

Happy Spring—a season usually associated with renewal. Unfortunately, it also marks the point when our most optimistic scenario—a quick resolution to the Iran conflict (15% probability)—fell away. While US and Israeli military superiority is clear, rising concerns around the duration of energy disruptions through the Strait of Hormuz have unsettled markets and the region. Our base case (60% probability) now assumes the conflict in total lasts four to five weeks—a more dangerous phase marked by strained diplomacy, expanding airstrikes, and limited infrastructure damage. The key swing factor remains oil prices. If the conflict ends within this window, we still expect only limited impacts on our economic and asset-class outlooks. The greater risk lies in our pessimistic scenario (25% probability), where a longer conflict would materially raise the odds of broader market spillovers. Below, we update our investment views based on the latest developments.

KEY TAKEAWAYS

The Fed Maintained a Constructive Economic Outlook Despite the Conflict

Real-Time Economic Indicators Suggest the US Economy Remains on Solid Footing

We Maintain Our Year-End S&P 500 Price and EPS Targets of 7,250 and \$300

Spring Crosscurrents: Oil Drives the Narrative | As we’ve noted, oil remains the key swing factor for Fed policy, the economy, and equity markets. While prices are still near \$100/barrel, our base case view is that oil falls toward \$60/barrel by year-end.

➤ **The Fed Stays the Course**—This week’s FOMC meeting largely reinforced our own view that the Iran conflict has had limited economic impact so far. In fact, the Fed modestly upgraded its growth outlook, raising its 2026 GDP forecast from 2.3% to 2.4%—in line with our expectations—while leaving its unemployment projections and rate path (‘dot plot’) largely unchanged. The Fed did nudge its 2026 inflation forecast higher, from 2.5% to 2.7%, but that move largely reflected inflation pressures already evident in this week’s Producer Price Index, even before the conflict intensified. Echoing our perspective, Chairman Powell noted in his press conference that the US economy is doing “pretty well” and that it remains “too soon” to fully assess the economic effects of the conflict. For now, rising energy prices are the key variable the Fed is watching most closely.

Bottom line: Like us, the Fed remains constructive on the outlook and sees no reason—yet—to materially rethink its view of the economy.

➤ **US Economy Still Blooming**—While the recent surge in gasoline prices to about \$3.88/gallon has certainly grabbed attention, its impact on economic activity so far has been modest. Yes, a move above the psychological \$4/gallon mark could dent consumer confidence and prompt households to rethink discretionary spending. But some important buffers remain in place. Gasoline now accounts for just 1.7% of the average household’s annual spending—roughly half its share from 15 years ago. At the same time, consumers are getting a meaningful income boost this year, with tax refunds expected to be about \$1,000 higher than last year. For that cushion to be fully erased, gasoline prices would need to rise to \$5/gallon and stay there through the end of September—a scenario we see as very unlikely. What we’re seeing in real-time data also supports this view. Air travel remains strong, with TSA passenger volumes up 3% YoY. Retail sales, restaurant bookings, and Visa spending data are also all running well above last year’s levels, showing no signs of a pullback. On the business side, investment—particularly in AI—remains healthy, reinforced by recent CEO commentary. And importantly, the US economy’s status as a net exporter of oil further reduces its sensitivity to higher energy prices.

Bottom line: Higher gas prices are a headwind, but they are not derailing the economy. Growth remains on solid footing, supported by resilient consumers, ongoing business investment, and a more energy-independent US economy.

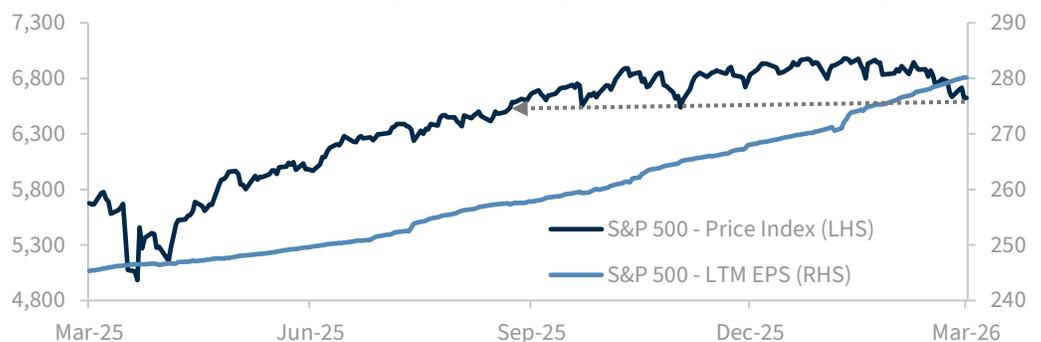
➤ **Equity Market Transition**—The S&P 500 has just experienced its first 5% pullback in five months—and it’s worth emphasizing that this is entirely normal. Historically, markets typically see three to four pullbacks of this size each year. While the conflict has been the primary catalyst this time, it hasn’t been the only source of volatility. Other headlines—ranging from private credit concerns and AI fatigue to questions around new leadership at the Fed—have also contributed. With valuations elevated coming into the year, this environment is exactly why we entered 2026 with one of the more conservative forecasts on Wall Street, including our 7,250 year-end target for the S&P 500. Despite recent volatility, we remain confident in that target, which implies more than 10% upside from current levels. First, many of our favored sectors are less exposed to Middle East tensions, including Tech and Health Care. Industrials should benefit from increased defense spending and the AI buildout, while transportation-related industries are likely to rebound as energy prices ease. Importantly, our S&P 500 earnings forecast remains unchanged at \$300, well below the current consensus of \$313. Second, the excessive optimism we flagged earlier in the year has begun to unwind. Bearish sentiment is now at its highest level since last May—a contrarian positive. Third, valuations have improved as the market has moved sideways while earnings continued to grow. The S&P 500 is trading near last September’s level, yet companies have delivered two quarters of double-digit earnings growth.

Bottom line: With fundamentals still healthy, this pullback is improving—not diminishing—the upside to our year-end target.

CHART OF THE WEEK

S&P 500 Back Near September 2025 Levels

Despite two consecutive quarters of double-digit earnings growth, the S&P 500 is trading at levels last seen in September 2025.



Source: FactSet 3/19/26

Economy

- Producer prices surprised significantly to the upside (+0.7% MoM), pushing the annual rate to 3.4% and reflecting price pressures across both goods and services. The report reinforces persistent inflation pressures and supports a more cautious stance from the Fed.
- Housing sentiment remains depressed, with the NAHB Housing Market Index rising to 38 but marking a 23rd straight month in contraction. Builders continue to highlight affordability constraints, elevated costs, and economic uncertainty.
- Pending Home Sales rebounded (+1.8% MoM) after January's sharp decline, suggesting a slight pickup in the existing house segment, while New Home Sales plunged sharply (-17.6% MoM). Declining prices and rising inventory point to weakening housing demand.
- **Focus of the Week:** Next week is relatively light in terms of economic data releases. Wednesday's trade price indices will be closely watched for signals on import and export price trends, while Friday's final revision to March Michigan Sentiment is expected to decline further. Geopolitical tensions between the US and Iran and higher energy prices will weigh on consumer confidence.

March 23 – March 27



Construction Spending



Import/Export Price Indices



Michigan Sentiment (Final)



Jobless Claims



3/31 JOLTS
4/3 Employment Report

Equity

- In addition to notching a 5%+ decline, the S&P 500 is on track to hit a couple of other notable downside milestones this week. First, it is poised to decline for a fourth consecutive week—something we haven't seen in the past 12 months. Second, the index has slipped below its 200-day moving average, a level that has provided important support in recent years. While near-term volatility is likely to remain elevated as the path of the conflict remains uncertain, it's important to keep these developments in perspective. Historically, they have not been negative signals for longer-term returns. Over the past 20 years, in the 17 instances when the S&P 500 declined for four straight weeks, the index was higher 12 months later by an average of 19%, finishing positive 88% of the time. Similarly, after falling below the 200-day moving average, the S&P 500 also rose an average of 10% over the following year, with gains 79% of the time. This highlights how staying invested longer term and not making knee-jerk reactions during periods of volatility is critical.
- One encouraging dynamic throughout the recent drawdown has been the resilience of corporate earnings. Since the start of the conflict, 2026 S&P 500 EPS estimates have been revised 0.7% higher, with seven of eleven sectors seeing upward earnings revisions. With S&P 500 earnings on pace to grow >10% for the second consecutive year, and all 11 sectors expected to post positive EPS growth for the first time since 2018 - the positive earnings backdrop leaves us constructive on equities longer term.
- **Focus of the Week:** Given the resilience of earnings amidst the recent equity drawdown, the S&P 500 NTM P/E is now below its previous 5-year average. With this, we will look to see if the S&P 500 can reclaim its 200-day moving average – a key level of technical support.

Fixed Income

- Treasury yields continue to march higher, with the policy-sensitive 2-year yield up 42 bps to 3.79% since the war began. Although the Fed typically looks through energy-driven price shocks, near-term inflation risks and a persistent overshoot of the Fed's 2.0% target will keep policymakers on the sidelines until there is clarity on the duration of the conflict. As a result, the market has pushed out the timing of the next rate cut until mid 2027 and is no longer expecting any cuts this year. This is logical, but could shift swiftly once the war ends.
- The Fed's latest economic projections showed a higher inflation forecast compared to previous estimates—with 2026 core PCE revised to 2.7% from 2.5%, while lifting the 2026 growth outlook up 0.1% to 2.4%. While the dot plot still points to one rate cut in 2026 and another in 2027, the Fed is in no rush to ease policy—particularly with inflation running above its 2% target for five consecutive years. Interestingly, the projections show only five FOMC members expecting multiple rate cuts this year, down from eight in December. Chair Powell also indicated that he would remain as Fed Chair if Kevin Warsh's Senate confirmation is delayed and reiterated that he has no intention of leaving the Board until the DOJ probe is over—something unlikely to sit well with the administration.
- **Focus of the Week:** Next week's focus will be on the 2-, 5-, and 7-year Treasury auctions. Additionally, Fed speak will be back in the headlines following the communication blackout period.

Washington Policy

- Conflict in Iran escalated this week, with Israel striking Iran's South Pars gas field and Iran attacking Qatar's LNG complex and other Gulf energy facilities, alongside the assassinations of Iran's chief security and intelligence officers. Traffic through the Strait of Hormuz remains highly constrained, with most commercial shipping effectively halted. European governments and Japan are signaling willingness to help reopen the Strait, but details and timelines remain vague. The Trump administration is preparing to send Congress an Iran defense supplemental request of ~\$200b—an amount that represents about 1/5 of the existing annual defense budget.

International

- Alongside the Fed, the four other G7 central banks opted to hold policy rates steady this week. The banks all highlighted a murky near-term outlook for inflation due to the Iran-related energy price spike, though the labor market conditions and pre-war inflationary backdrop (relative to each bank's 2% inflation target) are very different. The BOE is navigating a dilemma: UK unemployment is at 5.2%—the highest since 2021—while inflation is markedly above the target. The Bank of Canada is also facing a challenging labor market situation: unemployment of 6.7% is near post-COVID highs, though on the bright side, inflation is below target.
- The European Central Bank had an easier decision. Euro zone unemployment is at a record low of 6.1%, and inflation is slightly below target. One challenge for the ECB is the fact that Germany and France—the euro zone's two largest economies—are dealing with more economic headwinds than the bloc's smaller countries. Finally, the Bank of Japan sees an encouraging macro backdrop: unemployment is the lowest among the G7 at 2.7% (in the context of a shrinking population), while inflation is below target. However, Japan is uniquely exposed to the Persian Gulf energy supply disruption, given its nearly 100% dependence on imported oil and gas.

Charts of the Week

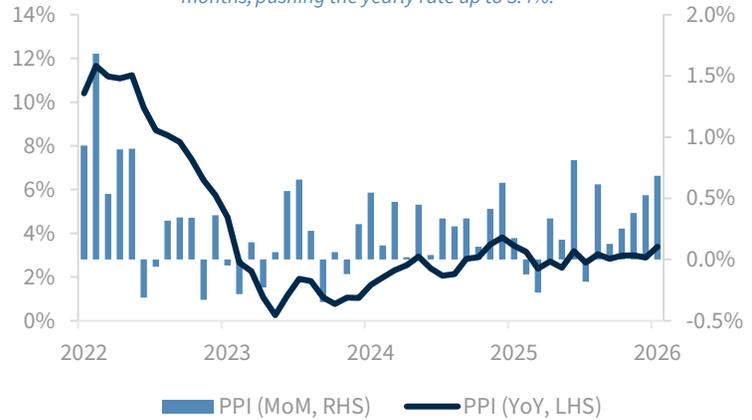
New Home Sales Plunge

New home sales fell -17.6% MoM, the biggest monthly decline since 2013, with the index reaching its lowest since 2022.



Inflation: Producer Prices

Headline PPI rose at its fastest monthly pace (+0.7%) in seven months, pushing the yearly rate up to 3.4%.



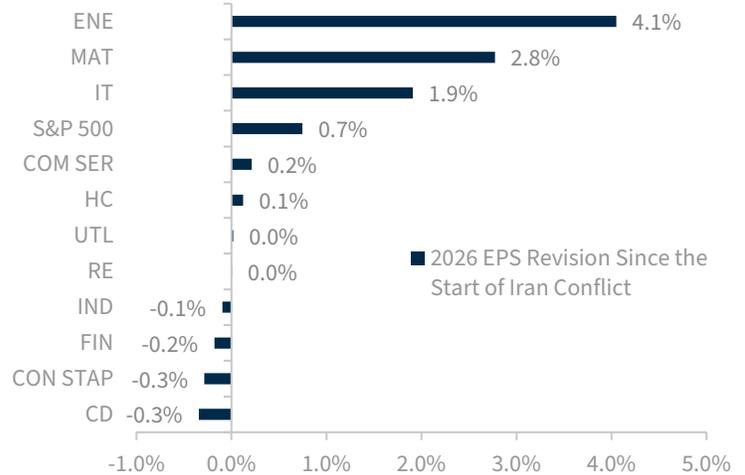
S&P 500 Breaks Below Its 200-Day Moving Average

The S&P 500 broke below its 200-day moving average for the first time since June 2025.



EPS Estimates Move Higher Amidst Drawdown

Seven of eleven sectors have seen positive revisions to 2026 EPS estimates since the start of the Iran conflict.



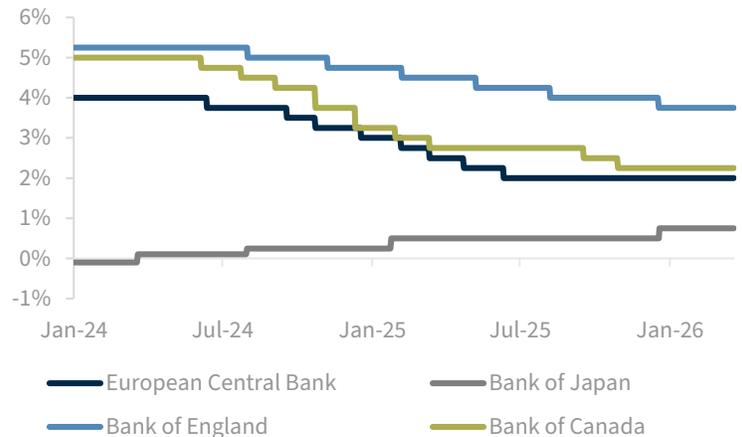
2-Year Treasury Yields Surge From Multi-Month Low

The policy-sensitive 2-year Treasury yield has climbed 42 bps to 3.79% since the war began.



G7 Central Banks Held Policy Rates Steady This Week

While all of the banks highlighted question marks around energy and inflation, they are managing very different labor market conditions.



Source for charts: FactSet, as of 3/19/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of March 19)**

**US Equities
(Russell indices)**

**International Equities
(MSCI indices)**

**Fixed Income
(Bloomberg indices)**

(as of March 19)

	Value	Blend	Growth
Large Cap	0.1%	-0.9%	-1.7%
Mid Cap	0.6%	0.7%	1.0%
Small Cap	0.0%	0.3%	0.5%

	Dev. Mkt	World	Emerg. Mkt
Large Cap	-1.9%	-1.3%	-0.6%
Mid Cap	-1.9%	-0.4%	-0.2%
Small Cap	-1.8%	-0.5%	0.1%

	1-3 YR	Medium	Long
Treasury	0.1%	0.0%	0.1%
Invest. Grade	0.0%	0.1%	0.1%
High Yield	-0.1%	-0.3%	-1.3%

(as of March 19)

	Value	Blend	Growth
Large Cap	2.2%	-3.1%	-7.9%
Mid Cap	3.5%	1.7%	-4.1%
Small Cap	3.3%	0.8%	-1.6%

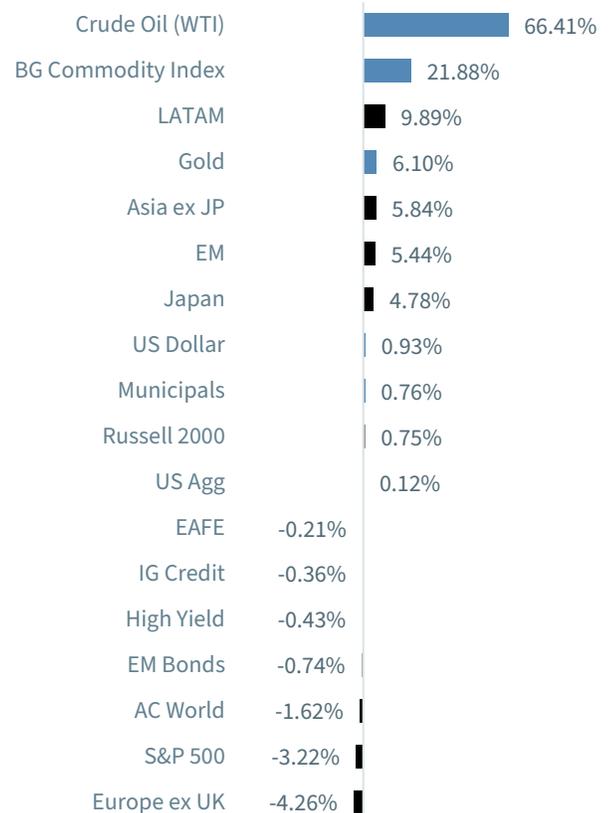
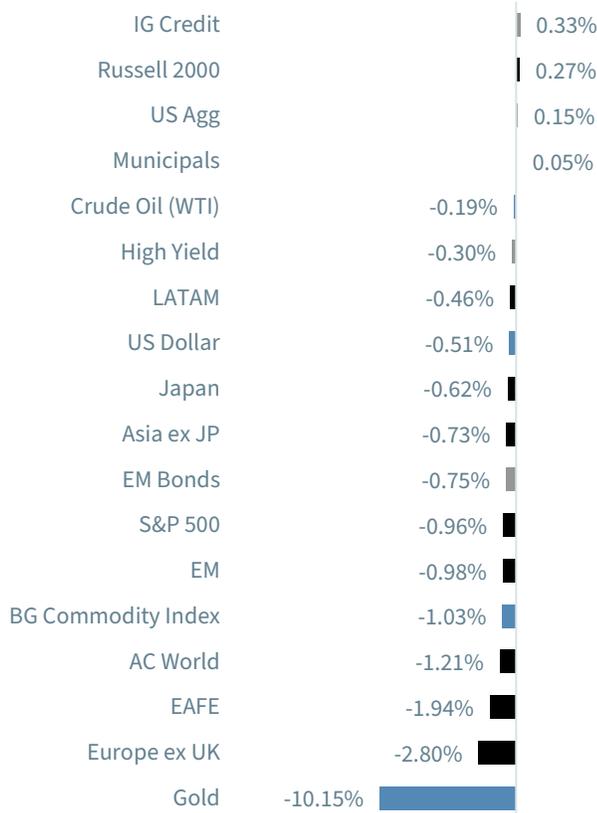
	Dev. Mkt	World	Emerg. Mkt
Large Cap	-0.1%	-1.7%	7.2%
Mid Cap	2.5%	1.1%	6.6%
Small Cap	0.3%	2.3%	5.8%

	1-3 YR	Medium	Long
Treasury	0.7%	0.0%	0.1%
Invest. Grade	0.2%	-0.2%	-0.4%
High Yield	0.1%	-0.4%	-2.0%

Asset Class Performance | Weekly and Year-to-Date (as of March 19)

Weekly***

Year-to-Date***



■ Commodities ■ Equities ■ Fixed Income

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

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

Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	6606.5	(1.0)	(3.9)	(3.2)	17.9	20.7	12.7	14.4
Dow Industrial Average	46021.4	(1.4)	(6.0)	(4.2)	9.7	13.0	7.1	10.1
Russell 2000	22090.7	(1.0)	(2.5)	(5.0)	24.4	23.8	10.8	16.5
Russell 1000	6930.3	(0.9)	(3.9)	(3.1)	16.7	21.4	13.3	15.3
Russell 2000	6200.0	0.3	(5.1)	0.8	23.3	13.1	5.0	11.3
Russell Midcap	9998.1	0.7	(5.0)	1.7	16.8	14.8	9.0	12.4

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	598.8	(4.0)	(11.2)	4.6	11.5	10.2	6.2	9.9
Industrials	1385.7	(0.7)	(7.4)	5.8	24.6	21.2	13.0	13.1
Consumer Services	438.6	(1.0)	(3.2)	(2.9)	35.0	35.0	13.8	12.2
Utilities	469.9	0.0	(2.5)	9.0	21.4	15.2	11.8	10.2
Consumer Discretionary	1757.4	(1.5)	(5.2)	(8.7)	12.7	17.8	6.6	12.1
Consumer Staples	916.9	(3.0)	(8.4)	6.5	8.2	9.7	9.0	8.3
Health Care	1704.0	(2.4)	(8.5)	(5.3)	1.6	7.0	6.8	10.1
Information Technology	5320.5	(0.9)	(0.8)	(6.3)	28.3	29.4	19.5	23.4
Energy	905.8	3.2	6.0	32.8	33.0	19.7	24.1	10.7
Financials	811.6	0.3	(4.8)	(10.5)	0.3	18.5	9.4	12.4
Real Estate	267.3	(0.4)	(4.0)	7.0	6.5	9.7	5.8	6.8

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
1 Month Treasury Bill (%)	3.7	0.1	0.2	0.8	4.1	4.8	3.4	2.3
3 Month Treasury (%)	3.8	(0.0)	(0.6)	0.1	3.7	3.6	1.5	1.6
6 Month Treasury (%)	4.3	0.1	(2.1)	0.1	4.6	1.8	(1.0)	0.5
Morningstar US Corporate HY	7.5	(0.3)	(1.1)	(0.4)	6.6	9.4	4.4	6.1
Morningstar US Aggregate	4.5	0.1	(1.6)	0.1	4.7	3.7	0.4	1.8
Morningstar Municipals	--	0.0	(1.4)	0.8	4.9	3.4	1.1	2.3
Morningstar IG Credit	5.1	0.3	(1.8)	(0.4)	4.8	5.1	0.9	2.9
Morningstar EM Bonds	6.1	(0.7)	(2.3)	(0.7)	7.5	8.2	2.0	3.7

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	95.6	(0.2)	42.6	66.4	42.8	12.7	9.2	8.8
Gold (\$/Troy Oz)	4605.7	(10.1)	(12.2)	6.1	51.4	32.6	21.5	13.9
Morningstar Commodity Index	133.7	(1.0)	9.9	21.9	26.0	9.2	9.6	5.2

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Dollar Index	99.2	(0.5)	1.7	0.9	(4.1)	(1.5)	1.5	0.4
Euro	1.15	(0.1)	(2.5)	(2.0)	5.9	2.6	(0.7)	0.2
British Pound	1.34	0.1	(0.6)	(0.7)	3.0	3.2	(0.8)	(0.8)
Japanese Yen	158.16	0.7	(1.3)	(0.9)	(5.1)	(5.8)	(7.2)	(3.4)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	995.2	(1.2)	(5.7)	(1.6)	19.9	19.7	10.4	12.1
MSCI EAFE	2875.1	(1.9)	(9.4)	(0.2)	18.3	16.7	8.5	9.0
MSCI Europe ex UK	3112.6	(2.8)	(10.6)	(4.3)	12.1	15.9	8.6	9.5
MSCI Japan	5028.3	(0.6)	(9.5)	4.8	25.4	18.4	6.9	9.3
MSCI EM	1476.2	(1.0)	(8.2)	5.4	32.6	19.1	5.0	9.0
MSCI Asia ex JP	964.3	(0.7)	(7.6)	5.8	32.8	18.7	4.4	9.5
MSCI LATAM	2969.4	(0.5)	(8.2)	9.9	46.0	19.9	12.1	8.5
Canada S&P/TSX Composite	23212.0	(3.0)	(7.2)	0.4	27.1	18.0	11.1	9.0

*Weekly performance calculated from Thursday close to Thursday close

Disclosures

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The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Diversification and asset allocation do not ensure a profit or protect against a loss.

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 3/19/2026

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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