CAPITAL MARKETS OUTLOOK

Reviewing the quarter ended December 31, 2025

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January 2026

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.

2025 served as a defining case study for the myriad challenges of market timing. Despite trade shocks, geo-political unrest, and policy uncertainty, long-term investors were rewarded for their patience as the S&P 500 achieved its third consecutive year of double-digit gains (page 35). The S&P 500 Index finished the year +18%, which is 40% above April's low following the US tariff announcements. Selling during April's market volatility and missing just the S&P 500's ten best days during 2025 would have flipped that 18% gain into a 12% loss. This scenario also reinforces that money needed in the short-term should not be held in equities. Stretches of market volatility are typically sparked by something unexpected (Liberation Day, Coronavirus, etc.), pushing unprepared investors without a diversified portfolio to scramble and make short-sighted decisions. We often tell clients that when preparing for a journey, we cannot predict the weather, but we can be sure to build the right boat. From an investment standpoint, we believe that means determining the appropriate long-term asset allocation based on liquidity needs, risk tolerance and time horizon, rather than trying to time the market in the short-term.

The US economy, as measured by GDP, grew a healthy 2.3% in the third quarter of 2025 versus a year ago (page 8). We believe the US consumer remains stronger and more resilient than what consumer sentiment readings would suggest (page 16). Household balance sheets remain healthy, particularly for those households that have benefited from the rise in home values and other financial assets (page 17). Real wage growth has remained robust, the unemployment rate remains near historically low levels at 4.4% (page 10), and the economy continues to produce jobs (albeit at a slower rate). And tailwinds from fiscal stimulus should persist into 2026, further supporting consumer spending. Business spending has also impressed, thanks in large part to significant investments in artificial intelligence. In 2026, we expect the economy to grow in line with the 2% trend we have seen historically, though we acknowledge there are no shortage of risks which could derail the expansion. The risk of a monetary policy misstep remains front and center, as the Fed balances lowering rates to help a slowing labor market and lower-income households while also keeping inflation from re-accelerating. Further escalation in geopolitical tensions surrounding Ukraine, Venezuela, and Taiwan, among others, could disrupt the economy and markets, depending on what unfolds. For now, financial markets are riding a strong economy that bodes well for continued consumer spending and future corporate earnings. Continued…

Against this economic backdrop, equity market performance was strong in 2025. US Large Cap Equities, as measured by the S&P 500 Index, finished the year at +18% (page 21). S&P 500 earnings are expected to have grown nearly 12% in 2025 driven by higher revenues and wider profit margins, and expectations call for 15% growth in 2026 and 2027 (page 23). These expectations may be overly optimistic in an economy with 2-3% growth and inflation, but this is nonetheless a testament to the resilience of US businesses. We are concerned that equity prices continue to rise faster than earnings, driving valuations higher. The S&P 500's 12-month forward price-to-earnings ratio is currently at 22x (its long-term average is 16-17x, page 22). Valuations are even more extreme in the largest 10 US companies, which now account for a record 41% of the S&P 500 index. These 10 companies trade at 28x forward earnings, while the other 490 remaining stocks trade at 19x. There is an argument to be made that the quality of these companies, as seen by their consistent secular earnings growth, higher return-on-equity, etc. warrants a higher multiple. But history tells us that eventually, incredibly high valuations and growth expectations can lead to disappointments and devaluations. We believe this dynamic may not only create risks to traditional market cap indexing going forward but also create opportunities within the rest of the market. US Mid Cap Equities (S&P 400 Index) and US Small Cap Equities (S&P 600 Index) returned +8% and +6% respectively in 2025, failing yet again to keep pace with their larger counterparts. Small businesses are facing uncertainty from both a policy and regulatory standpoint, which has tempered future earnings expectations. Additionally, these smaller companies are typically more negatively impacted by higher interest rates than their larger counterparts. But at 15-16x forward earnings, paired with a strong backdrop for economic and corporate earnings growth, we believe these asset classes provide compelling opportunities for long-term investors. We remain Neutral weight to US Large, Mid and Small Cap Equities in our asset allocation models.

International equities outperformed their domestic counterparts by the largest margin in over 30 years (page 34). Non-US Developed Market Equities, as measured by the MSCI EAFE Index, finished the year +32% while Emerging Market Equities, as measured by the MSCI EM Index, finished the year +34%. The strong performance was a result of a weaker US dollar, which boosted returns for unhedged US investors; lower starting valuations compared to the US market; and resilient global economic growth. Earnings growth is broadly expected to continue across these markets (page 33), and additional fiscal spending measures coming in 2026 should further support these asset classes. Valuations have moved higher following the strong price performance in 2025, but the starting point was so low that the current 13.5x to 15.5x forward price-to-earnings multiples still represent relatively attractive valuations. We remain Neutral weight on Non-US Developed and Emerging Market Equities.

continued…

The Federal Reserve continued its policy easing efforts in December, even if not as fast as the President or markets wanted. The Fed cut its benchmark interest rate by a quarter point to a range of 3.5% - 3.75%, marking the third cut in 2025 and sixth cut overall this cycle (page 25). As tariff costs work through the economy and inflation remains stubbornly above the central bank's 2% target (page 18), we believe the Fed should pause further cuts until more labor and inflation data come through, particularly after the surveys were delayed by the government shutdown. Despite the cut to short-term rates, stronger-than-expected growth, paired with continued concerns about the US government's fiscal outlook, has kept long-term interest rates higher (page 27). We continue to take advantage of this opportunity, 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 in managing client liquidity needs but also in helping protect against the risk of rising interest rates as the cash gets reinvested at higher market rates. We remain Overweight to high quality Investment Grade credits, including Municipals, Treasuries, Treasury Inflation-Protected Securities and Corporates. While Non-Investment Grade bonds enjoyed another year of positive returns (+9% as measured by the Bloomberg US Corporate High Yield index), credit spreads have tightened to historically narrow levels. Even though the income may be attractive on an absolute basis, we do not believe investors are being adequately compensated for taking excessive credit risk and have moved further Underweight to Strategic Bonds.

After the last several years of double-digit market returns (both positive and negative), market pundits are forecasting more "average" returns of 5-10% for equity markets in 2026. Despite the S&P 500 delivering an average return of ~10% since 1926, these average returns are rarely experienced in a given year. The market has returned close to the average (between 8% and 12%) in only 6 of the past 100+ years. Most years, the index's return was outside of that range – often above or below by a wide margin – with no distinct pattern and little correlation to market forecasts and/or expected geopolitical impacts. The last several years have been no different. While we cannot predict what 2026 will bring, we do feel good reviewing portfolios with clients and continue to focus on the "blocking and tackling" of successful long-term investing: rebalancing portfolios to target allocations; managing fixed income duration and increasing income; and deploying cash balances effectively.

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

CAPITAL MARKETS

QUARTERLY THEMES

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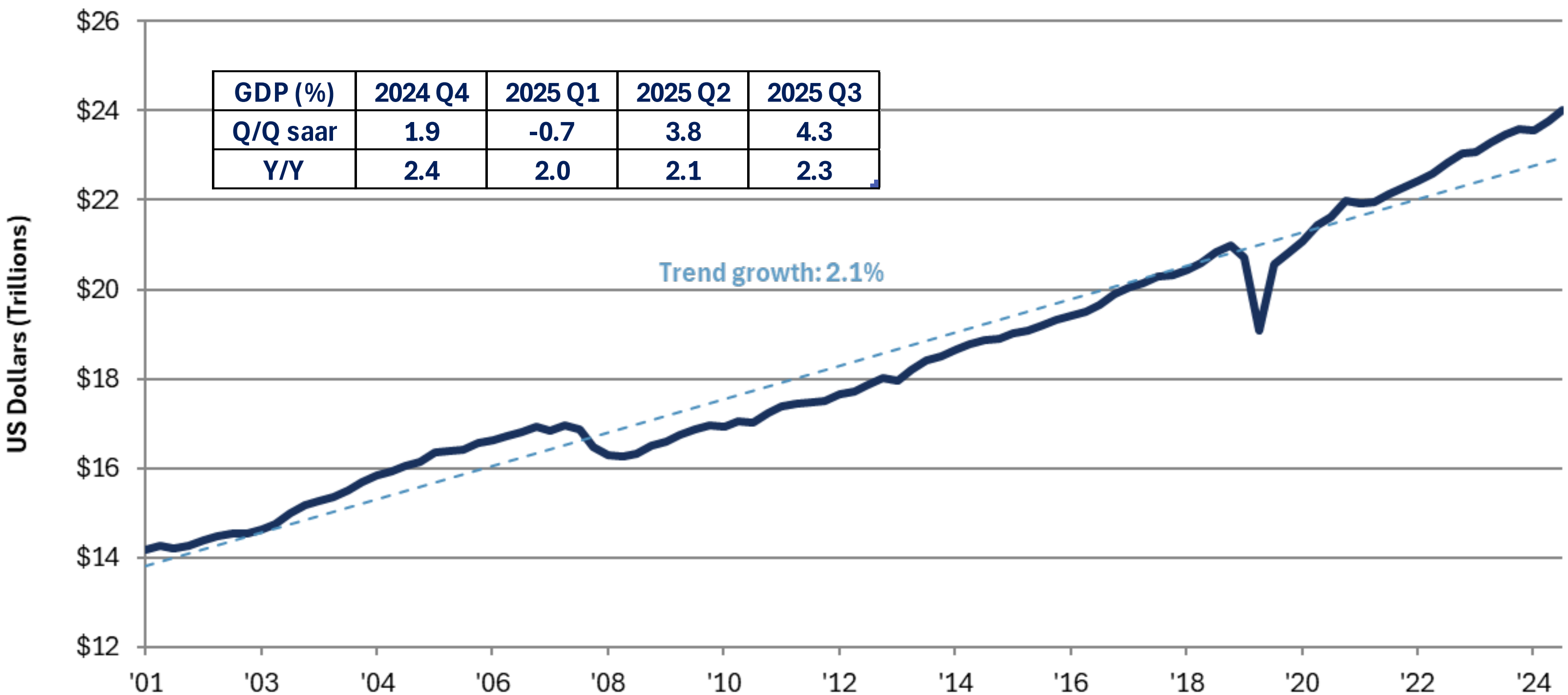
Real Gross Domestic Product (GDP)

Gross domestic product increased 2.3 percent in the third quarter of 2025 versus a year ago according to the Bureau of Economic Analysis, driven by increases in net exports and consumer spending.

GDP (%)	2024 Q4	2025 Q1	2025 Q2	2025 Q3
Q/Q saar	1.9	-0.7	3.8	4.3
Y/Y	2.4	2.0	2.1	2.3



Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis Economic Data. Trillions of chained (2017) dollars, seasonally adjusted. Data as of 9/30/2025.

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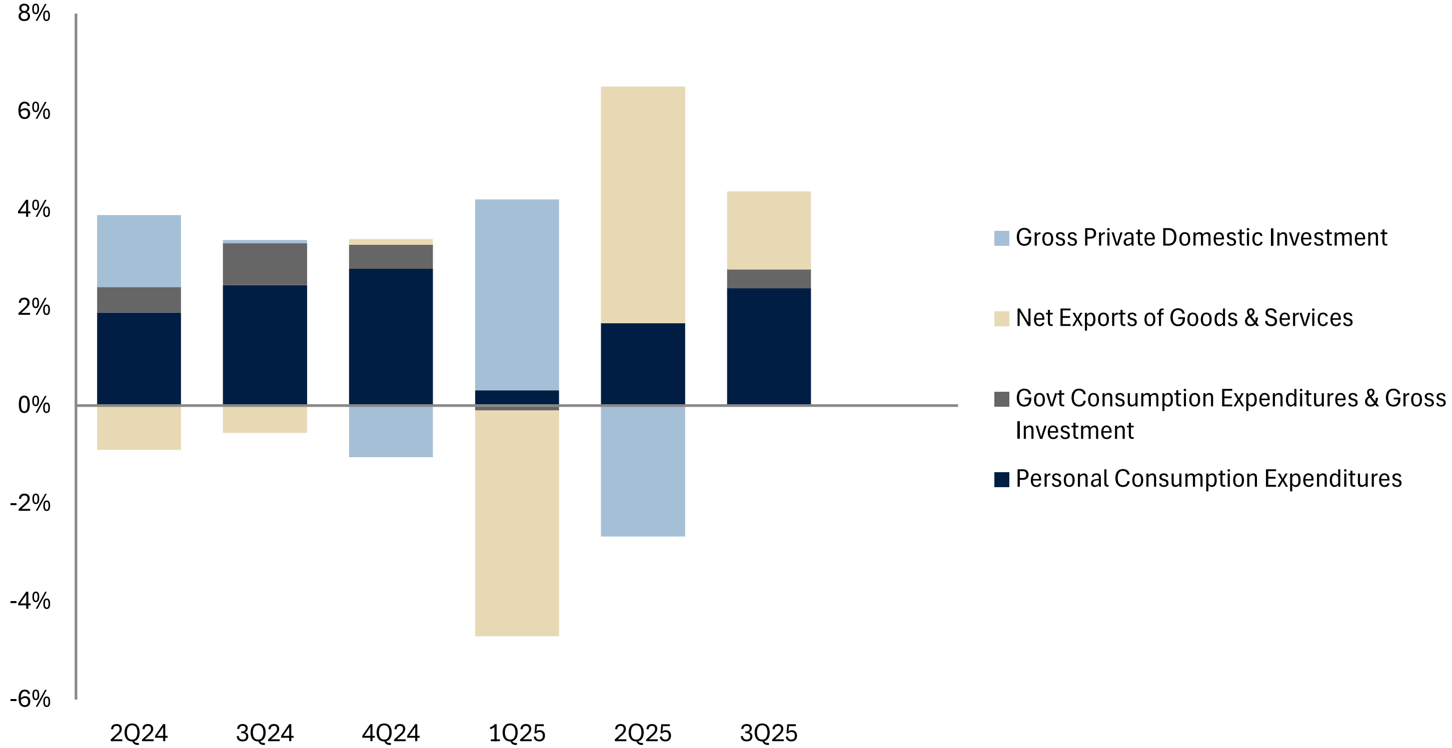
CONTRIBUTIONS TO % CHANGE IN REAL GDP

Third quarter real GDP growth reflected increases in consumer spending, net exports, and government consumption, while gross private domestic investment was negative.



Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis Economic Data. Data as of 9/30/2025.

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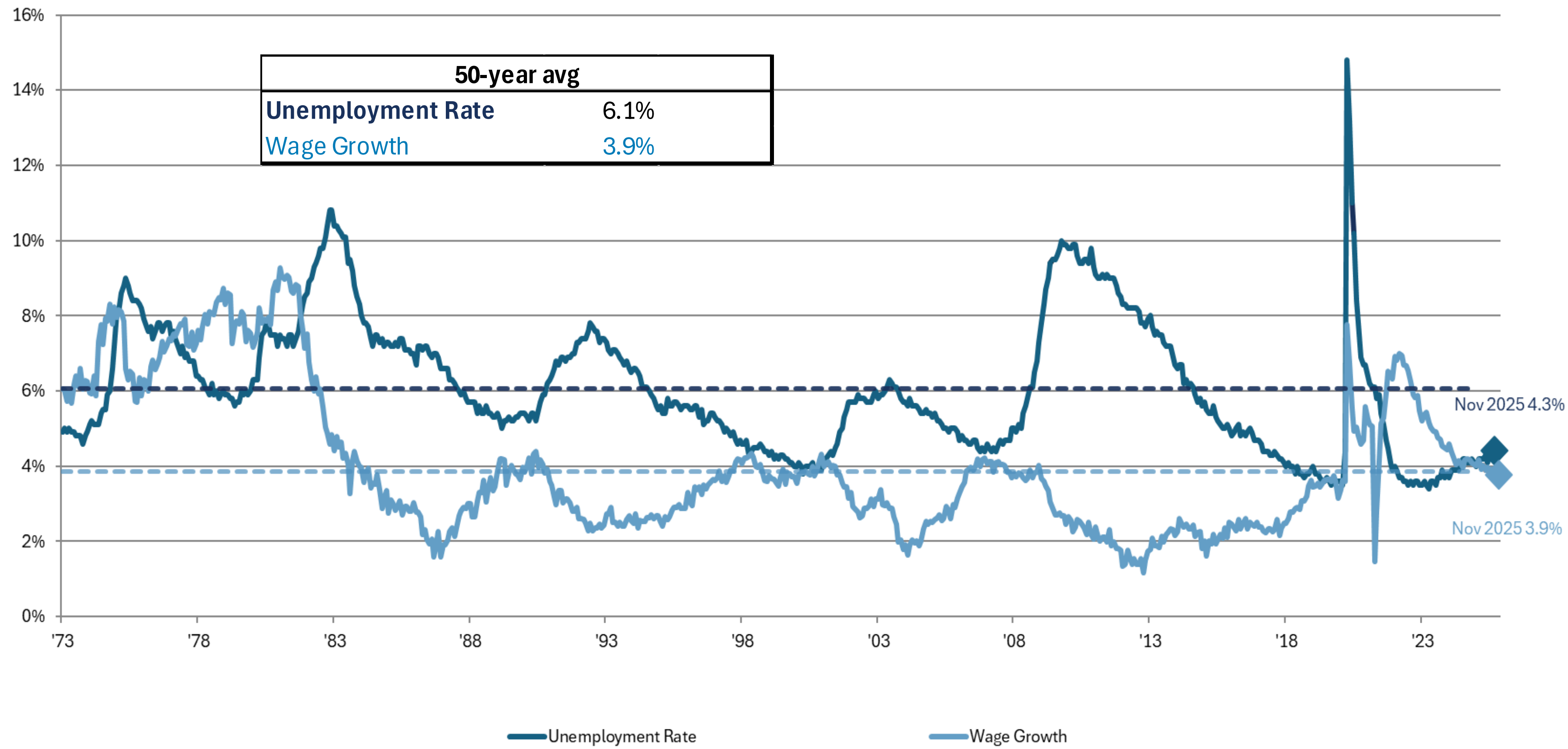
Civilian Unemployment Rate and Year-over-Year Wage Growth



50-year avg	
Unemployment Rate	6.1%
Wage Growth	3.9%

Source: Federal Reserve Bank of St. Louis Economic Data. Unemployment rate and wage growth is measured monthly, seasonally adjusted. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. Data as of 12/31/2025.

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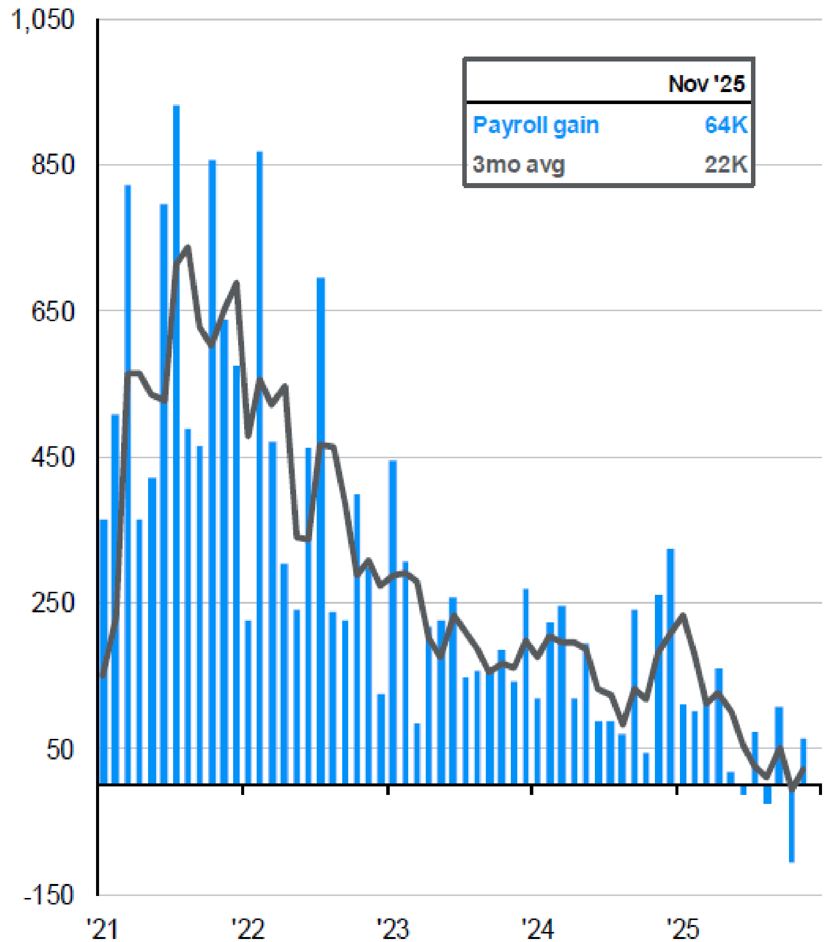
Non-farm payrolls rose modestly at the end of the year. However, the pace of gains has slowed, reflecting tighter labor market conditions.

Non-Farm Payrolls YoY Change

Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 12/31/2025.

Non-Farm Payroll Gains

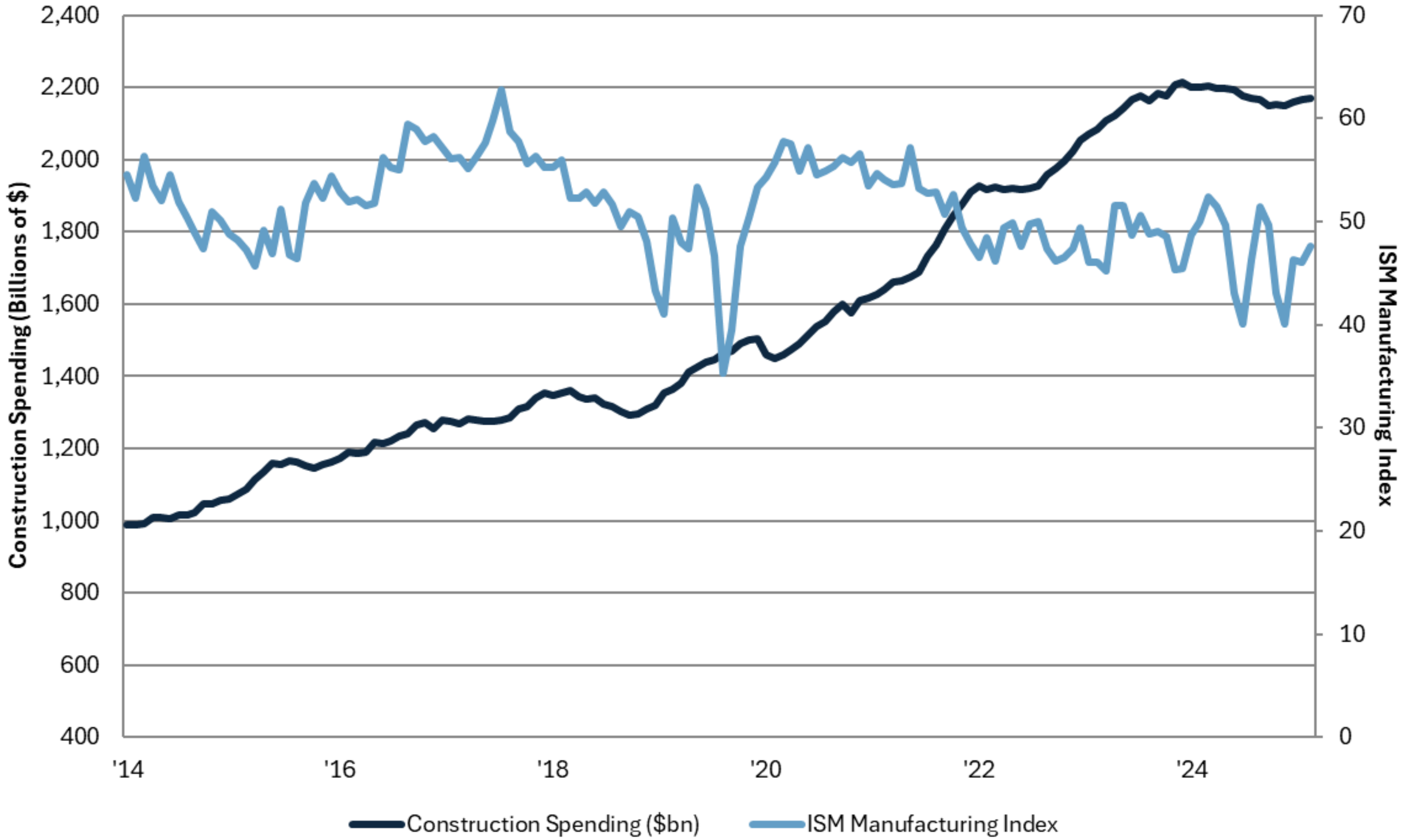
Month-over-Month Change and 3-Month Moving Average



Source: BLS, FactSet, CBO, JPMorgan Asset Management. Data as of 11/30/2025.

The ISM Manufacturing Index registered 47.9 in December and remains in contractionary territory (a level below 50). Construction spending increased slightly over the quarter.

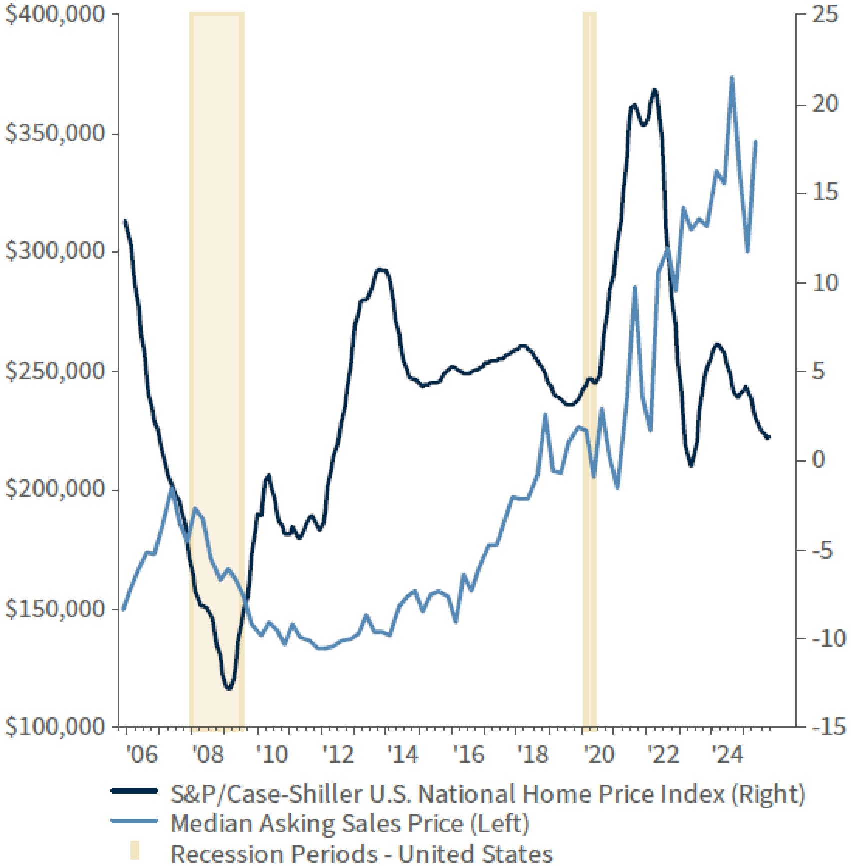
Construction and Manufacturing



Source: Federal Reserve Bank of St. Louis Economic Data, YCharts. Data as of 12/31/2025.

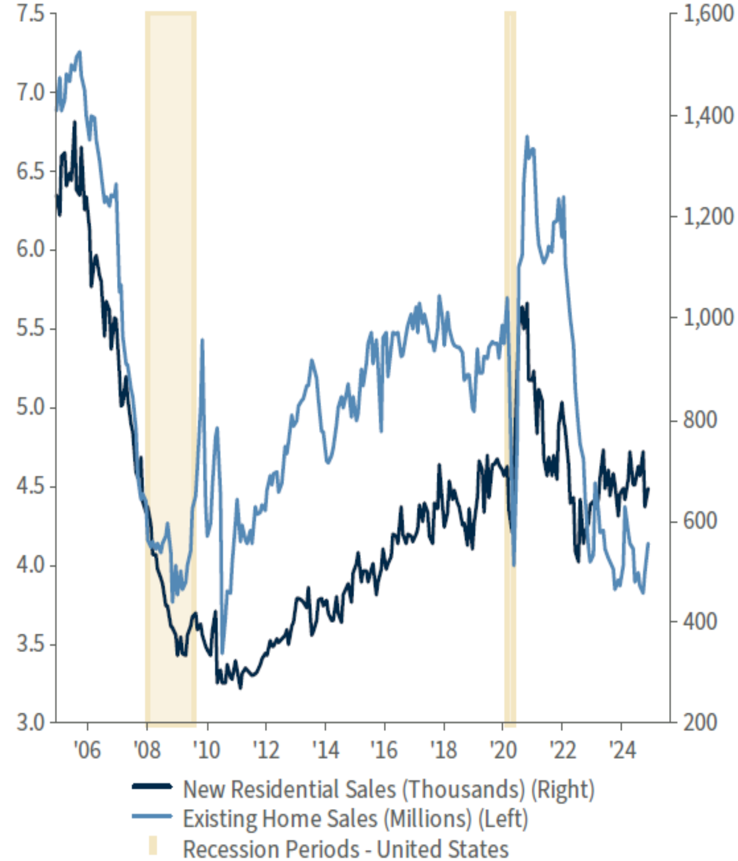
While home prices have continued to climb, the pace of price increases has moderated significantly. New and existing home sales trended higher this fall.

National Home Price Index (YoY Change)



Source: FactSet, Raymond James. Data as of 12/31/2025.

New and Existing Home Sales



Source: FactSet, Raymond James. Data as of 12/31/2025.

Retail sales were relatively stable but trended slightly higher at the end of the year.

Retail Sales YoY Change

Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 12/31/2025.

US Consumer sentiment was 51 in December, as measured by the University of Michigan Consumer Sentiment Index, remaining stubbornly low despite healthy economic conditions.

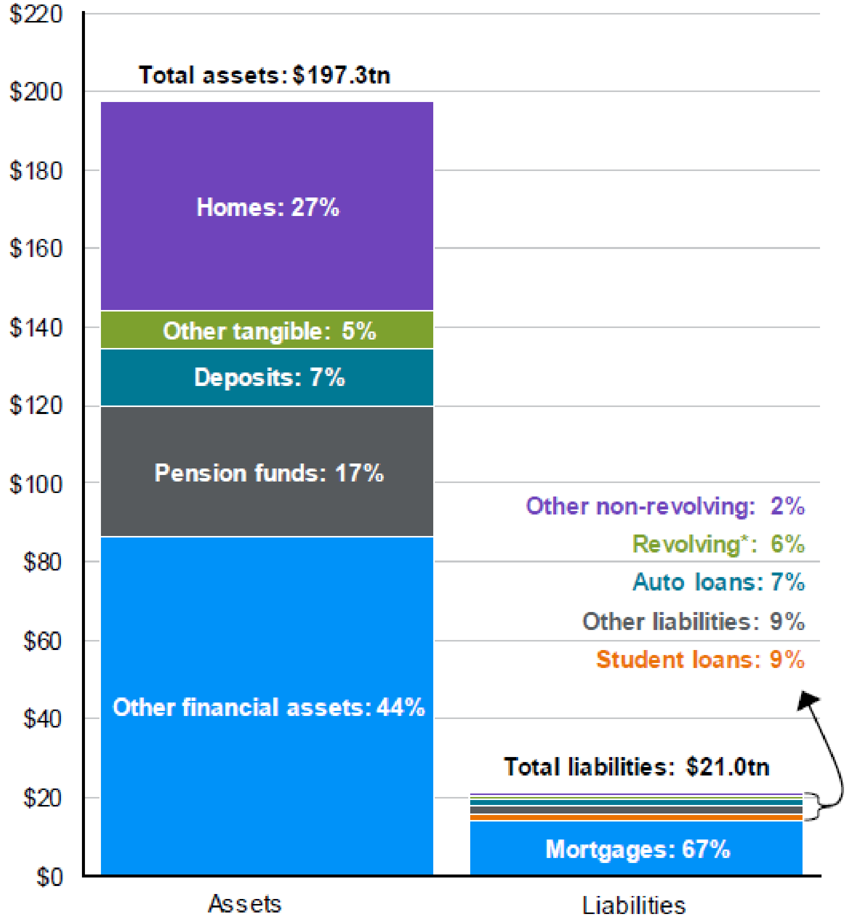
Consumer Confidence

Source: Federal Reserve Bank of St. Louis Economic Data, University of Michigan Consumer Sentiment Index. Data as of 12/31/2025.

Consumer Finances

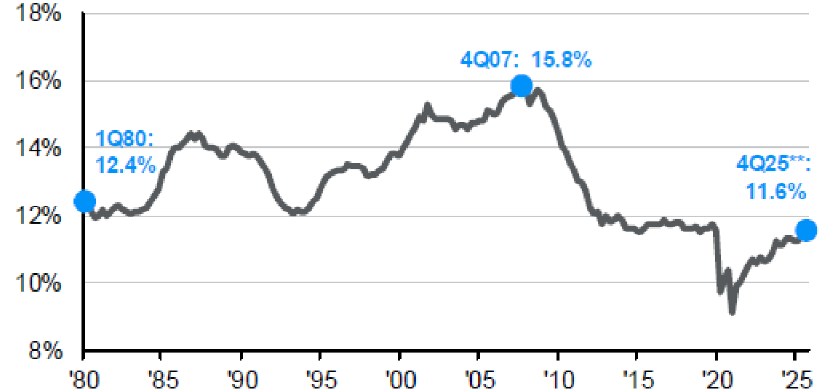
Consumer balance sheet

2Q25, USD trillions, not seasonally adjusted



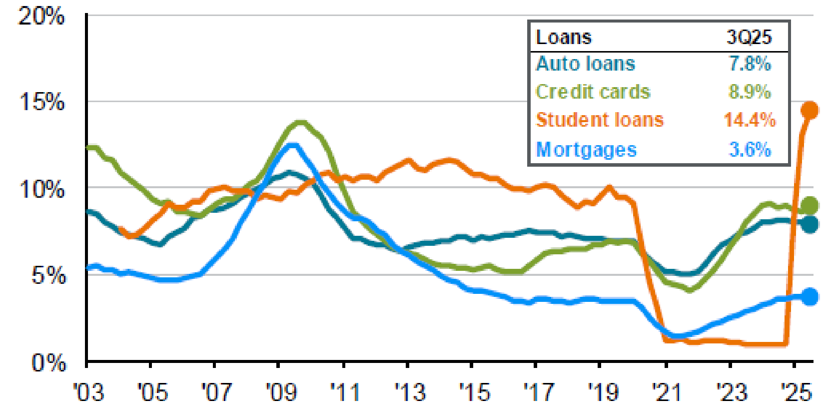
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

% of balance delinquent 30+ days



Loans	3Q25
Auto loans	7.8%
Credit cards	8.9%
Student loans	14.4%
Mortgages	3.6%

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. **Periods for which official data are unavailable are JPMorgan Asset Management estimates. Household debt service ratio data from 1Q80 to 4Q04 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 9/30/2025.

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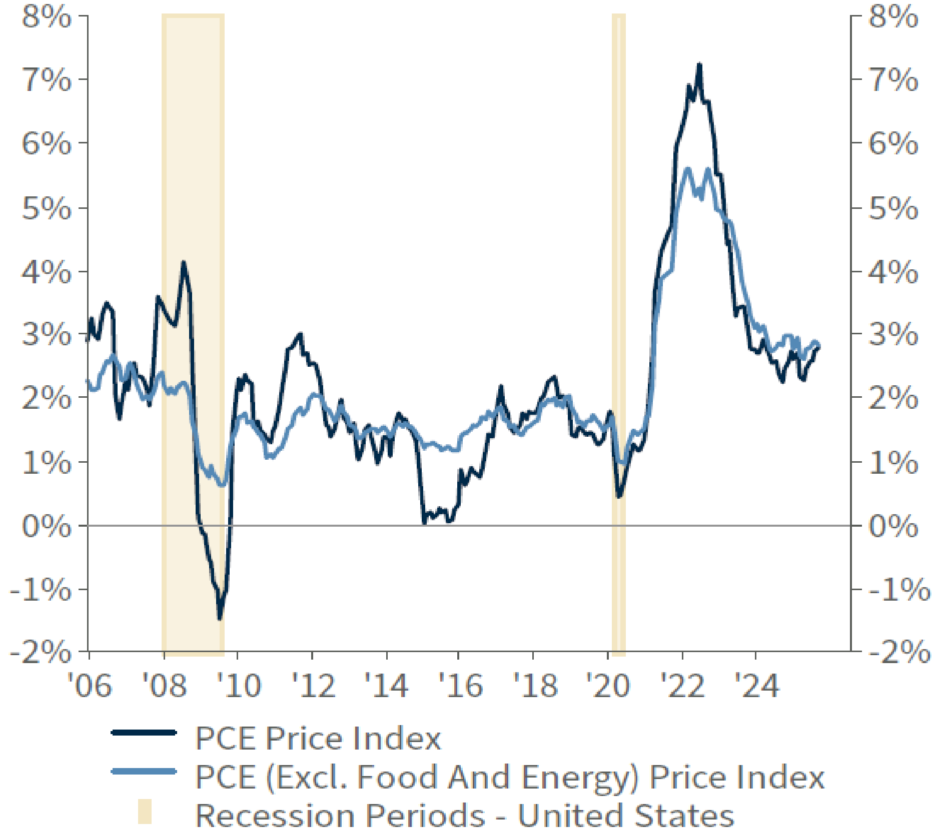
Inflation

Inflation remained sticky at the end of the year. The PCE Price Index (PCE) and Core PCE Index, which excludes the volatile food and energy components, both increased 2.8% in September 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 9/30/2025.

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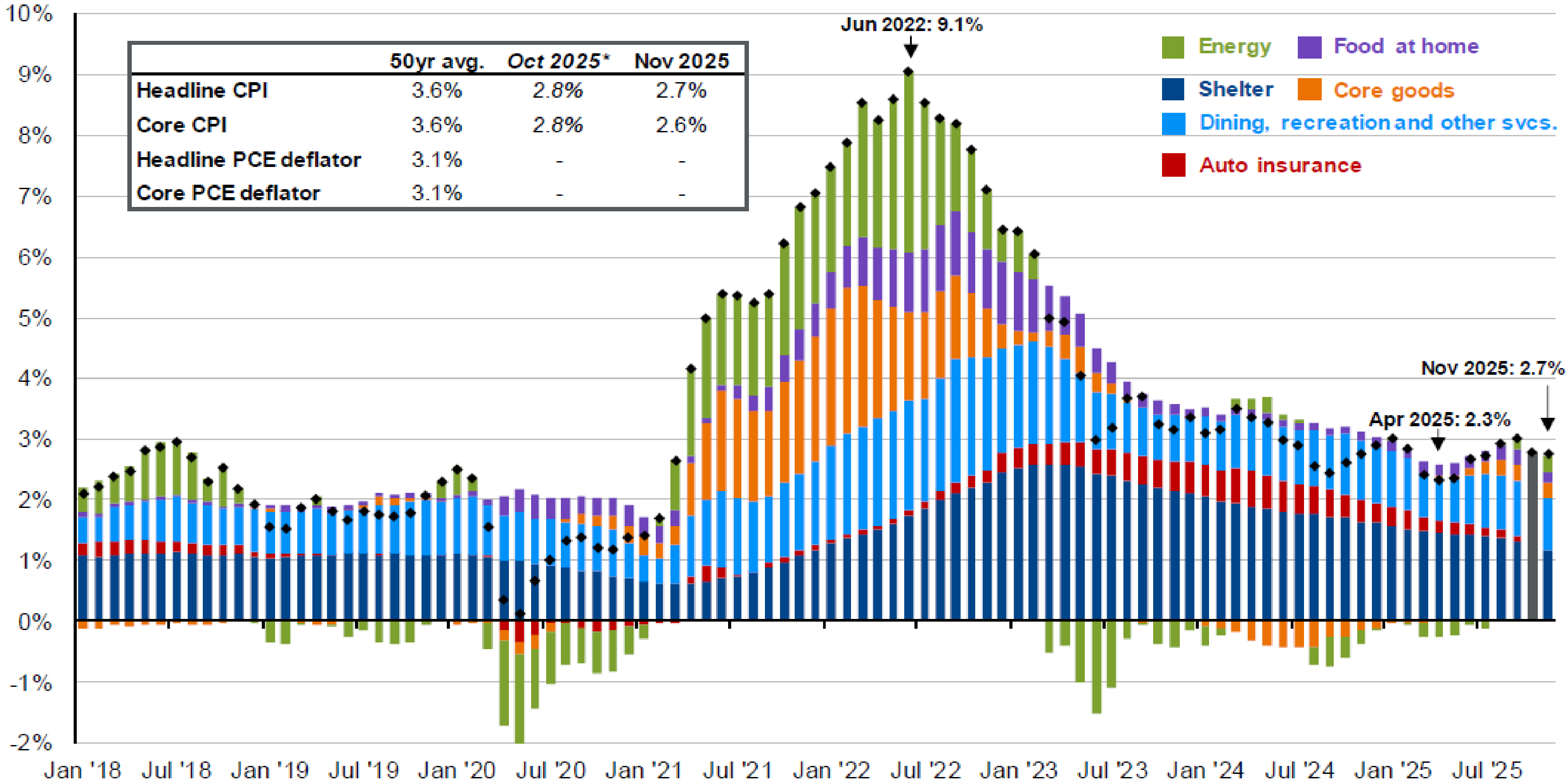
Inflation

Contributors to Headline CPI Inflation



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 11/30/2025.

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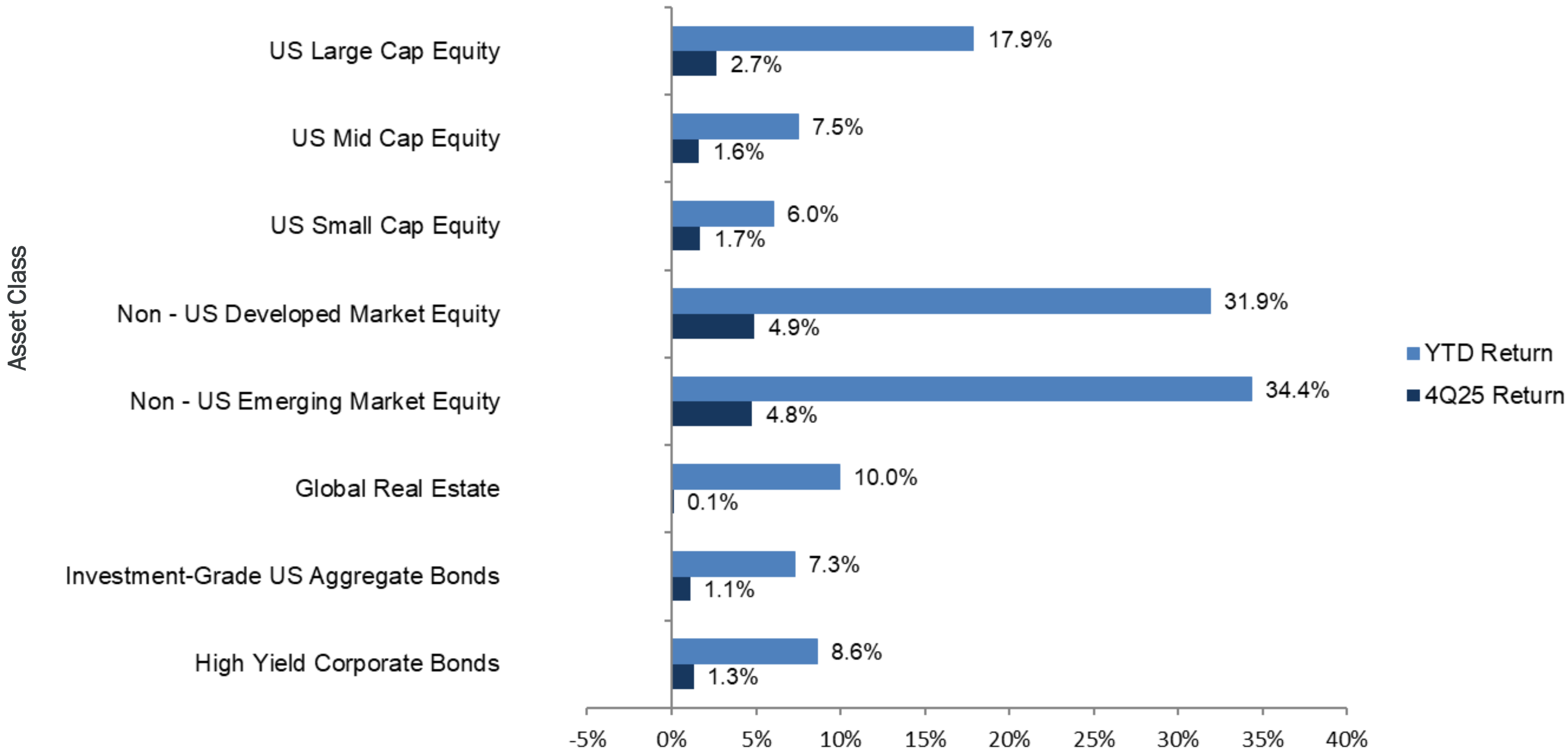
ASSET CLASS RETURNS



Source: FactSet, as of 12/31/2025. Past performance is not indicative of future results. Please see slides 40-42 for asset class definitions.

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	Current Forward P/E	20-Year Average	Current P/E as a % of 20-year Average
S&P 500	22.3	16.0	139.4%
S&P 400	16.0	15.7	101.8%
S&P 600	15.1	16.3	92.8%

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. 20-year averages as of June 2024. Current P/E data as of 12/31/2025. Please see slides 40-42 for index definitions.

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

Source: Standard & Poor's, FactSet, Earnings Insight Report. Data as of 12/31/25. Please see slides 40-42 for index definitions.

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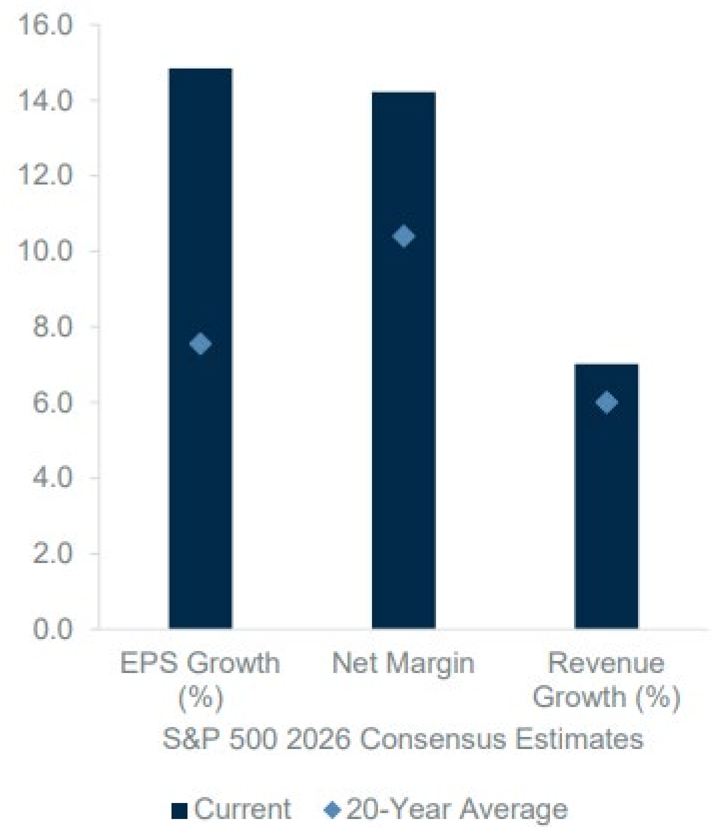
2026 EPS Growth Estimates

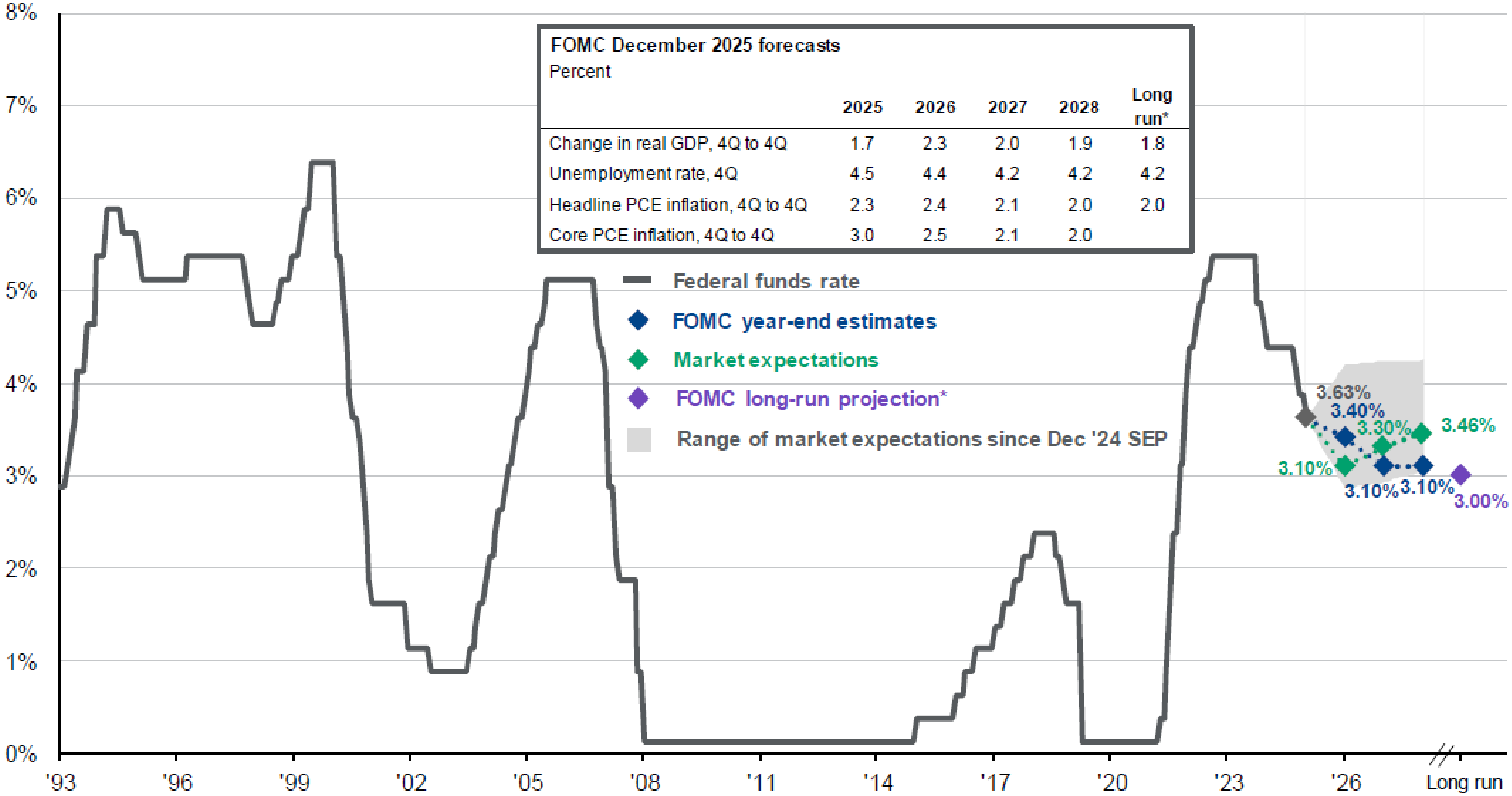
Strong Fundamentals Continue to Support the Market



Source: FactSet, Standard & Poor's, Raymond James. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

Federal Funds Rate Expectations

FOMC and Market Expectations for the Federal Funds Rate



FOMC December 2025 forecasts
Percent

	2025	2026	2027	2028	Long run*
Change in real GDP, 4Q to 4Q	1.7	2.3	2.0	1.9	1.8
Unemployment rate, 4Q	4.5	4.4	4.2	4.2	4.2
Headline PCE inflation, 4Q to 4Q	2.3	2.4	2.1	2.0	2.0
Core PCE inflation, 4Q to 4Q	3.0	2.5	2.1	2.0	

Source: FactSet, JPMorgan Asset Management. Data as of 12/31/2025.

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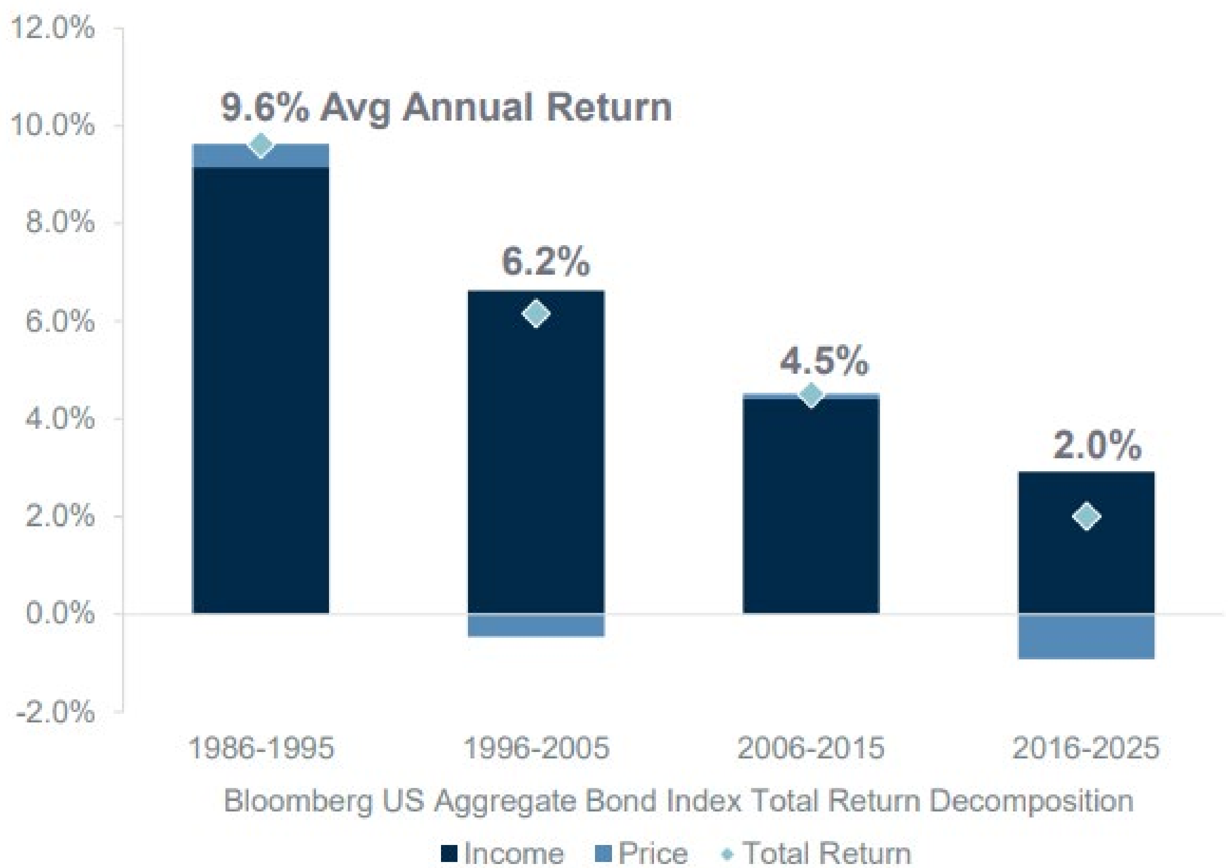
Sources of Fixed Income Returns



Source: FactSet, Bloomberg, Raymond James. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

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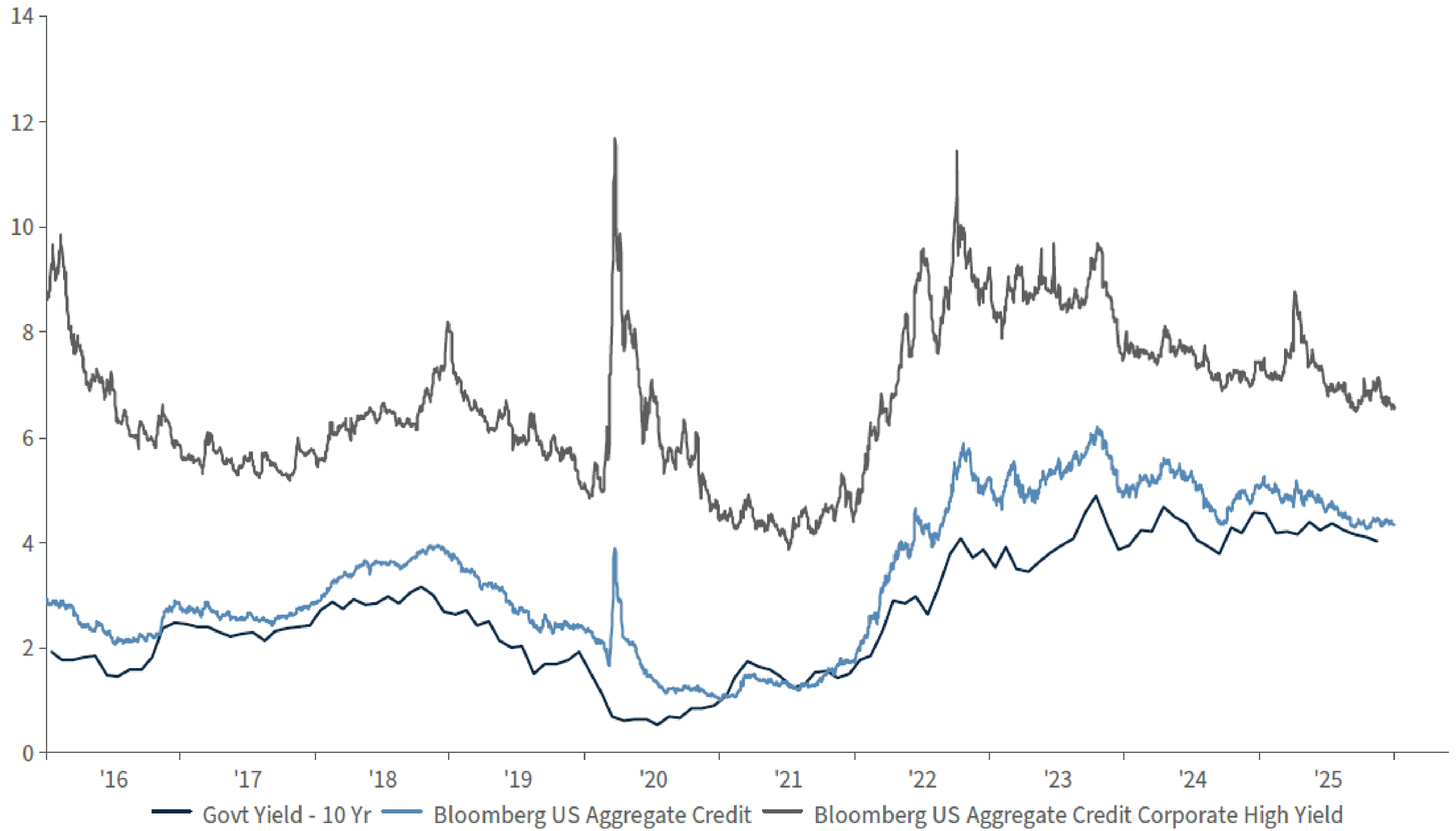
Yield to Worst



Source: FactSet, Bloomberg, Raymond James. All yields are Yield to Worst. Past performance is not indicative of future results.. Data as of 12/31/2025. Please see slides 40-42 for index definitions

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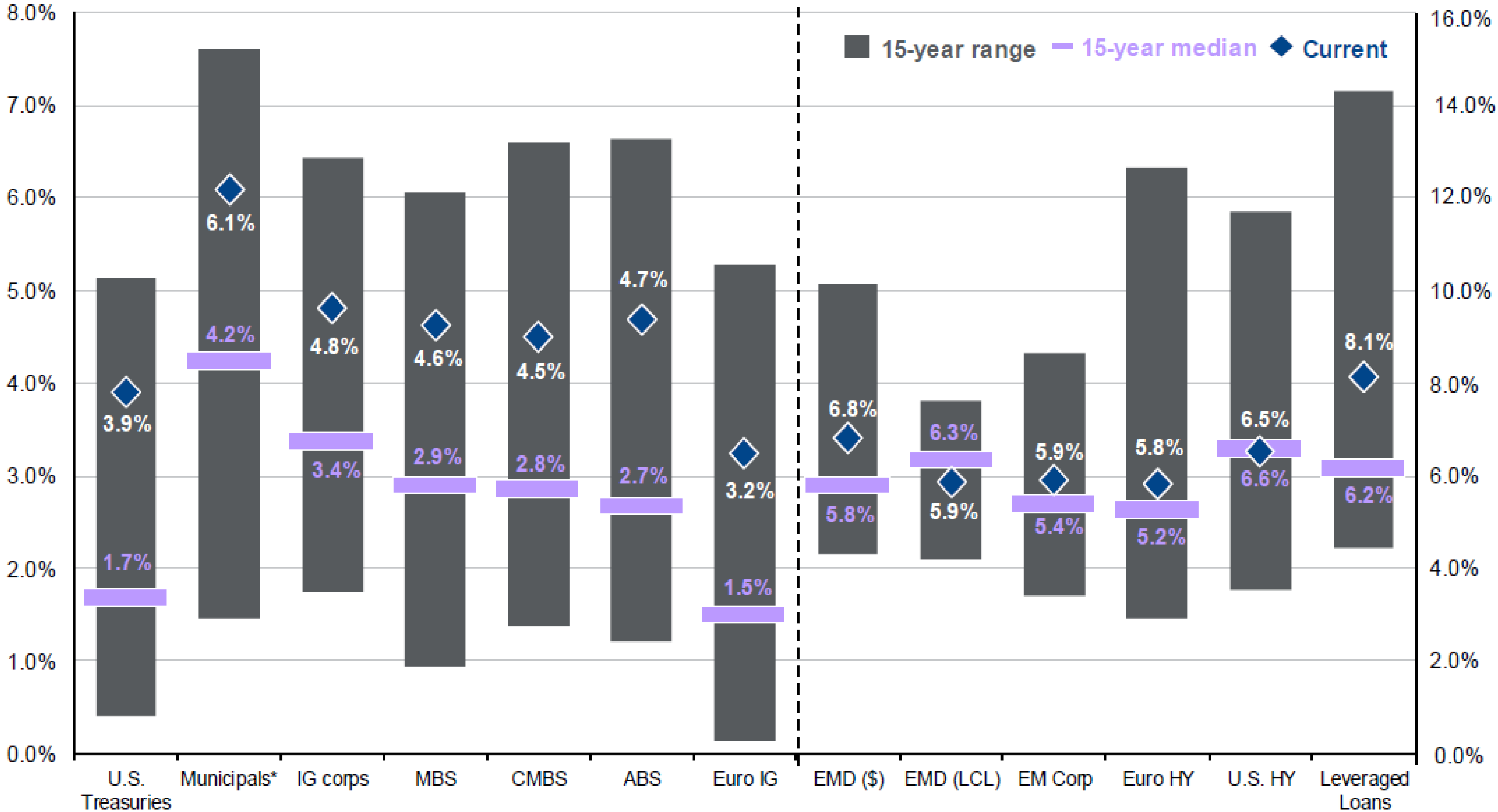
Yield to Worst Across Fixed Income Sectors



Source: Bloomberg, FactSet, JPMorgan, as of 12/31/25. 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 40-42 for index definitions.

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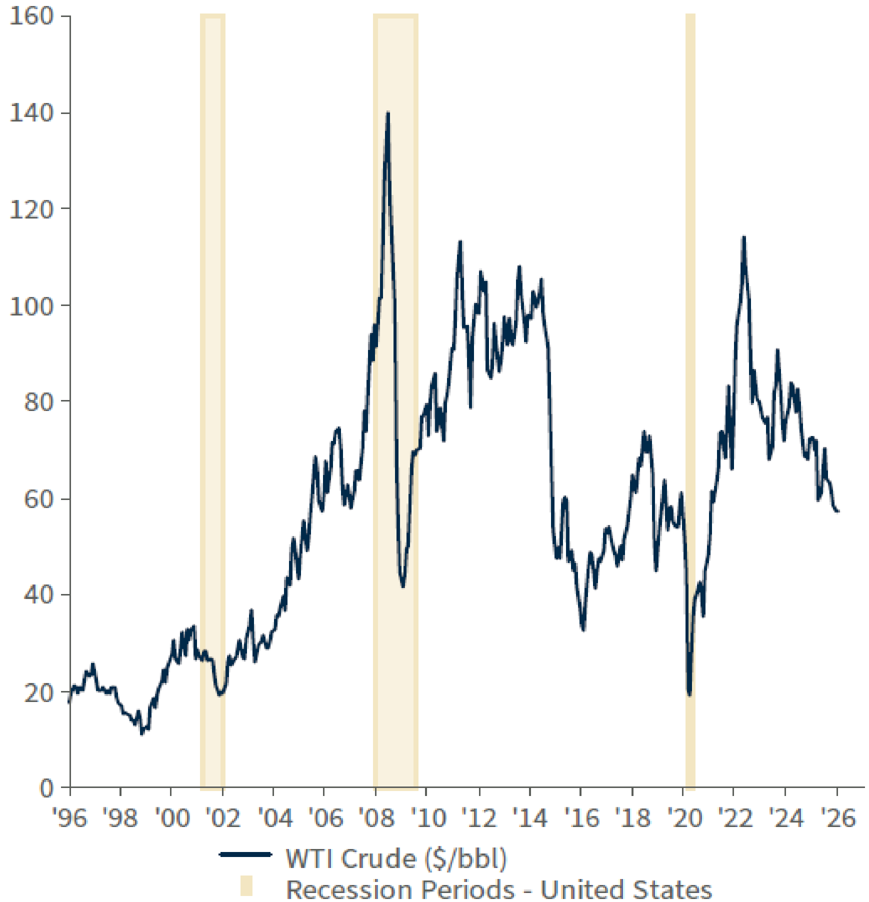
After falling for most of the year, the US Dollar strengthened modestly in the fourth quarter.

US Dollar Index

Source: FactSet, as of 12/31/2025. Please see slides 40-42 for index definitions.

WTI Price



Source: FactSet, Raymond James. Data as of 12/31/2025.

Gold Price

Source: FactSet, Raymond James. Data as of 12/31/2025.

ECONOMIC REVIEW

CAPITAL MARKETS

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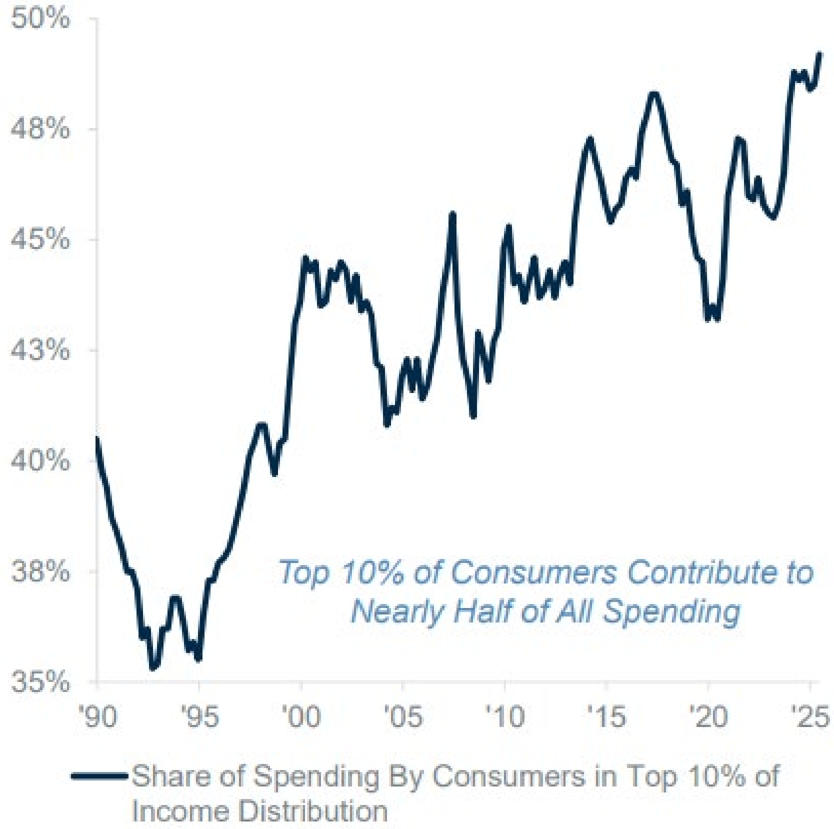
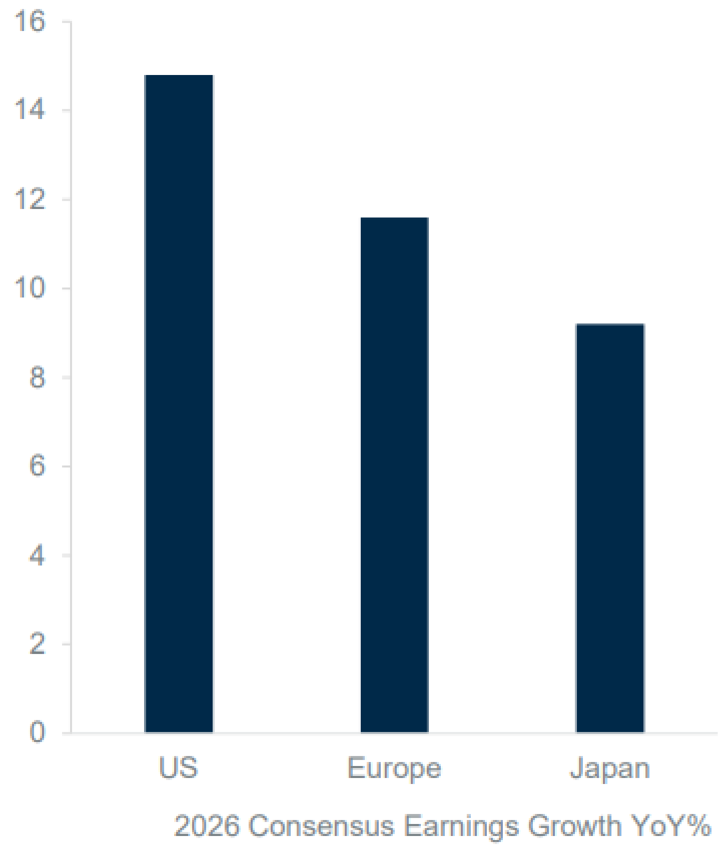
Consumer Spending

High-End Consumer Powers Spending



Source: Raymond James, Bloomberg, Data as of 12/31/2025.

2026 EPS Growth Estimates: US and International



Source: FactSet, Standard & Poor's, MSCI, Raymond James. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

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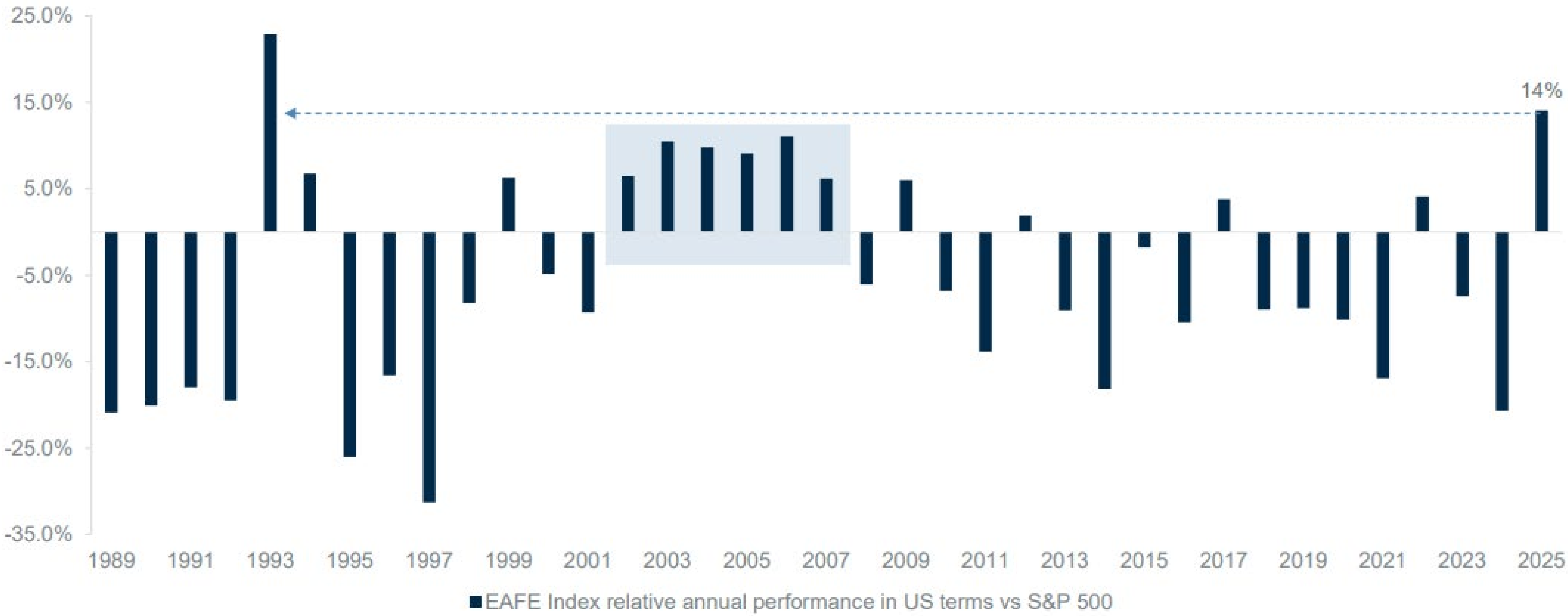
International Equity Outperformance



Source: FactSet, Standard & Poor's, MSCI, Raymond James. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

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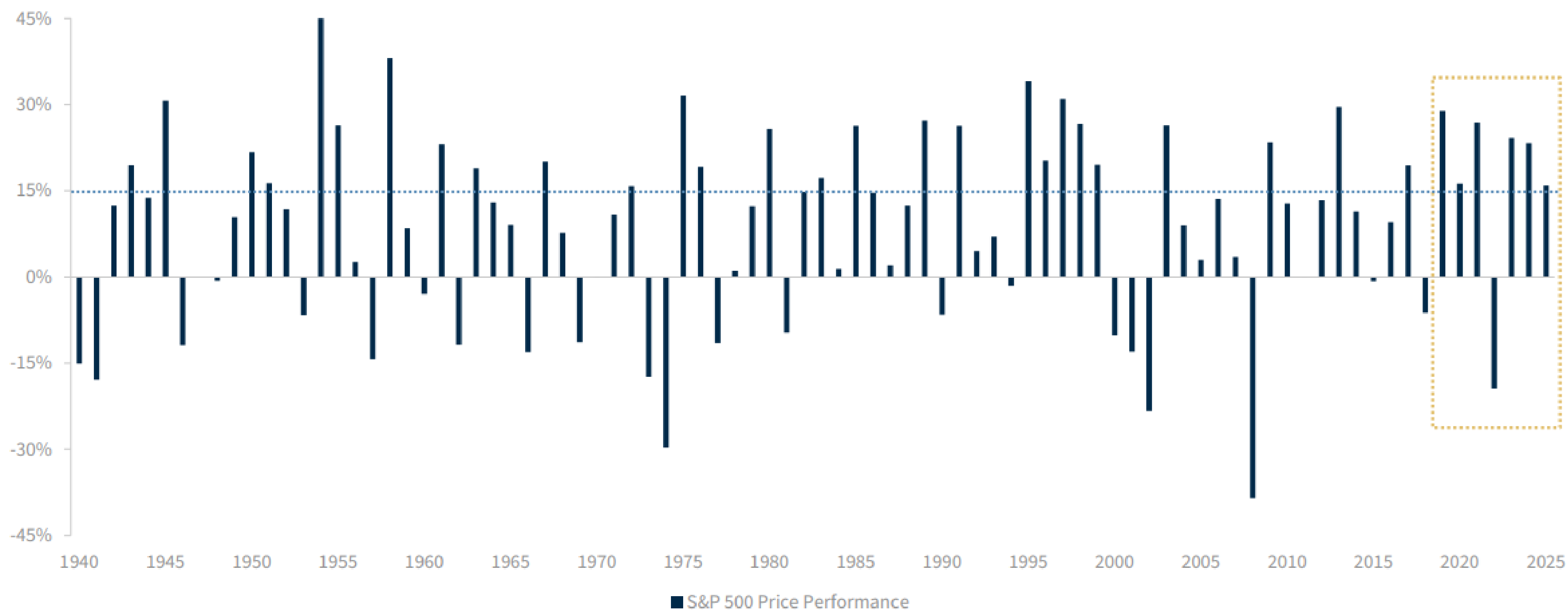
S&P 500 Returns

S&P 500 Has Gained 15% Plus in Six out of the Last 7 Years for the First Time Ever



Source: FactSet, Standard & Poor's, Raymond James. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

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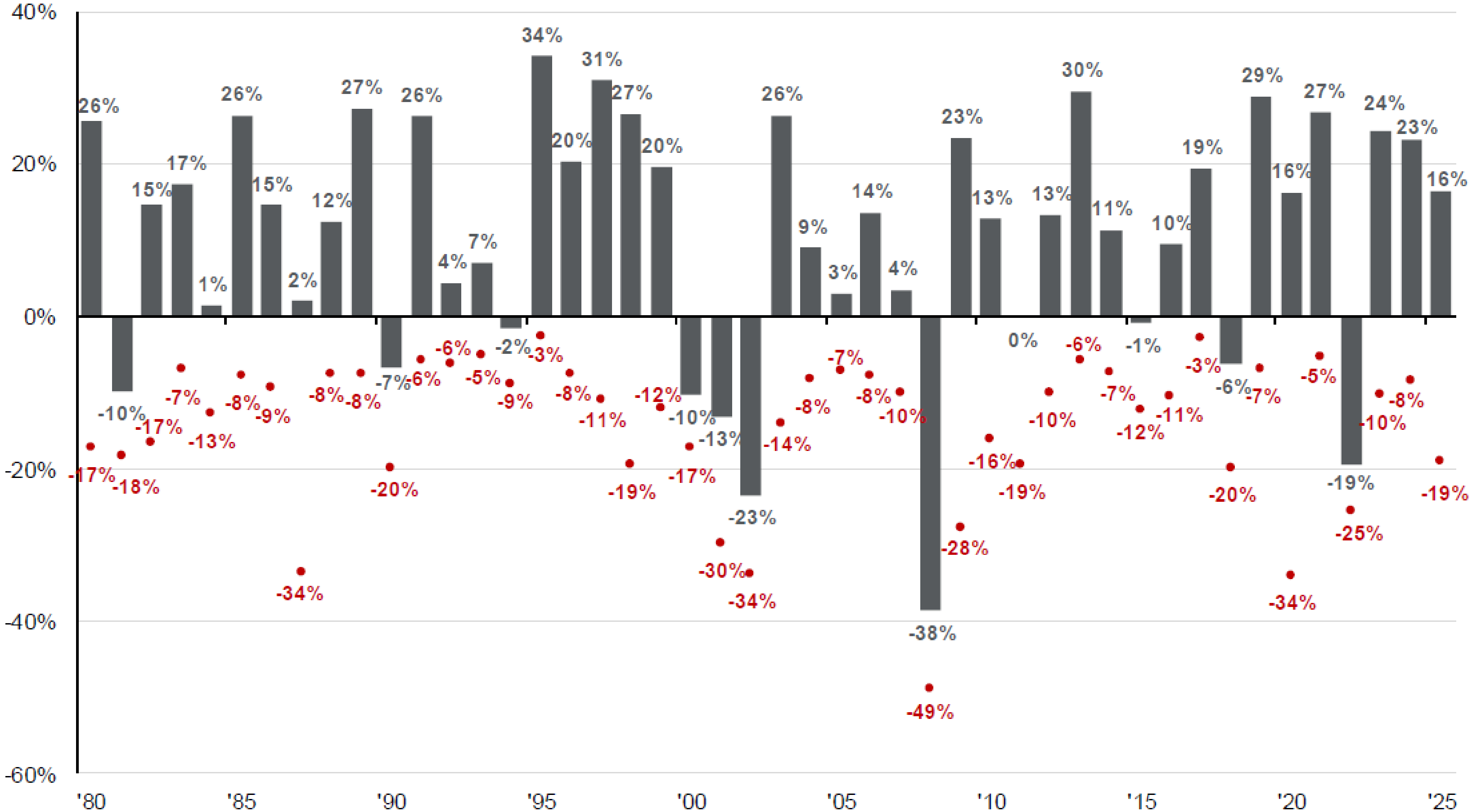
S&P 500 Intra-Year Declines vs. Calendar Year Returns

Despite average intra-year drops of 14.2%, annual returns were positive in 35 of 46 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 2025, over which the average annual return was 10.7%. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

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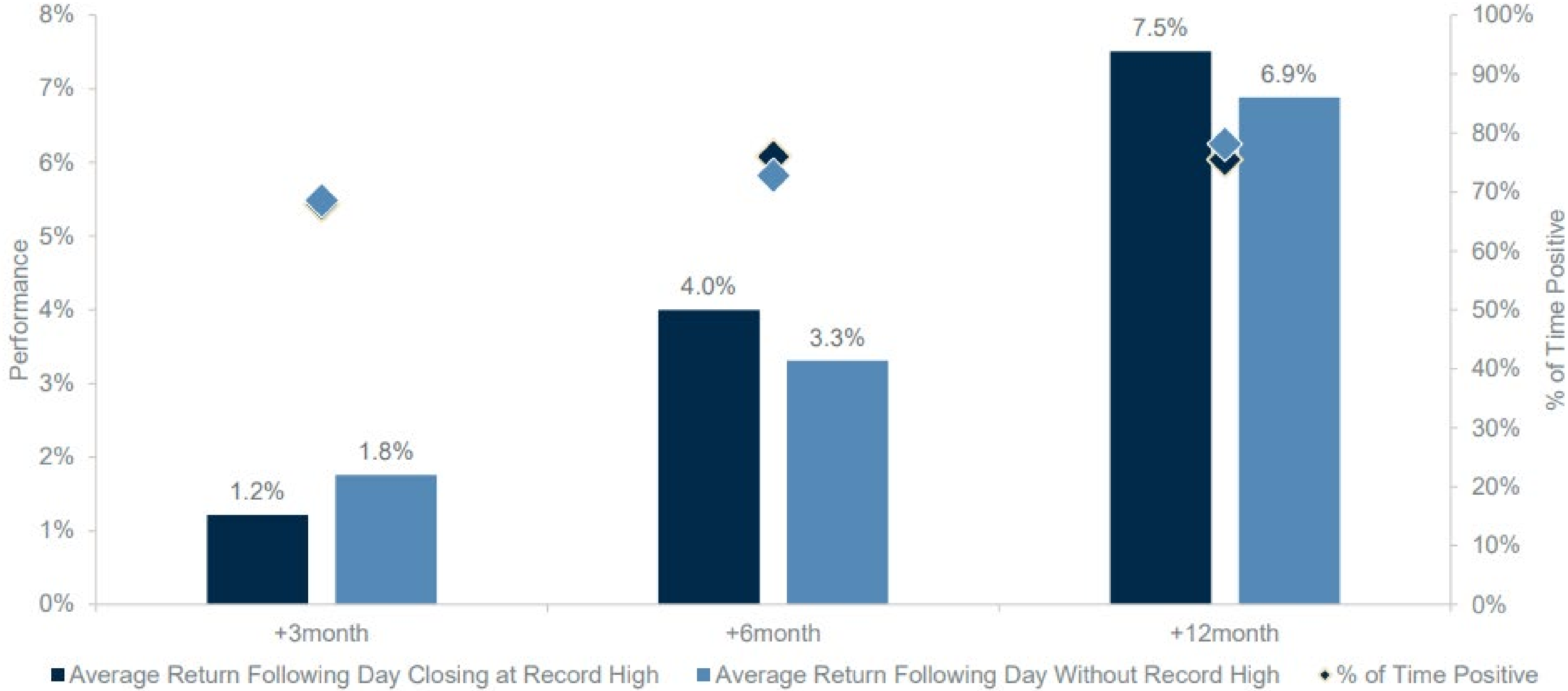
Importance of Staying Invested

Investing at the Market's Record Highs



Source: FactSet, Standard & Poor's, Raymond James. Data as of 12/31/2025. Please see slides 40-42 for index definitions.

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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).

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.

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.