CHIEF INVESTMENT OFFICE

Capital Market Outlook

September 8, 2025

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

IN THIS ISSUE

Macro Strategy—*On Cars, Quality, and S&P 500 Valuations:* Tariff headwinds have caused economic dislocations and recession concerns. Growth slightly contracted in Q1, hiring shifted significantly lower, consumer spending weakened, and manufacturing and housing remain depressed. Still, incoming data have surprised to the upside by the widest margin in about a year. Q2 gross domestic product (GDP) was revised up, now showing a sharp reacceleration, helping boost Q2 corporate earnings more than anticipated. The positive data tilt indicates continued moderate growth, boosting earnings expectations and risk appetite. Importantly, profit margins remained elevated, there are signs of resilience in consumer income and spending, Artificial Intelligence (AI)-related investment continues, lending conditions have eased, and inflation is still well behaved, allowing the Federal Reserve (Fed) to increasingly lean dovish. Strong profits and confidence in the outlook have pushed the S&P 500 price-to-earnings (P/E) ratio to levels rivaling the 2000 bubble, however, raising concerns about significant overvaluation. In our view, a higher S&P 500 earnings "quality" makes historical P/E comparisons apples to oranges. Reflecting less exceptional earnings "quality," Mid- and Small-cap P/Es are much lower and more in line with their longer-term averages.

Market View—*The Lawyers vs. the Engineers: A Different Lens on U.S.-China Competition:* It is always dangerous to oversimplify a complex dynamic, but sometimes simplicity trumps complexity. Case in point: U.S.-China relations and a new book—*Breakneck: China's Quest to Engineer the Future*—that makes the bold claim that what sets the U.S. apart from China is that the latter is run by engineers, while the former is run by lawyers. To wit, over the past four decades, China's engineers have built out a mega-infrastructure that took the U.S. nearly a century to construct. Meanwhile in the U.S., a culture of litigation and regulation has meant ongoing project delays.

That said, things are hardly perfect in China, as evidenced by empty apartment buildings, decimated profit margins, and municipalities deep in debt. And delays aside, litigation has produced better living standards in the U.S. Looking forward, the best both parties could do is learn from each other: The U.S. needs to build more, while China needs to build better. Finding the right mix between engineers and lawyers will likely determine which nation provides the best long-term returns for investors.

Thought of the Week—*In the EM Universe, Can the Elephant Reclaim its Leadership?:* For most of this decade, investors have favored the elephant (India) over the dragon (China). Yet the script seems to have flipped this year. The MSCI India Index has underperformed the broader Emerging Market (EM) universe by 18% year-to-date (YTD), a margin not seen in decades. The MSCI China Index, meanwhile, has soared by nearly 30%.

Top of mind for investors are trade headwinds, with the current 50% tariff levied on India an additional wrinkle in the country's efforts to emerge as a supply chain alternative to China. The stakes for India are significant with its share of global manufacturing barely budging over the last 15 years. Looking ahead, improving relations with the U.S. would be welcome, though a weaker earnings outlook may continue to challenge equity performance. Meanwhile in China, equity momentum and sentiment have improved, despite ongoing macro headwinds. Government attempts to address overcapacity bear watching.

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Portfolio Considerations

Heading into the final four months of the year with inflation running above trend and the employment data producing mixed signals, we'd use any equity weakness to increase tactical positioning through the new growth cycle.

We maintain an overweight in Equities with a preference for the U.S. relative to the rest of the world. The profit cycle is likely to be extended by tailwinds from fiscal stimulus and deregulation, all supportive of economic growth and risk assets.

As for Fixed Income, higher nominal and real yields provide attractive compensation for inflation and market risk. Longer-term Fixed Income offers meaningful returns relative to cash and therefore diversifies Equity risk over time with more stable income.

MACRO STRATEGY

On Cars, Quality, and S&P 500 Valuations

Chief Investment Office, Macro Strategy Team

Equity markets have cheered signs that the U.S. economy has shaken off its Q1 contraction bout and is adjusting better than expected to the new tariff regime. Indeed, though still generally soft, incoming data have broadly surprised to the upside, lifting the Citi Economic Surprise Index in recent weeks to its highest level in nearly a year, and reassuring investors that the worst tariff impact may have passed.

For example, contrary to concerns of recession, upside revisions show a 3.3% annualized real GDP increase in Q2 versus a -0.5% decline in Q1, according to Bureau of Economic Analysis (BEA) data. Growth was supported by continued strength in AI-driven business fixed investment (mainly intellectual property), as well as a pickup in real consumer spending. Industrial equipment investment also strengthened. Notably, bank lending standards have already reversed most of their tariff-related tightening, One Big Beautiful Bill Act investment incentives are only beginning to take hold, and corporate profit margins remain elevated, suggesting sustained support for business investment and employment.

Wages and salaries posted a strong inflation-adjusted monthly gain in July, boosting them by a solid 2.6% year to year and reinforcing confidence in the second half outlook. A 5.3% year-over-year (YoY) surge in real government transfers added further fuel to household incomes and spending. Transfers are about 40% of total wage-and-salary income, playing an increasing role in supporting aggregate demand and corporate revenues. Reflecting this, real consumer spending posted a 4% annualized gain in July, on track for a moderate Q3 gain of about 1.5% to 2%.

That said, with housing and manufacturing still depressed and downside risks to employment from tariff pressures in the second half, the Fed appears poised to ease again—likely as early as at the September 17 Federal Open Market Committee meeting as tariff-related inflation has so far been modest and inflation expectations remain well anchored. The prospect of rate cuts has buoyed earnings expectations, supporting risk assets.

As is typically the case, the meaningful reacceleration in nominal GDP growth has already spurred a sharp rebound in corporate revenues and profits. Revenues rose a healthy 5.6% YoY, and with cost increases mostly contained outside of tariffs, domestic profits also rose 5% YoY. Absent an estimated $100 billion tariff drag (annualized), BEA data suggest the latter would have instead grown about 8%.

A 5% year-to-year gain in pre-tax domestic corporate profits is still impressive given tariff headwinds and uncertainty, a testament to solid underlying corporate productivity, efficiency, and profitability. These strong underpinnings also showed up in S&P 500 earnings per share (EPS), which blew away expectations with a 12% year-to-year gain in Q2. While the outperformance was again led by the Technology and Interactive Media sectors (+27% EPS), the rest of the index also delivered a solid gain (+8%).[1] Encouragingly, earnings growth expectations moved up recently with better-than-expected incoming data, and as Yardeni Research notes, earnings growth is also broadening, with a significant increase in the percentage of S&P 500 companies showing positive three-month changes in forward revenues and earnings estimates.

Aside from the unparalleled dynamism, resilience, and innovation of the U.S. economy, the 40% to 50% increase in money supply, nominal GDP—and the 60% increase in pre-tax profits[2] since late 2019 as margins also expanded—go a long way toward explaining the sharp rise in the S&P 500 over the same period. While stock buybacks have further amplified EPS gains, the 100% rally in the index since early 2020 has outpaced EPS, pushing the P/E ratio to levels not seen since the 2000 Tech Bubble. While P/E ratios for small and mid-caps remain near long-term averages, according to Yardeni Research data, the S&P 500 valuation is significantly elevated by historical standards, raising concerns about a potential mean reversion and future returns.

Portfolio Considerations

Structural changes in the economy, technological advancement, much higher free cash flow margins than in the past, and a relatively contained interest and inflation environment suggest the historical S&P 500 P/E ratio is a misleading valuation metric. Until the environment changes, P/Es are likely to remain elevated, helping sustain the uptrend in earnings and equity prices.

[1] FactSet, as of August 28, 2025.

[2] BEA data.

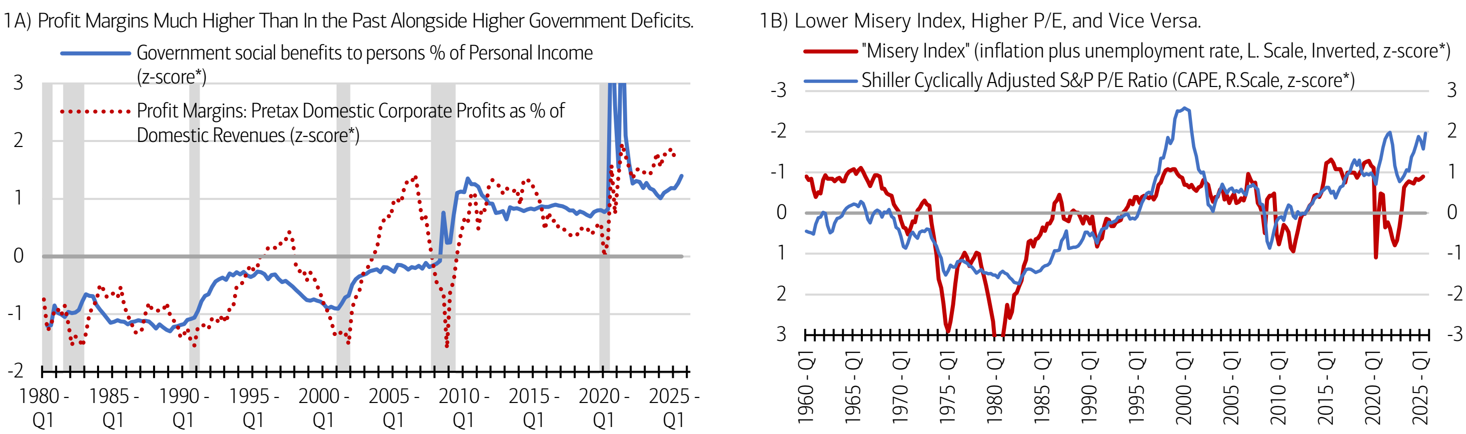
In our view, however, just because P/Es were lower in the past doesn't mean they're now excessive and unsustainable. That would be akin to insisting that a car today should cost the same as one in 1980—a period when P/Es were also depressed—even though it's a much different car. You don't have to push it as often, it's more comfortable and it has higher fuel efficiency. Maybe there are more roads you can safely drive it on at higher speed now that its engine is also more reliable, so you get where you're going much faster. Maybe you expect it to drive itself within a few years, so you anticipate earning some extra money as a result (akin to higher dividends). Or it's on track to eventually morph into a flying machine, so you'll be able to sell a wheel and other increasingly obsolete parts each year (akin to buybacks). The product has clearly changed, and so has the value proposition.

So too with earnings. Index composition, technology progress, and structural economic changes have led to superior margins and much higher free cash flows. Structurally improved profitability and return profiles suggest a higher S&P 500 earnings "quality" and a higher P/E. Scalable, asset-light business models and robotization mean fewer resources are needed to generate more S&P 500 earnings. Demand itself has also become more stable as government transfers, for example, now represent 18% of personal income versus just 10% in 1980, adding a layer of resilience (Exhibit 1A). A dollar of earnings today carries less operational risk and is also more valuable as a result.

Today's environment is vastly different from the 1970s' stagflationary period, when P/Es were low and macro volatility was high. With inflation expectations contained and interest rates lower than in prior decades, recessions have become shorter and less frequent. The Fed, no longer forced to choke off growth to fight runaway inflation, can afford a lighter touch. Capital is also being returned more efficiently to shareholders via buybacks. All else equal, as long as real rates track productivity growth and don't spike on fiscal concerns alone, elevated P/Es seem sustainable.

So, yes, the "P" per unit of "E" is elevated—but so is the quality of that "E." Risk sentiment, earnings "quality," relatively low real rates, buybacks, and dividend-growth matter. The context is vastly different than in the past (Exhibit 1B), making for a different valuation regime than when earnings were labor-and-capital intensive and margins much thinner, opening the door to potential losses even with small cost increases or modest demand setbacks. There are always risks. Yet, until the dove turns into a hawk, or the earnings outlook deteriorates again, the S&P 500 is likely to continue to command a premium multiple.

Exhibit 1: Higher EPS Quality Commands a Higher P/E.



*z-score=number of standard deviations from the mean of the data set. Gray bars represent recessionary periods. Exhibit 1A) Source: BEA/Haver Analytics. Data as of September 4, 2025. Exhibit 1B) Source: Haver Analytics. Data as of September 4, 2025.

MARKET VIEW

The Lawyers vs. the Engineers: A Different Lens on U.S.-China Competition

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

"China is an engineering state, building big at breakneck speed, in contrast to the United States' lawyerly society, blocking everything it can, good and bad."—Dan Wang, author of *Breakneck: China's Quest to Engineer the Future*

It is always dangerous to oversimplify a complex dynamic, but sometimes simplicity trumps complexity. Case in point: U.S.-China relations and a new book—*Breakneck: China's Quest to Engineer the Future*—that makes the bold and elementary claim that what really sets the U.S. apart from China is that the latter is run by engineers, while the former, the U.S., is run by lawyers (Exhibits 2A and 2B).

Engineers like to build, lawyers like to litigate, and the difference helps explain why China has emerged as a global manufacturing and exporting superpower—challenging, in the process, U.S. global supremacy.

The "big idea" of the book—that over the past four decades, China's engineers have built out a mega-infrastructure that took the U.S. nearly a century to construct—is backstopped by the following tidbits:

- China now has a longer high-speed rail network than the rest of the world combined.
- The nation's shipbuilding capacity is over 230 times larger than that of the U.S.
- Shanghai moved more containers in 2022 than all of the U.S. ports combined.
- China builds a third to a half of the world's new wind and solar capacity each year.
- About 280,000 industrial robots are installed every year in China, half the global total.
- Some 31 nuclear power plants are under construction in China vs. 1 in the U.S.
- The 4.4 billion tons of cement that China produced from 2018 to 2019 equals the amount of cement produced in the U.S. over the entire twentieth century.
- China's electricity production has roughly doubled in the past decade—the capacity of the nation exceeds the U.S., European Union and India combined.
- China maintains an electricity reserve margin of 80–100%—meaning the nation has double the electricity it needs at any given time. The comparable U.S. figure is 15%.
- The electricity generation capacity in China is nearly 2.5 times that of the U.S.

All of the above reflects the engineering mindset of China's leadership, with their leader, Xi Jinping, of course, an engineer (chemical) by background. Many of Xi's cohort are engineers as well, with a longstanding penchant and priority to build big and build fast.

Think massive industrial zones, megacities, dams, rail lines, bridges, airports, enormous housing units, nuclear power plants, and skyscrapers. These mega-projects are undertaken in warp speed—approved, financed and executed in a command-and-control centralized economy relatively unhindered by nettlesome regulations, political bottlenecks, and environmental considerations. Owing to China's fervent penchant for building, the country now accounts for a staggering 30% of global production and 15% of global exports, all supportive of a merchandise trade surplus that could top $1 trillion again in 2025.

Taking Stock of the Lawyerly State. Meanwhile, back in the U.S., as the author notes, the U.S. "has a government of the lawyers, by the lawyers, and for the lawyers." And "from 1984 to 2020, every single Democratic presidential and vice-presidential nominee went to law school." Going further back, since the signing of the Constitution in 1789 to 2016, 63% of all cabinet members have been lawyers.[3] Five out of last 10 presidents attended law school. Only two U.S. presidents—Herbert Hoover and Jimmy Carter—worked as engineers before moving to the White House.

Investment Implications

After years of overbuilding in China and underbuilding in the U.S., the world's two largest economies are at an important inflection point. A more intentional and profitable approach to construction in China would drive more sustainable growth, in our view. In the U.S., much work needs to be done to rebuild and upgrade America's infrastructure, which remains a key theme for us.

[3] Nick Robinson, "The Decline of the Lawyer-Politician," Working Paper SSRN, 2017.

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The upshot from all of the above, according to the author, is that "while engineers envision bridges, lawyers envision procedures"—as well as litigation, regulation and a block-everything mentality that results in a snail's pace of building and development. Case in point as cited in the book: In San Francisco, a 2023 state report found that it took 523 days, on average, to get clearance to construct new housing, and then another 605 days to get the building permits.

The California High-Speed Rail project, approved in 2008 and envisioning connecting San Francisco and Los Angles in under three hours, isn't remotely complete and way over budget. The 800-mile project is slated to be completed in 2030; meanwhile, China has built over 25,000 miles of high-speed rail since 2008 at a fraction of the cost.

On the energy front, America's interconnection queue—or the waiting line for energy projects to be hooked up to the grid—continues to expand owing to an arduous permitting process that involves duplicate laws, regulations and technical studies. According to the Lawerence Berkeley National Laboratory, the typical energy project built in 2023 took nearly five years to reach commercial operations, up from three years in 2015 and less than two years in 2008.

Finally, in other examples of delay, in 2021, Congress allocated $42 billion to expand broadband services to rural communities—but four years later, not a single home has been connected. And two years after Congress allocated $7.5 billion to build electric vehicle charging stations across the country, just seven have become operational.

Yes, but... Yes, it is very difficult to build virtually anything in the U.S., and the results show. According to our own engineers—or the American Society of Civil Engineers (ASCE)—the U.S. infrastructure rates a grade of **C** in the last report card from the ASCE. America needs to learn how to rebuild—and fortunately, that is a primary focus of the current administration. Much work needs to be done.

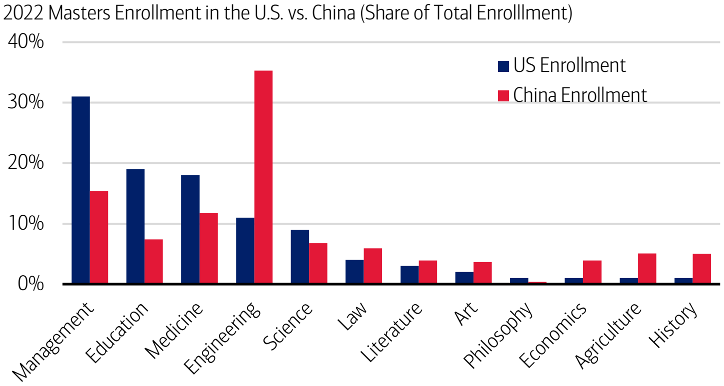
But that said, things are hardly perfect in China. Indeed, the engineers have overbuilt to the point where massive apartment buildings remain empty, airports are rarely used, excess manufacturing capacity and production have decimated profit margins, and provinces and municipalities are deep in debt. As the author notes, China should "build less and build better." And it could use a few more checks and balances—or lawyers—given the environmental destruction of the past few decades and its consequences: polluted air, undrinkable water, and toxic/contaminated food. Conversely, the guard rails of litigation in the U.S. have created numerous societal benefits that have made America's way of life among the most desirable in the world.

Looking forward, the best both parties could do is learn from each other: The U.S. needs to build more, while China needs to build better. The world's two largest economies are at an inflection point—finding the right chemistry between engineers and lawyers could determine which nation provides the best long-term returns for investors.

Exhibit 2: China Is Run by Engineers While the U.S. Is Run by Lawyers.

2A) China Enrolls Far More Engineers than the U.S.

2022 Masters Enrollment in the U.S. vs. China (Share of Total Enrolllment)



2B) The Rise of America's Lawyer-Force.

Number of Lawyers in the U.S.

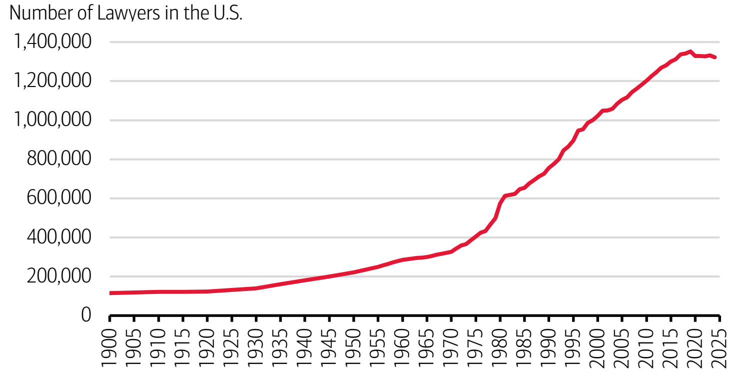


Exhibit 2A) U.S. data refers to 2021-2022 academic year. Sources: China Ministry of Education; Jonathon P. Sine. Data as of 2023. Exhibit 2B) Source: American Bar Association. Data through 2024.

THOUGHT OF THE WEEK

In the EM Universe, Can the Elephant Reclaim its Leadership?

Ariana Chiu, Assistant Vice President and Wealth Management Analyst

For most of this decade, investors have favored the elephant (India) over the dragon (China). This was based on expectations that the former represented the most promising growth story in the EM universe, and that India, unlike China, was not in the crosshairs of U.S. protectionism. India's outperformance boosted investor sentiment: between 2020 and 2024, the MSCI India Index outperformed its counterpart in China by nearly 100%. In 2025, however, the script has flipped with the MSCI China Index's near-30% YTD gain overshadowing flat performance in India. India hasn't underperformed the broader MSCI EM Index by this degree in decades (Exhibit 3A).

What gives? Top of mind now are trade headwinds, with the U.S. unexpectedly levying an additional 25% tariff on India as punishment for purchasing Russian oil. (India now imports more than a third of its oil from Russia, up from 1% before Russia invaded Ukraine in 2022.) With tensions between the U.S. and the fastest growing major economy running high, the stakes for India are significant: The country counts on the U.S. for a third of its foreign investment and 20% of its merchandise exports, not to mention the influx of U.S. companies that could potentially shift more manufacturing capacity from China to India. Per the latter, amid hopes of emerging as a supply chain alternative to China, India's share of global manufacturing has barely budged over the last 15 years (Exhibit 3B)—a reality that could persist should companies favor sourcing from other low-cost alternatives in Asia like Vietnam and Bangladesh.

Despite still-impressive real GDP growth—most recently clocking in at 7.8% in Q2—equity market underperformance could continue in the near-term given a weaker corporate earnings outlook and a hit to growth should punitive tariffs remain or intensify. On the flip side, improving relations with the U.S. would be a welcome development, especially after a sizable valuation derating over the last year. Gaining share in foreign investment will be key to India's future growth; last year, India's share of global foreign direct investments (FDI) inflows was a paltry 2%. So far this century, India has garnered one-fourth of what China has attracted in cumulative FDI inflows.

Meanwhile in China, owing in part to technology strength, equity momentum has improved this year. So too has sentiment, with China emerging as investors' second favorite Asia Pacific market behind Japan, according to BofA Global Research latest Asia fund manager survey. Still, plenty of macro headwinds persist—think ongoing property weakness, sluggish consumer demand, and overcapacity. Per the latter, the government's latest attempts to address "involution," or excess price competition which squeezes profit margins and limits wage growth, warrant watching.

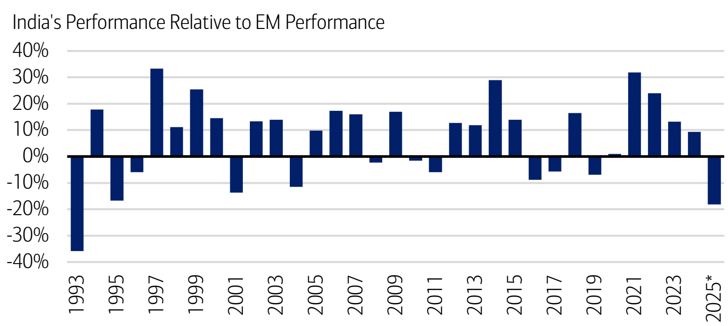
We continue to believe that a strategic allocation to EM Equities is appropriate in a well-diversified portfolio. But as evidenced above, the outlook varies by country and depends in part on global trade policy developments. We favor an active management approach and remain neutral on the asset class.

Investment Implications

We continue to encourage an active[4] approach to investing in the EMs. Global trade policy developments bear watching, and a de-escalation between the U.S. and India would benefit the latter's efforts to emerge as a competitive supply chain alternative to China. For now, China's grip on global manufacturing and exports, and the attendant impact on other EMs' ability to advance, keeps us neutral on the asset class.

Exhibit 3: India Lags in Returns and Manufacturing.

3A) India Underperforms the EM Universe by Most in Decades.



3B) India's Share of Global Manufacturing Still Anemic.

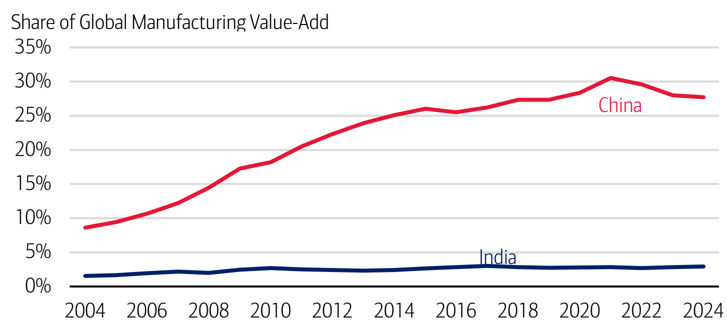


Exhibit 3A) *Year-to-date. MSCI India and MSCI Emerging Market Indexes referenced. Source: Bloomberg. Data as of September 3, 2025. Exhibit 3B) Source: United Nations. Data through 2024, as of September 2025. **Past performance is no guarantee of future results**. Please refer to index definitions at the end of this report.

[4] Active management seeks to outperform benchmarks through active investment decisions such as asset allocation and investment selection.

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Equities

	Current	WTD	MTD	YTD
		Total Return in USD (%)		
DJIA	45,400.86	-0.3	-0.3	8.0
NASDAQ	21,700.39	1.2	1.2	12.9
S&P 500	6,481.50	0.4	0.4	11.2
S&P 400 Mid Cap	3,296.77	1.3	1.3	6.7
Russell 2000	2,391.05	1.1	1.1	8.2
MSCI World	4,191.23	0.4	0.4	14.2
MSCI EAFE	2,727.86	0.3	0.3	23.1
MSCI Emerging Markets	1,276.05	1.4	1.4	20.7

Fixed Income†

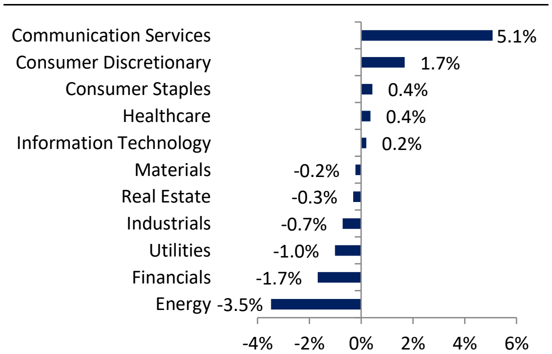
	Current	WTD	MTD	YTD
		Total Return in USD (%)		
Corporate & Government	4.18	0.92	0.92	5.78
Agencies	4.04	0.42	0.42	4.81
Municipals	3.78	0.89	0.89	1.21
U.S. Investment-Grade Credit	4.31	0.93	0.93	5.96
International	4.78	1.17	1.17	6.53
High Yield	6.66	0.32	0.32	6.69
90 Day Yield	4.00	4.14	4.14	4.31
2 Year Yield	3.51	3.62	3.62	4.24
10 Year Yield	4.07	4.23	4.23	4.57
30 Year Yield	4.76	4.93	4.93	4.78

Commodities & Currencies

Commodities	Current	WTD	MTD	YTD
		Total Return in USD (%)		
Bloomberg Commodity	254.80	-0.3	-0.3	6.8
WTI Crude $/Barrel††	61.87	-3.3	-3.3	-13.7
Gold Spot $/Ounce††	3586.69	4.0	4.0	36.7

Currencies	Current	Prior Week End	Prior Month End	2024 Year End
		Total Return in USD (%)		
EUR/USD	1.17	1.17	1.17	1.04
USD/JPY	147.43	147.05	147.05	157.20
USD/CNH	7.13	7.12	7.12	7.34

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 09/2/2025 to 09/5/2025. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 09/5/2025 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 9/5/2025)

	Q1 2025A	Q2 2025A	Q3 2025E	Q4 2025E	2025E	2026E
Real global GDP (% y/y annualized)	-	-	-	-	3.1	3.0
Real U.S. GDP (% q/q annualized)	-0.5	3.3*	1.5	1.6	1.8	1.7
CPI inflation (% y/y)	2.7	2.5*	2.9	3.0	2.8	2.8
Core CPI inflation (% y/y)	3.1	2.8*	3.1	3.1	3.0	2.9
Unemployment rate (%)	4.1	4.2*	4.3	4.4	4.2	4.5
Fed funds rate, end period (%)	4.38	4.38	4.38	4.38	4.38	3.38

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. *Data as of September 5, 2025.
Sources: BofA Global Research; GWIM ISC as of September 5, 2025.

Asset Class Weightings (as of 9/2/2025)

Asset Class	Underweight		Neutral	Overweight	
			CIO View		
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 Strategies			●		
Private Equity & Credit			●		
Real Assets			●		
Cash					

CIO Equity Sector Views

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

*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 September 2, 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 stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

MSCI India Index is designed to measure the performance of the large and mid cap segments of the Indian market.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings.

Citi Economic Surprise Index represents the sum of the difference between official economic results and forecasts.

Misery Index an informal measure of the state of an economy generated by adding together its rate of inflation and its rate of unemployment.

MSCI Emerging Market Index captures large and mid cap representation across 24 Emerging Markets (EM) countries.

Important Disclosures

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

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