CHIEF INVESTMENT OFFICE

Capital Market Outlook

August 7, 2023

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

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Macro Strategy—*Reshoring: Some Inconvenient Truths and Unintended Consequences:* The tangible effects of reshoring are plain to see—U.S. manufacturing construction is soaring, foreign direct investment inflows are rising, battery and chip plants are sprouting across the country. However, the manufacturing supercycle has already exposed some weaknesses and inconsistencies in the U.S. economy.

Simply put, America needs more workers, a more secure and reliable source of metals/minerals, steadfast trading partners, the avoidance of a global subsidy war, improving relations with China, and greater supply chain diversification as opposed to concentration. The potential downsides of reshoring: excess capacity, rising costs, output delays, falling profit margins and deteriorating trade conditions.

Market View—*How Might El Nino Affect Global Markets?:* This past July saw average global temperatures reach record levels. Extreme weather around the world has led to wildfires in Canada and Greece, caused heatwaves across the U.S., China, Italy and Spain, and prompted the United Nations to warn that the Earth has now entered an era of "global boiling."

Scientists widely attribute the trend toward higher global temperatures to anthropogenic climate change, but the El Nino phenomenon could exacerbate these temperature increases on a cyclical basis later this year.

Thought of the Week—*The Lopsided Bull is Standing On All Legs Now:* The narrowness of the equity market that dominated the narrative in the first half of the year has not led to the major market decline some investors feared. Instead, the rally has broadened out as more areas of the market participate in the uptrend.

While broader market breadth is welcome news for the foundation for the longer-term bull market, investors should continue to monitor possible headwinds that could leave the market vulnerable to potential volatility ahead, including weaker seasonality, elevated absolute valuations, bullish sentiment shifting to extreme levels and lagged effects of monetary policy tightening.

MACRO STRATEGY ▶

Joseph P. Quinlan
Managing Director and Head of CIO Market Strategy

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Director and Senior Investment Strategist

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MARKETS IN REVIEW ▶

Data as of 8/7/2023, and subject to change

Portfolio Considerations

Given the level of portfolio drift in certain areas, we are actively rebalancing portfolios, and, where appropriate, we are lengthening duration in Fixed Income. We are transitioning to a new macroeconomic regime with overall risk still elevated amid slowing earnings, higher interest rates and geopolitical uncertainty. We believe that as this transition firmly takes hold, building diversified portfolios across and within asset classes, including alternatives, for qualified investors, is imperative. We continue to remain neutral Equities and Fixed Income relative to our strategic benchmarks.

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MACRO STRATEGY

Reshoring: Some Inconvenient Truths and Unintended Consequences

Joseph P. Quinlan, Managing Director and Head of CIO Market Strategy

Lauren J. Sanfilippo, Director and Senior Investment Strategist

First the good news: The mega-legislative programs of the Biden Administration (the Infrastructure and Jobs Act, the Inflation Reduction Act [IRA], and CHIPS and Science Act) have triggered an avalanche of new investment in such areas as solar panels, electrical vehicles, semiconductors, charging stations and related facilities.

Factory construction outlays, for instance, have soared over the past year and totaled $196 billion in June, up 80% from the same period a year ago (Exhibit 1A). According to Bloomberg, since the passage of the IRA just over a year ago, some $72 billion has been sunk in electrical vehicle investments, with investment in battery capacity leading the way. Meanwhile, and according to industry sources, nearly 50 new semiconductor projects are underway in the U.S. in response to the CHIPS and Science Act. And finally, and not to be left behind, foreign firms sunk some $5.3 billion into new U.S. greenfield projects last year, a four-fold increase from the year before.

Now the bad news: America's manufacturing renaissance could either be delayed or derailed by mounting structural headwinds and by some negative unintended consequences.

One headwind lies with the tight U.S. labor market and lack of U.S. skilled labor. According to the Semiconductor Industry Association, the U.S. is woefully short of the engineers, computer scientists and technicians needed to drive more semiconductor-related production in the U.S. The future demand for these workers far outstrips supply, as evident in Exhibit 1B.

Meanwhile, the lack of labor goes beyond semiconductors. America needs workers not just in white lab coats but also in hard hats—think construction and manufacturing workers. At precisely the moment when the nation is in hyper buildout mode, the U.S. construction industry is lacking some 374,000 construction workers, according to the Job Opening and Labor Turnover Survey report from the Bureau of Labor Statistics. Meanwhile, the number of job openings among manufacturing workers was 582,000 in June. The upshot of these shortages: delayed projects and rising wages. So severe is the labor crunch that the world's leading semiconductor manufacturer, Taiwan Semiconductor Manufacturing Company, announced last month that, due to labor shortages, the company's plant in Arizona would not be open in late 2024, as planned, but sometime in 2025.

A second headwind lies with the supply of critical metals and minerals—or the lack thereof. The inconvenient truth is that the U.S. lacks a secure domestic supply of lithium, nickel, graphite and other critical minerals needed to scale up the production of solar panels, wind turbines, semiconductors and electrical vehicles.

Indeed, according to the U.S. Geological Survey, America is 100% reliant on graphite and manganese imports, 70% per cobalt, and 50% net import reliant on lithium and nickel. The U.S. is also significantly global-dependent on other metals/minerals like uranium, rare earth minerals, rubidium, cesium, hafnium and many other minerals. The list goes on—according to the U.S. Geological Survey *2023 Minerals Commodity Summaries* report, the U.S. is now more than 50% reliant on 51 foreign minerals, up from 47 from the prior report.

What's more, when it comes to processing and refining these resources, most roads lead through China. The latter's processing infrastructure—think smelters, refiners, cracking activities, chemicals and related capabilities—is second to none on a global scale and represents a potentially dangerous chokepoint given that U.S.-Sino bilateral relations are at a decades low. To this point, U.S. imports of lithium-ion batteries from China more than doubled in 2022, to $9 billion, accounting for 12.5% of total U.S. lithium imports. The U.S. also relied on China for around 80% of nickel, graphite and other key minerals used in electrical vehicles last year.[1]

In a nutshell, China holds the "commanding heights" when it comes to processing and refining metals and minerals that are critical to America's reshoring push. The U.S., and the world, were reminded of this fact in July, when China announced export restrictions on gallium and germanium—two chemicals used in the production of solar panels and semiconductors. A final note: Since no American-owned companies have the capacity to enrich uranium, roughly one-third of enriched uranium used in the U.S. is imported from none other than Russia.[2]

Investment Implications

Reshoring presents its own challenges, but this is the time to look to gain more exposure to infrastructure-related industrial companies and leaders in renewables (solar, wind, electrical vehicles, biomass) and the required infrastructure behind each renewable energy source. Leaders in electricity distribution, charging stations and batteries, as well as low-carbon hydrogen, biomethane and advanced biofuels should be considered for portfolios. Ditto for leaders in low-carbon technologies and leaders in transmission technologies.

[1] "U.S. Dependence on China for Lifesaving Drugs Grows," Nikkei Asia, August 2, 2023.
[2] "Despite War, Paying Russia for Uranium," *New York Times*, June 14, 2023.

A third factor to consider: America's muscular industrial policies have not gone unnoticed around the world; neither have they gone uncontested. U.S. policies have triggered a global industrial subsidy race, with the European Union, Germany, France, Japan, Canada, the United Kingdom and a handful of other nations offering their own subsidies and incentives to attract capital investment and/or to keep local firms from decamping for the U.S. According to data from the Global Trade Alert group, the world recorded more than 50,000 subsidies and other related state interventions in 2022 alone. There is a bull market in global subsidies, in other words, that puts at risk global investment and trade flows, and the attendant benefits like global earnings growth. As noted by one Canadian policymaker, the IRA is "a black hole sucking investment into the United States."[3]

U.S. industrial policies, to say the least, have irked our major trading partners at a time when Washington is trying to align the interests of the West against Russia and China. And by spurring a massive surge in production—one surge driven by national politics, not profits—the risk is that in the not-too-distant future, the world will be awash in semiconductors, electrical batteries, solar panels and other subsidized goods. The resulting bubble in global capacity would do nothing but create economic inefficiencies and hammer the profit margins of numerous firms.

A final caveat to the reshoring theme is this: As noted by the World Bank and International Monetary Fund (IMF), the goal of boosting domestic production, increasing economic self-sufficiency and reducing foreign supplies can actually hurt, not help, a nation's ability to adapt or adjust to an external shock. A home bias, i.e., reshoring, concentrates production and runs the greater risks of supply disruptions, volatile growth and rising costs. Per the advice of the IMF, "resilience to shocks may be gained by further diversification of inputs across countries and by making inputs from different countries more substitutable." According to the IMF, a diversified supply source means less concentration, greater choices in inputs, reduced volatility and better overall economic growth prospects.[4]

In other words, don't put all your productive capacity into one basket, but the U.S., China and many other nations are tacking the other way.

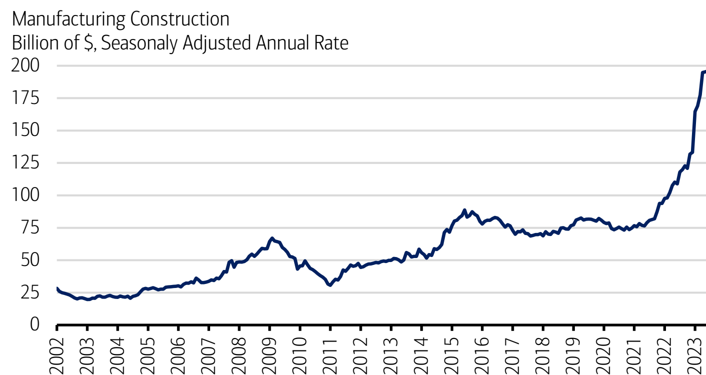
What's it all mean?

We believe the U.S. is in the early stages of a manufacturing supercycle pivoting around renewable energy, electrical vehicles and batteries/charging stations, and semiconductors in addition to rising spending in more traditional areas like ports, highways, grids, airports and the like. The uber public policies of the Biden administration are reaping tangible results.

However, it's important for investors to realize that it won't be smooth sailing. The manufacturing boom in the U.S. has exposed some glaring weaknesses and inconsistencies in the U.S. economy and policy architecture. America needs more workers, metals/minerals, steadfast trading partners and diversified supply chains. All of these inputs will be key to the future growth and potential of U.S. corporate earnings.

Exhibit 1: Build It, But Will They Come?

1A) Spending on Construction of Manufacturing Facilities up 80% from a year ago.



1B) A Flood of Chips, but not enough Chip Experts: Graduates in semiconductor-related fields fall short of demand.

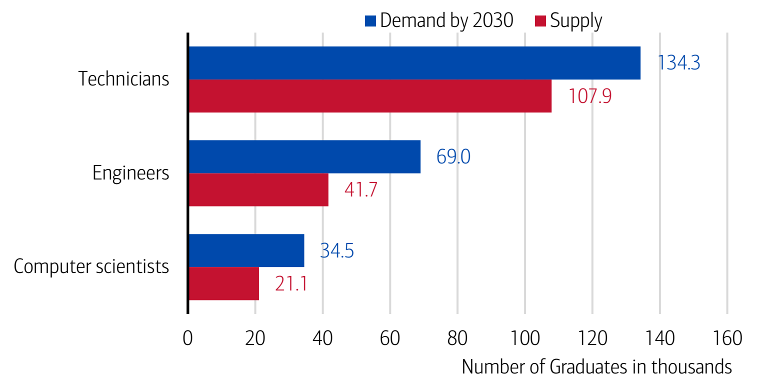


Exhibit 1A) Source: U.S. Census Bureau. Data as of June 2023. Exhibit 1B) Sources: SIA; Bloomberg. Data as of August 3, 2023.

[3] "Subsidy Wars Heat Up with U.S. Allies Forced to Pay Up or Lose Out," Bloomberg, July 25, 2023.
[4] "Global Trade and Value Chains During the Pandemic," International Monetary Fund, April 2022.

MARKET VIEW

How Might El Nino Affect Global Markets?

Ehiwario Efeyini, Director and Senior Market Strategy Analyst

This past July saw average global surface air temperatures reach a record 17°C (63°F), 0.2°C to 0.3°C above the previous record set in 2019 and roughly a full degree above the historical average since 1880. Extreme weather has led to wildfires in Canada and Greece, caused heatwaves across the U.S., China, Italy and Spain, and prompted the United Nations to warn that the Earth has now entered an era of "global boiling." Scientists widely attribute the trend toward higher global temperatures to anthropogenic climate change, but the El Nino phenomenon could exacerbate these temperature increases on a cyclical basis later this year.

El Nino is the warm phase of the El Nino Southern Oscillation (ENSO) cycle (the cool phase is known as La Nina), a natural process that occurs every two to seven years, with the warming and cooling of the Pacific Ocean surface to +/- 0.5°C above or below average for a period of at least five months. According to the World Meteorological Organization, there is a 90% probability that an El Nino event will occur in the second half of 2023, with at least moderate strength and will likely extend into 2024, pushing average air temperatures higher by releasing ocean heat into the atmosphere. El Nino has historically exerted the greatest effect on countries either side of the equatorial Pacific, typically making for drier conditions in southeast Asia and Africa, and increased rainfall in the southern U.S. and large parts of Latin America (Exhibit 2).

Exhibit 2: El Nino: Regional Effects And Risks.

Region	Effect	Risks
Asia Pacific	Drier than normal	Drought, Water stress
India	Drier than normal	Drought, Risk to monsoon rains
Peru, Chile, Argentina	Wetter than normal	Flooding
Central America, Northern Brazil	Drier than normal, Tropical cyclones	Tropical storms, hurricanes in eastern Pacific, fewer in Atlantic
Southern U.S.	Wetter than normal	Flooding, Landslides
Australia	Drier than normal	Drought, Wildfires
Southern Africa	Drier than normal	Drought

Source: Absolute Strategy Research. Data as of July 2023.

For investors, El Nino will need to be watched for its effect on markets through at least three main channels: commodity price inflation, interest rates and the balance of payments, particularly in the emerging world. The biggest of these is likely to be commodity price inflation.

On a global basis, higher temperatures could lead to reduced meat output from a rising incidence of heat stress for livestock. In Latin America, higher levels of rainfall could mean greater energy output from hydropower and could therefore actually lead to lower power prices in Brazil and Colombia, which respectively derive 55% and 70% of their electricity production from hydro. But at the same time, the higher risk of flooding could reduce mining output of base and precious metals such as copper, silver and lithium in Peru and Chile.

The most significant effect is likely to fall on agricultural commodities. Increased incidence of drought and water stress across the Asia-Pacific could lead to lower production and upside price risks across a range of food categories such as sugar, cocoa, coffee and rice. As a result, local prices for these groups may be pushed higher, an effect that would only be amplified for major importing regions such as the Middle East and North Africa (Exhibit 3). And should export restrictions also be introduced in these markets as countries such as India have done in the past, this would only further exacerbate the underlying price shock.

Investment Implications

A new El Nino phase is likely to increase the near-term pressure on farmers to adopt more efficient techniques and new technologies that can increase agricultural yields. Within global markets, this should mean not only higher prices for agricultural commodities, but also more demand for fertilizer, pesticides and genetically modified seeds. Equities along the agribusiness supply chain, including machinery, chemicals and processing, also stand to be beneficiaries.

Exhibit 3: Agricultural Commodity Self-Sufficiency By Region.

Domestic Production / Total Domestic Supply
Green = 100% self-sufficient, Red = less than 50% self-sufficient, White = 50%-99% self-sufficient.

	Wheat	Corn	Soybeans	Sugar	Cocoa	Coffee	Rice
Asia							
China	98	98	26	99	46	88	100
India	100	100	82	101	67	226	103
Korea	0	1	15	45	39	19	97
Indonesia	0	97	35	92	102	244	99
Malaysia	0	1	14	50	102	94	83
Thailand	0	92	13	106	12	75	118
Philippines	0	95	13	95	41	20	91
Vietnam	0	30	14	99	0	1026	109
Latin America							
Brazil	48	169	256	95	95	310	102
Mexico	44	65	18	72	72	150	52
Argentina	218	273	120	19	19	0	125
Chile	55	29	12	0	0	19	67
Peru	9	28	0	146	146	258	96
Colombia	0	19	22	104	104	446	96
MENA							
Saudi Arabia	15	4	15	48	0	29	1
Egypt	45	48	14	100	8	0	95
UAE	0	6	25	55	0	39	9
Kuwait	0	6	0	0	0	0	0
Tunisia	44	0	9	49	55	0	0
Jordan	3	3	0	4	0	0	0
Morocco	51	1	1	92	12	21	75

Source: Capital Economics. Data as of July 2023. Domestic supply is domestic production plus net imports.

For import-dependent countries in the Middle East, North Africa (MENA) and parts of Asia, the need for governments to subsidize higher prices for key food staples such as wheat and corn may have the additional effect of aggravating fiscal and external imbalances. Egypt and the Philippines, for example, currently have weak external positions, with the majority of their combined domestic wheat and corn supply imported. A further deterioration in these external positions could leave these markets more vulnerable to higher domestic and global interest rates.

Unlike in developed markets, where food comprises only 10% to 15% of the consumer basket and where retail and processing costs dampen the passthrough to final prices from the underlying commodity, food generally makes up a 30%-plus share of the consumer price index across Africa and south Asia with less insulation from these other costs. Higher agricultural commodity prices driven by El Nino could therefore raise household inflation expectations in large parts of the emerging world, potentially pushing back the interest rate cuts expected by several emerging market central banks in these regions in the second half of 2023.

Agricultural resource scarcity remains one of our key long-term investment themes, and the onset of El Nino later this year would only pull forward some of the expected market effects from this longer-term trend. In our view, key structural drivers of higher food prices will include: a near-2 billion person increase in the global population by 2050; an expanding global consumer class, meaning more demand for higher-protein diets; declining availability of arable land due to urbanization, livestock rearing and increased competition from biofuels; water scarcity (agriculture accounts for by far the largest share of global water use at roughly 70%) and climate change. And by interacting with these underlying forces, a new El Nino phase is likely to increase the near-term pressure on farmers to adopt more efficient techniques and new technologies that can increase agricultural yields at home while helping to meet demand from importer countries around the world.

Within global markets, this should mean not only higher prices for agricultural commodities, but also more demand for products that can boost yields such as fertilizer, pesticides and genetically modified seeds. Equities along the agribusiness supply chain, including machinery, chemicals and processing also stand to be beneficiaries.

THOUGHT OF THE WEEK

The Lopsided Bull is Standing On All Legs Now

Kirsten Cabacungan, Vice President and Investment Strategist

July marked the fifth consecutive month with the S&P 500 in the green, extending its gain to 18% year-to-date and 26% from the October low.[5] The narrative in the first half largely revolved around the "Magnificent Seven," seven large-cap Technology and Communication Services stocks that drove 100% of the index's advance from the start of the year through May and led the S&P 500 into a new bull market.[6] Investors piled into the group as the generative artificial intelligence frenzy stoked enthusiasm over future profits and their higher-quality fundamental and defensive characteristics appeared attractive as uncertainty spiked during the regional bank crisis and debt ceiling negotiations. But the narrowness of the equity market did not lead to the market decline some investors feared, and instead the rally has only broadened out. The equal-weighted S&P 500 that trailed the market-capitalization weighted index for the first several months of the year outperformed over the last two (Exhibit 4A). And now 70% of S&P 500 stocks are trading above their 200-day moving average, a big improvement from the 50% at the end of 2022 and a sign of more widespread and long-term support for the uptrend.[7]

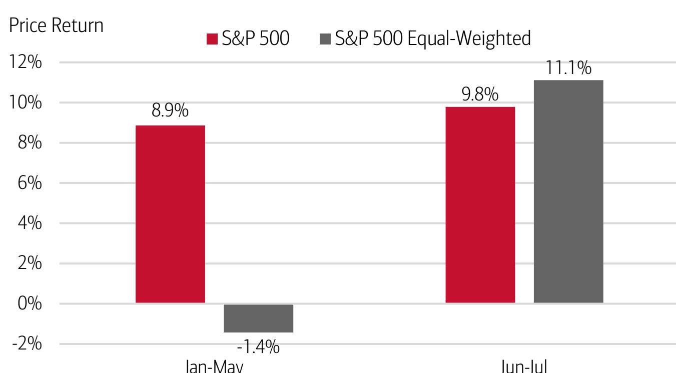
Even further, an Equity sector rotation has come underway. While every S&P 500 sector gained in June and July, it was the first-half laggards that led the advance with economically sensitive sectors including Materials, Industrials, Energy and Financials staging a nice comeback (Exhibit 4B). Greater participation has been a welcome sign that a more solid foundation may be forming for this bull, but not all headwinds have dissipated. Weaker seasonality may come into play as the S&P 500 tends to be up only 58% of the time in August on an average return of 0.67% and up only 44% of the time in September on an average return of -1.16%.[8] Absolute valuations have swelled relative to last year with the S&P 500's forward price-to-earnings ratio above its long-term average, raising concerns over an extended market. Sentiment measures, typically contrarian indicators, have flipped bullish with optimism readings posting an eighth straight week above the long-term average.[9] And while the economy has proven more resilient than originally expected and a soft landing more likely now, Equities could remain vulnerable to possible tests ahead as the full effects of the aggressive monetary policy tightening are felt. For now, we continue to emphasize staying balanced.

Investment Implications

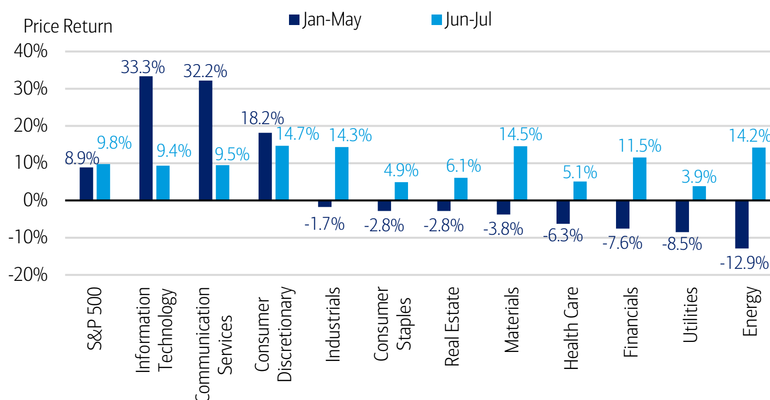
We maintain our balanced approach to portfolio construction and continue to look for signs that this bull market is sustainable, including an improved fundamental backdrop and a bottom in earnings. We would use any period of weakness in the coming months as an opportunity to rebalance portfolios on a dollar-cost averaging basis.

Exhibit 4: Narrowness In The Equity Market Is Broadening Out.

4A) The Equal-Weighted S&P 500 Is Improving.



4B) First-Half Sector Laggards Led the Way in June and July.



Source: Bloomberg. Data as of July 31, 2023. **Past performance is no guarantee of future results.** Please refer to index definitions at the end of this report. It is not possible to invest directly in an index. Performance results are extremely short term and do not provide an adequate basis for evaluating performance potential over varying market conditions or economic cycles.

[5] Bloomberg. Data as of August 2, 2023.
[6] BofA Global Research. Data as of July 2023.
[7] Bloomberg. Data as of August 2, 2023.
[8] BofA Global Research. Data as of August 1, 2023.
[9] American Association of Individual Investor Sentiment Survey. Data as of July 27, 2023.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	35,065.62	-1.1	-1.4	7.0
NASDAQ	13,909.24	-2.8	-3.0	33.5
S&P 500	4,478.03	-2.3	-2.4	17.8
S&P 400 Mid Cap	2,681.58	-1.3	-1.7	11.4
Russell 2000	1,957.46	-1.2	-2.3	12.1
MSCI World	2,986.54	-2.3	-2.5	16.0
MSCI EAFE	2,143.22	-2.4	-2.5	12.4
MSCI Emerging Markets	1,018.02	-2.4	-2.7	8.4

Fixed Income†

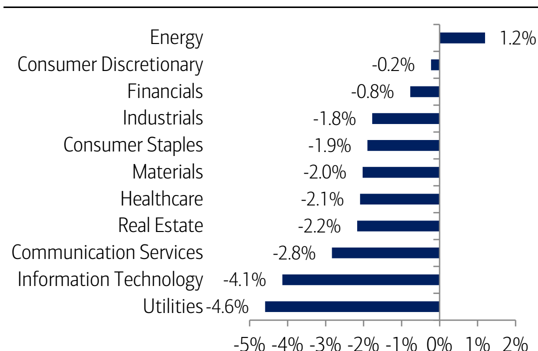
	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.86	-0.53	-0.69	1.42
Agencies	4.91	0.09	0.05	1.87
Municipals	3.72	-1.26	-1.25	1.79
U.S. Investment Grade Credit	4.91	-0.59	-0.72	1.29
International	5.55	-0.79	-1.02	2.51
High Yield	8.51	-0.36	-0.57	6.22
90 Day Yield	5.40	5.41	5.40	4.34
2 Year Yield	4.76	4.87	4.88	4.43
10 Year Yield	4.03	3.95	3.96	3.87
30 Year Yield	4.20	4.01	4.01	3.96

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	237.91	-1.1	-1.3	-3.2
WTI Crude $/Barrel††	82.82	2.8	1.2	3.2
Gold Spot $/Ounce††	1942.91	-0.8	-1.1	6.5

	Total Return in USD (%)			
Currencies	Current	Prior Week End	Prior Month End	2022 Year End
EUR/USD	1.10	1.10	1.10	1.07
USD/JPY	141.76	141.16	142.29	131.12
USD/CNH	7.19	7.15	7.15	6.92

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 7/31/2023 to 8/4/2023. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 8/4/2023 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 8/4/2023)

	2022A	Q1 2023A	Q2 2023A	Q3 2023E	Q4 2023E	2023E
Real global GDP (% y/y annualized)	3.6	-	-	-	-	3.0
Real U.S. GDP (% q/q annualized)	2.1	2.0	2.4	2.0	1.5	2.1
CPI inflation (% y/y)	8.0	5.8	4.0	3.5	3.2	4.1
Core CPI inflation (% y/y)	6.1	5.6	5.2	4.3	3.8	4.7
Unemployment rate (%)	3.6	3.5	3.5	3.7	3.8	3.6
Fed funds rate, end period (%)	4.38	4.88	5.13	5.63	5.63	5.63

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 August 4, 2023.

Asset Class Weightings (as of 7/11/2023)

	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			●		
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	●				

CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio.

Source: Chief Investment Office as of July 11, 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 is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

Equal-weighted S&P 500 Index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

Market-capitalization weighted S&P 500 Index is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S. The index actually has 503 components because three of them have two share classes listed.

Consumer price index an index of the variation in prices paid by typical consumers for retail goods and other items.

Important Disclosures

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