

Economic and Market Review

FOURTH QUARTER 2025



Invest without boundaries™

Important information and disclosures

Not a Deposit. Not FDIC Insured. May Lose Value. Not Bank Guaranteed. Not Insured by any Federal Government Agency.

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

Nothing contained in this material is intended to constitute legal, tax, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Source for MSCI data: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

Standard & Poor's Corporation is the owner of the trademarks, service marks, and copyrights related to its indexes. Indexes are unmanaged and cannot be invested in directly.

Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. The greater the degree of dispersion, the greater the risk.

Correlations measure the strength and direction of a linear relationship between two random variables. The value will range between -1 and 1. Rolling correlations are trailing correlations in overlapping cycles for a given period of time. The periods shift based on a chosen length (typically one month) resulting in a continuous stream of trailing correlations e.g., a three-year rolling value shifted by one month will show you the trailing three-year value for each month displayed. Correlations are useful for understanding the behavior of correlations over multiple time periods. Demonstrates patterns or longer-term trends in the return data.

Indices and benchmarks are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Index return information is provided by vendors and although deemed reliable, is not guaranteed by Russell Investments or its affiliates. Due to timing of information, indices may be adjusted after the publication of this report.

These views are subject to change at any time based upon market or other conditions and are current as of the date of first use. The opinions expressed in this material are not necessarily those held by Russell Investments, its affiliates or subsidiaries. While all material is deemed to be reliable, accuracy and completeness cannot be guaranteed. The information, analysis, and opinions expressed herein are for general information only and are not intended to provide specific advice or recommendations for any individual or entity.

Bond investors should carefully consider risks such as interest rate, credit, default and duration risk. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, inherent in portfolios that invest in high yield ("junk") bonds or mortgage-backed securities, especially mortgage-backed securities with exposure to sub-prime mortgages. Generally, when interest rates rise, prices of fixed income securities fall. Interest rates in the United States are at, or near, historic lows, which may increase a Fund's exposure to risks associated with rising rates. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners, L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

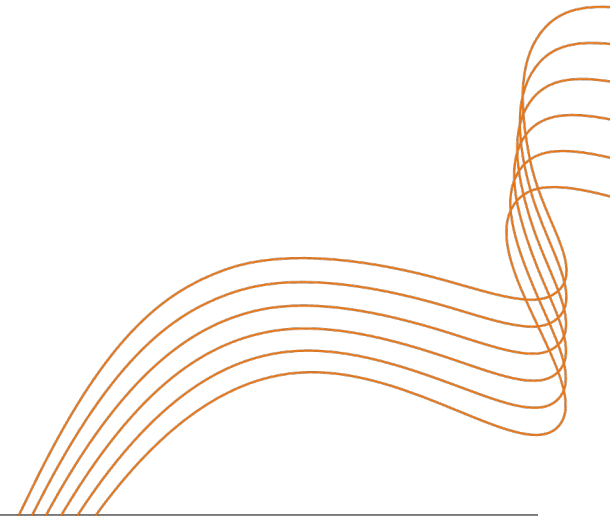
Russell Investments Financial Services, LLC, member FINRA, part of Russell Investments.

Copyright © 2026 Russell Investments Group, LLC. All rights reserved. This material is proprietary and may not be reproduced, transferred, or distributed in any form without prior written permission from Russell Investments. It is delivered on an "as is" basis without warranty.

Date of first use: January 2026 RIFIS-26730

Agenda

- Markets in Review 04
- Equity 09
- Fixed Income 16
- Real Assets 20
- Global Outlook 21
- Taxes 24
- Stay Invested 26

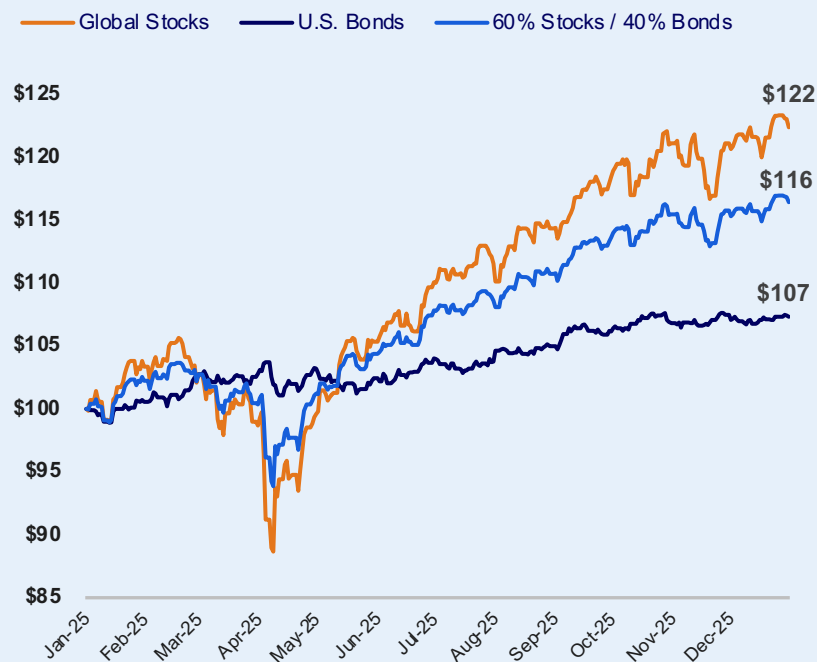


2025 market and news recap

Stocks and bonds produce a strong year for investors

Growth of \$100

Jan 1 - Dec 31, 2025



Source: Morningstar. Global Stocks: MSCI ACWI Index ; U.S. Bonds: Bloomberg U.S. Aggregate Bond Index. The 60/40 portfolio is a blend of 60% MSCI ACWI Index / 40% Bloomberg U.S. Aggregate Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

January/February

- Donald Trump becomes 47th U.S. President
- U.S. executive order imposing broad tariffs
- Equity markets responded with volatility
- Philadelphia Eagles win Super Bowl LIX

March/April

- U.S.-Mexico-Canada trade war deepens
- April 2 “Liberation Day” tariffs spook markets
- April 9 tariff pause announced, prompting market rally
- All-female Blue Origin space crew

May/June

- Positive trade announcement between U.S. and U.K.
- 90-day pause in U.S. –
- China tariff escalation contributed to stock rally
- Middle East tensions raise energy prices
- KPop Demon Hunters premiered

July/August

- U.K. stock market hits all-time high
- Federal Reserve holds rates steady amidst mixed inflation data
- Slowing job growth in the U.S.
- Taylor Swift and Travis Kelce announce their engagement

September/October

- Federal Reserve cuts 2x, one each in Sept & Oct
- Rate cuts fueled strong market results
- U.S. government shut down in late September
- A team of thieves breaks into the Louvre

November/December

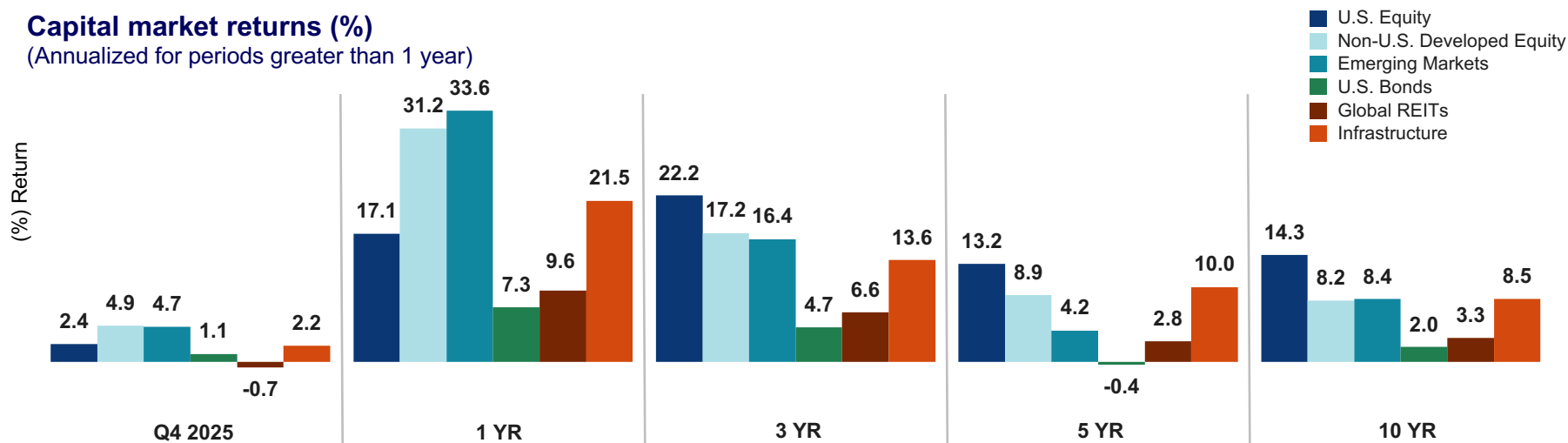
- Federal Reserve makes 3rd cut of 2025
- U.S. government ends six-week shut down
- Non-U.S. stock markets finish strong year
- Metals rally to post historical year
- The last U.S. penny is minted in November

Capital markets

Periods ending Dec. 31, 2025

Capital market returns (%)

(Annualized for periods greater than 1 year)



U.S. equity: (Russell 3000® Index) U.S. stock index which includes the 3,000 largest U.S. stocks as measured by market capitalization

Non-U.S. developed equity: (MSCI EAFE Index) International market index that includes Western Europe, Japan, Australia

Emerging markets: (MSCI Emerging Markets Index) Emerging markets index that includes S. Korea, Brazil, Russia, India and China

U.S. bonds: (Bloomberg U.S. Aggregate Bond Index) Broad index for U.S. Fixed Income market

Global REITs: (FTSE EPRA/NAREIT Developed Index) Index for global publicly traded real estate securities

Infrastructure: (S&P Global Infrastructure Index) Provides exposure to companies around the world that represent listed infrastructure

CAPITAL MARKETS Q4 2025:

U.S. equity ended positive despite record government shutdown, a spike in job cuts and near-record low consumer sentiment

Non-U.S. developed equity led global peers as improving growth expectations and a weakening dollar continued to support returns

Emerging markets was a top performer, supported by currency tailwinds and AI supply chain exposure

U.S. bonds posted modest gains. Yields moved slightly lower as the Federal Reserve cut interest rates by another 25bps in Q4

Global REITs trailed global equities, despite attractive valuations, due to structural headwinds in the office sector

Infrastructure continued to trend positive as rates fell moderately and investors remained defensive

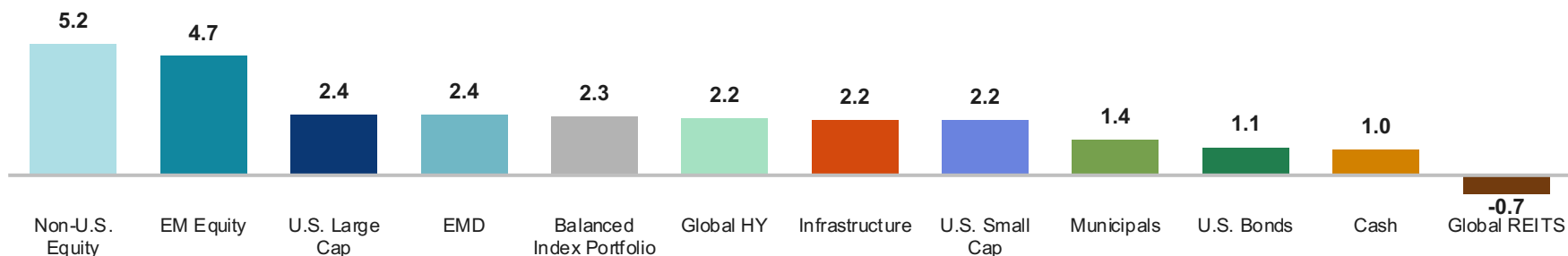
Source: FTSE/Russell, Bloomberg, MSCI, FTSE NAREIT, and S&P. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

What worked and what didn't

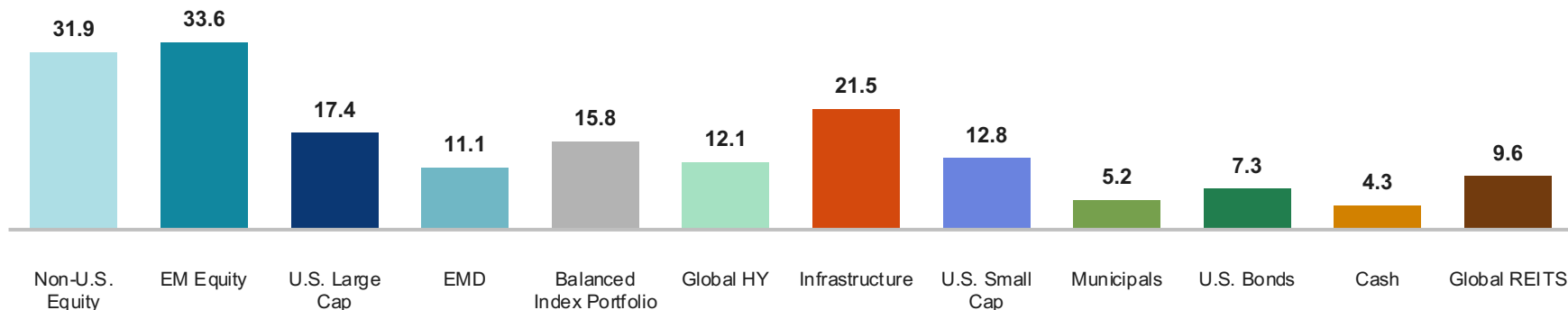
Q4 2025 and 2025 returns

Equities Alternatives Fixed Income

Q4 2025 returns (%)



2025 returns (%)



Source: U.S. Small Cap: Russell 2000® Index; U.S. Large Cap: Russell 1000® Index; Non-U.S.: MSCI World ex-USA Net index; Infrastructure: S&P Global Infrastructure Index; Global High Yield: Bloomberg Global High Yield Index; Global REITS: FTSE EPRA/NAREIT Developed Index; Municipals: Bloomberg Municipal 1-15 Yr. Blend Index, Cash: Bloomberg US Treasury Bill 1-3 Month Index; EM Equity: MSCI Emerging Markets Index; U.S. Bonds: Bloomberg U.S. Aggregate Bond Index; Balanced Index: 3% U.S. Small Cap, 36% U.S. Large Cap, 13% Non-U.S., 2% Infrastructure, 4% Global High Yield, 2% Global REITS, 2% Cash, 4% EM Equity, 34% U.S. Bonds. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Economic indicators dashboard

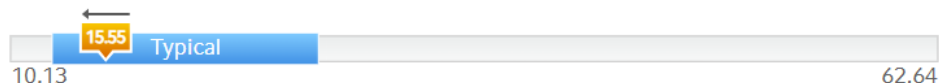
Q4 2025

MOST RECENT  3-MO. TREND  TYPICAL RANGE  ACTUAL RANGE 

▼ MARKET INDICATORS

Market Volatility: Continued to moderate

Market Volatility (CBOE VIX)



10 Yr. U.S. Treasury Yield



Yield Spread: Widened further into the typical range in Q4

Yield Spread



Home Prices (HPI)



▼ ECONOMIC INDICATORS

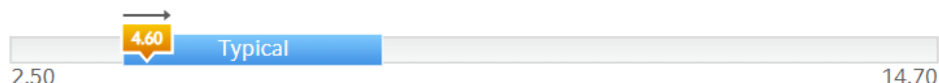
Inflation: Dropped from 2.9% in Q3

Inflation (CPI)



Unemployment: Ticked up from 4.4% in Q3, but still within typical range

Unemployment



Economic Expansion (GDP)



Consumer Sentiment: Reduced further below historical range

Consumer Sentiment (CSI)










Source: <http://www.russellinvestments.com>, current view from RI.com as of 1/5/2026, data points as of most recent month-end. For more up to date information, please refer to www.russellinvestments.com. See appendix for category definitions. Russell Investments' Economic Indicators Dashboard charts several key indicators to help investors assess economic and market trends.

U.S. stock rally continues to run

Longest streak of consecutive monthly gains since 2018

S&P 500 Index: Most consecutive positive months (since 2009)

Returns following end of streak

Start – End Month (total)	S&P 500 Total Return During Streak	3 Mos.	6 Mos.	12 Mos.
Nov. 2016 - Jan. 2018 (15)	 36%	-6%	1%	-2%
May 2025 - Dec. 2025 (8)	 24%	-	-	-
Sept. 2010 - Apr. 2011 (8)	 32%	-5%	-7%	5%
Feb. 2021 - Aug. 2021 (7)	 23%	1%	-3%	-11%
Mar. 2016 - Sept. 2016 (7)	 14%	4%	10%	19%
Nov. 2012 - May 2013 (7)	 17%	1%	12%	20%
Mar. 2009 - Sept. 2009 (7)	 46%	6%	12%	10%

- U.S. stocks finished 2025 with eight straight months of positive returns - the longest streak since 2018
- The current streak is not unprecedented as runs of similar magnitude and duration have occurred before
- Markets typically continued to produce positive returns in periods following the ends of prior streaks

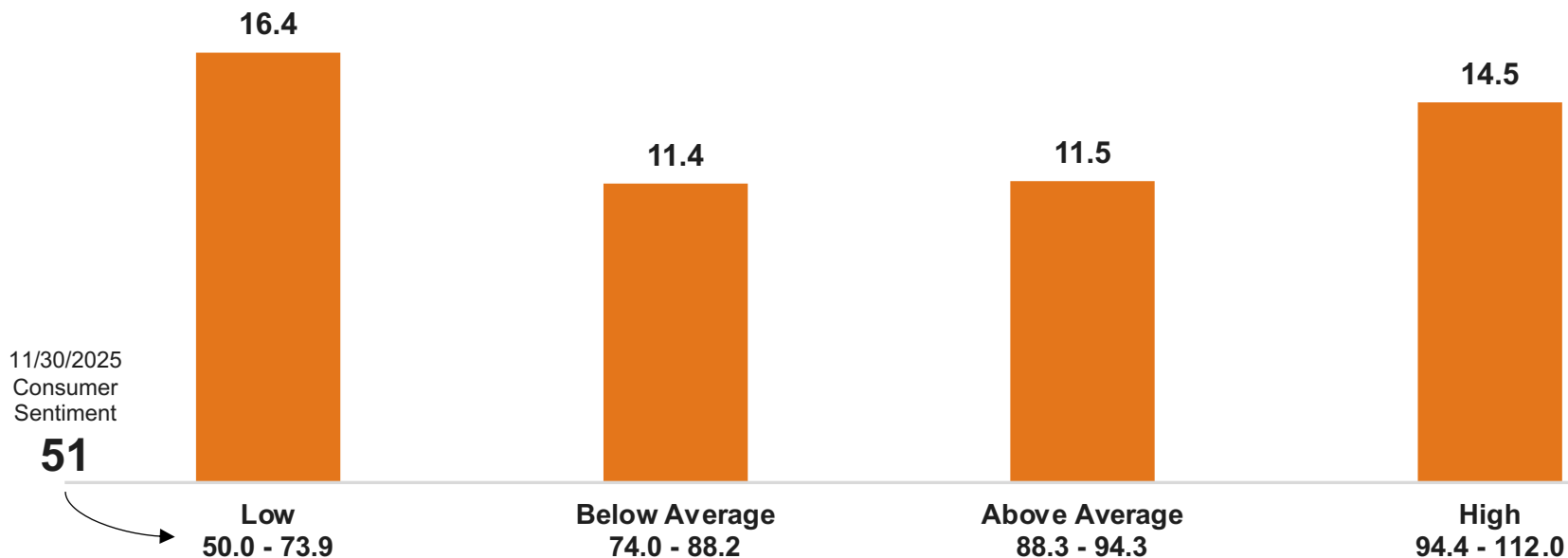
Source: Morningstar. U.S. Stocks represented by S&P 500 Index. Past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Sentiment isn't a timing signal

What it does...and doesn't tell us

Avg. forward 1-year equity returns v. consumer sentiment

Jan. 1978 – Dec. 2025

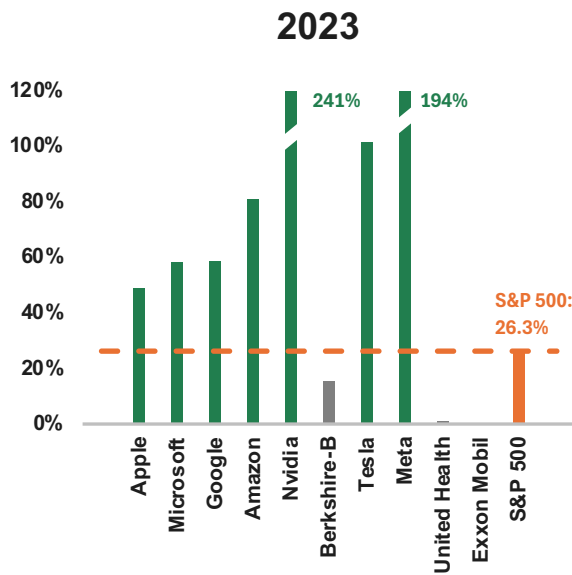


- Consumer sentiment largely reflects recent economic conditions as opposed to future market direction
- Historically, that has translated to equities delivering the strongest returns when investors are most pessimistic
- In 2025, sentiment averaged 58, landing squarely in the low sentiment bucket, yet the S&P was up +17.9%

Source: St. Louis Fred and Morningstar Direct. Consumer Sentiment: University of Michigan Consumer Sentiment Index, not seasonally adjusted. Average Forward Equity Returns: S&P 500 Index. Sentiment categories are selected based on quartile. The average asset class returns were calculated by segmenting corresponding Consumer Sentiment observations from 12/31/1977 to 12/31/2025 into quartiles, with "Low" representing the top quartile, "Below Average" representing the 2nd quartile, "Above Average" representing the 3rd quartile and "High" representing the bottom quartile of Consumer Sentiment observations. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

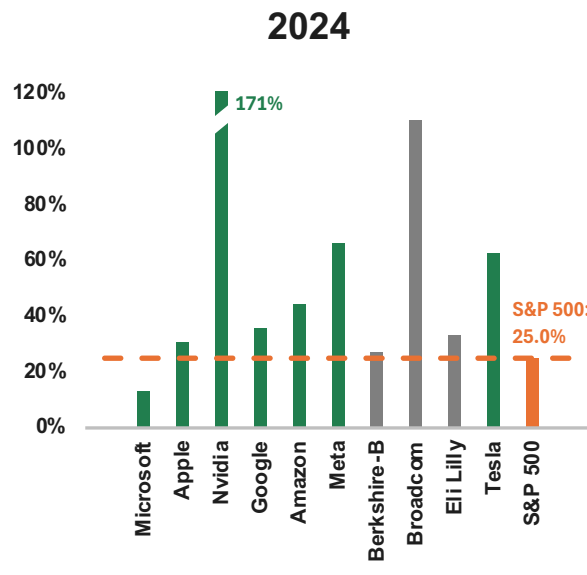
U.S. stock performance widened beyond top names

Largest 10 stocks less dominant in 2025

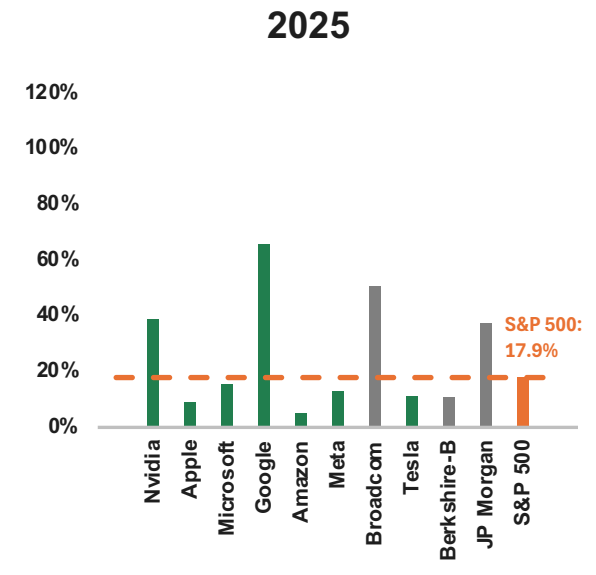


Top 10 contribution to return: 57.6%

*Green bar denotes Mag 7 stock



Top 10 contribution to return: 60.2%



Top 10 contribution to return: 46.8%

- The top 10 stocks drove less than half of index returns for the first time since 2021
- Magnificent 7 dominance faded as only 2 of the 7 beat the S&P 500 in 2025
- Broader leadership may create more opportunities for active management beyond mega-cap stocks

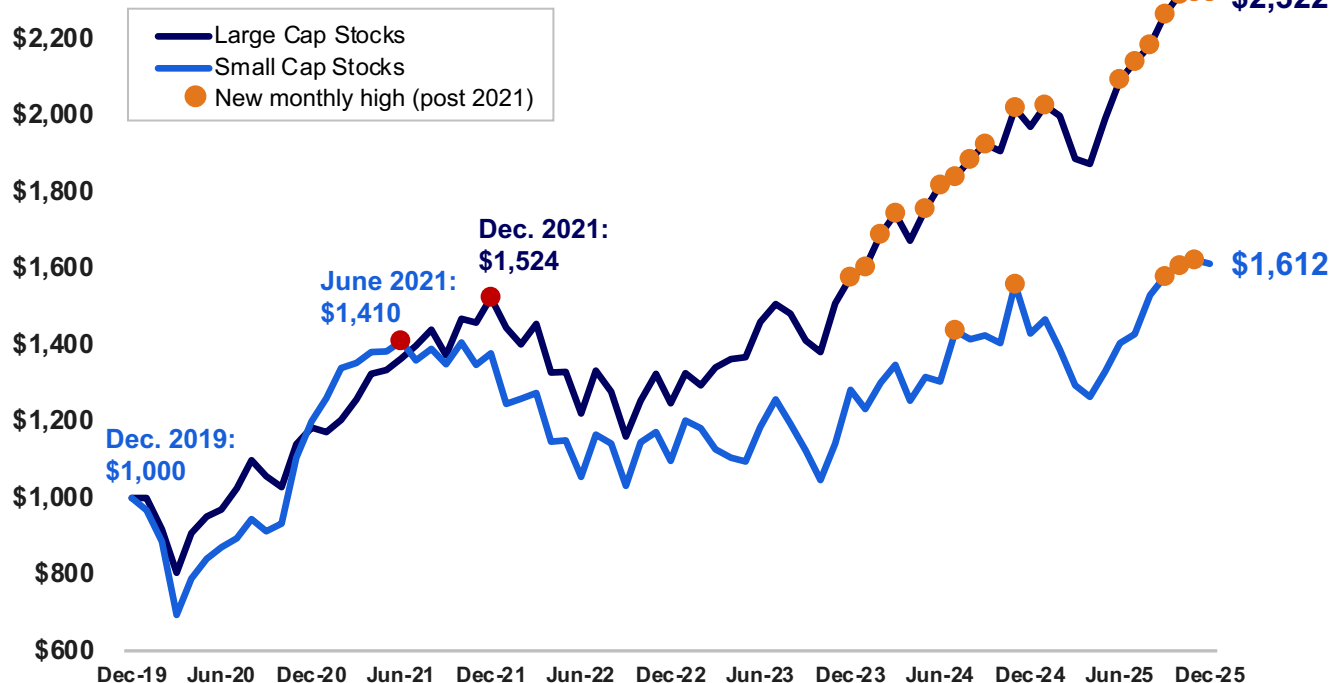
Source: Russell Investments & Morningstar Direct. Top 10 holdings based on average weight in S&P 500 during calendar year. *Mag 7 refers to "Magnificent 7" which includes Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, & Meta.

Small cap stocks making up lost ground

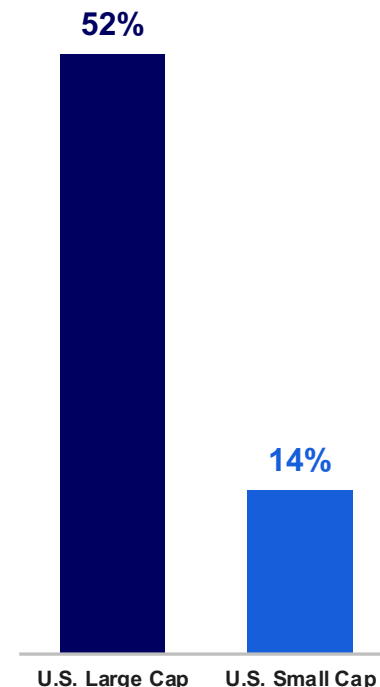
Recent rally near multi-year highs but still lags large cap

Growth of \$1,000: U.S. Large Cap vs Small Cap

Dec. 31, 2019 – Dec. 31, 2025



Returns since 2021 highs



- Despite recent gains, small cap stocks have trailed large cap stocks since 2021
- Headwinds such as higher interest rates and uncertainty surrounding tariff impacts have weighed on small cap returns
- The potential for lower rates and/or easing trade tensions may support small cap stocks in 2026

Source: Morningstar. Large Cap Stocks represented by S&P 500 Index with Small Cap Stocks represented by Russell 2000 Index. Past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Is U.S. growth dominance waning?

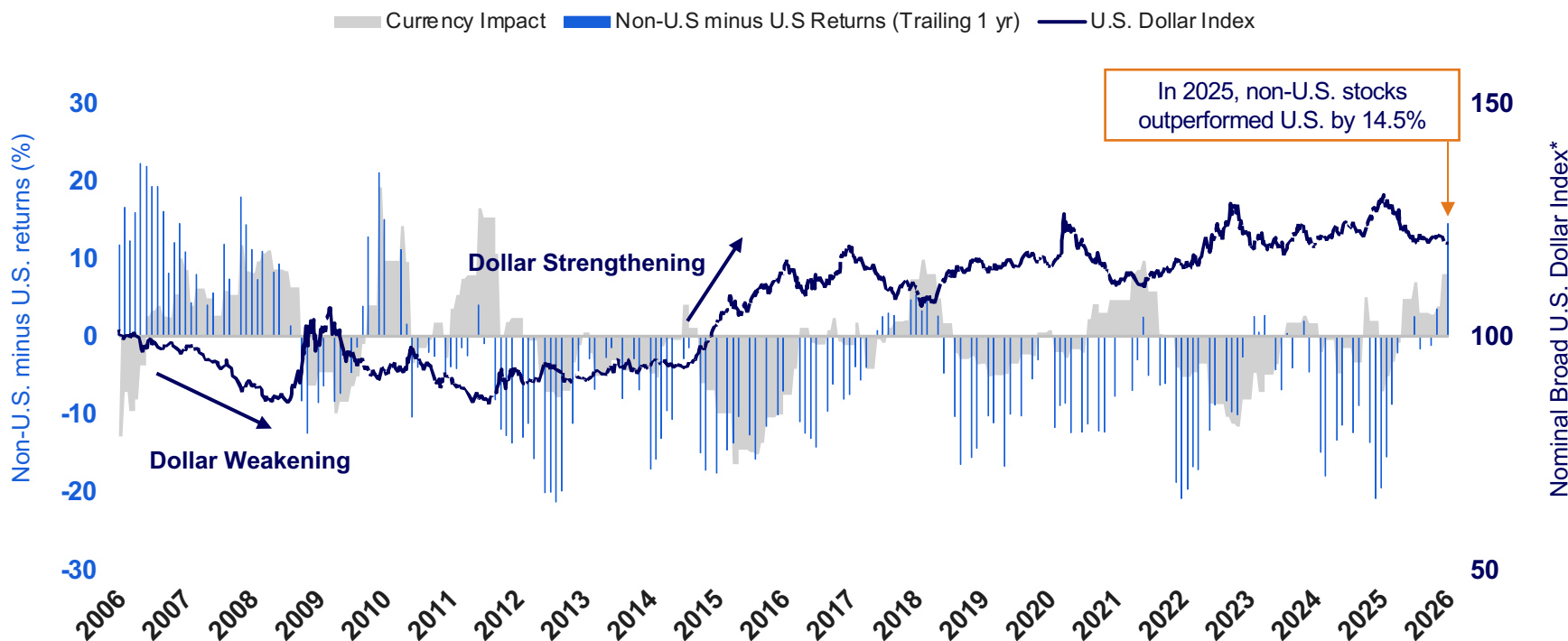
International value tops two of last four years and emerging stocks emerging in 2025

10 Yrs Ending 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	10 Yrs Ending 2025
U.S. Growth 8.5%	U.S. Value 17.3%	EM Growth 46.8%	U.S. Growth -1.5%	U.S. Growth 36.4%	U.S. Growth 38.5%	U.S. Growth 27.6%	Int'l Value -5.6%	U.S. Growth 42.7%	U.S. Growth 33.4%	Int'l Value 42.2%	U.S. Growth 18.1%
U.S. Core 7.4%	EM Value 14.9%	EM Core 37.3%	U.S. Core -4.8%	U.S. Core 31.4%	EM Growth 31.3%	U.S. Core 26.5%	U.S. Value -7.5%	U.S. Core 26.3%	U.S. Core 24.5%	EM Growth 34.3%	U.S. Core 14.6%
U.S. Value 6.2%	U.S. Core 12.1%	U.S. Growth 30.2%	U.S. Value -8.3%	Int'l Growth 27.9%	U.S. Core 21.0%	U.S. Value 25.2%	Int'l Core -14.3%	Int'l Value 18.5%	U.S. Value 14.4%	EM Core 33.4%	U.S. Value 10.5%
Int'l Growth 3.8%	EM Core 11.2%	EM Value 28.1%	EM Value -10.7%	U.S. Value 26.5%	Int'l Growth 18.4%	Int'l Value 13.3%	EM Value -15.8%	Int'l Core 17.9%	EM Growth 10.3%	EM Value 32.7%	Int'l Value 9.2%
EM Growth 3.8%	EM Growth 7.6%	Int'l Growth 27.6%	Int'l Growth -13.1%	EM Growth 25.1%	EM Core 18.3%	Int'l Core 12.6%	U.S. Core -19.1%	Int'l Growth 17.5%	EM Core 7.5%	Int'l Core 31.9%	EM Growth 8.8%
EM Core 3.6%	Int'l Value 7.4%	Int'l Core 24.2%	Int'l Core -14.1%	Int'l Core 22.5%	Int'l Core 7.6%	Int'l Growth 11.6%	EM Core -20.1%	EM Value 14.2%	Int'l Value 6.7%	Int'l Growth 21.9%	Int'l Core 8.6%
EM Value 3.4%	U.S. Growth 7.1%	U.S. Core 21.7%	EM Core -14.6%	EM Core 18.4%	EM Value 5.5%	EM Value 4.0%	Int'l Growth -22.7%	U.S. Value 11.5%	Int'l Core 4.7%	U.S. Growth 18.6%	EM Core 8.4%
Int'l Core 2.9%	Int'l Core 2.8%	Int'l Value 21.0%	Int'l Value -15.1%	Int'l Value 17.0%	U.S. Value 2.8%	EM Core -2.5%	EM Growth -24.0%	EM Core 9.8%	EM Value 4.5%	U.S. Core 17.4%	EM Value 8.0%
Int'l Value 2.0%	Int'l Growth -1.9%	U.S. Value 13.7%	EM Growth -18.3%	EM Value 12.0%	Int'l Value -3.2%	EM Growth -8.4%	U.S. Growth -29.1%	EM Growth 5.8%	Int'l Growth 2.8%	U.S. Value 15.9%	Int'l Growth 7.7%

Sources: FTSE Russell Indexes and MSCI Indexes, U.S. Growth: Russell 1000 Growth Index, U.S. Value: Russell 1000 Value Index, U.S. Core: Russell 1000 Index, Int'l Growth: MSCI World x-US Growth Index NR, Int'l Value: MSCI World ex-US Value Index NR, Int'l Core: MSCI World x-US Index NR, EM Growth: MSCI Emerging Markets Growth Index NR, EM Value: MSCI Emerging Markets Value Index NR, and EM Core: MSCI Emerging Markets Index

U.S. Dollar weakening

Currency translation can impact returns for U.S. investors



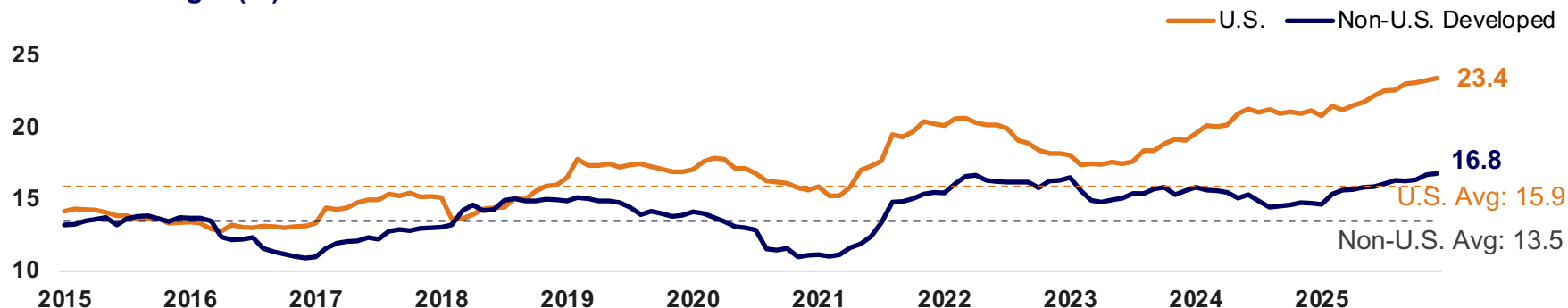
- The dollar weakened in 2025, but came down from a position of relative longer-term strength
- Historically, a softer dollar has boosted global returns when translated back to USD
- In 2025, non-U.S. stocks outperformed U.S. by 14.5%. Currency translation contributed 8.0% to that outperformance.

Source: Morningstar, FRED. Non-U.S.: MSCI ACWI ex USA. U.S. Dollar: Nominal Broad U.S. Dollar Index. Past performance, are not a guarantee of future performance, and are not indicative of any specific investment.
*The Nominal Broad U.S. Dollar index measures strength of U.S. Dollar relative to a trade-weighted basket of currencies of developed and emerging markets currencies

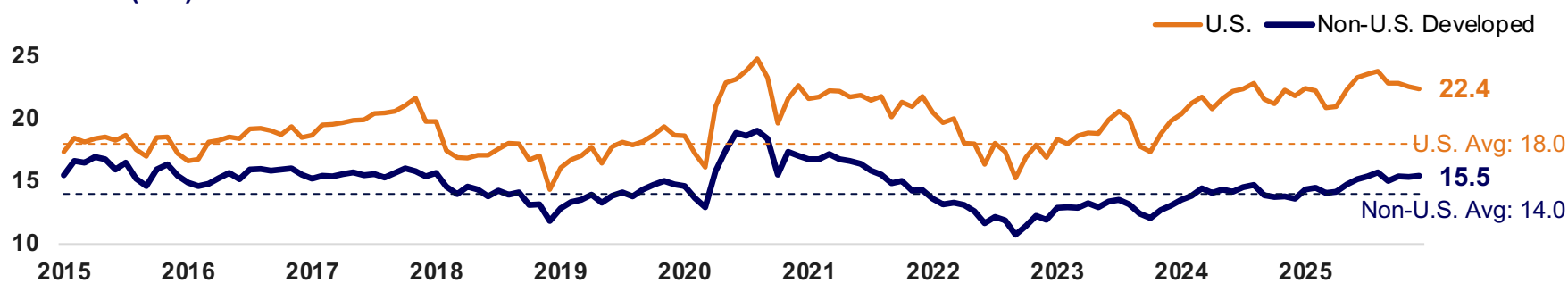
Valuations and profits continue to rise

Non-U.S. Markets may offer more reasonable multiples

Net Profit Margin (%)



Valuation (P/E)



- In non-U.S. markets, profit margins are rising while valuations remain near historical averages and below U.S. levels. This combination leaves potential upside for non-U.S. equities
- U.S. margins are elevated post-COVID. While valuations are also elevated, they are relatively less stretched from 10 year averages.

Source: Morningstar. U.S.: S&P 500 ; Non-U.S. Developed: MSCI EAFE. Price/projected earnings for a stock is the ratio of the company's most recent month-end share price to the company's estimated earnings per share (EPS) for the current fiscal year. Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years.

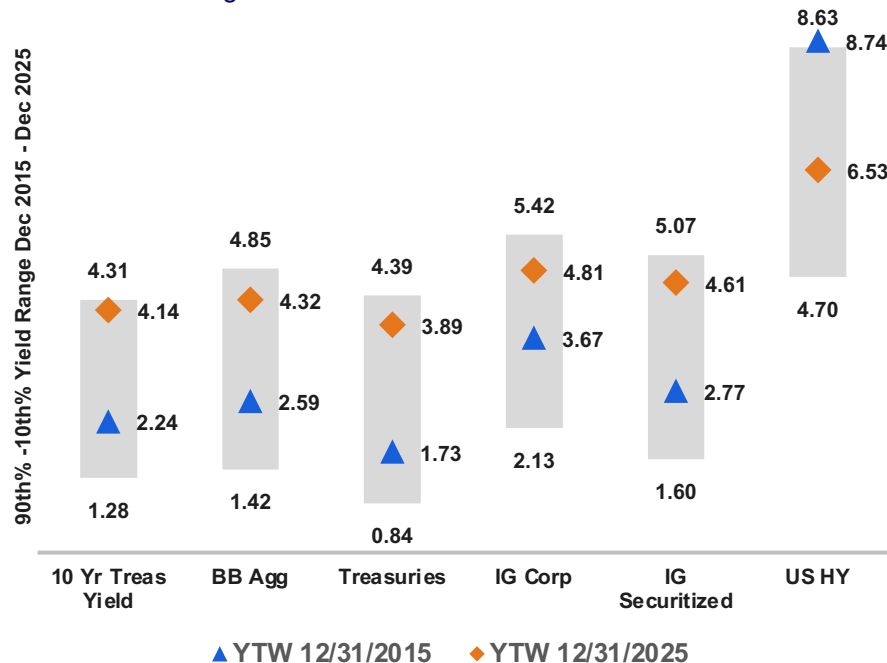
Bond returns and market expectations

High yields set up higher potential returns for fixed income

Bond Index Returns	One Year	Five Yrs Annual	Ten Yrs Annual
Barclays Aggregate	7.1%	-0.4%	2.0%
Barclays Treasuries	6.3%	-1.0%	-1.4%
Barclays Corp Credit	7.7%	-0.1%	3.3%
Barclays Securitized	8.5%	0.2%	1.7%
Barclays US High Yield	8.6%	4.5%	6.6%

Current and Historical Bond Yields%

Ten Years Ending Dec 2025



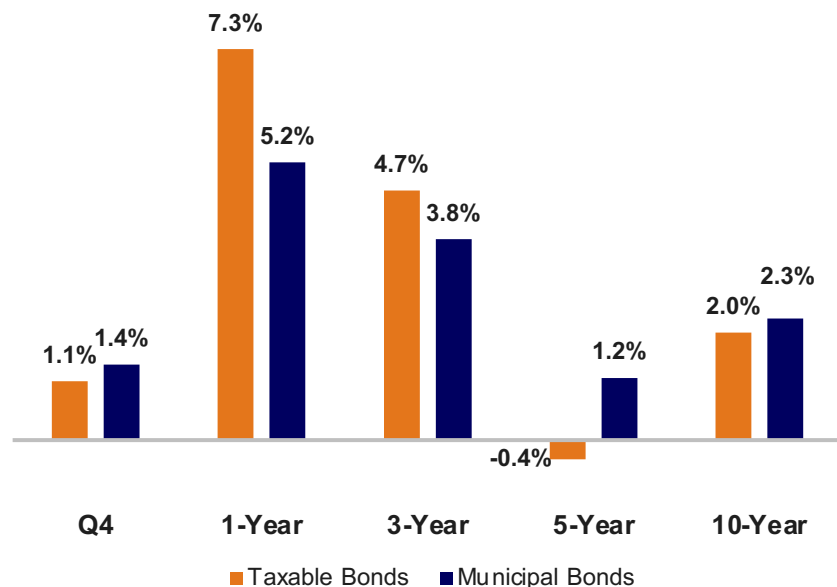
- A strong 2025 for bonds follows a difficult 5 – 10-year stretch for bond investors
- The 10-year period started with low interest rates and bond yields, projecting and delivering lower than average bond returns
- Today's interest rates and yields are higher than ten years ago, suggesting better investment grade future returns

Sources: St. Louis Federal Reserve Website and Bloomberg Indexes: BB Agg: Bloomberg US Aggregate Bond Index, Treasuries: Bloomberg Treasuries Index, IG Corp: Bloomberg Credit Index, IG Sec: Bloomberg Securitized Index; Munis: Bloomberg Municipals Index, US HY: Bloomberg US Corporate High Yield Index, EM: Bloomberg Emerging Markets Aggregate USD Index. Past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

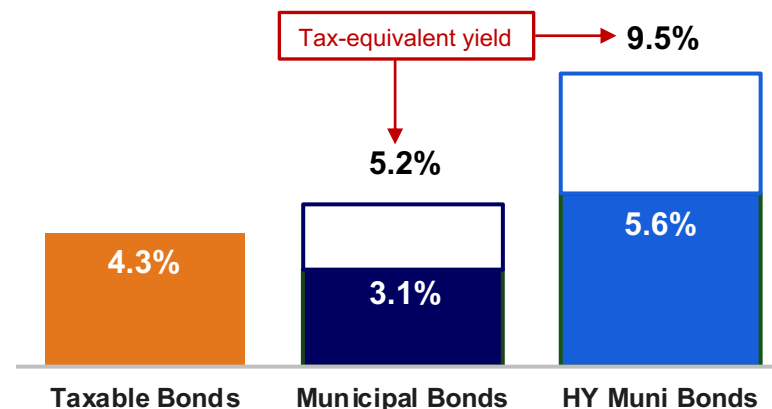
Municipal bonds bounce back in Q4

Municipal bonds outperformed taxable in the quarter but still lag over the full year

Total Returns, as of Dec. 2025
Taxable vs. Municipals



Taxable Equivalent Yields, as of Dec. 2025
Taxable vs. Municipals



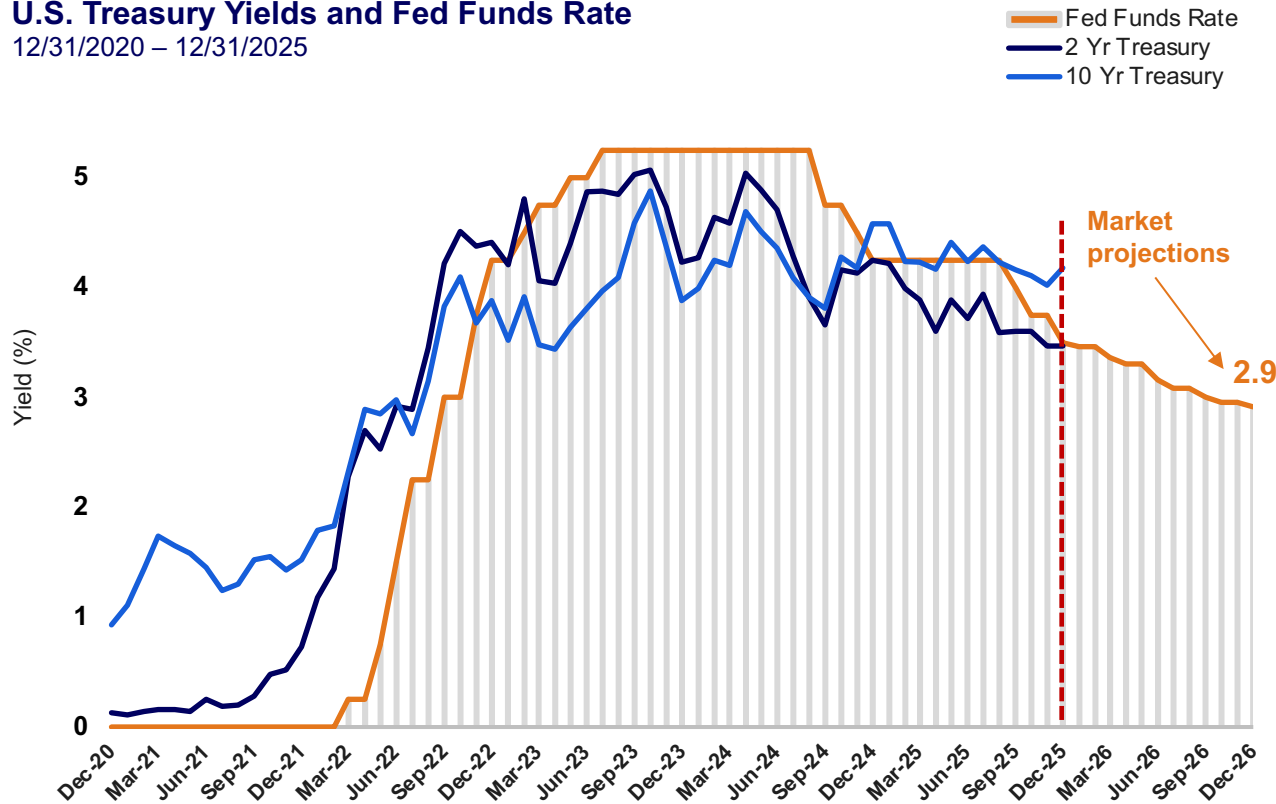
- Municipal bonds have been trailing taxable bonds recently but had a bounce back in Q4. This outperformance in Q4 has not been enough to make up for the lagging returns over the past 12-18 months
- Over longer horizons, municipals have delivered superior annualized returns
- Tax-exempt income can offer higher tax-adjusted yields

Source: Morningstar Direct & Barclays Live. Taxable Bonds: Bloomberg U.S. Aggregate Bond Index, Municipal Bonds: Bloomberg U.S. Municipal 1-15 Yr Index, HY Muni Bonds: Bloomberg Municipal High Yield Index. Past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Taxable Equivalent Yield is based on tax rate of 40.8% (top federal bracket plus net investment income tax)

Yields decline in 2025 as Fed continues to cut rates

Short-term rates impacted more than longer-term rates

U.S. Treasury Yields and Fed Funds Rate
12/31/2020 – 12/31/2025



Yield Comparison (%)

	Dec. 2024	Dec. 2025	Change
Fed Funds Rate	4.25	3.50	-0.75
2-Year Treasury	4.25	3.47	-0.78
10-Year Treasury	4.58	4.18	-0.40

- Following a rapid rise in rates during 2021 and 2022 the Federal Reserve cut rates 3 times in 2025.
- Treasury yields generally declined as well, however shorter-term rates saw larger declines than longer rates.
- Projections indicate additional cuts in 2026 which can benefit bond portfolios.

Source: St. Louis FED and CME. Fed Funds Rate represents lower limit of target rate. Market projections for Fed Funds Rate represent weighted average probabilities of possible rates based Fed Funds futures contract prices. Projections are not guaranteed, and actual outcomes may differ.

Stocks and bonds working together

Higher yields, falling rates can help bonds offset risks from stocks

Approximate range of 60% stock - 40% bond portfolio returns:

Based on various stock and interest rate environments

		Stock Returns				
		-10%	-5%	0%	5%	10%
Interest Rate Change	Fall 100 bps	-2%	1%	4%	7%	10%
	Fall 50 bps	-3%	0%	3%	6%	9%
	No Change	-4%	-1%	2%	5%	8%
	Rise 50 bps	-5%	-2%	1%	4%	7%
	Rise 100 bps	-7%	-4%	-1%	2%	5%

EXAMPLE:

\$100,000 60% stocks / 40% bonds portfolio:

Stocks: Rise +5%

Interest rates: Fall 50 bps

- \$60,000 stock allocation gains **\$3,000** as stocks rise
- \$40,000 bond allocation yields **\$1,728** and also gains **\$1,196** as rates fall*
- Total portfolio = **\$105,924**

*Bond characteristics as of 12/31/2025:

Yield: 4.32%

Duration: 5.98 Years

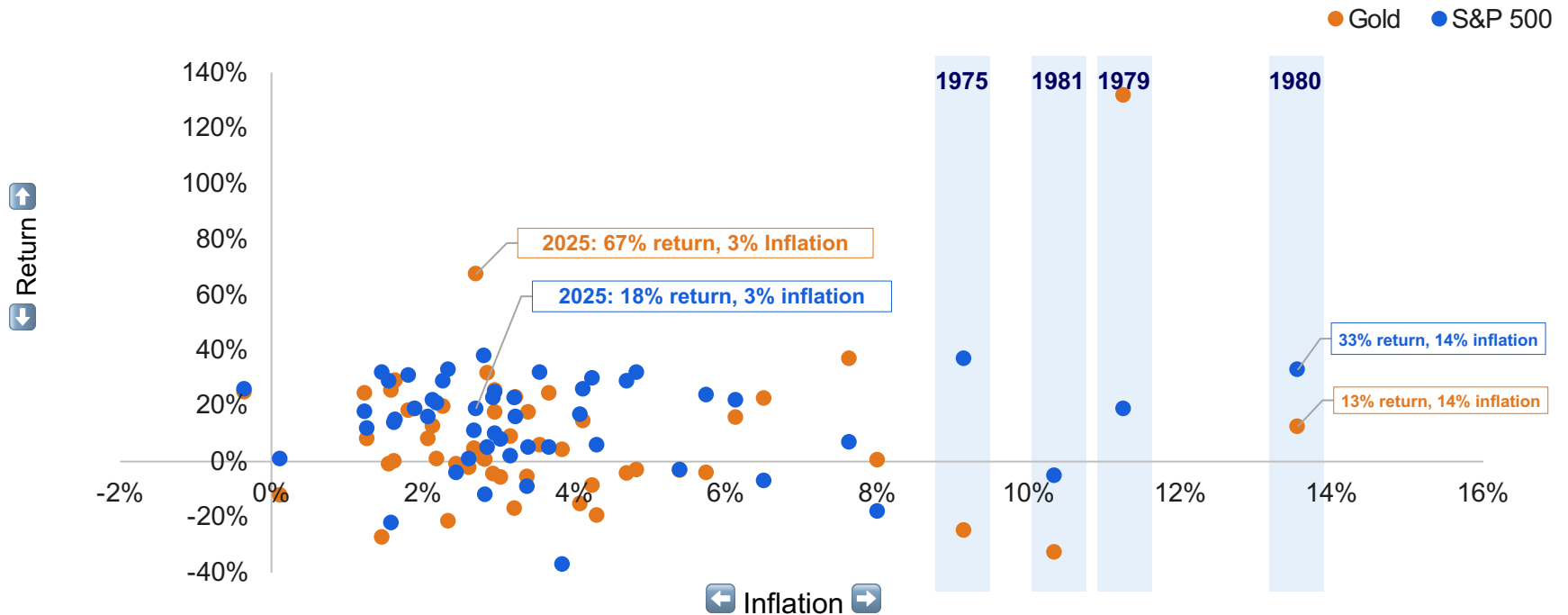
- Stocks near all-time highs and strong recent gains may concern investors about future returns
- However, high current yields and the potential for falling rates suggest bonds may be able to boost returns more than previous market environments
- Stay diversified and consider how multiple sources of return can help improve portfolio outcomes

Source: Russell Investments and Barclays Live. Bond yield and duration based on Bloomberg U.S. Aggregate Bond Index. Portfolio return ranges based on indicated stock returns and fixed income returns from current yield and duration metrics. Projections are not guaranteed, and actual outcomes may differ. Past performance, are not a guarantee of future performance, and are not indicative of any specific investment.

Gold as inflation hedge?

Annual returns v. annual inflation for stocks and gold since 1975

Since 1975, gold finished positive in **63%** of years with an average annualized return of **6.4%**, while the S&P had positive returns in **82%** of years with an average annualized return of **12.5%**



- The S&P finished higher than gold in 31 of the last 51 years, and in the 4 years with extreme inflation (greater than 8%), gold only outperformed stocks in one of those years
- While gold may play a role in a diversified portfolio, it has not always provided a perfect hedge against inflation. Equities may provide a more stable, long-term hedge within a portfolio

Source: Morningstar, FRED. 1975-2025. Inflation: consumer price index for the United States. Gold: LBMA Gold Price PM. Stocks: S&P 500

Executive Summary

2025: Q4

MARKET REVIEW: KEY THEMES FROM THE FOURTH QUARTER



Fed rate close to neutral

Fed has cut rates to 3.6%, only a touch above our neutral rate estimate of 3.25%. Rate cuts may slow from here onwards



Diversification pays

Non-U.S. equities outperformed U.S. equities once again. Korea and Colombia led the charge in Q4.



Not all AI created equal

In Q4, there was a nearly 40 percentage point gap in performance between the top performing and bottom performing MAG 7 stock

GLOBAL MARKET OUTLOOK



Economy

We expect U.S. GDP to accelerate in 2026. Global growth is expected to be more favorable than in 2025, but cyclical risks could vary by region.



Stocks

Sentiment not yet euphoric, implying rally might have more room to run



Sovereign bonds

Fed nearing end of its cutting cycle. Sovereign bonds more attractive in G7 ex-US.



Credit

Extremely tight spreads limit return potential into potential volatility driven catalysts



Currency

We expect the USD to weaken further over the medium-term



Real Assets

Listed infrastructure & listed real estate supported by long-term structural demand

Global Economic Monitor

Moving from resilience to reacceleration

ECONOMIC INDICATORS	U.S.	Europe and U.K.	Asia Pacific
Unemployment Rate	Gray	Gray	Gray
Central Bank Stance	Gray	Gray	Green
Consumer Spending	Green	Gray	Gray
Household Debt	Green	Green	Gray
Yield Curve	Gray	Green	Green
Financial Conditions	Green	Gray	Green
Purchasing Managers' Index (PMI)	Gray	Orange	Orange
Overall	Green	Orange	Orange

- U.S. economy likely to move from resilience to reacceleration, amid ongoing AI adoption and fiscal tailwinds
- German government spending a key watchpoint for European economic activity
- Asian central banks have been setting accommodative monetary policy

U.S. ECONOMIC SCENARIOS

 <p>NEUTRAL 35% Oct: 55%</p>	 <p>BEAR 25% Oct: 25%</p>	 <p>BULL 40% Oct: 20%</p>
---	--	---

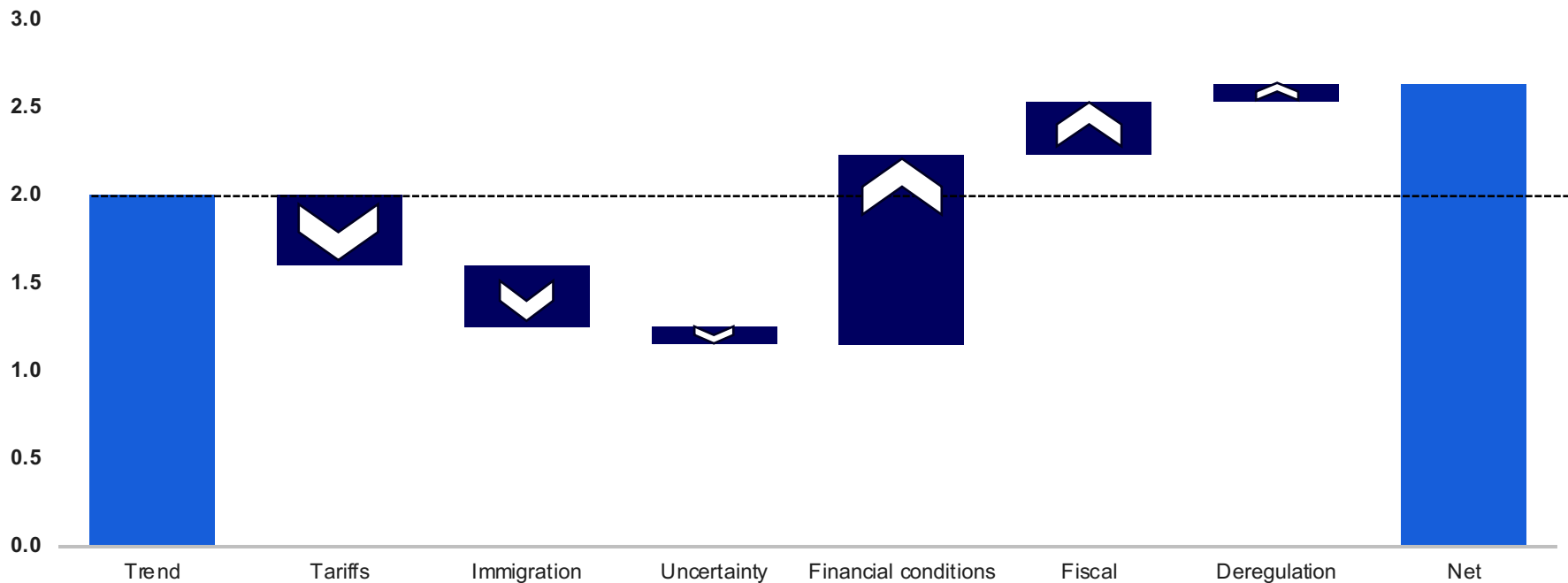
Source: Russell Investments January 2026. **Red** represents high risk, **orange** represents areas of moderate intermediate risk, **gray** represents areas of lesser intermediate risk, and **green** represents areas of low risk.

Policy crosscurrents favor an economic reacceleration in 2026

As easing financial conditions outweigh the drag from tariffs and restrictive immigration policies

Policy implications: outlook for the year ahead

factors impacting real GDP growth for the year ahead, %



- Some of the macro headwinds are likely to ease, enabling the tailwinds to dominate for 2026
- Be sure to consider all potential impacts opposed to individual factors.

Source: Russell Investments as of January 6, 2026. The headwind from tariffs leans on analysis from Yale Budget Lab as of November 17, 2025. The headwind from immigration leans on analysis from the American Enterprise Institute as of July 2nd, 2025. The headwind from uncertainty is hard to quantify but receding rapidly across a range of measures. The tailwind from financial conditions is based on our daily replication of the Federal Reserve Board Staff's FCI-G model as of December 31, 2025. The tailwind from fiscal policy is an average of estimates from Russell Investments, UBS, and Goldman Sachs as of July 11th, 2025. The tailwind from Deregulation is difficult to estimate but leans, in part, on George Washington University's RegStats database and other sources.

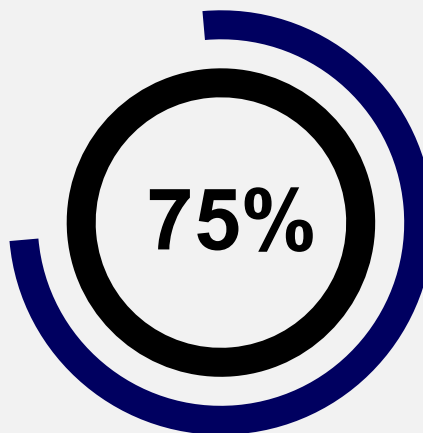
Capital gains may put a damper on 2025

This may be the biggest fee investors pay each year

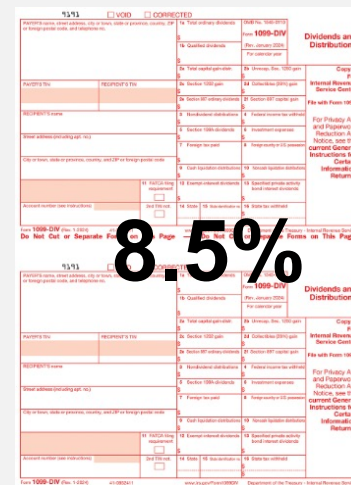
2025 return of
U.S. stocks



Percent of equity funds
paying capital gains
to shareholders



Average taxable distribution
as % of investment



1099-DIV
Dividends and Distributions
8.5%

- Despite early volatility, U.S. stocks finished the year up 17%
- 75% of mutual funds paid a capital gains distribution averaging 8.5%
- If not managed appropriately, tax bills might be higher than expected

U.S. Stock Returns = Russell 3000 Index; U.S. equity funds: Morningstar broad category 'U.S. Equity' (large/mid/small V/B/G) which includes mutual funds and ETFs (and multiple share classes). Average U.S. equity fund Distribution: Capital Gains/Share (% of NAV) based on Morningstar U.S. OE Mutual Funds and ETFs. % = Calendar Year Cap Gain Distributions / Year-End NAV. Distribution is assumed to be made at last day of year and reinvested. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Where to turn? Year-round tax-loss harvesting

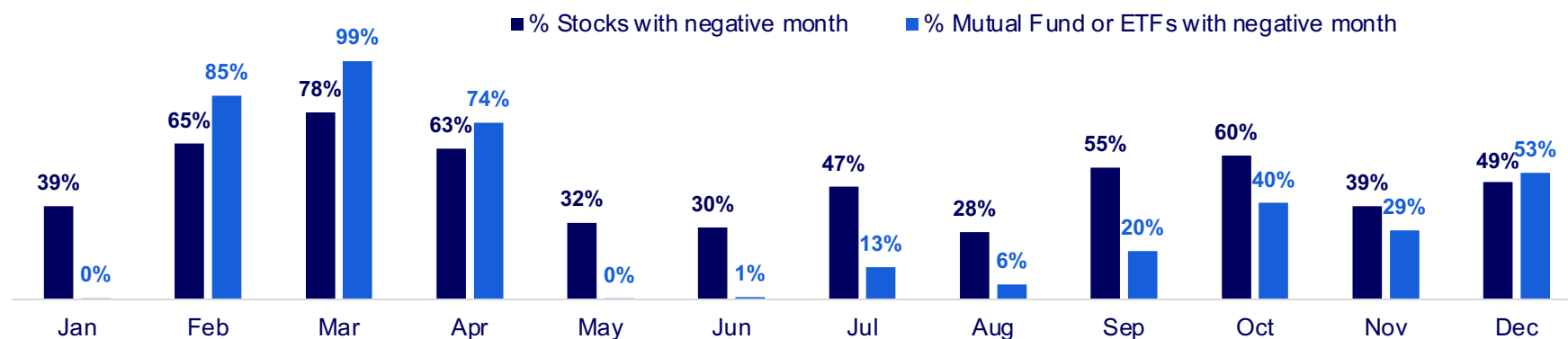
Individual stocks offer opportunities even in up markets

**All U.S. styles and sectors were positive for 2025.
If you waited until year-end, it would be difficult to harvest losses across Mutual Funds and ETFs alone**

% of U.S. stock funds and individual stocks that ended the year with a negative return



Potential loss-harvesting opportunities throughout the year



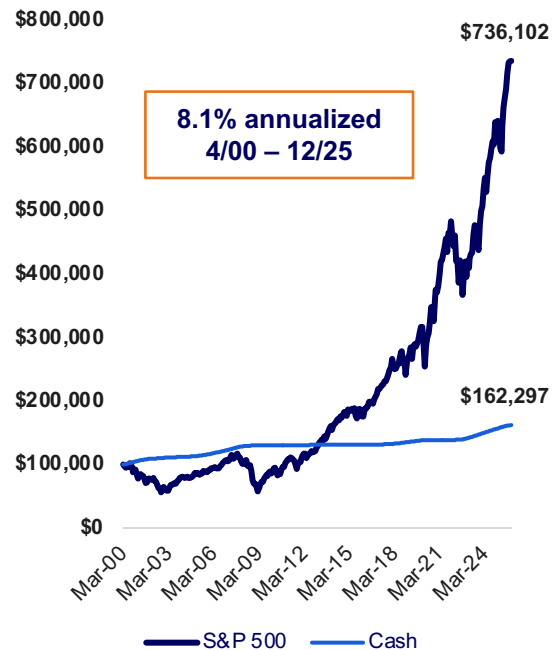
Source: Morningstar. Fund Categories: Morningstar US Funds and ETFs for Large Blend, Value, Growth; Mid Blend, Value, Growth; and Small Blend, Value, Growth. Individual stocks: Holdings of Russell 3000. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Do market peaks raise concerns about potential correction?

Equity markets have historically rewarded investors for staying with the plan

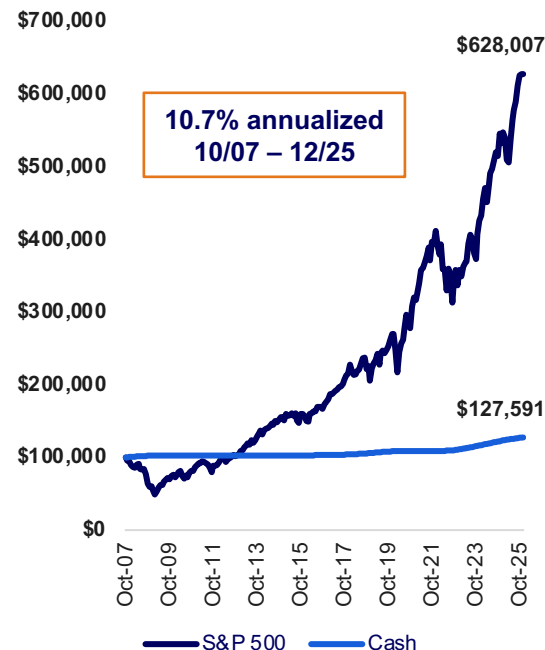
Investing at Tech Bubble Peak

March 2000 - Dec 2025



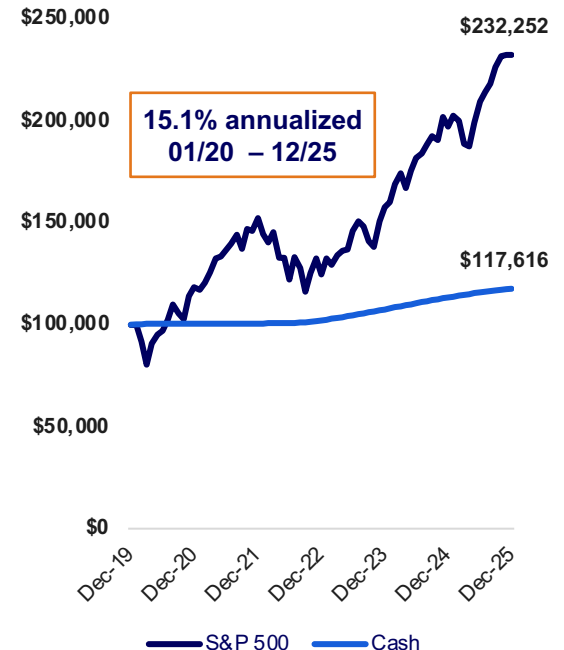
Investing at Pre-GFC

Oct 2007 - Dec 2025



Investing at Pre-COVID Peak

Dec 2019 - Dec 2025



- The 2000's have experienced three historical market drawdowns
- Each time, markets rebounded well beyond the pullback
- Each recovery experienced subsequent drawdowns, but still built long-term wealth

Source: S&P 500 Index and Cash: Bloomberg 1-3 Mnth US Treasury Index. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Important information and disclosures

RISKS OF ASSET CLASSES DISCUSSED IN THIS PRESENTATION:

Global, International and Emerging markets return may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Investments in non-U.S. markets can involve risks of currency fluctuation, political and economic instability, different accounting standards and foreign taxation. Such securities may be less liquid and more volatile. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and political systems with less stability than in more developed countries.

Real Assets: Investments in infrastructure-related companies have greater exposure to adverse economic, financial, regulatory, and political risks, including, governmental regulations. Global securities may be significantly affected by political or economic conditions and regulatory requirements in a particular country. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks. Investments in international markets can involve risks of currency fluctuation, political and economic instability, different accounting standards, and foreign taxation.

Commodities: Commodities may have greater volatility than traditional securities. The value of commodities may be affected by changes in overall market movements, changes in interest rates or sectors affecting a particular industry or commodity, and international economic, political and regulatory developments.

Bonds: With fixed income securities, such as bonds, interest rates and bond prices tend to move in opposite directions. When interest rates fall, bond prices typically rise and conversely when interest rates rise, bond prices typically fall. When interest rates are at low levels there is risk that a sustained rise in interest rates may cause losses to the price of bonds. Bond investors should carefully consider these risks such as interest rate, credit, repurchase and reverse repurchase transaction risks. Greater risk, such as increased volatility, limited liquidity, prepayment, non-payment and increased default risk, is inherent in portfolios that invest in high yield ("junk") bonds or mortgage-backed securities, especially mortgage-backed securities with exposure to sub-prime mortgages. Investment in non-U.S. and emerging market securities is subject to the risk of currency fluctuations and to economic and political risks associated with such foreign countries. When interest rates are at low levels there is risk that a sustained rise in interest rates may cause losses to the price of bonds.

Small capitalization (small cap) investments involve stocks of companies with smaller levels of market capitalization (generally less than \$2 billion) than larger company stocks (large cap). Small cap investments are subject to considerable price fluctuations and are more volatile than large company stocks. Investors should consider the additional risks involved in small cap investments.

Large capitalization (large cap) investments involve stocks of companies generally having a market capitalization between \$10 billion and \$200 billion. The value of securities will rise and fall in response to the activities of the company that issued them, general market conditions and/or economic conditions.

Although stocks have historically outperformed bonds, they also have historically been more volatile. Investors should carefully consider their ability to invest during volatile periods in the market.

Growth: Growth investments focus on stocks of companies whose earnings/profitability are accelerating in the short-term or have grown consistently over the long-term. Such investments may provide minimal dividends which could otherwise cushion stock prices in a market decline. A stock's value may rise and fall significantly based, in part, on investors' perceptions of the company, rather than on fundamental analysis of the stocks. Investors should carefully consider the additional risks involved in growth investments.

Value: Value investments focus on stocks of income-producing companies whose price is low relative to one or more valuation factors, such as earnings or book value. Such investments are subject to risks that the stocks' intrinsic values may never be realized by the market, or, that the stocks may turn out not to have been undervalued. Investors should carefully consider the additional risks involved in value investments.

An **Investment Grade** is a system of gradation for measuring the relative investment qualities of bonds by the usage of rating symbols, which range from the highest investment quality (least investment risk) to the lowest investment quality (greatest investment risk).

Gross domestic product (GDP) refers to the market value of all final goods and services produced within a country in a given period. It is often considered an indicator of a country's standard of living.

Trailing price-to-earnings (P/E) is a relative valuation multiple that is based on the last 12 months of actual earnings. It is calculated by taking the current stock price

and dividing it by the trailing earnings per share (EPS) for the past 12 months.

Forward price to earnings (forward P/E) is a quantification of the ratio of price-to-earnings (P/E) using forecasted earnings for the P/E ratio.

Price-to-book ratio compare a firm's market to book value by dividing price per share by book value per share.

INDEX DEFINITIONS:

Bloomberg Global High-Yield Index: An index which provides a broad-based measure of the global high-yield fixed income markets. The Global High-Yield Index represents that union of the U.S. High-Yield, Pan-European High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices.

Bloomberg High Yield Municipal Bond Index: An unmanaged index considered representative of noninvestment-grade bonds. FactSet Research Systems Inc. Intermediate U.S. Credit Index is an unmanaged index of dollar-denominated, investment-grade, publicly issued securities with maturities of one to 10 years.

Bloomberg Intermediate Treasury Index: Measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year and less than ten years.

Bloomberg Short Treasury Index: Is composed of all treasuries that have a remaining maturity between one and twelve months.

Bloomberg U.S. Aggregate Bond Index: An index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities, and mortgage-backed securities. (Specifically: Bloomberg Government/Corporate Bond Index, the Asset-Backed Securities Index, and the Mortgage-Backed Securities Index).

Bloomberg U.S. Credit Bond Index: Measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year.

Bloomberg US Corporate Bond Index: Measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Important information and disclosures

Bloomberg U.S. Municipal Index: Covers the USD-denominated long-term tax-exempt bond market.

Bloomberg Commodity Index Family: Represents the major commodity sectors within the broad index: Energy (including petroleum and natural gas), Petroleum (including crude oil, heating oil and unleaded gasoline), Precious Metals, Industrial Metals, Grains, Livestock, Softs, Agriculture and Ex-Energy. Also available are individual commodity sub-indices on the 19 components currently included in the DJ-UBSCI™, plus Brent crude, cocoa, feeder cattle, gas oil, lead, orange juice, platinum, soybean meal and tin.

Bloomberg Commodity Index Total Return: Composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid the delivery process and maintain a long futures position, nearby contracts must be sold and contracts that have not yet reached the delivery period must be purchased. This process is known as "rolling" a futures position.

Bloomberg 1-3 Month T-Bill Index: Measures the total return performance of U.S. Treasury bills with remaining maturities between 1 and 3 months, denominated in U.S. dollars.

FTSE NAREIT: An Index designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the U.S. economy, offering exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets.

JPM Emerging Market Bond Index (EMBI): Dollar-denominated sovereign bonds issued by a selection of emerging market countries.

MSCI AC World ex-USA Index: An index that tracks global stock market performance that includes developed and emerging markets but excludes the U.S.

MSCI country indices: Indices which include securities that are classified in that country according to the MSCI Global Investable Market Index Methodology, together with companies that are headquartered or listed in that country and carry out the majority of their operations in that country.

MSCI EAFE (Europe, Australasia, Far East) Index: A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

MSCI Emerging Markets Index: A float-adjusted market capitalization index that consists of indices in 24 emerging economies.

MSCI World Index: A broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries.

Russell 3000® Index: Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Russell 2000® Index: measures the performance of the 2,000 smallest companies in the Russell 3000 index.

The S&P 500® Index: A free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the S&P 500® are those of large publicly held companies that trade on either of the two largest American stock market exchanges: the New York Stock Exchange and the NASDAQ.

The S&P Global Infrastructure Index: Provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure across the global listed infrastructure market, the index has balanced weights across three distinct infrastructure clusters: Utilities, Transportation, and Energy.

S&P Global Natural Resources Index: The index includes 90 of the largest publicly-traded companies in natural resources and commodities businesses that meet specific investability requirements, offering investors

Euro Stoxx 600 Index" Index is derived from the Stoxx Total Market Index and is a subset of the STOXX Global 1800 Index, represents large, mid and small capitalization companies across 17 countries of the European Region.

Market Indicators

HOME PRICES – The S&P/Case-Shiller Home Price Index is a measurement of U.S. residential real estate prices, tracking changes in top 20 metropolitan regions. This indicator value represents the trailing year over year % change in the home prices index as of last month-end. Residential real estate represents a large portion of the U.S. economy, and the Home Price index helps us monitor the value of real estate.

MARKET VOLATILITY(VIX) – CBOE VIX (Chicago Board Options Exchange Volatility Index) measures annualized implied volatility as conveyed by S&P 500 stock index option prices and is quoted in percentage points per annum. For instance, a VIX value of 15 represents an annualized implied volatility of 15% over the next 30-day period. The

VIX measures implied volatility, which is a barometer of investor sentiment and market risk.

10 YR. U.S. TREASURY YIELD – The yield on the 10-year U.S. Treasury note issued by the U.S. Government. It is important because it is seen as a benchmark for interest rate movements and borrowing costs in the economy.

YIELD SPREAD – The spread between 3-month Treasury bill yields and 10-year Treasury note yields measures the market outlook for future interest rates. A normal or upward-sloping yield curve, can imply that investors expect the economy to grow and inflation to eat into asset returns. They thus demand a higher yield for long-term Treasuries. An inverted yield curve has often been an indicator of coming recessions, but not always. For example, reduced inflation expectations could cause the yield curve to flatten.

Economic Indicators

CONSUMER SENTIMENT – The University of Michigan Survey of Consumer Sentiment Index is an economic indicator which measures the degree of optimism that consumers feel about the overall state of the economy and their personal financial situation.

ECONOMIC EXPANSION (GDP) – GDP (Gross Domestic Product) measures the total market value of a nation's output of goods and services during a specific time period. It is usually measured on a quarterly basis. Current GDP is based on the current prices of the period being measured. Nominal GDP growth refers to GDP growth in nominal prices (unadjusted for price changes). Real GDP growth refers to GDP growth adjusted for price changes. Calculating Real GDP growth allows economists to determine if production increased or decreased, regardless of changes in the purchasing power of the currency.

INFLATION – The Consumer Price Index (CPI) NSA (non-seasonally adjusted) measures changes in the price level of a market basket of consumer goods and services purchased by households. This indicator value represents the trailing year over year % change in the CPI index as of last month-end.

UNEMPLOYMENT – The Bureau of Labor Statistics measures employment and unemployment of all persons over the age of 15 using two different labor force surveys conducted by the United States Census Bureau (within the United States Department of Commerce) and the Bureau of Labor Statistics (within the United States Department of Labor) that gather employment statistics monthly. The data reported here is seasonally adjusted (SA) to account for seasonal gains in employment leading up to Christmas.

01-01-343-Q4 (1/26)