

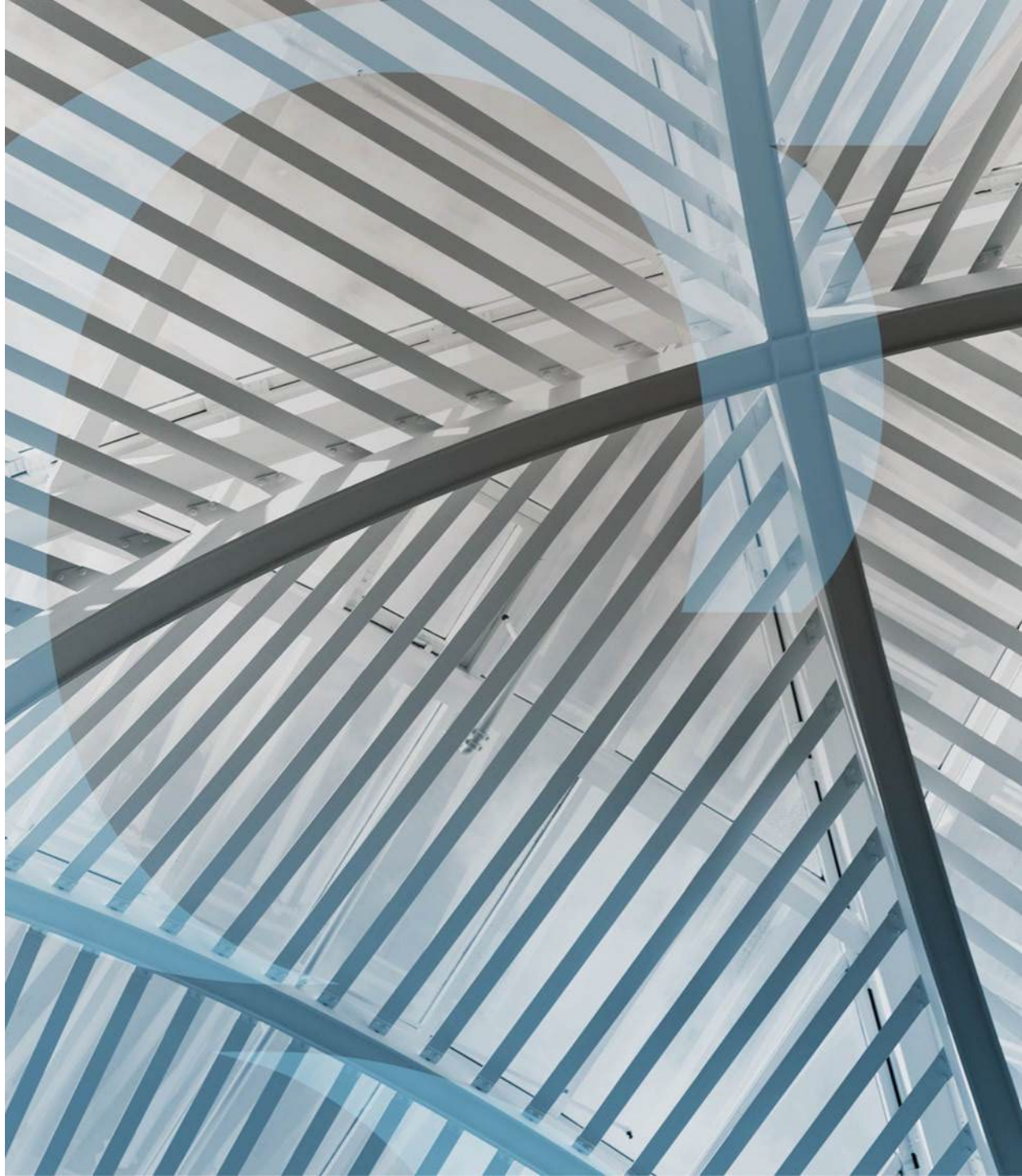


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Chart Book

AS OF JULY 31, 2022

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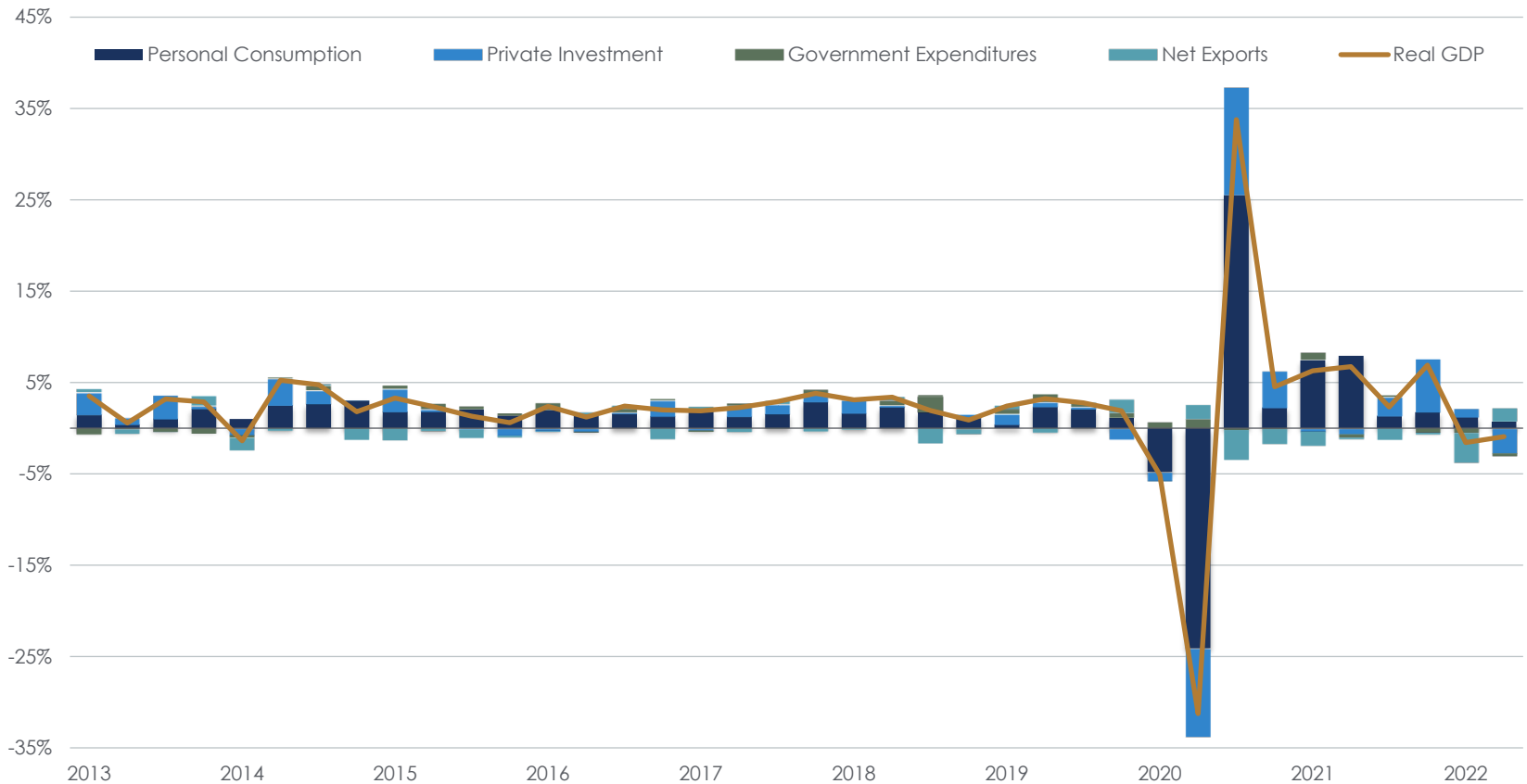
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Economic
Perspective

Economic output fell for the second straight quarter, raising fears that the United States could be entering a recession. Gross domestic product, adjusted for inflation, fell 0.2% in the second quarter, the equivalent of an 0.9% annual rate of decline. The 0.2% decline followed a contraction of 0.4% in the first three months of the year. Most economists still don't think the economy meets the formal definition of a recession, which is based on a broader set of indicators including measures of income, spending and employment. Still, the data left little doubt that the recovery is losing momentum amid high inflation and rising interest rates.

Economic Growth

Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)

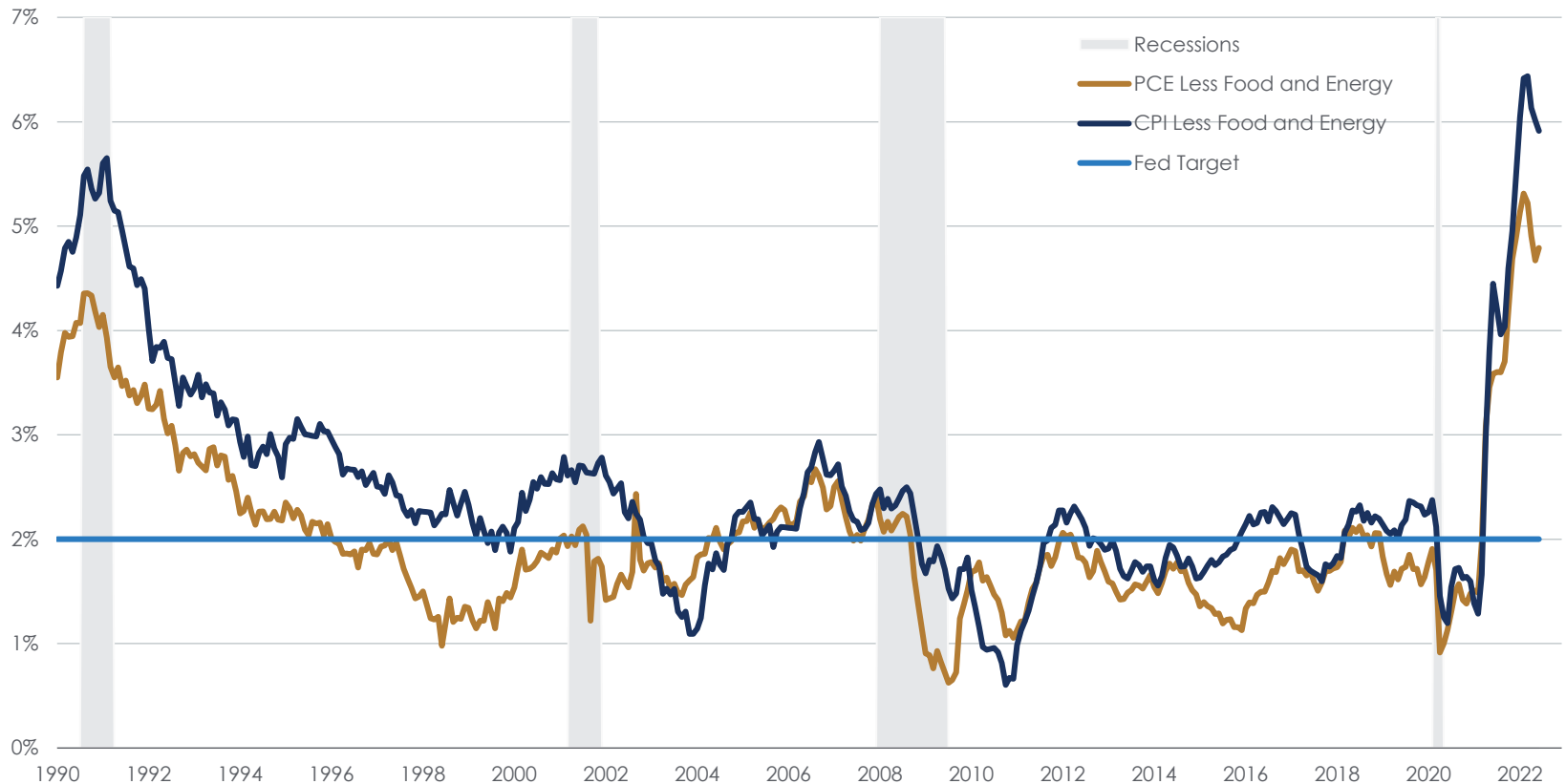


Source: U.S. Bureau of Economic Analysis (Reported quarterly)

U.S. inflation surged 9.1% in June as consumers faced rapidly rising costs for gas, food and rent. Fortunately, inflation will come down over the next three months. That's the good news. Less good is the continued broadening of price pressures that was evident in the data. This adds to the uncertainty that surrounds the stickiness of inflation. As such, and especially if the Fed fails to get its act together quickly, it would be foolish to dismiss the chance of a third wave of inflationary pressures that would interrupt and reverse the downward movement over the coming months.

Inflation Outlook

Consumer Price Index (Core) and Personal Consumption Expenditures Price Index (Core) (Y/Y % Change)

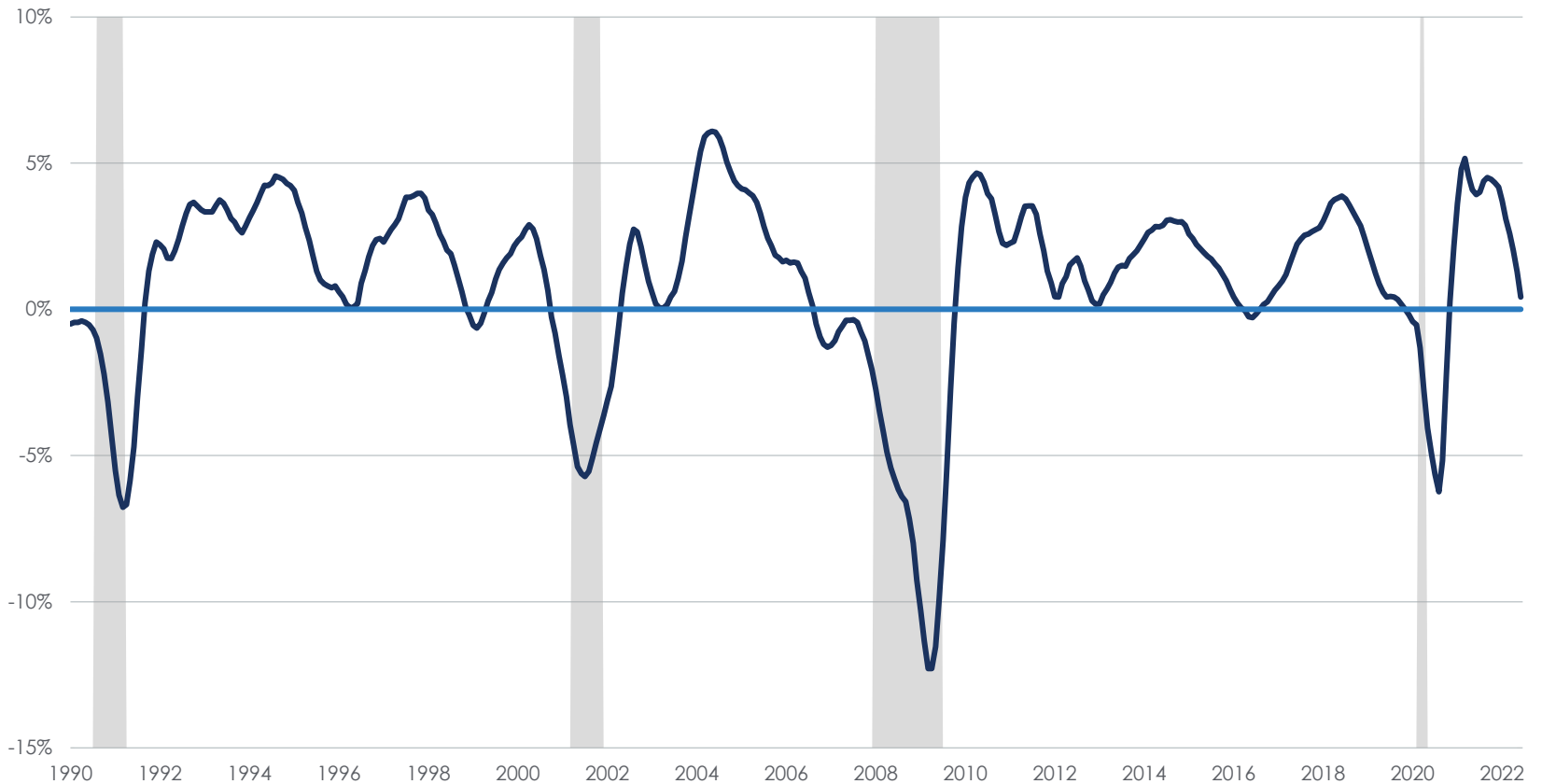


Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis (Reported monthly)

According to the Conference Board, the U.S. LEI declined for a fourth consecutive month suggesting economic growth is likely to slow further in the near-term as recession risks grow amid high inflation and rapidly tightening monetary policy, The Conference Board now expects economic growth will continue to cool throughout 2022 and that a recession by the end of this year is now likely. Accordingly, they have downgraded their forecast of 2022 annual Real GDP growth from 2.3% to 1.7% year-over-year.

U.S. Economic Outlook

Leading Economic Index (Six-Month Moving Average of the Six-Month Rate of Change)

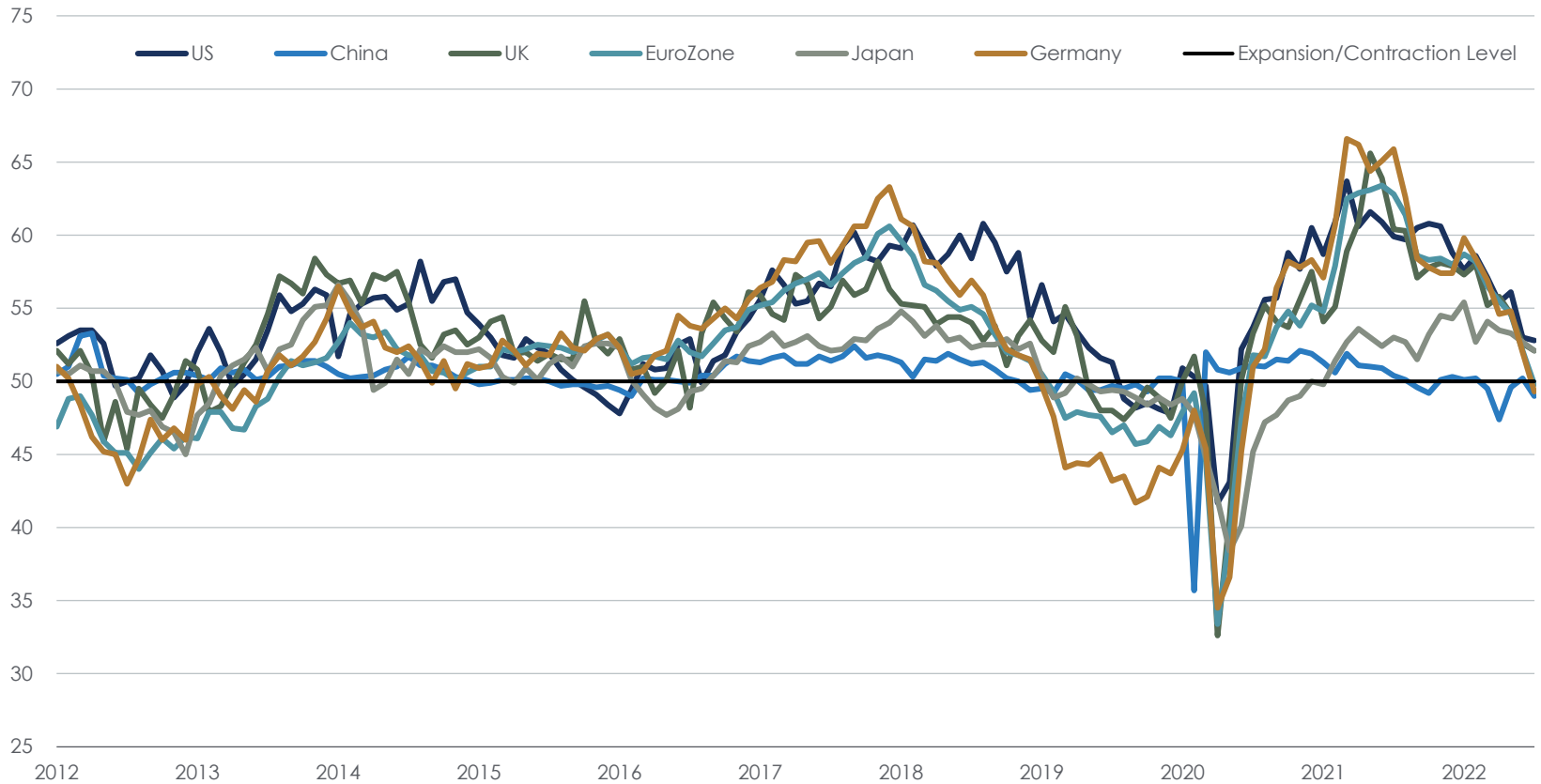


Source: Conference Board (Reported monthly)

The global manufacturing sector started the third quarter on a weak footing as output stalled and new orders contracted. The underlying dynamics of the survey are tracking levels typically reserved for recessions. While supply chain bottleneck pressures appear to be abating, as evidenced by shortening delivery times and fading price pressures, these improvements largely reflect a softening in the pace of demand growth as a result of last quarter's surge in consumer prices.

Global Economic Outlook

Manufacturing Purchasing Managers Index (PMI) (A PMI over 50 represents growth in manufacturing)

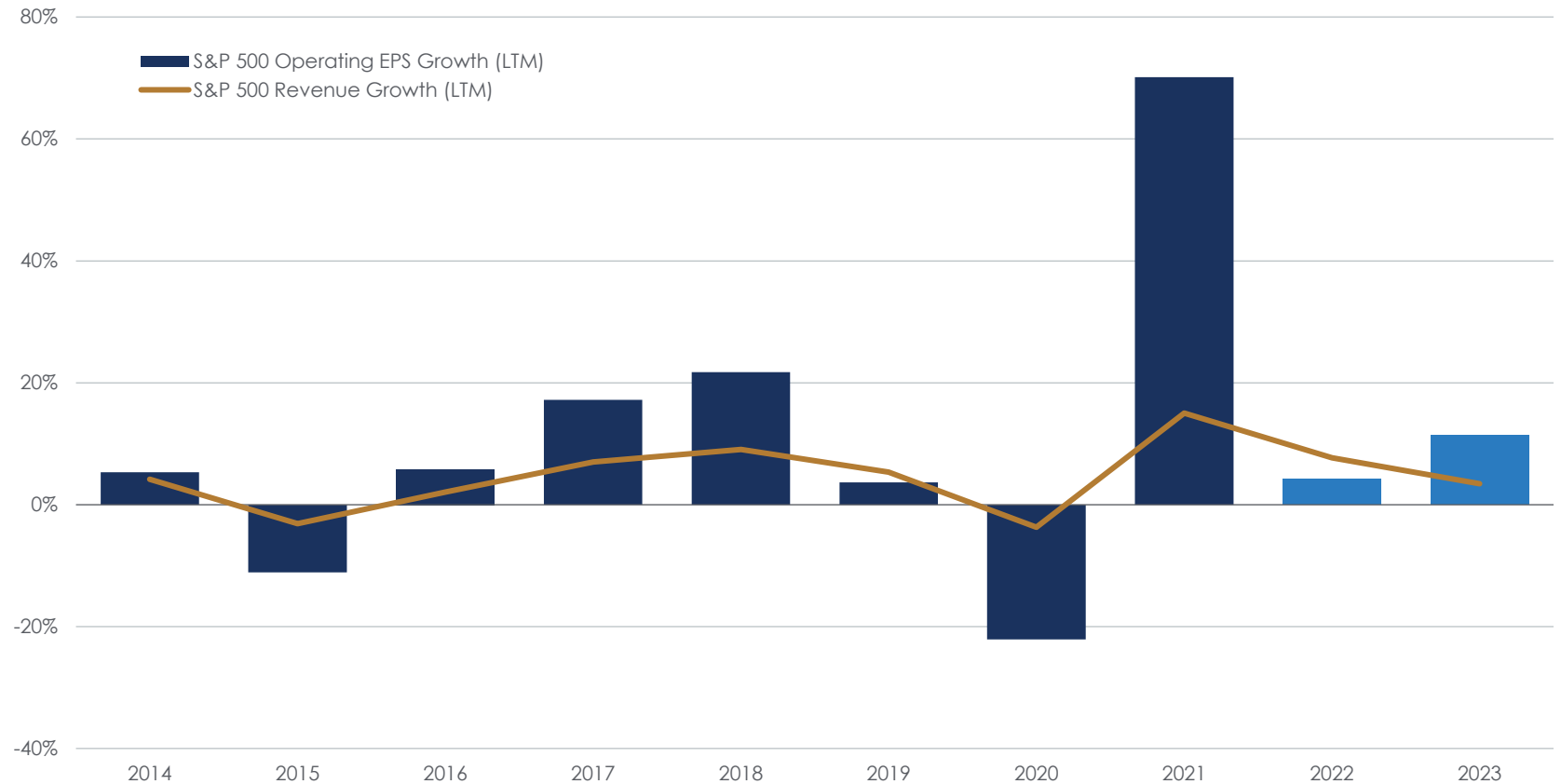


Source: ISM, Markit

According to FactSet, the bottom-up target price target for the S&P 500 is 4725, which is 13.8% above the closing price of 4152. At the sector level, the Energy (+29.7%) sector is expected to see the largest price increase. On the other hand, the Utilities (+4.3%) and Consumer Staples (+7.7%) sectors are expected to see the smallest price increases.

Corporate Profitability

S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)

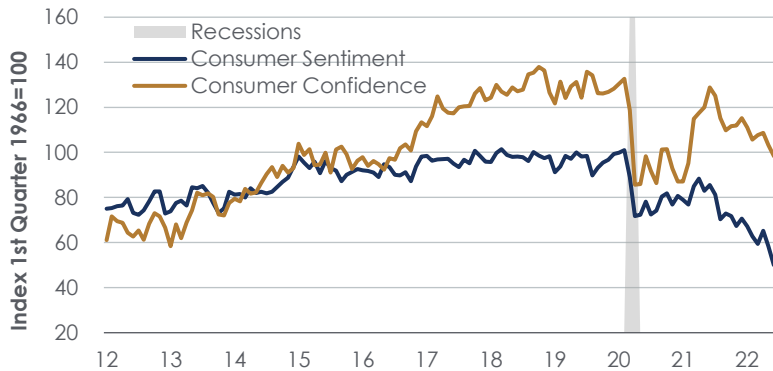


Source: S&P Dow Jones Indices (Reported monthly)

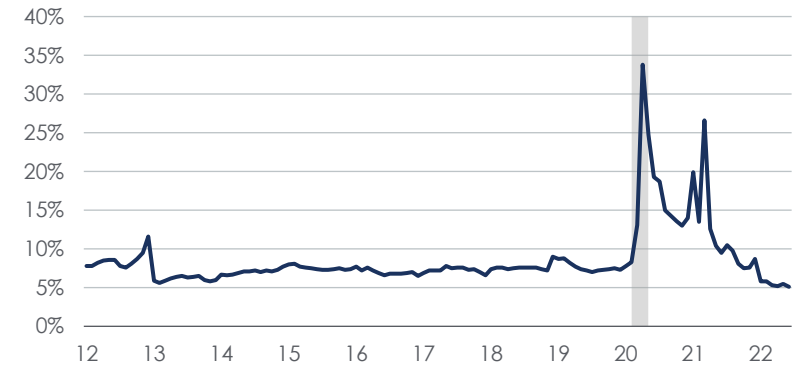
Consumer confidence fell for a third consecutive month in July. As the Fed raises interest rates to rein in inflation, purchasing intentions for cars, homes and major appliances all pulled back further in July. Looking ahead, inflation and additional rate hikes are likely to continue posing strong headwinds for consumer spending and economic growth over the next six months.

Consumer Outlook

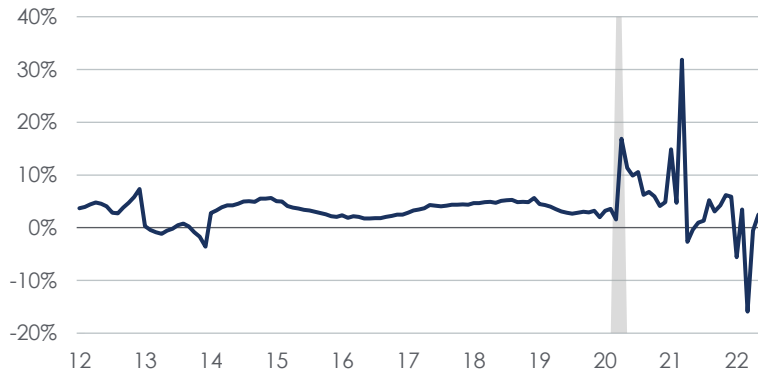
Consumer Sentiment & Confidence Indexes



Personal Saving Rate (Seasonally Adjusted Annual Rate)



Disposable Personal Income (Y/Y % Change)



Personal Consumption Expenditures (Y/Y % Change)



Source: Thompson Reuters/University of Michigan, Conference Board, U.S. Bureau of Economic Analysis (Reported monthly)



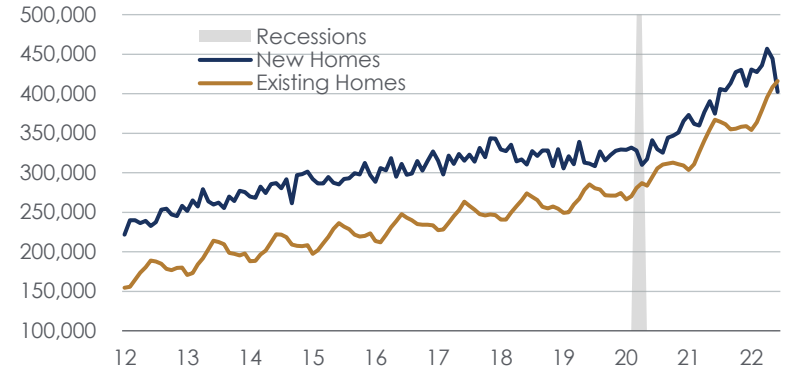
A combination of higher prices and higher mortgage rates clearly has shifted the dynamics in the housing market. Even though home sales have slowed back to a 2019 pace, the market remains brisk. The number of days a property is on the market before going into contract is the swiftest ever, at 14 days. But sellers should take note, this brisk time on the market is not likely to last. We are in an awkward moment when neither buyers nor sellers are happy. Buyers can't figure out what is the right price and sellers are reluctant to give up on the price they expected to sell for a few months ago.

Housing Market Outlook

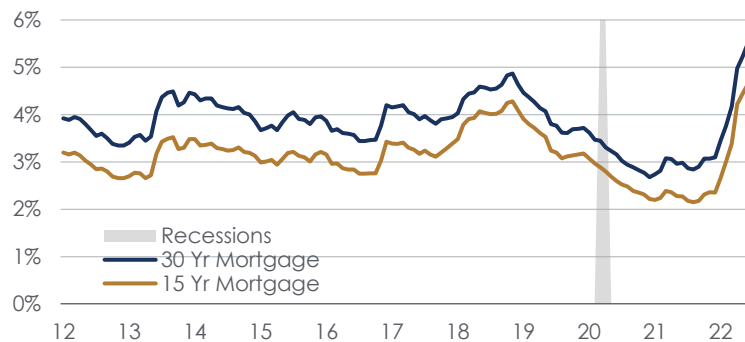
Housing Affordability (higher = more affordable)



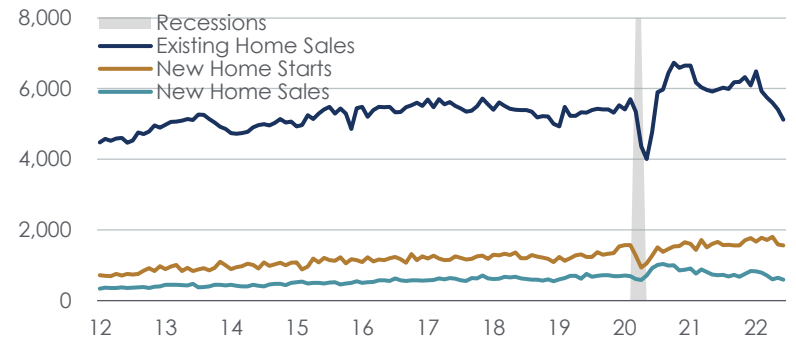
Median Selling Price of New and Existing Homes



Average Fixed Rate Mortgage in the U.S.®



Housing Starts, Existing Home Sales and New Home Sales (000's)



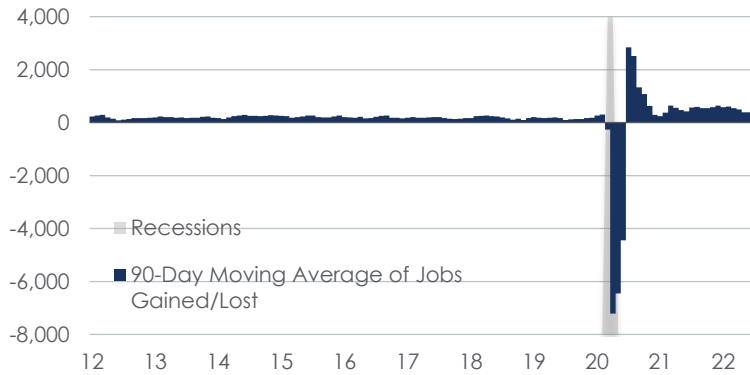
Source: National Association of Realtors, Freddie Mac, U.S. Bureau of the Census (Reported monthly)



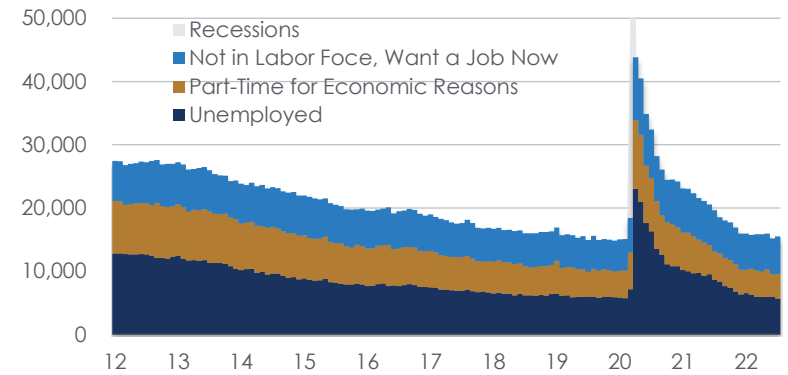
The U.S. economy unexpectedly added 528,000 jobs last month and the unemployment rate returned to a half-century low, easing concerns of a recession as the labor market remained buoyant even in the face of high inflation, tighter monetary policy and reduced fiscal support. The figures released on Friday mean the U.S. labor market has recovered all of the jobs lost since the start of pandemic and will allay concerns of a downturn in the world's largest economy just months before midterm elections. They could also embolden the Federal Reserve to carry on with its rapid tightening of monetary policy to tame soaring prices.

Labor Market Outlook

Jobs Gained/Lost (000's) with 12-Month Moving Average



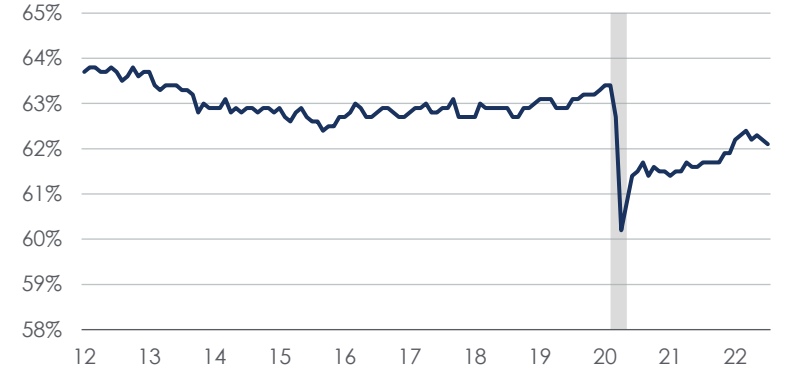
Labor Market Slack (000's)



Wage Growth (Y/Y % Change)



Labor Force Participation Rate



Source: U.S. Bureau of Labor Statistics, (Reported monthly, Wage Growth reported quarterly)





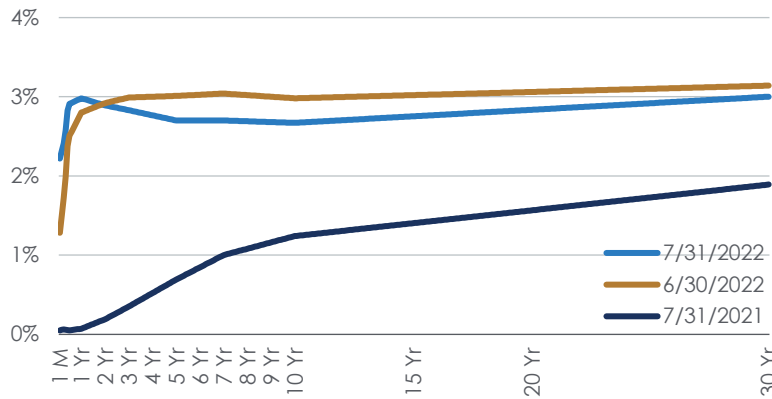
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Bond Market
Perspective

Bond yields fell in July, alleviating some of the intense pressure seen year-to-date (falling yields implies rising prices). Softening data in the U.S. supported bonds as investors weighed an economic downturn and potentially more moderate interest rate increases. The Federal Reserve nevertheless hiked the policy rate by 75 basis points in an attempt to constrain inflation pressures. The U.S. 10-year yield fell from 2.97% to 2.67%, with the yield curve flattening. Corporate bonds enjoyed a strong rebound and outperformed government bonds.

U.S. Treasury Market

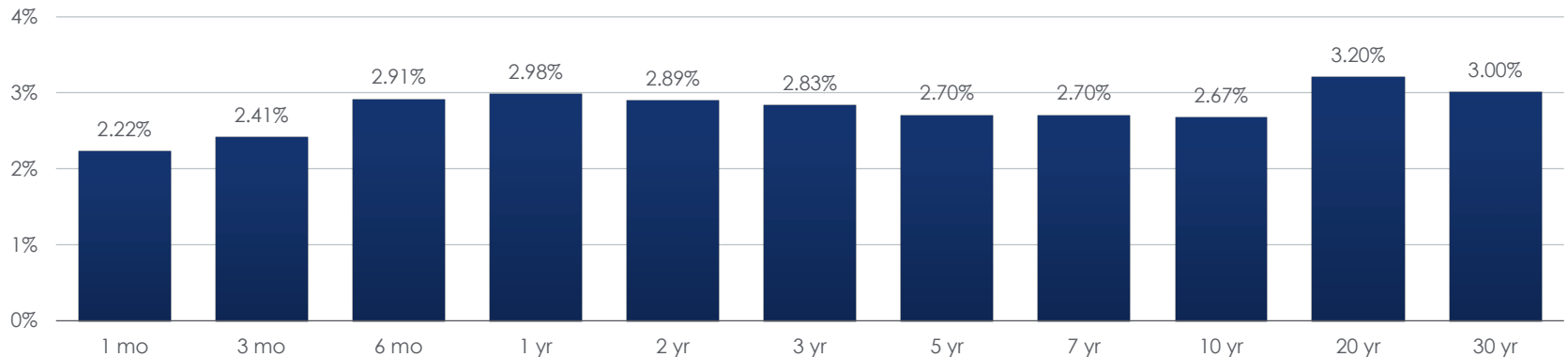
U.S Treasury Yield Curve



Historical U.S. 10-Year Treasury Rate



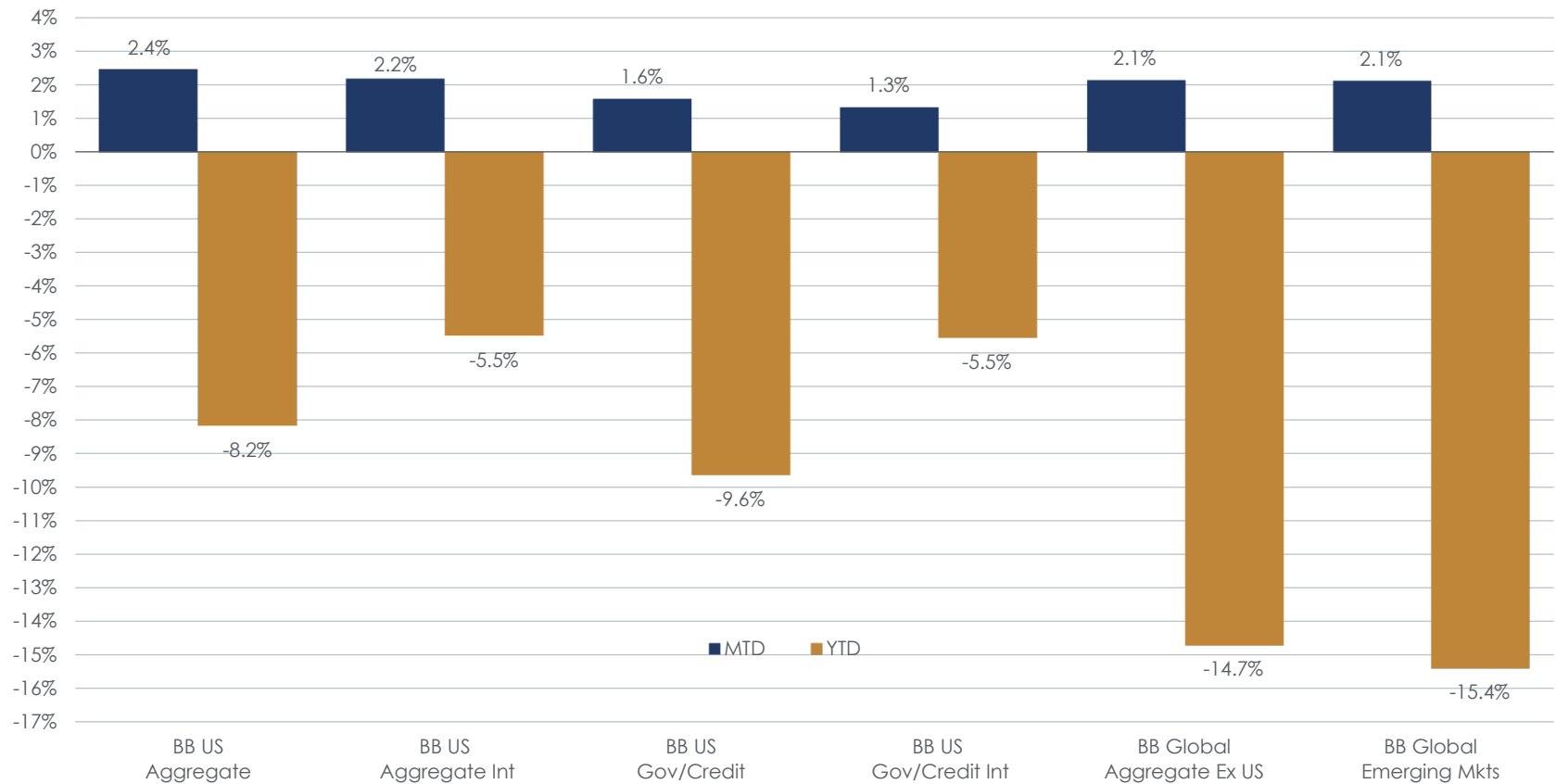
Current U.S. Treasury Yields by Maturity



Source: U.S. Department of Treasury



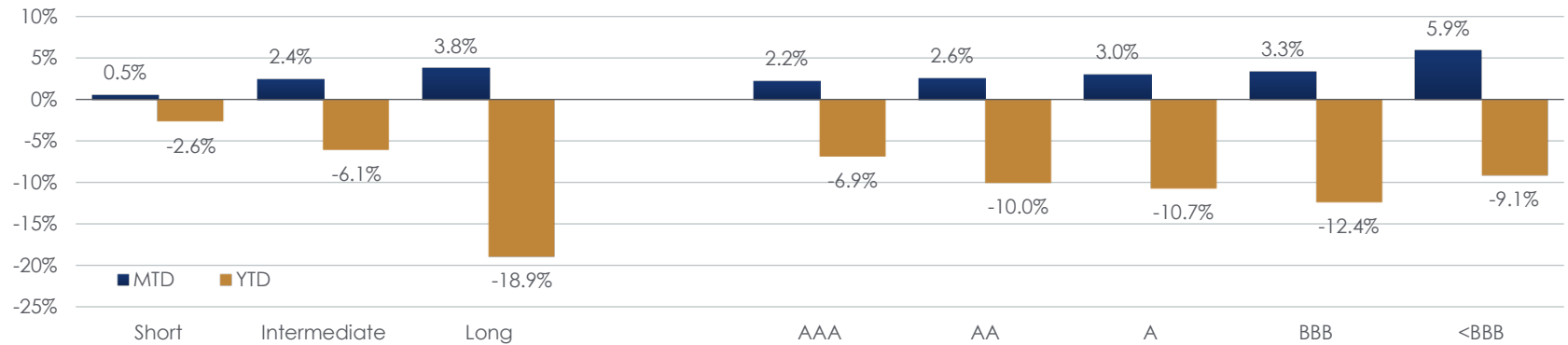
Global Fixed Income Returns by Bellwether Index



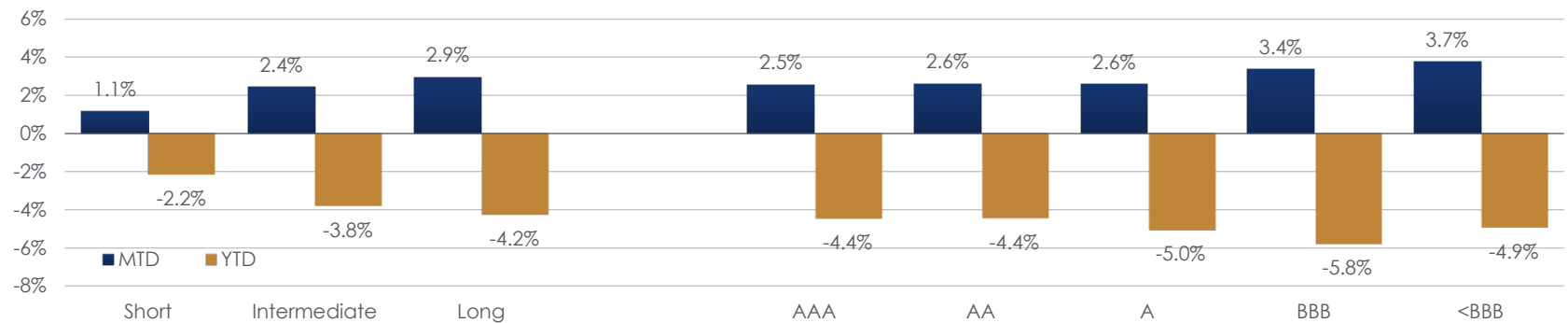
Source: Bloomberg Barclays (BB)

Domestic Fixed Income Returns by Maturity and Credit Quality

Domestic Bond Market - Taxable



Domestic Bond Market - Municipal



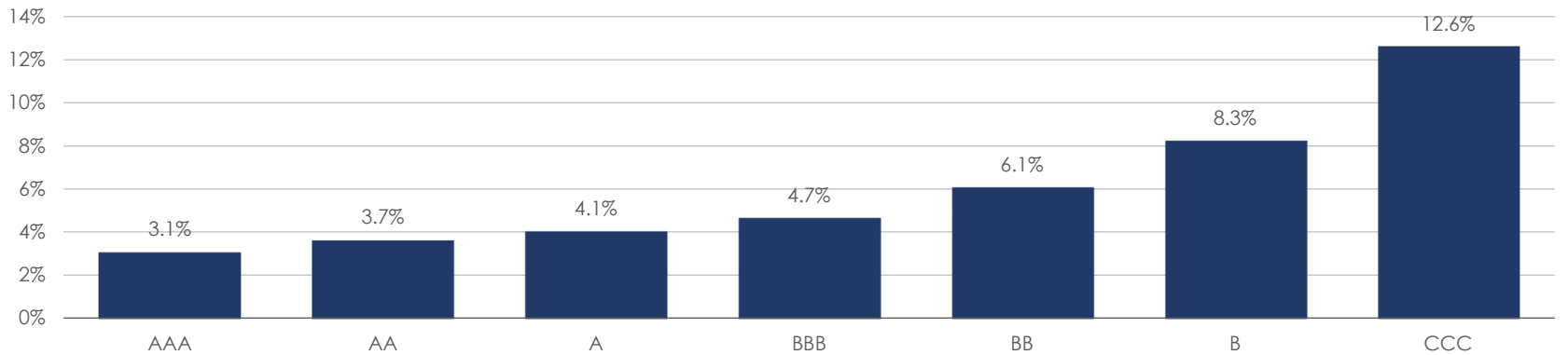
Short is defined as 1-3 years for taxable and 3 years for municipal, Intermediate is 5-7 years for taxable and 6-8 years for municipal, Long is 10+ years for taxable and 8-12 years for municipal. Source: Bloomberg Barclays Aggregate Bond Index (taxable bond market) and Bloomberg Barclays Municipal Index (municipal bond market).

Domestic Corporate Bond Yields

Historical Corporate Bond Market Yield to Worst



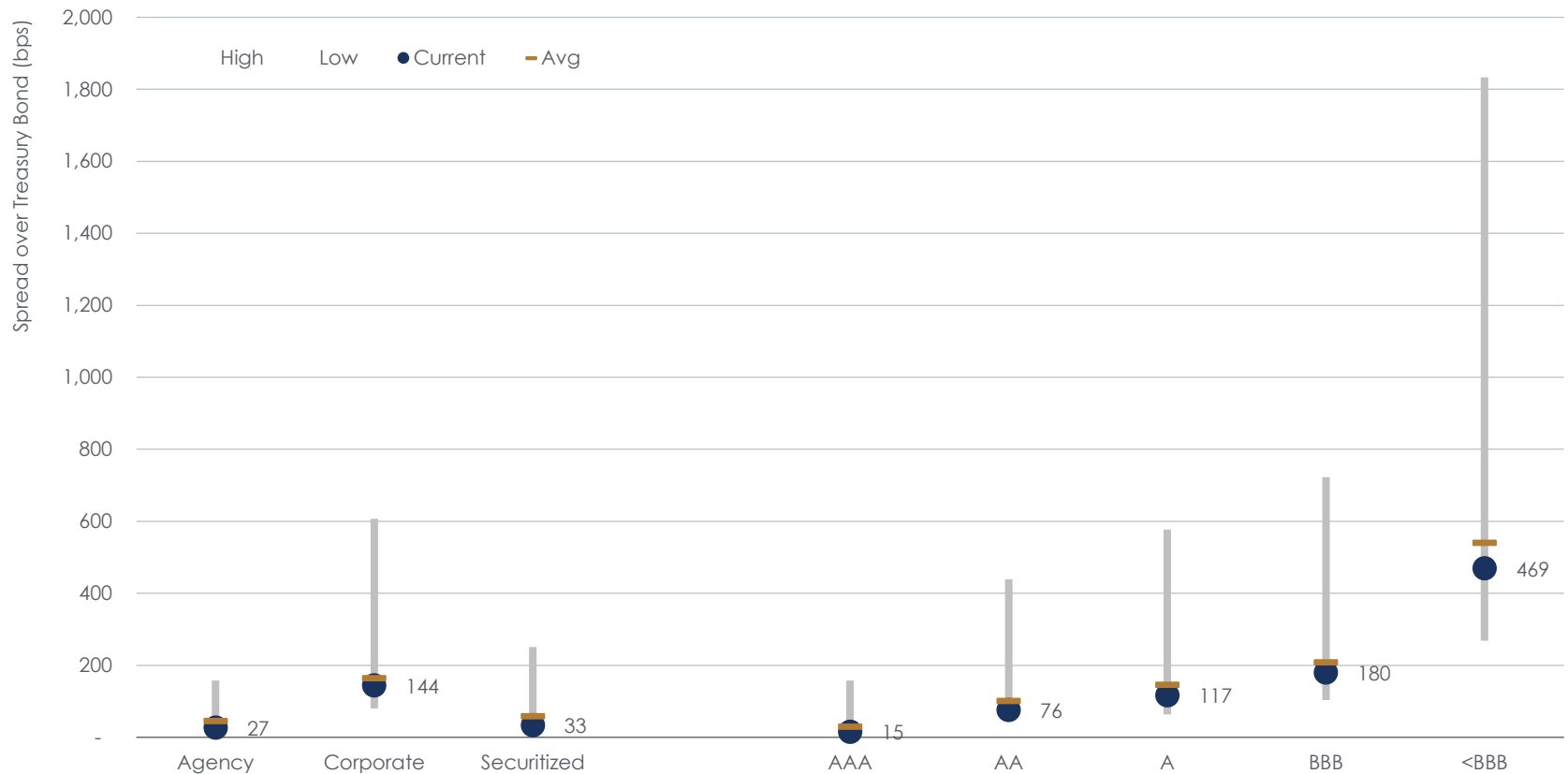
Current Corporate Bond Market Yields by Credit Quality



Investment Grade Corporate bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade index. High Yield bonds are represented by the Bloomberg Barclays U.S. Corporate High Yield index. Source: Bloomberg Barclays

Domestic Taxable Bond Spreads

Current Bond Spreads Compared to 15-Year Range and 15-Year Average



The length of each bar represents the Range of the highest and lowest spread to the Treasury benchmark over the past 15 years. Average represents the average spread over the past 15 years. Current represents the most recent month. Source: Bloomberg Barclays



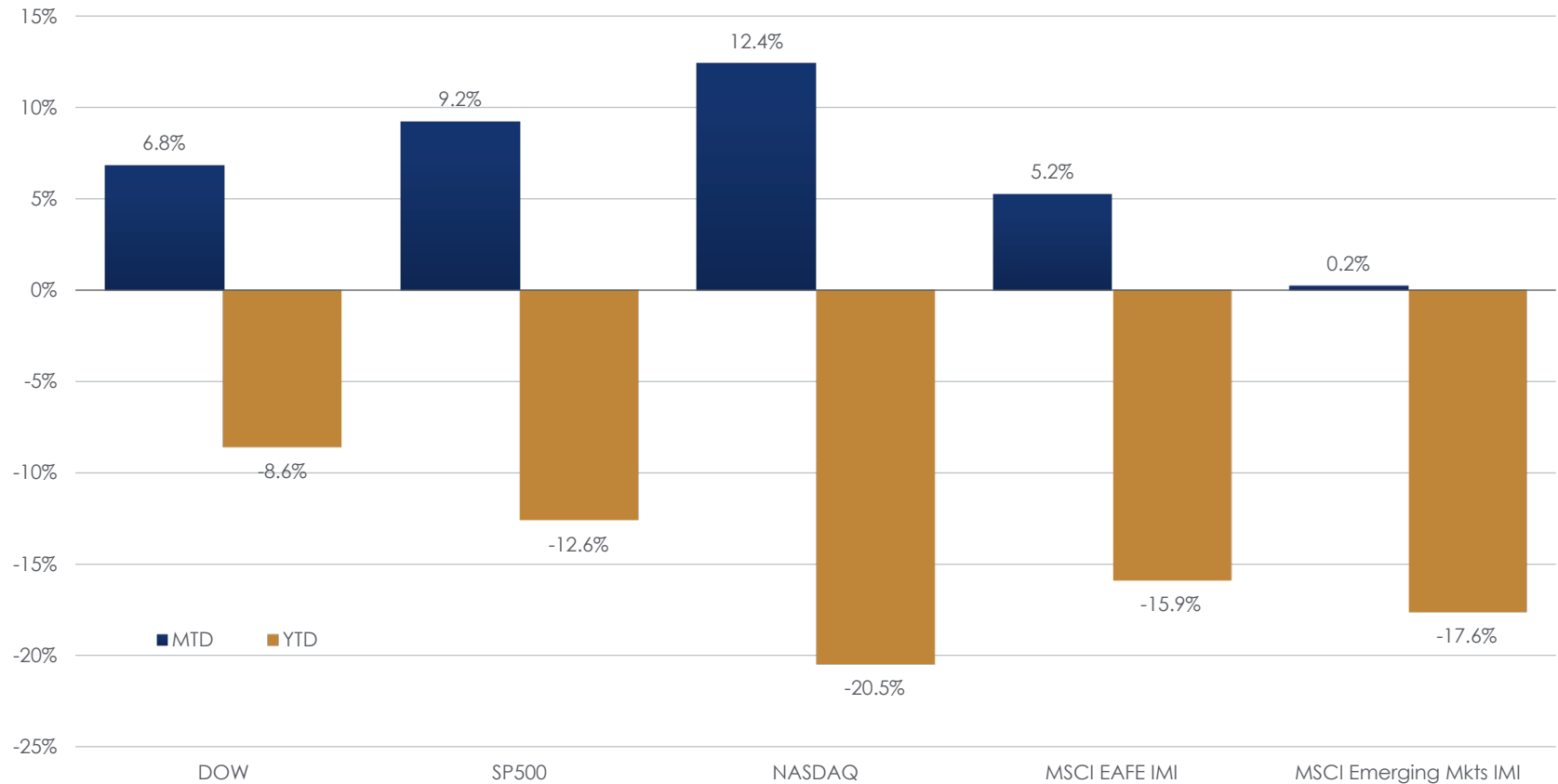
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Equity Market Perspective

As anticipated, the Federal Reserve hiked interest rates by 75 basis points; however, Chairman Powell subsequently commented that the pace of policy tightening is likely to relent from here. In prepared comments, Powell said, “The labor market is tight and inflation much too high,” but concluded that the pace of increases may now slow down. As a result, equities rallied. All sectors advanced, with consumer discretionary and tech companies making some of the strongest gains. More defensive areas of the economy such as consumer staples lagged.

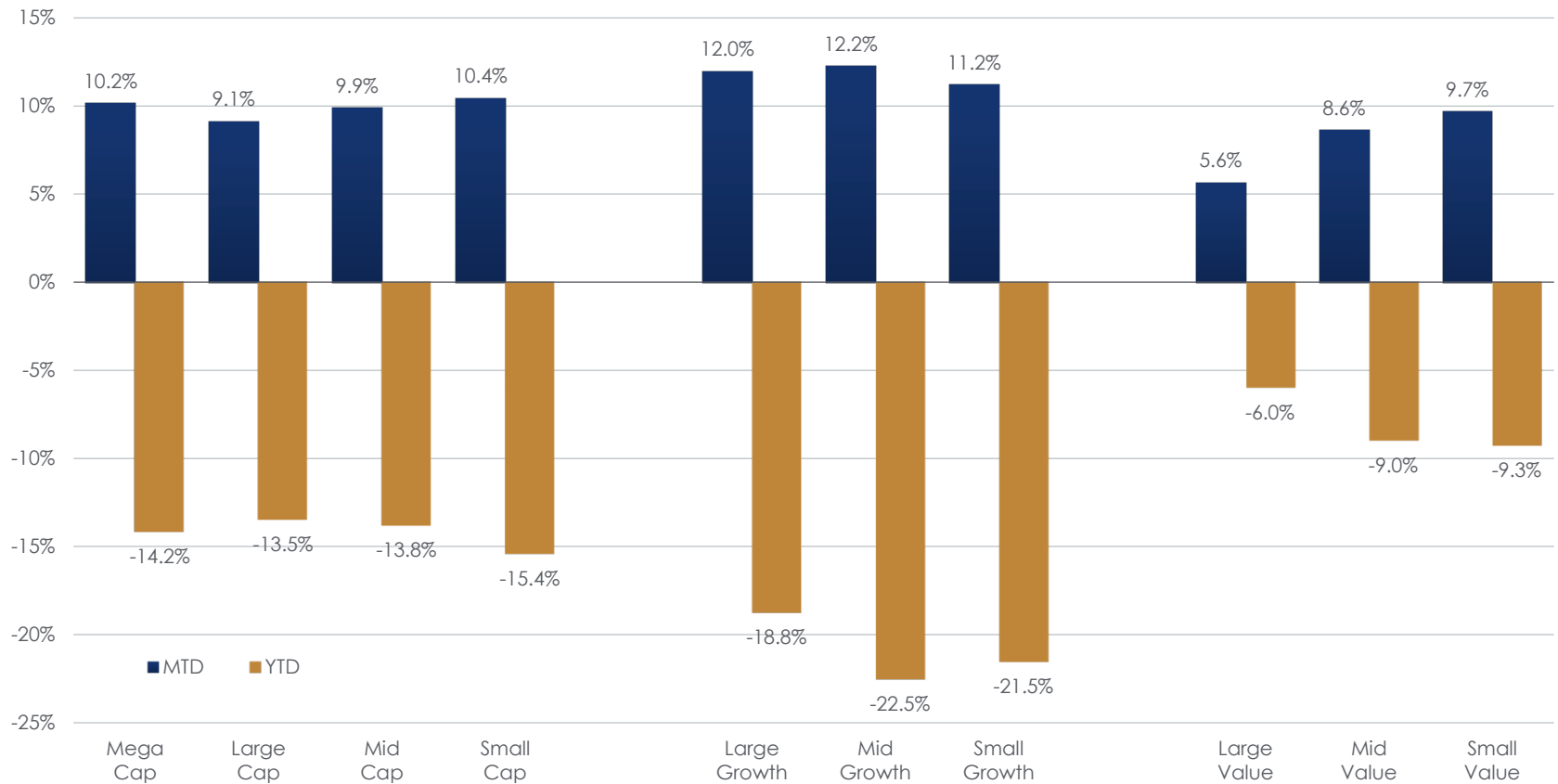
Global Equity Returns by Bellwether Index

Global Equity Markets



Domestic Equity Returns by Market Cap & Style

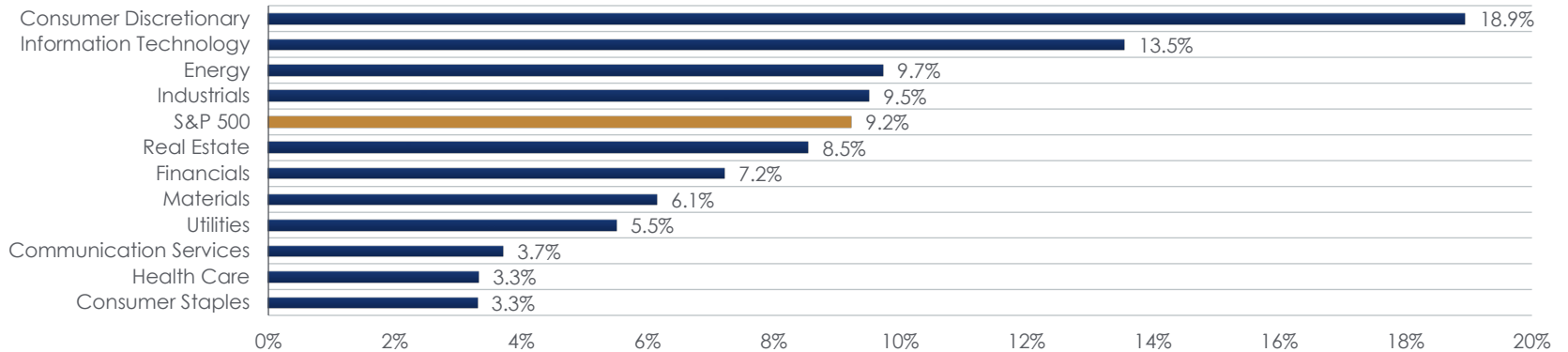
Domestic Equity Markets



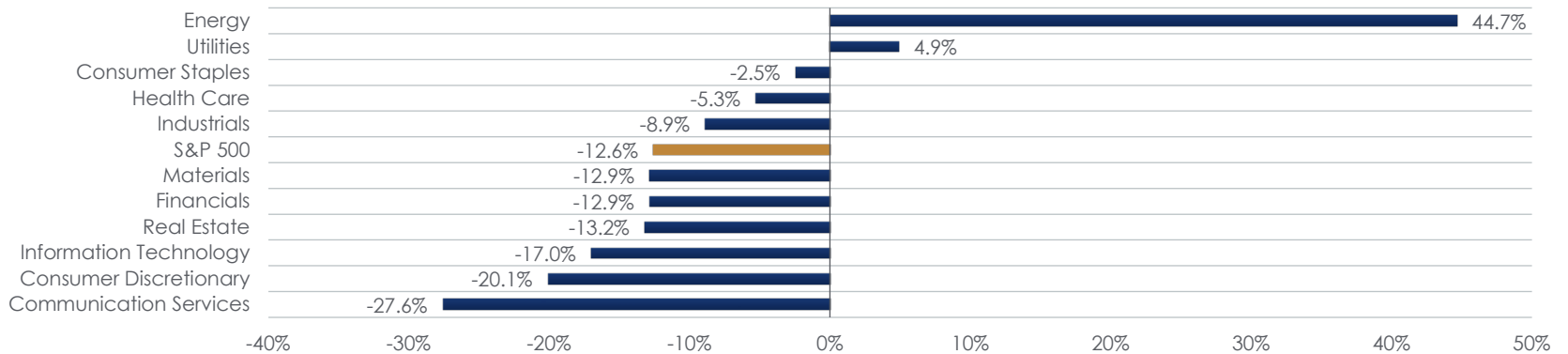
Asset classes are represented by the following benchmarks: Russell Top 50 (Mega), Russell Top 200 (Large), Russell Midcap (Mid), Russell 2000 (Small). Source: Russell

Domestic Equity Returns by Sector

MTD S&P 500 Returns by Sector

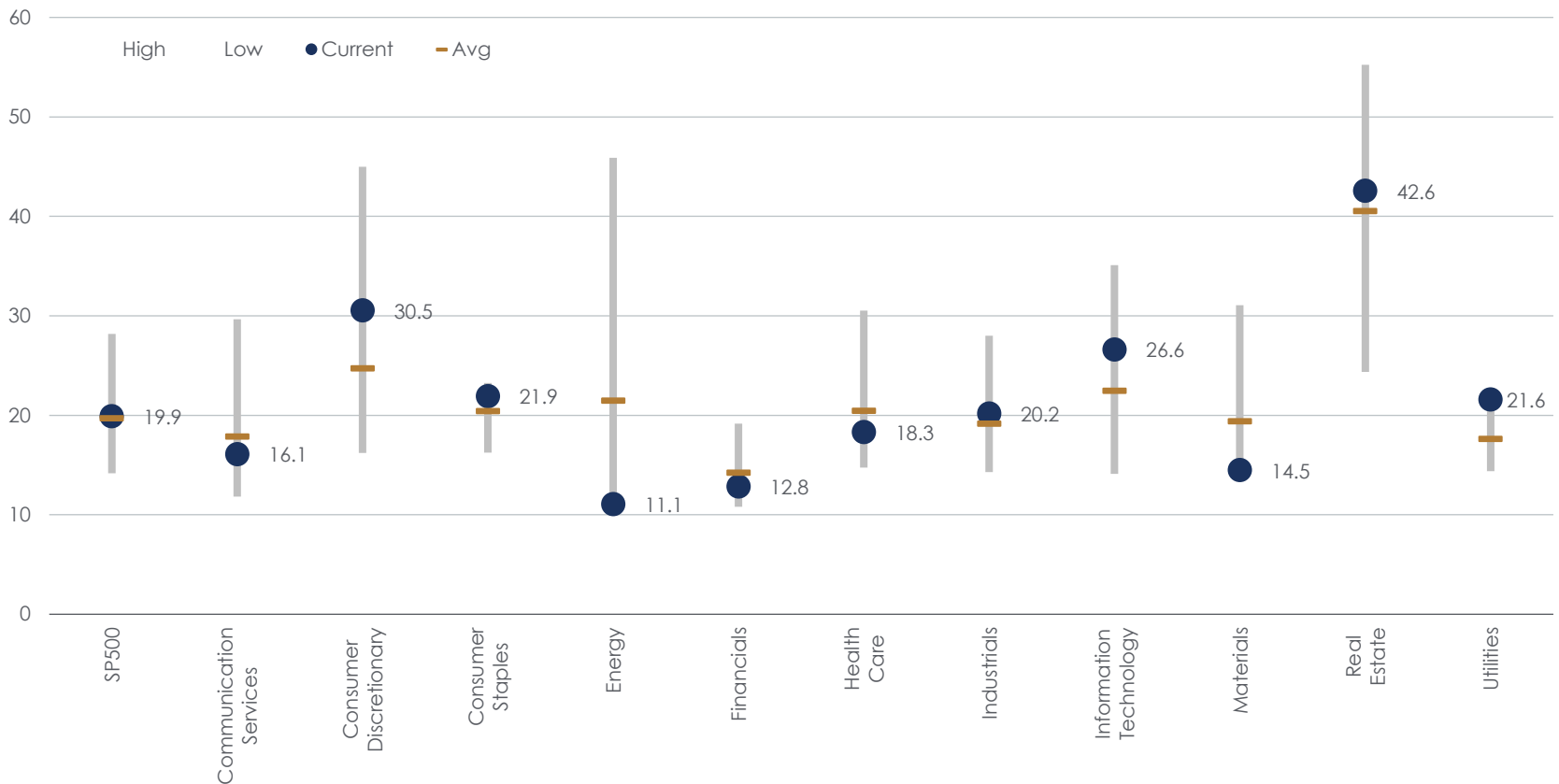


YTD S&P 500 Returns by Sector



Domestic Equity Valuations by Sector

Trailing 12 Month P/E Ratio Compared to 10-Year Range and 10-Year Average



P/E ratios are based on trailing 12 months earnings (LTM) excluding negative earnings. The length of each bar represents the Range of the highest and lowest P/E ratio over the past 10 years. Average represents the average P/E ratio over the past 10 years. Current represents the most recent month. Source: Bloomberg



Economic Indicator Descriptions

Real Gross Domestic Product (GDP): GDP is a basic measure of U.S. economic output adjusted for inflation. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy.

Consumer Price Index (CPI): Measuring the change in the CPI provides an estimate for inflation. The CPI tracks the price of a basket of consumer goods and services. High inflation or deflation (negative inflation) can be signs of economic worry. CPI is typically reported in two ways: headline and core CPI. Headline CPI includes all categories that comprise the CPI basket of goods and services.

Personal Consumption Expenditure Chain-type Price Index (PCEPI): Measuring the change in the PCEPI provides an estimate for inflation. In comparison to CPI, which uses one set of expenditure weights for several years, this index uses expenditure data from the current period and the preceding period. This price index method assumes that the consumer has substituted from goods whose prices are rising to goods whose prices are stable or falling. Core PCEPI, which is closely monitored by the Fed, strips out the more volatile Food and Energy categories.

Conference Board Index of Leading Economic Indicators (LEI): The LEI is designed to signal peaks and troughs in the business cycle. The ten components include: average weekly manufacturing hours; average weekly initial claims for unemployment insurance; manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; manufacturers' new orders for nondefense capital goods excluding aircraft orders; building permits for new private housing units; stock prices of 500 common stocks; Leading Credit Index™; interest rate spread on 10-year Treasury bonds less federal funds and average consumer expectations for business conditions.

The Institute for Supply Management (ISM) PMI Index: The PMI is a composite index of five "sub-indicators", which are extracted through surveys to purchasing managers from around the country. The five sub-indexes are: Production, New orders, Supplier deliveries, Inventories and Employment level. An Index value over 50 indicates expansion; below 50 indicates contraction.

The Institute for Supply Management (ISM) Non-manufacturing Index (NMI): The NMI is a composite index of four "sub-indicators", which are extracted through surveys to purchasing managers. The four sub-indexes: Business activity, New orders, Employment, Supplier deliveries. An Index value over 50 indicates expansion; below 50 indicates contraction.

Consumer Confidence Index (CCI): The Consumer Confidence Index is a well-known proxy for the attitudes of U.S. consumer towards the business climate, personal finances and spending. This index attempts to measure the confidence that consumers have in the overall economy. This is important because consumer spending accounts for a large portion of U.S. GDP.

Consumer Sentiment Index (MCSI): The MCSI uses telephone surveys to gather information on consumer expectations regarding the overall economy. The MCSI is becoming more useful for investors because it gives a monthly snapshot of whether consumers feel like spending money by accessing their views on the business climate, personal finance, and spending in order to judge their level of optimism/pessimism. This is important because consumer spending accounts for a large portion of U.S. GDP.

Disposable Personal Income per Capita (DPI): DPI is the amount of money that households have available for spending and saving after income taxes have been accounted for. DPI is monitored to gauge the overall state of the economy.

Personal Consumption Expenditures (PCE): PCE consists of the actual and imputed expenditures of households including durables, non-durables and services.

Retail Sales: The retail sales report captures in-store sales as well as catalog and other out-of-store sales. The report also breaks down sales figures into groups such as food and beverages, clothing, and autos. The results are often presented two ways: with and without auto sales being counted, because their high sticker price can add extra volatility to the data.

Housing Affordability Index (HAI): Published monthly by the National Association of Realtors, the HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.

Unemployment Rate: Calculated monthly by the Bureau of Labor Statistics, the unemployment rate is a gauge of the health of the U.S. labor market. High unemployment can stifle the growth of the economy.

Wage Growth: Calculated quarterly by the Bureau of Labor Statistics, the employment cost index measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The index tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company. We are using the wage component of this index.

Benchmark Descriptions

U.S. Aggregate Bond: The Barclays U.S. Aggregate Bond Index measures the performance of USD-denominated, SEC-registered, investment-grade, fixed-rate or step up, taxable bonds. The index includes bonds from the Treasury, Government-Related, Corporate and MBS, ABS, and CMBS sectors. Securities included in the index must have at least one year until final maturity.

U.S. Treasury: The Barclays Capital U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury with a remaining maturity of one year or more.

U.S. Agency: The Barclays Capital U.S. Agency Bond Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade USD-denominated debentures issued by government and government-related agencies, including FNMA. The index includes both callable and non-callable securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate and foreign debt guaranteed by the U.S. government.

U.S. Corporate: The Barclays Capital U.S. Corporate Bond Index measures the performance of publicly issued USD-denominated corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

U.S. MBS: The Barclays Capital U.S. Mortgage Backed Securities Index measures the performance of mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

U.S. Municipal Bond: The Barclays Capital Municipal Bond Index measures the performance of the USD-denominated, investment grade, fixed-rate tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Securities included in the index must have at least one year until final maturity.

General Obligation Bond Index: The Barclays General Obligation Bond Index measures the average market-weighted performance of general obligations securities that have been issued in the last five years with maturities greater than one year.

Revenue Bond Index: The Barclays Revenue Bond Index measures the average market-weighted performance of revenue backed securities that have been issued in the last five years with maturities greater than one year.

Investment Style: Performance of different types of stocks will vary over time. A common way to characterize a stock is by market capitalization (e.g., large cap or small cap) or style (e.g., value or growth).

Large Cap vs. Small Cap: Large companies tend to be more established companies and therefore exhibit lower volatility. Over an extended period of time, expected returns of small cap companies are often higher due to the risks associated with smaller, less established companies.

Value vs. Growth: Value companies typically trade at discount valuations and may pay a dividend. Growth companies are those that are experiencing greater earnings growth prospects.

Mega Cap: The Russell Top 50 Index measures the performance of the top 50 largest companies in the Russell 1000 Index, which represents approximately 40% of the total market capitalization of the Russell 1000 Index.

Large Cap: The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 68% of the total market capitalization of the Russell 1000 Index.

Mid Cap: The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 36% of the total market capitalization of the Russell 1000 Index.

Small Cap: The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Large Cap Growth: The Russell 1000 Growth Index measures the performance of those Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values.

Large Cap Value: The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Mid Cap Growth: The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Mid Cap Value: The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

Small Cap Growth: The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.

Small Cap Value: The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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