WESTEND
Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

Macroeconomic Highlights

Q3 2024

20240702-3679632

Table of Contents

WestEnd Outlook Highlights

WESTEND
Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

- We believe the global economy, and particularly the U.S., could maintain slow-to-moderate late-cycle growth through 2024, but elevated market sentiment amid signs of slowing economic conditions also warrant caution. A sustained reacceleration to early-cycle growth remains very unlikely, in our view, as the tight labor market and slowing disinflation reduce tailwinds for U.S. consumers.
  - The labor market has supported growth in the U.S., and headline job gains remain positive, but the participation rate has recovered to near pre-COVID levels and job openings are declining, making for further improvement challenging, in our view.
  - Consumers have remained resilient, but the COVID-era savings cushion is essentially depleted and the savings rate is back near historic lows, leaving consumer spending growth more reliant on income growth, in our view, which may be at risk if payroll and wage gains slow.
  - We believe the Fed has flexibility to manage real interest rates lower given deflationary trends, but the roughly 45 basis points of cuts now expected in 2024 would still leave monetary conditions tight, and materially sharper policy easing is unlikely absent significant economic weakness.
- Internationally, Japan is an outlier with positive growth trends and relatively loose monetary policy, even as the BoJ moves toward monetary policy normalization. China, in contrast, continues to face deleveraging headwinds and has seen its growth rate drop below peers. Other emerging markets also face headwinds from slowing global growth. In Europe, tight monetary conditions and slowing employment gains remain among the risks we see to economic growth in the near-to-intermediate term.
- We continue to position portfolios for the later stages of the economic cycle and in view of current risks and opportunities:
  - In U.S. large-cap equity allocations:
    - We are largely avoiding early-phase, cyclical U.S. sectors across our strategies, but see opportunity in Financials.
    - We are emphasizing mid-phase and late-phase sectors that we expect will see less deceleration in earnings as economic growth slows, including overweights of Communication Services, Health Care, Consumer Staples, and Utilities.
  - In global portfolios, we remain underweight international equities, as a whole, including underweights of Europe and emerging markets, but we maintain an overweight of developed Asia, where we see the greatest potential for economic resilience abroad.
  - In traditional balanced portfolios:
    - We retain a modest overweight of fixed income, given our economic outlook and the attractive risk/return profile we see for bonds at this point in the cycle.
    - Within fixed income allocations, we are emphasizing intermediate and longer-term Treasury securities that should benefit if interest rates decline, and we have added to short-term corporate exposure, as low credit spreads could put longer-term corporate bonds at risk.

U.S. Equity Sector Allocations

WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

WESTEND ETF STRATEGIES

Current large-cap U.S. equity sector allocation and avoidance*

Sector Allocations

- Health Care
- Consumer Staples
- Utilities
- Information Technology
- Communication Services
- Consumer Discretionary
- Financials

Sector Avoidance

- Energy
- Industrials
- Materials
- Real Estate

* For illustrative purposes only. Allocation information as of June 30, 2024. Source: WestEnd Advisors.

WESTEND Advisors

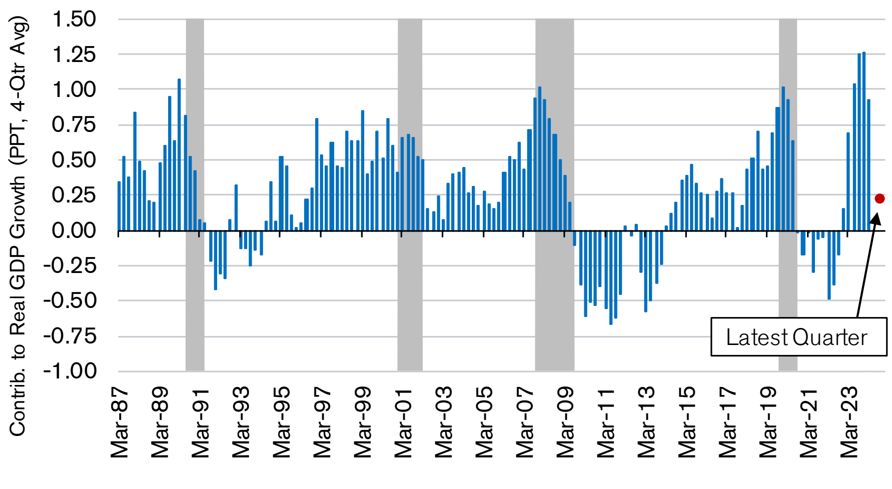
A VICTORY CAPITAL® INVESTMENT FRANCHISE

U.S. Economic & Market Backdrop

Economic Growth Resetting to Slow-to-Moderate Pace

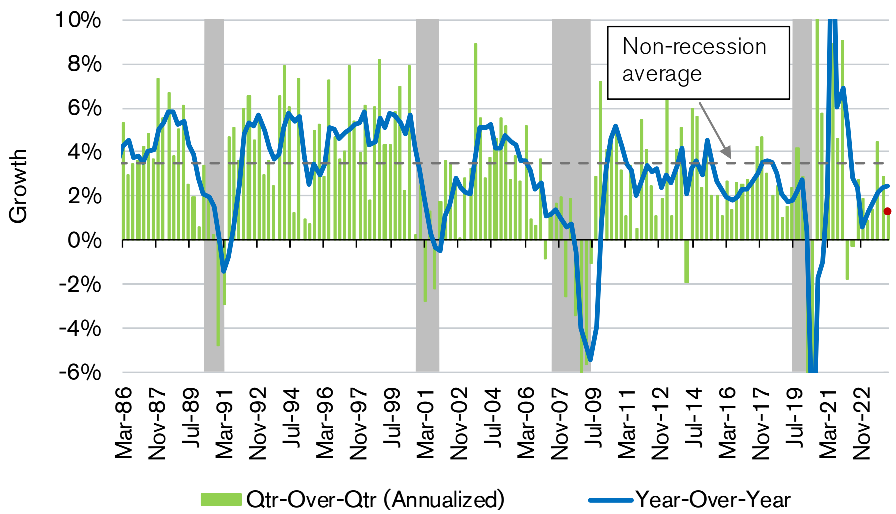
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

KEY ECONOMIC SUPPORTS FADING



Source: Bloomberg, WestEnd Advisors

REAL GDP EX NON-RES STRUCTURES & GOV'T SPENDING



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: Fading economic tailwinds and a return to **below-trend economic growth warrant an avoidance of highly cyclical sectors like Energy, Materials, and Industrials**, in our view.

With little evidence of a sustained demand re-acceleration on the horizon, we continue to **emphasize defensive sectors like Health Care, Consumer Staples, and Utilities**, as well as segments that present **strong growth opportunities like Communication Services and Capital Markets**.

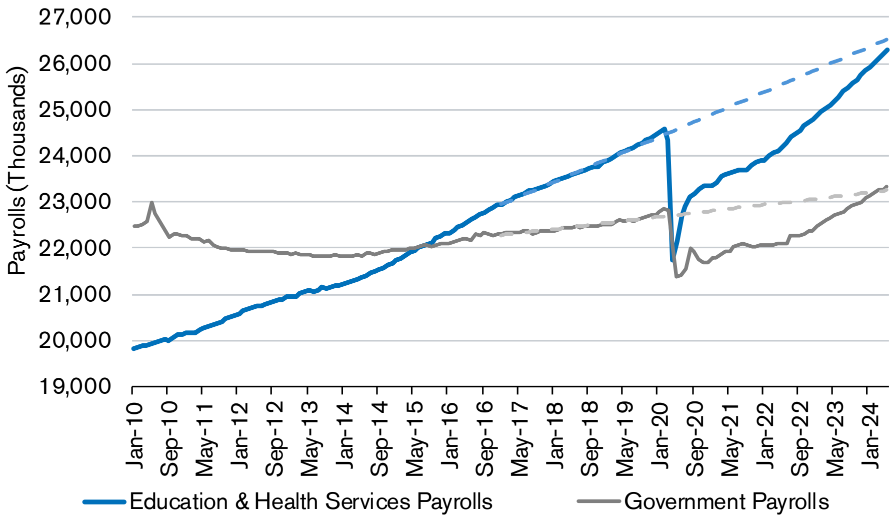
Since the end of the COVID-19 pandemic, the U.S. economy has been bolstered by rebounding labor force participation and an unprecedented amount of fiscal stimulus. Looking ahead, we see signs that these **key economic supports are at risk of waning** (see top chart).

Excluding the impact of fiscal stimulus, the data suggests that **underlying economic activity has returned to a slow-to-moderate pace of growth**. In fact, when nonresidential construction and government spending are excluded from real GDP, quarterly growth has been below average in 8 of the past 9 quarters (bottom chart).

Labor Market Loosening Has Dampened Inflation, But Becoming a Headwind to Growth

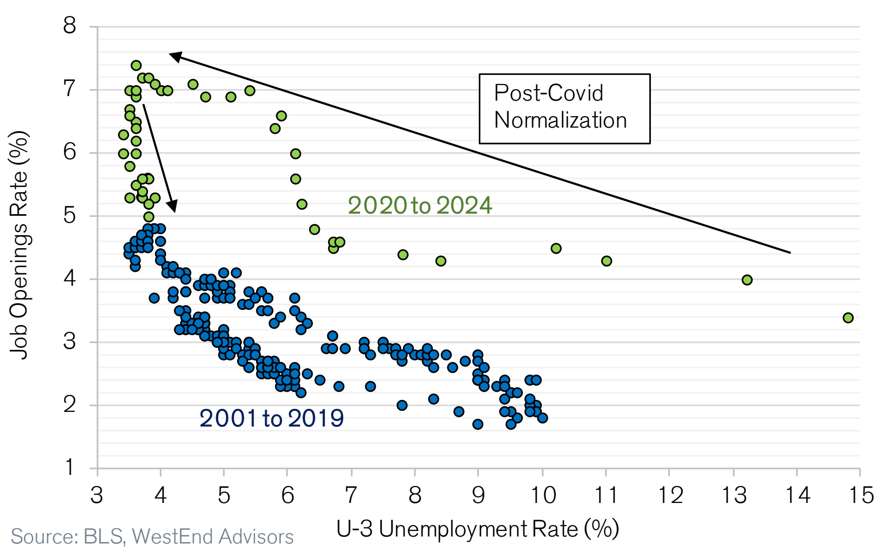
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

JOB RECOVERY IN GOV'T & HEALTH CARE HAS RUN ITS COURSE



Source: BLS, WestEnd Advisors

FURTHER LABOR MARKET COOLING RISKS HIGHER UNEMPLOYMENT



Source: BLS, WestEnd Advisors

Portfolio Impact: Employment growth has been a source of economic strength this cycle, but a more detailed look at the **data points to slowing labor demand ahead**. The trajectory of employment and layoffs is likely to be the key determinant of the U.S. economy's path in the coming quarters, in our view.

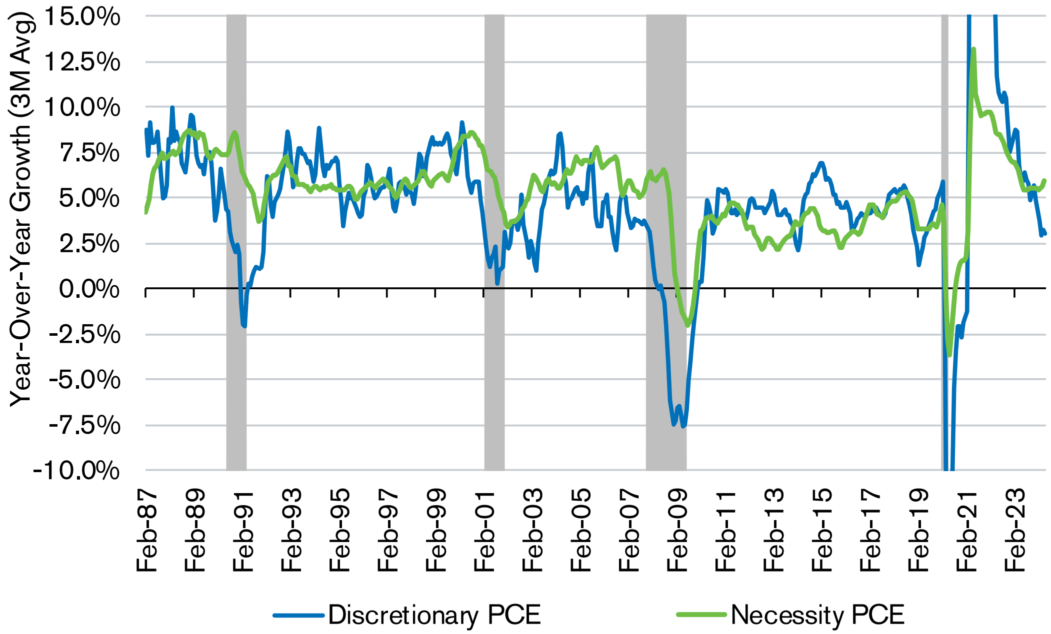
Nonfarm payroll gains have averaged ~230k over the past twelve months, an above-average pace relative to history, even as **job growth has been exceptionally narrow**. Over 60% of the increase in nonfarm payrolls over the past year is attributable to Government and Health Care & Education, even as these industries make up less than a third of the labor force. The **recovery dynamics in these areas now appear to have run their course** (top chart).

Through this point in the cycle, cooling labor market conditions have reduced inflationary pressures without leading to higher unemployment, thanks to high levels of job openings. The Beveridge Curve (bottom chart) suggests this phenomenon is drawing to a close, which means **further reductions in labor demand could lead to a sharper increase in unemployment.**

The Excess Consumption Boom Has Ended

WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

CONSUMERS PRIORITIZING NECESSITY PURCHASES



Source: BEA, WestEnd Advisors

Portfolio Impact: Many of the irregular tailwinds that supported post-COVID consumption growth, such as elevated savings and pent-up demand, are unlikely to persist, in our view. With **job gains and nominal income growth gradually moderating**, we have maintained consumer exposure in our portfolios with a tilt to **Consumer Staples,** which we believe should benefit from improved volume growth as **household spending patterns rotate toward more essential items.**

Consumers' spending growth outpaced their incomes in 2022 and 2023, which supported real GDP growth but drove the savings rate lower. **The capacity for further "excess spending" is limited**, in our view, due to shrinking savings, a higher cost of debt, slower income growth, and rising stress amid low-income households. These factors appear to be driving a **deceleration in discretionary spending relative to non-discretionary spending** (see chart), as households prioritize spending on necessities such as rent, health care, insurance, and groceries.

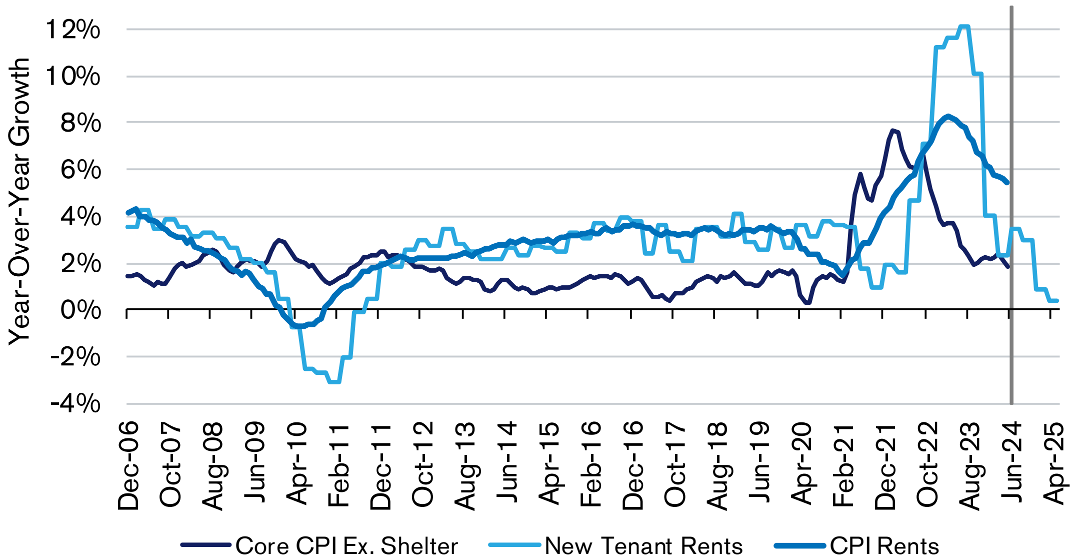
While the **slowing momentum in discretionary consumption is not unusual to see in the later stages of a cycle,** we believe healthy household balance sheets, coupled with slower employment and income growth, should help prevent a significant consumer retrenchment while keeping a lid on inflationary pressures.

WESTEND Advisors

A VICTORY CAPITAL® INVESTMENT FRANCHISE

Expect Core Inflation to Slow in 2nd Half 2024

FORWARD-LOOKING RENT MEASURES



New Tenant Rents shifted forward 12 months

Source: Federal Reserve Bank of Cleveland, Bloomberg, WestEnd Advisors

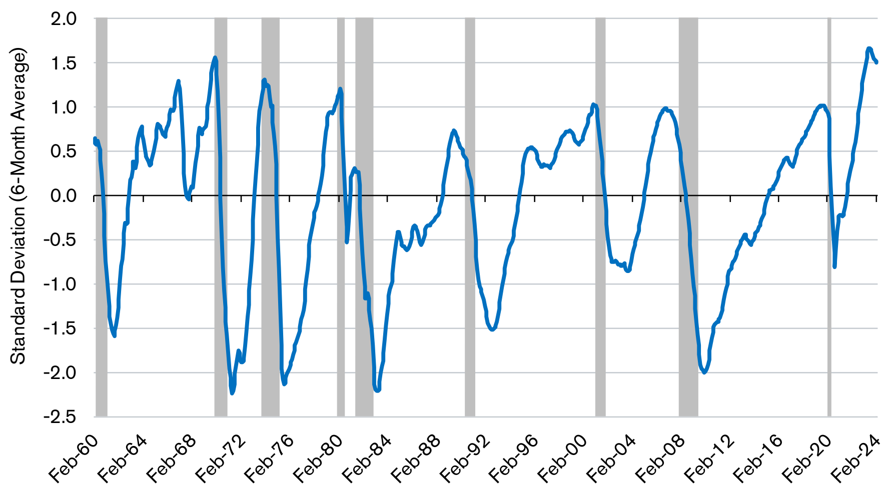
Portfolio Impact: Periods of **disinflation can support real growth** without overheating the economy, which has **historically benefited mid- and late-phase sectors**. Slower growth and disinflation are also catalysts for lower interest rates, in our view, which could provide tailwinds for a number of sectors, including **Financials, Health Care, Consumer Staples, Utilities, and Communication Services.**

The base case for our inflation outlook continues to contemplate a path lower, though we don't expect core CPI inflation to reach the Fed's 2% target by year end. The largest driver of core inflation is residential rent prices, which tend to be sticky due to the CPI methodology. However, more **leading measures, such as new-tenant rent indices, indicate that the trend in rent inflation is likely to continue to be lower** (see chart). Additionally, slowing employment growth and restrictive real rates should continue to put downward pressure on aggregate demand and help the Fed's attempt to normalize inflation.

Disinflation towards normal levels is a positive tailwind for the *real* economy. The peak in the disinflationary impulse, which can be thought of as the rate of change in year-over-year CPI, occurred in 2023. Looking forward, we believe **lower levels of inflation can provide support to real growth, but to a lesser degree than we saw over the past year**.

Economy is Late-Cycle with Low Contagion Risk

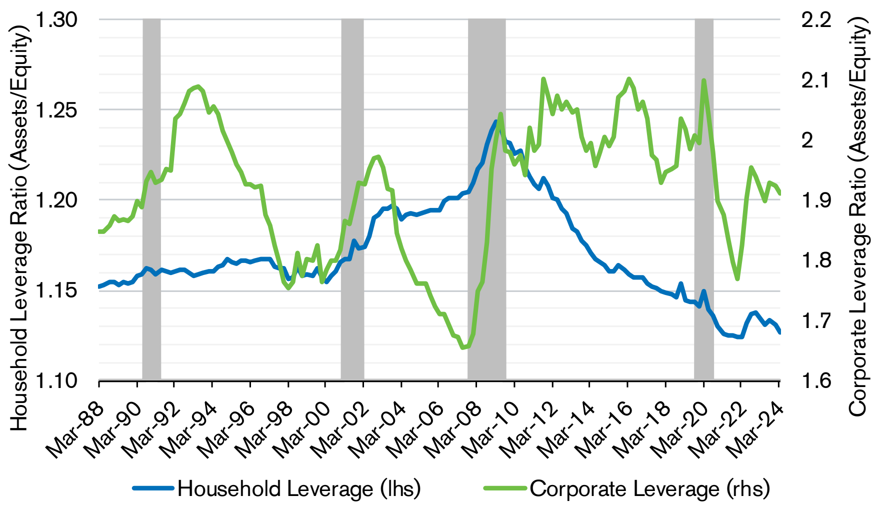
WEA LENGTH-OF-CYCLE INDICATOR



Source: Bloomberg, WestEnd Advisors

* Indicator represents average standardized value for four indicators: U-3 unemployment rate, output gap, confidence spread, and 10Y-3Y Treasury interest rate spread.

LEVERAGE BACKDROP REMAINS BENIGN



Source: Federal Reserve, WestEnd Advisors

Portfolio Impact: Ongoing risks to the economy in the U.S. warrant an **avoidance of highly cyclical sectors,** in our view. At the same time, the absence of extreme excesses could enable the economic cycle to tread along. In our ETF portfolios, we have balanced out our exposure to **traditionally defensive sectors,** like Health Care, by selectively emphasizing areas with distinct **growth opportunities**, such as Capital Markets**.**

We believe the prospect of economic deceleration remains elevated, as the **classic signs of a late-stage macro environment remain in place**, including a tight labor market, restrictive monetary policy, limited consumer pessimism, and a low level of economic slack. A proprietary composite index measuring the progression of the economic cycle remains at the high end of the historic range (top chart).

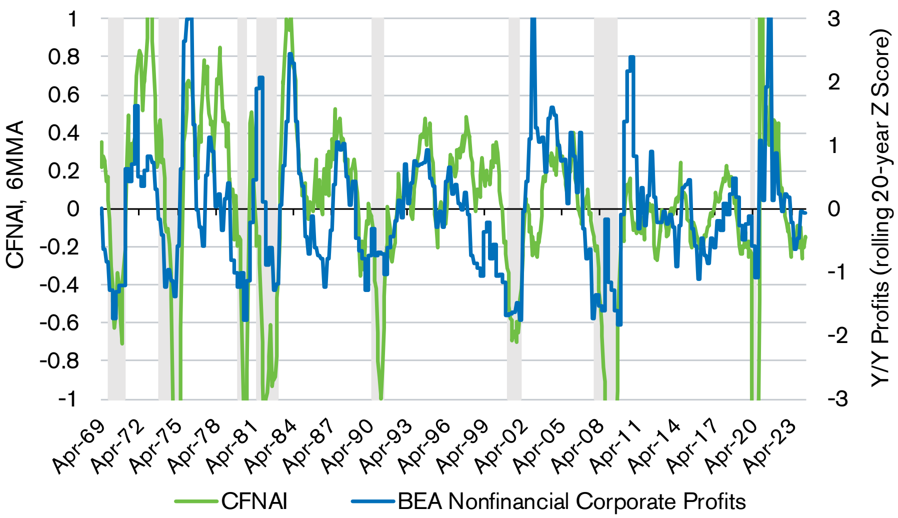
Still, we see **limited risk of a painful deleveraging event, as leverage ratios for the household and corporate sectors remains benign** (bottom chart). This suggests that households and businesses have room to borrow further, if needed, but higher interest costs and tighter lending standards should limit the propensity to build up excess debt.

U.S. Sector Outlook

20240702-3679632

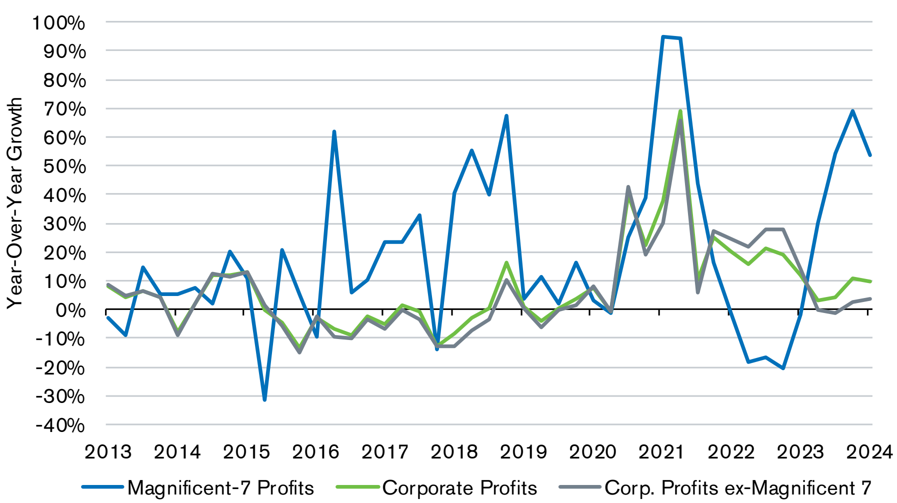
Strong Profit Upswing is a High Hurdle

PROFITS AND ECONOMIC ACTIVITY



Source: Federal Reserve Bank of Chicago, BEA, WestEnd Advisors

MEGA CAP COMPANIES HAVE LIFTED PROFITS



Source: BEA, Bloomberg, WestEnd Advisors

Portfolio Impact: Outside of mega-cap technology companies, **corporate profit growth has slowed materially over the past year, which limits the potential for a robust economic re-acceleration**, in our view. As such, we believe an avoidance of the most highly-cyclical sectors, such as Energy, Materials, and Industrials, is warranted.

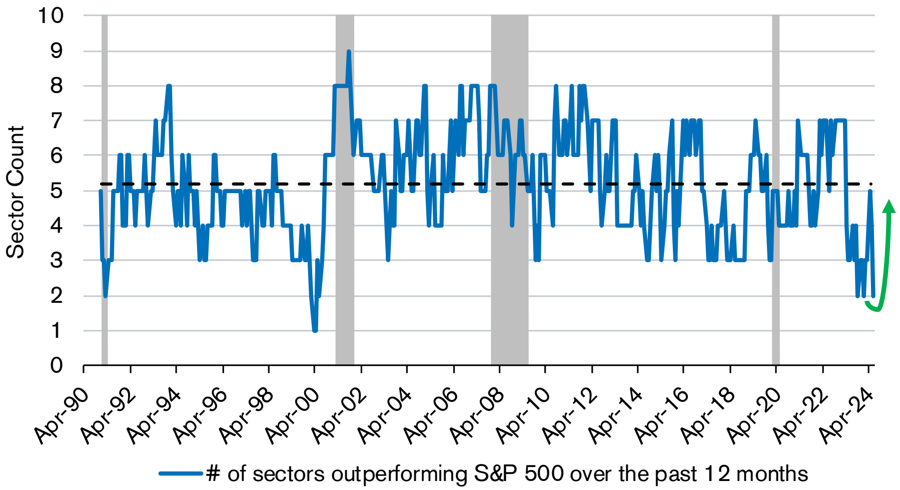
Corporate profit growth slowed to near 0% in 2023, yet many investors have become optimistic that a profits recovery will help sustain economic growth. **Our work suggests this may be misguided, as profits do not meaningfully deviate and lead economic activity to the upside** (see top left chart), particularly when profits are already well-above the long-run trend.

Importantly, mid-phase mega cap companies have been a substantial driver of the recent improvement in profit growth, which has flattered aggregate corporate profits (bottom chart). **With Mag-7 growth poised to slow, in our view, future growth estimates rely on a recovery in the most cyclical sectors,** of which we remain skeptical.

Narrow Sector Leadership Has Potential to Widen Out

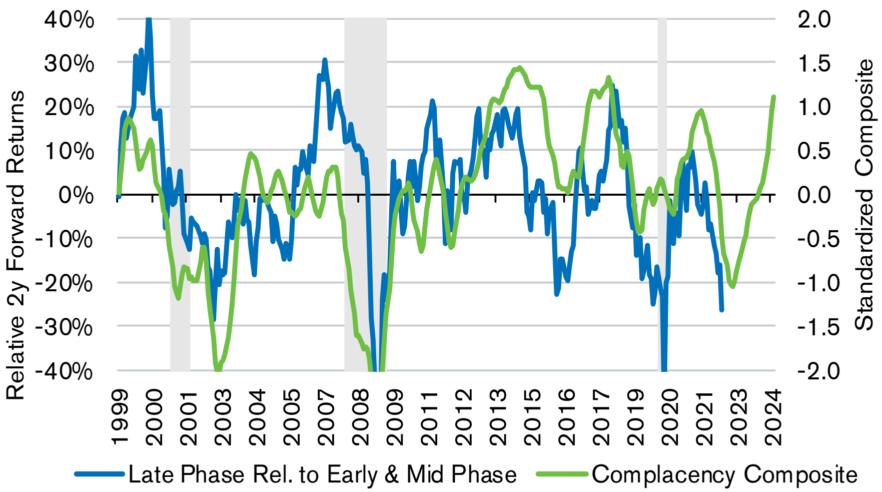
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

NUMBER OF SECTORS OUTPERFORMING THE S&P 500



Source: Bloomberg, WestEnd Advisors

LOFTY SENTIMENT A POTENTIAL TAILWIND TO LATE PHASE



Source: Conference Board, Bloomberg, WestEnd Advisors

Portfolio Impact: We believe **sector leadership is poised to broaden out** following a period of unusual narrowness. While a substantial overweight of mid-phase sectors would have been required to outperform the S&P 500 in recent quarters, our portfolios have captured the majority of benchmark returns. Looking ahead, **our current exposure leaves us well-positioned for a more normalized market environment moving forward**, in our view.

The S&P 500's return of 25% over the past four quarters has been dominated by Information Technology and Communication Services, largely due to the proliferation of A.I. and above-market earnings growth expectations. **The narrowness of sector leadership over the past year is unusual relative to history** (top chart), and we see potential for sector-focused investors to benefit as the distribution of returns broadens out.

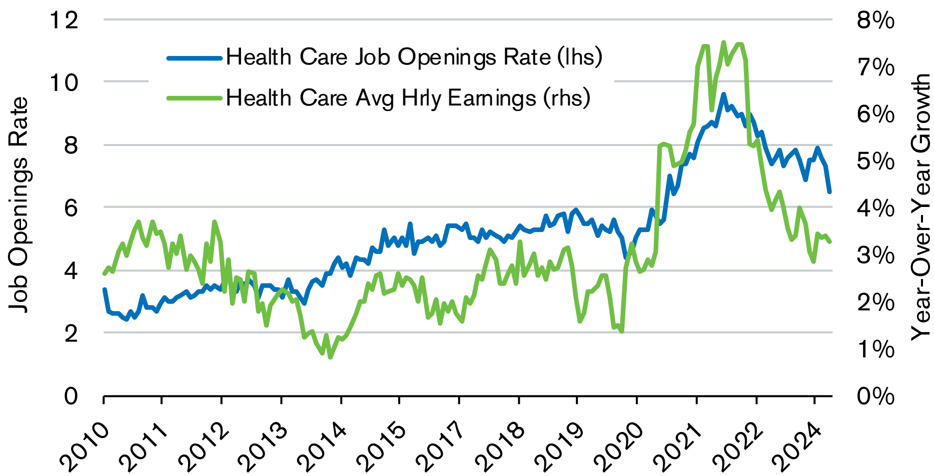
The strong (but narrow) market performance has coincided with a **rapid rise in valuations and sentiment over the past 18 months**. Historically, a high level of investor complacency has raised the potential for future market volatility, which we believe could benefit the more defensive parts of the market (bottom chart).

20240702-3679632

Positioned for Improving Health Care Fundamentals

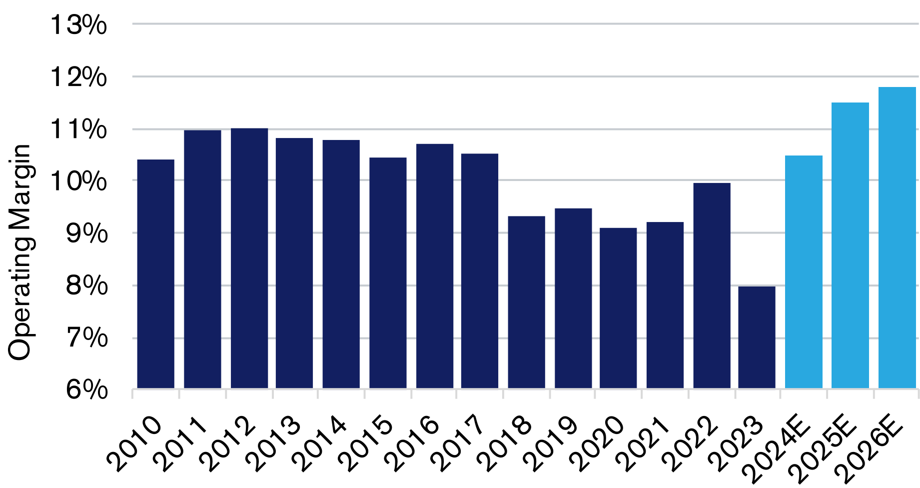
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

HEALTH CARE LABOR MARKET & WAGES ARE NORMALIZING



Source: Bloomberg, WestEnd Advisors

HEALTH CARE MARGINS ARE EXPECTED TO REBOUND



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: We believe **Health Care sector** exposure provides attractive **defensive** characteristics with **insulation from cyclical risks,** but also leaves portfolios **well positioned** for a **rebound in the sector's earnings growth** as cost pressures fade.

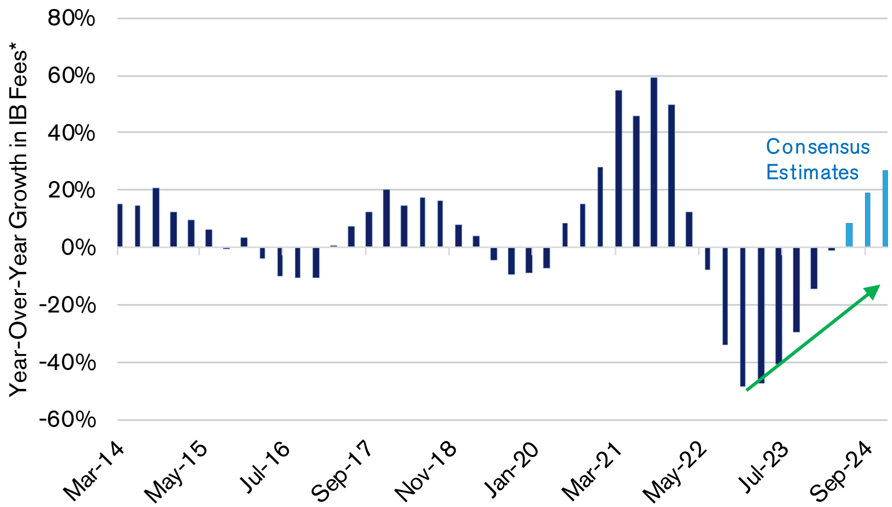
Health Care margins were depressed in 2023 as COVID-related revenues waned and higher costs flowed through to companies. Margins should begin to recover as wage pressures and heightened labor costs have cooled. Average hourly earnings for Health Care workers have decelerated from peak levels, while labor demand, as measured by the job openings rate, continues to move towards pre-pandemic levels.

Looking ahead, we anticipate sector-wide operating margins to rebound above historical averages, which should drive solid earnings growth in our investment horizon. This dynamic, combined with the sector's historically defensive characteristics, make it an attractive sector at this point in the economic cycle, in our view.

Financials' Outlook Better Than Perceived

WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

INVESTMENT BANKING REBOUND OFFERS UNIQUE OPPORTUNITY



*YoY change in GS & MS TTM IB Fees

Source: Bloomberg, WestEnd Advisors

FINANCIALS SECTOR: THEN VS NOW
% OF SECTOR MARKET CAP

Industry	**2007**	**Now**
Financial Services	3%	31%
Banks	39%	25%
Regional Banks	*6%*	*2%*
Capital Markets	23%	23%
Insurance	25%	17%
Consumer Finance	4%	4%
REITS	6%	0%

Source: Bloomberg, WestEnd Advisors

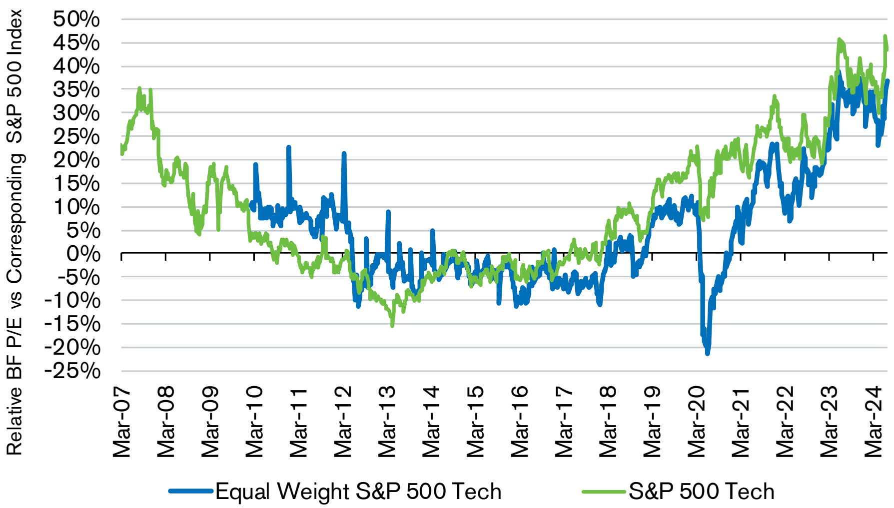
Portfolio Impact: We continue to maintain an allocation to the Financials sector in our U.S. large-cap allocations, as **Federal Reserve flexibility and an emerging rebound in capital markets activity could provide earnings upside** for the sector, in our view.

Investment banking activity appears poised to rebound this year, which should benefit Capital Markets firms and major money-center banks (top chart). Even though interest rates are high, so are corporate profit margins, and after a 2-year hiatus, we believe many **companies need to refinance and can withstand doing so.**

The Financials sector is more diversified today vs. history, with a mix of cyclical and secular growth companies, such as the payments names within Financial Services that have historically shown durable growth, even during economic contractions. Additionally, while commercial real estate (CRE) remains a hot-button topic within banking, we would note that **large banks have considerably less exposure to CRE** than their smaller peers and make up roughly ~90% of the exposure in the S&P 500 Banks industry (bottom chart).

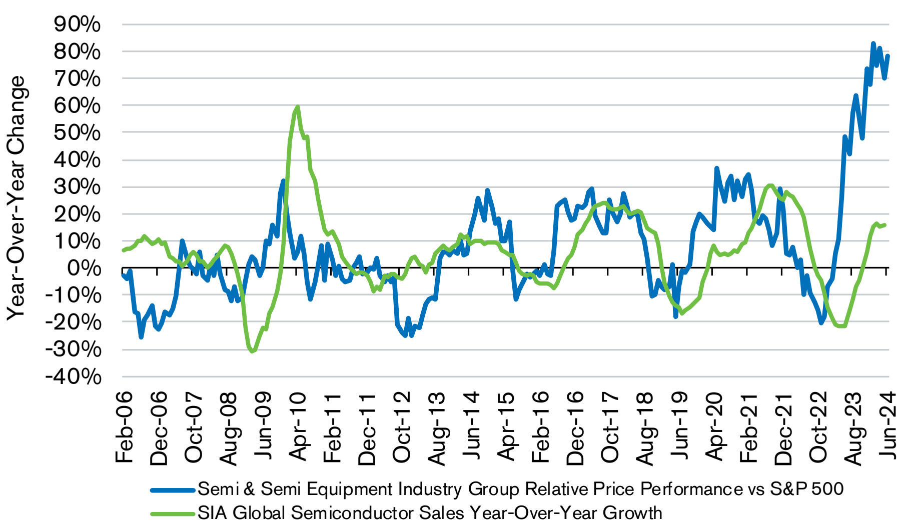
Hottest Parts of Mid-Phase May Cool Off

NOT JUST TECH MEGA CAPS THAT ARE EXPENSIVE



Source: Bloomberg, WestEnd Advisors

SEMICONDUCTOR RETURNS HAVE SIGNIFICANTLY OUTPACED FUNDAMENTALS



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: The Information Technology sector has been a dominant driver of market fundamentals and returns over the past 18 months. Looking forward, we **expect Information Technology returns to cool off as earnings catch up to elevated valuations**. While we view the sector as having robust growth and quality attributes, we believe an underweight is warranted.

Information Technology's 102% 18-month return ranks in the 97th percentile over the past 30 years. Growth expectations for the sector have risen sharply thanks to a profit turnaround and an AI-driven investment cycle, which **has driven valuations for Technology companies to the highest levels in two decades** (top chart).

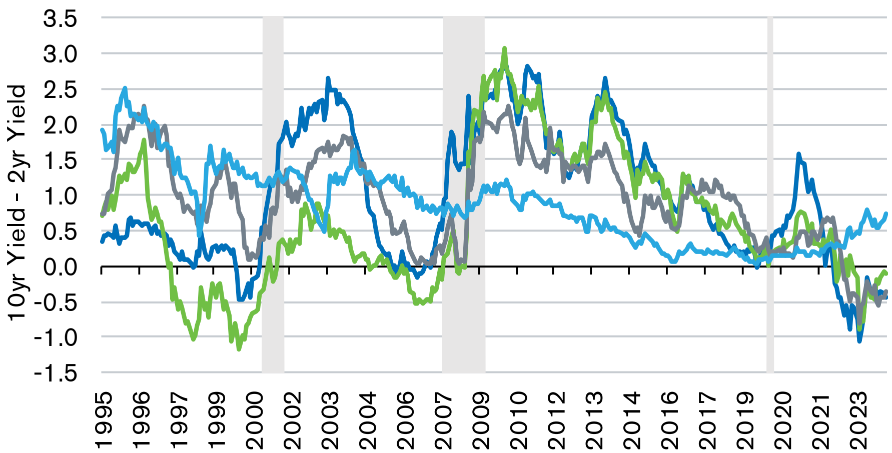
Our work has shown that technology investment cycles, which have been at the epicenter of the AI boom, typically last between 12 to 24 months, on average. With the current cycle now past the year mark, and with Semiconductor industry returns materially outpacing growth in worldwide semiconductor sales, we see potential for a "growth digestion" phase.

International Economic & Market Backdrop

Global Growth Pivot Unlikely in the Short Term

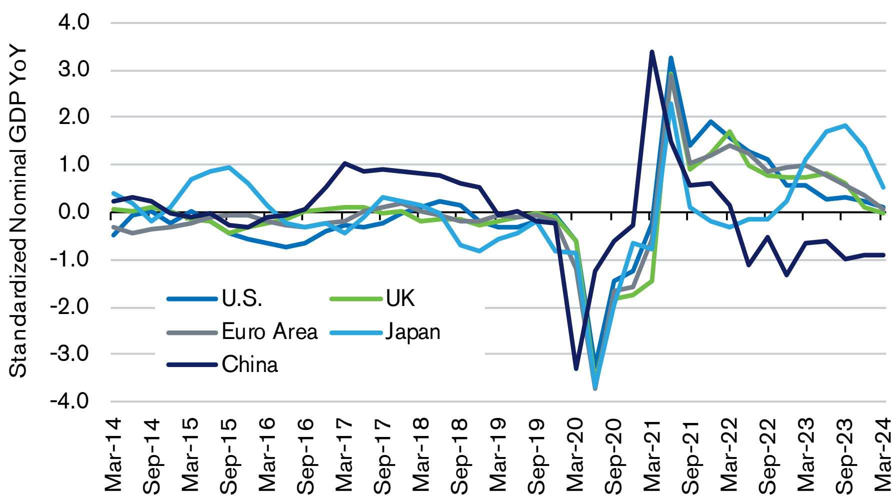
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

YIELD SPREADS SIGNAL LATE-CYCLE (EX-JAPAN)



Source: Bloomberg, WestEnd Advisors

GLOBAL NOMINAL GROWTH CONTINUES TO SLOW



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: While there are pockets of strength in the global economy, **most major economies are slowing** and face late-cycle challenges. We remain **overweight some of the more defensive regions including the U.S. and Japan**, which have been bright spots in the global economy.

Yield curves remain inverted in the U.S., UK, and Euro Area, which is an indication of **late-cycle conditions and restrictive monetary policy** across much of the developed world. **Japan remains the exception**, as **nominal growth expectations have increased** and pushed longer-end rates gradually higher.

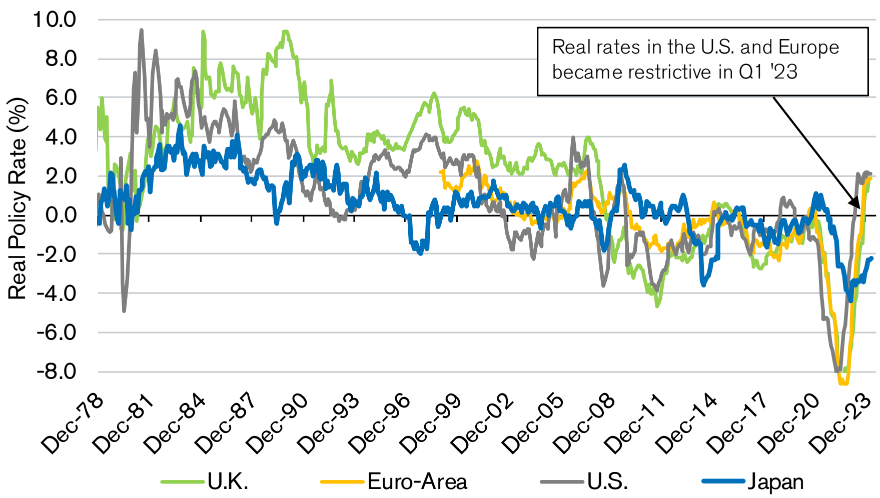
Nominal GDP growth in Japan has remained well above average, helped by an accommodative central bank and certain recovery dynamics (bottom chart). Conversely, growth continues to slow back to trend in western economies, partly driven by fading fiscal support in the U.S. and tight monetary policy in the U.S., UK, and Euro Area. Growth in **China has yet to fully rebound,** as the country's economic recovery continues to be unbalanced.

20240702-3679632

Monetary Policy Cycle Split Between East & West

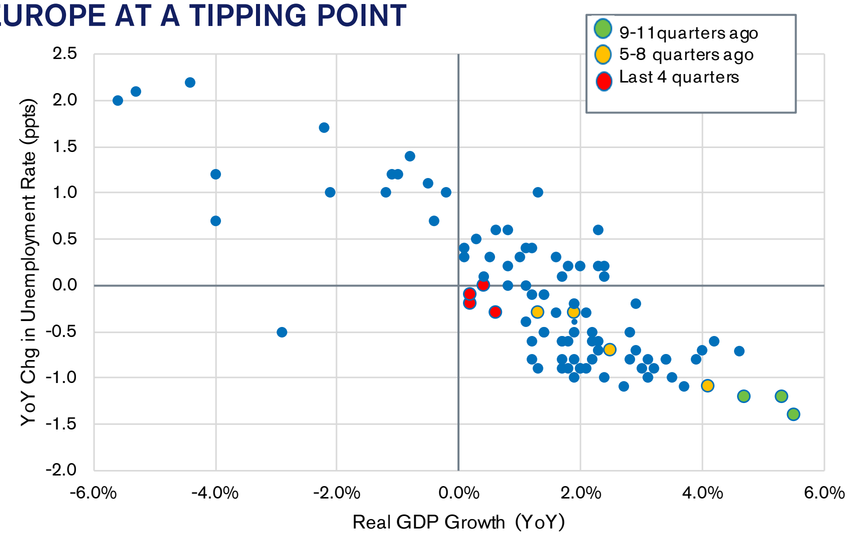
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

REAL RATES REMAIN HIGHLY ACCOMODATIVE IN JAPAN



Source: Bloomberg, WestEnd Advisors

EUROPE AT A TIPPING POINT



Source: Eurostat, WestEnd Advisors

Portfolio Impact: We continue to **overweight Japan**, which in our view not only **has fewer economic headwinds compared to Europe** (an underweight), but is also benefiting from a step-up in nominal growth. Japan has the potential to be a more **defensive region** during risk-off environments.

The Bank of Japan has messaged its intention to normalize interest rate policy, primarily due to the country's positive economic trajectory and signs that wage inflation has moved sustainably above 2%.

Monetary policy in Japan is likely to remain accommodative for the foreseeable future, in our view. The real policy rate in Japan remains firmly below those of other developed nations (see top chart) and near some of the most stimulative levels on record.

In contrast, employment and real GDP growth have slowed to below-average levels in Europe. The region's cyclical sensitivity, coupled with less government stimulus and pent-up household savings, lead us to expect that easier monetary policy will be required before Europe's economy is able to re-accelerate.

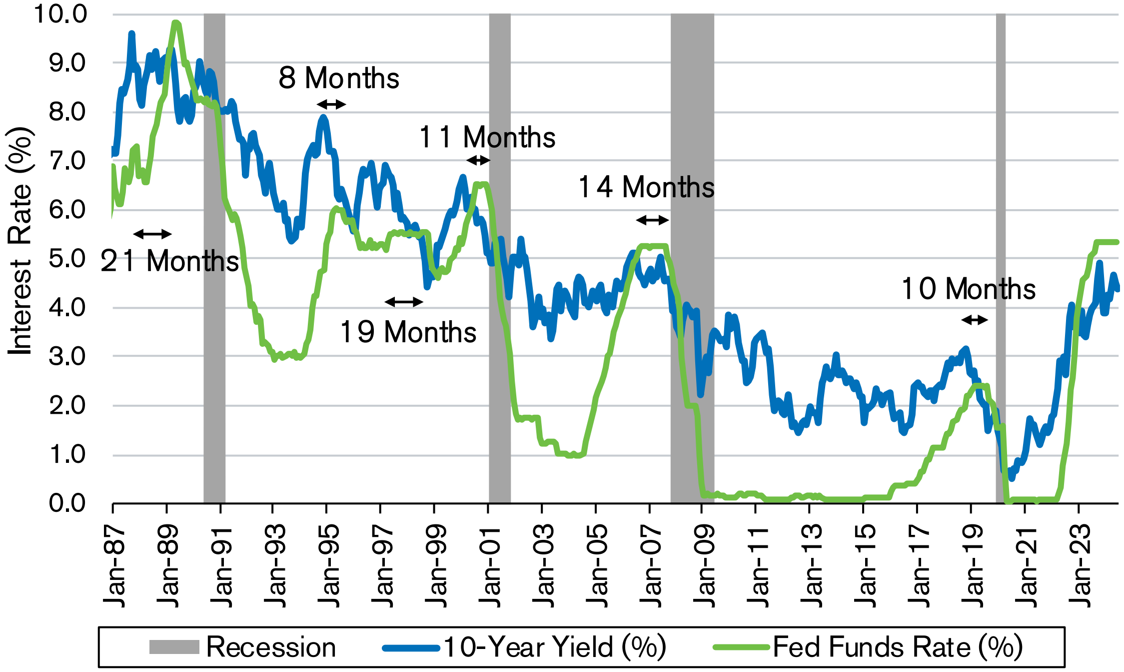
Interest Rates & Real Assets

20240702-3679632

Yield Curve Says Fed Is Inching Toward Rate Cuts

WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

YIELD CURVE ANTICIPATES FED CUTS 1-2 YEARS IN ADVANCE



Source: Bloomberg, WestEnd Advisors

Portfolio Impact: With our outlook for continued disinflation and slowing economic growth, we see limited upside to interest rates as the Fed inches closer to a new cutting cycle. In this environment, we **expect balanced portfolios to benefit from improved fixed income returns relative to recent years**. Long-duration bonds should benefit if growth and inflation surprise to the downside.

Within fixed income, we continue to see signs of late-cycle dynamics and the potential for an eventual turn in the interest rate cycle. In our **base case outlook of gradual disinflation and slowing growth, we see limited upside to rates from current levels.**

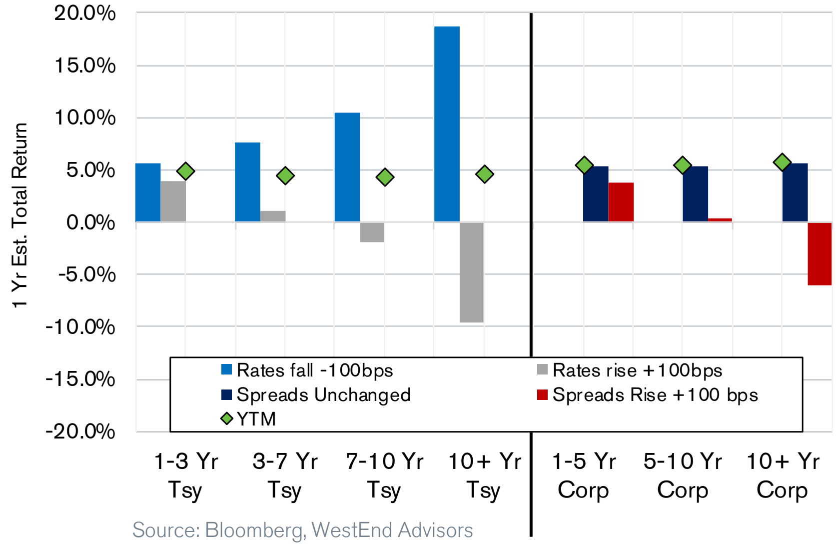
As the chart above shows, **interest rates typically peak between 1 and 2 years before the Fed begins a new cutting cycle**. The most recent peak in the 10-year occurred 8 months ago (Oct' 2023). Historically, interest rates along the curve have declined swiftly as the Fed has reduced rates, regardless of whether a recession occurred.

20240702-3679632

Higher Rates & Falling Inflation Improves Fixed Income Return Potential

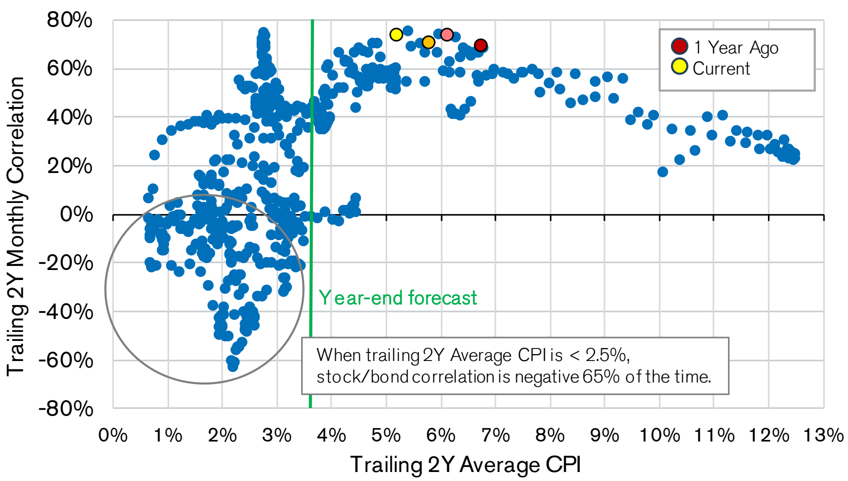
WESTEND Advisors
A VICTORY CAPITAL® INVESTMENT FRANCHISE

ATTRACTIVE RETURN ASYMMETRY FOR BONDS



Source: Bloomberg, WestEnd Advisors

INFLATION ERODES STOCK/BOND DIVERSIFICATION



Source: Bloomberg, WestEnd Advisors. Monthly data from 1978 to May 2024.
*Green line denotes trailing 2-year average CPI year-over-year forecasted through 2024.

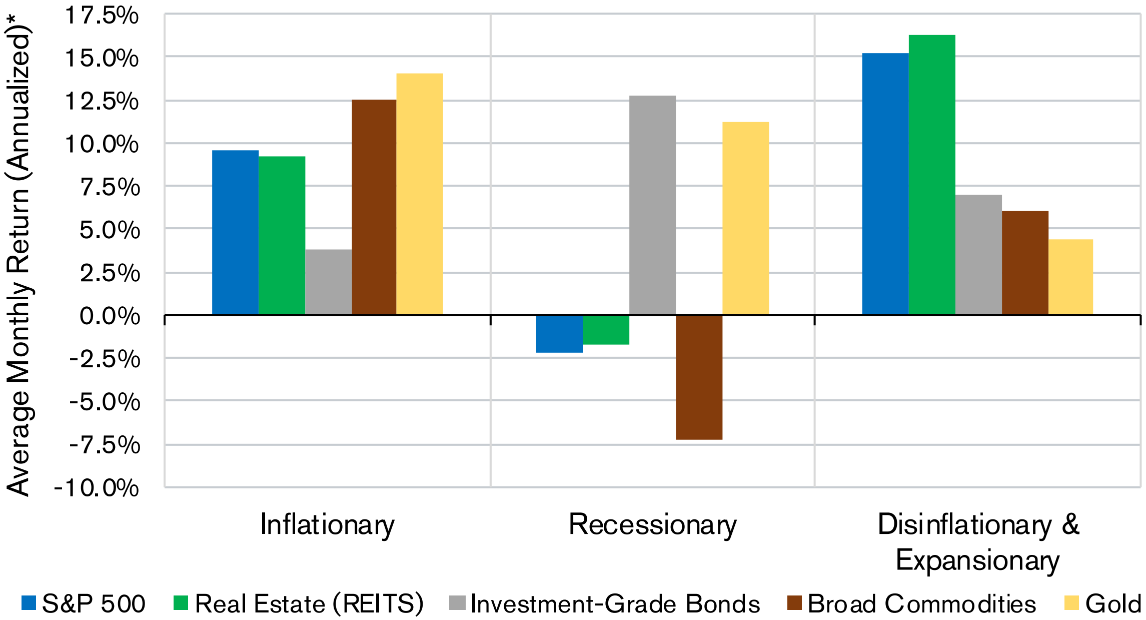
Portfolio Impact: Higher yields provide fixed income investors with more cushion against interest rate volatility, all else equal. In traditional balanced portfolios, we see attractive risk/reward characteristics for intermediate-and-longer-term Treasury bonds, now that yields have reset higher and inflation is on a path to normalizing. At the same time, we are avoiding longer-duration corporate bonds, which could be at risk if credit spreads rise.

Higher yields for Treasury bonds should help to mitigate performance headwinds from interest rate volatility, in our view. With the risk of further rate hikes now reduced, in our view, we see **attractive asymmetry in the potential returns for intermediate-and-long duration Treasury bonds**. In contrast, corporate bonds currently offer little compensation for credit risk (top chart).

In recent years, elevated inflation has eroded the typical diversification benefits of owning fixed income. If inflation continues to glide lower, as we expect, the correlation between stock and bond returns could move back lower (bottom chart).

Asset Class Returns Driven by Macro Environment

MACRO CONDITIONS DRIVE ASSET CLASS DISPERSION



Source: Bloomberg, WestEnd Advisors * Covers all periods from 1975 through Q4 2023.

Portfolio Impact: Moving forward, we see a growing likelihood that inflation pressures continue to fade as the risk of recession rises. As such, we are **emphasizing high-quality fixed income and gold in our multi-asset portfolios**, while underweighting or avoiding the most economically sensitive assets, such as equities, real estate, and broad commodities.

The economic and market volatility exhibited so far this cycle have showcased that asset class performance can vary significantly depending on the underlying economic environment. During inflationary environments, such as we experienced in 2021 and 2022, we believe commodities can add significant capital appreciation potential and inflation protection to a portfolio.

However, as we look ahead to the second half of 2024, **we see potential for recent disinflationary trends to continue alongside slower growth**. As such, we have positioned our multi-asset portfolios to benefit from more modest economic growth as well as to protect capital in the event of a downturn. As the chart above shows, investment grade bonds and gold have historically generated positive returns during both recessions and disinflationary expansions.

Footnotes & Disclosures

WestEnd Advisors, LLC ("WestEnd"), an SEC-registered investment adviser, operates as an autonomous Victory Capital® Investment Franchise. WestEnd's active principals are responsible for managing the firm and its day-to-day operations. Registration of an investment adviser does not imply any level of skill or training. WestEnd manages equity securities for individual, institutional and wrap clients.

This report should not be relied upon as investment advice or recommendations, and is not intended to predict the performance of any investment. Past performance is not indicative of future results. It should not be assumed that recommendations made in the future will be profitable. The information contained herein is not intended to be an offer to provide investment advisory services. Such an offer may only be made if accompanied by WestEnd Advisors' SEC Form ADV Part 2. These opinions may change at anytime without prior notice. All investments carry a certain degree of risk including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class. The information has been gathered from sources believed to be reliable, however data is not guaranteed.

The Standard and Poor's 500 Stock Index includes 500 stocks and is a common measure of the performance of the overall U.S. stock market. The MSCI ACWI consists of 47 country indexes comprising 23 developed and 24 emerging market country indexes. The total return of the MSCI ACWI (Net) Index is calculated using net dividends. Net total return reflects the reinvestment of dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The Bloomberg Barclays US Aggregate Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. The Bloomberg Barclays US Aggregate Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. An index is unmanaged and is not available for direct investment.

Any portfolio characteristics, including position sizes and sector allocations, among others, are generally averages and are for illustrative purposes only and do not reflect the investments of an actual portfolio unless otherwise noted. The investment guidelines of an actual portfolio may permit or restrict investments that are materially different in size, nature, and risk from those shown. The investment processes, research processes, or risk processes shown herein are for informational purposes to demonstrate an overview of the process. Such processes may differ by product, client mandate, or market conditions. Portfolios that are concentrated in a specific sector or industry may be subject to a higher degree of market risk than a portfolio whose investments are more diversified.

Holdings, Sector Weightings, and Portfolio Characteristics were current as of the date specified in this presentation. The listing of particular securities should not be considered a recommendation to purchase or sell these securities. While these securities were among WestEnd Advisors' strategies' holdings at the time this material was assembled, holdings will change over time. There can be no assurance that the securities remain in the portfolio or that other securities have not been purchased. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presently in the portfolio. Individual clients' portfolios may vary. Upon request, WestEnd Advisors will provide a list of all recommendations for the prior year.