WEEKLY HEADINGS

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AI-related disruption has moved to the forefront of market conversations in recent weeks, driving shifts beneath the surface. While the S&P 500 remains near all-time highs, leadership has rotated across sectors as concerns about AI's impact on future demand and long-term valuations have spread, contributing to elevated volatility and a 'sell first, reassess later' mindset. Importantly, these moves have *not* been driven by weakening fundamentals. The economy remains resilient, and 4Q25 earnings were solid. Instead, sentiment shifted following the release of new AI tools from emerging startups, intensifying fears of disruption and pressuring industries seen as most exposed. Below, we outline how to interpret the recent price action, explain why we believe the market's reaction may have been overstated, and discuss what AI's continued evolution could mean for the economy and financial markets in the months ahead.

KEY TAKEAWAYS

AI-Disruption Has Cascaded Across Multiple Industries, Driving Notable Dispersion

History Has Shown That Technological Revolutions Have Been Profoundly Positive

The Indiscriminate Selling Is Likely An Overreaction To The AI Disruption Threat

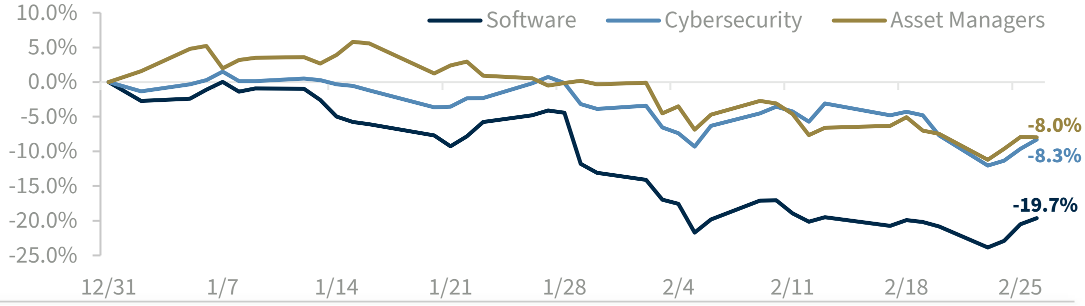
- **AI Disruption Impact On The Economy |** Artificial intelligence's transformational impact on the economy is still unfolding. Given the rapid pace of change—and tepid job growth recently—it is understandable that concerns about AI's effects on growth and employment have intensified. Forecasts range widely, from substantial productivity gains to widespread job destruction. However, history offers valuable perspective. Past technological revolutions—including electricity, the automobile, computers and the internet—did *not* reshape the economy overnight. The benefits emerged only gradually as businesses redesigned processes, retrained workers, restructured how work was done and developed entirely new products. While each wave brought periods of disruption, the long-term impact was profoundly positive: higher productivity, stronger economic growth, and a healthier labor market.
- **AI Disruption Fears Trigger Sharp Sector Rotations |** The latest bout of volatility has led to an intense sell-off across several industries of the S&P 500 whose business models are perceived as vulnerable to AI disruption.
  - **Software**—The release of new AI tools—including those targeting the legal space—has sparked concern about future software demand. Combined with already elevated valuations, these fears led to a sharp sell-off in the software sector, now down >25% from recent highs. *Our View: The software industry has historically been defined by two core attributes: steady cash flows and strong growth—factors that have supported premium valuations vs. the broader market. While some worry that new AI tools could displace software products, a more realistic scenario is that AI becomes embedded across software platforms, enhancing productivity rather than replacing current offerings. This was highlighted at Anthropic's Enterprise Agent event this week, where Anthropic unveiled partnerships with a broad range of applications from tax (Intuit), to clinical trials (Novo Nordisk) to customer engagement (Salesforce). With software valuations sitting at their lowest level since 2018, and forward earnings still resilient, we view the recent pullback as an attractive opportunity. That said, we would lean toward established leaders, with domain expertise and deep-integration into customers' workflows (e.g., those with strong moats).*
  - **Cybersecurity**—Anthropic released a new tool, Claude Code Security, which scans code and databases for vulnerabilities and provides targeted developer recommendations. The launch led to a sharp sell-off across cyber names, with many falling ~10% on the news. *Our View*: *Cybersecurity is a critical pillar in the AI buildout. As data becomes more deeply embedded in business processes and AI-driven attacks intensify, demand for security solutions should accelerate. With global cybercrime costs projected to exceed $15t by 2030—up from ~$10t last year, the need for robust protection continues to grow. In response, hyperscalers and semiconductor companies are increasingly incorporating cybersecurity into their platform ecosystems to safeguard against rising risks. With cybersecurity now an essential line item in enterprise budgets, demand should remain resilient. While headline-driven volatility may persist in the near term, we remain constructive on the industry's long-term outlook given the durable, structural demand for cyber protection.*
  - **Wealth Managers**—The launch of a new AI tool from the tech start-up Altruist—which generates customized investment and tax strategies for individuals—sparked a sell-off in financial advisory stocks, sending many names down nearly 10% on the news. *Our View: We've seen this playbook before. More than a decade ago, when robo-advisors first emerged, there were widespread fears that they would replace traditional financial advisors. Yet despite the concerns, that outcome never materialized. Instead, robo-advisors became just one component of the broader wealth-management ecosystem, not a substitute for relationship-based advice or the value proposition for an advisor. Clients prefer personal relationships and the reassurance of a trusted advisor, especially when markets get challenging. While today's AI tools have more capabilities, the outcome is likely the same: new technologies will not replace advisors, but can help them deliver more efficient, personalized, and better outcomes for their clients—suggesting the recent sell-off was overdone.*

Bottom Line | AI fears have fueled outsized volatility in recent weeks as markets attempt to separate potential beneficiaries from those more likely to be challenged. That said, we believe the indiscriminate selling cascading across different industries has been excessive.

CHART OF THE WEEK

AI Disruption Has Weighed On Different Industry Groups

AI disruption fears have swept across multiple industries this month, contributing to elevated volatility and a 'sell first, reassess later' investor mindset.



Source: FactSet 2/26/26

**The foregoing is provided for general market commentary purposes only and does not constitute a recommendation or solicitation to buy or sell any security mentioned.*

RAYMOND JAMES

Economy

- Consumer Confidence rose to 91.2, driven by a rise in the Expectations Index to 72. However, the Expectations Index remains below the 80-threshold and the 'Present Situation' Index weakened further, signaling lingering economic concerns among respondents.
- PPI rose a stronger than expected 0.5% MoM in January, driven by a sharp increase in wholesale and retail margins—a typically volatile component. Goods prices fell, and PPI ex. food, energy & trade was contained at 0.3% MoM, suggesting limited pass-through to CPI.
- **Focus of the Week:** The week will kick off with the ISM Manufacturing PMI report on Monday, which is expected to mark a second consecutive month of expansion. The ISM Services PMI report follows on Wednesday and is also expected to remain in expansionary territory. Friday will bring the all-important employment report, where we expect the economy to have added 70k jobs in February.

March 2 – March 6

MON	ISM Manufacturing PMI	WED	ISM Services PMI	FRI	Employment Report Retail Sales
TUE		THU	Import/Export Price Indices Unit Labor Costs (Q4)	FUTURE EVENTS	3/11 CPI 3/13 PCE

Equity

- AI-related volatility in equities continued this week following NVIDIA's earnings results with the S&P 500 on track for its 5th negative week out of the last 7. While markets continue to grapple with the longer-term winners and losers of the AI era, Technology earnings in aggregate remain robust with the sector expecting 31% Y/Y EPS growth in 2026 vs. 14% expected for the S&P 500. Within Technology and AI broadly, we recommend investors continue to focus on the 'picks and shovels' of the infrastructure buildout where earnings are supported by over $640b of capex spending by US hyperscalers in 2026.
- While US equities are off to a soft start to 2026, international equities have been an area of strength. In fact, the MSCI Emerging Markets Index has outperformed the S&P 500 by 24% over the last 12 months, which marks the strongest outperformance for emerging markets on a rolling 12-month basis since 2010. While we maintain our positive stance on US equities relative to international developed markets, we see opportunity in emerging markets (specifically Asian EM countries), with emerging markets expecting 33% Y/Y EPS growth in aggregate in 2026.
- **Focus of the Week**: Next week, the focus shifts back to consumer spending patterns via earnings results from Best Buy, Costco, Kroger, Norwegian Cruise Lines, and Ross Stores.

Fixed Income

- The 10-year yield continues to slide as risk aversion rises due to jitters over potential AI-led disruption and rising global risks. The benchmark yield is down 28 bps MTD to 3.97%, dropping back below 4% for the first time since October. The move lower has outpaced a decline in the 2-year yield (-13 bps MTD to 3.40%) as expectations for two Fed cuts in 2026 hold firm, driving the sharpest monthly compression in the spread between 10- and 2-year yields since November 2023. In our view, this flattening of the Treasury yield curve reflects a pause—not a reversal—in the curve normalization that has been underway since 2023.
- Despite modest widening this month, US corporate investment grade and high yield spreads remain historically tight. IG spreads have traded in a narrow 11 bps band since November, as strong demand for high quality bonds meets rangebound Treasury yields. While headlines around private credit have intensified amid a push for liquidity from inherently illiquid vehicles, the stress has not spilled into public bond markets, which feature less software exposure and faster price discovery. The IG tech sector, while lagging the broader index, is up 1.1% MTD and spreads on CCC-rated high yield bonds are marginally tighter on the year.
- **Focus of the Week:** Next week brings ISM PMIs and the Fed's Beige Book with Friday's jobs report set to be a pivotal event for markets.

Washington Policy

- The prospect of US military operations in the Middle East hung over President Trump's State of the Union address on Tuesday. Trump's speech was overall light on specifics/new details—a net positive, in our view, given that the market was bracing for potential policy volatility. As expected, affordability remained a key focus of the address, spanning healthcare, housing (including calls for Congress to codify restrictions on institutional ownership of single-family rentals), retirement plans, and the impact of the 2025 reconciliation bill being realized this year. While President Trump did not use the address to announce next steps with regard to Iran, he reiterated both his desire to negotiate and threats of military action. Readouts from the US-Iran talks overall sounded a cautiously optimistic note, but we continue to view the path to a mutually acceptable deal as narrow. The risk of a strike remains, but we expect it will likely be a limited strike to force capitulation and to attempt to limit wider fallout/concerns about an unclear US endgame in the region.

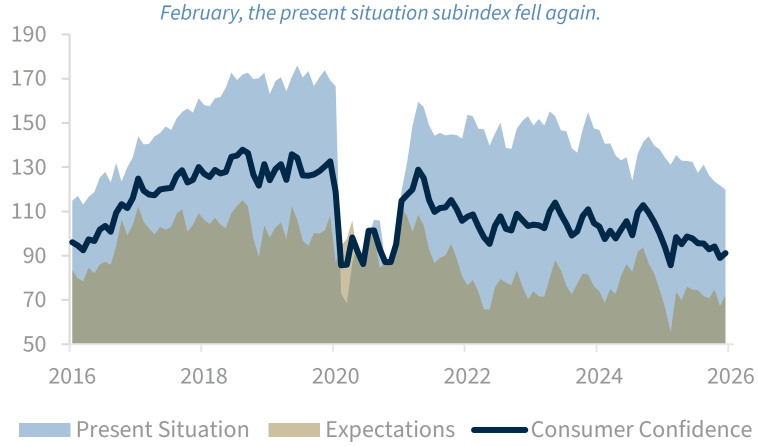
Energy

- Amid the buildout of energy-intensive AI data centers, US electricity demand in 2025 posted its second straight year of 3% growth, 10x faster than the (pre-AI) average for 2013-2023. Here's the admittedly unpleasant side effect: as utilities invest vast amounts of capital in new power plants and transmission lines, the national average of residential power prices rose 5%. We expect similar demand growth in 2026—marking the fastest three-year increase since the 1990s—with power prices outpacing inflation for a fifth consecutive year.
- Given that utilities are mainly regulated at the state level, the pace at which they push through price hikes is always state-specific. But, perhaps counterintuitively, having more data centers in a state does *not* automatically mean that its power prices experience outsized escalation. Case in point: Virginia is ranked #1 by data centers in operation, but its prices are below the national average, and it showed a moderate price increase in 2025. On the flip side, New Jersey's and Utah's prices jumped 17% and 15%, respectively, even though their data center numbers are outside of the top ten. For our readers in Hawaii, Nevada, and North Carolina—you happen to live in the only states where prices declined in 2025 (though we don't expect that to continue).

Charts of the Week

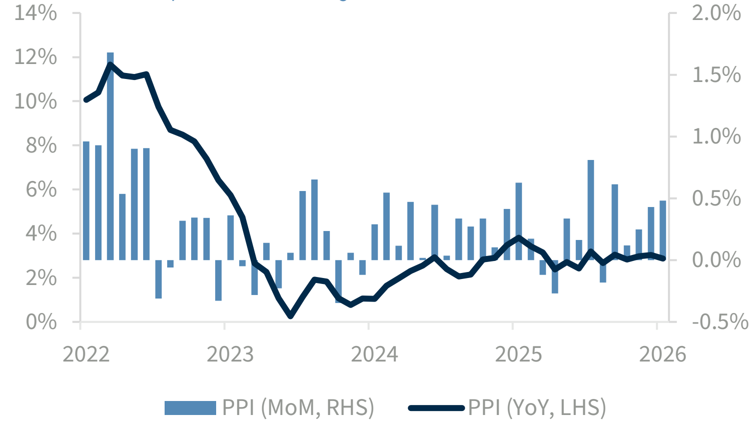
Confidence Ticks up

While the Consumer Confidence Index ticked up to 91.2 in February, the present situation subindex fell again.



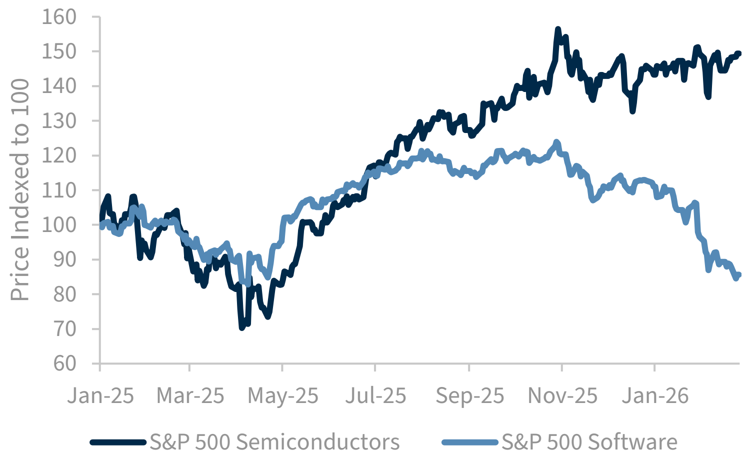
Producer Prices Hotter Than Expected

The monthly pace of PPI (+0.5% MoM) came in stronger than expected, accelerating for the third month in a row.



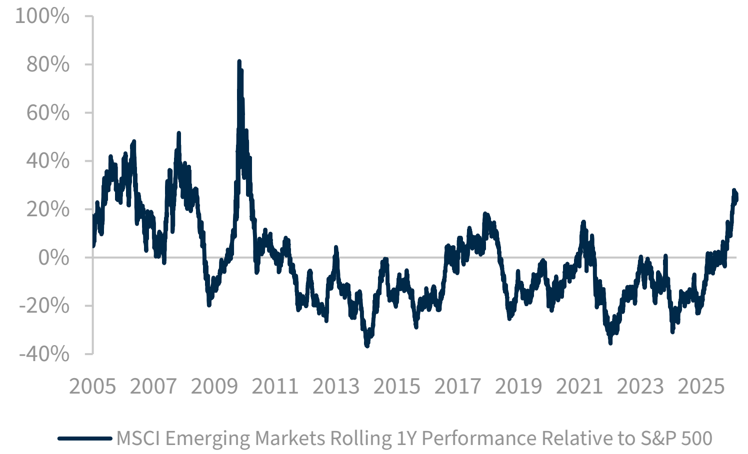
Selectivity Is Becoming Increasingly Important

AI beneficiaries within semiconductors and software have diverged materially as of late.



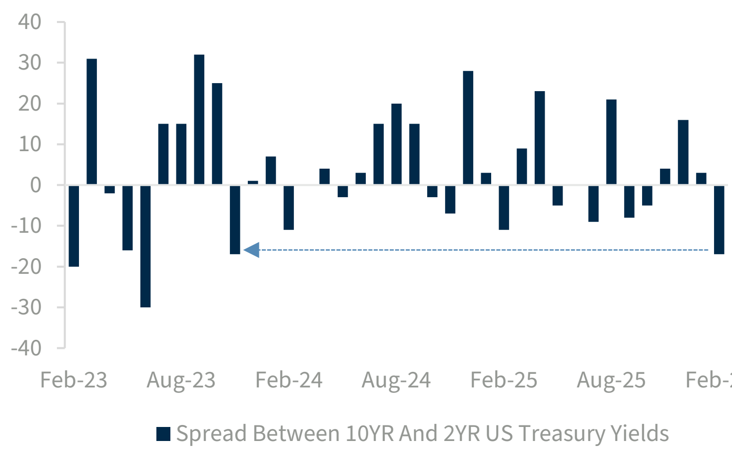
Historic Run For Emerging Markets

The MSCI Emerging Markets Index has outperformed the S&P 500 by 24% over the last 12 months—its strongest streak of 12-month relative performance since 2010.



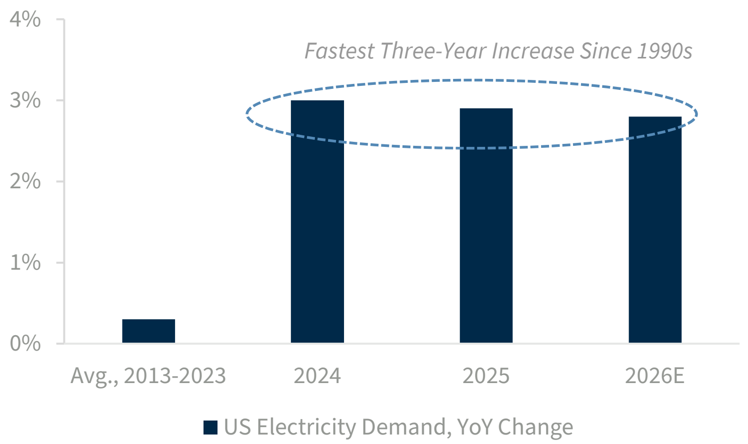
Treasury Curve Flattens As 10-Year Yield Falls

The move lower in the 10-year yield to below 4% triggered the sharpest flattening in the 2s10s curve since November 2023.



AI Data Centers Created An Inflection In Power Demand

After barely growing during the period 2013-2023, US electricity demand is propelled higher by energy-intensive AI data centers.



Source for charts: FactSet, as of 2/26/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of February 26)**

Weekly Returns (as of February 26)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	0.6%	0.7%	0.8%
Mid Cap	1.1%	1.2%	1.6%
Small Cap	0.2%	0.5%	0.7%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	1.1%	1.0%	3.1%
Mid Cap	1.3%	1.4%	2.7%
Small Cap	0.6%	1.0%	2.0%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	0.1%	0.4%	0.6%
Invest. Grade	0.1%	0.2%	0.3%
High Yield	0.0%	-0.1%	0.2%

Year-to-Date Returns (as of February 26)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	7.2%	1.3%	-4.0%
Mid Cap	9.5%	7.4%	1.0%
Small Cap	10.8%	8.0%	5.4%

International Equities (MSCI indices)

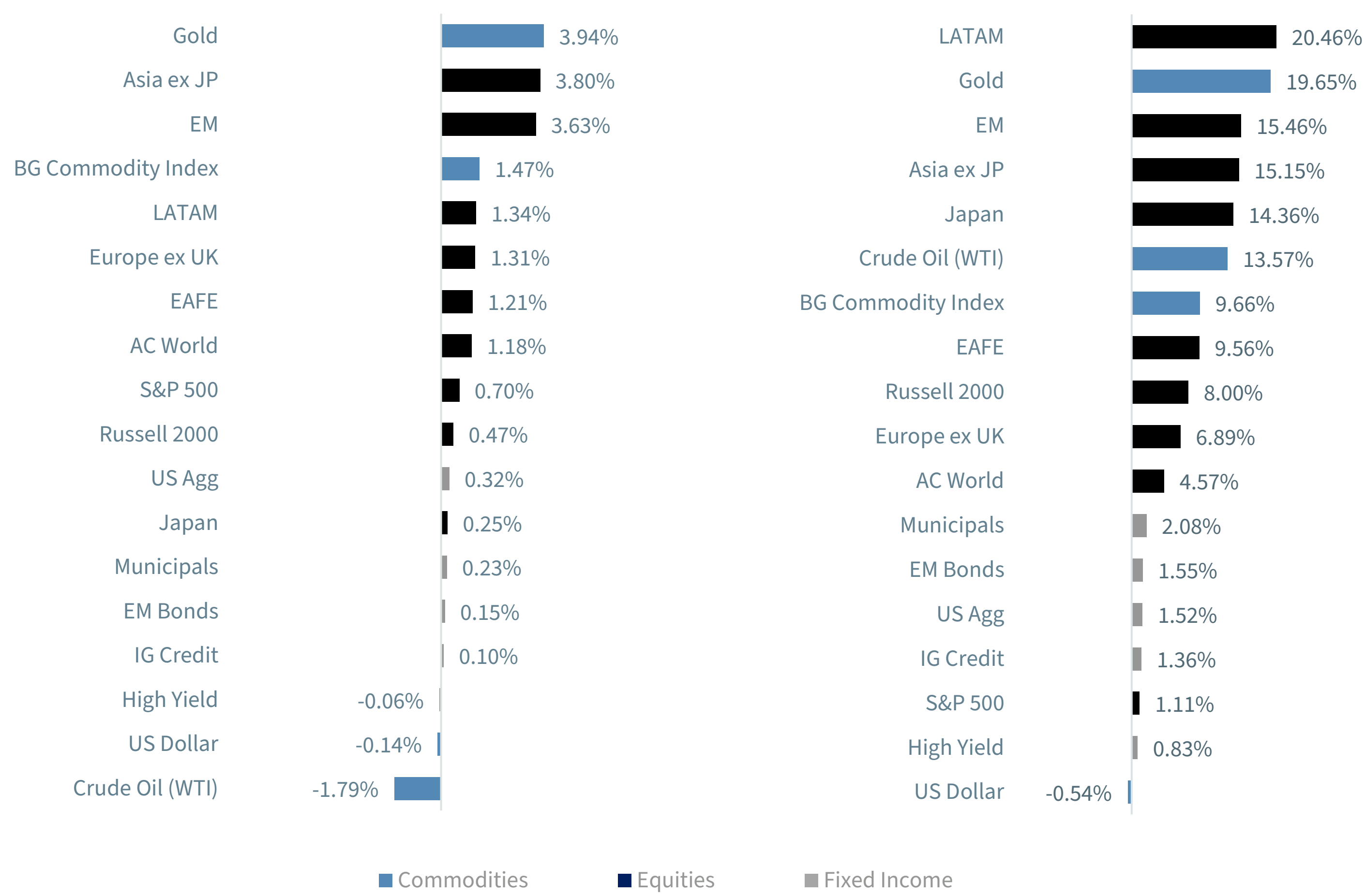
	Dev. Mkt	World	Emerg. Mkt
Large Cap	8.0%	3.6%	15.1%
Mid Cap	9.7%	7.8%	12.6%
Small Cap	8.4%	9.9%	11.4%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Treasury	0.5%	1.2%	1.8%
Invest. Grade	0.7%	1.1%	1.4%
High Yield	0.6%	0.8%	2.6%

Asset Class Performance | Weekly and Year-to-Date (as of February 26)**

Weekly* Year-to-Date*****



**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

Weekly Data**

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	6908.9	0.7	(0.3)	1.1	17.5	21.9	14.3	15.5
DJ Industrial Average	49499.2	0.2	1.2	3.0	14.0	14.7	9.9	11.5
NASDAQ Composite Index	22878.4	0.9	(2.5)	(1.6)	19.9	26.1	11.6	17.4
Russell 1000	7254.3	0.7	(0.1)	1.3	15.3	20.7	14.1	15.4
Russell 2000	6653.7	0.5	2.5	8.0	15.8	12.2	6.2	11.2
Russell Midcap	10585.0	1.2	4.3	7.4	9.3	12.5	9.4	12.1

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	670.3	0.8	7.5	16.9	22.6	11.6	9.9	12.0
Industrials	1494.1	0.2	6.8	13.9	32.8	22.7	16.1	14.7
Comm Services	447.1	1.7	(6.5)	(1.1)	28.6	38.5	15.0	12.9
Utilities	477.8	2.3	9.0	10.5	21.7	15.9	13.6	11.0
Consumer Discretionary	1854.1	0.8	(5.4)	(3.8)	7.8	19.3	8.3	13.2
Consumer Staples	988.2	1.3	6.3	14.5	11.8	12.0	11.6	9.5
Health Care	1831.8	0.1	1.7	1.7	8.4	8.8	8.7	10.8
Information Technology	5484.6	0.6	(1.8)	(3.4)	22.4	33.1	20.0	24.6
Energy	841.0	(0.4)	7.6	23.2	28.7	13.0	23.0	11.0
Financials	871.1	0.7	(1.8)	(4.1)	4.8	15.7	12.2	14.0
Real Estate	278.0	1.3	7.5	10.7	8.6	9.1	7.2	8.0

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.1	0.2	0.5	4.2	4.9	3.4	2.2
2-Year Treasury (%)	3.4	0.1	0.4	0.6	4.6	4.4	1.6	1.6
10-Year Treasury (%)	4.0	0.6	2.3	1.8	6.7	4.0	(1.2)	0.5
Bloomberg US Corporate HY	7.1	(0.1)	0.3	0.8	7.3	9.6	4.5	6.8
Bloomberg US Aggregate	4.2	0.3	1.4	1.5	6.3	5.1	0.4	2.0
Bloomberg Municipals	--	0.2	1.1	2.1	4.9	4.4	1.4	2.4
Bloomberg IG Credit	4.8	0.1	1.2	1.4	6.5	6.4	0.8	3.3
Bloomberg EM Bonds	5.7	0.2	1.2	1.6	10.1	9.2	2.3	4.2

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	65.2	(1.8)	0.0	13.6	(5.0)	(5.1)	1.2	7.1
Gold ($/Troy Oz)	5194.2	3.9	9.5	19.7	77.2	41.9	24.6	15.6
Bloomberg Commodity Index	120.3	1.5	(0.3)	9.7	15.0	4.5	7.1	4.8

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	97.8	(0.1)	0.8	(0.5)	(8.1)	(2.4)	1.5	(0.0)
Euro	1.18	0.3	(0.8)	0.5	12.3	3.8	(0.6)	0.8
British Pound	1.35	0.4	(1.5)	0.5	6.4	4.2	(0.7)	(0.3)
Japanese Yen	156.04	(0.7)	(1.1)	0.5	(4.2)	(4.4)	(7.3)	(3.1)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1059.3	1.2	1.5	4.6	24.1	21.4	12.3	13.5
MSCI EAFE	3164.1	1.2	4.1	9.6	32.5	19.5	11.2	10.7
MSCI Europe ex UK	3482.2	1.3	2.5	6.9	28.7	19.1	11.7	11.4
MSCI Japan	5488.2	0.2	7.3	14.4	39.5	22.6	9.8	10.7
MSCI EM	1619.3	3.6	6.1	15.5	46.6	22.0	6.9	11.2
MSCI Asia ex JP	1050.5	3.8	6.4	15.1	45.4	21.6	6.0	11.4
MSCI LATAM	3256.4	1.3	4.4	20.5	69.4	21.4	15.6	11.6
Canada S&P/TSX Composite	25212.4	2.7	8.1	8.8	36.2	19.5	13.8	10.4

**Weekly performance calculated from Thursday close to Thursday close.

Disclosures

All expressions of opinion reflect the judgment of the author(s) and Investment Strategy Committee and are subject to change. This information should not be construed as a recommendation. The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Past performance is not a guarantee of future results. Indices and peer groups are not available for direct investment. Any investor who attempts to mimic the performance of an index or peer group would incur fees and expenses that would reduce returns. No investment strategy can guarantee success. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital.

The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Diversification and asset allocation do not ensure a profit or protect against a loss.

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and heightened political and/or economic instability. These risks are greater in emerging markets.

ENERGY COMMODITIES | Investing in energy commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Oil prices are influenced by OPEC decisions and tend to be economically sensitive. Natural gas prices are influenced by weather.

MINING COMMODITIES | Investing in mining commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Prices of precious metals such as gold are influenced by central bank decisions. Prices of industrial metals such as copper tend to be economically sensitive.

SECTORS | Sector investments are companies focused on a specific economic sector and are presented here for illustrative purposes only. Sectors, including Tech, are subject to varying levels of competition, economic sensitivity, and political and regulatory risks. Investing in any individual sector involves limited diversification.

CURRENCIES | Currency investing is generally considered speculative, with high levels of volatility and limited market regulation. These risks are greater in emerging markets.

FIXED INCOME | Fixed-income securities (or bonds) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

MUNICIPAL BONDS | Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

PERSONAL CONSUMPTION EXPENDITURES | The Personal Consumption Expenditures (PCE) Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

PRODUCER PRICE INDEX | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

CONSUMER PRICE INDEX | The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

FHFA HOME PRICE INDEX | The FHFA House Price Index® (FHFA HPI®) is a comprehensive collection of publicly available house price indexes that measure changes in single-family home values based on data that extend back to the mid-1970s from all 50 states and over 400 American cities.

CASE SHILLER HOME PRICE INDEX | The S&P CoreLogic Case-Shiller Home Price Index is a leading, monthly, repeat-sales measure of U.S. residential real estate prices, tracking changes in home values. It covers national, 10-city, and 20-city composites based on single-family home resales, providing a reliable gauge of market trends.

ISM MANUFACTURING INDEX | The ISM Manufacturing Index (or PMI) is a key monthly economic indicator from the Institute for Supply Management (ISM), surveying US purchasing managers on production, new orders, employment, inventories, and supplier deliveries, with a reading above 50 signaling expansion and below 50 indicating contraction in the manufacturing sector.

ISM SERVICES INDEX | The ISM Services Index (now called the Services PMI) is a key economic indicator from the Institute for Supply Management (ISM) that tracks the health of the US service sector (around 80% of the economy) by surveying purchasing managers in over 400 non-manufacturing firms monthly. It's a composite index based on sub-indices like Business Activity, New Orders, Employment, and Supplier Deliveries, with readings above 50 indicating expansion and below 50 signaling contraction.

CONSUMER CONFIDENCE INDEX | The Consumer Confidence Index (CCI) is a monthly report measuring how optimistic or pessimistic households are regarding their financial situation, job security, and the overall economy. Published by The Conference Board, it acts as a leading indicator of consumer spending, which drives economic growth.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 2/26/2026

DOMESTIC EQUITY DEFINITION

DOW JONES INDUSTRIAL AVERAGE (DJIA) | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

NASDAQ COMPOSITE INDEX | The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

S&P 500 | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 500 EQUAL WEIGHT INDEX | The S&P 500 Equal Weight Index: The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

LARGE GROWTH | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater- than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

LARGE BLEND | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater- than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

MID BLEND | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

SMALL BLEND | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

MID VALUE | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

COMMODITY INDEX DEFINITION

BLOOMBERG COMMODITY INDEX (BCOM) | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

FIXED INCOME DEFINITION

AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | Bloomberg US Corporate High Yield Total Return Index: The index measures the USD-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.

CREDIT | Bloomberg US Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed- rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Disclosures

MUNICIPAL | Bloomberg Municipal Total Return Index: The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BLOOMBERG US CONVERTIBLE LIQUID BOND INDEX | The index tracks the performance of USD-denominated convertible securities, specifically bonds and convertible preferred stock, issued in the US market with a minimum amount outstanding of $350 million.

BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This 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. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

BLOOMBERG EMERGING MARKET BOND INDEX | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment- grade and below-investment-grade securities.

BLOOMBERG WIRP FUTURES MODEL | The Bloomberg World Interest Rate Probability (WIRP) function calculates the implicit forecast for rates after each meeting over the next year for the biggest developed world central banks, based on pricing in futures and overnight index swaps markets.

BLOOMBERG TREASURY INDEX | The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. The Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The index includes securities with remaining maturity of at least one year.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

NIKKEI 225 INDEX | The Nikkei 225 is Japan's main stock market index, tracking the performance of 225 large, highly traded "blue-chip" companies listed on the Tokyo Stock Exchange (TSE). It's a price-weighted index, meaning higher-priced stocks have a greater impact, similar to the Dow Jones Industrial Average, and serves as a key indicator of the Japanese economy.

FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI ACWI | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

MSCI ACWI EX US | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

CANADA S&P/TSX COMPOSITE | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on Canada's primary stock exchange, the Toronto Stock Exchange.

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