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*The equity markets continued their rally in May despite elevated energy prices, resurging inflation, and the ongoing war in Iran. Although inflation climbed to a three-year high in April and geopolitical tensions persist, equity investors have remained focused on strong earnings growth, robust demand for AI infrastructure, and hopes for a favorable diplomatic resolution in the Middle East. Over the past year, the DJIA and S&P 500 have gained 22.7% and 29.7%, respectively, while the NASDAQ and Russell 2000 have surged 42.0% and 43.2%. This price appreciation has fueled wealth creation and further widened the gap between Wall Street and Main Street. While market momentum remains strong, much of the advance has been concentrated in the tech sector, with many investors employing leverage to amplify returns. Concurrently, the credit markets have been unsettled by rising long-term Treasury yields, with the 30-year briefly surpassing 5% for the first time since 2007, as well as lingering concerns over retail private credit redemptions. The new Fed Chair is poised to bring a fresh perspective to monetary policy, though he assumes the role at a challenging moment. Rising inflation may keep rates higher for longer, leaving policymakers with limited flexibility. The equity market's puzzlingly bullish tone may be tested this summer by a crosscurrent of forces, including elevated borrowing costs, stubborn inflation, weak consumer sentiment, and ongoing geopolitical uncertainty.*

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The ISM Manufacturing Index is a monthly gauge on the level of economic activity in the U.S. manufacturing sector versus the previous month.

The ICE BofA Current 10-Year U.S. Treasury Index (GA10) is a one security index comprised of the most recently issued 10-year U.S. Treasury Note.

The ICE BofA U.S. Corporate Index (COA0) has an inception date of December 31, 1972 and tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market.

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The Morningstar LSTA US Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon weightings, spreads and interest payments.

The Refinitiv US All-Cap Focus Convertible Bond Index has an inception date of December 1993, is a subset of the Refinitiv US Convertible Bond Index and includes securities that have a price between 60 and 140 and a conversion premium of < 100%, among other criteria. The Refinitiv US Convertible Bond Index includes convertible securities that are denominated in USD, have a market value of over \$300mm, and have underlying stocks that trade on US equity markets.

The Dow Jones Industrial Average is a price-weighted average of thirty blue-chip stocks that are generally the leaders in their respective industries.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The S&P 500 Index is designed to reflect the U.S. equity markets and focuses on the large-cap sector of the market, which includes the 500 leading companies in leading industries of the U.S. economy.

The NASDAQ composite index is a market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange. The types of securities in the index include American Depositary Receipts, Common Stock, Limited Partnership Interests, Ordinary Shares, Real Estate Investment Trusts, Shares of Beneficial Interest, and Tracking Stocks. The index includes all Nasdaq listed stocks that are not Security types not included in the Index are closed-end funds, convertible debentures, exchange traded funds, preferred stocks, rights, warrants, units and other derivative securities.

The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. With 1,398 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World Index does not offer exposure to emerging markets.

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