THOUGHTS OF THE WEEK

Larry Adam, Chief Investment Officer, Private Client Group

Follow Larry Adam on Twitter: @LarryAdamRJ

WEEKLY HEADINGS

Key Takeaways

Consumer Spending Is Vital To The Economy's 'Bill Of Health'

Congress Still 'Flexing' Partisan Agendas Instead Of Stimulus

The Election May 'Stretch' Volatility Higher In The Interim

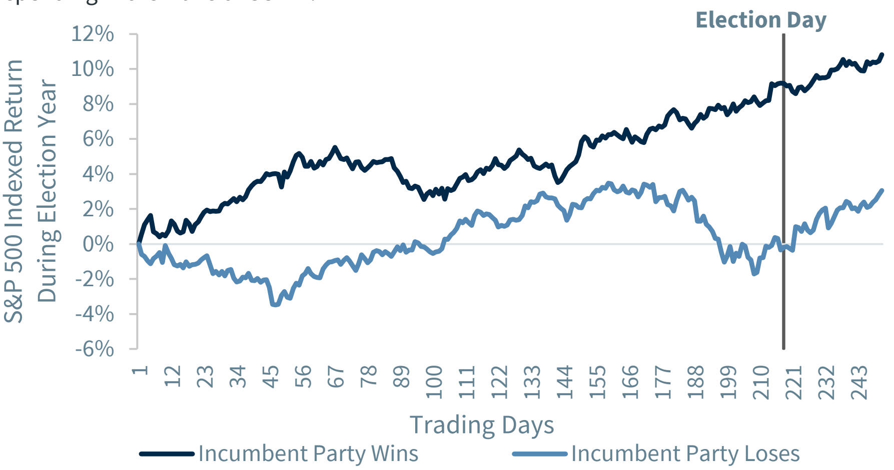
Today is National Family Health and Fitness Day! The COVID-19 outbreak undoubtedly brought our health and the health of our loved ones to the forefront of our minds, and with many states closing fitness centers in the initial stages of the lockdowns, the virus certainly challenged our traditional methods for exercise too. As the US nears 7 million COVID cases, we anticipate the virus will impact our daily actions and health habits, whether that be extra hand-washing or streamed workouts in our living rooms, for the foreseeable future. Above all, we hope that you and your families stay safe, but as your Investment Strategy Team we are rightfully assessing the current 'bill of health' for the economic recovery and evaluating how the upcoming presidential election may 'stretch' market volatility higher in the near term. Between critical economic data releases and the first debate between President Trump and challenger Joe Biden, next week could 'pick up the intensity' on both these fronts.

- **The US Economy Hopes To Return To Its Pre-COVID-19 Shape |** The US economic recovery is displaying our expected 'K-shaped' pattern, where various subsectors of the economy recover at dissimilar paces and magnitudes. Many critical industries such as airlines, entertainment, hospitality, and leisure have yet to begin their robust rebound, and the prolonged downturn for these sectors will impact the economic recovery in the aggregate. Until we have a successful vaccine and/or rapid testing becomes readily available (not likely until mid-2021), these industries at the lower parts of the 'K' will continue to struggle. For this reason, we do not anticipate US GDP returning to pre-pandemic levels until early 2022, but just as any avid gym goer knows, big changes do not happen overnight, and instead we must focus on the progress made thus far. Some of our preferred real-time activity metrics (e.g., jobless claims, Redbook sales) are finally regaining momentum after a several months long plateau and timely economic data releases such as both ISM indices, the August jobs reports, and the September reading of consumer sentiment next week could provide insights about the pace of the recovery in the months ahead. Ultimately, the strength of the economy and its recovery are heavily dependent upon a more stabilized labor market and consumers confidently spending.
  - **Congress Needs To Do Some Heavy Lifting To Help Consumers |** With Congress 'flexing' its partisan agendas, the lack of a stimulus deal is concerning to our economist who believes that the economy needs stimulus now, especially with the critical holiday shopping season approaching. Our political analyst believes the next stimulus package will likely be a post-election event, raising the question of whether or not the previous stimulus actions can sustain the economy through the election. While our real-time economic indicators remain 'healthy', October may be more challenging as consumers and businesses receive less support. In fact, the savings rate has already been cut in half over the last three months. From an historical perspective, any economic weakness would negatively impact the equity market and hurt President Trump's reelection chances.
- **First Debate Will Take The Candidates' Pulse On Key Issues |** The first presidential debate will take place next Tuesday in Cleveland, Ohio amid heightened tensions due to President Trump's plans to proceed with a Supreme Court nominee. Both candidates will need 'endurance' to last the 90 minute debate as the pandemic, economy, racial tensions, and the integrity of the election process will all be discussed. While this debate and the two that follow (October 15 & 22) may lead to interim spikes in volatility, remember that September has historically been the weakest month of the year for equities, especially if the challenger ultimately wins. However, historically, regardless of who wins, the market tends to rally into the end of the year. Interestingly, the market typically sees stronger performance into year end if the incumbent party loses, offsetting some of the pre-election sell-off.
- **Health Of The Health Care Sector |** Health care is underperforming this quarter (1.7% vs S&P 500's 5.1%), as election and policy headwinds (i.e., Supreme Court vacancy and its impact on the upcoming Affordable Care Act ruling) both weigh on the sector.* Despite these recent struggles, we still believe the sector is in 'good shape,' maintaining our overweight allocation as relative valuations (26% discount relative to the S&P 500) suggest that most, if not all, worst case policy outcomes are likely already priced in. In addition, earnings and sales growth should still show 'signs of strength' as both are supported by aging demographics and increased health care spending in the wake of COVID.

CHART OF THE WEEK

Election Uncertainty 'Weighing' On The Financial Markets

The month of September is historically the weakest month of the year, and especially more volatile if the challenger in a presidential election is expected to win. However, regardless of who wins, the market tends to rally into the end of year, and often recoups the pre-election sell-off driven by uncertainties surrounding a challenger's new policies.



*See Charts of the week on page 3.

RAYMOND JAMES

ECONOMY

- Durable goods were shy of expectations (0.4% vs. 1.5%), restrained by further aircraft order cancellations, but consistent with a moderation in the pace of the recovery.* Motor vehicles and aircraft have been the dominant story in recent months.
- New and existing home sales each rose to their highest level since 2006.* New home sales rose 4.8% in August, although strength appeared to be amplified by the seasonal adjustment. Existing home sales rose 2.4% in August, up 10.5% from a year ago. Last week's jobless claims totaled 870,000, close to the four-week average (878,250), and slightly better than in March and April.
- **Focus of the Week**: Next week, the economic calendar is full. The first presidential debate is on Tuesday. The September Employment Report will be the last before the November 3 election. Nonfarm payrolls are expected to have risen more moderately, but figures will be subject to some seasonal adjustment distortions related to the start of the school year and the end of the summer travel season. The ISM Manufacturing Index should be consistent with further improvement in factory sector activity, although at a more moderate pace. Little change is expected in the 3rd estimate of 2Q20 GDP growth (-31.7% in the 2nd estimate), but August personal income and spending figures will help to fill in the GDP picture for the third quarter.

September 28 – October 2

MON

TUE
Adv. Economic Indicators (Aug)
Consumer Confidence (Sep)

WED
ADP Payroll Est. (Sep)
Real GDP (2Q20, 3rd Est.)
Chicago Business Barometer (Sep)

THU
ISM Manufacturing Survey (Sep)
Personal Income (Aug)

FRI
Employment Report (Sep)
Consumer Sentiment (Sep)

FUTURE EVENTS
10/5 ISM Non Manufacturing Index
10/12 Columbus Day (Bond market closed)

US EQUITY

- With an understanding that the market may struggle over the next month (pre-election, macro uncertainty), we would accumulate on weakness. We continue to view the pullback as a normal correction as opposed to a shift to a bear market. The most likely downside in our view is 3,100-3,200 on the S&P 500 (1-3% more downside), which would put the S&P 500 near its 200 day moving average (DMA) at 3,106 currently.* The percentage of stocks above their 10 and 20 DMA is at short-term oversold levels.
- **Focus of the Week:** In terms of what to buy during the market pullback, we would generally stick with the winners—favored names in the Technology, Communication Services, Health Care, and Consumer Discretionary sectors. We would keep a foundation of these areas, while also beginning to accumulate the 'recovery' areas - Industrials, Materials, and select Consumer Discretionary stocks. It is still too soon to increase allocations to small caps. We would remain patient there and continue to overweight large caps. We also recommend sticking with growth over value, with continued weakness from the Financials our main reason.

FIXED INCOME

- Individuals have lowered mortgage costs or bought bigger homes.* Corporations have used low rates to increase their liquidity, shore up their balance sheets, or even to offset lost revenue during the pandemic. For the US government, lower interest rates have given it the opportunity to borrow at rock bottom rates in order to offset the costs of present and future stimulus packages. The race to zero rates by the Fed is one of the major reasons why the US economy is coming back, even while the COVID-19 fight continues.
- **Focus of the Week:** Given the increasing volatility as we approach the election, investors should consider increasing the quality of their fixed income portfolios, which will also enhance the portfolios' liquidity positions.

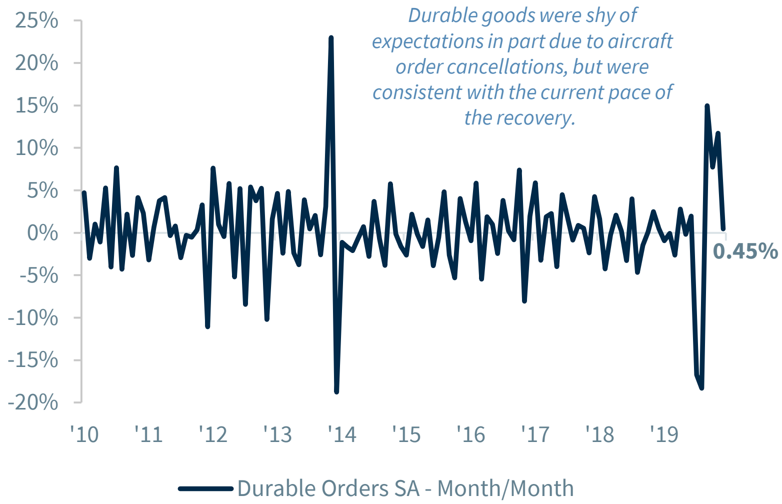
POLITICS, COVID-19, & ENERGY

- The passing of Supreme Court Justice Ruth Bader Ginsburg leaves a late-presidential election-year Supreme Court vacancy and may significantly shift the electoral landscape almost a month out from the November elections. We believe the Senate is likely to move forward with confirmation hearings, but will wait to vote until after the election in the 'lame-duck' session. However, with the evolving nature of this, these views could change rapidly. The impact on the presidential race is unclear at this point and will take time to play out. The eventual Trump Supreme Court nominee, the hearing process, Democrats' response, and wild cards along the way will ultimately shape the political impact. We will be watching to see if this is a catalyst for some lean-Republican undecided voters to break toward Trump, or if this will further energize Democrats in both turn-out and fundraising.
- The immediate aftermath of Justice Ginsburg's passing is a massive wave of pro-Democratic fundraising for Senate candidates. Arguably, the Senate seats in the Republican-leaning states of GA, IA, MT, and SC could benefit from higher Republican turnout. Funding advantages, and energized turnout among Democrats could also sway the elections. The Democratic candidates in Colorado and Maine are likely to be beneficiaries of the new political dynamics in the weeks ahead. Conversely, Republican candidates in Texas, Iowa, and Montana could see a boost. As such, the battle for the White House and Senate remains highly fluid.
- The US case count continued to tick upward for the second week following weeks of improvement throughout August and early September, but testing counts trended upward, as well.* Some case upticks are to be expected after many grade schools and universities reopened their doors and after people congregated for the recent Labor Day holiday. Although overall case levels are still far below July highs, it is worth noting that continuing in this direction could lead to another serious surge. As always, individuals should continue diligently practicing mitigation measures, such as wearing masks and social distancing.
- **Focus of the Week:** Europe is front-and-center right now in terms of the pandemic. As of last week, daily infections in Europe are back to the peak levels last seen in April. As a result, lockdown measures are becoming noticeably more widespread. Among the hot spots is Dublin, Ireland, where newly tightened restrictions on travel and restaurants will last at least three weeks. In Madrid, Spain, selective lockdowns cover one-quarter of the inhabitants. Restrictions on gatherings have been brought back across England, in an effort to avoid an outright lockdown. Other European countries with case count increases at record levels include the Netherlands, Ukraine, the Czech Republic, and Hungary. To emphasize, this is still September, not yet the cold-weather period that is likely to exacerbate the public health situation. Here is the reality: as the Northern Hemisphere – with 90% of the planet's population – moves into the wintertime, further lockdowns are unavoidable: it is only a question of where and for how long.

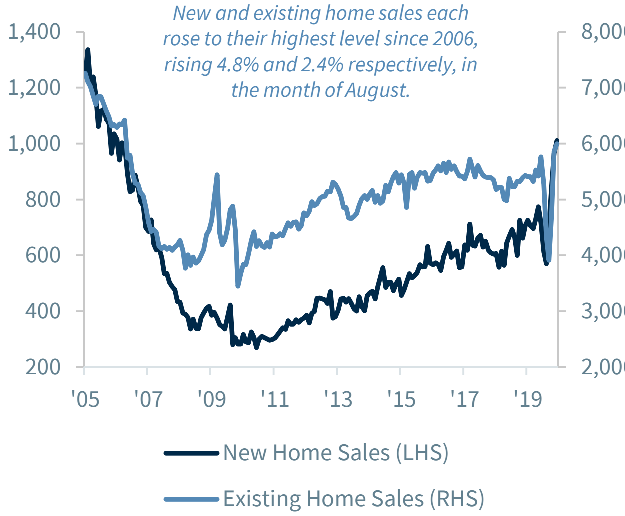
*See Charts of the week on page 3.

Charts of the Week

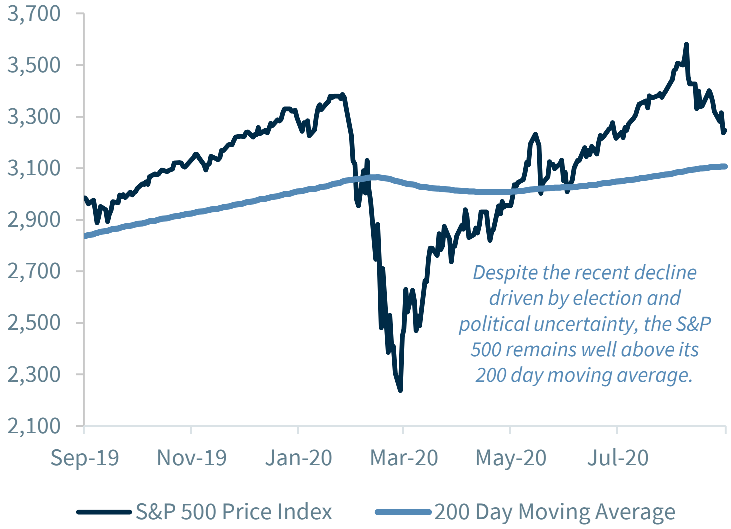
Durable Good Orders Below Expectations



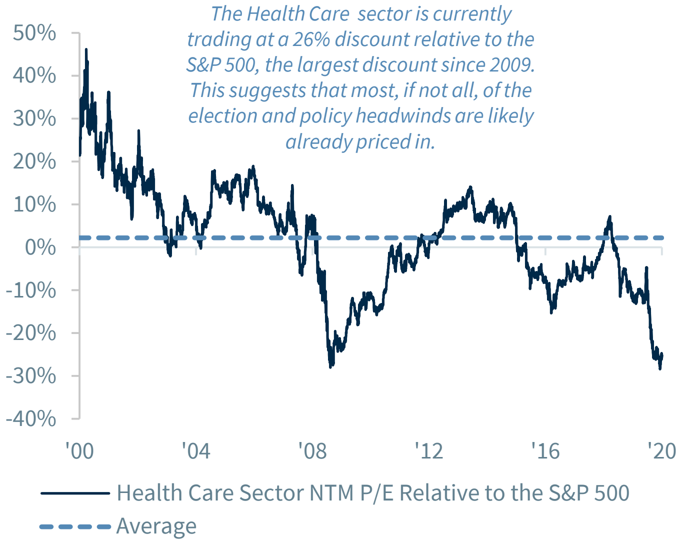
Home Sales At Highest Levels Since 2006



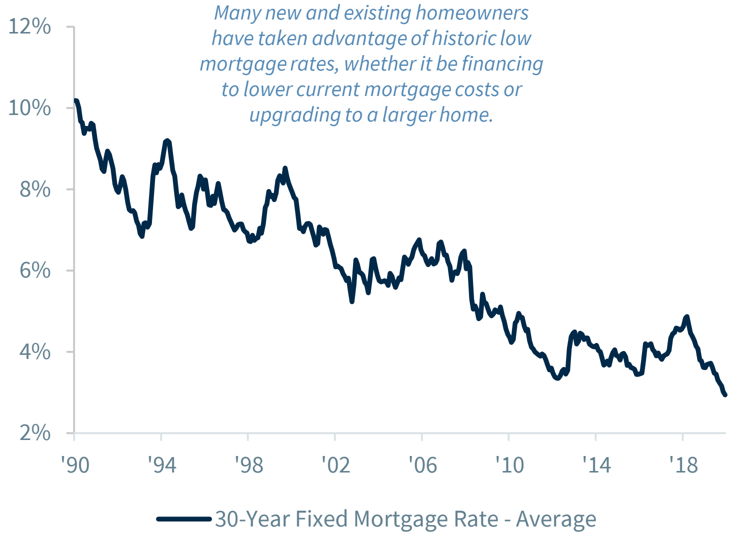
S&P 500 Still Above Its 200 Day Moving Average



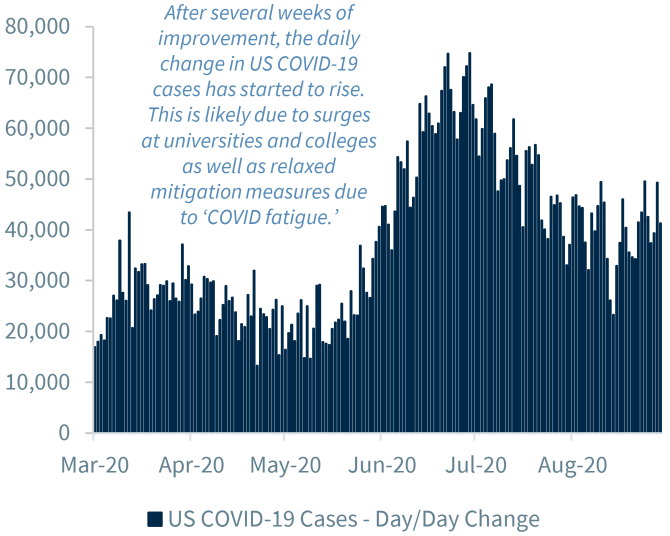
Health Care Sector Trading At A Discount



Mortgage Rates At Historic Lows



US COVID-19 Daily Case Count On The Rise



Asset Class Performance | Distribution by Asset Class and Style (as of September 24)**

Weekly Returns (as of September 24)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-4.7%	-3.2%	-1.8%
Mid Cap	-5.5%	-4.0%	-1.1%
Small Cap	-7.5%	-5.9%	-4.3%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	-2.7%	-3.0%	-3.5%
Mid Cap	-2.6%	-3.4%	-3.9%
Small Cap	-2.8%	-4.2%	-4.9%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	0.0%	0.2%
Invest. Grade	-0.1%	-0.4%	-0.5%
High Yield	-1.1%	-1.5%	-2.0%

Year-to-Date Returns (September 24)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-14.0%	2.6%	19.0%
Mid Cap	-15.4%	-5.7%	9.1%
Small Cap	-24.3%	-12.1%	-0.2%

International Equities (MSCI indices)

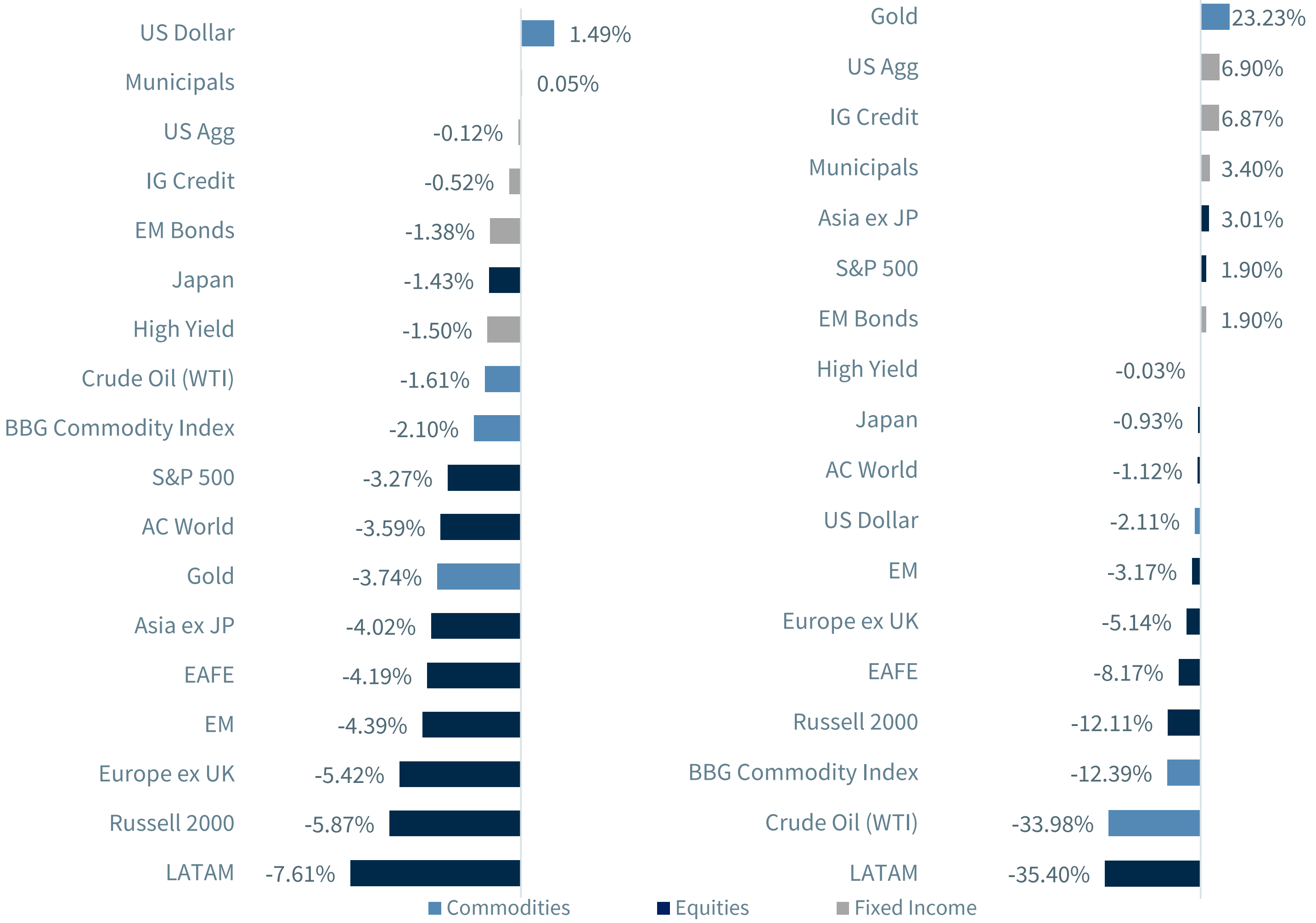
	Dev. Mkt	World	Emerg. Mkt
Large Cap	-10.2%	-0.2%	1.5%
Mid Cap	-8.3%	-5.2%	-2.6%
Small Cap	-7.8%	-8.4%	0.3%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.6%	7.5%	12.9%
Invest. Grade	3.1%	5.6%	7.0%
High Yield	-1.8%	-0.8%	11.5%

Asset Class Performance | Weekly and Year-to-Date (as of September 24)**

Week-to-Date*** Year-to-Date***



**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

Weekly Data**

Data as of September 24

U.S Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	3246.6	(3.3)	(7.1)	1.9	11.6	11.2	13.2	13.3
DJ Industrial Average	26815.4	(3.9)	(5.7)	(6.0)	0.0	6.2	10.6	9.5
NASDAQ Composite Index	10672.3	(2.2)	(9.4)	18.9	33.5	18.4	17.6	16.2
Russell 1000	3471.7	(3.2)	(7.1)	2.6	10.2	10.1	13.5	18.5
Russell 2000	3608.1	(5.9)	(7.0)	(12.1)	(5.3)	0.0	5.5	11.6
Russell Midcap	5695.3	(4.0)	(5.3)	(5.7)	(0.6)	4.6	8.3	14.9

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	389.8	(7.0)	(1.3)	2.7	10.2	5.4	11.4	8.9
Industrials	637.0	(5.1)	(2.9)	(6.0)	(0.2)	3.9	10.5	11.3
Comm Services	190.0	(2.7)	(9.1)	5.6	14.7	8.4	10.0	9.1
Utilities	293.8	(2.1)	(1.6)	(8.2)	(7.4)	6.4	10.2	10.4
Consumer Discretionary	1165.1	(1.8)	(7.0)	19.0	25.4	19.2	16.1	17.7
Consumer Staples	645.2	(1.7)	(3.6)	1.9	6.7	8.3	9.0	11.5
Health Care	1182.3	(3.7)	(6.0)	0.8	14.6	9.6	10.2	14.9
Information Technology	1958.2	(1.9)	(9.8)	22.7	41.8	26.4	25.7	19.9
Energy	229.2	(9.6)	(13.9)	(47.7)	(45.8)	(19.7)	(9.7)	(3.0)
Financials	387.0	(5.5)	(6.7)	(22.9)	(14.4)	(0.8)	7.3	9.1
Real Estate	211.2	(5.9)	(5.7)	(10.2)	(10.3)	5.5	7.4	9.8

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Months Treasury Bill (%)	0.1	0.0	0.0	0.5	1.0	1.6	1.1	0.6
2-Year Treasury (%)	0.1	(0.0)	0.0	3.0	3.4	2.5	1.6	1.2
10-Year Treasury (%)	0.7	0.2	0.3	12.9	10.5	6.9	4.4	4.1
Barclays US Corporate High Yield	6.2	(1.5)	(1.7)	(0.0)	2.3	4.1	6.4	6.5
Bloomberg Barclays US Aggregate	1.2	(0.1)	0.0	6.9	6.9	5.2	4.2	3.7
Bloomberg Barclays Municipals		0.0	0.1	3.4	4.1	4.2	3.9	4.0
Bloomberg Barclays IG Credit	2.0	(0.5)	(0.1)	6.9	7.8	6.5	6.0	5.2
Bloomberg Barclays EM Bonds	4.1	(1.4)	(1.3)	1.9	3.9	4.2	6.1	5.5

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	40.3	(1.9)	(5.4)	(34.1)	(29.6)	(7.1)	(2.2)	(6.0)
Gold ($/Troy Oz)	1861.8	(3.8)	(4.9)	22.9	22.4	12.9	10.0	3.7
Dow Jones-UBS Commodity Index	70.9	(2.1)	(3.3)	(12.4)	(10.7)	(5.8)	(4.2)	(6.6)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	94.4	1.5	2.4	(2.1)	(4.1)	0.8	(0.4)	1.7
US Dollar per Euro	1.2	(1.4)	(2.7)	3.7	5.9	(0.9)	0.6	(1.5)
US Dollar per British Pounds	1.3	(1.8)	(5.0)	(4.0)	1.9	(2.0)	(3.6)	(2.2)
Japanese Yen per US Dollar	105.5	0.7	(0.5)	(2.9)	(1.8)	(2.0)	(2.4)	2.3

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	549.6	(3.6)	(5.9)	(1.1)	7.7	6.7	10.2	8.8
MSCI EAFE	1830.9	(4.2)	(4.1)	(8.2)	(1.2)	0.6	5.5	4.9
MSCI Europe ex UK	1975.8	(5.4)	(4.8)	(5.1)	2.9	1.1	6.6	5.6
MSCI Japan	3357.2	(1.4)	0.5	(0.9)	4.7	4.3	7.5	6.5
MSCI EM	1057.7	(4.4)	(3.8)	(3.2)	7.3	1.4	9.0	2.8
MSCI Asia ex JP	695.0	(4.0)	(3.9)	3.0	14.0	3.8	10.4	5.6
MSCI LATAM	1844.6	(7.6)	(4.3)	(35.4)	(28.3)	(12.0)	3.2	(5.1)
Canada S&P/TSX Composite	11869.9	(2.1)	(3.6)	(6.7)	(5.3)	1.0	3.6	2.7

**Weekly performance calculated from Thursday close to Thursday close.

DISCLOSURES

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Diversification and asset allocation do not ensure a profit or protect against a loss.

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

OIL | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

CURRENCIES | Currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

GOLD | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

FIXED INCOME | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

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DATA SOURCE

FactSet, as of 9/25/2020

DOMESTIC EQUITY DEFINITION

LARGE GROWTH | **Russell 1000 Growth Total Return Index:** This index represents a segment of the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | **Russell Mid Cap Growth Total Return Index:** This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | **Russell 2000 Growth Total Return Index:** This index represents a segment of the Russell 2000 Index with a greater-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

LARGE BLEND | **Russell 1000 Total Return Index:** This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

MID BLEND | **Russell Mid Cap Total Return Index:** This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

SMALL BLEND | **Russell 2000 Total Return Index:** This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | **Russell 1000 Value Total Return Index:** This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

MID VALUE | **Russell Mid Cap Value Total Return Index:** This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | **Russell 2000 Value Total Return Index:** This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

FIXED INCOME DEFINITION

AGGREGATE BOND | **Bloomberg Barclays US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | **Bloomberg Barclays US Corporate High Yield Total Return Index:** The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | **Bloomberg Barclays US Credit Total Return Index:** The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

MUNICIPAL | **Bloomberg Barclays Municipal Total Return Index:** The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

DOW JONES INDUSTRIAL AVERAGE (DJIA) | The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

NASDAQ COMPOSITE INDEX | The **Nasdaq Composite Index** is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

S&P 500 | The **S&P 500 Total Return Index:** The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

BLOOMBERG BARCLAYS CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This 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. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

VIX | The CBOE Volatility Index, known by its ticker symbol VIX, is a popular measure of the stock market's expectation of volatility implied by S&P 500 index options.

MOVE | The MOVE Index is a well-recognized measure of U.S. interest rate volatility that tracks the movement in U.S. Treasury yield volatility implied by current prices of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | **MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS ASIA | **MSCI EM Asia Net Return Index:** The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | **MSCI EM Latin America Net Return Index:** The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | **MSCI Emerging Markets Net Return Index:** This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | **MSCI Pacific Ex Japan Net Return Index:** The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | **MSCI Japan Net Return Index:** The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

FOREIGN DEVELOPED MARKETS | **MSCI EAFE Net Return Index:** This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

EUROPE EX UK | **MSCI Europe Ex UK Net Return Index:** The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

MSCI EAFE | The **MSCI EAFE** (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

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Investment Strategy

Lawrence V. Adam III, CFA, CIMA®, CFP®
Managing Director, Chief Investment Officer
T. 410.525.6217
larry.adam@raymondjames.com

Matt Barry, CFA
Investment Strategy Analyst
T. 410. 525. 6228
matt.barry@raymondjames.com

Scott Brown, PhD
Senior Vice President, Chief Economist
T. 727.567.2603
scott.j.brown@raymondjames.com

Liz Colgan
Investment Strategy Analyst
T. 410.525.6232
liz.colgan@raymondjames.com

Kevin Giddis
Chief Fixed Income Strategist
T 901.578.4769
kevin.giddis@raymondjames.com

Kailey Bodine
Investment Strategy Analyst
T. 727.567.8494
kailey.bodine@raymondjames.com

Giampiero Fuentes
Investment Strategy Analyst
T. 727.567.5776
giampiero.fuentes@raymondjames.com

J. Michael Gibbs
Managing Director, Equity Portfolio & Technical Strategy
T. 901.579.4346
michael.gibbs@raymondjames.com

Joey Madere, CFA
Senior Portfolio Analyst
T.901.529.5331
joey.madere@raymondjames.com

Anne B. Platt
Vice President, Investment Strategy & Product Positioning
T. 727.567.2190
anne.platt@raymondjames.com

Richard Sewell, CFA
Senior Portfolio Analyst
T.901.524.4194
richard.sewell@raymondjames.com

RAYMOND JAMES

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER

880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863

RAYMONDJAMES.COM