LOOK AHEAD

Q1 2023

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Wall Street Parlor Tricks

Market Comparison: 2022 Predictions to Present

	S&P 500 Level	S&P 500 Price Return	U.S. GDP Growth	10-Year Treasury Yield
Average Estimate (December 2021)	4,950	+3.85%	+3.90%	2.01%
Actual (December 2022)	3,840	−19.44%	+3.20%	3.87%

2023 Predictions

Wall Street's 2023 Market Predictions

	2023 S&P 500 Forecasts	
Firm	**Year-End Prediction**	**Year-End Prediction % Chg**
Fundstrat	4,750	+23.71%
Deutsche Bank	4,500	+17.20%
Oppenheimer	4,400	+14.60%
BMO	4,300	+11.99%
Ned Davis Research	4,300	+11.99%
Jefferies	4,200	+9.39%
JPMorgan	4,200	+9.39%
Wells Fargo	4,200	+9.39%
Evercore ISI	4,150	+8.09%
Cantor Fitzgerald	4,100	+6.78%
RBC Capital Markets	4,100	+6.78%
Credit Suisse	4,050	+5.48%
Bank of America	4,000	+4.18%
Citigroup	4,000	+4.18%
Goldman Sachs	4,000	+4.18%
HSBC	4,000	+4.18%
Morgan Stanley	3,900	+1.58%
Scotiabank	3,900	+1.58%
UBS	3,900	+1.58%
Barclays	3,725	−2.98%
Societe Generale	3,650	−4.94%
BNP Paribas	3,400	−11.45%
Average	**4,078**	**+6.22%**
S&P 500 as of 12/31/2022	**3,840**	

- Last year's predictions overestimated market returns by 605%
- Last year's predictions overestimated GDP growth by 18%
- The 10-Year Treasury yield ended the year 93% higher than analyst estimates
- In light of 2022's decline, most firms are calling for above average returns for the S&P 500 in 2023

2023 Projected GDP Growth

	United States	China	Japan	Euro Area	Global
U.S. Federal Reserve	+0.50%	–	–	–	–
IMF	+1.00%	+4.40%	+1.60%	+0.50%	+2.70%
World Bank	+2.40%	+5.20%	+1.30%	+1.90%	+3.00%

Data Sources: Bloomberg, Federal Reserve, IMF, World Bank

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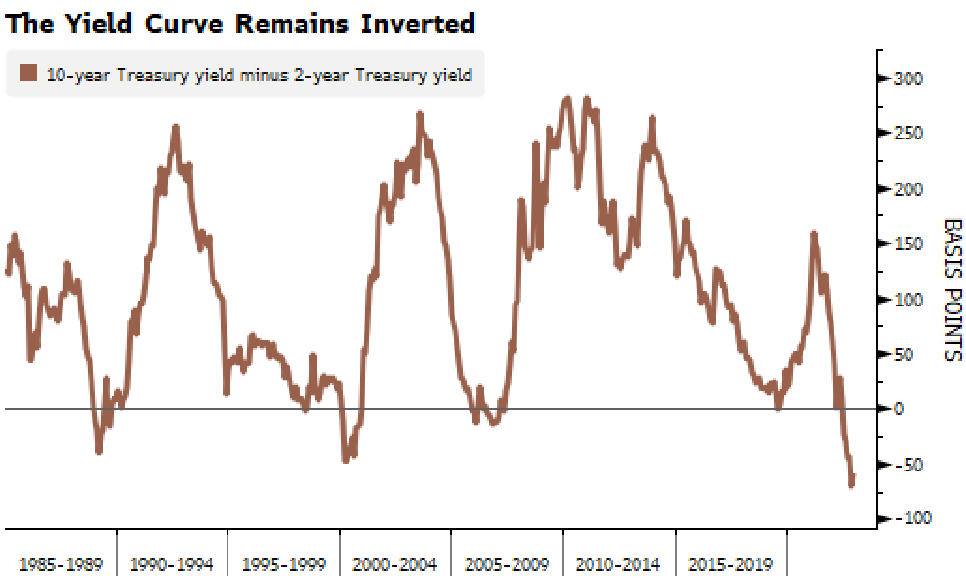
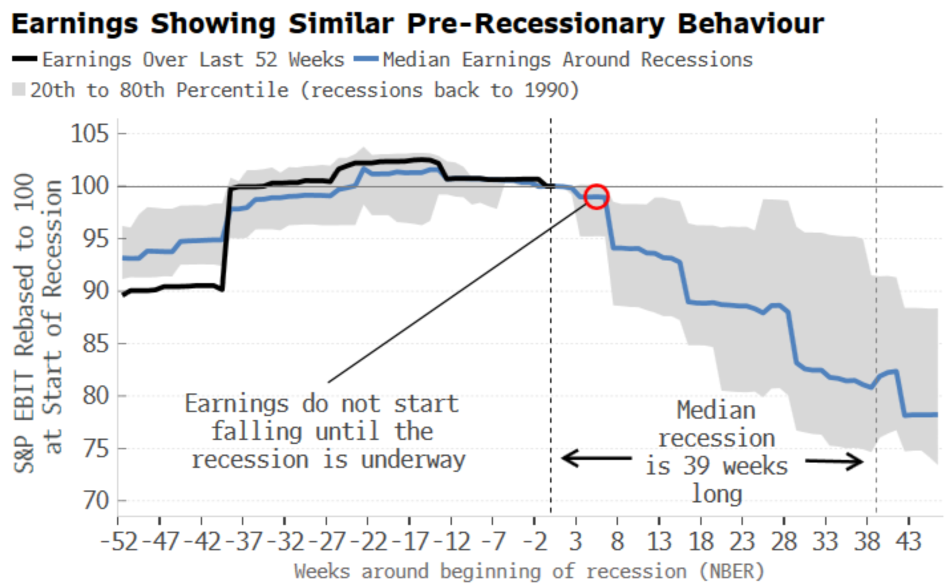
Is There a Recession Coming?

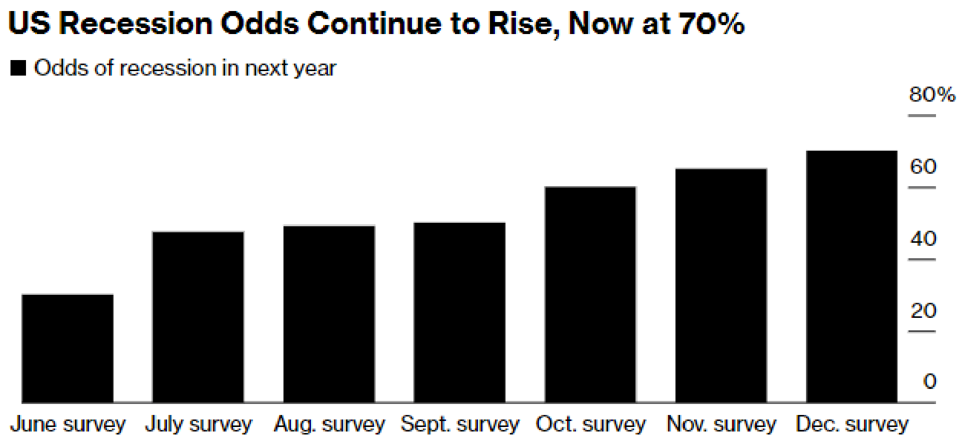
The yield curve — as measured by the gap between 10- and 2-year Treasury yields — is inverted the most since the 1980s, a signal of a possible economic downturn ahead.



If recession is in the wind, then we should see an accompanying preemptive earnings recession, and that's what market participants are likely reacting to now.



Economists surveyed by Bloomberg now put the odds of a recession in 2023 at 70%.



However, the Fed might have time to manage a soft landing before the onset of a recession. Remember, it takes quite some time before a recession rears its ugly head – 14 to 18 months is the median timeframe.

	Curve Inversion Date			**# of Months to Recession**		
Recession Start Date	2S10S	3M10S	Fed Forward Rate	**2S10S**	**3M10S**	**Fed Forward Rate**
Jan-1970	–	Sep-1966	–	–	39	–
Dec-1973	–	Jun-1973	Sep-1973	–	6	6
Feb-1980	Aug-1978	Dec-1978	Dec-1978	17	14	17
Aug-1981	Sep-1980	Oct-1980	Dec-1980	10	9	12
Aug-1990	Jan-1989	May-1989	Jun-1989	18	14	18
Apr-2001	Jun-1998	Jul-2000	Sep-1998	33	8	33
Jan-2008	Feb-2006	Jul-2006	Mar-2006	23	17	24
			Mean	**20**	**15**	**18**
			Median	**18**	**14**	**18**
			Minimum	**10**	**6**	**6**

Data Sources: Bloomberg, Goldman Sachs

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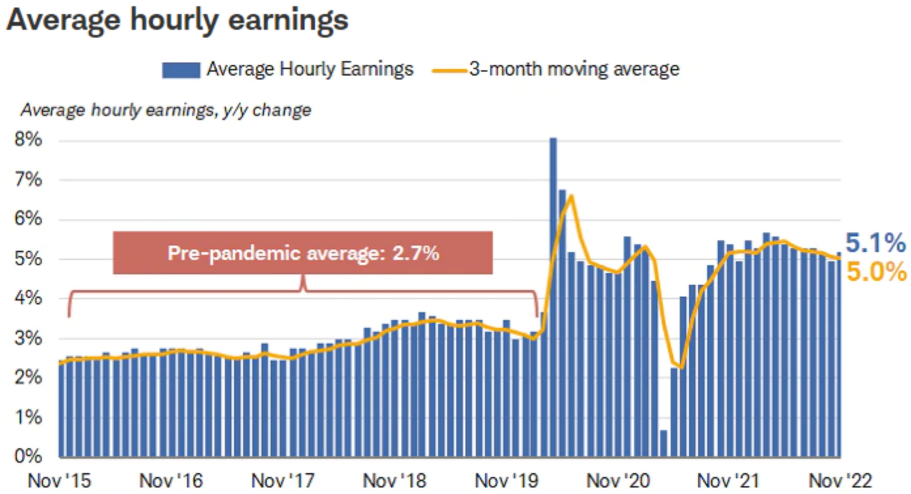
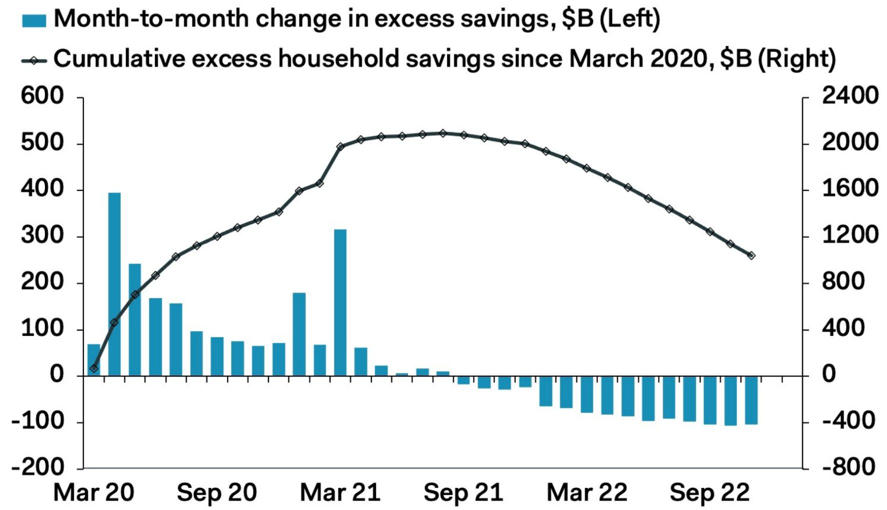
Consumers Say, "Not Yet"

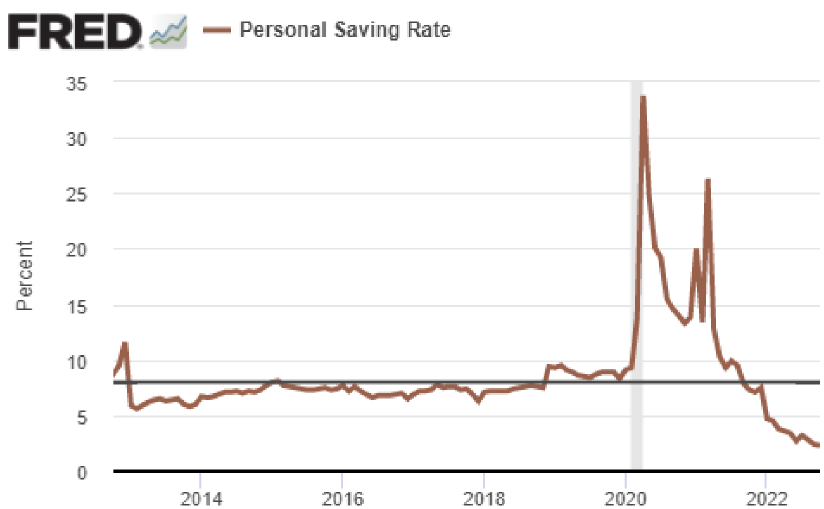
Wage growth is still approximately two times higher than pre pandemic levels and that certainly will be a buffer to any major recession.



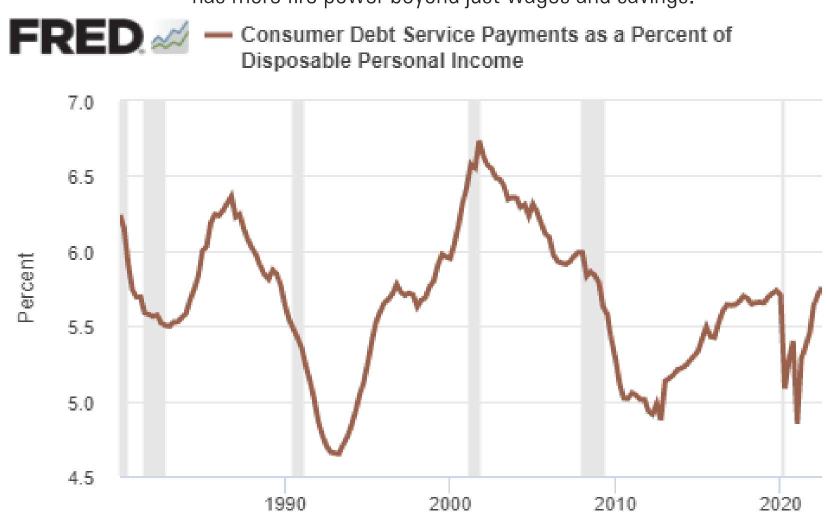
The U.S. consumer is still sitting on about $1.18 trillion in excess savings, equivalent to 4.5% of GDP. That should continue to generate positive economic growth in Q4 and bleed into Q1 2023.



While the current savings rate – measured as a percent of disposable personal income – is well below trend, the consumer still has plenty of firepower beyond saving their current income.



As consumers are saving less and spending down pandemic savings, they are turning to credit. Debt service payments are on the rise, but well below historic levels, suggesting the consumer still has more fire power beyond just wages and savings.



While economists might be predicting a recession, the consumer is far from tapped out.

Data Sources: Bureau of Labor Statistics, Bureau of Economic Analysis, Pantheon Macro, Federal Reserve

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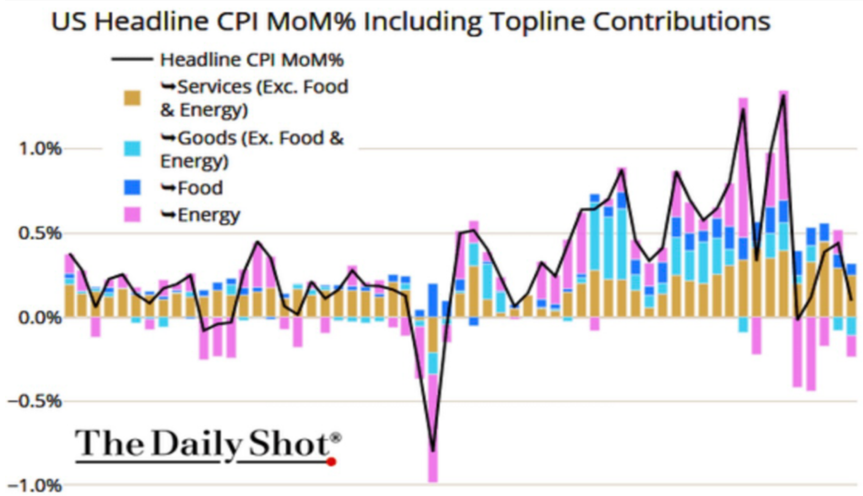
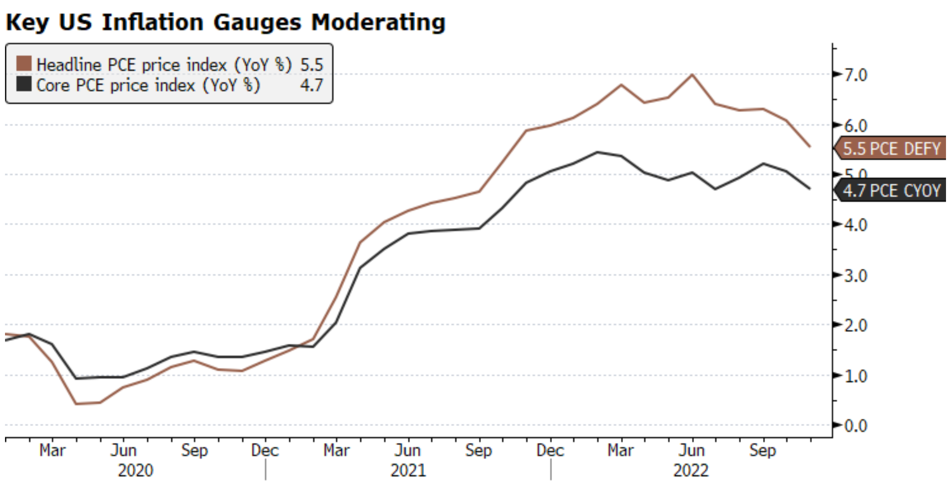
Inflation is Still the Narrative

The Long, Bumpy Road

The November inflation report suggested the Fed's demand destruction cycle was making some progress. Headline CPI, on a month-over-month basis, was up 0.10%, which translates into a year-over-year inflation reading of 7.12%.



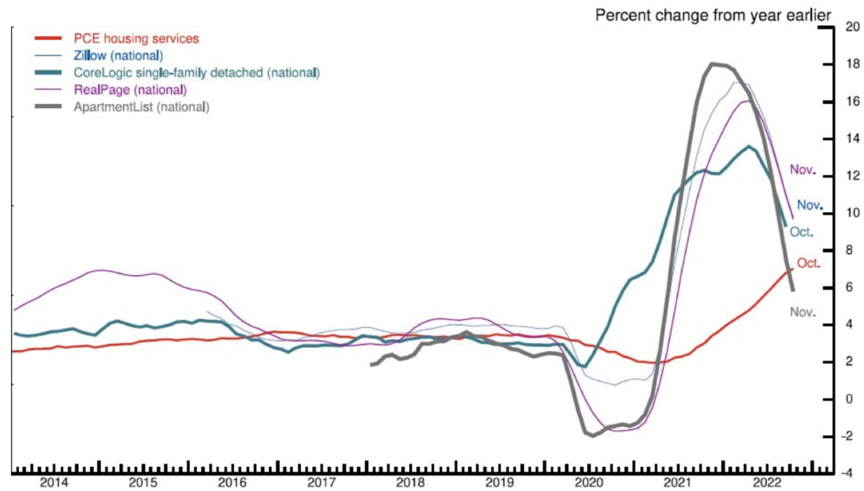
The current inflation reading according to the PCE index is at 5.5% on headline, while core inflation (ex-food and energy) is at 4.7% on a year-over-year basis. A continuing moderation from the June highs is expected.



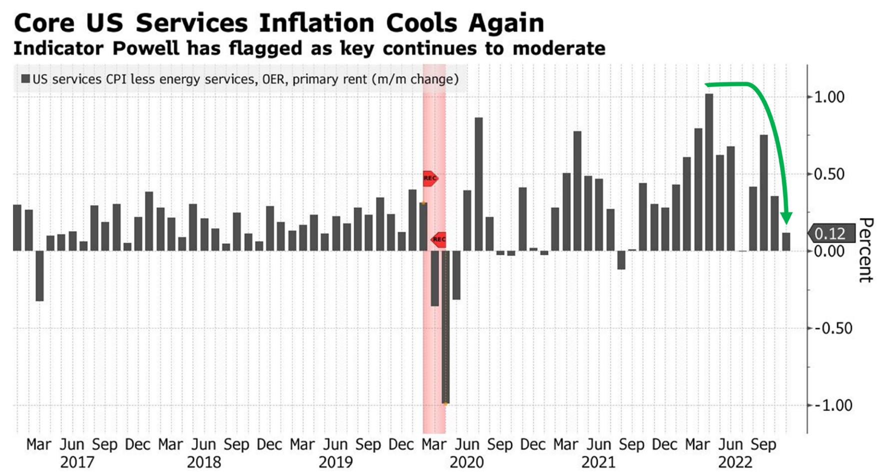
And Fed Chairman Powell, in his statement, made it clear that they will need to see more evidence of economic moderation before stopping the rate hike cycle.

Some of that evidence is coming in the form of moderating rents.

Figure 3. Market rents and PCE housing services inflation



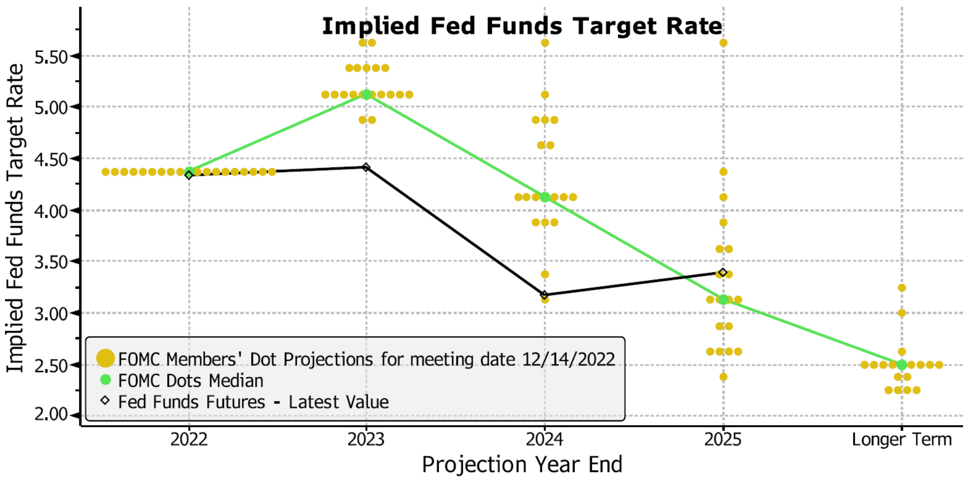
One of the Fed's most important inflation indicators, core services other than housing, continues to cool.



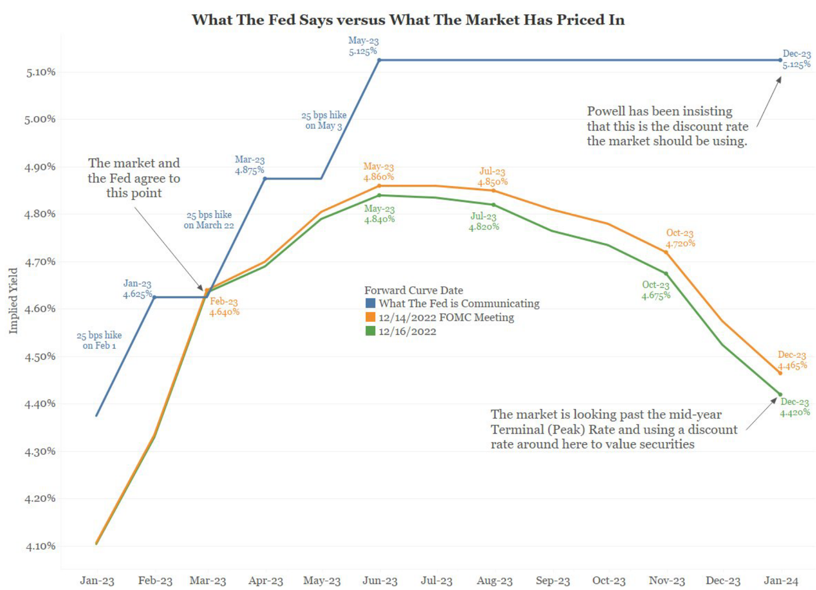
A soft economic landing without a recession is within reason if inflation cools naturally and the Fed does not jam rates much higher.

The Fed's Tight Rope

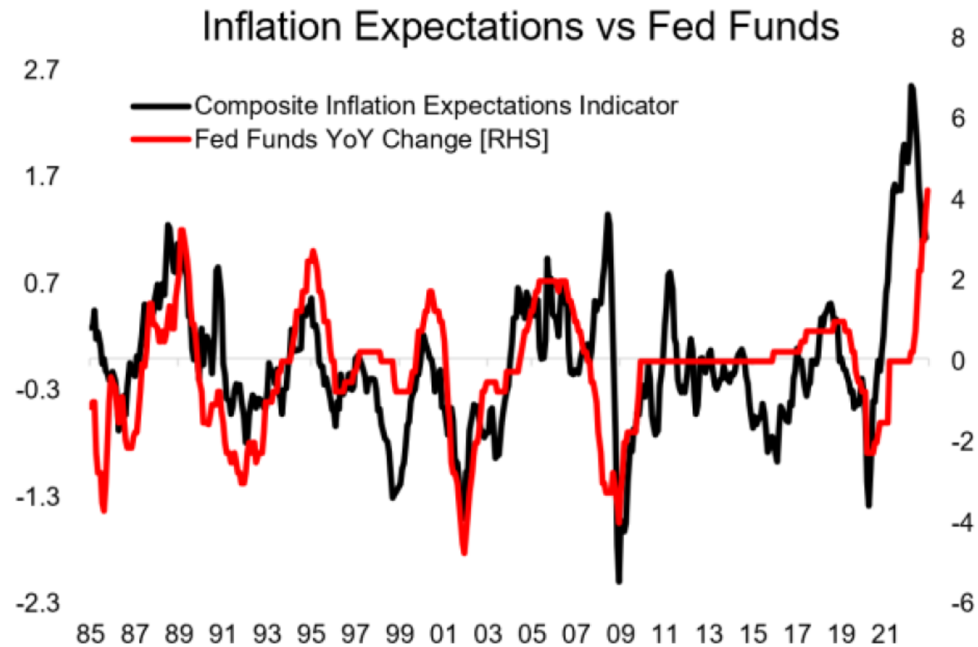
The FOMC raised the Fed Funds rate target range by 50 bps to 4.25%-4.5% at its December meeting, with the median dot signaling a higher peak rate of 5-5.25% and a "higher-for-longer" rate environment.



The debate about what investors are expecting and what the Fed is expecting will dictate much of the market direction in Q1 2023. The wide dispersion of outcomes (terminal rate and for how long) will drive massive volatility in the quarter.



Inflation is likely going to continue to cool down as the Fed Funds rate is now crossing over the expected inflation rate. (Taylor Rule)



Economists surveyed by Bloomberg were also expecting the Fed to cut rates much sooner than historic averages, betting that rates would be cut sometime next summer.

However, the average rate cut does not occur for about 11 months.

'For Some Time'

Average rate between peak rate and first cut is 11 months

Peak	Cut	Months	Peak rate	Cut Until
Feb-95	Jul-95	5	6.00%	5.25%
Mar-97	Sep-98	18	5.50%	4.75%
May-00	Jan-01	8	6.50%	1.00%
Jun-06	Sep-07	15	5.25%	0.25%
Dec-18	Jul-19	7	2.50%	0.25%

Data Sources: Federal Open Market Committee, Bianco Research, Bloomberg

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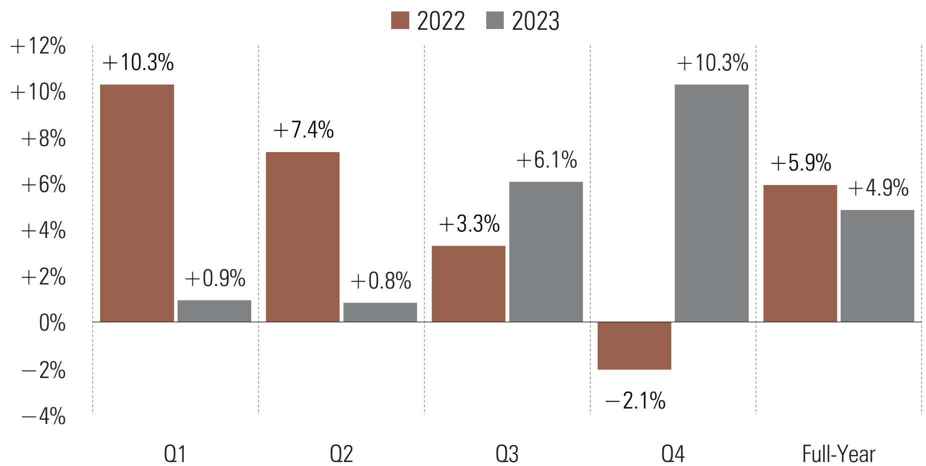
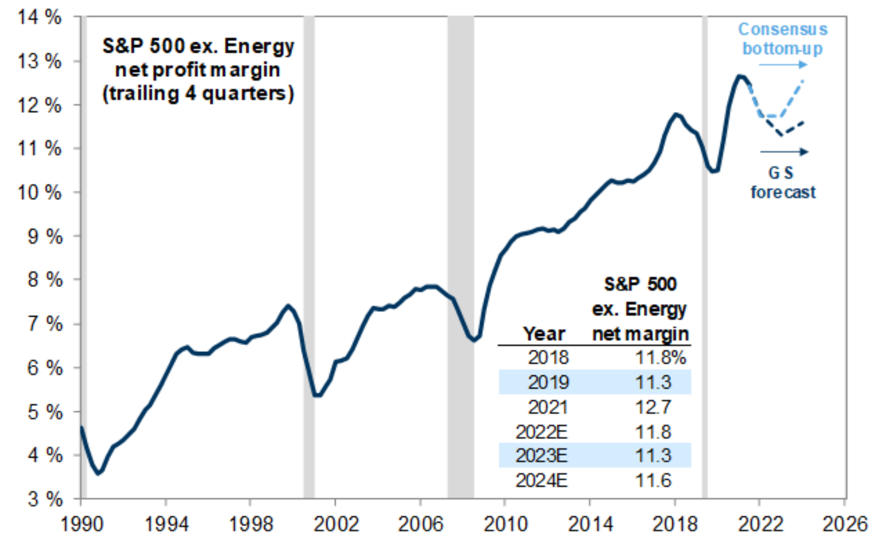
Earnings Still Matter

While we are a couple of quarters away from year-over-year earnings growth, investors should begin to discount that expectation sometime in Q1 2023.

S&P 500 Earnings Growth 2022 — 2023

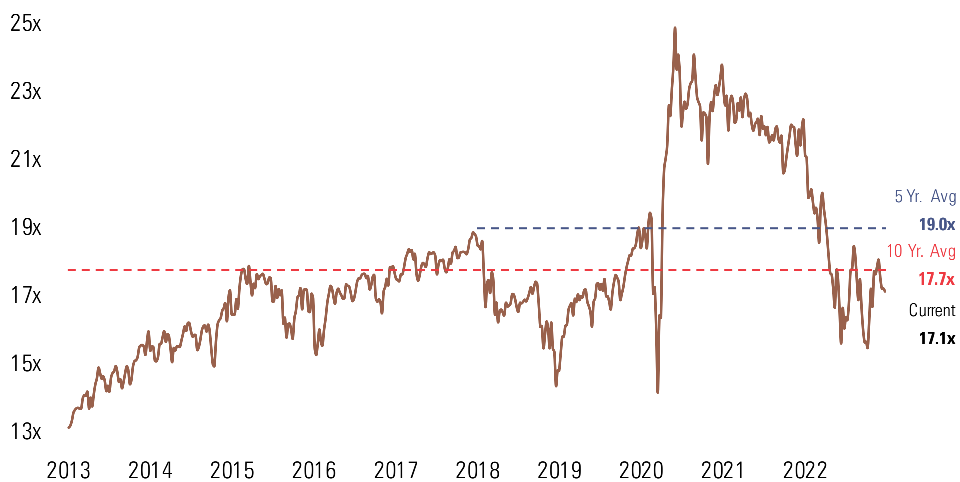


Expectations for stronger second-half 2023 earnings will likely be driven by margin expansion. Moderating inflationary trends will help.

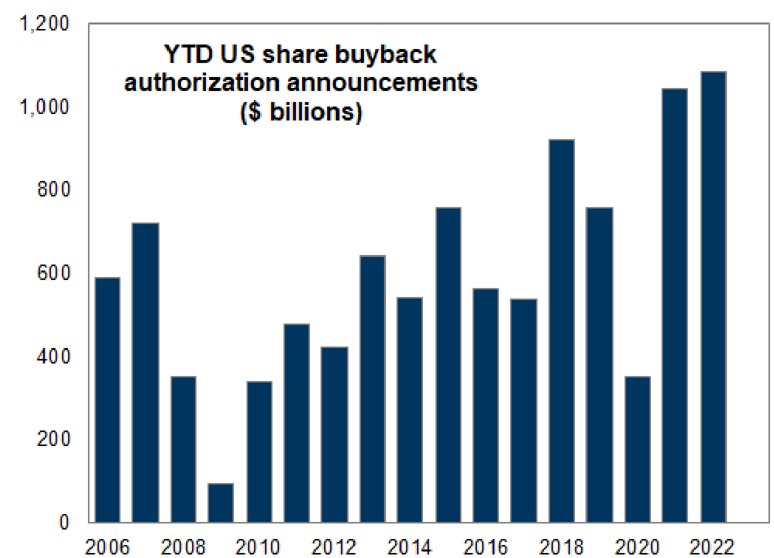


Higher interest rates have driven up cost of capital and driven down valuations below their 10-year average. In absolute terms, the P/E multiple for the S&P 500 index fell by nearly 30% from 21x at the end of 2022 to 15x, before recovering recently to around 17x.

S&P 500 Forward Price-to-Earnings



Record buybacks in 2022 will benefit corporate earnings per share in 2023 based upon a year over year comparisons.



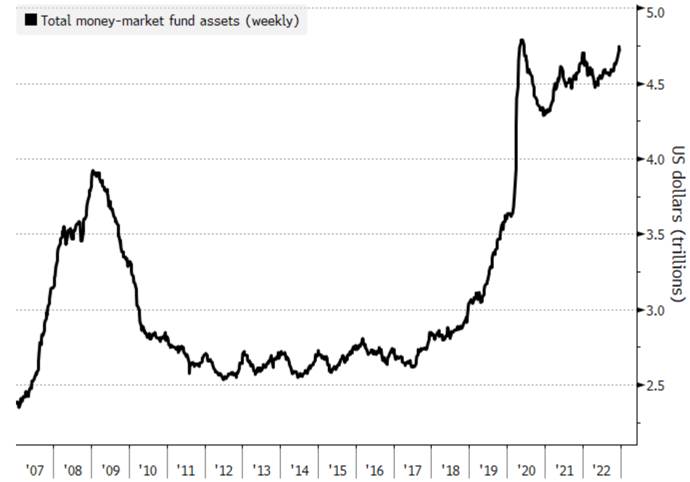
Fixed Income – Sitting on Cash

It's been a nasty year for portfolios, especially those traditionally considered conservative like the 60/40 stock/bond portfolio.

S&P 500, US 10-Year Treasury, and 60/40 Portfolio (Total Returns, 1928 - 2022)

Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40
1928	43.8%	0.8%	26.6%	1947	5.2%	0.9%	3.5%	1966	-10.0%	2.9%	-4.8%	1985	31.2%	25.7%	29.0%	2004	10.9%	4.5%	8.2%
1929	-8.3%	4.2%	-3.3%	1948	5.7%	2.0%	4.2%	1967	23.8%	-1.6%	13.6%	1986	18.5%	24.3%	20.8%	2005	4.9%	2.9%	4.0%
1930	-25.1%	4.5%	-13.3%	1949	18.3%	4.7%	12.8%	1968	10.8%	3.3%	7.8%	1987	5.8%	-5.0%	1.5%	2006	15.8%	2.0%	10.2%
1931	-43.8%	-2.6%	-27.3%	1950	30.8%	0.4%	18.7%	1969	-8.2%	-5.0%	-7.0%	1988	16.6%	8.2%	13.2%	2007	5.5%	10.2%	7.4%
1932	-8.6%	8.8%	-1.7%	1951	23.7%	-0.3%	14.1%	1970	3.6%	16.8%	8.8%	1989	31.7%	17.7%	26.0%	2008	-37.0%	20.1%	-13.9%
1933	50.0%	1.9%	30.7%	1952	18.2%	2.3%	11.8%	1971	14.2%	9.8%	12.4%	1990	-3.1%	6.2%	0.7%	2009	26.5%	-11.1%	11.1%
1934	-1.2%	8.0%	2.5%	1953	-1.2%	4.1%	0.9%	1972	18.8%	2.8%	12.4%	1991	30.5%	15.0%	24.1%	2010	15.1%	8.5%	12.3%
1935	46.7%	4.5%	29.8%	1954	52.6%	3.3%	32.9%	1973	-14.3%	3.7%	-7.1%	1992	7.6%	9.4%	8.2%	2011	2.1%	16.0%	7.7%
1936	31.9%	5.0%	21.2%	1955	32.6%	-1.3%	19.0%	1974	-25.9%	2.0%	-14.7%	1993	10.1%	14.2%	11.7%	2012	16.0%	3.0%	10.7%
1937	-35.3%	1.4%	-20.7%	1956	7.4%	-2.3%	3.6%	1975	37.0%	3.6%	23.6%	1994	1.3%	-8.0%	-2.4%	2013	32.4%	-9.1%	15.6%
1938	29.3%	4.2%	19.3%	1957	-10.5%	6.8%	-3.6%	1976	23.8%	16.0%	20.7%	1995	37.6%	23.5%	31.7%	2014	13.7%	10.7%	12.4%
1939	-1.1%	4.4%	1.1%	1958	43.7%	-2.1%	25.4%	1977	-7.0%	1.3%	-3.7%	1996	23.0%	1.4%	14.2%	2015	1.4%	1.3%	1.3%
1940	-10.7%	5.4%	-4.2%	1959	12.1%	-2.6%	6.2%	1978	6.5%	-0.8%	3.6%	1997	33.4%	9.9%	23.8%	2016	12.0%	0.7%	7.3%
1941	-12.8%	-2.0%	-8.5%	1960	0.3%	11.6%	4.9%	1979	18.5%	0.7%	11.4%	1998	28.6%	14.9%	23.0%	2017	21.8%	2.8%	14.1%
1942	19.2%	2.3%	12.4%	1961	26.6%	2.1%	16.8%	1980	31.7%	-3.0%	17.8%	1999	21.0%	-8.3%	9.2%	2018	-4.4%	0.0%	-2.5%
1943	25.1%	2.5%	16.0%	1962	-8.8%	5.7%	-3.0%	1981	-4.7%	8.2%	0.5%	2000	-9.1%	16.7%	1.2%	2019	31.5%	9.6%	22.6%
1944	19.0%	2.6%	12.4%	1963	22.6%	1.7%	14.2%	1982	20.4%	32.8%	25.4%	2001	-11.9%	5.6%	-4.9%	2020	18.4%	11.3%	15.3%
1945	35.8%	3.8%	23.0%	1964	16.4%	3.7%	11.3%	1983	22.3%	3.2%	14.7%	2002	-22.1%	15.1%	-7.1%	2021	28.7%	-4.4%	15.3%
1946	-8.4%	3.1%	-3.8%	1965	12.4%	0.7%	7.7%	1984	6.1%	13.7%	9.2%	2003	28.7%	0.4%	17.2%	2022*	-23.9%	-16.7%	-21.0%

With bonds in a bear market and stocks hovering around their lowest since 2020, investors have $4.8 trillion in dry powder sitting in U.S. money-market mutual funds. Where does that money go?



Much of the portfolio headwind is being driven by rising rates and the Fed's policy to combat inflation. Bonds typically act as an anchor to falling stocks, but not during rising rate periods.

Hardest Hit Areas of Fixed Income This Year

Ticker	Name	Yield % Current	Return 2022 YTD	Duration (years)
EDV	Extended Duration Treasury Bonds	3.33%	−39.03%	24.26
TLT	20+ Year Treasury Bonds	3.14%	−31.07%	17.45
BLV	Long-Term Bonds	4.17%	−26.74%	14.35
VCLT	Long-Term Corporate Bonds	4.77%	−25.19%	12.97
TLH	10-20 Year Treasury Bonds	3.71%	−25.11%	14.07
CWB	Convertibles	6.70%	−21.38%	1.97
PFF	Preferred & Income Securities	9.35%	−18.48%	7.56
LQD	Investment Grade Corporate Bonds	3.77%	−17.82%	8.85
IEF	7-10 Year Treasury Bonds	2.40%	−15.09%	7.70
BIV	Intermediate-Term Bonds	2.77%	−13.16%	6.21
BND	Total Bond Market	2.87%	−12.98%	6.22
AGG	Core U.S. Aggregate Bonds	2.79%	−12.83%	6.25
JNK	High Yield Bonds	7.69%	−12.44%	4.19
TIP	TIPS Bonds	3.94%	−12.27%	6.61
MBB	MBS	3.11%	−11.58%	5.81

If the Fed pivots and stops or slows the pace of rate increases, equity markets tend to have positive reactions.

Rate Cut Cycle Start	Rate Cut Cycle End	DJIA	S&P 500	Nasdaq Composite
5/31/1989	2/3/1994	60.0%	50.0%	78.8%
7/5/1995	3/24/1997	49.6%	44.5%	31.9%
9/28/1998	6/29/1999	33.4%	28.9%	51.9%
1/2/2001	6/29/2004	-2.2%	-11.5%	-11.2%
9/17/2007	12/15/2008	-36.1%	-41.2%	-41.6%
7/31/2019	1/14/2022*	33.5%	56.2%	81.9%
Average %		23.0%	21.2%	32.0%
Median %		33.4%	36.7%	41.9%

Source: Dow Jones Market Data

Longer duration fixed income assets should rally, but is the risk worth it?

Bloomberg US Aggregate Returns During Prior Rate Cut Cycles

	Total Returns by Maturity				
Rate Cut Cycle	1-3 Year	3-5 Year	5-7 Year	7-10 Year	10+ Year
7/5/1995 – 3/24/1997	10.23%	10.78%	11.41%	10.93%	10.11%
1/2/2001 – 6/29/2004	18.32%	21.34%	23.40%	27.24%	28.56%
9/17/2007 – 12/15/2008	6.70%	7.27%	5.76%	7.43%	6.90%
7/31/2019 – 3/17/2022	1.82%	1.75%	2.57%	3.74%	4.87%
Average	**9.27%**	**10.29%**	**10.79%**	**12.34%**	**12.61%**

Data Sources: Compound Advisors, Bloomberg

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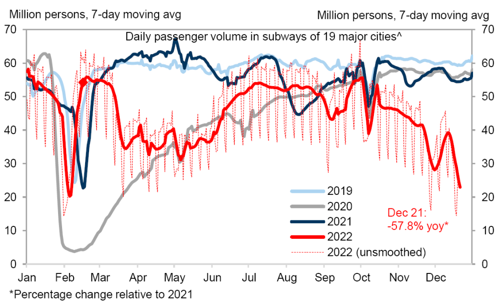
China – Opening Will Help & Hurt

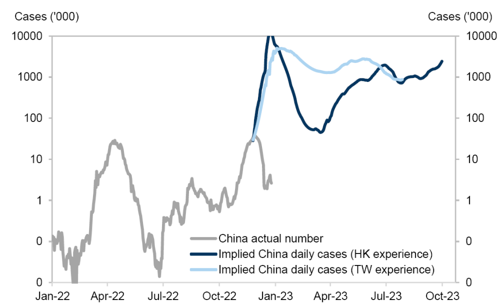
Living with COVID has its risks. High-frequency mobility data, like subway ridership, is pointing to weaker momentum during the frontloaded "exit wave" from reopening.

However, experience from Hong Kong and Taiwan suggests daily new cases may have peaked in late December or will peak in January.

Subway ridership fell notably in recent weeks after the initial rebound



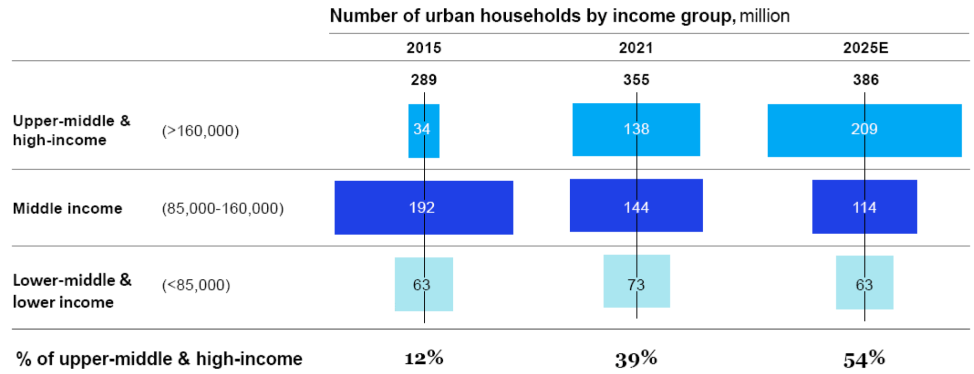
Hong Kong and Taiwan's experience suggests daily new cases may peak in late December or January in mainland China



The emerging middle and upper middle class continue to be an investable theme that should drive earnings per share growth in the coming year.

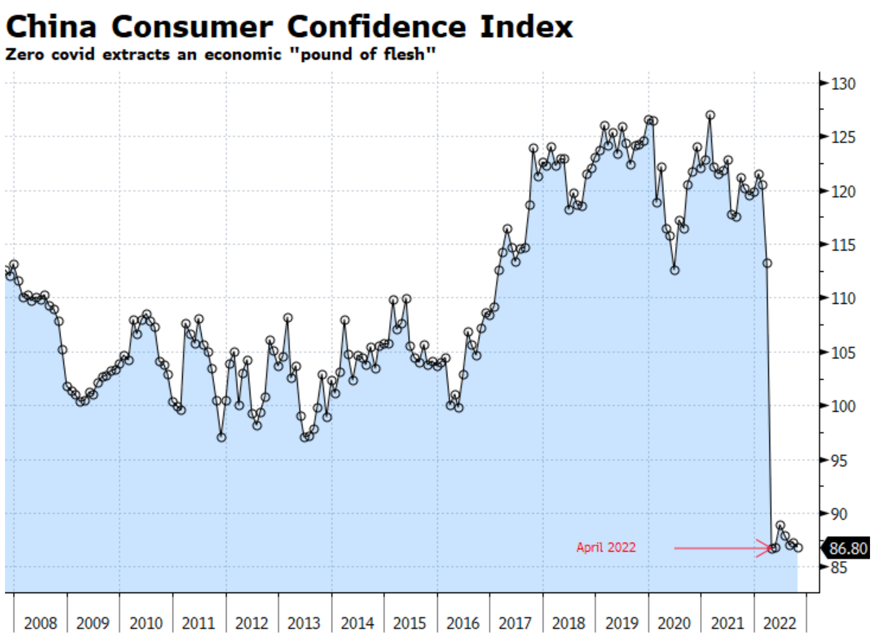
Annual household disposable income in China

2020 real RMB



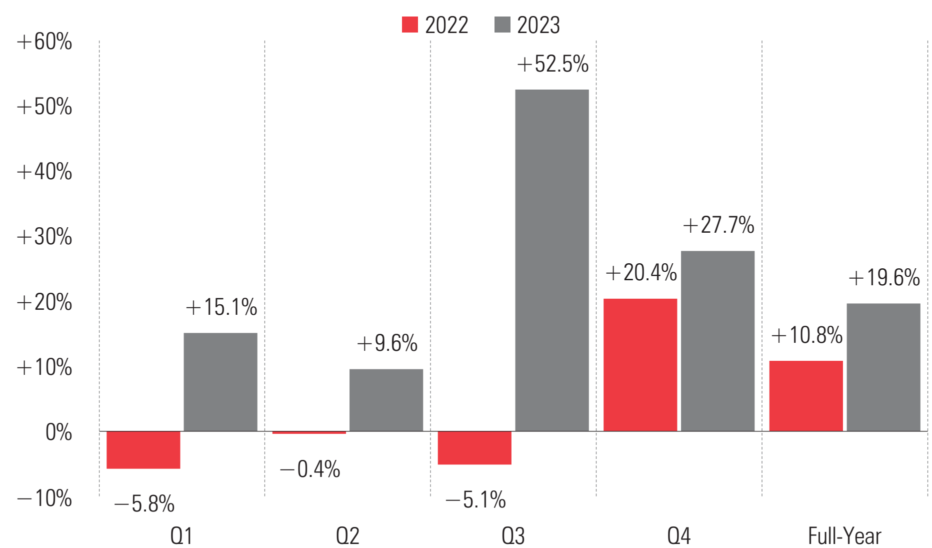
With COVID exploding, it's clearly a risky but necessary time for China's shift.

Their retail consumption has been rapidly declining along with months of depressed consumer confidence.



The year-over-year comparison for earnings per share are going to be powerful.

MSCI China A Earnings Growth: 2022 vs. 2023



Data Sources: Goldman Sachs, Bloomberg, McKinsey

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Developed Markets

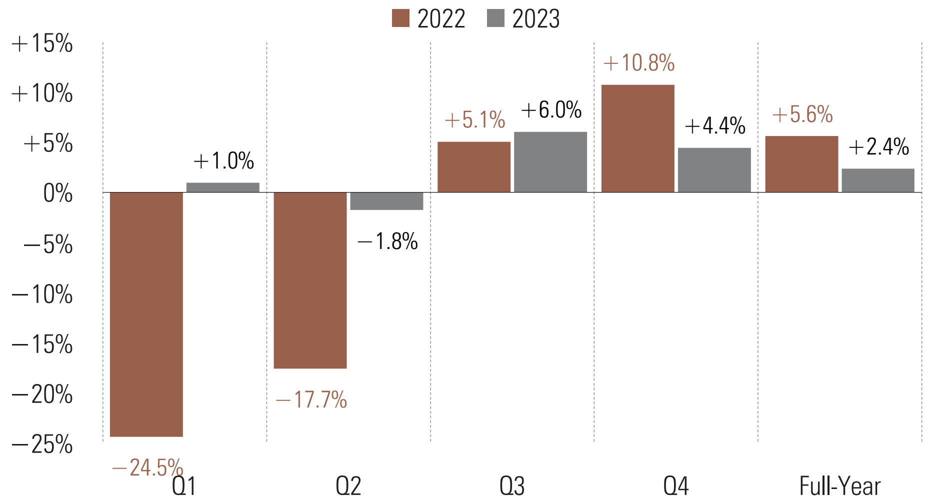
2023 could prove tougher after the resilience in earnings in 2022. Margins may come under pressure from higher material and labor costs, interest rates, and taxation.

Valuation-wise, the forward P/E ratio remains below average and the discount to the U.S. remains large, although the discount may be justified given the war in Ukraine and Europe's energy problems.

The energy crisis in Europe could push Developed Market economies into recession, as recent surveys and production data have pointed to a slowing in energy-intensive industries.

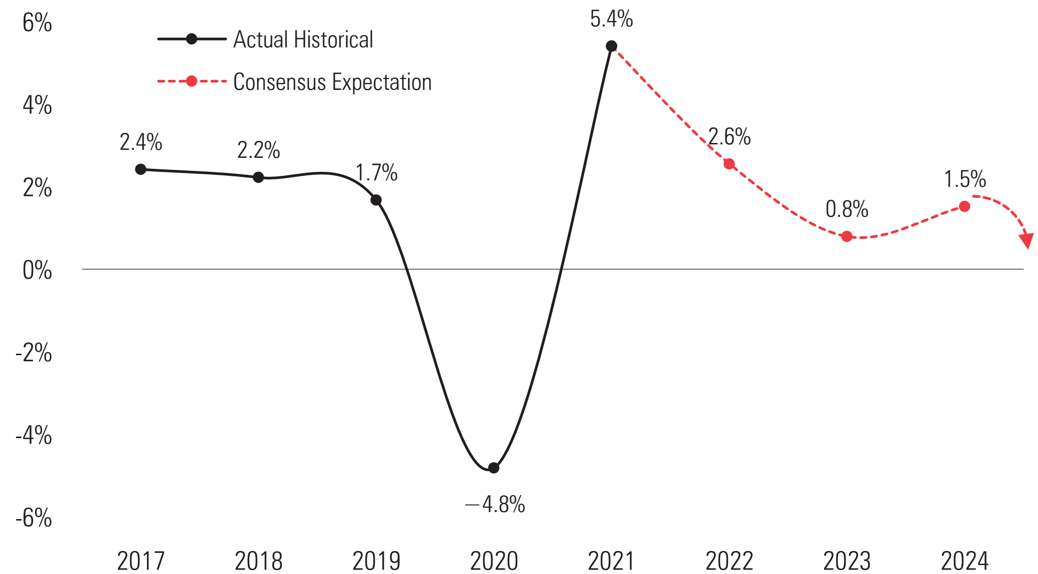
In addition, high inflation may reduce real household incomes, pushing down consumer spending.

MSCI EAFE Earnings Growth: 2022 vs. 2023

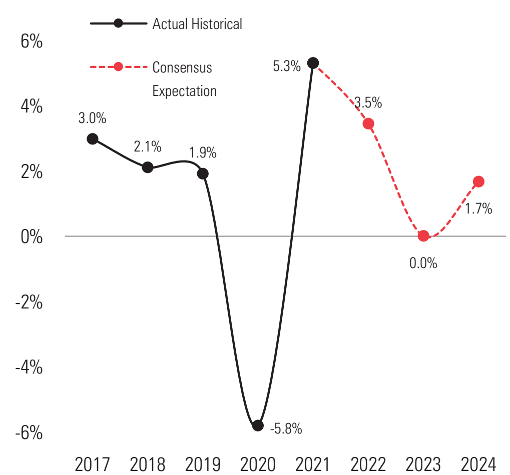


MSCI EAFE Forward Price-to-Earnings

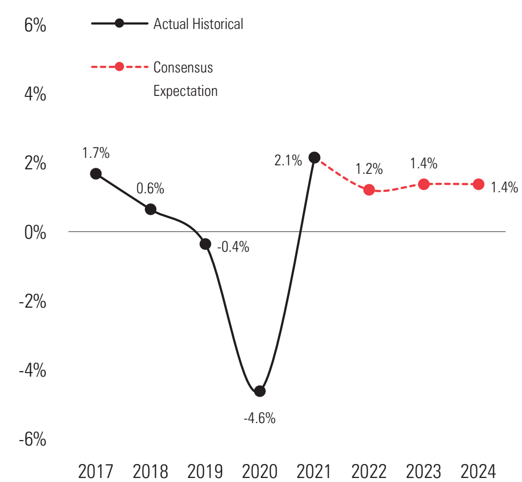
Developed Markets GDP Growth



Euro Area GDP Growth



Japan GDP Growth



Data Sources: Bloomberg

Phillips & Company

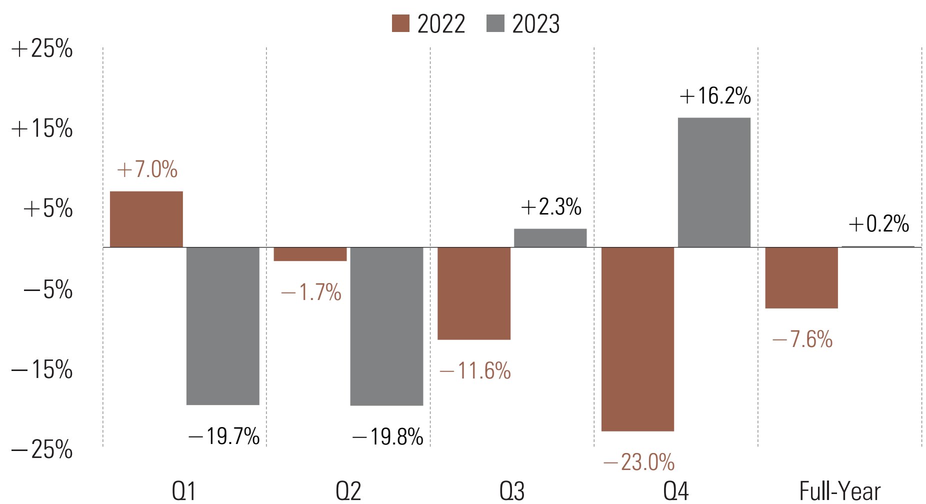
Wealth Strategies | Vested

Emerging Markets

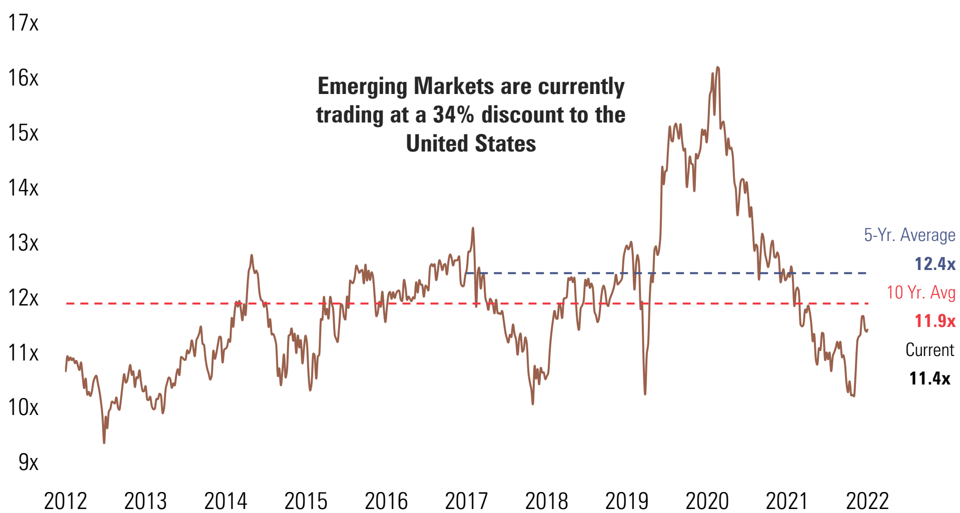
After poor absolute performance in 2022, Emerging Markets earnings expectations have already been cut significantly and valuations have cheapened.

Current estimates are calling for subdued growth in the first half of 2023 followed by a recovery in the second-half that will be largely dependent on a recovery in China, Korea, and Taiwan.

MSCI Emerging Markets Earnings Growth: 2022 vs. 2023

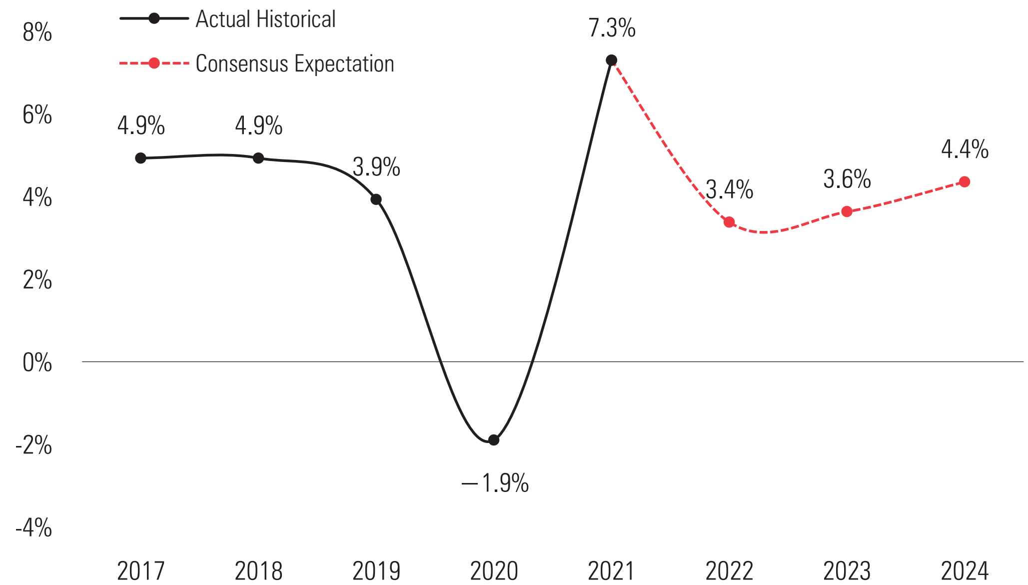


MSCI Emerging Markets Forward Price-to-Earnings

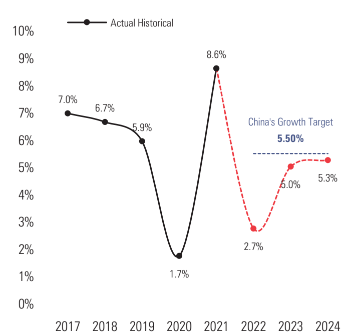


While GDP growth in emerging markets could moderate around the 4% level, China and India should present stronger growth in 2023.

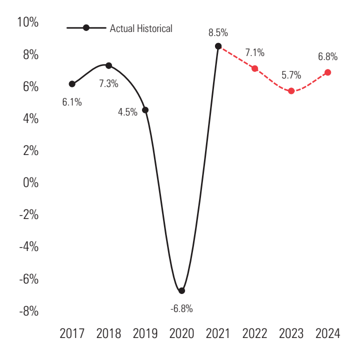
Emerging Markets GDP Growth



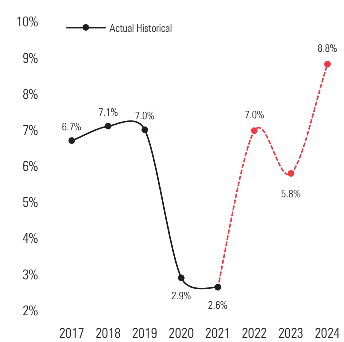
China GDP Growth



India GDP Growth



Vietnam GDP Growth



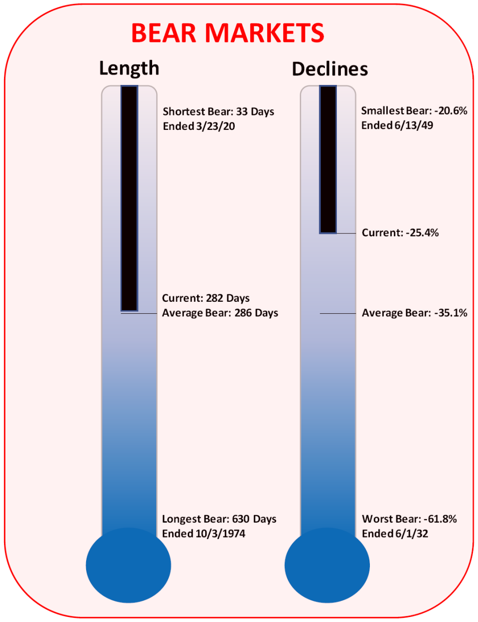
Data Sources: Bloomberg

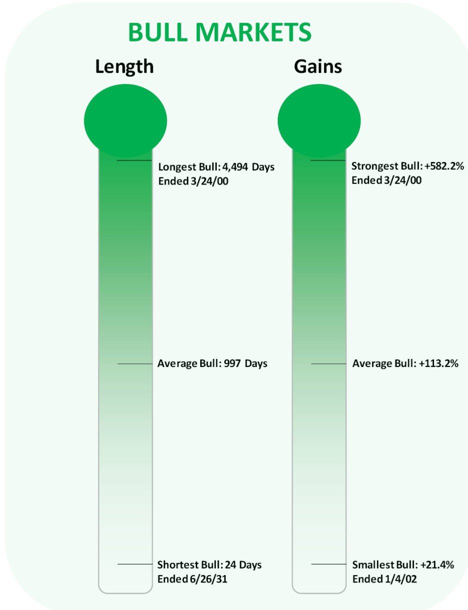
Phillips & Company
Wealth Strategies | Vested

Where Are We?

At 282 calendar days (through the 10/12 low), the current S&P 500 bear market basically reached the average length of all bear markets going back to 1928.

Until the S&P sees a rally of 20% or more off the lows (it's up 7% from the lows now), the bear market remains in place.





When it comes to bear markets or recessions it's critical to realize "this too will pass."

Historically, the next year has had a market recovery of approximately 23.90%.

Post-WW2 S&P 500 Bear Markets*

Start	-20%	Days to Bear	End	Days from -20% to End	% Chg from -20% to End	Full Bear % Chg	Full Bear # of Days	S&P 500 % Change Once -20% Threshold is Hit: Next Week	Next Month	Next 3 Mths	Next 6 Mths	Next Year
5/29/46	9/3/46	97	5/19/47	258	-8.20	-28.47	355	-2.73	-0.13	-3.40	2.73	2.20
6/15/48	6/13/49	363	6/13/49	0	0.00	-20.57	363	3.84	9.08	16.16	22.80	42.07
8/2/56	10/21/57	445	10/22/57	1	-0.43	-21.63	446	3.24	3.40	5.49	9.66	30.96
12/12/61	5/28/62	167	6/26/62	29	-5.73	-27.97	196	3.19	-1.96	5.93	11.93	26.14
2/9/66	8/29/66	201	10/7/66	39	-1.78	-22.18	240	3.88	2.39	7.90	16.44	24.62
11/29/68	1/29/70	426	5/26/70	117	-19.14	-36.06	543	0.25	4.45	-4.53	-8.93	11.89
1/11/73	11/27/73	320	10/3/74	310	-34.92	-48.20	630	-2.20	2.13	0.73	-7.44	-26.92
11/28/80	2/22/82	451	8/12/82	171	-8.22	-27.11	622	1.54	1.06	2.96	1.28	30.37
8/25/87	10/19/87	55	12/4/87	46	-0.41	-33.51	101	1.26	6.76	10.89	14.71	23.19
3/24/00	3/12/01	353	9/21/01	193	-18.16	-36.77	546	-0.79	0.28	6.41	-7.42	-1.24
1/4/02	7/10/02	187	7/23/02	13	-13.34	-31.97	200	-1.57	-1.29	-12.66	0.77	7.41
10/9/07	7/9/08	274	11/20/08	134	-39.55	-51.93	408	0.05	4.15	-26.90	-28.47	-29.08
1/6/09	2/23/09	48	3/9/09	14	-8.99	-27.62	62	-5.72	10.71	19.33	38.05	47.26
2/19/20	3/12/20	22	3/23/20	11	-9.81	-33.92	33	-2.87	12.46	22.60	34.68	58.96
1/3/22	?	161+	?	?	?	?	?	?	?	?	?	?
	Average	**244**		**95**	**-12.05**	**-31.99**	**339**	**0.10**	**3.82**	**3.64**	**7.20**	**17.70**
	Median	**238**		**43**	**-8.60**	**-30.22**	**359**	**0.15**	**2.89**	**5.71**	**6.19**	**23.90**
	% Positive	--		--	--	--	--	57.1	78.6	71.4	71.4	78.6
Avg. All Periods Since 1945								***0.30***	***1.01***	***2.42***	***4.88***	***9.89***

If we start a rate cut cycle this year, we could see some very strong returns if history is any guide. But….

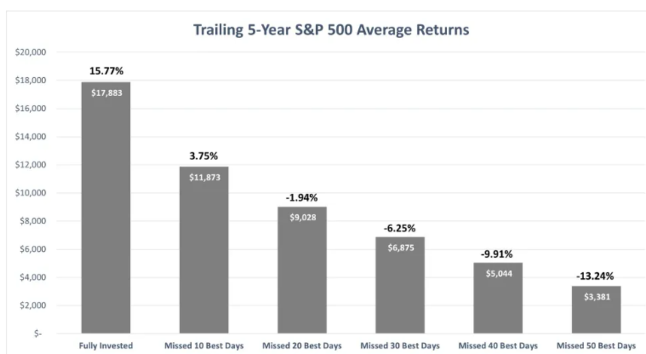
Rate Cut Cycle Start	Rate Cut Cycle End	DJIA	S&P 500	Nasdaq Composite
5/31/1989	2/3/1994	60.0%	50.0%	78.8%
7/5/1995	3/24/1997	49.6%	44.5%	31.9%
9/28/1998	6/29/1999	33.4%	28.9%	51.9%
1/2/2001	6/29/2004	-2.2%	-11.5%	-11.2%
9/17/2007	12/15/2008	-36.1%	-41.2%	-41.6%
7/31/2019	1/14/2022*	33.5%	56.2%	81.9%
Average %		**23.0%**	**21.2%**	**32.0%**
Median %		**33.4%**	**36.7%**	**41.9%**

Source: Dow Jones Market Data

Markets move in brief bursts; miss just a few days and you lose all the advantage.

Total Trading Days	1260				
Missed Days	10	20	30	40	50
% of Missed Days	0.79%	1.59%	2.38%	3.17%	3.97%

Source: Deep in the Trenches



Data Sources: Bespoke Investment, Bloomberg, Deep in the Trenches

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Our View & Recommendations

Our View

- The Federal Reserve will likely pause their rate increase cycle at 5% and hold that level longer than Wall Street Expectations; driven by a resilient consumer. A soft landing is still within the range of outcomes that can lift equity prices in the months to come.
- The U.S. consumer is still resilient, as strong jobs and wages provide a positive backdrop. However, expect an erosion in sentiment and a contraction in consumption.
- Europe will likely slip into a recession this quarter as they face higher food and energy prices as well as extreme consumer pessimism.
- With a transition from Zero Covid to living with COVID, we should expect strong revenge consumption out of the Chinese consumer. All of this will support better than expected corporate earnings.

Recommendations

- Reaffirm your investment strategy and maintain strategic liquidity to cover spending needs and provide opportunities for cost averaging.
- Underweight Developed Markets as the ground war in Europe poses a real risk to consumption habits and earnings growth.
- Maintain an overweight to Emerging Markets and China as they continue to represent reasonable earnings growth to valuation prospects.
- Selectively bullet fixed income if the 2-year Treasury creeps above 4.4% and the 30-year remains well below the 2-year.
- Continue to shift to Base Metals, Health Care, and Consumer Staples. Base metals offer a hedge against inflation and take advantage of a commodities super cycle. Health Care offers tremendous pricing power and a better corporate earnings outlook in an inflationary environment. Consumer Staples is a hedge against recessionary threats.

What's On Our Mind?

ARE WE IN THE MIDST OF A SECULAR REGIME CHANGE FROM:	POSSIBLE ALLOCATION RESPONSES
Low Inflation → Enduring High Inflation Lower Interest Rates → Higher Rates for Longer	Cash alternatives and lower duration fixed income
Globalization & Importing Deflation → Deglobalization & Higher Costs Carbon Driven Energy → Carbonless Economies	Commodity exposure – minerals, energy, & oil
Uncorrelated Stock & Bond Movements → Correlated Stock & Bond Movements	Dividend, Consumer Staples, & quality growth Non-correlated equity alternatives – illiquid, event-driven, hedge, China

Mean Reversion Dashboard

Style Forward P/E as a % of 20-Year Average

Size	Style: Value	Blend	Growth
Large	100.1%	103.3%	110.8%
Mid	90.1%	92.8%	99.0%
Small	92.7%	89.5%	78.2%

Regions & Countries Forward P/E as a % of 20-Year Average

Regions

World	Developed Markets	Emerging Markets
99.1%	90.5%	101.2%

Countries

United States	Germany	United Kingdom	China	Brazil	India	Russia
104.7%	85.6%	79.0%	89.7%	63.5%	124.7%	—

Sector Forward P/E as a % of 20-Year Average

Sectors

Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Technology	Telecom	Utilities	Real Estate
45.3%	98.4%	110.0%	101.8%	120.1%	113.5%	95.3%	108.5%	83.9%	121.0%	79.0%

Data Source: Bloomberg

THANK YOU

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