

MARCH 27, 2026

WEEKLY HEADINGS

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Shifting the Lens and Broadening Perspective: Recent weeks have been a whirlwind of headlines centered on the Middle East conflict and rising oil and gas prices, particularly as the conflict enters its fourth full week. We're closely monitoring these developments—not only for their broader military and economic implications, but also to assess whether they warrant any changes to our asset class views. That said, this week we're taking a step back and widening the lens. Rather than focusing exclusively on what could go wrong, we're highlighting ten things that are going right across the economy and financial markets. These positives can be easy to miss amid a steady drumbeat of war-related news, but they offer important insight into the underlying resilience shaping the path forward for long-term investors. While we'll continue to provide our Monday updates on war-related developments, today we're turning our attention to a few key positives.

KEY TAKEAWAYS

S&P 500 Earnings Estimates Have Continued To Move Higher

US Energy Independence Should Cushion Economic Growth

Despite War, Credit Spreads Have Demonstrated Notable Stability

- 1. US Military Strength**—During uncertain times, it is reassuring to know that the US maintains the most powerful military force in the world. Its strength is rooted not only in scale—the US spends roughly \$950b a year on defense, far exceeding any other nation—but also in technological superiority, highly trained personnel and unmatched global reach. These capabilities underpin our strategic advantage.
- 2. US Economy Is Energy Independent**—Since the shale oil revolution, the US has become a net energy exporter. At the same time, gains in energy efficiency have made the economy far more resilient to energy shocks—especially relative to import-dependent regions like Europe and Asia. Along with the Strategic Petroleum Reserve and policy flexibility such as gas tax holidays, these factors help explain why recent oil disruptions have not sparked widespread panic or the long gas lines reminiscent of the 1970s.
- 3. Consumers Remain Resilient**—While gasoline prices are nearing the psychological \$4/gallon level, real-time metrics suggest consumer spending has remained resilient up until this point. TSA screenings are up 2-3% YoY, restaurant bookings are up 10% YoY, and Redbook sales (department store spending) are also up 6.5% YoY. In aggregate, we expect consumer spending growth to remain positive in 2026.
- 4. Productivity Gains**—The artificial intelligence (AI) boom is a game changer. Rapid and broad-based adoption across the economy has the potential to meaningfully boost productivity, accelerate economic growth and ease inflationary pressures as workers become more efficient. Over time, this shift should translate into stronger profit margins, improve earnings growth and support corporate profitability.
- 5. Tax Refunds Are Up This Year**—With three weeks remaining until tax day, refunds are tracking 12% higher YoY and 14% above the historical average at this point in the season. Total refunds in 2026 could increase by as much as \$140 billion, providing a meaningful tailwind to consumer spending and helping to offset rising gasoline prices.
- 6. March's Performance In Perspective**—March has been a challenging month for asset class performance, with the S&P 500 on track for a 5.7% decline—its worst month since December 2022—while bonds are down 2.5%. Even so, these near-term setbacks haven't derailed the broader trend: over the past year, both asset classes remain firmly positive, with the S&P 500 up 15% and the Bloomberg Agg up 4%.
- 7. Equity Valuations Are Normalizing**—While valuations were a concern coming into the year, they have normalized meaningfully as earnings revisions have moved higher amid the recent market pullback. Although the S&P 500 has declined ~5% over the past three months, its next twelve-month P/E has fallen about 11%—nearly twice what the historical relationship would suggest. As a result, the S&P 500's NTM P/E now sits below its five-year average for the first time since last year's tariff-related drawdown.
- 8. Earnings Estimates Moving Higher**—S&P 500 earnings estimates have surprisingly moved higher since the start of the war. Consensus 2026 earnings are up 2% to \$317 per share, implying 17% YoY growth—the fastest pace since 2021. Revisions have been broad-based, with seven of eleven sectors moving higher. Technology continues to lead, with estimates up 6% and earnings growth projected at 40% YoY—the strongest since 2010. With the economy still on solid footing, earnings momentum remains a key tailwind for equities.
- 9. Cash Alternatives Offer An Attractive Yield**—Amid recent market volatility, cash alternatives have emerged as beneficiaries. Beyond providing a conservative allocation option, cash alternatives now offer attractive opportunities—with money market yields near 3.7%—allowing investors to earn a reasonable return while waiting for market dislocations create more compelling entry points.
- 10. No Significant Widening In Spreads**—Despite heightened geopolitical tensions, credit spreads have remained relatively stable. Since the conflict began, investment-grade and high-yield spreads are only 2 and 17 basis points wider, respectively. This stability suggests markets view the energy shock as a temporary disruption rather than a lasting threat to the corporate outlook.

CHART OF THE WEEK

The S&P 500 Forward P/E Is Below Its 5-Year Average

The S&P 500 forward multiple has compressed ~11% since the start of the year as the Middle East conflict weighs on sentiment. As a result, valuations now sit below the 5-year average.



Source: FactSet 3/26/26

Economy

- Construction spending fell 0.3% MoM in January, below expectations of +0.25%, as private residential spending dropped 0.8% and single-family construction remained weak. The report adds to evidence that residential investment started 2026 on a soft footing.
- Unit labor costs in Q4 2025 were revised sharply higher from 2.2% to 4.4% QoQ, as productivity was revised down from 2.8% to 1.8%. This points to firmer labor-cost pressure than previously thought and complicates the view that wage-related inflation risks are easing.
- **Focus of the Week:** A busy week of data lies ahead, highlighted by the employment report on Friday (RJ forecast: +50k jobs).

March 30 – April 3

MON

TUE

FHFA/C-S Home Prices
Consumer Confidence
JOLTS

WED

THU

Retail Sales
ISM Manufacturing

Trade Balance
Jobless Claims

FRI

FUTURE EVENTS

Employment Report
ISM Services
Good Friday (markets closed)
4/9 GDP (final)
4/10 CPI

Equity

- After a strong start to 2026 in January and February, the S&P 500 is on pace to decline nearly 6% MTD—the weakest monthly performance since December 2022 as markets decipher the net impact of higher oil prices to both inflation (including the impact on monetary policy) and economic growth. Unsurprisingly, Energy is the only positive sector gaining 9% in March following a 40% move higher in crude prices. While the Iran-related volatility has brought the S&P 500 QTD performance into negative territory, Q1 losses have not been detrimental to annual performance historically. In fact, dating back to 1980, the S&P 500 went on to gain 7% during the remainder of the year on average and was positive 65% of the time following a negative Q1 performance.
- On the bright side, despite a plethora of negative news flow over recent weeks (e.g., geopolitical conflict, historically cold weather, private credit concerns), consensus expects another strong earnings season with the 1Q26 earnings season kicking off in just over two weeks. In aggregate, the S&P 500 is expected to grow EPS by 12% Y/Y in 1Q26, marking the sixth consecutive quarter of double-digit EPS growth for the index, which would be the longest streak of double-digit EPS growth since 2011. Earnings growth remains primarily driven by Technology sector (+46% Y/Y), which is supported by continued AI investment. Fortunately, AI tailwinds to the largest S&P 500 sector should provide a degree of insulation to S&P 500 fundamentals amidst downside risks to margins due to the Iran crisis.
- **Focus of the Week:** Next week, markets will get further insight into discretionary spending patterns via earnings results from Nike on Tuesday evening. Importantly, we'll be monitoring commentary on any impacts of higher fuel prices to consumer spending outlooks.

Fixed Income

- Bond markets repriced meaningfully in Q1 as rising oil prices reignited inflation risks and forced markets to reassess the Fed's rate path. With inflation already above target for five years, markets have priced out two 2026 rate cuts and are now discounting an ~49% chance of a hike by year-end. This shift pushed the 2-year Treasury yield up 51 bps YTD to ~4%—well above the Fed's policy rate—while the 10-year (+29 bps YTD) climbed to an 8-month high of 4.46%, leading to a sharp flattening of the yield curve. March's surge in yields have weighed on Q1 bond returns, but trailing one-year performance remains positive, with the US Agg up 4.3%.
- One upside of the recent move higher in rates is a more attractive entry point for buy-and-hold corporate credit investors, particularly at the front end. While longer-duration investment-grade corporates have felt the sting of rising rates, high-quality bonds in the two-to-five-year part of the curve—where default and interest rate risk are limited—now offer yields around 4.4%–4.75%. That translates to a 40 to nearly 70-bps pickup over comparable Treasuries, improving income without taking on meaningful duration risk.
- **Focus of the Week:** A busy week of data (retail sales, ISM PMIs, March jobs report) awaits bond markets before Friday's early close.

Washington Policy

- The Senate passed legislation to fund most of the Department of Homeland Security—except Border Patrol and Immigration and Customs Enforcement, which was a sticking point for Democrats. This could be the first step in ending a partial government shutdown that led to long lines at airports. The bill must still pass the House and be signed by the president.
- We have entered a critical period for the trajectory of the Iran conflict. Negotiations between DC and Tehran have continued as President Trump announced Thursday afternoon that he would extend a 5-day suspension of attacks on Iranian energy infrastructure to April 6. The full extent of the negotiations are unclear, but we view the exchange of proposals as a sign that both parties wish to deescalate—even if proposals will be viewed as unacceptable by both sides. However, while this desire to wind down tensions is legitimate, we do not believe this will stop 1) ongoing hostilities at the current level from persisting, or 2) the potential for an additional escalation by the US in the coming days, such as a land operation on Kharg Island, other Gulf islands, the coast, or Iran's nuclear sites.

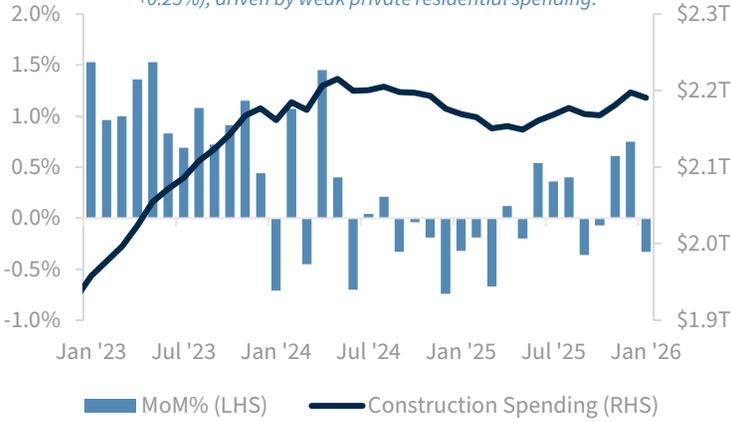
Energy

- The outcome of talks between the US and Iran will largely determine the timetable for normalization of shipping through the Strait of Hormuz. Once shipping disruptions are in the rearview mirror, we expect oil supply to reach pre-war levels within several weeks. But in the liquefied natural gas (LNG) market, full restoration of supply will take longer. Following Iran's strike on the Ras Laffan LNG plant, this week Qatar's national energy company declared *force majeure*—inability to supply contracted volumes due to circumstances outside the company's control. An initial estimate pointed to repairs lasting three to five years, though damage is still being assessed.
- The vast majority of LNG from Qatar is shipped to Asia, with a small portion going to Europe. More broadly, the largest LNG importers are all in Asia: China, Japan, South Korea, and India. Among these countries, China and India are in a less vulnerable position—they have significant domestic production of natural gas. A multi-year outage—estimated at 3% of global LNG supply—would also raise gas prices in a wide range of import-dependent countries, from Europe to the Caribbean. The US is the largest LNG exporter, and domestic LNG firms are set to benefit, albeit to a limited extent: typically, 80% to 90% of their LNG sales are contracted via pre-set price formulas.

Charts of the Week

Soft Construction Spending

Construction spending fell 0.3% MoM (vs. expectations of +0.25%), driven by weak private residential spending.



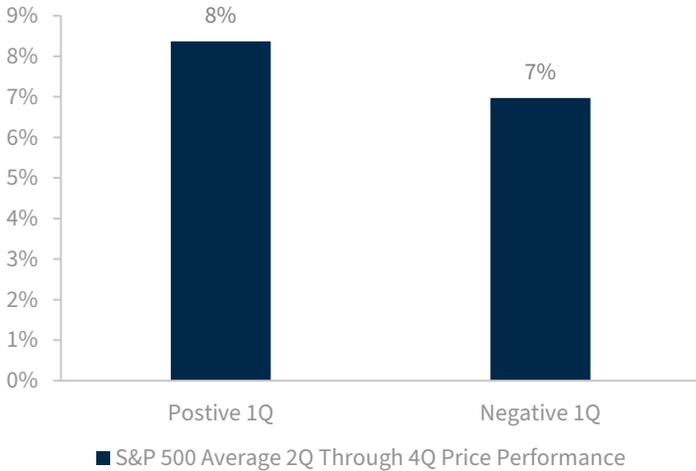
Labor Cost Pressures

Unit labor costs in Q4 2025 were revised sharply higher from 2.2% to 4.4% QoQ, pointing to firmer labor-cost pressure.



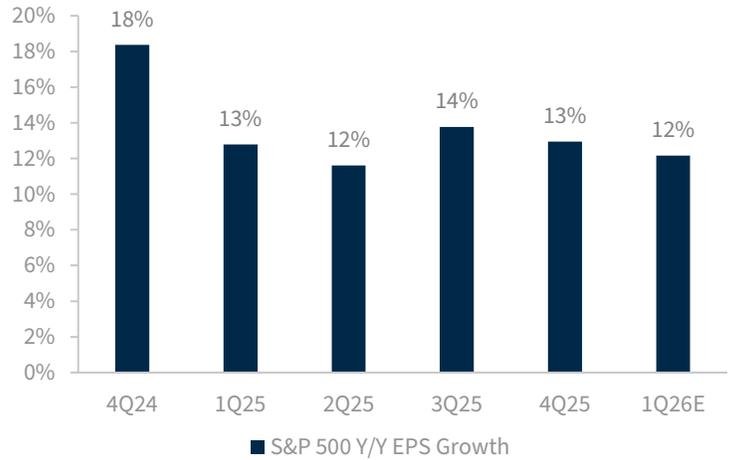
1Q Performance Tends Not to Be Detrimental

Dating back to 1980, the S&P 500 has proceeded to gain 7% on average during the remainder of the year following negative 1Q returns.



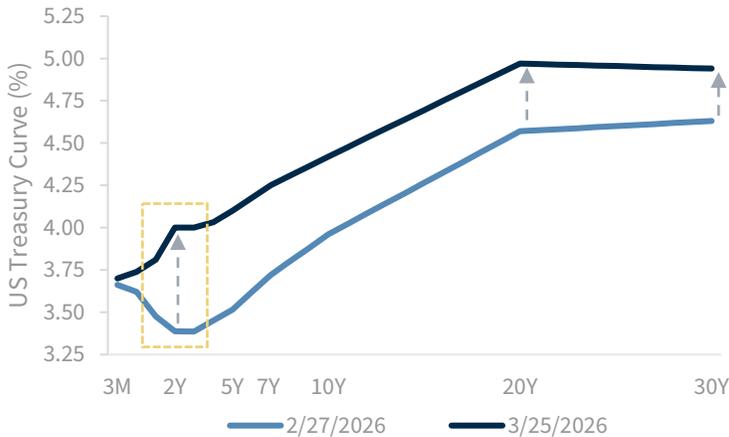
6th Quarter of Double-Digit EPS Growth

The S&P 500 is expected to deliver the 6th consecutive quarter of double-digit EPS growth, the longest streak since 2011.



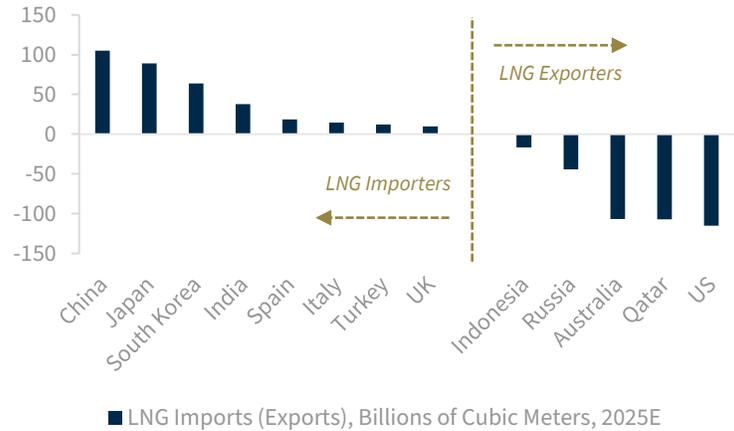
Pressure Builds At The Front-End

The Treasury sell-off has been concentrated at the front-end, creating a pronounced 'kink' around the 2-year maturity.



The World's Four Largest LNG Importers Are All In Asia

In China and India, LNG supplements significant domestic production of natural gas, whereas Japan and South Korea are more LNG-dependent.

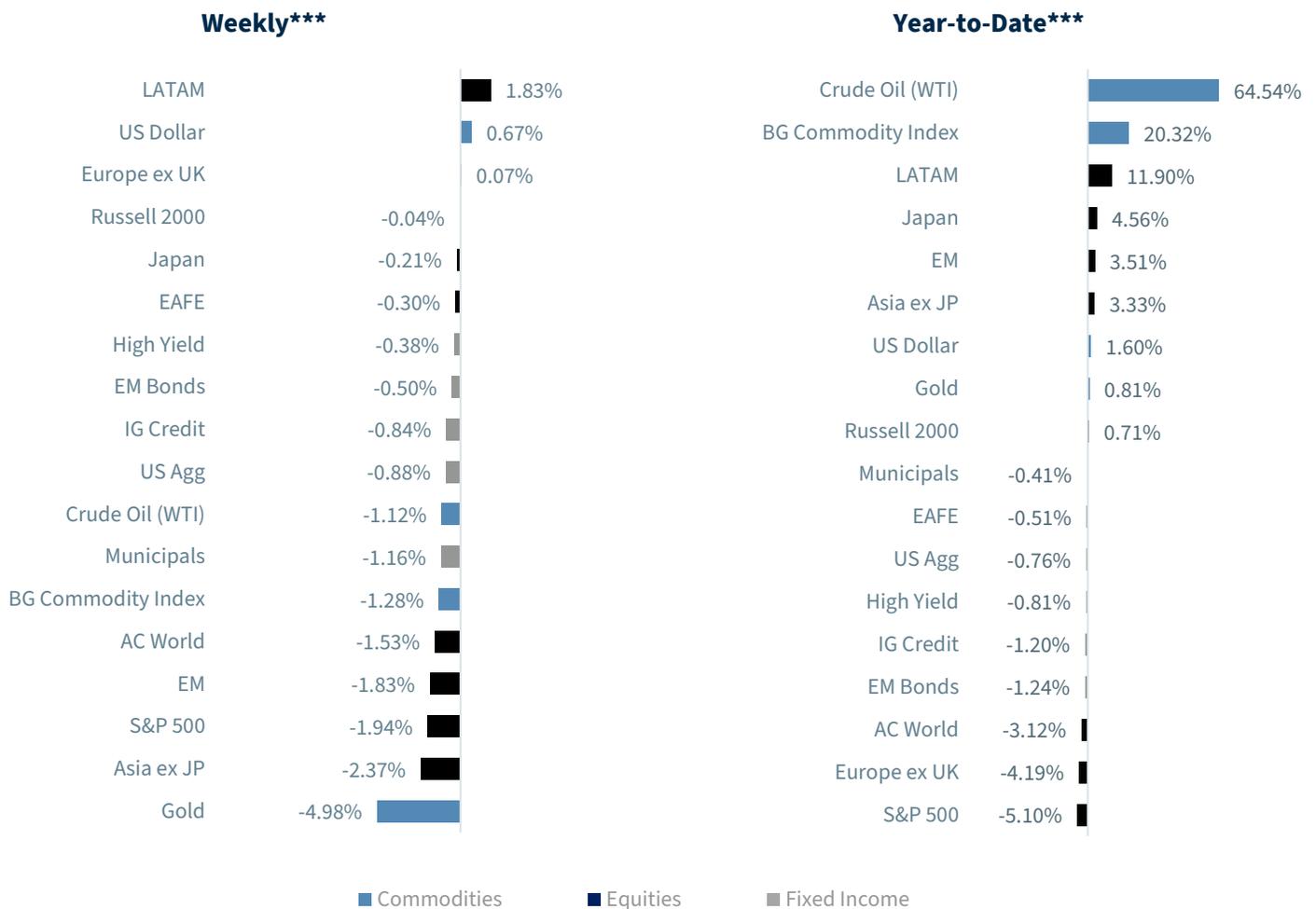


Source for charts: FactSet, as of 3/26/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of March 26)**

	US Equities (Russell indices)			International Equities (MSCI indices)			Fixed Income (Bloomberg indices)		
	Value	Blend	Growth	Dev. Mkt	World	Emerg. Mkt	1-3 YR	Medium	Long
Weekly Returns (as of March 26)									
Large Cap	-0.7%	-1.8%	-3.0%	0.0%	-1.6%	-2.0%	0.1%	-0.8%	-1.2%
Mid Cap	-0.4%	-0.9%	-2.5%	0.0%	-0.7%	-0.3%	-0.2%	-0.6%	-0.9%
Small Cap	1.3%	0.0%	-1.3%	0.5%	0.0%	-0.8%	-0.2%	-0.4%	-0.8%
Year-to-Date Returns (as of March 26)									
Large Cap	1.5%	-4.9%	-10.6%	-0.1%	-3.2%	5.0%	0.8%	-0.9%	-1.2%
Mid Cap	3.0%	0.7%	-6.5%	2.5%	0.4%	6.3%	0.0%	-0.8%	-1.3%
Small Cap	4.7%	0.7%	-2.9%	0.9%	2.3%	4.9%	0.0%	-0.8%	-2.7%

Asset Class Performance | Weekly and Year-to-Date (as of March 26)**



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

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

Weekly Data**

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	6477.2	(1.9)	(5.7)	(5.1)	14.8	19.3	11.9	14.2
DJ Industrial Average	45960.1	(0.1)	(6.2)	(4.4)	8.3	12.5	6.8	10.1
NASDAQ Composite Index	21408.1	(3.1)	(5.6)	(7.9)	19.6	21.8	10.3	16.2
Russell 1000	6801.5	(1.8)	(5.7)	(4.9)	16.7	21.4	13.3	15.3
Russell 2000	6196.5	(0.0)	(5.2)	0.7	23.3	13.1	5.0	11.3
Russell Midcap	9907.6	(0.9)	(5.8)	0.7	16.8	14.8	9.0	12.4

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	616.2	2.9	(8.6)	7.7	15.0	10.5	6.3	10.4
Industrials	1365.7	(1.4)	(8.7)	4.3	22.4	20.3	12.2	13.0
Comm Services	410.2	(6.5)	(9.5)	(9.2)	23.7	30.6	12.7	11.4
Utilities	461.0	(1.9)	(4.4)	7.0	20.4	14.9	10.8	9.9
Consumer Discretionary	1745.0	(0.7)	(5.8)	(9.4)	7.8	17.4	6.5	12.1
Consumer Staples	913.0	(0.3)	(8.7)	6.2	7.2	9.0	8.1	8.4
Health Care	1700.8	(0.2)	(8.7)	(5.4)	2.6	6.4	6.3	10.0
Information Technology	5126.7	(3.6)	(4.4)	(9.7)	24.2	27.0	18.0	22.9
Energy	944.6	4.3	10.6	38.4	36.2	20.4	24.4	11.5
Financials	816.7	0.6	(4.2)	(10.0)	(0.9)	18.5	9.3	12.7
Real Estate	257.9	(3.5)	(7.3)	3.3	3.4	8.8	4.2	6.5

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.1	0.2	0.8	4.1	4.8	3.4	2.3
2-Year Treasury (%)	4.0	(0.3)	(0.9)	(0.2)	3.4	3.4	1.5	1.5
10-Year Treasury (%)	4.4	(1.2)	(3.4)	(1.2)	4.0	1.2	(1.3)	0.4
Bloomberg US Corporate HY	7.7	(0.4)	(1.5)	(0.8)	6.1	9.1	4.2	6.1
Bloomberg US Aggregate	4.7	(0.9)	(2.5)	(0.8)	4.3	3.2	0.1	1.7
Bloomberg Municipals	--	(1.2)	(2.6)	(0.4)	4.4	2.9	0.8	2.2
Bloomberg IG Credit	5.3	(0.8)	(2.6)	(1.2)	4.7	4.5	0.7	2.8
Bloomberg EM Bonds	6.3	(0.5)	(2.8)	(1.2)	7.3	7.9	1.9	3.7

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	94.5	(1.1)	41.0	64.5	35.6	10.9	9.2	9.1
Gold (\$/Troy Oz)	4376.3	(5.0)	(16.6)	0.8	44.8	30.2	20.4	13.6
Bloomberg Commodity Index	132.0	(1.3)	8.5	20.3	25.5	8.6	9.4	5.2

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	99.9	0.7	2.3	1.6	(4.4)	(1.0)	1.5	0.4
Euro	1.15	0.2	(2.3)	(1.7)	7.0	2.4	(0.4)	0.3
British Pound	1.34	(0.1)	(0.7)	(0.7)	3.6	3.0	(0.6)	(0.6)
Japanese Yen	159.67	(0.9)	(2.2)	(1.8)	(5.6)	(6.5)	(7.3)	(3.4)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	979.6	(1.5)	(7.1)	(3.1)	17.9	18.5	10.0	12.1
MSCI EAFE	2863.6	(0.3)	(9.6)	(0.5)	19.4	16.0	8.5	9.2
MSCI Europe ex UK	3109.8	0.1	(10.6)	(4.2)	14.8	15.1	8.7	9.8
MSCI Japan	5017.7	(0.2)	(9.7)	4.6	24.7	18.0	7.3	9.3
MSCI EM	1448.4	(1.8)	(9.9)	3.5	31.5	17.5	5.1	8.9
MSCI Asia ex JP	941.2	(2.4)	(9.8)	3.3	31.2	17.0	4.3	9.3
MSCI LATAM	3018.3	1.8	(6.6)	11.9	51.2	20.5	13.3	9.0
Canada S&P/TSX Composite	23021.0	0.1	(7.1)	0.6	26.7	17.8	11.2	9.1

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

Disclosures

All expressions of opinion reflect the judgment of the author(s) and Investment Strategy Committee and are subject to change. This information should not be construed as a recommendation. The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Past performance is not a guarantee of future results. Indices and peer groups are not available for direct investment. Any investor who attempts to mimic the performance of an index or peer group would incur fees and expenses that would reduce returns. No investment strategy can guarantee success. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital.

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

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

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

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

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

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

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

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

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

PERSONAL CONSUMPTION EXPENDITURES | The Personal Consumption Expenditures (PCE) Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

PRODUCER PRICE INDEX | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

CONSUMER PRICE INDEX | The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

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

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

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

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

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

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 3/26/2026

DOMESTIC EQUITY DEFINITION

DOW JONES INDUSTRIAL AVERAGE (DJIA) | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

NASDAQ COMPOSITE INDEX | The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

S&P 500 | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

S&P 500 EQUAL WEIGHT INDEX | The S&P 500 Equal Weight Index: The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

LARGE GROWTH | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater- than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

LARGE BLEND | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater- than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

MID BLEND | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

SMALL BLEND | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

MID VALUE | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

COMMODITY INDEX DEFINITION

BLOOMBERG COMMODITY INDEX (BCOM) | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

FIXED INCOME DEFINITION

AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | Bloomberg US Corporate High Yield Total Return Index: The index measures the USD-denominated, high yield, fixed- rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | Bloomberg US Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed- rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Disclosures

MUNICIPAL | Bloomberg Municipal Total Return Index: The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BLOOMBERG US CONVERTIBLE LIQUID BOND INDEX | The index tracks the performance of USD-denominated convertible securities, specifically bonds and convertible preferred stock, issued in the US market with a minimum amount outstanding of \$350 million.

BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

BLOOMBERG EMERGING MARKET BOND INDEX | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment-grade and below-investment-grade securities.

BLOOMBERG WIRP FUTURES MODEL | The Bloomberg World Interest Rate Probability (WIRP) function calculates the implicit forecast for rates after each meeting over the next year for the biggest developed world central banks, based on pricing in futures and overnight index swaps markets.

BLOOMBERG TREASURY INDEX | The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. The Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The index includes securities with remaining maturity of at least one year.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

NIKKEI 225 INDEX | The Nikkei 225 is Japan's main stock market index, tracking the performance of 225 large, highly traded "blue-chip" companies listed on the Tokyo Stock Exchange (TSE). It's a price-weighted index, meaning higher-priced stocks have a greater impact, similar to the Dow Jones Industrial Average, and serves as a key indicator of the Japanese economy.

FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI ACWI | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

MSCI ACWI EX US | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

CANADA S&P/TSX COMPOSITE | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on Canada's primary stock exchange, the Toronto Stock Exchange.

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