WEEKLY HEADINGS

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What Will The Dot Plot Signal Next Week? The Fed's final meeting of 2025 (December 9–10) is just around the corner, and expectations are running high. Markets are assuming a third consecutive rate cut as signs of labor market weakness persist. Yet, beneath that near certainty lies an unusual public split within the FOMC. Recent dissents highlight the challenge of balancing a cooling job market against stubborn inflation—casting fresh uncertainty over the policy path for 2026. Adding to the intrigue is a looming leadership transition: Chair Powell's term ends in May 2026, and the search for his successor is already underway. President Trump has hinted that his choice is made and will be announced in early January. Below we preview the leading contender, Kevin Hassett, for the Fed's top job, break down what to watch in the updated dot plot and economic projections, and explore what it all means for equity and fixed income markets.

KEY TAKEAWAYS

President Trump Signaled That He Has Chosen Chair Powell's Successor

Markets Are Leaning More Dovish As Investors Bet On A More Accommodative Fed

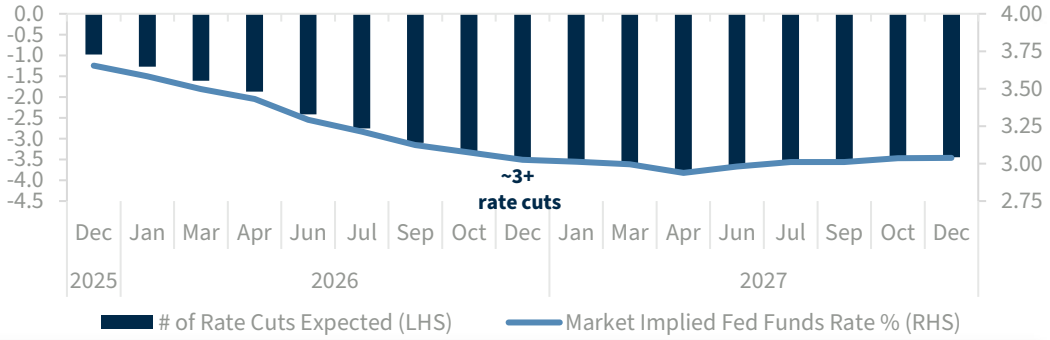
Inflation Remains Sticky And Could Take Longer To Return To The Fed's 2% Target

- **Trump Signals His Pick For The Next Fed Chair |** President Trump has confirmed that he's chosen Jerome Powell's successor when Powell's term ends in May 2026—and many signs point to Kevin Hassett, Director of the National Economic Council, as the front-runner. Betting markets now place Hassett's odds above 70%. With no vacant seats on the Fed—Powell's Board term runs through 2028, and Governor Cook's legal case remains unresolved—Trump would likely nominate Hassett to Stephen Miran's seat, which expires at the end of January 2026. Of course, the Senate must still approve the nomination. Hassett's close ties to Trump have sparked concerns that he could push for sharply lower interest rates, potentially challenging the Fed's independence and stoking inflation. We see those risks as limited. Why? While Hassett shares many of Trump's economic views, the Fed Chair is only one of 12 votes on the FOMC. Whoever takes the helm will likely act responsibly to preserve the institution's independence and avoid political interference.
- **The Fed Faces Data Gaps Ahead Of December's Meeting |** With official government reports delayed by the shutdown, the Fed will head into next week's meeting without its usual *full* data set. Still, private-sector indicators and anecdotal evidence paint a clear picture: labor market weakness persists (ADP and ISM employment metrics), while inflation pressures are building (Truflation and ISM Prices indices). Despite the uncertainty, the economy's resilience—fueled by AI-driven capex spending and relatively muted tariff impacts so far—should prompt the Fed to upgrade its growth outlook. We expect the Fed's 2025 GDP forecasts to rise from 1.6% to 1.8%, with 2026 ticking up from 1.8% to 2.0%, supported by easier financial conditions and fiscal stimulus from the One Big Beautiful Bill Act. The risk? Inflation remains elevated and sticky and could take longer to return to the Fed's 2% target—keeping policy uncertainty elevated well into 2026.
- **A Hawkish 25 bp Cut, But A Divided Fed |** A 25 bp rate cut at next week's Fed meeting is all but certain—but don't expect a unanimous vote. Recent dissents and diverging views point to an updated dot plot that will show an even wider dispersion, continuing a trend seen in recent years. In September's projections, the median dot signaled just one more cut in 2026 and a return to neutral—around 3.0%—over the forecast horizon. We don't anticipate major changes to that median view, but the growing gap between market pricing and the Fed's expected rate path is a risk worth watching. Markets are leaning more dovish, pricing in nearly 60 bps of *additional* cuts in 2026, as investors bet on a more accommodative Fed—especially with Kevin Hassett now the clear favorite to succeed Powell. Expect Powell's press conference to frame next week's move as a 'hawkish cut,' emphasizing caution and 'data dependence' even as rates come down.
- **Asset Class Views |** Below, we outline what the Fed's changing leadership and updated projections could mean for the markets.
  - **Equities—**Diverging views within the Fed mean policy uncertainty will likely stay elevated. Still, near-term rate path concerns aren't expected to materially sway equities—especially with economic growth set to improve in 2026, a tailwind for earnings in the year ahead. That said, valuations remain historically stretched (the S&P 500 P/E multiple sits in the 96th percentile), and a wave of delayed government data arriving in the coming weeks could spark volatility if results disappoint—like signs of higher inflation. Any pullbacks, however, should prove short-lived if the economic backdrop strengthens as we anticipate.
  - **Fixed Income—**Next week's expected 25 bp 'hawkish cut' should keep the Treasury yield curve's recent steepening bias intact. Continued Fed easing will likely anchor short-term yields (up to 2 years), while longer maturities—10-year and beyond—drift higher as growth prospects improve and inflation stays sticky. The odds of the 10-year Treasury yield falling sustainably below 4% remain low outside a recession—a scenario we view as unlikely. The bigger risk? If the incoming Fed Chair signals a deeper rate-cutting cycle than fundamentals justify, inflation expectations could quickly become unanchored as the economy runs 'hot,' pushing long-term yields even higher. To do this, Hassett would need to build consensus at the FOMC, not an easy task given current divisions on the FOMC.

CHART OF THE WEEK

Rate Cut Expectations Remain Optimistic Despite A Divided Fed

The FOMC is heading into the Fed's December 9-10 policy meeting with diverging views about the future rate path. The Board of Governors leans dovish, while regional Fed Presidents favor holding rates steady. Despite opposing views, the market is optimistic the Fed will continue to lower rates.



Source: FactSet

Economy

- ADP private payrolls declined by 32,000 in November, versus expectations for a 40,000 increase. While small businesses led the decline, weakness was broad-based, suggesting rising vulnerability in the labor market ahead of the Fed's rate decision.
- ISM Manufacturing PMI fell to 48.2 in November, its 9th straight month in contraction, while ISM Services PMI remained in expansion at 52.6. Both employment subindices remained in contraction at 44.0 and 48.9, respectively, further hinting at a slowing labor market.
- **Focus of the Week:** Another round of delayed reports will be released next week, the most important of which is the Job Openings and Labor Turnover Survey (JOLTS) on Tuesday. The release will include data for September and October. We anticipate some softness in job openings, and recent privately sourced data has further supported this expectation.

December 8 – December 12

MON

TUE JOLTS (October)
Unit Labor Costs (Q3)

WED FOMC Meeting
Employment Cost Index (Q3)

THU Trade Balance (September)
Wholesale Trade (September)

FRI

FUTURE EVENTS 12/18 CPI (November)

Equity

- November marked the 7th consecutive month of gains for the S&P 500, the longest monthly win streak since 2021. Over the last 30 years, a streak of this length has only occurred in six instances. Following seven-month win streaks, the following month's performance has been weak, with an average return of -2% and positive only 33% of the time. However, volatility is often short-lived as the following 12 months return 9% on average and are positive 83% of the time.
- Interestingly, this year is also the first year of President Trump's second term. Dating back to 1945, when the S&P 500 has gained 5% or more through the end of November in the first year of a presidential cycle (12 instances), the index gained an additional 2% in December on average and was positive 100% of the time. While history is never a perfect predictor of the future, this historical trend suggests that the market's near-term positive momentum can continue through December.
- **Focus of the Week**: Next week, we'll be focused on earnings results from Oracle on Wednesday evening, which may provide insight into capital expenditure plans—an important release given increasing scrutiny from the bond market on cash flow concerns. Additionally, consumer spending patterns via results from Lululemon and Costco will also be in focus.

Fixed Income

- Yields climbed across the Treasury curve this week with the 10-year up near the middle of its recent 4.00%–4.20% range, while the policy-sensitive 2-year remains anchored near 3.50%. The bigger story is curve steepening: the spread between the 3-month and 10-year yield widened to 40 bps, the steepest since January and near a three-year high. With Fed easing anchoring the front-end while steady growth, elevated inflation, and fiscal concerns weigh on long-term yields, the bias is for the curve to see further steepening.
- Bond markets were active in 2025 with corporate investment grade and municipal bond issuance already topping last year's flood of supply. For corporate investment grade, 2025 issuance (at ~$1.8t) marks the second heaviest year on record after 2020 (~$1.9t), while muni supply is set to reach ~$550 billion—surpassing 2024's record year. High-yield issuance also grew, albeit at a more moderate pace. Despite the headwind from greater supply, robust demand has kept spreads steady—the spread on the Bloomberg US Corporate IG Index sits at 78 bps, historically low and flat from its level at the beginning of the year. With 2025 issuance expected to taper off ahead of the Fed's meeting next week, less supply should be supportive for credit and munis into year-end.
- **Focus Of The Week:** All eyes are on the Fed meeting and the release of its Summary of Economic Projections, including the dot plot as investors seek guidance on the path of monetary policy next year. The Treasury will also auction $119b in 3-, 10-, and 30-year debt.

Washington Policy

- Congress returned to DC with a busy schedule, including teeing up the release of compromise text for the FY26 National Defense Authorization Act (NDAA). Negotiators are still aiming to bring the legislation to a floor vote by next week. In the final remaining legislative days of the calendar year, attention will also turn to full-year government funding bills (which look increasingly unlikely to pass before year-end) and expected House votes on permitting reform. While the passage of reforms into law before year-end is highly unlikely at this stage, the votes in the coming weeks will preview dynamics that the permitting reform push will likely need to deal with in the Senate, such as on "permit certainty" for previously-approved projects (especially renewables).
- Beyond the halls of Congress, we would also highlight President Trump's comments last Sunday that he has made a decision on the next Fed Chair. From a policy/politics angle, we expect that the new nominee (likely NEC Director Kevin Hassett) could be confirmed any time after January 31, potentially putting him in place for the March meeting.

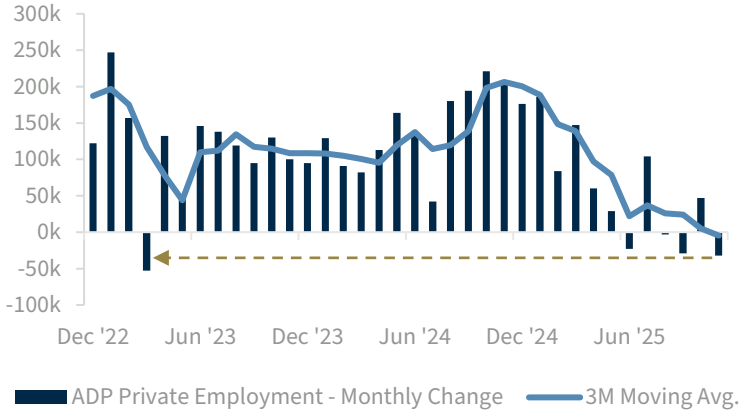
Energy

- For the first time since May 2021, the US national average of retail gasoline prices is below $3.00/gallon. These savings are helpful vis-à-vis consumer discretionary spending and should give a boost to holiday shopping. That said, the economic effect is less needle-moving than you might think, bearing in mind regional price differences. By the time the average fell below $3.00, four of the DOE's five macro regions (except the West Coast) had already reached that milestone, with the Gulf Coast doing so all the way back in August 2024.
- While prices can be intensely volatile, there is a more durable trend underway: Americans are using less gasoline. A decade ago, annual per-capita consumption was 440 gallons. This year, it's tracking to 400 gallons, nearly 10% less. Electric vehicles comprise a mere 1% of cars on the road—a more important factor is the rising fuel economy of internal combustion engines. The newest vehicles are averaging 28 miles/gallon, up 10% from a decade ago. Even if federal rules on fuel economy end up being loosened, engine technology will continue to improve. The net result: consumers are more insulated from price spikes but also see less benefit from declining prices.

Charts of the Week

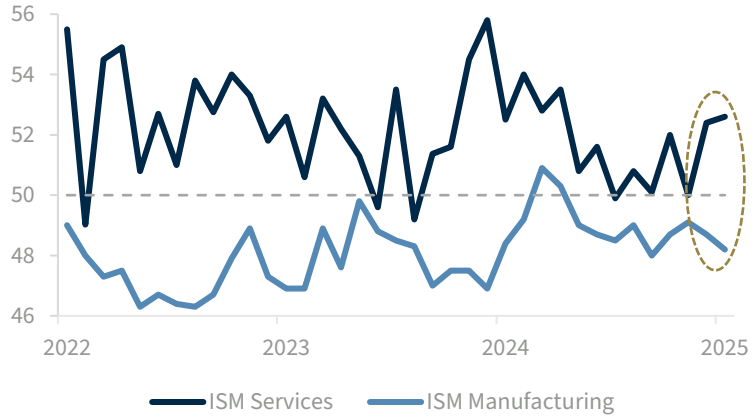
Softening Labor Market

ADP private jobs declined (-32k) at the fastest pace since March 2023, with the three-month average turning negative for the 1st time since COVID.



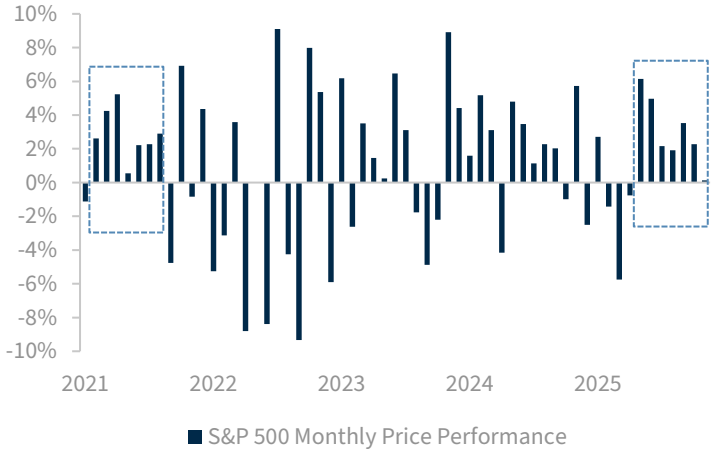
PMI's Diverge Further

ISM Manufacturing PMI fell to 48.2 in November, while ISM Services PMI remained in expansion at 52.6.



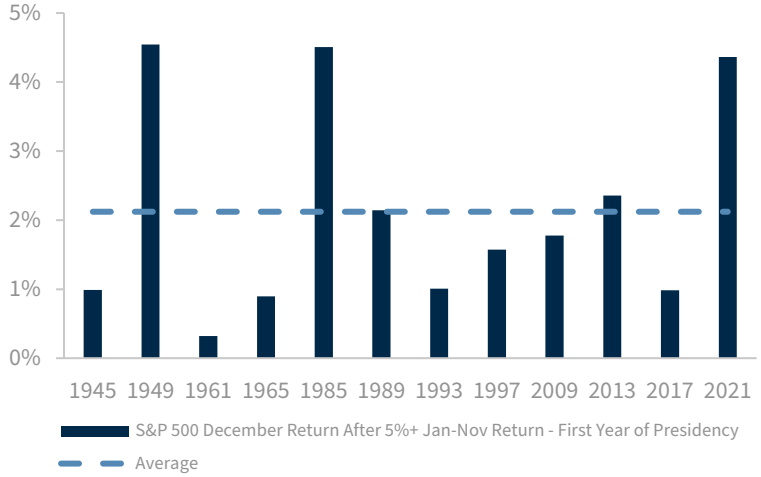
Keeping The Streak Alive!

The S&P 500 has now posted positive returns for 7 consecutive months – the longest win streak since 2021.



Will The Positive Momentum Continue?

Dating back to 1945, when the S&P 500 was up 5% or more through November in the first year of a presidential cycle, December was positive 100% of the time.

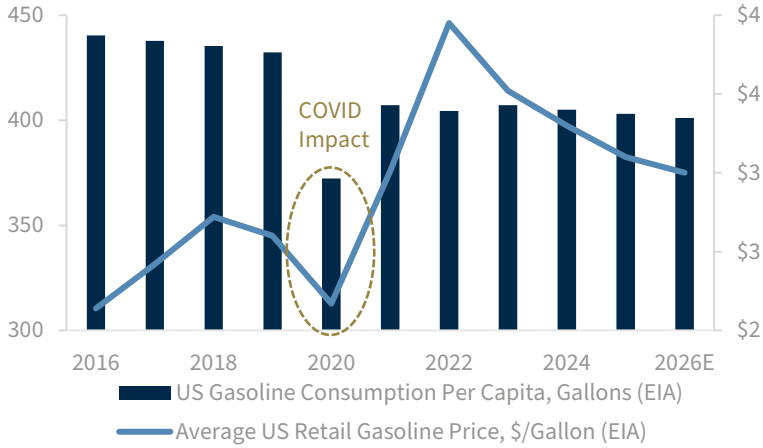


A Steepening Bias To The Treasury Curve

The spread between the 3-month and 10-year Treasury yield is at its widest level since January and near the highest level in three years.

US Gasoline Consumption Is On A Downward Trajectory

Gasoline prices can be highly volatile, but the decline in per-capita gasoline consumption represents a long-term trend.



Source for charts: FactSet, as of 12/4/2025.

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Asset Class Performance | Distribution by Asset Class and Style (as of December 4)**

US Equities (Russell indices)

	Value	Blend	Growth
Weekly Returns (as of December 4)			
Large Cap	0.8%	0.7%	0.6%
Mid Cap	0.7%	0.8%	1.0%
Small Cap	1.4%	1.9%	2.3%
Year-to-Date Returns (as of December 4)			
Large Cap	15.3%	17.6%	19.5%
Mid Cap	11.2%	11.1%	10.3%
Small Cap	13.5%	14.9%	16.2%

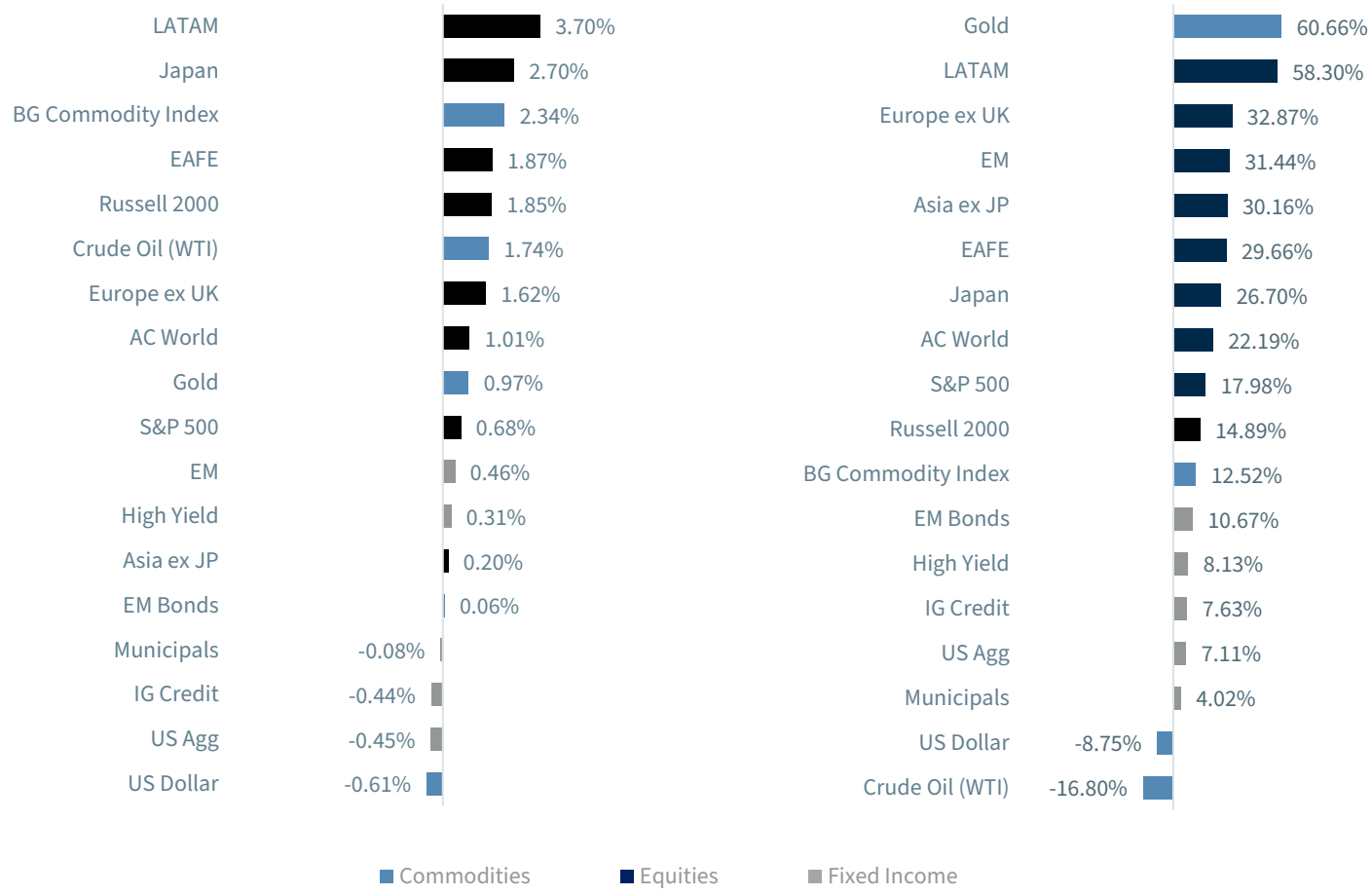
International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Weekly Returns (as of December 4)			
Large Cap	1.0%	0.8%	0.5%
Mid Cap	0.7%	0.8%	0.5%
Small Cap	0.6%	1.0%	0.7%
Year-to-Date Returns (as of December 4)			
Large Cap	19.0%	20.5%	30.7%
Mid Cap	21.2%	15.8%	25.4%
Small Cap	21.2%	17.0%	16.9%

Fixed Income (Bloomberg indices)

	1-3 YR	Medium	Long
Weekly Returns (as of December 4)			
Treasury	0.1%	-0.4%	-0.8%
Invest. Grade	0.0%	-0.2%	-0.3%
High Yield	0.1%	0.3%	-0.1%
Year-to-Date Returns (as of December 4)			
Treasury	3.9%	7.0%	8.3%
Invest. Grade	5.4%	7.6%	9.3%
High Yield	7.1%	8.0%	14.0%

Asset Class Performance | Weekly and Year-to-Date (as of December 4)**



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

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

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Weekly Data**

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	6857.1	0.7	0.1	18.0	14.1	20.7	14.8	14.6
DJ Industrial Average	47850.9	0.9	0.3	12.5	6.3	11.6	9.6	10.4
NASDAQ Composite Index	23505.1	1.3	0.6	21.7	19.1	27.0	13.5	16.4
Russell 1000	7193.9	0.7	0.2	17.6	14.1	20.3	14.5	14.4
Russell 2000	6290.6	1.9	1.3	14.9	4.1	11.4	8.0	9.1
Russell Midcap	9930.1	0.8	0.2	11.1	3.1	12.4	9.7	10.7

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	556.7	(0.4)	(1.0)	7.1	(3.2)	4.0	6.4	9.1
Industrials	1309.1	1.4	0.8	18.9	10.4	16.7	13.5	12.8
Comm Services	456.6	0.6	(0.1)	34.7	35.2	39.2	16.7	14.3
Utilities	441.8	(2.9)	(3.6)	17.9	11.8	10.6	10.4	11.1
Consumer Discretionary	1922.0	1.3	0.4	5.7	5.6	20.3	9.4	12.8
Consumer Staples	871.9	(0.5)	(1.1)	4.4	(0.0)	5.4	7.4	8.3
Health Care	1790.8	(2.8)	(2.3)	13.5	6.8	5.0	8.3	9.9
Information Technology	5752.7	1.5	0.9	25.5	22.8	35.5	22.0	24.0
Energy	699.3	3.2	1.9	10.5	3.5	4.2	22.8	7.9
Financials	890.8	1.3	0.6	12.3	8.4	16.3	15.2	12.5
Real Estate	254.9	(1.2)	(1.6)	3.4	(3.2)	5.3	5.5	6.6

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	4.0	4.4	4.9	3.2	2.2
2-Year Treasury (%)	3.5	(0.0)	(0.0)	4.6	4.6	4.0	1.4	1.6
10-Year Treasury (%)	4.1	(0.8)	(0.6)	8.3	5.3	2.3	(2.3)	0.9
Bloomberg US Corporate HY	7.1	0.3	0.1	8.1	7.4	9.3	4.6	6.2
Bloomberg US Aggregate	4.3	(0.5)	(0.3)	7.1	5.1	4.0	(0.3)	2.0
Bloomberg Municipals	--	(0.1)	(0.1)	4.0	2.2	3.7	0.9	2.4
Bloomberg IG Credit	4.8	(0.4)	(0.3)	7.6	5.2	5.3	0.1	3.2
Bloomberg EM Bonds	5.8	0.1	0.0	10.7	9.1	8.6	1.6	4.0

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	59.7	1.7	1.9	(16.8)	(12.9)	(9.3)	5.2	4.1
Gold ($/Troy Oz)	4243.0	1.0	(0.3)	60.7	58.5	32.9	18.2	14.6
Bloomberg Commodity Index	111.1	2.3	0.6	12.5	14.2	(1.0)	8.4	3.1

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	99.0	(0.6)	(0.5)	(8.8)	(6.9)	(1.8)	1.8	0.1
Euro	1.2	0.7	0.6	12.7	10.9	3.7	(0.8)	0.7
British Pound	1.3	0.9	0.9	6.8	5.2	3.1	(0.1)	(1.2)
Japanese Yen	154.6	1.1	0.9	1.6	(2.7)	(4.3)	(7.6)	(2.3)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1010.0	1.0	0.5	22.2	18.0	19.2	12.1	12.0
MSCI EAFE	2845.8	1.9	1.3	29.7	25.1	16.4	9.6	8.4
MSCI Europe ex UK	3173.6	1.6	1.1	32.9	28.0	17.2	10.2	9.2
MSCI Japan	4869.5	2.7	1.9	26.7	23.4	18.0	7.9	8.2
MSCI EM	1376.8	0.5	0.8	31.4	28.7	15.5	4.9	8.4
MSCI Asia ex JP	894.7	0.2	0.5	30.2	27.6	15.6	4.4	8.6
MSCI LATAM	2799.5	3.7	2.9	58.3	48.5	14.7	10.4	8.8
Canada S&P/TSX Composite	22589.7	0.9	0.3	27.3	22.8	15.4	12.4	8.9

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

Disclosures

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

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

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

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

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

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

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

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

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

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 US Dollar 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.

NAHB HOUSING MARKET INDEX | The NAHB Housing Market Index (HMI) is a monthly survey from the National Association of Home Builders that measures builder confidence in the single-family housing market. Readings above 50 indicate a favorable market, while readings below 50 suggest a less favorable market

LEADING ECONOMIC INDEX | The Leading Economic Index (LEI) is a composite index designed to predict future economic trends, typically six to twelve months in advance. It is calculated by combining several independent economic indicators.

MICHIGAN CONSUMER SENTIMENT SURVEY | The University of Michigan Consumer Sentiment Survey is a monthly survey that measures American consumers' confidence in the economy by asking about their current financial situation and expectations for the future.

IMPORT/EXPORT PRICE INDEXES | The US Import and Export Price Indexes measure the change over time in the prices of goods or services purchased from abroad by US residents (imports) or sold to foreign buyers by US residents (exports).

CBOE VOLATILITY INDEX | The Chicago Board of Exchange Volatility Index, also known as “VIX,” is a real-time measure of the market's expectation of 30-day forward-looking volatility for the S&P 500. It is calculated using the prices of a wide range of S&P 500 index options. It is often called the "fear gauge" because a higher VIX level indicates greater investor uncertainty and expected price swings.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 12/4/2025

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 US CORPORATE IG INDEX | The Bloomberg US Corporate Investment Grade Index tracks the fixed-rate, taxable, dollar-denominated corporate bond market, including industrial, financial, and utility issuers, requiring investment-grade ratings (BBB- or higher) and minimum outstanding amounts.

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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