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CHIEF INVESTMENT OFFICE

Capital Market Outlook

May 3, 2021

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

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- Macro Strategy—The steepening yield curve shows that the zero-rate Federal Reserve (Fed) policy has become increasingly accommodative for the improving growth and inflation outlook. Dovish Fed policy in support of maximum "inclusive" employment and more than 2% inflation suggests that the yield curve will continue to steepen and markets will likely remain in an early-cycle investment mode for longer than some have started to expect based on widespread reports of rumbling inflation.
- Global Market View—What's good for America is good for the rest of the world. A robust U.S. economy is not only considered a seismic tailwind for U.S. corporate earnings. It also represents a powerful blast to global earnings, notably among firms in key developed markets like France, Germany and the United Kingdom.
- Thought of the Week—The pandemic induced a buildup of companies that have interest costs in excess of operating profits, known as "zombies." The fundamental profile of these companies typically leads to underperformance; however, the share of zombies may be in remission amidst a favorable macro backdrop. This may provide a tailwind for pockets of the market with a higher share of exposure.
- Portfolio Considerations—We retain our positive view on Equities based upon favorable relative valuations and improving global growth. We prefer a diversified mix between Growth and Value with an overweight still to the U.S. overall. In Fixed Income we prefer shorter duration exposure with a focus on credit relative to government bonds—even though we expect municipal bonds to benefit significantly from the latest fiscal rescue plan.

MACRO STRATEGY

Chief Investment Office Macro Strategy Team

GLOBAL MARKET VIEW

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

Lauren J. Sanfilippo
Vice President and Investment Strategist

THOUGHT OF THE WEEK

Nick Giorgi, CFA®
Director and Investment Strategist

Data as of 5/3/2021, and subject to change

MACRO STRATEGY

Fed Not Ready To Spoil the Party

Chief Investment Office, Macro Strategy Team

Economic data and financial-market performance have continued to validate our expectations for booming economic growth with growing inflation pressures as a result of unprecedented U.S. fiscal and monetary stimulus. U.S. consumer goods demand growth accelerated sharply this year, with retail sales widely exceeding expectations, business activity surveys and corporate profits continuing to surprise to the upside, financial conditions extremely accommodative, and labor demand surging. Global trade now exceeds its pre-pandemic levels, and leading indicators of global manufacturing production are pointing up. For example, a host of purchasing managers' surveys have reached decade highs, consistent with further acceleration in global manufacturing production in coming months.

Given the fiscal and monetary stimulus in place, this is not surprising. According to Moody's April 26, 2021, Credit Outlook, combined excess savings in the U.S., Germany, France, the U.K., Japan and Australia amounted to about $2.5 trillion, or almost 7% of aggregate gross domestic product (GDP), by the end of 2020. About two-thirds of this accumulation of saving above normal levels has taken place in the U.S., with additional fiscal support to U.S. households and still-below-normal consumption levels in the first half of 2021 suggesting additional excess savings and massive fuel for consumer demand as the global economy reopens. Since the pandemic began, many U.S. households have used unanticipated savings to pay down debt and/or buy assets including equities and real estate. Fed data cited in the Moody's report show that during the three rounds of fiscal stimulus payments, U.S. households on average used about two-thirds of the funds to pay down debt and to save.

The disproportionate role of the fiscal stimulus in driving the U.S. economic boom is clearly reflected in the fact that real consumer spending is already exceeding pre-pandemic levels after increasing more than GDP in the first quarter. This extra growth was satisfied from inventories and imports. Low inventories and healthy consumer-sector balance sheets have created great potential support for sustained strong economic growth. This demand potential in excess of U.S. and global supply chain capabilities has also created inflation pressures that are likely to become increasingly apparent. Indeed, policy stimulus first reflects in surging real growth, with inflation picking up mostly after excess production capacity is absorbed.

If supply chain constraints reportedly not seen in decades are any indication, this process is unfolding as expected. The first quarter GDP report significantly surprised to the upside in terms of inflation (4% annualized quarterly inflation compared to about 3% expected). The Institute for Supply Management (ISM) manufacturing survey shows the slowest delivery times since 1974, while various purchasing managers' surveys indicate particularly elevated input and output prices. With supply falling short of the surge in demand and massive cash balances on household balance sheets, reports of supply bottlenecks have mushroomed, and prices for a broad array of goods, from used cars and lumber to gasoline, copper and nonpetroleum imports, are sharply up. The Bloomberg commodity price index has surged to an almost decade high and the Commodity Research Bureau metals price index is close to a new record. According to BofA Global Research, "Inflation is arguably the biggest topic during this earnings season, with a broad array of sectors (Consumer/Industrials/Materials, etc.) citing inflation pressures." In this context, inflation expectations measured by the 10-year Treasury Inflation Protected Securities (TIPS) breakeven inflation expectations have reached their highest level since 2013, and other reflation trades have also continued to outperform despite normal, short pullbacks, as we expected.

While U.S. industrial production has rebounded sharply in response to booming consumer demand and rising pricing power, imports have also surged to satisfy a large part of demand, as noted above, helping economic growth overseas as well. With low inventories, supply bottlenecks, and strong demand, global demand for goods and services should strengthen further as vaccination campaigns advance in the coming months, further boosting demand for labor. Initial claims have shown a bigger-than-expected drop in layoffs in recent weeks. Employment subcomponents of the March U.S. ISM manufacturing and nonmanufacturing surveys were the highest in two or three years. Small business plans to increase employment are also elevated. In fact, as we had discussed in recent reports, demand for labor is emerging as the biggest concern of small businesses, as reflected in the National Federation of Independent Business (NFIB) survey for March, in part because of disincentives created by pandemic-related fiscal support. This suggests building pressure for rising wages as well.

Still, at the post-Federal Open Market Committee (FOMC) rate-setting meeting press conference on April 28, 2021, Fed Chair Powell reiterated the view that inflation is likely to be transitory and that the Fed will remain accommodative until the labor market completely heals and inflation is on track for more than 2% for a while, in line with its new flexible form of average inflation targeting. This newfound dovish policy tilt and market underestimation of inflation have kept downward pressure on long-term interest rates, causing them to remain well below levels consistent with other financial-market indicators and economic-growth conditions. For example, our analysis suggests that the 10-year Treasury yield should already be around 2.5% compared to just about 1.6% currently.

Nevertheless, the yield-curve spread between the 10-year Treasury yield and the fed funds rate has steepened over the past year to reflect the increasingly accommodative Fed policy (i.e., rates held at zero while the economy booms). However, the spread is lower than at the beginning of past cycles, and, in our view, the yield curve will steepen more as interest rates increase further to better reflect the unusually strong growth and rising inflation outlook.

With the yield curve likely to steepen further and the ISM index likely to remain elevated, in our view, volatility should remain at or below average, and credit spreads should remain narrow, while the TIPS inflation breakeven rate increases more. Reflation trades should continue to benefit from surging growth and inflation moving higher next year in a lagged response to unusually strong demand and above-potential GDP growth. With the service sector still far from normal, there's potential for U.S. GDP to advance 7% to 9% this year, which would be the most since 1984 or in the past 70 years, depending on the outcome. Growth is expected to be slower but still very strong in 2022.

Normally, with such strong growth and rising inflation expectations, the markets would start to turn more defensive as the Fed would be expected to start taking the punch bowl away to preempt inflation in excess of 2%, as in previous tightening cycles. However, the Fed's new reaction function has convinced the market that it will remain patient for longer than in previous cycles, thus continuing to give a boost to cyclical versus defensive stocks. Indeed, it's been consumer discretionary outperforming consumer staples, banks outperforming utilities, and energy and materials outperforming the market, all typical of early- to mid-cycle conditions, not late-cycle conditions, as some fear. The Fed will likely let the party get steamier than in the past.

Indeed, we believe that the consensus underestimates the effects of the surge in the money supply on inflation as well as the implications of the Fed's new flexible average inflation target and "inclusive" employment objective. With growth the strongest in at least 34 years and inflation likely to pick up more than expected, earnings growth is likely to continue to surprise to the upside. A further steepening of the yield curve should continue to favor risk assets and particularly reflation trades until the yield curve starts to narrow, consistent with tightening financial conditions as the Fed turns less accommodative.

That said, with equity and credit markets mostly driven by their disproportionate exposure to the capital intensive and more volatile (cyclical) goods side of the economy, we expect an eventual moderation in the ISM index from its highest level since 1983 to create some headwinds to risk-asset performance. Still, while the ISM index tends to eventually revert to the mean, we expect it to remain strong in the 55 to 60 range for longer than usual because of sustained strong consumer income growth, accelerating capital spending, strong global growth, a softening dollar, low interest rates, and a general drop in uncertainty, consistent with a booming economy through the year. A stronger-than-expected inflation outlook as a result of the second-strongest money-supply growth in 120 years is also likely to offset the market restraining effects from a moderation in manufacturing conditions, keeping equities on a steep uptrend until the Fed begins to tighten monetary policy, which it is clearly resisting as long as possible.

GLOBAL MARKET VIEW

The U.S. as the World's Earnings Locomotive

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

Lauren J. Sanfilippo, Vice President and Investment Strategist

The strength of the U.S. economy—with real GDP rising at an annualized rate of 6.4% in the first quarter of 2021—is not only considered a seismic tailwind for U.S. corporate earnings. It also represents a powerful blast to global earnings, notably among firms in key developed markets like France, Germany and the United Kingdom. While we continue to prefer U.S. Equities relative to the rest of the world, we continue to monitor investment opportunities abroad, notably in the context of the U.S. being the world's locomotive for earnings.

Exhibit 1: Global Earnings Lift from the United States.

	Top 3 Markets, % of Total Revenue Exposure		
Indexes	1	2	3
Europe			
EuroStoxx 50	U.S. 19.9%	Germany 9.4%	China 7.5%
Germany DAX	U.S. 22.8%	Germany 19.4%	China 7.6%
France CAC 40	U.S. 20.0%	France 14.2%	China 6.3%
MSCI UK	U.S. 24.7%	UK 23.0%	China 8.8%
MSCI All Ireland	U.S. 33.0%	UK 21.0%	Australia 7.6%
MSCI Denmark	U.S. 27.0%	Denmark 13.1%	UK 7.7%
Belgium BEL-20	U.S. 22.8%	Belgium 20.2%	Brazil 5.2%
Netherlands AEX	U.S. 19.0%	China 7.8%	Taiwan 7.7%
Swiss SMI	U.S. 30.6%	Switzerland 6.2%	China 6.1%
MSCI Italy	Italy 41.7%	U.S. 10.8%	Germany 6.0%
Spain IBEX 35	Spain 33.7%	U.S. 12.5%	UK 6.8%
Asia			
MSCI China	China 89.2%	U.S. 2.7%	Hong Kong 1.4%
MSCI India	India 66.8%	U.S. 10.7%	Canada 2.4%
MSCI Japan	Japan 54.6%	U.S. 13.1%	China 8.3%
Korea KOSPI	Korea 50.6%	U.S. 10.8%	China 10.8%
Taiwan TAIEX	Taiwan 32.6%	U.S. 25.4%	China 18.1%
Latin America			
Mexico IPC	Mexico 59.9%	U.S. 14.0%	Brazil 3.9%
Brazil Bovespa	Brazil 69.6%	China 9.1%	U.S. 5.5%
S&P 500	U.S. 60.0%	China 6.6%	Japan 3.0%

Last 12 months revenue. Source: Factset. Data as of April 27, 2021. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to index definitions at the end of this report.**

As Exhibit 1 highlights, "what's good for America is good for blue-chip Europe", with roughly one-fifth of the earnings of the Euro Stoxx 50 leveraged to the United States. Large-cap

Germany is even more leveraged to the United States, with America accounting for roughly 23% of German global earnings. Ditto for France (20%), the United Kingdom (24.7%) and Denmark (27%). Over 30% of Swiss and Irish earnings emanate from the U.S., while Corporate Spain and Italy, in contrast, are more local than their European counterparts.

Asia's earnings are also more local or domestic, although the U.S. still ranks as the second-most important market for corporate earnings in such economies as India, Japan and South Korea. Corporate Taiwan is just as leveraged to the U.S. as many Europe firms. Brazilian and Mexican firms are similar to Europe's Mediterranean cohorts—or more dependent on domestic variables as opposed to global dynamics.

Exhibit 2 highlights how European firms and others derive earnings in the United States. In a nutshell, it's through foreign direct investment (or operating in the U.S. via foreign affiliates) not trade (or exports). Note the ratio of foreign affiliate sales to exports—with French U.S. affiliate sales more than seven times France's exports to the United States. British and Dutch U.S. affiliates are even more geared to doing business locally versus exporting, with a ratio of sales/exports of 10.5 for the U.K. and 12.6 for the Netherlands. And while Japan and South Korea are among the top exporting countries in the world, note that when it comes to accessing the U.S. market, the preferred option is through U.S. affiliates, not trade.

Exhibit 2: Global Engagement: Foreign Affiliate Sales vs. Trade.

$Billions	2018		
	Sales to U.S.	Exports to U.S.	Ratio of Sales/Exports
All Countries Total	4,893.2	2,464.7	2.0
France	323.0	45.7	7.1
Germany	531.8	135.3	3.9
Ireland	157.3	46.3	3.4
Italy	41.4	50.0	0.8
Netherlands	393.3	31.2	12.6
Spain	62.4	15.1	4.1
Switzerland	270.1	40.9	6.6
United Kingdom	684.8	65.4	10.5
Japan	886.7	140.6	6.3
South Korea	172.6	73.3	2.4

Sources: International Monetary Fund (IMF); Bureau of Economic Analysis (BEA) latest data available. Data as of April 28, 2021.

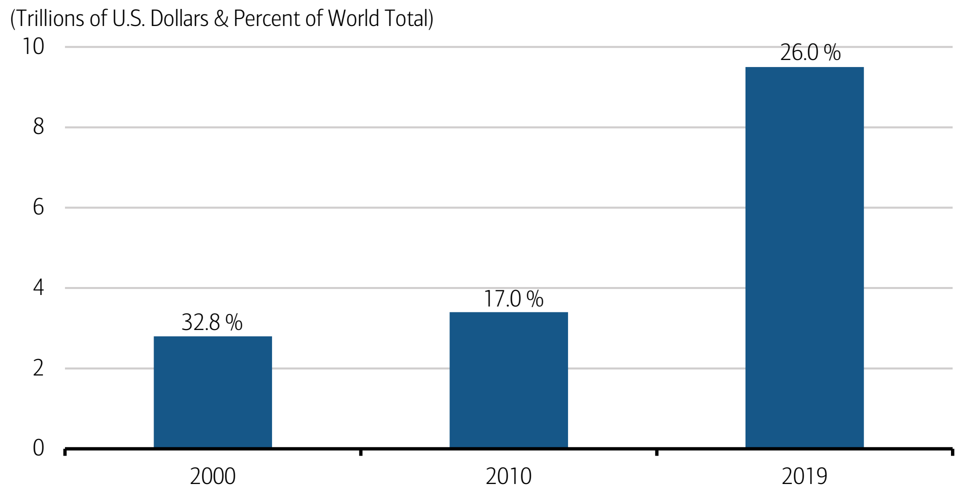
As an aside, in most cases, foreign direct investment and trade are compliments, not substitutes, with one (investment) pulling the other (trade). To this point, and reflecting the tight linkages between European parent companies and their U.S. affiliates, roughly 63% of U.S. imports from the European Union consist of related-party trade, or cross-border trade that stays within the ambit of the company. Think BMW Germany sending parts and components to its U.S. foreign affiliate in South Carolina, as an example.

In many cases, foreign multinationals are just as American as their American competitors, having become well embedded in the U.S. economy after decades of investing in U.S. plants, equipment, research and development facilities, and similar hard assets across America. According to figures from the Bureau of Economic Analysis (BEA), the economic presence of U.S. affiliates of foreign multinationals in America is substantial—and hence the earnings boost to these firms when the U.S. economy runs hot.

Based on data from 2018, the last year of available data, U.S. affiliates of foreign multinationals contributed some $1.1 trillion in U.S. output in 2018, while employing nearly 8 million American workers; some 6% of total private-industry employment in the U.S. is courtesy of these foreign firms. Many of these jobs are in high-wage, manufacturing sectors like transportation equipment, chemicals and food. What's more, U.S. affiliates of German, French and British firms, and others, are not only sources of U.S. employment. They are also sources of capital spending, with expenditures of U.S. affiliates totaling $277 billion in 2018, or 16.3% of total U.S. private business capital investment. Of total U.S. spending on research and development in the same year, U.S. affiliates accounted for 15.2%, sinking some $67 billion in the U.S. in 2018.

All of the above reflects the fact that the U.S. economy is among the most open and competitive in the world, and therefore among the most attractive markets to foreign multinationals. Indeed, America is exceptional when it comes to attracting foreign direct investment (FDI), with total U.S. inward FDI stock amounting to $9.5 trillion in 2019 (Exhibit 3). The comparable figure for China—$1.8 trillion—is much smaller and reflects the closed economy of China and limited investment opportunities in the Middle Kingdom. In the aggregate, 26% of total world FDI inward stock is sunk in the United States—a dynamic that is mutually beneficial to both foreign multinationals and the U.S.

Exhibit 3: America Exceptionalism: U.S. Inward Foreign Direct Investment Stock.



Source: BEA. Data as of 2019-latest data available.

In the end, the global rally in equities reflects many different moving parts, with a booming U.S. economy among the most important. Early 2021, the U.S. has emerged as the world's earnings locomotive.

THOUGHT OF THE WEEK

A Health Checkup For Zombies

Nick Giorgi, CFA®, Director and Investment Strategist

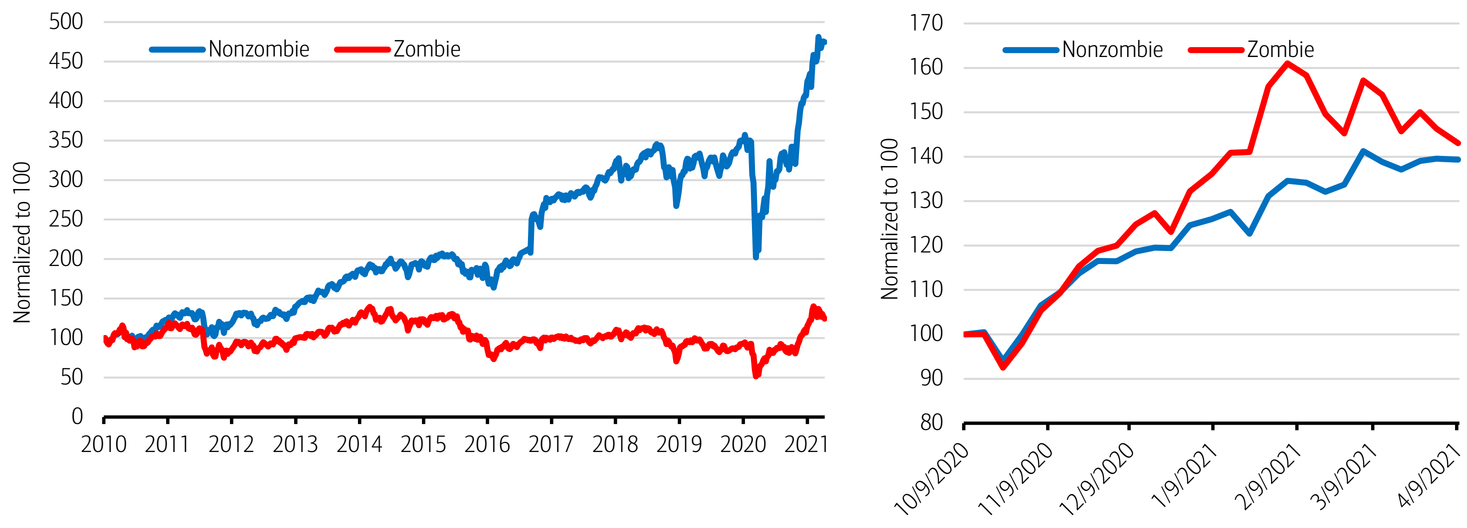
Since 2018, there has been a growing share of zombie firms in the U.S.; however, this build-up may be in remission as profitability and credit conditions improve. Generally, zombies are defined as entities that are unable to service their debts from generated cash flow. As a result, these firms must finance operations by burning off cash on their balance sheet or by extending their credit profile. Those quality and solvency stressors typically lead to chronic underperformance and may negatively affect pockets of the market that house a greater proportion of the "walking dead," such as Small-caps, Healthcare, and Energy. But as the economic recovery powers on, a robust earnings backdrop coupled with benign corporate credit conditions could provide a tailwind.

The pandemic imparted a major shock to the revenues and credit needs of many firms, leading to a spike in the number of companies with interest costs greater than profits, especially amongst small caps. According to Bloomberg, approximately 566 companies representing 28% of the Russell 2000 Index have trailing 12-month interest costs in excess of operating profits. This compares to 18% of the Russell 1000 Index. Healthcare, Communication Services and Energy tend to harbor the greatest share of zombies.

But the overall share of zombies is fading, coinciding with an increase in revenues concurrent with a pullback in aggregate leverage. When controlled for more established firms and a look-back across three years of data, Cornerstone Macro Research calculates that the share of zombie firms in the Russell 3000 rose from 4% in 2018 to nearly 6% in the second quarter of 2020, but has since retreated to 5.4%.

Generally, zombie firms systemically underperform their more profitable and solvent counterparts, although they can outperform in the beginning of a market recovery as they did later in 2020 into 2021 (Exhibit 4). However, that outperformance has since reversed, and we find most importantly that market benefits will likely be accrued via the decline in zombies. As earnings accelerate, credit costs remain low, and corporations deleverage, we find that conditions are ripe for the population of walking dead to recede, which may especially benefit Small-caps, Energy and Healthcare.

Exhibit 4: Recent Zombie* Outperformance Giving Way to Historical Trend of Underperformance.



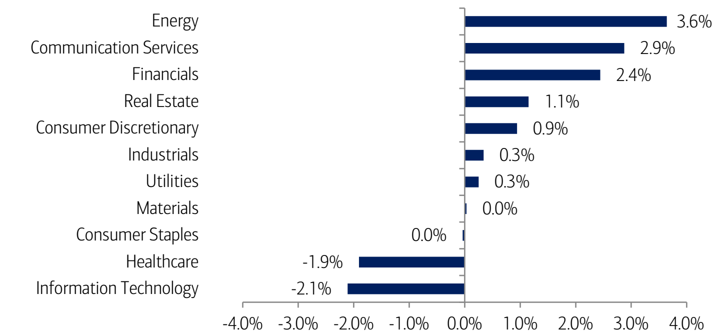
*"Zombie" companies are defined as those within the Russell 3000 Index, having three consecutive years of interest coverage ratio <1, with minimum age of 10 years from initial public offering (IPO). Source: Cornerstone Macro Research. Data as of April 9, 2021. Performance would differ if a different time period was displayed. Short term performance shown to illustrate more recent trend Past performance is no guarantee of future results.

MARKETS IN REVIEW

Equities

	Current	Total Return in USD (%) WTD	MTD	YTD
DJIA	33,874.85	-0.5	2.8	11.3
NASDAQ	13,962.68	-0.4	5.4	8.5
S&P 500	4,181.17	0.0	5.3	11.8
S&P 400 Mid Cap	2,725.15	-0.7	4.5	18.6
Russell 2000	2,266.45	-0.2	2.1	15.1
MSCI World	2,938.76	-0.2	4.7	9.8
MSCI EAFE	2,268.51	-0.8	3.0	6.6
MSCI Emerging Markets	1,347.61	-0.4	2.5	4.8

S&P 500 Sector Returns



Fixed Income†

	Current	Total Return in USD (%) WTD	MTD	YTD
Corporate & Government	1.45	-0.25	0.88	-3.44
Agencies	0.75	-0.13	0.42	-1.18
Municipals	1.04	-0.16	0.84	0.48
U.S. Investment Grade Credit	1.51	-0.18	0.79	-2.61
International	2.18	-0.29	1.11	-3.59
High Yield	3.99	0.20	1.09	1.95

	Current	WTD	MTD	YTD
90 Day Yield	0.00	0.02	0.02	0.06
2 Year Yield	0.16	0.16	0.16	0.12
10 Year Yield	1.63	1.56	1.74	0.91
30 Year Yield	2.30	2.23	2.41	1.64

Commodities & Currencies

Commodities	Current	Total Return in USD (%) WTD	MTD	YTD
Bloomberg Commodity	192.93	2.2	8.3	15.8
WTI Crude $/Barrel††	63.58	2.3	7.5	31.0
Gold Spot $/Ounce††	1769.13	-0.5	3.6	-6.8

Currencies	Current	Prior Week End	Prior Month End	2020 Year End
EUR/USD	1.20	1.21	1.17	1.22
USD/JPY	109.31	107.88	110.72	103.25
USD/CNH	6.47	6.49	6.56	6.50

Sources: Bloomberg, Factset. Total Returns from the period of 4/26/2021 to 4/30/2021. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 4/30/2021 close. **Past performance is no guarantee of future results.**

Asset Class Weightings (as of 4/6/2021)

	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*					
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 & Market Forecasts (as of 4/30/2021)

	Q4 2020A	2020A	Q1 2021A	Q2 2021E	Q3 2021E	Q4 2021E	2021E
Real global GDP (% y/y annualized)	-	-3.2	-	-	-	-	5.9
Real U.S. GDP (% q/q annualized)	4.3	-3.5	6.4	10.0	9.0	5.0	7.0
CPI inflation (% y/y)	1.2	1.2	1.9	3.7	3.0	2.9	2.9
Core CPI inflation (% y/y)	1.6	1.7	1.4	2.4	2.1	2.2	2.0
Unemployment rate (%)	6.7	8.1	6.2	5.2	4.5	4.2	5.0
Fed funds rate, end period (%)	0.09	0.09	0.06	0.13	0.13	0.13	0.13
10-year Treasury, end period (%)	0.91	0.91	1.74	1.85	2.00	2.15	2.15
S&P 500 end period	3756	3756	3973	-	-	-	3800
S&P earnings ($/share)	42	140	42*	46	48	49	185
Euro/U.S. dollar, end period	1.22	1.22	1.17	1.18	1.16	1.15	1.15
U.S. dollar/Japanese yen, end period	103	103	111	107	110	113	113
Oil ($/barrel, avg. of period, WTI)**	44	40	58	64	60	58	60

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. S&P 500 represents the year-end target for 2021. **West Texas Intermediate.
Sources: BofA Global Research; GWIM ISC as of April 30, 2021.

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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 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.

Bloomberg Commodity Price Index is a family of financial benchmarks designed to provide liquid and diversified exposure to physical commodities via futures contracts.

Commodity Research Bureau Metals Price Index measures the aggregated price direction of various commodity sectors.

ISM Manufacturing Index or purchasing managers' index is considered a key indicator of the state of the U.S. economy.

EuroStoxx 50 Index is a market capitalization-weighted stock index of 50 large, blue-chip European companies operating within eurozone nations.

Germany DAX is a stock index based out of Germany that represents the 30 biggest German companies that trade on the Frankfurt Exchange.

France CAC 40 Index is the French stock market index that tracks the 40 largest French stocks based on the Euronext Paris market capitalization.

MSCI UK Index is designed to measure the performance of the large and mid cap segments of the UK market.

MSCI All Ireland Index is a free float-adjusted market capitalization index that aims to reflect the performance of listed companies in the Broad Ireland Equity Universe, and is designed to serve as a benchmark and research tool.

MSCI Denmark Index is designed to measure the performance of the large and mid cap segments of the Danish market

Belgium BEL-20 Index is the benchmark stock market index of Euronext Brussels. In general, the index consists of a minimum of 10 and a maximum of 20 companies traded at the Brussels Stock Exchange.

Netherlands AEX Index is a stock market index composed of Dutch companies that trade on Euronext Amsterdam, formerly known as the Amsterdam Stock Exchange.

Swiss SMI is Switzerland's blue-chip stock market index, which makes it the most followed in the country.

MSCI Italy Index is designed to measure the performance of the large and mid cap segments of the Italian market.

Spain IBEX 35 Index is the benchmark stock market index of the Bolsa de Madrid, Spain's principal stock exchange.

MSCI China Index captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges.

MSCI India Index is designed to measure the performance of the large and mid cap segments of the Indian market

MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market.

Korea KOSPI Index refers to a series of indexes that track the overall Korean Stock Exchange and its components.

Taiwan TAIEX Index is a stock market index for companies traded on the Taiwan Stock Exchange.

Mexico IPC Index is a benchmark index for the Mexican stock market which includes 35 blue chip stocks listed on the Bolsa Mexicana de Valores.

Brazil Bovespa Index is the flagship index of the Brazilian stock exchange.

Russell 2000 Index measures the performance of the 2,000 smaller companies that are included in the Russell 3000 Index, which itself is made up of nearly all U.S. stocks.

Russell 1000 Index is a stock market index that tracks the highest-ranking 1,000 stocks in the Russell 3000 Index, which represent about 90% of the total market capitalization of that index.

Russell 3000 Index is a capitalization-weighted stock market index, maintained by FTSE Russell, that seeks to be a benchmark of the entire U.S. stock.

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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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