CHIEF INVESTMENT OFFICE

Capital Market Outlook

May 15, 2023

All data, projections and opinions are as of the date of this report and subject to change.

IN THIS ISSUE

Macro Strategy—*Inflation Still On A Downtrend Despite Strong April Readings:* U.S. consumer spending stalled at an elevated level in February and March as households directed strong wage and salary gains into savings, boosting the personal savings rate from 3.2% to 5.1% over the past year, according to the Bureau of Economic Analysis (BEA). Nonresidential business investment slowed for a second consecutive quarter in Q1, posting only a 0.7% annualized gain. Overall, real gross domestic product (GDP) rose just 1%, and, consistent with ongoing declines in various surveys of economic activity and confidence, risks to the growth outlook are still to the downside.

Although inflation remained elevated at 5% year-over-year (YoY) in April, it is much lower than its 9% year-ago level, with further deceleration likely in store given its lagged response to monetary policy tightening and cooling economic activity. Thus, our growth and inflation outlook continue to suggest downside surprises to nominal GDP as well as corporate revenue and earnings growth in coming quarters.

Market View—*Big Wheels Keep on Turning: Evidence from Earnings Season:* The Q1 earnings reporting period has revealed a second consecutive quarterly decline for S&P 500 corporate earnings with the tag line being results were largely “better than feared.” Along the way, narrow market breadth has been a feature of the equity market, given mega-cap tech’s rise year-to-date (YTD) from both a performance and an earnings contribution perspective.

The deteriorating economic backdrop into Q2 augurs for a larger contraction in Q2 earnings. That setup warrants our current preference for a defensive stance and high-quality bias across the Equity spectrum.

Thought of the Week—*One Small Step for Congress, One Giant Leap for Resolving the Debt Ceiling:* As the deadline approaches for Congress to raise the debt ceiling and avoid a federal government default, the key players, President Biden and House Speaker Kevin McCarthy, laid out their positions in their first meeting since House Republicans put forward a partisan bill that would raise the debt ceiling and enact approximately $4.2 trillion of spending cuts.

Although the meeting did not produce an agreement, and the two sides remain far apart on what a debt ceiling bill should include, the fact that the two sides are now negotiating is a positive development. While a bipartisan compromise to raise the debt ceiling combined with limited deficit reduction is the likely outcome, a projected June 1 X-date is looming and still leaves open the possibility of a government default.

MACRO STRATEGY ▶

CIO Macro Strategy Team

MARKET VIEW ▶

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THOUGHT OF THE WEEK ▶

CIO National Wealth Strategy Team

MARKETS IN REVIEW ▶

Data as of 5/15/2023, and subject to change

Portfolio Considerations

We maintain a neutral view on Equities, as risks to economic growth and corporate profits remain skewed to the downside. We continue to look for upgrade opportunities in small-caps and international later this year. But for now, we remain neutral across the asset classes. In Fixed Income, we continue to stick to a higher-quality bias and are looking for opportunities to extend duration overall. The bottom line is that we foresee a “grind-it-out” range-bound market continuing in the U.S. with a wait-and-see attitude from investors throughout this year.

MACRO STRATEGY

Inflation Still On A Downtrend Despite Strong April Readings

CIO Macro Strategy Team

Recent BEA data show U.S. real GDP growth weakened for a third consecutive quarter in Q1, with diminishing sequential annualized quarterly gains of 3.2%, 2.6% and 1.1% since mid 2022. Q1 growth was supported by strong consumer durable goods demand, particularly for motor vehicles, as normalizing supply chain conditions improved product availability. Real demand for services, on the other hand, expanded at a moderate pace in Q1, near its 2000-2023 average.

With housing activity in a deep recession, inflation-adjusted spending on housing-related goods and services was a drag on GDP growth. Indeed, residential investment contracted for an eighth consecutive quarter in Q1, although much less than the 20%-plus average annualized declines sustained in the prior three quarters. Combined with a marked deceleration in private nonresidential fixed investment and a sharp drop in inventory accumulation, this resulted in a Q1 contraction in gross private domestic investment rarely seen outside recessions. What's more, although homebuilding may have found a bottom because of a historically tight U.S. housing stock following years of underbuilding, nonresidential business investment is likely to exhibit further weakness, in our view, further dampening U.S. economic growth prospects in coming quarters.

A business investment downturn has long been foreshadowed by the large decline in the Institute for Supply Management (ISM) manufacturing index over the past year. Its dip into contraction territory below the 50 mark for the past eight months portends further weakness. The survey's new-orders component average of just 45.2 over the past six months, well into recession territory, is particularly problematic for the manufacturing and business investment outlook. The marked decline in demand for commercial and industrial (C&I) loans recently reported in the Federal Reserve's (Fed) Senior Loan Officer Survey for Q2 and depressed plans for capital investment reported in the April National Federation of Independent Business (NFIB) survey also indicate a worsening outlook.

While demand for labor has remained robust, it has softened along with the economy from unusually strong levels just a year ago. For example, three-month average payrolls growth has eased from more than 500,000 in April 2022 to 222,000 by April 2023. Also, temporary help employment has continued to contract in a fashion typically seen before recessions and in step with the drop in job openings this year. Indeed, the March Job Openings and Labor Turnover Survey (JOLTS) report showed another large decline in job openings as well as a drop in the quits rate. The latter is correlated with wage growth, and its decline to the lowest level in about two years suggests waning confidence in quickly finding jobs offering ever-higher wage increases for job switchers. That cooling labor demand has reduced pressure to raise worker compensation is reflected in the percentage of small businesses planning to increase worker compensation, which fell over the past year almost as much as in past recessions, according to April NFIB survey data going back to the mid 1980s.

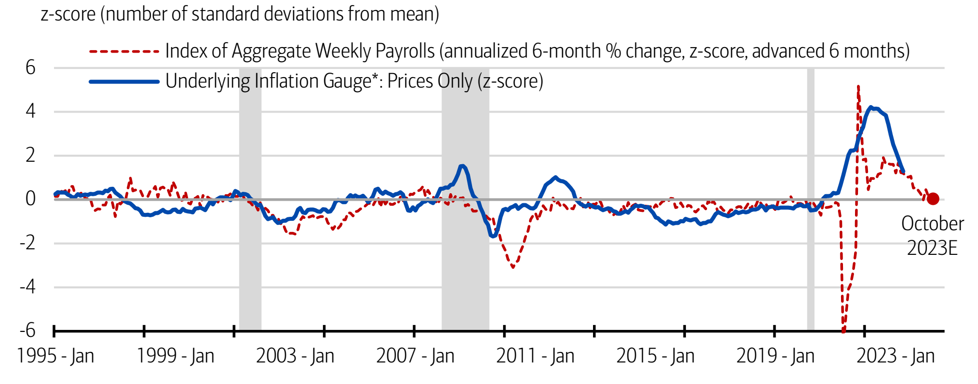
Cooling labor demand is also apparent in a substantial deceleration observed in the aggregate payroll index over the past 12 months from 12% to 6.7% in April, according to the Bureau of Labor Statistics (BLS) as employment growth, hours worked and average hourly earnings gains eased. The index, which is a proxy for wages and salaries, appears poised to weaken more as the shrinking liquidity environment squeezes all the cash flows throughout the U.S. economy, including labor income.

This is important, because as shown in Exhibit 1, the Federal Reserve Bank of New York's Underlying Inflation Gauge closely follows annual changes in labor income with a lag of about six months, which suggests that inflation pressures are likely to ease further this year. What's more, the Underlying Inflation Pressure Gauge might moderate beyond what's suggested in Exhibit 1, as the aggregate payroll index itself is likely to remain on a sharp deceleration trend for a number of reasons.

Investment Implications

While inflation has remained elevated, fueled by much stronger labor compensation growth than is consistent with a 2% inflation target, both growth and inflation are likely to ease significantly ahead, in our view, suggesting defensive investment positioning remains prudent.

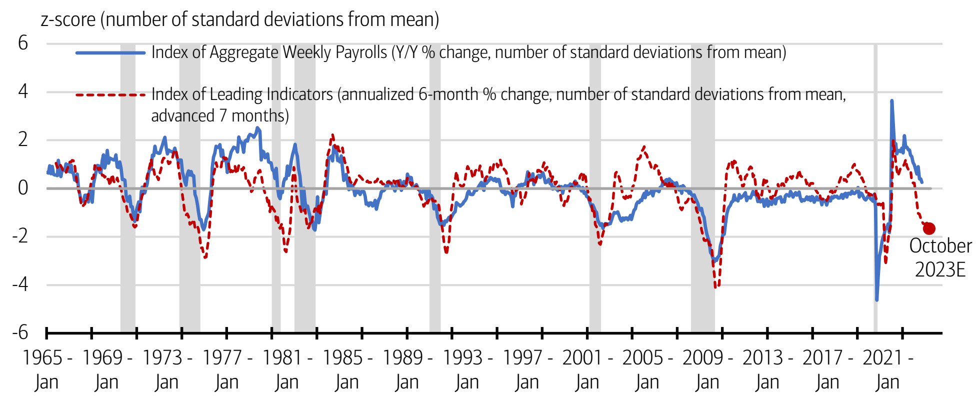
Exhibit 1: Softening Aggregate Payroll Index Growth Signals Easing Inflation Six Months Ahead.



E=estimate. Gray bars represent recession periods. Sources: Bureau of Labor Statistics; *Federal Reserve Bank of New York/Haver Analytics. Data as of May 10, 2023.

First, the latest BLS data for April show an accelerating loss of momentum in aggregate payroll index growth, with just a 3% annualized average gain in the three months to April compared to over 8% in the three months to January. On this basis, past lags and correlations suggest a shift lower in YoY changes from almost 7% in April closer to 4% likely by late summer. Second, large year-to-year declines in JOLTS job openings such as reported this year tend to be associated with an even bigger deceleration in wage and salary growth than observed so far this year, suggesting more potential softening at hand. Third, annual gains in the aggregate payroll index are closely correlated with the Conference Board's Index of Leading Indicators with a seven-month lag, which further strengthens the case for a potentially larger-than-expected deceleration in wages and salaries this year, similar to that seen in all past recessions since the mid 1960s (Exhibit 2). These factors point to a potentially sharp 12-month downtrend in inflation.

Exhibit 2: The Conference Board's Leading Indicator Points To Big Weakening In Wages And Salaries Ahead.



E=estimate. Sources: Bureau of Labor Statistics; The Conference Board/Haver Analytics. Data as of May 10, 2023.

In sum, we expect further moderation in employment, wage and salary growth, and consumer spending as cumulative Fed tightening starts to fully affect the economy. This is encouraging for the inflation picture, as wage growth is still way too strong for inflation to decline to 2% if productivity growth remains weak as it has since 2021. The Fed sees 3.5% wage growth pace as consistent with its 2% inflation target.

While a deceleration in wages and salaries would bring down inflation over the next 12 months, if past correlations are any indication, this dynamic is not going to prove costless. Rather, it implies growing restraint on business pricing power and revenue growth in coming quarters that will likely result in more aggressive cost-cutting programs, including capital expenditures and headcount, than currently anticipated. The risk of a negative self-feeding loop engulfing the economy, as businesses adjust to reduced liquidity and realign labor costs with productivity, has increased. Q1 productivity declined sharply, causing growth in unit labor costs to accelerate. The trends in productivity and unit labor costs have been unfavorable for corporate profit margins, an important reason why risk-asset performance has continued to disappoint.

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MARKET VIEW

Big Wheels Keep on Turning: Evidence from Earnings Season

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Hayley A. Licata, Wealth Management Analyst

Various narratives about the debt ceiling, dedollarization and the degradation to earnings, but also inflation's path and interest rates, have the S&P 500 decisively jammed between the 3,800 and 4,200 trading range for the last several months. Even the recent and favorable combination of an in line-with-expectations inflation print and better-than-feared earnings season couldn't break the S&P 500 out of its rangebound level. Incredibly, the S&P 500 is trading around the same level as it was not only one year, but also two years, ago.

While the current reporting period is being rounded out by the last 40 companies in the index, the blended YoY earnings decline for Q1 is -2.4%, surrendering the second consecutive quarterly decline for earnings.[1] Better-than-feared results walked back analysts' initial call for a -6.7% decline at the beginning of earnings season. Revenues are expected to have grown at a pace of 4.0% for Q1, a considerable slowdown from the double-digit growth for most of last year.

Thanks to some cost cutting and, to an extent, falling input prices, profit margins held in better than expected, ticking up to 11.5% compared to 11.3% in Q4 2022 after six quarters of sequential declines. Although descending from a net profit margin peak of 13% in Q2 of 2021, margins surprised to the upside across most sectors, according to FactSet.

And while results led to less of a price reaction for the average stock, a feature of this market has been narrow breadth. A handful of stocks are leading the S&P 500 Index higher, while the remainder have been in participation purgatory. Five stocks alone drove more than 80% of the YTD gain (Exhibit 3A). Driven by the outperformance of the largest names, the S&P 500 is up 7.8% for the year while the average stock is up only 1.6%. Further, on valuation, the top five[2] names in the S&P 500 trade at a 25.1x forward earnings per share, while the rest of the gauge (excluding the top five) trades at 16.4x according to Bloomberg.

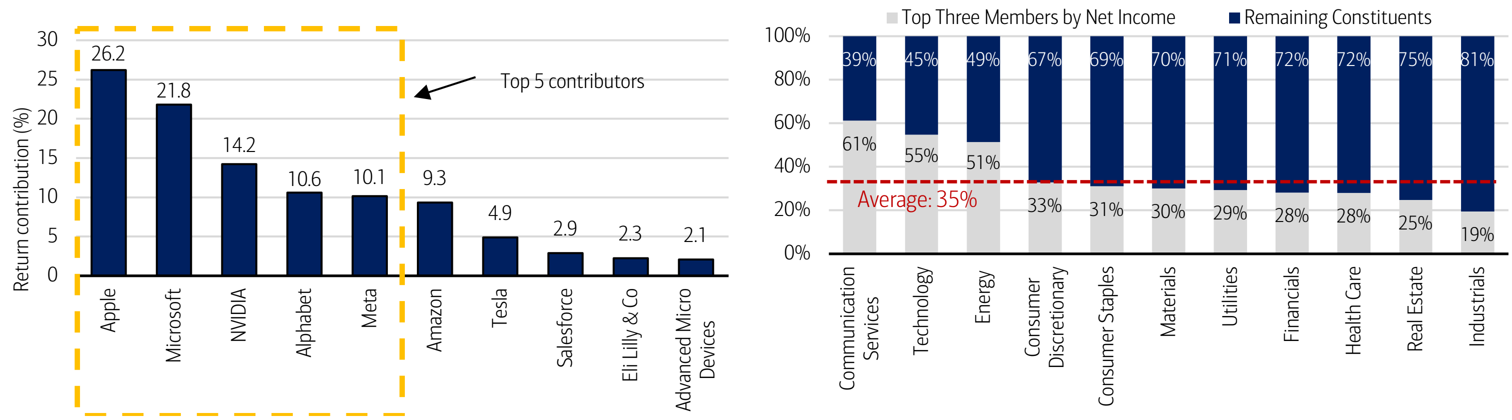
Portfolio Considerations

We retain a neutral weight to Equities with the technology-emboldened runup seen YTD having little effect to alter our sector views. We maintain that portfolios should continue to incorporate both Growth and Value factors that would simultaneously gain from cyclical and secular forces. In fact, Value is trading at a relative discount to Growth and has led Growth when the Fed pauses following past periods of elevated inflation.

Exhibit 3: It's Narrow at the Top: Index Movers and Earnings Contributors.

3A) S&P 500 Constituents Return Contribution YTD.

3B) The Top Trio Drive an Average Share of 35% of Their Respective Sector's Net Income.



Source: Bloomberg based on YTD return through May 10, 2023. Alphabet class A and C were combined. Data through May 10, 2023. Right Exhibit: Source: Factset. Data as of May 8, 2023. **Past performance is no guarantee of future results.** Performance results are extremely short term and do not provide an adequate basis for evaluating performance potential over varying market conditions or economic cycles. This information is provided for illustrative purposes only and is not intended as a recommendation, offer or solicitation for the purchase or sale of any security, financial instrument, or strategy.

The largest stock's outperformance is consistent with "the big are getting bigger" theme at the sector level. Exhibit 3B shows the largest contributors (top three) to net income by sector. Judging by this quarter's results, the top three names of each sector drove, on

[1] FactSet as of May 10, 2023.

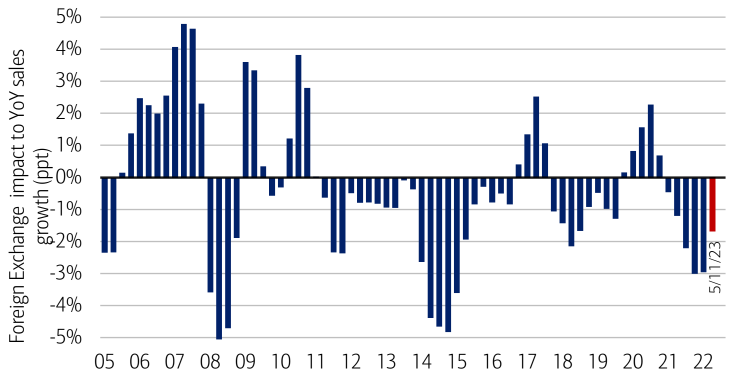
[2] Ranked by market capitalization, May 8, 2023.

average, 35% of the net income for their respective sector, a growing average as compared to the prior quarter. Along the gamut, the Communication Services sector may have around 21 constituents; however, just three drove around $24 billion of net income for a sector totaling $38 billion in Q1. On the less concentrated side, the Industrials sector has 73 constituents, of which the top three names made up 19% of the sector's net income.

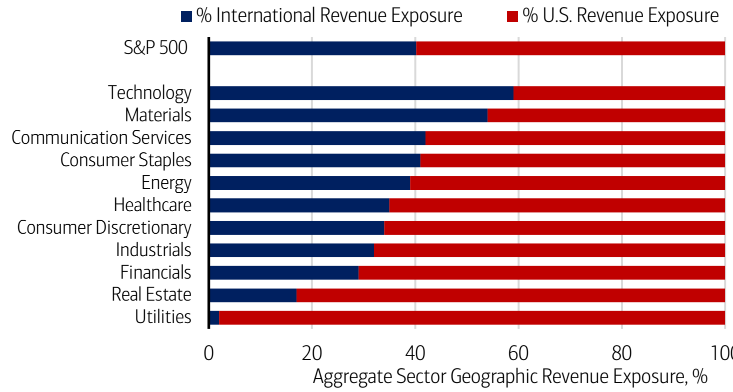
Of particular impact to the mega-cap's earnings with international operations is the direction of the dollar. While an international reach could enhance profits, the rest of the world outlook has been mixed. China's consumer-led reopening has been recently additive to the global growth story as Europe has contended with stubborn high single-digit inflation. For U.S. companies with an overseas presence, the dollar effect has proven less of a drag on earnings this quarter. As told through company earnings, although the stronger dollar still represents a headwind, albeit a smaller one, amid a 4% rally in the USD YoY, which translates to an 1.7% hit to sales.[3] Comparatively, the strengthening U.S. dollar at the end of last year represented a stiffer 3% hit to earnings (Exhibit 4A). Sectors with the greatest overseas revenue exposure are the Technology, Materials and Communication Services sectors (Exhibit 4B).

Exhibit 4: Measuring the Dollar Impact in Aggregate and By Sector.

4A) S&P 500's Quarterly Dollar Impact.



4B) S&P 500 Revenue Exposure Domestic vs. International, by Sector.



Left Exhibit: Source: FactSet; BofA Global Research. Data as of May 11, 2023. Right Exhibit: Source: Factset. Data as of May 11, 2023.

Round of A-Pause

Current earnings estimates following this "better-than-feared" season call for another contraction in Q2 earnings, this time to the tune of -6.6%, according to FactSet. Full-year 2023 earnings now show a small positive, which we believe to be overly optimistic. Directionally speaking, and for the near term, should the scenario play out in which the Fed pauses following its last hike of 25 basis points at the May Federal Open Market Committee meeting, a pause tends to offer a bullish signal for risk assets. Once concerns of rising interest rates fade, economic activity bottoms out, earnings momentum resets, valuations, and the risk premium become more attractive, investors should reposition capital toward risker assets. There is no clear signal yet from the Fed, and so the YTD rally remains anchored by the biggest stocks at the top of the market, with any broader participation a welcome and confident signal.

Despite that potentially positive catalyst, concerns loom, given a tougher economic environment into Q2 and worries about regional banks and tighter financial conditions, heightened geopolitical risk, and declining money supply all weighing on markets. In this slow growth environment, we reiterate our neutral weighting to Equities tilting more defensive. Favorable attributes in this environment include relative earnings stability, free cash flow generation and strong dividends. Belonging on that list are some of America's mega-cap companies that are churning both performance and earnings for the time being.

[3] BofA Global Research, May 2023.

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THOUGHT OF THE WEEK

One Small Step for Congress, One Giant Leap for Resolving the Debt Ceiling

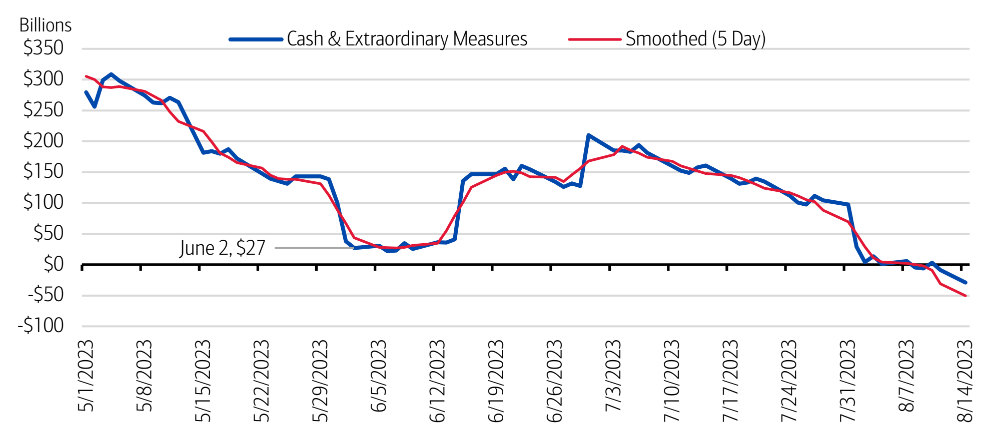
CIO National Wealth Strategy Team

Congressional leaders met with the president on Tuesday May 9 in an effort to resolve the debt ceiling. While there was no breakthrough—the president continues to insist on not negotiating—congressional leaders instructed their staffs to immediately meet and congressional leaders planned to reconvene. At the very least, this implies that both sides recognize the urgency of resolving this and believe that there is some common ground that could produce a compromise bill. These developments are, themselves, a significant step toward resolving the debt ceiling standoff. But time is truly of the essence. The underwhelming tax receipts in April indicate that Treasury will exhaust its cash at the beginning of June. This leaves under two weeks to resolve the impasse since the House adjourns for its Memorial Day recess on May 25.

We are still of the opinion that a deal comes together before the accelerated X-date. What could a deal look like? A deal could include modest concessions from Democrats, such as (1) rescinding unobligated pandemic relief funds, (2) passing an energy permitting reform bill, (3) reducing and capping discretionary spending for the next year or two and (4) an extension of the debt ceiling until after the 2024 elections. If the parties are close to a deal or can agree in principle on the level of spending cuts, a short-term extension of the debt ceiling could be an interim step to providing more time to complete a deal and flesh out the details, possibly aligning a final debt ceiling agreement with a budget deal for fiscal year 2024.

Failure to reach a deal prior to the X-date means a technical default since it is unlikely that the president will invoke the 14th Amendment to continue constitutionally questionable borrowing. While measures would be taken to ensure that interest payments on federal debt are prioritized and that Treasury holders continue to be paid, a default could mean that the nearly $100 billion of Social Security, Medicare and military payments due the first few days of June would be missed. It should not be overlooked that the political pressure of potentially missing payments to retirees, active-duty military and medical providers may be too much for legislators to bear and could force an extension of the debt ceiling within days or hours of crossing the X-date.

Exhibit 5: Maximum Available Cash Balance and Extraordinary Measures ($Billion).



Assumes maximum deployment of extraordinary measures and does not account for Treasury's historical $25 billion cash floor.
Sources: Congressional Budget Office; Treasury; Piper Sandler. Data as of May 10, 2023.

Investment Implications

Debt-limit wrangling has taken center stage in Washington and has triggered uncertainty and volatility on Wall Street. U.S. Credit-default Swaps (CDS) one-year spreads have climbed to levels above 2011, and stocks with significant exposure to government spending have weakened. Market risks will continue to rise as the X-date approaches, but we continue to expect a deal to be reached before the deadline.

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Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	33,300.62	-1.0	-2.3	1.2
NASDAQ	12,284.74	0.4	0.5	17.7
S&P 500	4,124.08	-0.2	-1.0	8.1
S&P 400 Mid Cap	2,432.73	-1.1	-2.3	0.7
Russell 2000	1,740.85	-1.0	-1.5	-0.6
MSCI World	2,809.35	-0.4	-0.8	8.7
MSCI EAFE	2,126.26	-0.7	-0.5	11.0
MSCI Emerging Markets	973.00	-0.9	-0.3	2.4

Fixed Income†

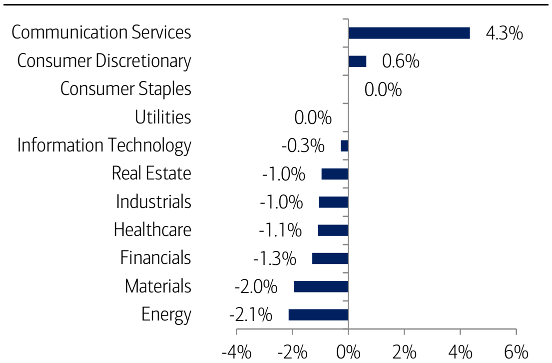
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.30	-0.16	-0.33	3.48
Agencies	4.29	0.00	0.28	2.79
Municipals	3.35	0.05	0.40	2.96
U.S. Investment Grade Credit	4.37	-0.23	-0.28	3.30
International	5.19	-0.18	-0.77	3.49
High Yield	8.61	-0.05	-0.43	4.15
90 Day Yield	5.15	5.20	5.03	4.34
2 Year Yield	3.99	3.91	4.01	4.43
10 Year Yield	3.46	3.44	3.42	3.87
30 Year Yield	3.79	3.75	3.67	3.96

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	224.48	-1.6	-2.8	-8.7
WTI Crude $/Barrel††	70.04	-1.8	-8.8	-12.7
Gold Spot $/Ounce††	2010.77	-0.3	1.0	10.2

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.08	1.10	1.10	1.07
USD/JPY	135.70	134.80	136.30	131.12
USD/CNH	6.97	6.92	6.93	6.92

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 5/8/2023 to 5/12/2023. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 5/12/2023 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 5/12/2023)

	2022A	Q1 2023E	Q2 2023E	Q3 2023E	Q4 2023E	2023E
Real global GDP (% y/y annualized)	3.6*	-	-	-	-	2.9
Real U.S. GDP (% q/q annualized)	2.1	1.1	1.0	-1.0	-2.0	1.0
CPI inflation (% y/y)	8.0	5.8	4.2	3.4	3.0	4.0
Core CPI inflation (% y/y)	6.1	5.6	5.1	4.2	3.5	4.6
Unemployment rate (%)	3.6	3.5	3.5	3.8	4.3	3.8
Fed funds rate, end period (%)	4.33	4.83	5.13	5.13	5.13	5.13

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**

A = Actual. E/* = Estimate.

Sources: BofA Global Research; GWIM ISC as of May 12, 2023.

Asset Class Weightings (as of 5/2/2023)

	CIO View				
Asset Class	Underweight		Neutral	Overweight	
Global Equities			●		
U.S. Large Cap Growth			●		
U.S. Large Cap Value				●	
US. Small Cap Growth			●		
US. Small Cap Value			●		
International Developed		●			
Emerging Markets			●		
Global Fixed Income			●		
U.S. Governments				●	
U.S. Mortgages			●		
U.S. Corporates			●		
High Yield		●			
U.S. Investment Grade Tax Exempt		●			
U.S. High Yield Tax Exempt		●			
International Fixed Income			●		
Alternative Investments*					
Hedge Funds			●		
Private Equity			●		
Real Assets			●		
Cash					

CIO Equity Sector Views

	CIO View				
Sector	Underweight		Neutral	Overweight	
Healthcare					●
Energy				●	
Utilities				●	
Consumer Staples			●		
Information Technology			●		
Communication Services			●		
Industrials			●		
Financials			●		
Materials		●			
Real Estate		●			
Consumer Discretionary	●				

*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Officse as of May 2, 2023. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market.

Institute for Supply Management (ISM) manufacturing index is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at more than 300 manufacturing firms.

Aggregate payroll index is defined as the total remuneration, in cash or in kind, payable to all persons counted on the payroll (excluding agency workers), regardless of whether it is paid on the basis of working time, output or piecework and whether it is paid regularly is calculated by dividing the current month's aggregate by the average of the 12 monthly figures for the base year.

Conference Board's Index of Leading Indicators is an American economic leading indicator intended to forecast future economic activity.

S&P 500 sub-sectors and industry groups Global Industry Classification Standard (GICS®) Index including Information Technology; Consumer Discretionary; Industrials; Real Estate; Communication Services; Materials; Financials; Consumer Staples; Utilities; Energy; Healthcare; Pharmaceuticals; Banks; Telecommunications; REITS

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Investments have varying degrees of risk. Some of the risks involved with equity securities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop, and vice versa. Treasury bills are less volatile than longer-term fixed income securities and are guaranteed as to timely payment of principal and interest by the U.S. government. Investments in foreign securities involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Derivative instruments may at times be illiquid, subject to wide swings in prices, difficult to value accurately and subject to default by the issuer. The risk of loss in trading derivatives, including swaps, can be substantial.

Alternative Investments are speculative and involve a high degree of risk.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity and your tolerance for risk.

Nonfinancial assets, such as closely-held businesses, real estate, fine art, oil, gas and mineral properties, and timber, farm and ranch land, are complex in nature and involve risks including total loss of value. Special risk considerations include natural events (for example, earthquakes or fires), complex tax considerations, and lack of liquidity. Nonfinancial assets are not in the best interest of all investors. Always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.