

JANUARY 2, 2026

WEEKLY HEADINGS

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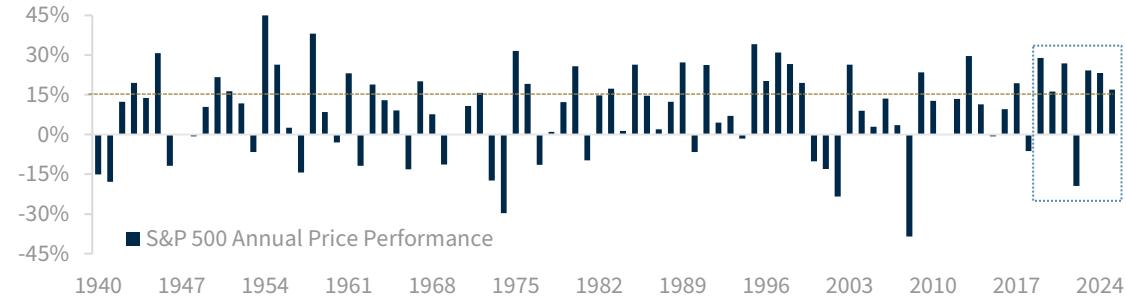
Happy New Year! 2025 had its fair share of surprises—but through it all, the economy and markets showed incredible resilience. Economic growth held near trend at 2%, the S&P 500 soared to 38 record highs, finishing up ~17.9%. Bonds staged a comeback with the Bloomberg US Aggregate posting its strongest annual gain since 2020—up 7.3%. Now, as we turn the page to 2026, new challenges await: geopolitical tensions, lofty valuations, and an evolving macro backdrop. That's why we're excited to unveil our Ten Themes for 2026, inspired by *Mission: Impossible*—celebrating the 30th anniversary of its first movie this year. The good news? While returns may feel 'impossible' at times, long-term investors can succeed by staying agile, focusing on fundamentals, and seizing opportunities along the way. Join us Monday, January 5 at 4 PM EST for our annual outlook as we explore what's ahead for the economy and markets. In the meantime, here's a sneak peek:

- Economy: Resilience To Continue** | Like Ethan Hunt, the US economy has repeatedly defied the odds—emerging stronger after 2025's policy shocks and turbulence. Yet, despite trade conflicts and global headwinds, the US remains a leader in growth and innovation. We expect that resilience to carry into 2026, with GDP rising to 2.2%, supported by another Fed rate cut, tax relief under the *One Big Beautiful Bill* Act and new business investment incentives.
- The Fed: Guardian Of The Economy** | Like the IMF in *Mission: Impossible*, the Fed works behind the scenes to keep the economy stable. In 2026, the new 'mission leader' of the Fed will face a high stakes mission: navigate policy uncertainty while balancing growth, inflation, and political pressure. With inflation still above target, we only expect one rate cut in 2026—any more could potentially signal economic stress.
- Volatility: Expect Unexpected Plot Twists** | Despite dramatic headlines, market volatility has been surprisingly subdued—but that calm may not last. We expect volatility to intensify across most asset classes in 2026. With historically elevated valuations and investors optimistic on growth and return prospects, markets remain vulnerable to any disappointing economic or earnings-related news.
- Bonds: A Stronghold For Stability** | For investors, the bond market remains a source of stability and reliability in uncertain times. We do not expect any dramatic sustainable moves and see the 10-year Treasury yield ending 2026 in the 4.25%—4.50% range. A sustained break below that level would require a recession and a move above 5% would suggest waning demand for Treasuries—two scenarios outside our base case. For fixed income investors, the mission is clear: focus on income rather than relying on capital gains to augment returns.
- US Equities: A New Identity** | After years of outsized returns driven by P/E expansion, valuations now sit in the 98th percentile—making earnings growth the key driver in 2026. The dossier for success: solid earnings growth, a Fed leaning toward easing, stable long-term rates, and healthy buybacks and dividends. Our outlook: mid-single digit returns and an S&P 500 year-end target of 7,250.
- The Next Phase Of AI** | For the past few years, the code word for equity outperformance has been simple: AI. However, the next phase demands greater discernment. While AI's transformative power endures, leadership will broaden to the enablers—like the companies driving data collection, cloud applications, and robotics—plus a new wave of beneficiaries in lower-profile sectors, like Consumer Discretionary and Industrials. The AI revolution isn't over, but it is evolving—creating fresh opportunities and risks.
- Thinking Beyond The Obvious** | In *Mission: Impossible*, the most trusted person often turns out to be a mole—while the real hero lurks in the shadows. The two most overlooked sectors in 2025—Consumer Discretionary and Health Care—are poised to rebound in 2026. Consumer Discretionary should get a boost from AI exposure, tax cuts, and stronger consumer spending, while Health Care—now the most attractively priced sector—could rally if regulatory fears prove overstated, which is what we expect.
- Power Shifts** | Every *Mission: Impossible* movie has a plot twist—like a double agent hiding in plain sight. For years, oil was the driver of the energy story, but the data center boom has flipped the script. With electricity prices set to outpace inflation, utilities may look like the obvious choice, but heavy utility regulations makes Industrials—the makers of 'picks and shovels' for the new energy era—a more reliable choice. With oil demand still sluggish, we expect oil prices to hover near \$55-\$60 a barrel over the next 12 months.
- EM Asia An International Bright Spot** | International equities delivered stellar performance in 2025, but the tailwinds favoring those markets will fade in 2026. The US remains our top pick among developed markets, supported by stronger growth and earnings trends. We also favor EM Asia, which is riding the 'AI wave'. India is also poised to benefit from robust growth and an accelerating earnings trajectory.
- Asset Allocation: Your Blueprint For Success** | Investing, like any *Mission: Impossible* storyline, is never truly over—there's always a new challenge. Building a diversified portfolio of different asset classes—stocks, bonds, cash—will help you navigate any market twists and turns—helping you stay on track to achieve your goals and objectives.

CHART OF THE WEEK

S&P 500 Delivers Historic Run Of 15% Returns

Despite some interim volatility around Liberation Day, the S&P 500 index quickly recovered, ending the year up 16.4% in price terms. This was the first time in history that the S&P 500 gained more than 15% in six of seven years.



KEY TAKEAWAYS

US Economic Resilience Is Expected To Continue In 2026

The 10-Year Treasury Yield Should Remain Range-Bound In 2026

Fundamentals Remain Supportive Of US Equities, But Gains Should Be More Muted

Economy

- The Pending Home Sales Index rose 3.3% MoM in November, pushing the index to a ~3-year high, with all 4 US regions recording growth. Despite this strong print, home sales are still weak, and we remain cautious on the Real Estate sector's prospects in 2026.
- Home prices rose 0.4% MoM in October, reversing September's slight decline. However, YoY appreciation slowed to just 1.7%, the weakest annual gain since March 2012. The MoM growth suggests that lower mortgage rates and tight inventory are lifting prices.
- Focus of the Week:** A very busy week in terms of economic data releases, both delayed and on-schedule, awaits market participants next week, beginning with the ISM Manufacturing (Mon.) and Services (Wed.) PMIs. The labor market will be in focus with the release of the ADP report on Wednesday, Unit Labor Costs on Thursday, and the all-important Employment Report on Friday. We expect the softness in the labor market to continue and forecast that the economy added 50k jobs during the month of December.

January 5 – January 9



ISM Manufacturing PMI

ISM Services PMI
ADP Employment SurveyEmployment Report
Michigan Sentiment
1/14 PPI (Oct., Nov.)
1/14 Retail Sales (Nov.)Unit Labor Costs (Q3)
Trade Balance (Oct.)

Equity

- The “Santa Claus Rally” defined as a historically strong period over the last 5 trading days of the year and the first 2 trading days of the new year has failed to materialize thus far. While the S&P 500 has gained 0.5% on average during this seven-day period over the last 20 years, the index has declined by 0.9% thus far during the 2025-2026 Santa Claus rally period. If the negative performance holds through January 2, it would mark the third consecutive year where the Santa Claus rally has not materialized.
- Looking into 2026, we expect positive gains to continue albeit at a more muted pace, as elevated valuations and investor optimism create high expectations that so far have been justified by above average fundamentals. We believe earnings will be the main driver of performance in 2026 with valuations fully priced. Consensus is expecting 15% Y/Y EPS growth for the S&P 500 in 2026, led again by Technology (+28% Y/Y) which makes AI a critical theme to watch in the new year for equities to sustain positive momentum.
- Focus of the Week:** With limited data and news flow likely next week, we'll be focused on earnings results from Constellation Brands to gauge consumer spending and input cost trends in the Consumer Staples sector.

Fixed Income

- Minutes from the December Fed meeting offered no surprises but underscored a divided committee. Most officials agreed more easing would be warranted if inflation keeps cooling, but the timing was debated. Some favored pausing to gauge the impact of recent cuts or to wait for more data, while others leaned toward moving sooner. Uncertainty was heightened by delayed and distorted economic data due to the government shutdown, making the outlook less clear, though many officials appeared more confident tariffs won't lead to persistent inflation pressures. Officials also discussed tighter money market conditions and steps to manage bank reserves through balance sheet operations to ensure financial markets continue to function smoothly, especially with tax day approaching. Market expectations were unchanged after the release: no rate cut is expected in January, and two cuts are still projected for 2026.
- The 10-year Treasury yield fell 40 bps in 2025 to 4.18%, its first annual decline in five years. Lower yields across 2- to 10-year maturities lifted the broader Treasury index 6.3% in 2025, outpacing cash by ~2%, but trailing spread sectors. For example, mortgage-backed securities (~25% of the US Agg) had their strongest total return (+8.6%) since 2002, buoyed by a sharp drop in rate volatility. The ICE BofA MOVE Index, a gauge of Treasury volatility, posted its sharpest annual decline since 2009, providing a tailwind for the MBS sector.
- Focus Of The Week:** Friday's December jobs report looms large over next week's trading. Investors are also watching for a potential Fed chair nomination after reports surfaced before Christmas that President Trump could submit a candidate in early January.

International

- The past year's gains in international stocks make it a tough act to follow, especially if—as we expect—the US dollar will be flattish from current levels. The MSCI EAFE Index gained 31.9% in USD terms—its best year since 2003—and forex effects (i.e., a weak USD) played a noticeable role. The Dollar Index's 9.4% decline reflected the tariff-driven economic slowdown, monetary easing by the Fed, and narrower interest rate differentials versus other economies. After its steepest first-half drop since 1973, the USD stabilized.
- Equities in Latin America, the euro zone, and China were notable winners, with the MSCI indices for those markets gaining 55.7%, 36.3%, and 31.4%, respectively, in USD terms. All are case studies of how the stock market can diverge from the economy. With Mexico's 3Q25 GDP growth turning negative for the first time since 2021, and Brazil's PMI in contraction for eight months, their underlying fundamentals are sluggish. Europe is a mixed bag: Italy and Spain are outpacing France and Germany. A key question mark for 2026: will there be a Russia-Ukraine peace deal? If so, it could boost Germany's consumer and business confidence. China's exports have been resilient amid the trade war, but structural overcapacity in its domestic economy translates into ongoing deflationary pressures.

Commodities

- Precious metals generated the most headlines this past year, with gold (up 64%) extending its multi-year stretch of record highs, and silver (up 147%) and platinum (up 125%) setting their first records since 2011 and 2008, respectively. Several of the industrial metals—cobalt, copper, lithium—also had outsized gains, with the US data center buildout and China's EV boom both acting as demand drivers.
- It was a very different story in energy. Oil prices fell 20% to near five-year lows, pushing the national average of US retail gasoline below \$3.00/gallon—welcome news for consumers, whereas oil companies responded by cutting capital spending and headcount. Agriculture was a mixed bag. Egg prices plummeted 90% from the prior winter's unprecedented highs, and chocolate fans could celebrate the steep drop in cocoa prices. On the flip side, frustration with expensive beef added to consumers' broader cost-of-living concerns.

Charts of the Week

Pending Home Sales Jump

The Pending Home Sales Index rose 3.3% MoM in November, pushing to its highest level since February 2023.



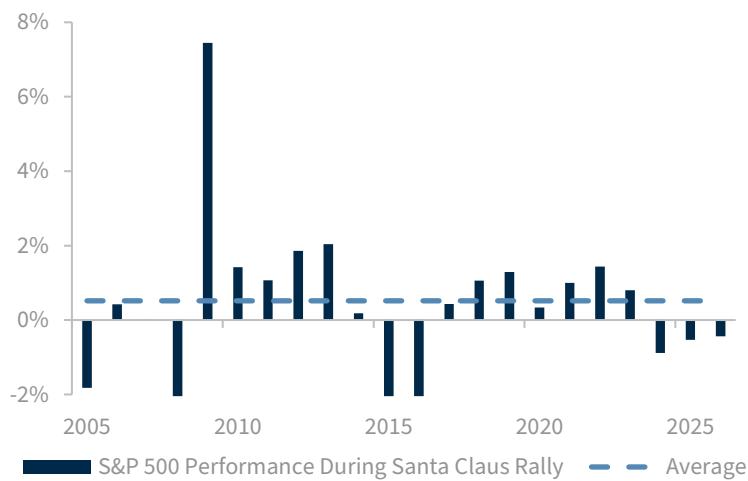
Home Prices Soften

The FHFA Home Price Index slowed to just 1.7% YoY, the weakest annual gain since March 2012.



No Sign of Santa Claus Rally Yet

The S&P 500 has declined by 0.9% so far during the 'Santa Claus Rally' period.



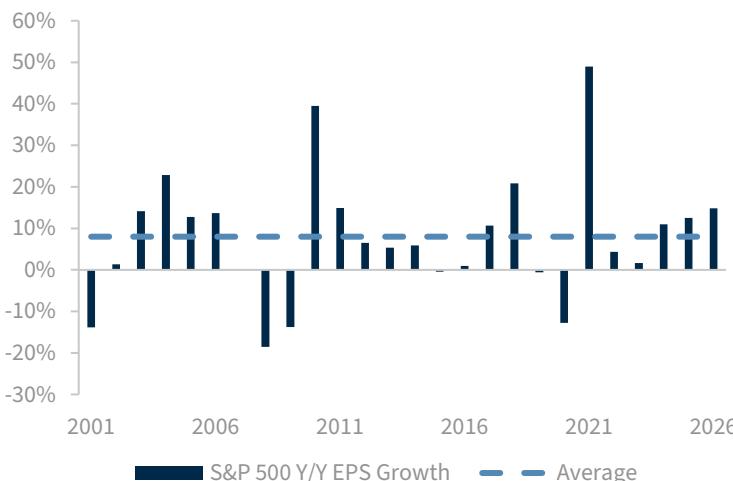
Benchmark Treasury Yield's First Annual Decline Since 2020

The 10-year Treasury yield fell 40 bps to end the year at 4.18%, driving the broader Bloomberg Treasury Index higher on the year.



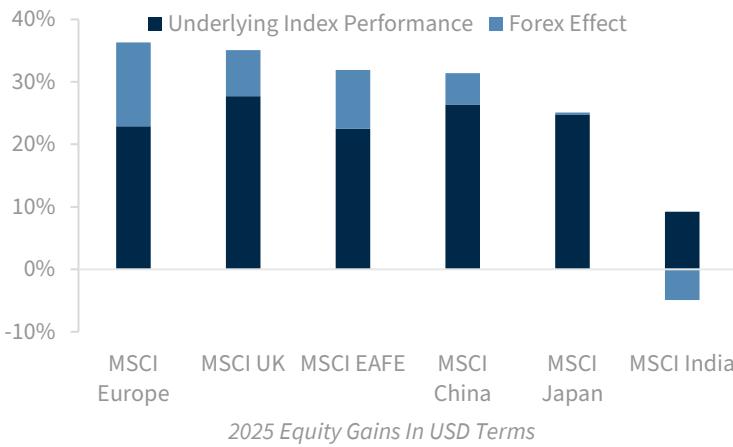
Strong Fundamentals Expected in 2026

S&P 500 Y/Y EPS growth is expected to accelerate for the 3rd consecutive year to 15% in 2026.



How Did Forex Contribute To 2025 International Gains?

As we look at international market gains in USD terms, foreign exchange effects played a major role in the euro zone, though not in Japan.



Source for charts: FactSet, as of 12/31/2025.

Asset Class Performance | Distribution by Asset Class and Style (as of December 31)**

		US Equities (Russell indices)			International Equities (MSCI indices)			Fixed Income (Bloomberg indices)				
Weekly Returns (as of December 31)	Year-to-Date Returns (as of December 31)	Value	Blend	Growth	Large Cap	Dev. Mkt	World	Emerg. Mkt	1-3 YR	Medium	Long	
		-1.0%	-1.3%	-1.5%	Large Cap	0.4%	-0.6%	1.1%	0.1%	0.1%	-0.1%	
		-1.5%	-1.6%	-2.2%	Mid Cap	0.1%	-0.8%	-0.4%	0.1%	0.1%	0.0%	
Small Cap		-2.1%	-2.5%	-2.9%	Small Cap	0.3%	-1.1%	0.2%	High Yield	0.1%	0.2%	0.3%
Weekly Returns (as of December 31)	Year-to-Date Returns (as of December 31)	Value	Blend	Growth	Large Cap	Dev. Mkt	World	Emerg. Mkt	1-3 YR	Medium	Long	
		15.9%	17.4%	18.6%	Large Cap	20.9%	21.0%	33.5%	4.2%	7.1%	8.2%	
		11.0%	10.6%	8.7%	Mid Cap	22.6%	16.2%	26.4%	5.8%	8.0%	9.6%	
Small Cap		12.6%	12.8%	13.0%	Small Cap	23.7%	17.4%	17.6%	High Yield	7.7%	8.6%	12.5%

Asset Class Performance | Weekly and Year-to-Date (as of December 31)**

Weekly***

Asia ex JP	1.08%
EM	0.92%
US Dollar	0.35%
Europe ex UK	0.30%
High Yield	0.18%
Municipals	0.11%
EM Bonds	0.07%
US Agg	0.01%
LATAM	0.00%
IG Credit	-0.02%
EAFE	-0.04%
Japan	-0.48%
AC World	-0.75%
S&P 500	-1.23%
BG Commodity Index	-1.51%
Crude Oil (WTI)	-1.59%
Russell 2000	-2.54%
Gold	-3.59%

2025***



■ Commodities

■ Equities

■ Fixed Income

**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	1 Year	3 Year	5 Year	10 Year
S&P 500	6845.5	(1.2)	17.9	23.0	14.4	14.8
DJ Industrial Average	48063.3	(1.4)	13.0	13.2	9.4	10.7
NASDAQ Composite Index	23242.0	(1.6)	20.4	30.4	12.5	16.6
Russell 1000	7175.8	(1.3)	17.4	22.7	13.6	14.6
Russell 2000	6168.2	(2.5)	12.8	13.7	6.1	9.6
Russell Midcap	9869.6	(1.6)	10.6	14.4	8.7	11.0

Equity Sectors

Sector	Price	Weekly	1 Year	3 Year	5 Year	10 Year
Materials	574.4	(1.2)	10.5	7.5	6.8	9.9
Industrials	1313.1	(1.5)	19.4	18.3	13.7	13.0
Comm Services	452.4	(0.5)	33.6	42.8	16.4	14.1
Utilities	433.8	(0.4)	16.0	10.0	9.7	10.6
Consumer Discretionary	1928.4	(2.5)	6.0	25.2	9.0	13.2
Consumer Staples	864.9	(0.5)	3.9	6.2	7.2	8.2
Health Care	1805.9	(0.6)	14.6	6.2	8.2	9.9
Information Technology	5684.0	(1.3)	24.0	38.8	20.9	24.3
Energy	687.3	0.9	8.7	4.3	23.8	8.3
Financials	911.6	(1.7)	15.0	19.0	15.3	13.2
Real Estate	251.5	(0.2)	2.7	6.6	5.5	6.3

Fixed Income

Index	Yield	Weekly	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.6	0.1	4.3	4.9	3.2	2.2
2-Year Treasury (%)	3.5	0.1	5.0	4.1	1.5	1.6
10-Year Treasury (%)	4.2	(0.1)	8.2	3.1	(2.4)	0.8
Bloomberg US Corporate HY	7.1	0.2	8.6	10.1	4.5	6.5
Bloomberg US Aggregate	4.3	0.0	7.3	4.7	(0.4)	2.0
Bloomberg Municipals	--	0.1	4.2	3.9	0.8	2.3
Bloomberg IG Credit	4.8	(0.0)	7.8	6.1	(0.1)	3.3
Bloomberg EM Bonds	5.8	0.1	11.1	8.9	1.5	4.2

Commodities

Index	Price	Weekly	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	57.4	(1.6)	(19.9)	(10.6)	3.4	4.5
Gold (\$/Troy Oz)	4341.1	(3.6)	64.4	33.5	18.0	15.1
Bloomberg Commodity Index	109.7	(1.5)	11.1	(0.9)	7.0	3.4

Currencies

Currency	Price	Weekly	1 Year	3 Year	5 Year	10 Year
US Dollar Index	98.3	0.4	(9.4)	(1.7)	1.8	(0.0)
Euro	1.2	(0.3)	13.4	3.2	(0.8)	0.8
British Pound	1.3	(0.4)	7.4	3.8	(0.3)	(0.9)
Japanese Yen	156.7	(0.6)	0.3	(5.6)	(8.0)	(2.6)

International Equities

Index	Price	Weekly	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1014.6	(0.7)	22.9	21.2	11.7	12.3
MSCI EAFE	2892.7	(0.0)	31.9	17.8	9.5	8.7
MSCI Europe ex UK	3261.6	0.3	36.6	19.2	10.3	9.7
MSCI Japan	4800.3	(0.5)	25.1	18.0	7.0	8.0
MSCI EM	1404.4	0.9	34.4	17.0	4.7	8.9
MSCI Asia ex JP	913.4	1.1	33.0	16.8	4.2	8.9
MSCI LATAM	2709.3	0.0	55.7	15.4	9.2	9.3
Canada S&P/TSX Composite	23135.3	(0.9)	28.2	17.8	12.7	9.3

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.

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.

US DOLLAR INDEX | The Index is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies. The Index goes up when the dollar gains strength compared to other currencies.

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

PENDING HOME SALES INDEX | The Pending Home Sales Index (PHSI) is a leading economic indicator from the National Association of Realtors (NAR) that tracks signed real estate contracts for existing homes (single-family, condos, co-ops) that haven't closed yet, predicting future home sales activity by about one to two months.

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.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 12/31/2025

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.

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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