CAPITAL MARKETS OUTLOOK

Reviewing the quarter ended June 30, 2025

Klingman & Associates
INDEPENDENT WEALTH ADVISORS

Gerard Klingman, Founder & President

Gerry provides financial planning and investment advisory services to corporate executives, entrepreneurs, professional athletes and other high-net-worth individuals.

Gerry received a bachelor's degree in Economics from Princeton University and attained his Certified Financial Planner™ certification from the College of Financial Planning in 1989. He later earned CLU® and ChFC® designations from the American College, as well as a CFS® designation from the Institute of Business & Finance.

With more than 40 years of experience, Gerry is widely recognized as a leader in the field of financial planning and investment management. Gerry has been consistently ranked on many of the industry's lists of top financial advisers including Barron's Top 100 Independent Advisors and the Forbes ranking of America's Top Wealth Advisors.

July 2025

The S&P 500 Index finished the second quarter of 2025 +11%, capping a furious +25% rally off the April 8th low (page 21). As we discussed in our second quarter Outlook, we believed the tariff policy laid out on Liberation Day was a self-inflicted policy mistake by the US Administration. However, we also noted, "a mere modification in the administration's policies could quickly lead to a turnaround for an otherwise healthy global economy". Thankfully, these modifications materialized in the form of extensions, deals and ongoing negotiations. The volatility underscores the importance of not timing the market, which we believe is a relatively futile and potentially dangerous exercise for long-term investors. Historically, the S&P 500 has experienced an average intra-year decline of ~14%, yet annual returns were positive in 35 of the 45 years (page 34). Warren Buffet once said, "the stock market is a device for transferring money from the impatient to the patient." Patience was yet again rewarded during this bout of volatility.

We are not through the storm just yet. While effective tariff rates may be lower than originally projected, they are six times higher than they were to start the year (page 30). We believe this can ultimately have a negative impact on trade, growth, labor and inflation. Additionally, the longer negotiations last, and the more the terms change, the harder it is for businesses and consumers to move forward with investment and consumption decisions. This has not yet been evidenced in US GDP growth, which was +2% year-over-year in the first quarter and is set to be strong again in the second quarter, as per initial estimates (page 8). Nor has it had the anticipated impact of helping push inflation higher, with Core PCE just 2.7% in May versus a year ago (page 18) . Many economists believe the disconnect is a result of massive inventory accumulation in advance of "Liberation Day," which allowed many businesses to maintain pricing and production schedules without suffering meaningful margin contraction. These stockpiles of mainly components and parts have dwindled since March but remain above historical levels. Ultimately, the $30b per month currently generated by tariffs is paid by either companies (in the form of higher costs and lower profits) or consumers (higher prices). Investors have been left wondering which it will be and will be focused on getting answers to this question in the second quarter earnings season which kicked off last week. Continued….

US Large Cap Equities, as measured by the S&P 500 Index, now stand +6% for the year 2025 with the tail risks posed by the original trade plan having significantly lessened. Future corporate earnings estimates have been revised lower but remain remarkably resilient overall (page 23). 2025 S&P 500 earnings are now expected to grow 9% this year (to $265/share), while 2026 earnings are expected to grow 14% (to $300) and 2027 earnings are expected to grow another 12% (to $337). These lofty earnings growth assumptions can support current elevated valuations (12-month forward Price-to-Earnings ratio is 22x as compared to the long-term average of 17x), but only so long as these growth levels are achieved (page 22). We have moved back to Neutral weight (from a slight Underweight) in our asset allocation models. US Mid Cap Equities (S&P 400 Index) and US Small Cap Equities (S&P 600 Index) returned +7% and +5% respectively in the second quarter of 2025, failing yet again to keep pace with their larger counterparts. Small businesses have faced the same uncertainty from a policy and trade standpoint, but traditionally have less pricing power with their end consumers and supply chains. Additionally, small businesses continue to be more negatively impacted by higher interest rates than their larger counterparts. But at 15-16x forward earnings, we believe these asset classes provide compelling opportunities for long-term investors. We remain Neutral weight to US Mid and Small Cap Equities in our asset allocation models.

Non-US Equity markets have provided investors with positive diversification benefits after years of trailing their domestic counterparts. Non-US Developed Equities, as measured by the MSCI EAFE Index, have returned +19% this year and Non-US Emerging Market Equities, as measured by the MSCI EM Index, +15%. Global inflation data has been better than expected, allowing central banks, including the ECB, to lower interest rates. Corporate earnings continue to improve on the back of encouraging economic data and stronger local currencies relative to the dollar (page 27). Companies have continued to pay out these earnings in the form of investor friendly dividends. Despite these positive returns and developments, valuations remain attractive on an absolute and relative basis. We remain Neutral weight Non-US Developed Equities in our asset allocation models. However, we are cognizant of the risks that changes in tariffs and trade policy pose, particularly in select countries that are highly dependent on global trade. As a result, we have moved to Neutral weight Non-US Emerging Market Equities in our models.

continued...

ECONOMIC OUTLOOK

The Federal Reserve has kept short-term interest rates steady at 4.25-4.5% this year. Markets now expect just two interest rate cuts in 2025, reversing the more aggressive path that was priced in amidst recent market volatility (page 24). We believe the Fed will stay in wait-and-see mode, watching unemployment and the effects of tariffs on the economy. Some of the spotlight has shifted away from the Fed of late as constantly changing expectations around growth, inflation, and US Fiscal policy have impacted long-term interest rates. The 10 year Treasury has ebbed and flowed this year between 4% and 5%, ultimately finishing the second quarter at 4.2% (page 25). We continued to take advantage of the opportunity presented by this volatility, purchasing high quality bonds at attractive yields to lock in income in client portfolios. Our investment team has focused on generating consistent cash flow from the fixed income portion of client portfolios, whether through coupon income or consistent maturities. This cash flow is not only useful to manage client liquidity needs, but also helps protect against the risk of rising interest rates as the cash can get reinvested at higher market rates. We have been keeping maturities shorter with new cash in portfolios, but we remain Overweight to high quality Investment Grade credits. Non-Investment Grade Bonds, as measured by the Barclays High Yield Index, returned +4.6% in the first half of 2025 after a +8% return in 2024. Credit spreads over Treasuries – the premium charged by investors to hold Non-Investment Grade bonds – have narrowed considerably and are well below their long-term averages. We have been gradually reducing our allocations to these bonds even though the income is attractive on an absolute basis, because we do not believe investors are being adequately compensated for taking excessive credit risk. We are now slightly Underweight to Strategic Bonds.

As disciplined investors, our clients know how important it is to stay focused on long-term objectives and not get too discouraged (or elated) by violent short-term swings in global financial markets. The market movement we experienced last quarter was a good example of the importance of this core principle. Clients like their advisors to be forecasters, and we take time and care to form our opinions around asset classes that we feel are under or over-valued. But we are financial planners first and foremost, and our investment philosophy for our client families will continue to be driven by the time tested principles of investing: diversification, tax efficiency, cost mitigation, rebalancing, and patience.

TACTICAL OVERLAY TO STRATEGIC ASSET ALLOCATION MODELS

CASH ALTERNATIVES	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

FIXED INCOME

US INVESTMENT GRADE BOND	UNDERWEIGHT	NEUTRAL	**OVERWEIGHT**
TIPS	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
STRATEGIC BOND	**UNDERWEIGHT**	NEUTRAL	OVERWEIGHT

US STOCKS

US LARGE CAP EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
US MID CAP EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
US SMALL CAP EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

NON-US STOCKS

NON-US DEVELOPED MARKETS EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT
NON-US EMERGING MARKETS EQUITY	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

ALTERNATIVES

REAL ESTATE	UNDERWEIGHT	**NEUTRAL**	OVERWEIGHT

ECONOMIC REVIEW

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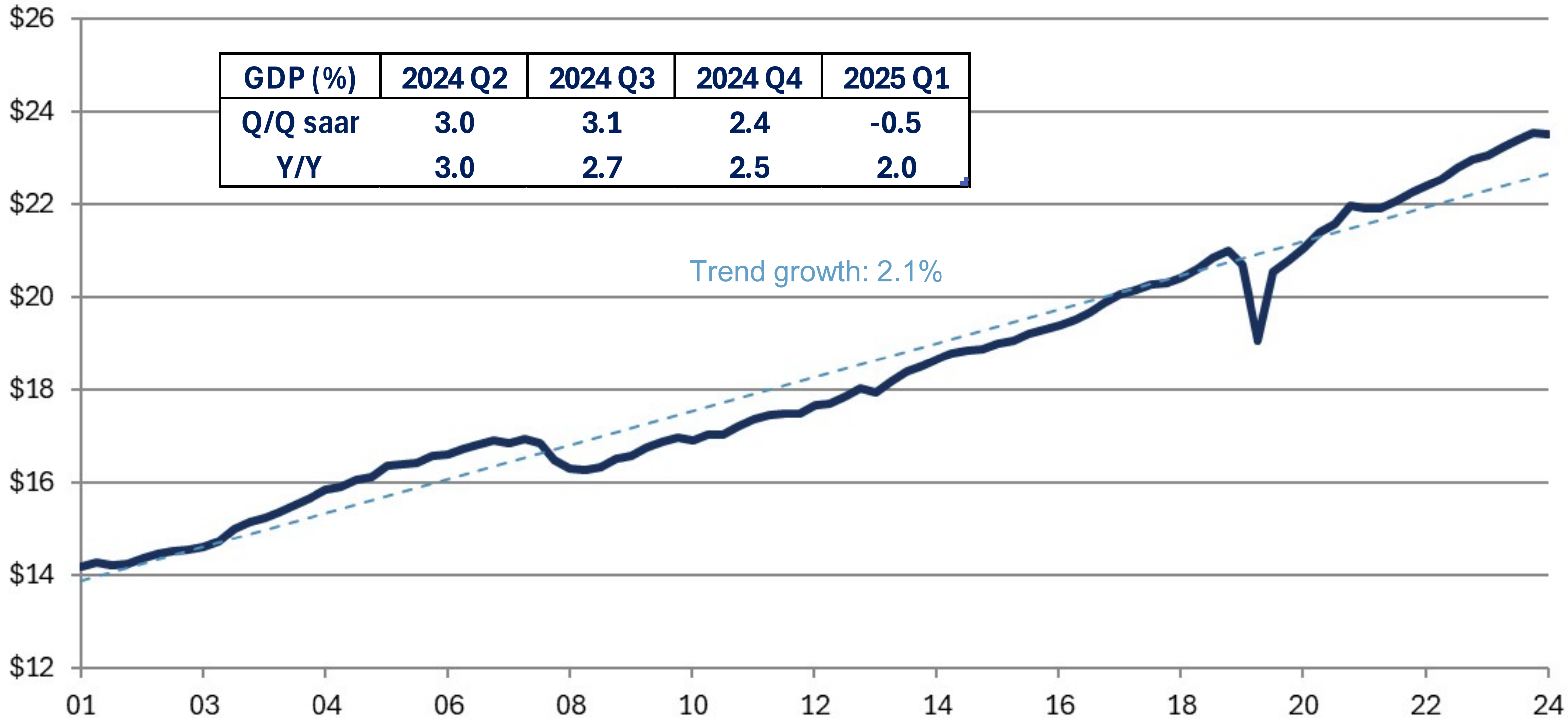
QUARTERLY THEMES

Real Gross Domestic Product (GDP)

Gross domestic product increased 2.0 percent in the first quarter of 2025 versus a year ago according to the Bureau of Economic Analysis, driven by increases in domestic investment and consumer spending.

GDP (%)	2024 Q2	2024 Q3	2024 Q4	2025 Q1
Q/Q saar	3.0	3.1	2.4	-0.5
Y/Y	3.0	2.7	2.5	2.0



Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis Economic Data. Trillions of chained (2017) dollars, seasonally adjusted. Data as of 3/31/2025.

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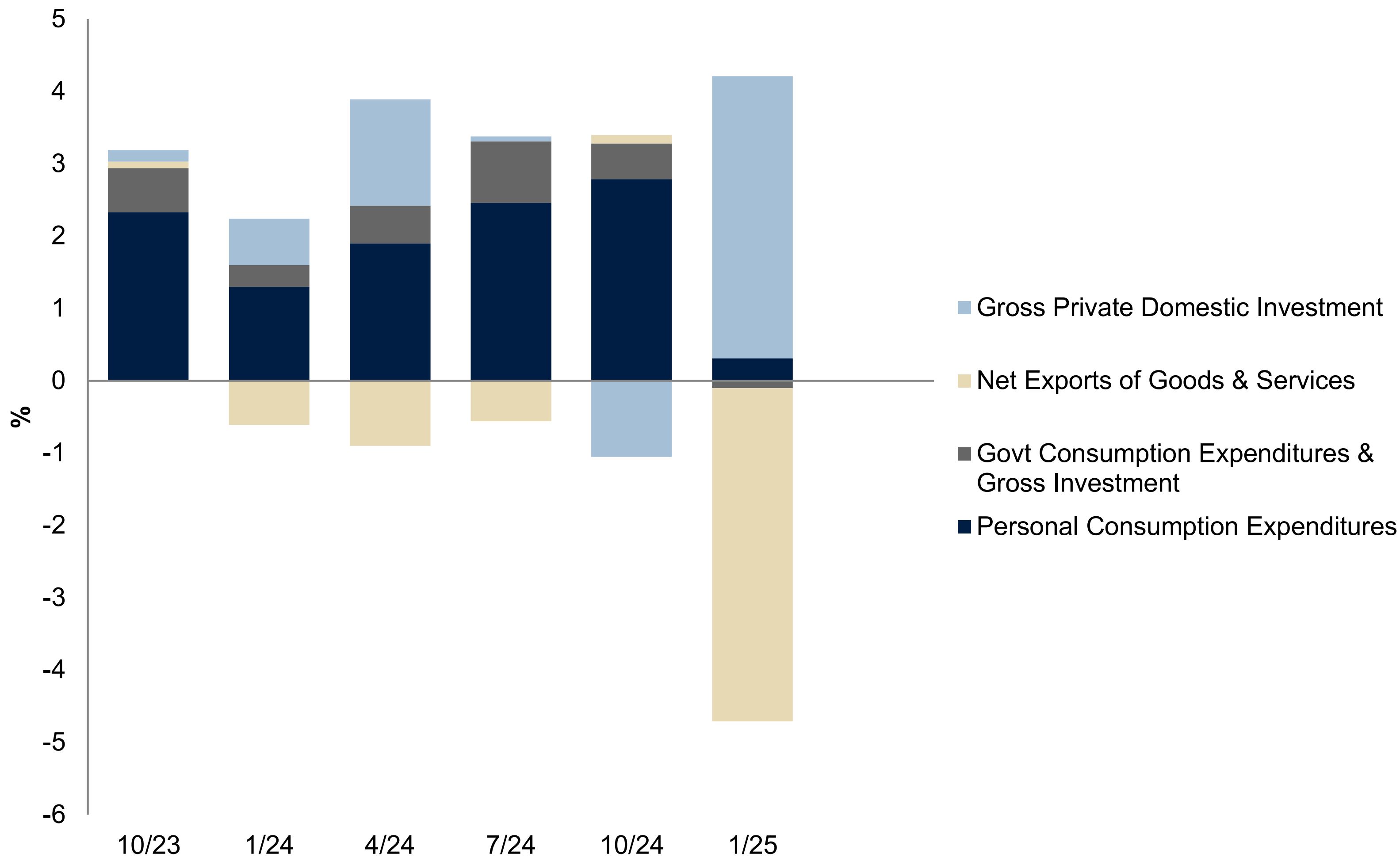
CONTRIBUTIONS TO % CHANGE IN REAL GDP

First quarter real GDP growth reflected increases across gross private domestic investment and personal consumption, while government consumption and net exports were negative.



Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis Economic Data. Data as of 3/31/2025.

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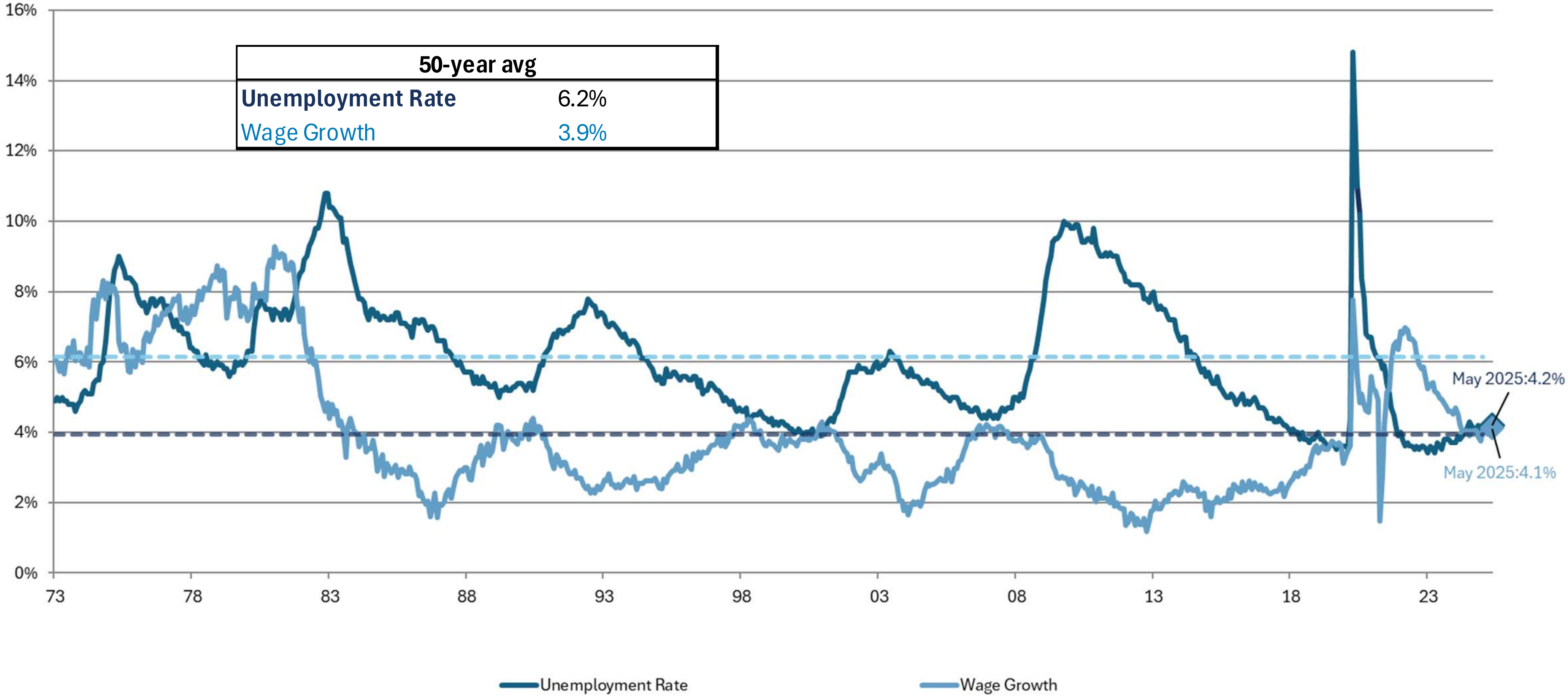
Civilian Unemployment Rate and Year-over-Year Wage Growth



Source: Federal Reserve Bank of St. Louis Economic Data. Unemployment rate and wage growth is measured on a monthly basis, seasonally adjusted. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. Data as of 6/30/2025.

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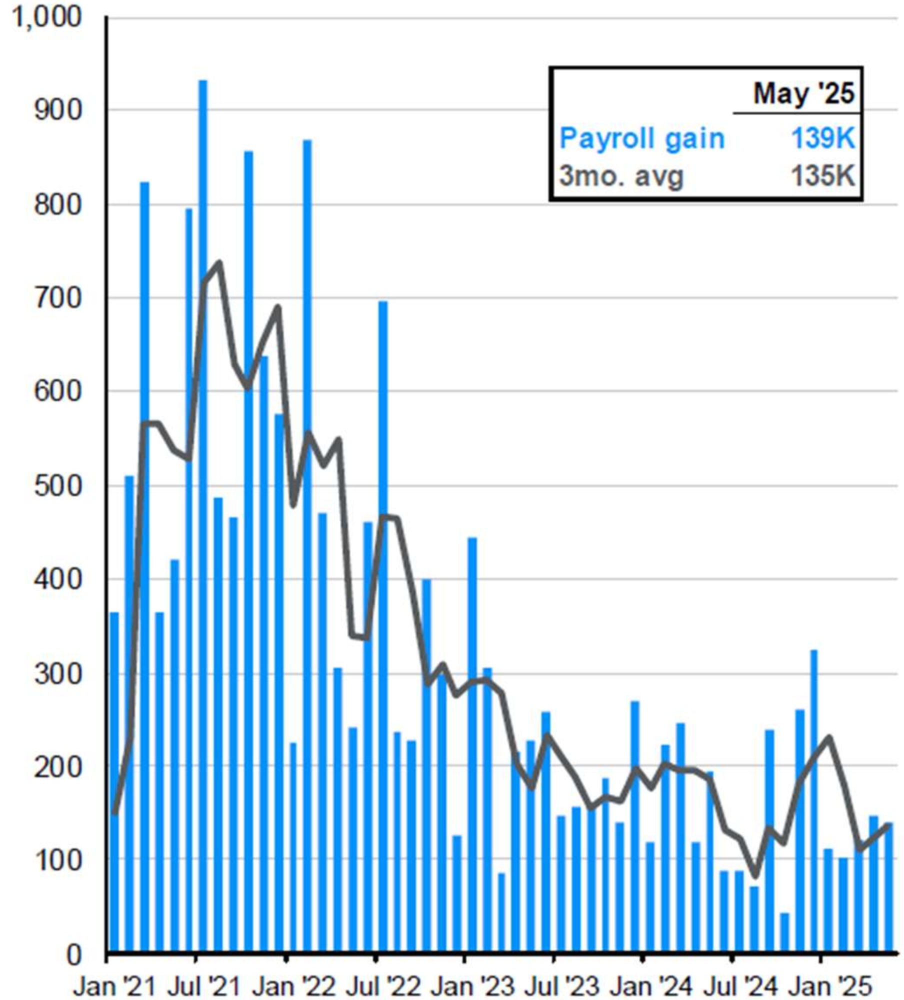
Non-farm payrolls rose by 147,000 in June, ahead of expectations for 110,000. This increase reflects additions within primarily healthcare and state government jobs.

Non-Farm Payrolls YoY Change

Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 6/30/2025.

Non-Farm Payroll Gains

Month-over-Month Change and 3-Month Moving Average



Source: BLS, FactSet, CBO, JPMorgan Asset Management. Data as of 6/30/2025.

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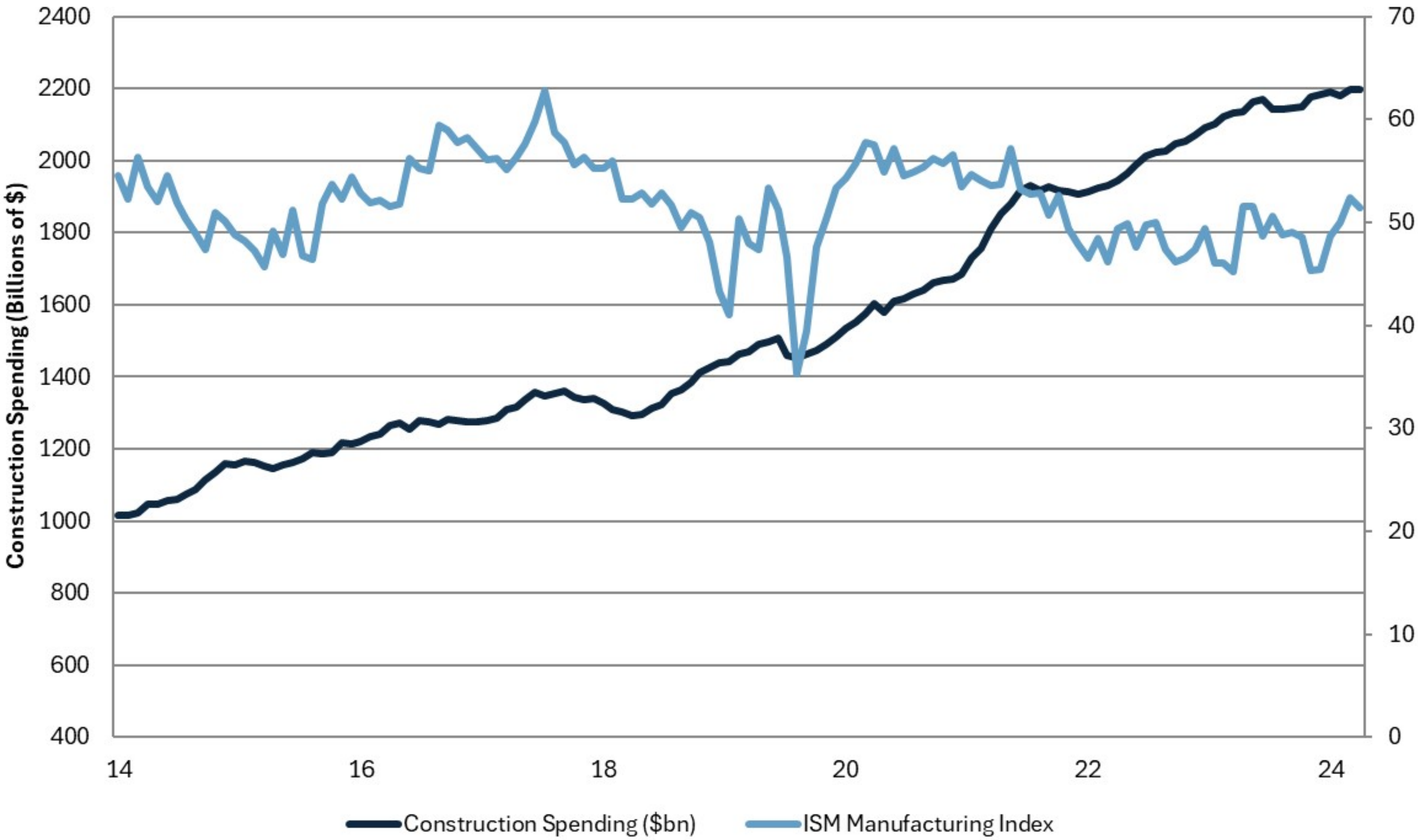
The ISM Manufacturing Index registered 49.0 in June and remains in contractionary territory (a level below 50). Construction spending increased slightly over the quarter.

Construction and Manufacturing



Source: Federal Reserve Bank of St. Louis Economic Data, YCharts. Data as of 6/30/2025.

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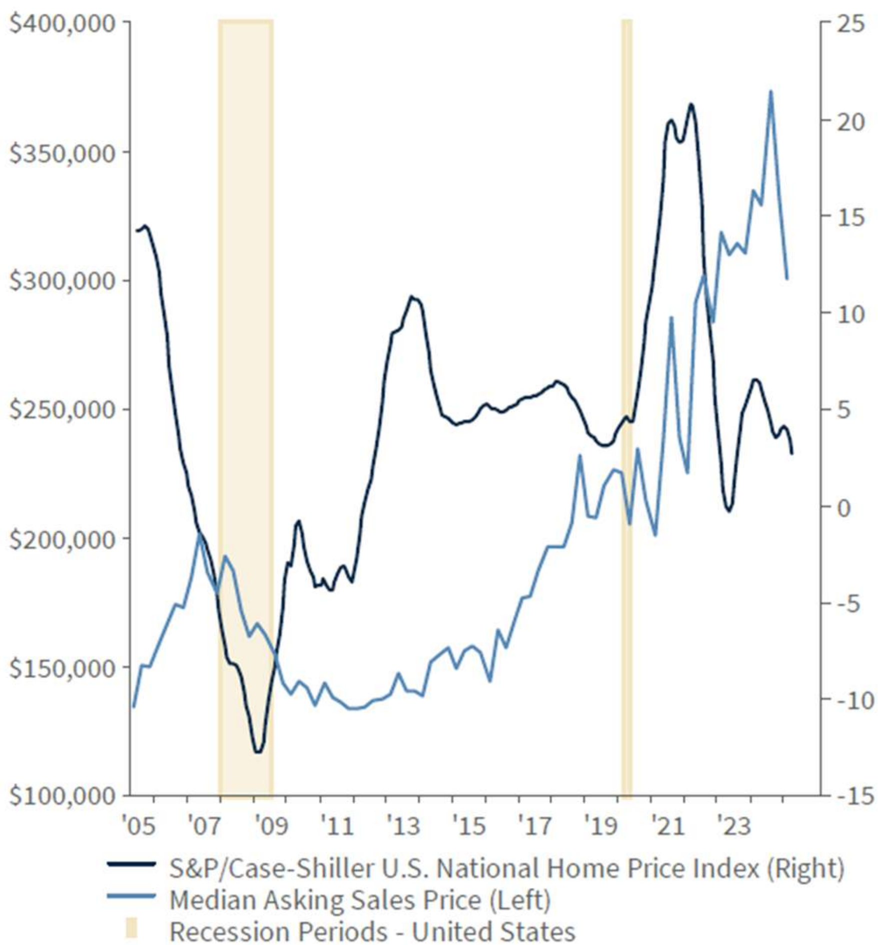
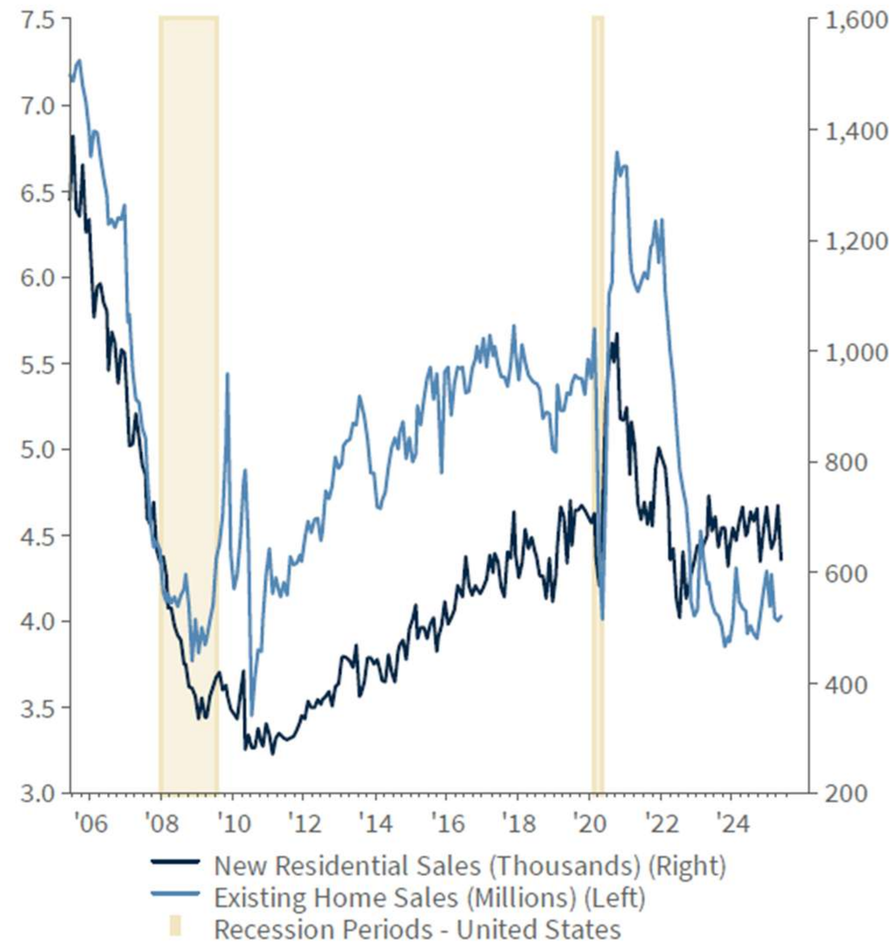
While home prices have continued to climb, the pace of price increases has moderated. New and existing home sales trended slightly higher this spring.

National Home Price Index (YoY Change)



Source: FactSet, Raymond James. Data as of 6/30/2025.

New and Existing Home Sales



Source: FactSet, Raymond James. Data as of 6/30/2025.

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Retail sales were relatively stable but slightly higher during the first quarter.

Retail Sales YoY Change

Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 6/30/2025.

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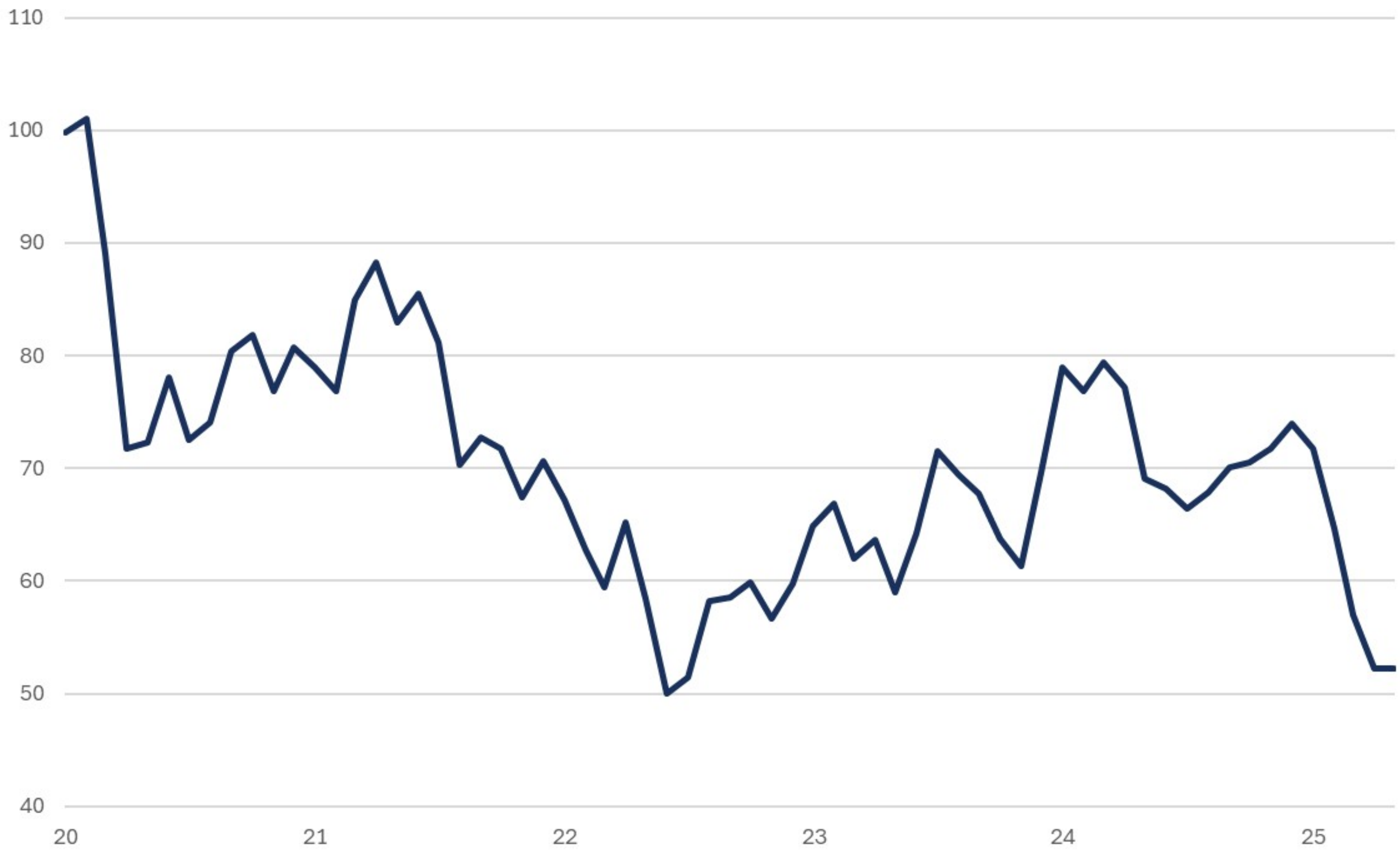
US Consumer sentiment was 52.2 in May, as measured by the University of Michigan Consumer Sentiment Index. In recent months, consumer confidence has stabilized but has continued its downward trend.

Consumer Confidence

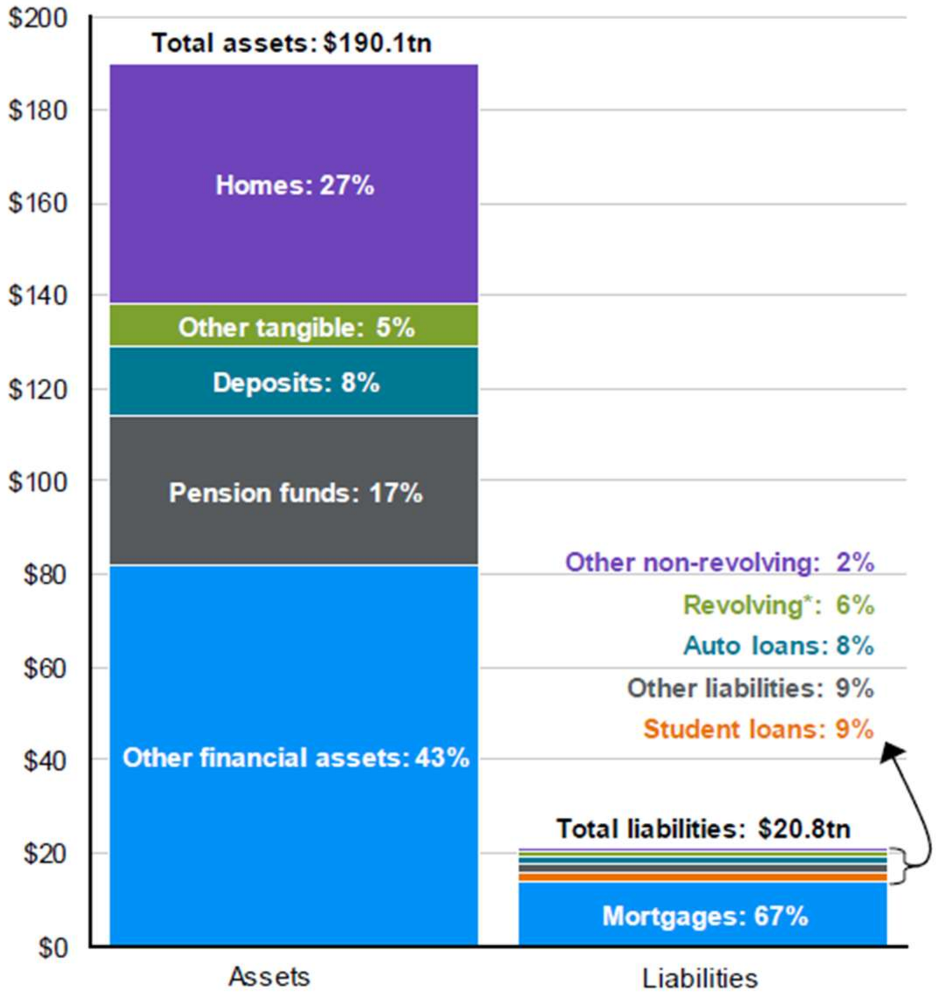


Source: Federal Reserve Bank of St. Louis Economic Data, University of Michigan Consumer Sentiment Index. Data as of 5/31/2025.

Consumer Finances

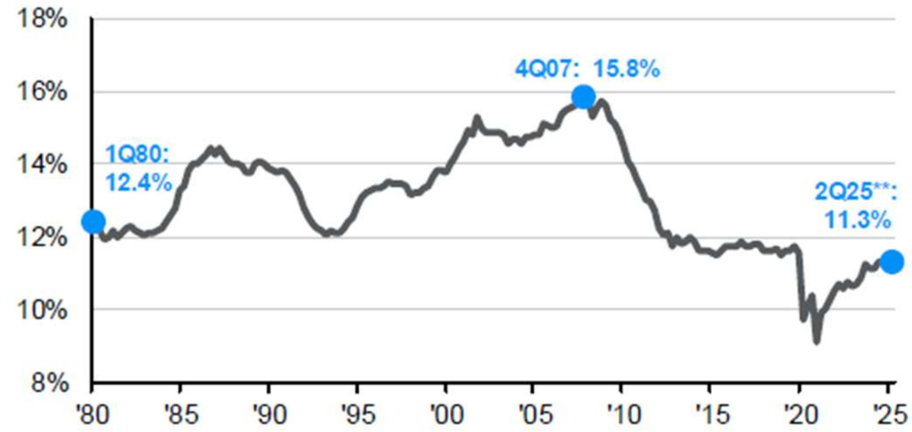
Consumer balance sheet

1Q25, USD trillions, not seasonally adjusted



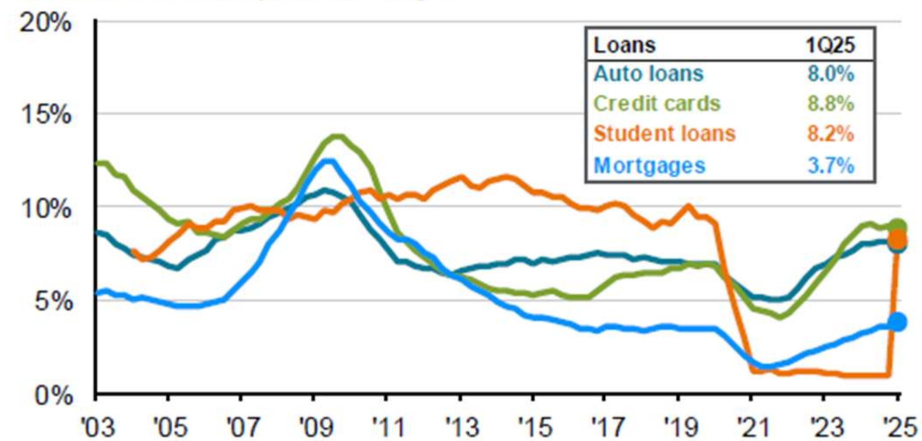
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

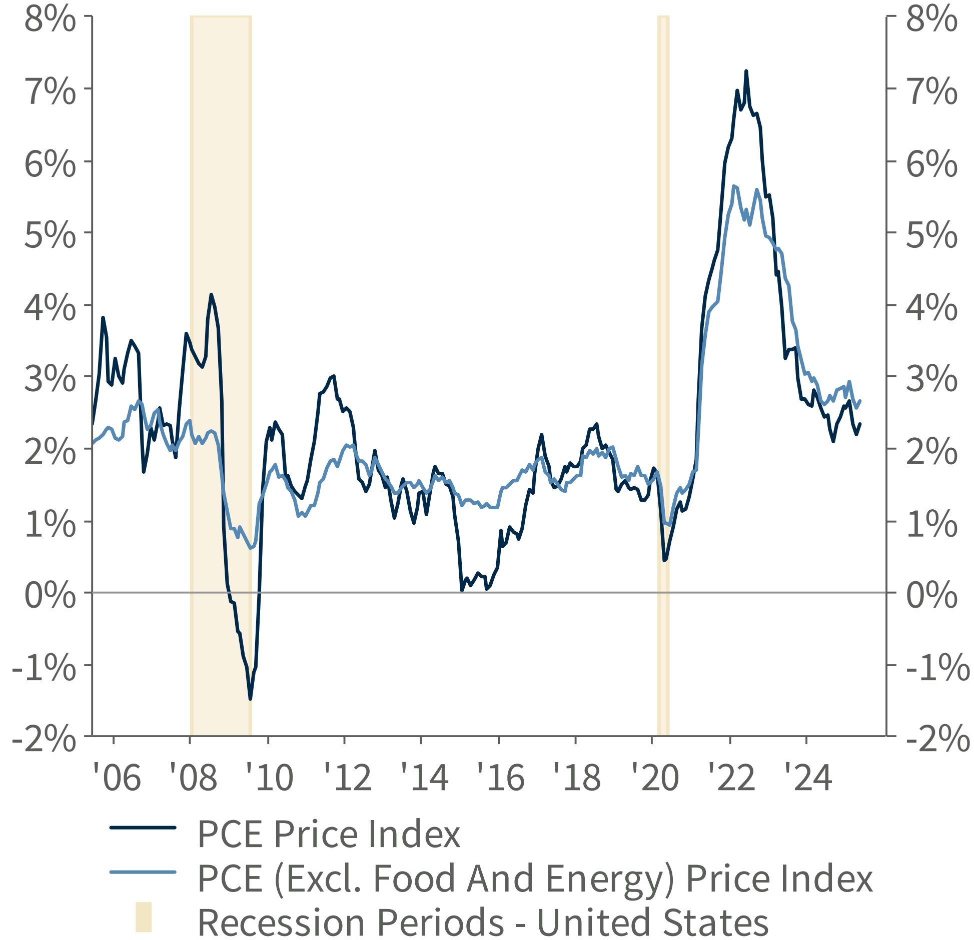
% of balance delinquent 30+ days



Source: FactSet, FRB, JPMorgan Asset Management, BEA. Data include households and nonprofit organizations (seasonally adjusted). *Revolving includes credit cards. Values may not sum to 100% due to rounding. **2Q25 figures for debt service ratio are JPMorgan Asset Management estimates. Household debt service ratio data from 1Q80 to 4Q24 are JPMorgan Asset Management estimates. Due to the moratorium on delinquent student loan payments being reported, missed federal student loan payments were not reported until 4Q24. Data as of 6/30/2025.

Inflation

After two years of deceleration following post-COVID highs, inflation was sticky in the first half of this year. The PCE Price Index (PCE) and Core PCE Index, which excludes the volatile food and energy components, increased 2.3% and 2.7%, respectively, in May versus a year ago.



Source: FactSet, Raymond James. Personal Consumption Expenditure (PCE) is the preferred measure of inflation by the Bureau of Economic Analysis. Data as of 6/30/2025.

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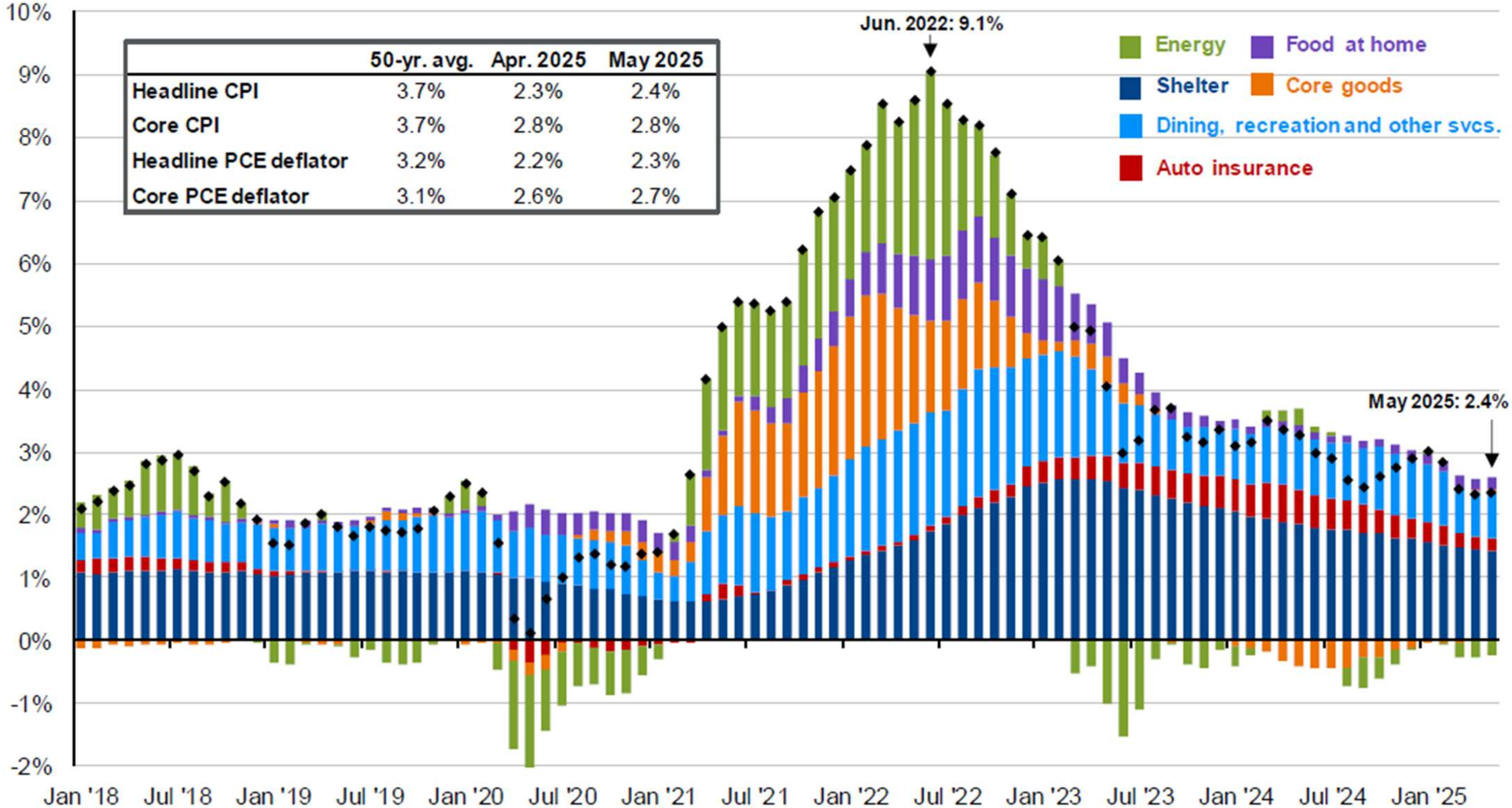
Inflation

Contributors to Headline CPI Inflation



	50-yr. avg.	Apr. 2025	May 2025
Headline CPI	3.7%	2.3%	2.4%
Core CPI	3.7%	2.8%	2.8%
Headline PCE deflator	3.2%	2.2%	2.3%
Core PCE deflator	3.1%	2.6%	2.7%

Source: BLS, FactSet, JPMorgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent and rent of primary residence. "Food at home" includes alcoholic beverages. Data as of 6/30/2025.

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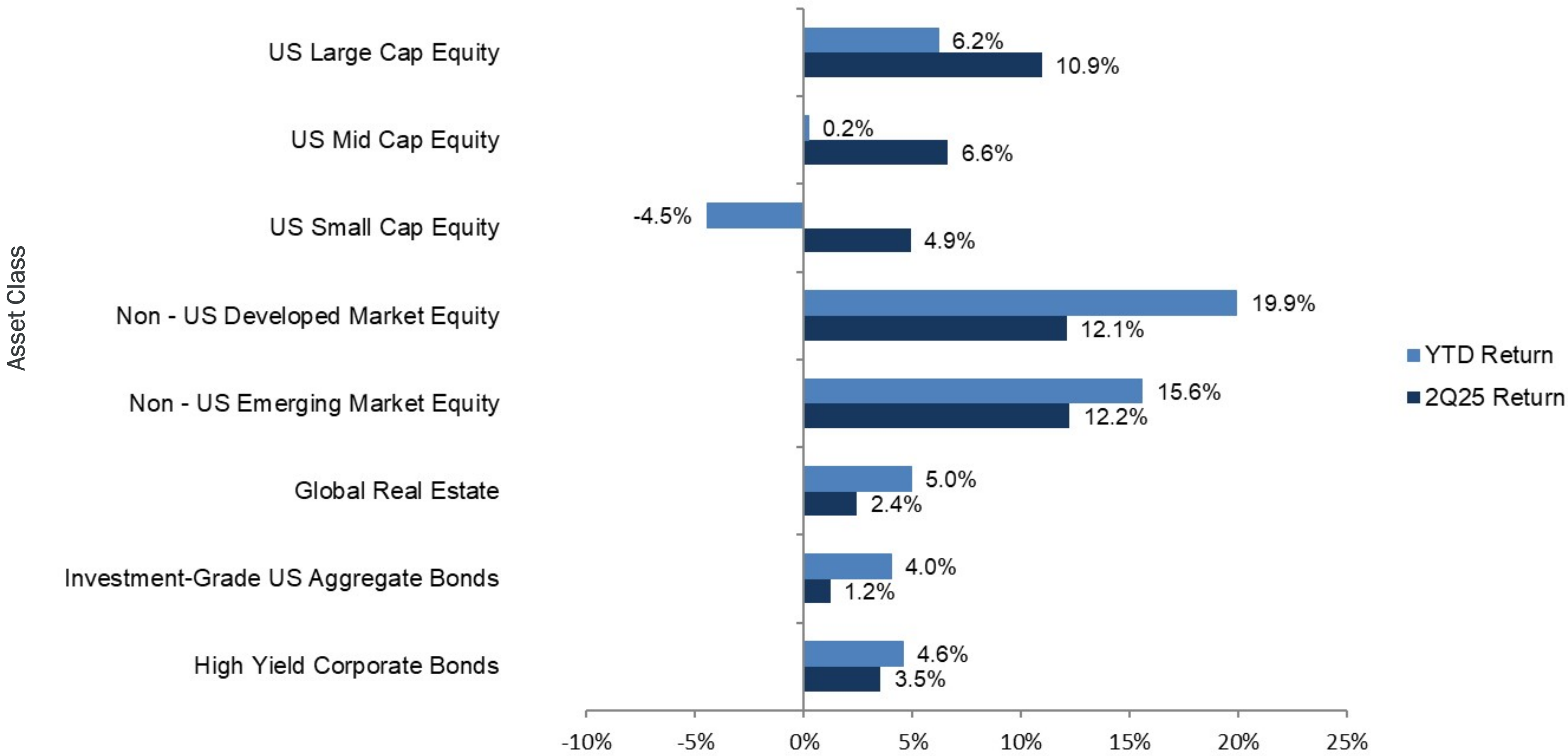
ASSET CLASS RETURNS



Source: FactSet, as of 6/30/2025. Past performance is not indicative of future results. Please see slides 38-40 for asset class definitions.

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PRICE-EARNINGS RATIOS VERSUS HISTORICAL AVERAGES

	Current Forward P/E	20-Year Average	Current P/E as a % of 20-year Average
S&P 500	22.5	16	140.3%
S&P 400	16.1	15.7	102.7%
S&P 600	15.3	16.3	94.0%

Source: Standard & Poor's, Raymond James Institutional Equity Strategy Weekly. P/E calculated as the most recent index price, divided by consensus earnings in the next twelve months. Please see slides 38-40 for index definitions. 20-year averages as of June 2024. Current P/E data as of 6/30/2025.

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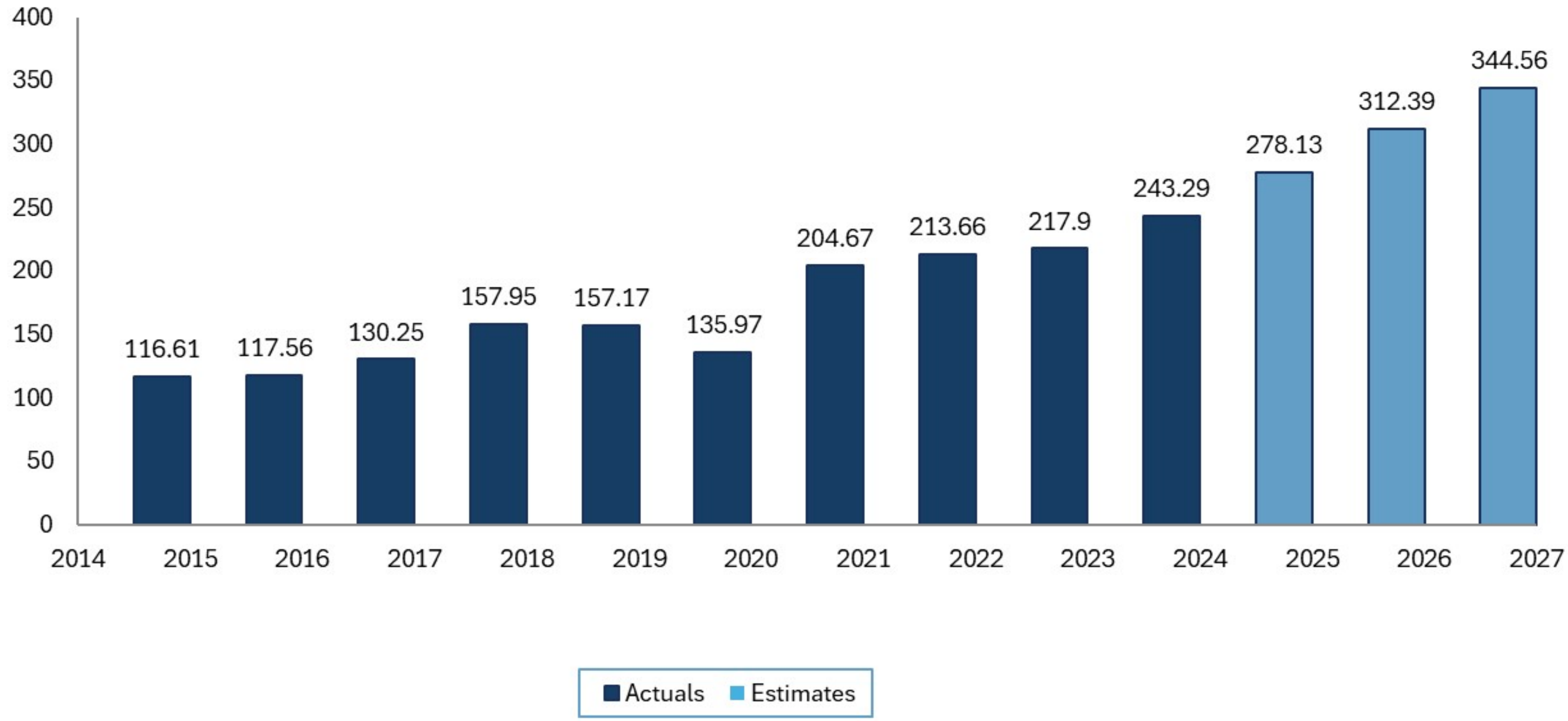
S&P 500 Calendar Year Bottom-Up EPS Estimates: Current & Historical



Source: Standard & Poor's, FactSet, Earnings Insight Report. Data as of 6/30/25. Please see slides 38-40 for index definitions.

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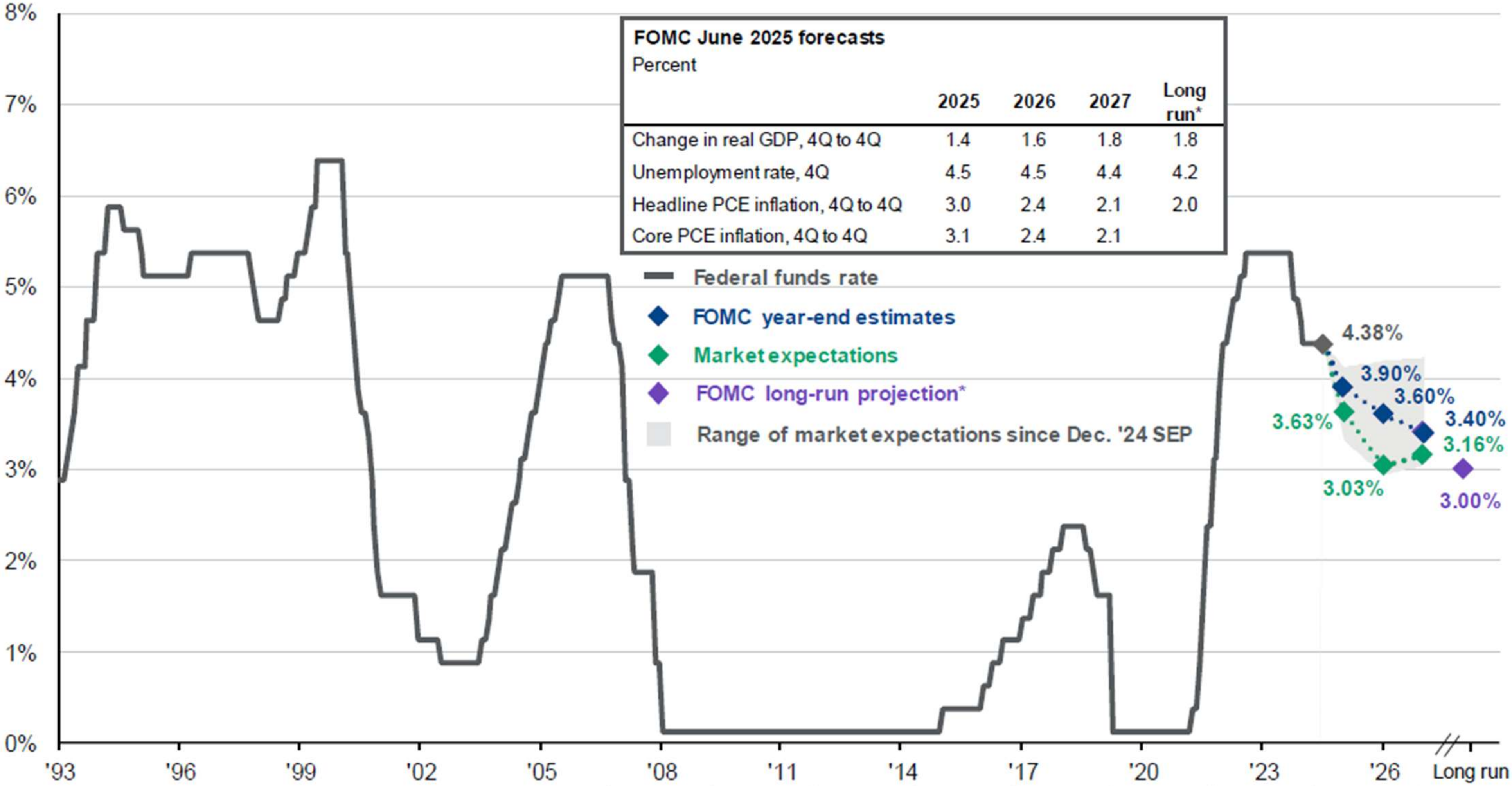
Federal Funds Rate Expectations

FOMC and Market Expectations for the Federal Funds Rate



FOMC June 2025 forecasts
Percent

	2025	2026	2027	Long run*
Change in real GDP, 4Q to 4Q	1.4	1.6	1.8	1.8
Unemployment rate, 4Q	4.5	4.5	4.4	4.2
Headline PCE inflation, 4Q to 4Q	3.0	2.4	2.1	2.0
Core PCE inflation, 4Q to 4Q	3.1	2.4	2.1	

Source: FactSet, JPMorgan Asset Management. Data as of 6/30/2025.

Yield to Worst

Source: FactSet, Raymond James. All yields are Yield to Worst. Past performance is not indicative of future results. Please see slides 38-40 for index definitions. Data as of 6/30/2025.

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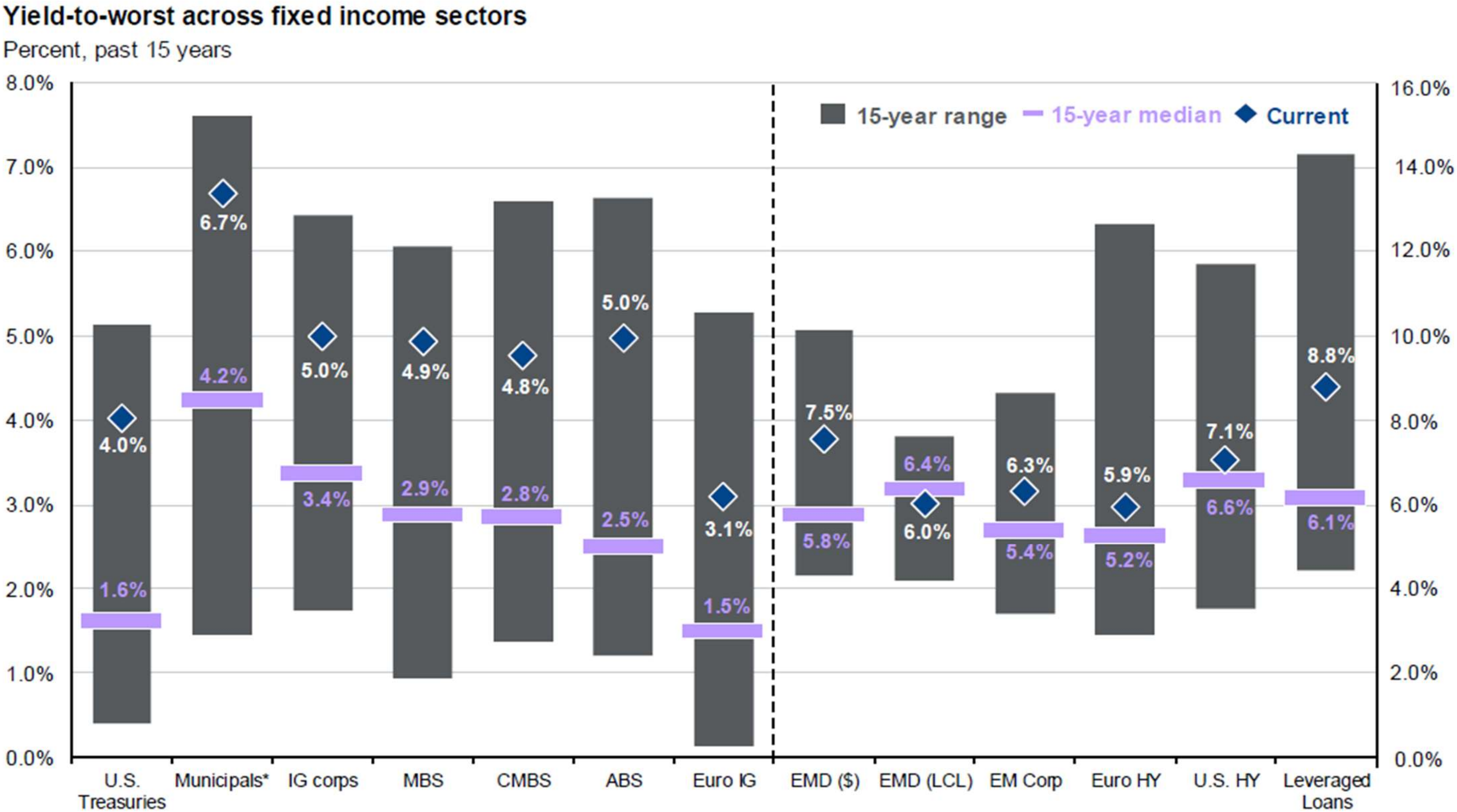
Yield to Worst Across Fixed Income Sectors



Source: Bloomberg, FactSet, JPMorgan, as of 6/30/25. All sectors shown are yield-to-worst except for Municipals, which is based on the tax-equivalent yield-to-worst assuming a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8% for a total of 40.8%. Please see slides 38-40 for index definitions.

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The US Dollar weakened in the second quarter as investors continued to weigh the impact of global trade tensions.

US Dollar Index

Source: FactSet, as of 6/30/2025. Please see slides 38-40 for index definitions.

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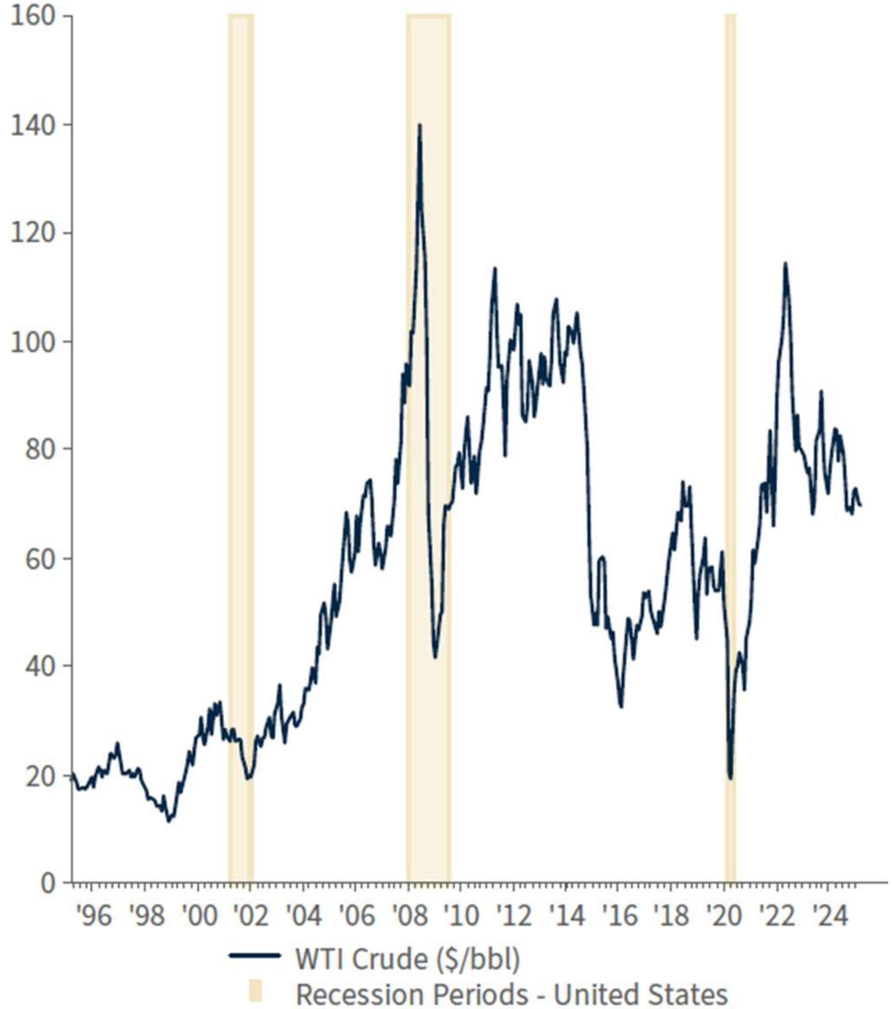
COMMODITY PRICES

WTI Price



Source: FactSet, Raymond James. Data as of 6/30/2025.

Gold Price

Source: FactSet, Raymond James. Data as of 6/30/2025.

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ECONOMIC REVIEW

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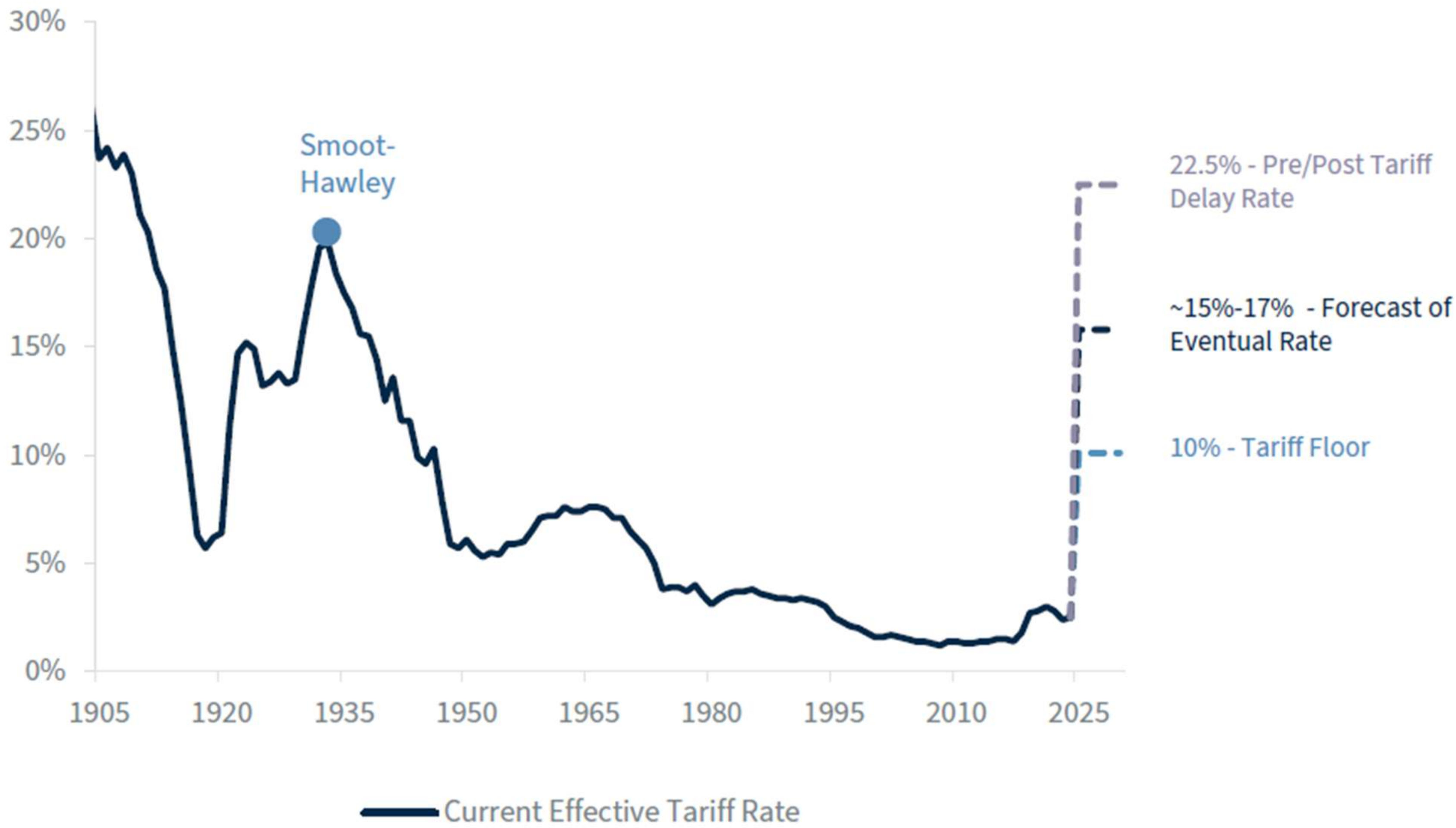
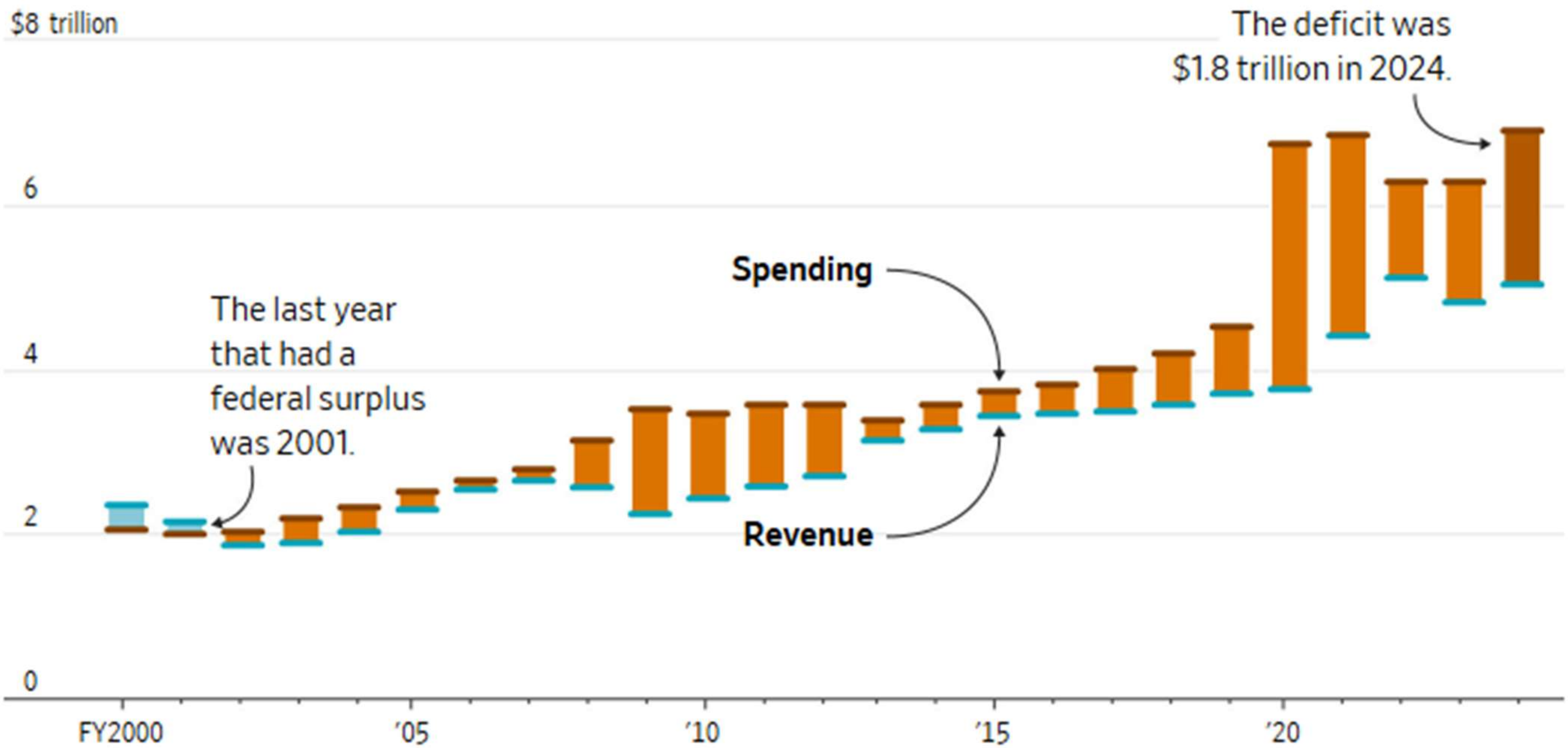
Current and Projected Tariff Levels vs. History



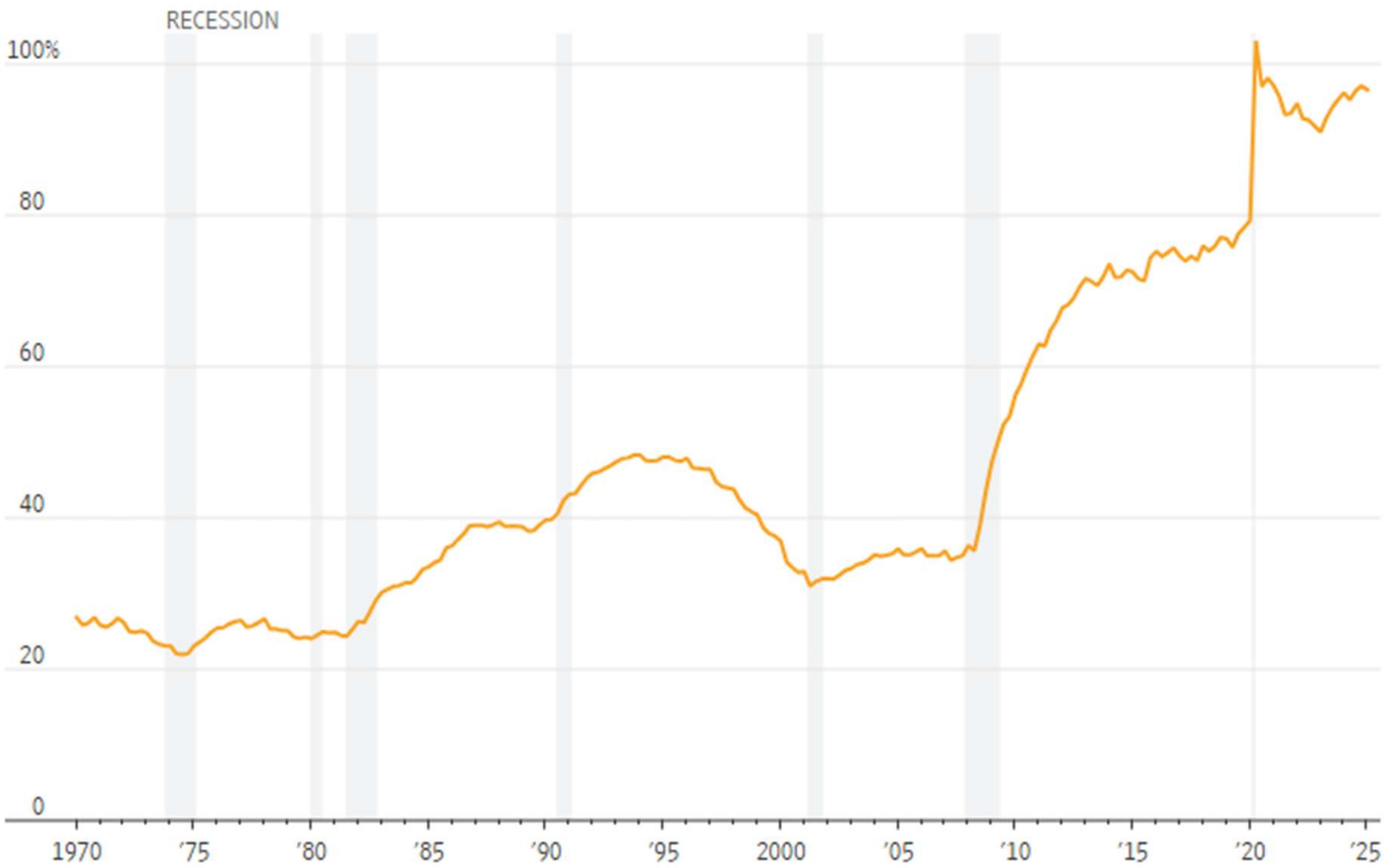
Source: FactSet, Raymond James. Data as of 6/30/2025.

Gap Between Federal Revenue and Spending



Source: Federal Reserve Bank of St. Louis Economic Data, Wall Street Journal. Data as of 7/3/2025.

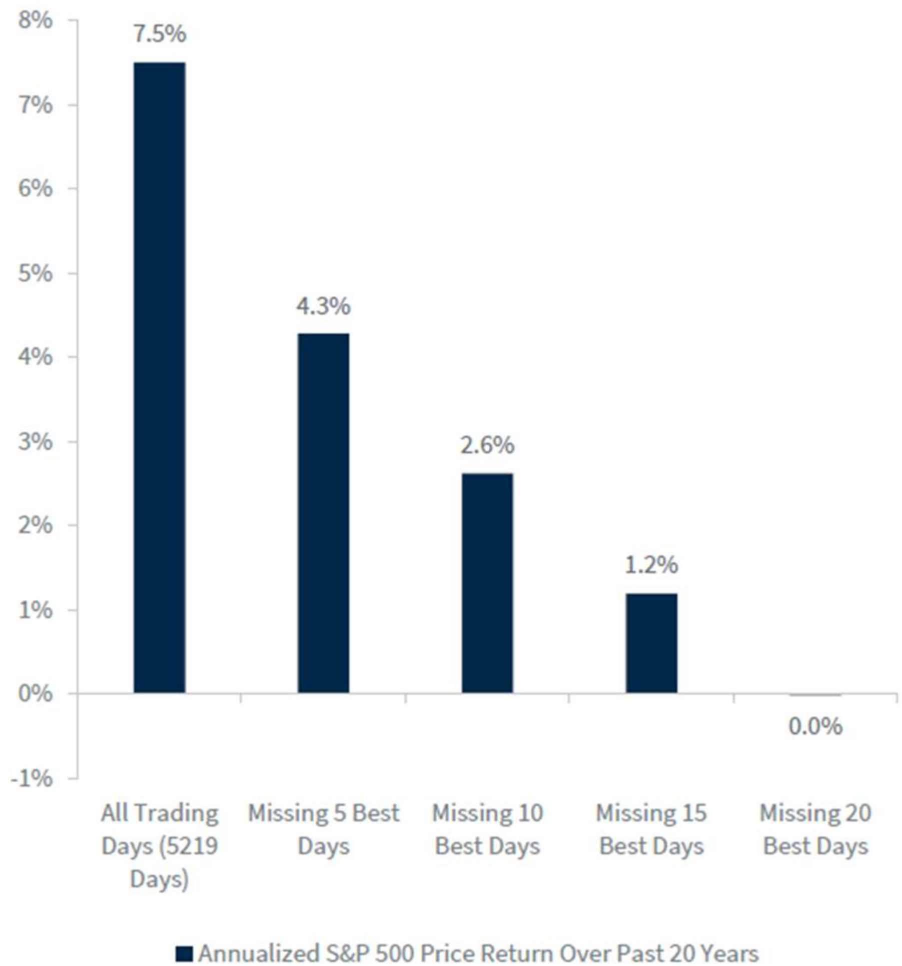
Publicly Held Debt as a Share of GDP



Source: Federal Reserve Bank of St. Louis Economic Data, Wall Street Journal. Data as of 7/3/2025.

Importance of Staying Invested

Missing the S&P 500's Best Days



Source: FactSet, Standard & Poor's, Raymond James. Please see slides 38-40 for index definitions. Data as of 6/30/2025.

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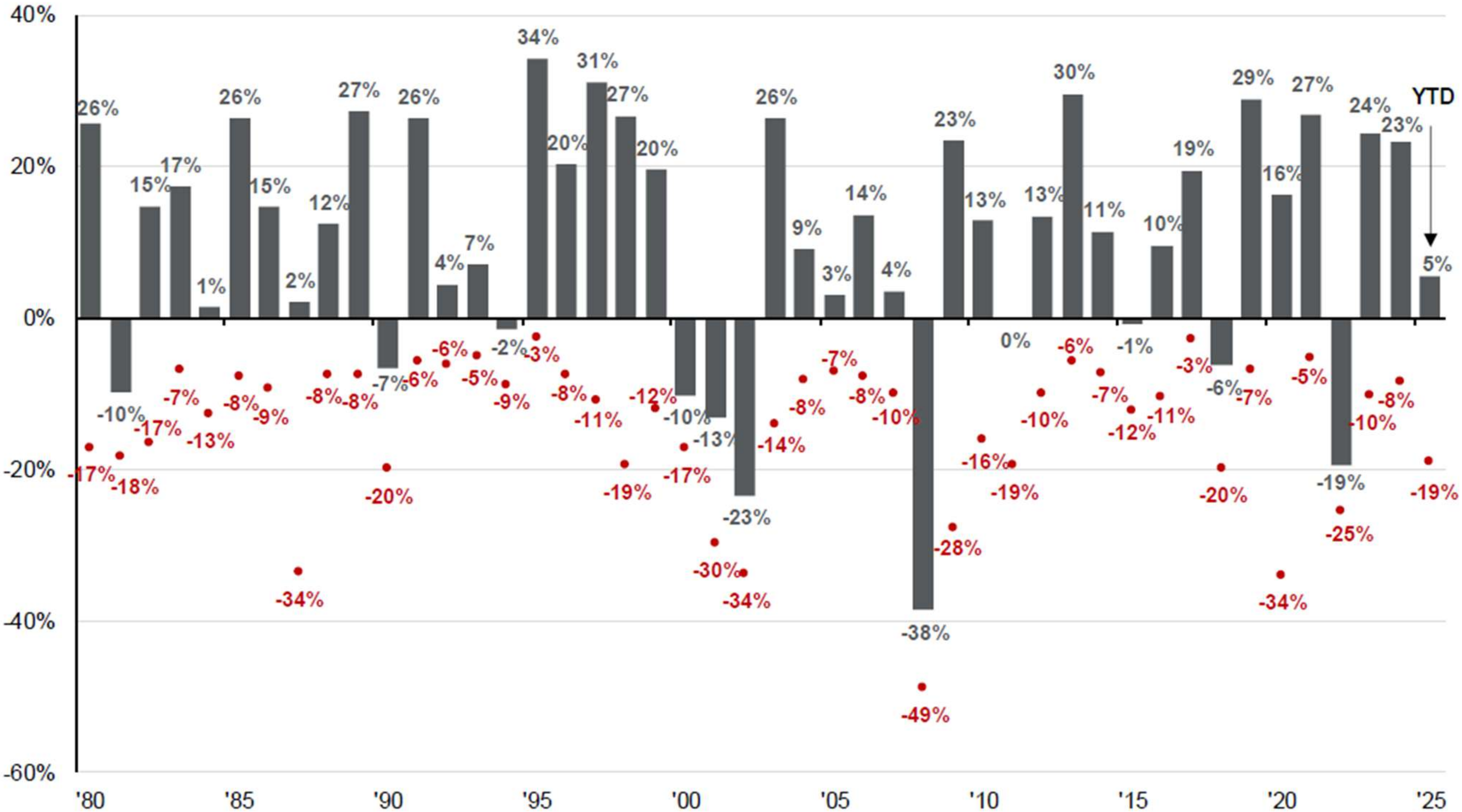
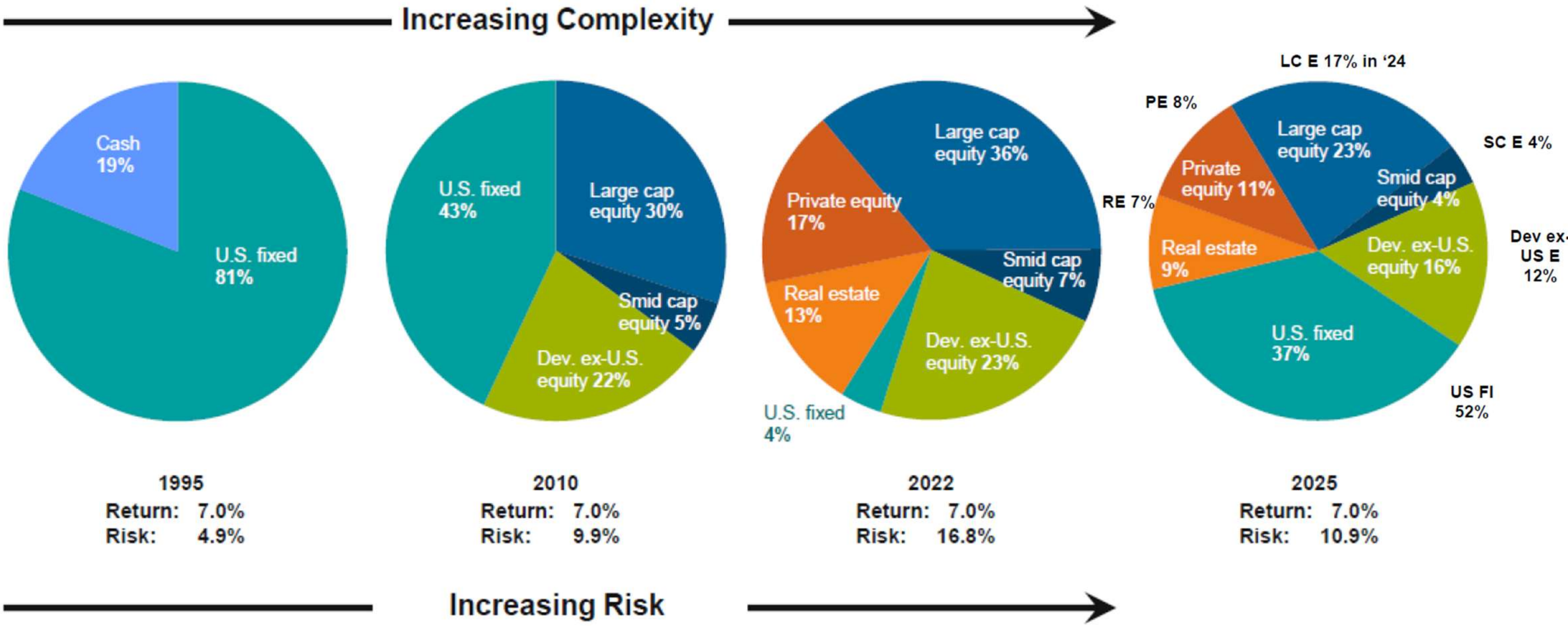
S&P 500 Intra-Year Declines vs. Calendar Year Returns

Despite average intra-year drops of 14.1%, annual returns were positive in 34 of 45 years



Source: FactSet, Standard & Poor's, JPMorgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drop refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2024, over which the average annual return was 10.6%. Please see slides 38-40 for index definitions. Data as of 6/30/2025.

7% Expected Returns Over the Past 30 Years



Source: Callan Associates, Evercore ISI. Data as of June 20, 2025.

DISCLOSURE

All of the accolades received by Klingman & Associates along with the full disclosure of the criteria used for awarding them can be found at:
https://www.klingmanria.com/accolades_and_recognition.htm

Data provided by Morningstar, Bloomberg.

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Asset allocation and diversification does not guarantee a profit nor protect against loss. Dividends are not guaranteed and will fluctuate. Past performance is not indicative of future results. Investing in international securities involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets. The values of real estate investments may be adversely affected by several factors, including supply and demand, rising interest rates, property taxes, and changes in the national, state and local economic climate. Companies engaged in business related to a specific sector are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector including limited diversification. Rebalancing a non-retirement account could be a taxable event that may increase your tax liability. Currencies investing are generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

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Fixed Income: subject to credit risk and interest rate risk. An issuer's credit rating may impact their ability to pay the promised income and return of principal upon maturity. Generally, when interest rates rise, bond prices fall, and vice versa. Specific-sector investing can be subject to different and greater risks than more diversified investments.

Consumer Price Index (CPI): a common measure of inflation which examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. Changes in CPI are used to assess price changes associated with the cost of living.

Gross Domestic Product (GDP): a broad measurement of a nation's overall economic activity. It is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, including all private and public consumption, government outlays, investments and net exports that occur within a defined territory.

Price-to-Earnings Ratio (P/E): a ratio for valuing a company that measures its current share price relative to its per-share earnings.

Price-to-Book Ratio (P/B): A ratio used to compare a stock's market value to its book value. It is calculated by dividing the closing stock price by the latest quarter's book value per share.

Small-cap and Mid-Cap Equity: generally involve greater risks, and may not be appropriate for every investor. International investing also involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.

High-Yield Fixed Income: not suitable for all investors. Risk of default may increase due to changes in the issuer's credit quality. Price changes may occur due to changes in interest rates and the liquidity of the bond. When appropriate, these bonds should only comprise a modest portion of your portfolio.

Commodities: trading is generally considered speculative because of the significant potential for investment loss.

U.S. Government Fixed Income: guaranteed timely payment of principal and interest by the federal government.

U.S. Treasury Bills: A short-term debt obligation backed by the U.S. government with a maturity of less than one year.

Fixed Income Sectors: Returns based on the four sectors of Barclays Global Sector Classification Scheme: Securitized (consisting of U.S. MBS Index, the ERISA-Eligible CMBS Index and the fixed-rate ABS Index), Government Related (consisting of U.S. Agencies and non-corporate debts with four sub sectors: Agencies, Local Authorities, Sovereign and Supranational), Corporate (dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers), and Treasuries (includes public obligations of the U.S. Treasury that have remaining maturities of one year or more).

INDEX DESCRIPTIONS

Asset class and reference benchmarks:

ASSET CLASS	BENCHMARK
U.S. Equity	Russell 3000 TR
Non-U.S. Equity	MSCI ACWI ex US NR
U.S. Fixed Income	Barclays U.S. Aggregate Bond TR
Global Real Estate (prior to 2008)	NASDAQ Global Real Estate NR
Global Real Estate (2008-present)	FTSE EPRA/NAREIT Global Real Estate NR
Commodities	Bloomberg Commodity TR USD
Cash & Cash Alternatives	Citi Treasury Bill 3 Mon USD

Bloomberg Commodity Total Return Index: Formerly the Dow Jones-UBS Commodity Index TR (DJUBSTR),is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 3 Month U.S. Treasury Bills.

Barclays 10-Year Municipal: A rules-based, market-value weighted index engineered for the long-term tax-exempt bond market. This index is the 10 year (8-12) component of the Municipal Bond Index.

Barclays 10-Year U.S. Treasuries: Measures the performance of U.S. Treasury securities that have a remaining maturity of 10 years.

Barclays U.S. Aggregate 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.

Barclays Global Aggregate ex-U.S. Dollar Bond Index: Tracks an international basket of bonds that currently contains 65% government, 14% corporate, 13% agency and 8% mortgage-related bonds.

Barclays High Yield: Covers the universe of fixed-rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures and 144-As are also included.

Barclays U.S. Corporate High Yield: Composed of fixed-rate, publicly issued, non-investment grade debt.

Citi 3-Month Treasury-Bill Index: This is an unmanaged index of three-month Treasury bills.

FTSE EPRA/NAREIT Global Real Estate Index : Designed to represent general trends in eligible listed real estate stocks worldwide. Relevant real estate activities are defined as the ownership, trading and development of income producing real estate.

Global Financial Data: Index data has calculated for world ex US indices back to 1919. Since the Morgan Stanley World index was not calculated before 1970, an index has been put together to simulate how a World Index would have performed had it been calculated back to 1919. From 1970 on, the indices are capitalization weighted and include the same countries as are now included in the MSCI World Index.

MSCI All Country World Index Ex-U.S Index.: A market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. It includes both developed and emerging markets.

MSCI EAFE Index (Europe, Australasia, Far East): A free-float adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The EAFE consists of the country indices of 21 developed nations.

MSCI EAFE Growth Index: Represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the growth style.

MSCI EAFE Small-Cap Index: An unmanaged, market-weighted index of small companies in developed markets, excluding the U.S. and Canada.

MSCI EAFE Value: Represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the value style.

MSCI Emerging Markets Index: Designed to measure equity market performance in 25 emerging market indexes. The three largest industries are materials, energy and banks.

MSCI Local Currency Index: A special currency perspective that approximates the return of an index as if there were no currency valuation changes from one day to the next.

NASDAQ Global Real Estate Index: The index measures the performance of real estate stocks which listed on an Index Eligible Global Stock Exchange. The index is market-capitalization weighted.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the investible U.S. equity market.

Russell 1000 Value Index: Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Mid-Cap Index: Measures the performance of the 800 smallest companies of the Russell 1000 Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index.

Russell Mid-cap Value Index: Measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower forecasted growth values.

Russell Mid-Cap Growth Index: Measures the performance of those Russell Mid-cap companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Index: measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents 98% of the investable U.S. equity market.

INDEX DESCRIPTIONS (continued)

Standard & Poor's 500 (S&P 500): Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market.

S&P 500 Consumer Discretionary: Comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples: Comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy: Comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials: Comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector

S&P 500 Health Care: Comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials: Comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology: Comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials: Comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Telecom Services: Comprises those companies included in the S&P 500 that are classified as members of the GICS® telecommunication services sector.

S&P 500 Utilities: Comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

S&P Mid Cap 400 (S&P 400): Provides investors with a benchmark for mid – cap companies. The index, which is distinct from the large-cap S&P 500, measures the performance of mid-cap companies, reflecting distinctive risk and return characteristics of this market segment.

S&P Small Cap 600 (S&P 600): Provides investors with a benchmark for small – cap companies. The index, which is distinct from the large-cap S&P 500, measures the performance of small-cap companies, reflecting distinctive risk and return characteristics of this market segment.

VIX is the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. It is a widely used measure of market risk.