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CHIEF INVESTMENT OFFICE

Capital Market Outlook

December 6, 2021

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

IN THIS ISSUE

Macro Strategy—Commodity prices already benefiting from strong global growth, energy restructuring and a growing list of negative supply-side factors could eventually get a boost from modest depreciation of the dollar. As an asset class, Commodities remain attractive for diversification benefits, helping to mitigate risks associated with unexpected inflation and a shifting geopolitical landscape.

Global Market View—Non-U.S. Equities in 2021 are on course to underperform U.S. markets for a 10th year in the 12 years since 2009. As we now look ahead into 2022, it will be important for investors to consider whether this span of underperformance can extend further or whether it could begin to reverse.

Thought of the Week—It's time for the consumer's annual checkup. From vaccines, stimulus checks and reopening measures, it has been a pretty transformative year for the consumer, and the results have been strong. But could this strength persist into the year ahead with concerns over a new wave of the coronavirus and rising inflation weighing on confidence? For now, the fundamentals for consumer spending ahead remain positive.

Portfolio Considerations—Maintain an Equity overweight—a U.S. Equity bias relative to the rest of world—relative to Fixed Income overall. Within Fixed Income, we remain lower duration.

MACRO STRATEGY

Jonathan Kozy
Managing Director and Senior Macro Strategy Analyst

GLOBAL MARKET VIEW

Ehiwario Efeyini
Director and Senior Market Strategy Analyst

THOUGHT OF THE WEEK

Kirsten Cabacungan
Assistant Vice President and Investment Strategist

Data as of 12/6/2021, and subject to change

MACRO STRATEGY

Macro Backdrop Supportive Of Commodities in 2022

Jonathan Kozy, Managing Director and Senior Macro Strategy Analyst

For investors, there is a growing list of reasons to shore up strategic exposure to commodity prices heading into 2022. Supply-side shortcomings related to the coronavirus, bad weather and crop failures are short-term factors that may fade as tailwinds, but rising maritime-based geopolitical risk and positive commodity supply/demand dynamics related to decarbonization efforts appear to have staying power. A weaker dollar, potentially driven by valuations, could eventually emerge as an additional catalyst. At the same time, investor flows are revisiting the diversification benefits of Commodities. From a business cycle-timing perspective, Commodity allocations often exhibit relative outperformance versus stocks and bonds when the labor market is tight and inflation is bubbling over. Ultimately, we believe global growth anchors demand and is the most important factor to consider when allocating to Commodities, and that outlook is positive for 2022, in our view.

Below we summarize these tailwinds, recently highlighted by BofA Global Research,[1] and also note risks related to the positive outlook.

Business Cycle Positioning Supportive of Relative Performance

Historical analysis of business cycles suggests that Commodities could be entering a sweet spot of relative performance versus Equities and Fixed Income.[2] Commodities tend to benefit on a relative basis from a more mature expansionary phase of the business cycle when the labor market is tight and capacity utilization and inflationary pressures are high. Central banks are often raising interest rates to ward off inflation when growth is peaking, favoring commodities over Fixed Income, which tends to struggle when interest rates are moving higher. And Equities tend to perform well early in a business-cycle expansion because they are discounting faster future growth. Indeed, Equities have been on a tear the last year and a half. Most importantly, Commodities as an asset class have tended to offer important diversification benefits at this stage of the cycle because various commodity investment strategies can benefit from the inflation that hurts other asset classes.

Global Growth Underpins Demand for Commodities

Fundamentally, two key drivers of Commodities are global growth, which underpins demand, and the dollar. On the growth side, according to BofA Global Research, November 29 Purchasing Managers' Indexes (PMI) in 39 out of 41 countries they track are in expansionary territory, and the Global Manufacturing PMI, a proxy for global cyclical momentum, is at a strong 54.3 (with an index level above 50 signaling expansion). For the year ahead, they expect solid real global growth of 4.2% even as the growth recovery in Emerging Markets (EM) lags.

Across the globe, monetary policy is likely to remain accommodative even as the global monetary tightening cycle expands and accelerates. In aggregate, central bank balance sheets will likely still expand for the calendar year 2022, and fiscal stimulus is supportive of growth and demand for commodities.

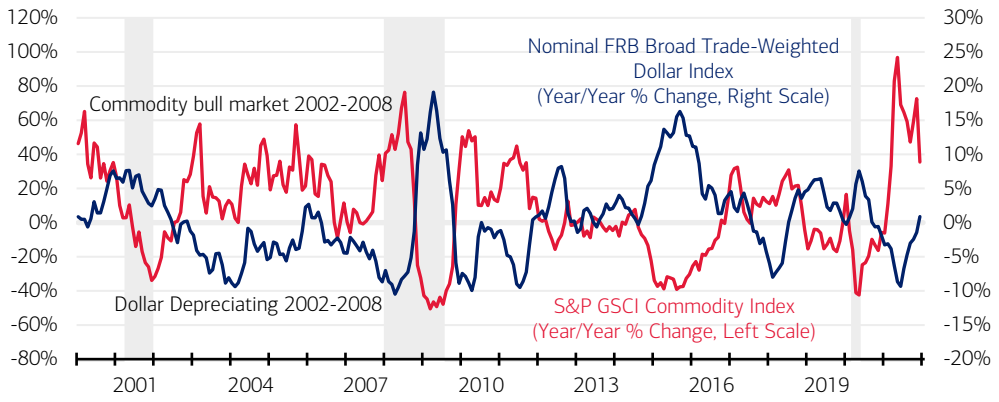
A more targeted source of demand comes from the energy restructuring taking place that is supportive of Commodities related to decarbonization. Here the supply chain will take time to develop and mature, creating opportunities for Commodity investors to benefit from demand and supply imbalances.

Dollar Is a Wild Card

The dollar outlook is a mixed bag, but it is worth noting that dollar weakness has historically been a tailwind for Commodities. The "super cycle" in commodity prices that began in 2002 and lasted until mid-2008 coincided with a weakening trend in the broad trade-weighted dollar. During that period, the Federal Reserve (Fed) Board's (FRB) nominal broad trade-weighted dollar deteriorated at nearly a 5% annual clip, while the S&P GSCI Commodity index appreciated at around a 30% annual rate before collapsing in the wake of the Global Financial Crisis (GFC). Importantly, a strong negative correlation between the year-over-year (YoY) change in commodities and the broad trade weighted dollar persists even in the post-2012 environment when U.S. shale technology led to a ramping up of U.S. crude oil production and less reliance on imports (Exhibit 1).

[1] BofA Global Research, Commodity Strategist: 2022—the year ahead: Commodity Outlook, 21 November, 2021.
[2] McGee, Robert T., *Applied Financial Macroeconomics and Investment Strategy*, New York: Palgrave Macmillan, 2015.

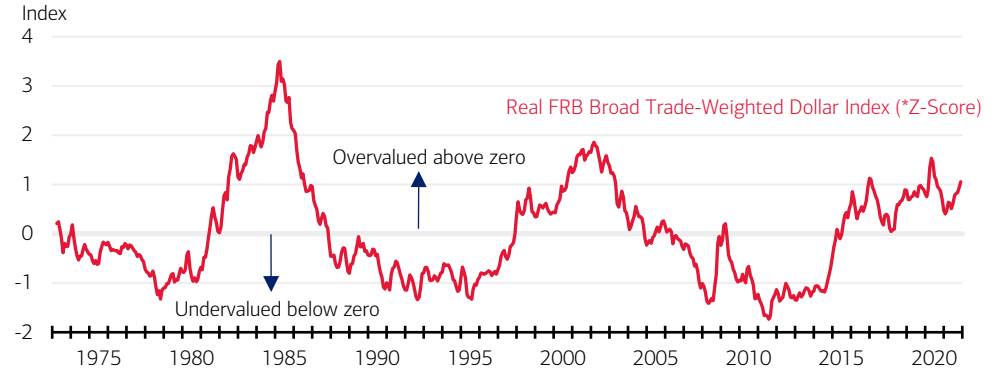
Exhibit 1: Inverse Dollar-Commodity Relationship Still Holds.



Gray bars represent recession periods. Sources: Standard & Poor's; Federal Reserve Board/Haver Analytics. Data as of December 1, 2021.

This begs the question—will the dollar weaken in the years ahead? While the U.S. dollar appears to have some near-term momentum from relatively strong growth and a more hawkish Fed, it could lose momentum over the next several years if risk appetites fade, global growth remains strong, and the valuation headwind (the dollar is expensive) features more prominently. The U.S. dollar has been modestly overvalued for several years, as suggested by the real broad-trade weighted dollar being around one standard deviation (amount of variation) above the long-term average. While it does not match the overvaluation that was evident in 2002, it still looks persistently frothy (Exhibit 2).

Exhibit 2: Valuations Support Dollar Weakness over Medium Term.



*Z-score is a numerical measurement that describes a value's relationship to the mean of a group of values. Sources: Federal Reserve Board/Haver Analytics. Data as of December 1, 2021.

The U.S. dollar also suffers from a deteriorating current account balance and a massive budget deficit on both an absolute and a relative basis. Both make the dollar look relatively less attractive, and the latter stokes concerns that policymakers will look to inflate their way out of debt burdens potentially to the benefit of commodities, which are often viewed as a hedge against unexpected inflation. The U.S. trade balance in petroleum is nearly flat, but the non-petroleum balance has deteriorated since the GFC. A more competitive dollar (cheaper) would be the markets' way to normalize the U.S. trade deficit. Higher energy prices would also help if it means the U.S. returns to a positive petroleum trade balance.

Commodities Increasingly Attractive for Diversification Benefits

Looking at additional factors for strong performance of Commodities, flows into Commodities and commodity funds are likely to continue to gain attractiveness as investors look to shore up strategic exposure to hedge against upside surprises to inflation. For investors, Commodities may offer a higher and more stable correlation to inflation relative to Equities and bonds, in our view. Cyclical Commodities like energy and industrial commodities benefit in this environment.

Inflationary pressures are increasingly broad-based and accelerating in coronavirus-insensitive areas. In the U.S., the most recent personal consumption expenditures (PCE) data divided into coronavirus sensitive and insensitive components by the Fed Bank of San Francisco showed YoY coronavirus-insensitive inflation accelerating to 2.5%, up from 1.0% at the beginning of the year. Trimmed mean measures, which look to remove signal from noise, also suggest inflation is gaining traction. BofA Global Research sees inflation remaining high next year and the balance of risk to inflation surprising to the upside given the amount of monetary stimulus still in the system.

Shifting Geopolitical Backdrop Adds to Diversification Attractiveness

The end of the multidecade war in Afghanistan and the U.S. strategic shift toward Great Power Competition with China have important implications for investors' strategic and tactical exposure to Commodities as an asset class. In short, the battle for control of the seas associated with the U.S.-China rivalry has massive geo-economics implication. The vast majority of global trade (including commodities) moves by sea, and ocean-based flows are central to the health of the global economy.

Maritime defense issues and macroeconomic supply chains overlap, and both the U.S. and China seek dominance, making conflict of all shapes and sizes more likely. This is already the case in the Western Pacific and is increasingly likely in waters closer to the U.S. as China's navy expands its reach. Ultimately this calls diversification to hedge supply chain disruptions.

Risks and Positioning

Rising real interest rates are an often-cited risk to the performance of real assets like Commodities. We would not dismiss this risk, but real rates are set to remain below zero for some time. In the U.S., core PCE inflation is running over 4%, while the Fed has policy rates pinned near zero (a negative real rate of over 4%). By the Fed's forecasts, the terminal rate for the federal funds rate could be as low as 2.25% during this upcoming tightening cycle, implying a maximum real interest rate of near zero, assuming inflation comes back down near its 2% target. At that level, real rates are likely to remain very low.

In addition to higher real interest rates, additional risks associated with adding to Commodities in the current environment include weaker demand for metals related to a slowing real estate market in China and a surge in non-Organization of the Petroleum Exporting Countries (OPEC) energy supply (U.S. shale oil, for example). The latter seems constrained by capital discipline in the U.S. With respect to the growth outlook for China, BofA Global Research believes it will slow to 4.0% next year, below consensus expectations.

Positioning within Commodities could be important to mitigating these risks. Rising real interest rates would have the biggest effect on Commodities like gold because the price of gold is largely determined by speculation relative to other more fundamental commodities. For this reason and others, BofA Global Research favors cyclical commodities (industrial commodities and energy, for example) over gold.

GLOBAL MARKET VIEW

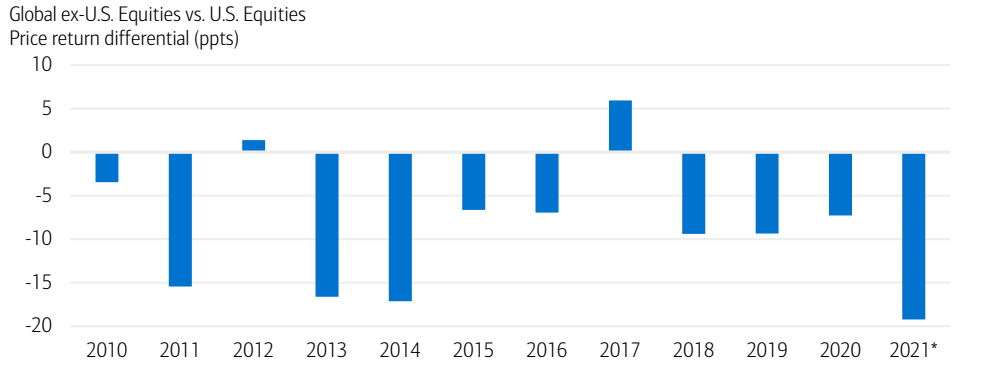
Can Non-U.S. Equities Regain Ground in 2022?

Ehiwario Efeyini, Director and Senior Market Strategy Analyst

As of this past month-end, non-U.S. Equities are on course to underperform U.S. markets for a 10th year in the 12 years since 2009. During this decade-plus stretch, each of the major non-U.S. regions of Europe, Japan and emerging markets have registered similar cumulative price return deficits relative to the S&P 500 of 281 percentage points (ppts), 238 ppts and 287 ppts, according to Bloomberg, respectively. And this year has so far marked the single largest annual return difference over the period (Exhibit 3). As we now

look ahead into 2022, it will be important for investors to consider whether this span of underperformance can extend further or whether it could begin to reverse.

Exhibit 3: Non-U.S. Equities Have Underperformed the U.S. By The Most In Over 10 Years.

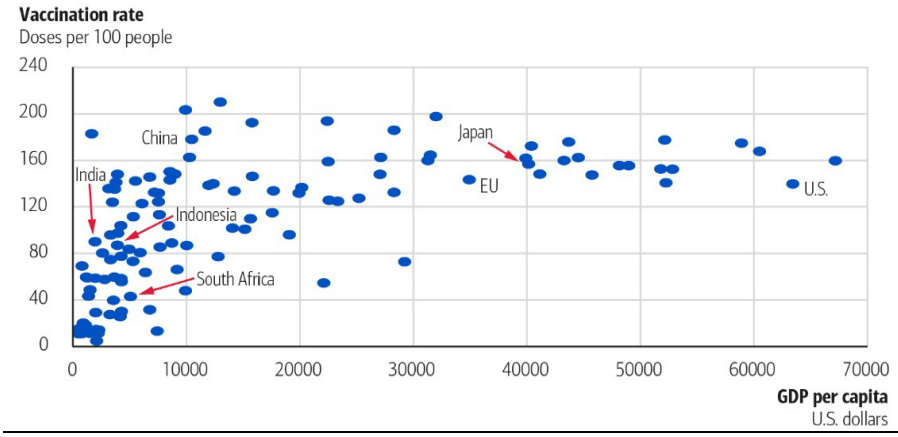


Source: Bloomberg. Data as of November 2021. *2021 as of November-end. U.S. Equities is S&P 500. Global ex-U.S. Equities is MSCI All-Country World ex-U.S. Index. **Past performance is no guarantee of future results.**

As the fundamental basis for corporate earnings, the outlook for nominal growth continues to favor the U.S. over most other major markets. Official estimates from the International Monetary Fund project slower nominal dollar gross domestic product (GDP) growth of 7.4% for the eurozone and 5.5% for Japan than the 8.1% forecast for the U.S. in 2022. And though emerging economies are projected to lead growth in global nominal GDP next year at 8.4%, the biggest driver of the group in China is set to post a significant slowdown due to local credit and regulatory tightening, slower residential construction and an ongoing structural shift away from fixed investment. At the same time, pockets of stress from runaway inflation are expected to cause a sharp deceleration in real activity within other major regional economies of emerging Europe, Middle East and Africa (EMEA) and Latin America in Turkey and Brazil.

To the extent that supply chain bottlenecks eventually begin to moderate next year, manufacturing output could nonetheless receive a lift in key areas such as autos and machinery. And this would come as a source of support for more trade-dependent economies outside the U.S., such as Western Europe and emerging Asia, especially on the back of currency weakness across these regions in 2021. But the new risk from coronavirus variants could still shift the outlook here, with the potential to cause significant interruptions to output. This is likely to depend in part on local vaccination rates, which have moved ahead of the U.S. in Europe and Japan but which remain relatively low in many individual economies in the emerging world—particularly within lower-income countries (Exhibit 4).

Exhibit 4: Coronavirus Vaccination Rates Continue To Lag Low In Lower-Income Countries.



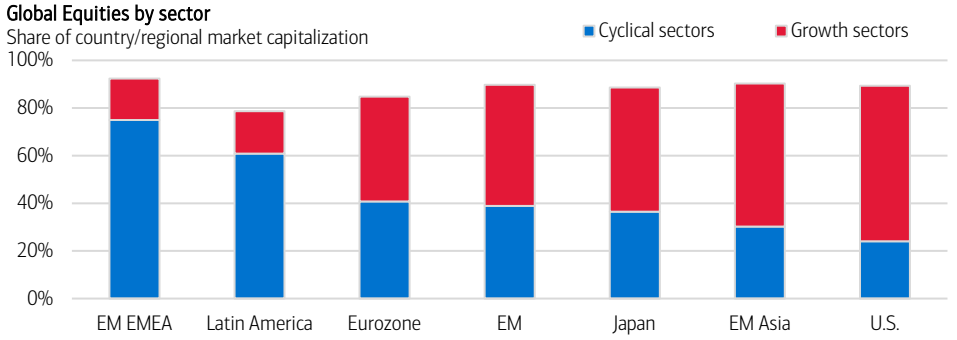
Sources: International Monetary Fund (IMF); Johns Hopkins; Bloomberg. Data as of November 2021. Doses administered across 116 economies.

China's ongoing "zero-covid" strategy and the willingness of individual governments in Western Europe to reimpose new domestic restrictions could also be potential headwinds for local output into next year, while the risk of new travel controls would weigh disproportionately on countries in southeast Asia that are highly dependent on tourism and remittances. Emerging economic activity overall continues to be more vulnerable to new outbreaks given a rate of internet penetration (44%) that stands at close to half that of developed markets (87%), resulting in a lower capacity to sustain output levels with less in-person service activity.

Similarly, fiscal policy is also likely to diverge across the major markets in 2022. After a slow start in 2021, deployment of joint European Union recovery funds is expected to accelerate next year, with more spending directed at digital infrastructure and clean energy. And under the incoming coalition government in Germany, fiscal policy and support for closer European Union integration should also increase. These tailwinds will, however, be set against the lagged impact of the energy price surge on real incomes, which is likely to persist at least through the winter months. For Japan, the recently unveiled $490 billion stimulus package should help domestic activity to accelerate in 2022, though the rate of growth is still expected to trail both the U.S. and Europe. This stands in contrast with most emerging economies. China is likely to guard against any risk of material economic weakness ahead of its political transition in October, but the likelihood of any major fiscal intervention is low. Meanwhile the capacity for additional fiscal support in the rest of the emerging world remains limited. As a share of GDP, pandemic-era fiscal outlays in the developed world (16.4%) have so far been roughly four times those in emerging economies (4.2%), and the gap would only widen should any deterioration in the public health outlook require additional spending according to the IMF.

At this stage, however, our central case remains for the reopening and recovery process to continue into 2022, and within non-U.S. markets this should remain a relative tailwind for those regions with larger exposure to cyclical sectors such as emerging EMEA (Exhibit 5). Over the longer term, an expanding digital economy in areas such as vehicle and industrial automation, internet retail and cloud services should also support growth markets such as information technology and the emerging Asia region, particularly as more countries look to increase their post-pandemic capacity for virtual activity. In China, for example, regulatory pressures may continue to weigh on areas of the market related to the consumer internet, but key industries such as semiconductors, robotics and biotechnology that are viewed as critical to the government's aim of becoming a high-income, self-sufficient, innovation-driven economy should receive more official support as target areas for future growth. In Japan, technology has been by far the best-performing sector outside energy, and the biggest positives here are likely to remain its exposure to machinery and equipment for automation.

Exhibit 5: Regional Exposure to Cyclical Sectors Versus Growth Sectors.



Source: MSCI. Data as of Q3 2021. S&P cyclical sectors are Materials, Energy, Industrials, Financials. Growth sectors are Information Technology, Consumer Discretionary, Healthcare, and Communication Services. Shares based on MSCI country indexes.

The outlook for local monetary policy is also likely to influence returns for regions and sectors across non-U.S. markets next year. European Central Bank (ECB) asset purchases

could slow in 2022 after the Pandemic Emergency Purchase Plan expires in March, but ECB quantitative easing of at least EUR 20 billion per month will likely extend into 2023, with outright rate hikes unlikely until 2024. Credit spreads in the eurozone will also bear watching in the runup to the French presidential election in April given the risk posed by the potential rise of euroskeptic candidates. But interest rates across the major international developed markets are nonetheless likely to stay much lower than in the U.S., and this should remain a relative drag on European and Japanese financials compared to U.S. financials, which have fared much better in 2021. The outlook for rates may be most challenging for the highest inflation emerging economies of Brazil and Turkey, and this would only be compounded by any potential acceleration in tapering by the Fed.

On the valuation front, both price-to-earnings and price-to-book multiples remain well below their long-term averages for Europe, Japan and emerging markets compared to the U.S., which should help to enhance relative returns over time. But we still see a range of nearer-term hurdles for non-U.S. markets, particularly from nominal growth, local constraints from monetary, fiscal and regulatory policy, and risks to both domestic and external demand from any potential resumption of pandemic-related restrictions. These vulnerabilities keep us tactically neutral in both international developed and emerging markets, and, despite closing in on yet another year of underperformance in non-U.S. equities, we retain our preference for the U.S. market looking ahead into 2022.

THOUGHT OF THE WEEK

Consumer Checkup

Kirsten Cabacungan, Assistant Vice President and Investment Strategist

It's that time again for the consumer's annual checkup. From vaccines, stimulus checks and reopening measures, it has been a pretty transformative year for the consumer, and the results have been strong. But could this strength persist into the year ahead with concerns over a new wave of the coronavirus and rising inflation weighing on confidence? For now, the fundamentals for consumer spending ahead remain positive.

U.S. household net worth skyrocketed in Q2, increasing $5.8 trillion, or 4.3%, to a record high $141.7 trillion, roughly $25 trillion higher than the end of 2019.[3] Much of the buildup in wealth is due to rising home values as a result of low borrowing costs and strong home-buying demand but also the surge in financial assets with the S&P 500 up 22% year-to-date on a total return basis.[4] Large excess savings have also helped to boost household wealth, albeit a smaller part, with consumers cushioned by roughly $1.3 trillion in personal savings, thanks in part to stimulus checks.[5] As a result, consumer spending has been resilient. The aggregated Bank of America credit and debit card data showed total card spending increased 16.5% over a two-year period for the seven days ending November 27.[6]

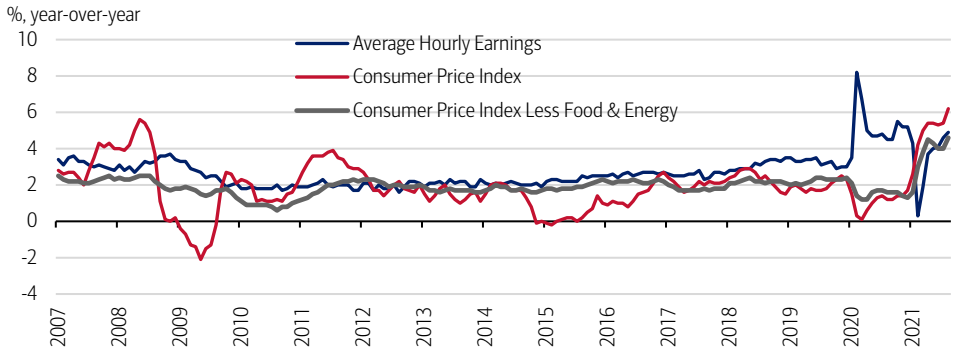
Higher wage growth has also propped up the consumer. Workers have benefited from weaker labor force engagement and businesses in dire need of labor in the face of strong demand. The labor force participation rate sat at 61.8% in November down from 63.4% at the start of 2020.[7] Early retirements and pandemic-related challenges, namely health concerns or family responsibilities, which have kept parts of the population from work, could be some of the reasons for the drop-off. These dynamics have boosted current workers' pay, with average hourly earnings jumping 4.8% from a year ago in November.[8]

Not all signposts have been necessarily green for the consumer. Inflation concerns pose a risk to the consumer's rosy picture. Despite strong wage growth, prices have risen faster

[3] Federal Reserve. Data as of December 2, 2021.
[4] Bloomberg. Data as of December 3, 2021.
[5] Bureau of Economic Analysis. Data as of December 2, 2021.
[6] BofA Global Research. Data as of December 2, 2021.
[7] Bureau of Labor Statistics. Data as of December 3, 2021.
[8] Ibid.

(Exhibit 6), which has negatively affected consumer confidence. The University of Michigan Consumer Sentiment Index fell to 67.4 in November from 71.7 in October and is down from the slew of 80s readings in the early summer months. Confidence could continue to waver if we see the struggle between pay and prices continue to favor prices in the near term. And if we see the consumer seek out other sources of funds, for example greater credit card balances, then it could be a sign that current wages and excess savings may not be enough to support consumer spending in this higher inflationary environment. Credit card balances did increase by $17 trillion in the third quarter but still remain $123 billion lower than where they were at the end of 2019.[9] The upshot is that the consumer is still well positioned on a solid foundation of higher income, excess savings and record household wealth, but inflation and virus variant risks persist, and the impact on confidence should be closely monitored.

Exhibit 6: Wages Are Rising, but so Are Prices.



Sources: Bloomberg. Data as of December 2, 2021.

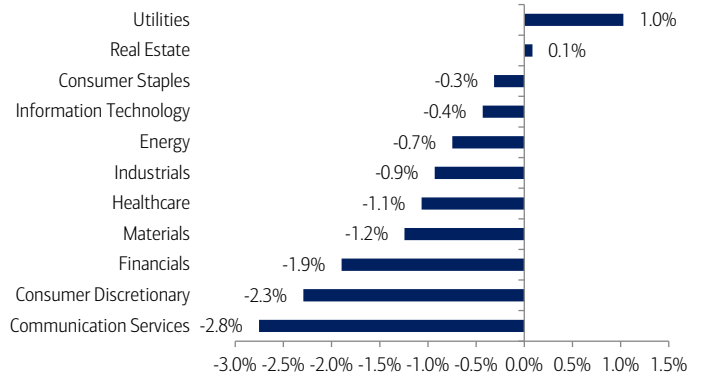
[9] Federal Reserve. Data as of December 2, 2021.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	34,580.08	-0.8	0.4	15.0
NASDAQ	15,085.47	-2.6	-2.9	17.8
S&P 500	4,538.43	-1.2	-0.6	22.4
S&P 400 Mid Cap	2,702.14	-2.7	-0.2	18.5
Russell 2000	2,159.31	-3.8	-1.8	10.3
MSCI World	3,086.44	-1.4	-0.5	16.3
MSCI EAFE	2,235.12	-0.9	0.5	6.4
MSCI Emerging Markets	1,224.64	0.2	1.1	-3.3

S&P 500 Sector Returns



Fixed Income†

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	1.58	0.70	0.47	-0.97
Agencies	1.07	0.04	0.01	-1.00
Municipals	1.11	0.25	0.07	1.43
U.S. Investment Grade Credit	1.68	0.52	0.33	-0.97
International	2.27	0.86	0.60	-0.36
High Yield	4.68	0.63	0.41	3.76
90 Day Yield	0.04	0.04	0.05	0.06
2 Year Yield	0.59	0.50	0.57	0.12
10 Year Yield	1.34	1.47	1.44	0.91
30 Year Yield	1.67	1.82	1.79	1.64

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	204.58	-4.3	0.0	22.8
WTI Crude $/Barrel††	66.26	-2.8	0.1	36.6
Gold Spot $/Ounce††	1783.29	-1.1	0.5	-6.1

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2020 Year End
EUR/USD	1.13	1.13	1.13	1.22
USD/JPY	112.80	113.38	113.17	103.25
USD/CNH	6.37	6.40	6.37	6.50

Sources: Bloomberg, Factset. Total Returns from the period of 11/29/2021 to 12/3/2021. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 12/3/2021 close. Data would differ if a different time period was displayed. Short term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Asset Class Weightings (as of 11/11/2021)

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

*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors.
CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio.

Economic Forecasts (as of 12/3/2021)

	2021E	Q1 2022E	Q2 2022E	Q3 2022E	Q4 2022E	2022E
Real global GDP (% y/y annualized)	5.8	-	-	-	-	4.3
Real U.S. GDP (% q/q annualized)	5.6	4.0	4.0	3.0	2.0	4.0
CPI inflation (% y/y)	4.7	6.8	5.5	4.5	3.1	5.0
Core CPI inflation (% y/y)	3.6	6.0	5.0	4.4	3.5	4.7
Unemployment rate (%)	5.4	3.9	3.7	3.6	3.5	3.7
Fed funds rate, end period (%)	0.13	0.13	0.38	0.63	0.88	0.88

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics.

Past performance is no guarantee of future results. There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.

A = Actual. E/* = Estimate.

Sources: BofA Global Research; GWIM ISC as of December 3, 2021.

BofA Global Research is research produced by BofA Securities, Inc. ("BofAS") and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation.

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

S&P 500 Index is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States. It is one of the most commonly followed equity indices.

Consumer Price Index (CPI) is the price of a weighted average market basket of consumer goods and services purchased by households.

Real/Nominal Federal Reserve (Fed) Board (FRB) Broad Trade-Weighted Dollar Index is a measure of the value of the United States dollar relative to other world currencies.

Purchasing Managers' Indexes (PMI) is a measure of the prevailing direction of economic trends in manufacturing.

S&P GSCI Commodity index serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time.

MSCI All-Country World ex-U.S. Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 27 Emerging Markets (EM) countries.

MSCI Country Indexes is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

University of Michigan Consumer Sentiment Index is a consumer confidence index published monthly by the University of Michigan.

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

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

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

S&P Financials sector comprises those companies included in the S&P 500 that are classified as members of the GICS® financial sector.

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

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

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