NDR
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2021 Thematic Opportunities Mid-Year Outlook

Table of Contents

Executive summary

The backdrop for our mid-year outlook is a market coming off extreme optimism. First, many themes that thrived during the COVID era (especially clean energy) became meaningfully overbought and are now mean reverting. Second, the underlying market tone has shifted somewhat risk-off as the Fed shifted somewhat more hawkish.

Despite the NASDAQ 100 hitting an all-time high on June 22, consider these declines from their 2021 peaks: Bitcoin (-48%), 10-Year Treasury yield (-21 bps), 10-2 yield curve (-30 bps), copper futures (-16%), silver futures (-12%), gold futures (-9%).

In this second-half outlook we give an update on our key themes laid out at the beginning of the year: Green Wave, Biden Agenda, and COVID Recovery. We also discuss three "X" factors expected to significantly impact our key themes: government laws/regulations, inflation expectations, and mean reversion.

The bottom line is that more pessimistic sentiment has dampened reflation and COVID recovery trades near-term, and re-energized COVID-era growth leaders like Tech Titans. However, believing we are still early-to-mid-cycle, corrections in our favorite themes will be used as buying opportunities.

Our favorite way to ride out expected near-term market volatility is to overweight health care (XHS, XLV). However, we also remain focused on upgrade opportunities within our broad themes of Green Wave (clean energy and electric vehicles) and Biden Agenda (infrastructure, broadband, transportation) — see page 10 for a summary.

Toplines for 2021 Thematic Opps U.S. Mid-Year Outlook

Green Wave

- A global focus on halting global warming provides a positive macro-backdrop for renewable energy.
- Supply disruptions are impacting renewable energy infrastructure - solar companies are experiencing decade-high cost increases.
- Electric vehicles continue to see strong adoption globally, fueled by government regulations, subsidies, increased product offerings, and rising gas prices.

Biden Agenda

- We see passing an infrastructure bill as Biden's top agenda priority and assign a 60% probability it will pass.
- We see bolstering the ACA as a high probability agenda item that already has positive momentum.
- We like the ETF PAVE for infrastructure exposure and XHS for exposure to expanding ACA/health insurance coverage. If XHS is too illiquid for large clients, XLV is a good alternative.

COVID Recovery

- We have favored travel-related to play the recovery theme, however, the group has underperformed since our upgrade.
- Investors still fear COVID as the US falls short of vaccination goals and variants of COVID start to spread.
- We have a stop loss in place, but believe travel-related stocks will eventually climb a "wall of worry" and outperform.

X factors

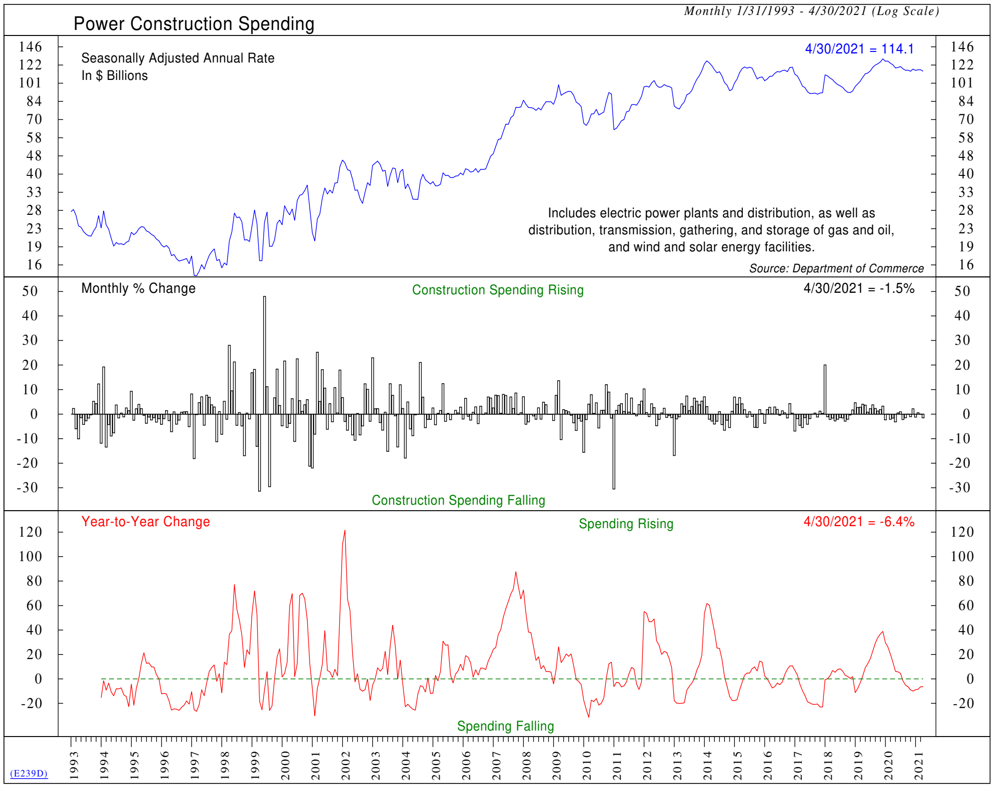
- Mean reversion must be factored, especially for clean energy, as the price run-up has been bubble-like in some cases.
- Government laws/regulations could play an abnormally large role in our second-half outlook.
- Determining if supply/demand imbalances in semiconductors/polysilicon, labor, housing and energy are transitory or longer-term hits to margins is critical to our outlook.

Green Wave

Key Takeaways

- A global focus on halting global warming provides a positive macro-backdrop for renewable energy.
- Supply disruptions are impacting renewable energy infrastructure — solar companies are experiencing their highest cost increases in a decade.
- Electric vehicles continue to see strong adoption globally, fueled by government regulations, subsidies, increased product offerings, and rising gas prices.

Reopening should spur spending



Renewed commitment

In April, at the Leaders' Summit on Climate, 40 world leaders representing roughly half of the global economy committed to limiting global warming to 1.5 degrees C by reducing the emission of greenhouse gases (GHG). Additionally, the renewed commitment by the U.S. includes a GHG reduction of 50-52% below 2005 levels by 2030.

Transition spending

Transforming an economy reliant on fossil fuels (almost 80% by consumption) to one powered by renewable energy (12% by consumption) will require investment and spending on power plants, distribution, transmission, and storage.

Power construction, like many other non-residential construction areas, slowed during the pandemic. April's seasonally adjusted annual rate of $114 billion was roughly the same as July of 2019 and down 12% from the pre-pandemic peak (above). As the economy continues to reopen, spending should pick up.

Proposed spending

The American Jobs Plan proposes $100 billion to be spent on modernizing the U.S. power grid and transmission systems (the bipartisan infrastructure plan is believed to counter with $73 billion in new spending, see page 4).

With the global goal of GHG reduction including a U.S. focus on clean energy generation, wind and solar projects should be primary beneficiaries.

Solar headwinds

However, solar power (11% of renewable energy consumption) is facing headwinds — a dual whammy of rising polysilicon prices and supply chain disruptions.

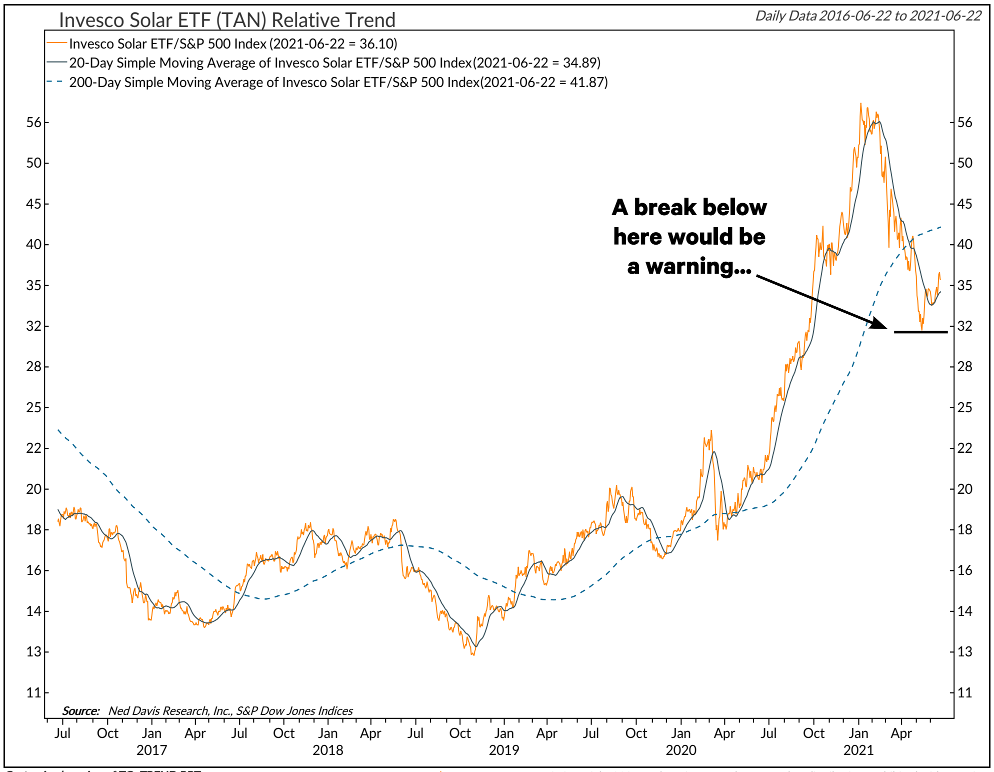
Polysilicon is used in both the construction of solar cells as well as the chips needed to control solar arrays. Per Bloomberg New Energy Finance, if prices remain at current levels, it would be only the 7th quarter of the last 45 without a price decline for solar modules. Rising input costs may slow adoption of solar powered electricity.

Throwing shade

In April, we highlighted how a 21% correction by our Clean Energy thematic ETF index was healthy but not sufficient to remove relative valuation concerns for the ETFs in the index. Since then, TAN, the Invesco Solar ETF, has dropped another 3.6%, its 50-day moving average crossed below the 200-day moving average on both an absolute and relative basis, and median valuation measures have worsened slightly.

We view the rally off the May lows which pushed TAN back above the 50-day moving average as positive. However, we can't deny the technical weakness — a drop back below the May lows would be a warning and keep us cautious on the clean energy theme.

Technically weak



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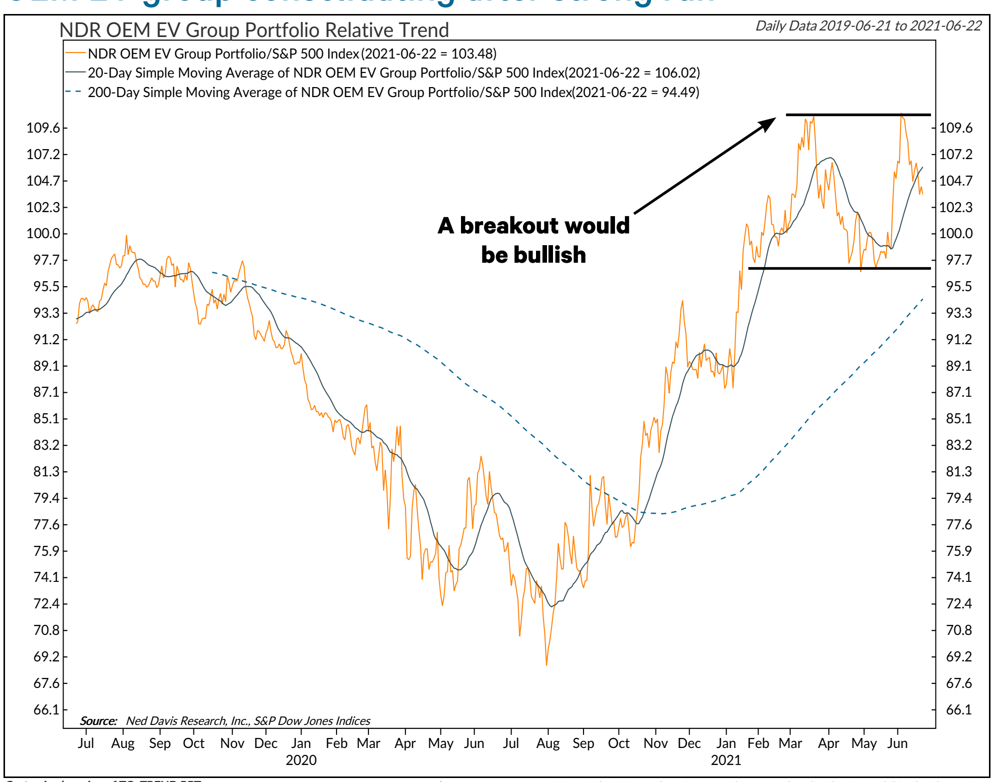
EVs

At the beginning to the year, we hypothesized new EV offerings from OEMs would pressure EV manufacturers, so it is no surprise to see the NDR EV Group EW index down 7% year-to-date. The SEC cracking down on SPAC issuance and some developmental EV companies being accused of fraud has added to negative sentiment. What is surprising, however, is Volkswagen and Ford are both up over 65% year-to-date.

Government subsidies and regulations, improved battery technology, and new product offerings should continue to drive EV adoption. Sustained, rising gas prices could provide an additional tailwind. We believe market share growth will continue for the OEMs, our favorite way to play EVs. However, a flattening relative strength 50-day moving average indicates more consolidation before the trend resumes — a relative strength breakout could turn us bullish on the group.

OEM EV group consolidating after strong run



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Infrastructure at top of Biden Agenda

Key Takeaways

- We see passing an infrastructure bill as Biden's top agenda priority and assign a 60% probability it will pass.
- We see bolstering the ACA as a high probability agenda item that already has positive momentum.
- We like the ETF PAVE for infrastructure exposure and XHS for exposure to expanding ACA/ health insurance coverage. If XHS is too illiquid for large clients, XLV is a good alternative.

Bipartisan Infrastructure Spending Plan

Category	$ bil.
Roads, Bridges, Major Projects	110.0
Passenger & Freight Rail	66.0
Public Transit	48.5
Airports	25.0
Infrastructure Financing Authority	20.0
Ports & Waterways	16.3
Electric Vehicles: Infra & Busses/Transport	15.0
Safety	11.0
Reconnecting Communities	1.0
Power	73.0
Broadband	65.0
Water	55.0
Resiliency	47.2
Orphan Wells/Abandoned Mines	16.0
Remediation of Superfund Sites	5.0
Western Water Storage	5.0
Total	**579.0**

Baseline over 5 years = $973 billion. Baseline over 8 years = $1.209 trillion. Source: Politico.

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BIDEN AGENDA

In addition to clean energy, we see infrastructure spending and fortifying the Affordable Care Act (ACA) as top priorities for the Biden administration.

If you are going to dream, dream big. And the Biden administration certainly did that when it stretched the definition of infrastructure and laid out the **$2.3 trillion** American Jobs Plan (AJP), which we reviewed in a webinar.

Infrastructure plan in limbo

In our 2021 outlook presentation we highlighted three moderate Democratic senators that could pose a threat to Biden passing legislation: Joe Manchin, Jon Tester, and Krysten Sinema. Without using their names, Biden recently called out Manchin and Sinema, noting it was hard to pass legislation "with two members of the Senate who vote more with my Republican friends."

Manchin is clearly the largest roadblock. Call him naïve, but he believes an infrastructure spending plan should be passed with bipartisan support. With that in mind, Democrats will need to show him they did everything within their power to negotiate with Republicans in good faith before they go it alone.

Recently, a bipartisan group of 20 senators — 10 Democrats and 10 Republicans — came up with a $579 billion plan (above) that could reach $1.2 trillion if stretched out over eight years.

But a key sticking point is how to pay for infrastructure. While a bipartisan bill is plan A, Biden is also pursuing plan B, which is to have Democrats pass the bill with a simple majority using budget reconciliation.

Democrat defiance

Still, Manchin and Sinema roadblocks lurk. Both senators have been noncommittal when asked if they would support an infrastructure bill using reconciliation.

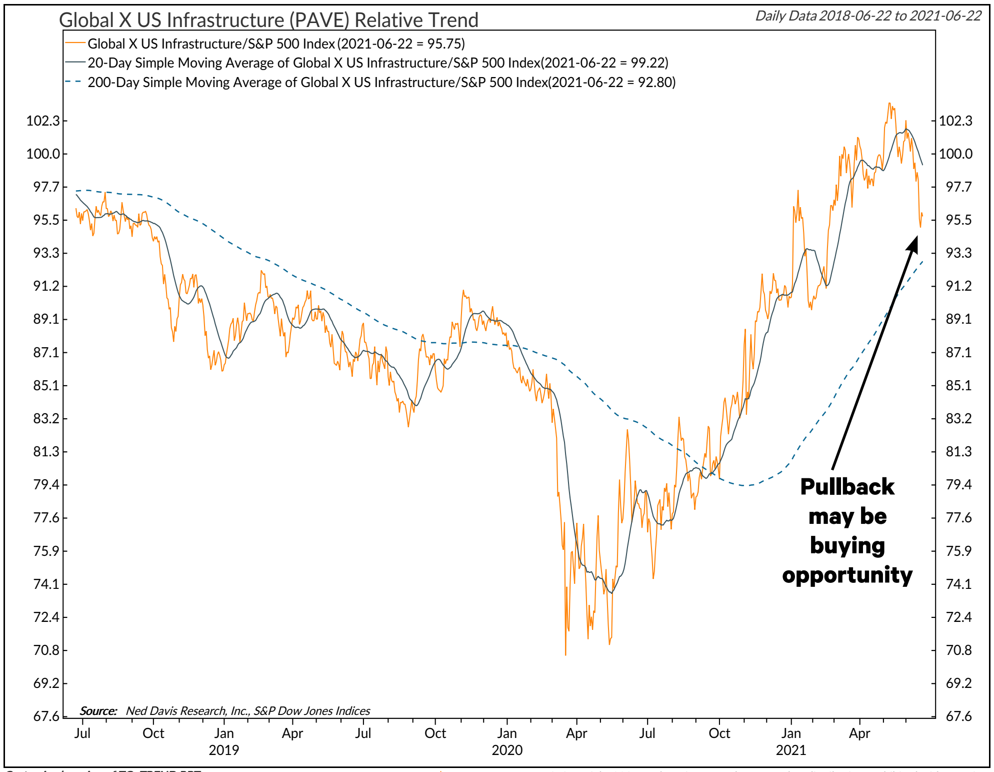
However, the path of least resistance is to convince those two senators to vote along party lines than to come up with a bipartisan solution to pay for the spending. We assign a 60% probability the bill will pass along Democrat party lines using a simple majority.

PAVE the way

We also laid out in our 2021 outlook, PAVE (infrastructure ETF) is our favorite ETF for broad exposure to U.S. infrastructure spending. PAVE is up nearly 20% in 2021, about 6% higher than the S&P 500. Unfortunately, we have not been officially overweight this ETF.

As discussed on the prior page, we see significant risk that an infrastructure bill will not pass. Investors may be realizing this as PAVE has underperformed by more than 700 basis points since May 10. If we can get comfortable that plan A (a bipartisan solution) or plan B (reconciliation process) seems likely, we will officially overweight PAVE.

PAVE for infrastructure exposure



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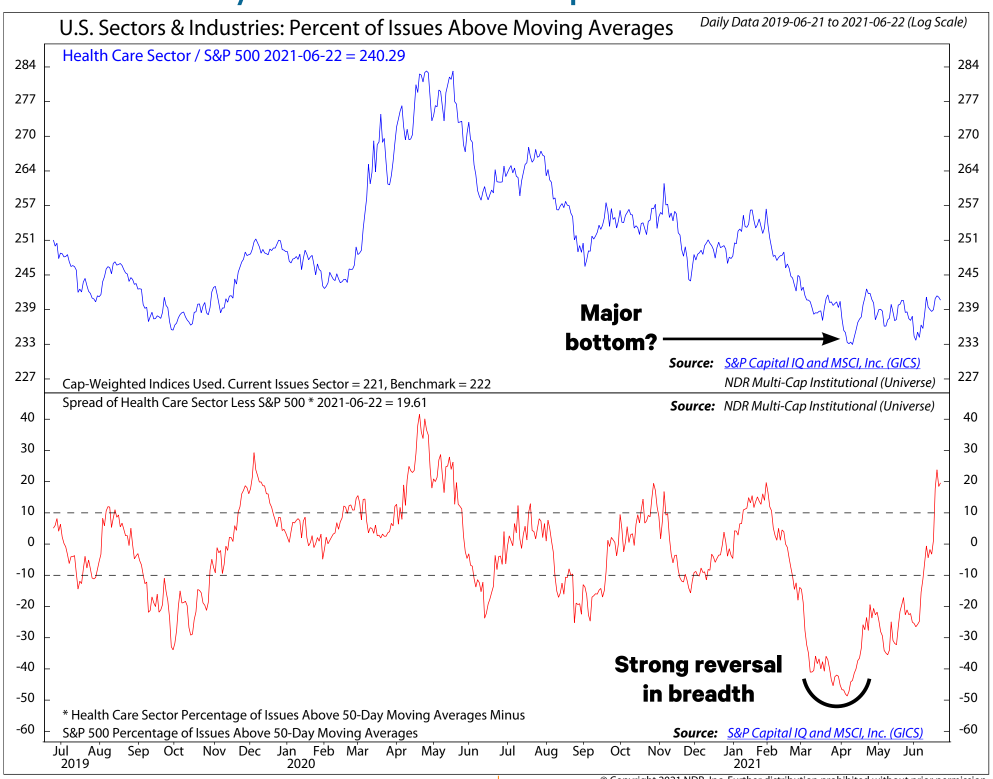
Healthcare may have bottomed in April



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ACA comeback

The ACA is gaining momentum. First, when Biden took office, he opened ACA enrollment through May 15. Second, the $1.9 trillion American Rescue Plan increased and expanded ACA marketplace premium subsidies. Last, the Supreme Court in June upheld the ACA as constitutional, for the third time. We continue to believe the percent of health care uninsured will fall under Biden, and the Managed Health Care industry will benefit the most.

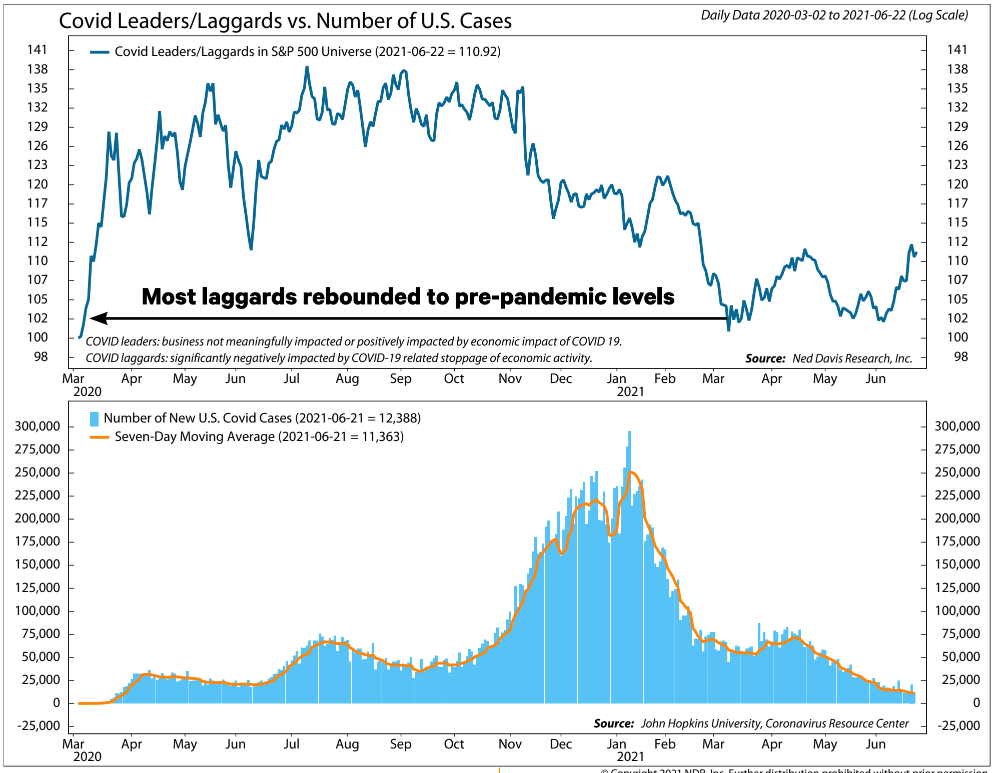
We overweighted XHS as way to play Managed Care and as short-term defensive trade. If clients find XHS too illiquid, XLV (SPDR Healthcare) is the second-best option. While S&P 500 Health Care has been a modest underperformer this year, we are cautiously optimistic that sector relative strength bottomed in April, as breadth has improved since then.

Travel stocks to climb a wall of worry

Key Takeaways

- We have favored travel-related to play the recovery theme, however, the group has underperformed since our upgrade.
- Investors still fear COVID as the U.S. falls short of vaccination goals and variants of COVID start to spread.
- We have a stop loss in place, but believe travel-related stocks will eventually climb a "wall of worry" and outperform.

Most COVID laggards already rebounded



COVID RECOVERY

The COVID recovery theme has been tested by travel industry challenges and a highly contagious virus that is not going to be eliminated without a fight. Our favorite way to play the theme has been through a basket of travel-related stocks, made up mostly of airline and cruise line companies.

COVID comeback?

We have said all along that travel-related investments would require patience. While the number of new daily COVID cases have flattened significantly in the U.S., places like Brazil, Russia, India, and Indonesia have seen sharp increases.

In addition, there is a growing concern that some COVID variants, like the ominous sounding "Delta (B.1.617.2) variant," can spread more easily than the original virus and that vaccines are less effective versus the variant. Still, vaccines appear to significantly reduce symptoms, even versus the variants, and the travel trade should outperform as it climbs this "wall of worry."

Airlines grounded

We outlined in a recent publication reasons we believed Airlines were struggling to take off, including higher debt, higher fuel costs, and lack of profitable business travel.

The bottom line is as follows. First, we know that much of the COVID recovery has played out, evidenced by our Laggard/Leader ratio returning to March 2020 levels (right). Second, we know that international and business travel is the "last frontier" on the COVID recovery because it will take the longest to return.

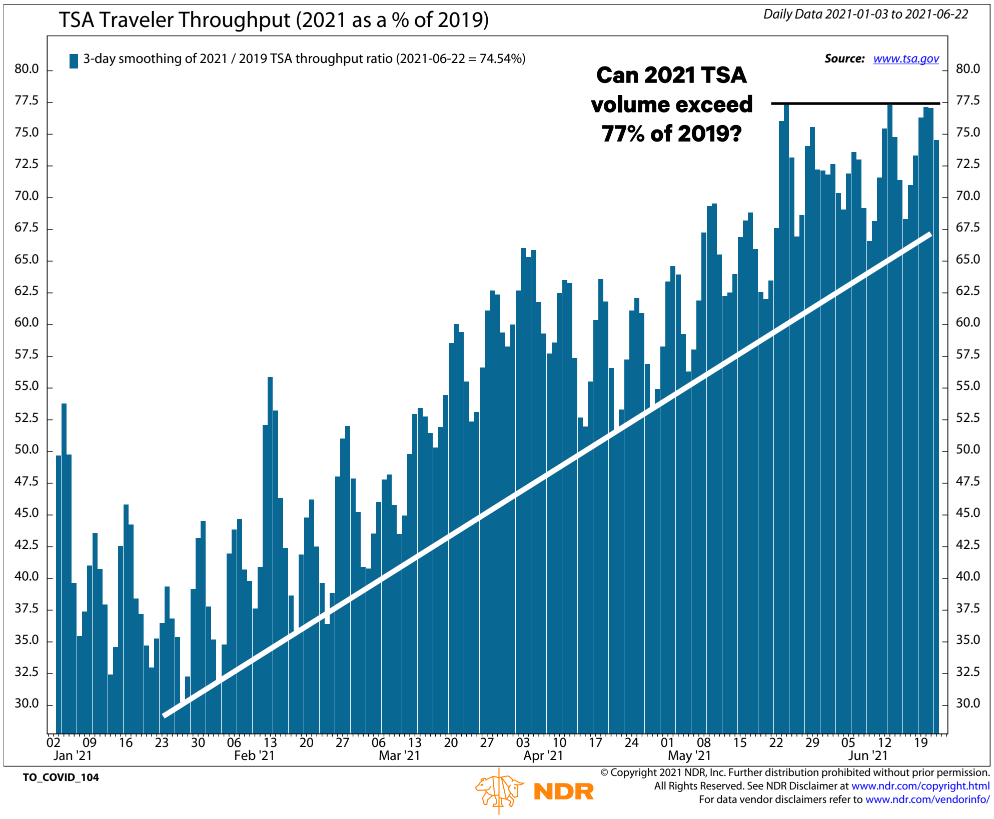
Cool your JETS

Our "let's be patient" approach for Travel & Leisure has limits, however. We have indicated a stop loss for travel-related overweight, based on the ETF JETS relative strength line falling below its 200-day moving average. If the current risk-off environment persists, we could get stopped out and be forced to revisit this theme later in the year.

Watch TSA

As we look to the second half, we are watching TSA throughput trends as a barometer for Travel & Leisure trends. If 2021 TSA throughput cannot exceed 77% of 2019 levels, we would likely turn more negative on this theme.

Watch for breakout



COVID recovery ETFs outperforming YTD but...

US Global Jets ETF (JETS)		ETFMG Travel Tech ETF (AWAY)		Invesco Leisure & Ent ETF (PEJ)	
Top 10 Holdings	**YTD %**	**Top 10 Holdings**	**YTD %**	**Top 10 Holdings**	**YTD %**
Delta (DAL)	13.8	Airbnb Inc (ABNB)	2.0	Airbnb Inc (ABNB)	16.7
United (UAL)	28.8	Uber (UBER)	-5.7	Uber (UBER)	8.5
Southwest (LUV)	20.8	Hldngs (BKNG)	1.6	Hldngs (BKNG)	9.9
American (AAL)	42.4	MakeMyTrip (MMYT)	1.6	MakeMyTrip (MMYT)	3.7
Sun Cntry (SNCY)	42.4	Trip.com (TCOM)	9.3	Trip.com (TCOM)	-4.0
Hawaiian (HA)	56.0	Lyft (LYFT)	21.1	Lyft (LYFT)	26.8
Alaska Air (ALK)	25.0	TRAINLINE (TRN)	n.a.	TRAINLINE (TRN)	7.6
Spirit (SAVE)	39.4	Amadeus IT (AMS)	n.a.	Amadeus IT (AMS)	4.2
SkyWest (SKYW)	15.8	Sabre Corp (SABR)	16.8	Sabre Corp (SABR)	84.2
Allegiant (ALGT)	7.3	Expedia (EXPE)	26.8	Expedia (EXPE)	71.3
JETS -16.1% since 3/15	**14.5**	**AWAY -16.8% since 3/15**	**17.8**	**PEJ -11.2% since 3/15**	**29.3**

Price returns from 12/31/2020 to 6/21/2021.

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Travel & Leisure watch

We continue to focus on travel and leisure for the COVID recovery because we believe there is large pent-up demand for both. We track three ETFs as part of this theme (JETS, AWAY, PEJ).

A look at year-to-date returns (left) shows all three ETFs are outperforming the S&P 500, though PEJ has been significantly aided by two stocks (AMC, NeoGames). Part of the problem with theme returns is just the timing of our upgrade as Travel & Leisure relative strength peaked on March 15.

Mean reversion, inflation, and regulation are key

Key Takeaways

- Mean reversion must be factored, especially for clean energy, as the run-up in prices over the last year has been bubble-like in some cases.
- Government laws/regulations could play an abnormally large role in our second-half outlook.
- Determining if supply/demand imbalances in semiconductors/ polysilicon, labor, housing, and energy are transitory or longer-term hits to margins is critical to our outlook.

Themes with large 2020-2021 gains and their ensuing correction

Theme	2021 Theme	Gain (2020 Low - 2021 High)	2021 Peak Date	Recent Correction
Clean Energy	Green Wave	390%	9-Feb	-39%
Cannabis	Biden Agenda	351%	10-Feb	-55%
Battery Technology	Green Wave	310%	16-Feb	-26%
Rare Resources	Green Wave	287%	22-Feb	-27%
Global Clean Energy	Green Wave	280%	7-Jan	-36%
3D Printing	n.a.	246%	9-Feb	-29%
Gig Economy	COVID Recovery	242%	16-Feb	-33%
Uranium & Nuclear	Green Wave	215%	7-Jun	-11%
E-Commerce	n.a.	213%	12-Feb	-23%
Social Media	n.a.	210%	16-Feb	-21%
Infrastructure	Biden Agenda	199%	7-May	-9%
Autonomous/EV's	Green Wave	198%	8-Jun	-5%
Leisure & Ent	COVID Recovery	178%	15-Mar	-23%
Broad FinTech	n.a.	166%	16-Feb	-22%
Travel	COVID Recovery	151%	15-Mar	-16%
S&P 500	Benchmark	90%	14-Jun	-2%

Theme returns generated using cap-weighted thematic ETFs as of 6/21/2021.

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SECOND HALF X FACTORS

As we look to the second half, we see three key or "X" factors coming into play that stand to play a large part in our second-half outlook: government laws/regulations, inflation expectations, and mean reversion.

Mean reversion

We must take into account the stunning price run-up in some themes from their Q1 2020 lows to Q1 2021 highs. Seen in the table above, there were 15 themes that had more than a 150% jump from their Q1'20 low to their Q1'21 high, versus the S&P 500's 90% run.

We must also look at these large moves in the context of second-half risks that Chief U.S. Strategist Ed Clissold has laid out: peaking Y/Y earnings growth, peaking monetary and fiscal policy, potential tax hikes, and higher risk of a correction in year two of a bull market.

We know that corrections can be severe after large run-ups. Also seen in the table, the top seven performing themes have already seen corrections of 26% or more.

Bubble or bull

Some thematic ETFs have had such large moves that they have been called bubbles by some in the financial media. In fact, four thematic ETFs (PRNT, XTIK, QCLN, PBW) have met the definition of a bubble from our bubble watch report.

The difficult part of thematic investing is differentiating between bubbles and the beginning of a large and long secular move. Clean energy and electric vehicles themes, for example, are expected to play out over the next 20-30 years. However, the market is manic-depressive and can get carried away with a bullish outlook and price in decades of expected good news. Tesla's market cap hitting $837 billion in February is a case in point.

Bottom line

The bottom line is that we may be slow to recommend some thematic ETFs after such large moves. We will need to rely heavily on technicals to determine if it is safe to overweight COVID-era winners.

Laws and regulations

U.S. government laws and regulations could play an abnormally large role in the second-half of 2021. Everything from the SEC approving a Bitcoin ETF, to the potential legalization of marijuana, to the passage of an infrastructure spending bill is in play. The table (right) highlights what we are watching and ETFs that should benefit if laws/regulations are favorable. We see infrastructure as most important.

Passing a $1.2 trillion infrastructure bill without raising taxes means the odds of passing a bipartisan bill are extremely low. We assign a 60% probability that Democrats pass a bill with a simple majority along party lines. We take the fact that moderate Joe Manchin voted for the Democrat-sponsored voting and election bill as a sign Democrats can pass legislation with a simple majority under the reconciliation process.

2H themes potentially influenced by U.S. Government

Theme	2021 Theme	Potential Catalyst	ETF for Exposure
Infrastructure	Biden Agenda	Passage of infrastructure plan bolsters spending on roads, bridges, airports, utilities	PAVE
Broadband	Biden Agenda	Infrastructure plan bolsters rural internet access via cellular/5G towers	SRVR
Electric Vehicles	Green Wave	Infrastructure plan provides EV incentives, charging stations	IDRV
Bitcoin	COVID Recovery	SEC approves Bitcoin ETFs	TBD
Cannabis	Biden Agenda	National legalization of marijuana	MJ
Healthcare	Biden Agenda	ACA subsidies made permanent	XHS

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Constraints that may be impacting Fed's inflation outlook

2021 Theme	CPI Item (NSA)	Y/Y% (May)	Constraints
Electric Vehicles	Used Cars & Trucks	29.3	Auto semiconductors
COVID Recovery	Meats, Poultry, Fish& Eggs	10.2	Labor shortage, restocking, transportation, exports
Biden Agenda	Medical Care Services	7.5	Consolidation
COVID Recovery	Food Away From Home	7.1	Labor shortage, food prices (beef, pork, fruit)
Multiple	Transportation	6.6	New trucks (semiconductors), labor shortage, higher fuel
Housing Shortage	Household Furnishings/Ops	6.3	Strong home sales, higher transportation costs
Housing Shortage	Rent of Primary Residence	5.4	Work from home demand, supply 2.8 million short, lumber, labor
Multiple	Commodities	5.3	Corn, crude, nat gas, hogs, copper up > 60% Y/Y
Housing Shortage	Owners Equiv Rent	5.2	Work from home demand, supply 2.8 million short, lumber, labor

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Inflation expectations

Bullishness behind the re-opening trade was aided by the belief the Fed would stay dovish and let inflation run hot. However, when some Fed officials moved their expected first rate hike from 2023 to 2022 (deemed "Dot Shock"), the market interpreted as the Fed is more hawkish than it was led to believe. This outlook is critical as a hawkish Fed would favor Technology/Growth themes over Reopening/Value themes.

It is also critical to determining if supply/demand imbalances in semiconductors/polysilicon, labor, housing, and energy are transitory or longer-term hits to margins. The table (left) highlights large Y/Y moves in the CPI and impacted themes.

INVESTMENT SUMMARY

Our recommendations report shows us overweight Healthcare Services (XHS), Housing (ITB), Small-cap Value (VBR), and Travel-related (basket) themes. Given the context of market risks related to higher inflation, declining stimulus, and slowing earnings growth, we enter the second half with all of our recommendations (expect healthcare), on downgrade watch.

With that said, we do not want to get too bearish. We continue to believe we are early-to-mid economic cycle and that 2022 GDP growth should be higher than pre-pandemic GDP growth. While pullbacks could be violent given massive run-ups, we generally see these as buying opportunities.
The sub-themes below should all be considered "on our radar" for second-half 2022. ETFs are listed for illustrative purposes of potential/existing overweights, but we could recommend a basket of stocks instead of an ETF.

Green Wave

- Clean Energy - Invesco WilderHill Clean Energy (PBW)
- Global Clean Energy - iShares Global Clean Energy (ICLN)
- Global Wind - First Trust Ise Global Wind Energy (FAN)
- Solar – Invesco Solar (TAN)
- Electric Vehicles - iShares Self-Driving EV & Tech (IDRV)
- Batteries - Global X Lithium & Battery Tech (LIT)

COVID Recovery

- Airlines - US Global Jets (JETS)
- Travel - ETFMG Travel Tech (AWAY)
- Leisure & Entertainment - Invesco Dynamic Leisure & Ent (PEJ)

Biden Agenda

- ACA/Healthcare - SPDR S&P Health Care Services (XHS)
- Infrastructure - Global X US Infrastructure (PAVE)

NDR Strategists

- Housing - iShares U.S. Home Construction ETF (ITB)
- Emerging Markets - iShares Core MSCI Emerging Markets (IEMG)
- Gold - VanEck Vectors Gold Miners ETF (GDX)

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NDR HOUSE VIEWS (Updated June 3 , 2021)

NDR recommends maximum overweight allocation to equities, underweight allocation to bonds and marketweight allocation to cash. It is likely that we have seen a reset of the secular bull market that started in 2009.

Equity Allocation

U.S. | We are marketweight the U.S. relative to other regions but are bullish on an absolute basis. The rally from the March 23 low has met the NDR criteria for a cyclical bull market, and we are shifting to risk-on assets as models confirm. We favor small-caps over large-caps and Value over Growth.

INTERNATIONAL | We are overweight Europe ex. U.K., underweight U.K. and Pacific ex. Japan, and neutral on all other regions within our seven-way regional allocation framework.

Macro

ECONOMY | The global economy fell into its deepest recession in the postwar era due to COVID-19, but pent-up demand and robust stimulus is setting the stage for a strong rebound in growth in 2021. Inflation will jump in the short-term, but long-term trends are anchored.

FIXED INCOME | We are 85% of benchmark duration. We are positioned for a steeper yield curve. We are overweight MBS, ABS, HY corporates, EM, and TIPS. We are underweight Treasurys.

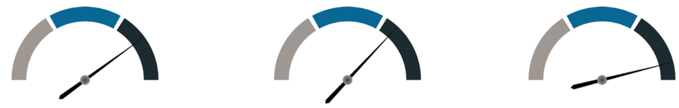
GOLD | Long-term uptrend intact. We are bullish.

DOLLAR | Our long-term technical composite is negative. We are bearish.

Economic Summary

June 21, 2021

Near term activity: ● Accelerating ● Neutral ● Decelerating



Global Economy (6.1%) | U.S. Economy (6.5%-7.0%) | U.S. Inflation (2.5%-3.0%)

Economic gauges reflect changes in near-term economic activity. Numbers in parenthesis refer to NDR 2021 forecasts.

Global Asset Allocation

● Overweight ● Marketweight ● Underweight

- Stocks (70%)
- Cash (10%)
- Bonds (20%)

Benchmark: Stocks (55%), Bonds (35%), Cash (10%)

Equities — Regional Relative Allocation

- Europe ex. U.K. (17%)
- U.S. (57%) | Emerging Markets (13%) | Japan (6%) | Canada (3%)
- U.K. (2%) | Pacific ex. Japan (2%)

Benchmark – U.S. (57.9%), Europe ex. U.K. (13%), Emerging Markets (12.9%), Japan (6.7%), U.K. (3.7%), Pacific ex. Japan (3.1%), Canada (2.8%)

Global Bond Allocation

- U.S. (50%) | Europe (28%) | Japan (17%) | U.K. (5%)

Benchmark: U.S. (50%), Europe (28%), Japan (16%), U.K. (6%)

U.S. Allocation

- Stocks (70%) | Small-Cap | Value
- Mid-Cap | Cash (10%)
- Bonds (20%) | Large-Cap | Growth

Benchmark: Stocks (55%), Bonds (35%), Cash (10%)

Sectors

- Financials (13%) | Industrials (12%) | Energy (4%)
- Technology (24%) | Consumer Staples (5%)

Benchmark: Technology (27.0%), Health Care (13.5%), Financials (10.0%), Communication Services (11.1%), Consumer Discretionary (12.5%), Consumer Staples (7.3%), Industrials (8.3%), Energy (2.4%), Utilities (2.8%), Real Estate (2.5%), Materials (2.6%)

U.S. Bonds — 85% of Benchmark Duration

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NDR
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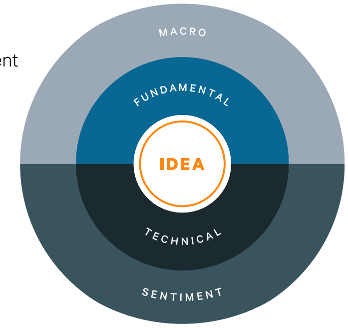

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