CAPITAL MARKETS OUTLOOK

Reviewing the quarter ended June 30, 2026

Klingman & Associates
INDEPENDENT WEALTH ADVISORS

July 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.

Summer has a way of changing one's perspective. Vacations replace routines, families gather, and this year, attention turns to the FIFA World Cup. While every match brings its share of excitement and surprises, the tournament also serves as a reminder that success is rarely determined by a single play. Championships are won through preparation, discipline, and perseverance in the face of inevitable adversity. Investing is no different. Despite strong headline gains in 2026, financial markets have experienced their own share of challenges this year amid escalating geopolitical tensions, concerns around the impact of artificial intelligence ("AI"), and shifting economic data. As with successful teams, successful investors benefit from remaining committed to a thoughtful long-term plan instead of reacting to headlines or bumps along the way. Our investment process is built accordingly, focusing on strategic asset allocation, security selection, portfolio rebalancing, tax-loss harvesting, and ongoing monitoring of each client's savings and spending rates to help our clients reach their goals.

The U.S. economy, as measured by GDP, grew a healthy 2.6% in the first quarter of 2026 compared with a year earlier (page 8). Economic growth has been supported by strong business investment, particularly in AI (page 24) and continued fiscal spending (page 9). While these factors have provided meaningful tailwinds, we do not believe they are sustainable at their current pace and expect economic growth to moderate toward 1–2% by year-end. Consumer spending has remained resilient (page 15) despite higher energy prices, but there are signs of increasing divergence beneath the surface. Lower income households are showing signs of strain, reflected in weaker discretionary spending and rising delinquency rates on credit cards and auto loans (page 17). Many of these households have drawn down savings to offset the higher cost of living over the past several years. In contrast, higher income households have generally benefitted from rising home values and stronger equity markets. The labor market remains relatively tight, with unemployment at 4.2%, but it is no longer as strong as headline figures alone might suggest (page 10). Real wage growth has continued to moderate, and slower growth in the working age population, influenced in part by changes in immigration policy, may constrain labor force expansion going forward. These crosscurrents present a challenging backdrop for the Federal Reserve's new leadership. For now, a healthy economy continues to support corporate earnings, allowing equity markets to climb the proverbial "wall of worry."

Continued...

US Large Cap Equities, as measured by the S&P 500 Index, returned 15% in the second quarter and now stand at +10% for the year (page 21). Future corporate earnings estimates continue to march higher as 2026 S&P 500 earnings are now expected to grow 25% this year (to $338/share), while 2027 earnings are expected to grow 17% (to $395) (page 23). Current valuations at 20x forward Price-to-Earnings, as compared to 17x historically, appear reasonable, but only if these earnings expectations are ultimately achieved (page 22). We have seen some of the dominant stocks of the past few years, including the Magnificent Seven, lose momentum this year (page 33). After accounting for nearly 50% of the S&P 500's return over the last three years, the Magnificent Seven have been roughly flat this year, while the remaining 493 companies in the index have gained approximately 15%. We view this broadening of the market rally as a healthy development. However, we are seeing some early signs of excesses and extreme optimism, including the increasing use of leverage and derivatives by individual investors (page 34). This is not surprising given the strong bull market investors have enjoyed, but something we will be carefully watching. We remain Neutral weight in our asset allocation models. US Mid Cap Equities (S&P 400 Index) and US Small Cap Equities (S&P 600 Index) returned +15% and +20%, respectively, in the second quarter of 2026. Despite the strong rally, these asset classes continue to trade at reasonable valuations (16-17x forward earnings) given years of trailing their large counterparts. We remain Neutral to US Mid Cap and US Small Cap Equity.

Non–US Equities also regained their footing in the second quarter of 2026. Non-US Developed Markets Equities, as measured by the MSCI EAFE Index, returned +11% in the second quarter and are now +10% YTD. Emerging Market Equities, as measured by the MSCI EM Index, returned +24% in the second quarter and are now +24% YTD. The rebound in international equity prices largely reflected a decline in energy prices as the war in Iran deescalated. Unlike the US, many of these international countries are net oil importers, making their economies more susceptible to changes in prices. As geopolitical tensions eased, investors were able to again focus on the strong fundamentals supporting these markets: accelerating corporate earnings, attractive valuations relative to the US, and relatively stronger economic activity. However, we believe current valuations reasonably reflect the risks associated with tensions re-escalating and/or global growth slowing from the energy price shock. We remain Neutral weight in our models.

Under Kevin Warsh's new leadership, the Federal Reserve maintained the federal funds target range at 3.50%–3.75% in June. More importantly, Mr. Warsh emphasized the Fed's commitment to restoring price stability following a period of inflation that has remained above its 2% target. Those remarks removed expectations in the market for interest rate cuts in 2026, with some investors now pricing in the possibility of additional rate hikes (page 25). Our base case remains that the Fed will stay on hold as policymakers continue to evaluate incoming inflation, labor market, and GDP data. Unlike the end of the "zero interest rate era", when we intentionally reduced the interest rate sensitivity (duration) of our fixed income portfolios, we have returned to a more neutral duration posture. Today's bond market offers an attractive opportunity to earn compelling yields without taking excessive interest rate or credit risk (page 27).

continued...

We continue to build laddered portfolios using high quality municipal bonds, Investment Grade corporates, and U.S. Treasuries with staggered maturities. This approach allows us to lock in attractive levels of income while maintaining the flexibility to reinvest funds as bonds mature and opportunities evolve across the yield curve. We cannot predict the precise path of interest rates, but we can position client portfolios to generate attractive risk adjusted returns across a range of outcomes. We remain Overweight to US Investment Grade Bonds and TIPs in our asset allocation models. High yield spreads have widened slightly this year but remain near historically tight levels (page 26). We are seeing some opportunities arise and will be prepared to take advantage of them if and when we believe investors will be adequately compensated for taking the additional credit risk. We remain Underweight Strategic Bonds.

The nation's fiscal trajectory remains a longer-term concern. Federal debt held by the public now stands at roughly 100% of GDP, approaching levels last seen following World War II. While history demonstrates that elevated debt burdens can be reduced through a combination of sustained economic growth, modest inflation, and fiscal discipline, the process requires deliberate action over many years. We believe advances in productivity, particularly those driven by AI, could provide a meaningful tailwind, but they are unlikely to solve the problem on their own. Importantly, we do not view a U.S. debt crisis as imminent. The size and dynamism of the American economy, the dollar's role as the world's reserve currency, and the country's deep capital markets provide significant advantages. However, the absence of an immediate crisis should not be mistaken for the absence of risk. The Congressional Budget Office projects debt will continue to rise as a share of the economy over the coming decades while interest costs consume an increasing share of federal resources. The longer meaningful reforms are delayed, the more difficult and disruptive the eventual adjustment is likely to become. Addressing these challenges will ultimately require political resolve rather than financial engineering, and we believe beginning that process sooner rather than later offers the greatest opportunity to preserve long-term economic prosperity.

We would not be surprised to see increased volatility in the months ahead, whether driven by central bank policy, geopolitical events, midterm elections, or something entirely unexpected. The S&P 500 is up more than 120% since the end of the last official bear market in October 2022 and has gained 53% since its April 2025 low. History reminds us that volatility is a normal part of investing; the S&P 500 has experienced a decline of 10% or more roughly once a year and corrections of 10%–20% every two to three years. We are not sounding the alarm. Volatility is the price investors pay to earn the long-term equity risk premium. Market corrections can be healthy for the market, tempering excessive optimism and speculation while creating more attractive opportunities for long-term investors. They create opportunities for disciplined long-term investors to put cash to work, harvest tax losses where appropriate, and realign portfolios with their asset allocation targets. Should such an opportunity present itself in the months ahead, we will continue to manage portfolios as we always do: with discipline, patience, and a long-term perspective.

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

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ECONOMIC REVIEW

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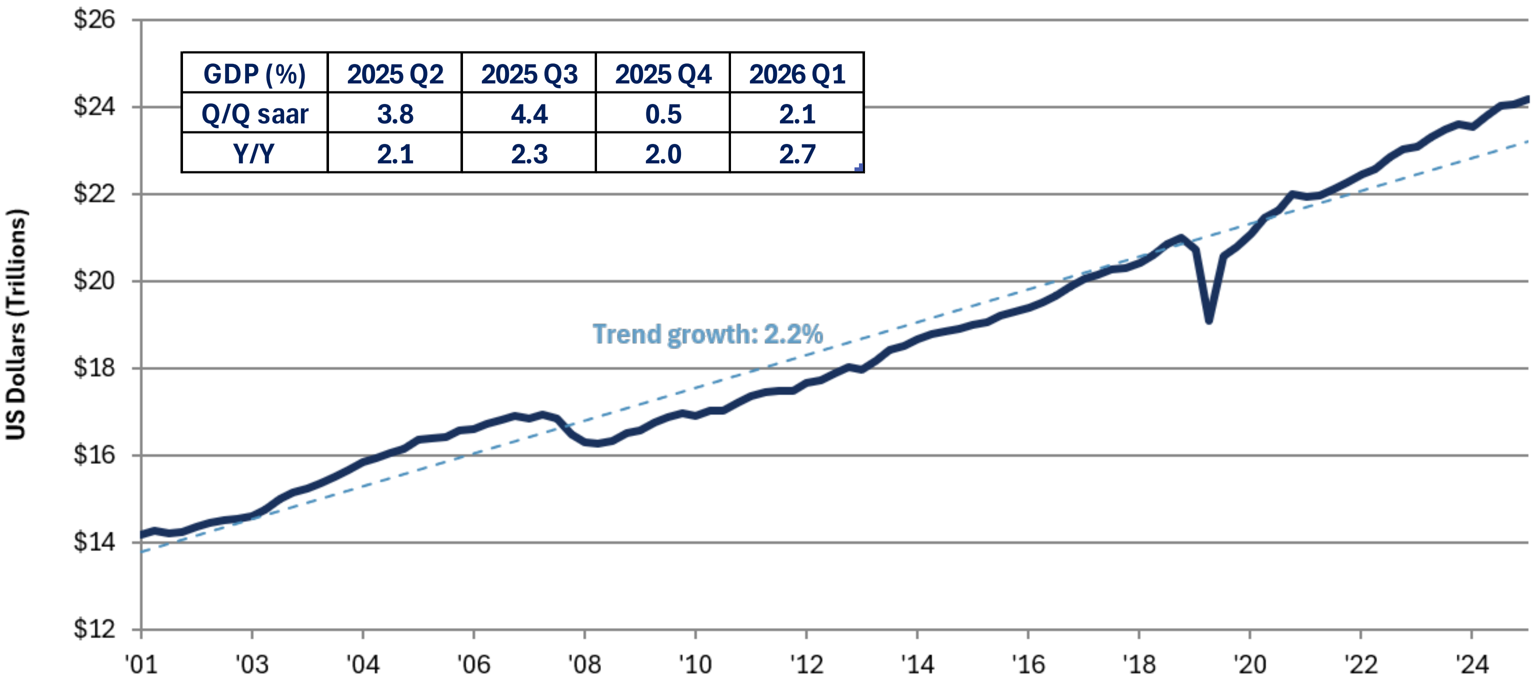
QUARTERLY THEMES

Real Gross Domestic Product (GDP)

Gross domestic product increased 2.7 percent in the first quarter of 2026 versus a year ago according to the Bureau of Economic Analysis, driven by increases government spending and private investment.

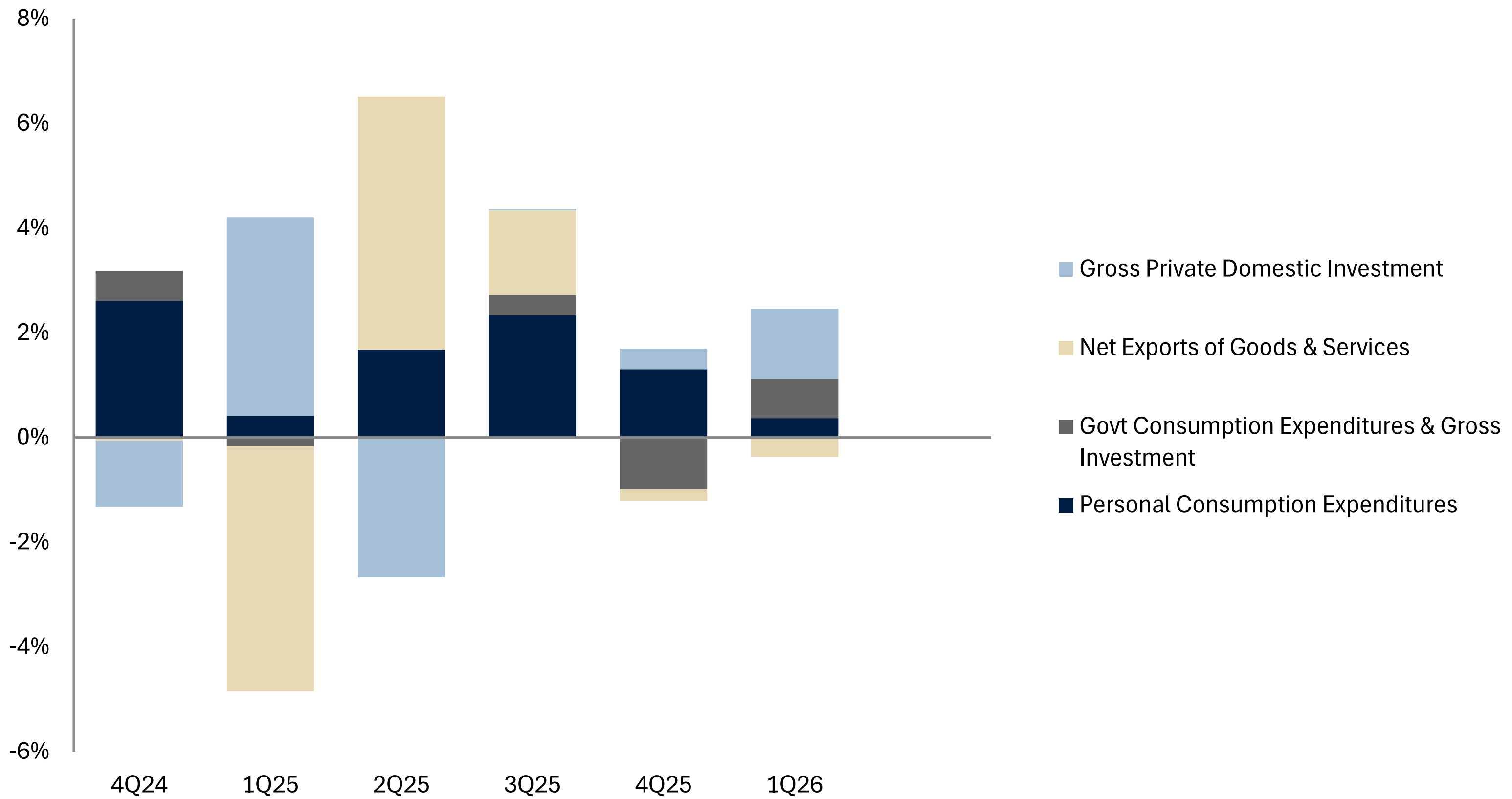


GDP (%)	2025 Q2	2025 Q3	2025 Q4	2026 Q1
Q/Q saar	3.8	4.4	0.5	2.1
Y/Y	2.1	2.3	2.0	2.7

Source: Bureau of Economic Analysis, Federal Reserve Bank of St. Louis Economic Data. Trillions of chained (2017) dollars, seasonally adjusted. Data as of 3/31/2026.

CONTRIBUTIONS TO % CHANGE IN REAL GDP

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



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

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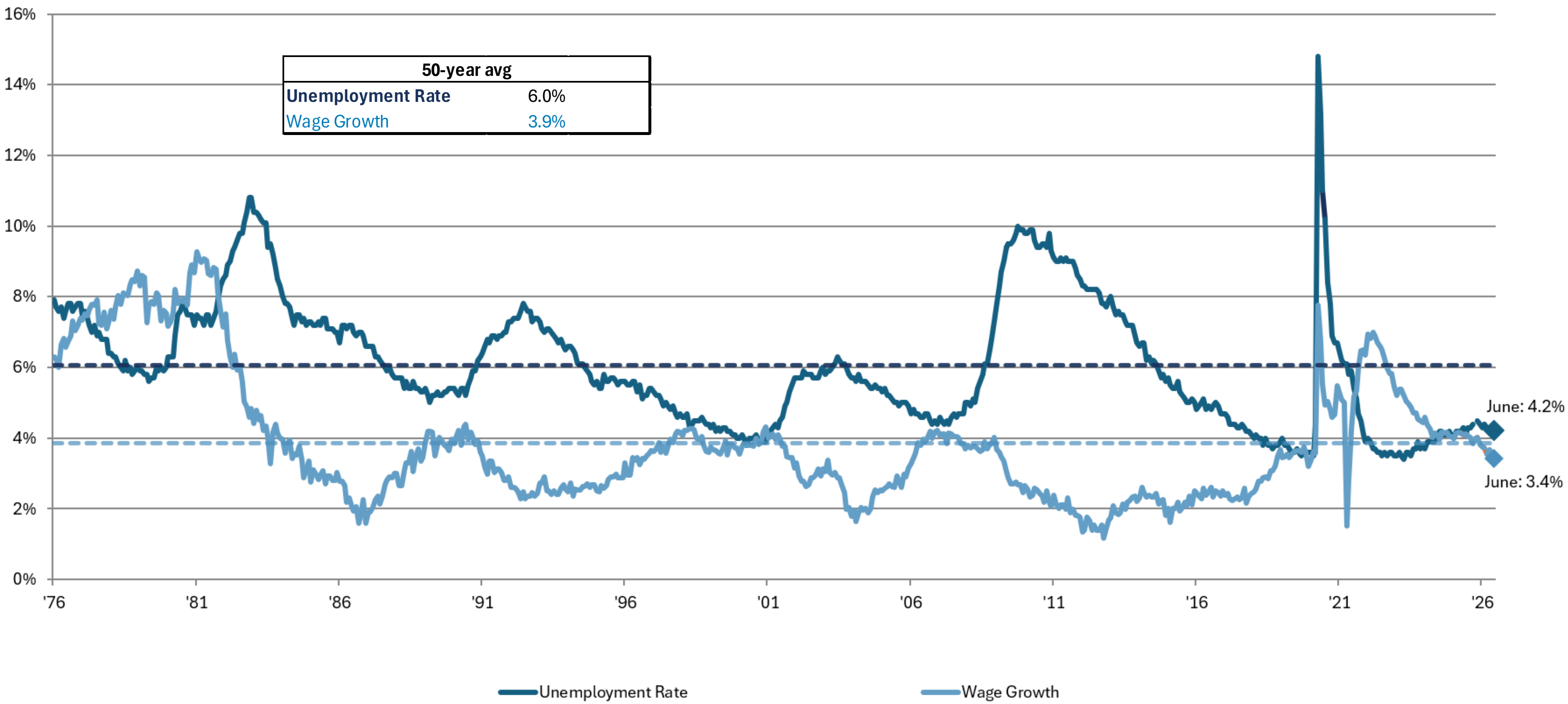
Civilian Unemployment Rate and Year-over-Year Wage Growth



Source: Federal Reserve Bank of St. Louis Economic Data. Unemployment rate and wage growth is measured monthly, seasonally adjusted. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. Data as of 6/30/2026.

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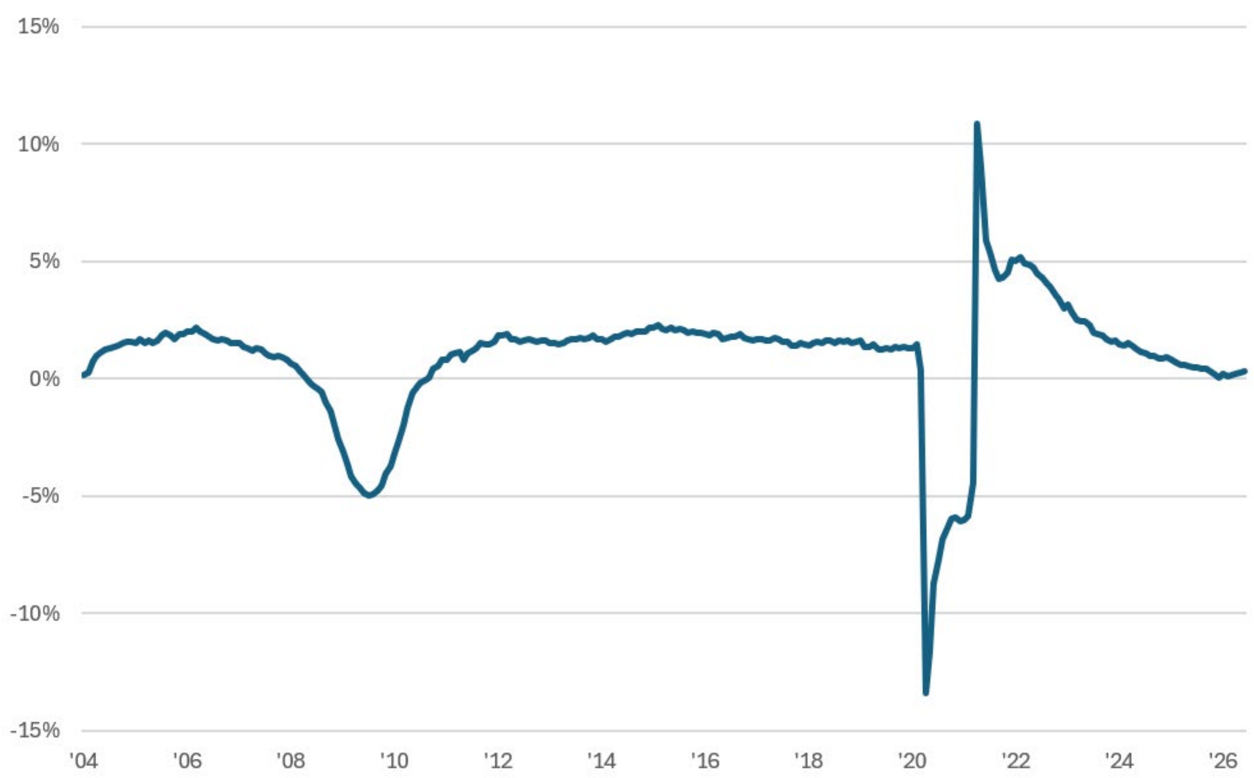
Non-farm payrolls rose slightly at the end of the quarter. The pace of gains remains modest, reflecting tighter labor market conditions.

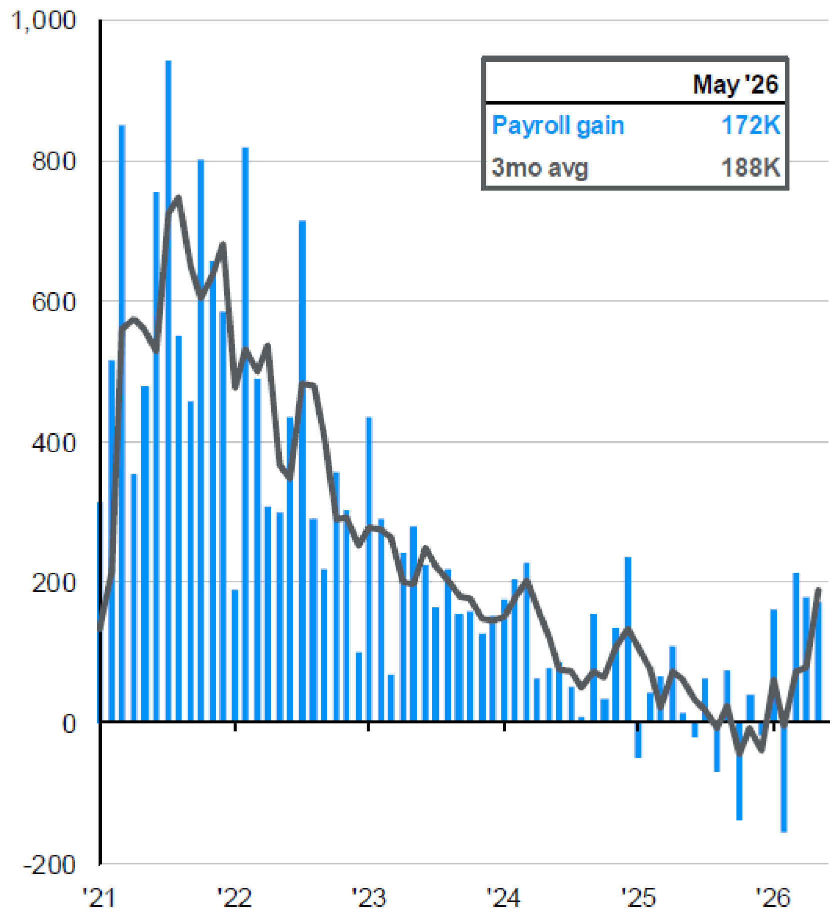
Non-Farm Payrolls YoY Change



Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 6/30/2026.

Non-Farm Payroll Gains

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



Source: BLS, FactSet, CBO, JPMorgan Asset Management. Data as of 5/31/2026.

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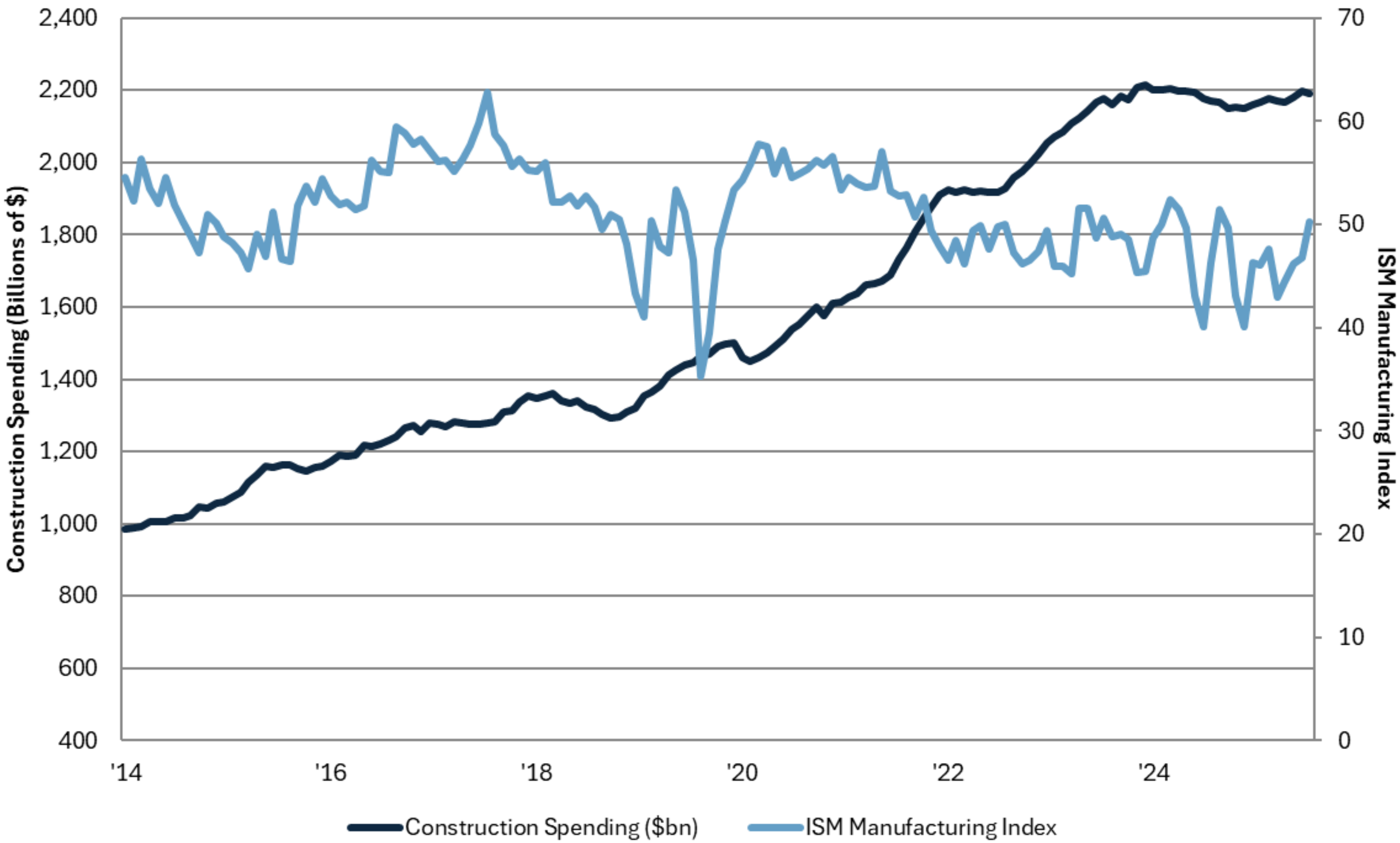
The ISM Manufacturing Index registered 50.6 in May and is now in expansionary territory (a level above 50). Construction spending increased slightly at the end of the quarter.

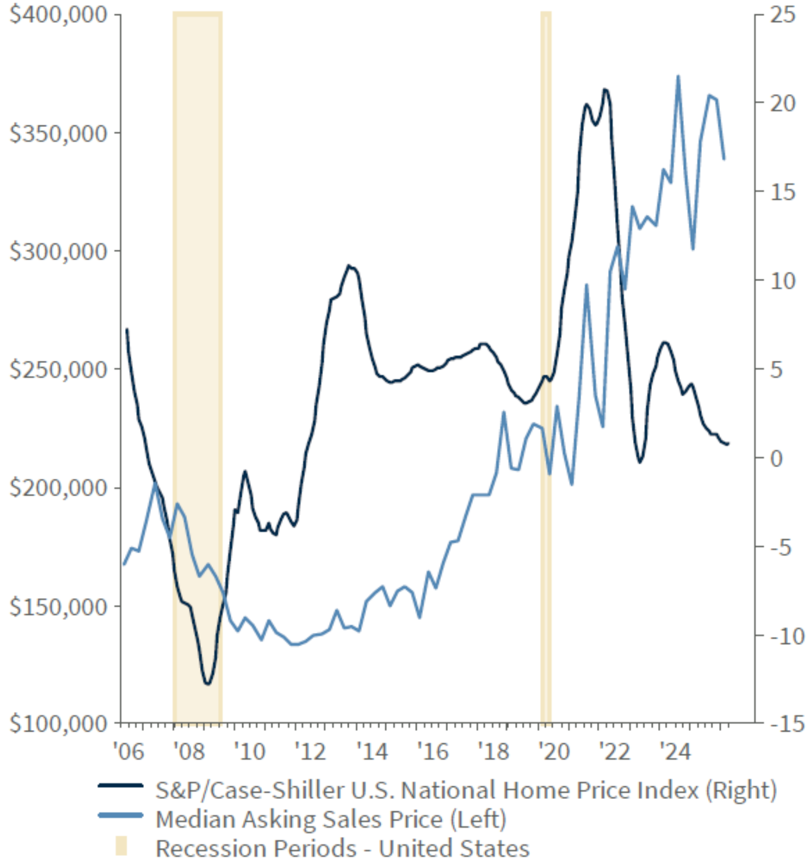
Construction and Manufacturing



Source: Federal Reserve Bank of St. Louis Economic Data, YCharts. Data as of 5/31/2026.

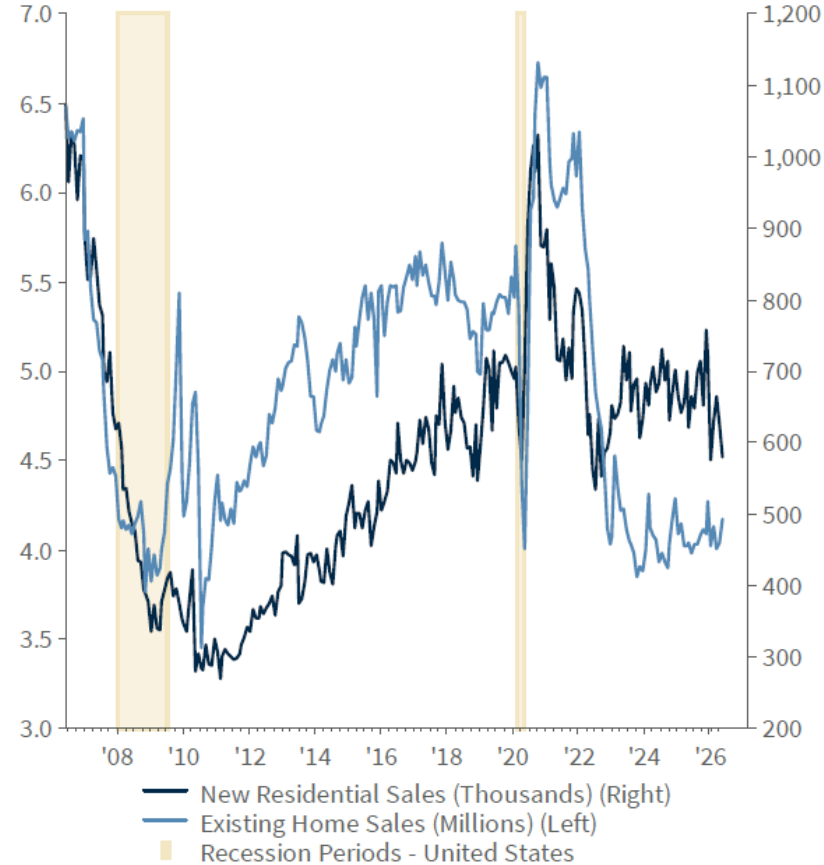
While home prices have continued to climb, the pace of price increases has moderated significantly. New home sales trended lower while existing home sales trended higher during the spring.

National Home Price Index (YoY Change)



Source: FactSet, Raymond James. Data as of 6/30/2026.

New and Existing Home Sales



Source: FactSet, Raymond James. Data as of 6/30/2026.

Retail sales remain relatively stable but did trend higher at the beginning of the quarter.

Retail Sales YoY Change

Source: Federal Reserve Bank of St. Louis Economic Data. Data as of 4/30/2026.

US Consumer sentiment was 44.8 in May, as measured by the University of Michigan Consumer Sentiment Index. Consumer confidence remains stubbornly low despite healthy economic conditions.

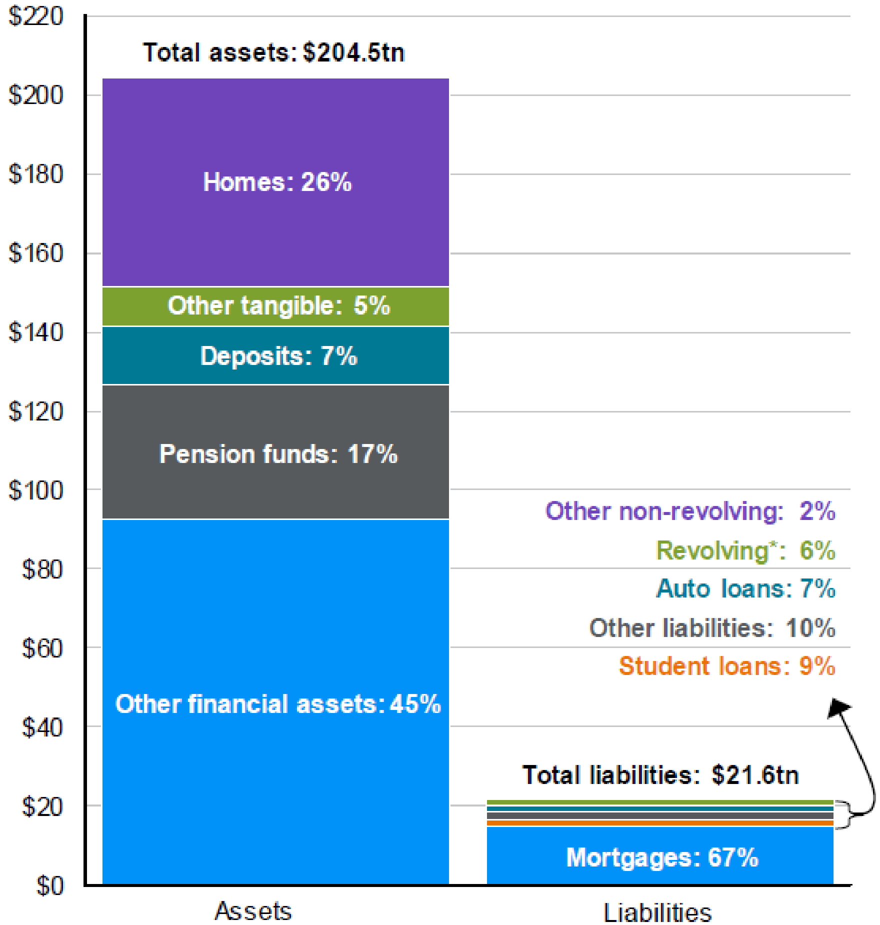
Consumer Confidence

Source: Federal Reserve Bank of St. Louis Economic Data, University of Michigan Consumer Sentiment Index. Data as of 5/31/2026.

Consumer Finances

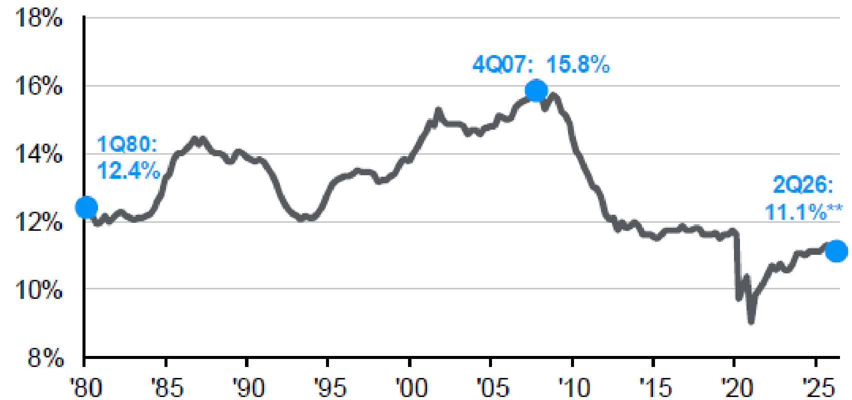
Consumer balance sheet

1Q26, USD trillions, not seasonally adjusted



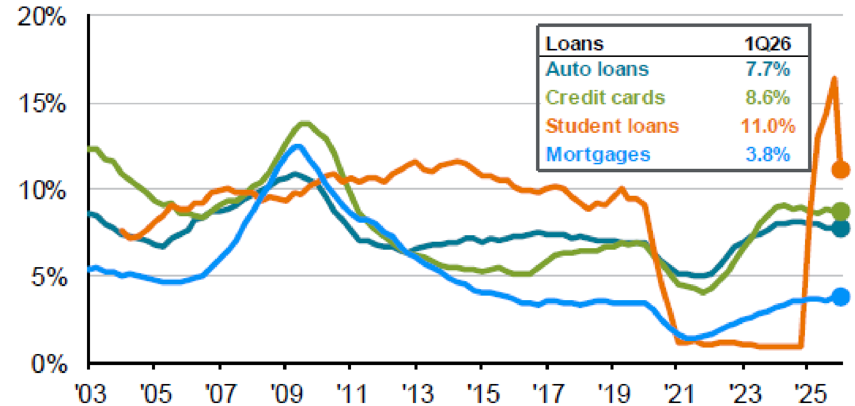
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

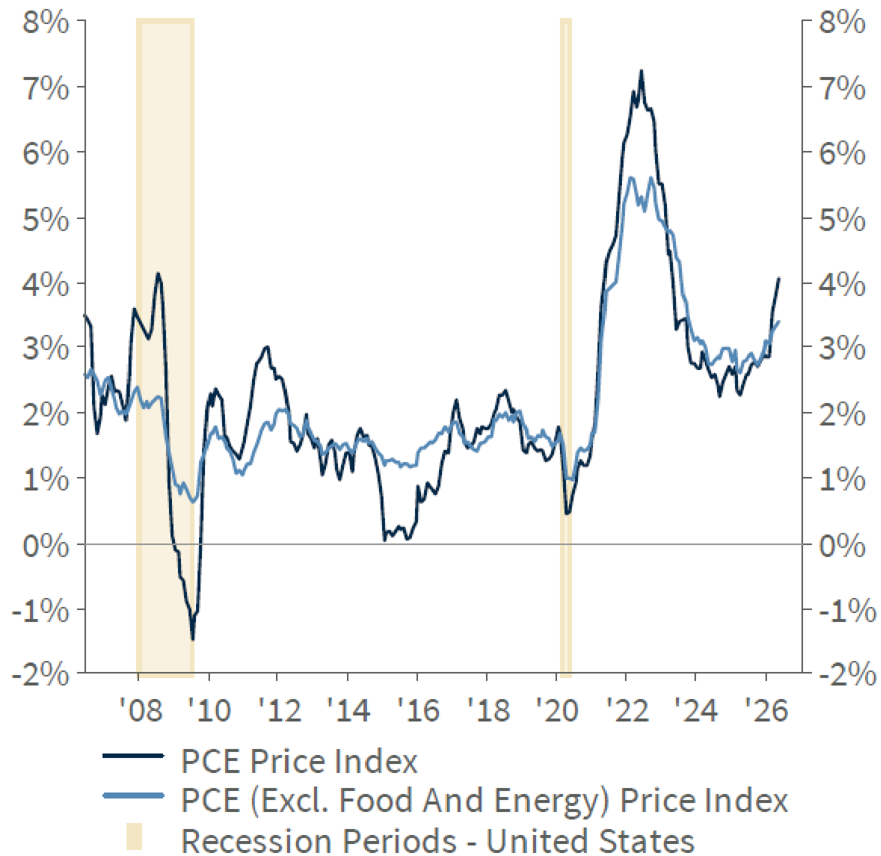
% of balance delinquent 30+ days



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 to credit bureaus, missed federal student loan payments were not reported until 4Q24. Data as of 3/31/2026.

Inflation

Inflation ticked higher this spring. The PCE Price Index (PCE) and Core PCE Index, which excludes the volatile food and energy components, increased 4.1% and 3.4% 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 5/31/2026.

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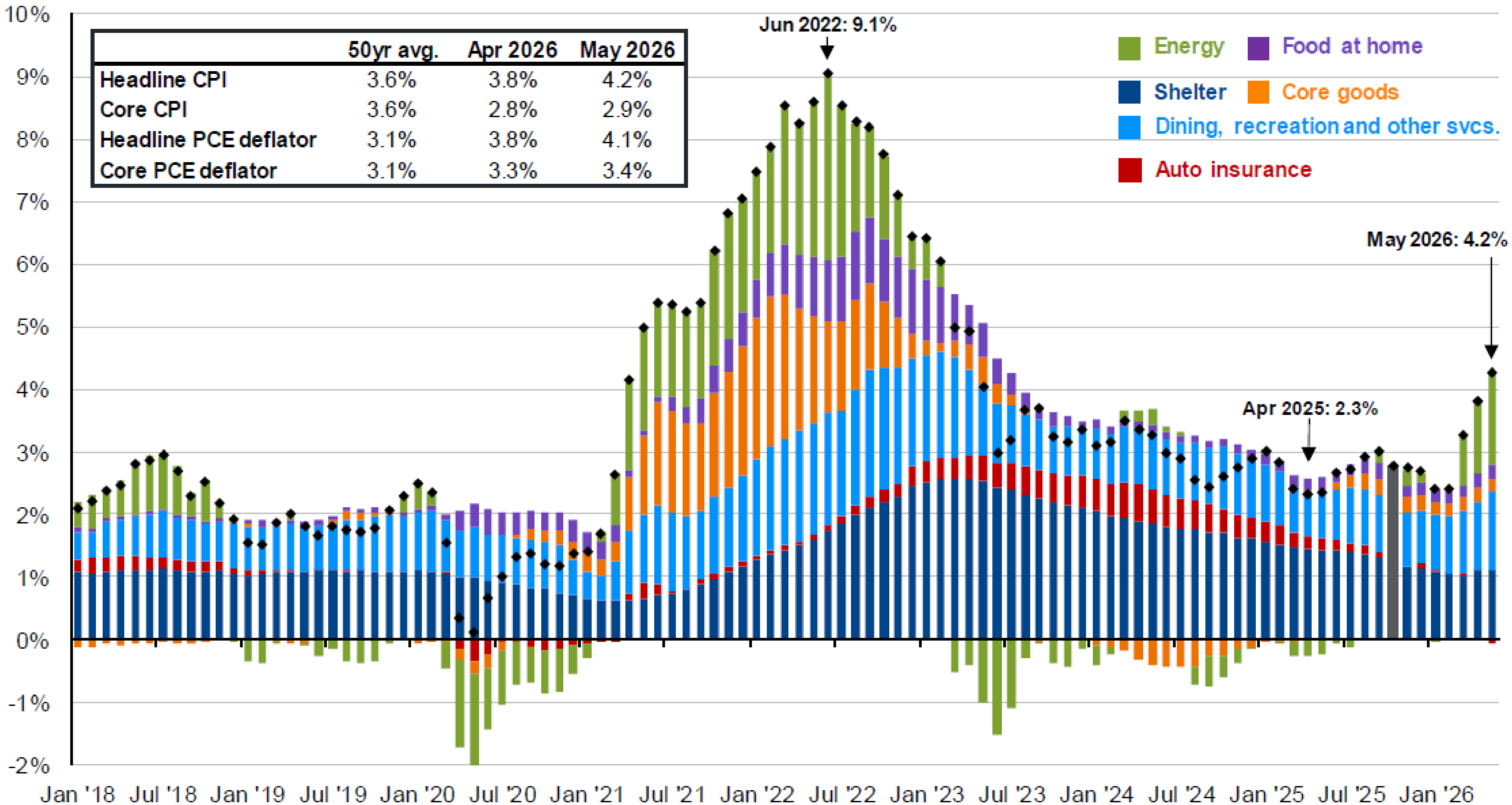
Inflation

Contributors to Headline CPI Inflation



	50yr avg.	Apr 2026	May 2026
Headline CPI	3.6%	3.8%	4.2%
Core CPI	3.6%	2.8%	2.9%
Headline PCE deflator	3.1%	3.8%	4.1%
Core PCE deflator	3.1%	3.3%	3.4%

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 5/31/2026.

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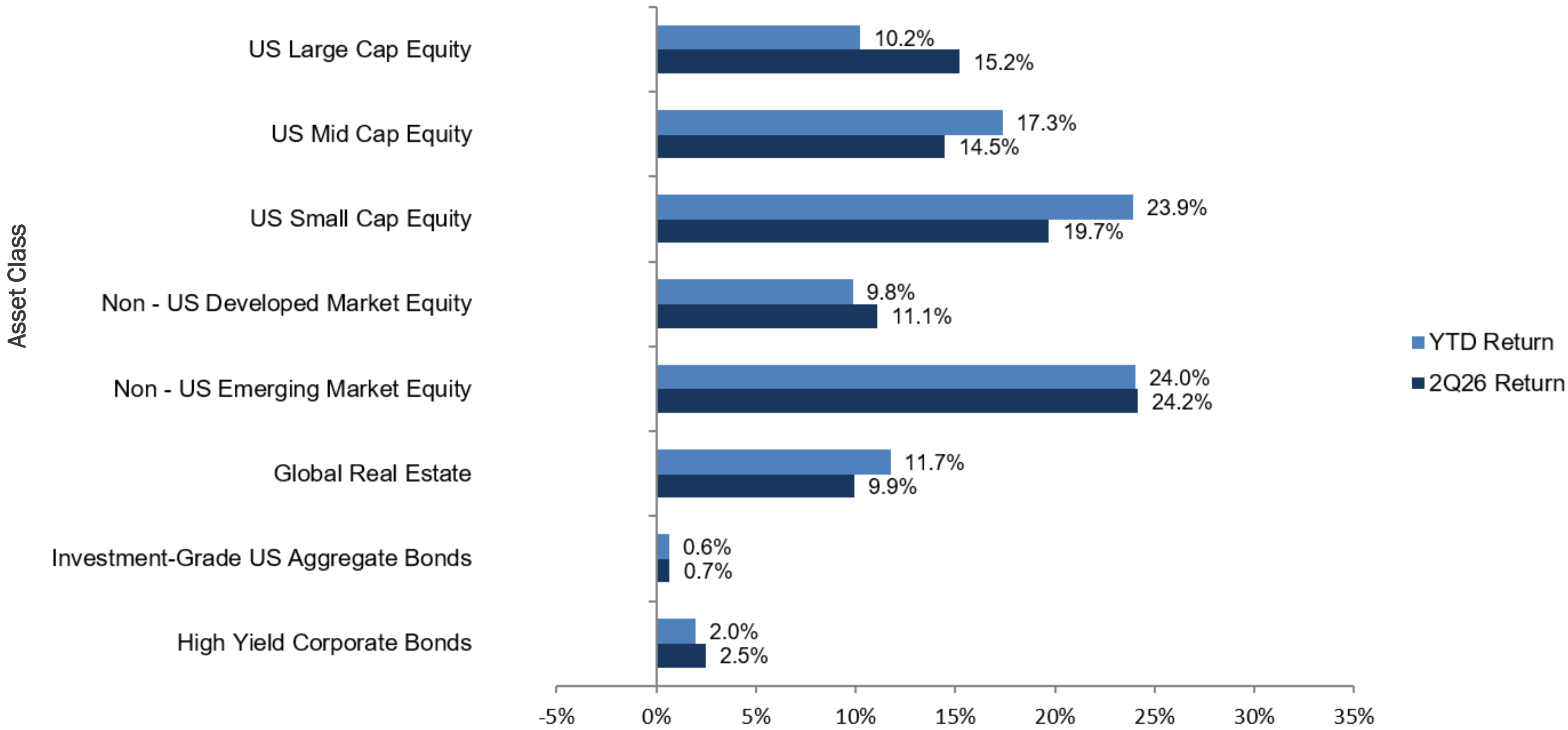

Source: FactSet, as of 6/30/2026. Past performance is not indicative of future results. Please see slides 38-40 for asset class definitions.

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	Current Forward P/E	20-Year Average	Current P/E as a % of 20-year Average
S&P 500	20.4	16.0	127.5%
S&P 400	16.4	15.7	104.7%
S&P 600	15.7	16.3	96.3%

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 6/30/2026. Please see slides 38-40 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 6/30/26. Please see slides 38-40 for index definitions.

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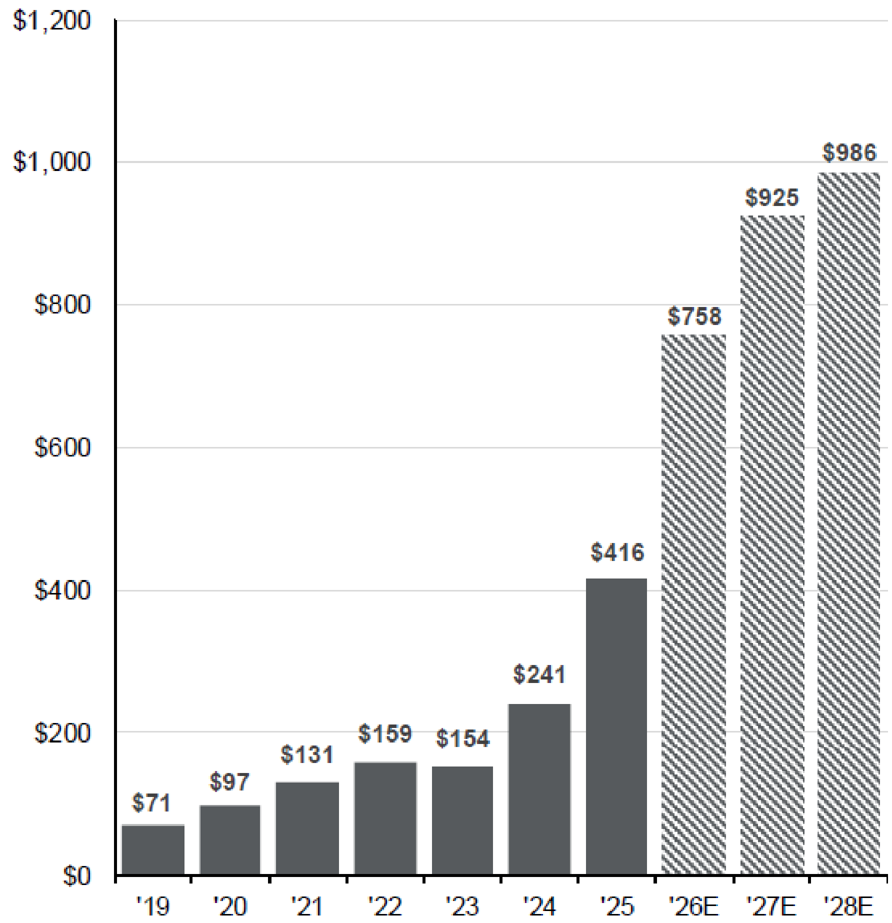
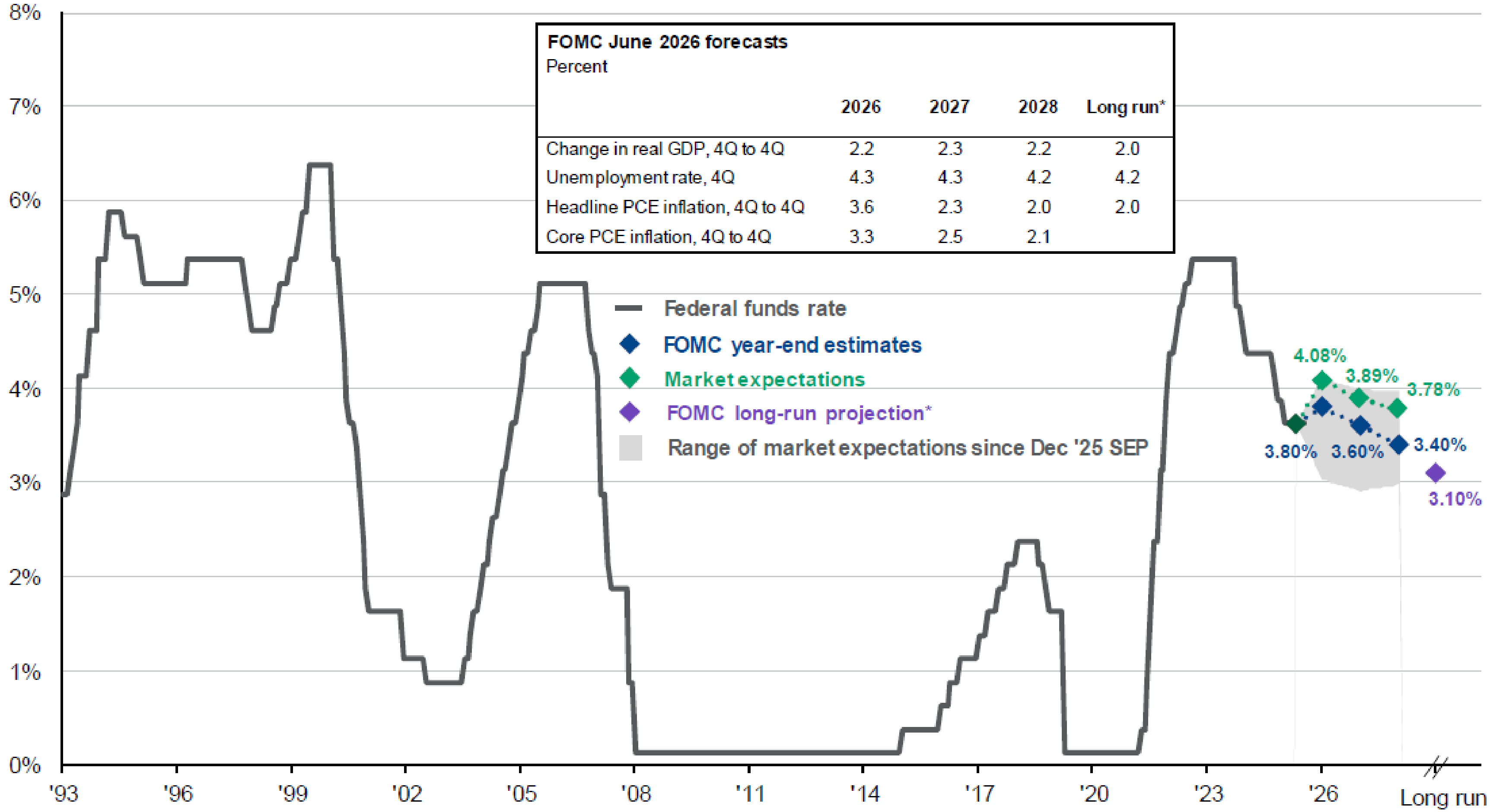
Capex from the Major AI Hyperscalers



Source: Bloomberg, FactSet, JPMorgan, as of 6/30/26. 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



FOMC June 2026 forecasts
Percent

	2026	2027	2028	Long run*
Change in real GDP, 4Q to 4Q	2.2	2.3	2.2	2.0
Unemployment rate, 4Q	4.3	4.3	4.2	4.2
Headline PCE inflation, 4Q to 4Q	3.6	2.3	2.0	2.0
Core PCE inflation, 4Q to 4Q	3.3	2.5	2.1	

Source: FactSet, JPMorgan Asset Management. Data as of 6/30/2026.

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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 6/30/2026. Please see slides 38-40 for index definitions

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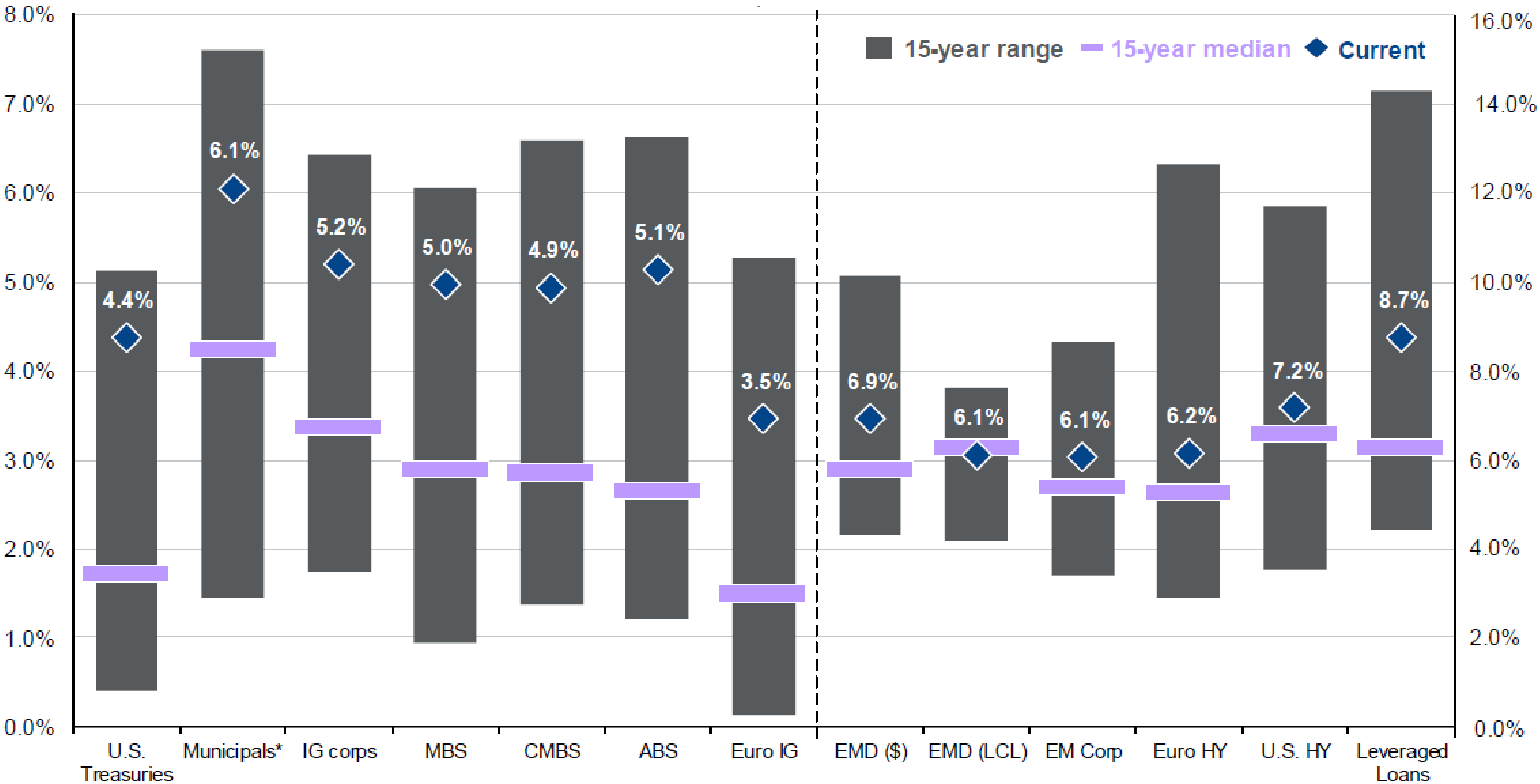
Yield to Worst Across Fixed Income Sectors



Source: Bloomberg, FactSet, JPMorgan, as of 6/30/26. 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 38-40 for index definitions.

After a volatile start, the US Dollar strengthened to end the quarter.

US Dollar Index

Source: FactSet, as of 6/30/2026. Please see slides 38-40 for index definitions.

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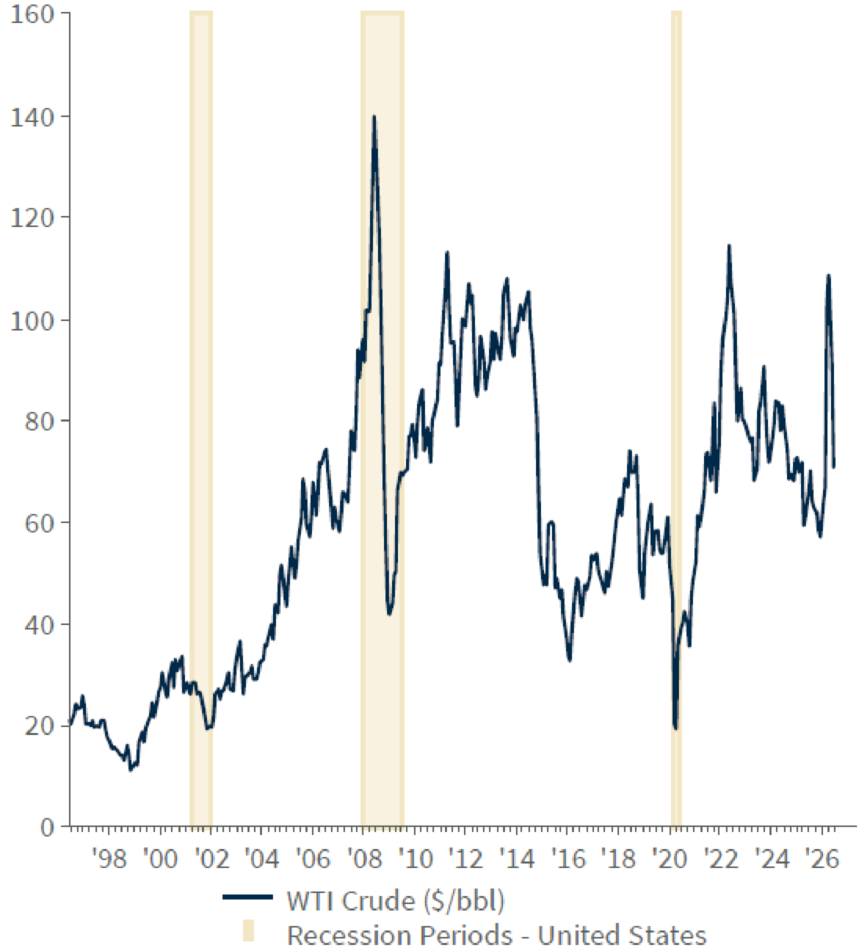
WTI Price



Source: FactSet, Raymond James. Data as of 6/30/2026.

Gold Price

Source: FactSet, Raymond James. Data as of 6/30/2026.

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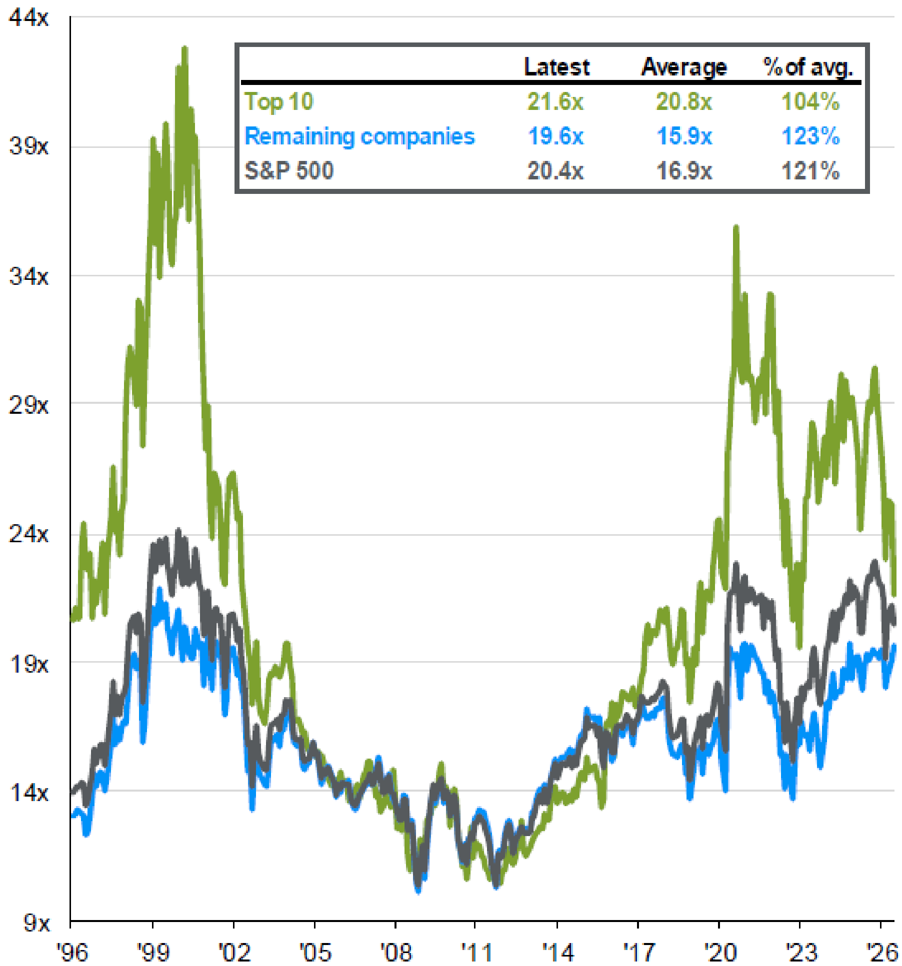
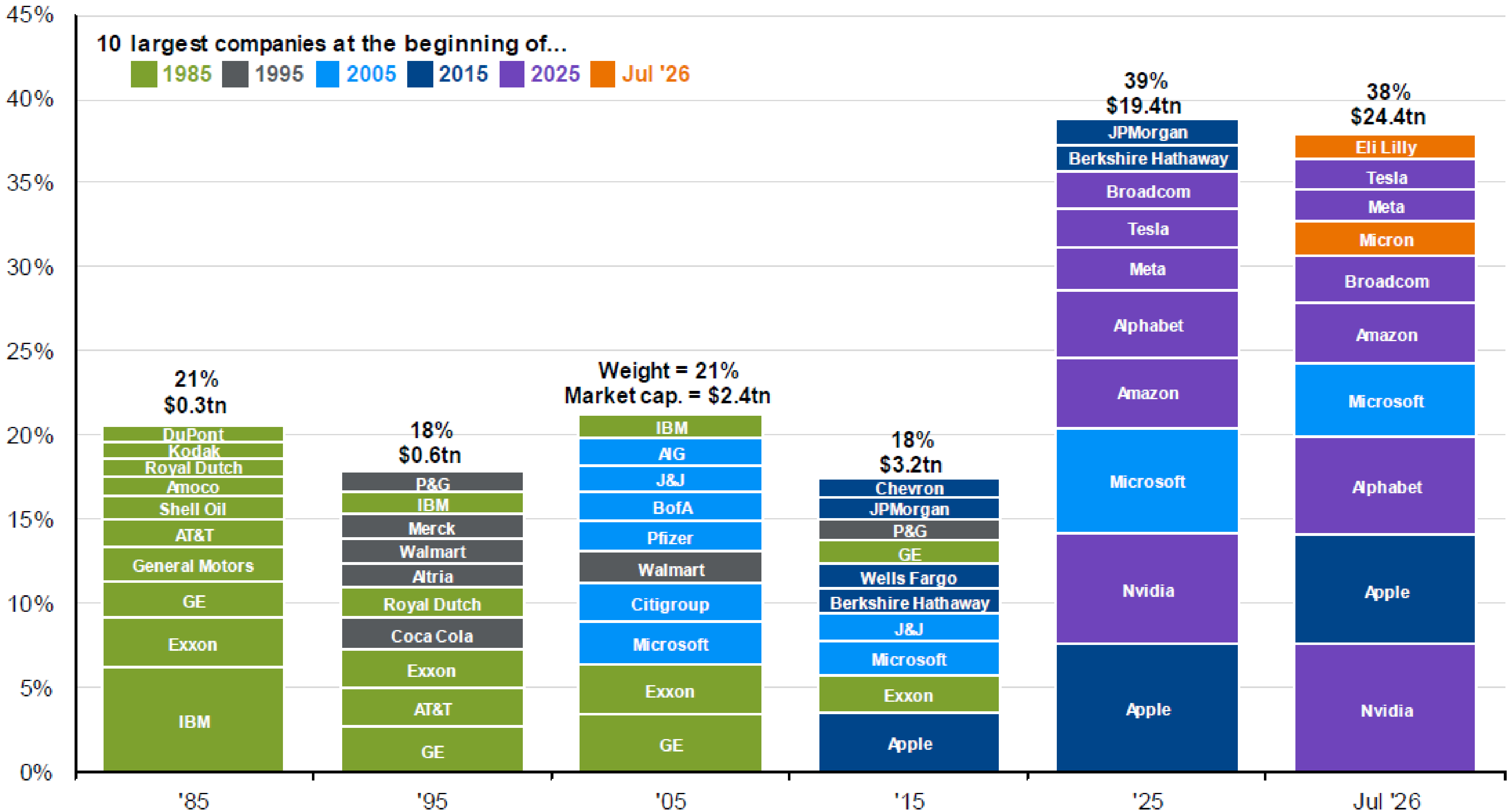
Q3 THEMES: MARKET CONCENTRATION

Forward Price to Earnings of Top 10 Companies in the S&P 500



Source: FactSet, Standard & Poor's, JPMorgan Asset Management. Top 10 companies as measured by market capitalization. Average P/E ratios measured from 1996 through June 2026. Data as of 6/30/2026. Please see slides 38-40 for index definitions.

Top 10 Companies in the S&P 500 by Decade



Source: Bloomberg, FactSet, Standard & Poor's, JPMorgan Asset Management. Top 10 companies as measured by market capitalization. Market weights are provided by Bloomberg through 2025 and FactSet thereafter. Data as of 6/30/2026. Please see slides 38-40 for index definitions.

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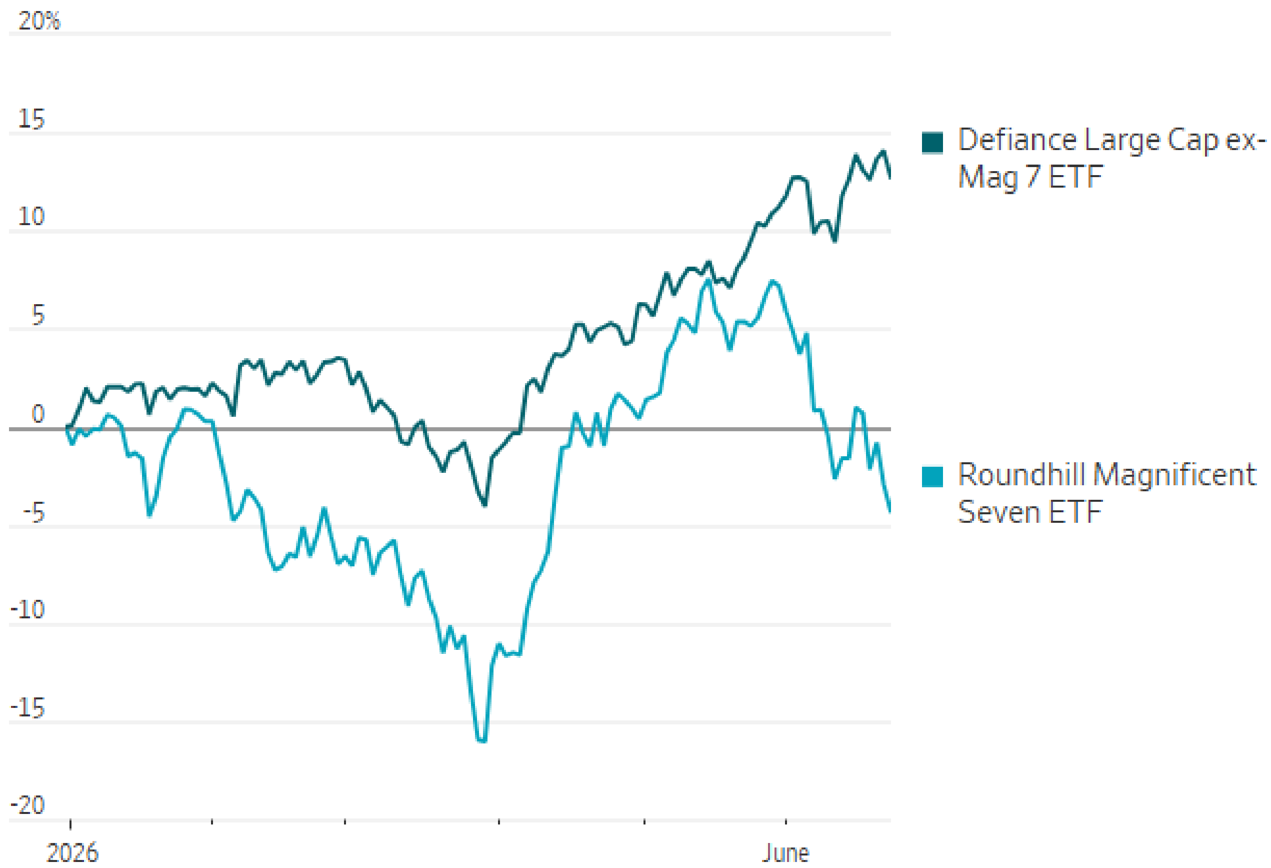
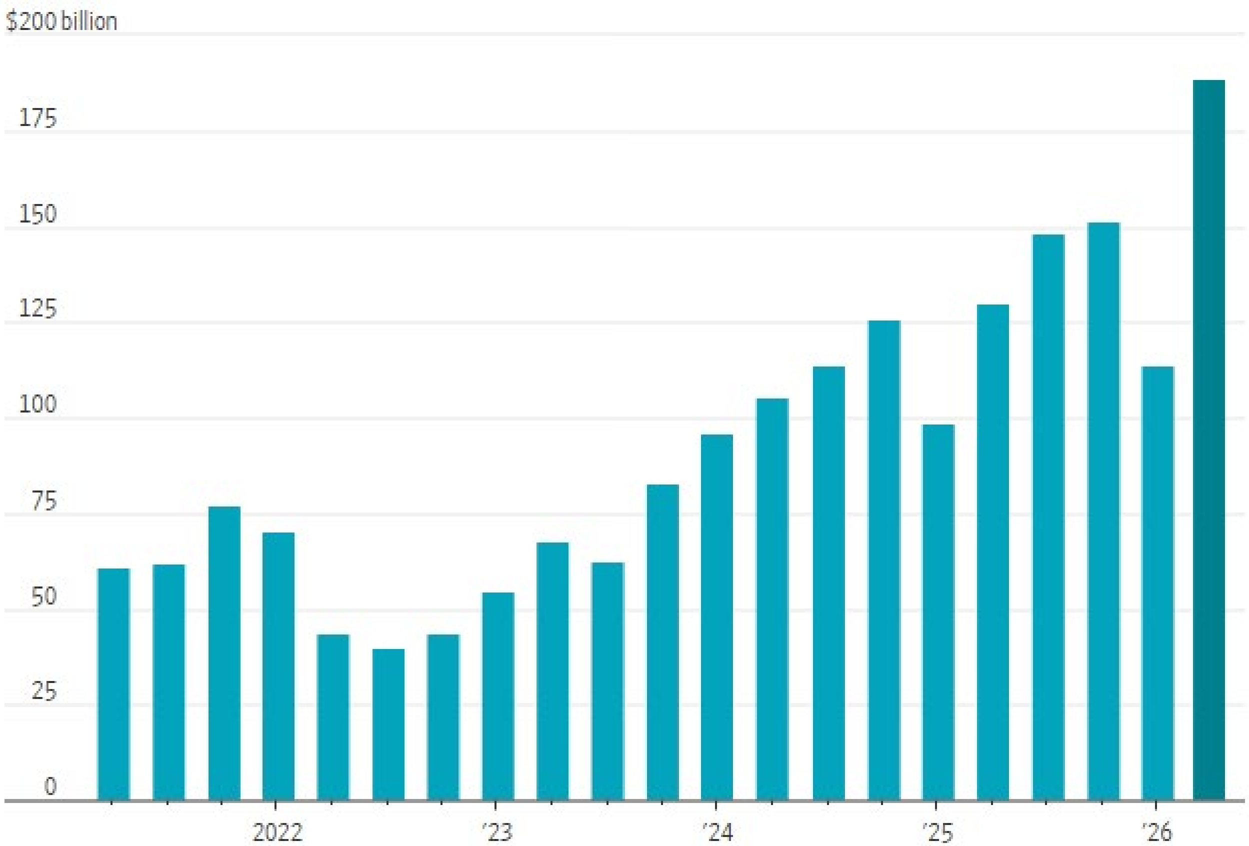
Magnificent 7 Performance vs. S&P "493"



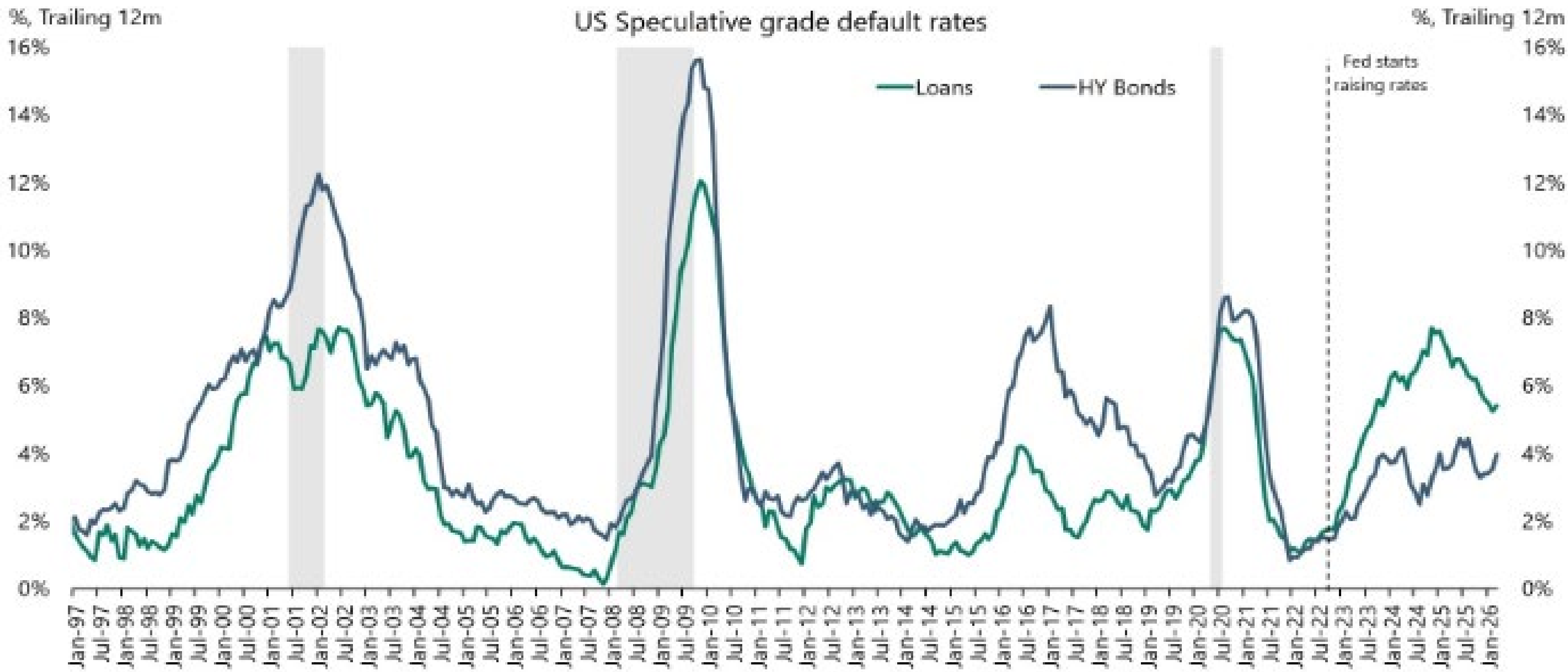
Source: FactSet, Wall Street Journal. Data as of 6/30/2026. Please see slides 38-40 for index definitions.

Total Assets in Leveraged ETFs



Source: FactSet, Wall Street Journal. US-listed funds only. Data as of 6/24/2026. Please see slides 38-40 for index definitions.

Default Rates Trending Lower



Source: Moody's Analytics, Apollo Global Management. Data as of 5/31/2026. Please see slides 38-40 for index definitions.

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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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.

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.