

# Quarterly Market Update – Q2 2025

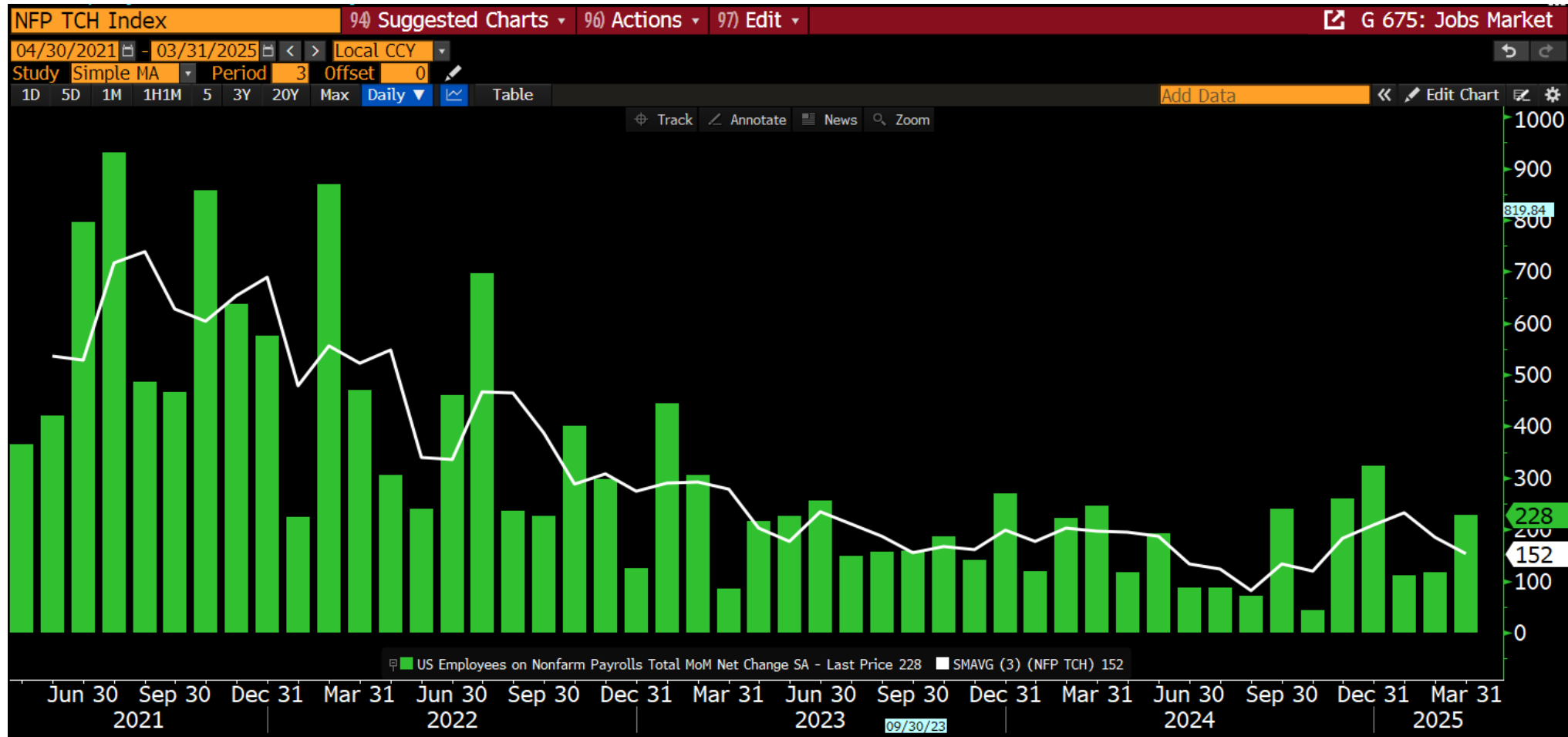
Jeff Dicks - Chief Investment Officer

Apr 2025

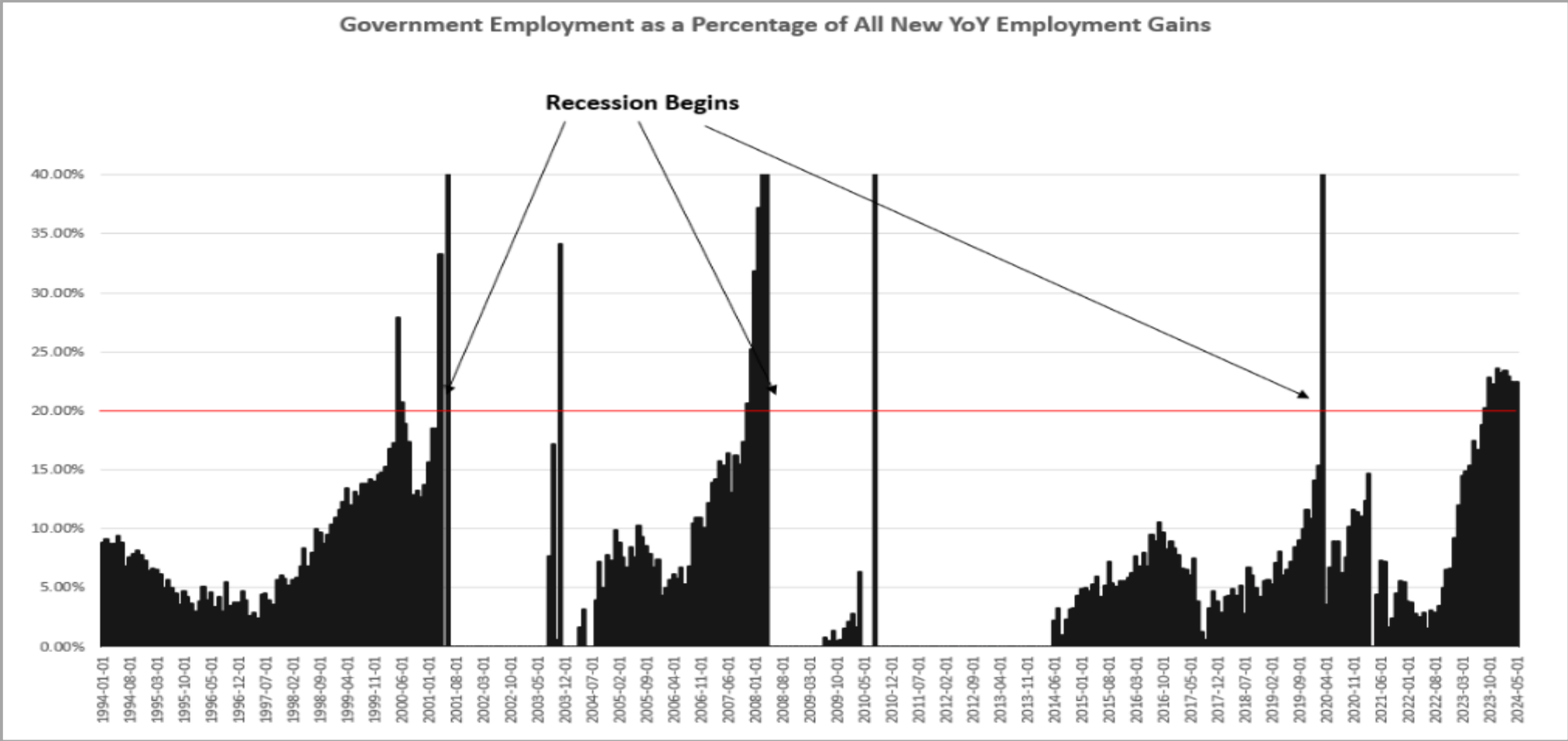


*See important disclosures following the presentation.*

# Labor Market Still Holding up Well, but Backward Looking

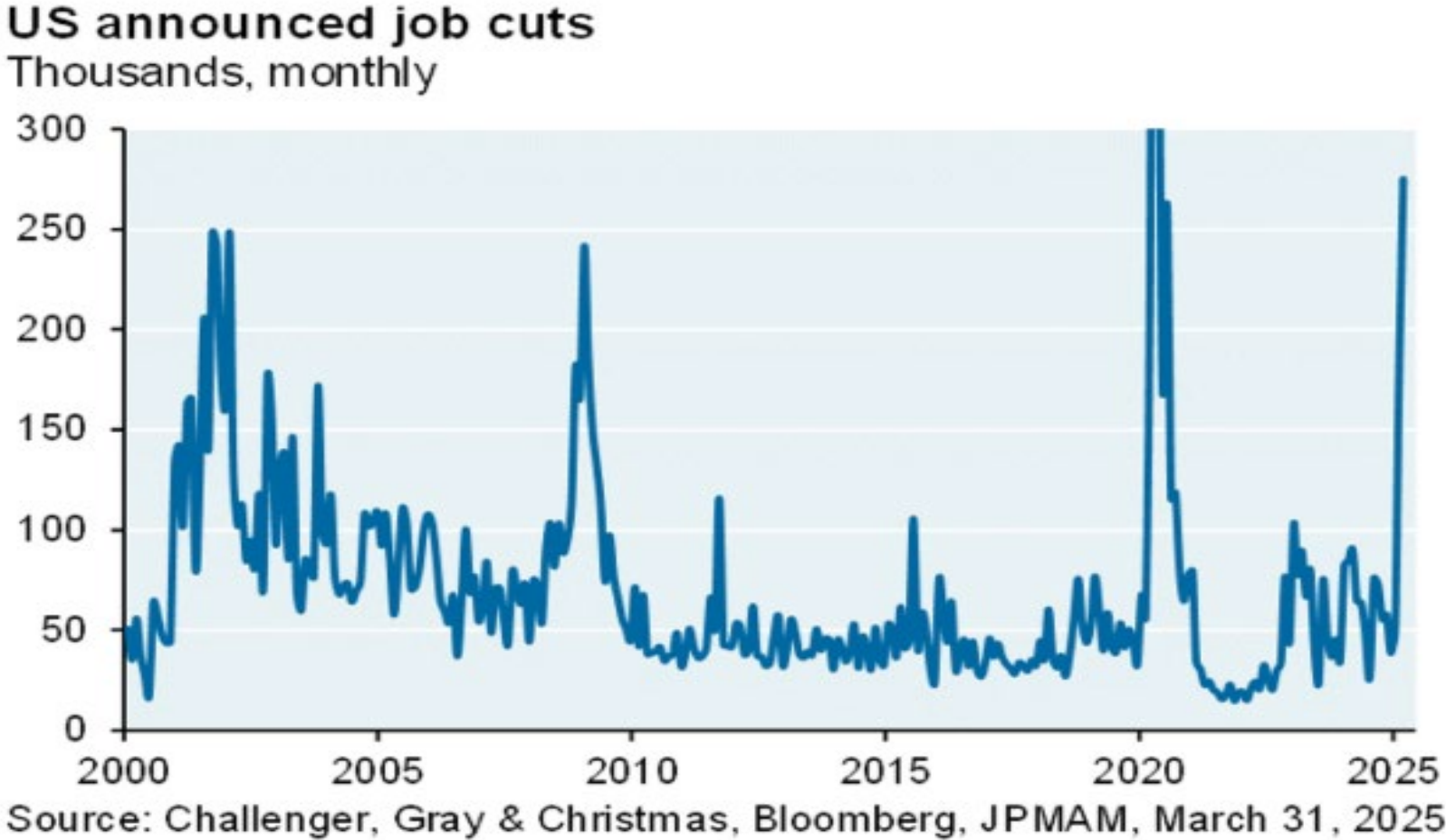


# Public Market Job Additional & DOGE a Reason to be Cautious

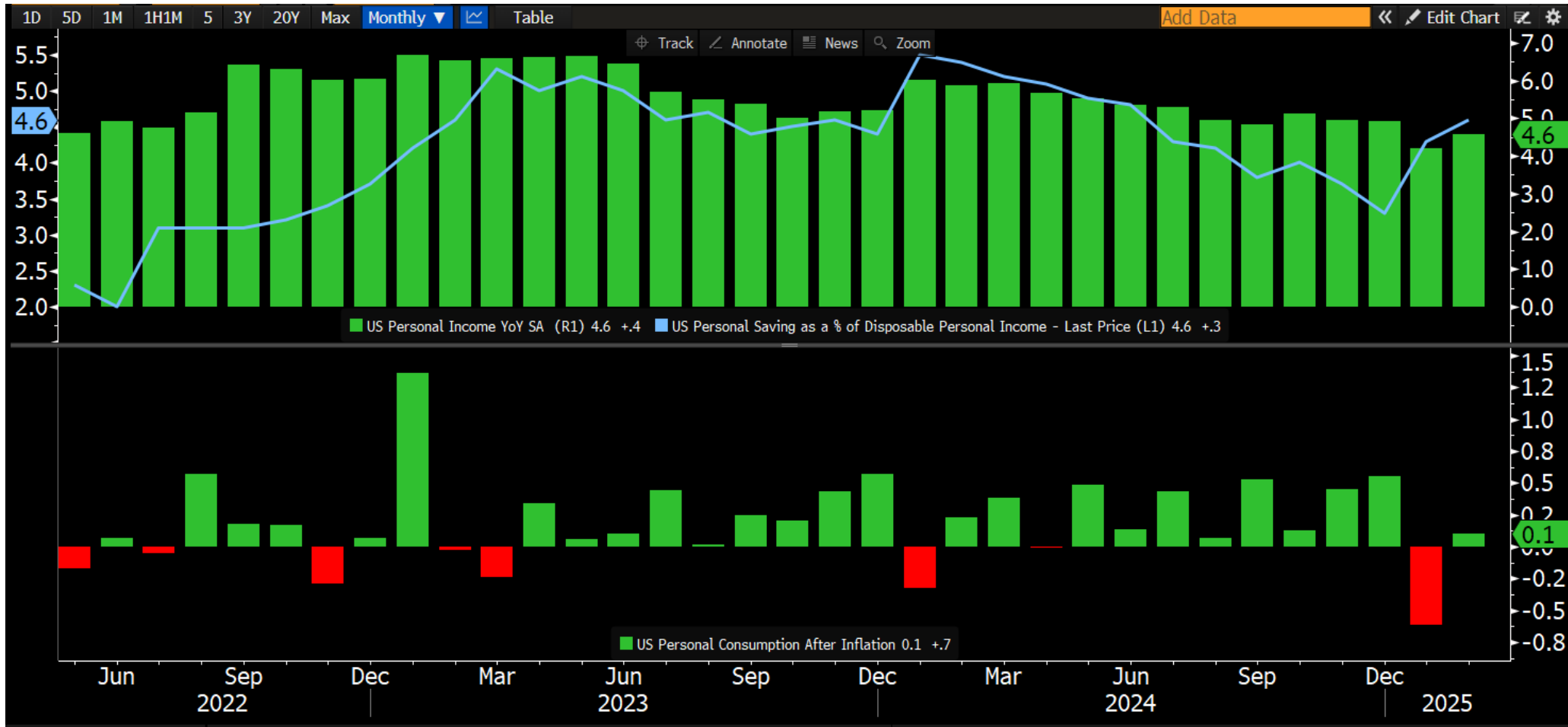


Source: Mises Institute, US Bureau of Labor Statistics

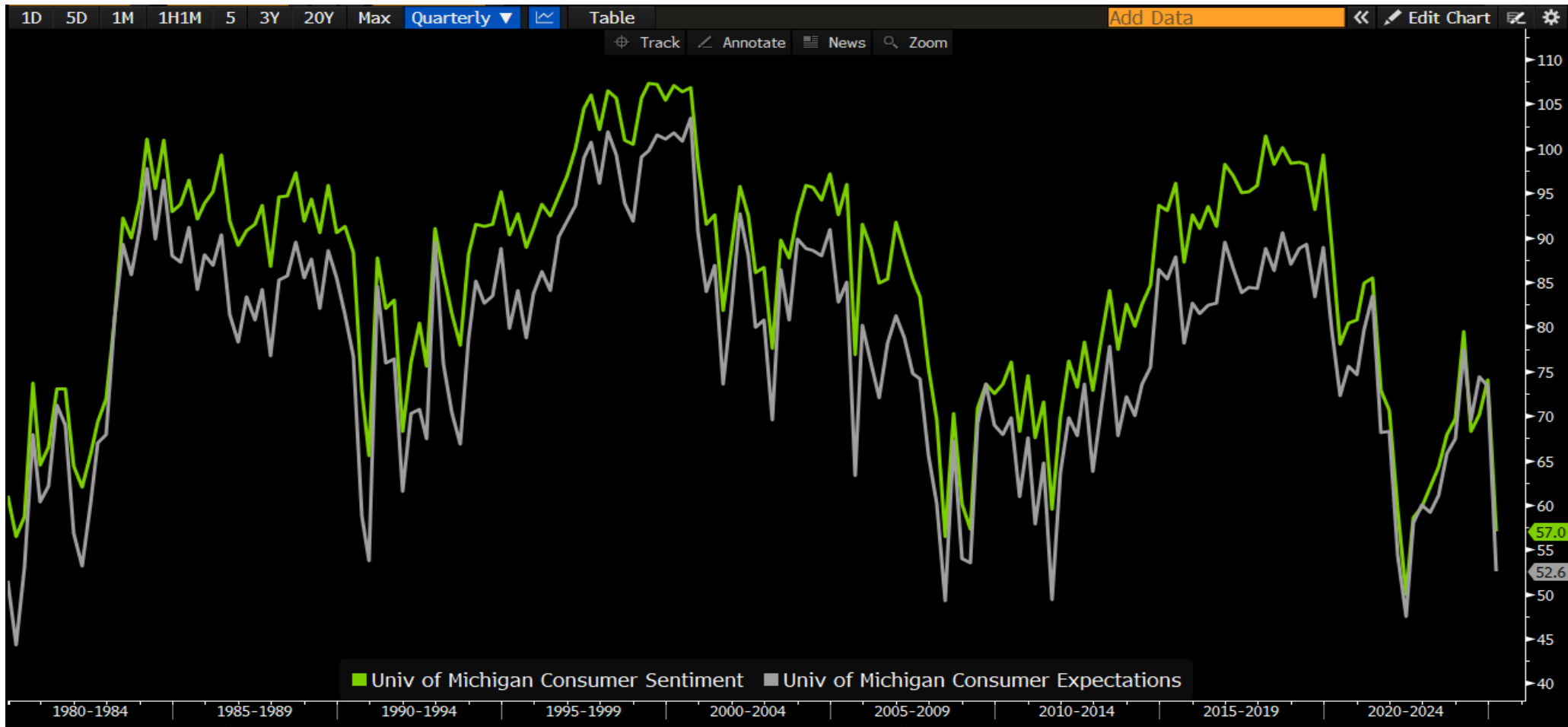
# Job Cuts Have also Spiked Similar to Past Recessionary Periods



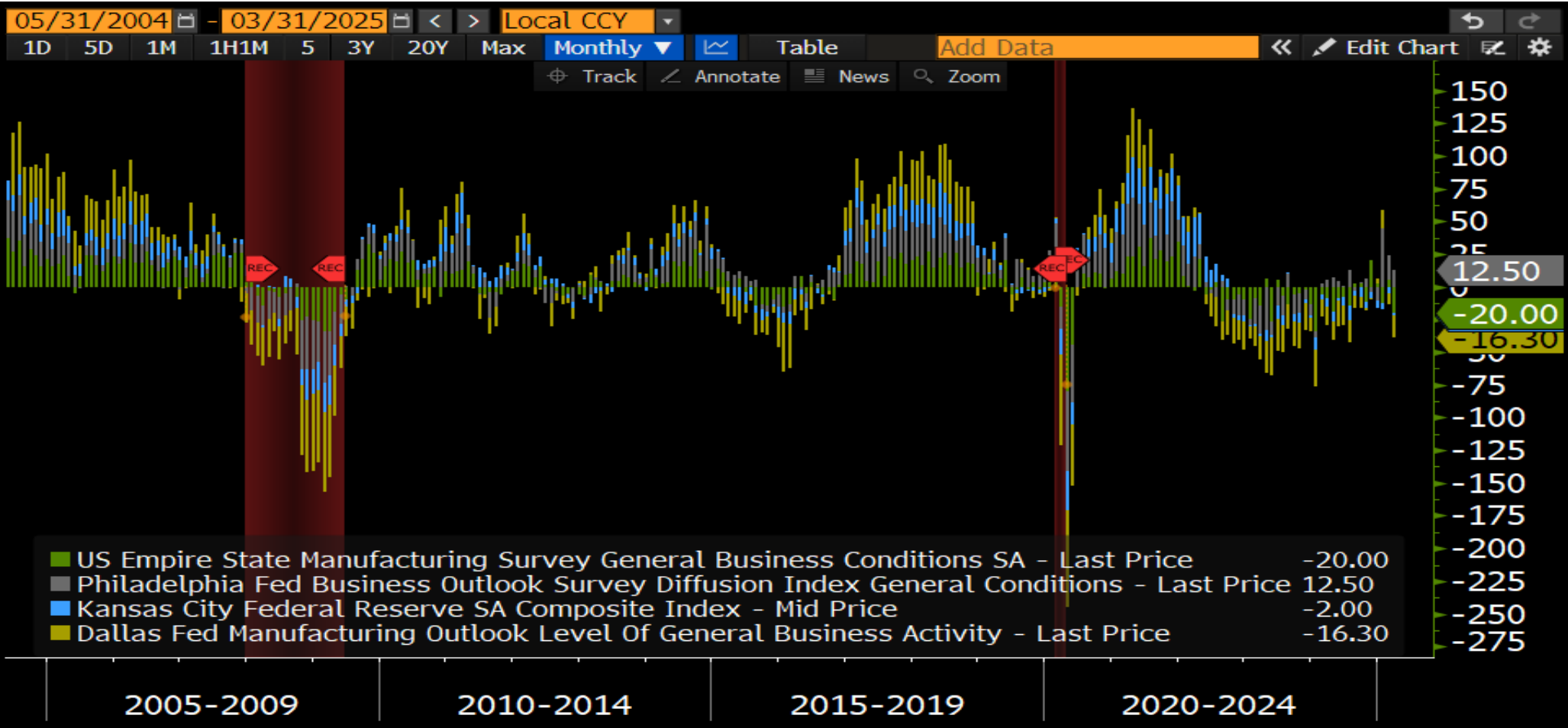
# Wages Still Growing, but Savings Rate Up and Consumption Slowing



# Consumer Confidence and Expectations Have Fallen Sharply

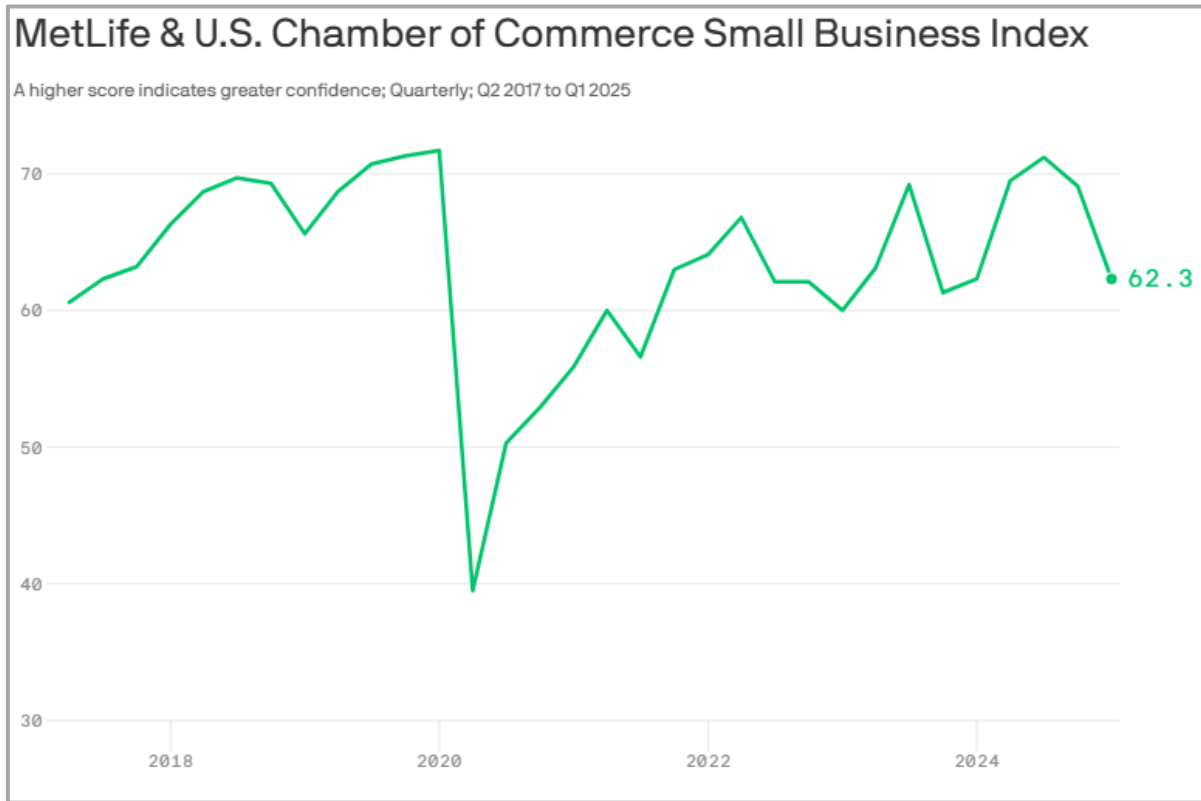


# Manufacturing Had Turned up but Now Contracting

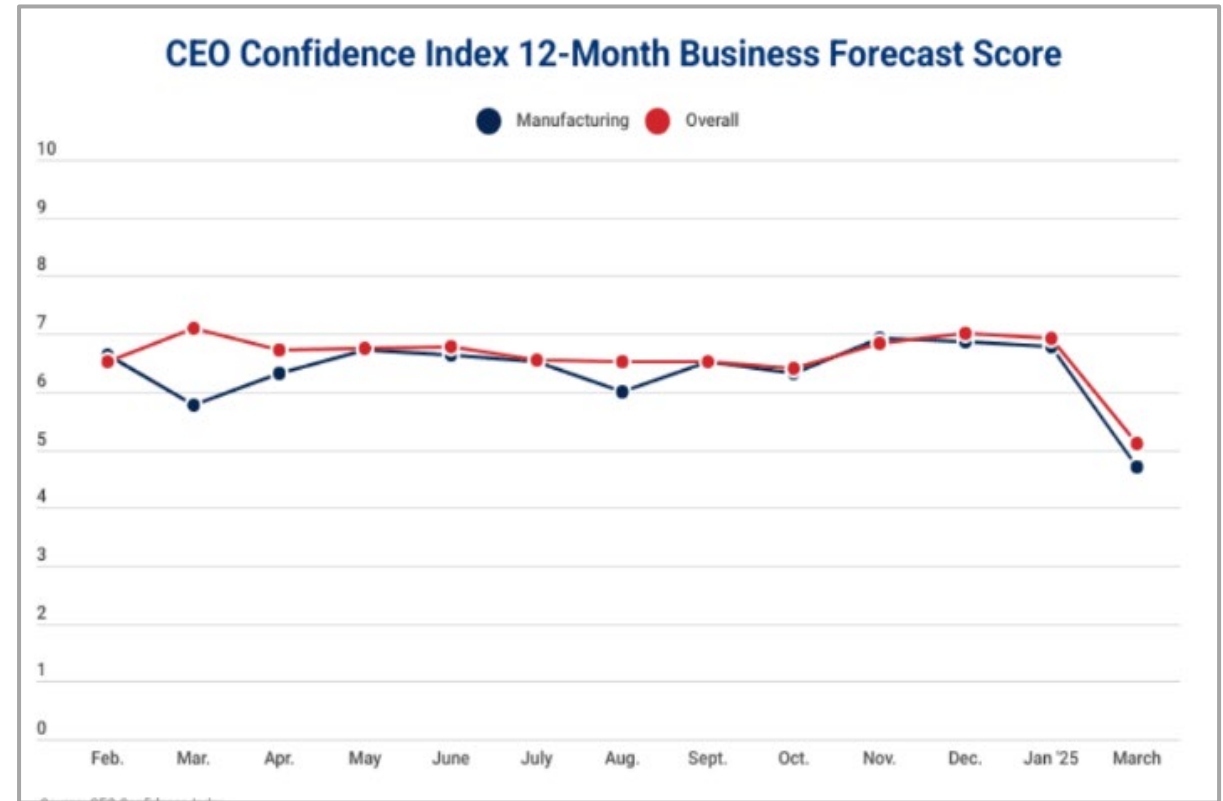




# Business and CEO Confidence Have also Turned Decisively Lower




Source: Metlife and US Chambers of Commerce




Source: Metlife and US Chambers of Commerce



# The Big Shocker was Trump's Liberation Day

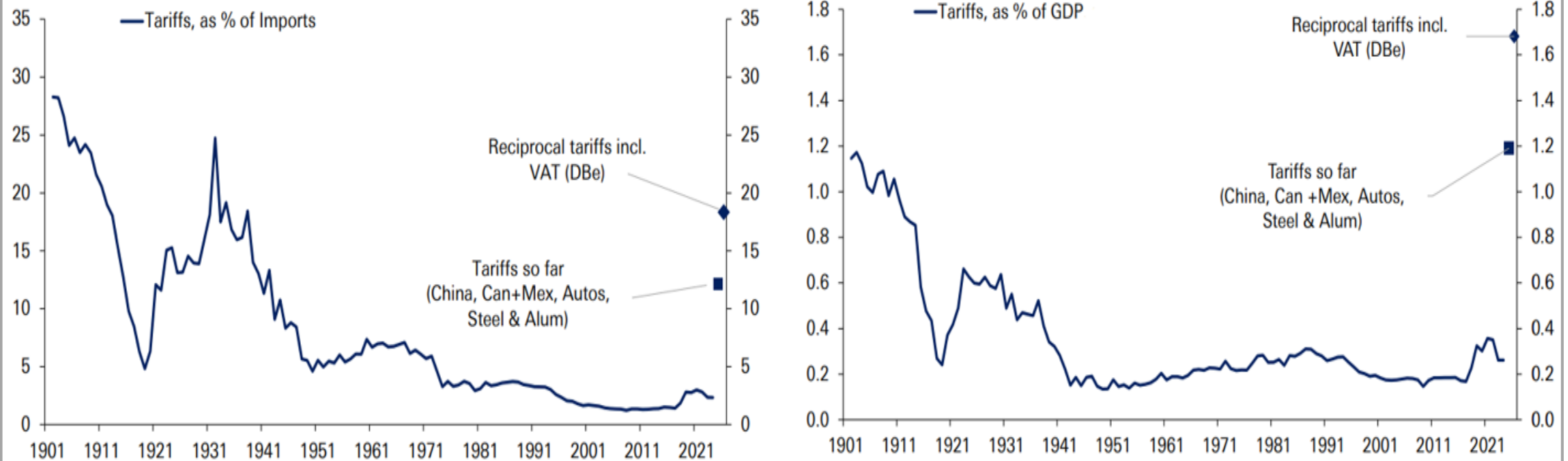
 <b>Reciprocal Tariffs</b>		
Country	Tariffs Charged to the U.S.A. Including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

 <b>Reciprocal Tariffs</b>		
Country	Tariffs Charged to the U.S.A. Including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
Peru	10%	10%
Nicaragua	36%	18%
Norway	30%	15%
Costa Rica	17%	10%
Jordan	40%	20%
Dominican Republic	10%	10%
United Arab Emirates	10%	10%
New Zealand	20%	10%
Argentina	10%	10%
Ecuador	12%	10%
Guatemala	10%	10%
Honduras	10%	10%
Madagascar	93%	47%
Myanmar (Burma)	88%	44%
Tunisia	55%	28%
Kazakhstan	54%	27%
Serbia	74%	37%
Egypt	10%	10%
Saudi Arabia	10%	10%
El Salvador	10%	10%
Côte d'Ivoire	41%	21%
Laos	95%	48%
Botswana	74%	37%
Trinidad and Tobago	12%	10%
Morocco	10%	10%

# Proposed Tariffs Would Send Tariffs as a % of GDP to the Highest in 100 Years

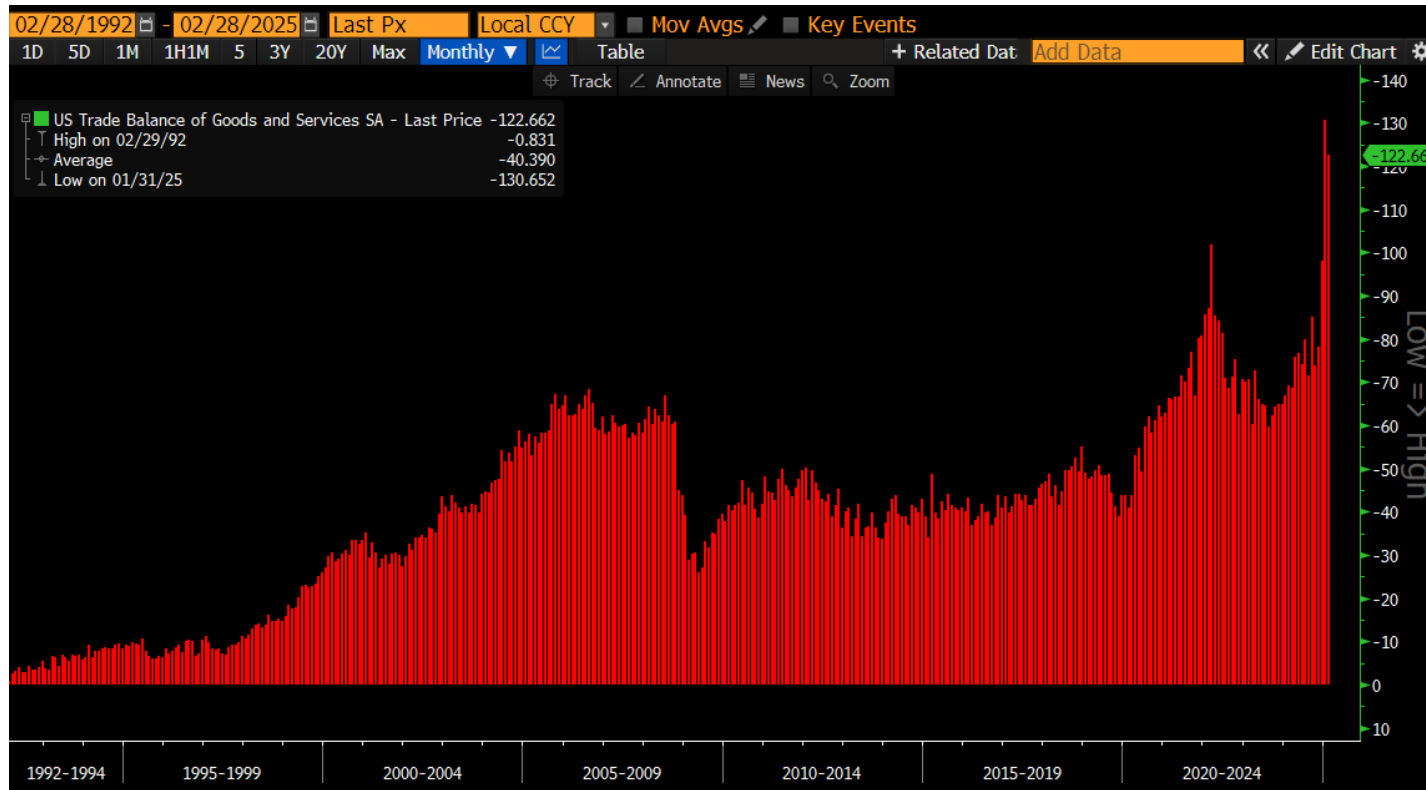
Figure 1: US Tariffs, as % Imports (left) & as % of GDP (right)



Source : Historical Statistics of the United States, BEA, Census, Haver, Deutsche Bank

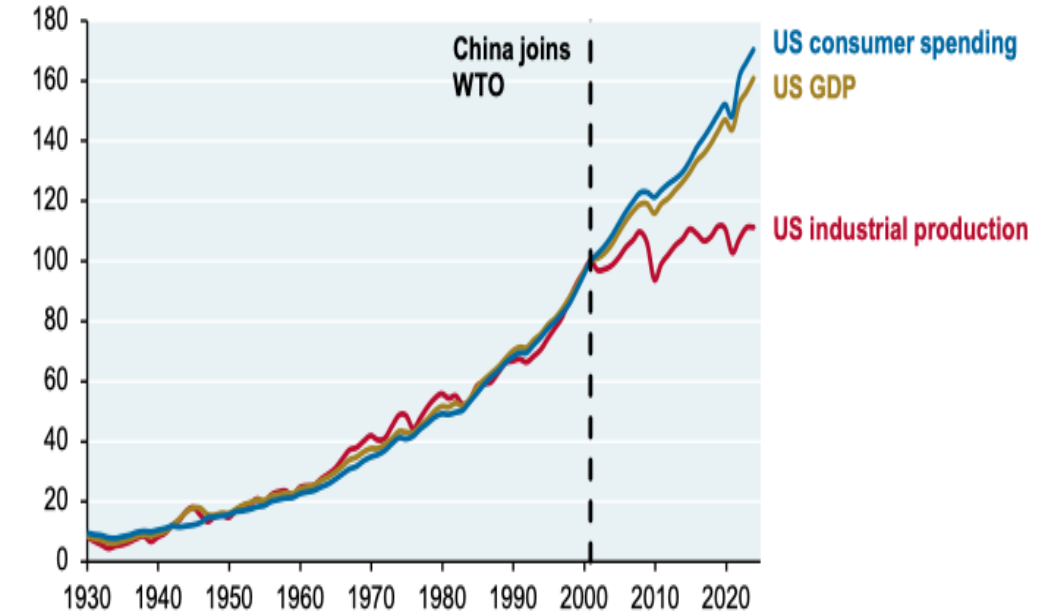
Note: The projected tariff rates are based on our US economists' estimates in Figures 1 and 2 of "[A little reciprocity goes a long way](#)", DB US Economic Perspectives, 26 March 2025. We also add the impact of auto tariffs announced on March 26. For the % of GDP tariff revenue calculation, to account for the likely negative impact on trade, we simplistically assume a price elasticity of 1 for imports in response to the average tariff increase.

# Is Trump Trying to Fix the Persistent Trade Deficit?



## The Silence of the Plants

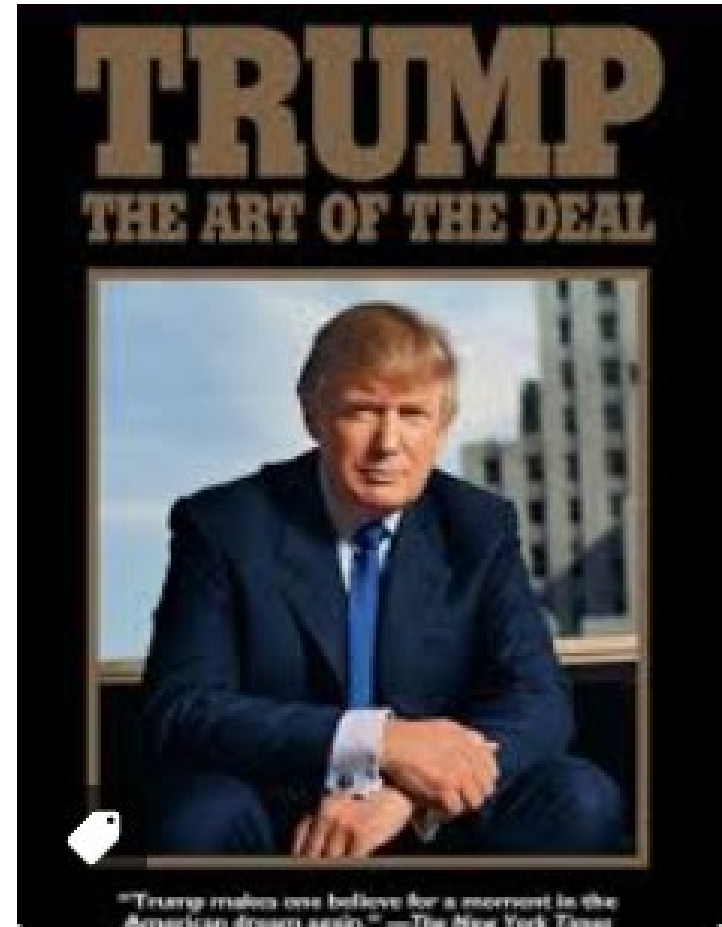
Index (100 = 2000)



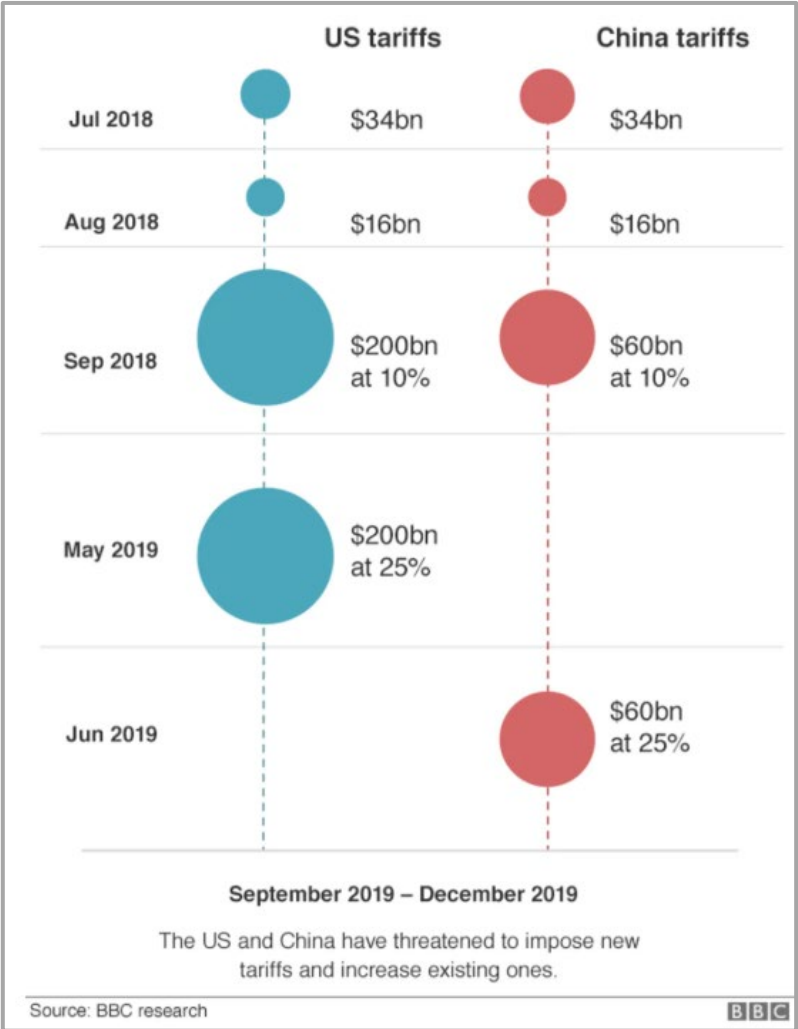
Source: BEA, Federal Reserve, JPMAM, 2024

# Or Perhaps the Plan is to Inflict Pain and Announce a Series of Trade Deals?

“The best thing you can do is deal from strength, and leverage is the biggest strength you can have. Leverage is having something the other guy wants. Or better yet, needs. Or best of all, simply can’t do without.”



# China Could be the Notable Exception?

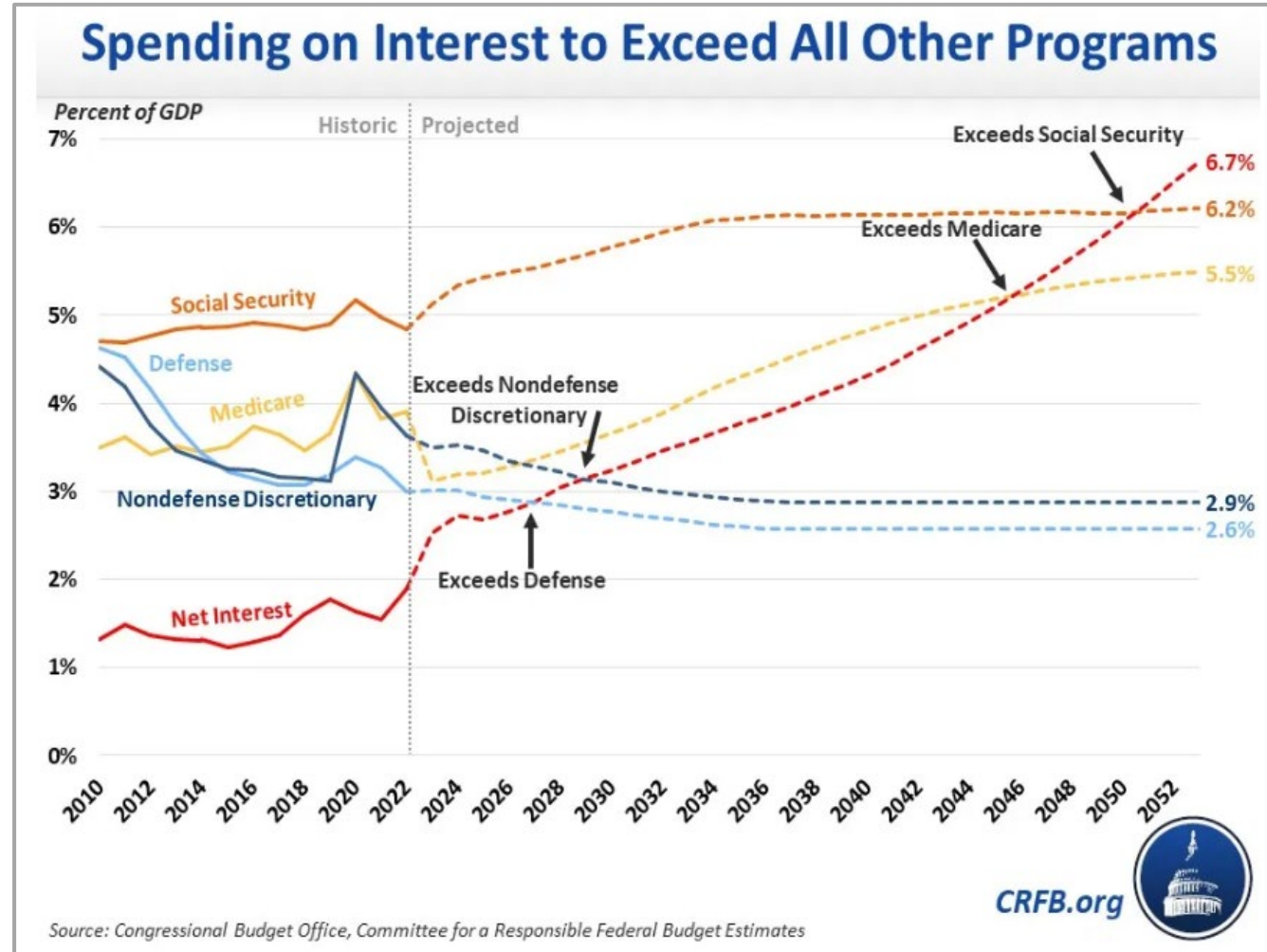


**Trump Threatens China With Additional 50% Tariffs**

The president said that if China does not recall its retaliatory tariffs by tomorrow, the U.S. will tack on 50% more in levies on top of the 34% planned for Wednesday.



# Another Target of Creating Market Pain Would be to Lower Rates



# 2025 GDP Estimates Being Marked Down Aggressively and Quickly

## Goldman Warns of Bear Market, BlackRock Downgrades US Stocks

Summary by Bloomberg AI

- BlackRock strategists downgraded US equities to neutral from overweight, expecting "more pressure on risk assets in the near term" due to global trade tensions.
- Goldman Sachs strategists warned that the equity selloff could turn into a longer-lasting cyclical bear market as recession risks mount, with a 45% probability of a US recession.

"There will be blood": JPMorgan warns of 60% global recession odds under Trump Tariffs

## Recession Odds Rising?

Morgan Stanley Research recently cut its 2025 GDP growth estimates to 1.5%, from 2.2% previously. With the administration's latest action, the weight of these tariffs - if truly implemented - could push the economy into contraction territory while adding as much as 1.0-2.5 percentage points to inflation. From our perch, the odds of a U.S. recession are now up to 40% from 25%, and "stagflation" (in which growth slows as inflation persists) is up to 30%, while the base case "soft landing" is down to 30%.

REVISED 2025 US GDP FORECAST

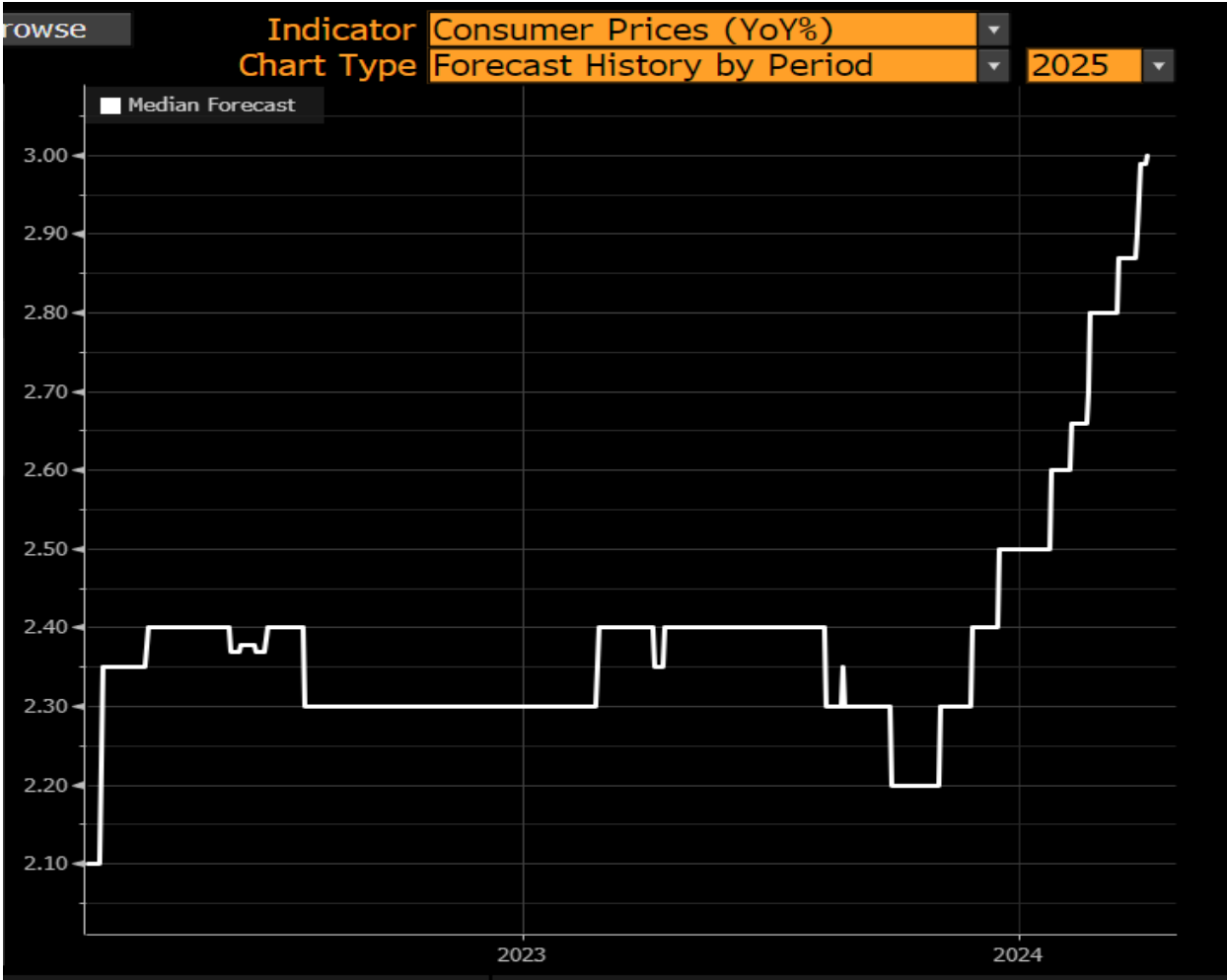
2.2% to 1.7%

PREVIOUS REVISED

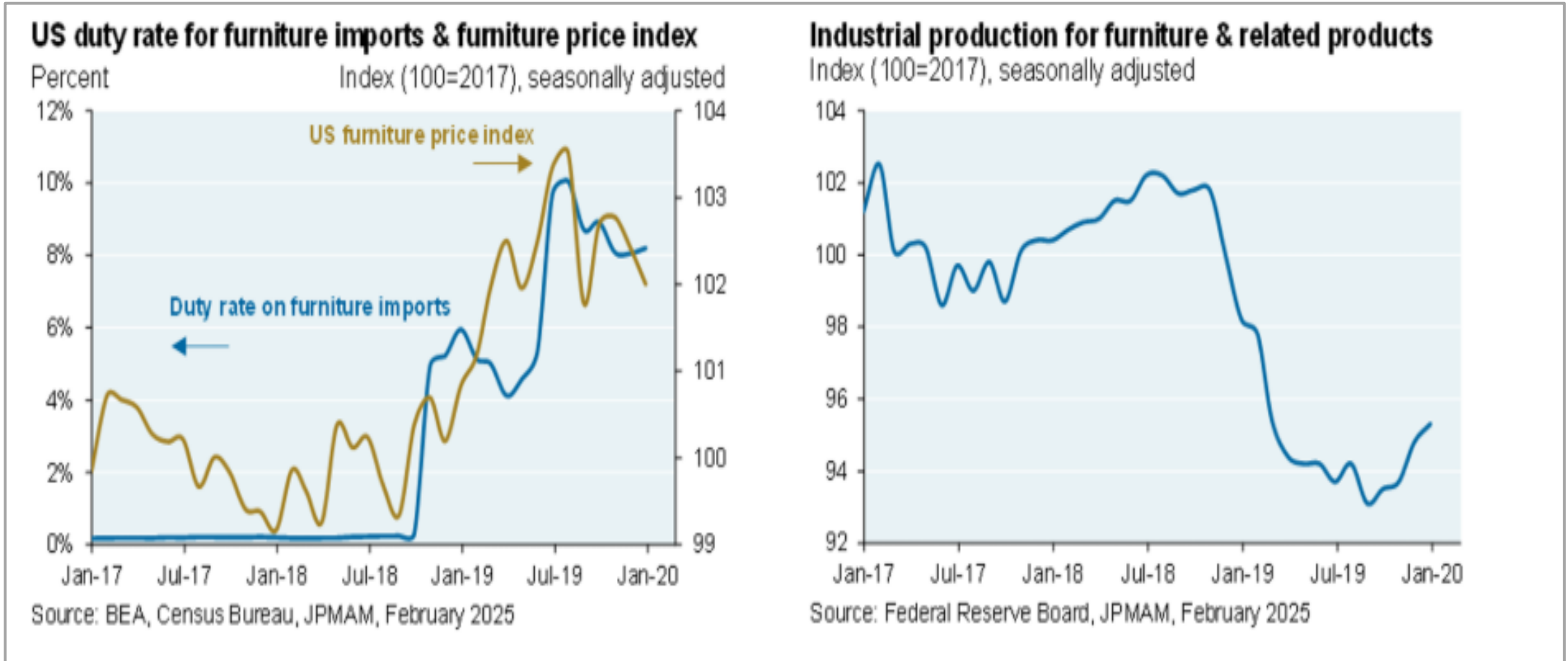
"We've just cut our 2025 [US] GDP forecast on a Q4/Q4 basis... to reflect the larger impact of tariffs, which hit economic activity through a few channels."



# Inflation Expectations Heading Higher Opening the Door to Stagflation



# Interesting Case Study on 2018 Tariffs – Prices Up and Production Down



Source: Invesco estimates as of 09/30/2024

# Recession Odds Rising and Now at 64% According to US Polymarket Index

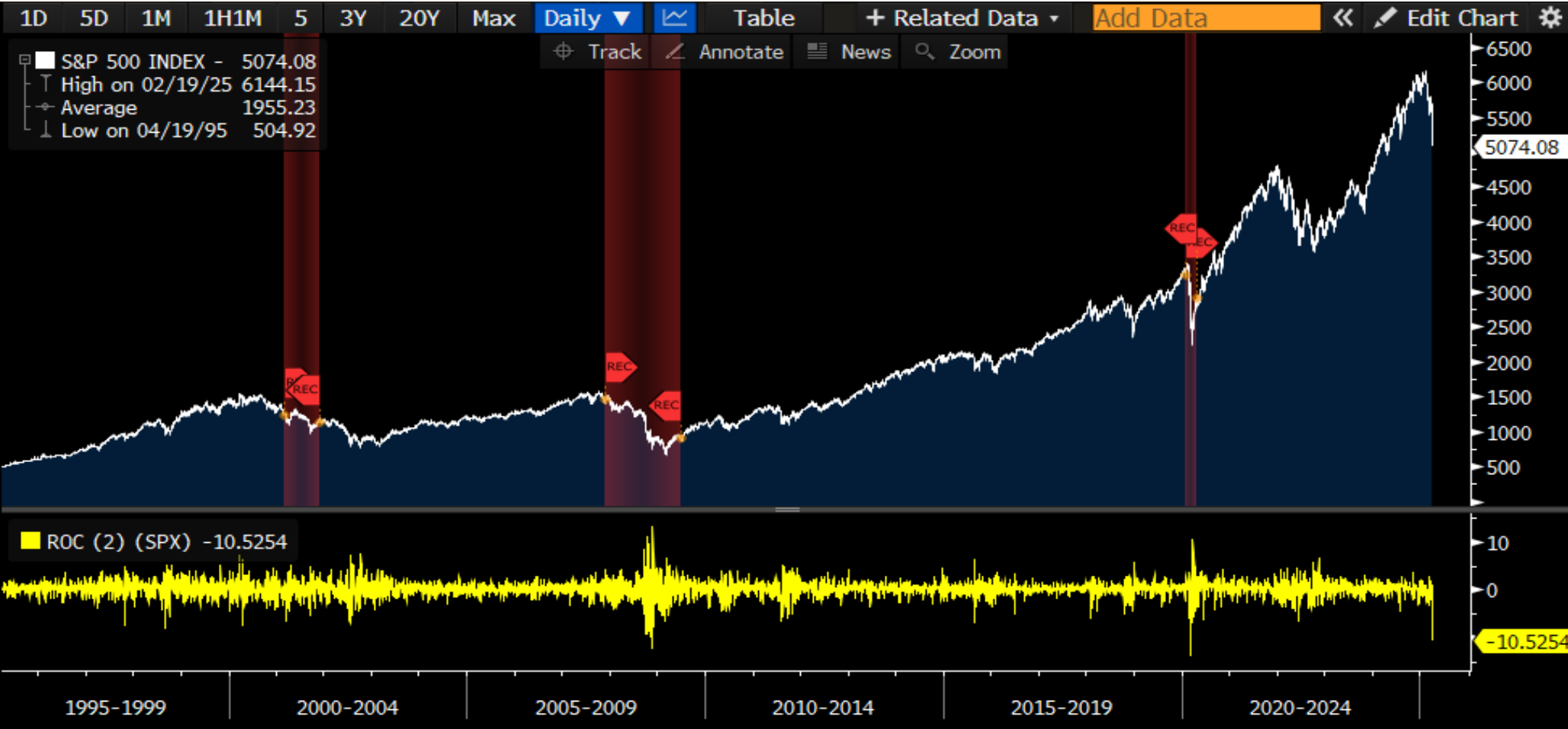


# Fed in a Predicament, but Markets Now Expect More Interest Rate Cuts

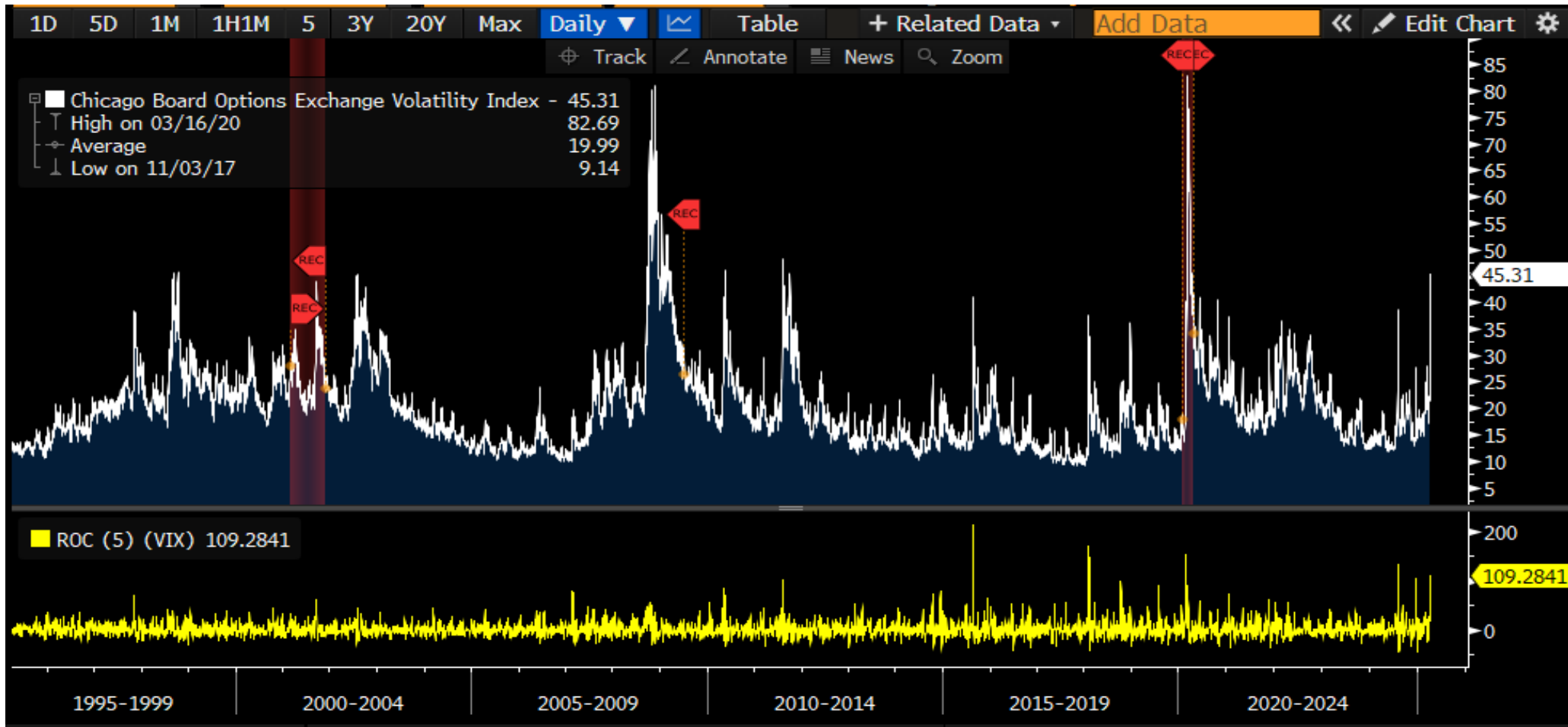
Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate
05/07/2025	-0.407	-40.7%	-0.102	4.205
06/18/2025	-1.312	-90.5%	-0.328	3.978
07/30/2025	-2.225	-91.3%	-0.556	3.750
09/17/2025	-2.948	-72.3%	-0.737	3.569
10/29/2025	-3.425	-47.7%	-0.856	3.450
12/10/2025	-3.996	-57.1%	-0.999	3.307
01/28/2026	-4.305	-30.9%	-1.076	3.230
03/18/2026	-4.648	-34.3%	-1.162	3.144
04/29/2026	-4.885	-23.7%	-1.221	3.085
06/17/2026	-5.062	-17.7%	-1.265	3.041
07/29/2026	-5.225	-16.3%	-1.306	3.000
09/16/2026	-4.988	+23.7%	-1.247	3.059
10/28/2026	-5.005	-1.7%	-1.251	3.055



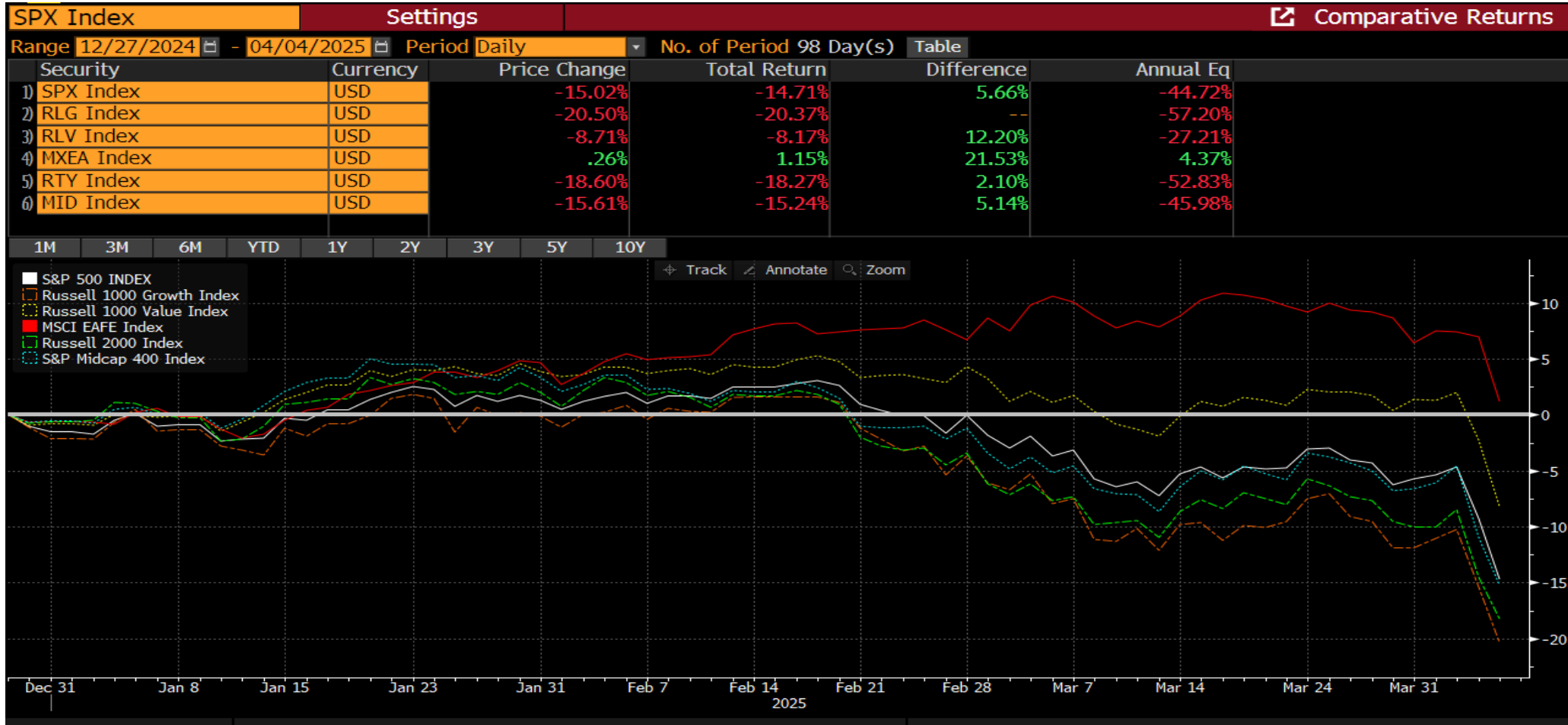
# Uncertainty Caused Largest Two-Day Market Loss in History



# The VIX Volatility Index also Spiked in a Major Way

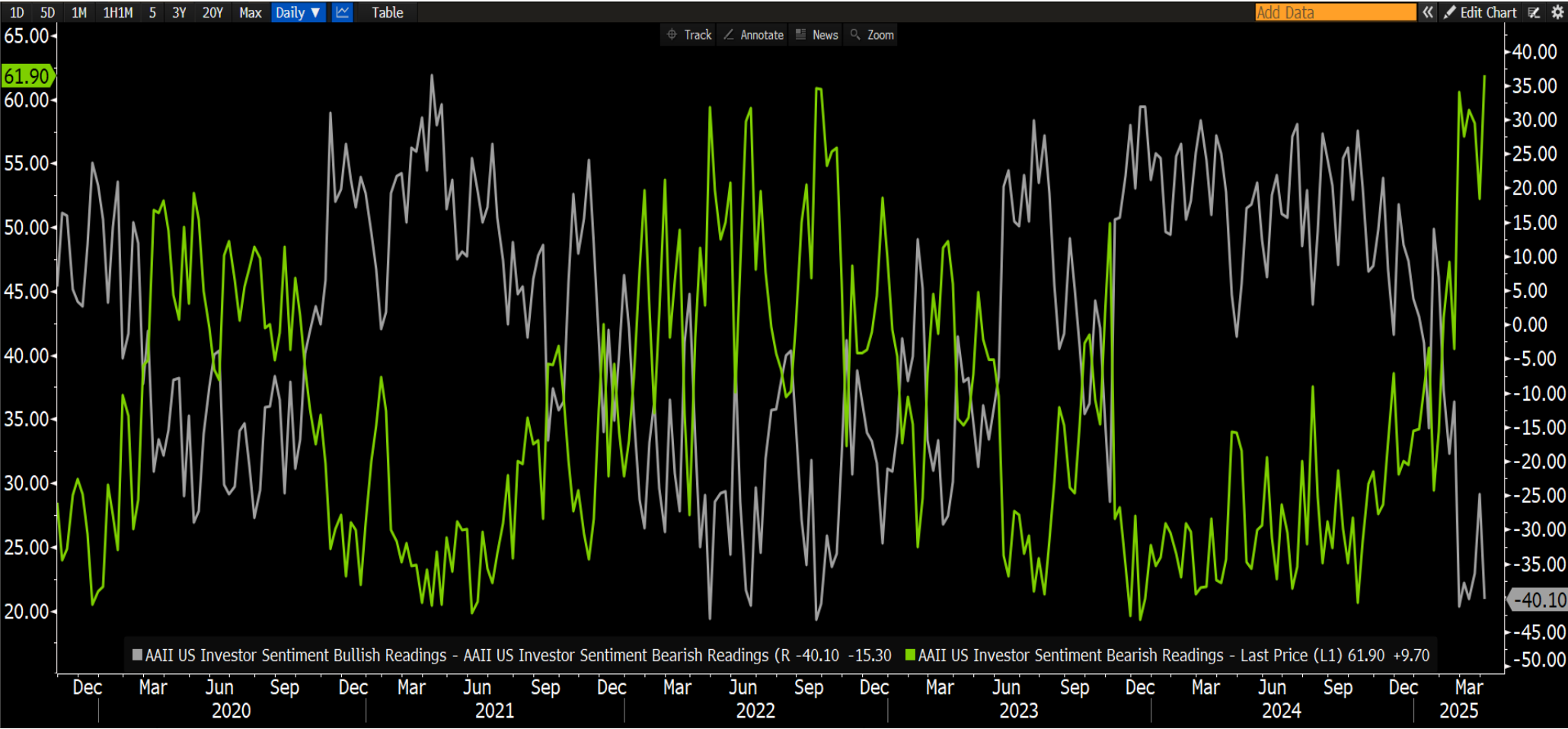


# Year-to-Date Through Friday S&P 500 Now Down 14.7%





# Sentiment Has Moved Quickly and Points to Near Term Pop



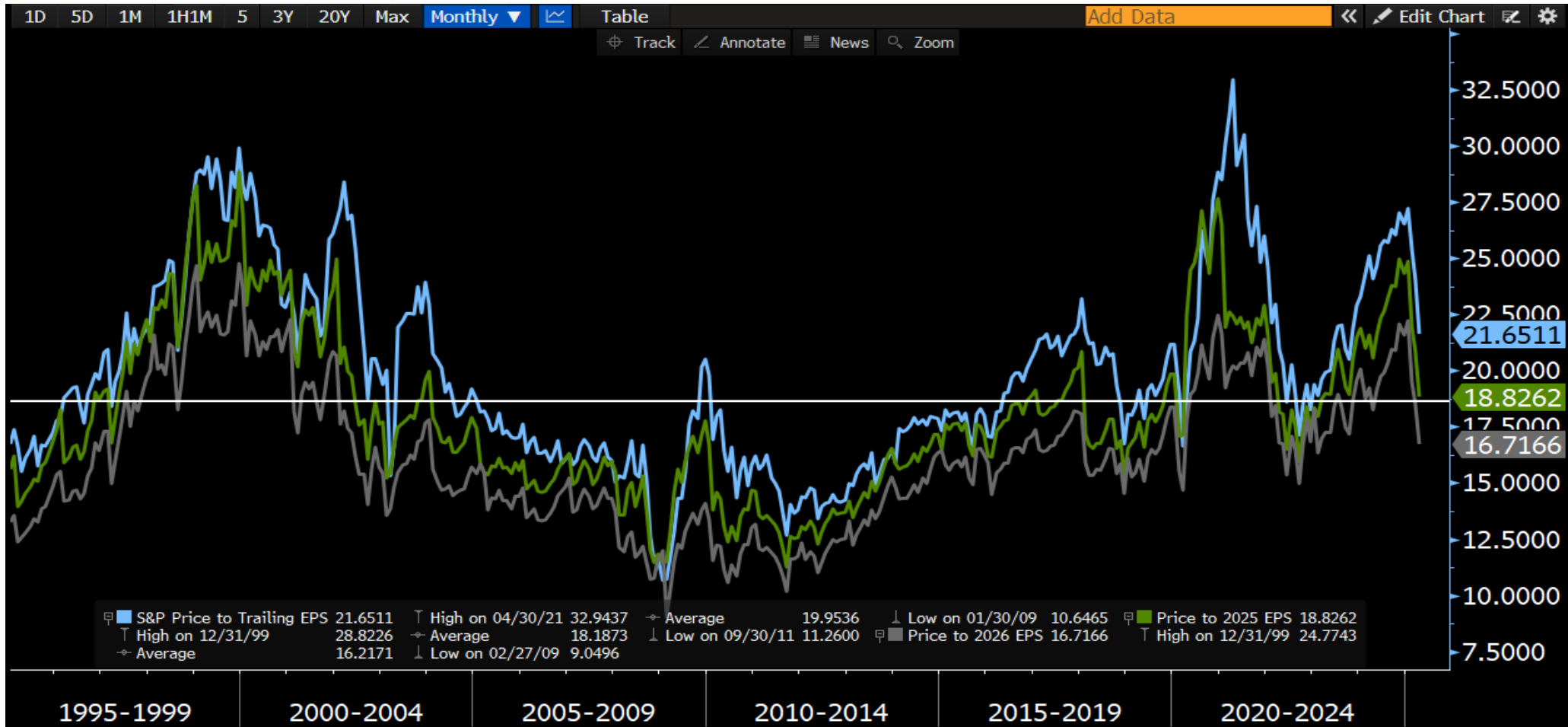
# Relative Strength Also Points to Stocks Being Oversold



# S&P 500 Valuation Getting Somewhat Cheap vs. 10-Year History



# S&P 500 Valuation on Long-Term Basis Inline with 30-Year Average



# Sectors Priced for Recession Look Appealing

## NYSE Airline Index

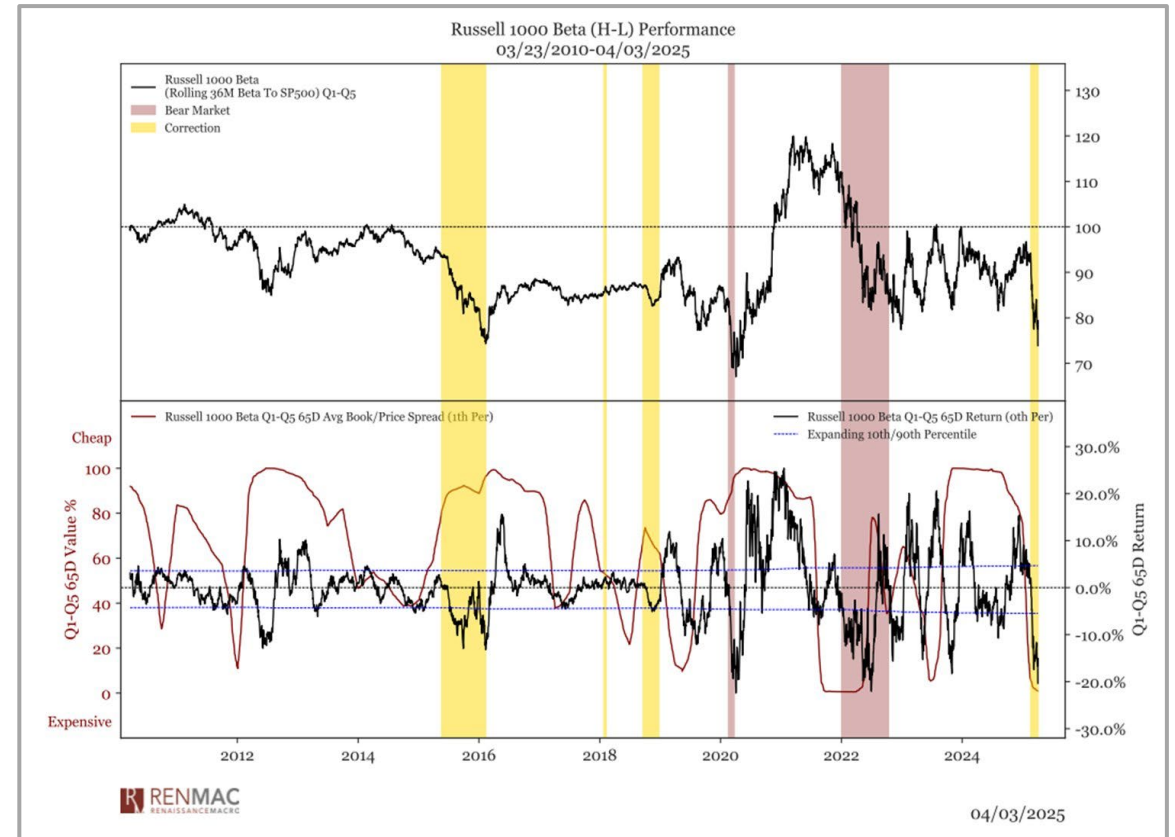


## Semiconductor Index



# Big Sector Divergences This Year – Trim Winners and Add to Losers

Negative Price Return	Groups (163)	Return	Return Positive Price Return
	<b>S&amp;P 500 INDEX</b>	<b>-11.30%</b>	
	<b>Best Performing</b>		
	1) S&P 500 HEALTHCARE SRVC	24.63%	
	2) S&P 500 GOLD INDEX	23.83%	
	3) S&P 500 TOBACCO INDEX	20.28%	
	4) S&P 500 DRUG RETAIL IDX	16.67%	
	5) S&P 500 HLTH CR DIST IDX	15.97%	
	6) S&P 500 WATER UTIL INDEX	15.18%	
	7) S&P 500 INTGR TELCM IDX	13.19%	
	8) S&P 500 TELE TOWER REIT	12.50%	
	9) S&P 500 MULTI-SEC HL IDX	12.10%	
	10) S&P 500 HLTH CR FACL IDX	11.88%	
	<b>Worst Performing</b>		
	11) S&P 500 APRL & ACCES IDX	-24.24%	
	12) S&P 500 Hotel&Res REITs	-26.26%	
	13) S&P 500 TechHWSt&Per	-27.55%	
	14) S&P 500 HOUSHLD APPL IDX	-27.80%	
	15) S&P 500 COMP&ELECT IDX	-28.21%	
	16) S&P 500 CAS & GAMING IX	-28.87%	
	17) S&P 500 COMMOD CHEM IDX	-29.56%	
	18) S&P 500 FOOTWEAR INDEX	-30.80%	
	19) S&P 500 PASSEN AIR	-34.25%	
	20) S&P 500 AUTOMBL MANF IDX	-37.32%	

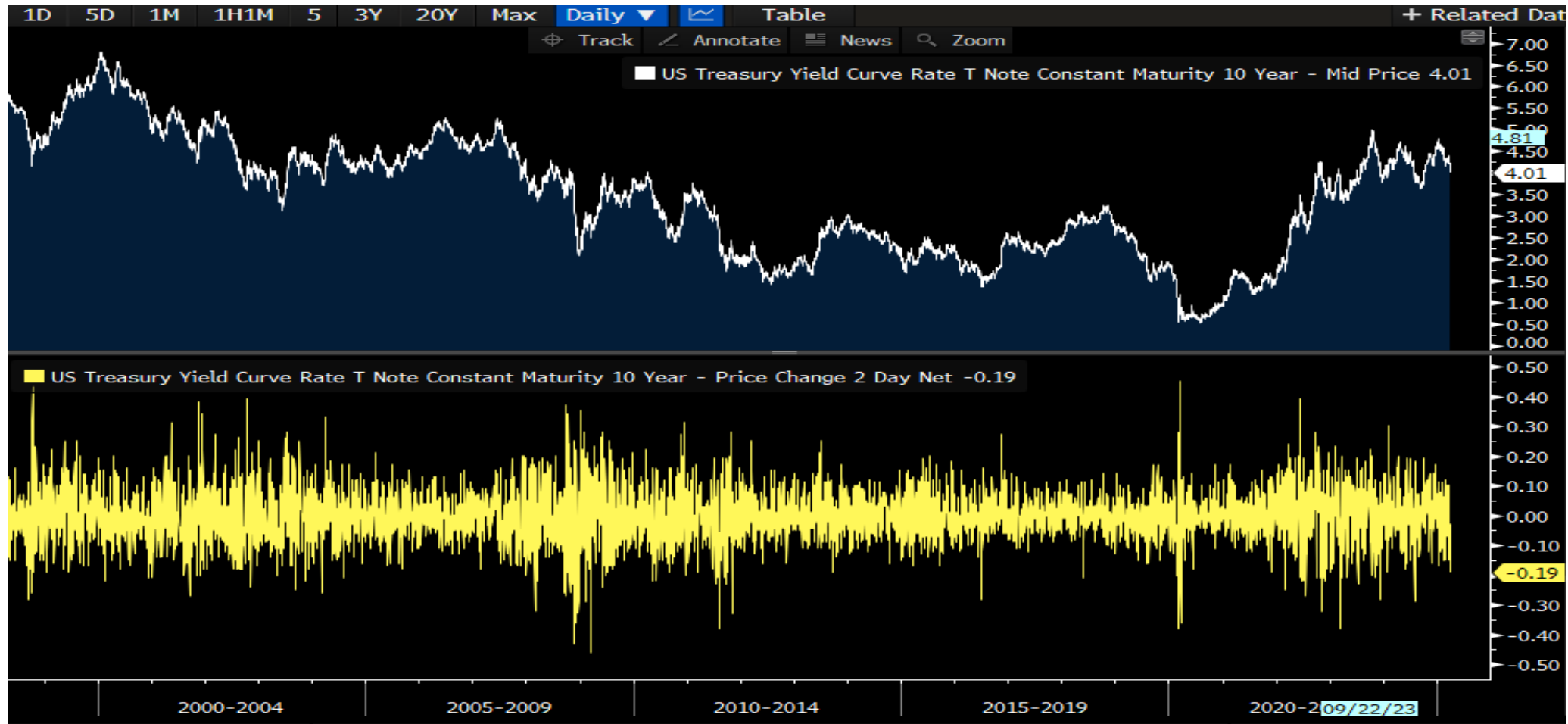


# Bonds Have Worked Well to Stabilize Portfolios Year-to-Date





# Interestingly Relative to Stocks Bonds Had a Relatively Mild Two-Day Gain



# Credit Spreads Have Widened Out and Presents Reasonable Entry on Credit



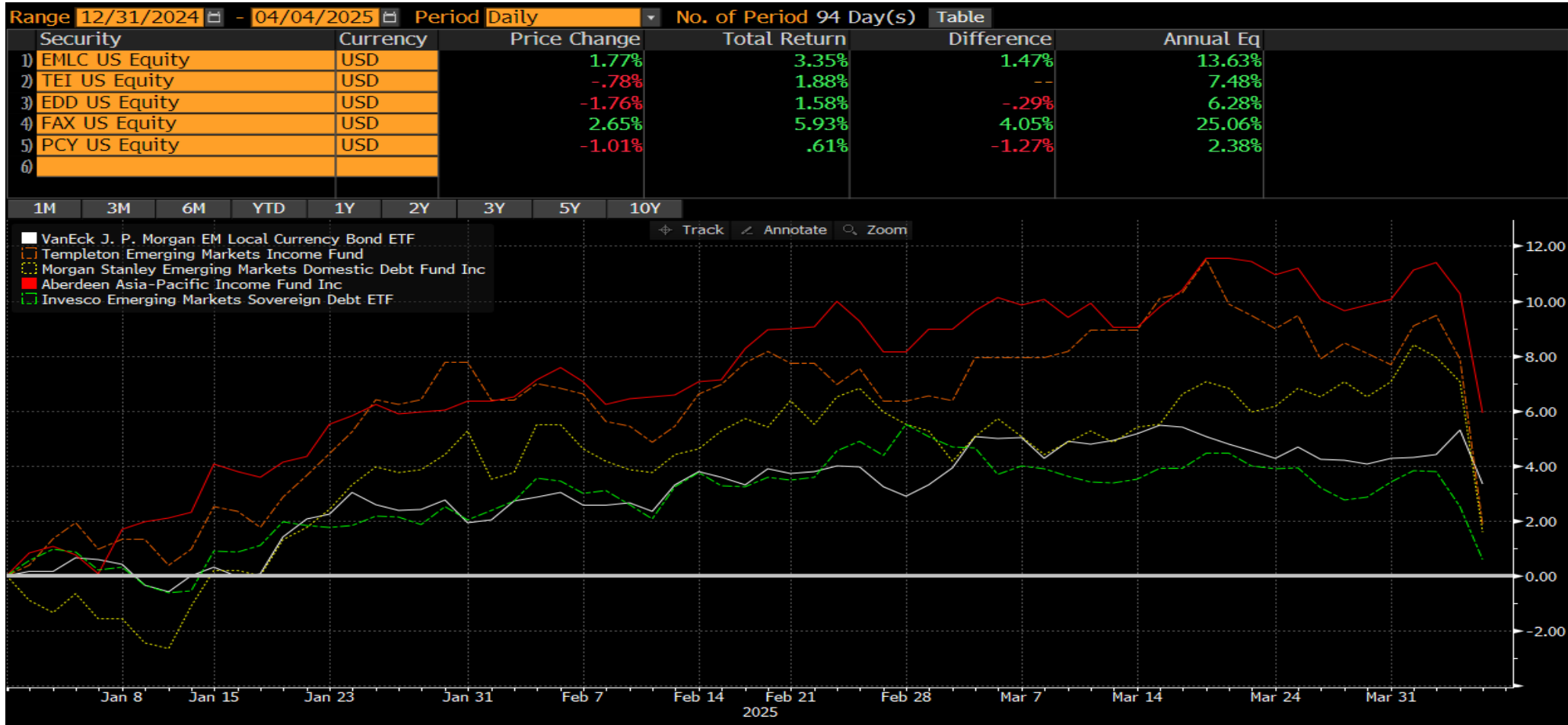
# Yields Still Compelling as Well for Corporate Bonds



# Agency Mortgage Still One of Our Favorite Bond Asset Classes

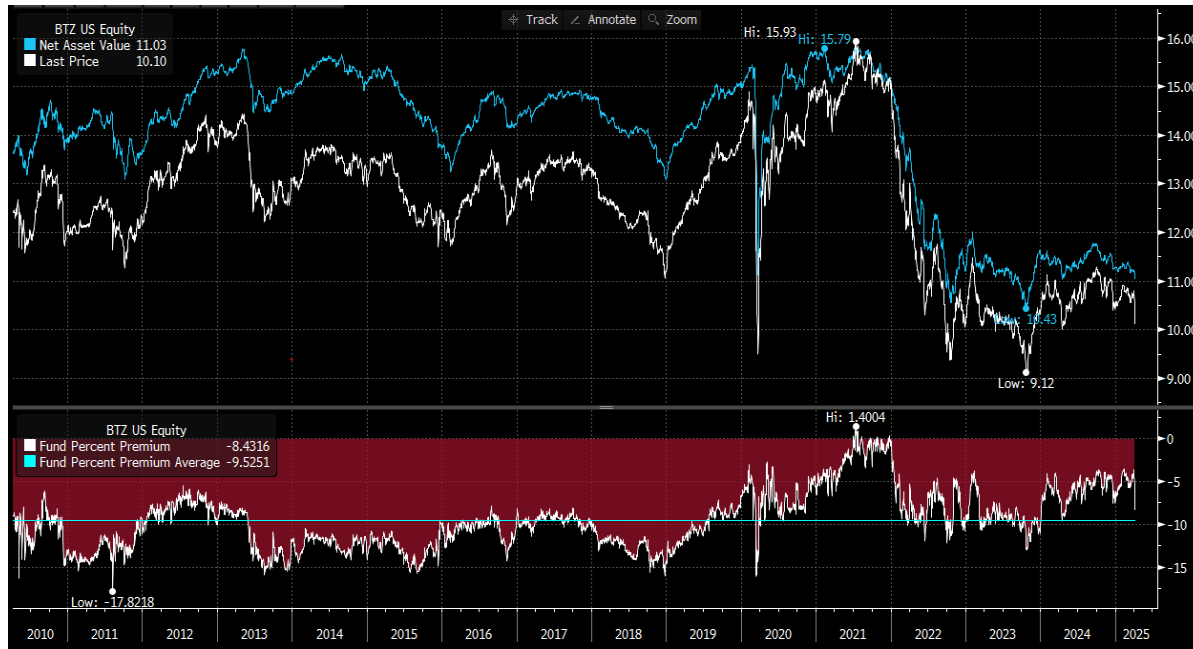


# EM Debt Has Performed Well in a Tough Environment



# Income Areas to Look to Add on Further Weakness

## Closed End Funds at Deep Discounts

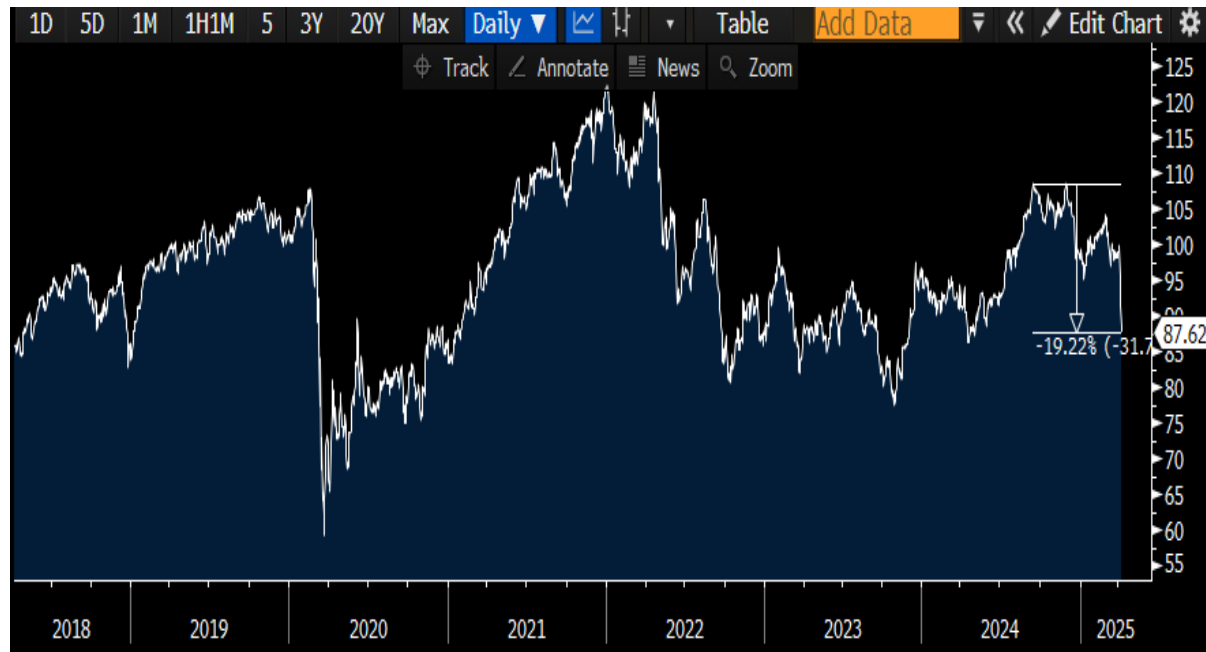


## Business Development Companies

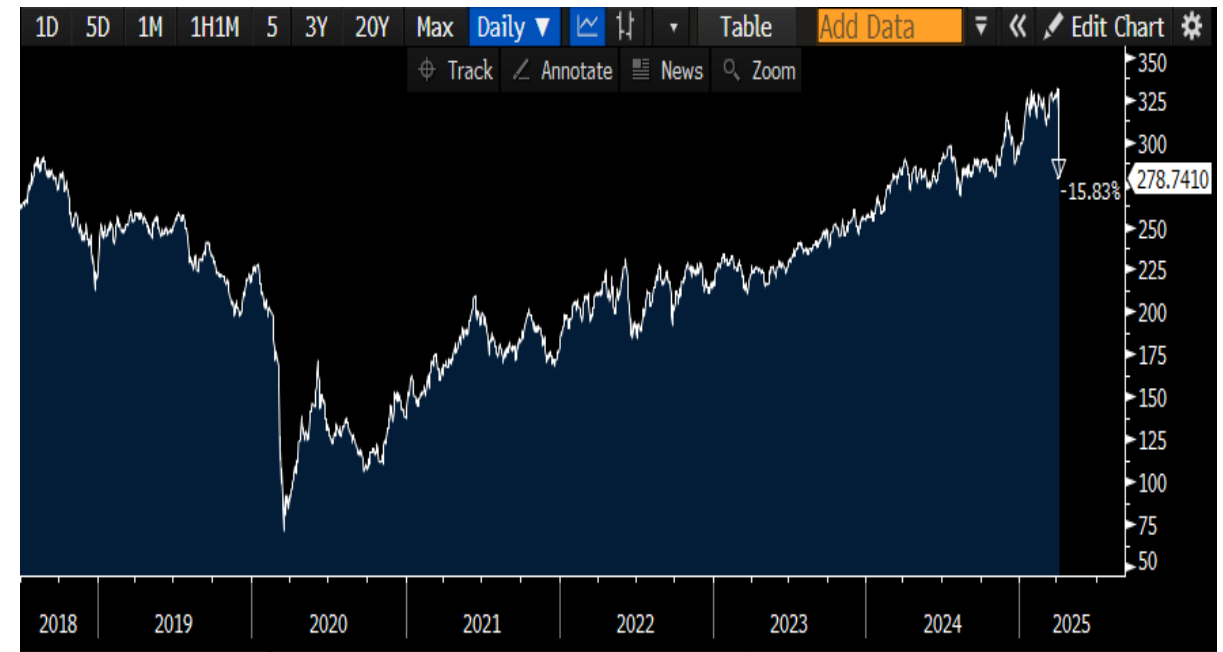


# Income Areas to Look to Add on Further Weakness

## SPDR REIT ETF



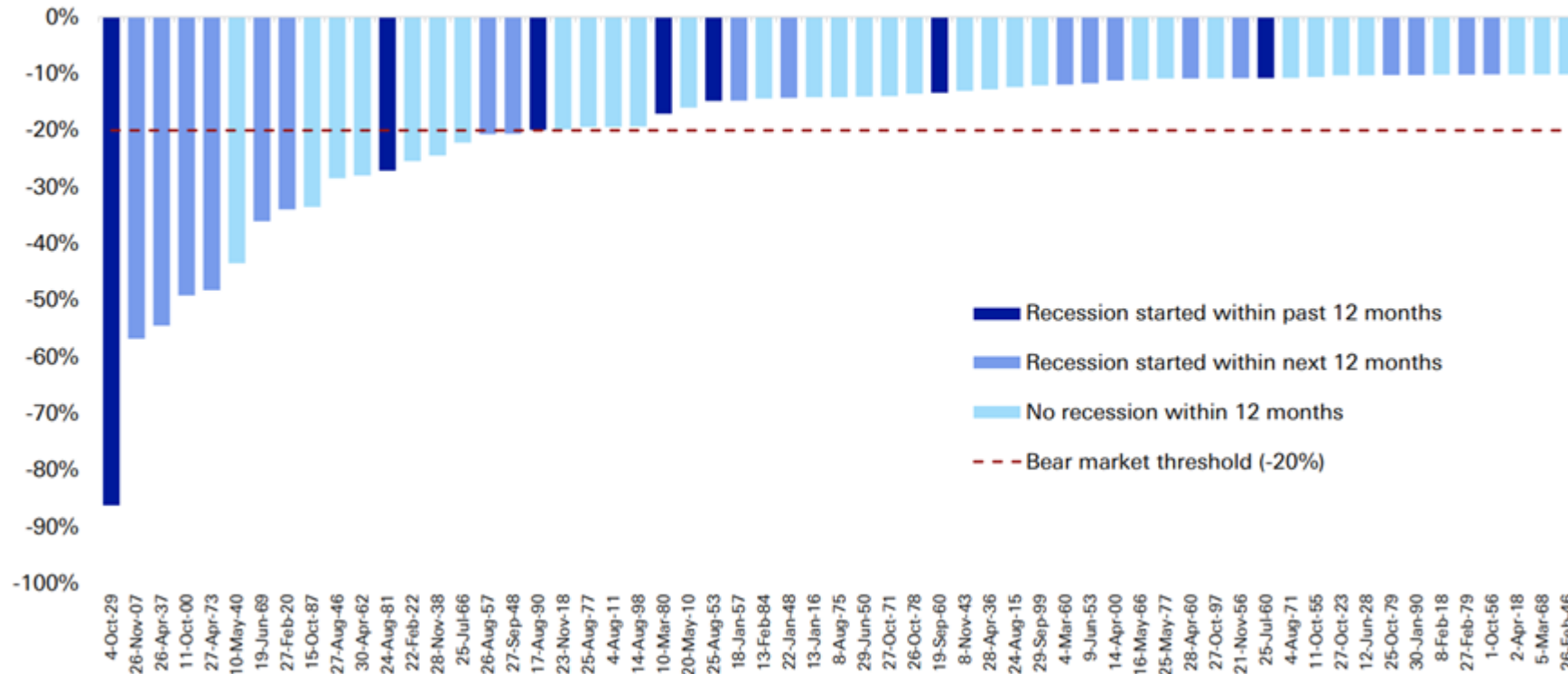
## Alerian MLP Index





# S&P Drawdown With Recession and Without Recession

Figure 1: Total drawdown from S&P 500 52w high at the start of each correction – 17 (28.8%) out of past 59 (since 1928) turned into bear markets. 42 (71.2%) stalled out between -10% and -20% down. 10 (16.9%) didn't round down to -11% so only just made it over the line.



Source : Bloomberg Finance LP, Deutsche Bank.

# Reminder During Recessions Stock Market Bottoms When Data Looks the Worst

And remember...in a correction/recession, equity prices generally recover way before GDP, payrolls, employment, housing, credit, real estate, etc

## Global Financial Crisis

### Equities vs earnings, payrolls and GDP

Index (100 = Mar 31, 2007)

Index (100 = Mar 31, 2007)



Source: BEA, Bloomberg, S&P Dow Jones, JPMAM. 2022. Note: Earnings is represented by S&P 500 EPS rolling 4Q avg.

## Stagflation of the 1970's

### Equities vs earnings, payrolls and GDP

Index (100 = Jun 30, 1973)

Index (100 = Jun 30, 1973)



Source: BEA, Bloomberg, Robert J. Schiller, JPMAM. 2022. Note: Earnings is represented by S&P 500 EPS rolling 4Q avg.

Thank you!

April 2025

**Jeff Dicks**  
Co-Chief Investment Officer



*See important disclosures following the presentation.*

# Index Definitions

- *Monthly nonfarm payrolls is published by the Bureau of Labor Statistics and tracks payrolls within the US, excluding jobs that involve farming, self-employed individuals, nonprofit employment, as well as military and intelligence employment.*
- *Government Employment as a percentage of all new employment gains is an index of government employment that includes federal, state, post office, education, and local government job. It is presented as a YoY rate of change figure.*
- *US Personal Income is income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources. These statistics can offer clues to Americans' financial health and future consumer spending and is sourced from the BEA.*
- *The Personal Savings Rate is income left over after people spend money and pay taxes is personal saving. The personal saving rate is the percentage of their disposable income that people save. This rate is followed to learn about Americans' financial health and to help predict consumer behavior and economic growth. Data is presented by the BEA.*
- *Consumer spending, or personal consumption expenditures (PCE), is the value of the goods and services purchased by, or on the behalf of, U.S. residents. At the national level, BEA publishes annual, quarterly, and monthly estimates of consumer spending.*
- *Real Personal Consumption Expenditures (PCE) is a key economic indicator that measures the inflation-adjusted spending by U.S. residents on goods and services, providing insights into consumer demand and economic health and is presented by the BEA.*
- *The United States Michigan Consumer Sentiment focuses on three areas: how consumers view prospects for their own financial situation, how they view prospects for the general economy over the near term, and their view of prospects for the economy over the long term. The index is presented monthly by the University of Michigan.*
- *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.*
- *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.*
- *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.*
- *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.*
- *The MetLife & U.S. Chamber of Commerce Small Business Index is released on a quarterly basis and is compiled from 750 unique online interviews with small business owners and operators each quarter. The Index delivers a comprehensive quantitative snapshot of the small business sector as well as explores small business owners' perspectives on the latest economic and business trends.*
- *The Conference Board Measure of CEO Confidence™ is a barometer of the health of the US economy from the perspective of US chief executives. The measure of CEO confidence is based on CEOs' perceptions of current and expected business and industry conditions. The survey also gauges CEOs' expectations about future actions their companies plan on taking in four key areas: capital spending, employment, recruiting, and wages.*
- *Trump Reciprocal Tariff slide displays the rate of tariffs, currency manipulation, and trade barriers believed to be imposed onto the US by trade partners according to the Trump administration*
- *US tariffs as a % of imports and % of GDP are historical tariff rates that have been imposed by the US with tariffs being estimated by US economists from the BEA, census, Haver, and Deutsche Bank. A tariff is a duty (a tax) imposed by a national government, customs territory, or supranational union on imports (or, exceptionally, exports) of goods.*
- *The "US Trade Balance of Goods and Services" is a key economic indicator that measures the difference between a country's total exports and total imports of both goods and services over a monthly period. It is presented by the BEA and is seasonally adjusted.*
- *US GDP in Nominal Dollars is a statistic that represents the total market value of all final goods and services produced within the United States in a specific period, evaluated at current market prices.*
- *The Federal Reserve's monthly index of industrial production and the related capacity indexes and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial sector, together with construction, accounts for the bulk of the variation in national output over the course of the business cycle and is presented by the Board of Governors of the Federal Reserve system.*
- *Slide 12 quotes the book "Trump The Art of the Deal" written by Tony Schwartz and Donald J. Trump.*
- *Tariffs from the US and China from September 2019 to December 2019 are sourced from BBC research.*
- *Federal government spending on Social Security, Defense, Medicare, Discretionary (requires annual congressional approval through appropriations legislation), and Net Interest (cost of servicing the national debt, meaning the interest payments on money the government has borrowed) is expressed as a percentage of GDP with data taken from the Congressional Budget Office.*
- *Slide 15 includes various article titles sourced from Bloomberg News, Morgan Stanley, J.P. Morgan, and Goldman Sachs*
- *Inflation expectations refer to how people anticipate prices will change in the future, and the median forecast index is a measure of the middle value of those expectations, often used to assess the overall inflation outlook. The Federal Reserve bank of New York conducts a Survey of Consumer Expectations to get this data.*
- *A duty rate is a term that can be interchangeably used with the word tariff. The data for furniture imports is sourced from the BEA where furniture includes household and institutional furniture, office furniture, and other furniture-related products.*



# Index Definitions

- *SOFR measures the cost of borrowing cash overnight collateralized by Treasury securities. There are approximately \$900 billion of actual daily market transactions supporting the daily calculation of SOFR. Using the implied rate, one can estimate the number of rate hikes/cuts inferred by the federal reserve*
- *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.*
- *The rate of change is the percent change from a price on one date, to a price on another date displayed daily*
- *The VIX Index is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPX™) call and put options. On a global basis, it is one of the most recognized measures of volatility -- widely reported by financial media and closely followed by a variety of market participants as a daily market indicator.*
- *The Russell 1000 Value Index is a measure of the performance of the large-cap value segment of the US equity universe, including those within the Russell 1000 Index that have a relatively low price-to-book ratio and lower forecasted growth, published by FTSE Russell.*
- *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 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.*
- *The MSCI EAFE Index is an equity index which captures large and mid cap representation across 21 Developed Markets countries\* around the world, excluding the US and Canada. With 694 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.*
- *The S&P MidCap 400® provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, is designed to measure the performance of 400 mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.*
- *The AAI US Investor Sentiment Bearish Readings Index is a weekly survey conducted by the American Association of Individual Investors (AAII) that measures the percentage of individual investors who are bearish about the direction of the stock market for the next six months.*
- *The AAI US Investor Sentiment Bullish Readings Index is a weekly survey conducted by the American Association of Individual Investors (AAII) that measures the percentage of individual investors who are bullish about the direction of the stock market for the next six months.*
- *The relative strength index (RSI) is a momentum indicator used in technical analysis. RSI measures the speed and magnitude of a security's recent price changes to detect overbought or oversold conditions in the price of that security.*
- *A simple moving average (SMA) is an arithmetic moving average calculated by adding recent prices and then dividing that figure by the number of time periods in the calculation average.*
- *The S&P 500 PE Ratio, or Price-to-Earnings Ratio, is a measure that compares the current market price of S&P 500 stocks to their earnings per share. The PE Ratio for the S&P 500 is calculated by dividing the current market price of the S&P 500 by the total earnings per share of its constituent companies for each corresponding year. This can also be measured on a forward estimate basis*
- *The NYSE Arca Global Airline Index ("AXGAL" or "Index") is a modified equal dollar weighted index designed to measure the performance of highly capitalized and liquid international airline companies. The Index tracks the price performance of selected local market stocks or ADRs of major U.S. and overseas airlines.*
- *The PHLX Semiconductor Sector is a capitalization-weighted index comprising the 30 largest U.S.-traded companies primarily involved in the design, distribution, manufacture, and sale of semiconductors. It is maintained by NASDAQ.*
- *The S&P 500 Industry Groups further narrow down broad sectors into a narrower industry group.*
- *Beta is a measure of an asset's volatility relative to the overall market (represented by the S&P 500). A beta of 1 means the asset's price tends to move in sync with the market, while a beta above 1 suggests higher volatility, and a beta below 1 suggests lower volatility.*
- *Russell 1000 Beta High minus Low measures the performance of high beta stocks relative to low beta stocks.*
- *The Bloomberg U.S. Aggregate Bond Total Return Index is designed to measure the performance of publicly issued U.S. dollar denominated investment-grade debt.*
- *The Markit iBoxx USD Liquid Investment Grade Index consists of liquid USD investment grade bonds, which provide a balanced representation of the USD liquid investment grade corporate bond universe.*
- *The Bloomberg US MBS Index Total Return Value Unhedged USD tracks the performance of fixed-rate, agency mortgage-backed pass-through securities (MBS) guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac, grouping individual TBA-deliverable MBS pools into aggregates based on program, coupon, and vintage*
- *The ICE BofA Fixed Rate Preferred Securities Index is a market-value weighted index that tracks the performance of fixed-rate, U.S. dollar-denominated preferred securities issued in the U.S. domestic market.*
- *The ICE BofA 0-1 Year U.S. Treasury Index tracks the performance of U.S. dollar-denominated, fixed-rate Treasury securities with a maturity of one year or less, using a market value-weighted methodology.*
- *The industrial production of furniture and related products, as measured by the Federal Reserve Bank of St. Louis, includes manufacturing of household and institutional furniture, office furniture, and other furniture-related products,*
- *US Polymarket US recession in 2025 last price refers to the betting odds of a recession where a recession is defined as either The National Bureau of Economic Research (NBER) publicly announces that a recession has occurred in the United States, at any point in 2025, with the announcement made by December 31, 2025 or the seasonally adjusted annualized percent change in quarterly U.S. real GDP from the previous quarter is less than 0.0 for two consecutive quarters between Q4 2024 and Q4 2025 (inclusive), as reported by the Bureau of Economic Analysis (BEA).*

# Index Definitions

- *The U.S. Treasury yield curve rate represents the relationship between the yields of U.S. Treasury securities and their varying maturity dates, providing a snapshot of interest rates across different time horizons.*
- *Treasury Yield is the effective annual interest rate that the U.S. government pays on a given debt obligations (2-year, 5-year, 10-year, etc.), representing the annual return investors can expect from holding a U.S. government security with a given maturity*
- *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*
- *BB Spreads are the difference in yields between corporate bonds with a BB credit rating and U.S. Treasuries, indicating the premium investors require to lower-grade corporate debt compared to safer government bonds.*
- *BBB Bond Yields represents the effective yield of the ICE BofA BBB US Corporate Index, or the lowest-rung of the Investment-grade bond universe.*
- *The high-yield corporate bond yield index is a benchmark that tracks the performance of a basket of high-yield corporate bonds, typically those rated below investment grade (like BB+ or below by S&P and Fitch, or Ba1 or below by Moody's), offering insights into the high-yield bond market's performance and yield.*
- *Yield to worst is a measure of the lowest possible yield that can be received on a bond with an early retirement provision. Yield to worst is often the same as yield to call. Yield to worst must always be less than yield to maturity because it represents a return for a shortened investment period.*
- *Mackinac Financial Corporation is a registered bank holding company formed under the Bank Holding Company Act of 1956 with assets in excess of \$1.5 billion and whose common stock is traded on the NASDAQ stock market as "MFNC."*
- *The VanEck J.P. Morgan EM Local Currency Bond ETF (EMLC®) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the J.P. Morgan GBI-EM Global Core Index (GBIEMCOR), which is comprised of bonds issued by emerging market governments and denominated in the local currency of the issuer.*
- *The Templeton Emerging Markets Income fund seeks high, current income, with a secondary goal of capital appreciation, by investing under normal market conditions, at least 80% of its net assets in income-producing securities of sovereign or sovereign-related entities and private sector companies in emerging market countries.*
- *The Morgan Stanley Emerging Markets Domestic Debt Fund seek a high level of current income, with a secondary investment objective of long-term capital appreciation by investing in a range of sovereign, quasi-sovereign and corporate debt securities in emerging markets. Investments are mostly denominated in emerging market and/or non-U.S. currencies*
- *The abrdn Asia-Pacific Income Fund, Inc. (FAX) is a closed-end, fixed-income mutual fund managed by Aberdeen Standard Investments that aims to provide current income by investing in debt securities issued by governmental entities, banks, companies, and other entities in Asia, Australia, and New Zealand.*
- *The Invesco Emerging Markets Sovereign Debt ETF (PCY) is an exchange-traded fund (ETF) that seeks to track the investment results of the DBIQ Emerging Market USD Liquid Balanced Index, investing primarily in U.S. dollar-denominated government bonds from emerging market countries.*
- *The BlackRock Credit Allocation Income Trust (BTZ) is a closed-end fund that aims to provide current income, current gains, and capital appreciation by investing in credit-related securities and is used as a representative example of the type of discount/premium to net asset value (NAV) the market is currently trading at vs. their NAV.*
- *The S&P BDC Index measures the performance of Business Development Companies that trade on major U.S. exchanges, weighted by float-adjusted market capitalization.*
- *The SPDR®Dow Jones® REIT ETF seeks to provide investment results that, before fees and expenses, that corresponds generally to the total return performance of the Dow Jones U.S. Select REIT Capped Index. Seeks to provide exposure to the publicly-traded REIT securities in the U.S.*
- *The Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).*
- *In the context of the S&P 500, a drawdown is the percentage decline in value from a peak to a subsequent trough, representing a period of market losses.*
- *Monthly nonfarm payrolls is published by the Bureau of Labor Statistics and tracks payrolls within the US, excluding jobs that involve farming, self-employed individuals, nonprofit employment, as well as military and intelligence employment.*
- *The S&P 500 EPS rolling 4-quarter average is a measure of the average earnings per share for the companies in the S&P 500 index over the trailing four quarters (a one-year period).*

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