CHIEF INVESTMENT OFFICE

Capital Market Outlook

April 21, 2025

All data, projections and opinions are as of the date of this report and subject to change.

IN THIS ISSUE

Macro Strategy—*Deficits and the Dollar: An Inflection Point:* The dollar has reached a valuation extreme only seen once before since the Bretton Woods system broke down in the 1970s. As it moves back toward fair value, several other trends driving asset markets are also reversing. Forces for bigger U.S. deficits, both trade and fiscal, are expected to dissipate with a lower dollar, tariffs and the budget deal moving through Congress. This new dynamic has started to reduce the unprecedented valuation gap between U.S. and international Equities.

Market View—*Holding Steady: Some Thoughts About the U.S. Consumer and U.S. Dollar:* Amid the market tumult of April, we are keeping a close eye on two of the most important metrics in the investment universe—the U.S. consumer and the U.S. dollar. The former is the primary driver of demand not only in the U.S. but also the world, while the latter remains the oxygen of the globe's financial system. The health of both variables matters tremendously to the world economy and global earnings—and, fortunately, are holding steady despite recent policy uncertainty and market volatility.

Per the four charts we highlight this week, the bottom line when it comes to the U.S. consumer and the U.S. dollar is this: The message from the banks in Q1 earnings season was positive in terms of current consumer health. High-income households are feeling the negative wealth effect, but we don't expect a dramatic pullback in spending. Dollar weakness is cyclical, not secular—its world's reserve status remains intact for now. Finally, foreigners have lightened up on U.S. securities but remain important participants in the U.S. capital markets.

Thought of the Week—*Tariffs Are No Small Matter for Small Businesses:* When it comes to tariffs, one of the most common misconceptions among investors is this: Versus their multinational counterparts, small companies are less vulnerable to the gut punch of tit-for-tat trade wars. They make more of their money domestically, after all. But reality is more complicated: Not only are small businesses large importers, but they also are disproportionately dependent on China for their imports—leaving them all the more exposed to the latest brawl between the U.S. and China. It's little wonder, then, that the recent tariff tumult has driven uncertainty among small businesses to near-record highs as companies struggle to make decisions vis-à-vis capital expenditures plans, inventories and hiring. We continue to favor Large-caps over Small-caps, as larger companies remain better equipped to navigate ongoing policy uncertainty and maintain margins, in our view.

MACRO STRATEGY ▶

Chief Investment Office
Macro Strategy Team

MARKET VIEW ▶

Joseph P. Quinlan
Managing Director and Head of CIO Market Strategy

THOUGHT OF THE WEEK ▶

Ariana Chiu
Wealth Management Analyst

MARKETS IN REVIEW ▶

Data as of 4/21/2025, and subject to change

Portfolio Considerations

Equity markets and the global economy are transforming. We expect uncertainty around the level of U.S. economic growth and corporate earnings to persist in the coming months.

We continue to emphasize Equity exposure for growth and total return, Fixed Income for cash flow production, for a variety of less correlated return streams, and investable cash for potential investment opportunities that develop over time.

We emphasize playing both defense and offence. We favor a diversified high-quality approach geared towards more insulated sectors exhibiting low volatility, where appropriate. Meanwhile, crafting repositioning and rebalancing plans may better position investors to take advantage of discounted markets.

MACRO STRATEGY

Deficits and the Dollar: An Inflection Point

Chief Investment Office, Macro Strategy Team

Amid all the hoopla over tariffs, discussion of big problems facing the U.S. economy have all but been drowned out. Over the past five years, the fiscal deficit has jumped to double its size compared to its historical range, propelled by government spending growth double the growth rate of the economy (Exhibit 1A). When debt grows twice as fast as the economy it's just a matter of time until problems start to arise financing the government debt, as we've seen with the recent unusual behavior of the bond market as recession concerns have risen with tariff concerns.

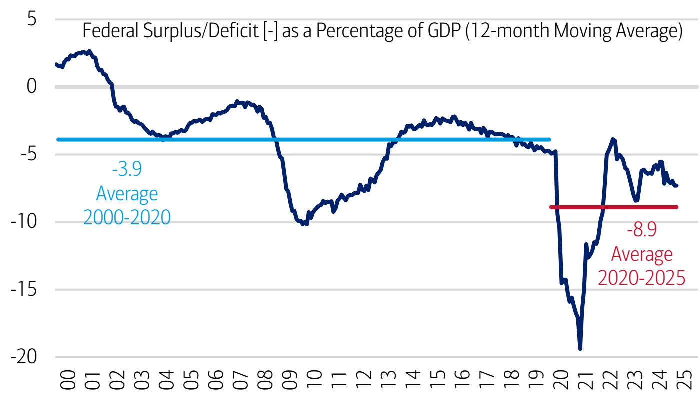
Big deficit spending has led to faster growth, higher inflation and higher interest rates in the U.S. compared to other developed economies. This has attracted capital inflows into the U.S., driven up the trade deficit and lifted the value of the dollar, which, not coincidently, has reached a level of overvaluation not seen since the time of the 1985 Plaza Accord, which saw the major economies undertake a successful effort to bring down the value of the dollar. In fact, the effort was so successful that the subsequent 1987 Louvre Accord was necessary to stop the dollar's post-Plaza decline (Exhibit 1B).

Investment Implications

Policy adjustments are closing the growth gap between the U.S. and the rest of the world, making international Equities relatively more attractive.

Exhibit 1: Big Fiscal Deficits and Strong Dollar Driving Global Trade Imbalances.

1A) Government Debt and Spending Have Been Growing Twice the Economic Growth Rate.



1B) Dollar Most Overvalued Since Plaza Accord.

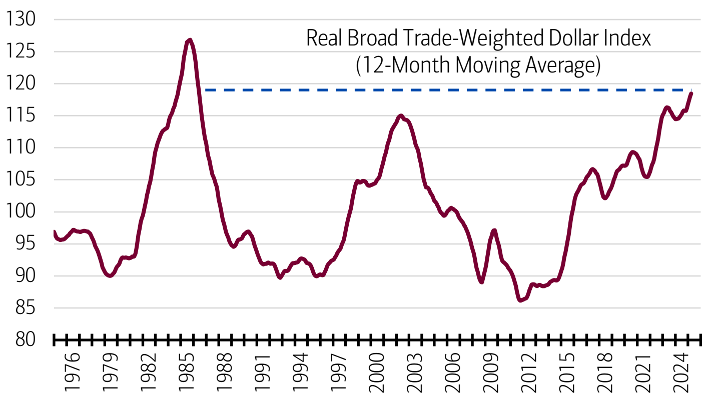


Exhibit 1A) Sources: U.S. Treasury; Bureau of Economic Analysis/Haver Analytics. Data as of April 1, 2025. Exhibit 1B) Source: Federal Reserve Board. Data as of April 1, 2025. Please refer to index definitions at the end of this report.

The economic dynamic since the pandemic has created extremes that are unsustainable, as they are rooted in an unprecedented explosion in U.S. government debt growth outside of wartime. Hence, the first order of business for getting U.S. finances in order is the budget bill working its way through Congress. A major goal of the new administration is to reduce the fiscal deficit to 3% of GDP from the current level over 6% (Exhibit 1A). This would put it back in the range where government debt growth is in line with economic growth.

The budget bill framework recently approved by the House and Senate is aimed at achieving this. It also focuses on shifting growth in the economy back to the private sector rather than relying on a bigger government sector, which has been the main source of job growth in recent years.

To this end it is likely to include about $5 trillion of tax cuts over the 10-year budget horizon. Roughly $3.5 trillion is based on making the 2017 tax cuts permanent rather than letting them expire at the end of this year, and, in addition, another $1.5 trillion of new tax cuts to help lower-income households weather the impact of tariffs, which can be regressive unless offset by tax cuts elsewhere. Exempting tip income, overtime pay, Social Security payments and raising state and local tax (SALT) deductions to help lower income households are among proposals to be debated. Adding the tax cuts up, $5 trillion is about $500 billion per year over the 10-year horizon.

To pay for the tax cuts, the president has proposed tariffs that are estimated to bring in about $500 billion per year depending on how the tariff regime shakes out. It's clear from information provided by policymakers that countries will be tiered into different groups depending on their degree of cooperation. Friendly countries with lower tariffs, similar geopolitical goals, and without a lot of non-tariff barriers will be advantaged for trade with the U.S. Countries that don't cooperate will pay higher rates. In any event, there seems to be a goal of receiving about $500 billion per year in tariff revenue to pay for tax cuts for domestic players. Of course, exporters will try to pass the tariff cost to importers and consumers with varying degrees of success depending on the product but only after they have paid the tariff tax in the first place.

Paying for tax cuts does not reduce the deficit—it just keeps it the same. That's where reducing government spending comes in, and that's where the most heated debate between the House, which wants more spending cuts, and the Senate, which has been less committed to spending cuts, is likely to occur. Cutting government spending by $1 trillion to $1.5 trillion is a tall order. It is unlikely the House can pass a budget without major spending cuts, assuming $1 trillion in spending cuts reduces the budget deficit from the current roughly $2 trillion to about $1 trillion, which, voila is about 3% of GDP, the administration's goal. Congress is on track to do this by Labor Day. The spending cuts may be backloaded to help the economy with some stimulus to weather the initial shock from tariff uncertainty.

A budget deal that helps move the deficit back into a sustainable range is likely to help shore up confidence in the long end of the Treasury market, where volatility has been particularly high recently. After all, one of the main goals of the new administration is reducing long-term interest rates. This is unlikely until inflation and deficit concerns start to subside. On this score, while some surveys of consumers show wildly higher inflation expectations, market-based expectations for longer-term inflation have actually hit new lows recently. Another goal of the administration is lower energy prices, which have already materialized and make it very unlikely overall inflation can take off anytime soon. Higher energy prices are generally part of a higher inflation regime, and that's hardly the case now.

Rebalancing trade is another key goal of policy. While tariffs can help by restoring fairer trade, the dollar's extreme overvaluation is a major impediment. A lower dollar will make U.S. goods more attractive to foreign buyers. Since about 2011, the real broad trade-weighted dollar index has appreciated by a third and reached levels of overvaluation only seen once before since the Bretton Woods system collapsed in the 1970s. Forces including the new tariff regime, budget reforms, interest rate differentials and growth differentials are now moving to reduce the dollar's massive overvaluation. A lower dollar and faster growth abroad while the U.S. "detoxes" from its government spending "sugar high" has made risk assets outside the U.S. relatively more attractive, helping them to reduce their massive valuation gap with U.S. stocks.

At the same time, the destabilizing dynamic that was driving U.S. stocks ever higher as foreign capital flowed into the fiscally induced U.S. boom to take advantage of a rising dollar, soaring equity prices and higher interest rates is now going into reverse. Aside from the dollar's overvaluation extreme, traditional indicators of Equity overvaluation were flashing warnings as the stock market peaked earlier this year.

The Shiller Cyclically Adjusted Price-to-Earnings (CAPE) ratio for the S&P 500, which uses a cyclically adjusted price-to-earnings ratio has hovered between its 1929 high and its all-time high from the 1999-2000 technology bubble over the past year or so. U.S. stocks have been in rarefied valuation territory with disproportionate weight from a handful of highly valued tech stocks.

The major structural shift in U.S. economic policy now underway has short-circuited the rising dollar, bigger deficit policies that were creating these big valuation gaps between U.S. Equities and the rest of the worlds. The new policies are aimed at putting growth on a more sustainable path that will reduce deficits, restore the dollar to fair value and create longer-term growth led by the private sector. In the meantime, asset markets are repricing for the less extreme valuation gaps that have helped international Equities do better in 2025.

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MARKET VIEW

Holding Steady: Some Thoughts About the U.S. Consumer and U.S. Dollar

Joseph P. Quinlan, Managing Director and Head of CIO Market Strategy

Amid the market tumult of April, we are keeping a close eye on two of the most important metrics in the investment universe—the U.S. consumer and the U.S. dollar. The former is the primary driver of demand not only in the U.S. but also the world. The latter is the oxygen of the globe's financial system. The health of both variables matters tremendously to the world economy and global earnings. That said, and fortunately, both variables are holding steady amid the policy-induced uncertainty of the past few weeks. The following charts make that clear.

Exhibit 2A: The encouraging message from the big banks. While U.S. consumer sentiment has rolled over in the past few months, if there is mounting financial stress among U.S. households, it's not evident from the Q1 loan loss provisions of America's largest banks. Collectively, the big four banks[1] set aside $8.4 billion in Q1 against potential future losses from lending. That is up from $7.8 billion in Q4 and $6.5 billion a year ago but relatively on par with average quarterly provisions since 2022. Note that the financial stress of today is nothing compared to five years ago, when the pandemic brought the global economy to a standstill and placed tremendous strain on household finances. Looking forward, the jobs market remains key, notably among lower-income households, whose budgets have been strained by higher prices for many basics like rent, insurance and food. Credit card delinquency rates have backed up among lower-income consumers. But as the latest quarterly loan loss provisions suggest, bank charge-offs have yet to reach levels that would suggest the consumer is unable to meet loan obligations and related hurdles. This will be a key variable to monitor in the months ahead.

Exhibit 2B: Keeping a close eye on the top 10% of households. Since the S&P 500 reached a record high of 6,144 on February 19, some $6.6 trillion in market cap has evaporated. That is in addition to the $5.3 trillion and $2.6 trillion wiped out from the Nasdaq Composite and Dow Jones Industrial Average respectively. Not unexpectedly, fears of a negative wealth effect on consumer spending have risen since the market meltdown has fallen disproportionately on the top 10%.

To wit, the top 10% account for roughly half of U.S. income and spending, 70% of overall wealth, and 80% of U.S. Equity ownership. Against this backdrop, the recent bull market in U.S. Equities, coupled with the sharp appreciation of real estate assets, put high-income spending into overdrive; this is one key reason why economic growth continued to surprise to the upside last year—investors were underestimating the purchasing power of wealthier households. Today, the question is whether this process will go into reverse—that market volatility and negative returns will significantly crimp spending among higher-income households, dragging down economic growth.

We suspect some spending will be deferred or postponed among high-income households, notably among discretionary big-ticket items and expensive experiences. But the pullback will not be dramatic, in our opinion; after all, most investors are still sitting on massive gains from the bull market of 2023 and 2024. In addition, against a national unemployment rate of 4.2%, the jobless rate among college-educated workers remains at a very healthy 2.6%. The top 10% have the wealth and jobs to support continued consumer spending.

Exhibit 2C: The U.S. dollar is still king. Uncertainty and the unpredictable nature of U.S. trade policy have called into question the U.S. dollar's world reserve currency status, and for good reason. The protectionist tone from the administration has foreign investors questioning their future dollar exposure and their appetite for U.S. securities. Who can blame them.

But when it comes to alternatives to the greenback, pickings are slim. At last count, of central bank global holdings, nearly 60% were held in U.S. dollars, according to the International Monetary Fund (IMF), well ahead of the euro (20% percent of holdings) and other currencies. Also supportive of the dollar are America's capital markets, which are among the deepest, widest, most liquid and most innovative in the world. America's military might, favorable demographics relative to other developed nations, and record of flexibility, openness and

Portfolio Considerations

The consumer remains the No. 1 driver of the U.S. economy, accounting for nearly 70% of GDP. A more meaningful growth slowdown would require protracted weakness in the higher-income consumer, which is not our base case. The recent weakening in the U.S. dollar should bode well for company earnings, though flight from U.S. assets warrants watching.

[1] Includes JP Morgan, Wells Fargo, Bank of America, and Citigroup.

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resiliency are other key dynamics backstopping the buck. Add too the near-40,000 foreign affiliates of U.S. multinationals operating in every corner of the world, a global footprint that necessitates massive cross-border dollar-financing every day. Institutional inertia is another factor to consider, as is the related fact that the post-war global economy has prospered greatly under the dollar's reign.

Current dollar weakness should not be construed as the end of King Dollar. Rather, dollar weakness reflects a number of factors, including not just the angst about U.S. tariffs but also the global reset among investors in the face of rising inflation expectations, the outsized federal budget deficit and slowing growth in the U.S. But it's not all bad: Forgotten by many investors, a weaker dollar represents an earnings tailwind for U.S. multinationals.

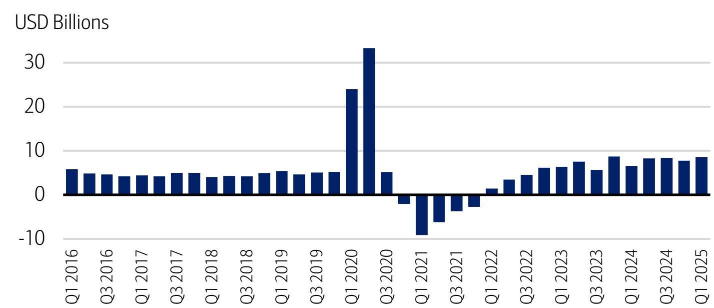
Exhibit 2D: Foreigners remain important investors in U.S. assets. We have always made the case that foreign investors are very important participants in U.S. credit markets. Since 2000, foreign holdings of U.S. securities have jumped roughly 10-fold to over $30 trillion, greasing the wheels of commerce in the U.S. while helping to backfill America's perennial deficits.

Since April 2, foreign investors have been net sellers of U.S. assets, although we believe the selling is more cyclical than structural in nature. Investors have been taking profits in the U.S. and rebalancing toward Europe and Japan, where market returns and economic prospects have improved relative to the U.S.

Long term, however, we believe foreign investors will maintain a healthy appetite for U.S. securities. Not lost on investors is the fact that the U.S. economy remains among the most competitive, innovative and resilient in the world. With just 4.3% of the world's population, U.S. economic output is now running at an annualized rate of $30 trillion, more than one-quarter of total world GDP.[2] Aerospace or agriculture, energy or entertainment, transportation or technology—pick any sector or activity, and there's a good chance the U.S. leads the rest of the world. All of this will continue to fuel demand among foreign investors for U.S. securities of all stripes.

Exhibit 2: For Now, the U.S. Consumer and U.S. Dollar Are Holding Steady.

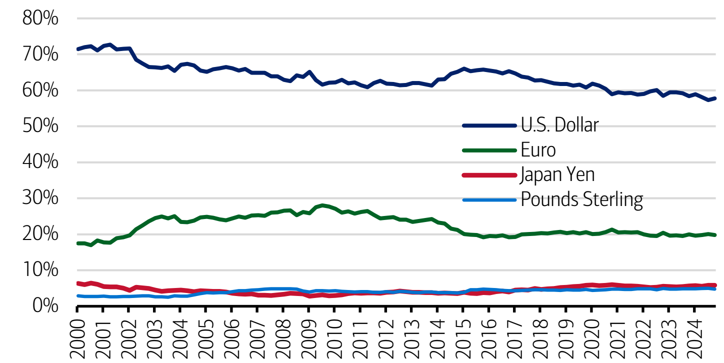
2A) What, Me Worry? Loan-Loss Provisions of Largest U.S. Banks.



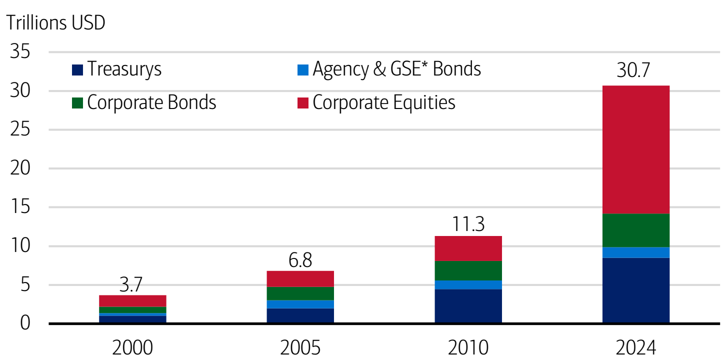
2B) Primacy of the Top 10%: The Top 10% of U.S. Households Account for...

	1990	Today
Income	31%	49%
Spending	39%	50%
Wealth	61%	70%
Equities	80%	80%

2C) King Dollar: Percent of Global Allocated Reserves of Central Banks.



2D) Foreign Ownership of U.S. Securities.



*Government-Sponsored Enterprise. Exhibit 2A) Includes JP Morgan, Wells Fargo, Bank of America, and Citigroup. Source: Bloomberg. Data as of April 15, 2025. Exhibit 2B) Source: Moody's, Tax Foundation, Federal Reserve. Spending share refers to those earning $250,000 or more. Data as of April 2025. Exhibit 2C) Source: International Monetary Fund. Data through Q4 2024, as of March 31, 2025. Exhibit 2D) Source: Federal Reserve Board. 2024 data refers to Q4 2024. Data as of March 13, 2025. It is not possible to invest directly in an index. Please refer to index definitions at the end of this report.

[2] IMF, Bureau of Economic Analysis. Data as of April 2025.

THOUGHT OF THE WEEK

Tariffs Are No Small Matter for Small Businesses

Ariana Chiu, Wealth Management Analyst

When it comes to tariffs, one of the most common misconceptions among investors is this: Versus their multinational counterparts, small companies are less vulnerable to the gut punch of tit-for-tat trade wars. After all, the S&P 500 derives more than 40% of its revenues internationally, versus just 11% for the more domestically levered Russell 2000.[3]

Reality is more complicated. First, small businesses[4] are large importers, accounting for nearly one-third of total U.S. goods imports in 2023.[5] Indeed, truly "domestic" businesses are now few and far between, owing to the powerful forces of globalization. But that's not all: Small businesses are in fact disproportionately dependent on China for its imports—leaving them all the more exposed to the latest brawl between the U.S. and China.

Per Census Bureau data highlighted in Exhibit 3A, the smaller the business, the more dependent on imports from China. In aggregate, businesses with fewer than 500 employees relied on China for 18.3% of its imports in 2023 versus 12.5% among larger companies. And it's not just imports: With China's retaliatory tariffs impacting U.S. exporters, it's worth noting that 34% of U.S. exports to China came from small businesses in 2023.

It's little wonder, then, that the tariff tumult of the past couple of months has led uncertainty among small businesses to near-record highs (Exhibit 3B). The reality is, while smaller businesses may make most of their money at home, their earnings are far from immune to large trade disruptions. Tariffs and attendant retaliation make it increasingly difficult for small businesses to make decisions vis-à-vis capital expenditures plans, inventories and hiring. Considering small businesses employ nearly half of private sector employees in the U.S.,[6] efforts to cut labor costs in the face of rising input prices bear watching. Larger multinationals, meanwhile, are better equipped to preserve margins by shifting supply chains and leveraging productivity-enhancing innovation, for example.

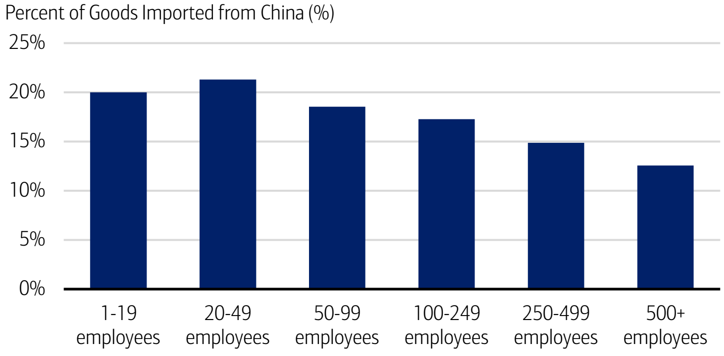
Given all of the above, we continue to favor Large-caps over Small-caps, as larger companies remain better positioned to navigate ongoing trade uncertainty and policy volatility, in our view. Investors should not assume that tariffs are a small matter to small businesses: The truth is quite the opposite.

Investment Implications

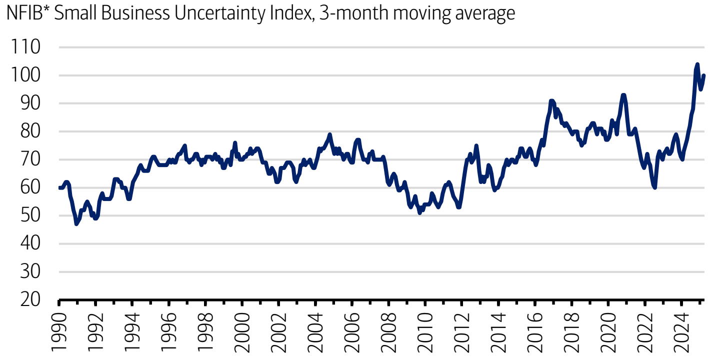
Smaller businesses remain challenged by higher rates and, more recently, are heavily exposed to higher U.S. import tariffs and attendant retaliation. Small-cap earnings revisions have continued lower. As investors position portfolios for this period of ongoing policy uncertainty, we continue to favor Large-caps over Small-caps.

Exhibit 3: Tariffs Loom Over Small Businesses.

3A) The Smaller the Business, the More Dependent on China.



3B) Small Business Uncertainty Nears Record-Highs.



*National Federation of Independent Business. Exhibit 3A) Source: Census Bureau. Data refers to 2023, as of April 2025. Exhibit 3B) Source: NFIB. Data as of April 8, 2025. Please refer to index definitions at the end of this report.

[3] FactSet. Data as of April 14, 2025.
[4] Defined here as companies with fewer than 500 employees.
[5] U.S. Census Bureau as of April 2025.
[6] Pew Research Center, April 2024.

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MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	39,142.23	-2.7	-6.8	-7.6
NASDAQ	16,286.45	-2.6	-5.8	-15.5
S&P 500	5,282.70	-1.5	-5.8	-9.8
S&P 400 Mid Cap	2,744.39	0.8	-5.9	-11.7
Russell 2000	1,880.62	1.1	-6.5	-15.3
MSCI World	3,476.06	0.2	-4.1	-5.9
MSCI EAFE	2,396.20	4.3	0.0	6.8
MSCI Emerging Markets	1,068.59	2.3	-2.8	0.0

Fixed Income†

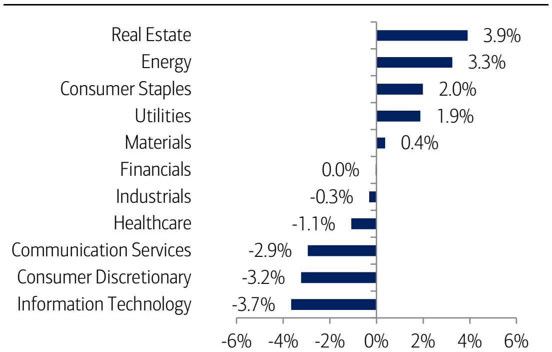
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.56	0.94	-0.75	1.93
Agencies	4.36	0.60	-0.08	2.03
Municipals	4.14	1.12	-1.48	-1.69
U.S. Investment Grade Credit	4.70	0.91	-0.78	1.98
International	5.34	1.22	-1.30	0.98
High Yield	8.19	1.26	-1.17	-0.18
90 Day Yield	4.31	4.31	4.29	4.31
2 Year Yield	3.80	3.96	3.88	4.24
10 Year Yield	4.32	4.49	4.21	4.57
30 Year Yield	4.80	4.87	4.57	4.78

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	251.79	1.5	-3.1	5.5
WTI Crude $/Barrel††	64.68	5.2	-9.5	-9.8
Gold Spot $/Ounce††	3326.85	2.8	6.5	26.8

		Total Return in USD (%)		
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.14	1.14	1.08	1.04
USD/JPY	142.18	143.54	149.96	157.20
USD/CNH	7.31	7.29	7.27	7.34

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 4/14/2025 to 4/17/2025. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 4/17/2025 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 4/17/2025)

	Q4 2024A	2024A	Q1 2025E	Q2 2025E	Q3 2025E	Q4 2025E	2025E
Real global GDP (% y/y annualized)	-	3.2	-	-	-	-	2.8
Real U.S. GDP (% q/q annualized)	2.4	2.8	0.8	0.9	0.6	1.6	1.5
CPI inflation (% y/y)	2.7	3.0	2.7*	2.7*	3.1*	2.8*	2.9
Core CPI inflation (% y/y)	3.3	3.4	3.1*	3.0*	3.3*	3.2*	3.2
Unemployment rate (%)	4.2	4.0	4.1	4.2	4.3	4.5	4.2
Fed funds rate, end period (%)	4.38	4.38	4.38	4.38	4.38	4.38	4.38

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**

A = Actual. E/* = Estimate. *As of April 11, 2025.

Sources: BofA Global Research; GWIM ISC as of April 17, 2025.

Asset Class Weightings (as of 4/1/2025)

	CIO View				
Asset Class	Underweight		Neutral	Overweight	
Global Equities				●	
U.S. Large-cap Growth				●	
U.S. Large-cap Value				●	
U.S. Small-cap Growth				●	
U.S. Small-cap Value				●	
International Developed			●		
Emerging Markets			●		
Global Fixed Income		●			
U.S. Governments		●			
U.S. Mortgages		●			
U.S. Corporates		●			
International Fixed Income			●		
High Yield			●		
U.S. Investment-grade Tax Exempt		●			
U.S. High Yield Tax Exempt		●			
Cash					

CIO Equity Sector Views

	CIO View				
Sector	Underweight		Neutral	Overweight	
Financials				●	
Consumer Discretionary				●	
Utilities				●	
Information Technology			●		
Communication Services			●		
Healthcare			●		
Industrials			●		
Real Estate			●		
Energy		●			
Materials		●			
Consumer Staples		●			

CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio.

Source: Chief Investment Office as of April 1, 2025. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

S&P 500 Index is a market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Real broad trade-weighted dollar index compares the value of the dollar against the currencies of countries with which each of the 50 U.S. states trades.

Nasdaq Composite Index is a broad-based market index that includes more than 3700 stocks listed on the Nasdaq stock exchange.

Dow Jones Industrial Average Index is a stock market index of 30 prominent companies listed on stock exchanges in the United States.

National Federation of Independent Business Small Business Uncertainty Index measures the sentiment of small businesses regarding their prospects for future sales, hiring, financing, capital expenditures, and the overall economy.

Treasury/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.

Corporate Bond/Bloomberg U.S. Corporate Bond Index is a broad benchmark that measures the performance of the investment-grade, fixed-rate, taxable corporate bond market in the United States.

Agency & GSE Bonds/Bloomberg US Aggregate Bond Index is a broad-based benchmark that includes agency bonds and Government Sponsored Enterprises (GSE) bonds, alongside other investment-grade U.S. dollar-denominated fixed-rate taxable securities.

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