

THE
SEDORIC GROUP
of Steward Partners

2024

A N N U A L O U T L O O K

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Looking Back

- Inflation is back in alignment with historical trend
- Interest rates are within the range of historical norms
- Narrow rally through the first ten months of 2023, followed by broad recovery to close out the year
- Magnificent Seven - wow
- Bond market recovery
- Strong economy (the recession that never materialized)

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Looking Ahead

- Equities:
 - US equity markets – areas remain expensive, but the outlook has improved
 - Dividend payors appear cheap
 - Foreign equity markets
 - Valuations + yield
- Bond Markets:
 - The bond market is back and generating attractive income
 - Important context around higher interest rates
 - Taxable vs. tax-exempt bonds depend on one's tax bracket

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Key Themes

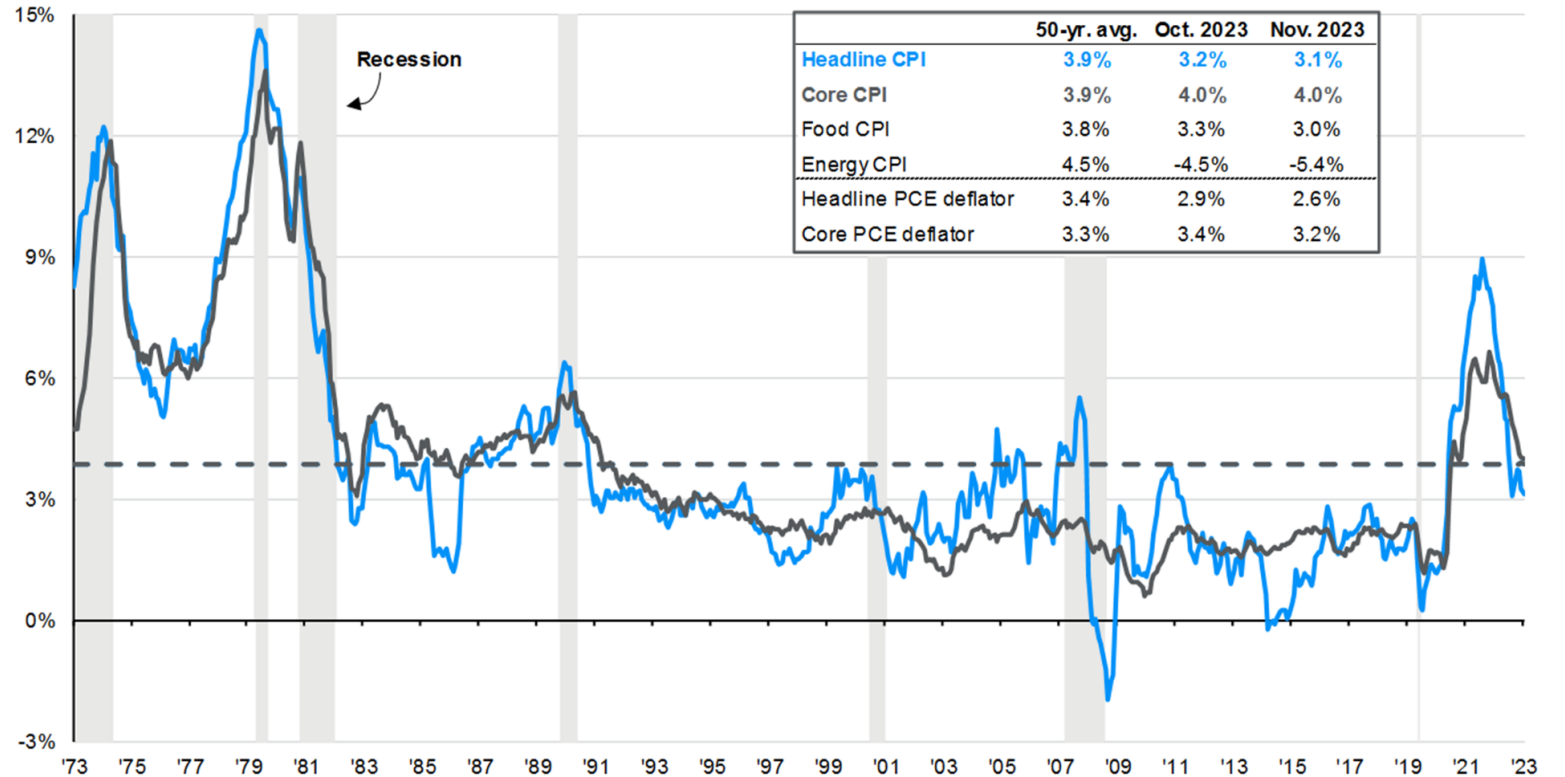
- Don't chase returns
 - Great companies don't always translate into great returns
 - Investors know better than to chase returns, but have a history of doing it anyways
- Geopolitical risks are normal
- Volatility during election years – it's normal
- Long-term returns have been similar whether a democrat or a republican won

LOOKING BACK

INFLATION: FROM 9% (SUMMER 2022) TO 3.1% (DEC 2023) AND BACK IN ALIGNMENT WITH ITS HISTORICAL AVERAGE

CPI and core CPI

% change vs. prior year, seasonally adjusted

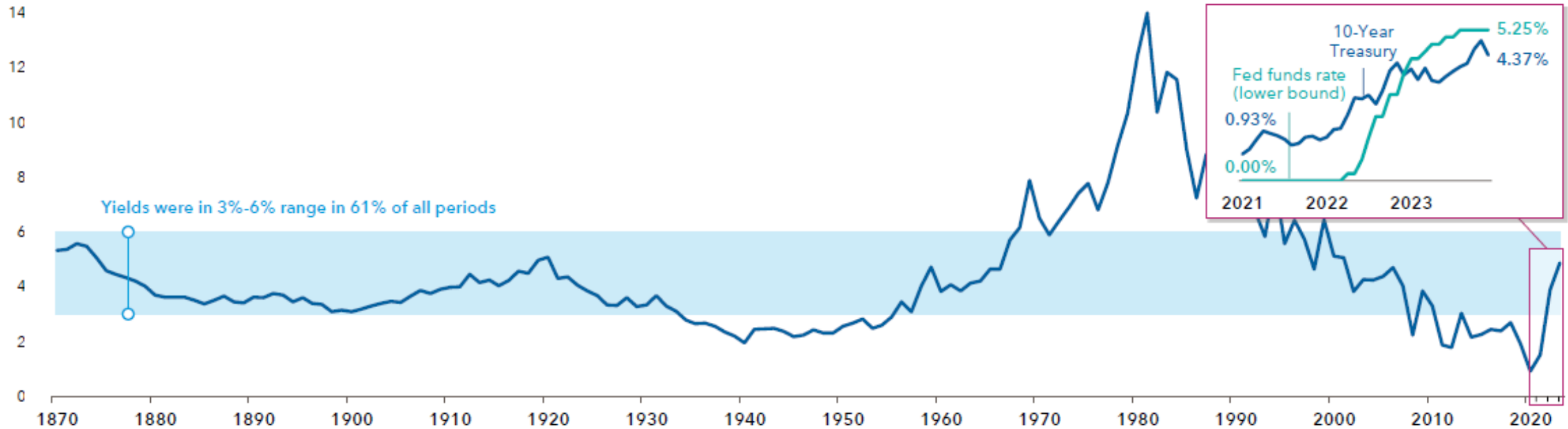


Source: BLS, FactSet, J.P. Morgan Asset Management. CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations. Guide to the Markets – U.S. Data are as of December 31, 2023.

RATES ARE BACK WITHIN THEIR NORMAL RANGE, FINALLY

U.S. long-term rates today are within the range of historical norms

U.S. long-term government bond yield (%)

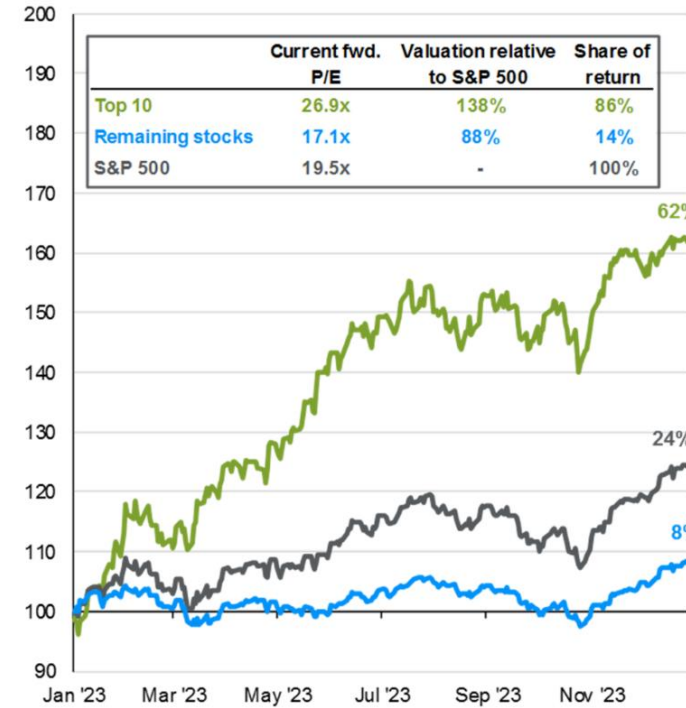


Capital Group, Bloomberg Index Services Ltd., Standard & Poor's, U.S. Federal Reserve. Returns shown from December 31, 1976 to November 30, 2023.

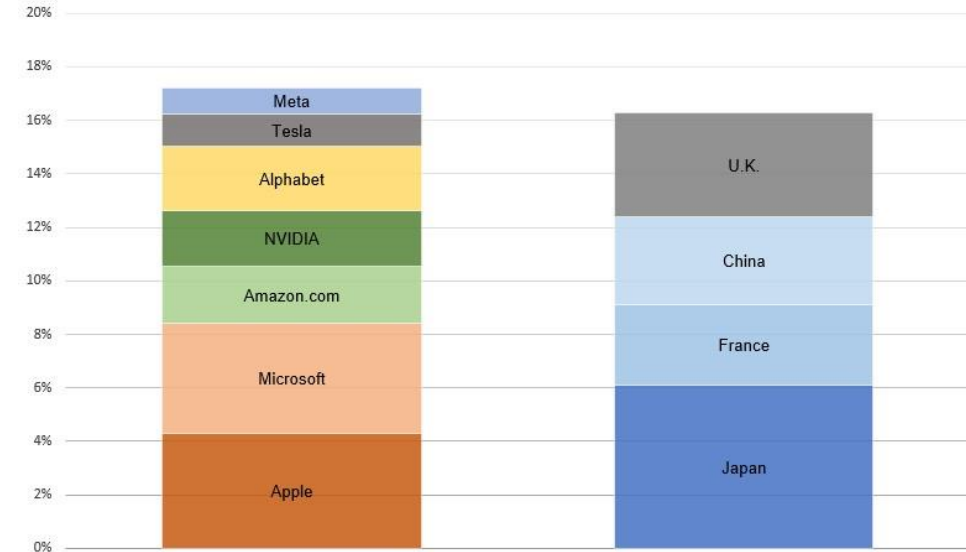
Sources: Federal Reserve, Robert Shiller. Data for 1871-1961 represents average monthly U.S. long-term government bond yields compiled by Robert Shiller. Data for 1962-2022 represents 10-year Treasury yields, as of December 31 each year within the period. Data for 2023 is as of November 30, 2023. Past results are not predictive of results in future periods. Capital Group Outlook 2024

THE INFLUENCE OF BIG TECH STOCKS IS MASSIVE

Performance of the top 10 stocks in the S&P 500
Indexed to 100 on 1/1/2023, price return, top 10 held constant



Weighting in the MSCI All Country World Index



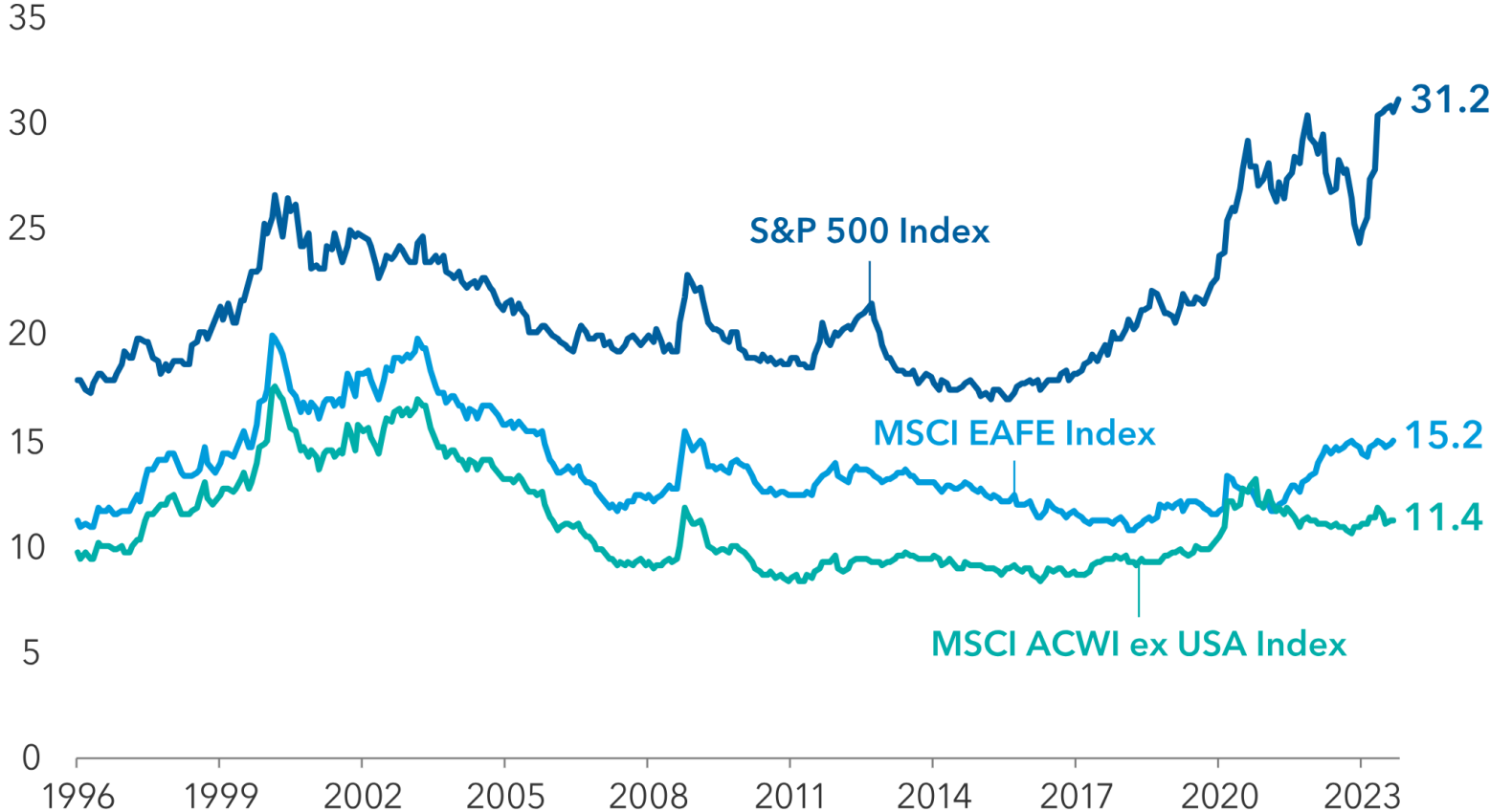
Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

(Left) The top 10 companies used for this analysis are held constant and represent the S&P 500's 10 largest index constituents at the start of 2023. The top 10 stocks are: AAPL, MSFT, AMZN, NVDA, GOOGL, BRK.B, GOOG, META, XOM, UNH, and TSLA. The remaining stocks represent the rest of the 494 companies in the S&P 500. Guide to the Markets – U.S. Data are as of December 31, 2023.

The combined weighting of the Magnificent Seven is larger than that of all of the stocks from Japan, France, China and the U.K.

The S&P 500 is top-heavy relative to history and international markets

Percent of market cap in top 10 companies



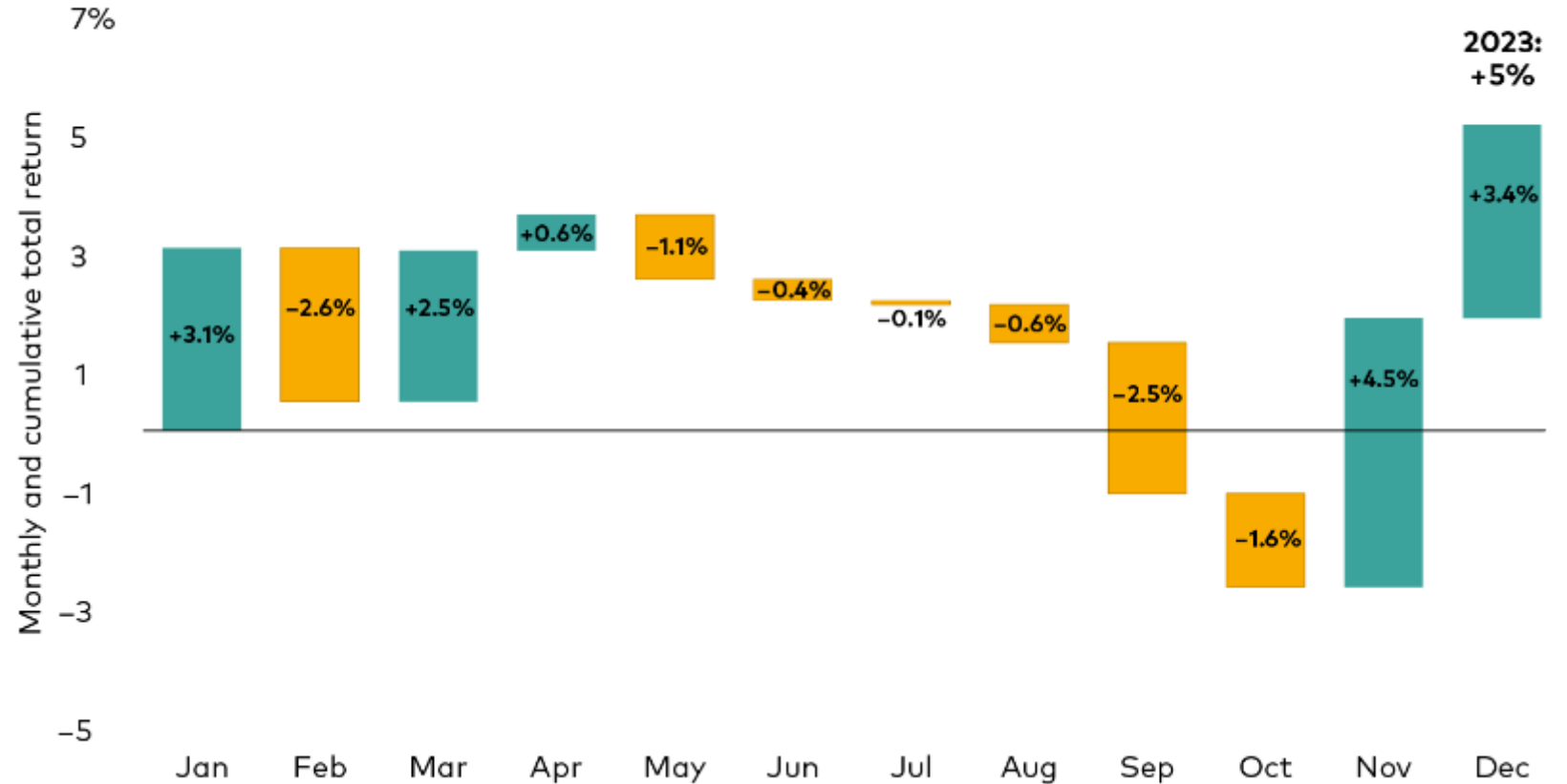
Sources: Capital Group, Morningstar. Data as of October 31, 2023.

<https://www.capitalgroup.com/advisor/insights/articles/2024-stock-market-outlook.html>

**U.S. AND BIG TECH
HAVE BEEN
SYNONYMOUS THE
PAST 5-6 YEARS**

SNAPBACK RALLY
LATE IN 2023
HELPED THE BOND
MARKET AVOID
WHAT WOULD HAVE
BEEN A HISTORICAL,
THIRD NEGATIVE
YEAR IN A ROW

b) Cumulative 2023 return for bonds by month

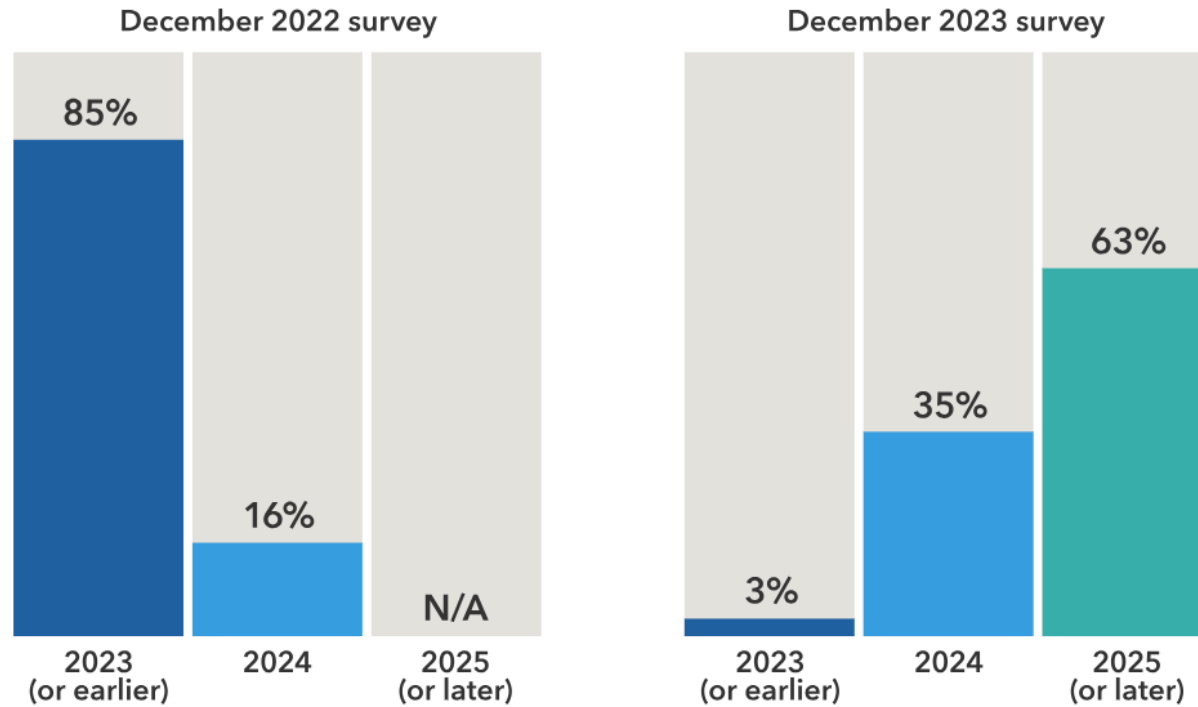


<https://advisors.vanguard.com/insights/article/from-downturn-to-upswing-strong-fourth-quarter-returns-in-stocks-and-bonds>

Notes: Figure 1b show the cumulative performance, by month, from January 1st through December 21, 2023. Sources: Investment Advisory Research Center analysis using data from Morningstar, Inc. Figure 1a, stocks: CRSP US Total Market Index. Figure 1b, bonds: Bloomberg U.S. Aggregate Bond Index. Past performance is no guarantee of future results. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Recession expectations declined rapidly from 2023 to 2024

Expected starting year of next recession (percent of surveyed economists)



Sources: Capital Group, Financial Times, University of Chicago. Figures for December 2022 and December 2023 are based on survey results from 44 respondents and 39 respondents, respectively. The December 2022 survey did not include a specific option for 2025 as a potential start date for the next recession. Figures may not add up to 100 due to rounding. Latest data available as of December 27, 2023.

<https://www.capitalgroup.com/advisor/insights/articles/us-avoided-recession-2023-what-comes-next.html>

When everyone believes in the same outcome, rarely does it play out as expected

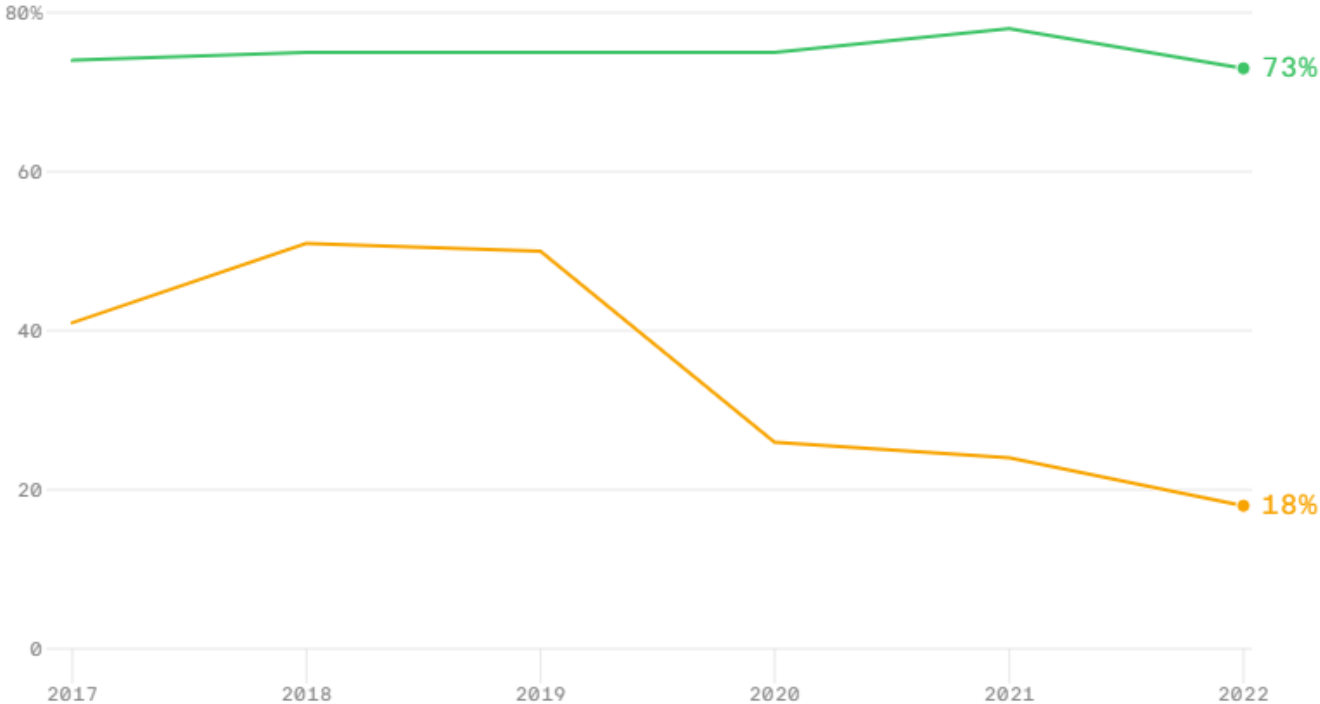
**2023 WAS THE
RECESSION THAT NEVER
MATERIALIZED, LEADING
TO A MIXED BAG OF
PROJECTIONS WHEN IT
COMES TO 2024.**

HMM...THERE APPEARS TO BE A SIGNIFICANT DIFFERENCE BETWEEN HOW PEOPLE FEEL ABOUT THEIR OWN SITUATION VS. THE ECONOMY

Proportion of Americans who feel good about...

Survey of U.S. adults taken annually, 2017-2022

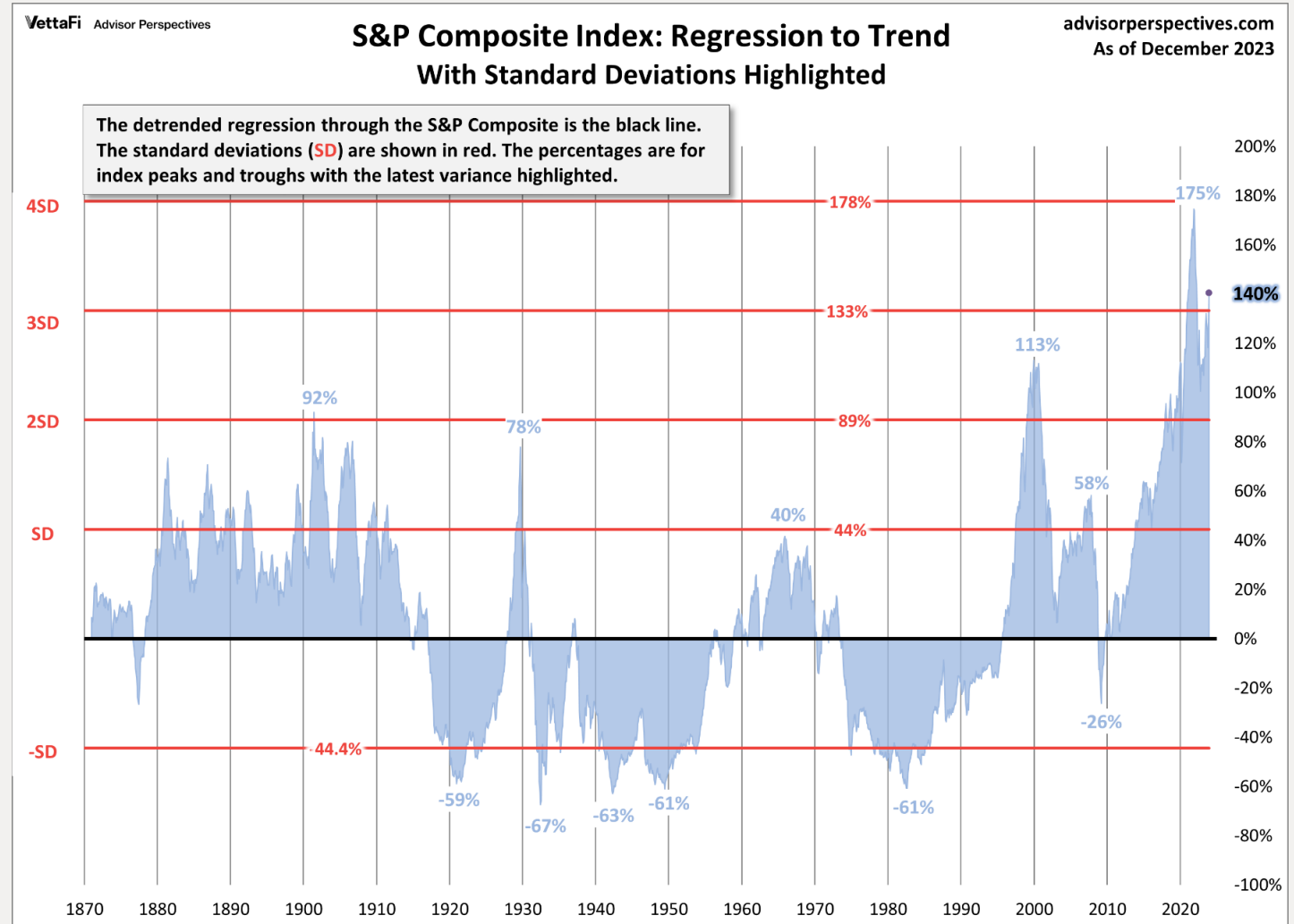
— their own finances — the national economy



Data: Federal Reserve Survey of Household Economics and Decisionmaking; Chart: Axios Visuals

LOOKING AHEAD: EQUITIES

THE RECOVERY IN EQUITIES HAS PUSHED THE S&P 500 BACK INTO UNUSUALLY HIGH TERRITORY

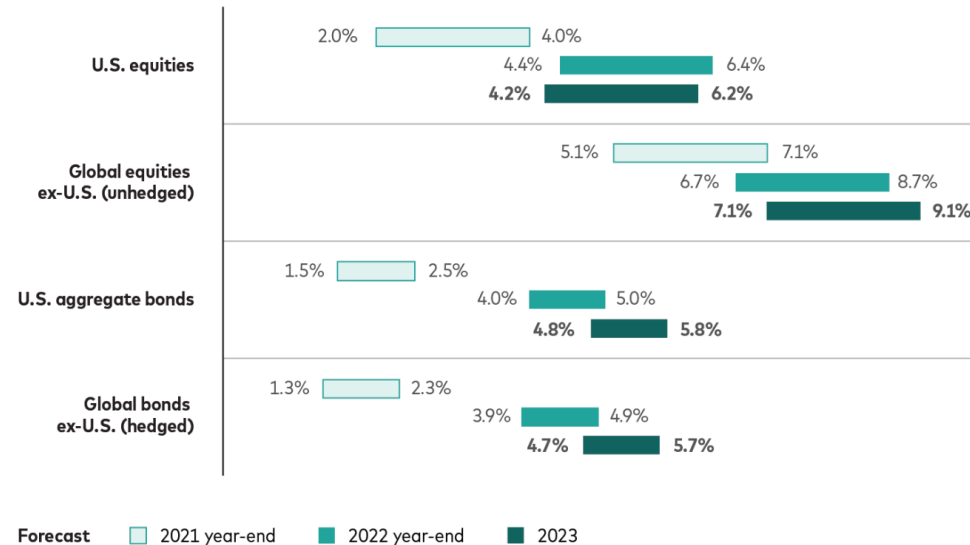


BUT THE OUTLOOK FOR EQUITIES, U.S. AND NON-U.S. HAS IMPROVED DRAMATICALLY FROM WHERE WE WERE ONLY TWO YEARS AGO

Global equity and fixed income outlook

Our 10-year annualized return forecasts for both equities and fixed income are significantly higher than at year-end 2021, before central banks broadly began raising interest rates to combat inflation.

10-year projected returns



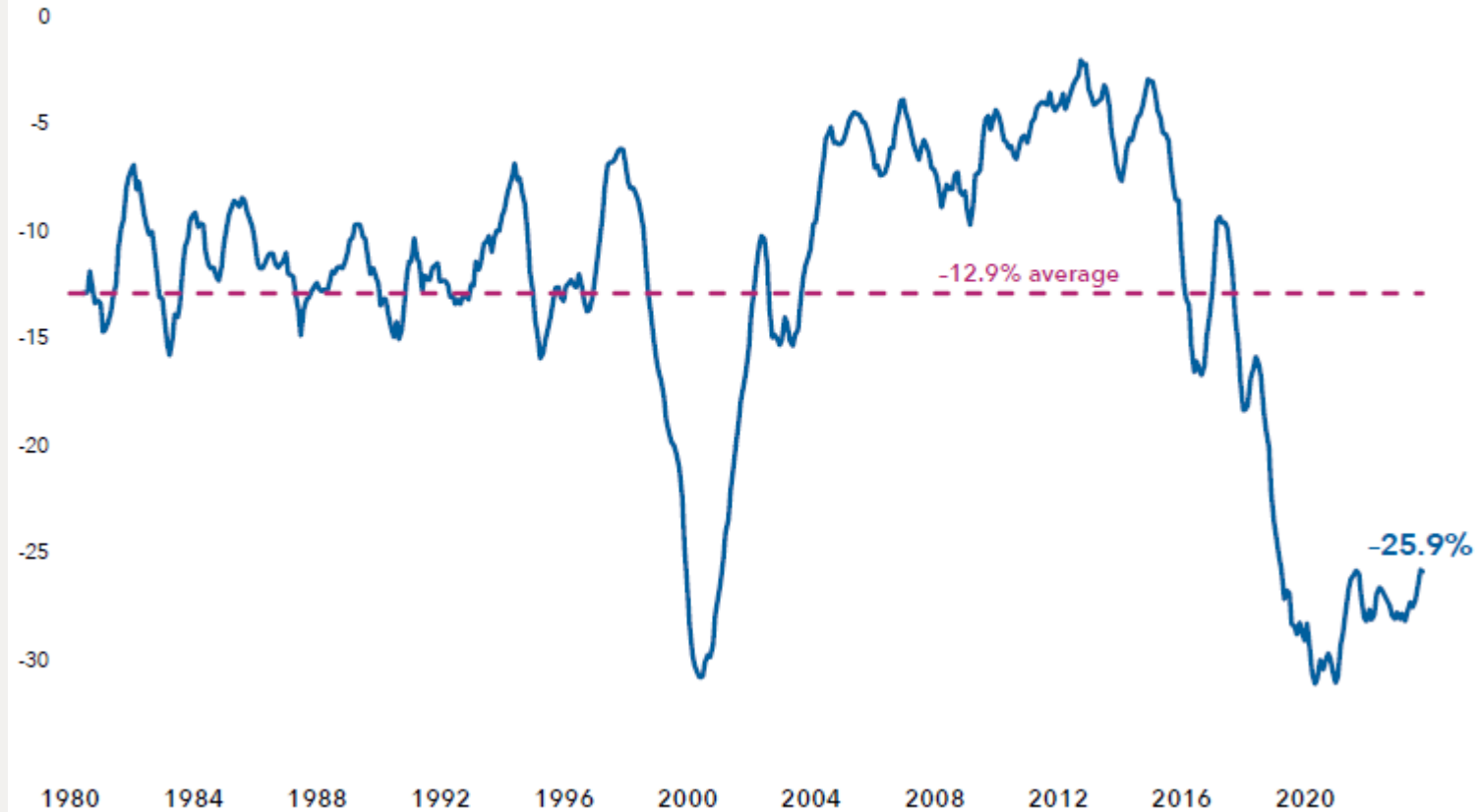
IMPORTANT: The projections and other information generated by the Vanguard Capital Markets Model regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from the VCMM are derived from 10,000 simulations for each modeled asset class. Simulations are as of December 31, 2021; December 31, 2022; and September 30, 2023. Results from the model may vary with each use and over time. For more information, please see the Notes section.

Note: Figures are based on a 2-point range around the 50th percentile of the distribution of return outcomes for equities and a 1-point range around the 50th percentile for fixed income.

Source: Vanguard.

Valuations for high dividend payers are far below the market average

P/E of high dividend stocks vs. S&P 500 Index (%)



BIG TECH STOLE THE SHOW LEAVING HIGH DIVIDEND PAYERS TRADING WELL BELOW THEIR HISTORICAL TREND LINE

Sources: Capital Group, Goldman Sachs. As of November 28, 2023. High dividend stocks refer to the cohort of stocks in the S&P 500 Index with the highest quintile dividend yield (sector-neutral) within the index. Line represents smoothed six-month average.

P/E ratio = price-to-earnings ratio. Past results are not predictive of results in future periods. Outlook 2024

INTERNATIONAL VALUATIONS CONTINUE TO SHOW DEEP DISCOUNTS COMBINED WITH MUCH HIGHER DIVIDEND YIELDS WHEN COMPARED TO THE U.S.

International valuations and dividend yields

International: Price-to-earnings discount vs. U.S.

MSCI All Country World ex-U.S. vs. S&P 500, next 12 months



International: Difference in dividend yields vs. U.S.

MSCI All Country World ex-U.S. minus S&P 500, next 12 months



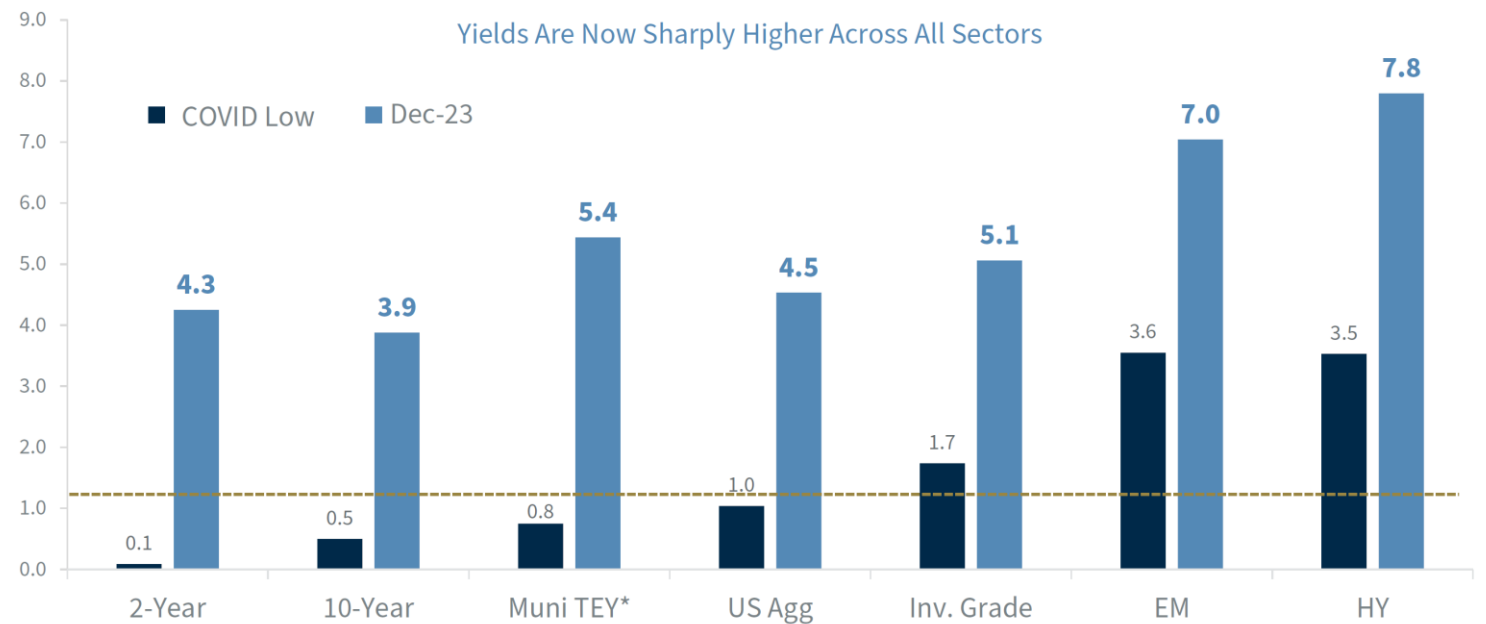
Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
Guide to the Markets - U.S. Data are as of December 31, 2023.

LOOKING AHEAD: BOND MARKETS

THE BOND MARKET IS BACK

YIELD RESET HAS RESHAPED THE MARKET

THE BOND MARKET HAS HAD A COMPLETE MAKEOVER



Source: FactSet, Data as of 12/31/2023.

* Tax Equivalent Yield using top rate of 40.8%

Source: Raymond James

Interest Rate (%)	Amount to Save for \$50,000 Income	Years to Double Money
0.5	\$10,000,000	144
1	\$5,000,000	72
1.5	\$3,333,333	48
2	\$2,500,000	36
2.5	\$2,000,000	28.8
3	\$1,666,667	24
3.5	\$1,428,571	20.6
4	\$1,250,000	18
4.5	\$1,111,111	16
5	\$1,000,000	14.4
5.5	\$909,091	13.1
6	\$833,333	12
6.5	\$769,231	11.1
7	\$714,286	10.3
7.5	\$666,667	9.6
8	\$625,000	9
8.5	\$588,235	8.5
9	\$555,556	8
9.5	\$526,316	7.6
10	\$500,000	7.2

IMPORTANT CONTEXT TO REPRESENT THE MAGNITUDE OF HOW RISING RATES IMPACT PROJECTED INCOME STREAMS AND SAVINGS/CONSUMPTION

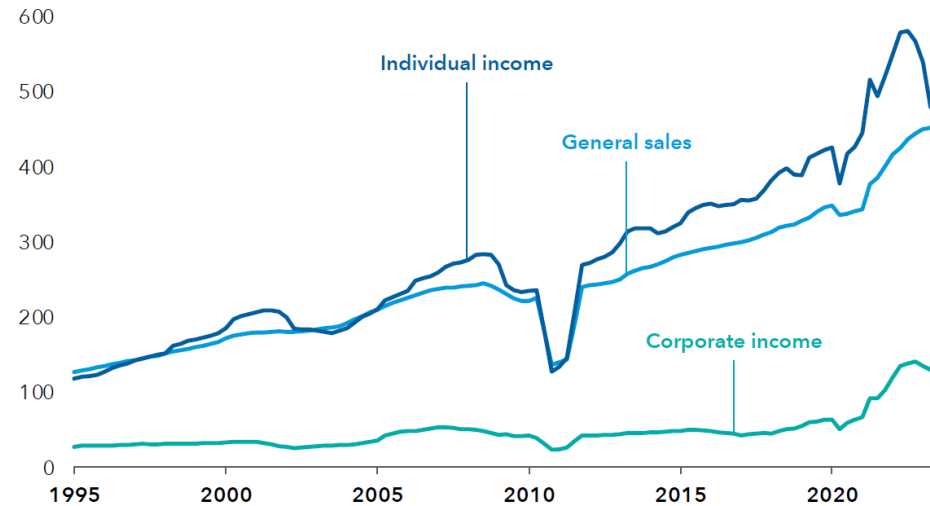
The low rate environment from 2011 through 2022 meant that people would have had to save/accumulate dramatically more to achieve a meaningful income stream (in yellow). Now, with higher rates (cells in green) lower balances amount to higher income streams. Think about the ripple effect this has on everything from retirees to insurance providers and pensions.

TAXABLE VS. TAX-EXEMPT – DEPENDS ON YOUR EFFECTIVE TAX RATE

Municipal bond fundamentals appear solid in an uncertain environment

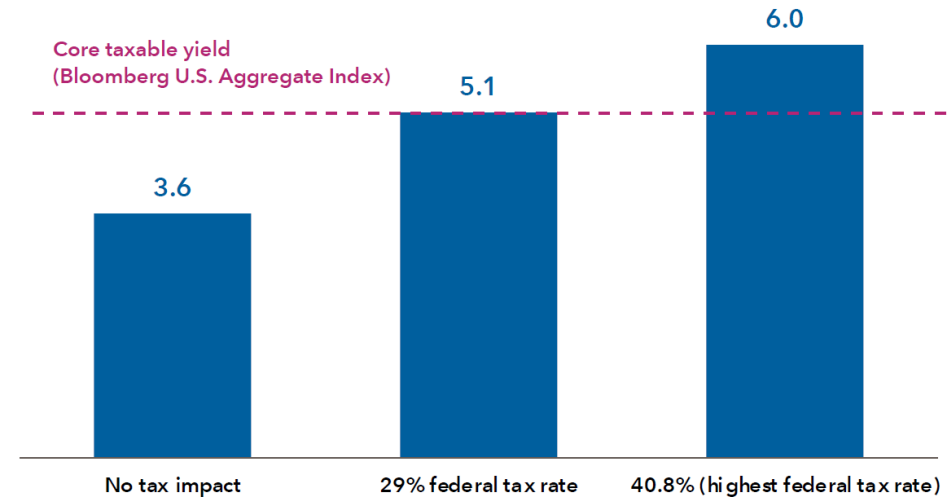
Munis can benefit from historically strong state tax revenues

Tax collection, rolling four quarters (\$B)



Muni income could surpass taxable bonds

Bloomberg Municipal Bond Index – Tax-equivalent yield (%)

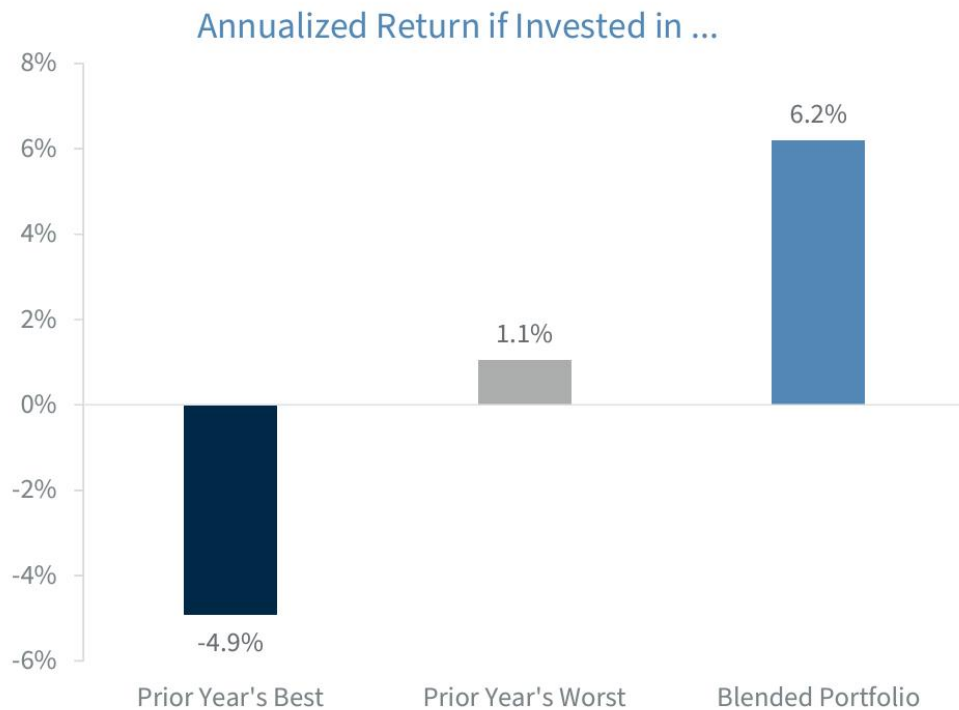


Sources (left chart): Capital Group, Bloomberg, U.S. Census Bureau. Data as of September 30, 2023. Sources (right chart): Capital Group, Bloomberg Index Services Ltd. As of November 30, 2023. The after-tax (or tax-equivalent) yield of a municipal bond investment is the yield a taxable bond would have to offer to equal the same amount as the tax-exempt bond. Highest tax rate assumes the 3.8% Medicare tax and the top federal marginal tax rate for 2023 of 37%, for a total federal tax rate of 40.8%.

KEY THEMES

IMPORTANT CONTEXT TO HELP SOME PEOPLE OVERRIDE EMOTIONAL INCLINATIONS:
DON'T CHASE RETURNS!

RARE FOR TOP ASSET CLASS TO REPEAT



18 Years Later a \$100,000 Portfolio
Would Be Worth



\$296,572

Invested in Blended Portfolio

\$121,001

Invested in Prior Year's Worst

\$40,156

Invested in Prior Year's Best

Source: FactSet, data range 2006-2023. US Equities (S&P 500), Non-US Equities (MSCI World Ex. US), Fixed Income (Bloomberg US Aggregate), Cash (Bloomberg US T-Bill (1-3 months)), Real Estate (FTSE NAREIT US), Commodities (Bloomberg Commodity Index), Blended Portfolio (45% US Equities / 15% Non-US Equities / 40% Fixed Income)

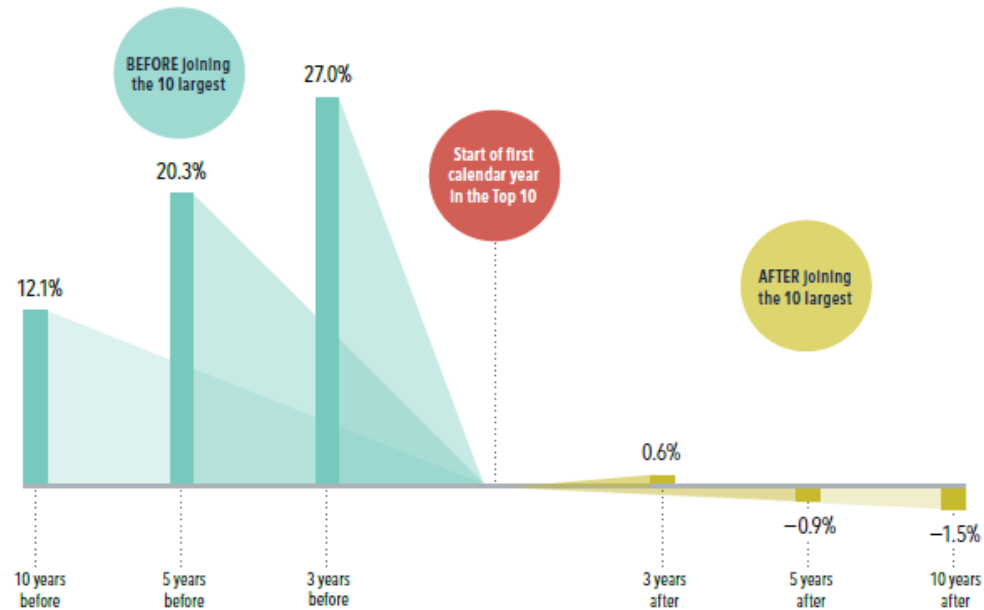
GREAT COMPANIES DON'T ALWAYS EQUATE TO GREAT INVESTMENTS

DIMENSIONAL QUICK TAKE



Think Twice about Chasing the Biggest Stocks

AVERAGE ANNUALIZED OUTPERFORMANCE OF COMPANIES BEFORE AND AFTER
THE FIRST YEAR THEY BECAME ONE OF THE 10 LARGEST IN THE US
Compared to Fama/French Total US Market Research Index, 1927–2022



As companies grow to become some of the largest on the US stock market, their returns can be impressive. But not long after joining the Top 10 largest by market cap, these stocks, on average, have lagged behind the market.

- From 1927 to 2022, the average annualized return for these stocks over the three years prior to joining the Top 10 was more than 25% higher than the market.
- Five years after joining the Top 10, these stocks were, on average, underperforming the market—a stark turnaround from before. The gap was even wider 10 years out.

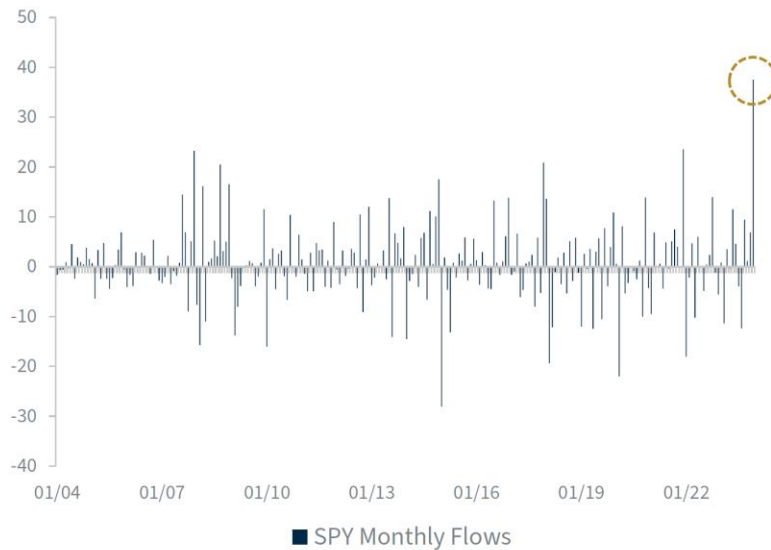
Expectations about a firm's prospects are reflected in its current stock price. Positive news might push prices higher, but those changes are not predictable.

PEOPLE KNOW TO NOT CHASE RETURNS, BUT INFLOWS SUGGEST PEOPLE CAN'T HELP THEMSELVES

NOT ALL WINNERS STAY WINNERS

CHASING THE WINNERS IS NOT A SUSTAINABLE INVESTMENT STRATEGY

Record Month of S&P 500 Inflows to End the Year



Source: FactSet, Data as of 12/31/2023. Monthly flows are in Millions.

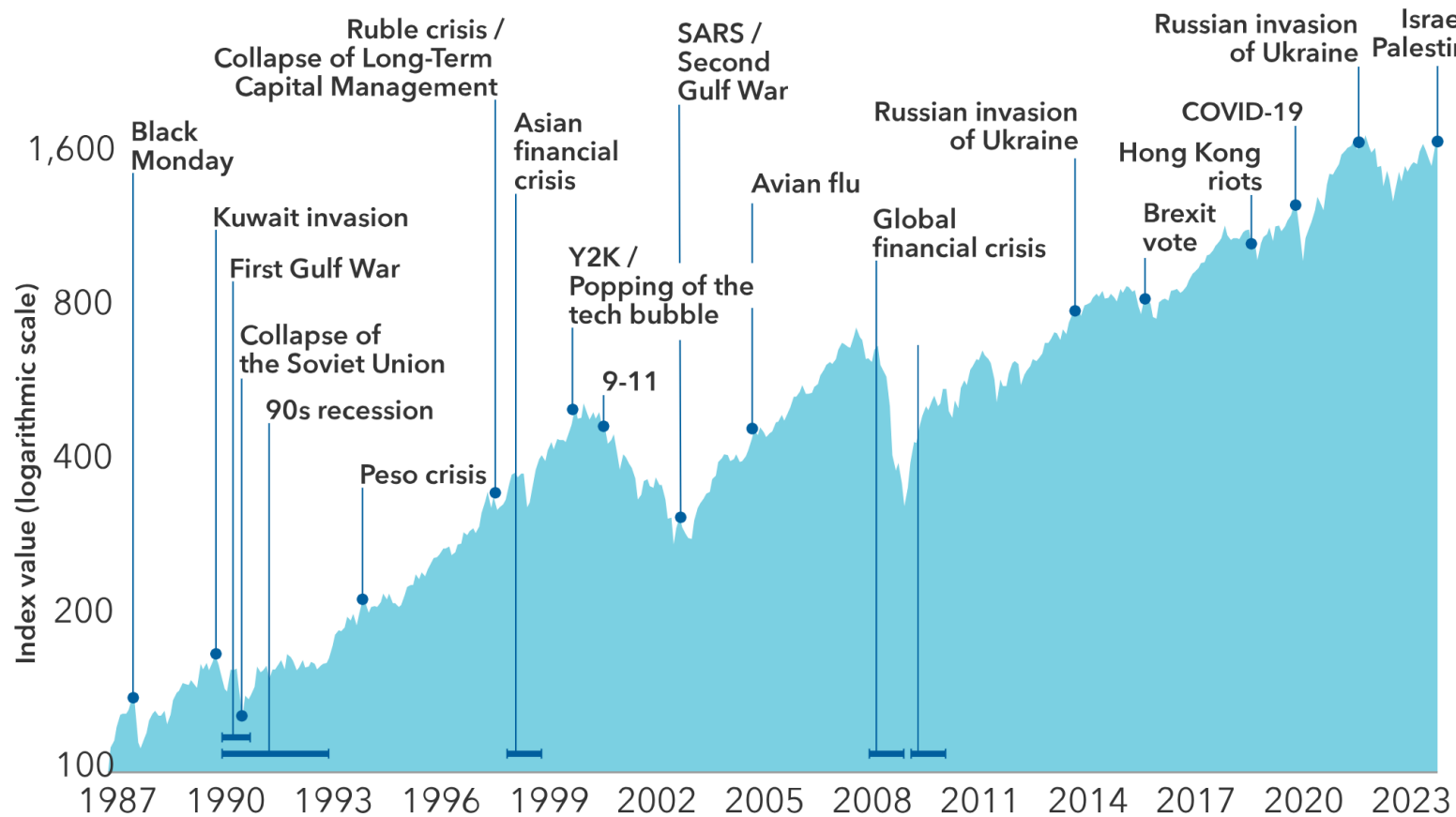
Source: Raymond James

Following the Flows Is Not Always a Positive Strategy

Month	SPY Monthly Inflow	Following 3 Month Return	Following 6 Month Return	Following 12 Month Return
23-Dec	37.5	?	?	?
21-Dec	23.6	-5%	-20%	-18%
07-Dec	23.3	-9%	-12%	-37%
17-Dec	20.9	-1%	3%	-5%
08-Sep	20.5	-22%	-30%	-7%
14-Dec	17.6	1%	1%	1%
08-Dec	16.5	-11%	3%	26%
08-Mar	16.2	-3%	-11%	-38%
07-Aug	14.5	1%	-8%	-11%
22-Oct	13.9	6%	9%	10%
20-Nov	13.9	6%	17%	28%
16-Dec	13.9	6%	9%	22%
13-Jul	13.8	5%	7%	17%
18-Jan	13.6	-6%	1%	-2%
16-Jul	13.3	-2%	6%	16%
12-Dec	12.1	11%	14%	32%
09-Dec	11.6	5%	-7%	15%
23-May	11.5	8%	10%	
14-Sep	11.2	5%	6%	-1%
19-Dec	10.8	-19%	-3%	18%
12-Sep	10.5	0%	10%	19%
Top 10 Average		-4%	-5%	-5%
Top 20 Average		-1%	0%	5%

December inflows were “off the charts” and historically, short-term returns tend to be below average

MSCI All Country World Index



**MARKET
DISTURBANCES
AND GEOPOLITICAL
RISKS ARE MORE
FREQUENT THAN
MANY REALIZE**

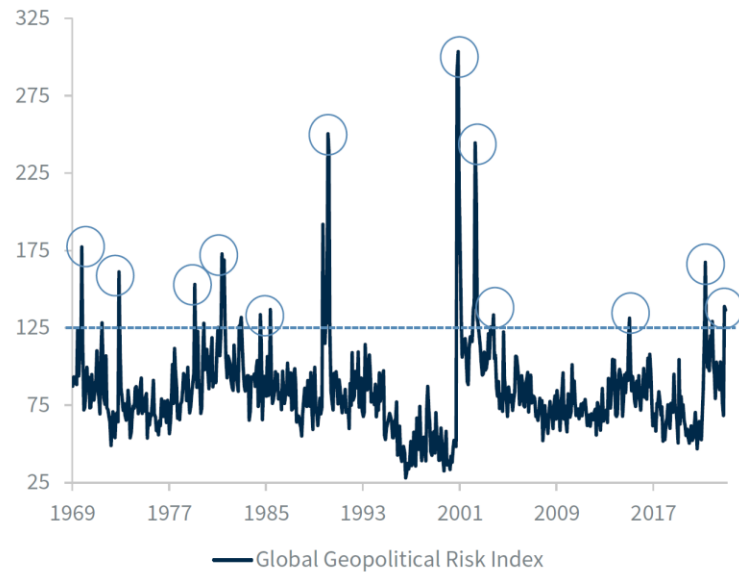
Sources: MSCI, RIMES. As of December 31, 2023. Data is indexed to 100 on January 1, 1987, based on the MSCI All Country World Index from January 1, 1987, through December 31, 1987, the MSCI World Index with gross returns from January 1, 1988, through December 31, 2000, and the MSCI ACWI with net returns thereafter. Shown on a logarithmic scale. Past results are not predictive of results in future periods.

YES, ELECTION YEARS TEND TO BE MORE VOLATILE, BUT IT'S NORMAL

TURNING UP THE HEAT ON VOLATILITY IN 2024

REASONS FOR INCREASED VOLATILITY IN 2024

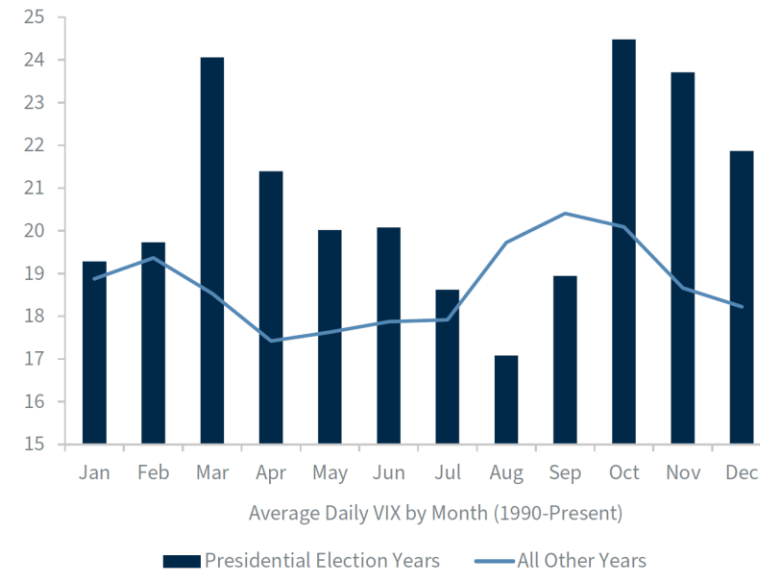
Geopolitical Risk Elevated from Historical Standpoint



Source: FactSet, Data as of 12/31/2023.

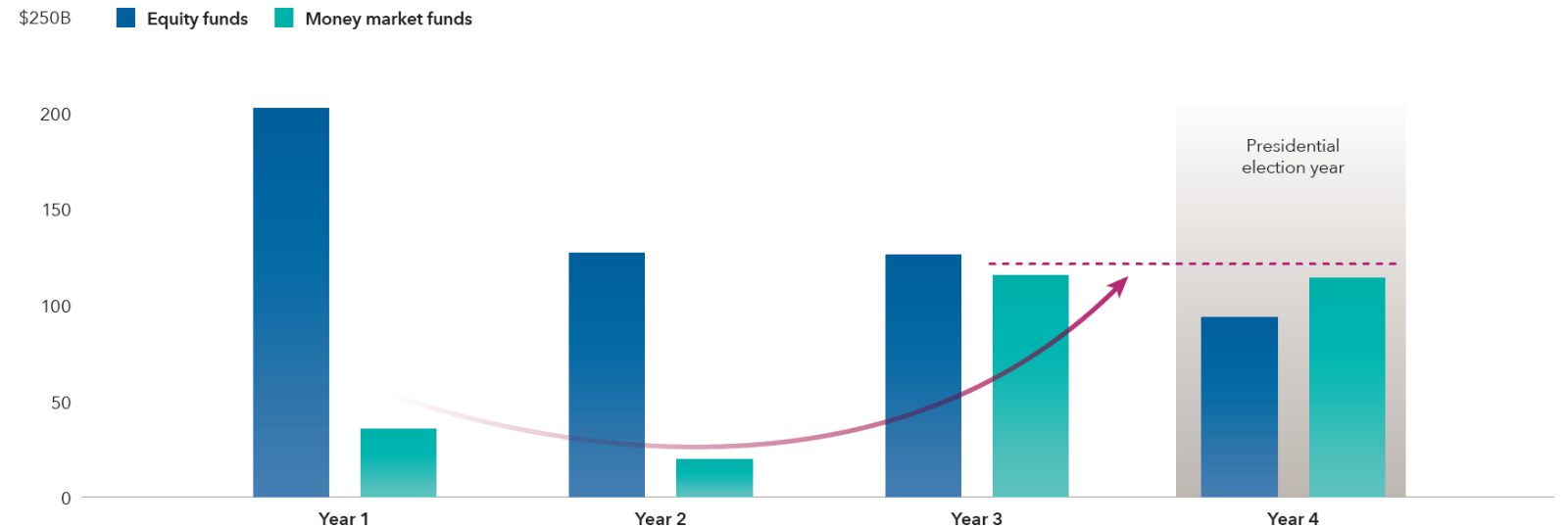
Source: Raymond James

Equity Volatility Increases in Presidential Election Year



DON'T LET THE NEAR-TERM NOISE IMPACT LONG-TERM GOALS

Average net fund flows by year of presidential term (1992-2022)

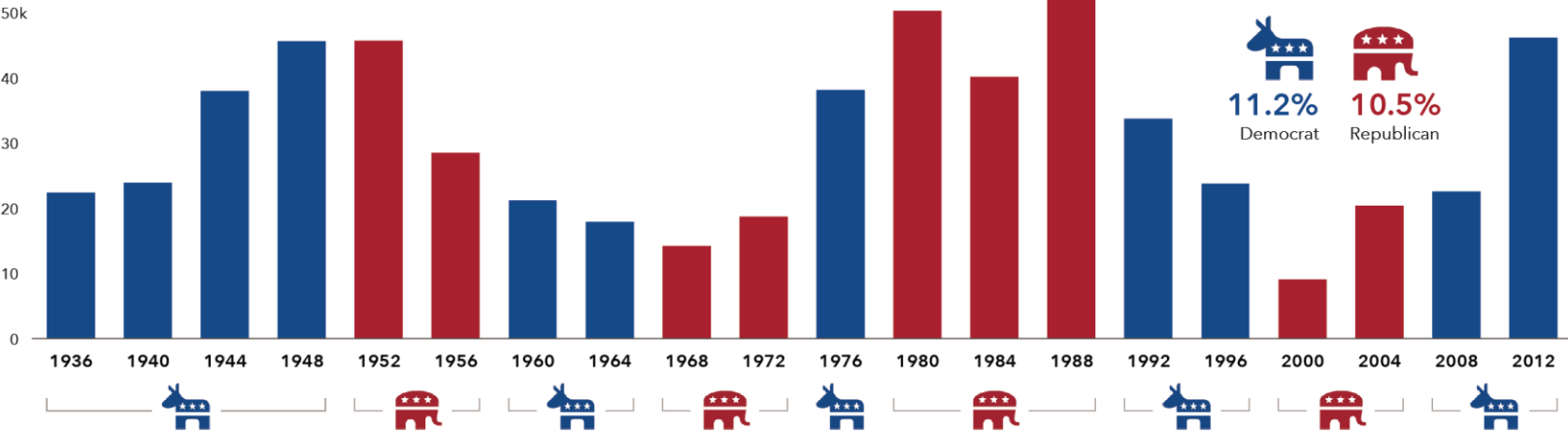


SOURCE: Morningstar. Values based on USD. Funds include mutual funds and ETFs. Equity funds include funds within Morningstar's International Equity and U.S. Equity categories. Money market funds include funds within Morningstar's Money Market category.

Source: Capital Group Guide to Investing in an Election Year

Red, blue and you: Investing through election uncertainty

Long-term returns have been similar whether a Democrat or Republican won
10-year growth of hypothetical \$10k investment made in the S&P 500 Index at start of election year (USD)



Sources: Capital Group, Standard & Poor's. Each 10-year period begins on January 1 of the first year shown and ends on December 31 of the tenth year. For example, the first period listed (1936) covers January 1, 1936 to December 31, 1945. Figures shown are past results and are not predictive of results in future periods. 2024 Outlook

CAPITALISM HAS A
LONG HISTORY OF
PREVAILING NO
MATTER THE OUTCOME
OF ELECTIONS



Tom Sedoric

Partner, Executive Managing Director
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Erika "ERL" Luczynski, CFP®

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Client Relationship Manager

Brittany Beard

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Equity securities may fluctuate in response to news on companies, industries, market conditions and the general economic environment. Companies cannot assure or guarantee a certain rate of return or dividend yield; they can increase, decrease or totally eliminate their dividends without notice.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

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Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

Equities:

The **Dow Jones Industrial Average** is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The **Dow Jones-UBS Precious Metals Total Return Index** is a multiple-commodity sub-index consisting of the contracts included in the Dow Jones-UBS Commodity Index Total Return related to precious metals. Contracts for two commodities are currently included in the Dow Jones-UBS Precious Metals Subindex Total Return: gold and silver.

The **Dow Jones Wilshire REIT index** is intended as a broad measure of the performance of publicly traded real estate equity. The index is market-capitalization weighted of publicly traded real estate securities, such as Real Estate Investment Trusts (REITs), Real Estate Operating Companies (REOCs), and partnerships. The index is composed of companies whose charter is the equity ownership and operation of commercial real estate.

The **MSCI ACWI (All Country World Index)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI EAFE Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

DISCLOSURES

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Europe Index** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The **MSCI Pacific Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The **MSCI World Index** captures large-cap and mid-cap representation across 23 developed market countries. With 1,653 constituents, it accounts for about 85% of the free-float-adjusted market capitalization in each country. An investment cannot be made directly in a market index.

The **NASDAQ Composite Index** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. An investment cannot be made directly in a market index.

The **Russell 1000 Index**[®] measures the performance of the 1,000 largest companies in the Russell 3000.

The **Russell 1000 Growth Index**[®] measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index**[®] measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Index**[®] measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **Russell 2000 Growth Index**[®] measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index**[®] measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 3000 Index**[®] measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell 3000 Growth Index**[®] measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

The **Russell 3000 Value Index**[®] measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.

The **Russell 3000E Index**[®] refers to a composite of large, mid, small, and micro-cap companies located in the United States.

The **Russell Microcap Index**[®] is a capitalization weighted index of 2,000 small cap and micro cap stocks that captures the smallest 1,000 companies in the Russell 2000, plus 1,000 smaller U.S.-based listed stocks.

The **Russell Midcap Index**[®] measures the performance of the 800 smallest companies in the Russell 1000 Index.

The **Russell Midcap Growth Index**[®] measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

DISCLOSURES

The **Russell Midcap Value Index**® measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **Russell Small Cap Completeness**® **Index** measures the performance of the Russell 3000® Index companies excluding S&P 500 constituents.

The **Russell Small Cap Completeness**® **Growth Index** measures the performance of the Russell 3000® Index companies excluding S&P 500 constituents. It includes those Russell Small Cap Completeness Index companies with higher price-to-book ratios and higher forecast growth values.

The **Russell Top 50**™ **Index** measures the performance of the 50 largest companies in the Russell 3000 Index, representing approximately 40% of the total market capitalization of the Russell 3000.

The **Russell Top 200**® **Index** measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 65% of the total market capitalization of the Russell 1000 Index.

The **Russell Top 200**® **Growth Index** measures the performance of those Russell Top 200 companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The **Russell Top 200**® **Value Index** measures the performance of those Russell Top 200 companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The **S&P 500 Index** focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

The **S&P 500**® **Energy Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® (Global Industry Classification Standard) energy sector.

The **S&P 500**® **Materials Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

The **S&P 500**® **Industrials Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

The **S&P 500**® **Consumer Discretionary Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

The **S&P 500**® **Consumer Staples Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

The **S&P 500**® **Health Care Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

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

The **S&P 500**® **Information Technology** Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Information Technology.

The **S&P 500**® **Telecom Services Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® Telecom Services.

DISCLOSURES

The **S&P 500® Utilities Index** comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

The **S&P MidCap 400 Index** is an unmanaged total return index of 400 domestic stocks measuring the performance of the midsize company segment of the U.S. stock market

The **S&P SmallCap 600 Index** is an unmanaged index representing the aggregate market value of the common equity of 600 small-company stocks

Fixed income:

The **Bloomberg 1-3 Month U.S. Treasury Bill Index** includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 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 **Bloomberg Intermediate Government/Credit Bond Index** represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The **Bloomberg Capital U.S. Aggregate Bond** index measures the performance of the U.S. investment grade bond market.

The **Bloomberg U.S. credit Bond Index** represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The **Bloomberg Global High Yield Index** is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The **Bloomberg Intermediate Government/Credit Bond Index** represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The **Bloomberg Municipal Index**: consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The **Bloomberg Capital U.S. Aggregate Bond** index measures the performance of the U.S. investment grade bond market.

The **Bloomberg U.S. Credit Bond Index** represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The **Bloomberg US Dollar Floating Rate Note (FRN) Index** provides a measure of the U.S. dollar denominated floating rate note market.

The **Bloomberg US Corporate Investment Grade Index** is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The **Bloomberg US High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

The **Bloomberg US Mortgage Backed Securities Index** is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

DISCLOSURES

The **Bloomberg US TIPS Index** consists of Inflation-Protection securities issued by the U.S. Treasury.

The **J.P. Morgan Emerging Market Bond Global Index (EMBI)** includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The **J.P. Morgan Domestic High Yield Index** is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The **J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified)** is an expansion of the **J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI)**. The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The **J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified)** tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The **J.P. Morgan GBI EM Global Diversified** tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The **U.S. Treasury Index** is a component of the U.S. Government index.

Other asset classes:

The **Alerian MLP Index** is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc.

The **Cambridge Associates U.S. Global Buyout and Growth Index®** is based on data compiled from 1,768 global (U.S. & ex-U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The **CS/Tremont Hedge Fund Index** is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

The **HFRI Monthly Indices (HFRI)** are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The **NAREIT EQUITY REIT Index** is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The **NFI-ODCE, short for NCREIF Fund Index -Open End Diversified Core Equity**, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.



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