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QUARTERLY NEWSLETTER 1Q 2022

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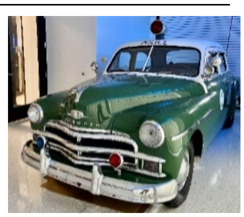
MARKET HIGHLIGHTS:

- The U.S economy added 1.7 million jobs in the first quarter, but faces rising headwinds from surging inflation, ongoing supply-chain and labor constraints, and tightening financial conditions.
- Fixed income markets experienced their worst quarter in more than four decades amid an extraordinary confluence of economic and geopolitical shocks.
- In response to surging inflation, Fed officials initiated a new tightening cycle in March with a quarter-point rate hike. They also ended the asset-purchase program and set the stage for future balance-sheet reduction.
- The market is now pricing in nearly 225 basis points of additional rate hikes this year, including several half-point hikes, with the federal funds rate seen peaking at around 3% in 2023.
- U.S. equity markets closed the quarter lower amidst a rapidly changing macro environment with heightened uncertainty and volatile trading. Value stocks meaningfully outperformed Growth. Investors demonstrated a mixed preference for quality factors.

NEWSLETTER HIGHLIGHTS:

Vintage Sunday Night TV Shows
— By Rick Tonkinson, MBA, MPA, CFP®, CLU, AIF®



Do you remember as a youngster how great TV was on a Sunday night? For me, I remember the NBC line-up: Walt Disney Wonderful World of Color followed by Bonanza and ending with Car 54 Where Are You? What a combo!

Recently, I had the surprise to see a 1961 Plymouth at the Miami Police PBA building and it brought back all these memories.

INDEX PERFORMANCE *3/31/2022*

	Q	YTD	1 Year
Aggressive Allocation	-5.24%	-5.24%	6.97%
Balanced Allocation	-5.17%	-5.17%	4.62%
Conservative Allocation	-5.15%	-5.15%	2.37%
S&P 500 TR	-4.60%	-4.60%	15.65%
Russell 2000 TR	-7.53%	-7.53%	-5.79%
Barclays U.S. Agg Bond TR	-5.93%	-5.93%	-4.15%
MSCI EAFE NR USD	-5.79%	-5.79%	1.65%

	As of 3/31/2022	As of 3/31/2021
10 year Treasury	2.32%	1.74%
Barclays 1-3m Treasury/Cash	0.52%	0.15%
Price of oil	$100.28	$59.16
Real GDP YoY % charge	2.8%	-2.4%
U.S. Unemployment Rate	3.6%	6.2%

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®

The stock market responds badly when confronted with uncertainty and for the first quarter it had a lot of it. The consumer confidence level is at 59.4% which is the lowest level in over a decade. Not a surprise, as 2022 has had a rough start with the Omicron variant prolonging the pandemic, rising inflation, Russia's invasion of Ukraine and a very partisan political environment in the US. Economists differ on how much and how long the political fallout will impact economic activity and their related investments.

To add to the challenge, the current inflation rate of 7.9% has triggered the Federal Reserve to start raising rates. In March they raised rates by .25%, which does not sound like much, but it jacked up 30-year mortgages from 2.5% to 4.7%.

The Federal Reserve is expected to continue raising rates through the year and, as a result, mortgage rates will increase to the point where real estate sales decline. Already in the first quarter of 2022 the real estate sector is down (6.2%).

So far in 2022 bonds have not been a safe haven. It is no fun seeing both stocks and bonds with negative performance, although this is usually the case when the Fed raises interest rates. At a certain point, however, prices for both bonds and stocks decline to levels attractive to investors which leads to markets bouncing back.

With the S&P 500 index down (4.6%) with all sectors negative except for Energy it is hard to understand how the stock market is still over valued compared to its long run average. However, considering that the S&P500 forward P/E ratio's 20-year average is 15.5x, its current level of 19.5x is an indication of overvaluation.

As of the end of the quarter, the Utility sector posted (4.8%) and has a forward P/E ratio of 21.3x. Its 20-year average is 15x, which means it's still overvalued to its average, even after the decline.

There are times like now when there is a disconnect between corporate profits and their stock price. Take a look at NextEra, a Utility company, and Tesla, an automobile manufacturer, for example. At the start of the year, NextEra (NEE) was at $93 and Tesla (TSLA) was at $1,057. Both companies reported better than expected earnings, only to drop to $72 (NEE) on 2/25/22 and $766 (TSLA) on 3/14/22. These are very large drops even as the next 12 months are projected to be outstanding. By the end of the quarter, both crawled back and ended at $85 (NEE) and $1,078 (TSLA).

So, do you bail out by going to cash in order to have no more decline, risking missing out on the recovery? If that's what you did in the first quarter, you would have missed out on the bounce back in the second half of March.

People are "investors" when the market is up and they flip to become "savers" when the market is down. When investors feel gloomy and worried about the outlook, their natural tendency is to sell risk assets in general and stocks in particular. However, history suggests that trying to time markets in this way is a mistake. Having an investment strategy and making smart adjustments to a diversified portfolio instead of making large emotional moves yields better results.

As money managers, we are constantly dealing with events that are out of our control. We have dealt with events such as the terrorist attacks of 9/11 before and we got our clients through it. For 30 years we have gone through the good, the bad and the ugly. We know how to handle bad and ugly with the goal to minimize the damage. This is where life experience becomes critical, and we will get through this together.

Financial Planning Considerations for Women — By Steven Tonkinson, CFP®, AIF®, CFS®

March was Women's History month. It's a time to reflect on the courage of women in past generations and to celebrate how their efforts and bravery afforded women the opportunities and freedoms they have today.

For various reasons, the state of a woman's financial security often depends on her marital status. A study from the U.S. Government Accountability Office says that women's household income dropped by 41 percent after divorce, nearly double the size of the decline men experienced. In 2020, women earned just 82.3 cents on the dollar compared with men, according to the Department of Labor's Bureau of Labor Statistics. And women earn less than their male counterparts in nearly every occupation. Whether you are newly divorced, widowed, or single by choice, the following tips could help you shore up your financial security.

Be involved in your finances. A Stanford Center on Longevity study found that women tend to be as confident as men in making routine financial decisions but much less confident, and usually less involved in making major financial decisions such as saving for retirement or investing.

In many cases, a woman going through a divorce or the loss of a spouse may not be aware of their family's full financial situation. If you are currently married, you should be actively involved in major financial decisions and have access to all financial records.

Plan ahead at work. When you have confidence in your financial status, if you have a strong financial plan in place and you've built up savings and emergency funds, you may be more confident asking for what you deserve at salary-review time.

Factor in the cost of caring for others. The National Alliance for Caregiving and AARP 2020 report on caregiving in the U.S. found that 61% of caregivers are female, and that female caregivers are less likely to work while providing care. When working on a financial plan with your advisor, incorporate the cost of childcare, including after-school support if your work hours require it. Consider long-term care and disability insurance coverage so that you won't have to leave the workforce to care for a spouse experiencing a health event.

Revisit your beneficiaries. A change in marital status triggers the need to see who will inherit your assets. At least 26 states have statutes that automatically revoke beneficiary designations naming a spouse in the event of a divorce, which may not be what you want. You may also need to revisit who you have designated to help with your estate, such as your attorney-in-fact, health care proxy, and executor.

In addition to understanding your own retirement benefits, you should know about any spousal benefits you may be entitled to. If the marriage lasted for at least 10 years and you haven't remarried, you could be eligible for half of your ex-spouse's social security benefit amount at their full retirement age, even if they're not actively collecting it. The total amount you are owed and when you should start collecting will depend on your age, your personal earnings, your life expectancy, and whether you remarry.

For retirement benefits, you would need at least a 10-year work history to qualify for your own social security benefits. To maximize these benefits, you may want to delay when you start collecting until age 70, depending on your life expectancy.

If you don't have a spouse or a child, an estate plan can ensure that your wealth is effectively distributed. Generally, this means that assets would go to a parent or sibling if there's no surviving spouse or child and more remote family members if there are no surviving parents or siblings. If you have a large extended family, you may prefer that your wealth go to nieces, nephews, and charities.

Whether it's by necessity because of a life change or you just want to become more involved in your finances, you can take charge of your financial security by staying fully informed of your options—and the many considerations that go into solidifying your current financial situation, maximizing retirement benefits, and properly planning your estate.

SOUND ADVICE: Executing the 1031 Exchange — By Steven Tonkinson, CFP®, AIF®, CFS®

If you have a second home as an investment property; and collect rental income, you might be able to take advantage of a popular tax break that allows you to defer payment of capital gains taxes due on the sale or perhaps avoid them entirely.

Like-kind exchanges, also known as 1031 exchanges for the section of the Internal Revenue Code they fall under, allow taxpayers to exchange real property used for business or investment purposes for "like-kind" property without paying taxes on the proceeds. Instead, those gains are rolled over until the taxpayer ultimately cashes out by selling the property.

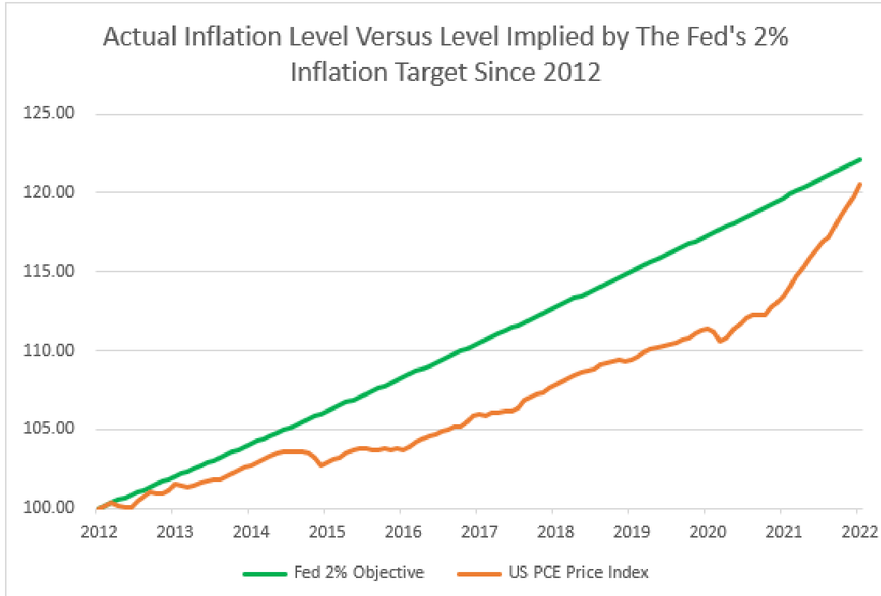
Under the tax code, any type of real estate used for business or investment is considered "like-kind." However, under IRS rules, a home used solely for personal use, whether as a primary residence or vacation home, wouldn't qualify for like-kind exchange treatment.

To successfully complete a 1031 exchange, investors must comply with strict time limits. First, the taxpayer must identify one or more replacement properties within 45 days of the date of the sale. Then, the replacement property must be acquired within 180 days of the sale. Miss these deadlines, and you'll lose the tax benefit of section 1031. But finding and closing on a replacement property within the required time frames can be a challenge when inventories are low like in today's market.

Under the current tax code, taxpayers who complete successive 1031 exchanges without paying capital-gains taxes who then die may avoid taxes altogether since their heirs will inherit that property with a stepped-up basis equal to the value of the property at the time of death. That makes the 1031 exchange a great estate planning tool.
Some things to consider if you're thinking about a 1031 exchange. Be aware that the rules may change under the current administration. It is also important that you use a qualified intermediary, such as a lawyer, accountant or title company, to facilitate the exchange. That intermediary will hold the sales proceeds from the relinquished property and use them to acquire the replacement property, preventing the taxpayer from coming into contact with the proceeds of the transaction, which is prohibited.

Inflation: Closing the Gap
– By Tom Saul, Investment Analyst and Co-Portfolio Manager

What is inflation?
Inflation is a broad-based and consistent erosion of purchasing power over time.



How is inflation measured?
Economists create a broad basket of consumer goods and calculate the cost of the basket over time to track inflation.

Why does inflation matter?
Inflation is one half of the Federal Reserve's dual mandate, meaning it impacts monetary policy decisions. Inflation also affects the valuation of assets and impacts consumer and producer decision making. Since prices are supposed to go up over time, the Federal Reserve sets up the inflation objective to track inflation levels and make policy decisions.

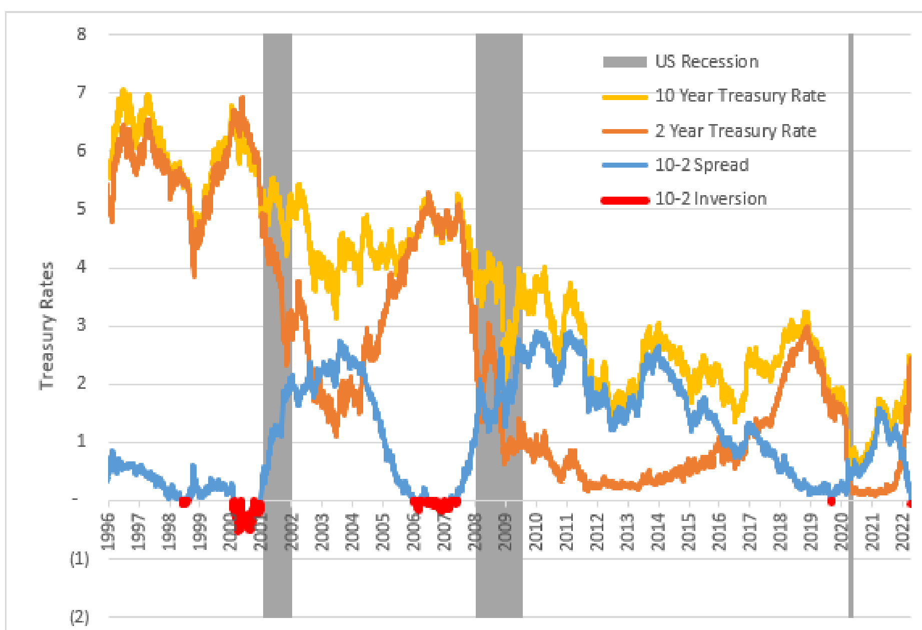
Current inflation analysis
In 2012, the Fed announced a 2% inflation objective. As you can see from the chart above, in the last 10 years inflation has consistently under-shot this target.

What we are seeing over the last 6 months, however, is the Inflation pressures accelerating. Is this due to the economy "overheating"? No. The pressures are building due to supply chain issues, labor shortages and labor costs.

Over time, as demand for goods abates, labor force growth resumes and the Federal Reserve increases rates, inflation pressures should recede.

Likely, inflation will remain elevated (above 3%) through much of 2022. This should close the gap between the actual inflation and the Fed's inflation objective.

Inverted Yield Curve
– By Tom Saul



The yield curve just flipped upside down. The rate on the 2-year treasury note has rose above the 10-year for the first time since August of 2019.

Why does this matter? Typically, if you were lending someone money, you'd expect a higher interest rate if you were going to lend to them for a longer period, say 10 years, than for a shorter one, say 2 years. The same is typically true in the billion-dollar bond markets. A longer time frame usually means more time for something to go wrong (inflation, a pandemic, a war etc.), and hence a higher interest rate — which is why when that relationship flips, investors take notice.

The 10-2 inverting has historically been a predictor of a possible future recession and has preceded every US recession over the last 50 years.

I'm hearing a lot of "this time will be different" talk, citing the strength of the economy, the Fed's massive bond buying stimulus, and technical factors in the market rather than economic conditions, but even if this time is different and there is no recession, tight spreads in the yield curve will slow things down.

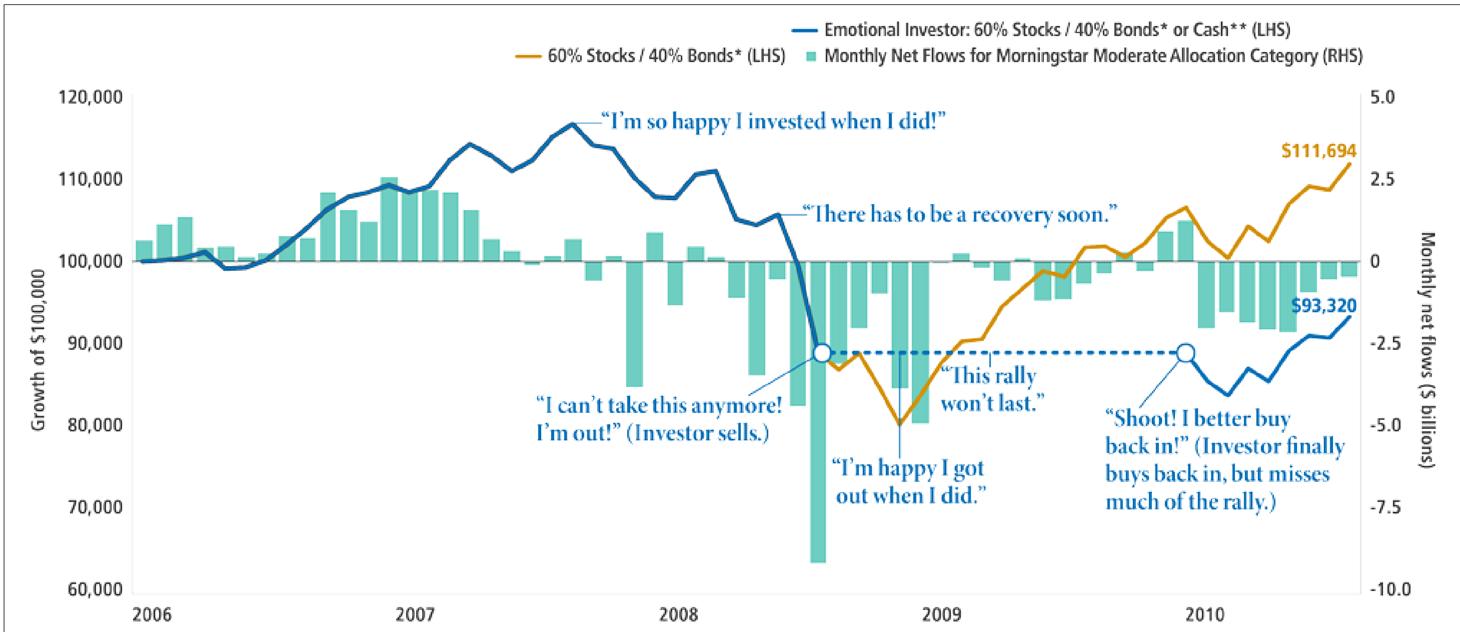
The traditional signs of a slowing economy are not present yet. So, we will be watching for signs in economic fundamentals especially in the labor market.

Staying the Course
— By Tom Saul

Big emotional changes are the biggest enemy of investor's long-term goals.

When emotional decision making takes over investors go from buying low and selling high to selling low and buying high. In this chart from PIMCO we can see a great case study on how short-term decisions have a big impact on long-term goals as markets ultimately normalize.

In the hypothetical below you can see the emotional roller-coaster investors go through. In this case the investor starts with $100,000 in 2006. If they stay the course, they make $11,694. If they let emotions get the better of them, they miss the rally and end up losing $6,680 in the end.



January 2006 to December 2010. Source: Morningstar, Bloomberg, PIMCO

Hypothetical example for illustrative purposes only. Not indicative of the past or future performance of any PIMCO product.

* Stocks are represented by S&P 500 Index. Bonds are represented by Barclays U.S. Aggregate Index. It is not possible to invest in an unmanaged index.

** These results are based on hypothetical modeling and are intended for illustrative purposes only. Emotional Investor is assumed to move to cash on 10/31/2008 and back to 60% Stocks / 40% Bonds on 04/30/2010.

Hypothetical and simulated examples have many inherent limitations and are generally prepared with the benefit of hindsight. There are frequently sharp differences between simulated results and the actual results. There are numerous factors related to the markets in general or the implementation of any specific investment strategy, which cannot be fully accounted for in the preparation of simulated results and all of which can adversely affect actual results. No guarantee is being made that the stated results will be achieved.

PIMCO

Staying the course during market volatility is difficult for many investors but as the chart shows, when sticking with the portfolio, investors recover a greater percentage of their loss value and at a faster rate than trying to time the market or going into cash.

Tax-loss harvesting: what is it and how can it help lower the tax bill?

— By Kristina Shamonina, CFP®
Certified Senior Advisor (CSA)®

Tax-loss harvesting, or tax-loss selling, is a strategy that can help reduce or even eliminate the amount of capital gains tax due on the sale of profitable investments by selling other investments at a loss. For example, if an investor buys a stock at $100 and sells it at $150, they realized a capital gain of $50. This gain will trigger a capital gains tax an investor will have to pay, depending on their tax status and how long they've held the stock. If, however, the investor sells another security at a $50 loss, they can use this loss to offset the gain from the sale of the profitable stock and, as a result, lower their tax bill.

This strategy works only on taxable investments. Retirement accounts, such as IRAs and 401(k) plans, are tax-deferred and so do not allow to offset taxable gains. Therefore, tax-loss harvesting cannot be used with these accounts.

When can you harvest tax loss? Anytime during the year by December 31st – remember, taxable accounts do not get the "April 15 deadline" extension like retirement accounts. Some investors may do it at the time they sell a profitable asset, others may wait until the end of the year to assess the annual performance of their portfolios and the impact it will have on their tax return.

One consideration to take seriously is that tax-loss harvesting is not as simple as "dumping" all the "losers". An approach like this can disrupt a carefully constructed portfolio and have a negative impact on long-term investment objectives. Today's losers may be tomorrow's winners in the fast-moving markets. To help maintain the portfolio's asset mix and risk level, other securities might need to be purchased to replace the ones sold – or, the investor may even consider re-purchasing the sold "losers", if they believe in their future performance. If that is the case, beware of wash sale rules.

A wash sale occurs when an investor (also their spouse or a company they own) purchases the same security, or a substantially similar security, within 30 days (before or after) of selling the "loser". If the sale is determined to be a wash, the loss is disallowed. Selling a "loser" at the end of the year, only to repurchase it at the start of the year, without consideration of the 30-day requirement, will not fly with the IRS.

The tax-loss harvesting strategy, used properly, can help offset the amount of taxes due on both short-term and long-term capital gains, although it may offer a greater benefit with short-term capital gains, as they are taxed as ordinary income which has a higher rate than long-term capital gains. Also keep in mind that capital losses can be used to offset other taxable income but there is a limit of $3,000 ($1,500 if married, filing separately) on the amount that can be deducted in a single tax year. The good news is, the IRS allows additional losses to be carried forward into the following tax years.

Going Green Takes Green

— By Lucy Foerster, Client Relations Coordinator

Everyone knows by now that solar power, walking or cycling to work and replacing single-use plastic bags and packaging with reusable ones helps in lowering our carbon footprint. It might be nice to be ecofriendly but how much does it cost? Sparks of green guilt have crept into my mind when thinking about how I have added to garbage in landfills. In recent years I have looked at my every day habits and how they affect the planet and my wallet.

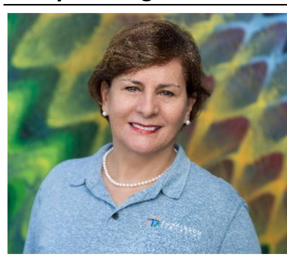
I will admit it, I am one of those people who, when pulling out the plastic wrap, wastes about a quarter of the roll in the process because it never covers the container correctly the first time so I tend to stick (yes, pun intended) to beeswax wraps instead. On average the cost of one roll is $5 (buying 20 rolls per year is $100) while purchasing a package of four reusable beeswax wraps is $33. Ideally, one wrap should last about 6-8 months with regular washing; so, they are the cheaper of the two options.

My grandfather used to shake his head at the idea of buying bottled water when you already paid for it out of the tap. There is so much money to be "saved" when water is an example. According to the EPA, by installing an aerator to every sink in your home, you can save around 700 gallons of water per year and about $48 a month on your water bill. The purpose of an aerator, or flow regulator, is to maintain a constant rate of water flow, which is not affected by pressure fluctuations. Additionally, instead of buying bottled water, one can set up a water filtration system which will save money over time. You can also opt for an easier and the cheapest solution of using a filtered water pitcher. In each case, you'll cut down on waste and drink cleaner and tastier water.

Paper towels are easy and convenient; just use them once and toss them into the trash which will eventually end up in landfills. Paper towels contribute roughly 40% of paper-based trash inside American landfills. The alternative cloth towels are reusable, longer-lasting, economical, and more ecofriendly. The cloth towel on average costs about $2 - about twice the price of a roll of paper towels – but will last you months, not weeks, making it a great choice for both your wallet and planet Earth.

Being ecofriendly typically costs more upfront with savings coming over time. Everyone can make a difference, particularly when smart environmental choices become a habit and can even begin influencing others into taking similar actions. It can tap into your creativity, get you more engaged with your community, and may contribute to a healthier lifestyle.

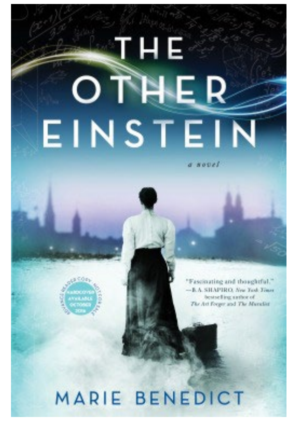
Book Review: *The Other Einstein* – by Marie Benedict – By Margarita Tonkinson, Associate



This historical fiction novel about Mileva "Mitza" Maric, Albert Einstein's first wife, tells the story of her life, her extraordinary intelligence and knowledge of physics, as well as her intellectual and romantic relationship with her genius husband. Her substantial collaboration with Einstein in developing his groundbreaking ideas suggests that he may not have been the only mastermind behind his theory of relativity.

Mileva was afflicted with a congenial hip defect that made her believe that she will never be married. Her only future lied in her love for physics rather that in finding a husband. Thanks to her father's support she attends one of the top elite universities, the Zurich Polytechnic School.

In the early 1900's when women were reluctantly allowed to have a university education Mileva was one of the very few women to study math and physics. School is where she met Albert Einstein, who was the first in their small class to welcome her. Albert was amazed and attracted to her bright intellect. They engaged in theoretical discussions with male colleagues during which her intelligence was both admired and supported.



Einstein makes himself a fixture to Mileva's life by assiduously attending her evening soirees, local field trips and other excursions. When he expressed his romantic intentions, Mileva could not resist his spell. Unfortunately for her, this proved her undoing, in more ways than one. A pregnancy and birth out of wedlock led to Mileva failing her final work toward her physics degree and never going back to finish. Instead, she married Einstein and bore two more children by him.

Albert Einstein writes about their work using the words "we" and "us". The original manuscript for the "Theory of Relativity " was signed Einstein-Marity; Marity for Maric. A translated quote from him in 1905 commemorates, "For everything that I achieved in my life, I must thank Mileva. She is my genius inspirer, my protector against the hardships of life and science. Without her, my work would never have been started nor finished." Mileva Maric received Einstein' Nobel Prize full monetary allowance for her extensive contributions.

COMMUNITY CORNER

Clients in the Community: South Florida SPCA

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 Julie Shelton.

TF: What is the mission of this organization?

JS: Marking its 30th year in 2022, SFSPCA is the only organization qualified to rescue, rehabilitate, retrain and rehome horses in Miami-Dade. We are the last line of defense for abused and abandoned horses in the county. We take pride in providing them with safe shelter, proper nutrition and immediate medical care.

TF: What drew you to this organization?

JS: A friend mentioned that I check out the SPCA ranch as I have been a lifelong animal lover. On the way to the ranch my first time I got lost and almost turned around but so happy that I stopped to ask for new directions as this organization has brought so much light to my life. The love of these animals provides an incredible amount of joy to me every day. Knowing that every horse has their own story keeps me involved.

TF: How are you involved?

JS: At the ranch, my time is spent feeding and taking care of the horses. I get up at all hours of the night to help with the care that is needed to rehabilitated the horses. Spreading awareness on education on the cruelty to animals is hard work but being able to provide rehabilitation is vital. Our organization wants to give every horse the chance and opportunity to thrive as they were meant to. After a handful of years volunteering, I was invited to join the board of directors and currently serve as vice president.

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

JS: It is so hard to pick a standout moment. Once I got to work with a camel that came to our ranch. The experience of earning an animal's trust is truly life changing. A rewarding part of being at the ranch is the chance to see the birth of a new horse, there is a magic to those moments.

To learn more, please visit: www.spca-sofla.org

Maine Lobster Feast

The 11th Annual Woody Foundation Maine Lobster Feast took place on February 28th. What a beautiful night in Coconut Grove to celebrate the partnership between The Woody Foundation and The Sabrina Cohen Foundation, soon to be the first fully accessible beach facility in South Florida. In 2016, SCF launched "Adaptive Beach Days," a twice-monthly, pop-up program that provides full-service access into the ocean with the help of trained staff and volunteers, access decks, beach wheelchairs and other adaptive equipment. Tonkinson Financial is proud to be the Lobster sponsor for the event.

Homestead Rodeo

Founded in 1949, the Homestead Championship Rodeo is an annual tradition that grew out of a group of seventeen founding members who wanted to showcase this unique western sporting event. It is one of the oldest annual professional sporting events in South Florida and the only PRCA Rodeo in Miami-Dade County.

2022 marked the 73rd year of the annual Homestead Championship Rodeo and Tonkinson Financial was proud to sponsor once again. We congratulate the staff and volunteers that put on the amazing three-day event.

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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.