CHIEF INVESTMENT OFFICE

Capital Market Outlook

March 25, 2024

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

IN THIS ISSUE

Macro Strategy—*The Secret Sauce to U.S. Economic Dynamism:* From our perspective, U.S. Equities—of all shapes and sizes—should be the bedrock of portfolio construction owing to the one-of-a-kind U.S. economy. The latter remains the most dynamic and resilient in the world, accounting for roughly 28% of world gross domestic product (GDP) with only 4.2% of the world population. As *The Economist* recently noted, the U.S. is "putting the rest of the world to shame."

What differentiates us from them is this: America's unique entrepreneurial ecosystem, which encourages and enables the incessant churn of creative destruction between startups and incumbents. America's entrepreneurial DNA empowers startups, enables innovation, fosters competition, creates opportunities, challenges incumbents—producing, in the end, the most innovated-led economy the world has ever seen and some of the world's best returns on Equity. Think of the latest Artificial Intelligence (AI)-fueled market rally as yet another example of entrepreneurial America leading the way and the world.

Market View—*The Running of the Bulls:* Since the start of this year, Equities have effectively broken out to new all-time highs every four trading days. Along the way, investor views have diverged on what could come next for this bull market and whether momentum risks reversing. Despite underlying risks such as inflation misses, or headline risk of sporadic bank or commercial real estate issues, appetite for Equities remains strong.

We review a few market conditions—sentiment readings, the effect of interest rate cuts on this rally, the historic degree of concentration in markets, and time elapsed since the last equity drawdown—in context. Spoiler: Accounting for these valuation, concentration and contrarian indicator signals, supports behind the rally remain largely in place. We'd not only stay invested at these levels, but would likely further allocate into risk assets, particularly around any healthy, corrective pullback.

Thought of the Week—*Growth in Household Wealth Drives Supply-Demand Imbalance for Munis:* The municipal market has seen a shift in ownership in recent years, with increasing participation by individual investors and less by corporations such as banks and insurance companies. However, the size of the municipal market has not kept up with the growth in household financial assets, with the supply-demand imbalance causing a systemic richening in muni valuations versus taxable Fixed Income investments. Still, we believe most munis provide value for tax-sensitive investors.

MACRO STRATEGY ▶

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MARKET VIEW ▶

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THOUGHT OF THE WEEK ▶

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MARKETS IN REVIEW ▶

Data as of 3/25/2024, and subject to change

Portfolio Considerations

We expect global stocks to remain in an uptrend led by the U.S. as profits outperform, inflation rates continue to head slowly lower, and productivity helps corporations maintain high margins. We see the potential for tailwinds in Equities that may provide additional upside. These include a durable earnings recovery, equity fund inflows, broadening market leadership, easier monetary policy, and early indicators turning positive. Bonds remain attractive and provide good diversification for multi-asset class portfolios.

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The Secret Sauce to U.S. Economic Dynamism

Joseph Quinlan, Managing Director and Head of CIO Market Strategy

Ariana Chiu, Wealth Management Analyst

"You can't create a new world without at the same time destroying at least a bit of an old one."
From *Capitalism in America: An Economic History of the United States*[1]

There are many facets to the economic exceptionalism of the U.S., but one stands out: America's unique entrepreneurial ecosystem that encourages and enables the incessant churn of creative destruction between startups and incumbents.

America's economic metabolism is different from the rest of the world. Risk-taking pulsates throughout our economy. No country creates and destroys as manically as America. Our strength lies in starting businesses and letting them fail.

Our social and political tolerance for letting companies go under is one of America's greatest assets. It's okay to fail in America. In fact, it's expected. Per Henry Ford: "Failure is the only opportunity to begin again more intelligently," or Jeff Bezos: "We need big failures in order to move the needle."

To this point, just since 2000, more than half (52%) of the companies on the Fortune 500 list have gone bankrupt, been acquired or ceased to exist. Presently, fewer than 11% of the companies on the original Fortune 500 list in 1955 are on the list seven decades later—representing a staggering level of turnover among the largest companies in the U.S.

Take note of Exhibit 1A, which contrasts the top 10 largest U.S. publicly traded companies at the start of this century with today. Of the top firms by market cap, only one company—Microsoft—remains on the list today; the fate of the others has ebbed and flowed with the ever-shifting competitive landscape of the economy. As an aside, Nvidia's market cap in 2000 was just $3.1 billion; just a few years ago the company made most of its money selling graphics cards, although today—reflecting the accelerating rate of change in the U.S.—the company is the avatar of one of the world's most transformational technologies: AI.

Meanwhile, as old firms die, new firms are spawned. As Exhibit 1B depicts, America's startup itch has only grown stronger in the past few years. Indeed, according to the U.S. Census Bureau, some 5.5 million new businesses were started in the U.S. in 2023—a record high and a figure well above the average (3.3 million) since 2005. Half of these firms will fail in five years, according to Census data, but that's all part of the cycle of creative destruction. It's emblematic of the it's-better-to-have-failed-than-not-tried-at-all DNA of U.S. business. Ditto for the fact that the U.S. leads the world in "unicorns"—privately held ventures that reach the billion-dollar valuation level.

Investment Implications

From our perspective, U.S. Equities—of all shapes and sizes—should be the bedrock of portfolio construction owing to the one-of-a-kind U.S. economy. A dynamic economy goes hand in hand with solid Equity returns, with annualized total returns of the S&P 500 in excess of 11% since 1945.

Exhibit 1: The U.S. Economy Never Sleeps.

1A) Past Isn't Prologue: Top 10 U.S. Companies by Market Cap, 2000 vs. 2024

	2000		2024	
	Company	Market Cap	Company	Market Cap
1	Microsoft	601	Microsoft	3,131
2	General Electric	507	Apple	2,719
3	Cisco Systems	355	NVIDIA	2,235
4	Walmart	308	Alphabet	1,833
5	Intel	275	Amazon	1,827
6	Pfizer	205	Meta	1,265
7	Exxon Mobil	196	Berkshire Hathaway	891
8	IBM	192	Eli Lilly	734
9	Citigroup	187	Visa	592
10	AIG	167	Broadcom	574

1B) America's Start-Up Itch Grows Stronger

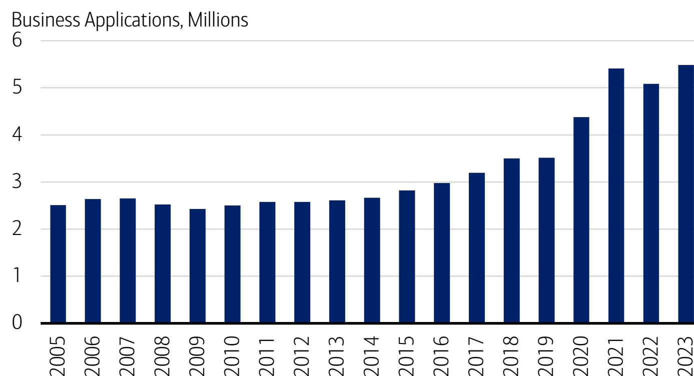

Exhibit 1A: Source: Bloomberg. 2000 data as of January 1, 2000. 2024 data as of March 19, 2024; USD billions. Exhibit 1B: Sources: Census Bureau; Haver Analytics. Data as of March 12, 2024.
Past performance is no guarantee of future results.

[1] Alan Greenspan and Adrian Wooldridge, *Capitalism in America: An Economic History of the United States*, Penguin Books, 2018.

U.S. firms—large and small—don't have the luxury of resting on their laurels. Ours is an economy that never sleeps. Innovate, adapt or die. Or as Joseph Schumpeter put it, U.S. businesses stand on ground "that is crumbling beneath their feet."[2]

That said, while the Holy Grail of creative destruction is messy for firms, it is overarchingly beneficial at the macro level. Remember, economic growth requires innovation, and innovation requires that something new replaces something old. The end results are stronger economic growth, more jobs, rising wages and higher standards of living. And a U.S. economy that continues to defy expectations and stands at the apex of the global economic hierarchy.

Due in large part to America's entrepreneurial culture, the U.S. economy remains the most competitive, dynamic and diversified in the world. With just 4.2% of the world's population, U.S. economic output is now running at an annualized rate of $28 trillion, or roughly 28% of total world GDP. Aerospace or agriculture, energy or entertainment, transportation or technology, goods or services—pick any sector or activity, and there's a good chance the U.S. leads the rest of the world thanks to its startup, risk-taking culture.

As *The Economist* recently noted, the U.S. is "putting the rest of the world to shame," with the U.S. economy expanding by nearly 8% in real terms since the end of 2019, more than twice as fast as the eurozone and 10 times as fast as Japan's.[3]

The U.S. leads while the rest of the world lags because many nations are resistant to the constant churn of creative destruction—they prefer stability and predictability (i.e., incumbents) over dynamic change (startups).

In many developed and developing nations, startups remain at a competitive disadvantage when it comes to accessing capital and public sector funding, and often confront a bevy of regulations and barriers to entry that favors incumbents or larger firms. Risk-taking and a winner-take-all mentality are lacking, while in some nations, business failures can carry personal liabilities and even social disgrace—i.e., loss of face. Risk capital is scarce, with AI-related venture capital deals, for instance, in Europe running at a quarter the level of the U.S. since 2019. Investment in AI is around 50 times higher in the U.S. than in Europe; hence, is it any wonder that the productivity gap between the U.S. and Europe continues to widen in favor of America?[4]

In Japan, meanwhile, only 10% of the financial assistance doled out by the government goes to companies with fewer than 500 employees, according to Organisation for Economic Co-operation and Development (OECD). That is the lowest among OECD members. It's much harder for upstarts to get loans in Japan, while larger, more established firms in Japan have comfortably existed for decades by being closely aligned with various governments, major banks and employee unions.

In China, Xi-ism—or the heavy-handed rule of Xi Jinping—has all but extinguished the entrepreneurial flame of China's technological sector. From China's point of view, entrepreneurs and the economy are "birds in a cage" that are given room but never released. Conservative cultural norms, stifling and inefficient bureaucracies, underdeveloped capital markets, unclear property rights, entrenched family businesses—all of these factors have staunched and stifled entrepreneurial-driven growth in China and many other economies in the emerging market universe.

That said, it's little wonder that aspiring entrepreneurs all over the world prefer the risk-taking ecosystem of the U.S. to their home market. Hamdi Ulukaya (Chobani), Sergey Brin (Google/Alphabet), Jan Koum (WhatsApp), Mike Krieger (co-founder Instagram), Elon Musk (Tesla/SpaceX)—all of these immigrant risk-takers have plowed their entrepreneur energy into the U.S. over the past decades, boosting, in the process, America's long-run real growth and competitiveness.

In the end, America's entrepreneurial DNA empowers startups, enables innovation, fosters competition, creates opportunities, challenges incumbents—producing, in the end, the most dynamic economy the world has ever seen and some of the world's best returns on Equity. Think of the latest AI-fueled market rally as yet another example of entrepreneurial America leading the way and the world. This, in turn, is a key reason why we remain constructive on U.S. Equities of all styles and believe that at the core of portfolio construction lie U.S. Equities. Stay long Corporate America.

[2] Alan Greenspan and Adrian Wooldridge, *Capitalism in America: An Economic History of the United States*, Penguin Books, 2018.

[3] See "Pumped Up," *The Economist*, March 16, 2024.

[4] Figures cited come from "Why Europe is a laggard in tech", *Financial Times*, February 26, 2024.

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MARKET VIEW

The Running of the Bulls

Lauren J. Sanfilippo, Director and Senior Investment Strategist

Equities have again broken out to new all-time highs—not just a few times—but 22 times this year. Along the way, investor views have diverged on what's next for this bull market while questioning whether the sharp 10% S&P 500 rally to start the year has been warranted or whether this market momentum risks reversing. Despite underlying headline risk of inflation misses or sporadic bank or commercial real estate issues, appetite for Equities remains strong.

We review a few market conditions—sentiment readings, the effect of interest rate cuts on this rally, the historic degree of concentration in markets, and time elapsed since the last Equity drawdown—in context. This, we detail below.

Portfolio Considerations

Our broad expectation is for risk assets to continue to trend higher, supported by U.S. growth running above or at trend and is based on incremental earnings improvement seen since the corporate earnings recession last year. We've warmed up to cyclical Equities as the AI-inspired momentum is showing signs of broadening.

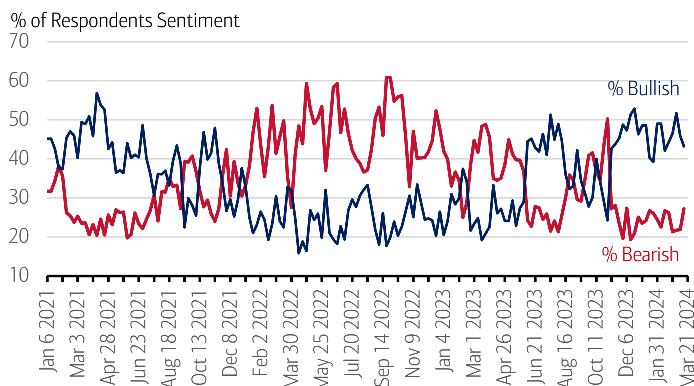
Bulls, Bears and Powell

The torrid five-month, 28% bounce off the October S&P 500 lows has breathed life into bullish sentiment. The latest American Association of Individual Investors Sentiment Survey showed that roughly 43% of investors think the market will be heading in a "bullish" direction over the next six months (Exhibit 2A). That's about as many bulls as last summer when the Fed was still hiking interest rates, and somehow less optimistic than the survey reading following the surprise losses at New York Community Bancorp. To note, washed out, bearishness or overly euphoric sentiment can often be interpreted as a contrarian signal. Sentiment has heated up this year, although neither measure of bullish or bearish sentiment has traveled to levels that suggest extremes.

Speaking of sentiment, not long ago, bond markets were anticipating that half a dozen rate cuts could be delivered by the Fed. The thought of such forgiving financial conditions helped fuel stocks off the October bottom—as more cuts were priced in, stocks climbed higher (Exhibit 2B). What would have thought to be the pain trade of the year of almost halving the number of expected cuts has been of no restraint to the rally. Now, as the Federal Open Market Committee has intimated vis-à-vis their March Summary of Economic Projections and dot plot, three cuts are more the reality, which futures have trended towards. At the same time, and in reaction to the Fed's minimal adjustments to their outlook last week, the S&P 500 notched new all-time highs.

Exhibit 2: 2024's Reset of Sentiment and Rate Cut Expectations.

2A) A Converging of Bull/Bear Sentiment



2B) Even as Rate Cuts Are Walked Back, Stocks Continued to Rise

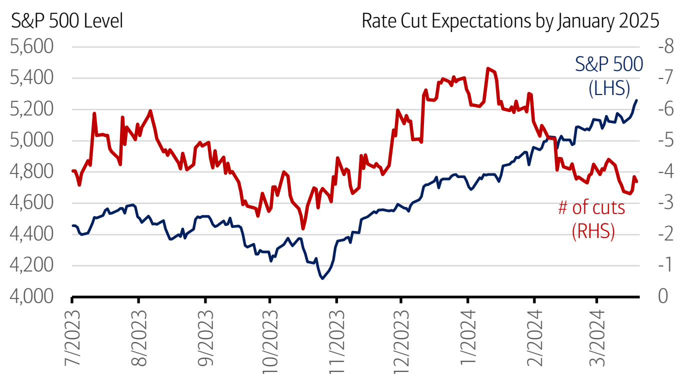


Exhibit 2A: Source: Bloomberg. Data as of March 21, 2024. Exhibit 2B: Negative values represent the implied January 2025 fed funds rate, inverted scale. Source: Bloomberg. Data as of March 21, 2024. **Past performance is no guarantee of future results. It is not possible to invest directly in an index.**

The Beef with the Current Bull Market

Concentration concerns remain, since much like in 2023, Technology stocks have outperformed the broader market, up double digits once again for the year. This has contributed to a concentrated top 10 weighting, with charts like Exhibit 3A understandably

giving investors pause. Yes, 34% of the market cap is attributable to the top 10 names in the S&P 500. Valuation-wise looks less bubble-ish though, as those 10 trade at a significantly lower valuation than the respective top 10 during the dotcom bubble. Try an average of 28x's their expected earnings for the coming year, well off of a valuation bubble of 49x's for the top 10 in 2000.

Profitability matters here, with the current drift up to those multiple levels assigned to companies with real earnings and some quality attributes. Earnings have reflected that, with Q4 earnings for the S&P 500 surprisingly overall, up 4% according to FactSet. By extracting the top 10 names, earnings would have been down around -7%.

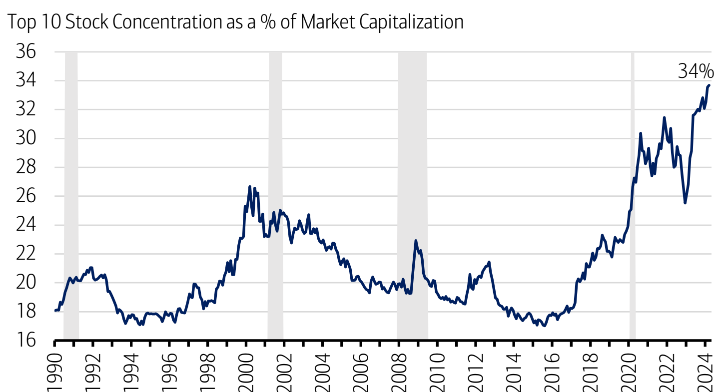
To call out other pockets of narrowness, it's less acknowledged that over 60% of the Russell 2000 Small Cap Index return this year emanates from five names. Overseas markets, and the pan-European STOXX 600 Index in particular, also have a top-heavy profile.

While these conditions have persisted for some time in U.S. markets, ahead, we believe we are in for a different type of narrowing. More like a narrowing of the spread between the Technology and Communication Services sectors and the rest of the market. Sector performance is already broadening, with non-Technology areas "doing less bad" as leadership has loosened to include some cyclical areas, like Energy, Industrials and Financials all up more than 10%, alongside Materials up 7%.[5]

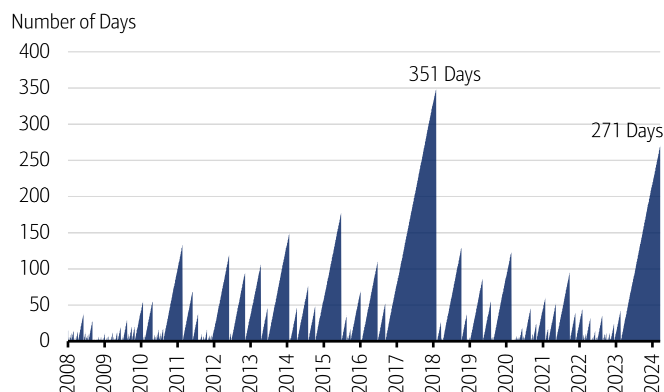
Regardless of these valuation, concentration, and contrarian indicator signals, an incredible stretch of time has passed absent a one-day, 2% decline (or more). The last 2% day was over 270 trading days ago, a stretch of time not seen since February 2018 (Exhibit 3B).

Exhibit 3: Is this Bull in a Bubble in Need of a Reset?

3A) Concentration is a Concern, Earnings and Profitability have Followed



3B) On the Clock: Days Since a 2% One-Day Decline



Gray bars represent recessionary periods. Exhibit 3A: Top 10 by market cap for March 2024 includes: Microsoft, Apple, Nvidia, Amazon, Meta, Alphabet, Berkshire Hathaway, Eli Lilly, JP Morgan, and Broadcom. Sources: Bloomberg, SoFi Technologies. Data as of March 18, 2024. Exhibit 3B: Source: Bloomberg on the S&P 500. Data as of March 20, 2024.

While not a predictive indicator of what's ahead, we wouldn't be surprised to see a healthy, corrective pullback considering that volatility is a feature of all markets. On average, the S&P 500 experiences three 5% pullbacks a year and one 10% correction. As for the investment implications of all this, supposing the supports behind the rally remain largely in place, we'd not only stay invested at these levels, but further allocate into risk assets.

[5] Based on S&P 500 sectors total return. Data through March 22, 2024.

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THOUGHT OF THE WEEK

Growth in Household Wealth Drives Supply-Demand Imbalance for Munis

David T. Litvack, CFA®, Managing Director and Tax-Exempt Strategist

The $4 trillion municipal securities investor base is increasingly dominated by individual investors. Direct ownership by households within brokerage and separately managed accounts (SMAs) and indirect ownership through mutual funds and exchange-traded funds (ETFs) now account for over two-thirds of outstanding municipal securities. However, while total household financial assets have grown 41.7% since 2017, the total market value of outstanding municipal securities has shrunk by 3.8% over the same period. The lack of growth in the muni market contrasts with other Fixed Income sectors. For example, Treasury securities grew 71.9% and corporate and foreign bonds grew 19.6%. The supply-demand imbalance in munis has caused muni valuations to richen versus taxable Fixed Income securities, to the point where some AAA-rated munis currently yield less than Treasury securities on an after-tax basis. However, only 16% of the muni index is AAA, and we believe most munis still provide value for tax-sensitive investors.

Mutual fund and ETF ownership of munis grew from 2017 to 2021, while household ownership declined. In 2022 and 2023, mutual fund participation shrank as rising yields (and declining net asset values) drove large outflows. However, this was offset by increasing household ownership, which we attribute to the growth in SMAs. ETF participation has also continued to increase, thanks to low expense ratios, as well as tax-loss harvesting out of mutual funds and into ETFs in 2022 and 2023.

Banks and insurers are still significant owners of municipal securities, but because their tax rates (21%) are lower than income tax rates for individuals (top rate 37% + 3.8% net investment income tax), they have been reducing their participation in recent years as tax-exempt muni valuations relative to taxable fixed income instruments have richened.

Broker-dealer inventories declined from 2017 to 2020, as broker-dealers became more averse to holding bonds in a volatile rate and tightening spread environment. This came to a head during the initial pandemic outbreak when—for a few months—the municipal market became relatively illiquid. Broker-dealer inventories have risen since then, but they are still only at about half their 2017 levels.

Foreign owners continue to hold taxable munis, which are attractive for their relatively favorable nominal yields and high credit quality.

Investment Implications

The buyer base of municipal bonds is increasingly dominated by individual investors either directly or within mutual funds and ETFs. However, while household wealth has grown steadily, the size of the municipal market has not. This supply-demand imbalance has caused muni valuations to richen, but we believe most muni securities continue to provide value for tax-sensitive investors.

Exhibit 4: Municipal Securities Holders.

	Market Value ($ Billions)							Market Share (%)						
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Households (Brokerages and SMAs)	1,935	1,888	1,916	1,941	1,808	1,621	1,766	46.2%	46.7%	45.4%	43.9%	40.6%	41.7%	43.9%
Open End Mutual Funds	688	694	831	891	991	746	764	16.4%	17.1%	19.7%	20.2%	22.2%	19.2%	19.0%
Closed End Mutual Funds	90	88	93	95	98	82	83	2.2%	2.2%	2.2%	2.1%	2.2%	2.1%	2.1%
ETFs	30	36	48	63	83	104	122	0.7%	0.9%	1.1%	1.4%	1.9%	2.7%	3.0%
Banks	573	527	508	584	631	580	532	13.7%	13.0%	12.0%	13.2%	14.2%	14.9%	13.2%
Property and Casualty Insurers	339	292	285	298	289	246	224	8.1%	7.2%	6.8%	6.7%	6.5%	6.3%	5.6%
Life Insurers	204	196	222	241	241	198	199	4.9%	4.8%	5.3%	5.4%	5.4%	5.1%	4.9%
Brokers and Dealers	27	21	16	7	13	12	13	0.6%	0.5%	0.4%	0.2%	0.3%	0.3%	0.3%
Foreign Owners	106	102	110	118	119	108	120	2.5%	2.5%	2.6%	2.7%	2.7%	2.8%	3.0%
Money Markets	138	148	139	125	111	118	130	3.3%	3.6%	3.3%	2.8%	2.5%	3.0%	3.2%
Others	54	55	55	59	73	71	69	1.3%	1.4%	1.3%	1.3%	1.6%	1.8%	1.7%
Total Muni Securities Outstanding	4,183	4,046	4,224	4,422	4,457	3,886	4,022	100%	100%	100%	100%	100%	100%	100%
Households; Total Financial Assets	80,189	79,427	90,116	100,911	113,367	104,220	113,592	NA	NA	NA	NA	NA	NA	NA

Sources: Federal Reserve; Financial Accounts of the United States. Data as of March 7, 2024.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	39,475.90	2.0	1.4	5.3
NASDAQ	16,428.82	2.9	2.1	9.6
S&P 500	5,234.18	2.3	2.8	10.1
S&P 400 Mid Cap	2,991.26	2.3	3.6	7.9
Russell 2000	2,072.00	1.6	1.0	2.5
MSCI World	3,428.12	2.0	2.9	8.5
MSCI EAFE	2,351.57	1.2	3.2	5.6
MSCI Emerging Markets	1,039.32	0.5	2.0	1.9

Fixed Income†

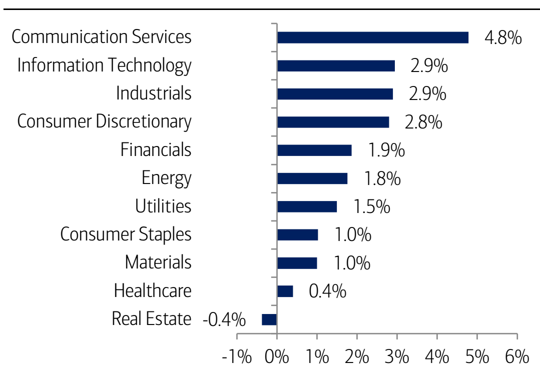
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.75	0.71	0.65	-0.95
Agencies	4.77	0.47	0.37	-0.01
Municipals	3.44	-0.18	0.16	-0.22
U.S. Investment Grade Credit	4.84	0.73	0.70	-1.00
International	5.29	0.78	1.04	-0.64
High Yield	7.64	0.60	1.08	1.37
90 Day Yield	5.36	5.37	5.38	5.33
2 Year Yield	4.59	4.73	4.62	4.25
10 Year Yield	4.20	4.31	4.25	3.88
30 Year Yield	4.38	4.43	4.38	4.03

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	229.37	-0.4	2.4	1.3
WTI Crude $/Barrel††	80.63	-0.5	3.0	12.5
Gold Spot $/Ounce††	2,165.44	0.4	5.9	5.0

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.08	1.09	1.08	1.10
USD/JPY	151.41	149.04	149.98	141.04
USD/CNH	7.28	7.21	7.21	7.13

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 3/18/2024 to 3/22/2024. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 3/22/2024 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 3/22/2024)

	Q4 2023A	2023A	Q1 2024E	Q2 2024E	Q3 2024E	Q4 2024E	2024E
Real global GDP (% y/y annualized)	-	3.1*	-	-	-	-	2.9
Real U.S. GDP (% q/q annualized)	3.2	2.5	2.5	2.0	2.0	2.0	2.7
CPI inflation (% y/y)	3.2	4.1	3.2	3.4	3.2	3.0	3.2
Core CPI inflation (% y/y)	4.0	4.8	3.8	3.5	3.5	3.3	3.5
Unemployment rate (%)	3.8	3.6	3.8	3.8	3.9	3.9	3.9
Fed funds rate, end period (%)	5.33	5.33	5.38	5.13	4.88	4.63	4.63

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. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**
A = Actual. E/* = Estimate.
Sources: BofA Global Research; GWIM ISC as of March 22, 2024.

Asset Class Weightings (as of 3/5/2024)

	CIO View				
Asset Class	Underweight		Neutral	Overweight	
Global Equities				●	
U.S. Large Cap Growth			●		
U.S. Large Cap Value				●	
U.S. Small Cap Growth				●	
U.S. Small Cap Value				●	
International Developed		●			
Emerging Markets			●		
Global Fixed Income		●			
U.S. Governments				●	
U.S. Mortgages				●	
U.S. Corporates		●			
International Fixed Income			●		
High Yield		●			
U.S. Investment-grade Tax Exempt		●			
U.S. High Yield Tax Exempt		●			
Cash					

CIO Equity Sector Views

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

CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio.
Source: Chief Investment Office as of March 5, 2024. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

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Index Definitions

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

U.S. Equities/S&P 500 Index is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

Russell 2000 Small Cap Index is a market index comprised of 2,000 small-cap companies.

STOXX 600 Index is a stock index of European stocks designed by STOXX Ltd.

Muni/ Municipal Bond Index covers the USD denominated long-term tax-exempt bond market.

Treasury/Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.

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