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Market Perspectives Video

Season of Uncertainty

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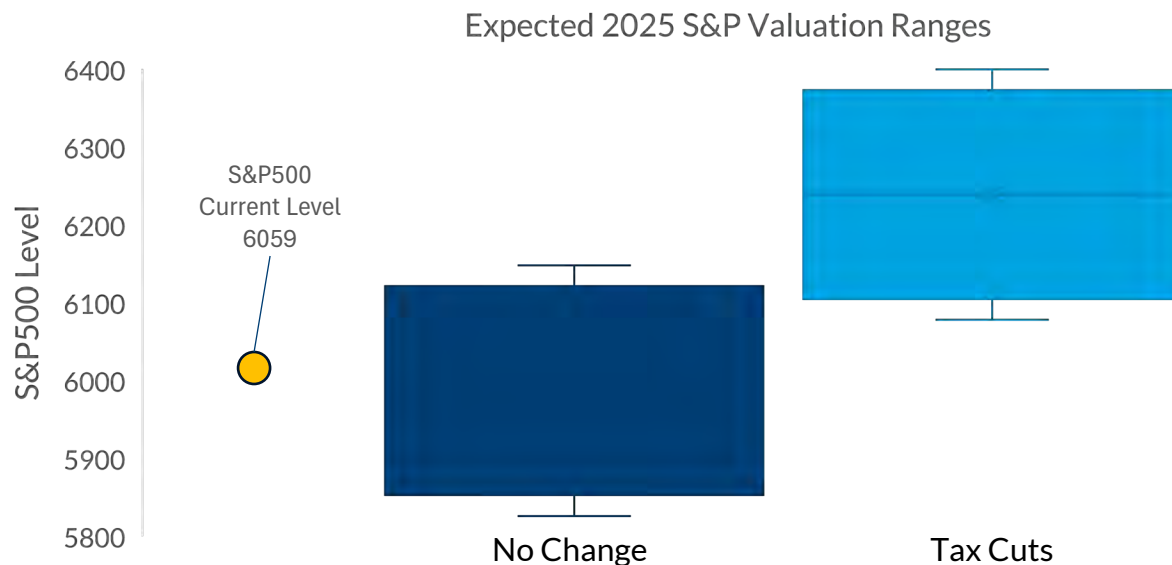
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S&P500 Fair Valuation Ranges At Current Multiples

- At current multiples and expected earnings levels, the S&P500 can continue moving higher, albeit at a slower pace.
- Tax cuts may be the biggest influence on the overall level of earnings and could accelerate profits.

S&P 500 Valuation Analysis					
		Consensus Earnings	-2%	-4%	-6%
Earnings	No Change	14.7%	12.7%	10.7%	8.7%
	Tax Cuts	19.4%	17.4%	15.4%	13.4%
S&P500 Value	No Change	6,148	6,041	5,933	5,826
	Tax Cuts	6,400	6,292	6,185	6,078



Tax impact estimated at 4.7% based on Ned Davis expectation of 15% tax rate of domestic revenue and 20% tax rate on international revenue. Source: FactSet, CNR Research, as of December 9, 2024. Information is subject to change and is not a guarantee of future results.



Economic Impacts of Potential Trump Administration Policy

- Potential pro-business and U.S. centric policy has created concern over rates and inflation.
- The policy mix will likely result in smaller reactions than any policy taken alone.

Policy Change	Economic Impact			
	Growth (GDP)	Corporate Profits	Inflation	Interest Rates
	Positive = Higher		Positive = Lower	
Lower Tax Rates	Higher	Higher	Higher	Higher
Additional Tariffs	Lower	Lower	Higher	Higher
Increase in Federal Debt	Neutral	Neutral	Higher	Higher
Lower Immigration	Lower	Lower	Lower	Lower

Source: CNR Research, as of December 2024. Information is subject to change and is not a guarantee of future results.

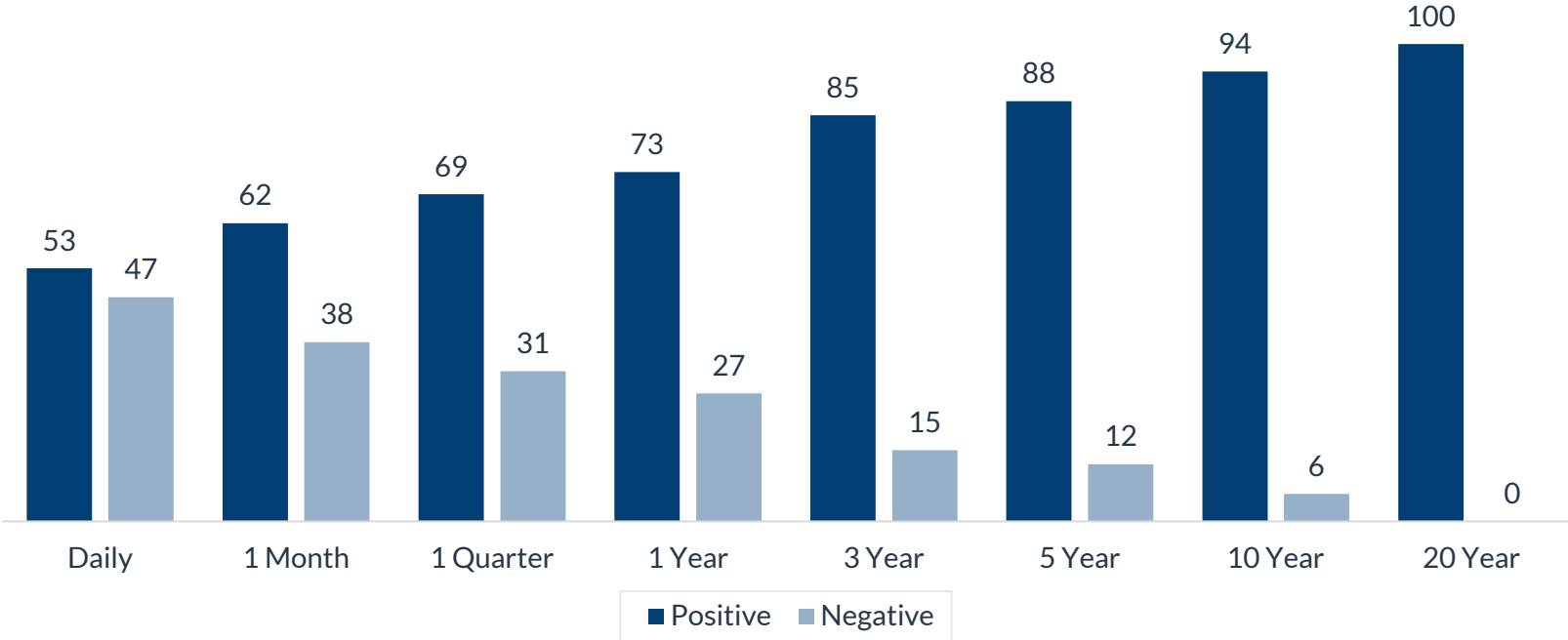
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Volatility ≠ Risk of Loss Given Appropriate Time Horizon

- While stocks are volatile in the shorter term, the risk of loss has been low over long time horizons.
- Focusing on goals rather than short term volatility can increase the probability of success.

Probability of Positive and Negative Stock Performance
%, across various time horizons



Source: CNR, FactSet. Data reflects S&P 500 performance January 1928-December 2024. Daily returns were calculated for the periods shown above, with the number of positive and negative days counted. The number of positive and negative days respectively was then divided by the total number of days to calculate the percentages. Past performance is no guarantee of future results.



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Index Definitions

The Standard and Poor's 500 Index (S&P 500) is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

The MSCI World Index is a global stock market index that represents the performance of large and mid-cap stocks from 23 developed countries around the world.





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