

GLOSSARY OF TERMS

TERM	DEFINITION
Basis Point	A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.
Bloomberg Global Aggregate Bond Index	A market-capitalization weighted, broad-based securities index measuring the global investment grade fixed-rate debt markets. Bloomberg Global Aggregate Bond Index measures a wide range of global government-related, treasury, corporate, and securitized fixed-income investments. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Bloomberg Global Aggregate (Excluding Securitized) Bond Index	A sub-index of Bloomberg Global Aggregate Bond Index and excludes securitized fixed income investments. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Bloomberg Commodity Index (BCOM)	A highly liquid and diversified benchmark for commodity investments.
Bloomberg Dollar Spot Index (BBDXY)	Tracks the performance of a basket of leading global currencies versus the U.S. Dollar. The currency basket is updated annually based on their importance in terms of trade and liquidity.
Capital Expenditure (CAPEX)	Money invested by a company to acquire or upgrade fixed, physical, non-consumable assets, such as buildings and equipment or a new business.
CBOE Volatility Index (VIX)	A key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
COMEX	The primary futures and options market for trading metals such as gold, silver, copper and aluminum.
Commodity Futures Trading Commission (CFTC) NYCE U.S. Dollar Index Non-Commercial Long Contracts/Futures Only	The Commitments of Traders (COT) reports provide a breakdown of each Tuesday's open interest for markets in which 20 or more traders hold positions equal to or above the reporting levels established by the CFTC. A trader must report his or her position if at the daily.
Consumer Price Index (CPI)	A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.
Correlation	A measure of the interdependence of two random variables.
Cost of Capital	The minimum rate of return or profit a company must earn before generating value. It's calculated by a business's accounting department to determine financial risk and whether an investment is justified.
Dollar Index (USDXY)	A market index benchmark used to measure the value of the U.S. dollar relative to other widely-traded international currencies.

Dow Jones Industrial Average (DJIA)	An average of the stock prices of thirty large companies and represents a widely recognized unmanaged portfolio of common stocks. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Dow Jones Transportation Average (DJTA)	A price-weighted average of 20 transportation stocks traded in the U.S. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Earnings Growth	A measure of growth in a company's net income over a specific period, often one year. The term can apply to actual data from previous periods or estimated data for future periods.
Earnings per Share (EPS)	A company's profit divided by its number of common outstanding shares.
Electric Vehicle (EV)	A vehicle that can be powered by an electric motor that draws electricity from a battery and is capable of being charged from an external source.
FANG/FAANG	Refers to the stocks of four technology companies: Facebook (F), Amazon (AMZN), Netflix (NFLX), and Alphabet (GOOG). In 2017, the company Apple (AAPL) was also added, causing the acronym to be rewritten as "FAANG."
Federal Reserve System (the Fed)	The central bank of the United States. It was created by the Congress to provide the nation with a safer, more flexible, and more stable monetary and financial system.
Free Cash Flow (FCF)	The cash a company has left over after paying for its operating expenses and capital expenditures.
FTSE 3-Month U.S. Treasury Bill Index	Tracks the performance of U.S. Treasury bills with a remaining maturity of three months. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Global Financial Crisis (GFC)	Refers to the period of extreme stress in global financial markets and banking systems between mid-2007 and early 2009.
Global Industry Classification Standard (GICS)	A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's.
Gross Domestic Product (GDP)	A comprehensive measure of U.S. economic activity. GDP measures the value of the final goods and services produced in the U.S. (without double counting the intermediate goods and services used up to produce them). Changes in GDP are the most popular indicator of the nation's overall economic health.
Growth at a Reasonable Price (GARP)	An equity investment strategy that seeks to combine tenets of both growth investing and value investing to select individual stocks.
Job Openings and Labor Turnover Survey (JOLTS)	Tells us how many job openings there are each month, how many workers were hired, how many quit their job, how many were laid off, and how many experienced other separations (which includes worker deaths).

K-shaped Economy	A financial divide where high-income earners and asset owners thrive (the upward arm of the "K"), while lower-income households and labor-intensive sectors struggle with inflation and stagnating purchasing power (the downward arm).
Magnificent Seven	Stocks for the most dominant tech companies. The group is made up of mega-cap stocks Apple (AAPL), Alphabet (GOOGL), Microsoft (MSFT), Amazon.com (AMZN), Meta Platforms (META), Tesla (TSLA) and Nvidia (NVDA).
Mergers & Acquisitions (M&A)	Transactions where the ownership of a company, business organization, or one of their operating units is transferred to or consolidated with another entity.
M2	M2 is a calculation of the money supply that includes all elements of M1 as well as "near money." M1 includes cash and checking deposits, while "near money" refers to savings deposits, money market securities, mutual funds, and other time deposits.
National Association of Securities Dealers Automated Quotation (NASDAQ)	A national securities exchange that is owned and operated by the NASDAQ OMX Group. The NASDAQ Stock Market is comprised of three market tiers: (1) the NASDAQ Global Select Market, (2) the NASDAQ Global Market, formerly the NASDAQ National Market, and (3) the NASDAQ Capital Market, formerly the NASDAQ SmallCap Market. For a company to trade on the NASDAQ Stock Market, it must meet the listing requirements of at least one of these three market tiers. Some of these listing requirements include meeting specified minimum thresholds for the number of publicly traded shares, total market value, stock price and number of shareholders.
NASDAQ Biotechnology Index	Contains securities of NASDAQ-listed companies classified according to the Industry Classification Benchmark as either Biotechnology or Pharmaceuticals, which also meet other eligibility criteria. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Personal Consumption Expenditures (PCE)	Also known as consumer spending, PCE is a measure of the spending on goods and services by people of the United States.
Price-to-Earnings Ratio (P/E)	Measures a company's share price relative to its earnings per share (EPS). Often called the price or earnings multiple, the P/E ratio helps assess the relative value of a company's stock.
Russell 2000 Index	A subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Stagflation	A situation in which prices are rising rapidly, but demand is weakening and economic growth is slowing or contracting.
S&P 500 Commodity Chemicals Sub Industry GICS Level 4 Index	Intraday values are calculated by Bloomberg and not supported by S&P DJI, however the close price in HP<GO> is the official close price calculated by S&P DJI.

S&P 500 Composite Stock Index	A market-capitalization weighted index of five hundred unmanaged common stocks and is widely recognized as representative of the equity market in general. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Consumer Discretionary Index	Comprised of those companies included in the S&P 500 that are classified as members of the GICS consumer discretionary sector. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Energy Index	Comprised of those companies included in the S&P 500 that are classified as members of the energy sector as per the GICS. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Financials Index	Comprised of those companies included in the S&P 500 that are classified as members of the financials sector as per the GICS. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Growth Index	Measures growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum.
S&P 500 Industrial Index	Comprised of those companies included in the S&P 500 that are classified as members of the GICS industrials sector. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Information Technology Index	Comprised of those companies included in the S&P 500 that are classified as members of the GICS information technology sector. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Materials Index	Comprised of those companies included in the S&P 500 that are classified as members of the GICS materials sector. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
S&P 500 Value Index	Measures value stocks using three factors: the ratios of book value, earnings, and sales to price.
Terminal Rate	The peak spot where the benchmark interest rate — the federal funds rate — will come to rest before the central bank begins trimming it back.
Thomson Reuters/CoreCommodity CRB Index	A commodity futures price index. An index is unmanaged and is not subject to fees and expenses. You cannot invest directly in an index.
Treasury inflation-protected securities (TIPS)	A type of Treasury security issued by the U.S. government. TIPS are indexed to inflation in order to protect investors from a decline in the purchasing power of their money. As inflation rises, TIPS adjust in price to maintain its real value.
Yield	The earnings generated and realized on an investment over a particular period of time.