WEEKLY HEADINGS

Larry Adam, *Chief Investment Officer*
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Happy May Day! With two months having passed since shipping through the Strait of Hormuz was effectively shut down, the world is now facing the largest oil supply disruption in history, driving prices well north of $100/barrel. The key question we're getting from investors is: where does oil go from here? Despite ongoing uncertainty around potential US-Iran escalation or de-escalation, we expect prices to move meaningfully lower over time, converging toward our recently updated $70/barrel forecast by year-end. This view assumes shipping traffic recovers to pre-war levels by mid-July, though we acknowledge the diplomatic path—and its timing—remain uncertain. Importantly, our oil outlook still does *not* imply a recession; while higher energy prices pose an economic headwind, particularly for inflation, we still expect the path of oil prices to trend lower into year-end for four key reasons.

KEY TAKEAWAYS

Oil Prices Are Set To Move Meaningfully Lower By Year-End

Once The Strait Of Hormuz Reopens, Production Should Ramp Up Quickly

Higher Energy Prices Pose A Headwind, But The Economy & Markets Can Absorb It

Four Reasons Why Oil Prices Should Move Lower By Year-End | Despite currently elevated oil prices, we remain confident that oil prices can decline meaningfully towards $70/barrel by year-end for the following reasons:

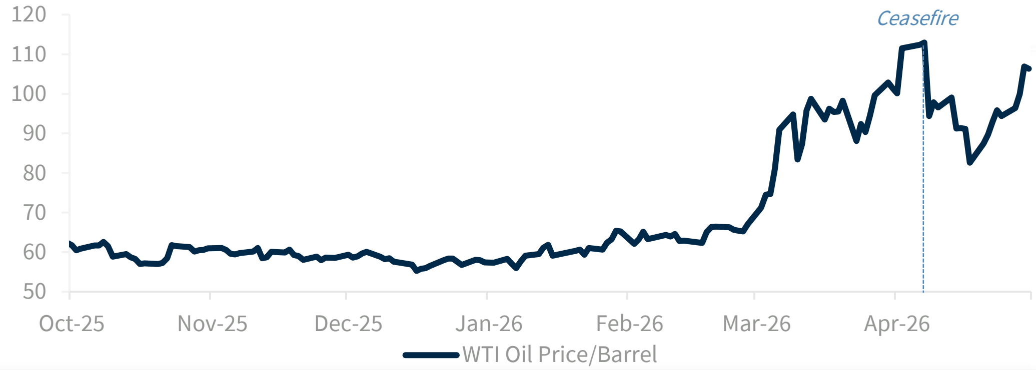
- **Both The US And Iran Need A Durable Off-Ramp**—The Iran conflict has proven deeply unpopular, with approval averaging around 30%. With the midterms just over six months away, political considerations are likely to factor into how the White House charts its path forward. The longer $4.00+/gallon prices at the pump persist, the more downward pressure it will place on Republican approval ratings—raising the likelihood of a Democratic sweep of Congress. At the same time, Iran also has a strong incentive to reach a deal. The US blockade of Iranian ports has effectively cut off its oil exports, severing a key source of export revenue for its economy. Iran is facing an estimated GDP decline of nearly 10% this year. With both sides motivated to strike a deal, an offramp appears likely—the key uncertainty is the timing.
- **The Supply Disruption Is Primarily A Shipping Issue**—The good news is that oil infrastructure—unlike LNG infrastructure—has suffered only limited damage from recent military actions. Once US-Iran negotiations reach a settlement, shipping traffic through the Strait of Hormuz should normalize relatively quickly. With safe transit restored, countries around the Persian Gulf would be able to resume oil production at pre-war levels. While the timing of a diplomatic breakthrough remains uncertain, our base case assumes that shipping gradually normalizes by mid-July. More important, markets are highly sensitive to any signs of incremental progress. Case in point: WTI oil prices dropped from ~$110 to ~$80/barrel as reports of a ceasefire made news headlines in early April.
- **There Is Already Evidence Of Oil Demand Weakening**—Over the past two months, we estimate that over 800 million barrels of global oil supply has been lost. Under our base case, cumulative losses could rise to an estimated range of 1.2 to 1.5 billion barrels. With the IEA's 32 members committing to release 400 million barrels from emergency stockpiles, this offsets no more than one-third of the supply loss. The remaining adjustment will most likely come through what the industry calls *demand destruction*—and it is already happening. In developed economies and China, impacts have been modest, including suspension of select airline routes and changes in individual travel plans. The Eurozone economy also saw a sharp slowdown in growth to just 0.1% QoQ in Q1, as elevated energy prices weigh on economic activity. Meanwhile, in lower-income countries, the impacts may be more serious, with fuel rationing and remote-work mandates for government employees being implemented. Putting all that together, the IEA projects global demand to decline in 2026—for the first time since COVID. In essence, higher oil prices are often the 'cure' for higher oil prices.
- **New Supply Is Coming Onstream**—As important as the Persian Gulf is, other sources of oil supply are set to contribute as 2026 progresses. This includes oilfield projects that are scheduled to be completed in Brazil, Canada, Norway, Uganda, and the US. As these oilfields come onstream in the coming months, the incremental supply (roughly 1.1M barrels per day in aggregate) should mitigate the impact of the Mid-East disruption. In addition, the United Arab Emirates (UAE) decision to end its membership with OPEC could further bolster supply once war-related disruptions cease and the Strait fully reopens. Over time, these factors should place additional downward pressure on oil prices even though the market remains focused on near-term supply tightness. Energy stocks have benefited from higher oil prices but remain ~5% below their recent peak and have lagged the S&P 500 by over 10% since the April 7 ceasefire, as investors question how long elevated prices can last.

Bottom Line | While oil prices are likely to remain elevated in the near term, we do not view the current disruption as a lasting supply shock. A diplomatic resolution—or even progress towards one—should help bring prices lower by year-end. Although higher oil prices are a headwind, we believe both the economy and equity markets can absorb the impact with limited damage, as underlying fundamentals remain strong.

CHART OF THE WEEK

Oil Prices Remain Highly Sensitive To US-Iran Headlines

Oil prices remain highly sensitive to any signs of incremental progress—or setbacks—in the US-Iran conflict. The announcement of a ceasefire in early April sent prices tumbling from nearly $110 barrel to the mid-80's in just over a week.



Source: FactSet. Data as of 4/30/26

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Economy

- Real 1Q GDP growth came in at 2.0% QoQ, supported by a rebound in government spending and strong nonresidential investment relating to AI spend. The more concerning part was the 4.5% QoQ rise in the PCE deflator, reflecting broad-based inflation pressures.
- Housing starts rebounded a stronger-than-expected 10.8% MoM in March, but building permits fell 10.8%, pointing to softer construction activity ahead. Home price growth also continued to cool, with the FHFA Home Price Index up just 1.7% YoY in February.
- Consumer confidence surprised to the upside in April, rising to 92.8 for a third straight monthly gain, though the Expectations Index remained below the recession threshold of 80 at 72.2.
- **Focus of the Week:** Next week is employment week, highlighted by the JOLTS report on Tuesday, where markets expects 6,450 job opening—the lowest since August 2020 if true, and the all-important Employment Report on Friday (RJ Forecast: ~70,000).

May 4 – May 8

MON	Factory Orders Senior Loan Officer Survey	WED	ADP Employment Report	FRI	Employment Report Michigan Sentiment
TUE	JOLTS New Home Sales ISM Services	THU	Unit Labor Costs Construction Spending Consumer Credit	FUTURE EVENTS	5/12 CPI 5/13 PPI

Equity

- Despite an initial broadening in equity performance in the first few months of 2026, performance has narrowed yet again. In April, the S&P 500 market-cap–weighted index outperformed the equal-weight index by approximately 5%, marking the third-strongest month of outperformance over the past 30 years and the strongest since 2020. This divergence largely reflects the market-cap index's greater exposure to mega-cap tech companies most levered to AI investment trends, where performance has been supported by superior fundamentals (robust EPS and sales growth, record margins). In fact, as hyperscalers raised 2026 capex outlooks on AI infrastructure investment this week, consensus estimates now point to the semiconductor industry and overall tech sector achieving EPS growth of a remarkable 84% and 41% YoY, respectively, in 2026. These strong fundamentals support our positive stance on Technology.
- While constructive earnings commentary could provide near-term support for market sentiment, several risks are likely to command investor attention in the months ahead. These include rising oil prices, which have moved back above $100 per barrel, a renewed increase in interest rates with the 10-year Treasury yield approaching 4.4%, and unfavorable seasonality. Notably, the May–October period has historically represented the weakest six-month stretch for equities, gaining only 2% on average, dating back to 1950.
- **Focus of the Week**: Next week, the focus shifts back to the "experiential" economy via earnings results from many travel and leisure names including Airbnb, Disney, Host Hotels, and Wynn Resorts.

Fixed Income

- As expected, the Fed held its policy rate steady at 3.50%–3.75% as policymakers assess the extent of the economic fallout from Middle East conflict. The bigger news was the four dissents—the most since 1992. Three FOMC voters opposed language suggesting a bias toward easing in the post-meeting statement, while one (Miran) dissented in favor of a cut. These splits point a potential shift to a more balanced stance, setting the stage for a more challenging debate on the future rate path at Kevin Warsh's first FOMC meeting in June. Another key development was Chair Powell's announcement that he intends to remain on the Board after his term ends May 15, citing a lack of finality into the DOJ's investigation and concerns about threats against Fed independence.
- Treasury yields pushed higher as renewed upward pressure on oil prices revived inflation concerns. With WTI crude up more than 20% over the past two weeks, the 30-year yield re-tested 5%, while the 10-year broke decisively above its April anchor near 4.30%, briefly climbing above 4.40% to a one month high. In contrast to March's rise, this move has been driven by rising inflation expectations—with the 10-year breakeven rate—which measures average expected inflation—climbing to its highest level (2.49%) in over two years. However, as Chair Powell emphasized, long-term expectations remain anchored around 2%–2.5%—highlighting the Fed's credibility.
- **Focus of the Week:** Alongside Fed commentary, April's jobs report and the Treasury's Quarterly Refunding Announcement are in focus. The Treasury will publish 2Q26 borrowing estimates on Monday, followed by financing details and issuance guidance on Wednesday.

Washington Policy

- Concerns over a protracted closure of the Strait of Hormuz and/or military escalation drove the price of WTI crude this week to the highest point since the US-Iran ceasefire, with a durable offramp remaining unclear at this stage. The cancellation of a trip by envoys Jared Kushner and Steve Witkoff to Pakistan, the US rejection of an Iranian proposal to reopen the Strait and punt negotiations on its nuclear program, and signals from both President Trump and Supreme Leader Khamenei of a willingness to sustain the blockade/conflict come as key developments of the week. While we believe both the US and Iran are seeking an end to the war, we also believe that both sides view themselves as having the strategic advantage. The longer talks continue without delivering meaningful progress, the likelier the chance of a US military re-engagement. Any diplomatic path forward will likely be complicated.

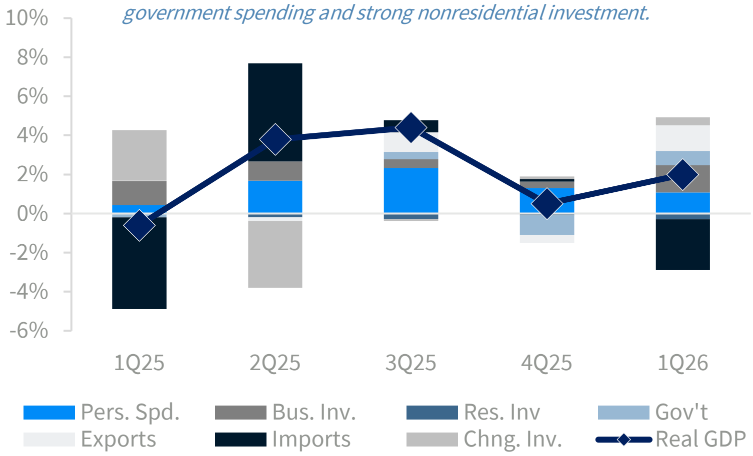
International

- As expected, the G7 central banks left interest rates unchanged at their policy meetings this week as policymakers assess the economic impact and likely duration of the Middle East conflict. However, with oil prices rising above $100/barrel again, policymakers remain on high alert for potential second-round effects as inflation pressures persist. While policymakers did not pre-commit to a specific rate path, market pricing for the single mandate Central Banks continues to lean toward rate hikes later this year.
- Following the BOJ meeting, the Japanese yen weakened above a key intervention threshold, above 160 against the US dollar. In response, Japan officials intervened in the currency markets, driving the yen from above 160 to ~156, a ~3+% appreciation versus the USD. This marked the first intervention since July 2024 aimed at deterring speculative pressure adding to yen weakness. History shows that interventions can slow currency moves, but rarely reverse them unless it is supported by fundamentals.

Charts of the Week

Robust Economic Activity

1Q GDP growth came in at 2.0% QoQ, supported by a rebound in government spending and strong nonresidential investment.

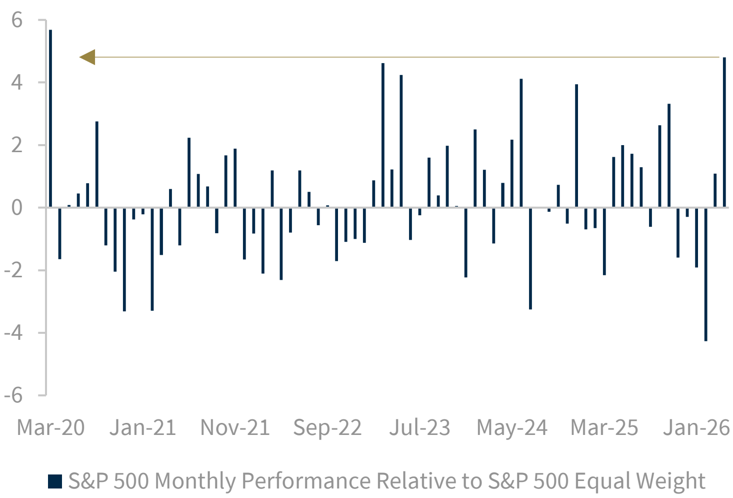


Home Price Cooldown Continues

The FHFA Home Price Index was up just 1.7% YoY in February, marking its slowest pace since 2012.

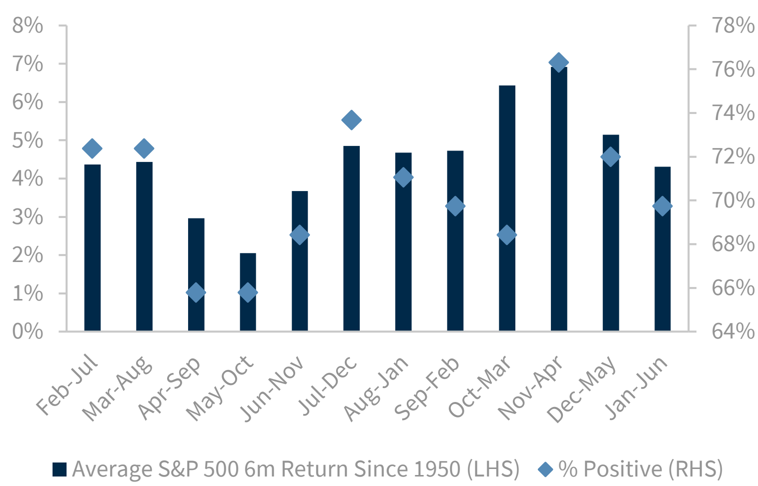
Performance Narrows

The S&P 500 outperformed the S&P 500 equal weight by 5% in April, the strongest outperformance since March 2020.



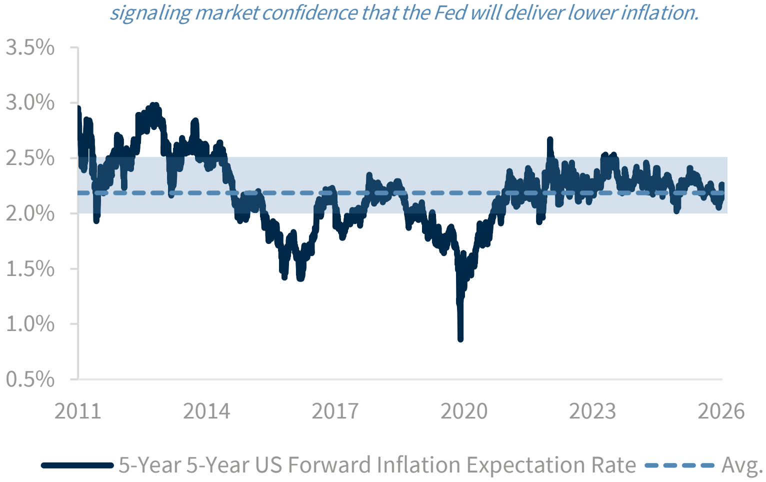
Seasonal Summer Blues

May through October represents the weakest 6m stretch of S&P 500 performance on average dating back to 1950.



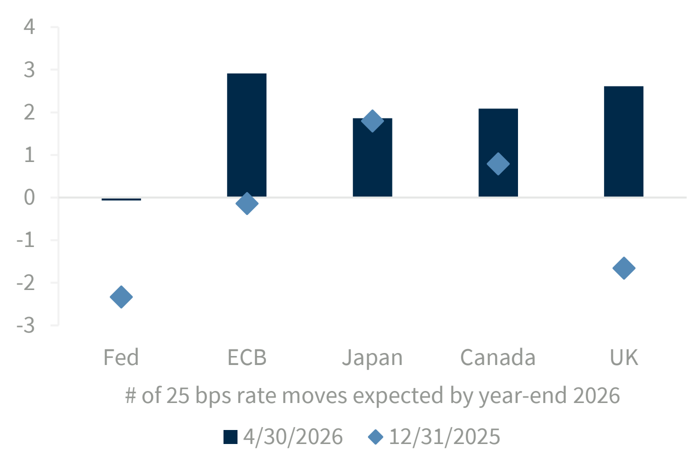
Markets Are Pricing In Fed Credibility

As Powell emphasized, long-term inflation expectations are firmly anchored, signaling market confidence that the Fed will deliver lower inflation.



Markets Price In Rate Hikes Across Most Central Banks

The US-Iran conflict has shifted the rate outlook towards hikes, particularly among the single mandate Central Banks, such as the UK and ECB.



Source for charts: FactSet, as of 4/30/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of April 30)**

Weekly Returns (as of April 30)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	1.6%	1.3%	0.9%
Mid Cap	0.5%	0.5%	0.6%
Small Cap	0.6%	0.9%	1.2%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	-0.3%	1.0%	0.4%
Mid Cap	-0.5%	0.3%	0.7%
Small Cap	-0.1%	0.5%	0.7%

Fixed Income (Bloomberg indices)

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

Year-to-Date Returns (as of April 30)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	10.4%	5.5%	1.0%
Mid Cap	11.5%	8.7%	-0.3%
Small Cap	15.1%	13.2%	11.5%

International Equities (MSCI indices)

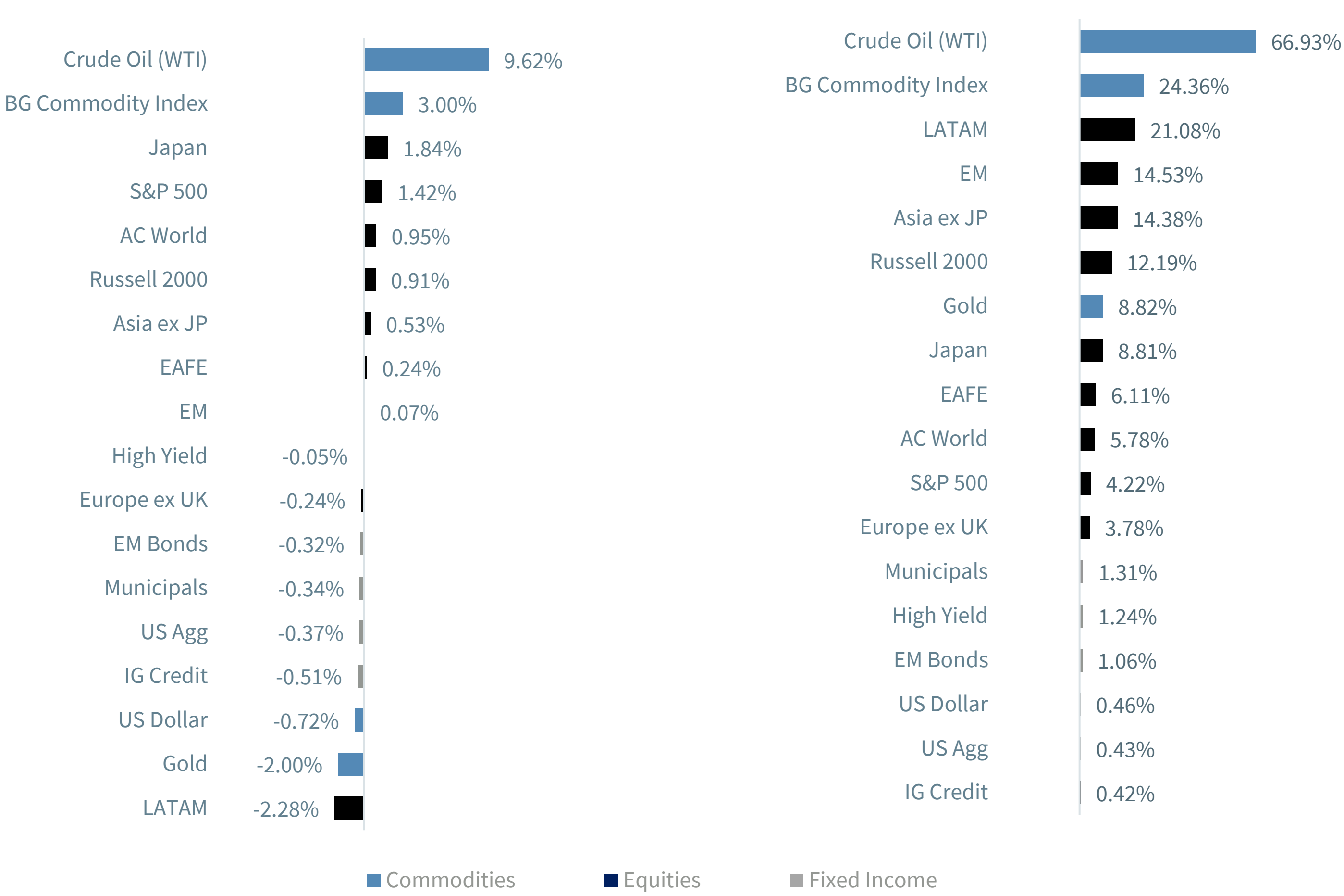
	Dev. Mkt	World	Emerg. Mkt
Large Cap	5.1%	6.4%	15.3%
Mid Cap	6.8%	8.3%	17.5%
Small Cap	6.1%	10.8%	14.6%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	1.2%	-0.2%	-0.5%
Invest. Grade	0.7%	0.2%	0.0%
High Yield	1.3%	1.2%	1.2%

Asset Class Performance | Weekly and Year-to-Date (as of April 30)**

Weekly* Year-to-Date*****



**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).

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Weekly Data**

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7209.0	1.4	0.0	5.7	31.1	21.6	13.1	15.3
DJ Industrial Average	49652.1	0.7	0.0	3.3	22.1	13.3	7.9	10.8
NASDAQ Composite Index	24892.3	1.9	0.0	7.1	42.7	26.7	12.3	17.9
Russell 1000	7542.4	1.3	10.1	5.5	30.4	21.5	12.3	15.0
Russell 2000	6958.5	0.9	12.2	13.2	44.4	18.2	5.7	11.0
Russell Midcap	10681.7	0.5	7.3	8.7	25.8	16.2	7.7	11.6

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	644.4	(1.0)	0.0	12.7	23.8	10.4	6.4	10.3
Industrials	1477.8	0.3	0.0	12.9	34.8	22.3	13.2	13.7
Comm Services	497.7	5.5	0.0	10.3	55.9	37.0	15.1	13.7
Utilities	476.0	1.6	0.0	10.5	22.1	14.2	10.4	10.4
Consumer Discretionary	1953.0	1.2	0.0	1.5	25.2	20.1	7.2	13.2
Consumer Staples	952.9	0.9	0.0	11.0	8.3	8.4	8.7	8.8
Health Care	1700.5	(0.2)	0.0	(5.3)	5.8	4.8	5.5	9.6
Information Technology	6057.7	1.1	0.0	6.7	49.2	32.6	20.8	25.5
Energy	910.2	4.4	0.0	33.5	52.4	15.4	24.1	10.1
Financials	866.9	0.7	0.0	(4.3)	8.6	18.2	9.5	12.9
Real Estate	285.4	1.2	0.0	14.6	14.6	10.4	4.9	7.6

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.1	0.0	1.2	4.1	4.8	3.5	2.3
2-Year Treasury (%)	3.9	(0.0)	0.0	0.4	2.8	3.7	1.6	1.6
10-Year Treasury (%)	4.4	(0.4)	0.0	(0.5)	2.7	1.5	(1.3)	0.3
Bloomberg US Corporate HY	7.3	(0.0)	0.0	1.2	8.8	8.9	4.4	5.9
Bloomberg US Aggregate	4.6	(0.4)	0.0	0.1	4.1	3.5	0.2	1.7
Bloomberg Municipals	--	(0.3)	0.0	1.0	6.3	3.3	0.9	2.2
Bloomberg IG Credit	5.1	(0.5)	0.0	(0.1)	5.3	4.6	0.6	2.7
Bloomberg EM Bonds	6.0	(0.3)	0.0	0.7	9.4	8.3	2.1	3.6

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	105.1	9.6	0.0	83.0	80.5	11.0	10.6	8.6
Gold ($/Troy Oz)	4629.6	(2.0)	1.1	6.6	39.5	32.3	21.2	13.6
Bloomberg Commodity Index	140.5	3.0	0.0	28.1	39.2	10.4	9.2	5.1

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.1	(0.7)	0.0	(0.3)	(1.4)	(1.2)	1.4	0.5
Euro	1.17	0.2	0.0	(0.1)	3.2	2.0	(0.5)	0.2
British Pound	1.36	0.6	0.0	1.0	1.7	2.6	(0.4)	(0.7)
Japanese Yen	156.71	1.7	0.0	0.0	(9.0)	(4.6)	(7.0)	(3.7)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1077.1	1.0	0.0	6.8	31.5	20.4	11.2	12.8
MSCI EAFE	3038.6	0.2	0.0	6.4	25.2	15.9	9.4	9.4
MSCI Europe ex UK	3329.8	(0.2)	0.0	3.5	21.3	14.5	9.2	10.1
MSCI Japan	5268.7	1.8	0.0	10.8	31.0	19.4	9.2	9.3
MSCI EM	1600.2	0.1	0.0	14.6	47.5	21.3	6.5	9.7
MSCI Asia ex JP	1045.8	0.5	0.0	15.0	49.0	21.4	6.0	10.4
MSCI LATAM	3179.0	(2.3)	0.0	18.3	52.6	19.4	13.4	8.5
Canada S&P/TSX Composite	24953.6	0.2	0.0	7.1	36.7	18.0	12.2	9.3

**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.

CONSUMER SENTIMENT INDEX | The University of 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.

EXPECTATIONS INDEX | The Expectations Index is a sub-component of the Consumer Confidence Index (CCI) that measures consumer sentiment regarding future economic prospects over the next six months. It accounts for 60% of the total CCI and is based on surveys assessing future business conditions, employment, and income.

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.

FHFA HOUSE PRICE INDEX | The FHFA House Price Index® (FHFA HPI®) is a comprehensive collection of publicly available house price indexes that measure changes in single-family home values based on data that extend back to the mid-1970s from all 50 states and over 400 American cities.

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.

SENIOR LOAN OFFICER SURVEY (SLOOS) | The Senior Loan Officer Opinion Survey on Bank Lending Practices (SLOOS) is a quarterly report by the Federal Reserve, polling up to 80 large domestic banks and 24 foreign branches regarding changes in lending standards, terms, and loan demand for businesses and households. It is used to track credit tightening/easing, which historically correlates with GDP growth and indicates economic health.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 4/30/2026

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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