

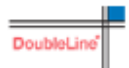
Q4 2023 Review and Market Update

Jonathan Shiffer

Chief Investment Officer

Freedom Investment Management, Inc.

Money Managers



Money Managers

J.P.Morgan



PIMCO



Wilshire





FREEDOM

INVESTMENT MANAGEMENT

Q4 Market Performance

Jonathan Shiffer

Chief Investment Officer

Freedom Investment Management, Inc.

Broad Fixed Income	Quarter	1 Year
Bloomberg US Agg Bond TR USD	6.8%	5.5%
Bloomberg Global Aggregate TR USD	8.1%	5.7%
Treasuries		
Bloomberg US Treasury Bill 1-3 M TR USD	1.4%	5.1%
Bloomberg 1-5 Yr Treasury TR USD	3.2%	4.4%
Bloomberg Treasury 5-7 Yr TR USD	5.4%	4.5%
Bloomberg Treasury 7-20 Yr TR USD	8.8%	3.7%
Bloomberg US Treasury 20+ Yr TR USD	13.4%	2.7%
Bloomberg US Treasury US TIPS TR USD	4.7%	3.9%
Credit		
Bloomberg Municipal TR USD	7.9%	6.4%
Bloomberg US Corp Bond TR USD	8.5%	8.5%
Bloomberg US Corporate High Yield TR USD	7.2%	13.5%

- Strong Performance Across Fixed Income Sectors

Outperformance

- Long Duration
- Credit

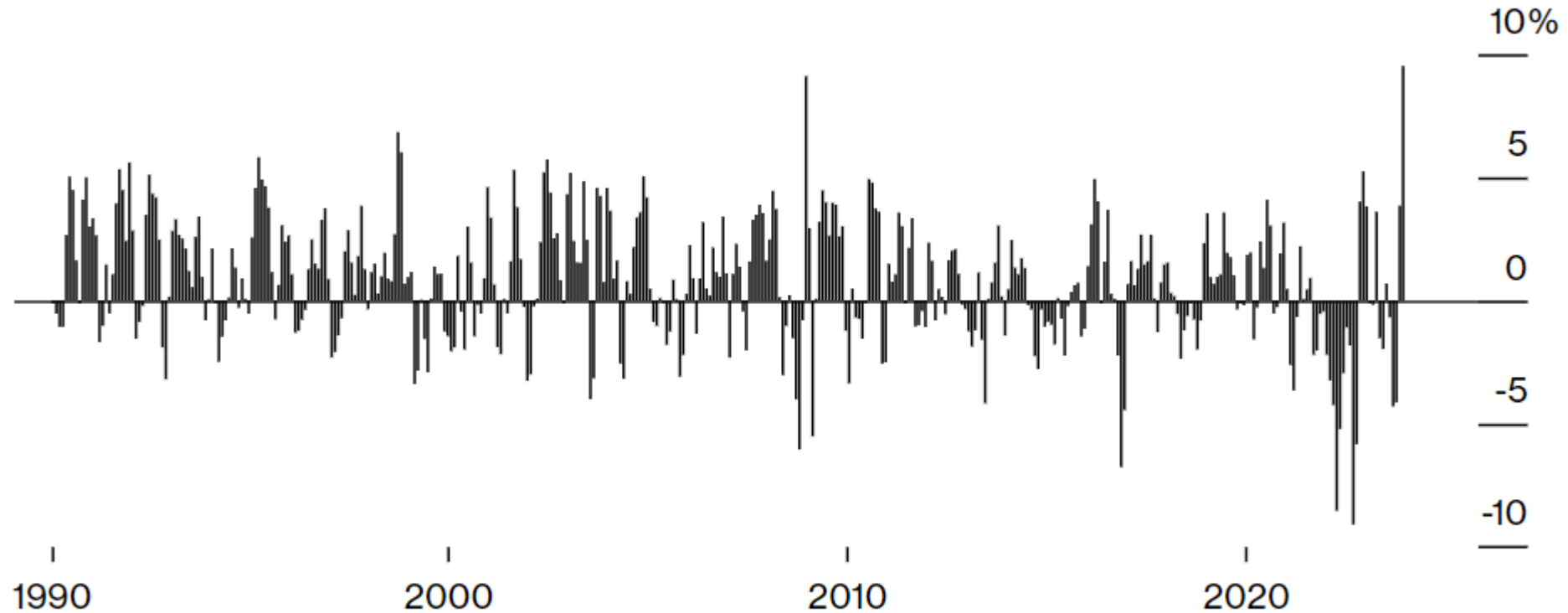
Source: Morningstar

Large Bond Rally to End Year



Global Bond Index Poised for Record Two-Month Gain

■ Rolling two-month gain in Bloomberg Global Aggregate Index



Source: Bloomberg

<https://www.bloomberg.com/news/articles/2023-12-28/global-bonds-eye-biggest-ever-two-month-gain-amid-rate-cut-bets?srnd=premium>

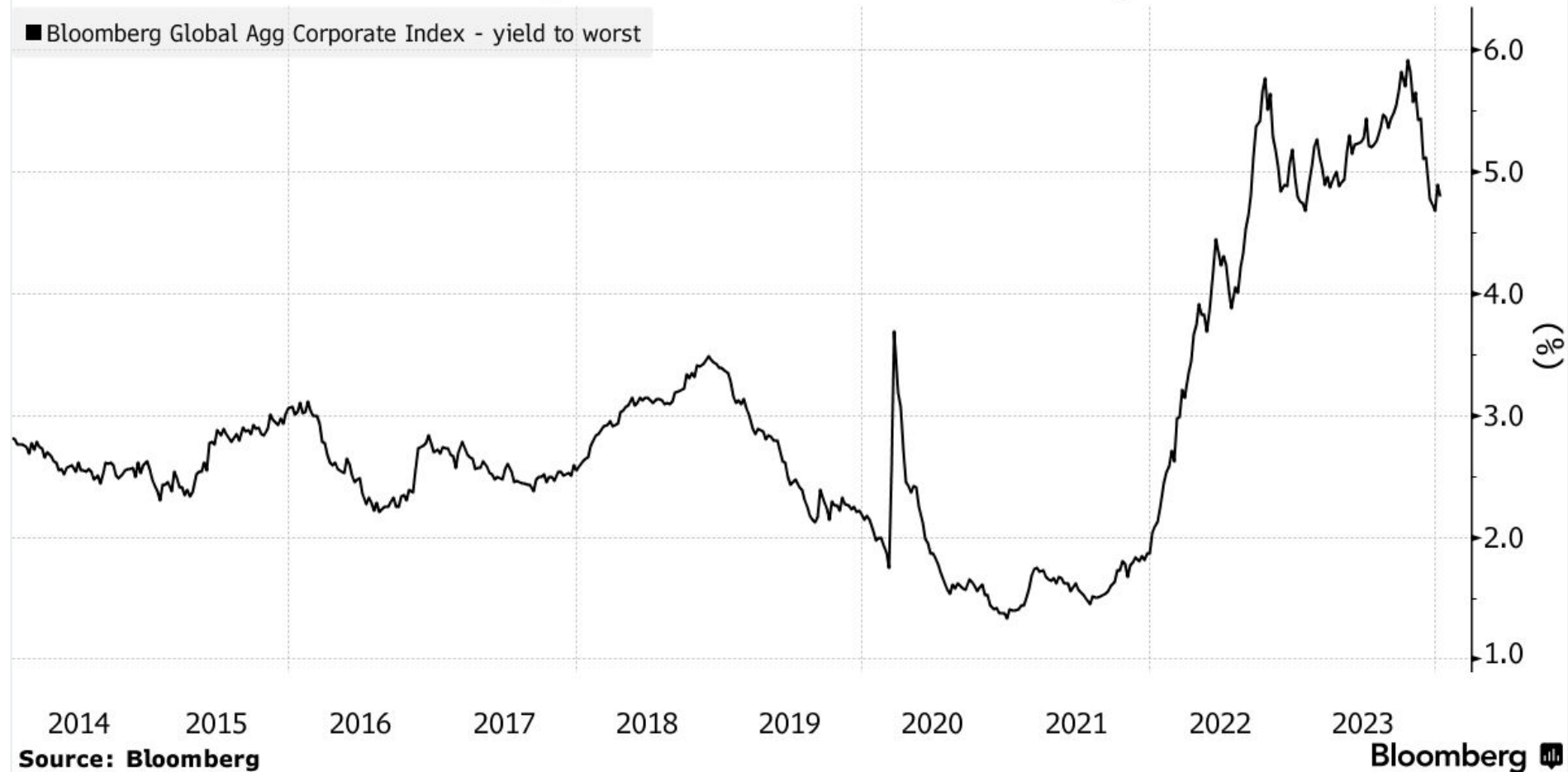
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Credit Spreads Narrowed in Q4 – Data through 12/21/2023



Yields are Much Higher than over the Past Decade Investors are keen to lock in yields at these levels while they can



Equity Performance as of 12/31/2023

Domestic Equity	Quarter	1 Year
NASDAQ Composite TR USD	13.8%	44.6%
S&P 500 TR USD	11.7%	26.3%
Russell 1000 Growth TR USD	14.2%	42.7%
Russell 1000 TR USD	12.0%	26.5%
Russell 1000 Value TR USD	9.5%	11.5%
Russell Mid Cap Growth TR USD	14.6%	25.9%
Russell Mid Cap TR USD	12.8%	17.2%
Russell Mid Cap Value TR USD	12.1%	12.7%
Russell 2000 Growth TR USD	12.8%	18.7%
Russell 2000 TR USD	14.0%	16.9%
Russell 2000 Value TR USD	15.3%	14.7%
International Equity		
MSCI ACWI NR USD	11.0%	22.2%
MSCI ACWI Ex USA NR USD	9.8%	15.6%
MSCI Europe NR USD	11.1%	19.9%
MSCI EM NR USD	7.9%	9.8%
MSCI AC Asia Pacific IMI NR USD	8.1%	12.2%
MSCI EM Latin America NR USD	17.6%	32.7%

Source: Morningstar

- Lower Bond Yields Triggered Broad Equity Rally

Outperformance

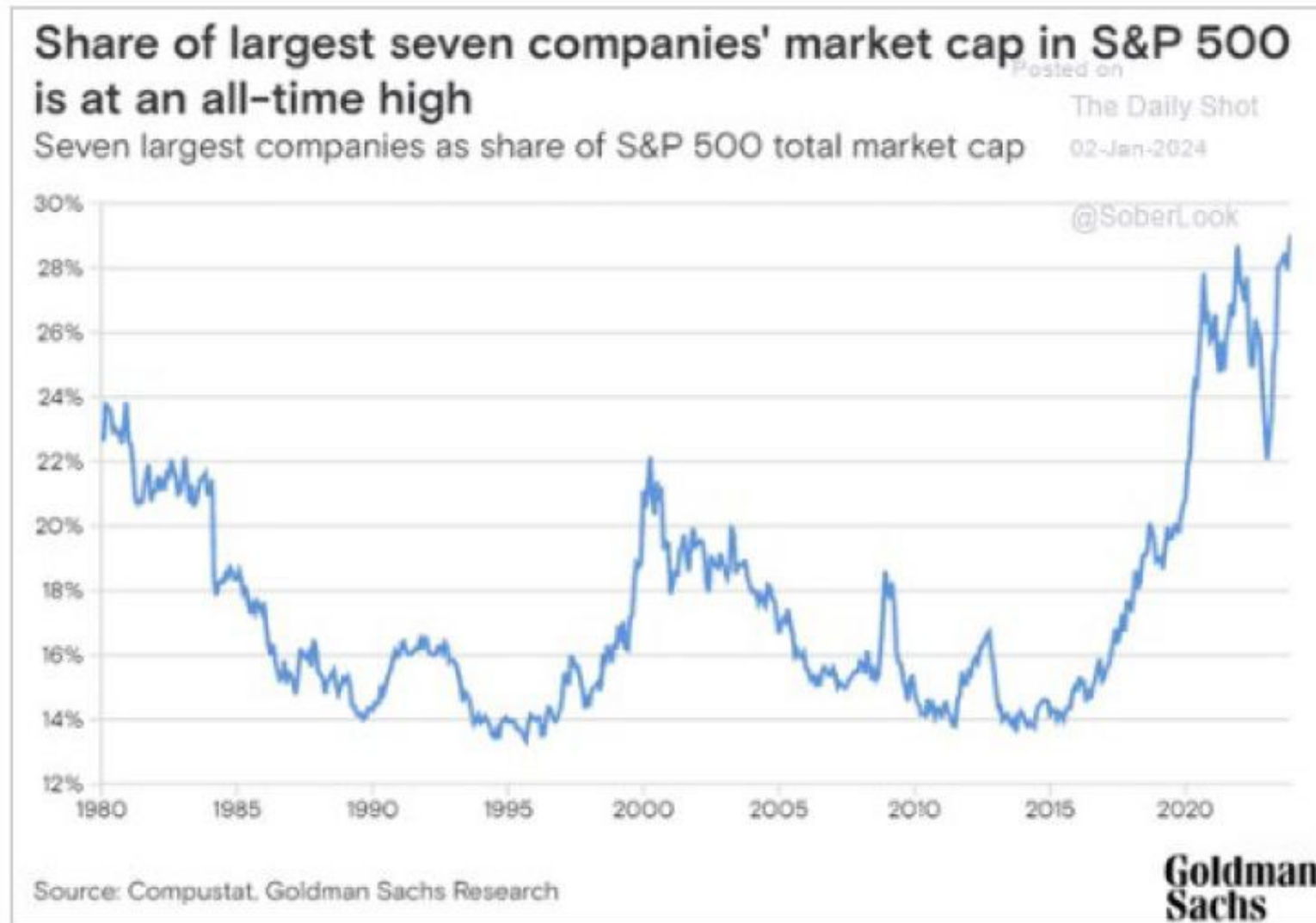
- Small/Mid Caps Participated in Rally
- Latin America Continues to Outperform

Magnificent Seven Responsible for 52% of Market Gains Year to Date Through Dec. 21, 2023.

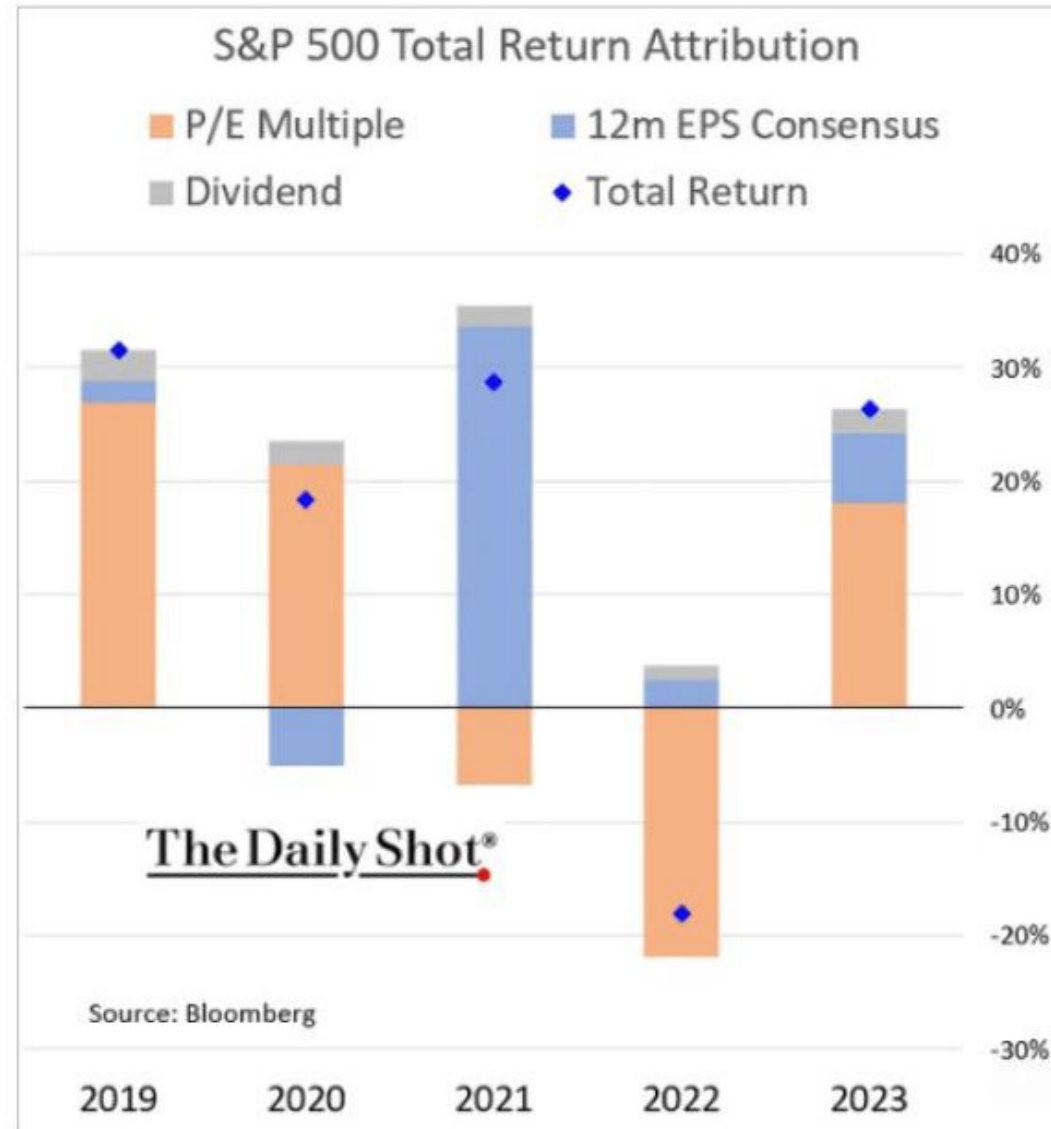
Name/Ticker	Index Weighting (%)	YTD Return (%)	YTD Contribution to Index Return (%)
Microsoft MSFT	5.68	55.76	2.78
Apple AAPL	6.23	49.83	2.67
Nvidia NVDA	2.16	235.23	2.32
Amazon.com AMZN	2.63	83.14	1.72
Alphabet GOOGL	3.22	59.15	1.60
Meta Platforms META	1.39	194.24	1.43
Tesla TSLA	1.42	106.61	0.96

Source: Morningstar

Magnificent Seven Hits New Record of Market Cap



Most of 2023 Return from Multiple Expansion



S&P 500 Relatively Expensive Once Again

S&P 500 12-month forward price/earnings ratio



Note: Monthly data through 2023

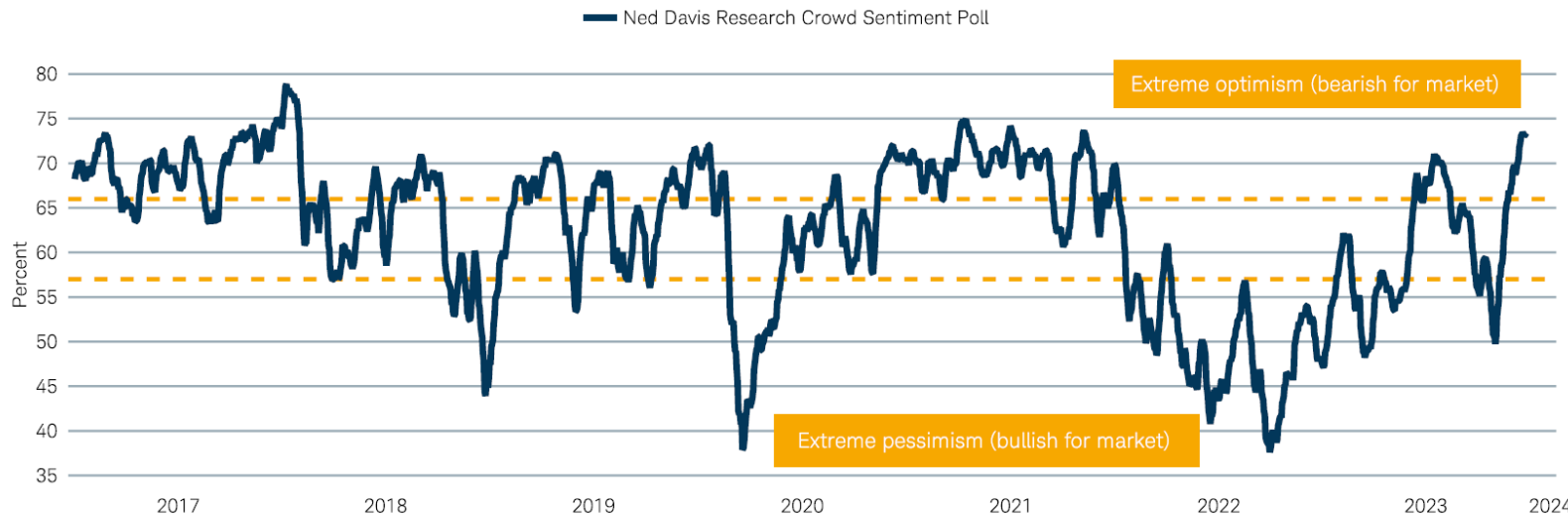
Source: Refinitiv

Valuation	
Metric	Current percentile ranking (relative to history)
S&P 500 forward P/E	Very Expensive
S&P 500 trailing P/E	Expensive
S&P 500 5-year normalized P/E	Very expensive
S&P 500 price/book value ratio	Very expensive
S&P 500 price/cash flow	Expensive
S&P 500 dividend yield	Very expensive
Shiller's CAPE (cyclically adjusted P/E)	Very expensive
Rule of 20	Expensive
Equity risk premium (10-year Treasury yield)	Expensive
Equity risk premium (Baa corporate bond yield)	Fairly valued
Fed Model	Expensive
Tobin's Q	Very Expensive
Market cap/GDP	Very expensive

Source: Charles Schwab, the Schwab Center for Financial Research, Bloomberg, Macrobond as of 12/31/2023. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. Past performance is no guarantee of future results. Source: Charles Schwab, Bloomberg, The Leuthold Group, as of 9/30/2023. For illustrative purposes only. Investing involves risk, including loss of principal. Due to data limitations, start dates for each metric vary and are as follows: CAPE: 1920; Dividend yield: 1920; Normalized P/E: 1945; Market cap/GDP: 1952; Forward P/E, trailing P/E, price/book, price/cash flow, rule of 20, equity risk premium, Fed Model: 1995. "Very expensive" refers to 80-100th percentile rankings; "expensive" refers to 60-80th percentile rankings; "fairly valued" refers to 40-60th percentile rankings; "inexpensive" refers to 20-40th percentile rankings; and "cheap" refers to 0-20th percentile rankings.

Investor sentiment indicators

The bounce in risk assets since late October coincided with a significant upturn in investor sentiment. The Crowd Sentiment Poll from Ned Davis Research jumped into “extreme optimism” territory, which has historically been a weaker zone for the stock market.



Ned Davis Research Crowd Sentiment Poll	S&P 500 annualized gain (12/01/1995-12/31/2023)	Percent of time
Above 66	-0.06%	27.21%
57-66 from above	1.91%	17.44%
57-66 from below	19.80%	18.41%
Below 57	10.82%	36.55%

Source: Charles Schwab, Ned Davis Research, Inc. as of 12/31/2023. See NDR Disclaimer at www.ndr.com/copyright.html. Further distribution prohibited without prior permission. All Rights Reserved. For data vendor disclaimers refer to www.ndr.com/vendorinfo. Investing involves risk, including loss of principal. Schwab does not recommend the use of technical analysis as a sole means of investment research. Past performance is no guarantee of future results.

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Index	Quarter	1 Year
S&P 500 TR USD	11.7%	26.3%
S&P Real Estate Select Sector TR USD	18.8%	12.4%
S&P Technology Select Sector TR USD	17.7%	56.1%
S&P Financial Select Sector TR USD	14.0%	12.2%
S&P Industrial Select Sector TR USD	13.1%	18.1%
S&P Telecom Select Industry TR USD	12.9%	-0.8%
S&P Consumer Disc Select Sector TR USD	11.3%	39.8%
S&P Materials Select Sector TR USD	9.7%	12.5%
S&P Utilities Select Sector TR USD	8.6%	-7.1%
S&P Health Care Select Sector TR USD	6.4%	2.1%
S&P Cons Staples Select Sector TR USD	5.5%	-0.8%
S&P Energy Select Sector TR USD	-6.4%	-0.6%

Source: Morningstar

Relative Outperformance

- Cyclical- Real Estate, Financials, Industrials
- Technology

Relative Underperformance

- Energy
- Defensives
 - Utilities, Healthcare, Staples

Factor Performance as of 12/31/2023



Index	Quarter	1 Year
S&P 500 High Beta TR USD	17.9%	33.6%
S&P 500 Momentum TR USD	14.6%	17.8%
S&P 500 Value TR USD	13.6%	22.2%
S&P 500 Enhanced Value TR USD	10.2%	11.7%
S&P 500 Growth TR USD	10.1%	30.0%
S&P High Yield Dividend Aristcrts TR USD	9.6%	2.8%
S&P 500 Quality TR USD	8.5%	25.0%
S&P 500 Dividend Aristocrats TR USD	8.3%	8.4%
S&P 500 Low Volatility TR USD	7.4%	0.7%
S&P 500 Quality High Dividend TR USD	7.0%	5.5%

Relative Outperformance

- High Beta
- Momentum
- Value

Relative Underperformance

- Low Volatility
- Quality High Dividend

Source: Morningstar

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All investments carry with it a degree of risk(s) which may include a total loss of invested assets as such risk(s) should be carefully considered and evaluated before investing. Diversification does not guarantee a profit or protect against a loss. Indexes are unmanaged and cannot be invested in directly. **Past performance is not indicative of future results. All model performance is hypothetical, and models were constructed with the benefit of hindsight. Returns are gross of fees and expenses, which will reduce returns.** The fees and expenses for each investor are stated in an investor’s advisory agreement. A side-by-side comparison of net and gross performance for the model reflected in this document is available on the Freedom Advisors platform.

Model returns represent the weighted average return of each of the underlying strategies returns based on the model allocation as of the most recent quarter-end, rebalance quarterly with dividend reinvested into the corresponding investments. The underlying strategies' performance in turn are returns that have either been calculated by Freedom, as live money composite return or have been provided by the underlying strategy's manager via the Morningstar manager return database and have not been independently verified. Manager-reported performance may include hypothetical performance for some or all of the time periods shown. For any underlying strategy lacking real money or manager-provided returns, a relevant index or custom blended index performance has been used. Indexes are unmanaged and cannot be invested in directly. Since model date and annualized returns are compounded using a rolling year calculation; all performance assumes the reinvestment of dividends.

Freedom shall select managers for each underlying strategy and may change the allocations and managers in each model from time to time at its discretion. Investors should review the Model and underlying strategies' facts sheets for information specific to each strategy, including the dates of any hypothetical performance used. The comparative benchmarks are designed to measure global portfolio of stocks, bonds, and cash, allocated to represent five distinct investor risk profiles. They represent stock exposure levels in line with investors' expectations relative to a targeted level of equity risk. The benchmark returns do not represent the results of actual trading of investable assets/securities. Freedom maintains the benchmark blend and calculates the benchmark levels and performance shown or discussed but does not manage actual benchmark assets. Benchmark returns displayed do not reflect a deduction of management fees and do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the benchmark or investment funds that are intended to track the performance of the benchmark. The imposition of these fees and charges would cause the actual and back tested performance of the securities/fund to be lower than the benchmark performance shown.



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Economic Outlook and Asset Class Preferences

Jonathan Shiffer

Chief Investment Officer

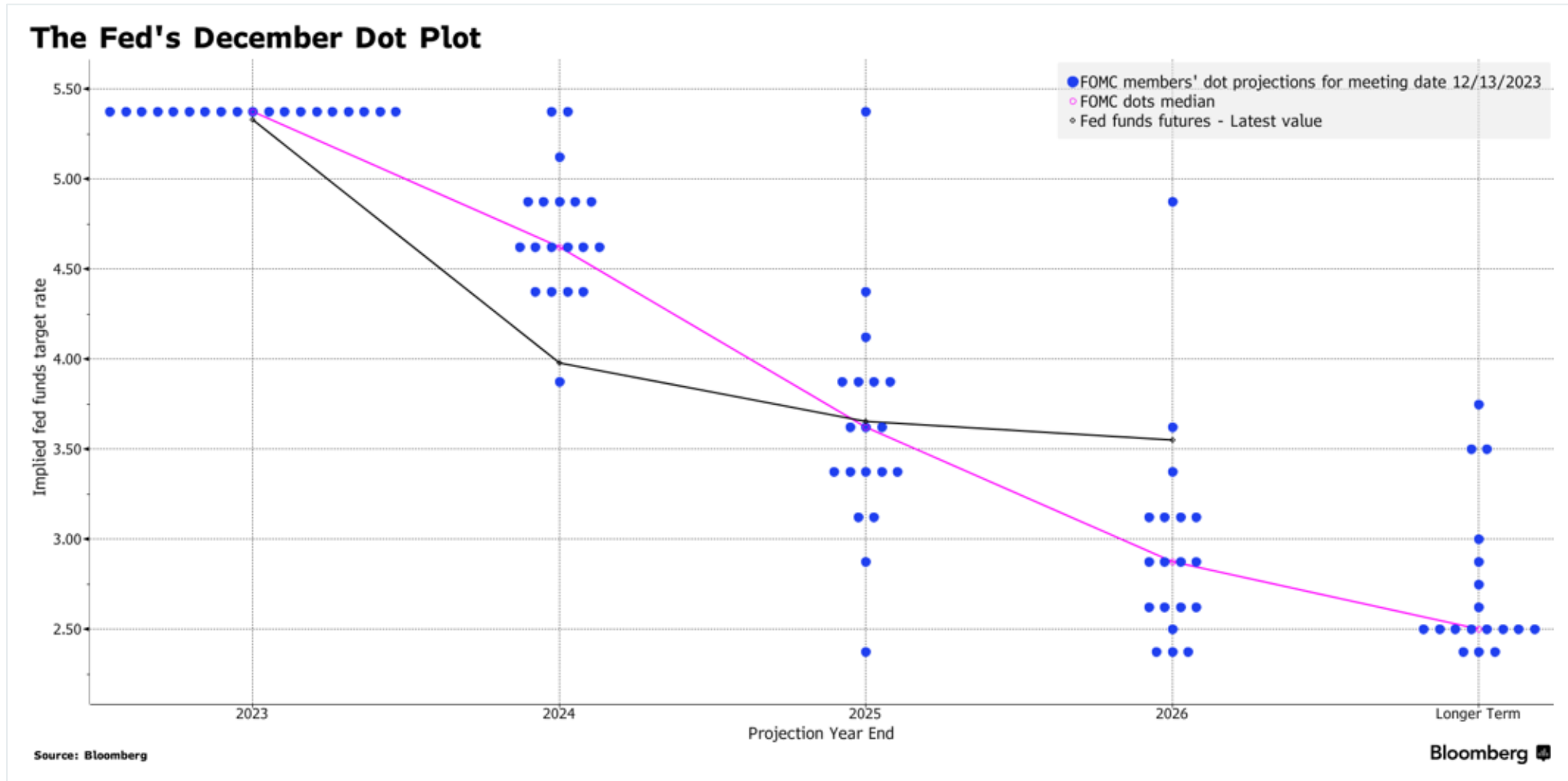
Freedom Investment Management, Inc.

Sam Smith, CFA®

Investment Analyst

Freedom Investment Management, Inc.

Fed Forecasting Three Cuts in 2024

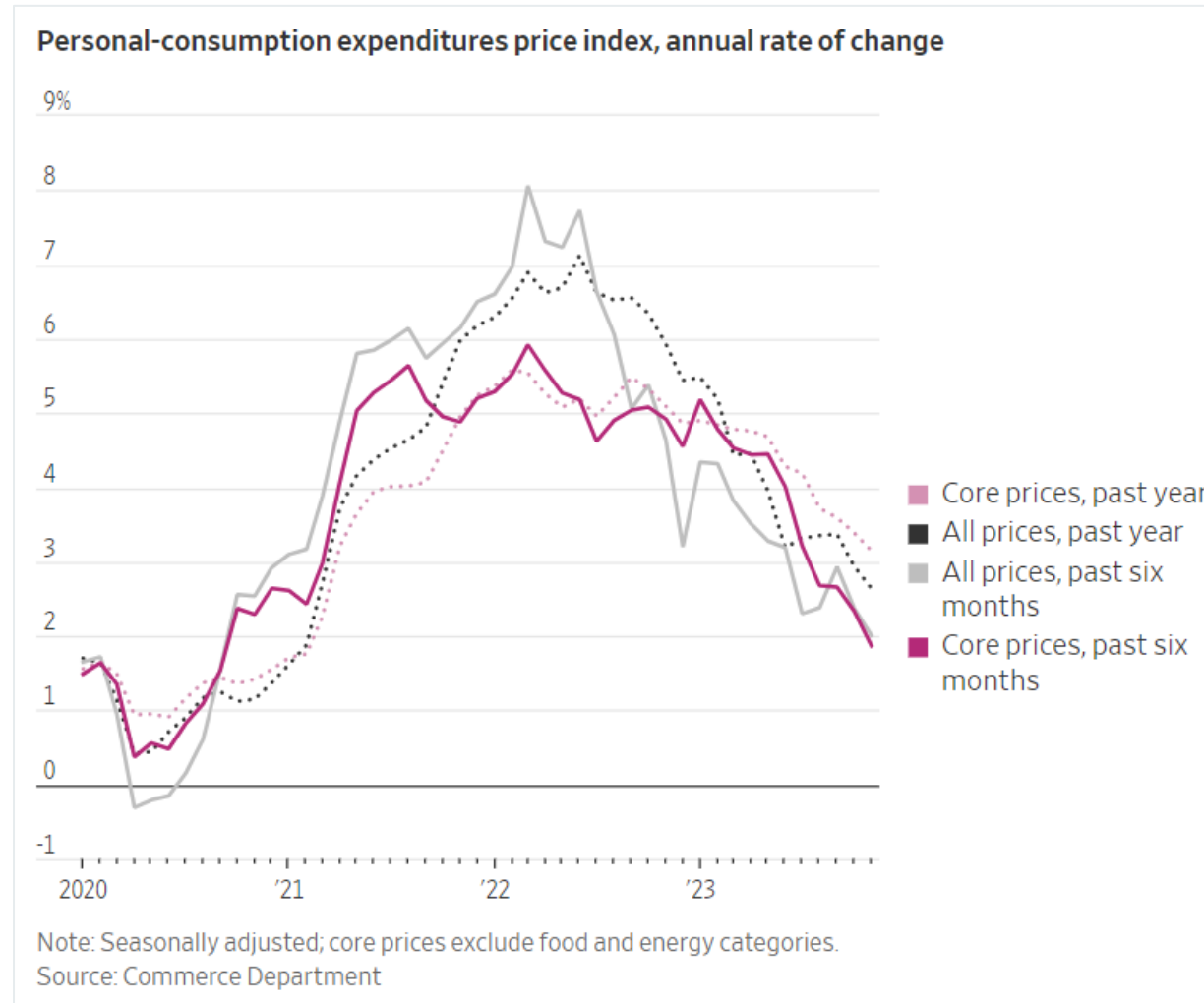


<https://www.bloomberg.com/news/articles/2023-12-13/fed-holds-rates-steady-again-and-pivots-toward-cuts-in-2024?srd=premium>

Please see Important Information at the end of the presentation.

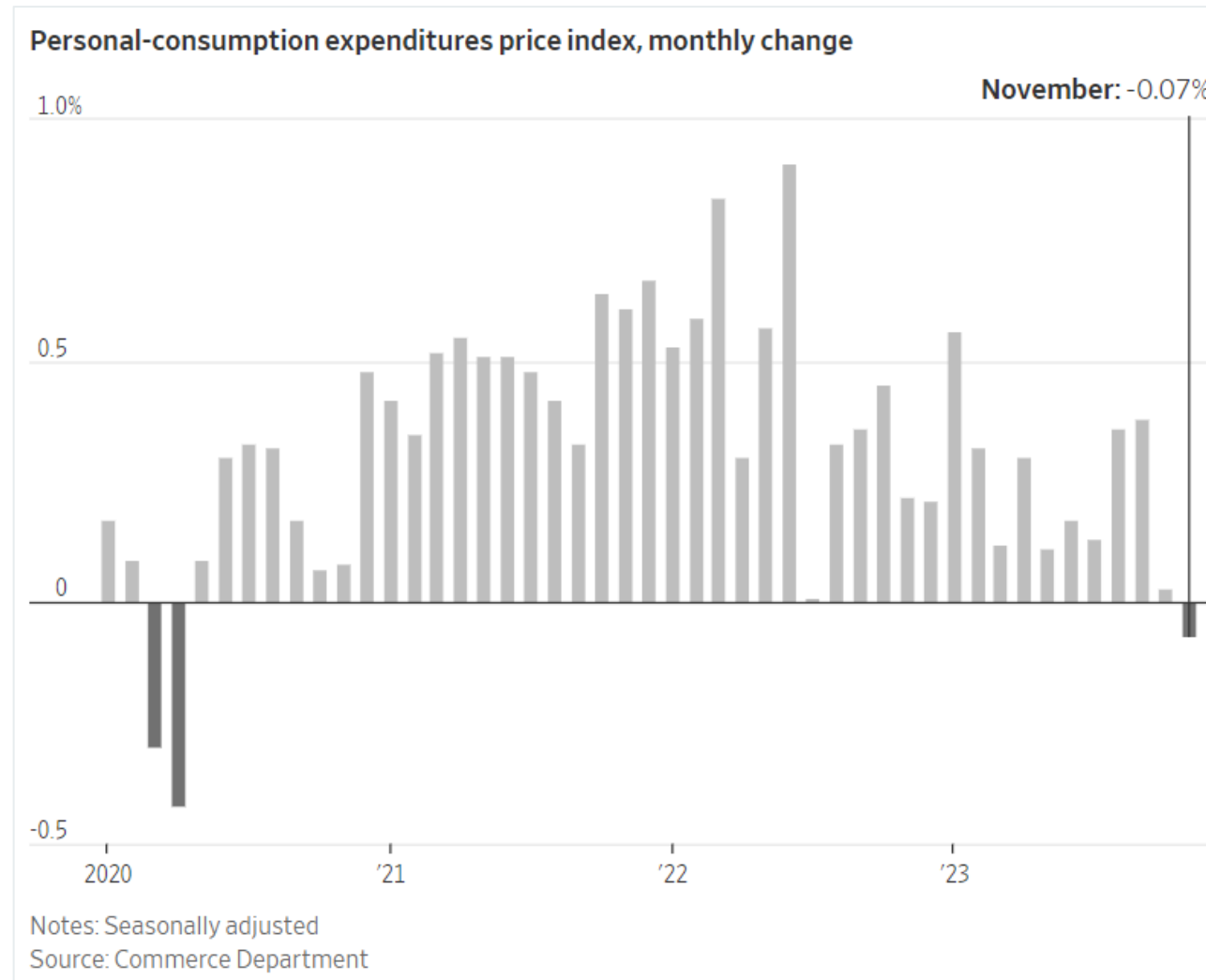
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Fed's Preferred Inflation Measure Approaching 2% Target



https://www.wsj.com/economy/what-to-watch-in-fridays-spending-report-inflation-closing-in-on-feds-target-0778037d?mod=economy_more_article_pos1

PCE Recently Fell Month-on-Month

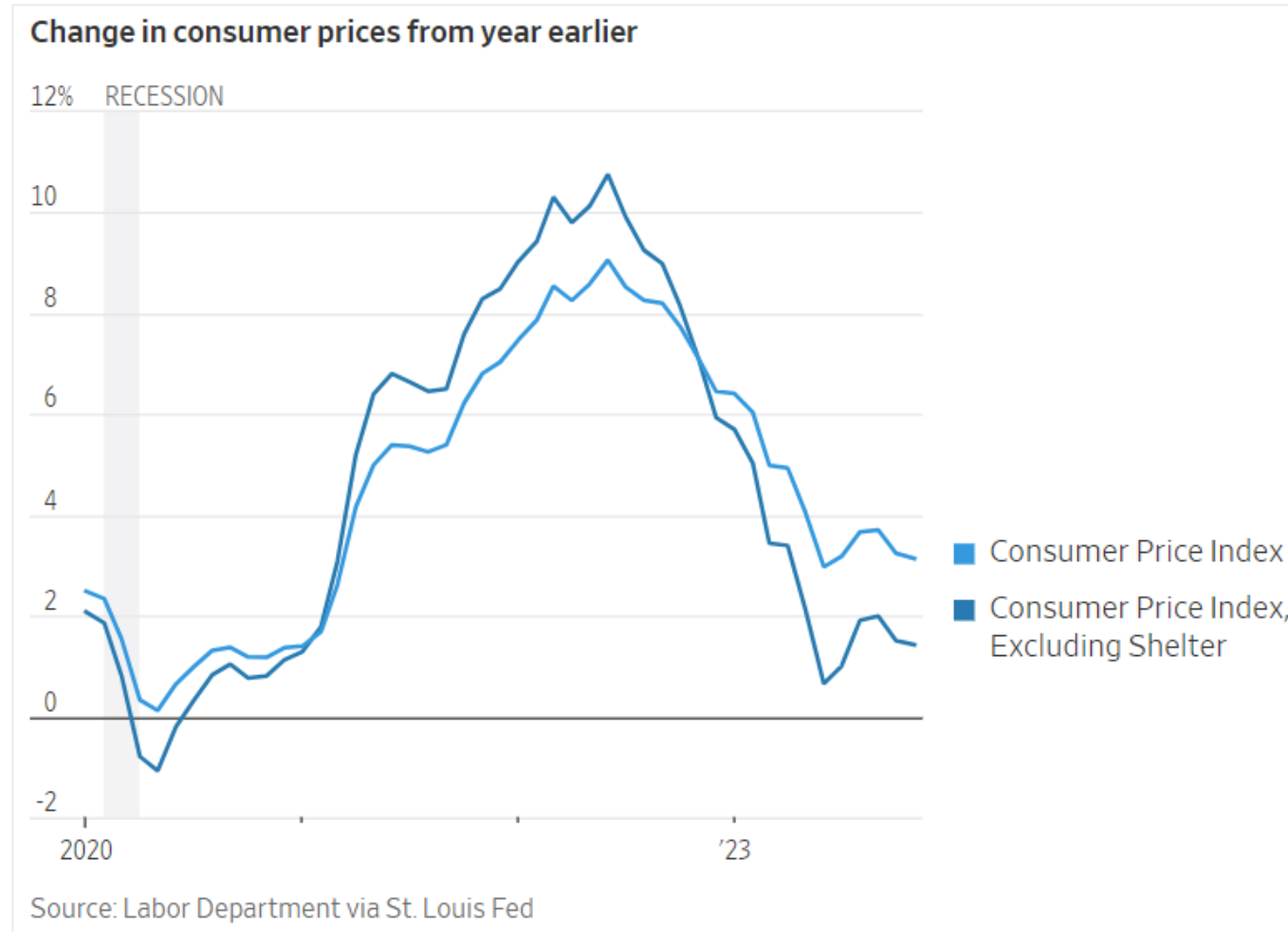


https://www.wsj.com/economy/what-to-watch-in-fridays-spending-report-inflation-closing-in-on-feds-target-0778037d?mod=economy_more_article_pos1

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Shelter Propping up CPI

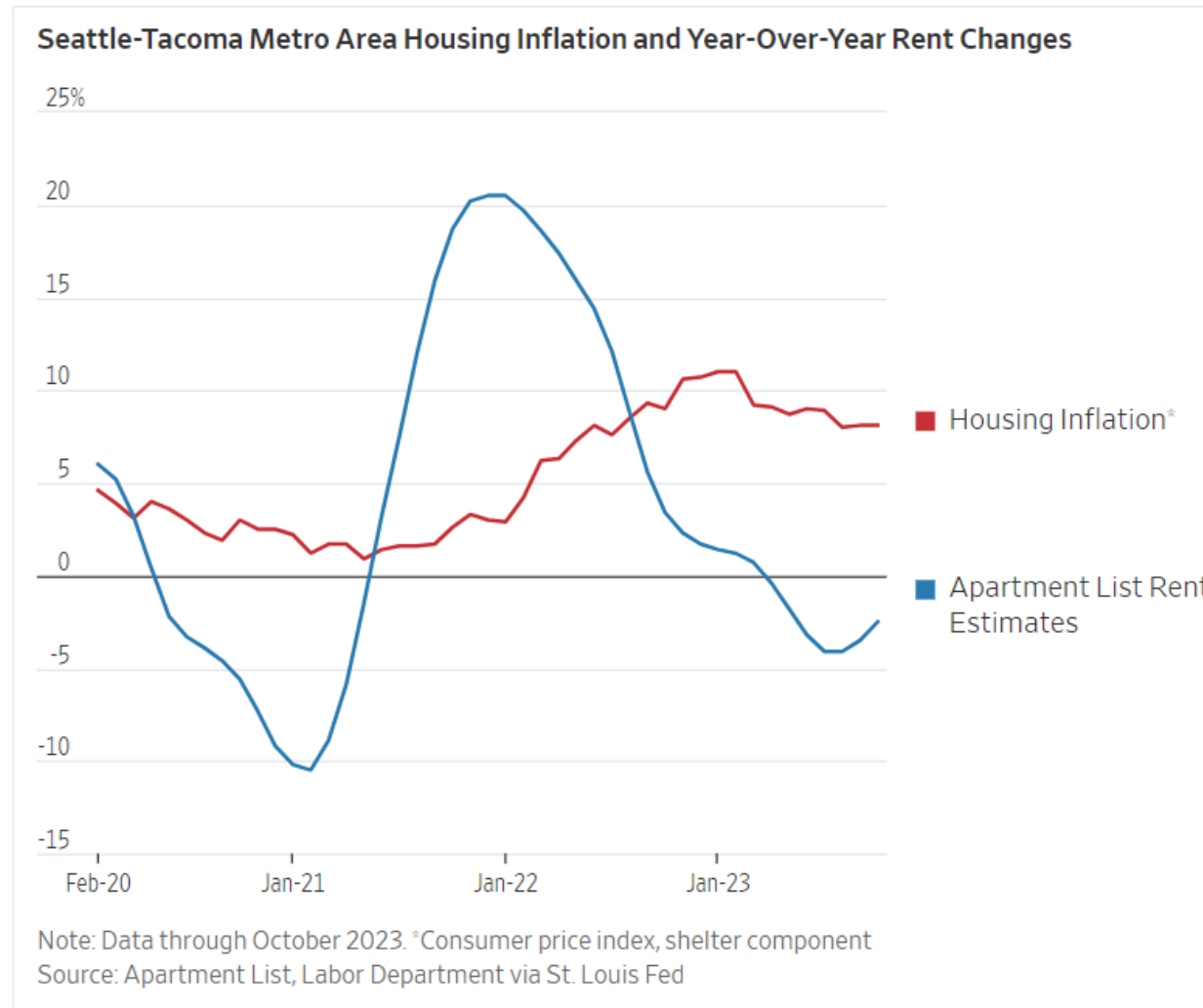


https://www.wsj.com/economy/housing/despite-record-home-prices-housing-is-about-to-drag-inflation-down-53f196dd?mod=series_inflation

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Shelter Inflation Expected to Decrease



https://www.wsj.com/economy/housing/despite-record-home-prices-housing-is-about-to-drag-inflation-down-53f196dd?mod=series_inflation

Inflation Should Normalize in 2024

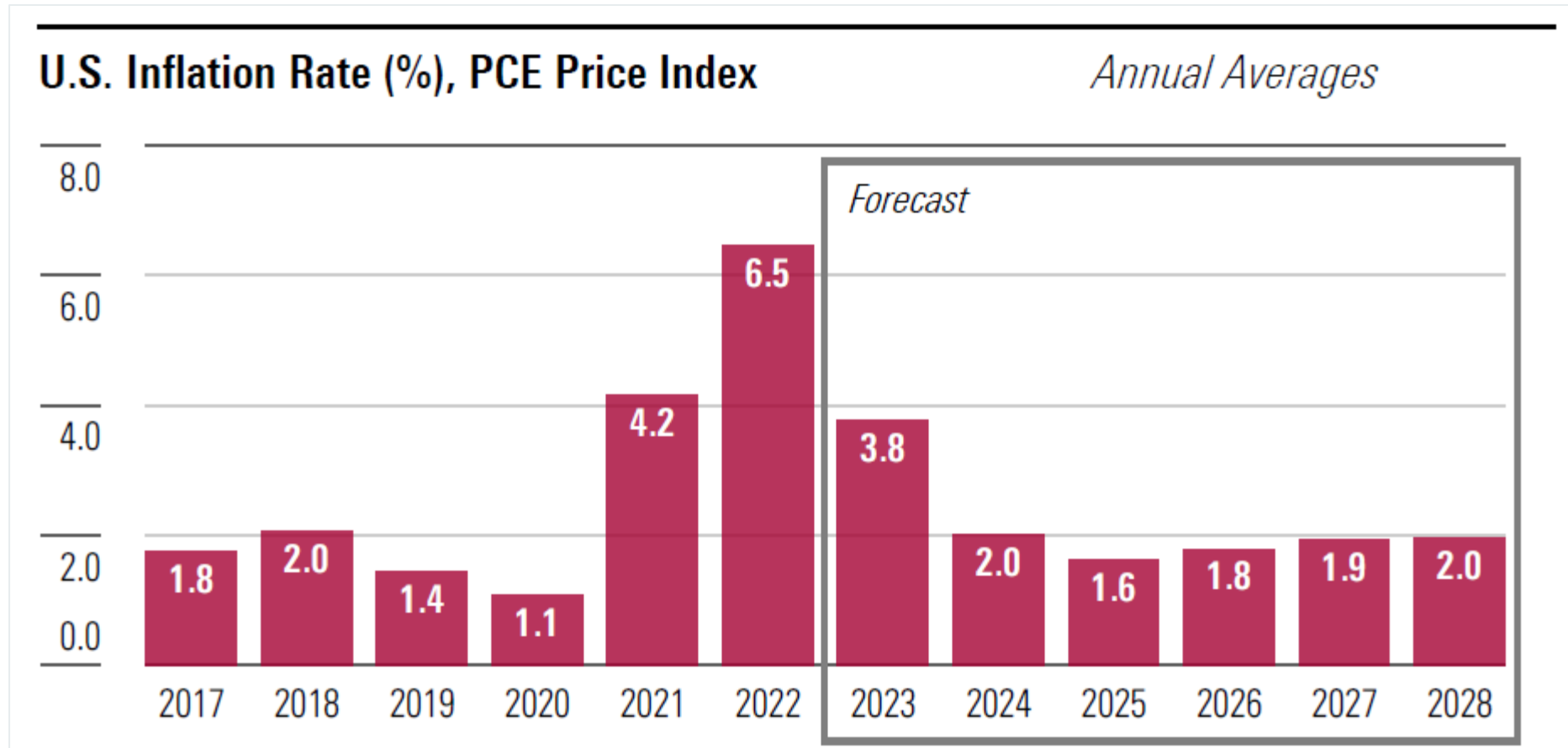
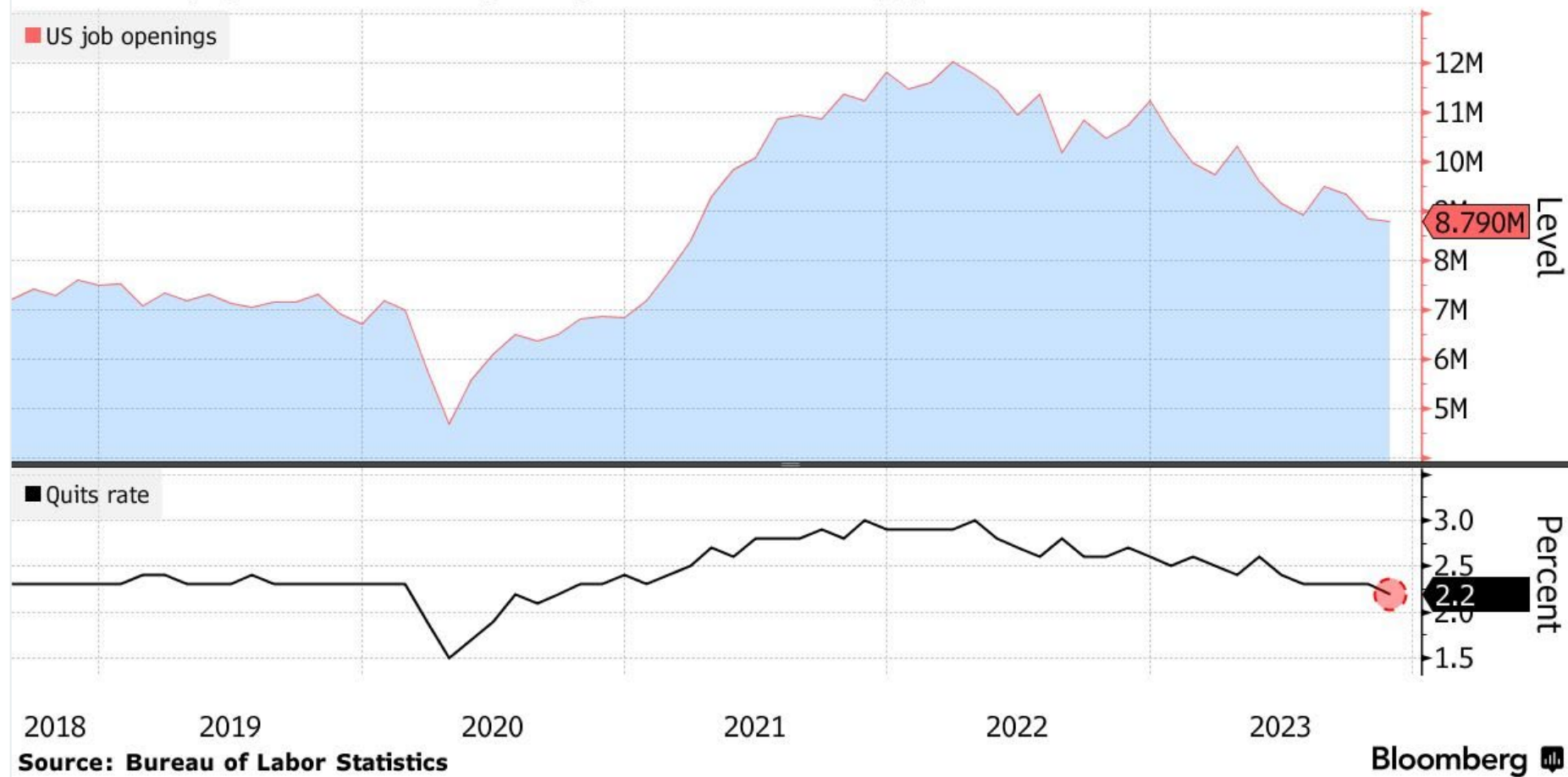


Exhibit sources: Bureau of Economic Analysis, Morningstar. Data as of January 2, 2024.

Labor Market Still Strong but Cooling

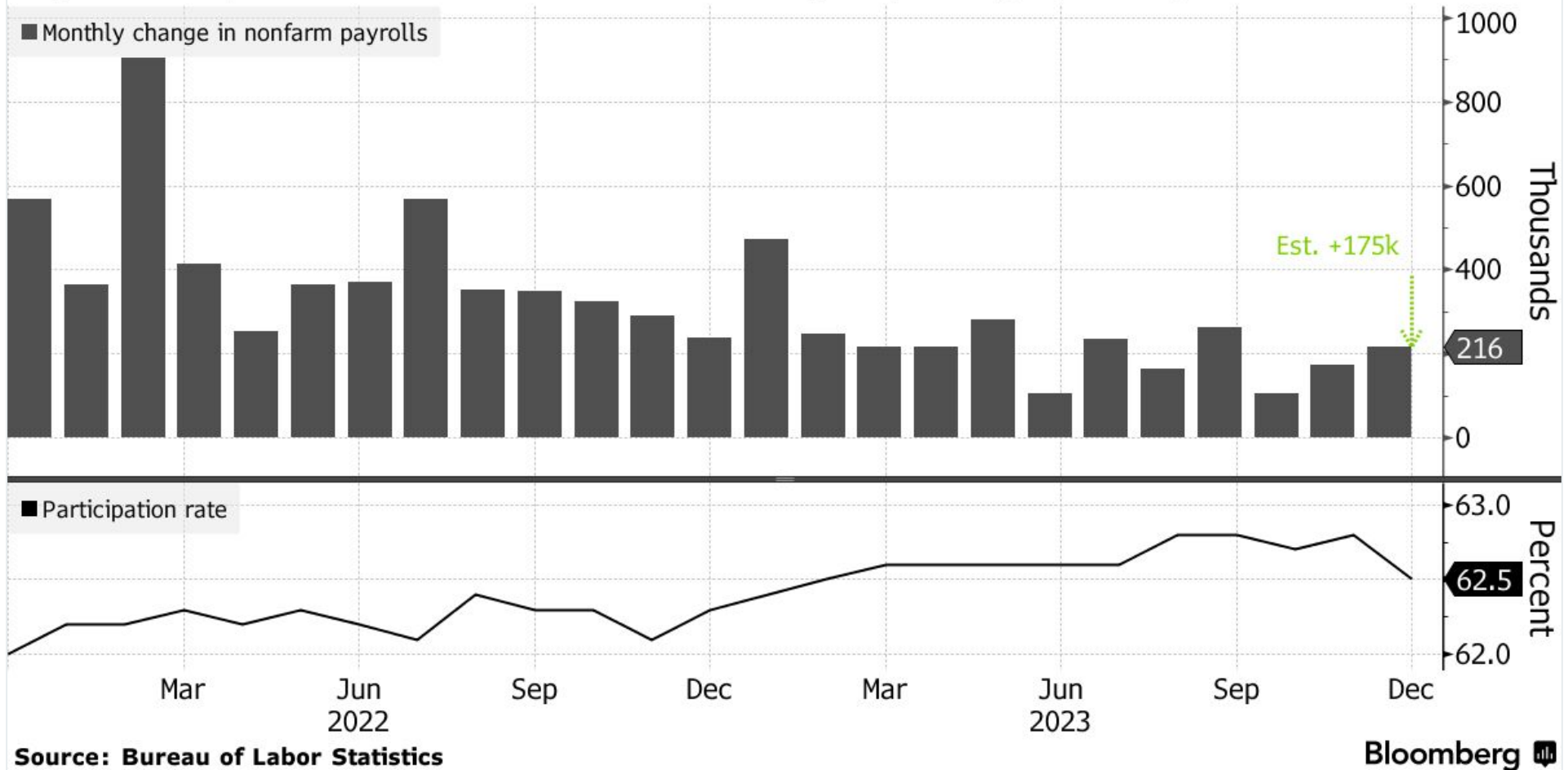
US Job Openings Eased Further in November Vacancies, quits and hiring all pointed to cooling job market



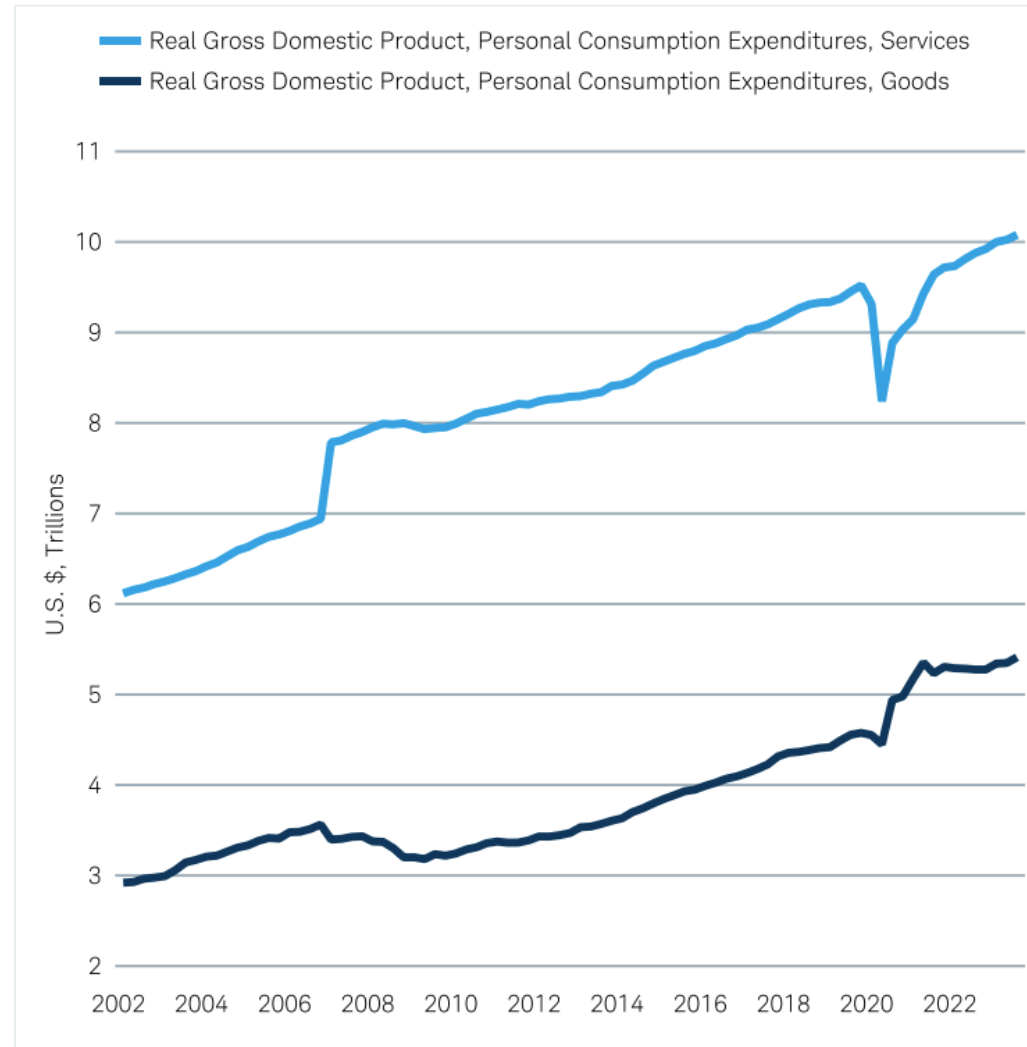
<https://www.bloomberg.com/news/articles/2024-01-03/us-job-openings-eased-further-in-november-to-8-79-million?srnd=premium>

Labor Market Still Strong but Cooling

US Employers Add More Jobs Than Expected Payrolls surprised in the final month of the year, though participation fell



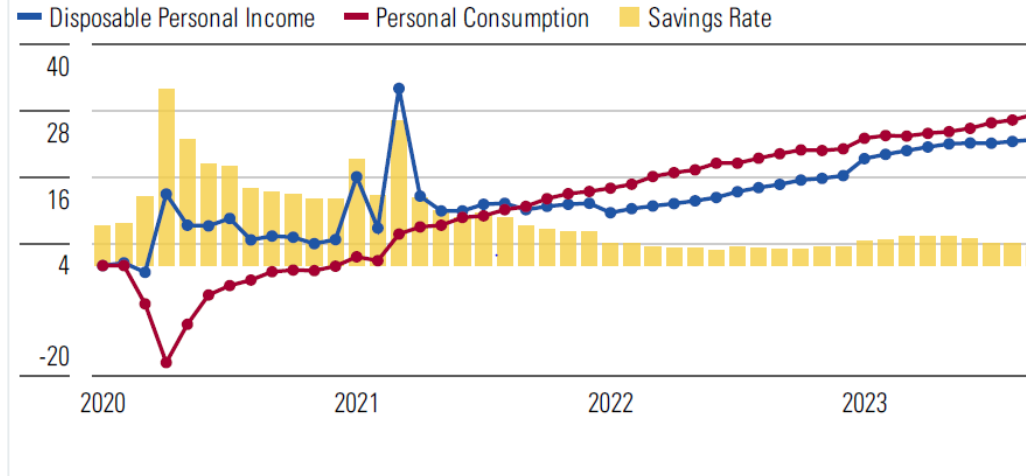
<https://www.bloomberg.com/news/articles/2024-01-05/us-payrolls-pick-up-wages-gain-as-labor-market-stays-solid>



Source: Charles Schwab, Macrobond as of 12/31/2023. Savings rate and revolving credit are on a monthly basis and subject to revisions.

Excess Savings Being Drawn Down

Personal Income and Spending, % Cumulative Growth Versus January 2020



Estimates of Excess Savings, \$ Billion

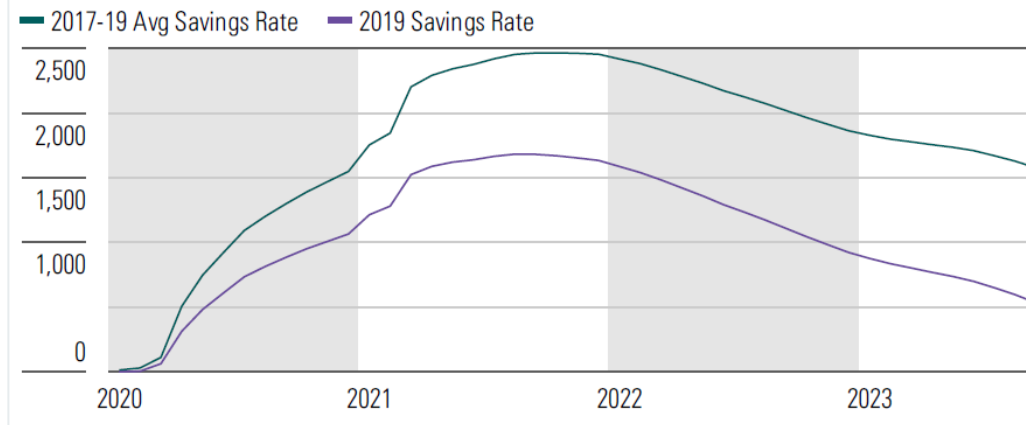
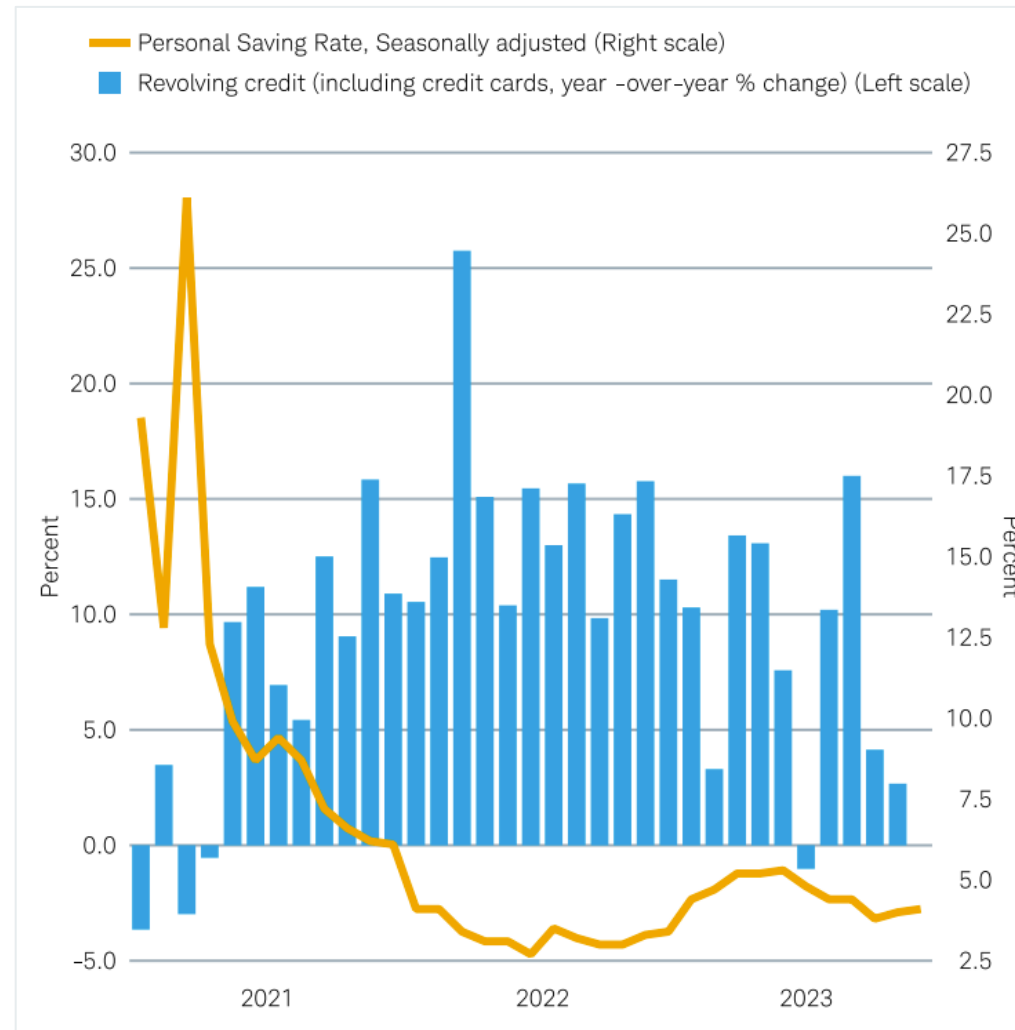


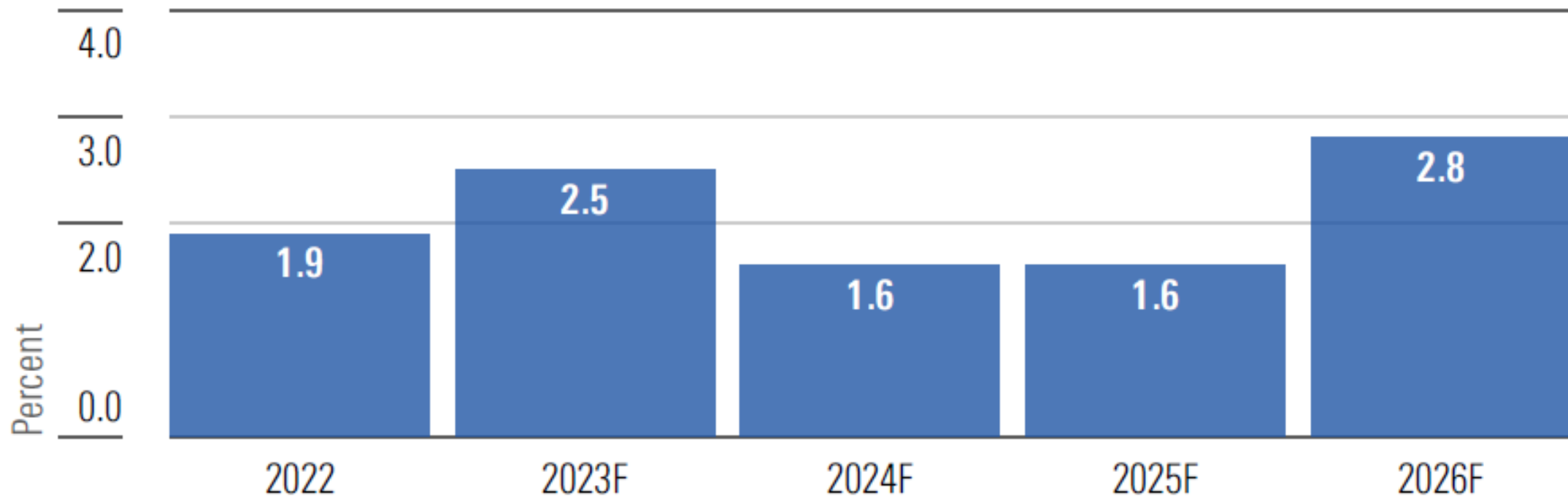
Exhibit Sources: Bureau of Economic Analysis. Data as of January 2, 2024.

Consumer Savings, Credit Growth Weak



Source: Charles Schwab, Macrobond as of 12/31/2023. Savings rate and revolving credit are on a monthly basis and subject to revisions.

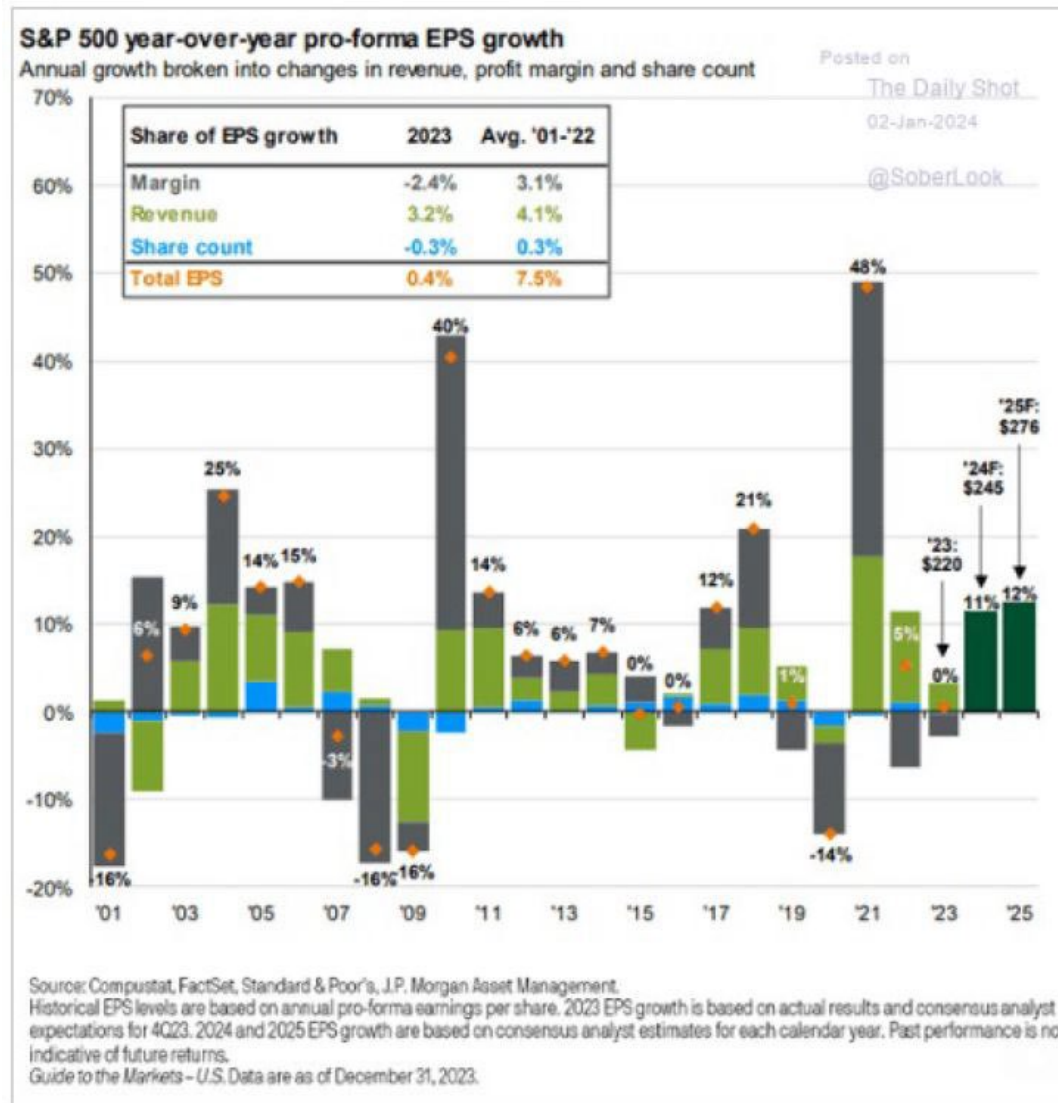
U.S. Real Annual GDP Forecasts (Percent)



Source: U.S. Bureau of Economic Analysis and Morningstar. Data as of Dec. 18, 2023.

For Illustrative Purposes Only.

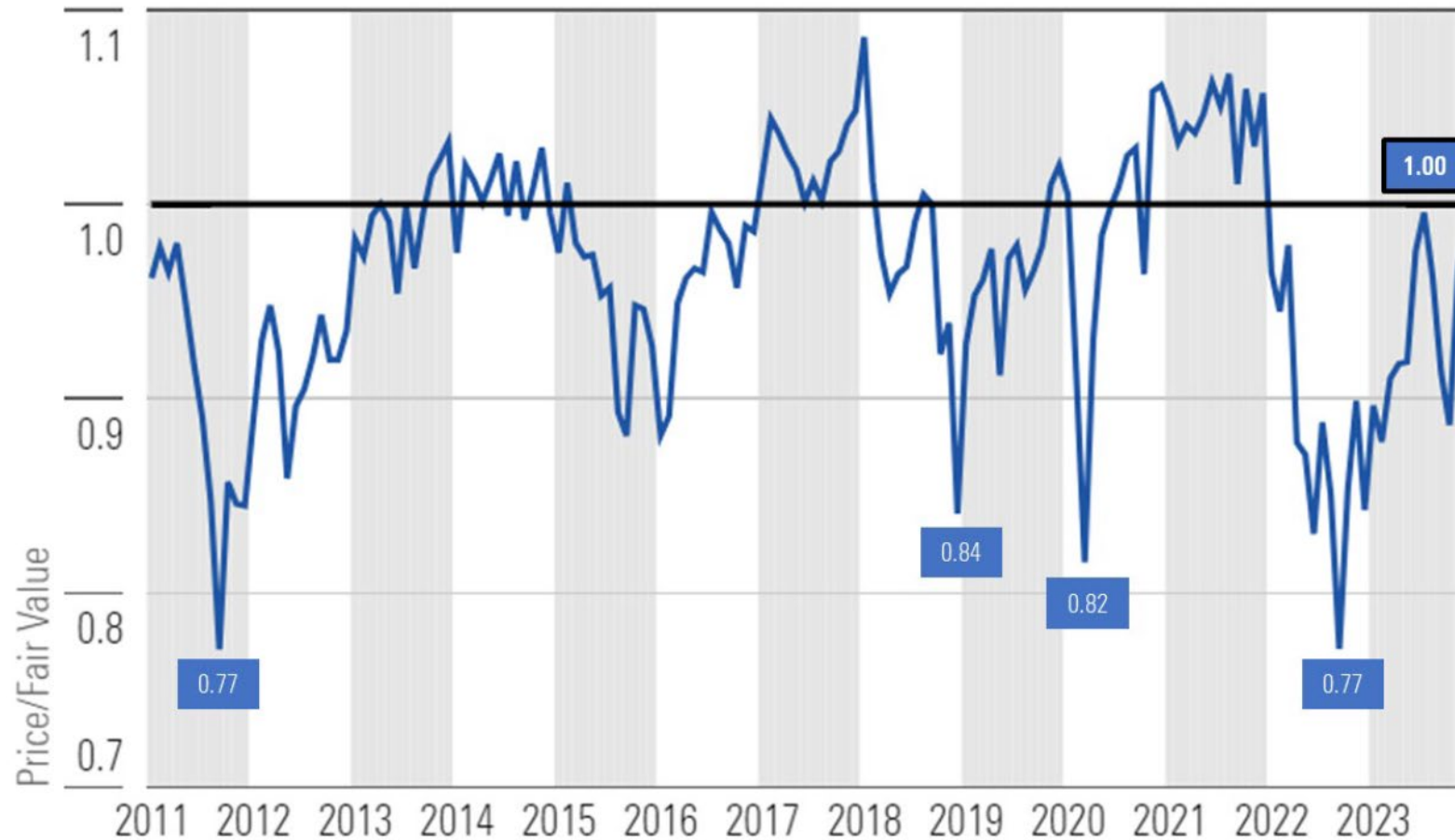
S&P 500 Earnings Forecasted to Grow



Good News is Already Priced In for US Stocks

Historical Morningstar U.S. Equity Research Coverage Price/Fair Value Estimate at Month's End

U.S. stock market rises right back up to fair value.

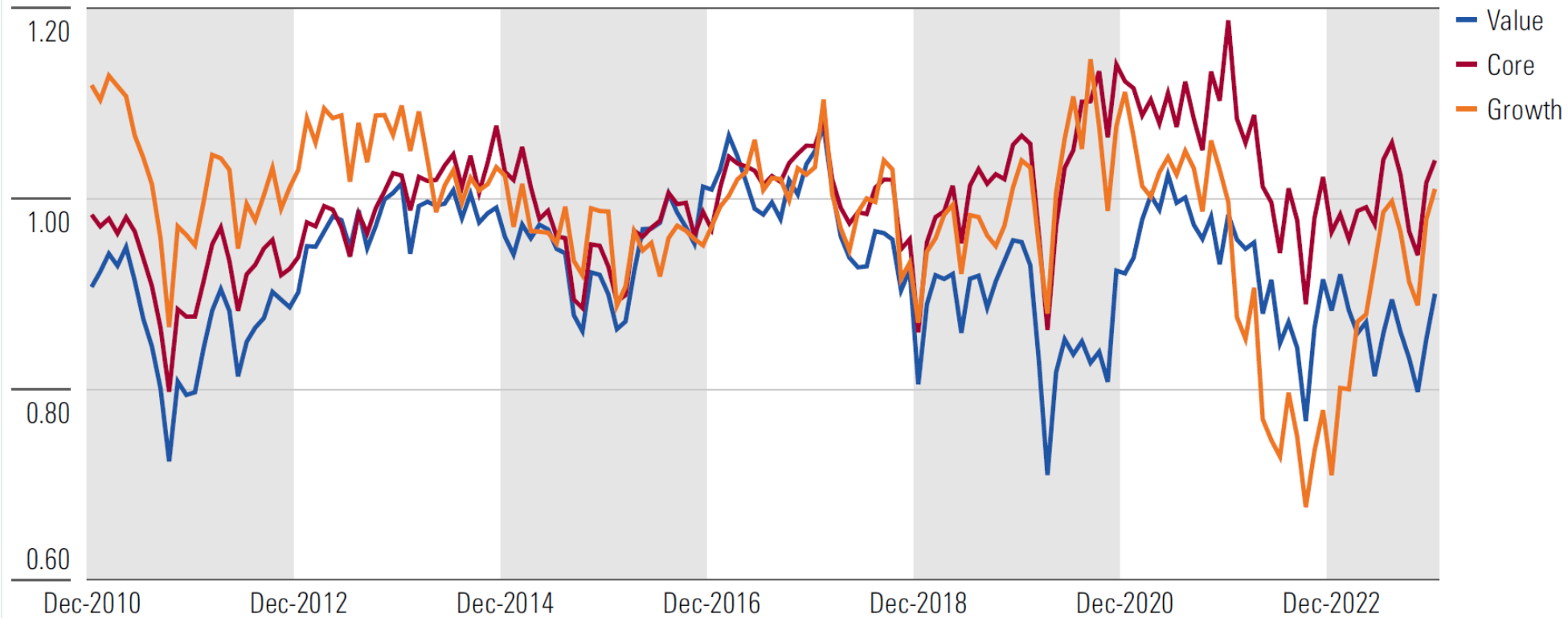


Source: Morningstar. Data as of Dec. 21, 2023. For Illustrative Purposes Only.

Value Stocks Remain Cheap

Price to Fair Value by Style

Value Stocks Remain at Wide Discount to Core and Growth Stocks

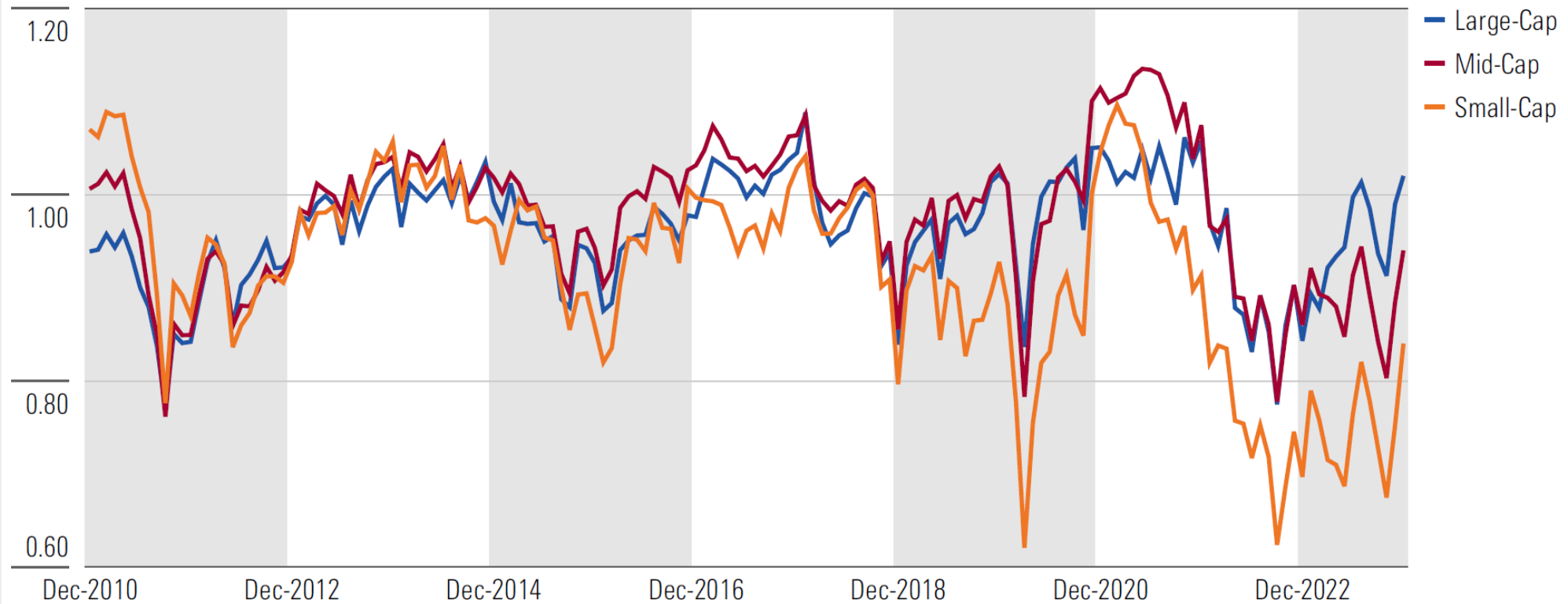


Source: Morningstar. Data as of Dec. 21, 2023. For Illustrative Purposes Only.

Small Caps Remain Very Cheap

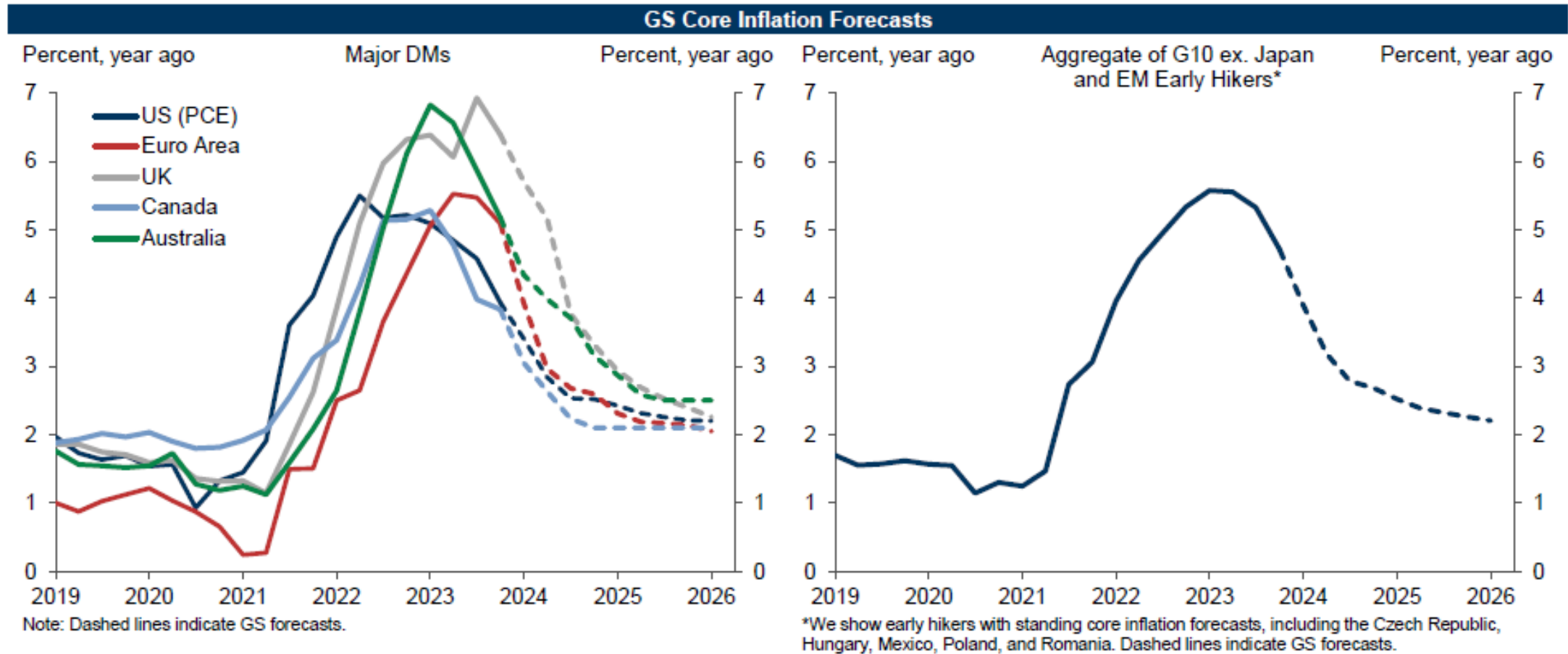
Price to Fair Value by Capitalization

Small-Cap Stocks Remain at Wide Discount to Large-Cap and Mid-Cap Stocks



Source: Morningstar. Data as of Dec. 21, 2023. For Illustrative Purposes Only.

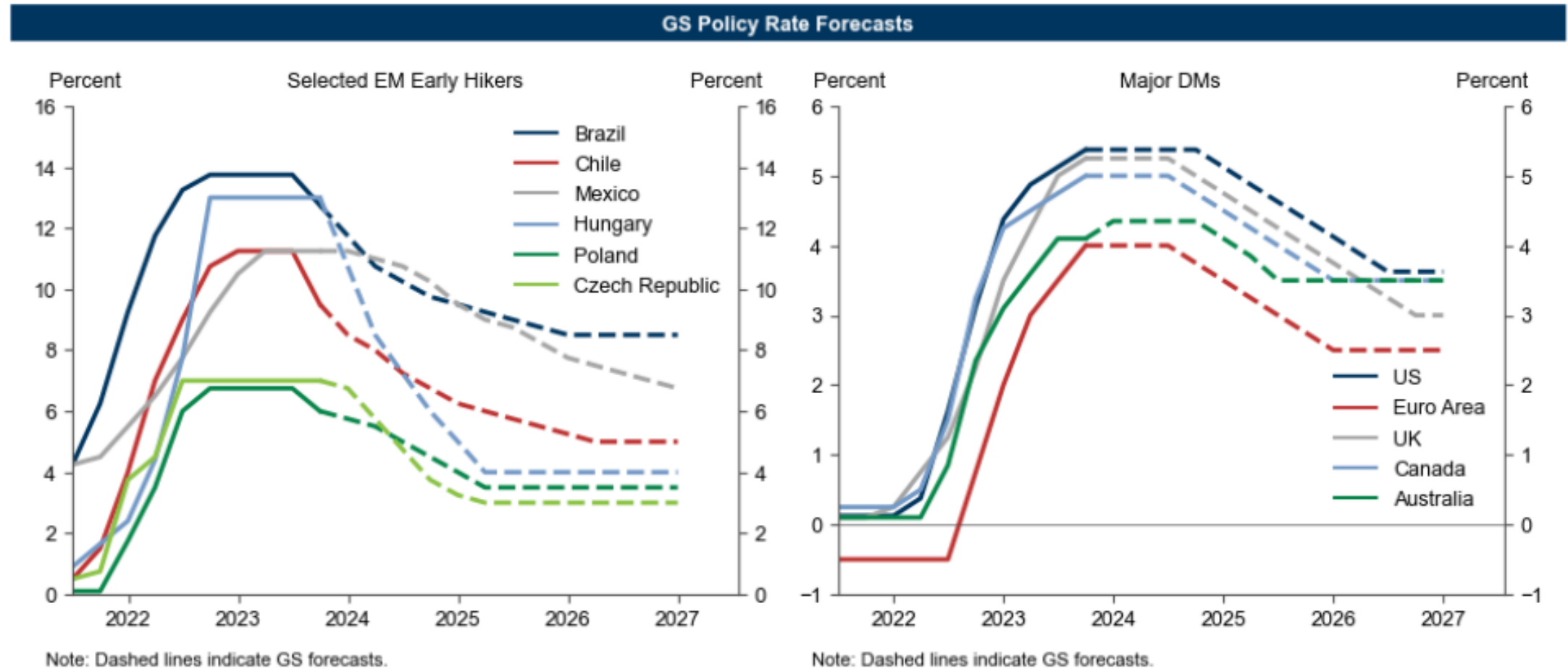
Exhibit 10: Core Inflation Should Cool to Broadly Target-Consistent Levels by End-2024



Source: Haver Analytics, Goldman Sachs Global Investment Research

Global Central Banks Expected to Cut Rates

Exhibit 17: Cuts Are Coming Sooner (in EM) or Later (in DM)



Source: Haver Analytics, Goldman Sachs Global Investment Research

Global Economy Expected to Grow Next Year, European Growth Weak

Exhibit 12: We Forecast Above-Consensus GDP Growth in 2024

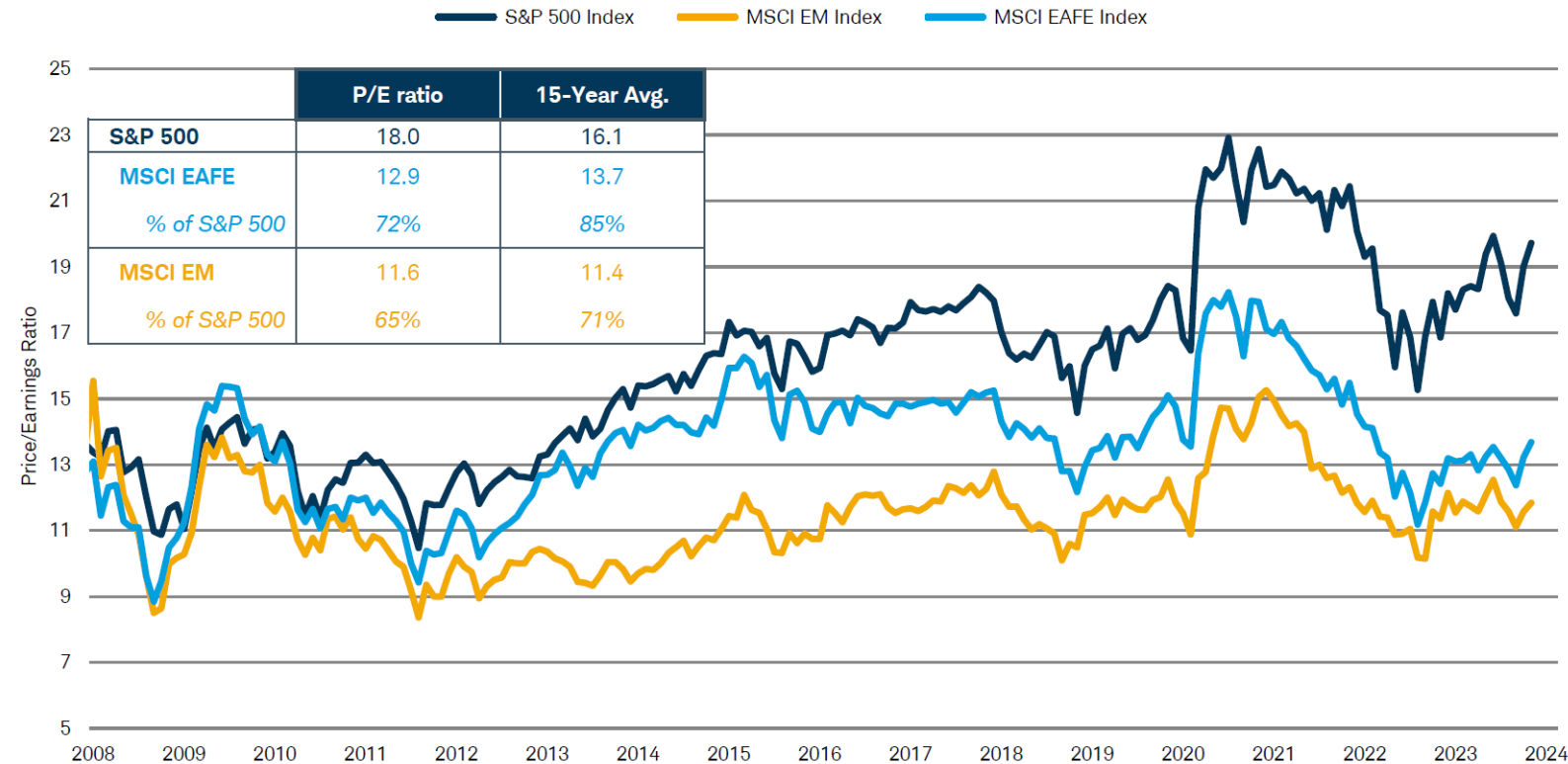
Real GDP Growth Percent Change yoy	Annual Average						Q4/Q4	Potential GS
	2023		2024		2025		2024	
	GS	Consensus	GS	Consensus	GS	Consensus	GS	
US	2.4	2.3	2.1	1.0	1.9	1.8	1.8	1.8
Euro Area	0.5	0.5	0.9	0.7	1.5	1.5	1.3	1.1
Germany	-0.1	-0.4	0.6	0.5	1.3	1.5	1.0	1.3
France	0.9	0.8	1.1	0.8	1.3	1.4	1.3	1.1
Italy	0.7	0.7	0.7	0.6	1.2	1.2	1.2	0.8
Spain	2.4	2.3	1.7	1.4	1.7	2.0	1.8	1.3
Japan	1.9	1.9	1.5	1.0	1.1	1.0	1.3	0.9
UK	0.5	0.4	0.5	0.4	1.0	1.3	0.8	1.4
Canada	1.3	1.1	1.1	0.6	1.7	2.0	1.4	1.8
Australia	2.0	1.8	1.8	1.5	2.4	2.2	2.0	2.6
China	5.3	5.2	4.8	4.5	4.2	4.5	4.6	4.2
India	6.4	6.5	6.3	6.1	6.5	6.4	5.7	6.1
Brazil	3.1	3.0	1.6	1.6	2.4	2.0	2.5	2.1
Russia	2.4	2.0	2.1	1.3	1.3	1.2	0.9	2.0
World	2.7	2.5	2.6	2.1	2.7	2.7	2.6	2.5

Note: All forecasts calculated on calendar year basis except when otherwise stated. IMF forecasts used for India 2025 consensus when quarters not available in Bloomberg. The global growth aggregates use market FX country weights.

Source: Bloomberg, Goldman Sachs Global Investment Research

Global equity valuations

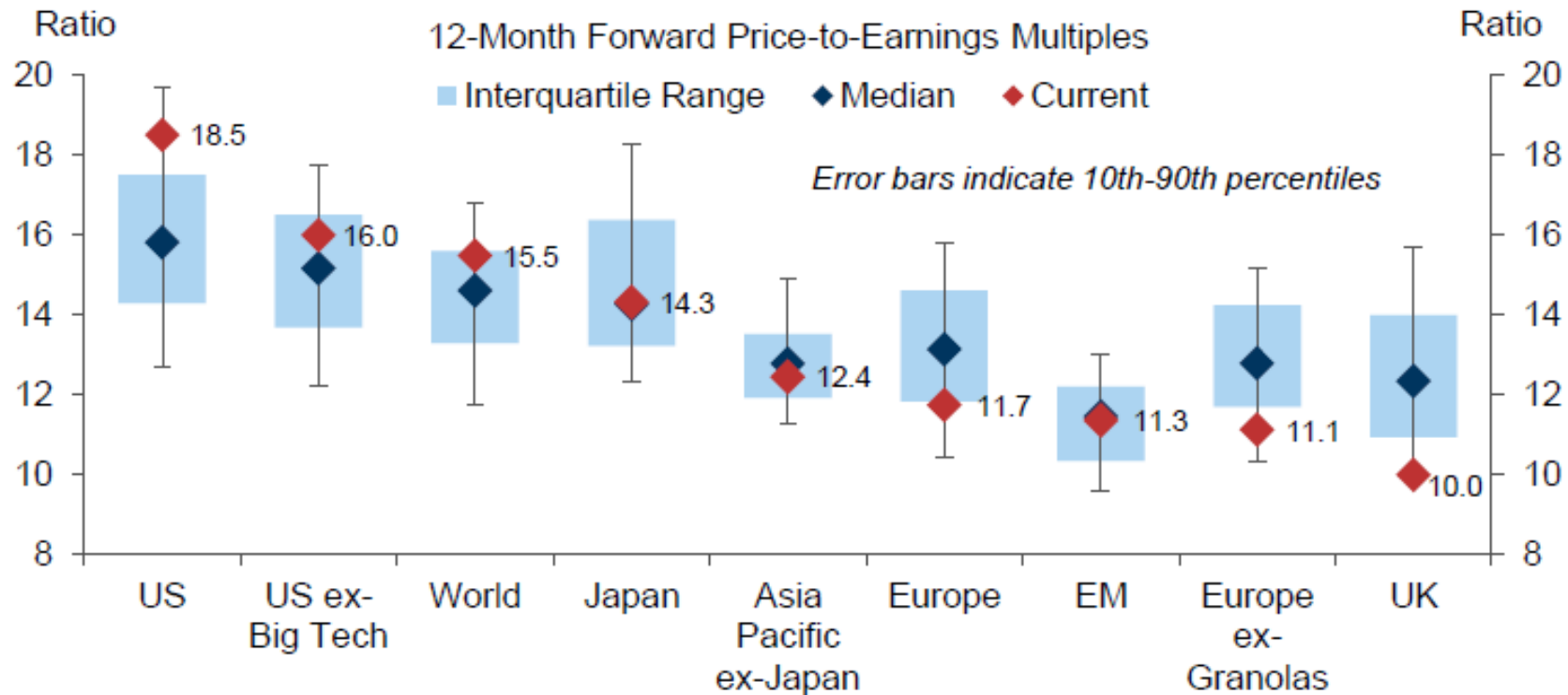
International equity valuations are less expensive than U.S. valuations, both currently and historically. However, the outsized impact of the war in Ukraine is pressuring EAFE valuations, while China's sluggish growth has weighed on emerging market valuations.



Source: Bloomberg, the Schwab Center for Financial Research as of 12/31/2023. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. Investing involves risk, including loss of principal. **Past performance is no guarantee of future results.**

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Exhibit 23: Aside From Tech, Absolute Equity Valuations Do Not Look Particularly Elevated

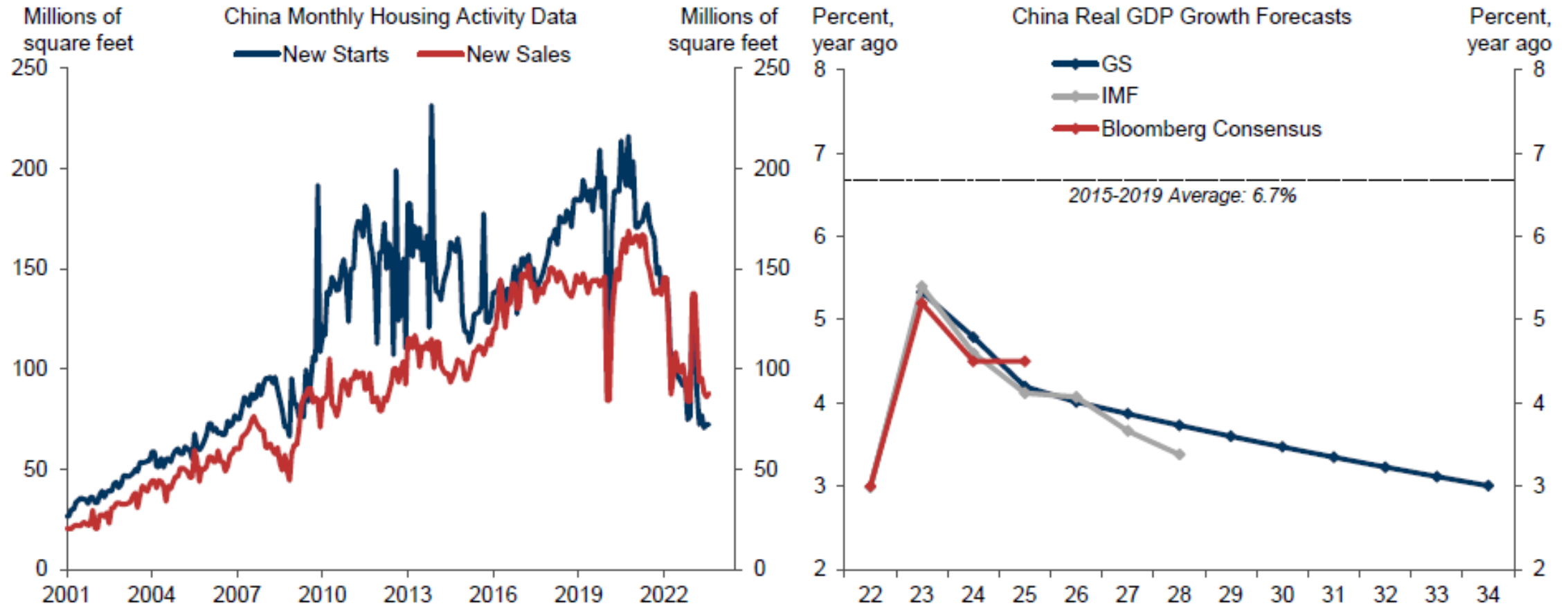


Note: Interquartile ranges and median are calculated from 2003-2023. GRANOLAS refers to 11 European stocks: GSK, Roche Holding, ASML, Nestlé, Novartis, Novo Nordisk, L'Oréal, LVMH, AstraZeneca, SAP, and Sanofi.

Source: FactSet, Goldman Sachs Global Investment Research

Property Woes Continue to Weigh on China

Exhibit 21: An Ailing Property Sector and a Long Slide for Trend Growth in China



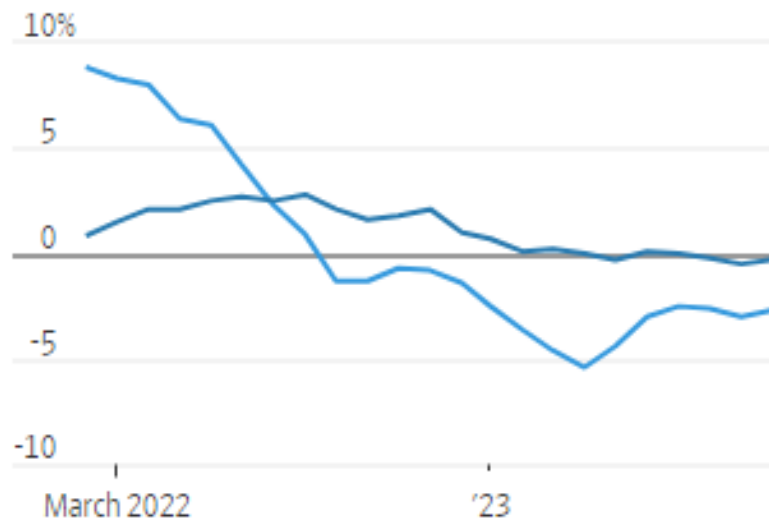
Source: Haver Analytics, Bloomberg, IMF, Goldman Sachs Global Investment Research

Negative Territory

Unlike most other countries, China is experiencing deflation due in part to weak domestic demand.

Price indexes, year-over-year change

■ Consumer prices ■ Producer prices



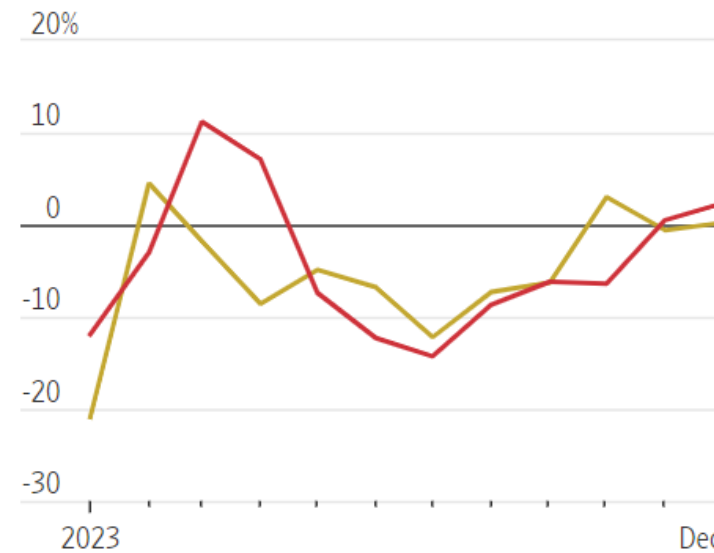
Source: Haver Analytics

Weak Engine

China's export growth picked up speed in December, but economists caution the momentum may not be sustainable.

Chinese trade in U.S. dollars, year-over-year change

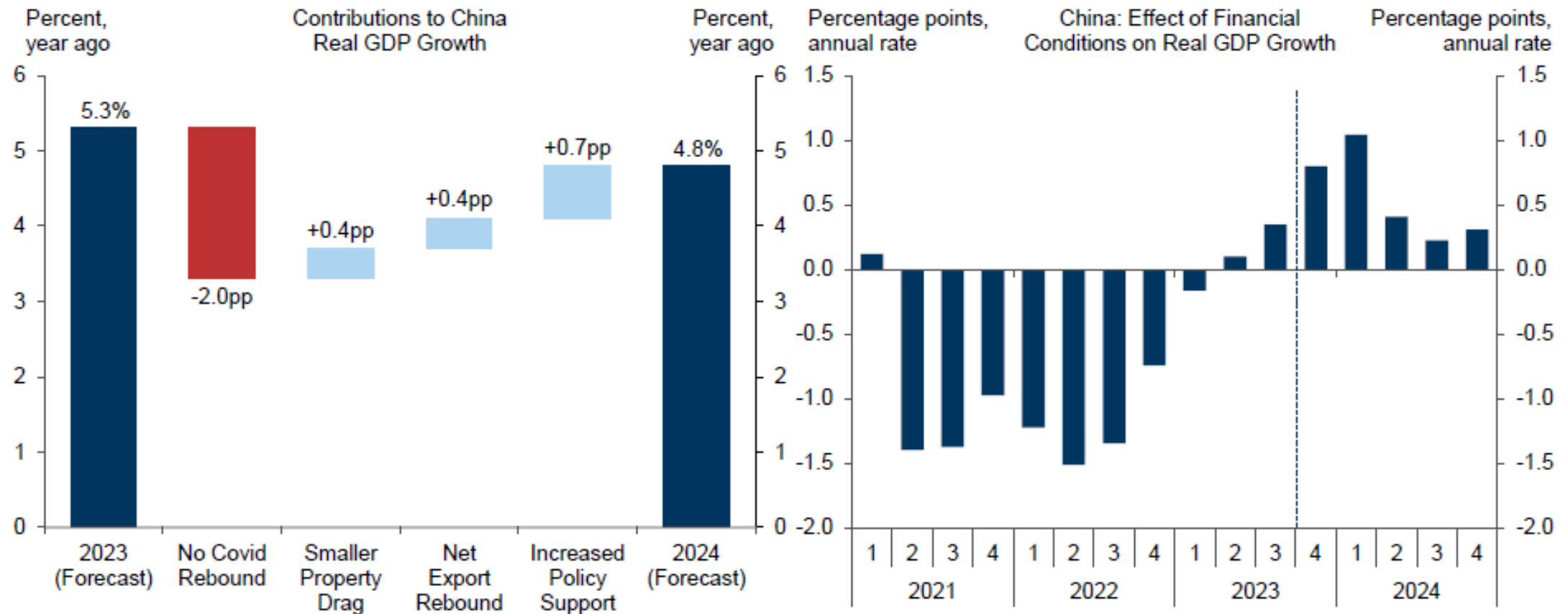
■ Exports ■ Imports



Source: Wind

Government Policy Shifting to Stimulus

Exhibit 20: Growth in China Should Slow as Reopening Runs Its Course, Despite a Boost from Policy Easing



Source: Goldman Sachs Global Investment Research

Asset Allocation Preferences for Q4 2023

Asset Class - 2024				Change in Opinion	
Asset Class	Concern	Neutral	Constructive		
Equities		0			
Bonds		0			
Equity					
Geographic Exposure					
US		0			
Intl Developed	-1				
EM		0			
Size					
Large			1		
Mid		0			
Small		0		1	
Style					
Growth		0			
Value		0			
Fixed Income					
Geographic Exposure					
US		0			
Intl Developed	-1				
EM	-1				
Credit Exposure					
Treasuries		0			
IG Corporates			1		
High Yield		0		1	
Interest Rate Exposure					
Duration			1	1	
Alternatives					
Liquid Alts (F)		0		-1	
Commodities		0			
Real Estate		0			
Key	-2	-1	0	1	2
Relative Weighting	Very Underweight	Underweight	Neutral Weight	Overweight	Very Overweight

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