

Before the Bell

An Ameriprise Investment Research Group Publication

November 15, 2024

Starting the Day

- U.S. equity index futures indicate a lower open.
- European markets are trading mixed at midday.
- Markets across the Asia /Pacific ended mixed.
- Fed. Rate cut odds dip after Powell talk.
- Retail sales were solid in October.
- 10-year Treasury yield at 4.44%.
- West Texas Intermediate (WTI) oil is trading at \$68.48.
- Gold is trading at \$2,576.90

Market Perspectives

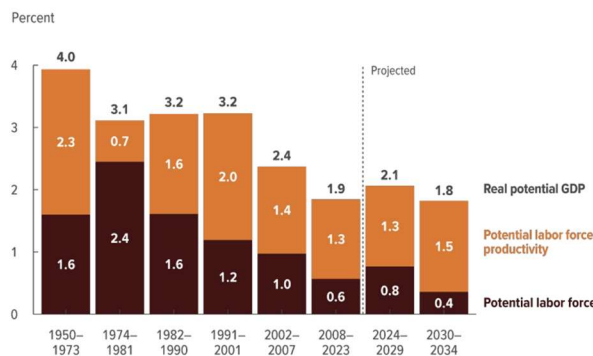
Russell T. Price, CFA Chief Economist

A general view of economic conditions over the next two years. A new administration in the White House and a change of power dynamics in Congress bring about the prospect of material changes to tax and spend policies over the next several quarters. The potential implementation of significant tariffs also clouds the picture as to how the added costs of such would be distributed. Regardless, we believe economic fundamentals are strong enough as to maintain a positive economic path. Broadly speaking, we believe much will stay the same and economic activity should further decelerate down to its “sustainable”, or potential, pace of about 2% over the next few years.

What is a “sustainable, or potential” pace? Any economy’s sustainable pace of growth is a function of how fast its working age population is growing, multiplied by how productive workers are. (See graphic below as sourced from the Congressional Budget Office (CBO)). Today, according to the Federal Reserve and Congressional Budget Office, that equation for the U.S. economy comes out to about 2%. Put more simply, an economy’s “sustainable rate” is the pace of growth that is neither too strong, as to create inflation, nor too weak, as to lift the unemployment rate materially.

In recent quarters, the U.S. economy has been growing in excess of its estimated sustainable rate. In fact, over the last 8 quarters the economy has grown at an average pace of just under 3.0%. This stronger pace has largely been fueled by strong consumer spending propelled by the continued work-down of excess savings consumers accumulated during the early quarters of the pandemic. And true to the expectations outlined above, the stronger GDP rate has also likely been a contributor to the stickiness of inflation. By comparison, from 2014 through 2019 (the period prior to the pandemic but after the excesses of the recovery period seen after the great Recession) U.S. real Gross Domestic Product (GDP) grew at an average pace of +2.6%. In that timeframe, inflation averaged 1.6% and the unemployment rate steadily declined from 6.7% in Q1-2014 to 3.5% in February 2020. *The graphic at right is sourced from the CBO.*

Average Annual Growth of Real Potential GDP and Its Components



Real potential GDP is projected to grow by an average of 2.1 percent a year through 2029, faster than it has since the recession that began in late 2007. That faster growth of potential GDP stems mainly from CBO’s projection of a surge in net immigration through 2026, which increases the projected growth of the labor force.

NOTE: FOR IMPORTANT DISCLOSURES, INCLUDING POSSIBLE CONFLICTS, PLEASE SEE THE DISCLOSURE PAGES AT THE END OF THIS DOCUMENT.

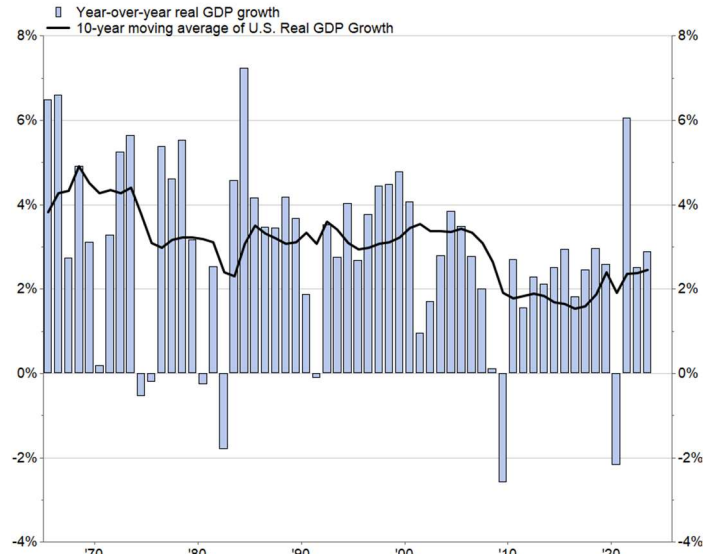
A look at U.S. economic history also reveals the changing pace of the U.S. economy's sustainable rate through time. As seen in the chart at right (as sourced from FactSet) the general pace of economic growth has indeed been slowing over the last several decades with most of the deceleration in actual and sustainable growth rates having been most influenced by slower growth in the working age population.

Going forward, the CBO expects the sustainable growth rate for the U.S. economy to further decelerate, but modestly. As seen in the graphic on page one, the agency sees growth in the 2030 to 2034 period as stepping down to about +1.8% from the current +2.1%. We note, however, that future growth could be stronger if we see a better-than-expected pick-up in productivity – something that is a distinct possibility with advances in artificial intelligence.

We should also note that slower growth in the working age population should mean lower unemployment rates, as fewer individuals coming into the labor market are available to backfill jobs left vacant by individuals moving into retirement. We've seen this dynamic at work since the Great Recession (2008-'09) as the unemployment rate has dipped to levels once thought to be below the "structural" unemployment rate (i.e., perceived floor) prior to and following the pandemic period.

So, what might a slower pace of real economic growth mean for investors? All else remaining equal, slower economic growth would likely equate to slower corporate sales growth and thus slower earnings growth. Given the key importance of earnings growth to stock prices, such could mean a slower pace of stock market appreciation. As noted by Ibbotson's, the S&P 500 has historically (since 1948) generated an average total return of about 10% - with 8 of the percentage points coming from stock price appreciation and 2 from dividend payments. Any deceleration in these numbers, however, could yet be overcome by expanding profit margins via productivity gains and/or better than expected growth in the working age population due to immigration. The U.S.'s leading position in many growing technology markets should also be considered.

U.S. Real GDP Growth



U.S. Pre-market Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Stocks are looking at a lower open.** U.S. equity index futures currently indicate downside of about 0.4% to 0.7% for the three major indices (S&P 500, Dow Jones Industrial Average and NASDAQ Composite), at the time of this writing. The movements seem largely based on Fed Chair Powell's comments yesterday which have led to some trimming of Fed rate cut expectations (see below). More broadly, we believe some of the downside seen over the last few days has likely been generated by some profit taking after the S&P 500 reached a new all-time high on Monday of 6001.35.
- **Back to good news being bad news?** In an interview yesterday afternoon, Fed Chair Jerome Powell noted that risks to the economic outlook (the risk of stronger than expected inflation versus the risk of weaker than expected economic growth) were fairly balanced. His comments seemed to weigh modestly on market expectations for future rate cuts as indicated by fed fund futures as traded on the CME.
- **Earnings Update:** With roughly 92% of S&P 500 third quarter reports complete, blended earnings per share (EPS) growth is higher by +5.4% year-over-year on revenue growth of +5.4%.

Europe:

Equity markets are mixed at mid-day across Europe but with more markets seeing losses than those seeing gains. London's FTSE 100 is about flat at this hour after the U.K. government reported Q3 real GDP growth of 1.0% y/y. The rate largely matched expectations but was an acceleration from the +0.7% rate reported for Q2.

Asia-Pacific:

Markets were also mixed across the Asia /Pacific overnight with China related issues seeing most of the downside. China's main Index, the CSI 300, fell 1.8% and Hong Kong's Hang Seng was fractionally lower. In Japan, the Nikkei 225 was 0.3% higher.

WORLD CAPITAL MARKETS

11/15/2024

As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	-0.6%	26.2%	5,949.2
Dow Jones	-0.5%	17.9%	43,750.9
NASDAQ Composite	-0.6%	28.1%	19,107.7
Russell 2000	-1.4%	16.6%	2,336.9
Brazil Bovespa	0.0%	-4.8%	127,792
S&P/TSX Comp. (Canada)	0.2%	22.7%	25,049.7
Russell 3000	-0.7%	25.4%	3,404.9

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	-0.3%	9.9%	4,819.2
FTSE 100 (U.K.)	0.1%	8.1%	8,081.6
DAX Index (Germany)	0.0%	14.9%	19,254.3
CAC 40 (France)	-0.1%	-0.3%	7,305.5
FTSE MIB (Italy)	0.0%	13.2%	34,359.4
IBEX 35 (Spain)	1.1%	20.3%	11,653.9
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	0.3%	17.3%	38,642.9
Hang Seng (Hong Kong)	0.0%	19.0%	19,426.3
Korea Kospi 100	-0.1%	-7.8%	2,416.9
Singapore STI	0.2%	21.8%	3,744.7
Shanghai Comp. (China)	-1.5%	12.0%	3,330.7
Bombay Sensex (India)	-0.1%	8.8%	77,580.3
S&P/ASX 200 (Australia)	0.7%	14.2%	8,285.2

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	-0.4%	19.2%	851.2

Developed International	% chg.	%YTD	Value
MSCI EAFE	0.4%	5.4%	2,286.3

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	-0.8%	8.6%	1,084.4

Note: International market returns shown on a local currency basis. The equity Index data shown above is on a **total return** basis, inclusive of dividends.

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	-0.7%	35.7%	331.1
Consumer Discretionary	-1.5%	23.9%	1,745.5
Consumer Staples	-0.2%	16.3%	868.1
Energy	0.1%	16.6%	724.5
Financials	-0.3%	33.5%	824.4
Health Care	-1.5%	7.3%	1,683.5
Industrials	-1.7%	23.9%	1,181.6
Materials	-0.7%	8.7%	578.3
Real Estate	-0.9%	9.8%	268.8
Technology	0.0%	36.0%	4,592.3
Utilities	-0.4%	26.3%	395.7

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.9%	13.8%	289.4
FTSE NAREIT Comp. TR	-1.0%	9.3%	26,140.8
DJ US Select Dividend	-0.2%	21.3%	3,642.5
DJ Global Select Dividend	0.3%	10.2%	231.5
S&P Div. Aristocrats	-0.7%	12.9%	4,823.9

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	0.0%	1.4%	2,191.4
Barclays HY Bond	0.0%	8.1%	2,681.0

Commodities	% chg.	% YTD	Value
CRB Raw Industrials	-0.3%	-0.6%	540.5
NYMEX WTI Crude (p/bbl.)	-0.1%	-4.2%	68.6
ICE Brent Crude (p/bbl.)	-0.2%	-6.0%	72.4
NYMEX Nat Gas (mmBtu)	-2.8%	7.6%	2.7
Spot Gold (troy oz.)	0.2%	24.6%	2,570.1
Spot Silver (troy oz.)	0.8%	29.0%	30.7
LME Copper (per ton)	-0.5%	4.7%	8,862.0
LME Aluminum (per ton)	-0.2%	6.1%	2,489.7
CBOT Corn (cents p/bushel)	0.1%	-16.2%	431.0
CBOT Wheat (cents p/bushel)	0.2%	-19.1%	549.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/€)	0.5%	-4.2%	1.06
British Pound (£/€)	0.1%	-0.4%	1.27

	% chg.	% YTD	Value
Japanese Yen (\$/¥)	0.6%	-9.2%	155.37
Australian Dollar (A\$/S)	0.3%	-4.9%	0.65

	% chg.	% YTD	Value
Canadian Dollar (\$/C\$)	0.1%	-5.7%	1.40
Swiss Franc (\$/CHF)	0.3%	-5.2%	0.89

Data/Price Source: Bloomberg. Equity Index data is total return, inclusive of dividends, where applicable.

Ameriprise Global Asset Allocation Committee (GAAC)

U.S. Equity Sector - Tactical Views

	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight		S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Financials	12.9%	Overweight	2.0%	14.9%	Energy	3.2%	Equalweight	-	3.2%
Consumer Staples	5.9%	Overweight	2.0%	32.5%	Utilities	2.5%	Equalweight	-	2.5%
Information Technology	31.9%	Equalweight	-	31.9%	Materials	2.3%	Equalweight	-	2.3%
Health Care	11.5%	Equalweight	-	11.5%	Real Estate	2.3%	Equalweight	-	2.3%
Communication Services	8.8%	Equalweight	-	8.8%	Consumer Discretionary	10.2%	Underweight	-2.0%	8.2%
					Industrials	8.5%	Underweight	-2.0%	6.5%

As of: September 30, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 9/26/2024. The GAAC Tactical Overlay, as well as Recommended Tactical Weights, is derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

Global Equity Regions - Tactical Views

	MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight		MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
United States	62.8%	Overweight	2.2%	65.0%	United Kingdom	3.2%	Equalweight	-	3.2%
Europe ex U.K.	12.9%	Equalweight	-	12.9%	Latin America	0.9%	Equalweight	-	0.9%
Asia-Pacific ex Japan	11.0%	Equalweight	-	11.0%	Canada	2.8%	Underweight	1.0%	1.8%
Japan	5.2%	Equalweight	-	5.2%	Middle East / Africa	1.2%	Underweight	-1.2%	0.0%

as of: September 30, 2024

Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 09/26/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Friday, November 15, 2024

All times Eastern. Consensus estimates via Bloomberg

Time	Period	Release	Consensus Est.	Actual	Prior	Revised to
8:30 AM	NOV	Empire Mfg. Index	-1.0	+31.2	-11.9	
8:30 AM	OCT	Retail Sales (MoM)	+0.3%	+0.4%	+0.4%	+0.8%
8:30 AM	OCT	Retail Sales Ex. Autos (MoM)	+0.2%	+0.1%	+0.1%	+0.2%
8:30 AM	OCT	Retail Sales Ex. Autos & Gas (MoM)	+0.3%	+0.1%	+0.5%	+1.0%
8:30 AM	OCT	Import Price Index (MoM)	-0.1%	+0.3%	-0.4%	
8:30 AM	OCT	Import Price Index (YoY)	+0.3%	+0.8%	-0.1%	
9:15 AM	OCT	Industrial Production Index	-0.2%		+0.8%	
9:15 AM	OCT	Capacity Utilization	77.8%		78.0%	
9:15 AM	OCT	Manufacturing Output	-0.2%		+0.9%	

Commentary:

• **Retail sales for the month of October were largely in-line with expectations**, as reported by the Commerce Department this morning. Sales results for September were also revised materially higher.

• The headline rate saw pressure from a decline in gasoline sales (due to lower gas prices) but a boost from stronger auto sales. Automakers reported a seasonally adjusted annualized pace of auto sales of 16.0 million units in October, according to Bloomberg versus a rate of 15.2 million units in September.

• On a year-over-year basis, total retail sales were a solid 4.6% higher while sales excluding autos and gasoline were up 5.3%.

• The pace of sales has also been accelerating modestly. On a 3-month annualized basis, total retail sales were 5.3% higher but with autos and gasoline excluded, sales were a up strong 5.9%.

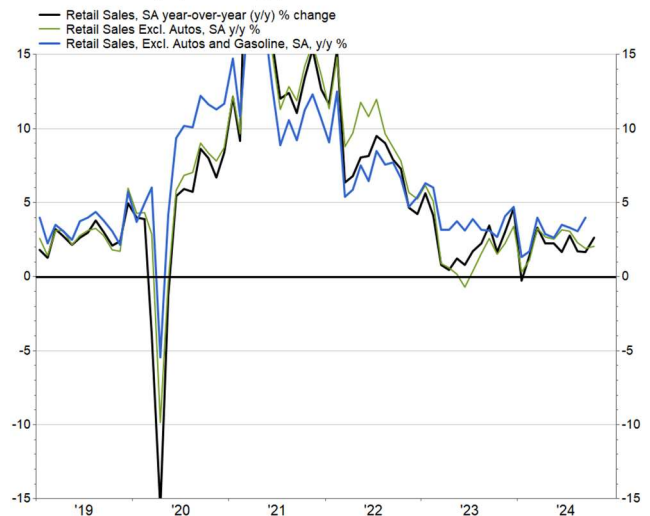
• As seen in the lower chart at right (as sourced from FactSet and HAS been updated for today's release) monthly changes in retail activity have become choppy in the last several months. In looking at this pattern, however, we note that lower gasoline prices weighted on the results in each of the last 5 months.

• Aside from autos, sales at electronics stores were also particularly strong. Sales in the category were up 2.3% month-over-month (m/m) but the jump comes after two months of notable declines (averaging -2.6%). Electronics store sales were still down 2.6% versus year-ago levels.

• Sales at eating and drinking establishments were also up a solid 0.7% m/m thus marking the seventh straight m/m gain for the category.

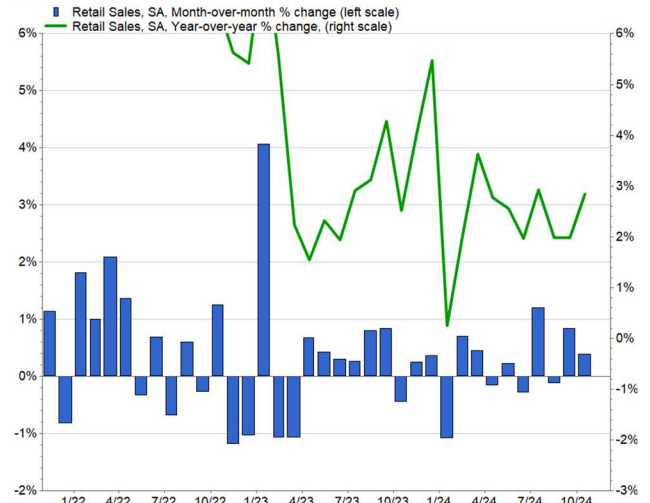
• The chart at right is sourced from FactSet and HAS been updated to reflect today's release.

U.S. Retail Sales (yr/yr % change)



lower gasoline prices weighted on the results in each of the last 5 months.

Retail Sales - MoM and YoY



Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual <u>2022</u>	Actual <u>2023</u>	Est. <u>2024</u>	Est. <u>2025</u>	Actual <u>Q4-2023</u>	Actual <u>Q1-2024</u>	Actual <u>Q2-2024</u>	Actual <u>Q3-2024</u>	Est. <u>Q4-2024</u>	Est. <u>Q1-2025</u>	Est. <u>Q2-2025</u>
Real GDP (annualized)	2.5%	2.9%	2.7%	1.8%	3.2%	1.6%	3.0%	2.8%	1.9%	1.8%	2.0%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.1%	4.2%	4.1%	4.0%
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.4%	3.5%	3.0%	2.4%	2.3%	2.0%	2.0%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	2.9%	2.8%	2.6%	2.7%	2.3%	2.2%	2.2%

Sources: Historical data via FactSet. Estimates (Est.) via American Enterprise Investment Services Inc.

YoY = Year-over-year, Unemployment numbers are period ending. GDP: Gross Domestic Product; CPI: Consumer Price Index

PCE: Personal Consumption Expenditures Price Index. Core excludes food and energy.

All estimates other than GDP are period ending.

Last Updated: October 31, 2024

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

<u>2024 Year-end Targets:</u>	<u>Favorable Scenario</u>	<u>Base-Case Scenario</u>	<u>Adverse Scenario</u>
S&P 500 Index:	6,100	6,000	5,300
10-Year U.S. Treasury Yield:	4.00%	3.75%	3.00%
Fed Funds Target Range:	4.25% to 4.50%	4.50% to 4.75%	4.00% to 4.25%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information.

Last Updated: October 30, 2024

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Global Asset Allocation Committee Views

AMERIPRISE GLOBAL ASSET ALLOCATION COMMITTEE TACTICAL ASSET CLASS VIEWS

2024 Year-end S&P 500 Target: 5,750

2024 Year-End 10-year Treasury Target: 3.75%

as of 09/27/2024

	Overweight	Equalweight	Underweight
Equity	<ul style="list-style-type: none"> U.S. Large Cap Growth U.S. Large Cap Value 	<ul style="list-style-type: none"> U.S. Mid Cap Value U.S. Mid Cap Growth U.S. Small Cap Value U.S. Small Cap Growth 	<ul style="list-style-type: none"> Developed Foreign Equity Emerging Foreign Equity
S&P 500 Sectors	<ul style="list-style-type: none"> Consumer Staples Financials 	<ul style="list-style-type: none"> Communication Services Energy Health Care Information Technology Materials Real Estate Utilities 	<ul style="list-style-type: none"> Consumer Discretionary Industrials
Global Equity Regions	<ul style="list-style-type: none"> United States 	<ul style="list-style-type: none"> Asia Pacific ex. Japan Europe ex U.K. Japan Latin America United Kingdom 	<ul style="list-style-type: none"> Middle East/Africa Canada
Fixed Income	<ul style="list-style-type: none"> U.S. Government U.S. Investment Grade Corp. 	<ul style="list-style-type: none"> U.S. High Yield Bonds Developed Foreign Bonds 	<ul style="list-style-type: none"> Emerging Foreign Bonds Municipal Bonds
Alternatives		<ul style="list-style-type: none"> Real Assets 	<ul style="list-style-type: none"> Alternative Strategies
Cash		<ul style="list-style-type: none"> Cash Cash Investments 	

Note: Our Tactical Allocations are designed to augment a Strategic portfolio over a 6-12-month time horizon. **Asset Allocation and diversification do not ensure or guarantee better performance and do not eliminate the risk of investment losses. Investors should note that rising interest rates could have a detrimental effect on bond prices. Please consult with your financial advisor.** Cash generally refers to assets, securities and/or products low in risk and highly liquid. For asset allocation purposes, instruments can include Treasury bills, certificates of deposit, money market funds and high-quality bonds whose maturities are less than 3 months. Outside of asset allocation purposes, cash investments can also include illiquid cash held in a mutual fund or pledged as collateral for derivatives. You can only access this cash by redeeming the fund using it, subject to fees or time constraints associated with redemptions.

As of September 30, 2024

Major Market Indices	Rolling Returns			
	Q3'24	1-year	3-years	5-years
Russell 3000® Index (U.S. Equity)	6.23%	35.19%	10.29%	15.26%
MSCI ACWI Ex USA Index – net (Foreign Equity)	8.06%	25.35%	4.14%	7.59%
Bloomberg U.S. Universal Bond Index (Fixed Income)	5.20%	12.08%	-1.05%	0.70%
Wilshire Liquid Alternative Index (Alternatives)	2.56%	10.18%	2.35%	3.18%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.63%	3.63%	2.38%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of Date.

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The Ameriprise Investment Research Group

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As of September 30, 2024

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Risk Factors

Alternative investments involve substantial risks and are more volatile than traditional investments, making them more suitable for investors with an above-average tolerance for risk.

Corporate Bonds are debt instruments issued by a private corporation. Non-Investment grade securities, commonly known as “high-yield” or “junk” bonds, are historically subject to greater risk of default, including the loss of principal and interest, than higher-rated bonds, which may result in greater price volatility than experienced with a higher-rated issue.

Investing in **derivatives** is a specialized activity that involves special risks that subject the fund to significant loss potential, including when used as leverage, and may result in greater fluctuation in fund value.

Diversification and **Asset Allocation** do not assure a profit or protect against loss.

Dividend and interest payments are not guaranteed. The amount of dividend payment, if any, can vary over time and issuers may reduce or eliminate dividends paid on securities in the event of a recession or adverse event affecting a specific industry or issuer. Should a company be unable to pay interest on a timely basis a default may occur and interruption or reduction of interest and principal occur. Investments in a narrowly focused sector may exhibit higher volatility than investments with broader objectives and is subject to market risk and economic risk.

There are risks associated with **fixed-income investments**, including bond funds, such as credit risk, interest rate risk, and prepayment and extension risk. In

general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities.

Growth securities, at times, may not perform as well as value securities or the stock market in general and may be out of favor with investors.

Income Risk: We note that dividends are declared solely at the discretion of the companies' boards of directors. Dividend cuts or eliminations will likely negatively impact underlying company valuations. Published dividend yields are calculated before fees and taxes. Dividends paid by foreign companies to ADR holders may be subject to a withholding tax which could adversely affect the realized dividend yield. In certain circumstances, investors in ADR shares have the option to receive dividends in the form of cash payments, rights shares or ADR shares. Each form of dividend payment will have different tax consequences and therefore generate a different yield. In some instances, ADR holders are eligible to reclaim a portion of the withholding tax.

International investing involves certain risks and volatility due to potential political, economic currency instabilities and different financial and accounting standards. Risks are enhanced for **emerging market** issuers.

Interest payments on **inflation-protected securities** may be more volatile than interest payments on ordinary bonds. In periods of deflation, these securities may provide no income.

Market Risk: Model portfolios and markets in general could sustain significant volatility due to several factors. As we have seen recently, both economic and geopolitical issues could have a material impact on this model portfolio and the equity market as a whole.

The **mutual funds** and **ETFs** included in this report are subject to specific risk factors, generally the same as those of the underlying securities and may result in a loss of the principal amount invested.

Non-investment-grade (high-yield or junk) securities present greater price volatility and more risk to principal and income than higher rated securities.

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Security Recommendation Risk: The research team may not be successful in selecting securities that collectively perform better than the benchmark. When viewing return comparisons investors should keep in mind the following information. Our model portfolio generally maintains less than 50 securities, whereas benchmark indices contain several times that amount. The benchmark index is market capitalization weighted, providing greater weight to the larger company movements, whereas our model portfolio is designed to be equally dollar weighted. Furthermore, the model portfolio may deviate significantly, at times, from the sector allocation of the benchmark due to our interpretation of economic conditions and market factors as well as our security selection process.

The benchmark index returns are taken from Bloomberg Financial Markets and reflect dividends reinvested. Additionally, there is no fee or cost assumption in the index comparison return.

Investments in **small- and mid-capitalization companies** involve greater risks and volatility than investments in larger, more established companies.

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