

March came in like a lion—but will it go out like a lamb? That’s the question facing investors as markets contend with rising risks. The conflict in the Middle East, surging oil prices with gasoline prices up to \$3.63/gallon, and February’s continued trend of weaker than expected jobs reports have revived stagflation-like concerns just ahead of the Fed’s March 17–18 meeting. While the fed funds rate is widely expected to remain at 3.50%–3.75%, geopolitical uncertainty and renewed tariff impacts following last month’s Supreme Court IEPA ruling complicate the outlook. The Fed’s updated economic projections and dot plot—which illustrate the potential path and dispersion of interest rates over the foreseeable future—should give insights into how policymakers are balancing these forces—and whether recent volatility gives way to calmer markets in the weeks ahead. Below, we outline what to watch at next week’s Fed meeting.

KEY TAKEAWAYS

The Fed’s New Economic Projections Are Fraught With Even More Uncertainty

The Middle East Conflict Is Unlikely To Derail Growth In A Meaningful Way

Soft Jobs And Soon To Be Hot Inflation Put The Fed In A Difficult Position

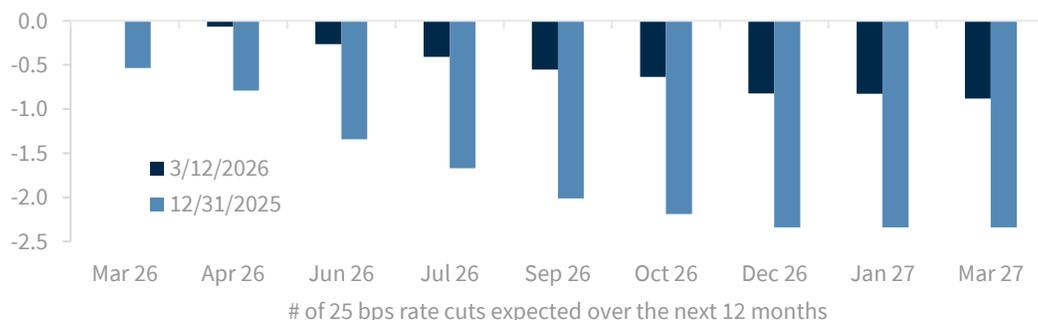
A Fed Pause Is All But Certain—But The Message Will Matter More | The Fed’s usual playbook is to ‘look through’ oil shocks, but the post-COVID lesson—that inflation wasn’t as transitory as expected—still looms large. That caution showed up in the January meeting minutes, where several FOMC members suggested rate *hikes* could be on the table if inflation fails to return to the 2% target. Against that backdrop, fresh geopolitical risks—and their inflationary potential—are arriving at a particularly inopportune time given this hawkish shift.

- **New Economic Projections Face Elevated Uncertainty**—The Federal Reserve is navigating another tricky stretch, with incoming data pulling its dual mandate—price stability and full employment—in different directions. Adding to the challenge, the war in the Middle East and lingering tariff uncertainty have made the macro outlook even murkier than usual. We expect the Fed’s March statement to acknowledge this heightened uncertainty, echoing language used in March 2022 after Russia’s invasion of Ukraine—a theme Chair Powell is likely to reinforce in his press conference. Even so, the Fed’s updated projections should remain broadly in line with the December 2025 outlook, with only modest adjustments at the margin.
- **The War Is Unlikely To Derail US Growth**—Heading into the conflict, the US economy was on solid footing, supported by fiscal tailwinds, strong household balance sheets, and continued momentum in AI-related capital spending. While the Middle East conflict represents the most significant geopolitical oil shock since the 1970s—with the potential to disrupt growth—the US enters this period from a position of relative strength. First, the US is a net energy exporter, producing more energy than it consumes, which reduces vulnerability to global supply shocks. Second, the economy is far more energy-efficient today, using less oil per unit of GDP than in prior decades. Finally, the US and its allies hold ample strategic petroleum reserves to cushion temporary supply disruptions. With our base case assuming a short-lived conflict measured in weeks rather than months, we don’t expect lasting economic damage. As a result, we maintain our 2.4% GDP forecast for 2026 and expect the Fed to keep its current 2.3% growth estimate broadly unchanged.
- **The Fed’s Dilemma: Soft Jobs, Soon To Be Hot Inflation**—After three rate cuts late last year, Fed officials had begun to coalesce around the view that the labor market was stabilizing—supporting a wait-and-see approach. February’s disappointing jobs report, however, puts that narrative to the test. While a healthcare strike and bad weather likely distorted the data, the 92k decline—the fifth contraction in nine months—along with a rise in unemployment to 4.4%, highlights lingering fragility and suggests additional support may be needed. At the same time, inflation risks are building. The war in the Middle East and a renewed surge in oil prices—now back near \$100 per barrel despite a record 172 million barrels expected oil storage release—could push prices higher. Any renewed acceleration would come at a difficult moment, as inflation, which had been easing, remains uncomfortably above the Fed’s 2% target for a fifth straight year. While policymakers typically look through geopolitical shocks, the Fed’s updated projections may show modest upward revisions to its 2026 unemployment and core PCE inflation forecasts, last set at 4.4% and 2.5% in December.
- **Fed Rate Cut Delayed, Not Derailed**—The Fed is facing a tough set of trade-offs. Even a temporary rise in inflation makes near-term rate cuts less likely, pointing instead to a longer pause—and markets have increasingly embraced that view, with expectations for a full quarter-point rate cut in 2026 getting pushed further out amid fears of a prolonged conflict. While we expect military action to ease in the coming weeks and do not anticipate lasting disruptions in the Strait of Hormuz, policymakers are unlikely to signal meaningful changes to their 2026 outlook until there is greater clarity on the conflict’s duration and how the data evolves. Although dispersion in the dots may widen as views diverge across the FOMC, we do not expect material shifts in the median path. The dots should continue to point to one rate cut in 2026, another in 2027, and a long-run neutral rate near 3.0%. Chair Powell’s press conference will also be important, with markets looking for reassurance and a steady hand.

CHART OF THE WEEK

Market Expectations For Fed Rate Cuts Are Evaporating

Surging oil prices—and the resulting inflationary risks—have prompted a repricing of fed rate cut expectations. The market now expects less than one full rate cut by year-end 2026.



Source: FactSet 3/12/26

Economy

- Headline CPI rose 0.3% MoM in line with expectations, while core CPI surprised modestly to the downside, up 0.2%. The softer reading reflected a slowdown in transportation services. March headline inflation is likely to firm on higher oil prices tied to US/Iran conflict.
- While the YoY pace of headline PCE Price Index—the Fed’s preferred inflation gauge—ticked lower in January, from 2.9% to 2.8%, the core PCE Price Index accelerated to 3.1% YoY—its fastest pace in almost two years.
- The March Michigan Sentiment Index declined to 55.5, driven by a deterioration in the Consumer Expectations index. Surveys were partially conducted prior to the US/Iran conflict, and we expect upward revisions to the relatively stable inflation expectation readings.
- **Focus of the Week:** Attention will turn to the housing sector, beginning with Monday’s NAHB Housing Market Index, which will provide insight into homebuilder sentiment. Amid a harsh winter and a modest uptick in mortgage rates, we expect the index to remain near current low levels. Similarly, consensus points to a decline in Pending (Tue.) and New (Thu.) by 1.8% and 5.0% MoM, respectively.

March 16 – March 20



Industrial Production
NAHB Housing Market Index



PPI
FOMC/BOC/BOJ Meeting



Pending Home Sales



New Home Sales
BOE/ECB Meeting



3/25 Import/Export Indices
3/27 Michigan Sentiment Survey (Final)

Equity

- Equity market weakness continued this week, with the S&P 500 on pace for its third straight weekly decline—now down 4% from recent highs. While we ultimately expect the conflict and subsequent economic/market impact to be short-term in nature, volatility will likely remain elevated in the near term as the path forward for the conflict remains uncertain. With the S&P 500 recently crossing below its 100-day moving average (a key area of support in the last year), what potential areas of support to the downside are we looking for? First, the 200-day moving average—which sits 1% below current levels at 6,600. Second, we look to our dividend discount model, which we view as the fundamental floor for the S&P 500. That currently reflects a fair value for the S&P 500 at ~6,000, or ~14% from recent highs. Ironically, that 14% drawdown is in line with the average max drawdown in any given year. However, our year-end S&P 500 target of 7,250 remains unchanged, as positive EPS and GDP growth, and near record margins remain supportive of equities.
- From a sector standpoint, the Energy sector has been the clear outperformer during the recent drawdown, rising roughly 3% since the conflict began. Technology is the only other sector in positive territory over this period, underscoring how the AI-driven secular growth trend has remained resilient despite heightened geopolitical tensions and higher crude oil prices. Looking ahead, we continue to favor sectors with durable, secular growth drivers that can offer insulation from an evolving macroeconomic and geopolitical backdrop. These include Technology—particularly areas tied to AI—and select pockets of Industrials with exposure to defense stockpile replenishment, data center construction, and the reshoring of global supply chains.
- **Focus of the Week:** Next week, we’ll take a closer look at the bifurcation in consumer spending trends between the high and low-end consumer via earnings results from Lululemon and Dollar Tree, respectively.

Fixed Income

- Treasury yields moved higher as markets once again reassessed the Fed’s path, underscoring how quickly expectations can turn. With inflation still above target and higher oil prices complicating the outlook, investors have pushed back the timing of Fed rate cuts. The shift has been most visible at the front end, where the policy sensitive 2-year yield (+31 bps MTD) closed above the effective fed funds rate for the first time since early 2025. That move flowed through the curve, pushing the 10-year yield back toward the upper end of its recent 4.00%-4.30% range to 4.25%, retracing February’s rally as markets reset to a higher for longer policy stance.
- Heavy supply also weighed on bonds this week. Alongside \$119b in Treasury issuance, US high-quality corporate issuance (~\$115b) came within \$3b of a weekly record, led by Amazon’s \$37b deal and pushing YTD issuance past 1Q25’s record with two weeks to spare. Demand was robust, but spreads ground wider to 90 bps—the widest since May 2025—as markets absorbed the flood of new supply.
- **Focus of the Week:** Major central banks meet, with the Fed, ECB, BOJ, and BOE set to hold while the RBA could deliver a second hike.

Washington Policy

- The war in Iran is nearing the two-week mark, with hostilities ongoing and concerns mounting over a potential Strait of Hormuz closure. A key gap remains between the administration’s stated objectives and the ~4-week window envisioned to achieve them. While the White House will likely seek to conclude hostilities within 3–5 weeks, the ability to credibly claim victory and wind down the conflict is a separate matter. Critical factors in determining whether this becomes a prolonged operation include political and economic pressure (particularly oil prices), Israel’s willingness to also de-escalate, and Iran’s appetite to sustain fighting or accept a US off-ramp—especially with IRGC hardliners exerting strong influence over Supreme Leader Mojtaba Khamenei.

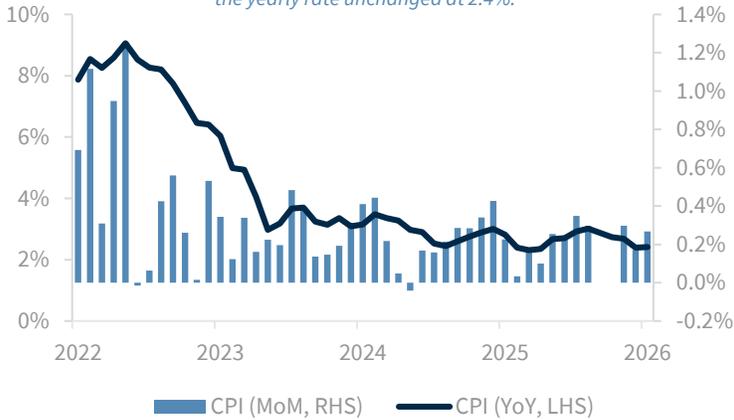
International / Energy

- With 15 to 20m barrels/day unable to be shipped from the Persian Gulf, the oil market is experiencing what may be its largest-ever supply disruption. The International Energy Agency (IEA)—a coalition of 32 industrialized countries, including the US—is coordinating the gradual release of 400m barrels from emergency stockpiles. This is the fifth stockpile release in the IEA’s 52-year history, and larger than the four prior ones *combined*, equating to one-third of the IEA’s total available stockpiles. More of a question mark is the pace at which this oil will come onto the market: for technical reasons, it could take 60 to 90 days, perhaps even longer.
- White House comments suggest that US airstrikes are unlikely to continue beyond the next one to two weeks. Meanwhile, energy infrastructure in Iran and its neighbors is mostly unscathed, so tanker exports from the Gulf should be able to resume on a speedy basis once military action is over. Assuming that exports are normalized by early April, the IEA response is set to offset (gradually) at least two-thirds of the cumulative supply loss. To cover the remainder, some of Saudi exports are being rerouted to the Red Sea. While the IEA effort would be even more effective with participation by China and/or India, there is no sign that they plan to be involved.

Charts of the Week

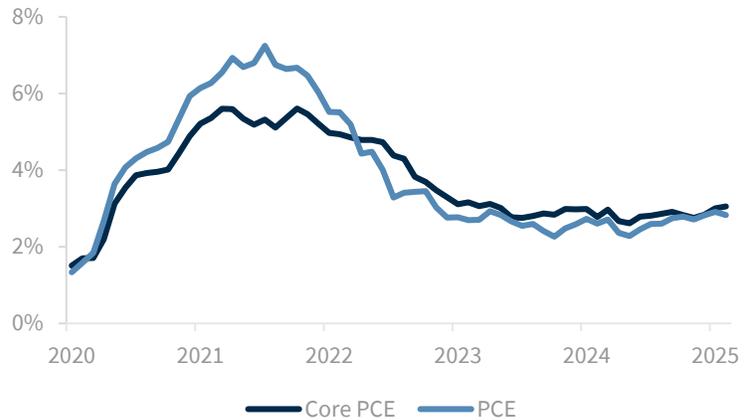
Inflation: Consumer Prices

Headline CPI rose 0.3% MoM in line with expectations, keeping the yearly rate unchanged at 2.4%.



Inflation: PCE Price Index

The pace of headline PCE slowed to 2.8% YoY, while the pace of core PCE increased to 3.1%.



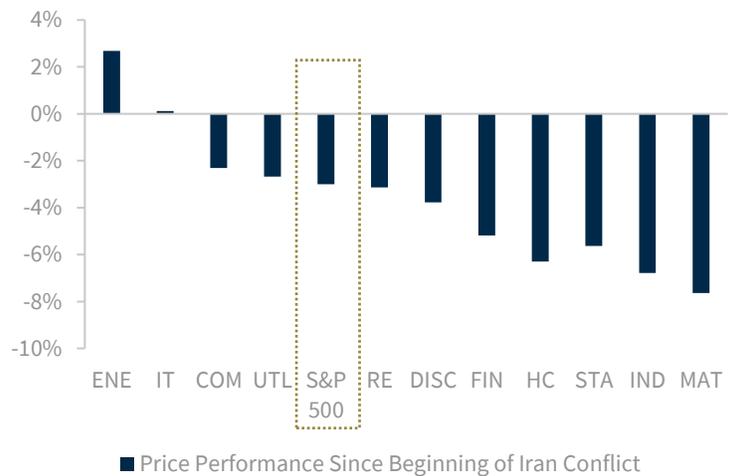
Approaching Key Technical Level

The S&P 500 has fallen below the 100 DMA and now sits just ~1% above its 200 DMA.



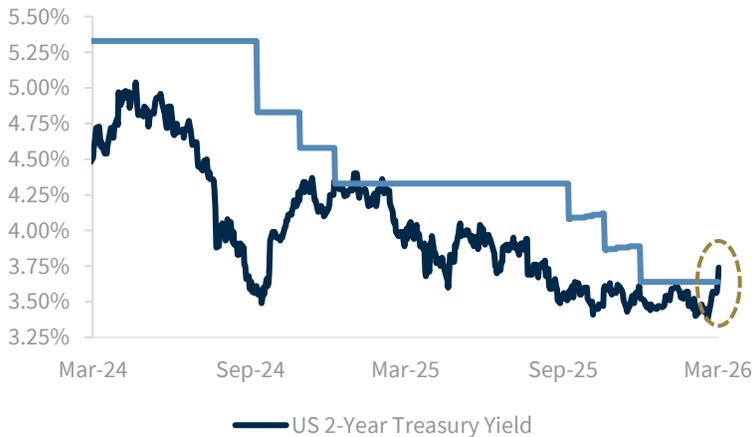
Bucking the Trend

Energy and Technology are the only sectors that have gained since the beginning of the Iran conflict.



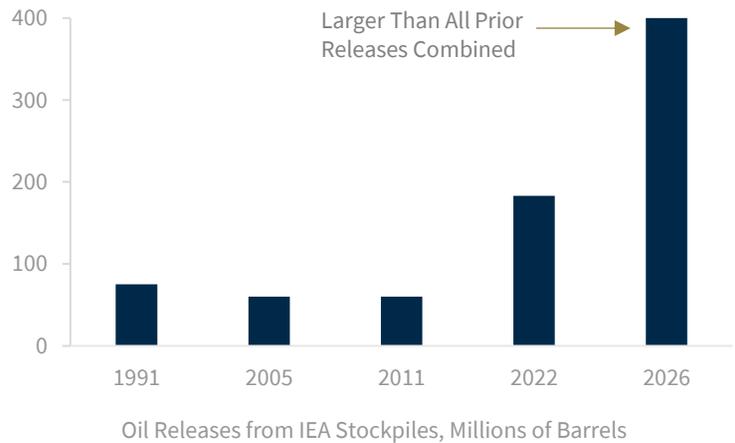
Treasury Market Signals A Less Dovish Fed

The policy-sensitive 2-year yield pushed above the effective fed funds rate as markets price a less accommodative Fed.



Record-Breaking Response To Historic Supply Outage

With the IEA's 32 members set to release 400 million barrels from emergency stockpiles, we expect this move to keep the oil market well-supplied.

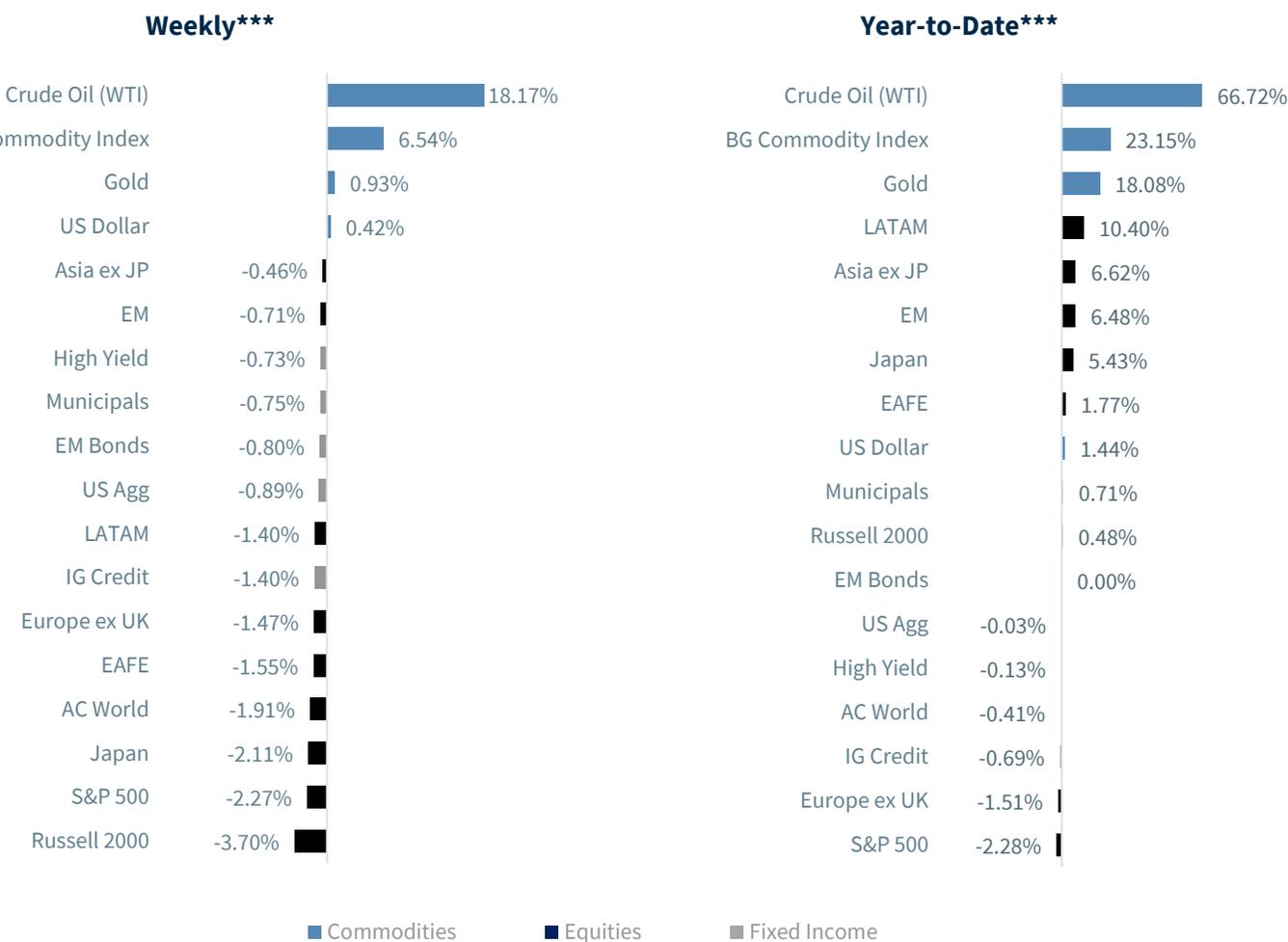


Source for charts: FactSet, as of 3/12/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of March 12)**

	US Equities (Russell indices)			International Equities (MSCI indices)			Fixed Income (Bloomberg indices)			
	Value	Blend	Growth	Dev. Mkt	World	Emerg. Mkt	1-3 YR	Medium	Long	
Weekly Returns (as of March 12)	Large Cap	-2.7%	-2.4%	-2.2%	-1.1%	-1.6%	-0.4%	0.1%	-0.6%	-0.9%
	Mid Cap	-3.5%	-3.7%	-4.2%	-1.3%	-2.7%	-0.2%	-0.4%	-0.9%	-1.2%
	Small Cap	-3.6%	-3.7%	-3.8%	-2.8%	-3.0%	-0.2%	-0.3%	-0.7%	-2.1%
Year-to-Date Returns (as of March 12)	Large Cap	2.1%	-2.3%	-6.3%	1.9%	-0.5%	7.8%	0.7%	0.0%	0.0%
	Mid Cap	2.9%	1.0%	-5.1%	4.4%	1.5%	6.8%	0.2%	-0.2%	-0.5%
	Small Cap	3.3%	0.5%	-2.1%	2.1%	2.9%	5.6%	0.2%	-0.1%	-0.7%

Asset Class Performance | Weekly and Year-to-Date (as of March 12)**



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

4 ***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	6672.6	(2.3)	(2.9)	(2.3)	20.7	21.6	12.7	14.6
DJ Industrial Average	46677.9	(2.7)	(4.7)	(2.9)	12.9	13.5	7.3	10.5
NASDAQ Composite Index	22312.0	(1.9)	(1.6)	(4.0)	26.4	26.0	10.9	16.7
Russell 1000	6992.7	(2.4)	(3.1)	(2.3)	16.7	21.4	13.3	15.3
Russell 2000	6185.8	(3.7)	(5.4)	0.5	23.3	13.1	5.0	11.3
Russell Midcap	9936.9	(3.7)	(5.6)	1.0	16.8	14.8	9.0	12.4

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	624.0	(2.3)	(7.5)	9.0	19.3	10.4	6.9	10.6
Industrials	1396.0	(4.0)	(6.7)	6.6	28.8	20.5	13.1	13.5
Comm Services	443.1	(1.3)	(2.3)	(1.9)	34.4	38.6	14.1	12.4
Utilities	470.0	(0.9)	(2.6)	9.0	24.0	16.6	11.8	10.4
Consumer Discretionary	1784.8	(4.2)	(3.7)	(7.3)	13.4	19.4	6.9	12.5
Consumer Staples	946.5	(0.4)	(5.6)	9.8	11.5	11.3	9.8	8.8
Health Care	1746.8	(2.5)	(6.2)	(2.9)	5.8	8.4	7.4	10.1
Information Technology	5371.4	(1.4)	0.1	(5.4)	31.0	32.2	19.4	23.8
Energy	878.0	1.8	2.7	28.6	36.3	15.6	21.4	10.7
Financials	809.5	(4.7)	(5.1)	(10.8)	3.9	15.9	9.0	12.5
Real Estate	269.4	(2.3)	(3.6)	7.5	8.1	10.0	5.7	7.1

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.1	0.1	0.7	4.2	4.9	3.4	2.2
2-Year Treasury (%)	3.7	(0.2)	(0.6)	0.1	3.8	4.1	1.5	1.6
10-Year Treasury (%)	4.3	(0.9)	(2.2)	(0.0)	5.1	2.5	(1.2)	0.6
Bloomberg US Corporate HY	7.4	(0.7)	(0.8)	(0.1)	7.1	9.3	4.4	6.2
Bloomberg US Aggregate	4.5	(0.9)	(1.7)	(0.0)	5.1	4.1	0.3	1.8
Bloomberg Municipals	--	(0.7)	(1.5)	0.7	4.7	3.7	1.0	2.3
Bloomberg IG Credit	5.1	(1.4)	(2.1)	(0.7)	5.4	5.3	0.8	3.0
Bloomberg EM Bonds	6.0	(0.8)	(1.6)	0.0	8.6	8.5	2.2	3.9

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	95.7	18.2	42.8	66.7	41.4	7.7	7.8	9.5
Gold (\$/Troy Oz)	5125.8	0.9	(2.3)	18.1	73.9	40.0	24.4	15.1
Bloomberg Commodity Index	135.1	6.5	11.0	23.1	29.3	8.9	9.5	5.4

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	99.7	0.4	2.2	1.4	(3.7)	(1.6)	1.7	0.4
Euro	1.15	(0.5)	(2.4)	(1.9)	5.5	2.5	(0.7)	0.3
British Pound	1.33	0.2	(0.7)	(0.8)	2.9	3.3	(0.8)	(0.8)
Japanese Yen	159.21	(1.0)	(1.9)	(1.5)	(6.8)	(5.5)	(7.3)	(3.3)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1007.8	(1.9)	(4.5)	(0.4)	23.6	20.2	10.6	12.4
MSCI EAFE	2933.1	(1.5)	(7.6)	1.8	23.2	16.2	9.1	9.3
MSCI Europe ex UK	3202.4	(1.5)	(8.1)	(1.5)	17.9	15.5	9.3	9.9
MSCI Japan	5059.9	(2.1)	(8.9)	5.4	29.4	17.9	7.6	9.4
MSCI EM	1492.1	(0.7)	(7.3)	6.5	38.0	19.4	5.0	9.4
MSCI Asia ex JP	972.1	(0.5)	(6.9)	6.6	37.4	19.4	4.4	9.9
MSCI LATAM	2983.1	(1.4)	(7.8)	10.4	57.4	18.2	12.6	8.9
Canada S&P/TSX Composite	24112.9	(2.3)	(4.4)	3.6	34.5	18.4	11.7	9.3

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

Disclosures

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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.

MICHIGAN CONSUMER SENTIMENT INDEX | The University of Michigan Consumer Sentiment Survey (MCSI) is a monthly survey measuring US consumer confidence regarding personal finances, business conditions, and buying conditions. It serves as a key leading economic indicator, forecasting consumer spending by interviewing approximately 600–1,000 households.

CASE SHILLER HOME PRICE INDEX | The S&P CoreLogic Case-Shiller Home Price Index is a leading, monthly, repeat-sales measure of US 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.

NAHB HOUSING MARKET INDEX | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey-based gauge of US builder sentiment regarding the single-family home market. Ranging from 0 to 100, a reading above 50 indicates positive sentiment. It measures current sales, future expectations, and buyer traffic, acting as a leading indicator for housing starts.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 3/12/2026

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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