

ECONOMIC & MARKET INSIGHTS

An Executive Summary for the First Quarter 2025

Initial optimism surrounding supportive economy policies from the new administration quickly faded when rhetoric around tariffs, reduced government spending, and immigration were enacted into policy. An elusive recession in the U.S. over the past two years was fought off by a surprisingly resilient consumer and expansive fiscal spending. The wealthiest consumers accounted for a disproportion of this spending, making a potential erosion in their confidence from a declining wealth effect especially relevant. Perhaps even more impactful than policy changes, the level of uncertainty has the potential to meaningfully hold back business and consumer spending. Outside of some pulled forward demand in anticipation of price increases, future spending could decline to meaningfully lower levels. Inflationary pressures could once again be building despite a slower growth trajectory, led by passthrough price increases and other inflationary policies including curtailed immigration which helped maintain subdued wage growth. Elevated equity valuations entering the year made markets particularly susceptible to disappointments in growth, profits, or some combination of the two – particularly in U.S. large-caps. While nearly all markets have declined, the S&P 500 has finally fallen behind other major international indices after an extended period of relative outperformance. Despite reemerging concerns surrounding inflation, yields initially declined as the flight to safety playbook was dusted off. The U.S. Treasury 10-year yield dipped below 4% for the first time since October of last year before rallying back to 4.5% based on potential deleveraging and renewed inflationary pressures from tariffs. In-line with equities, credit spreads widened creating a headwind for high yield and leveraged loans. Relative to equity drawdowns, the fall in high yield has so far been relatively benign (at least through early April). Private market assets will realize some sensitivity into the dramatic repricing currently occurring in public markets. Sponsors with captive asset bases and an expansive toolkit should be able to take advantage of dislocations that, while painful in the short-term, could set the stage for compelling future performance. Following widespread acceptance of a soft-landing scenario and accommodative risk asset performance, markets are now faced with significant policy and growth headwinds. Periods of extensive volatility and uncertainty, like we are experiencing currently, can be unsettling. Rather than panic, it's best to focus on productive action as dislocations tend to breed opportunity. There are several actions to consider into the coming months: 1) opportunistically rebalancing to take advantage of areas of market weakness 2) for taxable accounts, contemplate tax-loss-harvesting assets to either offset future gains or to tax-efficiently reposition portfolios and 3) consider opportunistically leaning into market weakness after ensuring ample medium-term liquidity is secured. It's likely volatility continues into the coming months or even throughout the year, but ensuring a proper asset allocation and financial plan for the future offers the opportunity to be well situated for many years ahead.

Economic Insights

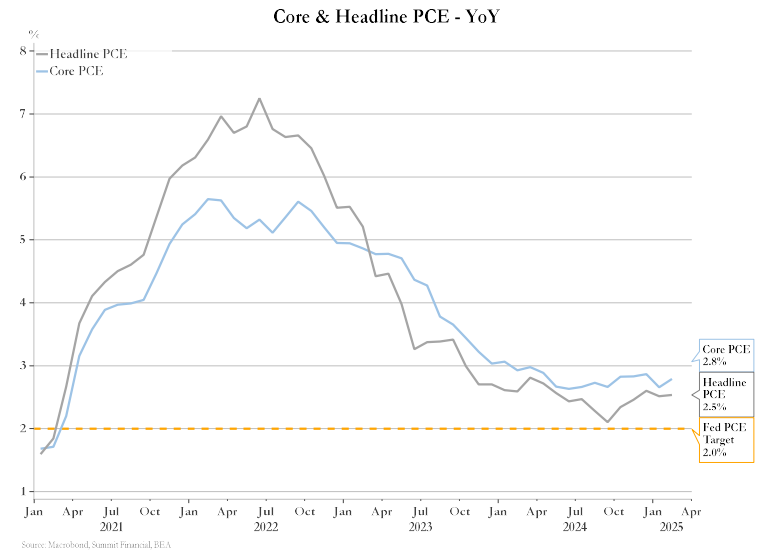
After the initial GDPNow estimate for real U.S. GDP growth in Q1 2025 came in at 2.9% on January 31st, it was quickly revised higher to 3.9% just a few days later. Since then, however, projections have fallen, bottoming on April 1st before rebounding slightly as of this writing. The projected decline in growth, driven by ongoing uncertainty around tariffs and global trade, comes after two years when the U.S. economy remained resilient in the face of rates staying higher-for-longer and periods of weakness in the labor market. Given the current environment, many businesses and consumers are curtailing spending in preparation for a perceived forthcoming recession.

Similar to businesses, consumers, and other investment market participants, the Fed is also currently navigating a complex economic landscape with several factors influencing its decision-making process regarding interest rates. The Fed has maintained its benchmark interest rate within a range of 4.25% to 4.50% after pausing rate cuts in January and March 2025 while continuing to stress that it will remain cautious and data-dependent. High national debt means that higher interest rates significantly increase borrowing costs, potentially exacerbating the debt burden. Lowering rates could help mitigate the problem, but doing so is contingent on inflation remaining under control. President Trump's recently announced tariffs, which many view as inflationary, hampering the Fed's ability to cut rates.

After ending a 26-month streak in contraction territory, ISM manufacturing posted consecutive months of expansion in January and February. The March reading fell slightly back into contraction territory due to a decline in new orders driven by tariff uncertainty. Supporters of President Trump's policies believe the negative impact of tariffs on economic activity will be transitory, and the resulting reshoring of manufacturing will help drive the next leg of U.S. economic expansion.

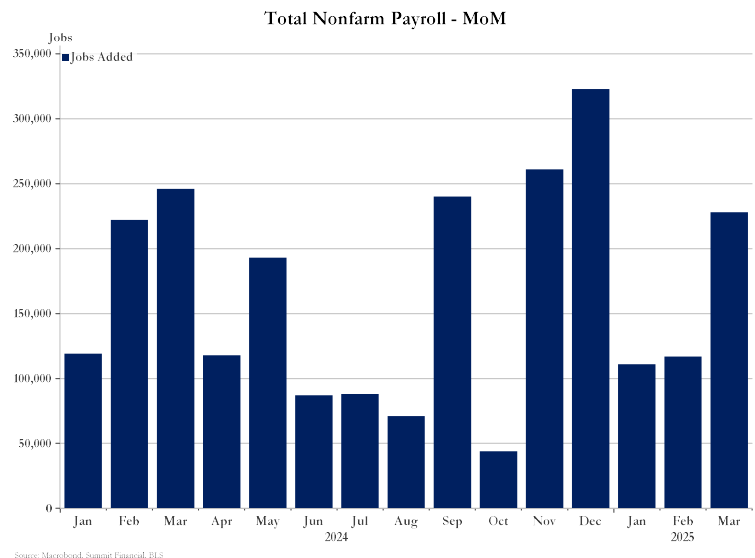
Core PCE Ticks Up, Probability of Rate Cut Falls

- Core PCE, the Fed's preferred inflation gauge, increased 0.4% in February, above an expected 0.3% and its biggest monthly gain since January 2024.
- Shelter costs, which have been one of the stickier elements of inflation, rose 0.3% while good prices increased 0.2% and services were up 0.4%.
- Consumers got some relief from gasoline, which fell 0.8% from January, but aggregate annual inflation of 2.8% is still well above the Fed's stated target of 2.0% and has muted expectations of rate cuts in the near term.
- Currently, the Fed's official projection is for two rate cuts in 2025, while the market is anticipating three.



Labor Market Solid, Jobs Move to Private Sector

- As the Department of Government Efficiency continues to identify areas of wasteful spending and cut jobs, some strategists feared the resulting increase in unemployment would help push the U.S. into recession.
- The job market, however, has remained resilient and surprised to the upside by adding 228,000 jobs in March as the U.S. shifts away from dependence on the government and towards the private sector.
- The contribution of government jobs to total nonfarm payrolls, which eclipsed 100% back in October, fell to just 65% in March.
- Unemployment has remained at or slightly below 4.2% and permanent job losers, a good measure of joblessness, has also remained stagnant for several months.



Equity Markets

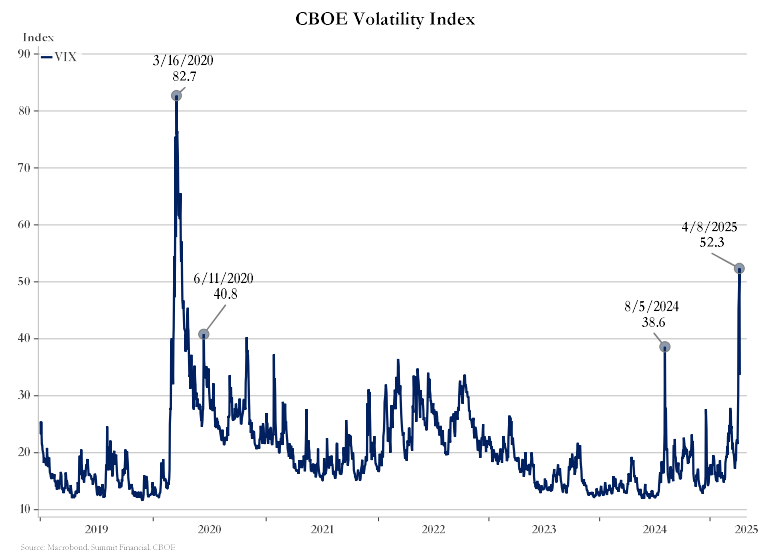
As tariff negotiations continue and new announcements are made seemingly every day, volatility has spiked, and markets have made large moves to both the positive and negative over recent weeks. On a positive note, earnings growth continues to accelerate and broaden out beyond the Magnificent 7 which drove market gains throughout 2023 and 2024. Alternatively, uncertainty has many investors fleeing risk assets in search of safe havens. Many strategists feel volatility will remain heightened until a new normal in global trade is reached and policy changes subside.

As some headlines paint a gloomy scenario, investors with well-diversified portfolios have been sheltered from some of the volatility as international equities were a bright spot and meaningfully outpaced U.S. stocks in Q1. Europe had a strong quarter with gains early in the quarter driven by central bank interest rate cuts, but the rally was not immune to global trade uncertainty and tapered off by mid-March. The MSCI China Index had an impressive start in Q1 but also lost steam and gave back all of its YTD gains over the following weeks as additional levies were placed on the U.S.'s largest economic rival.

It remains to be seen whether President Trump is using these tariffs more as a negotiating tool or as concrete economic policy, but until investors receive more clarity, they will likely remain on edge and large intraday market swings may persist.

Volatility Spikes in Q1

- The VIX, often referred to as Wall Street's "fear gauge", recently spiked above 50.
- Simultaneously, the MOVE Index, which measures volatility in the bond market, also spiked, reflecting a broader sense of market uncertainty.
- President Trump's announcement of reciprocal tariffs and a growing likelihood of a full-blown trade war were the key catalyst of the surge as expectations of higher prices and slower growth rattled investor confidence.
- In response, investors have shied away from risk assets, notably the tech sector which had been characterized by stretched valuations, in favor of safe haven assets like gold and U.S. Treasuries.



Fixed Income Markets

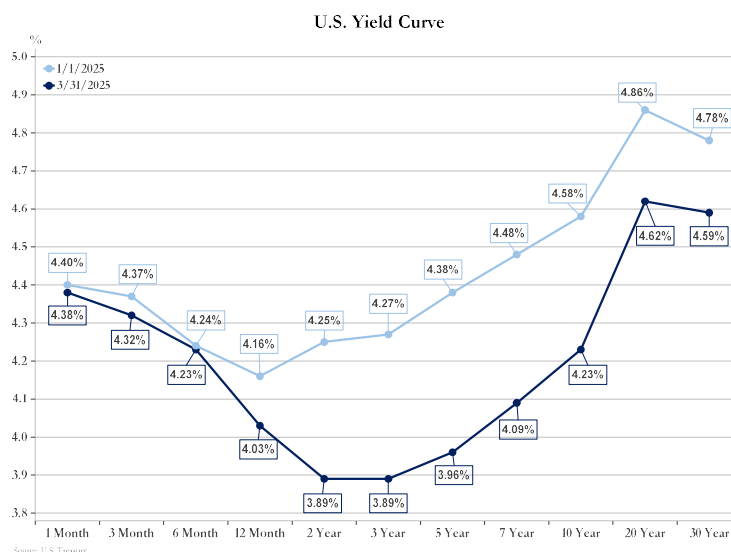
After a tough fourth quarter, fixed income broadly performed well in Q1, with all sectors finishing positive outside of municipals. Treasury yields fell across the curve, particularly in the two to 10-year range, as concerns over economic growth and a potential recession mounted, driving up demand for high-quality assets like Treasuries and MBS. The yield on 10-year Treasuries dropped below 4% for the first time since October 2024, before rebounding to 4.5%, driven by potential deleveraging and renewed inflationary pressures from tariffs.

Credit spreads widened slightly from historically tight levels, reflecting renewed caution about the economic outlook amid tariff concerns and slowing growth. However, credit-sensitive sectors like high-yield bonds managed to stay in positive territory due to strong fundamentals and higher starting yields. Riskier debt, such as emerging market bonds, outperformed corporate debt early in the year but lost steam as growing uncertainty took hold in February and many investors embarked on a flight to safety. Ultimately, investment grade bonds outperformed lower quality issues as they were less affected by widening spreads. Inflation-protected securities led all sectors, driven by rising inflation expectations and falling rates having a relatively larger impact on prices due to longer maturities.

Municipal bonds meaningfully lagged taxable fixed income as municipal yields rose and Treasury yields fell, pushing Q1 returns into negative territory. Heavy issuance was one factor that drove underperformance, along with uncertainty surrounding tax policies and the impact this may have on the municipal market. Short-term dislocations are not uncommon for municipals, and investors can typically expect strong performance in low or negative growth macro environments as fixed income and duration tend to rally. High income levels are typically the dominant driver of long-term performance for municipals, and many strategists have a positive view on the current backdrop and outlook.

Yields End Q1 Lower Across the Treasury Curve

- The yield on 10-year U.S. Treasuries was unchanged in March but declined 35 bps in Q1, providing some relief to homebuyers and consumers as the rate typically informs mortgage and other borrowing costs throughout the U.S.
- As widely expected, the Fed held policy rates steady in the 4.25% - 4.50% range after the March FOMC meeting, taking a wait-and-see approach given significant policy uncertainty.
- Based on the FOMC's updated Summary of Economic Projections, they expect unemployment to tick up to 4.4%, growth to slow to 1.7%, and inflation to rise to 2.7% compared to estimates of 4.3%, 2.1%, and 2.5% in their December forecast, which provides little clarity on when the next rate cut may come.



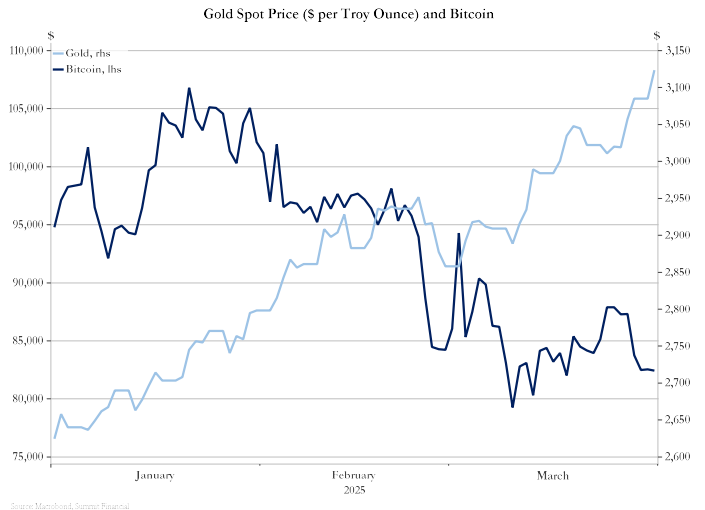
Real Assets

With equity markets experiencing heightened volatility to start the year, real assets were one of the few bright spots in Q1 2025. All sectors posted positive performance as investors flocked to defensive positions with tariffs looming and trade uncertainty persisting. Precious metals have led the charge so far in 2025. The outperformance has been driven by strong demand from investors looking to tangible assets for protection against recent market swings fueled by geopolitical and economic uncertainty, as well as central banks looking to hedge against inflation and currency volatility. Copper futures climbed higher throughout the quarter and hit a recent high in late March as manufacturers raced to import large volumes of the metal into the U.S. before copper-specific levies were imposed, a trend that risked draining supply and increasing prices for other buyers. Since then, however, prices have fallen precipitously and copper has given up all of its gains and turned negative for the year as the latest wave of tariff announcements has reignited concerns of slowing global economic growth.

Energy advanced in Q1, driven by natural gas' gain to start the year. Despite a planned OPEC+ production increase next month, crude and fuel products have been challenged by concerns that slowing economic growth will mute demand and a growing risk of sanctions that could limit supply from Iran and Venezuela. In the face of significant global economic challenges, REITs have proven resilient with many adjusting their strategies to navigate turbulent market conditions. Amid a backdrop of market volatility and rising costs, REITs have been lowering leverage and laddering debt maturities to strengthen their balance sheets. The agriculture sector delivered the worst performance among real assets for the quarter and trailing year. With growth slowing due to looming tariffs, infrastructure's defensive nature led to positive first quarter returns. Core infrastructure assets with contractual cash flows and built-in inflation protection remain attractive for investors in the current market environment.

Gold Continues Strong Run, Bitcoin Struggles

- Gold prices hit a new record high in Q1, topping \$3,100 per ounce to end the quarter.
- Gold is benefiting from a confluence of macro drivers: heightened geopolitical tension, sticky inflation, and surging investor flows into exchange-traded funds.
- Bitcoin registered its weakest Q1 performance in seven years after a significant gain in Q4 2024.
- Cryptocurrencies and related securities got a boost immediately following Trump's reelection but have since lost significant ground as investors rotated away from risk assets amid an outlook of slowing global growth and trade policy uncertainty.



Alternatives

The resurgence in private equity fluctuated during the quarter in the face of economic uncertainty and deteriorating business confidence. Deal activity and exits slowed markedly while falling public equity markets put downward pressure on valuations. While slower economic growth and rising costs may hamper both public and private companies, private equity has historically weathered difficult environments. Strong company fundamentals and the expansion of credit availability from private lenders should help mitigate tighter financial conditions. Exit activity, once dominated by IPOs, has become more diverse with corporate acquisitions and secondaries providing additional liquidity. Many fund sponsors have exposure to domestically-oriented companies based outside the U.S. which will help diversify business and currency risks.

Private credit once again provided stable returns and income during a period when public equity and interest rates were volatile. Yields continued to moderate with new senior secured corporate debt issuance rates falling below 10%. More recently, heightened economic risk and a pull back by bank lenders has resulted in wider credit spreads as private lenders filled the gap. Although signs of distress remain muted for private loans, defaults on leveraged bank loans are at the highest level in several years. Private credit distress is likely to increase if there is a recession and high interest rates remain a threat. The ability to negotiate and customize new deal terms as well as the focus on service sectors such as health care and business software with less exposure to manufacturing and cyclical sectors should offer downside protection.

Over the long term, private equity has earned roughly a 5% premium over public equity. This return premium has been most pronounced during periods of poor public equity returns.

Although the recent market decline has improved valuations, the sharp run up in large public U.S. companies in 2023 and 2024 has left private equity valuations historically more attractive which could support future relative performance.

Many private companies have characteristics that should be favorable today. Private companies tend to be smaller with business models tied to domestic economies that are less exposed to trade-related issues and tariffs. PE secondaries are a growing market segment and may see widening spreads if GP and investor liquidity needs are not met by fund cash flows.

Growth	3/31/2025	12/31/2024
GDP Growth	-2.4%*	2.4%
U.S. Leading Economic Indicator (YoY%)	-3.1%**	-3.0%
Unemployment Rate (%)	4.2%	4.1%
Initial Claims (Weekly as of 3/28/25, thousands)	219.0	209.0
Industrial Production (YoY%)	1.4%**	0.5%
Consumer Sentiment	57.0	74.0
ISM Manufacturing Index	49.0	49.2
ISM Non-Manufacturing Index	50.8	54.0
Retail Sales (YoY%)	3.1%**	4.4%
Building Permits (mil)	1.46**	1.48

Inflation	3/31/2025	12/31/2024
Headline CPI (YoY)	2.4%	2.9%
Core CPI (YoY)	2.8%	3.2%
Core PCE (YoY)	2.8%	2.9%
Forward Breakeven Inflation Expectation (5-year)	2.3%	2.4%

*GDP Now estimate as of 4/9/2025

Market Sentiment	3/31/2025	12/31/2024
MOVE Index	101.4	98.8
VIX Index	22.3	17.4
National Financial Conditions Index (NFCI)	-0.54	-0.60

Rates & Credit Conditions	3/31/2025	12/31/2024	10-Year Average
3-M U.S. Treasury	4.3%	4.6%	1.9%
10-YR U.S. Treasury	4.2%	3.8%	2.5%
Spreads over 10-YR U.S. Treasuries (bps)			
U.S. Corporate Investment Grade	92	94	116
U.S. Corporate High Yield	350	321	408
U.S. Municipal	-38	-46	-10

Federal Reserve Economic Projections	2025	2026	2027
Real GDP (YoY%)	1.7%	1.8%	1.8%
PCE Price Index (YoY%)	2.7%	2.2%	2.0%
Core PCE (YoY%)	2.8%	2.2%	2.0%
Unemployment %	4.4%	4.3%	4.3%

Disclaimer: This commentary was composed by Summit Financial, LLC., an SEC Registered Investment Adviser (“Summit”), headquartered at 4 Campus Drive, Parsippany, NJ 07054, Tel. 973-285-3600. It is provided for your information and guidance and is not intended as specific advice and does not constitute an offer to sell securities. Summit is an investment adviser and offers asset management and financial planning services. Indices are unmanaged and cannot be invested into directly. Data in this newsletter is obtained from sources which we, and our suppliers believe to be reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. Consult your financial professional before making any investment decision. Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against a loss. Economic and market forecasts presented herein reflect our judgment as of the date of this presentation and are subject to change without notice. Any forecasts are subject to high levels of uncertainty that may affect actual performance. Accordingly, forecasts should be viewed as merely representative of a broad range of possible outcomes. Forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client.

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS, and CMBS (agency and non-agency). The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers. The Bloomberg Municipal Bond Index covers the U.S. dollar-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. It is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are included. The S&P 500 Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard and Poor’s chooses the member companies for the 500 based on market size, liquidity, and industry group representation. Included are the stocks of eleven different sectors. The MSCI EAFE Index (Europe, Australasia, Far East) captures large- and mid-cap representation across developed markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI Emerging Markets Index captures large- and mid-cap representation across emerging markets countries across the world. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The HFRI Fund of Funds Composite Index is an equally weighted hedge fund of funds benchmark composed of global constituent funds. The underlying constituents are typically diversified among multiple managers and styles to provide a comprehensive representation of the hedge fund of funds investment space. The FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITS worldwide. Index constituents are free float-adjusted, subject to liquidity, size, and revenue screening for inclusion. The Bloomberg Commodity Index reflects commodity futures price movements and is calculated on an excess return basis. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production, and weight-caps are applied at the commodity, sector, and group level for diversification. The roll period typically occurs from the 6th-10th business day based on the roll schedule. The MSCI World Index captures large- and mid-cap representation across developed markets countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI AC Asia Pacific Index captures large and mid cap representation across 5 Developed Markets countries and 8 Emerging Markets countries in the Asia Pacific region. With 1,537 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI AC Asia Pacific ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets countries (excluding Japan) and 9 Emerging Markets countries in the Asia Pacific region. With 1,312 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The MSCI Europe Index captures large- and mid-cap representation across developed markets countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across the European developed markets equity universe. The S&P 500® Communication Services comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector. The S&P 500® Information Technology comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector. The S&P 500® Consumer Discretionary comprises those companies included in the S&P 500 that are classified as members of the GICS® Consumer Discretionary sector. The S&P 500® Industrials comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector. The S&P 500® Materials comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector. The S&P 500® Energy comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector. The S&P 500® Real Estate comprises those companies included in the S&P 500 that are classified as members of the GICS® Real Estate sector. The S&P 500® Financials comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector. The S&P 500® Consumer Staples comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector. The S&P 500® Health Care comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector. The S&P 500® Utilities comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector. The Bloomberg US ABS

Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index only includes ABS securities. The Bloomberg U.S. Corporate High-Yield Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. The Bloomberg Mortgage-Backed Securities Index tracks fixed-rate agency mortgage-backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon, and vintage. The Bloomberg U.S. Treasury Inflation Notes 1-10 Year Index measures the performance of the U.S. Treasury Inflation-Protected Securities (TIPS) market with less than 10 years to maturity. TIPS are inflation-protected bonds (IPBs) that are issued by the U.S. Treasury. Their face value is pegged to the CPI and adjusted in step with changes in the rate of inflation. The Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. This index measures the performance of emerging market debt on a total return basis. Formerly known as Dow Jones-UBS Precious Metals Subindex (DJUBSPR), the index is a commodity group subindex of the Bloomberg CI. It is composed of futures contracts on gold and silver. It reflects the return of underlying commodity futures price movements only and is quoted in USD. Formerly known as Dow Jones-UBS Industrial Metals Subindex (DJUBSIN), the index is composed of futures contracts on aluminum, copper, nickel and zinc. It reflects the return of underlying commodity futures price movements only. It is quoted in USD. Formerly known as Dow Jones-UBS Energy Subindex (DJUBSEN), the index is a commodity group subindex of the Bloomberg CI. It is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return of underlying commodity futures price movements only and is quoted in USD. The Alerian MLP Index is a float-adjusted, capitalization-weighted index whose constituents earn most of their cash flow from midstream activities involving energy commodities. It tracks energy infrastructure Master Limited Partnerships (MLPs). The FTSE EPRA/NAREIT Developed Index is designed to track the performance of listed real estate companies and REITS worldwide. Index constituents are free float-adjusted, subject to liquidity, size, and revenue screening for inclusion. The S&P Global Infrastructure Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities. Formerly known as Dow Jones-UBS Agriculture Subindex (DJUBSAG), the index is a commodity group subindex of the Bloomberg CI. It is composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar and wheat. It reflects the return of underlying commodity futures price movements only and is quoted in USD. The HFRI Fund of Funds Composite Index is an equally weighted hedge fund of funds benchmark composed of global constituent funds. The underlying constituents are typically diversified among multiple managers and styles to provide a comprehensive representation of the hedge fund of funds investment space. The HFRI Equity Hedge Index is an equally weighted hedge fund benchmark composed of investment managers who maintain both long and short positions, primarily in equity and equity derivative securities. Equity hedge managers typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities, both long and short. The HFRI Macro Index is an equally weighted hedge fund benchmark composed of investment managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top-down and bottom-up theses, quantitative and fundamental approaches, and long- and short-term holding periods. The HFRI Event-Driven Index is an equally weighted hedge fund benchmark composed of investment managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets, and idiosyncratic, company-specific developments. The HFRI Relative Value Index is an equally weighted hedge fund benchmark composed of investment managers who maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types can range broadly across equity, fixed income, derivative, or other security types. The NCREIF Property Index is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only. Constituents include operating apartment, hotel, industrial, office, and retail properties.

Steven W. Lieberman is the President and CEO of The Private Client Group Wealth Management, LLC. Investment advisory and financial planning services are offered through Summit Financial, LLC, an SEC Registered Investment Adviser ("Summit"), doing business as The Private Client Group (290 West Mount Pleasant Avenue, Suite 2330, Livingston, NJ 07039. Tel. 973-285-3637). 7865185.1