

Strong Economic Momentum Leads to New Bull Market in Stocks

Chartbook Webinar

August 2023

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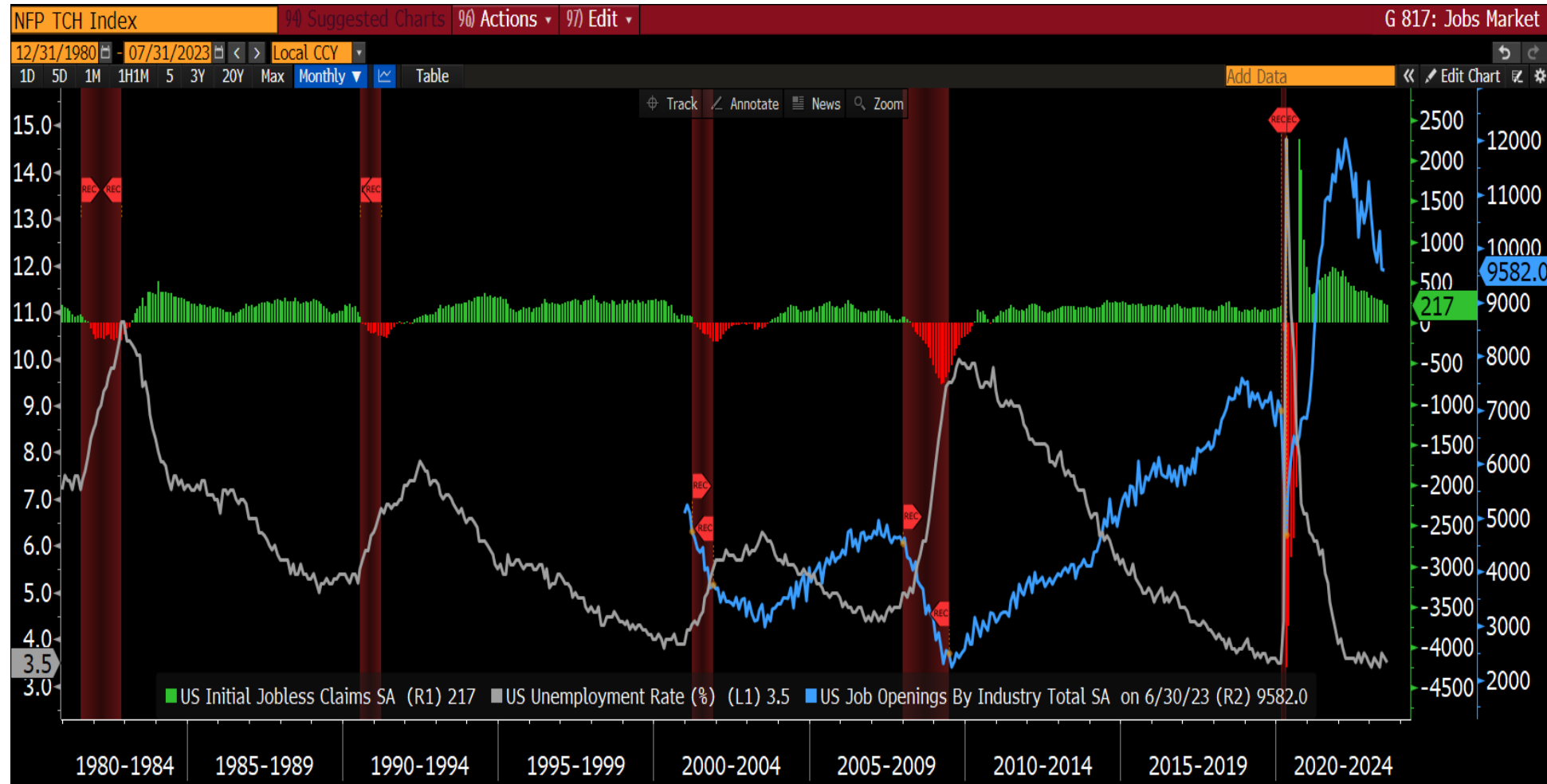


See important disclosures following the presentation.

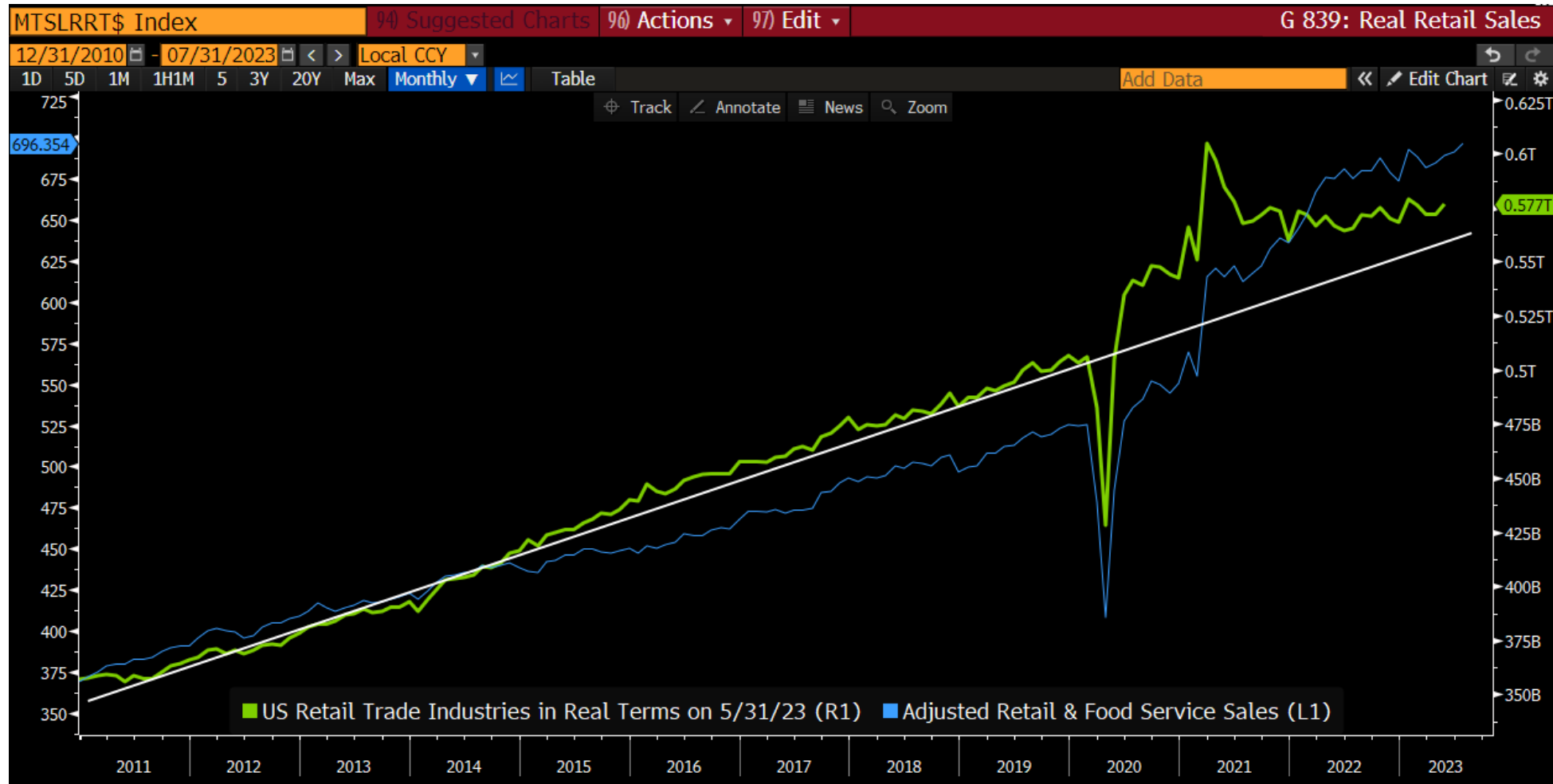
S&P 500 in a New Bull Market



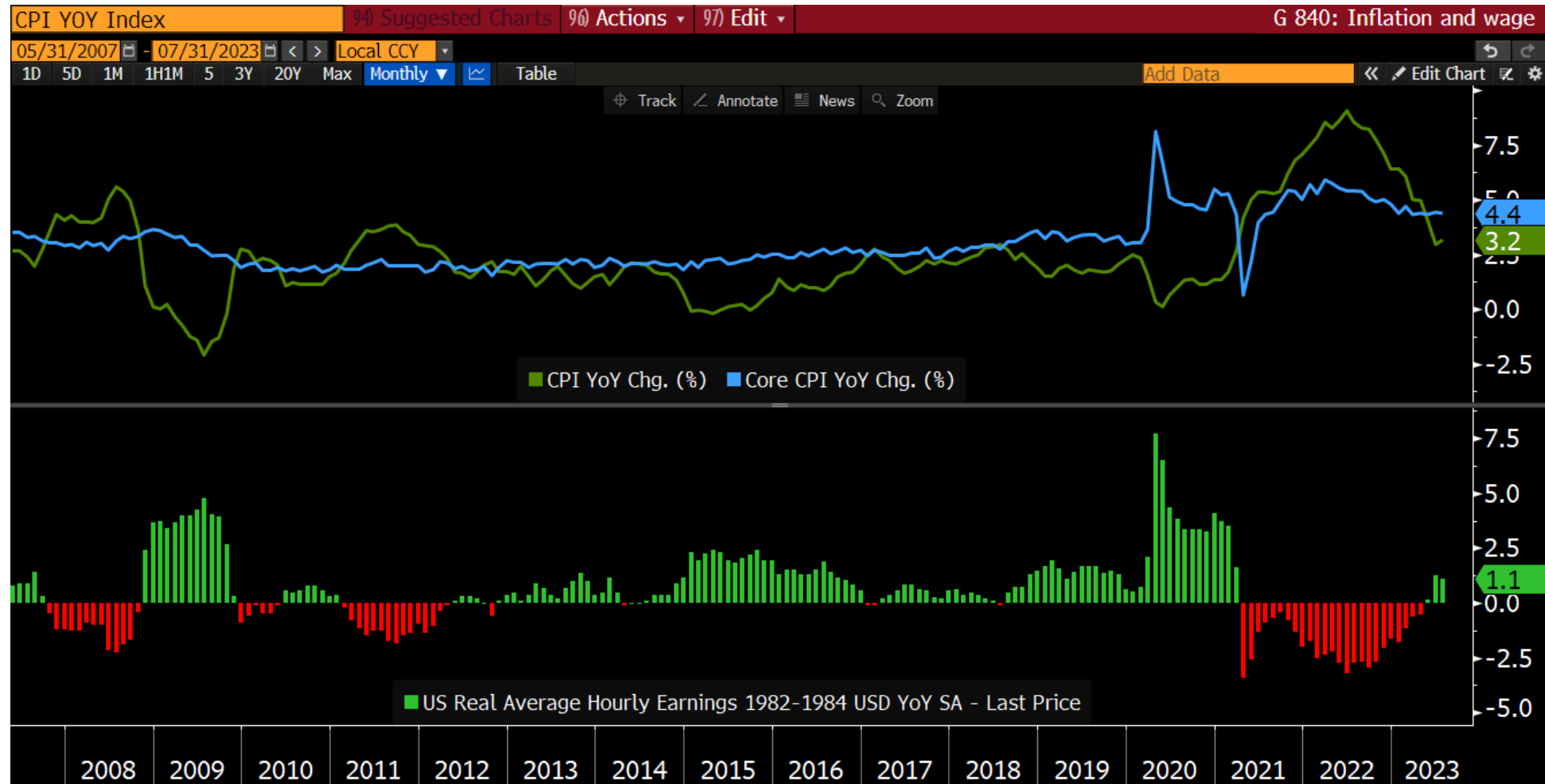
Labor Market Still Strong



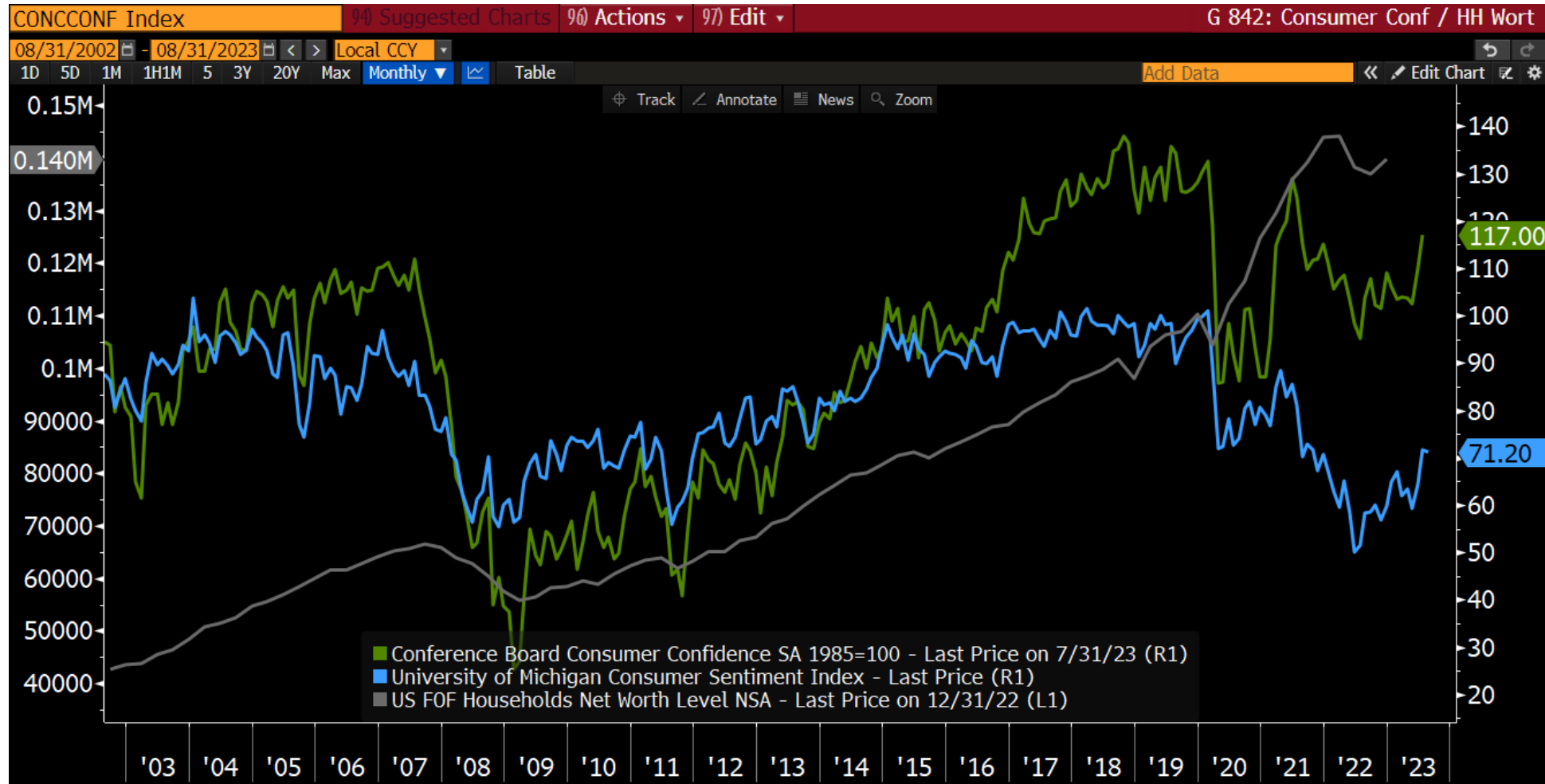
Real Retail Sales Soft But Remains in Long-Term Uptrend



Inflation Continues to Roll Over and Real Wages Turn Positive



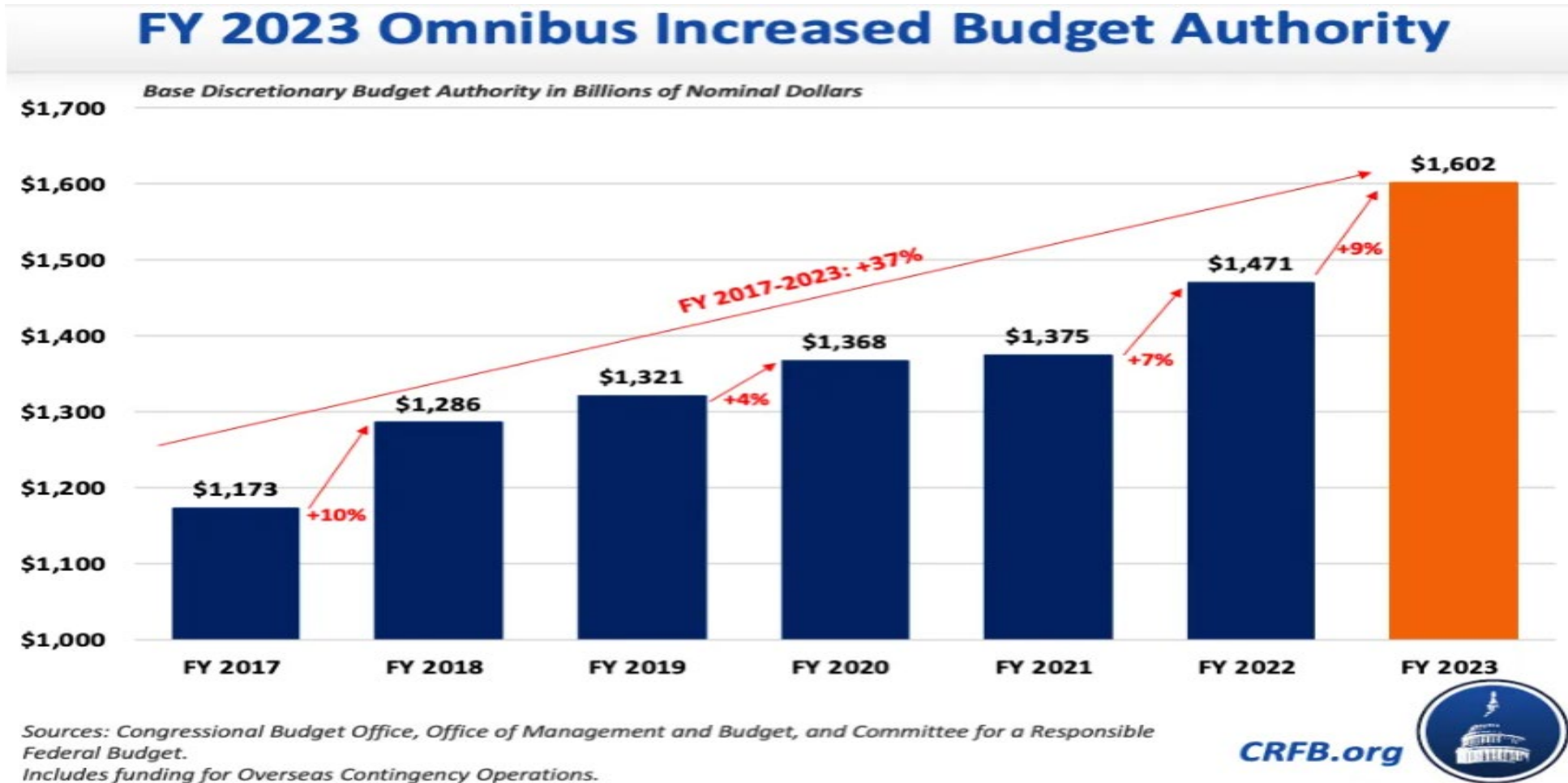
Consumer Confidence Bouncing Back



Fed Balance Sheet and Money Supply



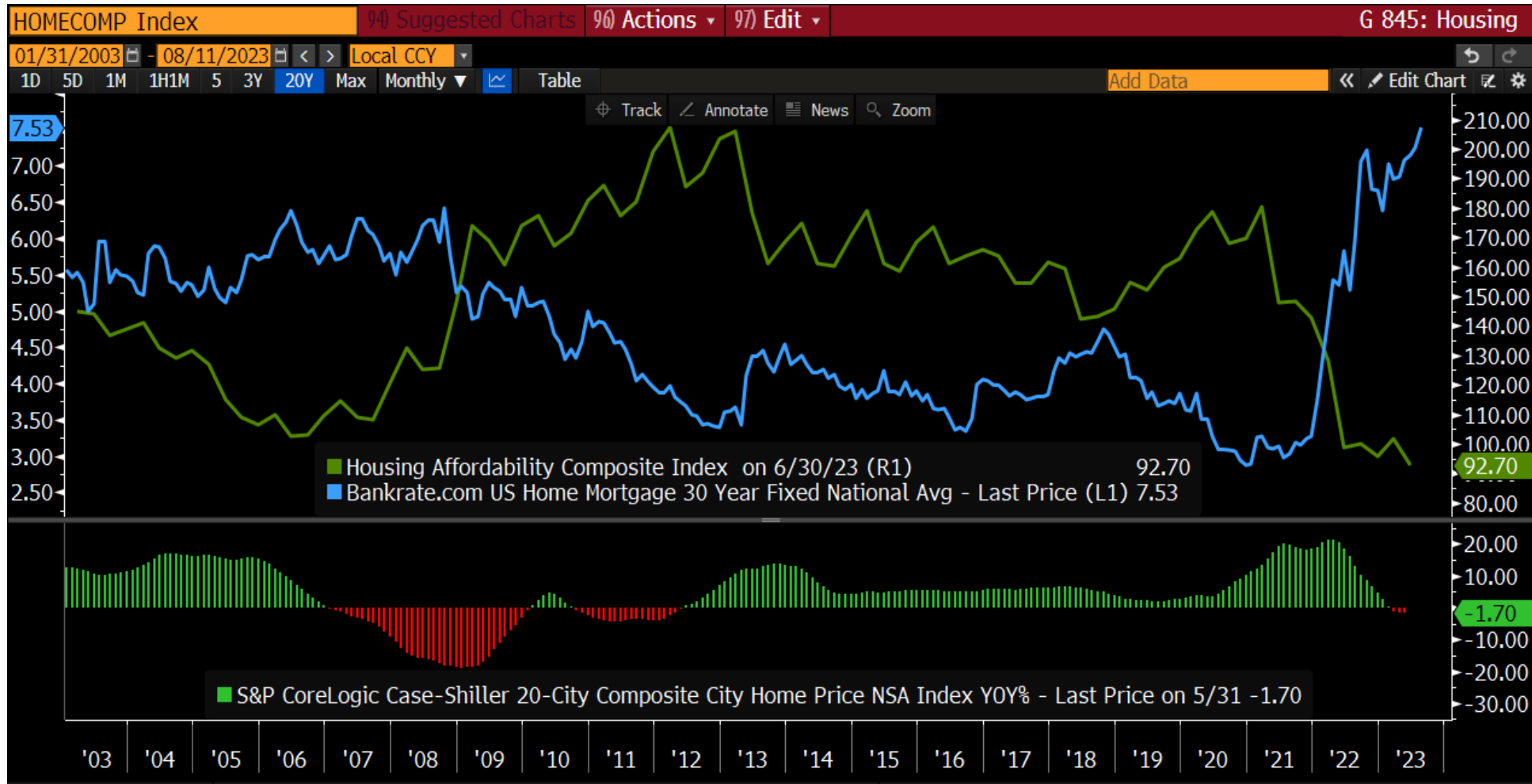
Fiscal Spend Jumping in 2023



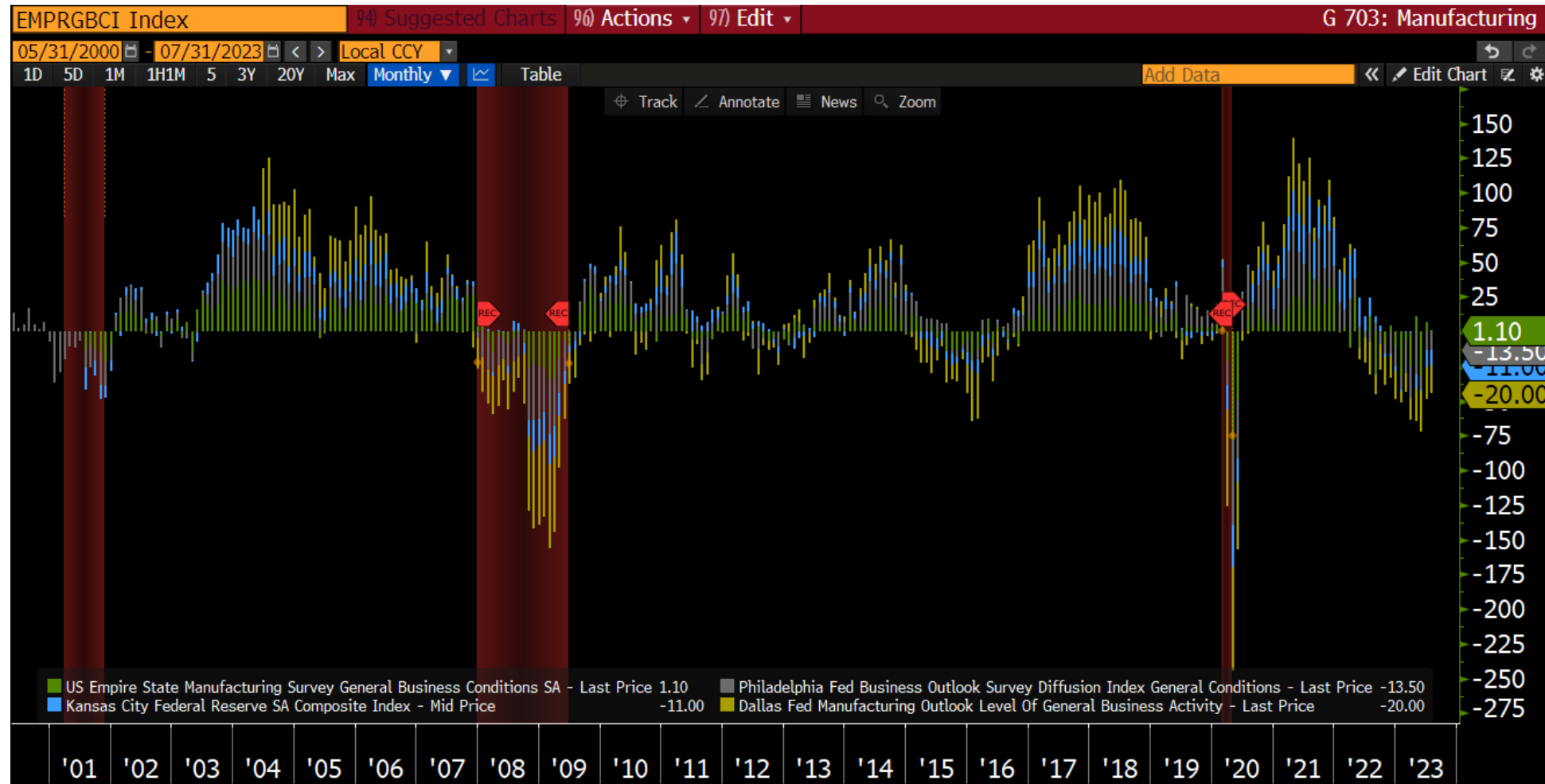
Leading Indicators at Recessionary Levels but Likely to Bounce



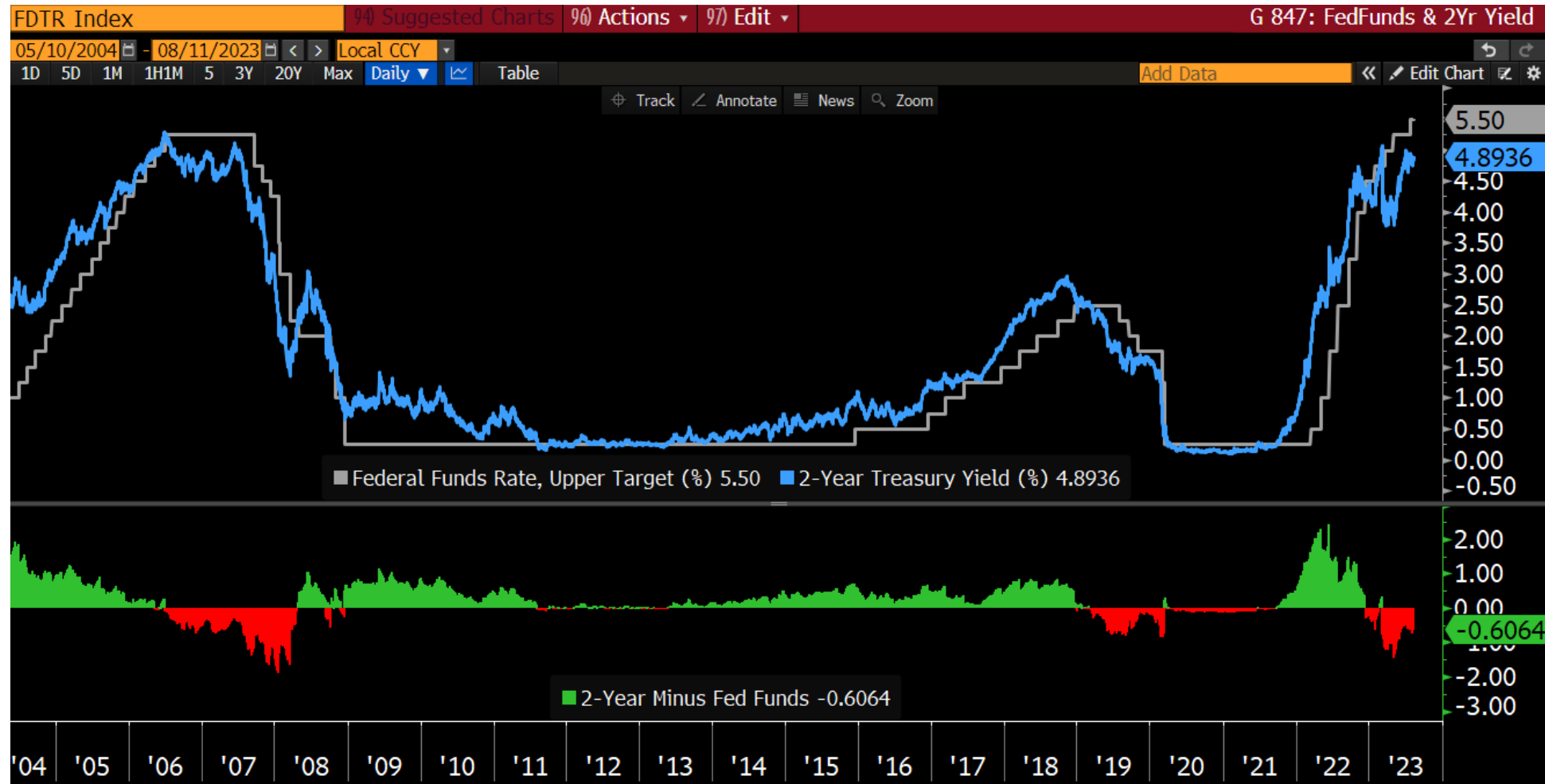
Housing Prices Turning Negative



Manufacturing Depressed but Improving



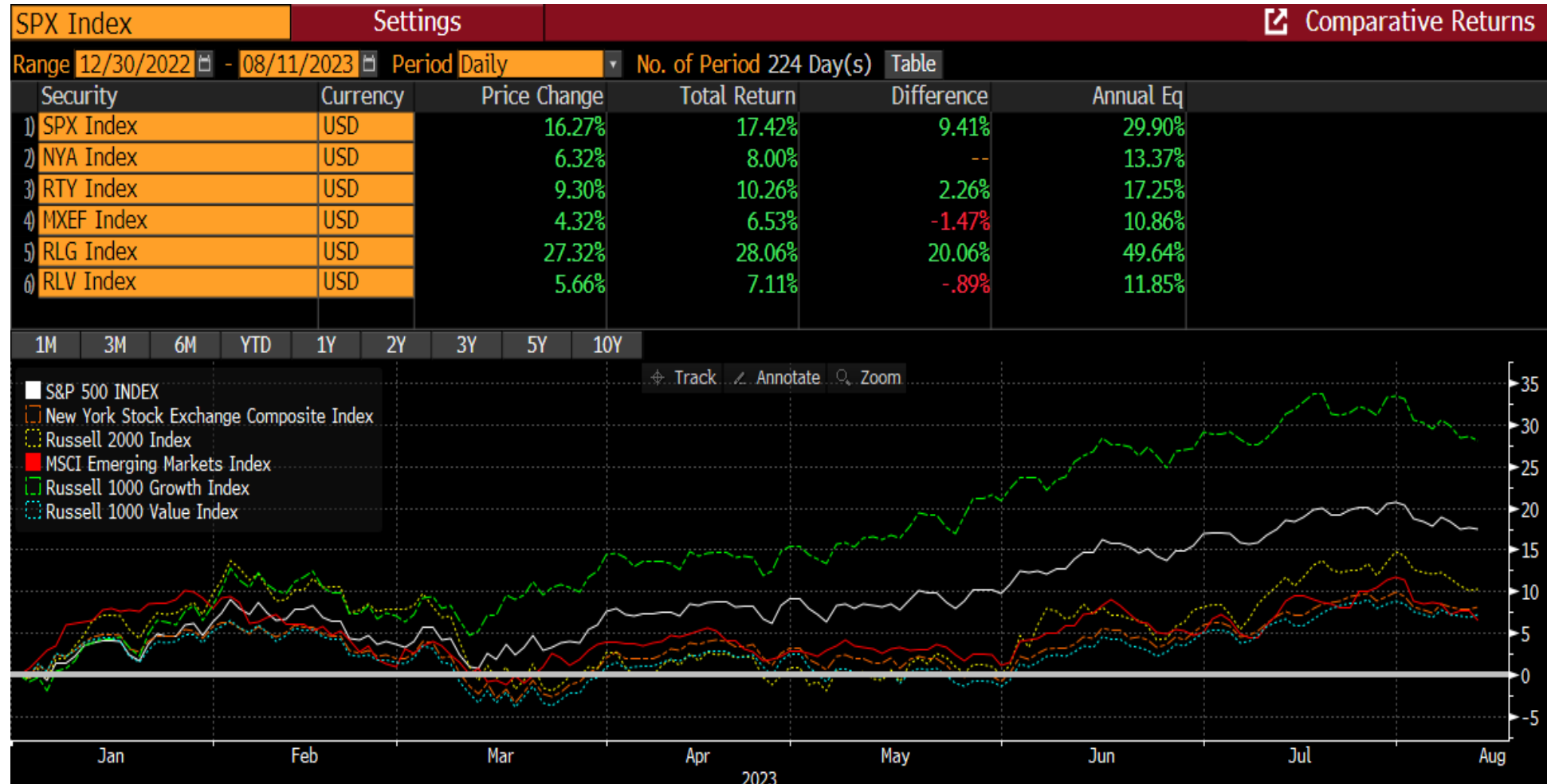
Fed Funds Rate Peaking out and 2-Year Stabilizing



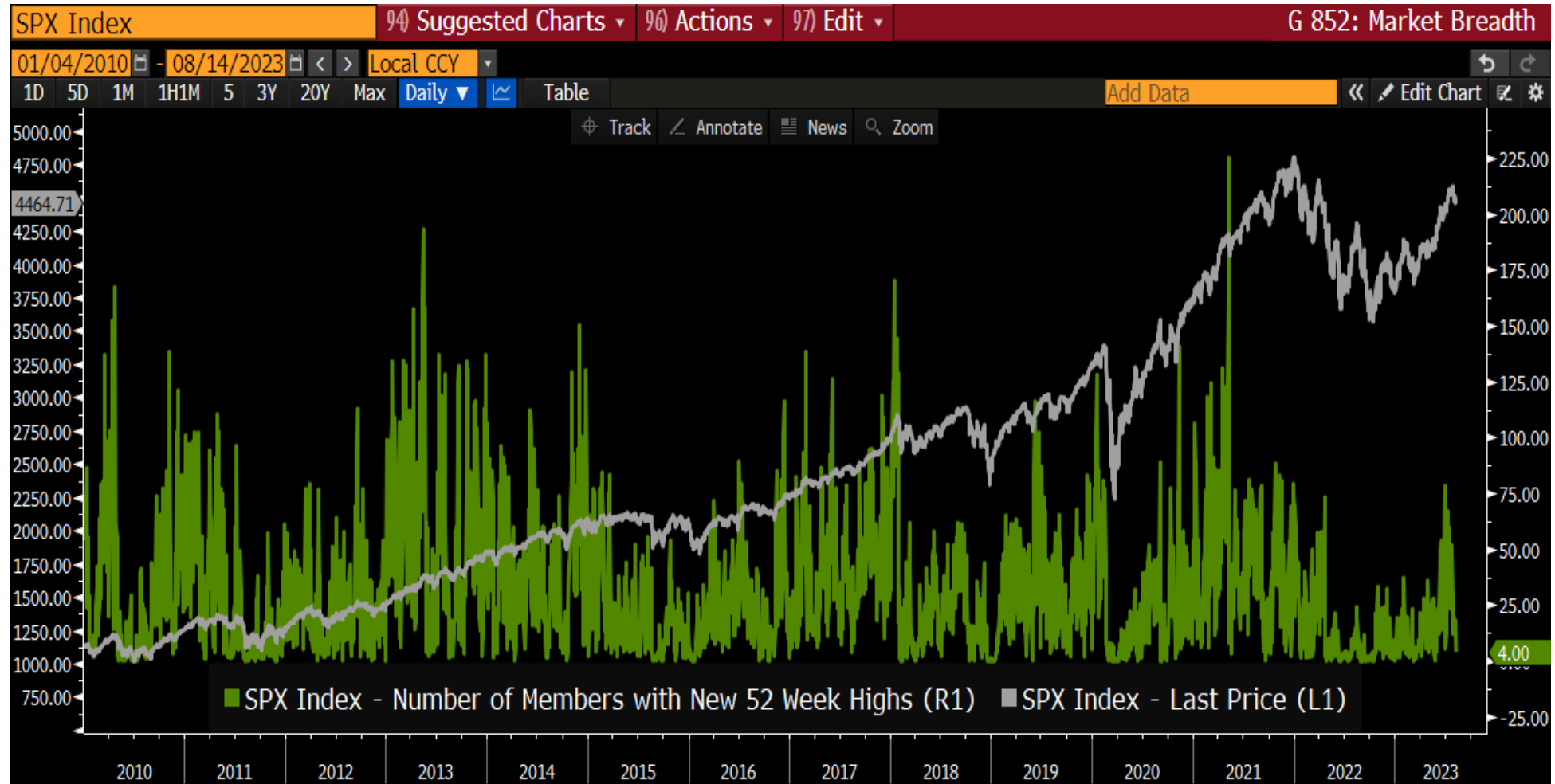
Rolling Bear Markets / Recessions



Year-to-Date Benchmark Returns



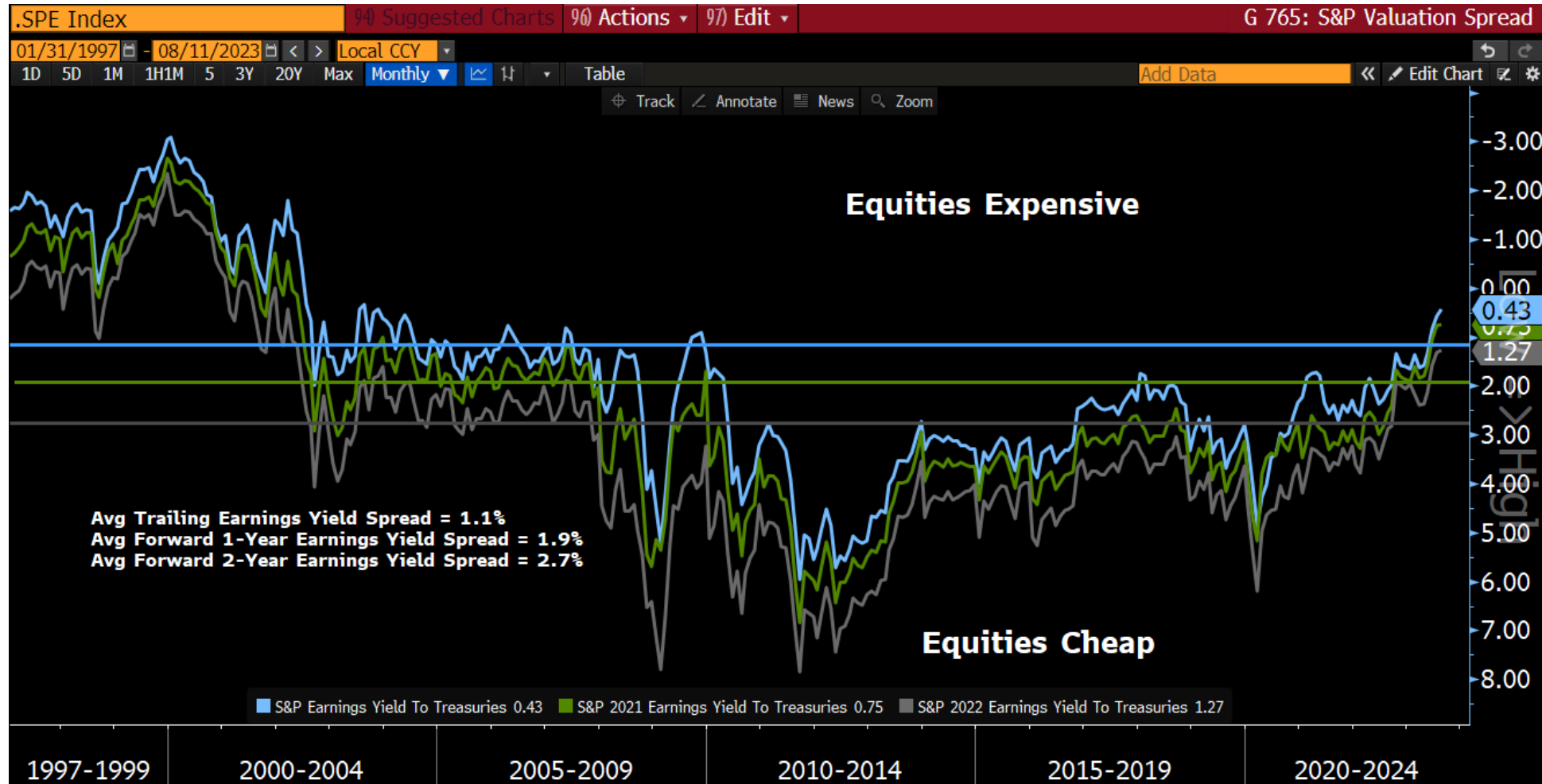
Market Breadth



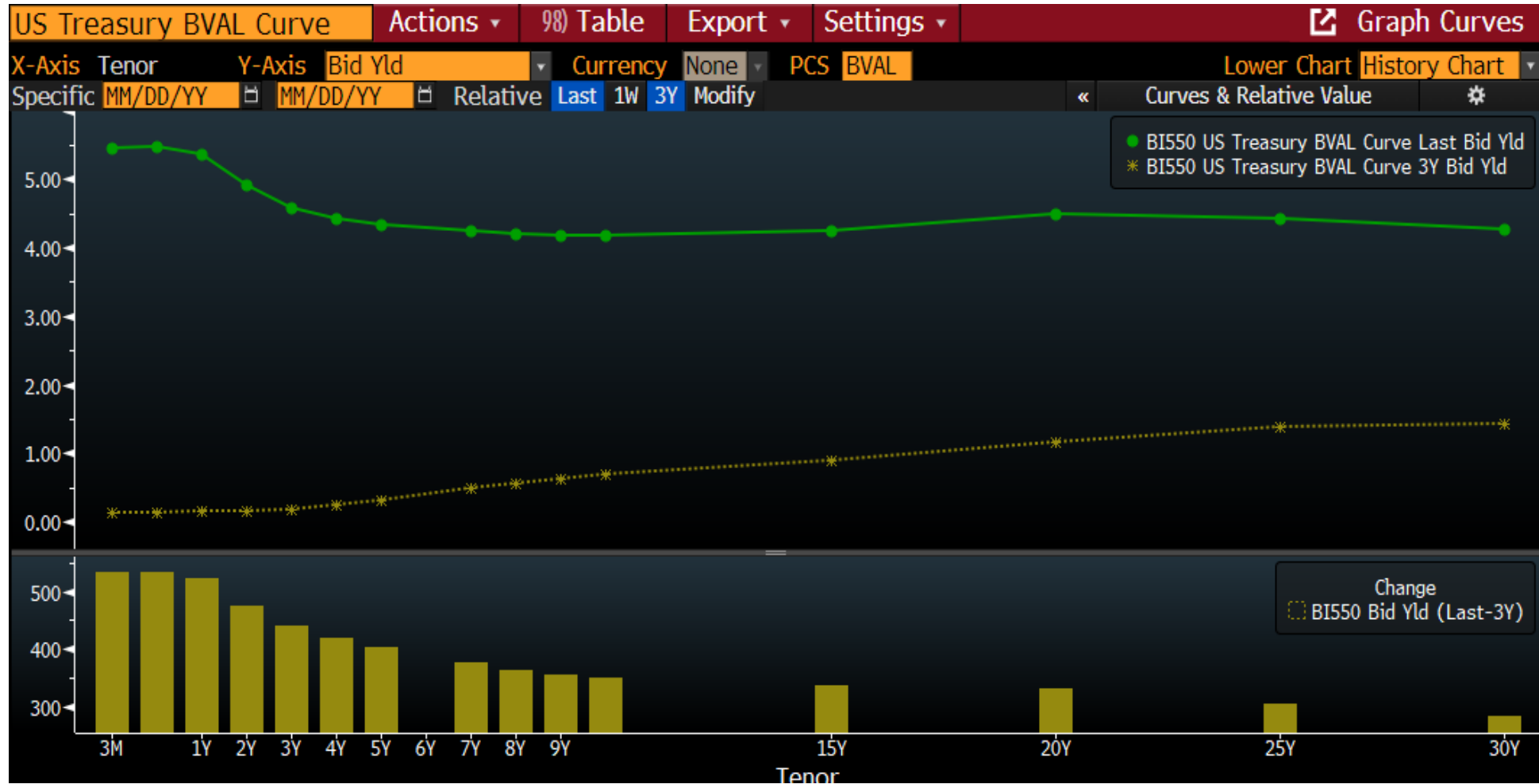
S&P Valuation



Valuation vs. Interest Rates



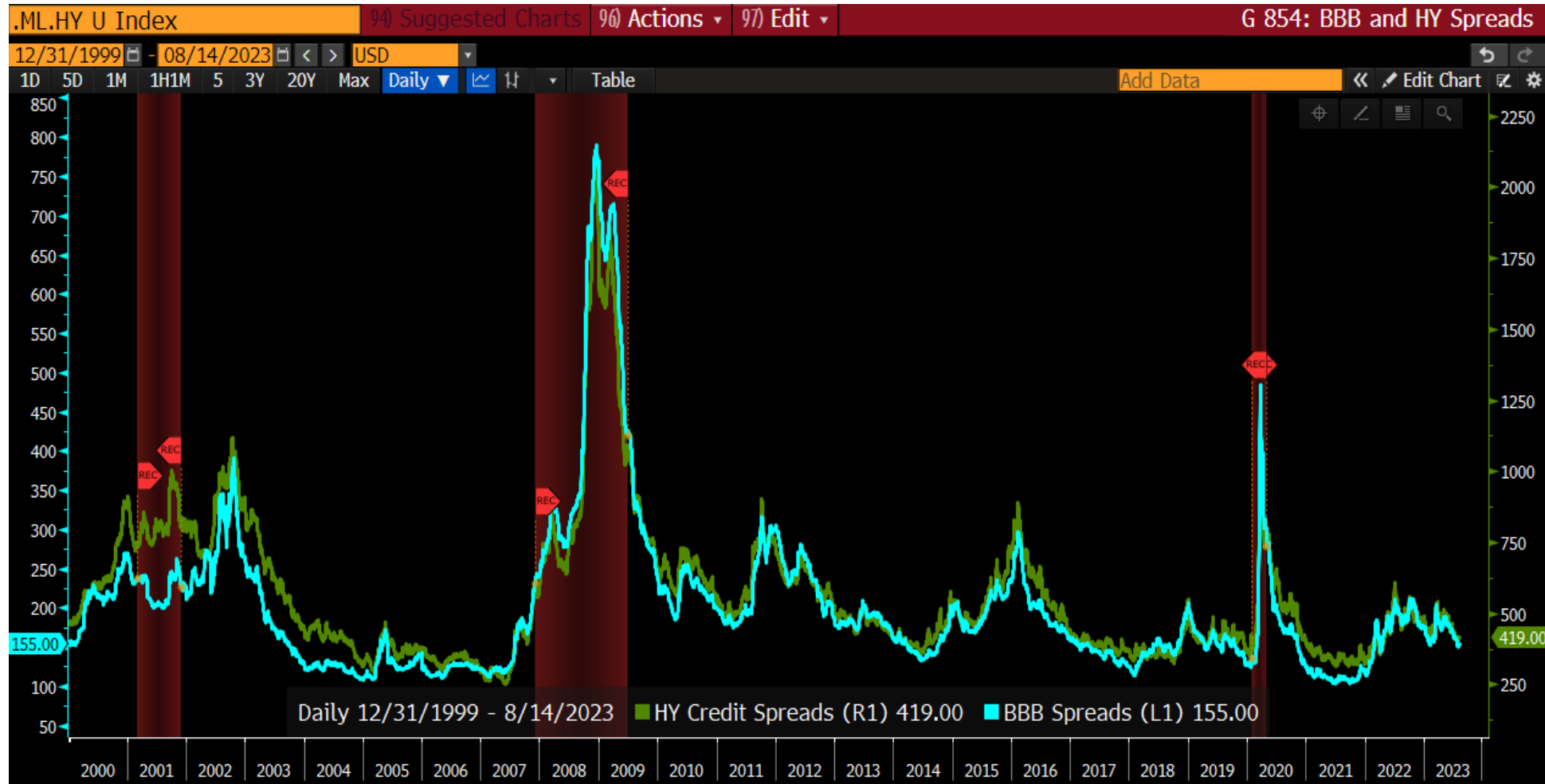
Treasury Yield Curve Has Moved up Considerably



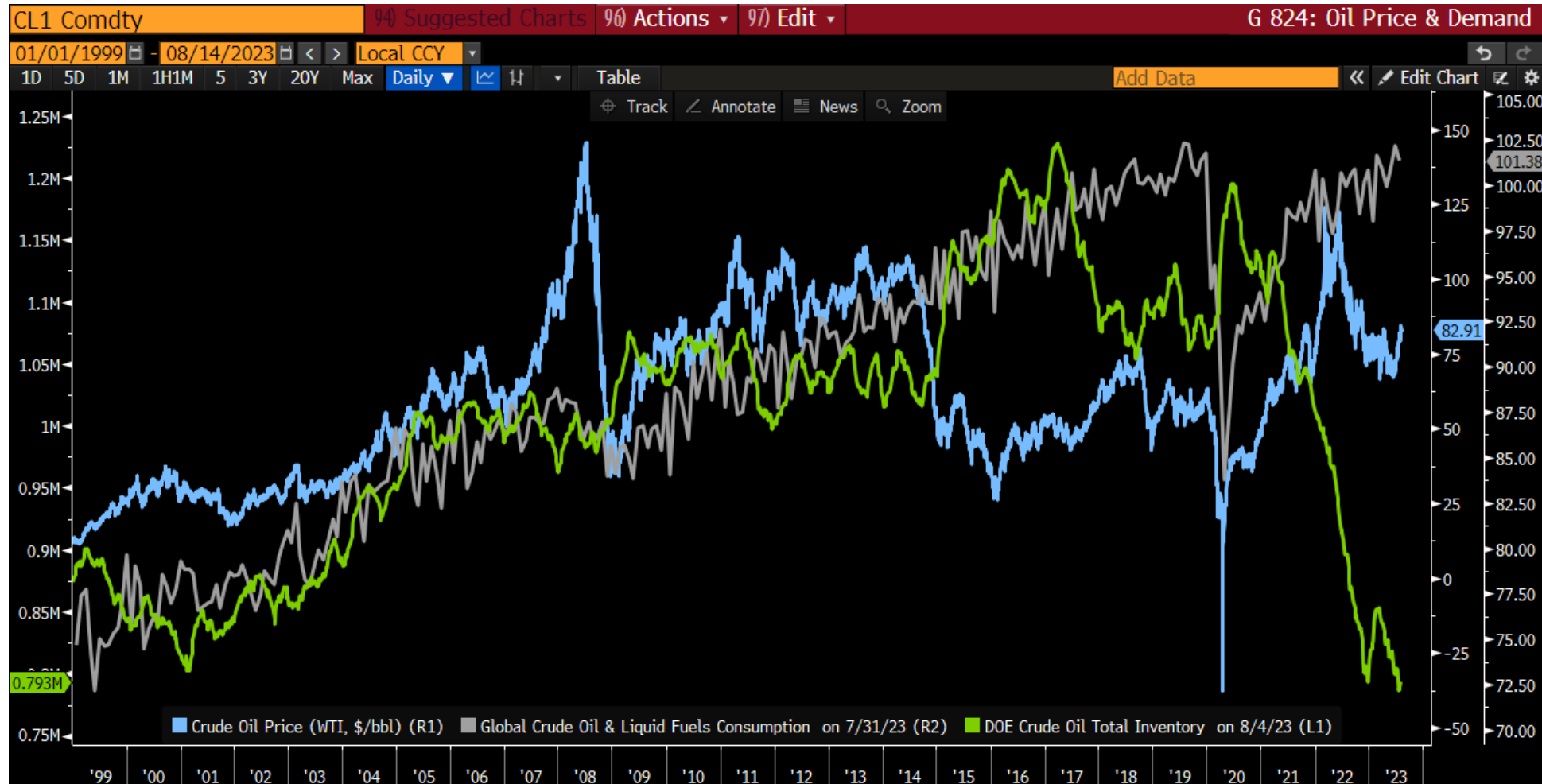
Corporate Bond Yields Near the 12-Year High



Credit Spreads Tight So Be Selective with Low Quality Debt



Energy Sector Looks Interesting Given Record Demand and Low Inventories



Multi-Family Real Estate Looks Attractive

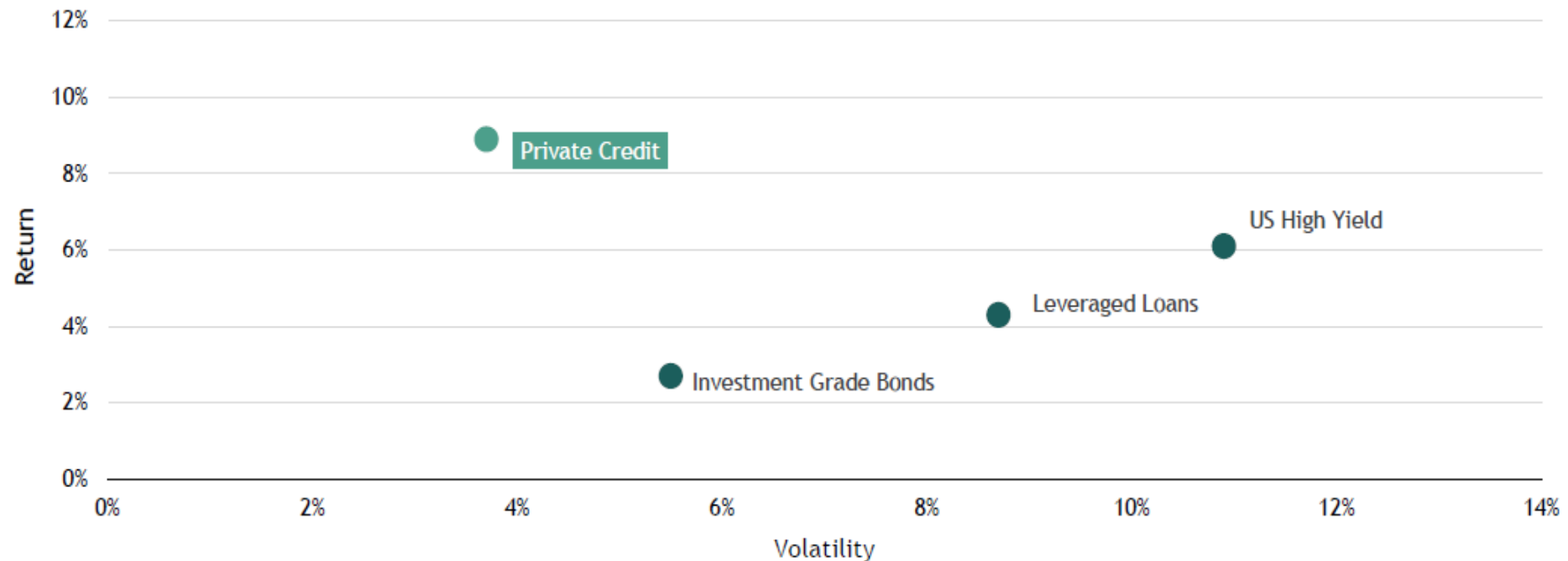


Business Development Companies and Private Credit

Private credit has provided low historical volatility and strong relative returns

Risk-Return

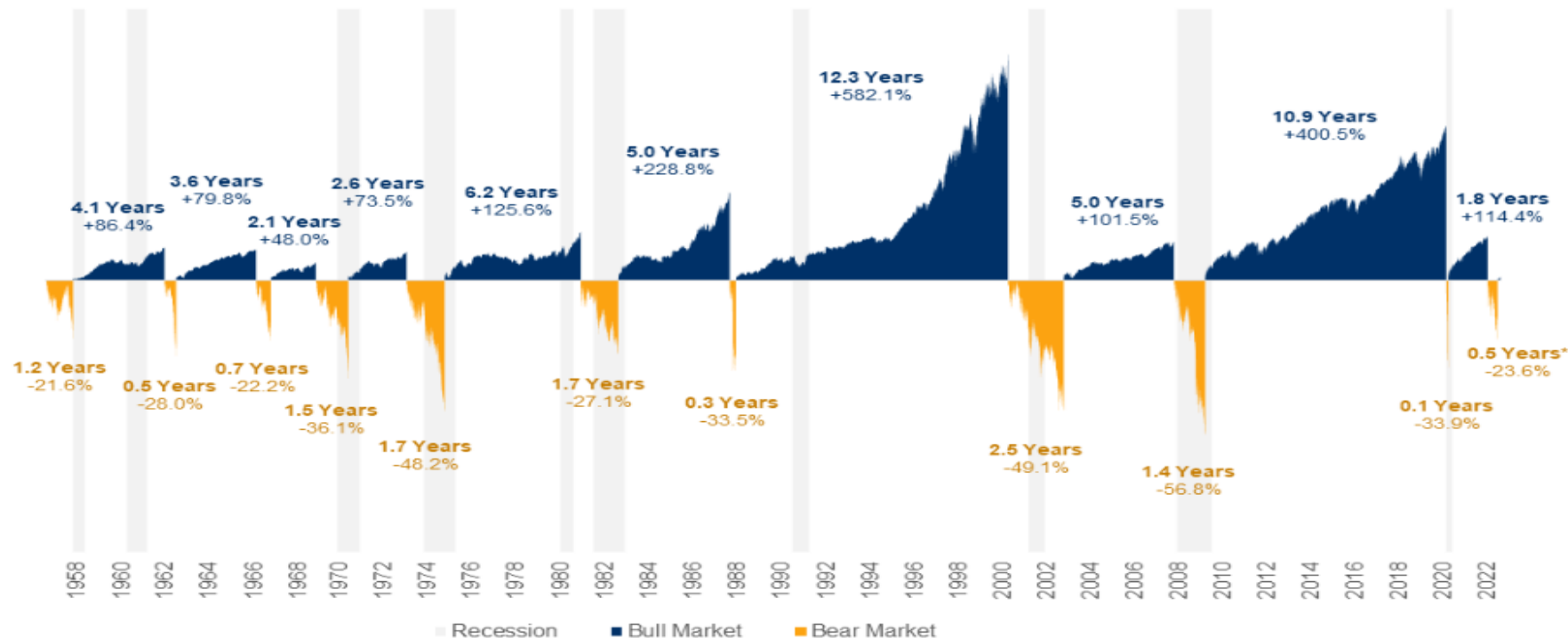
(15 Years Annualized)



Source: Morningstar Direct, as of December 31, 2022.

Bull and Bear Market Length

A history of U.S equity of bull & bear markets



As of June 13, 2022. Reflects S&P 500 Index. Source: RBC GAM, Bloomberg. An investment cannot be made directly into an index. The graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results. Bull market starts from lowest close reached after market has fallen 20% or more. Bear market starts from when the index closes at least 20% down from its previous high.



Thank You!

August 2023

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Co-Chief Investment Officer



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Index Definitions

- *S&P 500 Index tracks the stock performance 500 large publicly traded companies in United States weighted by market capitalization and published by S&P Dow Jones Indices.*
- *US Initial Jobless Claims SA tracks the number of people who have filed jobless claims for the first time, data collected and published by the Bureau of Labor Statistics (BLS).*
- *US Unemployment Rate tracks the number of unemployed persons as a percentage of the labor force (the total number of employed plus unemployed), data collected and published by the Bureau of Labor Statistics (BLS).*
- *US Job Openings By Industry Total SA tracks the number of specific job openings in an economy, data collected and published by the Bureau of Labor Statistics (BLS).*
- *US Retail Trade Industries in Real Terms measures total value of retail sales adjusted for inflation, data collected and provided by the Bureau of Labor Statistics (BLS).*
- *CPI represents changes in prices of all goods and services purchased for consumption by urban households, data collected and provided by the Bureau of Labor Statistics (BLS).*
- *Core CPI measures inflation that excludes the impact from volatile food and energy prices, data collected and provided by the Bureau of Labor Statistics (BLS).*
- *US Real Average Hourly Earnings tracks the real aggregate weekly payrolls per hour worked by all employees, data collected and provided by the Bureau of Labor Statistics (BLS).*
- *Conference Board Consumer Confidence is a survey, conducted on a monthly basis that measures the level of optimism and confidence among consumers in the United States regarding current and future economic conditions.*
- *University of Michigan Consumer Sentiment Index is a survey, conducted on a monthly basis that measures the confidence and expectations of U.S. consumers regarding the overall economy and their personal financial situations.*
- *US FOF Households Net Worth Level NSA measures the non-seasonally adjusted net worth held by households calculated by subtracting total liabilities from total assets, collected and published by the Federal Reserve Board.*
- *US Condition of All Federal Reserve Banks Total Assets tracks the aggregate assets of banks within an economy, collected and published by the Federal Reserve Board.*
- *Federal Reserve United States Money Supply M2 SA is the Federal Reserve's estimate of the total money supply available in the economy.*
- *Base Discretionary Budget Authority is the predetermined funding allocation granted by the U.S. government to federal agencies and programs for a specific fiscal year.*
- *US Conference Board Leading Indicator Index is a composite of ten economic indicators designed to signal peaks and troughs in the business cycle.*
- *US OECD Leading Indicator is composite economic metric that includes indicators such as employment statistics, stock market performance, manufacturing activity, and consumer expectations to provide early signals of turning points in business cycles showing fluctuations in economic activity.*
- *Housing Affordability Composite Index measures the degree to which a family with an average household income can afford the monthly mortgage payments on an averagely-priced home.*
- *Bankrate.com US Home Mortgage 30 Year Fixed National Average tracks the average interest rate for 30-year fixed-rate home mortgages across the United States, serving as a benchmark for mortgage borrowing costs.*
- *S&P CoreLogic Case-Shiller 20-City Composite City Home Price NSA Index tracks the value of single-family housing within the United States. The index is a composite of single-family home price indices for the nine U.S. Census divisions.*
- *US Empire State Manufacturing Survey General Business Conditions SA is a survey conducted on a monthly basis by the Federal Reserve Bank of New York and tracks sentiment among manufacturers in the state of New York.*
- *Kansas City Federal Reserve SA Composite Index is a survey, conducted on a monthly basis, that tracks sentiment among manufacturers in the Kansas City Fed's district.*
- *Philadelphia Fed Business Outlook Survey Diffusion Index General Conditions is a survey, conducted on a monthly basis, and tracks sentiment among manufacturers in the Philadelphia Fed's district.*
- *Dallas Fed Manufacturing Outlook Level of General Business Activity is a survey, conducted on a monthly basis by the Federal Reserve Bank of Dallas, that tracks sentiment among manufacturers in Texas.*
- *Federal Fund Rate, Upper Target is the short-term interest rate targeted by the Federal Reserve's Federal Open Market Committee (FOMC) as part of its monetary policy.*
- *2-Year Treasury Yield is the interest rate earned on a U.S. Treasury bond with a maturity of approximately two years, serving as an indicator of short-term market sentiment and expectations about economic conditions.*



Index Definitions

- *2-Year Minus Fed Funds is the difference between the yield of a 2-year U.S. Treasury bond and the federal funds rate, often analyzed as an indicator of the yield curve's slope and used to assess expectations of monetary policy and economic conditions.*
- *KBW Regional Banking Index tracks performance of a selection of regional banking companies published by KBW (Keefe, Bruyette & Woods) weighted by market capitalization.*
- *Dow Jones US Real Estate Index tracks the performance of United States companies in the real estate sector weighted by market capitalization and adjusted for free float.*
- *S&P Information Technology Index tracks the performance of United States companies in the information technology sector weighted by market capitalization and published by S&P Dow Jones Indices.*
- *S&P Supercomposite Road & Rail Index tracks the performance of United States companies in the transportation industry that focus on road and rail operations weighted by market capitalization and published by S&P Dow Jones Indices.*
- *S&P 500 Energy Index tracks the performance of United States companies in the energy sector weighted by market capitalization and published by S&P Dow Jones Indices.*
- *New York Stock Exchange Composite Index tracks performance of an aggregated selection of companies listed on the NYSE weighted based on market capitalization.*
- *Russell 2000 Index tracks performance of 2,000 small-cap publicly traded companies in the United States weighted based on market capitalization published FTSE Russell as a benchmark for small-cap stocks.*
- *MSCI Emerging Markets Index tracks the performance of companies from emerging market economies weighted by market capitalization and published MSCI.*
- *Russell 1000 Growth Index tracks the performance of large-cap United States companies projected to have strong growth potential weighted by market capitalization and published by FTSE Russell.*
- *Russell 1000 Value Index tracks the performance of large-cap United States companies that are perceived as having relatively lower valuations weighted by market capitalization and published by FTSE Russell.*
- *SPX Index – Number of Members with New 52 Week Highs measures the count of individual stocks within the S&P Index that have reached their highest price in the past 52 weeks.*
- *S&P Price to Trailing EPS measures the price of the S&P 500 relative to its trailing 12 months earnings per share.*
- *S&P Earnings Yield to Treasuries is the comparison between the current earnings yield (ratio of earnings per share to price) of companies in the S&P 500 index and the yield of U.S. Treasury bonds, indicating the relative attractiveness of investing in equities versus government bonds.*
- *US Treasury BVAL Curve Last Bid Yield is the most recent bid yield for a set of U.S. Treasury bonds of various maturities as provided by Bloomberg's Valuation Service, taking into account quantity and quality of prevailing market data.*
- *US Treasury Bid Yield Last 3-Year Change is the percentage difference in the bid yield of U.S. Treasury securities with a 3-year maturity over the past three years, offering insight into the magnitude of yield fluctuations for that specific maturity.*
- *BBB Rated Corporate Bond Yields are yields offered by corporate bonds that are assigned a credit rating of BBB, or equivalent, the lowest investment-grade rating.*
- *High Yield Corporate Bond Yields are the interest rates or yields associated with corporate bonds that are considered to have a higher credit risk and are thus issued by companies with lower credit ratings.*
- *HY Credit Spreads are the additional interest rates above U.S. Treasuries, that investors demand to hold high yield (lower credit quality) corporate bonds, indicating the compensation for the increased credit risk associated with these bonds.*
- *BBB Spreads are the difference in yields between corporate bonds with a BBB credit rating and U.S. Treasuries, indicating the premium investors require to hold medium-grade corporate debt compared to safer government bonds.*
- *Crude Oil Price is the cost of a barrel of West Texas Intermediate (WTI) crude oil, a key benchmark for oil pricing globally and a significant indicator of energy market trends and economic conditions.*
- *Global Crude Oil & Liquid Fuels Consumption is the total global demand for crude oil and various liquid fuels, including petroleum products and biofuels, reflecting the quantity of energy sources utilized across economies worldwide.*
- *DOE Crude Oil Total Inventory is the cumulative amount of crude oil stored in the United States as reported by the Department of Energy (DOE), providing insight into the supply and demand dynamics within the U.S. oil market.*
- *North American Apartment REITs Index tracks the performance of real estate investment trusts (REITs) specializing in residential apartment properties in North America weighted by market capitalization.*
- *Apartments Real Estate Effective Rent (\$) US Metro Total tracks the average monthly rent, adjusted for various factors such as concessions and discounts, for apartment units in various metropolitan areas across the United States.*



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