

# QUARTERLY MARKET PERSPECTIVES

Q1 2026

The U.S. economy and financial markets continued to demonstrate resilience in 2025, navigating a year defined by policy uncertainty, episodic volatility, and shifting geopolitical dynamics. The year began with big changes in D.C., as sweeping presidential executive orders and new policy directives tested investor sentiment. Tension peaked during the short-lived tariff “Liberation Day” selloff, which briefly pushed equities to the edge of a bear market. Yet, as we had anticipated, the widely expected downturn never materialized. Instead, markets rebounded quickly and reached new all-time highs, supported by fresh trade agreements, growing optimism around artificial intelligence, and an improving earnings backdrop.

With inflation largely contained and the labor market steadily normalizing, the Federal Reserve continued its gradual rate-cutting cycle. Taken together, 2025 offered the clearest signs yet that a soft landing may finally be taking shape.

Entering 2026, the investment landscape is shifting. Growth is increasingly being *rewired*, shaped by how capital is deployed, where production occurs, and how policy, technology, and geopolitics intersect. Artificial intelligence stands at the center of this transition, moving from experimentation toward broader implementation and driving a powerful, though uneven, capital expenditure cycle. At the same time, rising fiscal pressures and a more policy-sensitive economy introduce new constraints.

Our base-case outlook for 2026 remains constructive. We expect continued economic expansion supported by easing monetary policy, a resilient – if increasingly segmented – consumer, and sustained investment tied to innovation. However, with elevated valuations, tighter margins for policy error, and a wider range of potential outcomes, volatility is likely to remain a defining feature. In this environment, disciplined diversification, quality exposures, and long-term focus remain essential.

Learn more in our [Outlook 2026: Rewiring Growth](#).

WEALTH MANAGEMENT INSIGHTS  
FROM STIFEL'S CIO OFFICE

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STIFEL

# Macroeconomic Overview

## U.S. ECONOMY ON SOLID FOOTING

Economic growth eased back toward a sustainable pace in 2025, with real GDP rising an estimated 2.0%. Consumer spending remained resilient, even as lower- and middle-income households grew more value conscious. The labor market continued to normalize, with unemployment drifting up to 4.6% from 4.1%, still quite low by historical standards. Job openings declined and wage growth decelerated toward a sustainable 3.5% pace. Business investment was mixed, tempered in traditional sectors but buoyed by ongoing investment in artificial intelligence infrastructure, which helped offset persistent weakness in housing.

We believe the U.S. enters 2026 with conditions in place for continued economic resilience. Our base case anticipates U.S. GDP growth of 1.75%-2.5%, with the final outcome dependent on the trajectory of AI spending and monetization as the year progresses.

## INFLATION STABLE, BUT ABOVE FED'S TARGET

Tariffs dominated much of the economic debate. The average effective tariff rate jumped to 17% from 2% at the end of 2024, but fears of inflation reigniting proved overstated. Consumer prices rose 2.8%, above the Fed's 2% target but below the anticipated 3%.

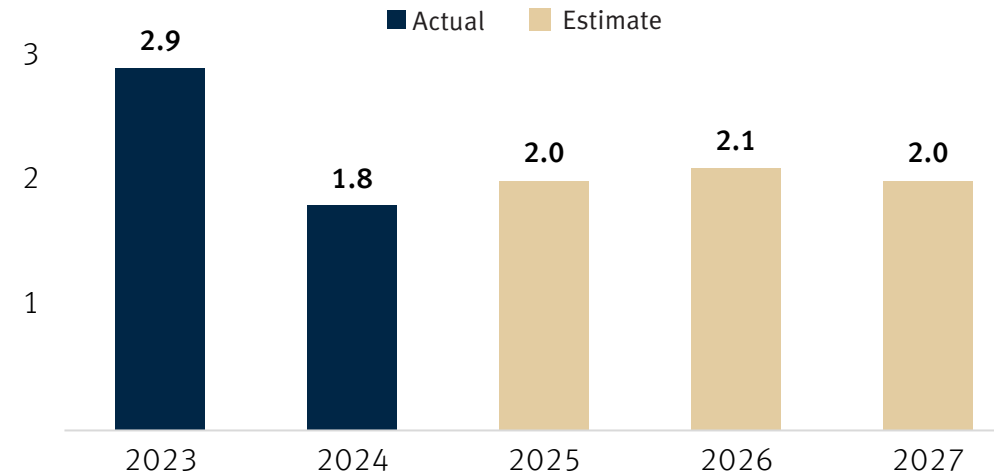
Inflation is expected to continue to trend lower, though its drivers are being rewired – shifting from demand-led pressures to more structural forces. Nearshoring, ongoing investment demand, and geopolitical fragmentation may keep inflation hovering above the Fed's 2% target even as cyclical pressures fade. Tariff-related inflation risks appear overstated, as most firms have absorbed the tariff costs or adjusted supply chains. As inflation gradually cools and the labor market softens modestly, we expect the Fed to cut rates one or two times in 2026, moving policy closer to its long-run neutral level.

## THE PROMISE OF AI

A defining feature of 2025 was the acceleration of capital investment tied to artificial intelligence. Looking ahead to 2026, AI-driven investment should remain a central pillar of growth. Yet AI remains a double-edged sword: a major source of upside through productivity gains, rising capital investment, and earnings growth, but also a key macro risk should adoption falter or the investment cycle slow meaningfully.

## FIGURE 1. CONSENSUS GDP FORECASTS

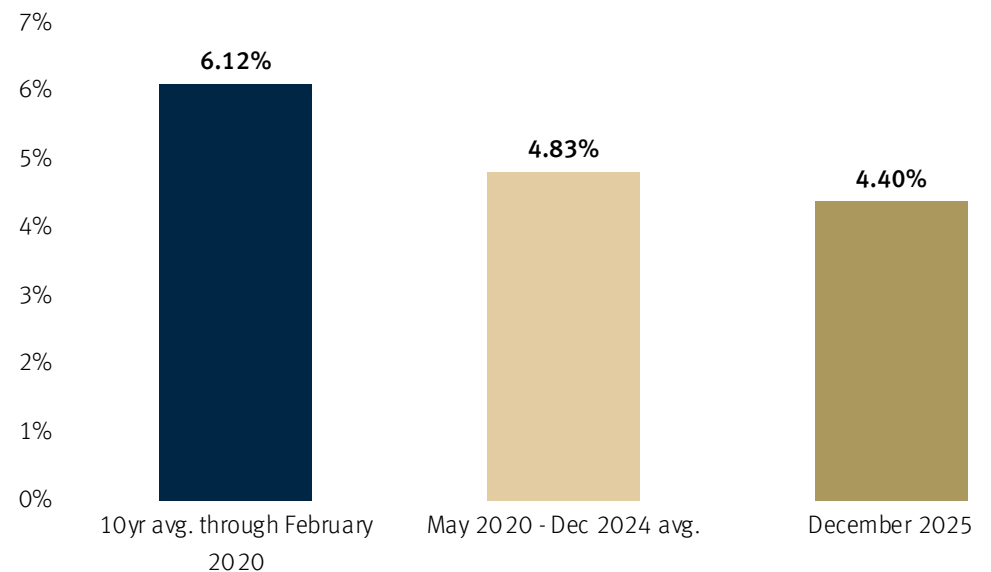
Year-over-Year, % gain



Source: Stifel CIO Office via Bloomberg

## FIGURE 2. UNEMPLOYMENT RATE

Monthly, Periodic Averages



Source: Stifel CIO Office via Bloomberg

When and whether AI delivers broad-based productivity gains, or falls short of its promise, will be a decisive swing factor for growth, earnings, and market leadership in 2026.

## Equity Markets

### NON-U.S. EQUITY AND BIG TECH LEAD

Broader non-U.S. equity markets delivered some of the best returns in years. Developed markets (MSCI EAFE) returned 31.2% while emerging markets (MSCI Emerging Markets) returned 33.6%. A weakening U.S. dollar accounted for about one-third of these positive non-U.S. equity returns.

In the U.S., leadership remained concentrated in large, technology-oriented companies. The Magnificent Seven (Bloomberg Magnificent 7) – Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla – and tech stocks more broadly (Nasdaq Composite) posted returns of 24.9% and 21.2%, respectively.

As we’ve seen in recent years, given the Magnificent Seven’s meaningful weight within cap-weighted U.S. large cap indices, their strength drove strong benchmark performance. The S&P 500 posted a 17.9% return for the year, with the slightly broader Bloomberg 1000 returning 17.5%.

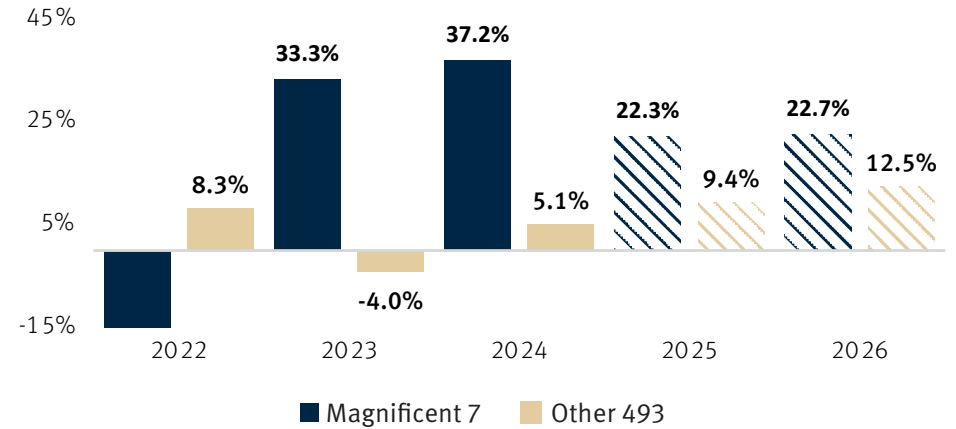
### ANOTHER DOUBLE-DIGIT RETURN YEAR?

We expect U.S. equities to deliver another year of positive returns in 2026. The central narrative shifts from valuation expansion to profit growth, as operating leverage improves and earnings broaden beyond the mega cap AI leaders. Elevated starting valuations and continued policy uncertainty suggest periodic pullbacks are likely, and this would be consistent with an ongoing bull market rather than a change in trend.

Earnings remain the primary driver of equity returns. Consensus expectations call for solid 15% earnings growth for the S&P 500, supported by AI-driven productivity gains, continued capital investment, and resilient corporate balance sheets. Importantly, earnings growth is expected to broaden beyond mega cap technology, as the investment cycle extends into more capital-intensive, domestically oriented areas of the market. This broadening should help reduce concentration risk and support more balanced leadership.

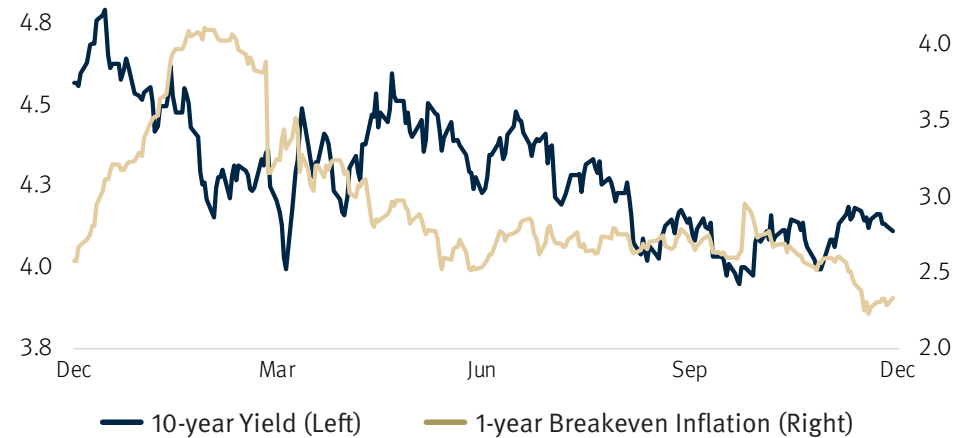
### FIGURE 3. S&P 500 EARNINGS GROWTH

Magnificent 7 vs. Other 493



Source: Stifel CIO Office via Factset

### FIGURE 4. YIELDS AND INFLATION



Source: Stifel CIO Office via Bloomberg

Assuming double-digit earnings growth and some normalization in multiples, we forecast a 10% total return for U.S. equities, implying a year-end S&P 500 target of 7,450.

## FIXED INCOME

### YIELDS HIGHER FOR LONGER

The bellwether 10-year Treasury yield drifted toward 4% on softer economic data and falling inflation expectations, even as Moody's downgraded the U.S. credit rating. We expect rates to stabilize and the yield curve to modestly steepen as front-end rates decline. We forecast the 10-year Treasury yield, which closed 2025 at 4.17%, to hold within a 4.0%-4.5% range, supported by a higher-for-longer neutral rate and persistent fiscal deficits that limit the scope for a sustained long-end rally. Forward rates currently price the 10-year Treasury in the 4%-5% range for much of the next two decades, reflecting investor demands for greater term compensation amid fiscal concerns and the government's ongoing need to finance structural deficits.

Credit spreads enter the year historically tight. While investment-grade fundamentals remain solid, valuations offer limited room for further compression. High yield appears more vulnerable. Although overall credit quality has improved, the high-yield universe is increasingly skewed toward traditional cyclicals and lower-quality issuers – more exposed to AI-driven disruption and capex realignment – raising the risk of spread widening as the cycle matures.

Overall, we continue to view fixed income as a source of durable carry, diversification, and portfolio ballast as monetary policy gradually eases.

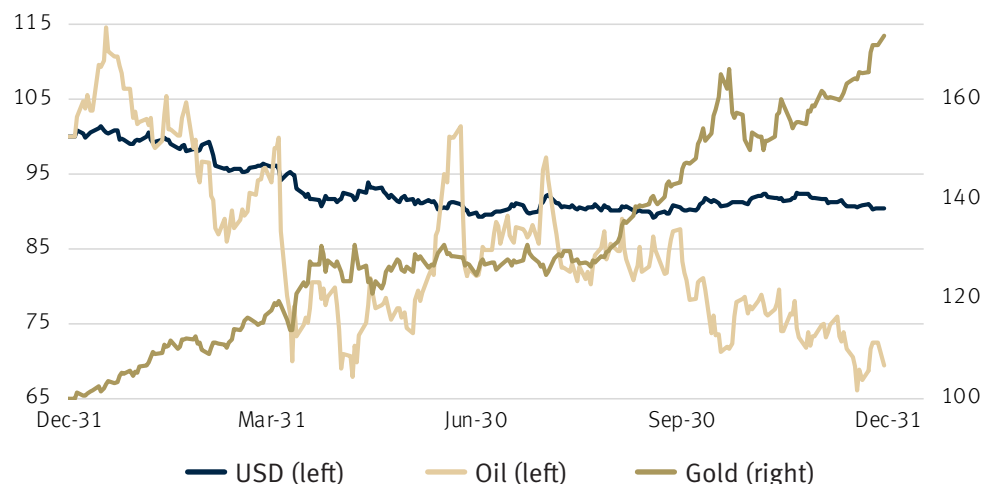
## COMMODITIES

Commodities performance in 2025 was shaped by geopolitical risk, shifting demand patterns, and policy uncertainty.

Energy prices were volatile as global growth concerns competed with supply risks tied to geopolitical developments and production discipline. Crude oil prices declined 19.9% to end the year at \$57.42 per barrel.

### FIGURE 5. COMMODITIES

2025, Indexed to 100



Source: Stifel CIO Office via Bloomberg

Gold was a standout performer, hitting record highs and peaking at \$4,533.21 per ounce in December. The price of gold moved higher on a combination of fiscal concerns, geopolitical tensions, increased demand, and central bank purchases.

The U.S. Dollar Index (DXY) declined 9.4%, its steepest annual decline in three decades. The Fed's shift to interest rate cuts reduced the currency's yield advantage while aggressive tariffs and threats to Fed independence eroded market predictability.

# DYNAMIC ASSET ALLOCATION

The following table summarizes our thinking across various asset classes and regions.

## VIEW LEGEND

**U** Underweight    **N** Neutral    **O** Overweight

	ASSET CLASS	VIEW	COMMENTS	
U.S. Equity	U.S. Large Cap Equity	N	While easing policy supports small caps, higher absolute rates and weaker earnings visibility offset the case; large caps offer greater earnings durability, supporting a neutral, quality-focused stance.	
	U.S. Small Cap Equity	N		
	U.S. Large Cap Growth Equity	N	We believe investors should remain diversified across both growth and value styles. Rather than a wholesale style rotation, we expect leadership to broaden gradually.	
	U.S. Large Cap Value Equity	N		
Regional Equity Views	U.S. Equity	N	U.S. equities continue to benefit from resilient economic growth and innovation-led earnings. Elevated valuations and market concentration increase sensitivity to earnings execution.	
	Non-U.S. Equity	N	Attractive valuations outside the U.S. are tempered by slower growth, policy divergence, and elevated geopolitical risk.	
	Europe	U	Renewed fiscal stimulus and accommodative monetary policy is supportive, but growth remains uneven and policy uncertainty persists, warranting selectivity rather than broad exposure.	
	Japan		O	Improving growth, rising capex, and corporate governance reforms continue to support relative outperformance despite near-term volatility.
	Emerging Markets		N	Select opportunities are supported by a weaker U.S. dollar and supply chain realignment linked to AI investment and evolving U.S. trade policy.
	China	U		Valuations are low, but policy uncertainty, weak consumer confidence, and structural headwinds continue to weigh on earnings visibility.

(continued on next page)

# DYNAMIC ASSET ALLOCATION

The following table summarizes our thinking across various asset classes and regions.

	ASSET CLASS	VIEW		COMMENTS
Fixed Income	Treasuries	U		While Treasuries remain an important source of liquidity and portfolio ballast, heavy issuance, persistent fiscal deficits, and a higher-for-longer or volatile rate environment limit their return potential.
	Investment-Grade Credit		O	A resilient economy and strong corporate fundamentals support investment-grade corporates as a high-quality income source.
	Mortgage-Backed Securities		O	Agency MBS provide higher income and wider spreads than Treasuries, while offering comparable risk and stronger yields than most credit sectors.
	High Yield		N	Credit fundamentals remain solid, but spreads are tight. High yield offers income but less margin for error if growth slows. Neutral positioning reflects a preference for selectivity over beta exposure.
Alternatives	Private Assets		N	For investors interested in alternative investments and able to handle illiquidity, exposure to some combination of alternatives can be considered as part of a diversified portfolio.
	Hedge Funds		N	

## VIEW LEGEND

U      N      O  
 Underweight    Neutral    Overweight

# CAPITAL MARKET RETURNS

(As of December 31, 2025)

<b>NORTH AMERICAN EQUITY</b>	<b>MTD (%)</b>	<b>QTD (%)</b>	<b>YTD (%)</b>	<b>1 YEAR (%)</b>	<b>3 YEAR (%)*</b>	<b>5 YEAR (%)*</b>
Bloomberg U.S. 3000 Index	-0.02	2.39	17.21	17.21	22.24	13.09
Standard & Poor's 500	0.06	2.65	17.88	17.88	23.01	14.42
Standard & Poor's 500 Equal Weight	1.10	4.83	9.88	7.80	57.74	92.02
Standard & Poor's/TSX (CAD)	1.32	6.25	31.68	31.68	21.42	16.09
<b>U.S. EQUITY BY SIZE/STYLE</b>						
Bloomberg U.S. 1000 Index	-0.01	2.39	17.51	17.51	22.74	13.47
Bloomberg U.S. 1000 Growth Index	-0.39	1.79	17.93	17.93	27.42	13.60
Bloomberg U.S. 1000 Value Index	1.09	4.14	16.53	16.53	13.14	12.66
Bloomberg U.S. 2000 Small Cap Index	-0.34	2.41	11.06	11.06	13.34	6.65
Bloomberg U.S. 2000 Small Cap Growth Index	-0.95	2.35	12.82	12.82	14.52	3.88
Bloomberg U.S. 2000 Small Cap Value Index	0.46	2.50	8.96	8.96	11.89	10.22
Bloomberg U.S. Microcap Index	-0.99	1.01	12.72	12.72	9.46	3.39
Bloomberg Magnificent 7 Index	0.71	4.49	24.90	24.90	62.95	29.10
<b>INTERNATIONAL EQUITY (USD)</b>						
MSCI AC World ex U.S.	3.00	5.05	32.39	32.39	17.33	7.91
MSCI EAFE	3.00	4.86	31.22	31.22	17.22	8.92
MSCI Europe	3.90	6.20	35.41	35.41	18.22	10.30
MSCI Pacific	2.29	-0.05	20.62	20.62	10.32	5.74
MSCI Japan	0.54	3.23	24.60	24.60	17.54	6.60
MSCI Emerging Markets	2.99	4.73	33.57	33.57	16.40	4.20

# CAPITAL MARKET RETURNS

(As of December 31, 2025)

U.S. FIXED INCOME	MTD (%)	QTD (%)	YTD (%)	1 YEAR (%)	3 YEAR (%)*	5 YEAR (%)*
Bloomberg U.S. Treasury Bills: 1-3 Months	0.35	1.01	4.29	4.29	4.92	3.24
Bloomberg U.S. Aggregate	-0.15	1.10	7.30	7.30	4.66	-0.36
Bloomberg Gov't/Credit	-0.27	0.90	6.88	6.88	4.56	-0.59
Bloomberg Treasury	-0.33	0.90	6.32	6.32	3.62	-0.99
Bloomberg U.S. TIPS	-0.40	0.13	7.01	7.01	4.23	1.12
Bloomberg Municipal Bond Index	0.09	1.56	4.25	4.25	3.88	0.80
Bloomberg U.S. Credit	-0.19	0.88	7.83	7.83	5.98	-0.05
Bloomberg Corporate High Yield	0.57	1.31	8.62	8.62	10.06	4.51
REAL ESTATE/COMMODITIES/ALTERNATIVES						
Wilshire U.S. Real Estate Securities Index	-2.21	-1.89	3.47	3.47	9.50	7.04
Wilshire Global ex U.S. Real Estate Securities Index	1.07	0.03	19.18	19.18	7.81	1.83
Wilshire Global Real Estate Securities	-1.50	-1.47	6.32	6.32	8.78	5.32
Bloomberg Commodity Index	-0.32	5.85	15.77	15.77	3.96	10.64
S&P GSCI Commodity (S&P GSCI)	-0.30	0.97	7.12	7.12	3.86	14.65
Wilshire Liquid Alternatives Index	-0.77	0.34	6.04	6.04	5.55	3.06
Wilshire Liquid Alternative Equity Hedge Index	-1.12	0.62	9.86	9.86	10.16	7.17
Wilshire Liquid Alternative Event Driven Index	-2.83	-2.00	3.50	3.50	3.03	1.61
Wilshire Liquid Alternative Global Macro Index	-0.45	0.51	2.00	2.00	0.88	2.63
Wilshire Liquid Alternative Multi-strategy Index	-1.34	0.00	5.58	5.58	5.69	3.11
Wilshire Liquid Alternative Relative Value Index	-0.09	0.50	4.63	4.63	3.85	0.68
Wilshire Focused Liquid Alternative Index	-1.16	-0.30	4.67	4.67	4.25	2.37

Source: Stifel Investment Strategy via Bloomberg as of December 31, 2025

## DISCLOSURE

The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 322 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

The MSCI EM (Emerging Markets) Europe, Middle East and Africa Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of Europe, the Middle East, and Africa.

The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related, and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (agency and nonagency). Provided the necessary inclusion rules are met, U.S. Aggregate-eligible securities also contribute to the multicurrency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

The Bloomberg U.S. Government/Credit Bond Index is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index. It includes investment-grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related, and corporate securities.

The Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The U.S. Treasury Index is a component of the U.S. Aggregate, U.S. Universal, Global Aggregate, and Global Treasury Indices.

The Bloomberg U.S. Treasury U.S. TIPS index includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

The Bloomberg U.S. Municipal Index covers the U.S. dollar-denominated, long-term, tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

The Bloomberg U.S. Credit Index measures the investment-grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets. It is composed of the U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supnationals, and local authorities.

The Bloomberg U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

The Bloomberg Global Aggregate Bond Index is a flagship measure of global investment-grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers.

The Bloomberg Emerging Markets Hard Currency Aggregate Index is a flagship hard currency Emerging Markets debt benchmark that includes U.S. dollar-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

The Wilshire U.S. REIT Index is a float-adjusted market capitalization-weighted index that measures U.S. publicly traded real estate investment trusts (REITs), excluding mortgage REITs, net-lease REITs, real estate finance companies, home builders, large landowners and sub-dividers, hybrid REITs, and companies that have more than 25% of their assets in direct mortgage investments.

The Wilshire ex U.S. Real Estate Investment Trust Index<sup>SM</sup> (Wilshire ex U.S. REIT) measures global publicly traded real estate investment trusts, less all U.S. securities.

The Wilshire ex U.S. REIT is a subset of the Wilshire ex U.S. Real Estate Securities Index<sup>SM</sup> (Wilshire ex U.S. RESI).

The Wilshire Global REIT Index is a float-adjusted, market capitalization-weighted index that measures global publicly traded real estate investment trusts (REITs), excluding mortgage REITs, net-lease REITs, real estate finance companies, home builders, large landowners and sub-dividers, hybrid REITs, and companies that have more than 25% of their assets in direct mortgage investments.

Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted two-thirds by trading volume and one-third by world production, and weight-caps are applied at the commodity, sector, and group level for diversification. Roll period typically occurs from the sixth to the tenth business day based on the roll schedule.

The S&P GSCI (formerly the Goldman Sachs Commodity Index) serves as a benchmark for investment in the commodity markets and as a measure of commodity performance over time. The index was originally developed by Goldman Sachs. In 2007, ownership transferred to Standard & Poor's, which currently owns and publishes it. Futures of the S&P GSCI use a multiple of 250. The S&P GSCI contains as many commodities as possible, with rules excluding certain commodities to maintain liquidity and investability in the underlying futures markets. The index currently comprises 24 commodities from all commodity sectors.

The Wilshire Liquid Alternative Index<sup>SM</sup> measures the collective performance of the five Wilshire Liquid Alternative strategies that make up the Wilshire Liquid Alternative Universe. The Wilshire Liquid Alternative Index (WLIQA) is designed to provide a broad measure of the liquid alternative market by combining the performance of the Wilshire Liquid Alternative Equity Hedge Index<sup>SM</sup> (WLIQAEH), Wilshire Liquid Alternative Global Macro Index<sup>SM</sup> (WLIQAGM), Wilshire Liquid Alternative Relative Value Index<sup>SM</sup> (WLIQARV), Wilshire Liquid Alternative Multi-Strategy Index<sup>SM</sup> (WLIQAMS), and Wilshire Liquid Alternative Event Driven Index<sup>SM</sup> (WLIQAED).

The MSCI World ex USA All Cap Index captures large, mid, small, and micro cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 8,138 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

The MSCI EAFE Index (Europe, Australasia, and the Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI Europe Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the developed markets in Europe.

The MSCI Pacific Index captures large and mid cap representation across five Developed Markets (DM) countries in the Pacific region. With 470 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The Bloomberg U.S. 1000 Total Return Index is a float market-cap-weighted benchmark of the 1,000 most highly capitalized U.S. companies.

The Bloomberg U.S. 1000 Growth Total Return Index provides exposure to companies with superior growth factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Bloomberg U.S. 1000 Value Total Return Index provides exposure to companies with superior value factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Bloomberg U.S. 3000 Total Return Index is a float market-cap-weighted benchmark of the 3,000 most highly capitalized U.S. companies.

The Bloomberg U.S. 2000 Total Return Index is a float market-cap-weighted benchmark of the lower 2,000 in capitalization of the Bloomberg U.S. 3000 Index.

The Bloomberg U.S. 2000 Value Total Return Index provides exposure to companies with superior value factor scores based on their earnings yield, valuation, dividend yield, and growth.

The Bloomberg U.S. 2000 Growth Total Return Index is a float market-cap-weighted equity benchmark derived from membership of the Bloomberg U.S. 2000 Index.

The Bloomberg U.S. Micro Cap Total Return Index is a float market-cap-weighted benchmark of those securities in the U.S. Aggregate Equity Index with a market capitalization ranking of lower than 2,500.

The Standard & Poor's 500 Index is a capitalization-weighted index that is generally considered representative of the U.S. large capitalization market.

The S&P/TSX Composite Index is the benchmark Canadian index, representing roughly 70% of the total market capitalization on the Toronto Stock Exchange with about 250 companies included in it. The Toronto Stock Exchange is made up of over 1,500 companies.

The S&P 500 Equal Weight Index is the equal-weight version of the widely regarded Standard & Poor's 500 Index, which is generally considered representative of the U.S. large capitalization market. The index has the same constituents as the capitalization-weighted S&P 500, but each company in the index is allocated a fixed weight of 0.20% at each quarterly rebalancing.

The NASDAQ-100 is a modified capitalization-weighted index that is comprised of the largest non-financial companies listed on the National Association of Securities Dealers Automated Quotation System stock market. It includes both foreign and domestic companies, and does not include any financial or investment companies.

The Bloomberg 1-3 Month U.S. Treasury Bill Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than three months and more than one month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non-convertible.

The Zillow Observed Rent Index (ZORI): A smoothed measure of the typical observed market rate rent across a given region. ZORI is a repeat-rent index that is weighted to the rental housing stock to ensure representativeness across the entire market, not just those homes currently listed for-rent. The index is dollar-denominated by computing the mean of listed rents that fall into the 40th to 60th percentile range for all homes and apartments in a given region, which is once again weighted to reflect the rental housing stock. Details available in ZORI methodology.

The Wilshire Focused Liquid Alternative Index<sup>SM</sup> is a subset of the Wilshire Liquid Alternative Index<sup>SM</sup> and measures the performance of a focused basket of mutual funds that provides risk adjusted exposure to equity hedge, global macro, relative value, and event driven alternative investment strategies.

The Bloomberg Magnificent 7 Total Return Index is an equal-dollar weighted equity benchmark consisting of a fixed basket of 7 widely-traded companies classified in the United States and representing the Communications, Consumer Discretionary and Technology sectors as defined by Bloomberg Industry Classification System (BICS).

Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance.

Alternative investments involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing tax information, are not subject to the same regulatory requirements as more traditional investments, and often charge high fees, which may erode performance. An investment is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Private equity funds are not appropriate for all investors. Investors should be aware that private equity funds may contain speculative investment practices that can lead to a loss of the entire investment. Private equity funds may invest in entities in which no secondary market exists and, as such, may be highly illiquid. The funds are not required to provide periodic pricing or valuation information to investors and often charge high fees that can erode performance. Additionally, they may involve complex tax structures and delays in distributing tax information.

*Investors should be aware that hedge funds often engage in leverage, short-selling, arbitrage, hedging, derivatives, and other speculative investment practices that may increase investment loss. Hedge funds can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, and often charge high fees that can erode performance. Additionally, they may involve complex tax structures and delays in distributing tax information. While hedge funds may appear similar to mutual funds, they are not necessarily subject to the same regulatory requirements as mutual funds.*

Investing involves risks, including the possible loss of principal invested.

Indices are unmanaged and are not available for direct investment. Past performance is no guarantee of future results. Index returns include the reinvestment of dividends but do not include adjustments for brokerage, custodian, and advisory fees.

High yield bonds have greater credit risk than higher quality bonds.

When investing in bonds, it is important to note that as interest rates rise, bond prices will fall.

There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries.

Diversification and asset allocation do not ensure a profit or protect against loss.