

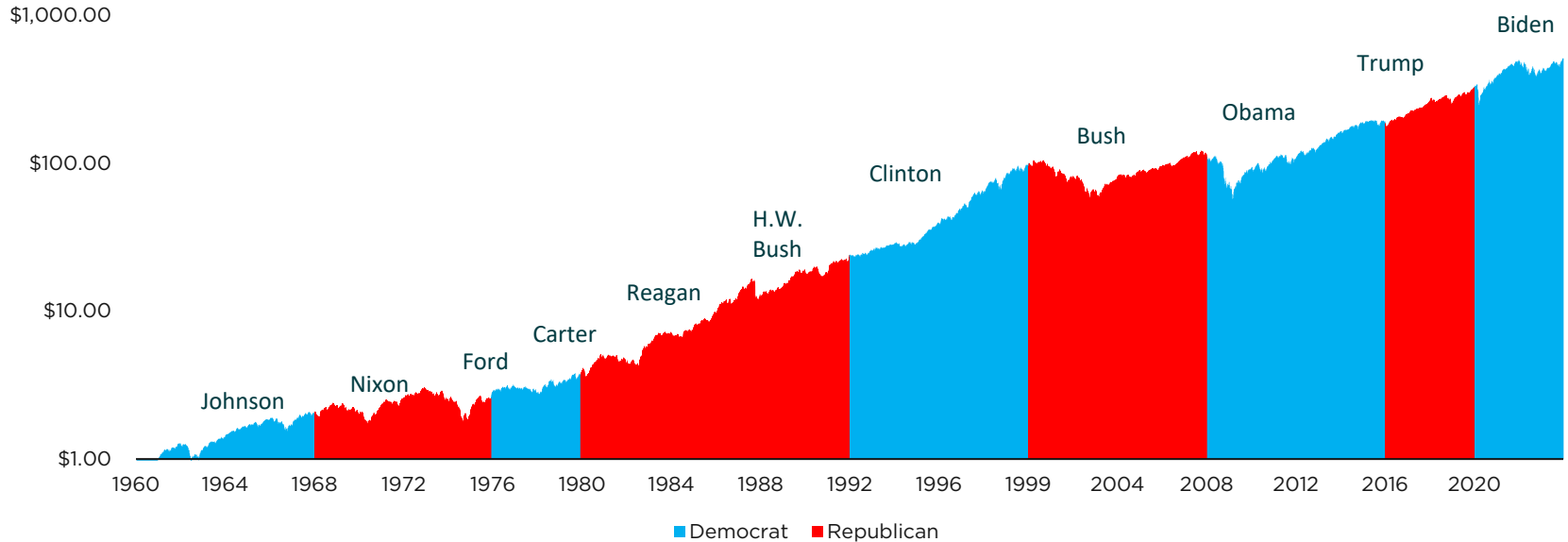
WEALTH MANAGEMENT FORUM

MARKET REVIEW & ECONOMIC OUTLOOK

FEBRUARY 2024

POLITICAL REGIMES HAVE LITTLE BEARING ON MARKET RETURNS

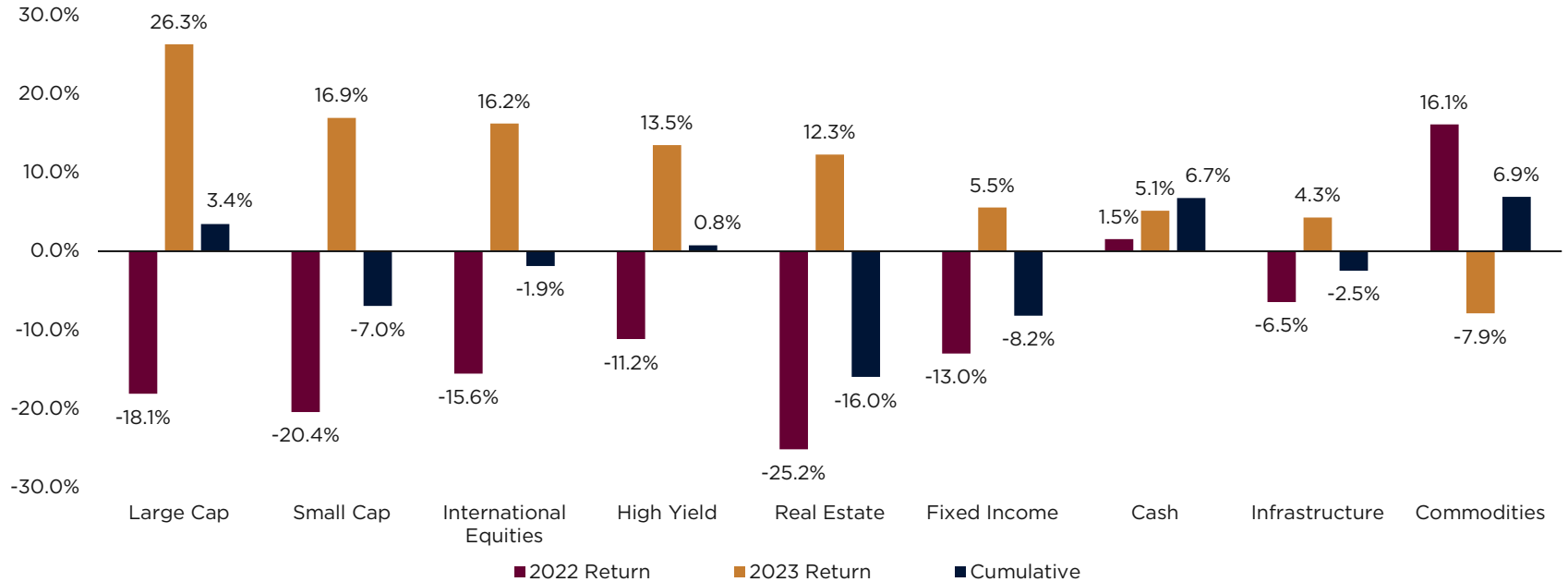
Growth of \$1 (January 1960 - December 2023)



NOTE: THE CHART ABOVE SHOWS THE HYPOTHETICAL GROWTH OF \$1 INVESTED IN THE S&P 500 INDEX STARTING JANUARY 4TH, 1960. JANUARY RETURNS IN INAUGURATION YEARS ARE ASSUMED TO BE UNDER THE PARTY THAT IS BEING INAUGURATED. RETURNS INCLUDE REINVESTMENT OF DIVIDENDS. THIS CHART SHOULD NOT BE INTERPRETED AS AN ENDORSEMENT OF ANY POLITICAL PARTY.

SOURCE: JOHNSON INVESTMENT COUNSEL, BLOOMBERG, DATA AS OF 12/31/2023

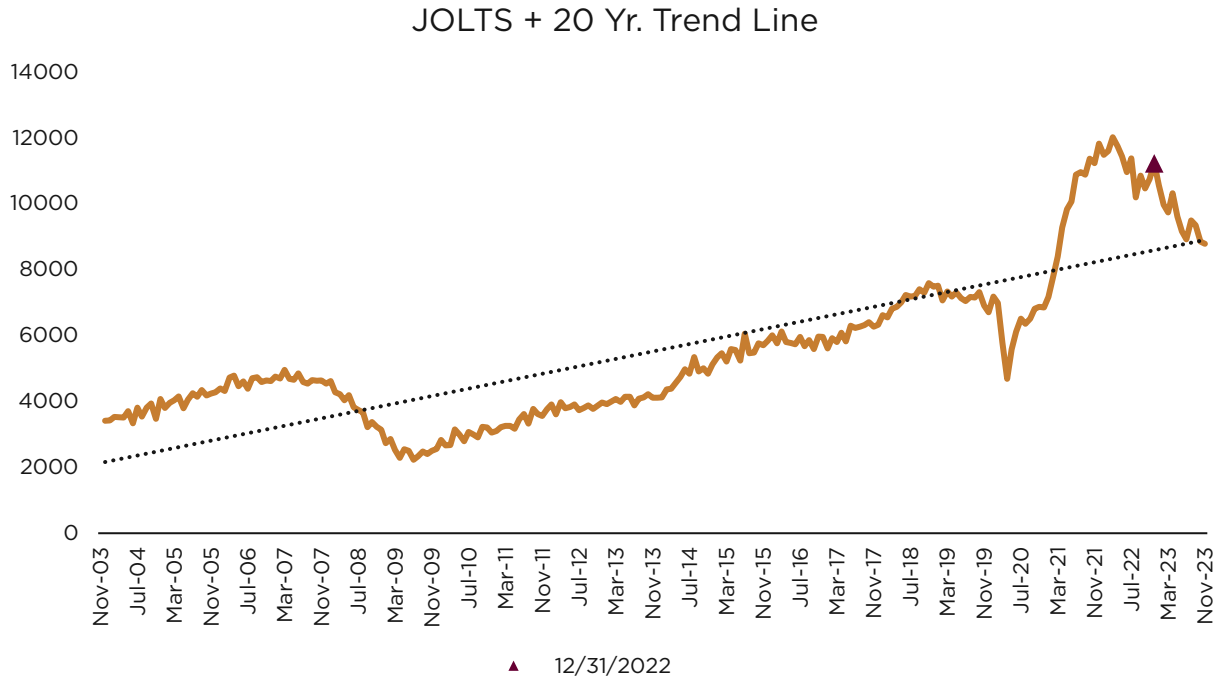
RECOVERY ACROSS ASSET CLASSES IN 2023



NOTE: LARGE CAP = S&P 500; SMALL CAP = RUSSELL 2000; INTERNATIONAL EQUITIES = MSCI ACWI EX US; HIGH YIELD = BLOOMBERG US HIGH YIELD; FIXED INCOME = BLOOMBERG US AGGREGATE; INFRASTRUCTURE = DOW JONES BROOKFIELD GLOBAL INFRASTRUCTURE; REAL ESTATE = DOW JONES US REAL ESTATE; CASH = BLOOMBERG 1-3 MO. T-BILL; COMMODITIES = BLOOMBERG COMMODITIES INDEX.

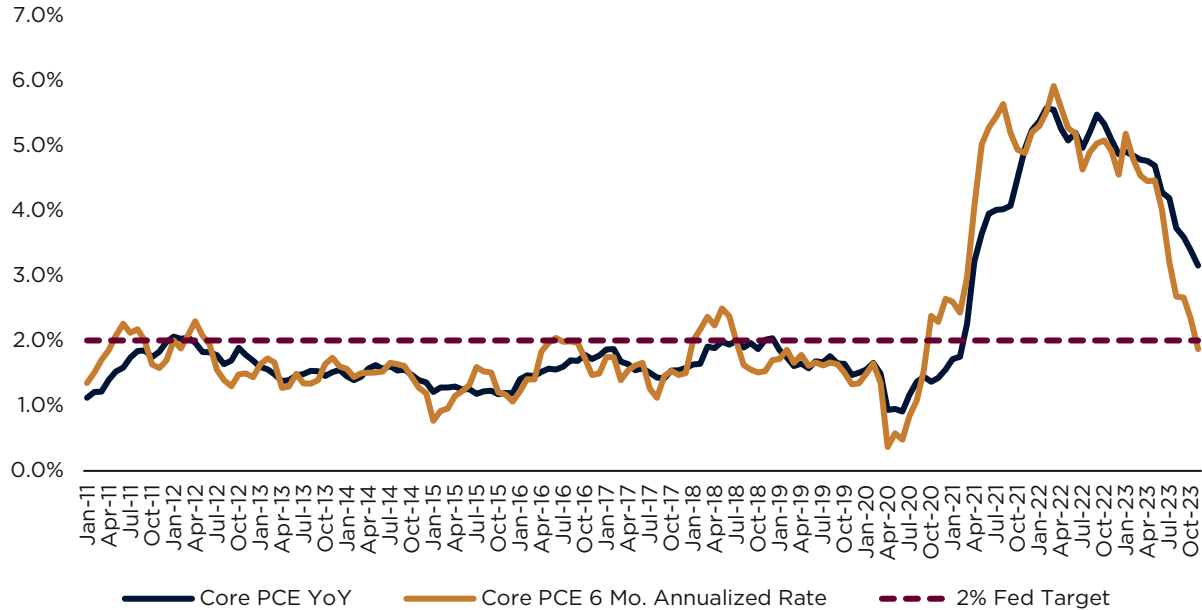
SOURCE: JOHNSON INVESTMENT COUNSEL, BLOOMBERG, DATA AS OF 12/31/2023

SIGNS OF SLOWDOWN: JOB OPENINGS NORMALIZE



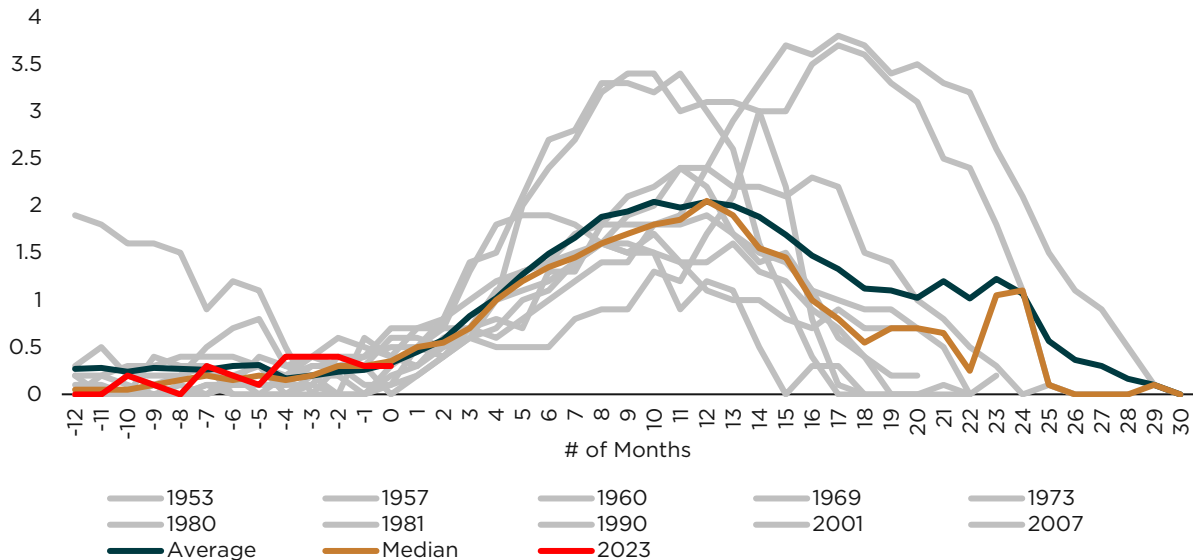
SIGNS THAT INFLATION MAY BE COOLING TO ACCEPTABLE LEVELS

Core PCE Inflation



WE ARE WATCHING THE LABOR MARKET CLOSELY

Unemployment Rate Increase During Recessionary Periods (%)

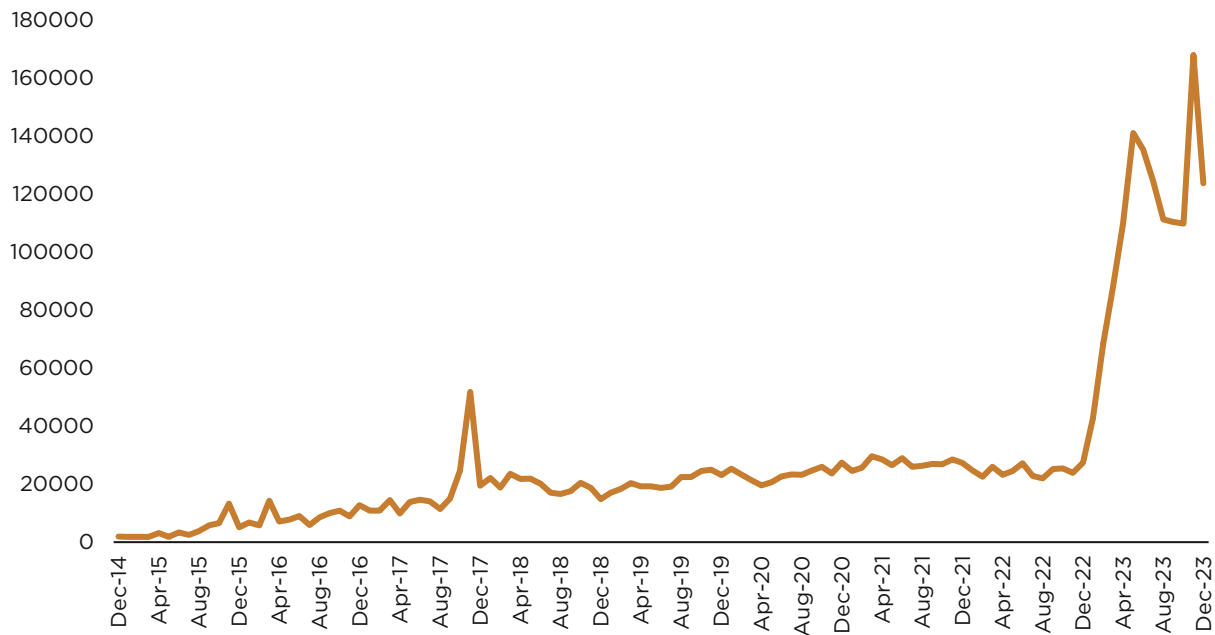


NOTE: CHART USES DECEMBER 2023 AS MONTH 0 OF RECESSION TO INDICATE CURRENT CYCLE

SOURCE: JOHNSON INVESTMENT COUNSEL, BLOOMBERG, DATA AS OF 12/31/2023

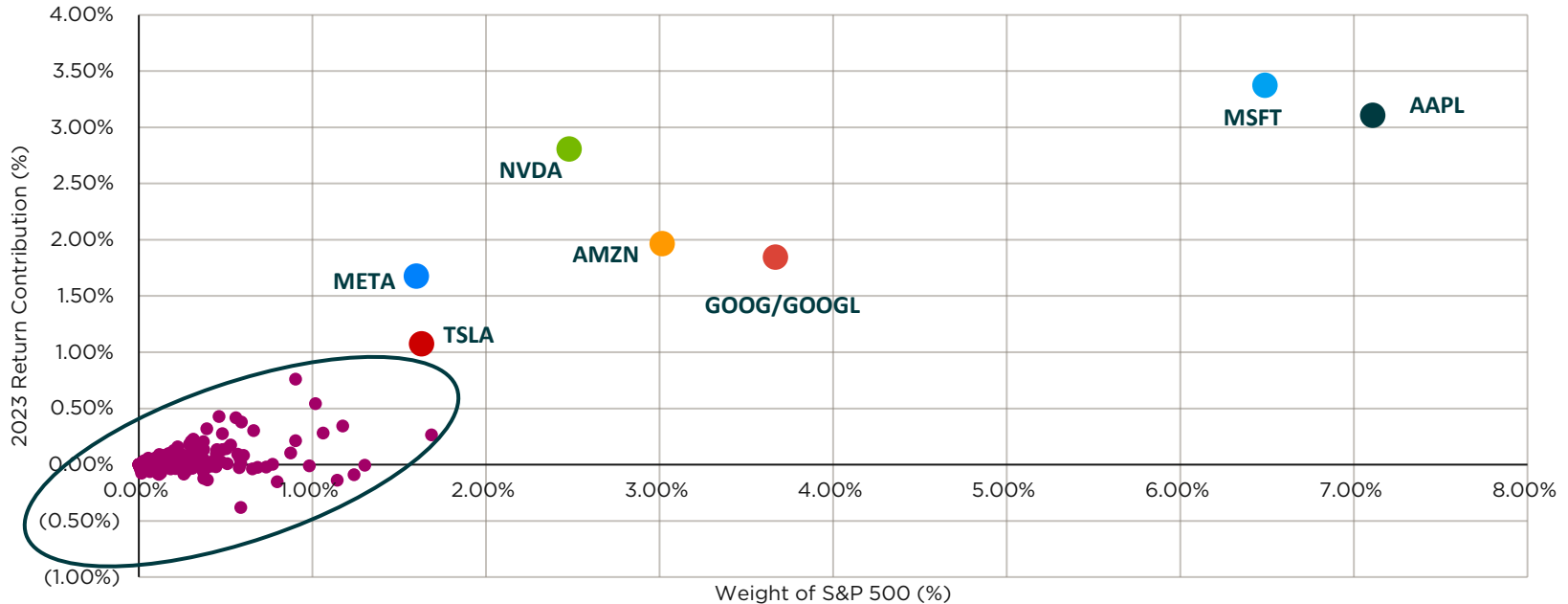
ARTIFICIAL INTELLIGENCE BURST ON THE SCENE

News + Social Media Mentions of “Artificial Intelligence”



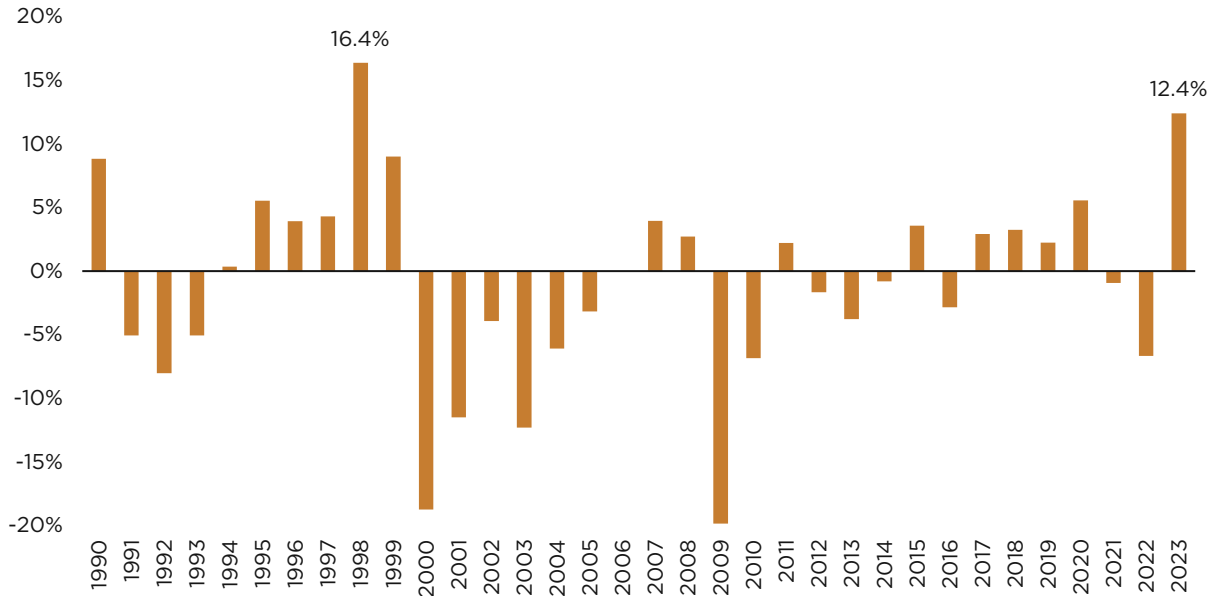
THE “MAGNIFICENT 7” DOMINATED EQUITY MARKETS IN 2023

Distribution of 2023 S&P 500 Return Contribution

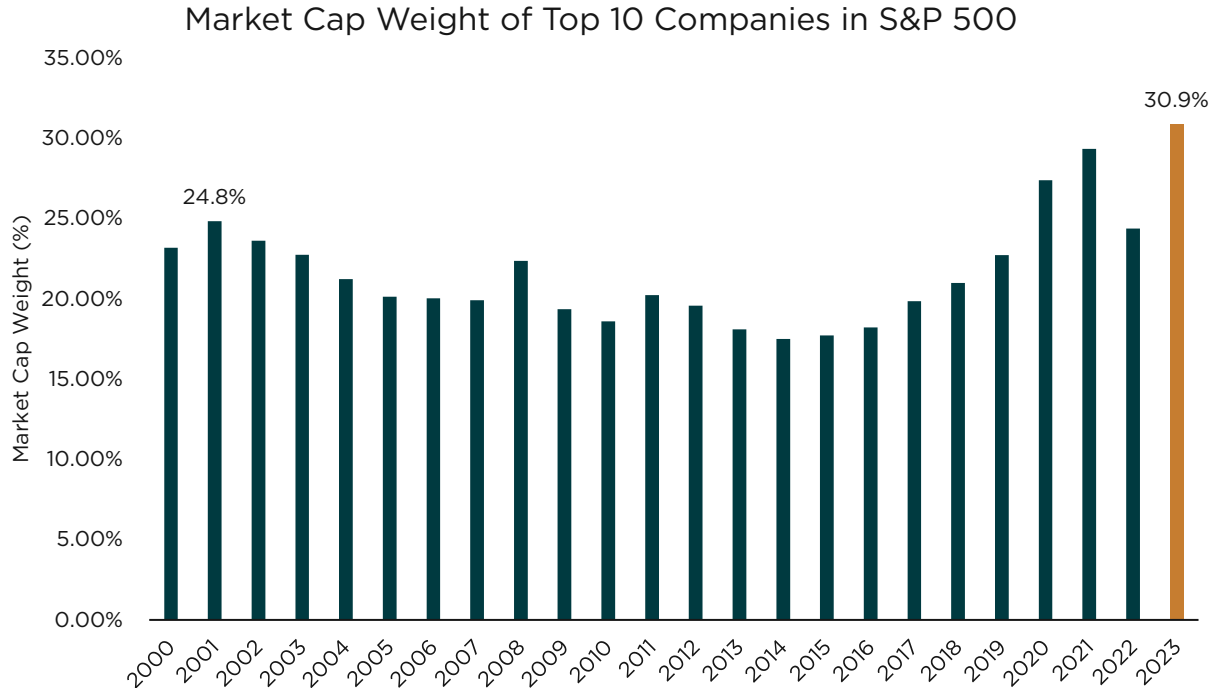


RESULTING IN AN EXTREME PERFORMANCE YEAR FOR THE S&P 500

Total Return Difference Between Cap Weighted S&P 500 vs. Equal Weighted S&P 500

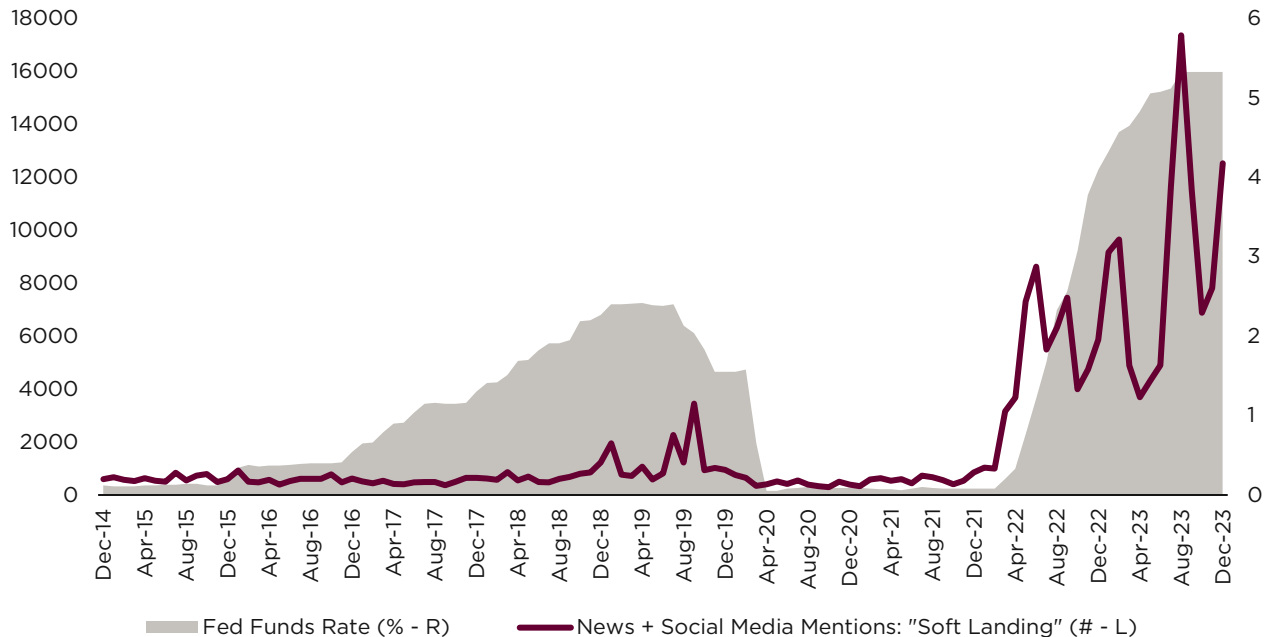


THE HIGHEST LEVELS OF MARKET CONCENTRATION IN DECADES



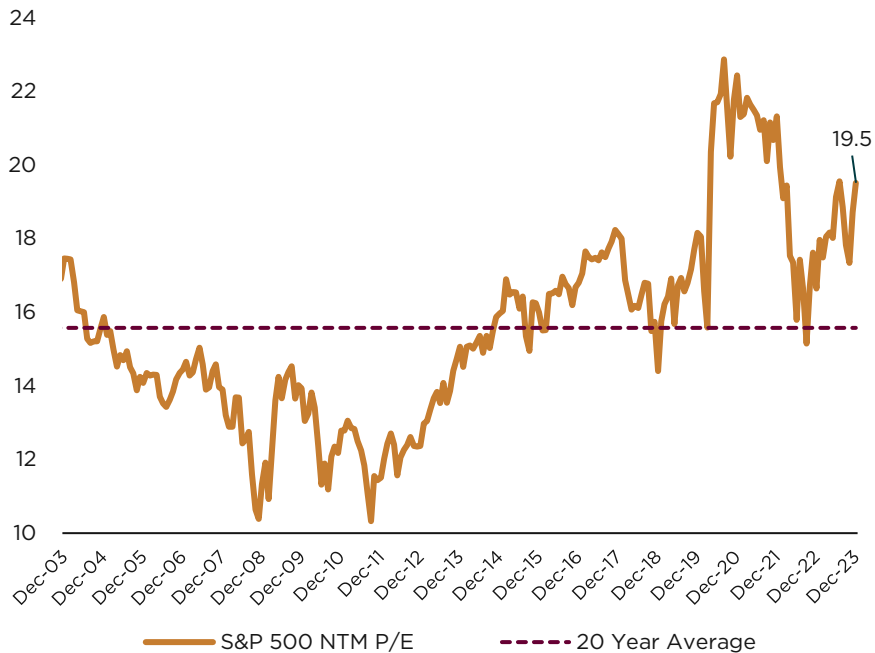
SOFT LANDING NARRATIVE BECOMING BROAD CONSENSUS

News + Social Media Mentions: "Soft Landing"

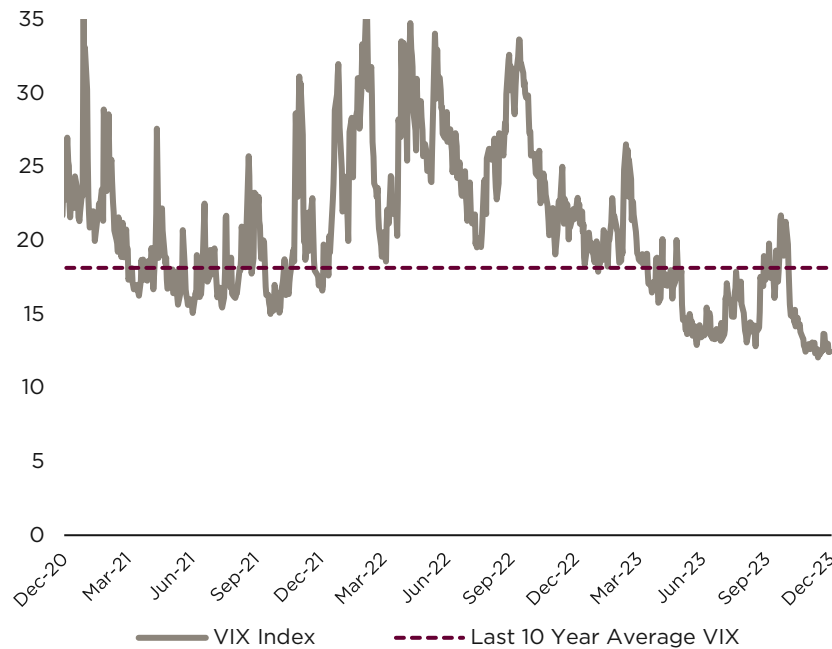


WHERE DOES THAT LEAVE US? MARKETS PRICING FOR LITTLE RISK

S&P 500 Next-12-Months P/E Ratio

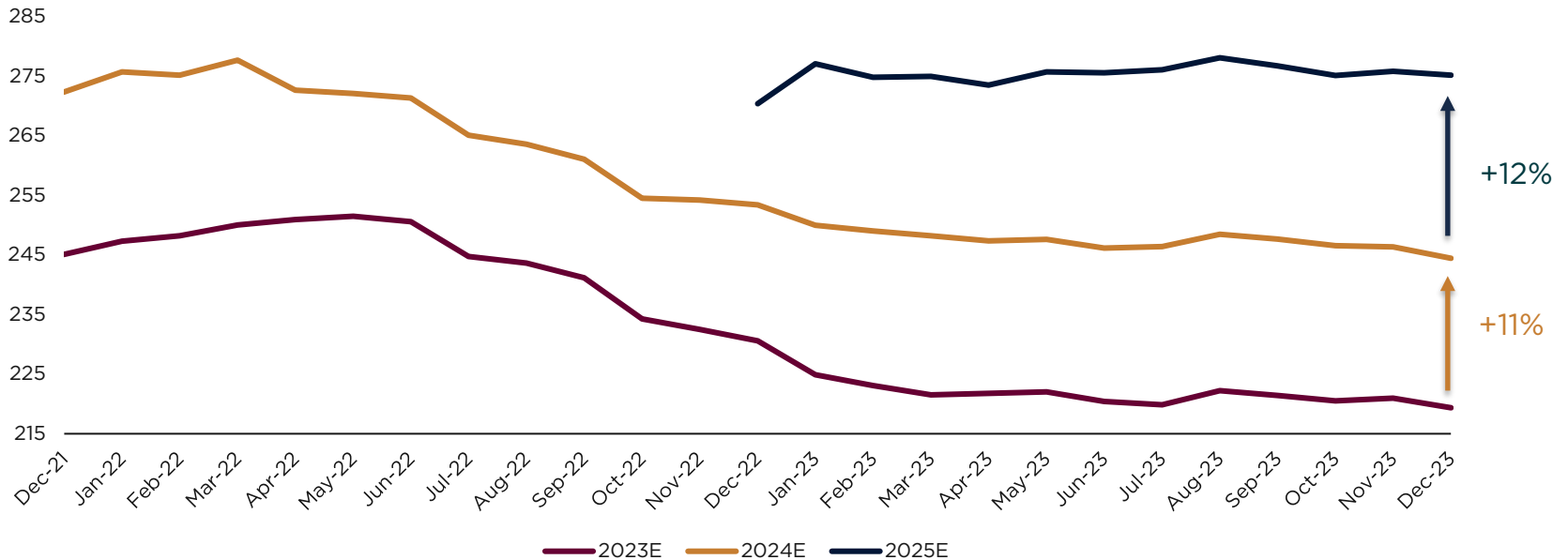


VIX Index



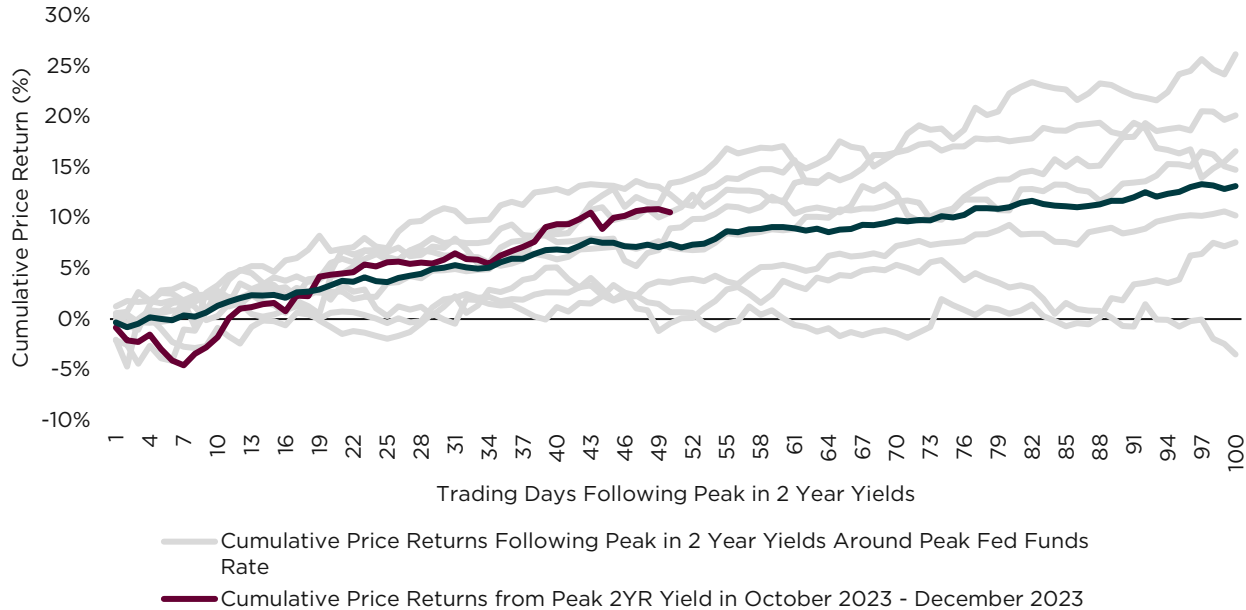
THE MARKET IS EXPECTING AN ACCELERATION IN EARNINGS

S&P 500 Earnings Estimates



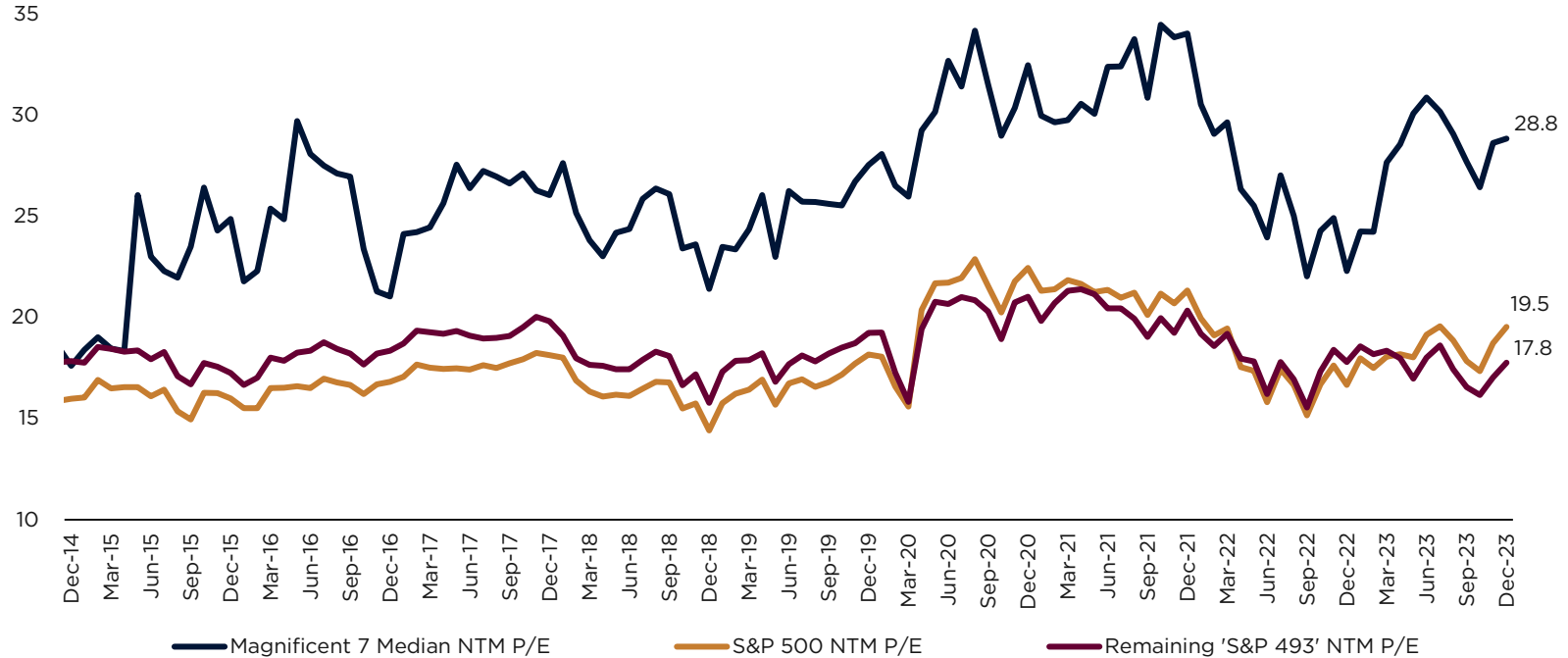
MARKETS OFTEN PERFORM WELL AT THE END OF FED CYCLES

S&P 500 Performance Following Peak in 2-Yr. Yield



VALUATION RISKS ARE CONCENTRATED

Magnificent 7 vs. "S&P 493" Next-12-Month P/E Ratio



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