Morgan Stanley

The Boulevardier

A QUARTERLY INVESTORS REPORT FROM **THE VECTOR GROUP AT MORGAN STANLEY**

NOVEMBER 2022

EXECUTIVE SUMMARY

Third Quarter 2022

- ***Equity Markets***[1]: *U.S. Equities were volatile through the 3rd Quarter as the S&P 500 fell -4.88% from June through September, taking the YTD decline to -23.87%. Developed International Equities fared worse as the MSCI EAFA fell -10.01% over the quarter bringing the YTD decline to -28.88%. Emerging Markets fell by -12.48% taking the YTD total decline to -28.91%.*
- ***Bond Markets***[2]: *Credit saw a more muted quarter than Equities as High Yield spreads fell by -17 bps to 5.59% over treasuries while Investment Grade spreads rose modestly by 4 bps to 1.59% over Treasuries through the 3rd quarter. The US 10-year bond saw yields continue to significantly inverted, rising by 82 basis points to 3.83%. The yield curve, measured by 30 and 2 yr. rates, inverted substantially with the spread decreasing by -74 bps throughout the quarter as the 2-year rate rose by a 133 bps and the 30-year rate rose by a more modest 55 bps. The Fed continued to aggressively increase the target rate by 150 bps through the quarter to a target range of 3.00 to 3.25%.*
- ***Economics***[3]: *The third quarter continued to see inflation in the spotlight with year over year readings breaking 9% and reaching levels not seen for decades. Core inflation also drew higher focus as declines in energy prices had yet to follow through to stickier areas. Regional Manufacturing indices continued to show slowdown, while most housing indicators retreated significantly. National Manufacturing and Services measures moderated in aggregate with Manufacturing seeing larger declines, but both remained in growth territory. Retail Sales were effectively flat through the third quarter. Industrial production remained strong as did employment data which continually beat expectations.*
- ***Oil***[4] *ended the half at $79.49/barrel WTI, a -24.84% decline from last quarter's close.*
- ***Gold***[5] *futures closed at $1672/oz., a -7.49% decrease for the 2nd quarter.*

Outlook 2022

- *Inflation levels and Federal Reserve policy remain in center stage.*
- *Mid-Terms in the rearview mirror.*
- *Earnings season in focus.*

ALSO IN THIS ISSUE:

Market Thoughts at the end of a Rough Ride

"History proves that all dictatorships, all authoritarian forms of government are transient. Only democratic systems are not transient. Whatever the shortcomings mankind has not devised anything superior."

–Vladimir Putin

From a 2000 interview with the Globalist after assuming control from Boris Yeltsin

THE VECTOR GROUP *at* MORGAN STANLEY

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Tactical Ideas for Consideration

for the Appropriate Investor

ASSET CLASS CHOICE	SUB CLASS	IDEAS	CONVICTION[1]
US Equity/Debt/ Cash	Equity	Attractive	🎩🎩🎩🎩
US Equity Size	Larger	Attractive	🎩🎩🎩🎩
Equity Investment	Sectors: Info Tech, Industrials, Financials	Attractive	🎩🎩🎩🎩
International Equity	EuroZone	Unattractive	🎩🎩🎩
Private Market Debt	General	Attractive	🎩🎩🎩🎩
U.S. Gov Bond Market	Long Term	Attractive	🎩🎩🎩
Municipal Bonds	Medium Duration	Attractive	🎩🎩🎩🎩
High Yield Debt	Various	Neutral	🎩🎩🎩
Preferred Stocks	QDI Financials	Neutral	🎩🎩🎩
Mortgage Bonds	Agency	Attractive	🎩🎩🎩🎩
Precious Metals	Gold	Attractive	🎩🎩🎩🎩

NOTE: We have discontinued ranking currencies and alternative investments as a group.

NOTES:

[1] 🎩 Lowest, 🎩🎩🎩🎩🎩 Highest *[Increasing number of top hats indicates increasing conviction to the idea]*

If you are interested in exploring any of the ideas mentioned above, please call. We will discuss if it is appropriate for your specific situation as well as the different investment choices available to gain exposure.

QIV 2022 Outlook

Inflation Jobs & The Fed

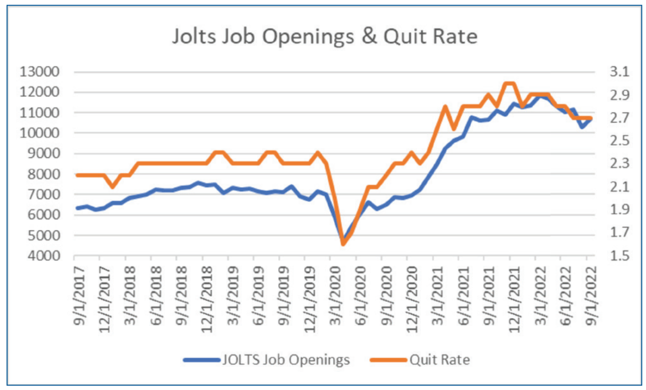
If the market reaction on November 10th to October CPI wasn't enough indication, CPI releases have been, and continue to be, a major driving force behind all financial markets. The logic is linear; the direction of inflation relative to expectations is a key driver in the Fed's data driven decision making process for their next meeting. Lower(higher) than expected inflation → less(more) pressure to raise rates → likelihood of smaller (larger) increase in fed funds rate → terminal rate expectations fall (rise) → long end treasury yields fall(rise) → equities rally (fall)…or so it's been going.

We've looked a lot at potential inflection points in inflation data in previous issues and this most recent release was where previous year comparisons began a stretch that could help headline inflation materially roll over on a year over year basis. Core-inflation, or what is viewed as stickier inflation, which puts higher emphasis on shelter and non-energy commodities, and removes the volatile effects of food & energy, also looks to have a pathway for material relief based on previous year comparisons.

	CPI M/M		Core CPI M/M [3]
1/31/2021	0.20	1/31/2021	0.05
2/28/2021	0.40	2/28/2021	0.15
3/31/2021	0.60	3/31/2021	0.30
4/30/2021	0.60	4/30/2021	0.86
5/31/2021	0.70	5/31/2021	0.75
6/30/2021	0.90	6/30/2021	0.80
7/31/2021	0.50	7/31/2021	0.31
8/31/2021	0.30	8/31/2021	0.18
9/30/2021	0.40	9/30/2021	0.25
10/31/2021	0.90	10/31/2021	0.60
11/30/2021	0.70	11/30/2021	0.52
12/31/2021	0.60	12/31/2021	0.56
1/31/2022	0.60	1/31/2022	0.58
2/28/2022	0.80	2/28/2022	0.51
3/31/2022	1.20	3/31/2022	0.32
4/30/2022	0.30	4/30/2022	0.57
5/31/2022	1.00	5/31/2022	0.63
6/30/2022	1.30	6/30/2022	0.71
7/31/2022	0.00	7/31/2022	0.31
8/31/2022	0.10	8/31/2022	0.57
9/30/2022	0.40	9/30/2022	0.58
10/31/2022	0.40	10/31/2022	0.27
11/30/2022*	0.59	11/30/2022*	0.51

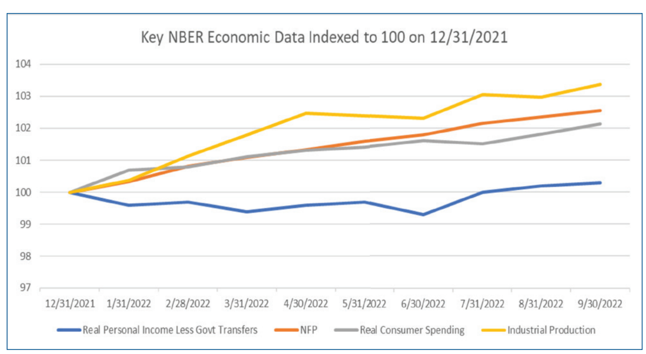
*Cleveland FED CPI Now Forecast *Cleveland FED CPI Now Forecast

While inflation data has been the point of the spear of what matters to markets, jobs data has come back en vogue as well. Chairman Powell has been clear that labor market tightness is a key determinant in their process. To monitor this, monthly non-farm gives insight into real time activity, while Jolts job openings along with quit rates can give forward looking insight. Non-farm payrolls have been remarkably strong and have come in ahead of expectations 9 of 11 months in 2022. News of layoffs has been released consistently over the past few weeks but has not worked its way into data releases yet as job-openings remain robust relative to historical readings, suggesting continued tightness. Quit rates, while still historically high, have begun to fall, which suggests that labor markets may be starting to loosen, albeit modestly.



[3]

Strength in labor markets is a good segue into a discussion on recessions. Much in the same way that the labor market has continued to show strength, so to have other key data points. It is a common misconception that two consecutive quarters of negative GDP growth define a recession. The origin of this comes from a short-hand way of ascribing recessions to emerging economies that otherwise don't reliably provide the breadth of data required to more accurately judge all aspects of their economy. In the U.S., the National Bureau of Economic Research (NBER) is the official scorekeeper of recessions, which they define as "a significant decline in economic activity that is spread across the economy and that lasts for more than a few months."[13] To judge this, the committee tracks real personal

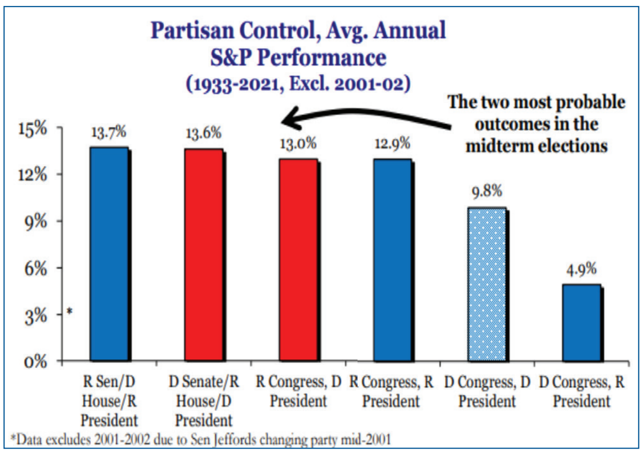


[3]

income less government transfers, employment, real consumer spending, and industrial production[13]. Much in the way of employment, the remaining three data points have shown strength through 2022 despite elevated inflation.

Mid-Term Elections

With mid-terms over and Congress taking shape, a look at how markets have performed through different leadership compositions is warranted. As can be seen, gridlock in Washington tends to be well received by Equity markets.



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3Q Earnings Review

With 90% of third quarter earnings completed, revenue growth for the S&P 500 rose 11.5% vs. expectations of 9.7% at the start of the reporting period[15]. Earnings results marginally underperformed expectations growing by 4.1% vs. 4.5% expected[15]. Margin pressure continues to be the takeaway, as

S&P 500 3rd Quarter Earnings Scorecard

	Sales Growth (Y/Y%)		Earnings Growth (Y/Y%)		# Reported
	Oct.1	Nov. 11	Oct.1	Nov. 11	
S&P 500	9.7%	11.5%	4.5%	4.1%	460/500
Discretionary	14.2%	13.9%	16.1%	12.5%	45/56
Staples	5.6%	5.6%	-2.7%	0.1%	26/33
Energy	46.1%	48.4%	118.1%	140.8%	23/23
Financials	2.6%	7.8%	-9.2%	-16.4%	66/67
Health Care	3.8%	5.6%	-4.1%	1.5%	60/64
Industrials	12.8%	12.8%	26.3%	19.4%	67/71
Materials	5.9%	5.7%	0.8%	-8.8%	28/28
Real Estate	12.9%	12.8%	10.3%	14.8%	31/31
Technology	5.1%	6.8%	-3.2%	-0.7%	62/75
Communications	2.4%	1.5%	-15.9%	-26.1%	22/22
Utilities	3.3%	15.5%	-7.2%	-7.1%	30/30

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overall growth has been robust. All sectors saw positive revenue growth, only Communication Services saw revenue growth of less than 5%, and only three sectors saw revenue growth below expectations[15]. Conversely, five sectors saw negative earnings growth, five sectors saw results come in below expectations, and aggregate earnings ex-Energy actually fell by -3.6%[15].

The earnings concentration narrative is expected to shift in 2023. Energy has been by far the largest contributor to earnings growth in 2022, however current expectations are for a fall of -12.6% in '23 [15]. Consumer Discretionary, Industrials, and Financials are all expected to see robust growth in excess of 13%[15].

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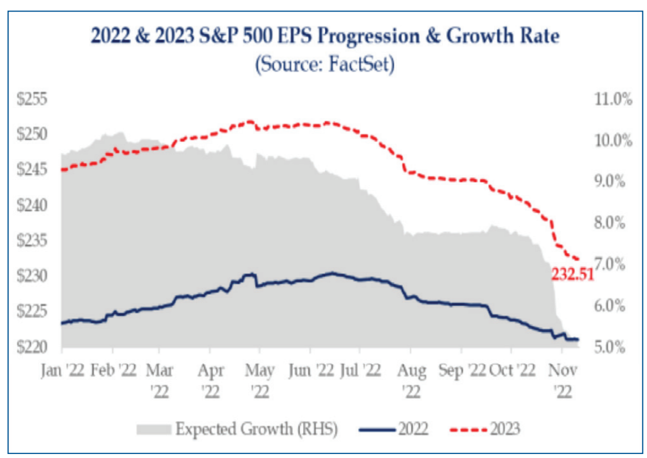
In aggregate, consensus expectations for S&P 500 earnings next year have fallen from over $250 to $232.51[15]. The second half of 2020, 2021, and the first half of 2022 were oddities in the sense that as those periods progressed, consensus earnings expectations increased as time moved forward and more information was



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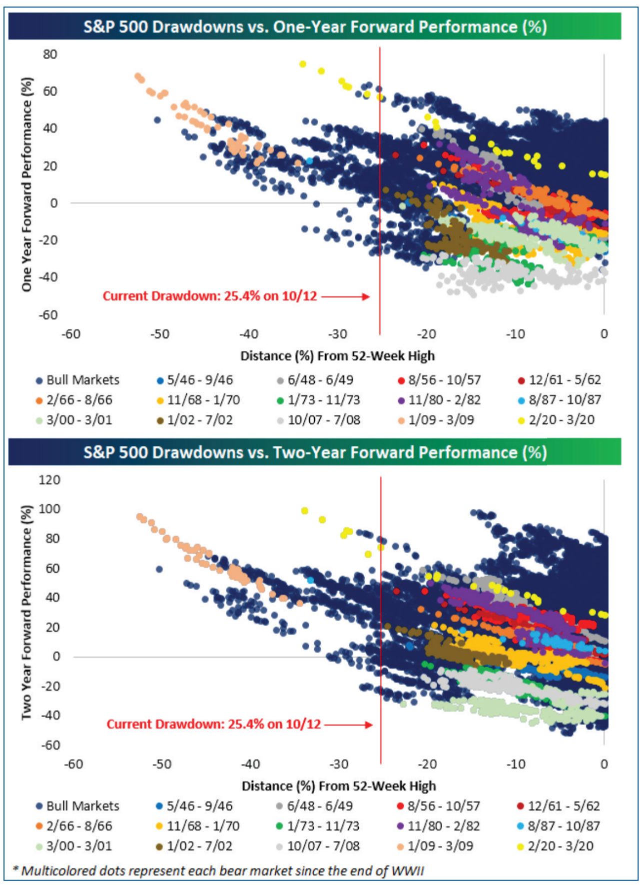
released. A more normal course of action for consensus earnings, by historical standards, is for an initial number to be released and, as time progresses towards its realization, that number be revised down to a more accurate level. By that standard, the recalibration of 2023 estimates is not necessarily as important as the aggregative level of growth is. Currently, expected growth for 2023 remains in excess of 5%[15].

A Note on Drawdowns

At its lows on October 12th, the S&P 500 fell -25.4% from its high set in early January[16]. While there is undoubtedly precedent for far larger drawdowns, the depth of the current fall is severe by historical standards based on data from the end of the second world war through today. When looking at depth of drawdowns and subsequent returns over 12- and 24-month forward periods, two things stand out.

The first is that the depth of a drawdown has not directly related to the size of its rebound. While the deepest drawdowns have resulted in the highest returns over the next 12- and 24-month forward periods, drawdowns of approximately -15% to -20% have led to nearly equally high returns over the following 12 months and drawdowns of approximately -8% to -15% have had 24 month forward returns nearly equivalent to the deepest drawdowns of the post-war period[16].

The second is that while depth of drawdown does not perfectly relate to the size of the rebound, it does directly relate to size of the band of outcomes that have occurred. In other words, the deeper a drawdown gets the higher the likelihood positive returns have followed over the next 12 and especially the next 24 months. For context, following drawdowns of -25% or larger, the S&P 500 has been higher 93.5% of the time 12 months later[16]. For declines specifically between -25% and -26%, where the index sat in mid-October, the S&P 500 has been higher 12 months later in 80% of examples and higher 24 months later is 79% of examples[16]. Anecdotally, on a 1-year forward basis, a -34% decline has seen returns positive 100% of the time, while a -31% decline has seen returns positive 2-years forward in all examples during the study period[16].



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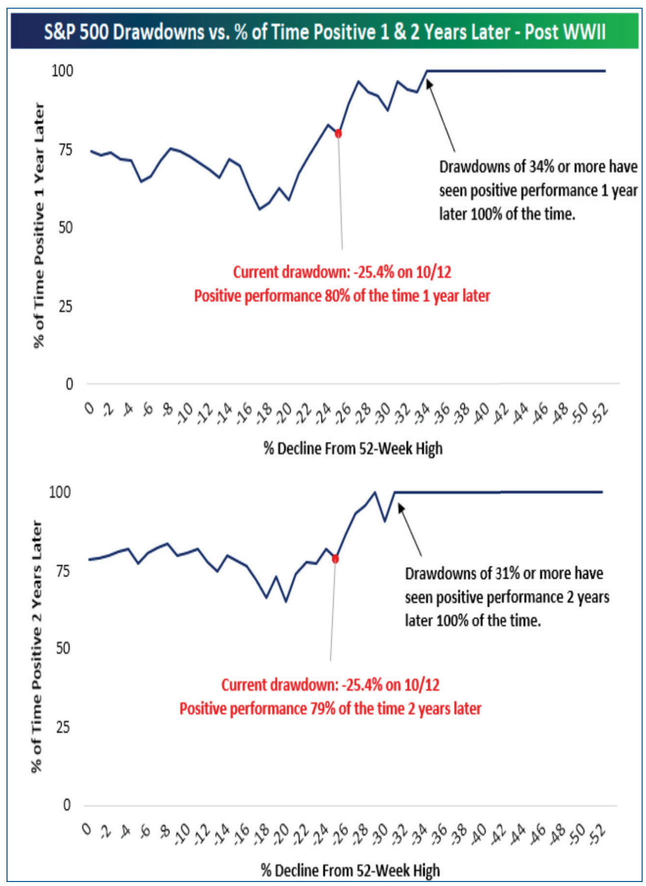

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Summary

We waited to write the BV this quarter until the aforementioned events had passed as we felt they had strong bearing on the remainder of the year and into 2023. In the period from the 3rd quarter's end to today, we saw for the first-time evidence that inflation could materially roll over especially against the backdrop of high comps. We saw employment data and other key economic points remain at levels not indicative of a recession. This has painted an interesting outlook for The Fed where we feel they will begin slowing the pace of hikes from 75 bps to 50 bps, but not outright stop them in the near future. Falling inflation will put a cap on how high The Fed takes the funds rate; economic data will determine how long it stays there. All else equal, we feel the current situation highlighted by the most recent data releases, represents a better outlook into 2023 than at any previous moment this year. In addition, the earnings picture illustrated by the Q3 reporting period in conjunction with the results from the mid-term elections add to our cautiously optimistic view. The depth the current drawdown reached in mid-October does as well. All eyes remain on key economic data, the Fed's reaction to these releases, and earnings.

—DES

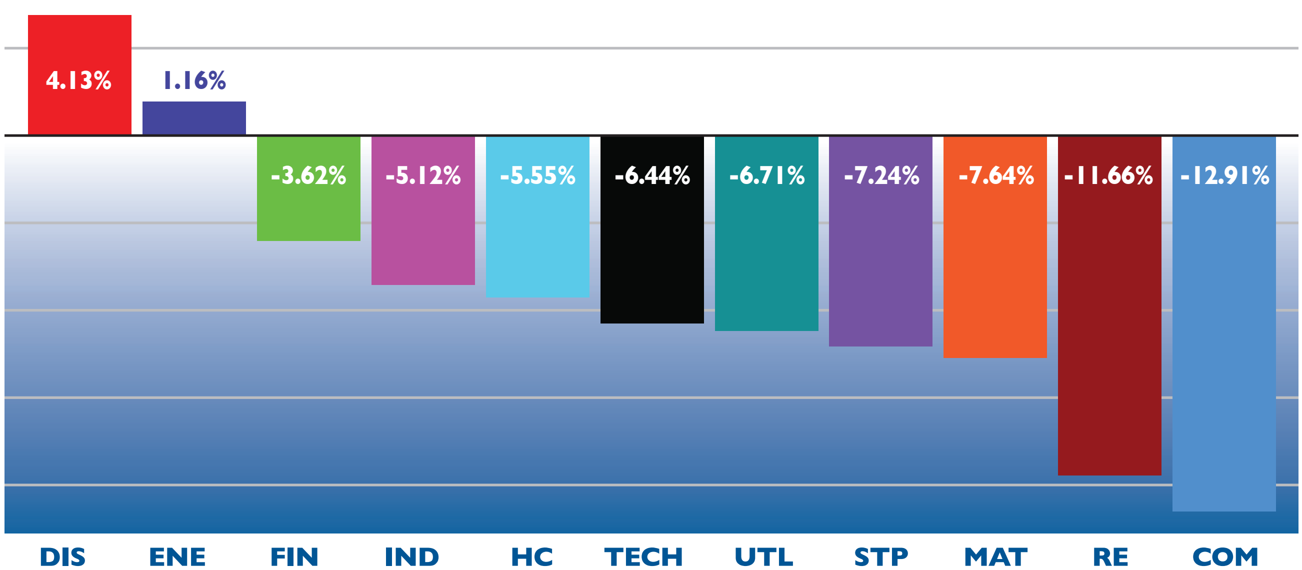
MARKET ACTION

US Equity Markets

S&P 500 - Q3 2022[6]

The S&P 500 fell -4.88% in the third quarter of 2022[1]. Outperforming sectors include Consumer Discretionary and Energy, while Real Estate and Communication Services underperformed.

S&P 500 - Sector Performance Q3 2022[7]



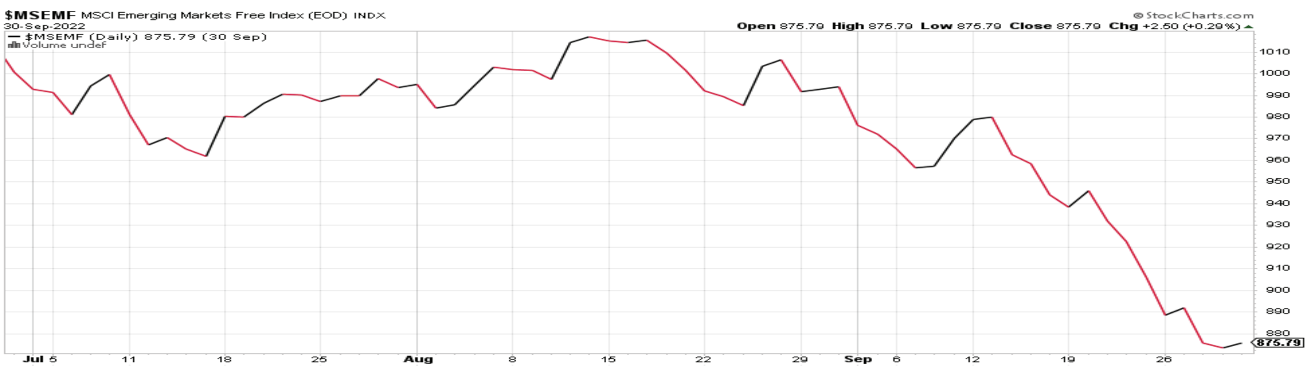
Expanded: Consumer Discretionary, Energy, Financials, Industrials, Health Care, Information Technology, Utilities, Consumer Staples, Materials, Real Estate, Communication Services)

Other Equity Markets

MSCI EAFE underperformed the US by 513 basis points in the third quarter, falling -10.01%[1].

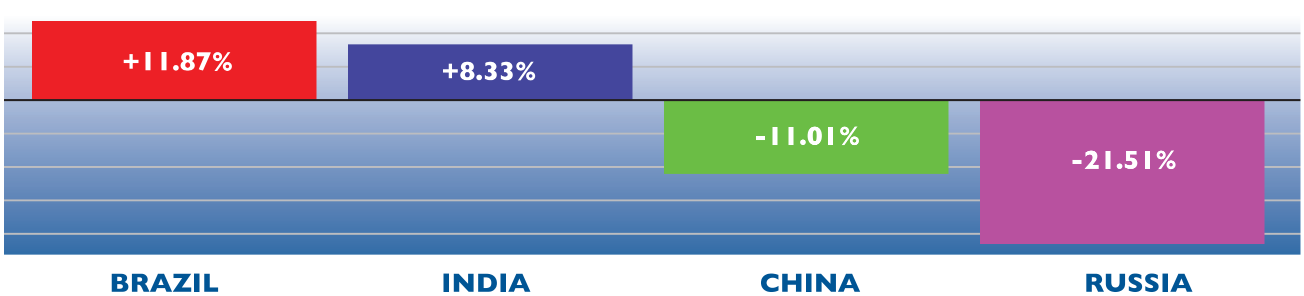
EAFE - Q3 2022[8]

Emerging Markets - Q3 2022[9]



Emerging Markets underperformed the US by 760 basis points while also underperforming Developed International Markets by 247 basis points in the third quarter, falling -12.48% by the MSCI EM Index[1].

China, Brazil, India & Russia - Q3 2022[10]



Energy Markets

WTI Crude Price/Barrel & Gasoline Price/Gallon - Q3 2022[4]

Energy prices fell in the third quarter as WTI dropped -24.84% while Gasoline futures declined -32.98%[4].

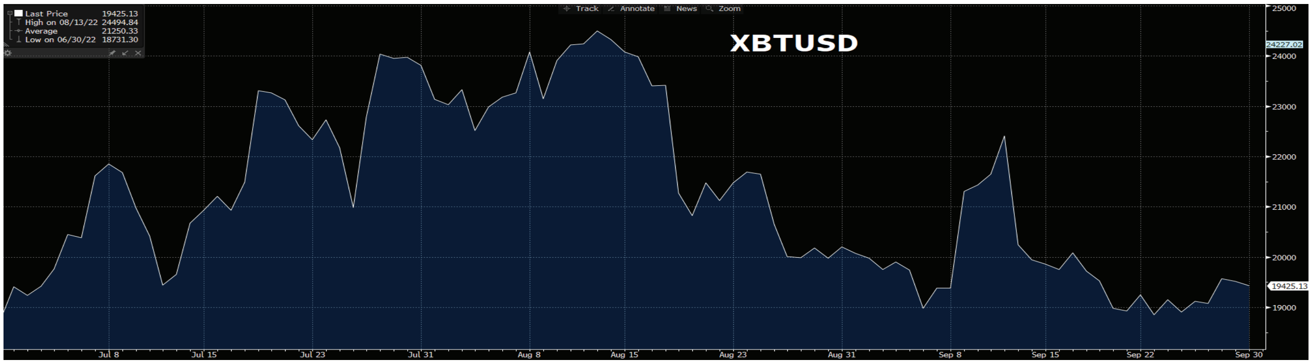
Precious Metals

Gold ended the quarter falling -7.49% while Silver ended with a decline of -6.45%[5].

Gold & Silver - Q3 2022[5]

Bitcoin

Bitcoin Q3 2022[3]



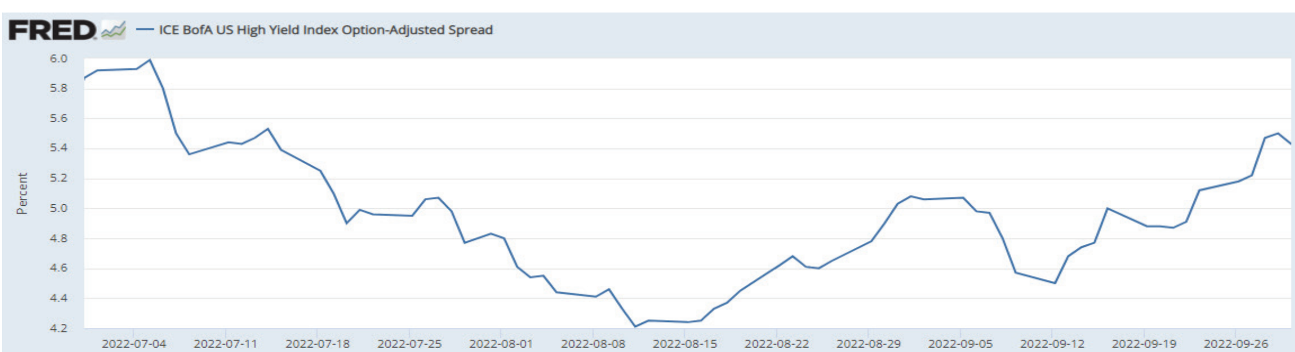
Bond Markets

Ten-Year Treasury Yields rose by 82 bps throughout the quarter while the Two-Year Rate rose sharply by 133 bps[2].

Ten Year & 2 Year Treasury Yield - Q3 2022[11]

High Yield spreads fell by -17 bps[3].

High Yield Corporate Debt Option-Adjusted Spread - Q3 2022[12]



Market Thoughts at the end of a Rough Ride

Trying to call the direction of the markets has many pitfalls. If you are right in your calls, readers may just rack this up to luck, unless you have a string of good calls. As well, depending on your reader (or listener or watcher) base, you may be forgotten or ignored. If you are wrong, at best you will be forgotten. I sent out a piece on cycles in the market a few months ago that (so far) has proven somewhat accurate. Whether this continues remains to be seen, but pattern recognition is something of value in investing.

One of my sources of optimism this year is the underpinnings of the US economy, and thereby important components of the global economy. There have been significant shifts in economic behavior this year – slowing of the boom in housing, a bit of tapering in the labor market and certainly a less sanguine consumer. While the shifts in economic behavior are concerning, they seem to be within the realm of healthy adjustments – so far. The labor market was overheating as was the housing market. The valuations on stock markets were overly optimistic and interest rates were probably unsustainable low. But as we go through these adjustments, we should see much of what is taking place gets us to a more sustainable path to moderate growth, in line with pre-covid levels. I dare not say that inflation is transitory (a word newly aligned with negative sentiment), but I suspect it plays a steadily diminishing role in our economic assessments.

The S&P 500 is one of the leading economic indicators, and this has taken on more meaning in latter years. More individuals (consumers, business investors) are tied to the vagaries of the stock market and its well-being imparts a general sense of financial health. As concerns about the economy grow, the market tends to be the first to react negatively, bracing for some future impact. In genuine downturns (as opposed to short term blips), the market tends to bottom first, with earnings and the economy shortly thereafter (somewhere between 6 and 18 months for the complete cycle). The mistake I believe many prognosticators on Wall Street today are making is the belief that an earnings dip will cause further damage to the stock markets. I think we have already seen the bottom; that doesn't mean we can't test that range again for various reasons.

What this means is, the stock market has tended to rally as the economy/earnings are bottoming coming out of a bear market. It's our belief that better days are ahead, but not the kind of days that were behind. Market leadership is likely to shift. I suspect healthcare and financials may lead while technology and communication services may take a while to recover. With monetary policy unlikely to shift quickly into accommodative mode, this ride will probably be bumpier than the ones in recent market history.

Elsewhere, the US Dollar's ride may be coming to an end and assets such as gold may bear a look here. Bond yields are finally showing up as attractive; the muni market and medium-term corporate market are providing yields at multiples of recent levels. Short term treasury yields are higher than they have been in many years. These can prove a great spot for new allocations.

Just as there were no great places to hide in this decline, many new opportunities have arisen.

—MDS

NOTES:

1 Morgan Stanley Investment Resources. Month-End Asset Return Analysis published 3 October 2022. Sources: Morgan Stanley & Co. Research, Bloomberg, and FactSet. Index returns reflect total return as of 9/30/2022.

2 Morgan Stanley Research. US Corporate Credit Strategy Chartbook published 3 October 2022. Sources: Morgan Stanley & Co. Research, Bloomberg, Citigroup Index LLC, and iBoxx. Index returns reflect total return as of 9/30/2022.

3 Bloomberg. Data as of 10/16/2022.

4 StockCharts.com, Inc., Market data provided by Interactive Data Corporation, StockCharts.com, SharpChart of ($WTIC) Light Crude Oil – Continuous Contract (EOD) and ($GASO) Gasoline Unleaded – Continuous Contract (EOD), data as of 9/30/2022.

5 StockCharts.com, Inc., Market data provided by Interactive Data Corporation, StockCharts.com, SharpChart of Gold ($GOLD) Gold –Continuous Contract (EOD) and ($SILVER) Silver - Continuous Contract (EOD), data as of 9/30/2022.

6 StockCharts.com, Inc., Market data provided by Interactive Data Corporation, SharpChart of S&P 500 ($SPX), data as of 9/30/2022.

7 StockCharts.com, Inc. Market data provided by Interactive Data Corporation, StockCharts.com, PerfChart of S&P 500 Information Technology Sector Index ($SPT), S&P 500 Consumer Discretionary Sector Index ($SPCC), S&P 500 Health Care Sector Index ($SPHC), S&P 500 Information Utilities Sector Index ($SPU), S&P 500 Consumer Staples Sector Index ($SPST), S&P 500 Materials Sector Index ($SPM), S&P 500 Industrials Sector Index ($SPI), S&P 500 Financial Index ($SPF), S&P 500 Communication Services Sector Index ($SPTS), S&P 500 Energy Sector Index ($SPEN), and S&P 500 Real Estate Sector Index ($SPRE), data from 6/30/2022 through 9/30/2022.

8 StockCharts.com, Inc. Market data provided by Interactive Data Corporation, iShares MSCI EAFE Index ($MSEAFE), StockCharts.com, data as of 9/30/2022.

9 StockCharts.com, Inc., Market data provided by Interactive Data Corporation, SharpChart of MSCI Emerging Markets Free Index ($MSEMF), data as of 9/30/2022.

10 PerfCharts of Shanghai Composite Index ($SSEC), Brazil Bovespa Index ($BVSP), Nifty 50 Index ($NIFTY), and Russia TS Index ($RTSI), data from 6/30/2022 through 9/30/2022.

11 StockCharts.com, Inc., Market data provided by Interactive Data Corporation, StockCharts.com, SharpChart of CBOE 10-Year US Treasury Yield Index ($TNX) & ($UST2Y) 2-Year US Treasury Yield (EOD), data as of 9/30/2022.

12 FRED. ICE BofA US High Yield Index Option-Adjusted Spread. Data as of 9/30/2022.

13 Whitehouse.gov. How Do Economists Determine Whether the Economy Is in a Recession? 7/21/2022.

14 Strategas. Election Chartbook. Daniel Clifton. Published 11/8/2021.

15 Strategas. Daily Macro Brief. Ryan Grabinski. Published 11/14/2021.

16 Bespoke Investment Group. Chart of the Day: S&P 500 Drawdowns vs. Forward Performance. 10/19/2022.

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A word about the risks of the asset classes/sectors/securities discussed in this material…

International Investing: International investing may not be suitable for every investor and is subject to additional risks, including currency fluctuations, political factors, withholding, lack of liquidity, the absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified in emerging markets.

Equities: Investors should be willing and able to assume the risks of equity investing. The value of a client's portfolio changes daily and can be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as specific matters relating to the companies in which securities the portfolio holds.

Sectors: Portfolios that invest primarily in securities of companies in one industry or sector are subject to greater price fluctuation and volatility than portfolios that invest in a more broadly, diversified portfolio.

Fixed Income: All fixed income securities are subject to market risk and interest rate risk. If fixed income securities are sold in the secondary market prior to maturity, an investor may experience a gain or loss depending on the level of interest rates, market conditions and the credit quality of the issuer.

Interest in municipal bonds is generally exempt from federal income tax. However, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, local tax-exemption typically applies if securities are issued within one's city of residence.

Bonds are affected by a number of risks, including fluctuations in interest rates, credit risk and prepayment risk. In general, as prevailing interest rates rise, fixed income securities prices will fall. Bonds face credit risk if a decline in an issuer's credit rating, or creditworthiness, causes a bond's price to decline. Finally, bonds can be subject to prepayment risk. When interest rates fall, an issuer may choose to borrow money at a lower interest rate, while paying off its previously issued bonds. As a consequence, underlying bonds will lose the interest payments from the investment and will be forced to reinvest in a market where prevailing interest rates are lower than when the initial investment was made. NOTE: High yield bonds are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues.

Bonds rated below investment grade may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk and price volatility in the secondary market. Investors should be careful to consider these risks alongside their individual circumstances, objectives and risk tolerance before investing in high-yield bonds. High yield bonds should comprise only a limited portion of a balanced portfolio.

S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. In investment cannot be made directly in a market index.

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Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing.

Diversification does not guarantee a profit or protect against loss in a declining financial market.

Physical precious metals are non-regulated products. Precious metals are speculative investments, which may experience short-term and long-term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. If sold in a declining market, the price you receive may be less than your original investment. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. The Securities Investor Protection Corporation ("SIPC") provides certain protection for customers' cash and securities in the event of a brokerage firm's bankruptcy, other financial difficulties, or if customers' assets are missing. SIPC insurance does not apply to precious metals or other commodities.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

Portfolio Management is an advisory program in which the client's Financial Advisor invests the client's assets on a discretionary basis in a wide range of securities.

Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. An investment cannot be made directly in a market index.

Dow Jones Industrial Average is a price-weighted index of the 30 "blue-chip" stocks and serves as a measure of the U.S. market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods. An investment cannot be made directly in a market index.

NASDAQ Composite Index is a market-value-weighted index of all NASDAQ domestic and non-U.S. based common stocks listed on NASDAQ stock market. An investment cannot be made directly in a market index.

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher forecasted median growth (2 year) values and higher historical (5 year) sales per share growth. An investment cannot be made directly in a market index

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios... An investment cannot be made directly in a market index

The Citigroup Economic Surprise Index measures actual economic surprises relative to expectations. A positive reading means that data have been stronger than expected, while a negative reading means that data have been worse than expected.

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