CHIEF INVESTMENT OFFICE

Capital Market Outlook

March 11, 2024

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

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Macro Strategy—*Thoughts on U.S. Debt and Deficits:* Real long-term interest rates have been rising over the past year, with longer-term rates increasing more than those on shorter maturities, as concerns about the sustainability of U.S. deficit spending lift risk premia on longer-term bond yields. The accelerating deterioration in U.S. government finances since the pandemic makes action to rein in debt growth imperative if the U.S. is to avoid a future financial crisis.

Market View—*Are Dividend Stocks Due for a Comeback?:* Last year was a lackluster year for dividend stocks. One reason for the underperformance could be attributed to the narrow leadership of the market rally led by a small group of artificial intelligence (AI)-oriented companies. At the same time, dividend stocks also faced stronger competition from the bond market amid some of the most attractive nominal and real U.S. Treasury yields in roughly two decades. That said, dividend stocks have not fallen entirely out of favor, given signs of warming sentiment. Below we review some factors to consider for the outlook on dividends for 2024 and beyond.

Thought of the Week—*Can the Equity Bull Continue To Run?:* On the heels of the S&P 500's 25% gain from the October 2023 lows, investors are increasingly questioning if the equity bull can continue to run. If history is a guide, we believe that it can, especially considering that fundamentals have held up, market leadership is showing signs of broadening, and earnings are becoming more constructive. Certain indicators suggest that we could be due for a brief pullback after such a robust melt-up, but it would be unlikely to derail the long-term bull market. Investors should view market weakness as an opportunity to invest excess cash into a diversified portfolio.

MACRO STRATEGY ▶

Chief Investment Office
Macro Strategy Team

MARKET VIEW ▶

Kirsten Cabacungan
Vice President and Investment Strategist

THOUGHT OF THE WEEK ▶

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MARKETS IN REVIEW ▶

Data as of 3/11/2024, and subject to change

Portfolio Considerations

We expect global stocks to remain in an uptrend led by the U.S. as profits outperform, inflation rates continue to head slowly lower, and productivity helps corporations maintain high margins. We see the potential for tailwinds in Equities that may provide additional upside. These include a durable earnings recovery, equity fund inflows, broadening market leadership, easier monetary policy, and early indicators turning positive. Bonds remain attractive and provide good diversification for multi-asset class portfolios. For qualified investors, Alternative Investments should be considered for long-term growth and various sources of yield as a complement to public investments.

MACRO STRATEGY

Thoughts on U.S. Debt and Deficits

Chief Investment Office, Macro Strategy Team

The U.S. came out of the pandemic with larger-than-anticipated public debt, deficits and borrowing costs. While growing government spending has been a major source of U.S. growth and the main reason the economy has surprised to the upside since the pandemic, the debt-to-GDP (gross domestic product) ratio, a measure of economic stability, has surged and is projected to keep rising, heightening concerns about U.S. government debt sustainability and the interest-rate outlook.

The U.S. government debt has increased 48% since late 2019, from $23 trillion to about $34 trillion currently, according to the U.S. Department of the Treasury. Publicly held debt, or debt excluding Federal Reserve (Fed) holdings, stands at $27 trillion. The increase in outstanding U.S. debt has outpaced the 27% rise in nominal GDP over the same period, pushing the debt/GDP ratio to the highest level in the developed world outside Japan and Italy, according to an Empirical Research Partners January 22, 2024 report. For example, the publicly held debt/GDP ratio has surged from 35% in 2007 to 80% in 2019 and 96% at the end of 2023. With structural deficits (deficits excluding cyclical factors) projected to remain much higher than in past decades and interest rates seen rising in response, the debt/GDP ratio is expected to increase further above the 77% threshold level at which debt begins to impede economic growth in developed countries, according to World Bank analysis cited by The Conference Board in its 2023 *Debt Matters* report. Importantly, according to the same report, it would take 20 to 30 years to bring the U.S. ratio close to this level again with the least hardship, suggesting that the long-term U.S. fiscal challenges must be addressed soon for a gradual course correction.

The stability of the debt situation depends on interest rates, budget deficit reduction measures, and sentiment about the U.S. ability to service its debt. The Congressional Budget Office (CBO) forecasts the structural deficit to be around 5% in 2024 and 2025, compared to 2.4% on average between 1973 and 2007. The deficit was $1.8 trillion in the fiscal year 2023 and is seen at about $1.6 trillion in fiscal year 2024. According to the CBO, it is likely to grow to $1.8 trillion in 2025 and return to $1.6 trillion by 2027. With deficits expected to remain high and to outpace GDP growth, investor concern about the sustainability of the debt/GDP trajectory and the risk of potentially serious government credit events is valid.

As debt keeps accumulating at a fast pace, the path of interest rates is becoming increasingly important. The federal government net interest bill surged from $375 billion in 2019 to $730 billion in 2023. Interest rates are affected by productivity growth, labor force participation rates, the inflation outlook, domestic and global wealth and savings, sentiment about the dollar, and, increasingly, the outlook for U.S. budget deficits and debt/GDP ratios. Growing deficits that are increasingly absorbing private-sector savings, reshoring, and a likely higher productivity growth in the context of increased automation and broadening adoption of generative artificial intelligence (AI) suggest higher real interest rates than during the unusual post-Global Financial Crisis of 2008/2009 decade are likely ahead.

According to the same Empirical report, each point increase in debt/GDP has resulted in + 4.5 basis point (bp) increase in real 10-year Treasury rates since the 2010s, around the middle of the 2 to 10 bp increase for every point of higher government debt/GDP ratio estimated by academic research. With the CBO projecting another 10-percentage point (pp) rise in the debt held by the public to GDP ratio by 2030, a further increase of about 50 bp in real long-term interest rates appears likely, all things equal, including no escalation of concerns about the U.S. ability to repay its debt.

Rising government debt ratios and interest costs are starting to crowd out spending on critical government programs. The cost of servicing the U.S. debt is now larger than annual spending on national defense. Growing debt and deficits also reduce flexibility in responding to potential crises, while debt-related stress can cause abrupt and disruptive credit events and adjustments. Risks of even bigger interest rate costs are thus increasing.

Investment Implications

Government debt-fueled economic expansion is good for risk assets such as Equities, as earnings grow. However, higher interest rates to fund the growing debt burden work against returns on existing Fixed Income assets, causing us to reduce our allocation to bonds.

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Concerns of a pullback of foreign investors from the Treasury market in the wake of worsening political gridlock in Washington, debt-ceiling disputes, and geopolitical tensions amplify these worries. A sudden loss of foreign-investor interest in U.S. government debt securities could cause declines in asset values, dollar depreciation, and further spikes in interest rates, with negative consequences for U.S. and global financial markets and economic growth.

That said, there are some mitigating factors that suggest demand is unlikely to fall off a cliff. Massive wealth creation as the developing world catches up, and an aging world population, suggest ongoing demand for "safe" and liquid assets. Government debt in the U.S. remains in a favorable position to provide relatively "safe-assets" because of its large tax base (about 20% of world economy) and the size and liquidity of its sovereign debt market. Also, no other currency enjoys the unique advantages that the U.S. dollar still confers. Basically, the dollar acts like an automatic stabilizer, cushioning the U.S. from destabilizing financial imbalances in the case of a loss of confidence related to deteriorating sentiment about its debt sustainability (for example, a dollar depreciation has positive impacts on net exports). Moreover, the Fed can buy more Treasurys to avoid difficulty placing increased government debt securities and limit interest rate increases. The credibility of the Fed and its lender-of-last-resort function play a role in enhancing the safety characteristics of Treasurys, and the Fed's avowed determination to bring inflation back to 2% has helped restore its credibility. Nevertheless, the ultimate risk from unsustainable deficits would be excessive Fed purchases that cause inflation to spiral out of control.

For now, despite concerns of a drop in demand for U.S. debt, the thirst for yield and relatively safe investment characteristics of the U.S. government debt have boosted foreign holdings of Treasury debt outside of foreign official institutions (such as central banks), by 54% since late 201, according to the Treasury Department. Certain foreign central banks have substantially reduced their Treasury holdings in response to fears of asset confiscation related to geopolitical tensions and potential U.S. sanctions, causing overall foreign holdings of U.S. government debt to increase just about 18% (from $6.8 trillion to $8 trillion) and a drop in the share of total foreign holdings of U.S. debt from 30% to 24% over the same four-year period. Almost half of the 24% of U.S. debt held outside the U.S. (about 43%) is held in European ally countries, Japan, Canada and Australia, implying that at most 13% of the total debt outstanding is in "less friendly" hands, which limits somewhat the scope for a negative outcome related to the potentially sudden unloading of their Treasury holdings.

Surging U.S. household net worth and a hunger for yield coming from an aging population, banks, pension funds, mutual funds, insurance companies, and state and local governments, have helped U.S. domestic demand absorb 70% of the publicly held government debt outstanding as yields reached 15-year highs, according to the Treasury Department. Typically, most of the household debt is held by individuals over the age of 65, mostly at the top of the wealth distribution, according to Empirical. The aging and increasingly wealthy U.S. and global population suggests that demand for safe assets won't vanish as fast as feared.

In sum, the rising debt/GDP ratio along with concerns over government shutdown and debt-ceiling disputes have increased real interest rates and the risk premium on the U.S. debt. Worries that the U.S. is approaching a breaking point on the deficit-funding front and concerns about the growing share of interest payments as a share of outlays are reasonable and well recognized. Indeed, government interest costs are now exceeding U.S. defense spending and are on track to start squeezing other critical government programs. While markets seem confident that inflation will remain anchored—as the Fed has been determined to bring inflation to 2% on a sustainable basis—it is not surprising that Treasury market volatility has remained very elevated as investors remain unsure about the government debt and interest-rate outlook. Still, the depth and liquidity of the U.S. debt market, special role of the U.S. dollar in international transactions and as a reserve currency, and the fact that the U.S. issues debt in its domestic currency make it hard to predict an imminent deficit-related financial-market crisis. Time to put the U.S. on a more sustainable debt trajectory is running out, however, and action may only come as a result of a financial market jolt, so worries over the deficit are valid, in our view.

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MARKET VIEW

Are Dividend Stocks Due for a Comeback?

Kirsten Cabacungan, Vice President and Investment Strategist

Last year was lackluster for dividend stocks. Even dividend growers struggled, companies that tend to be considered higher quality given their steady history of consistent dividend increases supported by healthy balance sheets, stable earnings growth, and strong free cash flow. In fact, the S&P 500 Dividend Aristocrats Index lagged the broader index on an annual basis by its greatest margin since 1999 (Exhibit 1A). Dividend-focused U.S. exchange-traded funds also saw their smallest annual net inflows since 2008, a major reversal from the 20-year record hit in 2022 when investors were seeking ways to defend their portfolios amid a bear market in Equities (Exhibit 1B).

One reason for the underperformance and change in investor appetite could be attributed to the narrow leadership of the market rally led by a small group of AI-oriented companies. Dividend stocks also faced stronger competition from the bond market amid some of the most attractive nominal and real U.S. Treasury yields in roughly two decades following the Fed's aggressive interest rate hikes as inflation surged. After starting 2023 at 3.8%, the 10-year U.S. Treasury yield briefly touched 5% by October. And even amid some consolidation to 4% at the end of 2023 and into the start of this year, the yield gap between the 10-year U.S. Treasury and the S&P 500 dividend yield at around 1.5% remains wide.[1]

Portfolio Considerations

We continue to emphasize a well-diversified portfolio that incorporates both Growth and Value. When considering the role of dividends in portfolios, it is important for an investor to consider how the dividends are financed and evolve over time.

Exhibit 1: Dividend Stocks Faced A Challenging 2023.

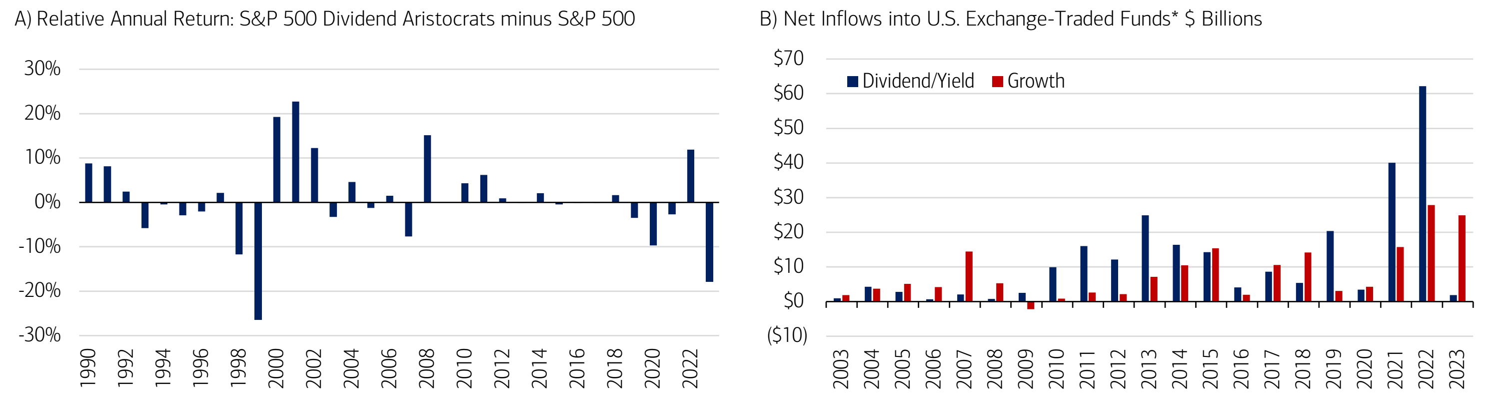


Exhibit 1A) Source: Bloomberg. Data as of December 2023. Exhibit 1B) *Net inflows are for equity smart beta U.S. Exchange-traded Funds. Source: Bloomberg Intelligence. Data as of March 7, 2024. **Past performance is no guarantee of future results. It is not possible to invest directly in an index.**

That said, dividend stocks have not fallen entirely out of favor. According to the latest annual BofA Global Research Global Wealth & Investment Management Survey, 70% of Merrill advisors indicated that clients are most interested in divided strategies, making dividends the highest area of interest in the survey for the second year in a row. What's more, while inflation continues to gradually decelerate, the rip higher in prices in the past few years signals a clear departure from the period of secular stagnation that followed the GFC. That shift could mean greater focus on a total return approach ahead, where dividend-yielding stocks would be uniquely positioned to benefit.

Looking at 2024 and beyond, here are some factors to consider as you assess the outlook on dividend stocks:

Dividend contribution to total return lagged in the last decade. Dividends have historically been a significant contributor to total returns accounting for roughly 40% of annualized S&P 500 total return since 1930 (Exhibit 2A). But in the last decade, dividend contribution amounted to just 15%, while low interest rates propped up Equity valuations. Dividend contribution can fluctuate over time, but dividends could become a bigger contributor to total return given shifting economic conditions and low dividend payout ratios. The current S&P 500 dividend payout ratio of around 35% sits well below the long-term average of 53% and leaves plenty of room for dividends to grow.[2] In terms of inflation, decades where the Consumer Price Index (CPI) averaged greater than 3% have seen a higher average dividend

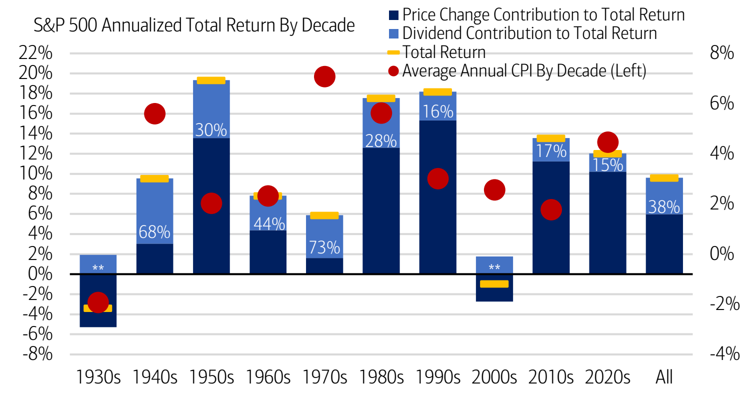
[1] Bloomberg. Data as of March 7, 2024.
[2] Bloomberg; Strategas. Data as of February 2024.

contribution of 46%[3]. It is worth also noting that dividends may also start to play a larger role in total returns given more elevated equity valuations with the S&P 500 trading above its long-term average, which may portend more modest Equity returns in the medium to longer term as further multiple expansion could become a challenge.

Easing cycles have been bullish for dividend stocks. The Fed has signaled that potential rate cuts could be on the table at some point this year. A move lower in government bond yields could benefit dividend stocks as investors search for additional sources of yield. Historically, the S&P 500 Dividend Aristocrats Index has outperformed the S&P 500 by five percentage points on an annualized total return basis during easing cycles and posted solid positive excess forward returns from the first rate cut (Exhibit 2B).

Exhibit 2: Historical Context for Dividend Stocks.

A) Dividend Contribution to Total Return Has Fluctuated Over Time



B) Dividend Stocks Tend to Outperform as Rate Cuts Lead to A Drop in Bond Yields

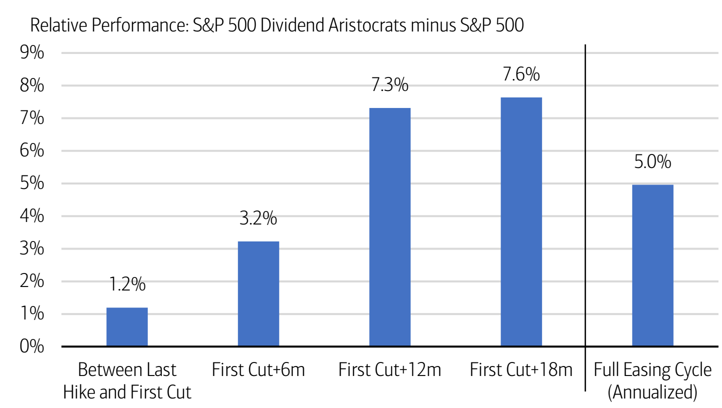


Exhibit 2A) Source: Bloomberg. Data as of March 7, 2024. Exhibit **Decades where annualized total return was negative. The S&P 500 annualized total return was -3.4% during the 1930s versus -5.3% without dividends. The S&P 500 annualized total return was -0.9% during the 2000s versus -2.7% without dividends. 2B) Note: Data reflects last four easing cycles (1995, 2001, 2007, 2019). Source: Bloomberg. Data as of March 7, 2024. **Past performance is no guarantee of future results. It is not possible to invest directly in an index.**

A rotation of cash off the sidelines could bode well for dividend stocks. U.S. households are sitting on record hordes of cash, with balance sheets now holding $18 trillion in liquid assets, including cash deposits, compared to $13 trillion prior to the pandemic.[4] Rate cuts could be a positive catalyst for some of this cash to rotate back into stocks, especially as cash yields fall below 5%, which has historically been a tipping point for investors to allocate more toward equities, according to BofA Global Research. Demographic trends could further amplify this shift, as the baby boomer generation reaches retirement age and looks to lock in more stable streams of income.

Elevated market volatility means focus on trying to ballast portfolios. Uncertainty about the economic environment, including the path for inflation and geopolitical risks as well as headline noise in the lead up to U.S. elections, could keep the market environment choppy. Dividend stocks have historically provided some defense against volatility. In months when the Volatility Index, a gauge for market volatility, spiked over 20%, the S&P 500 Dividend Aristocrats index managed to outperform the S&P 500 by one percentage point on average.[5] And during quarters in which the S&P 500 sold off by 5% or more, dividend growers have helped to buffer losses for investors and outperform the S&P 500 over the subsequent 12 months by three percentage points on a total return basis.[6] Importantly, not all dividend-yielding stocks are the same. Focus on dividend growth companies as they tend to offer an attractive combination of strong fundamentals and earnings and cash flow growth potential.

So far this year, dividend growers are still trailing the broader index, but we will continue to monitor where the pendulum may swing for the longer-term outlook.

[3] Bloomberg; Strategas. Data as of March 7, 2024.

[4] Measures total currency and deposits including money market fund shares assets on U.S. household and nonprofit organization balance sheets. Source: Board of Governors of the Federal Reserve System. Data as of December 7, 2023, latest data available.

[5] Bloomberg. Data as of March 7, 2024. Based on monthly data from 1990 to 2024.

[6] Note: Based on quarterly data beginning in Q1 1991. Dividend growers represented by the S&P 500 Dividend Aristocrats Index. Source: Bloomberg. Data as of March 7, 2024.

THOUGHT OF THE WEEK

Can the Equity Bull Continue to Run?

Emily Avioli, Vice President and Investment Strategist

The S&P 500 has already defied even the most optimistic of expectations this year, with several strategists revising their 2024 price targets upwards on the heels of the index's 25% gain from the October 2023 lows. Following such a melt-up, investors are understandably left wondering—can the Equity bull continue to run?

On the one hand, history suggests that it can. The S&P 500 just surpassed the 5,100 milestone for the first time after crossing the 5,000 level earlier this year, and such "round-number" milestones tend to be positive for near-term forward returns. In the one, three, six and 12 months after hitting such a milestone, the S&P 500 posted respective average price returns of 1%, 5%, 10% and 12%, and returns have been positive 79% of the time. Further, in the 16 past instances when November, December, January and February were all positive for the S&P 500, as they have been during this run, the index has seen an average price return of 18% in the 12 months that follow, and returns have been positive 100% of the time (Exhibit 3). Beyond these historical examples, it's also encouraging that fundamentals have held up, market leadership is showing early signs of broadening out, and earnings are becoming more supportive, with the S&P 500 posting its second consecutive quarter of year-over-year earnings growth in Q4 2023.

On the other hand, certain indicators suggest that Equities could soon take a short breather. The technology-heavy NASDAQ 100 Index has gone 306 trading sessions without a pullback of over 2.5%, marking the longest stretch since 2014. The S&P 500 stretch of gains has also been relatively robust, with the index posting positive returns in 16 out of the 18 past weeks. Since 1929, 5% pullbacks have occurred three times a year and 10% corrections have occurred once per year on average, suggesting we might be due for a drop after four months without a meaningful decline. Further, sentiment indicators are increasingly bullish, which is often interpreted as a contrarian signal for weakness ahead.

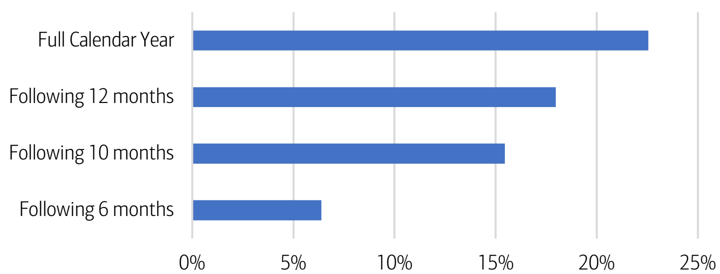
In our view, while it's increasingly possible that a pullback will emerge in the coming weeks, it would be unlikely to derail the long-term bull market. A brief exhale could help reset the equity market for future gains and is likely to be mild, especially considering that there is still ample excess liquidity on the sidelines that may be deployed back into the market when entry points become more attractive. Ultimately, investors should interpret a near-term drawdown as an opportunity to put excess cash to work.

Investment Implications

While certain indicators suggest that Equities are overdue for a pullback, we see ample evidence that the long-term bull market can continue to run. In our view, investors should view a market drawdown as an opportunity to invest excess cash into a diversified portfolio.

Exhibit 3: Certain Indicators Suggest Equity Strength Could Continue.

A) Average S&P 500 Price Return Following Gains in November – February



B) Subsequent S&P 500 Price Change

Milestone	1 mo	3 mo	6 mo	12 mo
100	1%	0%	8%	2%
500	2%	10%	16%	30%
1000	5%	12%	12%	26%
2000	-1%	4%	6%	-3%
3000	-4%	-1%	8%	6%
4000	4%	7%	8%	13%
5000	2%	-	-	-
Average	*1%*	*5%*	*10%*	*12%*

Exhibit 3A) Source: Bloomberg. Data as of March 6, 2024. Exhibit 3A refers to the average price returns after November, December, January and February were all positive for the S&P 500 in the 16 instances that this has occurred since the index's inception. Full calendar year refers to the full year from January - December. Exhibit. 3B) Source: Bloomberg. Data as of March 11, 2024. Refers to subsequent S&P 500 price return in the 1, 3, 6, and 12 months after the day that the milestone was achieved. **Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Performance results are extremely short term and do not provide an adequate basis for evaluating performance potential over varying market conditions or economic cycles.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	38,722.69	-0.8	-0.6	3.2
NASDAQ	16,085.11	-1.1	0.0	7.3
S&P 500	5,123.69	-0.2	0.6	7.7
S&P 400 Mid Cap	2,952.39	1.5	2.2	6.4
Russell 2000	2,082.71	0.3	1.4	3.0
MSCI World	3,380.14	0.5	1.3	6.9
MSCI EAFE	2,357.74	2.5	3.3	5.8
MSCI Emerging Markets	1,037.09	1.2	1.6	1.5

Fixed Income†

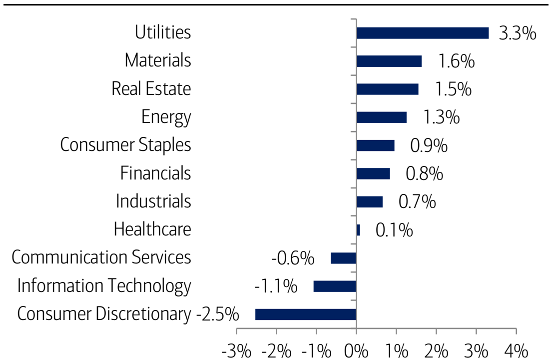
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.66	0.71	1.09	-0.51
Agencies	4.65	0.33	0.58	0.20
Municipals	3.35	0.40	0.41	0.03
U.S. Investment Grade Credit	4.73	0.81	1.21	-0.50
International	5.23	0.87	1.27	-0.42
High Yield	7.72	0.55	0.73	1.02
90 Day Yield	5.38	5.37	5.38	5.33
2 Year Yield	4.47	4.53	4.62	4.25
10 Year Yield	4.07	4.18	4.25	3.88
30 Year Yield	4.25	4.33	4.38	4.03

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	227.28	0.9	1.5	0.4
WTI Crude $/Barrel††	78.01	-2.5	-0.3	8.9
Gold Spot $/Ounce††	2178.95	4.6	6.6	5.6

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.08	1.08	1.08	1.10
USD/JPY	150.12	150.51	149.98	141.04
USD/CNH	7.21	7.21	7.21	7.13

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 3/4/2024 to 3/8/2024. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 3/8/2024 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 3/8/2024)

	Q4 2023A	2023A	Q1 2024E	Q2 2024E	Q3 2024E	Q4 2024E	2024E
Real global GDP (% y/y annualized)	-	3.0*	-	-	-	-	2.9
Real U.S. GDP (% q/q annualized)	3.2	2.5	2.5	2.0	2.0	2.0	2.7
CPI inflation (% y/y)	3.2	4.1	3.2	3.4	3.1	2.9	3.2
Core CPI inflation (% y/y)	4.0	4.8	3.8	3.4	3.4	3.3	3.5
Unemployment rate (%)	3.8	3.6	3.8	3.8	3.9	3.9	3.9
Fed funds rate, end period (%)	5.33	5.33	5.38	5.13	4.88	4.63	4.63

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.

Sources: BofA Global Research; GWIM ISC as of March 8, 2024.

Asset Class Weightings (as of 3/5/2024)

	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		●			
Alternative Investments*					
Hedge Funds					
Private Equity					
Real Assets					
Cash					

CIO Equity Sector Views

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

*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Office as of March 5, 2024. 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.

U.S. Equities/S&P 500 Index is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

S&P 500 Total Return Index is a type of equity index that tracks both the capital gains as well as any cash distributions, such as dividends or interest, attributed to the components of the index.

S&P 500 Dividend Aristocrats Index is a stock market index composed of the companies in the S&P 500 index that have increased their dividends in each of the past 25 consecutive years.

Consumer Price Index is a price index, the price of a weighted average market basket of consumer goods and services purchased by households,

NASDAQ 100 Index is a stock market index made up of 101 equity securities issued by 100 of the largest non-financial companies listed on the Nasdaq stock exchange.

Volatility Index is the ticker symbol and the popular name for the Chicago Board Options Exchange's CBOE Volatility Index, a popular measure of the stock market's expectation of volatility based on S&P 500 index options.

Important Disclosures

Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

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