

THOUGHTS OF THE WEEK

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WEEKLY HEADINGS

Key Takeaways

'Georgia On Our Mind' Ahead
Of Two Run-Off Elections

Widely Available Vaccine To
Bring Us Back 'Together Again'

'Can't Stop Loving' These
Same Four Sectors

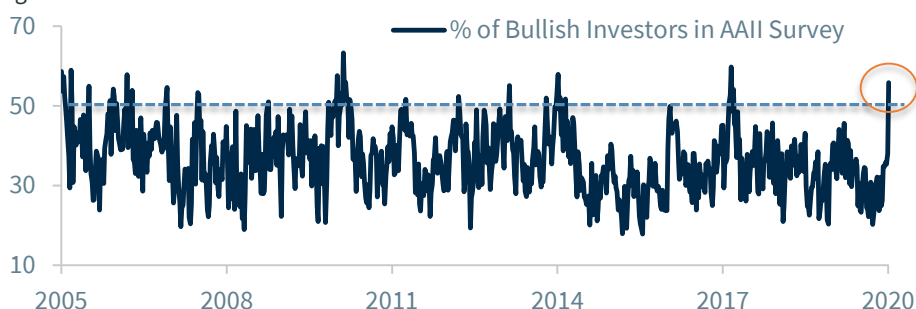
Tomorrow marks 60 years since Ray Charles' hit 'Georgia On My Mind' reached the #1 spot on the charts. His talents as a singer, songwriter, pianist, and composer rightfully earned him the nickname 'The Genius' as well as numerous accolades, including a Grammy Lifetime Achievement Award. Radio stations have played the music icon's greatest hits and classic covers for decades, but today the lyrics of this particular song have gained new meaning for our nation, as control of the Senate rests on the outcomes of two run-off Senatorial elections in his home state of Georgia. As a general rule the financial markets do not like uncertainty, but whether it be political risk or the alarming trajectory of COVID-19, the equity market has rallied in the midst of it all, with the S&P 500 posting its best eight day period since April earlier this week. To help us explain which risks remain viable threats to the equity market in the near term, we'll borrow some additional lyrics from the Father of Soul.

- **Bottom Line: Investors 'Can't Stop Loving' The Recent Rally** | The S&P 500 is trading within ~1.2% of its record high, but some indicators suggest the rally may be overdone. For example, the percentage of bullish investors in the AAI survey just posted its largest week-over-week gain since 2010 and rose to the highest level (55.8) since January 2018. Historically, when the 50% threshold is exceeded, the equity market experiences muted returns over the next 12 months. While we may receive more than one successful COVID-19 vaccine, political developments and a worsening of the pandemic may cause volatility in the near term.
- **Out Of 'The Danger Zone' – Major Policy Shifts Off The Table** | While not official per the Electoral College, the financial markets have seemingly accepted Joe Biden as President-elect (88% probability according to PredictIt) with a Republican Senate (82% probability according to PredictIt) and Democratic House as the outcome of the 2020 election. If this holds, the split government composition would mirror the message of voters – that major policy shifts are not their desire. In fact, a President Biden could be the first Democratic president with a Republican Senate and Democratic House since 1884, and his party's majority in the House is likely to be the tightest since the 1940s. This scenario is viewed optimistically, assuming legislators seek compromise rather than no-action gridlock. However, two risks still need to be monitored closely:
 - **'Them That Got' The Senate** | The Senate majority (currently 50 Republicans, 48 Democrats) hinges on the January 5 Georgia run-off elections. With at least one Republican win, a split-government will be in place for at least the next two years. However, if a Democrat wins both, control of Congress raises the potential for increased taxes and regulations, a near-term equity risk.
 - **'Here We Go Again' With Stimulus Negotiations** | Until the Senate is determined, the battle over the size and scope of the Phase 4 stimulus will continue. The gap between Senate Majority Leader McConnell (\$500 billion) and House Majority Leader Pelosi (\$2.2 trillion) remains wide, and it is increasingly likely that a deal will not be reached until 2021. We still believe a compromise of ~\$1 trillion will unfold under a split government. With localized COVID-induced shutdowns increasing (e.g., Chicago's Stay-At-Home Advisory), a delayed bill will likely hamper the economic recovery and pose a risk to the equity market.
- **Vaccine Would Make COVID 'Hit The Road Jack'** | The development of Pfizer's vaccine with a 90% efficacy rate is a game changer in fast-tracking the economic recovery and bringing us back 'together again.' The announcement naturally benefitted the 're-opening' trade (Financials, Industrials, small cap), which was reflected by small-cap equities posting their largest two-day outperformance over the NASDAQ in at least 30 years to start the week. However, there are still plenty of obstacles the vaccine must overcome (e.g., durability, manufacturing, distribution, and psychological barriers) before it is widely available to the public, which we still believe is unlikely to occur in 1Q21. In addition, given the rampant rise in COVID cases, additional social distancing and local lockdowns will again favor the 'stay-at-home' sectors at the top portion of the 'K-shaped' recovery.
- **Cannot 'Unchain Our Heart' From These Sectors** | We favor the Info Tech, Communication Services, Health Care, and Consumer Discretionary sectors due to still attractive valuations, positive earnings, and secular trends. Despite their strong outperformance year-to-date, Info Tech, Communication Services, and Health Care all have relative valuations in line or below their previous 20-year averages. For the 3Q20 earnings season, the Tech sector has the largest percentage of companies exceeding estimates (92% versus the previous 20-quarter average of 85%) and Health Care has the best earnings growth on a year-over-year basis (+9.8%). As we look ahead to 2021, earnings per share revisions are stronger for our preferred sectors, and each is expected to have dividend growth that outpaces the broader market. Lastly, from a secular trend perspective, the 5(G) rollout, broadband or tech-oriented infrastructure spending (supported by both parties), the rise in e-commerce, and the need for enhanced telehealth service offerings should benefit these sectors too.

CHART OF THE WEEK

Investors Can't Stop Loving The Recent Rally

The percentage of bullish investors in the AAI survey just posted its largest week-over-week gain since 2010 and rose to the highest level (55.8) since January 2018. Historically, when the 50% threshold is exceeded, the equity market experiences muted returns over the next 12 months.



* See Charts of the week on page 3.

ECONOMY

- Consumer sentiment was weaker than anticipated, reflecting the partisan divide and worries about rising COVID cases.
- The Consumer Price Index was unchanged in October (vs. a median forecast of 0.2%) up 1.2% y/y. Ex-food & energy, the CPI was also flat (1.6% y/y), restrained by declines in lodging, apparel, and medical care commodities.
- **Focus of the Week:** Next week, retail sales are expected to have risen moderately in October, still higher than in February. Industrial production should post a relatively strong gain, but will remain below pre-recession levels. Residential construction figures are likely to improve. With most of the components known, the Index of Leading Economic Indicators should rise about 0.7% in October, although the level remains below where it was in February.

November 16 – November 20

MON		WED	Building Permits	FRI	Producer Price Index (Oct) Consumer Sentiment (mid-Nov)
TUE	Retail Sales (Oct) Industrial Production (Oct)	THU	Jobless Claims Economic Leading Indicators (Oct)	FUTURE EVENTS	11/26 Thanksgiving Holiday (Markets closed) 12/4 Employment Report

US EQUITY

- This week's positive news on a potential COVID-19 vaccine has fueled sharp rotation within the market as the relative beneficiaries of the stay-at-home environment gave way to the areas most impacted by the pandemic. This rotation on vaccine optimism shining a 'light at the end of the tunnel' is raising questions around portfolio re-positioning toward the laggards.
- Although this time the rotation may finally last, we recommend a more pragmatic approach to portfolio changes and prefer to build positions as the technical trends build sustainability. While not there quite yet, if these trends do build sustainability, our favored rotation areas for portfolio adjustments are the small caps, Industrials, and Materials, followed by the Financials. Capital to increase exposure to these areas can come from select areas of Technology. Portfolio diversification is gaining in importance once again, as the market becomes less dependent on a small segment of stocks that have dominated the stay-at-home environment. This creates more opportunity across all areas of the market, and we also view it as a positive for overall market momentum.
- **Focus of the Week:** Fundamentally, a very strong Q3 earnings season has continued the upward trend in S&P 500 earnings estimates. And while interest rates have moved marginally higher recently, the S&P 500 equity risk premium (S&P 500 earnings yield vs. 10-year Treasury yield) is 3.0%. This remains historically elevated and supports our view that valuation multiples can remain lofty given exceptionally low interest rates. Since 1962 (following at least a 3% reading), the S&P 500 has seen positive returns over the next three years every time with an average annualized return above 8%. Headwinds remain (i.e., rapid virus spread, Senate control, size and timing of fiscal aid), but we would use pullbacks as buying opportunities for the longer term.

FIXED INCOME

- This week's activity in the fixed income market was primarily driven by Pfizer's announcement. While the Fed is keeping a lid on the short-end of the yield curve, the anticipated economic growth could bring inflation, which is why the Treasury market is seeing rates rise on the longer end of the curve. While it is still very early, take this as a promising event, even if higher yields are expected.
- **Focus of the Week:** If the effectiveness of the vaccine holds true, then investors should take a look at shortening their durations and adding some risk to their portfolios. What I mean by that is if your portfolio has a duration of ten years, then maybe you want to shorten it to say seven years. This gives you better hedge from higher rates, but doesn't sacrifice what you are earning by all that much. The difference in yield between the 7-year note and the 10-year note is only 25 basis points.

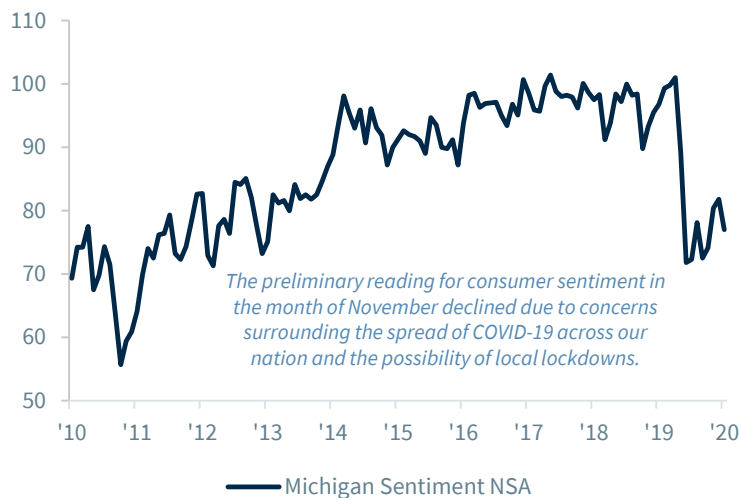
POLITICS & COVID-19

- The 2020 race is headed to overtime with two run-off races in Georgia set for January 5 to determine party control of the Senate. The market is viewing a Republican Senate majority as the most likely outcome, but we will need to see how the race develops over the next several weeks before the outcome becomes clearer. Democrats have to win both seats to capture a 50-50 split and Democratic majority, which historically is an uphill battle. In the presidential race, several states are moving toward recounts and the Trump campaign has initiated legal challenges. Historically, there are limited examples of recounts or legal challenges changing the outcome of the initial count at the state level. When there have been changes in recounts, they have been limited to where the vote margin is within a few hundred votes. The next dates to watch are the state certification of votes (set individually by states, with Dec. 8 as the statutory safe harbor deadline) as well as the planned Dec. 14 meeting of Electoral College electors at the state level.
- The US has now recorded six-digit case counts for eight days straight, marking an unprecedented and deeply concerning status of the virus in our country. The seven-day average positivity rate has now increased to 8.9%, up from 7.0% last week. Some states, such as New York, have already begun tightening restrictions in hopes of reining in rapidly accelerating numbers. With the surge we have going on, more local and statewide shutdowns are likely. Further, presumptive President-elect Joe Biden announced his COVID task force on Monday, and Dr. Michael Osterholm voiced support for a 4-6 week national lockdown to flatten the curve in the US.
- **Focus of the Week:** That Pfizer's COVID vaccine was over 90% effective at the first planned analysis of the ongoing Phase 3 study is tremendous news. While we do not know certain details (does it prevent severe COVID? Does it prevent infection or just symptoms? How durable is it?), 90% effectiveness at this stage already suggests sufficient adoption will lead to an end to the pandemic. Following accrual of a median two months follow up of patients in the study to check the box on safety (anticipated before the end of November), we expect a rapid emergency use authorization to be granted in the US, and similar authorizations worldwide. Pfizer anticipates having 100 million doses available in the US by March 2021 and 1.3 billion doses available for worldwide use in 2021. Coupled with expectations that more vaccines will work (e.g., Moderna's; data expected this month), we anticipate wide availability of vaccines next year and a corresponding 'return to normal.' Our expectations are mainly contingent on Pfizer and others meeting their manufacturing and distribution goals. Given mRNA vaccines are a novel technology, there is risk of manufacturing not scaling as expected, so we will be watching this closely as the key variable guiding our return to normal.

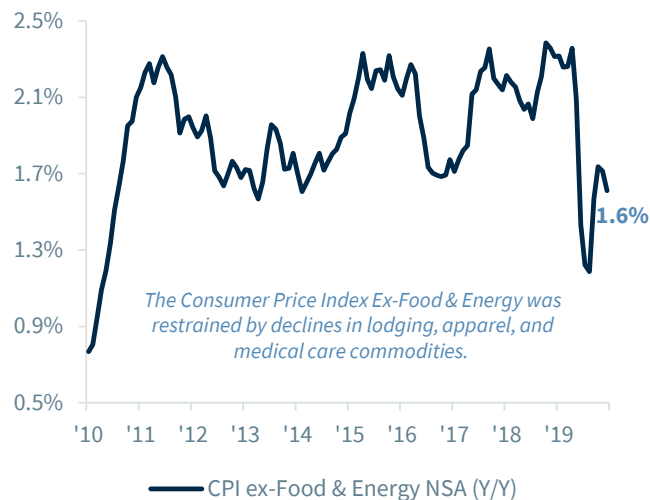
* See Charts of the week on page 3.

Charts of the Week

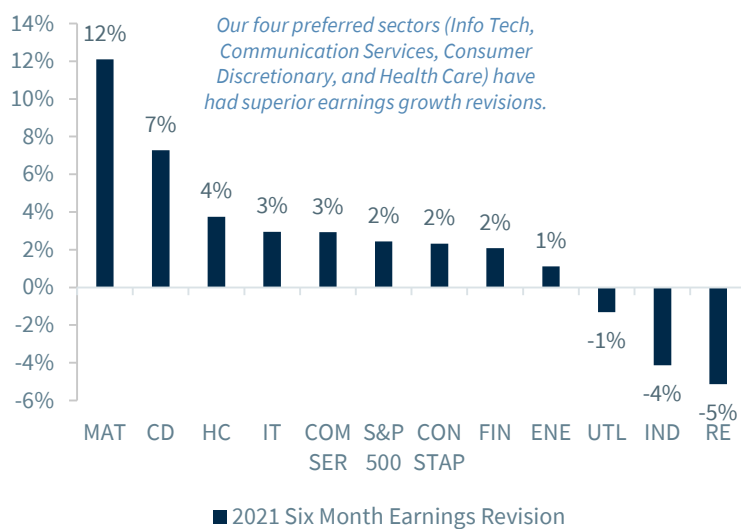
Consumer Sentiment Falls Amidst COVID Surge



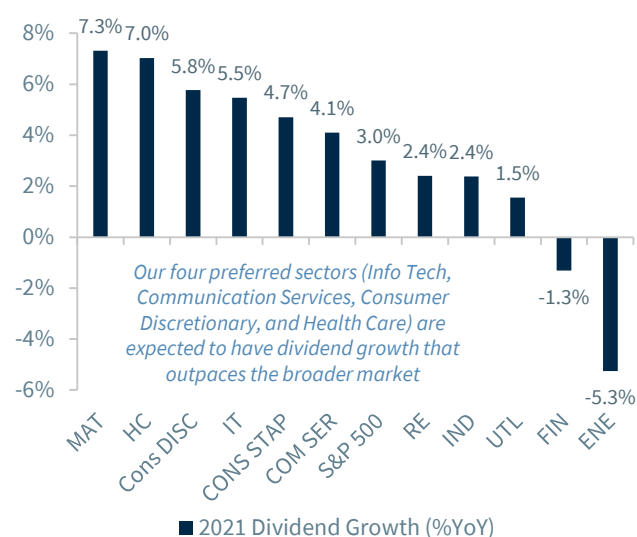
CPI Ex-Food & Energy Relatively Flat



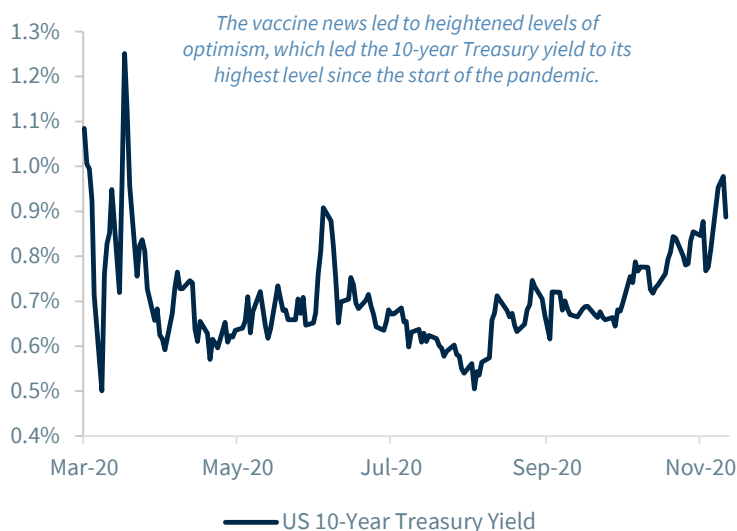
Stronger Earnings Revisions For Our Favorite Sectors



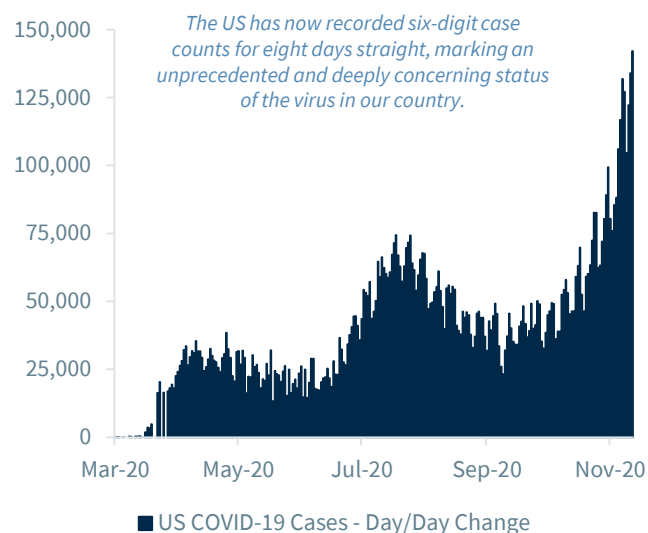
Dividend Growth Expectations For All Sectors



10-Year Treasury Yield Reaches Highest Level Since March



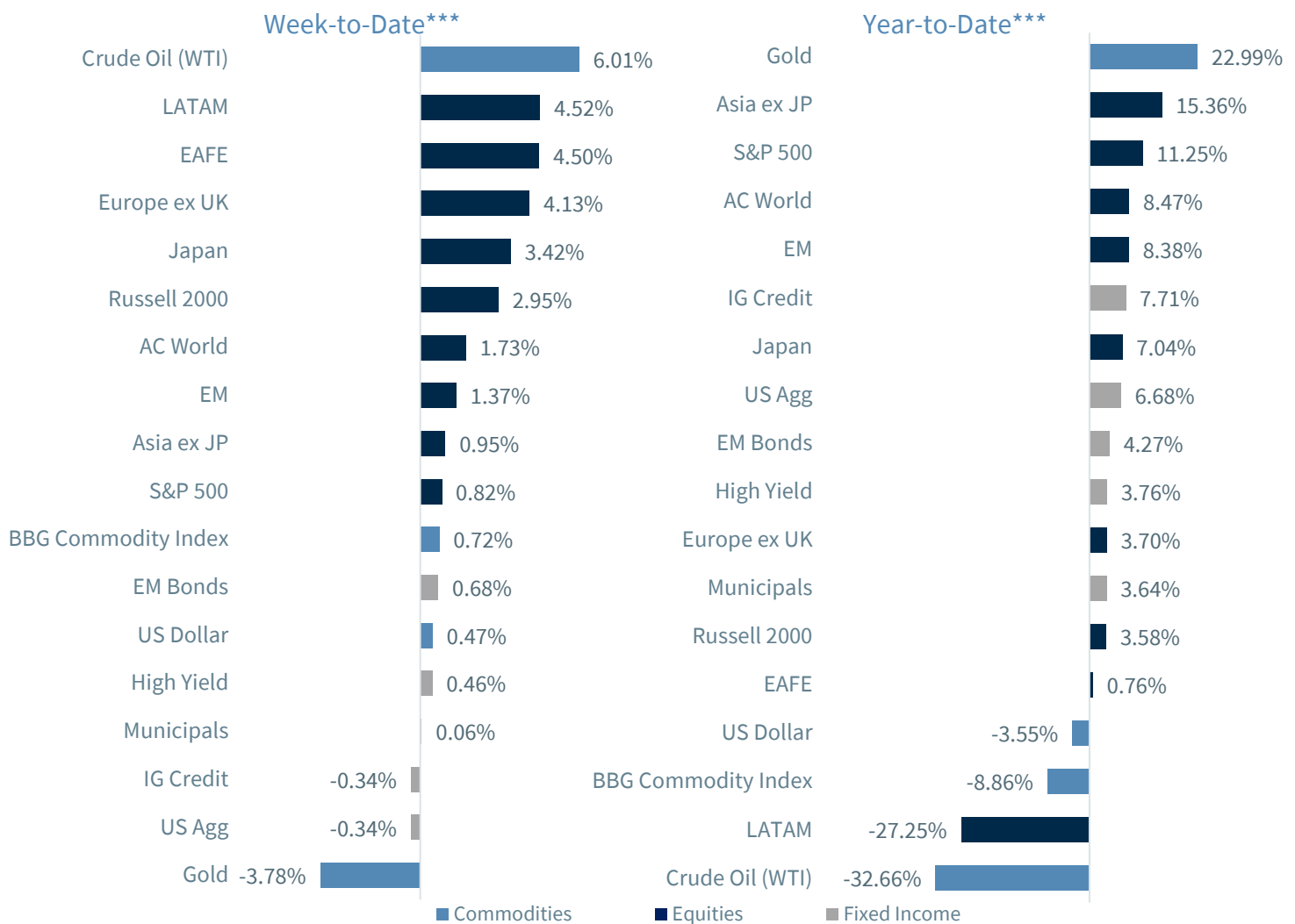
US COVID-19 Cases Reach New Daily Peak



Asset Class Performance | Distribution by Asset Class and Style (as of November 12)**

US Equities (Russell indices)				International Equities (MSCI indices)				Fixed Income (Bloomberg Barclays indices)				
Weekly Returns (as of November 12)		Value	Blend	Growth		Dev. Mkt	World	Emerg. Mkt		1-3 YR	Medium	Long
	Large Cap	3.5%	0.7%	-1.8%	Large Cap	5.2%	1.7%	0.8%	Treasury	0.0%	-0.3%	-0.9%
	Mid Cap	3.0%	1.3%	-1.6%	Mid Cap	4.0%	2.2%	1.9%	Invest. Grade	0.0%	-0.1%	-0.2%
	Small Cap	4.8%	3.0%	1.3%	Small Cap	3.7%	2.5%	1.8%	High Yield	0.4%	0.4%	0.6%
Year-to-Date Returns (November 12)		Value	Blend	Growth		Dev. Mkt	World	Emerg. Mkt		1-3 YR	Medium	Long
	Large Cap	-4.6%	12.4%	28.8%	Large Cap	-3.2%	8.4%	12.0%	Treasury	0.7%	6.9%	10.8%
	Mid Cap	-4.1%	6.5%	22.4%	Mid Cap	-0.7%	4.6%	3.6%	Invest. Grade	3.3%	6.2%	7.8%
	Small Cap	-9.5%	3.6%	16.0%	Small Cap	-1.1%	2.5%	7.4%	High Yield	1.2%	2.8%	17.5%

Asset Class Performance | Weekly and Year-to-Date (as of November 12)**



**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 November 12

U.S. Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	3537.0	0.8	8.3	11.2	16.6	13.2	13.8	13.7
DJ Industrial Average	29080.2	2.4	9.7	1.9	5.0	7.5	10.8	10.0
NASDAQ Composite Index	11709.6	(1.5)	7.3	30.5	38.0	20.1	18.5	16.6
Russell 1000	3796.1	0.7	8.2	12.4	10.9	10.6	11.8	13.0
Russell 2000	4246.0	3.0	11.1	3.6	(0.1)	2.2	7.3	9.6
Russell Midcap	6421.7	1.3	8.4	6.5	4.1	6.8	9.0	11.4

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	426.2	0.0	7.4	12.4	15.2	7.7	11.5	9.2
Industrials	708.2	3.3	10.6	4.7	4.9	7.7	11.0	12.2
Comm Services	210.5	(0.6)	7.1	17.2	21.7	16.2	11.5	10.1
Utilities	331.8	1.8	4.9	3.9	10.2	9.4	12.8	11.8
Consumer Discretionary	1228.5	(2.6)	4.8	25.6	30.6	20.1	15.7	17.5
Consumer Staples	683.5	2.6	6.9	8.2	12.7	10.1	9.7	11.8
Health Care	1288.6	0.7	8.9	10.1	19.1	13.1	11.8	15.8
Information Technology	2111.1	(0.9)	8.4	32.4	41.1	25.6	25.5	20.1
Energy	245.2	10.5	13.8	(43.5)	(41.3)	(18.6)	(9.6)	(3.5)
Financials	441.4	5.8	11.5	(11.8)	(8.3)	2.9	8.6	10.3
Real Estate	227.0	2.5	7.5	(3.2)	0.9	6.3	8.0	10.4

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	0.7	1.6	1.1	0.6
2-Year Treasury (%)	0.2	(0.1)	(0.0)	2.9	3.3	2.5	1.7	1.2
10-Year Treasury (%)	0.9	(0.9)	(0.1)	10.8	11.1	6.6	4.4	4.0
Barclays US Corporate High Yield	5.6	0.5	2.6	3.8	5.9	5.4	7.2	6.5
Bloomberg Barclays US Aggregate	1.2	(0.3)	0.3	6.7	7.5	5.3	4.3	3.6
Bloomberg Barclays Municipals		0.1	0.6	3.6	4.8	4.2	3.9	4.2
Bloomberg Barclays IG Credit	2.0	(0.3)	1.2	7.7	9.4	6.8	6.3	5.3
Bloomberg Barclays EM Bonds	3.9	0.7	2.4	4.3	6.3	5.2	6.2	5.5

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	41.1	11.2	15.4	(32.7)	(27.4)	(10.2)	(0.3)	(7.0)
Gold (\$/Troy Oz)	1874.9	(3.3)	(0.4)	23.8	29.1	13.4	11.5	3.0
Dow Jones-UBS Commodity Index	73.7	0.7	2.6	(8.9)	(6.7)	(5.5)	(2.3)	(6.7)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	93.0	0.5	(1.1)	(3.6)	(5.4)	(0.5)	(1.2)	1.8
US Dollar per Euro	1.2	(0.1)	1.4	5.2	7.2	0.4	1.9	(1.5)
US Dollar per British Pounds	1.3	0.2	1.6	(0.9)	2.3	(0.2)	(2.9)	(2.0)
Japanese Yen per US Dollar	105.1	1.4	0.6	(3.3)	(3.7)	(2.5)	(3.1)	2.5

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	601.3	1.7	9.2	8.5	13.2	9.1	11.0	9.3
MSCI EAFE	2001.3	4.5	12.5	0.8	3.9	3.3	6.3	5.4
MSCI Europe ex UK	2156.9	4.1	13.7	3.7	7.4	4.5	7.3	6.2
MSCI Japan	3595.6	3.4	9.1	7.0	8.3	4.4	7.3	6.8
MSCI EM	1182.1	1.4	7.2	8.4	14.8	4.4	10.2	3.3
MSCI Asia ex JP	777.5	1.0	6.2	15.4	21.2	6.1	11.4	6.1
MSCI LATAM	2071.3	4.5	14.8	(27.3)	(20.5)	(6.0)	3.8	(4.5)
Canada S&P/TSX Composite	12641.3	1.7	6.4	(2.8)	(1.9)	1.1	4.8	2.7

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

DISCLOSURES

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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 11/13/2020

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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