APRIL 10, 2026

WEEKLY HEADINGS

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A Whirlwind of Change. Over the past year, markets have been shaped by rapid advances in AI, elevated geopolitical tensions—especially involving Iran—and persistent uncertainty around global trade. In environments like this, successful investing rarely comes from chasing headlines or reacting emotionally. It's about discipline, staying anchored to fundamentals, and executing a clear long-term game plan. This quarter, we take inspiration from the upcoming World Cup that the US will co-host as we frame our economic and market views—focusing on preparation, flexibility, and execution over short-term noise. For a closer look at our outlook, **join us this Monday, April 13 at 4 PM ET for our 2Q 2026 Outlook: *State of Play—Discipline Over Emotion* (register here).** Until then, here's a sneak peek at our playbook and targets for navigating the economy, geopolitics, and asset classes in the months ahead.

KEY TAKEAWAYS

Despite the Iran Conflict, US Economic Fundamentals Remain on Solid Footing

High-Quality Bonds Remain Part of a Balanced Lineup

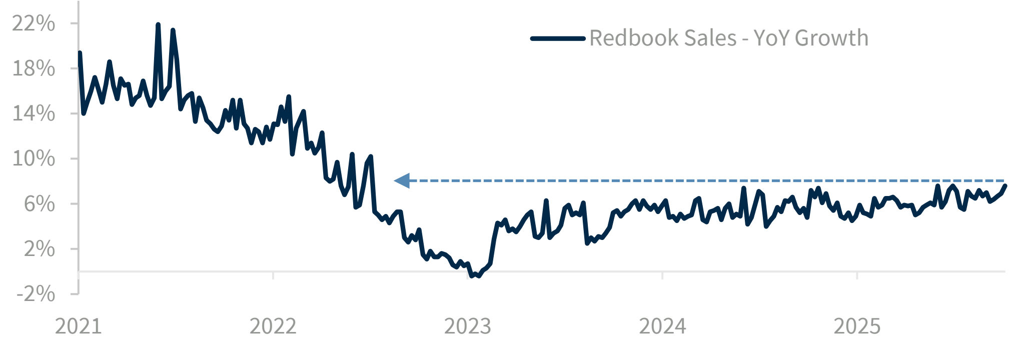
Strong Earnings and Normalized Valuations Are Supportive of the Equity Market

- **US Economy Remains Insulated From Energy Spike |** The recent surge in energy prices has raised concerns about the growth outlook, especially given that major oil spikes have often preceded recessions. That said, the US entered the Iran conflict from a position of strength. As a net oil exporter, with productivity gains helping contain inflation pressures and overall momentum still solid, our VAR *(Video Assistant Referee)* supports our view that the economy remains on firm footing. Real-time activity indicators continue to signal underlying resilience, reinforcing our expectation that growth accelerates to 2.4% in 2026. The consumer remains an area to watch, as higher gasoline prices may weigh on sentiment, but tax cuts should help offset near-term pressure. And if a durable ceasefire holds, energy prices should move lower—limiting the potential impact to discretionary spending.
- **The Fed Faces A '*Tactical*' Dilemma |** The Fed is navigating a particularly challenging environment, with inflation still running above its 2% target and a labor market increasingly making the case for eventual support. Adding to the complexity, higher oil prices are pushing inflation up in the near term while simultaneously increasing downside risks to growth. At the same time, the Fed is getting a new 'coach,' with Kevin Warsh just a confirmation away from becoming the next chair. While Warsh's experience makes him a credible choice, his long-standing criticism of the Fed and appetite for reform suggest potential internal resistance—especially with Powell expected to remain on the Board of Governors after his term ends. History shows markets often test new Fed leadership, but with the inflation bump likely temporary, we continue to see room for one additional rate cut by year-end.
- **Bonds Remain A Reliable Anchor |** High-quality bonds often step up when portfolios need them most—providing steady income in calmer markets and cushioning volatility when risks rise. Despite the recent backup in yields, our base case remains that the 10-year Treasury yield ends 2026 in the 4.25%–4.50% range, supported by solid growth, a steady labor market, and well-anchored inflation expectations. We expect yields to remain range-bound, with a move below 4% unlikely without a recession and a break above 5% requiring either a growth shock or renewed inflation pressure. We continue to favor higher-quality bonds—Treasuries, investment-grade corporates, and municipals—over riskier sectors, especially with yields still above historical averages.
- **Fundamentals Remain Supportive Of Stocks |** The recent equity market pullback is not surprising. We flagged several risks heading into the year, including elevated valuations, overly optimistic investor sentiment, and midterm elections. Importantly, the pullback has reset both valuations and sentiment—healthy adjustments that improve the market backdrop. With fundamentals still solid, we see reasons for optimism. We expect S&P 500 earnings to grow about 10% this year to $300, a conservative assumption versus the consensus near $319. Applying a 24x multiple—below last year's closing level—supports our 2026 year-end target of 7,250, or ~7% upside from current levels. We continue to favor US equities over other developed markets, as international equities face greater exposure to the energy shock, more hawkish inflation-driven policy responses, and fading currency tailwinds. That said, we continue to favor EM Asia.
- **Emphasize Sectors With Long-Term Secular Tailwinds |** This year has featured notable momentum shifts beneath the surface, especially as uncertainty remains elevated amid the Middle East conflict. In this environment, we continue to focus on sectors with long-term secular tailwinds that can drive returns over time. Technology, despite recent underperformance, remains a long-term favorite, supported by strong revenue growth, upward earnings revisions, and record margins. Industrials should benefit from rising defense spending and the ongoing AI buildout. We also favor Health Care, given attractive valuations, along with Consumer Discretionary, which stands to benefit from healthy household balance sheets and tax refunds. While Energy has had a strong start amid the oil price surge, we expect oil prices to drift back toward $60/bbl by year-end as the conflict eases—creating a headwind for the sector.

CHART OF THE WEEK

Real-Time Indicators Suggest the Economy is on Solid Footing

Despite elevated gas prices, consumer spending has remained resilient up to this point. Redbook sales (a measure of department store spending) continues to accelerate and rose at the fastest YoY pace in three years this week.



Source: FactSet, Data as of 4/8/26

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Economy

- Headline CPI rose an expected 0.9% MoM, driven by a 21.2% surge in gasoline, while core CPI came in softer than expected at 0.2% MoM. As long as higher energy prices do not spill over into core inflation, this report supports the view of one fed rate cut this year.
- February's PCE Price Index report, the Fed's preferred measure of inflation, showed headline PCE unchanged at 2.8% year-over-year, while core PCE edged down to 3.0%. Still, both measures rose a strong 0.4% on the month, underscoring persistent price pressures.
- **Focus of the Week:** In addition to further inflation-related reports (PPI on Tue. & Trade Prices on Wed.), markets will get a gauge of the housing market with the release of Existing Home Sales on Monday and the NAHB Housing Market Index on Wednesday.

April 13 – April 17

MON	Existing Home Sales
TUE	NFIB Small Bus. Index PPI
WED	Import/Export Price Indices NAHB Housing Market Index Fed Beige Book
THU	Jobless Claims Industrial Production
FRI	
FUTURE EVENTS	4/21 Retail Sales 4/24 Michigan Sentiment (Final)

Equity

- The S&P 500 is on pace to gain 4% WTD, marking its first two-week win streak since December. The move was driven by easing geopolitical risks after the US and Iran agreed to a temporary ceasefire, reducing fears of prolonged energy supply disruptions. Communication Services, Industrials, and Consumer Discretionary were the three best performing sectors, while Energy was the lone decliner. With this week's rally, the S&P 500 is now up 8% off the recent lows and reclaimed key technical levels, as it rose above both its 50- and 200-day moving averages. In aggregate, the S&P 500 is down less than 1% since the conflict in Iran began.
- With the market moving past the potential worst-case scenarios from the conflict, investor focus will shift toward 1Q earnings, which kick off in earnest next week with reports from the major US banks. Heading into earnings season, expectations are elevated, with S&P 500 earnings growth projected at ~13% year-over-year. If this comes to fruition, it would mark the sixth straight quarter of double-digit EPS growth—the longest streak since 2011. The resilience of earnings estimates has been a key story, as 1Q EPS estimates have been revised up 0.2% in the 12 weeks leading up to earnings season, defying the typical 3% downward revision over that time period. Notably, 59 S&P 500 companies have issued upward guidance for the first quarter—the most since 2021. While this highlights a supportive fundamental backdrop, the recent rally leaves less room for error and raises the risk of volatility if earnings fall short.
- **Focus of the Week**: Next week marks the 'unofficial' start to the 1Q26 earnings season with results from the major US banks. Consensus currently expects 15% Y/Y EPS growth for Financials—one of only four sectors expecting double-digit growth in 1Q26.

Fixed Income

- Treasury yields enjoyed a brief relief rally following the ceasefire announcement, with the 10-year yield falling to a 3-week low of 4.29%. However, renewed doubts around the durability of a truce, hawkish-leaning FOMC meeting minutes, and a reacceleration in inflation before the war—core PCE is now running at a 3-month annualized rate of 4.4%—capped further downside in yields. While policymakers should look through the energy-driven inflation surge, an extended pause looks likely. Meanwhile, as the market continues to weigh growth risks against persistent inflation pressures, yields should remain range-bound rather than sustain a meaningful rally.
- After its worst month since October 2024 in March, US investment-grade credit (+0.8% MTD) has rebounded, returning to positive territory on the year as Treasury yields stabilized, and risk appetite improved. Markets continue to absorb heavy corporate supply—early April issuance exceeded expectations—but volumes this month are set to decelerate from Q1's record pace, which may provide a technical tailwind for credit. Spreads have been remarkably resilient this year, never breaching 93 bps during the Iran conflict and recently tightening to 80 bps, their lowest level since before hostilities began—sharply contrasting with last year's tariff-driven spike.
- **Focus of the Week:** The Fed's Beige Book—covering late February and March—will provide a snapshot of the war's economic impact.

Washington Policy

- In-person negotiations for a long-term deal to end the conflict in Iran are set to begin this weekend. A two-week ceasefire was brokered by Pakistan, with a last-minute push from China, and followed days of escalatory rhetoric that included threats to "end" Iran's civilization. The US has demanded a "complete, immediate and safe" reopening of the Strait of Hormuz, and Iran has reportedly agreed in exchange for a suspension of US attacks; however, there is dispute over the status of the Strait.
- Domestically, the US government is still partially shut down. In Congress, attention shifted back to "Reconciliation 2.0" as Republicans explore additional reconciliation bills. GOP leaders have signaled they intend to split border and defense funding into separate bills. That said, any reconciliation effort will be constrained by the thin GOP margin and the election year calendar. The White House is also pushing for a $1.5 trillion defense budget including the Golden Dome defense system, shipbuilding, and the defense-industrial base.

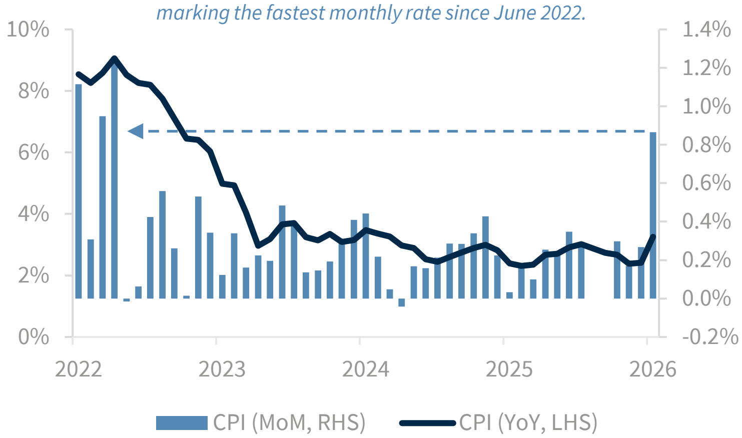
International

- While the twists and turns of US-Iran negotiations won't always be made public, among the tell-tale signs of whether diplomacy is making progress will be the pace of recovery in shipping traffic via the Strait of Hormuz. After a precipitous drop in the early days of the conflict, traffic began to tick up in late March / early April. If the ceasefire holds, we expect two mutually reinforcing dynamics. First, Iran is likely to loosen its wartime restrictions on traffic, though its plan to collect tolls—alongside Oman—may be here to stay. Second, international shipping companies are likely to regain confidence that their crews and vessels will be safe in the Persian Gulf.
- Putting both of those dynamics together, we envision the period of recovery in traffic to pre-war levels to take two to three months, with improvement starting off slowly and then accelerating. As more tankers enter the Gulf, there should be a commensurate recovery in oil exports. Fertilizer exports should rebound at a similar pace. With LNG and its byproduct helium, the situation is different, recalling that Iran's March 18 strike on Qatar's Ras Laffan LNG plant may require a multi-year period of repairs. The big picture is that there is finally a realistic roadmap toward ending the world's largest energy supply disruption since World War II, but it will take time.

Charts of the Week

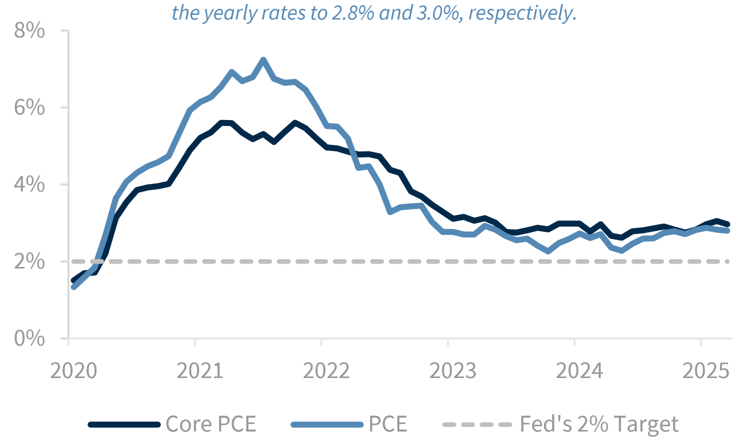
Inflation: Consumer Prices

Driven by a surge in energy prices, headline CPI rose 0.9% MoM marking the fastest monthly rate since June 2022.



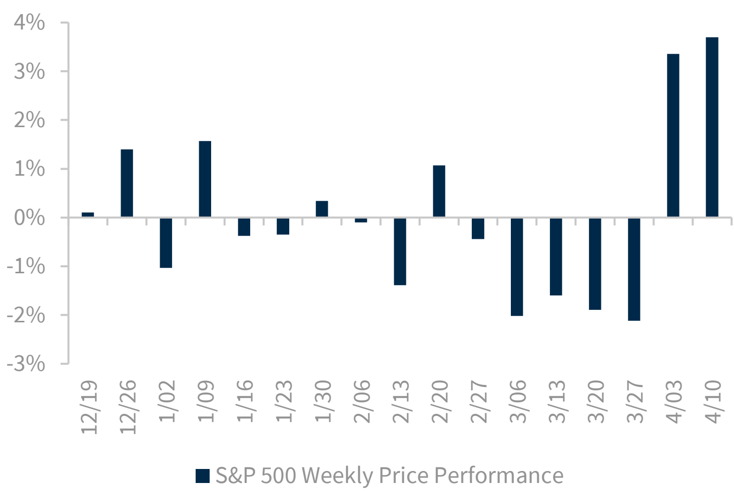
Inflation: Personal Consumption

Both headline and core PCE Prices increased 0.4% MoM, pushing the yearly rates to 2.8% and 3.0%, respectively.



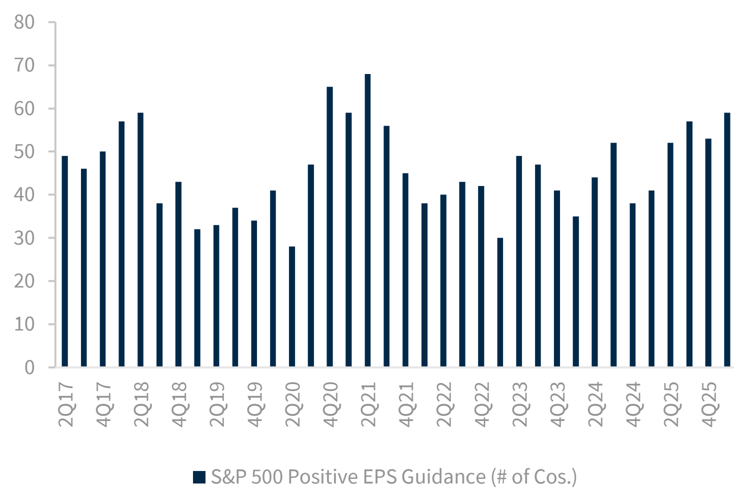
Two-Week Win Streak for Equities

The S&P 500 is tracking its first two-week winning streak since December.



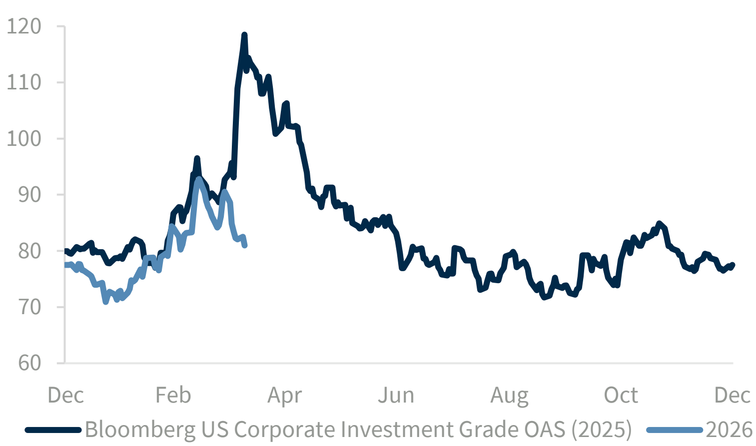
Positive Guidance

59 S&P 500 companies have issued positive 1Q26 EPS guidance for this reporting quarter, the highest since 2021.



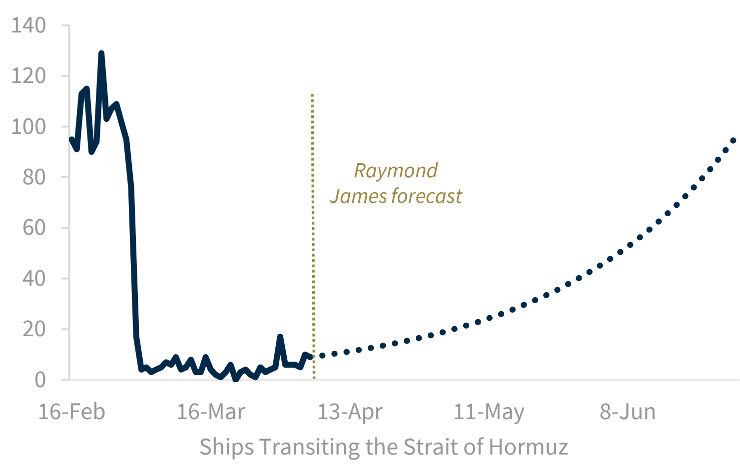
High-Quality Credit Risk Premiums Hold Firm

IG credit spreads have been notably resilient despite record issuance and risk aversion, remaining below 2025's tariff-driven peak.



Recovery In Shipping Traffic Won't Be Instantaneous

As Iran loosens restrictions, and shippers regain confidence, we expect traffic via the Strait of Hormuz to reach pre-war levels no earlier than June.



Source for charts: FactSet and IMF, as of 4/9/2026.

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Asset Class Performance | Distribution by Asset Class and Style (as of April 9)**

Weekly Returns (as of April 9)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	3.5%	3.6%	3.6%
Mid Cap	3.2%	2.9%	1.7%
Small Cap	3.9%	4.2%	4.6%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	3.1%	3.7%	5.7%
Mid Cap	3.1%	3.3%	5.0%
Small Cap	3.8%	3.8%	4.2%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	0.0%	0.2%	0.2%
Invest. Grade	0.2%	0.3%	0.4%
High Yield	0.6%	1.0%	2.0%

Year-to-Date Returns (as of April 9)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	6.6%	0.1%	-5.8%
Mid Cap	8.3%	5.4%	-4.0%
Small Cap	10.5%	6.6%	3.0%

International Equities (MSCI indices)

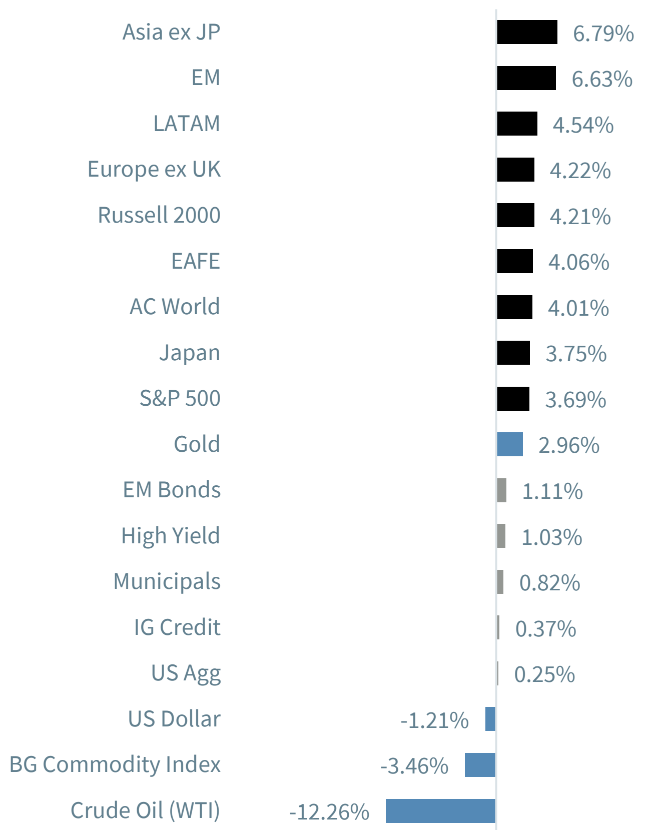
	Dev. Mkt	World	Emerg. Mkt
Large Cap	5.3%	1.9%	10.0%
Mid Cap	7.8%	5.4%	11.1%
Small Cap	5.7%	7.4%	8.4%

Fixed Income (Bloomberg indices)

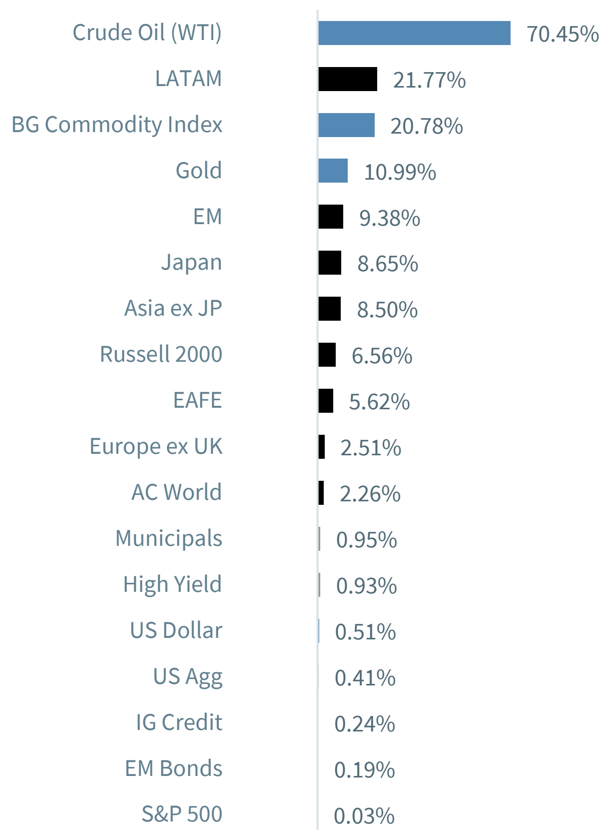
	1-3 YR	Medium	Long
Treasury	1.0%	0.1%	0.0%
Invest. Grade	0.6%	0.3%	0.2%
High Yield	1.0%	0.9%	1.4%

Asset Class Performance | Weekly and Year-to-Date (as of April 9)**

Weekly***



Year-to-Date***



Commodities Equities Fixed Income

**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	6824.7	3.7	4.6	0.0	26.6	20.0	12.2	14.7
DJ Industrial Average	48185.8	3.6	4.0	0.3	18.7	12.9	7.4	10.6
NASDAQ Composite Index	22822.4	4.3	5.7	(1.8)	33.3	23.5	10.4	16.7
Russell 1000	7156.7	3.6	4.4	0.1	17.7	18.1	11.3	14.0
Russell 2000	6551.9	4.2	5.6	6.6	25.7	13.0	3.8	9.9
Russell Midcap	10355.2	2.9	4.0	5.4	16.0	13.3	7.3	10.9

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	653.2	2.9	4.1	14.2	30.4	11.3	7.4	11.0
Industrials	1458.1	5.1	6.5	11.4	37.7	22.6	13.2	13.8
Comm Services	452.6	6.1	7.7	0.2	42.3	33.2	13.4	12.5
Utilities	479.2	1.7	2.8	11.3	27.8	14.0	11.2	10.4
Consumer Discretionary	1829.0	5.2	4.6	(5.0)	17.5	18.3	6.2	12.6
Consumer Staples	944.2	1.9	2.0	9.9	11.0	9.0	8.7	8.5
Health Care	1741.7	1.7	1.9	(3.1)	9.5	5.6	6.6	9.9
Information Technology	5465.7	4.0	6.0	(3.7)	37.8	28.7	18.0	23.6
Energy	880.8	(3.3)	(6.6)	29.1	44.3	14.2	23.8	10.6
Financials	853.8	3.6	3.9	(5.8)	10.3	19.0	9.9	13.3
Real Estate	274.2	2.9	4.8	10.0	16.6	9.5	5.2	6.9

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.0	0.1	1.0	4.1	4.8	3.4	2.3
2-Year Treasury (%)	3.8	0.1	0.1	0.3	3.5	3.6	1.6	1.6
10-Year Treasury (%)	4.3	0.2	0.4	0.0	4.7	1.4	(1.1)	0.3
Bloomberg US Corporate HY	7.3	1.0	1.4	0.9	11.3	9.1	4.4	6.2
Bloomberg US Aggregate	4.5	0.2	0.5	0.4	5.8	3.4	0.3	1.7
Bloomberg Municipals	--	0.8	1.1	1.0	9.6	2.9	1.0	2.2
Bloomberg IG Credit	5.1	0.4	0.8	0.2	7.5	4.6	0.8	2.8
Bloomberg EM Bonds	6.0	1.1	1.6	0.2	11.5	8.0	2.1	3.7

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	97.9	(12.3)	(3.5)	70.4	57.0	6.6	10.5	9.4
Gold ($/Troy Oz)	4818.0	3.0	3.0	11.0	56.5	33.5	22.5	14.5
Bloomberg Commodity Index	132.5	(3.5)	(2.0)	20.8	32.9	7.6	9.5	5.3

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.8	(1.2)	(1.1)	0.5	(4.0)	(1.0)	1.4	0.5
Euro	1.17	1.2	1.4	(0.5)	5.9	2.3	(0.3)	0.2
British Pound	1.34	1.3	1.7	(0.3)	5.2	2.6	(0.5)	(0.5)
Japanese Yen	159.22	0.1	(0.1)	(1.6)	(9.1)	(6.1)	(7.2)	(3.8)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1032.6	4.0	5.5	2.3	33.9	19.2	10.5	12.6
MSCI EAFE	3029.0	4.1	6.8	5.6	44.2	16.6	9.3	9.8
MSCI Europe ex UK	3319.0	4.2	6.8	2.5	39.4	15.4	9.4	10.4
MSCI Japan	5167.0	3.8	7.0	8.7	48.8	19.2	8.1	9.7
MSCI EM	1528.6	6.6	9.5	9.4	58.0	19.2	5.8	9.5
MSCI Asia ex JP	987.4	6.8	9.7	8.5	58.3	18.5	5.0	9.9
MSCI LATAM	3279.7	4.5	6.2	21.8	77.6	22.1	14.5	9.8
Canada S&P/TSX Composite	24218.0	1.1	2.2	5.6	41.1	18.3	11.7	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.

NFIB SMALL BUSINESS INDEX | The NFIB Small Business Optimism Index is a monthly, headline economic indicator measuring the financial health and confidence of U.S. small business owners. Based on a survey of NFIB member businesses, it calculates an index from 10 components like hiring plans, earnings trends, and expansion plans.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 4/9/2026

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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