WEEKLY HEADINGS

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What A Comeback! Some of the most memorable moments in sports are defined by unlikely comebacks—from the Miracle on Ice at the 1980 Olympics to Tiger Woods' historic victory at the 2019 Masters. In recent weeks, equity markets have staged a comeback of their own. After a 9.1% drawdown, the S&P 500 surged 11% over the last 12 trading days to a new record high, breaking above the 7,000 level for the first time. To put this move into perspective: it ranks in the 99th percentile of returns since 1980 and marks the fastest recovery to new highs following a 7+% drawdown on record. With momentum now stretched on a technical basis (e.g., 14-day RSI is in overbought territory at 72), investors are understandably asking whether the rally has further room to run or if expectations should be tempered. While we remain constructive longer term, we see five reasons why volatility is likely to pick up and gains may be more modest in the months ahead:

KEY TAKEAWAYS

Equity Markets Have Moved On, But Tail Risks From US-Iran Conflict Remain

Sustained High Energy Prices Would Increase Downside Economic Risks

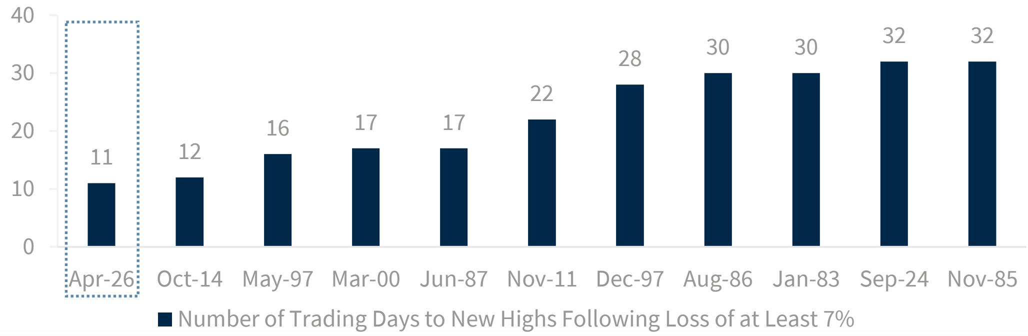
High Bar For US Earnings Leave Market Vulnerable To Disappointing News

1. **Tail Risks From Iran Still Hang In The Balance |** While the two-week ceasefire has eased near-term tensions, equity markets appear to be pricing in a rapid resolution—and conditions on the ground suggest that may be premature. Transit through the Strait of Hormuz remains well *below* pre-conflict levels, with only ~10% of normal traffic currently moving through. Oil prices have pulled back from recent highs, but at ~$80/barrel they remain well *above* pre-conflict levels and are still up more than 40% YTD. Notably, the International Energy Agency warns that current prices understate the severity of the disruption given how long full normalization is likely to take. While hostilities have paused, the two sides remain far apart on key issues—including Iran's uranium enrichment program and the full reopening of the Strait post ceasefire—leaving downside risks firmly in place. Economic damage has been contained so far, but with the conflict now entering its eighth week and US military activity ongoing, delays in reaching a durable peace agreement could trigger another setback.
2. **Resilient But Increasingly Fragile Economy |** Thus far, the economy—particularly consumer spending—has remained resilient despite rising energy prices. That resilience has shown up in recent commentary from bank CEOs during earnings calls and is reinforced by continued strength in real-time activity indicators such as TSA screenings, hotel occupancy, and gasoline demand. That said, some early signs of strain are beginning to emerge. The University of Michigan's preliminary consumer sentiment reading fell to a record low of 47.6 in April, while the Beige Book noted that consumers are increasingly stretched and that businesses are delaying investments amid elevated uncertainty. In addition, energy-sensitive industries—most notably air travel—are starting to see softer future bookings. While we expect the economy and consumer spending to hold up in the near term, sustained high energy prices would materially increase downside risks.
3. **Fed Chair Transition Faces Key Hurdles |** Kevin Warsh's confirmation hearing before the Senate Banking Committee is set for April 21, but it's unlikely he'll be in place to lead the Fed by May 15, when Chair Powell's term ends. Markets currently see only about a 40% chance of that happening. The main holdup is on Capitol Hill, where Senator Tillis, a key swing vote on the Banking Committee, has indicated Warsh's nomination won't move forward while the Justice Department's investigation into Powell remains unresolved. Adding another layer of uncertainty is Powell's decision to stay at the Fed after his term ends—a departure from past practice that could complicate the leadership transition. From a market standpoint, Warsh would be stepping into a difficult environment, with inflation still elevated, the labor market showing signs of strain, and growing political pressure to cut rates. Taken together, that uncertainty—and the market's tendency of testing new Fed Chairs (sometimes with significant equity pullbacks)—points to higher volatility in the months ahead.
4. **Overly Optimistic Earnings |** Positive earnings revisions have provided important fundamental support for equities YTD. The +3.7% upward revision to 2026 EPS ranks as the third-strongest at this point in the year over the past two decades. However, emerging headwinds—including higher energy prices, supply constraints, and signs of weakening global demand highlighted by luxury retailers—are likely to pressure forward estimates and contribute to higher volatility in the months ahead. This pattern echoes the early stages of the 2022 Russia–Ukraine war, when estimates initially moved higher before being revised lower as conditions evolved. Notably, first-quarter results capture only one month of Iran-related impacts, making forward guidance and management commentary especially important. With expectations elevated, earnings misses are likely to be punished.
5. **Equity Performance Is Typically Weaker In Mid-Term Election Years |** With attention focused on oil prices and geopolitical risks, investors may be overlooking an important backdrop: this is a mid-term election year. Historically, mid-term years have seen deeper intra-year drawdowns—roughly ~20% versus an average of ~16% in a typical year going back to 1928. They have also tended to experience higher volatility, particularly mid-year, while delivering below-average—but still positive—returns of ~3% compared with ~7% in a typical year. This backdrop reinforces our view that further upside is likely to be modest.

CHART OF THE WEEK

Fastest S&P 500 Recovery To New High After ~7+% Drawdown

The S&P 500's recovery from its recent 9% pullback marked the fastest recovery from a drawdown of 7% or more to new record highs dating back to 1980.



Source: FactSet, Data as of 4/17/26

RAYMOND JAMES

Economy

- Existing home sales fell a more than expected 3.6% in March to a 3.98 million annualized pace, highlighting continued stagnation in the resale housing market as elevated mortgage rates, softer confidence, and moderating job growth weigh on demand.
- The NAHB Housing Market Index fell sharply to 34 in April, with all three components weakening and all four regions declining, underscoring persistent softness in homebuilder sentiment amid high mortgage rates and elevated construction costs.
- Producer prices rose less than feared in March, with headline PPI up 0.5% MoM and core PPI increasing just 0.2%, suggesting underlying inflation pressures remain contained.
- **Focus of the Week:** Next week is a slower week for economic data, highlighted by Tuesday's delayed Retail Sales report. Consensus expects a strong 1.3% MoM increase in headline, along with a 0.45% MoM in control group sales, driven by higher gasoline prices.

April 20 – April 24

TUE: Retail Sales, Pending Home Sales, Business Inventories

THU: Jobless Claims

FRI: Michigan Sentiment (Final)

FUTURE EVENTS:
4/29 FOMC Meeting
4/30 PCE

Equity

- Despite concerns over higher energy prices stemming from the Iran conflict, the S&P 500 continued to march higher this week, returning to record highs and surpassing the 7,000 milestone for the first time. Since bottoming on March 30 after a 9.1% peak-to-trough decline, the index has surged 11% over the past 12 trading days, placing it in the 99th percentile of rolling 12-day returns dating back to 1980. While we remain cautious in the near-term as technical indicators (14-Day RSI in overbought territory) suggest a period of consolidation may be warranted, its worth highlighting that new record highs tend not to be reasons to become fearful on forward performance. Historically, the S&P 500 has averaged gains of 10% in the 12 months following a record high dating back to 1980.
- Beneath the headline index strength, leadership since the March 30 lows has displayed a classic rotation dynamic. While the Technology sector was the most heavily sold sector into the drawdown, it has reasserted leadership as the top performer from the lows, gaining 18%. As geopolitical risks have eased and fears around higher energy prices moderated, investor focus has shifted back toward fundamentals, where Technology continues to stand out. With the sector expected to deliver ~40% YoY EPS growth in 2026, the resurgence reflects renewed confidence in the durability of earnings power for the index's largest sector. Overall given the superior fundamentals of tech relative to the rest of the market, we remain overweight the sector.
- **Focus of the Week**: Given market fears surrounding AI disruption to enterprise software companies, we'll be focused on ServiceNow's results and management commentary on Wednesday evening to see the impacts of AI on results.

Fixed Income

- Treasury yields have eased from their late March YTD highs as lower oil prices and softer wholesale inflation data have reduced inflation pressures. The 10-year yield is settling near 4.30%, the midpoint of its multi-year trading range, while the 2-year is gravitating toward 3.75%, the upper bound of the Fed's policy range. Recent Fed commentary is signaling patience—and a broad bias toward further easing even among more hawkish voices—has reinforced expectations that policy will remain on hold. The slow grind lower in yields has allowed Treasury returns to climb back into positive territory for the year (+0.2% YTD). Still, yields remain noticeably higher than pre-conflict levels, leaving the market in a holding pattern, awaiting clarity from Middle East developments and the impact on oil prices.
- Corporate credit spreads benefited from an improved risk backdrop with US investment grade spreads falling back below 80 bps. Spreads on high-quality corporates now sit just 8 bps above multi-decade lows, retracing about two-thirds of the spread widening seen from January through mid-March. While this leaves limited room for further spread compression, yields around 5% at the US Corporate IG index level remain attractive by historical standards and support expectations for mid-single digit returns over the next five years.
- **Focus of the Week:** Kevin Warsh's hearing for next Fed Chair on Tuesday, March retail sales, and flash PMIs headline next week .

Washington Policy

- Incremental, cautiously positive signals throughout the week support our view that a ceasefire extension between the US and Iran is likely. Talks last weekend did not produce a deal, but we view the first in-person, direct talks between the two countries since 1979 as a major development in and of itself. While inking a comprehensive deal will remain highly challenging given the delta in negotiating positions, a framework that allows both sides to declare victory and wind down active hostilities could be emerging. However, the risk of escalation cannot be discounted—especially given escalatory rhetoric from both the US and Iran in recent days.

International

- The IMF's latest forecast points to impressive resilience in the global economy amid the worst energy supply disruption since World War II. Assuming that Persian Gulf exports approach pre-war levels by mid-2026, the IMF expects global GDP growth of 3.1% in 2026, down only 20 bps from its January forecast of 3.3%. The ways in which projections have been revised aren't always intuitive. For example: Japan is the G7 country that's the most dependent on imported oil, and yet its projected growth is unchanged from January. While it's unsurprising that estimates rose for Brazil and Mexico—both of which are oil exporters—they also ticked up for India, which has hefty exposure to the supply disruptions. As economically impactful as the Iran conflict is, we are reminded that other factors play a role too.
- The IMF paints a more problematic picture with regard to inflation. Global consumer prices are projected to rise 4.4% in 2026, up noticeably from the January forecast of 3.8%, reflecting higher prices not just for energy but also other commodities (e.g., aluminum and helium) whose supply is disrupted. Inflation is projected to average 2.8% in developed economies and 5.5% in emerging markets.
- Global equities have rebounded sharply from their post-crisis lows, though most markets—aside from the MSCI Latam index, which has benefited from its higher exposure to the energy sector—have yet to fully recover their losses. That said, the recovery has been uneven. This week's gains were driven by tech-heavy markets, including Japan's Nikkei and the MSCI Emerging Markets Index, as renewed AI enthusiasm, upward earnings revisions, and strong results from TSMC outweighed developments in the Middle East. By contrast, the UK, Europe, and India continue to lag. With EM expected to deliver over 40% YoY EPS growth in 2026, we remain positive on the sector.

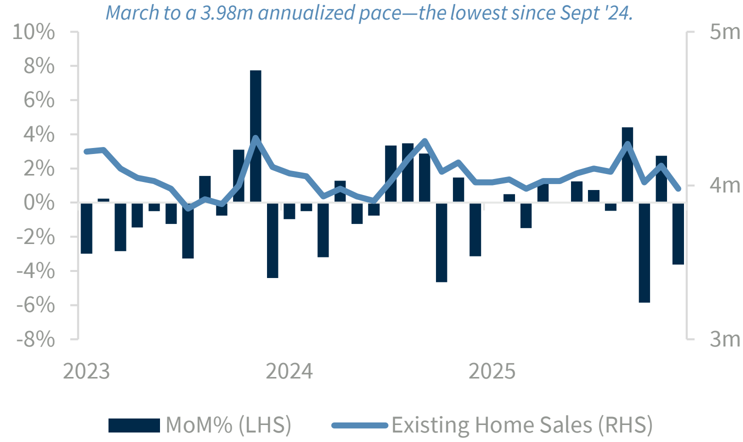
Charts of the Week

Builder Sentiment Still Depressed

The NAHB Housing Market Index fell sharply to 34 in April, underscoring persistent softness in homebuilder sentiment.

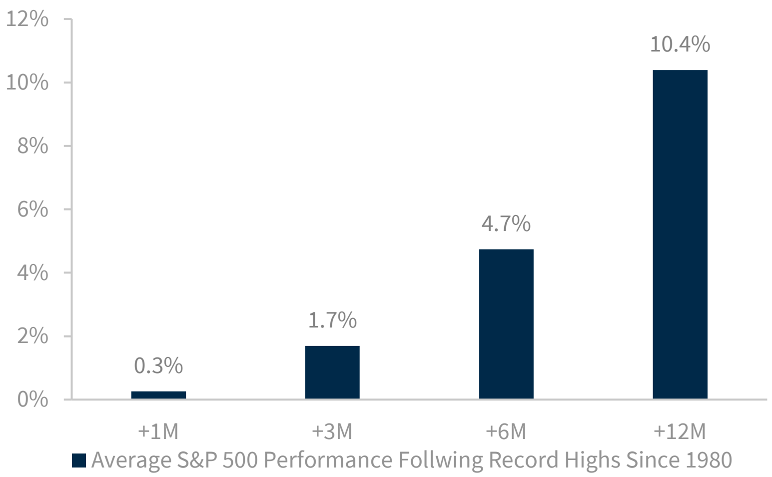
Existing Home Sales Decline

Existing home sales fell a more than expected 3.6% MoM in March to a 3.98m annualized pace—the lowest since Sept '24.



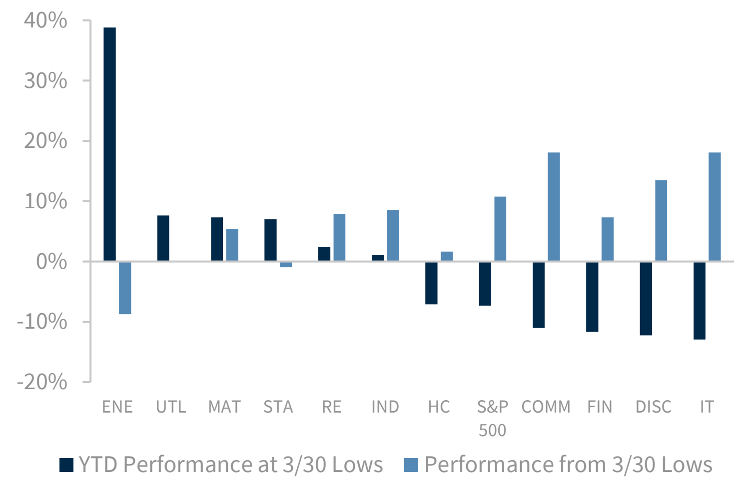
Record Highs Are Not To Fear

Dating back to 1980, the S&P 500 has gained 10% in the 12 months following record highs on average.



Rotation In Sector Performance From Market Lows

The worst performing S&P 500 sectors into the 3/30 lows have become the top performers from the lows.

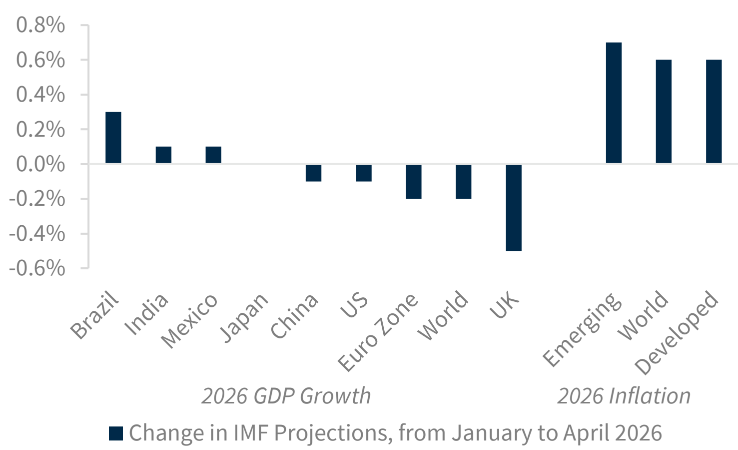


10-Year Treasury Yield Near Recent Average

After peaking in late March, the 10-year yield has gravitated toward the average over the last few years.

IMF Forecasts Indicate Global Economic Resilience

Comparing projections from April to those from January, GDP growth forecasts have been revised by 20 bps or less for most major economies.



Source for charts: FactSet and IMF, as of 4/16/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of April 16)**

Weekly Returns (as of April 16)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	0.8%	3.1%	5.4%
Mid Cap	1.2%	1.6%	2.9%
Small Cap	1.3%	3.2%	4.9%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	0.9%	3.0%	4.7%
Mid Cap	1.3%	2.1%	4.1%
Small Cap	1.7%	2.2%	4.1%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	0.1%	0.1%	-0.1%
Invest. Grade	0.1%	0.1%	0.2%
High Yield	0.1%	0.3%	0.7%

Year-to-Date Returns (as of April 16)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	7.4%	3.2%	-0.7%
Mid Cap	9.6%	7.0%	-1.2%
Small Cap	12.0%	9.9%	8.1%

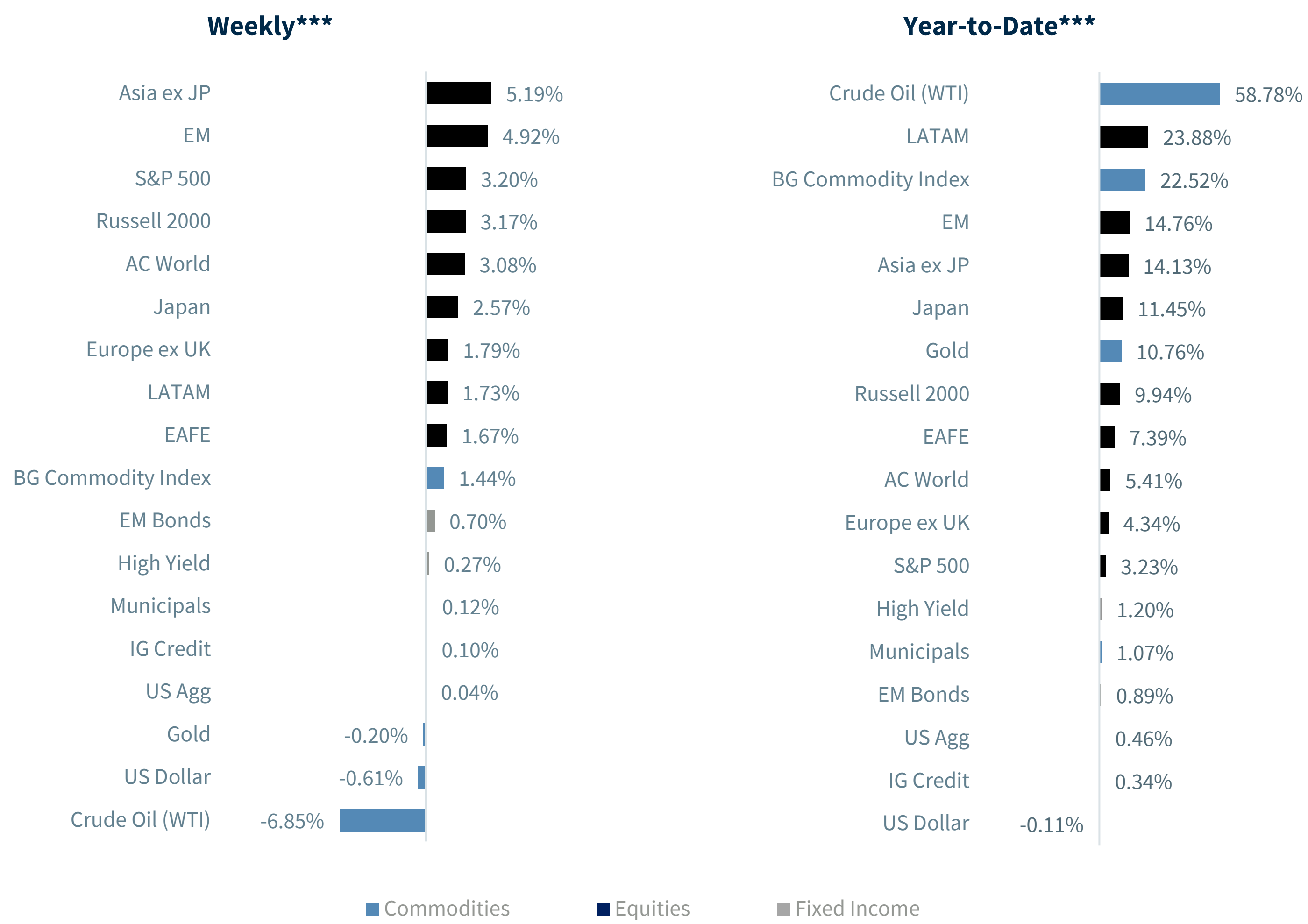
International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	6.2%	4.9%	15.1%
Mid Cap	9.2%	7.6%	15.7%
Small Cap	7.5%	9.7%	12.8%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	1.0%	0.2%	0.0%
Invest. Grade	0.7%	0.5%	0.3%
High Yield	1.1%	1.2%	2.1%

Asset Class Performance | Weekly and Year-to-Date (as of April 16)**



**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

Weekly Data**

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7041.3	3.2	7.9	3.2	35.1	21.0	12.6	14.9
DJ Industrial Average	48578.7	0.8	4.8	1.1	22.5	12.7	7.3	10.5
NASDAQ Composite Index	24102.7	5.6	11.6	3.7	47.8	25.7	11.4	17.2
Russell 1000	7379.6	3.1	7.7	3.2	17.7	18.1	11.3	14.0
Russell 2000	6758.9	3.2	9.0	9.9	25.7	13.0	3.8	9.9
Russell Midcap	10515.1	1.6	5.6	7.0	16.0	13.3	7.3	10.9

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	651.7	(0.2)	3.9	14.0	30.7	10.6	6.7	10.7
Industrials	1442.6	(1.1)	5.3	10.2	38.7	21.3	12.8	13.5
Comm Services	476.0	5.3	13.4	5.5	58.8	35.2	14.6	13.2
Utilities	471.0	(1.7)	1.0	9.4	23.8	13.9	10.0	10.2
Consumer Discretionary	1923.1	5.1	10.0	(0.1)	32.1	19.8	6.8	12.9
Consumer Staples	918.2	(2.7)	(0.8)	6.8	6.6	8.1	7.8	8.3
Health Care	1709.2	(1.8)	0.0	(4.8)	9.6	4.7	5.6	9.6
Information Technology	5859.5	7.2	13.6	3.3	55.6	31.9	19.4	24.4
Energy	868.5	(1.4)	(7.9)	27.3	46.9	12.7	23.4	10.2
Financials	865.8	1.4	5.4	(4.4)	13.7	18.5	10.0	13.0
Real Estate	280.8	2.5	7.5	12.7	17.5	10.9	5.2	7.2

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.1	0.2	1.0	4.1	4.8	3.5	2.3
2-Year Treasury (%)	3.8	0.1	0.2	0.4	3.3	3.8	1.6	1.6
10-Year Treasury (%)	4.3	(0.1)	0.3	(0.0)	4.3	1.9	(1.3)	0.3
Bloomberg US Corporate HY	7.2	0.3	1.7	1.2	10.5	8.9	4.4	6.1
Bloomberg US Aggregate	4.5	0.0	0.5	0.5	5.5	3.8	0.2	1.7
Bloomberg Municipals	--	0.1	1.3	1.1	7.3	2.9	0.9	2.2
Bloomberg IG Credit	5.0	0.1	0.9	0.3	6.9	5.0	0.7	2.8
Bloomberg EM Bonds	5.9	0.7	2.3	0.9	11.2	8.3	2.1	3.7

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	91.2	(6.8)	(10.1)	58.8	47.5	3.4	7.6	8.5
Gold ($/Troy Oz)	4808.3	(0.2)	2.8	10.8	43.7	33.6	22.0	14.6
Bloomberg Commodity Index	134.4	1.4	(0.6)	22.5	31.2	7.6	9.2	5.3

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.2	(0.6)	(1.7)	(0.1)	(1.2)	(1.1)	1.4	0.4
Euro	1.18	0.7	2.2	0.2	3.4	2.3	(0.4)	0.4
British Pound	1.35	0.8	2.5	0.5	2.0	2.8	(0.4)	(0.5)
Japanese Yen	159.27	(0.0)	(0.1)	(1.6)	(10.5)	(5.7)	(7.3)	(3.7)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1064.1	3.1	8.8	5.4	36.9	19.9	10.8	12.7
MSCI EAFE	3077.4	1.7	8.6	7.4	32.8	16.3	9.3	9.6
MSCI Europe ex UK	3374.0	1.8	8.7	4.3	27.8	15.0	9.3	10.3
MSCI Japan	5299.8	2.6	9.8	11.4	41.2	19.6	8.5	9.4
MSCI EM	1603.3	4.9	14.9	14.8	55.4	20.4	6.6	9.6
MSCI Asia ex JP	1038.6	5.2	15.4	14.1	56.0	20.1	5.9	10.1
MSCI LATAM	3336.5	1.7	8.0	23.9	73.7	20.6	14.2	9.4
Canada S&P/TSX Composite	24829.4	1.7	3.9	7.4	41.3	18.2	12.0	9.6

**Weekly performance calculated from Thursday close to Thursday close.

Disclosures

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INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and heightened political and/or economic instability. These risks are greater in emerging markets.

ENERGY COMMODITIES | Investing in energy commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Oil prices are influenced by OPEC decisions and tend to be economically sensitive. Natural gas prices are influenced by weather.

MINING COMMODITIES | Investing in mining commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Prices of precious metals such as gold are influenced by central bank decisions. Prices of industrial metals such as copper tend to be economically sensitive.

SECTORS | Sector investments are companies focused on a specific economic sector and are presented here for illustrative purposes only. Sectors, including Tech, are subject to varying levels of competition, economic sensitivity, and political and regulatory risks. Investing in any individual sector involves limited diversification.

CURRENCIES | Currency investing is generally considered speculative, with high levels of volatility and limited market regulation. These risks are greater in emerging markets.

FIXED INCOME | Fixed-income securities (or bonds) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

MUNICIPAL BONDS | Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

PERSONAL CONSUMPTION EXPENDITURES | The Personal Consumption Expenditures (PCE) Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

PRODUCER PRICE INDEX | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

CONSUMER PRICE INDEX | The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

MICHIGAN CONSUMER SENTIMENT INDEX | The University of Michigan Consumer Sentiment Survey (MCSI) is a monthly survey measuring US consumer confidence regarding personal finances, business conditions, and buying conditions. It serves as a key leading economic indicator, forecasting consumer spending by interviewing approximately 600–1,000 households.

IMPORT/EXPORT PRICE INDICES | The Import and Export Price Indices are economic indicators that measure the average change in prices of goods and services imported into a country from foreign sources, or exported from the US, respectively. These indices act as key metrics for inflation, tracking how changing international costs affect domestic consumers, businesses, and economic policy.

PENDING HOME SALES INDEX | The Pending Home Sales Index (PHSI), released monthly by the National Association of Realtors (NAR), is a leading indicator of housing activity that tracks signed real estate contracts for existing single-family homes, condos, and co-ops.

NEW HOME SALES INDEX | The New Home Sales report, released monthly by the US Census Bureau and the Department of Housing and Urban Development (HUD), tracks the number of newly constructed, privately-owned single-family homes sold across the US. As a key leading economic indicator, it measures new, signed sales contracts rather than closings.

NAHB HOUSING MARKET INDEX | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey-based gauge of US builder sentiment regarding the single-family home market. Ranging from 0 to 100, a reading above 50 indicates positive sentiment. It measures current sales, future expectations, and buyer traffic, acting as a leading indicator for housing starts.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 4/16/2026

DOMESTIC EQUITY DEFINITION

DOW JONES INDUSTRIAL AVERAGE (DJIA) | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

NASDAQ COMPOSITE INDEX | The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

S&P 500 | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 500 EQUAL WEIGHT INDEX | The S&P 500 Equal Weight Index: The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

LARGE GROWTH | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater- than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

LARGE BLEND | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater- than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

MID BLEND | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

SMALL BLEND | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

MID VALUE | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

COMMODITY INDEX DEFINITION

BLOOMBERG COMMODITY INDEX (BCOM) | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

FIXED INCOME DEFINITION

AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | Bloomberg US Corporate High Yield Total Return Index: The index measures the USD-denominated, high yield, fixed- rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | Bloomberg US Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed- rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Disclosures

MUNICIPAL | Bloomberg Municipal Total Return Index: The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BLOOMBERG US CONVERTIBLE LIQUID BOND INDEX | The index tracks the performance of USD-denominated convertible securities, specifically bonds and convertible preferred stock, issued in the US market with a minimum amount outstanding of $350 million.

BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

BLOOMBERG EMERGING MARKET BOND INDEX | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment- grade and below-investment-grade securities.

BLOOMBERG WIRP FUTURES MODEL | The Bloomberg World Interest Rate Probability (WIRP) function calculates the implicit forecast for rates after each meeting over the next year for the biggest developed world central banks, based on pricing in futures and overnight index swaps markets.

BLOOMBERG TREASURY INDEX | The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. The Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The index includes securities with remaining maturity of at least one year.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

NIKKEI 225 INDEX | The Nikkei 225 is Japan's main stock market index, tracking the performance of 225 large, highly traded "blue-chip" companies listed on the Tokyo Stock Exchange (TSE). It's a price-weighted index, meaning higher-priced stocks have a greater impact, similar to the Dow Jones Industrial Average, and serves as a key indicator of the Japanese economy.

FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI ACWI | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

MSCI ACWI EX US | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

CANADA S&P/TSX COMPOSITE | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on Canada's primary stock exchange, the Toronto Stock Exchange.

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