CAPITAL MARKETS OUTLOOK

REVIEWING THE QUARTER ENDED March 31, 2024

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Klingman & Associates
INDEPENDENT WEALTH ADVISORS

Gerard Klingman, Founder & President

Gerry provides financial planning and investment advisory services to corporate executives, entrepreneurs, professional athletes and other high-net-worth individuals.

Gerry received a bachelor's degree in Economics from Princeton University and attained his Certified Financial Planner™ certification from the College of Financial Planning in 1989. He later earned CLU® and ChFC® designations from the American College, as well as a CFS® designation from the Institute of Business & Finance. He is a member of the Financial Planning Association.

With more than 30 years of experience, Gerry is widely recognized as a leader in the field of financial planning and investment management. Gerry has been consistently ranked on many of the industry's lists of top financial advisers including Barron's Top 100 Independent Advisors, the Financial Times' F400 Top Financial Advisers, and the Forbes ranking of America's Top Wealth Advisors.

April 2024

The first quarter of 2024 continued the positive trends we experienced in the last quarter of 2023. Inflation continued to moderate, allowing the Federal Reserve to transition from raising short-term interest rates to potentially lowering them later this year. The US economy continues to flex its muscles, strengthened by a healthy consumer and labor market. This, in turn, has improved the outlook for corporate earnings. After several volatile years for investors, financial markets have enjoyed these tailwinds, with a smooth and comfortable ride upward the last few months. That said, we do think we are overdue for increased market volatility. The S&P 500 has risen nearly 30% since its last 5% decline in October of 2023 (such declines typically happen three times a year). This volatility is the price one pays to benefit from the equity premium provided by stocks over the long term.

The US economy, as measured by GDP, grew 3.1% in 2023 (page 8). While 3% may seem "normal" at the surface, it is hard to underscore how impressive this growth was amidst restrictive short-term interest rates. Remember, just a year ago, a recession was all but "guaranteed." The US consumer, which drives over two-thirds of GDP growth, has shown resilience in their willingness and ability to spend. Consumers have shifted their spending preferences from big ticket items during the pandemic (cars, appliances, renovations) to experiences (travel, hotel, and dining). This transition is a benefit of a diversified and resilient economy. Higher equity and real estate prices have also propelled wealth creation, with an estimated $5+ trillion dollars added in the first quarter after $12 trillion last year (page 18). But as excess savings post-pandemic are reduced, economists' attention is now on the health of the labor market. On the surface, the labor market seems healthy. Unemployment remains below 4% (page 10), with nearly 800,000 jobs created in the last three months (page 12). Additionally, real wage gains and immigration have helped age 18-64 labor force participation rates surpass pre-Covid levels (page 13). However, job openings and full-time employment have steadily declined. Whether this is a sign of workers preferring more flexible arrangements or broader weakness is one of the many questions Jerome Powell and the Fed will have to wrestle with in the coming months. There is still work to be done until a successful soft-landing can be declared. But financial markets have responded positively to the prospect of a wider and extended runway thanks to a strong economy with more workers.

Continued

Against this backdrop, global equity markets continued their rebound in the first quarter of 2024. US Large Cap Equities, as measured by the S&P 500 Index, returned +10.5%, reaching 22 record highs along the way (page 22). With the index now trading at 21x forward earnings, valuations certainly do not appear cheap. But when looking beyond the “Magnificent 7” companies which continue to command premium multiples, valuations are reasonable, if not attractive (page 36). Corporate earnings overall have been more resilient than expected (page 24). Current consensus estimates for 2024 ($244 per share) and 2025 ($276) imply an 11-12% growth rate above 2023 (page 25). If these estimates are achieved, and we believe they can be, then the market is trading in line with historical averages. We are also encouraged by the improved market breadth (10 of the 11 sectors were positive) and dispersion (the S&P 500 was +10% despite TSLA down 30% and AAPL down 11%) in the first quarter. We remain Neutral weight US Large Cap Equities in our asset allocation models. US Mid Cap Equities, as measured by the S&P 400 Index, kept pace with their large counterparts in the first quarter, while US Small Cap Equities, as measured by the S&P 600 Index, continued to lag. Smaller businesses are historically more sensitive to slowdowns in economic activity and to higher interest rates (given shorter-term debt profiles). 2024 small cap earnings estimates have declined 10% over the last 18 months and now reflect a modest 3% growth above 2023. While US Small Cap valuations remain historically attractive at 15x forward earnings, the path of future earnings remains unclear (page 23). We remain Neutral weight.

Non–US Developed Equities, as measured by the MSCI EAFE Index, returned +6% in the first quarter and Non–US Emerging Equities, as measured by the MSCI EM Index, returned +3%. Many international economies continue to face a variety of challenges and uneven recoveries, which have put a damper on the outlook for corporate earnings. And unlike in 2023, global currencies weakened against the US Dollar in the first quarter, creating yet another headwind. However, inflation continues to decelerate which should allow many central banks across both developed and emerging economies to pivot towards easier monetary policy as the year progresses. It now seems likely that the ECB and Bank of England will reduce rates faster than the Fed, a very unexpected outcome at the start of the year (page 37). Further, valuations remain historically and relatively attractive at 12-14x forward earnings with a 3% dividend yield. We remain Neutral weight to Non–US Developed Equities and slightly Overweight to Non–US Emerging Equities.

Continued

The Federal Reserve has held short-term interest rates steady at 5.25 - 5.50% since July 2023 as it continues to evaluate the effects of its policy tightening on the economy and inflation. Core PCE, the Fed's preferred measure of inflation, increased 2.8% in February versus a year ago. Inflation has trended downwards over the past 20 months, but there has been a notable deceleration in the rate of this decline. We believe the Fed's inflation estimates are reasonable (2.6% in 2024 and 2.2% in 2025) and leave the door open for lower rates in the second half of the year (page 26). Until that time, every month's inflation report will garner a lot of attention. The cardinal sin of central banking is to lower interest rates too quickly, and then to have to reverse course due to more persistent inflation. Chairman Powell undoubtedly feels this pressure, particularly after getting caught so far behind inflation three years ago. Longer-term interest rates have steadily risen in 2024, with the 10-year Treasury climbing to 4.2% as of quarter-end and surpassing 4.5% in April. Despite the volatility, we continue to take advantage of the opportunity offered by these rising rates, purchasing high quality Treasury, Municipal and Corporate bonds at attractive yields to lock in income in client portfolios (page 28). We remain overweight US Investment Grade Bonds in our models. Attractive yields can still be found in lower quality bonds, but historically tight credit spreads make these bonds more susceptible to losses if the economy falters (page 29). We remain Neutral weight to Strategic Bonds.

If we look back to early 2023, most market pundits were sure the US economy would be entering a recession in response to the Fed's aggressive monetary tightening. Fast-forward to January 2024, despite a strong US economy, the consensus was that the Fed would lower interest rate seven times in 2024 as the economy would inevitably slow (page 38). And today, there is debate if the Fed will lower rates at all in 2024. If there is one thing we have learned over the years, it is to never underestimate the ability for the consensus view to be wrong (just as it was in 2023). We do believe 2024 will be more volatile for financial markets. Whether volatility in the near-term stems from inflation, interest rates, or geo-political events, we cannot be sure. But for diversified and disciplined long-term investors, who judiciously rebalance their portfolios consistent with their long-term goals, volatility creates opportunities.

TACTICAL OVERLAY TO STRATEGIC ASSET ALLOCATION MODELS

CASH ALTERNATIVES	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

FIXED INCOME

US INVESTMENT GRADE BOND	UNDERWEIGHT	NEUTRAL	**OVERWEIGHT**
TIPS	**UNDERWEIGHT**	NEUTRAL	OVERWEIGHT
STRATEGIC BOND	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

US STOCKS

US LARGE CAP EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
US MID CAP EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
US SMALL CAP EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

NON-US STOCKS

NON-US DEVELOPED MARKETS EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
NON-US EMERGING MARKETS EQUITY	UNDERWEIGHT	NEUTRAL	**OVERWEIGHT**

ALTERNATIVES

REAL ESTATE	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

This material is for informational purposes only and should not be used or construed as a recommendation regarding any security outside of a managed account. There is no assurance any of the trends mentioned will continue in the future. Dividends are not guaranteed and must be authorized by a company's board of directors. Diversification does not assure a profit or protect against loss. International investing involves additional risks such as currency fluctuations, differing financial and accounting standards, and possible political and economic instability. Also, investing in emerging markets can be riskier than investing in well-established foreign markets. Investing involves risk and investors may incur a profit or a loss, including the loss of all principal.

- **ECONOMIC REVIEW**
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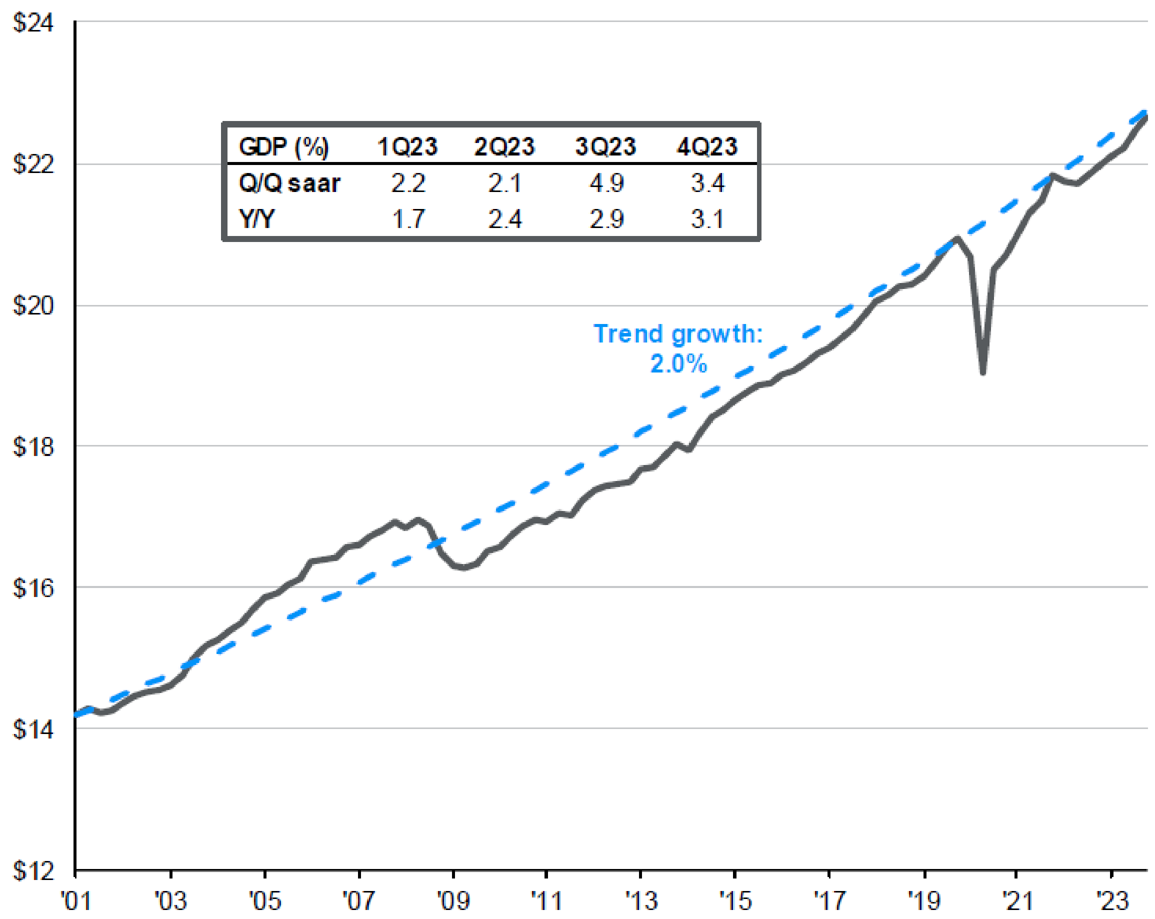
GROSS DOMESTIC PRODUCT

Real gross domestic product (GDP) increased 3.4 percent in the fourth quarter of 2023 versus a year ago according to the Bureau of Economic Analysis, driven by increases in consumer and government spending.

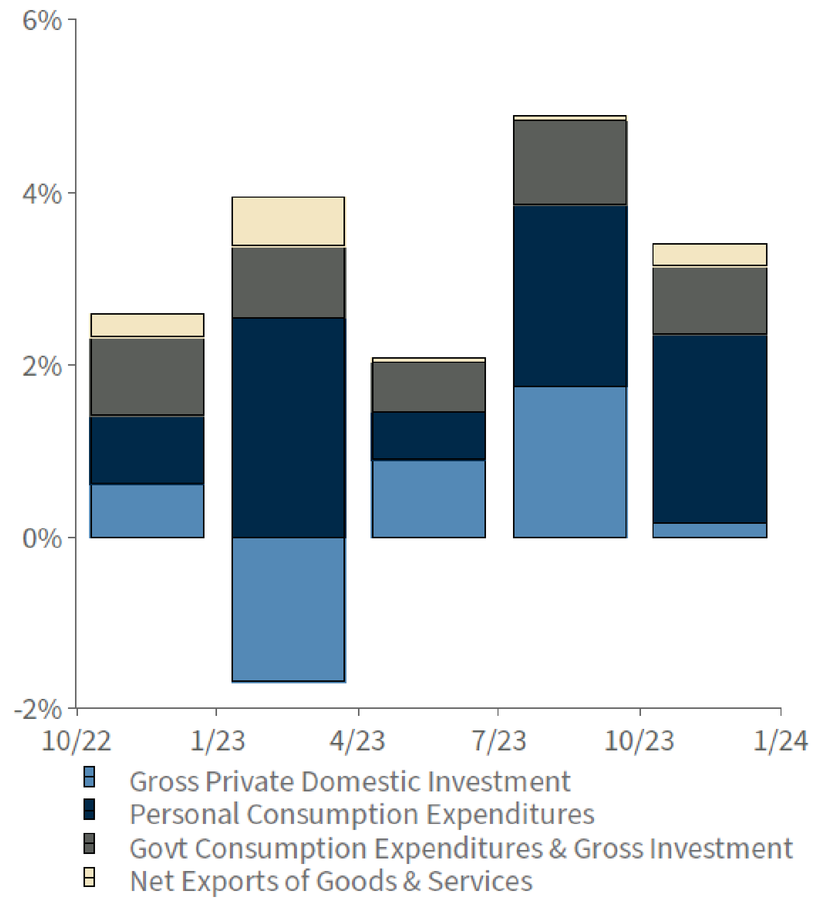


GDP (%)	1Q23	2Q23	3Q23	4Q23
Q/Q saar	2.2	2.1	4.9	3.4
Y/Y	1.7	2.4	2.9	3.1

Source: Bureau of Economic Analysis, FactSet, JPMorgan as of 12/31/2023.

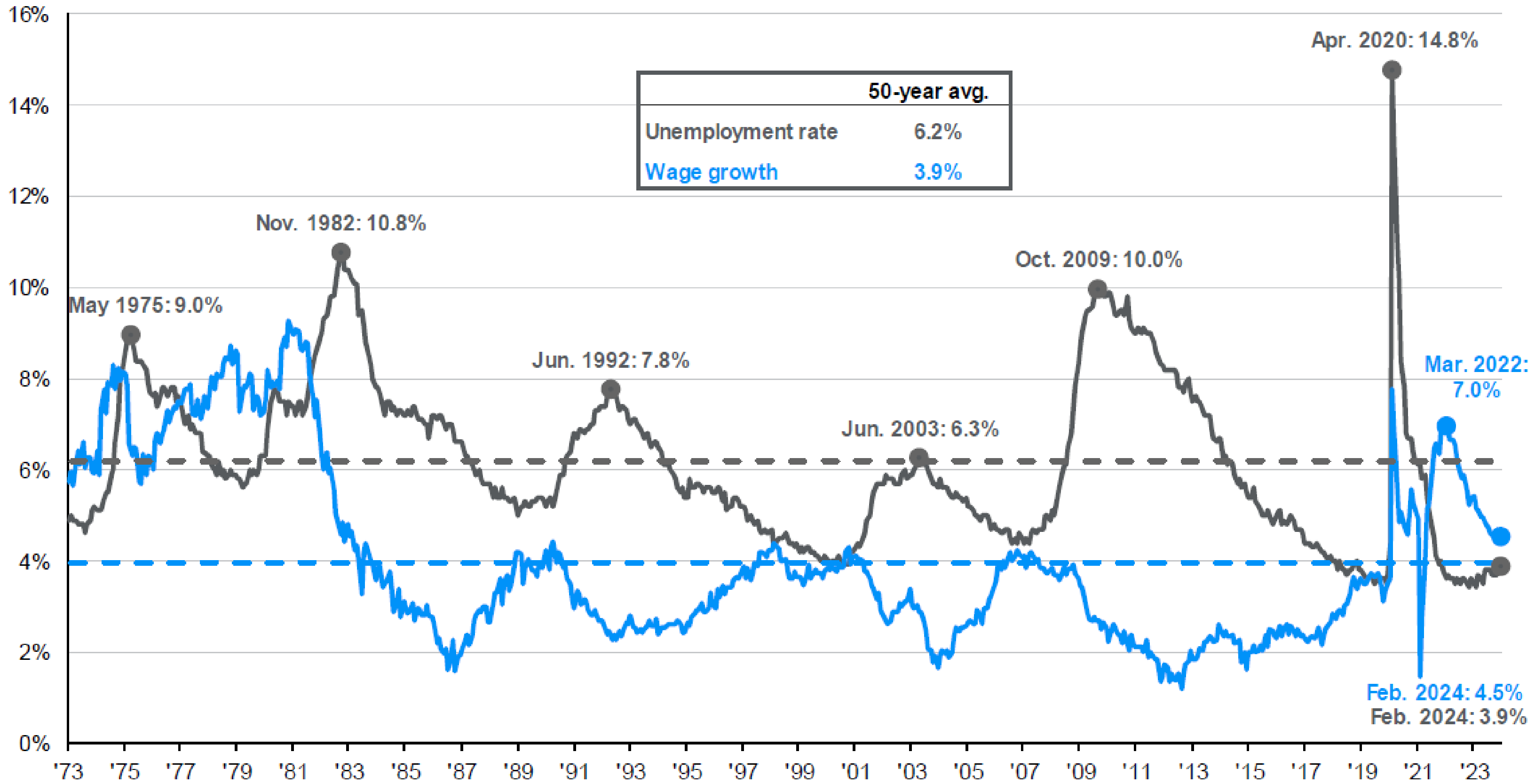
CONTRIBUTIONS TO % CHANGE IN REAL GDP

Fourth quarter real GDP growth reflected increases across personal consumption, government consumption, gross private domestic investment, and net exports.



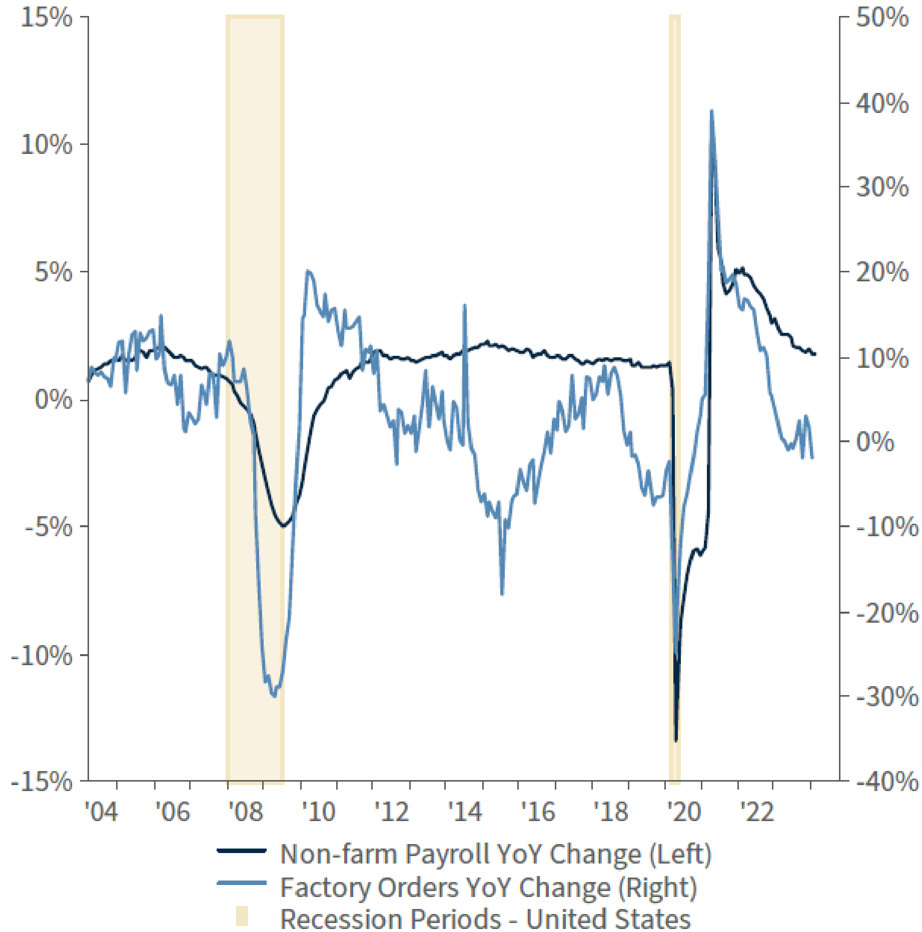
Source: FactSet, as of 12/31/2023

Civilian Unemployment Rate and Year-over-Year Wage Growth



Source: BLS, FactSet, JPMorgan Asset Management. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. Data as of 3/31/2024.

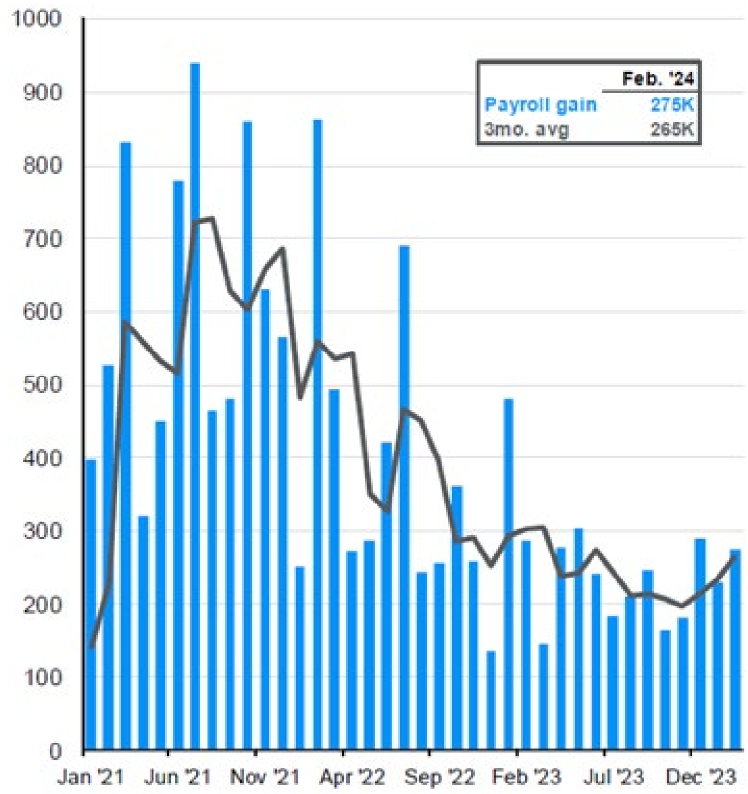
Non-farm payrolls rose by 303,000 in March, well ahead of expectations for an increase of 200,000. This increase reflects additions within health care, government, and leisure and hospitality jobs.



Source: FactSet, as of 3/31/2024

Non-Farm Payroll Gains

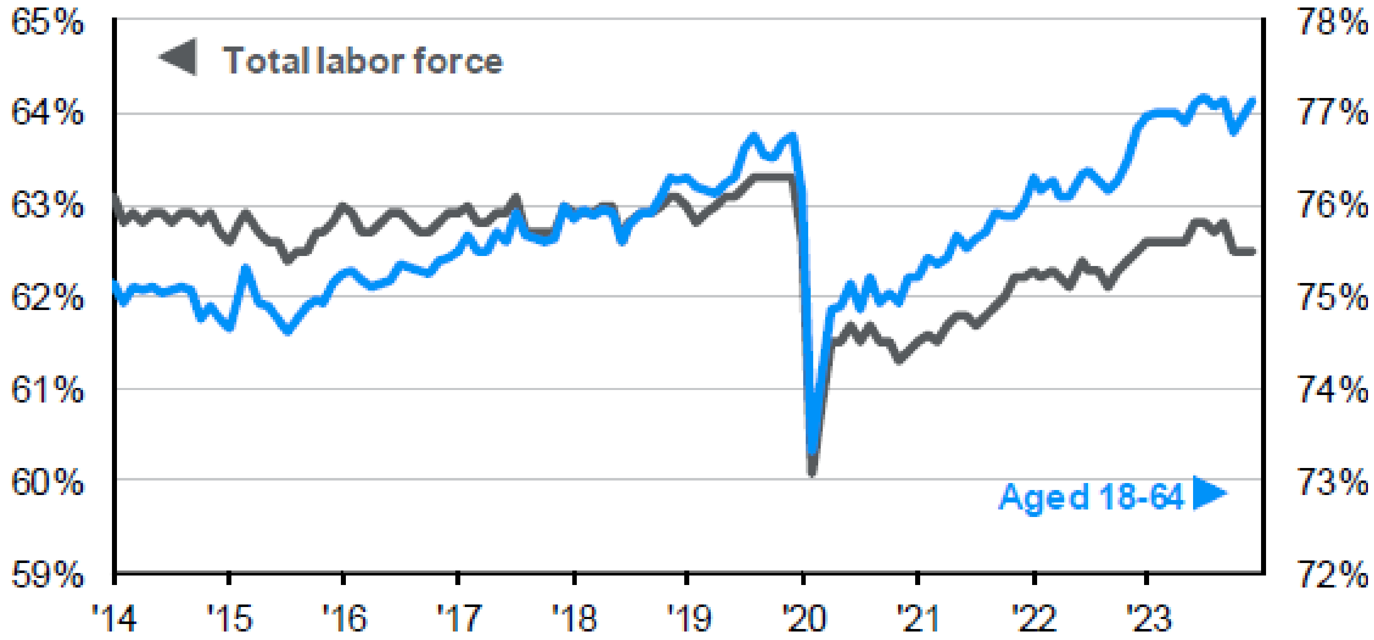
Month-over-Month Change and 3-Month Moving Average



Source: BLS, FactSet, JPMorgan Asset Management. Data as of 3/31/2024.

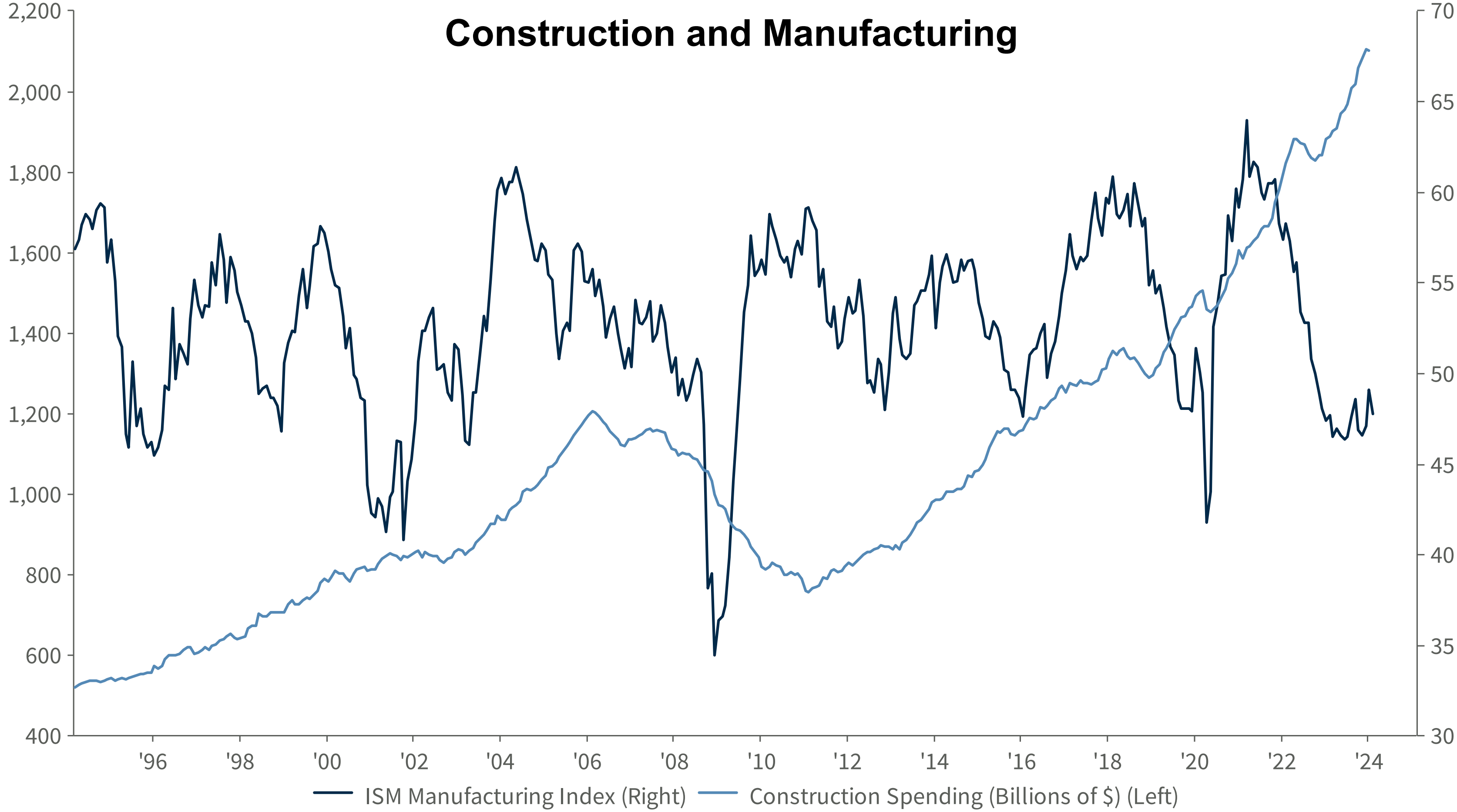
Labor Force Participation

Percent of Civilian Noninstitutional Population, Seasonally Adjusted



Source: BLS, FactSet, JPMorgan Asset Management. Labor force data are sourced from Current Population Survey, also know as the household survey, conducted by the BLS. Data as of 3/31/2024.

The ISM Manufacturing Index increased in March to 50.3 and returned to expansionary territory (a level above 50). Construction spending decreased slightly in the first quarter.



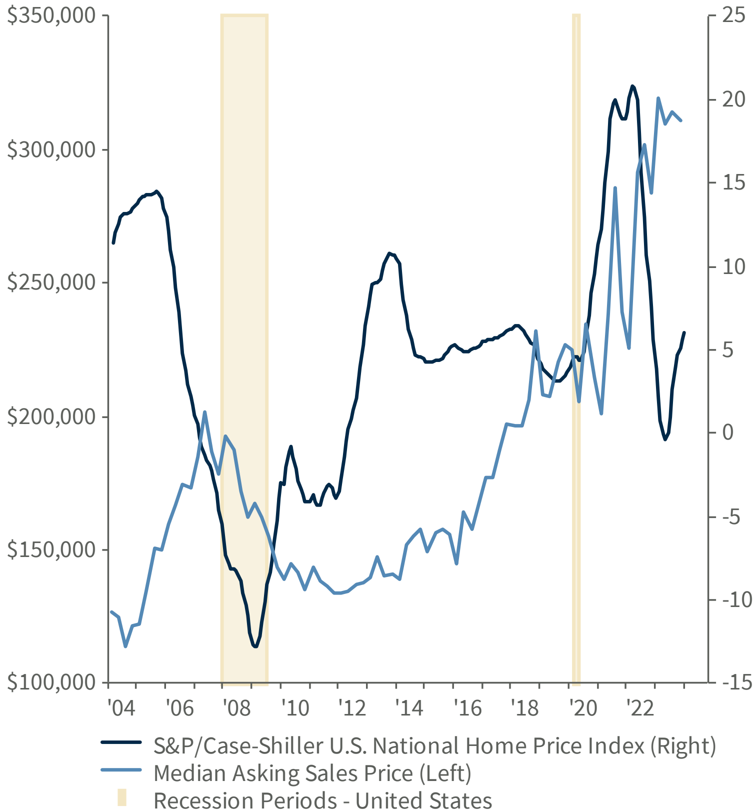
Source: FactSet, as of 3/31/2024

S&P Global US Manufacturing PMI

Source: Standard & Poor's, Hamilton Lane, Weekly Market Briefing. Data as of 3/21/2024.

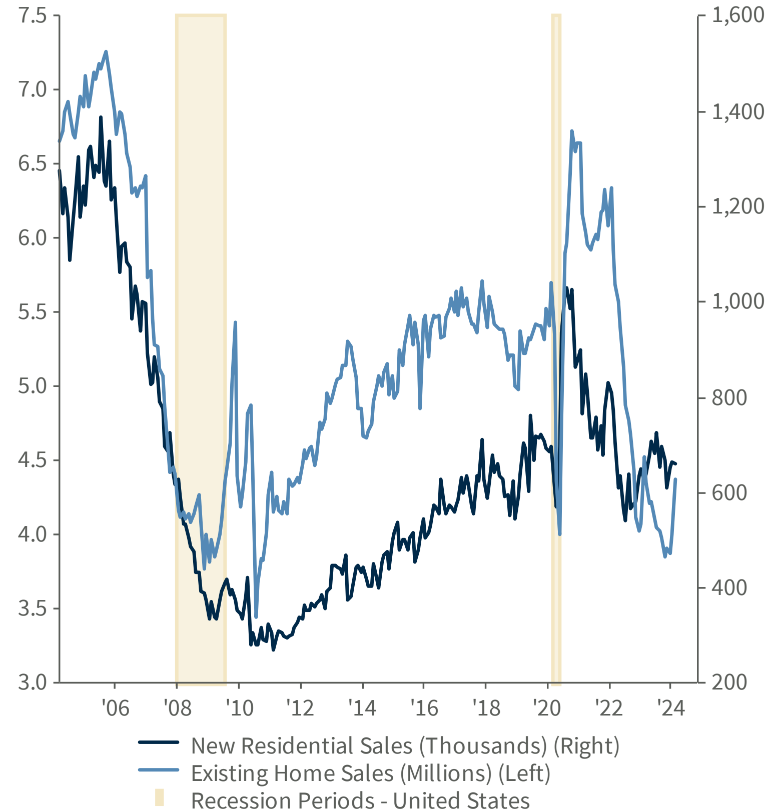
The national home price index increased in January, continuing the trend from last fall. Both new and existing home sales trended higher this winter.

National Home Price Index (YoY Change)



Source: FactSet, as of 3/31/2024

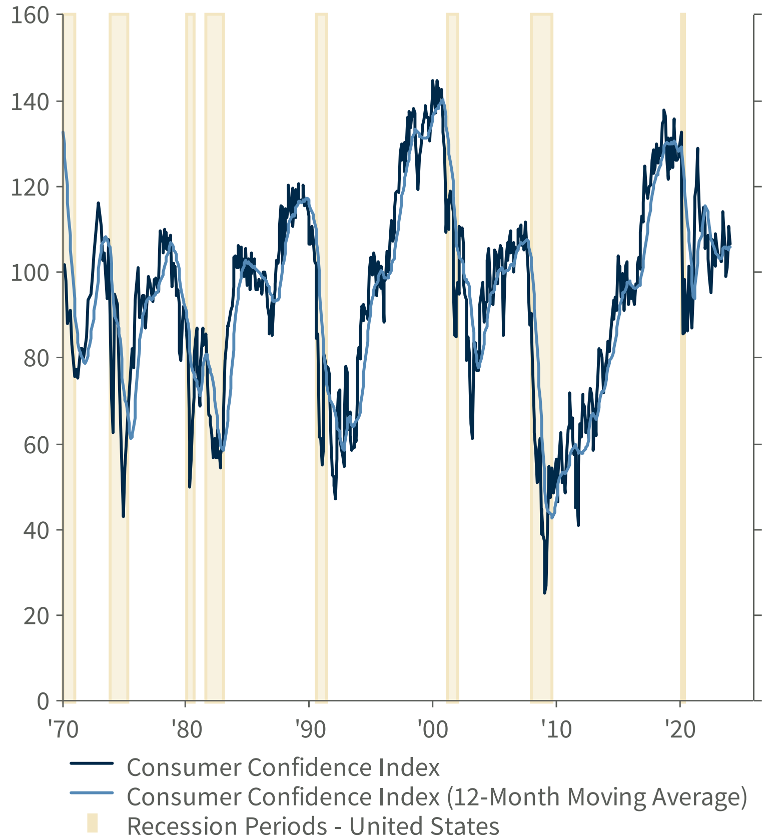
New and Existing Home Sales



Source: FactSet, as of 3/31/2024

US Consumer confidence was 151.0 in March, up slightly from 147.6 in February. Retail sales increased 0.6% in February.

Consumer Confidence



Source: FactSet, as of 3/31/2024

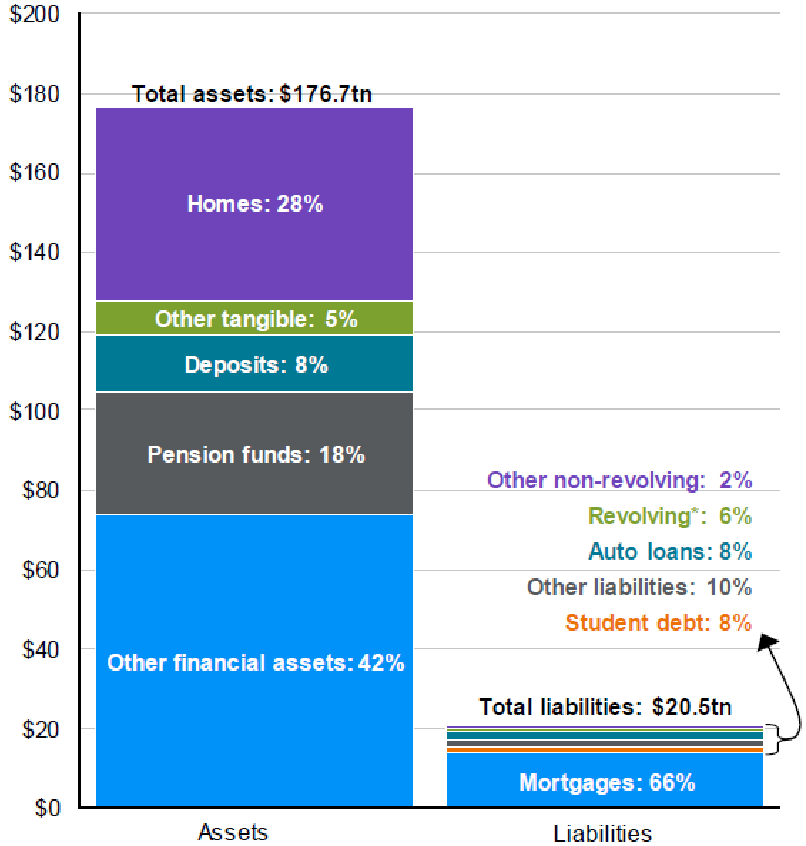
Retail Sales

Source: FactSet, as of 3/31/2024

Consumer Finances

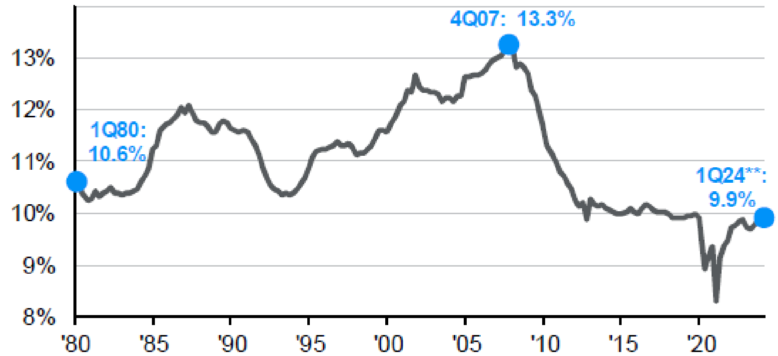
Consumer Balance Sheet

4Q23, USD trillions, not Seasonally Adjusted



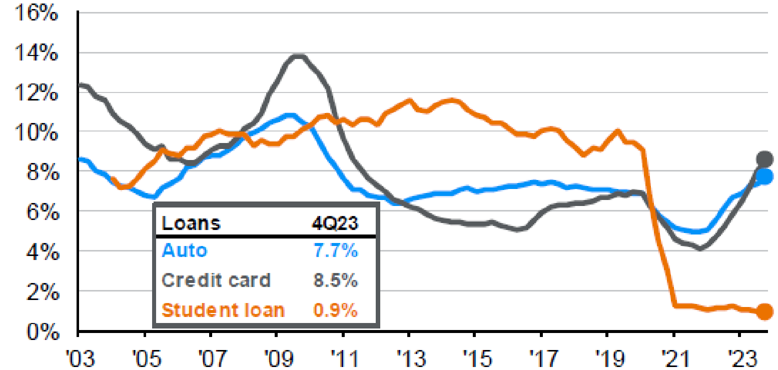
Household Debt Service Ratio

Debt Payments as % of Disposable Personal Income, SA 14%



Flows into Early Delinquencies

% of Balance Delinquent 30+ Days



Source: FactSet, FRB, JPMorgan Asset Management, BEA. Data include households and nonprofit organizations (seasonally adjusted). *Revolving includes credit cards. Values may not sum to 100% due to rounding. **4Q23 and 1Q24 figures for debt service ratio are JPMorgan Asset Management estimates. Data as of 3/31/2024.

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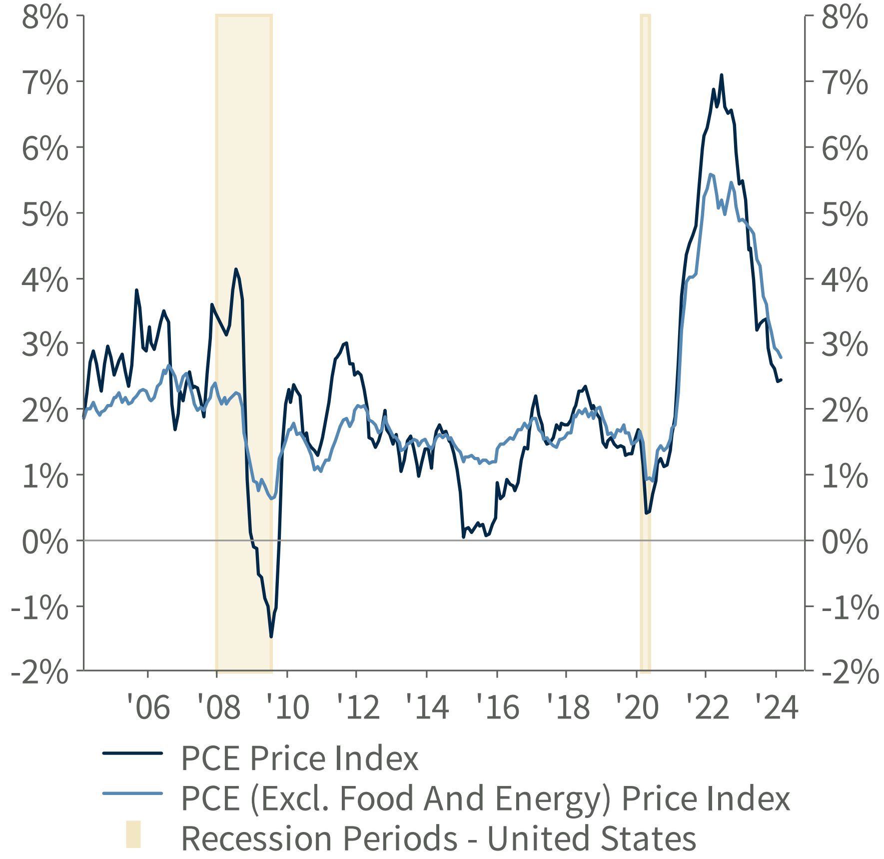
Inflation Continuing to Roll Over

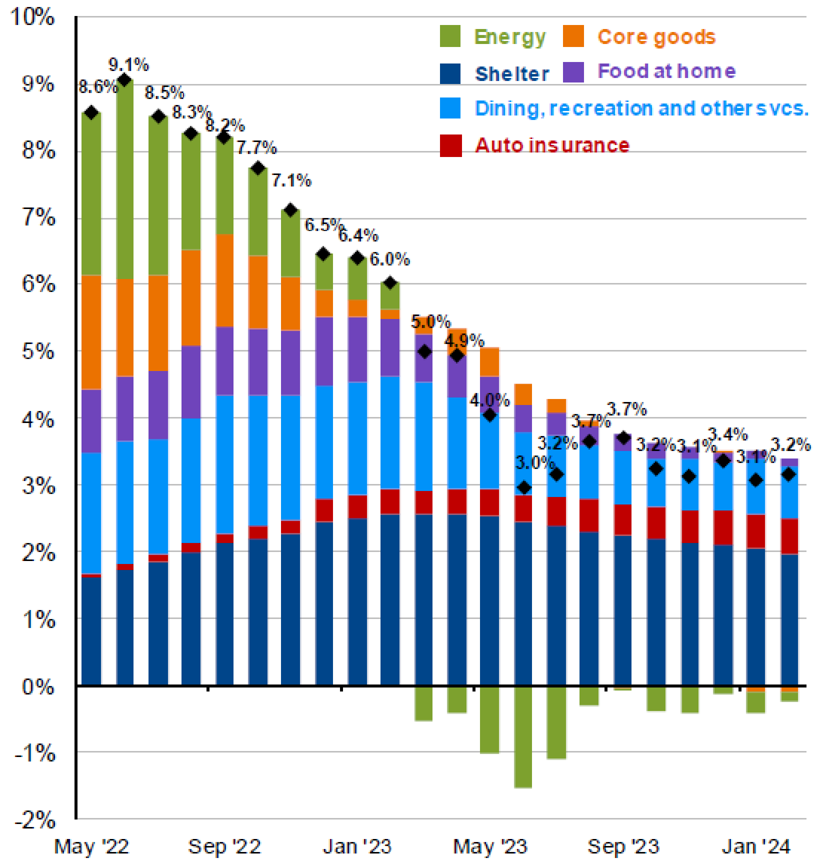
Inflation continues to decelerate towards the Fed's target of 2%. The PCE Price Index (PCE) increased 2.5% in February versus a year ago while the Core PCE Index, which excludes the volatile food and energy components, rose 2.8%.



Source: FactSet, as of 3/31/2024. Personal Consumption Expenditure (PCE) is the preferred measure of inflation by the Bureau of Economic Analysis.

Inflation Continuing to Roll Over

Contributors to Headline CPI Inflation



Source: BLS, FactSet, JPMorgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. “Shelter” includes owners’ equivalent rent and rent of primary residence. “Other” primarily reflects household furnishings, apparel, education and communication services, medical care services and other personal services. Data as of 3/31/2024.

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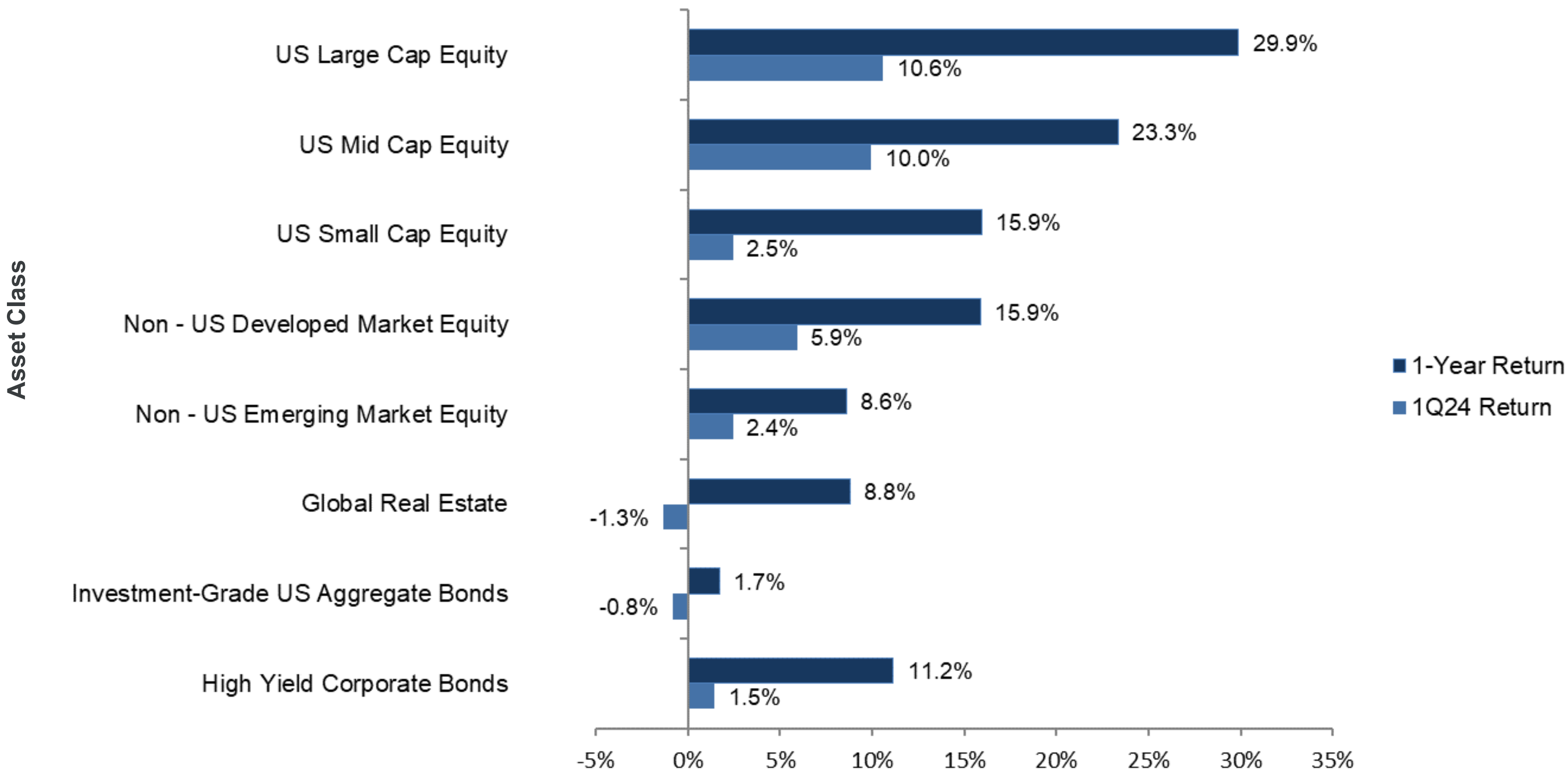
ASSET CLASS RETURNS



Past performance is not indicative of future results. Please see slides 42-44 for asset class definitions.

Source: FactSet, as of 3/31/2024

PRICE-EARNINGS RATIOS VERSUS HISTORICAL AVERAGES

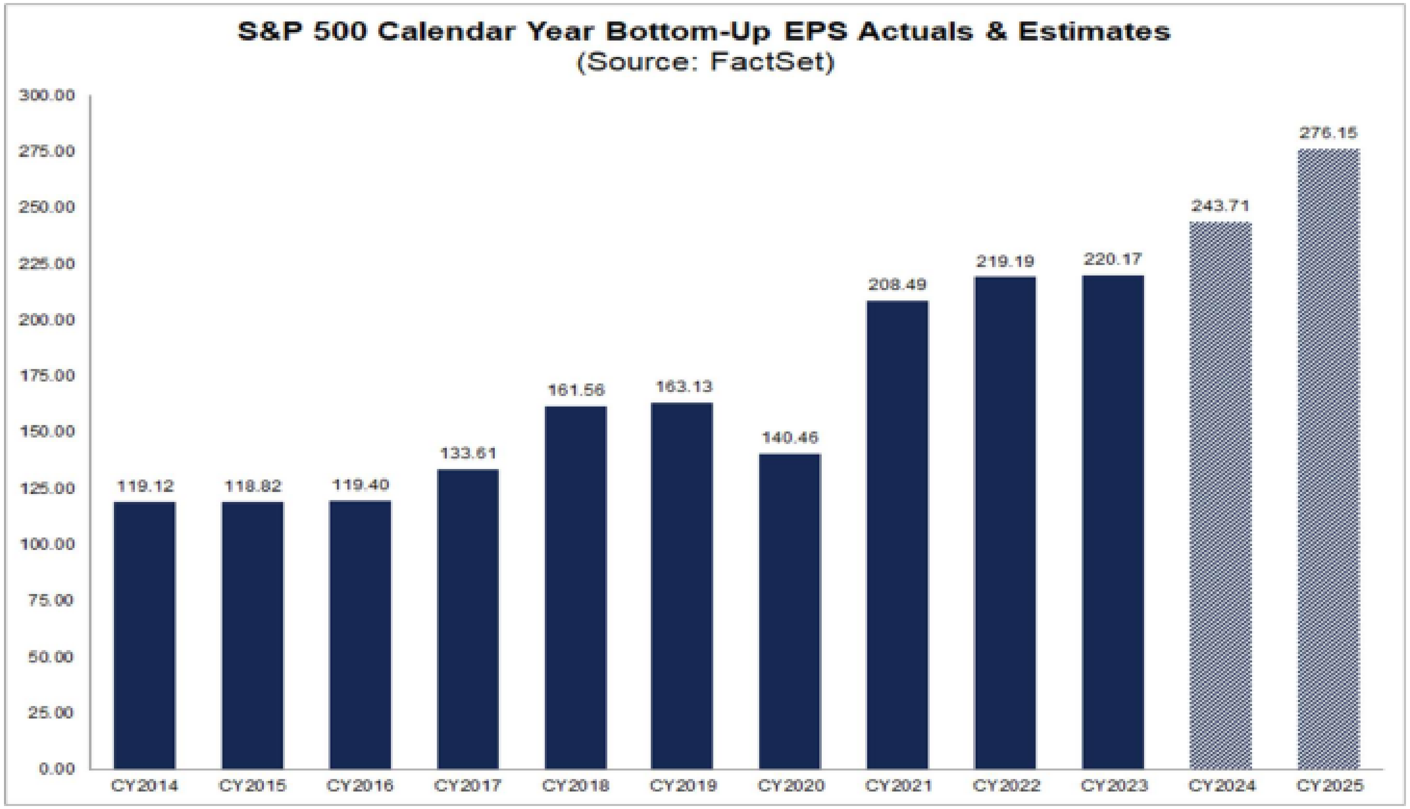
	Current P/E	20-Year Average	Current P/E as a % of 20-year Average
S&P 500	21.5	16.8	127.7%
S&P 400	16.1	15.5	103.9%
S&P 600	14.7	16.2	90.7%

Source: Raymond James Institutional Equity Strategy Weekly. P/E calculated as the most recent index price, divided by consensus earnings in the next twelve months. Please see slides 42-44 for index definitions. 20-year averages as of January 2023. Current P/E data as of 3/31/2024.

Corporate Earnings Trend

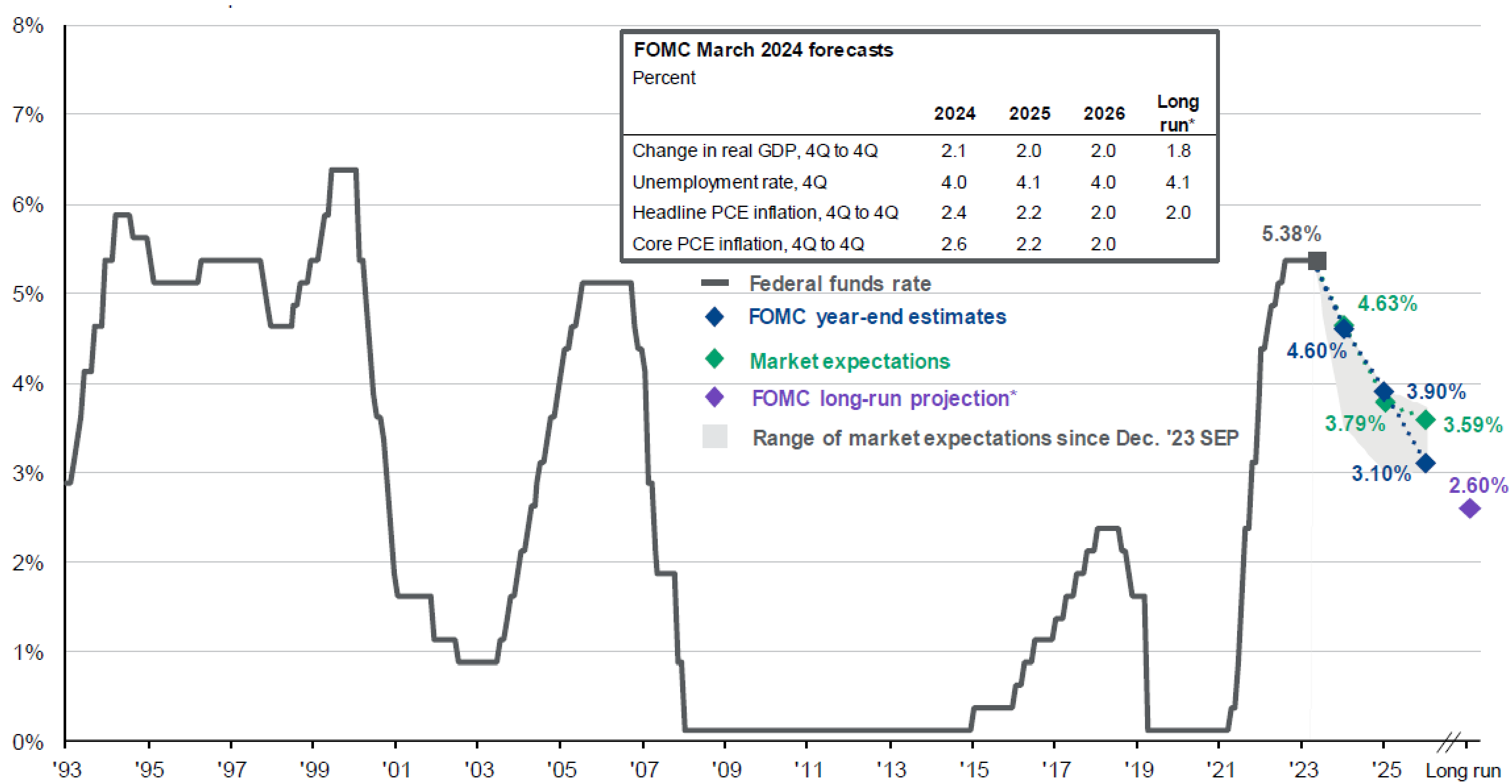
Source: RiverFront, LSEG Datastream as of 3/28/24.

Bottom-Up EPS Estimates: Current & Historical



Source: FactSet, Earnings Insight Report. Data as of 3/31/2024.

Federal Funds Rate Expectations

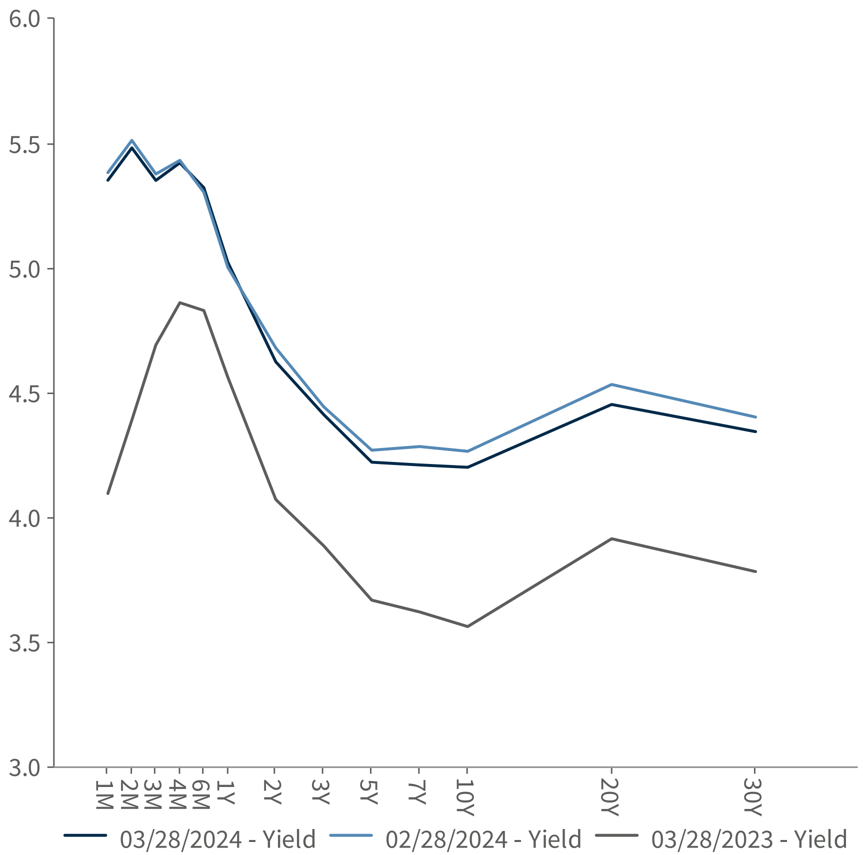


FOMC March 2024 forecasts
Percent

	2024	2025	2026	Long run*
Change in real GDP, 4Q to 4Q	2.1	2.0	2.0	1.8
Unemployment rate, 4Q	4.0	4.1	4.0	4.1
Headline PCE inflation, 4Q to 4Q	2.4	2.2	2.0	2.0
Core PCE inflation, 4Q to 4Q	2.6	2.2	2.0	

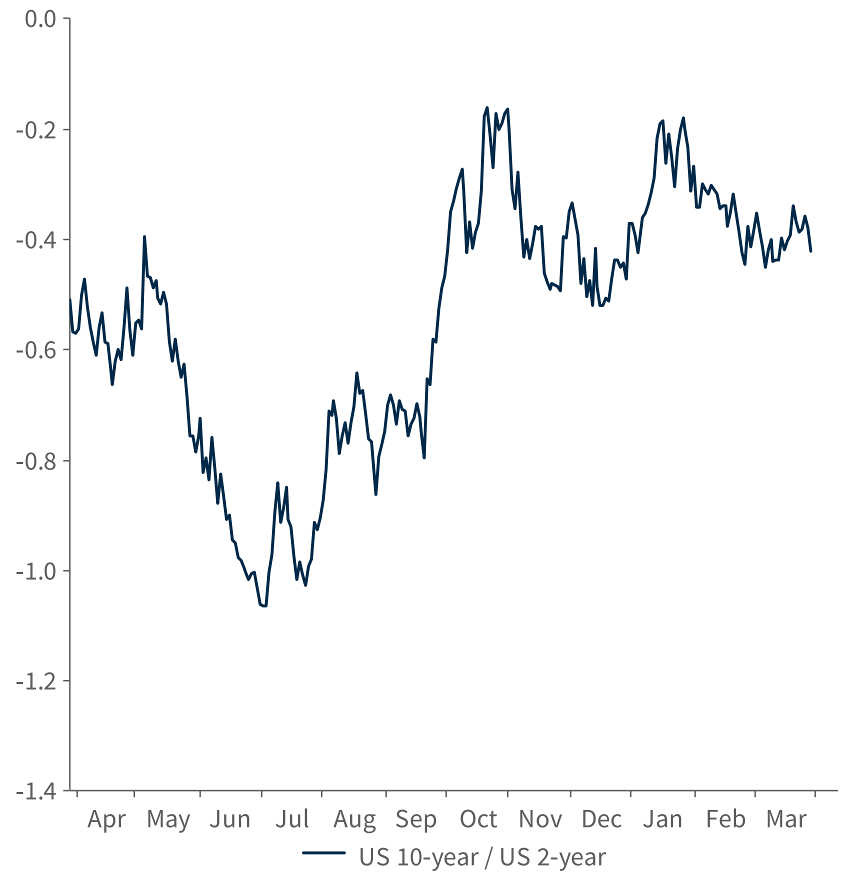
Source: Bloomberg, FactSet, Federal Reserve, JPMorgan Asset Management. Market expectations are based off USD Overnight Index swaps. Long-run projections are the rates of growth, unemployment, and inflation to which a policymaker expects the economy to converge over the next five to six years in the absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections, and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only. Data as of 3/31/2024.

US Yield Curve



Source: FactSet, as of 3/31/2024

US 10 – Year / US 2- Year Yield Curve

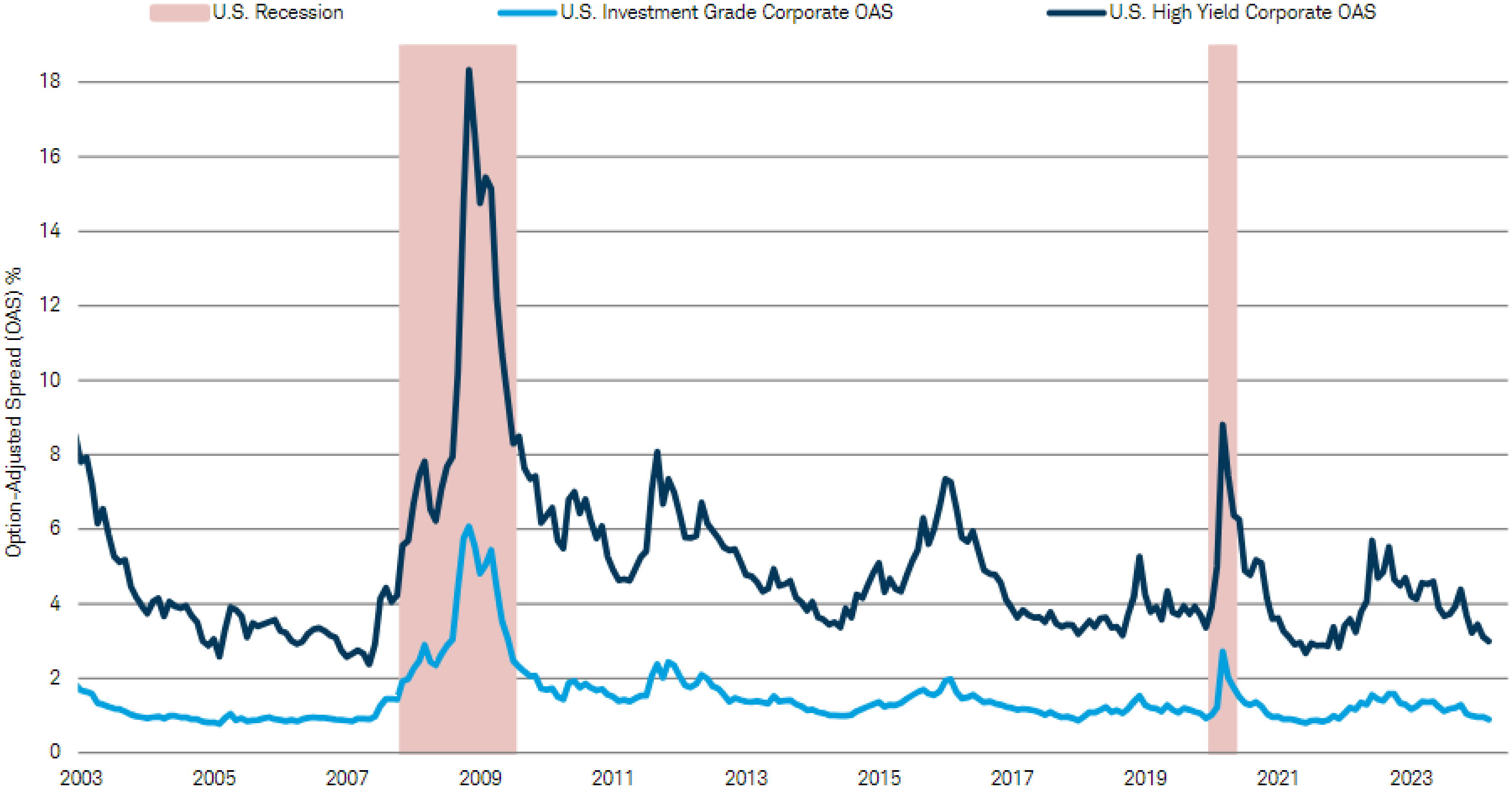


Source: FactSet, as of 3/31/2024

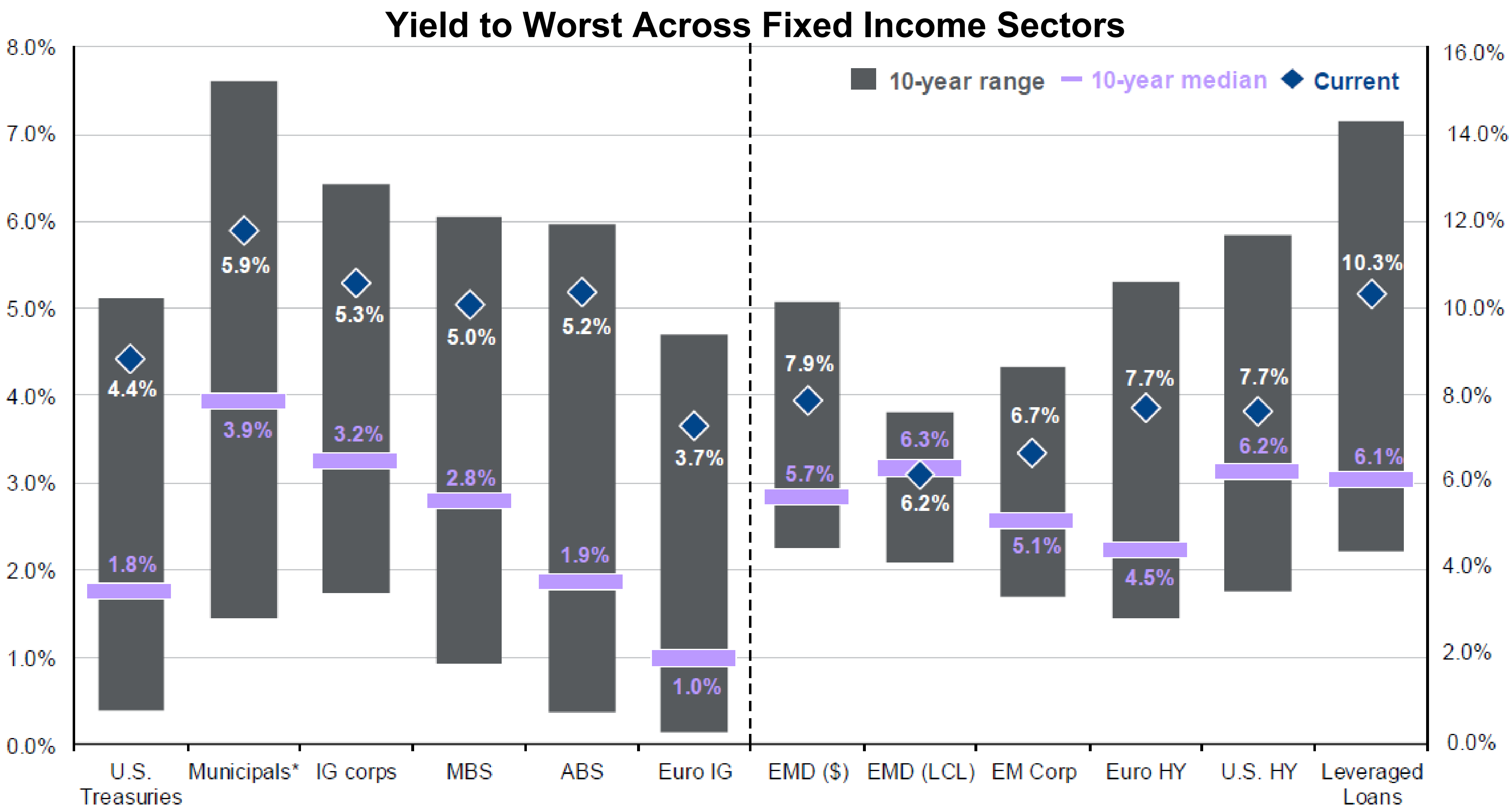
Yield-to-Worst

Source: FactSet, as of 3/31/2024. All yields are Yield to Worst. Past performance is not indicative of future results. Please see slides 42-44 for index definitions.

CORPORATE BOND SPREADS



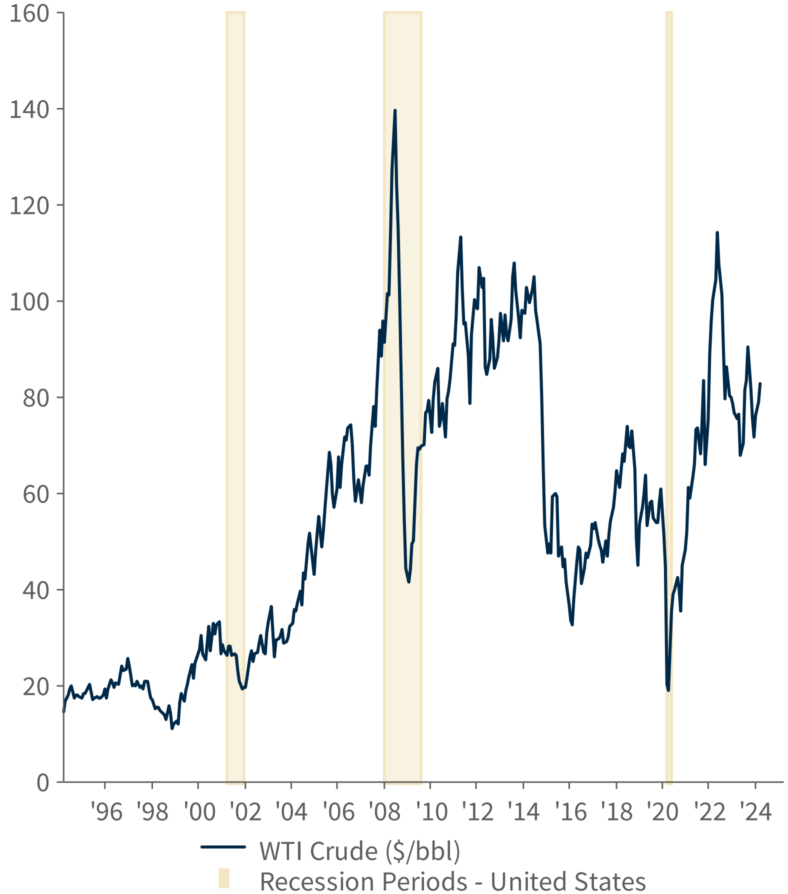
Source: Schwab, Bloomberg. Bars represent National Bureau of Economic Research defined recession periods. Option-adjusted spreads (OAS) are quoted as a fixed spread, or differential, over U.S. Treasury issues. OAS is a method used in calculating the relative value of a fixed income security containing an embedded option, such as a borrower's option to prepay a loan. Investing involves risk, including loss of principal. Please see slides 42-44 for index definitions. Data as of 3/31//2024.



Source: Bloomberg, FactSet, JPMorgan, as of 3/31/24. All sectors shown are yield-to-worst except for Municipals, which is based on the tax-equivalent yield-to-worst assuming a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8% for a total of 40.8%. Please see slides 42-44 for index definitions.

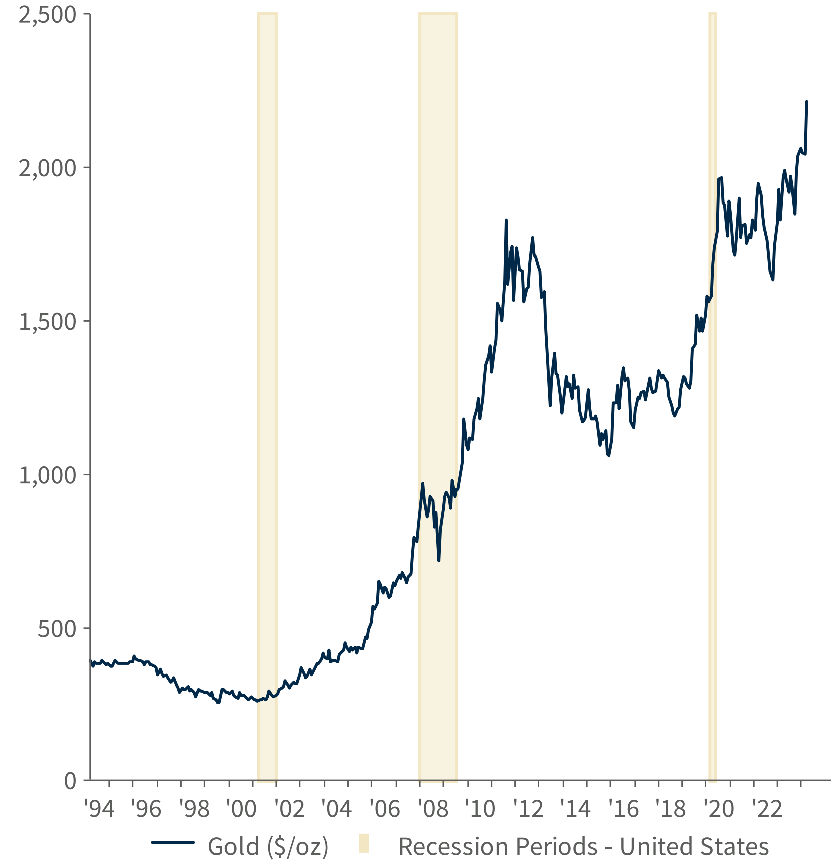
The US Dollar strengthened in the first quarter, as investors pulled back expectations on the pace of rate cuts in the US.

WTI Price



Source: FactSet, as of 3/31/2024

Gold Price



Source: FactSet, as of 3/31/2024

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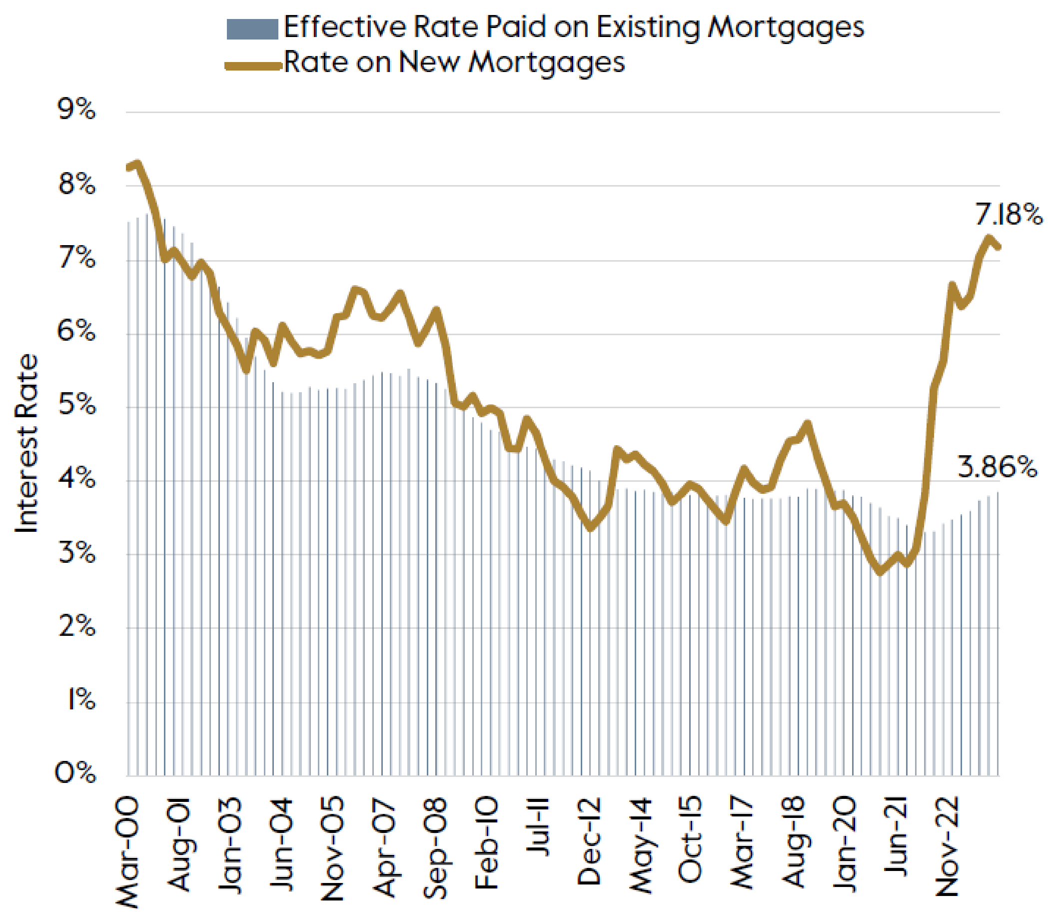
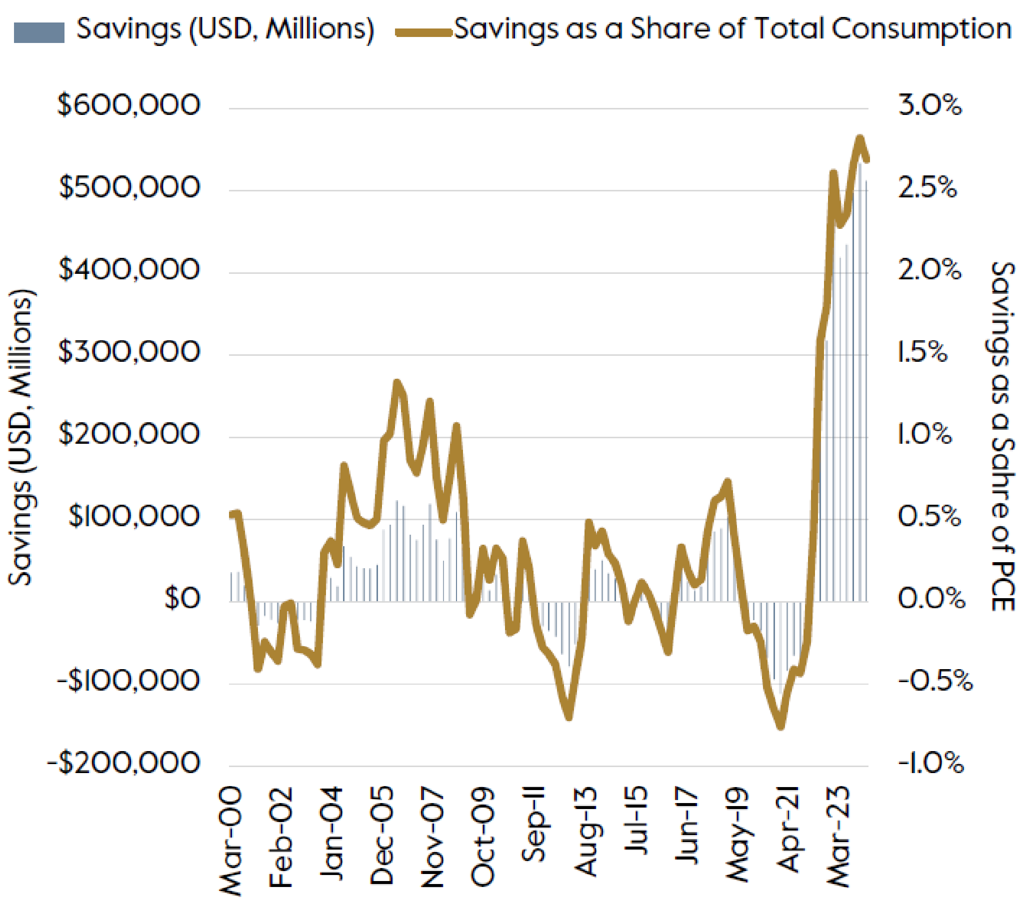
Mortgage Rates: Existing Stock vs. New Origination



Source: Carlyle, BEA. Carlyle Analysis of Bureau of Economic Analysis Data. Data as of 3/31/2024.

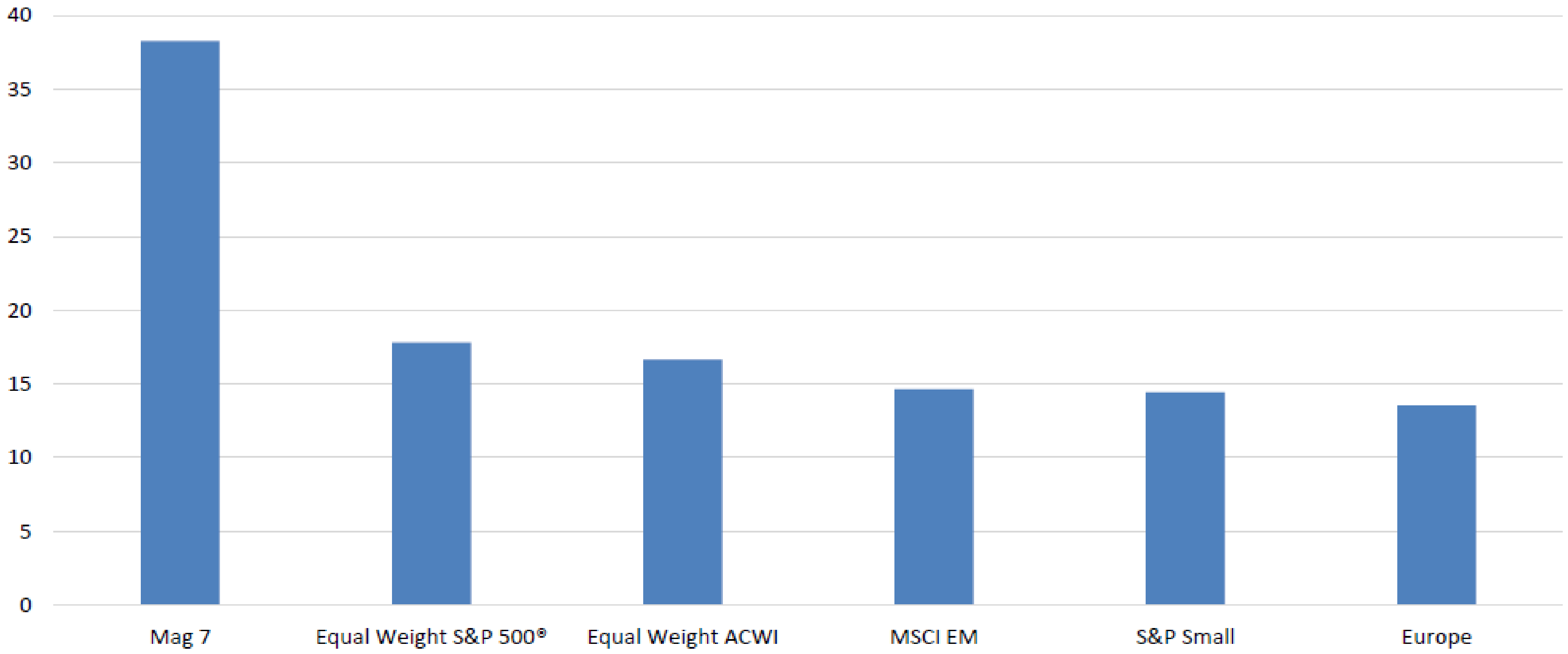
Household Savings from Fixed Rate Mortgages



Source: Carlyle, BEA. Carlyle Analysis of Bureau of Economic Analysis Data. Data as of 3/31/2024.

Magnificent Seven Valuations

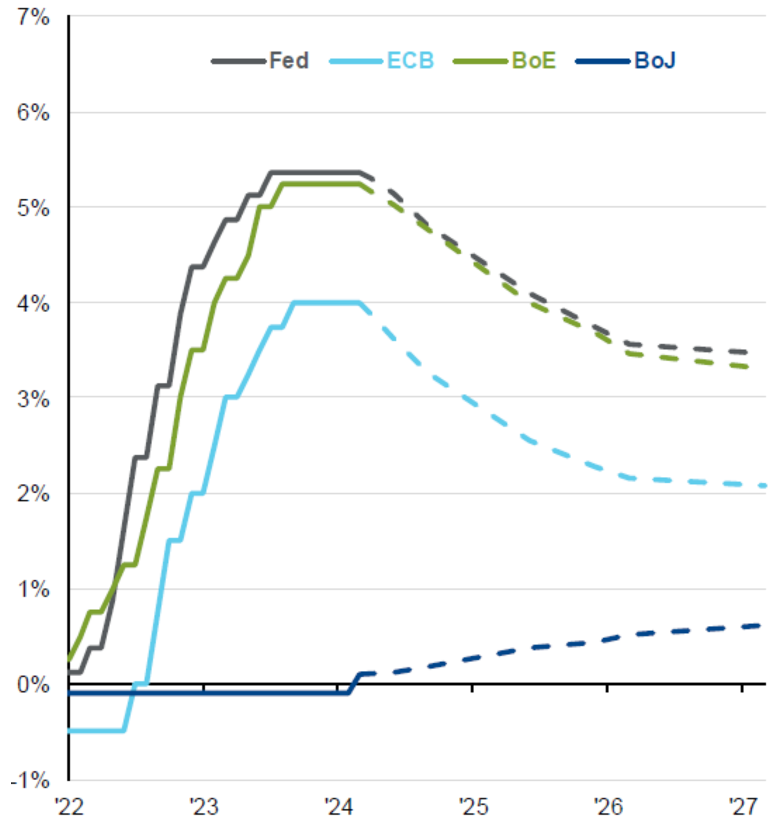
Forward P/E Ratios



Source: Bloomberg Finance, LP, MSCI, Standard & Poor's, Richard Bernstein Advisors. Please see slides 42-44 for index definitions. Data as of 2/28/2024.

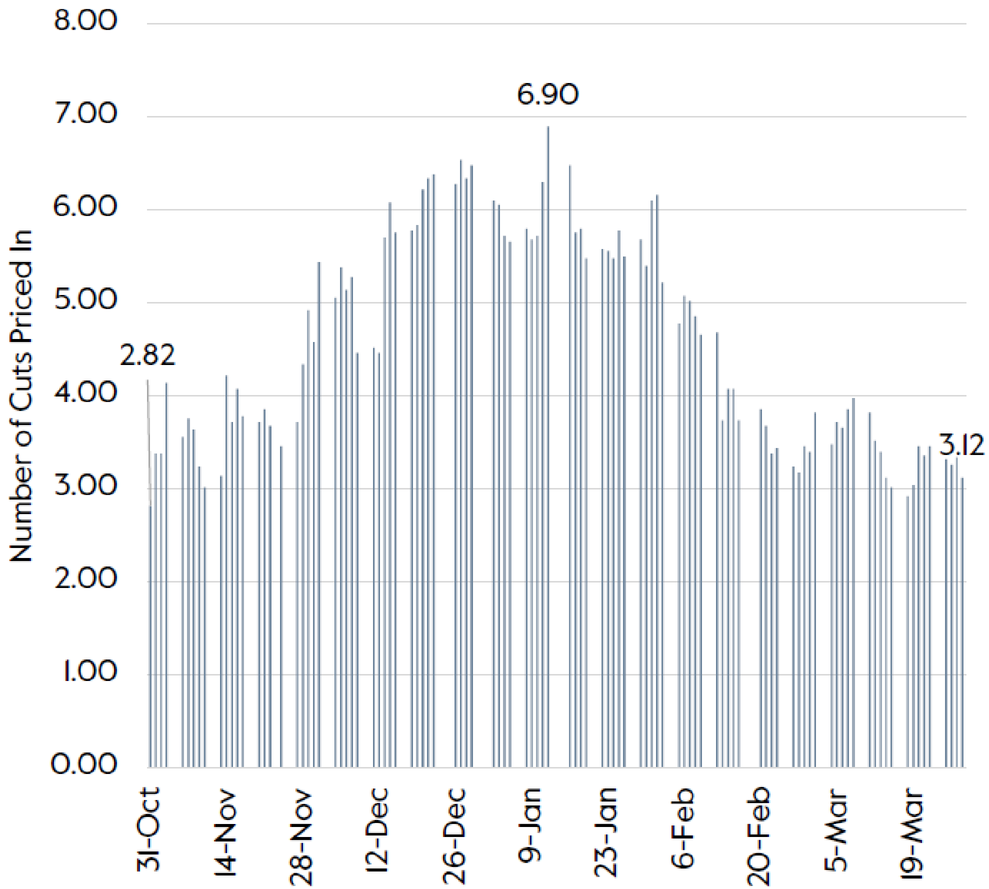
Historical Policy Rates and Forward Curves

Target Policy Rates and Market Implied Forward Rates



Source: Bloomberg, Bank of England (BoE), Bank of Japan (BoJ), European Central Bank (ECB), Federal Reserve System (Fed), JPMorgan Global Economic Research. Implied policy rates are sourced from Bloomberg and are derived from Overnight Index Swaps. Forecasts, projections, and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and are not a reliable indicator of future performance. Data as of 3/31/2024.

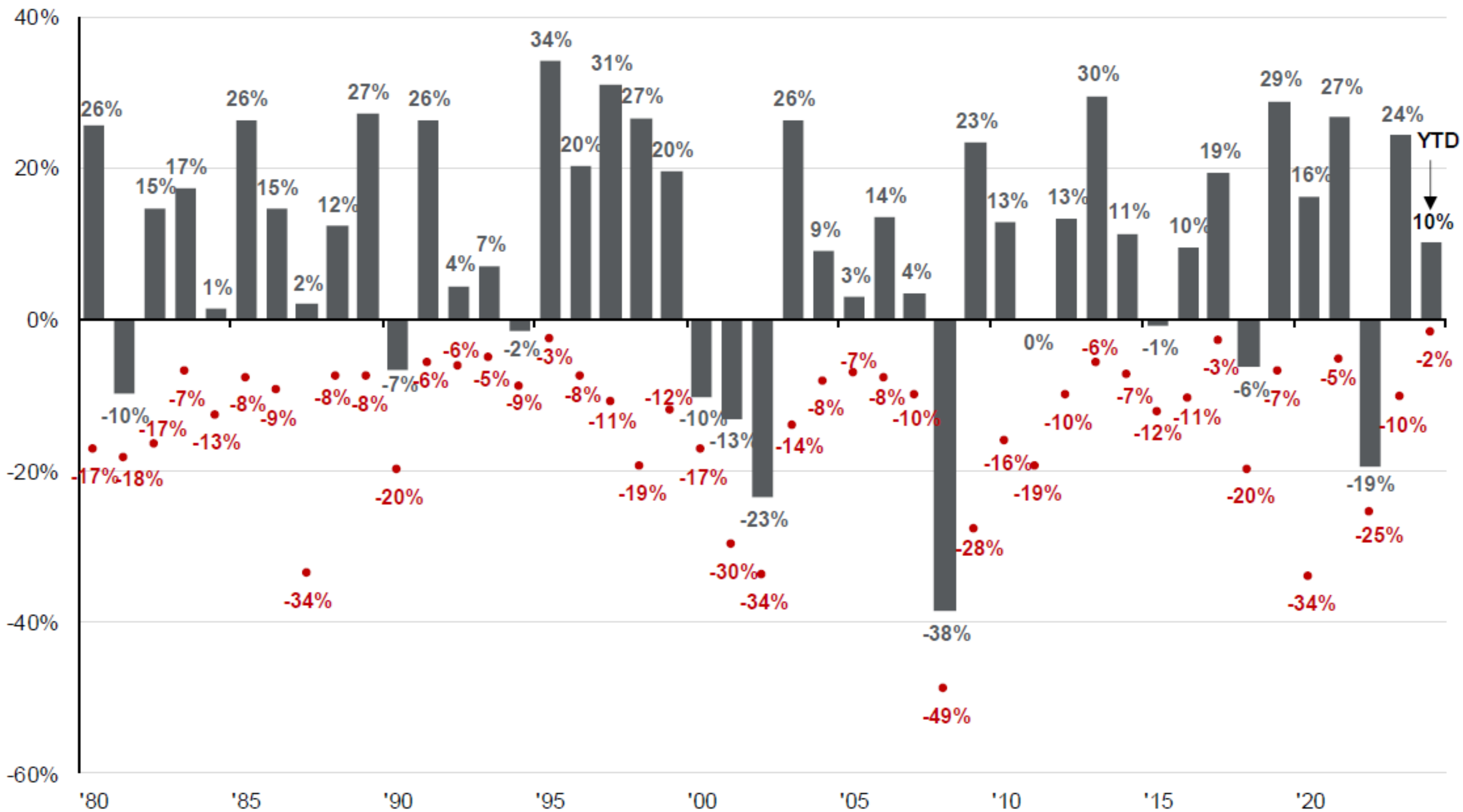
2024 Rate Cuts Priced In



Source: Carlyle, Bloomberg. Carlyle Analysis of Bloomberg Data. Data as of 3/31/2024.

S&P 500 Intra-Year Declines vs. Calendar Year Returns

Despite average intra-year drops of 14%, annual returns were positive in 33 of 44 years



Source: FactSet, JPMorgan Guide to the Markets. Returns are based on price index only. Drops refer to the largest market drops from a peak to a trough during the year. Data as of 3/31/2024.

DISCLOSURE

All of the accolades received by Klingman & Associates along with the full disclosure of the criteria used for awarding them can be found at: https://www.klingmanria.com/accolades_and_recognition.htm

Data provided by Morningstar, Bloomberg.

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DISCLOSURE (continued)

Fixed Income: subject to credit risk and interest rate risk. An issuer's credit rating may impact their ability to pay the promised income and return of principal upon maturity. Generally, when interest rates rise, bond prices fall, and vice versa. Specific-sector investing can be subject to different and greater risks than more diversified investments.

Consumer Price Index (CPI): a common measure of inflation which examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.

Gross Domestic Product (GDP): a broad measurement of a nation's overall economic activity. It is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, including all private and public consumption, government outlays, investments and net exports that occur within a defined territory.

Price-to-Earnings Ratio (P/E): a ratio for valuing a company that measures its current share price relative to its per-share earnings.

Price-to-Book Ratio (P/B): A ratio used to compare a stock's market value to its book value. It is calculated by dividing the closing stock price by the latest quarter's book value per share.

Small-cap and Mid-Cap Equity: generally involve greater risks, and may not be appropriate for every investor. International investing also involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.

High-Yield Fixed Income: not suitable for all investors. Risk of default may increase due to changes in the issuer's credit quality. Price changes may occur due to changes in interest rates and the liquidity of the bond. When appropriate, these bonds should only comprise a modest portion of your portfolio.

Commodities: trading is generally considered speculative because of the significant potential for investment loss.

U.S. Government Fixed Income: guaranteed timely payment of principal and interest by the federal government.

U.S. Treasury Bills: A short-term debt obligation backed by the U.S. government with a maturity of less than one year.

Fixed Income Sectors: Returns based on the four sectors of Barclays Global Sector Classification Scheme: Securitized (consisting of U.S. MBS Index, the ERISA-Eligible CMBS Index and the fixed-rate ABS Index), Government Related (consisting of U.S. Agencies and non-corporate debts with four sub sectors: Agencies, Local Authorities, Sovereign and Supranational), Corporate (dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers), and Treasuries (includes public obligations of the U.S. Treasury that have remaining maturities of one year or more).

INDEX DESCRIPTIONS

Asset class and reference benchmarks:

ASSET CLASS	BENCHMARK
U.S. Equity	Russell 3000 TR
Non-U.S. Equity	MSCI ACWI ex US NR
U.S. Fixed Income	Barclays U.S. Aggregate Bond TR
Global Real Estate (prior to 2008)	NASDAQ Global Real Estate NR
Global Real Estate (2008-present)	FTSE EPRA/NAREIT Global Real Estate NR
Commodities	Bloomberg Commodity TR USD
Cash & Cash Alternatives	Citi Treasury Bill 3 Mon USD

Bloomberg Commodity Total Return Index: Formerly the Dow Jones-UBS Commodity Index TR (DJUBSTR),is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 3 Month U.S. Treasury Bills.

Barclays 10-Year Municipal: A rules-based, market-value weighted index engineered for the long-term tax-exempt bond market. This index is the 10 year (8-12) component of the Municipal Bond Index.

Barclays 10-Year U.S. Treasuries: Measures the performance of U.S. Treasury securities that have a remaining maturity of 10 years.

Barclays U.S. Aggregate Index: Represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Barclays Global Aggregate ex-U.S. Dollar Bond Index: Tracks an international basket of bonds that currently contains 65% government, 14% corporate, 13% agency and 8% mortgage-related bonds.

Barclays High Yield: Covers the universe of fixed-rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures and 144-As are also included.

Barclays U.S. Corporate High Yield: Composed of fixed-rate, publicly issued, non-investment grade debt.

Citi 3-Month Treasury-Bill Index: This is an unmanaged index of three-month Treasury bills.

FTSE EPRA/NAREIT Global Real Estate Index : Designed to represent general trends in eligible listed real estate stocks worldwide. Relevant real estate activities are defined as the ownership, trading and development of income producing real estate.

INDEX DESCRIPTIONS (continued)

Global Financial Data: Index data has calculated for world ex US indices back to 1919. Since the Morgan Stanley World index was not calculated before 1970, an index has been put together to simulate how a World Index would have performed had it been calculated back to 1919. From 1970 on, the indices are capitalization weighted and include the same countries as are now included in the MSCI World Index.

MSCI All Country World Index Ex-U.S Index.: A market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. It includes both developed and emerging markets.

MSCI EAFE Index (Europe, Australasia, Far East): A free-float adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The EAFE consists of the country indices of 21 developed nations.

MSCI EAFE Growth Index: Represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the growth style.

MSCI EAFE Small-Cap Index: An unmanaged, market-weighted index of small companies in developed markets, excluding the U.S. and Canada.

MSCI EAFE Value: Represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the value style.

MSCI Emerging Markets Index: Designed to measure equity market performance in 25 emerging market indexes. The three largest industries are materials, energy and banks.

MSCI Local Currency Index: A special currency perspective that approximates the return of an index as if there were no currency valuation changes from one day to the next.

NASDAQ Global Real Estate Index: The index measures the performance of real estate stocks which listed on an Index Eligible Global Stock Exchange. The index is market-capitalization weighted.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the investible U.S. equity market.

Russell 1000 Value Index: Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Mid-Cap Index: Measures the performance of the 800 smallest companies of the Russell 1000 Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index.

Russell Mid-cap Value Index: Measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower forecasted growth values.

Russell Mid-Cap Growth Index: Measures the performance of those Russell Mid-cap companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Index: measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents 98% of the investable U.S. equity market.

INDEX DESCRIPTIONS (continued)

Standard & Poor's 500 (S&P 500): Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market.

S&P 500 Consumer Discretionary: Comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples: Comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy: Comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials: Comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector

S&P 500 Health Care: Comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials: Comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology: Comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials: Comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Telecom Services: Comprises those companies included in the S&P 500 that are classified as members of the GICS® telecommunication services sector.

S&P 500 Utilities: Comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

S&P Mid Cap 400 (S&P 400): Provides investors with a benchmark for mid – cap companies. The index, which is distinct from the large-cap S&P 500, measures the performance of mid-cap companies, reflecting distinctive risk and return characteristics of this market segment.

S&P Small Cap 600 (S&P 600): Provides investors with a benchmark for small – cap companies. The index, which is distinct from the large-cap S&P 500, measures the performance of small-cap companies, reflecting distinctive risk and return characteristics of this market segment.

VIX is the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. It is a widely used measure of market risk.