

Are Markets Too Comfortable? Despite ongoing geopolitical tensions, growing questions about the scale of AI-related spending, and steadily rising bond yields, market volatility remained remarkably subdued this summer. In fact, the VIX averaged just 15.3 in August, more than three points below its 20-year August average of 18.9. More strikingly, this August's peak VIX reading was only 16.5. History suggests, however, that this period of calm may not last. As August comes to a close, markets are entering a historically more volatile stretch of the calendar, spanning late August through mid-October. Given the combination of geopolitical, fiscal, and monetary policy risks ahead, investors may be underestimating the potential for turbulence. To that end, we highlight five key catalysts, all beginning with the letter "W," that could challenge the market's recent complacency and drive a pickup in volatility in the weeks and months ahead.

KEY TAKEAWAYS

US-Iran War Reaches The Six-Month Mark, Markets Still Looking Past The Conflict

Warsh Has An Opportunity To Reset The Narrative At Jackson Hole

Warnings On US Debt After 30-Year Yield Climbed To A 19-Year High

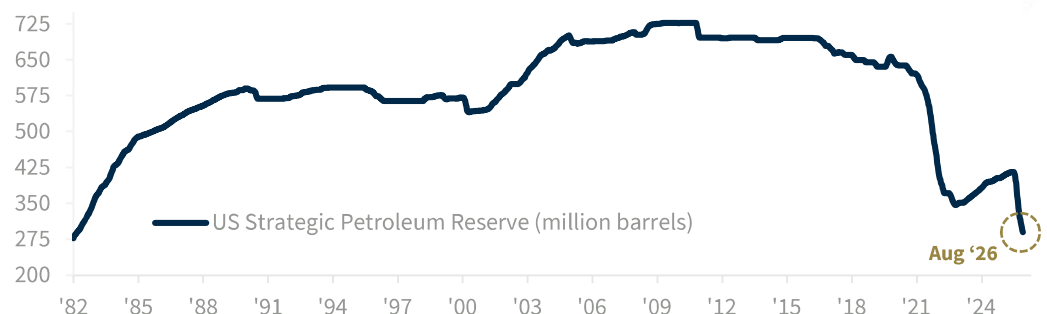
- **War Reaches Its Six-Month Mark** | Today marks six months since the start of the US-Iran conflict. Despite an initial drawdown of nearly 10%, markets have largely looked through the disruption, with the S&P 500 *up* ~12% and near record highs. Yet while investors have moved on, a lasting resolution remains out of reach. The conflict has increasingly shifted from *military* confrontation to *economic* warfare, but the strain on energy markets remains significant. While Persian Gulf exports are still constrained, emergency stockpile releases have helped contain prices, keeping oil well below its post-war peak of ~\$113/barrel, but that cushion is fading as the SPR sits near a 40-year low. With exports restricted and inventories being steadily depleted, **we are raising our year-end 2026 WTI target by \$5 to \$75/barrel**. While that change should have only a modest impact on growth and inflation, the bigger risk is that markets have become too comfortable. With the conflict unresolved and emergency stockpiles running low, any renewed escalation could quickly reignite oil prices and broader market volatility. For additional insights and our base case on the US-Iran conflict and its implications for markets, see [our latest Q&A](#).
- **Warsh's Dilemma** | Kevin Warsh inherited a difficult backdrop: a president calling for lower rates, a conflict that has kept inflation above the Fed's 2% target, and an FOMC divided on the path ahead. At the same time, his calls for "regime change" at the Fed and reduced reliance on forward guidance have unsettled markets and contributed to higher bond yields. Today's Jackson Hole speech is his first opportunity to reset the narrative. With yields near multi-year highs and investors looking for clarity on the Fed's reaction function, markets want a better understanding of how policymakers will respond to shifts in inflation, employment, and financial conditions. More uncertainty could fuel another rise in yields and market volatility, while a clear framework could help stabilize markets after the recent sell-off. Ultimately, Warsh has a chance to frame his vision as an *evolution* of the Fed's framework, not a *revolution*, helping strengthen credibility and confidence.
- **Windfall Earnings** | As Q2'26 earnings season wraps up, corporate fundamentals remain strong. Revenue growth is running near 16% YoY—double the historical average—while S&P 500 earnings are on pace to rise 49%, the strongest gain in five years. Recent technology earnings also eased concerns around the market's largest sector, with semiconductor companies showing sustained AI demand, software companies pointing to resilient subscription revenues, and cybersecurity firms benefiting from rising AI-related threats. With earnings season ending, however, investor focus is likely to shift back toward macro risks. September has historically been the S&P 500's weakest month, averaging a 0.6% *decline* since 1950 and 0.9% *decline* during midterm election years. As a result, increased volatility would not be surprising.
- **Washington Eyes The Midterms** | Midterm election years have historically been among the most volatile periods for markets. Since 1930, the S&P 500 has experienced an average drawdown of 12.6% between May and October in midterm years, compared to a typical decline of ~7%. While markets have remained resilient, betting markets now assign an 89% probability that Democrats take the House and a 51% probability they take the Senate, putting the elections increasingly in focus. The midterms are also influencing the global landscape, with Canada taking a firmer stance in trade negotiations and Iran appearing more willing to keep energy prices elevated ahead of the election.
- **Warnings On US Debt** | Last week, the national debt surpassed \$40t, putting fiscal sustainability back in focus as the 30-year Treasury yield climbed to a 19-year high of 5.31%. With annual interest costs above \$1t and ~\$8t of debt maturing over the next year, the financing burden is becoming increasingly sensitive to higher rates. While Treasury Secretary Bessent has downplayed the significance of the \$40t threshold, his decision to increase long-duration Treasury buybacks suggests growing concern about borrowing costs. Although the expanded program, estimated at ~\$14b over the next two months, is too small to materially influence long-term yields, the signal is notable.

Bottom Line—For the equity market, we expect volatility to rise as investors navigate renewed geopolitical, fiscal, and monetary policy uncertainty, but strong earnings and solid fundamentals should make any pullback a buying opportunity. For the bond market, any further increase in Treasury yields would provide an attractive opportunity to selectively add exposure and modestly extend duration.

CHART OF THE WEEK

US Strategic Petroleum Reserve Falls To A Four-Decade Low

The US Strategic Petroleum Reserve has dropped below 300 million barrels for the first time since 1982 as the administration draws on inventories to help cushion the impact of rising oil prices stemming from the ongoing US-Iran war.



Source: FactSet, Data as of 8/27/2026.

Economy

- Headline and core PCE inflation both increased 0.2% MoM and remained elevated at 3.7% and 3.3% YoY, respectively, supporting a patient stance from the Fed. Meanwhile, the personal saving rate improved for the first time this year, increasing from 2.6% to 3.0%.
- New home sales were weaker than expected in July, plunging 10.5% MoM to 607,000 (annualized)—the lowest since January 2026. Elevated mortgage rates are weighing on housing demand, with the months' supply increasing to 9.6 months—2nd highest this year.
- Durable goods orders increased more than expected (+1.1% MoM) in July, although orders excl. transportation (+0.4%) were weaker than expected. Capital goods orders remained positive, supporting signs of continued improvement in the manufacturing sector.
- Focus of the Week:** Focus will center on the labor market, starting with Tuesday's JOLTS report, where job openings are expected to tick slightly lower from 7.4m to 7.3m. Wednesday will bring ADP's private payrolls report, with consensus expecting a 45,000-job gain. Finally, Friday will bring the all-important BLS employment report, where we expect the economy to have added 70,000 jobs in August.

August 31 – September 4



JOLTS
ISM Manufacturing
Construction Spending



BOC Meeting
ADP Employment Report
FED Beige Book



Trade Balance
ISM Services



Employment Report



9/10 PPI
9/11 CPI

Equity

- The S&P 500 gained 0.7% this week as strong earnings from several key tech companies provided key tailwinds for the sector. First, the largest US semiconductor company materially raised its 2027 revenue outlook, reinforcing the view that the AI investment cycle remains in its early stages. Second, several key software companies reported strong results, suggesting that AI will be more additive than disruptive to the software ecosystem. Lastly, cyber names continue to benefit from AI-related threats. While the Tech sector has *advanced* 23% YTD, forward valuations have *declined* by 18%. This historically rare combination of strong price appreciation alongside contracting valuations reinforces our positive outlook on both Tech and the index more broadly over the year ahead.
- A byproduct of Technology's fourth consecutive year of outperformance has been a rise in index concentration. Because Technology is traditionally a higher-beta sector, this concentration has also increased benchmark volatility. Despite this, over the last year, 76% of S&P 500 constituents have had a beta below 1.0, meaning they are less volatile than the index itself. To put this in perspective, that figure stood at 49% just three years ago. As the index becomes increasingly concentrated in a handful of large tech companies, a growing majority of individual stocks are exhibiting lower volatility than the benchmark they comprise. While we remain overweight Tech overall, this dynamic creates attractive opportunities to diversify risk as performance broadens beyond the tech space.
- Focus of the Week:** Market attention next week is likely to center on Lululemon's earnings report Thursday evening, which will provide an important read-through on consumer spending trends and demand for premium discretionary products.

Fixed Income

- Oil prices remain a key driver of Treasury yields. Ahead of Fed Chair Warsh's Jackson Hole speech, the ~4% WTD decline in WTI helped pull the 10-year yield down 5 bps to 4.68%, while the 30-year fell to 5.20%, about 14 bps below its recent peak. The relationship has been unusually tight, with the 90-day correlation between oil and the 10-year yield now near a record high of 0.62. With oil's recent retreat, yields have stabilized, with the 10-year holding in a relatively tight 4.60%–4.75% range for over a month.
- Despite headlines surrounding fiscal woes, heavy issuance, and 19-year highs in long-term Treasury yields, fixed income is on pace for a solid month. The US Agg has gained 0.8% MTD, putting August on track for its second-best monthly return of the year. Performance has been led by long-duration bonds, with the 30-year Bellwether Index up 1.3% MTD as yields ease from recent highs. Elevated coupon income and modest declines in yields across the Treasury curve have provided a favorable backdrop for bond investors.
- Focus of the Week:** ISM surveys and the Fed's Beige Book are on tap, but August's jobs report will be the highlight for bond investors.

Washington Policy

- US-Canada trade negotiations broke down after Trump imposed 50% tariffs on ~\$20 billion of Canadian goods (~5.5% of Canadian imports) using Section 338—the first modern use of that authority. Canada has announced it will retaliate on September 8, with the US set to follow in January, raising the risk that the trade dispute worsens before it improves.
- Treasury Secretary Bessent outlined an aggressive sanctions campaign designed to target Iran's access to the global financial system. President Trump has said the war will continue "as long as necessary" meaning energy prices should remain volatile.
- Finally, the Trump administration's new grid security executive order declares a national emergency over foreign-produced bulk power equipment and explicitly links grid security to data centers. While the order is not an immediate ban, the Department of Energy is authorized to identify and remove potentially risky foreign-manufactured equipment already installed on the grid.

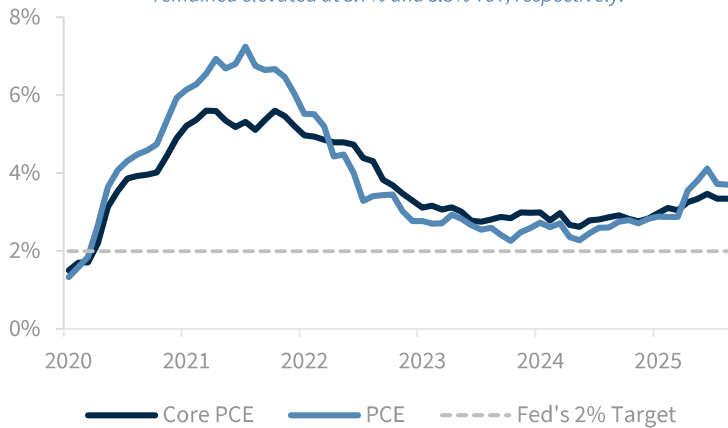
Energy

- Amid the buildout of energy-intensive hyperscale data centers, US electricity demand in 1H26 rose 2.3% YoY, with growth moderating from 2025's 3.1% but still 5x faster than the average for 2013-2023. However, as utilities invest vast amounts of capital in new power plants and upgraded transmission lines, the 1H26 national average of residential power prices was up 7.4% YoY. We expect the full-year increase to be ~6%, though this still implies the heftiest increase since 2022, and outpacing consumer inflation for a fifth straight year.
- Given that utilities are regulated at the state level, the pace at which they push through price hikes is always state specific. While many consumers place all of the blame for utility price hikes on data centers, the linkage is less straightforward than might seem. Virginia is ranked #1 by data centers in operation, and its prices rose faster than the national average. But in Texas and California, which are #2 and #3 in data centers, respectively, prices rose at a slower than average pace. All that being said, electricity is a key aspect of cost-of-living frustrations, and we expect this issue to remain front and center in the political conversation as the midterms approach.

Charts of the Week

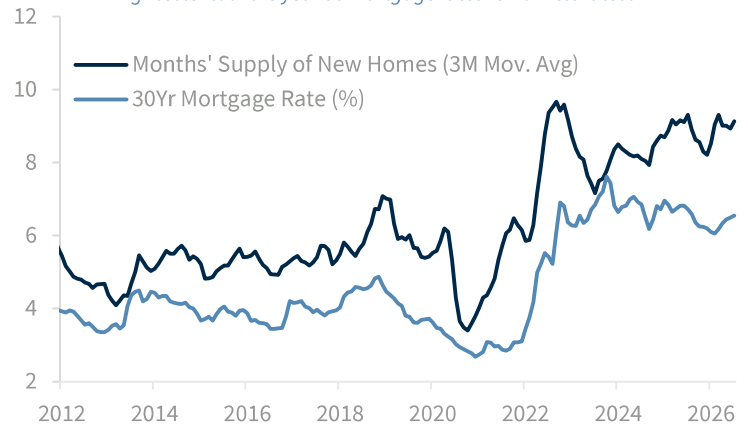
PCE Inflation Points To 'Stickiness'

Headline and core PCE inflation both increased 0.2% MoM and remained elevated at 3.7% and 3.3% YoY, respectively.



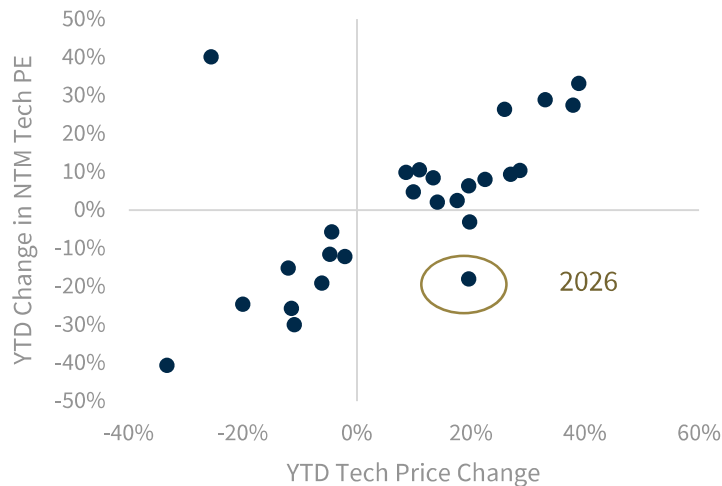
Housing Demand Remain Weak

The months' supply of new home inventory reached its second highest level of the year as mortgage rates remain elevated.



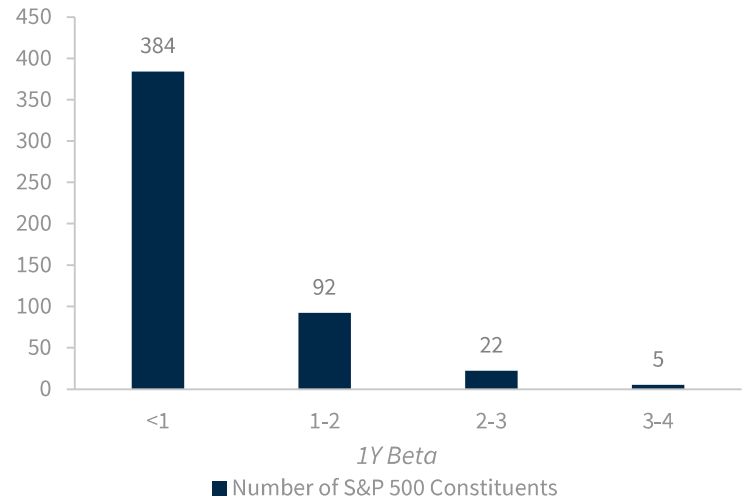
A Rare Combination

While the Technology sector has gained 23% YTD, valuations have simultaneously moderated by 18%.



S&P 500 Beta Distribution

76% of S&P 500 constituents have a lower beta than the index.



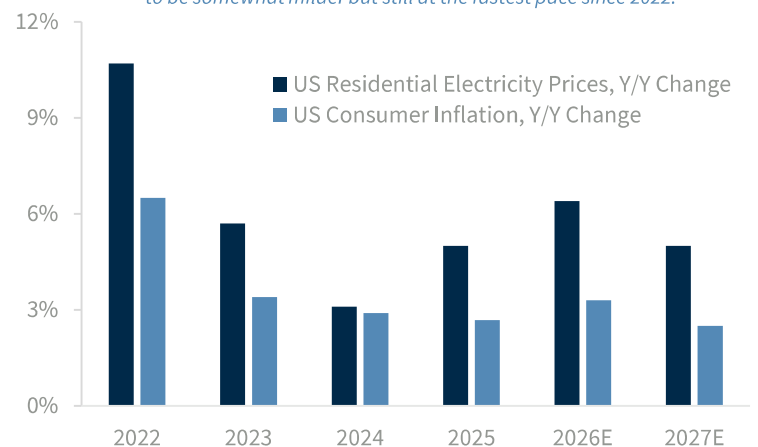
With Oil's Retreat, Treasury Yields Have Stabilized

With oil prices easing, the 10-year yield has traded in a relatively narrow 4.60% to 4.75% range over the last month.



Power Prices Outpacing Inflation For Fifth Straight Year

With residential power prices up 7.4% in 1H26, we expect the full-year increase to be somewhat milder but still at the fastest pace since 2022.

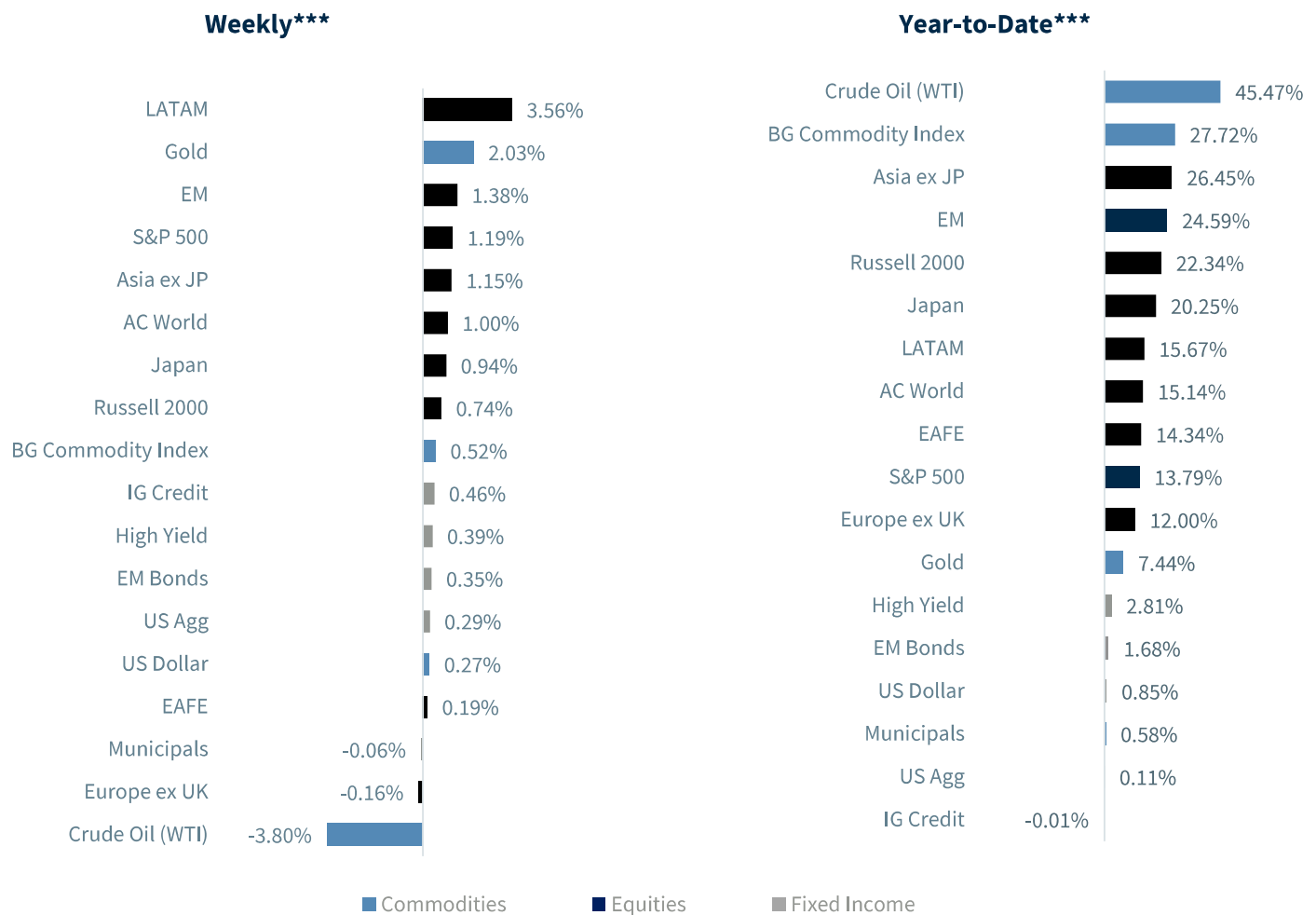


Source for charts: FactSet, as of 8/27/2026.

Asset Class Performance | Distribution by Asset Class and Style (as of August 27)**

US Equities (Russell indices)				International Equities (MSCI indices)				Fixed Income (Bloomberg indices)			
Weekly Returns (as of August 27)	Value	Blend	Growth	Large Cap	Dev. Mkt	World	Emerg. Mkt	Treasury	1-3 YR	Medium	Long
	0.6%	1.2%	1.8%		0.3%	1.0%	0.6%		0.1%	0.0%	0.3%
	0.5%	0.6%	0.8%		0.9%	0.9%	2.0%		0.1%	0.2%	0.3%
	0.3%	0.7%	1.1%		1.5%	0.9%	2.0%		0.3%	0.4%	1.0%
Year-to-Date Returns (as of August 27)	Value	Blend	Growth	Large Cap	Dev. Mkt	World	Emerg. Mkt	Treasury	1-3 YR	Medium	Long
	23.5%	13.8%	5.1%		14.5%	15.1%	24.0%		2.4%	-0.4%	-1.2%
	22.8%	18.4%	5.0%		14.6%	15.8%	25.9%		1.7%	0.7%	-0.1%
	24.9%	22.3%	20.0%		14.0%	18.5%	17.1%		2.9%	2.8%	3.3%

Asset Class Performance | Weekly and Year-to-Date (as of August 27)**



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

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

Weekly Data

As of 8/27/2026 **

US Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	7731.0	1.2	3.3	13.8	20.7	22.2	13.0	15.5
DJ Industrial Average	53569.4	1.5	2.1	11.5	17.6	15.9	8.6	11.3
NASDAQ Composite Index	26541.4	1.8	4.6	14.2	22.9	24.9	11.9	17.7
Russell 1000	8101.9	1.2	3.5	13.8	18.9	19.0	12.1	14.8
Russell 2000	7491.4	0.7	2.9	22.3	34.2	15.1	7.1	10.6
Russell Midcap	11575.0	0.6	3.3	18.4	18.7	14.8	8.2	11.4

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	671.4	2.1	7.2	18.0	16.9	11.8	6.5	10.4
Industrials	1511.9	(0.5)	(0.5)	16.0	18.4	20.6	13.0	13.5
Comm Services	451.4	0.9	(1.1)	0.2	14.2	27.9	10.7	12.2
Utilities	437.0	(1.4)	(2.6)	2.5	4.1	14.2	8.0	9.3
Consumer Discretionary	1902.4	(0.7)	(1.0)	(1.0)	2.1	14.4	6.4	12.6
Consumer Staples	931.5	(0.4)	(0.9)	9.3	7.8	9.7	7.4	8.2
Health Care	1997.6	(0.4)	5.6	11.9	27.6	10.7	6.8	10.9
Information Technology	7029.9	3.1	7.3	24.1	33.7	33.6	21.4	25.8
Energy	946.1	(2.8)	4.2	40.4	43.7	16.1	25.1	10.4
Financials	961.9	1.7	1.7	6.7	9.5	21.4	10.2	13.7
Real Estate	287.6	(0.7)	(0.8)	16.6	15.1	12.1	3.2	7.1

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Month Treasury Bill (%)	3.7	0.1	0.3	2.4	3.9	4.7	3.7	2.4
2-Year Treasury (%)	4.2	0.0	0.4	1.1	2.5	4.2	1.7	1.6
10-Year Treasury (%)	4.7	0.3	0.7	(1.2)	1.0	3.1	(2.2)	0.1
Bloomberg US Corporate HY	7.6	0.4	1.1	2.8	5.1	8.9	4.2	5.4
Bloomberg US Aggregate	4.9	0.3	0.8	0.1	2.4	4.6	(0.2)	1.5
Bloomberg Municipals	--	(0.1)	0.2	0.6	4.6	3.7	0.6	1.9
Bloomberg IG Credit	5.4	0.5	0.8	(0.0)	2.3	5.5	(0.0)	2.4
Bloomberg EM Bonds	6.2	0.4	1.0	1.7	5.5	8.6	1.8	3.1

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude (\$/bl)	83.5	(3.8)	(1.3)	45.5	30.2	1.5	4.0	5.8
Gold (\$/Troy Oz)	4664.0	2.0	13.6	7.4	35.2	34.0	20.7	13.4
Bloomberg Commodity Index	140.1	0.5	6.1	27.7	38.0	9.9	7.8	5.1

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	99.2	0.3	(0.8)	0.9	0.9	(1.6)	1.4	0.4
Euro	1.16	(0.3)	1.2	(0.8)	0.5	2.6	(0.2)	0.3
British Pound	1.36	(0.4)	0.9	1.0	0.9	2.7	(0.2)	0.3
Japanese Yen	159.32	(0.4)	(0.1)	(1.6)	(7.2)	(2.7)	(7.1)	(4.5)

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	1154.7	1.0	3.2	15.1	23.2	22.2	11.6	13.1
MSCI EAFE	3236.3	0.2	2.1	14.3	22.8	20.0	10.0	10.0
MSCI Europe ex UK	3562.4	(0.2)	2.2	12.0	21.8	19.1	9.4	10.8
MSCI Japan	5708.8	0.9	2.6	20.2	28.5	21.6	10.7	10.0
MSCI EM	1722.8	1.4	3.6	24.6	38.8	24.3	9.3	9.7
MSCI Asia ex JP	1139.4	1.1	3.4	26.4	39.7	25.8	9.6	10.3
MSCI LATAM	3056.5	3.6	(0.5)	15.7	35.3	14.9	11.5	7.5
Canada S&P/TSX Composite	26575.0	1.3	4.6	16.1	29.5	22.9	12.3	9.7

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

Disclosures

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SMALL CAPS | Investing in small cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

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

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

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

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

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

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

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

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

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

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

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

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

ISM MANUFACTURING INDEX | The ISM Manufacturing Index, or Purchasing Managers' Index (PMI), is a crucial monthly report on US economic activity based on surveys of manufacturing supply executives. It gauges sector health by tracking new orders, production, employment, supplier deliveries, and inventories. A reading above 50 indicates expansion; below 50 signals contraction.

ISM SERVICES INDEX | The ISM Services Index, now officially known as the Services PMI (Purchasing Managers' Index), is a monthly economic indicator released by the Institute for Supply Management. It measures the performance of the US service sector—which constitutes nearly 80% of the economy—based on surveys of over 400 purchasing managers across 60+ industries, such as finance, retail, and healthcare.

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

US DOLLAR INDEX | The US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies.

EMPLOYMENT COST INDEX | The Employment Cost Index (ECI) measures the change in the hourly cost of labor to employers, tracking both wages and salaries and employee benefits. It is a key economic indicator published quarterly by the US Bureau of Labor Statistics (BLS).

CITI US ECONOMIC SURPRISE INDEX | The Citigroup Economic Surprise Index is the sum of the difference between the actual value of various economic data and their consensus forecast. If the index is greater than zero, it means that the overall economic performance is generally better than expected, and the S&P 500 has a high probability of strengthening, and vice versa.

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

EXISTING HOME SALES INDEX | The Existing Home Sales report is a monthly economic indicator released by the National Association of Realtors (NAR). It measures the total number of closed transactions for previously owned single-family homes, townhomes, condominiums, and co-ops across the United States.

LEADING ECONOMIC INDEX | The Leading Economic Index (LEI) is a monthly composite statistic published by The Conference Board that predicts future shifts in the business cycle, typically looking six to nine months ahead. It combines 10 forward-looking economic components, such as stock prices, building permits, and manufacturing orders, to signal upcoming economic expansions or recessions before they become evident in the overall economy.

MICHIGAN CONSUMER SENTIMENT INDEX | The Michigan Consumer Sentiment Index (MCSI) is a monthly survey-based economic indicator measuring US consumer confidence regarding their personal finances, business conditions, and buying power. It is a leading indicator for predicting consumer spending, which drives the majority of the US economy.

FHFA HOME PRICE INDEX | The FHFA Home Price Index is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or refinancings on the same properties.

CASE SHILLER HOME PRICE INDEX | The Case Shiller Home Price Index, U.S. National Home Price NSA Index measures the change in the value of the U.S. residential housing market by tracking the purchase prices of single-family homes. The index is compiled and published monthly.

NFIB SMALL BUSINESS INDEX | The NFIB Small Business Optimism Index is a monthly composite indicator that measures the outlook of U.S. small business owners on economic conditions, employment, and business health.

NAHB/WELLS FARGO HOUSING MARKET INDEX (HMI) | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey-based gauge of sentiment among U.S. single-family home builders that reflects their views on current and near-term housing market conditions.

VIX | The CBOE Volatility Index (VIX), also known as the Fear Index, measures expected market volatility using a portfolio of options on the S&P 500.

Disclosures

DATA SOURCE | FactSet, Bloomberg as of 08/27/2026

DOMESTIC EQUITY DEFINITION

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

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

NASDAQ 100 | The Nasdaq-100 Index® includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

WILSHIRE 5000 INDEX | The Wilshire 5000 is a broad-market, free-float capitalization-weighted index that measures the performance of the entire U.S. stock market

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

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

S&P SMALL CAP 600 | The S&P Small Cap 600: The index tracks 600 US small-capitalization companies. It acts as a benchmark for the small-cap segment of the U.S. equity market and is used by investors to measure performance or gain exposure to smaller-tier growth companies.

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

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

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

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

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

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

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

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

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

COMMODITY INDEX DEFINITION

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

FIXED INCOME DEFINITION

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

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

Disclosures

BLOOMBERG US CORPORATE INVESTMENT GRADE | The index commonly used as the standard benchmark for US investment-grade corporate debt, and tracks the performance of the USD-denominated, fixed-rate, taxable corporate bond market. It captures publicly issued securities across industrial, utility, and financial issuers by companies inside and outside the US.

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

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

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

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

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

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

BLOOMBERG BELLWETHERS INDEX | The Bloomberg US Treasury Bellwethers 30 Yr. Index is a single-security market index that tracks the most recently issued 30-year US Treasury bond.

INTERNATIONAL EQUITY DEFINITION

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

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

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

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

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

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

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

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

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

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

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

Disclosures

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

STOXX EUROPE 600 | The Represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

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

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