Your Top Questions, Answered

Glenn S. Dorsey
SVP, Head of Client Portfolio Management

ClarkCapital MANAGEMENT GROUP



Agenda

- How is the stock market going up with all the chaos?
- Bonds – buy, sell or hold?
- Should I be worried about geopolitics?
- When will U.S. deficit/debt matter?
- Will AI take all of the jobs?
- What is the outlook and impact of the Fed?
- What areas of the market are interesting?
- How is the U.S. economy doing?
- What impact could the midterm elections have?
- Is now a good time to invest?
- Turn it off!

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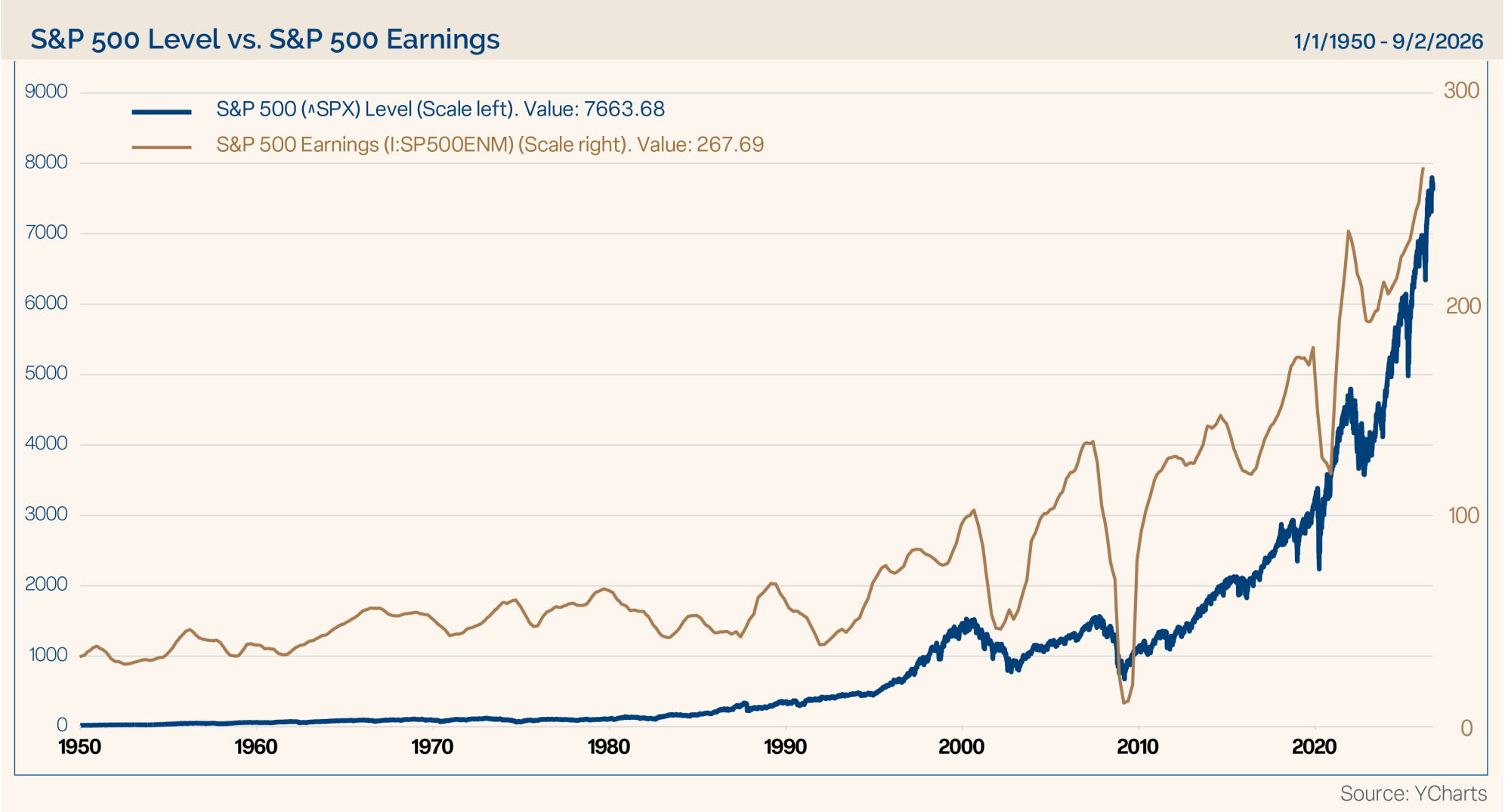
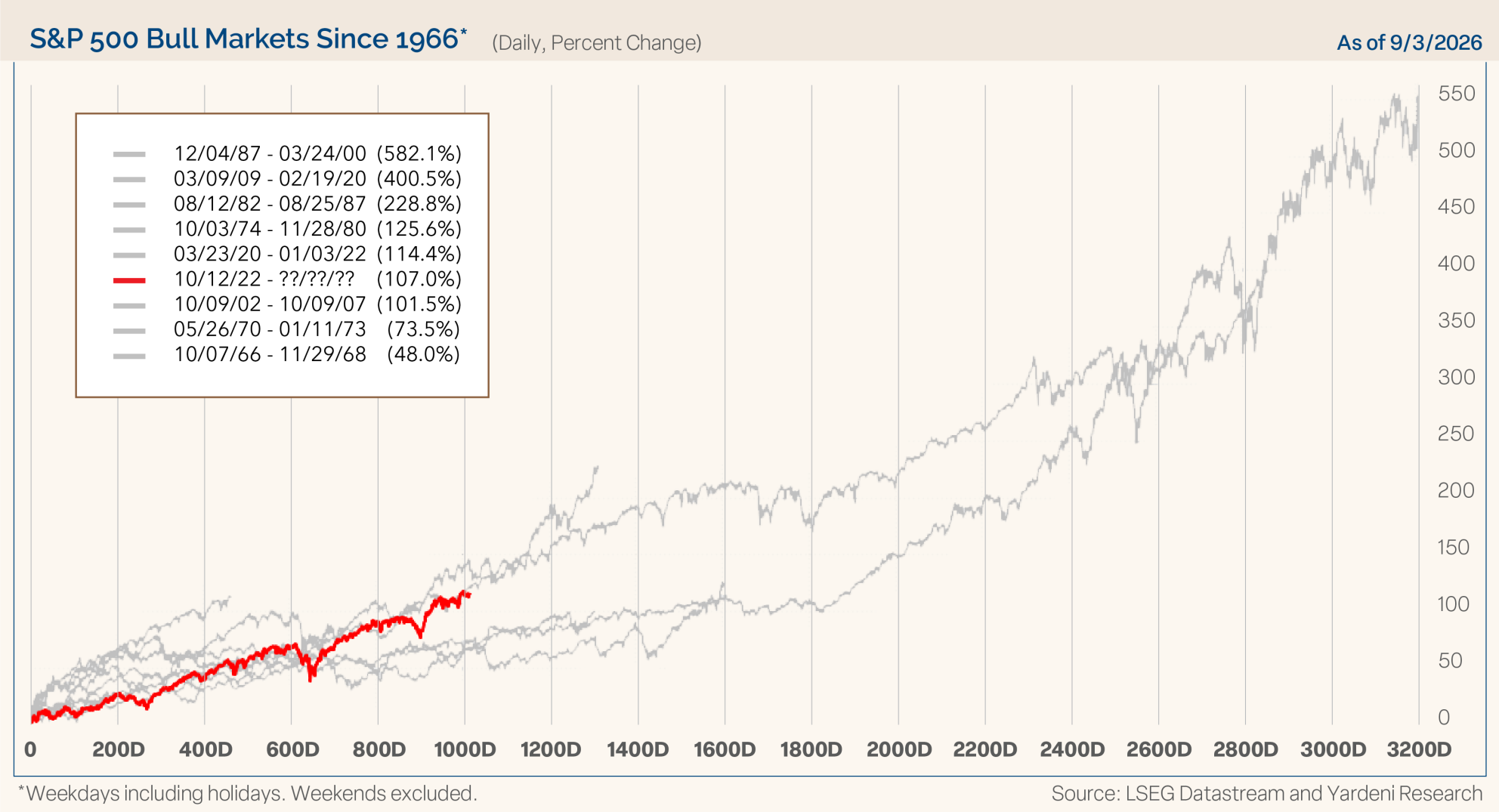
Over Time, Earnings Drive Stock Prices



For illustrative purposes only. Past performance is not indicative of future results.

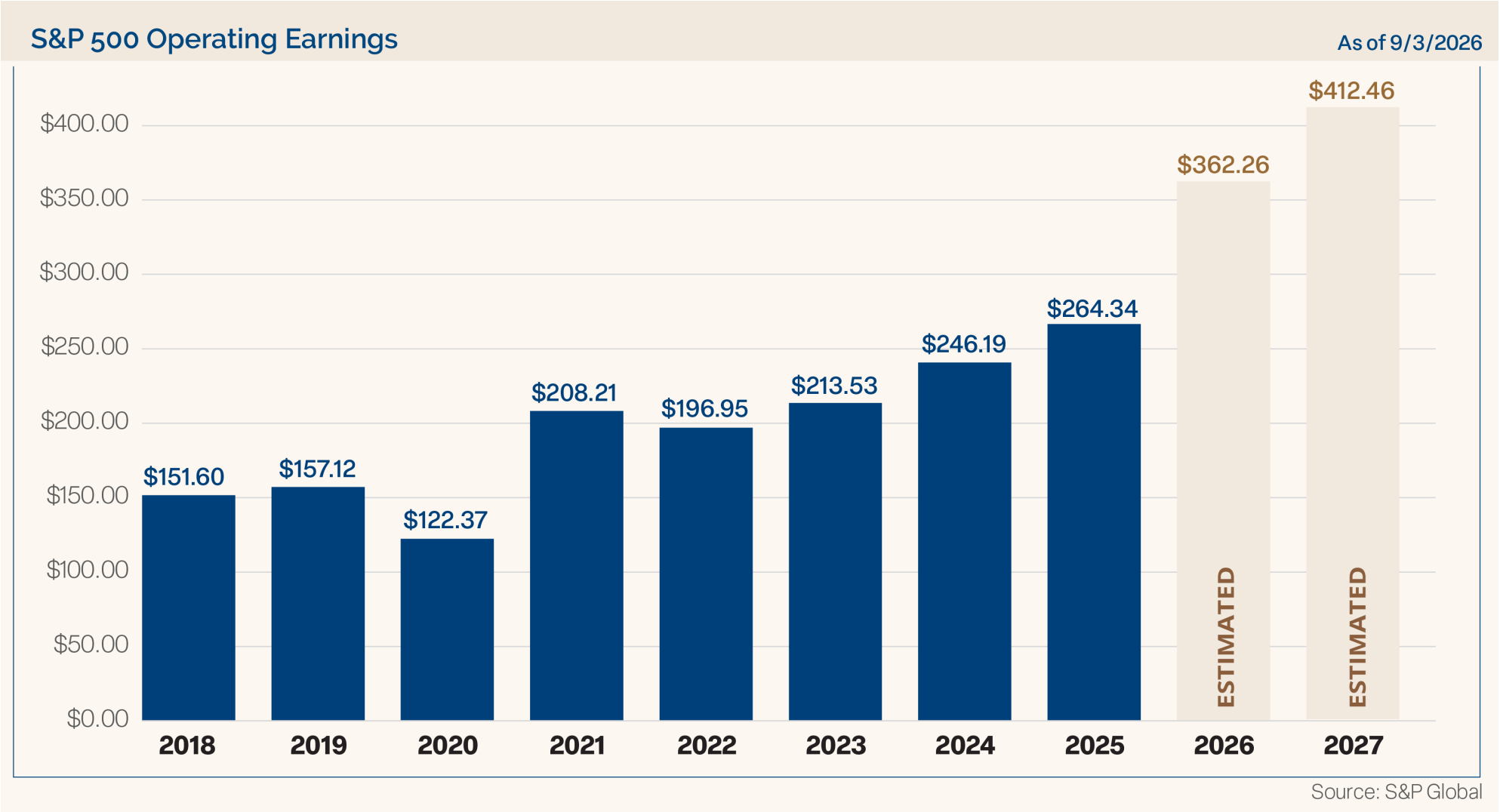
This Bull vs. Past Bulls



Past actual projections and other forward-looking statements regarding future financial performance of markets are only predictions, and actual events or results may differ materially.

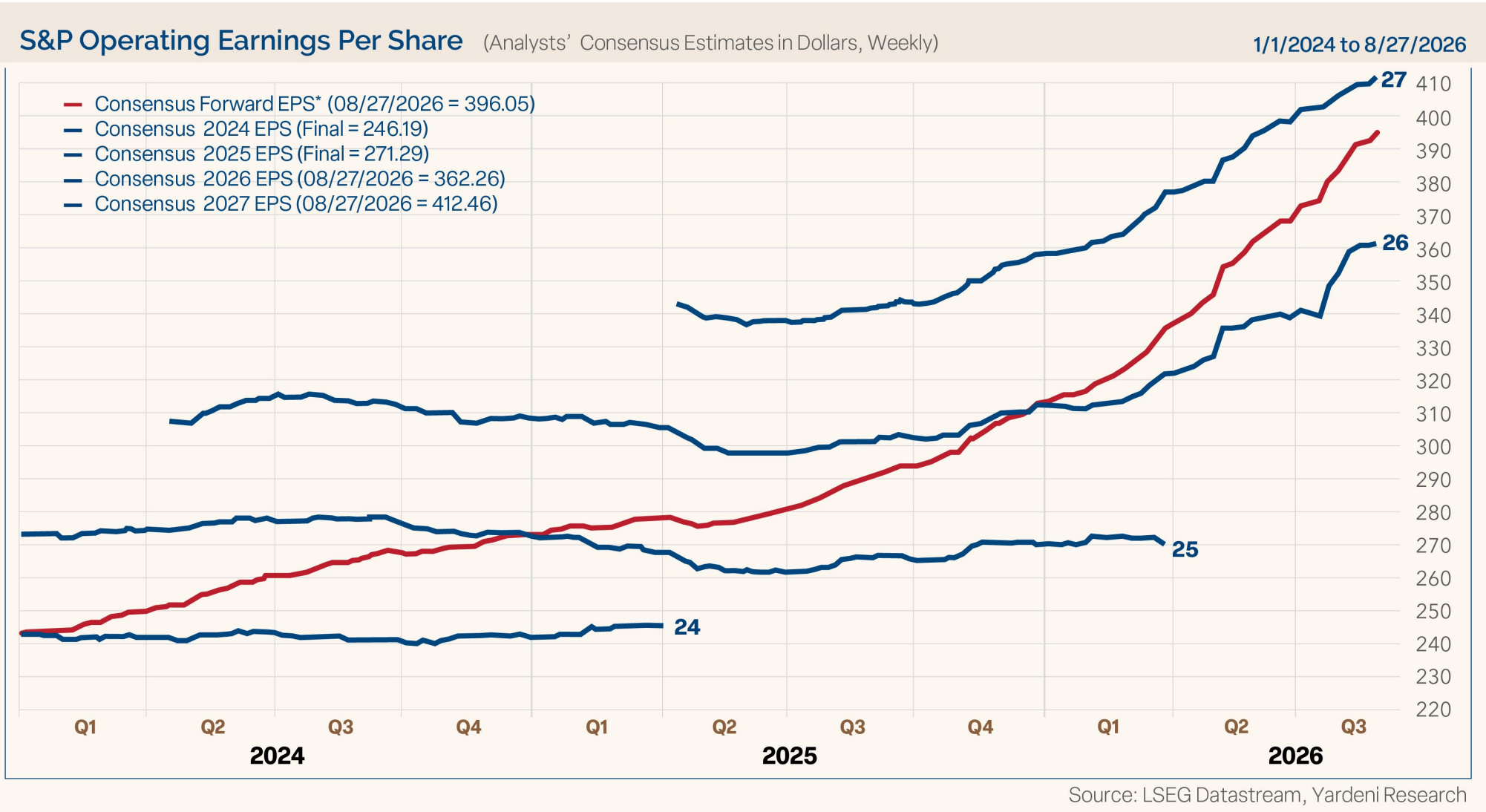
Source: https://www.yardeni.com/charts/us-stock-market/stock-market-historical-trends/sp-500-growth-paths figure 13

Earnings Are Still Hitting New Highs



Source: S&P Global & Yardeni Research. Past actual projections and other forward-looking statements regarding future financial performance of markets are only predictions, and actual events or results may differ materially. https://yardeni.com/charts/us-stock-market/stock-market-forward-metrics/sp-500-earnings-squiggles-annual-quarter Figure 2

FEMO



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Lackluster Returns

	YTD	1 Year	3 Year	5 Year
Bloomberg U.S. Agg. Bond	-0.31%	1.89%	4.08%	-0.29%
Bloomberg U.S. Treasury	-0.53%	1.22%	3.20%	-0.81
Bloomberg U.S. Corporate Bond	-0.40%	1.94%	5.00%	-0.12%
Bloomberg U.S. Corporate High Yield	2.69%	4.88%	8.52%	4.13%
Bloomberg Municipal	0.20%	4.12%	3.40%	0.54%

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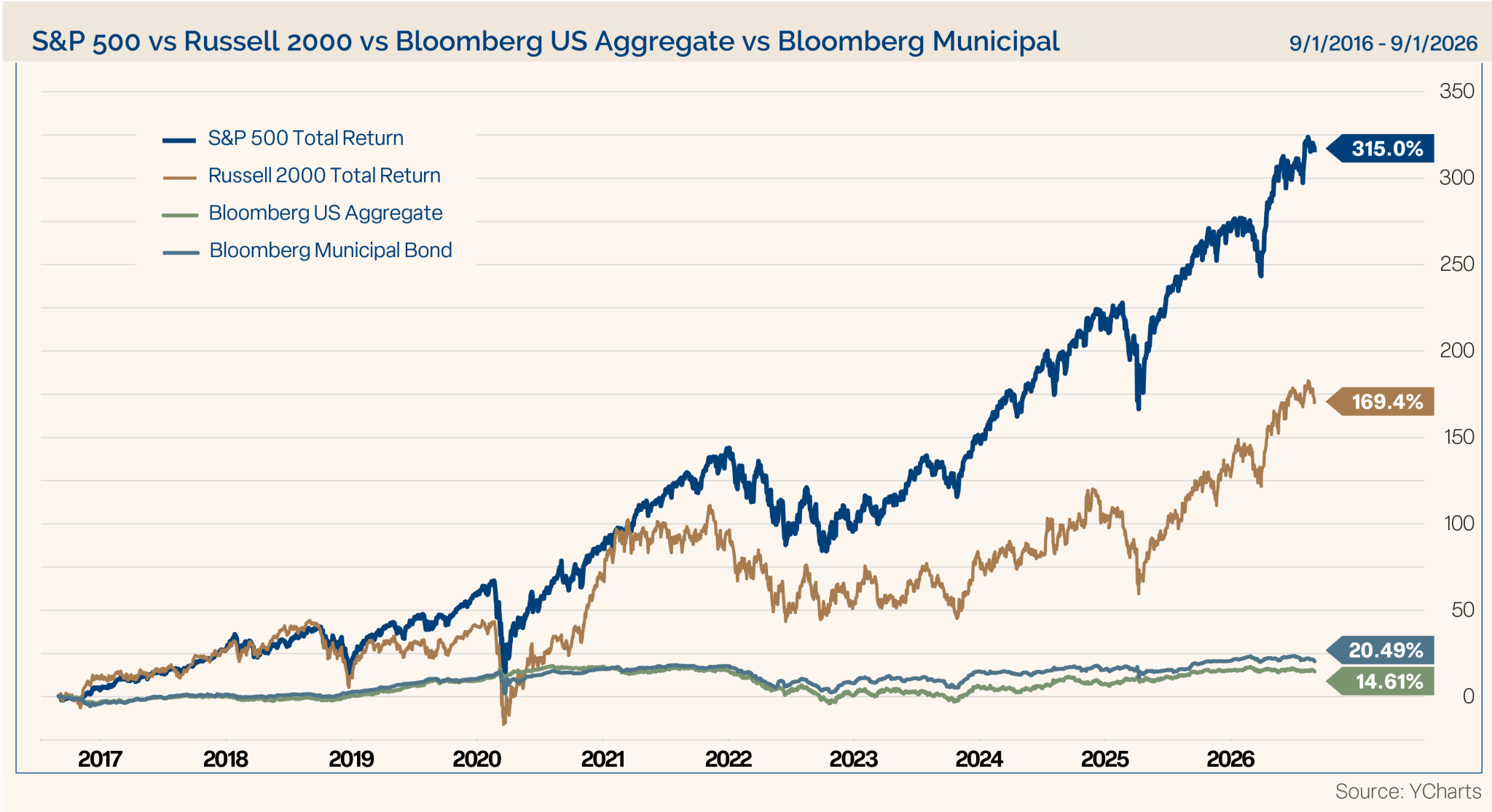
Why Do You Own Bonds?

- Offset the volatility of stocks
- Predictable income stream
- Tax advantages (Munis)



Did Bonds Offset the Volatility?



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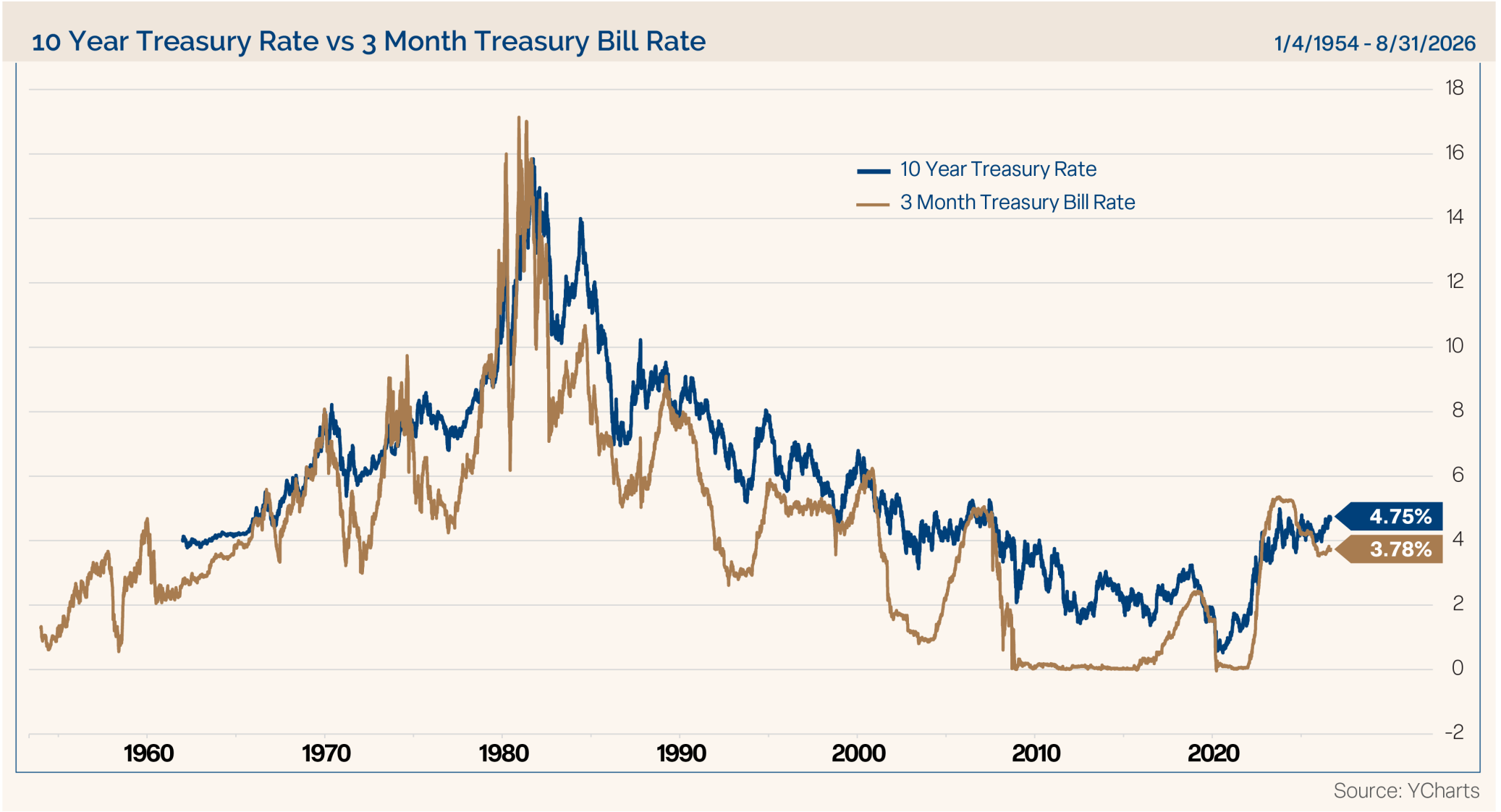
Better Income These Days

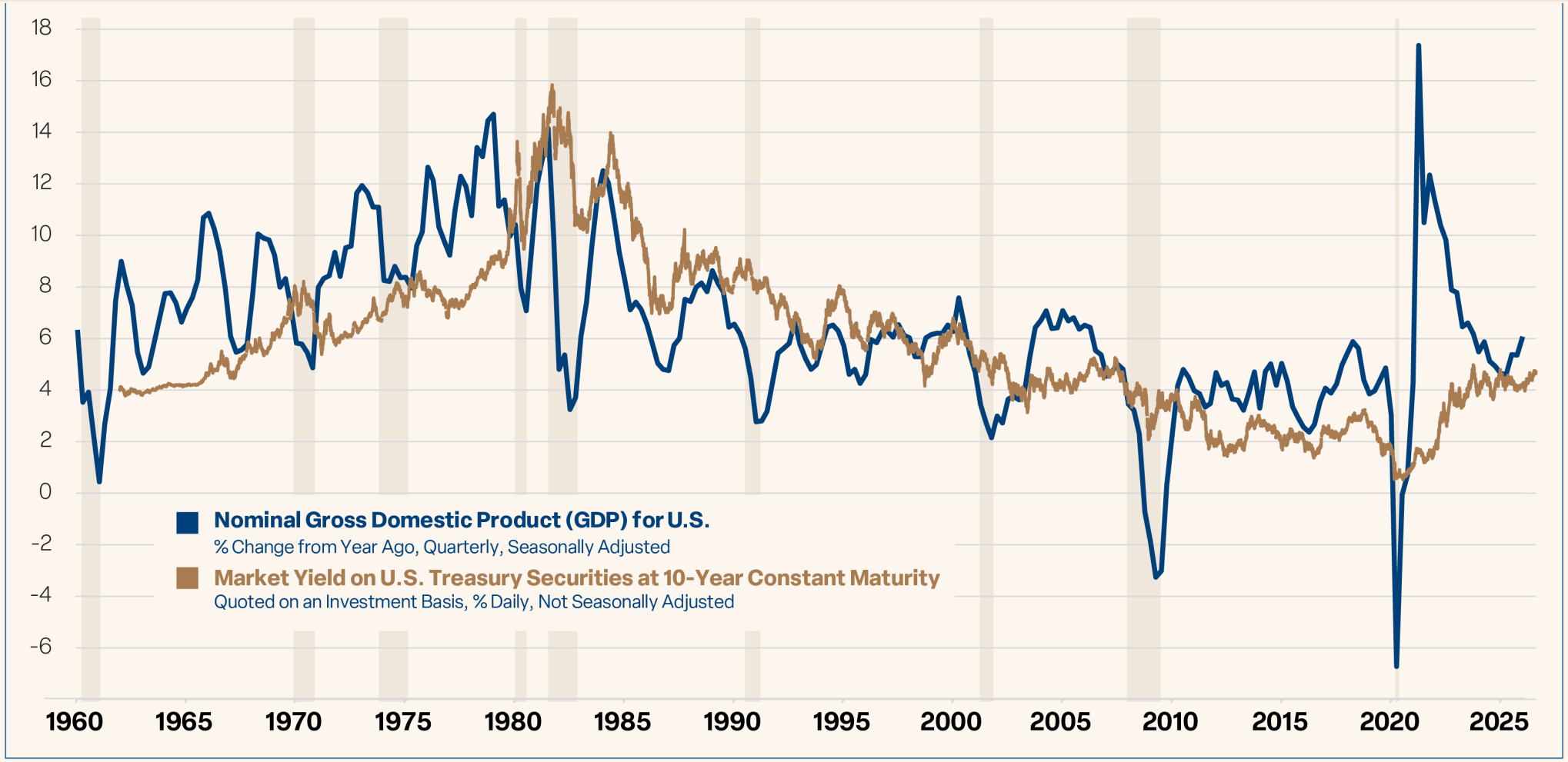


For illustrative purposes only. Past performance is not indicative of future results.

Rates Tend to Mirror Economic Growth

Nominal GDP vs. Market Yield on U.S. Treasury Securities

1/1/1960 - 9/1/2026



Shaded areas indicate U.S. recessions

Source: Board of Governors of the Federal Reserve System (U.S.); International Monetary Fund via FRED®

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Wars and conflicts have been a constant throughout history, however recent events might cause us to look at how the stock market has performed during past times of war. The chart below shows the S&P 500 Index level since 1927 and several of the major wars and conflicts since then. Though uncertainty may temporarily shape the market, we believe seeing the market's overall resiliency can help maintain a long-term perspective.



Source: S&P CapIQ. Bloomberg. Monthly index levels from 12/31/1927 - 3/28/2024. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

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Markets Have Recovered From Crises

Crisis and Recovery: How the S&P 500 Index Performed During and After Historic Events

Event	Event Reaction Dates	Percent of Gain/Loss During Event	S&P 500 Percentage (%) of Gain/Loss After Last Reaction Date			
			One Month Later	One Year Later	Five Years Later	Ten Years Later
Fall of France	5/9/1940 – 6/21/1940	–18.2	3.1	5.2	15.9	13.2
Attack on Pearl Harbor	12/5/1941 – 12/1-0/1941	–6.9	4.5	16.0	18.1	17.1
Outbreak of Korean War	6/23/1950 – 7/13/1950	-11.1	9.5	42.0	27.6	18.4
U.S. Invades Cambodia	4/29/1970 – 5/26/1970	–15.0	6.4	49.0	9.3	9.3
Nixon Resigns	8/9/1974 –8/29/1974	–13.4	–6.8	30.6	14.6	14.6
1987 Stock Market Crash	10/16/1987 –10/19/1987	–20.5	7.1	27.9	17.0	18.9
September 11 Terrorist Attacks	9/10/2001 –9/21/2001	–11.6	11.3	–11.1	8.3	3.9
Collapse of Lehman Brothers	9/12/2008 –11/20/2008	–39.6	18.3	48.8	21.5	15.8
U.S. Debt Downgrade by S&P	8/4/2011 –10/3/2011	–8.1	14.9	35.0	17.0	17.1
U.K Brexit Referendum	6/23/2016 – 6/27/2016	–5.3	8.5	23.5	18.7	–
Covid-19 Pandemic	2/19/2020 – 3/23/2020	–33.8	25.2	77.8	–	–
Market Gain/Loss		**-16.7**	**9.3**	**31.3**	**16.8**	**14.3**
Median Gain/Loss		**-13.4**	**8.5**	**30.6**	**17.0**	**15.8**

Source: Putnam Investments. For illustrative purposes only. Past performance is not indicative of future results. The event reaction periods begin with the stock market close prior to the events. Historical references do not assume that any prior market behavior will be duplicated. There are risks associated with mutual fund investing including the possibility that share prices will decline. Since investment return and principal value will fluctuate, shares when redeemed may be worth more or less than their original cost.

History Often Rhymes



For illustrative purposes. Past performance is not indicative of future results. Source: Bloomberg, Clark Capital

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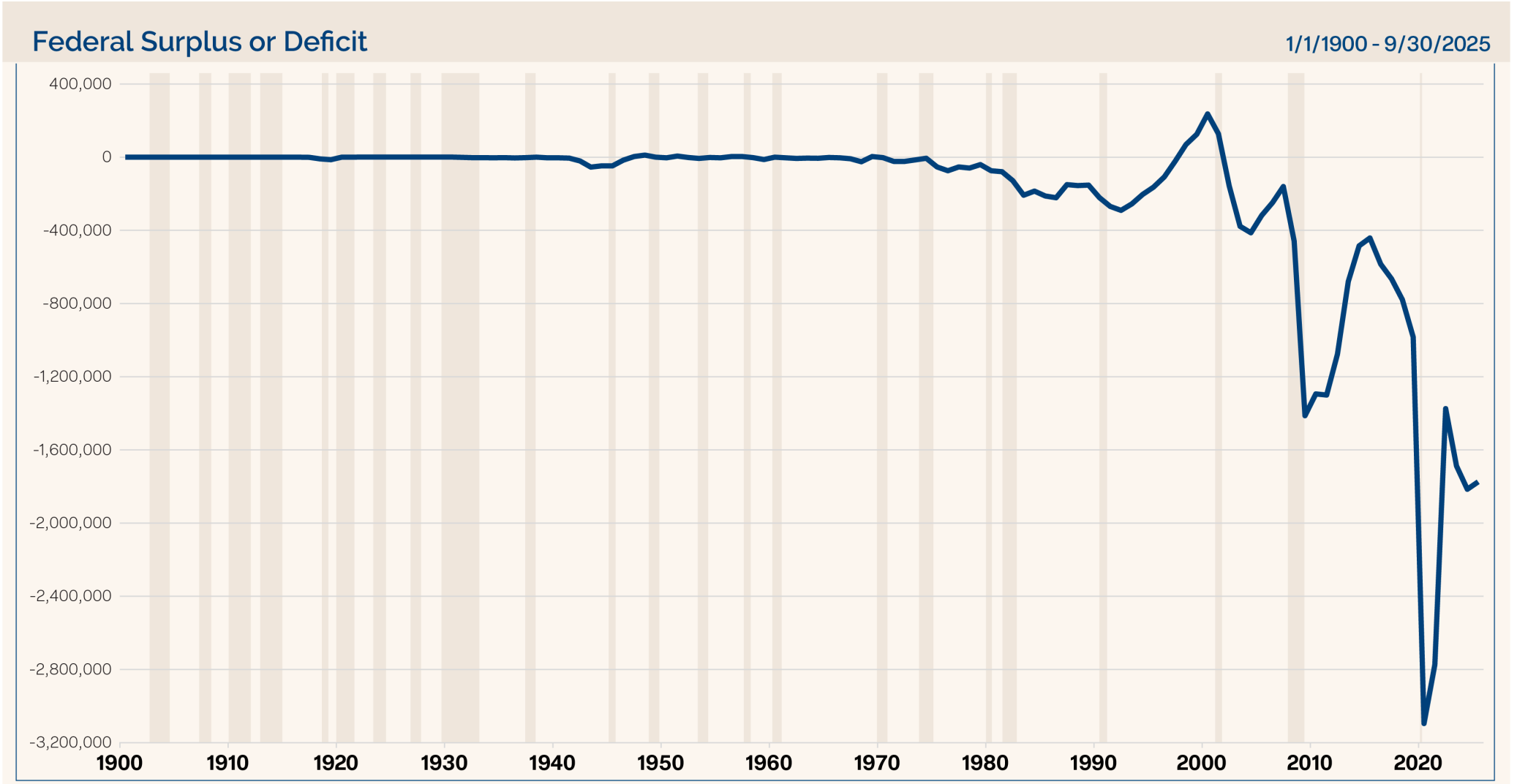
Spending More Than You Make



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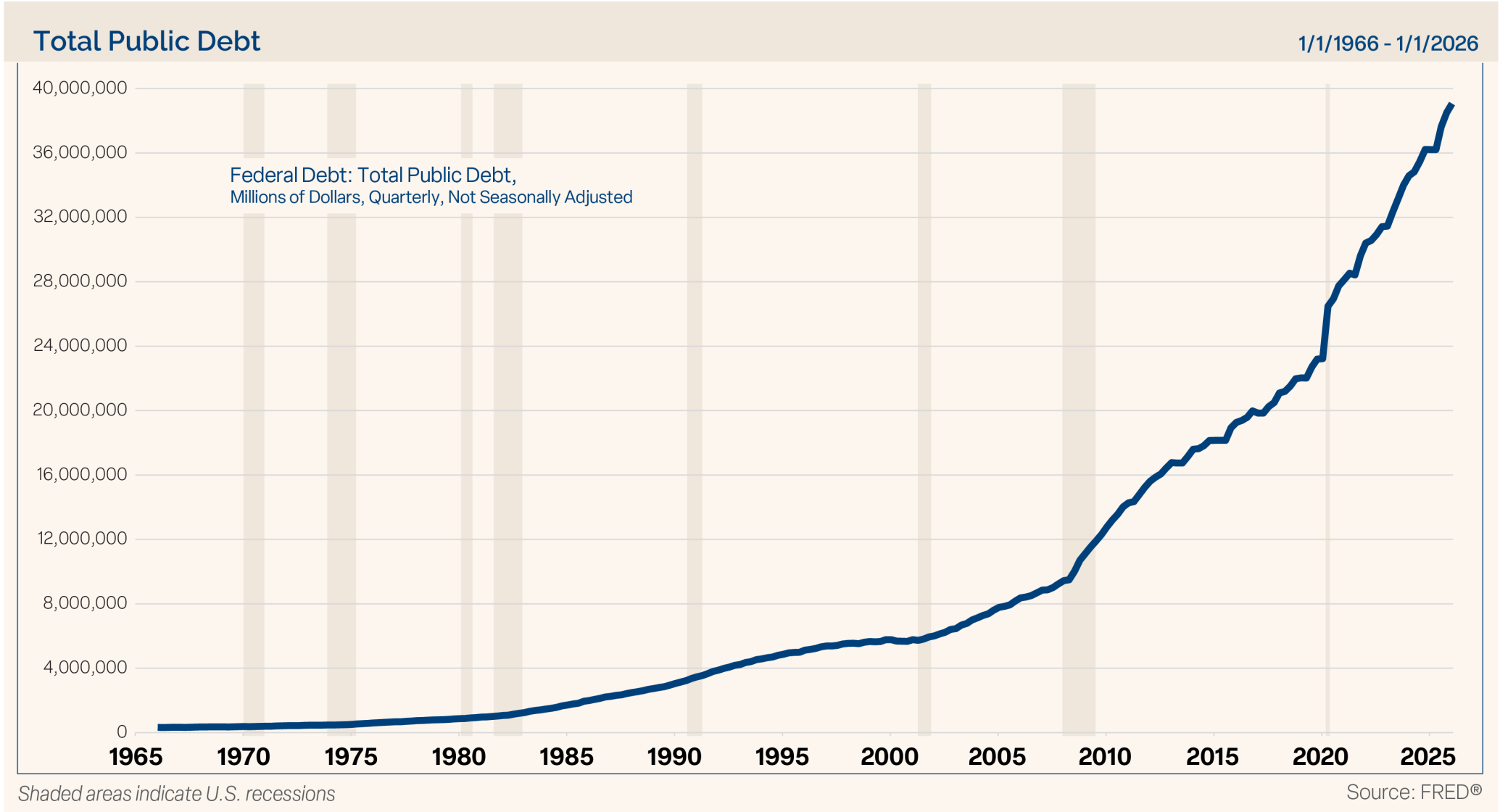
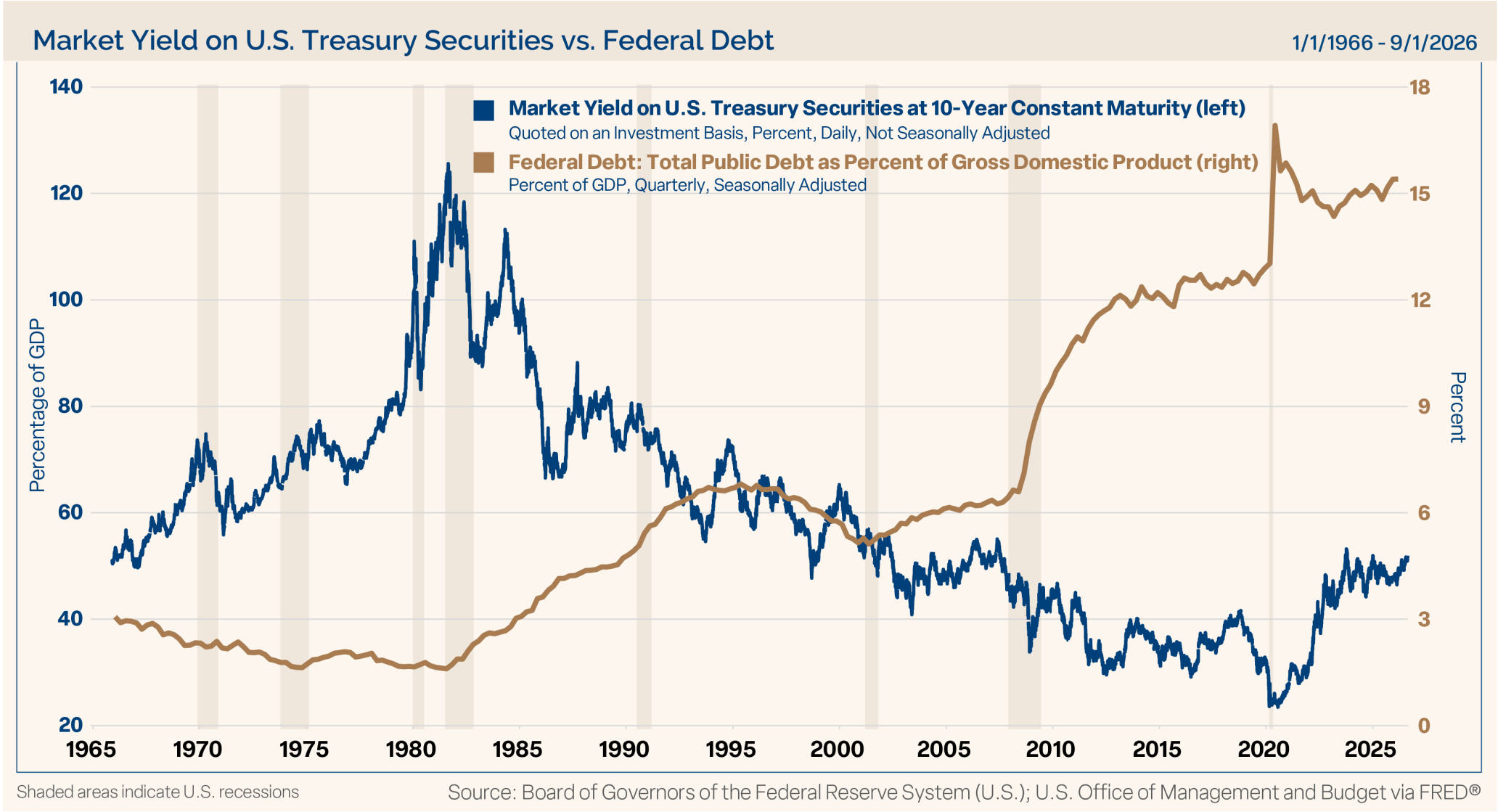
Piling on Debt



For illustrative purposes only. Past performance is not indicative of future results.

Debt Hasn't Driven Up US Rates



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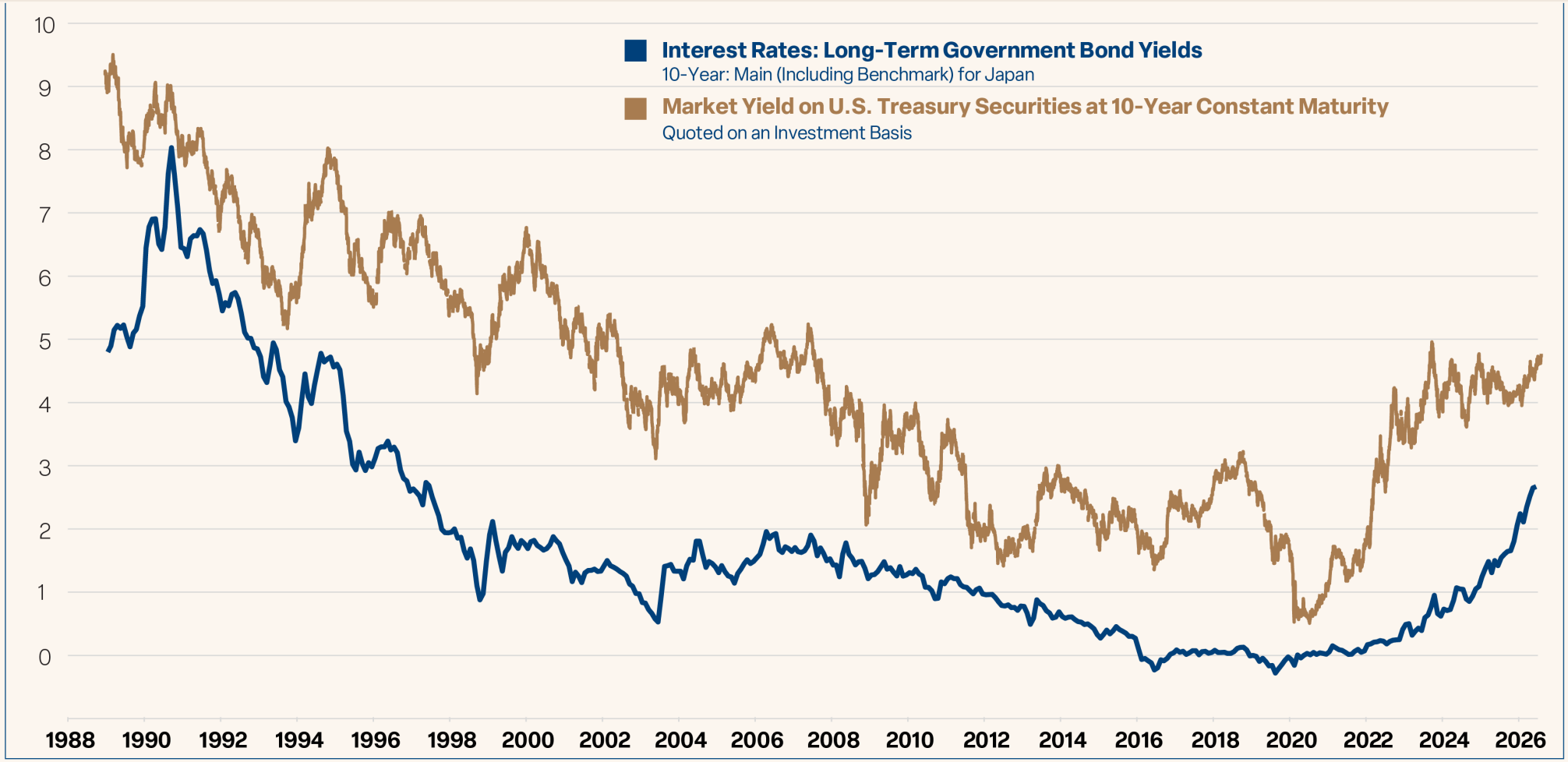
Japan Has Almost Double our Debt Load

Interest Rates vs. Market Yield on U.S. Treasury Securities

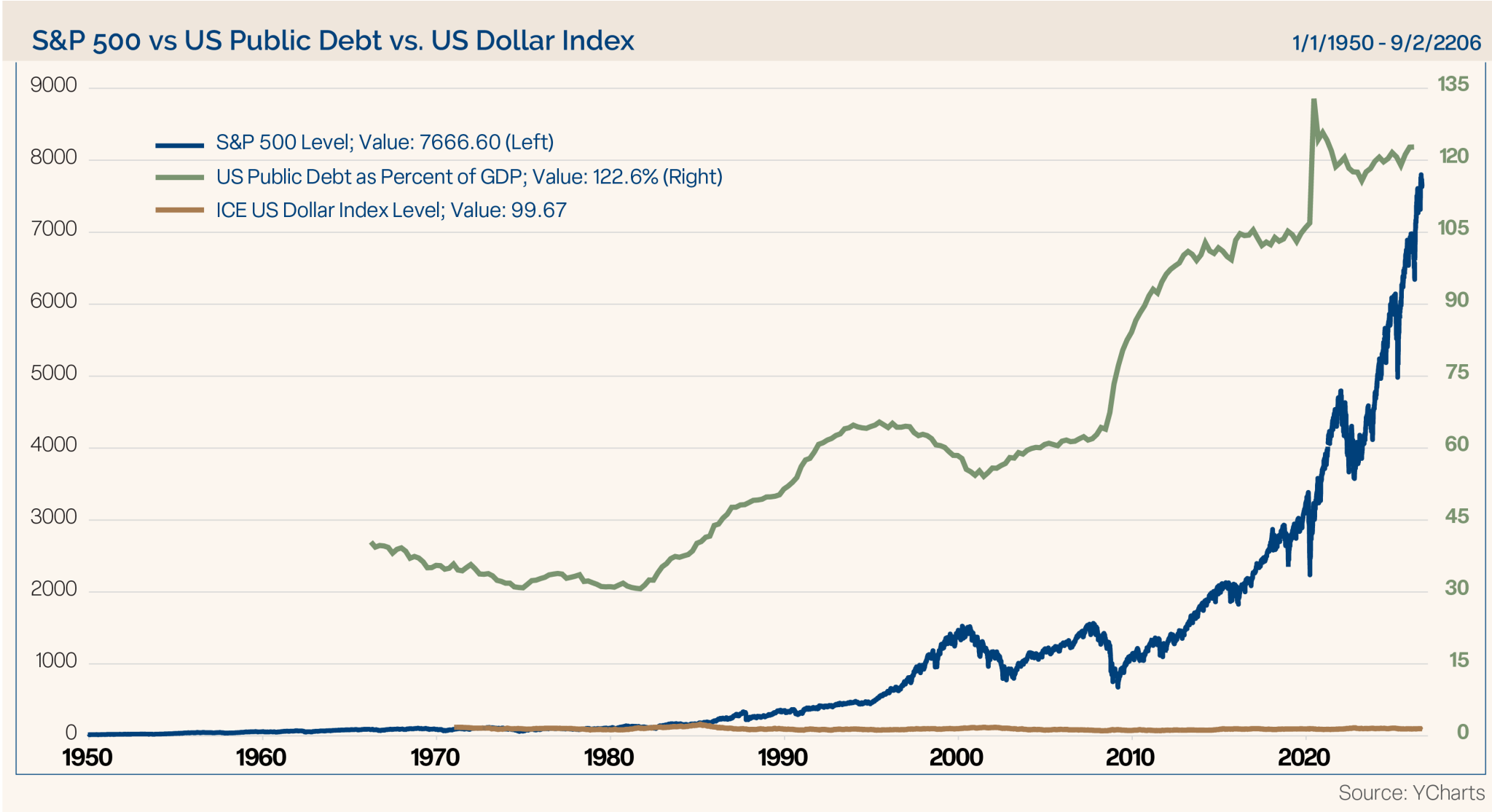
1/1/1989 - 9/1/2026



Source: FRED®

For illustrative purposes only. Past performance is not indicative of future results.

Debt, Stocks & Dollar



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1980s/1990s

The computer age and advances in robotics perpetrated a cycle of fear in the 1980s. The New York Times issued a cautionary warning in an article titled 'A Robot is After your Job' and some economists wondered if 'full employment' would ever be possible again. White collar workers again feared their days were numbered.



Growing technologies, shrinking jobs: a limit to 'full employment'

By Wassily Leontief

Unemployment will end honeymoon with robots

By DON MADDOCKS

Office Workers Fear Spread Of Automation

By MARSHA TAYLOR

THE NEW YORK TIMES, WEDNESDAY, SEPTEMBER 3,

A Robot Is After Your Job

By Harley Shaiken

DETROIT — Technological innovation is widely billed as a miracle cure for the United States' economic doldrums. Its aftereffects, however, may be far from benign. The introduction of revolutionary new technologies such as robots — versatile computer-controlled mechanical arms — raise two painful possibilities: sizeable losses of jobs and a deteriorated quality of working life.

Mellon Bank announces the opening of a Representative Office in Seoul, Korea

Robert L. Fansler, Vice President and

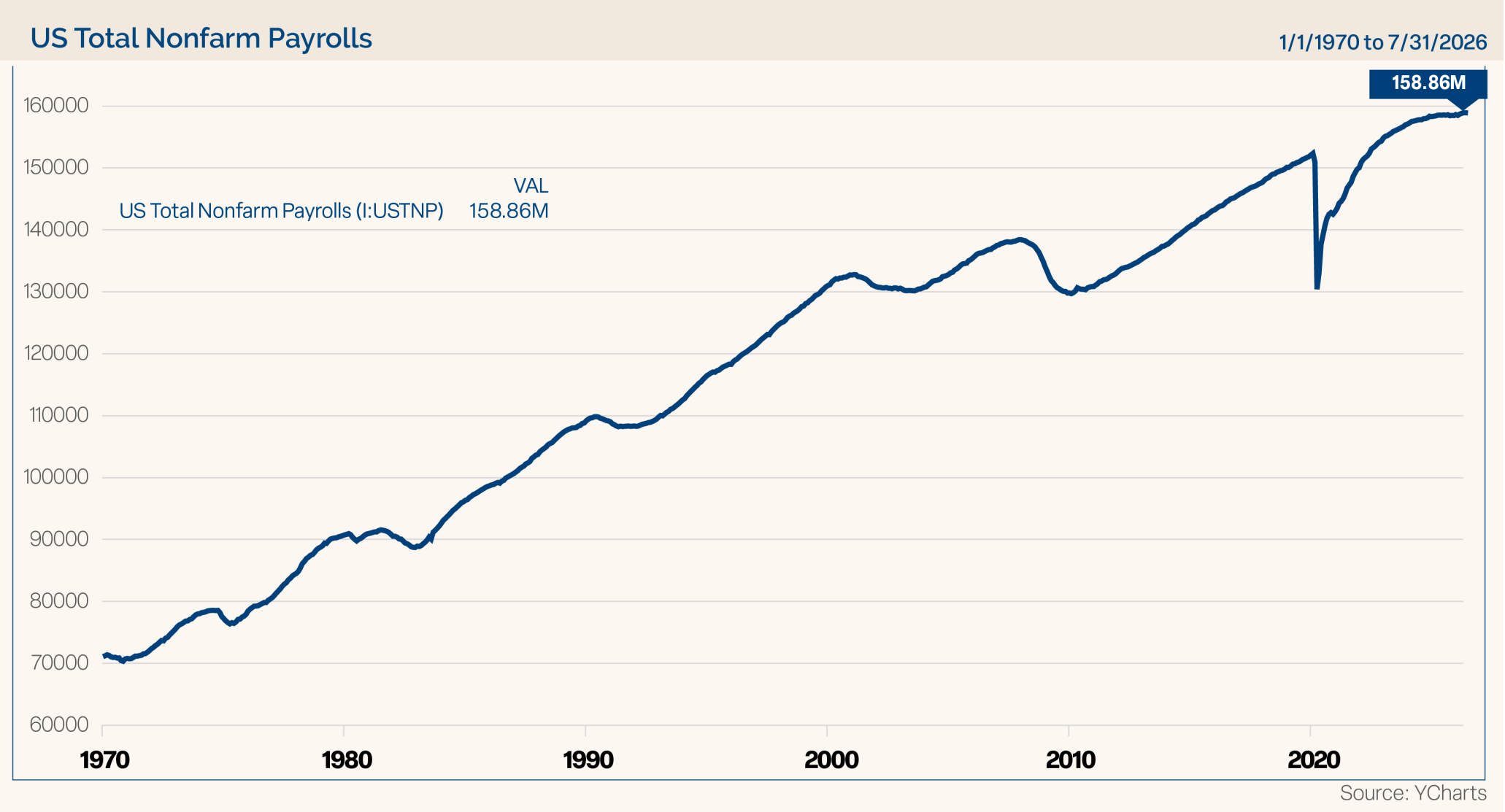
Source: https://newsletter.pessimistsarchive.org/p/robots-have-been-about-to-take-all For illustrative purposes only. Past performance is not indicative of future results.

Decades of Technology Terror

	TECHNOLOGY
1970s	Mainframes
1980s	PCs
1990s	Internet
2000s	Smart Phone
2010s	Social Media
2020s	Artificial Intelligence

For informational purposes. Source: https://medium.com/@ChiragPatelSays/the-past-50-years-of-technology-and-how-it-changed-careers-forever-cacc16664e68

87 Million More People Working



For illustrative purposes. Source: YCharts

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The New Fed Chair



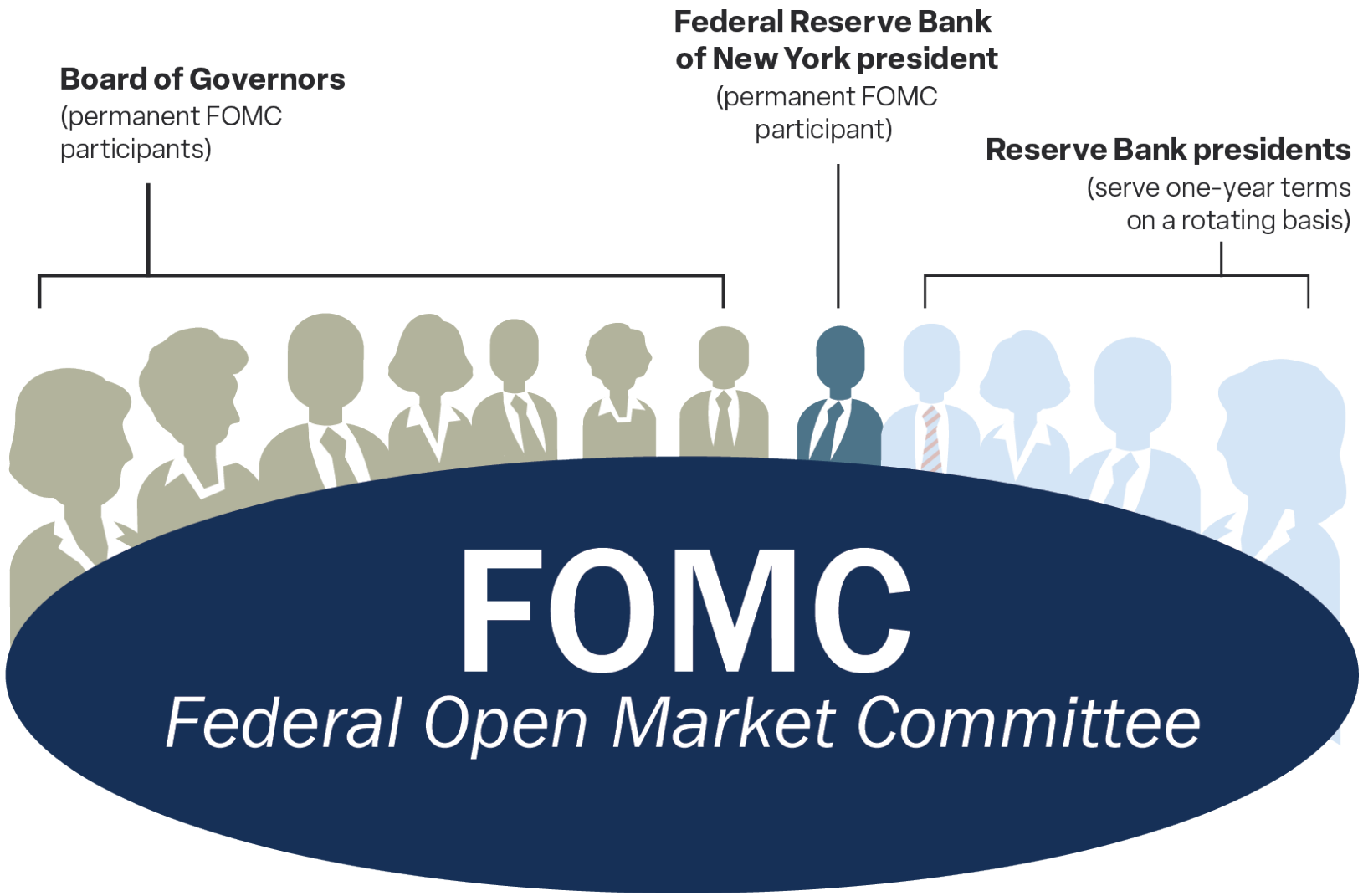
For illustrative purposes only. Source: https://www.nationalreview.com/2026/01/kevin-warsh-hawk-or-dove/

Kevin Warsh

- **2011 – Present** Partner Druckenmiller's Duquesne Family Office
- **2006 – 2011** Member of Board of Governors – Federal Reserve
  - Fed representative to G-20
  - Fed emissary to Asia's economies
  - Fed administrative governor
- **2002 – 2006** Special assistant to the President for Economic Policy
  - Executive Secretary of the White House Nat'l Economic Council
- **1995 – 2002** Morgan Stanley mergers & acquisitions department

For illustrative purposes only. Source: https://www.nationalreview.com/2026/01/kevin-warsh-hawk-or-dove/

The Fed Is Not a One Person Show



For illustrative purposes. Source: https://www.federalreserve.gov/aboutthefed/fedexplained/who-we-are.htm

Reality Seems Different Than Perception

June 17, 2026

Federal Reserve issues FOMC statement

For release at 2:00 p.m. EDT

The Federal Open Market Committee approved the following statement for release by a 12 – 0 vote:

The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve's dual mandate. The Committee reaffirmed its policy of maintaining ample reserves in the banking system.

Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little.

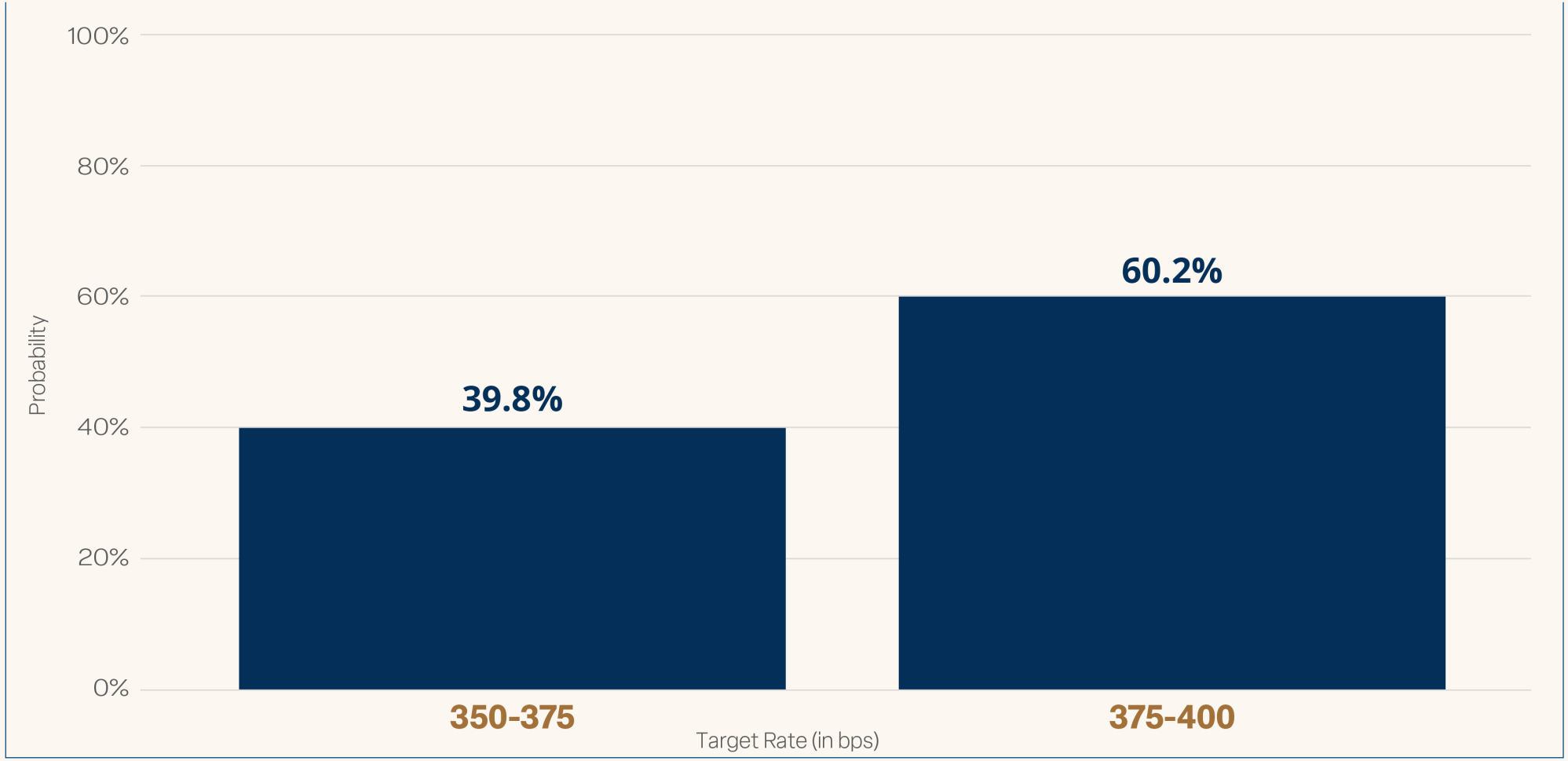
Inflation remains elevated relative to the Committee's 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability.

For illustrative purposes. Past performance is not indicative of future results. Neither past actual, projections, nor other forward-looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially. https://www.federalreserve.gov/newsevents/pressreleases/monetary20260617a.htm

Market Projections —Possible Hike

Target Rate Probabilities for September 16, 2026 Fed Meeting

As of 9/1/2026



Source: CME Group

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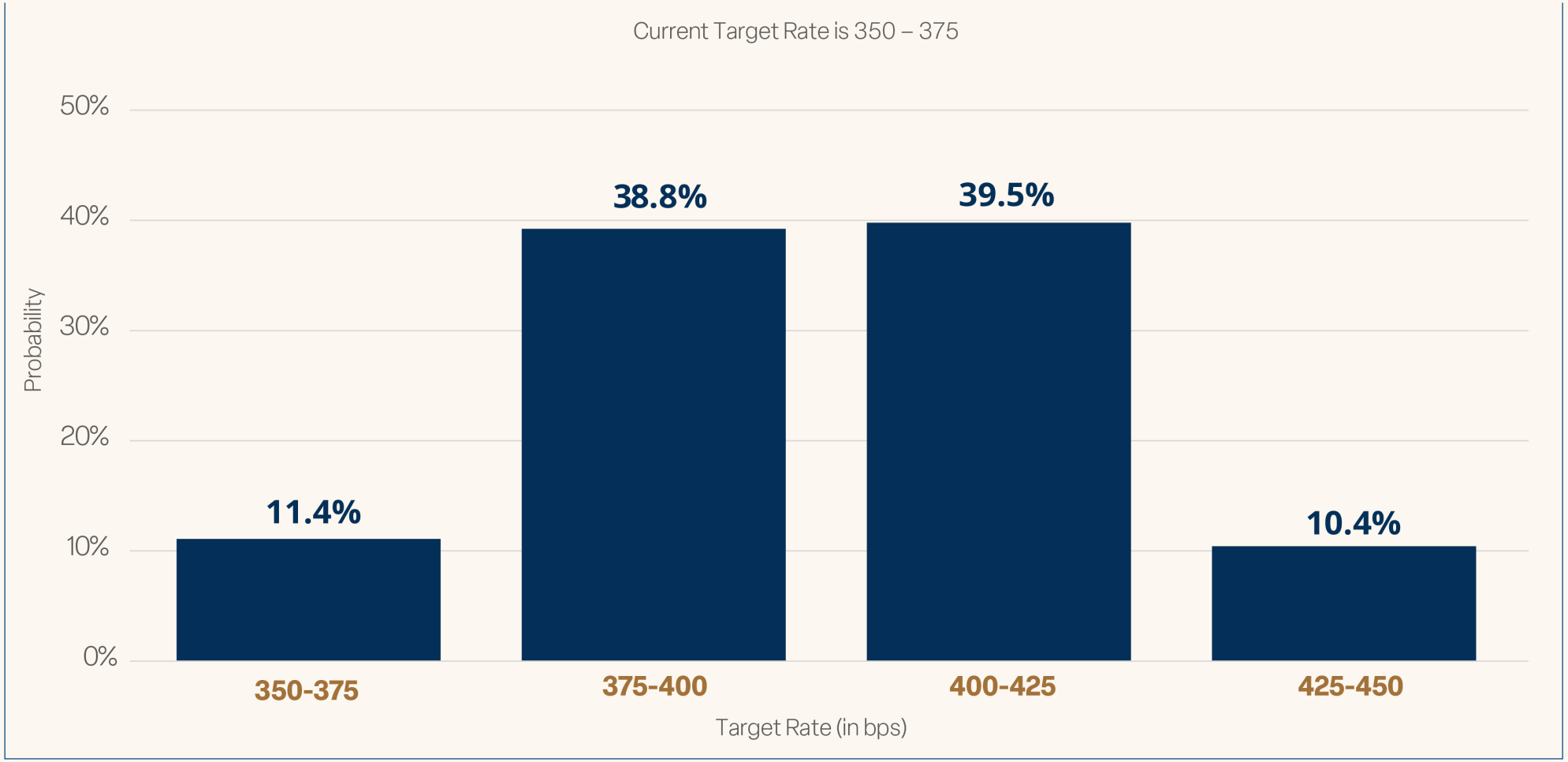
Market Projections —Maybe another by YE

Target Rate Probabilities for December 9, 2026 Fed Meeting

As of 9/2/2026



Source: CFM Fed Watch Tool

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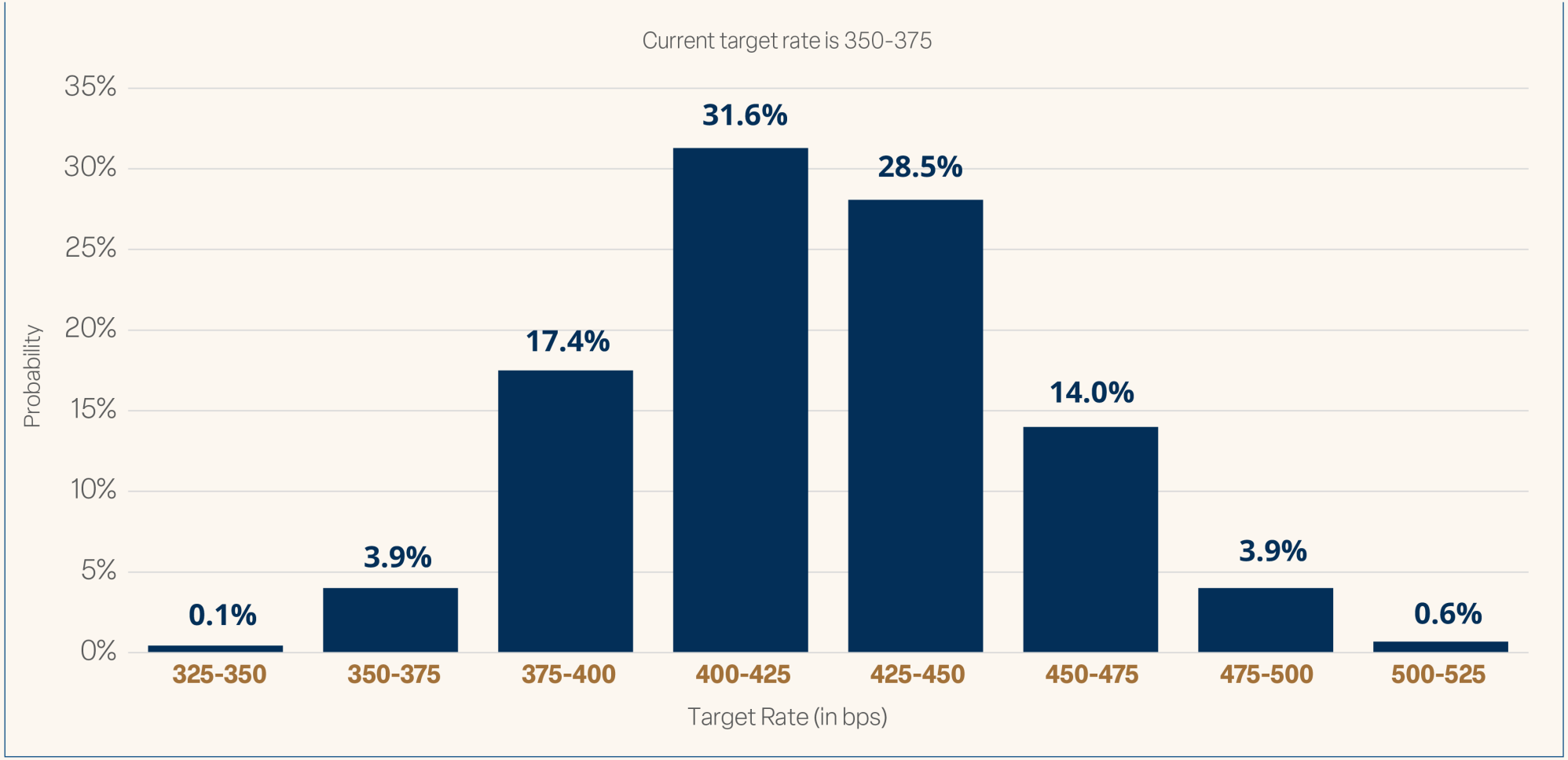
Market Projections —Not Much in 2027

Target Rate Probabilities for October 27, 2027 Fed Meeting

As of 9/2/2026



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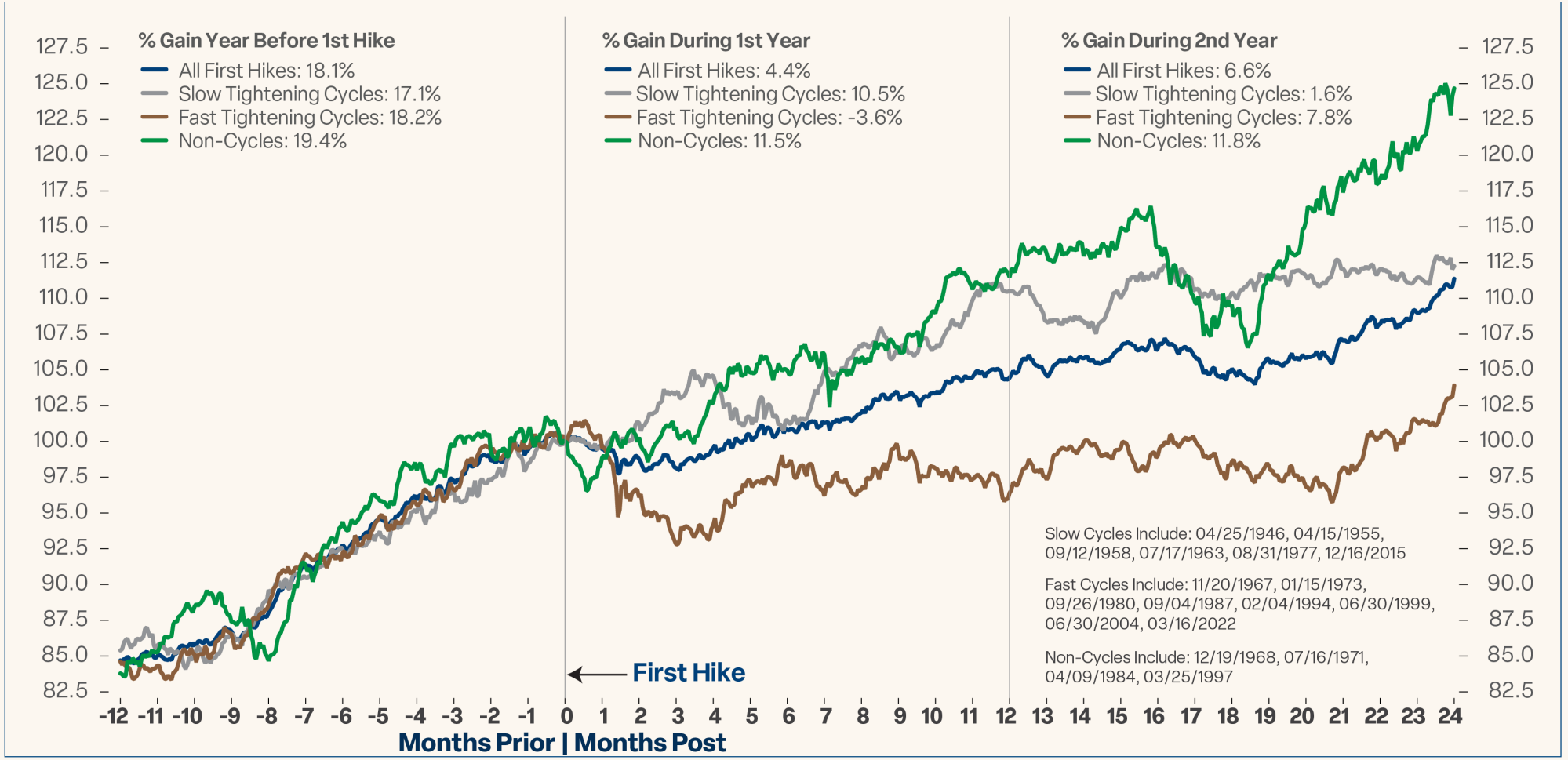
Gradual Fed Tightening OK for Stocks

S&P 500 Around First Fed Rate Hikes vs. Speed of Hikes

As of 9/2/2026



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Source: Ned Davis Research

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U.S. More Expensive Than International

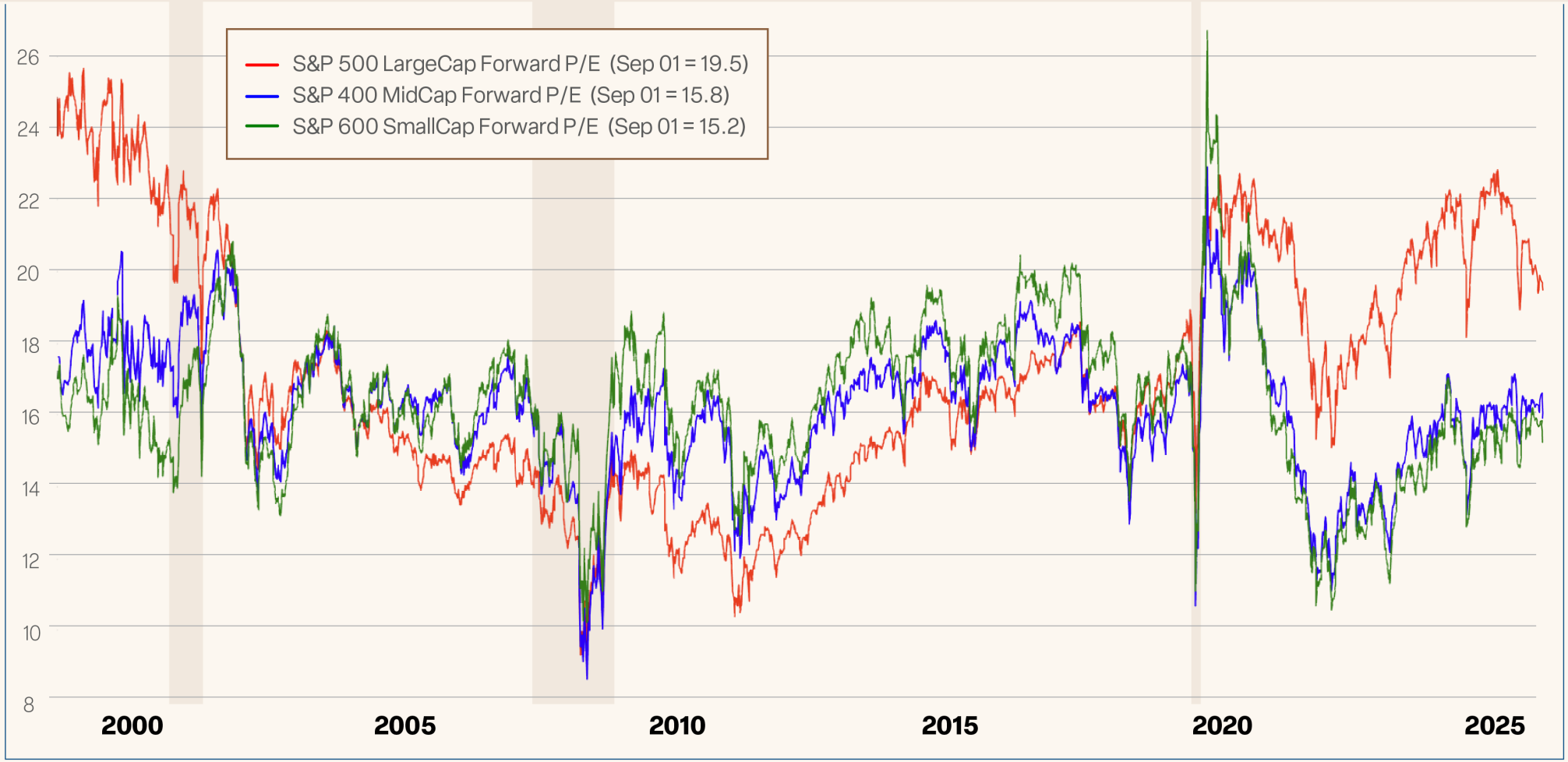


For illustrative purposes only. Past performance is not indicative of future results. https://yardeni.com/charts/stay-home-vs-go-global/ Figure 11

Mid & Small Are Cheaper Than Large

Forward P/E Ratios: Large Cap & Small Cap

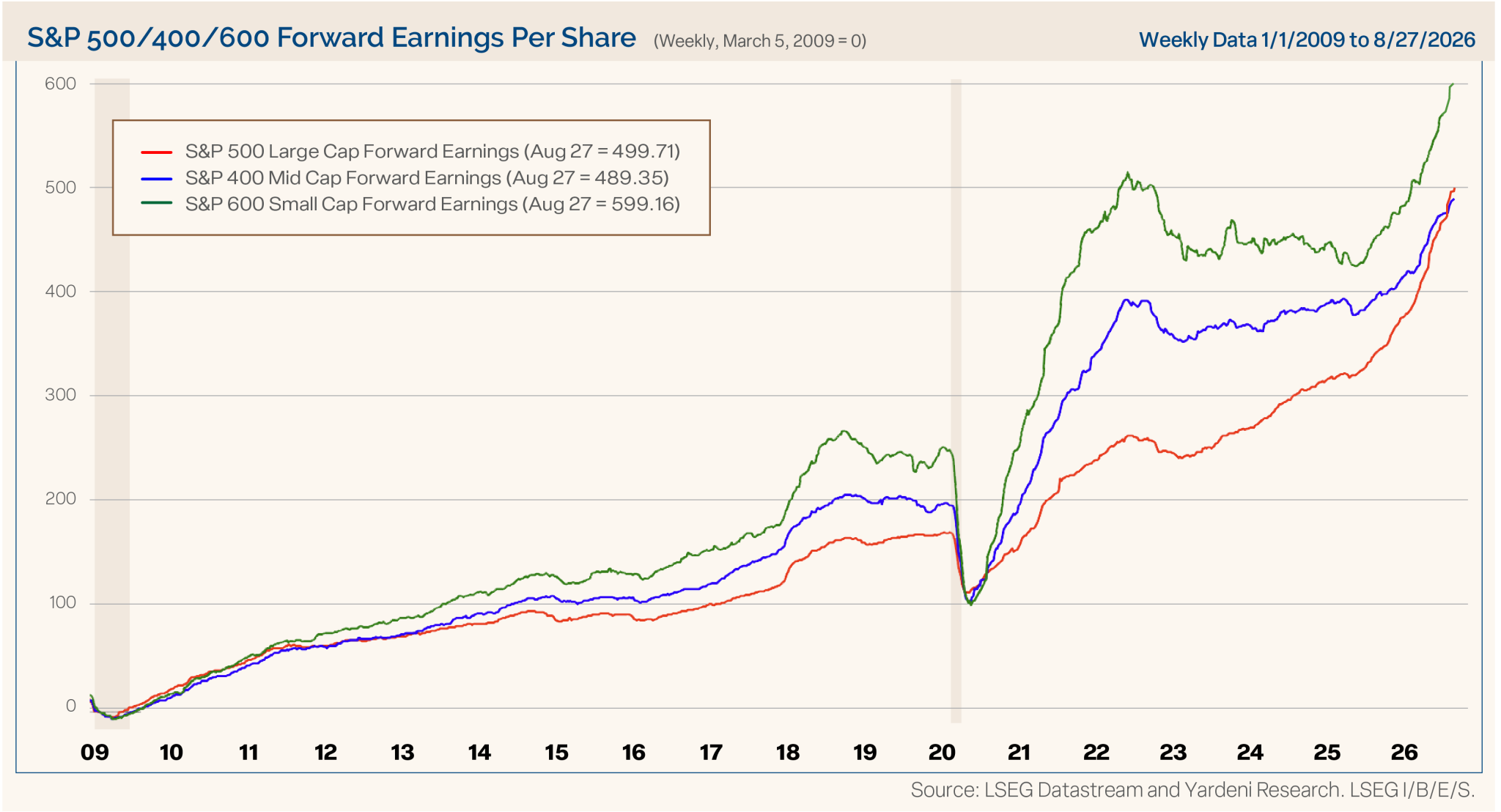
Weekly Data 1/1/1998 to 9/1/2026



Source: LSEG Datastream and Yardeni Research. LSEG I/B/E/S.

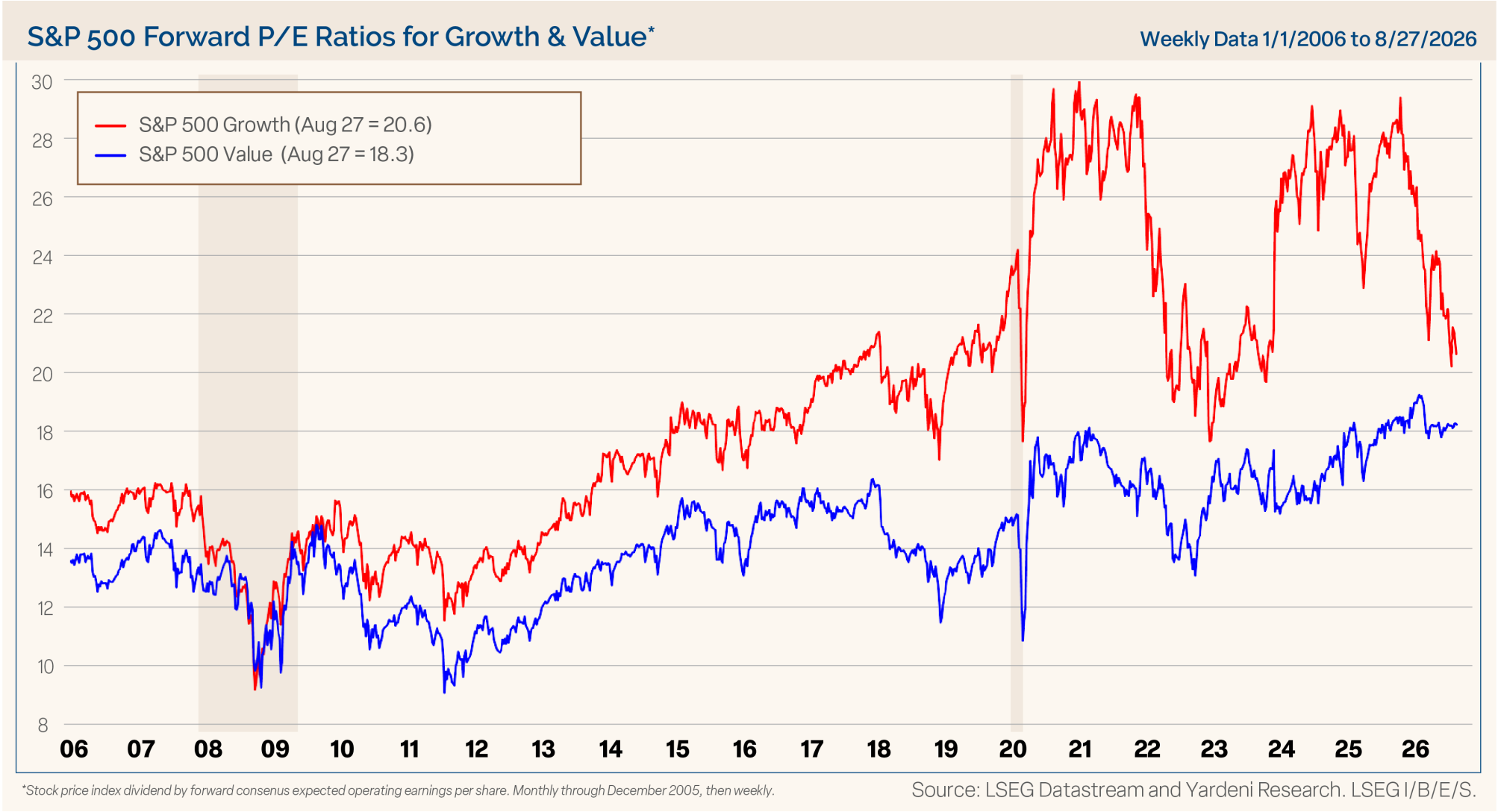
For illustrative purposes only. Past performance is not indicative of future results https://yardeni.com/charts/largecaps-vs-smidcaps/ Figure 10

Earnings Growth Across Market Caps



For illustrative purposes only. Past performance is not indicative of future results https://yardeni.com/charts/largecaps-vs-smidcaps/ Figure 7

Growth & Value Valuation Gap Narrowed



*Stock price index dividend by forward consenus expected operating earnings per share. Monthly through December 2005, then weekly.

Source: LSEG Datastream and Yardeni Research. LSEG I/B/E/S.

For illustrative purposes only. Past performance is not indicative of future results https://www.yardeni.com/charts/us-stock-market/stock-market-valuation/stock-market-p-e-ratios/
Figure 25

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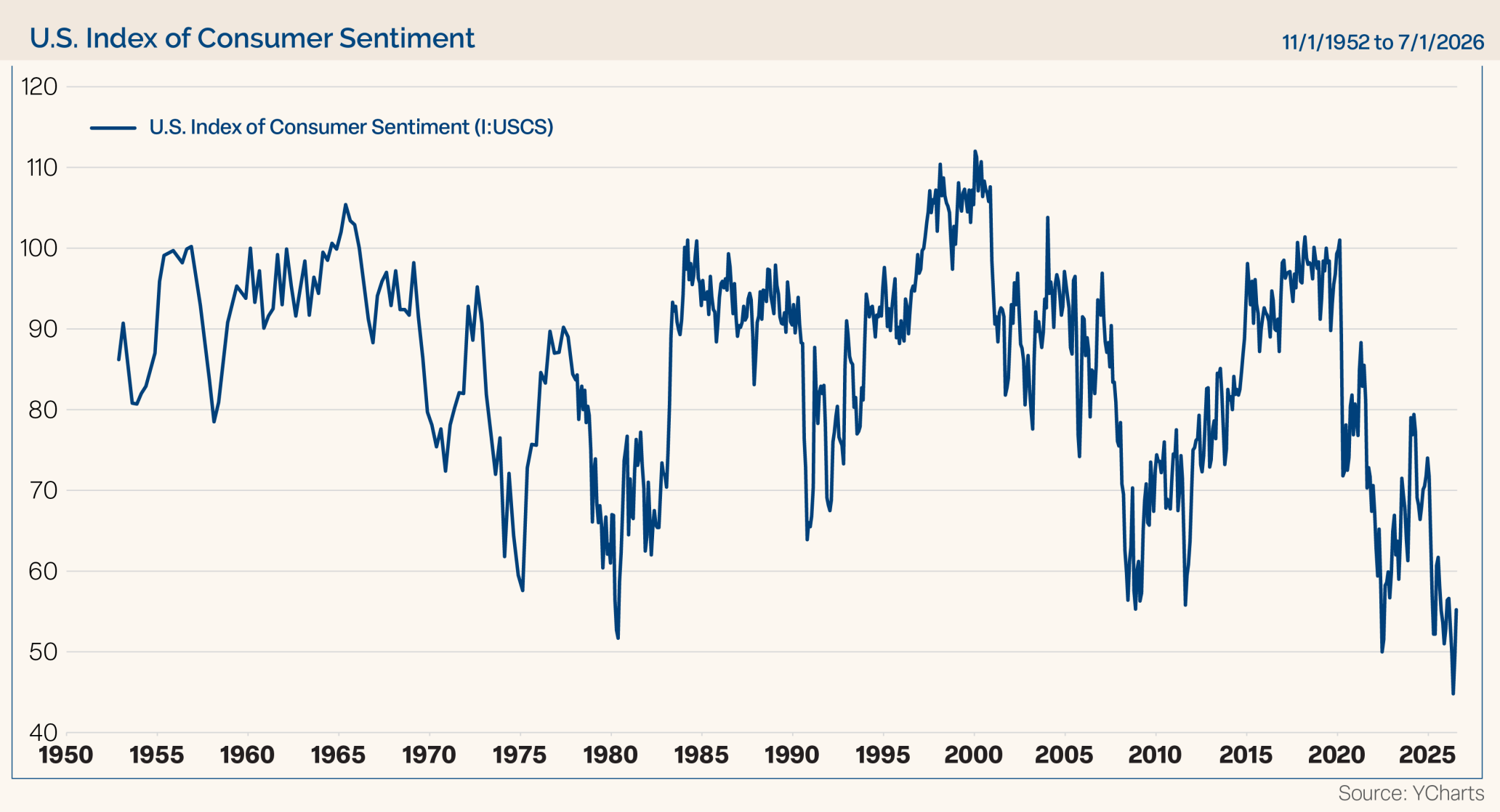
Unhappy People?



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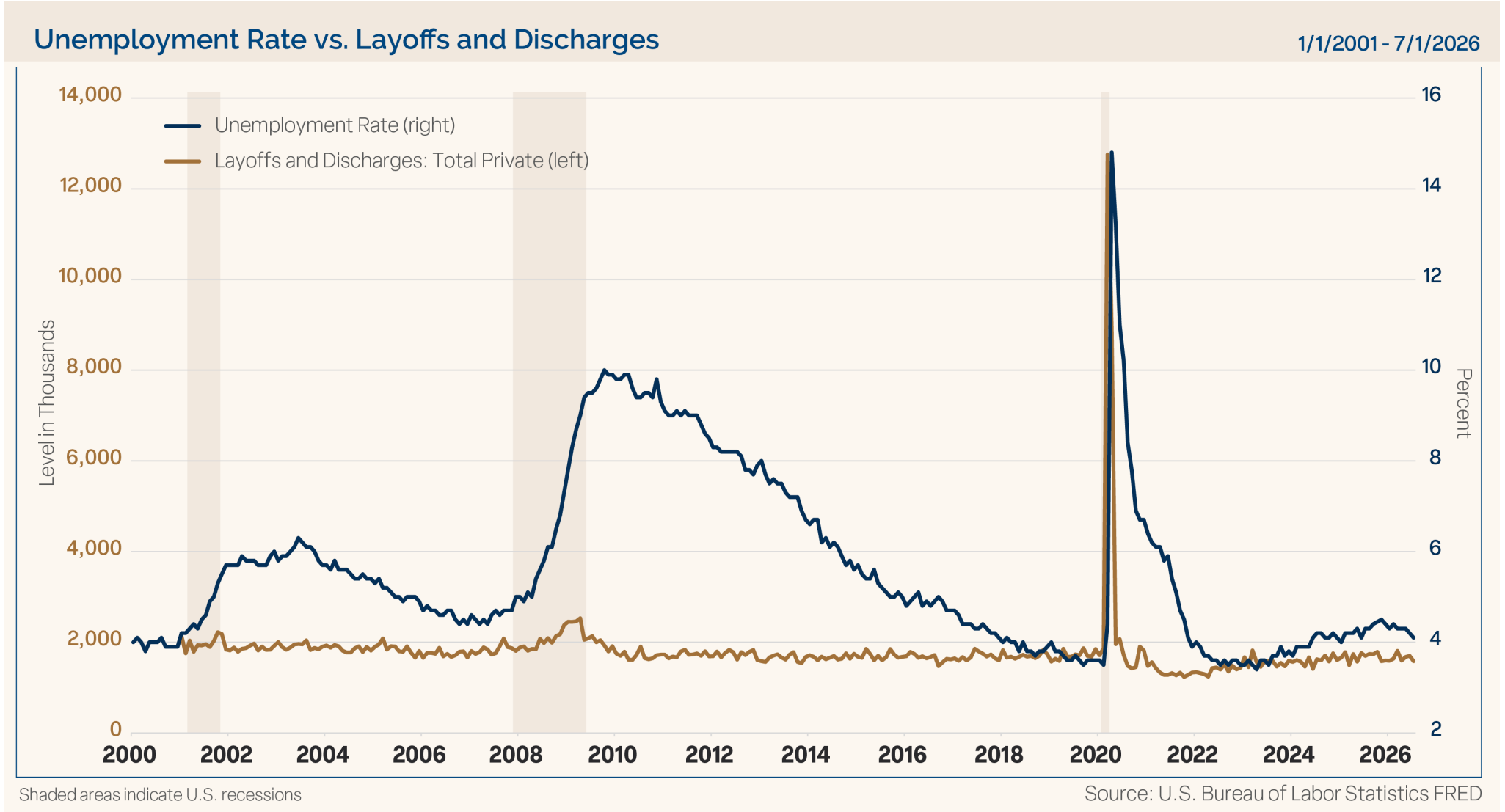
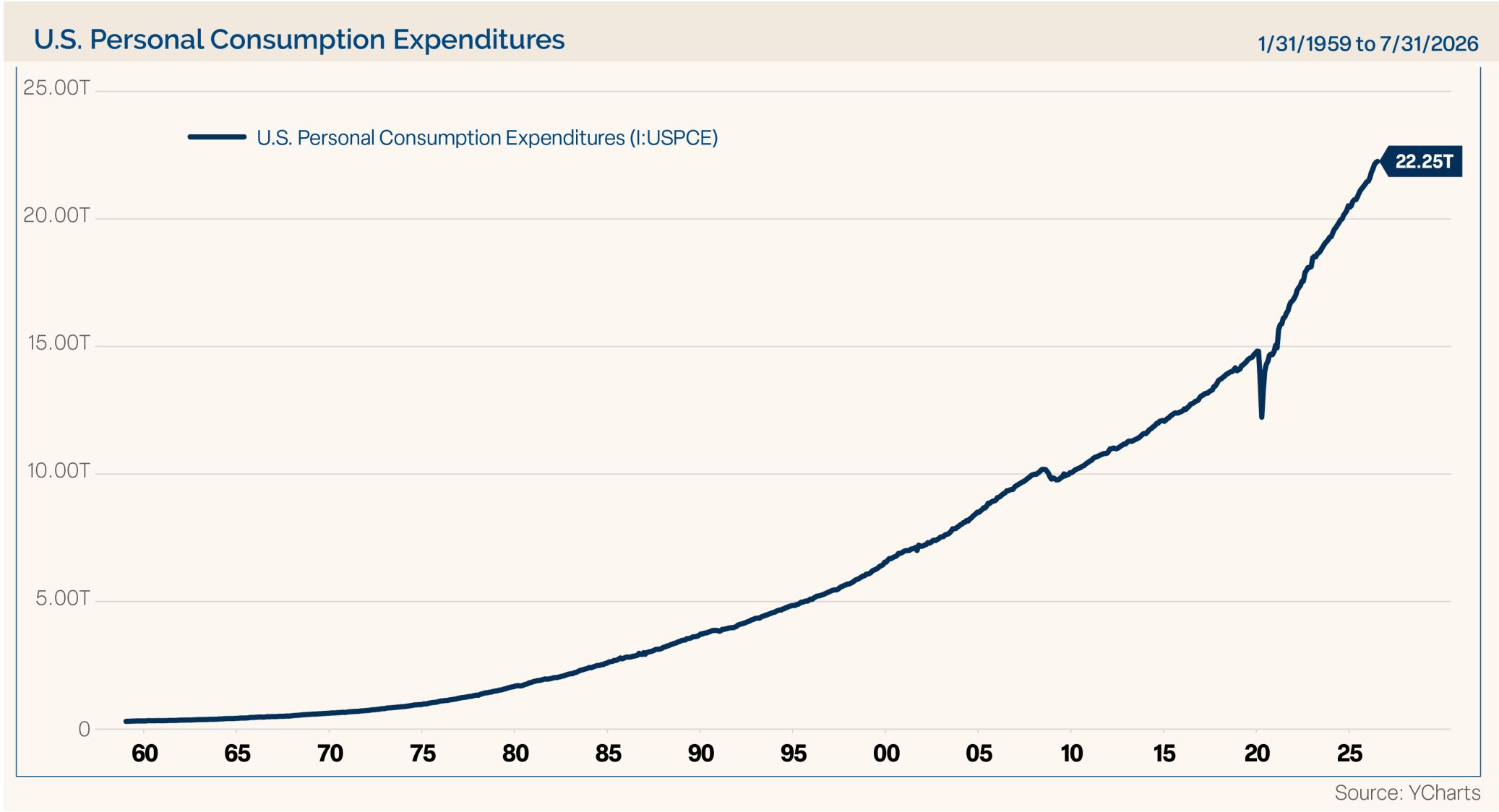
But They are Working



For illustrative purposes only. Past performance is not indicative of future results. Source: https://www.minneapolisfed.org/article/2026/have-us-consumers-gone-k-shaped-a-review-of-the-data

And They are Spending



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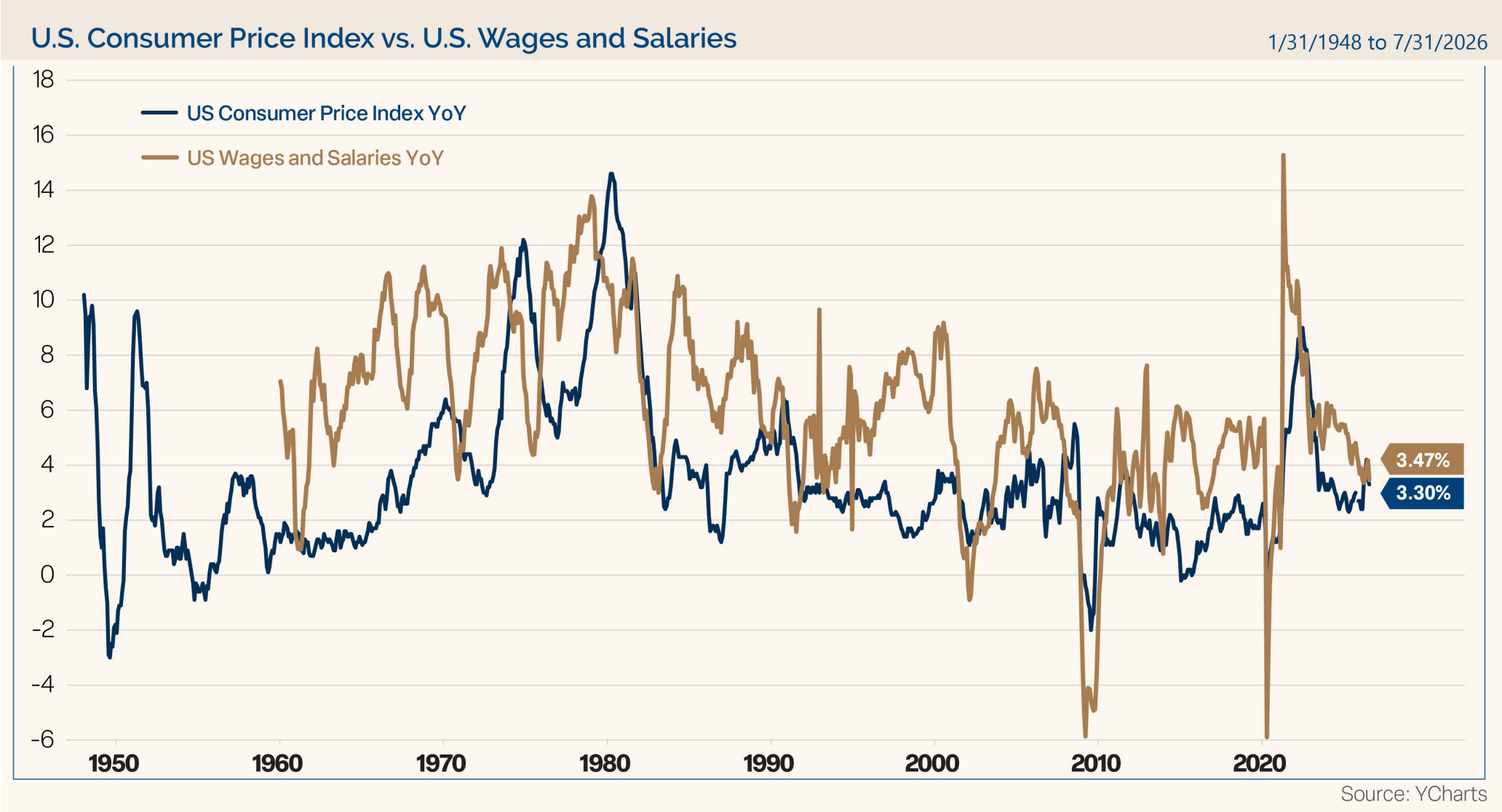
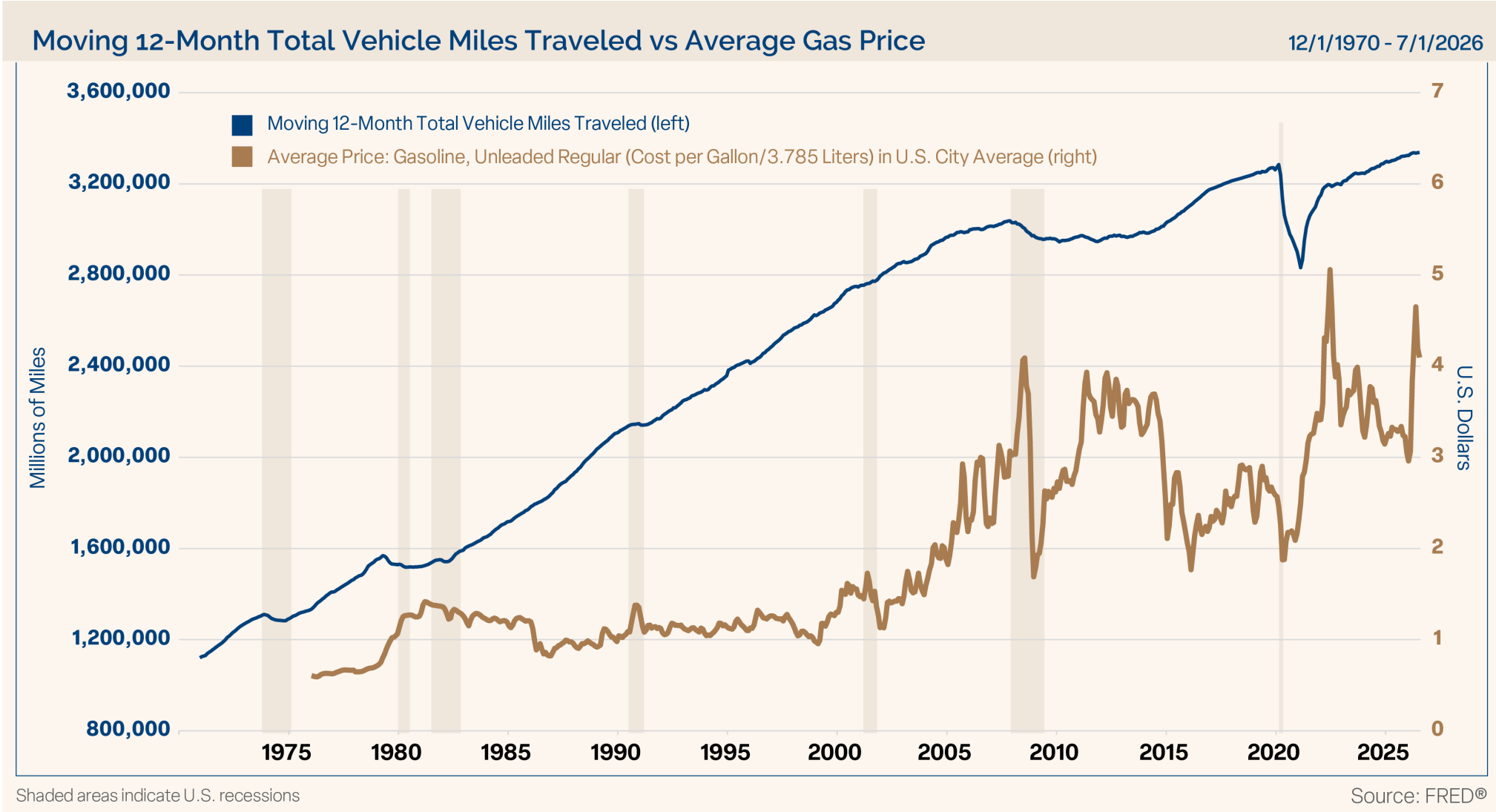
Losing Spending Power?



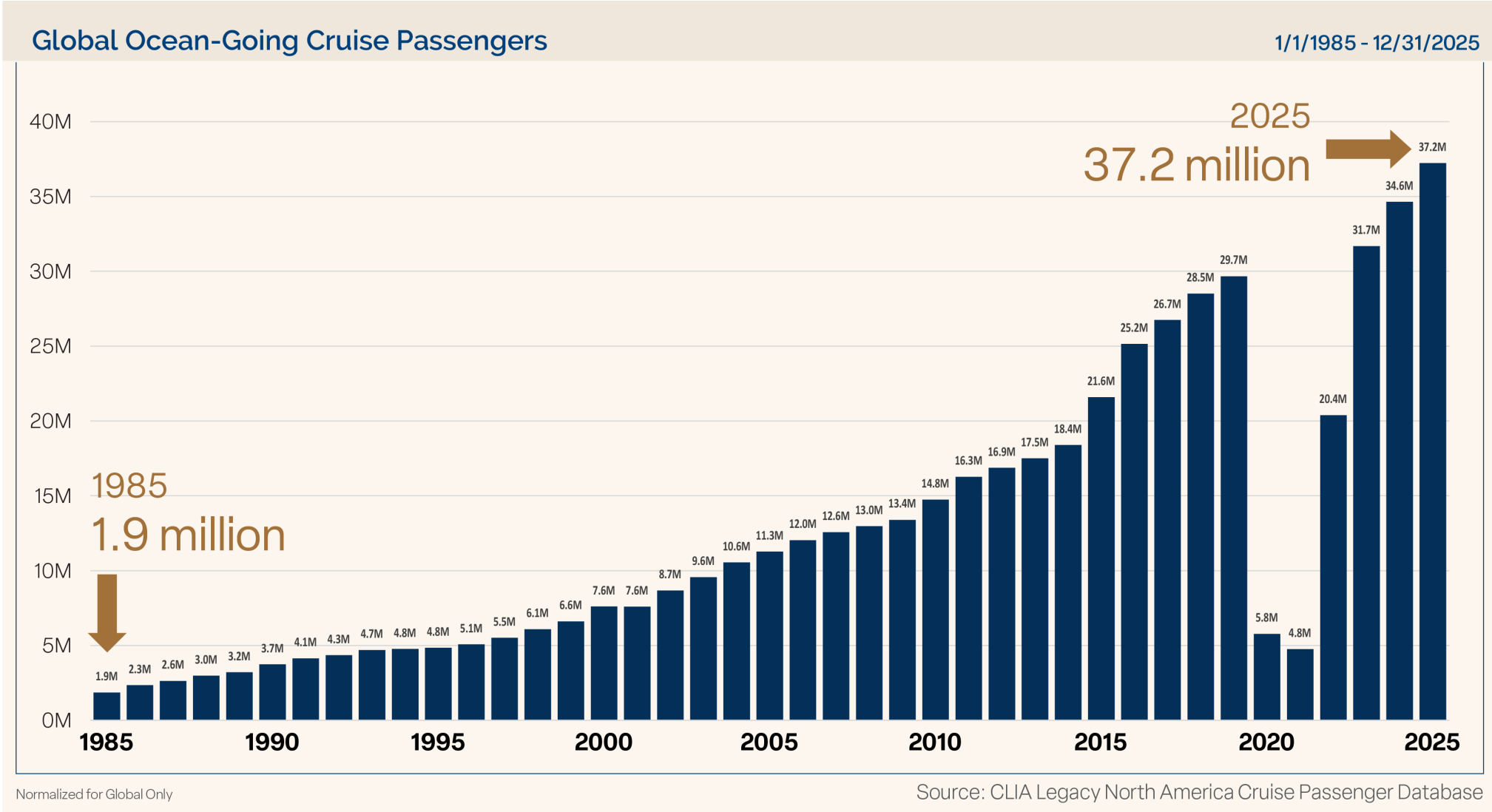
For illustrative purposes only. Past performance is not indicative of future results.

But Gas Prices are so High



For illustrative purposes only. Past performance is not indicative of future results. Source: https://www.minneapolisfed.org/article/2026/have-us-consumers-gone-k-shaped-a-review-of-the-data

Cruises-Lots of Information

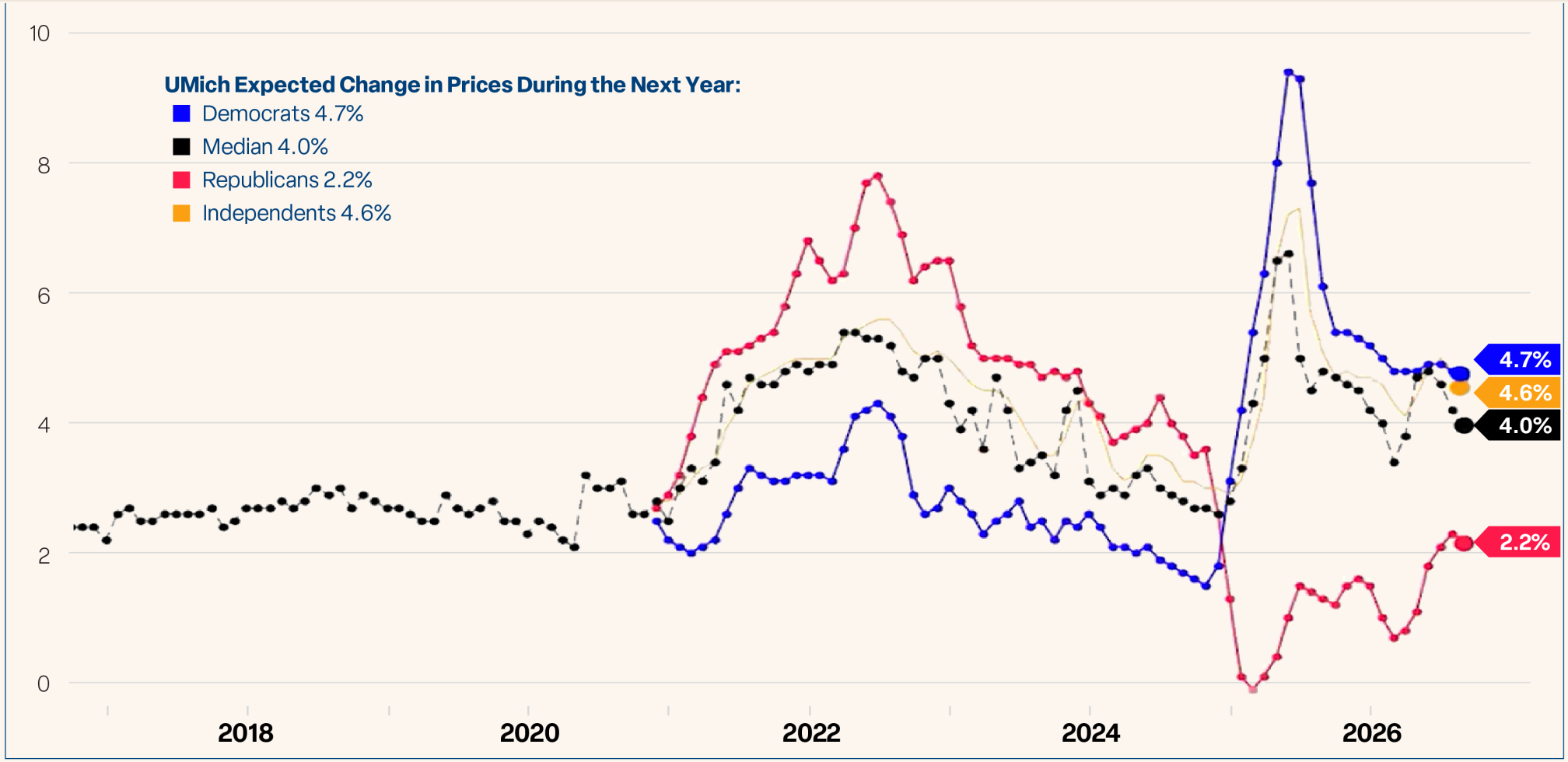


For illustrative purposes only. Past performance is not indicative of future results. Source:: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://cruising.org/sites/default/files/2026-04/2026%20State%20of%20the%20Cruise%20Industry%20Presentation.pdf

Politics Skewing Feelings More Than Actions

Median 1-Year Inflation by Party

9/1/2016 - 9/1/2026



Source: Fundstrat, Bloomberg, University of Michigan

For illustrative purposes only. Past performance is not indicative of future results.

Politics Skewing Feelings More Than Actions

Democrats Outnumber Republicans 3:2

May 2025 - Feb 2026

Democrats	
May 2025	385
Jun 2025	353
Jul 2025	419
Aug 2025	354
Sep 2025	406
Oct 2025	372
Nov 2025	378
Dec 2025	351
Jan 2026	434
Feb 2026	432
Total	**3884**

Republicans	
May 2025	216
Jun 2025	235
Jul 2025	267
Aug 2025	211
Sep 2025	213
Oct 2025	223
Nov 2025	218
Dec 2025	212
Jan 2026	243
Feb 2026	262
Total	**2300**

% of Respondents

Dem	Rep
64%	36%
60%	40%
61%	39%
63%	37%
66%	34%
63%	37%
63%	37%
62%	38%
64%	36%
62%	38%
63%	**37%**

Ratio
3:2

Source: Fundstrat

For illustrative purposes only. Past performance is not indicative of future results.

Agenda

- How is the stock market going up with all of the chaos?
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- Turn it off!

S&P 500 Midterm Year Performance Since 1934

Prior 12-Month High	S&P 500	midterm Low	S&P 500	% Loss to midterm Low	Pre Election Year High	S&P 500	% Gain from midterm Low
2/6/1934	11.82	7/26/1934	8.36	-29.27%	11/19/1935	13.46	61.00%
3/10/1937	18.67	3/31/1938	8.5	-54.47%	1/4/1939	13.23	55.65%
7/28/1941	10.47	4/28/1942	7.47	-28.65%	7/14/1943	12.64	69.21%
5/29/1946	19.25	10/9/1946	14.12	-26.65%	2/8/1947	16.20	14.73%
1/11/1950	17.09	1/14/1950	16.65	-2.57%	10/15/1951	23.85	43.24%
2/3/1953	26.54	1/11/1954	24.8	-6.56%	11/14/1955	46.41	87.14%
7/15/1957	49.13	1/2/1958	40.33	-17.91%	8/3/1959	60.71	50.53%
12/12/1961	72.64	6/26/1962	52.32	-27.97%	12/31/1963	75.02	43.39%
2/9/1966	94.06	10/7/1966	73.2	-22.18%	9/25/1967	97.59	33.32%
5/14/1969	106.16	5/26/1970	69.29	-34.73%	4/28/1971	104.77	51.21%
10/12/1973	111.44	10/3/1974	62.28	-44.11%	7/15/1975	95.61	53.52%
12/31/1976	107.46	3/6/1978	86.9	-19.13%	10/5/1979	111.27	28.04%
8/11/1981	133.85	8/12/1982	102.42	-23.48%	10/10/1983	172.65	68.57%
1/7/1986	213.80	1/22/1986	203.49	-4.82%	8/25/1987	336.77	65.50%
7/16/1990	368.95	10/11/1990	295.46	-19.92%	12/31/1991	417.09	41.17%
2/2/1994	482.00	4/4/1994	438.92	-8.94%	12/13/1995	621.69	41.64%
12/5/1997	983.79	1/9/1998	927.69	-5.70%	12/31/1999	1469.25	58.38%
1/4/2002	1172.51	10/9/2002	776.76	-33.75%	12/31/2003	1111.92	43.15%
5/5/2006	1325.76	6/13/2006	1223.69	-7.70%	10/9/2007	1565.15	27.90%
4/23/2010	1217.28	7/2/2010	1022.58	-15.99%	4/29/2011	1363.61	33.35%
9/19/2014	2010.40	10/15/2014	1862.49	-7.36%	5/21/2015	2130.82	14.41%
9/20/2018	2930.75	12/24/2018	2351.1	-19.78%	12/27/2019	3240.02	37.81%
1/3/2022	4796.56	10/12/2022	3577.03	-25.43%	12/28/2023	4783.35	33.72%
Mean				**-21.18%**			**45.94%**
Median				**-19.92%**			**43.24%**

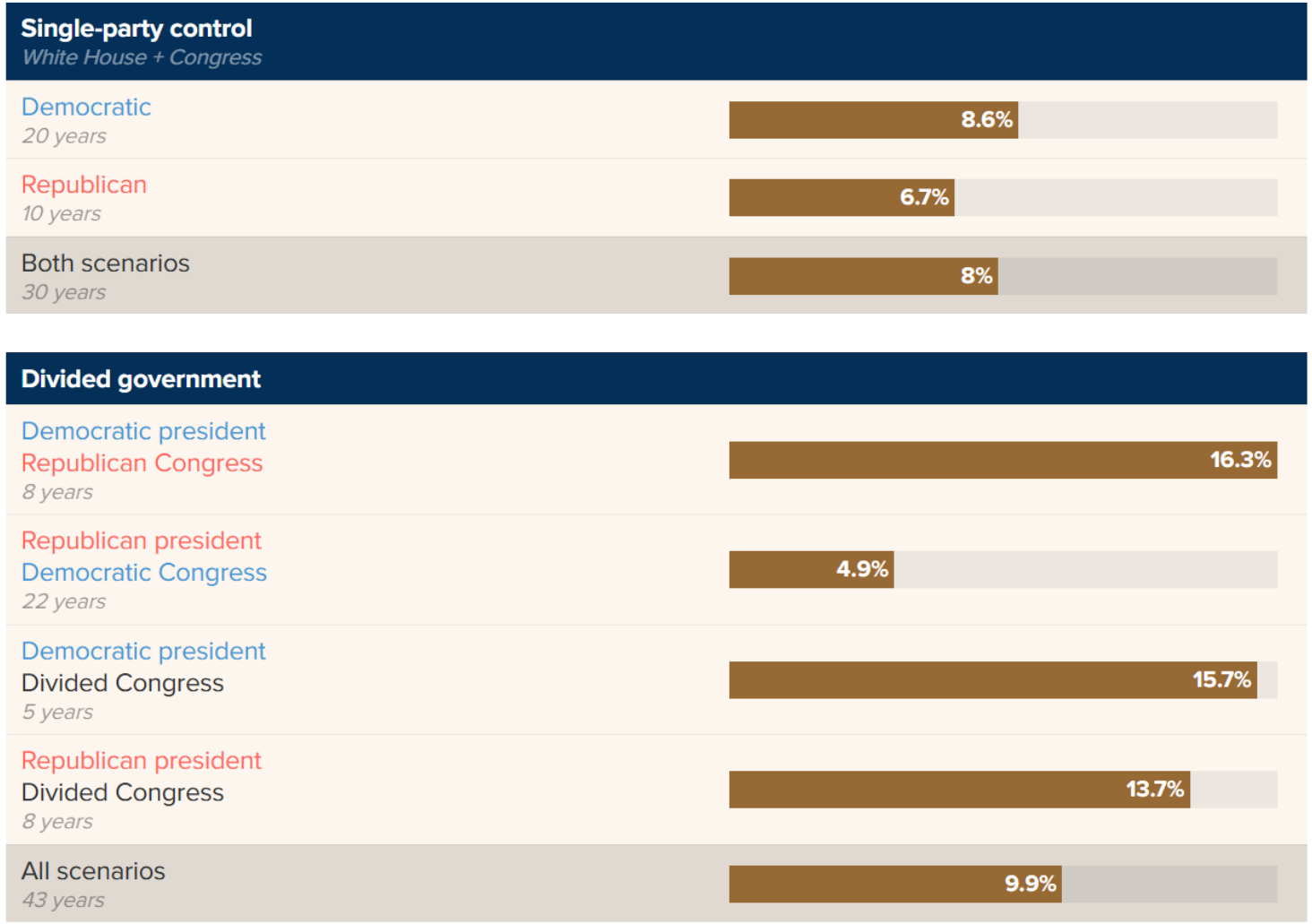
For illustrative purposes only. Past performance is not indicative of future results.

Source: Bloomberg

Does It Matter Who Wins?

On average, divided U.S. government is slightly better for stocks

Average total returns for the S&P 500 per control of the U.S. government | 1951–2023



Note: Multi-year averages of annual total returns

Source: Carson Group

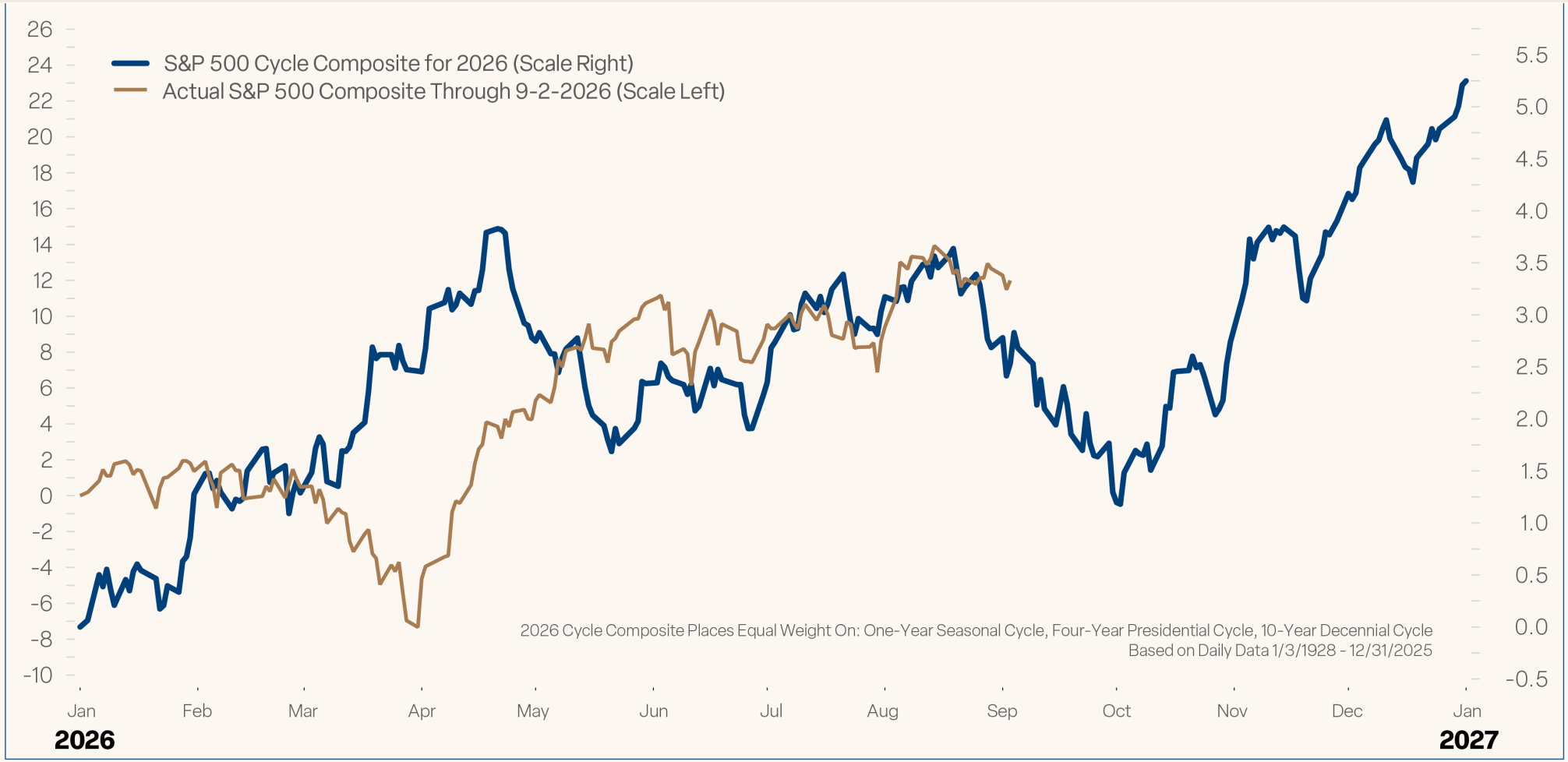
CNBC

For illustrative purposes. Past performance is not indicative of future results Source: https://www.cnbc.com/2024/11/07/chart-divided-us-government-historically-better-for-stocks.html

In Challenging Pre-Midterm Period

S&P 500 Cycle Composite for 2026

Daily Data 12/31/2025 to 12/31/2026



S01666

Source: Ned Davis Research, Dow Jones Indices

For illustrative purposes. Past performance is not indicative of future results. Neither past actual, projections, nor other forward-looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially.

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- Turn it off!

Time in the Market, Not Timing the Market

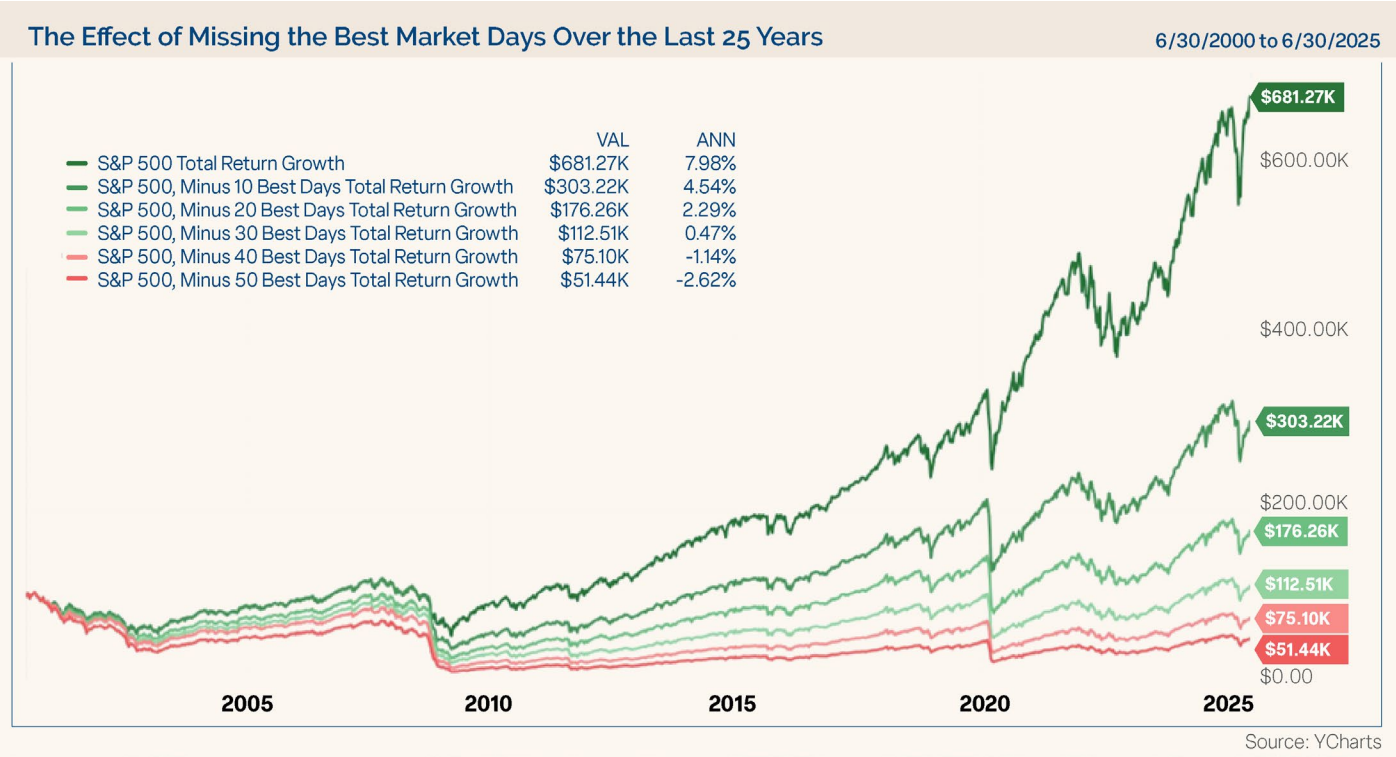
S&P 500 Top 10 Daily % Returns
Sorted from Highest to Lowest

2023			2024			2025		
	Top 10	**% Return**		**Top 10**	**% Return**		**Top 10**	**% Return**
1	1/6/2023	2.3%	1	11/6/2024	2.5%	1	4/9/2025	9.5%
2	4/27/2023	2.0%	2	8/8/2024	2.3%	2	5/12/2025	3.3%
3	11/14/2023	1.9%	3	2/22/2024	2.1%	3	4/22/2025	2.5%
4	1/20/2023	1.9%	4	9/19/2024	1.7%	4	3/14/2025	2.1%
5	11/2/2023	1.9%	5	8/13/2024	1.7%	5	5/27/2025	2.0%
6	5/5/2023	1.8%	6	8/15/2024	1.6%	6	4/24/2025	2.0%
7	3/16/2023	1.8%	7	7/31/2024	1.6%	7	1/15/2025	1.8%
8	3/14/2023	1.7%	8	1/8/2024	1.4%	8	4/11/2025	1.8%
9	3/3/2023	1.6%	9	5/3/2024	1.3%	9	3/24/2025	1.8%
10	11/10/2023	1.6%	10	2/1/2024	1.3%	10	4/23/2025	1.7%
Cumulative Gain			***Cumulative Gain***			***Cumulative Gain***		
Best 10D		20%	Best 10D		19%	Best 10D		32%
FY Ex-Best 10D		4%	FY Ex-Best 10D		4%	FY Ex-Best 10D		**-12%**
Full FY		24%	Full FY		23%	Full FY		16%

Source: Fundstrat, Bloomberg. For illustrative purposes only. Past performance is not indicative of future results.

“Market Timing Is Key to High Returns”

Many believe timing is key, but missing just a few top-performing days significantly impacts long-term returns.



Annualized returns over the last 25 years, when missing the best…

- 0 days: 7.98%
- 10 days: 4.54%
- 20 days: 2.29%
- 30 days: 0.47%
- 40 days: -1.14%
- 50 days: -2.62%

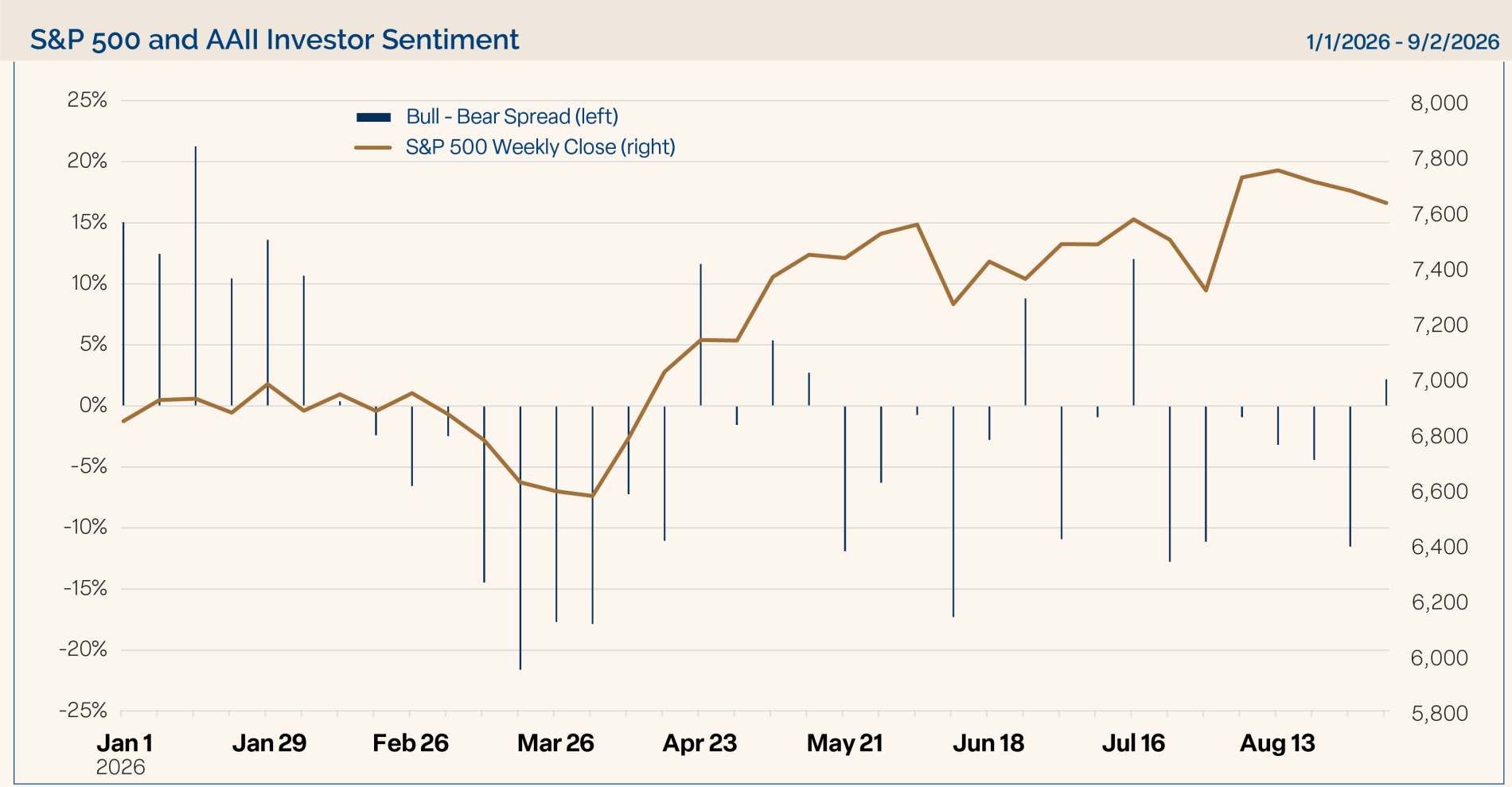
Missing just the 10 best market days over 25 years cuts returns nearly in half.

Staying fully invested ensures you maximize long-term growth potential.

For illustrative purposes only. Past performance is not indicative of future results.

“Now Is the Wrong Time to Invest”

Timing the market risks missed gains. Data proves staying invested beats emotional decisions.



For illustrative purposes only. Past performance is not indicative of future results.

Stay Focused

- Are these long-term assets?
  - When do you ever feel good getting into the market? Be honest!
  - High quality & diversification make sense over time
- Stocks have historically helped grow principal
  - Earnings drive values
  - Earnings are increasing
- Bonds help you sleep at night
  - Stable cash flow
  - Highest yields in a while

For informational purposes only. Diversification does not ensure a profit or protect against a loss in a declining market.

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Turn It Off!



Source: ChatGPT. For illustrative purposes only.

Q&A



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Equity securities are subject to price fluctuation and possible loss of principal. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Certain investment strategies tend to increase the total risk of an investment (relative to the broader market). Strategies that concentrate their investments in limited sectors are more vulnerable to adverse market, economic, regulatory, political, or other developments affecting those sectors.

Fixed incomes securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in market value or an investment), credit, prepayment, call (some bonds allow the issuer to call a bond for redemption before it matures), extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase), and inflation risk (rising prices will lower the purchasing power of the investment at maturity).

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

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Benchmark Descriptions

References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (each, an "index") are provided for your information only. Reference to an index does not imply that the portfolio will achieve returns, volatility or other results similar to that index. The composition of the index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change. Investors cannot invest directly in an index.

The volatility (beta) of an account may be greater or less than its respective benchmark.

The S&P 500 measures the performance of the 500 leading companies in leading industries of the U.S. economy, capturing 80% of U.S. equities.

The Composite Index of Leading Indicators, otherwise known as the Leading Economic Index (LEI), is an index published monthly by The Conference Board. It is used to predict the direction of global economic movements in future months. It is used to predict the direction of global economic movements in future months. The index is composed of 10 economic components whose changes tend to precede changes in the overall economy.

Gross domestic product (GDP) is the monetary value of all finished goods and services made within a country during a specific period. GDP provides an economic snapshot of a country, used to estimate the size of an economy and growth rate.

Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in any index.

The 10 year treasury yield is included on the longer end of the yield curve. Many analysts will use the 10 year yield as the "risk free" rate when valuing the markets or an individual security. GDPNow is a forecasting model that provides a "nowcast" of the official GDP estimate prior to its release by estimating GDP growth using a methodology similar to the one used by the U.S. Bureau of Economic Analysis.

The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.

The nonfarm payroll measures the number of workers in the U.S. except those in farming, private households, proprietors, non-profit employees, and active military.

The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS).

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living.

The Personal Consumption Expenditures Price Index (PCE) is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services. The PCE price index is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior.

Treasury bond yields (or rates) are tracked by investors for many reasons. The yields are paid by the U.S. government as interest for borrowing money via selling the bond. Treasury Bills are loans to the federal government that mature at terms ranging from a few days to 52 weeks. A Treasury Note matures in two to 10 years, while a Treasury Bond matures in 20 or 30 years. The 10-year Treasury yield is closely watched as an indicator of broader investor confidence. Because Treasury bills, notes, and bonds carry the full backing of the U.S. government, they are viewed as one of the safest investments.

The implied rate is an interest rate equal to the difference between the spot rate and the forward or futures rate. The implied rate gives investors a way to compare returns across investments. An implied rate can be calculated for any type of security that also has an option or futures contract.

Bloomberg U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities. To qualify for inclusion, a bond or security must have at least one year to final maturity, and be rated investment grade Baa3 or better, dollar denominated, non-convertible, fixed rate and publicly issued.

Benchmark Descriptions

The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices.

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The US Corporate Index is a component of the US Credit and US Aggregate Indices, and provided the necessary inclusion rules are met, US Corporate Index securities also contribute to the multi-currency Global Aggregate Index.

The Bloomberg U.S. Corporate High-Yield Index covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The Bloomberg Municipal Bond Index is a rules-based, market-value-weighted index engineered for the tax-exempt bond market. The index tracks general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds rated Baa3/BBB- or higher by at least two of the ratings agencies.

The S&P 500 Total Return index reflects the overall performance of the S&P 500, including not only price changes of the stocks within the index but also the reinvestment of any dividends received, providing a more comprehensive picture of the total return an investor would experience by holding the S&P 500 index over time; essentially, it captures both price appreciation and dividend income from the constituent stocks.

The Russell 2000 Index measures the performance of the 2000 smallest U.S. companies based on total market capitalization in the Russell 3000, which represents approximately 10% of Russell 3000 total market capitalization.

The MSCI World ex US Index is a market capitalization-weighted index designed to measure equity performance in 22 global developed markets, excluding the United States. The benchmark for this composite is used because the MSCI World Ex US Net Index is generally representative of international equities. Index returns reflect the reinvestment of income and other earnings, are provided to represent the investment environment shown, and are not covered by the report of independent verifiers.

The ICE U.S. Dollar Index (USDX) futures contract is a leading benchmark for the international value of the US dollar and the world's most widely-recognized traded currency index. In a single transaction the USDX enables market participants to monitor moves in the value of the US dollar relative to a basket of world currencies, as well as hedge their portfolios against the risk of a move in the dollar. US Dollar Index futures are traded for 21 hours a day on the ICE platform.

The U.S. dollar index is a measure of the value of the U.S. dollar relative to a basket of foreign currencies. The index is a geometrically-averaged calculation of six currencies weighted against the U.S. dollar. The index was established by the U.S. Federal Reserve in 1973 after the dissolution of the Bretton Woods Agreement. It is now maintained by ICE Data Indices, a subsidiary of the Intercontinental Exchange (ICE).

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.