CHIEF INVESTMENT OFFICE

Capital Market Outlook

August 3, 2020

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

IN THIS ISSUE

- **Macro Strategy**—Housing activity and prices are currently picking up, supported by a convergence of cyclical, structural and behavioral forces. This is a positive backdrop for housing-related stocks and will support the recovery in the overall business cycle.
- **Global Market View**—Equities have remained resilient in the face of rising virus cases with the S&P 500 trading near the higher end of its recent range. After a strong rally since March's bottom, this is a healthy consolidation phase for the markets, where investors look for new catalysts, and both bulls and bears have enough ammunition to debate the make-or-break case for the economy, corporate earnings and valuation. Here we address the Big Four questions on the minds of equity investors.
- **Thought of the Week**—The tipping point has arrived. Amid a backdrop of growing investor interest in environmental, social and governance (ESG) concerns, flows into sustainable & impact investing funds in 2019 were up fourfold on the previous year, a trend that has accelerated in the first half of 2020. We believe high-performing ESG firms should be well-positioned to weather difficult environments, and to deliver enhanced value over the long term.
- **Portfolio Considerations**—We believe we are in the early stages of another long-term bull market (one with higher-than-average valuation, slightly elevated volatility and lower rates for longer) and remain highly favorable on equities relative to fixed income and cash.

MACRO STRATEGY

Jonathan W. Kozy
Director and Senior Quant Analyst

GLOBAL MARKET VIEW

Niladri "Neel" Mukherjee
Managing Director and
Head of CIO Portfolio Strategy

Nicholas Giorgi, CFA®
Vice President and
Investment Strategist

THOUGHT OF THE WEEK

Sarah Norman
Director and Senior Investment
Strategy Analyst

Data as of 8/3/2020 and subject to change.

MACRO STRATEGY

V for Housing

Jonathan W. Kozy, Director and Senior Quant Analyst

The structural framework for a sustained U.S. housing expansion was in place prior to the arrival of the novel coronavirus. Inventories were lean and at the same time demographics were supportive of a shift away from multifamily housing and into single-family homes. Household balance sheets were strong. Cyclically, the monetary response to the coronavirus drove mortgage rates to record lows, while fiscal policy more than replaced aggregate incomes. This combination drastically improved affordability. Behaviorally, the coronavirus pandemic is accelerating the existing push toward homeownership (Exhibit 1). Below we expand on these key factors driving the V-shaped recovery in U.S. housing. This is a positive backdrop for home builder stocks and home improvement stocks.

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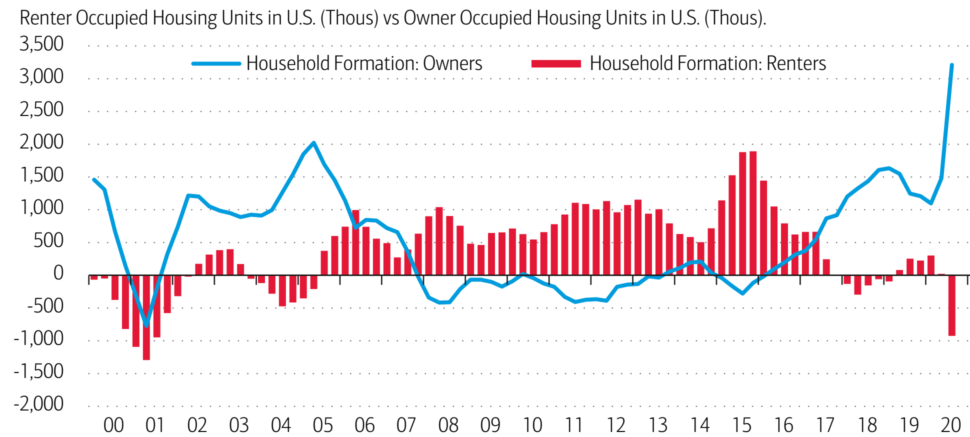
Exhibit 1: The American Dream: To Own a Home.



Source: Census Bureau/Haver Analytics Data as of July 28, 2020.

Housing was in a benign structural state pre-coronavirus, certainly not overbuilt and perhaps slightly underinvested relative to the number of homes that need to be built every year to meet demographic demand. This is the most supportive factor driving the V-shaped recovery in housing data, in our view. There are 70+ million millennials age 24–39 growing their families as they enter their mid 30s, on average. According to the Bureau of the Census, the median age at first marriage for men is 29.8 years old and for women is 28 years old. The homeownership rate for the 25–29 age cohort is 33% versus 48% for the 30–34 age group when families are growing in size, and more space is needed. This suggests we are in the early years of a multiyear construction and home improvement cycle for single-family homes in the suburbs.

There are not a lot of existing homes for this cohort to shop from. The inventory of existing homes reached an all-time low before the virus shut down the economy. In terms of months' supply, it was also the tightest existing home market on record. Further, the stock of existing homes is old based on capital stock data from the Bureau of Economic Analysis. The average age of private structures in real estate, rental and leasing markets has gone from around 25 years during the housing bubble in 2004 to over 30 years old now. Millennials are buying old homes, on balance. This fact is particularly supportive for home improvement companies along with survey data that suggest younger buyers prize outdoor living space.

The other obvious cyclical factor supporting housing is behavioral changes, specifically the fear of living in close quarters. The new American Dream is to own a home, but also to not get sick. Exhibit 1 shows just how weak household formation was for homeowners from 2007–2015 and how swiftly it turned the corner when millennials started forming households. The pandemic further increased demand for single-family homes with outdoor space as well as the broader shifting in consumer spending from services to goods. For example, working from home shifts spending from services around commercial office space to work-from-home improvement projects and groceries. Retail sales data show spending on building materials, garden equipment and supply dealers have been running at the fastest year-over-year growth rate on record (data since January 1992).

Putting the Cart Before the Horse

The high level of unemployment, looming evictions and a potentially damaging foreclosure cycle are frequently cited as headwinds for the housing cycle. These concerns/risks are reflected in the Census Bureau's weekly Household Pulse Survey. Our base case is that monetary and fiscal support (including the mortgage forbearance program and eviction

restrictions) will be enough to temper these risks until the health crisis fades. It would require a fiscal policy mistake for these risks to bear fruit. Additionally, household balance sheets were not overleveraged heading into the pandemic, helping to mitigate some risks. Still, there will be clear winners and losers in the housing sector. Densely populated cities, especially those exposed to travel and tourism, are already seeing home prices and rents under pressure. Exhibit 1 clearly highlights this risk as the flipside of a continued upswing in single-family homeownership rates (the suburbs) is that renter vacancy rates will move higher as they did during the first half of the 2000s. Importantly, though, single-family home construction has historically been the driver of the trend in residential investment, and those dynamics are positive.

Further, concerns around unemployment leading to a weak housing rebound are backwards. Counterintuitively, analysis of previous business cycles shows the strongest housing cycles start when the unemployment rate is high, and this time is no different. Housing leads the labor market (a lagging indicator), not the other way around. For this reason, building permits are a key component of the Index of leading economic indicators. The level of unemployment may matter even less this time around if fiscal stimulus continues to manage the income transition from enhanced benefits to private sector wages and salaries. Finally, the people buying homes right now likely are not unemployed.

Cyclically, interest rates are a more important factor for the turn in housing markets than the labor market. Potential homebuyers have a combination of record-low mortgage rates and fiscally enhanced income, which has pushed interest paid as a percentage of disposable income to an all-time low. Lower rates are also reflected in measures of affordability. The National Association of Realtors (NAR) measure of housing affordability rose in the first quarter for the third consecutive month, and affordability is the best it has been since 2016, when the fed funds rate was near zero. Mortgage rates are even lower now as the focus is on longer-duration interest rates, and the Federal Reserve (Fed) is purchasing mortgage-backed securities. With the Fed likely to keep rates near zero for several years, the most important cyclical tailwind for housing-related stocks will remain steady.

While lenders will likely be careful about lending into a distressed labor market, the lending backdrop is reasonable. The Fed's Senior Loan Officer Survey has indicated a tightening of standards for residential mortgages to a net 9.2% in the second quarter. This compares with a peak of 78.7% tightening during the 2008–2009 Great Financial Crisis. Mortgage origination has also been growing in the non-bank sector over the last decade. As the health crisis eases, lending standards will likely ease, and the Fed is doing its part to free up lending space by purchasing mortgage-backed securities. Demand for mortgages remains firm in survey data, including the Fed's Senior Loan Officer Survey and MBA Mortgage Applications for purchases.

Putting all of this together, there is no shortage of V-shaped housing data. The most recent Fannie Mae National Housing Survey showed the net percentage of respondents who say it is a good time to buy a home rose to +34%, the highest level since April. Similarly, the Conference Board's consumer survey showed the percentage of respondents with plans to buy a home in the next six months matched the highest level since 2006. Sales of new single-family homes have completed a V-shaped economic recovery, rising to 776,000 units, seasonally adjusted annual rate (SAAR) in June, above the previous cycle's peak reached in January. The pending home sales index measures contracts signed on existing homes but not closed and has more than fully recovered losses from March and April. Building permits have not fully recovered but are running ahead of housing starts, a sign that construction will continue. The National Association of Home Builders (NAHB) Confidence Index is near its highest level on record.

Homebuilders have recognized the convergence of the medium-to-long term tailwinds for housing and are exercising land and purchasing options, building material inventories and training skilled labor. This is another clear sign of confidence in the sustainability of the housing recovery.

Reinforcing the Cycle

Lastly, it would be a mistake for investors to dismiss the positive benefits a housing upswing has on the broader business cycle expansion simply because residential investment is a small percentage of overall gross domestic product (GDP). Real GDP contracted at a record 32.9% annual rate in the second quarter, with residential investment contracting 38.7%. The rebound in both will be dramatic in the third quarter, but particularly in housing where the data show a swift V-shaped recovery. Rising home prices boost household net worth and consumer confidence, while sales of single-family homes also stimulate purchases of associated goods like cars and furniture (expensive goods). The spending boom on home improvement goods has staying power. Housing is leading as it historically has, pointing toward sunnier days ahead for the economy as the health care crisis abates.

GLOBAL MARKET VIEW

The Four Big Questions for Equities

Niladri "Neel" Mukherjee, Managing Director and Head of CIO Portfolio Strategy

Nicholas Giorgi, CFA®, Vice President and Investment Strategist

Equities have remained resilient despite the pandemic with the S&P 500 trading near the higher end of its range since June. After a strong rally since March's bottom, this is a healthy consolidation phase for the markets, when investors look for new catalysts, and both bulls and bears have enough ammunition to debate the make-or-break case for the economy, corporate earnings and valuation. Here we address the Four Big Questions on the minds of equity investors.

1. Are equities disconnected with reality?

Many observers seem perplexed that the U.S. equity market has recovered to positive gains for the year despite the severe economic toll of the pandemic. In our opinion, the equity market having taken its hits in February and March has since been more focused on aggressive government stimulus, economic reopenings and the potential recovery in growth and profits.

The reality is that the U.S. economy is considerably weaker having endured a deep recession; however, a significant recovery is underway, boosted by unprecedented levels of fiscal and monetary stimulus adding up to 44% of GDP.[1] Despite challenges in containing the virus, the U.S. economy has been gradually opening up to a degree not possible in past months. We do not anticipate the recovery to be smooth as demonstrated by the regional outbreaks in Southern states that have prompted rollbacks of reopening plans, but overall economic activity should trend higher. The broad improvement is apparent from high-frequency data such as mobility, credit card spending and restaurant reservations, and more traditional data including purchasing manager surveys, home sales and job gains.

Equity ownership represents a claim on corporate cash flows that are ultimately levered to the global economy. According to Jeremy Siegel—Professor of Finance at the Wharton School of the University of Pennsylvania, "more than 90% of the value of stocks is dependent on profits more than 12 months out into the future."[2] The economic recovery in equities is reflective of how investors view the world in the second half of 2020 and beyond. Quarter-over-quarter annualized U.S. growth is expected to accelerate by 15% and 5% in Q3 and Q4, respectively, before expanding by 2.8% in 2021, according to BofA Global Research.

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[1] Cornerstone Macro Research, as of July 23, 2020.

[2] Knowledge @ Wharton, "Stock Shock: What Lies Ahead for Global Markets." March 10, 2020.

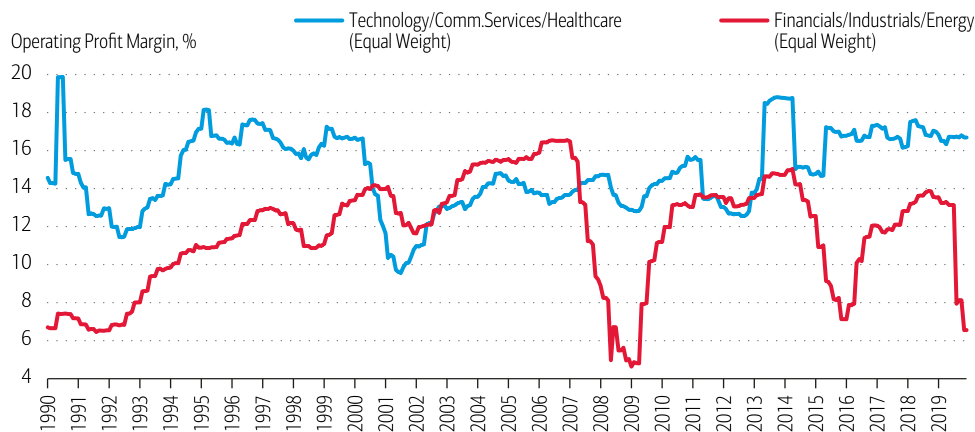
2. Is the S&P 500 overvalued?

Certain traditional measures of valuation such as price-to-earnings (PE) look expensive; however, we believe that alternative measures of valuation are more relevant today and that equities may be deserving of higher multiples in the post-coronavirus world.

Corporate earnings and revenues have become severely impaired from the pandemic. This has distorted many valuation measures, including PE multiples, where the denominator has suffered a major shock. The S&P 500 currently trades around a 22x PE multiple on consensus earnings over the next 12 months, according to FactSet, above the five-year average of 17x. However, as economic recovery gains momentum, we expect earnings to improve and exert downward pressure on multiples. Consensus expectations for 2021 earnings are $165 per share and are $189 in 2022. This pace of earnings recovery, if achieved, would compress multiples and/or support price gains.

Also supporting valuation is the shifting composition of the U.S. equity market toward higher growth and quality oriented sectors. The Technology, Communications Services and Healthcare sectors now represent nearly 53% of the S&P 500 and have better secular growth prospects and margins, allowing for higher multiples as opposed to sectors such as Financials, Industrials and Energy, which once claimed a higher representation in the index (Exhibit 2).

Exhibit 2: The Composition of the S&P 500 Has Shifted Toward Higher Margin Sectors.



Sources: Chief Investment Office; Bloomberg. Data as of July 28, 2020.

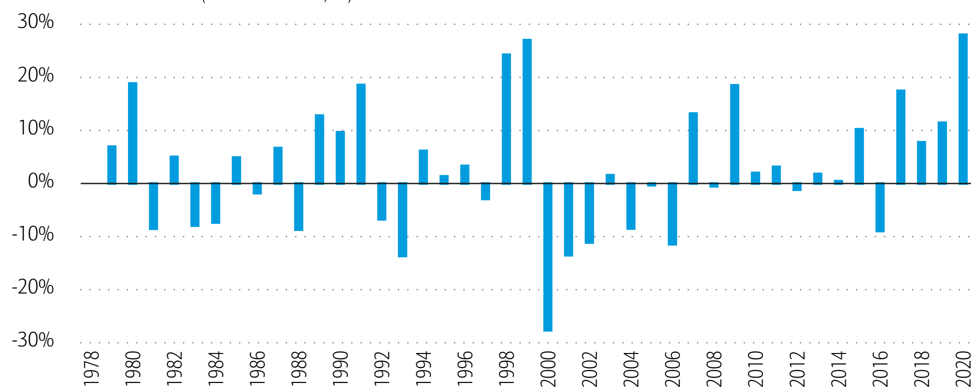
Finally, we find that relative measures of valuation across asset classes, such as the equity risk premium (ERP), are more relevant today. Given historically low global interest rates and an unprecedented policy backdrop, the difference in cash flows to investors from U.S. equities compared to other asset classes is apparent. About 369 companies within the S&P 500 have an indicated dividend yield exceeding the U.S. 10-year Treasury bond, and 232 companies have a yield exceeding the ICE BofA U.S. Corporate Bond Index. The earnings yield of the S&P 500, calculated as the inverse of the PE ratio, accounts for all cash flows of which equity investors share a claim. This figure currently sits approximately 3.8% above the 10-year Treasury yield, and includes the ERP. As investors scour the globe in search for quality, growth and yield, we find U.S. equities to be a more enticing option.

3. Should investors consider moving away from Growth to Value/Cyclicals positioning?

Secular growth-oriented industries have dominated performance this year, enabling the Large-cap Growth segment to outperform Value by roughly 27%, a level of outperformance we saw in 1999 (Exhibit 3). This has made Growth investors nervous but

reluctant holders given the persistence and extent of outperformance. Meanwhile, index leadership has narrowed, with the top five stocks in the S&P 500 (all big technology growth names) comprising almost 22%[3] of the index, rising from 16% in 2019. However, this is not a bubble-like scenario in our view, given that these top five names contribute 18% of the earnings of the index and account for 80% of the 2020 earnings per share (EPS) growth.[4]

Exhibit 3: Growth Has Persistently Outperformed Value By a Wide Margin Recently.



Source: Chief Investment Office. Data as of July 28, 2020. **Past performance does not guarnatee future results.**

The extended investor crowding in high-flying technology-oriented names has the potential to create volatility overall for equities if investors take their profits in Growth names at the first sign of trouble, causing Value to outperform. Timing these sentiment-based shifts is hard, and, therefore, we believe portfolios should have a balance of both factors that can simultaneously gain from cyclical and secular forces gaining traction. Growth should continue to benefit from accelerated secular investments in 5G, artificial intelligence, cloud computing, robotics and health infrastructure globally. While Value, which has a higher exposure to cyclicals like Financials and Industrials, should benefit from an improved pace of earnings growth and anticipated economic normalization as the vaccine timeline shortens and interest rates rise to reflect this environment. Higher levels of nominal growth in 2021 and beyond would give investors greater confidence to step into Value and cyclicals, which should finally see better demand, pricing power and cash flows.

4. Could the equity markets start evolving from macro headlines to fundamentals like earnings?

Eventually, yes. In the near term, the equity market will continue to take its cues from headlines related to coronavirus cases, vaccine developments, and fiscal and monetary policy measures. The first two are unknown and hence difficult to base an investment strategy on. Fiscal policy is contingent upon our political process, which is unpredictable but may be more likely to come through to support household incomes given election-year dynamics. Monetary policy on the other hand can be counted on to remain a tailwind as the Fed has regained some credibility to do all it can to not only prevent deflation but to forcefully aim for that elusive 2% inflation target. Therefore, in the near term, investors should do well to focus more on what Fed chair Jerome Powell says versus the shouting matches in Congress or the daily prognostications on the health side of the crisis.

Investors will generally give a pass to the Q2 earnings season, which had been previously discounted during the March sell off. Q3 earnings season may not bring new guidance

[3] Includes combined weighting of GOOG and GOOGL share classes of Alphabet.

[4] FundStrat Global Research as of July 2020.

given the impossibility of forecasting 2021 without a timeline for the vaccine and still uncertain economic data. However, earnings revisions throughout the second half will carry important messages about how companies and consumers are adapting to the virus. Key signposts will be the consumer's engagement with the discretionary side of the economy like eating out; to what degree supply chains are restored; companies' ability to keep expenses low using technology and other efficiencies even as demand improves; and small business recovery. From Q2 onwards, the market's expectation would be for an improvement in earnings growth, suggesting that the worst of the virus and economic depression is past us.

Conclusion

Equity market resilience is based on science, stimulus and a global rebound. These are outweighing the worries on the coronavirus front, U.S. presidential elections and China tensions. We recommend a pro-risk tilt in portfolios, but a balanced strategy across all asset classes, styles and regions is most important with appropriate rebalancing for risk management purposes.

THOUGHT OF THE WEEK

Sustainable & Impact Investing—A Movement Not a Moment

Sarah Norman, Director and Senior Investment Strategy Analyst

The tipping point has arrived. Amid a backdrop of growing investor interest in environmental, social and governance (ESG) issues, flows into sustainable investments[5] are outpacing their conventional peers. Investments into sustainable investing funds in 2019 were up fourfold on the previous year, totaling $21 billion, according to Morningstar.[6] Even as equity markets turned negative in the first quarter of this year, that trend accelerated: More than $10 billion flowed to sustainable investing funds between January and the end of March 2020. And as equity markets reversed course—posting the best quarter since 1999 in the three months through June—sustainable investing funds continued to attract new capital, once again with flows in excess of $10 billion.[7]

Admittedly, not all flows are created equal: Passive[8] funds still account for around one-third of the sustainable investing fund universe but constituted nearly 60% of net flows in 2019—outpacing active[9] solutions for the third consecutive year—and 78% of flows year-to-date (YTD) as exchange-traded funds continue to gain ground. Climate oriented strategies[10] have benefited from a renewed focus on the threat climate risks pose to the global economy, with 34% of flows YTD. Gender strategies have not been awarded the same attention, with 11% of flows YTD, and the call for racial justice is yet to translate into numbers, with few strategies making diversity and inclusion their core mandate—an area we are watching for growth.

The business impact of corporations adopting sustainable practices has been magnified in the current environment. We're seeing companies with strong ESG profiles deliver resilient stock price returns—and BofA Global Research[11] found that companies with

[5] Sustainable Investments seek positive social and environmental effects while targeting competitive financial return. Chief Investment Office.

[6] Morningstar 2019 Sustainable Funds Landscape Report. Reflects estimated net flows into open-end and exchange traded sustainable funds available to U.S. investors.

[7] Reflects estimated net flows into open-end and exchange traded sustainable funds available to U.S. investors. Morningstar Direct as of 6/30/2020.

[8] Passive management is the opposite of active management in which a fund's manager(s) attempt to beat the market with various investing strategies and buying/selling decisions of a portfolio's securities.

[9] Active management is the use of a human element, such as a single manager, co-managers or a team of managers, to actively manage a fund's portfolio.

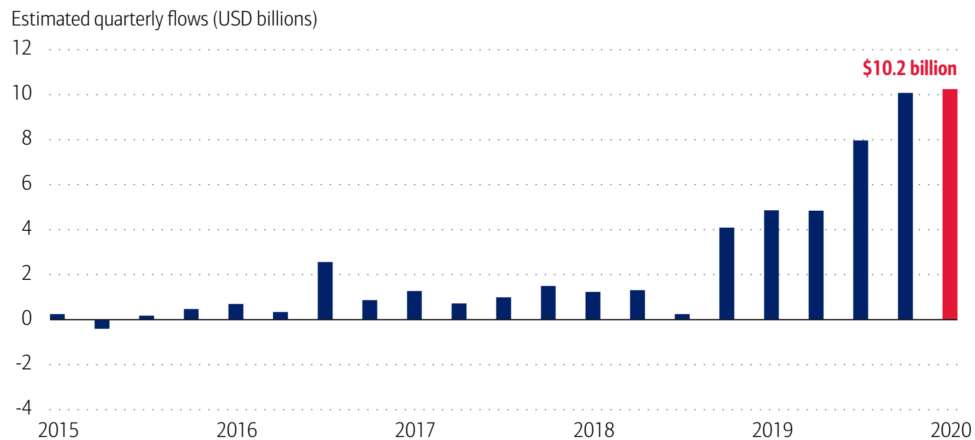
[10] Morningstar data as of 6/30/2020. Climate strategies identified among sustainable U.S. open end funds and exchange-traded funds as those with a focus on environmental, low carbon, fossil-fuel free, renewable energy, or water categories.

[11] ESG Matters—Bull market phenomenon? Quite the contrary. BofA Global Research, March 2020.

below-median ESG scores have seen larger downward EPS revisions this year. We believe this is an indicator that high-performing ESG firms should be well-positioned to weather difficult environments and to deliver enhanced value over the long term.

Exhibit 4: Flows Into Sustainable Investments Have Accelerated.

Estimated quarterly fund level net flows aggregated from share classes for the sustainable open-end funds universe as defined by Morningstar, Q1 2015 – Q2 2020



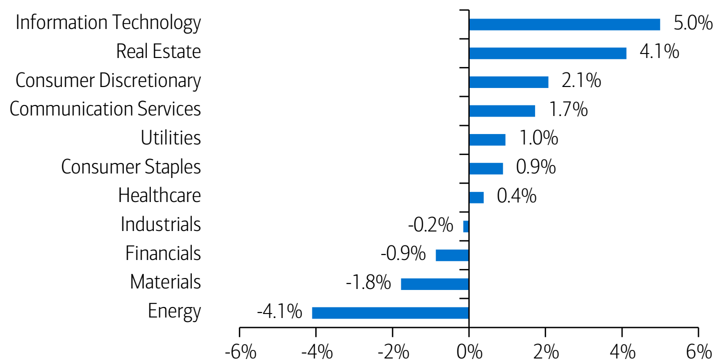
Source: Morningstar Direct. Data as of 6/30/20. Includes open-end and exchange traded funds available to U.S. investors. Includes funds that have been liquidated. Chief Investment Office.

What's more, the same research suggests that the recent flow trends point to ESG being a bear market phenomenon, rather than only a bull market luxury. While these flows may moderate as the global health crisis unfolds, we believe they are still on track to eclipse those of prior years. The global pandemic is accelerating the trend toward stakeholder capitalism, challenging shareholder-first attitudes. For sustainable investing, the moment is here—but the movement has just begun.

Equities

		Total Return in USD (%)		
	Current	WTD	MTD	YTD
DJIA	26,428.32	-0.1	2.5	-6.1
NASDAQ	10,745.27	3.7	6.9	20.4
S&P 500	3,271.12	1.8	5.6	2.4
S&P 400 Mid Cap	1,863.91	0.8	4.6	-8.8
Russell 2000	1,480.43	0.9	2.8	-10.6
MSCI World	2,304.98	0.6	4.8	-1.3
MSCI EAFE	1,820.21	-2.1	2.3	-9.3
MSCI Emerging Markets	1,078.92	1.8	8.9	-1.7

S&P 500 Sector Returns



Fixed Income[1]

		Total Return in USD (%)		
	Current	WTD	MTD	YTD
Corporate & Government	1.04	0.3	2.0	9.4
Agencies	0.49	0.2	0.4	5.5
Municipals	1.20	0.4	1.7	3.8
U.S. Investment Grade Credit	1.05	0.3	1.5	7.7
International	1.86	0.2	3.3	8.4
High Yield	5.37	0.8	4.7	0.7

	Current	Prior Week End	Prior Month End	2019 Year End
90 Day Yield	0.09	0.10	0.13	1.54
2 Year Yield	0.11	0.15	0.15	1.57
10 Year Yield	0.53	0.59	0.66	1.92
30 Year Yield	1.19	1.23	1.41	2.39

Commodities & Currencies

		Total Return in USD (%)		
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	146.55	0.8	5.7	-14.8
WTI Crude $/Barrel[2]	40.27	-2.5	2.5	-34.0
Gold Spot $/Ounce[2]	1,975.86	3.9	10.9	30.2

Currencies	Current	Prior Week End	Prior Month End	2019 Year End
EUR/USD	1.18	1.17	1.12	1.12
USD/JPY	105.83	106.14	107.93	108.61
USD/CNH	6.99	7.02	7.07	6.96

Source: Bloomberg, Factset.Total Returns from the period of 07/27/20 to 07/31/20. Bloomberg Barclays Indices.[1] Spot price returns.[2] All data as of the 07/31/20 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 07/31/20)

	Q3 2019A	Q4 2019A	2019A	Q1 2020A	Q2 2020A	2020E
Real global GDP (% y/y annualized)	–	–	2.9	–	--	-4.2
Real U.S. GDP (% q/q annualized)	2.1	2.1	2.3	-4.8	-33.0	-5.6
CPI inflation (% y/y)	1.8	2.0	1.8	2.1	0.4	1.1
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	13.0	9.0
Fed funds rate, end period (%)	1.90	1.55	1.55	0.08	0.08	0.13
10-year Treasury, end period (%)	1.66	1.92	1.92	0.67	0.68	1.00
S&P 500 end period	2977	3231	3231	2585	3100	2900
S&P earnings ($/share)	42	42	163	33	25*	115
Euro/U.S. dollar, end period	1.09	1.12	1.12	1.10	1.12	1.08
U.S. dollar/Japanese yen, end period	108	109	109	108	108	103
Oil ($/barrel, avg. of period, WTI**)	56	57	57	46	29	40

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 July 31, 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.

Conference Board Leading Economic Index is an American economic leading indicator intended to forecast future economic activity.

Home Sales Index is an index created by the National Association of REALTORS® (NAR) which tracks homes sales where a contract is signed, but the transaction has not yet closed.

National Association of Home Builders (NAHB) Index is designed to measure sentiment for the U.S. single-family housing market and is a widely watched gauge of the outlook for the U.S. housing sector.

ICE BofA US Corporate Index tracks the performance of US dollar denominated investment grade rated corporate debt publicly issued in the US domestic market.

Russell 1000 Growth Index refers to a composite that includes large and mid-cap companies located in the United States that also exhibit a growth probability.

Russell 1000 Value Index refers to a composite of large and mid-cap companies located in the United States that also exhibit a value probability.

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