

McKnight Brain Research Foundation

Period Ending March 31, 2024

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Executive Summary

Performance summary as of March 31, 2024

Truist Advisory Services, Inc.

Index % Total Return	MTD	QTD	YTD	1 Yr
MSCI ACWI (net)	3.14	8.20	8.20	23.22
S&P 500	3.22	10.56	10.56	29.88
MSCI EAFE (net)	3.29	5.78	5.78	15.32
MSCI Emerging Markets (net)	2.48	2.37	2.37	8.15
Dow Jones Industrials	2.21	6.14	6.14	22.18
Bloomberg Commodity Index	3.31	2.19	2.19	-0.56
Bloomberg Aggregate	0.92	-0.78	-0.78	1.70
ICE BofA US High Yield	1.19	1.51	1.51	11.04
Bloomberg Municipal Bond Blend 1-15 Year	0.00	-0.29	-0.29	2.62
ICE BofA Global Government xUS (USD Unhedged)	0.15	-4.64	-4.64	-4.23
ICE BofA Global Government xUS (USD Hedged)	0.93	0.01	0.01	4.31

Rates (%)	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Fed Funds Target	5.50	5.50	5.50	5.25	5.00
T-Bill, 3-Month	5.34	5.35	5.45	5.31	4.75
2-Year Treasury	4.62	4.25	5.03	4.87	4.06
5-Year Treasury	4.22	3.84	4.60	4.12	3.60
10-Year Treasury	4.20	3.87	4.57	3.81	3.49
30-Year Treasury	4.34	4.03	4.70	3.85	3.68
Bloomberg Aggregate (YTW)	4.85	4.53	5.39	4.81	4.40
Bloomberg Municipal Bond Blend 1-15 Year	3.19	2.88	4.05	3.23	2.87
ICE BofA US High Yield	7.68	7.65	8.90	8.56	8.50
Currencies	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Euro (\$/€)	1.08	1.10	1.06	1.09	1.09
Yen (¥/\$)	151.35	140.98	149.23	144.54	133.09
Pound (\$/£)	1.26	1.27	1.22	1.27	1.24
Commodities	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
Crude Oil (WTI)	83.17	71.65	90.79	70.64	75.67
Gold	2,238	2,072	1,866	1,929	1,986
Volatility	3/31/24	12/31/23	9/30/23	6/30/23	3/31/23
CBOE VIX	13.01	12.45	17.52	13.59	18.70

U.S. style % total returns (S&P indexes)						
Month				YTD		
Value	Core	Growth		Value	Core	Growth
4.55	3.22	2.13	Large	8.05	10.56	12.75
5.40	5.60	5.75	Mid	4.12	9.95	15.60
3.39	3.24	3.10	Small	0.14	2.46	4.77



Data source: Truist IAG, FactSet.

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2024 Outlook: several crosscurrents remain as the global economy gains momentum



Upside catalysts

- U.S. economy supported by consumers who are less interest-rate sensitive than past cycles; labor market continues to support spending as the negative impact from the pandemic fades.
- U.S. corporate earnings are expected to grow 10.5% in 2024 after only 0.5% growth in 2023*. Tech and AI earnings growth still expected to outpace other sectors.
- Disinflationary trends have seemingly put an end to further rate hikes, helping to support a global soft landing and Central Bank rate cuts later in the year.
- Historically solid market gains are often seen during an election year; incentive for party in power to stimulate economy supports further fiscal spending. There will be a record 40 elections globally in 2024 which should support fiscal spending worldwide.



Downside risks

- Lagged impact of higher rates increases default risk especially in the commercial real estate sector where office property valuations are under pressure as the work from home trend persists.
- U.S. equity valuations are at historically high levels driven by tech and AI stocks. That said, tech earnings have surprised to the upside and valuations abroad may present favorable opportunities.
- The market is expecting 6 interest rate cuts in 2024 but the Federal Reserve has only projected 3 cuts. Market sentiment could be impacted if the Fed disappoints.
- Broad geopolitical risks may impact investor sentiment.
- High concentration and high expectations for a few large growth stocks (*the magnificent 7*) in the U.S. market increases the risk of underperformance should these stocks disappoint in 2024.

Executive Summary

Asset Allocation

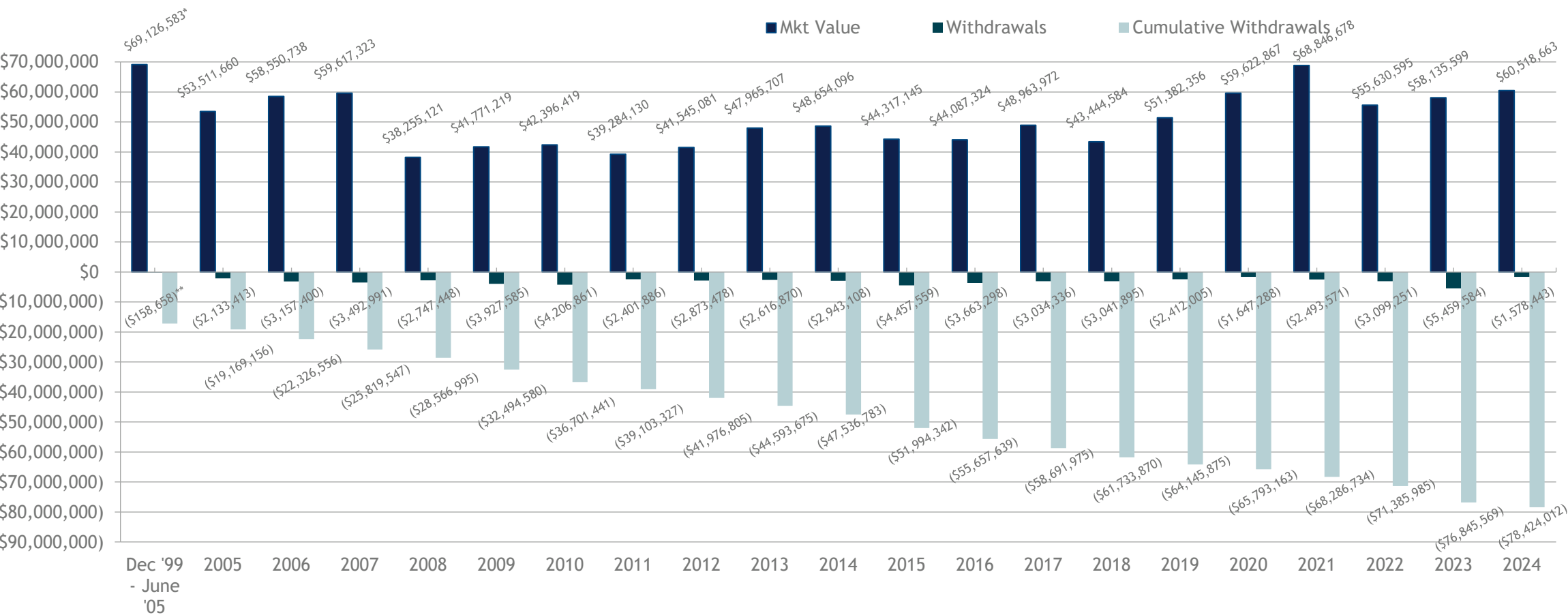
- The Foundation has a 69.0% target to public equity, a 6.0% target to fixed income (including cash) and a 25.0% target allocation to alternative assets (including a 8.0% allocation to private equity).
- As of March end, the public equity allocation was 72%, the allocation to fixed income (including cash) was 6.4% and the allocation to alternative investments was 21.6%.

Portfolio Performance

- For the Year-to-Date Period Ending March 31, 2024 the total return for the portfolio was 6.85% versus 7.76% for the Investment Policy Statement Index.
- For the 1 Year Period Ending March 31, 2024 the total return for the portfolio was 18.57% versus 21.83% for the Investment Policy Statement Index.

Investment Review

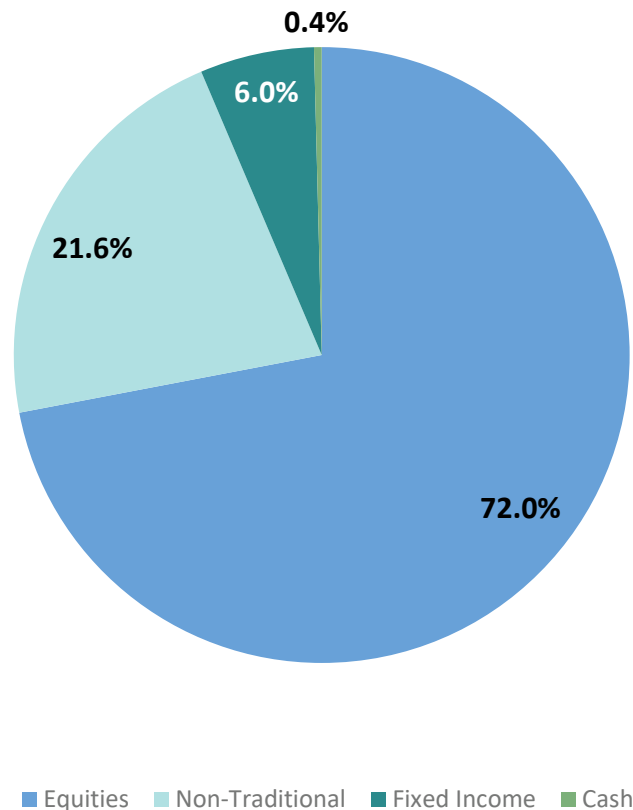
Historical Market Values and Distributions



Source: First Rate Advisor
* As of December 1999
** From December 2004 - June 2005

Portfolio Composition

McKnight Brain Research Foundation



Period Ending March 31, 2024							
Assets	Current Market Value	Current Allocation	Prior Allocation	Δ in Allocation	Target Allocation	Range	Variance from Target
Total Portfolio	\$60,518,663	100.0%	100.0%		100.0%		
Total Equities	\$43,547,175	72.0%	70.3%	1.6%	69.0%		3.0%
Large Cap Equities	\$36,861,477	60.9%	55.4%	5.5%	58.0%	30-60%	2.9%
Hartford Dvdnd & Grwth-F	\$0	0.0%	4.8%	(4.8%)			
Vanguard Value ETF	\$1,733,482	2.9%	8.4%	(5.5%)			
Vanguard Russell 1000 Growth Index I	\$3,231,209	5.3%	5.1%	0.2%			
Vanguard Institutional Index	\$31,896,786	52.7%	37.1%	15.6%			
Mid Cap Equities	\$1,100,487	1.8%	3.2%	(1.3%)	3.0%	0-14%	-1.2%
iShares Core S&P Mid-Cap ETF	\$1,100,487	1.8%	3.2%	(1.3%)			
Smid Cap Equities	\$661,902	1.1%	1.9%	(0.8%)	0.0%		
Eaton Vance Atlanta Capital SMID-Cap R6	\$661,902	1.1%	1.9%	(0.8%)			
Small Cap Equities	\$1,781,872	2.9%	4.5%	(1.6%)	3.0%	0-15%	-0.1%
iShares Russell 2000 ETF	\$1,781,872	2.9%	4.5%	(1.6%)			
International Developed Equities	\$3,141,436	5.2%	5.3%	(0.1%)	5.0%	5-15%	0.2%
Artisan International Value Instl	\$1,759,215	2.9%	4.5%	(1.6%)			
Vanguard International Growth Adm	\$1,382,221	2.3%	0.8%	1.5%			
Total Fixed Income	\$3,654,483	6.0%	6.5%	(0.4%)	6.0%	0-20%	0.0%
Dodge & Cox Income	\$1,287,076	2.1%	2.3%	(0.1%)			
iShares Core US Aggregate Bond ETF	\$964,611	1.6%	1.7%	(0.1%)			
SPDR® Blmbg 1-3 Mth T-Bill ETF	\$1,402,796	2.3%	2.5%	(0.1%)			
Total Non-Traditional	\$13,105,048	21.6%	21.9%	(0.3%)	25.0%	10-30%	-3.4%
Hedge	\$8,255,420	13.6%	13.9%	(0.3%)	17.0%	10-30%	-3.4%
Lighthouse Global Long/Short	\$3,262,825	5.4%	5.5%	(0.1%)			
Lighthouse Diversified	\$2,831,738	4.7%	4.7%	(0.1%)			
Lighthouse Credit Opportunities	\$2,160,856	3.6%	3.6%	(0.1%)			
Private Equity	\$4,849,628	8.0%	8.1%	(0.0%)	8.0%	0-10%	0.0%
Svb Cap Strategic Investo	\$410,074	0.7%	0.7%	(0.0%)			
Hcp Private Equity Master	\$679,768	1.1%	1.2%	(0.0%)			
Spring Harbour 2013	\$284,312	0.5%	0.6%	(0.1%)			
HarbourVest 2015	\$340,136	0.6%	0.6%	(0.0%)			
HarbourVest 2016	\$364,783	0.6%	0.7%	(0.1%)			
HarbourVest 2017	\$422,608	0.7%	0.7%	(0.0%)			
HarbourVest 2018	\$529,400	0.9%	0.9%	(0.0%)			
HarbourVest 2019	\$478,799	0.8%	0.8%	(0.0%)			
HarbourVest 2021	\$306,969	0.5%	0.5%	0.0%			
HarbourVest 2020	\$445,216	0.7%	0.7%	0.0%			
HarbourVest 2022	\$207,743	0.3%	0.3%	0.1%			
HarbourVest 2023	\$80,000	0.1%	0.1%	0.1%			
Generation IM Sustain SLTNS	\$299,820	0.5%	0.3%	0.2%			
Total Cash	\$211,958	0.4%	1.3%	(0.9%)			

Investment Performance

Period Ending March 31, 2024						
Assets	Quarter / YTD	1 Year	3 Years	5 Years	7 Years	10 Years
Total Portfolio	6.85%	18.57%	6.30%	10.99%	10.21%	9.07%
2023 Efficient Frontier Target*	7.76%	21.83%	7.43%	10.95%	10.00%	8.78%
Spending Policy Benchmark ⁽¹⁾	--	9.90%	9.70%	9.00%	8.80%	8.60%
65% Russell 3000 / 35% Barclays Agg	6.24%	19.63%	5.50%	9.44%	9.11%	8.55%
Total Equities	9.20%	25.57%	7.31%	12.86%	11.94%	10.59%
Domestic Equities	9.61%	26.66%	8.05%	12.91%	12.56%	11.52%
International Equities – Developed	4.29%	12.85%	2.50%	12.93%	10.46%	7.97%
Total Fixed Income	0.18%	4.04%	-1.75%	0.27%	1.19%	1.40%
Total Non-Traditional	1.49%	4.13%	7.31%	9.51%	8.54%	7.40%
Private Equity (As of 9/30/2023)	--	0.34%	12.94%	13.36%	15.21%	16.65%

2023 Efficient Frontier Target consists of: 58% S&P 500 / 3% Russell MidCap / 3% Russell 2000 / 5% MSCI EAFE / 6% Bloomberg Barclays US Aggregate TR / 25% HFRI Fund of Funds Composite Index

*Efficient Frontier Returns prior to July 1, 2022 correspond to previous efficient frontier targets.

(1) Average 1 Year BRDPI Inflation of 3.9% + 5% Distribution + 1% Expenses = 9.9%

(2) Average 3 Year BRDPI Inflation of 3.7% + 5% Distribution + 1% Expenses = 9.7%

(3) Average 5 Year BRDPI Inflation of 3.0% + 5% Distribution + 1% Expenses = 9.0%

(4) Average 7 Year BRDPI Inflation of 2.8% + 5% Distribution + 1% Expenses = 8.8%

(5) Average 10 Year BRDPI Inflation of 2.6% + 5% Distribution + 1% Expenses = 8.6%

BRDPI Inflation index last updated Dec 2023

Source: First Rate Advisor and Morningstar. Returns greater than one year are annualized

Manager Performance

Period Ending March 31, 2024						
Assets	Ticker Symbol	Allocation	Quarter / YTD	1 Year	3 Years	5 Years
Large Cap Equity		60.9%				
Vanguard Russell 1000 Growth Index I	VRGWX	5.3%	11.39%	38.97%	12.45%	18.45%
<i>Russell 1000 Growth</i>			11.41%	39.00%	12.50%	18.52%
Vanguard Institutional Index	VINIX	52.7%	10.54%	29.84%	11.45%	15.02%
<i>S&P 500</i>			10.56%	29.88%	11.49%	15.05%
Vanguard Value ETF	VTV	2.9%	9.76%	21.12%	10.21%	11.53%
<i>CRSP US Large Cap Value</i>			9.75%	21.03%	10.20%	11.53%
Mid Cap Equity		1.8%				
iShares Core S&P Mid-Cap ETF	IJH	1.8%	9.95%	23.30%	6.93%	11.67%
<i>S&P MidCap 400</i>			9.95%	23.33%	6.96%	11.71%
Small Cap Equity		2.9%				
iShares Russell 2000 ETF	IWM	2.9%	5.14%	19.51%	-0.21%	8.00%
<i>Russell 2000</i>			5.18%	19.71%	-0.10%	8.10%
SMid Cap Equity		1.1%				
Eaton Vance Atlanta Capital SMID-Cap R6	ERASX	1.1%	9.64%	23.86%	8.78%	12.53%
<i>Russell 2500</i>			6.92%	21.43%	2.97%	9.90%

Source: Morningstar

Manager Performance

Period Ending March 31, 2024						
Assets	Ticker Symbol	Allocation	Quarter / YTD	1 Year	3 Years	5 Years
International Equity		5.2%				
Vanguard International Growth Adm	VWILX	2.3%	5.29%	7.46%	-5.68%	8.70%
MSCI ACWI ex US			4.69%	13.26%	1.94%	5.97%
Artisan International Value Instl	APHKX	2.9%	4.44%	16.54%	8.90%	11.45%
MSCI EAFE			5.78%	15.32%	4.78%	7.33%
Fixed Income		6.0%				
Dodge & Cox Income	DODIX	2.1%	-0.32%	4.09%	-0.92%	1.89%
iShares Core US Aggregate Bond ETF	AGG	1.6%	-0.75%	1.61%	-2.48%	0.32%
Bloomberg Barclays US Aggregate Bond			-0.78%	1.70%	-2.46%	0.36%
SPDR® Bloomberg 1-3 Month T-Bill ETF	BIL	2.3%	1.29%	5.21%	2.50%	1.87%
Barclays Short Treasury 1-3 Month			1.32%	5.37%	2.65%	2.03%
Non-Traditional - Hedge		13.7%				
Lighthouse Global Long/Short LTD		5.4%	3.89%	7.68%	3.15%	7.41%
Standard Deviation			--	2.67%	4.01%	6.34%
Lighthouse Credit Opportunities LTD		3.6%	2.26%	10.63%	8.18%	9.00%
Standard Deviation			--	3.53%	6.05%	10.96%
Lighthouse Diversified LTD		4.7%	3.33%	9.03%	6.47%	5.59%
Standard Deviation			--	2.38%	3.23%	9.46%
MSCI ACWI			8.20%	23.22%	6.96%	10.92%
Standard Deviation			--	14.05%	16.62%	17.74%
Bloomberg Barclays US Aggregate Bond			-0.78%	1.70%	-2.46%	0.36%
Standard Deviation			--	7.30%	7.24%	6.14%

Source: Morningstar

Private Equity Summary

Period Ending September 30, 2023											
Account	Commit.	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commit	DPI (dist /takedowns)	RVPI (RV/takedowns)	TVPI (TV / takedown)	Takedown (takedowns/ commit)	IRR
Private Equity	\$7,000,000	\$4,683,881	\$3,498,360	\$4,604,972	\$8,103,332	\$2,316,119	74.69%	98.32%	173.00%	66.91%	15.45
Hall Capital	\$1,000,000	\$900,000	\$1,370,007	\$709,768	\$2,079,775	\$100,000	152.22%	78.86%	231.09%	90.00%	13.4
SpringHarbour 2013	\$500,000	\$432,500	\$649,894	\$332,664	\$982,558	\$67,500	150.26%	76.92%	227.18%	86.50%	17.16
SVB Capital	\$500,000	\$377,479	\$0	\$386,674	\$386,674	\$122,521	0.00%	102.44%	102.44%	75.50%	1.32
Generation Fund IV	\$1,000,000	\$225,000	\$0	\$181,191	\$181,191	\$775,000	0.00%	80.53%	80.53%	22.50%	-30.07
HarbourVest 2015	\$500,000	\$465,000	\$553,788	\$362,219	\$916,007	\$35,000	119.09%	77.90%	196.99%	93.00%	18.48
HarbourVest 2016	\$500,000	\$425,000	\$392,648	\$394,255	\$786,903	\$75,000	92.39%	92.77%	185.15%	85.00%	19.47
Harbourvest 2017	\$500,000	\$402,500	\$262,490	\$455,133	\$717,623	\$97,500	65.21%	113.08%	178.29%	80.50%	19.72
HarbourVest 2018	\$500,000	\$400,000	\$140,782	\$534,171	\$674,953	\$100,000	35.20%	133.54%	168.74%	80.00%	20.88
HarbourVest 2019	\$500,000	\$337,348	\$72,158	\$458,233	\$530,391	\$162,652	21.39%	135.83%	157.22%	67.47%	23.26
HarbourVest 2020	\$500,000	\$367,500	\$42,383	\$402,716	\$445,099	\$132,500	11.53%	109.58%	121.12%	73.50%	12.15
HarbourVest 2021	\$500,000	\$246,554	\$8,250	\$262,705	\$270,955	\$253,446	3.35%	106.55%	109.90%	49.31%	9.89
HarbourVest 2022	\$500,000	\$105,000	\$5,960	\$125,243	\$131,203	\$395,000	5.68%	119.28%	124.96%	21.00%	57.08
Period Ending March 31, 2024											
Account	Commit.	Cumulative Takedown	Cumulative Distributions	Value (RV)	Total Value (RV + Dist)	Unfunded Commit	DPI (dist /takedowns)	RVPI (RV/takedowns)	TVPI (TV / takedown)	Takedown (takedowns/ commit)	IRR
Private Equity	\$7,500,000	\$4,984,781	\$3,671,799			\$2,515,219	73.66%			66.46%	
Hall Capital	\$1,000,000	\$900,000	\$1,400,007			\$100,000	155.56%			90.00%	
SpringHarbour 2013	\$500,000	\$432,500	\$698,246			\$67,500	161.44%			86.50%	
SVB Capital	\$500,000	\$400,879	\$0			\$99,121	0.00%			80.18%	
Generation Fund IV	\$1,000,000	\$225,000	\$0			\$775,000	0.00%			22.50%	
HarbourVest 2015	\$500,000	\$465,000	\$575,180			\$35,000	123.69%			93.00%	
HarbourVest 2016	\$500,000	\$425,000	\$421,377			\$75,000	99.15%			85.00%	
Harbourvest 2017	\$500,000	\$402,500	\$295,015			\$97,500	73.30%			80.50%	
HarbourVest 2018	\$500,000	\$405,000	\$150,553			\$95,000	37.17%			81.00%	
HarbourVest 2019	\$500,000	\$359,848	\$74,092			\$140,152	20.59%			71.97%	
HarbourVest 2020	\$500,000	\$410,000	\$42,383			\$90,000	10.34%			82.00%	
HarbourVest 2021	\$500,000	\$291,554	\$8,986			\$208,446	3.08%			58.31%	
HarbourVest 2022	\$500,000	\$187,500	\$5,960			\$312,500	3.18%			37.50%	
HarbourVest 2023	\$500,000	\$80,000	\$0			\$420,000	0.00%			16.00%	

Active Manager Peer Group Comparison

Period Ending March 31, 2024					
Assets	Ticker	Morningstar Category	Benchmark		
				3 Year	5 Year
SMID Cap Core					
Eaton Vance Atlanta Capital SMID	ERASX	SMID Cap Core	<i>Russell 2500 - Total Return</i>	20	31
<i>Russell 2500 - Total Return</i>		SMID Cap Core		97	67
Large Cap International Growth					
Vanguard International Growth	VWILX	International Large Cap Growth	<i>MSCI ACWI Ex USA Growth</i>	82	91
<i>MSCI ACWI Ex USA Growth</i>		International Large Cap Growth		60	56
Large Cap International Value					
Artisan International Value Instl	APHKX	International Large Cap Value	<i>MSCI ACWI Ex USA Value</i>	8	1
<i>MSCI ACWI Ex USA Value</i>		International Large Cap Value		58	82
Intermediate-Term Bond					
Dodge and Cox Income	DODIX	Intermediate-Term Bond	<i>Bloomberg Barclays US Aggregate</i>	9	8
<i>Bloomberg Barclays US Aggregate</i>		Intermediate-Term Bond		57	69

Source: Morningstar

Attribution Analysis

Period Ending March 31, 2024										
Assets	Benchmark	Weights (%)		Asset Quarterly Returns			Weight vs. Target	Allocation	Style Allocation	Selection
		Target	Active ⁽¹⁾	Index	Style Index ⁽³⁾	Portfolio				
Large Cap Equities	S&P 500 Index	58.0	58.0	10.6	10.5	10.3	0.04	0.00	-0.01	-0.17
Vanguard Russell 1000 Growth	Russell 1000 Growth Index		5.3	11.4		11.4			0.05	0.00
Vanguard Institutional Index	S&P 500 Index		44.6	10.6		10.6			0.00	0.00
Hartford Dividend & Growth	S&P 500 Index		1.6	10.6		1.1			0.00	-0.15
Vanguard Value	CRSP US Large Value Index		6.5	9.8		9.7			-0.05	-0.01
Mid Cap Equities	Russell MidCap Index	3.0	4.3	8.6	8.8	9.8	1.30	0.01	0.01	0.05
iShares Core S&P Mid Cap	S&P 400 Index		2.7	10.0		9.9			0.04	0.00
Eaton Vance Atlanta Capital SMID	Russell 2500 Index		1.6	6.9		9.6			-0.03	0.04
Small Cap Equities	Russell 2000 Index	3.0	3.9	5.2	5.2	5.1	0.90	-0.02	0.00	0.00
iShares Russell 2000	Russell 2000 Index		3.9	5.2		5.1			0.00	0.00
International Equities	MSCI EAFE	5.0	5.3	5.8	5.5	4.6	0.30	-0.01	-0.01	-0.06
Artisan International Value	MSCI EAFE		4.0	5.8		4.4			0.00	-0.05
Vanguard International Growth Adm	MSCI ACWI ex US		1.3	4.7		5.3			-0.01	0.01
Non-Traditional	HFRF FoF Composite	25.0	21.6	4.2	2.0	1.6	(3.44)	0.13	-0.47	-0.56
Lighthouse Global Long/Short	HFRX Equity Hedge		5.4	2.6		2.6			-0.09	0.00
Lighthouse Credit Opportunities	HFRF Distressed Restructuring Index		3.6	2.6		2.2			-0.06	-0.01
Lighthouse Diversified	HFRF FoF Diversified		4.7	4.1		2.6			0.00	-0.07
Hall Capital			1.1							
Spring Harbour			0.5							
HarbourVest 2015			0.6							
HarbourVest 2016			0.6							
HarbourVest 2017			0.7							
HarbourVest 2018			0.9							
HarbourVest 2019			0.8							
HarbourVest 2020			0.7							
HarbourVest 2021			0.5							
HarbourVest 2022			0.3							
HarbourVest 2023			0.1							
Generation IM Fund IV			0.4							
SVB Capital			0.7							
Fixed Income (including cash)	Barclays Aggregate	6.0	6.9	-0.8	0.2	0.3	0.88	-0.08	0.07	0.07
Dodge & Cox Income	Barclays Aggregate		2.2	-0.8		-0.3			0.00	0.01
iShares Core US Aggregate	Barclays Aggregate		1.6	-0.8		-0.8			0.00	0.00
SPDR 1-3 Month T-Bill	Barclays 1-3 Month T-Bills		2.4	1.3		1.3			0.05	0.00
Cash Equivalent	91 Day T-Bill		0.6	1.4		1.4			0.01	0.00
Period End Static Return⁽⁴⁾		100.0	100.0	7.8		7.2⁽²⁾		0.03	-0.42	-0.67
Total Return⁽⁵⁾				7.8		6.9				

Notes:

(1) Portfolio active weights are an average allocation over the time period

(2) Portfolio return is estimated using a weighted average and does not take into account the timing of cash flows; therefore, it may not exactly match the actual return

(3) The Style Index is the portfolio's fund weight x benchmark style index within each asset class

(4) Index and Portfolio Period End Return is calculated based on an average of beginning and ending quarter weightings and does not take into account flows

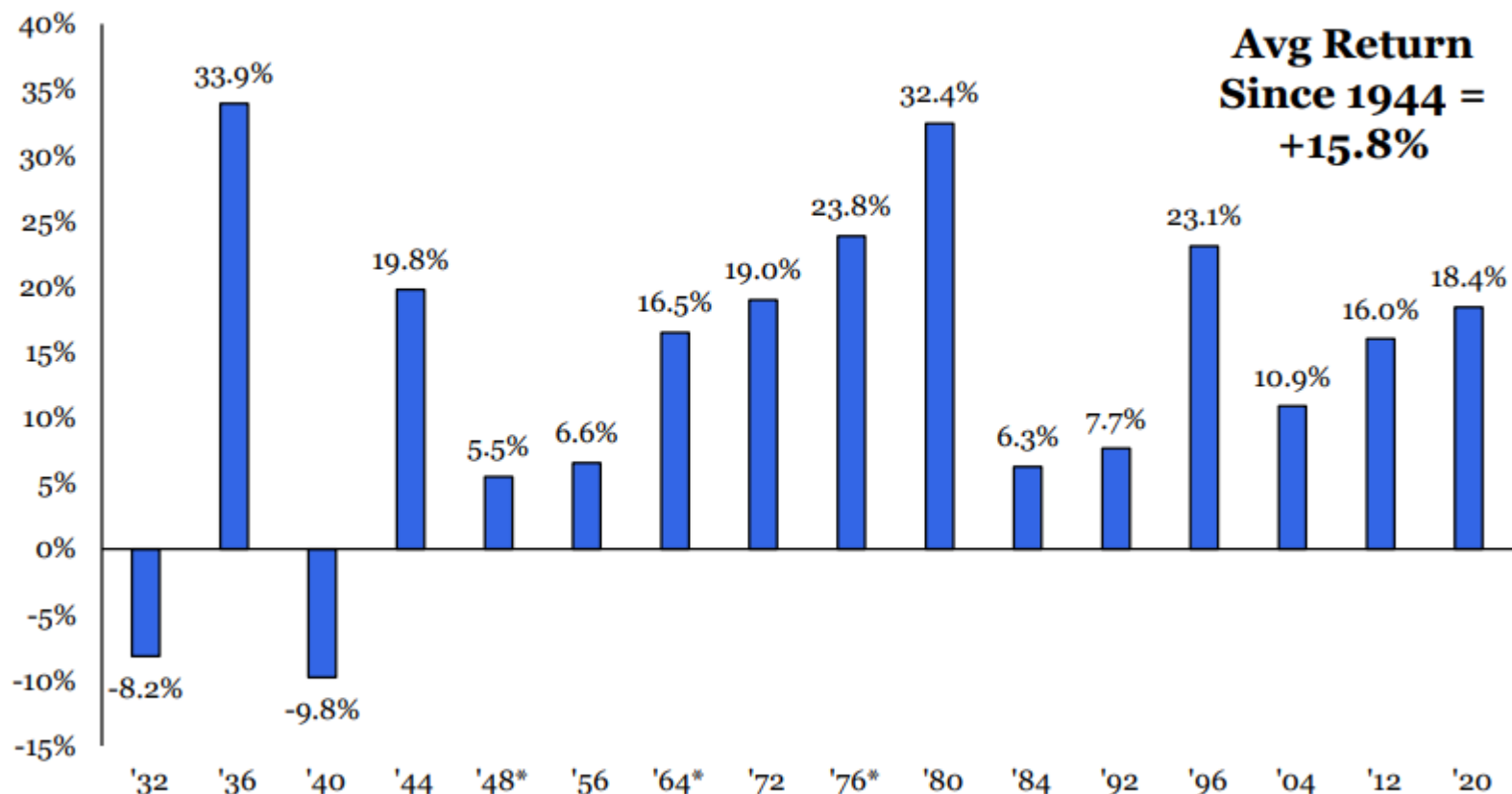
(5) Index Total Return is Target Policy Return; Portfolio Return is GIPS compliant return for the period

(6) International Policy Index = 70% MSCI EAFE, 30% MSCI Emerging Markets

Economic Overview

Election year returns tend to be positive in Presidential re-election years

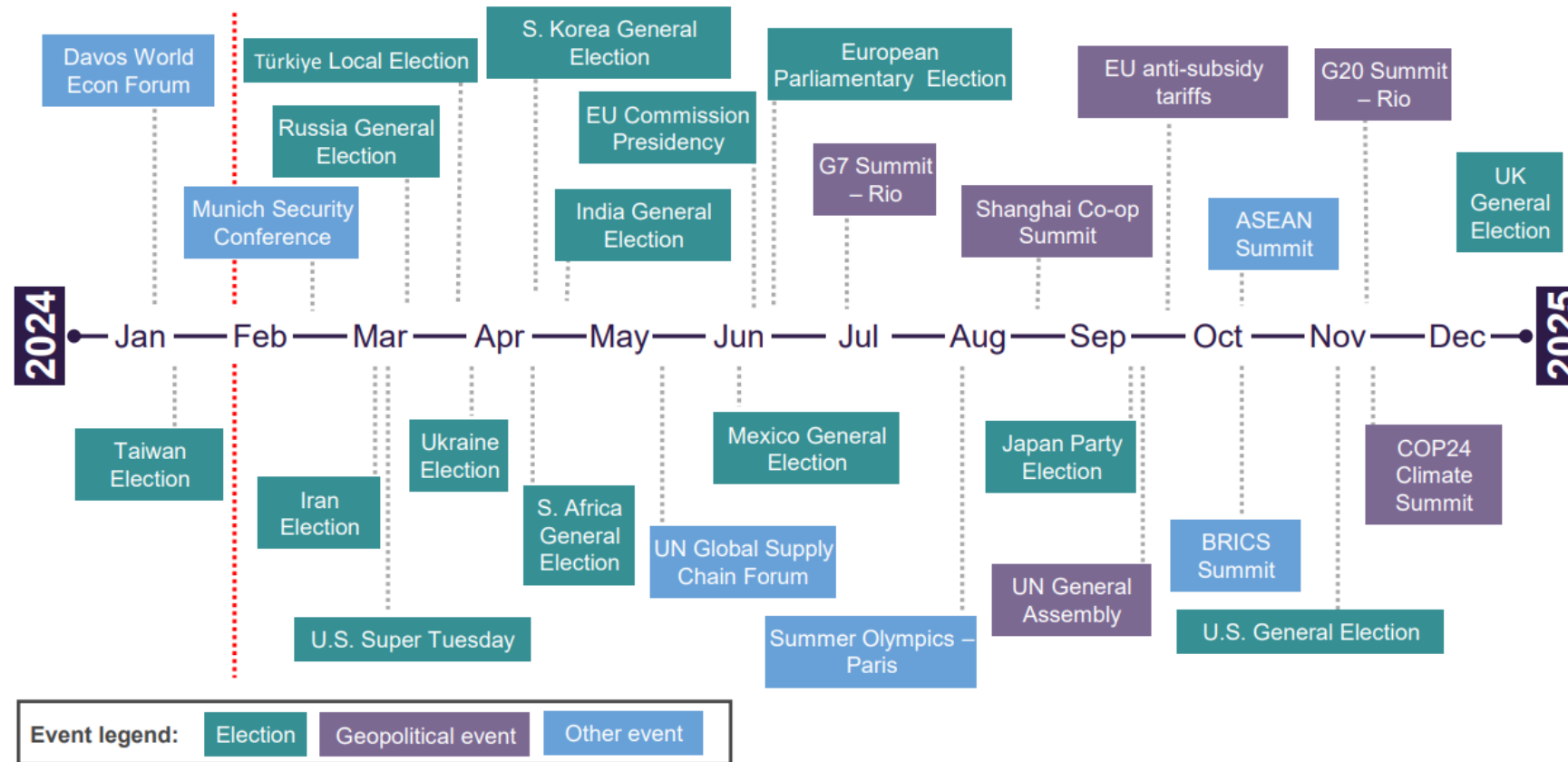
S&P 500 Total Return In Election Years With Incumbent President Running For Re-Election



*In 1948 Truman assumed office after FDR's death and sought another term; 1964 Johnson assumed office after JFK death and sought another term;

40 global elections worldwide are likely to support global fiscal spending

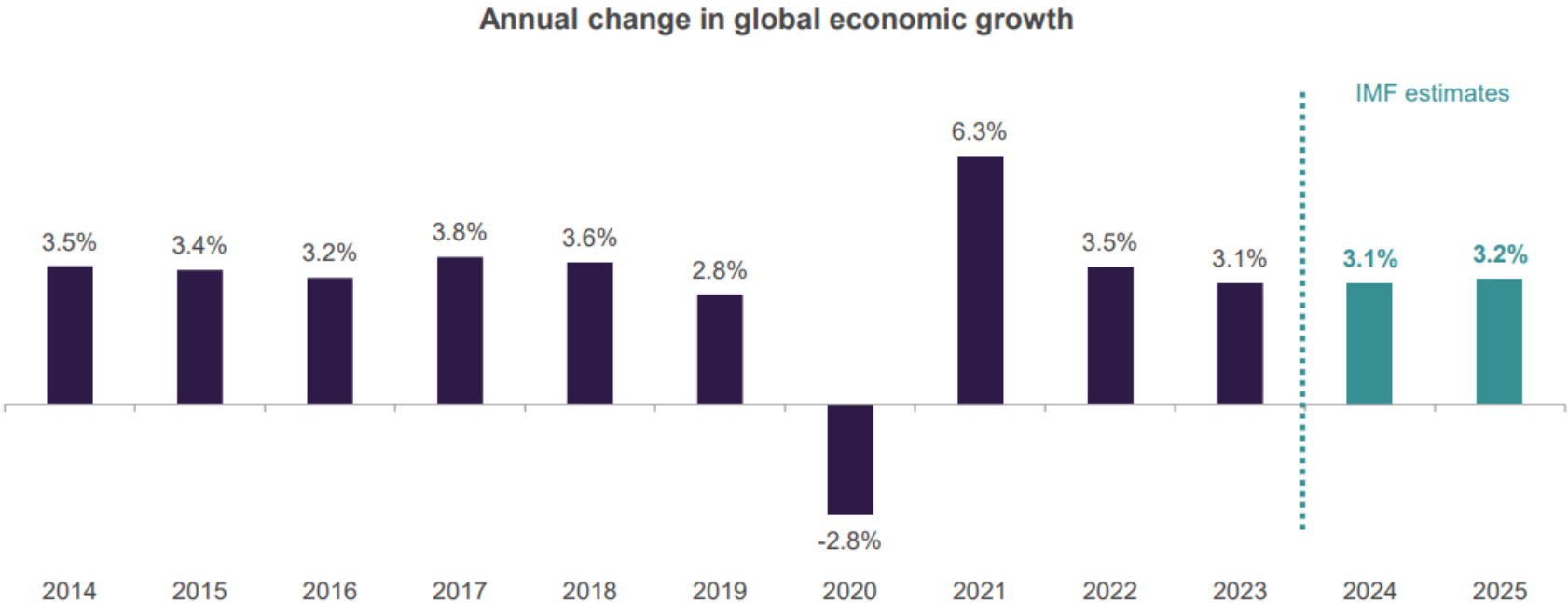
Full calendar of events – including 40 global elections



Data source: Truist IAG, Bloomberg, Respective organizations.

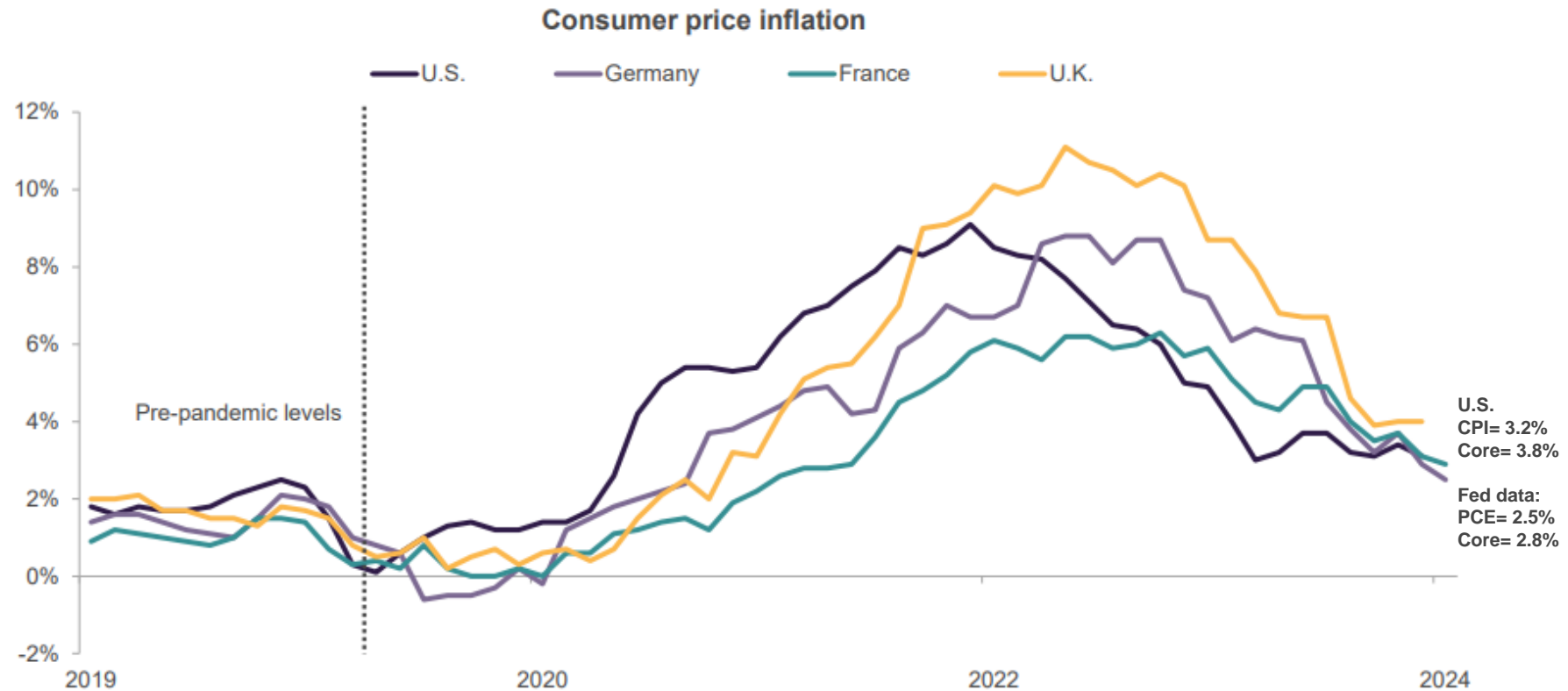
Global economic growth expected to be similar to 2023

The International Monetary Fund (IMF) boosted its global economic growth outlook, now expecting 3.1% in 2024, which is essentially even with 2023. The IMF upgraded its outlook for the world's two largest economies – the U.S. and China – and sees a further easing in inflation. However, it warned that new commodity price spikes from geopolitical shocks, including continued attacks on commercial ships in the Red Sea, could prolong tight monetary conditions.



Data source: Truist IAG, Bloomberg, International Monetary Fund (IMF). Change in real (constant dollar) gross domestic product year over year, actual for 2015 through 2023; IMF estimates for 2024 and 2025.

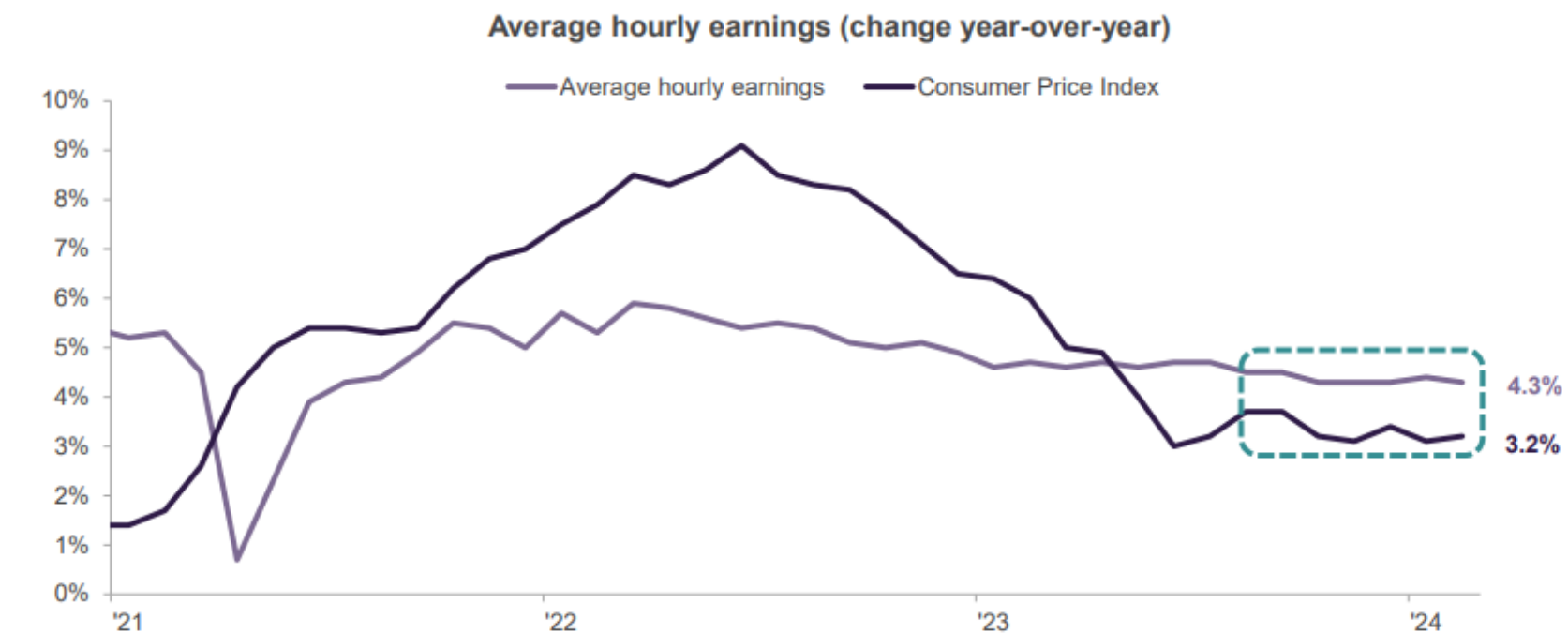
Global inflation has declined sharply though still above pre-pandemic levels



Data source: Truist IAG, Bloomberg. Monthly data U.S. and U.K. inflation data through January 2024, France and Germany through February 2024.

Wages growing above inflation, helping consumers

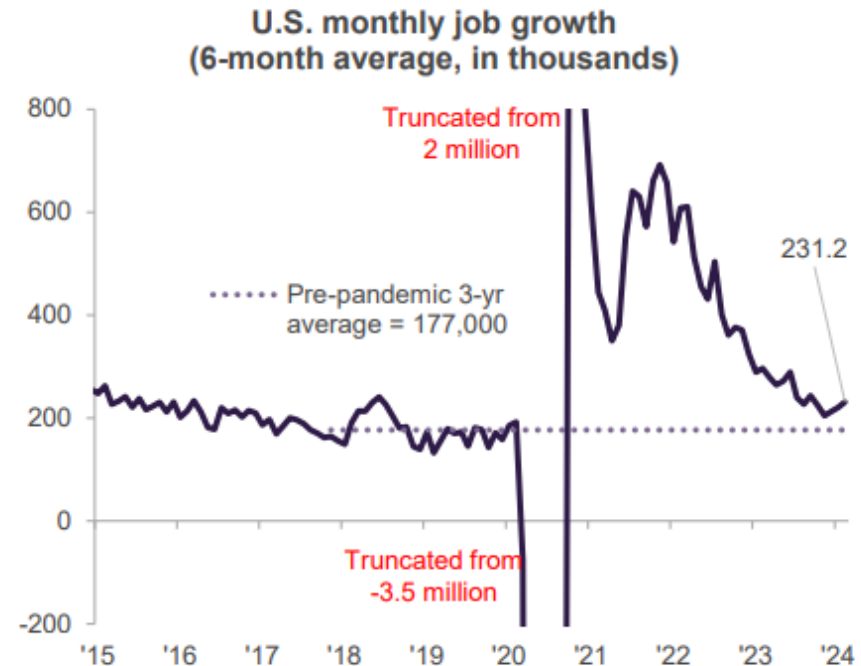
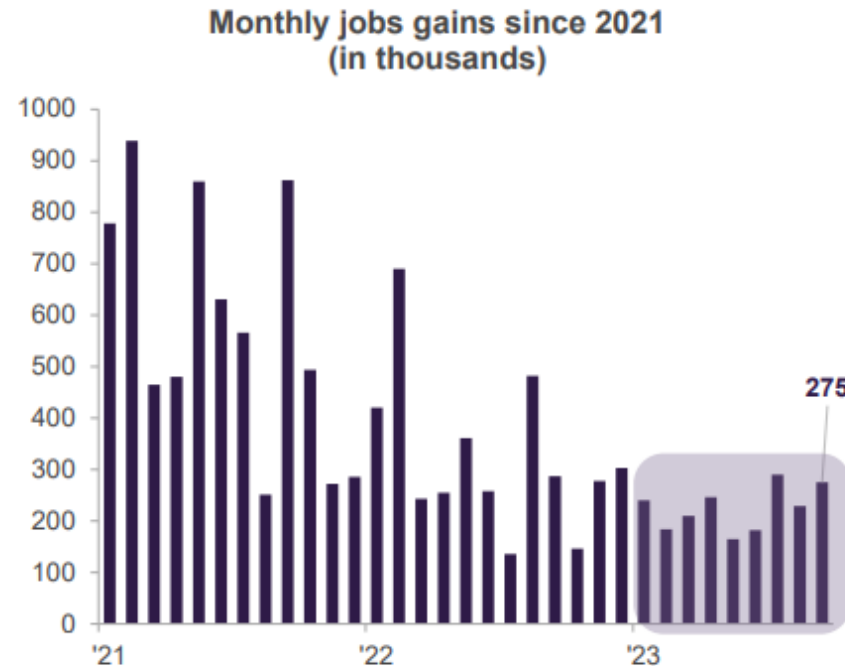
Wage growth is running at 4.3% from a year ago, well above the pre-pandemic 10-year average of 2.4%. As inflation continues to moderate, consumers will get some additional breathing room in their personal budgets.



Data source: Truist IAG, Bloomberg, Bureau of Labor Statistics; monthly data through February 2024.

Job growth remains resilient – staying above the pre-pandemic trend

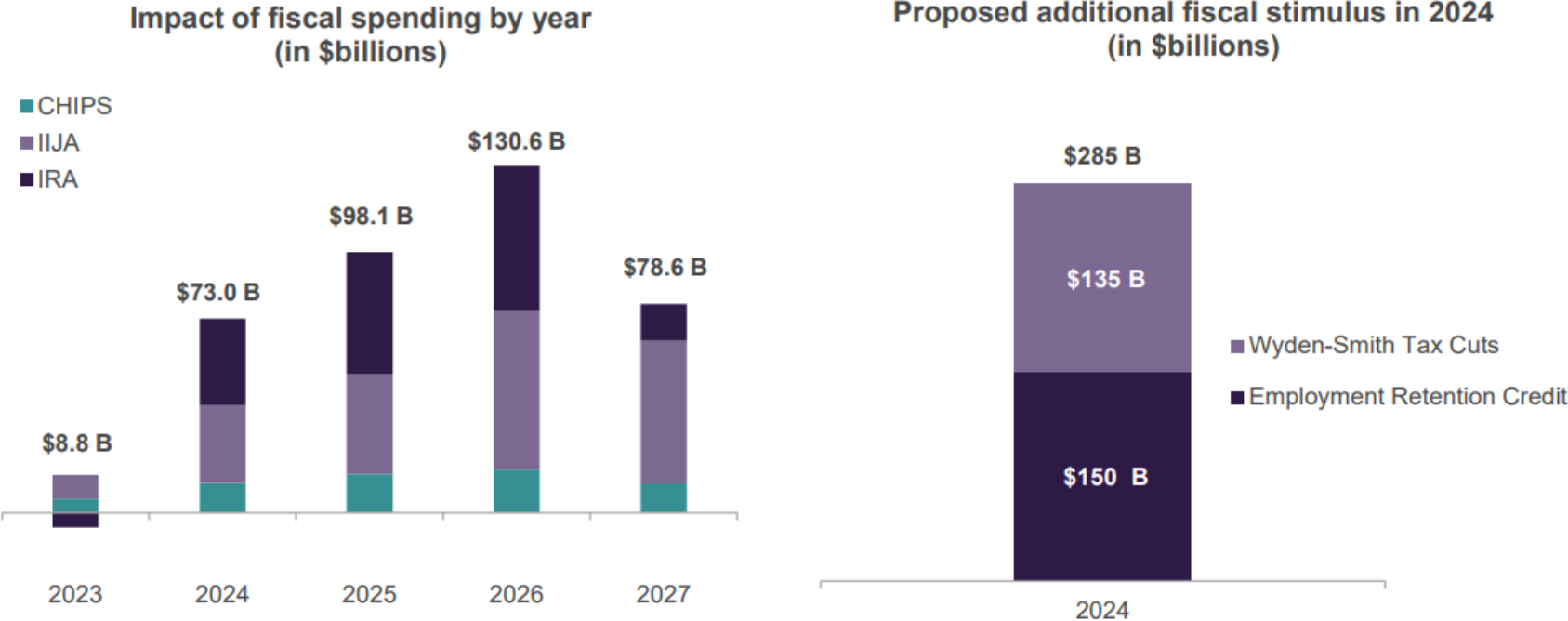
The U.S. created 3 million new jobs in 2023 and just over a half million thus far in 2024, including 275,000 in February. The six-month average is running at 231,200, which remains well above the pre-pandemic 3-year average of 177,000.



Data source: Truist IAG, Bloomberg, Bureau of Labor Statistics. Monthly data through February 2024.

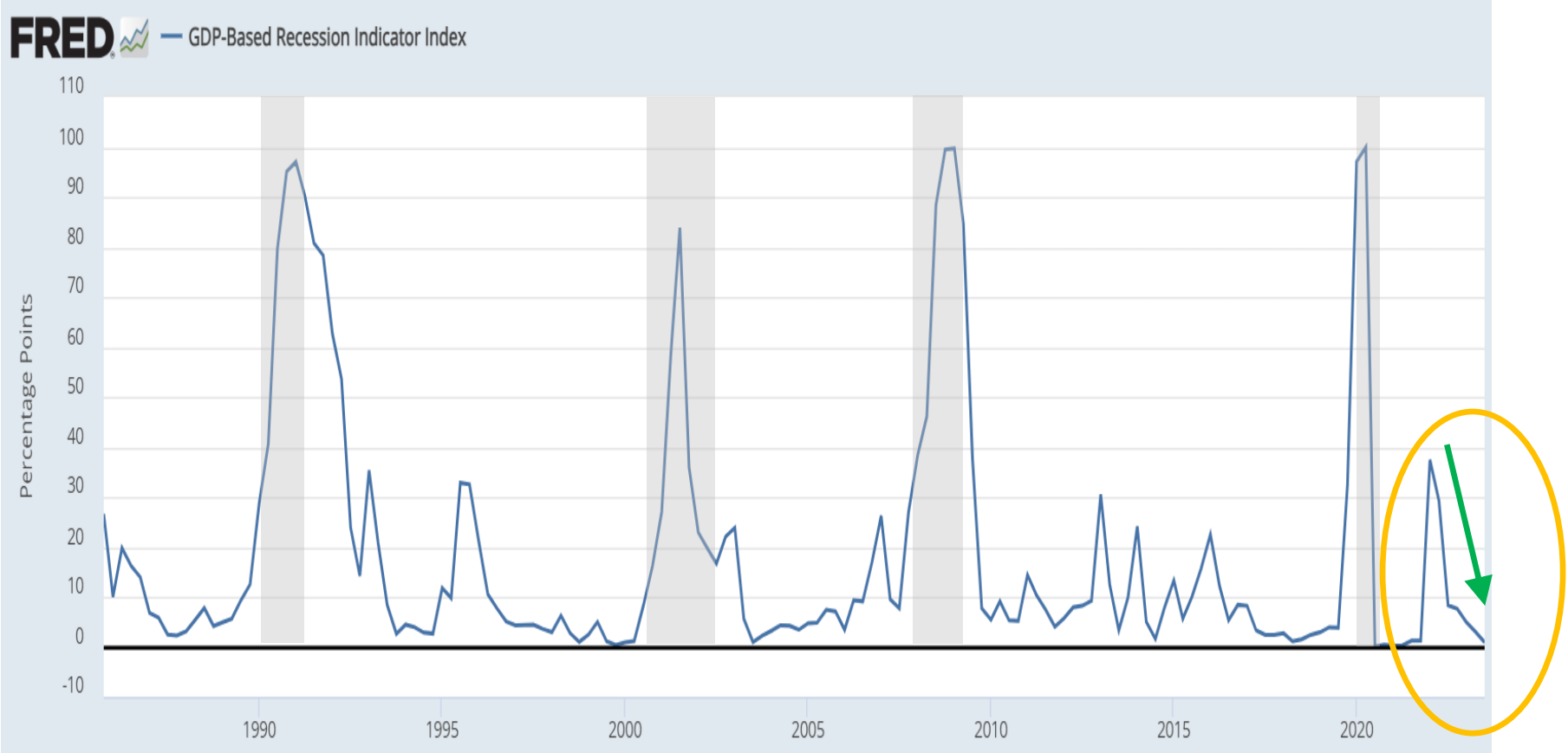
Fiscal spending increases in 2024 from existing legislation + new proposals = possibly as much as 1.5% of GDP

More than \$73 billion in spending is projected in 2024 as a result of existing legislation, chiefly from the CHIPS Act as well as the infrastructure and IRA bills. An additional \$285 billion for 2024 has been proposed in recent weeks that has bipartisan support. Combined, those would potentially be as large as 1.5% of gross domestic product (GDP).



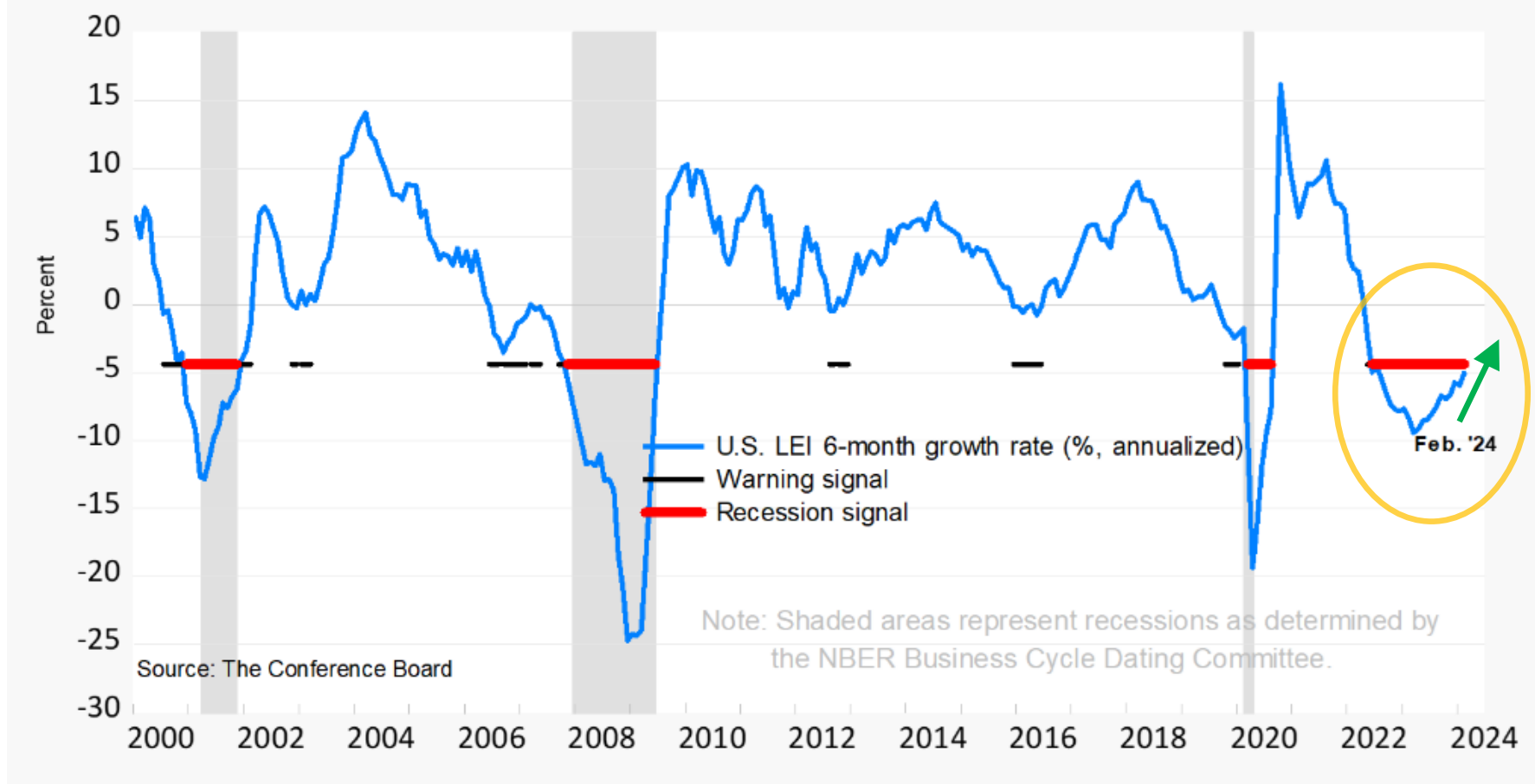
Data source: Truist IAG, Strategas, U.S. Congressional Joint Committee on Taxation, Congressional Budget Office; uses May 2023 JCT Estimates to update Green Tax provisions. Legislation abbreviations: CHIPS and Science Act (CHIPS), Infrastructure Investment & Jobs Act (IIJA), and Inflation Reduction Act (IRA). Negative value in 2023 for IRA represents reduced expected tax revenues due to green energy tax credits.

Unlike last year, the Federal Reserve’s GDP-based recession indicator is no longer predicting recession



Source: The St. Louis Federal Reserve Economic Database (*FRED*), shaded areas represent recessions.

After predicting recession since mid-2022, the Conference Board abandoned their recession forecast in February of this year

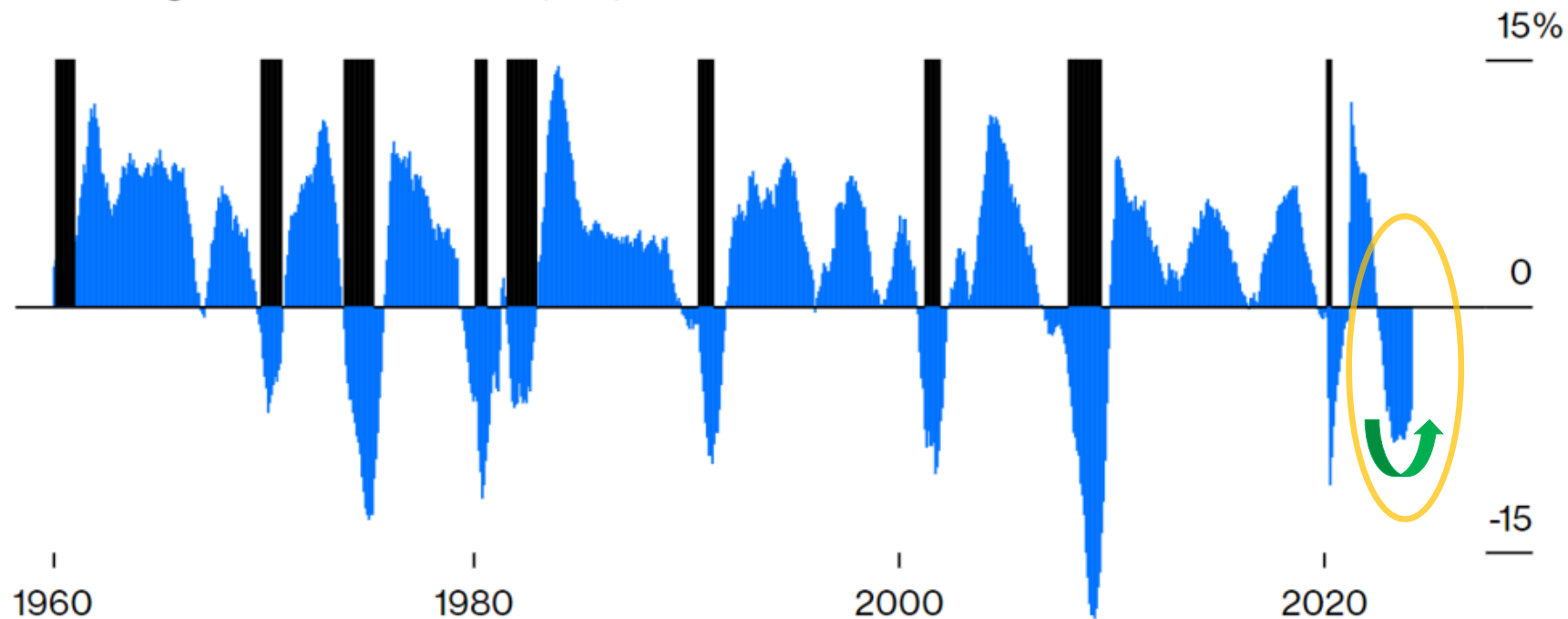


Sources: The Conference Board Leading Economic Index, Reuters Feb 20, 2024.

Deeply negative leading economic indicators for the U.S. economy had never failed to predict recession until last year

LEI has never trended downwards for this long without a recession

■ Leading Economic Indicators (YoY) ■ Recessions

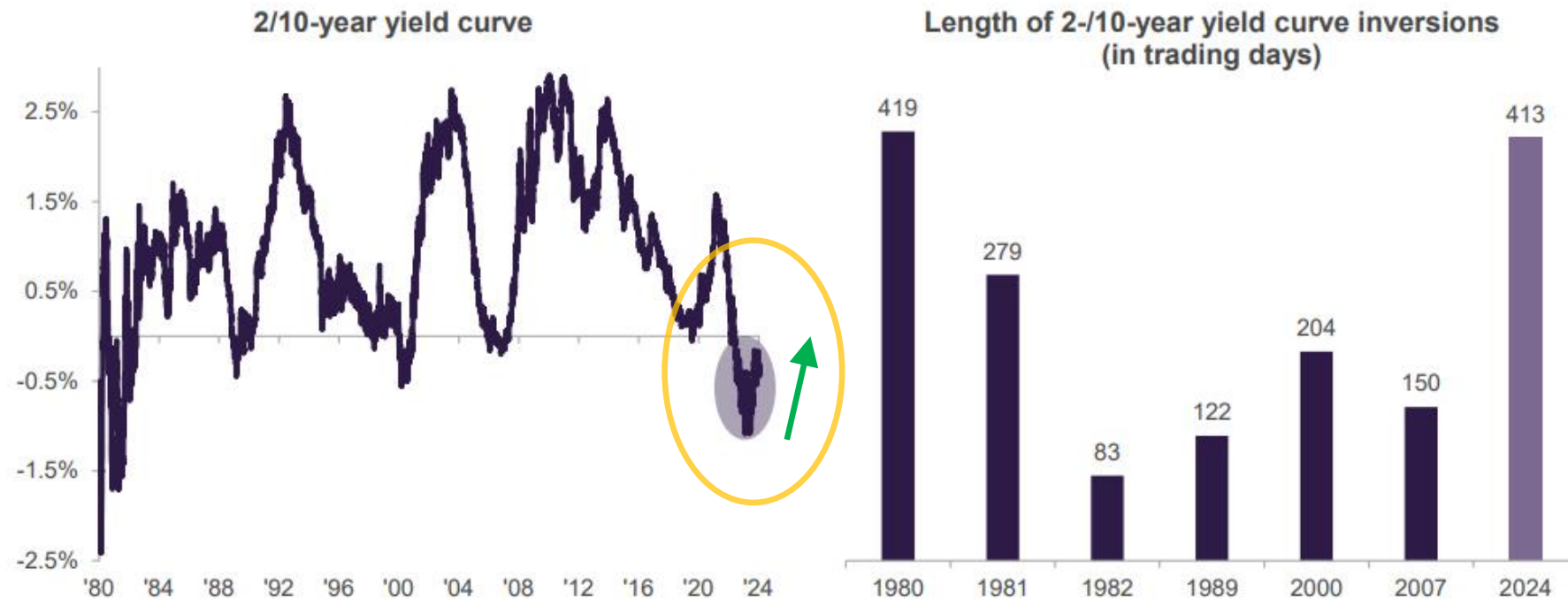


Source: Bloomberg

Note: LEI represented by the Conference Board's Leading Economic Indicator Index.

2-/10-year yield curve approaching longest inversion on record

Since July, the 2-/10-year U.S. Treasury yield curve has erased a large portion of its most persistent and deepest inversion in decades. This year, we expect curve steepening to resume as short yields fall in anticipation of Fed rate cuts. This should return the 2-/10-year curve to a positive slope for the first time since mid-2022.

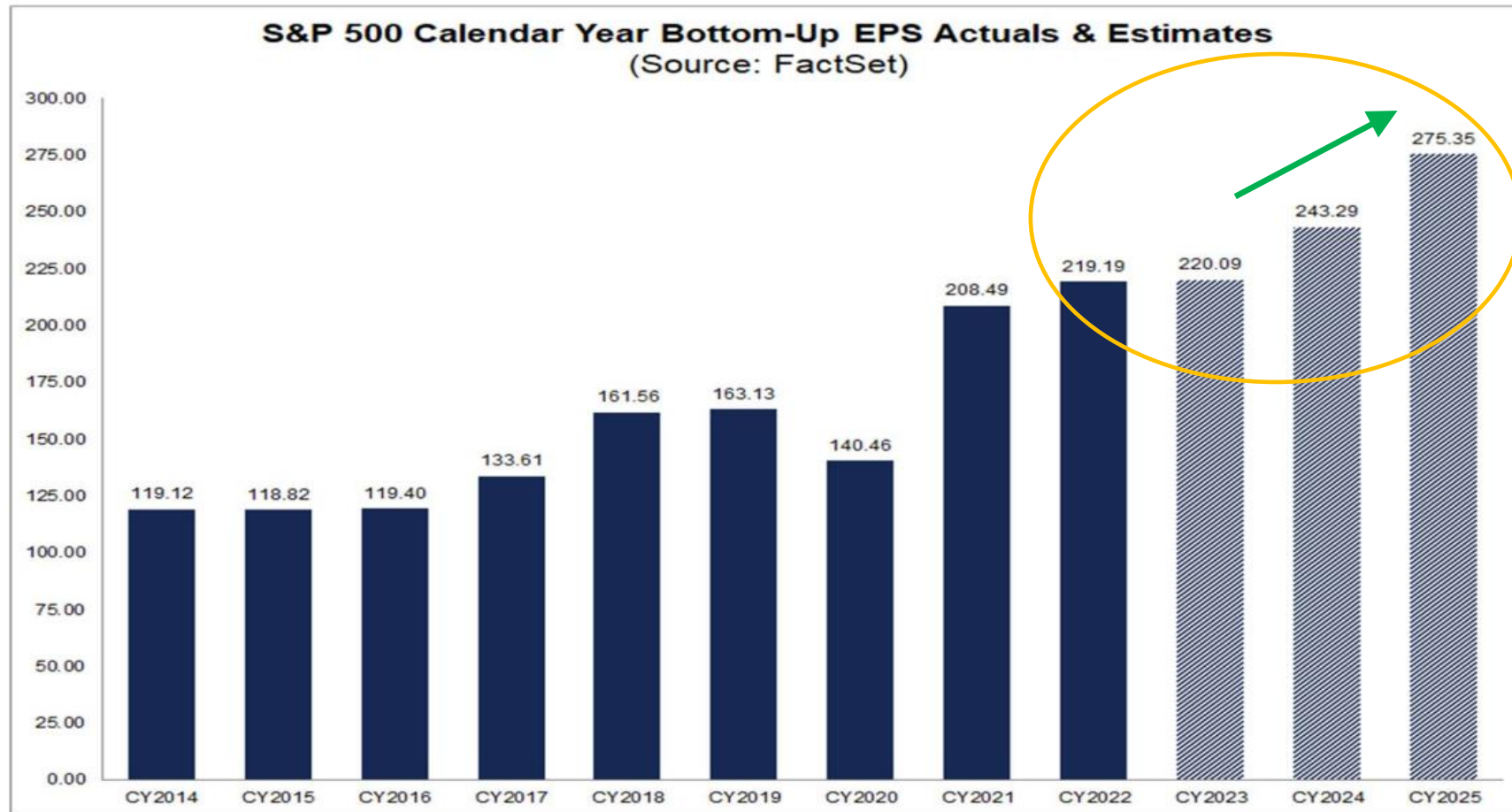


Data source: Truist IAG, Bloomberg.

Past performance does not guarantee future results.

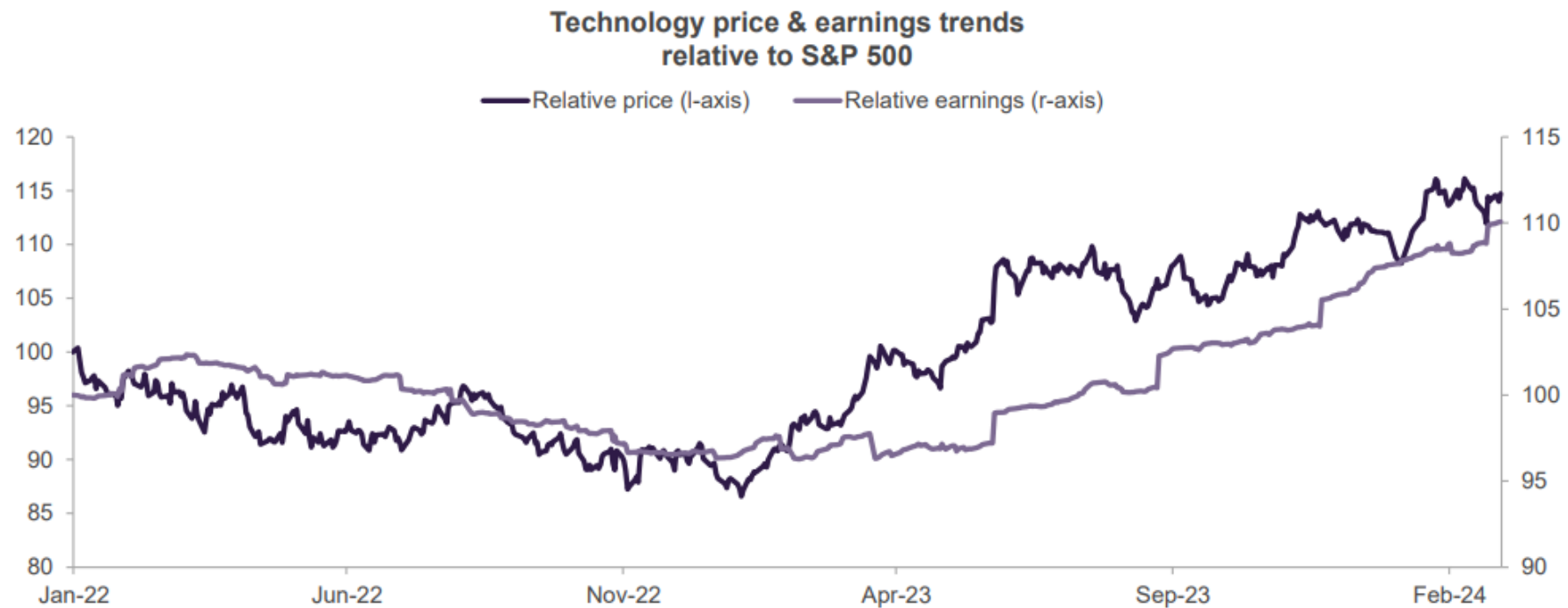
After S&P 500 earnings for CY23 were flat year over year, 2024 earnings growth is estimated to be 10.5% and 2025 growth is projected to be 13.2%

Bottom-Up EPS Estimates: Current & Historical



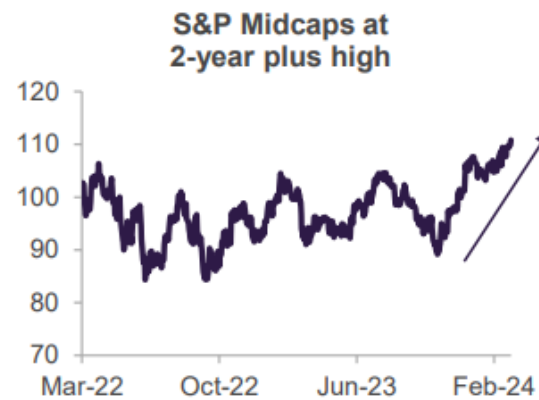
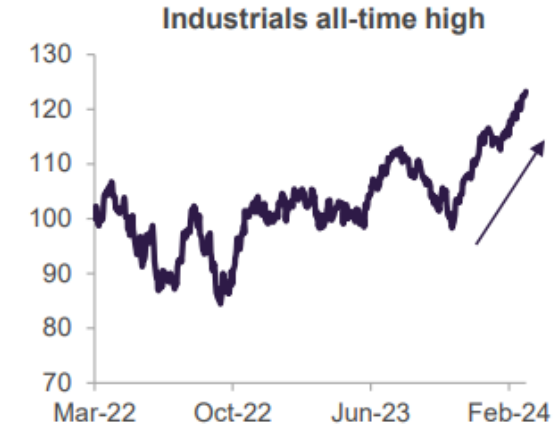
Tech valuations elevated, though earnings momentum remains strong

Although valuations and concentrated positioning remain key risks, technology's outperformance tends to correlate strongly with earnings momentum.



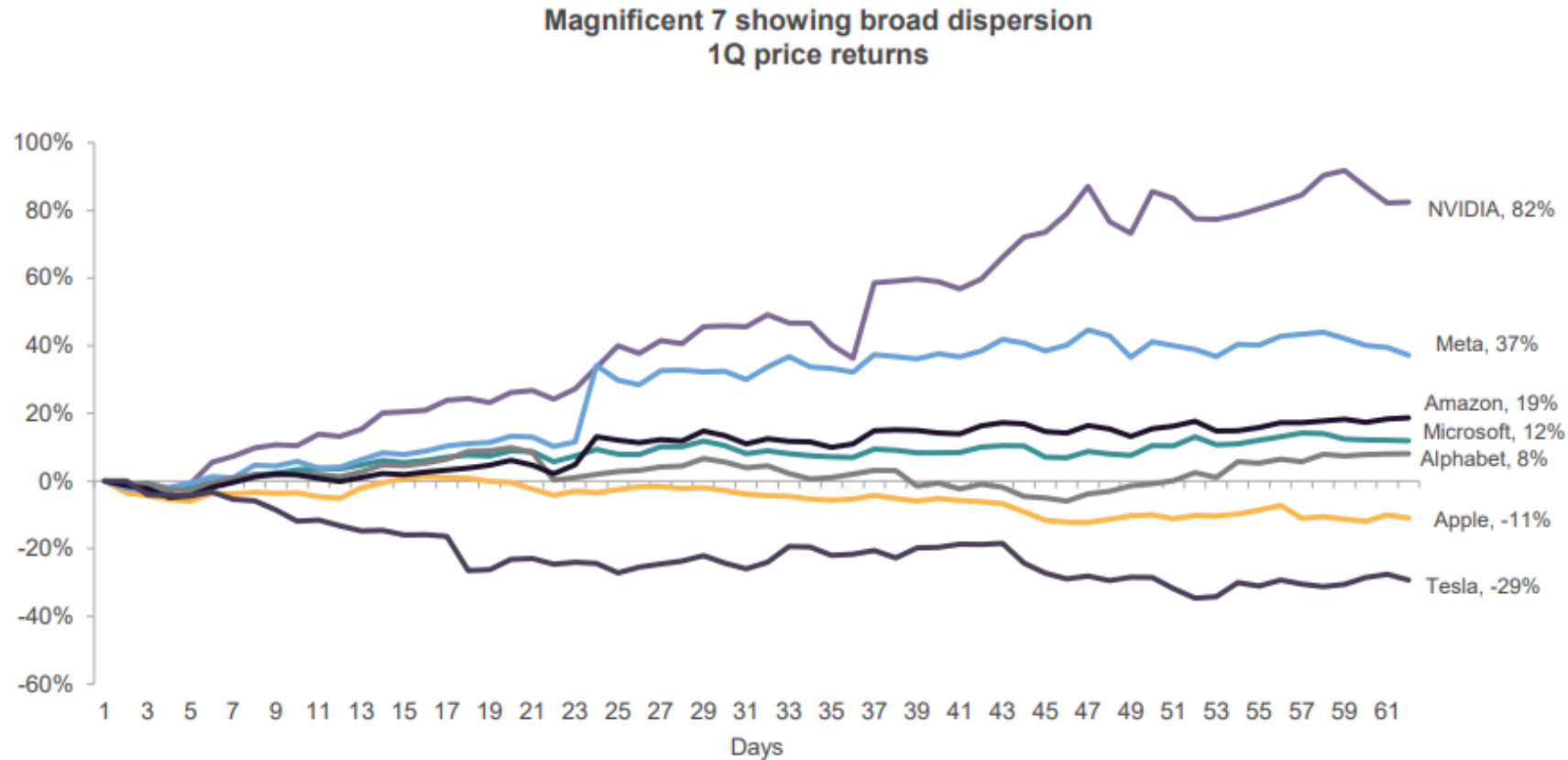
Data source: Truist IAG, FactSet. Past performance does not guarantee future results.

Market showing strength beyond technology



Data source: Truist IAG, FactSet. Past performance does not guarantee future results.

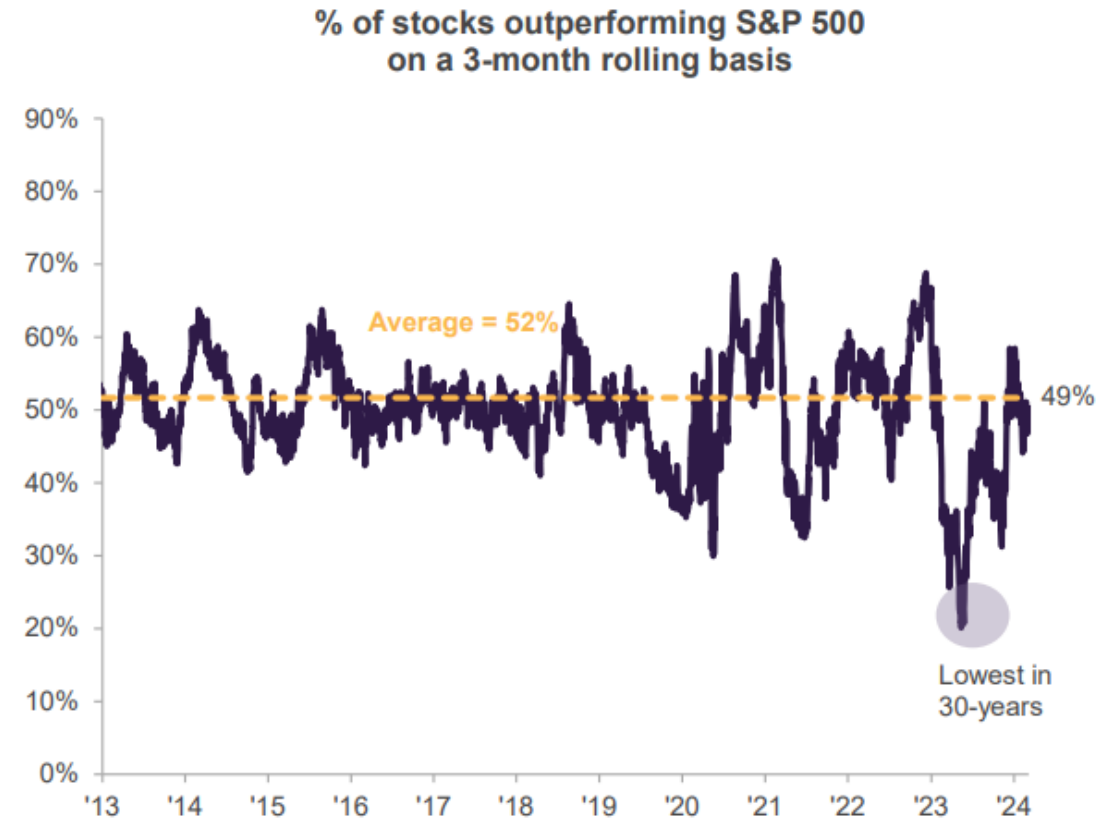
Magnificent 7 broad YTD dispersion, with only 4 outperforming S&P 500



Data source: Truist IAG, FactSet. Data indexed to 100 at 12/31/2023. Past performance does not guarantee future results.

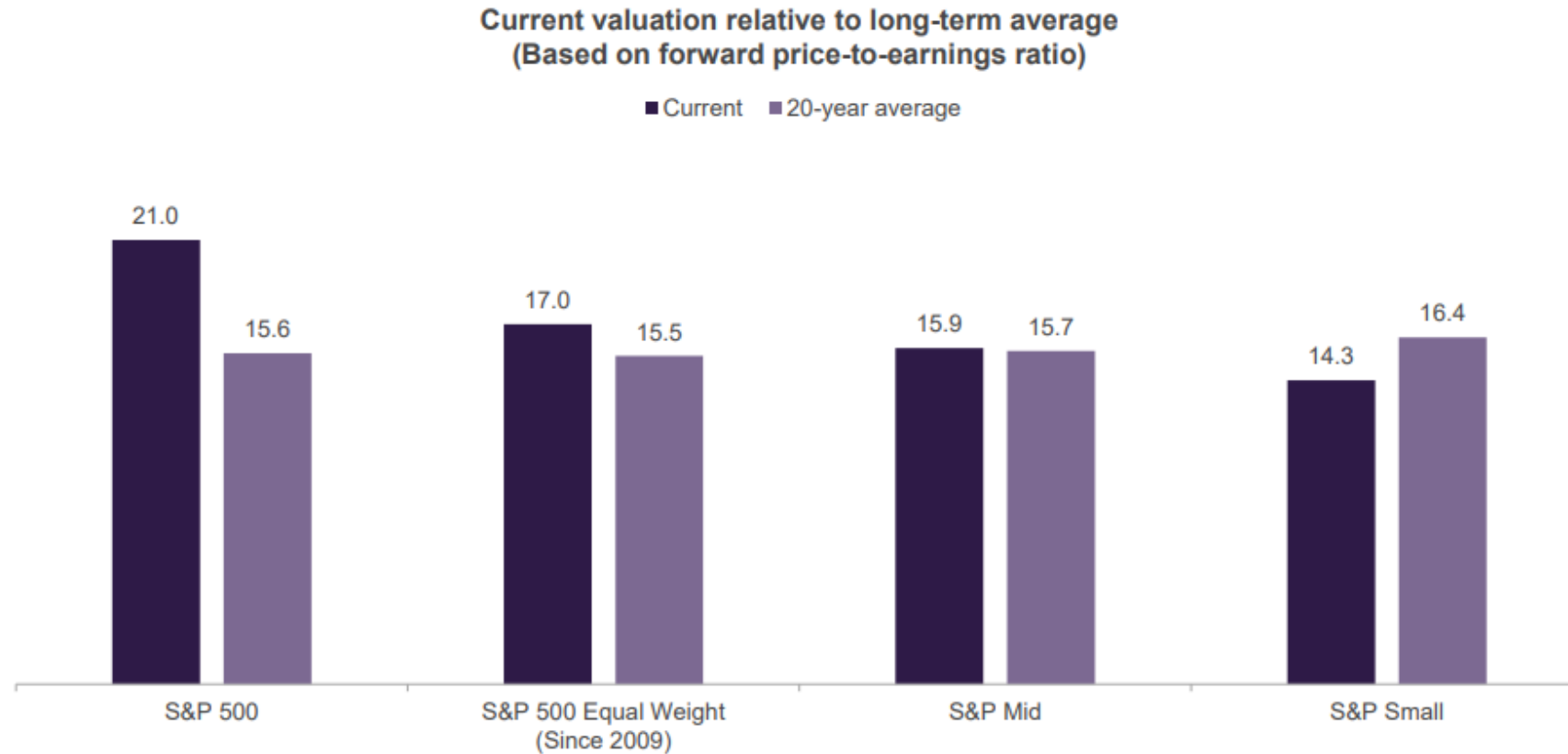
An improved environment for active managers relative to last year

We expect a more fertile environment for active managers relative to the difficult past year as the market broadens beyond just a select group of technology stocks.



Data source: Truist IAG, FactSet. Past performance does not guarantee future results.

Large cap valuations trading at a premium to history, while mid caps near average, and small caps at a discount

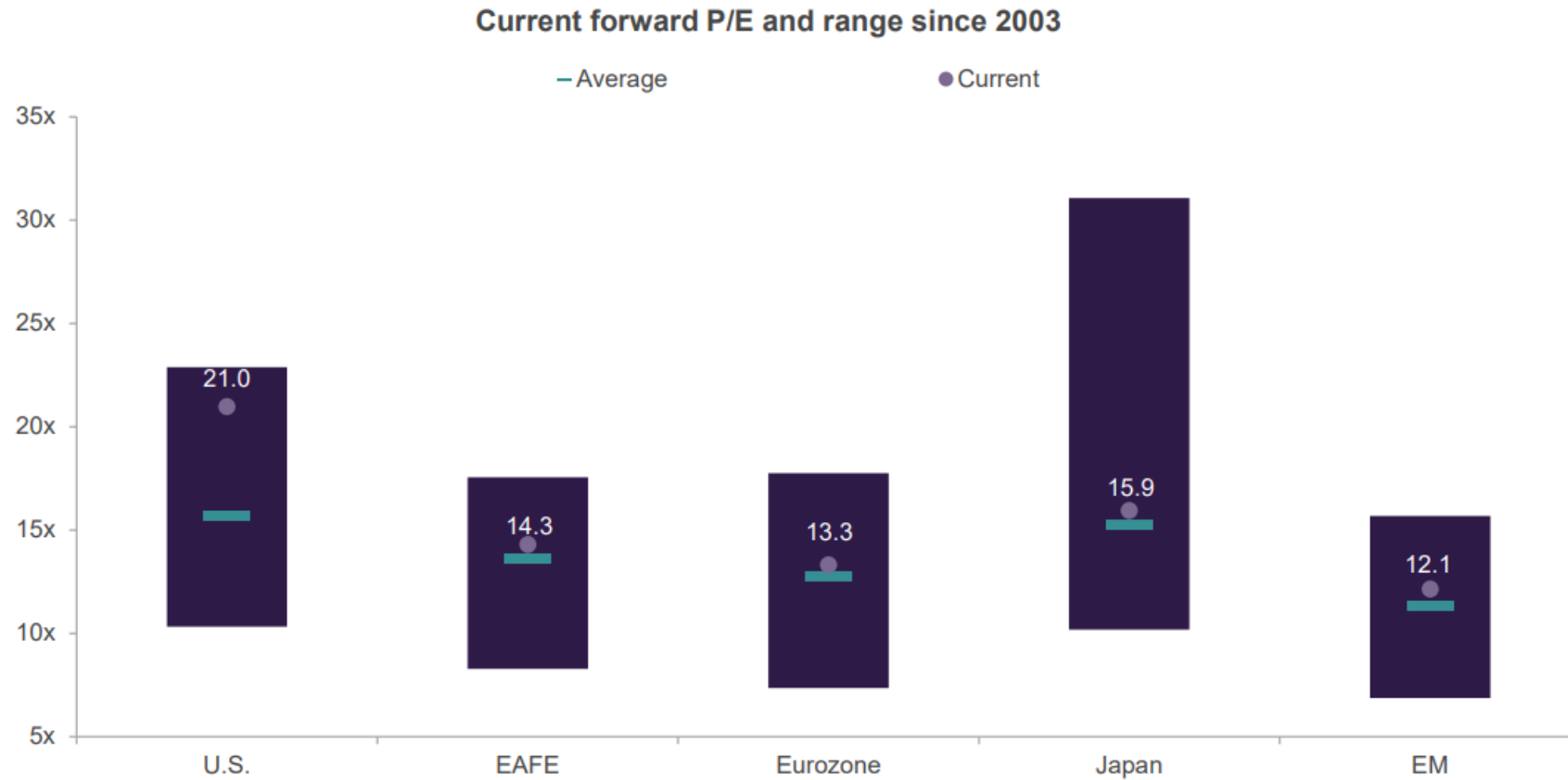


Data source: Truist IAG, FactSet

S&P 500 Equal Weight Index: Provides an equal weighting to each stock in the S&P 500 and is less influenced by a few mega cap stocks.

Past performance does not guarantee future results.

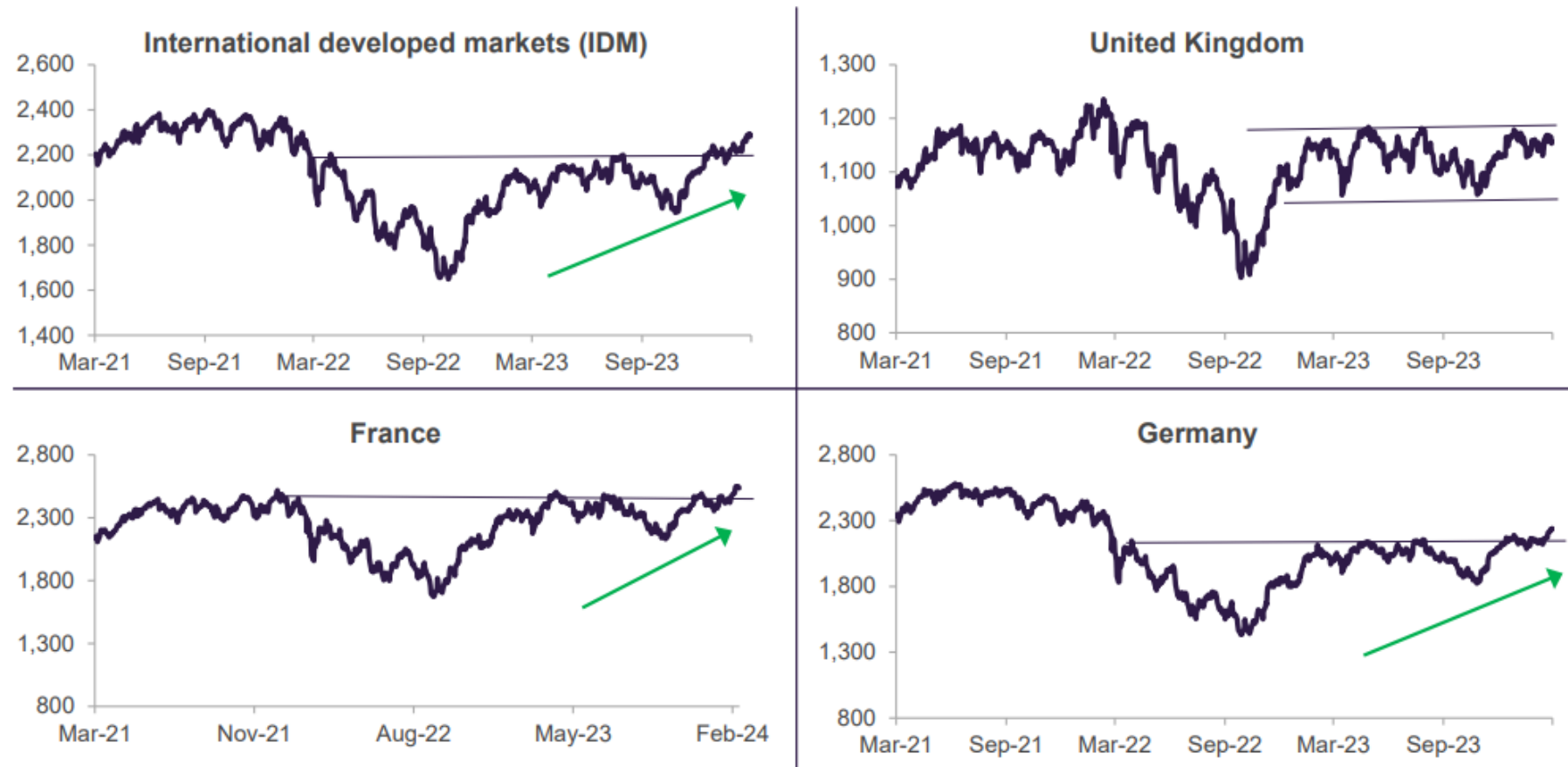
International markets still trading at a discount to the U.S.



Data source: Truist IAG, FactSet, MSCI.

Past performance does not guarantee future results. Earnings are next twelve months' earnings in local currency. U.S. = S&P 500, Japan = MSCI Japan, EAFE = MSCI EAFE, EM = MSCI EM, Eurozone = MSCI EMU.

International developed markets improving on an absolute price basis

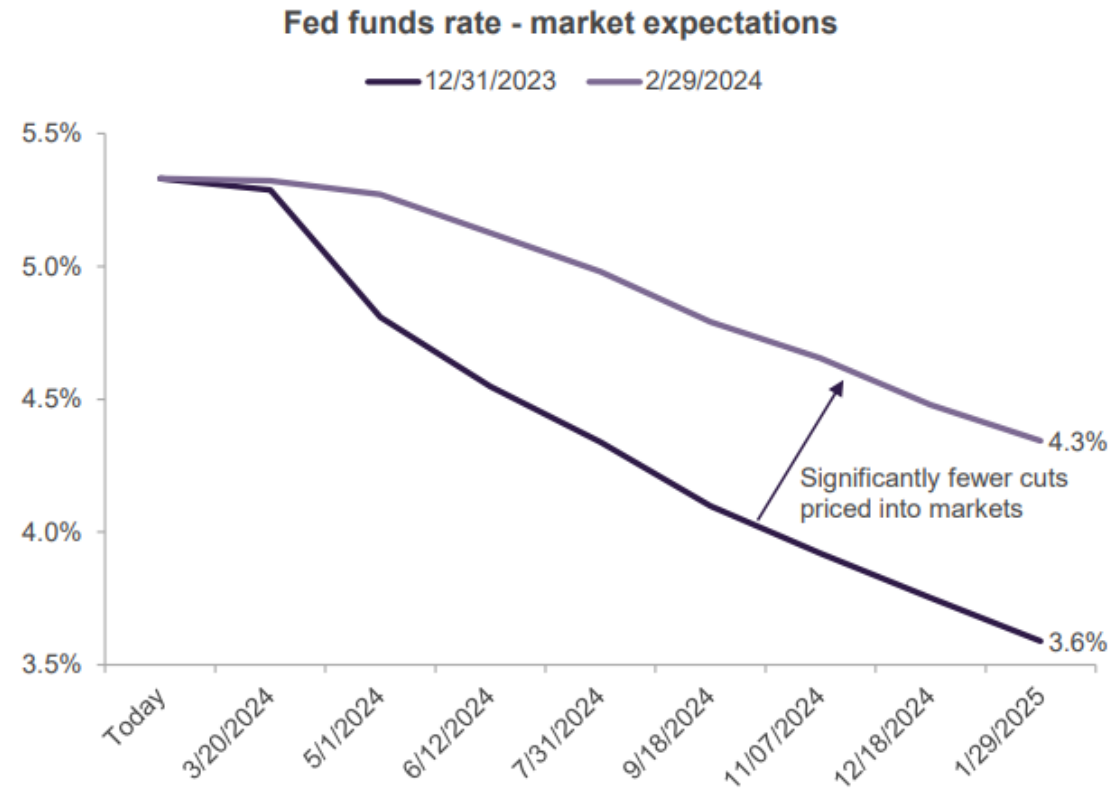


Data source: Truist IAG, MSCI, FactSet. International developed markets equity = MSCI EAFE. All markets shown in USD

Incoming data, Fed comments throwing cold water on rate cut speculation

Above-target inflation, resilient labor trends, and cautious Fed guidance have forced traders to drastically reduce the number and pace of rate cuts expected over the next year.

The current market outlook is aligning with our long-held assumption that the Fed would move very carefully toward easing policy.



Data source: Truist IAG, Bloomberg.

Past performance does not guarantee future results.

Term premia may constrain yields' move lower

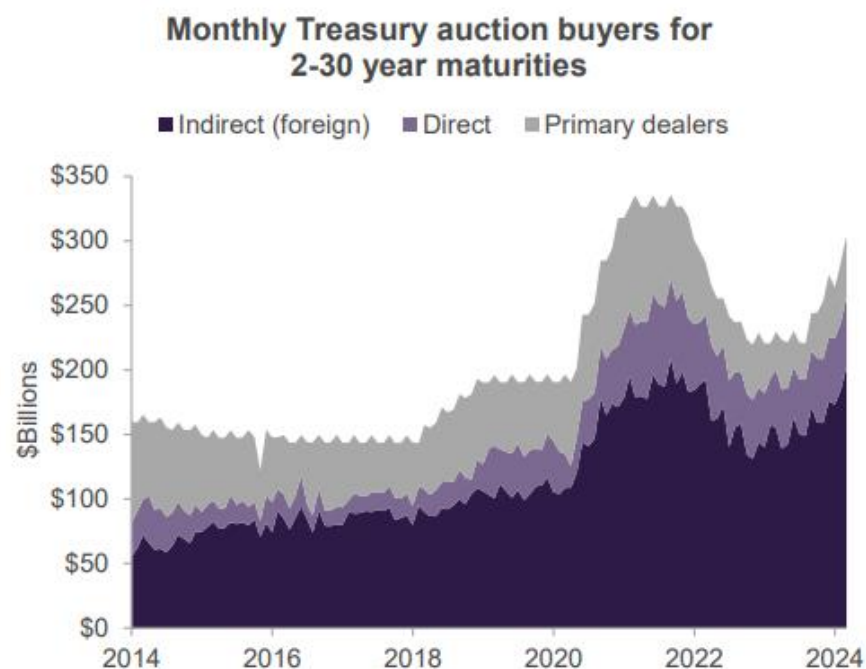
The term premium is the additional compensation that investors demand for buying and holding incrementally longer-maturity bonds. Until economic activity slows significantly, higher term premia – which have increased based on persistent U.S. deficit and debt issuance concerns – may offset some of the downward yield impact from cooler inflation and Fed rate cuts.



Data source: Truist IAG, Bloomberg, Federal Reserve Bank of New York, *Adrian Crump & Moench.
Past performance does not guarantee future results.

Higher supply being met with sturdy domestic and foreign demand

The U.S. Treasury increased the total issuance of coupon-bearing securities in the first quarter, which has been met with sufficient demand from U.S. and foreign buyers. Chinese demand accelerated at year-end after spending the past several years as net sellers of U.S. government debt. More broadly, international investors are digesting the largest share of new Treasury auctions in more than two years.



Data source: Truist IAG, Bloomberg.

Treasury holdings data as of 12/31/2023

Past performance does not guarantee future results.

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