ECONOMIC AND MARKET REVIEW

FOURTH QUARTER 2024

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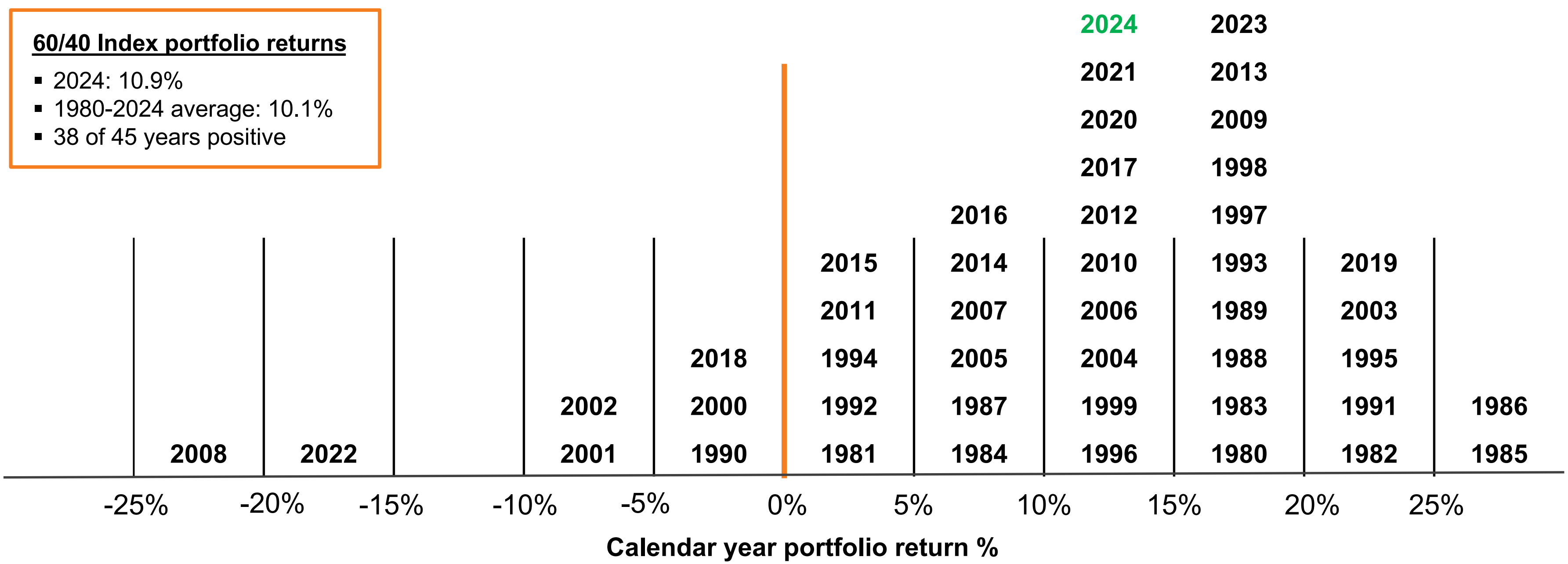
AGENDA

Markets reward investors who stay invested

Market continued rebound from difficult 2022

60% Stock (40% US & 20% non-US) / 40% Bond Index Portfolio
(Jan 1980 – Dec 2024)



- Increasing cash returns or difficult market pull-backs can tempt investors to stay on the sidelines
- Those that stepped back after a discouraging 2018 or 2022, missed out on strong market recoveries

Index portfolio of 40% Russell 3000 Index, 20% MSCI EAFE Index, and 40% Bloomberg US Gov/Corporate Bond Index
Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

2024 recap

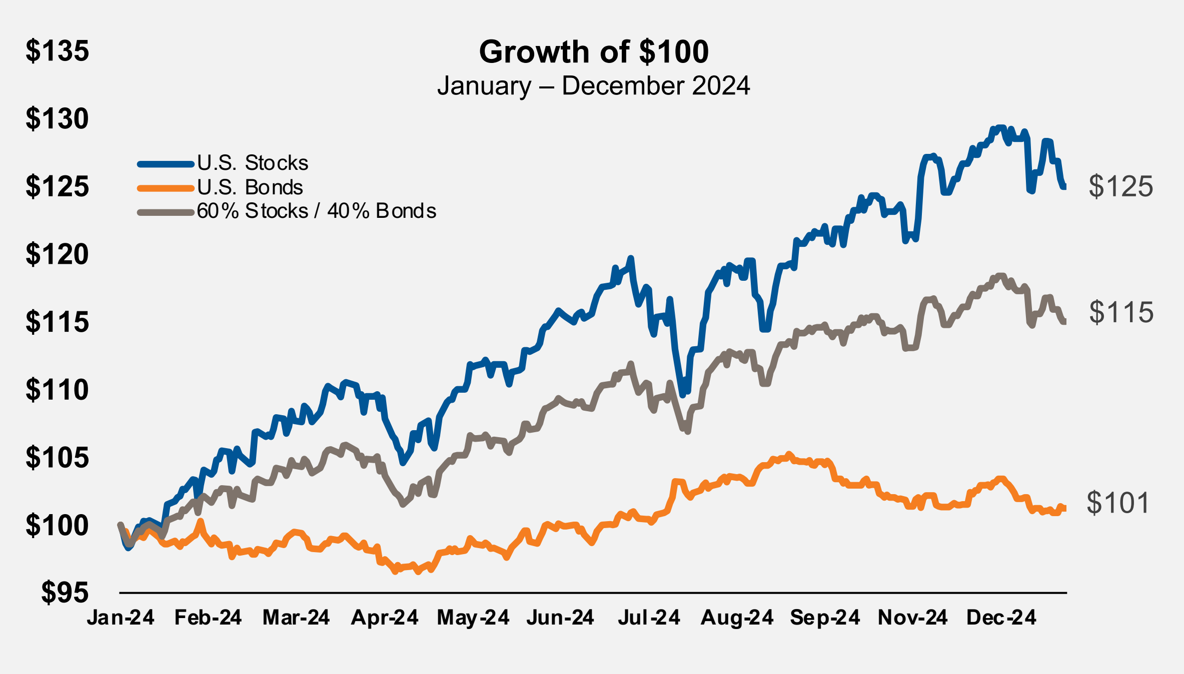
Stocks and bonds continue to move higher despite uncertainty

January/February:
S&P 500 Index level reaches new all-time high after recovering from 2022 decline. Unemployment ticks up to 3.9%. Fed holds rates steady, signaling a cautiously optimistic outlook. Global tensions rise over the ongoing conflict in Ukraine. Kansas City wins third Super Bowl in four years.

March/April:
Inflation increases more than expected, leading investors to rethink timing and amount of Fed rate cuts. 10-Year U.S. Treasury reaches peak yield of 4.7% for 2024. China announces sizable stimulus package. Oppenheimer takes home best picture at the Academy Awards.

May/June:
Unemployment rate increases to 4.0% for the first time since January 2022. S&P 500 Index closes the first half of 2024 with a return of 15% on strong corporate earnings. NVIDIA announces ten-for-one split. Debt ceiling negotiations resolved at the last minute. Oil prices rise to over $100 a barrel. Caitlin Clark's first WNBA game on May 14.

July/August:
Inflation drops to 2.9% – lowest since March 2021 – boosting consumer sentiment. Assassination attempt on Donald Trump. Joe Biden withdraws from Presidential election race, replaced by Kamala Harris. Markets initially drop on renewed labor market concerns. Jerome Powell strongly signals upcoming rate cuts. Paris successfully hosts the 2024 Summer Olympics



September/October:
Federal Reserve cuts rates by 0.50%. Volatility picks up a bit ahead of the November election. The second Presidential election debate focuses on inflation and economic policy. U.S. unemployment ticks up slightly to 4.2%. Jimmy Carter is the first U.S. president to reach 100.

November/December:
Former President Donald Trump defeats Kamala Harris. Republicans gain control of the Senate and House. U.S. equity markets rally, with the S&P 500 closing the year up 25.0%. The Federal Reserve cuts rates twice, by 0.25% each. Unemployment ends the year at 4.2% with signs of a possible cooling labor market. Taylor Swift wraps up the Eras Tour.

Source: Morningstar and St. Louis Fed. U.S. Stocks: S&P 500 Index; U.S. Bonds: Bloomberg U.S. Aggregate Bond Index. The 60/40 portfolio is a blend of 60% S&P 500 / 40% Bloomberg U.S. Aggregate Index. Inflation represented by Consumer Price Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Economic indicators dashboard

Q4 2024

Yield Spread

The curve is no longer inverted, and the yield spread is up from -0.9% at the end of Q3

Inflation

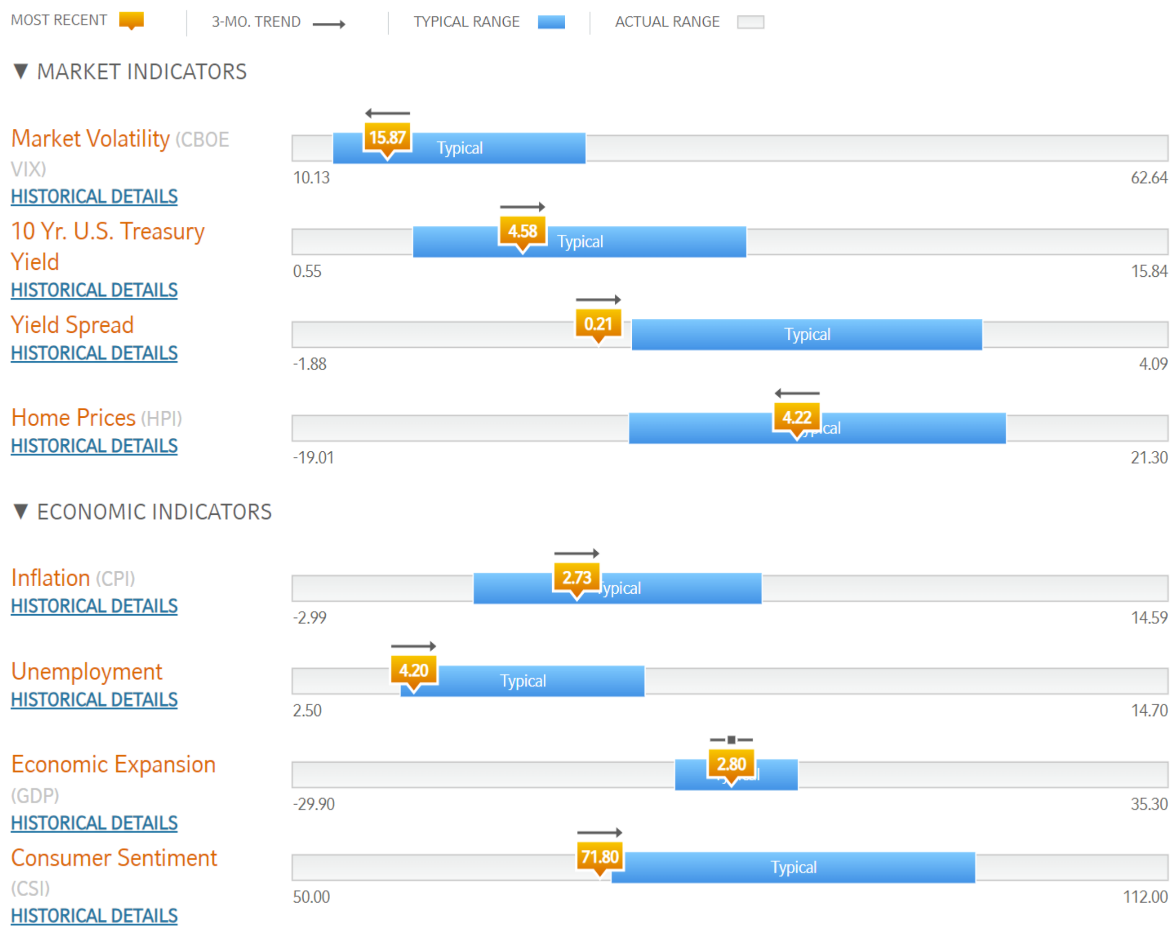
Rose slightly from 2.6% at the end of Q3

Unemployment

Remained low and off 2024 high of 4.3% posted in Q3

Consumer Sentiment

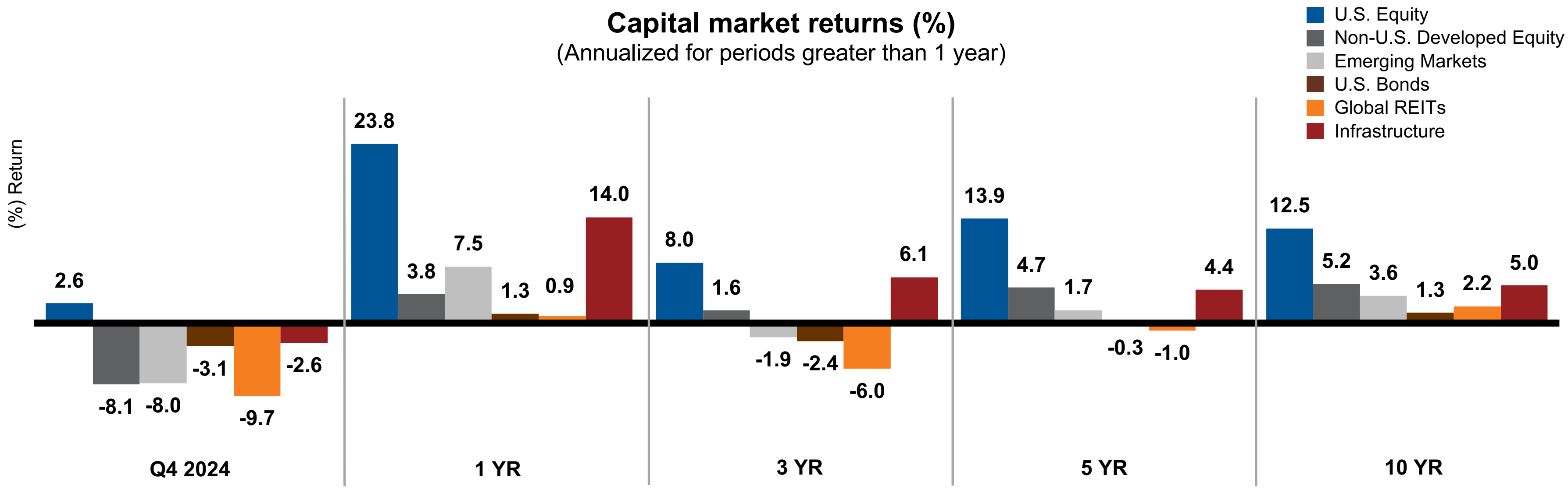
Remained below the typical range, but improved from 67.8 at the end of Q3



Source: http://www.russellinvestments.com, current state as of 01/03/2025. See appendix for category definitions. Russell Investments' Economic Indicators Dashboard charts several key indicators to help investors assess economic and market trends.

Capital markets

Periods ending December 31, 2024



U.S. equity: (Russell 3000® Index) U.S. stock index which includes the 3,000 largest U.S. stocks as measured by market capitalization

Non-U.S. developed equity: (MSCI EAFE Index) International market index that includes Western Europe, Japan, Australia

Emerging markets: (MSCI Emerging Markets Index) Emerging markets index that includes S. Korea, Brazil, Russia, India and China

U.S. bonds: (Bloomberg U.S. Aggregate Bond Index) Broad index for U.S. Fixed Income market

Global REITs: (FTSE EPRA/NAREIT Developed Index) Index for global publicly traded real estate securities

Infrastructure: (S&P Global Infrastructure Index) Provides exposure to companies around the world that represent listed infrastructure

CAPITAL MARKETS Q4 2024:

- **U.S. equity** ended the quarter up with growth outperforming, and AI technology stocks delivering the best returns
- **Non-U.S. developed equity** finished the quarter down on political instability in Europe and a strong U.S. dollar
- **Emerging markets** were negative in Q4 on slowing economic growth and a strong dollar
- **U.S. bonds** were down in Q4 on rising yields, concerns of more persistent inflation, and the Fed signaled a pause in additional rate cuts
- **Global REITs** down despite the Fed cutting rates twice during the quarter
- **Infrastructure** fell in Q4 as the Fed signaled it would likely pause further rate cuts making capital-intensive projects less attractive

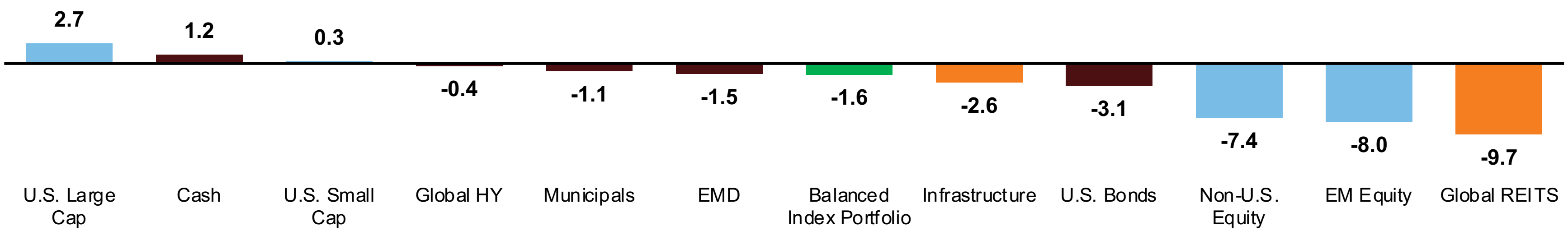
Source: FTSE/Russell, Bloomberg, MSCI, FTSE NAREIT, and S&P. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

What worked and what didn't

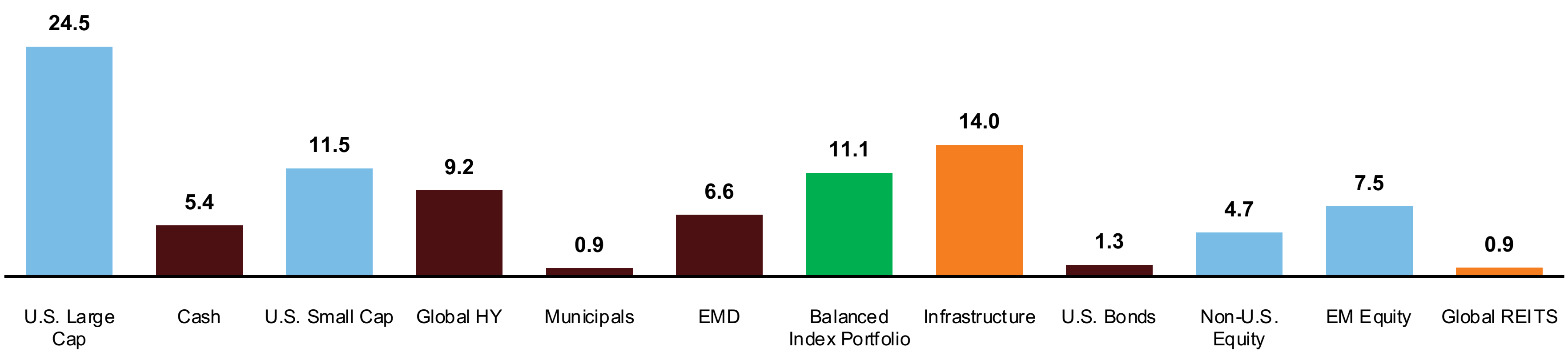
Q4 2024 and 2024

Equities Alternatives Fixed Income

Q4 2024 returns (%)



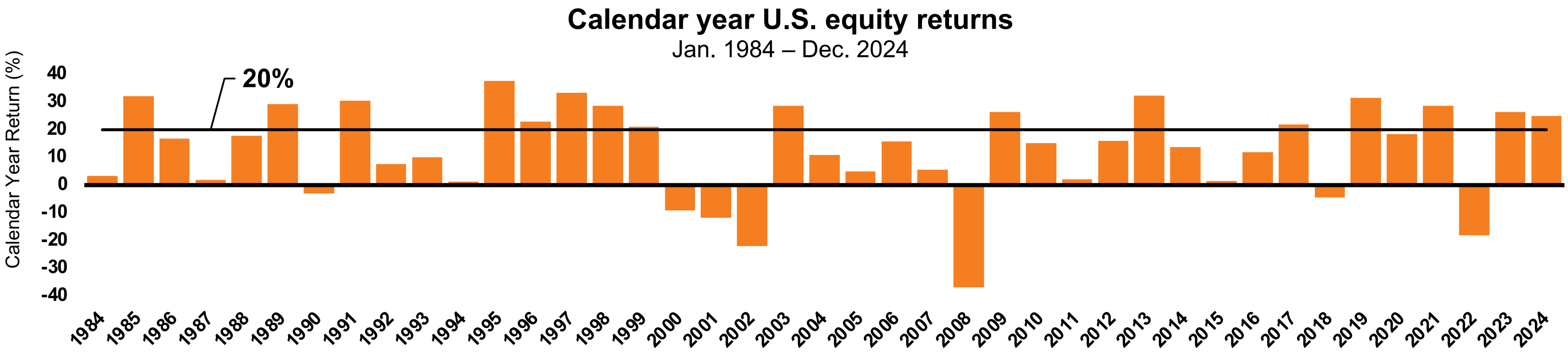
Year ending 2024 returns (%)

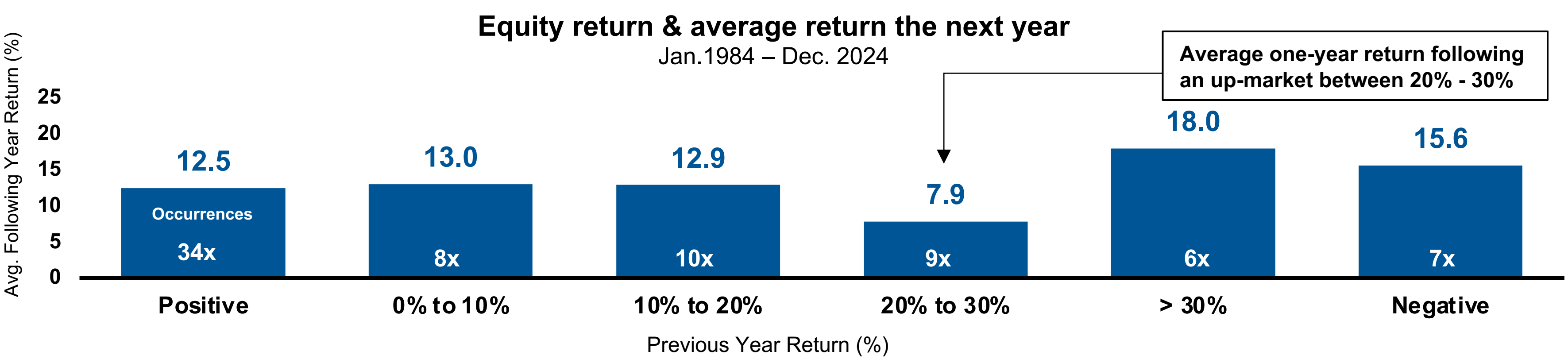


Source: U.S. Small Cap: Russell 2000® Index; U.S. Large Cap: Russell 1000® Index; Non-U.S.: MSCI World ex-USA Net index; Infrastructure: S&P Global Infrastructure Index; Global High Yield: Bloomberg Global High Yield Index; Global REITs: FTSE EPRA/NAREIT Developed Index; Municipals: Bloomberg Municipal Index, Cash: FTSE Treasury Bill 3 Month Index; EM Equity: MSCI Emerging Markets Index; U.S. Bonds: Bloomberg U.S. Aggregate Bond Index; Balanced Index: 3% U.S. Small Cap,36% U.S. Large Cap,13% Non-U.S., 2% Infrastructure, 4% Global High Yield, 2% Global REITs, 2% Cash, 4% EM Equity, 34% U.S. Bonds. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Historically strong market returns

Time in the market has beaten timing the market



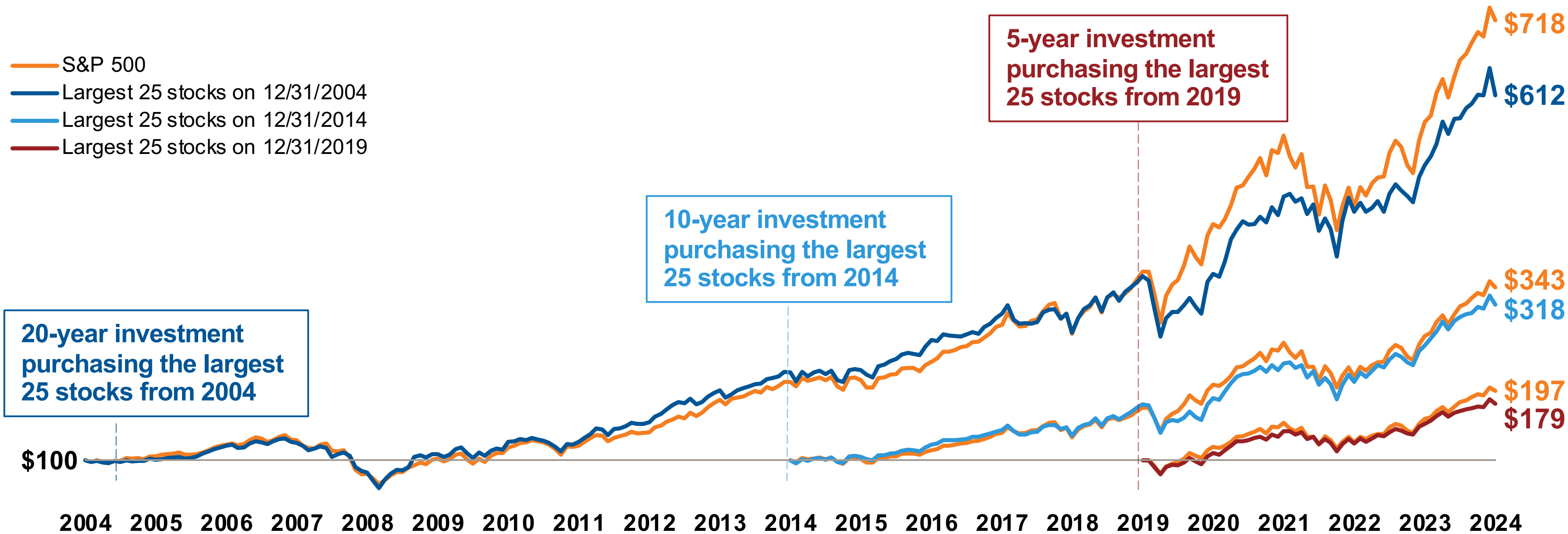


- Since 1984, U.S. equity markets have delivered calendar year returns exceeding 20% approximately 40% of the time
- While some may be concerned about what to expect in 2025, historically investors have been rewarded by staying invested

Source: U.S. Equity: Russell 3000 Index (1/1/1984 – 12/31/1989), S&P 500 Index (1/1/1990 – Present). Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Largest 25 stocks in the S&P 500 Index

Growth of $100



- Buying the highest-weighted 25 stocks underperformed the S&P 500
- Stocks become highly weighted in the S&P 500 due to strong past performance, but these weights are not necessarily an indicator of future outperformance
- NVDA joined the top 25 holdings in the second quarter of 2020. As of 12/31/2019, NVDA had a 0.54% weight in the index, ranking 40^{th} in weight among all stocks in the index

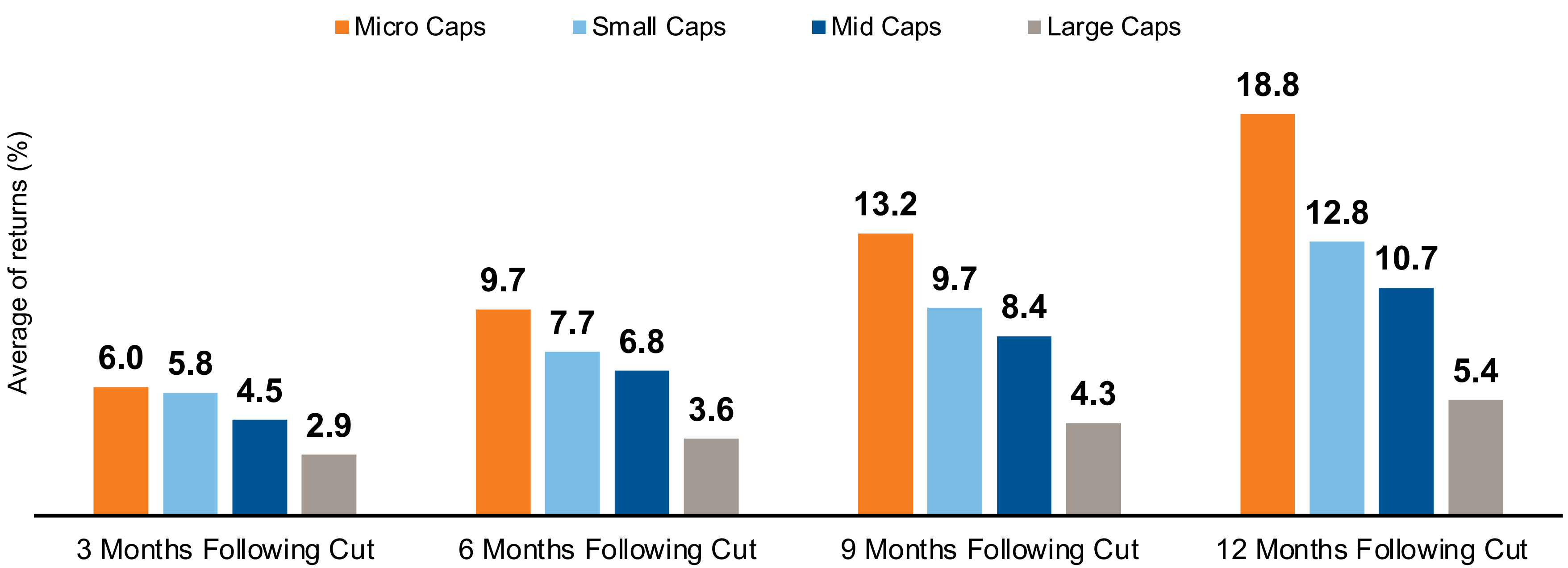
Weight of largest 5 stocks in the S&P 500 Index in 2004 vs 2024			
2004	**2004 → Current**	**2024**	**2004 → Current**
General Electric	3.4% → 0.4%	Apple	0.2% → 7.6%
ExxonMobil	2.9% → 1.0%	Nvidia	0.03% → 6.6%
Microsoft	3.0% → 6.3%	Microsoft	3.0% → 6.3%
Citigroup	2.2% → 0.3%	Amazon[1]	0.0% → 4.1%
Wal-Mart	2.0% → 0.8%	Meta[2]	0.0% → 2.6%

1. Added 2005. 2. Added 2013

Source: Morningstar. Largest weighted stocks in the S&P 500 on 12/31/2004, 12/31/2014, and 12/31/2019, and 12/31/2024, respectively. Top 25 stocks are equal-weighted. On 6/14/2018, Warner Media was acquired by AT&T and was removed from the 2004 holdings, the remaining 24 securities are re-weighted equally on that date. Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Returns following rate cuts

Rate cuts have benefited U.S. micro and small cap stocks



- On average, micro cap and small cap stocks have outperformed mid and large cap stocks following policy rate cuts over the last 35 years
- Lower interest rates can stimulate borrowing for expansion and create a more favorable environment for mergers and acquisitions

Source: Morningstar, Federal Reserve Bank of St. Louis. Micro Cap: Wilshire US Micro Cap Index, Small Cap: Russell 2000 Index; Mid Cap: Russell Mid Cap Index; Large Cap: S&P 500 Index. Data provided 1/1/1990 through 12/31/2024. Rate Cut defined as reduction to Federal Funds policy rate upper limit. Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Stock market leadership

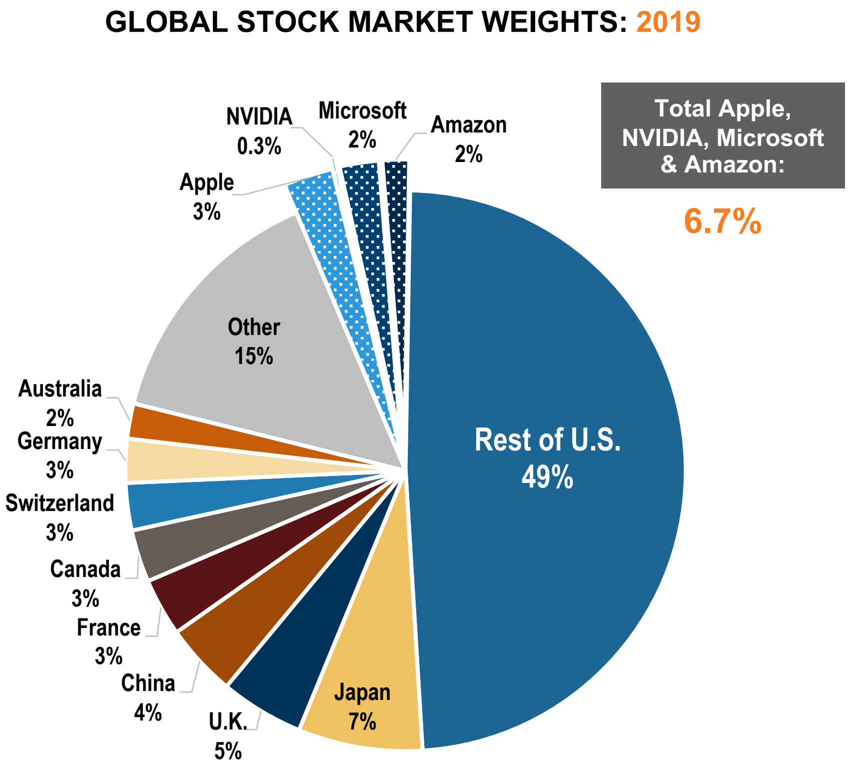
2000's have been dominated by… Mid Cap Value?

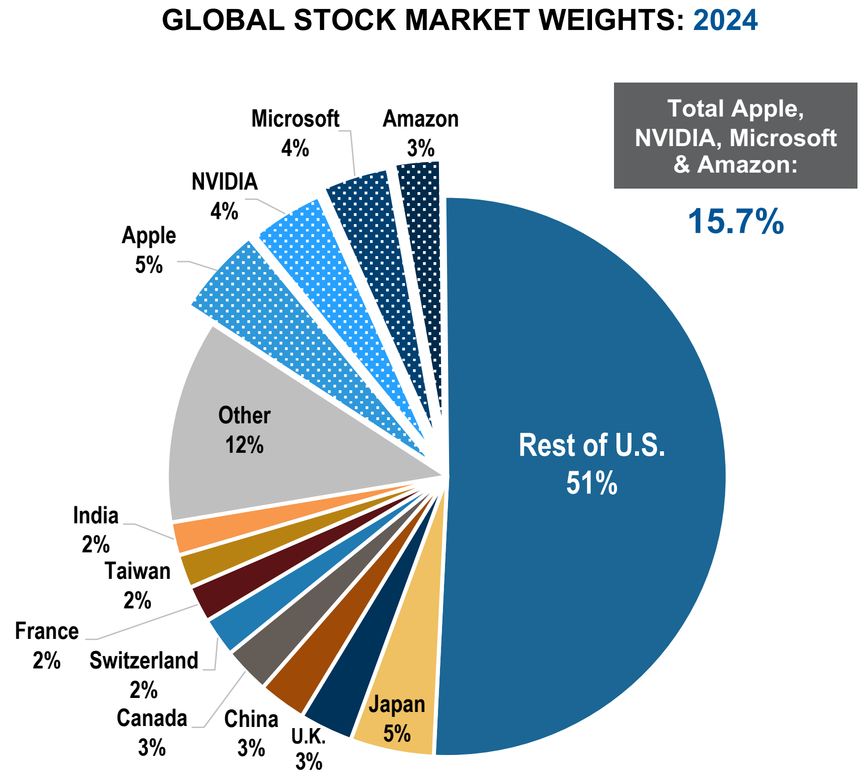
1990-1999	2000-2009	2010-2019	2020-2024	2000-2024
Large Growth 21.0%	**Small Value** 8.3%	**Large Growth** 15.6%	**Large Growth** 20.6%	**Mid Cap Value** 9.7%
Mid Cap Growth 19.0%	**Mid Cap Value** 7.6%	**Mid Cap Growth** 14.2%	**Mid Cap Growth** 11.5%	**Small Value** 9.0%
Large Value 16.4%	**Large Value** 0.4%	**Small Growth** 13.0%	**Large Value** 8.7%	**Large Growth** 7.8%
Mid Cap Value 13.8%	**Mid Cap Growth** -0.5%	**Mid Cap Value** 12.4%	**Mid Cap Value** 8.6%	**Mid Cap Growth** 7.6%
Small Growth 13.5%	**Small Growth** -1.4%	**Large Value** 11.6%	**Small Value** 7.3%	**Large Value** 6.4%
Small Value 12.5%	**Large Growth** -4.8%	**Small Value** 10.6%	**Small Growth** 6.9%	**Small Growth** 5.8%

Source: Large Growth: Russell 200 Growth Index, Large Value: Russell 200 Value Index, Mid Cap Growth: Russell Mid Cap Growth Index, Mid Cap Value: Russell Mid Cap Value Index, Small Growth: Russell 2000 Growth Index, Small Value: Russell 2000 Value Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

U.S. share of global stock market continues to expand

Largest U.S. stocks have surpassed weight of most other countries



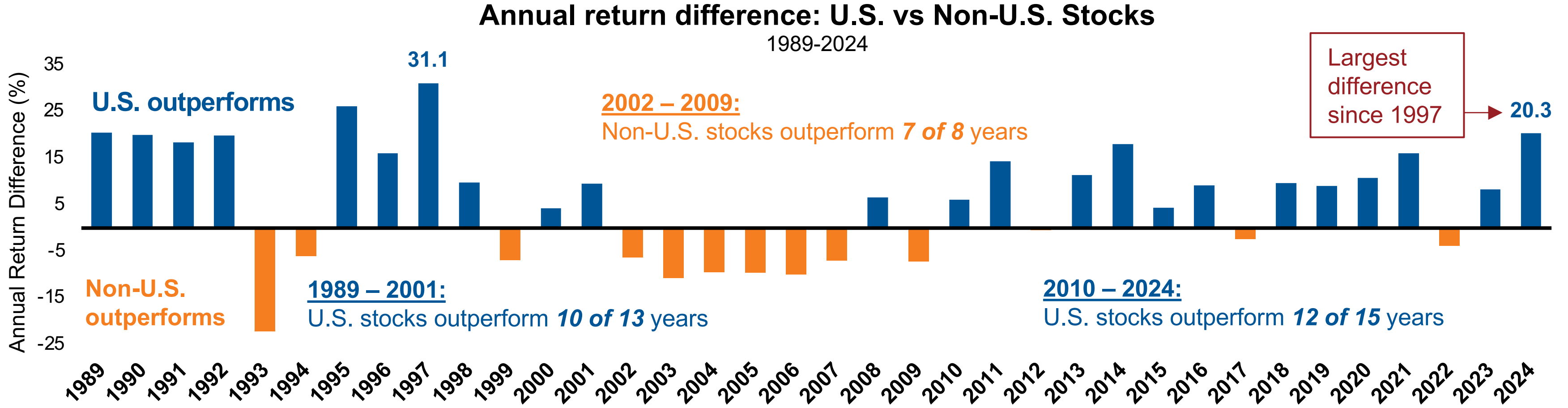


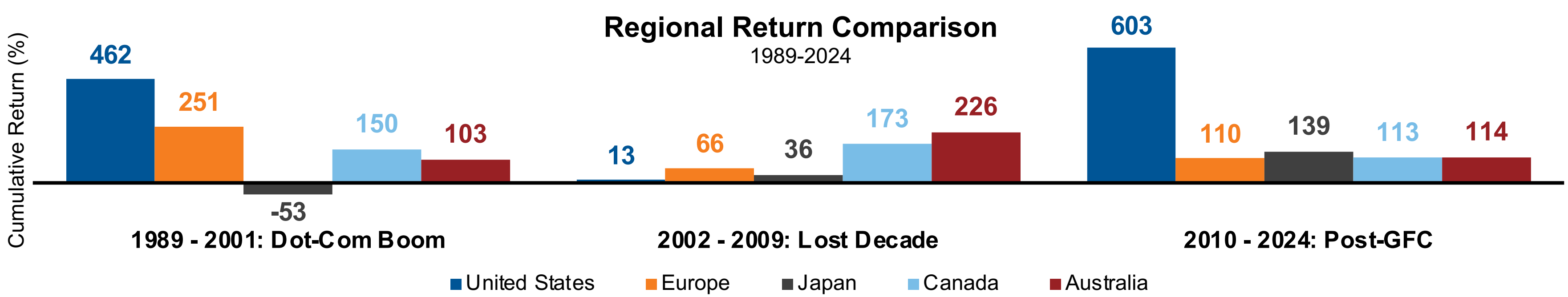
	Apple	NVIDIA	Microsoft	Amazon	Japan	U.K.	China	Canada	Switzerland	France	Taiwan	India
2024 return %	30.6	171.2	12.9	44.4	8.3	7.5	19.4	11.9	-2.0	-5.3	34.4	11.2
P/E ratio	32.8	32.4	31.7	35.2	14.4	11.5	11.1	15.5	15.9	13.6	16.7	20.7

Source: Morningstar, Russell Investments and MSCI. Global Stock Weights represented by MSCI ACWI Index. Data as of each year end. Countries represent MSCI Indexes. P/E indicates Forward P/E ratio. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

U.S. stocks widen performance difference over non-U.S.

2024 performance differential reaches levels not seen since the 1990s



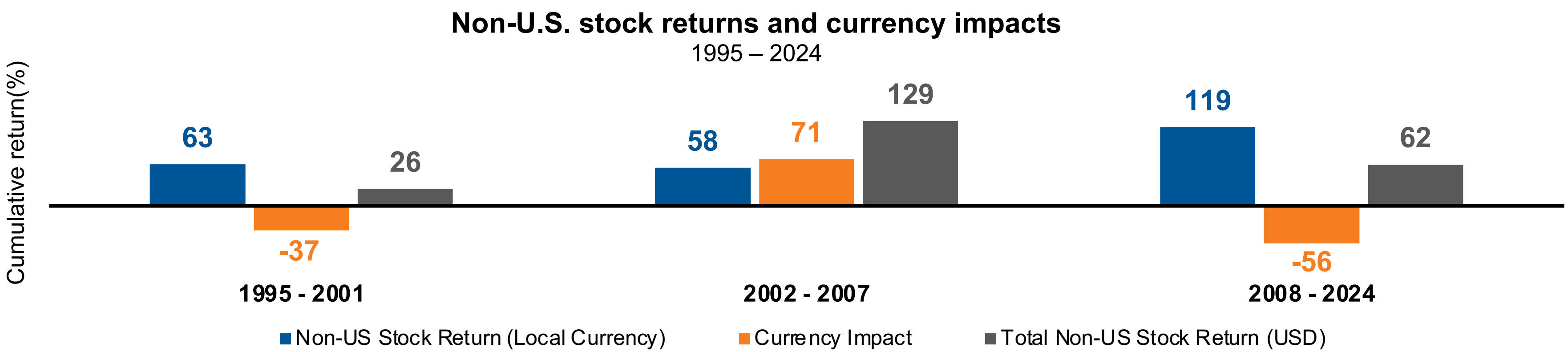


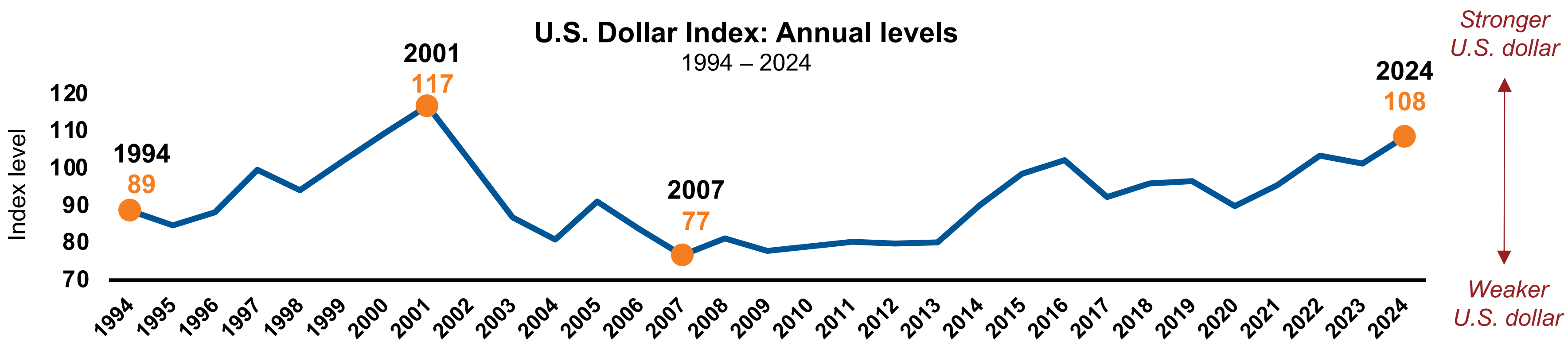
- U.S. stocks outperformed their non-U.S. counterparts by over 20% in 2024, marking the widest spread since 1997
- This result adds to the trend of U.S. dominance since 2010
- The reversal of leadership experienced in the 2000s shows importance of regional diversification

Source: Morningstar, Russell Investments and MSCI. U.S. stocks represented by S&P 500 Index. Non-U.S. stocks represented by MSCI World ex-USA Index. Europe, Japan, Canada and Australia represented by MSCI Indexes. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Currency impacts on non-U.S. stock returns

Recent dollar strength has been a headwind for returns from non-U.S. markets





- The U.S. dollar strengthened in 2024 on continued economic growth and anticipated trade policies
- A stronger dollar reduces returns on non-U.S. based investments while a weaker dollar provides a boost for returns
- Recent moves towards previous peaks have been a headwind, however non-U.S. stocks may benefit once this reverses

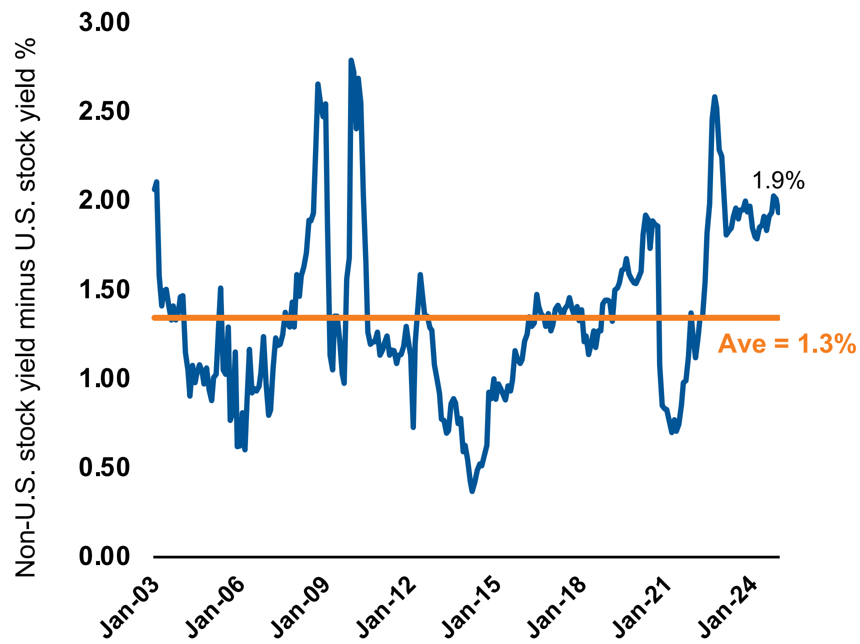
Source: Morningstar, Russell Investments and BarCharts. Non-U.S. stocks represented by MSCI World ex-USA Index. Dollar represents U.S Dollar Index as of each calendar year end. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Valuations & yields could be catalyst for non-U.S. returns

International stock fundamentals look attractive

Non-U.S. stocks valuation relative to U.S. stocks
(Jan 2003 – Dec 2024)

Non-U.S. stock yield relative to U.S. stocks
(Jan 2003 – Dec 2024)

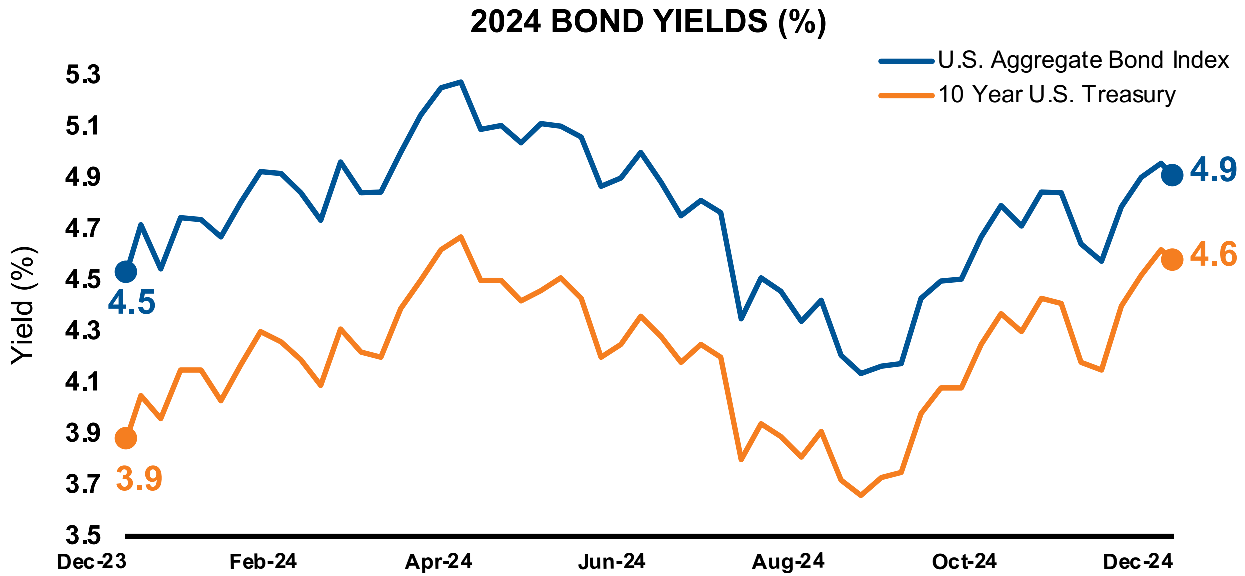


- Relative valuations, as measured by Price/Earnings ratio, are at 20-year lows
- International stocks are providing investors with an attractive yield

Source of Data: Morningstar's Current and Historical Price/Earnings Calculations and Dividend Yield Calculations for the S&P 500 Index (US Stocks) and MSCI EAFE Index (Non-U.S. Stocks). Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Higher yields support bond returns in 2024

Positive returns for the year despite rising interest rates



Understanding bond math

Total bond return ≈ *Income received (Yield)* + *Change in price*

2024 U.S. Aggregate Bond Index	
Starting yield (1/1/24)	**4.5%**
Ending yield (12/31/24)	**4.9%**
Change in price	**-2.5%**
Total return (Price + Yield)	**+1.3%**

Implied 2025 U.S. Aggregate Bond Returns

Based on interest rate changes

Current Yield (12/31/24)	Duration (yrs) (12/31/24)	If rates increase +1.0%	If rates Increase +0.5%	If rates unchanged	If rates decrease -0.5%	If rates decrease -1.0%
4.9%	6.1	-1.2%	1.9%	4.9%	8.0%	11.0%

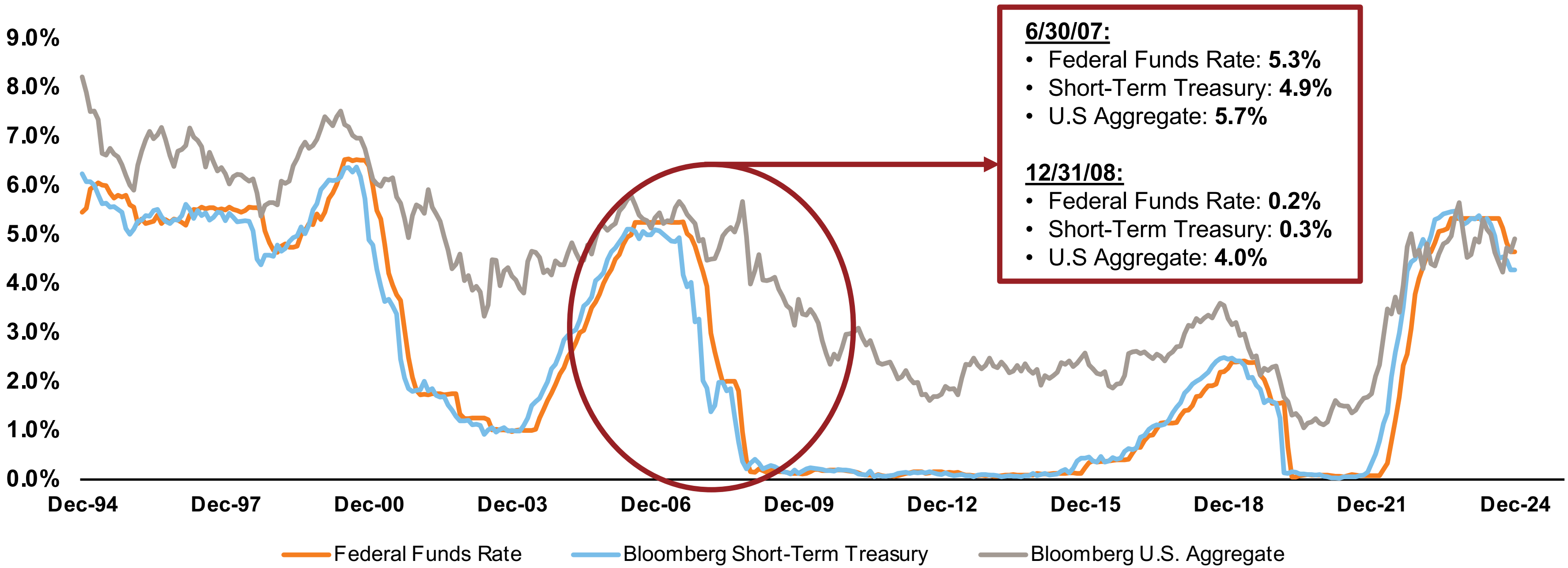
- Interest rates finished higher than they started the year in 2024 as investors revised rate cut expectations from the Fed
- Despite this, bonds still produced positive returns as price declines were more than offset by income received
- Higher levels of current yields can help continue to provide a cushion for bonds should rates continue to increase

Source: Morningstar, Barclays Live and St. Louis Fed. U.S. Aggregate Bond Index represents Bloomberg U.S. Aggregate Bond Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Short-term securities have higher reinvestment risk

Fixed income securities with less than one-year maturities closely track the federal funds rate

Index yields vs Federal Funds Rate
(Dec 1994 – Dec 2024)

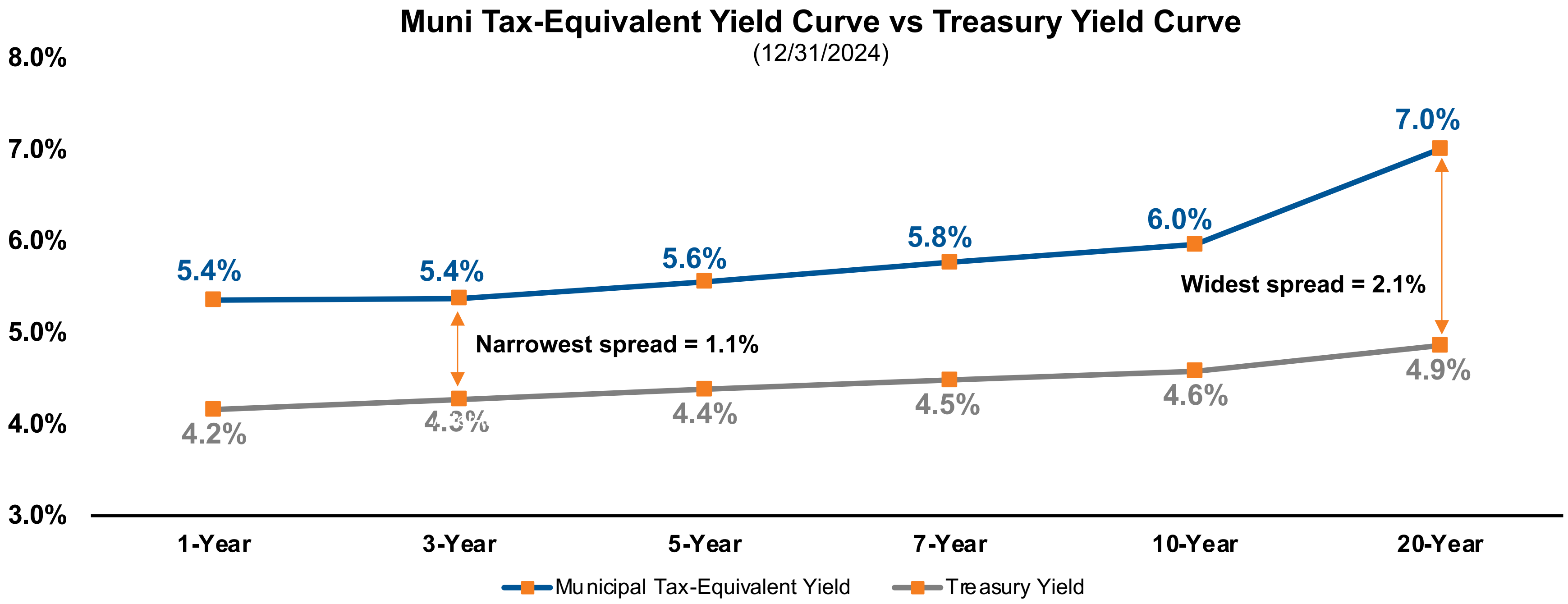


- Reinvestment risk means that future cash flows may not be invested at the same rate
- Yields on shorter-term fixed income, like 12-month T-Bills and CDs, are more influenced by cuts and hikes in the federal funds rate than longer-term yields

Source: Barclays Live & Federal Reserve Bank of St. Louis. Yields are based on index data: Bloomberg U.S. Aggregate Index and Bloomberg Short-term U.S. Treasury Index. Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Tax-equivalent yield spread

Spread between municipal tax-equivalent yields and treasury yields are favorable



- With elevated yields, the income return on treasuries has been higher, so the tax-free benefit of municipals has widened the after-tax yield spread
- At the end of 2021 when yields were low, these spreads were much tighter (less than 0.5% for all maturities 20 years and below)

Source: Barclays Live and U.S. Department of Treasury. Municipal yields are from the Bloomberg Municipal Bond Index and U.S. Treasury yields are from the Department of Treasury's Daily Treasury Par Yield Curve Rates. Tax-equivalent yield = yield/(1-tax rate), based on maximum tax rate of 40.8% for Married Filing Jointly, including 3.8% Net Investment Income Tax

Russell Investments' global market outlook

ECONOMIC VIEWS

U.S. ECONOMY
- Soft landing is the base case for the U.S., but recession risks can't be ruled out
- Inflation should reach target in 2025
- U.S. labor market is cooling, but not yet worrisome

EUROPE
- Inflation is tracking towards Central Bank targets
- ECB started cutting interest rates in June, but risk of interest rates being too tight for too long remains
- European economy faces persistent challenges – with German economic activity subdued & French policy uncertainty from bond market resistance to some fiscal plans

PACIFIC BASIN
- Wage growth and inflation expectations have moved towards Bank of Japan's inflation targets
- Chinese fiscal policy a key continued watchpoint into 2025

FED and FISCAL POLICY
- Fed likely to do gradual rate cuts until rates reach a more neutral setting, but exact path will depend on economic data
- Despite the wave election, Senate 'filibuster' rules could still serve as a constraint on fiscal policy

ASSET CLASSES

GLOBAL EQUITIES
- Potentially limited upside given expensive multiples and overbought sentiment
- Non-U.S. developed stocks at discount compared to U.S., but still earnings uncertainties

FIXED INCOME
- U.S. govt bonds are attractive, but not at an unsustainable extreme
- Credit spreads are very tight in the U.S., dampening return expectations for investment grade and high yield

REAL ASSETS
- Listed REITs and INFRA have better valuations than traditional equities

CURRENCIES
- USD appears expensive on a purchasing-power parity basis
- Near-term path is more uncertain amid risk of recession still being above-average

There is no guarantee the stated expectations will be met.
As of December 2024. Forecasting represents predictions of market prices and/or volume patterns utilizing varying analytical data. It is not representative of a projection of the stock market, or of any specific investment..

U.S. recession risks have come down from their peak

But not fully abated

MEDIUM-TERM RISK INDICATORS	JUN 2022	DEC 2023	DEC 2024
Slope of the curve (10y-2y)	Orange	Red	Orange
Labor market slack	Red	Red	Green
Stance of Fed policy	Yellow	Red	Orange
Output Gap	Red	Red	Yellow
Corporate financing gap	Green	Green	Green
Household debt levels	Green	Green	Green
Household debt services	Green	Green	Green
Corporate debt levels	Red	Red	Red
Corporate debt service	Green	Green	Yellow

SHORT-TERM INDICATORS	JUN 2022	DEC 2023	DEC 2024
Business Cycle Index	Green	Yellow	Green
Yield Curve (10y – 3m)	Green	Red	Orange
Employment Growth	Green	Green	Green
Consumption Growth	Yellow	Yellow	Yellow
SOFR Spread*	Yellow	Yellow	Yellow
Credit Spread	Yellow	Yellow	Green
Temporary help employment	Green	Red	Red
Consumer spending decomposition	Yellow	Green	Orange
Architectural billings	Yellow	Red	Orange
Financial Conditions Index	Orange	Orange	Yellow
Banking lending standards	Green	Red	Orange
ISM Manufacturing	Yellow	Red	Orange
ISM non-manufacturing	Yellow	Orange	Green
Initial jobless claims	Green	Green	Green
Bank loan demand	Green	Red	Yellow

- Business Cycle Index is bolstered by improvement in Credit Spreads
- Corporate debt servicing is more difficult with interest rates remaining elevated despite first Fed cut
- Despite some improving indicators, the economic outlook remains mixed with higher-than-normal level of uncertainty

Source: Russell Investments, December 2024. Red represents areas of high risk. Orange and yellow represent areas of intermediate risk. Green represents areas of low risk. *SOFR Spread: Ted spread was used for June & December 2023.

Policy watchpoints into 2025

KEY POLICIES

Tariffs
- Raise tariffs against China and other trading partners
- Drag growth (0.5ppt) and earnings (1ppt), boost prices (0.3ppt)

Immigration
- Restrict immigration to 2017-2019 levels, mass deportations?
- Potential growth slows from 2.5% to 2%, little impact on prices

Fiscal policy
- Extend TCJA cuts past 2025, cut corporate tax
- Boost earnings (5ppt), more government debt

Deregulation
- Focus on financials and energy sectors

ESTIMATED FUNDAMENTAL IMPACT

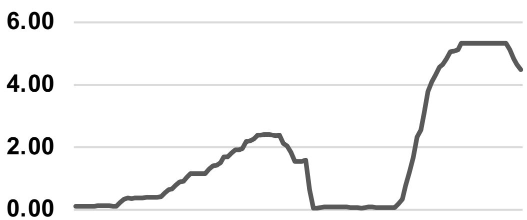
Economic growth
- Little impact on balance
- Tariffs & immigration (-) offset by fiscal & deregulation (+)

Inflation
- Modest (0.3 ppt) one-time increase in core PCE inflation
- More in extreme scenarios for tariffs, fiscal, immigration

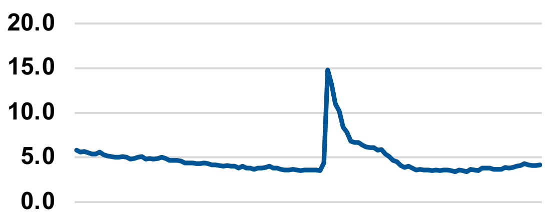
Earnings
- S&P 500 earnings expected to get a 4ppt boost in 2026
- Corporate tax cuts (+5ppt) outweigh tariff drags (-1ppt)

Interest rates
- Little impact on Fed near-term, long rates up on fiscal risk
- Mix across tariffs (dovish) and fiscal (hawkish) is key

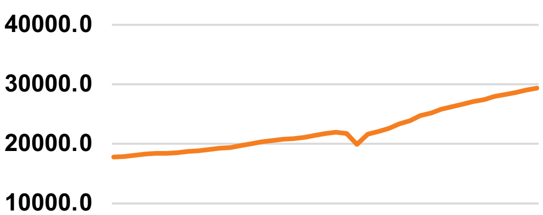
Federal Funds Rate%
(10 years through 2024)



Unemployment Rate%
(10 years through 2024)



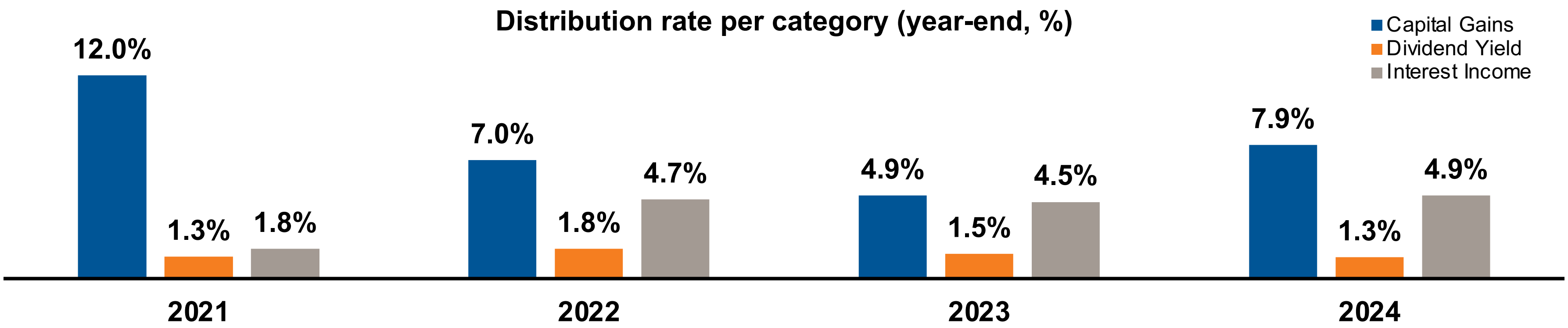
Gross Domestic Product ($B)
(10 years through 2024)



Source: Russell Investments, December 2024 and The St. Louis Federal Reserve (FRED)

Consider your whole portfolio when thinking about taxes

Know your distribution, how it's taxed and where its coming from



$1 Million diversified portfolio
(50% stocks / 50% bonds)

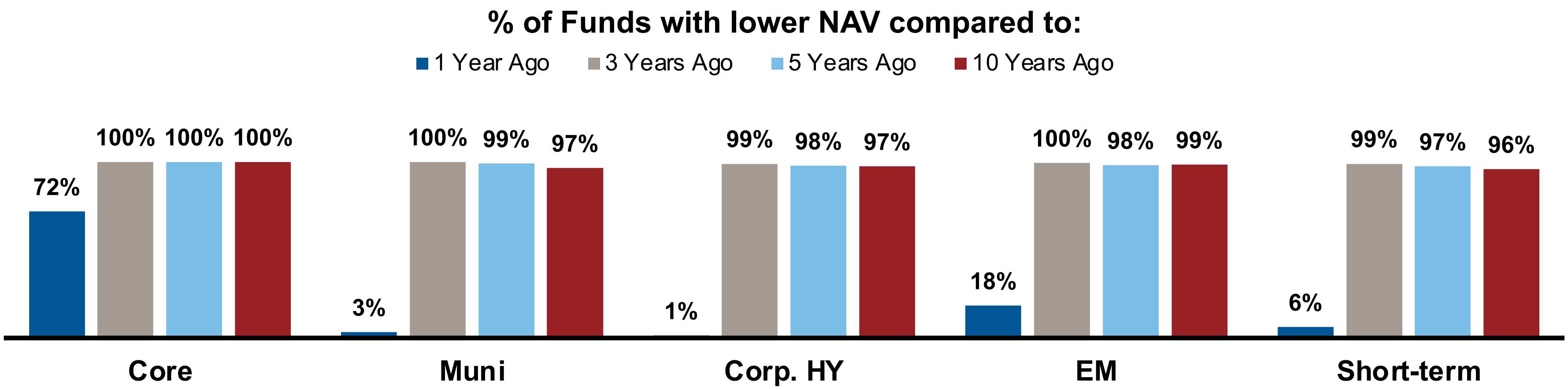
Distribution amount x				Tax Rate =		Federal Income Tax Owed			
2021	**2022**	**2023**	**2024**	**Source & Tax Rate**		**2021**	**2022**	**2023**	**2024**
$60,000	$35,000	$24,500	$39,500	**Capital Gains** (stocks)	23.8%	$14,280	$8,330	$5,831	$9,401
$6,450	$8,750	$7,350	$6,250	**Dividend Yield** (stocks)	23.8%	$1,535	$2,083	$1,749	$1,488
$8,770	$23,405	$22,650	$24,525	**Interest Income** (bonds)	40.8%	$3,578	$9,549	$9,241	$10,006
$75,220	**$67,155**	**$54,500**	**$70,275**	**TOTAL**		**$19,393**	**$19,962**	**$16,822**	**$20,895**

- Capital gains continue to impact investors while elevated interest rates have magnified what that impact could look like
- If not managed appropriately, tax bills might be larger then anticipated

Source: Morningstar Direct, S&P & Barclays. Capital Gains: U.S. Equity Average % = total cap gain distribution ÷ respective pre-distribution NAV. Dividend Yield: S&P 500 Index. Interest Income: Yield-to-worst on the Bloomberg U.S. Aggregate Bond Index. Capital Gains and dividends taxed at a rate of 23.8% (Max LT Cap Gain 20% + Net Investment Income 3.8%). Interest Income taxed at a rate of 40.8% (Max Federal Income Rate 37% + Net Investment Income 3.8%). Diversified Portfolio: 50% equity, 50% bonds. Distribution amount applies 50% of each distribution rate to the total portfolio value of $1 million.

The % of taxable bond funds currently in a loss position

Tax cost to transition may be less than expected



Fixed Income Sector Annualized Returns (%)

As of: 12/31/2024	1 Year	3 Years	5 Years	10 Years
Core	1.3	-2.4	-0.3	1.3
Muni	0.9	-0.04	1.1	2.0
Corp. HY	8.2	2.9	4.2	5.2
EM	6.6	-0.5	0.6	3.2
Short-term	4.1	1.5	1.4	1.4

Despite positive long-term returns, a high amount of taxable fixed income funds have lower NAVs today compared to 3, 5 and 10 years ago

Source: Morningstar. Core: Bloomberg U.S. Aggregate Bond Index; Muni: Bloomberg Municipal 1–15 yr (1-17) Blend Index; Short-term: ICE BofA 1-3Y US Treasury Index; Corp. HY: Bloomberg High Yield Corporate Index; EM: Bloomberg EM USD Aggregate Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

A 5% CD – What is the real rate of return

It's what you get to use that matters

ASSUMPTIONS
- 5% CD rate
- Top Federal Income Tax Rate*
- 2% Inflation

After-tax real return
0.94%

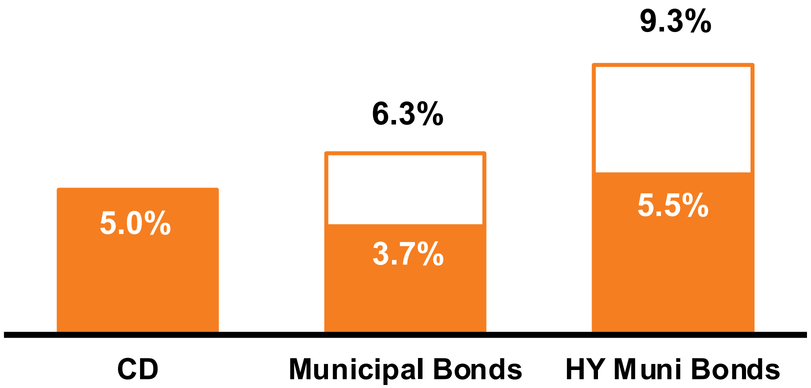
ASSUMPTIONS
- 5% CD rate
- Top Federal Income Tax Rate*
- 4% Inflation

After-tax real return
-1.00%

Taxable Equivalent Yields
CD's vs. Munis

An investor in the top tax bracket would need to ***earn a taxable yield of:***

6.3% to match the 3.7% yield of IG Munis



- Interest received from CDs and Money Market Funds is taxable as ordinary income
- After considering taxes and inflation, the return on a 5% CD may result in reduced purchasing power
- Municipal bonds provide a compelling income generating alternative with minimal tax cost

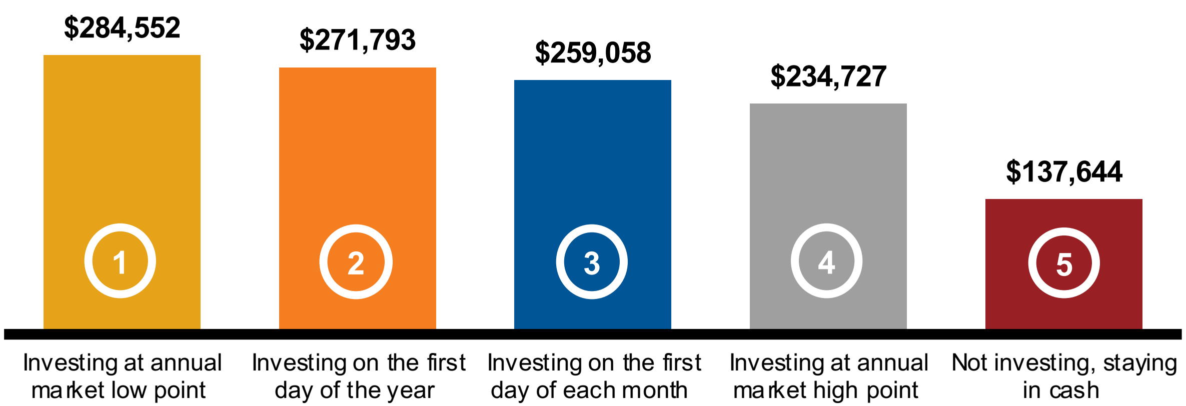
Source: Barclays and Russell Investments. Municipal Bonds: Bloomberg Municipal Bond Index. Certificates of deposit (CDs) offer a fixed rate of return, and the interest and principal on CDs will generally be insured by the FDIC up to $250,000. Top Federal Income Tax Rate* and Taxable Equivalent Yield: Based on maximum tax rate of 40.8% for Married Filing Jointly, including 3.8% Net Investment Income Tax. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly

Be invested, stay invested

Time in the market, not timing the market

1 Perfect timing	2 First of year	3 Dollar cost averaging	4 Perfectly wrong timing	5 Holding cash, no investment
This strategy is ideal, yet implausible.	Investing your money for the most amount of time can yield the most gain in most market environments.	A popular rules-based strategy. Can help investors cope with uncertain or volatile markets.	Despite bad timing, assets invested in the market may grow faster than if left in cash.	Holding cash too long can result in the least growth of wealth.

Hypothetical ending wealth after investing $12,000 per year
Period ending December 31st, 2024



Note that one year represents a 12-month period ending December 31st .

Assumes an investment of $12,000 per year into a hypothetical S&P 500 Index portfolio with no withdrawals between Jan 1stst, 2015 and Dec 31st, 2024.

Source: Russell Investments.

Cash return based on return of $12,000 invested each year in a hypothetical portfolio of 3-month Treasury bonds represented by the FTSE Treasury Bill 3-month Index without any withdrawals between Jan 31st, 2015 and Dec 31st, 2024.

Source: Morningstar.

Indexes are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Hypothetical analysis provided for illustrative purposes only.

Important information and disclosures

RISKS OF ASSET CLASSES DISCUSSED IN THIS PRESENTATION:

Global, International and Emerging markets return may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation. Such securities may be less liquid and more volatile. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and political systems with less stability than in more developed countries.

Real Assets: Investments in infrastructure-related companies have greater exposure to adverse economic, financial, regulatory, and political risks, including, governmental regulations. Global securities may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks. Investments in international markets can involve risks of currency fluctuation, political and economic instability, different accounting standards, and foreign taxation.

Commodities: Commodities may have greater volatility than traditional securities. The value of commodities may be affected by changes in overall market movements, changes in interest rates or sectors affecting a particular industry or commodity, and international economic, political and regulatory developments.

Bonds: With fixed income securities, such as bonds, interest rates and bond prices tend to move in opposite directions. When interest rates fall, bond prices typically rise and conversely when interest rates rise, bond prices typically fall. When interest rates are at low levels there is risk that a sustained rise in interest rates may cause losses to the price of bonds. Bond investors should carefully consider these risks such as interest rate, credit, repurchase and reverse repurchase transaction risks. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, is inherent in portfolios that invest in high yield ("junk") bonds or mortgage-backed securities, especially mortgage-backed securities with exposure to sub-prime mortgages. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries. When interest rates are at low levels there is risk that a sustained rise in interest rates may cause losses to the price of bonds.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than $2 billion) than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks. Investors should consider the additional risks involved in small cap investments.

Large capitalization (large cap) investments involve stocks of companies generally having a market capitalization between $10 billion and $200 billion. The value of securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions.

Although stocks have historically outperformed bonds, they also have historically been more volatile. Investors should carefully consider their ability to invest during volatile periods in the market.

Growth: Growth investments focus on stocks of companies whose earnings/profitability are accelerating in the short-term or have grown consistently over the long-term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. A stock's value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments.

Value: Value investments focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that the stocks' intrinsic values may never be realized by the market, or, that the stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

An **Investment Grade** is a system of gradation for measuring the relative investment qualities of bonds by the usage of rating symbols, which range from the highest investment quality (least investment risk) to the lowest investment quality (greatest investment risk).

Gross domestic product (GDP) refers to the market value of all final goods and services produced within a country in a given period. It is often considered an indicator of a country's standard of living.

Trailing price-to-earnings (P/E) is a relative valuation multiple that is based on the last 12 months of actual earnings. It is calculated by taking the current stock price and dividing it by the trailing earnings per share (EPS) for the past 12 months.

Forward price to earnings (forward P/E) is a quantification of the ratio of price-to-earnings (P/E) using forecasted earnings for the P/E ratio.

Price-to-book ratio compare a firm's market to book value by dividing price per share by book value per share.

INDEX DEFINITIONS:

Bloomberg Global High-Yield Index: An index which provides a broad-based measure of the global high-yield fixed income markets. The Global High-Yield Index represents that union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices.

Bloomberg High Yield Municipal Bond Index: An unmanaged index considered representative of noninvestment-grade bonds. FactSet Research Systems Inc. Intermediate U.S. Credit Index is an unmanaged index of dollar-denominated, investment-grade, publicly issued securities with maturities of one to 10 years.

Bloomberg Intermediate Treasury Index: Measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

Bloomberg Short Treasury Index: Is composed of all treasuries that have a remaining maturity between one and twelve months.

Bloomberg U.S. Aggregate Bond Index: An index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities. (specifically: Bloomberg Government/Corporate Bond Index, the Asset-Backed Securities Index, and the Mortgage-Backed Securities Index).

Bloomberg U.S. Credit Bond Index: Measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year.

Bloomberg US Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Index definitions

Bloomberg U.S. Municipal Index: Covers the USD-denominated long-term tax-exempt bond market.

Bloomberg Commodity Index Family: Represents the major commodity sectors within the broad index: Energy (including petroleum and natural gas), Petroleum (including crude oil, heating oil and unleaded gasoline), Precious Metals, Industrial Metals, Grains, Livestock, Softs, Agriculture and Ex-Energy. Also available are individual commodity sub-indexes on the 19 components currently included in the DJ-UBSCI℠, plus brent crude, cocoa, feeder cattle, gas oil, lead, orange juice, platinum, soybean meal and tin.

Bloomberg Commodity Index Total Return: Composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid the delivery process and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as "rolling" a futures position.

Citigroup 1-3 Month T-Bill Index: An unmanaged index that tracks short-term U.S. government debt instruments.

FTSE NAREIT: An Index designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the U.S. economy, offering exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets.

JPM Emerging Market Bond Index (EMBI): Dollar-denominated sovereign bonds issued by a selection of emerging market countries.

MSCI AC World ex-USA Index: An index that tracks global stock market performance that includes developed and emerging markets but excludes the U.S.

MSCI country indices: Indices which include securities that are classified in that country according to the MSCI Global Investable Market Index Methodology, together with companies that are headquartered or listed in that country and carry out the majority of their operations in that country.

MSCI EAFE (Europe, Australasia, Far East) Index: A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

MSCI Emerging Markets Index: A float-adjusted market capitalization index that consists of indices in 24 emerging economies.

MSCI World Index: A broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries.

Russell 3000® Index: Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Russell 2000® Index: measures the performance of the 2,000 smallest companies in the Russell 3000 index.

The S&P 500® Index: A free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the S&P 500® are those of large publicly held companies that trade on either of the two largest American stock market exchanges: the New York Stock Exchange and the NASDAQ.

The S&P Global Infrastructure Index: Provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure across the global listed infrastructure market, the index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation, and Energy.

S&P Global Natural Resources Index: The index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors

Euro Stoxx 600 index" Index is derived from the Stoxx Total Market Index and is a subset of the STOXX Global 1800 Index, represents large, mis and small capitalization companies across 17 countries of the European Region.

Market Indicators

HOME PRICES – The S&P/Case-Shiller Home Price Index is a measurement of U.S. residential real estate prices, tracking changes in top 20 metropolitan regions. This indicator value represents the trailing year over year % change in the home prices index as of last month-end. Residential real estate represents a large portion of the U.S. economy, and the Home Price index helps us monitor the value of real estate.

MARKET VOLATILITY(VIX) – CBOE VIX (Chicago Board Options Exchange Volatility Index) measures annualized implied volatility as conveyed by S&P 500 stock index option prices and is quoted in percentage points per annum. For instance, a VIX value of 15 represents an annualized implied volatility of 15% over the next 30-day period. The VIX measures implied volatility, which is a barometer of investor sentiment and market risk.

10 YR. U.S. TREASURY YIELD – The yield on the 10-year U.S. Treasury note issued by the U.S. Government. It is important because it is seen as a benchmark for interest rate movements and borrowing costs in the economy.

YIELD SPREAD – The spread between 3-month Treasury bill yields and 10-year Treasury note yields measures the market outlook for future interest rates. A normal or upward-sloping yield curve, can imply that investors expect the economy to grow and inflation to eat into asset returns. They thus demand a higher yield for long-term Treasuries. An inverted yield curve has often been an indicator of coming recessions, but not always. For example, reduced inflation expectations could cause the yield curve to flatten.

Economic Indicators

CONSUMER SENTIMENT – The University of Michigan Survey of Consumer Sentiment Index is an economic indicator which measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation.

ECONOMIC EXPANSION (GDP) – GDP (Gross Domestic Product) measures the total market value of a nation's output of goods and services during a specific time period. It is usually measured on a quarterly basis. Current GDP is based on the current prices of the period being measured. Nominal GDP growth refers to GDP growth in nominal prices (unadjusted for price changes). Real GDP growth refers to GDP growth adjusted for price changes. Calculating Real GDP growth allows economists to determine if production increased or decreased, regardless of changes in the purchasing power of the currency.

INFLATION – The Consumer Price Index (CPI) NSA (non-seasonally adjusted) measures changes in the price level of a market basket of consumer goods and services purchased by households. This indicator value represents the trailing year over year % change in the CPI index as of last month-end.

UNEMPLOYMENT – The Bureau of Labor Statistics measures employment and unemployment of all persons over the age of 15 using two different labor force surveys conducted by the United States Census Bureau (within the United States Department of Commerce) and the Bureau of Labor Statistics (within the United States Department of Labor) that gather employment statistics monthly. The data reported here is seasonally adjusted (SA) to account for seasonal gains in employment leading up to Christmas.