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CHIEF INVESTMENT OFFICE

Capital Market Outlook

May 31, 2022

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IN THIS ISSUE

Macro Strategy—*Anatomy of a Bear Market:* Surging inflation and interest rates combined with deteriorating global growth prospects due to the Ukraine/Russia crisis and zero-Covid policies in China have quickly diminished the outlook for U.S. growth and profits.

Risk asset valuations have reset in response, with the most expensive areas, such as Growth stocks, suffering the most losses. Massive withdrawal of liquidity by the Federal Reserve (Fed) and likely tightening of lending standards suggest that the economy will become increasingly starved for liquidity, a negative for profits growth and risk-asset prices.

Market View—*Enhancing the Traditional Investment Strategy:* Much has changed for markets in 2022 relative to the last two years.

In previous periods of market stress, it may have been easy to cling to what has worked before, with many investors considering a traditional portfolio of stocks and bonds as a trusted investment strategy. The current environment, however, is already showing signs that major structural shifts may be underway. Amid these new conditions, heightened uncertainty and changing expectations for future returns, a rethink on traditional portfolio construction and positioning approaches may be in order.

Thought of the Week—*China: A Supply and Demand Story:* Shutdown measures in China have undercut one of the most powerful forces of the global economy: Chinese consumer spending.

Consumer spending will be notably soft for Q2 but should gather momentum over the balance of this year. That's a propitious backdrop for the earnings of many U.S. multinationals with China exposure.

MACRO STRATEGY ▶

Chief Investment Office
Macro Strategy Team

MARKET VIEW ▶

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THOUGHT OF THE WEEK ▶

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MARKETS IN REVIEW ▶

Data as of 5/31/2022, and subject to change

Portfolio Considerations

Given our view that competing forces—inflation and slower growth—are likely to cast large shadows through the balance of the year, we reduced our Equity overweight relative to Fixed Income by lowering International Developed Market Equities to a slight underweight and trimming our overweight to Small-cap Value. We will add the balance of allocations from the downgraded areas to Fixed Income and cash evenly. This month, we also adjusted our sector allocations to balance cyclical and defensive positioning. We continue to emphasize a diversified, balanced and measured approach to asset allocation. For investors able to assume a lower level of liquidity, we believe Alternative Investments (AI) for qualified investors, including Real Assets, can also help diversify and balance out risks in a multi-asset portfolio.

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MACRO STRATEGY

Anatomy of a Bear Market

Chief Investment Office, Macro Strategy Team

As of May 24, the median stock price in the S&P 500 Index was down about 24% from its peak level, according to Credit Suisse Research. Projected earnings per share (EPS) were up by a healthy 3.3% for the median stock and 8.1% on a capitalization-weighted basis for the overall S&P 500 Index. This huge discrepancy is accounted for by a roughly 25% decline in the overall market's price to earnings (PE) ratio multiple. This downgrading of market multiples began over a year ago, when the long-duration Growth stocks of companies most associated with innovations in technology entered a severe bear market that has tracked a path similar to the NASDAQ's collapse after the 1999 tech bubble popped. Starting in September last year, successive sectors have seen their PE multiples contract, with varying degrees of severity (Exhibit 1).

Investment Implications

The roughly 20% drop in the S&P 500 Index this year mainly reflects a sharp downward adjustment to valuations due to the shift to a higher inflation and interest rate environment. The revaluation of U.S. Equities to lower PE multiples is behind the relative under-performance of long-duration Growth stocks and outperformance of high-quality, dividend-paying Value stocks. This is likely to continue as long as inflation and interest rates remain above their pre-pandemic level. A dimming profits outlook is likely to hurt equity values as the global economy slows.

Exhibit 1: S&P 500 Sector Performance From Recent Peak.

Sector*	Peak Date	Median Price (% Change)	Earnings per Share (% change)	Median P/E (% change)
Communications	9/1/2021	-40.2	4.9	-40.7
Discretionary	11/19/2021	-39.1	2.6	-39.6
Technology	12/27/2021	-30.9	8	-35.7
Financials	1/12/2022	-25.1	3.5	-27.7
S&P 500	1/3/2022	-24.4	3.3	-27.5
Industrials	1/4/2022	-23.7	5.4	-30
Materials	12/31/2021	-23.2	7.3	-27.2
Real Estate Interest Trust (REITs)	12/31/2021	-22.7	3.4	-25.3
Healthcare	4/8/2022	-22.6	1.5	-24.2
Staples	4/20/2022	-12.6	0.6	-13.8
Utilities	4/8/2022	-7.4	0.7	-6.2
Energy	5/23/2022	-3.4	2.7	-7

*Global Industry Classification Standard (GICS). Source: Credit Suisse Research. Data as of May 24, 2022. **Past performance is no guarantee of future results. Please refer to index definitions and important disclosures at the end of this report.**

This year's worst performing sectors have seen the biggest valuation adjustments, while outperformers like Energy and Utility stocks, have generally seen less-than-average multiple contractions. The change in overall and relative valuations reflects the new post-pandemic macro environment of higher inflation and interest rates, which are disproportionately negative for high-multiple, Growth stocks. It also reflects an abrupt shift from the unusually easy liquidity environment during the pandemic stimulus policies to an environment of tightening liquidity that will become even harsher if the Fed shrinks its balance sheet as announced at its May Federal Open Market Committee (FOMC) meeting.

There is a reason why the "don't fight the Fed" mantra is rule number one on Wall Street. When the Fed is providing liquidity in the form of accelerating money supply growth, asset prices tend to rise. The provision of liquidity during 2020 and 2021 surpassed any other period in U.S. history outside of World War II (WWII). This had the effect of inflating asset values across the spectrum. Now, as the liquidity tide recedes, the biggest bubbles are popping, starting with the most overvalued innovation stocks and other new frontier investments, such as cryptocurrencies. The most overvalued assets were the ones that benefited from the pre-pandemic secular stagnation world of slow growth, low-inflation, and record low interest rates. These stocks massively outperformed unpopular Value Stocks that suffered in the low, nominal growth world. Excessive liquidity growth in 2020 and 2021 eventually drove the leaders of secular stagnation to extremes not seen since the 1999 tech bubble.

The rolling out of the liquidity tide is likely to expose more and more of the "naked swimmers." The fads of the future were the first to crash. More generally, however, credit quality is beginning to deteriorate for more mainstream borrowers. As a result, credit

spreads have begun to widen off cycle lows that were depressed by two years of massively abundant liquidity. As the Fed balance sheet shrinks, the tide will drop more than usual given its high starting point, suggesting that credit problems are likely to become more pervasive over the next year. Our analysis suggests that bank lending conditions are going to tighten substantially in coming quarters, speeding the move towards tighter liquidity and softer economic and profits conditions.

In fact, the risk of recession rises substantially as the liquidity tide recedes. The U.S. economy is likely peaking in 2022, helping explain why earnings are still growing, albeit more slowly, and credit is only beginning to deteriorate. Likewise, the labor market is showing early signs of peaking as job openings begin to recede, layoffs increase, and jobless claims start to rise. While corporate revenues, consumer incomes, and nominal spending were still growing at a double-digit pace in Q1, they are poised to decelerate if various leading gauges of economic growth are any indication. This suggests increasing pressures on profit margins until costs also start to moderate with the typical lag to weakening economic conditions.

As noted in past reports, the most expansive U.S. fiscal-monetary stimulus in history boosted nominal gross domestic product (GDP) from the lowest levels since the 1930s of just under 4% to well over 10%. As the economy reopened and reached operating capacity limits, the share of real growth quickly declined toward the economy's potential growth rate of about 3%, leaving the balance of the 10%+ nominal demand growth accounted for by the 8% inflation we see today. Nominal growth will fall sharply as the liquidity tide goes out and the economy weakens, squeezing corporate revenues and profits along with consumer incomes and spending.

Rapidly rising interest rates, especially mortgage rates, tightening credit availability, and surging food and energy prices suggest that that process is just beginning, as also reflected in recent earnings reports showing that many retailers' margins are being squeezed as they are now finding it harder to pass on price increases to lower income consumers. With incomes lagging behind inflation, record-high gasoline prices, surging natural gas, and an increasingly severe balance sheet recession caused by the large drops in asset prices like Equities and cryptocurrencies, there's more pain likely ahead as demand falls back in line with much lower potential supply growth.

As a result and discussed in recent reports, the outlook for profit margins has turned negative, with profits potentially at risk of substantial declines next year because of the significant deterioration in the global economic situation caused by the Ukraine/Russia conflict and China's zero-Covid policy. Profits can drop by a third or more in a recession, and stocks typically drop by a comparable amount. So far, the bear market has been led by a reset to a new lower PE multiple environment. It remains to be seen how much the likely coming deterioration of earnings will effect equity prices.

MARKET VIEW

Enhancing the Traditional Investment Strategy

Kirsten Cabacungan, Assistant Vice President and Investment Strategist

Emily Avioli, Assistant Vice President and Investment Strategist

Much has changed for markets in 2022 relative to the last two years. The strong rally in Equities since the depths of the pandemic has been met with an about-face. The sharp selloff in the broader equity market has pushed the S&P 500 Index near bear market territory, or a drawdown of 20% from its January all-time high. Inflation has posted multidecade highs forcing the Fed to turn hawkish. In early May, the central bank increased interest rates by half a percentage point, the largest one month hike in rates in the last 22 years, and signaled additional 50 basis point hikes remain on the table. With the Fed on an aggressive tightening schedule, rising interest rates coupled with elevated inflation have pressured already challenged Fixed Income returns. The Bloomberg U.S. Aggregate Bond Index is down close to 9% year to date.[1] Volatility has picked up as uncertainty over the pandemic, recession fears, supply chain disruptions and geopolitical tensions continue to weigh on sentiment. Amid these conditions of heightened uncertainty and changing expectations for future returns, a rethink on traditional portfolio construction and positioning approaches may be in order.

Investors have long relied on a traditional portfolio construct, illustrated and often referred to in the financial press as a 60/40 portfolio, a mix comprising a 60% allocation to Equities and a 40% allocation to Fixed Income. Its exposure to stocks provides potential opportunities to gain from capital appreciation and act as a hedge against inflation, while the exposure to bonds provides opportunities to capture income and to help mitigate risk during economic downturns. Looking back at its long term historical performance since 1926, the strategy has worked well, averaging 8.9% in annual total returns.[2] It only saw negative 12-month returns 19% of the time with an average negative return of -8.5%, while positive annual returns occurred 81% of the time averaging 13.8%.

Performance outcomes for the strategy tends to depend on the investment environment of the era as well as the relationship between stocks and bonds. Strong annualized total returns on both a nominal and inflation-adjusted basis during the 2010s, 1990s and 1980s came in stark contrast to the weaker nominal and negative real returns seen during the 2000s and 1970s (Exhibit 2A). For context, during the 2010s, strong Equity returns amid historically low interest rates and a low inflationary environment following the Great Financial Crisis yielded impressive annualized total returns of 9.8%, and generated real returns of 7.9% when adjusted for inflation. A negatively correlated relationship between stocks and bonds, or strong independence in the movement between these two asset classes, helped underpin its positive performance and mitigate risk during market volatility. The breakdown in this relationship during the 1970s, on the other hand, meant weaker diversification benefits as the asset classes performed more similarly which ultimately led to lower returns, with an annualized total return of 6.5% for the decade, and less protection against surging inflation, leading to negative real returns of -0.5% on an annualized basis.

More recently, the 60/40 construct has come under greater scrutiny as the correlation between stocks and bonds flipped positive (Exhibit 2B). In the last few months, elevated inflation has contributed to a selloff in stocks, with investor's fearing that tightening monetary conditions will weaken growth, at the same time as a steep rise in bond yields has led to a sea of red across Fixed Income sectors year-to-date. As a result, with bonds not acting as a hedge for Equities during this inflationary shock, the 60/40 construct has posted a sharp pullback in returns.

Portfolio Positioning

Investors should maintain a well-diversified portfolio during times of heightened volatility. Traditional Equity and Fixed Income allocations may be complimented by exposure to Real Assets and Commodities, which have the potential to add an element of inflation protection to portfolios. From an asset allocation perspective, Equities are positioned broadly as a slight overweight relative to Fixed Income.

[1] Data reflects performance from December 31, 2022, to May 24, 2022. Source: Bloomberg.

[2] Based on monthly returns from 1926 to April 2022 for a 60/40 portfolio with the following proxy indexes used: Stocks—S&P 500 Total Return Index and Bonds—IA SBBI U.S. Intermediate Government Total Return from January 1926 to December 1975 and Bloomberg Barclays U.S. Aggregate Bond Total Return Index from January 1976 to April 2022. Sources: Morningstar; Chief Investment Office. Data as of April 29, 2022. The asset allocations between stocks and bonds used in this analysis are for illustrative purposes only.

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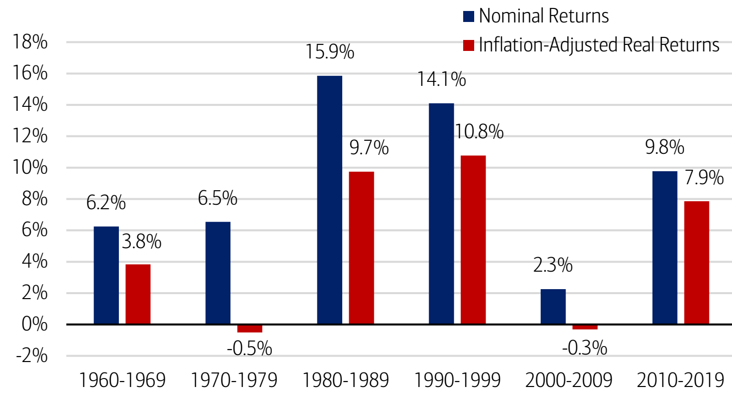
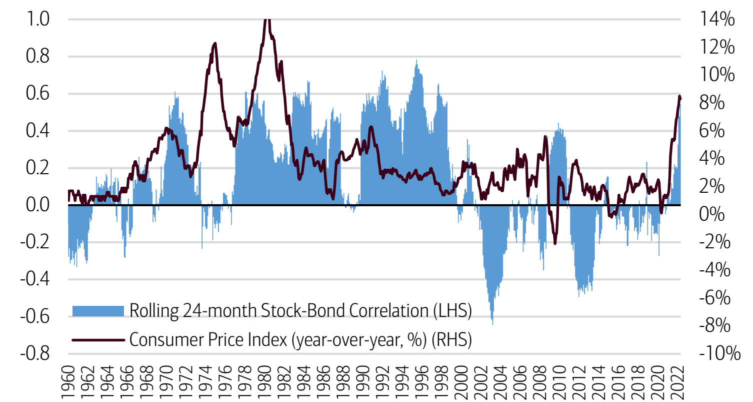
Exhibit 2: 60/40 Portfolio Strategy.

2A) Varied Performance By Decade



2B) A Changing Stock-Bond Relationship



Correlation is a statistic that measures the degree to which two securities move in relation to each other. Based on monthly returns from 1960 to April 2022 for a 60/40 portfolio construct with the following proxy indices used: Stocks—S&P 500 Total Return Index and Bonds—IA SBBI U.S. Intermediate Government Total Return from January 1960 to December 1975 and Bloomberg Barclays U.S. Aggregate Bond Total Return Index from January 1976 to April 2022. Exhibit 2A Sources: Morningstar; Bloomberg; Chief Investment Office. Data as of April 29, 2022. The asset allocations between stocks and bonds used in this analysis are for illustrative purposes only. Exhibit 2B Sources: Morningstar; Bloomberg; Chief Investment Office. Data as of April 29, 2022. **Past performance is no guarantee of future results. Please refer to index definitions and important disclosures at the end of this report.**

In the medium term, several shifting elements of the investment environment could lead to further sustained weakness in both stock and bond markets and pressure the traditional portfolio strategy. For one, the period before the pandemic and immediately following it, which was characterized by low inflation, is long gone, and the gusher of money supply growth that drove markets higher in recent years is quickly fading into the rearview. The new macroeconomic backdrop will likely be characterized by more moderate levels of nominal economic expansion and tighter financial conditions. Central banks will likely continue to raise interest rates and shrink their balance sheets in an effort to combat inflation that could remain stubbornly elevated for the foreseeable future. Slower growth, tighter profit margins and Fed tightening will weigh on Equity valuations, while bond yields remain biased higher as inflation stays above trend. In our view, volatility will remain in a higher range and investment returns for traditional assets will be more muted as compared to the stellar returns seen in recent years. 60/40 portfolios have typically seen weaker performance amid similar macroeconomic backdrops, suffering three straight years of negative total returns during the slow-growth/high-inflation era of the late 1970s.[3]

But even considering these headwinds, we don't believe that the traditional asset allocation mix should be abandoned entirely. Rather, investors should be dynamic in their investment approach and consider building upon traditional portfolios to better align with the new environment. Appropriate allocations to Equities and Fixed Income may be complimented by exposure to non-traditional investments like Alternative Investments for qualified investors including Real Assets comprising of Commodities and Real Estate exposure. These asset classes could help mitigate risk and enhance returns in a high-inflation, elevated uncertainity, volatile and slow-growth regime.

From a portfolio positioning perspective, we continue to emphasize diversification across and within asset classes as an evergreen principle of long-term investing. America's market-based economy with all the benefits it has accrued to long-term investors in the financial markets will inevitably have reset periods when recessions happen. During these times, easier monetary policy and weakening inflation should support bond prices, which should again act as a ballast against Equity volatility. On the flip side, when expansions take hold, the dynamism of the corporate sector's profit engines should drive new highs in Equity markets. Given the above established portfolio utilities for these traditional asset classes, investors should stick to their long term financial plans using them within their core strategy while including non-traditional investments for further diversification benefits, inflation protection and enhanced returns purposes.

[3] Ned Davis Research. February 17, 2022.

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THOUGHT OF THE WEEK

China: A Supply and Demand Story

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

Hayley Licata, Wealth Management Analyst

Anti-coronavirus shutdowns in China are not only creating supply chain bottlenecks for multinationals. They are also throttling demand among one of the world's most powerful spending cohorts: Chinese consumers. The latter account for 12% of global personal consumption expenditures, second only to the U.S., which means that when the Chinese consumer sneezes, many firms catch a cold.[4] Case in point: Adidas, Starbucks, Estee Lauder, Apple and BMW, to name a few high profile brands, all reported less-than-stellar sales growth in China in the most recent earnings seasoning due to virus shutdowns.

As Exhibit 3A highlights, retail sales in both the U.S. and China have trended lower this year, although the slowdown in spending has accelerated in China over the past few months, with retail sales declining 11.1% in April and 3.5% in March year-over-year. With some 373 million people in 45 cities under some kind of shutdown in April, it is little wonder consumer spending in China has been in a freefall. In Shanghai, home to 25 million people, not one car was sold in April. Nationally, April car sales in China were off 36%, squeezing the earnings of many marquee global automakers.

And speaking of earnings, take careful note of Exhibit 3B. It depicts the stunning evolution of China as a profits engine for Corporate America over this century and underscores the fact that China is both a supply (production) and demand (consumption) story for multinationals. Relative to Europe's two largest economies—France and Germany—U.S. foreign affiliates earned 20% more in China in 2021 ($13.3 billion) than in France and Germany combined ($11.1 billion). In contrast, affiliate income earned in China in 2000 was a fraction of that earned in France and Germany. What a difference a few decades makes.

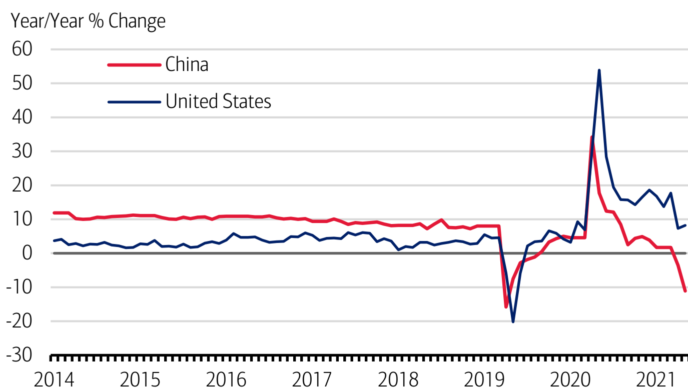
Fortunately, past shouldn't be prologue. Shutdown measures are being eased and the government is in reflation mode to counteract the virus-induced slowdown of the past few months. Q2 macro figures are expected to be soft but strengthen over the balance of the year, including retail sales and consumer spending. This backdrop suggests some profits ballast for U.S. multinationals exposed to the Chinese consumer.

Portfolio Considerations

The global backdrop for many large-cap U.S. multinationals has been quite challenging in 2022, with weaker-than-expected Chinese consumption chief among them. Over the second half of this year, however, we expect a rebound in China demand to become an earnings tailwind for many U.S. leading brands.

Exhibit 3: A Spending Slowdown and China as a Profit Engine.

3A) A Tale of Two Consumers: China vs. U.S. Retail Sales



3B) Trading Places: U.S. Affiliate Income Earned in China vs. Germany and France

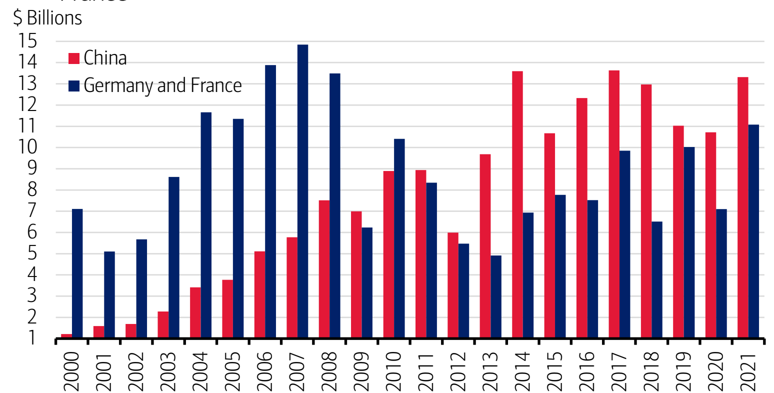


Exhibit 3A Sources: China National Bureau of Statistics; U.S. Census Bureau; Bloomberg. Data as of April 2022. Exhibit 3B Source: Bureau of Economic Analysis. Data as of 2021; pulled on May 24, 2022.

[4] Based on figures from the United Nations as of May 24, 2022.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	33,212.96	6.3	1.0	-7.8
NASDAQ	12,131.13	6.9	-1.5	-22.2
S&P 500	4,158.24	6.6	0.8	-12.2
S&P 400 Mid Cap	2,539.84	6.5	1.7	-10.1
Russell 2000	1,887.90	6.5	1.4	-15.5
MSCI World	2,802.59	5.6	0.5	-12.6
MSCI EAFE	2,035.83	3.5	0.6	-11.4
MSCI Emerging Markets	1,043.17	0.9	-2.8	-14.6

Fixed Income†

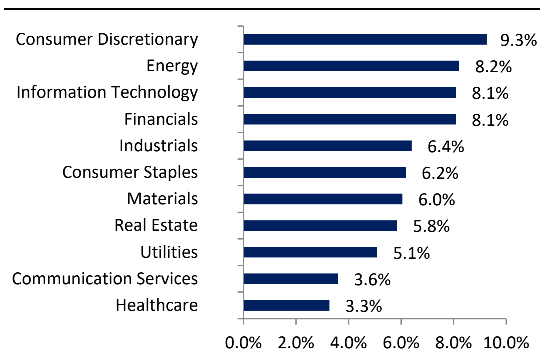
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	3.26	0.81	0.98	-9.16
Agencies	2.79	0.25	0.75	-5.06
Municipals	2.94	2.86	1.35	-7.59
U.S. Investment Grade Credit	3.30	0.78	1.14	-8.47
International	4.15	1.66	1.36	-11.54
High Yield	7.07	3.34	0.18	-8.05
90 Day Yield	1.03	1.01	0.82	0.03
2 Year Yield	2.48	2.58	2.71	0.73
10 Year Yield	2.74	2.78	2.93	1.51
30 Year Yield	2.96	2.99	3.00	1.90

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	286.53	2.6	3.5	35.3
WTI Crude $/Barrel††	115.07	1.6	9.9	53.0
Gold Spot $/Ounce††	1853.72	0.4	-2.3	1.3

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2020 Year End
EUR/USD	1.07	1.06	1.05	1.14
USD/JPY	127.11	127.88	129.70	115.08
USD/CNH	6.72	6.70	6.64	6.36

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 5/23/2022 to 5/27/2022 †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 5/27/2022 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 5/27/2022)

	2021A	Q1 2022A	Q2 2022E	Q3 2022E	Q4 2022E	2022E
Real global GDP (% y/y annualized)	6.1	-	-	-	-	3.3
Real U.S. GDP (% q/q annualized)	5.7	-1.4	3.0	2.5	1.8	2.6
CPI inflation (% y/y)	4.7	8.0	8.1	7.8	6.6	7.6
Core CPI inflation (% y/y)	3.6	6.3	5.7	5.6	5.3	5.7
Unemployment rate (%)	5.4	3.8	3.5	3.3	3.2	3.5
Fed funds rate, end period (%)	0.07	0.33	1.38	2.13	2.63	-

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 May 27, 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 5/3/2022)

Asset Class	Underweight		Neutral	Overweight	
Global Equities				● green	
U.S. Large Cap Growth			● yellow		
U.S. Large Cap Value				● green	
U.S. Small Cap Growth				● green	
U.S. Small Cap Value				● green	
International Developed		● orange	◄ red arrow		
Emerging Markets			● yellow		
Global Fixed Income		● orange			
U.S. Governments		● orange			
U.S. Mortgages		● orange			
U.S. Corporates				● green	
High Yield		● orange			
U.S. Investment Grade Tax Exempt			● yellow		
U.S. High Yield Tax Exempt		● orange			
International Fixed Income	● red				
Alternative Investments*					
Hedge Funds			● gray (range)		
Private Equity			● gray (range)		
Real Assets			● gray (range)		
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. Source: Chief Investment Office as of May 3, 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.

CIO Equity Sector Views

Sector	Underweight		Neutral	Overweight	
Energy				● green	
Financials				● green	
Real Estate			► red arrow	● green	
Materials				● green	
Healthcare			► red arrow	● green	
Utilities	► red arrow		● yellow		
Information Technology			● yellow	◄ red arrow	
Industrials			● yellow	◄ red arrow	
Consumer Discretionary		● orange	◄ red arrow		
Consumer Staples	● red				
Communication Services	● red	◄ red arrow			

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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 (Total Return) 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.

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

Bloomberg U.S. Aggregate Bond Index (Total Return) is a broad-based benchmark that measures the investment grade, U.S. dollar- denominated, fixed-rate taxable bond market.

NASDAQ Index is a market capitalization-weighted index of more than 3,700 stocks listed on the Nasdaq stock exchange.

S&P 500 Sector Index constitute a method of sorting publicly traded companies into 11 sectors-Information Technology, Health Care, Financials, Consumer Discretionary, Communication Services, Industrials, Consumer Staples, Energy, Utilities, Real Estate (REITs), and Materials. Also known as the Global Industry Classification Standard (GICS) sorts companies into sectors based on their primary business activity.

IA SBBI U.S. Intermediate Government Total Return measures the total return of U.S. intermediate-term government bonds on a monthly basis.

Important Disclosures

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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.

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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.

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