Market Indices

February

Year-to-Date

S&P 500	5.34%	7.11%
Russell 3000	5.41%	6.58%
Russell 2000	5.65%	1.54%
MSCI EAFE	1.83%	2.42%
MSCI Emerging Markets	4.76%	-0.11%
Bloomberg U.S. Aggregate Bond	-1.41%	-1.68%
Bloomberg U.S. Municipal Bond	0.13%	-0.38%
Bloomberg U.S. Corporate High Yield	0.29%	0.29%

At-A-Glance

Market Indices¹

The S&P 500 delivered its best February performance since 2015, ending the month at 5,096, its 14th record high of 2024. Year-to-

date, the S&P 500 is trailing the Nasdaq Composite by just 0.22%.

- The Dow Jones Industrial Average rose 846-points (+2.50%) in February. The Dow-30 index is up 3.84% so far this year and capped its first four-month winning streak since November 2021.
- The Nasdaq Composite surged 6.22% in February, capping its largest four-month point gain on record (+3,240 pts) and largest four-month percentage gain since August 2020 (+25.2%). For the year the Nasdaq is up 7.33%.
- The benchmark 10-year Treasury yield closed out February at 4.224%, climbing almost 0.3% amid rising expectations that interest rates will remain higher for longer.
 - natural gas, grains, and copper overshadowed gains in livestock and crude oil. Amidst warmer temperatures, natural gas fell to \$1.50/MMBtu's on Feb. 20, it lowest price since at least 1997.

Bloomberg's Commodities Index fell 1.47% in February. Pullbacks in

February 2024 All three major U.S. equity indices finished positive for a fourth straight month, with the S&P 500 recording its largest February gain in nearly a decade. Stocks primarily rallied on broadening investor appetites for

artificial intelligence (AI) related technology companies, with its bellwether leading AI chipmaker supporting the theme with blockbuster better-than-

expected quarterly earnings growth. The tech-heavy Nasdaq Composite surged over 6.2% for the month, finishing February at it first all-time

closing high since November 2021.

The leap-year ending month finished on a high note after the Fed's preferred measure of inflation, the core Personal Consumption Expenditures (PCE) price index, exactly matched forecasts, rising 0.4% in January. Notably, the core PCE 12-month inflation measure declined to 2.8%, its lowest level since early 2021, right at the start of the inflation surge. Moreover at 2.8% annualized, the core PCE price index is now 76% of the way toward the Fed's 2% target goal, down from its 5.6% annualized peak in February 2022. The data helped relieve concerns about a more significant inflation increase. Following the PCE inflation report, financial markets are pricing in a 2024 year-ending Fed Funds rate of 4.5% versus the current range of 5.25% to

5.50%. This implies three 0.25% rate cuts this year with the first cut

meeting now stand at 66%, up from 57% before the PCE release.

expected in June. Odds for a 0.25% rate cut at the Fed's June 12 policy

February equity gains were again supported by outsized fourth quarter earnings results. The fourth quarter earnings season is over 97% complete with 487 S&P 500 reporting quarterly results with 70% exceeding analysts' projections. In aggregate, earnings are beating estimates by a wide margin, yet year-over-year profit growth is varying significantly by sector. So far, earnings growth in Communication Services, Consumer Discretionary, and Technology are the strongest, up 42.8%, 25.6%, and 22.2% year-over-year, respectively. This contrasts with Energy and Materials' fourth quarter earnings that have fallen the most, down 23.0% and 21.4% year-over-year, respectively.

As shown below, February gains were concentrated within Russell Small

constituents. Year-to-date style leadership was focused within Large Cap Growth stocks (+9.49%). Only Small cap Value registered negative returns

and Mid cap indices, predominately amongst their blend and growth

February Returns YTD Returns Value Value Blend Growth Growth Blend 5.40% **Large Cap** 3.69% 6.82% Large Cap 3.80% 6.87% 9.49% Mid Cap 4.78% 5.59% 7.52% **Mid Cap** 2.90% 4.08% 6.94% **Small Cap Small Cap** 5.65% 8.12% -1.42% 1.54% Source: Cetera Investment Management, FactSet, FTSE Russell. Returns shown are total return, which includes dividends. Investors Top & Bottom Performers



Consumer Discretionary (+8.71%)

Top Sector Performers - YTD1

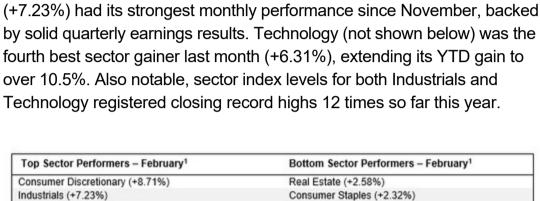
Communication Services (+11.01%)

Industrials (+7.23%) Materials (+6.46%)

Technology (+10.51%)

Financials (+7.33%)

so far this year (-1.42%).



Utilities (+1.12%)

Materials (+2.30%)

Real Estate (-2.28%)

Utilities (-1.93%)

Bottom Sector Performers - YTD1

7.75%. Germany gained 4.1% in February while the U.K fell 0.28%. Emerging markets garnered the spotlight, posting their best February

performance since 2012, up 4.7%. Korea (+7.36%) and China (+8.39%)

ended February at 4.244%, up 0.29% for the month. With Treasury yields rebounding, the Bloomberg U.S. Government Index fell 1.30% while the longer-duration Bloomberg index of U.S. Government long-term bonds sank 2.28%. An index mix of long-term U.S. Government and corporate

Turning to fixed-income markets, the yield on 10-year Treasury notes

led the advance while South Africa tumbled 5.62%.

FactSet (all S&P 500 sector performance percentages are total return based, which include reinvested dividends)

Foreign developed equities widely trailed the U.S. last month with the MSCI EAFE Index (representing developed markets outside of the U.S. and Canada) underperforming the S&P 500 by 3.5%. In MSCI countryspecific indices, during the month Japan recorded its first new record high since 1989, gaining 3.0% in February, extending its 2024 gain to

credit bonds fell the most, down 2.44%. On a broader basis, investment-grade bonds of all types, as measured by the Bloomberg U.S. Aggregate Bond Index, also fell (-1.41%) in February. Bloomberg's U.S. High Yield Bond Index, representing holdings of below investment-grade (junk-rated) corporate bonds, performed best, up 0.29% last month. Municipal bonds also outperformed, up 0.13%.

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The Bloomberg Barclays Capital U.S. Aggregate Bond Index, is a broad based

flagship benchmark that measures the investment grade, US dollar-denominated,

and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-

fixed-rate taxable bond market. The index includes Treasuries, government-related

throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included.

The Bloomberg Barclays US Municipal Bond Index covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody's

and S&P and have at least one year until final maturity, but in practice the index

holding have a fluctuating average life of around 12.8 years.

a fluctuating average life of around 6.3 years.

annual reweightings of the components).

capitalization in each market.

government).

The Bloomberg Barclays US Corporate High Yield Index measures the USDdenominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings has

The Barclays U.S. Government Bond Index is comprised of the U.S. Treasury and

U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal

US Treasuries and US agency debentures (securities issued by US government

The **Bloomberg Commodity Index** is a broadly diversified index that allows

of futures contracts on physical commodities and is designed to minimize

owned or government sponsored entities, and debt explicitly guaranteed by the US

investors to track commodity futures through a single, simple measure. It is composed

concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than

15% of the index, and no group can represent more than 33% of the index (as of the

The Choe Volatility Index® (VIX®) is a key measure of market expectations of nearterm volatility conveyed by S&P 500 stock index option prices. The MSCI EAFE is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted. The MSCI Emerging Markets is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The MSCI All-Country World Index (ACWI) is a market cap weighted index

with higher price-to-book ratios and higher forecasted growth values.

with lower price-to-book ratios and lower forecasted growth values.

designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 26 emerging markets, covering more than 2,700

companies across 11 sectors and approximately 85% of the free float-adjusted market

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies

The Russell 2000 Index measures the performance of the small-cap segment of the

U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes

approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The Russell Midcap Index measures the performance of the mid-cap segment of

approximately 800 of the smallest securities based on a combination of their market

cap and current index membership. The Russell Midcap represents approximately

The S&P BSE SENSEX Index is a free-float market-weighted index of 30 well-

established and financially sound stocks on the Bombay Stock Exchange,

the U.S. equity universe and is a subset of the Russell 1000 Index. It includes

31% of the total market capitalization of the Russell 1000 companies.

representative of various industrial sectors of the Indian economy.

Index is a broad-based capitalization-weighted index.

B shares) that are traded at the Shanghai Stock Exchange.

The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The **Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

The NASDAQ Composite Index includes all domestic and international based

common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite

The Shanghai Composite Index is a stock market index of all stocks (A shares and

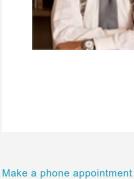
The **U.S. Dollar Index** is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, beginning with a value

164.720, and has been as low as 70.698 in March 2008. West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of

other crude streams. WTI is the underlying commodity of the New York Mercantile

of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of

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