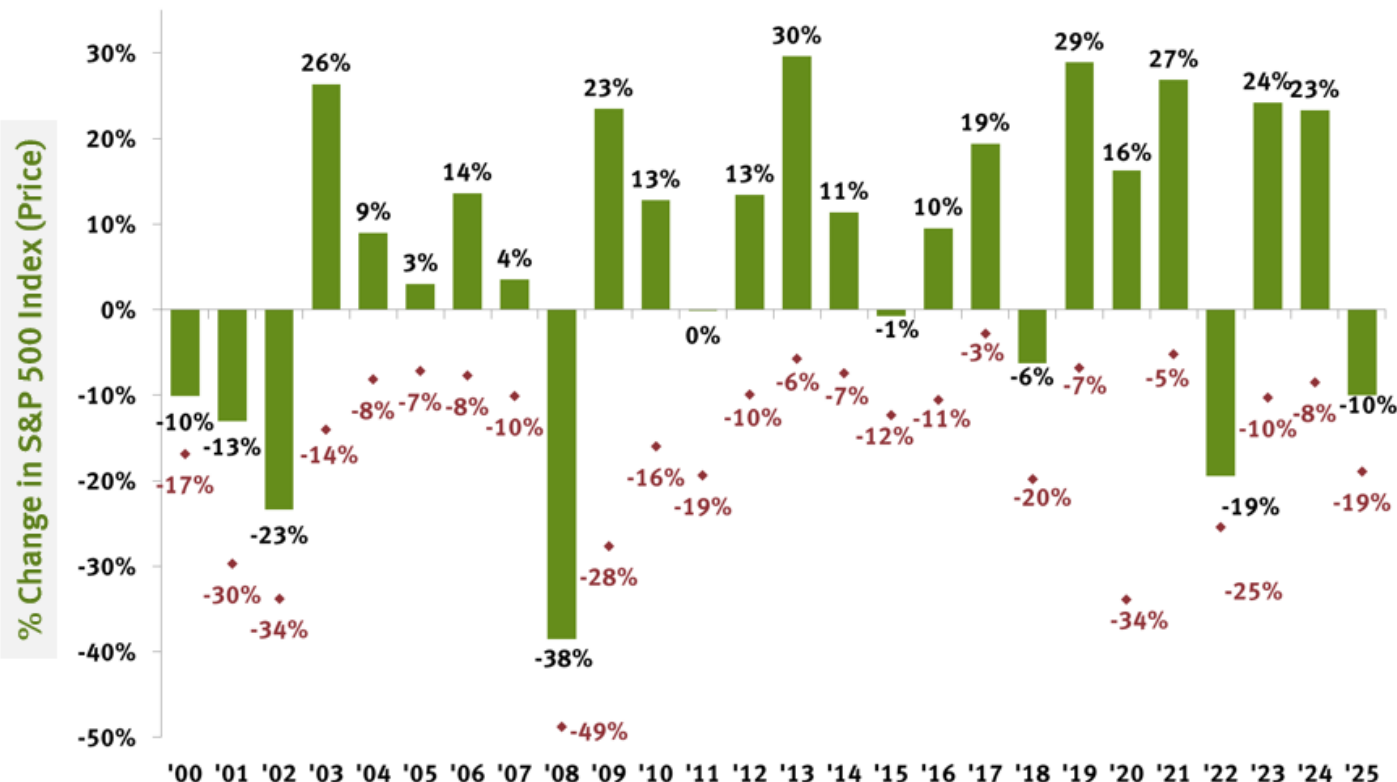
Chicago Board Options Exchange Volatility Index (VIX)



Source: Stifel CIO Office via Bloomberg, as of April 22, 2025

Managing through the ups and downs

The chart shows that despite a decline in stocks at some point each year (red dot and number), markets typically recover and returns for the full year (green bar) are positive most of the time.



Intra-year declines are based on the largest drop from a peak to a trough during the calendar year.

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. 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.

Source: Stifel Investment Strategy via Bloomberg, as of April 22, 2025

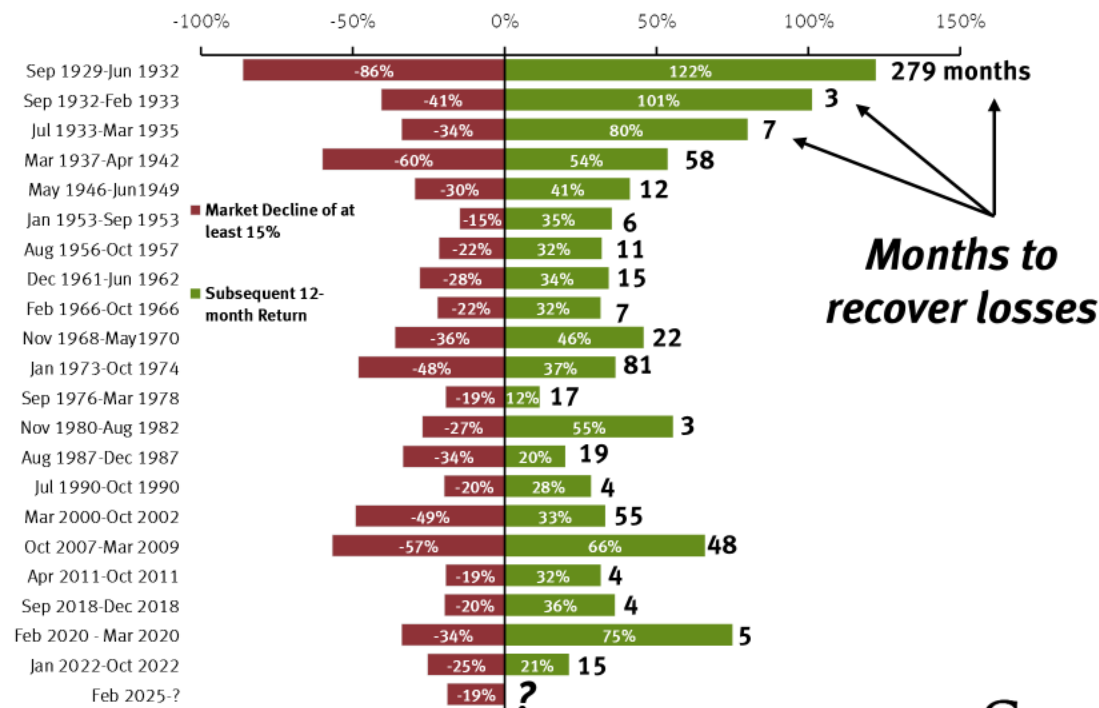
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Market Declines and Subsequent Returns

Since 1929 there have been 22 instances where the S&P 500 declined more than 15% from its local peak (red bar), with an average decline of 34%. Equity returns, however, are often strong following sharp declines with the subsequent 12-month return (green bar) averaging 47%. That's why its important for investors to maintain composure and stick to their investment plan.



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Looking Forward

OUR FIVE
INVESTMENT THEMES**FOURTH
INDUSTRIAL
REVOLUTION**

Technological innovation has broken down the boundaries between the physical, digital, and biological worlds.

Quantum Leaps

Rise of Bionics

**SECURING
STRATEGIC
RESOURCES**

Companies and governments are prioritizing the development and protection of critical industries, resources, and services.

*Farm Fields
Go Vertical*

*Nuclear Will
Power the U.S.*

**SHIFTING
DEMOGRAPHICS**

Changes in global population dynamics will bring about challenges and opportunities.

Beating Cancer

*Meet Your
Digital Twin*

**THE NEW
CONSUMER**

Consumer preferences, expectations, and behavior are altering business models and corporate strategies.

*The Sky's
the Limit*

*Your Next Hire:
An AI Agent*

**PRODUCTIVE
COMPETITION**


Rivalry ultimately drives innovation, improves quality of life, and creates value for consumers and the economy.

*Advanced Warfare:
Humanoid Robots*

*Space Means
Business*

WHERE TO FIND STIFEL GUIDANCE

The Stifel CIO Office develops economic and market analysis, and corresponding investment guidance, for the benefit of Stifel clients. You can find all of our Stifel Guidance at:


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MARKET SIGHT|LINES


Unpacking the Market Dynamics of Tariffs, Inflation, and Recession Fears

Uncertainty has investors on edge, with tariffs creating worries that inflation will accelerate and potentially trigger a recession. Despite rising inflation expectations, rate cuts are still on the table. Markets are down this year, yet rates are up. In this week's Sight|Lines, we break down how the market has reacted to the current environment and what the data says about what could come next.

Watch | Listen

[READ](#)






Outlook 2025: Gravitational Shifts

Entering 2025, we observe potential shifts in government policy, monetary policy, and markets that will influence results this year. We look back at 2024 and review our outlook for 2025 on policy, the economy, and the markets.

[READ](#)



How Will D.C. Policy Shifts Shape Markets?

March Investment Strategy Brief

We discuss the latest policy shifts in Washington and how rising uncertainty may be weighing on business and consumer sentiment, dampening Animal Spirits and fueling concerns about an economic slowdown and stock market weakness.

[WATCH](#)

Replay

Economic INSIGHT LIVE

Client Webinar: Economic Insight LIVE

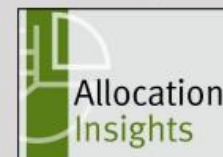
Watch Stifel's Chief Economist, Dr. Lindsey Pingga, Ph.D., as she presents her latest quarterly economic update.

[WATCH](#)

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WEEKLY | MONTHLY | QUARTERLY



VIDEO | PODCAST | NEWSLETTER



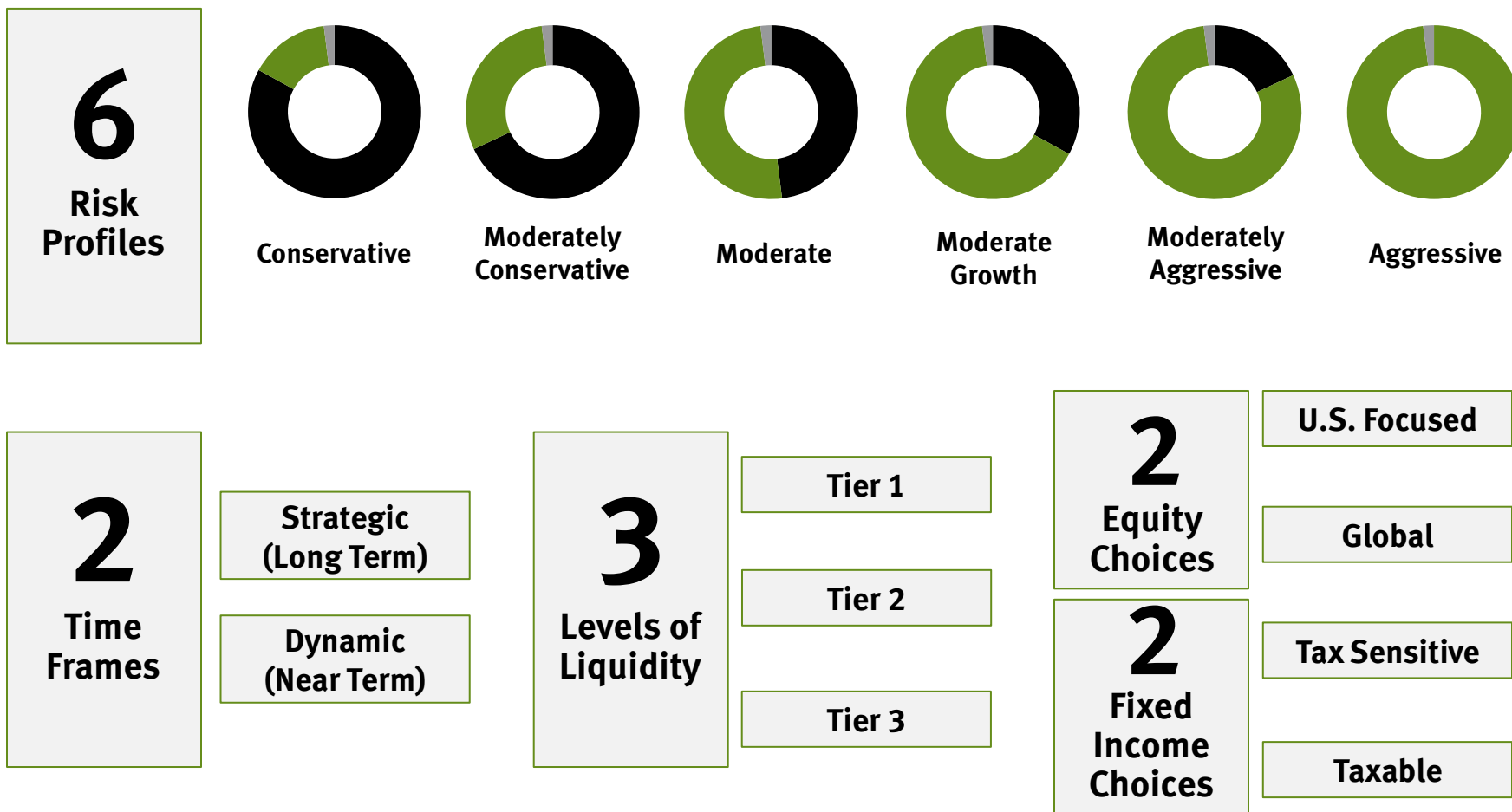
VIDEO | PODCAST | NEWSLETTER





Dynamic leanings

144 ASSET ALLOCATION MODELS FOR YOUR SELECTION



EQUITY

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

DYNAMIC LEANINGS					<div><div></div>Underweight</div>	<div><div></div>Neutral</div>	<div><div></div>Overweight</div>
ASSET CLASS					COMMENTS		
FIXED INCOME		<div><div></div></div>	<div><div></div></div>	<div><div></div></div>			
	U.S. Investment Grade vs. U.S. High Yield		<div><div></div></div>		We recently moved to neutral between investment-grade and high-yield bonds. High-yield corporate spreads are tight, leaving little margin for error, but corporate fundamentals remain strong, and the rate-cutting cycle should mitigate some of the downside risks. In investment grade, we expect returns to be primarily driven by carry, offering steady income in a stable rate environment.		
	Corporates vs. Government vs. Agency MBS		<div><div></div></div>		We remain neutral within the fixed income super sectors but believe there is opportunity within the asset class for active management. Asset-backed and mortgage-backed securities are attractive with 30-year mortgage rates remaining elevated, tempering prepayment risks.		
	Duration		<div><div></div></div>		We view duration as a diversifier in a multi-asset class portfolio given the macroeconomic uncertainty and volatility in yields, and so we remain neutral on duration as compared to the overall market. Investors holding cash should consider extending duration.		
ALTERNATIVES	Private Assets		<div><div></div></div>		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		<div><div></div></div>		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.		

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.

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

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

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

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

Bloomberg 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.

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.

S&P 500 Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

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

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

Bloomberg U.S. 1000 Index is a float market-cap-weighted benchmark of the 1000 most highly capitalized U.S. companies.

Bloomberg U.S. 2000 Index is a float market-cap-weighted benchmark of the lower 2000 in capitalization of the Bloomberg U.S. 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.

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

The **Economic Policy Uncertainty Index** quantifies the level of uncertainty surrounding economic policy decisions. It combines data from newspaper articles, federal tax code expirations, and forecasts from economic forecasters. A higher index value suggests greater economic risks due to policy ambiguity, potentially leading businesses and consumers to delay decisions..

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 Equivalent is represented by the Bloomberg 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. Government Bonds is represented by the Bloomberg 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 U.S. Corporate Bond Index, comprised of the investment grade, fixed-rate, taxable corporate bond market.

High-Yield Bonds is represented by the Bloomberg 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 the Bloomberg U.S. 1000 Index, comprised of a float market-cap-weighted benchmark of the 1000 most highly capitalized U.S. companies.

U.S. SC (Small Cap) equities is represented by the Bloomberg U.S. 2000 Index, comprised of a float market-cap-weighted benchmark of the lower 2000 in capitalization of the Bloomberg U.S. 3000 Index.

S&P 500 Quality High Dividend Index is designed to measure the performance of S&P 500 members that exhibit both high quality and high dividend yield characteristics.

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

KBW Nasdaq Regional Banking Index seeks to reflect the performance of U.S. companies that do business as regional banks of thrifts.

NYSE FANG+ Index is an equal-dollar weighted index designed to track the performance of highly-traded growth stocks of technology and tech-enabled companies in the technology, media & communications and consumer discretionary sectors such as Facebook, Apple, Amazon, Netflix, and Alphabet's Google.

NCREIF Property Index is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only.