MARKET COMMENTARY

DAVENPORT 1863
BUILDING WEALTH TOGETHER

MARCH 2025

- The best performing sector for February was Consumer Staples while the worst was Consumer Discretionary
- Risks of stagflation seem elevated, last experienced five decades ago
- Weak economic indicators raise concerns surrounding the pace of policy changes

Equity markets weakened in February as the accumulation of softer consumer data and an environment of increasing uncertainty linked to a series of new tariff announcements as well as disruption from government cutbacks sent investors to the sidelines. Markets had evidenced significant resilience into mid-February in the face of multiple headwinds but signs of weakness in the consumer including a soft retail sales report and declining consumer confidence raised questions about the sustainability of growth and the potential for stagflation. The pace of recent policy changes including DOGE inspired government layoffs appear to be contributing to rising market volatility as seen in a steady climb in the VIX index through the month. Although we remain encouraged by the outlook for corporate earnings growth, we are concerned that emerging market headwinds may be beginning to weigh on investor sentiment amidst relatively high current equity valuations.

Equity markets broadly weakened in February with the Dow Jones Industrial Average down by 1.6%, the S&P 500® index down 1.4%, and the smaller cap weighted Russell 2000® declining 5.5%. As the month progressed, the VIX index, or fear gauge climbed from the mid-teens range to end the month near year-to-date highs of slightly below 20.

Five of the eleven industry sectors of the S&P 500 declined during February. The best performing sector was Consumer Staples which increased by 5.6% and was followed by the Real Estate sector which was up 4.1% and the Energy sector up 3.3%. The weakest performance in the month by far was posted by the Consumer Discretionary sector which decreased by 9.4% followed by the Communication Services sector which was down 6.3% and the Industrials sector which decreased by 1.6%. For the prior twelve months period, the Financials sector was the best performer with a 29.4% increase followed by the Communication Services sector which was up 28.0%, while the Materials sector was the worst performer for the past twelve months with a 1.3% increase followed by the Health Care sector which was up 2.8%.

A little over one month into the new Trump Administration, investor optimism has faded as the President has moved aggressively on tariffs, foreign policy, and fiscal efforts to trim federal spending. Optimism on the economic outlook has eroded with the Conference Board's Consumer Confidence index for February falling to a reading at 98.3 (consensus stood at 102.8) from the January stat of 105.3. The 7.0 point decline was the largest monthly dip since August 2021, while inflation expectations have surged with consumers anticipating prices rise by 6.0% over the next 12 months (a 21 month high) with worries over tariffs, inflation, and future employment prospects driving the decline. Weakness has also emerged in the housing market with existing home sales in January declining by 4.9% to a 4.08 million annual pace according to the National Association of Realtors. Housing affordability appears to be weighing on sales with 30-year fixed mortgage rates tracking near the 7% range and median home prices reaching all time highs at $396,900. We note that post these economic reports, the March 3rd Atlanta Fed's GDPNow report estimates 1Q2025 real GDP growth may actually decline by 2.8% on an annualized basis.

The combination of sticky inflation with slowing economic growth has some economists mentioning 'stagflation' which was last experienced five decades ago. The potential for stagflation appears somewhat elevated with risks arising as the administration pursues policies including new tariffs that could boost inflation while potentially depressing economic growth at least in the short run. We see the possibility for rising volatility in the near term as difficult to forecast policy initiatives emerge that could potentially drive inflation expectations and interest rates higher or, alternatively, weaken economic growth prospects leading to further downward rate pressure.

The January Personal Consumption Expenditures Price Index (PCE) released in late February pointed to modest sustained disinflation, in-line with expectations, offering relief after the most recent Consumer Price (CPI) report showed inflation accelerated in January to 3% on an annual basis. Headline PCE, the FOMCs preferred inflation measure, increased 0.3% for the month and by 2.5% on an annual basis. Excluding food and energy, Core PCE also rose 0.3% for the month and is up by 2.6% annually. Goods prices rose 0.5% on the month, pushed by a 0.9% increase in motor vehicles and parts as well as a 2.0% rise in gasoline prices. In contrast, services costs moved up just 0.2%, while housing costs abated, rising by 0.3% on the month. On an encouraging note, personal incomes

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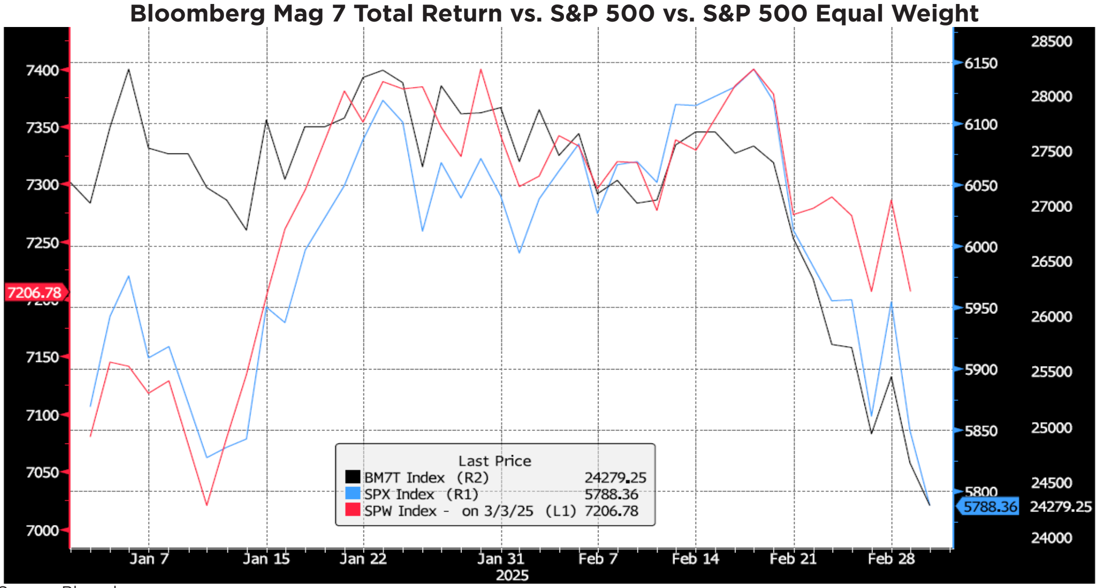
surged higher – ramping by 0.9% in January (well ahead of forecasts targeting gains of 0.4%). However, higher incomes did not translate into concomitant gains in spending that actually fell 0.2%. In contrast, economists had targeted spending to ramp by about 0.1%. Finally, we note that the personal savings rate moved measurably higher from 3.5% to 4.6% in January symptomatic of heightened consumer concerns on the economic outlook. On the flip side, we would suggest that consumers are building dry powder/savings that could flow through the economy later this year once clarity on Trump Administration policy and the economic outlook becomes more evident.

Although recently trimmed, corporate earnings estimates continue to be supportive of another year of double digit growth in 2025. FactSet Research reports that given latest earnings guidance from Corporate America along with shifting consumer sentiment, consensus earnings forecasts for the S&P 500 have been trimmed by roughly 1% for fiscal 2025 although still forecast to grow a healthy 10% for the year. At the sector level, FactSet indicates analyst expectations have been reduced for 10 S&P segments led by Materials (-9.1%), with Financials being the one sector seeing higher forecasts for 2025 (up 1.1%).

As mentioned earlier, equity markets were pressured in February with the S&P 500 index, which is market capitalization weighted, down 1.4% for the month. The decline in the S&P 500 index during February has been significantly influenced by recent weakness amongst large cap technology stocks including most members of the Magnificent 7. The three lines on the following chart present the S&P 500 Index, the equally weighted S&P 500 index, and the Bloomberg Magnificent 7 Total Return Index. The chart shows the steep decline in the Mag 7 that occurred in late February which has influenced the degree of the recent drop in the S&P 500 as investors have shunned many large cap technology stock leaders.

Bloomberg Mag 7 Total Return vs. S&P 500 vs. S&P 500 Equal Weight



Source: Bloomberg

Recent weakness in economic indicators ranging from consumer confidence, rising unemployment claims and softening retail sales to very weak housing data all raise concerns that the pace of policy changes by the Trump administration may weigh on economic growth prospects, while fueling inflation that has driven market rotation and volatility. Despite heightened inflation expectations of late, interest rates have backed off measurably as a flight to safety has increased demand for fixed income holdings. In the meantime, PCE at 2.5% persists well above FOMC targets of 2.0% with the Fed appearing to be in 'wait and see' mode for the near term regarding Fed funds interest rate policy. The term 'stagflation' many of us remember from the mid to late 1970's has resurfaced among some economists – although we sense that the current soft patch for the U.S. economy will likely be brief.

Once Trump Administration initial moves on tariffs, federal employment and the U.S, budget are better understood this year, we anticipate anxiety could abate. That is, we remain optimistic on economic prospects over the intermediate term into 2H2025 and 2026 as initial FOMC rate cuts flow through the economy and the prospect for corporate earnings growth remains sound. Consensus estimates target double digit corporate earnings gains in 2025 that could prove to be the critical driver for equities this year (in contrast to P/E expansion that was a key factor in 2024). If forthcoming as forecast, earnings could support appreciation of equity market averages by high single digits or more despite some potential for P/E contraction. Time will tell how Trump Administration policy and the U.S economy evolve and interest rates play out in 2025. We remain selective with investment focused among quality, well-managed, companies poised to potentially benefit from an improved economic outlook into 2H2025.

MARKET AND ECONOMIC STATISTICS

Market Indices:	2/28/2025	12/31/2024	% Change YTD	1/31/2025	% Change (Monthly)
S&P Composite	5,954.50	5,881.63	1.24%	6,040.53	-1.42%
Dow Jones Industrials	43,840.91	42,544.22	3.05%	44,544.66	-1.58%
NASDAQ Composite	18,847.28	19,310.79	-2.40%	19,627.44	-3.97%
Russell 2000	2,163.07	2,230.16	-3.01%	2,287.69	-5.45%
FTSE 100	8,809.74	8,173.02	7.79%	8,673.96	1.57%
Shanghai Composite	3,320.90	3,351.76	-0.92%	3,250.60	2.16%
Nikkei Stock Average	37,155.50	39,894.54	-6.87%	39,572.49	-6.11%
Stoxx Europe 600	557.19	507.62	9.77%	539.53	3.27%
MSCI Emerging Markets	1,097.25	1,075.48	2.02%	1,093.37	0.35%
MSCI Emerging Markets Small Cap	1,329.16	1,406.15	-5.48%	1,366.33	-2.72%

Performance of S&P 500 by Industry:	% of Index as of 2/28/2024	1 Month	3 Month	Year to Date	12 Months
Consumer Discretionary	10.50%	-9.42%	-3.24%	-5.44%	16.58%
Consumer Staples	5.88%	5.59%	1.94%	7.58%	16.36%
Energy	3.30%	3.28%	-4.72%	5.35%	5.63%
Financials	14.52%	1.28%	1.74%	7.76%	29.37%
Health Care	10.77%	1.37%	1.20%	8.07%	2.84%
Industrials	8.32%	-1.60%	-5.07%	3.31%	12.71%
Information Technology	30.69%	-1.41%	-3.23%	-4.30%	17.68%
Materials	1.99%	-0.15%	-6.13%	5.36%	1.32%
Communication Services	9.45%	-6.30%	5.68%	2.12%	28.03%
Utilities	2.39%	1.17%	-4.33%	4.06%	27.69%
Real Estate	2.19%	4.10%	-3.78%	5.91%	10.45%
S&P 500 (Absolute performance)	100.00%	-1.42%	-1.29%	1.24%	16.84%

Interest Rates:	2/28/2025	12/31/2024	YTD Change (Basis Points)	1/31/2025	Month Change (BPS)
Fed Funds Effective Rate	4.33%	4.33%	0	4.33%	0
Prime Rate	7.50%	7.50%	0	7.50%	0
Three Month Treasury Bill	4.24%	4.28%	-4	4.24%	0
Ten Year Treasury	4.21%	4.57%	-36	4.54%	-33
Spread - 10 Year vs 3 Month	-0.03%	0.29%	-33	0.30%	-33

Foreign Currencies:	2/28/2025	12/31/2024	% Change YTD	1/31/2025	% Change (Monthly)
Brazil Real (in US dollars)	0.17	0.16	4.9%	0.17	-0.7%
British Pound (in US dollars)	1.26	1.25	0.5%	1.24	1.5%
Canadian Dollar (in US dollars)	0.69	0.70	-0.5%	0.69	0.6%
Chinese Yuan (per US dollar)	7.28	7.30	-0.3%		
Euro (in US dollars)	1.04	1.04	0.2%	1.04	0.1%
Japanese Yen (per US dollar)	150.63	157.20	-4.2%	155.19	-2.9%

Commodity Prices:	2/28/2025	12/31/2024	% Change YTD	1/31/2025	% Change (Monthly)
CRB (Commodity) Index	539.22	536.50	0.5%	541.96	-0.5%
Gold (Comex spot per troy oz.)	2857.83	2624.50	8.9%	2798.41	2.1%
Oil (West Texas int. crude)	69.76	71.72	-2.7%	72.53	-3.8%
Aluminum (LME spot per metric ton)	2621.06	2526.78	3.7%	2592.24	1.1%
Natural Gas (Futures 10,000 MMBtu)	3.83	3.63	5.5%	3.04	26.0%

Economic Indicators:	1/31/2025	12/31/2024	% Change YTD	12/31/2024	% Change (Monthly)
Consumer Price Index	319.1	317.6	-0.5%	317.6	0.5%
Producer Price Index	262.5	261.4	-0.4%	261.4	0.4%
	4Q24	**3Q24**	**2Q24**	**1Q24**	**4Q23**
GDP Growth Rate (Quarterly)	2.30%	3.10%	3.00%	1.60%	3.20%
Unemployment Rate (End of Month)	**January 4.0%**	**December 4.1%**	**November 4.2%**	**October 4.1%**	**September 4.1%**

*GDP growth rate is calculated as the percent change from the previous period seasonally adjusted at annual rates. **S&P Sectors were re-named at the end of 2001. The sector Industrials is a combination of the former sectors Capital Goods & Transportation.Sources: Wall Street Journal, Bloomberg, The Department of Labor, The Bureau of Labor Statistics, The Bureau of Economic Analysis, US Treasury website.

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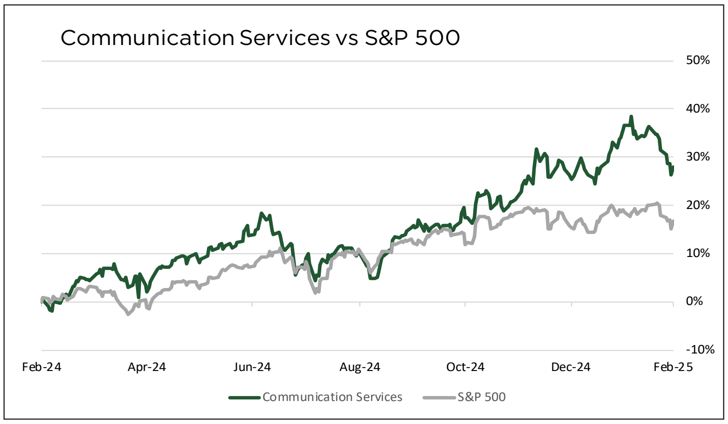
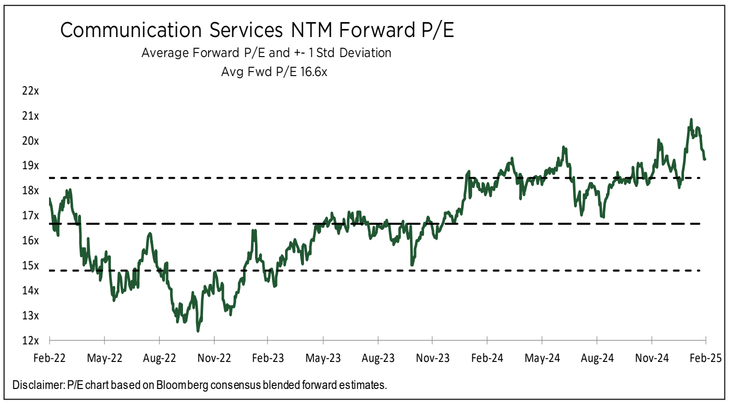
COMMUNICATIONS SERVICES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-6.30%	5.68%	2.12%	28.03%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	T-Mobile US Inc	15.8%
	AT&T Inc	15.5%
	Take-Two Interactive	14.3%
	Fox Corp	12.5%
	Fox Corp	11.3%
Laggards	Alphabet Inc	-16.5%
	Alphabet Inc	-16.2%
	Match Group Inc	-11.2%
	Omnicom Group Inc	-4.6%
	Interpublic Group	-4.4%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$16.01	$17.47	$19.59
21.8x	20.0x	17.8x

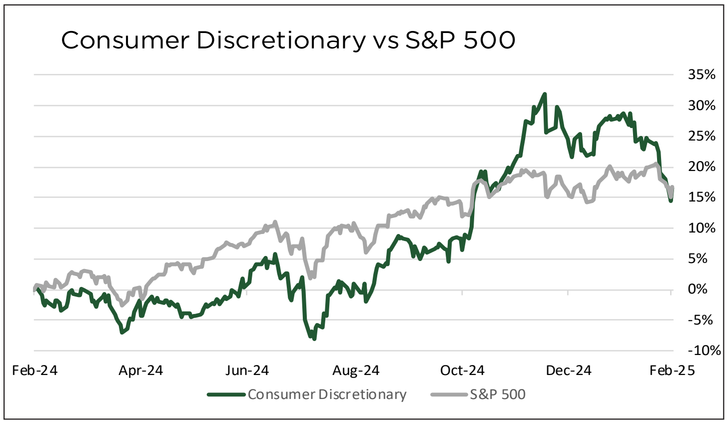
Sector Update

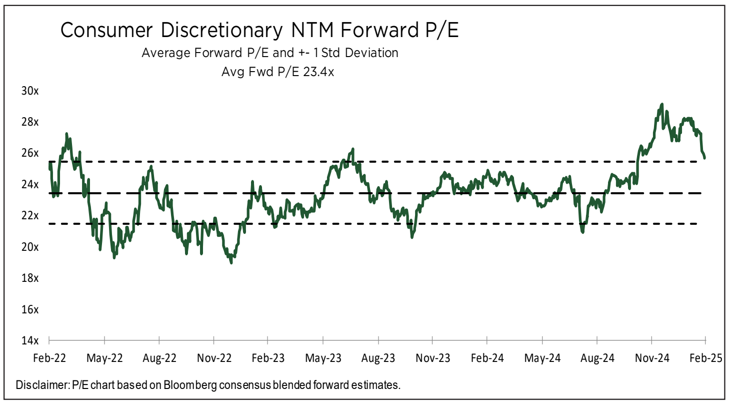
Communications Services significantly underperformed the market in February as the decline in the Interactive Media & Services sub-sector more than offset the rise in the Diversified Telecommunications Services, Entertainment and Media sub-sectors. Interactive Media & Services was impacted by the decline in Alphabet's shares after it reported lower than expected Q-4 24 revenue and Google Cloud revenue as capacity constraints limited its growth potential. Based on recent management commentary from a leading supplier of semiconductors for AI infrastructure, it appears that AI demand remains robust and is supported by higher inferencing demand from new reasoning models that consume up to 100x more compute capacity than legacy models.

Leading U.S. telecommunications carriers reported better than expected broadband and wireless growth, which was well received by investors, and contributed to the 12.5% appreciation in the Diversified Telecommunications Services sub-sector in February. The carriers are gaining share in the broadband market against cable systems operators with their fixed wireless and fiber optic network high-speed Internet services. Investor concern that U.S. tariffs could impact U.S. companies with global markets and operations, may have led them to increase their investment in domestically focused telecommunications companies.

Communications Services companies in the Entertainment, Media, and Interactive & Media Services sub-sectors could be impacted by weaker U.S. consumer demand in the event the Trump Administration's tariffs on U.S. trading partners contributes to higher inflation.

The Communications Services sector appears close to fairly valued, with a P/E of 20x the consensus analyst FY25 EPS estimate, compared to 12% earnings growth and its average forward P/E multiple of 16.6x.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-9.42%	-3.24%	-5.44%	16.58%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Yum! Brands Inc	19.8%
	Tapestry Inc	17.1%
	Domino's Pizza Inc	16.7%
	Expedia Group Inc	15.8%
	LKQ Corp	12.8%
Laggards	Tesla Inc	-27.6%
	Deckers Outdoor Corp	-21.4%
	Norwegian Cruise Line	-19.9%
	Carnival Corp	-13.5%
	Lululemon Athletica Inc	-11.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$60.02	$62.96	$72.43
28.9x	27.5x	23.9x

Sector Update

The Consumer Discretionary sector dramatically underperformed the broader market in February as a range of macroeconomic data weighed on investor sentiment. Following a soft retail sales release mid-month, reports for both consumer confidence and consumer sentiment missed expectations which raised concerns about the overall health of the consumer. Among Consumer Discretionary sub-sectors, the strongest performance by far was posted by the Leisure Products category followed by Distributors while Automobiles and Multiline Retail were softest. The sharp downdraft in the Consumer Discretionary sector in the month shifted performance metrics from outperforming to underperforming the S&P 500 for all reported periods over the trailing twelve months, as reflected in the accompanying chart.

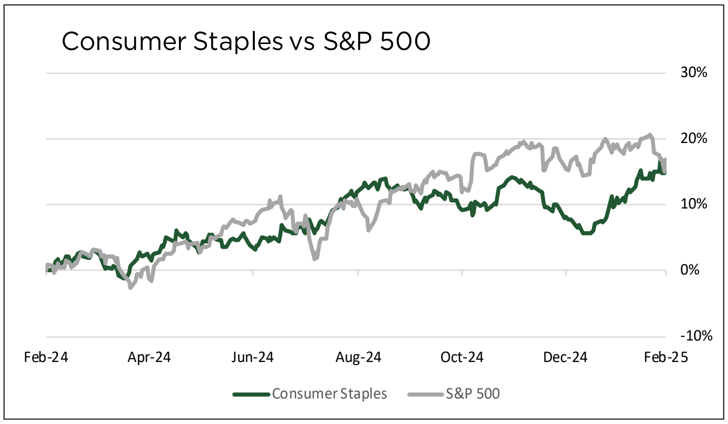
Following December's solid retail sales report, the Census Bureau indicated that January retail sales declined by the most in almost two years. Although challenging weather appears to have weighed on consumers, the January sales report indicating a 0.9% drop came as a disappointment missing the Bloomberg consensus target of down just 0.2%. Excluding autos and gasoline, core retail sales dropped 0.5% which was well below the consensus target for a 0.3% increase.

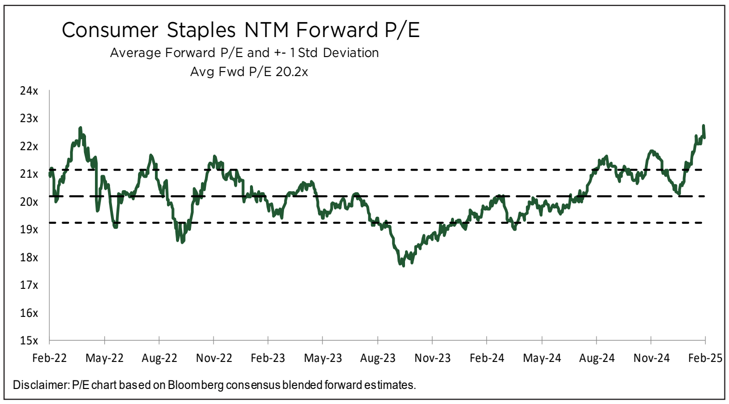
The University of Michigan reported that February Consumer Sentiment declined from 67.8 early in the month to 64.7. This level represents the weakest sentiment report since November of 2023 and is a sharp drop from the January report of 71.1. Measures of current conditions and expectations both declined in February with a noteworthy decline in current conditions which dropped from 75.1 in January to 65.7 in February. Joanne Hsu, director of the University of Michigan's Surveys of Consumers, indicated that: "Consumers' expectations for the path of inflation worsened considerably this month; they are clearly bracing for a resurgence in inflation."

Similar to the weak sentiment report, Consumer Confidence has declined with the index dropping to 98.3 in February from a revised 105.3 according to The Conference Board. This level of confidence is the lowest seen in eight months with consumers grappling with tariff concerns and inflation which has been exacerbated by avian flu driving egg prices higher. The Expectations Index which tracks the 6-month economic outlook was also weak with the index dropping from a revised 82.2 to 72.9.

Existing home sales in January declined by 4.9% to a 4.08 million annual pace according to the National Association of Realtors. Housing affordability appears to be weighing on sales with 30-year fixed mortgage rates tracking near the 7% range and median home prices reaching all time highs at $396,900. The realtors association also reported that sales trends diverged by home price levels with growth of 27% for homes priced over $1 million versus declines for homes priced at $250,000 or less. The length of time a home has remained on the market has increased to 41 days on average which is the highest level seen since early 2020.

CONSUMER STAPLES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
5.59%	1.94%	7.58%	16.36%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Philip Morris Int.	19.3%
	Hershey Co/The	15.7%
	Monster Beverage Corp	12.2%
	Coca-Cola Co/The	12.2%
	Molson Coors Beverage	11.9%
Laggards	Estee Lauder Cos Inc	-13.8%
	Lamb Weston Holdings	-13.5%
	Target Corp	-9.9%
	Archer-Daniels-Midland	-7.9%
	Hormel Foods Corp	-4.5%

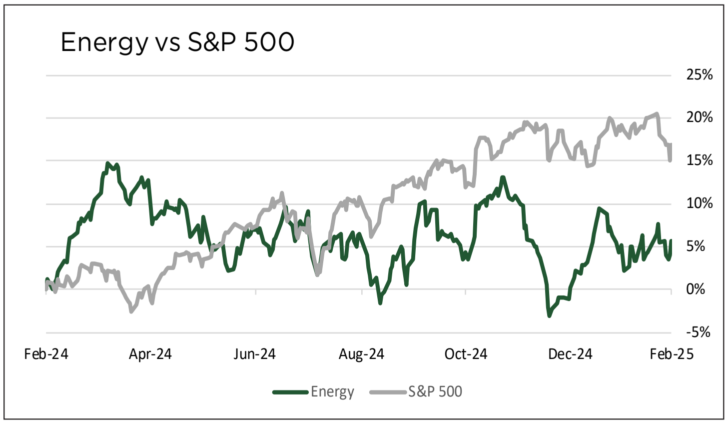
Consensus FY EPS / P/E

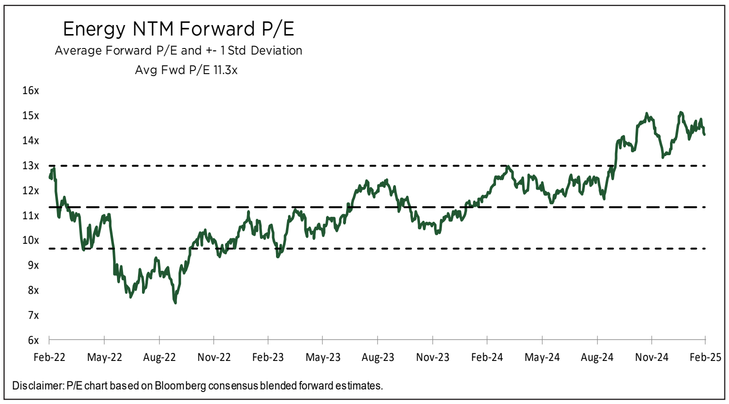
Last Year	Current Year	Next Year
$39.70	$39.79	$40.08
23.1x	23.1x	22.9x

Sector Update

The Consumer Staples sector increased 5.59% on average in February and outperformed the S&P 500 Index that decreased by 1.42%. YTD, the Consumer Staples sector has recorded strong performance increasing 7.58% and outperforming the S&P 500 Index that rose by 1.24%. The Consumer Staples segment trades with a forward P/E of 23.1x as compared with its average forward P/E of 20.2x. As uncertainty rises in the marketplace, investor interest widens to more defensive companies offering attractive yields. All segments reported gains for the month, but Tobacco well outperformed with a 15.5% increase reflecting strong earnings as well as Trump's administration's decision to withdraw the proposed menthol ban. Momentum continues with contribution from strong pricing for combustibles and continued growth for smoke-free IQOS, ZYN and On! products. Tobacco companies remain confident in their smoke-free transformation and delivering both continued momentum and their financial outlook. Tobacco companies remain committed to returning value to shareholders, generating strong cash flow and supporting attractive dividend yields. Entering 2025, the Consumer Staples sector faces numerous near-term headwinds including potentially increased regulation by RFK and MAHA uncertainties, continued GLP-1 adoption by consumers, uncertainty regarding tariffs, proposed labels for alcohol, uncertainty about SNAP payments, and higher interest rates. Potential tariffs raise questions about input costs, potential global trade disruptions and customer demand. Portfolio transformation through divestments and acquisitions as well as streamlining the number of product offerings remains a key theme. Given attractive valuations and the need for top-line growth, we continue to expect heightened M&A activity in 2025. We continue to advise a selective investment among the Consumer Staples stocks and a market weighting remains preferred.

Company presentations during the recent Consumer Analyst of New York (CAGNY) conference held in February centered on the consumer including changing consumption patterns, shopping behaviors, channel shift (e-commerce, mass, c-store, etc.), level of promotional activity and trend toward GLP-1 use, lifestyle, and health and wellness. The convenience store channel remains under pressure from a challenged consumer while e-commerce and mass remain preferred channels. Packaged food companies seek to remain relevant with both its customers/retailers and consumers. Those companies that successfully execute pricing and revenue management strategies should be better positioned to gain market share. Food companies are increasing promotions with mixed response by consumers and volume lift. Timing of positive volume inflection remains uncertain, and there is a rising concern for more aggressive promotions and pricing potentially pressuring margins. The domestic consumer remains bifurcated shopping value whether absolute price point or larger more value pack options. Households are increasingly getting smaller resulting in a shift towards smaller pack sizes. Investment in AI, technology and data analytics to market, innovate, and reach consumers was a theme along with speed of adoption with focus on enhancing ROIC. Protein companies are reporting stronger results on consumer demand for increased protein consumption and lower input costs (ie grains). Both innovation and the potential for a stronger dollar remain key factors.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
3.28%	-4.72%	5.35%	5.63%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Texas Pacific Land Corp	10.1%
	Phillips 66	10.0%
	Hess Corp	7.1%
	Chevron Corp	6.3%
	Devon Energy Corp	6.2%
Laggards	EQT Corp	-5.8%
	APA Corp	-5.6%
	Baker Hughes Co	-3.4%
	Diamondback Energy Inc	-3.3%
	Coterra Energy Inc	-2.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$44.85	$46.43	$53.32
15.4x	14.9x	12.9x

Sector Update

The Energy sector outperformed the broader market in February and YTD while underperforming on a 3-month and trailing twelve-months basis. With a potential Ukraine-Russia peace deal seemingly more difficult than initially anticipated to attain and hostilities in the Middle East subsiding for now, we look for potential growth opportunities in the sector after two years of relative underperformance. Against this backdrop, the Oil, Gas, & Consumable Fuels sub-sector outperformed the Energy Equipment & Services sub-sector.

After six consecutive cuts to OPEC's world oil demand growth forecast the cartel left their estimate unchanged in February with demand expected to rise by 1.45 million barrels per day (bpd) in 2025 and by 1.43 million bpd in 2026. OPEC expects travel to support consumption while potential tariffs are not expected to impact economic growth. However, the cartel did note that trade policies by the Trump administration have influenced a heightened sense of uncertainty in markets. Nevertheless, OPEC decided to proceed with planned April oil output increases, unwinding cuts of 2.2 million bpd. The shift is estimated to add around 138,000 bpd according to Reuters.

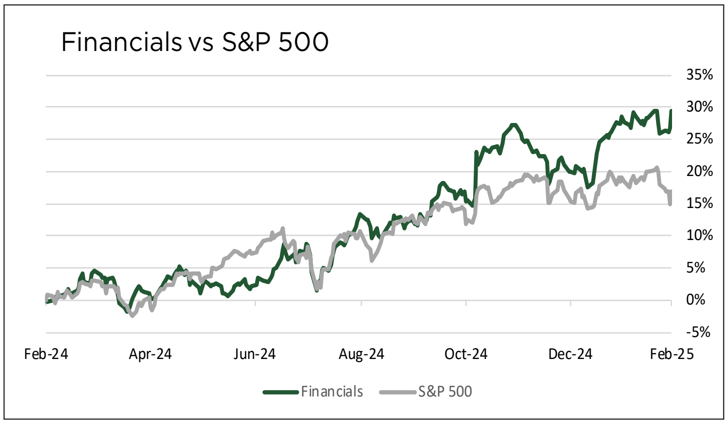
The International Energy Agency's (IEA) raised their global oil demand growth forecast for 2025 to 1.1 million bpd compared to last month's figure of 1.05 million bpd. The IEA details in their report that China will marginally remain the largest source of growth primarily driven by the petrochemical sector. The organization also expects that non-OPEC+ countries, primarily Asian economies, will start taking a bigger piece of the global oil pie.

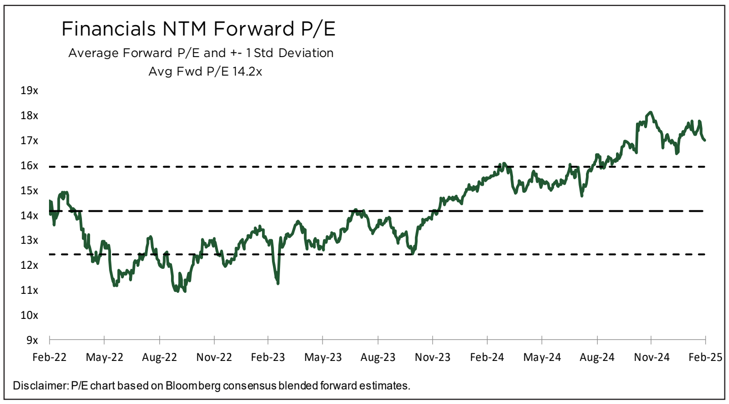
Previously delayed tariffs from the Trump administration are expected to go into effect in March. The administration is calling for 25% tariffs on goods imported from Canada and Mexico along with 10% levies on energy resources imported from Canada. Jonathan Wilkinson, Canada's minister of energy and natural resources, provided commentary on the tariffs saying that "We will see higher gasoline prices as a function of energy, higher electricity prices from hydroelectricity from Canada, higher home heating prices associated with natural gas that comes from Canada and higher automobile prices."

West Texas Intermediate (WTI) crude oil prices decreased to $69.76 at the end of the month from the $72.53 level seen last month. Natural gas prices increased to $3.83 from $3.04 last month. Retail gasoline decreased slightly to ~$3.09 from the ~$3.10 figure a month ago.

The Baker Hughes oil rig count increased slightly to 593 in January from the 582-level last month. For the week ending February 21, U.S. crude oil inventories came in at 430.2 million barrels, which is ~4% below the five-year average for this time of year and compares to last month's 415.1 million barrels. Following the downturn seen during the height of the pandemic in 2020, U.S. crude oil production has been in an uptrend, which continued during 2024 and into 2025. The trough daily production seen in 2020 was in the 9.7 million barrels per day range and has now rebounded to a range of ~13.4 million barrels per day.

FINANCIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.28%	1.74%	7.76%	29.37%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Progressive Corp/The	14.4%
	Brown & Brown Inc	13.3%
	American International	12.6%
	Arthur J Gallagher & Co	11.9%
	Aon PLC	10.3%
Laggards	PayPal Holdings Inc	-19.8%
	KKR & Co Inc	-18.8%
	Fidelity National Information	-12.7%
	Apollo Global Mngmt	-12.7%
	MarketAxess Holdings	-12.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$47.53	$49.01	$53.24
18.2x	17.7x	16.3x

Sector Update

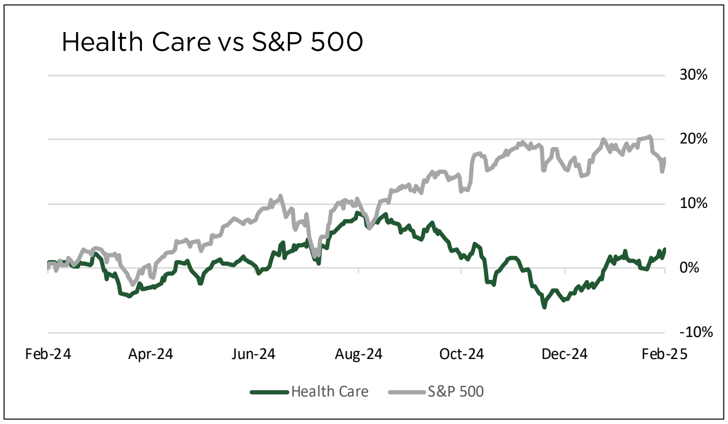
The Financials sector outperformed the broader market in February as a beneficiary of rotation from ‘Magnificent 7’ names. The sector also outperformed the S&P 500® on a 3-month, YTD, and trailing twelve-months basis. Sub-sector performance was mixed, led by strong gains in the Insurance group (+7.1%) offset by declines among Banks, Capital Markets, and Consumer Finance in a range of -1.4% to -4.6% in the period.

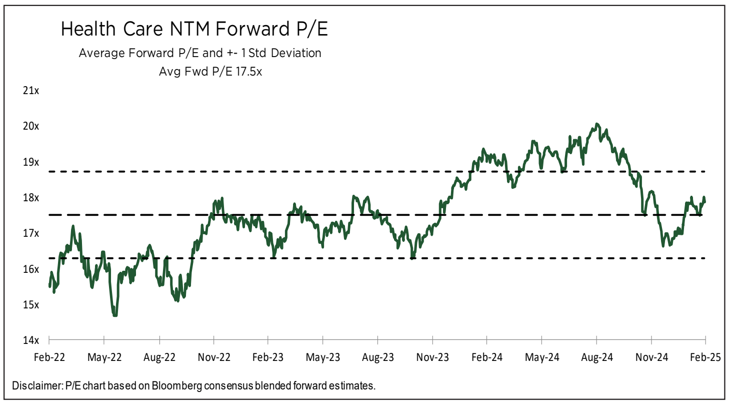
The Insurance sub-sector was particularly strong in February as quarterly reports suggested more limited claims liability tied to recent wildfire and flooding catastrophe events, while extending hard market conditions as a tailwind to premium growth.

Treasury yields moved lower in the month as economic growth concerns emerged on the back of softening consumer trends and tariff uncertainty. Near-term economic uncertainties contributed to a reversal of post-election gains, particularly among lenders in the Bank and Consumer Finance groups. While interest margins could benefit from lower short-term rates if the Fed moves to cut its policy rate sooner than expected—a cut related to growth concerns would likely heap additional pressure on Financials performance. While near-term performance could remain choppy, particularly as the market digests recent tariff actions—potential deregulation efforts, specifically relaxed capital and liquidity rules, under President Trump may promote increased bank-merger activity and the possibility of improved investor sentiment.

In early March, the Trump administration implemented 25% tariffs on both Mexican and Canadian imports creating an overhang for U.S. markets and the Financials sector. Risks appear elevated for banks linked to potential pressure on economic growth and/or valuations if we see tariff linked impacts on consumer & retail, industrials, and automotive lending. As a result, businesses with more advisory, investment banking, and trading services may fair better in the first-half of 2025.

At month-end, the Financials sector traded at a forward P/E ratio of 17.7x FY25 consensus expectations, well above its three-year average forward twelve-month P/E multiple of 14.1x. Financials could possess solid earnings growth potential in the medium-term if loan growth improves, the yield curve steepens, fee incomes rebound on capital markets activity picking up, and credit reserving needs decelerate; however, valuations appear to have ‘pulled forward’ these expectations to a large extent.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.37%	1.20%	8.07%	2.84%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Gilead Sciences Inc	17.6%
	CVS Health Corp	16.4%
	AbbVie Inc	13.7%
	Eli Lilly & Co	13.5%
	Johnson & Johnson	8.5%
Laggards	West Pharmaceutical	-32.0%
	Teleflex Inc	-26.3%
	Moderna Inc	-21.5%
	Viatris Inc	-18.2%
	DaVita Inc	-16.1%

Consensus FY EPS / P/E

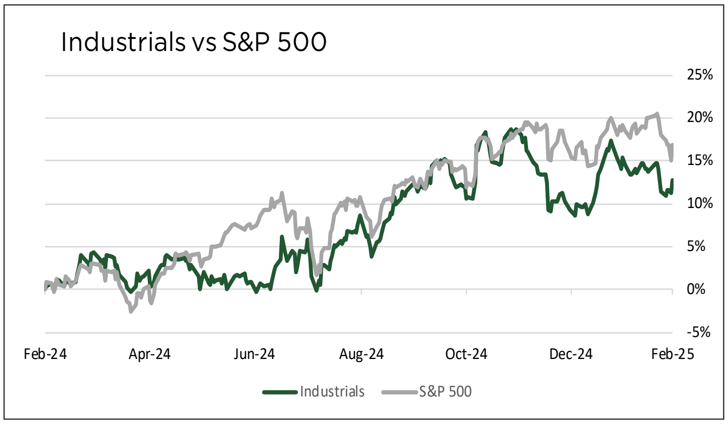
Last Year	Current Year	Next Year
$81.20	$94.87	$103.44
21.4x	18.3x	16.8x

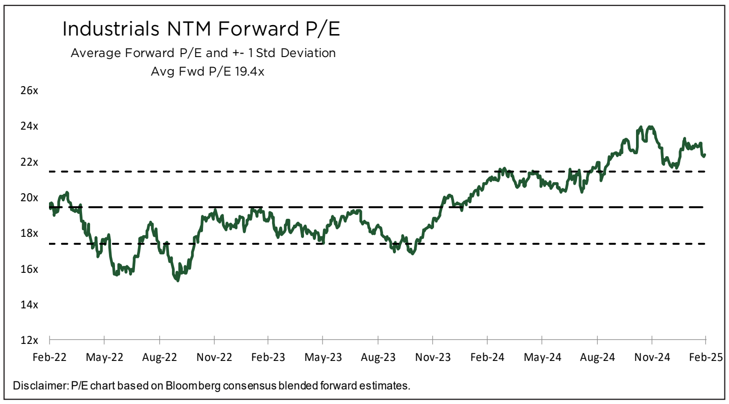
Sector Update

The Health Care sector's 1.37% gain outperformed the 1.42% loss from the S&P 500 in February. Following Health Care's outperformance during the month, Health Care is now the best performing space in the S&P 500 on a year-to-date basis. Throughout 2025, Health Care has benefited from a defensive tilt that emerged in the market following an increase in economic uncertainty. Decent earnings results appear to have driven positive sector performance in February, possibly supported by full year earnings growth expectations that are among the highest in the S&P 500.

During the middle of the month, RFK Jr. was officially confirmed as the HHS secretary. For several weeks prior to his nomination, it appeared uncertain if RFK Jr. had enough senators backing him to secure the position. Eventually, RFK Jr. gained 52 votes in support of his nomination compared to 48 votes opposing his nomination. While RFK Jr.'s nomination has been seen by some investors as a net negative to Health Care equities, the non-cyclical nature of the sector appears to have appealed to investors following broader market fears about government tariffs and the potential for rising inflation. Still, Health Care policy appears to have remained at the forefront of investors' minds in February as potential Medicaid spending cuts, FDA spending cuts, and vaccine legislation dominated headlines. Additionally, FTC chair Andrew Ferguson sent a memo to agency staff during the month that strict Biden-era merger guidelines will remain in place, which may serve as a setback to Health Care deal activity.

The Health Care Providers & Services and Life Science Tools & Services sub-sector's reported declines during the month, although positive growth from the Biotechnology, Health Care Providers & Services, and Pharmaceutical sub-sectors drove positive growth from the overall sector. The Health Care sector trades at a forward P/E ratio of 18.3x 2025 earnings, above the historical average of 17.5x.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.60%	-5.07%	3.31%	12.71%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Uber Technologies Inc	13.7%
	Johnson Controls Inter-	9.8%
	Republic Services Inc	9.3%
	Howmet Aerospace Inc	7.9%
	Rollins Inc	5.8%
Laggards	Axon Enterprise Inc	-19.0%
	Builders FirstSource Inc	-16.9%
	Quanta Services Inc	-15.6%
	United Rentals Inc	-15.3%
	IDEX Corp	-13.4%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$43.47	$49.74	$56.82
26.5x	23.2x	20.3x

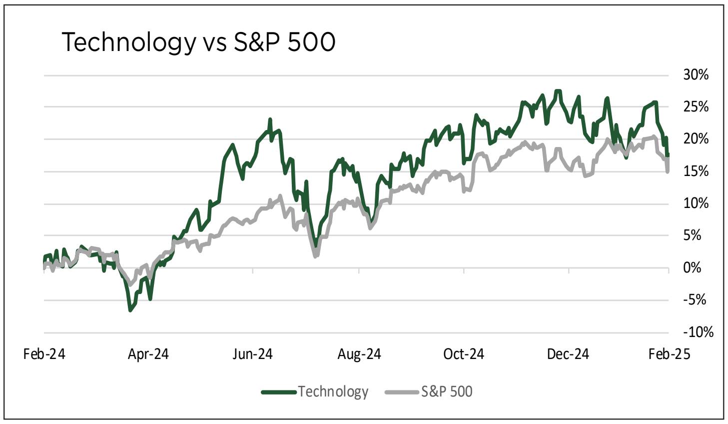
Sector Update

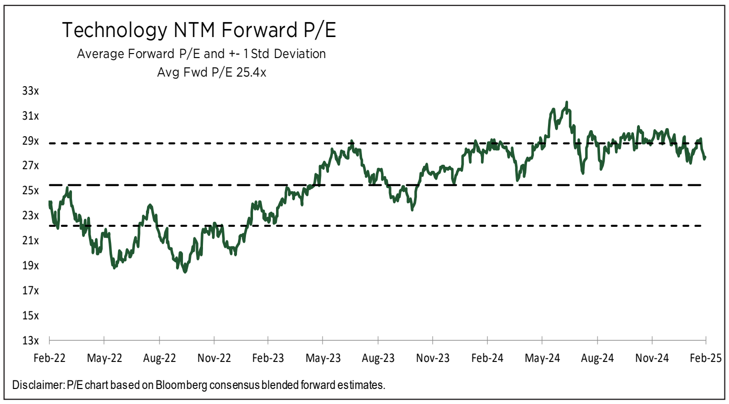
The Industrials sector has outperformed the S&P 500 on a YTD basis, but has underperformed the broader market on a 1-month, 3-month, and trailing twelve months basis. All but four Industrials sub-sectors registered negative performance for the month. Construction & Engineering was the standout laggard within the group as the sub-sector declined 15.6%, while Commercial Services & Supplies was the best performing sub-sector within the group following a 2.9% increase.

After 26 consecutive months of contraction, the Institute for Supply Management's Purchasing Managers Manufacturing Index (PMI) registered its second consecutive month expansion. The index came in at 50.3% in February, 0.6% lower compared to last month's reading of 50.9%. The overall economy continued in expansion for the 58th month after one month of contraction in April 2020. The New Orders Index dropped back into contraction territory after expanding for 3 consecutive months, registering 48.6%, 6.5% lower than the 55.1% recorded in January. Overall, demand weakened during the month while output stabilized and inputs contributed to growth. The ten industries that registered growth in the month were Petroleum & Coal Products, Miscellaneous Manufacturing, Primary Metals, Wood Products, Food, Beverage & Tobacco Products, Electrical Equipment, Appliances & Components, Chemical Products, Plastics & Rubber Products, Fabricated Metal Products, and Transportation Equipment.

The sole Industrials sub-sectors that registered gains during February include Road & Rail, Air Freight & Logistics, Professional Services, and Commercial Service & Supplies. The Industrials Sector is trading at a forward P/E ratio of 23.2x FY2025 earnings, exceeding its three-year average of approximately 19.4x.

INFORMATION TECHNOLOGY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-1.41%	-3.23%	-4.30%	17.68%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Super Micro Computer	45.4%
	Intel Corp	22.1%
	VeriSign Inc	10.6%
	Analog Devices Inc	8.6%
	Microchip Technology	8.4%
Laggards	Skyworks Solutions Inc	-24.9%
	Zebra Technologies	-19.6%
	Arista Networks Inc	-19.2%
	Akamai Technologies	-19.2%
	EPAM Systems Inc	-18.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$127.20	$133.43	$159.71
34.7x	33.1x	27.6x

Sector Update

The Technology sector declined 1.4% in February, in line with the market. The Technology Hardware & Storage sub-sector outperformed the market in February driven by Super Micro Computer. Investors responded favorably to company guidance for higher than expected annual revenue driven by robust AI demand for its computer systems.

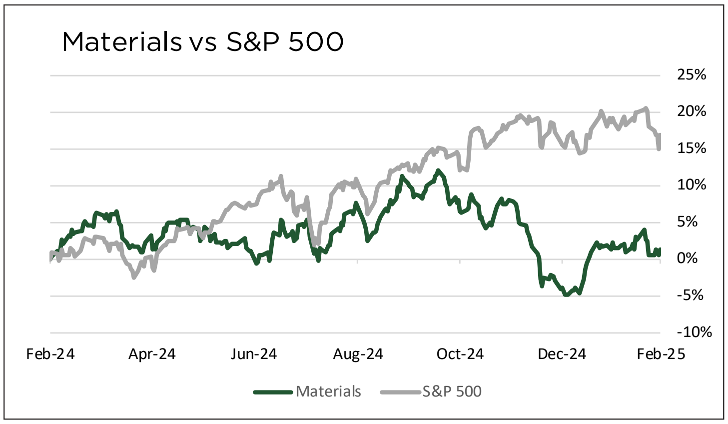
The Semiconductors & Semiconductor Equipment sector outpaced the market in February driven by news that Broadcom and Taiwan Semiconductor could be interested in purchasing Intel's chip design and foundry businesses. Analog Devices' prediction of a cyclical recovery in its semiconductor business, driven by improved demand in its automotive, aerospace & defense, digital healthcare, and test & automation equipment markets, also buoyed investor sentiment.

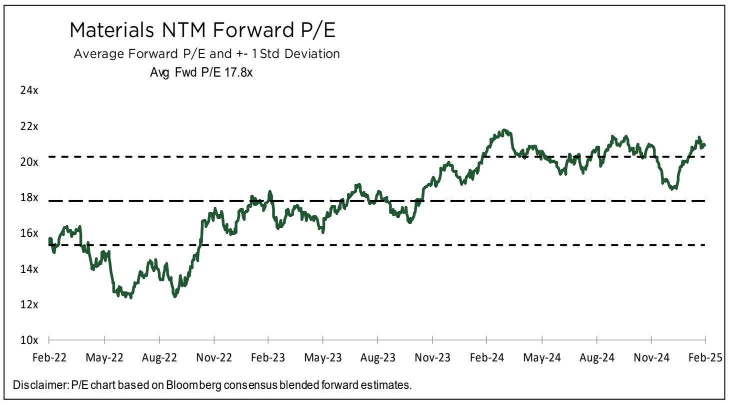
The Semiconductors & Semiconductor Equipment sector significantly underperformed the market on a year-to-date basis driven by the decline in the shares of companies that supply their chips for AI infrastructure. The debut of DeepSeek, an innovative, low-cost large language model, fueled investor concern of lower demand for AI chips if companies incorporated new innovations to develop new, high performance models with fewer chips than had been required in the past. However, a leading supplier of semiconductors for AI infrastructure recently reported robust demand for its chips and noted that recent innovations in AI training/inferencing such as DeepSeek's, Grok 3, and Open AI's reasoning models, is contributing up to 100x greater demand for computing resources than legacy AI models.

Even though AI chip demand appears healthy, investors are concerned that potential demand for advanced U.S. semiconductors could be impacted by new U.S. tariffs on China and tighter U.S. restrictions on the export of advanced semiconductors to China.

The Technology sector appears close to fairly valued, with a P/E of 33.1x the consensus analyst FY25 EPS estimate, compared to 20% earnings growth, and its average forward P/E of 25.4x.

MATERIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.15%	-6.13%	5.36%	1.32%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Ecolab Inc	7.5%
	Nucor Corp	7.0%
	DuPont de Nemours Inc	6.5%
	Steel Dynamics Inc	5.4%
	Linde PLC	4.7%
Laggards	FMC Corp	-33.8%
	Celanese Corp	-28.3%
	Mosaic Co/The	-14.2%
	CF Industries Holdings	-12.1%
	Martin Marietta Material	-11.2%

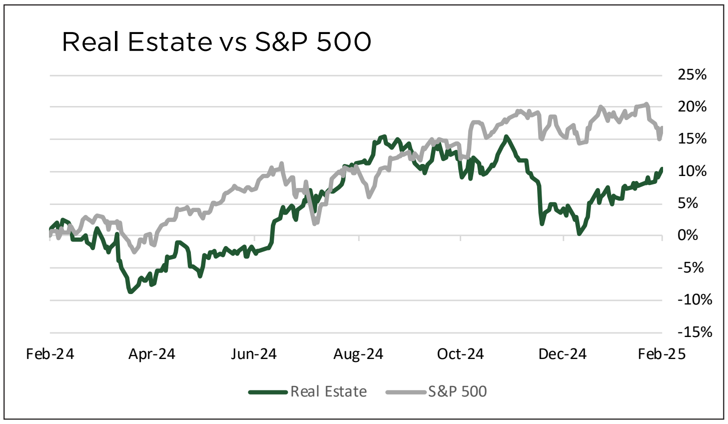
Consensus FY EPS / P/E

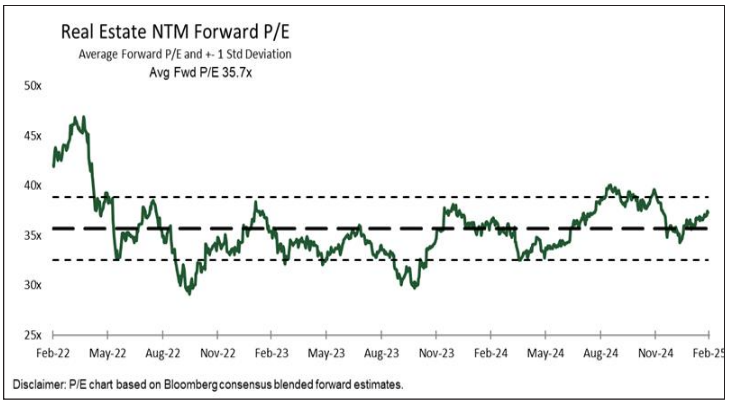
Last Year	Current Year	Next Year
$24.78	$25.99	$30.47
22.5x	21.5x	18.3x

Sector Update

The Materials segment declined 0.15% in February and outperformed the 1.42% decrease for the S&P 500. All segments were relatively flat to up modestly for the month with the exception of the Construction Materials segment that declined 10.5% on heightened tariff news, potential inflation and supply disruption (i.e. lumber) and more moderate full year expectations. Potential tariffs create near-term uncertainty for the group and potential inflationary pressures on customers. The US farmer is caught in the trade/tariff disputes given global trade (especially Canada, Mexico and China), and likely increased fertilizer costs (potassium largely sourced from Canada needed to grow US crops). As expected, companies issued conservative initial guidance for 2025 and remain cautious regarding the timing for demand and margin normalization. The Materials segment trades with a forward P/E of 21.5x vs its three year historical average of 17.8x. Potential tariffs and global market outlook currently outweigh underlying company fundamentals and market themes for 2025. Companies are executing cost savings programs, restructurings and cap ex reductions. The initial outlook for 2025 includes an expected greater level of merger and acquisition activity as companies seek improved costs and leverage capacity utilization. Strength for container and packaging stocks moderated recently on concerns regarding softening sequential demand by customers. Companies are reviewing strategies and leaning more into value over volume go-to-market strategies focusing on mix and margin. Selective investment among the group remains a key factor with a preference for strong management teams, high-quality businesses and strong balance sheets.

Building companies should still capitalize on an eventual building and housing volume rebound, but the timing faces greater uncertainty. During February, the National Association of Home Builders' Housing Market Index dropped 5 points to 42. Anything below 50 is viewed as negative sentiment. Pending home sales dropped 4.6% in January from December to the lowest level since the National Association of Realtors began tracking in 2001. Recent lower mortgage rates could provide a needed tailwind for the building group. Confidence in job security for consumers also remains critical for demand. Housing starts declined 9.8% to 1.37 million units in January and missed the consensus of 1.39 million as reported by the US Department of Housing and Urban Development and the US Census Bureau reflecting the unfavorable overhang of higher interest rates and partially due to weather. Overall domestic housing supply remains constrained. The timing of a rebound in the R&R segment remains uncertain. Companies should continue to focus on driving cost savings and efficiencies across their operations. Deportation actions remain a factor to monitor with potential unfavorable impact on community and construction job sites in North America and the agriculture sector. The potential impact from tariffs create uncertainty particularly for appliances and softwood lumber. Sentiment among the nation's single-family homebuilders dropped to the lowest level in five months in February due to concern over tariffs. Gold rallied on heightened uncertainty. Share prices for US producers of steel and aluminum moved higher on news of Trump's 25% import tariff while shares of international companies declined on expected market trade disruptions, higher prices and weaker demand.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
4.10%	-3.78%	5.91%	10.45%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	Ventas Inc	14.5%
	Welltower Inc	12.5%
	American Tower Corp	11.2%
	SBA Communications	10.3%
	Mid-America Apartment	10.2%
Laggards	Iron Mountain Inc	-8.3%
	Digital Realty Trust Inc	-4.6%
	Host Hotels & Resorts	-3.5%
	BXP Inc	-3.0%
	Federal Realty Invest.	-3.0%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$13.13	$13.50	$14.36
20.6x	20.1x	18.9x

Sector Update

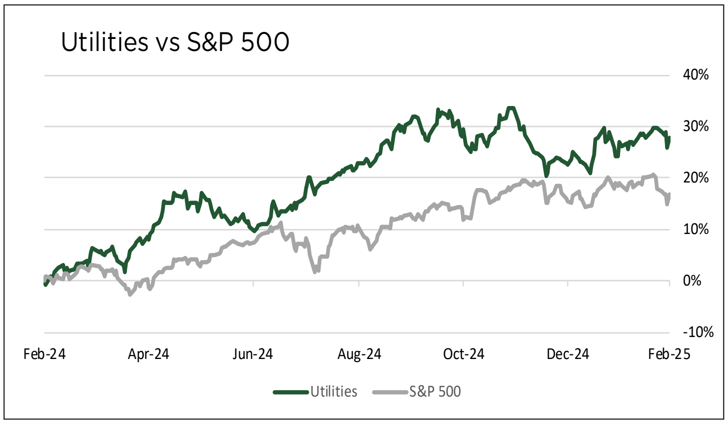
Consumer and investment sentiment moved sharply lower into the second half of February as the Trump Administration moved forward with aggressive policy actions on tariffs, foreign policy and federal spending raising fears of an economic slowdown to follow. As a result, a flight to safety saw interest rates move measurably lower in February with the Benchmark 10-year Treasury yield falling by over 40 basis points to a recent 4.16%. Rotation from earlier high flying growth issues into more defensive sectors saw the S&P 500 pullback by 1.42% on the month, while interest rate proxy issues including Real Estate outperformed – with the sector rising by 4.10% on the month. That is, given economic uncertainties along with a status as bond proxy investments, real estate sector performance remains closely tied to performance of the 10-year Benchmark Treasury rate.

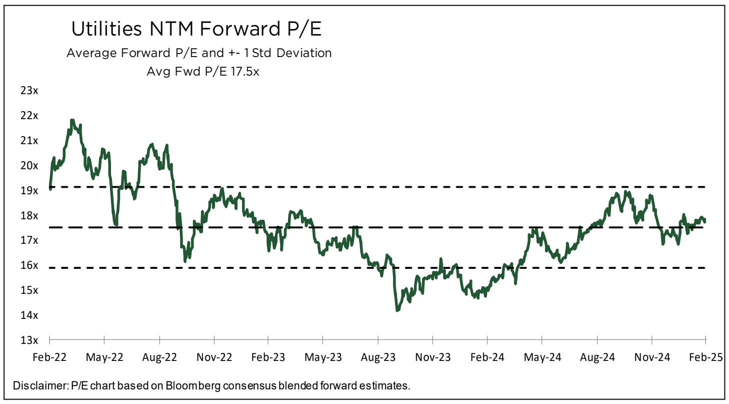
In the meantime, volatility was also sustained as Chinese AI-powered chatbot DeepSeek roiled mega cap domestic AI issues as a low cost competitor causing shares among data center operators to retreat notably for Iron Mountain and Digital Realty shares. Although Iron Mountain guidance for 2025 FFO met consensus forecasts, with the board raising the dividend 10%, commentary from Elon Musk suggesting the firm's storage facility was an example of federal government inefficiency weighed on the shares. In similar fashion, Digital Realty recent results and outlook were deemed uncertain and light of expectations that saw the shares lag the Real Estate sector.

4Q2024 earnings season however delivered some encouraging results from both the Health Care and Cell Tower segments. Both Ventas and Welltower, leaders in senior care assisted living, delivered upside operating results into year end 2024 driven by strong rising occupancy rates (up 300 BPS in the 4Q2024) in their owned senior housing portfolios. The board at Ventas announced a 7% increase to the dividend, the first increase since cutting the payout in mid-2020. On the cell tower front, both American Tower and SBA Communications reported upside operating results at year end 2024. American Tower noted demand remains strong both domestically and, in the EU, while SBA exited operations in the Philippines and Colombia focusing instead on densifying business in Latin America. SBA's board raised the dividend by 13%, with American Tower management suggesting their dividend was poised to also rise in 20025.

We continue to view future returns for the Real Estate sector to remain closely tied to interest rates and growth prospects for the U.S. economy. The Trump Administration has hit the ground running during the first month in office with a range of policy announcements creating heightened uncertainty near term. Shifting economic expectations may weigh on the overall market and Real Estate valuations until clarification on fiscal policy initiatives and any adjustments to FOMC rate policy are forthcoming. Still, many bond proxy Real Estate issues continue to offer attractive yields for investors during this period of uncertainty.

UTILITIES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.17%	-4.33%	4.06%	27.69%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
-1.42%	-1.29%	1.24%	16.84%

	Company Performance	1 Month
Leaders	DTE Energy Co	11.5%
	CMS Energy Corp	10.7%
	Exelon Corp	10.5%
	Alliant Energy Corp	9.6%
	NiSource Inc	9.4%
Laggards	Vistra Corp	-20.5%
	Constellation Energy	-16.5%
	Sempra	-13.7%
	Public Service Ent.	-2.9%
	FirstEnergy Corp	-2.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$20.94	$22.36	$24.39
19.1x	17.9x	16.4x

Sector Update

The Utilities sector gained 1.2% in February, outperforming the 1.4% decline in the S&P 500® in the same period. Market rotation toward defensive sectors and a back-down in interest rates were tailwinds to the Sector's relative performance. Individual stock moves exhibited far greater volatility, with gas and traditional generation companies enjoying double-digit advances while high-valuation names associated with AI sold off aggressively.

Vistra (VST) and Constellation (CEG) reflected a continued overhang from the lower cost Chinese AI competitor DeepSeek that drove investor concern around disruption of the multi-year growth theme around AI power demand. Sempra (SRE) was another laggard in the month, related to a 19% single-day decline on February 25th after cutting its guidance for 2025 and 2026. The company's outlook faltered as its multi-year planning assumptions were upended by the California regulator limiting its proposed rate hike by ~$1B, along with higher interest and operating expenses.

Detroit, MI based DTE Energy (DTE) was the top performing Utility in February following better than expected earnings and a $5B (~20%) increase in its five-year capex plan.

We continue to see substantial growth in power demand and investment as needed to maintain and expand the power grid across the U.S., while data center infrastructure looks poised to expand substantially on AI requirements. This dynamic can be seen in our local economy as the PJM Regional Transmission Organization recently increased its ten-year electric demand forecast for the Virginia DomZone to 6.3% annually, up from 5% in the 2024 forecast. The PJM 20-year forecast suggests demand could require more than double Dominion's current electric load capacity.

Growing capex plans are translating to solid earnings growth as seen in current year consensus earnings growth in the Electric and Multi-Utility sub-sectors at 8.5% and 9.5%, respectively.

The Utilities sector currently trades generally in-line with its historical three-year average P/E multiple of 17.5x based on FY25 earnings estimates. Given persistence of secular growth tailwinds, the group appears reasonably valued and could be deserving of a premium valuation relative to its historical average. Recent economic growth concerns and the related falling interest rate environment could drive incremental multiple expansion and relative outperformance in the near-term. Long-term focused and income-oriented investors willing to accept rate driven volatility in the near-term should consider remaining overweight the Utilities sector relative to its 2.7% representation in the S&P 500 index.

ECONOMIC CALENDAR

Date	Release	For	Prior
3-Mar	S&P Global US Manufacturing PMI - Final	Feb	51.6
3-Mar	ISM Manufacturing Index	Feb	50.9%
3-Mar	Construction Spending	Jan	0.5%
4-Mar	MBA Mortgage Applications Index	3/1	-1.2%
4-Mar	ADP Employment Change	Feb	186K
4-Mar	S&P Global US Services PMI - Final	Feb	49.7
4-Mar	ISM Services	Feb	52.80%
4-Mar	Factory Orders	Jan	-0.60%
4-Mar	EIA Crude Oil Inventories	3/1	-2.33M
4-Mar	Beige Book		NA
6-Mar	Trade Balance	Jan	-$98.4B
6-Mar	Initial Claims	3/1	242K
6-Mar	Continuing Claims	2/22	1862K
6-Mar	Productivity-Rev.	Q4	1.20%
6-Mar	Unit Labor Costs - Rev	Q4	3.00%
6-Mar	Wholesale Inventories	Jan	-0.50%
6-Mar	EIA Natural Gas Inventories	3/1	-261 bcf
7-Mar	Nonfarm Payrolls	Feb	143K
7-Mar	Nonfarm Private Payrolls	Feb	111K
7-Mar	Avg. Hourly Earnings	Feb	0.50%
7-Mar	Unemployment Rate	Feb	4.00%
7-Mar	Average Workweek	Feb	34.1
7-Mar	Consumer Credit	Jan	$40.8B
12-Mar	MBA Mortgage Applications Index	3/8	20.40%
12-Mar	CPI	Feb	0.50%
12-Mar	Core CPI	Feb	0.40%
12-Mar	EIA Crude Oil Inventories	3/8	NA
12-Mar	Treasury Budget	Feb	-$129.0B
13-Mar	PPI	Feb	0.40%
13-Mar	Core PPI	Feb	0.30%
13-Mar	Initial Claims	3/8	NA
13-Mar	Continuing Claims	3/8	NA
13-Mar	EIA Natural Gas Inventories	3/8	NA
14-Mar	Univ. of Michigan Consumer Sentiment - Prelim	Mar	NA
17-Mar	Empire State Manufacturing	Mar	NA
17-Mar	Retail Sales	Feb	NA
17-Mar	Retail Sales ex-auto	Feb	NA
17-Mar	Business Inventories	Jan	NA
17-Mar	NAHB Housing Market Index	Mar	NA
18-Mar	Building Permits	Feb	NA
18-Mar	Export Prices ex-ag.	Feb	NA
18-Mar	Housing Starts	Feb	NA

ECONOMIC CALENDAR

18-Mar	Imprt Prices ex-oil	Feb	NA
18-Mar	Capacity Utilization	Feb	NA
18-Mar	Industrial Production	Feb	NA
19-Mar	MBA Mortgage Applications Index	3/15	NA
19-Mar	EIA Crude Oil Inventories	3/15	NA
19-Mar	FOMC Rate Decision	Mar	NA
19-Mar	Net Long-Term TIC Flows	Jan	NA
20-Mar	Continuing Claims	3/15	NA
20-Mar	Current Account Balance	Q4	NA
20-Mar	Initial Claims	3/15	NA
20-Mar	Philadelphia Fed Index	Mar	NA
20-Mar	Exisiting Home Sales	Feb	NA
20-Mar	Leading Indicators	Feb	NA
20-Mar	EIA Natural Gas Inventories	3/15	NA
25-Mar	FHFA Housing Price Index	Jan	NA
25-Mar	S&P Case-Shiller Home Price Index	Jan	NA
25-Mar	Consumer Confidence	Mar	NA
25-Mar	New Home Sales	Feb	NA
26-Mar	MBA Mortgage Applications Index	3/22	NA
26-Mar	Durable Goods -ex transportation	Feb	NA
26-Mar	Durable Orders	Feb	NA
26-Mar	EIA Crude Oil Inventories	3/22	NA
27-Mar	Adv. Intl. Trade in Goods	Feb	NA
27-Mar	Adv. Retail Inventories	Feb	NA
27-Mar	Adv. Wholesale Inventories	Feb	NA
27-Mar	Continuing Claims	3/22	NA
27-Mar	GDP - Third Estimate	Q4	NA
27-Mar	GDP Deflator - Third Estimate	Q4	NA
27-Mar	Initial Claims	3/22	NA
27-Mar	Pending Home Sales	Feb	NA
27-Mar	EIA Natural Gas Inventories	3/22	NA
28-Mar	PCE Prices	Feb	NA
28-Mar	PCE Prices - Core	Feb	NA
28-Mar	Personal Income	Feb	NA
28-Mar	Personal Spending	Feb	NA
28-Mar	Univ. of Michigan Consumer Sentiment - Final	Mar	NA
31-Mar	Chicago PMI	Mar	NA

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Past performance is not indicative of future results.

An index is not available for direct investment; therefore, its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio.

Sectors and sector components defined by Standard & Poor's GICS Level 1 index. For the list of all holdings in GICS Level 1 index sectors, contact your Davenport Financial Advisor.

Leaders: Represent top five best stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Laggards: Represent top five worst stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Members: The GICS Level 1 Telecommunication Services sector has only three component companies. This sector will not include "Leaders and Laggards", but will show all three members and their price performance over the previous calendar month.

S&P 500®: The S&P 500 Index is comprised of 500 U. S. stocks and is an indicator of the performance of the overall U.S. stock market. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index.

Dow Jones Industrials: The Dow Jones Industrial Average is an index of 30 "blue chip" stocks of U.S. "industrial" companies.

NASDAQ Composite: The Nasdaq-100 Index is a "modified capitalization-weighted" index designed to track the performance of a market consisting of the 100 largest and most actively traded non-financial domestic and international securities listed on The Nasdaq Stock Market, based on market capitalization.

Russell 2000®: The Russell 2000® Index is a capitalization-weighted index designed to measure the performance of a market consisting of the 2,000 smallest publicly traded U.S. companies (in terms of market capitalization) that are included in the Russell 3000® Index. Source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"). © LSE Group 2024. FTSE Russell is a trading name of certain LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote/sponsor/endorse the content of this communication.

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Nikkei Stock Average: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States.

Stoxx Europe 600: The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Markets: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. (MSCI Website).

MSCI Emerging Markets Small Cap: The MSCI Emerging Markets Small Cap Index includes small cap representation across 23 Emerging Markets countries. With 1,889 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

US Dollar Index (USDX, DXY): An index (or measure) of the value of the United States dollar relative to a basket of currencies, often referred to as a basket of US trade partners' currencies.

VIX: The ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Shanghai Composite (SSE Index): The Shanghai Composite Index, also known as the SSE Index is a stock market index of all stock (A shares and B shares) that are traded at the Shanghai Stock Exchange.

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