



CAPITAL MARKETS OUTLOOK

Reviewing the quarter ended March 31, 2026

<u>Economic Outlook:</u>	3-6	<u>Q2 Themes:</u>	31-40
		<ul style="list-style-type: none"> ▪ Geopolitical Impact ▪ Market Volatility ▪ Private Credit ▪ Public Debt ▪ Government Debt 	
<u>Economic Review:</u>	7-19	<u>Disclosures:</u>	41-45
<ul style="list-style-type: none"> ▪ Gross Domestic Product ▪ Employment ▪ Manufacturing ▪ Housing Market ▪ Retail Sales ▪ US Consumer ▪ Inflation 			
<u>Capital Markets:</u>	20-30		
<ul style="list-style-type: none"> ▪ Asset Class Returns ▪ Historical Price-Earnings Ratios ▪ Corporate Earnings ▪ Corporate Spending ▪ Federal Funds Rate ▪ Fixed Income Yields ▪ Foreign Exchange Rates ▪ Commodities 			

April 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.

Only three months ago we were writing about the S&P 500's third consecutive year of double-digit gains. The outlook for 2026 looked bright. Stronger global economic activity fueled higher corporate earnings estimates and increased investment activity, while a softening inflation picture paved the way for lower short-term interest rates. Everything changed on February 28th when Israel and the US launched airstrikes on Iran. Financial markets have since been moving in response to both escalations and de-escalations, as well as the war's effect on global oil prices and overall economic growth. The true toll of this war on the well-being of soldiers and civilians is incalculable and long-lasting. But historically, armed conflicts have not significantly impacted financial markets. Looking through post-World War II military interventions, the S&P 500 has declined ~5%, on average, from peak to trough (page 35). The declines were typically temporary, with an average return of +11% one year after the beginning of the conflict. Geopolitical headlines may be unsettling in the moment, but this reinforces the importance of maintaining a long-term perspective rather than reacting to a challenging news cycle.

Historically, wars do have more significant impacts on oil prices. The price of oil has surged by two-thirds this year amidst closure of the Strait of Hormuz (page 34). While each scenario is unique, we have lived through disruptions like this before. Recent examples include the supply shock from Russia's invasion of Ukraine and the demand shock from COVID's global economic standstill. Due to the fragile nature of the entire energy ecosystem, disruptions have immediate impacts on energy prices. Whether these prices stay elevated and impact the global economy is still uncertain.

Although the war with Iran is a net drag on the global economy, we believe the US economy is fundamentally well-positioned. Real GDP growth has consistently trended above 2% (page 8), supported by healthy wage gains (page 10), low unemployment (page 10), and robust corporate spending. Higher earners continue to spend as they benefit from the "wealth effect" of financial asset and housing market gains in recent years (page 17). The US Administration's push towards energy independence also provides a meaningful buffer against the current shock. Higher gasoline prices are effectively a "tax" on US consumers, but this tax is partially offset by higher domestic revenues which did not exist when the energy price shock of 2007-2008 shaved over 1% from US GDP. We expect the economy to grow in line with the 2% trend we have seen historically, though we acknowledge the mounting risks which could derail the expansion.

Continued...

ECONOMIC OUTLOOK

Early indications show energy price increases are contributing to a deceleration in discretionary spending, particularly concentrated among lower income households. The growing disparity between higher and lower income households, resulting in a more “K-shaped” economy, leaves many households more vulnerable. Additionally, lower energy and durable consumer goods prices over the last several years have kept inflation down. A reversal here not only impacts household affordability concerns but also impacts the future path of the Federal Reserve as it strives to balance lowering interest rates while also keeping inflation from re-accelerating. Despite all the noise, we believe financial markets have responded responsibly, looking past the near-term uncertainty.

After a strong start to 2026, global equity markets gave back most of their gains in March following the onset of the conflict in Iran. US Large Cap Equities, as measured by the S&P 500 Index, finished the quarter down 4% (page 21) and now trade at 19.7x forward earnings versus 16x on average (page 22). S&P 500 earnings are currently expected to grow nearly 20% in 2026, even against the backdrop of the Iran war, and expectations call for 16% growth in 2027 (page 23). We acknowledge that prolonged conflict can erode these potential earnings streams, but even cutting these growth expectations in half would result in healthy earnings growth. We witnessed a rotation away from the Magnificent 7, which were collectively down 10% in the first quarter. While these “magnificent” companies still account for a third of the overall market, their valuations have come down from over 30x forward earnings to ~23x today. As we have mentioned in previous Outlooks, there is an argument to be made that the quality of these companies warrants a higher multiple. But history tells us that eventually, excessive valuations and growth expectations can lead to disappointments and devaluations. The remaining 493 US Large Cap stocks were flat during the first quarter, while US Mid Cap Equities (S&P 400 Index) and US Small Cap Equities (S&P 600 Index) returned +2% and +4% respectively (page 21). At 14-16x forward earnings, we believe these smaller businesses are reasonably priced given the macro-economic uncertainties to which they are typically more sensitive as compared to their larger counterparts (page 22). We remain Neutral weight to US Large, Mid and Small Cap Equities in our asset allocation models.

International equities were up double digits through the first two months of the year. Accelerating corporate earnings, attractive valuations relative to the US, stronger economic activity, and a weaker dollar supported these markets after a historic 2025. Investors watched those gains disappear in March as the Iran war intensified. Non-US Developed Market Equities, as measured by the MSCI EAFE Index, finished the quarter -1% (page 21) and now trade at 14.9x forward earnings with a 2.8% dividend yield. Emerging Market Equities, as measured by the MSCI EM Index, finished the quarter flat (page 21) and now trade at 11.5x forward earnings with a 2.3% dividend yield. The negative impacts across these regions could last longer if prolonged conflict leads to energy and commodity shortages, sharply higher commodity prices and rapidly tightening financial conditions. Unlike the US, many of these international countries are net oil importers, making their economies more susceptible to changes in prices. We believe current valuations reasonably reflect the risks associated with a prolonged war, and thus we remain Neutral weight on Non-US Developed and Emerging Market Equities.

Continued...

The Federal Reserve maintained the federal funds rate at a target range of 3.5% to 3.75% in March (page 25). We continue to support the Fed's decision to pause additional changes to rates until more labor and inflation data are released. Inflation has remained more persistent than expected (page 18), but we believe oil's direct impact on consumer inflation is considerably lower than it once was. To protect against the risk of rising inflation and higher fed funds rates, we remain overweight to shorter duration Treasury Inflation Protected Securities (TIPs). We believe the more likely path is the Fed eventually lowering interest rates to combat weakening growth when that time comes. For now, longer-term interest rates remain attractive (page 26) given stronger-than-expected growth, paired with growing concerns about the US government's fiscal outlook. We continue to take advantage of this opportunity, purchasing high quality bonds at attractive yields to lock in income in client portfolios. We remain Overweight US Investment Grade Bonds. Non-Investment Grade bonds, as measured by the Bloomberg US Corporate High Yield index, were down 0.5% in the first quarter (page 21), as credit spreads widened off historically narrow levels.

Private credit has found itself front and center in the headlines recently, with concerns around AI disruption intensifying a wave of redemption requests out of larger fund managers. For context, we have been investing in private credit for many years and believe in it as a diversifying asset class that improves risk-adjusted returns in portfolios. The asset class grew significantly in popularity coming out of the 2022 interest rate regime change, which may have led to a reduction in underwriting standards. However, we believe the scrutiny has more to do with retail investors and advisors not understanding the asset class than it does impaired fundamentals. Private credit vehicles typically provide loans to smaller businesses that cannot access traditional investment grade bond markets to issue debt. These loans offer attractive spreads, measured by a premium over Treasuries, to compensate lenders for the risk. Inevitably, there will be companies which default over time. We expect the lenders with well-resourced teams that have taken a rigorous approach to underwriting, staying within the senior secured part of the market, will be able to navigate these challenges. Newer entrants that sacrificed quality for quantity will not, and that may cause some disruption going forward. Some pundits have drawn parallels to the mortgage crisis, but we think that is a stretch. The direct lending market is ~\$2 trillion, or 3% of total debt for US households and businesses. By comparison, mortgages accounted for 60% of debt at the peak of the housing bubble in 2006 (page 37).

In our January Capital Markets Outlook, we reminded clients that “stretches of market volatility are typically sparked by something unexpected... pushing unprepared investors without a diversified portfolio to scramble and make short-sighted decisions.” The Iran conflict was the unexpected event, and we expect continued volatility for the remainder of 2026 as the situation evolves. We acknowledge these are disquieting times and are hopeful for a peaceful de-escalation. As disciplined investors, our clients know how important it is to focus on long-term objectives and ignore the short-term “noise.” And the next few months will likely be noisy.....

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

This material is for informational purposes only and should not be used or construed as a recommendation regarding any security outside of a managed account. There is no assurance any of the trends mentioned will continue in the future. Dividends are not guaranteed and must be authorized by a company's board of directors. Diversification does not assure a profit or protect against loss. International investing involves additional risks such as currency fluctuations, differing financial and accounting standards, and possible political and economic instability. Also, investing in emerging markets can be riskier than investing in well-established foreign markets. Investing involves risk and investors may incur a profit or a loss, including the loss of all principal.

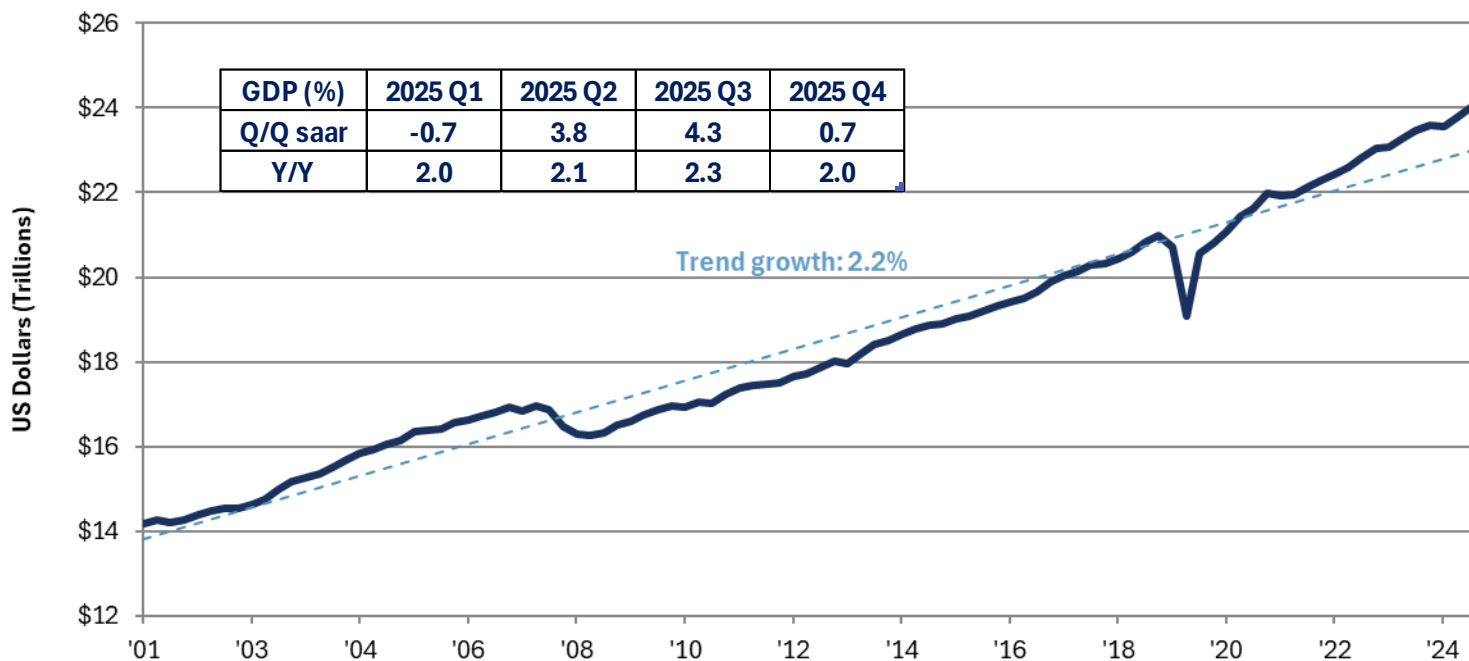
ECONOMIC REVIEW

CAPITAL MARKETS

QUARTERLY THEMES

Real Gross Domestic Product (GDP)

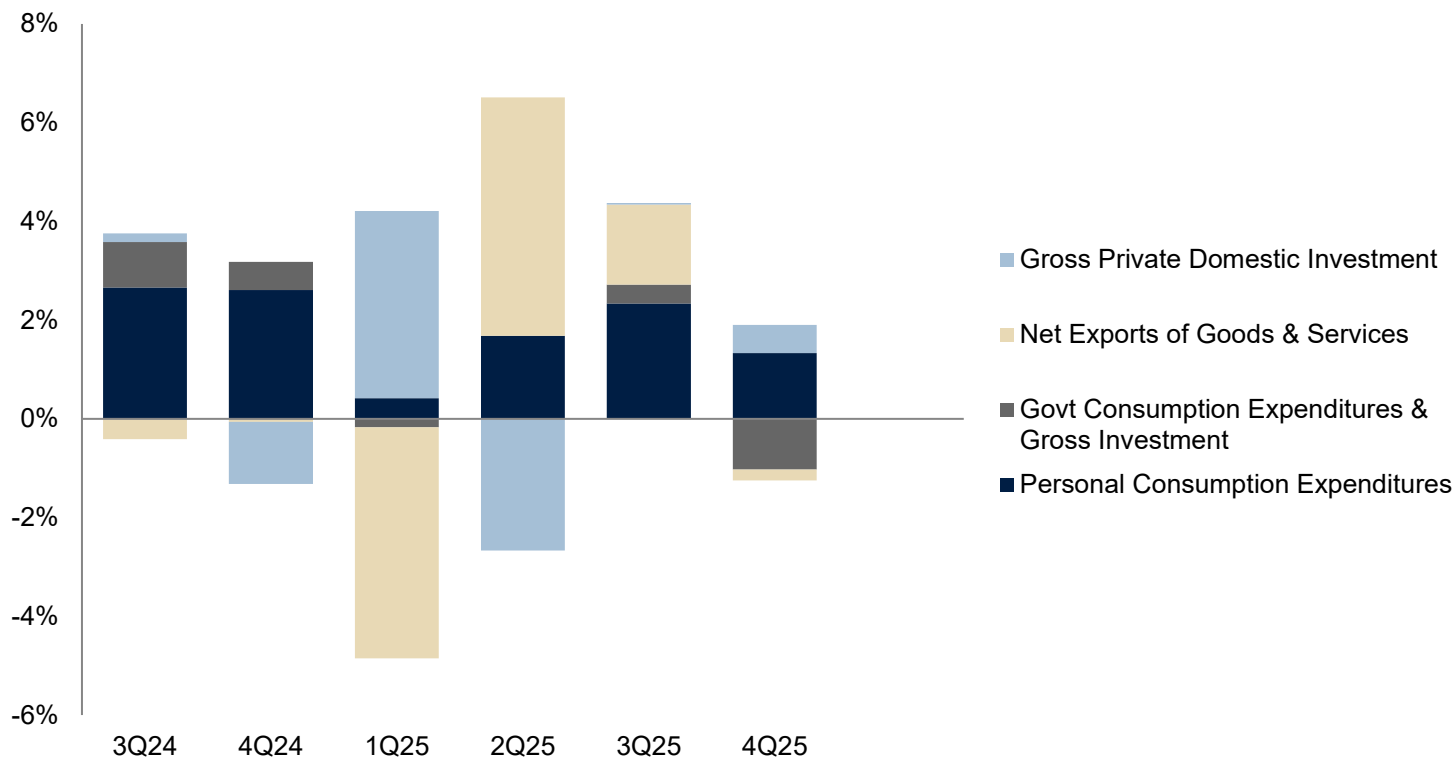
Gross domestic product increased 2.0 percent in the fourth quarter of 2025 versus a year ago according to the Bureau of Economic Analysis, driven by increases in consumer spending and private investment.



Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis Economic Data. Trillions of chained (2017) dollars, seasonally adjusted. Data as of 12/31/2025.

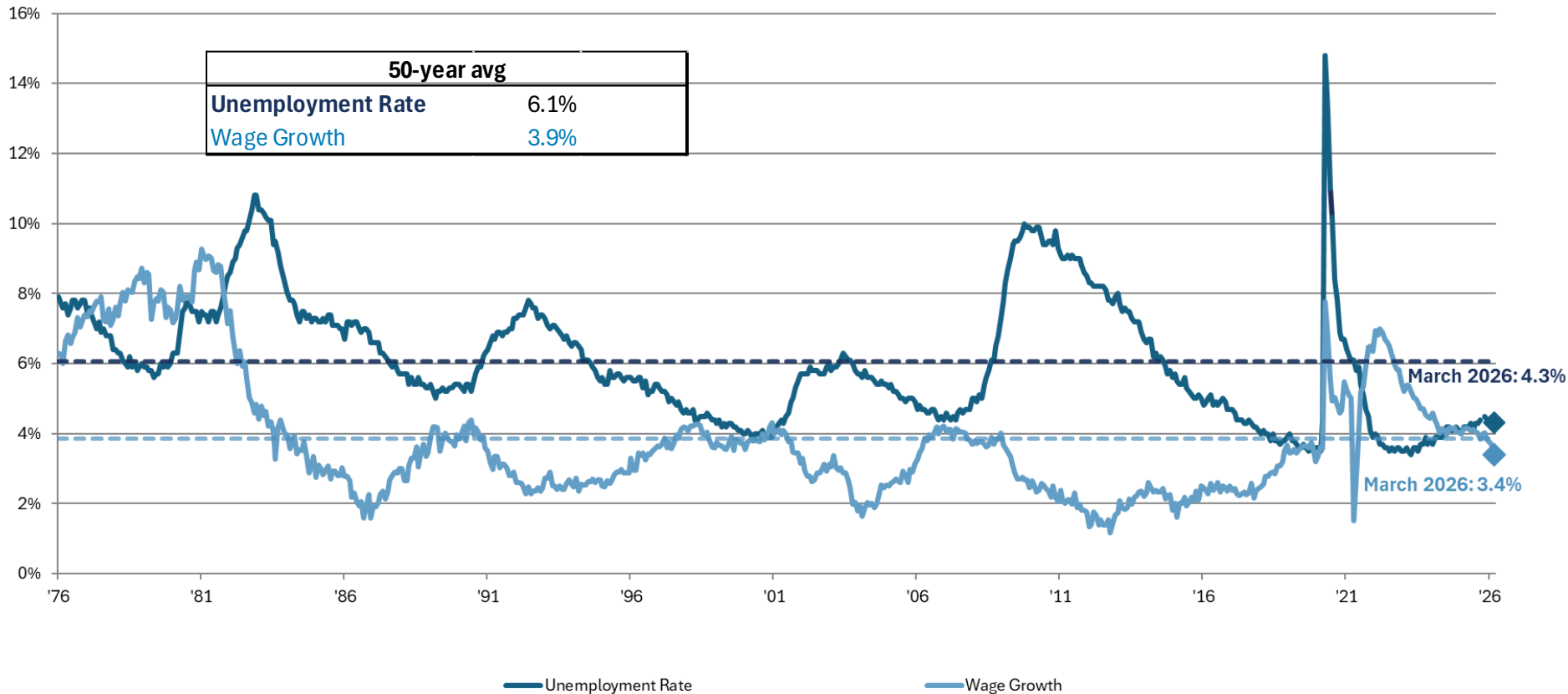
CONTRIBUTIONS TO % CHANGE IN REAL GDP

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



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

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 monthly, seasonally adjusted. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. Data as of 3/31/2026.

Non-farm payrolls rose significantly at the end of the quarter. However, the pace of gains remains modest, reflecting tighter labor market conditions.

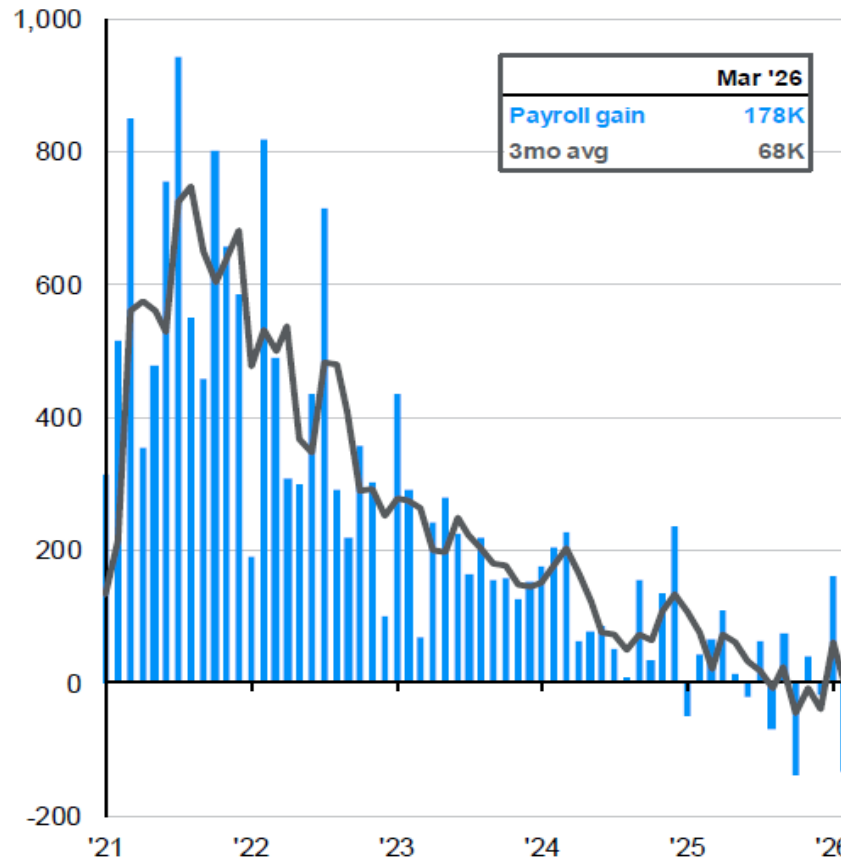
Non-Farm Payrolls YoY Change



Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 3/31/2026.

Non-Farm Payroll Gains

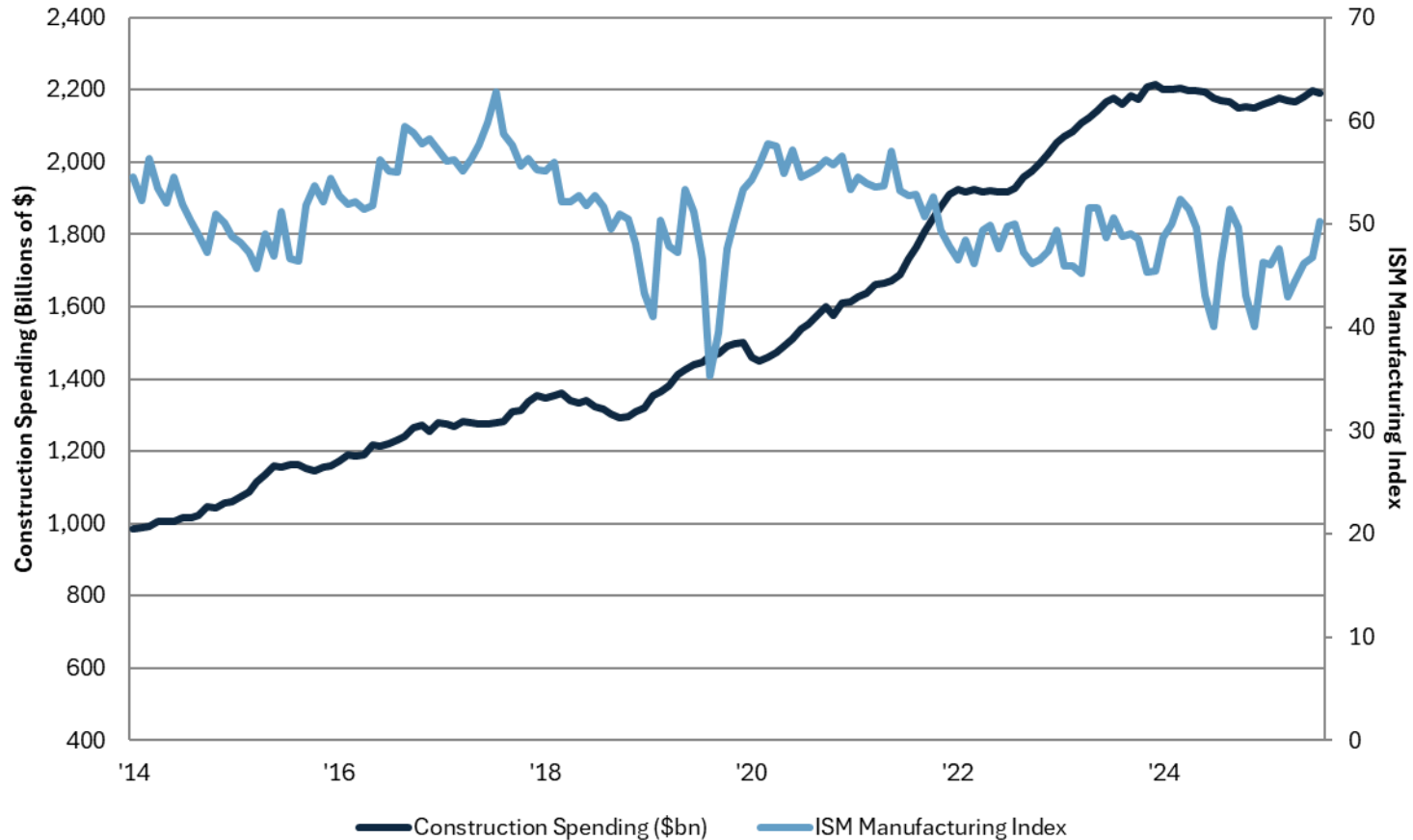
Month-over-Month Change and 3-Month Moving Average



Source: BLS, FactSet, CBO, JPMorgan Asset Management. Data as of 3/31/2026.

The ISM Manufacturing Index registered 49.9 in March, falling back into contractionary territory (a level below 50). Construction spending decreased slightly at the beginning of the year.

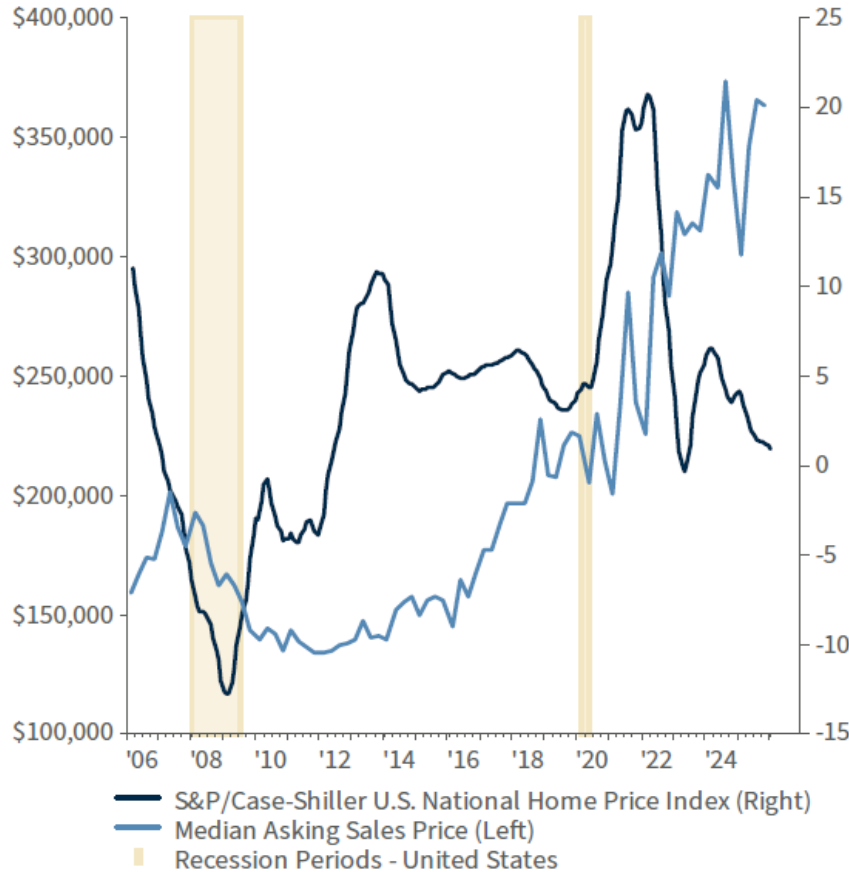
Construction and Manufacturing



Source: Federal Reserve Bank of St. Louis Economic Data, YCharts. Data as of 3/31/2026.

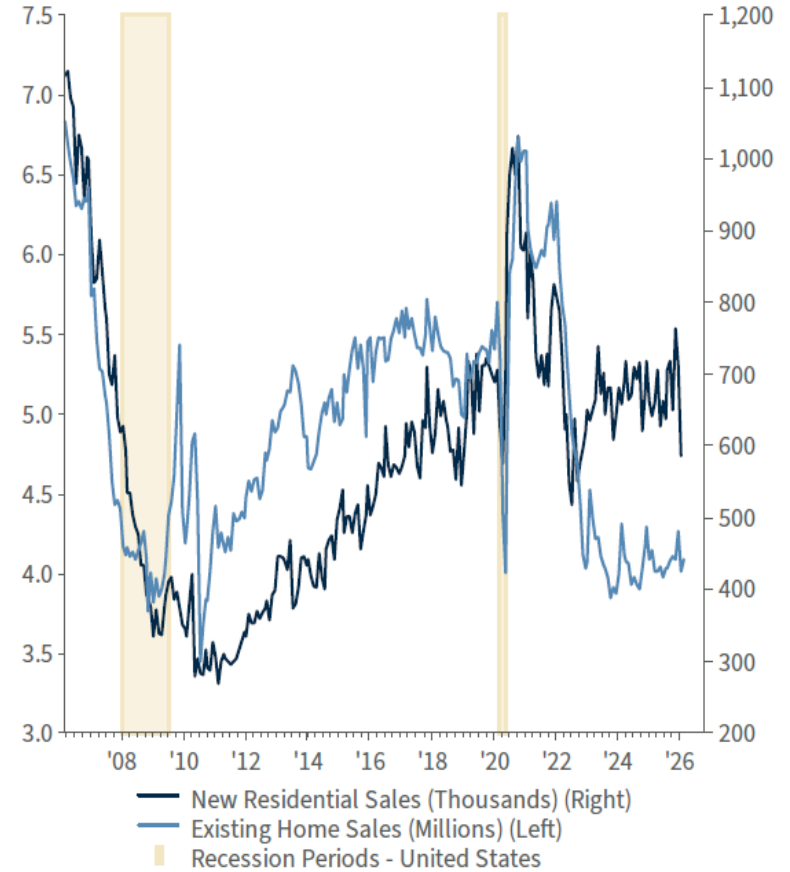
While home prices have continued to climb, the pace of price increases has moderated significantly. New home sales trended down while existing home sales trended higher during the winter.

National Home Price Index (YoY Change)



Source: FactSet, Raymond James. Data as of 3/31/2026.

New and Existing Home Sales



Source: FactSet, Raymond James. Data as of 3/31/2026.

Retail sales were relatively stable and trended slightly higher at the beginning of the year.

Retail Sales YoY Change



Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 1/31/2026.

CONSUMER CONFIDENCE

US Consumer sentiment was 56.6 in February, as measured by the University of Michigan Consumer Sentiment Index, remaining stubbornly low despite healthy economic conditions.

Consumer Confidence

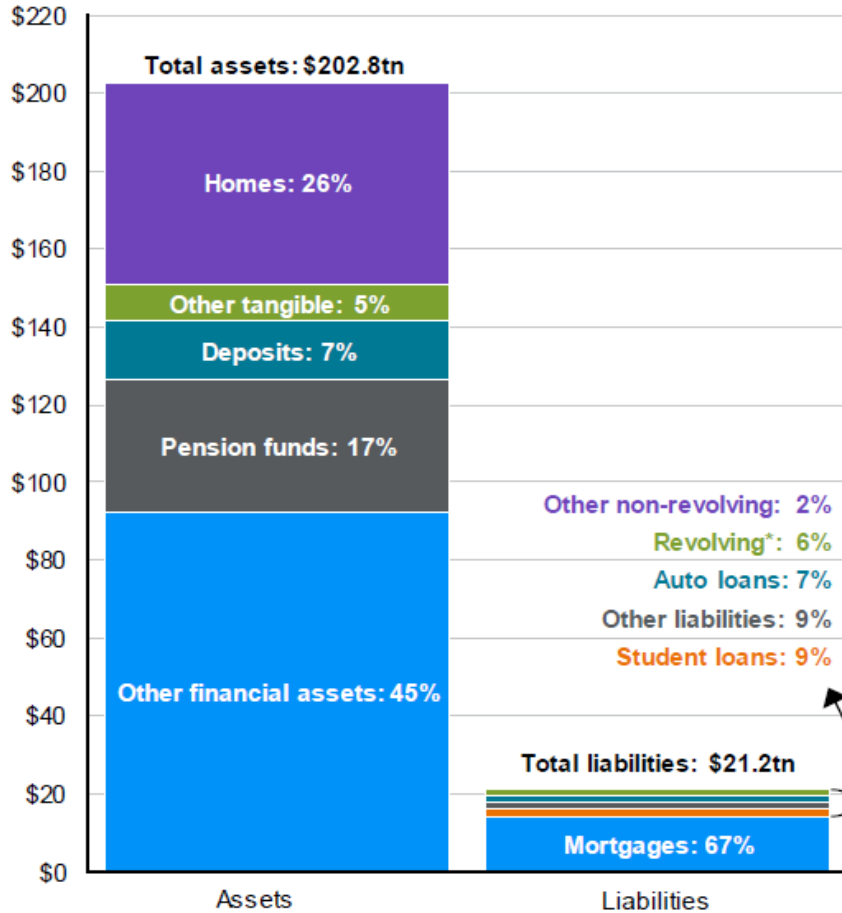


Source: Federal Reserve Bank of St. Louis Economic Data, University of Michigan Consumer Sentiment Index. Data as of 2/28/2026.

Consumer Finances

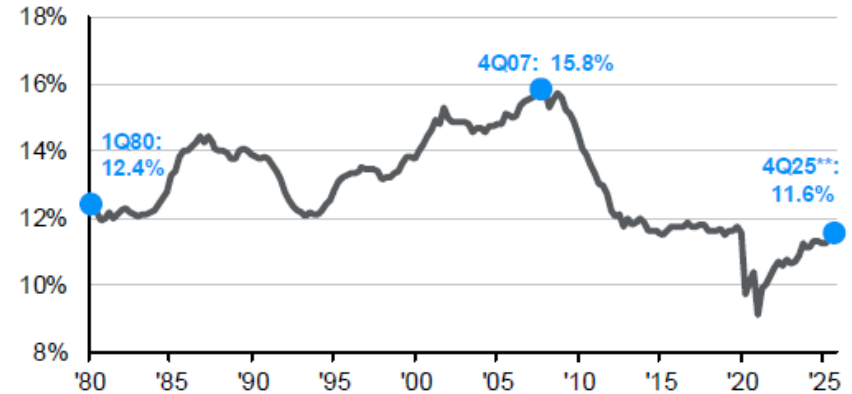
Consumer balance sheet

3Q25, USD trillions, not seasonally adjusted



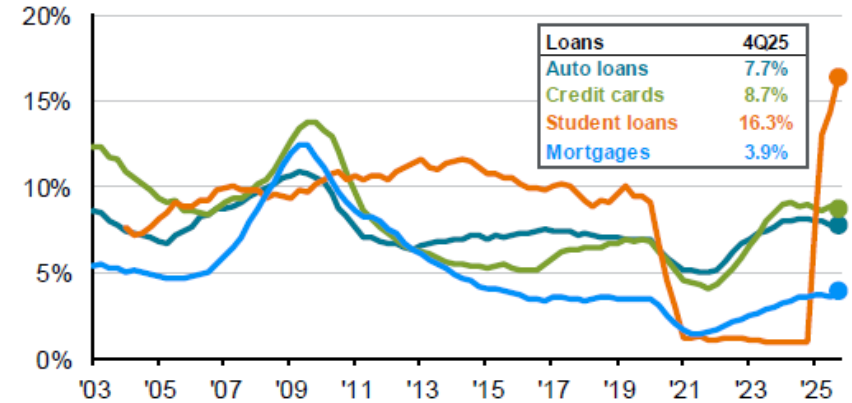
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

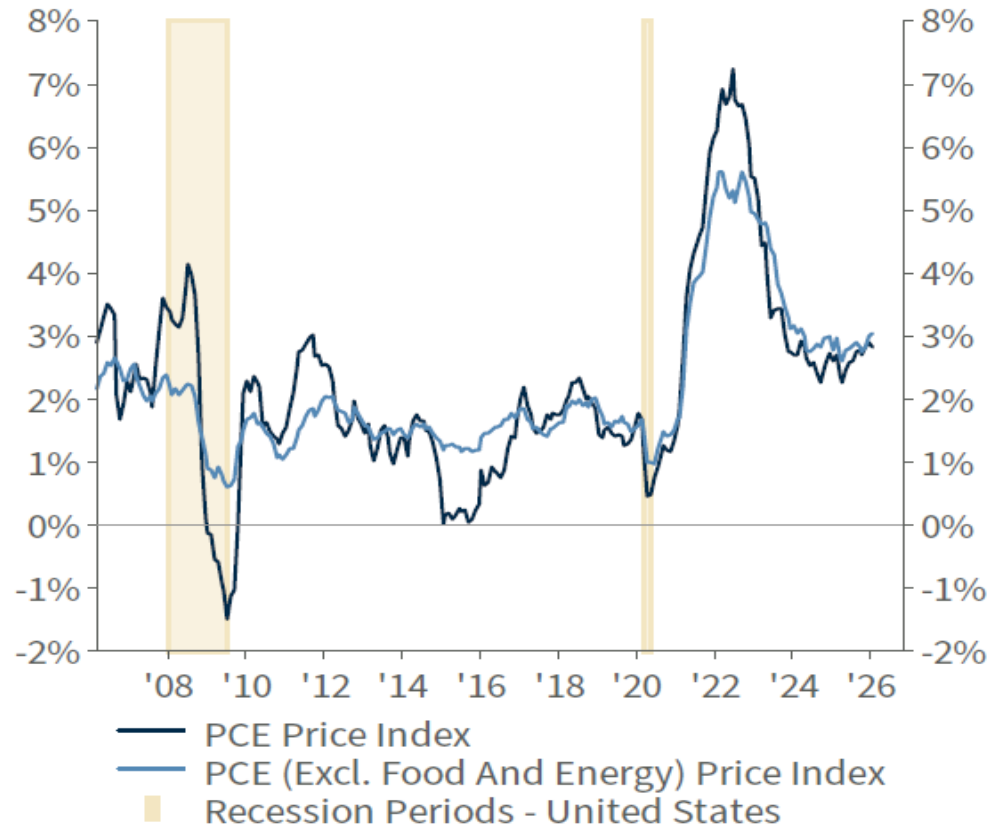
% of balance delinquent 30+ days



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. **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 12/31/2025.

Inflation

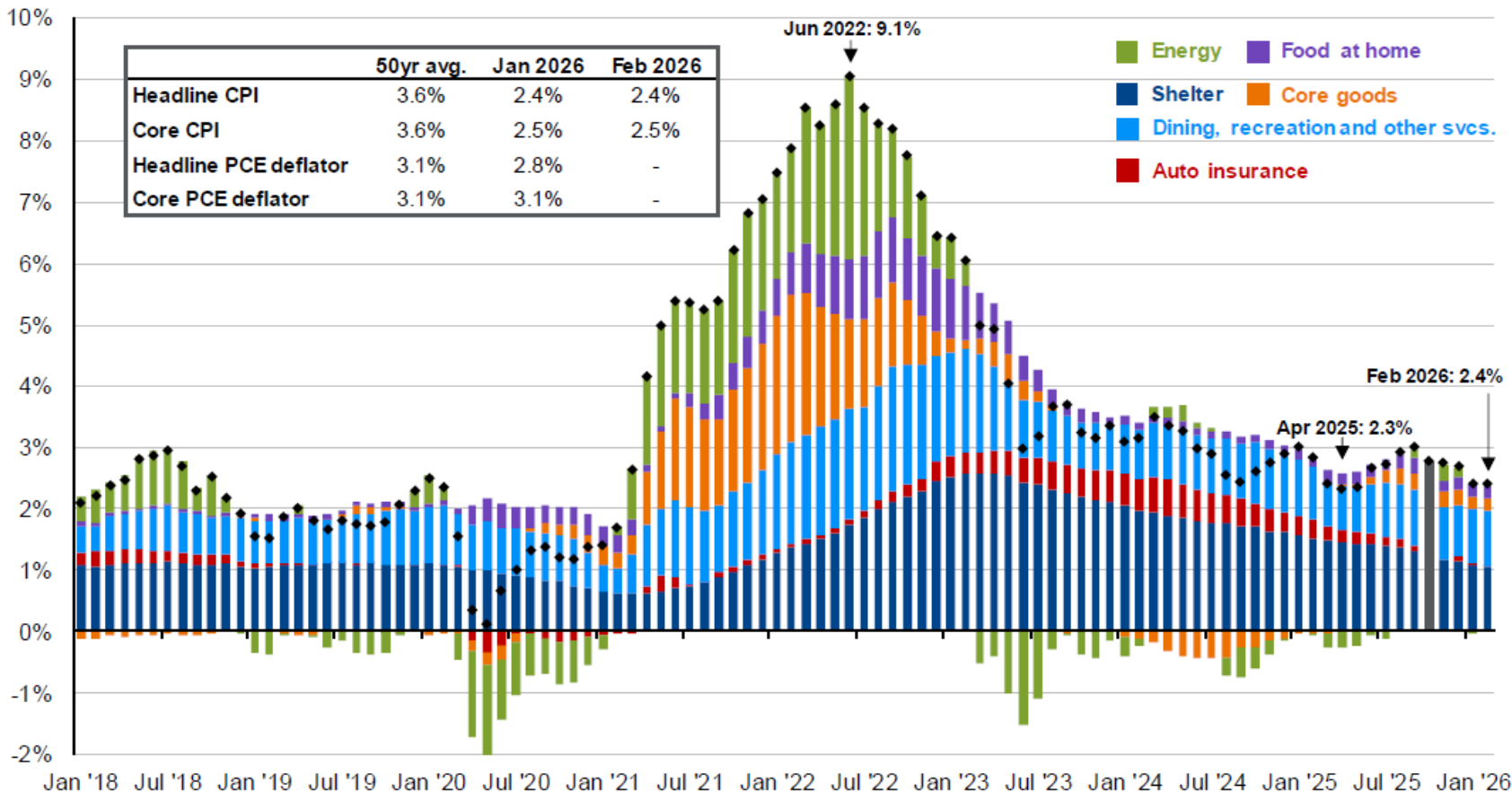
Inflation remained sticky at the beginning of the year. The PCE Price Index (PCE) and Core PCE Index, which excludes the volatile food and energy components, increased 2.8% and 3.1% respectively in January versus a year ago.



Source: FactSet, Raymond James. Personal Consumption Expenditure (PCE) is the preferred measure of inflation by the Bureau of Economic Analysis. Data as of 1/31/2026.

Inflation

Contributors to Headline CPI Inflation



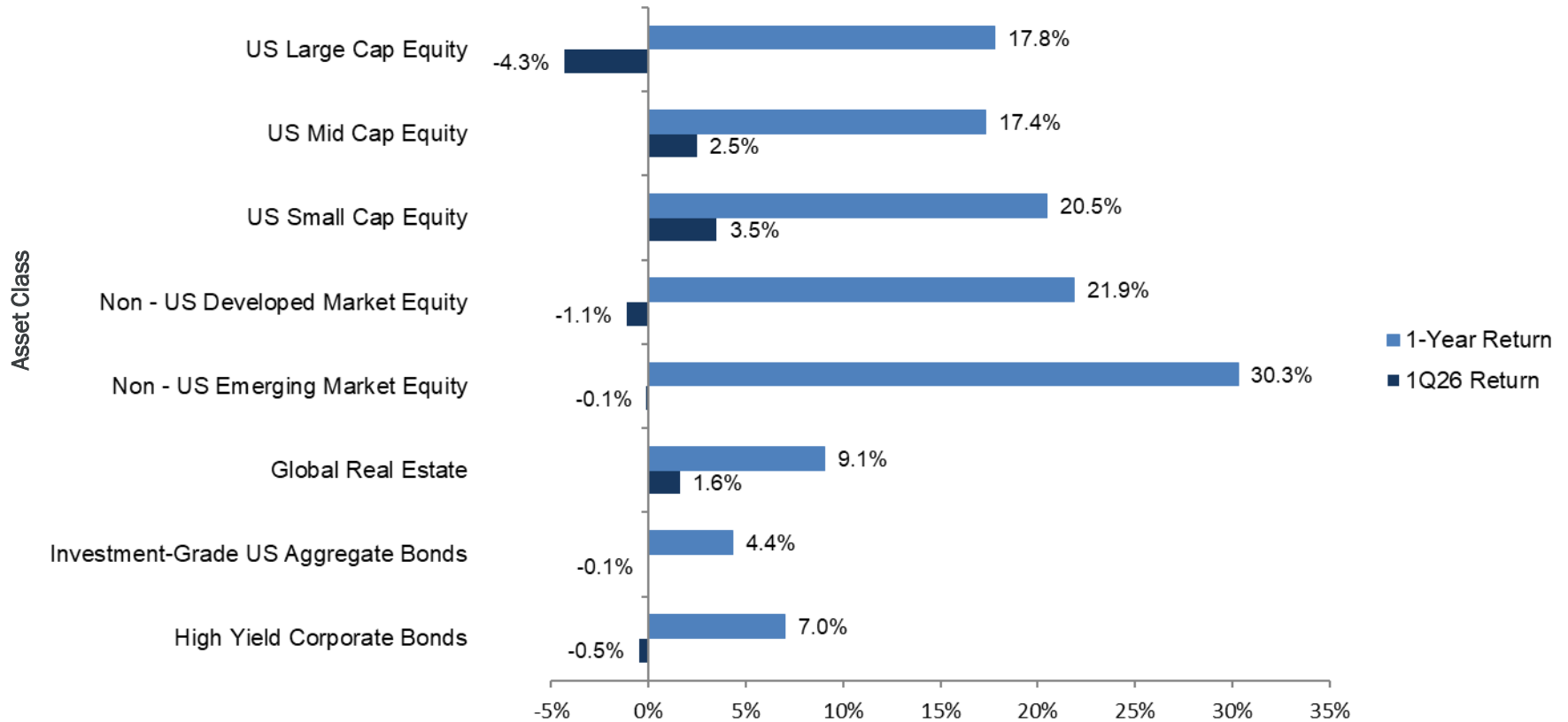
Source: BLS, FactSet, JPMorgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent and rent of primary residence. "Food at home" includes alcoholic beverages. Data as of 2/28/2026.

ECONOMIC REVIEW

CAPITAL MARKETS

QUARTERLY THEMES

ASSET CLASS RETURNS



Source: FactSet, as of 3/31/2026. Past performance is not indicative of future results. Please see slides 43-45 for asset class definitions.

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	19.4	16.0	121.4%
S&P 400	15.9	15.7	101.0%
S&P 600	14.3	16.3	87.9%

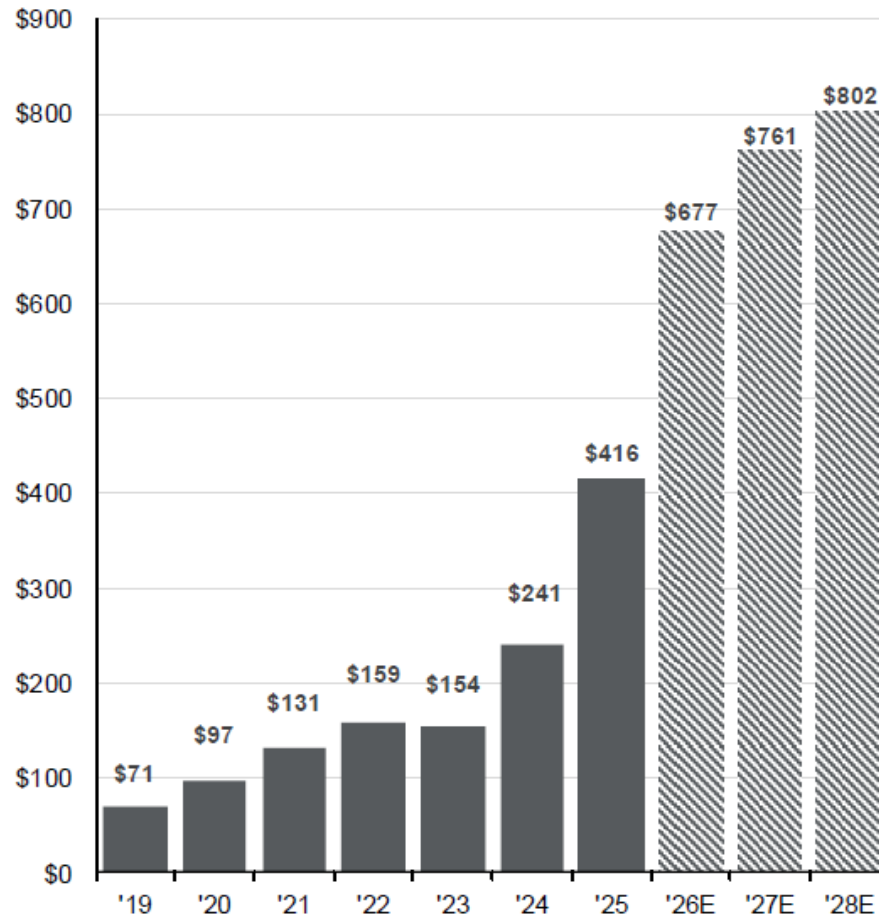
Source: Standard & Poor's. P/E calculated as the most recent index price, divided by consensus earnings in the next twelve months. 20-year averages as of June 2024. Current P/E data as of 3/31/2026. Please see slides 43-45 for index definitions.

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



Source: Standard & Poor's, FactSet, Earnings Insight Report. Data as of 3/31/26. Please see slides 43-45 for index definitions.

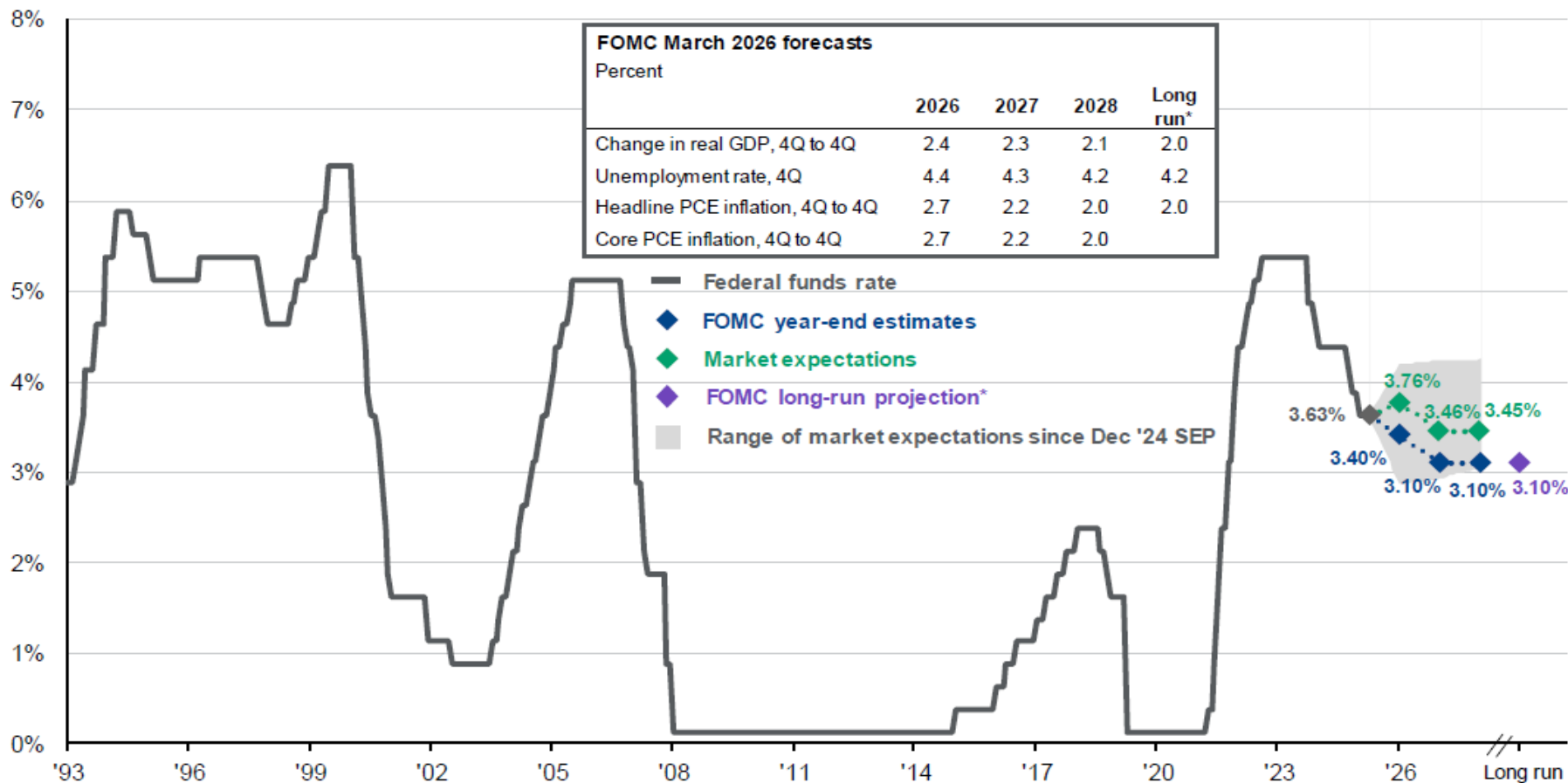
Capex from the Major AI Hyperscalers



Source: Bloomberg, FactSet, JPMorgan, as of 3/31/26. Data for 2026, 2027 and 2028 reflect consensus estimates. Capex shown is company total. *Hyperscalers are the large cloud computing companies that own and operate data centers with horizontally linked servers that, along with cooling and data storage capabilities, enable them to house and operate AI workloads.

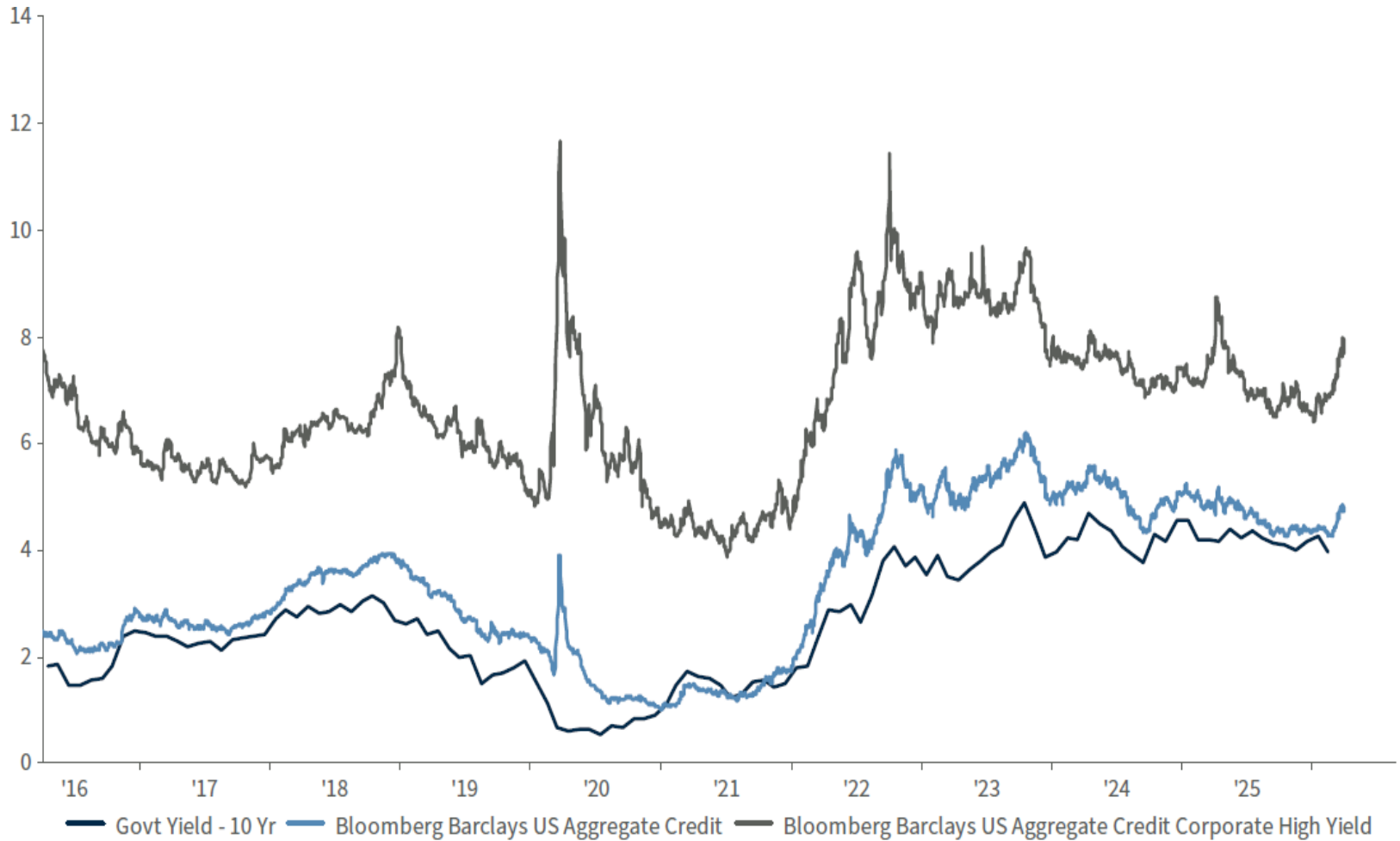
Federal Funds Rate Expectations

FOMC and Market Expectations for the Federal Funds Rate



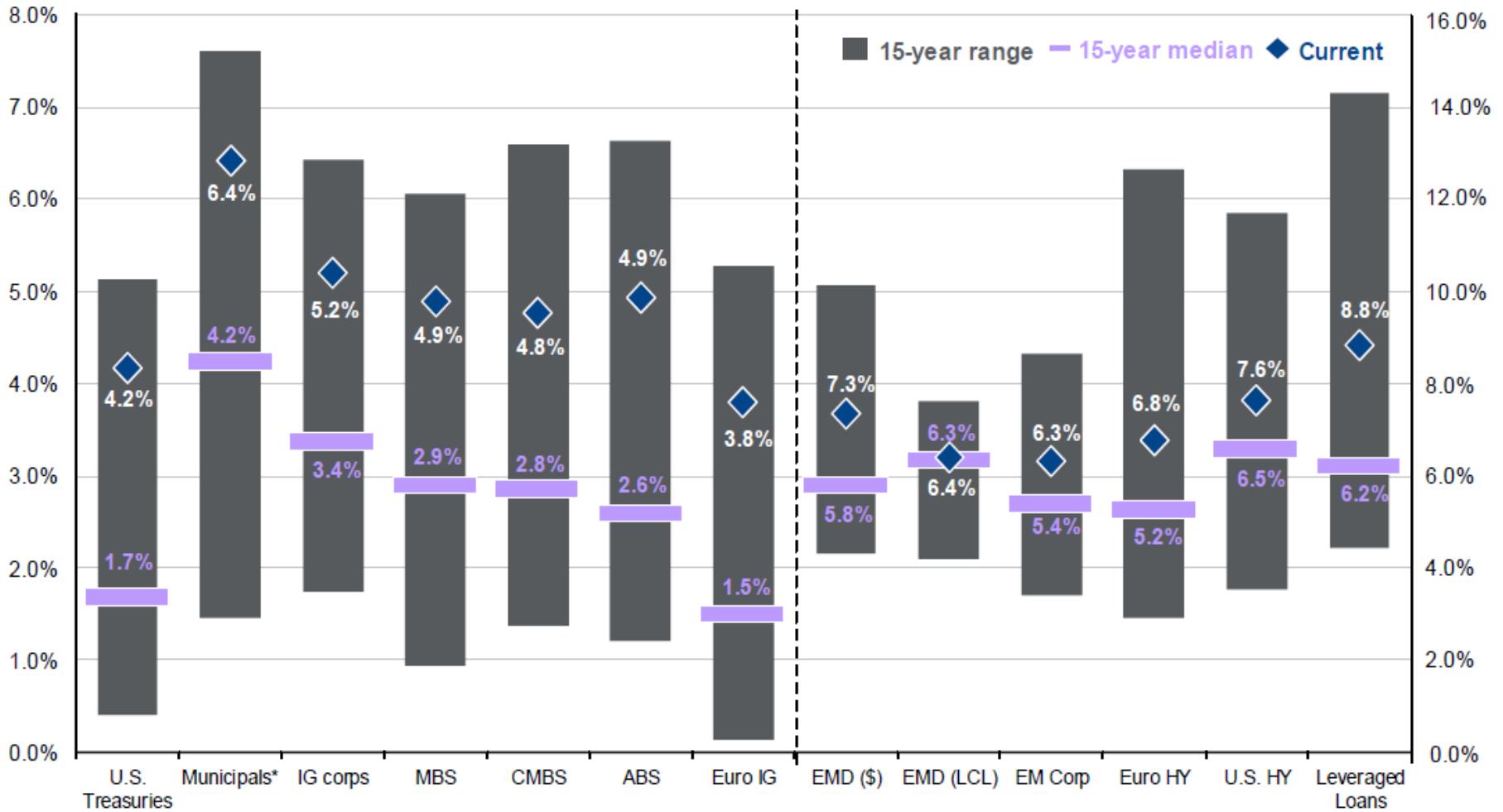
Source: FactSet, JPMorgan Asset Management. Data as of 3/31/2026.

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 3/31/2026. Please see slides 43-45 for index definitions

Yield to Worst Across Fixed Income Sectors



Source: Bloomberg, FactSet, JPMorgan, as of 3/31/26. 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 43-45 for index definitions.

After falling in the beginning of the quarter, the US Dollar strengthened modestly to end the quarter.

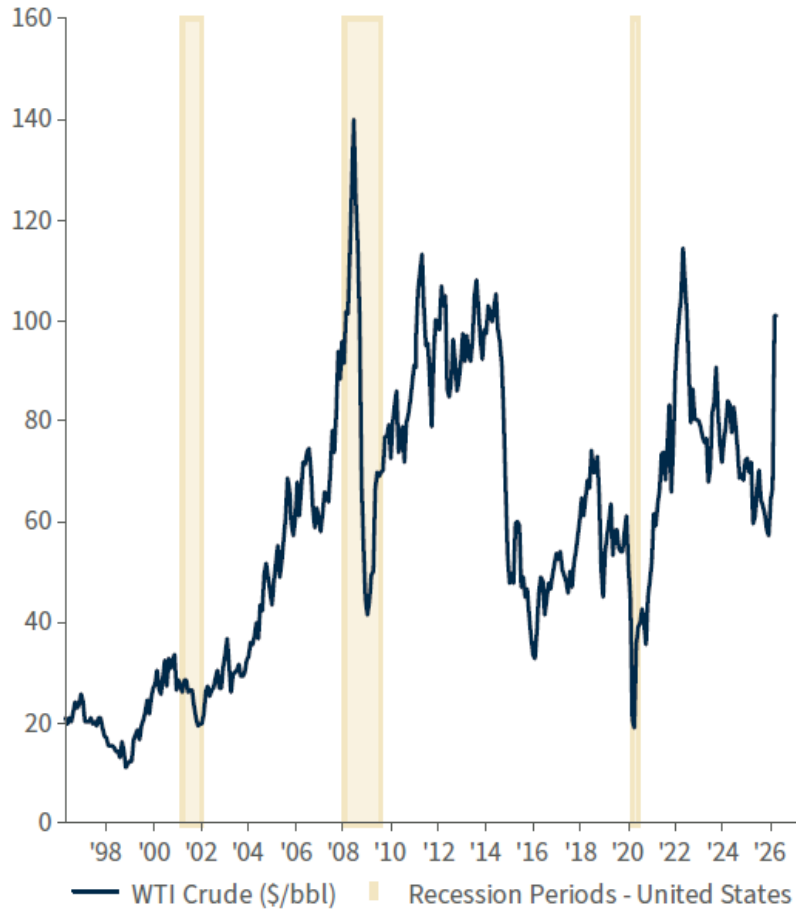
US Dollar Index



Source: FactSet, as of 3/31/2026. Please see slides 43-45 for index definitions.

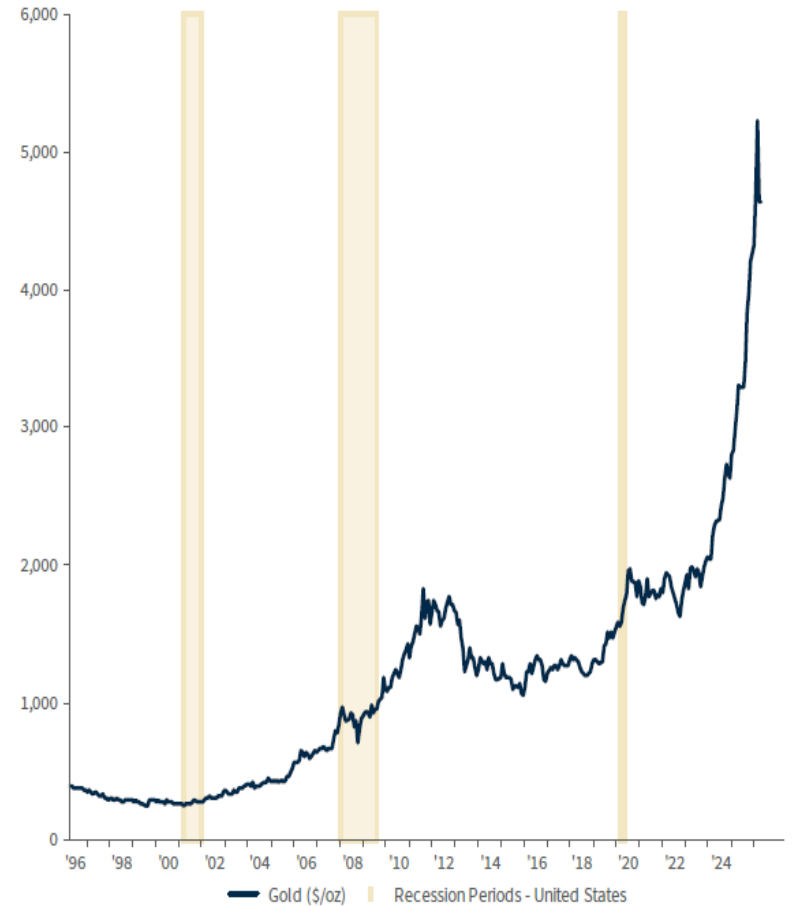
COMMODITY PRICES

WTI Price



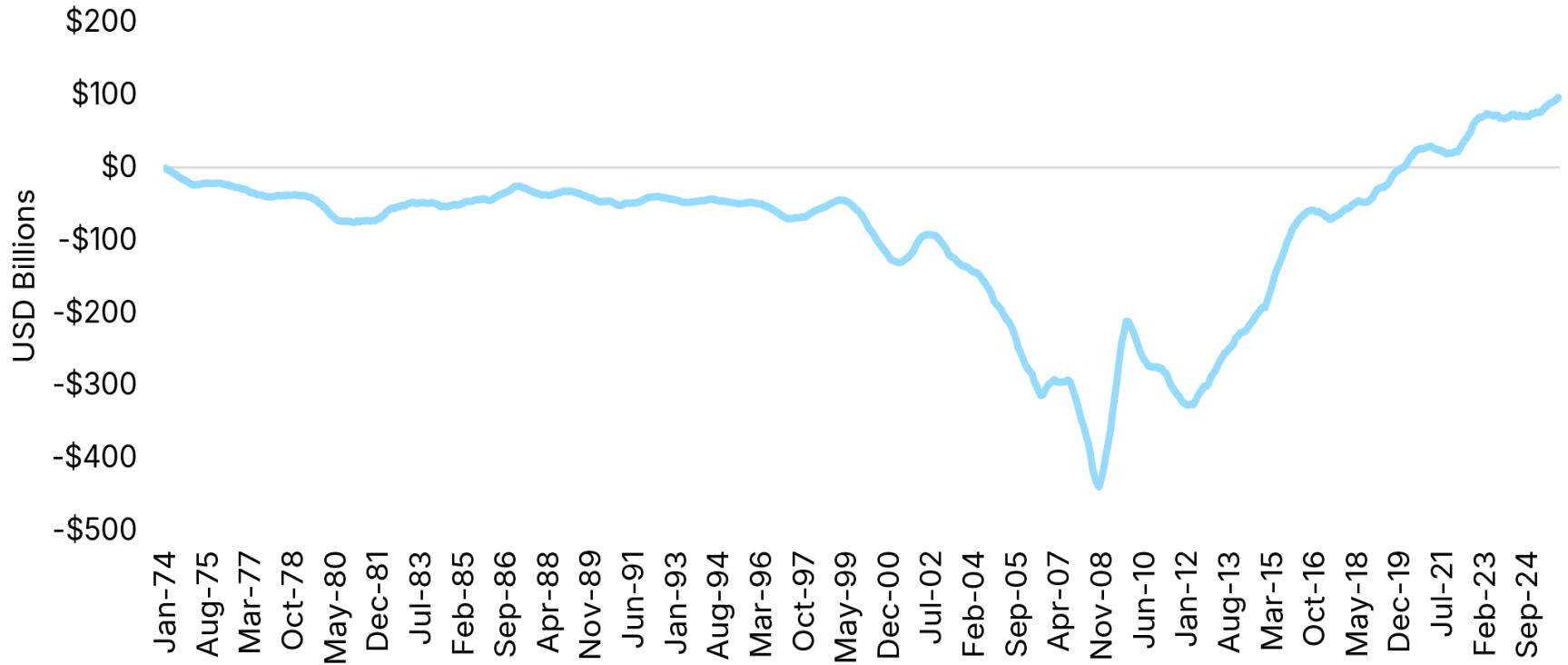
Source: FactSet, Raymond James. Data as of 3/31/2026.

Gold Price



Source: FactSet, Raymond James. Data as of 3/31/2026.

US Energy Trade Balance (Trailing 12 Months)



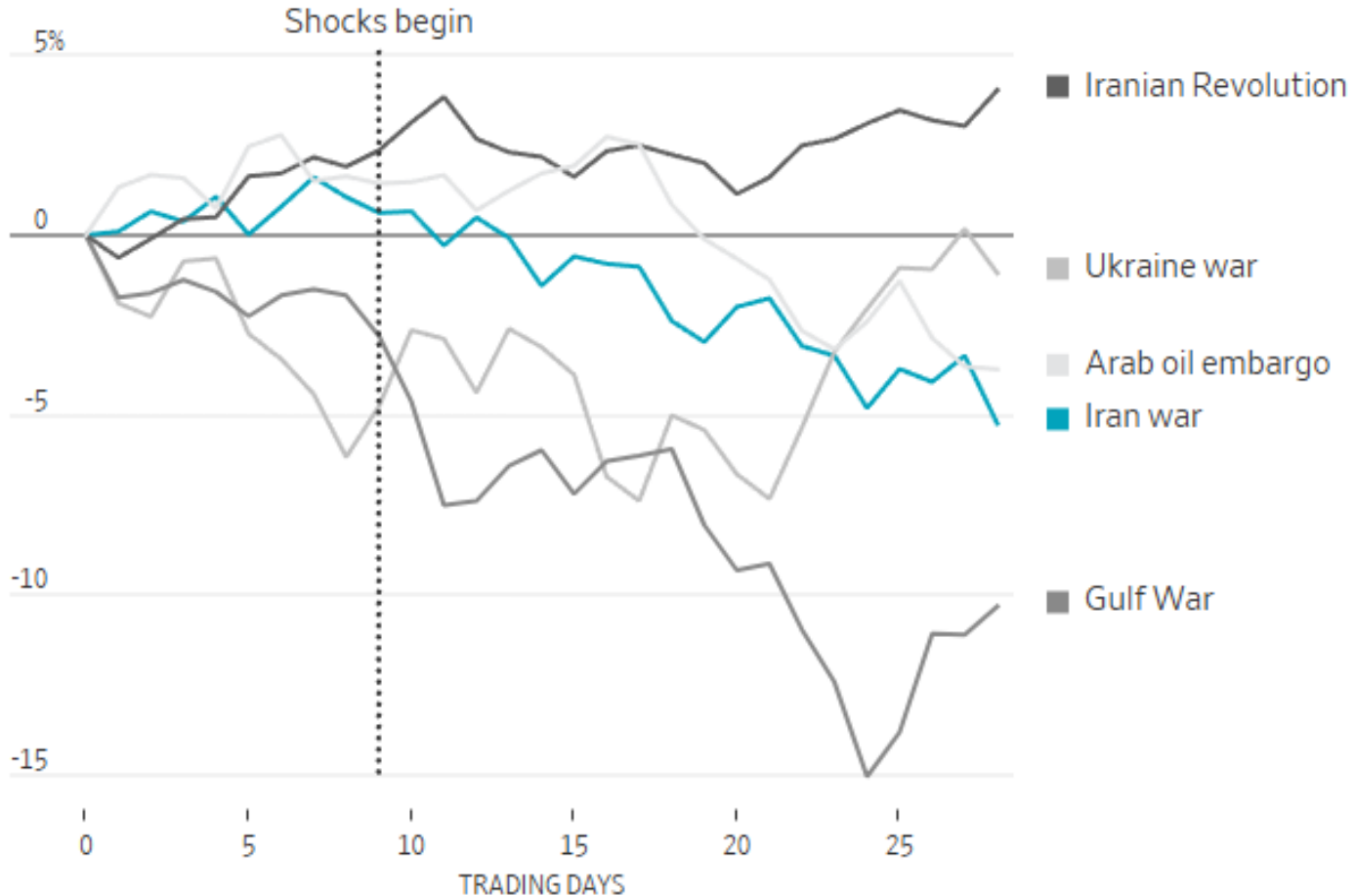
Source: Carlyle Analysis, US Energy Information Administration. Data as of 3/31/2026.

ECONOMIC REVIEW

CAPITAL MARKETS

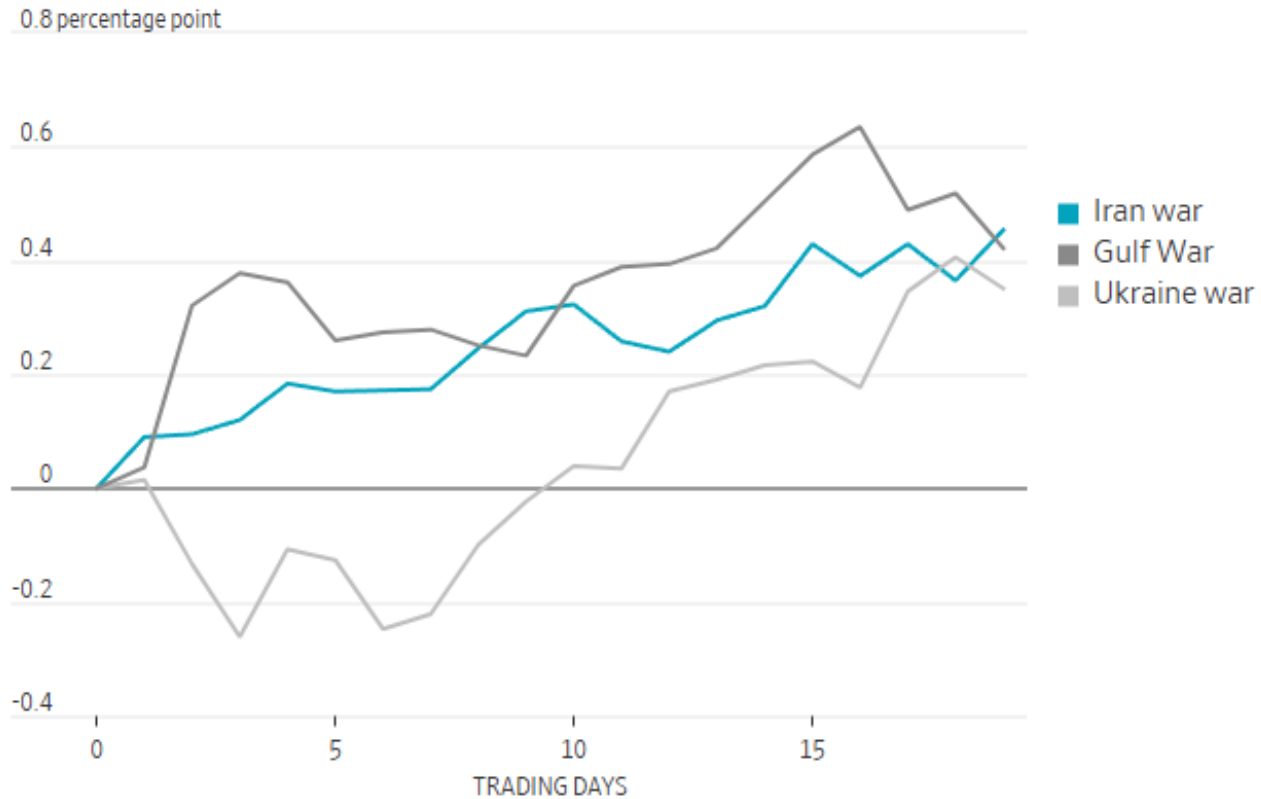
QUARTERLY THEMES

S&P 500 Performance During Geopolitical Shocks



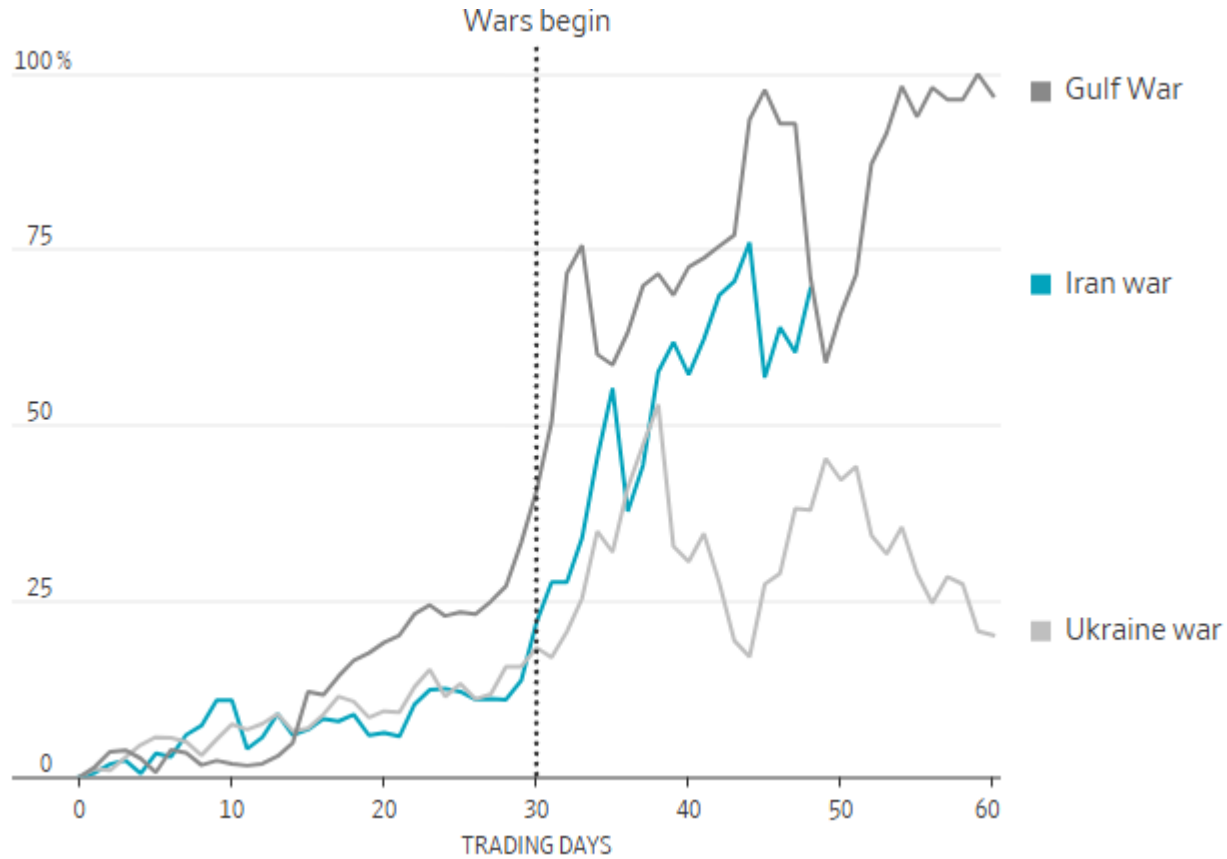
Source: FactSet, Standard & Poor's, Wall Street Journal. Data as of 3/31/2026. Please see slides 43-45 for index definitions.

Change in US 10-Year Treasury Yield During Wars



Source: FactSet, US Treasury, Wall Street Journal. Data as of 3/31/2026. Please see slides 43-45 for index definitions.

Change in Brent Crude Oil Price During Wars



Source: FactSet, Wall Street Journal. Data as of 3/31/2026. Please see slides 43-45 for index definitions.

Market History after Geopolitical Events

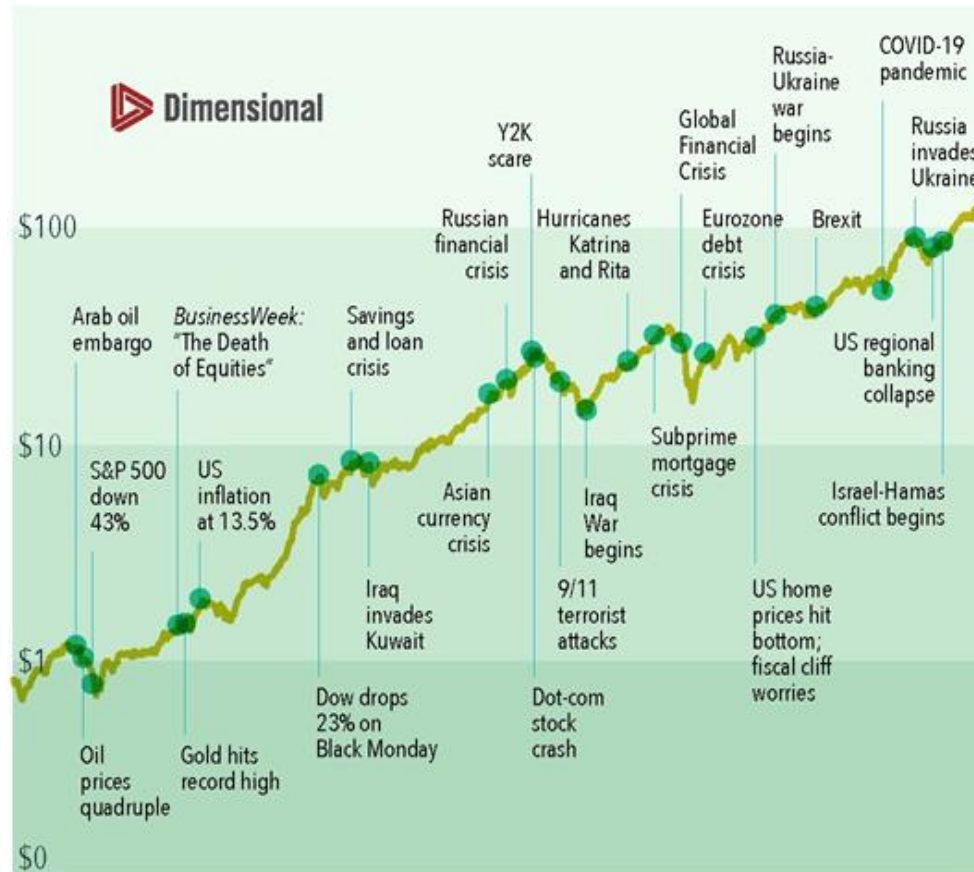
Impact of Geopolitical Events on the S&P 500				
Event	Event Date	One Week Later	Six Months Later	Twelve Months Later
Pearl Harbor Attack	12/7/1941	-6.33%	-7.23%	7.25%
North Korea Invades South Korea	6/25/1950	-5.38%	9.45%	20.55%
Cuban Missile Crisis	10/16/1962	-6.29%	22.61%	32.09%
Kennedy Assassination	11/22/1963	5.20%	17.78%	27.79%
Gulf of Tonkin Incident	8/2/1964	-1.59%	6.93%	5.89%
Six-Day War	6/5/1967	4.08%	8.49%	17.14%
Tet Offensive	1/30/1968	-1.07%	7.54%	13.82%
Yom Kippur War	10/6/1973	1.45%	-12.56%	-40.87%
Iraq's Invasion of Kuwait	8/2/1990	-3.13%	-2.70%	14.02%
9/11 Terrorist Attacks	9/11/2001	-5.44%	7.33%	-15.50%
Boston Marathon Bombing	4/15/2013	0.66%	10.89%	21.23%
Saudi Aramco Drone Strike	9/14/2019	-0.49%	-16.75%	13.18%
Iranian General Killed in Airstrike	1/3/2020	0.98%	-2.74%	18.21%
Russian Invasion of Ukraine	2/17/2022	-2.07%	-0.95%	-5.31%
Israel-Hamas War	10/7/2023	0.47%	20.35%	35.39%
US-Israel Airstrikes on Iran	2/28/2026	-1.99%	—	—
Average		-1.31%	4.56%	10.99%

Sources: LPL Financial¹, Bloomberg

Source: LPL Financial, Bloomberg, Standard & Poor's. Data as of 2/28/2026. Please see slides 43-45 for index definitions.

Importance of Staying Invested

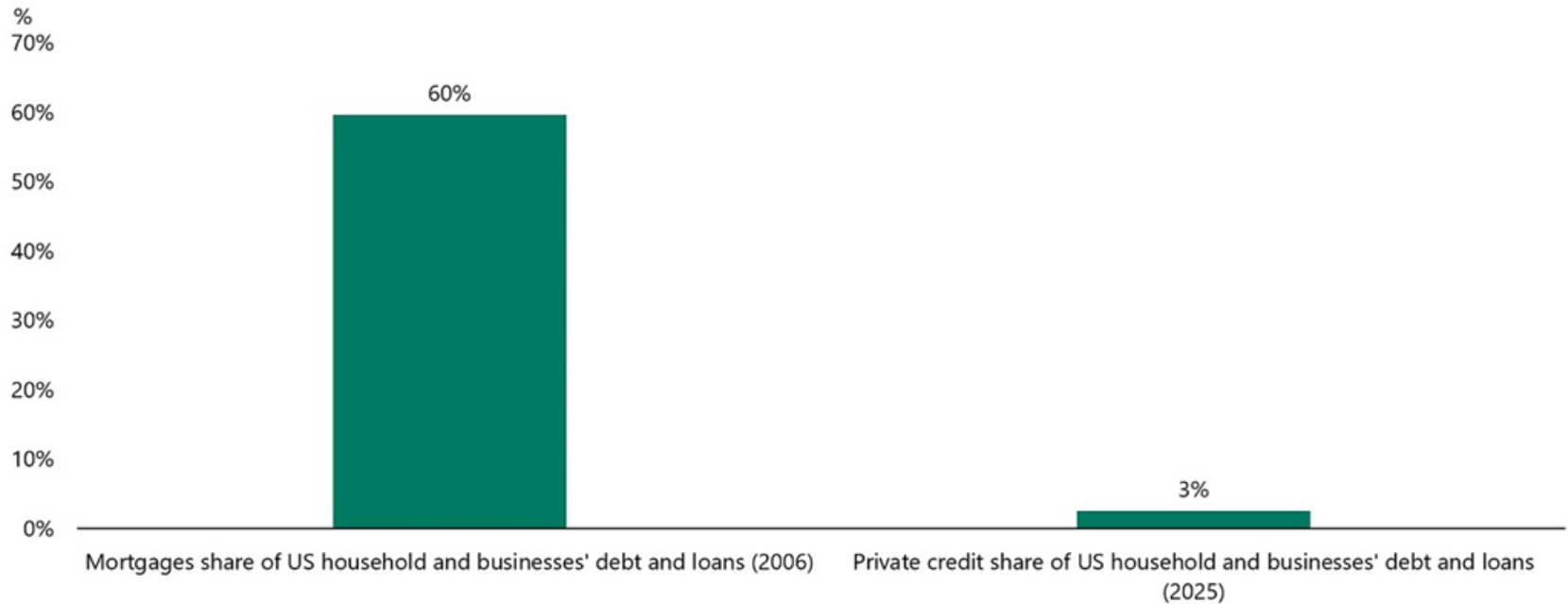
MSCI World Index Growth of \$1, 1970-2025



Source: Dimensional Fund Advisors, MSCI. Data presented is hypothetical and assumes reinvestment of income and no transaction costs or taxes. The chart is for illustrative purposes only and is not indicative of any investment. Indices are not available for direct investment. Data as of 2/28/2026. Please see slides 43-45 for index definitions.

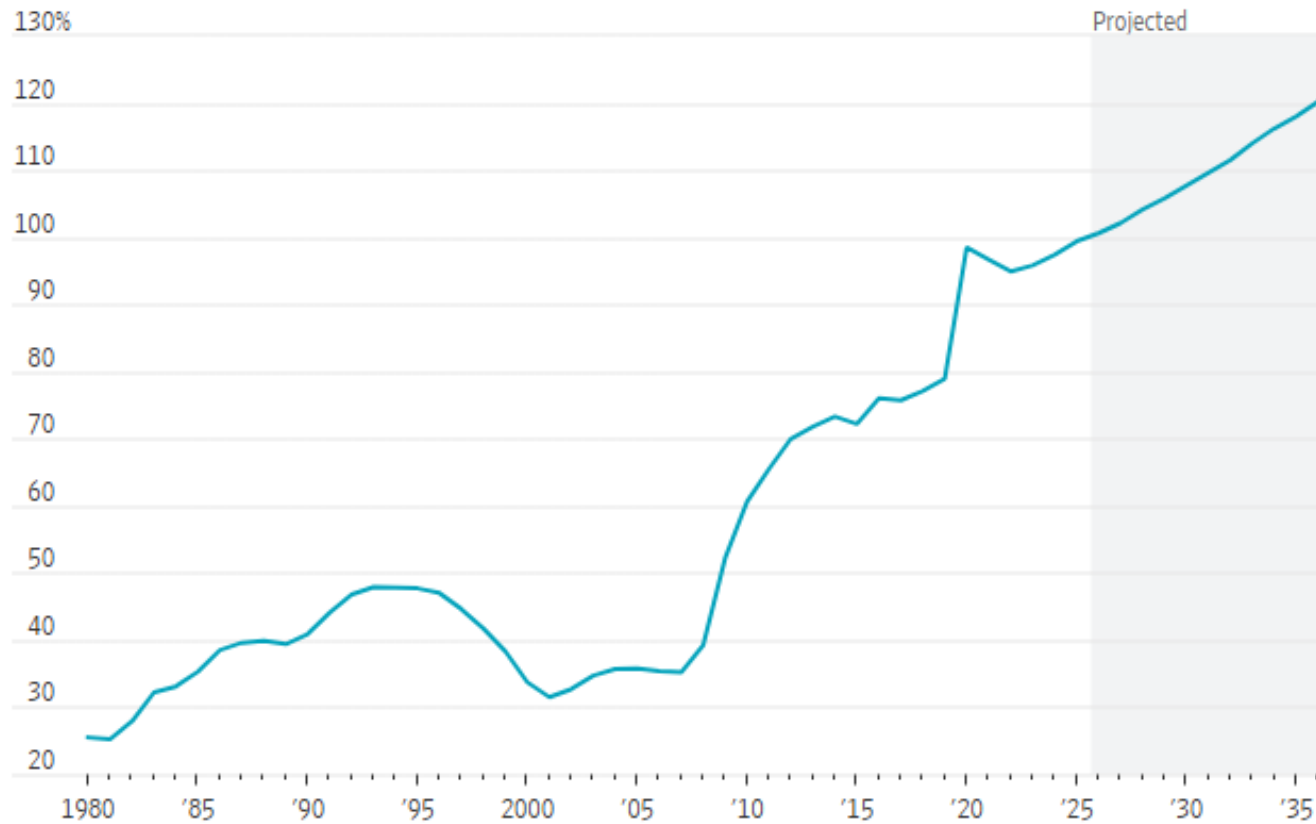
Direct Lending as a Percentage of Outstanding Debt

At the peak of the housing bubble, mortgages accounted for approximately 60% of household and business debt. The Direct Lending market comprised approximately 3% of outstanding debt as of December 2025.



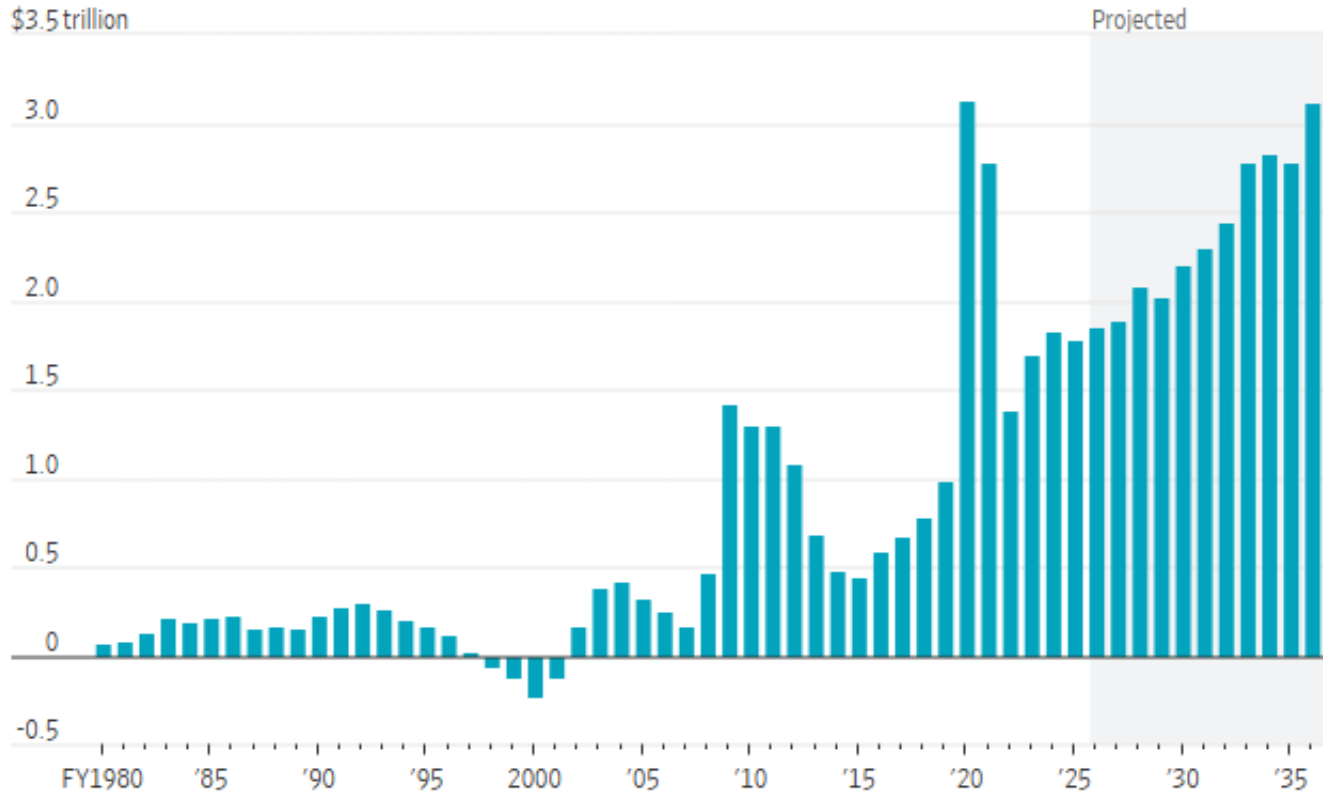
Source: Prequin, Federal Reserve, Haver Analytics, Apollo Global Management. Mortgage data provided as of 2006. Direct Lending data provided as of December 2025. Please see slides 43-45 for index definitions.

Debt Held by the Public as a Percentage of GDP



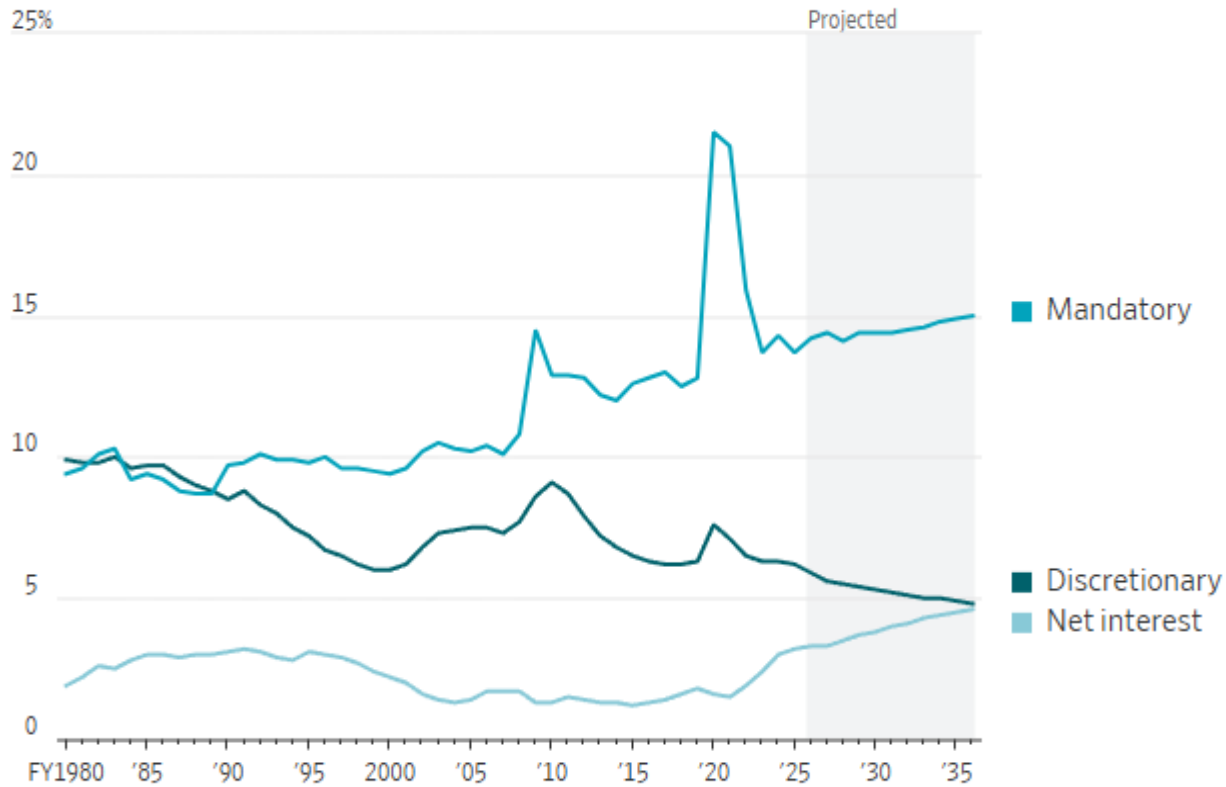
Source: Congressional Budget Office, Wall Street Journal. Data as of 1/31/2026.

Annual Federal Budget Deficit



Source: Congressional Budget Office, Wall Street Journal. Data as of 1/31/2026.

US Government Outlays as a Percentage of GDP



Source: Congressional Budget Office, Wall Street Journal. Data as of 1/31/2026.

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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DISCLOSURE (continued)

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.

INDEX DESCRIPTIONS (continued)

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.