

OUTLOOK

A TURNING POINT

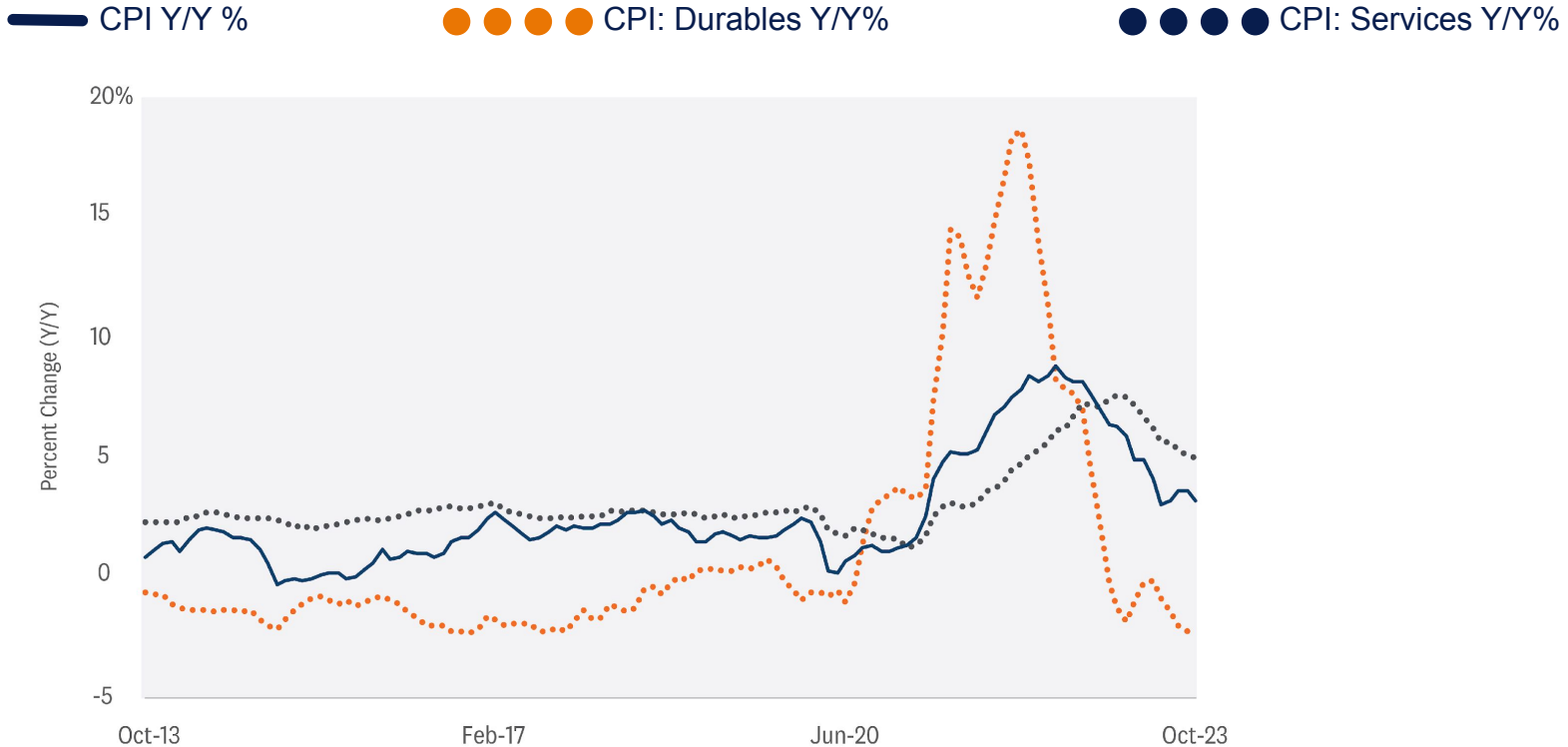


ECONOMY:
EXPECTED TO SLOW DOWN



MARKETS ARE SEEING A DOWNWARD TREND IN SERVICES PRICES

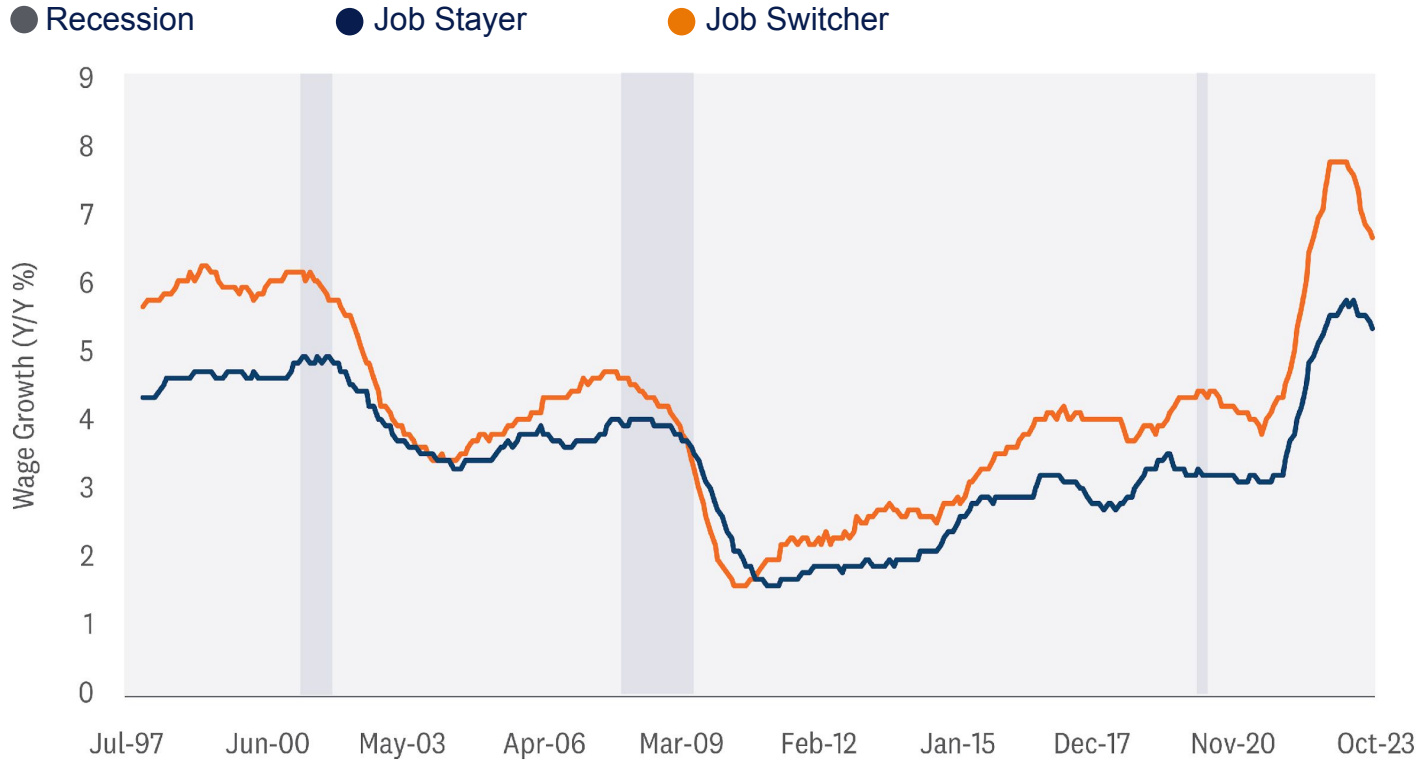
And Durable Prices Keep Falling



Source: LPL Research, U.S. Bureau of Labor Statistics 11/27/23

WAGES GROW FASTEST FOR JOB SWITCHERS

The Gap Has Never Been This Wide

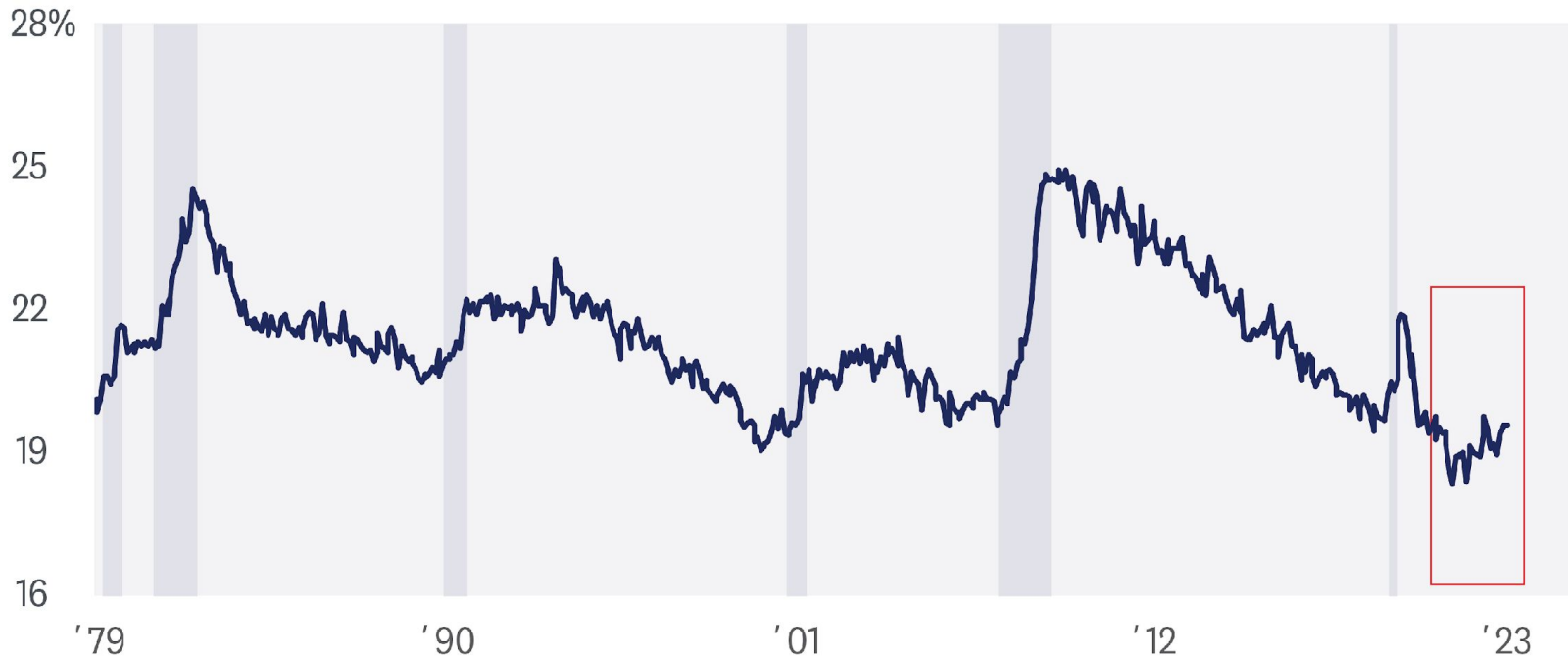


Source: LPL Research, Federal Reserve Bank of Atlanta, 11/27/23

FIRMS TEND TO HIRE PART-TIMERS DURING UNCERTAINTY

Ratio of Part-Timers to Full-Timers Starting to Rise

● % of Part-Timers to Full-Timers



Source: LPL Research, Bureau of Labor Statistics 11/27/23

DOMESTIC GROWTH LIKELY CONCENTRATED IN LATTER HALF OF 2024

Inflation Should Moderate as Growth Slows

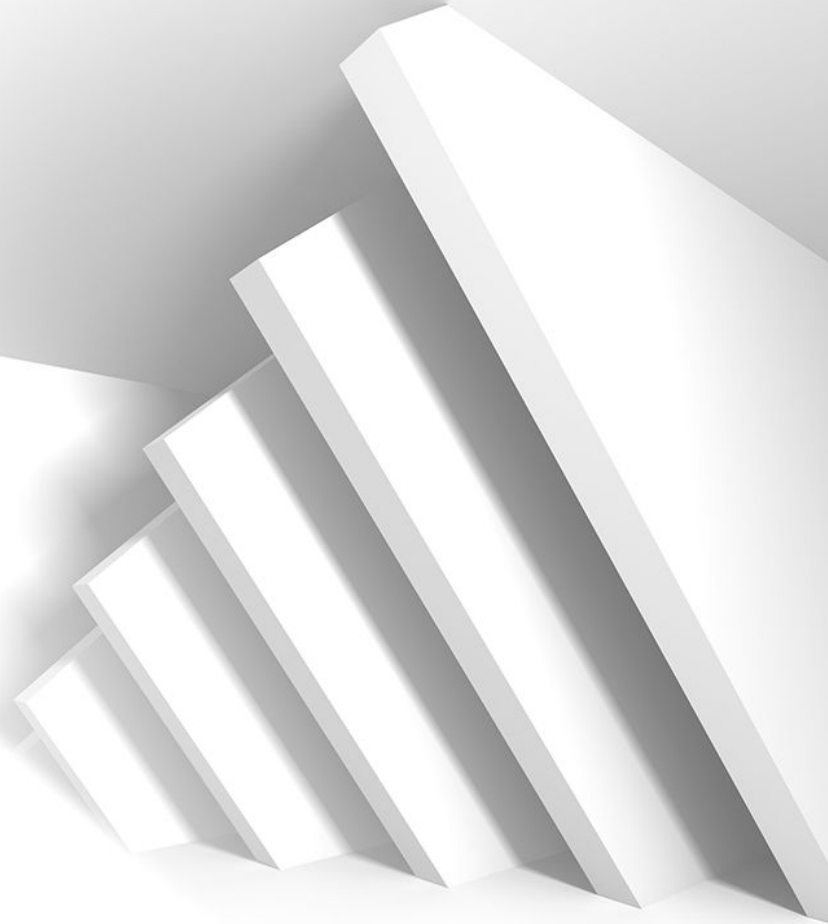
2024 Annual Forecasts*	GDP Growth (Y/Y%)	CPI (Y/Y%)
United States	1.00%	2.80%
Eurozone	0.60%	2.50%
Advanced Economies	1.10%	3.80%
Emerging Markets	3.90%	6.20%
Global	2.60%	4.40%

Source: LPL Research, Bloomberg 11/27/23

*Annual Average

The economic forecasts set forth in this material may not develop as predicted.

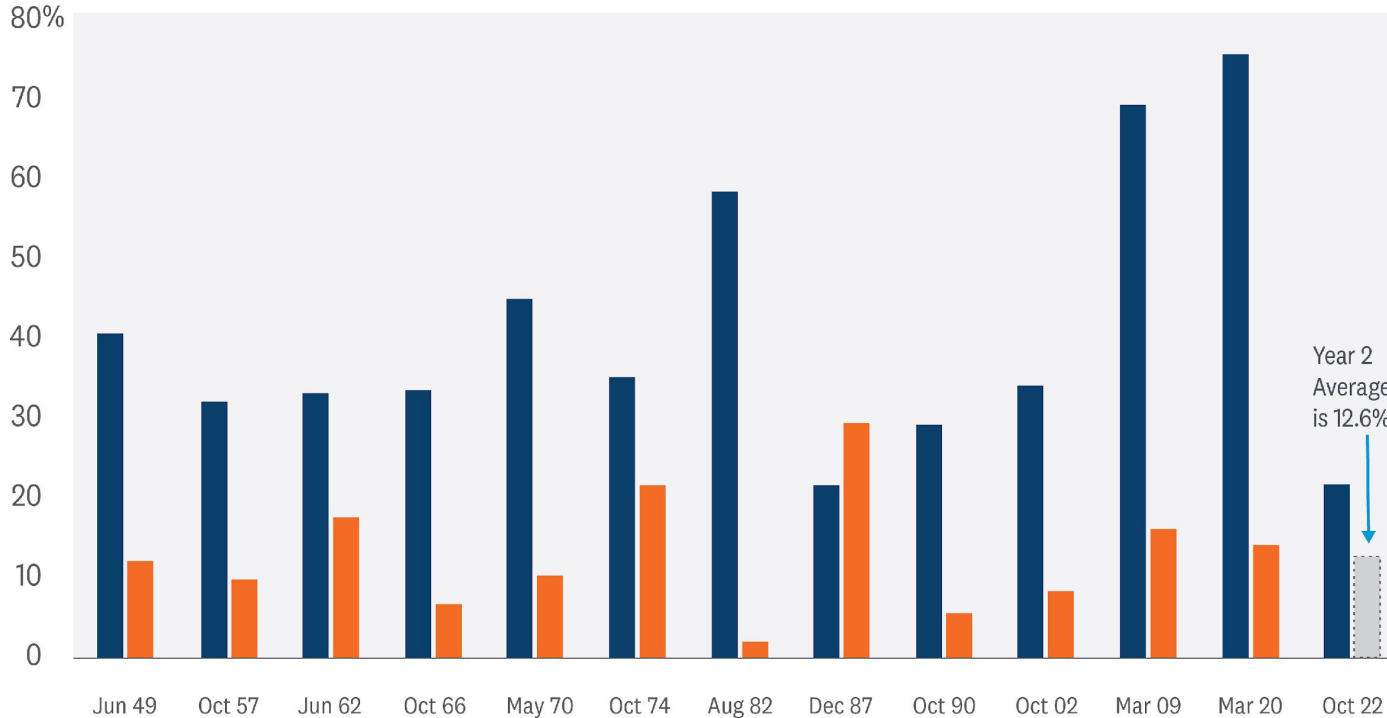
STOCKS: FOLLOW THE CYCLES



S&P 500 BULL MARKETS HAVE HISTORICALLY ENJOYED SOLID YEAR TWO RETURNS

● S&P 500 Performance: Bull Market Year 1

● S&P 500 Performance: Bull Market Year 2

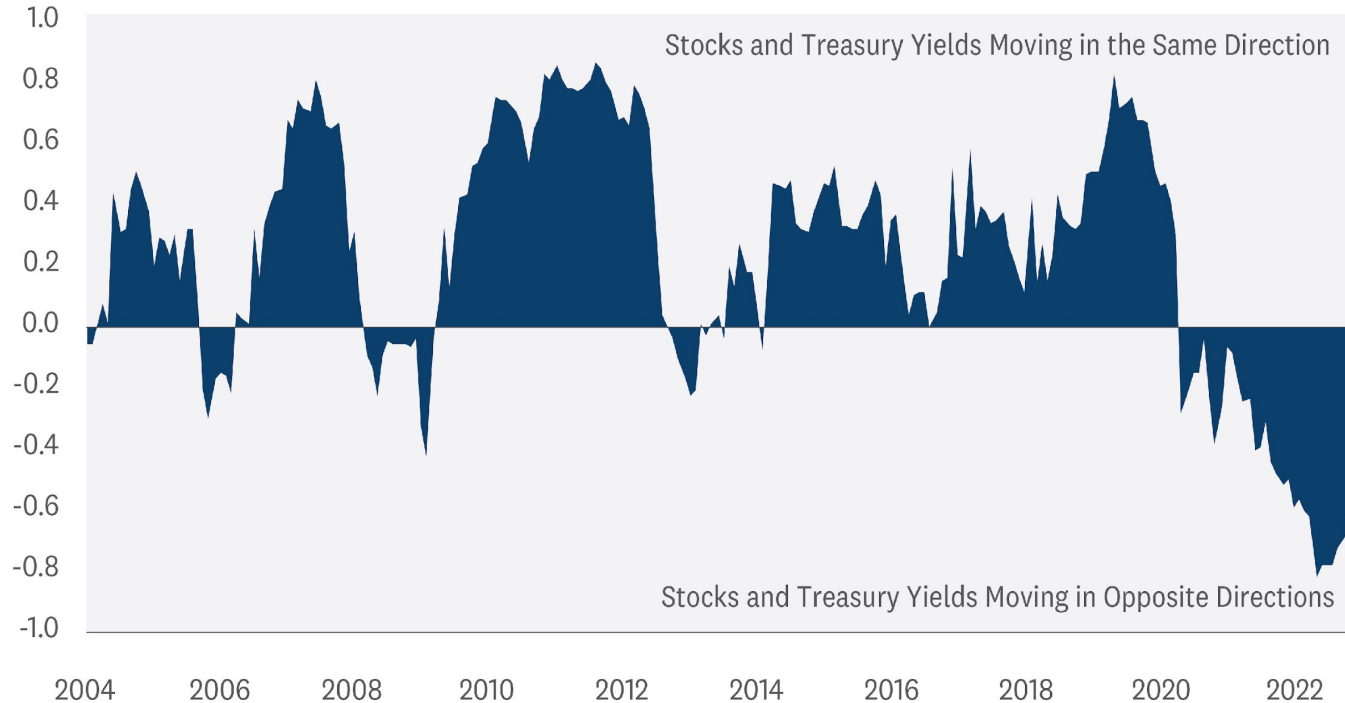


Source: LPL Research, FactSet 11/27/23

All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

AT HIGHER INTEREST RATES, STOCKS AND YIELDS TEND TO MOVE IN OPPOSITE DIRECTIONS

● Rolling 1-Year Correlation: S&P 500 vs. 10-Year U.S. Treasury Yields

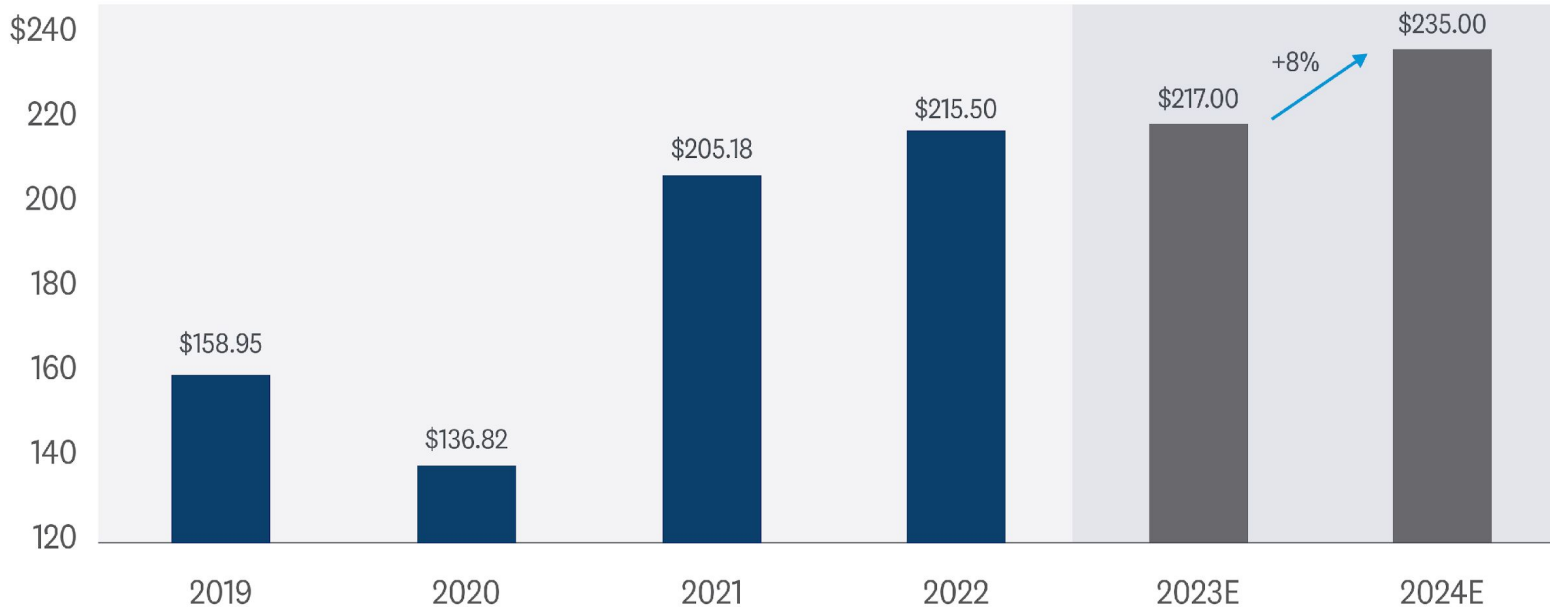


Source: LPL Research, Bloomberg 11/27/23

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EXPECT EARNINGS GROWTH TO ACCELERATE IN 2024 AND SUPPORT STOCK PRICES

● S&P 500 Earnings Per Share



Source: LPL Research, FactSet 11/27/23

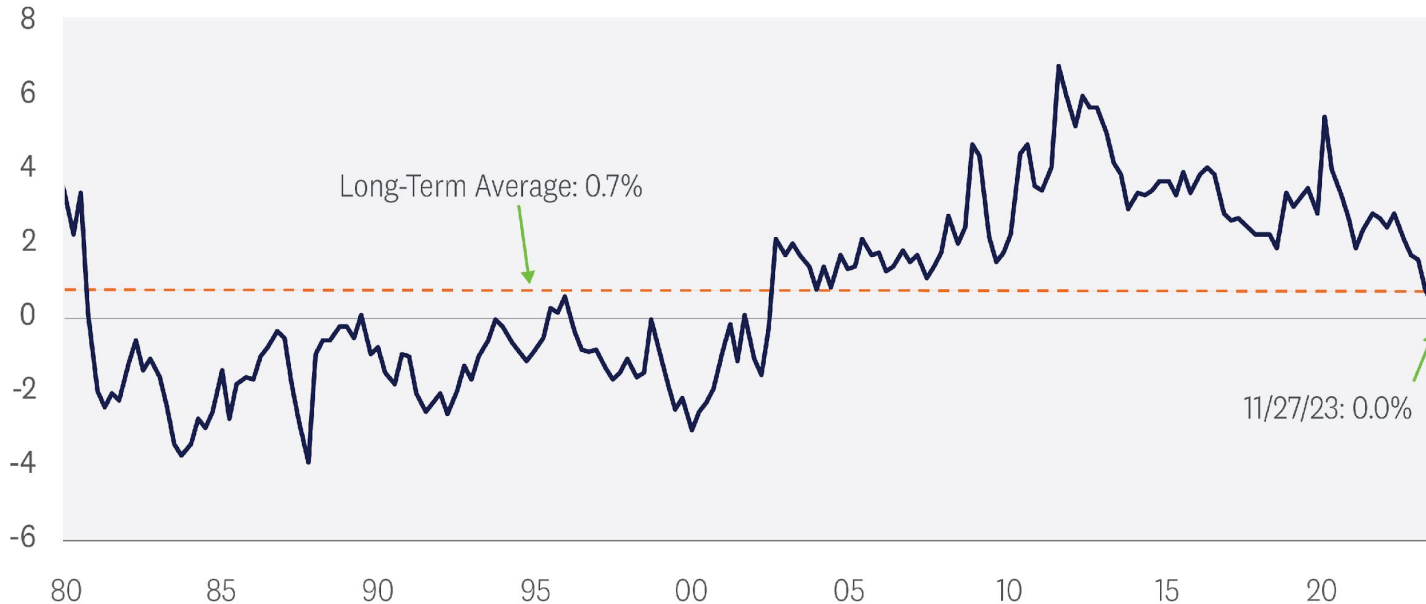
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Estimates may not materialize as predicted and are subject to change.

STOCK VALUATIONS NEAR PARITY WITH BONDS AT HIGHER INTEREST RATE LEVELS

Equity Risk Premium at Zero Offers Investors Essentially No Compensation For Taking On Equity Risk

● S&P 500 Equity Risk Premium (%)



Source: LPL Research, FactSet, Refinitiv, Bloomberg 11/27/23

S&P 500 equity risk premium is the S&P 500 earnings yield (earnings divided by price) minus the US 10-year Treasury yield.

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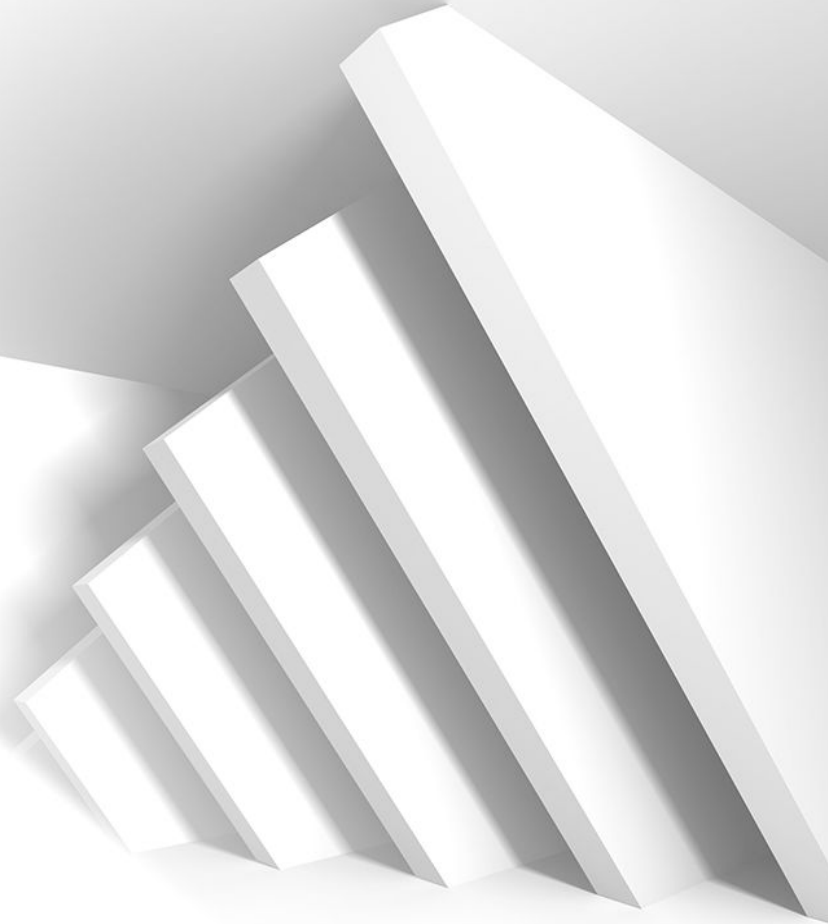
S&P 500 YEAR-END FAIR VALUE TARGET FOR 2024

S&P 500 level as of 11/24/23:	4,559
Current next 12 months price-to-earnings ratio for the S&P 500:	18.8
Proposed year-end 2024 price-to-earnings ratio for the S&P 500:	19.5
2025 S&P 500 EPS forecast (6% increase):	250
S&P 500 2024 year-end fair value target:	4,875
Low end of range:	4,850
High end of range:	4,950
Upside to midpoint:	7.5%

Source: LPL Research

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BONDS: BACK TO NORMAL



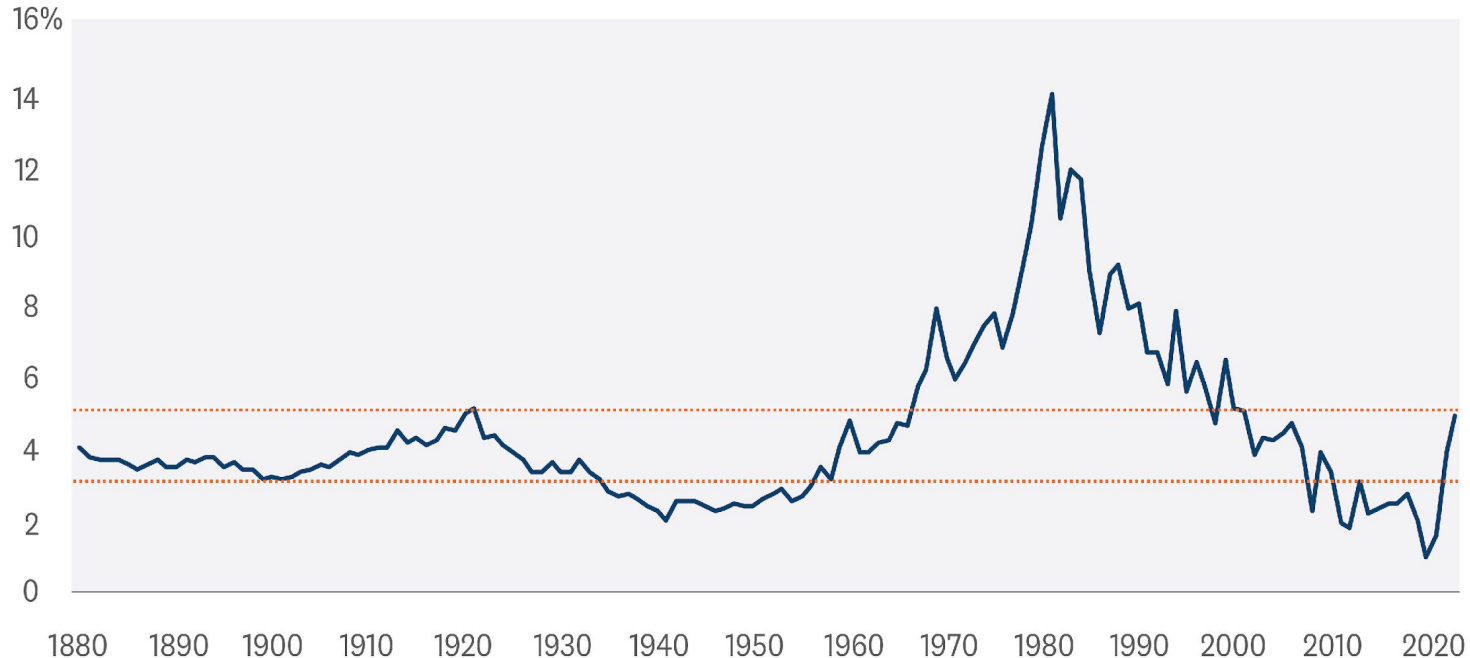
TREASURY YIELD FORECASTS

	Traditional Recession	Flattish Growth/Mild Recession	Re-Accelerating Environment
Macro Conditions	Economic growth contracts	Economic growth slows but still slightly positive	Economic growth picks up
	Inflation expectations decline	Inflation expectations steady and falling	Inflation expectations increase
	Fed cuts rates from restrictive levels	Fed cuts rates as inflation falls	Fed hikes rates into more restrictive territory
	Global government bond yields fall	Global government bond yields steady	Global government bond yields elevated
Yarend Fed Funds Rate	3.50%	4.50%	6.00%
Market-Implied Inflation Expectations	2.00%	2.50%	3.50%
2-Year Treasury Yield	3.00%	3.90%	5.50%
10-Year Global Bond Yields	1.00%	2.50%	3.50%
10-Year Treasury Yield	3.25%	3.75% - 4.25%	5.75%

Source: LPL Research, 11/27/23

ARE LONG-TERM RATES HEADED HIGHER? HISTORICALLY, 3% TO 5% HAS BEEN "NORMAL"

● 10-Year Treasury Yield

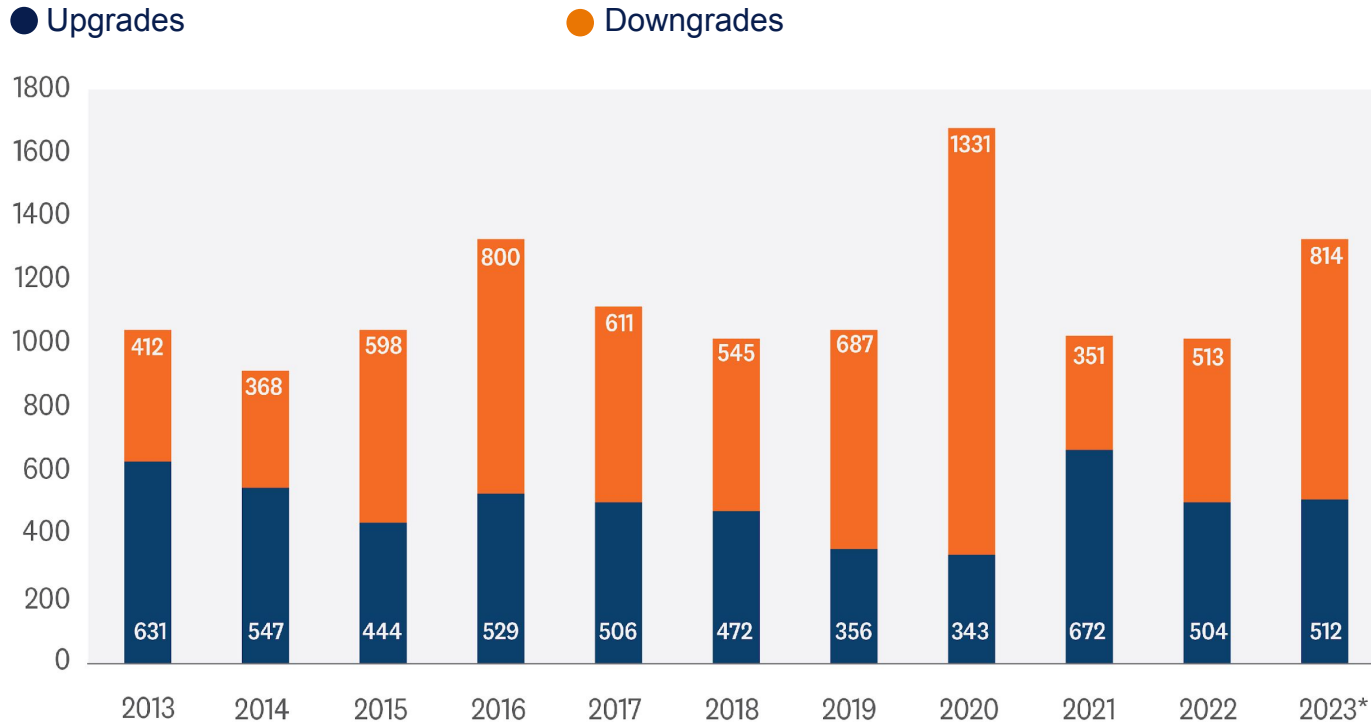


Source: LPL Research, Bloomberg, 11/27/23

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CORPORATE DOWNGRADES ARE OUTPACING UPGRADES THIS YEAR

S&P Rating Activity

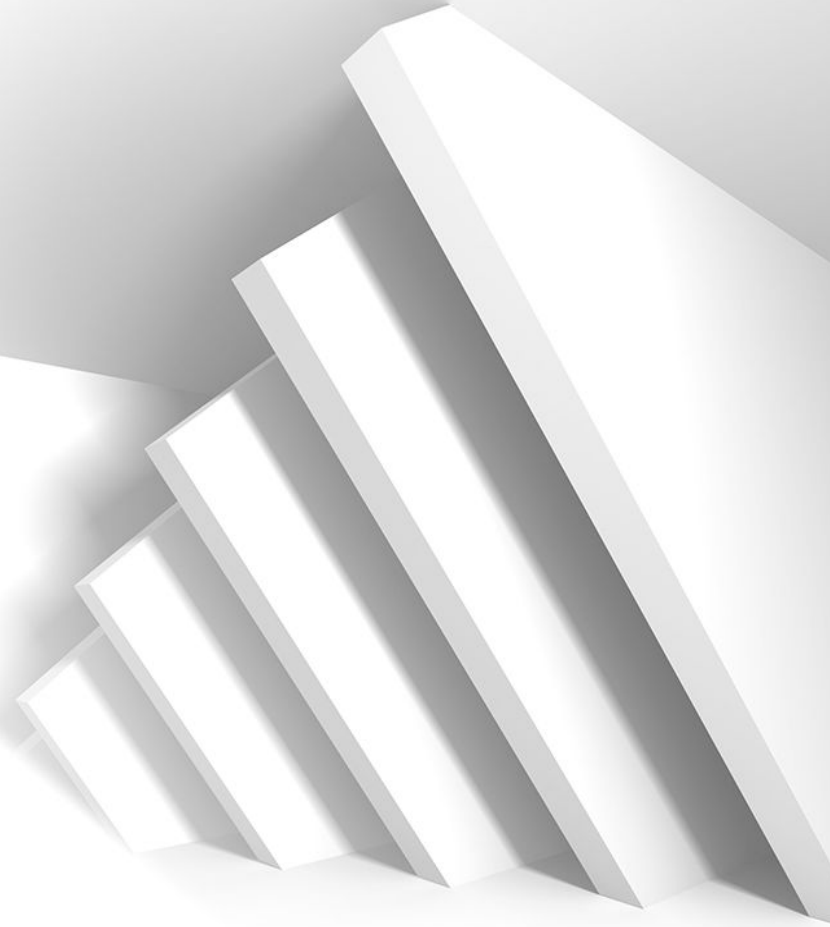


* Through 10/25/2023

Source: LPL Research, Bloomberg, 11/27/23

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GEOPOLITICS: AN INCREASINGLY COMPLICATED LANDSCAPE



BLOOMBERG COMMODITY INDEX | COMMODITY CYCLE COMPARISON

● Current Cycle (March 2020 - YTD)

● 2001-2008 Cycle

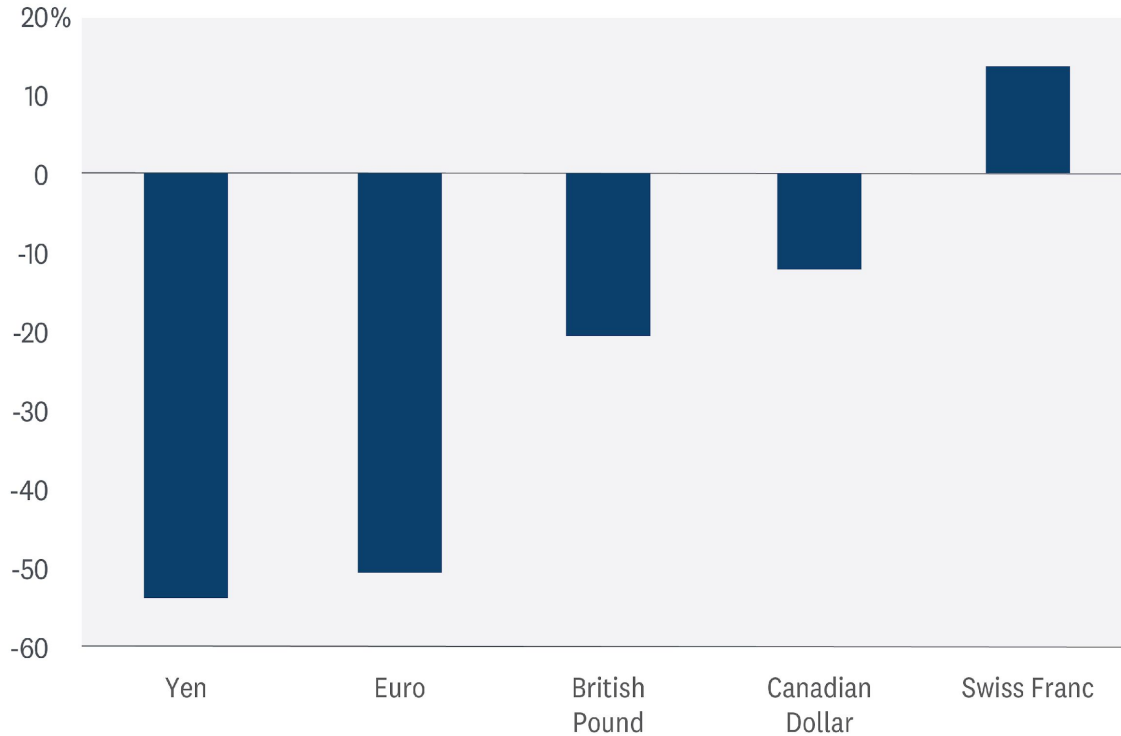
Right Axis: Percent Return off Cycle Low (base = 0)



Source: LPL Research, Bloomberg 11/27/23

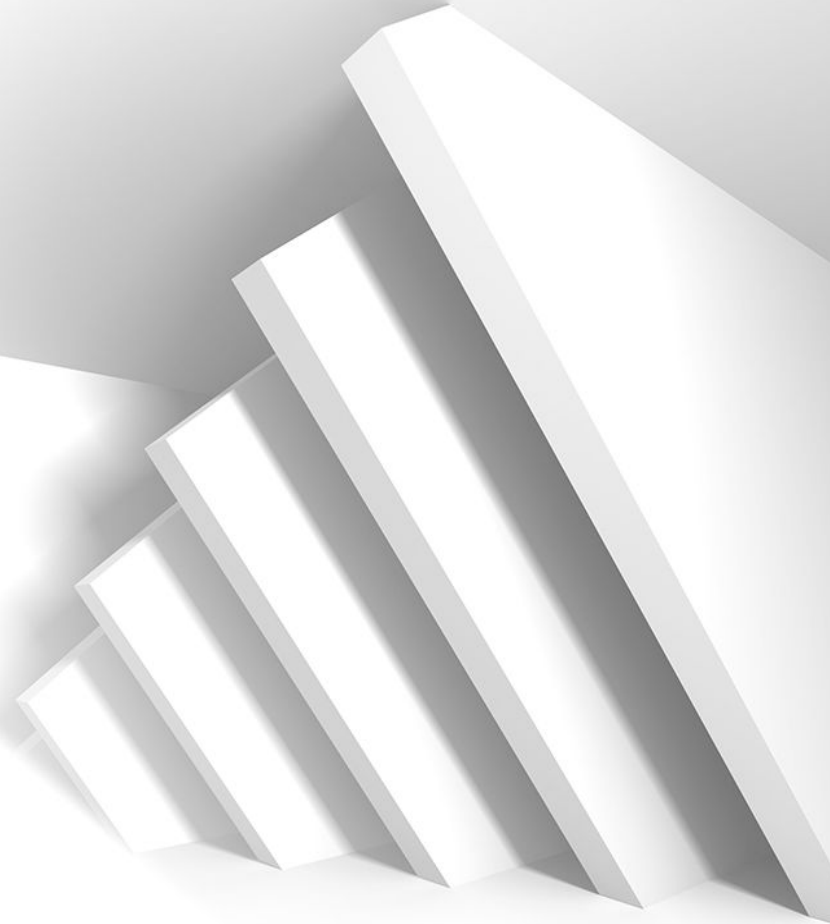
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MAJOR CURRENCIES % DEVIATION FROM PURCHASING POWER PARITY FAIR VALUE



Source: LPL Research, OECD Purchasing Power Parity Estimates, Bloomberg 11/27/23

ALTERNATIVE INVESTMENTS: EMBRACING AGILITY IN A VOLATILE MARKET



WIDER VALUATION SPREAD LENDING OPPORTUNITIES FOR FUNDAMENTAL DRIVEN STOCK PICKERS

Free Cash Flow Yield Spread

● Quintile 1

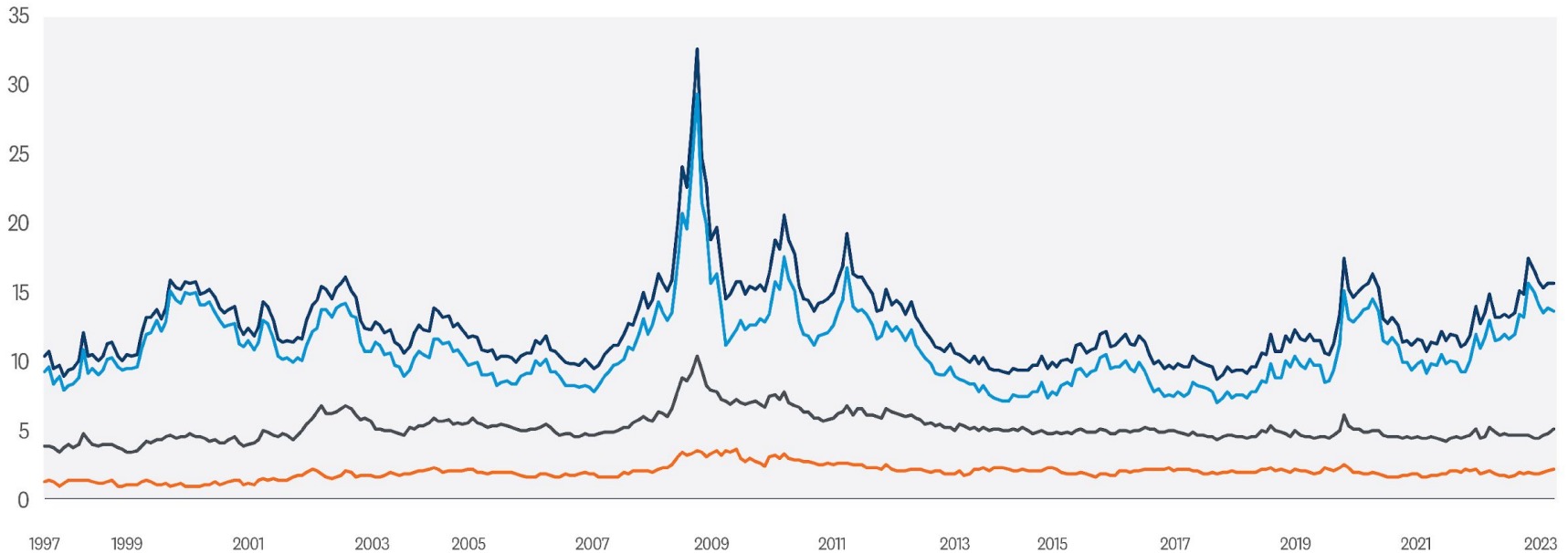
● Quintile 5

● Median

● Spread

25 Years 1st Quintile - 5th Quintile Spread Average: 10.8

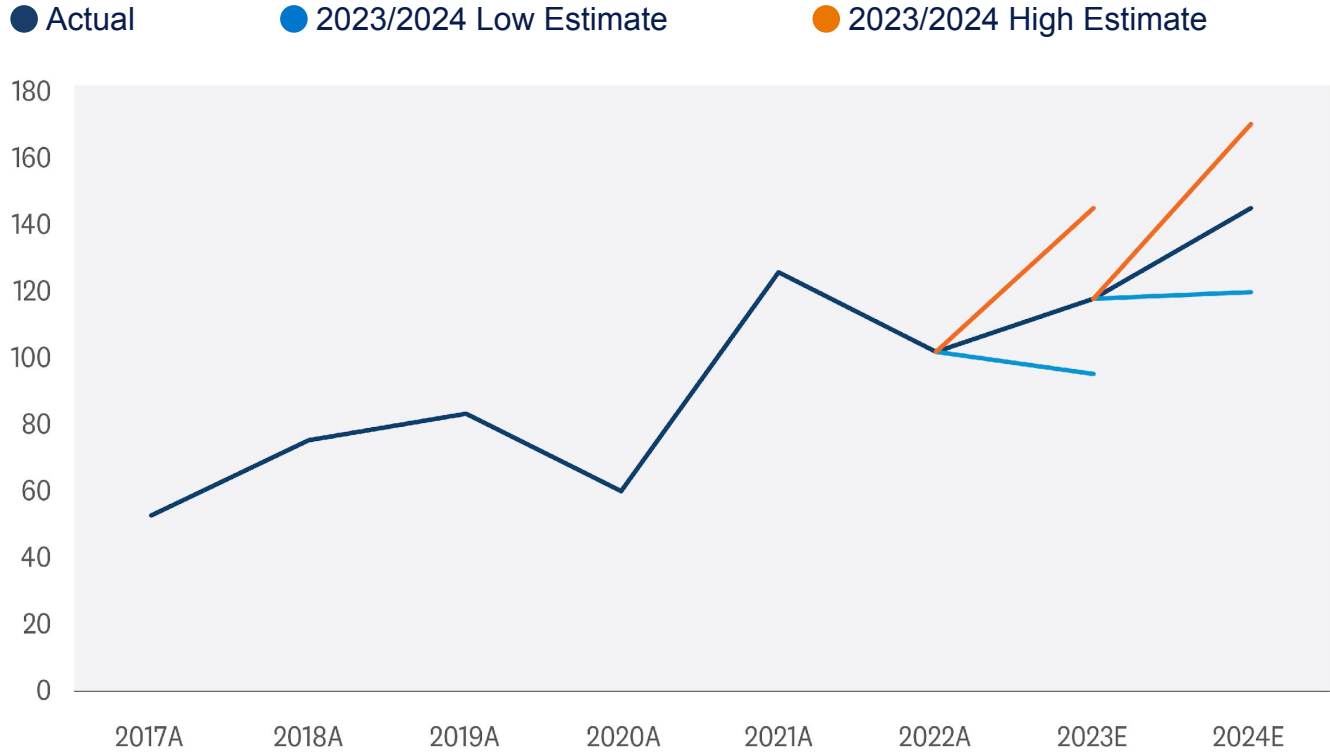
Current 1st Quintile - 5th Quintile Spread: 13.7



Source: LPL Research, FactSet 11/27/23

Past performance is no guarantee of future results.

PRIVATE MARKET ASSETS/FUND SHARES TRANSACTIONS IN THE SECONDARY MARKET (\$ BN)



Source: LPL Research, Jefferies 07/01/23
The economic forecasts set forth in this material may not develop as predicted.

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GENERAL RISK DISCLOSURES

Investing involves risk including the potential loss of principal.

Alternative investments may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor's portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

Investing in stock includes numerous specific risks including the fluctuation of dividend, loss of principal and potential illiquidity of the investment in a falling market. Because of their narrow focus, sector investing will be subject to greater volatility than investing more broadly across many sectors and companies. Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time. The prices of small and mid-cap stocks are generally more volatile than large cap stocks.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield. Government bonds and Treasury bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate, and credit risk, as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features. Mortgage-backed securities are subject to credit, default, prepayment, extension, market and interest rate risk. Floating rate bank loans are loans issued by below investment grade companies for short term funding purposes with higher yield than short term debt and involve risk.

Preferred stock dividends are paid at the discretion of the issuing company. Preferred stocks are subject to interest rate and credit risk. As interest rates rise, the price of the preferred falls (and vice versa). They may be subject to a call feature with changing interest rates or credit ratings. The majority of preferred stocks outstanding are concentrated in the financial sector.

International debt securities involve special additional risks. These risks include, but are not limited to, currency risk, geopolitical and regulatory risk, and risk associated with varying settlement standards. These risks are often heightened for investments in emerging markets.

High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Municipal bonds are subject to availability and change in price. They are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise. Interest income may be subject to the alternative minimum tax. Municipal bonds are federally tax-free but other state and local taxes may apply. If sold prior to maturity, capital gains tax could apply.

GENERAL RISK DISCLOSURES

The fast price swings of commodities will result in significant volatility in an investor's holdings. Commodities include increased risks, such as political, economic, and currency instability, and may not be suitable for all investors. Precious metal investing is subject to substantial fluctuation and potential for loss.

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Investing involves risks including possible loss of principal. No investment strategy or risk management technique can guarantee return or eliminate risk in all market environments. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Investing in foreign and emerging markets debt or securities involves special additional risks. These risks include, but are not limited to, currency risk, geopolitical risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Asset allocation does not ensure a profit or protect against a loss.

GENERAL DEFINITIONS

Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

The PE ratio (price-to-earnings ratio) is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share. It is a financial ratio used for valuation: a higher PE ratio means that investors are paying more for each unit of net income, so the stock is more expensive compared to one with lower PE ratio.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability. Earnings per share is generally considered to be the single most important variable in determining a share's price. It is also a major component used to calculate the price-to-earnings valuation ratio.

The Standard & Poor's 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Bloomberg U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds.

The HFRI® Indices are broadly constructed indices designed to capture the breadth of hedge fund performance trends across all strategies and regions.

The HFRI Institutional Macro Index is a global, equal-weighted index of hedge funds with minimum assets under management of USD \$500MM which report to the HFR Database and are open to new investments.

A company's **market capitalization** is the market value of its outstanding shares. Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share. Classifications such as large-cap, mid-cap and small-cap are only approximations and may change over time.

Equity Definitions

Cyclical stocks typically relate to equity securities of companies whose price is affected by ups and downs in the overall economy and that sell discretionary items that consumers may buy more of during an economic expansion but cut back on during a recession. Counter-cyclical stocks tend to move in the opposite direction from the overall economy and with consumer staples which people continue to demand even during a downturn.

A **Growth stock** is a share in a company that is anticipated to grow at a rate significantly above the average for the market due to capital appreciation.

A **Value stock** is anticipated to grow above the average for the market due to trading at a lower price relative to its fundamentals, such as dividends, earnings, or sales.

Large cap stocks are issued by corporations with a market capitalization of \$10 billion or more, and small cap stocks are issued by corporations with a market capitalization between \$250 million and \$2 billion.

GENERAL DEFINITIONS

Fixed Income Definitions

Credit Quality is one of the principal criteria for judging the investment quality of a bond or bond mutual fund. As the term implies, credit quality informs investors of a bond or bond portfolio's credit worthiness, or risk of default. Credit ratings are published rankings based on detailed financial analyses by a credit bureau specifically as it relates to the bond issue's ability to meet debt obligations. The highest rating is AAA, and the lowest is D. Securities with credit ratings of BBB and above are considered investment grade.

The **credit spread** is the yield the corporate bonds less the yield on comparable maturity Treasury debt. This is a market-based estimate of the amount of fear in the bond market. Base-rated bonds are the lowest quality bonds that are considered investment-grade, rather than high-yield. They best reflect the stresses across the quality spectrum.

The **Bloomberg Aggregate U.S. Bond Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

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Not Insured by FDIC/NCUA or Any Other Government Agency	Not Bank/Credit Union Guaranteed	Not Bank/Credit Union Deposits or Obligations	May Lose Value
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