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CHIEF INVESTMENT OFFICE

Capital Market Outlook

March 7, 2022

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

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Macro Strategy—*Taking Stock of the Geopolitical Shock*: Historical analysis shows the average equity market response to geopolitical risk events has been sharp but short-lived, according to analysis by BofA Global Research.[1]

The fleeting reaction suggests these events have a limited effect on macroeconomic fundamentals. In an effort to assess whether or not this time might be different, below we take stock of our key macro views and assess the effect of the Russia-Ukraine crisis.

Market View—*Data Check: Some Key Metrics Amid A Sea of Uncertainty:* We let the numbers do the talking this week. Investors find themselves in a sea of uncertainty, with market expectations unmoored by the unfolding crisis in the heart of Europe, surging oil prices and mounting inflationary pressures on multiple fronts.

Against this backdrop, we are assessing six—although not remotely complete—numerical sign posts and the implications for investors that speak to the current investment landscape while suggesting potential investment opportunities.

Thought of the Week—*Our Portfolio Tilt: Think FAANG 2.0:* Our version of FAANG (fuels, aerospace, agriculture, nuclear and renewables, gold and metals/minerals) 2.0 reflects a new world of geopolitical risks and resource/hard asset intensity and is defined by rotations toward these areas.

[1] BofA Global Research. February 27, 2022. Investment Strategy: Top 15 FAQ On the Ukraine Crisis.

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Jonathan W. Kozy
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Data as of 3/7/2022, and subject to change

Portfolio Considerations

We continue to prefer high quality across the board, areas of solid dividend growth, and low earnings variability. We reaffirm our positive view on Equities relative to Fixed Income with a preference for U.S. Equities relative to International. Maintain diversification across and within asset classes as volatility remains elevated. For qualified investors, we currently see favorable opportunities for select Hedge Fund strategies, and we believe Private Credit strategies should benefit from the concerns of higher interest rates, as many of these investments are more credit- than interest rate-sensitive.

MACRO STRATEGY

Taking Stock of the Geopolitical Shock

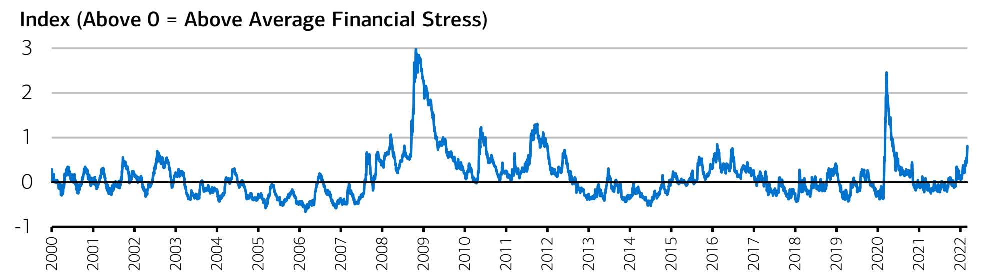
Jonathan W. Kozy, Managing Director and Senior Macro Strategy Analyst

Overall, the geopolitical shock does not alter our key macro views that the probability of a recession this year remains low, inflation and commodities will remain higher for longer, inflation beneficiaries within Equities will outperform, and Fixed Income (FI) will face a stiff headwind from higher rates. Real assets and Alternative Investments, for qualified investors, continue to look like attractive options to help mitigate rolling volatility and escalating geopolitical tensions. We remain neutral Emerging Market (EM) Equities with a preference for commodity exporters.

Business cycle timing: The probability of a recession in the U.S. remains low this year and we continue to believe we are firmly in the back half of the cycle. Looking at recent data, U.S. economic growth prospects look firm. The New York Federal Reserve's (Fed) Weekly Leading Index turned higher for the week ending February 19. January economic data on capital goods orders and shipments suggest business investment spending is robust. And the Institute for Supply Management manufacturing index released last week showed cyclical momentum remained strong in February, with the new orders component far exceeding consensus expectations. Of course, these data do not yet reflect the escalating crisis in Ukraine, which could inflict costs via financial stress, trade channels and uncertainty, but for now the data continue to support our overweight to U.S. Equities.

The monetary stimulus spigot is also still open, supporting growth and inflation this year. Could geopolitical tensions push the Fed to induce a recession to address upside risks to inflation? One indicator that puts a damper on this view is rising financial stress. The Fed is attentive to financial stability, and there is a great deal of uncertainty around how unprecedented economic sanctions will affect the global financial system. The BofA Global Financial Stress Index is currently over one half-standard deviation tighter than normal. Current stress has been broad-based across the underlying inputs and is worth watching as a key transmission of geopolitical stresses. The key point is it might be high enough to keep the Fed from strangling the expansion. A cyber attack targeting the financial sector would add to stresses.

Exhibit 1: Financial Stress Could Keep the Fed from Strangling the Expansion, for Now.



Sources: Bloomberg; BofA Global Research. Data as of March 7, 2022.

Inflation: Our view of higher-for-longer is reinforced. For the Fed, the geopolitical risk environment adds upside to inflation, but also brings in discussions around financial stability and demand destruction or knock-on effects from a recession in Europe. We think ultimately policy will be most influenced by the trend in broad-based sticky prices, which lead overall inflation, and are trending higher. The initial Russian invasion also reinforced market-based inflation expectations, a hawkish development. Putting it all together, seven interest rate hikes are still expected this year. This isn't likely fast enough to bring inflation anywhere near its 2% target anytime soon. Thus our theme of investing around inflation beneficiaries has legs.

Commodity prices: Higher-for-longer. We had a positive outlook for Commodities as an asset class prior to the escalation of the Russia/Ukraine crisis. Demand was picking up as the pandemic faded and existing supply chain disruptions appeared to have long-term workouts. Commodities also looked attractive as an inflation hedge and benefit from positive roll yield (the forward oil curve is in backwardation). These fundamental factors remain in place.

Investment Implications

Higher-for-longer inflation from the geopolitical shock reinforces our view that inflation beneficiaries will continue to outperform while Fixed Income underperforms and investors reallocate away from financial assets to real assets. Commodities have replaced bonds as the appropriate hedge in this new environment. Rising defense spending will also benefit Equities of aerospace and defense industries.

With the crisis comes concerns over demand destruction, but the combined economies of Russia and Ukraine account for a significant share of commodity production and distribution across a broad swathe of commodities including oil and gas, metals and food. Aggressive economic sanctions and the regionalization of supply chains add to supply concerns. Specifically, one consequence of the crisis is that it may expedite the organization of global supply chains along national security lines. In the U.S. this is evident in President Biden's Supply Chain Plan for 2022. In Europe, North Atlantic Treaty Organization (NATO) energy architecture would have to change to minimize reliance on Russian energy. It also could accelerate the clean energy push. This is a long-term process, but well underway, and should create opportunities for investors looking to take advantage of dislocations.

Interest rates: Our outlook for upward pressure on interest rates from inflation and central bank tightening might be subject to more volatility, and bouts of risk-off, but the core thesis is unchanged. Risk-off sentiment has barely put a dent in the trend for long-term interest rates thus far. The decline in the 10-year yield has not been large by historical standards. While the crisis could escalate and take a bigger bite out of rates, for now the upward pressure from higher inflation and still-strong domestic growth is firmly holding up against downward pressure from the flight to safety.

The upside risk to inflation is akin to a rubber stamp on the headwind facing FI investors from higher rates. The multi-decade downtrend in inflation growth and interest rates that fed the FI bull market for decades has changed course. Over the medium term it appears as though FI investors will have to be more tactical in navigating cyclical movements in rates around a trend that is flattish-to-upward instead of down.

Stocks versus bonds: consider maintaining a preference for Equities over Fixed Income with a focus on inflation beneficiaries. The headwind for FI adds to the relative attractiveness of Equities. The grind-it-out equity environment we expected this year will likely continue but with additional, rolling volatility and greater dispersion between sectors and industries. In our view, indiscriminate selling of indexes is creating opportunities for long-term equity investors looking for companies with attractive valuations. We continue to prefer U.S. Equities in the developed markets, with Europe most exposed to geopolitical tensions. Commodity-linked Equities like energy, agricultural, and metals and mining stocks were already benefiting from the elevated inflation backdrop and may also get a relative boost from the crisis.

Dollar view: Near-term support but still bearish over the medium term. Our view prior to Russia's invasion of Ukraine was that higher relative inflation in the U.S. creates downside risk to the dollar over the medium term from valuation. We maintain this view.

China's and Russia's efforts to de-dollarize the world to sidestep sanctions could add to dollar pressures over the long term. Dollar-based sanctions are a double-edge sword. They can serve to put a dent in economies over longer periods of time, but they also encourage countries to find alternatives to the dollar to eliminate the financial vulnerability.

EM Equities are an even tougher story to sell. Consider focusing on the commodity exporters. The crisis and economic sanctions on Russia create a number of cross currents for EM as an asset class. While oil-producing EMs will benefit from higher energy prices, stagflation becomes a risk for others (EMs in Eastern Europe and Latin America, for example).

Investor sentiment is likely a headwind for the asset class as a whole. One indirect effect of multilateral sanctions is through a portfolio effect whereby reputational risk motivates the private sector to reconsider the risk-adjusted attractiveness of Russian assets. This is playing out with Russian Equities, which have been decimated, but is also evident in runs on Russian banks and the frequency with which global firms are divesting Russian assets to help avoid the reputational risk of being associated with a violent crisis. Looking ahead, the devastating effect of sanctions on Russian Equities and the Russian ruble also highlights the risk premium associated with owning equities domiciled in countries with authoritarian leaders and strong militaries that are vocal about sovereign disputes with neighbors.

Overall, while EM Equities might appear attractively valued, they remain vulnerable to an escalation of the crisis and sentiment is likely to remain cautious. Looking forward, we see further challenges stemming from slower economic growth in China and rising U.S. interest rates. We continue to expect a wide return dispersion between individual EM countries and regions.

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MARKET VIEW

Data Check: Some Key Metrics Amid a Sea of Uncertainty

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

Lauren J. Sanfilippo, Director and Senior Investment Strategy Analyst

Investors find themselves in a sea of uncertainty, with market expectations unmoored by the unfolding crisis in the heart of Europe, surging oil prices and mounting inflationary pressures on multiple fronts. Compounding matters has been the amplified 24/7 "breaking news" cycle that always accompanies historic pivot points like the Ukraine-Russia crisis.

Against this backdrop, we compiled a few metrics that speak to the current investment landscape, while suggesting potential investment opportunities. The list isn't even remotely complete but does attempt to numerically frame some of the salient signposts of our tumultuous times.

Numbers that matter:

8.8%—the average return of the S&P 500 following a major geopolitical shock since the Cuban Missile Crisis. As the accompanying table highlights (Exhibit 2), geopolitical shocks to Equities are typically short-lived, with market gains one, six and twelve months out from the initial shock. There are exceptions to this rule—the rhythm of history isn't linear. But that said, at the end of the day, we believe the future path of U.S. Equities will be driven in large part by U.S. nominal gross domestic product (GDP) growth, inflation expectations, the cost of capital and earnings expectations. Over the long term, market fundamentals will outplay geopolitical dynamics—however unappetizing the latter happen to be today.

Exhibit 2: Major Geopolitical Events and Subsequent Market Returns.

Geopolitical events and S&P 500 price returns

Event	Date	1 day	1 month	6 months	12 months
Cuban Missile Crisis	16-Oct-62	-0.3%	5.4%	21.1%	27.8%
JFK Assassination	22-Nov-63	-2.8%	6.3%	16.0%	23.5%
Six-Day War	5-Jun-67	-1.5%	3.3%	7.5%	13.5%
Bretton Woods Collapse	15-Aug-71	3.2%	0.9%	6.9%	13.1%
Arab Oil Embargo	19-Oct-73	-1.0%	-8.6%	-14.9%	-34.4%
Iranian Shah Overthrown	11-Feb-79	0.3%	1.7%	9.4%	20.1%
Fall of Berlin Wall	9-Nov-89	-0.5%	4.5%	2.2%	-6.8%
Start of Gulf War	17-Jan-91	3.7%	12.6%	17.5%	27.7%
9/11 Terrorist Attacks	11-Sep-01	-4.9%	-0.1%	6.7%	-16.8%
Fukushima Nuclear Disaster	11-Mar-11	-0.6%	1.5%	-10.9%	5.1%
Russia Annexes Crimea	20-Feb-14	-0.2%	1.8%	8.4%	14.7%
Brexit Vote	23-Jun-16	-3.6%	2.6%	7.0%	15.4%
NotPetya Cyber Attack	27-Jun-17	0.9%	2.3%	10.9%	11.6%
Average		*-0.6%*	*2.6%*	*6.8%*	*8.8%*

Sources: Chief Investment Office, Bloomberg. Data as of 3/1/2022. One-day return for 9/11 attacks after reopening of market on 9/17/01. **Past performance is no guarantee of future results.** Short term performance shown to illustrate more recent trend.

2%: Germany's new defense spending target as a percentage of GDP, a historic pivot for a country that has long lagged other NATO members in terms of military spending. On average, Europe's largest economy has spent 1.5% of GDP on defense, a level lower than the NATO target of 2% a year and long-term average of 2.65%. A one-off $113 billion will be spent immediately in lieu of the Russian invasion of Ukraine. In Asia, meanwhile, Japan's 1% of GDP defense threshold is also expected to be ditched in the months ahead owing to the rising geopolitical risks associated with a more assertive China. In the U.S., defense spending as a percentage of GDP is roughly 2.8% versus about 7% during the cold war; however, given the great power competition of today via Russia and China, U.S. defense outlays are expected to rise meaningfully in the years ahead. Investment implications: consider staying long defense, including cyber defense leaders.

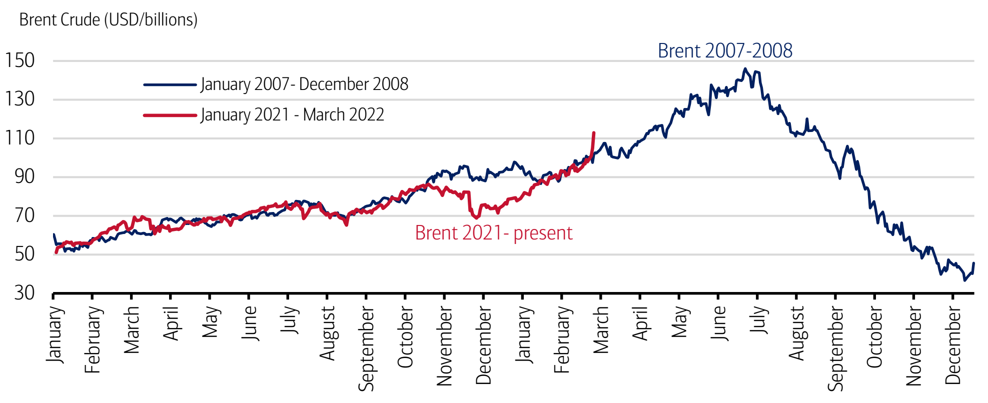
$150-$200: the price of one barrel of oil that destroys demand and resets oil markets. How high is too high? This is a key question confronting the energy markets and investors. As Exhibit 3 highlights, Brent crude prices are at multiyear highs owing to strong demand, supply disruptions, Russian sanctions and underinvestment in the global oil patch. And they are tracking the same path as 2007/2008, when both Brent and West Texas Intermediate (WTI) oil prices hit record

Portfolio Positioning

Geopolitical shocks are usually favorable entry points for investors; consider staying long defense, notably cyber; we remain overweight Energy but believe the Ukraine crisis gives renewables a secular jolt; a European recession would not leave U.S. multinationals unscathed; weaponizing the global financial system could, long-term, undermine the dollar's reserve currency status; and the coming shift from a pandemic to endemic is bullish for the reflation trade (travel, leisure and entertainment).

highs before rolling over in the face of declining demand. Against this backdrop, the Energy sector has been the top-performing sector of the S&P 500 and we remain overweight the sector (as an aside, even with the recent move up in energy, the sector still only accounts for 3.7% of the S&P 500 market cap). However, the picture shifts over the long-term. The crisis in Ukraine has brought energy security to the forefront of thinking among global policymakers, which could accelerate the push toward renewables and the clean energy transition as one way to reduce dependence on unpredictable fossil fuel supplies.

Exhibit 3: Oil Marching to Levels Where Demand Destruction Could Become Prevalent.



Sources: Mitsubishi UFJ Financial Group (MUFG); Bloomberg. Data as of March 4, 2022.

61%: Europe's contribution to the total annual income of U.S. foreign affiliates, portending earnings pressures on U.S. multinationals if Europe slips into recession this year. Yes, the U.S. economy is relatively insulated to the risks associated with the Ukraine-Russia crisis. But Europe isn't. Thick trade and investment ties connect Western Europe with Eastern Europe, Russia included, and these ties have been decimated by this crisis, sanctions and the unfolding humanitarian crisis in Ukraine. Layer in an energy shock and Europe is fast-becoming the weak link in the global economy chain. U.S. multinationals, in turn, will likely feel this pain via softer European demand and a stronger dollar.

11,000+: number of member banks in SWIFT or the Society of Worldwide Interbank Financial Transactions, an entity that basically controls the financial global plumbing of the world by functioning as a messaging agent for global finance. Sending more than 40 million messages a day, no utility has greater influence over the daily flow of global capital, trade and investment, and by delisting some Russian banks from SWIFT, the U.S. and allies have effectively declared conflict by another means: economic versus traditional military. Global finance has been weaponized with near-term and long-term consequences. Near-term, think more risks to global trade, notably trade in energy, and therefore downside pressure on global growth. Long-term, weaponizing SWIFT is likely to galvanize China to create its own payments messaging system, which could, over the long run, threaten the world reserve currency status of the U.S. dollar.

56,411: number of reported coronavirus cases in the U.S. on March 1, 2022, just a fraction of the Omicron-driven peak of new cases (1,018,170) on January 3, 2022. Lost in the fog of the current crisis is one of the biggest market-moving stories of the year: that the pandemic, gradually, is shifting to an endemic phase. Per Moderna Chief Medical Officer Paul Burton, "We do believe we are transitioning into an endemic phase marked by a period of stability in case counts, hospitalizations and deaths at least in the Northern Hemisphere."[2] Other parts of the world will follow suit as vaccination rates ramp up, helping to unclog global supply chain bottlenecks and unleash pent-up global demand for services like travel, entertainment and related activities. The reflation trade is set to move to the forefront in the not-too-distant future.

[2] See "Moderna says Covid is entering an endemic phase, but annual vaccines will be needed," CNBC, February 24, 2022.

THOUGHT OF THE WEEK

Our Portfolio Tilt: Think FAANG 2.0

Lauren J. Sanfilippo, Director and Senior Investment Strategy Analyst

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

The original FAANG acronym was made up of company-specific tech leaders that enjoyed sustained growth over the last decade as the economy increasingly digitalized—and then thrived—over the pandemic (and added $3.2 trillion in market cap).[3] Below, our version of FAANG 2.0 reflects a new world of geopolitical risks and resource/hard asset intensity. It's within these areas of the market—fuels, aerospace & defense, agriculture, nuclear, and gold/metals/minerals—that we find future value given the defining market rotations we expect.

F (fuels)	• Geopolitical tensions, strong demand, constrained supplies, underinvestment—a number of factors will keep energy prices elevated over the medium term. Despite the outperformance of the Energy sector year-to-date (YTD), the sector still accounts for just 3.7% of the S&P 500 market cap, well below a 13.4% weighting in 1990.
A (aerospace)	• Defense stocks have outperformed the broader market YTD by 19%[4] amid expectations that heightened geopolitical tensions could lead to greater military spending. • Germany has pledged twice its annual defense budget; the U.K. and others made less-specific pledges. At minimum, NATO requires each member to contribute more than 2% of GDP by a 2024 deadline. Defense spending is also climbing in Asia; spending on cybersecurity will remain in a secular upswing.
A (agriculture)	• The planet will need to produce more food in the next four decades than in the past 8,000 years. The Food and Agriculture Organization's (FAO) Food Price Index hit an all-time high in January 2022. • Equipment shortages, higher input costs, climate challenges and burgeoning demand from the EM middle class all suggest more upside earnings potential for the global agricultural complex. Ditto for the expected decline in agricultural exports from Russia and Ukraine. Russia supplies about 20% of world wheat exports; Ukraine supplies about 10%, according to the FAO.
N (nuclear and renewables)	• Nuclear energy has the highest capacity factor of any energy source, producing reliable, carbon-free power more than 92% of the time—twice as reliable as coal (40%) or natural-gas (56%) plants and almost three times more than wind (35%) and solar (25%) plants.[5] • Renewable energy use increased as the pandemic induced major declines in all other fuels in 2020. Long-term contracts, ongoing installation of plants and priority access to the grid underpin renewables growth.[6]
G (gold and metals/minerals)	• Viewed as a "safe haven", gold prices are up over 6% in 2022 and posted the best February since 2016, underscoring worries over inflation and war. • The Electric Vehicle (EV) transition will be mineral-intensive. A typical EV requires six times the mineral inputs of a conventional car, according to the International Energy Agency. • The high mineral intensity required for batteries could imply 40 times the current lithium demands by 2040.[7]

Portfolio Considerations

Some areas that experienced extraordinary returns over recent years are most vulnerable to higher inflation and rising interest rates as seen by the severe bear market in long-duration Growth stocks. We prefer areas that better align with the macro rotations including energy stocks levered to resource intensity and the decarbonization transition, but also commodities and stocks that more generally benefit from rising real asset prices.

[3] FAANG performance over: Mach 11, 2020 – March 2 2022; The World Health Organization (WHO) on March 11, 2020, declared the novel coronavirus (COVID-19) outbreak a global pandemic.

[4] S&P Aerospace and Defense Sub Industry vs. S&P 500 Index. YTD as of March 2, 2022.

[5] The U.S. Department of Energy, March 23, 2021.

[6] IEA, Global Energy Review 2021.

[7] IEA, *The Role of Critical Minerals in Clean Energy Transitions*, 2021.

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Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	33,614.80	-1.2	-0.8	-7.2
NASDAQ	13,313.44	-2.8	-3.2	-14.8
S&P 500	4,328.87	-1.2	-1.0	-8.9
S&P 400 Mid Cap	2,615.47	-1.7	-1.7	-7.8
Russell 2000	2,000.90	-1.9	-2.3	-10.7
MSCI World	2,896.52	-2.8	-2.7	-10.2
MSCI EAFE	2,035.47	-6.5	-6.6	-12.7
MSCI Emerging Markets	1,144.91	-2.3	-2.2	-7.0

Fixed Income†

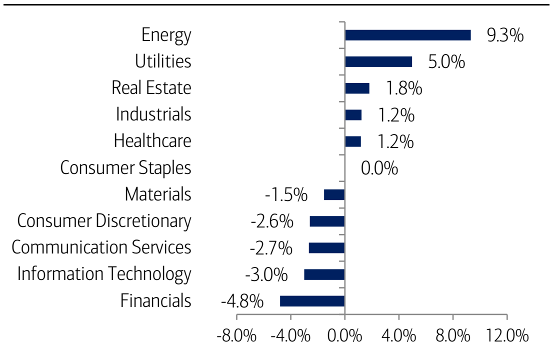
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	2.27	1.02	0.15	-3.44
Agencies	1.77	0.59	0.13	-1.77
Municipals	1.91	-0.14	-0.22	-3.30
U.S. Investment Grade Credit	2.32	0.95	0.16	-3.09
International	3.12	0.83	-0.15	-5.44
High Yield	5.77	-0.16	-0.35	-4.07
90 Day Yield	0.31	0.29	0.29	0.03
2 Year Yield	1.48	1.57	1.43	0.73
10 Year Yield	1.73	1.96	1.83	1.51
30 Year Yield	2.16	2.27	2.16	1.90

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	271.42	13.0	10.9	28.1
WTI Crude $/Barrel††	115.68	26.3	20.9	53.8
Gold Spot $/Ounce††	1970.7	4.3	3.2	7.7

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2020 Year End
EUR/USD	1.09	1.13	1.12	1.14
USD/JPY	114.82	115.55	115.00	115.08
USD/CNH	6.33	6.31	6.31	6.36

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 2/28/2022 to 3/4/2022. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 3/4/2022 close. Data would differ if a different time period was displayed. Short term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 3/4/2022)

	2021A	Q1 2022E	Q2 2022E	Q3 2022E	Q4 2022E	2022E
Real global GDP (% y/y annualized)	6.0*	-	-	-	-	3.7
Real U.S. GDP (% q/q annualized)	5.7	1.0	5.0	3.0	2.0	3.6
CPI inflation (% y/y)	4.7	7.8	7.2	6.3	5.1	6.6
Core CPI inflation (% y/y)	3.6	6.3	5.5	5.0	4.4	5.3
Unemployment rate (%)	5.4	3.8	3.5	3.3	3.2	3.5
Fed funds rate, end period (%)	0.07	0.38	0.88	1.38	1.88	-

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 March 4, 2022. 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.

Asset Class Weightings (as of 3/1/2022

Asset Class	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					

CIO Equity Sector Views

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

*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Office as of March 1, 2022. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

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Index Definitions

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

S&P 500 Equity 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.

New York Federal Reserve's (Fed) Weekly Leading Index is an index of ten indicators of real economic activity, scaled to align with the four-quarter GDP growth rate.

I**nstitute for Supply Management manufacturing Index** is a composite index that gives equal weighting to new orders, production, employment, supplier deliveries, and inventories. Each factor is seasonally adjusted.

BofA Global Financial Stress Index is a calculated, cross market measure of risk, hedging demand and investor flows in the global financial system.

Food and Agriculture Organization's (FAO) Food Price Index is a measure of the monthly change in international prices of a basket of food commodities.

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All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

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Alternative Investments are speculative and involve a high degree of risk.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity and your tolerance for risk.

Nonfinancial assets, such as closely-held businesses, real estate, fine art, oil, gas and mineral properties, and timber, farm and ranch land, are complex in nature and involve risks including total loss of value. Special risk considerations include natural events (for example, earthquakes or fires), complex tax considerations, and lack of liquidity. Nonfinancial assets are not in the best interest of all investors. Always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.