



Quarterly market outlook

Second quarter 2026

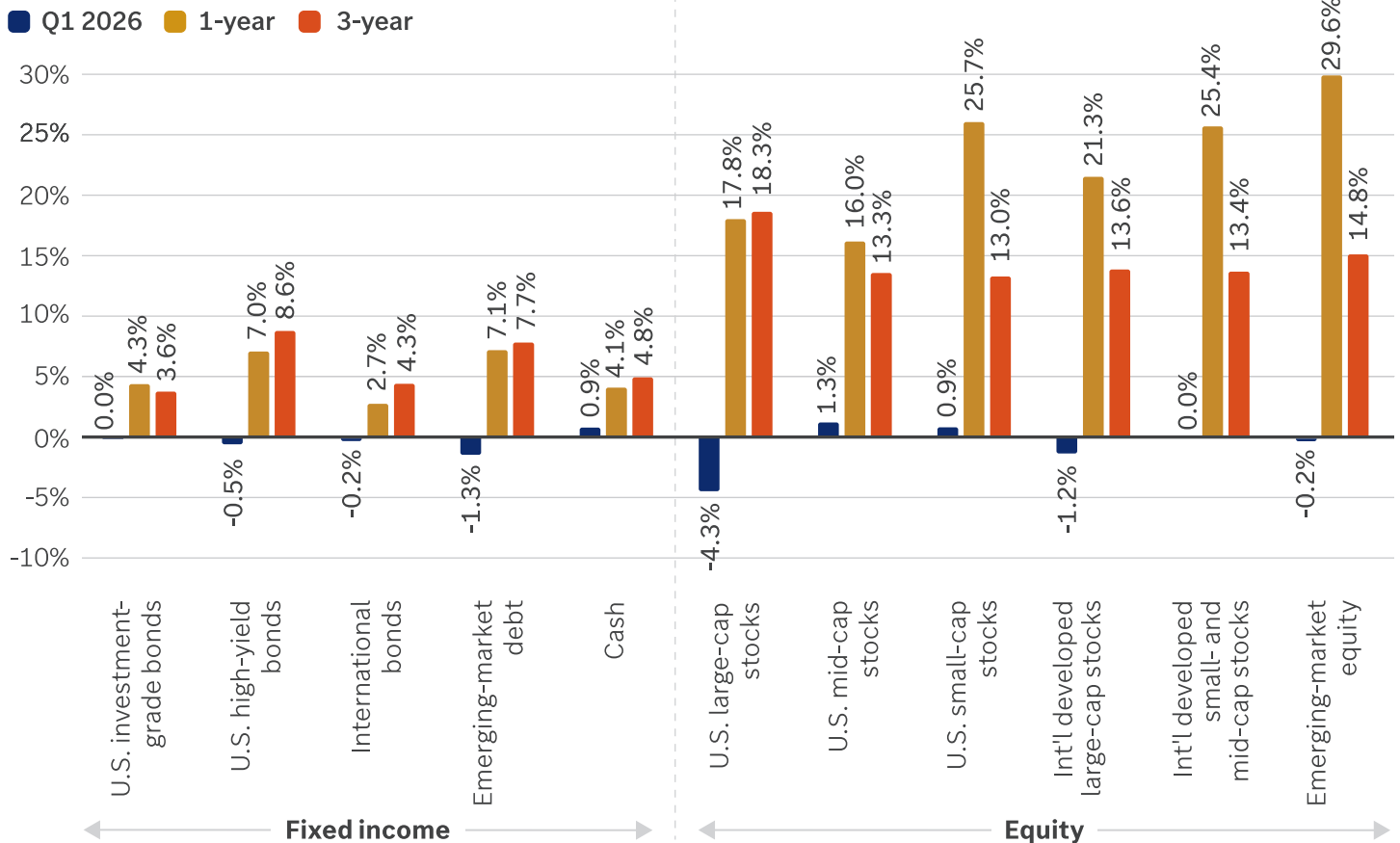


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Quarter in review

The war in Iran drove oil prices sharply higher and triggered global market volatility in the first quarter. U.S. large-cap stocks and credit-sensitive fixed-income sectors declined, while energy and defensive sectors generally outperformed.

Asset class performance



Source: FactSet. Cash represented by the Bloomberg US Treasury Bellwethers 3-Month index. U.S. investment-grade bonds represented by the Bloomberg US Aggregate index. U.S. high-yield bonds represented by the Bloomberg US HY 2% Issuer cap index. International bonds represented by the Bloomberg Global Aggregate Ex USD hedged index. Emerging-market debt represented by the Bloomberg Emerging Market USD Aggregate Index. U.S. large-cap stocks represented by the S&P 500 Index. Developed international large-cap stocks represented by the MSCI EAFE index. U.S. mid-cap stocks represented by the Russell Mid-cap index. U.S. small-cap stocks represented by the Russell 2000 Index. International small- and mid-cap stocks represented by the MSCI EAFE SMID index. Emerging-market equity represented by the MSCI EM index. Growth represented by the Russell 1000 Growth Index. Value represented by the Russell 1000 Value Index. All performance data reported as total return. Net total return is used for MSCI EAFE, MSCI EAFE SMID and MSCI EM. An index is unmanaged and is not available for direct investment. Performance does not include payment of any expenses, fees or sales charges, which would lower the performance results. The value of investments fluctuates, and investors can lose some or all of their principal. Past performance does not guarantee future results.

Quarter in review *(cont.)*

Geopolitical conflict pauses market rally

After strong returns for global equity markets in 2025, 2026 opened on weaker footing. On Feb. 28, the U.S. and Israel launched attacks on Iran, which responded with counterattacks across the Middle East. The conflict disrupted oil tanker traffic through the Strait of Hormuz, a key shipping route through which about 20% of global oil consumption flows. Oil prices surged 77% during the quarter, ending above \$100 per barrel and fueling volatility in global equity markets in March.

Energy and defensive sectors outperform

After posting strong returns over the past three years, U.S. large-cap stocks underperformed in the first quarter, declining 4.3%. Weakness was concentrated in technology, financials, consumer discretionary and communication services, with each sector falling more than 6%. By contrast, energy led all sectors with a 38% gain, followed by a 9.7% gain for the materials sector. Defensive sectors, such as utilities and consumer staples, also outperformed. U.S. small- and mid-cap stocks fared better, supported by strong returns in the first two months of the quarter.

International stocks ended the quarter little changed after a strong start. Because Europe and parts of Asia are more dependent on energy imports than the U.S., these regions were especially vulnerable to rising oil prices and underperformed in March. International developed small- and mid-cap stocks finished flat, while emerging-market equities and developed large-cap stocks posted modest declines.

Bonds mixed amid higher rates

The surge in oil prices pushed inflation expectations higher, leading investors to temper their anticipation of Fed rate cuts. This also drove U.S. Treasury yields higher, particularly among shorter maturities. In response, U.S. investment-grade bonds finished the quarter flat. In developed international markets, expectations shifted toward higher odds of interest-rate hikes from central banks in Europe and Japan, putting upward pressure on government bond yields and leading to modest losses for international bond returns. Heightened geopolitical uncertainty also pressured credit-sensitive fixed-income sectors, with U.S. high-yield bonds and emerging-market debt declining 0.5% and 1.3%, respectively. Cash was the top-performing fixed-income asset class, gaining 0.9% in the first quarter.



> **Action for investors**

Although market volatility can be uncomfortable, it is a normal part of investing.

The first-quarter market pullback may present an opportunity for investors to rebalance their portfolios or add to investments that support their long-term goals.

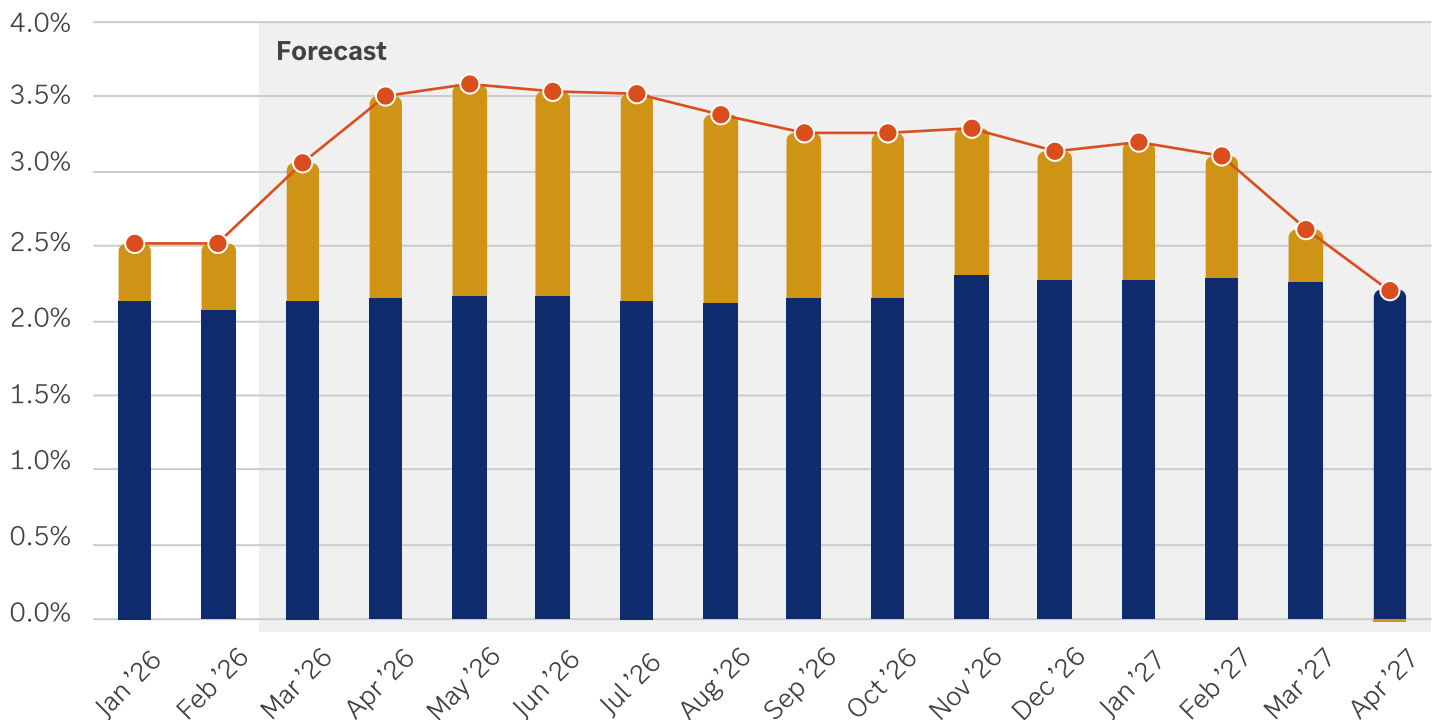
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Economic outlook

The U.S. economy is absorbing an energy price shock as conflict in the Middle East forces oil prices higher. This inflationary impulse will weigh on household purchasing power and squeeze corporate margins, but the economy should remain resilient in the face of these headwinds.

U.S. inflation to spike again in 2026 on the back of rising global energy prices

- Contribution to headline CPI inflation from energy and food prices
- Contribution from all other items in the CPI basket
- Headline CPI inflation



Source: FRED, Edward Jones.

Economic outlook *(cont.)*

Another inflation setback

The spike in oil prices in early 2026 will show up quickly in higher headline inflation. We have already seen gas prices surge to more than \$4 per gallon, and higher oil prices will affect a wider range of goods and services for which oil is an important input. This increase will undo the long-awaited decline in headline CPI inflation toward the Fed's 2% target. Annual inflation rates are likely to spike to around 3.5% over the second quarter and remain elevated through the rest of 2026. While another inflation setback is disappointing, the impact of higher oil prices on inflation should prove temporary, with price growth likely to move back toward target once this shock fades in early 2027.

A modest hit to growth

Some parts of the U.S. economy will benefit from higher energy prices. The U.S. has been a net exporter of energy products since 2019, with the global oil shock likely to boost exports, profitability, investment and hiring in this sector. However, we expect this will cushion rather than fully offset the hit to the broader economy. Higher prices for gas and a range of other products for which oil is an important input will weigh on households' real spending power. Meanwhile, businesses using these commodities might feel some squeeze on their margins, which in turn could subdue their investment and hiring activity. The good news is, at current oil prices, these drags should dent but not derail growth, especially given solid private sector fundamentals. We think headline growth will run about 2% this year.

Tail risks rising

Uncertainty over the path for oil prices has raised some risk around the outlook. A more prolonged disruption to oil supplies that pushes prices significantly higher and leaves them elevated longer could drive a more pronounced stagflationary shock for the U.S. and global economies. In the U.S., this could threaten a further pullback in hiring from already cautious rates, forcing unemployment higher and putting the business cycle at risk. Typically, Fed policy easing could help partly offset these headwinds, but it is not clear whether the central bank would feel comfortable cutting rates, in the short term at least, amid a larger inflation spike. A full-blown oil crisis such as this is not our base case but a risk worth monitoring closely.



> **Action for investors**

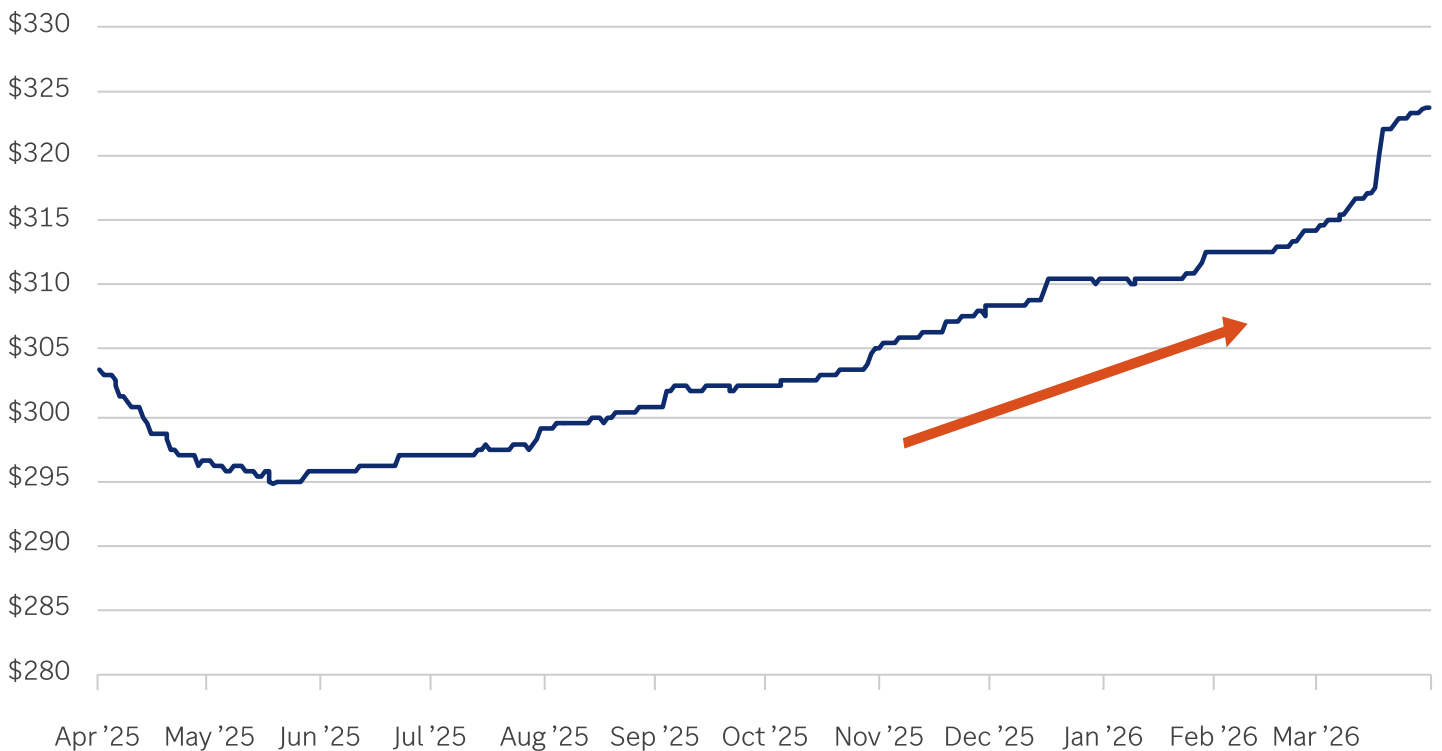
While conflict in the Middle East is dominating headlines, we should keep in mind the strong economic and corporate fundamentals that drove accelerating earnings growth before this shock. We believe an easing in this geopolitical crisis could put the focus back on this still upbeat earnings backdrop, setting the stage for a sustained recovery in equities.

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Equity outlook

The U.S. equity market experienced the weakest quarterly return since 2022 during the first quarter of 2026. The S&P 500 was down about 4.6% in Q1, driven by the Iran crisis and higher oil prices.

S&P 500 2026 earnings forecast continues to climb, despite geopolitical uncertainty (2026 EPS, \$)



Source: Bloomberg.

Equity outlook *(cont.)*

Broadening theme on pause

The market began the year on a more optimistic note, with equity leadership broadening and areas such as small- and mid-cap stocks, as well as cyclical sectors, all performing well. However, this theme has stalled somewhat during the Iran crisis, with volatility impacting most asset classes and just a few relative safe havens emerging, including the energy sector and U.S. dollar.

Market correction should not become deep or prolonged bear market

As we look to the quarter and year ahead, we believe market volatility may persist until 1) a durable end to the Iran crisis becomes clear, and 2) oil prices show signs of containment and revert back toward \$70 to \$80 levels (West Texas Intermediate (WTI) crude oil per barrel). Markets continue to price in a reversion to the mean in the futures oil curve, which indicates WTI returning to \$73 levels by year-end.* In our view, if the Iran war is contained and oil prices show signs of moderation, equity market leadership may return to the broadening theme we saw at the beginning of the year.

Also, keep in mind that historically, the norm in any given year is one to three stock market corrections. Investors have seen a solid rally since the April 2025 lows, with the S&P 500 up more than 35% through February prior to the start of the Iran conflict.* Thus, a correction in the 5% to 15% range, while uncomfortable, may help valuations reset lower and provide entry opportunities for investors.

It is important to note that we do not expect a stock market correction to become a deep or prolonged bear market (20% or higher drawdown). Typically, bear markets occur when a recession is on the horizon or the Federal Reserve is raising interest rates rapidly. Currently, our highest-probability scenario calls for positive economic and earnings growth, and for the Fed to remain on hold for most of 2026. We do see economic growth softening by about 0.5% versus original forecasts of about 2.5%, and headline inflation reaching 3.5% before moderating, but we do not yet see the case for an economic recession.

Earnings growth revised higher for 2026

Another reason for potential optimism in the U.S. equity market is corporate earnings. The forecast for earnings growth for S&P 500 companies has moved higher through the first quarter of the year, now pointing to about 17% year-over-year growth versus estimates of about 13% growth coming into the year.* This has been driven by upward revisions in the energy and materials sectors as well as in the technology sector, caused in part by a rise in capex spending throughout the AI landscape. In our view, the positive earnings growth should underpin U.S. equity markets this year and support better sentiment despite ongoing geopolitical uncertainty.

*Source: Bloomberg



> Action for investors

We continue to overweight equities versus fixed income. We recommend overweight allocations to U.S. large-cap and mid-cap stocks, which can benefit if a broadening theme reemerges in equity markets. We also favor the industrials and consumer discretionary sectors, which can do well as the U.S. economy continues to grow in the year ahead.

Investing in equities involves risks. The value of shares will fluctuate and investors can lose some or all of their principal.

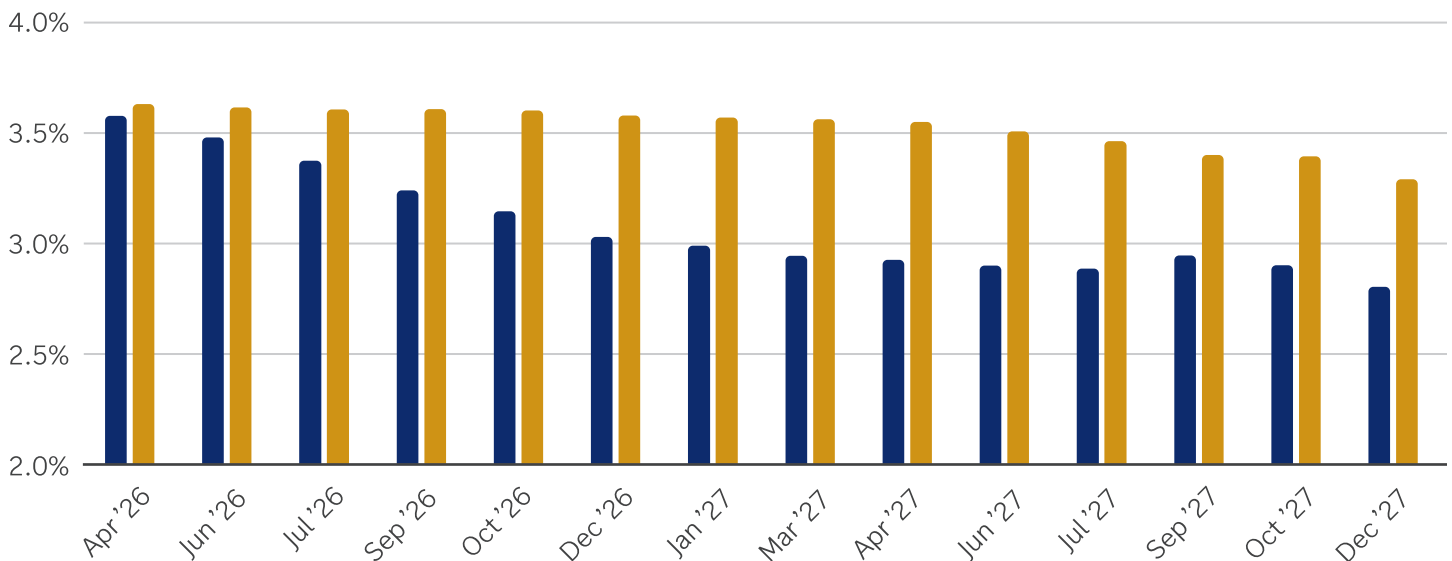
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Fixed-income outlook

With inflation likely to rise, at least over the near term, we expect the Fed's easing cycle to slow. Bond yields have moved higher, driven in part by expectations for delayed rate cuts and rising inflation. On a positive note, higher yields improve income potential, the primary driver of bond returns.

Market-implied Fed rate cuts pushed back

- Market-implied federal funds rate (February)
- Market-implied federal funds rate (March)



Source: CME FedWatch.

Fixed-income outlook *(cont.)*

Fed easing delayed, not derailed

The Fed held its policy rate steady for a second consecutive meeting in March and updated its quarterly projections. The expected path for the federal funds rate was unchanged, still signaling one cut this year followed by another next year. The central bank raised its inflation outlook for 2026 and 2027, citing the temporary effects of higher oil prices and lingering tariffs. At the same time, it upgraded its growth estimate on expectations for stronger productivity. While the dot plot (the chart that shows where the Fed's policymakers see interest rates headed) still points to one cut this year, some participants shifted from expecting two or more cuts to just one, suggesting the center of gravity has moved modestly less dovish. Bond markets may be reflecting that nuance, pricing in a slower pace of easing ahead, shown in the chart on Page 8.

We still think the Fed remains in its easing cycle, although that path now appears more gradual. The central bank's preferred inflation gauge, the Personal Consumption Expenditures (PCE) price index, was running at 2.8% through February and has remained above the 2% target for five years. Meanwhile, a stabilizing labor market — marked by slower hiring and fewer layoffs — may give policymakers more time to confirm that inflation is not becoming entrenched, rather than forcing more urgent action. Importantly, policymakers still see inflation returning to target by 2028, reflecting the view that the expected rise will not be persistent enough to require a renewed tightening cycle. In our view, the Fed is likely willing to look past this temporary increase, provided longer-term inflation expectations remain anchored.

Bond yields have risen but are likely to remain range-bound

Bond yields have risen from their February lows, bringing the 10-year Treasury yield back more firmly within our expected 4.0%–4.5% range this year. The prospect of delayed Fed rate cuts accounted for most of that move, pushing the entire yield curve higher. Inflation expectations — a key component of bond yields — have also contributed. Continued Fed purchases of Treasury bills should help anchor the short end of the yield curve near the federal funds rate, limiting upward pressure on yields. Conversely, resilient economic growth, persistent fiscal deficits and inflation risks typically drive yields higher, making a sustained drop unlikely, in our view. Although bonds often benefit during periods of market stress, they can be vulnerable to inflationary shocks. On a positive note, higher yields improve income potential, the primary driver of bond returns. In addition, any easing in inflation expectations could lift bond prices, which move inversely to yields.



> **Action for investors**

Consider offsetting our recommended overweight exposure to equities by underweighting a mix of fixed income across U.S. investment grade bonds, U.S. high-yield bonds and international bonds.

A sustained move of the 10-year Treasury yield above 4.5% could present an opportunity to extend duration with long-term bonds.

Before investing in bonds, understand the risks involved, including credit risk and market risk. Bond investments are also subject to interest rate risk such that when interest rates rise, the prices of bonds can decrease, and investors can lose principal value if the investment is sold prior to maturity.

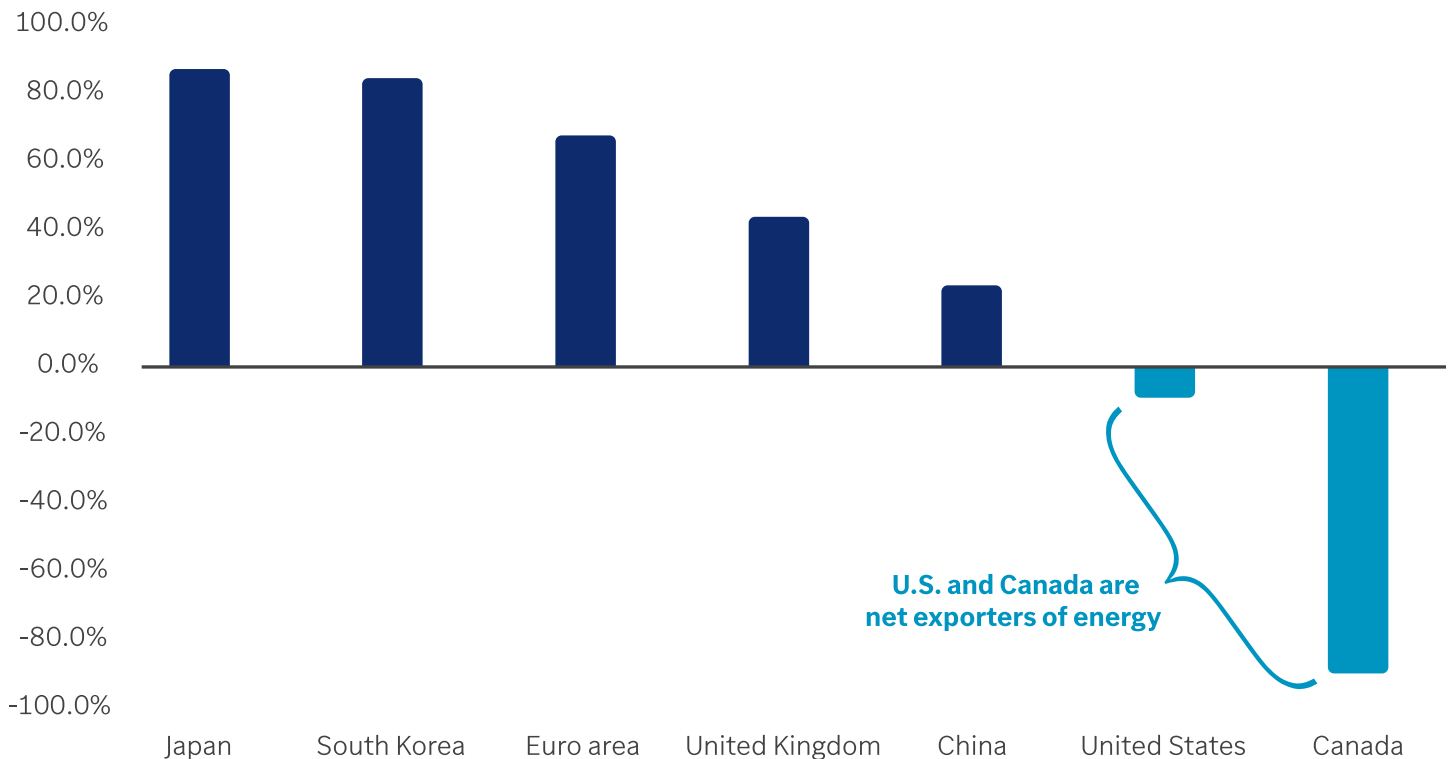
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International outlook

International equities began the year with strong momentum, but the escalation of conflict in the Middle East has introduced uncertainty and paused their outperformance relative to U.S. stocks. The duration and severity of the conflict will be key to how meaningful the resulting energy supply shock becomes. While volatility is likely to remain elevated in the near term, we believe international equities can reassert their value once energy prices begin to normalize.

Most international economies are more exposed to high energy prices

Energy imports as a share of total energy use



Source for all data: Bloomberg.

International outlook *(cont.)*

Energy dependence is a vulnerability

The Iran war poses downside risks to global growth and upside risks to inflation through higher energy prices. As a net energy exporter since 2019, the U.S. is better insulated from rising energy costs. By contrast, many international economies face greater exposure because of their reliance on imports. For example, Japan imports roughly 90% of its energy needs, while much of Asia and the euro area depend heavily on energy flows through the Strait of Hormuz. Sustained higher energy prices would pressure household incomes and growth abroad. Ultimately, the length of any supply disruption will determine the market impact. A short-lived spike in oil prices would likely allow international equities to resume their outperformance, whereas a prolonged conflict would be a more meaningful headwind.



Central banks are sensitive to inflation risks

Higher oil prices are also prompting a reassessment of interest rate expectations globally, with short-term rates moving higher since the conflict began. Central banks that are closer to neutral and primarily focused on inflation — rather than operating under a dual mandate like the Federal Reserve — may be less inclined to look past an energy-driven inflation shock. Reflecting this dynamic, European Central Bank rhetoric has turned more hawkish, and markets are increasingly pricing in one to two rate hikes this year in the euro area and the U.K.

U.S. dollar reemerges as safe haven

Last year, a sharply weaker U.S. dollar provided a tailwind to international equity returns. Since the onset of the Iran conflict, however, the dollar has strengthened, reclaiming its role as a safe-haven asset amid heightened geopolitical uncertainty. As long as energy prices remain elevated, the dollar is likely to stay supported. That said, tighter policy expectations abroad should help limit the extent of dollar appreciation.

> **Action for investors**

We continue to favor emerging-market equities and international developed small- and mid-caps over large-cap international equities. The recent pullback linked to geopolitical concerns may present an opportunity for investors to add to international exposure if allocations are below long-term strategic targets.

Special risks are inherent to international and emerging market investing, including those related to currency fluctuations and foreign political and economic events.

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Private credit

Headlines are loud, but fundamentals remain sound.

Redemptions are elevated, but the system is working as designed

Recent media coverage has intensified concerns about liquidity in the private credit market, contributing to higher redemption requests in many evergreen private credit funds. Despite the noise, managers have generally continued to meet redemption requests up to their stated quarterly redemption caps using available portfolio liquidity, cash, borrowing and, in limited cases, selling assets without incurring a material discount. In recent examples, some funds honored redemptions in full, while others received requests well above their stated caps and fulfilled withdrawals on a pro rata basis based on the requested redemption amount up to the fund's stated cap.

If redemption requests remain elevated, funds will likely continue to prorate withdrawals above their stated caps. This is not necessarily a sign of distress; rather, it is an essential feature of the structure. Evergreen private credit vehicles are designed for long-term investors and are not intended to provide regular liquidity beyond defined thresholds. Proration protects remaining shareholders by avoiding forced asset sales and preserving portfolio construction. While headlines may frame gating or proration negatively, adherence to redemption limits reflects disciplined fund management and is central to how these vehicles are designed to operate. Continued redemption queues could weigh on sentiment and fundraising, but they do not, on their own, signal underlying credit stress. It is also important to remember that evergreen private market vehicles, besides interval funds, which are required to provide their stated liquidity each quarter, retain board level discretion on when access to redemptions is appropriate.

Technology exposure is meaningful, but disruption concerns remain nuanced

Private credit has meaningful exposure to software and technology-enabled businesses. These companies represent 24% of the Cliffwater Direct Lending Index as of Q4 2025. This exposure has drawn attention amid broader discussion about artificial intelligence (AI) and its potential impact on traditional software business models.

At this stage, credit performance does not show broad deterioration tied to technology disruption. Many borrowers are either system-of-record platforms or have deeply embedded workflow tools with long-term contracts, high switching costs or mission-critical functionality, which can slow the pace of disruption.

In addition, private equity sponsors have been incorporating automation and AI considerations into operating strategies for several years, focusing on efficiency gains and competitive positioning rather than reacting to a single technological development. In our opinion, while technology exposure warrants monitoring, current data does not support an imminent credit-led downturn stemming from AI-driven disruption.

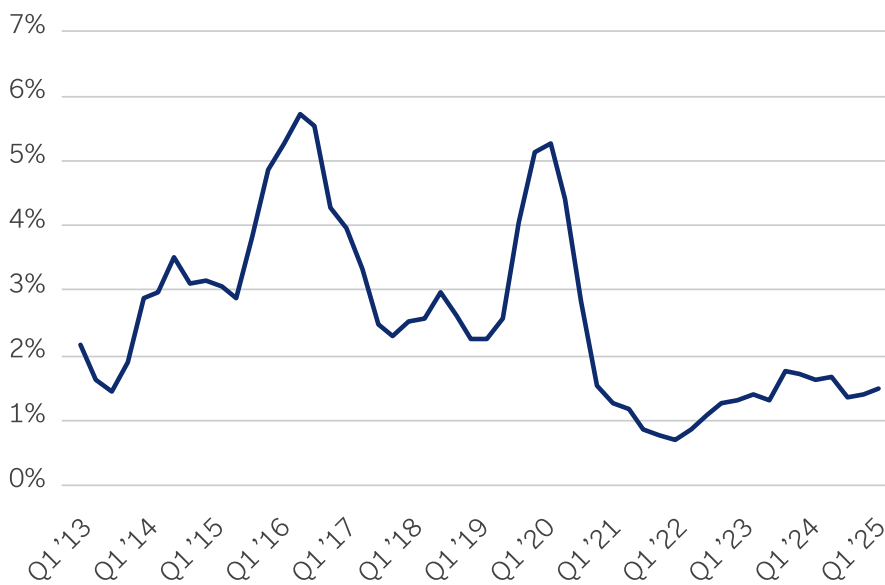
Losses will rise over time as part of a normal credit cycle

Private credit is part of the broader leveraged finance ecosystem that also includes public high-yield bonds and bank loans, which should all be expected to experience cyclical increases in losses over time. Historically, annualized loss rates in private direct lending have averaged about 1%, broadly similar to long-run experience in publicly traded bank loans. Recent default rates have remained below these averages, reflecting generally stable borrower performance.

Private credit (cont.)

Senior direct lending loan default rates remain below long-term averages

(trailing 4-quarter senior loan default rate %)



Source for all data: Bloomberg.

Several structural features support credit quality in private markets, including tighter documentation, enhanced financial reporting, closer lender sponsor engagement and alignment created by lenders retaining originated loans. At the same time, portfolio-level leverage can magnify losses in a downturn. Therefore, investors should expect loss rates to rise when the next credit cycle emerges, potentially resulting in downward pressure on net asset values (NAV). This dynamic is part of the normal cycle and is factored into long term return expectations for the asset class.

Alternative investments are speculative, highly illiquid and include a high degree of risk. Investors could lose some or all of their investment.

Alternative investments are designed for long-term investment. Alternative investments typically have higher fees and expenses than other investment vehicles which will lower returns achieved by investors. Alternative investments have distinctive characteristics, such as investing in private markets and investor eligibility.

Unlike mutual funds, alternative investment funds are not subject to some of the regulations designed to protect investors and are not required to provide the same level of disclosure. Before investing, you should carefully consider the features, suitability and risks of these investments.

> Action for investors

Private credit remains supported by stable fundamentals despite elevated redemptions and uneven sentiment. Long-term investors should anticipate occasional proration of withdrawals and view this as a normal structural safeguard rather than a sign of stress. In our opinion, while technology exposure and redemption activity merit ongoing attention, current evidence does not indicate a meaningful deterioration in credit quality. Properly sized allocations and appropriate liquidity expectations remain central to successful private credit outcomes.

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Portfolio guidance

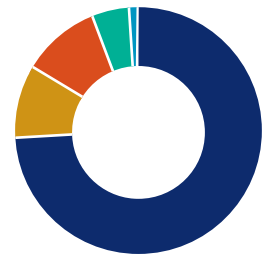
Our **strategic asset allocation guidance** represents our view of balanced diversification for the fixed-income and equity portions of a well-diversified portfolio based on our outlook for the economy and markets over the next 30 years. The exact weightings (neutral weights) to each asset class will depend on the broad allocation to equity and fixed-income investments that most closely aligns with your comfort with risk and financial goals.

Equity diversification



- U.S. large-cap stocks
- International large-cap stocks
- U.S. mid-cap stocks
- U.S. small-cap stocks
- International small-and mid-cap stocks
- Emerging-market equity

Fixed-income diversification



- U.S. investment-grade bonds
- U.S. high-yield bonds
- International bonds
- Emerging-market debt
- Cash

Our **opportunistic portfolio guidance** represents our timely investment advice based on our global outlook. We expect this guidance to enhance your portfolio's return potential, relative to our long-term strategic portfolio guidance, without taking on unintentional risk. We recommend first considering our opportunistic asset allocation guidance to capture opportunities across asset classes. We then recommend considering opportunistic equity style, U.S. equity sector and U.S. investment-grade bond guidance for more supplemental portfolio positioning, if appropriate.

Opportunistic asset allocation guidance

	Underweight	Neutral	Overweight
Equity	•	•	●
U.S. large-cap stocks	•	•	●
International large-cap stocks	●	•	•
U.S. mid-cap stocks	•	•	●
U.S. small-cap stocks	•	●	•
International small- and mid-cap stocks	•	•	●
Emerging-market equity	•	•	●
Fixed income	●	•	•
U.S. investment-grade bonds	●	•	•
U.S. high-yield bonds	●	•	•
International bonds	●	•	•
Emerging-market debt	•	●	•
Cash	•	●	•

Source: Edward Jones

Diversification does not ensure a profit or protect against loss in a declining market. This content is provided as general information only and should not be interpreted as specific recommendations or investment advice. Investors should make investment decisions based on their unique investment objectives and financial situation. Opinions expressed are as of the date of this report and subject to change.

Portfolio guidance *(cont.)*

Opportunistic equity style guidance	Underweight	Neutral	Overweight
Value-style equity	•	●	•
Growth-style equity	•	●	•

Opportunistic U.S. equity sector guidance	Underweight	Neutral	Overweight
Communication services	•	●	•
Consumer discretionary	•	•	●
Consumer staples	●	•	•
Energy	•	●	•
Financial services	•	●	•
Health care	•	●	•
Industrials	•	•	●
Materials	•	●	•
Real estate	•	●	•
Technology	•	●	•
Utilities	●	•	•

Opportunistic U.S. investment-grade bond guidance	Underweight	Neutral	Overweight
Interest rate risk (duration)	•	●	•
Credit risk	•	●	•

Source: Edward Jones.

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Investment performance benchmarks

It's natural to compare your portfolio's performance to market performance benchmarks, but it's important to put this information in the right context and understand the mix of investments you own. Talk with your financial advisor about any next steps for your portfolio to help you stay on track toward your long-term goals.

Asset class returns				
Total returns	Q1 2026	1 year	3 year	5 year
U.S. Investment-grade bonds	0.0%	4.3%	3.6%	0.3%
U.S. high-yield bonds	-0.5%	7.0%	8.6%	4.2%
International bonds	-0.2%	2.7%	4.3%	1.1%
Emerging-market debt	-1.3%	7.1%	7.7%	1.9%
Cash	0.9%	4.1%	4.8%	3.4%
U.S. large-cap stocks	-4.3%	17.8%	18.3%	12.1%
U.S. mid-cap stocks	1.3%	16.0%	13.3%	7.3%
U.S. small-cap stocks	0.9%	25.7%	13.0%	3.8%
International developed large-cap stocks	-1.2%	21.3%	13.6%	7.9%
International developed small- and mid-cap stocks	0.0%	25.4%	13.4%	5.2%
Emerging-market equity	-0.2%	29.6%	14.8%	3.7%

U.S. equity sector performance				
Total returns	Q1 2026	1 year	3 year	5 year
Communication services	-6.9%	32.5%	31.1%	12.9%
Consumer discretionary	-9.2%	11.7%	15.4%	6.3%
Consumer staples	7.7%	6.3%	8.6%	8.5%
Energy	38.2%	36.3%	18.0%	25.1%
Financials	-9.3%	0.7%	17.4%	9.7%
Health care	-4.9%	2.3%	6.0%	6.5%
Industrials	4.6%	25.2%	18.8%	12.2%
Information technology	-9.1%	29.0%	25.9%	18.2%
Materials	9.7%	18.0%	9.4%	6.9%
Real estate	2.8%	2.3%	7.1%	4.4%
Utilities	8.3%	19.7%	14.2%	10.9%

U.S. equity style performance				
Growth	-9.8%	18.8%	21.2%	12.8%
Value	2.1%	15.9%	14.3%	9.4%

Source: FactSet. Cash represented by the Bloomberg US Treasury Bellwethers 3-Month index. U.S. investment-grade bonds represented by the Bloomberg US Aggregate index. U.S. high-yield bonds represented by the Bloomberg US HY 2% Issuer cap index. International bonds represented by the Bloomberg Global Aggregate Ex USD hedged index. Emerging-market debt represented by the Bloomberg Emerging Market USD Aggregate Index. U.S. large-cap stocks represented by the S&P 500 Index. Developed international large-cap stocks represented by the MSCI EAFE index. U.S. mid-cap stocks represented by the Russell Mid-cap index. U.S. small-cap stocks represented by the Russell 2000 Index. International small- and mid-cap stocks represented by the MSCI EAFE SMID index. Emerging-market equity represented by the MSCI EM index. Equity sectors represented by GICS sectors of the S&P 500 Index. Growth represented by the Russell 1000 Growth Index. Value represented by the Russell 1000 Value Index. All performance data reported as total return. Net total return is used for MSCI EAFE, MSCI EAFE SMID and MSCI EM. An index is unmanaged and is not available for direct investment. Performance does not include payment of any expenses, fees or sales charges, which would lower the performance results. The value of investments fluctuates, and investors can lose some or all of their principal. Past performance does not guarantee future results.

This report is provided as general information only and should not be interpreted as specific recommendation or investment advice. Investors should make investment decisions based on their unique investment objectives and financial situation. Opinions expressed are as of the date of this report and are subject to change. Asset Allocation does not ensure a profit or protect against loss in a declining market. Investors should understand the risks involved in owning investments, including interest rate risk, credit risk and market risk. The value of investments fluctuates, and investors can lose some or all of their principal. Special risks are inherent in international and emerging-market investing, including those related to currency fluctuations and foreign political and economic events.