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MARKET HIGHLIGHTS:

- Inflation surprised to the upside, with the Consumer Price Index (CPI) for May up 5.0% from a year earlier.
- The Fed remained accommodative, but the June FOMC meeting saw most members acknowledge upside inflation risks.
- The Fed’s average estimate for GDP growth was adjusted from 6.5% to 7.0% for 2021.
- Fixed income markets rebounded solidly in Q2 following their worst selloff in decades.
- Large cap stocks outpaced small and mid-caps in a reversal of Q1 trends (Russell 2000 +4.3%).
- Europe topped non-U.S. developed market (DM) performance in Q2, as the region delivered a record setting Q1 earnings season.

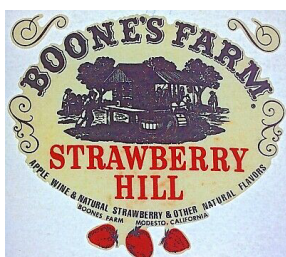
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Honky Tonk

— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®

Back when you got 4 beers for a \$1 at a bar and Boon’s Farm strawberry and apple wine was 99¢ a bottle, I had the nickname of Honky Tonk. I have many fond memories of those cheap thrills. Back then it was fun to get my Ya-Ya’s out.



Being in lockdown, I found solace in hearing Cheap Thrills

by Janis Joplin & Big Brother and the Holding Company. Now the summer is here and once again we can get our Ya-Ya’s out. I hope you have a great time. Let the good times roll!

	INDEX PERFORMANCE 6/30/2021		
	Q	YTD	1 Year
Aggressive Allocation	5.19%	10.76%	32.54%
Balanced Allocation	4.27%	7.73%	24.16%
Conservative Allocation	3.39%	4.75%	15.86%
S&P 500 TR	7.28%	15.25%	40.79%
Russell 2000 TR	2.75%	17.54%	62.03%
Barclays U.S. Agg Bond TR	1.50%	-1.60%	-0.33%
MSCI EAFE NR USD	4.84%	9.17%	32.92%
	As of 6/30/2021	As of 6/30/2020	
10 year Treasury	1.45%	0.66%	
Barclays 1-3m Treasury/Cash	0%	0%	
Price of oil	\$73.47	\$39.27	
Real GDP YoY % change	0.40%	-5.00%	
U.S. Unemployment Rate	5.80%	13.30%	

The aggressive allocation is made up of 50% S&P 500 TR, 8% Russell 2000 TR, 18% Barclays U.S. Agg Bond TR, 22% MSCI EAFE NR USD and 2% cash. The balanced allocation is made up of 39% S&P 500 TR, 5% Russell 2000 TR, 35% Barclays U.S. Agg Bond TR, 16% MSCI EAFE NR USD and 5% cash. The conservative allocation is made up of 29% S&P 500 TR, 2% Russell 2000 TR, 53% Barclays U.S. Agg Bond TR, 9% MSCI EAFE NR USD and 7% cash. All indices are unmanaged and investors cannot actually invest directly into an index. Unlike investments, indices do not incur management fees, charges, or expenses. Past performance does not guarantee future results.

Market Review

— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®



Considering the road traffic and waiting an hour at full restaurants, it feels that we are back to normal.

The US Stock Market is overvalued. For Value the current Potential Earnings of 17.0 is 24% higher than its 20-year average of 13.7 and Growth with a current PE of 30.5 is 65% higher than its 20-year avg. Value has outperformed Growth this year up 17% to 13.0%, but what value can be left in Value at these prices?

The S&P 500 posted 8.5% for the 2nd quarter and 15.3% for the year. Once again, last year’s losers are this year’s winners, like the Real Estate sector, down (-2.2%) in 2020 but up 23.3% in 2021.

So far this year the Utility sector is dragging with only a 2.4% year-to-date result. NextEra Energy Inc (NEE) has fallen from \$77.15 a share at the beginning of the year

to \$74.28 on 6/30/21. With the dividends it posts a total return of (-4.01%).

The US Bond Market continues to drag with both treasury bonds and corporate bonds dropping (-2.6%) and (-1.3%) this year. Gold has also fallen from \$1,884.60 to \$1,763.20, down (-6.59%).

Inflation has kicked up with Headline Consumer Price Index (CPI) at 4.9% and Core CPI at 3.8% yet the Federal Reserve continued pace as last quarter's rates.

Unemployment at the end of May was 5.8%. The higher the education level, the lower the unemployment: 9.1% for "less than high school degree" category, 6.8% for "high school, no college", 5.9% for "some college", and 3.2% for "college or greater".

The Federal budget deficit as a percentage of Gross Domestic Product has passed the threshold of 100%. In 1972, it was 20%. It is now 5 times worse. This year \$3 Trillion was borrowed which is 44% of the budget.

The boom in consumer spending along with supply-chain issues have jacked up prices and created a scarcity of building materials, appliances and vehicles. Have you bought plywood or ordered a washing machine or a car recently? Real estate is now in a frenzy. People are selling their properties in one day with bidding wars, at a higher price than they were asking.

With the boom eventually the bubble breaks like 2008. Like the Grateful Dead song goes, "when life looks like Easy Street, there is danger at your door." Let's continue to enjoy the economic and stock market rise while we can.

Wellness Workshop

— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®



This spring Rick and Lieutenant Elise Spina-Taylor conducted Wellness Workshops for the Miami Beach Police Department.

With a Doctorate degree in Psychology and as a licensed clinical psychologist, Elise has worked for the Miami Beach Police Department for many years. She is the

trainer for all 451 police officers who serve The City of Miami Beach.

Together, Rick and Elise created a well-rounded educational workshop. During the first segment Elise focuses on Emotional & Mental Wellness in the workplace and retirement years. Additionally, she shares strategies on how to combat stress and trauma. Rick covers the Financial Wellness part of the presentation. He extends knowledge ranging from how to create a budget to getting rid of debt, how to plan for college and ultimately being comfortable with retirement.

During the workshop Rick and Elise review and answer questions on the employee benefits (which include pension, DROP, 457 deferred compensation, Health Trust and 1% Fund) to help participants better understand their options and strategies to maximize the benefits.

SOUND ADVICE: Special Needs Trusts

— By Steven Tonkinson, CFP®, AIF®, CFS®



As things start to get back to normal, one of the things I am most grateful to be doing again is coaching standup paddle board with the Special Olympics. This will be my seventh year. All of these athletes, and their parents are getting older. With advancements in medicine, people with disabilities and chronic illnesses are living longer and as such outliving their parents. The need for long-term planning is vital.

Special-needs trusts are a way for parents of special-needs children to plan for extended care and financial assistance when they are gone.

The simplest reason of a special-needs trust is to protect the assets of a person with a disability or other medical conditions. Two features set a special-needs trust apart. First, a trustee is appointed to manage all spending: the beneficiary has no control over the assets in the trust. Second, the fact that the assets are not owned outright by the beneficiary means that they remain eligible for government programs that place limits on assets such as Medicaid and Supplemental Security Income.

There are three main types of special needs trusts: the first-party trust, the third-party trust, and the pooled trust. All three name the person with special needs as the

beneficiary. A "first-party" special needs trust holds assets that belong to the person with special needs, such as an inheritance or an accident settlement. A "third-party" special needs trust holds funds belonging to other people who want to help the person with special needs. A pooled trust holds funds from many different beneficiaries with special needs.



With recent tax law changes, in particular, rules on inherited retirement accounts, families should review their financial plans as they apply to children with special needs. Such planning has never been easy. The unknowns can be unsettling; tax rules can be complex; costs can be steep; and whatever decisions are made must fit within a larger estate plan that normally involves other family members.

A good book to begin educating yourself is "Special Needs Trusts: Protect your Child's Financial Future" by Urbatsch and Fuller-Urbatsch. You can find a directory of lawyers who focus on special needs trusts and drafting these documents at www.specialneedsalliance.org.

Other ways you can fund a special-needs trust is with an IRA, Roth IRA or life insurance. They all have pros and cons to how they can accomplish your planning objectives. We welcome the chance to answer any questions or be of assistance to you as you plan for your family's future.

Who Gets What?

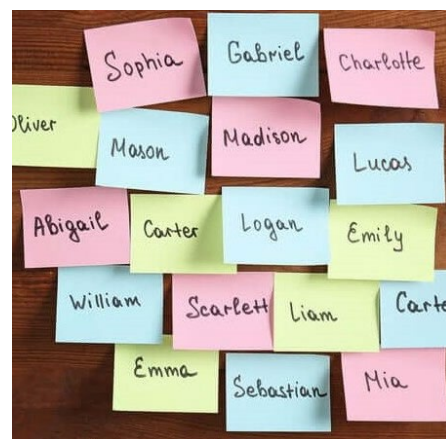
— By Steven Tonkinson, CFP®, AIF®, CFS®

When it comes to who gets what when a family member passes away, most people concern themselves, understandably, with big ticket items like real estate and investment accounts. It's really easy to overlook the personal possessions. But it's these day-to-day objects that can cause some of the biggest arguments among survivors. These items can hold a lot of sentimental

value and it can be tricky to determine what is fair when dividing personal assets.

The best way to make decisions about these personal items is to talk with the heirs while you're still alive and in good health. Ask adult children what they might want and why. Ask them what other family members should have and why. Another big benefit in talking about personal property openly to would be beneficiaries is that you get the chance to share stories and memories that are tied to these items.

I remember, in high school, going to a friend's grandmothers house and being blown away by all the amazing statues, paintings and antiques. It felt like the storage room for a museum. As my friend showed me around and explained some of the art pieces, he would also show me the post-it behind the painting or under the statue with the name of which family member was going to get the item. At first, I thought that was crazy but the older I got the more it made sense.



As for legalities, if you don't want to use post-its, you can draft and sign what's called a "personal property memorandum", a list of items and the people selected to inherit them. You should mention the existence of this document in your will, but the memorandum itself can be changed as often as you wish without having to update your will.

US Stock Market: Expect the Unexpected

— By Tom Saul, Investment Analyst and Co-Portfolio Manager



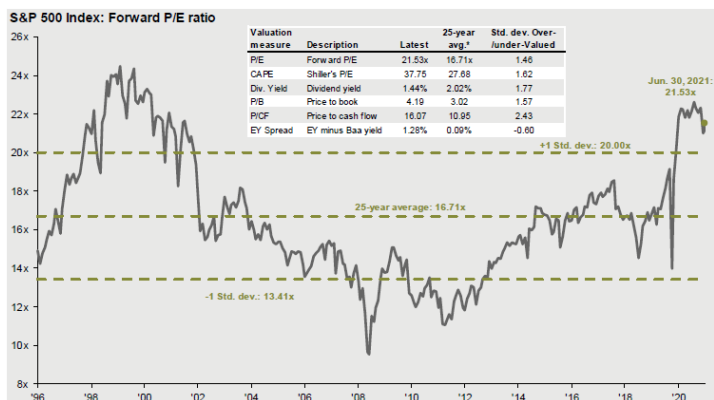
In a perfect world, diversification gives something to buy and something to sell when surprises happen, good or bad. To reiterate Rick's Grateful Dead quote, "When life looks like Easy

Street, there is danger at your door."

The US stock market, driven by energy, financials, and real estate, has closed the quarter out at record highs with the S&P 500 up 15.3% in the first half of the year. These three sectors make up about 16% of the S&P 500 and have contributed to 30 plus percent of the return this year. What is more remarkable, is that the S&P 500 has not had a pullback of 5% since October. There was some volatility in February and March; however, it still held above that 5% drop. In the last 40 years, there have only been 2 years without a 5% pullback: 1995 and 2017.

A key valuation metric for the S&P 500 is forward P/E ratio. Forward P/E ratio is current price over expected future earnings. Looking at a graph over a 25-year history gives a nice visual to evaluate whether or not the equity market appears overvalued, and if so, by how much, measured in standard deviations from their 25-year average. Right now, the S&P 500 is overvalued as indicated below by more than one standard deviation, which might suggest that it may be time to consider taking some risk off the table.

S&P 500 valuation measures

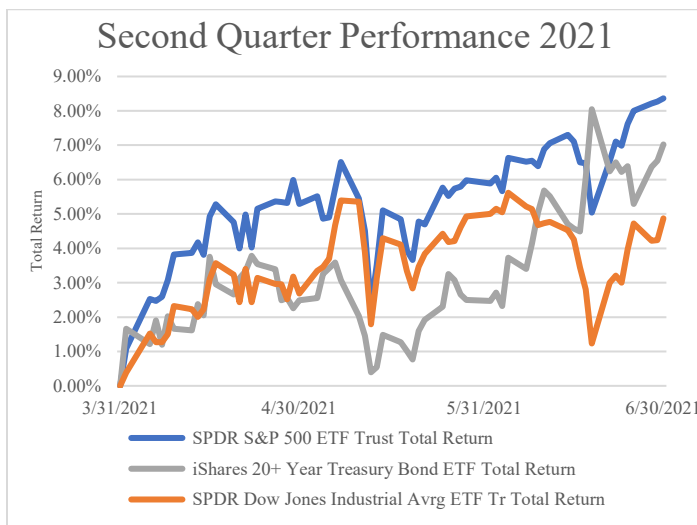


Source: FactSet, FRB, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since June 1996, and J.P. Morgan Asset Management for 6/30/21. Current next 12-months consensus earnings estimates are \$200. Average P/E and standard deviations are calculated using 25 years of IBES history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 25 years for each measure. Guide to the Markets - U.S. Data are as of June 30, 2021.

While massive fiscal stimulus is responsible for getting the US going again, the results in US Monthly GDP of \$22.74 trillion are higher than its pre-pandemic level of \$21.99 trillion. This is important because GDP growth flows directly to shareholders as it translates into higher corporate profits i.e., earnings, the E in the P/E ratio. The forward 4-quarter estimate for 2021 has jumped up from \$159 at the beginning of the year, to \$199 according to IBES. Expectations are very high on the market right now suggesting that the market expects this forecast to raise again.

One of the more surprising aspects of the quarter though, has to be the fact that with the long-term US Treasury ETF (TLT) rallying 7.02% this quarter in

comparison to SPDR S&P 500 ETF (SPY) 8.36%, TLT actually outperformed the SPDR Dow Jones Industrial Average ETF (DIA) which ended the quarter at 4.88%



This continues to prove that the investment world is full of surprises. With equity valuations at extreme highs and bond rates near record lows, knowing what to invest in and when to invest becomes even more crucial than ever. This is why active portfolio management and diversification are important.

When times are good, ask how much better can they get and when they are bad, ask how much worse can things become. Enjoy the good times when you can but be prepared for whatever comes next.

Retirement Distributions Planning — By Kristina Shamoina, CFP® Certified Senior Advisor (CSA)®



For a lot of people, the single biggest asset is their tax-deferred retirement savings account (401k, IRA). Typically, people retire with a large tax-deferred account, a smaller taxable account (non-retirement) and perhaps a small Roth. These 3 types of accounts receive different tax treatment and have their own advantages and disadvantages. When it comes to drawing income, which account should the retiree access first?

Under the traditional strategy, the taxable (non-retirement account) is accessed first, then the tax-deferred IRA, and then the tax-free Roth. The reasoning behind it is that unlike the non-retirement accounts, the

IRA and the Roth don't pay taxes on capital gains every year, which means more money remains in the accounts and keeps on growing. Allowing these accounts to grow for as long as possible presents a great benefit, and in the case of Roth, even more so, because of its gains being tax-free. The longer the Roth grows, the higher the gains, the higher the tax benefit.

From the investment and capital growth perspective, this approach makes total sense; from the taxation standpoint, perhaps not so much and not for everybody. Remember that taxable (non-retirement) accounts pay taxes on the gains only, at capital gains tax rate (most people will pay long term capital gains tax which is only 15% for income bracket of \$40,400 to \$445,850 for 2021), while 100% of IRA distributions are subject to ordinary income rates which can be much higher. So, once the distributions are switched from taxable accounts to IRAs, there may be a sharp increase in taxes over the years when only the IRA is being withdrawn from. In addition, there is an issue of Required Minimum Distributions (RMD) which will start the year the account owner turns 72. The amount is calculated based on the IRA year-end-value and the IRA owner's age – the idea being, the higher the value and the age, the higher the RMD amount to be withdrawn and paid income tax on. For larger IRA assets, the RMDs may push their owners into higher tax brackets.



In contrast, withdrawing proportionately from all three (non-retirement, IRA and Roth) accounts will spread the taxable distributions over many years, potentially resulting in much lower tax payments. An added benefit of the proportional distribution is that, since funds are also being withdrawn from the IRA, this may lower the future Required Minimum Distribution amount and reduce the future tax burden on the heirs as well, once the IRA account owner passes on. Beneficiaries also benefit a great deal from inheriting non-retirement accounts because assets (stocks, mutual funds, etc.) get a step-up in cost basis, resulting in a much lower capital gain, and, consequently, much higher tax savings.

Keep in mind that here is no one-size-fits-all plan for retirement distributions. There are a lot of variables: people retire at different ages, have different assets, income needs and life situations; the strategy that makes sense for some, may not be the best one for others. In additions, the markets fluctuate and the tax laws change, creating new advantages and disadvantages to the tax payers. While we can't avoid taxes, we can devise and maintain a strategy to reduce the impact.

Cost of Owning a Pet

— By Lucy Foerster, Client Relations Coordinator



Recently my cousin got a beautiful puppy named Bodhi, she is just the cutest golden labrador on the planet! Clearly, I'm pretty partial but once you meet her your heart will melt. Shortly after Bodhi came into our lives it got me thinking, how much do dogs cost over their lifetime? We tend to save and budget for things such as cars, homes, trips but pet owning is often overlooked.

When you start looking into what kind of dog you want remember that costs vary depending on the size, their health and the lifestyle you give them. Part of being the best Dog Parent is asking yourself the hard question: are you willing to take these pet expenses from your discretionary budget? Many adopt their pets for "free" but others might opt to pay in the thousands for their furry friends. Initial costs are just the start of a pet journey as many dogs live upwards to 12-14 years. There are three types of costs: up front (preparation to welcome the dog

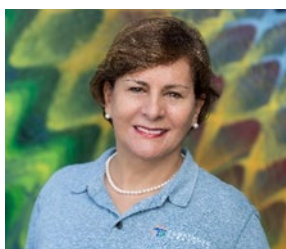


home), recurring (food, treats, toys, preventative care, tags) and then variable (emergency visits, pet sitting, damaged shoes). A “ruff” estimate for *basic* annual costs range anywhere from \$1,800-\$4,600 annually.

It is extremely difficult to put a price tag on pet owning. They provide endless joy, emotional support and companionship over their lifetime. Personally speaking, there is no love like the kind you get from any of your pets. The mission of this article is to showcase that owning a dog isn't just an emotional decision but also a financial one.

BOOK REVIEW: Hamnet by Maggie O'Farrell

— By Margarita Tonkinson, MPA

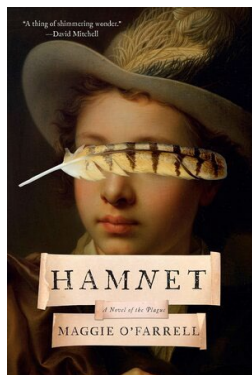


“Hamnet and Hamlet are in fact the same name, entirely interchangeable in Stratford records.”

-Steven Greenblatt

Hamnet is a 2020 historical fiction novel by Maggie O'Farrell, which is also her eighth book. This novel has received several awards including the Fiction Prize at the 2020 National Book Critics Circle, and it has been included on 15 lists of the Best Books of 2020.

It is a brilliant narration of Shakespeare's life as a child and later as a young man falling in love with an unorthodox girl eight years his senior, in Stratford, England. It is interesting to mention that the book does not mention Shakespeare's name. It only refers to him as William.



Shakespeare meets Anne Hathaway, although everyone calls her Agnes, when he was a Latin tutor to her siblings, and she was a falconer, independent and with exceptional gifts as a healer.

It is a captivating love story that breaks all traditions and protocols of that time. William and Agnes have three children, Susanna, the oldest, and twins Hamnet and Judith. Their married life under the shadow of Shakespeare's parents, particularly, his cruel and tyrant father, it is a constant concern and distress for him and his young family. The family's main financial source also depends on his father's business.

Hamnet died at age 11 in 1596, during the Bubonic Plague. A few years following the boy's death his father transposes his grief into his masterpiece — titled with a common variant of his son's name. After the death of Hamnet the novel shifts its focus to Agnes's character. Readers learn that she is a loving wife, grieving mother whose heart never heals nor accepts the death of her child.

It is evident the enormous research O'Farrell did for this novel, and it is also obvious her amazing storytelling skill to create such a flawless narration that seems magical at times and almost surreal. Hamnet is a book about love and death as well as beginnings.

America the Beautiful

— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®

Every state has its own beauty. With most of the world still limiting international travel, we can enjoy our own backyard. It is a great time check off spots on your ultimate places to see list.



Personally, I have a bucket list for trips. Margarita and I went on a recent adventure on a cruise down the Mississippi River. The paddle wheel boat is called the Queen of the Mississippi and travels from Memphis to New Orleans.

COMMUNITY CORNER

Our Youngest Reader

A 13-month-old, Olivia, came to visit our office in May. She is a real cutie and really liked our newsletter together with her mom, Madeline “Maddy”



Almerico, who worked at Tonkinson Financial while earning her degrees in Biology at FIU and Nursing at MDC a few years ago. Since then, Maddy graduated, got married, and had a beautiful baby. Since the start of the pandemic, Maddy has been on the front-line taking

care of patients in the covid ward. We are grateful that she stays in touch with us and it was a real treat to see her and Olivia.

Infinite Horizons Learning Center



We want to take an opportunity to highlight the great work some of you are doing in the community. We would like to share the story of Francisco "Paco" Orfila.

Paco arrived in the USA from Cuba in 1962 with his parents and younger sister, escaping the oppressive communist regime of Fidel Castro. After struggling with language and cultural issues, he graduated from Miami Senior High in 1971. In 1973 he applied for a draftsman position in FPL and was granted the position after the first interview. In 37 years with FPL, Paco had several promotions and went through many reorgs as well.

Rick has known Paco for over 20 years and he has been client for 12 years. During that time, we have witnessed his family's involvement with special needs community. This stemmed from their granddaughter being born with Cerebral Palsy. In early 2020, Paco and his wife, Maria, along with their granddaughter opened Infinite Horizons Learning Center, a "one of kind" facility in south Florida, specializing in beneficial and unique programs for children and young adults with special needs.

TF: What drew you to this organization?

Paco: From the very beginning we saw a great need for these individuals as they grew older to have a place where they could develop whatever talent and abilities that they possessed to their maximum.

After being involved with other organizations that performed a similar service and saw many deficiencies, my wife and I decided to start our own along with our granddaughter and that is how Infinite Horizons Learning Center was born.

TF: How are you involved?

Paco: I'm a co-founder, the CFO and principal sponsor. My daily chores are various, from handyman to classroom aide. In a small business with a very limited budget, you wear all the hats necessary. We received the not-for-profit 501c3 from the IRS on March 25, 2020. Unfortunately, this coincided with the COVID-19 pandemic which has turned the whole world upside down. After months of delays in obtaining the necessary approvals, licenses and permits, etc. We finally had the required documentation to open, now it's a matter of our clients receiving the vaccines so they would be safe in attending. That is our current situation as we are getting

close to having the number of clients necessary to cover expenses.

TF: What has been your most rewarding experience with this organization?

Paco: I have been asked by friends and relatives why get involved in this venture at this stage of our life and I tell them of the story of a little girl that was participating in a dance activity and all she was doing was bobbing up and down in the same place, but doing so with a huge smile on the face. I commented to my wife how happy that little girl was even though her participation was minimal. My wife looked at me teary eyed and said "when that little girl started, she couldn't even stand up". The smile on all those children as they accomplish something that we take for granted is priceless. That's why we are doing this.

To learn more please visit

www.infinitehorizonslearningcenter.com

Little Free Library

Weaving our passions into our work lives is an important aspect to Tonkinson Financial Culture. Steven has had a Little Free Library outside his home for several years. He



believes in their mission "to be a catalyst for building community, inspiring readers, and expanding book access for all."

The vision of LFL is to have books available for every reader. They believe all people are empowered when the opportunity to discover a personally relevant book to read is not limited by time, space, or privilege.

We sure hope that next time you visit our office you'll take or leave a book

Connect to Protect

We are delighted to share that Tonkinson Financial joined Fairchild Tropical Botanical Garden's Connect to Protect Network by planting a new garden at the office. Our garden includes 3 large South Florida slash pines, saw palmettos, Bahama coffee and muhly grass. According to Fairchild their program "is a citizen science program that enlists South Florida residents to plant native plants



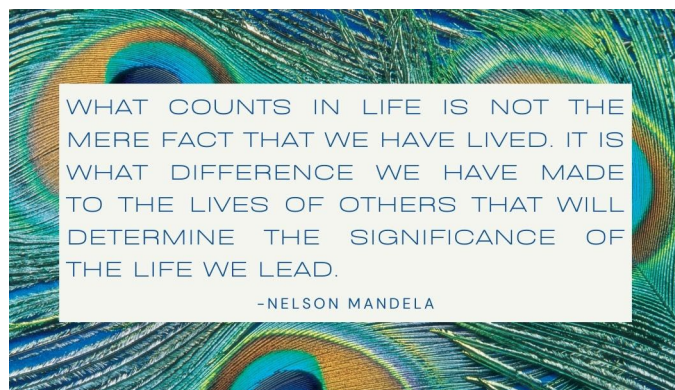
in order to connect the few remaining isolated fragments of pine rockland— our globally critically imperiled ecosystem.”

To learn more how you can get involved in this program visit www.fairchildgarden.org.

FIU Foundation’s Newest Board Member

In early June Rick attended his first board meeting for the FIU Foundation. The mission of the foundation is to receive and administer donations for scientific, educational and charitable purposes for the advancement of FIU. Rick will be on the finance and audit committees. The audit committee deals with the performance base funding model known as the metrics.

The Florida Board of Governors recently released results of the 2021 performance-based funding model scores. FIU earned 97 points and is now ranked No. 1 in the state of Florida among the 12 State University System Institutions. This is the highest any such institution has ever received in the history of performance funding using a 100-point scale which commenced in 2017.



Securities and advisory services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered by through CES Insurance Agency. This material is intended for informational/educational purposes only and should not be construed as investment advice, a solicitation, or a recommendation to buy or sell any security or investment product. Please contact your financial professional for more information specific to your situation. Past performance does not guarantee future results.

Investing in individual stock involves principal risk – the chance that you won’t get all the money back that you originally invested—market risk, underlying securities risk, and secondary market price. Talk to your financial advisor before making any investing decisions.

Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Past performance is no guarantee of future results.

Certificates of deposits (CDs) typically offer a fixed rate of return if held to maturity, are generally insured by the FDIC or another government agency, and may impose a penalty for early withdrawal.

DJ Industrial Average (DJIA): Computed by summing the prices of the stocks of 30 companies and then dividing that total by an adjusted value—one that has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are invested to reflect the actual performance of the underlying securities. NASDAQ Composite Index: Measures the performance of all issues listed on the NASDAQ Stock Market, except for the rights, warrants, units and convertible debentures. Barclays Capital Global Aggregate Bond: This index provides a broad-based measure of the global investment-grade, fixed-rate debt markets. Citigroup 3-month T-Bill: Measures monthly return equivalents of yield averages that are not marked to market. The 3-month Treasury Bill Indexes consist of the last three 3-month T-Bill issues. MSCI China: This free-float adjusted capitalization-weighted index is designed to measure the performance of China-based equities. MSCI EAFE (Morgan Stanley Capital International Europe, Australia, Far East): This index is a capitalization-weighted index that tracks the total return of common stocks in 21 developed-market countries within Europe, Australia and the Far East. MSCI Emerging Markets EMEA: This index captures large and mid-cap representation across 8 Emerging Markets (EM) countries in Europe, the Middle East and Africa (EMEA). With 139 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Russell 2000: This index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. Standard and Poor’s (S&P) 500: This index tracks the performance of 500 widely held, large-capitalization U.S. stocks. S&P Consumer Discretionary: A market capitalization weighted index that tracks the performance of consumer discretionary companies. S&P Consumer Staples: A market capitalization weighted index that tracks the performance of consumer staples companies. S&P Energy: A market capitalization weighted index that tracks the performance of energy companies. S&P Health Care: A market capitalization weighted index that tracks the performance of health care companies. S&P Materials: A market capitalization weighted index that tracks the performance of materials companies. S&P Technology: A market capitalization weighted index that tracks the performance of technology companies. S&P Utilities: A market capitalization weighted index that tracks the performance of utility companies.