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APRIL 16, 2024 – SEMI-ANNUAL STATE OF THE ECONOMY CALL

Michael Gibb: Good morning, everybody. Welcome to Godsey and Gibb's April 2025 State of the Economy Call. We appreciate everybody taking the time to tune in to what we believe is a timely call, given the chaotic political and economic landscape we're in right now.

Given the amount of information we plan to go through today, we are not going to take live questions during the call. I do invite you to reach out to your advisor after the call if the presentation sparks any questions in your mind. We'll answer those questions as soon as we can, both directly and through the call recap page. The call recap page link will be sent out in the coming days as we get the transcript rolling and the video edited. With that brief introduction, I will turn it over to Jean, who I know everybody is here to hear from.

Jean McGowan, CFA: Thank you, Michael. And thank you all for taking the time to participate.

I know there's a lot going on right now, but hopefully we can address some of your questions and concerns today. I'm starting on page 3 for those of you who have a copy of our slides. We're going to cover three broad topics today starting with fiscal policy, then monetary policy, and finally, the impact that both are having on the outlook for economic growth and the uncertainty they're creating in the financial markets. Uncertainty is going to be a key theme today, and you're going to hear me say that word quite often.

We can't predict exactly how things are going to play out, but the goal of this presentation is to highlight what we know, and how any changes (which seem to be occurring day-to-day) could impact the economy, the financial markets, and the companies in your portfolios. We'll also provide some insight into the type of data we're looking at and how we navigate periods of uncertainty.

As I mentioned "uncertainty" again, I did consult a thesaurus to try to come up with another good word to use. I thought I'd share those suggestions, although I'm probably still going to just say uncertainty, but the thesaurus gave me ambiguity, anxiety, concern, confusion, distrust, mistrust, skepticism, suspicion, uneasiness, unpredictability, and worry. I imagine many of you are feeling a lot of those things today, so hopefully we can alleviate those concerns.

Before we dive into the presentation, I want to mention that a lot of the uncertainty we're seeing is being driven by fiscal policy, it's something that we'll spend a little more time on than we typically do. I want to give you the caveat that, when we look at and talk about fiscal policy, we're doing so with a neutral lens. It doesn't matter if we agree or disagree with what the new administration is doing. What matters is understanding what the potential impacts are and the outcomes we could expect with the economy and the portfolio.

With that, I'll get started on page 4. A question we've often gotten over the years is about government spending and deficits. The chart on page 4 shows government spending as a percentage of GDP. Over the long term, going back to the 1960s, government spending has averaged about 20% of GDP. However, as we can see from the chart, it's rarely right at the average. It tends to move up during times of economic trouble and then move back down afterwards.

What we've seen more recently though, is that spending goes up during times of economic uncertainty and it does come back down afterwards, but it never returns to where it used to be. We can see this in the 2008 – 2009 period, when spending going into the financial crisis was around 20% of GDP. It rose to 25% of GDP, and by 2014, it leveled off at around 21%. COVID-spending was necessary when we shut the economy down, and while spending has come down, it's still at 24% of GDP. We don't show revenue on this chart, but it has remained relatively stable at around 18% of GDP.

In looking at this chart, most people would probably agree that we need to get our federal budget under control. Where we tend to disagree is on how to get there, and that disagreement creates anxiety for people, particularly those who rely on government support. Although reducing government spending has direct impacts on the economy, and potentially indirect impacts which we'll talk about, it's necessary if we want to get the budget and the deficit under control. This is also one of the primary policy goals of this administration, making it even more important to pay attention to.

Page 5 includes additional goals of the administration that are important to highlight. Trade policy is clearly driving much of the volatility we're seeing today. Coming into this administration, the belief was that trade policy was meant to, in some cases, change behavior (for example, with Mexico and Canada to get help with the border), reduce the trade deficit, and level the playing field in terms of the tariffs that we charge compared to those charged on us by our trading partners. The trade policy, as it was announced, created a lot of uncertainty as it was surprising to the markets, given the size and scope of what was announced.

On the left side of the page are some policies from the administration that we believe can help offset some of the impact of trade policy. Starting with tax policy, the Tax Cuts and Jobs Act is set to expire at the end of this year. Remember that it was a comprehensive package that reduced the tax rates on all income brackets. In addition to that, the administration is looking to eliminate taxes on tips, overtime, Social Security, and a whole list of other items. Energy policy, aimed at expanding LNG exports and increasing domestic energy production, is another factor that can offset some of the impact of trade policy. Deregulation, which I didn't include on the slide, is another key goal for this administration.

These are all major policies which can help offset weakness from trade policy or uncertainty, however, we need time for them to be implemented. Tax policy, for example, requires congressional action, which they do appear to be moving in that direction, but counting on Congress to pass bills isn't always a good bet. So, we have a lot of uncertainty and while there are potential offsets to it, they remain potential, not actual offsets.

Moving to tariffs on page 6, this chart shows the U.S. and some of our select trading partners. The gray bars represent the tariffs those countries currently charge on goods that we export. As you can see, most of them are relatively low. For example, Vietnam is around 4% and Japan is about 2%. Looking at the U.S., pre-announcement, we charged an average tariff of 2.7% on goods that we import from other countries.

The market had expected a focus on reciprocal tariffs, meaning similar rates to those charged by our trading partners, as reflected by the gray bars, plus some adjustments for items like value-added taxes and trade barriers. However, the tariffs that were announced were significantly higher than that. The green bars on the chart represent the tariffs that were announced, or what we would begin charging our trading partners on goods we import. Vietnam was one of the more surprising cases, with tariffs around 45%, but across the board the tariffs were significantly higher than the market expected.

The surprise to the market, both in terms of the magnitude and breadth of the announced tariffs, had a large impact on the equity and bond markets. As I mentioned earlier, the average tariff we previously charged on imports was 2.7%. If all the proposed tariffs were implemented, that number would move up to about 20%.

Since the initial announcement, there has been a 90-day pause in implementing some of the tariffs. I'll set China aside for now, as the goals and dynamics around China tariffs are somewhat different. Across our other trading partners, this pause was introduced to allow time for negotiations, so our current view is that the numbers shown on the chart represent the worst-case scenario. Our expectation is that final tariff rates will likely come in lower or potentially back to what we have today. The worst-case scenario has been laid out and we believe through negotiations tariffs will move lower.

That said, the 90-day pause, while helpful in delaying implementation, also creates a longer period of uncertainty. Businesses today don't know what the tariff landscape will look like 90 days from now and how they are going to deal with them, which affects current economic activity. The same goes for consumers, their spending decisions today are influenced by where they believe prices might be in the future. Even though we believe the worst-case scenario is unlikely, the uncertainty will linger until we begin to see some deals in place. It's unlikely all of them will get resolved at once, but if we see some of our larger trading partners announce deals with the U.S., that will likely help reduce some of the uncertainty.

Another important piece, which ties back to our earlier discussion on reducing government spending, is the reduction in the size of the federal workforce. The left side of page 7 shows the total number of people employed by the federal government, excluding military personnel, at just over 3 million. Historically, government employment tends to rise during recessions or times of economic stress and then decline afterwards. In this case, it surged during COVID and later came back down, but we've seen it move up dramatically over the last couple of years.

We're also seeing voluntary separations and layoffs occurring in the government sector. Most of that hasn't shown up in broader labor market data so far. This is partly due to the timing lag between when layoffs are announced and when they take effect, and partly because people who are currently receiving severance aren't eligible for unemployment insurance and therefore are not included in the data. An important point here is that the federal workforce represents about 2% of the total U.S. workforce. While the layoffs are impactful to the people going through them, they're not going to have a huge impact, at least over the near term, on the broader employment picture.

Having said that, we're still watching this closely because there are jobs associated with the federal government, beyond direct federal employees. This includes people receiving grants for research, the defense sector, and quasi-government positions. What we're watching for is not necessarily the decline in direct federal employees, but rather, if this lingers and depending on where the cuts are made, will it have a broader economic effect? So far, this hasn't been the case. As I mentioned at the beginning, whether you agree with the policies or not, there's no doubt that the implementation and communication of these policies have weighed on both consumer and business confidence.

On page 8, the left side shows the Consumer Confidence Index, which had been fairly range-bound for some time. We saw some improvement late last year, but it has dropped off more dramatically lately. On the right side of the page is the Small Business Optimism Index. Post-election, we had a surge in confidence, driven by small businesses feeling that the environment might be better going forward. There was hope for deregulation, targeted tax cuts for investment, and greater clarity on the corporate tax rate embedded in the Tax Cuts and Jobs Act. However, as quickly as optimism spiked, it came back down, and this is due to the near-term uncertainty.

These confidence indicators matter as they affect behavior. When consumers are worried about the future, they spend less. We're seeing the impact on small businesses as well as larger businesses. Many of the companies we look at have the capital to invest, want to expand their businesses, and want to invest in technology, but they're holding back for now because they don't know what the rules will be.

We’re seeing small and large businesses slow down investments, not necessarily because they’re unable to spend but rather they’re choosing not to, until they know what’s going to happen. Until we get greater certainty, whether it’s on tariffs, taxes, or progress on deregulation, we could continue to see volatility in both business and consumer activity.

Moving to page 9, the next section we're going to talk about is monetary policy, which we would define as still being somewhat restrictive. The Fed funds rate peaked at 5.5%, and it has since come down with rate cuts late last year, to 4.5%. Looking at the chart on the left, the light green lines represent the Fed’s forecast for the direction of interest rates going forward. We can see that they're looking to lower rates to about 3.75% by mid-2026. I would point out that these estimates may be a little dated since they were made before the broad-based tariff announcement. However, we have seen in recent speeches by Fed Chair Powell and other FOMC members that they remain cautious and concerned about inflation. So, I don't believe today's forecast would be significantly different from that.

On the right side of the page is the market's expectation for the Fed. The bars represent the number of rate cuts, and the green line shows the implied Fed funds rate if those rate cuts occur. The market is indicating that the Fed needs to act more aggressively in lowering the Fed funds rate. It is pricing in three to four rate cuts this year, and another one to two in 2026, bringing the Fed funds rate closer to 3%. This contrasts with the Fed’s forecast for slower rate cuts that would bring rates to around 3.75% by mid-2026.

Over the next couple of pages, we’ll discuss how the Fed’s dual mandate for price stability and full employment are affecting the Fed's decisions moving forward. On the left side of page 10 is the Core Personal Consumption Expenditures (PCE) price index, the Fed's preferred inflation measure. The core inflation measure excludes food and energy, not because these components aren’t important, but because they tend to be volatile month-to-month. To discern the trend in inflation, it’s crucial to exclude these more volatile components and assess the underlying trend without the noise.

Core PCE has come down dramatically from its peak and has been relatively stable over the last six months, ranging between 2.6% and 2.8%. However, it’s still above the Fed's 2% target and the Fed has been adamant about wanting to reach that 2% target, not just a level that is close to 2%. So, inflation is still a concern which is impacting the Fed’s desire to lower rates, particularly now with the added factor of tariffs. The Fed has said that they believe tariffs are inflationary, so this will further moderate their actions. The challenge with data like the PCE index is that they’re backward-looking and don’t factor in potential tariff impacts. Most economic data is backward-looking, and it tends not to be an issue except for when we’re in a rapidly changing environment, like we’re in now.

On the right side of the page is breakeven inflation rates, which price in the Treasury inflation-protected bond market. These breakeven rates represent the implied inflation rate going forward. The 2-year breakeven rate (the lime green line), which represents the expected 2-year inflation rate, has risen dramatically recently. This shows us that the market expects inflation to average around 3.5% over the next two years, which is significantly higher than where it was. However, the darker green line, representing the 10-year inflation rate, shows that the market believes inflation will average about 2.3% over the next decade. If we include a 5-year or 30-year inflation rate, they'd be similar to the 10-year. So, the market is concerned about near-term inflation but expects long-term inflation to be stable and close to, but not at, the Fed's 2% target.

Expectations are forward-looking data, and they are important because behavior is based on them. If consumers expect prices to rise, they may make purchases today rather than wait. We're seeing this now as concerns about tariffs being implemented in the next 90 days are leading people to want to buy products today before there are any price changes. In fact, this morning, we had a much stronger-than-expected retail sales report, driven primarily by purchases of cars and electronics which are both expected to be impacted by tariffs. So, we're seeing where expectations are leading behavior.

Before we leave inflation, I mentioned the Fed is particularly focused on the inflationary impact of tariffs and it's part of their caution in holding rates steady. When we think about the inflationary impact of tariffs, at a minimum, a tariff imposed is a one-time shift up in price levels. Whether it leads to longer-term inflationary pressures depends on who is paying for the tariff or higher costs.

If companies absorb the higher input costs, corporate earnings will be impacted and show slower growth, but consumers will not be impacted since they don't see the higher prices. This potential impact on corporate profits is one of the drivers of the market correction, as investors were concerned that earnings might not be as strong as expected.

On the other hand, if companies pass the higher input costs completely onto consumers, demand for their products would likely decline. At this point in the market cycle, we expect higher prices are going to lead to lower consumer spending. With COVID-era stimulus and savings gone, people are less likely to make purchases at higher prices. We believe there would be some consumer push back that, over time, would decrease demand and ultimately lead to lower prices.

If businesses view tariffs as temporary, or they can shift their supply chains to offset some of that impact, they may implement a combination of absorbing some costs and passing on the rest. They probably would not raise prices immediately but would likely raise them down the line. So, we don't expect that we'll see an automatic surge in inflation, it will really depend on how long the tariffs remain in place and how long uncertainty remains. The Fed has made it clear that they will wait for hard data, not expectations, to determine their next steps for inflation.

Turning to the second part of the Fed's dual mandate, to encourage full employment, on page 11. There's uncertainty over the outlook for the labor market. So far, we've seen some modest weakening in the labor market. Since mid-2024, we saw increased layoffs in the tech sector, along with some in construction, mining, and cyclical industries. However, the labor market in general has held up relatively well so far.

Focusing on the right side of page 11 are initial jobless claims. We really like this measure because it's weekly data, which provides a very quick read of changes. Additionally, it's based on actual unemployment benefit applications, not surveys, so it's real hard data. We can see that there hasn't been a significant change in the number of new applications for unemployment. We do expect that number to rise, particularly as federal workers who were laid off become eligible for unemployment benefits.

On page 12, the left side shows the unemployment rate. While it's up from its lows, it has been moving between 4% and 4.2% for the last several months. The Fed has predicted a modest increase in the unemployment rate for 2025, although that was before the tariff announcement came out. Our belief is if the unemployment rate continues to slowly move higher, the Fed would likely be measured in lowering interest rates given their focus on inflation and the likelihood that it won't reach their 2% target over the near term. However, if the unemployment rate spikes towards 5%, the Fed might act more quickly, even if inflation isn't at the 2% target.

As we wrap up the monetary policy section, the Fed had a difficult job to begin with as the labor market slowly began showing small signs of weakening and inflation not where they want it. That job became even more challenging with the uncertainty we're seeing today based on changes in fiscal policy.

On the right side of the page, the Atlanta Fed Wage Tracker kicks off the last section of our presentation which looks at the outlook for the economy and markets. The Atlanta Fed Wage Tracker measures the year-over-year change in wages, which is important because it impacts inflation and provides support for the consumer. For most of the inflationary period, consumer wages didn't keep up with rising prices. However, current wage growth is slightly above 4% year-over-year so it's rising faster than inflation, which provides a cushion for consumers. It's important that we have a strong wage outlook to offset near-term inflation and support consumer spending.

Moving on to our final section on page 13, I'll talk about our economic outlook and the markets. Coming into this year, our base case was that we'll have slower growth compared to recent years,

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roughly between 1.75% and 2% which is closer to the long-term trend (the green dotted line). We anticipated slightly weaker consumer spending due to the depletion of stimulus and savings built up during COVID and the cumulative impact of inflation which is still weighing on consumers.

In more recent data, particularly for people in the lower half of the income bracket, we're seeing that while they're still spending, they're shifting spending patterns with a focus more on needs and less on wants. Higher-income individuals, however, are still spending at similar levels both on wants and needs, as they've benefited from wage gains and, until recently, equity market gains. We'll see whether the market correction has an impact on spending across the board.

With government spending cuts and the potential impact on near-term spending for both consumers and businesses, we still believe we can have moderate economic growth. However, the risk of a recession has certainly increased compared to the beginning of the year. It's not a given that we have a recession, but we wouldn't be surprised to see some negative quarters of GDP. Looking at GDP growth estimates (gray bars), which we get from Strategas Research Partners, they forecast third quarter GDP contracting by about 1%. Moving forward, we expect GDP growth to be volatile from quarter to quarter and again wouldn't be surprised to see some negative quarters.

First quarter GDP is estimated to be unchanged from the first quarter of 2024 due to several factors. First, consumer spending was slightly weaker as we started the year before rebounding a little in February. However, we had a much colder and icier winter affecting a larger than typical portion of the country, which had a negative impact on consumer spending. The second factor was businesses purchasing products to get ahead of any potential tariffs being implemented. This resulted in quite a significant increase in imports, which subtract from GDP. This surge in imports in the first quarter, instead of steady ordering throughout the year, will lead to greater volatility from quarter to quarter.

On page 14, we see the broad GDP components over time. Consumer spending, represented by the dark green bar, is typically the largest contributor to GDP growth. Government spending does change, but it's a smaller part. Net exports and changes in inventories tend to be very volatile from quarter to quarter.

Going forward, compared to the fourth quarter of 2024, we expect consumer spending to be lower and net exports (which subtract from GDP) to be more negative than usual given we had significantly higher imports and similar export levels.

Fixed investment (lime green), which represents business spending, has the potential to boost economic growth in the future. However, right now, businesses of all sizes are saying that they're holding back on spending, not because they don't have projects or don't want to invest, but because they don't know the rules and will stay on the sidelines until they know what the rules are. So, we expect to see some weakness in business investment in the near term. If we get some certainty, both on taxes and trade, then there is potential for more business investment in the latter part of the year.

Government spending is a small part of the economy, and if government spending cuts materialize, then it could be a smaller contributor. It's not going to cause a huge swing in terms of overall GDP, unless the spending cuts are large enough to impact other near-government sectors of the market. As you think about all these components, it's a lot of volatility on a quarter-over-quarter basis until we have more certainty about taxes and about trade.

On the left side of page 15 is consumer spending over time, with the dotted line representing the long-term trend. Consumer spending has remained relatively strong, although we've seen a bit of a decline more recently. As we are a consumer-based economy, factors like tariffs, and the uncertainty they create, can have a greater impact on economic growth moving forward.

On the right-hand side of the page is the breakdown of spending between goods and services. The gray represents how much we spend on goods, and the green represents how much we spend on services. It's clear that we are a service-based economy, which can offer a slight buffer since tariffs tend to impact goods, and we primarily export services as a country. The fact that goods represent a smaller portion of consumer spending may provide some buffer. However, the key message here is the strength of the consumer. Even if they slow spending, we need to see consumers feeling more confident and willing to spend going forward to truly support economic growth.

One of the important areas we pay attention to during periods of market disruption, or sell-offs like we experienced, is whether there are any additional signs of stress or if there's a more structural issue we should be paying attention to. One measure that has historically been useful in highlighting broader economic or market stress is credit spreads. On page 16, investment-grade corporate bonds are on the left side of the page, and high-yield corporate bonds are on the right. The yield spread is essentially the additional yield an investor requires to purchase a corporate bond compared to a Treasury bond of similar maturity. Yield spreads tend to widen during periods of stress. They typically begin widening when concerns arise and can continue to increase if a recession becomes more likely. Historically, they've been a reliable indicator of both economic and market stress. You'll notice that we've seen a modest increase in the risk premium, or credit spread, for both investment-grade and high-yield bonds. However, these are not currently showing a clear signal of broader stress.

What credit spreads are telling us, and we continue to monitor them closely, is that investors are not concerned about a broader economic problem and think that the corporate sector and broader business sector remain healthy, but there may be higher near-term risks. Overall, this is a helpful measure of broader uncertainty. At the moment, conditions appear stable, and we'll continue to monitor this metric. I thought it would be helpful to include something different from what we normally talk about, and which we monitor to help assess the future.

Looking at interest rates on page 17. We've discussed the outlook for the Federal Reserve, and we can also see that there's been heightened volatility in the Treasury market. The yields on the 2-year and 10-year Treasury are displayed on this page. While they are still well below their peaks, we've seen significant volatility with rates initially declining and then turning upward more recently.

The 2-year Treasury is more closely correlated with expectations for the Federal Reserve. When rates decline, it suggests that the bond market believes the Fed needs to lower rates. From a saver or investor perspective, higher interest rates are attractive because they generate greater yield. However, we also need to acknowledge that lower interest rates provide meaningful benefits across the broader economy.

For example, the 10-year Treasury is particularly correlated to the housing market. While we're not there yet, if yields on the 10-year Treasury were to fall significantly lower, that would correlate to lower mortgage rates. This is more of a longer-term point rather than over the near-term, but it could potentially stimulate housing activity and result in new residential construction down the line. More broadly, lower interest rates also reduce the cost of capital, which is beneficial for businesses looking to invest and expand and could serve as a tailwind for the overall economy.

Lastly, we've talked about federal debt. When the debt ceiling is raised later this year, the Treasury will be issuing a lot more bonds into the market. As we've seen over the past few years, with rising interest rates and growing debt levels, the cost of servicing that debt has become a much more substantial portion of the annual budget. In fact, the interest cost associated with our current debt level exceeds defense spending on an annual basis and is approaching $1 trillion. So, lower interest rates would provide some cushion for Congress in terms of debt reduction going forward, but we'll have to see how this turns out.

Shifting to the market, page 18 shows two measures of market volatility. On the left side is the VIX Index, which tracks volatility in the equity market, and on the right side is the MOVE Index, which measures volatility in the Treasury market. Both indicators are elevated, which is not surprising currently. The key takeaway here is that heightened volatility and uncertainty can make trading in the short run a little more difficult. We've seen significant intraday swings with markets opening up 3%, then dropping 3%, and closing up 1%.

From a portfolio management perspective, we're being cautious with trading during these periods, other than when we believe it makes sense. For example, taking profits in companies that have performed extremely well, or if there is a company we believe we should sell out of, we're not letting

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the volatility drive us. However, in general day-to-day trading, we're exercising increased caution given the current level of volatility.

I know I'm up against time but have two more slides that will hopefully help you feel better about the current level of uncertainty. We get bouts of uncertainty, but they tend to work themselves out and markets tend to respond positively over time. Page 19 shows the Economic Policy Uncertainty Index on the left side. This index measures broad-based economic uncertainty and it's currently quite elevated, almost reaching levels seen at the onset of the COVID pandemic. On the right side of the page, we see how the market typically performs after the peaks of uncertainty. Specifically, the gray bars reflect periods when the uncertainty index rises above 180. We're currently around 440, so well above that threshold.

Historically, when uncertainty peaks, short-term market returns over a one-month period tend to be slightly positive. Returns improve over three and six months and are typically much stronger over a one-year horizon. Interestingly, the higher the initial peak of uncertainty, the better the forward-looking returns have tended to be. Of course, this is not a guarantee of returns, but it offers helpful context that these uncertainty spikes are not uncommon. Ultimately, as issues are resolved, markets tend to recover accordingly. We do believe these issues will be resolved; it's just a question of how quickly.

The final slide shows the annual returns of the S&P 500. The green bars represent full-year returns, and the light green diamonds show the largest intra-year drawdowns, or how much the market dropped from peak to trough at any point during the year. The important message here is that nearly every year experiences some level of a drawdown. Some drawdowns are more severe than others, but generally, the markets rebound and finish the year in positive territory. There are a couple of exceptions to this. In 2018, for example, the market fell about 20% during the year and closed down roughly 5%. That drawdown occurred in December, so there wasn't enough time for a full recovery, but the subsequent year had very strong returns. A similar pattern occurred in 2022, with the market selling off in the fall and not recovering before year-end, but that too was followed by strong returns. Hopefully, this provides you with some comfort that even though market corrections occur, and they feel like they're new and different every time, markets tend to adjust and do better over time.

In closing, I want to reiterate that we continually review your portfolio holdings in light of new information. We focus on market-leading companies with experienced management teams, strong balance sheets, and strong cash flow generation which protects them during periods of heightened volatility and uncertainty. We believe that the companies in your portfolio, whether selected for growth or income, are well-positioned to navigate near-term volatility and uncertainty, while still being able to meet their long-term objectives. In the growth portfolio, that means delivering

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meaningful earnings growth. In the income portfolio, that means generating reliable cash flow, growing dividends, and producing solid income. I'd also like to emphasize the value of fixed income in this environment. Fixed income helps mitigate equity market uncertainty, provides some price stability, and importantly, offers meaningful income opportunity for the first time in quite a while.

We understand that this is a period of elevated uncertainty, and we've covered quite a lot today. It seems like every day something changes, but we remain committed to our long-held fundamental analysis and top-down analysis to manage through this. Hopefully, what we've covered today gives you some comfort by helping you understand how we're thinking about things and what our outlook is going forward.

With that, I'll turn it back to you, Michael.

Michael Gibb: Great, thank you, Jean. I know I certainly feel better.

We've received some questions during the call. As I mentioned earlier, we don't have time to answer them now, but we'll follow up with those who asked directly as well as post the answers on the recap page. Anyone who wants to review the presentation or transcript can expect that in the coming days, we'll reach out and let you know when it's ready. Thank you again for your time and we'll be in touch soon.

Jean McGowan, CFA: Thank you so much.

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