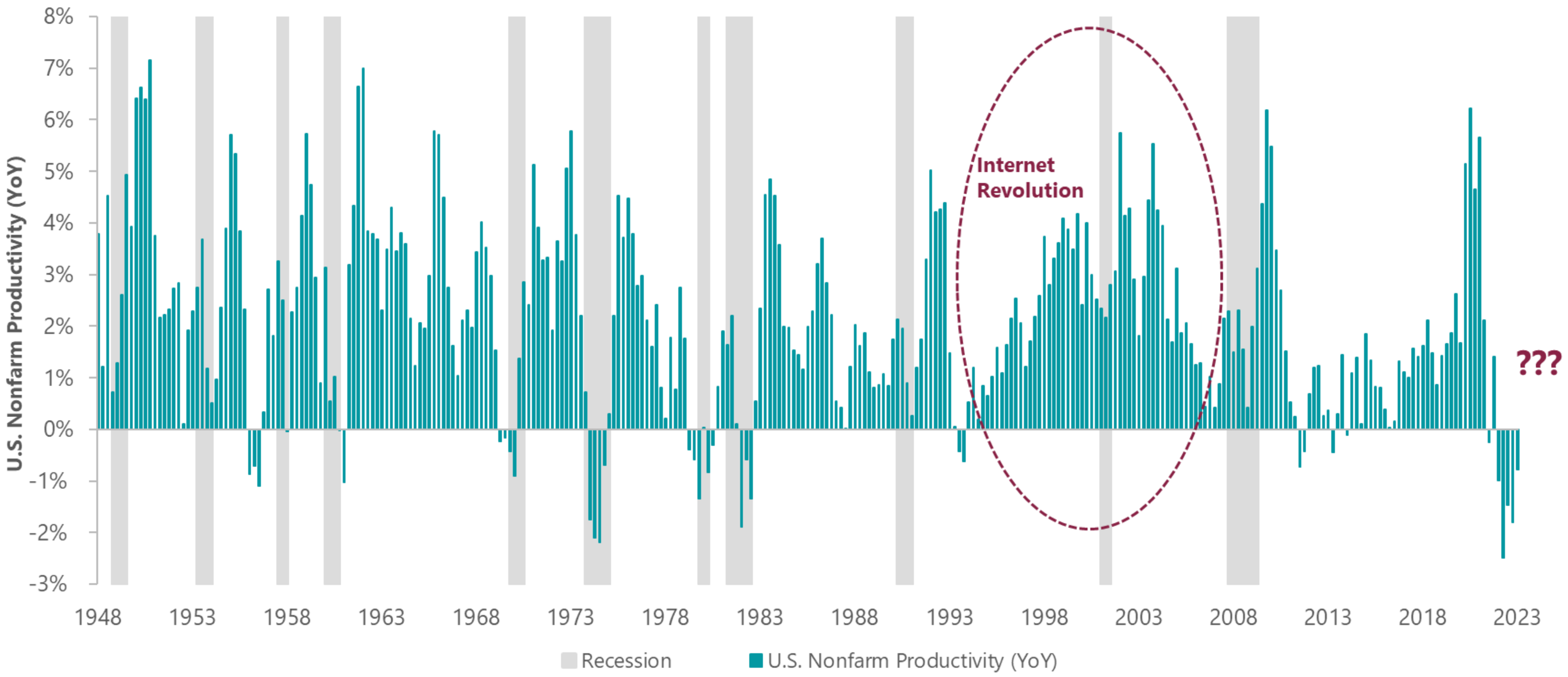
The Anatomy of a Recession

Third Quarter 2023

ClearBridge Investments | FRANKLIN TEMPLETON

Past performance is no guarantee of future results. Financial term and index definitions are available in the appendix.

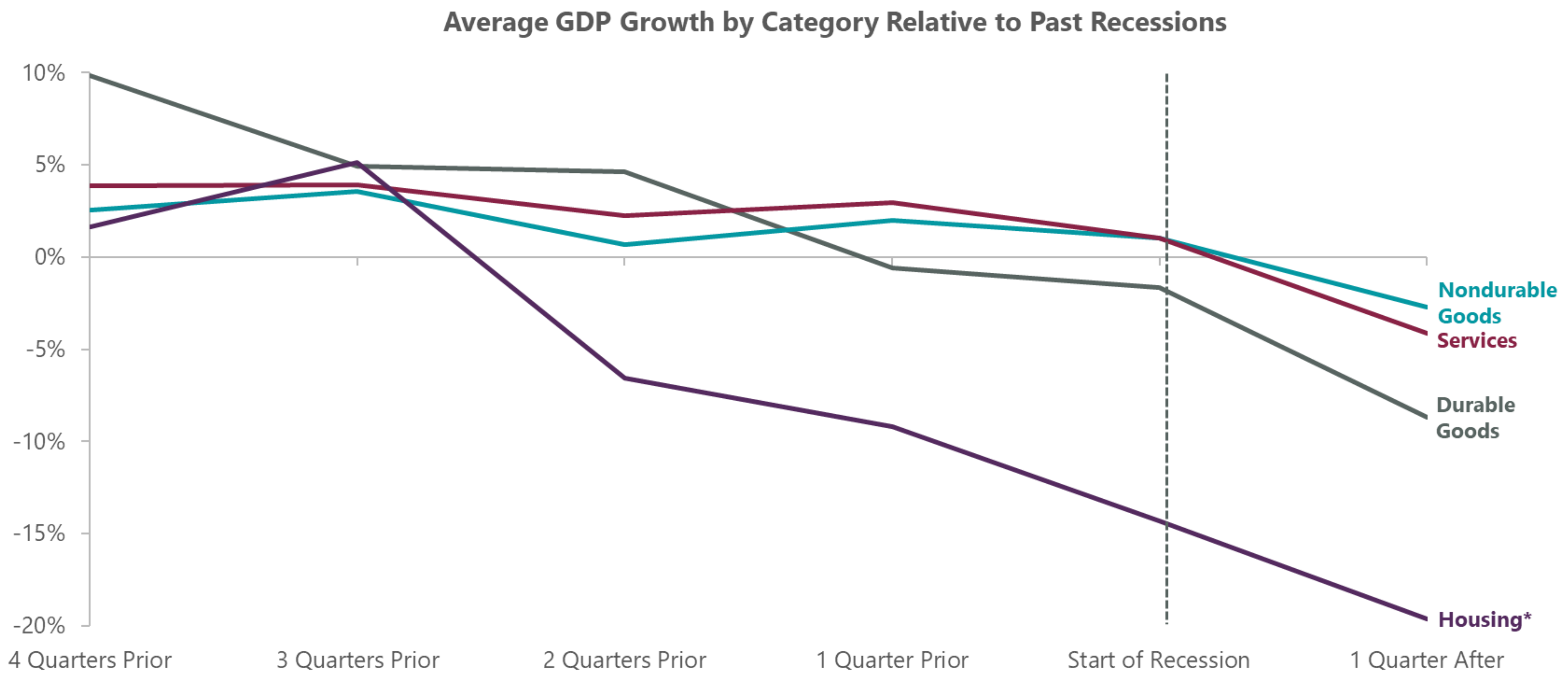
Productivity Wave Coming Too Late



- **Negative productivity levels to today's degree are typically only seen during recessions, reinforcing the notion that companies are hoarding labor at the expense of profitability.**
- **While AI could release a wave of productivity similar to the internet revolution - which would be a boost to both economic growth and corporate earnings - the benefit would likely come too late for the current expansion.**

Data as of March 31, 2023, latest available as of June 30, 2023. Source: FactSet, BLS. Past performance is not a guarantee of future results.

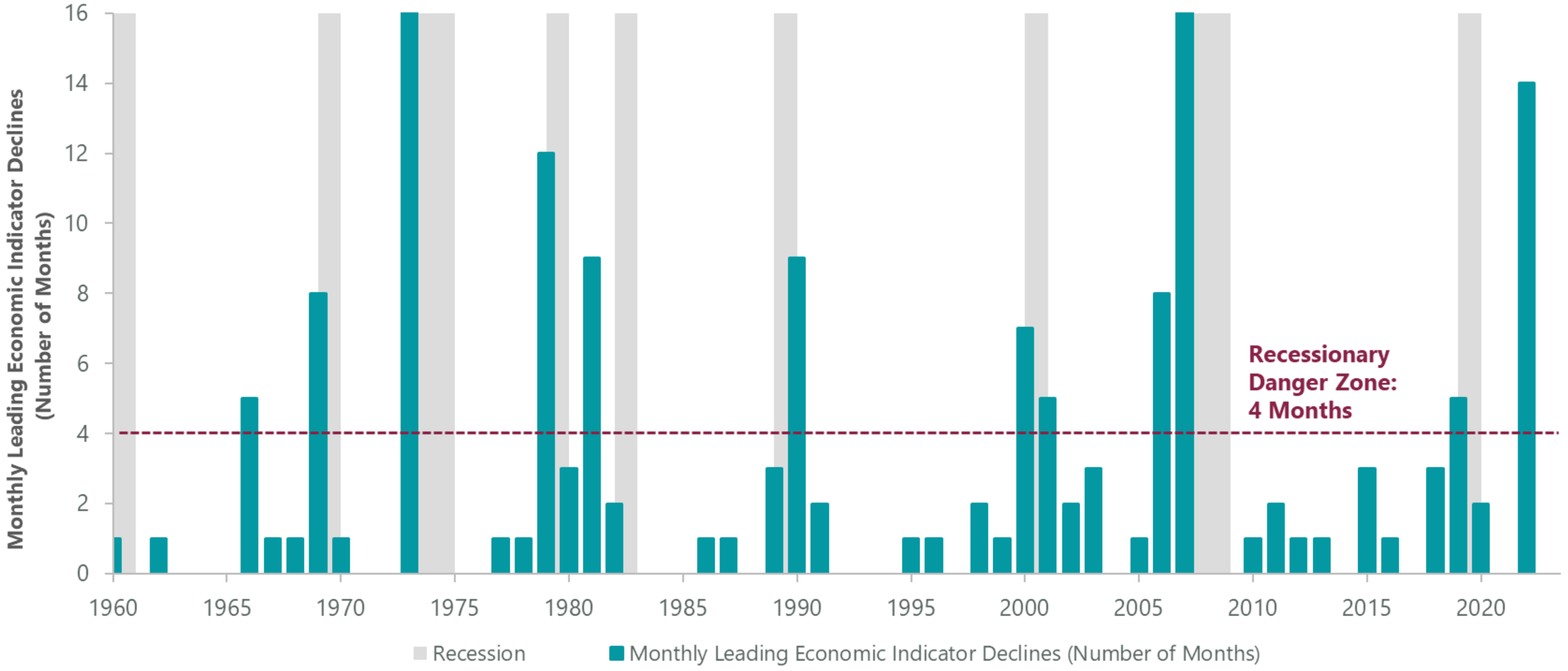
Recessions Aren't Synchronized



- **As the economy moves toward a recession, the typical pattern is for more cyclical sectors (housing and durable goods) to begin to contract earlier.**
- **While the soft landing case has coalesced around the idea of a rolling sector recession, history suggests this pattern often plays out before a broader downturn takes hold.**

*Housing is Residential Fixed Investment; 1965-Present. Data as of June 30, 2023. Source: BEA, NBER, and Bloomberg. Past performance is not a guarantee of future results.

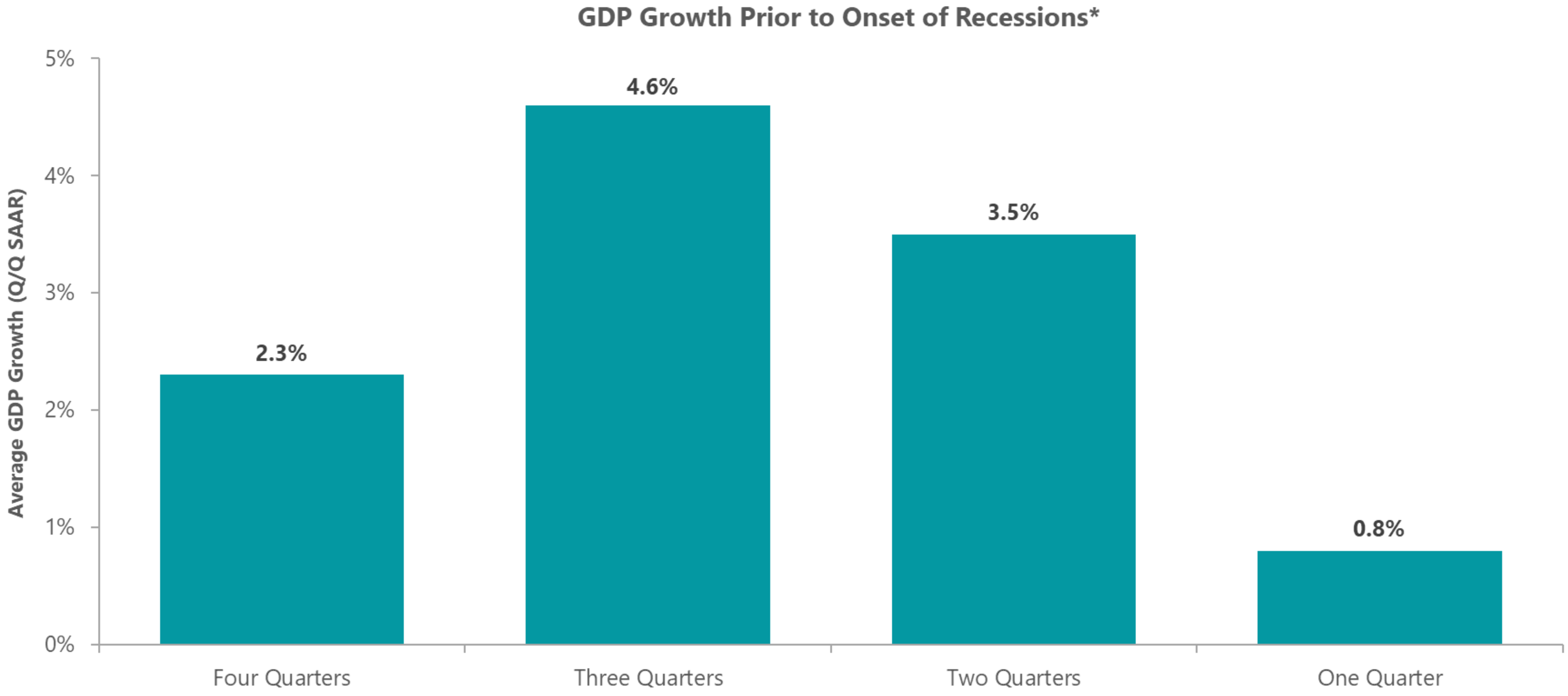
Leading Indicators Point to Recession



- **Historical declines in the Leading Economic Indicators lasting more than several months have foreshadowed economic downturns.**
- **The Leading Economic Indicators have been declining for the last 14 months.**

Data as of May 31, 2023, latest available as of June 30, 2023. Source: Conference Board US and FactSet. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges)

Economy Can Turn Quickly



Economic growth often holds up quite well leading into a recession, with a rapid decline only coming just before onset.

*The chart includes data from recessions according to NBER, starting with the recession that began on Dec. 1969. Data as of March 31, 2023, latest available as of June 30, 2023. Source: FactSet, U.S. Bureau of Economic Analysis, NBER. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

U.S. Recession Risk Indicators

- 12 variables have historically foreshadowed a looming recession
- The overall dashboard is currently signaling recession

		Current	Deepening Red Signal		
		Aug. 31, 2023	Mar. 31, 2023	Dec. 31, 2022	Sept. 30, 2022
Consumer	Housing Permits	✖	✖	●	●
	Job Sentiment	✖	●	●	⬆
	Jobless Claims	●	⬆	⬆	⬆
	Retail Sales	✖	✖	✖	✖
	Wage Growth	✖	✖	✖	✖
Business Activity	Commodities	✖	✖	✖	✖
	ISM New Orders	✖	✖	✖	✖
	Profit Margins	✖	✖	✖	●
	Truck Shipments	●	⬆	⬆	⬆
Financial	Credit Spreads	✖	✖	✖	✖
	Money Supply	✖	✖	✖	✖
	Yield Curve	✖	✖	✖	●
	Overall Signal	✖	✖	✖	✖

⬆ Expansion ● Caution ✖ Recession

Data as of Aug. 31, 2023. Source: BLS, Federal Reserve, Census Bureau, ISM, BEA, American Chemistry Council, American Trucking Association, Conference Board, and Bloomberg. The ClearBridge Recession Risk Dashboard was created in January 2016. References to the signals it would have sent in the years prior to January 2016 are based on how the underlying data was reflected in the component indicators at the time.

U.S. Recession Risk Indicators

- 12 variables have historically foreshadowed a looming recession
- The overall dashboard is currently signaling recession

		Current	2020	2007-2009	2001	1990-1991	1981-1982	1980	1973-1975	1969-1970
Consumer	Housing Permits	✖	⬆	✖	●	✖	✖	✖	✖	✖
	Job Sentiment	✖	●	✖	✖	✖	✖	●	●	●
	Jobless Claims	●	⬆	●	✖	✖	✖	✖	⬆	✖
	Retail Sales	✖	⬆	✖	✖	✖	✖	✖	●	✖
	Wage Growth	✖	✖	✖	✖	✖	✖	✖	✖	✖
Business Activity	Commodities	✖	⬆	✖	✖	✖	✖	●	●	●
	ISM New Orders	✖	●	✖	✖	✖	✖	✖	✖	✖
	Profit Margins	✖	✖	✖	✖	✖	✖	✖	●	✖
	Truck Shipments	●	⬆	●	✖	✖	✖	✖	n/a	n/a
Financial	Credit Spreads	✖	⬆	✖	✖	✖	✖	✖	⬆	●
	Money Supply	✖	⬆	✖	✖	✖	✖	✖	✖	✖
	Yield Curve	✖	✖	✖	✖	✖	✖	✖	✖	✖
	Overall Signal	✖	●	✖	✖	✖	✖	✖	●	✖

⬆ Expansion ● Caution ✖ Recession

Data as of June 30, 2023. Source: BLS, Federal Reserve, Census Bureau, ISM, BEA, American Chemistry Council, American Trucking Association, Conference Board, and Bloomberg. The ClearBridge Recession Risk Dashboard was created in January 2016. References to the signals it would have sent in the years prior to January 2016 are based on how the underlying data was reflected in the component indicators at the time.

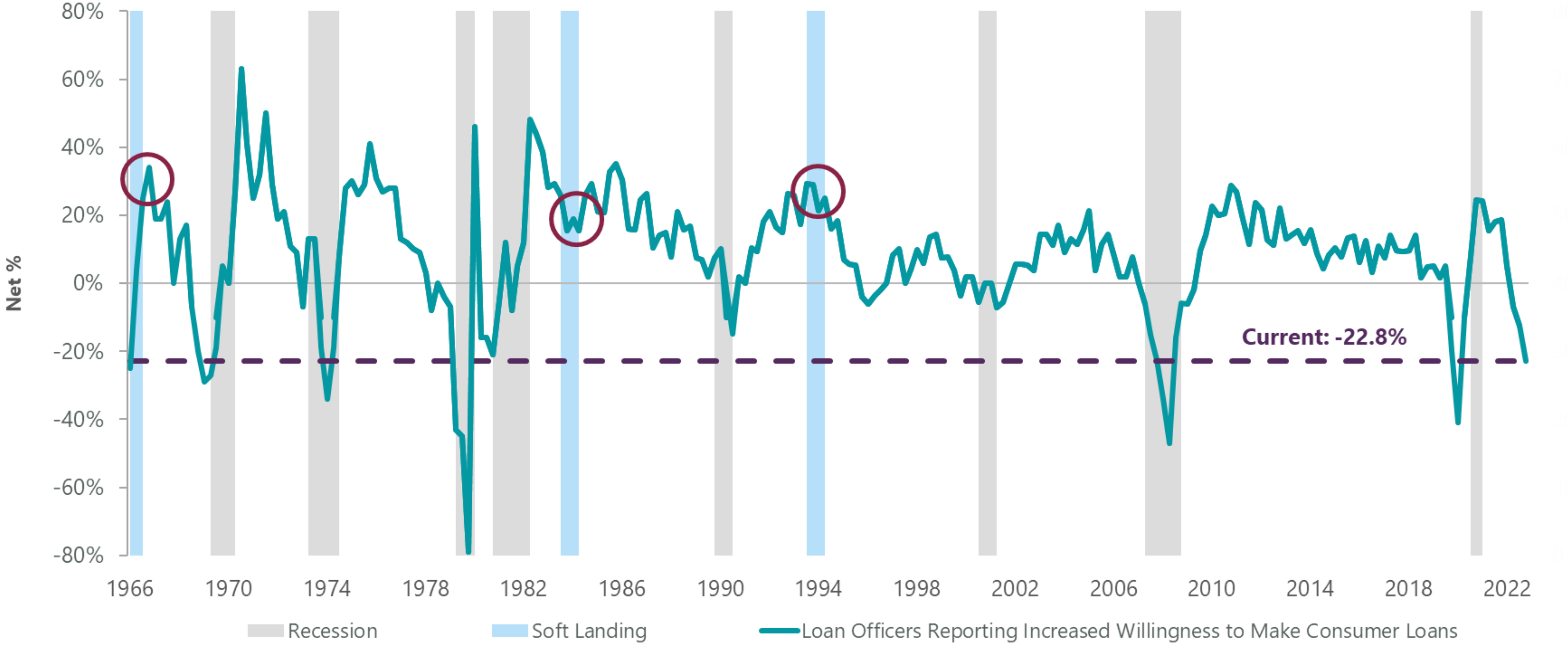
Long and Variable Lags

Start of Persistent* Hike Cycle	Start of Recession	Recession Within 3.5 Years?	Duration of Hiking Cycle (Months)
Nov. 1958	April 1960	Yes	17
July 1963	Dec. 1969	No	76
Nov. 1968	Dec. 1969	Yes	12
Jan. 1973	Nov. 1973	Yes	9
Aug. 1977	Jan. 1980	Yes	29
Aug. 1980	July 1981	Yes	11
March 1984	July 1990	No	75
March 1988	July 1990	Yes	27
Feb. 1994	March 2001	No	85
June 1999	March 2001	Yes	20
June 2004	Dec. 2007	Yes	41
Dec. 2016	Feb. 2020	Yes	38
		Average for All Hiking Cycles	**37**
		Average When Recession Started within 3.5 Years	**23**

- **On average, a recession has historically begun a little over three years after a rate hike cycle gains momentum.**
- **In hard landing (recession) scenarios, this timeframe is condensed to just under two years.**

*A Persistent Hike Cycle is the period when the majority of Fed rate hikes occur in a tightening cycle. The date of the initial rate hike in the tightening cycle may not align with the start of the Persistent Hike Cycle. Source: FactSet. Past performance is not a guarantee of future results.

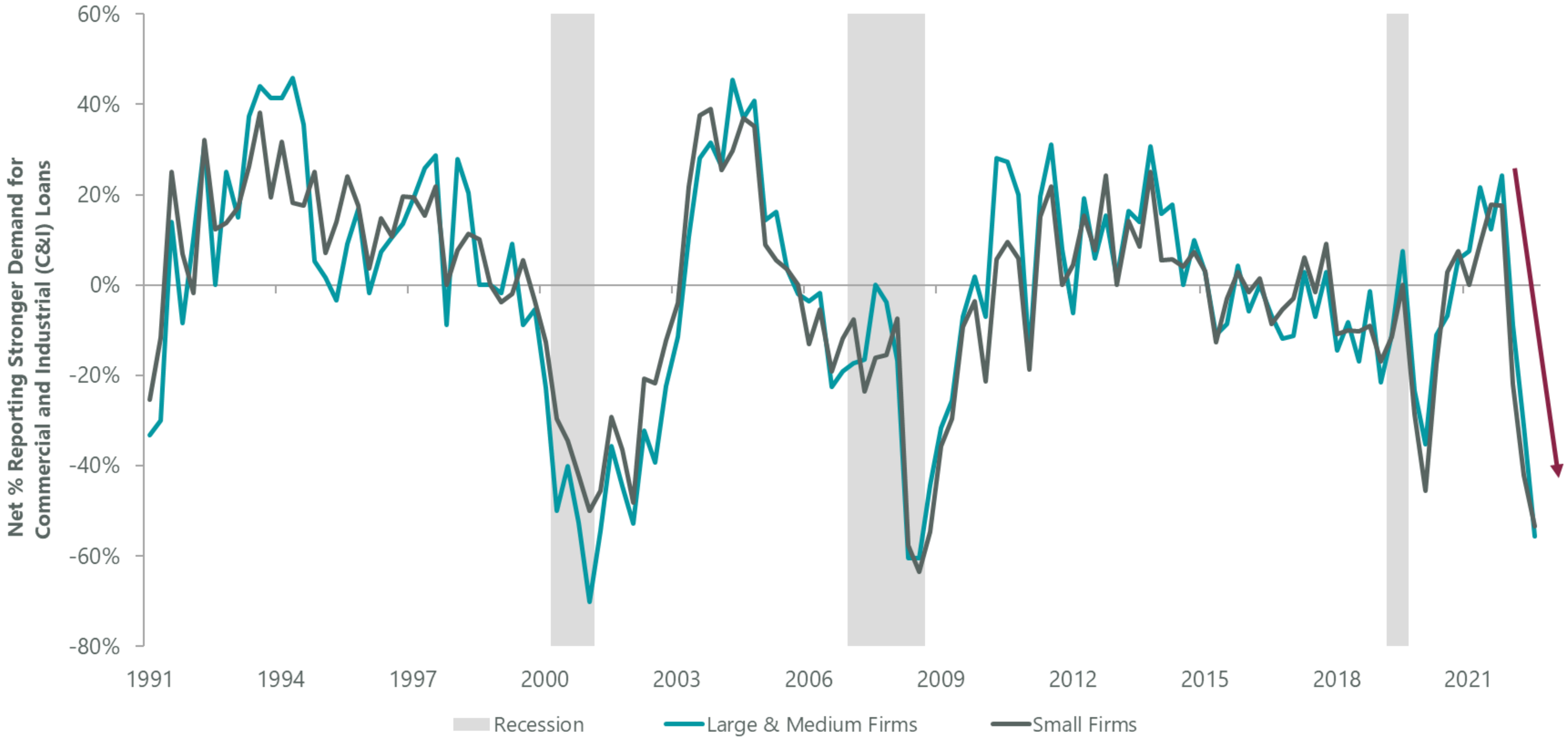
Lending Standards Retrenching



- Lending standards tightening to the current degree has historically presaged a U.S. economic downturn.
- By contrast, soft landings have typically seen more accommodating credit conditions.

Data as of March 31, 2023, latest available as of June 30, 2023. Sources: Federal Reserve System, FactSet. Past performance is not a guarantee of future results.

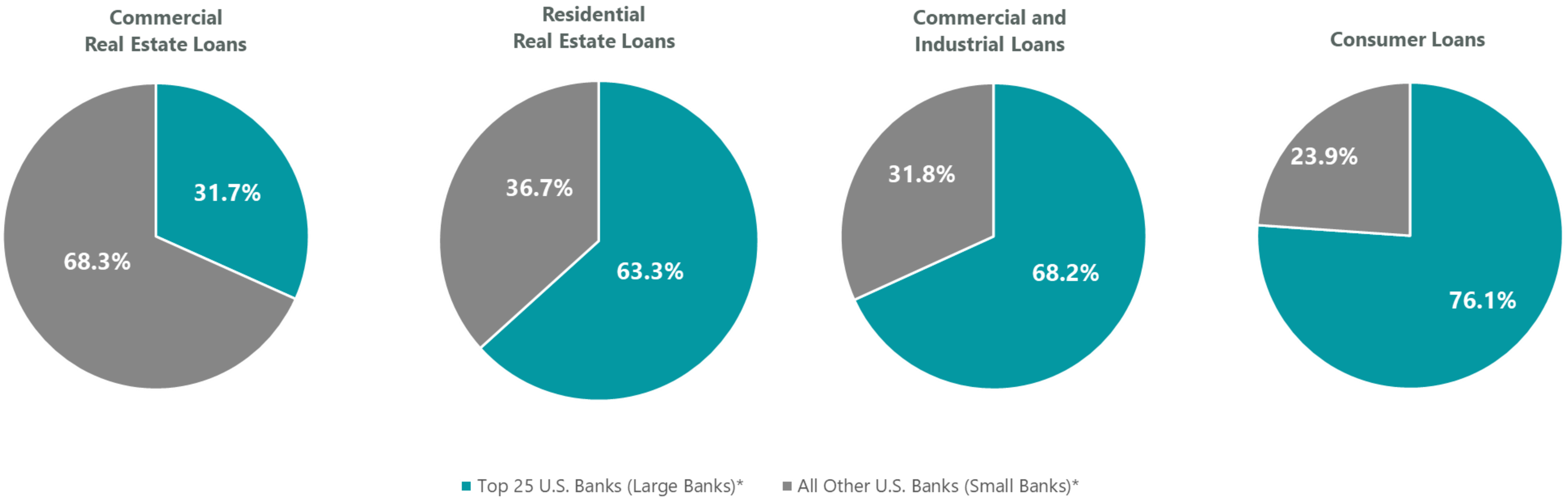
Corporate Loan Demand Plummeting



- **Demand for commercial and industrial (C&I) loans from both large and small companies is falling rapidly and has reached levels consistent with past recessions.**

Data as of June 30, 2023. Source: Federal Reserve, Bloomberg. Past performance is not a guarantee of future results.

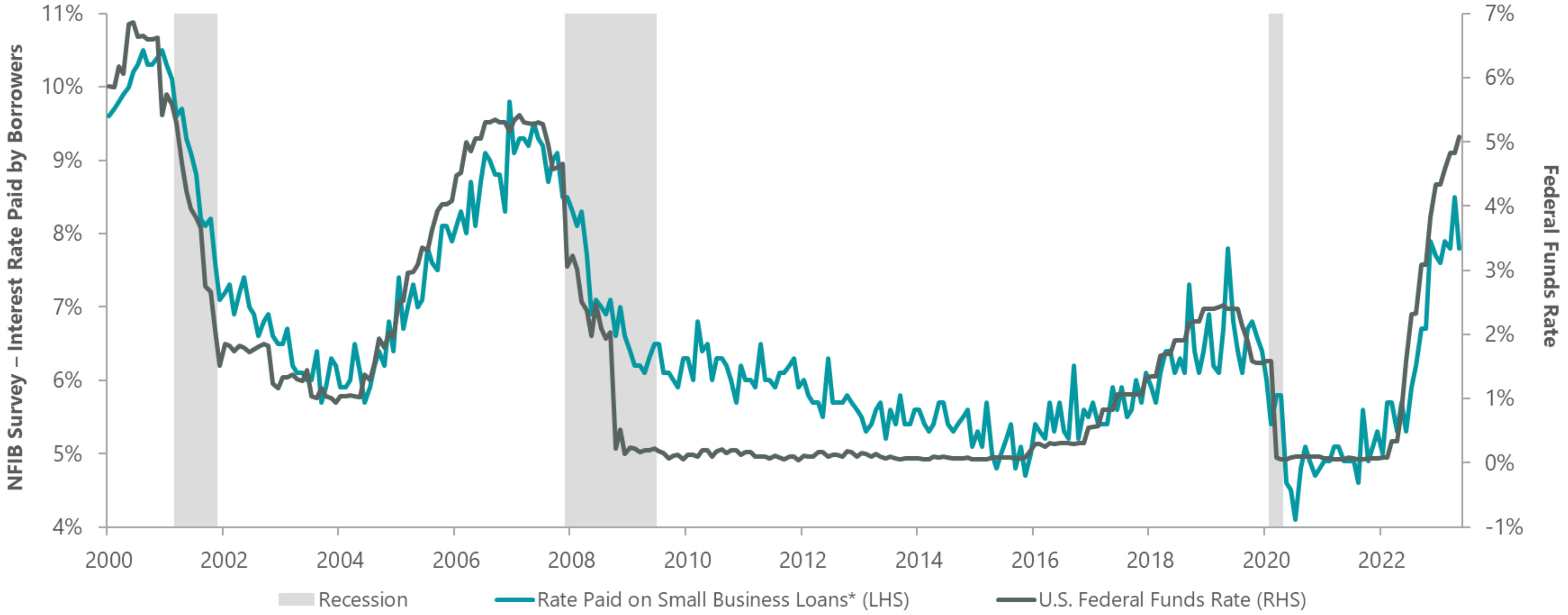
Small Banks Pack a Big Punch



- **Although small banks hold less than 29% of total banking assets, they play a disproportionate role in lending, accounting for 36% of the total and 66% of overall loan growth over the last year.**
- **With small banks under pressure, the overall availability of credit may be constrained.**

*Large banks comprise top 25 U.S. commercial banks ranked by size of domestic assets – all of which are over $150 billion. Small banks comprise all other U.S. commercial banks with assets under $150 billion. Data as of June 30, 2023. Source: Federal Reserve, FactSet. Past performance is not a guarantee of future results.

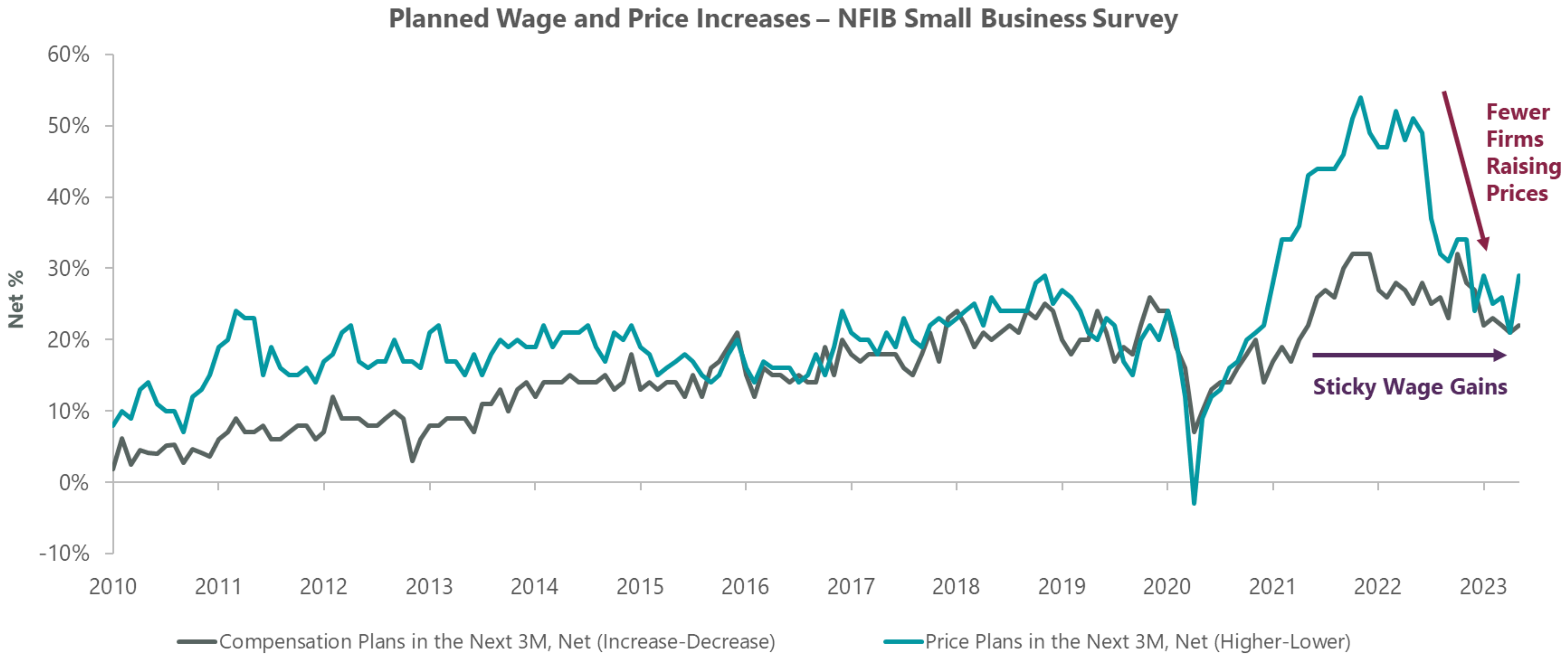
Hikes Pressuring Small Businesses



- **Small businesses have less access to capital markets than large companies, which means their borrowing costs are more closely tied to actual Fed rate hikes.**
- **By contrast, large companies experience the effects of tightening earlier as financial markets price in rate hikes in advance.**

*Actual interest rate paid on short-term loans by borrowers per NFIB Small Business Economic Trends data. Data as of May 31, 2023, latest available as of June 30, 2023. Source: NBER, NFIB, Federal Reserve, FactSet.

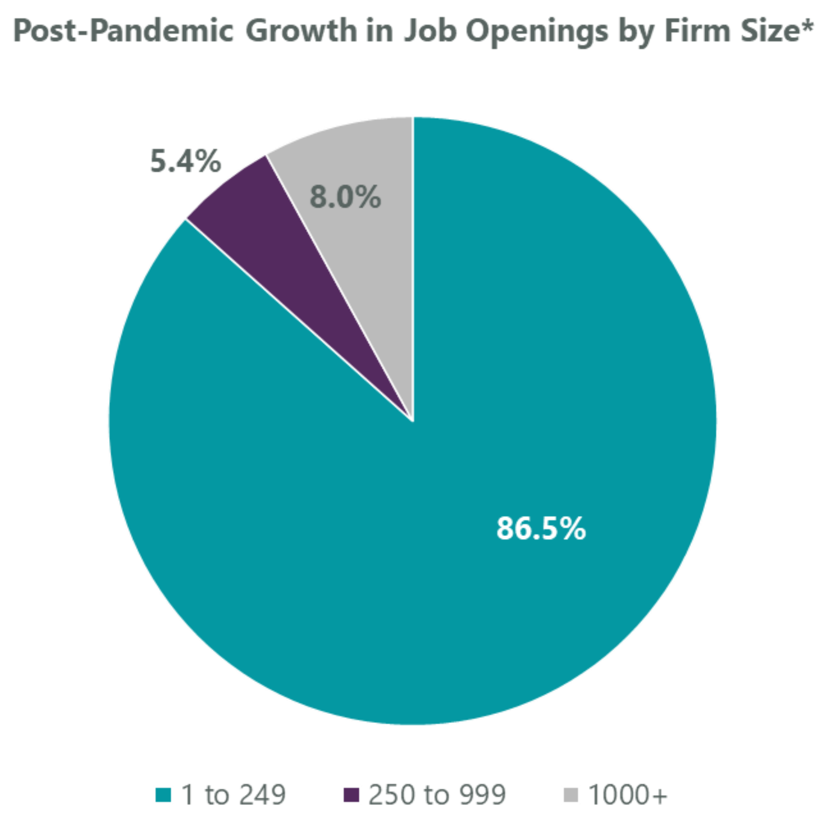
Small Business Pain Ahead

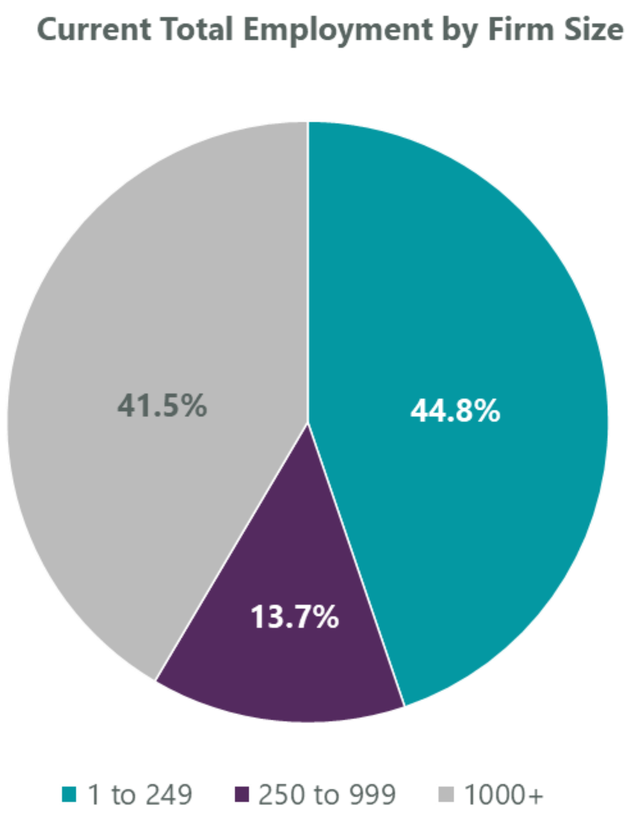


- **Following a record high in the share of small businesses planning to raise prices last year, slower economic growth and lower inflation are leading many small businesses to calm price hikes into 2023.**
- **With wage gains holding steady, margins could come under pressure and lead to further cost-cutting measures including layoffs.**

Data as of May 31, 2023, latest available as of June 30, 2023. Source: FactSet, NFIB. Past performance is not a guarantee of future results.

Small Businesses Driving Labor Demand

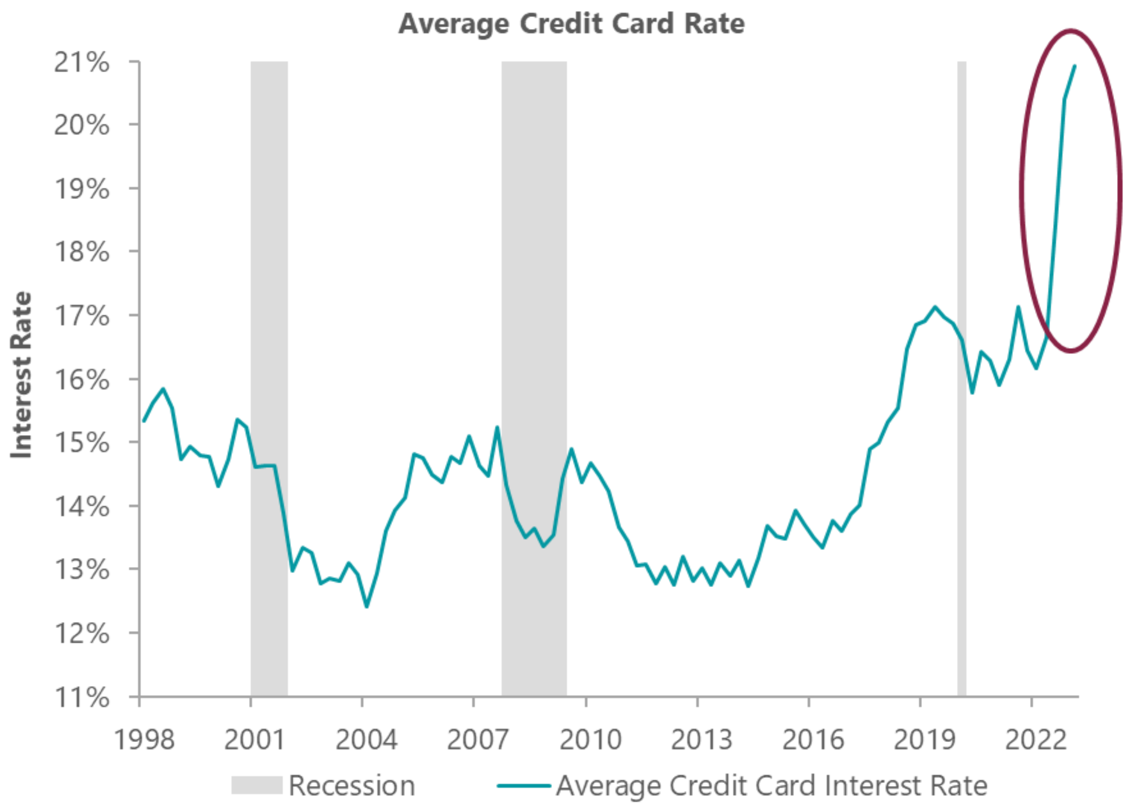


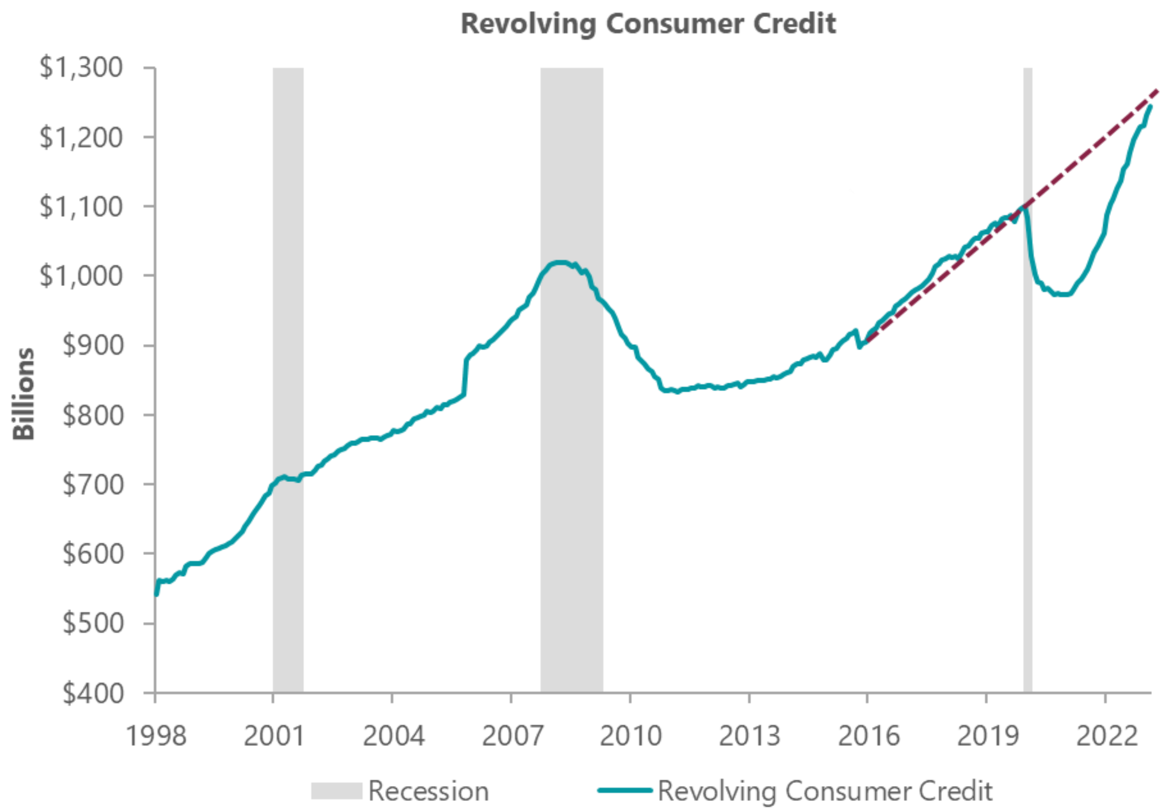


- **Small businesses are generally seen as the engine of growth powering the U.S. economy.**
- **In the aftermath of the pandemic, small businesses have made up a disproportionate share of labor demand.**

*Post-pandemic growth is contribution to total change between Dec. 2019 and June 2023 (preliminary data), latest data available as of June 30, 2023. Right chart: Data as of March 2022, latest data available as of June 30, 2023. Source: BLS. Past performance is not a guarantee of future results.

A Path to Slower Consumption?

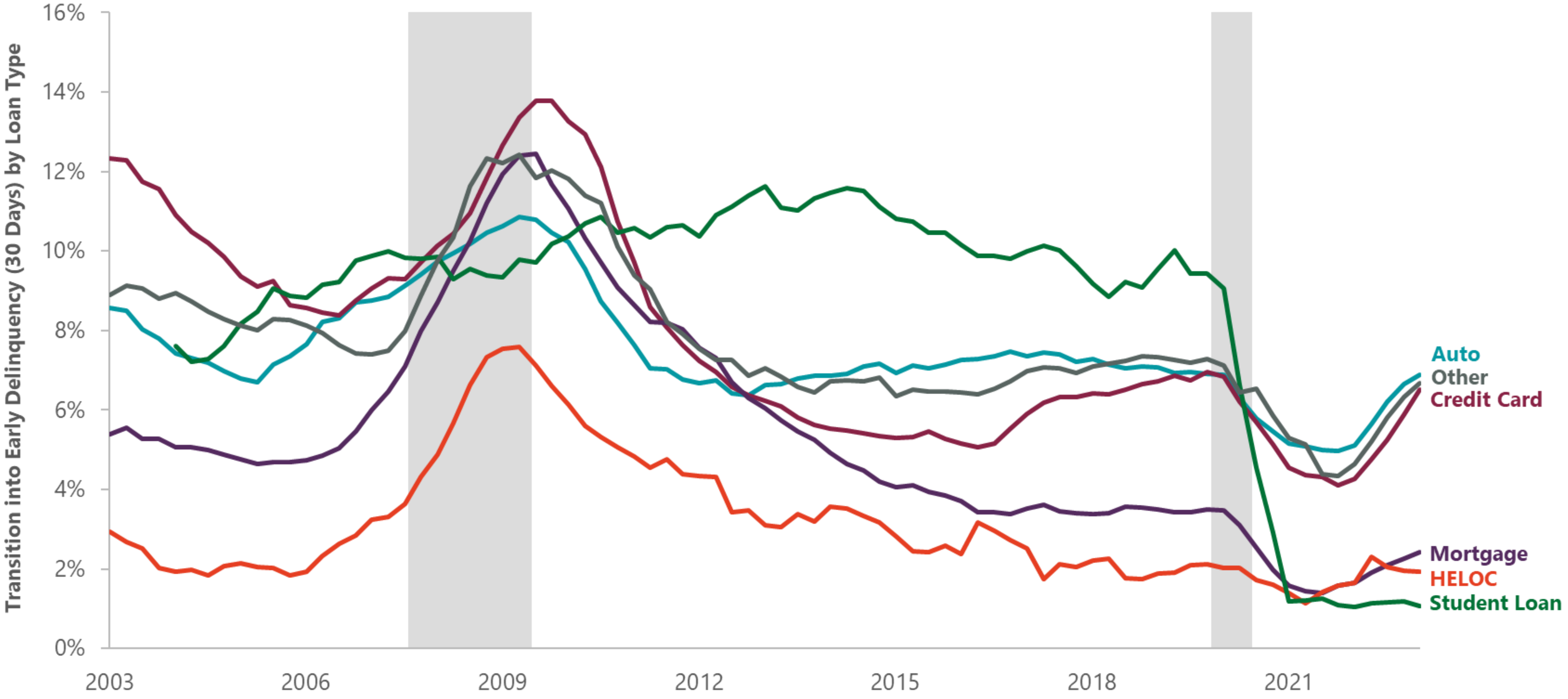




- **The normalization in credit card use has helped fuel consumption (and in turn inflation) even as accumulated savings wane and wage gains moderate.**
- **Spiking credit card rates and the return to pre-pandemic trends in borrowing suggests that debt-fueled consumption will be less of a boost going forward.**

Left chart: Data as of March 31, 2023, latest available as of June 30, 2023. Right chart: Data as of Apr. 30, 2023, latest available as of June 30, 2023. Source: FactSet and Federal Reserve. Past performance is not a guarantee of future results.

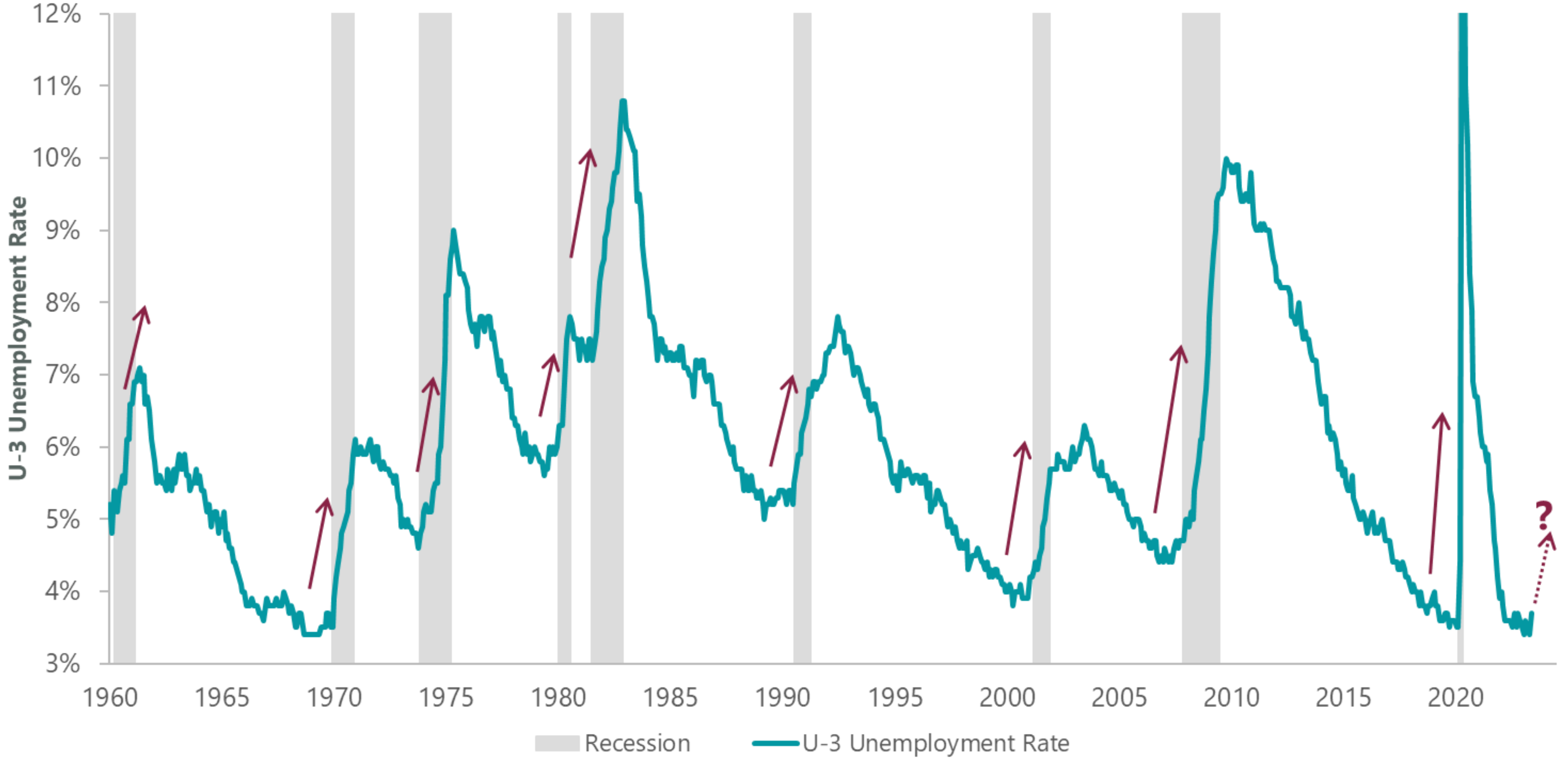
Delinquency Rates Rising



- **Rising delinquency rates are typically a sign of consumer balance sheet fatigue and increasing recession odds.**
- **With the moratorium on student loan repayment likely coming to an end this fall, borrowers will face additional pressure.**

HELOC stands for Home Equity Line of Credit. Data as of March 31, 2023, latest available as of June 30, 2023. Source: NY Fed, Equifax. Past performance is not a guarantee of future results.

What's The Fed Telling Us?

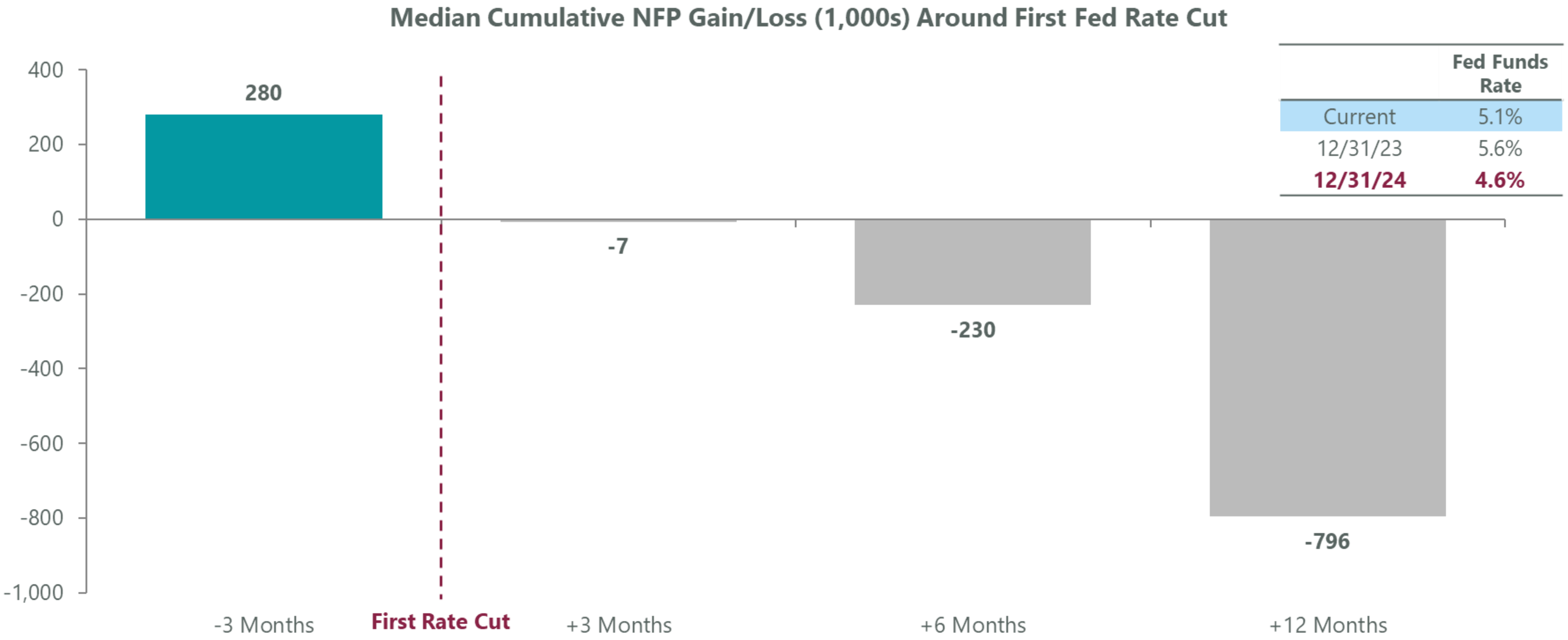


	Fed Projection
Current	3.7%
12/31/23	4.1%
12/31/24	4.5%
12/31/25	4.5%

- **Historically, an increase of 0.5% (or more) in the unemployment rate vs. the lows over the prior year has signaled a recession (the Sahm Rule).**
- **The Fed Dot Plot signals an expected 0.8% increase in the unemployment rate in the next 18 months on top of the 0.3% rise that has already happened.**

The Sahm Rule refers to an increase in the 3-month moving average. Data as of May 31, 2023, latest available as of June 30, 2023. Source: FactSet, BLS, Federal Reserve Bank of St. Louis.

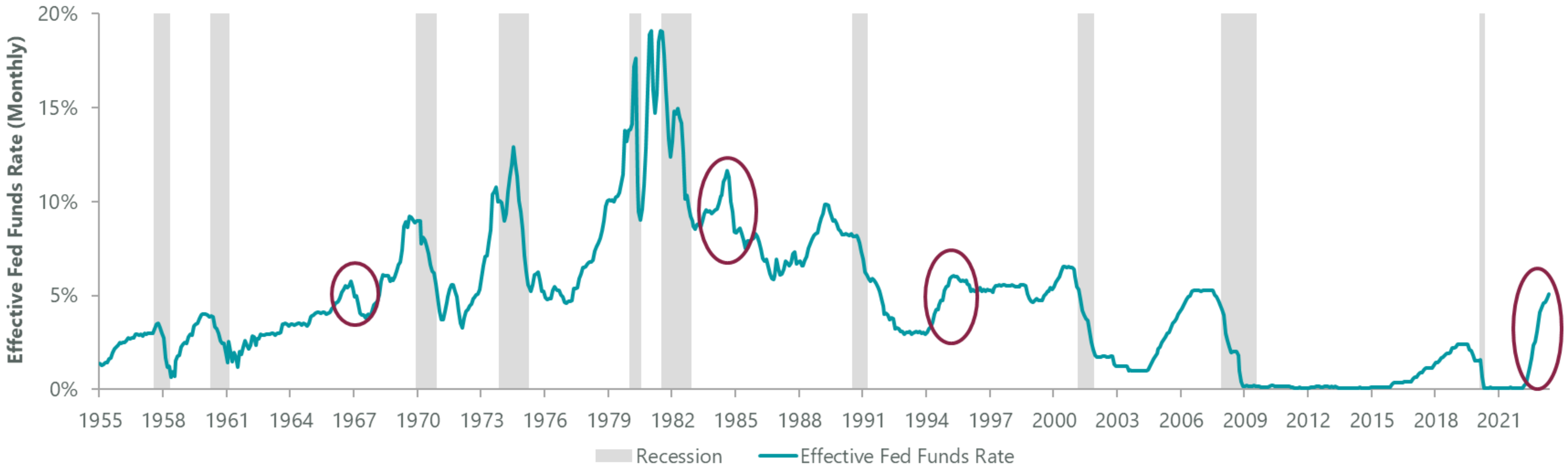
The Fed Has Little Tolerance For Job Losses



- **Typically, the Fed anticipates layoff cycles (which tend to lag) and is quick to ease monetary policy as the labor market softens.**
- **The Fed Dot Plot implies 743,000 job losses along with further rate hikes in 2H23. No rate cuts are expected until 2024 which is a departure from previous cycles.**

NFP stands for Non-farm Payrolls. Data as of June 30, 2023. Source: FactSet, BLS. Past performance is not a guarantee of future results.

Don’t Make the Same Mistake Twice

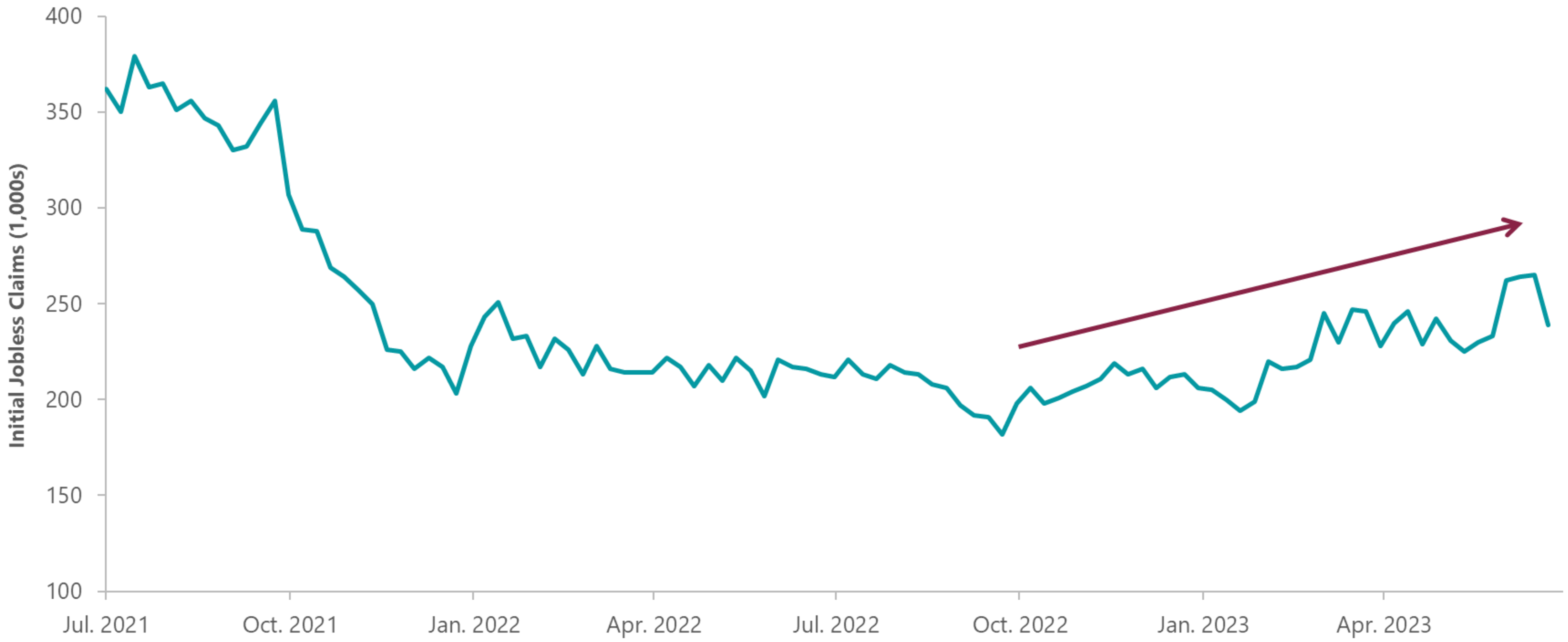


	Overall Recession Signal	Total Fed Rate Cut	Core Consumer Price Index YoY Percent Change			Unemployment Rate	
			Fed Pivot (or Current)	+12 Months	+36 Months	Fed Pivot (or Current)	Labor Market
December 1966	✕	-2.0%	3.3%	3.8%	6.2%	3.8%	Tight
September 1984	⬆	-5.8%	5.1%	4.0%	4.3%	7.3%	Excess
July 1995	●	-0.8%	3.0%	2.7%	2.2%	5.7%	Slack
Current			***5.3%***			***3.7%***	

- **Historically, there have been 13 primary Fed tightening cycles, with 10 ending in a recession and 3 soft landings.**
- **With a tight labor market today similar to 1966, the Fed is likely wary of pivoting too early which could give way to a reacceleration of inflation.**

Effective Fed Funds Rate chart is as of June 30, 2023. Core Consumer Price Index and Unemployment Rate are as of May 31, 2023, latest available as of June 30, 2023. Source: BLS, Federal Reserve Bank of St. Louis, FactSet. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Canary in the Coal Mine

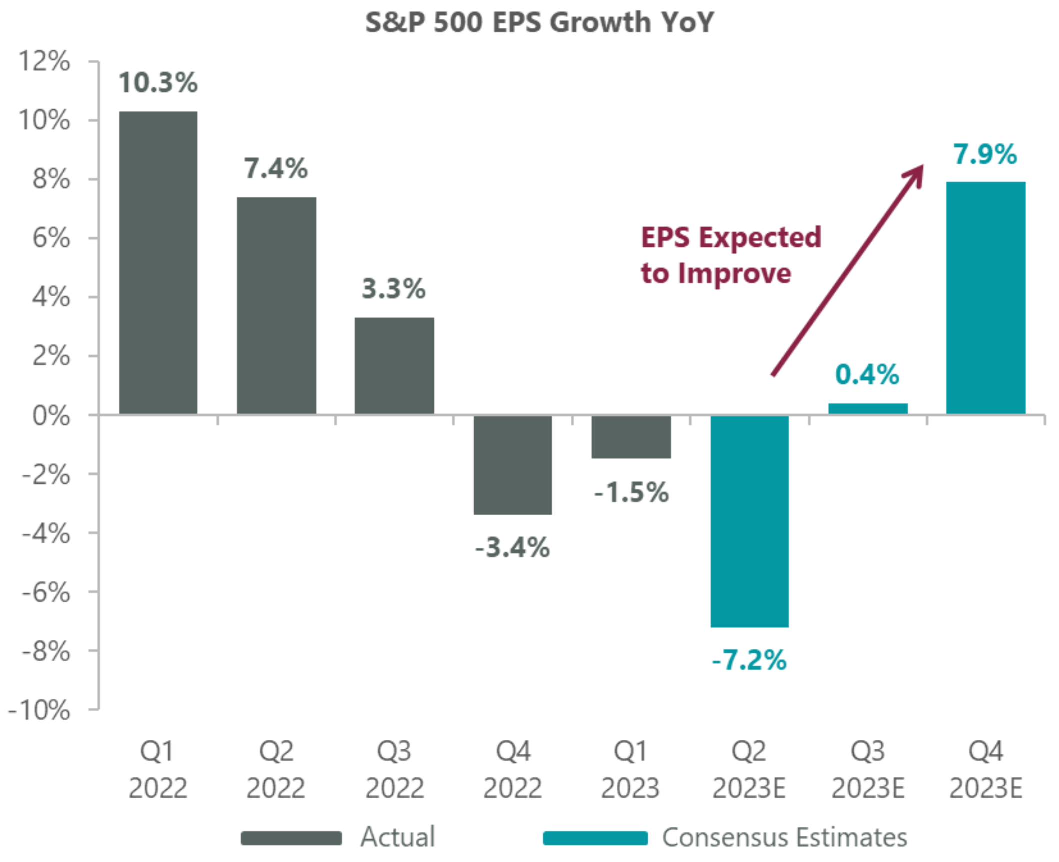


- **Jobless claims have been mostly steady since hitting 53-year lows in 2022, but appear to be climbing higher more recently.**
- **Initial jobless claims have been one of the best high-frequency indicators on the ClearBridge Recession Risk dashboard, making them particularly insightful into the health of this expansion.**

Data as of June 23, 2023, latest available as of June 30, 2023. Source: Bloomberg, BLS.

Market Outlook

Who's Right?



- **Consensus estimates for equity markets and the economy have diverged for 2023, providing fuel for both the bulls and the bears.**

EPS Growth YoY is YoY growth of current constituents. Data as of June 30, 2023. Source: Bloomberg, BEA, FactSet, S&P. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Markets Don't Always Lead

	S&P 500 Performance	
Start of Recession	**Six Months Prior**	**Three Months Prior**
Nov. 1948	-11.6%	-7.7%
July 1953	-6.2%	0.5%
Aug. 1957	4.5%	-4.7%
Apr. 1960	-5.5%	-2.2%
Dec. 1969	-5.8%	-1.1%
Nov. 1973	-9.4%	-7.6%
Jan. 1980	10.9%	13.1%
July 1981	1.1%	-1.5%
July 1990	8.2%	7.7%
Mar. 2001	-19.2%	-12.1%
Dec. 2007	-2.3%	-3.8%
Feb. 2020	1.0%	-5.9%
% Positive	**41.7%**	**25.0%**
Average	**-2.9%**	**-2.1%**

- **Although the market tends to sell off modestly ahead of the start of a recession, some cycles see investors cling to the bull case until the very end.**

Source: FactSet, S&P. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

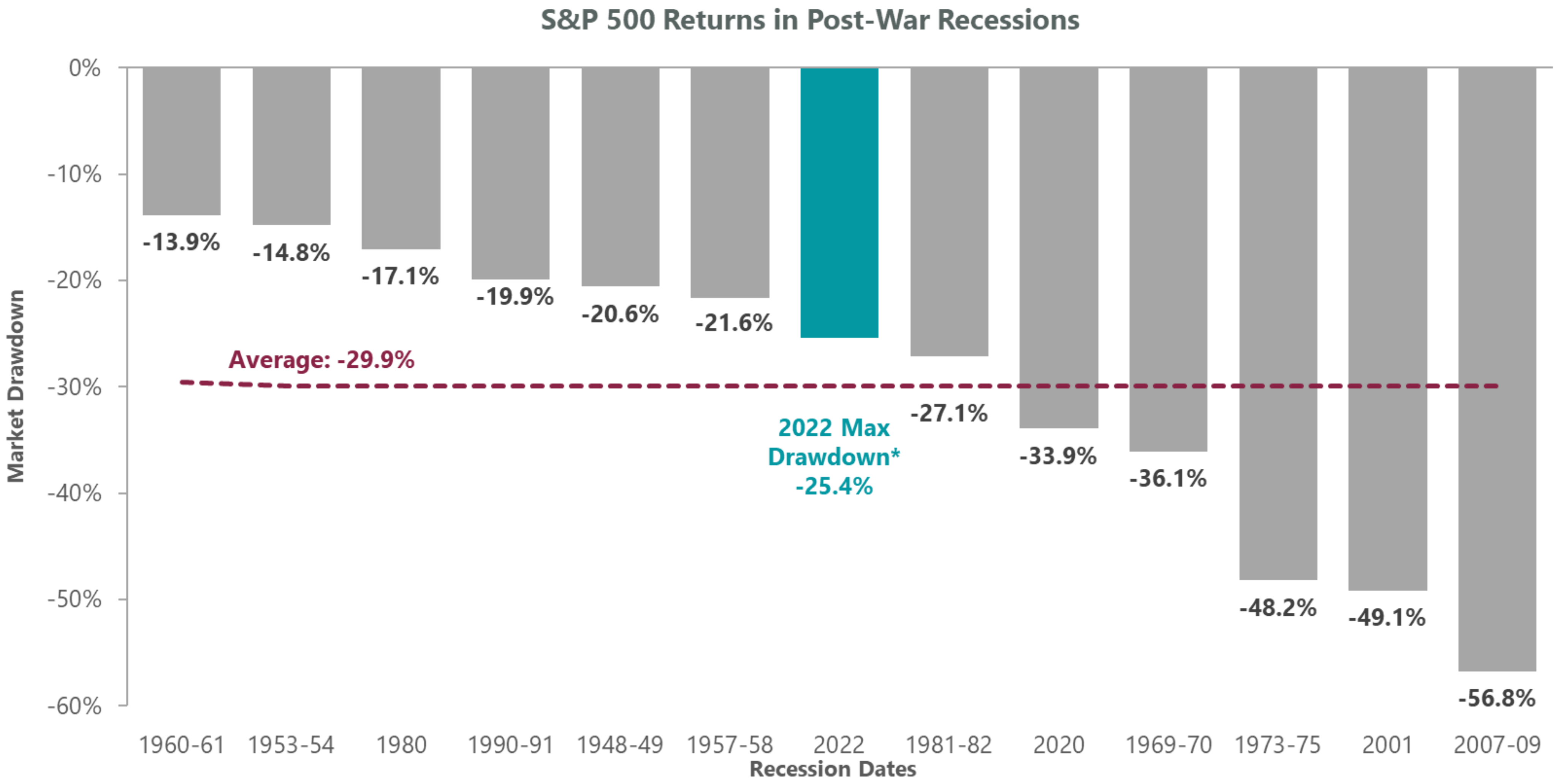
Cart Before the Horse?

Recession Start	Recession End	Length (Months)	Market Low During Recession?	Distance from Recession Start (Months)	Distance from Recession End (Months)
Nov. 1948	Oct. 1949	11	Yes	6	-5
July 1953	May 1954	10	Yes	1	-9
Aug. 1957	April 1958	8	Yes	2	-6
April 1960	Feb. 1961	10	Yes	6	-4
Dec. 1969	Nov. 1970	11	Yes	5	-6
Nov. 1973	March 1975	16	Yes	10	-6
Jan. 1980	July 1980	6	Yes	2	-4
July 1981	Nov. 1982	16	Yes	12	-4
July 1990	March 1991	8	Yes	2	-6
March 2001	Nov. 2001	8	No	18	10
Dec. 2007	June 2009	18	Yes	14	-4
Feb. 2020	April 2020	2	Yes	1	-1
Average:		**10.3**		**6.6**	**-3.8**

- **Historically, market lows have come around the two-thirds mark during recessions.**
- **The strength of the labor market would suggest this point is not yet on the immediate horizon.**

Note: Distance from Recession Start and Distance from Recession End do not add to Length due to rounding. Source: NBER, S&P, FactSet, and Bloomberg. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

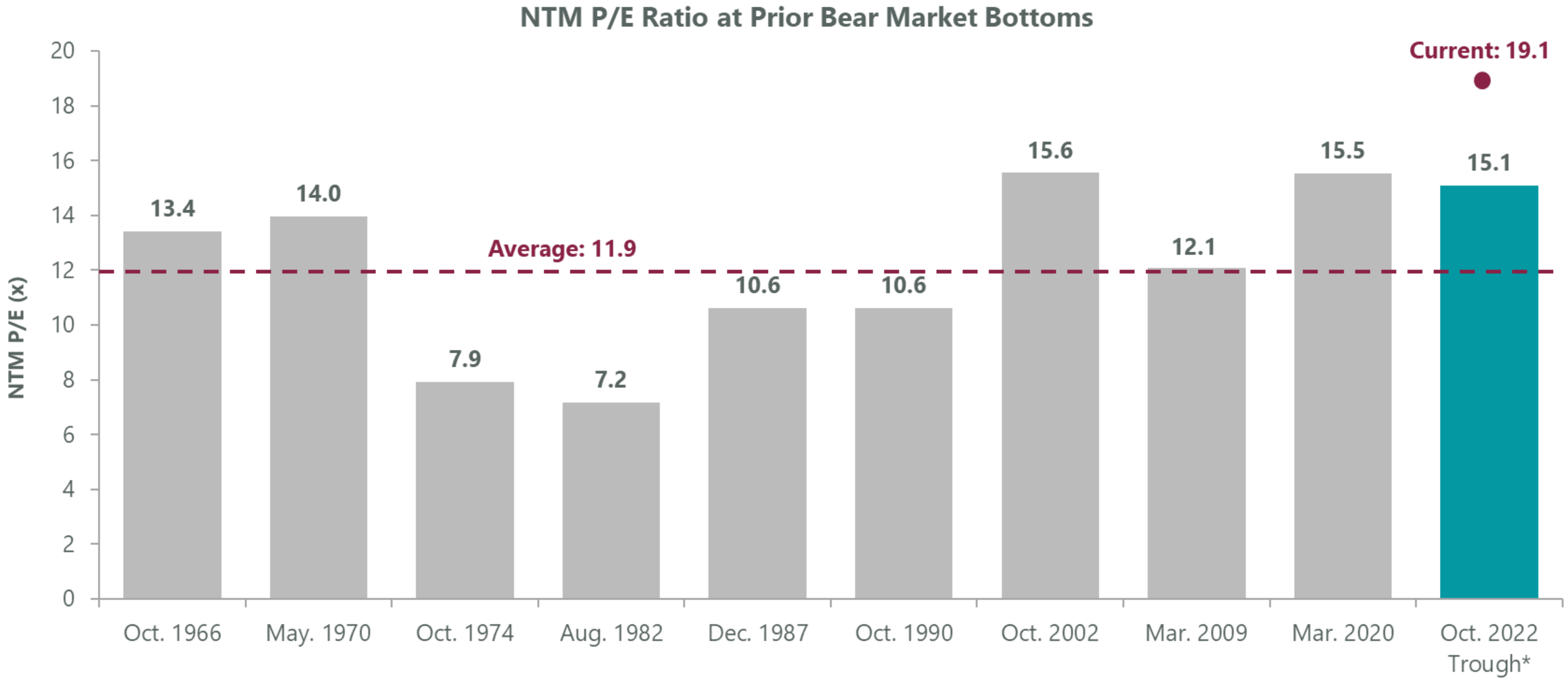
Are We There Yet?



- **Since World War II, the average recessionary selloff has been -29.9%, a level the most current selloff approached but did not reach.**

*Current reflects the 2022 Peak-Trough from market close on Jan. 3 to Oct. 12, 2022. Data as of June 30, 2023. Source: FactSet, S&P, Shiller data, Haver, Deutsche Bank. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Finding Fair Value



- **Although U.S. equities have derated from greater than 21x, they are still well above the average multiple seen at prior bear market troughs.**
- **Over the last 20 years, major market lows have tended to occur at loftier valuations (14.4x) relative to history, perhaps a function of lower (discount) rates.**

*Trough at Oct. 12, 2022. Note: Chart uses monthly NTM P/E ratios on the S&P 500 Index since 1964. Data as of June 30, 2023. Source: S&P, FactSet, Credit Suisse. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

What's the Path for Earnings?

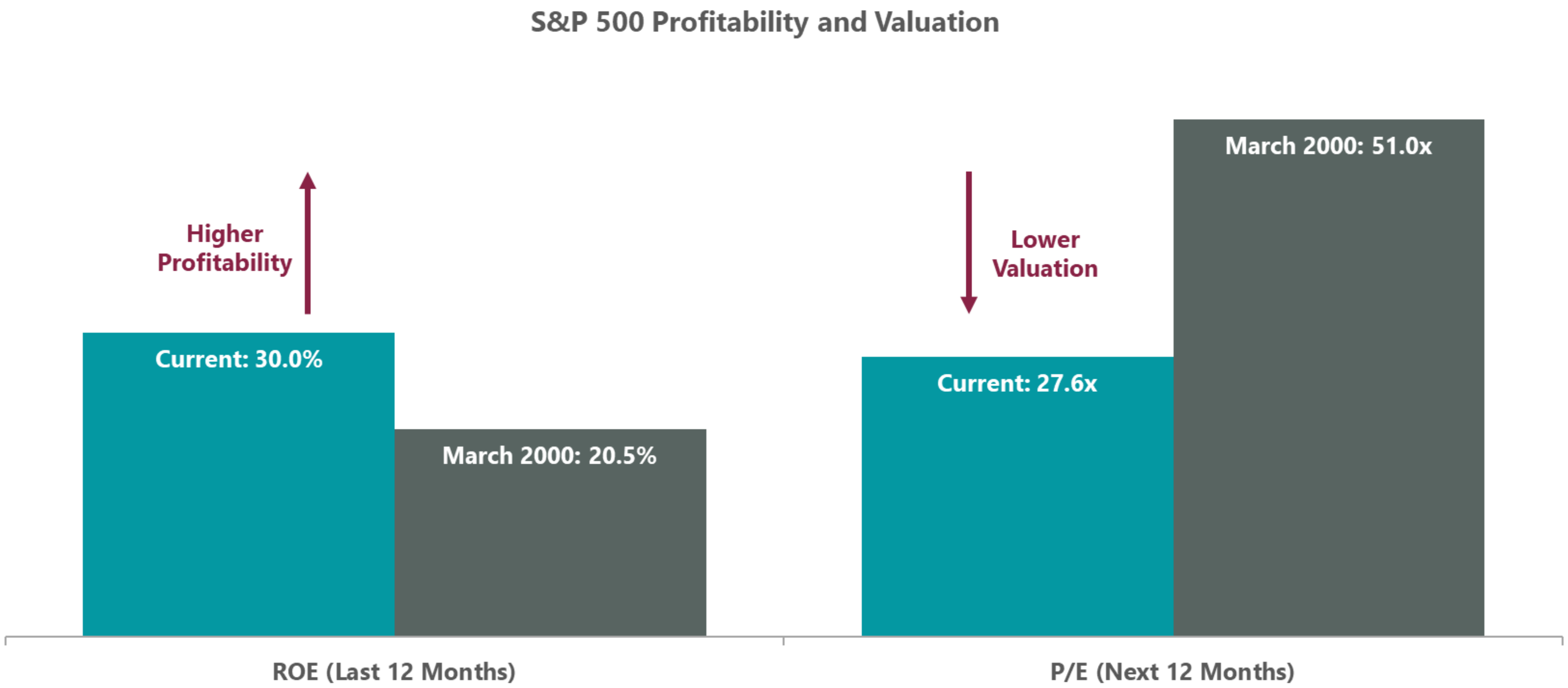
NTM EPS Behavior

Market Peak	EPS Peak	# of Days	Market Trough	EPS Trough	# of Days	EPS Peak – Trough	Market Peak – Trough
Recessions							
3/24/2000	8/7/2000	136	10/9/2002	12/17/2001	-296	-17.5%	-49.1%
10/9/2007	11/1/2007	23	3/9/2009	5/8/2009	60	-39.3%	-56.8%
2/19/2020	1/30/2020	-20	3/23/2020	5/15/2020	53	-20.6%	-33.9%
Average GDP Recession:		46			-61	**-25.8%**	-46.6%
Non-Recessionary EPS Declines							
7/17/1998	9/29/1998	74	8/31/1998	1/4/1999	126	-2.6%	-19.3%
5/21/2014	10/7/2014	139	8/25/2015	2/6/2015	-200	-5.5%	-7.2%
11/3/2015	9/8/2015	-56	2/1/2016	3/1/2016	29	-3.2%	-13.3%
9/20/2018	12/6/2018	77	12/24/2018	2/1/2019	39	-2.3%	-19.8%
Average GDP Recession:		59			-2	**-3.4%**	-14.9%
Current*							
1/3/2022	***7/8/2022***	***186***	***10/12/2022***	***2/3/2023***	***114***	***-5.7%***	***-25.4%***

- **Earnings revisions have declined by -26% on average across the last three recessions.**
- **It is not uncommon for earnings estimates to bottom after market lows have occurred. Earnings estimates have only recently started to come down.**

*Current reflects the 2022 Peak-Trough from market close on Oct. 12, 2022 to Feb. 3, 2023. Data as of June 30, 2023. Source: S&P, FactSet, NBER, and Bloomberg. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

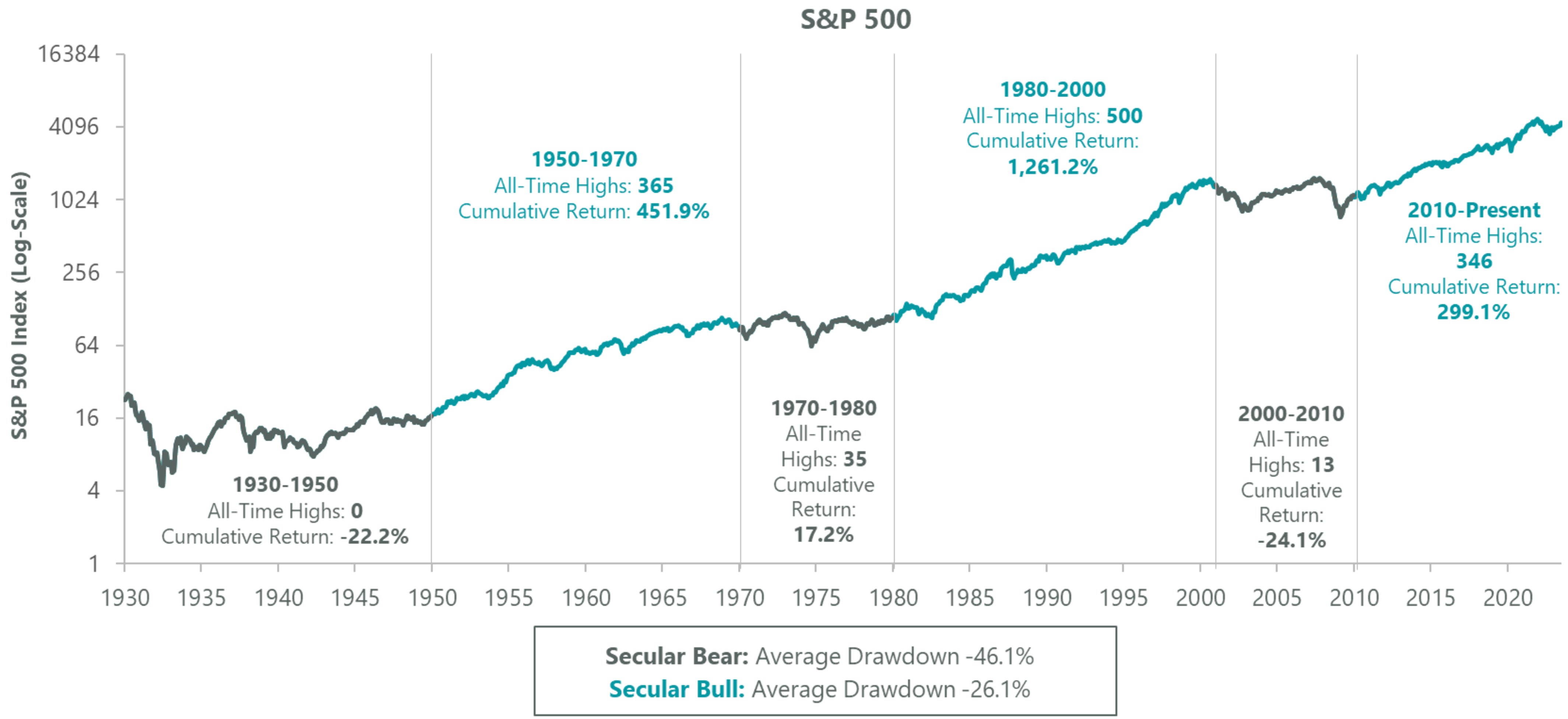
Not the Dot Com



- **Although valuations in AI beneficiaries have expanded rapidly in 2023, the S&P 500 remains well below the levels seen at the height of the dot com bubble.**
- **Importantly, companies today are more profitable (higher ROEs), which may provide a buffer against future disappointments.**

Data as of June 30, 2023. Source: FactSet, S&P. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

New Secular Bull Market?



- **In the 12 months following an all-time high, stocks have historically been up 8.3% on average with positive returns 70% of the time.**

Secular bear market average drawdown includes selloff beginning September 1929. Data as of June 30, 2023. Source: Bloomberg, FactSet. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

Economic and Market Summary

Third Quarter 2023

U.S. Economic Outlook

- U.S. recession risks remain elevated with the overall signal continuing to flash red.
- The lagged effects of Fed tightening are beginning to arrive and should weigh on economic growth in 2023.

U.S. Market Outlook

- Downside to earnings expectations and multiple compression are risks to equities in 2023.
- We continue to believe that markets will experience heightened volatility until visibility is restored regarding the path forward for the economy and earnings.
- Historically, bear markets are rare and typically provide good opportunities for long-term investors.

Recession Dashboard Overall Signal

Recession

Data as of June 30, 2023. All opinions and data included in this commentary are as of the publication date and are subject to change. The opinions and views expressed herein are of the author and may differ from other portfolio managers or the firm as a whole and are not intended to be a forecast of future events, a guarantee of future results or investment advice. This information should not be used as the sole basis to make any investment decision.

Glossary of Terms

BEA: Bureau of Economic Analysis

Bloomberg US Aggregate Bond Index: an unmanaged index of U.S. investment-grade fixed-income securities.

Bloomberg US Corporate Investment Grade Bond Index: an unmanaged index of U.S. investment-grade corporate bond securities.

Bloomberg Global Aggregate Total Return Index: measure of global investment grade debt from a multitude of local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

CPI (Consumer Price Index): measure of the average change in U.S. consumer prices over time in a fixed market basket of goods and services as determined by U.S. Bureau of Labor Statistics.

EPS (Earnings per Share): the portion of a company's profit allocated to each outstanding share of common stock.

Fed (Federal Reserve Board): the U.S. central bank, responsible for policies designed to promote full economic growth, full employment, and price stability.

GDP: Gross Domestic Product

GFC (Great Financial Crisis): the severe economic and market downturn experienced in 2007-2008.

Home Sales Median Price: measures the price at which half of existing homes sold for more and half sold for less.

MSCI All Country Asia Index: unmanaged index of large and mid cap stocks across Developed Markets countries and Emerging Markets countries in Asia.

MSCI EM Index: unmanaged index of large- and mid-cap stocks in 27 emerging market countries.

MSCI Europe Index: unmanaged index of large- and mid-cap stocks across 15 Developed Markets (DM) countries in Europe.

MSCI EAFE Index: unmanaged index of equity securities from developed countries in Western Europe, the Far East, and Australasia.

MSCI Germany Index: unmanaged index of large- and mid-cap stocks across the German market.

MSCI Japan Index: unmanaged index of large- and mid-cap stocks across the Japanese market.

MSCI UK Index: unmanaged index of large- and mid-cap stocks across the UK market.

MSCI USA Index: unmanaged index of US large- and mid-cap equity securities.

NAREIT All-Equity REITS Total Return Index: free-float-adjusted market capitalization weighted index that includes all tax qualified REITS listed in the NYSE, AMEX and NASDAQ National Markets.

NFIB (National Federation of Independent Business): a U.S. small business advocacy association, representing over 350,000 small and independent business owners.

NFIB Small Business Optimism Index: measure of small business sentiment produced by the National Federation of Independent Business based on its monthly survey of small business owners.

P/E Ratio: Price/Earnings ratio

Glossary of Terms

PMI: Purchasing Manager's Index

Russell 1000 Index: a subset of the Russell 3000 Index that includes approximately 1,000 of the largest companies in the U.S. equity universe.

Russell 1000 Growth Index: unmanaged index of large-cap stocks chosen for their growth orientation.

Russell 1000 Value Index: unmanaged index of large-cap stocks chosen for their value orientation.

Russell 2000 Index: unmanaged index of small-cap stocks.

Russell 2000 Growth Index: unmanaged index of small-cap stocks chosen for their growth orientation.

Russell 2000 Value Index: unmanaged index of small-cap stocks chosen for their value orientation.

Russell Mid Cap Index: unmanaged index consisting of the 800 smallest companies in the Russell 1000 Index.

Russell Mid Cap Growth Index: unmanaged index of mid-capitalization U.S. equities that exhibit growth characteristics.

Russell Mid Cap Value Index: unmanaged index of mid-capitalization U.S. equities that exhibit value characteristics.

S&P MidCap 400 Index: unmanaged index of 400 US mid-cap stocks

S&P 400 Growth Index: unmanaged index of mid-cap stocks having higher price-to-book ratios relative to the S&P 400 MidCap as a whole.

S&P 400 Value Index: unmanaged index of mid-cap stocks having lower price-to-book ratios relative to the S&P 400 MidCap as a whole.

S&P 500 Growth Index: unmanaged index of large-cap stocks selected based on sales growth, the ratio of earnings change to price and momentum.

S&P 500 Value Index: unmanaged index of large-cap stocks selected based on the ratios of book value, earnings, and sales to price.

S&P 600 Index: unmanaged index of 600 US small-cap stocks

S&P 600 Growth Index: unmanaged index of US small-cap growth stocks, selected based on sales growth, the ratio of earnings change to price, and momentum.

S&P 600 Value Index: unmanaged index of US small-cap value stocks, selected based on ratios of book value, earnings, and sales to price.

S&P 500 Index: Unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S.

Yield Curve: Comparison of interest rates at a point in time of bonds with equal credit quality but different maturity dates.

YoY: Year Over Year

U.S. Treasurys: Direct debt obligations issued and backed by the "full faith and credit" of the U.S. government. The U.S. government guarantees the principal and interest payments on U.S. Treasuries when the securities are held to maturity. Unlike U.S. Treasury securities, debt securities issued by the federal agencies and instrumentalities and related investments may or may not be backed by the full faith and credit of the U.S. government. Even when the U.S. government guarantees principal and interest payments on securities, this guarantee does not apply to losses resulting from declines in the market value of these securities.

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Name and Position		Industry Experience	ClearBridge Tenure	Education, Experience and Professional Designations
	**Josh Jamner CFA** Vice President, Investment Strategy Analyst	14 years	• Joined ClearBridge in 2017	• Member of the CFA Institute • RBC Capital Markets - Assistant Vice President, Associate Strategist - U.S. Equity • Bessemer Trust - Assistant Vice President, Client Portfolio Analyst • BA in Government from Colby College
	**Jeffrey Schulze CFA** Director, Head of Economic and Market Strategy	18 years	• Joined ClearBridge in 2014	• Member of the CFA Institute • Lord Abbett & Co., LLC – Portfolio Specialist • BS in Finance from Rutgers University

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