

**Market**

**Outlook**

**Q1 2025**

# Market Outlook

Today's market moves.

## What to know about markets right now

**1**

MARKETS

**U.S. stocks  
continue to  
lead the way**

**2**

ECONOMY

**The U.S.  
economy  
keeps growing**

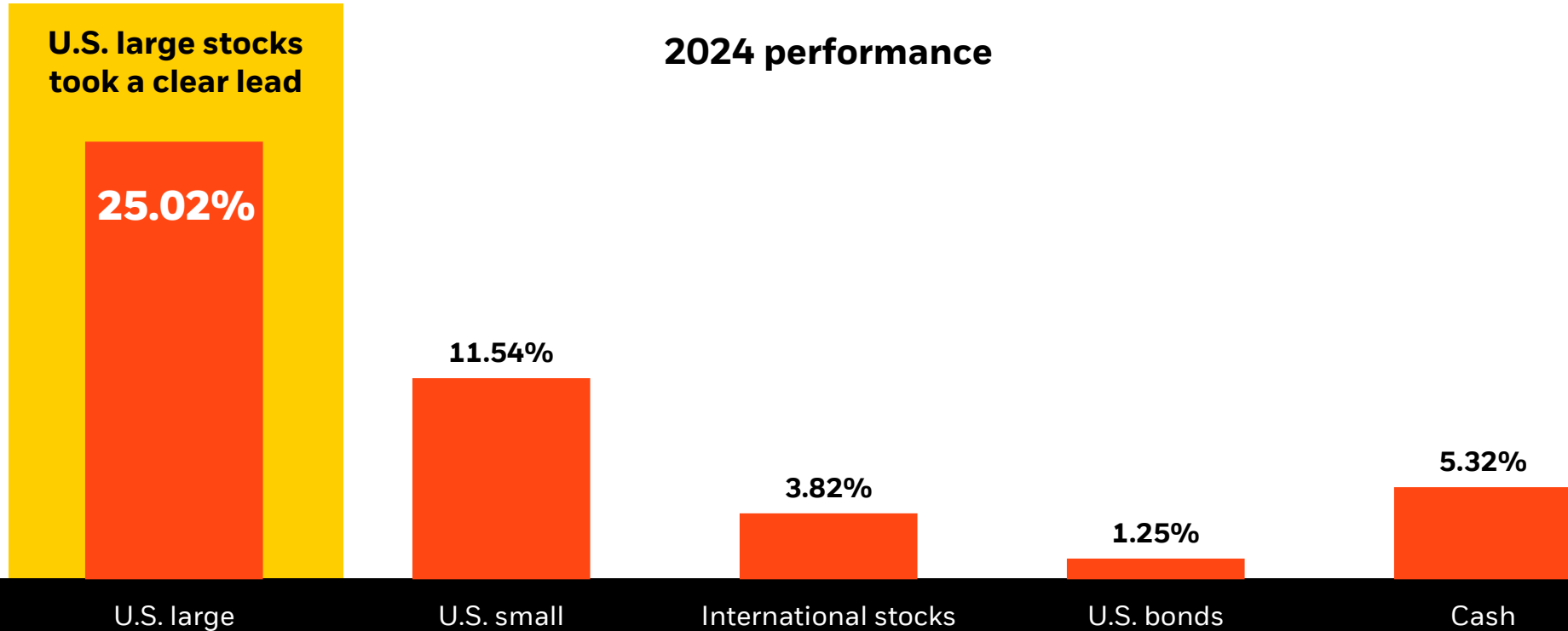
**3**

INTEREST RATES

**The Fed cut  
interest rates**

**What it means for portfolios**

# 2024 markets: U.S. stocks continue to lead the way



## Did you know?

Most asset classes were positive in 2024: only 6 out of 114 mutual fund categories lost money.<sup>1</sup>

Source: Bloomberg as 12/31/24. U.S. large are represented by the S&P 500 TR Index, U.S. small by the Russell 2000, International stocks by the MSCI EAFE Index, U.S. bonds by the Bloomberg US Agg Bond TR Index and Cash by Bloomberg U.S. Treasury Bill 1-3 Months TR Index. **Past performance is no guarantee of future results.** Index performance is shown for illustrative purposes only. You can not invest directly in the index. 1: Morningstar as of 12/31/24. All asset classes represented by Morningstar open-end mutual funds categories. Morningstar categories that were negative in 2024 included the Global Bond, Long-Term Bond, Emerging-Markets Local-Currency Bond, Natural Resources, Long Government and Latin America Stock categories. Past performance does not guarantee or indicate future results.

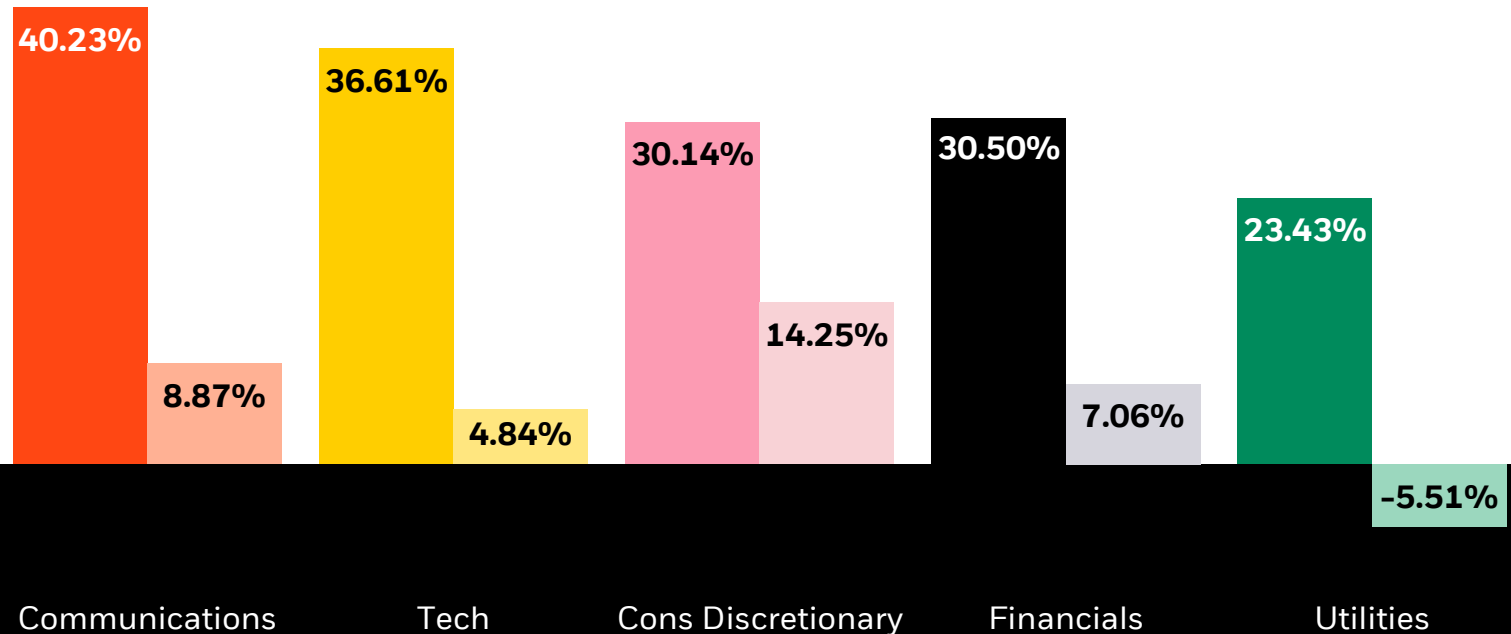
# Another strong year for tech+

Technology and communications stocks finished out the year strong, but they weren't the only ones: consumer discretionary and financials stocks also finished out the year ahead of the S&P 500.

## Markets broadened in 2024, but tech+ stayed in the lead

S&P 500 sector performance

2024 performance  
Q4 performance



### Did you know?

Cyclicals came roaring back in Q4. While tech and communications were two of the worst-performing sectors in Q3, they were two of the best in Q4.

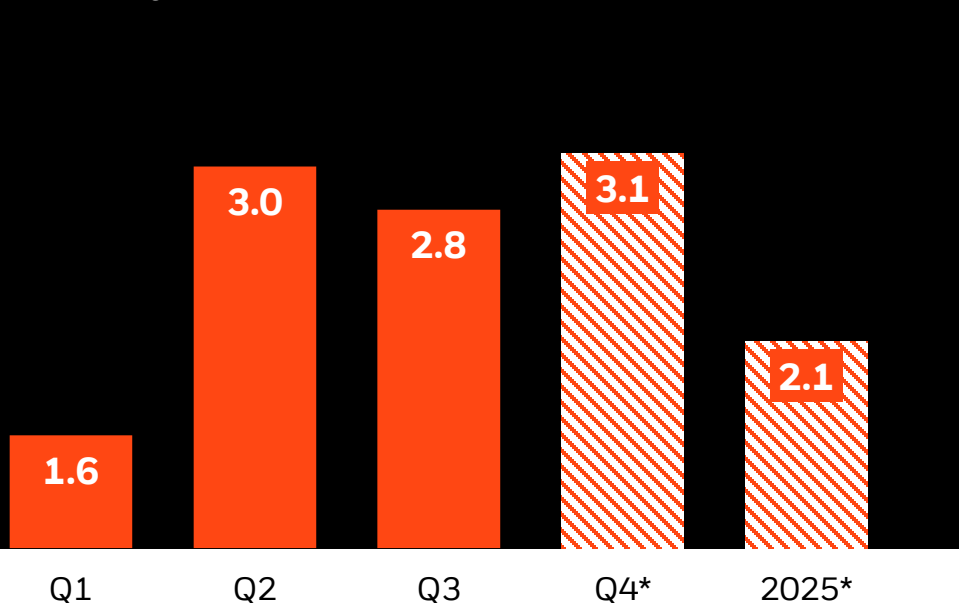
Source: Bloomberg as of 12/31/24. "Tech" represented by the S&P 500 Information Technology sector index, "Financials" represented by the S&P 500 Financials sector index, "Cons Discretionary" represented by the S&P 500 Consumer Discretionary index, "Comms" represented by the S&P 500 Communication Services sector index, and "Utilities" represented by the S&P 500 Utilities sector index. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

# The U.S. economy keeps growing

U.S. GDP growth surprised to the upside in 2024 and is forecasted to remain positive in 2025. Meanwhile, unemployment rose by enough to inspire the Federal Reserve to start cutting interest rates in September.

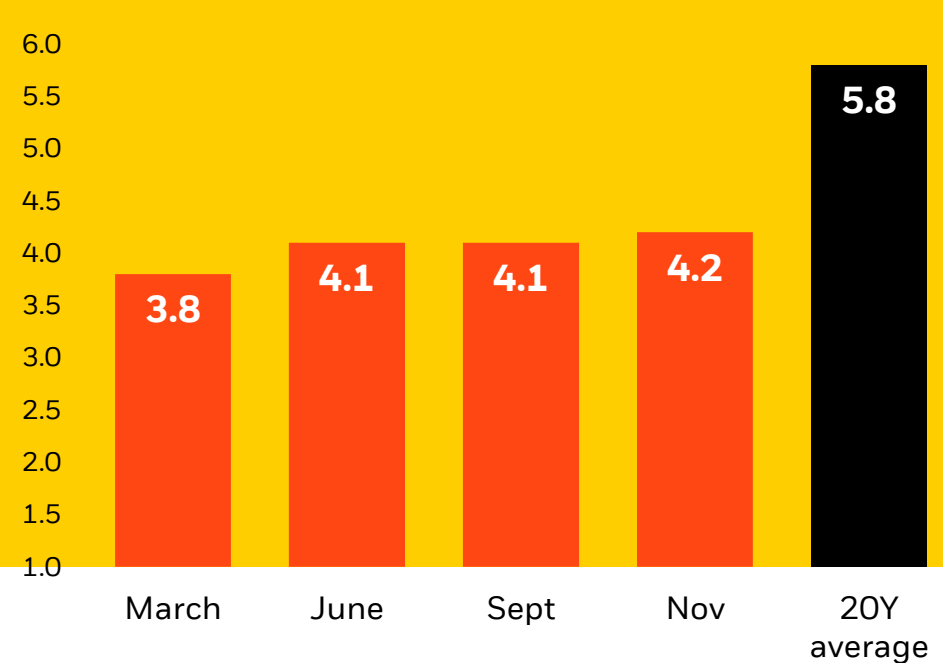
## Growth has stayed resilient, keeping the U.S. well out of recession territory

Real GDP growth (%)



## Unemployment normalized, rising, but staying within a healthy range

Unemployment rate (%)



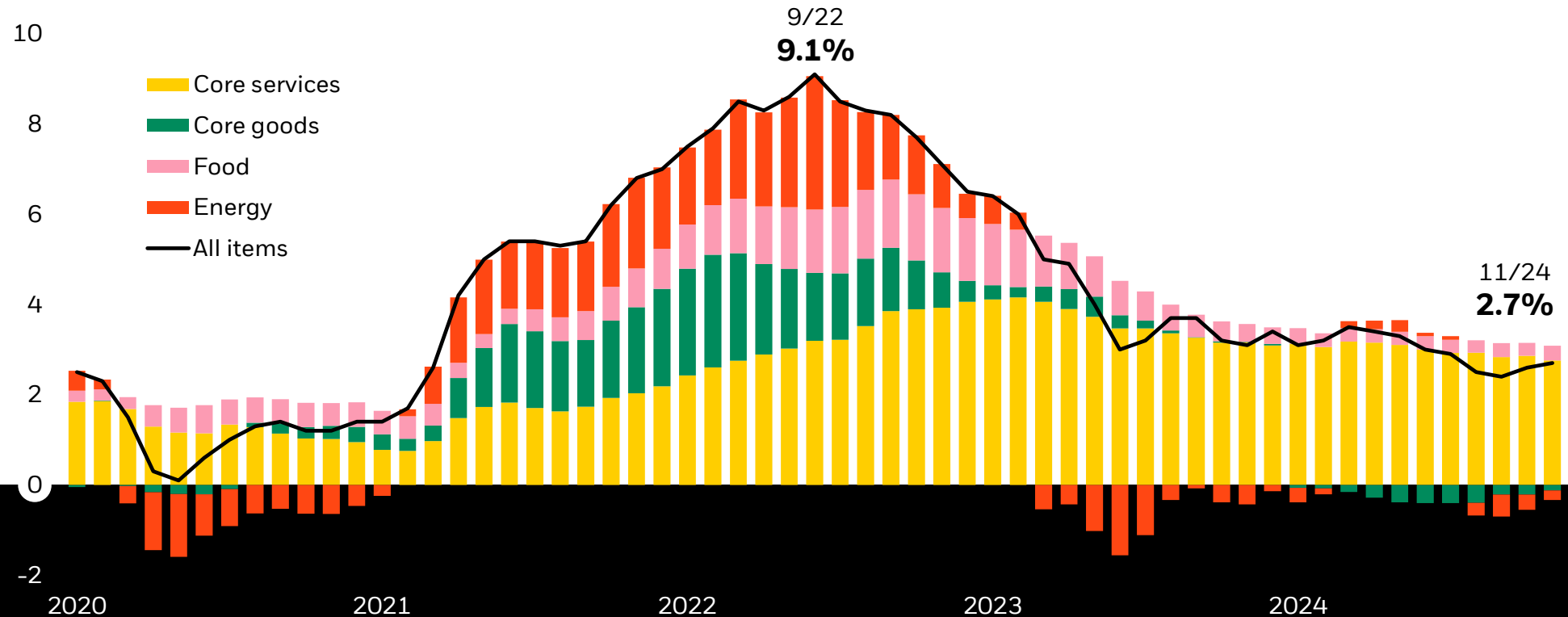
Source: Bloomberg, Federal Reserve. Asterisks indicate projections. Q4 projection is from Atlanta Fed GDPNow as of 12/24/24. 2025 projection is from the Federal Reserve median projection for 2025.

# Inflation declined, but remains persistent

Inflation has progressed towards target, but the last mile may prove the hardest, as the combination of government spending, tariffs, and immigration policy could keep prices high.

## Inflation has declined from 2022 highs, though has leveled out recently

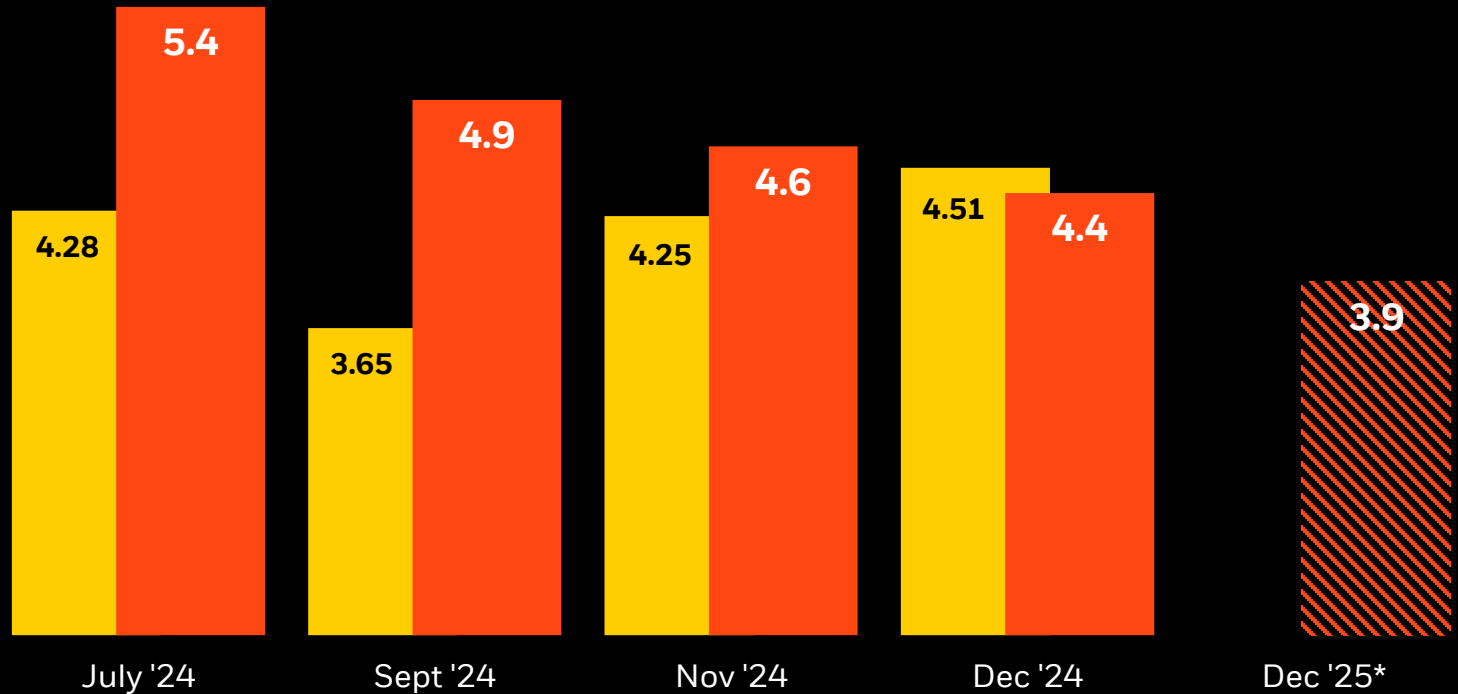
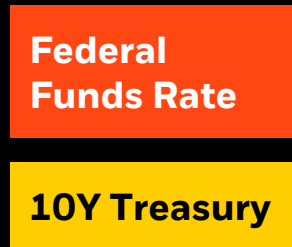
Contributions to US CPI YoY (%)



Source: Bloomberg, Bureau of Labor Statistics, as of 12/23/2024.

# The Fed began cutting rates in September: Cash rates fell, but longer-term yields rose

The Fed cut rates  
by 1.00%,  
and suggested  
another 0.50%  
in cuts could  
come next year



1 Source: Bloomberg, Federal Reserve. Dec '25\* is the median FOMC projection as of 12/18/24.

# Looking ahead

1

## Leaning into stocks

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Our positive economic outlook and the potential for public policy tailwinds lead us to overweight stocks.

We prefer **large cap U.S. names**, given higher earnings growth expectations.

2

## Adding to higher-income bonds

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Our positive outlook also supports leaning into higher-risk credits, and a higher-for-longer outlook suggests that shorter-term bonds may maintain attractive yields.

Consider adding to **higher yielding, shorter duration** bonds.

3

## Getting more creative with diversification

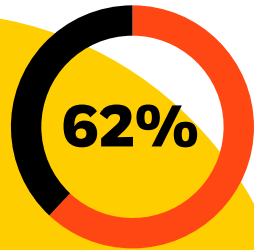
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We see less upside for core bonds if inflation persists, and look for additional diversification from alternative strategies.

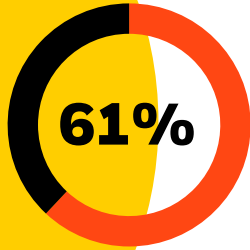
**“Cash plus” alternatives** remain attractive, and scarce assets such as gold and bitcoin may offer additional diversification.



# Coiled spring of pent-up business activity could provide tailwind for stocks



of **CEOs** said they were delaying key investments until after the election



of **small business owners** said they were delaying major business decisions until after the election



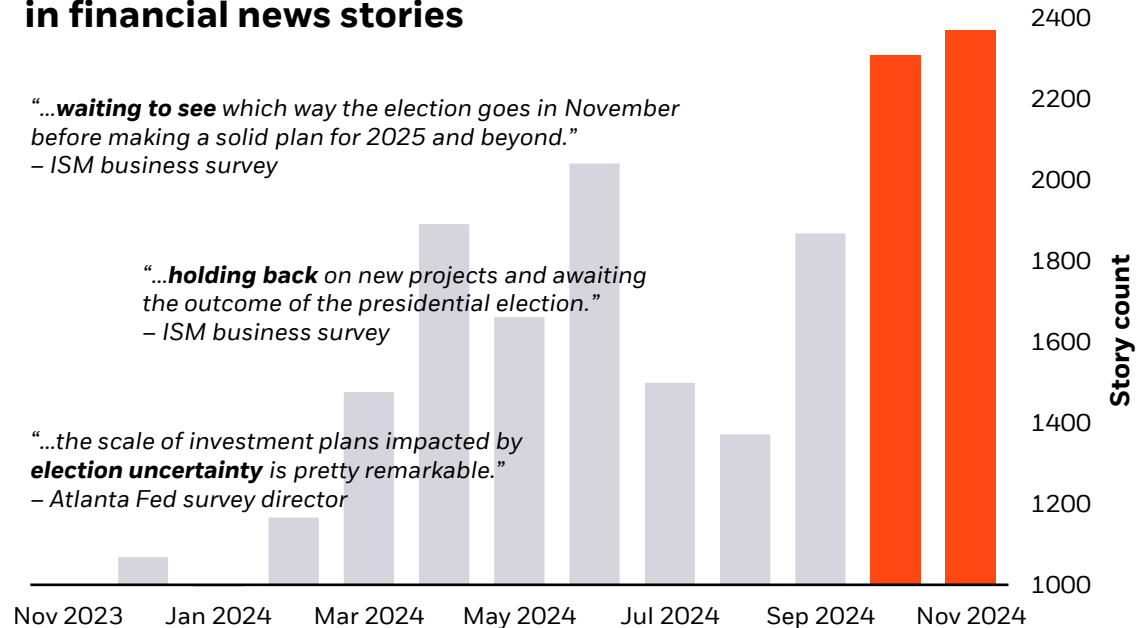
of **CFOs** had “postponed,” “scaled down,” or “delayed indefinitely” investment plans because of election uncertainty

## Mentions of paused or delayed investments in financial news stories

“...**waiting to see** which way the election goes in November before making a solid plan for 2025 and beyond.”  
– ISM business survey

“...**holding back** on new projects and awaiting the outcome of the presidential election.”  
– ISM business survey

“...the scale of investment plans impacted by **election uncertainty** is pretty remarkable.”  
– Atlanta Fed survey director



**Previously postponed capital allocation decisions can now be put into motion, boosting economic activity**

Sources: BlackRock, Bloomberg, as of 11/5/2024. KPMG 2024 US CEO Outlook Pulse Survey, KeyBank Fall 2024 Small Business Flash Poll, September 2024 Services ISM Report on Business, Federal Reserve Bank of Atlanta and Federal Reserve Bank of Richmond Q3 2024 CFO Survey. “US businesses are suffering from election uncertainty,” CNN Business, October 24, 2024.

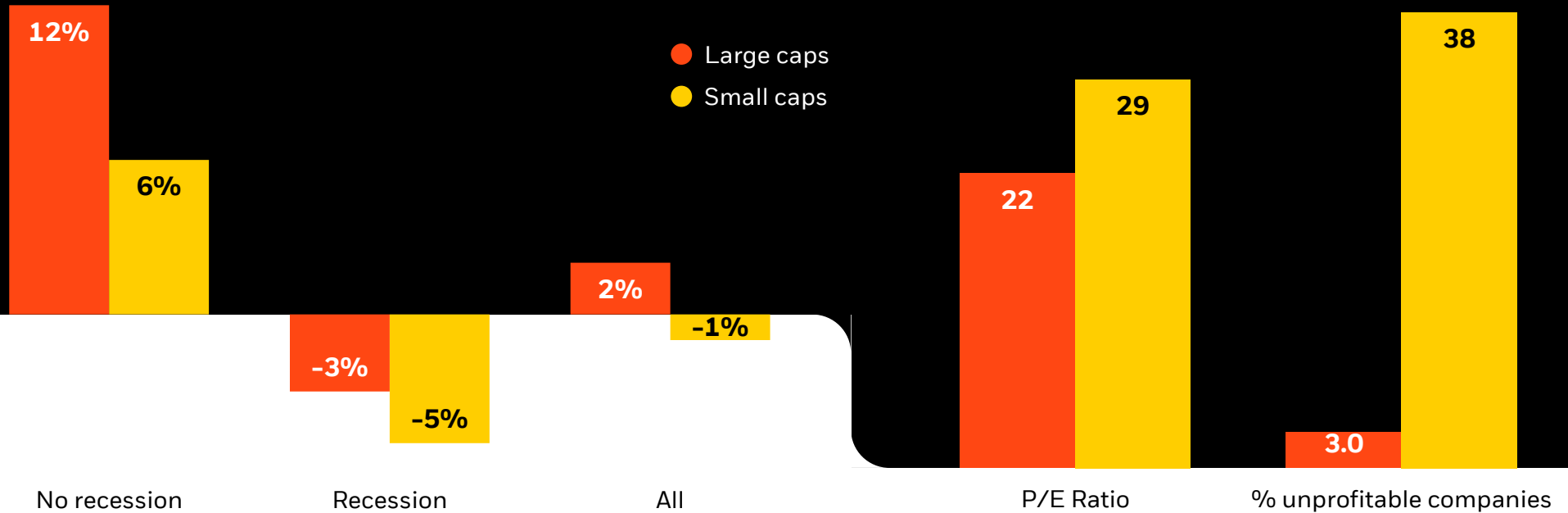
# Lean into U.S. large caps

Although smaller cap stocks have rallied on optimism around proposed policy changes, we remain skeptical given expensive valuations and low profit margins. Instead, we continue to lean into large caps to implement our overweight to equities.

## Large caps have outperformed following previous rate cuts

## Small caps remain less profitable and more expensive

Avg. return by market cap, one year from first rate cut



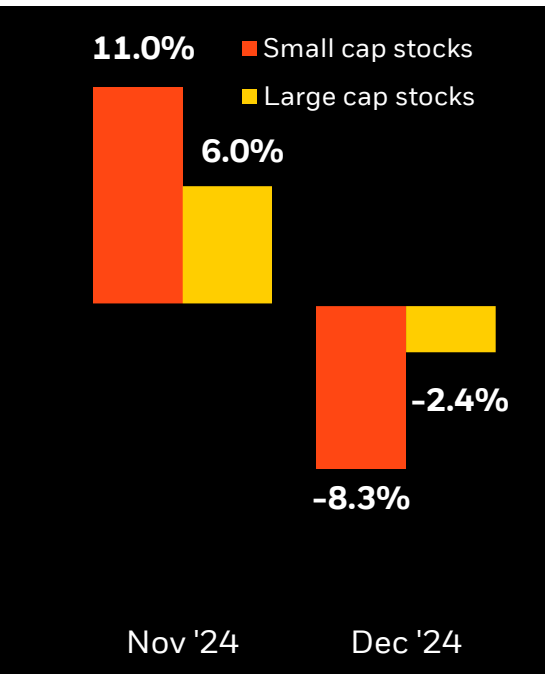
Source: BlackRock Fundamental Equities with data from Refinitiv as of August 2024. Chart shows average return of the S&P 500 (large caps) and Russell 2000 (small caps) indexes in the 12 months following prior rate cuts, covering six cycles since 1984. Past performance is not indicative of current or future results. Indexes are unmanaged. It is not possible to invest directly in an index. P/E Ratio as determined by Bloomberg, using blended forward 12 months, using the S&P 500 (large caps) and Russell 2000 (small caps) as of 12/31/2024; % of Unprofitable Companies as of 1/1/2025.

# Small cap momentum can fade quickly

Small caps had one of their best months ever in November 2024, but the momentum faded in December and performance reversed.

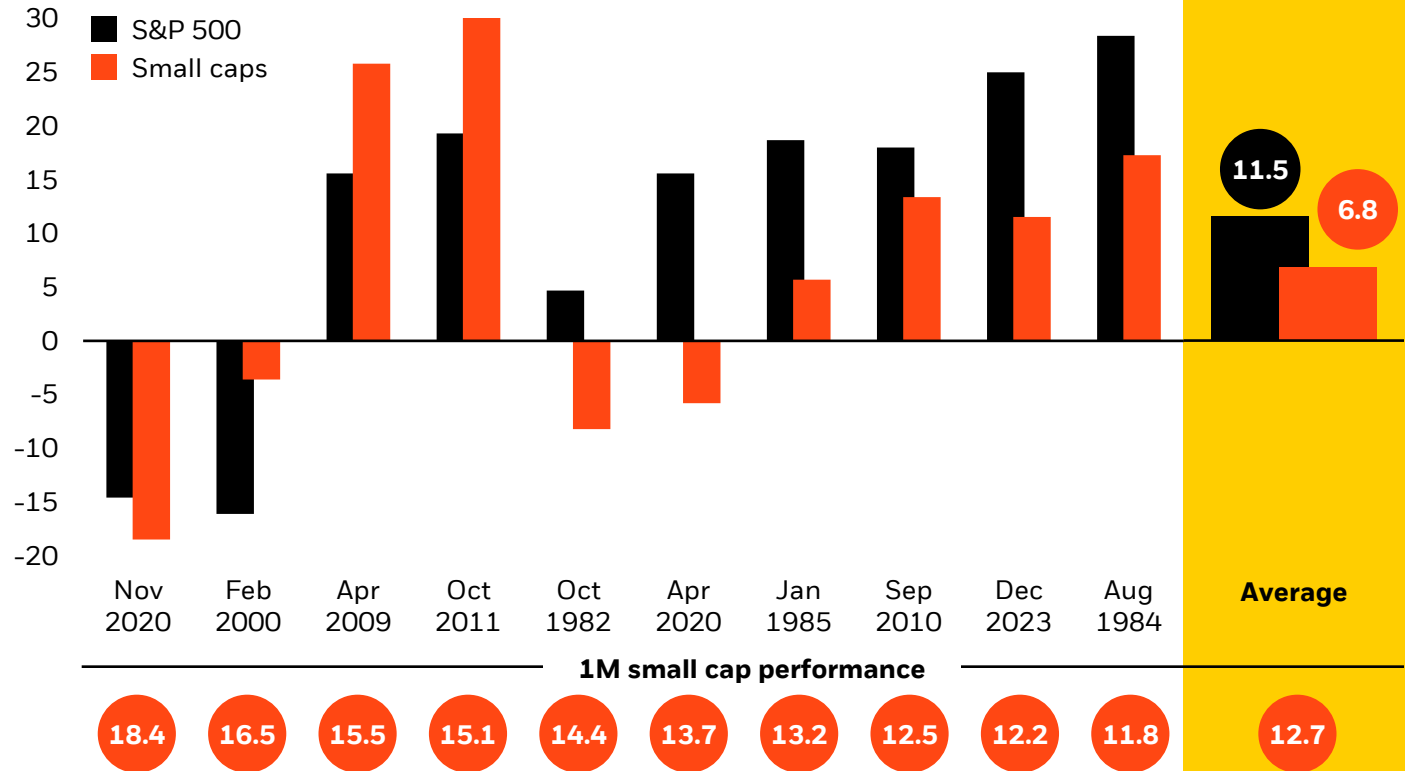
## Small caps rallied in November, but fell in December

Performance (%)



## Small cap outperformance frequently doesn't last

1Y performance following best months for small caps, 1979-2024



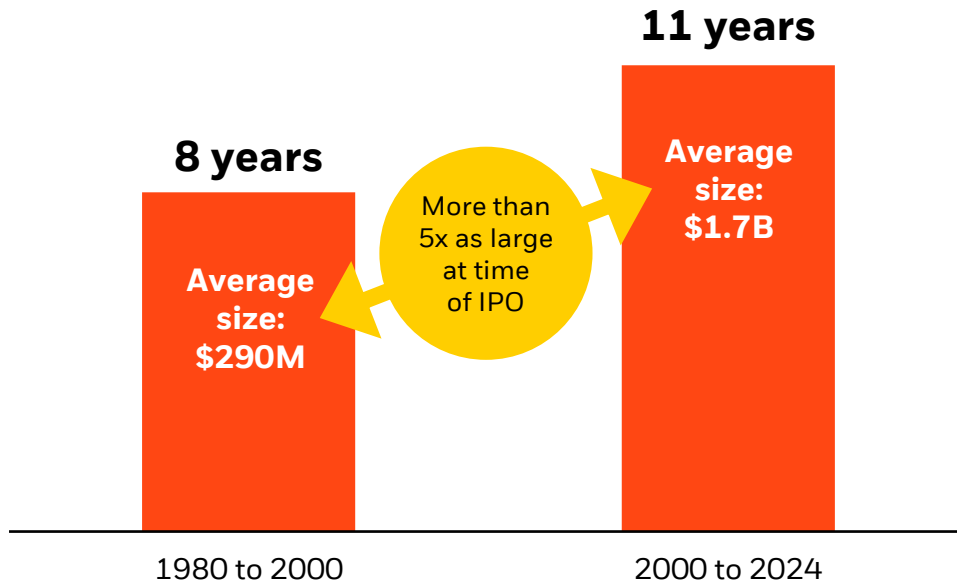
Source: Morningstar, Bloomberg as of 12/31/24. Small cap stocks represented by the Russell 2000 TR Index, Large cap stocks are represented by the S&P 500 TR Index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

# Private equity: the new “small caps”?

With companies staying private for longer, private equity may be a better way to access the size premium that many are used to getting from small caps. Add in an illiquidity premium, and we see greater opportunity in private equity.

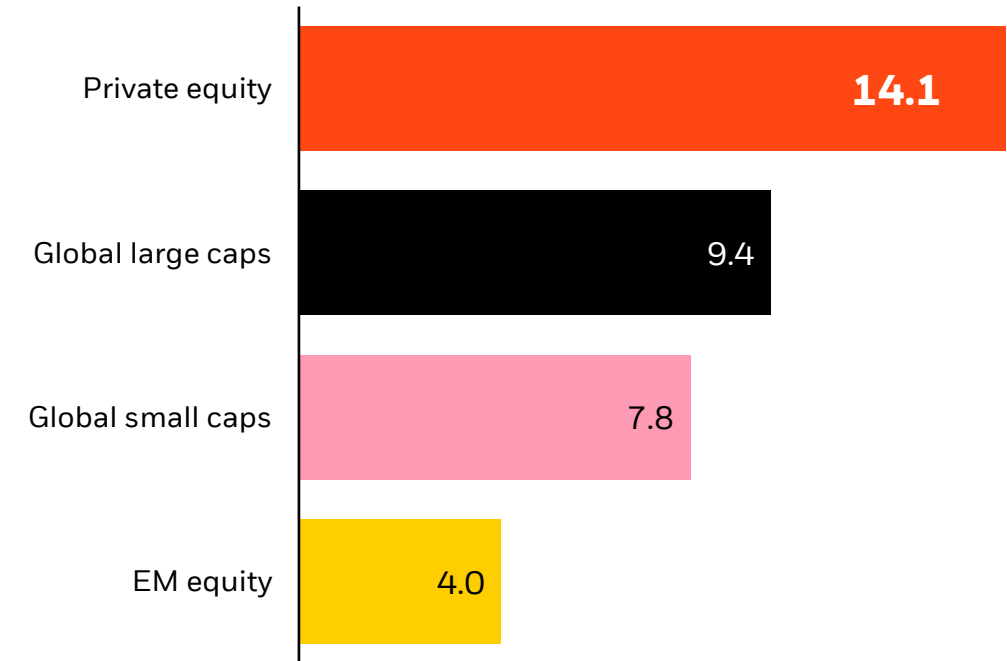
## Companies are staying private for longer, and going public at higher valuations

Median age for IPOs<sup>1</sup> and average valuation<sup>2</sup>



## Private equity has delivered outsized returns

Average annual returns, last 10 years (%)<sup>3</sup>



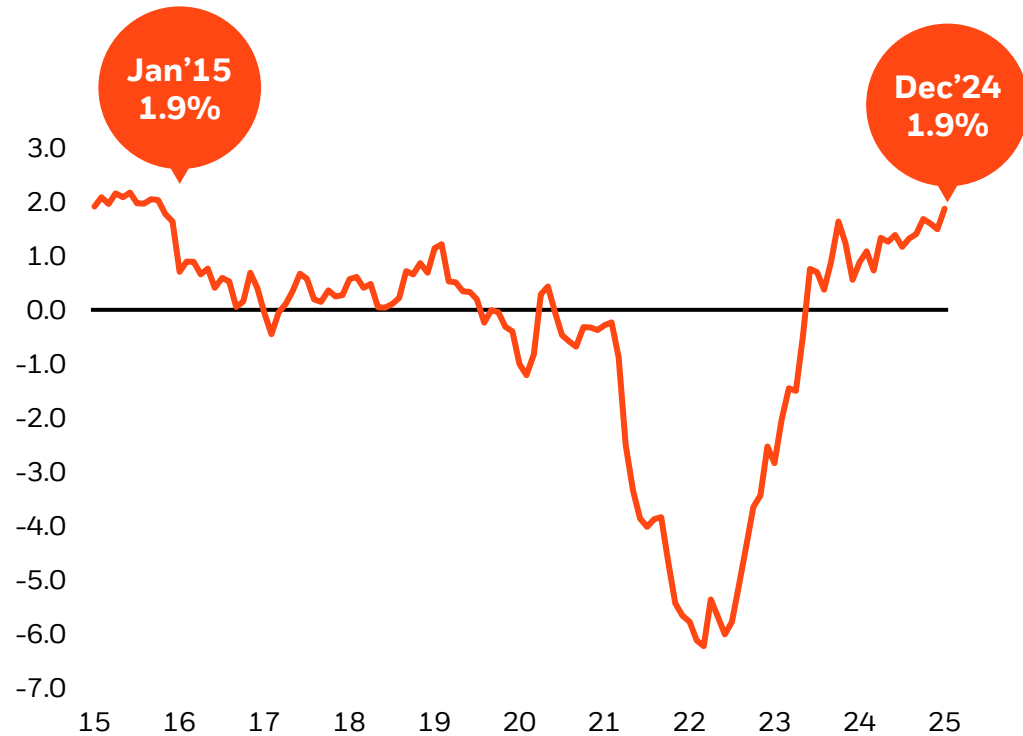
<sup>1</sup> Source: University of Florida, Warrington College of Business, “[Initial Public Offerings: Updated Statistics](#)”, Table 4: Median Age and Fraction of IPOs with VC- and Buyout-Backing, 1980-2023, as of 5/10/24. Median IPO age for 1980 to 2000 is the median of the consolidated median ages of the time periods before 2000 that are listed at the bottom of table 4. <sup>2</sup> Source: University of Florida, Warrington College of Business, “[Initial Public Offerings: Updated Statistics](#)”, Table 4d: VC-banks IPOs, U.S.-headquartered Companies Only, 1980-2023, as of 5/10/24. “Average size” is defined as the average market cap at first market price for each time period. <sup>3</sup> Bloomberg, Burgiss as of 9/30/24. “Private Equity” represented by the Burgiss Private Equity Index as of 9/30/24. “Global Large Caps” represented by the MSCI ACWI NR Index, “Global Small Caps” represented by the MSCI ACWI Small Cap NR Index and EM equity by the MSCI EM NR Index as of 9/30/24. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.

# High real yields may set bonds up for success

Real (inflation-adjusted) yields are now at their highest level since 2015. Bonds have historically performed better when real yields are positive, which could make 2025 a better year for bonds.

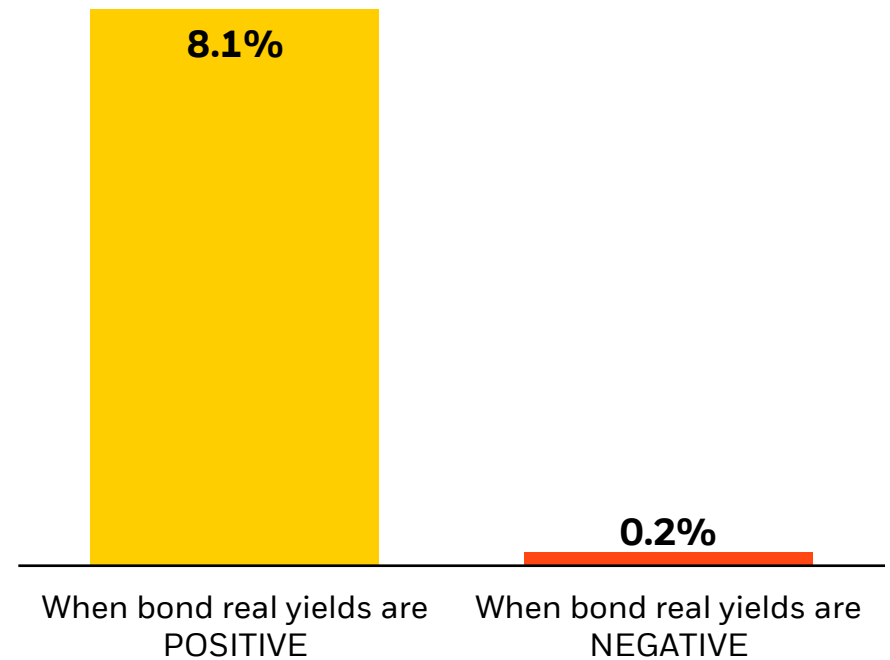
## Real yields for the 10-year U.S. Treasury bond

10-year Treasury minus inflation rate, 12/31/14 - 12/31/24



## Bonds have historically performed significantly better when real yields are positive

Average annual returns over following 12 months, since 1976



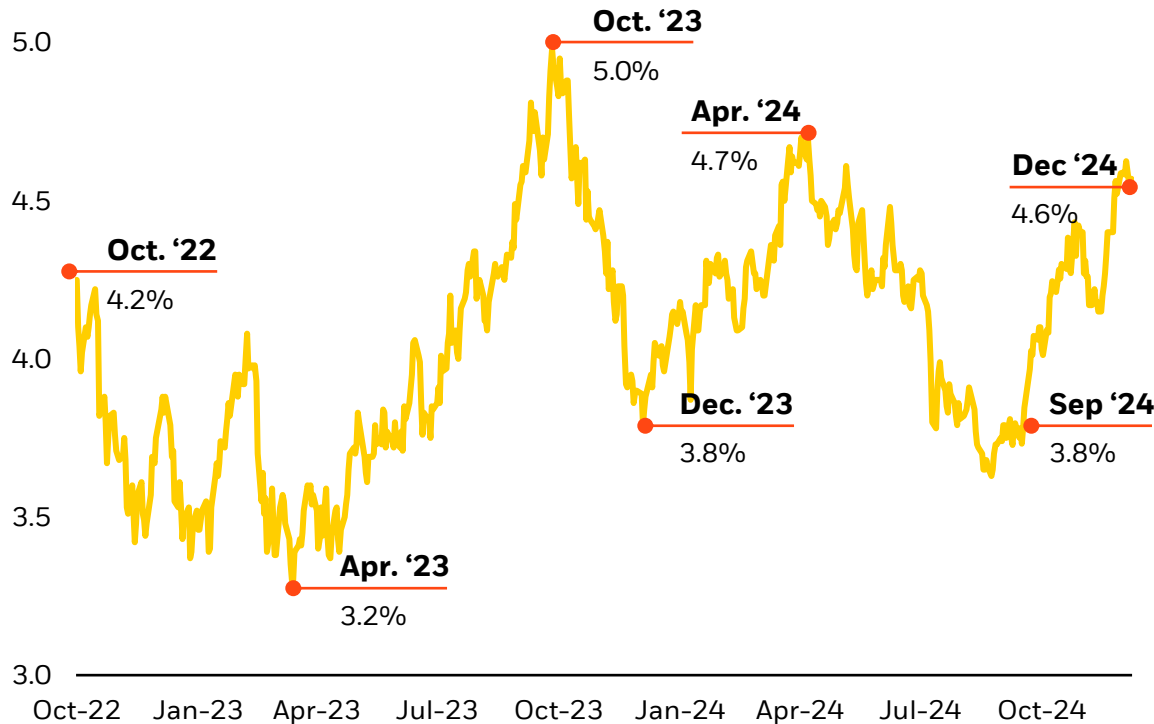
Source : left: Bloomberg, as of 12/31/24. right: Morningstar and the St Louis Federal Reserve as of 11/30/24. U.S. bonds represented by the Bloomberg U.S. Agg Bond TR Index. Inflation represented by the annual consumer price index. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.** You cannot invest directly in the index.

# An active approach can capitalize on interest rate swings

While interest rate volatility has been painful for some bond investors, many active managers have been able to deliver performance via active curve positioning and credit selection.

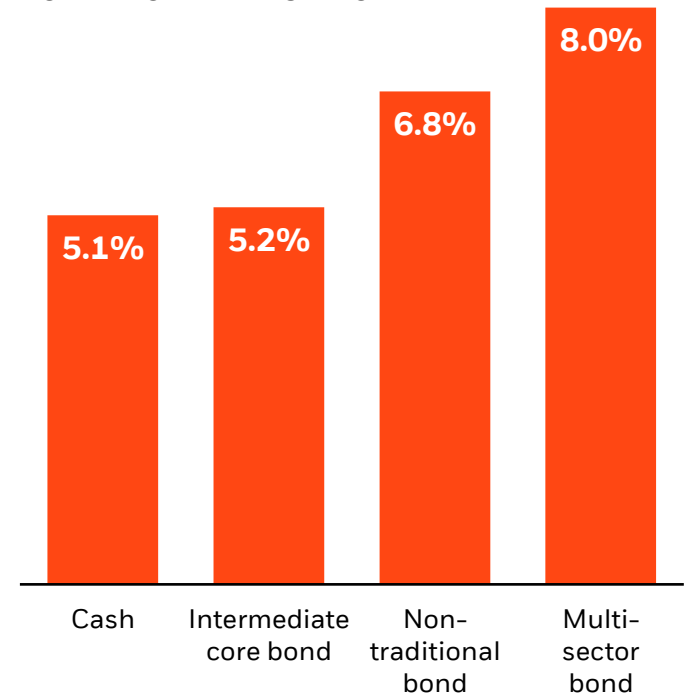
## Interest rates have swung wildly

10-year U.S. Treasury yield



## Bond managers have delivered

Average annualized return, 10/24/2022 – 12/31/2024

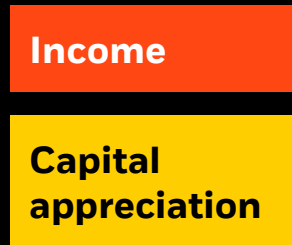


Source: Morningstar, Federal Reserve as of 12/31/24. Cash represented by the Bloomberg U.S. Treasury Bill 1-3 Months TR Index. All bond asset classes are represented by their respective U.S. fund category as defined by Morningstar. Past performance does not guarantee or indicate future results.

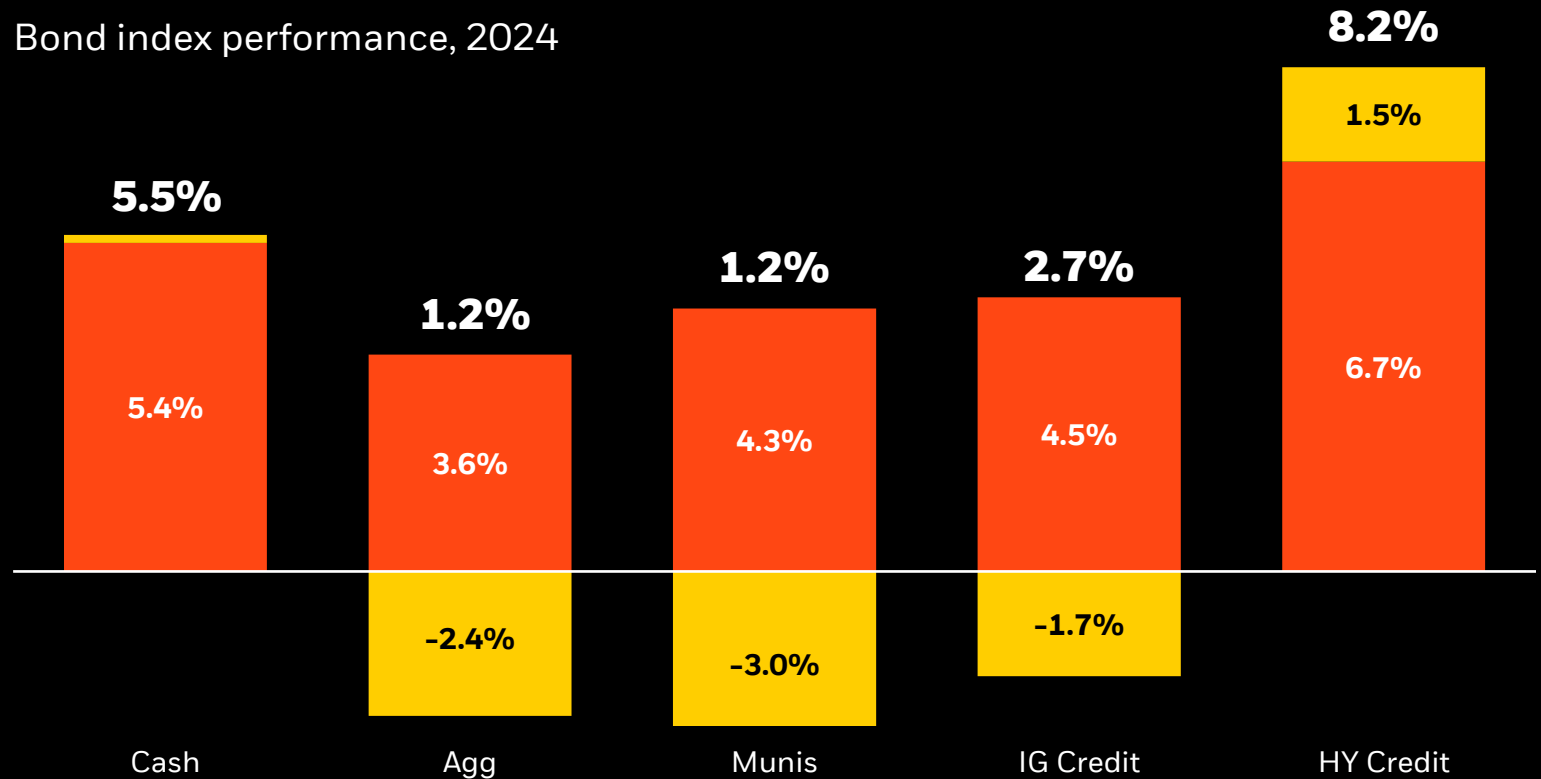
# Income has driven bond returns higher

Income was key in driving bond yields higher in 2024, especially since longer-term interest rates rose. Looking forward, we believe income will be the biggest driver of bond returns in 2025.

**Bond returns are made up of income & capital appreciation**



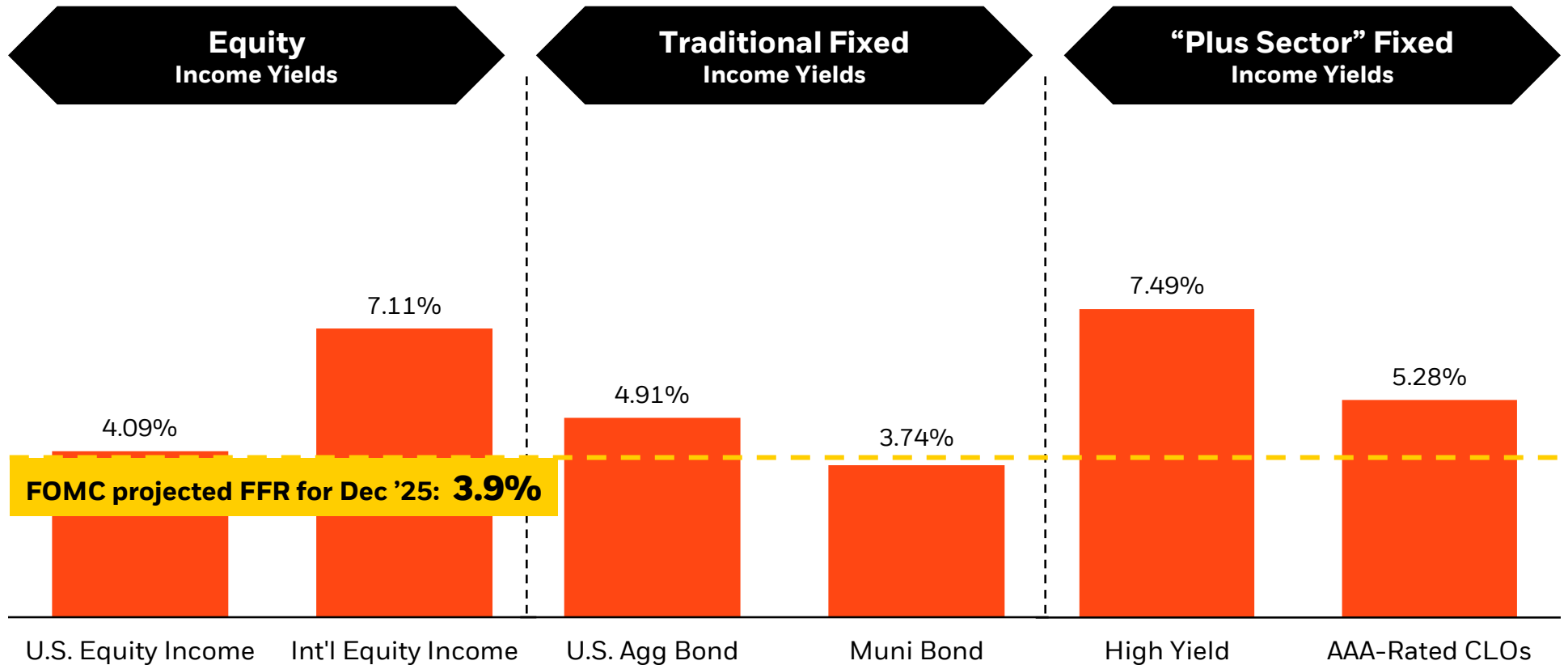
Bond index performance, 2024



Source: BlackRock as of 12/31/24. Cash defined as Bloomberg Treasury Floating Rate Bond Index, Agg as Bloomberg U.S. Aggregate Bond Index, Munis as S&P National Muni Bond Index, IG Credit as ICE BofA US Corporate Index, and HY Credit as ICE BofA US High Yield Constrained Index.

# Yield opportunities across stocks & bonds

With cash rates projected to fall, investors may need to seek out income in other asset classes.

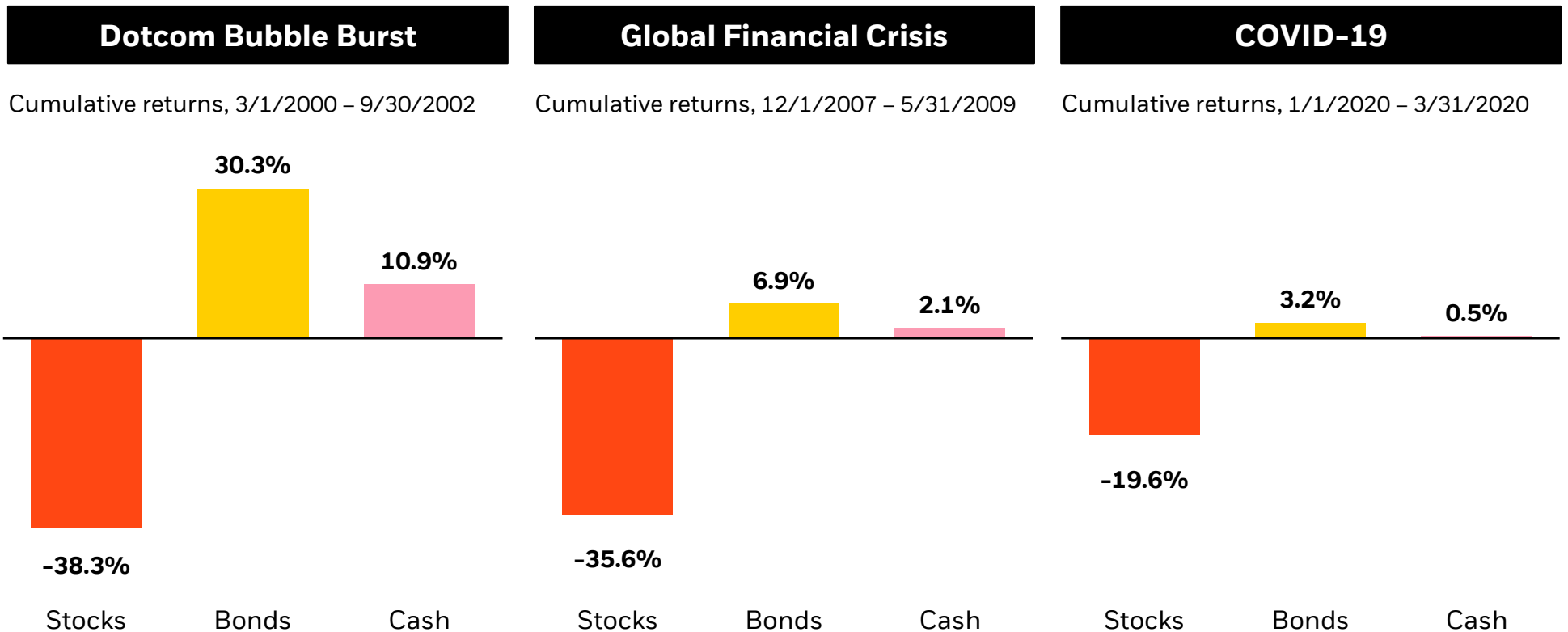


Source: Bloomberg as of 12/31/24. Equity income yield is represented by 12m trailing yield, fixed income yield is represented by yield to worst, a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting. U.S. Equity Income refers to the Dow Jones U.S. Select Dividend Index, Int'l Equity Income refers to the Dow Jones EPAC Select Dividend Index, U.S. Agg Bond refers to the Bloomberg U.S. Aggregate Bond Index, Muni Bond refers to the Bloomberg Municipal Bond Index. High yield refers to the Bloomberg U.S. High Yield Index. AAA-Rated CLOs refers to the JP Morgan CLOIE AAA Index. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. **Past performance does not guarantee future results.** Not intended for comparison. For more information on the indices, see Important Notes at the end of the presentation.



# Core bonds can provide protection in stressed markets

Don't count out core bonds: while they may have had a tough few years, they have historically done a good job of providing protection when it really counts.



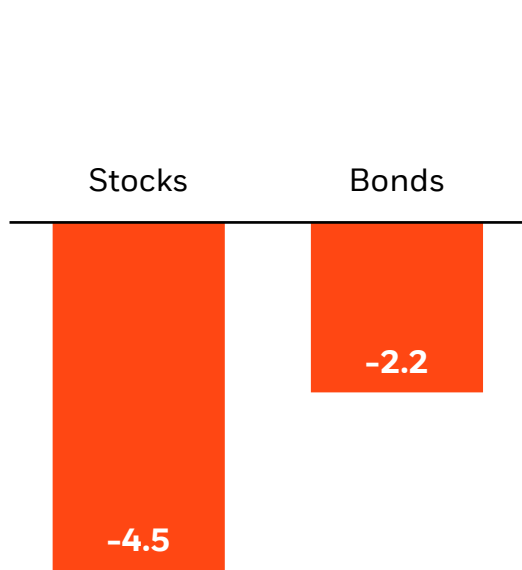
Source: Morningstar as of 12/31/24. "Stocks" are represented by the S&P 500 TR Index, "Bonds" by the Bloomberg US Agg Bond TR Index, and "Cash" by the Bloomberg US Treasury Bill 1-3M TR Index. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index

# Bonds might not be enough this time

With interest rates and inflation driving stock *and* bond market volatility, portfolio builders may need to seek out additional diversification from alternatives strategies.

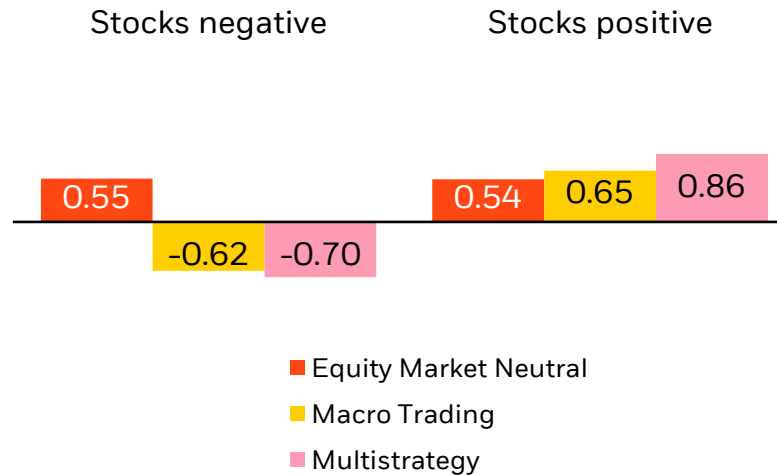
## Bonds have fallen alongside stocks recently

Average monthly returns when stocks were negative, 2022-2024



## Alternatives may be able to diversify

Average monthly returns, 2022-2024



## Did you know?

**Bonds have lost money in each of the last 14 down months for the S&P 500.**

**The average equity market neutral fund, however, delivered positive returns in 10 of those 14 months.**

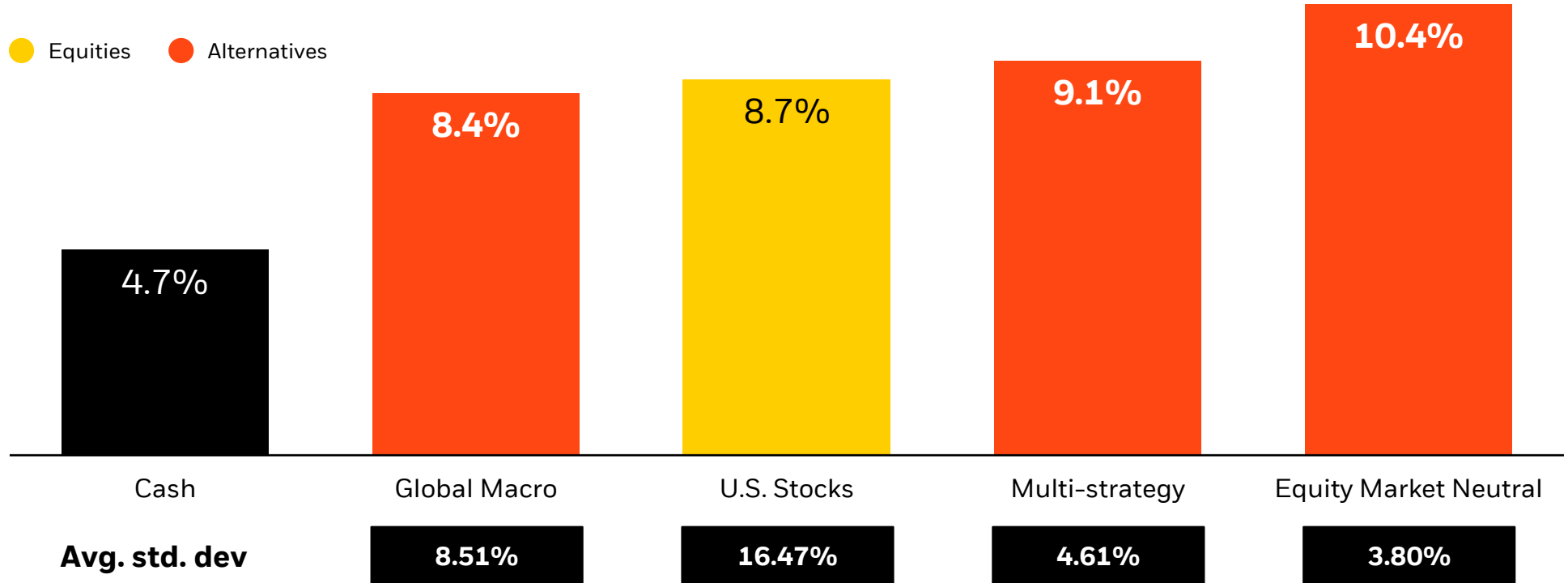
Source: Bloomberg, Morningstar as of 12/31/24. U.S. stocks are represented by the S&P 500 TR Index and bonds are represented by the Bloomberg U.S. Agg Bond TR Index. Equity market neutral, macro trading, and multistrategy each refer to the average fund return of the funds in each respective Morningstar category. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only.** You cannot invest directly in the index.

# Alternatives have done well when rates are high

Interest rates are forecasted to stay high through the end of the year. History shows that alternative strategies have done well in this environment, delivering competitive performance with much lower volatility than stocks.

## Many alternatives have kept up with stocks... with less risk

Average annual returns & standard deviation during periods of 3%+ FFR, (Jan. 1999 to Nov. 2024)



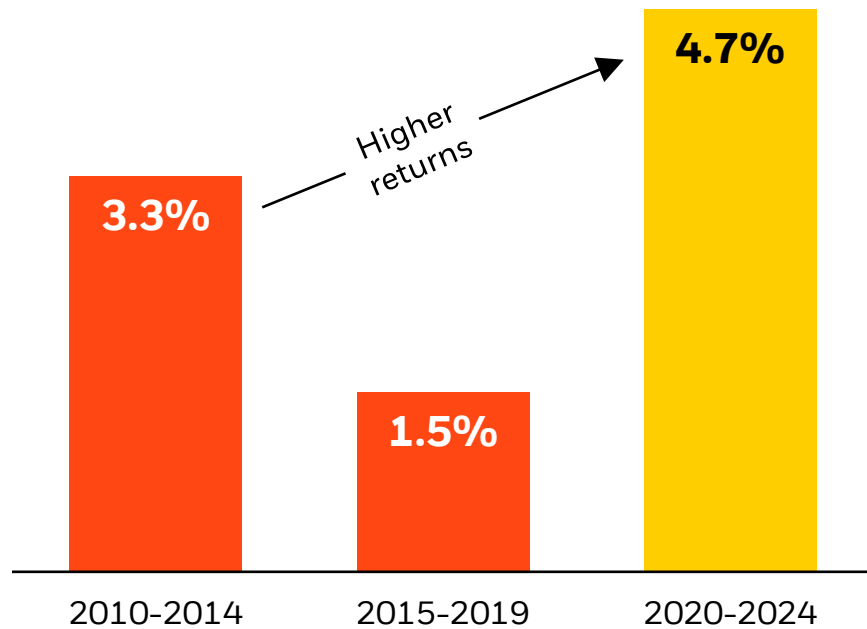
Source: Morningstar as of 11/30/24. "Cash" is represented by IA SBBI US 30 Day Tbill TR Index. "U.S. Stocks" represented by the S&P 500 TR Index. All others represented by their respective Credit Suisse Index of the same name, in USD. Analysis includes the following 3 periods since 1999 where the Federal Funds Rate was at a minimum of 3% for longer than 24 months: 1/1/99 to 10/2/01, 5/4/05 to 3/18/08 and 9/22/22 to 11/30/24. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.

# Alternative mutual funds have improved

The launch of innovative strategies, alongside high cash rates, have driven higher returns with lower equity correlations.

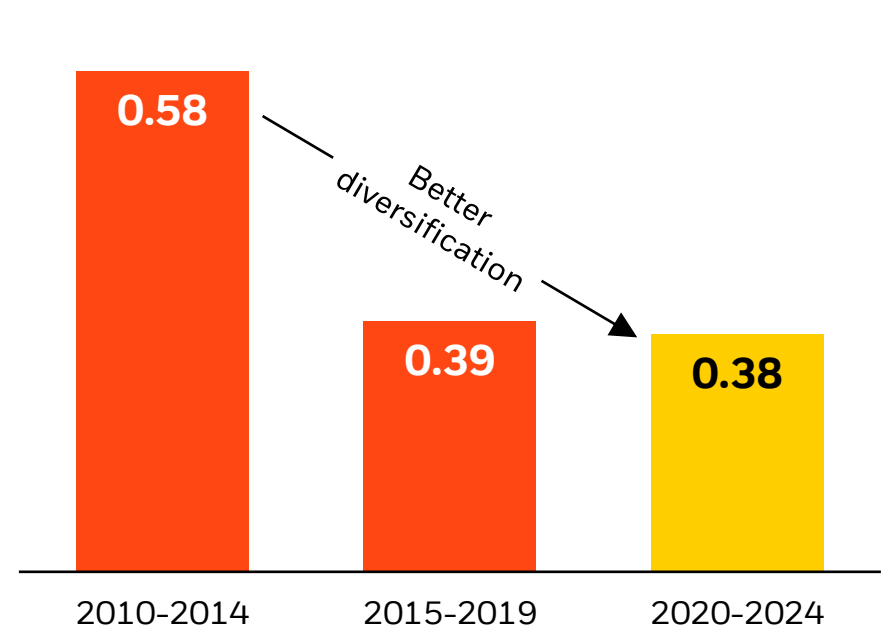
## Alternative mutual funds have seen better performance vs. 10+ years ago...

Performance (%)



## ...While correlations to stocks have declined in recent years

Performance (%)

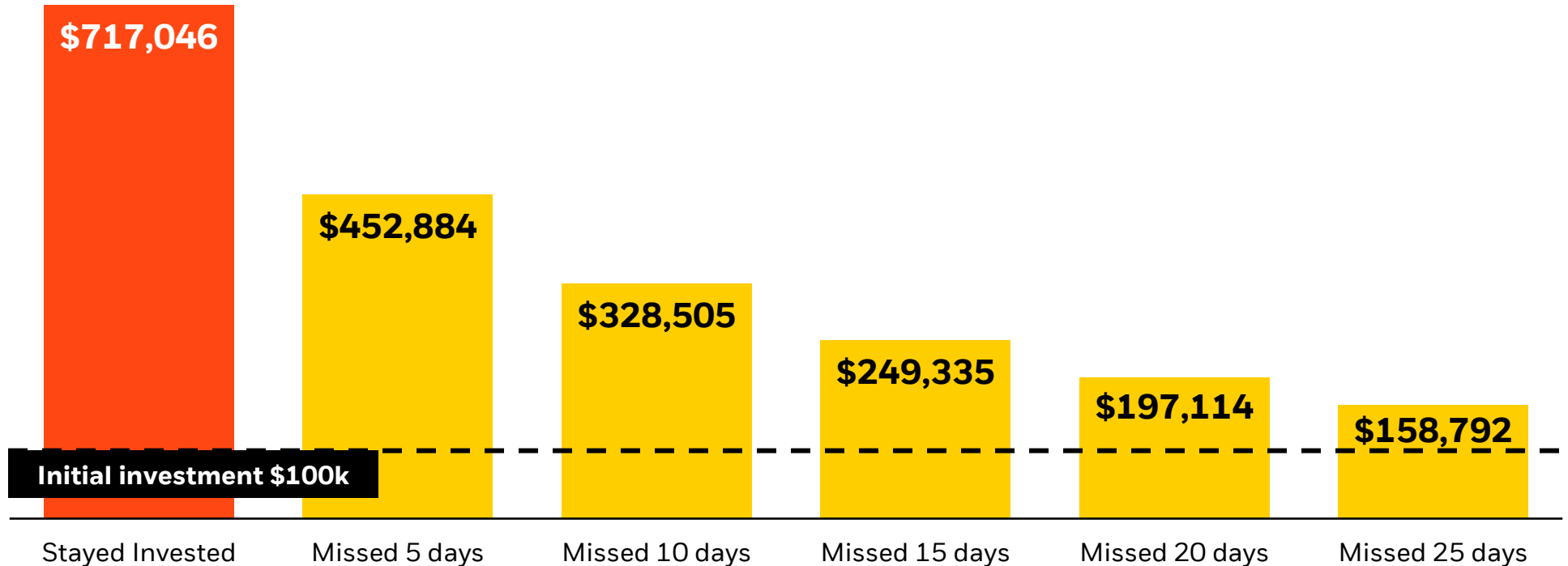


Morningstar as of 12/31/24. Alternative mutual funds are represented by the Morningstar Broad Alternatives Category, oldest share class only. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

# It's time in the market that matters... waiting for the "right time" could mean missing out

## Missing top-performing days can hurt your return

Hypothetical Investment of \$100,000 in the S&P 500 Index over the last 20 years (2005-2024)



Sources: BlackRock; Bloomberg as of 12/31/24. Stocks are represented by the S&P 500 Index, an unmanaged index that is generally considered representative of the U.S. stock market. **Past performance is no guarantee of future results.** It is not possible to invest directly in an index.

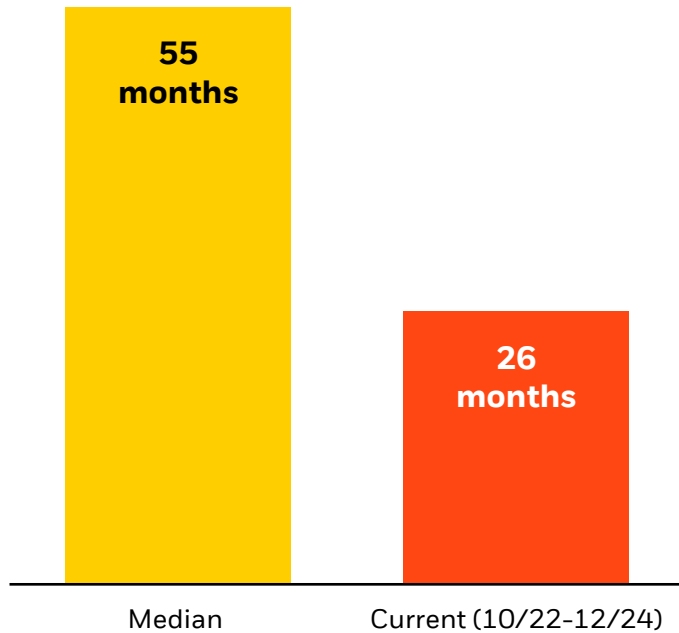
# Today's bull market could last longer

Worried this bull market might be running long?

The median bull market has lasted 55 months, and we're only 26 months in.

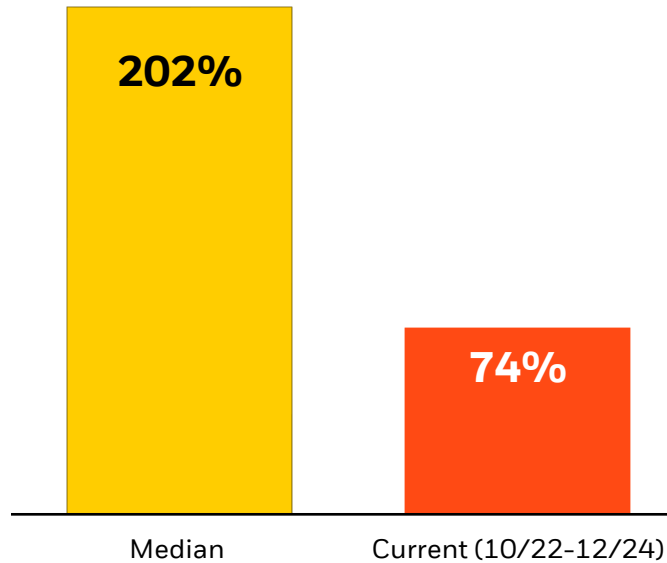
## Bull markets can last a long time

Length of bull market



## Bull market returns can be high

Cumulative return



**Did you know?**

**Bear markets have typically been shorter and less severe.**

The median bear market since 1926 has lasted 14.5 months, with a -30.5% return.

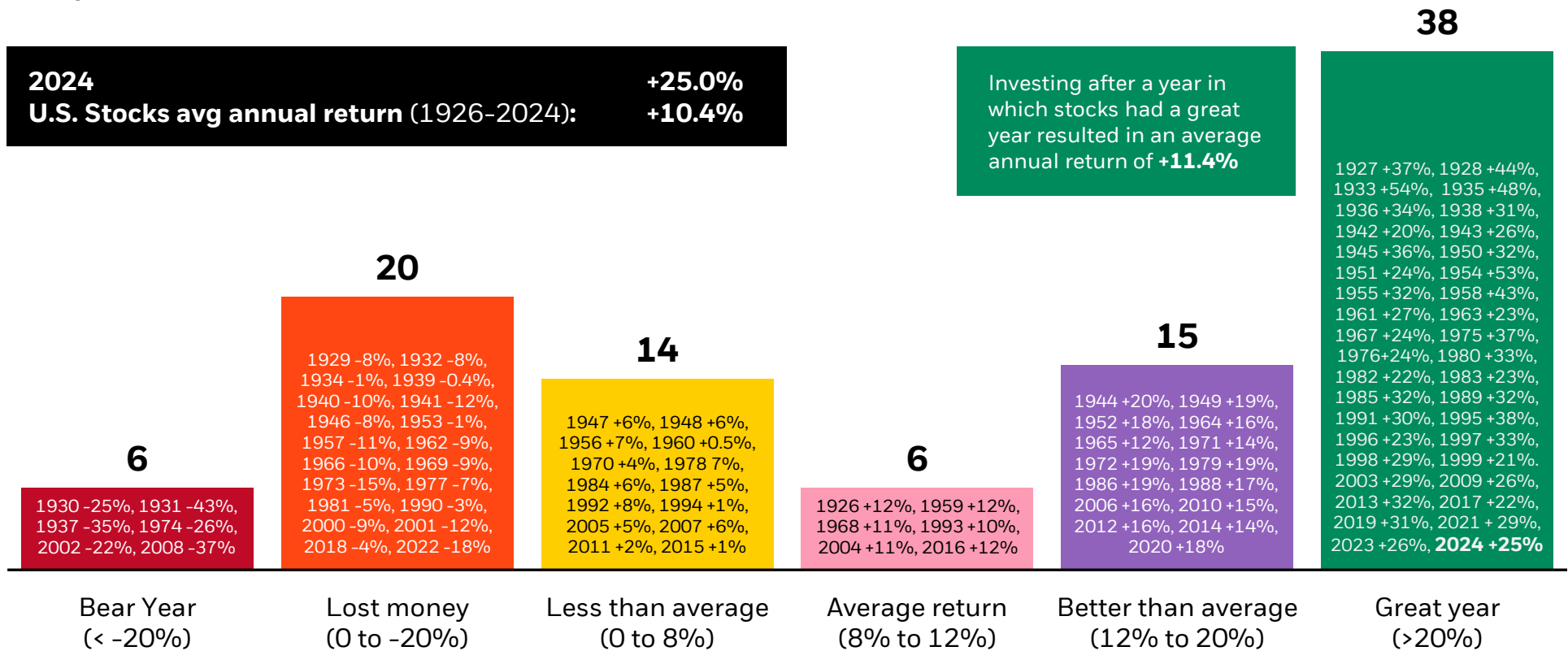
Source: Morningstar and BlackRock as of 12/23/24. Stock market represented by the S&P 500 Index from 3/4/57 to 12/31/24 and IASBBI U.S. Large Cap TR Index from 1/1/26 to 3/4/57. This illustration assumes reinvestment of dividends and capital gains. Assumes investor stays fully invested over the full time period. Index performance is for illustrative purposes only. **Past performance does not guarantee or indicate future results.** It is not possible to invest in an index.

# U.S. stocks had a great year in 2024

U.S. stocks average 10% annually, but very rarely return their average in a calendar year.

## Range of returns for stocks by calendar year

Average annual return, 1926-2024

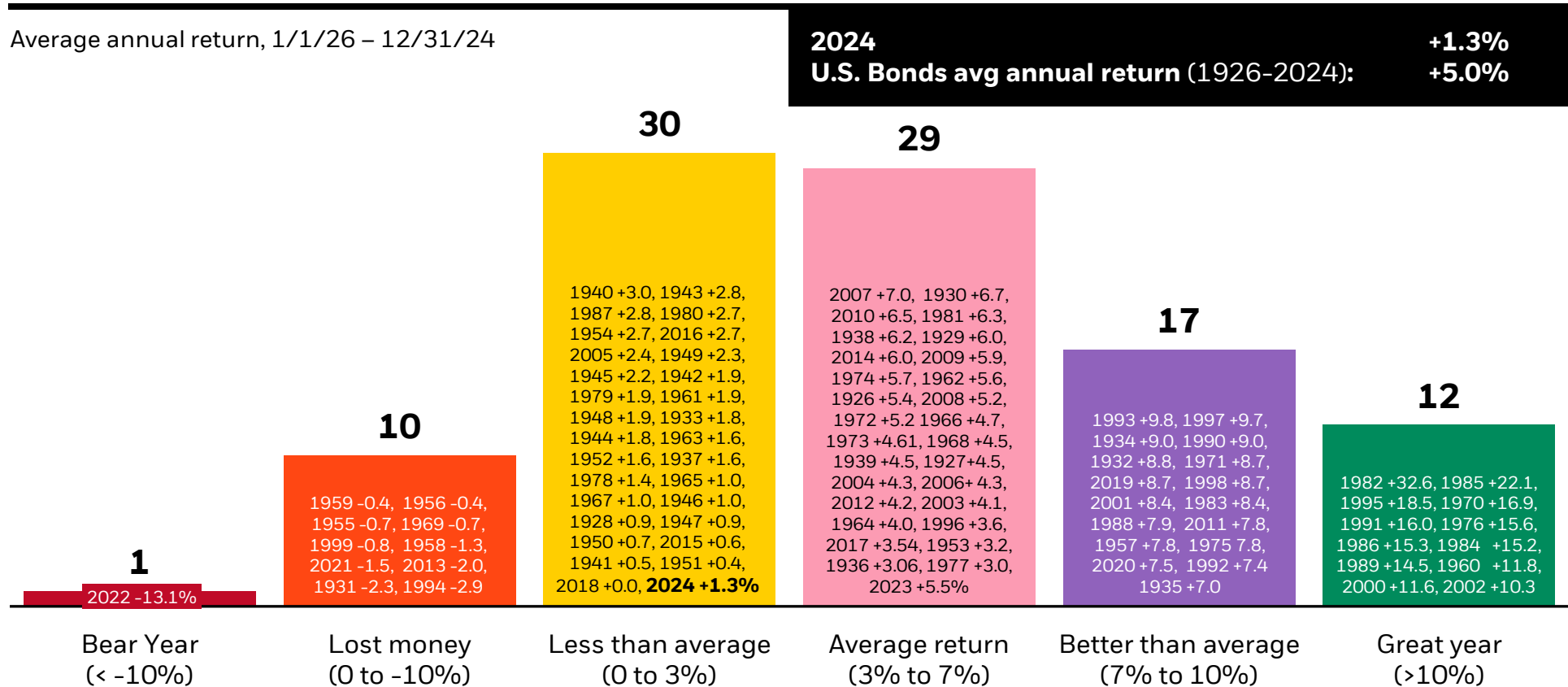


Source: Morningstar as of 12/31/24. U.S. stocks are represented by the S&P 500 Index from 3/4/57 to 12/31/24 and the IASBBI U.S. Lrg Stock Tr USD Index from 1/1/26 to 3/4/57, unmanaged indexes that are generally considered representative of the U.S. stock market during each given time period. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

# U.S. bonds performed less than average in 2024

U.S. bonds have averaged 5% returns annually, and frequently deliver returns near that average.

## Range of returns for bonds by calendar year



Source: Morningstar as of 12/31/24. U.S. bonds are represented by the IA SBBI US Gov IT Index from 1/1/50 to 1/3/89 and the Bloomberg U.S. Agg Bond TR Index from 1/3/89 to 12/31/24. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You can not invest directly in the index.

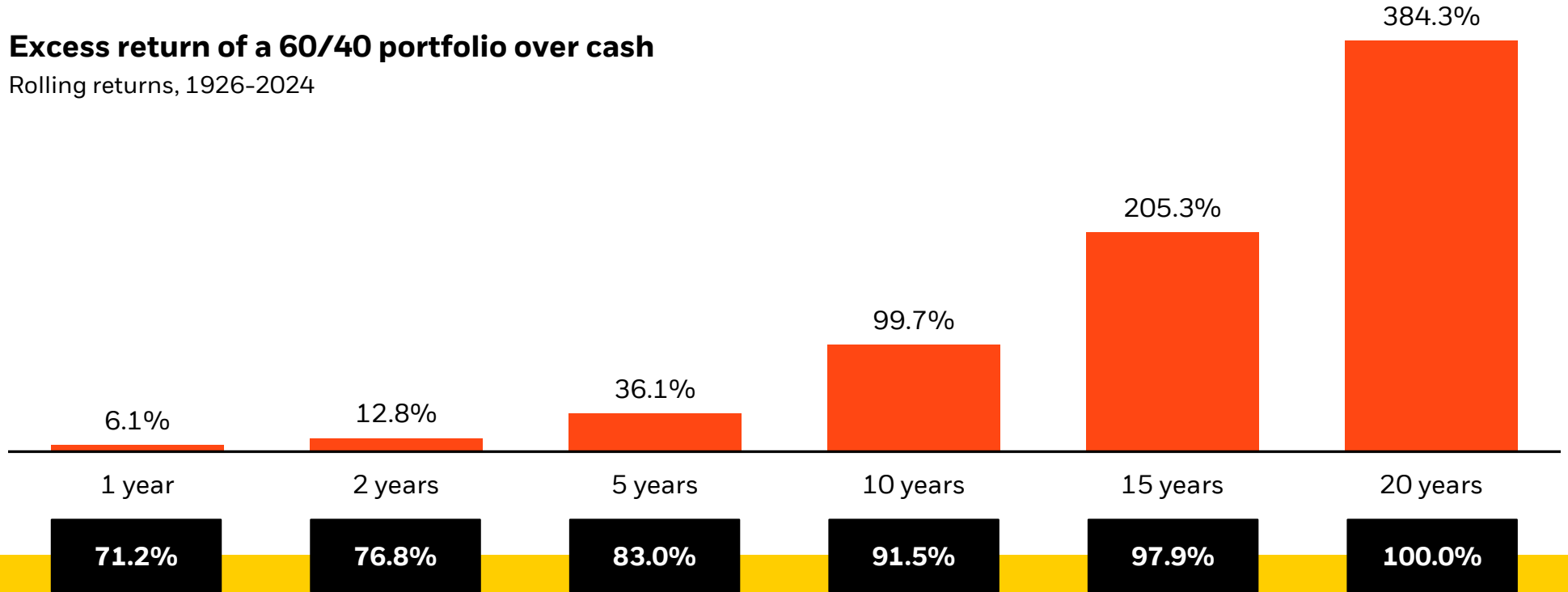


# Sitting on the sidelines can be costly

Cash yields have been high, but they still haven't kept up with the diversified portfolio. And over time, that difference in returns compounds.

## Excess return of a 60/40 portfolio over cash

Rolling returns, 1926-2024



## % of periods in which the 60/40 outperformed cash

Morningstar as of 9/30/24. Cash represented by the IA SBBI US 30 day TBill Index, U.S. stocks represented by the IA SBBI US large stock index and U.S. bonds represented by the IA SBBI US Gov IT Index from 1/1/26 to 1/3/89 and the Bloomberg U.S. Agg Bond TR Index from 1/3/89 to 2/29/24. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.

# Bringing it all together

**1**

**U.S. stocks  
continue to lead  
the way**



**Leaning into  
stocks**

**2**

**The U.S.  
economy keeps  
growing**



**Adding to higher  
yielding bonds**

**3**

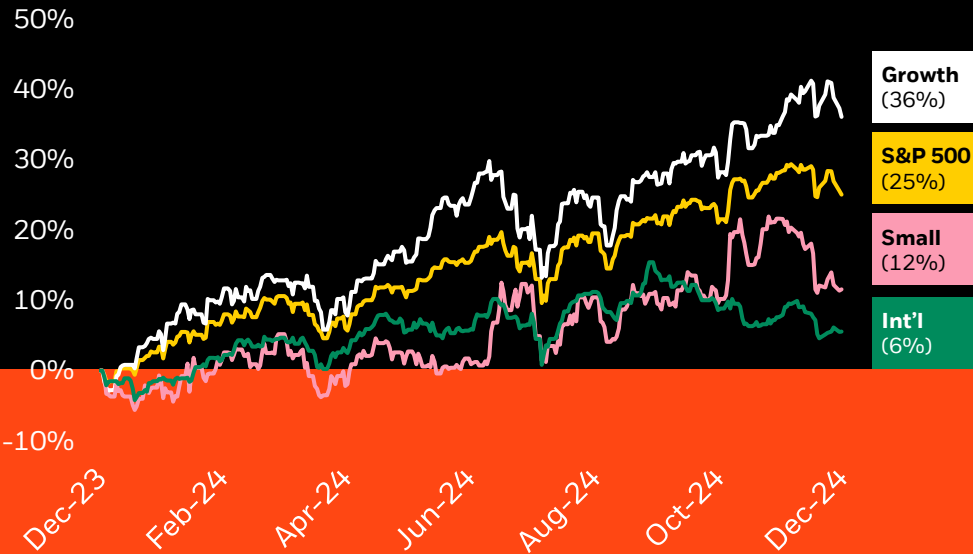
**The Fed cut  
interest rates**



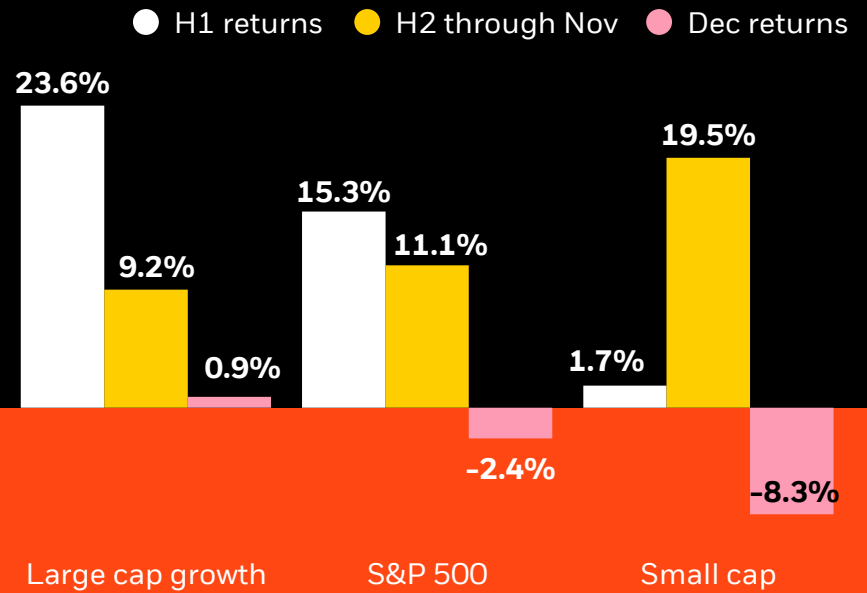
**Getting more  
creative with  
diversification**

# 2024 wrapped: EQUITIES

**1.** Another great year for **U.S. equities**, with large growth stocks leading the way.



**2.** **Small caps** rallied in the second half, before giving up some gains in Dec



**Looking ahead into 2025...**



### Stay overweight stocks

A healthy economy, coupled with Federal Reserve rate cuts, should support a continued overweight to stocks.

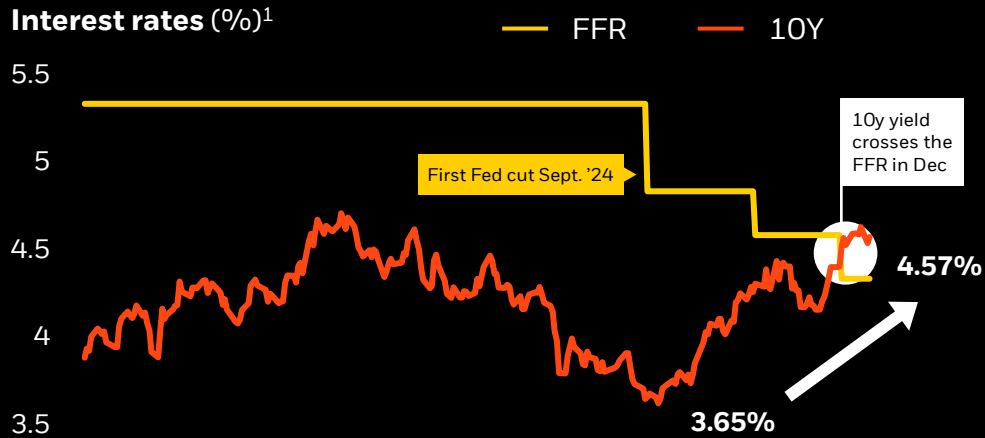
### But maintain a bias for large

Still-high rates could continue to challenge small caps, which have struggled with profitability. We remain overweight large over small cap stocks.

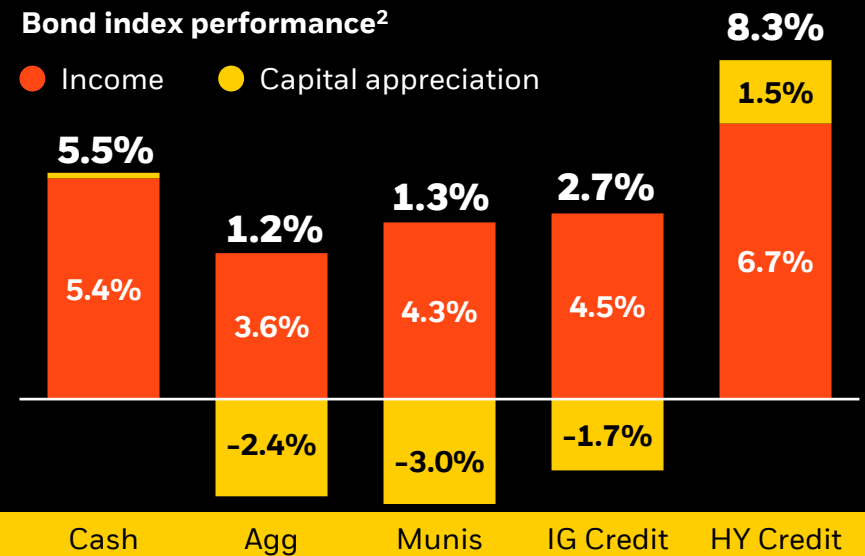
Source: Bloomberg as of 12/31/24. Growth as represented by S&P 500 Growth Index; S&P 500 as represented by S&P 500 Index; Small as represented by Russell 2000 Index; International as represented by MSCI ACWI ex USA Index. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results

# 2024 wrapped: BONDS

**1.** The Fed started cutting interest rates in September, but longer-term bond yields went **up**, in another volatile year for bond markets



**2.** **Credit outperformed rates**, with income outperforming duration



**Looking ahead into 2025...**



### Go for carry

We see opportunity in today's high yields and believe spreads are justified given our positive economic outlook.

### Be selective with curve positioning

High U.S. deficits may continue to put pressure on long-term bonds, leading us to prefer bonds in the front-end and belly of the interest rate curve.

<sup>1</sup> Source: Bloomberg as of 12/31/24. <sup>2</sup> Source: BlackRock as of 12/31/24. Cash defined as Bloomberg Treasury Floating Rate Bond Index, Agg as Bloomberg U.S. Aggregate Bond Index, Munis as S&P National Municipal Bond Index, IG Credit as ICE BofA US Corporate Index, and HY Credit as ICE BofA US High Yield Constrained Index.

# 2024 wrapped: ALTERNATIVES

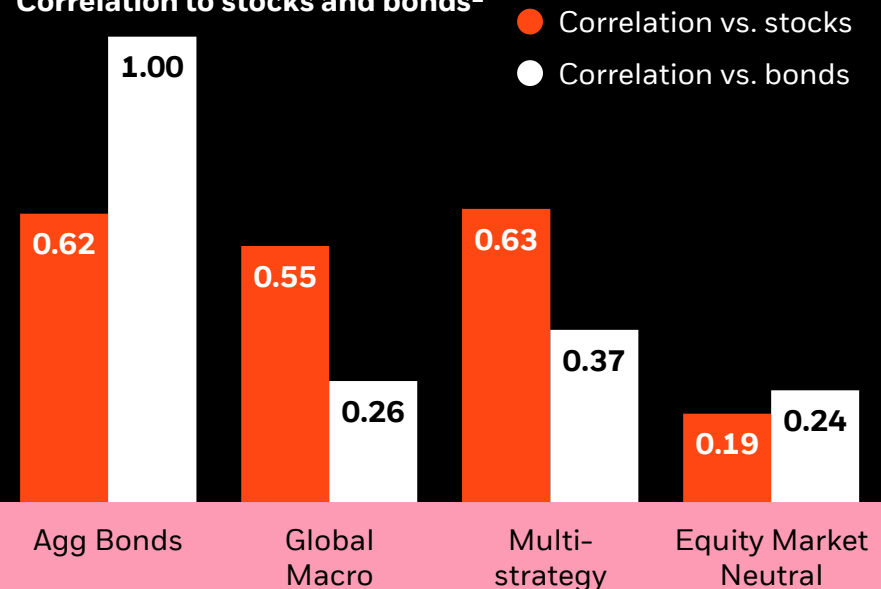
**1.** Alternatives delivered on the “plus” in “cash plus,” with most outperforming bonds

Performance (%)<sup>1</sup>



**2.** Alts maintained relatively lower correlations to stocks and bonds

Correlation to stocks and bonds<sup>2</sup>



Looking ahead into 2025...



## Diversify risk and amplify returns with alternatives

Alternatives may be able to deliver a higher spread over cash rates than bonds, with a lower correlation to equities. Still-high cash rates may further support “cash plus” alternative returns.

<sup>1</sup>Source: Morningstar as of 12/31/24. “Agg Bonds” represented by the Bloomberg US Agg Bond TR Index. All others represented by Morningstar category averages. <sup>2</sup>Source: Morningstar as of 12/31/24. Correlations are monthly averages from 1/1/24 to 12/31/24. “Agg Bonds” represented by the Bloomberg US Agg Bond TR Index. All others represented by their respective Morningstar category averages. **Past performance does not guarantee or indicate future results.** Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.

# Market Outlook: Q1 2025

Returns as of 12/31/24	Total Ret 1 Year	Total Ret 5 Years	Total Ret 10 Years
S&P 500 TR USD	25.02	14.53	13.10
IA SBBI US Large Stock TR USD Ext	25.02	14.53	13.10
Russell 2000 TR USD	11.54	7.40	7.82
MSCI EAFE NR USD	3.82	4.73	5.20
Bloomberg US Agg Bond TR USD	1.25	-0.33	1.35
IA SBBI US IT Govt TR USD	6.90	0.51	1.49
Bloomberg US Treasury Bill 1-3 M TR USD	5.32	2.49	1.75
S&P 500 Sec/Commun Services TR USD	40.23	14.57	11.19
S&P 500 Sec/Information Technology TRUSD	36.61	24.55	22.35
S&P 500 Sec/Cons Disc TR USD	30.14	14.12	13.62
S&P 500 Sec/Financials TR USD	30.56	11.70	11.43
S&P 500 Sec/Utilities TR USD	23.43	6.61	8.43
US Fund Intermediate Core Bond	1.67	-0.20	1.29
US Fund Nontraditional Bond	6.17	2.41	2.63
US Fund Multisector Bond	5.85	2.25	3.11
Bloomberg US Trsy Floating Rate TR USD	5.51	2.70	1.94
S&P Municipal Bond TR	1.90	1.20	2.34
ICE BofA US Corporate TR USD	2.76	0.48	2.52
ICE BofA US High Yield TR USD	8.20	4.04	5.08
DJ US Select Dividend TR USD	16.62	8.86	9.38
DJ EPAC Select Dividend TR USD	3.66	2.46	3.69
Bloomberg Municipal TR USD	1.05	0.99	2.25
Bloomberg High Yield Corporate TR USD	8.19	4.21	5.17
IA SBBI US 30 Day TBill TR USD	5.39	2.37	1.67
Credit Suisse Global Macro USD	7.44	6.66	4.71
Credit Suisse Multi-Strategy USD	6.45	5.93	5.05
Credit Suisse Equity Market Neutral USD	8.67	5.16	2.48
S&P 500 Growth TR USD	36.07	17.09	15.29
MSCI ACWI Ex USA NR USD	5.53	4.10	4.80
US Fund Macro Trading	7.26	4.03	2.94
US Fund Multistrategy	6.06	3.93	2.48
US Fund Equity Market Neutral	8.55	5.44	3.26

# Index definitions

- The **S&P 500 TR Index** is an unmanaged index that is generally considered representative of the U.S. stock market on a total return basis. Included are the largest 500 stocks by market cap.
- The **IA SBBI IT US Large Stock TR Index** is an unmanaged index that is generally considered representative of the historical U.S. stock market on a price return basis prior to the inception of the **S&P 500 TR Index** in 1970.
- The **Russell 2000 TR Index** is an unmanaged index that is generally considered representative of the 2,000 largest stocks in the entire U.S. stock market on a total return basis.
- The **MSCI EAFE NR Index** is an unmanaged index that is generally considered representative of International (Ex-U.S. & Ex-Canada) Developed Market stocks on a net return basis.
- The **Bloomberg U.S. Agg Bond TR Index** is an unmanaged index that is generally considered representative of the U.S. bond market on a total return basis.
- The **IA SBBI IT Govt TR Index** is an unmanaged index that is generally considered representative of the historical U.S. bond market on a total return basis prior to the inception of the **Bloomberg U.S. Agg Bond TR Index** in 1989.
- The **Bloomberg U.S. Treasury Bill 1-3M TR Index** is an unmanaged index that is generally considered representative of the 1-3M U.S. Treasury market on a total return basis.
- The **S&P 500 Sec/Commun Services TR Index** is an unmanaged index that is generally considered representative of the Communication Services Sector of the S&P 500 Index as defined by GICS on a total return basis.
- The **S&P 500 Sec/Information Technology TR Index** is an unmanaged index that is generally considered representative of the Information Technology Sector of the S&P 500 Index as defined by GICS on a total return basis.
- The **S&P 500 Sec/Cons Disc TR Index** is an unmanaged index that is generally considered representative of the Consumer Discretionary Sector of the S&P 500 Index as defined by GICS on a total return basis.
- The **S&P 500 Sec/Financials TR Index** is an unmanaged index that is generally considered representative of the Financials Sector of the S&P 500 Index as defined by GICS on a total return basis.
- The **S&P 500 Sec/Utilities TR Index** is an unmanaged index that is generally considered representative of the Utilities Sector of the S&P 500 Index as defined by GICS on a total return basis.
- **US Fund Intermediate Core Bond** is an average of funds within the US Fund Intermediate Core Bond category as defined by Morningstar.
- **US Fund Nontraditional Bond** is an average of funds within the US Fund Nontraditional Bond category as defined by Morningstar.
- **US Fund Multisector Bond** is an average of funds within the US Fund Multisector Bond category as defined by Morningstar.
- The **Bloomberg U.S. Treasury Floating Rate TR Index** is an unmanaged index that is generally considered representative of the U.S. floating-rate treasury market on a total return basis.
- The **S&P Municipal Bond TR Index** is an unmanaged index that is generally considered representative of the U.S. municipal bond market on a total return basis.
- The **ICE BofA U.S. Corporate TR Index** is an unmanaged index that is generally considered representative of the U.S. corporate bond market on a total return basis.
- The **ICE BofA U.S. High Yield TR Index** is an unmanaged index that is generally considered representative of the U.S. high yield bond market on a total return basis.
- The **DJ U.S. Select Dividend TR Index** is an unmanaged index that is generally considered representative of U.S. dividend-yielding stocks on a total return basis.
- The **DJ EPAC Select Dividend TR Index** is an unmanaged index that is generally considered representative of non-U.S. dividend-yielding stocks on a total return basis.
- The **Bloomberg High Yield Corporate TR Index** is an unmanaged index that is generally considered representative of the U.S. high-yield corporate bond market on a total return basis.
- The **IA SBBI US 30 Day TBill TR Index** is an unmanaged index that is generally considered representative of the historical U.S. 30-Day Treasury Bill market on a total return basis.
- The **Credit Suisse Global Macro USD Index** is an unmanaged index that is generally considered representative of U.S. Dollar-denominated Global Macro investment strategies on a total return basis.
- The **Credit Suisse Multi-Strategy USD Index** is an unmanaged index that is generally considered representative of U.S. Dollar-denominated Multi-Strategy investment strategies on a total return basis.
- The **Credit Suisse Equity Market Neutral USD Index** is an unmanaged index that is generally considered representative of U.S. Dollar-denominated Equity Market Neutral investment strategies on a total return basis.
- The **S&P 500 Growth TR Index** is an unmanaged index that is generally considered representative of the U.S. stocks in the S&P 500 index that have market valuations greater than their earnings, on a total return basis.
- The **MSCI ACWI Ex USA NR Index** is an unmanaged index that is generally considered representative of all non-U.S. stocks on a net return basis.
- **US Fund Macro Trading** is an average of funds within the US Fund Macro Trading category as defined by Morningstar.
- **US Fund Multistrategy** is an average of funds within the US Fund Multistrategy category as defined by Morningstar.
- **US Fund Equity Market Neutral** is an average of funds within the US Fund Equity Market Neutral category as defined by Morningstar.

# Market Outlook: Q1 2025

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