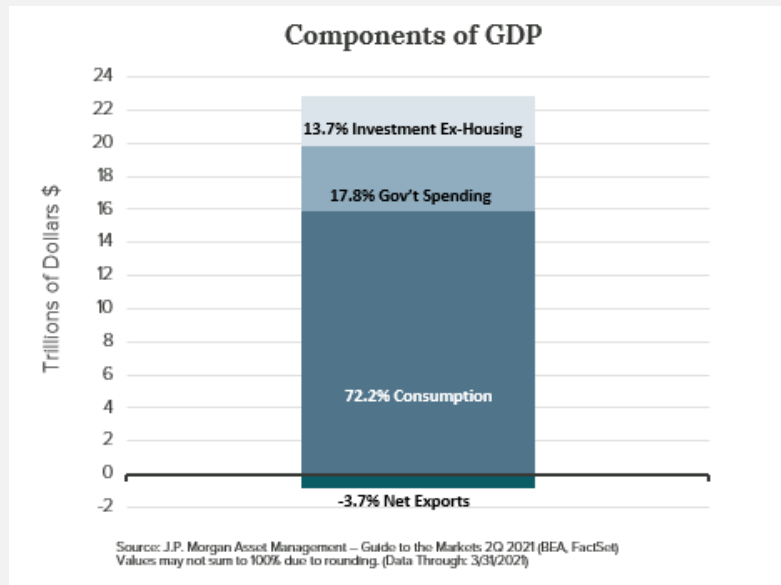


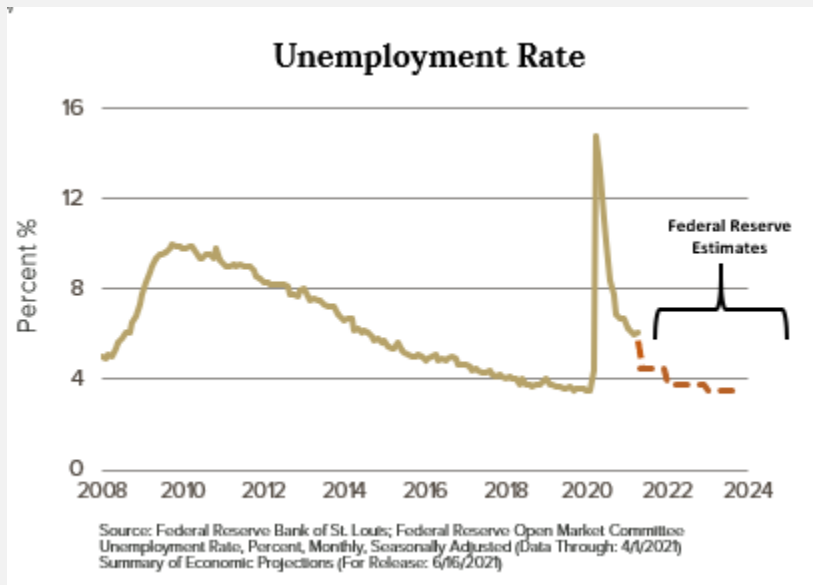
The State of the Consumer

A Story in Charts

The state of the consumer is strong. In fact, at Crawford Investment Counsel (Crawford), we believe the financial condition of the U.S. consumer has rarely been better. This augurs well for future economic growth, as over 70% of Gross Domestic Product (GDP) is driven by personal consumption (consumer spending).



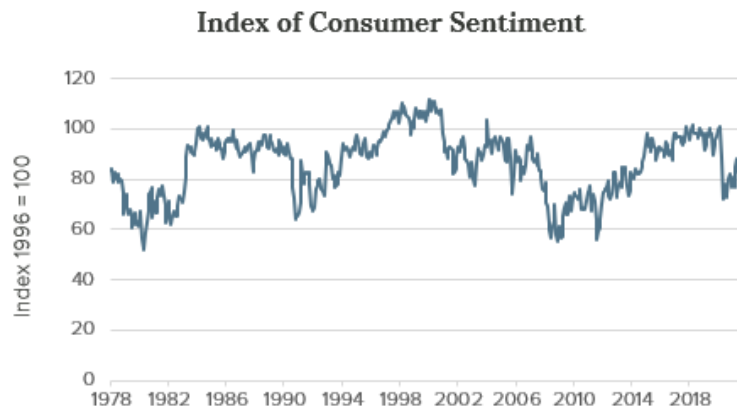
We believe the following charts illustrate our case and underscore this positive outlook.



- Unemployment remains at near record low levels.
- We think post-government stimulus expirations, unemployment will continue its gradual downward drift.

The State of the Consumer

- Consumer confidence is reigniting higher, after a COVID-19 induced downward hiccup.
- Relative to the past 40 years, confidence remains high.

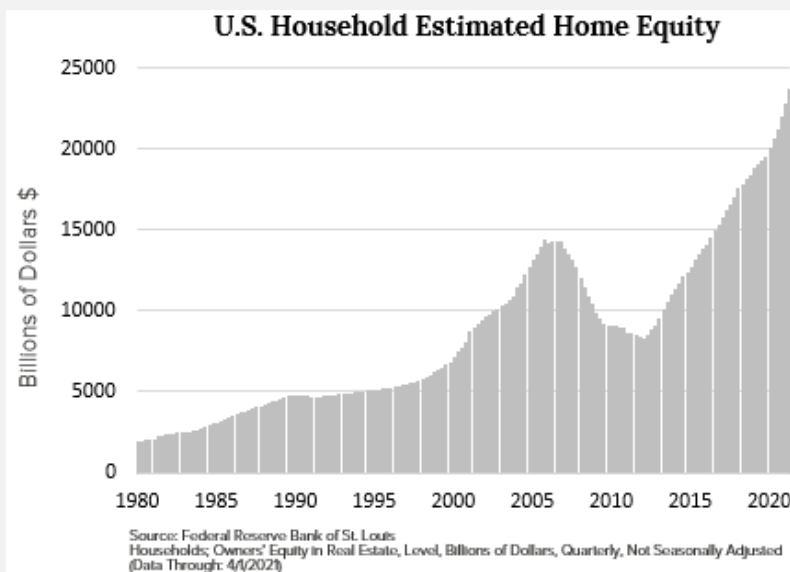


Source: Federal Reserve Bank of St. Louis
University of Michigan: Consumer Sentiment, Index 1966:Q1-100, Monthly, Not Seasonally Adjusted (Data Through: 7/1/2021)



- Wages and salaries growth continue up and to the right.
- We think wage inflation is in the cards for 2022 and beyond, which may accelerate the rate of change for laborers' wages.

- Consumer balance sheets are at all-time highs.
- This is fueled by growing home equity and stock market participation.
- These balance sheets are flush with cash.



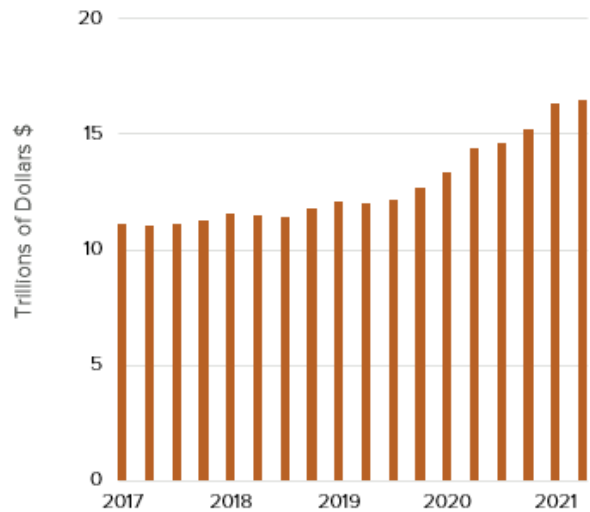
The State of the Consumer

Corporate Equities as a Percentage of Household Financial Assets



Source: Federal Reserve Bank of St. Louis; Households and Nonprofit Organizations; Directly and Indirectly Held Corporate Equities as a Percentage of Financial Assets; Assets, Level, Percent, Quarterly, Not Seasonally Adjusted (Data Through: 4/1/2021)

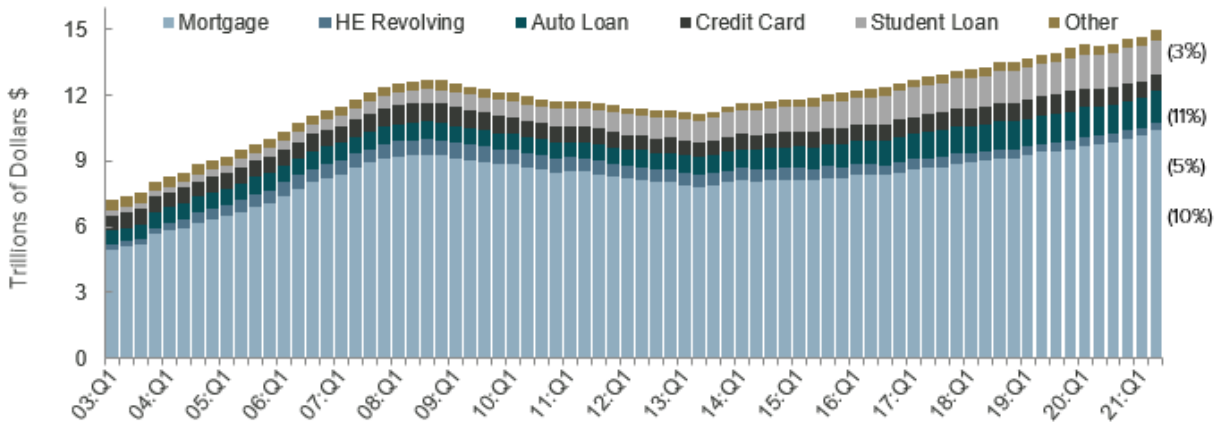
U.S. Household Cash & Cash Equivalents



Source: The Wall Street Journal; Federal Reserve Household Cash & Cash Equivalent Holdings (Data Through: 6/30/2021)

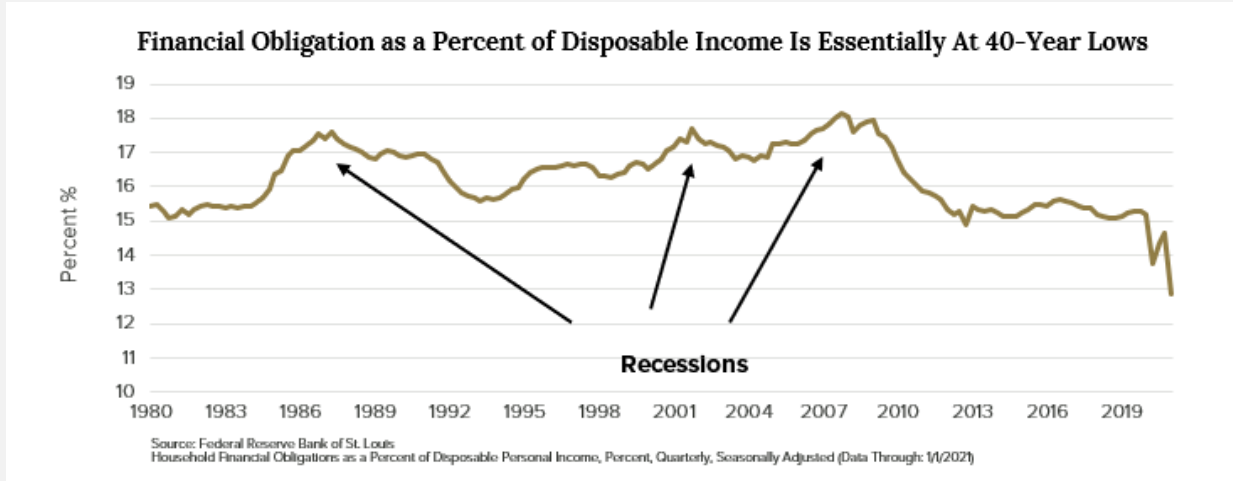
- The composition of debt is not what we find to be concerning.

Total Debt Balance and its Composition

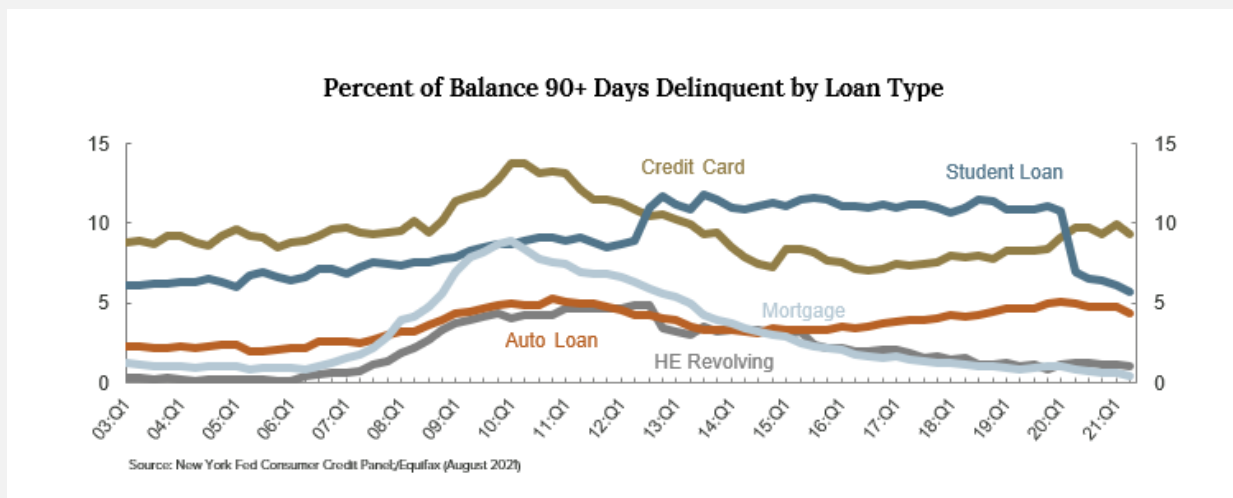
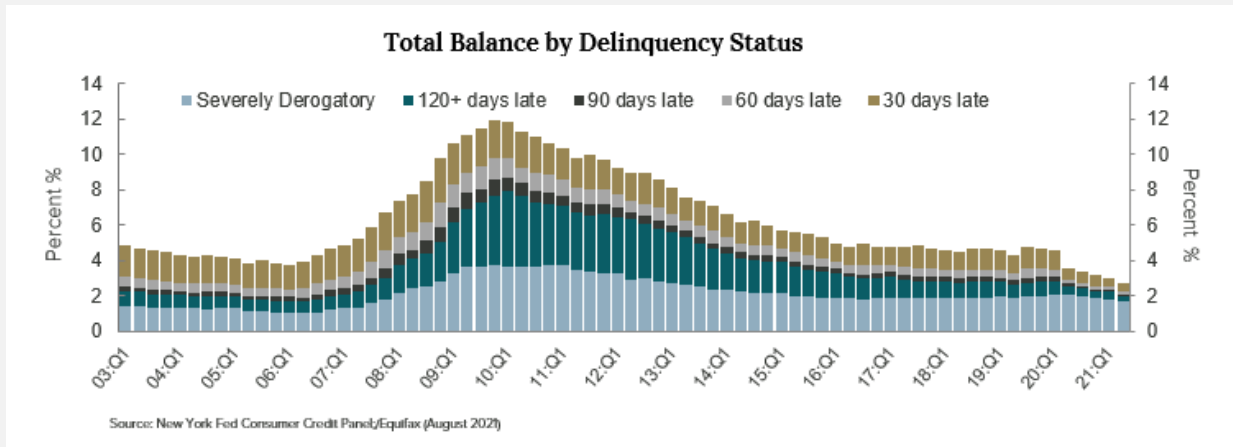


Source: New York Fed Consumer Credit Panel/Equifax (August 2021)

The State of the Consumer



- The consumer's ability to service debt has rarely been better, over the past 40 years.
- Is there anything to worry about?



- Credit trends suggest not, although there are perhaps a few concerning developments in 90-day delinquencies for credit cards and auto loans, a pressure point about which we remain vigilant.

The State of the Consumer

We believe consumer financials are as healthy as they have been in decades. At Crawford, we expect these consumer tailwinds to continue to drive healthy nominal GDP growth for several years to come. Crawford Investment Counsel's portfolios are positioned to benefit from what we think can be a sustainable, continued, healthy increase in consumer spending. As the consumer continues to represent over 70% of U.S. GDP, we see improving nominal GDP growth driving competitive equity returns for our investors.

Crawford Investment Counsel Inc. ("Crawford") is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Crawford including our investment strategies and objectives can be found in our ADV Part 2, which is available upon request.

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