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GET TO KNOW OUR TEAM

David Bauer is the Director of Investment Management at Shepherd Financial. He's been with our team since 2015 and has over 20 years of experience in the financial services industry.

A goal on David's bucket list is to bike the entire Tour de France route.

Holly Willman is the Director of Creative and Strategic Operations at Shepherd Financial. She's been with our team since 2013, utilizing a variety of skills in different roles.

As a kid, Holly never dressed up for Halloween or went trick-or-treating.

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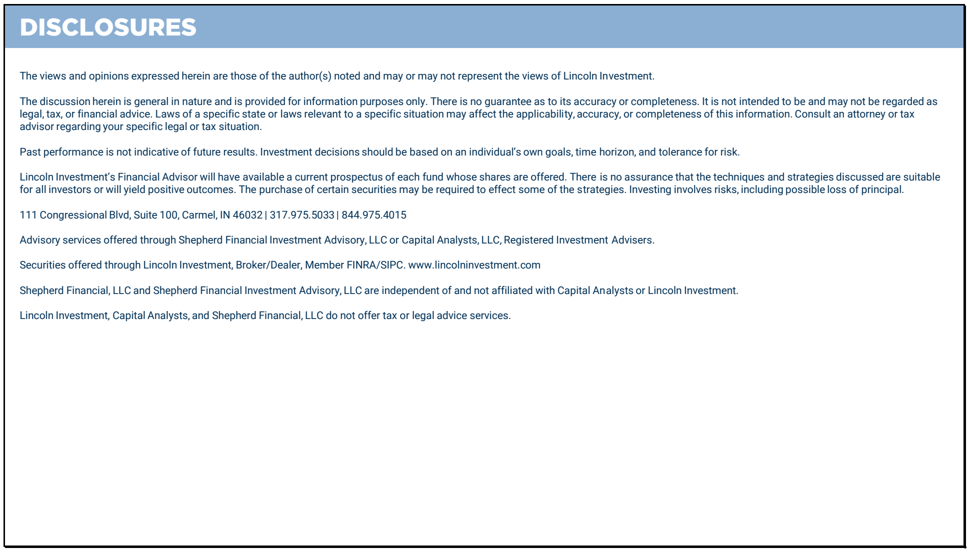
QUARTERLY MARKET REVIEW

October 24, 2019

Shepherd FINANCIAL

Slide 3



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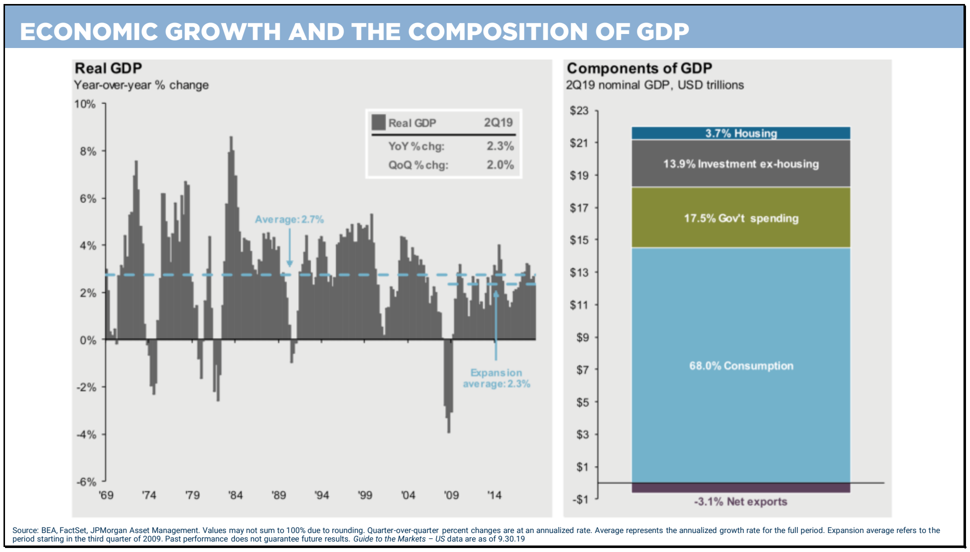

It's been a good year for the US economy and investment returns so far. Economic growth has slowed, but unemployment remains low, and inflation has remained steady. We've seen positive bond markets, and stocks have bounced back from their slump at the end of 2018. A weak global economy has made making a difference, but I think the US is still more likely to see slow growth rather than a recession. And the second quarter GDP numbers confirmed a slowdown – real GDP growth downshifted to 2.3% year-over-year compared to 3.2% a year earlier.

Early evidence suggests a further slowing – we're talking roughly 2.0% year-over- year growth. This reflects weakness in business investment spending, exports, and inventory accumulation. All of these have been triggered, to some extent, by heightened trade tensions. Looking at consumer spending, I think it's going to grow more slowly as the effects of the Tax Act of 2017 fade. As I keep saying, barring a major shock, I expect the economy to avoid recession and sustain slow growth into 2020. None of the cyclical sectors of the economy, such as autos, housing, business investment spending, or inventories appear over-extended. Another reason is that despite a very tight labor market and stable inflation, the Federal Reserve is now in easing mode and long-term interest rates are very low.

Normally, this late into an expansion, high interest rates would be reducing both business investment and home-buying, but that's not the case today. Finally, while political polarization is usually considered a negative thing, it may actually provide the economy with some stability today. Recessions often involve a general collapse in confidence. But political divisions are so wide today that many consumers won't believe reports of economic weakness coming from media sources they distrust. It could prevent people from invoking recession panic moves, which may allow the economic expansion – our longest in US history – to continue.

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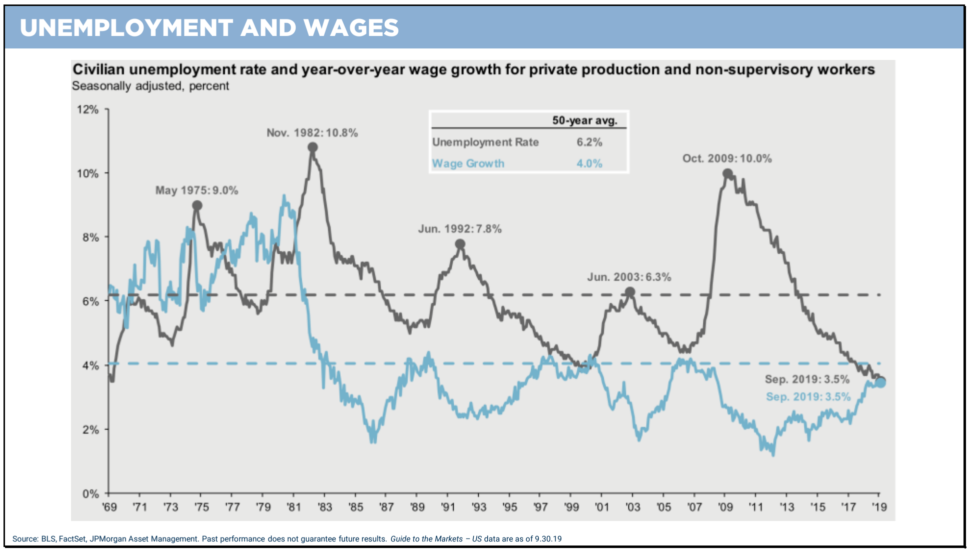

Economic growth helps create job growth, but since we’re experiencing slower economic growth, the demand for new workers appears to be growing more slowly. However, this softening of labor demand should be matched with an equal moderation in labor supply. Even with some Americans reentering the strong job market, the demographic drag of retiring baby boomers, combined with tighter restrictions on immigration, could limit labor force growth.

The unemployment rate has fallen more slowly over the past year than earlier in the expansion, which suggests hiring previously-unemployed workers will not be a source of significant employment growth going forward.

In recent months, the economy has seen only moderate wage growth acceleration due to a very tight labor market. Wages for production and non-supervisory workers climbed 3.5% year-over-year in August. I’ve discussed that many businesses are finding it very difficult to attract qualified workers. But even so, companies are holding the line on wages. This suggests that faster wage growth may not materialize. Productivity growth has improved somewhat since earlier in the expansion. This pace of wage growth should still be consistent with relatively stable inflation at the consumer level.

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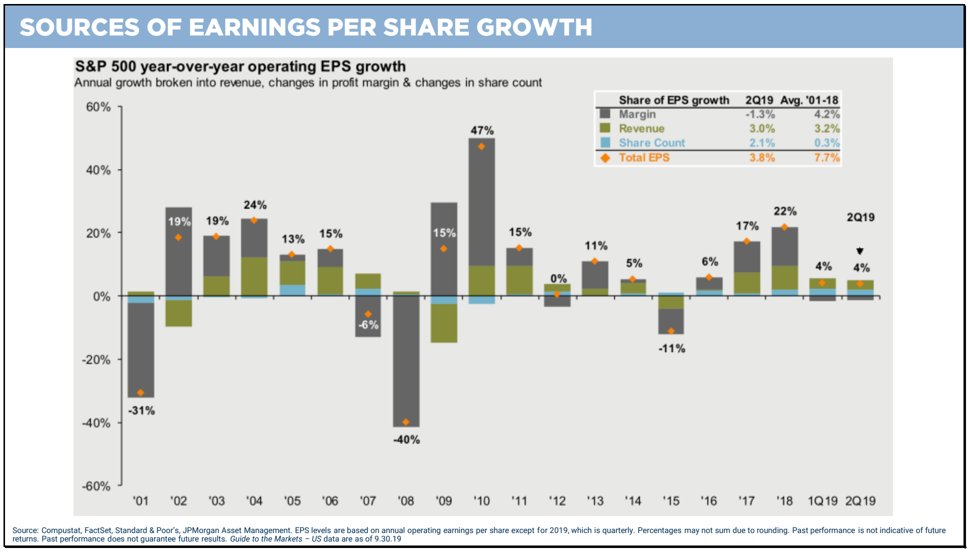

In 2018, I talked about the strong profit growth until the big drop at the end of the year. And so far this year, profit growth has been slow. There's been a gain of just 4% year-over-year in operating earnings per share in the first half of the year. For the rest of the year, we will probably still have single-digit profit growth. But profit growth shouldn't turn negative, because there are still well-controlled wage costs and lower interest rates.

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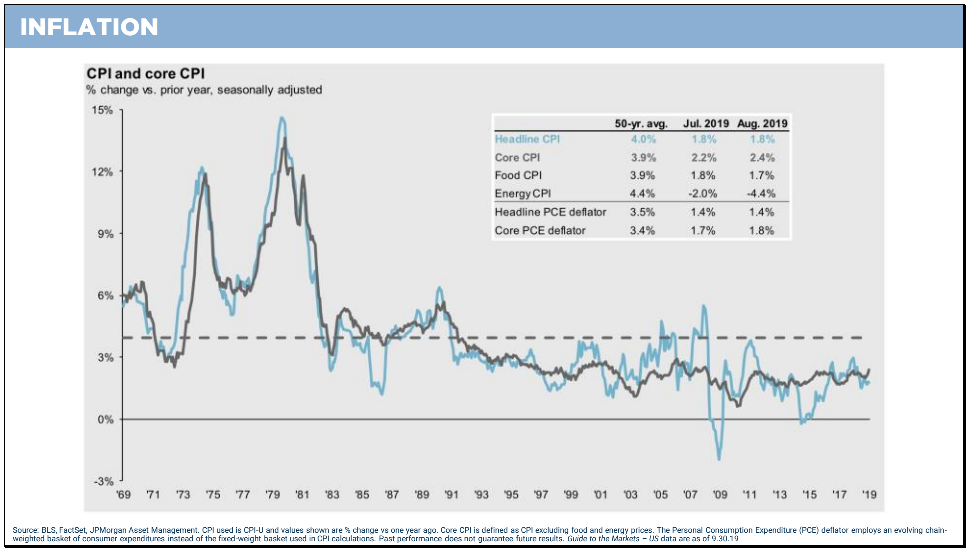

We've had 10 years of monetary stimulus, economic growth, and falling unemployment. This has boosted home prices, bond prices, and stock prices. The overall consumer price index rose by 1.8% in August, and CPI, excluding food and energy, was up by 2.4% year-over-year.

The difference between the two measures of CPI comes from the behavior of energy prices, which surged and then retreated over the past year. Headline PCE, the Fed's preferred inflation measure, and core PCE both remain well below 2%. For overall inflation, I think oil prices are going to move sideways or increase somewhat over the next year. And combining that with slow-growing US and global economies should keep overall inflation subdued, though it might slowly rise as we enter 2020.

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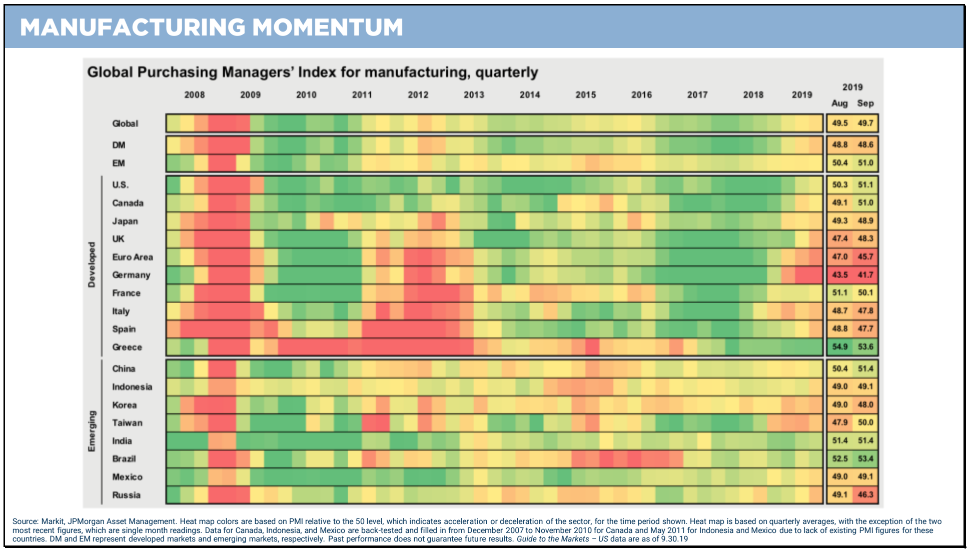

Global expansion has slowed over the past 18 months. Europe has continued to experience issues, like political turmoil in France and Italy, manufacturing weakness in Germany, and Brexit.

And there are also still issues in the Eurozone, Japan, Korea, and Taiwan. They've been caught in the trade tensions cross-fire between the US and China. That's created a fall in global trade and a deterioration in manufacturing activity.

A general China slowdown has had ripple effects on both developed and emerging market economies. Until the trade tensions are resolved and Chinese growth stabilizes, I think the slowdown in global growth will continue. The Fed could impact that with a reversal of the hiking cycle, which may relieve some pressure on emerging markets.

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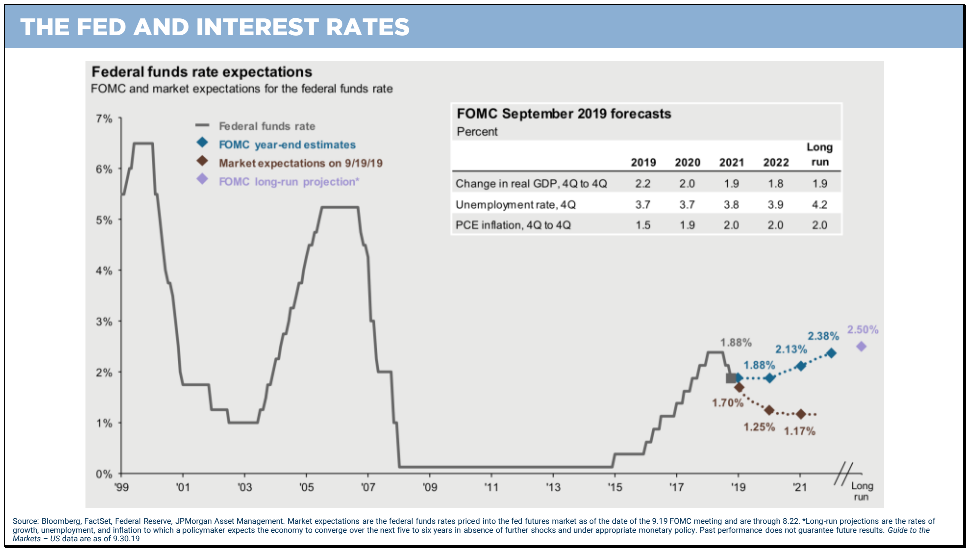

Last quarter, we were waiting for what the Fed would do at their July meeting. They ended up cutting the federal funds rate at both their July and September meetings. This change in the Fed's strategy is a prudent response to low inflation, economic weakness overseas, and rising trade tensions.

If they didn't cut rates, monetary easing by other central banks might have boosted the dollar in a way that would have increased problems for US exporters. The Fed will probably cut rates again at least one more time. The Fed's chairman, Jerome Powell, is describing this as a mid-cycle adjustment.

While rate cuts have been doing little to stimulate economic growth, they have been fostering an expectation of further rate cuts. We could possibly expect a quarter-point rate cut before the end of the year. But there's always the risk the Fed may extend these cuts to 2020.

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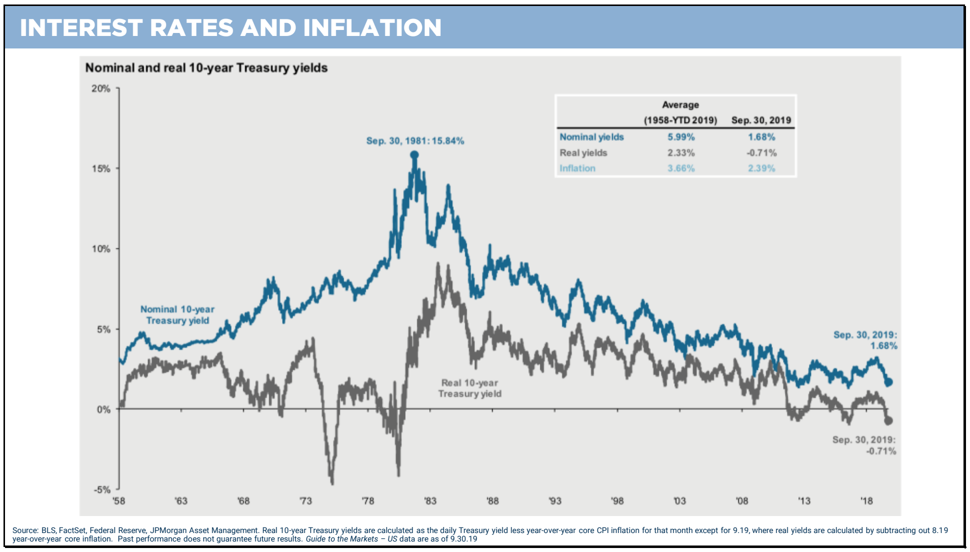

With regard to the bond market, Fed easing has led to further declines in long-term interest rates, including some brief periods of a negatively-sloped yield curve. The yield curve itself has been distorted by unprecedented central bank buying of long-term bonds. An inverted yield curve causing harm to the economy could even boost demand by pushing up consumer income from short-term accounts while limiting the rise in mortgage rates.

The short-term impact? Low rates within a growing economy favor stocks over bonds, although investors should have a heightened awareness of economic risks. Fixed income plays a critical role in a properly diversified portfolio. While there may still be opportunities in higher yielding sectors, investors should consider dialing back on some of the riskier sectors.

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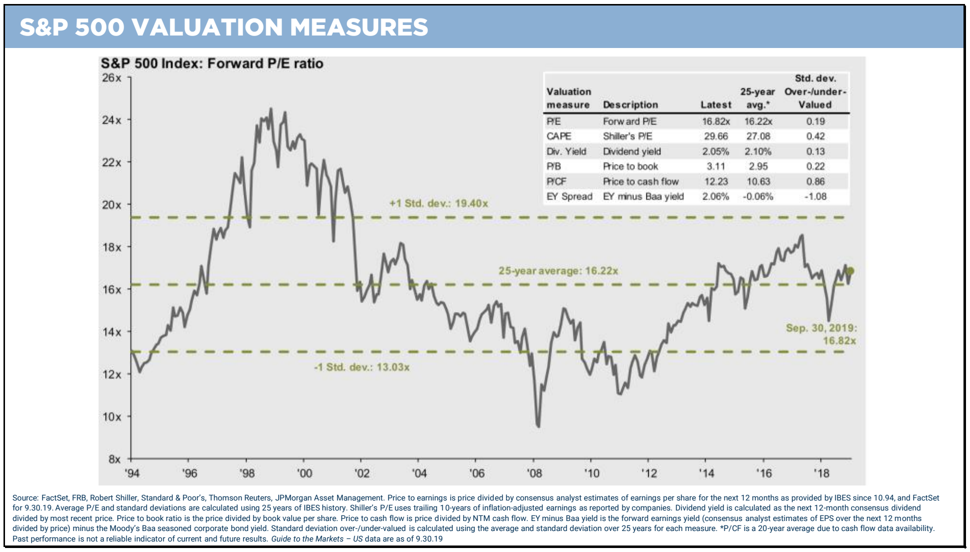

We’ve seen stocks go from a rough finish in 2018 to stronger returns in 2019. Going forward, I believe earnings should grow slowly. Valuations, as measured by forward P/E ratios, have been hovering around average levels relative to history.

With profit margins only slightly below record levels, it looks like there could be some danger that a future federal government might try to battle a growing budget deficit. They would potentially do so through an increase in corporate taxation. Additionally, changes in market structure and the growth in passive strategies may be favoring growth stocks over value stocks. Investors should remain balanced.

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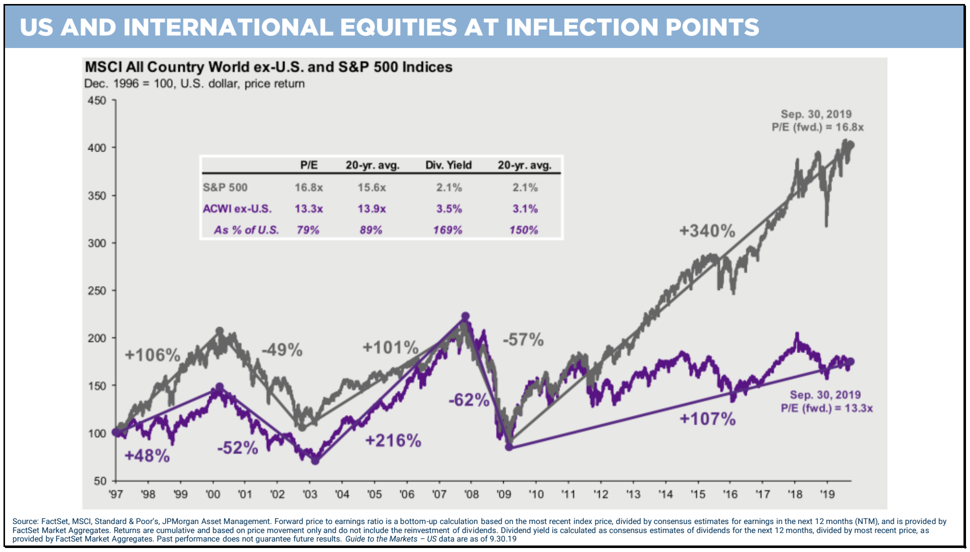

International stocks have continued to lag US equities in 2019. This may be the result of a combination of a stronger US dollar and some investor caution on the potential impact of a trade war on corporate profits overseas. Even so, it's important for investors to consider having a significant allocation towards international equities.

In the long run, slowing growth in the US and a rising trade deficit could cause the dollar to fall, amplifying the return on international equities. Prospects for European growth don't look inspiring, but it is in an earlier stage of its economic expansion. I think they could see a turnaround with the resolution of trade tensions and Brexit.

I believe emerging markets still have the most favorable long-term growth prospects, and they should experience some relief in the wake of the pause in raising US interest rates. Broad valuation measures suggest international stocks are simply cheaper, both relative to US stocks and their own long-term history.

While international stocks have disappointed recently, I think it's important for long-term investors not to be underweight in this asset class relative to a normal portfolio.

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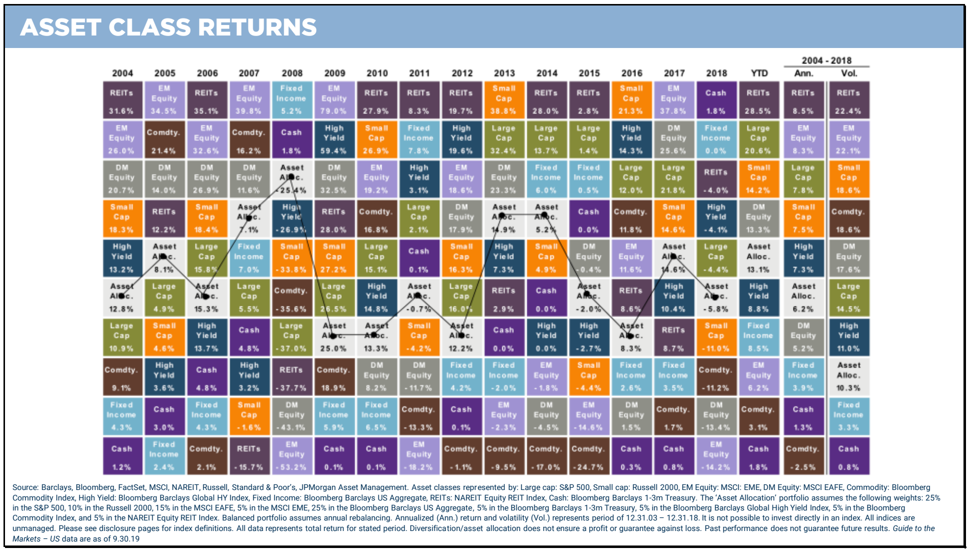

We're more than 10 years removed from the start of the global financial crisis. And while there's been a full recovery, the trauma created extreme political forces that are shaping the investment environment and causing a more cautious attitude among investors.

Investors need to maintain balance to prepare for the next downturn. They should also recognize that a low interest rate environment, combined with a long bull market in stocks, limits potential portfolio returns going forward. Of course, opportunities remain across the spectrum of global financial markets.

Despite Fed tightening, real yields on cash are close to zero, meaning we don't get paid to save; we get paid to invest.

The global economy and current valuations justify a diversified approach to long-term investing. And the expansion and bull market call for more discipline, with smaller over-weights and under-weights relative to a normal portfolio. Investors will also need a heightened willingness to adjust asset allocation as valuation differences diminish and late-cycle risks gradually rise.

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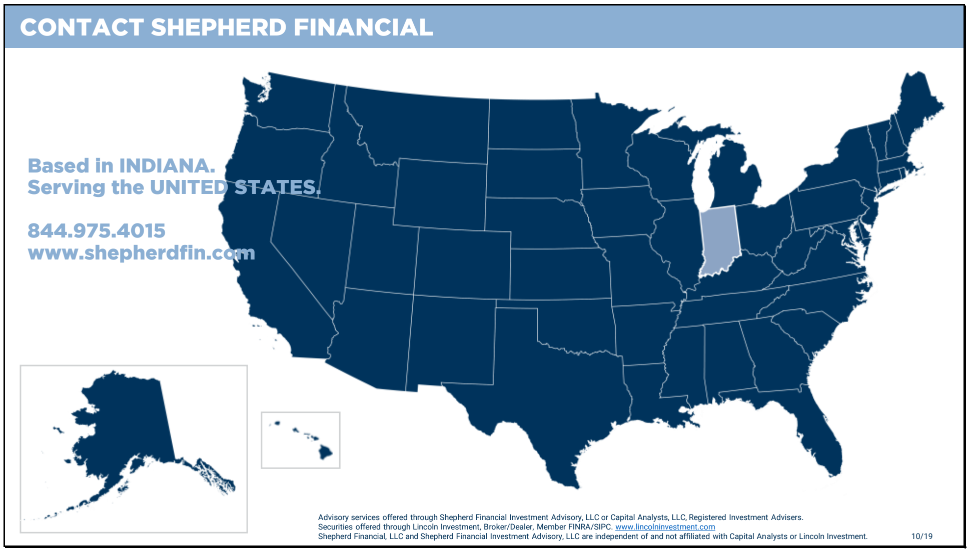

Don’t forget our next Open Phone Day is Tuesday, November 5th, and you can sign up for that by emailing shepfinteam@shepherdfin.com.

If you’d like to chat with one of our team members at any other time, you can always call us at 844.975.4015 or 317.975.5033.

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DEFINITIONS AND DISCLOSURES

Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. Lower-quality fixed income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate. Treasury bills (T-bills) are short-term securities with maturities of one year or less issued at a discount from face value. Treasury bills are the primary instrument used by the Federal Reserve in its regulation of money supply through open market operations. Treasury notes (T-notes) are intermediate securities with maturities of 1 to 10 years. Denominations range from $1000 to $1 million or more. The notes are sold by cash subscriptions, in exchange for outstanding or maturing government issues, or at auction. Treasury bonds (T-bonds) are long-term debt instruments with maturities of ten years or longer issued in minimum denominations of $1,000. Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features. Any fixed-income security sold or redeemed prior to maturity may be subject to loss.

Prior to rolling over assets from an employer-sponsored retirement plan into an IRA, it's important that you understand your options and do a full comparison on the differences in the guarantees and protections offered by each respective type of account as well as the differences in liquidity loans, types of investments, fees, and any potential penalties. A variable annuity is an insurance contract which offers three basic features not commonly found in mutual funds: (1) annuity payout options that can provide guaranteed income for life; (2) a death benefits; and (3) tax-deferred treatment of earnings. When applicable, the tax deferred accrual feature is already provided by the tax-qualified retirement plan (e.g. 403(b), IRA, etc.) The U.S. Securities and Exchange Commission (Investor Tips: Variable Annuities) has suggested that for most investors, it would be advantageous to make the maximum allowable contribution to a tax-qualified retirement plan before investing in a variable annuity. The separate account of a variable annuity is not a mutual fund. While separate accounts may have a name similar to a mutual fund, it is not the same pool of funds and will experience difference performance than the mutual fund of the same or similar name. In addition, the financial ratings of the issuing insurance company do not apply to any non-guaranteed separate accounts. The value of the separate accounts that are not guaranteed will fluctuate in response to market changes and other factors. Variable annuities are designed to be long-term investments and early withdrawals may be subject to tax penalties and charges. None of the information in this document should be considered as tax advice. You should consult your tax advisor for information concerning your individual situation.

Treasury inflation protected securities (TIPS) refer to a treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and because the par value rises with inflation, as measured by the consumer price index (see below), while the interest rate remains fixed.

Growth investments focus on stocks of companies whose earnings/profitability are accelerating in the short-term or have grown consistently over the long-term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. Stock value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments. Value investments focus on stocks on income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that their intrinsic values may never be realized by the market, or such stock may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

The consumer price index (CPI) measures price of a fixed basket of goods bought by a typical consumer, widely used as a cost-of-living benchmark, and uses January 1982 as the base year. Core CPI is the consumer price index (CPI) excluding energy and food prices.

The purchasing managers' index (PMI) is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting.

Consult your financial professional before making any investment decision.

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DEFINITIONS AND DISCLOSURES

A commodity is a basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

A mortgage-backed security (MBS is a type of asset-backed security that is secured by a mortgage, or more commonly, a collection("pool") of sometimes hundreds of mortgages.

The U.S. Treasury yield is the return on investment, expressed as a percentage, on the U.S. government's debt obligations (bonds, notes, and bills). The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

The information shown does not constitute investment advice and does not consider the investment objectives, risk tolerance or financial circumstances of any specific investor. Data obtained from the sources cited is believed to be reliable and accurate at the time of compilation. Asset allocation and diversification do not ensure a profit or protect against loss. There is no assurance that any investment process will consistently lead to successful results. There are risks associated with investing, including the risk of loss of principal.

The information provided is not intended to be a complete analysis of every material fact respecting any portfolio, security, or strategy and has been presented for educational purposes only.

Specific Risk Considerations

Fixed income investing involves interest rate risk. When interest rates rise, bond prices generally fall. Stock investments are subject to market risk, which means that the value of the securities may go up or down in response to the prospects of individual companies, particular sectors and/or general economic conditions. Investments in real estate companies, including REITs or similar structures are subject to volatility and additional risk, including loss in value due to poor management, lowered credit ratings and other factors. Below investment grade (high yield) bonds are more at risk of default and are subject to liquidity risk.

AllianceBernstein, L.P. and JP Morgan Investment Management are separate entities and not legally affiliated with Lincoln Investment or Capital Analysts.

Benchmark Definitions

All indexes are unmanaged; it is not possible to invest directly in an index.

30-Day U.S. Treasury Bill Index: is an index based upon the average monthly yield of 30-Day Treasury Bills. Treasury Bills are secured by the full faith and credit of the U.S. Government and offer a fixed rate of return.

Barclays Aggregate Bond Index: is an index compromised of approximately 6,000 publicly traded bonds including U.S. government, mortgage-backed, corporate and Yankee bonds with an average maturity of approximately 10 years. This index is weighed by the market value of the bonds included in the index. This index represents asset types which are subject to risk, including the loss of principal.

Barclays Capital US Government Inflation-Linked Bond Index (US TIPS): measures the performance of the TIPS market. TIPS form the largest component of the Barclays Capital Global Inflation-Linked Bond Index.

Barclays Global High Yield Index: is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US HIGH Yield, the Pan-European High Yield, and Emerging Markets Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

Barclays Inflation Linked US TIPS: measures the performance of the US Treasury Inflation Protected Securities ("TIPS") market. The index includes TIPS with one or more years remaining maturity with total outstanding issue size of $500m or more.

Barclays Long High Yield Corporate Bond Index: measures the longer duration component of the USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.

Barclays US Govt/Credit 1-3 Yr: measures the performance of short-term government bonds issued by the US Treasury. Bonds must be fixed rate coupon and bullet maturity. They should be denominated in USD and pay coupon and principal in USD. Zero coupon bonds, inflation-Linked bonds and callable bonds are excluded.

(Benchmark Definitions continued on the next page.)

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DEFINITIONS AND DISCLOSURES

Barclays US Govt Interm Index: measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

Barclays US Interm Credit Index: measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year and less than ten years.

BofA ML US HY Master II: BofA Merrill Lynch US High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $100 million.

BofA ML US Treasury Bill 3 Month: Is a subset of The Bank of America Merrill Lynch 0-1 Year US Treasury Index including all securities with a remaining term to final maturity less than 3 months.

Bloomberg Barclays 1-3 Month US Treasury Bill Index: includes all publicly issues zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in US dollars and must be fixed rate and non convertible.

Bloomberg Barclays Global Aggregate Corporate Bond Index: tracks the performance of investment-grade corporate bonds publicly issued in the global market and found in the Global Aggregate.

Bloomberg Barclays Global Treasury: Euro Bond Index: includes fixed-rate, local-currency sovereign debt that makes up the Euro Area Treasury sector of the Global Aggregate Index.

Bloomberg Barclays Global Treasury: Japan Bond Index: includes fixed-rate, local-currency sovereign debt that makes up the Japanese Treasury sector of the Global Aggregate Index.

Bloomberg Barclays Municipal Bond Index: a rules-based, market value-weighted index engineered for the long-term tax-exempt bond market.

Bloomberg Barclays US Corporate High-Yield Bond Index: represents the corporate component of the Bloomberg Barclays US High Yield Index.

Bloomberg Barclays US Treasury Index: includes fixed-rate, local-currency sovereign debt that makes up the US Treasury sector of the Global Aggregate Index.

Bloomberg Commodity Index: measures the performance of the commodities market. It consists of exchange-traded futures contracts on physical commodities that are weighted to account for the economic significance and market liquidity of each commodity.

Chicago Board Options Exchange (CBOE) Volatility Index (VIX): shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX is a widely used measure of market risk.

Citi 1-3 Year Treasury Index: computes returns for the current or most recently issued 1-year, 2-year, and 3-year U.S. Treasury bills that have been in existence for the entire month.

Citi Non-US World Government Bond Index: is a benchmark index that includes institutionally traded bonds other than U.S. issues that have a fixed rate and a remaining maturity of one year or longer.

Goldman Sachs Commodity Index: is a world-production weighted total return index, including reinvested dividends, measuring investor returns from a fully-collateralized commodity futures investment. Due to market fluctuation, the commodities represented by this index may experience loss of invested principal and are subject to investment risk.

JPMorgan Emerging Market Bond Index Global: a benchmark index for measuring the total return performance of government bonds issued by emerging-market countries that are considered sovereign (issued in something other than local currency) and that meet specific liquidity and structural requirements. In order to qualify for index membership, the debt must be more than one year to maturity, have more than $500 million outstanding, and meet stringent trading guidelines to ensure that pricing inefficiencies do not affect the index.

Merrill Lynch High Yield Bond Index: is an index consisting of all domestic and Yankee high-yield bonds with a minimum outstanding amount of $100 million and maturing over 1 year. The quality range is less than BBB-/Baa3 but not in default (DDD1 or less). Split rated issues (investment grade by one rating agency and high-yield by another) are included in this index based on the bond's corresponding composite rating. This index represents asset types which are subject to risk, including the loss of principal.

MSCI ACWI (All Country World Index): is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

(Benchmark Definitions continued on the next page.)

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DEFINITIONS AND DISCLOSURES

MSCI EAFE Index: is the Morgan Stanley Capital International Europe, Australia, Far East index, a total return index, reported in U.S. dollars, based on share prices and reinvested gross dividends of approximately 1,100 companies (only those securities deemed sufficiently liquid for trading by investors) from twenty countries. The securities represented in this index may experience loss of invested principal and are subject to investment risk. In exchange for greater growth potential, investments in foreign securities can have added risks. These include changes in currency rates, economic and monetary policy, differences in auditing standards and risks related to political and economic developments.

MSCI Emerging Markets Index: is a U.S. dollar denominated index comprised of stocks of countries with below average per capita GDP as defined by the World Bank, foreign ownership restrictions, a lax regulatory environment, and greater perceived market risk than in the developed countries. Within this index, MSCI aims to capture an aggregate of 60% of local market capitalization. Prior to 1988, the data represents the IFC Global Emerging Markets index. The securities represented by this index involve investment risks which may include the loss of principal invested.

NAREIT Equity REIT Index: is comprised of real estate investment trusts which own or have an equity interest in rental real estate (rather than making loans secured by real estate collateral). REITs involve risk, including the loss of principal and the possible lack of liquidity.

Russell 1000 Index: measures the performance of the 1000 largest companies in the Russell 3000 index, which represent 92% of the total market capitalization of the Russell 3000 index. The stocks represented by this index involve investment risk which may include the loss of principal invested.

Russell 1000 Growth Index: measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. These stocks are selected from the 1,000 largest companies in the Russell 3000 index, which represent 92% of the total market capitalization of the Russell 3000 index. The stocks represented by this index involve investment risks which may include the loss of principal invested.

Russell 1000 Value Index: measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. These stocks are selected from the 1,000 largest companies in the Russell 3000 index, which represent 92% of the total market capitalization of the Russell 3000 index. The stocks represented by this index involve investment risks which may include the loss of principal invested.

Russell 2000 Index: measures the performance of the 2000 smallest companies in the Russell 3000 index, which represent 8% of the total market capitalization of the Russell 3000 index. The stocks represented by this index involve investment risk which may include the loss of principal invested.

Russell 2000 Growth Index: measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. These stocks are selected from the 2,000 smallest companies in the Russell 3000 index, which represent about 8% of the total market capitalization of the Russell 3000 index. The stocks represented by this index involve investment risks which may include the loss of principal invested.

Russell 2000 Value Index: measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. These stocks are selected from the 2,000 smallest companies in the Russell 3000 index, which represent about 8% of the total market capitalization of the Russell 3000 index. The stocks represented by this index involve investment risks which may include the loss of principal invested.

Russell 3000 Growth Index: measures the performance of the broad growth segment of the US equity market. It includes those Russell 3000 Index companies with high price-to-book ratios and higher forecasted growth rates.

Russell 3000 Value Index: measures the performance of the small to mid-cap value segment of the US equity market. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth rates.

S&P 500 Index: is an index of the largest exchange-traded stocks in the US from a broad range of industries whose collective performance mirrors the overall stock market. Investors cannot invest directly in an index.

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DEFINITIONS AND DISCLOSURES

The Federal Reserve System (also known as the Federal Reserve, and informally as the Fed) is the central banking system of the United States. The Federal Reserve System is composed of 12 regional Reserve banks which supervise state member banks. The Federal Reserve System controls the Federal Funds Rate (aka Fed Rate), an important benchmark in financial markets used to influence the supply of money in the U.S. economy.

Inflation is the rise in the prices of goods and services, as happens when spending increases relative to the supply of goods on the market. Moderate inflation is a common result of economic growth. Hyperinflation, with prices rising at 100% a year or more, causes people to lose confidence in the currency and put their assets in hard assets like real estate or gold, which usually retain their value in inflationary times.

Deflation is the decline in the prices of goods and services. Generally, the economic effects of deflation are the opposite of those produced by inflation, with two notable exceptions: 1) prices that increase with inflation do not necessarily decrease with deflation; 2) while inflation may or may not stimulate output and employment, marked deflation has always affected both negatively. A recession is a significant decline in activity across the economy, lasting longer than a few months. It is visible in industrial production, employment, real income, and wholesale-retail trade. The technical indicator of a recession is two consecutive quarters of negative economic growth as measured by a country's gross domestic product (GDP), although the National Bureau of Economic Research (NBER) does necessarily need to see this occur to call a recession.

The Federal Open Market Committee (FOMC), a committee within the Federal Reserve System is charged under United States law with overseeing the nation's open market operations (i.e., the Fed's buying and selling of United States Treasury securities).

S&P 500 Dividend Aristocrats measure the performance S&P 500 companies that have increased dividends every year for the last 25 consecutive years. The Index treats each constituent as a distinct investment opportunity without regard to its size by equally weighting each company.

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides an unbiased, comprehensive benchmark for this asset class.

The U.S. Treasury yield is the return on investment, expressed as a percentage, on the U.S. government's debt obligations (bonds, notes, and bills). The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

A yield curve is a curve on a graph in which the yield of fixed-interest securities is plotted against the length of time they have to run to maturity. An inverted yield curve is an interest rate environment in which long-term debt instruments have a lower yield than short-term debt instruments of the same credit quality.

Gross Domestic Product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory.

Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

Price/Earnings (P/E) ratio is the price of a stock divided by its earnings per share that gives investors an idea of how much they are paying for a company's earning power. High P/E stocks are typically young, fast-growing companies and are far riskier to trade than low P/E stocks.

Price to forward earnings is a measure for the price-to-earning ratio (P/E) using forecasted earnings. Price to book value compares a stock's market value to its book value. Price to cash flow is a measure of the market's expectations of a firm's future financial health. Price to dividends is the ratio of the price of a share on a stock exchange to the dividends per share paid in the previous year, used as a measure of a company's potential as an investment.

Small cap stocks may be subject to a higher degree of risk than larger, more established companies' securities, including higher risk of failure and higher volatility. The illiquidity of the small-cap market may adversely affect the value of these investments so those shares, when redeemed, may be worth more or less than their original cost.

Large Cap refers to companies with a market capitalization value of more than $10 billion. Large cap is an abbreviation of the term "large market capitalization." Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share.

Emerging markets are sought by investors for the prospect of high returns, as they often experience faster economic growth as measured by GDP. Investments in emerging markets come with much greater risk due to political instability, domestic infrastructure problems, currency volatility and limited equity opportunities (many large companies may still be "state-run" or private). Also, local stock exchanges may not offer liquid markets for outside investors.