MARKET COMMENTARY

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1863

MARCH 2024

- Investors seemed more positive, reflected by lower a VIX reading
- All eleven sectors of the S&P 500® were up in February
- Earnings continue to come in stronger than street forecasts

Markets moved sharply higher in February, continuing the 2024 rally while expanding breadth across sectors and market capitalizations. Generally better-than-expected earnings through the first quarter reporting season supported investor enthusiasm, as did the prospect of a potentially more restrained rate environment. The VIX Index or "fear gauge" reflected the positive investor sentiment, with the index tracking in the low to mid-teens for much of February, despite a backdrop of geopolitical issues and mixed economic reports. For the full month, the Dow Jones Industrial Average increased by 2.2%, the S&P 500® index was up 5.2%, and the smaller cap-weighted Russell 2000® increased by 5.5%.

All of the eleven sectors of the S&P 500 increased during February. The best-performing sector for the month was Consumer Discretionary, which increased 8.6%, followed by the Industrials sector, which was up 7.0%. The weakest performance in the month was posted by the Utilities sector, which increased by 0.5%, followed by the Consumer Staples sector, up 2.1%. For the prior twelve months, the Information Technology sector was the best performer, with a 57.5% increase, followed by the Communication Services sector, up 57.0%. In comparison, the Utilities sector was the worst performer for the past twelve months, with a 4.6% decrease, followed by the Energy and Real Estate sector, up 2.4%.

With over 90% of the S&P 500 having reported the latest quarterly operating results, earnings continue to come in stronger than street forecasts, although any disappointments have largely been met with sharp selling pressure. Investors remain focused on corporate CEO commentary on the outlook for business in 2024, given a range of uncertainties that exist at this early point of the year. Looking ahead, Bloomberg reports consensus forecasts pointing to over 9% earnings growth for the S&P 500 in 2024 to almost $243. Given the run-up experienced by markets year to date, talk of profit-taking has surfaced among some leading market strategists. Time will tell how markets evolve from here, with the S&P 500 appearing pretty fully valued at this juncture. We see heightened volatility risks existing if tech sector leaders experience any faltering in demand or if investors become disenchanted by delays in rate cuts from the FOMC, although investor expectations on the rate-cutting front have moved into line with Fed governors' dot plot looking for three, 25 BPS, cuts to potentially occur in the second half of the year.

In mid-February, the Conference Board reported its Leading Economic Index (LEI) fell by 0.4% in January 2024, following a 0.2% decline in December. This represents the 22nd consecutive monthly decline of LEI, deemed by many as a harbinger of recession. Commenting on the dataset, Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at the Conference Board, indicated that: 'while the declining LEI continues to signal headwinds to economic activity, for the first time in the past two years, six out of its ten components were positive contributors over the past six-month period (ending in January 2024). As a result, the leading index currently does not signal recession ahead. While no longer forecasting a recession in 2024, we do expect real GDP growth to slow to near zero percent over Q2 and Q3.'

While corporate earnings reports have broadly come through ahead of expectations, many are looking for sustained double-digit earnings gains through 2024 despite persistent uncertainties. We sense the U.S. economy may be poised for a slowdown in the first half of the year before improved trends potentially emerge later in the year. The February Leading Economic Indicators update from the Conference Board also points to a slowdown, but not yet a recession, as on the horizon in the near term for the U.S.

Where to from here?

Given market valuations, we favor selective investment while taking a 12-18 month, intermediate-term investment time horizon. Our focus remains on quality, well-managed company stocks, preferring those with more reasonable valuations, favorable growth prospects, and strong balance sheets offering solid 12-18-month potential returns. That is, although market valuations appear fairly full in the near term for the overall S&P 500, we anticipate improved economic trends to drive moderate economic and corporate earnings growth later in 2024 and into 2025, offering solid intermediate-term potential returns for investors among quality holdings.

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MARKET AND ECONOMIC STATISTICS

Market Indices:	2/29/2024	12/29/2023	% Change YTD	1/31/2024	% Change (Monthly)
S&P Composite	5,096.27	4,769.83	6.84%	4,845.65	5.17%
Dow Jones Industrials	38,996.39	37,689.54	3.47%	38,150.30	2.22%
NASDAQ Composite	16,091.92	15,011.35	7.20%	15,164.01	6.12%
Russell 2000	2,054.84	2,027.07	1.37%	1,947.34	5.52%
FTSE 100	7,630.02	7,733.24	-1.33%	7,630.57	-0.01%
Shanghai Composite	3,015.17	2,974.94	1.35%	2,788.55	8.13%
Nikkei Stock Average	39,166.19	33,464.17	17.04%	36,286.71	7.94%
Stoxx Europe 600	494.61	478.99	3.26%	485.67	1.84%
MSCI Emerging Markets	1,020.94	1,023.74	-0.27%	975.80	4.63%
MSCI Emerging Markets Small Cap	1,378.90	1,367.16	0.86%	1,343.04	2.67%

Performance of S&P 500 by Industry:	% of Index as of 2/29/2024	1 Month	3 Month	Year to Date	12 Months
Consumer Discretionary	10.63%	8.60%	11.10%	4.74%	31.44%
Consumer Staples	5.96%	2.12%	6.04%	3.53%	4.98%
Energy	3.71%	2.58%	1.85%	2.05%	2.37%
Financials	12.99%	3.96%	12.60%	6.98%	12.99%
Health Care	12.52%	3.11%	10.43%	6.04%	13.93%
Industrials	8.74%	6.98%	13.25%	5.99%	20.04%
Information Technology	29.80%	6.19%	14.53%	10.34%	57.49%
Materials	2.30%	6.27%	6.52%	2.09%	7.01%
Communication Services	8.89%	5.66%	16.07%	10.77%	57.03%
Utilities	2.13%	0.53%	-0.90%	-2.55%	-4.60%
Real Estate	2.32%	2.45%	5.32%	-2.45%	2.35%
S&P 500 (Absolute performance)	100.00%	5.17%	11.57%	6.84%	28.36%

Interest Rates:	2/29/2024	12/29/2023	YTD Change (Basis Points)	1/31/2024	Month Change (BPS)
Fed Funds Effective Rate	5.33%	5.33%	0	5.33%	0
Prime Rate	8.50%	8.50%	0	8.50%	0
Three Month Treasury Bill	5.33%	5.33%	-1	5.28%	5
Ten Year Treasury	4.25%	3.88%	37	3.91%	34
Spread - 10 Year vs 3 Month	-1.08%	-1.45%	38	-1.37%	29

Foreign Currencies:	2/29/2024	12/29/2023	% Change YTD	1/31/2024	% Change (Monthly)
Brazil Real (in US dollars)	0.20	0.21	-2.4%	0.20	-0.3%
British Pound (in US dollars)	1.26	1.27	-0.8%	1.27	-0.5%
Canadian Dollar (in US dollars)	0.74	0.76	-2.5%	0.74	-1.1%
Chinese Yuan (per US dollar)	7.19	7.10	1.2%	7.17	0.3%
Euro (in US dollars)	1.08	1.10	-2.1%	1.08	-0.1%
Japanese Yen (per US dollar)	149.98	141.04	6.3%	146.92	2.1%

Commodity Prices:	2/29/2024	12/29/2023	% Change YTD	1/31/2024	% Change (Monthly)
CRB (Commodity) Index	524.43	510.32	2.8%	521.47	0.6%
Gold (Comex spot per troy oz.)	2044.30	2062.98	-0.9%	2039.52	0.2%
Oil (West Texas int. crude)	78.26	71.65	9.2%	75.85	3.2%
Aluminum (LME spot per metric ton)	2186.74	2345.50	-6.8%	2241.35	-2.4%
Natural Gas (Futures 10,000 MMBtu)	1.86	2.51	-26.0%	2.10	-11.4%

Economic Indicators:	12/31/2023	1/31/2024	% Change YTD	1/31/2024	% Change (Monthly)
Consumer Price Index	308.7	309.7	0.3%	309.7	-0.3%
Producer Price Index	254.6	254.3	-0.1%	254.3	0.1%
	4Q23	**3Q23**	**2Q23**	**1Q23**	**4Q22**
GDP Growth Rate (Quarterly)	3.20%	4.90%	2.10%	2.20%	2.60%
Unemployment Rate (End of Month)	**January 3.7%**	**December 3.7%**	**November 3.7%**	**October 3.8%**	**September 3.8%**

*GDP growth rate is calculated as the percent change from the previous period seasonally adjusted at annual rates. **S&P Sectors were re-named at the end of 2001. The sector Industrials is a combination of the former sectors Capital Goods & Transportation.Sources: Wall Street Journal, Bloomberg, The Department of Labor, The Bureau of Labor Statistics, The Bureau of Economic Analysis, US Treasury website.

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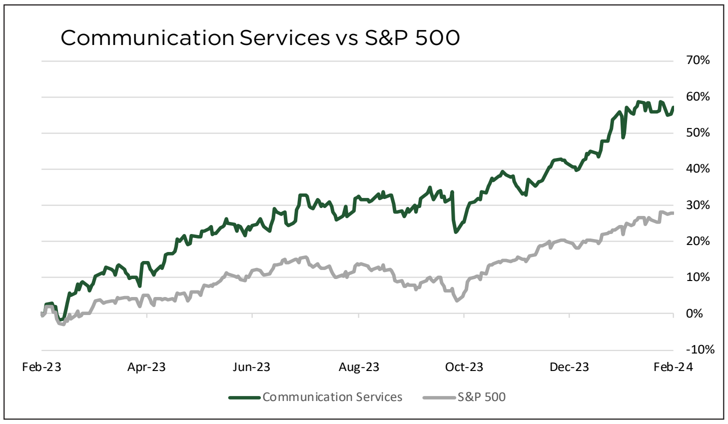
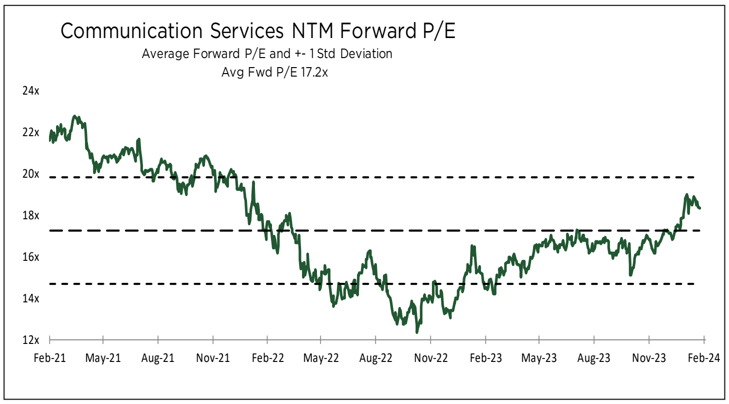
COMMUNICATIONS SERVICES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
5.66%	16.07%	10.77%	57.03%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Meta Platforms Inc	25.6%
	Walt Disney Co/The	16.2%
	News Corp	9.5%
	Live Nation	9.2%
	News Corp	9.1%
Laggards	Paramount Global	-24.3%
	Charter Comm. Inc	-20.7%
	Warner Bros Discovery	-12.3%
	Take-Two Interactive	-10.9%
	Fox Corp	-8.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$12.58	$14.74	$16.69
21.7x	18.5x	16.3x

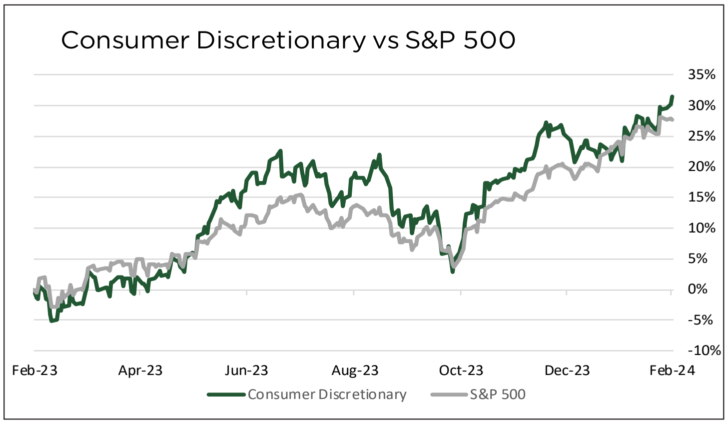
Sector Update

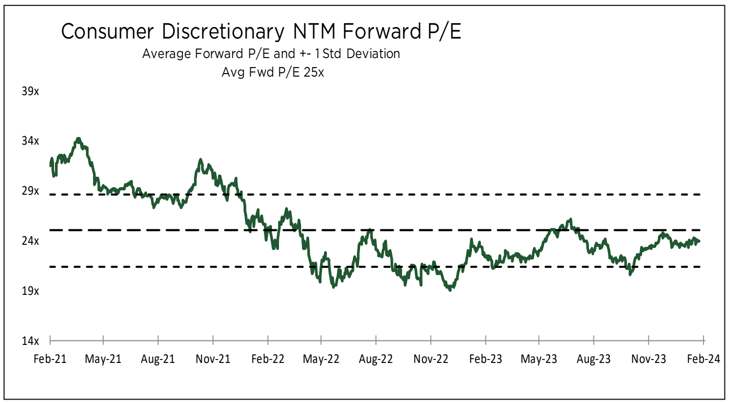
Communications Services (+5.66%) outperformed the market in February, driven by the Entertainment (+8%) and Interactive Media & Services (+8.4%) sub-sectors. The Walt Disney Company was one of the top performing Entertainment sector stocks in February (+16%) after it reported better-than-expected results. Disney's ESPN division formed a joint venture with Warner Brothers Discovery (WBD) and Fox to launch a new streaming sports app this fall, including all major league sports and college football. In addition, Disney plans to expand its ESPN+ streaming service to include all ESPN content by the fall of 2025, including ESPN Bet (sports betting and sports fantasy by the fall of 2025.

Disney announced its $1.5 billion equity investment in Epic Games, the producer of Fortnite, one of the most popular video games. Disney plans to create a new theme park attraction based on Fortnite and will collaborate with Epic Games on new video games and e-commerce opportunities.

Interactive Media & Services' performance in February was driven by Meta Platforms (+25.6%). Leading social media and search advertising companies are benefitting from the recovery of the global advertising market. These companies are applying AI and generative AI technology to develop automated advertising technology that helps advertisers more efficiently place and monitor ad performance across a range of platforms. The companies are providing advertisers and video content creators with new generative AI tools to develop new ads and videos more efficiently.

The Communications Services sector appears close to fairly valued, with a P/E of 18.5 x and 16.3x the consensus analyst FY24/25 EPS estimates, compared to estimated FY25 earnings growth of 13% and its average twelve-month forward P/E multiple of 17.2x.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
8.60%	11.10%	4.74%	31.44%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Ralph Lauren Corp	29.4%
	Tapestry Inc	22.5%
	eBay Inc	15.1%
	Garmin Ltd	14.9%
	Amazon.com Inc	13.9%
Laggards	BorgWarner Inc	-8.2%
	Expedia Group Inc	-7.8%
	Carnival Corp	-4.3%
	Royal Caribbean Cruise	-3.3%
	Aptiv PLC	-2.3%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$49.99	$59.12	$68.14
29.7x	25.1x	21.8x

Sector Update

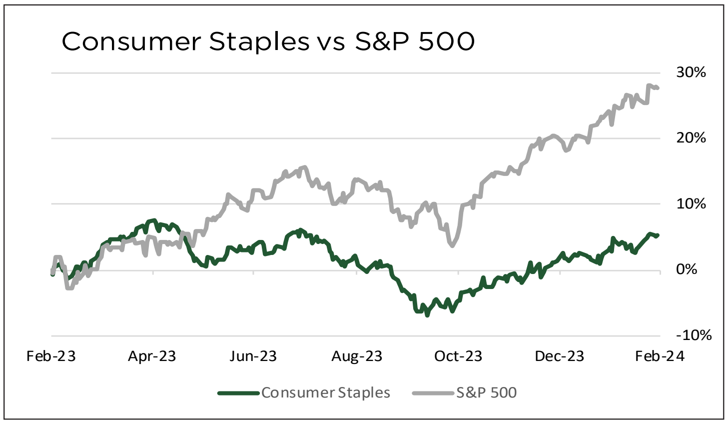
The Consumer Discretionary sector rebounded in February following January's lagging performance. Among Consumer Discretionary subsectors, the strongest performance was seen in Multiline Retail as well as in Specialty Retail and Distributors. Consumer Discretionary subsectors that were softest included Auto Components, followed by Leisure Products. The Consumer Discretionary sector has outperformed the S&P 500 both on a 1-month and trailing twelve-month basis while underperforming the market on a 3-months and year-to-date basis, as seen in the accompanying chart.

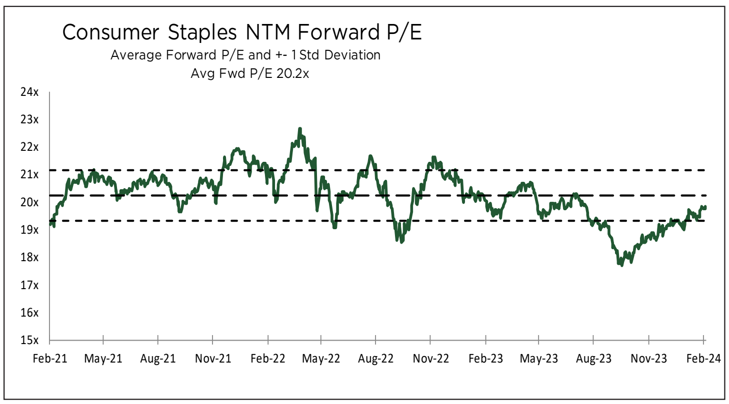
The January retail sales report from the Census Bureau came in below expectations with a decline of 0.8% for the month, representing a deceleration from the revised December report of up 0.4%. Challenging weather conditions in much of the country may have contributed to the soft sales report, which included particular weaknesses in building materials & garden stores. Relative strength was seen in sales at furniture retailers as well as restaurants and bars. On a year-over-year basis, sales for January increased by 0.6%.

Consumer sentiment continued to rise in February, reaching a two-and-a-half-year high, as reported by the University of Michigan. The preliminary consumer sentiment report for February was 79.6, which reflects a modest increase compared to the January level of 79.0. Also advancing was the consumer expectations index, which measures sentiment for the next six months. It was reported at 78.4 for February versus 77.1 for January. Inflation expectations tracked at an average of 3% over the next year, which is generally in line with the consumer price index or CPI of 3.1% over the past twelve months.

Housing starts for January dropped 14.8%, with weak construction activity likely impacted by challenging weather conditions. For the month, housing starts were 1.33 million units, the lowest pace seen since August 2023 and a sharp slowdown from the December level of 1.56 million starts. The U.S. continues to be in the midst of a housing shortage, with activity constrained by a range of factors, including the level of interest rates.

Home prices, as measured by the Case-Shiller 20-city price index, increased 6.1% year-over-year in December, reaching a new all-time high. U.S. real estate markets saw broad-based growth, with all 20 markets in the index rising, with four markets each advancing by over 8%. A constrained supply of homes for sale appears to be a key factor supporting market pricing despite headwinds such as ongoing high mortgage rates.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.12%	6.04%	3.53%	4.98%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Hormel Foods Corp	16.3%
	Estee Lauder Cos Inc/	12.6%
	Dollar Tree Inc	12.3%
	Dollar General Corp	10.0%
	Target Corp	10.0%
Laggards	J M Smucker Co/The	-8.7%
	Kenvue Inc	-8.5%
	Walgreens Boots	-5.8%
	Kraft Heinz Co/The	-5.0%
	Keurig Dr Pepper Inc	-4.9%

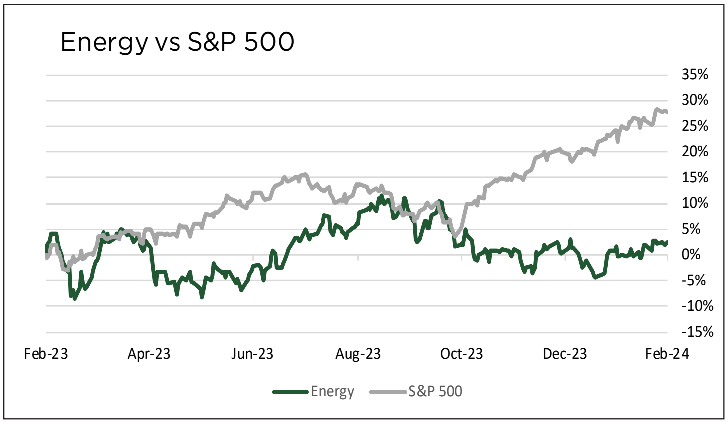
Consensus FY EPS / P/E

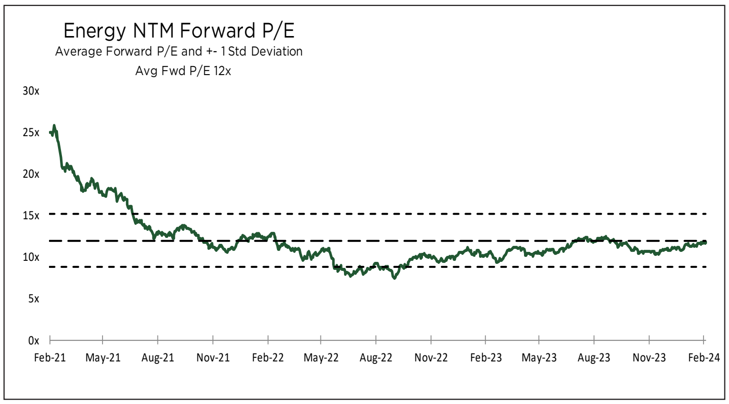
Last Year	Current Year	Next Year
$37.68	$38.99	$42.25
20.9x	20.2x	18.7x

Sector Update

The Consumer Staples sector increased by 2.12% on average in February and underperformed the S&P 500 Index, which increased by 5.17%. Food and Staples Retailing contributed the most during February, while the Food Products segment was the weakest. The Consumer Staples segment trades with a current forward P/E of about 20.2x, which aligns with its average forward P/E, and a market weighting remains preferred. While investment in many of the Consumer Staples companies continues to offer an attractive dividend yield, the movement in rates influences interest in the group. Packaged food stocks trade with a low-teens P/E valuation and near historic low levels, still setting the group up as an attractive investment option for 2024. We continue to advise a selective investment among the Consumer Staples stocks and prefer an investment in companies with pricing, leading market share, strong balance sheets, and experienced management. Results for the year should benefit from moderating input cost pressures (grains, oils, etc.), realizing cost savings and efficiencies, leveraging improved supply chains, and operating with better-aligned inventory levels at retail. Further emphasis includes the pace of margin recovery, the level of promotions and competitive pressures, and consumer shopping patterns and behaviors. Companies with strong, well-managed brand portfolios, clear growth prospects, margin expansion opportunities, and attractive capital allocation strategies remain of interest. The premiumization trend is slowing near-term as consumers seek absolute price points or more affordable options. Trends include Health/Wellness, GLP-1/diet drug, protein, value, and organic.

The key takeaway from company presentations during the recent Consumer Analyst of New York (CAGNY) conference held in February was the reiteration of expected annual organic sales and EPS expectations for full-year guidance. Packaged food group stocks traded higher mid-February in response to WalMart's comments about food pricing, which was slightly higher in Q4 vs. the prior year period. Several companies outlined expectations for improving volume trends in 2H, while others would not comment. The investment in AI, Technology, and Data Analytics to market, innovate, and reach consumers was a theme across presentations. Companies are using their investment in technology and data to create greater relevance to consumers, whether through leveraging selling channels (e-commerce, click and collect, retailer shelf resets, c-store, etc) or innovation or managing price points and package mix. Companies continue to experience an uptick in e-commerce sales. Walmart is delaying some shelf resents in categories to save on labor, which could skew the timing of comparisons with the prior year. Timing of volume inflection as pricing is more muted in 2024 remains critical. Volume inflection and attractive valuation could catalyze renewed interest in the group, especially if promotions, price competition, and input costs remain stable. Most Consumer Staples companies do not plan significant pricing in FY24, with the exception of some carryover pricing and surgical pricing (ie, expect HSY to raise prices to offset significantly higher cocoa costs). Portfolio transformation through divestments and acquisitions, as well as streamlining the number of product offerings, also remains a key theme.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.58%	1.85%	2.05%	2.37%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Diamondback Energy	18.7%
	Targa Resources Corp	15.6%
	ONEOK Inc	10.1%
	Marathon Oil Corp	6.1%
	Occidental Petroleum	5.3%
Laggards	APA Corp	-4.9%
	Halliburton Co	-1.6%
	Phillips 66	-1.2%
	Schlumberger NV	-0.8%
	EOG Resources Inc	0.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$57.22	$54.52	$59.56
11.4x	12.0x	11.0x

Sector Update

Energy stocks turned positive in February, albeit lagging behind the broader market's upward move for the month. Underlying energy price movements reflected a macro environment that continues to be challenged with weather and economic uncertainty weighing against the group. Against this backdrop, the Energy Equipment & Services subsector outperformed the Oil, Gas & Consumable Fuels subsector during the month. The Energy sector overall has significantly underperformed the S&P 500 for the 1-month, 3-months, YTD, and trailing-twelve-month periods, as seen in the accompanying table.

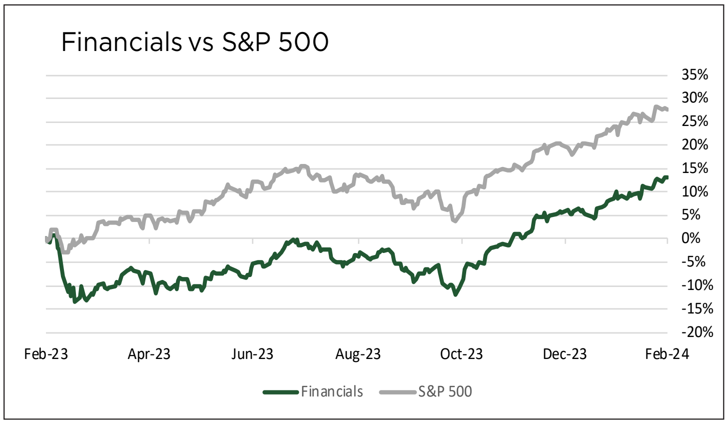
Natural gas prices in February declined to the lowest levels since the 2020 pandemic lows. Mild weather in February and the likelihood that winter weather extremes may be in the rearview mirror appear to have been key factors contributing to the softness in natural gas prices. In addition to weather, natural gas supplies are tracking well above the 5-year seasonal average, which could be another element weighing on market pricing.

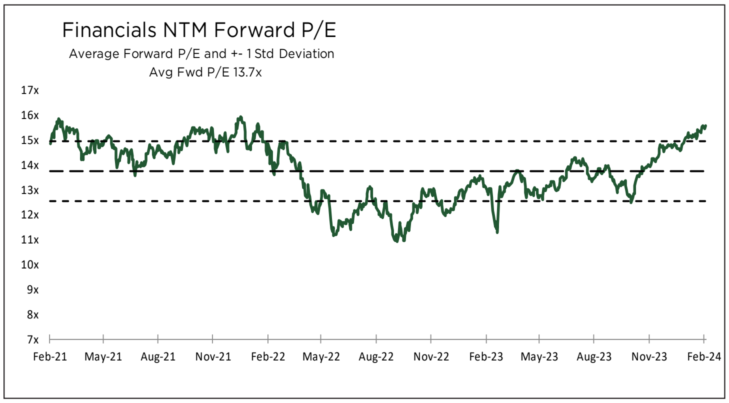
OPEC maintained its outlook for growth in oil demand in 2024 at 2.2 million barrels per day as part of the cartel's monthly oil market report. OPEC expects a total 2024 oil demand of 104.4 million barrels per day, which now incorporates a slightly stronger U.S. outlook, largely offseting increasing caution in Europe. Looking to 2025, OPEC is targeting continued growth at a moderated pace of 1.8 million barrels per day. The International Energy Agency, or IEA, also provided an updated outlook for 2024, indicating an expectation for consumption to grow by 1.2 million to 1.3 million barrels per day. The forecast represents a deceleration from last year, with economic growth in China anticipated to restrain total consumption. In addition, the IEA expects increased oil production in the U.S., Canada, Brazil, and Guyana to support more than enough supply growth to meet global oil demand, helping to moderate oil prices during the year.

West Texas Intermediate (WTI) crude oil prices moved modestly higher in February, with WTI trading from the $75 per barrel range to end about $78 per barrel. Natural gas prices decreased from about $2.10 per million Btu to end the month at about $1.86 per million Btu. Retail gasoline prices slightly increased in the month, moving to $3.29 per gallon at the end of the month from the $3.21 average price seen at the end of the prior month and down from the prior year level of $3.46.

The Baker Hughes oil rig count was up slightly in the month, coming in at 503 rigs versus 499 rigs last month. The oil rig count at month-end was down versus the prior year level of 600 rigs. U.S. crude oil storage, at 447 million barrels, was up from last month's level of 422 million barrels. We note that storage levels have generally been declining off the 2020 pandemic high and are currently below the prior year's level of 480 million barrels. Following the downturn seen during the height of the pandemic in 2020, U.S. crude oil production has been in an uptrend, which continued during 2023. The trough daily production seen in 2020 was in the 9.7 million barrels per day range and has now rebounded to about 13.3 million barrels per day at the end of the month.

FINANCIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
3.96%	12.60%	6.98%	12.99%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Discover Financial	14.4%
	Fidelity National Infor-	11.1%
	Wells Fargo & Co	10.8%
	Willis Towers Watson	10.7%
	Hartford Financial Ser-	10.2%
Laggards	MSCI Inc	-6.3%
	Comerica Inc	-6.1%
	Zions Bancorp NA	-5.9%
	Truist Financial Corp	-5.6%
	MarketAxess Holdings Inc	-5.4%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$38.76	$42.76	$47.46
17.3x	15.7x	14.1x

Sector Update

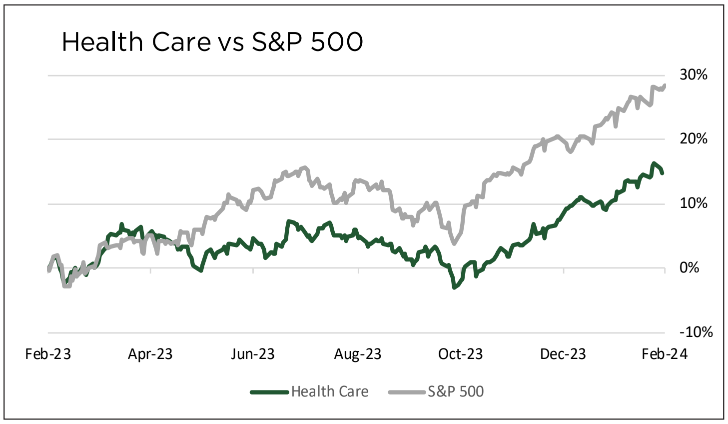
The Financials sector gained 3.96% in February, extending a rally in risk-on sentiment supported by broader capitulation toward a ‘soft-landing’ consensus view as economic data remains resilient with disinflationary trends in place today. The sector underperformed the S&P500® index advance of 5.17% in the same period, supported by strong results in mega-cap tech, consumer discretionary, and industrial sectors. The financials sector has been up 12.6% in the last three months, ahead of an 11.6% advance in the S&P 500, which is supported by tight credit spreads and low volatility, benefitting the cyclically leveraged sector. Financial returns remain well below the broader market on a trailing twelve-month basis, given banking liquidity issues in March of 2023, with Y/Y return profiles set to be more competitive with the market after lapping current month comparisons.

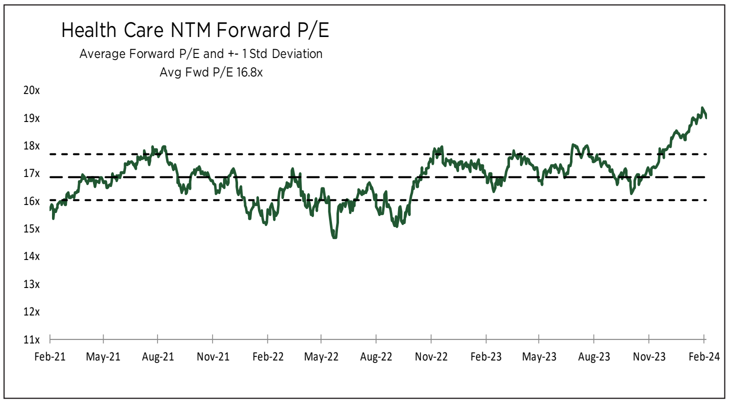
Consumer Finance was the leading subsector among Financials in February, up 7.8% M/M. The subsector includes the leading sector component Discover Financial Services (DFS), up 14.4% in the month after Capital One (COF) announced a proposed merger with the company. The merger could potentially create the largest player in Credit Cards while increasing volume across the DFS payment network, which competes against leaders like Visa (V), Mastercard (MA), and American Express (AXP).

All other sub-sectors underperformed the broader market index in February but posted M/M gains in a range of 1.6% to 5.1%. The insurance group topped the Financials sector performance with a 4.1% improvement, largely related to a ~40bps back-up in 10-year Treasury yields, which informed higher net interest income for the companies.

Wells Fargo (WFC) was among the leading Financials in February after the Office of the Comptroller of the Currency (OCC) terminated its 2016 consent order regarding sales practice misconduct, driving shares higher on expectation of further regulatory scrutiny un-wind for the bank. To date, WFC has removed six of fourteen regulatory constraints, with the remaining eight, including its $1.95T asset cap enforced by the Federal Reserve.

Financials performance in 2024 will likely depend on the path and pace of Fed rate policy in returning a positive slope to the yield curve. Lower short-term rates could benefit funding costs while inspiring concurrent loan growth. Loan demand and willingness to lend remain depressed, while credit risks in consumer and CRE books remain elevated in the near term. The Financials Sector trades at a forward P/E ratio of 15.7x FY24 expectations, above its three-year average forward twelve-month multiple (13.7x). Valuations in the financial sector appear fair to full and will require selectivity in the face of an uncertain near-term fundamental outlook not apparent in current credit spread or volatility measures.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
3.11%	10.43%	6.04%	13.93%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	GE HealthCare Technol-	24.4%
	IQVIA Holdings Inc	18.7%
	Charles River Laborato-	17.5%
	DaVita Inc	17.4%
	Eli Lilly & Co	16.7%
Laggards	Insulet Corp	-14.1%
	Amgen Inc	-12.9%
	Biogen Inc	-12.0%
	Moderna Inc	-8.7%
	ResMed Inc	-8.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$64.62	$87.46	$98.22
26.1x	19.3x	17.2x

Sector Update

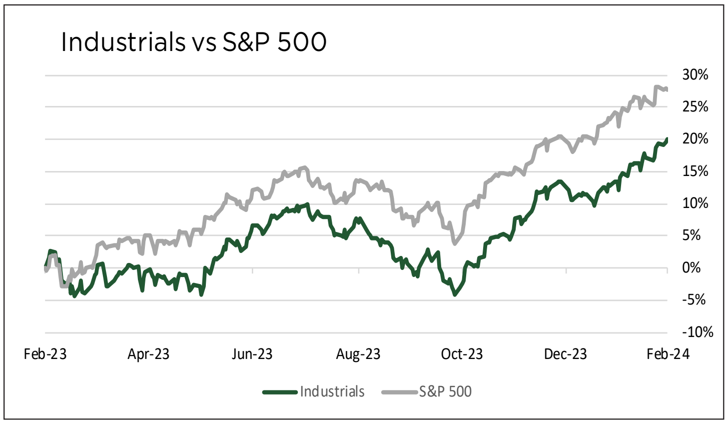
The healthcare sector rose 3.11% in February, underperforming the S&P 500's 5.17% gain. Once again, solid earnings reports and anticipation for lower interest rates propelled the S&P 500 to all-time highs in February. Although the Health Care sector underperformed the S&P 500 during February, the Health Care sector continued to benefit from strong earnings results, solid 2024 financial outlooks, and elevated medical utilization.

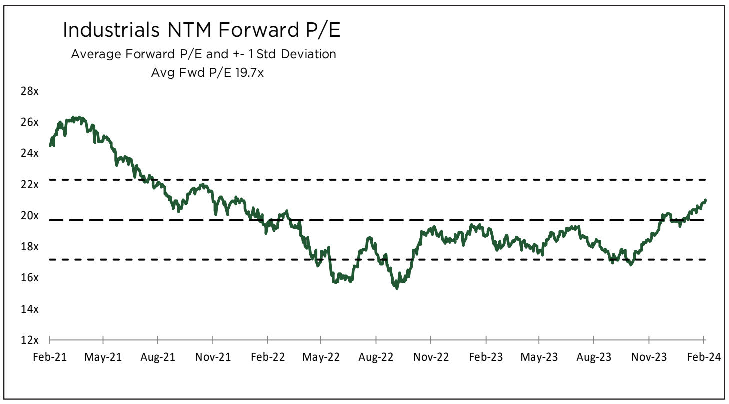
4 out of the 5 subsectors within Health Care registered gains in February, including a 7.4% gain from the Pharmaceuticals subsector, which led the Health Care sector. Due to sector rotation, upcoming patent cliffs, and the passage of the IRA bill, pharmaceutical stocks lagged the broader market in 2023. Despite this underperformance in 2023, solid results and favorable 2024 outlooks helped propel the sector in February. Eli Lilly was the best-performing pharmaceutical stock in February, supported by weight-loss drug sales that drove overall results. Furthermore, weight-loss drug peer Novo Nordisk announced that the firm plans to acquire contract research organization Catalent. The outright purchase of a contract research organization represents a rare move by the pharmaceutical company, although investors may have viewed the news as a testament to the strong demand for weight-loss drugs. The Life Sciences Tools & Services subsector was the next best-performing subsector in February. While a slowdown in China and a subdued spending environment from biopharma end markets weighed on the subsector in 2023, commentary from leading Tools & Services firms forecasted a more favorable environment as expected in the second half of 2024.

GE Healthcare was the best-performing healthcare stock in February, with a gain of 24.4%, supported by a revamped product portfolio and impressive order backlogs. IQVIA's 18.7% gain represents a rebound in February after weak January performance, supported by upside earnings and strong demand despite a challenging environment. Meanwhile, Charles River Laboratories increased 17.5% in February after lagging the broader market in January. Charles River Laboratories announced upside earnings results during the month and announced a 2024 guidance above consensus expectations.

On the contrary, Insulet was the worst-performing stock in healthcare in February, with a decline of 14.1%. Although Insulet reported strong results from the firm's Omnipod 5 automated insulin delivery system, the firm released a 2024 outlook that may have disappointed investors. Meanwhile, Amgen shares fell 12.9% in February after missing revenue expectations, while Biogen also missed quarterly estimates as legacy drugs declined due to generic competition. The Health Care sector trades at a current forward P/E ratio of 19.3x, above the historical average of 16.8x.

INDUSTRIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
6.98%	13.25%	5.99%	20.04%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Quanta Services Inc	24.5%
	Axon Enterprise Inc	23.4%
	Uber Technologies Inc	21.8%
	General Electric Co	18.5%
	Howmet Aerospace Inc	18.3%
Laggards	CH Robinson	-11.9%
	Deere & Co	-7.2%
	Expeditors International	-5.3%
	Snap-on Inc	-4.9%
	Stanley Black & Decker	-4.3%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$41.46	$48.04	$54.66
24.7x	21.3x	18.7x

Sector Update

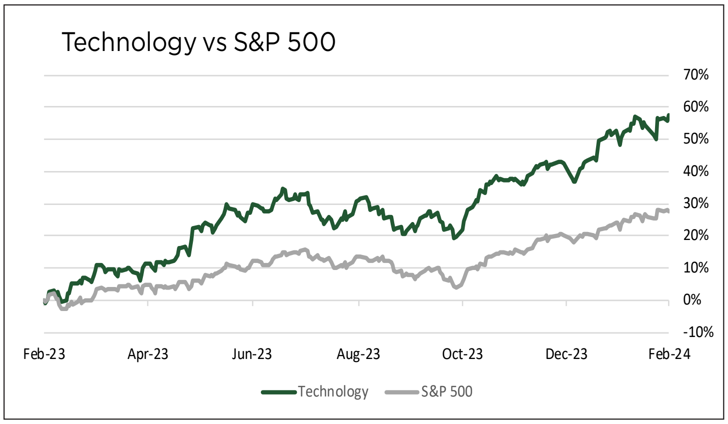
The Industrial Sector advanced 6.98% in February, outperforming the 5.17% increase in the S&P 500. The Industrial sector has also outperformed the S&P 500 on a three-month and trailing 12-month basis. All 12 subsectors within Industrials increased in the month, with the most significant increase coming from Construction & Engineering, with a gain of 24.5%.

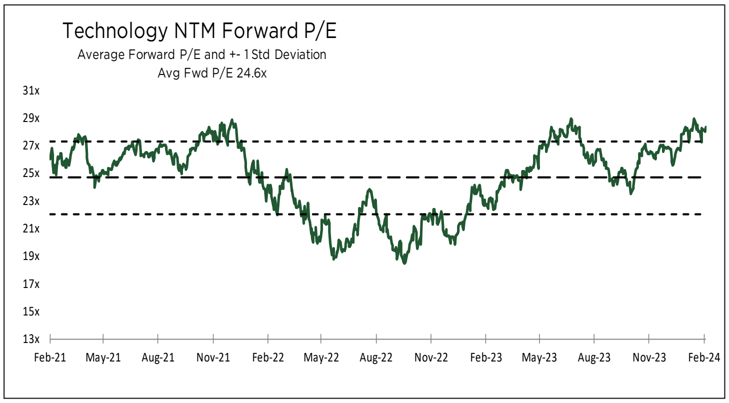
Quanta Services was the best-performing equity in the Industrial Sector, with a 24.5% gain. Quanta Services benefited from upside results during the firm's fourth-quarter earnings call, reflecting strong growth in earnings. Additionally, Axon Enterprise shares were up 23.4% in February, supported by strong earnings results and expectations that the firm's cloud software, Taser devices, and body cameras are experiencing solid demand. Uber Technologies was the next best-performing equity within the industrial sector, with a 21.8% gain. Uber stated that the firm's board authorized the repurchase of up to $7 billion in stock in February, which was the company's first authorized share repurchase plan. Meanwhile, General Electric increased 18.5% during the month. Investors may have reacted positively to General Electric's earnings report and upcoming corporate breakup that is expected to go into effect in April.

On the contrary, the worst-performing equity in the Industrials sector was trucking company CH Robinson, with an 11.9% decline. Early in February, CH Robinson reported earnings below expectations, citing waning freight volumes and excess capacity that suppressed transportation rates. Deere & Co was the next worst-performing equity in the Industrials sector, with a 7.2% decline. The farm equipment maker cut 2024 profit expectations during the firm's earnings call due to customers holding off on replenishing their fleets.

The February Manufacturing PMI registered a reading of 47.8%, down 1.3% from the 49.1% recorded in January. The New Orders Index moved into expansion territory at 49.2%, 3.3% lower than the January figure of 52.5%. The Production Index reading of 48.4% represents a 2% decrease compared to January's figure of 50.4%. The Industrial Sector trades at a Forward P/E of 21.3x, above the three-year average of about 19.7x.

INFORMATION TECHNOLOGY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
6.19%	14.53%	10.34%	57.49%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	NVIDIA Corp	28.6%
	Applied Materials Inc	22.7%
	Enphase Energy Inc	22.0%
	Trimble Inc	20.3%
	Monolithic Power Sys-	19.5%
Laggards	Akamai Technologies Inc	-10.0%
	Adobe Inc	-9.3%
	Gen Digital Inc	-8.5%
	Palo Alto Networks Inc	-8.3%
	Cisco Systems Inc	-3.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$100.60	$125.94	$147.33
37.3x	29.8x	25.4x

Sector Update

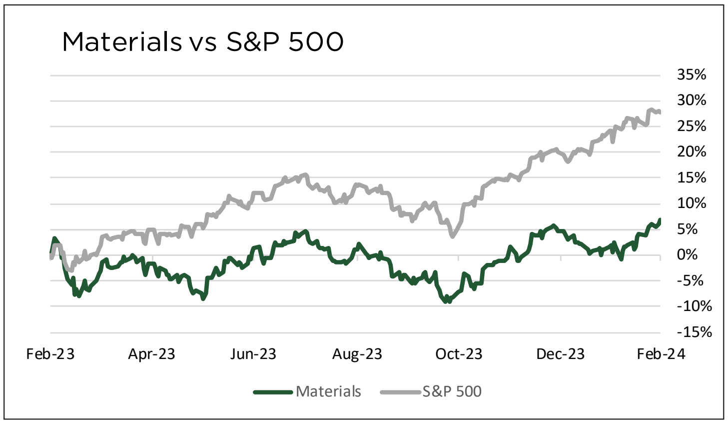
Technology (+6.19%) and the Semiconductor & Semiconductor Capital Equipment (+17.8%) sub-sector outperformed the market in February, driven by the sharp rise in the shares of Applied Materials and NVIDIA as they benefited from robust generative AI demand.

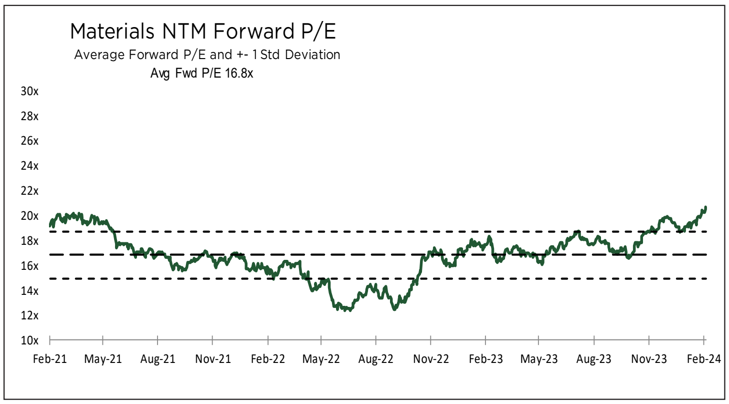
Semiconductor manufacturers are the greatest near-term beneficiaries of generative AI demand as corporations and governments invest in the infrastructure required for generative AI. While semiconductor component supply has continued to improve, NVIDIA reported that customer demand for its GPUs to support generative AI could exceed supply in 2024.

NVIDIA estimated that $1 trillion is invested in general computing infrastructure. NVIDIA believes that companies will replace this legacy infrastructure with accelerated computing technology (which includes CPUs, GPUs, and advanced optical and networking technology) to facilitate accelerated computing and generative AI. Demand for generative AI technology has become widespread, ranging from consumer Internet companies to biotech, enterprise and consumer software, healthcare, financial services, media, and telecom companies. In addition, sovereign governments in Australia, France, Germany, Japan, and the U.S. are investing in AI supercomputers. Corporations are utilizing generative AI to glean insights from their proprietary data, which they can utilize to enhance their corporate performance. Thus far, generative AI has helped companies accelerate their software application development, enhance customer service/sales and marketing, and facilitate content generation.

While generative AI demand remains strong, semiconductor companies supplying the automotive and industrial markets provided March quarter guidance below the consensus estimates due to an ongoing inventory correction in these end markets. However, semiconductor companies expect to return to seasonal growth patterns in the second half of the year since they believe that distributor inventory levels will reach the desired levels by the June quarter.

The Technology sector appears close to fairly valued, with a P/E of 29.8x and 25.4x the consensus analyst FY24/25 EPS estimates, compared to the estimated FY25 EPS growth of 17% and its average twelve-month forward P/E of 24.6x.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
6.27%	6.52%	2.09%	7.01%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Albemarle Corp	20.1%
	Corteva Inc	17.7%
	Vulcan Materials Co	17.6%
	Ball Corp	15.5%
	Martin Marietta Materi-	13.6%
Laggards	Newmont Corp	-9.4%
	Air Products and Chem.	-8.5%
	International Flavors & Fragra	-6.4%
	Freeport-McMoRan Inc	-4.7%
	Amcor PLC	-3.9%

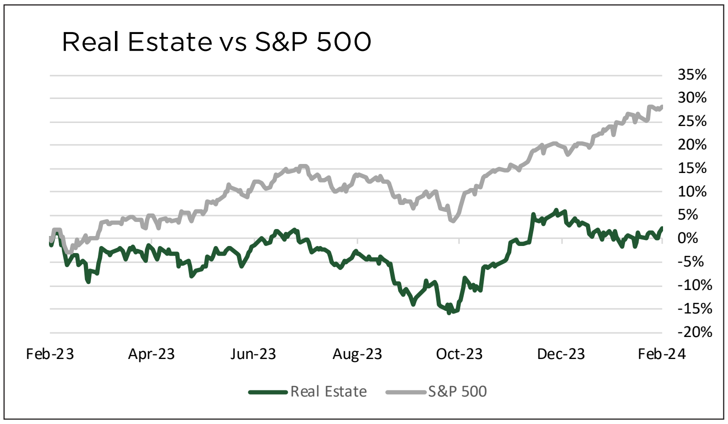
Consensus FY EPS / P/E

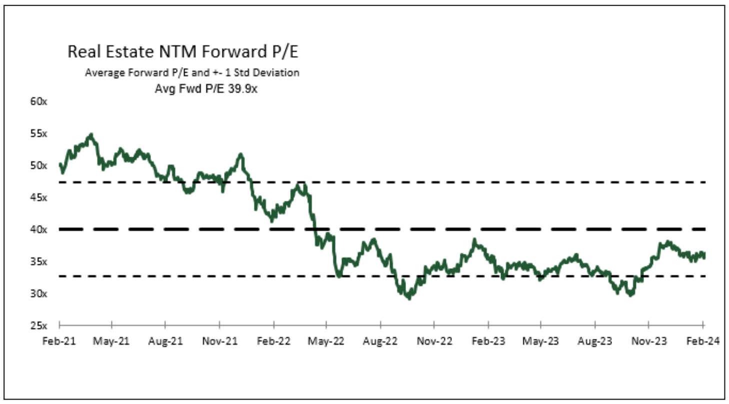
Last Year	Current Year	Next Year
$25.48	$26.37	$30.38
21.6x	20.9x	18.1x

Sector Update

The Materials segment increased by 6.27% in February and outperformed the S&P 500 Index, which increased by 5.17%. All segments reported monthly increases except for the Metals and Mining segment. The Construction Materials segment reported the greatest gain, increasing by 15.5%. The Materials segment trades with a current forward P/E of about 20.9x and above its average forward P/E of about 16.8x. Entering the spring season, the sentiment for Homebuilders has improved since mid-February, with positive momentum supported by solid demand, tight inventories, and an improving supply chain. Mortgage rates remain a key factor to monitor, along with labor costs. Input cost declines serve as another potential catalyst along with margin. For 2024, key factors to monitor include interest rate trends, consumer behavior and confidence trends, inventory levels, realized pricing, the outlook for the macroeconomic environment, capital spending, and volume. Selective investment among the group remains a key factor, with a preference for strong management teams and high-quality businesses.

Recent comments delivered by Fed Chair Jerome Powell in his appearance on Capitol Hill stated that the committee does not expect to lower interest rates until they gain greater confidence that inflation is moving towards the 2% target. The pace of potential interest rate cuts remains in focus and a key driver for the materials segment interest. Key factors for packaging companies include consumer demand, input costs, and pricing. Production costs benefit from lower input costs, improved manufacturing efficiencies, and reduced plant downtime, which should positively contribute to margins, especially in 2H. Stronger 2H volumes remain a potential catalyst. For chemical companies, focusing on the mix, managing balance sheets, and delivering consistent free cash flow remain key factors. Chemical companies invest in long-term returns for the business. For 2024, the outlook for chemical stocks is for a stronger 2H vs 1H, reflecting demand, utilization rates, and margin expected trends. For the lithium sector, a more favorable outlook for 2H could change the view and catalyze renewed interest in the group. Potential expectations for more favorable lithium demand in 2H and the need to rebuild inventories and supply adjustments could provide lithium price support as the year progresses and rebuild positive sentiment towards lithium companies. Preferred areas for potential investment include hydrocarbon, coatings, and lithium.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
2.45%	5.32%	-2.45%	2.35%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Iron Mountain Inc	16.5%
	Host Hotels & Resorts	7.9%
	Equinix Inc	7.1%
	Simon Property Group	6.9%
	Welltower Inc	6.5%
Laggards	Healthpeak Properties	-9.5%
	Ventas Inc	-8.8%
	SBA Communications	-6.5%
	Realty Income Corp	-4.2%
	Boston Properties Inc	-2.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$6.07	$6.68	$7.46
40.4x	36.7x	32.9x

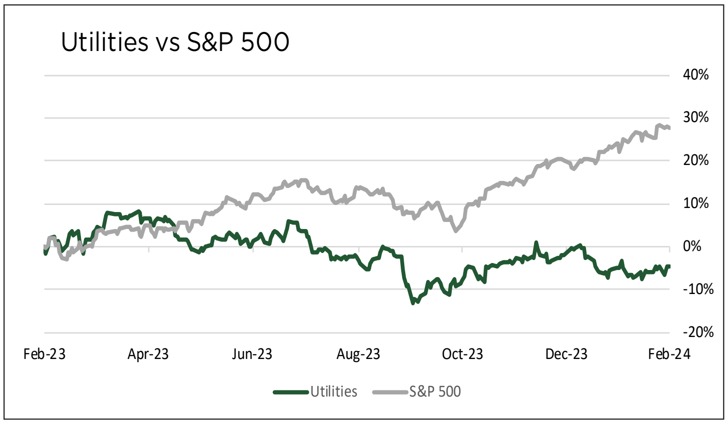
Sector Update

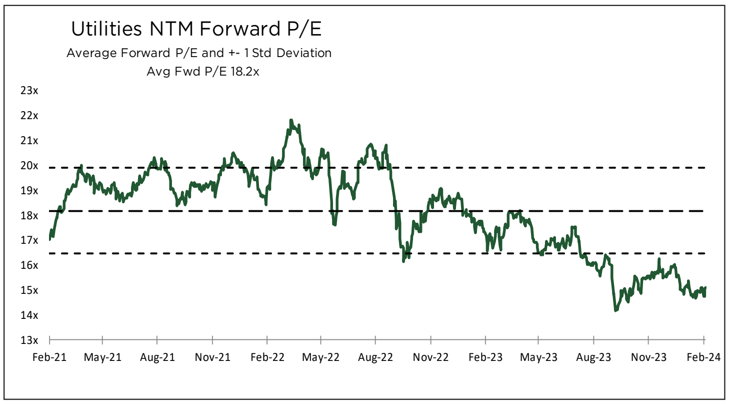
The rebound of interest rates that we cited as a key factor influencing the Real Estate sector in January was sustained in February. Last month, the 10-year Benchmark Treasury rate moved from the 3.95% level to close in February at 4.25%. As a result, as illustrated in the adjacent table, Real Estate, up 2.45%, once again underperformed the S&P 500, which gained 5.17% and was supported by strong gains among growth-oriented subsectors. Thus, rising rates continue to pressure bond proxy investments - notably Real Estate and Utilities – with underperformance persisting on a 3-month, YTD, and trailing 12-month basis. The outlook on interest rates remains a bit clouded in the near term, while over the intermediate time frame, rates are widely expected to fall, which would be supportive of improved performance by yield proxy issues, including real estate. Given this uncertain timing/outlook for rates in 2024, selectivity remains the name of the game for Real Estate investment in 2024, with better growth potential persisting for the Data Center sub-segment.

Looking across the REIT sector, in February, performance was tied not only to operating results reported for 4Q2023 but more notably tied to management commentary regarding prospects for 2024E. Leasing activity remains robust among data centers globally while emerging AI demand and new service offerings are forecast to fuel sustained strong demand into the second half of this decade. Iron Mountain, a global leader in document storage, is also involved in data center operations, where the firm sees steady core growth. Along with the upside in 4Q2023 operating results, management guidance offered for 2024E came through 5% above investor expectations, which drove mid-teens appreciation after earnings were reported on February 22nd. Although Host Hotel results have been and will continue to be impacted by the wildfires that occurred in Maui, improving group meeting/convention business trends supported 2024 management operations guidance ahead of expectations. And Equinix, a global leader in data centers, offered a solid view on business prospects for 2024 tied to margin expansion despite a near-term tempered outlook for top-line revenue growth.

In contrast, after closing the Physician Realty acquisition in January, Peak Healthcare's guidance for 2024 raised some concerns tied to the bankruptcy of a large life science tenant that weighed on the shares. Fitch rating downgraded Ventas' debt rating to BBB from BBB+, focusing on sustained higher leverage as persisting. SBA Communication offered 2024E guidance short of investor expectations given muted cell tower demand now arising from major telecom carriers – with the shares backing off despite a 15% increase in the 1Q2024 dividend. And, after closing the accretive Spirit Realty acquisition in January, management of Realty Income offered 2024E guidance a tad light of investor expectations with modest investment activity ($2 billion) forecast after having announced/completed deals totaling $9 billion-plus in both 2022 and 2023 – suggesting AFFO growth is targeted at roughly 4.3% this year.

UTILITIES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
0.53%	-0.90%	-2.55%	-4.60%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
5.17%	11.57%	6.84%	28.36%

	Company Performance	1 Month
Leaders	Constellation Energy	38.1%
	American Electric Pow-	9.0%
	Eversource Energy	8.3%
	Public Service Enter-	7.6%
	Dominion Energy Inc	4.6%
Laggards	Xcel Energy Inc	-12.0%
	AES Corp/The	-8.9%
	NextEra Energy Inc	-5.9%
	American Water Works	-4.4%
	Duke Energy Corp	-4.2%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$15.70	$20.30	$21.85
20.0x	15.5x	14.4x

Sector Update

In February, the utilities sector posted a modest 0.53% gain, lagging the 5.17% advance in the broader market S&P 500® index. A sustained back-up in medium and longer yields in the month with continued risk-on sentiment backed by growing expectations of a soft landing in the US economy appeared to benefit cyclicals and the broader market with defensive and yield-oriented equities on the back-burner. The utility group continues to struggle on a relative basis, given alternative interest-bearing investments in the bond market provide reasonable alternatives to 'bond proxy' equities compared to the past ~15 years. Further, the realization of an economic soft-landing could push off a defensive rotation toward the Sector as employment and GDP prints remain very solid.

Constellation Energy (CEG) was the leading Utility in February, continuing a stretch of strong performance since being spun out of Exelon one year ago. CEG advanced 38% in February after raising its dividend by 25% and suggesting multi-year EPS growth of "at least" 10% through the decade's end, supported by nuclear production tax credits embedded in the Inflation Reduction Act (IRA). We note consensus expectations on CEG operating income suggest a decline from ~$3.1B in 2024E toward ~$2.9B in 2027E, per Bloomberg data, with EPS growth more strictly tied to 'below the line' tax benefits.

Subsequent to month-end, local utility Dominion Energy (D) hosted its long-awaited investor day after concluding its 15-month-long strategic review. Management pointed to 5%-7% EPS growth from 2025-2029 on $43B in growth capital expenditures targeting grid modernization and renewables generation in support of leading 5%+ electric load demand in Virginia tied to data centers. The company highlighted its repositioned balance sheet after recently announced gas asset and offshore wind equity stake sales set to reduce total company debt by $20.9B by year-end.

While interest rate direction and macro uncertainty are likely to be primary drivers of Utility performance in 2024, the Sector continues to appear well-positioned for above-trend earnings growth on a multi-year basis, given significant visibility into long-term capex cycles around transmission and distribution line modernization and renewable energy projects supported by regulators.

The Utilities sector appears attractively valued relative to its historical trend as the group trades closer to two standard deviations below its three-year average forward earnings multiple of 18.2x. The Sector remains a beneficiary of lower rates and could see a dramatic improvement in performance in 2024 if soft landing optimism proves to be optimistic—driving a defensive rotation in the broader market while providing attractive current yields.

ECONOMIC CALENDAR

Date	Release	For	Prior
5-Mar	S&P Global US Services PMI - Final	Feb	52.5
5-Mar	Factory Orders	Jan	-0.30%
5-Mar	ISM Non-Manufacturing PMI	Feb	53.4%
6-Mar	MBA Mortgage Applications Index	3/2	-5.60%
6-Mar	ADP Employment Change	Feb	111K
6-Mar	JOLTS - Job Openings	Jan	8.889M
6-Mar	Wholesale Inventories	Jan	0.40%
6-Mar	EIA Crude Oil Inventories	3/2	+4.20M
6-Mar	Beige Book	-	NA
7-Mar	Initial Claims	3/2	217K%
7-Mar	Continuing Claims	2/24	1898K
7-Mar	Productivity-Rev	Q4	3.20%
7-Mar	Unit Labor Costs-Rev	Q4	0.50%
7-Mar	Trade Balance	Jan	-$64.2B
7-Mar	EIA Natural Gas Inventories	3/2	-96 bcf
7-Mar	Consumer Credit	Jan	$1.6B
8-Mar	Nonfarm Payrolls	Feb	353K
8-Mar	NonFarm Private Payrolls	Feb	150K
8-Mar	Avg. Hourly Earnings	Feb	0.6%
8-Mar	Unemployment Rate	Feb	3.70%
8-Mar	Average Workweek	Feb	34.1
12-Mar	CPI	Feb	0.30%
12-Mar	Core CPI	Feb	0.40%
12-Mar	Treasury Budget	Feb	-$22.0B
13-Mar	MBA Mortgage Applications Index	3/9	9.7%
13-Mar	EIA Crude Oil Inventories	3/9	NA
14-Mar	PPI	Feb	0.3%
14-Mar	Core PPI	Feb	0.5%
14-Mar	Retail Sales	Feb	-0.8%
14-Mar	Retail Sales ex-auto	Feb	-0.6%
14-Mar	Initial Claims	3/9	NA
14-Mar	Continuing Claims	3/2	NA
14-Mar	Business Inventories	Jan	0.40%
14-Mar	EIA Natural Gas Inventories	3/9	NA
15-Mar	Export Prices ex-ag.	Feb	0.90%
15-Mar	Import Prices ex-oil	Feb	0.70%
15-Mar	Capacity Utilization	Feb	78.50%
15-Mar	Industrial Production	Feb	-0.10%
15-Mar	Univ. of Michigan Consumer Sentiment - Prelim	Mar	NA
18-Mar	NAHB Housing Market Index	Mar	48
19-Mar	Housing Starts	Feb	1331K
19-Mar	Building Permits	Feb	1489K

ECONOMIC CALENDAR

19-Mar	Net Long-Term TIC Flows	Jan	$160.2B
20-Mar	MBA Mortgage Applications Index	3/16	NA
20-Mar	EIA Crude Oil Inventories	3/16	NA
20-Mar	FOMC Rate Decision	Mar	5.25-5.50%
21-Mar	Initial Claims	3/16	NA
21-Mar	Continuing Claims	3/9	NA
21-Mar	Current Account Balance	Q4	-$200.3B
21-Mar	Existing Home Sales	Feb	4.00M
21-Mar	Leading Economic Index	Feb	-0.40%
21-Mar	EIA Natural Gas Inventories	3/16	NA
25-Mar	New Home Sales	Feb	661K
26-Mar	Durable Orders	Feb	-6.10%
26-Mar	Durable Goods - ex transportation	Feb	-0.30%
26-Mar	FHFA Housing Price Index	Jan	0.1%
26-Mar	S&P Case-Shiller Home Price Index	Jan	6.2%
26-Mar	Consumer Confidence	Mar	106.7
27-Mar	MBA Mortgage Applications Index	3/23	NA
27-Mar	EIA Crude Oil Inventories	3/23	NA
28-Mar	Initial Claims	3/23	NA
28-Mar	Continuing Claims	3/16	NA
28-Mar	GDP - Third Estimate	Q4	3.20%
28-Mar	GDP Deflator - Third Estimate	Q4	1.60%
28-Mar	Univ. of Michigan Consumer Sentiment - Final	Mar	NA
28-Mar	Pending Home Sales	Feb	-4.90%
28-Mar	EIA Natural Gas Inventories	3/23	NA

DISCLOSURES

This information has been compiled from various sources we believe to be reliable, however, there is no guarantee of its accuracy or completeness. Any opinion expressed herein is based upon our interpretation of the information from such source. This information is not furnished in connection with a sale or offer to sell securities or in connection with the solicitation of an offer to buy securities. Our firm, or its offices or members of their families, may at times, have a long or short position in the securities mentioned herein and may make purchases or sales of these securities while this memorandum is in circulation.

Past performance is not indicative of future results.

An index is not available for direct investment; therefore, its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio.

Sectors and sector components defined by Standard & Poor's GICS Level 1 index. For the list of all holdings in GICS Level 1 index sectors, contact your Davenport Financial Advisor.

Leaders: Represent top five best stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Laggards: Represent top five worst stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Members: The GICS Level 1 Telecommunication Services sector has only three component companies. This sector will not include "Leaders and Laggards", but will show all three members and their price performance over the previous calendar month.

S&P 500®: The S&P 500 Index is comprised of 500 U. S. stocks and is an indicator of the performance of the overall U.S. stock market. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index.

Dow Jones Industrials: The Dow Jones Industrial Average is an index of 30 "blue chip" stocks of U.S. "industrial" companies.

NASDAQ Composite: The Nasdaq-100 Index is a "modified capitalization-weighted" index designed to track the performance of a market consisting of the 100 largest and most actively traded non-financial domestic and international securities listed on The Nasdaq Stock Market, based on market capitalization.

Russell 2000®: The Russell 2000® Index is a capitalization-weighted index designed to measure the performance of a market consisting of the 2,000 smallest publicly traded U.S. companies (in terms of market capitalization) that are included in the Russell 3000® Index. Source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. FTSE Russell is a trading name of certain LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote/sponsor/endorse the content of this communication.

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Nikkei Stock Average: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States.

Stoxx Europe 600: The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Markets: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. (MSCI Website).

MSCI Emerging Markets Small Cap: The MSCI Emerging Markets Small Cap Index includes small cap representation across 23 Emerging Markets countries. With 1,889 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

US Dollar Index (USDX, DXY): An index (or measure) of the value of the United States dollar relative to a basket of currencies, often referred to as a basket of US trade partners' currencies.

VIX: The ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Shanghai Composite (SSE Index): The Shanghai Composite Index, also known as the SSE Index is a stock market index of all stock (A shares and B shares) that are traded at the Shanghai Stock Exchange.

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