

Last weekend's Derby kicked off a trio of major horse races—including the upcoming Preakness and Belmont Stakes—that together make up the Triple Crown. Golden Tempo's come-from-behind victory lived up to the race's reputation as the "most exciting two minutes in sports!" But with Golden Tempo electing not to run in the Preakness, there will be no Triple Crown winner this year. With only 13 winners in the past 100+ years, history reinforces how difficult it is to sustain performance. Fortunately for investors, the S&P 500 is running its own version of Triple Crown success during 1Q26 earnings season. With 82% of market cap having reported, the index is on track for 27% YoY EPS growth—the strongest since 4Q21. More than 84% have beaten earnings estimates—the most since 1Q21—while earnings revisions are up 12%, the fastest pace in four years. That said, here are five other takeaways from 1Q26 earnings season so far:

KEY TAKEAWAYS

S&P 500 Earnings Have Seen The Strongest Upward Revision to EPS in Four Years

Mega-Cap Tech Has Been The Standout Through 1Q Earnings

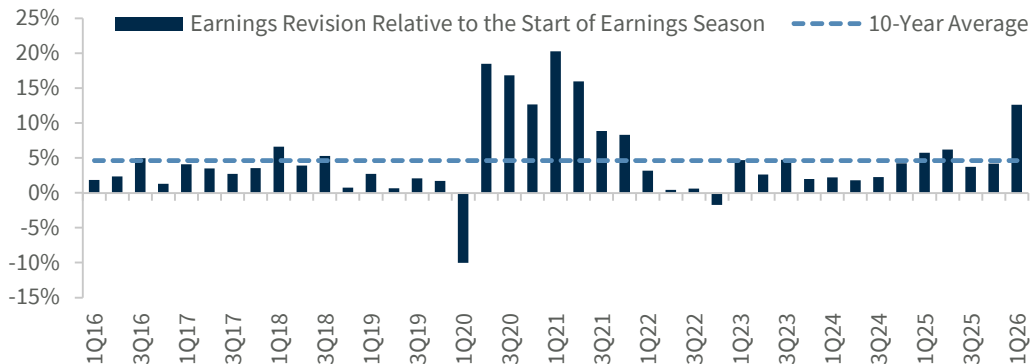
Despite Headwinds From Rising Energy Costs, Margins Hit a Record in 1Q

- 1. Consumer Remains On Solid Footing** | While rising gas prices have weighed on consumer sentiment—the University of Michigan Sentiment Survey fell to a record low in April—real-time indicators suggest consumer spending remains healthy. This view was echoed by management commentary during 1Q26 earnings calls. Banks pointed to continued consumer resilience with limited deterioration in credit quality, while credit card companies reported solid spending growth across all income cohorts, with some noting recent acceleration. At the industry level, airlines are seeing strong forward booking demand, and select restaurants this week highlighted healthy overall spending. While elevated gas prices remain a near-term headwind, solid consumer demand should continue to support growth.
- 2. Mega-Cap A Standout** | Against a backdrop of strong earnings growth, mega-cap tech once again stood out. MAGMAN* is on track to deliver 59% YoY EPS growth, versus just 12% for the rest of the Index—marking a 13th straight quarter of earnings outperformance. Mega-cap tech exceeded estimates by ~35% on average—the strongest beat since 1Q21—while margins expanded to a record 34%, more than 3x the broader index. While one-time income tied to private-investment revaluations (e.g., Anthropic) lifted results, underlying profitability remains strong—excluding these items, EPS growth still would have been a healthy 18%. With investment demand continuing to outpace supply, 2026 hyperscaler capex remains robust—revised 12% higher in Q1 to ~\$720B—while valuations remain below their five-year average. These fundamentals support our overweight to mega-cap tech, reinforcing that recent outperformance is justified.
- 3. Capex Is Booming** | We have consistently highlighted the positive impact of the *One Big Beautiful Bill* on consumers through higher tax refunds. On the business side, the R&D expensing provision—which allows immediate expensing of capital investments—has driven a notable surge in corporate capital expenditures. S&P 500 capex is on pace to rise 32% YoY—the fastest growth since 2007. While hyperscaler-led AI investment remains the primary driver, capital spending across the rest of the index is also gaining momentum, with ex-hyperscaler capex projected to increase a healthy 16% YoY. Notably, seven out of eleven sectors are expected to deliver more than 10% YoY capex growth in 2026. With nonresidential investment contributing more to 1Q GDP growth than consumer spending, the current capex boom should provide a meaningful tailwind to both GDP and earnings growth moving forward.
- 4. Margins Hit A Record High** | The resilience of US corporate profitability has been striking. Despite tariff pressures and higher energy and input costs, S&P 500 margins rose for a fifth consecutive quarter, reaching a record high of 16%. To put that in perspective, margins have increased by three percentage points over the past two years—an outcome that is historically unprecedented outside of recessionary recovery periods. That said, early signs of pressure are beginning to emerge. While the Iran conflict affected only one month of 1Q results, roughly 30% of S&P 500 companies cited rising input costs—the highest share since 2022—and eight of 11 sectors are expected to see declines in margins in 2Q. Although strong technology-sector margins should keep overall profitability elevated relative to history, persistently high energy prices would raise downside risk going forward.
- 5. International Earnings Are Mixed, But Still Rising** | While 1Q26 US earnings have been notably strong, international results has been a more mixed picture. Emerging markets earnings posted robust growth, rising 32% YoY in Q1, while Europe continued to lag with more modest growth of just 2% YoY. Heightened vulnerability and disruptions tied to the Middle East conflict have affected international markets unevenly. The MSCI Emerging Markets Index reached its 20th all-time high this week and is up 24% YTD, supported by tech-led earnings growth, particularly in Korea and Taiwan. In contrast, European earnings growth has been largely confined to the energy sector—which has benefited from upward revisions since the onset of the conflict. Case in point: Excluding energy, the Stoxx Europe 600's earnings actually *declined* 1% in Q1, reflecting weakness across consumer-exposed areas such as travel and leisure, autos, and luxury goods.

CHART OF THE WEEK

Significant Revisions to Quarterly Estimates in 1Q26

Since the end of 1Q, 1Q26 EPS estimates have been revised ~13% higher. That represents the strongest upward revision at this point in an earnings season since 2Q21 and is nearly 2.5x the historical average.



Source: FactSet. Data as of 4/30/26

1 *MAGMAN represents a composite of Microsoft, Apple, Google, Meta, Amazon, Nvidia. The foregoing is not a recommendation to buy or sell MAGMAN stocks.

Economy

- Nonfarm payrolls rose more than expected in April, up 115,000, while unemployment held steady at 4.3%. Sustained job growth could weaken the labor market argument for why the Fed should lower interest rates later this year.
- JOLTS job openings edged lower to 6.9m, while hiring jumped at the fastest monthly rate since the series began in 2000 (ex-COVID), reaching a 2+ year high. Overall, openings continue to decline but remain near pre-COVID levels suggesting healthy labor demand.
- The ISM Services PMI remained in expansion for the 22nd straight month, slipping slightly to 53.6 in April. The Employment component (at 48.0) jumped at its fastest monthly pace this year, inching closer to expansionary territory.
- New home sales increased more than expected in March, rising 7.4% MoM to a 682k annualized pace. The two-month gain (Feb & Mar) was the strongest since 2021, helped by lower prices, with the median sales price falling 6.2% YoY to its lowest level since July 2021.
- **Focus of the Week:** Next week is inflation week, and unlike this week's positive labor data, April's releases may be less welcomed by markets. Elevated prices components in this week's ISM data suggest price pressures remain an issue. We expect Tuesday's CPI report to accelerate to 3.5% YoY, driven by energy and an upward shelter-cost adjustment tied to last year's government shutdown.

May 11 – May 15



Existing Home Sales



PPI



Industrial Production
Manufacturing Production



CPI
NFIB Small Business Index



Retail Sales
Import/Export Price Indices
Business Inventories



5/18 NAHB Housing Market Index
5/20 FOMC Minutes

Equity

- The S&P 500 is on track to gain nearly 2% week-to-date, marking its sixth consecutive week of gains. Encouragingly, win streaks of this magnitude have not historically signaled trouble over the past 20 years. In fact, in the 14 other times that this has occurred, forward returns following six-week winning streaks have been positive on average across 1-, 3-, 6-, and 12-month time horizons. Notably, the average 12-month forward return after such streaks is 12.2%—with positive outcomes 86% of the time. While we remain optimistic long-term, technical indicators (14-Day RSI: 72), suggest that a period to digest the recent rally may be warranted near-term.
- It is worth noting that the recent rally has been underpinned by fundamentals that continue to surprise to the upside. S&P 500 companies are delivering roughly 27% year-over-year EPS growth in 1Q26, marking the strongest pace since 4Q21, while aggregate earnings are exceeding expectations by an impressive 19%—the largest beat rate since 1Q21. This robust earnings backdrop has translated into the index posting its strongest performance during an earnings season since 1Q25, and the fourth strongest over the last 10 years, reinforcing the constructive tone across equities.
- **Focus of the Week:** Earnings season is set to slow next week with only 11 companies representing 2% of the S&P 500 market cap reporting results including Applied Materials, Cisco, Constellation Energy, and Ross Stores.

Fixed Income

- Treasury yields eased from YTD highs as a sharp pullback in oil—driven by renewed hopes for a US–Iran deal—took pressure off the inflation outlook. The 30-year fell back below 5% and the 10-year came off its 4.45% peak. The shift unwound hawkish Fed pricing as officials communicated a desire to keep policy unchanged for a longer period. Also relieving upward pressure on yields was guidance from the Treasury indicating auction sizes will remain unchanged in the near-term. With markets now firmly pricing in a Fed pause, the 10-year yield has settled into a tighter range above 4.30%, taking its cues from developments in the Middle East and the price of oil.
- This week, Alphabet issued the USD-equivalent of nearly \$17B in bonds in Europe and Canada—its first in Canadian dollars. The issuance highlights a trend by hyperscalers toward issuing debt outside the US. While USD issuance by the group this year slightly trails 2025's total (~\$107B vs. ~\$121B), combined dollar and non-dollar funding (~\$152B) has already surpassed last year's total (~\$136B), fueled by strong foreign demand for mega-cap tech bonds and large, front-loaded deals. With capex for the group set to exceed \$700B in 2026 alone, non-dollar markets, which generally have less tech exposure, are becoming an important source of funding.
- **Focus of the Week:** Treasury auctions (3-, 10-, and 30-year maturities), and inflation and retail sales data take center stage next week.

Washington Policy

- US–Iran tensions are moving toward managed de-escalation rather than a resolution, with mixed signals from the Trump administration highlighting both a desire to de-escalate and a willingness to re-engage militarily if negotiations stall. Both sides seem inclined to avoid further escalation, but gaps remain in their negotiating positions, particularly on uranium enrichment and sanctions relief.
- Presidents Trump and Xi will finally meet in China next week. Developments have been incrementally hawkish ahead of the summit. While a grand bargain coming out of the meetings appears unlikely, a potential US–China Board of Trade, investment commitments, an expansion of the flow of advanced technology, AI, purchase commitments, and Taiwan are all topics that remain on the table.

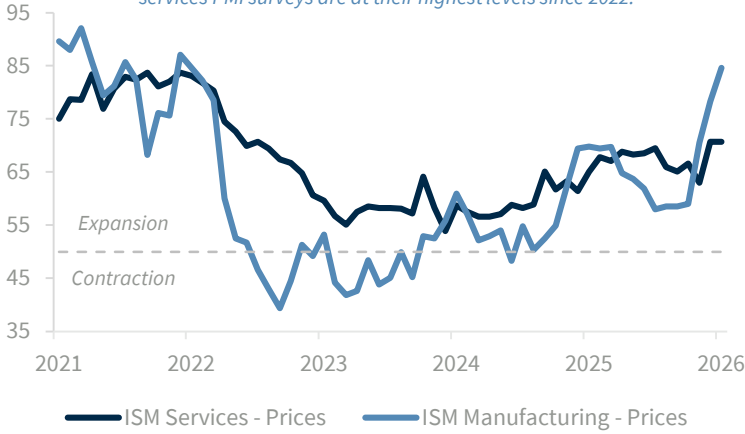
Commodities

- As Iran-related headlines continue to create day-to-day chopiness in oil and other energy commodities, the conflict is also influencing—albeit to a lesser degree—various metals, precious as well as industrial. Case in point: aluminum is up 11% since the start of the conflict and is near four-year highs. Following the Iranian strikes in March on aluminum smelters in the UAE and Bahrain—two countries that together account for 6% of global aluminum supply—it's unclear how long repairs may take, even after the Strait of Hormuz reopens. Lithium is also up 11% over the same timeframe, though for a very different reason. While lithium isn't mined or refined in the Middle East, there is a linkage to oil. With global sales of electric vehicles getting a boost amid more expensive fuel, that stimulates demand for lithium-ion batteries. EVs comprised 26% of global auto sales in 2025, and we project at least 30% this year.
- By contrast, gold and silver remain meaningfully below—by 11% and 16%, respectively—where they were prior to the conflict. This reflects the fact that higher oil prices have pushed up yields—and thus, holding non-income-generating assets is less attractive. This price action differs from the traditional perception of precious metals as a go-to asset class during geopolitical turbulence.

Charts of the Week

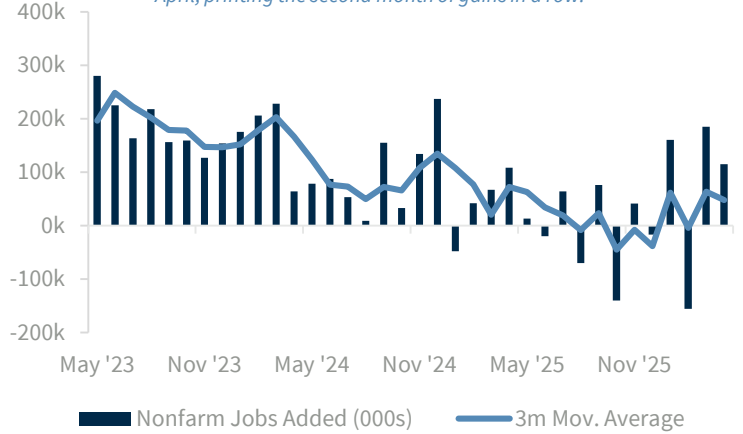
ISM Surveys Signal Pricing Pressure

The 'Prices Paid' components in both manufacturing and services PMI surveys are at their highest levels since 2022.



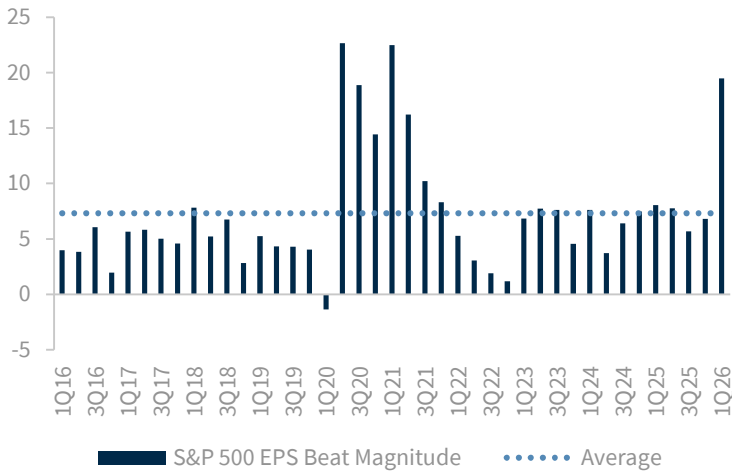
Another Strong Employment Report

Nonfarm payrolls rose a stronger-than-expected 115,000 in April, printing the second month of gains in a row.



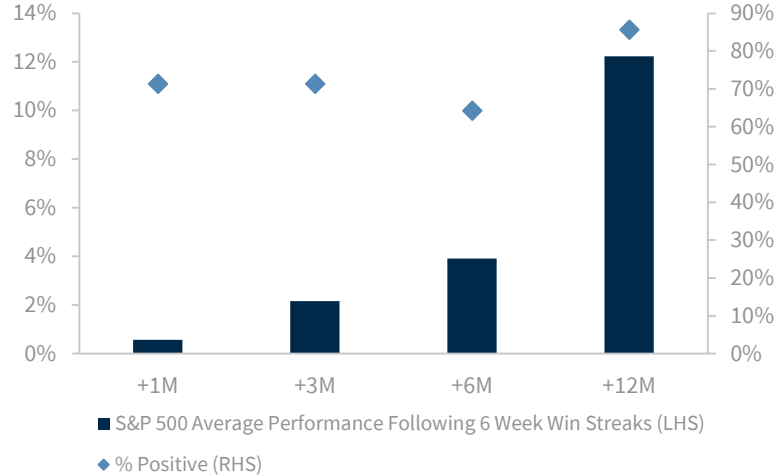
Earnings Season Exceeding Expectations

S&P 500 companies are beating 1Q26 EPS estimates by 19% in aggregate – the highest level since 1Q21.



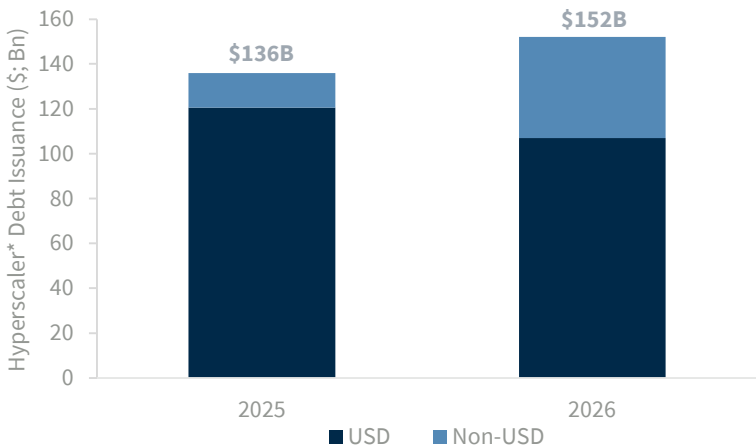
Strength Tends to Follow Six Week Win Streaks

Following six week win streaks, the S&P 500 has gained 12% in the following 12 months on average over the last 20 years.



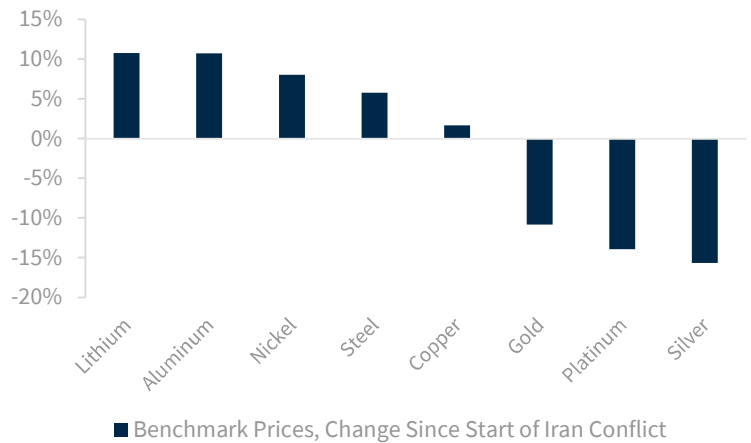
Hyperscalers Relying More On Non-USD Funding

Hyperscaler debt issuance this year has been more front-loaded and increasingly diversified across non-dollar markets.



A Wide Range Of Price Moves In Metals

The Iran conflict has influenced metals in different ways: boosting aluminum and lithium while pressuring gold and silver.



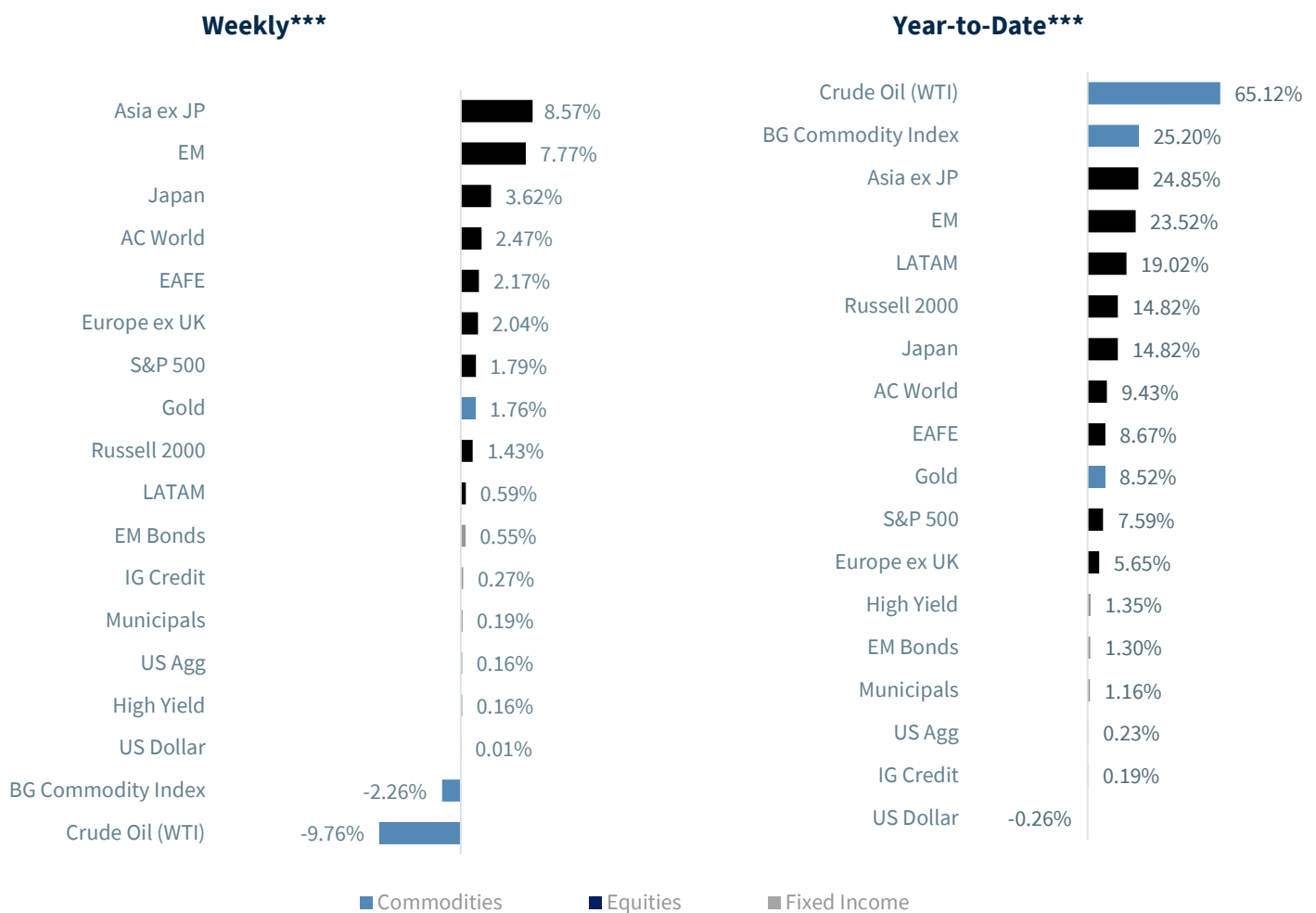
Source for charts: FactSet, as of 5/7/2026.

3 *Hyperscaler debt represented by AMZN, GOOGL, META, MSFT, and ORCL

Asset Class Performance | Distribution by Asset Class and Style (as of May 7)**

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 May 7)	Large Cap	0.3%	1.7%	2.9%	Large Cap	1.6%	2.4%	7.5%	Treasury	0.1%	0.0%	0.1%		
	Mid Cap	0.2%	0.5%	1.5%	Mid Cap	2.1%	1.6%	3.7%	Invest. Grade	0.1%	0.1%	0.2%		
	Small Cap	1.0%	1.4%	1.9%	Small Cap	2.5%	2.0%	3.4%	High Yield	0.1%	0.2%	0.4%		
Year-to-Date Returns (as of May 7)	Large Cap	10.8%	7.3%	3.9%	Large Cap	6.8%	9.0%	24.0%	Treasury	1.2%	-0.2%	-0.4%		
	Mid Cap	11.8%	9.3%	1.2%	Mid Cap	9.1%	10.0%	21.8%	Invest. Grade	0.7%	0.4%	0.1%		
	Small Cap	16.2%	14.8%	13.5%	Small Cap	8.8%	12.9%	18.5%	High Yield	1.5%	1.3%	1.6%		

Asset Class Performance | Weekly and Year-to-Date (as of May 7)**



**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	7337.1	1.8	1.8	7.6	31.9	22.7	13.3	15.5
DJ Industrial Average	49597.0	(0.1)	(0.1)	3.2	20.6	13.7	7.4	10.8
NASDAQ Composite Index	25806.2	3.7	3.7	11.0	45.5	28.2	13.4	18.5
Russell 1000	7667.3	1.7	1.7	7.3	30.4	21.5	12.3	15.0
Russell 2000	7057.2	1.4	1.4	14.8	44.4	18.2	5.7	11.0
Russell Midcap	10731.5	0.5	0.5	9.3	25.8	16.2	7.7	11.6

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	643.0	(0.2)	(0.2)	12.4	24.4	10.7	5.1	10.5
Industrials	1473.2	(0.3)	(0.3)	12.6	31.6	22.3	12.3	13.8
Comm Services	506.9	1.8	1.8	12.3	56.6	38.9	15.5	13.9
Utilities	458.1	(3.7)	(3.7)	6.4	14.9	12.8	9.8	9.9
Consumer Discretionary	1987.4	1.8	1.8	3.3	26.2	20.9	7.8	13.4
Consumer Staples	949.3	(0.4)	(0.4)	10.6	8.0	8.4	8.3	8.6
Health Care	1686.6	(0.8)	(0.8)	(6.1)	8.9	4.5	4.9	9.6
Information Technology	6398.0	5.6	5.6	12.7	53.3	34.7	22.2	26.1
Energy	854.8	(6.0)	(6.0)	25.4	43.3	15.3	20.5	9.8
Financials	856.9	(1.1)	(1.1)	(5.4)	5.9	18.8	8.4	12.8
Real Estate	284.1	(0.5)	(0.5)	14.1	13.5	10.5	5.0	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	1.3	4.1	4.8	3.5	2.3
2-Year Treasury (%)	3.9	0.0	0.0	0.4	3.2	3.6	1.6	1.6
10-Year Treasury (%)	4.4	0.1	0.1	(0.4)	3.6	1.5	(1.4)	0.3
Bloomberg US Corporate HY	7.3	0.2	0.2	1.3	8.5	9.0	4.3	6.0
Bloomberg US Aggregate	4.6	0.2	0.2	0.2	4.8	3.5	0.2	1.7
Bloomberg Municipals	--	0.2	0.2	1.2	6.3	3.3	0.9	2.2
Bloomberg IG Credit	5.1	0.3	0.3	0.2	6.1	4.9	0.6	2.7
Bloomberg EM Bonds	6.0	0.6	0.6	1.3	10.1	8.5	2.1	3.7

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	94.8	(9.8)	(9.8)	65.1	63.3	9.9	7.9	7.8
Gold (\$/Troy Oz)	4710.9	1.8	1.8	8.5	38.9	32.5	20.8	13.8
Bloomberg Commodity Index	137.3	(2.3)	(2.3)	25.2	35.3	10.1	7.9	5.1

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.1	0.0	0.0	(0.3)	(1.6)	(1.0)	1.7	0.4
Euro	1.18	0.4	0.4	0.3	3.6	2.3	(0.6)	0.3
British Pound	1.36	0.3	0.3	1.3	2.0	2.6	(0.5)	(0.6)
Japanese Yen	156.26	0.3	0.3	0.3	(8.3)	(4.8)	(7.0)	(3.7)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1103.3	2.5	2.5	9.4	33.1	21.5	11.4	13.3
MSCI EAFE	3100.6	2.2	2.2	8.7	26.2	16.6	9.3	10.0
MSCI Europe ex UK	3390.7	2.0	2.0	5.6	21.9	15.4	9.1	10.6
MSCI Japan	5458.9	3.6	3.6	14.8	34.6	20.1	9.4	10.1
MSCI EM	1723.9	7.8	7.8	23.5	55.5	24.1	8.1	11.0
MSCI Asia ex JP	1135.1	8.6	8.6	24.9	57.2	24.6	7.9	11.6
MSCI LATAM	3197.1	0.6	0.6	19.0	54.1	19.2	12.1	9.2
Canada S&P/TSX Composite	24831.6	(0.3)	(0.3)	6.8	34.6	18.1	11.7	9.5

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

Disclosures

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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.

CONSUMER SENTIMENT INDEX | The University of 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.

ISM MANUFACTURING INDEX | The ISM Manufacturing Index, or Purchasing Managers' Index (PMI), is a crucial monthly report on US economic activity based on surveys of manufacturing supply executives. It gauges sector health by tracking new orders, production, employment, supplier deliveries, and inventories. A reading above 50 indicates expansion; below 50 signals contraction.

ISM SERVICES INDEX | The ISM Services Index, now officially known as the Services PMI (Purchasing Managers' Index), is a monthly economic indicator released by the Institute for Supply Management. It measures the performance of the US service sector—which constitutes nearly 80% of the economy—based on surveys of over 400 purchasing managers across 60+ industries, such as finance, retail, and healthcare.

IMPORT/EXPORT PRICE INDICES | The Import and Export Price Indices are economic indicators that measure the average change in prices of goods and services imported into a country from foreign sources, or exported from the US, respectively. These indices act as key metrics for inflation, tracking how changing international costs affect domestic consumers, businesses, and economic policy.

NAHB HOUSING MARKET INDEX | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey gauging home builder sentiment on the U.S. single-family housing market, serving as a leading economic indicator. It measures builder perceptions of current sales, sales expectations for the next six months, and buyer traffic.

PENDING HOME SALES INDEX | The Pending Home Sales Index (PHSI), released monthly by the National Association of Realtors (NAR), is a leading indicator of housing activity that tracks signed real estate contracts for existing single-family homes, condos, and co-ops.

NEW HOME SALES INDEX | The New Home Sales report, released monthly by the US Census Bureau and the Department of Housing and Urban Development (HUD), tracks the number of newly constructed, privately-owned single-family homes sold across the US. As a key leading economic indicator, it measures new, signed sales contracts rather than closings.

NFIB SMALL BUSINESS INDEX | The NFIB Small Business Optimism Index is a monthly survey-based economic indicator measuring the health and sentiment of US small business owners. It acts as a leading indicator, covering hiring, inflation, and expansion plans to reflect future economic activity.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 5/7/2026

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.

STOXX 600 EUROPE | The STOXX Europe 600 (or STOXX 600) is a premier stock market index tracking the 600 largest, most liquid companies across 17 developed European countries. It covers large-, mid-, and small-cap companies, representing about 90% of the European free-float market cap.

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