

CHIEF INVESTMENT OFFICE

Capital Market Outlook

June 9, 2025

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

IN THIS ISSUE

Macro Strategy—Markets Looking Past Tariff Impasse: The rise in long-term Treasury bond yields and embedded “term premia” has taken the spotlight as potential early evidence of headwinds to U.S. asset demand from disruptive/unorthodox government policies and untethered fiscal deficits. Vigilance is valid. A breakout in interest rates not accompanied by stronger growth, productivity and profits would create strains on government finances and headwinds to equity valuations.

Still, the increase in the estimated 10-year Treasury term premium has been modest and, in our view, reflects the normalization of the economic/interest-rate environment out of the post 2008-2009 “secular stagnation.” This includes the unwinding of distorting central bank purchases of government securities, which reached extremes during the pandemic scare. As related measures of compensation for duration risk, an increase in the term premium alongside the yield-curve steepening after two years of abnormal inversion makes sense.

Market View—From Laggards to Leaders: Is Big Tech “Magnificent” Again?: Equities continued their clawback from the April lows last month, defying the age-old investor adage “sell in May and go away.” A closer look below the index level reveals that the same big Technology stocks that pulled the index to the brink of bear market territory in April are the ones that helped to pave the path to recovery. The Magnificent 7¹ cohort alone was responsible for just under half of the S&P 500’s 19% gain since April 8, allowing the cohort to shed the “Lag7” moniker coined earlier this year. The rally was fueled by factors like better-than-expected earnings reports, strong forward-looking guidance, relatively attractive valuations and positioning, and progress on the trade front. While we are constructive on longer-term thematic trends in Technology, we maintain our neutral view in the near term on tariff uncertainty, elevated valuations, a broadening profits cycle, and recent Artificial Intelligence (AI) developments that generated a correction. Investors should consider emphasizing long-term innovation themes as a part of a balanced portfolio while avoiding overexposure to any one area of the market.

Thought of the Week—Zooming Out on the U.S. Treasury Market: Fade the Foreign Buyers’ Strike: Rising trade protectionism and the “on-again, off-again” nature of U.S. tariffs have fueled concerns that, after decades of funding elevated U.S. debt levels, foreign investors are souring on U.S. assets. And with higher yields translating to higher interest costs and higher deficits, these concerns are well founded. After all, foreign investors continue to hold 30% of America’s \$28 trillion in publicly held debt.

Yet concerns of meaningful foreign selling may be overblown. While foreigners remain the largest holder of the U.S. Treasury market, their share has steadily declined from its 2008 peak while the pool of buyers has broadened. Meanwhile, some evidence of selling U.S. Treasuries is hardly anything new with China and Japan’s holdings peaking years ago. Longer-term, if the U.S. is serious about maintaining lower trade deficits, the reality is, yes, foreigners will have fewer dollars to reinvest into U.S. securities. In the near term, however, fade the foreign buyers’ strike: the U.S. Treasury market remains the safest² and most attractive of its kind globally, in our view.

¹Apple, Amazon, Alphabet, Nvidia, Meta, Microsoft, and Tesla.

²Ultimately, it’s important for investors to remember that no investment is guaranteed to be “safe.”

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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 6/9/2025,
and subject to change**

Portfolio Considerations

We maintain an overweight to Equities with a preference for U.S. Equities relative to the rest of the world, and still favor a significant allocation to bonds in a well-diversified portfolio. We would use any weakness in equity markets over the second half of the year as an opportunity to rebalance. We are neutral across Fixed Income in all-Fixed Income low-tax sensitivity portfolios, and, for qualified investors, we continue to emphasize potential long-term growth and income opportunities in Alternative Investments.

We believe there are four key catalysts for the remainder of the year:

1. Tariff and trade deals.
2. Solid corporate earnings to continue.
3. Economic and consumer resilience remains.
4. Weaker dollar and easier financial conditions support risk taking.

Markets looking past tariff impasse

Irene L. Peters, CFA®, Director and Senior Macro Strategy Analyst

The de-escalation of trade tensions has provided the U.S. economy some breathing space. Incoming data have remained mixed, as reflected in the Citi Economic Surprise Index, which has stabilized near levels consistent with a “muddle through” economy (Exhibit 1A). The May edition of the Federal Reserve’s (Fed) Beige Book echoes this mixed picture. Overall sentiment is “slightly pessimistic and uncertain,” yet some districts noted deteriorating outlooks, while others saw tentative improvement. According to the report, employment trends remained flat, wage gains are modest, and investment intentions are mixed—more evidence of rough waters rather than shipwreck.

Encouragingly, inflation has continued to surprise to the downside, and with wage growth softening, oil prices sharply lower since November, and the economy weakening, further disinflation is likely, opening the door for potential Fed rate cuts if growth weakens inordinately. Importantly, an accumulating supply glut and building deflationary pressures overseas are likely to weigh on import prices, creating conditions for a smaller inflationary impact from tariffs than is expected.

Elevated corporate profit margins also offer a buffer against tariff pain, as firms can absorb some tariff costs without significant pressures to reduce employment. Sustained consumer spending would reduce the risk of recession, as seems likely given growth in personal income. As long as the expansion continues and revenue growth continues, the negative impact from higher tariffs would be further reduced, especially on an after-tax profits basis. The policy backdrop is also turning more supportive, another buoy for risk assets and reason to look beyond immediate challenges. Impending supply-side legislation augments the long-run productivity potential, as does aggressive deregulation policy. Robust AI-related investment and a spate of foreign direct investment announcements point to sustained momentum in innovation, job creation and earnings growth.

With risk assets thus regaining their footing over the past month, including new highs in global equity indexes, attention has shifted to other concerns: rising long-term Treasury yields and the return of a positive Treasury bond term premium as portentous signals about faith in government debt sustainability and consequent negative effects on risk-asset returns. Similar to previous panicked but ultimately false narratives, a closer look suggests that rather than flashing red, these developments are just part of a broader—and healthier—macro adjustment out of the abnormally weak economic conditions of the post 2008-2009 Great Recession period. Known as “secular stagnation,” that period entailed market-distorting Fed and global central bank interventions that culminated in the aggressive response to the pandemic scare. As the era of “zero” and negative interest rates is left behind, this is now unwinding.

The Treasury term premium in question is a measure of the compensation investors demand to hold longer-duration government bonds instead of rolling over short-term securities. Though unobservable and difficult to estimate precisely, it is conceptually akin to the yield-curve spread (such as 10-year minus 2-year yields). The latter is easy to measure, and thus less “mysterious.” Both indicators reflect compensation for duration risk—including inflation, future rate uncertainty, and fiscal credibility—and thus tend to track each other’s direction over time.

The yield curve has been steepening recently, ending a two-year period of inversion. A yield-curve inversion has traditionally preceded recessions, so a steepening usually occurred during and right after recessions, when the Fed would aggressively cut short rates and long rates would stay relatively higher in anticipation of improving economic prospects (“bull steepening”). The current steepening has thus been flagged as a potential sign of recession. However, this has been an atypical “bear steepening,” where the steepening occurs through relatively higher long rates, which makes sense since the inverted yield curve was a false flag to begin with and there’s no recession to “bear flatten” from. Basically, the interest rate structure is starting to reflect normalizing interest rates, growth, and inflation conditions, rather than some ominous future economic volatility. The drop in credit spreads, and the stock market volatility—Volatility Index—supports this view.

Investment Implications

Cyclical signals remain mixed but underlying fundamentals and market action suggest a higher likelihood that the expansion can continue rather than falter. Risk appetite also appears justified in looking through near-term volatility toward a longer-term outlook for accelerating innovation and stronger AI-related productivity growth. The case for a cautiously optimistic stance on Equities remains intact, in our view.

The steepening is occurring following a false flag of recession, so it cannot follow the typical script. Importantly, inflation expectations as reflected in 10-year Treasury inflation breakevens have remained anchored around 2%, and long-end rates have hovered in a 4.0%-5% range, in line with reasonable potential nominal gross domestic product growth.

Similarly, after years of suppression through quantitative easing (QE), global disinflationary pressures and weak growth prospects, the term premium has also started to climb back into more normal positive territory. This rise has been taken as an early sign of loss of confidence in the sustainability of the U.S. debt situation, concerns about unpredictable government policies, and growing inflation risks, with negative implications for risk-asset return prospects. Yet, market behavior both here and abroad, where bond yields have also increased, are more consistent with the “normalization” rather than the “impending doom” scenario.

The small increase in the term premium also seems benign when put in historical context. The post-2008 environment saw depressed premiums due to unprecedented central bank bond-buying, deflation fears and a global savings glut. If a depressed and negative term premium reflected poor economic conditions then, a rebound should be welcome as an indication of better structural economic growth conditions now. Also, the term premium tends to follow the direction of fed funds rates with about a three-year lag (Exhibit 1B), so it's likely to increase further.

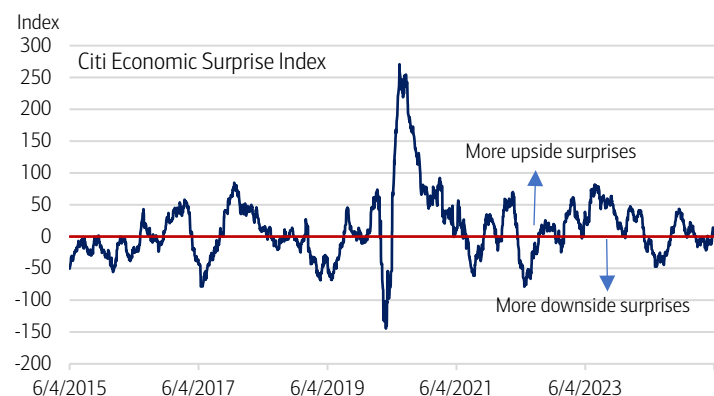
The synchronized rise in long-end yields in the U.S., Japan and Europe supports the view that this is just part of a broader normalization. Interestingly and revealingly, at the first sign of worsening growth data, long-term Treasury yields ticked lower, showing that investors still perceive Treasuries as a “safe haven,”³ a response inconsistent with the loss of confidence/inflation fear narrative circulating recently. A rising term premium should not threaten equity valuations if it reflects stronger growth prospects.

In sum, cyclical signals remain mixed but underlying fundamentals—resilient consumption, firm profit margins, upcoming supply-side tailwinds, easing global inflation pressures—suggest a higher likelihood that the expansion keeps going. Risk appetite also appears justified in looking through near-term volatility toward a longer-term outlook for accelerating innovation and stronger AI-related productivity growth. This is more consistent with the strong global equity markets so far this year.

Interest rates are normalizing both here and abroad. Aggressive Fed policies have more than conquered deflation, and U.S. government policies seeking stronger and more balanced domestic/global growth are spurring a repricing of interest rates. For now, concerns about structural headwinds to U.S. equity valuations and asset demand from higher interest rates appear exaggerated. A steeper yield curve is positive for banks' net interest margins, a positive for lending and the economic outlook. The case for a cautiously optimistic stance on equities remains intact in our view.

Exhibit 1: Economy Likely To Avoid Recession, So Term Premia Likely To Remain Positive And Possibly Higher.

1A) Economic data “not too hot, not too cold.”



1B) Term premium cyclical and anchored by Fed policy rates.

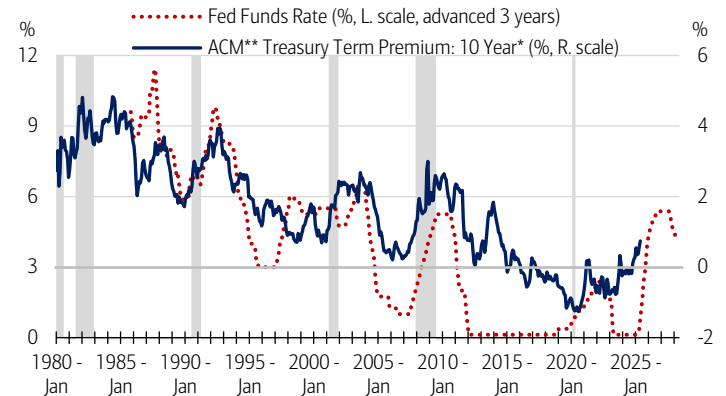


Exhibit 1A) Source: Bloomberg. Data as of June 4, 2025. Exhibit 1B) Source: Federal Reserve Board, *New York Fed/Haver Analytics. Data as of June 5, 2025. **Adrian, Crump, and Moench (ACM) model provides an approach for extracting term premia from Treasury yields. Gray bars represent recessionary periods. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

³ Ultimately, it's important for investors to remember that no investment is guaranteed to be “safe.”

From Laggards to Leaders: Is Big Tech “Magnificent” Again?

Emily Avioli, Vice President and Investment Strategist

Equities continued their clawback from the April lows last month, defying the age-old investor adage “sell in May and go away.” The S&P 500 rose 6.2%, marking the best monthly price return since October 2023 and the best return in the month of May since 1990. By month end, the index had flipped positive on a year-to-date (YTD) basis and was within striking distance of its February record closing high of 6,144. A closer look below the index level reveals that the same big Technology stocks that pulled the index to the brink of bear market territory in April are the ones that helped to pave the path to recovery in May.

The Information Technology sector, home to many of the AI darlings and the Magnificent 7 heavyweights, was the sector laggard during the “Liberation Day” (April 2) selloff, declining by -25.9% from the YTD high on February 19 through the low on April 8 (Exhibit 2A). The same sector was the top performer in the S&P 500 during the subsequent recovery, notching an impressive 29.5% gain from the low through the end of May (Exhibit 2B). The Magnificent 7 cohort alone was responsible for just under half of the S&P 500’s 19% gain since April 8, allowing the cohort to shed the “Lag7” moniker coined earlier this year.⁴

A slew of better-than-expected earnings reports is one of the most obvious factors behind the abrupt reversal. Technology was among the leaders of the pack throughout Q1 earnings season, reporting year-over-year (YoY) growth in earnings-per-share (EPS) of 16.1%. Three of the Magnificent 7 companies were among the top 5 contributors to earnings growth for the S&P 500 in Q1, while the cohort as a whole reported earnings growth of 27.7%. That’s slightly below the group’s average earnings growth rate of 32.1% over the previous three quarters—but it’s a strong showing nonetheless.⁵

The forward-looking guidance in recent big Technology earnings reports was perhaps more important than the earnings result themselves, considering how quickly Q1 has faded into the rearview. One of the big takeaways was that the AI investment cycle is powering full steam ahead, with several major players in the space reiterating their spending plans or raising capital expenditure (capex) guidance. Hyperscalers are expected to grow capex by 37% YoY in 2025, well exceeding the 6% YoY capex growth that is forecasted for the rest of the S&P 500 index.⁶

Setting the all-important earnings story aside, a few other elements likely contributed to the recent run-up. Dip buyers may have been enticed by valuations that were briefly attractive compared to recent history, with Technology’s forward price-to-earnings (P/E) ratio dropping from 29.0x to start the year to 21.1x on April 8.⁷ Sentiment was in the doldrums, and positioning had become less crowded, with the BofA Global Research Fund Manager Survey showing that fund manager allocation dropped to a net 17% underweight in April—the lowest since 2022.⁸ Progress on the trade front helped to alleviate concerns about Technology’s significant foreign revenue exposure, while the outlook for mega-cap multinational profits was bolstered by a weaker U.S. dollar. It’s also possible that the Technology giants were viewed as a defensive play against an increasingly uncertain macro backdrop, with their size and scope providing them with a perceived sturdiness. In our view, this confluence of factors created a springboard for Technology companies to bounce off of.

Portfolio Considerations

From a portfolio positioning perspective, we maintain a neutral stance on Technology. As the cycle continues to broaden out, it is important to have balanced Equity exposure across cyclical, interest rate-sensitive, and growth sectors.

⁴ Bloomberg. Data as of May 30, 2025.

⁵ FactSet Insight. June 2, 2025.

⁶ BofA Global Research. June 2, 2025.

⁷ Bloomberg. June 3, 2025.

⁸ BofA Global Research Fund Manager Survey. April 2025.

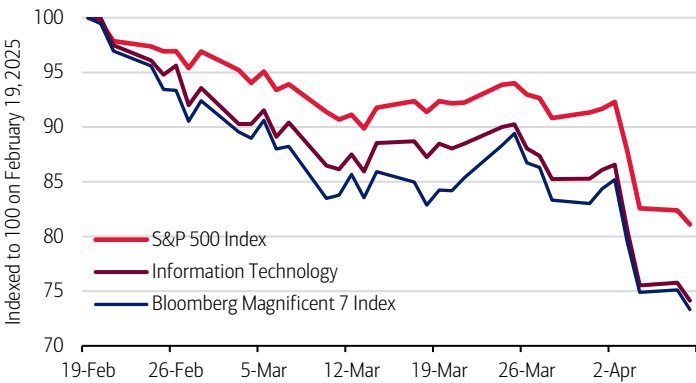
The impressive rally likely indicates that the worst of the big Technology dip is behind us. Still, the recovery is not without risks. Trade policy uncertainty remains a significant overhang and a re-escalation in tensions could disproportionately impact the foreign-exposed Technology sector (Exhibit 2D). A number of deals still need to be made before various trade talk extension windows close this summer. Elsewhere on the policy front, Technology is less likely to benefit from a lighter regulatory touch than more heavily related sectors like Financials.

Technology valuations are off the recent highs but remain elevated relative to both long-term sector averages and the broader S&P 500 index. While earnings currently remain strong, the differential between the Magnificent 7 cohort and the rest of the S&P 500 Index may narrow from here as the profits cycle continues to broaden out (Exhibit 2C). Plus, the AI developments that originally helped spark the Technology correction remain intact—increased competition in the space is expected, and the AI leaders of the market today may look different from the AI leaders of the future.

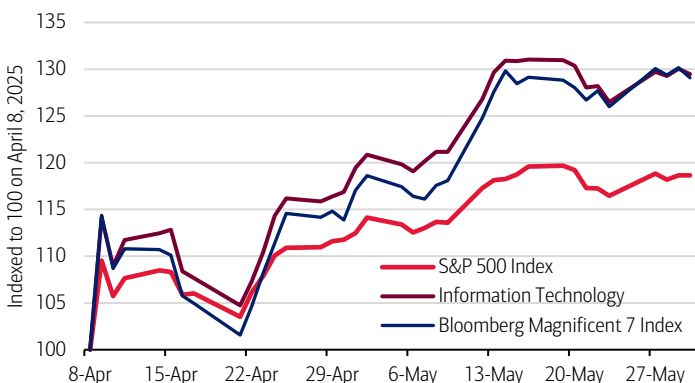
The Bottom Line: While we are constructive on longer-term thematic trends in Technology, we maintain our neutral view in the near term on trade policy uncertainty, elevated valuations, a broadening profits cycle and recent AI developments that generated a correction. In our view, the recent roundabout move in Technology acts as a healthy reminder that market leadership can, and often does, shift. Investors should consider emphasizing long-term innovation themes as a part of a balanced portfolio while avoiding overexposure to any one area of the market.

Exhibit 2: Technology Stocks Have Staged An Impressive Rally From The April Low, But Risks To The Recovery Remain.

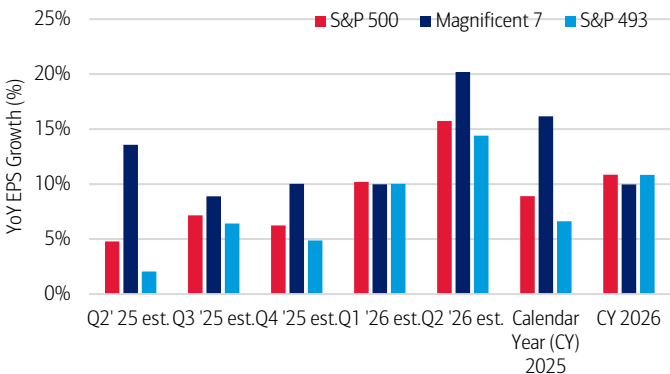
2A) Technology oriented stocks lagged during the recent dip....



2B) ...but led during the ensuing recovery.



2C) Earnings remain strong, but the differential is expected to narrow from here.



2D) Technology's high share of foreign revenue exposure presents trade-related vulnerabilities.

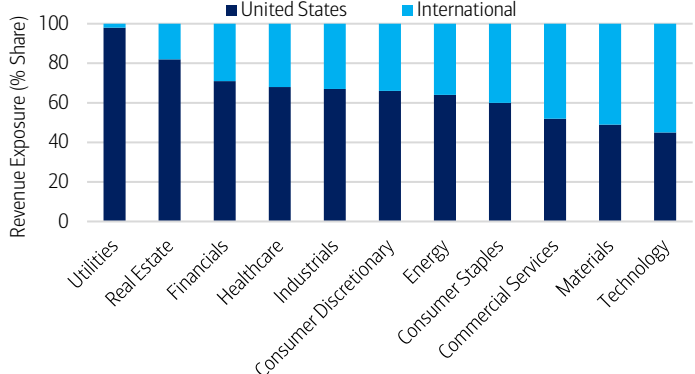


Exhibit 2A: Source: Bloomberg. Data as of May 30, 2025. Exhibit 2B: Source: Bloomberg. Data as of May 30, 2025. Exhibit 2C: Source: FactSet. Data as of June 3, 2025. Exhibit 2D: Source: Factset. Data as of May 30, 2025. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

Zooming Out on the U.S. Treasury Market: Fade the Foreign Buyers' Strike

Ariana Chiu, Wealth Management Analyst

Since Liberation Day, rising trade protectionism and the “on-again, off-again” nature of U.S. tariffs have fueled fears that foreigners are souring on the U.S.—that is, that after decades of funding elevated debt levels in the U.S., foreign investors are dumping U.S. assets. And with higher yields translating to higher interest costs and higher deficits (not to mention challenging the U.S. housing sector, small businesses and other segments of the economy), these concerns are well-founded. After all, foreign investors continue to hold a hefty 30% of America’s now \$28 trillion in publicly held debt.

Yet concerns of meaningful foreign selling may be overblown. Zooming out in Exhibit 3A, while foreigners remain the largest holder of the U.S. Treasury market, their share of the total has technically been in a steady decline for years. It peaked in 2008, in fact, at 57% of \$5.8 trillion. Since then, while foreign holdings have more than doubled, debt held by the public has nearly quintupled—i.e., demand for Treasurys has broadened out over the past decade. Among today’s diverse pool of buyers: mutual funds (18%), financial institutions (15%), the Fed (14%), and households (10%).⁹

Meanwhile, for all the recent attention on anti-U.S. sentiment in markets, zoom out a second time with Exhibit 3B: Foreign holdings of U.S. Treasurys hit an all-time high of \$9 trillion in March 2025, the last available month of data. That’s \$233 billion higher than February and nearly a trillion higher than just a year ago. Among Japan and China, oft quoted as the sellers in question, some evidence of selling U.S. Treasurys is hardly anything new. Japan’s holdings peaked in November 2021, per U.S. Treasury data. China’s holdings peaked back in late 2013—or in 2015 when combined with Hong Kong (Exhibit 3B). Such selling is likely overstated too given China’s Treasurys held in custodians abroad, such as in Belgium or Luxembourg, and diversification into other U.S. assets. China’s holdings of U.S. Equities, for example, stood at \$343 billion as of March, up from \$205 billion at the start of the decade.¹⁰

Longer term, if the U.S. is serious about maintaining lower trade deficits with the rest of the world, the reality is, yes, foreigners will have fewer dollars to reinvest into U.S. securities. In the near term, however, we don’t expect a massive exodus despite what headlines may suggest. Incoming data on foreign ownership of U.S. securities bears watching, but the U.S. Treasury market remains the safest¹¹ and most attractive of its kind globally, in our view.

Investment Implications

Foreign investors continue to account for a sizable portion of the U.S. Treasury market, and we remain watchful of incoming ownership data amid concerns of a buyers’ strike. The diversity of demand for U.S. Treasurys should not go underappreciated, however, and we expect demand to persist despite recent concerns.

Exhibit 3: Zooming Out on the U.S. Treasury Market.

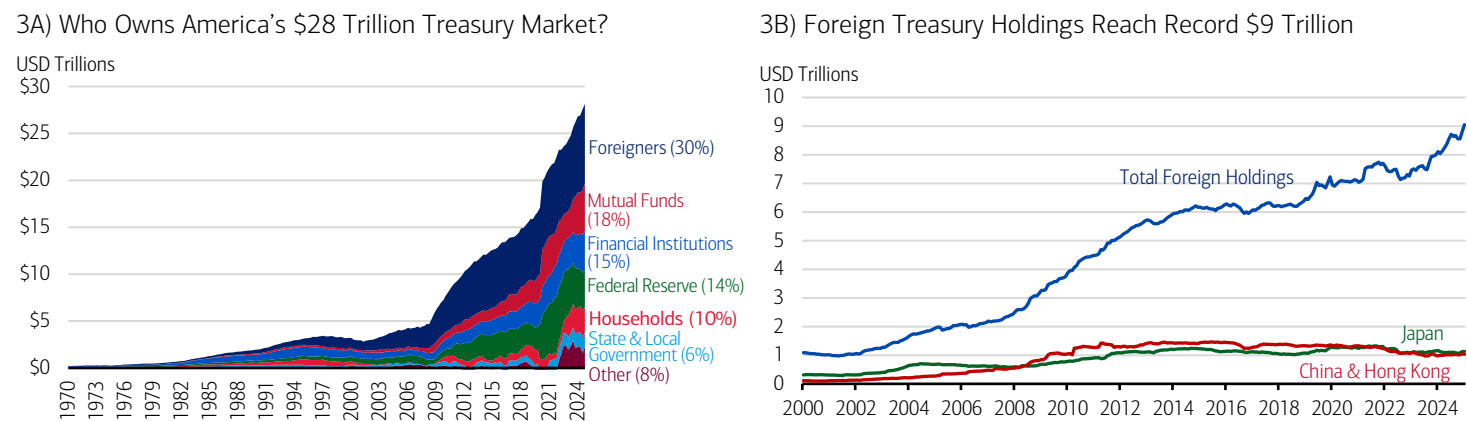


Exhibit 3A) Pensions and insurance companies included in financial institutions. Other includes nonfinancial businesses and instrument discrepancies. Source: Fed. Right-hand percentages may not add up to 100% due to rounding. Data through Q4 2024. Latest data available. Exhibit 3B) Source: U.S. Treasury, Haver Analytics. Data through March 2025.

⁹ Pensions and insurance companies included in financial institutions. Source: Federal Reserve. Data as of Q4 2024, latest available.

¹⁰ U.S. Treasury.

¹¹ Ultimately, it's important for investors to remember that no investment is guaranteed to be "safe."

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	42,762.87	1.2	1.2	1.3
NASDAQ	19,529.95	2.2	2.2	1.4
S&P 500	6,000.36	1.5	1.5	2.6
S&P 400 Mid Cap	3,051.10	1.7	1.7	-1.6
Russell 2000	2,132.25	3.2	3.2	-3.8
MSCI World	3,914.72	1.4	1.4	6.4
MSCI EAFE	2,618.67	0.7	0.7	17.7
MSCI Emerging Markets	1,182.93	2.3	2.3	11.2

Fixed Income[†]

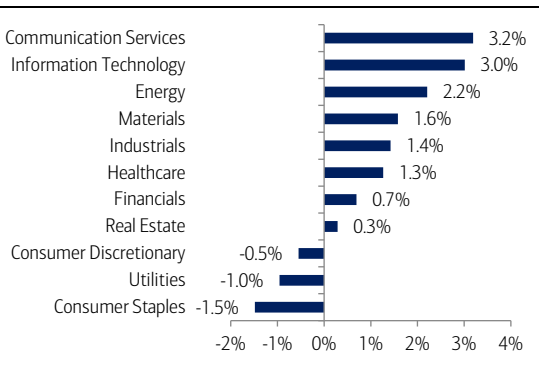
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.67	-0.41	-0.41	2.02
Agencies	4.49	-0.34	-0.34	2.17
Municipals	4.05	-0.09	-0.09	-1.05
U.S. Investment Grade Credit	4.81	-0.44	-0.44	2.00
International	5.29	-0.23	-0.23	2.03
High Yield	7.43	0.32	0.32	3.01
90 Day Yield	4.34	4.33	4.33	4.31
2 Year Yield	4.04	3.90	3.90	4.24
10 Year Yield	4.51	4.40	4.40	4.57
30 Year Yield	4.97	4.93	4.93	4.78

Commodities & Currencies

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Commodities				
Bloomberg Commodity	254.28	3.4	3.4	6.6
WTI Crude \$/Barrel ^{††}	64.58	6.2	6.2	-10.0
Gold Spot \$/Ounce ^{††}	3310.42	0.6	0.6	26.1

	Total Return in USD (%)			
	Prior Week End	Prior Month End	2022 Year End	
Currencies				
EUR/USD	1.14	1.13	1.13	1.04
USD/JPY	144.85	144.02	144.02	157.20
USD/CNH	7.19	7.21	7.21	7.34

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 6/2/2025 to 6/6/2025. [†]Bloomberg Barclays Indices. ^{††}Spot price returns. All data as of the 6/6/2025 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 6/6/2025)

	Q1 2025A	Q2 2025E	Q3 2025E	Q4 2025E	2025E	2026E
Real global GDP (% y/y annualized)	-	-	-	-	2.8	3.0
Real U.S. GDP (% q/q annualized)	-0.2	2.0	0.6	1.6	1.5	1.5
CPI inflation (% y/y)	2.7	2.6	3.1	3.1	2.9	2.6
Core CPI inflation (% y/y)	3.1	2.9	3.4	3.5	3.2	3.0
Unemployment rate (%)	4.1	4.2	4.3	4.5	4.3	4.6
Fed funds rate, end period (%)	4.38	4.38	4.38	4.38	4.38	3.38

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 June 6, 2025.

Asset Class Weightings (as of 6/3/2025)

Asset Class	CIO View				
	Underweight		Neutral		Overweight
Equities	•	•	•	•	•
U.S. Large-cap	•	•	•	•	•
U.S. Mid-cap	•	•	•	•	•
U.S. Small-cap	•	•	•	•	•
International Developed	•	•	•	•	•
Emerging Markets	•	•	•	•	•
Fixed Income	•	•	•	•	•
U.S. Investment-grade Taxable	•	•	•	•	•
International	•	•	•	•	•
Global High Yield Taxable	•	•	•	•	•
U.S. Investment-grade Tax Exempt	•	•	•	•	•
U.S. High Yield Tax Exempt	•	•	•	•	•
Alternative Investments*					
Hedge Strategies					
Private Equity & Credit					
Private Real Estate					
Tangible 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. Source: Chief Investment Office as of June 3, 2025. 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	CIO View				
	Underweight		Neutral		Overweight
Financials	•	•	•	•	•
Utilities	•	•	•	•	•
Consumer Discretionary	•	•	•	•	•
Communication Services	•	•	•	•	•
Information Technology	•	•	•	•	•
Healthcare	•	•	•	•	•
Industrials	•	•	•	•	•
Real Estate	•	•	•	•	•
Consumer Staples	•	•	•	•	•
Energy	•	•	•	•	•
Materials	•	•	•	•	•

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 market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Citi Economic Surprise Index is a metric used to track how recent economic data releases compare to market expectations.

Volatility Index (VIX) is the ticker symbol and popular name for the Chicago Board Options Exchange's CBOE Volatility Index, a popular measure of the stock market's expectation of volatility based on S&P 500 index options.

Bloomberg Magnificent 7 Index is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 widely-traded companies classified in the United States and representing the Communications, Consumer Discretionary and Technology sectors as defined by Bloomberg Industry Classification System (BICS).

S&P 493 Index is not an official index, but rather a term used to refer to the S&P 500 index excluding the seven largest companies, often referred to as the "Magnificent Seven". These seven companies (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla) dominate the S&P 500's performance. The S&P 493 provides a perspective on the performance of the remaining 493 companies in the S&P 500.

Important Disclosures

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