CHIEF INVESTMENT OFFICE

Capital Market Outlook

May 18, 2020

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

IN THIS ISSUE

- **Macro Strategy**—Numerous factors suggest rising global public-health risks, including pandemics. In our view, the current crisis could be considered a wake-up call to changes in business practices, consumer preferences and behaviors in a way that ultimately are consistent with sustainable-growth objectives. This may have implications for growth and investment patterns but in our view the U.S. is well-positioned to benefit given its competitive advantage in advanced technology, large domestic market and room to potentially benefit standards of living.
- **Global Market View**—The election is now less than six months away, and while there is a high degree of uncertainty as to the extent of the pandemic's impact on November's election, current circumstances could move the goal posts of what some historical trends suggest between the real economy and labor conditions, markets and voter ramifications.
- **Thought of the Week**—The U.S. fiscal-policy programs enacted in response to the current pandemic are likely to limit the extent and duration of the current recession. Given an unprecedentedly high household saving rate and accumulating pent-up demand, the strength of the recovery will mainly depend on the easing of restrictions on economic activity and whether or not there are meaningful new waves of infections after the restart.
- **Portfolio Considerations**—We favor equities relative to fixed income; prefer U.S. large caps relative to the rest of the world and are underweight all non-U.S. assets; and, in fixed income, we favor investment-grade bonds. Overall on a portfolio rebalancing basis—for those with an 18-month or longer time frame—we are buyers of equities on large weakness and suggest investors consider having dollar cost averaging plans ready as we head fully into the summer months.

MACRO STRATEGY

Chief Investment Office Macro Strategy Team

GLOBAL MARKET VIEW

Lauren J. Sanfilippo
Vice President and
Market Strategy Analyst

THOUGHT OF THE WEEK

Chief Investment Office Macro Strategy Team

Data as of 5/18/2020 and subject to change.

MACRO STRATEGY

A Wake-Up Call

Chief Investment Office Macro Strategy Team

As discussed in our April 27, 2020, Capital Market Outlook, a pandemic was widely discussed and expected in scientific and government circles. According to the Event 201 global pandemic exercise conducted as recently as October 2019, the world has seen a growing number of epidemic events in recent years, and, presciently, "*the next*

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severe pandemic will not only cause great illness and loss of life but could also trigger major cascading economic and societal consequences that could contribute greatly to global impact and suffering... Globally, there has been a lack of attention and investment in preparing for high-impact pandemics, and business is largely not involved in existing efforts..."[1]

Indeed, population growth and urbanization trends, especially the surge in the number of mega cities (more than 10 million inhabitants), point to rising public-health risks, including the risk of pandemics. According to the United Nations (U.N.), world population is projected to increase about 25% over the next 30 years, from 7.8 billion to almost 10 billion, with most growth occurring in the developing world. This is expected to cause an expansion of population into previously uninhabited wildlife areas, with the inherent risks associated with rising density and contact with insects/fauna whose habitat shrinks. Potential civil unrest and poverty (poor hygiene, lack of education, unsafe food practices) combined with an insufficient number of doctors increase the risk of regional developing-country epidemics. More potential floods and insect-borne disease because of climate change would only exacerbate these risks according to specific analysis. With surging travel and commerce, it's easy to see why the risk of pandemics is expected to remain elevated. According to the U.N. World Tourism Organization, there were 1.5 billion international travelers crossing borders in 2019. To top it all up, there may also be a risk of bioterrorism.

With this in mind, the lack of government and international-organization cooperation and preparation against an anticipated pandemic is regrettable. If a detailed focus on hygiene had been a priority of public-health education, costs associated with the current pandemic would have been substantially lower than what has already been incurred. Indeed, while increased spending on medical research and development (R&D) as well as on appropriate strategic stockpiling for medical products remain critical to prepare for future health crises, the low-cost, high-efficiency impact of hygiene on preventing disease is enormous, not just according to common sense but also to epidemiological research.

For example, according to a December 2019 Massachusetts Institute of Technology study based on epidemiological modeling and data-based simulations, just about 20% of travelers in an airport have clean hands.[2] The other 80% are potentially contaminating everything they touch. Increasing the prevalence of clean hands in airports worldwide from 20% to 30% of travelers—through education/posters/public announcements/increased access to hand-washing facilities/disinfectants—would slow the global rate of the spread of a disease by about 24%, according to the study, while an increase to a 60% rate of travelers with clean hands at any given time would potentially reduce the global spread of disease by almost 70%!

Although the lesson learnt about the importance of hygiene during the current pandemic came at an incomprehensibly high cost, it is encouraging that such small/inexpensive actions at the personal level would go so far in preventing future epidemics. A focus on education and hygiene is critical and should be the front-line defense against future health crises. Still, the prospect of tens of millions of potential casualties from one pandemic event, as experts commonly predict, and the fundamental need to limit their impact suggest the emergence/acceleration of multiple trends in the U.S. post-COVID-19.

As already discussed,[3] we believe that some of the implications from the pandemic crisis include an erosion of confidence in global governance and centralization, the need to reduce supply-chain fragility, the likely end of the hyperglobalization trend, and ensuing changes in capital flows (with benefits to the U.S. economy). In our view, other likely effects, also reinforced by growing risks and fears of cyberterrorism, include:

[1] Organized by The Johns Hopkins Center for Health Security, Bill & Melinda Gates Foundation, and the World Economic Forum.

[2] *Hand Hygiene Mitigation Strategies Against Global Disease Spreading Through the Air Transportation Network*, December 2019, Risk Analysis journal.

[3] Penny Wise and Pound Foolish, April 27, 2020, Capital Market Outlook.

1. The need to refocus government attention and its limited resources on essential goods and services, such as security, including cybersecurity, public health and infrastructure;

2. An increased focus on preventive care/wellness;

3. De-urbanization and decentralization in search of lower public-health risks, more space, self-sufficiency—for food, water, electricity generation—better quality of life, and increased resilience to shocks. Of note, according to a *Washington Post* article on December 18, 2018, "*Gallup's data underscores how many city-dwellers would gladly give up the urban lifestyle, if only they could*." According to the article, while about 80% of Americans live in urban areas, Gallup data indicate that many urban dwellers aren't living in cities by choice. Asked what kind of community they prefer, just 12% said they prefer a big city.

4. A counterurbanization-related increase in home building and demand for durable consumer goods.

5. A shift in business emphasis from cost cutting to raising product quality, innovation and sustainability. This would be in line with increased awareness of the importance of wellness for pandemic outcomes and an already observed trend in consumer preference for products marketed as "sustainable." According to the New York University Stern Center for Sustainable Business, between 2013 and 2018, U.S. sales of consumer packaged goods marketed as sustainable increased almost six times faster than sales of products conventionally marketed.[4] Importantly for the potential scale of expansion, sustainability-marketed products still account for just 16.6% average market share. For some product categories this share is much lower, for some it is higher. Growing pressure for a shift from quantity to quality is also likely in the service sector, where excessive crowds, for example, not only detract from the value of the experience but pose health and safety risks—to which consumers will most probably remain highly sensitive post current pandemic—and could hurt the environment. Increased explicit attention to environmental, social and governance (ESG) factors is reflected in rapid investment flows toward companies ranking high on ESG scores and their smaller declines during the pandemic.

   In our view, the shift from quantity to quality/sustainability should benefit the U.S. given its competitive advantage in education and R&D. Related sub-trends include the shift from global to local (on-shoring helps reduce supply-chain complexity, risks and emissions), a focus on reducing waste, and an emphasis on more biodegradable products and materials. High-quality, longer-lasting, innovative, higher-value-added products tend to create less burden on society and the environment, increase productivity, and boost labor-income growth potential, in contrast to ever-cheaper/low-quality products, which often are unsafe, impact the environment, and keep downward pressure on labor-income growth.

6. Growing demand/investment for broadband internet access to support accelerated adoption of internet-based schooling, commerce, medical care and telecommuting. According to *The Atlantic* April 10, 2020 article, 30% of U.S. households lacked broadband internet connection as of 2017, with millions of users only connected to the internet through their phones, frequently with meager data plans. According to a Pew Research Center survey conducted in early 2019, "*rural Americans have made large gains in adopting digital technology over the past decade, but they generally remain less likely than urban or suburban adults to have home broadband or own a smartphone…63% say they have a broadband internet connection at home, up from about a third (35%) in 2007*."

7. A likely relative underperformance of demand for urban office space/housing/shopping centers.

[4] March 11, 2019, Sustainable Share Index™: Research on IRI Purchasing Data and NYU Stern Center for Sustainable Business. (2013–2018).

8. Accelerated automation to increase productivity and make production processes compatible with social distancing. This could also decrease the vulnerability of supply to disruptions due to contagious disease.

   Clearly, change is accelerating. Interestingly, however, the pandemic seems to be a wake-up call, and a likely catalyst, for a return to good old values, such as preparedness, self-sufficiency, good hygiene, health and wellness, quality versus quantity, and decentralization and reduced complexity/fragility of production and supply networks, all critical for peace of mind, economic and social resilience/stability, economic prosperity, and ultimately, sustainable growth and progress.

GLOBAL MARKET VIEW:

From Hospital Wings to the West Wing: COVID-19's Influence on The U.S. Election

Lauren J. Sanfilippo, Vice President and Market Strategy Analyst

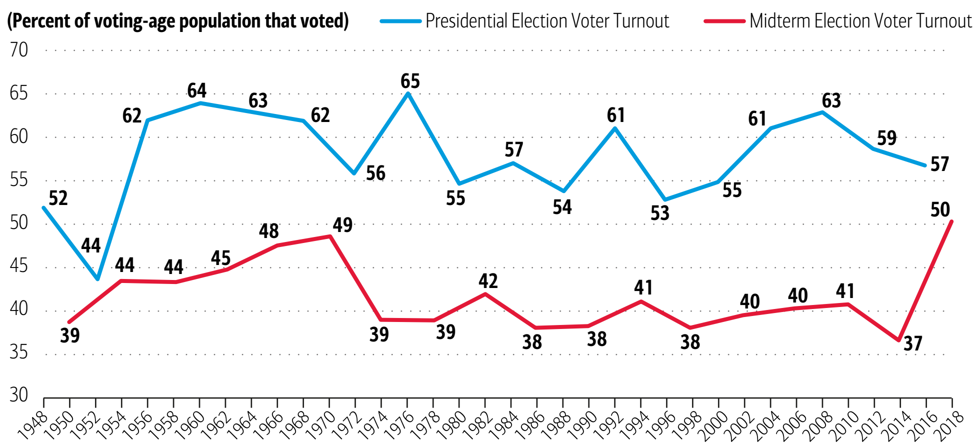
The U.S. presidential election is merely a footnote in news coverage—and rightfully so—as headlines are overwhelmed by the latest on the global coronavirus pandemic. The election is now less than six months away, only a calendar snippet to Election Day by campaign standards. While there is a high degree of uncertainty as to the extent of the pandemic's impact on November's election, current circumstances have moved the goal posts of what some historical trends suggest between the real economy and labor conditions, markets and voter ramifications. Given this backdrop, factors to watch on the road to November: the pain in unemployment and small businesses among key swing states, voter turnout and investor sentiment and the economic healing over the next six months. As the presidential election cycle looms, and during periods of volatility, we continue to emphasize higher-quality exposures in portfolios.

The road to the 2020 election is already shaping up to be one of the most unconventional campaign trails in history, sans-summer conventions, rallies, fundraisers or debates with a live audience. Given those dynamics, a reallocation of political advertising spending toward digital is an increasingly critical category. President Trump and the Republican National Committee (RNC) have a $187 million cash-on-hand advantage over presumptive Democratic nominee Joe Biden and the Democratic National Committee (DNC) to fund these expenditures.[5] In April, the RNC launched a seven-figure advertising campaign abnormally early in the election year for such heavy advertising spending. (Never mind the overwhelming, and free, social media audience the president has gained over the years in office, with 77 million Twitter followers, versus Biden's 4.9 million followers.)

As we work our way through the health pandemic this close to election time, the election outcome may be determined not by which candidate rallies the most support but which voter base is willing to cast a ballot (all things considered, mail-in ballots, vote-by-mail and other unconventional means could play out). There is reason to expect record voter turnout judging by the record 2018 midterm election across all voting age and major racial and ethnic groups (Exhibit 1). 50.3% of the voting-age population voted in 2018, the highest in four decades. Voter turnout is regularly lower in midterm elections as compared to presidential cycles. In 2008, for instance, 63% of the voting-age population cast ballots, electing Barack Obama. Two years later, 41% of voters voted in the midterm election.

[5] Doug Sosnik, American political strategist, as of 3/31/2020

Exhibit 1: 2018 Saw Highest Midterm Election Turnout.



Source: U.S. Elections Projects. Data through 2018 Midterm Election.

Recession and Re-election

If history serves as any indication, and with one exception, a recession in a presidential incumbency race is a guarantee of the sitting administration's demise. Based on results of presidential elections since the early 1900s with running incumbents, Exhibit 2 shows incumbent presidents who preside over a recession within the two years leading up to Election Day do not win re-election. No recession? Quite the opposite destiny with reelection.

Exhibit 2: Recessions Kill Incumbents.

Recession in 2 Years Before Election

Recession?	President (Year)	Reelection?
YES	Bush (1992)	NO
YES	Carter (1980)	NO
YES	Ford (1976)	NO
YES	Hoover (1932)	NO
YES	Coolidge (1924)	YES
YES	Taft (1912)	NO

No Recession in 2 Years Before Election

Recession?	President (Year)	Reelection?
NO	Obama (2012)	YES
NO	Bush (2004)	YES
NO	Clinton (1996)	YES
NO	Reagan (1984)	YES
NO	Nixon (1972)	YES
NO	LBJ (1964)	YES
NO	IKE (1956)	YES
NO	Truman (1948)	YES
NO	FDR (1944)	YES
NO	FDR (1940)	YES
NO	FDR (1936)	YES
NO	Wilson (1916)	YES

Source: Mehlman Castagnetti. Data as of 2012 Election.

Historical comparisons aren't perfect, however. The unknown impact of the reopening of states and risk to a second wave remain a huge unknown. As it stands, BofA Global Research is predicting the U.S. will experience a -30% QoQ SAAR decline in economic growth in the second quarter followed by a -1.0% decline in the third quarter and, through Election Day, 25% growth for the fourth quarter of this year.[6]

Unemployment Matters

Five months ago, America's unemployment rate was at a half-century low, wages were rising, and markets were on a tear—all the while, the president's approval rating stood at about 43%.[7] Then, the coronavirus pandemic overwhelmed markets, healthcare systems, and economies and created a giant humanitarian crisis. The economy has descended into

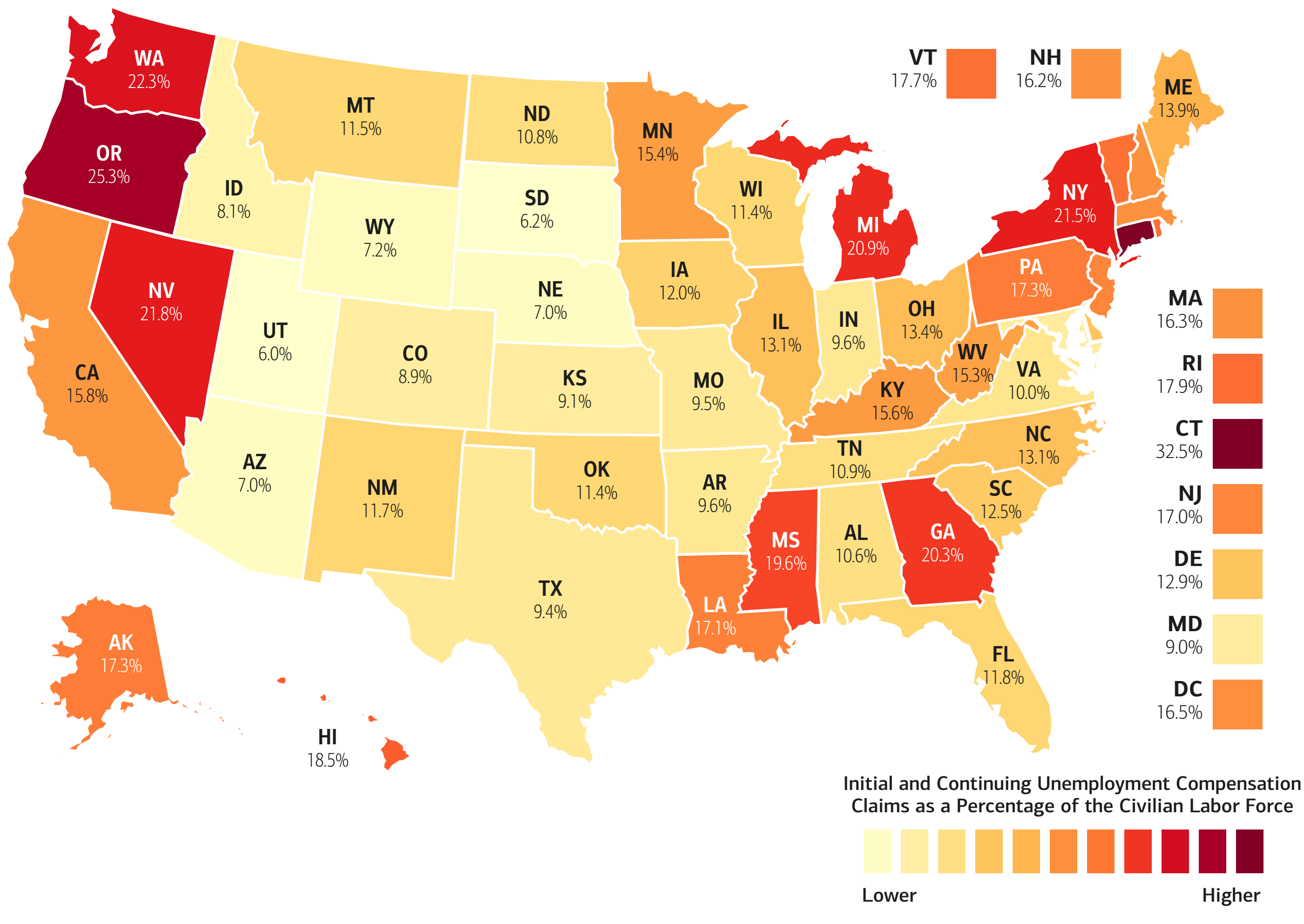
[6] Data as of May 8, 2020

[7] According to Real Clear Politics, as of January 2020.

its worst crisis since the Great Depression with more than 36 million Americans filing unemployment insurance claims over the past two months. An estimated 2.98 million people filed initial unemployment benefit claims during the week ending May 9, the sixth week of a decline in the rate of new claims.

Approximately 14.4%[8] of the U.S. civilian labor force has now applied for or is receiving unemployment compensation benefits. The employment and economic momentum will matter come election time, especially among the swing states where, in 2016, the president won by a thin margin of 455,000 votes. Among labor markets in battleground states (Arizona, Florida, Michigan, North Carolina, Pennsylvania and Wisconsin), Pennsylvania (17.3%) and Michigan (20.9%) have two of the highest rates in the country (Exhibit 3). Recent point-in-time polling in several of those states has been pro-Biden, although within a 3% to 5% margin of error, according to Real Clear Politics Polling. An estimated 72% of jobs lost should be temporary layoffs, with BofA Global Research forecasting an unemployment rate of 10.3% by year-end.

Exhibit 3: Unemployment Compensation Claims as a Percent of the Civilian Workforce.



Sources: U.S. Department of Labor; U.S. Bureau of Labor Statistics; Tax Foundation calculation.

[8] Seasonally adjusted insured unemployed rate for the week ending May 9, 2020.

Citing revenue decline, cuts to employee hours and requests for federal aid, small businesses report being hit hardest among the swing states of Florida, Pennsylvania, Michigan and Ohio, according to the Census Bureau. Michigan's small businesses have taken the biggest hit of any state, with 65% saying the virus had a large negative effect on their business. Nationally, some of industries experiencing the worst losses were food, arts, education and healthcare.

The election will remain an especially fluid situation as the presidential race heats up in the wake of the pandemic and voters refocus their attention with considerable uncertainty around how and when economies open. We are of the belief that, while anything could happen between now and Election Day, we are seeing early indications COVID-19 will affect the presidential race, with the health of populations, labor forces and economies being heavily considered come this November.

Given the potential episodic volatility we expect during the election season, we recommend investors consider adding higher-quality exposures to portfolios such as large-cap U.S. allocations relative to the rest of the world, emphasizing quality, growth and yield. Especially with election uncertainty overlaid with the pandemic, investors should consider positioning or rebalancing portfolios on weakness around secular sources of cash flow and strong balance sheets with an emphasis on technology, communication services and healthcare as our favored sectors.

THOUGHT OF THE WEEK

Negative Feedback Loop in the U.S. Economy Likely To Be Averted

Chief Investment Office Macro Strategy Team

The U.S. fiscal-policy programs enacted in response to the pandemic shock are likely to limit the extent and duration of the current recession. In fact, the size and speed of the disbursements—a mix of cash, grants and loans to households, companies, healthcare providers, and state and local governments—have the potential to significantly boost growth starting in the third quarter. With an unprecedentedly high household saving rate and accumulating pent-up demand, the strength of the recovery will mainly depend on the easing of restrictions on economic activity and whether or not there are meaningful new waves of infections after the restart. The programs were calibrated to offset most of the output losses from a 10-to-12-week shutdown.

The four U.S. pandemic relief bills signed into law amount to about $3.1 trillion, or about 14.5% of the 2019 gross domestic product (GDP). Of this unprecedented, gargantuan support, around $1 trillion (4.5% of GDP) are payments intended to offset the costs of fighting the pandemic. The other $2.1 trillion (10% of GDP) represent support for the economy beyond those costs. An estimation of the quarterly distribution of these funds helps show the fiscal support pattern for the U.S. economy and helps guide expectations for U.S. growth as the lockdown eases.

Exhibit 4 shows the $3.1 trillion emergency fiscal response and its quarterly distribution pattern. It includes the extension of ordinary unemployment compensation to 39 weeks and the $600/week additional unemployment insurance payments through July. The "effective" stimulus part, estimated at $2.1 trillion as noted above, is expected to be distributed almost entirely in Q2 2020 ($1,765 billion, or around 85%). Notably, these funds come on top of spending on automatic stabilizers, whose ultimate amount will depend on the level and duration of unemployment as well as welfare and related health-care spending. When estimates of 2020 spending on automatic stabilizers are taken into account, the pandemic-related fiscal support jumps to around $4.1 trillion for 2020 (20% of last year's GDP). While the exact timing and magnitude of some of the funds remains to be seen, approximately $2.72 trillion, or 66%, are set to be distributed in the second quarter.

Assuming there are no significant subsequent waves of infection, these funds, along with the quick Federal Reserve emergency response and its commitment to maintaining stable financial-market conditions, are likely to prevent a debt-deflation down spiral a la the Great Depression and should steer the country back toward strong growth.

Exhibit 4: Gargantuan Fiscal Disbursements in Q2/2020 Priming the U.S. Economy for a Strong Rebound in the Second Half.

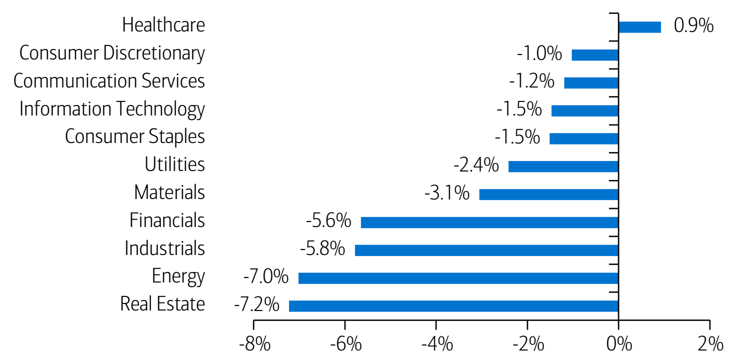
U.S. COVID-19 Relief Funds					
Fiscal payments in 2020 (Billion $)	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
Households	–	290	–	–	290
Unemployment insurance	–	225	130	55	410
Miscellaneous	10	100	25	25	160
Total	10	615	155	80	860
Companies					
Forgivable small-business loans	NA	670	–	–	670
Emergency small-business loan authorization	–	NA	NA	NA	(300)
Large company loans	–	480	50	–	530
Tax rebates	–	100	125	75	300
Miscellaneous	–	25	25	–	50
Total	–	1,275	200	75	1,550
Hospitals & other healthcare					
Cash payments	–	200	50	–	250
Miscellaneous	–	–	50	–	50
Total	–	200	100	–	300
State & local governments					
Cash payments	25	275	100	–	400
Miscellaneous	15	25	–	–	40
Total	40	300	100	–	440
Sub-totals					
Cash payments	50	1,140	380	80	1,650
Loans	–	1,150	50	–	1,200
Tax rebates	–	100	125	75	300
TOTAL	**50**	**2,390**	**555**	**155**	**3,150**

Source: Applied Global Macro Research (AGMR). Data as of May 6, 2020.

Equities

		Total Return in USD (%)		
	Current	WTD	MTD	YTD
DJIA	23,685.42	-2.6	8.4	-16.3
NASDAQ	9,014.56	-1.1	17.2	0.8
S&P 500	2,863.70	-2.2	11.1	-10.7
S&P 400 Mid Cap	1,578.26	-5.8	9.6	-23.0
Russell 2000	1,256.99	-5.4	9.2	-24.3
MSCI World	2,008.41	-2.5	8.7	-14.2
MSCI EAFE	1,594.72	-3.2	2.6	-20.8
MSCI Emerging Markets	901.16	-1.1	6.4	-18.7

S&P 500 Sector Returns



Fixed Income[1]

		Total Return in USD (%)		
	Current	WTD	MTD	YTD
Corporate & Government	1.41	0.5	2.0	5.5
Agencies	0.55	0.2	0.7	4.8
Municipals	1.87	0.8	0.6	0.0
U.S. Investment Grade Credit	1.41	0.3	1.7	4.9
International	2.71	0.7	4.5	0.7
High Yield	8.17	-0.7	4.5	-8.8

	Current	Prior Week End	Prior Month End	2019 Year End
90 Day Yield	0.11	0.09	0.06	1.54
2 Year Yield	0.15	0.16	0.25	1.57
10 Year Yield	0.64	0.68	0.67	1.92
30 Year Yield	1.33	1.38	1.32	2.39

Commodities & Currencies

		Total Return in USD (%)		
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	131.54	-1.1	-0.3	-23.5
WTI Crude $/Barrel[2]	29.43	19.0	43.7	-51.8
Gold Spot $/Ounce[2]	1,743.67	2.4	10.6	14.9

Currencies	Current	Prior Week End	Prior Month End	2019 Year End
EUR/USD	1.08	1.08	1.10	1.12
USD/JPY	107.06	106.65	107.54	108.61
USD/CNH	7.13	7.09	7.09	6.96

Source: Bloomberg, Factset.Total Returns from the period of 05/11/20 to 05/15/20. Bloomberg Barclays Indices.[1] Spot price returns.[2] All data as of the 05/15/20 close.
Past performance is no guarantee of future results.

Asset Class Weightings (as of 5/6/2020)

	Under-weight		Neutral		Over-weight
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*	see CIO Asset Class Views				
Hedge Funds			●		
Private Equity			|		
Real Assets			●		
Cash					

* Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to pre-qualified clients.

Economic and Market Forecasts (as of 05/15/20)

	Q3 2019A	Q4 2019A	2019A	Q1 2020A	Q2 2020E	2020E
Real global GDP (% y/y annualized)	–	–	2.9	–	–	-3.6
Real U.S. GDP (% q/q annualized)	2.1	2.1	2.3	-7.0*	-30.0	-5.6
CPI inflation (% y/y)	1.8	2.0	1.8	2.1	0.5	0.8
Core CPI inflation (% y/y)	2.3	2.3	2.2	2.2	1.3	1.4
Unemployment rate (%)	3.6	3.5	3.7	3.8	17.5	11.2
Fed funds rate, end period (%)	1.90	1.55	1.55	0.08	0.13	0.13
10-year Treasury, end period (%)	1.66	1.92	1.92	0.67	0.50	1.00
S&P 500 end period	2977	3231	3231	2585	–	2600
S&P earnings ($/share)	42	42	163.0	34*	25.0	115
Euro/U.S. dollar, end period	1.09	1.12	1.12	1.10	1.02	1.05
U.S. dollar/Japanese yen, end period	108	109	109	108	105	103
Oil ($/barrel, avg. of period, WTI**)	56	57	57	46	20	32

The forecasts in the table above are the base line view from BofA Global Research team. 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.

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. S&P 500 represents the year-end target for 2020. **West Texas Intermediate.
Sources: BofA Global Research; GWIM ISC as of May 15, 2020.

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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 dollars.

S&P 500 is a stock market index that tracks the stocks of 500 large-cap U.S. companies. It represents the stock market's performance by reporting the risks and returns of the biggest companies.

NYU Stern Center for Sustainable Business and IRI Launch New Sustainable Market Share Index™ In March 2019 released the findings of a new U.S.-based study and established the Sustainable Market Share Index™, an in-depth analysis of consumer purchases of products that are marketed for their sustainable attributes.

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Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.

It is not possible to invest directly in an index.

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

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