We will not publish Weekly Headings next Friday, December 26.
Enjoy the Christmas holiday with family and friends!

DECEMBER 19, 2025

WEEKLY HEADINGS

Larry Adam, *Chief Investment Officer*
Follow Larry on Linkedin or on X

'Tis the Season! As the holiday season unfolds, we want to extend our heartfelt wishes for a joyful, healthy, and prosperous New Year! Before we turn the page on 2025, let's take a moment to reflect on the key trends that shaped the economy and financial markets this year. Despite heightened policy uncertainty and persistent geopolitical tensions, both proved remarkably resilient. Strong corporate earnings and AI enthusiasm propelled the S&P 500 to its third consecutive year of double-digit gains (+16.6% YTD), while slowing—but still positive—economic growth and timely Fed rate cuts pushed Treasury yields lower. As we prepare to unveil our Ten Themes for 2026 on January 5, featuring asset class views and actionable ideas, we're closing out the year with twelve *aspirational* wishes for macro developments that, *if* realized, could set the stage for a thriving economy and positive financial markets in the year ahead. *Let's review our 12 wishes:*

KEY TAKEAWAYS

Fading Uncertainty And Fiscal Tailwinds Should Lift US Economic Growth

Weak Labor Trends Unlikely To Morph Into A Sharper Downturn

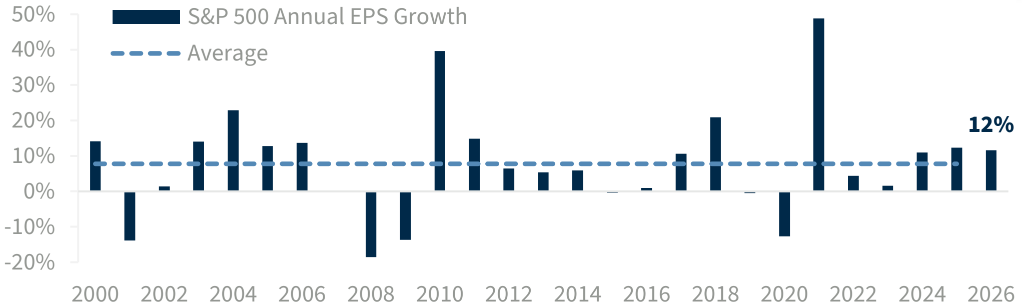
Solid Earnings Growth And A Resilient Economy Should Support US Equities

1. **One United States Forevermore! |** Despite today's heightened political discourse, we remain hopeful that America's 250th birthday—a historical milestone honoring the Declaration of Independence—will serve as a moment to bring people together. We hope this patriotic celebration inspires all Americans to reflect on our shared values and unify the nation.
2. **Two Percent (Or More) Economic Growth |** Tariff turmoil could have derailed growth in 2025, but the economy proved more resilient than expected. While business uncertainty and softer hiring led to a modest slowdown, some timely Fed rate cuts and the upcoming tax cuts in the One Big Beautiful Bill Act (OBBBA) should help put growth back on a stronger track in 2026.
3. **An Unemployment Rate That Starts With A Three |** The unemployment rate has climbed to a four-year high of 4.6% amid sluggish hiring trends. While a low-hire, low-fire environment may persist, the Fed has stepped in to provide support to prevent a sharper downturn. As uncertainty fades, and the tailwinds of the OBBBA take hold, renewed business confidence could spark a rebound in hiring in the new year.
4. **The Bull Market Extends Past Year Four |** Historically, returns in the third year of a bull market have been modest, averaging just 2.5%. However, year three of this bull market has been a strong one, fueled largely by strength in mega-cap tech. With resilient economic growth, fiscal tailwinds, a supportive Fed and robust corporate earnings, the macro backdrop suggests this bull market still has room to run.
5. **Dow Climbs To 50,000 |** The Dow Jones Industrial Average has continued its record-breaking winning streak, posting 18 new highs in 2025—its 13th consecutive year with at least one new record high. While 2026 gains may be more modest, earnings tailwinds from tax cuts, deregulation, and lower borrowing costs could keep the streak alive for another year.
6. **Oil Prices Stay Under $60 Per Barrel |** Oil prices (WTI) have dropped to a four-year low of $56/barrel—pushing the national average of retail gasoline price below $3/gallon—as global supply continues to outpace demand. With affordability issues top of mind heading into the midterm elections, we hope prices stay under $60/barrel—offering consumers some welcome relief at the pump.
7. **Long-Dated Muni Yields Shine |** Record issuance and concerns about the tax-exempt status of municipal bonds were key challenges in 2025, driving a sharp steepening in the yield curve. While debt and deficit dynamics have made investors cautious on longer maturities, tax-equivalent yields above 7% for high- income earners remain highly attractive.
8. **Investment Grade Spreads Remain Under 80 bps |** Corporate bond spreads continue to hover near historic lows as the macro backdrop remains supportive. Strong fundamentals—healthy balance sheets, rising earnings, improving interest coverage—should provide a solid foundation for investors to seek attractive yields. Looking ahead, we wish for spreads to remain stable in 2026.
9. **Small Business Loan Rates Stay Under 9% |** Since the pandemic, small business optimism has been dampened by tighter lending standards and elevated shorter-term financing rates. While the average borrowing rate for small businesses remains above its longer-term average of 6.8%, it has declined significantly from its 2024 peak above 10%. Our hope for 2026 is this downtrend continues.
10. **S&P 500 Earnings Growth Above 10% |** S&P 500's 2025 earnings proved resilient in a volatile year, delivering double-digit growth despite a range of sector-specific headwinds and rising input costs. Mega-cap tech, once again, led the charge. But with valuations now elevated, earnings will need to do the heavy lifting from here. A 10% EPS increase in 2026 would market another year of above-trend growth.
11. **All Eleven Sectors In Positive Territory |** Three consecutive years of double-digit gains has been grand for investors, with all eleven sectors of the S&P 500 participating in the rally. As optimism builds heading into 2026, we hope this broad-based momentum persists.
12. **Twelve Months Of Improving Consumer Confidence |** Pessimism among consumers has been entrenched since the pandemic. While confidence is hovering near multi-year lows, we hope that fading tariff uncertainty and tax cuts on the way will help brighten the day.

CHART OF THE WEEK

Let's Cheer S&P 500 Annual Earnings Growth Above 10% In 2026

With valuations elevated, earnings will need to be the key driver of returns in 2026. Between improving growth, fiscal tailwinds and a supportive Fed, we are optimistic the S&P can deliver double-digit EPS growth in 2026.



Source: FactSet

RAYMOND JAMES

Economy

- While November's nonfarm payrolls rose by 64k, underlying labor market data painted a weaker picture with the unemployment rate at a 4-year high. October saw a sharp 105k job decline (mostly federal), and unemployment jumped from 4.4% (Sept.) to 4.6% (Nov.).
- Retail sales were unchanged in October, with motor vehicle sales down 1.6% MoM, dragging the headline figure lower. Control group sales, which feed directly into GDP, rebounded strongly (+0.85% MoM), suggesting resilience in consumption despite sectoral volatility.
- Inflation surprised to the downside in November, with headline CPI at 2.7% and core CPI at 2.6% YoY. The BLS reported just 0.2% MoM CPI growth over October and November combined. These developments could push market expectations for a rate cut sooner in 2026.
- **Focus of the Week:** In the upcoming holiday-shortened week, attention will turn to the long-delayed 1st estimate of 3Q25 GDP (initially set to be released October 30 prior to government shutdown). We are expecting a real QoQ (annualized) print of 2.7%, compared to the Atlanta Fed GDPNow estimate of 3.5%, driven by a contribution of 2.1% from Personal Consumption.

December 22 – December 26

MON

TUE: 3Q25 GDP (1st Estimate), Durable Orders, Consumer Confidence

WED: Jobless Claims *(Markets close at 1:00pm ET)*

THU: Christmas Day *(markets closed)*

FRI

FUTURE EVENTS: 12/29 Pending Home Sales; 12/31 FOMC Minutes

Equity

- What a year it has been for US equities! Despite tariff-related fears driving a peak-to-trough decline of 19% at the April lows, the S&P 500 is on pace to gain over 16% YTD. If performance holds, this would mark 6 out of the last 7 years with 15%+ returns for the index in price terms—a streak not seen since at least 1930. Importantly, performance has broadened beyond AI beneficiaries with all 11 sectors in positive territory on a total return basis and six sectors posting double-digit YTD returns.
- That same broadening has also led to very minimal dispersion in equity returns this year relative to history. At a sector level, the spread between the top performing sector (Communication Services) and the worst performing sector (Real Estate) is only 27%, well below the long-term average of 46%. This is also evident from a style perspective with the spread between the Russell 1000 Growth and Russell 1000 Value only 2%— the tightest spread between the two indices since 2014.
- **Focus of the Week**: With limited earnings data next week, our focus will be on economic data via core capital goods data. New orders of core capital goods have increased in 2H25, supporting Industrial outperformance.

Fixed Income

- 2025 has been a stellar year for bond markets, with the Bloomberg US Agg on track for its best year since 2020, up 7.3% YTD. Slowing growth and three Fed rate cuts drove Treasury yields lower, with the 10-year down 46 bps YTD. While sticky inflation has kept some policymakers cautious on further easing, recent payroll and inflation data—likely skewed by the government shutdown—were notably weak. If the slowdown persists, the scales may tip back in favor of more rate cuts—but for now the market is still anticipating two by year-end 2026. Meanwhile, the 10-year Treasury yield remains rangebound at 4.0%-4.20%—levels that have persisted since September.
- Investment grade credit spreads have held near 80 bps this year despite a heavy year of issuance, trailing only 2020's record. Resilience reflects three factors: steady economic growth, strong fundamentals (healthy balance sheets, strong earnings growth and improving interest coverage ratios) and robust demand for yield amid falling rates. These conditions have powered IG credit to a 7.7% return YTD.
- **Focus Of The Week:** Prior to Wednesday's early close for the holiday, the Treasury will auction $183b in 2-, 5-, and 7-year notes.

Washington Policy

- The $901 billion National Defense Authorization Act (NDAA) for fiscal 2026 cleared both chambers in bipartisan votes and is now headed to President Trump's desk for signature. The House Financial Services Committee also advanced a comprehensive bipartisan package by a decisive 50-1 vote, signaling broad support for measures aimed at increasing housing supply and affordability, modernizing development programs, and expanding affordable and manufactured housing.
- The House passed the GOP House Conference healthcare bill that does not extend the Affordable Care Act (ACA) enhanced premium tax credits (ePTCs), but does take other actions. Four moderate GOP members also signed onto a discharge petition to force a vote on a clean 3-year extension for the ePTCs in the House. Based on the rules for discharge petitions, the vote must wait until mid to late January. Our odds of any type of extension on the ePTCs remain low (below 1 in 3).
- Permitting reform momentum also accelerated with House passage of the bipartisan SPEED Act, which aims to overhaul the National Environmental Policy Act (NEPA) and streamline permitting for energy, infrastructure, and mining projects.

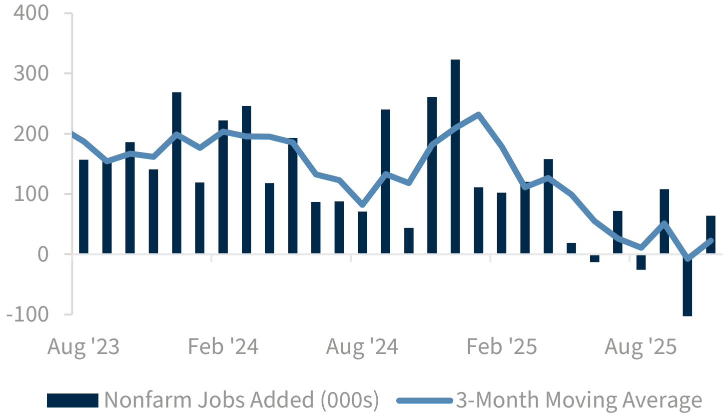
International

- Three of the G7 central banks held their final meetings of 2025 this week, with the Bank of England on the dovish end of the spectrum. The BOE cut rates by 25 bps for the sixth time over the past two years. UK unemployment is the highest since 2021, and industrial production has been down YoY in nine of the past 12 months. Inflation is at 3.2%, well above the 2% target. The doves prevailed at this meeting, but with four out of nine committee members voting to hold rates steady, concerns about inflation have *not* disappeared.
- The European Central Bank had an easier decision. Euro zone inflation of 2.2% is very close to the target, and industrial output has been up for eight months, so the ECB held rates steady, following eight cuts between mid-2024 and mid-2025. One challenge is the fact that Germany and France—the two largest economies—are lagging behind the smaller countries. If a Russia/Ukraine peace deal were to materialize, it should give a boost in Germany. The ECB might even hike rates in 2026, as one board member recently suggested.
- The Bank of Japan's 25 bps rate hike—its fourth over the past two years—brought its policy rate to a 30-year high, but that gives an exaggerated impression. At 0.75%, the BOJ rate remains among the lowest globally. The macro backdrop is mixed: the IMF projects Japan's GDP growth to slow to 0.6% in 2026, while inflation of 2.7% is moderately above the target. With the BOJ currently focused on tackling inflation, it may create tensions with the new prime minister's agenda of fiscal stimulus.

Charts of the Week

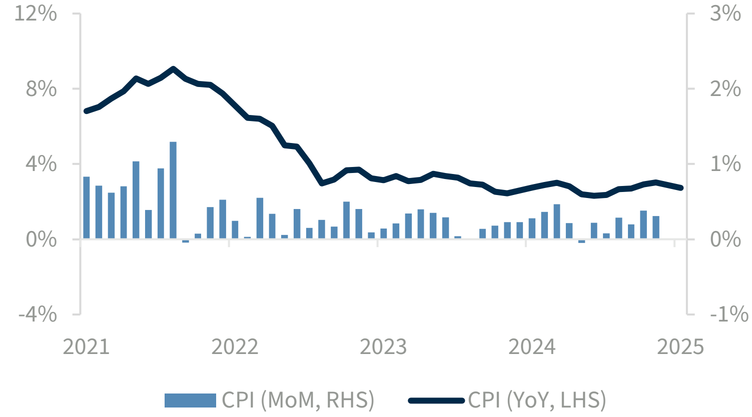
Softening Labor Market

While November's nonfarm payrolls rose by 64k, October saw a sharp 105k job decline, mainly driven by federal job losses.



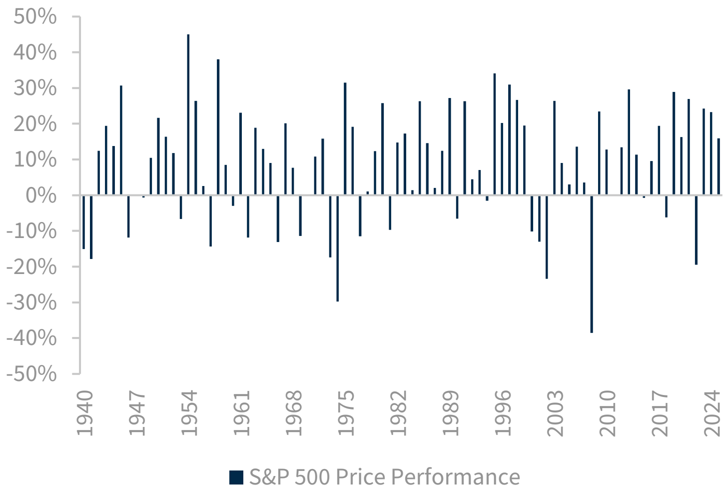
Lower Than Expected Inflation

Inflation surprised to the downside in November, with headline CPI decelerating to 2.7%.



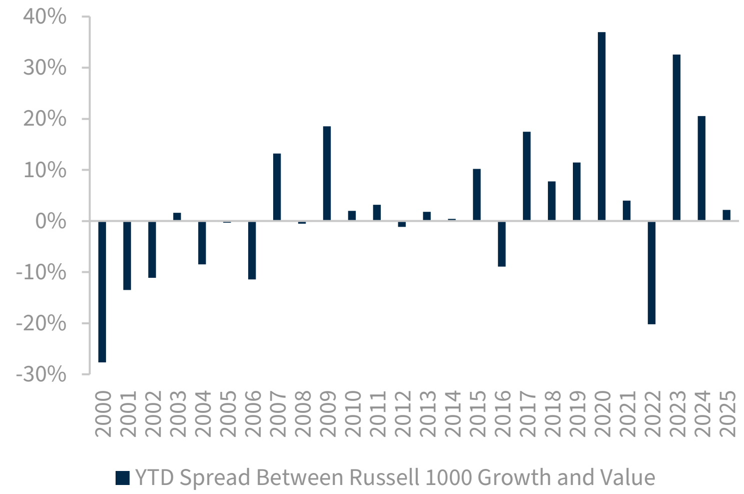
Robust Equity Performance

The S&P 500 is on pace to gain over 15% in 2025 marking 6 out of the last 7 years with returns of 15% or more.



Minimal Difference Between Growth and Value

The spread between the Russell l000 Growth and Value indices is only 2% thus far in 2025 – the lowest since 2014.

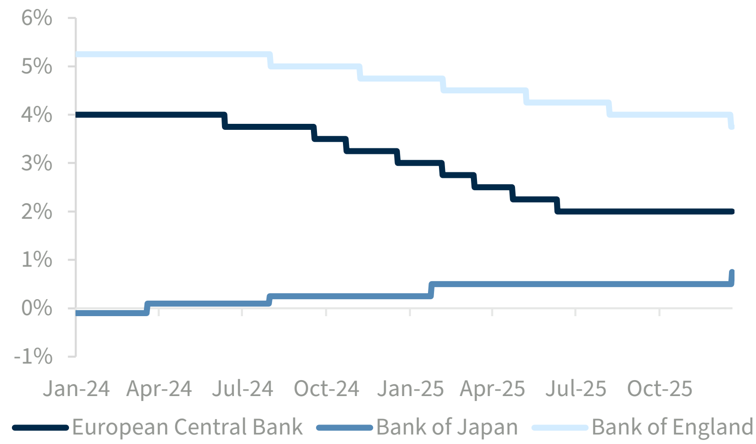


The 10-Year Treasury Yield Has Remained Stable

Since September, the 10-year yield has hovered in a tight 4.00%–4.20% range, as cooling inflation expectations and stronger growth outlooks offset each other.

Diverging Rate Trajectories Among Major Central Banks

This week's rate decisions comprised a bit of everything: a cut by the Bank of England, a hike by the Bank of Japan, and status quo at the ECB.



Source for charts: FactSet, as of 12/18/2025.

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Asset Class Performance | Distribution by Asset Class and Style (as of December 18)**

Weekly Returns (as of December 18)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-1.3%	-1.9%	-2.3%
Mid Cap	-1.8%	-2.0%	-2.9%
Small Cap	-2.1%	-3.2%	-4.1%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	0.3%	-1.3%	-1.1%
Mid Cap	0.4%	-1.1%	-0.9%
Small Cap	0.7%	-1.3%	-1.0%

Fixed Income (Bloomberg indices)

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

Year-to-Date Returns (as of December 18)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	15.2%	16.2%	17.1%
Mid Cap	11.2%	10.7%	8.9%
Small Cap	14.5%	13.9%	13.4%

International Equities (MSCI indices)

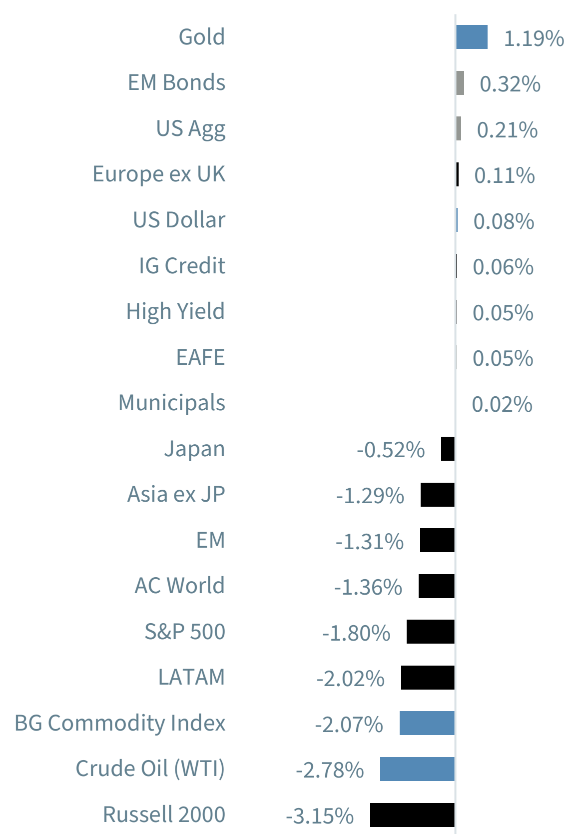
	Dev. Mkt	World	Emerg. Mkt
Large Cap	19.3%	19.3%	29.3%
Mid Cap	21.5%	15.6%	24.4%
Small Cap	21.8%	16.9%	15.1%

Fixed Income (Bloomberg indices)

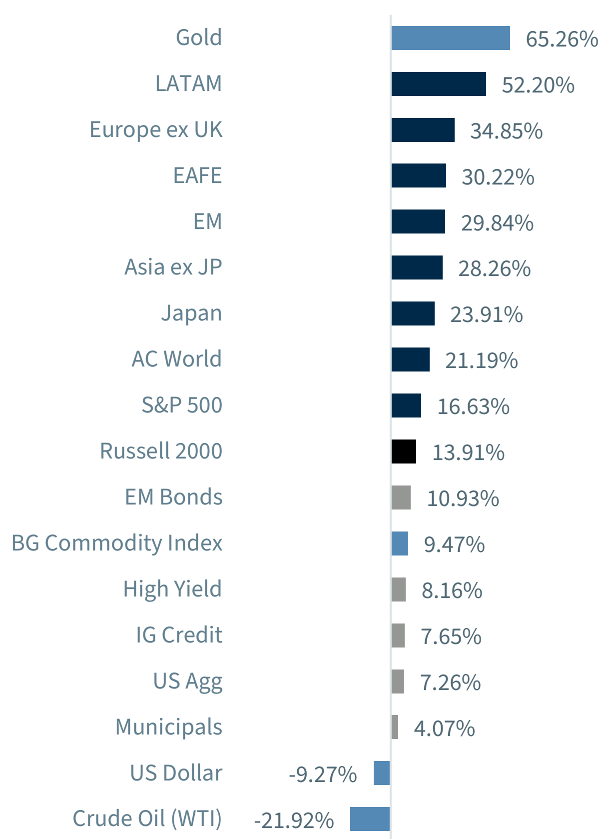
	1-3 YR	Medium	Long
Treasury	4.1%	7.2%	8.3%
Invest. Grade	5.7%	7.8%	9.5%
High Yield	7.4%	8.1%	12.2%

Asset Class Performance | Weekly and Year-to-Date (as of December 18)**

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).

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Weekly Data**

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	6774.8	(1.8)	(1.0)	16.6	16.9	22.4	14.5	14.9
DJ Industrial Average	47951.9	(1.5)	0.5	12.7	13.3	13.3	9.7	10.8
NASDAQ Composite Index	23006.4	(2.5)	(1.5)	19.1	18.6	29.0	12.5	16.7
Russell 1000	7108.4	(1.9)	(1.0)	16.2	14.1	20.3	14.5	14.4
Russell 2000	6232.7	(3.2)	0.4	13.9	4.1	11.4	8.0	9.1
Russell Midcap	9888.5	(2.0)	(0.1)	10.8	3.1	12.4	9.7	10.7

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	568.8	0.4	1.2	9.4	8.3	6.7	6.7	10.1
Industrials	1304.3	(2.0)	0.5	18.6	18.5	18.3	13.5	13.2
Comm Services	444.2	(1.1)	(2.8)	31.1	30.5	41.7	16.1	14.1
Utilities	435.9	0.4	(4.7)	16.6	18.8	10.4	10.2	10.9
Consumer Discretionary	1962.5	1.4	2.6	7.9	5.9	24.5	9.6	13.5
Consumer Staples	875.7	0.5	(0.5)	5.0	3.1	6.7	7.5	8.5
Health Care	1788.3	0.2	(2.4)	13.4	14.1	6.1	8.2	10.0
Information Technology	5559.9	(4.3)	(2.4)	21.3	21.8	36.7	20.8	24.2
Energy	671.4	(3.8)	(2.1)	6.2	8.7	5.2	22.6	8.3
Financials	904.8	(0.6)	2.3	14.1	16.3	19.5	16.0	13.3
Real Estate	250.3	(0.7)	(2.9)	2.0	2.9	6.2	5.7	6.5

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.6	0.1	0.2	4.2	4.3	4.9	3.2	2.2
2-Year Treasury (%)	3.5	0.2	0.2	4.9	5.2	4.0	1.5	1.6
10-Year Treasury (%)	4.1	0.3	(0.6)	8.3	7.9	2.3	(2.3)	0.8
Bloomberg US Corporate HY	7.1	0.0	0.1	8.2	7.9	9.4	4.5	6.6
Bloomberg US Aggregate	4.3	0.2	(0.2)	7.3	7.1	3.9	(0.3)	2.0
Bloomberg Municipals	--	0.0	(0.1)	4.1	3.6	3.5	0.8	2.3
Bloomberg IG Credit	4.8	0.1	(0.3)	7.7	7.2	5.2	0.0	3.2
Bloomberg EM Bonds	5.8	0.3	0.3	10.9	10.3	8.5	1.5	4.2

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	56.0	(2.8)	(4.4)	(21.9)	(20.0)	(9.0)	2.6	4.5
Gold ($/Troy Oz)	4364.5	1.2	2.6	65.3	64.5	34.3	18.2	15.1
Bloomberg Commodity Index	108.1	(2.1)	(2.1)	9.5	11.2	(1.4)	6.9	3.4

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.4	0.1	(1.0)	(9.3)	(8.9)	(2.0)	1.8	(0.0)
Euro	1.2	(0.3)	1.0	13.2	12.0	3.4	(0.8)	0.8
British Pound	1.3	(0.3)	1.1	6.9	5.5	3.3	(0.1)	(1.1)
Japanese Yen	155.5	(0.2)	0.3	1.0	(1.0)	(4.2)	(7.8)	(2.4)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1001.2	(1.4)	(0.3)	21.2	20.7	20.6	11.6	12.3
MSCI EAFE	2857.6	0.0	1.7	30.2	28.0	17.5	9.4	8.8
MSCI Europe ex UK	3220.5	0.1	2.6	34.8	31.2	18.9	10.2	9.7
MSCI Japan	4762.2	(0.5)	(0.4)	23.9	24.7	17.6	7.0	8.1
MSCI EM	1358.2	(1.3)	(0.4)	29.8	27.6	15.7	4.4	8.6
MSCI Asia ex JP	881.0	(1.3)	(0.9)	28.3	26.1	15.2	3.9	8.7
MSCI LATAM	2664.2	(2.0)	(1.1)	52.2	50.1	16.2	8.6	8.8
Canada S&P/TSX Composite	22838.7	(0.7)	0.2	27.1	28.0	17.3	12.4	9.2

**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.

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.

US DOLLAR INDEX | The US Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the dollar gains strength compared to other currencies.

NAHB HOUSING MARKET INDEX | The NAHB Housing Market Index (HMI) is a monthly survey from the National Association of Home Builders that measures builder confidence in the single-family housing market. Readings above 50 indicate a favorable market, while readings below 50 suggest a less favorable market

LEADING ECONOMIC INDEX | The Leading Economic Index (LEI) is a composite index designed to predict future economic trends, typically six to twelve months in advance. It is calculated by combining several independent economic indicators.

ATLANTA FED GDPNOW | The Atlanta Fed GDPNow model is a running estimate of real GDP growth based on available economic data for the current measured quarter.

IMPORT/EXPORT PRICE INDEXES | The US Import and Export Price Indexes measure the change over time in the prices of goods or services purchased from abroad by US residents (imports) or sold to foreign buyers by US residents (exports).

CONSUMER CONFIDENCE INDEX | The Consumer Confidence Index (CCI) is a key economic indicator measuring consumers' optimism about the economy and their personal finances, based on surveys assessing current conditions and future expectations for business, employment, and income. A higher index (above 100) suggests more spending, while a lower score (below 100) signals caution, influencing economic forecasts and policy decisions.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 12/18/2025

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.

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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