

The BEAT™

Bonds | Equities | Alternatives | Taxes

Quarterly Global Market and Asset Allocation Guide

Q1 2026 - March



The **BEAT**[™] | Q1 2026 – March

TOP VIEWS

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The **BEAT**[™], previously known as the Market Monitor, provides connectivity between changing market events and implications for investor portfolios.

Spanning **Bonds**, **Equities**, **Alternatives** and **Taxes**, this quarterly review provides timely information across a broad array of markets and investment topics.

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Each edition explores investment ideas, identifies areas of focus and provides a comprehensive outlook on asset allocation — all supported by a concise review of economic and asset class data through clear and impactful charts.

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We believe The **BEAT**[™] is a critical desk reference that enables more informed discussion and understanding of financial markets.

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Top Views

[Quarterly Global Market and Asset Allocation Guide](#)

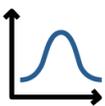
Policy Support Helps Markets Look Through Softness in 1Q26

The soft patch in data that began in 2025 will likely spill over into 1Q 2026, before improving sometime in the 2Q. Policy support will be in place to offset softer data, via tax relief and monetary easing, and the Fed may still ease policy further. More importantly, deregulation could potentially unlock significant lending capacity across the U.S., U.K. and Europe.



Follow the Policy: Deregulation To Support Financials

The old saying is “follow the money,” but we say “follow the policy” because it’s an early tell on where the money is going. Banks and financials are positioned as primary beneficiaries of deregulation, which began in 2025 and is expected to be codified in early 2026. The U.S. is the largest beneficiary with \$2.6 trillion in lending capacity to be unlocked, followed by the U.K. and Europe, where regulations are easing, too. As a result, we remain O/W U.S. and European banks.

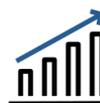


Consensus Is Positive, Which Begs the Question ...

Can markets move higher? Yes, as we expect a stronger recovery in 2Q26. Monetary and fiscal policy in 2025 should gain traction, supported by improved operating leverage and a recovery in labor markets that helps support demand. We believe markets will continue to look through to 2H26, with earnings remaining strong. This, in turn, may trigger a broader cyclical recovery that sees higher valuations.

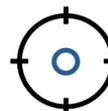


Taxes and Portfolio Returns Taxes will likely impact portfolio returns. The compounding effects of tax drag and tax alpha can erode or enhance investment returns over time.



When Spreads Are Tight, Rate Risks Rise

Fed cuts may come in early 2026, but if there is a 2H26 recovery, we may need to think about hikes in the U.S., U.K. and Europe being priced in. Since credit spreads are tight, there is little room for compression to cushion rising yields, thus risk in bond portfolios needs to be actively managed. Selection matters too: We like non-agency mortgage-backed securities (MBS) and asset-backed securities (ABS) because they’re better priced to absorb higher rates and better valued.



The Risks: Inflation and Geopolitical

Inflation is a clear risk, if we see rising prices due to policy support or an event that disrupts supply chains. Aggressive policy support in 2026 is welcome if inflation remains contained or falls; however, if inflation rises, such support could become problematic, as it would be a difficult source of issues to reverse. Geopolitical conflicts could also lead to sanctions, tariffs and supply disruptions.

The views and opinions expressed are those of the Portfolio Solutions Group at the time of writing of this presentation and are subject to change at any time due to market, economic or other conditions, and may not necessarily come to pass. Not to be construed as an investment or research recommendation.

Capital Markets Investment Framework

ASSET ALLOCATION	OUR VIEW				
	--	-	=	+	++
Bonds					
Duration	●	●	●	●	●
Credit	●	●	●	●	●
Equities					
Risk Level	●	●	●	●	●
Alternatives/Cash					
Private Markets	●	●	●	●	●
Hedge Funds	●	●	●	●	●
Commodities	●	●	●	●	●
Cash/Short Duration	●	●	●	●	●

Points of Focus:

- 1 Remain U/W duration.
- 2 Corporate credit remains expensive; we maintain a relative preference for Emerging Market Debt Hard Currency, Asset-Backed Securities and Bank Loans.
- 3 Remain neutral on equities globally, with a view of balanced risks.

● Current allocation -- High conviction underweight - Underweight = Neutral
◀ Change from previous ++ High conviction overweight + Overweight

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Global Fixed Income

OUR VIEW

FIXED INCOME	--	-	=	+	++
Bonds					
U.S. Treasuries	●	●	●	●	●
Inflation-Linked Bonds	●	●	●	●	●
Eurozone Govt. Bonds	●	●	●	●	●
EM Hard Currency	●	●	●	●	●
EM Local Currency	●	●	●	●	●
Public Credit					
Municipal Bonds	●	●	●	●	●
Investment Grade (IG)	●	●	●	●	●
MBS/ABS	●	●	●	●	●
High Yield (HY)	●	●	●	●	●
Bank Loans	●	●	●	●	●

Points of Focus:

- 1 MBS/ABS remains our highest conviction fixed income O/W.
- 2 Remain U/W IG given poor risk asymmetry to spreads.
- 3 Remain O/W Treasury Inflation-Protected Securities (TIPS) given scope for inflation expectations to rise in 2026.
- 4 Within European government bonds, we are O/W peripherals and U/W core.
- 5 O/W Bank Loans given high carry and solid growth backdrop.

● Current allocation -- High conviction underweight - Underweight = Neutral
◀ Change from previous ++ High conviction overweight + Overweight

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Global Equity

EQUITIES	OUR VIEW				
	--	-	=	+	++
Regional					
U.S.	●	●	●	●	●
Eurozone	●	●	●	●	●
Japan	●	●	●	●	●
Emerging Markets (EM)	●	●	●	●	●
Style					
Growth vs. Value	●	●	●	●	●
Quality	●	●	●	●	●
Large-Cap vs. Small-Cap	●	●	●	●	●
Cyclicals vs. Defensives	●	●	●	●	●

Points of Focus:

- 1 Remain O/W U.S. given positive trends in growth. Remain O/W U.S. industrial policy beneficiaries.
- 2 Targeted exposure in Europe; neutral overall but O/W Banks, German Fiscal Policy Beneficiaries, and Utilities.
- 3 Preference for U.S. large-caps with targeted exposure to mid-caps in U.S. and Europe.
- 4 Overweight cyclicals in the U.S. and Europe, given exposure to structural policy-driven growth tailwinds.

● Current allocation -- High conviction underweight - Underweight = Neutral
◀ Change from previous ++ High conviction overweight + Overweight

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Key Portfolio Themes

INVESTMENT THEME	DESCRIPTION	IMPLEMENTATION
Global Fiscal Expansion	Most major countries will likely benefit from positive fiscal impulses in the coming 1-2 years. Partly spurred by Trump, partly by industrial policy.	<ul style="list-style-type: none"> • U/W Duration • O/W TIPS vs. Nominals
EU Investment Renaissance	After decades of underinvestment, the EU, led by Germany, is expanding fiscal capacity.	<ul style="list-style-type: none"> • O/W Eurozone Banks • O/W French Banks • O/W German Fiscal Policy Beneficiaries • O/W Credit
U.S. Productivity Boom	The adoption of AI, tax incentives, deregulation and shrinking public-sector employment will likely lead to a productivity-driven boom.	<ul style="list-style-type: none"> • O/W U.S. Equities • O/W U.S. Industrial Policy Beneficiaries • O/W AI Adopters (Defense) • O/W Bank Loans • O/W U.S. Regional Banks
Corporate Credit Is Expensive	Corporate spreads offer poor risk/reward in the current environment, with default rates still reasonably high.	<ul style="list-style-type: none"> • U/W IG • O/W Structured and EM Debt

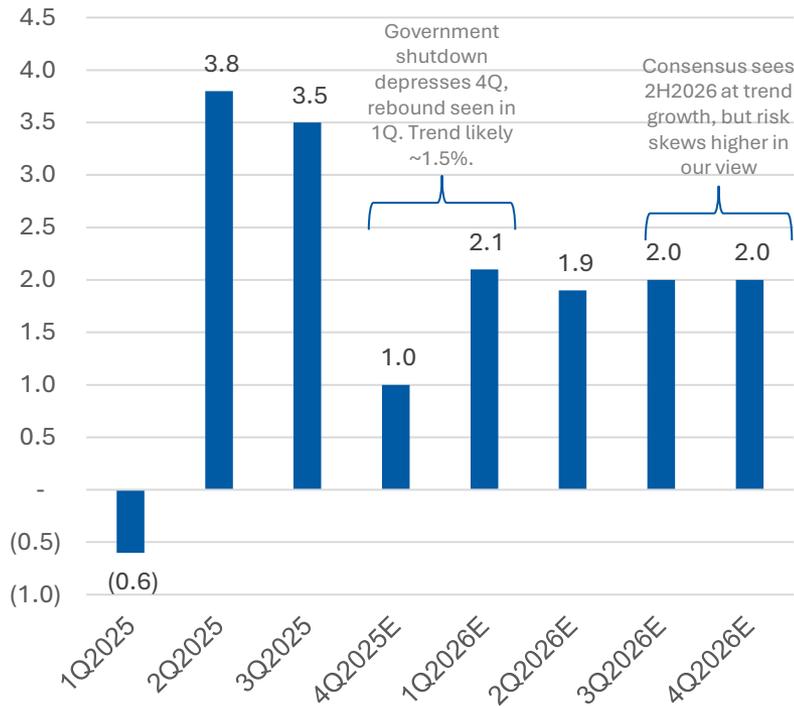
Source: MSIM. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Q1 2026: A Transition From Headwinds to Tailwinds

The first quarter of 2026 represents a key transition point, with tariff headwinds still in effect but fiscal and monetary policy tailwinds taking hold. A key marker to watch is the stabilization of labor markets in 1H2026.

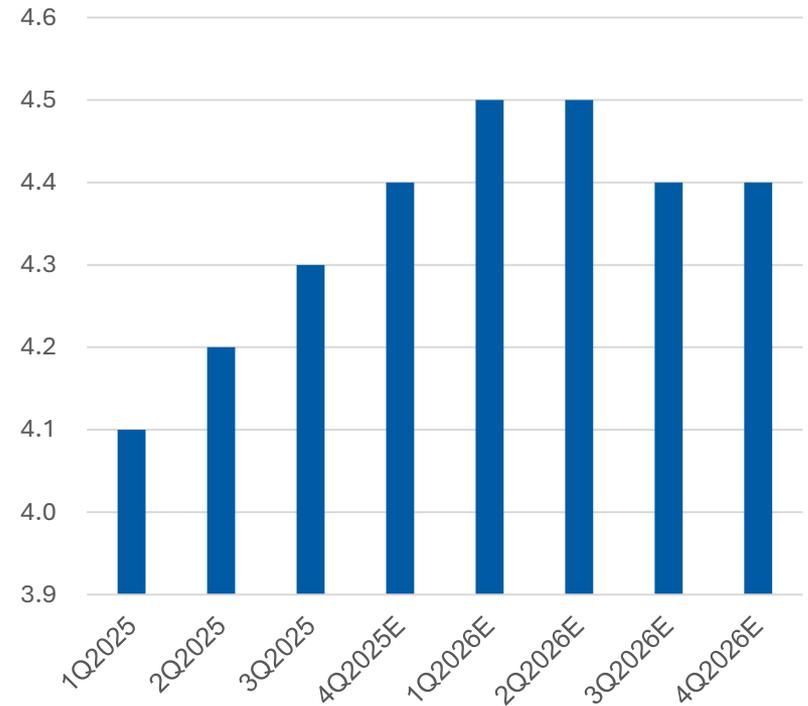
Soft Patch Continues Into 1Q26, but Growth Should Firm in 2Q26

Consensus real U.S. GDP QoQ % seasonally-adjusted annual returns



Labor Market Seen Stabilizing in 1H2026, Firming 2H2026

Consensus unemployment rate



Source: Bloomberg, MSIM PSG. As December 18, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Drivers of 2026 Growth Acceleration

We see Fed and fiscal policy, deregulation and fading tariff headwinds all contributing to growth acceleration in 2026. These economic drivers are additive to an ongoing structural tailwind from AI, prominent in 2025.

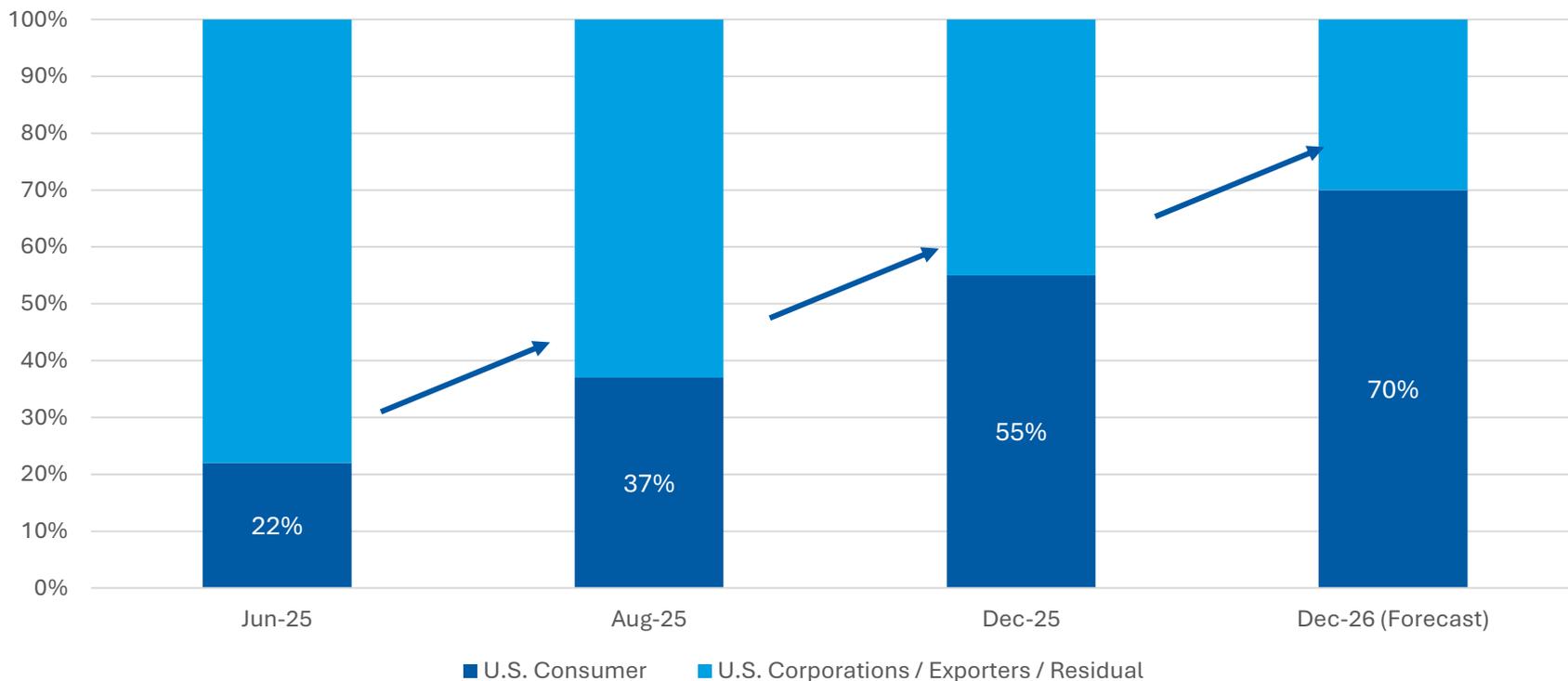
	2H 2025	2026 View	Implication
#1 Fed Policy	Cutting	Holding (few if any cuts)	Tailwinds from 2025 rate cuts will carry into 2026
#2 Fiscal Policy	Emerging support	Tailwind	Corporate tax breaks from the OBBBA have first effect in 3Q2025 and grow into 2026. Consumer tax breaks hit when 2026 taxes are filed.
#3 Trade Policy	Peak tariff headwinds	Headwinds fade heading into 2H 2026	Peak tariff headwinds in 2H25. Fiscal and monetary support heading into 2026. Tariff headwinds fading in 2H26.
#4 Deregulation	Early efforts benefit select areas	Potentially greater policy focus	Deregulatory agenda is aimed at reducing the direct and indirect costs of doing business in the U.S.

Source: MSIM PSG. As November 21, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Continued Pass-Through of Tariff Costs Remains a Risk for the Consumer

As of December 2025, roughly 55% of tariff-related costs are estimated to have been transmitted to the consumer. By year-end 2026, the consumer's share of total tariff costs is expected to reach ~70%, which may serve as a headwind to spending.

Division of Tariff Costs Based on Estimates Derived From PCE Data



Source: Goldman Sachs Research, MSIM. As December 16, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Business Surveys Provide Potential Support of Labor Data Optimism

With the consumer proving more resilient than expected, labor market softness might primarily reflect business uncertainty. Some business survey data indicates improving confidence, a potential lead indicator for labor market stabilization.

The “Hiring Plans” Component of the NFIB Small Business Optimism Index Has Lifted From Post-Tariff Announcement Lows

NFIB Small Business Hiring Plans Index



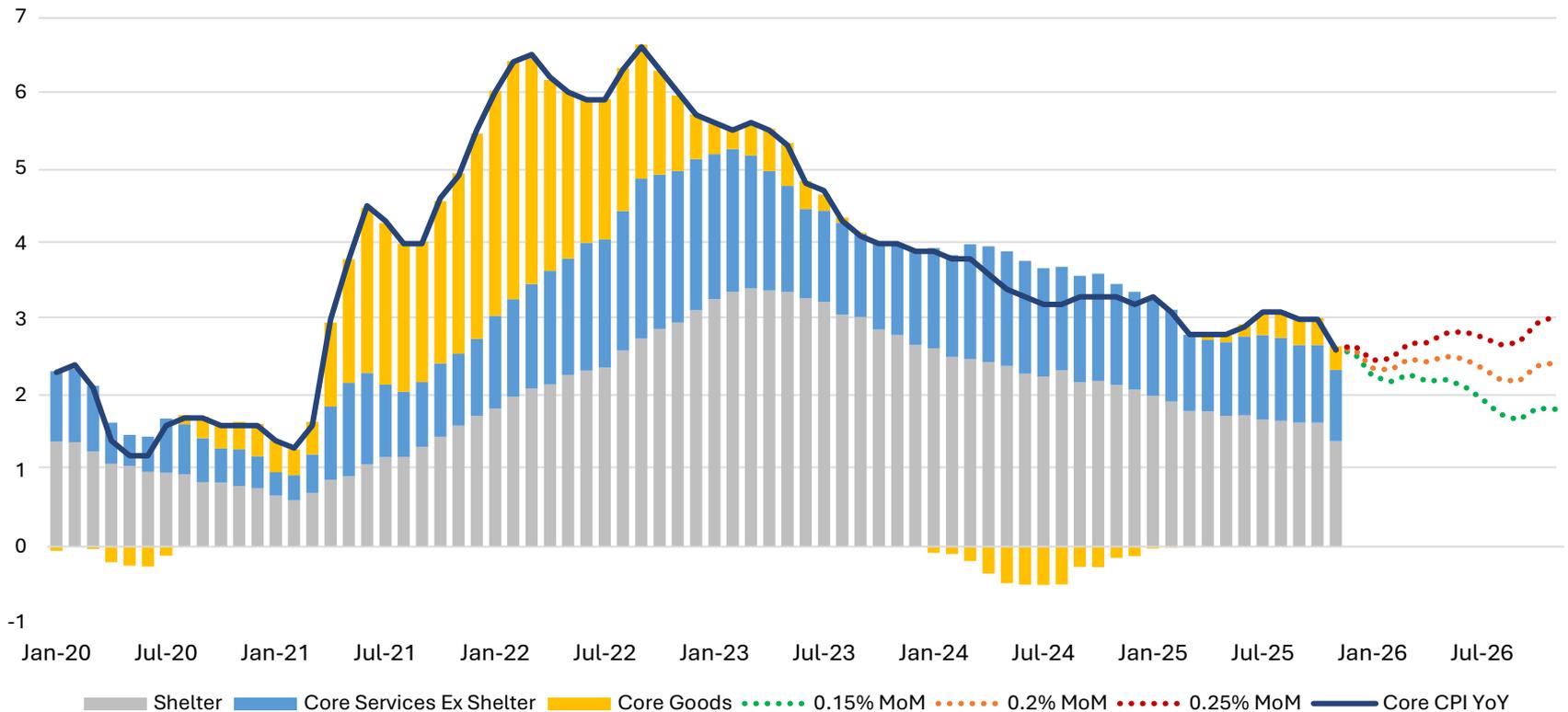
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Cooling but Bumpy Inflation Last Mile

Favorable year-over-year base effects should ease U.S. inflation into 1H26 as shelter decelerates, with debates centered on the persistence of corporate tariff pass-through in core goods and the degree of labor-driven softness in supercore services.

Recent MoM Run Rates Point to Favorable YoY Trends Ahead, With Durability of Core-Goods Inflation a Wildcard

U.S. core CPI YoY (%)

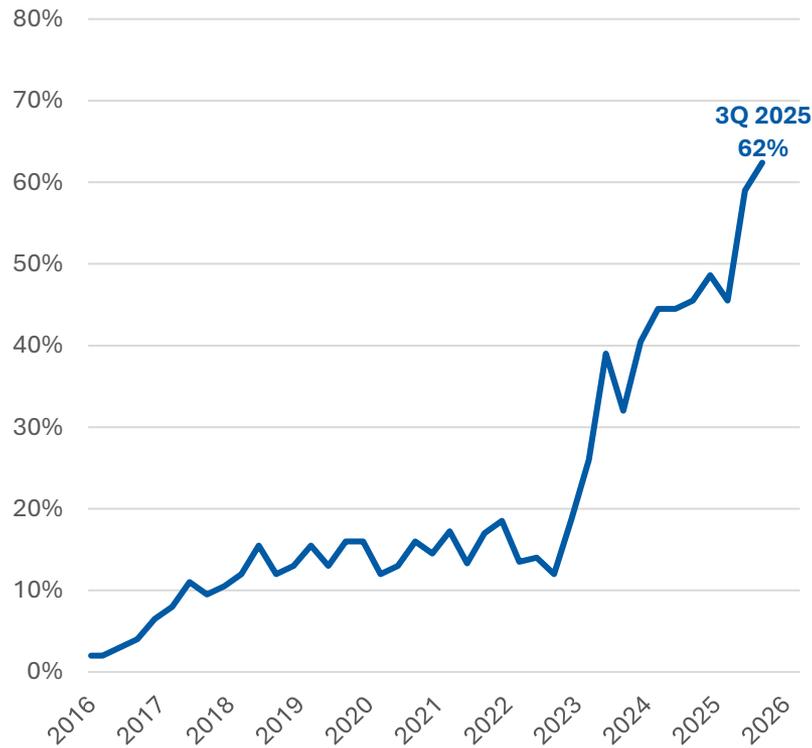


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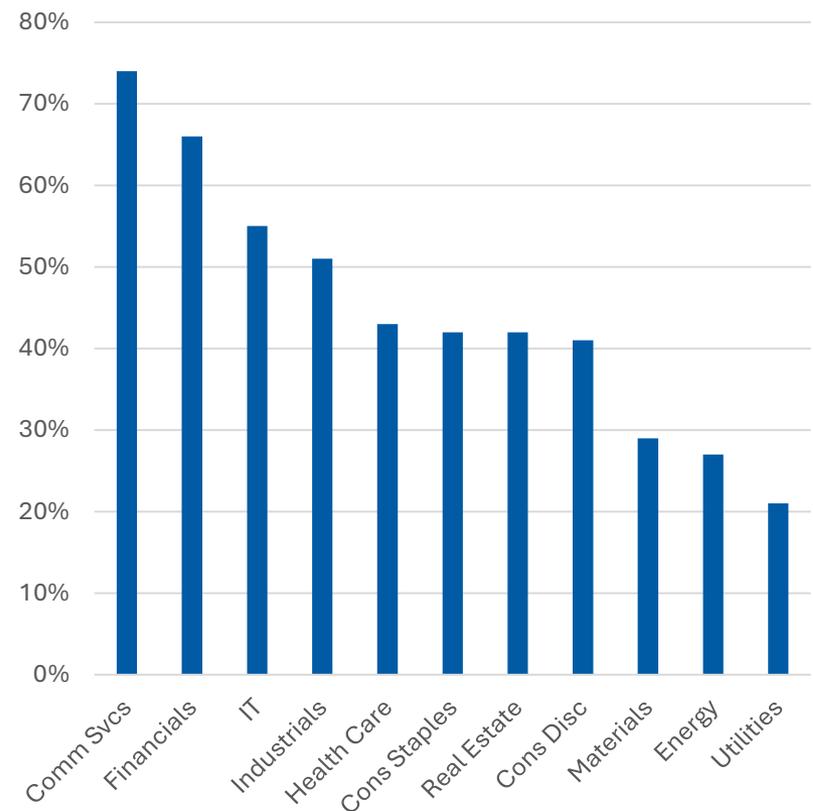
2026 May See the First Clear Signs of an AI Productivity Lift

AI adoption remains a key and growing focus within company commentary during the third quarter, and structural AI trends should continue to be a major driver of higher productivity trends as we head into 2026.

Proportion of S&P 500 Firms Discussing AI During Earnings Calls



Share of Firms Discussing AI as a Tailwind on 3Q Earnings Calls

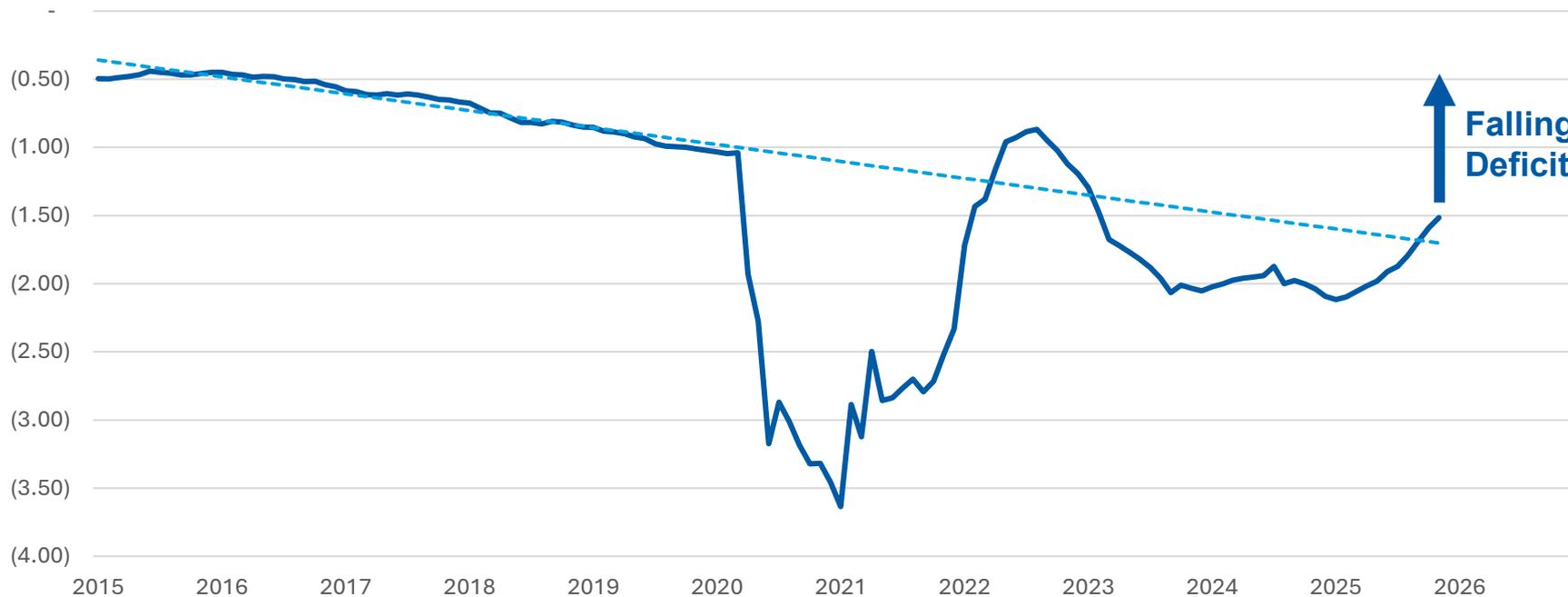


Source: Goldman Sachs Investment Research, MSIM. As December 22, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Federal Deficit Trending Lower Entering 2026, Beating Expectations

The U.S. federal deficit is narrower than its pre-COVID trend and is likely to be a central topic in 1Q26, particularly considering the pending SCOTUS ruling and the administration’s response.

U.S. Federal Deficit 10-month Seasonally-adjusted Annual Return (in \$ Trillions)

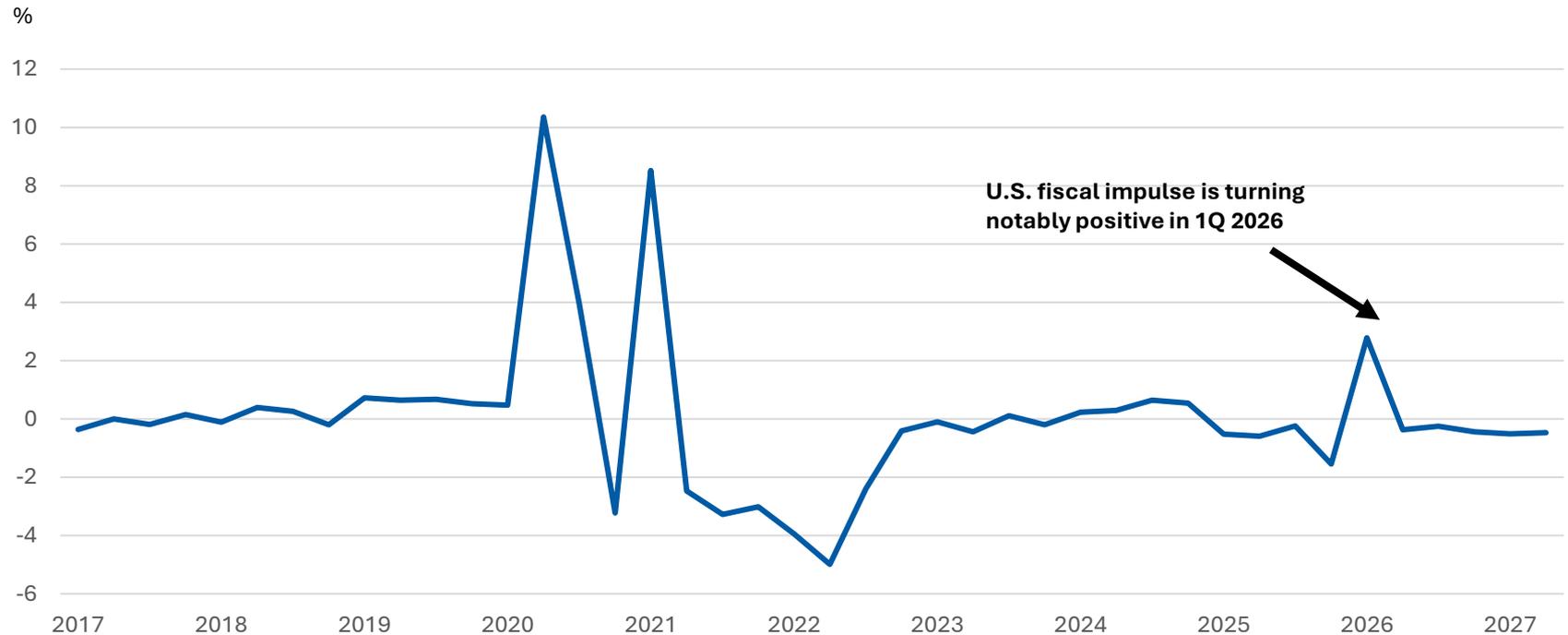


Source: Macrobond, Piper Sandler, MSIM PSG. As of December 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Fiscal Impulse Turning More Supportive Into Early 2026

Historical lags between fiscal action and economic activity suggest recent measures may translate into a positive growth impulse by late 1Q or early 2Q 2026.

U.S. Fiscal Policy Impact on Contribution to Real GDP Growth (%)

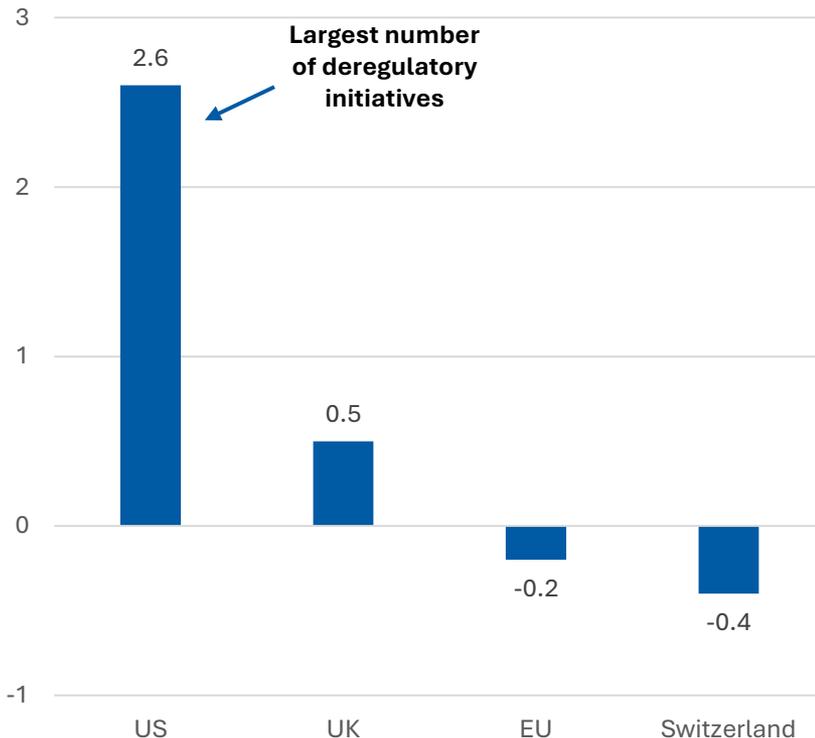


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Deregulation Driving Additional Lending Capacity – A Form of Stimulus

Deregulation of banks across regions, but primarily led by the U.S., is unlocking \$ trillions in additional lending capacity.

Changes in Lending Capacity (\$ Trillions)



Region	Deregulatory and Regulatory Initiatives	Key Points
	7:0	<ul style="list-style-type: none"> Banks will obtain CET1* release of 14% Will provide 6% ROE uplift to banks
	6:0	<ul style="list-style-type: none"> Banks will obtain CET1 release of 102bps Profitability forecast to rise by 3%
	2:2	<ul style="list-style-type: none"> Regulatory simplification but no capital reduction
	0:2	<ul style="list-style-type: none"> Will materially increase capital requirements Raising CET1 by 769bps

Source: Alvarez & Marsal, MSIM PSG. As of December 16, 2025. *CET 1 stands for Common Equity Tier 1, a key measure of a bank's financial strength. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

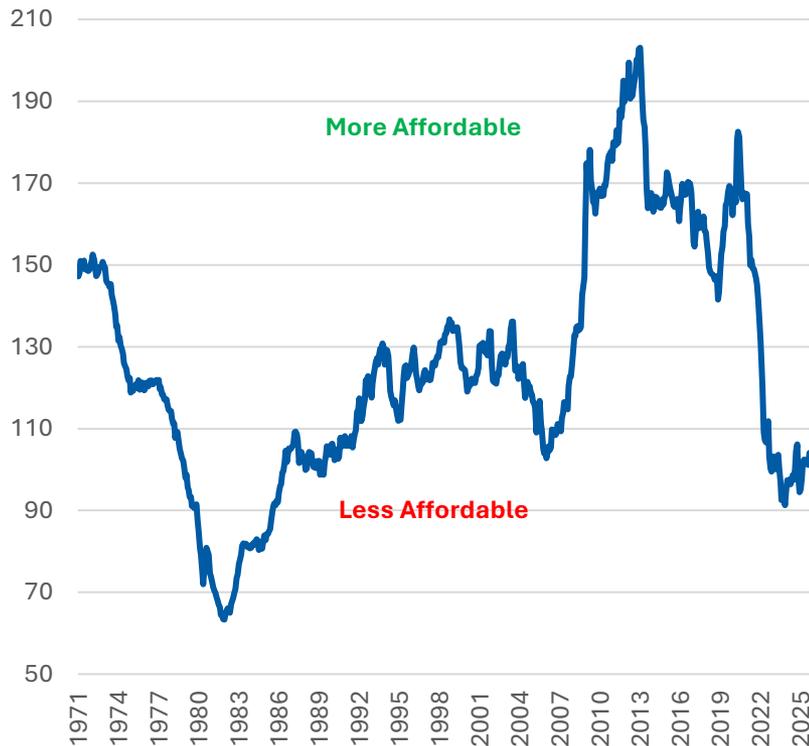
Past performance is not indicative of future results.

The Affordability Crisis Will Become a Key Political Debate in 2026

As the U.S. moves to midterm elections, housing and health care affordability concerns are a likely focus.

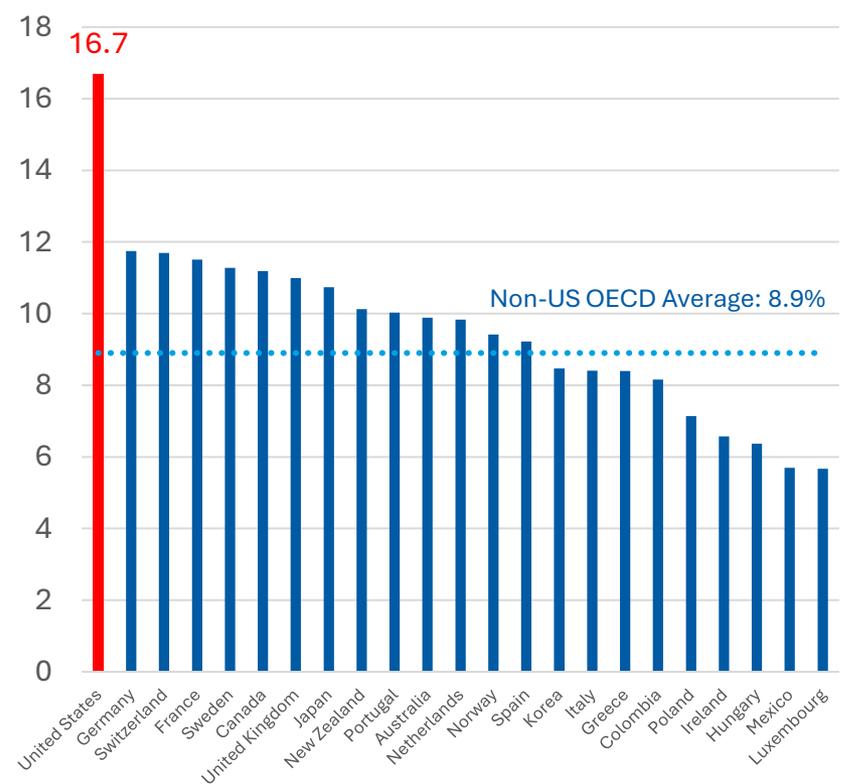
Housing Affordability Is Near Its Worst Level in 40 Years

U.S. housing affordability index, seasonally-adjusted



U.S. Health Care Spending Is Significantly Above Global Peers

Health care spending as % of GDP vs select countries, 2023



Source: Haver, OECD, MSIM, as of December 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**



Bonds

Quarterly Global Market and Asset Allocation Guide

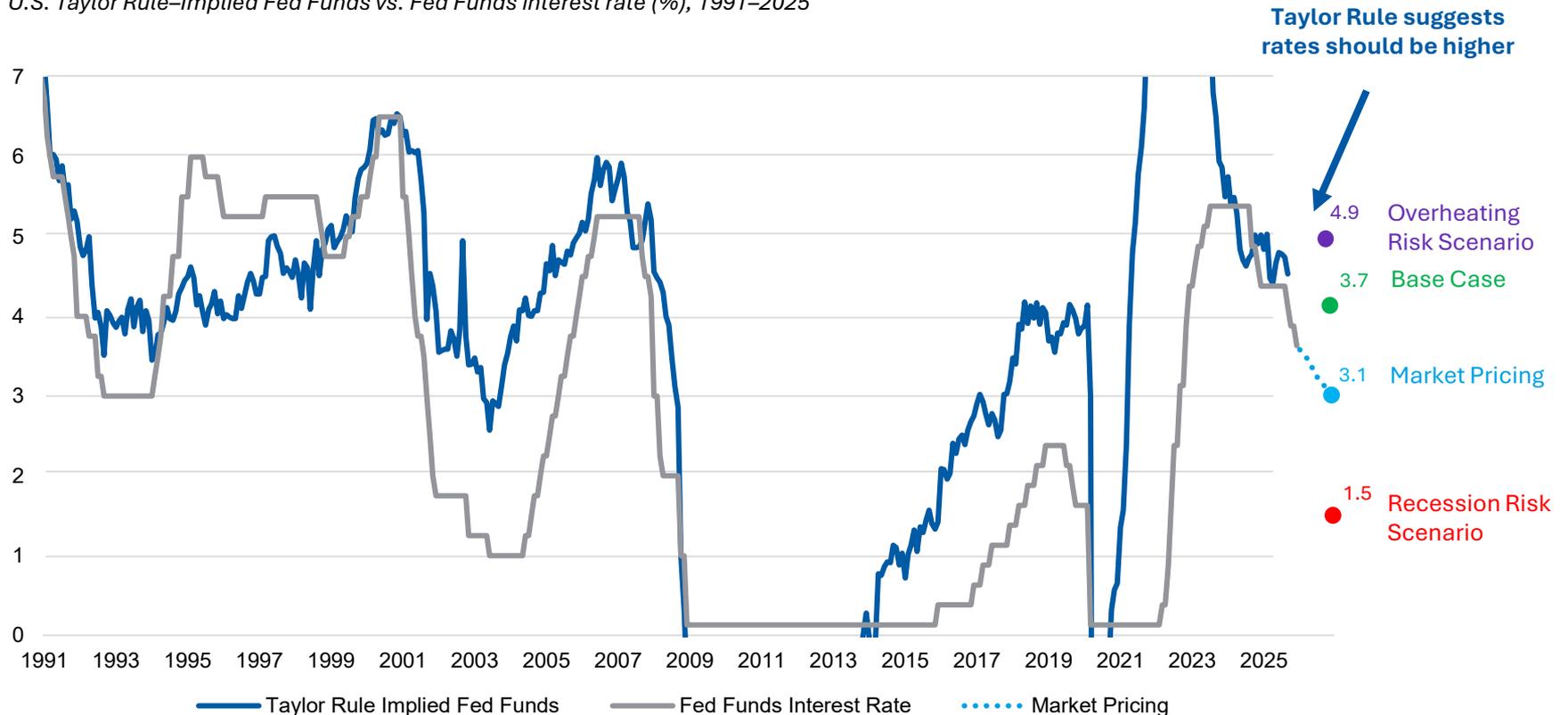


Remain U/W Duration; Fewer Cuts With Stronger Growth

Our more optimistic growth view for 2026 suggests additional Fed rate cuts in 2026 are less likely.

The Taylor Rule* Above the Fed Funds Rate Implies Fewer Cuts Than Expected

U.S. Taylor Rule–Implied Fed Funds vs. Fed Funds interest rate (%), 1991–2025



Source: Bloomberg, MSIM, as of December 17, 2025. *The Taylor Rule says that an increase in inflation by one percentage point should prompt the central bank to raise the nominal interest rate by more than one percentage point. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

U.S. Credit Markets: Amid Tight Spreads, Fundamentals Remain Healthy

While credit spreads remain tight by historical standards, the fundamentals underpinning credit markets continue to trend positively. Credit card delinquencies have drifted lower, and Moody's forecasts show default rates falling through 2026.

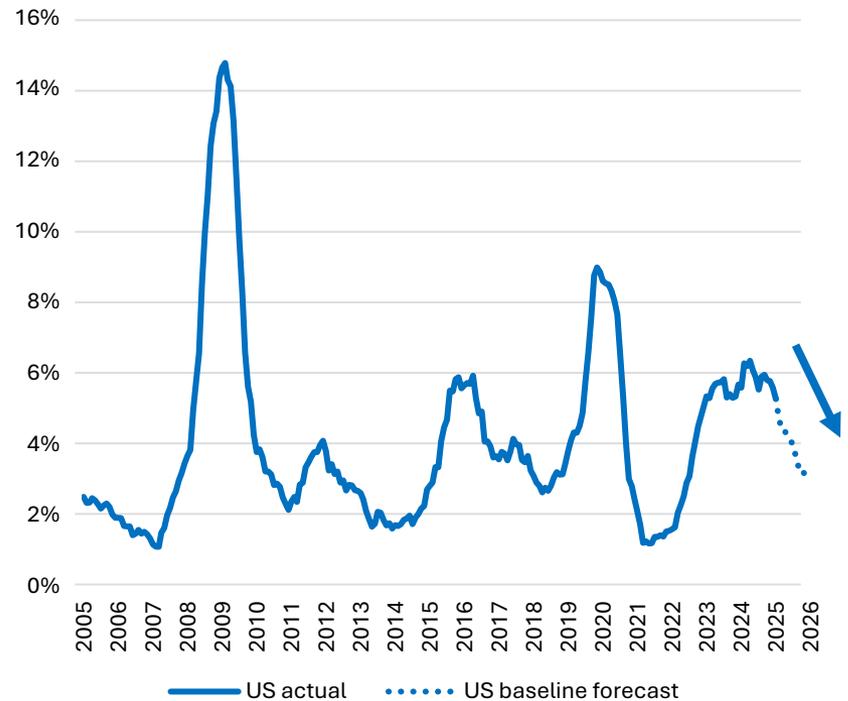
Credit Card Delinquencies Are Drifting Lower

U.S. credit cards 30+ days past due, % seasonally-adjusted



Baseline Forecasts Show Default Rates Falling Into 2026

Moody's U.S. trailing 12M speculative grade default rate with forecasts

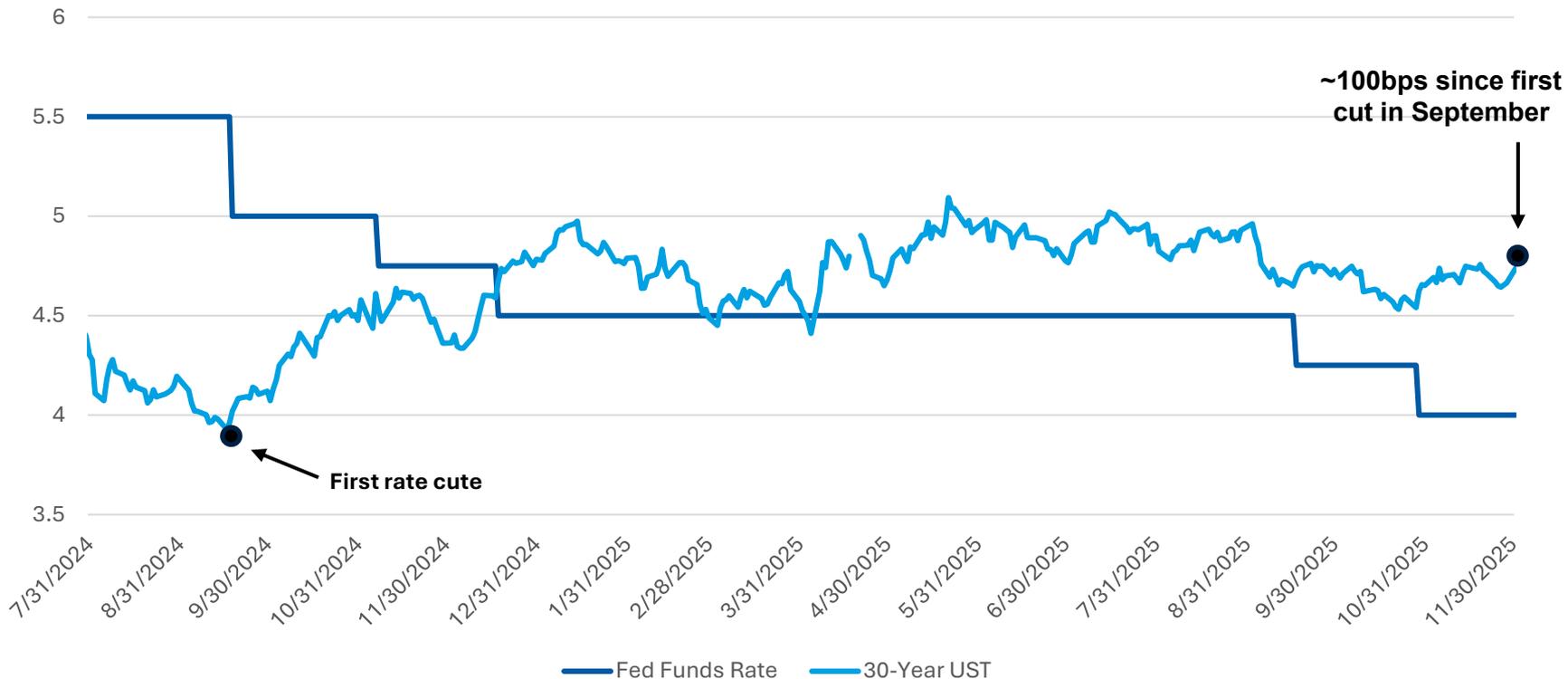


Source: Moody's, MSIM, as of December 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

30-Year Treasury Has Risen Nearly 100 Basis Points Since First Rate Cut

Term premium is coming back into the bond market.

U.S. Fed Funds Rate and 30-year U.S. Treasury

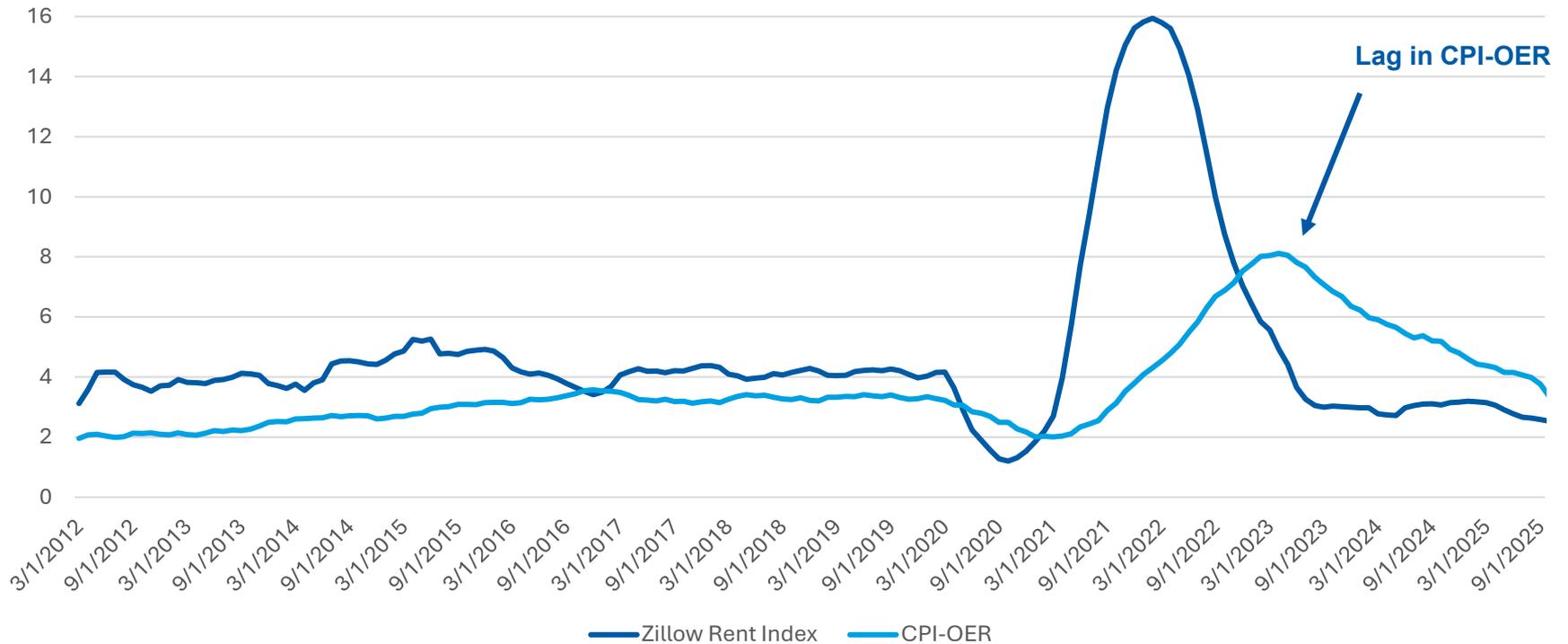


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CPI Shelter Inflation Operates on a Lag to True Rental Inflation

Rents are poised to have a muted effect on CPI in 2026.

Zillow Rent Index and CPI-OER

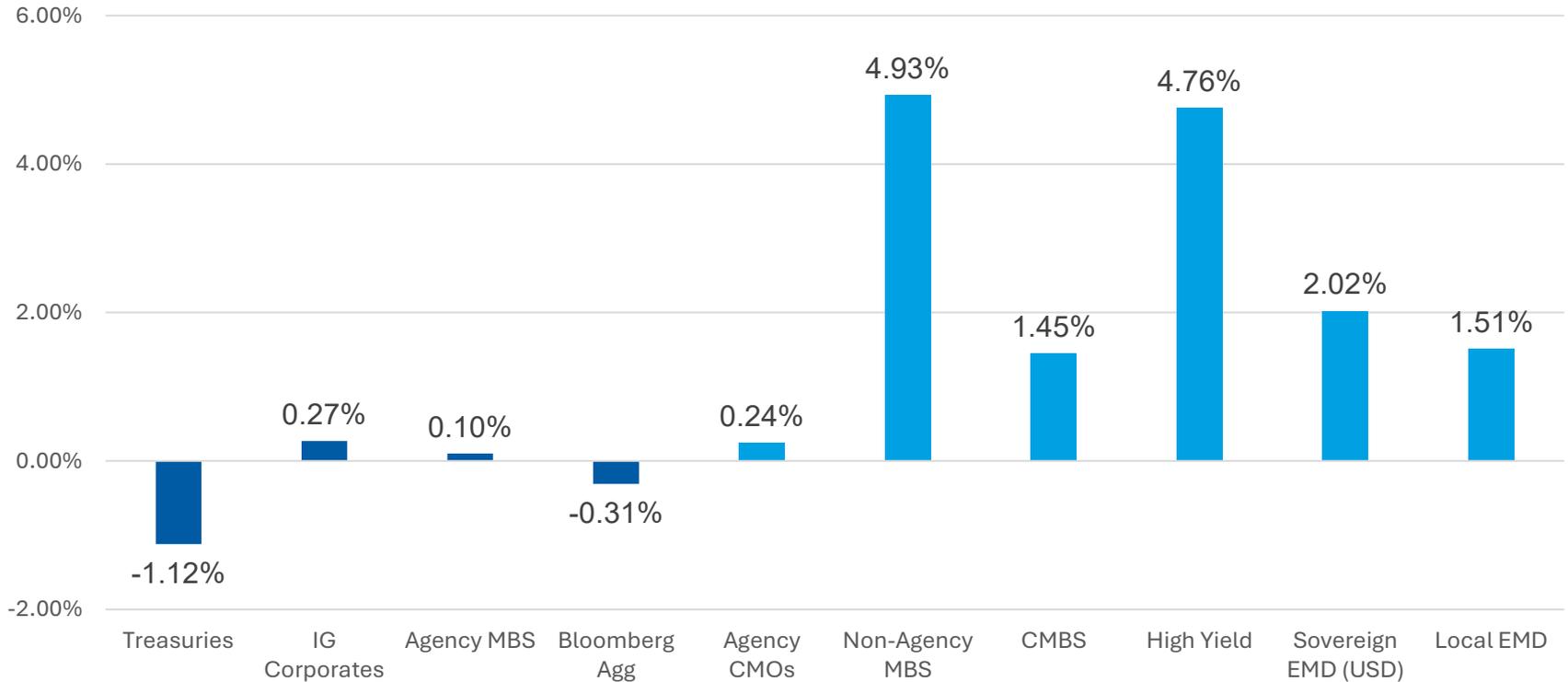


Source: Bloomberg, MSIM. As of November 30, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Benefits of “Plus-Sector” Exposure

The Bloomberg Aggregate continues to underperform the “plus” sectors of fixed income.

Fixed Income 5-year Annualized Returns (%)

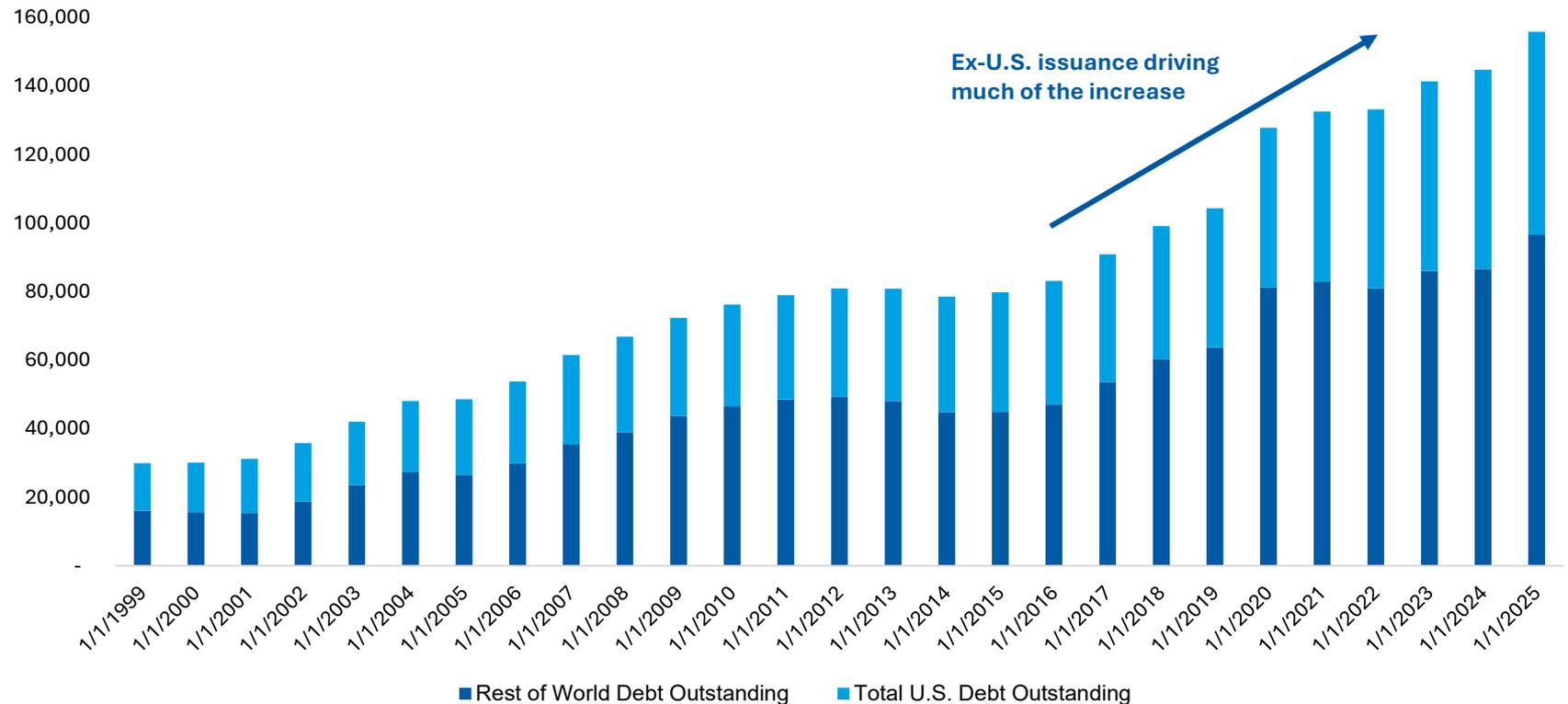


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Source of Rising Long-Term Yields Coming From Outside the U.S.

Higher global fiscal spending is increasing term premia across the global rates complex.

Total Debt Outstanding, U.S. and World Total

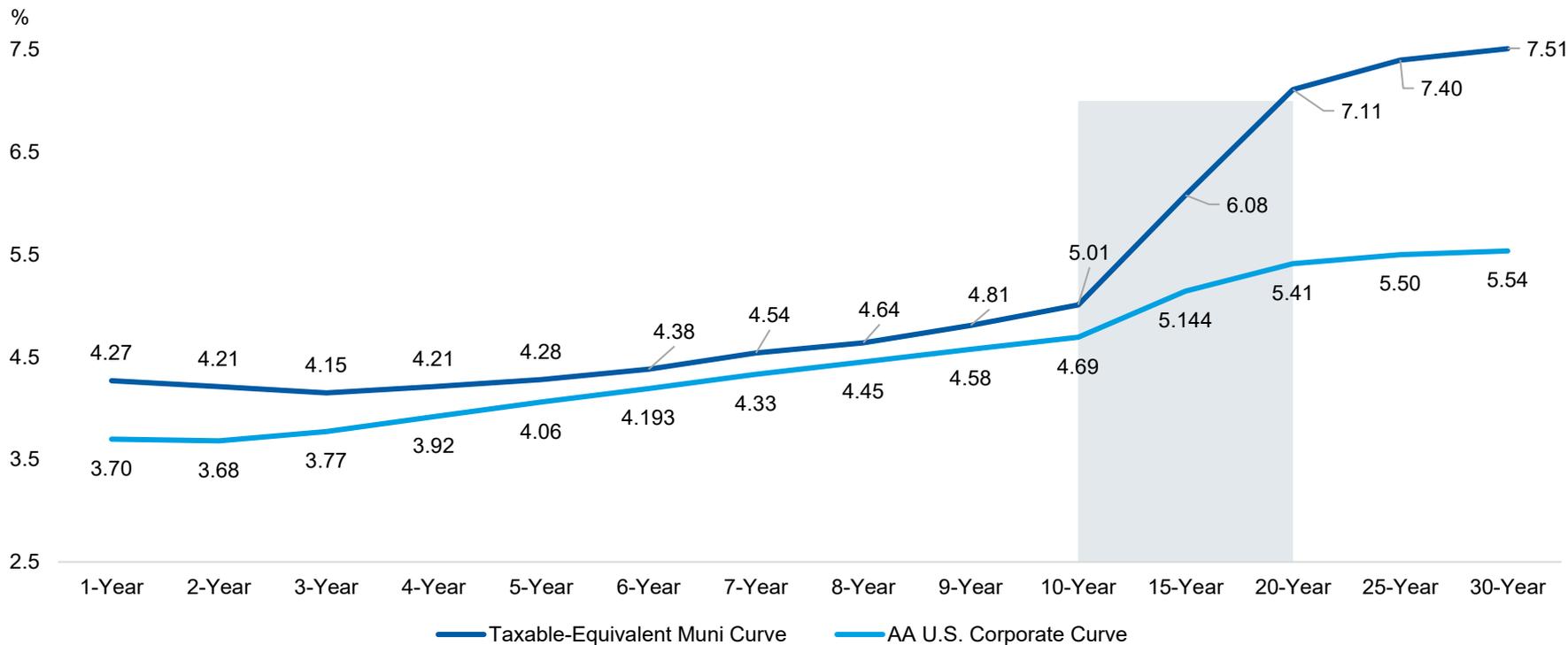


Source: Bank of International Settlements, MSIM. As of December 23, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Municipal Bonds in 2026: Focus on the Curve and Active Management

The steepest part of the muni curve provides yield pickup and potential return from bond roll. We believe this curve discipline and an opportunistic approach will be essential for navigating the complex monetary and fiscal policy environment in 2026.

The Municipal Curve Is Steepest From 10 To 20 Years on an Absolute and Relative Basis



Source: Bloomberg & Refinitiv as of December 31, 2025. Taxable-equivalent yields is calculated assuming a federal tax rate of 40.80%. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

Past performance is not indicative of future results.



Equities

Quarterly Global Market and Asset Allocation Guide

We Maintain a Positive View on Equities in 2026

Late Cycle? Yes. End of Cycle? No!

1. Four Reasons 2026 Could Be Another Good Year for U.S. Equities:

1. Historical precedent
2. Monetary policy
3. Fiscal policy
4. Muted sentiment

2. “AI Bubble” Talk Is Keeping a Lid on Technology Valuations

Big Tech could have another good year in 2026

3. Will the AI Productivity Boom Ultimately Benefit the SPX 493?

We believe it will.

4. Opportunities in Other Equity Markets Have Emerged in 2025

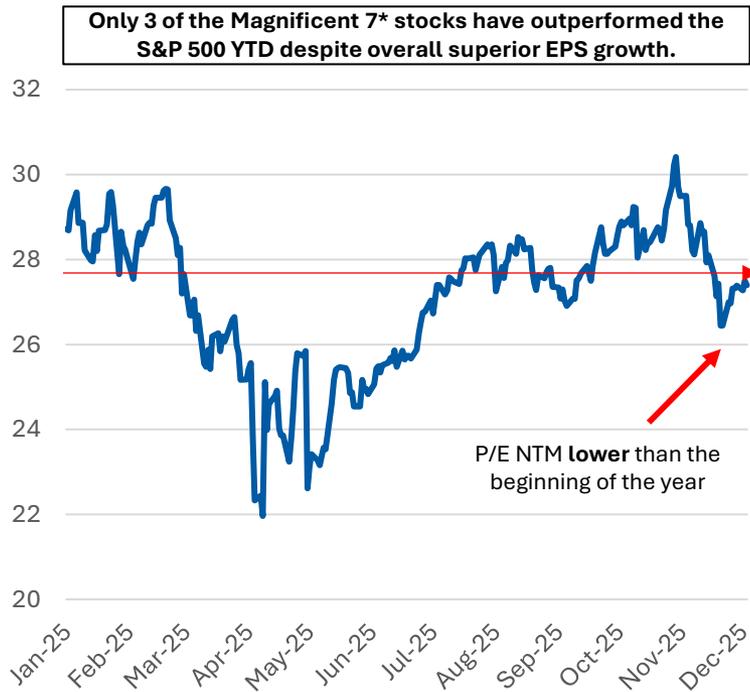
1. Europe
2. Japan
3. Emerging Markets

Source: MSIM. As of December 19, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Good News: We Do Not Believe Technology Is in a Bubble

High levels of skepticism have constrained technology stock valuations. That's a good thing!

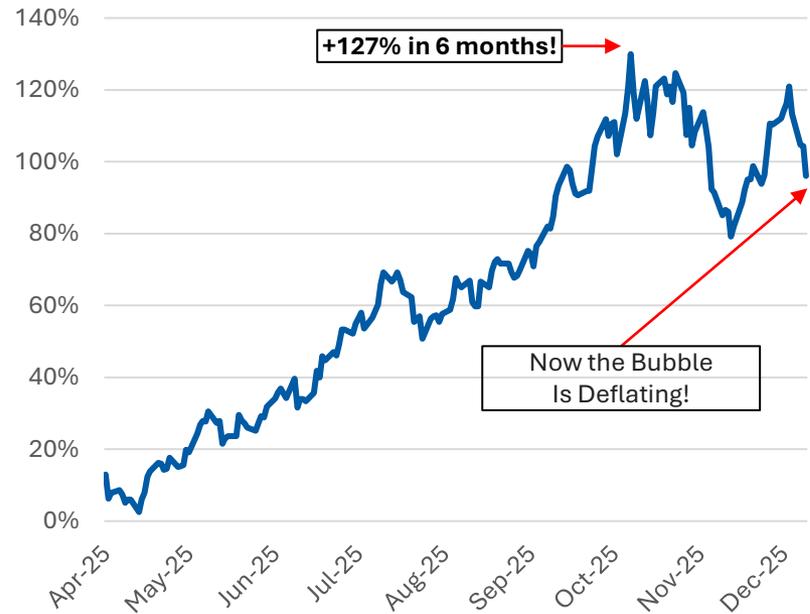
S&P 500 Technology Next 12 Months (NTM) P/E



The “Bubble” Was in Speculative Stocks

Non-Profitable Technology Basket

April 9, 2025 – December 17, 2025

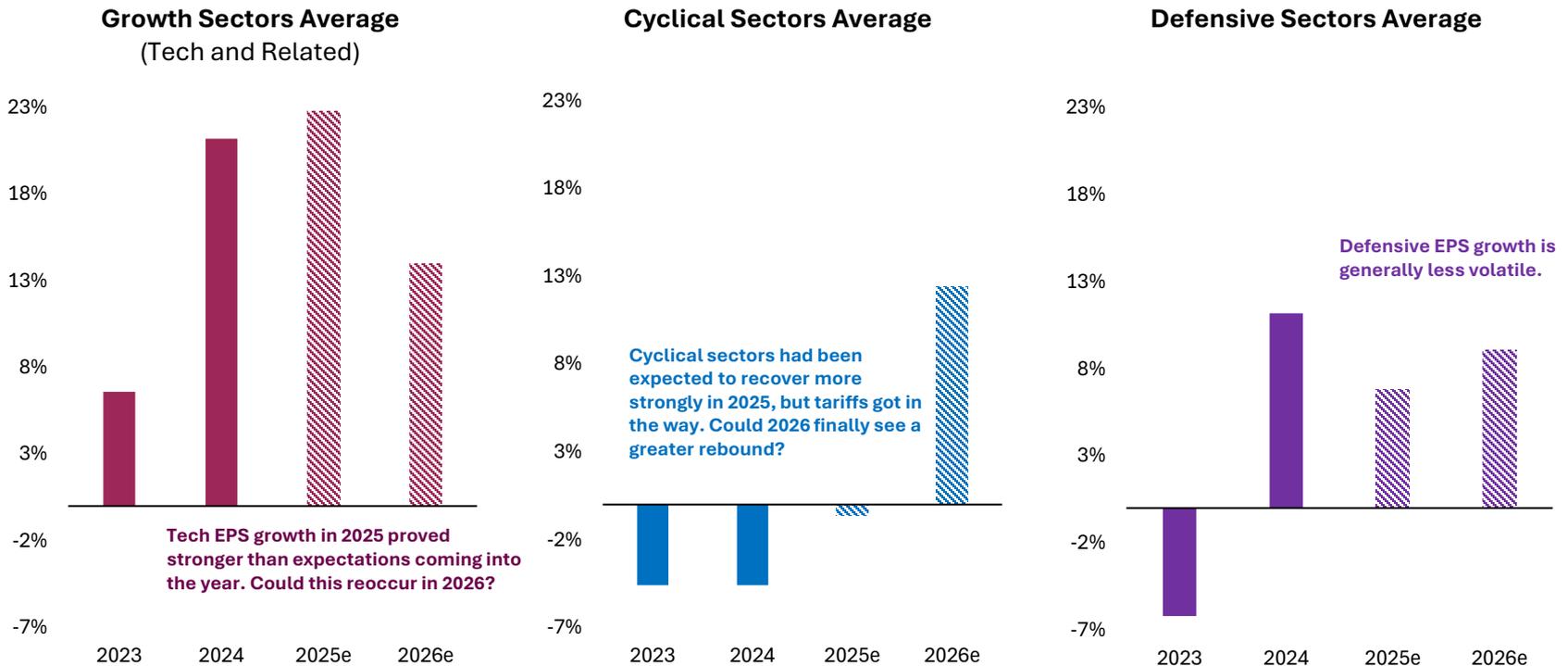


Source: Bloomberg. As of December 16, 2025. Non-profitable technology basket as defined by the GS Non-Profitable Tech Basket (GSXUNPTC). Consists of non-profitable U.S. listed companies in innovative industries. *Magnificent 7 are Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, Tesla. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

What Could Drive 2026 EPS Outperformance vs. Expectations?

In 2025, Cyclical EPS disappointed expectations for reacceleration while Tech EPS outperformed expectations for deceleration. A 2026 with both Cyclical EPS recovery and Tech growth persistence presents one path to EPS upside.

U.S. Sector EPS Growth Rates, Consensus Estimates for 2025/2026



Source: Bloomberg, MSIM. As of November 23, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

EPS Needs To Drive Upside in 2026, Rather Than P/E

With valuation still elevated by historical comparison, we look to EPS as the primary driver of returns. We had the same expectation last year, when 2025 returns came from EPS rather than valuation.

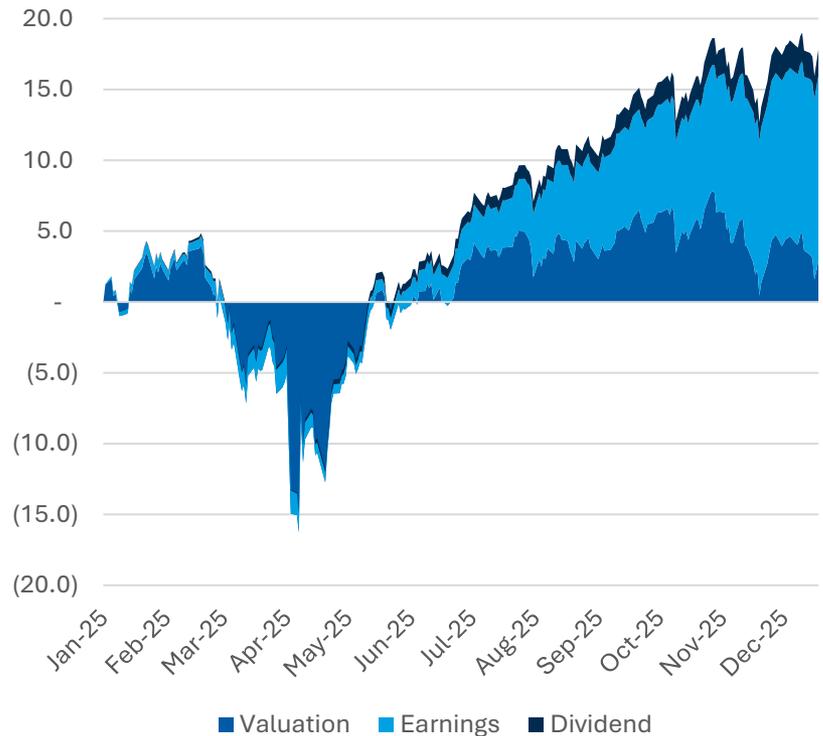
S&P 500 P/E Remains Elevated by Historical Comparisons

Blended forward 12-month rolling P/E



2025 S&P 500 Returns Were Driven by Earnings, Not Valuation

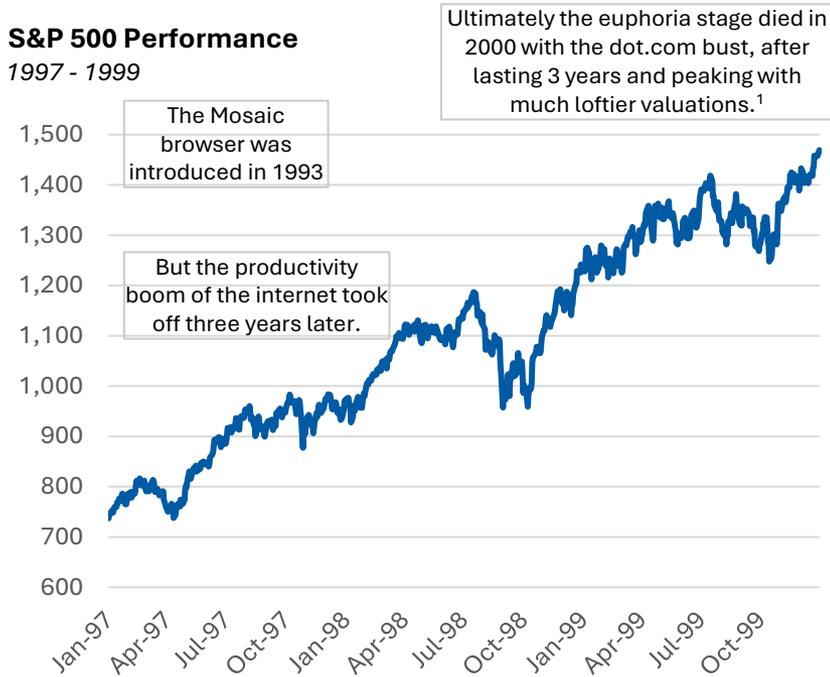
% total return by P/E, EPS and dividend yield



Source: Bloomberg, MSIM. As December 19, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Late Cycle, Not End of Cycle, but Still Too Early To Buy Defensives

AI could drive final euphoria stage as the internet did in the late 1990s.



AI productivity revolution may lead to better performance from the SPX 493



Valuation for defensives are high and we think they will underperform in 2026

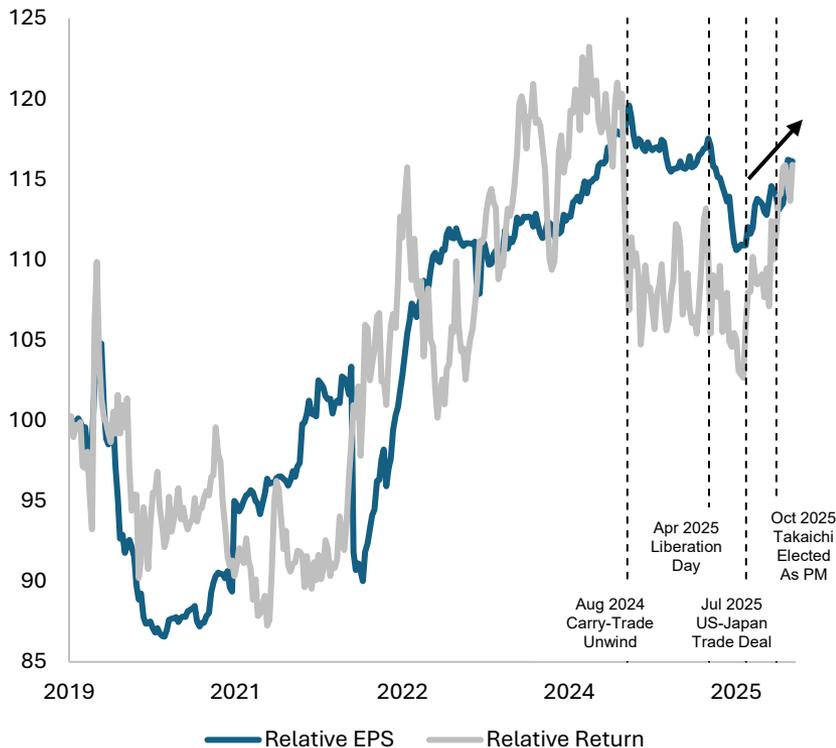
1. The S&P peaked at 28x forward P/E. 2. Defensive valuation as defined by the valuation differential between the highest earnings stable decile of the Russell 1000 versus that of the market average measured in terms of standard deviation. Source: Bloomberg, FactSet. As of December 19, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Japan Is Running Hot

Japanese equities are moving higher even as yields rise, all driven by stimulus.

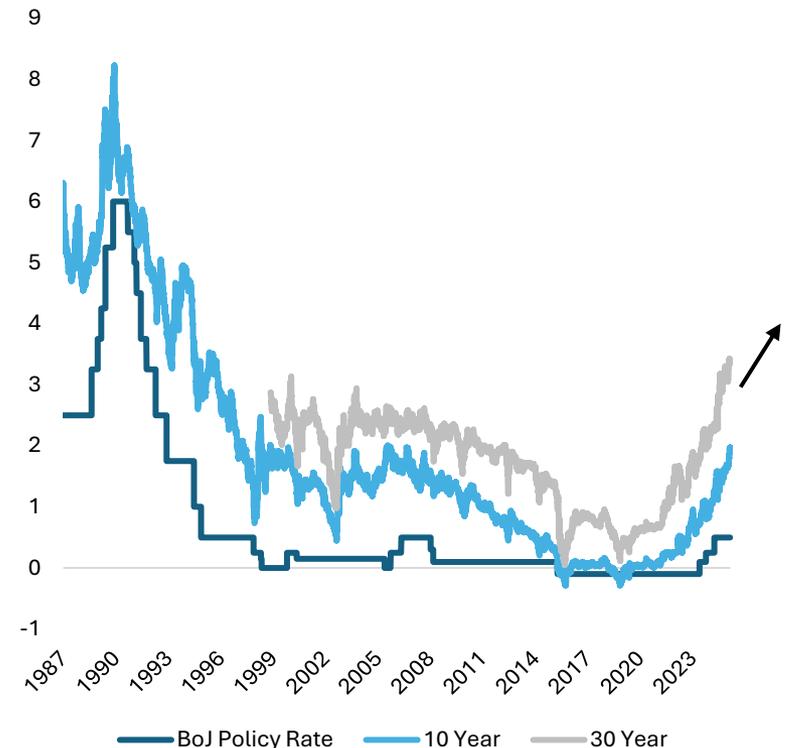
Japan Has Resumed Earnings-Driven Outperformance vs. ACWI

Japan equities relative EPS and return vs. ACWI (rebased to 2020)



Japan Bond Yields Are Breaking Out to Multidecade Highs

JGB Yields (%)

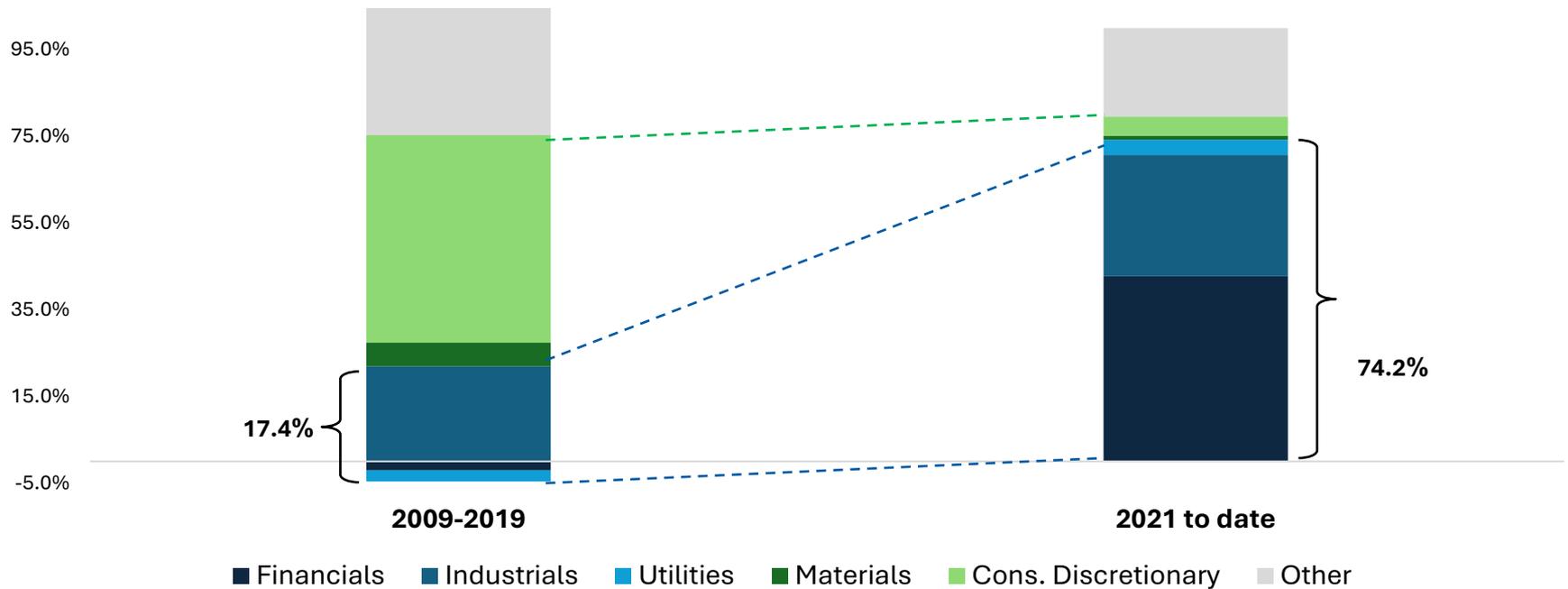


Source: Bloomberg, MSIM. As December 18, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

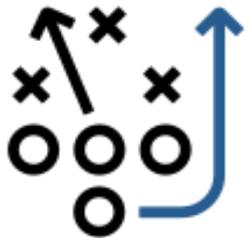
Changes Under the Hood for European Equities

While top-level EPS growth prospects may not have changed meaningfully post-COVID, we have seen a shift in sector leadership within European equities. We believe this change will remain a feature into 2026.

Recent EPS Growth Has Been From Direct Beneficiaries of Fiscal Spending and Energy Independence
Contribution to MSCI Europe EPS Growth by Sector



Source: Bloomberg, Macrobond, MSIM. As December 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

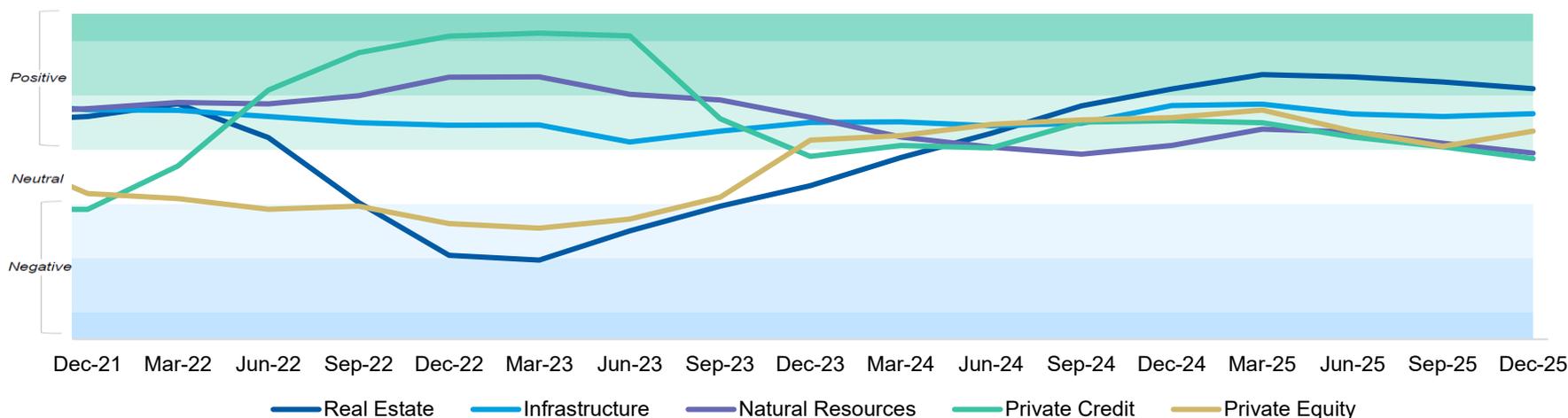


Alternatives

Quarterly Global Market and Asset Allocation Guide

Private Markets – 2026 Outlook and Commentary

Private Equity	Neutral / Positive	We see improving distribution activity , helped by rising M&A volumes, reduced tariff uncertainty and more attractive relative valuations versus public markets.
Private Credit	Neutral	We remain tactically cautious on core middle-market direct lending , where tight pricing persists despite some elevated credit risks. We prefer capital preservation-led strategies , sponsor-backed and senior secured first-lien exposure.
Infrastructure	Neutral / Positive	Infrastructure linked to data center expansion is positioned for continued strength, supported by sustained investment in power capacity and grid upgrades, particularly renewables .
Real Estate	Positive	We see attractive opportunities in living and industrial strategies, supported by a significantly lower development pipeline , motivated sellers and attractive valuations .
Natural Resources	Neutral / Positive	Agriculture and food commodities show varied conditions, with oversupply in some areas contributing to pressure on operating margins . Farmland valuations have become more attractive .



Source: PSG, Morgan Stanley Research. As of December 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Private Equity

Positive on Buyouts/Growth, Neutral on Venture Capital

2026 Outlook	Negative	Neutral / Negative	Neutral	Neutral / Positive	Positive
Buyout					
Growth					
Venture Capital					

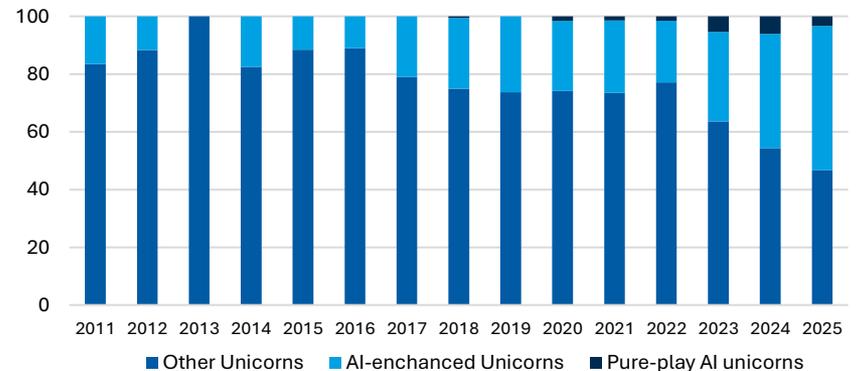
Points of Focus

- 1 Improved M&A activity:** While distributions in 2025 remained near record lows, there is a positive M&A momentum.
- 2 Buyout valuations remain attractive, particularly versus public:** 10-11x vs. 14-15x in public.
- 3 AI consolidates:** Transactions were +50% of the VC market in 1H25, but at 3-4x higher valuations than 2023.

M&A Volumes



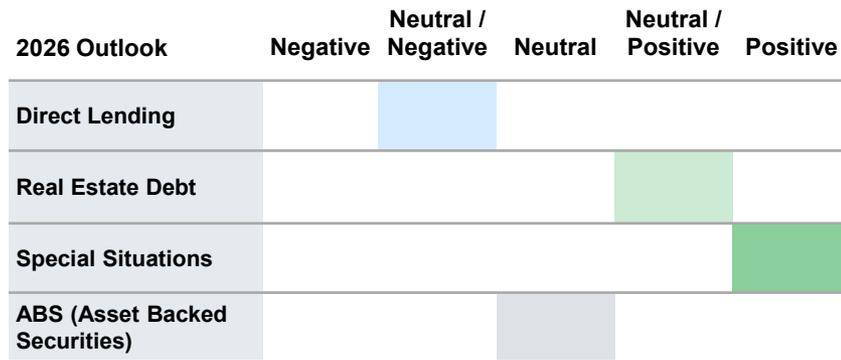
Venture Capital and AI: Increasing AI Market Share



Source: Preqin Insights. As of November 18, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Private Credit

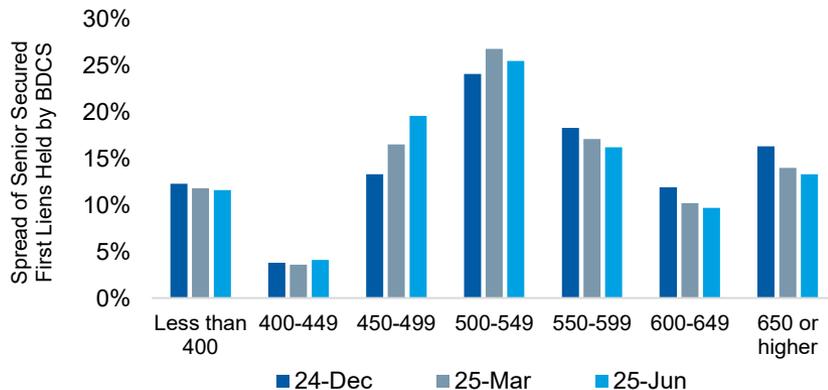
Direct Lending Less Attractive, Special Situations Better



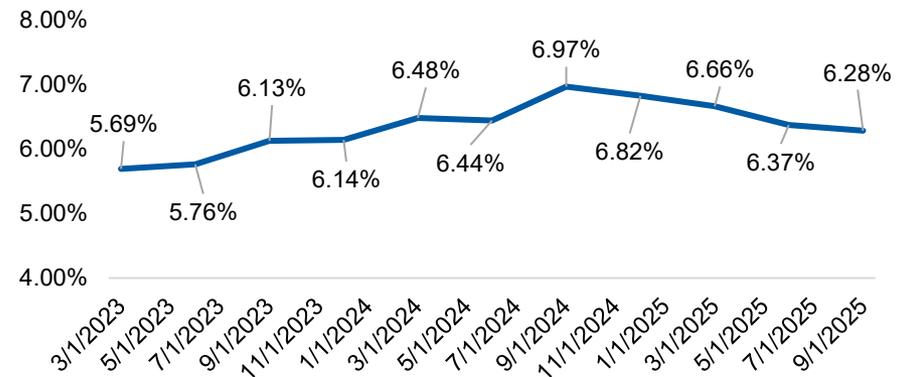
Points of Focus

- 1 Direct Lending pricing tightens:** Focus on non-cyclical senior secured 1st lien loans in appropriately sized deals.
- 2 Stress in Direct Lending fading:** Payment-in-kind (PIK) incidence, an indicator of credit stress, is improving.
- 3 Headwinds in Direct Lending creating tailwinds elsewhere:** Special Situations lenders can capitalize.

Pricing: New Issue Spreads Continue to Tighten



Stress Indicators: PIK Interest Continues to Decline



Source: Proskauer and Pitchbook, August 2025. * Payment in Kind. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Infrastructure

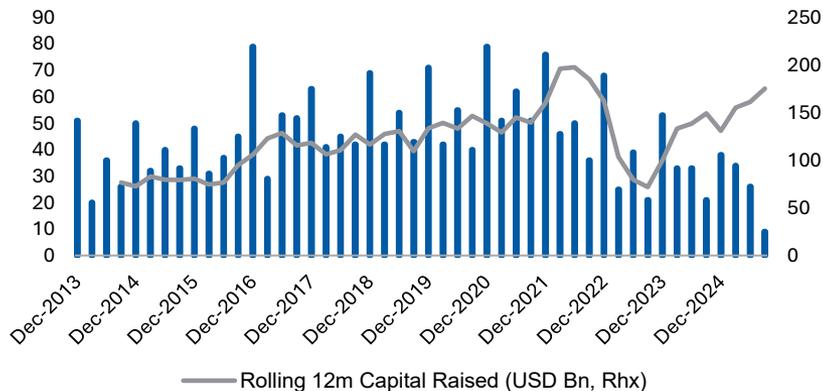
Constructive on Energy, Selective on Digital

2026 Outlook	Negative	Neutral / Negative	Neutral	Neutral / Positive	Positive
Transport					
Telecom					
Renewables					
Power (Ex Renewables)					

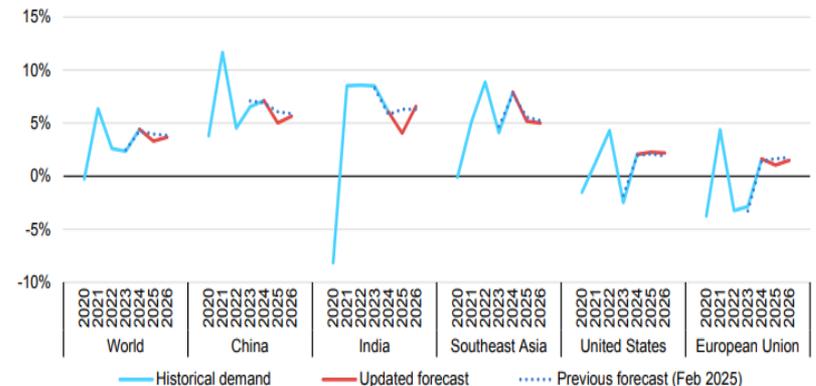
Points of Focus

- 1 Demand for data centers remains strong:** This results in strong demand for additional power generation.
- 2 Extended time to market:** Expected to benefit assets with a clear and short time to market.
- 3 Valuations can be expensive:** Data centers have seen high valuations.

Investor Sentiment: Strong Fundraising



Energy Demand: Turning Positive After Flat Decades



Source: Preqin. As of September 2025; EA Electricity Mid-Year Update 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

Real Estate

Residential, Industrial Supported By Long-term Tailwinds

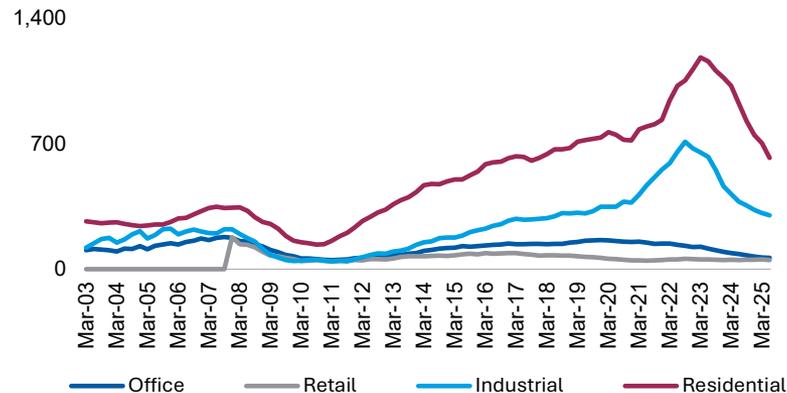
2026 Outlook	Negative	Neutral / Negative	Neutral	Neutral / Positive	Positive
Industrial					
Residential					
Office					
Retail					

Points of Focus

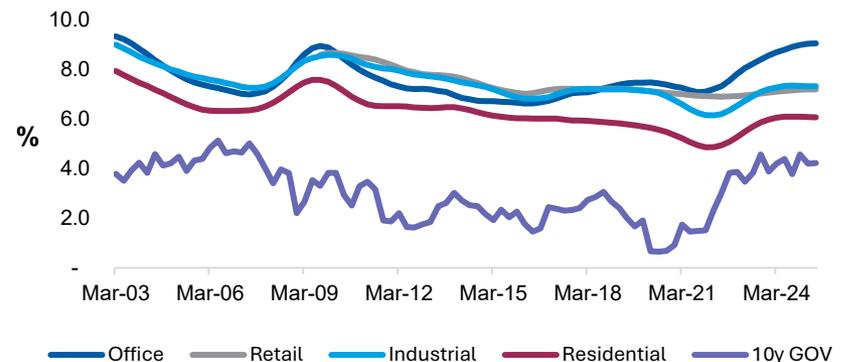
- 1 Slowdown in new development and under construction assets:** This provides strong support for asset owners.
- 2 Long-term tailwinds in residential:** Tenants are absorbing less space than in the past, but still at positive rates.
- 3 Valuations extremely attractive:** Cap rates now offer best entry point since post GFC.

New Development: Significant Reduction

Commercial Square Footage (m) / K Units



Valuations: Cap Rates (%) Peaked at Attractive Values



Source: Costar (Dec 01-Jun 25). As of September 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

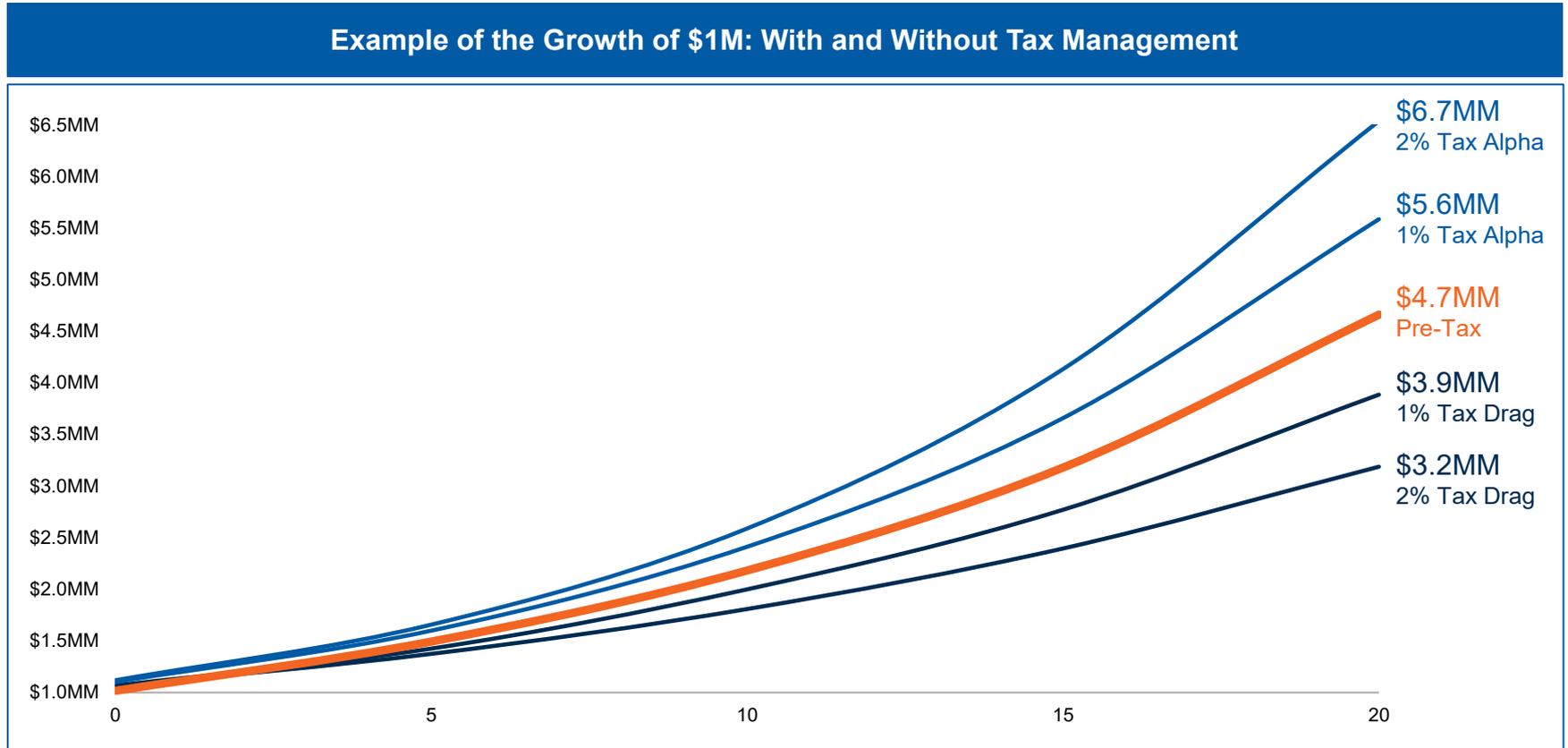


Taxes

Quarterly Global Market and Asset Allocation Guide

How Do Taxes Impact Portfolio Returns?

The compounding effects of tax drag and tax alpha can erode or enhance investment returns over time.



Source: MSIM. As of December 31, 2025. Assumptions: The above example shows an 8% annualized historical return for a hypothetical trailing 20 years. This is compared with increased and reduced annual returns over the same period. The returns are meant to demonstrate the long-term effects of even a small amount of compounded annual return loss due to tax management by applying illustrative “tax alpha” and “tax drag” to the returns. Actual results may be influenced by more complex factors. It does not reflect the experience of any investor and should not be relied upon for investment decisions. All investments are subject to risks, including the risk of loss. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

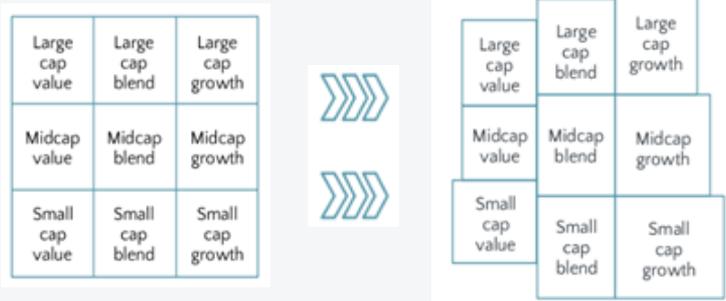
Portfolio Tax Friction Is Frequently the Result of Rebalancing

It is important to understand the tax implications of portfolio adjustments.

SECURITY REBALANCING	ASSET ALLOCATION REBALANCING
Adjusting security weights in a portfolio to reflect index changes or stock selection signals.	Rebalancing to reflect asset class drift from the ideal allocation (shown below).
CHANGING ASSET CLASS STRATEGY	WITHDRAWALS/DISTRIBUTIONS
Transitioning investment vehicles or portfolio managers within an asset class.	Receiving a distribution from a portfolio may require rebalancing within the remaining portfolio.

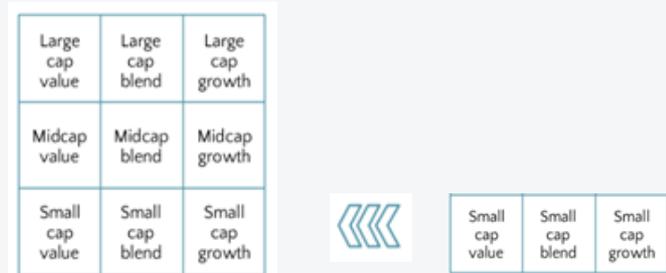
Examples:

If growth were to outperform value, and small-cap to outperform large-cap...



an investor would need to rebalance to realign with a target asset allocation.

If you want to replace the manager for small cap exposure...

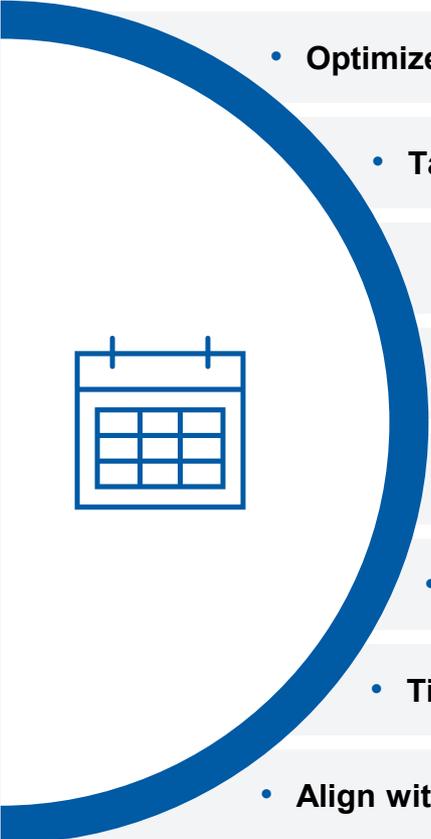


an investor needs to understand the turnover and potential tax consequences

Source: MSIM. As of December 31, 2025. For illustrative purposes only. There is no assurance that the investment objectives will be met. It is not possible to invest directly in an index. Indexes are unmanaged and do not reflect the deduction of fees or expenses. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

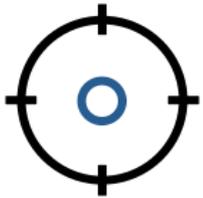
Tax Management Attempts to Improve Net Returns By Minimizing the Impact of Taxes on Investment Growth

Focus on Tax Management All Year Long:



- **Optimize Asset Location.**
- **Tax-Loss Harvest Equity and Fixed Income.**
- **Avoid Wash-Sales.**
- **Focus on After-Tax Yield in Fixed Income.**
- **Manage Individual Tax-Lots.**
- **Defer Capital Gains When Possible.**
- **Time Charitable Gifts.**
- **Align with Estate Plans.**

Source: MSIM. As of December 31, 2025. For illustrative purposes only. There is no assurance that the investment objectives will be met. It is not possible to invest directly in an index. Indexes are unmanaged and do not reflect the deduction of fees or expenses. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

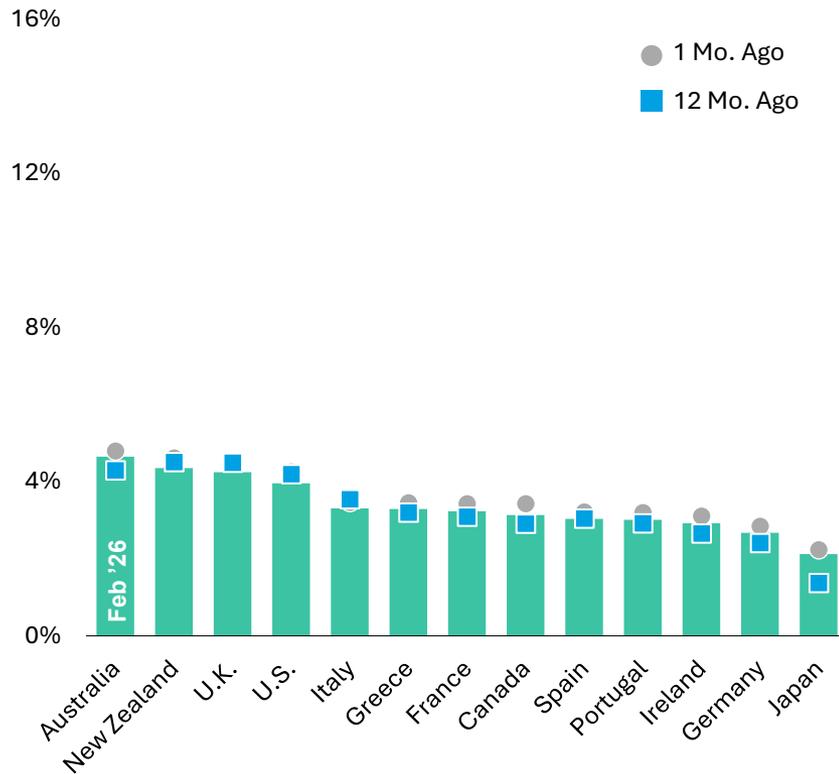


Market Monitor – March 2026

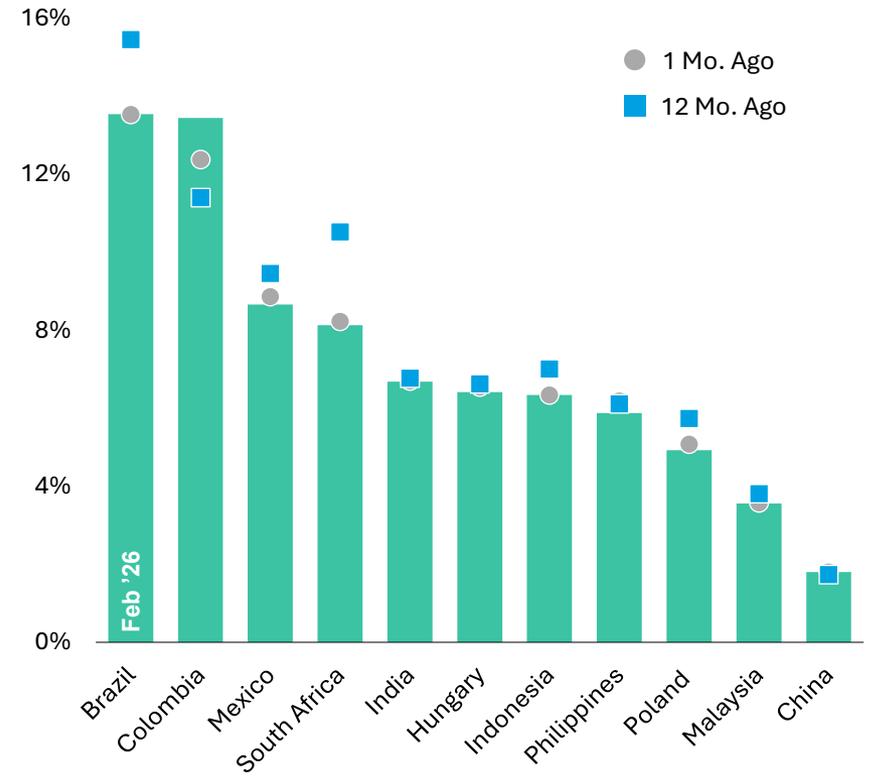


Sovereign Bond Yields

Developed Markets
(10 yr. Yield)



Emerging Markets
(10 yr. Yield)



Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Factset as of 2/28/26. Data provided is for informational use only. See end of report for important additional information.

Key Rates (%)

Security	Current	12-Mo. Ago	Average	Minimum	Maximum
1-Week SIFMA	1.88	1.86	2.50	1.88	3.22
Secured Overnight Financing Rate	3.68	4.36	4.14	3.63	4.51
1-Mo SOFR	3.67	4.32	4.11	3.66	4.37
3-Mo SOFR	3.67	4.32	4.05	3.63	4.33
2-Yr Treasury	3.39	4.06	3.70	3.39	4.06
5-Yr Treasury	3.52	4.09	3.82	3.52	4.16
10-Yr Treasury	3.96	4.27	4.23	3.95	4.58
30-Yr Treasury	4.63	4.56	4.78	4.43	5.08
2-Yr Japan	1.23	0.81	0.90	0.58	1.30
10-Yr Japan	2.12	1.40	1.67	1.11	2.34
2-Yr German Bund	2.03	2.05	1.97	1.66	2.29
10-Yr German Bund	2.67	2.43	2.69	2.41	2.91
2-Yr UK Gilt	3.52	4.19	3.87	3.52	4.30
10-Yr UK Gilt	4.25	4.53	4.56	4.25	4.80
Bloomberg US Agg	4.16	4.64	4.48	4.16	4.87
Bloomberg Global Agg	3.38	3.58	3.52	3.36	3.70
Bloomberg US Corporate	4.73	5.12	4.98	4.68	5.55
Bloomberg US Long Corporate	5.56	5.61	5.70	5.37	6.15
Bloomberg US Municipal	3.29	3.55	3.76	3.29	4.47
Bloomberg US Long Municipal	4.42	4.28	4.70	4.28	5.16
US High Yield	6.84	7.09	7.07	6.49	8.65
US Loans	8.33	8.41	8.32	7.76	9.14

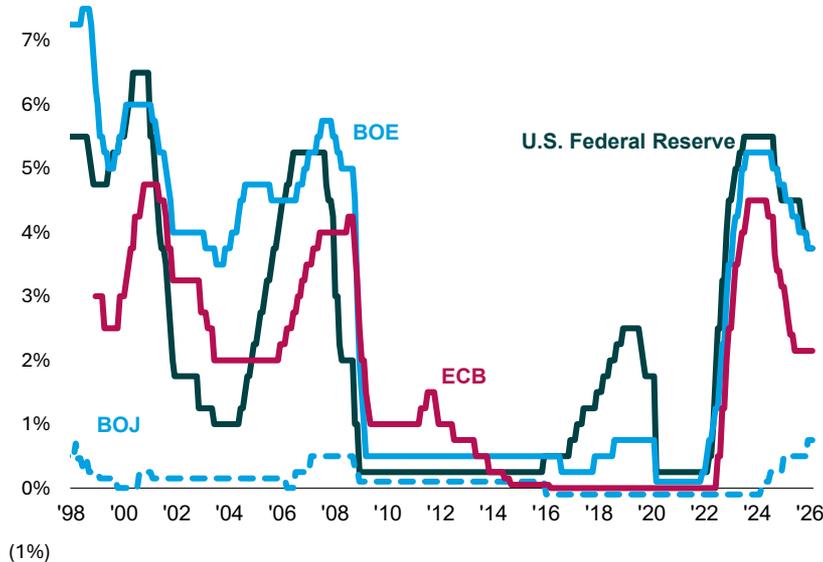
Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Bloomberg, Leveraged Commentary & Data (LCD), and Factset as of 2/28/26. Current represents most recent month. Average, minimum, and maximum measure a 12-month period ending most recent month. Data provided is for informational use only. US High Yield is represented by ICE BofA US High Yield Index. US Loans is represented by Morningstar LSTA U.S. Leveraged Loan Index. Bloomberg indices and ICE BofA US HY index using yield to worst. Morningstar LSTA U.S. Leveraged Loan Index using yield to maturity. SOFR is the Secured Overnight Financing Rate, a broad measure of secured overnight U.S. Treasury repo rates. See end of report for important additional information.

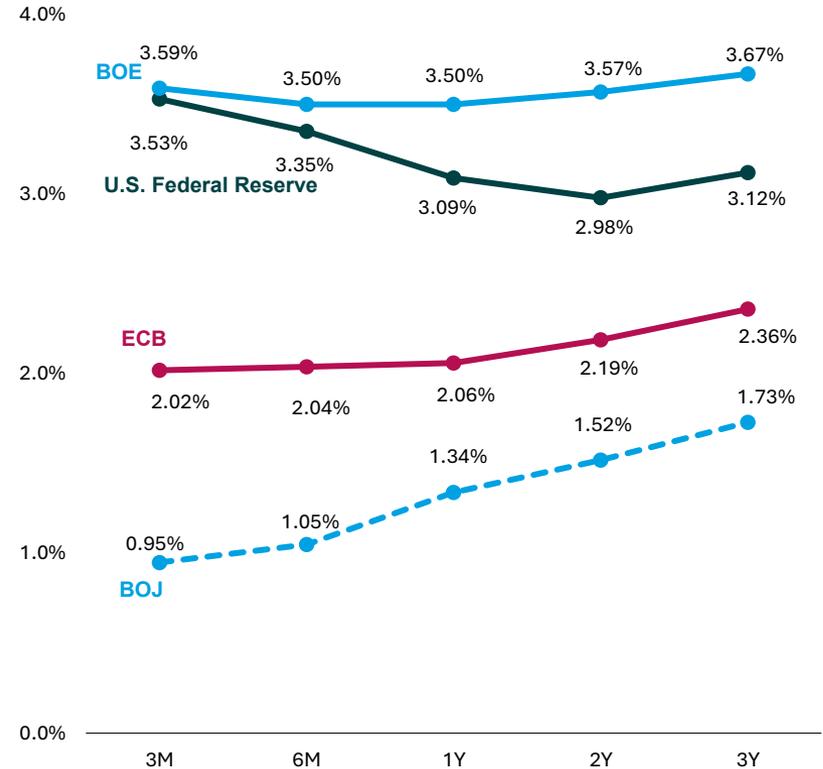
Monetary Policy

Central Bank Policy Rates

	Current	1-Mo. Ago	12-Mo. Ago
U.S. Federal Reserve	3.75%	3.75%	4.50%
BOE	3.75%	3.75%	4.50%
BOJ	0.75%	0.75%	0.50%
ECB	2.15%	2.15%	2.90%



Market Expectations for Future Central Bank Rates

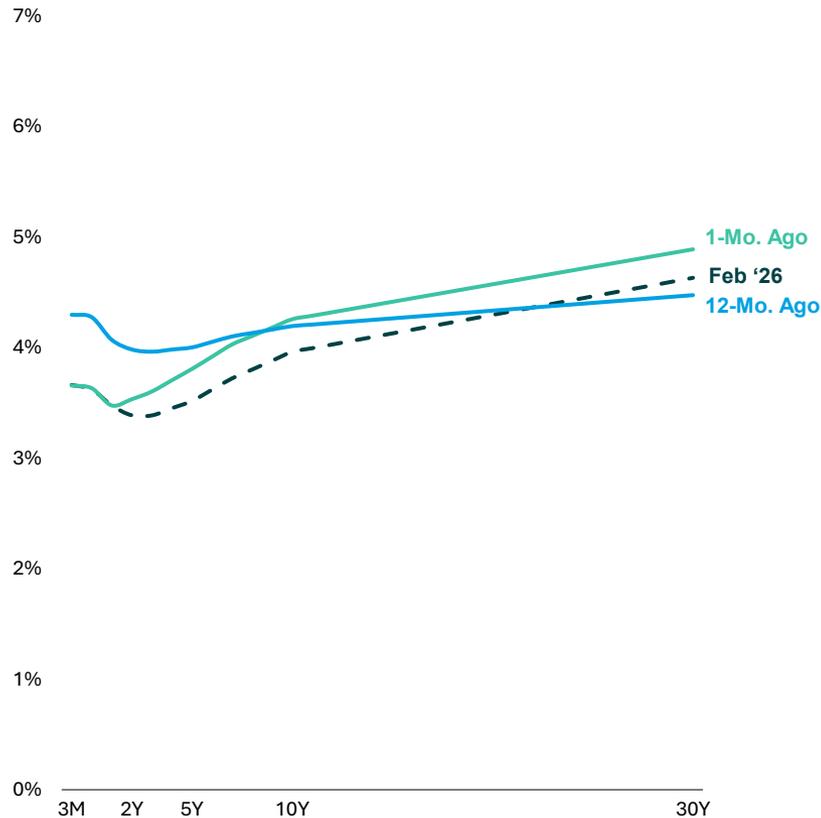


Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Bloomberg, Leveraged Commentary & Data (LCD), and Factset as of 2/28/26. Current represents most recent month. Average, minimum, and maximum measure a 12-month period ending most recent month. Data provided is for informational use only. US High Yield is represented by ICE BofA US High Yield Index. US Loans is represented by Morningstar LSTA U.S. Leveraged Loan Index. Bloomberg indices and ICE BofA US HY index using yield to worst. Morningstar LSTA U.S. Leveraged Loan Index using yield to maturity. SOFR is the Secured Overnight Financing Rate, a broad measure of secured overnight U.S. Treasury repo rates. See end of report for important additional information.

U.S. Treasury Yields

U.S. Treasury Yield Curves



Security	Yields & Performance				
	Yield (%)			Total Return (%)	
	Current	1-Mo. Ago	12-Mo. Ago	1-Mo.	12-Mo.
3-mo. Treasury	3.66	3.66	4.30	0.27	4.04
6-mo. Treasury	3.62	3.63	4.27	0.27	4.15
2-yr. Treasury	3.39	3.53	3.98	0.52	4.45
3-yr. Treasury	3.39	3.60	3.96	0.86	5.18
5-yr. Treasury	3.52	3.81	4.00	1.55	6.01
10-yr. Treasury	3.96	4.26	4.19	2.75	6.48
30-yr. Treasury	4.63	4.89	4.47	4.48	1.79

Source: Factset, Morningstar as of 2/28/26. Data provided is for informational use only. Past Performance is not a reliable indicator of future results. See end of report for important additional information.

Developed Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
U.S. Dollar (USD)	-	-	-	-	-	0.76	-0.53	-11.92	-3.52	0.55	3.54
Euro (EUR) *	-0.75	0.53	13.53	3.64	-0.55	-	-	-	-	-	2.04
British Pound (GBP)	-2.03	-0.04	6.77	3.56	-0.78	-1.28	-0.57	-5.95	-0.08	-0.23	3.69
Japanese Yen (JPY)	-1.19	0.40	-3.48	-4.45	-7.36	-0.45	-0.13	-14.98	-7.80	-6.84	1.02
Australian Dollar (AUD)	1.73	6.87	14.60	1.86	-1.64	2.50	6.30	0.94	-1.72	-1.10	4.25
Canadian Dollar (CAD)	-0.71	0.51	5.62	-0.06	-1.48	0.04	-0.03	-6.96	-3.57	-0.93	2.35
New Zealand Dollar (NZD)	-0.79	4.35	7.08	-1.06	-3.77	-0.04	3.80	-5.68	-4.54	-3.23	2.58
Norwegian Krone (NOK)	0.90	6.03	18.19	2.84	-1.97	1.67	5.47	4.10	-0.78	-1.43	4.10
Swedish Krona (SEK)	-1.89	2.17	18.98	4.95	-1.42	-1.14	1.63	4.80	1.26	-0.87	1.79
Danish Krone (DKK)	-0.80	0.50	13.32	3.51	-0.65	-0.05	-0.03	-0.18	-0.13	-0.10	1.76
Swiss Franc (CHF)	0.13	3.02	17.32	6.82	3.32	0.89	2.47	3.34	3.06	3.89	-0.15

U.S. Dollar Index



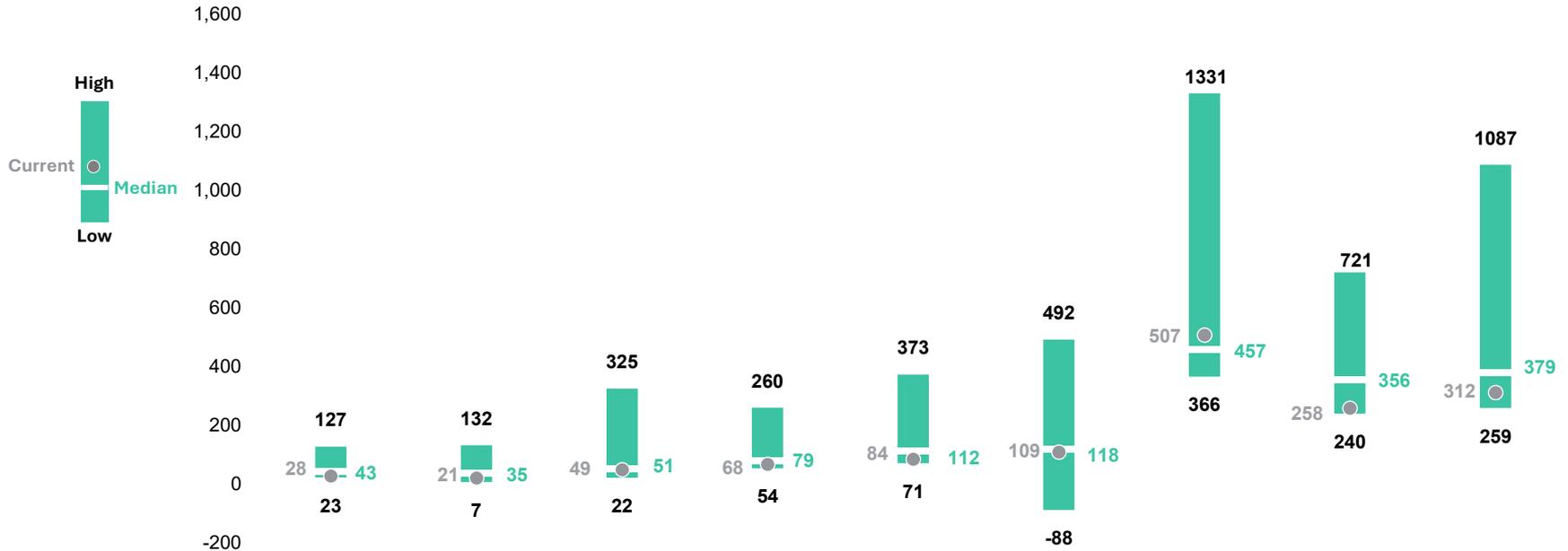
Source: Factset, Morningstar as of 2/28/26. Data provided is for informational use only. Past Performance is not a reliable indicator of future results. See end of report for important additional information.

Characteristics and Performance Analysis

Index	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
U.S. High Grade													
Bloomberg U.S. Aggregate Index	3.68	95.2	4.16	28	8.1	5.9	1.64	1.60	1.75	6.26	5.12	0.42	1.97
U.S. Treasury	3.29	95.3	3.75	-	7.8	6.0	1.82	1.39	1.72	5.32	4.18	-0.10	1.23
U.S. Mortgage Backed Securities	3.54	93.6	4.38	21	6.4	5.0	1.67	2.30	2.09	7.54	5.43	0.68	1.63
U.S. Asset Backed Securities	4.52	100.8	3.98	49	4.0	2.9	0.87	1.42	1.12	5.74	5.69	2.51	2.57
U.S. Commercial Mortgage Backed Securities	3.58	97.7	4.21	68	4.3	3.8	1.28	1.76	1.64	7.05	6.26	1.50	2.74
U.S. Corp. Investment Grade	4.50	95.9	4.73	84	10.4	6.9	1.29	1.27	1.47	6.58	6.37	0.81	3.30
Bloomberg Municipal Bond Index	4.66	104.2	3.29	-	13.5	6.7	1.25	2.29	2.20	4.96	4.44	1.44	2.43
Bloomberg Taxable Municipal Bond Index	4.46	95.9	4.60	-	14.1	7.7	2.58	2.27	2.63	7.15	6.04	0.63	3.13
ICE BofA US Inflation-Linked Treasury Index	1.21	95.7	1.34	-	7.7	5.0	1.35	1.19	1.79	4.94	4.53	1.68	2.96
ICE BofA Preferred Index (Fixed Rate)	5.63	91.0	5.81	109	-	6.7	0.49	2.29	1.82	5.22	5.72	2.52	4.18
U.S. High Yield													
ICE BofA US High Yield Index	6.66	97.9	6.84	312	4.8	2.9	0.16	1.30	0.65	7.02	9.34	4.48	6.64
Morningstar LSTA U.S. Leveraged Loan Index	S+3.15	94.6	8.33	507	4.6	-	-0.78	-0.45	-1.08	3.93	7.80	5.81	5.84
Emerging Markets													
J.P. Morgan EM Bond Index (EMBI) Global Diversified	5.60	93.9	6.65	258	-	6.6	1.39	2.81	2.08	13.24	11.03	2.95	4.43
J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified	5.60	99.0	5.72	190	-	4.5	0.90	2.14	1.65	7.98	8.57	2.85	4.88
J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified	5.70	-	5.83	-	-	5.4	1.29	5.04	3.49	20.15	10.37	2.59	4.06
Global Developed Markets													
Bloomberg Global Aggregate Ex-U.S. Index	2.44	95.8	2.73	24	8.3	6.7	0.73	2.96	2.36	9.87	4.33	-2.56	0.40
FTSE World Government Bond Index	2.70	-	3.30	-	-	6.7	1.28	2.33	2.20	7.89	4.03	-2.38	0.33
ICE BofA European Union Government Bond Index	2.30	94.7	2.74	29	8.8	7.2	0.66	3.27	2.69	16.00	7.63	-2.54	0.81
ICE BofA Developed Mkts HY Ex-Sub Fincl Index (USD Hedged)	6.35	98.1	6.48	326	3.7	2.9	0.24	1.45	0.81	6.96	9.44	4.65	6.64
Bloomberg Euro-Aggregate Corporates (EUR)	2.85	98.6	3.10	83	5.2	4.5	0.55	1.12	1.31	3.30	5.49	0.41	1.47
Bloomberg Pan-European High Yield Euro (EUR)	5.07	98.9	5.43	279	4.0	3.4	0.26	1.30	0.96	4.50	7.76	3.35	4.47

Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Bloomberg, J.P. Morgan, ICE BofA Data Indices, LLC, Factset, and Leveraged Commentary & Data (LCD), as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Yield to maturity is shown for the Morningstar LSTA U.S. Leveraged Loan Index and the FTSE World Government Bond Index. S+ refers to SOFR (Secured Overnight Financing Rate) as the base rate. Loan Index spread represents the three-year discounted spread over SOFR. Returns of the ICE BofA Developed Mkts HY Ex-Sub Financial Index are USD Hedged. The averages for the index are unhedged. Returns and averages for the Bloomberg Euro-Agg Corps and Bloomberg Pan-Euro HY indices are in EUR (unhedged).

Spread Analysis (bps)



	Aggregate	MBS	ABS	CMBS	Corporate	Preferred	Floating-Rate Loans	Emerging Markets (USD)	High Yield
Max Spread Date	3/20/2020	3/19/2020	3/26/2020	3/25/2020	3/23/2020	3/23/2020	3/20/2020	3/23/2020	3/23/2020
Min Spread Date	1/28/2026	4/14/2021	6/21/2021	6/21/2021	1/22/2026	12/6/2017	4/20/2018	2/04/2026	1/22/2025
Spread on 12/31/25	27	22	52	75	78	114	429	253	281
Spread on 12/31/24	34	43	44	80	80	77	424	325	292
Spread on 12/31/23	42	47	68	126	99	148	490	384	334

Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Factset and Leveraged Commentary & Data (LCD) as of 2/28/26. Spread history measures past 10 years. Data provided is for informational use only. See end of report for important additional information. All fixed-income spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries using daily data. Aggregate represented by Bloomberg US Aggregate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. ABS represented by Bloomberg U.S. Asset Backed Securities (ABS) Index. CMBS represented by Bloomberg U.S. CMBS Investment Grade Index. Corporate represented by Bloomberg U.S. Corporate Investment Grade Index. Preferred represented by ICE BofA Fixed Rate Preferred Securities Index. Floating-Rate Loans represented by Morningstar LSTA U.S. Leveraged Loan Index. Loan Index spread represents the three-year discounted spread over SOFR (Secured Overnight Financing Rate). Emerging Markets(USD) represented by J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified. High Yield represented by ICE BofA US High Yield Index.

Corporate Bond Market Update

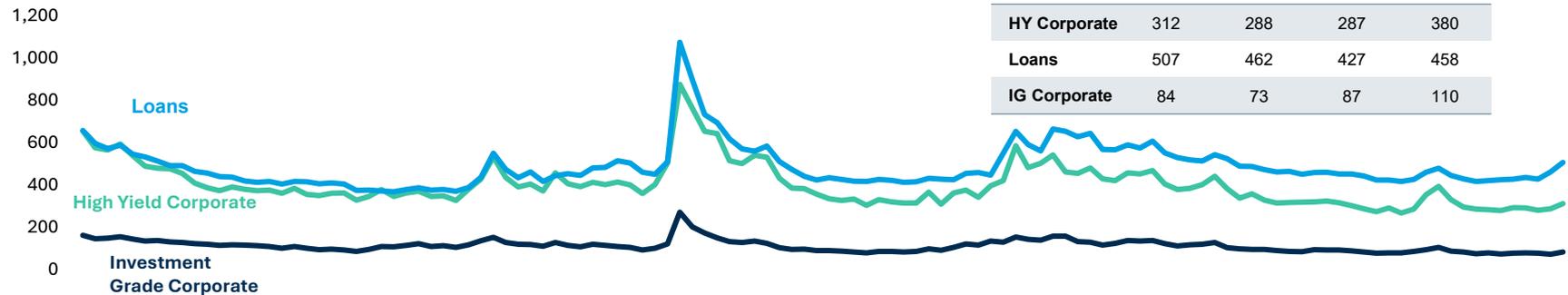
	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
U.S. High Grade													
Bloomberg U.S. Corp. Investment Grade Index	4.50	95.9	4.73	84	10.4	6.9	1.29	1.27	1.47	6.58	6.37	0.81	3.30
AAA Index	3.53	83.8	4.64	43	17.7	10.7	2.04	0.71	1.79	4.89	3.97	-1.50	1.89
AA Index	3.98	92.9	4.53	55	13.0	8.0	1.63	0.98	1.58	5.48	4.99	-0.32	1.92
A Index	4.37	96.1	4.59	70	10.2	6.9	1.31	1.20	1.44	6.63	5.98	0.58	2.81
BBB Index	4.75	96.7	4.92	104	10.1	6.6	1.19	1.40	1.48	6.76	7.00	1.26	4.01
U.S. High Yield													
ICE BofA U.S. High Yield Index	6.66	97.9	6.84	312	4.8	2.9	0.16	1.30	0.65	7.02	9.34	4.48	6.64
BB Index	6.01	100.1	5.66	191	5.0	3.1	0.51	1.48	1.01	7.85	8.71	4.01	6.08
B Index	7.52	99.8	7.17	345	4.6	2.6	-0.08	1.32	0.42	6.66	9.04	4.45	6.35
CCC Index	7.60	81.3	13.12	952	4.0	2.7	-1.09	-0.02	-0.85	3.41	12.15	5.94	9.11
Morningstar LSTA U.S. Leveraged Loan Index	S+3.15	94.6	8.33	507	4.6	-	-0.78	-0.45	-1.08	3.93	7.80	5.81	5.84
BBB Index	S+1.82	99.9	5.52	186	4.9	-	0.25	1.16	0.52	6.11	7.17	5.57	4.67
BB Index	S+2.39	99.2	6.27	267	5.0	-	0.17	0.89	0.24	5.62	7.51	5.90	5.09
B Index	S+3.36	95.2	8.48	520	4.6	-	-1.11	-0.84	-1.50	3.80	8.25	6.11	6.23
CCC Index	S+4.76	70.7	24.36	2053	3.3	-	-3.06	-4.90	-5.10	-4.63	5.26	2.95	7.35
D Index	-	26.9	-	-	-	-	4.38	-19.89	1.88	-37.96	-24.07	-26.38	-17.29

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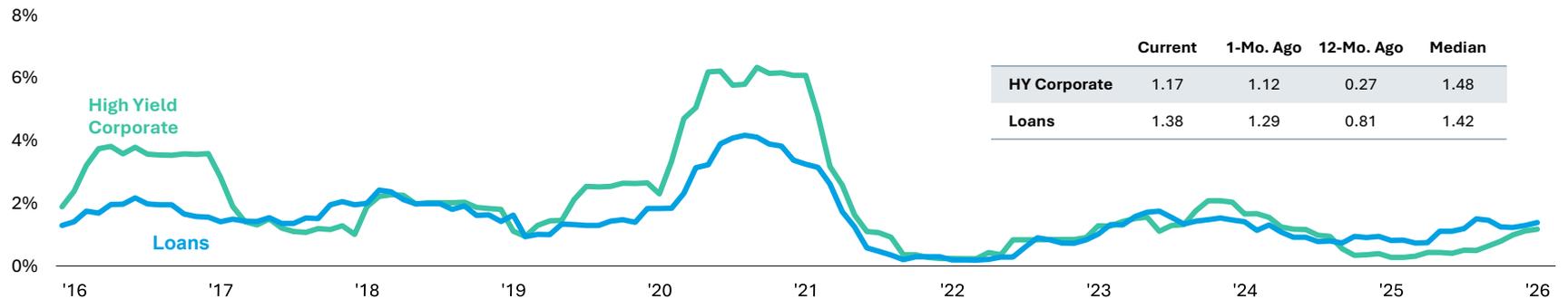
It is not possible to invest directly in an index. Source: Bloomberg, J.P. Morgan, ICE BofA Data Indices, LLC, Factset, and Leveraged Commentary & Data (LCD), as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Yield to maturity is shown for the Morningstar LSTA U.S. Leveraged Loan Index. S+ refers to SOFR (Secured Overnight Financing Rate) as the base rate. Loan Index spread represents the three-year discounted spread over SOFR.

Corporate Bond Market Update

Average Spread (bps)



Annual Default Rate



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It is not possible to invest directly in an index. Source: J.P. Morgan and Leveraged Commentary & Data (LCD), as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Corporate spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries. Loan Index spread represents the three-year discounted spread over SOFR (Secured Overnight Financing Rate).

Municipal Bond Market Update

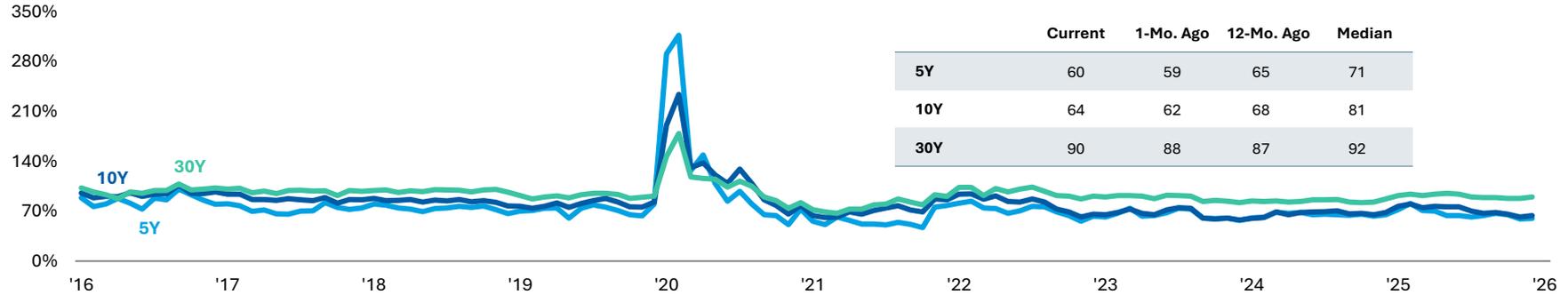
	Averages					Total Returns (%)						
	Coupon (%)	Price (\$)	Yield To Worst (%)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
Bloomberg Municipal Bond Index	4.66	104.2	3.29	13.5	6.7	1.25	2.29	2.20	4.96	4.44	1.44	2.43
AAA Index	4.62	105.4	3.14	13.2	6.9	1.30	2.32	2.21	4.90	4.10	1.20	2.06
AA Index	4.68	105.1	3.15	13.2	6.5	1.19	2.25	2.13	4.96	4.20	1.33	2.24
A Index	4.66	102.5	3.54	13.4	6.6	1.32	2.32	2.31	5.10	4.96	1.76	2.81
BBB Index	4.66	98.2	4.23	17.2	7.4	1.39	2.41	2.35	4.66	5.67	1.97	3.39
5-Year Index	4.75	108.3	2.47	5.0	3.6	0.82	2.10	1.81	5.34	4.10	1.57	1.96
10-Year Index	4.62	108.6	2.90	9.9	5.8	1.19	2.62	2.37	6.29	4.34	1.75	2.61
22+ Year Index	4.77	98.3	4.42	26.7	11.3	1.67	1.85	2.18	3.08	4.50	0.42	2.45
Bloomberg High Yield Municipal Bond Index	4.75	66.8	5.38	19.6	7.4	1.67	2.42	2.67	3.11	6.48	2.52	4.45
Hospital	5.48	72.6	5.75	21.1	6.4	1.91	3.19	2.87	5.24	8.10	3.01	3.72
IDR/PCR	4.27	38.0	5.73	18.7	8.5	1.84	1.17	2.96	-1.12	4.09	1.00	4.22
Tobacco	2.48	18.4	6.72	26.2	14.2	0.62	0.41	2.23	-6.32	2.54	-0.73	4.69
Puerto Rico	3.54	56.1	4.52	17.8	7.3	1.23	3.55	3.44	3.87	7.46	3.14	6.33

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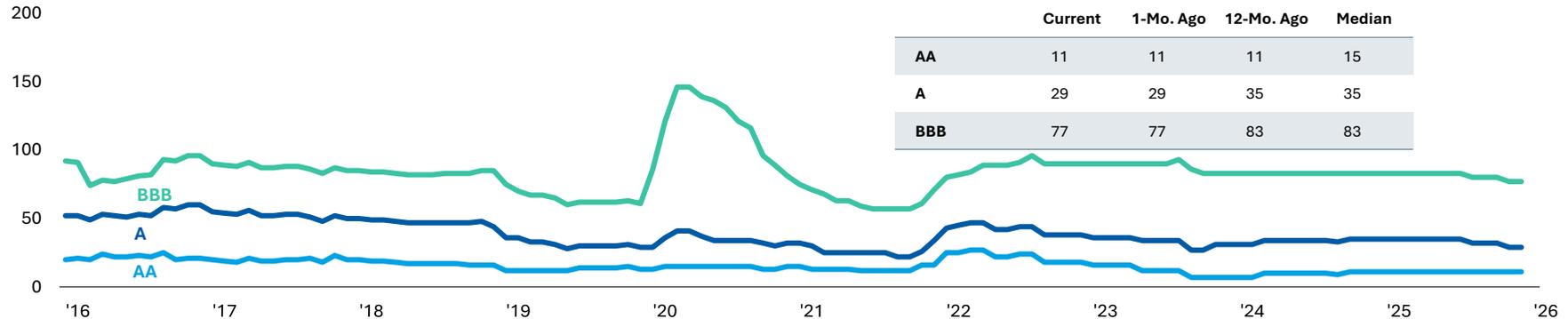
It is not possible to invest directly in an index. Source: Bloomberg, Morningstar as of 2/28/26. Coupon and Yield To Worst figures are based on average market prices while Price is based on an average of par value. Data provided is for informational use only. See end of report for important additional information.

Municipal Bond Market Update

AAA Muni-to-Treasury Yield Ratios



Credit Quality Spreads vs. AAA (bps)



Past performance is no guarantee of future results.

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Emerging Markets Bond Market Update

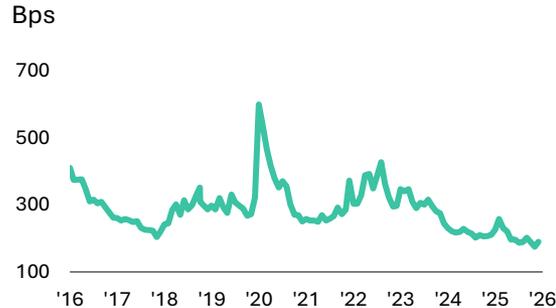
Sovereign EMD Spreads (USD)



Avg. Spread (bps)

Current	258
1-Mo. Ago	244
12-Mo. Ago	328
Median	357

Corporate EMD Spreads (USD)



Avg. Spread (bps)

Current	190
1-Mo. Ago	175
12-Mo. Ago	211
Median	285

Local EMD Yields (%)



Avg. Yield (%)

Current	5.83
1-Mo. Ago	5.86
12-Mo. Ago	6.33
Median	6.19

Averages

	Coupon (%)	Price (\$)	Yield (%)	Duration
JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified	5.60	93.9	6.65	6.6
JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified	5.60	99.0	5.72	4.5
JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified	5.70	-	5.83	5.4

Total Returns (%)

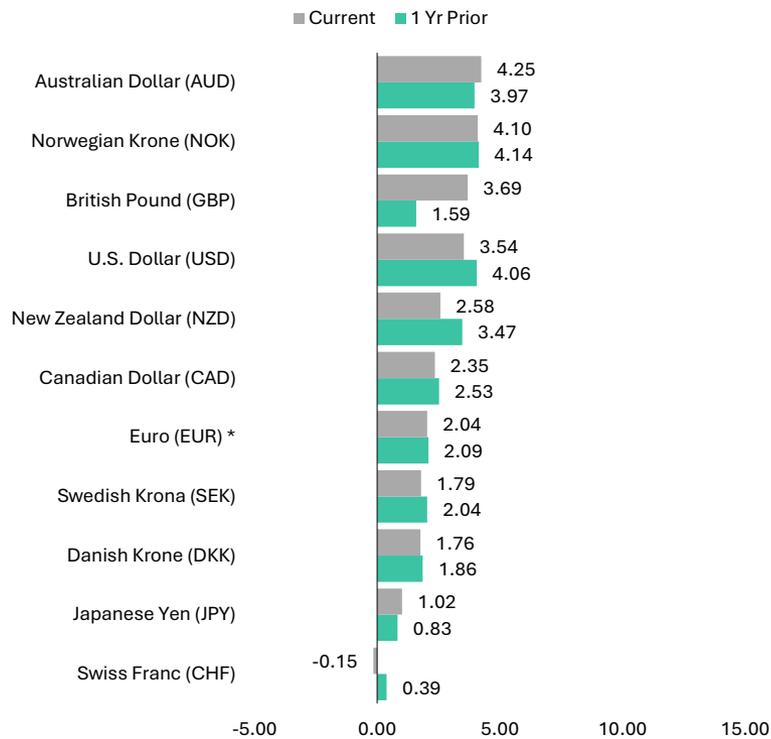
	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified	1.39	2.81	2.08	13.24	11.03	2.95	4.43
JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified	0.90	2.14	1.65	7.98	8.57	2.85	4.88
JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified	1.29	5.04	3.49	20.15	10.37	2.59	4.06

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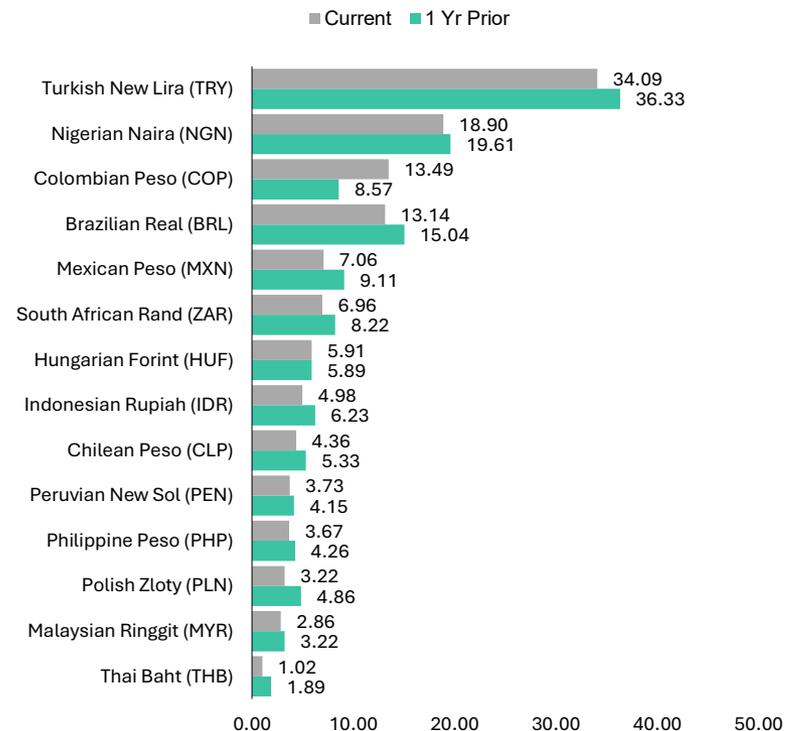
It is not possible to invest directly in an index. Source: J.P. Morgan, Morningstar as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. All spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries.

Local Sovereign Currency Yields

Developed Market Local Interest Rates % (1 Year)



Emerging Market Local Interest Rates % (1 Year)



Past performance is no guarantee of future results.

It is not possible to invest directly in an index. *German Rate. Source: Bloomberg as 2/28/26. Data provided is for informational use only. See end of report for important additional information.

Asset Class Return Analysis (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026
Higher ↑	High Yield 17.49	EMD (Local Currency) 15.21	Municipal 1.28	Investment Grade 14.54	Global Agg Ex-U.S. 10.11	High Yield 5.36	Bank Loan -0.77	High Yield 13.46	Bank Loan 8.95	EMD (Local Currency) 19.26	EMD (Local Currency) 3.49
	EMD (Hard Currency) 10.19	Global Agg Ex-U.S. 10.51	MBS 0.99	EMD (Hard Currency) 14.42	Investment Grade 9.89	Bank Loan 5.20	Municipal -8.53	Bank Loan 13.32	High Yield 8.20	EMD (Hard Currency) 14.30	Global Agg Ex-U.S. 2.36
	Bank Loan 10.16	EMD (Hard Currency) 9.32	Treasury 0.86	High Yield 14.41	Treasury 8.00	Municipal 1.52	High Yield -11.22	EMD (Local Currency) 12.70	EMD (Corp. Bonds) 7.63	Global Agg Ex-U.S. 8.85	Municipal 2.20
	EMD (Local Currency) 9.94	EMD (Corp. Bonds) 7.96	Bank Loan 0.44	EMD (Local Currency) 13.47	EMD (Corp. Bonds) 7.13	EMD (Corp. Bonds) 0.91	EMD (Local Currency) -11.69	EMD (Hard Currency) 11.09	EMD (Hard Currency) 6.54	EMD (Corp. Bonds) 8.73	MBS 2.09
	EMD (Corp. Bonds) 9.65	High Yield 7.48	EMD (Corp. Bonds) -1.65	EMD (Corp. Bonds) 13.09	High Yield 6.17	Investment Grade -1.04	MBS -11.81	EMD (Corp. Bonds) 9.08	Investment Grade 2.13	MBS 8.58	EMD (Hard Currency) 2.08
	Investment Grade 6.11	Investment Grade 6.42	Global Agg Ex-U.S. -2.15	Bank Loan 8.64	EMD (Hard Currency) 5.88	MBS -1.04	EMD (Corp. Bonds) -12.26	Investment Grade 8.52	MBS 1.20	High Yield 8.50	Treasury 1.72
	MBS 1.67	Municipal 5.45	High Yield -2.26	Municipal 7.54	Municipal 5.21	EMD (Hard Currency) -1.51	Treasury -12.46	Municipal 6.40	Municipal 1.05	Investment Grade 7.77	EMD (Corp. Bonds) 1.65
	Global Agg Ex-U.S. 1.49	Bank Loan 4.12	Investment Grade -2.51	Treasury 6.86	MBS 3.87	Treasury -2.32	Investment Grade -15.76	Global Agg Ex-U.S. 5.72	Treasury 0.58	Treasury 6.32	Investment Grade 1.47
	Treasury 1.04	MBS 2.47	EMD (Hard Currency) -4.61	MBS 6.35	Bank Loan 3.12	Global Agg Ex-U.S. -7.05	EMD (Hard Currency) -16.45	MBS 5.05	EMD (Local Currency) -2.38	Bank Loan 5.90	High Yield 0.65
Lower ↓	Municipal 0.25	Treasury 2.31	EMD (Local Currency) -6.21	Global Agg Ex-U.S. 5.09	EMD (Local Currency) 2.69	EMD (Local Currency) -8.75	Global Agg Ex-U.S. -18.70	Treasury 4.05	Global Agg Ex-U.S. -4.22	Municipal 4.25	Bank Loan -1.08

Past performance is no guarantee of future results. It is not possible to invest directly in an index. In general, fixed income investments are subject to credit and interest rate risks. High yield investments may have a higher degree of credit and liquidity risk. Foreign securities are subject to currency, political, economic and market risks. Investors should carefully review the risks of each asset class prior to investing. Source: Morningstar as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Investment Grade represented by Bloomberg U.S. Corporate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. Treasury represented by Bloomberg U.S. Treasury Index. High Yield represented by ICE BofA US High Yield Index. Municipal represented by Bloomberg Municipal Bond Index. Bank Loan represented by Morningstar LSTA U.S. Leveraged Loan Index. Global Agg Ex-U.S. represented by Bloomberg Global Aggregate Ex-USD Index. EMD (Local Currency) represented by J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified. EMD (Hard Currency) represented by J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified. EMD (Corp. Bonds) represented by J.P. Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified.

Performance: Market Barometer (%)

	1-Month Returns			1-Year Returns			3-Year Returns		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large Cap	2.59	-0.54	-3.36	18.36	16.73	14.78	16.03	21.42	26.11
Mid Cap	4.72	3.82	0.79	19.33	16.82	8.22	13.89	14.83	15.73
Small Cap	1.93	0.80	-0.24	24.95	23.34	21.88	12.39	13.14	13.77

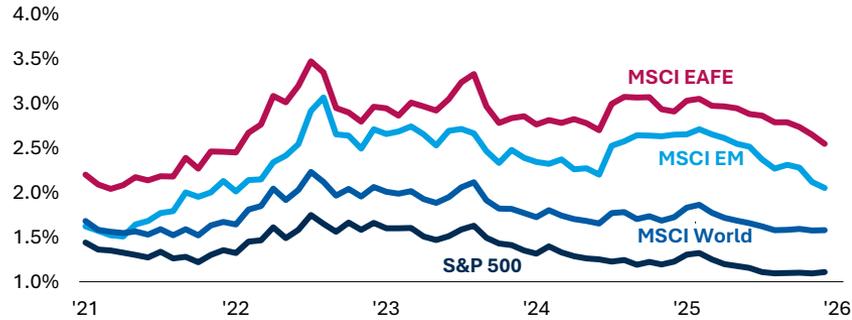


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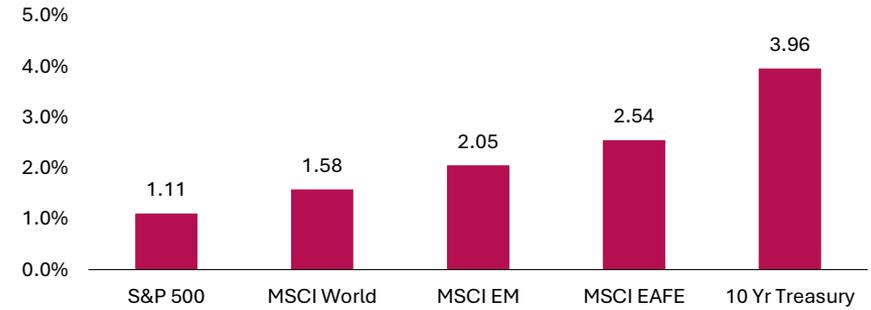
It is not possible to invest directly in an index. Source: Morningstar as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Returns over 1 year are annualized. Large Cap Value represented by Russell 1000 Value Index. Large Cap Core represented by Russell 1000 Index. Large Cap Growth represented by Russell 1000 Growth Index. Mid Cap Value represented by Russell Mid Cap Value Index. Mid Cap Core represented by Russell Mid Cap Index. Mid Cap Growth represented by Russell Mid Cap Growth Index. Small Cap Value represented by Russell 2000 Value Index. Small Cap Core represented by Russell 2000 Index. Small Cap Growth represented by Russell 2000 Growth Index. Global represented by MSCI ACWI Index. US represented by S&P 500 Index. International represented by MSCI EAFE Index. Emerging Markets represented by MSCI Emerging Markets Index.

Dividend Yields and Volatility Analysis

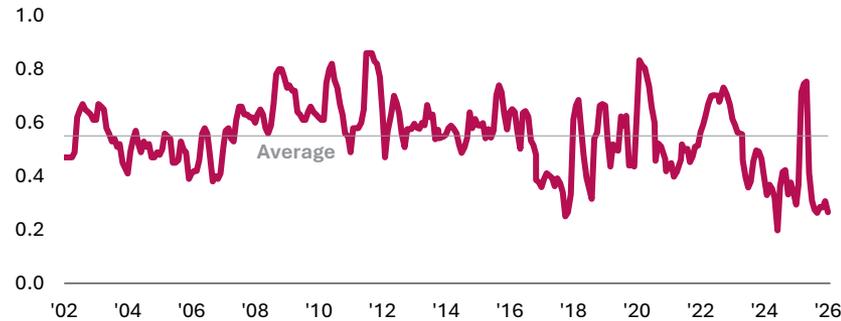
Historical Yields



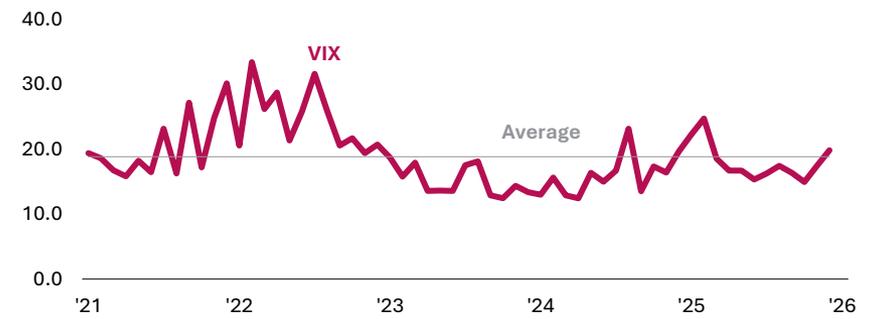
Current Yields



Correlation of S&P 500 Stocks



CBOE Market Volatility Index (VIX)

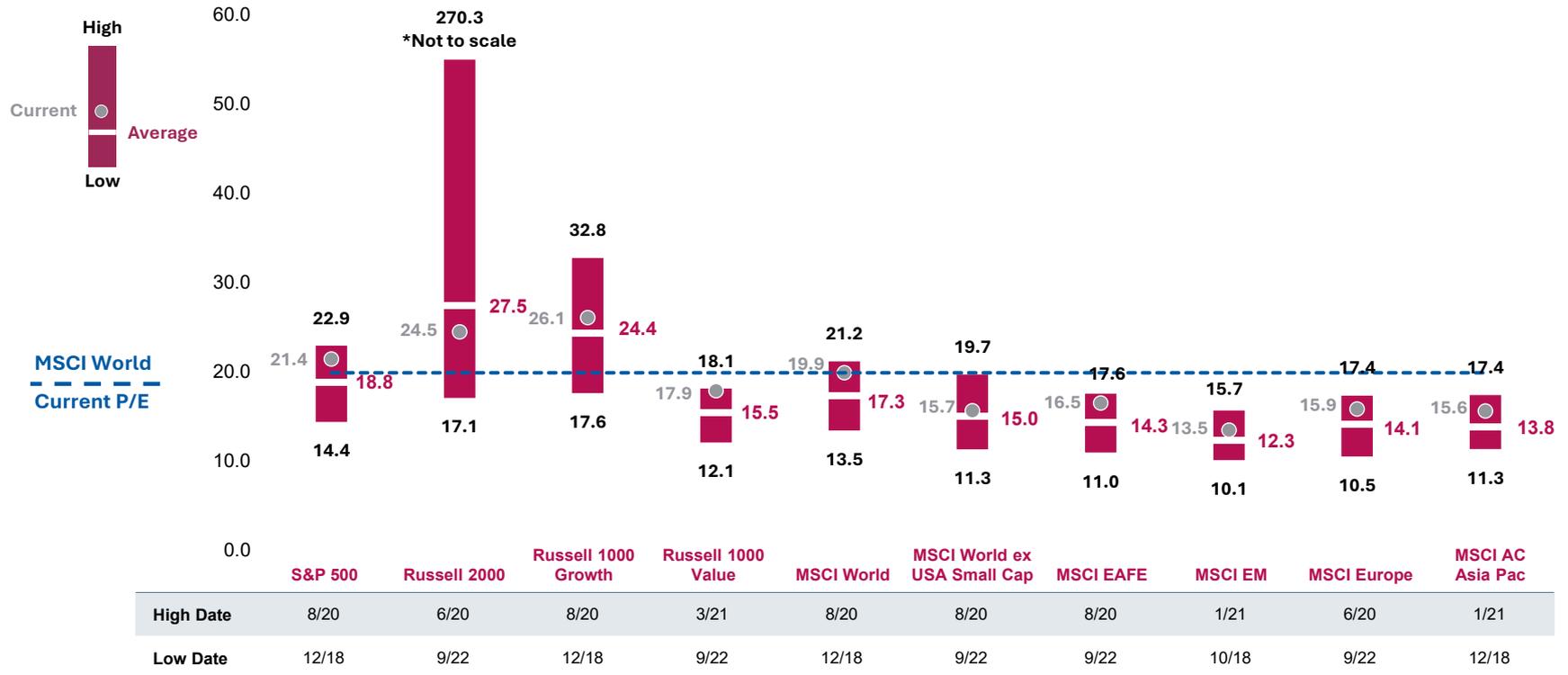


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Valuation Analysis

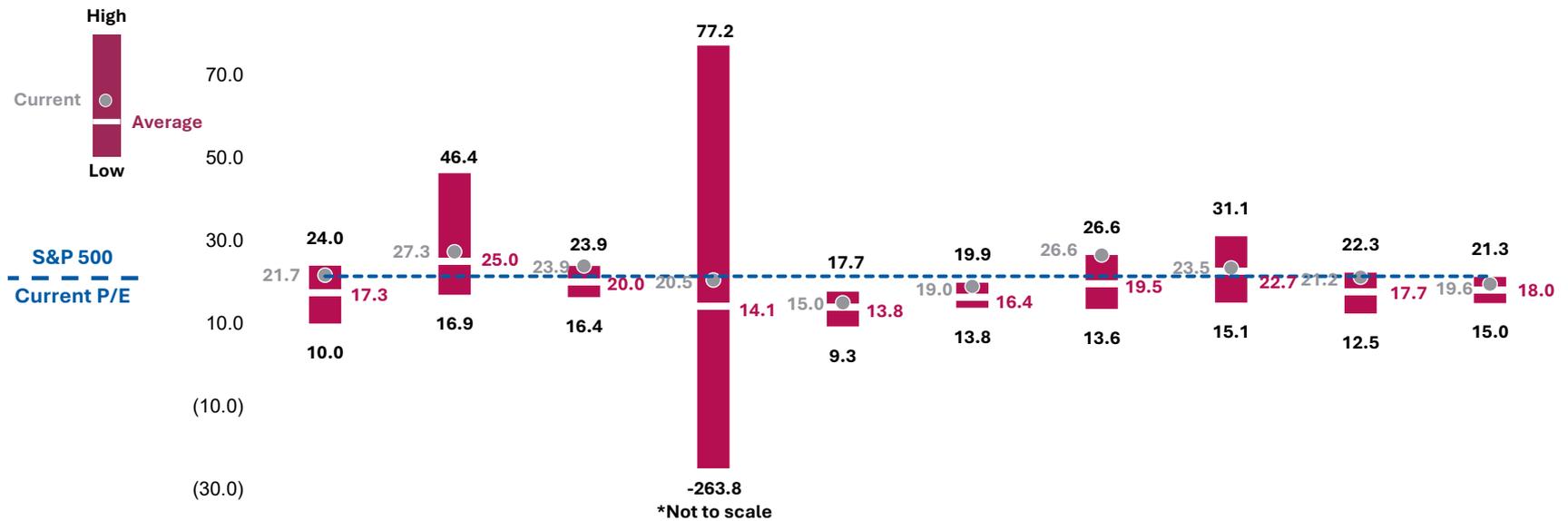
Regions/Styles: Current NTM P/E vs. 10-Year High, Low, Average



Source: FactSet as of 2/28/26. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

Valuation Analysis

S&P 500 Sectors: Current NTM P/E vs. 10-Year High, Low, Average

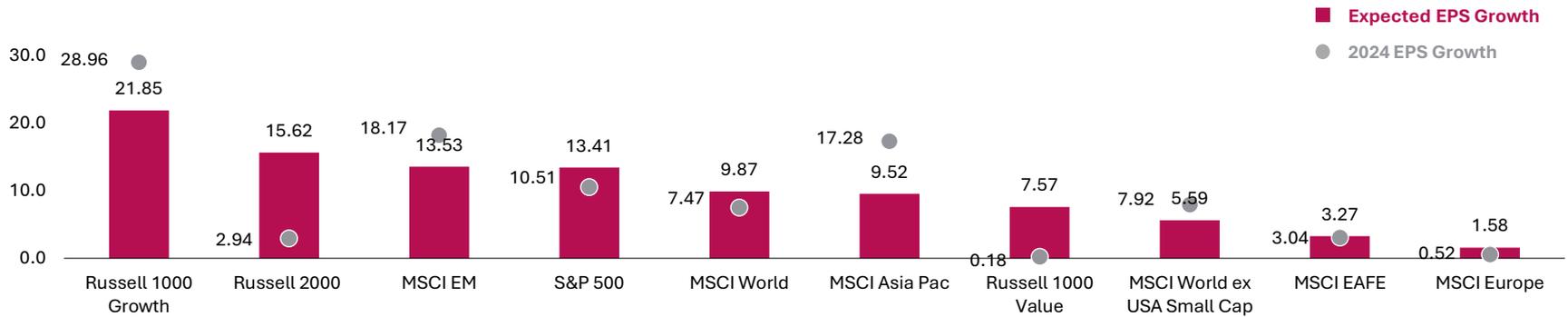


	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Utilities
High Date	8/20	6/20	2/26	4/16	11/24	8/24	2/26	10/25	7/20	3/22
Low Date	5/18	6/16	4/18	7/20	3/20	3/20	12/18	12/18	6/22	9/23

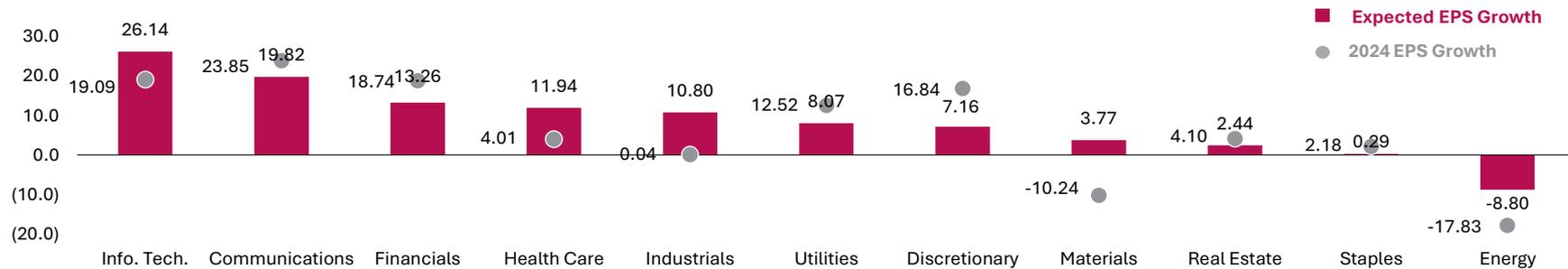
Source: FactSet as of 2/28/26. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. The Real Estate sector is excluded from this 10-year chart since the sector was created on August 31, 2016. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

Corporate Earnings Growth

Regions/Styles



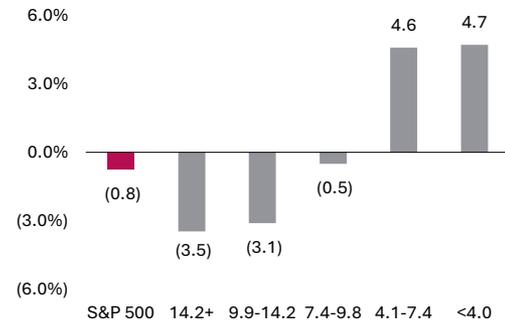
S&P 500 Sectors



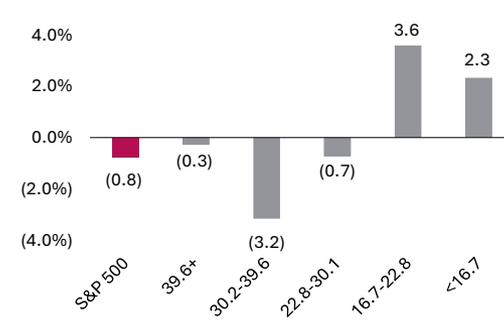
Source: FactSet as of 2/28/26. Expected EPS Growth is defined as the expected % change in the EPS growth from the beginning of the current calendar year through the end of the calendar year. 2024 EPS Growth is defined as the % change in EPS from the beginning of the year through the end of the year. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

S&P 500 Index: 1-Month Return Analysis

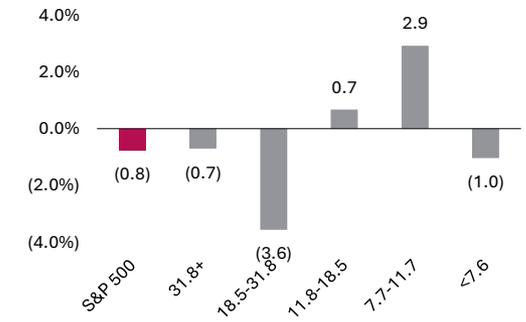
3-5 Year Earnings Growth



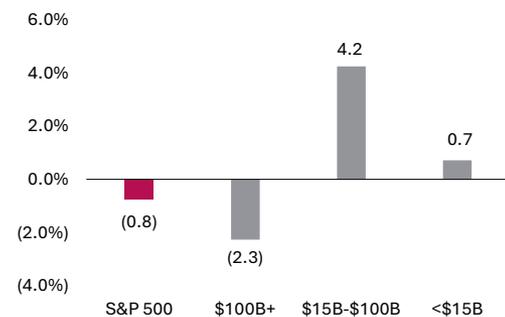
Trailing 12 Month P/E



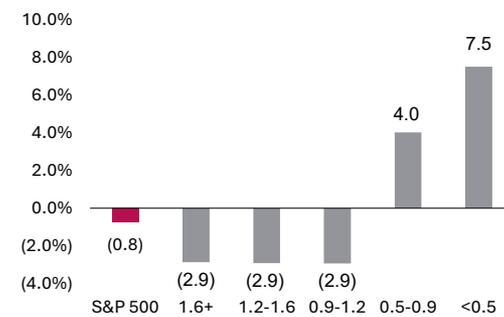
Return On Equity



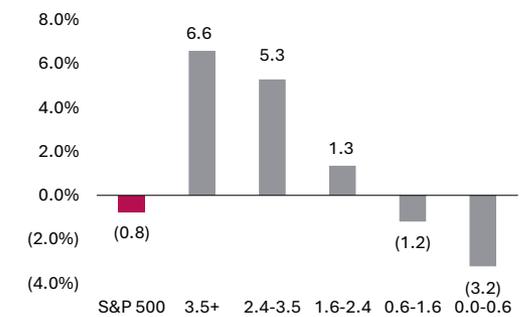
Market Cap



Beta



Dividend Yield

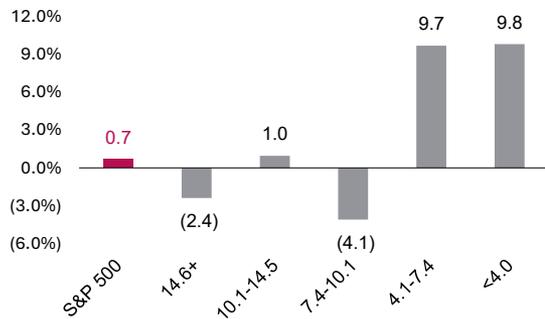


Past performance is no guarantee of future results.

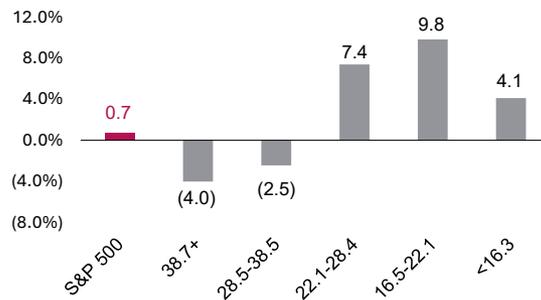
It is not possible to invest directly in an index. Source: FactSet as of 2/28/26. Data provided is for informational use only. See end of report for important additional information.

S&P 500 Index: YTD Analysis

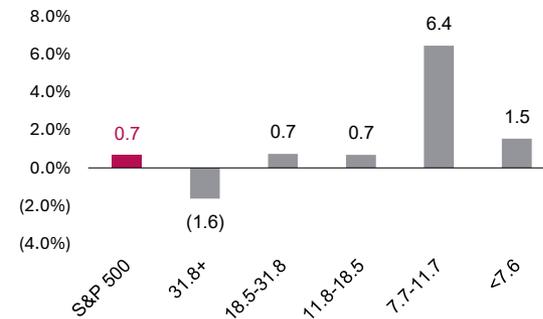
3-5 Year Earnings Growth



Trailing 12 Month P/E



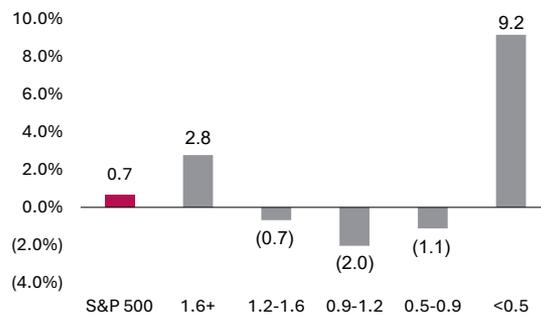
Return On Equity



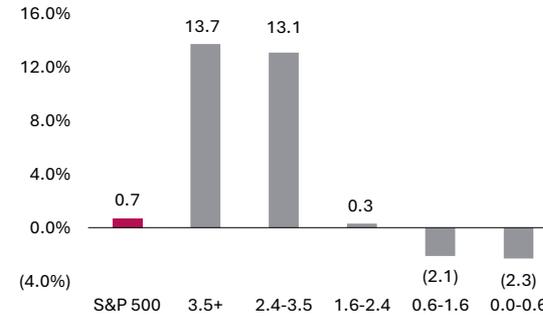
Market Cap



Beta



Dividend Yield

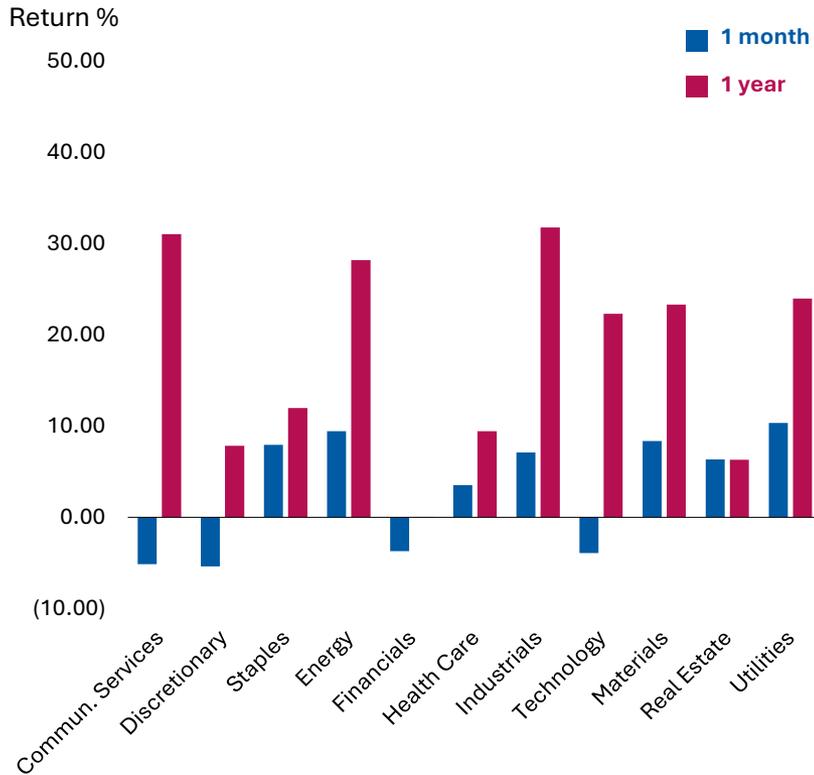


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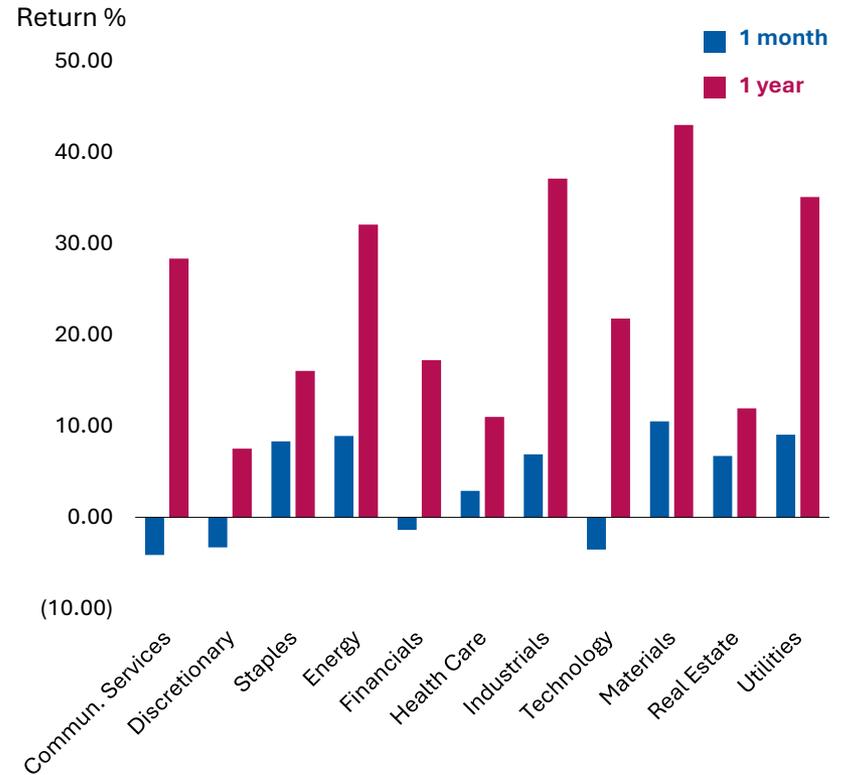
It is not possible to invest directly in an index. Source: FactSet as of 2/28/26. Data provided is for informational use only. See end of report for important additional information.

Index Sectors: Return Analysis

S&P 500



MSCI World

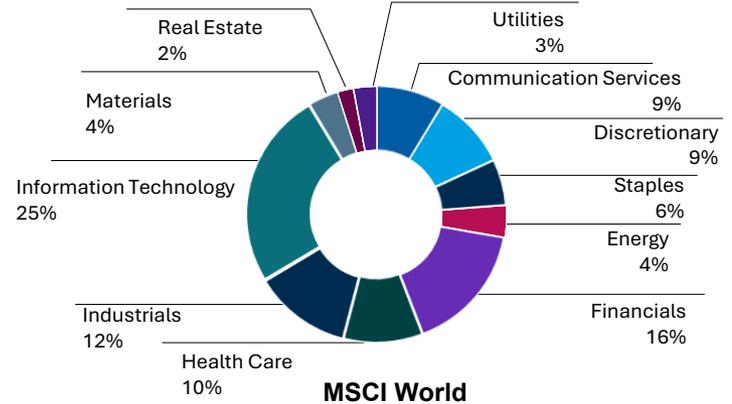
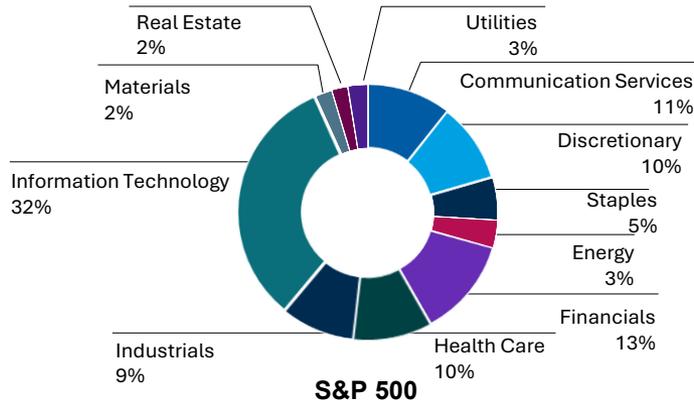


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Current Characteristics and Sector Weights

	S&P 500	R2000	R1000G	R1000V	MSCI World	MSCI World ex USA Small Cap	MSCI EAFE	MSCI EM	MSCI Europe	MSCI Asia Pac
Number of Holdings	503	1931	389	866	1319	2172	692	1195	404	1238
Maximum Market Cap	\$4,305.72B	\$43.67B	\$4,305.72B	\$3,508.62B	\$4,305.72B	\$14.63B	\$565.25B	\$1,574.73B	\$565.25B	\$1,574.73B
Minimum Market Cap	\$6.69B	\$0.01B	\$1.27B	\$1.13B	\$1.96B	\$0.04B	\$2.17B	\$0.19B	\$2.17B	\$0.19B
Dividend Yield	1.11	1.11	0.51	1.69	1.58	2.45	2.54	2.05	2.72	1.90
NTM PE	21.45	24.47	26.09	17.90	19.91	15.65	16.50	13.47	15.85	15.62
Price to Book	5.29	2.32	13.05	3.13	3.94	1.75	2.41	2.49	2.59	2.36
Price to Cash Flow	18.15	16.75	26.10	13.57	15.45	10.62	11.27	12.21	10.46	14.02
Price to Sales	3.34	1.44	5.67	2.16	2.70	1.15	1.78	2.03	1.74	1.99
Est 3-5 Yr EPS Growth	13.41	13.37	15.07	11.69	12.29	10.20	9.19	16.95	10.03	13.35
5Yr. Div Growth Rate	6.22	9.52	2.99	5.59	7.48	9.54	8.83	1.60	11.18	3.13



Source: FactSet as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

Asset Class Return Analysis (%)

	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y	2025	2024	2023	2022	2021	
U.S. Equities	S&P 500	-0.76	0.74	0.68	16.99	21.80	14.19	15.50	17.88	25.02	26.29	-18.11	28.71
	Russell 1000 Defensive	0.20	0.74	1.60	11.22	17.47	11.70	13.32	12.28	18.55	20.23	-16.43	26.93
	Russell 1000 Dynamic	-1.22	0.94	0.13	22.17	25.38	14.89	17.16	22.31	30.63	33.34	-21.94	25.57
	Russell 2500	2.45	7.65	7.56	21.97	13.80	6.95	12.06	11.91	12.00	17.42	-18.37	18.18
	Russell 1000 Growth	-3.36	-5.41	-4.82	14.78	26.11	14.36	18.23	18.56	33.36	42.68	-29.14	27.60
	Russell 1000 Value	2.59	8.00	7.28	18.36	16.03	11.79	11.90	15.91	14.37	11.46	-7.54	25.16
	Russell Mid Cap	3.82	6.70	6.99	16.82	14.83	9.02	12.40	10.60	15.34	17.23	-17.32	22.58
	Russell 2000	0.80	5.58	6.20	23.34	13.14	5.05	11.30	12.81	11.54	16.93	-20.44	14.82
	CBOE S&P 500 BuyWrite BXM	0.95	3.75	2.07	9.38	12.81	9.53	7.82	8.91	20.12	11.82	-11.37	20.47
Global Equities	MSCI World	0.73	3.82	2.99	21.33	20.58	12.46	13.28	21.09	18.67	23.79	-18.14	21.82
	MSCI EAFE	4.63	13.39	10.09	34.63	18.77	10.78	10.26	31.22	3.82	18.24	-14.45	11.26
	MSCI EM	5.50	18.27	14.83	49.96	21.53	6.31	10.69	33.57	7.50	9.83	-20.09	-2.54
	MSCI AC Asia Pac	6.84	17.35	14.92	45.45	20.93	7.21	10.70	28.00	9.56	11.45	-17.22	-1.46
	MSCI ACWI	1.29	5.38	4.29	24.19	20.73	11.72	12.97	22.34	17.49	22.20	-18.36	18.54
	MSCI Europe	3.27	12.07	7.87	31.81	18.18	11.77	10.30	35.41	1.79	19.89	-15.06	16.30
	MSCI World Small Cap	3.92	10.83	9.81	31.59	15.47	7.66	11.27	19.88	8.15	15.76	-18.76	15.75
	MSCI World Ex USA Small Cap	5.72	14.88	12.17	46.34	18.34	8.40	10.11	34.07	2.76	12.62	-20.59	11.14
	FTSE 100	7.04	12.73	10.24	28.05	15.63	15.10	10.09	35.13	7.73	14.38	-7.01	17.36
	FTSE All Small	2.91	9.70	7.19	26.21	11.59	8.08	9.74	23.25	8.62	12.57	-23.06	22.15
	STOXX Europe 600	3.08	12.12	7.77	32.56	18.32	11.56	10.33	35.87	1.97	19.87	-16.14	16.09
	Nikkei 225 Average	10.41	17.26	16.52	60.84	30.95	17.02	15.67	28.56	8.45	22.05	-19.49	-4.69
Sectors	S&P 500 Comm. Services	-5.14	-0.62	0.37	31.08	38.95	15.35	13.07	33.55	40.23	55.80	-39.89	21.57
	S&P 500 Cons Disc	-5.38	-3.00	-3.76	7.86	18.87	8.30	13.31	6.04	30.14	42.41	-37.03	24.43
	S&P 500 Cons Staples	7.94	14.42	16.26	12.00	12.97	11.96	9.71	3.90	14.87	0.52	-0.62	18.63
	S&P 500 Energy	9.43	25.47	25.22	28.23	14.13	23.37	11.34	8.68	5.72	-1.33	65.72	54.64
	S&P 500 Financials	-3.72	-3.15	-6.03	0.02	14.87	11.77	13.86	15.02	30.56	12.15	-10.53	35.04
	S&P 500 Health Care	3.54	2.11	3.52	9.46	9.88	9.12	11.22	14.60	2.58	2.06	-1.95	26.13
	S&P 500 Industrials	7.12	15.70	14.26	31.80	22.58	16.21	14.77	19.42	17.47	18.13	-5.48	21.12
	S&P 500 Info Tech	-3.91	-5.75	-5.51	22.34	32.03	19.48	24.37	24.04	36.61	57.84	-28.19	34.53
	S&P 500 Materials	8.38	20.44	17.82	23.35	11.61	10.04	12.17	10.54	-0.04	12.55	-12.27	27.28
	S&P 500 Real Estate	6.35	7.00	9.38	6.31	8.87	7.14	8.00	3.15	5.23	12.36	-26.13	46.19
	S&P 500 Utilities	10.35	6.13	11.85	24.01	17.31	13.85	11.10	16.04	23.43	-7.08	1.57	17.67

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Asset Class Return Analysis (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026
Higher ↑ Lower	Small-Cap 21.31	Emerging Markets 37.28	Growth -1.51	Growth 36.39	Growth 38.49	S&P 500 28.71	Value -7.54	Growth 42.68	Growth 33.36	International Small-Cap 34.07	Emerging Markets 14.83
	Value 17.34	International Small-Cap 31.04	S&P 500 -4.38	S&P 500 31.49	Small-Cap 19.96	Growth 27.60	International -14.45	S&P 500 26.29	S&P 500 25.02	Emerging Markets 33.57	International Small-Cap 12.17
	Mid-Cap 13.80	Growth 30.21	Value -8.27	Mid-Cap 30.54	S&P 500 18.40	Value 25.16	Mid-Cap -17.32	Global 22.20	Global 17.49	International 31.22	International 10.09
	S&P 500 11.96	International 25.03	Mid-Cap -9.06	Global 26.60	Emerging Markets 18.31	Mid-Cap 22.58	S&P 500 -18.11	International 18.24	Mid-Cap 15.34	Global 22.34	Value 7.28
	Emerging Markets 11.19	Global 23.97	Global -9.42	Value 26.54	Mid-Cap 17.10	Global 18.54	Global -18.36	Mid-Cap 17.23	Value 14.37	Growth 18.56	Mid-Cap 6.99
	Global 7.86	S&P 500 21.83	Small-Cap -11.01	Small-Cap 25.52	Global 16.25	Small-Cap 14.82	Emerging Markets -20.09	Small-Cap 16.93	Small-Cap 11.54	S&P 500 17.88	Small-Cap 6.20
	Growth 7.08	Mid-Cap 18.52	International -13.79	International Small-Cap 25.41	International Small-Cap 12.78	International 11.26	Small-Cap -20.44	International Small-Cap 12.62	Emerging Markets 7.50	Value 15.91	Global 4.29
	International Small-Cap 4.32	Small-Cap 14.65	Emerging Markets -14.58	International 22.01	International 7.82	International Small-Cap 11.14	International Small-Cap -20.59	Value 11.46	International 3.82	Small-Cap 12.81	S&P 500 0.68
	International 1.00	Value 13.66	International Small-Cap -18.07	Emerging Markets 18.42	Value 2.80	Emerging Markets -2.54	Growth -29.14	Emerging Markets 9.83	International Small-Cap 2.76	Mid-Cap 10.60	Growth -4.82

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Commodities Return Analysis (%)

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Commodity Index	1.10	11.22	11.58	23.30	9.75	11.10
Bloomberg Sub Agriculture	3.05	-2.86	2.71	-2.02	-2.36	4.40
Coffee	-14.05	-24.61	-17.87	-12.51	30.01	24.50
Corn	2.88	-0.97	0.38	-9.83	-10.90	-0.66
Cotton	0.76	-1.02	-0.67	-5.66	-9.09	-2.08
Soybean	8.89	1.53	10.97	15.50	-0.90	4.46
Soybean Oil	14.98	17.78	27.08	39.46	4.42	11.84
Sugar	0.08	-5.50	-4.56	-24.13	-3.75	3.58
Wheat	8.50	9.09	15.48	-3.40	-13.66	-9.16
Bloomberg Sub Energy	-5.75	3.39	13.70	-4.55	-2.60	6.58
Brent Crude	6.51	20.48	22.28	13.60	8.12	18.35
Heating Oil	4.84	18.69	26.62	31.51	13.64	26.82
Natural Gas	-31.61	-23.75	-4.59	-41.33	-33.71	-23.84
Unleaded Gas	6.20	12.51	18.79	13.60	9.57	20.98
WTI Crude Oil	3.46	16.67	18.26	10.31	8.05	14.10

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Sub Industrial Metals	-0.02	12.38	5.61	23.05	7.07	6.85
Aluminum	0.07	9.57	5.18	22.45	9.69	7.44
Copper	1.55	14.83	6.19	30.73	14.72	8.98
Nickel	-0.66	20.03	6.89	14.21	-10.90	-0.79
Zinc	-2.60	9.38	6.86	24.97	6.44	6.86
Bloomberg Sub Precious Metals	12.39	34.91	24.74	109.03	46.91	25.55
Gold	10.91	23.54	20.69	82.35	40.75	23.93
Platinum	12.19	40.10	16.78	152.59	36.70	15.87
Silver	18.22	63.43	31.88	192.94	62.90	27.78
Bloomberg Sub Livestock	-0.79	8.36	1.96	25.97	14.59	10.42
Lean Hogs	0.89	10.85	5.16	17.30	8.12	6.31
Live Cattle	-1.66	6.98	0.29	30.92	19.12	12.83

Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Morningstar as of 2/28/26. Data provided is for informational use only. See end of report for important additional information. Commodity represented by Bloomberg Commodity Index. Agriculture represented by Bloomberg Agriculture Subindex. Energy represented by Bloomberg Energy Subindex. Grains represented by Bloomberg Grains Subindex. Industrial Metals represented by Bloomberg Industrial Metals Subindex. Livestock represented by Bloomberg Livestock Subindex. Precious Metals represented by Bloomberg Precious Metals Subindex.

Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025*
Higher	Multi-Strategy 3.84	MLP 18.31	Long/Short Equity 13.41	Fixed Income Arbitrage 1.10	Long/Short Equity 12.17	Convertible Arbitrage 10.25	MLP 40.17	MLP 30.92	MLP 26.56	MLP 24.41	Commodity 12.54
	Long/Short Equity 3.55	Commodity 11.77	Currency 11.54	Global Macro -0.11	Global Macro 10.38	Long/Short Equity 7.86	Commodity 27.11	Managed Futures 19.12	Long/Short Equity 10.93	Long/Short Equity 14.78	Currency 11.10
	Equity Market Neutral 1.69	Convertible Arbitrage 6.60	Equity Market Neutral 8.45	Multi-Strategy -1.05	Managed Futures 9.01	Event Driven 6.95	Event Driven 12.92	Commodity 16.09	Event Driven 9.30	Event Driven 13.03	Long/Short Equity 10.35
	Convertible Arbitrage 0.81	Multi-Strategy 4.41	Multi-Strategy 6.83	Convertible Arbitrage -2.26	Event Driven 8.22	Global Macro 6.53	Global Macro 9.60	Global Macro 15.89	Currency 8.44	Multi-Strategy 8.66	Equity Market Neutral 9.79
	Fixed Income Arbitrage 0.59	Fixed Income Arbitrage 4.29	Fixed Income Arbitrage 6.52	Currency -3.33	Convertible Arbitrage 8.15	Multi-Strategy 5.60	Long/Short Equity 8.35	Equity Market Neutral 1.71	Multi-Strategy 8.04	Fixed Income Arbitrage 8.49	Global Macro 8.98
	Global Macro 0.18	Global Macro 3.58	Event Driven 6.30	Event Driven -3.95	Commodity 7.69	Fixed Income Arbitrage 3.64	Managed Futures 8.19	Multi-Strategy 1.27	Fixed Income Arbitrage 7.71	Equity Market Neutral 8.05	Fixed Income Arbitrage 8.46
	Managed Futures -0.93	Currency 3.54	Convertible Arbitrage 5.01	Long/Short Equity -4.62	Multi-Strategy 7.25	Managed Futures 1.86	Multi-Strategy 6.97	Fixed Income Arbitrage -0.97	Equity Market Neutral 6.73	Convertible Arbitrage 7.35	Convertible Arbitrage 7.64
	Event Driven -6.29	Event Driven 2.68	Managed Futures 3.29	Equity Market Neutral -5.00	MLP 6.56	Currency 1.73	Convertible Arbitrage 6.33	Convertible Arbitrage -3.32	Convertible Arbitrage 4.04	Global Macro 5.52	Event Driven 7.55
	Currency -7.61	Long/Short Equity -3.43	Global Macro 2.14	Managed Futures -6.67	Fixed Income Arbitrage 6.10	Equity Market Neutral 1.69	Equity Market Neutral 6.16	Long/Short Equity -5.77	Managed Futures -2.78	Commodity 5.38	MLP 5.03
	Commodity -24.66	Equity Market Neutral -4.58	Commodity 1.70	Commodity -11.25	Currency 5.20	Commodity -3.12	Fixed Income Arbitrage 5.22	Event Driven -6.80	Global Macro -5.19	Managed Futures 2.87	Multi-Strategy 4.93
Lower	MLP -32.59	Managed Futures -6.84	MLP -6.52	MLP -12.42	Equity Market Neutral 1.58	MLP -28.69	Currency -3.09	Currency -7.14	Commodity -7.91	Currency -1.08	Managed Futures -0.16

Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Morningstar as of 10/31/25. *Data is lagging from Morningstar source. Data provided is for informational use only. *Data has not been reported to Morningstar past 10/31/25. Alternative investments often are speculative and include a high degree of risk. See end of report for important additional information. Global Macro represented by Credit Suisse Global Macro Index. MLP represented by Alerian MLP Index. Event Driven represented by Credit Suisse Event Driven Index. Multi-Strategy represented by Credit Suisse Multi-Strategy Index. Long/Short Equity represented by Credit Suisse Long/Short Equity Index. Convertible Arbitrage represented by Credit Suisse Convertible Arbitrage Index. Currency represented by J.P. Morgan EMLI+ Index. Equity Market Neutral represented by Credit Suisse Equity Market Neutral Index. Fixed Income Arbitrage represented by Credit Suisse Fixed Income Arbitrage Index. Managed Futures represented by Credit Suisse Managed Futures Index. Commodity represented by Bloomberg Commodity Index.

Portfolio Solutions Group

The Portfolio Solutions Group is a comprehensive multi-asset business with activity across all asset strategies and type, both traditional and alternative, through solutions that span fully liquid (public assets), comprehensive (public and private assets) and fully private portfolios. Offerings are delivered by a managed portfolio or model, in discretionary or advisory format.

The team's expertise lies in partnering with institutional, intermediary and high net worth investors to understand their unique needs and crafting solutions to help them achieve their overall investment objectives.



JIM CARON
*Chief Investment Officer
Managing Director*



MARK BAVOSO
Managing Director



GREG WATERMAN
Executive Director



EDWARD RIGUARDI
Executive Director



ERIC ZHANG
Executive Director



SCHUYLER HOOPER
Executive Director



UMAR MALIK
Vice President



CHRIS CHIA
Vice President



SACHIN RAGHAVAN
Associate



SILVIA MARE
Analyst

Asset Allocation Committee

The Asset Allocation Committee is an independent group of senior investment professionals across various disciplines within MSIM and Eaton Vance. The Portfolio Solutions Group presents multisector research and investment ideas to the Committee, which is responsible for vetting and challenging these ideas to insure they meet their rigorous standards and can then be included in representative asset allocation recommendations.

MARK BAVOSO

Senior Portfolio Manager, Portfolio Solutions Group

JUSTIN BOURGETTE, CFA

Portfolio Manager

Head of Investment Strategy for the High Yield Team

CRAIG BRANDON, CFA

Portfolio Manager

Co-Head of the Municipals Team

JIM CARON

Chief Investment Officer, Portfolio Solutions Group

GREG FINCK

Portfolio Manager

Co-Head of the Mortgage and Securitized Team

BRAD GODFREY, CFA

Co-Head of the Emerging Markets Team

KATIE HERR

Head of Fixed Income Product Strategy

LAUREN HOCHFELDER

Co-Chief Executive Officer of MSREI

Head of MSREI Americas

JITANIA KANDHARI

Deputy CIO, Solutions & Multi Asset Group;

Head of Macro & Thematic Research,

Emerging Markets; Portfolio Manager

VISHAL KHANDUJA, CFA

Portfolio Manager

Head of the Broad Markets Fixed Income Team

KYLE LEE, CFA

Portfolio Manager

Co-Head of the Emerging Markets Team

SCOTT R. NORBY

Private Credit and Equity

NISHA PATEL, CFA

Senior Portfolio Manager

Head of Fixed Income SMA Management, Parametric

CHRISTOPHER REMINGTON

Institutional Portfolio Manager

Head of Fixed Income Product & Portfolio Strategy

ANDREW SLIMMON

Senior Portfolio Manager

Head of Applied Equity Advisors

ANDREW SZCZUROWSKI, CFA

Portfolio Manager

Co-Head of the Mortgage and Securitized Team

STEVEN TURNER, CFA

Head of Investment Selection,

Portfolio Solutions Group

MARK VAN DER ZWAN, CFA

Chief Investment Officer and Head of the AIP Hedge

Fund Team

Index Definitions

The **Bloomberg Capital Expenditure Index** measures capital expenditure in the U.S.

Bloomberg Commodity Index is a broadly diversified index tracking futures contracts on physical commodities.

The **Bloomberg ECO Labor Market Surprise Index** measures economic data releases on the labor market compared to market expectations.

Bloomberg Euro-Aggregate Corporates Index consists of bonds issued in the euro or the legacy currencies of the 16 sovereign countries participating in the European Monetary Union (EMU)

Bloomberg Global Aggregate Ex-USD Index is a broad-based measure of global Investment Grade fixed-rate debt investments, excluding USD-denominated debt.

Bloomberg High Yield Municipal Bond Index is an unmanaged index of non-Investment Grade Municipal bonds traded in the U.S.

Bloomberg Magnificent 7 Index is an equal-dollar weighted equity benchmark consisting of Alphabet, Amazon, Apple, Microsoft, Meta, Nvidia and Tesla.

Bloomberg Municipal Bond Index is an unmanaged index of Municipal bonds traded in the U.S.

Bloomberg Pan-European High Yield Index covers the universe of fixed-rate, sub-investment-grade debt denominated in euros or other European currencies (except Swiss francs).

Bloomberg Taxable Municipal Bond Index is an unmanaged index of Taxable Municipal bonds traded in the U.S.

Bloomberg U.S. Agency Index measures agency securities issued by U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

Bloomberg U.S. Aggregate Index is an unmanaged index of domestic investment-grade bonds, including corporate, government and mortgage-backed securities.

Bloomberg U.S. Asset Backed Securities (ABS) Index measures ABS with the following collateral type: credit and charge card, auto, and utility loans.

Bloomberg U.S. CMBS Index measures the market of conduit and fusion CMBS deals with a minimum current deal size of \$300mn.

Bloomberg U.S. Corporate Investment Grade Index is an unmanaged index that measures the performance of investment-grade corporate securities within the Barclays U.S. Aggregate Index.

Bloomberg U.S. Mortgage-Backed Securities (MBS) Index measures agency mortgage-backed pass-through securities issued by GNMA, FNMA, and FHLMC.

Bloomberg U.S. Treasury Index measures public debt instruments issued by the U.S. Treasury.

CBOE Volatility Index (VIX) tracks the implied volatilities of a wide range of S&P 500 Index options.

CBOE S&P 500 BuyWrite Index measures the performance of a hypothetical buy-write strategy on the S&P 500 Index.

Citigroup Eurozone Economic Surprise Index represents the sum of the difference between official economic results and forecasts in Europe.

Citigroup U.S. Economic Surprise Index represents the sum of the difference between official economic results and forecasts in the U.S.

The DAX consists of the 40 major German blue chip companies trading on the Frankfurt Stock Exchange.

ICE BofA US Inflation-Linked Treasury Index tracks the performance of USD denominated inflation linked sovereign debt publicly issued by the US government.

ICE BofA Fixed Rate Preferred Securities Index is an unmanaged index of fixed-rate, preferred securities issued in the U.S.

ICE BofA European Union Government Bond Index tracks the performance of sovereign debt publicly issued by countries that are members of the European Union.

ICE BofA U.S. High Yield Index is an unmanaged index of below-investment grade U.S. corporate bonds.

ICE BofA Developed Markets High Yield Ex-Subordinated Financial Index (Hedged) is an unmanaged index of global developed market below investment grade corporate bonds, USD hedged.

FTSE 100 Index is an unmanaged market-capitalization weighted index representing the performance of the 100 largest UK listed blue chip companies, which pass screening for size and liquidity.

FTSE All Small Index consists of all the companies in the FTSE SmallCap and FTSE Fledgling indices.

FTSE World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds.

J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified is an unmanaged index of USD-denominated emerging market corporate bonds.

J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified is an unmanaged index of USD-denominated bonds with maturities of more than one year issued by emerging markets governments.

J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified is an unmanaged index of local-currency bonds with maturities of more than one year issued by emerging market governments.

The MDAX lists German companies trading on the Frankfurt Stock Exchange. It includes the 50 Prime Standard shares that rank in size immediately below the companies included in the DAX index.

Morgan Stanley Capital International (MSCI) Emerging Markets Index is an unmanaged index of emerging markets common stocks

MSCI EMU Index (European Economic and Monetary Union) captures large and mid cap representation across the 10 Developed Markets countries in the EMU. With 229 constituents, the index covers approximately 85% of the free float-adjusted market capitalization of the EMU.

Morgan Stanley Capital International All Country Asia Pacific Index (MSCI AC Asia Pac) is an unmanaged total return, capitalization-weighted index that measures the performance of stock markets in 15 Pacific region countries, including Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand.

Morgan Stanley Capital International (MSCI) Japan Index is an unmanaged index designed to measure the performance of the large and mid cap segments of the Japan market.

Morgan Stanley Capital International (MSCI) World Index is an unmanaged index of equity securities in the developed markets.

Morgan Stanley Capital International (MSCI) World ex USA Small Cap Index is an unmanaged index of small-cap equity securities in the developed markets, excluding the United States.

Morgan Stanley Capital International All Country World (MSCI AC World) Index is an unmanaged free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed and emerging markets.

Morgan Stanley Capital International Europe (MSCI Europe) Index is an unmanaged free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of the developed markets in Europe.

Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE) Index is an unmanaged index of equities in the developed markets, excluding the U.S. and Canada.

MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the U.S.

MSCI China captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips and P-chips. It reflects the Mainland China and Hong Kong opportunity set from an international investor's perspective.

The **MSCI India Index** is designed to measure the performance of the large and mid cap segments of the Indian market.

Index Definitions, Terms and About Risk

The **MSCI World Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends.

The **MSCI USA Health Care Index** is designed to capture the large and mid cap segments of the US equity universe. All securities in the index are classified in the Health Care sector as per the Global Industry Classification Standard.

Morningstar LSTA U.S. Leveraged Loan Index is an unmanaged index of the institutional leveraged loan market. Prior to August 29, 2022, the index name was S&P/LSTA Leveraged Loan Index.

Nikkei 225 Stock Average Index is unmanaged price-weighted index of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

Russell 1000 Index is an unmanaged index of 1,000 U.S. large-cap stocks.

Russell 1000 Growth Index is an unmanaged index of 1,000 U.S. large-cap growth stocks.

Russell 1000 Value Index is an unmanaged index of 1,000 U.S. large-cap value stocks.

Russell 2000 Index is an unmanaged index of 2,000 U.S. small-cap stocks.

Russell 2500 Index is an unmanaged index of approximately 2,500 U.S. small- and mid-cap U.S. stocks.

Russell Midcap Index is an unmanaged index of U.S. mid-cap stocks.

Standard & Poor's 400 Index is designed to measure the performance of 400 mid-sized U.S. companies, reflecting the distinctive risk and return characteristics of this market segment.

Standard & Poor's 493 Index is designed to measure the performance of the S&P 500 excluding the "Mag 7" i.e. Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

Standard & Poor's 500 Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance.

STOXX Europe 600 Index is a fixed component number index designed to provide a broad yet liquid representation of large, mid and small capitalization companies in Europe.

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Municipal-to-Treasury Yield Ratios are relative value indicators that measure the richness or cheapness of Municipal bond yields to comparable maturity Treasury bond yields.

Terms

Yield to Worst is a measure which reflects the lowest potential yield earned on a bond without the issuer defaulting. The yield to worst is calculated by making worst-case scenario assumptions by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

About Risk

Bank Loans – There can be no assurance that the liquidation of collateral securing an investment will satisfy the issuer's obligation in the event of non-payment or that collateral can be readily liquidated. The ability to realize the benefits of any collateral may be delayed or limited. **Commodities** – The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity including weather, embargoes, tariffs, or health, political, international and regulatory developments. **Credit** – Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. **Duration** – Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. **Equity** – Equity investment values are sensitive to stock market volatility. **Foreign** – Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical, or other conditions. In emerging countries, these risks may be more significant. **Gov't Agency** – While certain U.S. Government-sponsored agencies may be chartered or sponsored by acts of Congress, their securities are neither issued nor guaranteed by the U.S. Treasury. **Income Market** – An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. There generally is limited public information about Municipal issuers. **Inflation-Linked** – Interest payments on inflation-linked securities may vary widely and will fluctuate as principal and interest are adjusted for inflation. Investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index. **Interest Rate** – As interest rates rise, the value of certain income investments is likely to decline. **Lower-Rated** – Investments rated below Investment Grade (typically referred to as "junk") are generally subject to greater price volatility and illiquidity than higher rated investments. **Maturity** – Longer-term bonds typically are more sensitive to interest rate changes than shorter-term bonds. **Preferred Stocks** – When interest rates rise, the value of preferred stocks will generally decline. **Prepayment - MBS** – Mortgage-backed securities are subject to prepayment risk. **Prepayment - Bank Loan** – Bank Loans are subject to prepayment risk. **Real Estate** – Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry, including REITs.

RISK CONSIDERATIONS

Diversification does not eliminate the risk of loss.

In general, equity securities' values also fluctuate in response to activities specific to a company. Investments in foreign markets entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. Fixed income securities are subject to the ability of an issuer to make timely principal and interest payments (credit risk), changes in interest rates (interest-rate risk), the creditworthiness of the issuer and general market liquidity (market risk). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. Longer-term securities may be more sensitive to interest rate changes. Alternative investments are speculative, involve a high degree of risk, are highly illiquid, typically have higher fees than other investments, and may engage in the use of leverage, short sales, and derivatives, which may increase the risk of investment loss. These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of its investment.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.

For important information about the investment managers, please refer to Form ADV Part 2.

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