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CHIEF INVESTMENT OFFICE

Capital Market Outlook

September 6, 2022

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

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Macro Strategy—*Technicals Versus Fundamentals*: The 50% retracement of the first half of 2022 S&P 500 bear market has split the investment strategy community. Many well-regarded technical analysts and fundamental macro strategists have declared the bear market over and expect stock prices to move higher by year end.

On the other side are many bearish prognosticators who expect new lows in the S&P 500 index over the next year. In our view, the bearish camp's view is more likely.

Market View—*Short-, Medium- and Long-term Factors for Equities:* Despite the recent summer rally in Equities, several of the headwinds that reinforced the bear market selloff in the first half of the year continue to linger. While these challenges remain in the short term, the outlook for Equities over the next several years could improve, in our view.

Below we recount some of the factors that shape our short-, medium- and long-term views of equity markets and implications for portfolio strategy.

Thought of the Week—*A World Economy Still on Thin I.C.E.:* Rarely have the Big Three—the U.S., Europe and China—struggled in tandem as they are today.

The Trio account for almost two-thirds of total global output and global consumption, so until the outlook turns favorable in the U.S., Europe and China, in our view, the global capital markets will remain choppy and volatile. In the end, we think the U.S. economy (and U.S. Equities) will continue to lead the way as we head into 2023.

MACRO STRATEGY ▶

Chief Investment Office
Macro Strategy Team

MARKET VIEW ▶

Kirsten Cabacungan
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THOUGHT OF THE WEEK ▶

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MARKETS IN REVIEW ▶

Data as of 9/6/2022,
and subject to change

Portfolio Considerations

We maintain a neutral view on Equities as risks to economic growth and corporate profits remain. As growth moderates, profit estimates are likely to follow as the Fed pursues a more aggressive tightening bias. We still expect high-quality Fixed Income to be a diversifier—in the long run, coupon income is a larger determinant of total returns than price changes due to rate moves—and this diversification effect has historically proven true when rate volatility decreases. An allocation to Hedge Funds, for qualified investors, has the potential to lower the effect of the volatility and possibly take advantage of the dislocation and sector rotation.

MACRO STRATEGY

Technicals Versus Fundamentals

Chief Investment Office, Macro Strategy Team

It's hard to recall a time when equity-market strategists were as divided as they are now over whether the stock market rally since mid-June is a bear-market rally or the beginning of a new bull market. While there are technical and fundamental analysts on both sides of this debate, the evidence to justify their views is more clearly divided, with technical signals more likely to favor the bull camp and fundamental trends supporting the bear camp.

In our experience, technical indicators often do a better job of forecasting market moves than the vast majority of economic analysts. This is because technical analysts let actual market developments, including relative price performance, guide their analysis, rather than faulty macroeconomic forecasts. By assimilating the message in price action, technical indicators reflect the collective wisdom of the investment crowd, with the "smart money" leading the way. This collective wisdom tends to be better at identifying economic trends and turning points compared to consensus economic forecasts.

Basically, while it is fundamentals that ultimately shape economic and market outcomes, economic forecasters have a poor track record of anticipating economic developments, with this year's massive inflation forecast error by the Federal Reserve (Fed) and consensus economists a glaring example. Technical indicators tend to be more timely to confirm the accuracy of various competing economic views, so they usually are consistent with the economic view suggested by sound fundamental analysis.

That said, this summer's rally retracing 50% of the 2022 bear market is an exception, in our view. Technical rules based on historical experience have caused many strategists to declare the bear market over and the beginning of a new bull market. Indeed, 50% retracements of S&P 500 bear markets have been associated with new cyclical bull markets, as the S&P 500 Index retested its prior lows in a couple of instances but never made a lower low after a 50% retracement. This view has been strengthened by various momentum and breadth indicators which have also worked well throughout the past 75 years, with one caveat. This reliable track record does not apply as well to some other indexes, such as the NASDAQ.

The problem with this purely technical viewpoint currently is that this time there seems to be little fundamental basis for it. As Piper Sandler Companies observes, "All of these (prior) 50% retracements and subsequent New bull markets, were accompanied with an imminent and Major Economic Recovery in Leading Economic Indicators (Purchasing Managers' Index, National Association of Home Builders, Housing Starts)." Clearly, that's not the case now. The above-cited indicators along with a number of other leading indicators of economic activity have been falling this year, not rising. For example, the Conference Board's Leading Economic Index (LEI) indicators has fallen sharply for five straight months, suggesting additional weakening of industrial production and consumer spending ahead. In fact, a drop as large as that of the past five months has never happened without an ensuing recession. On a year-over-year (YoY) basis, the LEI has already hit the zero growth line and looks poised to drop into negative territory in the next few months, consistent with a subsequent recession. In addition, according to Fed's Survey of Senior Bank Loan Officers, lending standards tightened sharply in Q3, suggesting that following the quick and large negative effect on the housing market from the surge in mortgage rates, business investment will also come under pressure as commercial and industrial credit becomes much less abundant than it was over the past year and a half. This suggests that it's too early for a renewed cyclical bull market driven by fundamentals. Indeed, the S&P 500 has never bottomed before a recession started.

The view that this is a new cyclical bull market hinges on the soft landing viewpoint that assumes a recession is avoided and economic growth accelerates in 2023. That view, in turn, is based on a premature Fed pivot, which Fed Chair Powell dispelled thoroughly in his recent Fed Jackson Hole Summit comments. A new Equity bull market has never started in a tightening liquidity environment. The big selloff after Mr. Powell's hawkish comments suggests the new bull-market camp was front-running a pivot that is unlikely before a recession. Basically, this camp seems to be focused on wishful thinking about the end of monetary policy tightening. However, "don't fight the Fed" is perhaps the most useful advice on Wall Street for a reason.

With oil prices moderating and hopes of a Fed pivot, financial conditions such as credit spreads, interest-rate expectations and other stress indicators such as the Chicago Board Options Exchange (CBOE) volatility index (VIX) loosened significantly during the summer rally in stocks.

Investment Implications

The higher probability that the Equity bear market continues, as the economy likely slides into recession over the next few months, implies that a defensive stance is warranted. The risk of an intensifying global energy crisis over the winter months makes the Energy sector a good hedge against downside geopolitical risks.

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However, the Fed is trying to tighten financial conditions. As Fed official after Fed official reiterated a hawkish message even before Chair Powell's recent Jackson Hole speech, financial conditions began to tighten again. Still, the equity market wasn't buying it even though the bond market re-priced for higher rates for a longer period. As a result, there was little reaction to Mr. Powell's comments in the Fixed Income market, while the stock market had to begin the process of giving up its new bull market hopes. Mr. Powell basically put a nail in the coffin of the new equity bull market.

The rise in interest rates from their pivot-hope low point means stocks are overvalued again. The drop in the S&P 500 price/earnings (PE) ratio multiple from over 20 to about 15 in the first half of 2022 reflected the rise in interest rates by about 300 basis points from its extreme overvaluation driven by zero-rate liquidity abundance. Those Equity valuations are unlikely to return until zero rates and quantitative easing (QE) return. The 25% hit to P/Es coincided with the S&P 500 going from about 4,800 to about 3,600 with earnings relatively unchanged.

On the surface, earnings grew again in Q2, sparking bullish hopes. A look under the hood, however, reveals that Energy sector earnings are the only reason profits are up on a YoY basis. That's why the Energy sector is the only global sector showing gains in 2022. As in other high inflation periods, the Energy and Materials stocks are expanding their share of the earnings pie.

As the earnings outlook deteriorates with more and more companies seeing reduced operating leverage, rising labor costs, weakening demand growth, and lower margins, a 15 P/E multiple may hold up if interest rates stabilize around current levels. Earnings, on the other hand, always fall in a recession usually by 20% to 40%. At 4,000 and a P/E multiple of 20, the S&P 500 would be discounting earnings of $200. A 15 multiple on the same earnings would imply 3,000 for the Index. So we would expect the S&P 500 to trade mainly in that range over the rest of the year consistent with the BofA Global Research targets for $200 of earnings in 2023 and a 3600 2022 year-end price level for the S&P 500.

Applied Global Macro Research (AGMR) has estimated 2023 earnings under three different scenarios: (1) a growth pause, resulting in earnings per share (EPS) of $180; (2) a mild recession, resulting in EPS of about $165, and (3) a deep recession, which would see EPS of $155. Currently, earnings are running at about $220. Exhibit 1 shows S&P 500 levels for P/E troughs in recessions since 1970 and these three earnings scenarios.

Exhibit 1: S&P 500 Index in Q1 2024 Based on Three Macroeconomic Outlooks.

		EPS Scenarios for Q1 2024				
		Same as Now	BofA * Estimate	Growth Pause	Mild Recession	Deeper Recession
Recession P/E Trough	**Year**	**$ 220**	**$ 200**	**$ 180**	**$ 165**	**$ 155**
20.0	2001	4400	4000	3600	3300	3100
19.5	2015	4290	3900	3510	3218	3022
16.8	2008	3696	3360	3024	2772	2604
15.5	1986	3410	3100	2790	2558	2402
15.3	1991	3366	3060	2754	2524	2371
13.5	1970	2970	2700	2430	2228	2092
8.2	1975	1804	1640	1476	1353	1271
8.0	1982	1760	1600	1440	1320	1240

For illustrative purposes only. Sources: AGMR; *BofA Global Research; Chief Investment Office. Data as of August 16, 2022.

If earnings fall 10% by early 2024, the earnings math to sustain the S&P 500 over the 4,000 level does not work even with a trough multiple as high as 20. What's more, the new high inflation and interest rate environment points to a trough P/E ratio in the mid-teens, which computes to a S&P 500 range below the year-to-date low of about 3,600. A new low would imply the bullish technical setup based on historical experience was a false signal. There's a reason why "past performance is no guarantee of future results."

As the economy approaches recession, the yield curve usually inverts, with the 10-year Treasury note below the 3-month bill and the federal funds rate. That has not happened yet; however, it is likely to happen once the fed funds rate is raised above 3%, probably at the September 21 Federal Open Market Committee (FOMC) meeting or the following one. An inverted yield curve is usually a sign that interest rates are peaking and the economy is going to slow down into an eventual recession. That is usually the optimal time in the cycle to overweight bonds. While financial conditions are tighter than they were a year ago, they have only normalized from an extremely easy position. However, as Fed Chair Powell emphasized at Jackson Hole, policy will remain restrictive for the foreseeable future, making an easing of financial conditions highly unlikely as early as the bull camp had hoped.

MARKET VIEW

Short, Medium and Long Term Factors for Equities

Kirsten Cabacungan, Assistant Vice President and Investment Strategist

Niladri Mukherjee, Managing Director and Head of CIO Portfolio Strategy

It may be too early for Equity investors to breathe a sigh of relief. While the S&P 500 rallied roughly 17% from its mid-June low to the middle of August,[1] the factors that reinforced the bear market selloff just months ago including high inflation, tighter financial conditions, weakening economic activity and the geopolitical crisis in Eastern Europe still linger. Potential for these challenges to persist could usher in renewed bouts of market volatility in the near term, especially as earnings start to deteriorate and the political cycle ramps up. But looking beyond the next few quarters, some comfort may be found for Equities provided that the Fed manages to rein in inflation while eventually balancing out its policy mandate and some green shoots on economic stability are visible. Looking even farther out, there remain several forces from accelerating innovation to an emerging equity culture that lay a strong foundation for the secular bull market to continue forward. As the next several months likely present a noisy market environment, investors should continue to assess the short-, medium- and long-term factors that could affect equities as they consider portfolio strategy heading into the end of the year.

Portfolio Implications

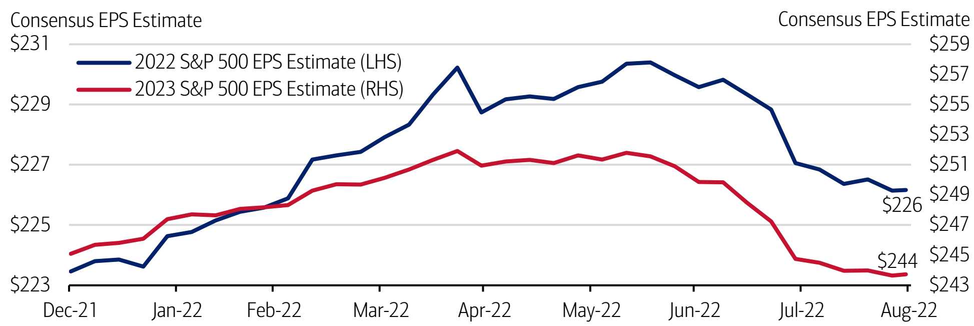
We expect Equities to stay in a “grind-it-out” environment for some time as slowing economic activity, weaker corporate profits and tighter financial conditions lead to episodes of elevated market volatility. As a result, we maintain our neutral position on Equities but still believe that the secular bull market remains intact.

Short Term (Six Months)—Cautious Outlook

Cracks in the latest bear market rally are starting to show. Following three consecutive weeks of losses, the S&P 500 is down 9% from its August summer high and remains 18% down year to date.[2] Much of the optimism that fanned stocks higher in recent months swirled around a potential peak in inflation forming and whether that could mean a Fed “pivot” following a cumulative 225 basis point increase in the fed funds rate so far this year. Fed Chair Powell, however, sent a hawkish message at the Jackson Hole Economic Symposium, squashing any enthusiasm that a pause or reversal of policy could be near. He made it clear that the Fed’s fight against inflation is not over, confirming that rate hikes should continue for “some time.”[3]

Higher interest rates and inflation further dent the corporate profits outlook. Despite the sharp drawdown in Equities in the first half of the year, consensus earnings estimates actually rose as companies’ profits proved resilient. But with a tight labor market and cost pressures picking up, especially from wages, the potential for a moderation in corporate profits will likely grow. Analysts have only started to downgrade expectations in recent months (Exhibit 2). Estimates for 2023 earnings growth have fallen from close to 10% at the start of summer to roughly 8% now, but amid a deteriorating outlook, estimates could be revised even lower.[4] In fact, BofA Global Research expects earnings to decline 8% next year once the effect of restrictive monetary policy is fully felt.

Exhibit 2: Earnings Estimates Declining.



Source: FactSet. Data as of August 30, 2022.

Moreover, weakening economic data raises the probability of a further economic slowdown. The LEI fell for the fifth consecutive month in July, bringing the index down 1.6% over the last six-month period and fully reversing the 1.6% growth over the previous six months.[5] Corporate

[1] Bloomberg. Data from June 16, 2022 to August 16, 2022.

[2] Bloomberg. Data as of September 2, 2022.

[3] Federal Reserve Chair Jerome Powell, “Monetary Policy and Price Stability,” August 26, 2022.

[4] FactSet. Data as of September 2, 2022.

[5] The Conference Board. Data as of August 18, 2022.

earnings tend to take a hit during economic slowdowns, historically declining roughly 30% on average during previous recessions, according to Strategas Research Partners.[6] Until the earnings and economic backdrop improve, the near term vulnerabilities to bear market rallies could intensify. Not to mention the lead up to the midterm elections could exacerbate volatility as political and policy uncertainty rises.

Medium Term (12-18 Months)—Neutral Outlook

The Fed's commitment to restoring price stability should in theory help to combat historically high inflation and eventually bring demand back in line with supply. The path to get there, however, likely means further economic and equity weakness as financial conditions tighten. Fed Chair Powell did acknowledge in his Jackson Hole Summit speech that more aggressive policy in the near term could bring "some pain to households and businesses" but the failure to act now "would mean far greater pain" later on. If the Fed follows through, the outlook for the medium term could look less grim. The July FOMC meeting minutes did state that "at some point" it would likely become appropriate to slow the pace of policy rate increases. A more balanced mandate down the line or even a potential Fed "pivot" would be a tailwind for equities. BofA Global Research expects the Fed to hold rates steady in the first half of next year and eventually start cutting its target range in Q3 2023. The big questions, however, are how well the Fed can stick to its goal and whether the central bank will be able to avoid overshooting, or tightening policy by more than necessary.

Possible improvement on the inflation front and the slowdown of the economy could lead to the early stages of a bottoming out process for the business cycle. At that point, investor sentiment could be shaken but a cautious optimism of an emerging bull market may develop. If financial conditions start to cool, a new earnings cycle could begin to appear and more attractive equity valuations amid lower interest rates would be a catalyst for future equity strength.

Long Term (5-10 Years)—Positive Outlook

Over the longer term, emerging trends should provide a strong foundation for a long-term advance in U.S. Equities. The pandemic-induced disruption to business dynamics over the last few years paved the way for a new era of innovation. Creative destruction[7] has been a driving force behind this shift as the needs and habits of consumers have dramatically changed, forcing businesses to adapt or potentially lose market share. As faster-growing, digitally-oriented companies replace declining business models, the stock market will also likely undergo a major transformation. The average tenure of a company's listing on the S&P 500 is expected to shrink to just 15 to 20 years by 2030, declining from 30 to 35 years in the late 1970s, as a number of companies are replaced in the next decade to fit the changing business landscape.[8] A greater focus on efficiency and productivity in the years ahead could bolster earnings growth and provide a strong support to the secular bull market.

Changing investor demographics could also be a major, long-term tailwind for Equities. Over time, a strong equity culture has been developing with the share of Equities of financial assets held by households more than quadrupled from 10.2% to 41.1% from 1982 to 2021.[9] A new boost to that equity trend could actually be budding as millennials,[10] who make up the largest generation in the U.S. labor force, become a bigger investing force. While millennials' net worth doubled from the Q1 of 2020 to the Q1 of 2022, they hold only 6.6% of total U.S. net worth whereas baby boomers[11], own 50.4%, according to research by MagnifyMoney.[12] A need to build wealth and "catch up" to older generations could drive increased allocations to equities over the next decade.

Considering the near-term headwinds to Equities, we believe volatility could remain elevated. Investors should maintain an "on guard" approach and continue to focus on diversification across and within asset classes. Given the more neutral medium term outlook and longer term secular tailwinds, long term investors who may be below their target allocation or have excess cash should continue to monitor potential opportunities to add to Equity positions.

[6] August 29, 2022.

[7] A concept in economics that describes the process of old business models being replaced by newer, more efficient models.

[8] Innosight. "2021 Corporate Longevity Forecast" May 2021.

[9] Board of Governors of the Federal Reserve System; Federal Reserve Bank of St. Louis. Data as of August 2022.

[10] Adults born between 1981 and 1996 (ages 26 to 41 in 2022).

[11] Adults born between 1946 and 1965 (ages 57 to 76 in 2022).

[12] MagnifyMoney. "Millennials' Net Worth Has Doubled Since Start of Pandemic" July 25, 2022.

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THOUGHT OF THE WEEK

A World Economy still on Thin I.C.E.

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

The world economy isn't struggling with just one seismic challenge like the Fed's hawkish battle against inflation. Nor two: a pandemic that has sapped the economic vigor of China, creating negative ripple effects for the rest of the world. But rather three tectonic headwinds when the Ukraine conflict-cum-European energy crisis is added to the mix.

Rarely have the Big Three—the U.S., China, and European Union plus the U.K.—struggled in tandem, raising the odds of a global synchronized slowdown, if not global recession, in the near term.

The path forward for the capital markets is likely to remain choppy and volatile because the Big Three remain on thin I.C.E. More specifically, the near-term trajectory of asset prices will be dictated by how the U.S. deals with sticky (I)nflation; China meets the challenge of (C)ovid-19; and Europe grapples with one of the worst (E)nergy crises in decades.

Against this backdrop, the accompanying exhibits underscore the economic importance/weight of the Big Three. Collectively, the trio account for just over 63% of global gross domest product (GDP) (in nominal US$) in 2021, with Europe's share of world GDP, it should be noted, some 3 percentage points above China's. This differential underpins the importance of Europe's contribution to global growth, and the attendant near-term recessionary risks from the region. Also note that China's GDP is greater than the rest of Asia combined.

The Big Three account for a similar share of global personal consumption—or 62% of global consumer spending in 2020, the last year of available data. Here, however, the picture is a little more nuanced, with Europe and the U.S., home to the wealthiest cohort in the world, accounting for 50% of global consumption. Consumers in China are not insignificant, with a global consumption share of 12%, although consumption in Asia ex China as a share of the global total is larger.

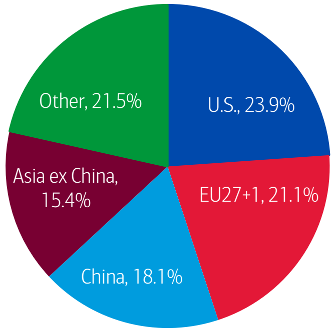
What this all means for investors is the following: For the I.C.E. to get thicker under the global economy—thereby setting up for reset in the global profits cycle—the Fed must gain the upper hand on inflation; China must aggressively reflate its flat-lining economy; and Europe must counter the spike in energy costs with fiscal and monetary levers. Until then, the Chief Investment Office continues to remain cautious and defensive per Equities, both U.S. and non-U.S.

Portfolio Implications

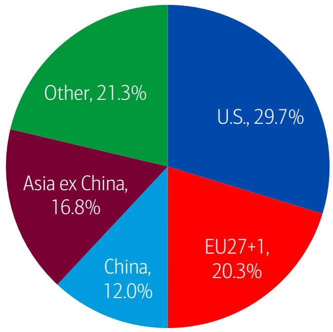
Global growth prospects remain tenuous as we head into the fall, portending more downside pressure on global earnings estimates. In the U.S., we remain neutral on Equities, although the U.S. remains our preferred region relative to the rest of the world given stronger balance sheets, better consumer fundamentals, rising shareholder payments and energy independence.

Exhibit 3: The Global Heft of the Big Three: U.S., China and European Union (EU) 27 +1*.

A) Share of World GDP



B) Share of World Personal Consumption



*EU 27+1 is an economic and political union of 27 countries. The +1 is the UK which left the EU. Sources: United Nations; International Monetary Fund. Data as of August 2022.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	31,318.44	-2.9	-0.6	-12.5
NASDAQ	11,630.86	-4.2	-1.6	-25.3
S&P 500	3,924.26	-3.2	-0.8	-16.8
S&P 400 Mid Cap	2,393.10	-4.2	-1.5	-14.9
Russell 2000	1,809.75	-4.7	-1.9	-18.7
MSCI World	2,605.21	-3.3	-0.8	-18.4
MSCI EAFE	1,823.46	-3.0	-0.8	-20.2
MSCI Emerging Markets	972.02	-3.4	-2.2	-19.3

Fixed Income†

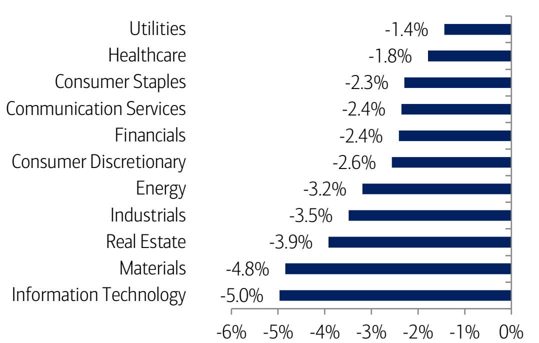
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	3.96	-1.09	-0.28	-11.74
Agencies	3.64	-0.33	0.02	-6.53
Municipals	3.38	-0.87	-0.54	-9.12
U.S. Investment Grade Credit	3.97	-1.02	-0.21	-10.94
International	4.87	-1.65	-0.45	-14.59
High Yield	8.48	-1.80	-0.17	-11.37
90 Day Yield	2.87	2.82	2.90	0.03
2 Year Yield	3.39	3.40	3.49	0.73
10 Year Yield	3.19	3.04	3.19	1.51
30 Year Yield	3.34	3.19	3.29	1.90

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	256.35	-4.4	-2.1	21.0
WTI Crude $/Barrel††	86.87	-6.7	-3.0	15.5
Gold Spot $/Ounce††	1712.19	-1.5	0.1	-6.4

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2020 Year End
EUR/USD	1.00	1.00	1.01	1.14
USD/JPY	140.20	137.64	138.96	115.08
USD/CNH	6.92	6.89	6.91	6.36

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 8/29/2022 to 9/2/2022. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 9/2/2022 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 9/2/2022)

	2021A	Q1 2022A	Q2 2022A	Q3 2022E	Q4 2022E	2022E
Real global GDP (% y/y annualized)	6.1	-	-	-	-	3.1
Real U.S. GDP (% q/q annualized)	5.7	-1.6	-0.6	-0.5	-2.0	1.3
CPI inflation (% y/y)	4.7	8.0	8.6	8.2	6.7	7.9
Core CPI inflation (% y/y)	3.6	6.3	6.0	6.0	5.5	6.0
Unemployment rate (%)	5.4	3.8	3.6	3.5	3.8	3.7
Fed funds rate, end period (%)	0.07	0.33	1.58	2.88	3.63	-

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 September 2, 2022.

Asset Class Weightings (as of 8/2/2022)

	CIO View				
Asset Class	Underweight		Neutral		Overweight
Global Equities			●		
U.S. Large Cap Growth			●		
U.S. Large Cap Value				●	
US. Small Cap Growth			●		
US. Small Cap Value			●		
International Developed		●			
Emerging Markets			●		
Global Fixed Income		●			
U.S. Governments		●			
U.S. Mortgages		●			
U.S. Corporates				●	
High Yield		●			
U.S. Investment Grade Tax Exempt			●		
U.S. High Yield Tax Exempt		●			
International Fixed Income	●				
Alternative Investments*					
Hedge Funds			●		
Private Equity			●		
Real Assets			●		
Cash					

CIO Equity Sector Views

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

*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 August 2, 2022. 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.

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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 includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market.

Purchasing Managers' Index are economic indicators derived from monthly surveys of private sector companies.

NASDAQ is an American stock exchange based in New York City. It is ranked second on the list of stock exchanges by market capitalization of shares traded, behind the New York Stock Exchange.

Conference Board's Leading Economic Index (LEI) is an American economic leading indicator intended to forecast future economic activity which determines the value of the index from the values of ten key variables.

Chicago Board Options Exchange (CBOE) volatility index (VIX) is a real-time market index representing the market's expectations for volatility over the coming 30 days.

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