

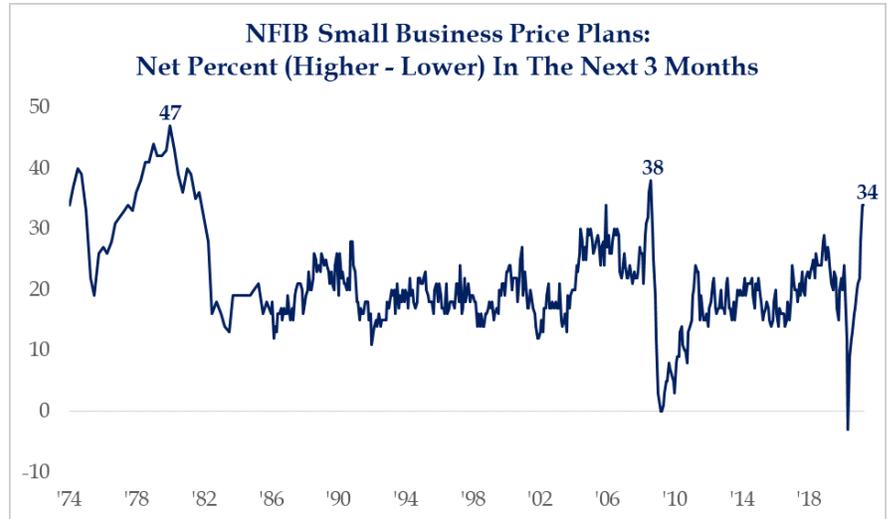
Strategas Daily Macro Brief

Prepared by Strategas Securities, a Baird Company

April 16, 2021

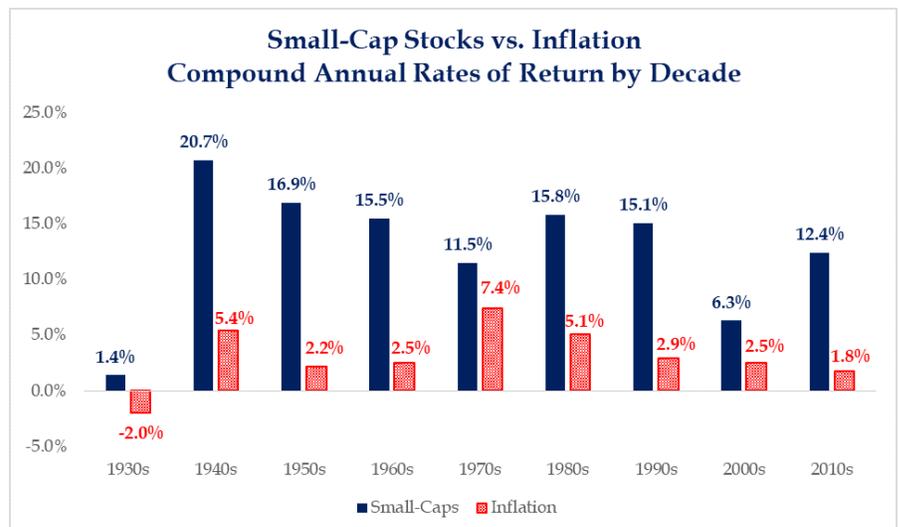
SMALLER BUSINESSES PLANNING TO INCREASE PRICES

With the economy reopening and demand improving, smaller businesses are planning to increase prices over the next three months to maintain profits. The latest NFIB survey showed a sharp increase in the percent of companies planning to hike prices resulting in the highest reading since 2008.



SMALL-CAPS THE ONLY ASSET CLASS TO OUTPACE INFLATION EVERY DECADE

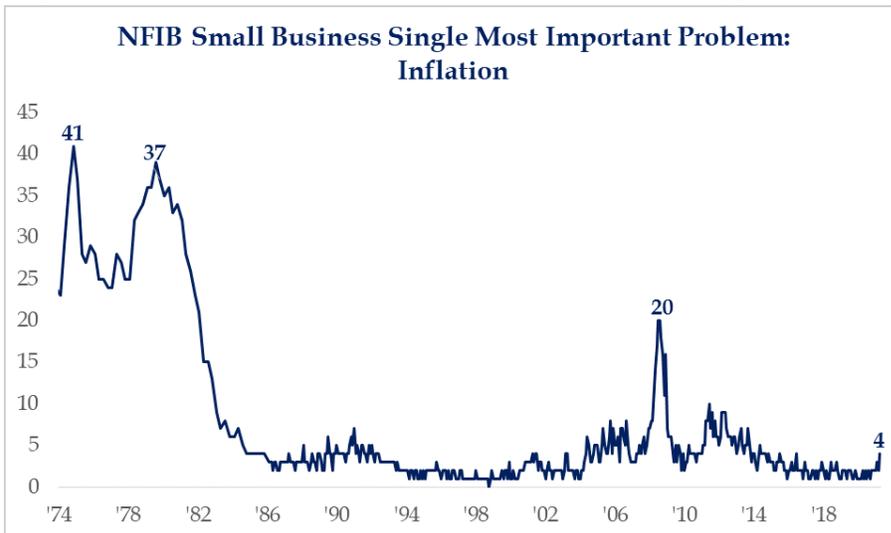
Since the 1930s, small-cap stocks are the only major asset class to outperform inflation in each decade. Perhaps the reason why small caps have outperformed inflation in every decade is their willingness and ability to increase prices more quickly.



Please see the Appendix on page 3 for important disclosures.

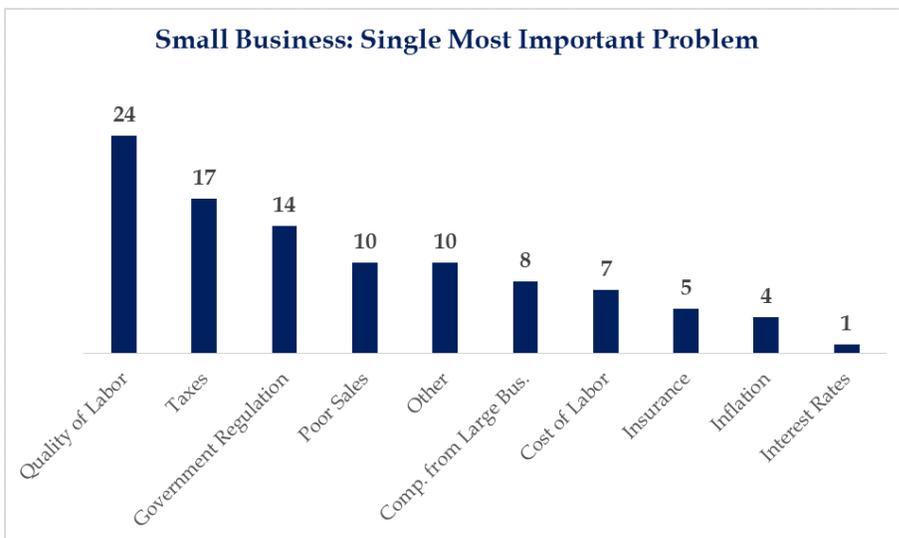
SMALL BUSINESS NOT OVERLY WORRIED ABOUT INFLATION

One major difference from 2008 and even the 1970s within the survey is that the percentage of small businesses citing inflation as an issue has only risen to 4%. This is significantly lower than the 20% seen back in 2008 and well below the 30-40% that were reporting it as a problem back in the 1970s.



QUALITY OF LABOR, TAXES, & GOVERNMENT REGULATIONS ARE THE PROBLEMS

Looking further at what small businesses were actually citing as issues, the quality of labor, taxes, and regulations ranked in the top three. What struck us as interesting is that the percent reporting these three issues as most important was virtually unchanged from one year ago.



APPENDIX – IMPORTANT DISCLOSURES

This communication was prepared by Strategas Securities, LLC (“we” or “us”). Recipients of this communication may not distribute it to others without our express prior consent. This communication is provided for informational purposes only and is not an offer, recommendation or solicitation to buy or sell any security. This communication does not constitute, nor should it be regarded as, investment research or a research report or securities recommendation and it does not provide information reasonably sufficient upon which to base an investment decision. This is not a complete analysis of every material fact regarding any company, industry or security. Additional analysis would be required to make an investment decision. This communication is not based on the investment objectives, strategies, goals, financial circumstances, needs or risk tolerance of any particular client and is not presented as suitable to any other particular client; therefore, this communication should be treated as impersonal investment advice. The intended recipients of this communication are presumed to be capable of conducting their own analysis, risk evaluation, and decision-making regarding their investments.

For investors subject to MiFID II (European Directive 2014/65/EU and related Delegated Directives): We classify the intended recipients of this communication as “professional clients” or “eligible counterparties” with the meaning of MiFID II and the rules of the UK Financial Conduct Authority. The contents of this report are not provided on an independent basis and are not “investment advice” or “personal recommendations” within the meaning of MiFID II and the rules of the UK Financial Conduct Authority. The information in this communication has been obtained from sources we consider to be reliable, but we cannot guarantee its accuracy.

The information is current only as of the date of this communication and we do not undertake to update or revise such information following such date. To the extent that any securities or their issuers are included in this communication, we do not undertake to provide any information about such securities or their issuers in the future. We do not follow, cover or provide any fundamental or technical analyses, investment ratings, price targets, financial models or other guidance on any particular securities or companies. Further, to the extent that any securities or their issuers are included in this communication, each person responsible for the content included in this communication certifies that any views expressed with respect to such securities or their issuers accurately reflect his or her personal views about the same and that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this communication. This communication is provided on a “where is, as is” basis, and we expressly disclaim any liability for any losses or other consequences of any person’s use of or reliance on the information contained in this communication.

Strategas Securities, LLC is a registered broker-dealer and FINRA member firm, as well as an SEC-registered investment adviser. It is affiliated with Strategas Asset Management, LLC, an SEC-registered investment adviser. Strategas Securities, LLC is also affiliated with Robert W. Baird & Co. Incorporated (“Baird”), a broker-dealer and FINRA member firm, although the two firms conduct separate and distinct businesses.

A complete listing of all applicable disclosures pertaining to Baird with respect to any individual companies mentioned in this communication can be accessed at <http://www.rwbaird.com/research-insights/research/coverage/third-partyresearch-disclosures.aspx>. You can also call 1-800-792-2473 or write: Robert W. Baird & Co., PWM Research & Analytics, 777 E. Wisconsin Avenue, Milwaukee, WI 53202.