



US Capital Markets Perspectives

March 31, 2026

in collaboration with
**Federated
Hermes**

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1Q 2026 Review/2Q 2026 Outlook

As of March 31, 2026

- **Geopolitical risk:** The US-Israeli-Iran War, which began on February 28, 2026 has sent shockwaves through the global economy with rising oil prices impacting the global economy. A short-term conflict should bring lower inflation and allow for the Fed rate cutting cycle to continue, but a prolonged conflict may lead to higher inflation and lower economic growth.
- **Inflation:** Energy inflation rose 12.9% year-over-year in March primarily from higher fuel costs. WTI Crude and Brent (Europe) oil have both surged over \$100 per barrel. Volatile oil prices swings highlight the significant risks to global energy infrastructure and supply.
- **Employment:** Nonfarm payrolls have been volatile in the last three months, but the unemployment rate has been relatively stable, currently at 4.3% (March 2026). The current environment is best described as a “low-hire, low-fire” stagnant labor market.
- **US GDP:** On 4/30, 2026, Q1 GDP was released, showing a healthy 2% growth rate for the quarter. However, growth may be lower in 2026 due to higher energy prices due to geopolitical risks, a slight cooling in consumer spending, and the impact of trade policies and tariff regulations.
- **The Consumer:** Consumer spending has been resilient in light of the challenging global environment, but will inflation upend consumer spending?
- **The Federal Reserve:** The Federal Reserve is still expecting to lower interest rates in 2026. However, the Fed must balance its dual mandate of inflation and employment with neither offering a clear path at present. Q2 should bring a new Fed chairman with the markets looking for reassurance of continued Fed independence.
- **Portfolio diversification:** Against a backdrop of geopolitical risks, diversification remains key.

Federated Hermes: 2025 – 2026 Forecasts

As of April 15, 2026

Economic Measure	2025A	2026E
Real GDP	2.1%	2.6%
Core CPI	2.6%	2.7%
Core PCE	3.0%	2.8%
10 Year Treasury Yield	4.17%	4.00%
Fed Funds Rate (Upper Limit)	3.75%	3.25%
S&P 500 Earnings Per Share (EPS)	\$274	\$325
Target Forward P/E	21.1x	20.3x
S&P 500 Target Price	6,846	7,500

Sources: Federated Hermes, April 15, 2026

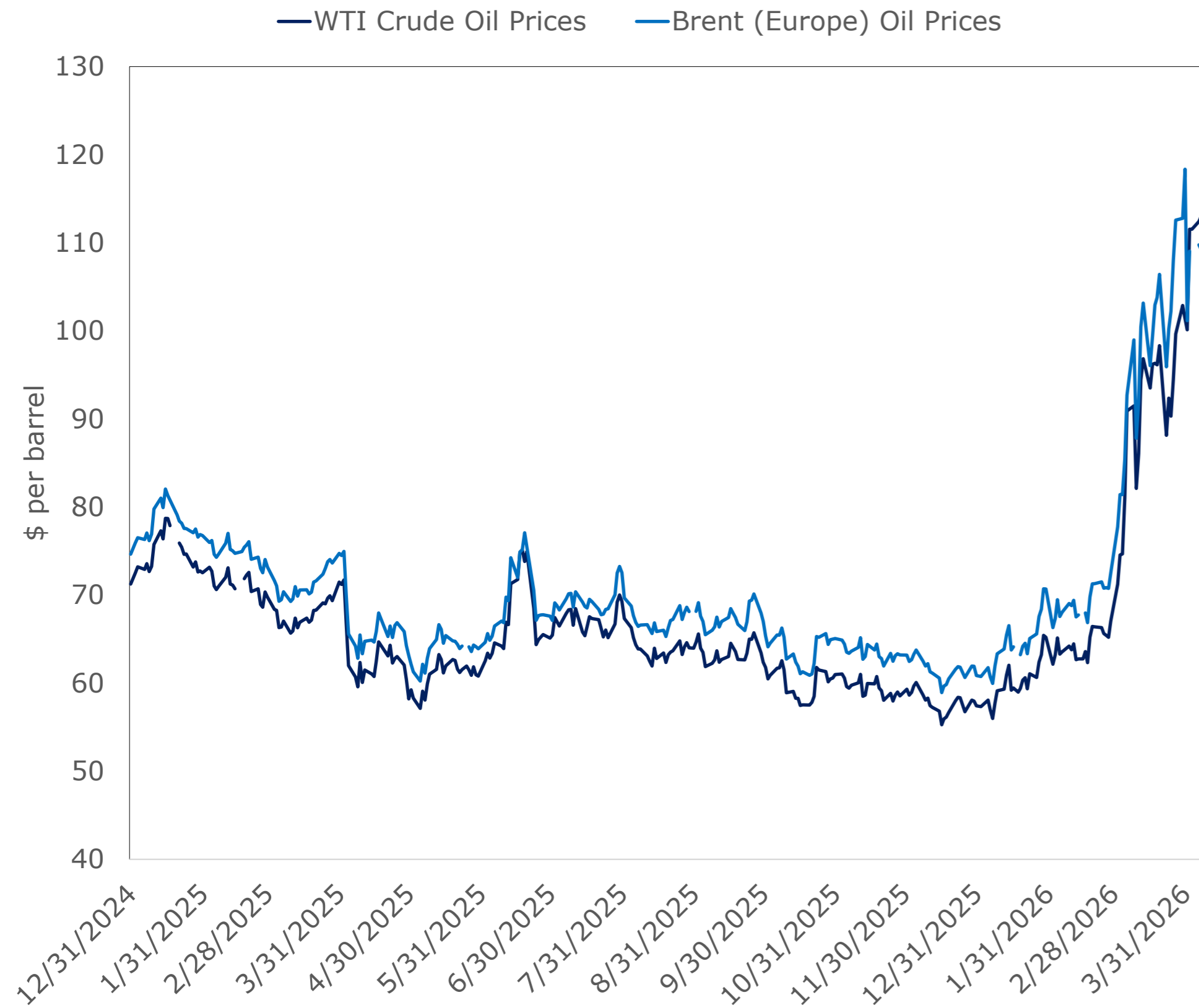
Views are as of the date indicated and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.

Oil prices and the global economy

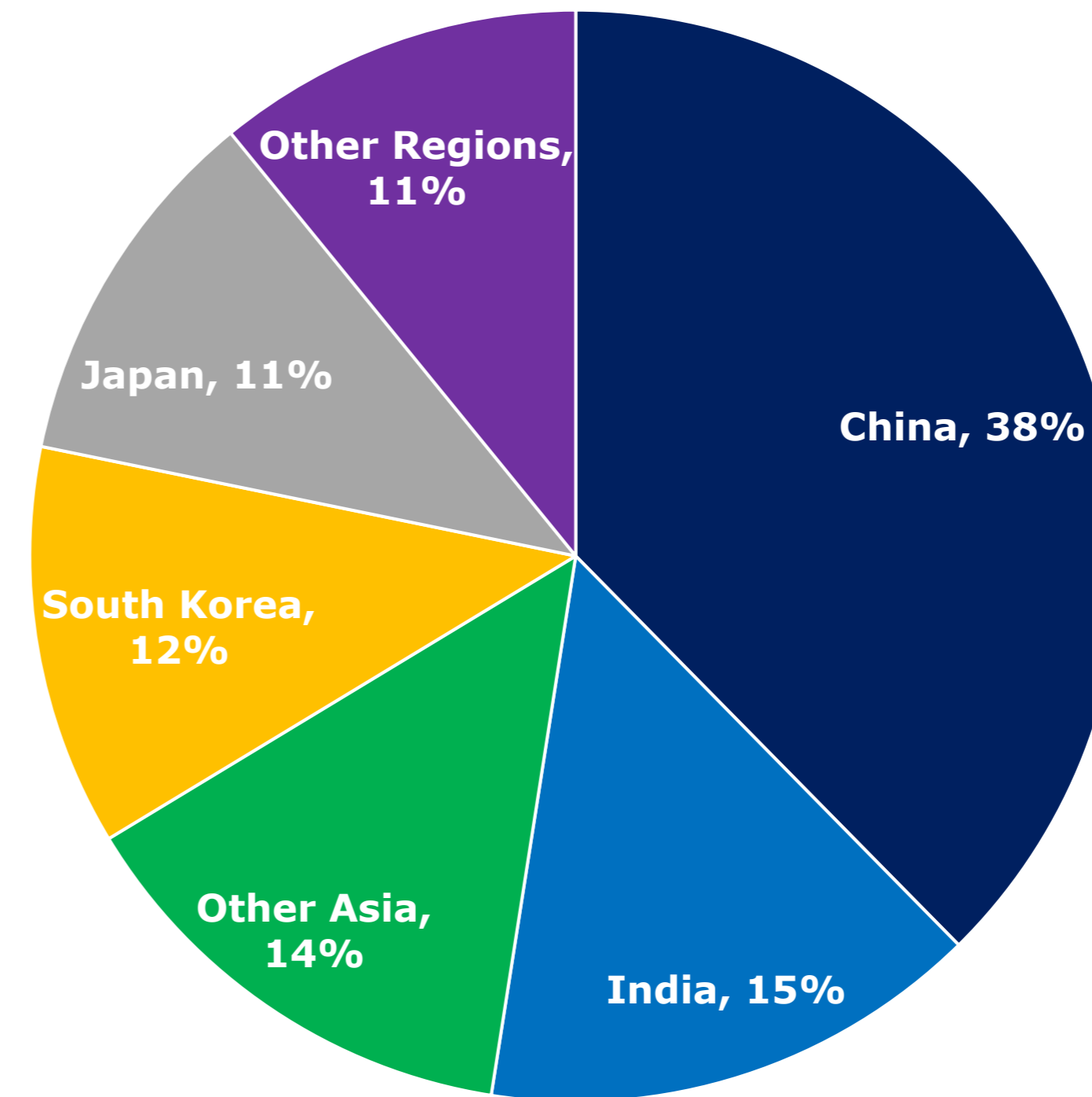
Since the start of the Iran conflict, oil prices have surged

- Surging oil prices, driven by conflict-related supply disruptions and a 8 million daily-barrel shortfall, are acting as a major shock to the global economy in early 2026, threatening to spark stagflation and potential recession.
- High energy costs increase inflation, slash transportation profits, and threaten supply chains, with import-dependent economies like the euro area and Japan suffering most.

WTI Crude and BRENT Oil Prices



Where Does Hormuz Oil Go?



Source: Investing.com and Bloomberg, 4/9/2026

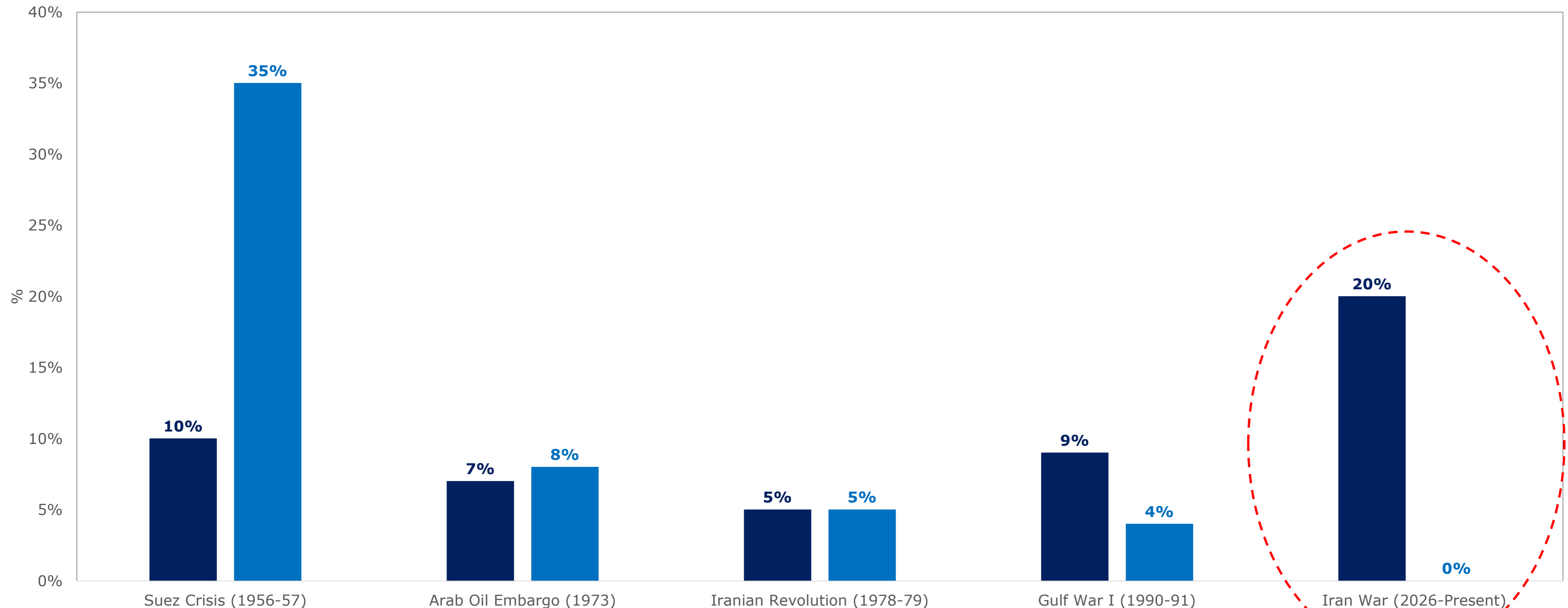
Historical shocks to the global oil market

This time is different

- The 2026 Iran war constitutes a more significant global oil shock than past events—including the 1973 Arab oil embargo, the 1979 Iranian Revolution, and the 2022 Ukraine crisis—because it has triggered the largest supply disruption in history, with up to 20% of global oil supplies (approx. 20 million barrels per day) directly threatened by the closure of the Strait of Hormuz.
- While previous shocks involved, at most, a 6% removal of global supply, the current conflict is three to five times larger in magnitude.

Size of global oil shocks

■ Supply Disrupted (% of World) ■ Available Spare Capacity (% of World)



Source: Rapidan Energy Group, 3/9/2026

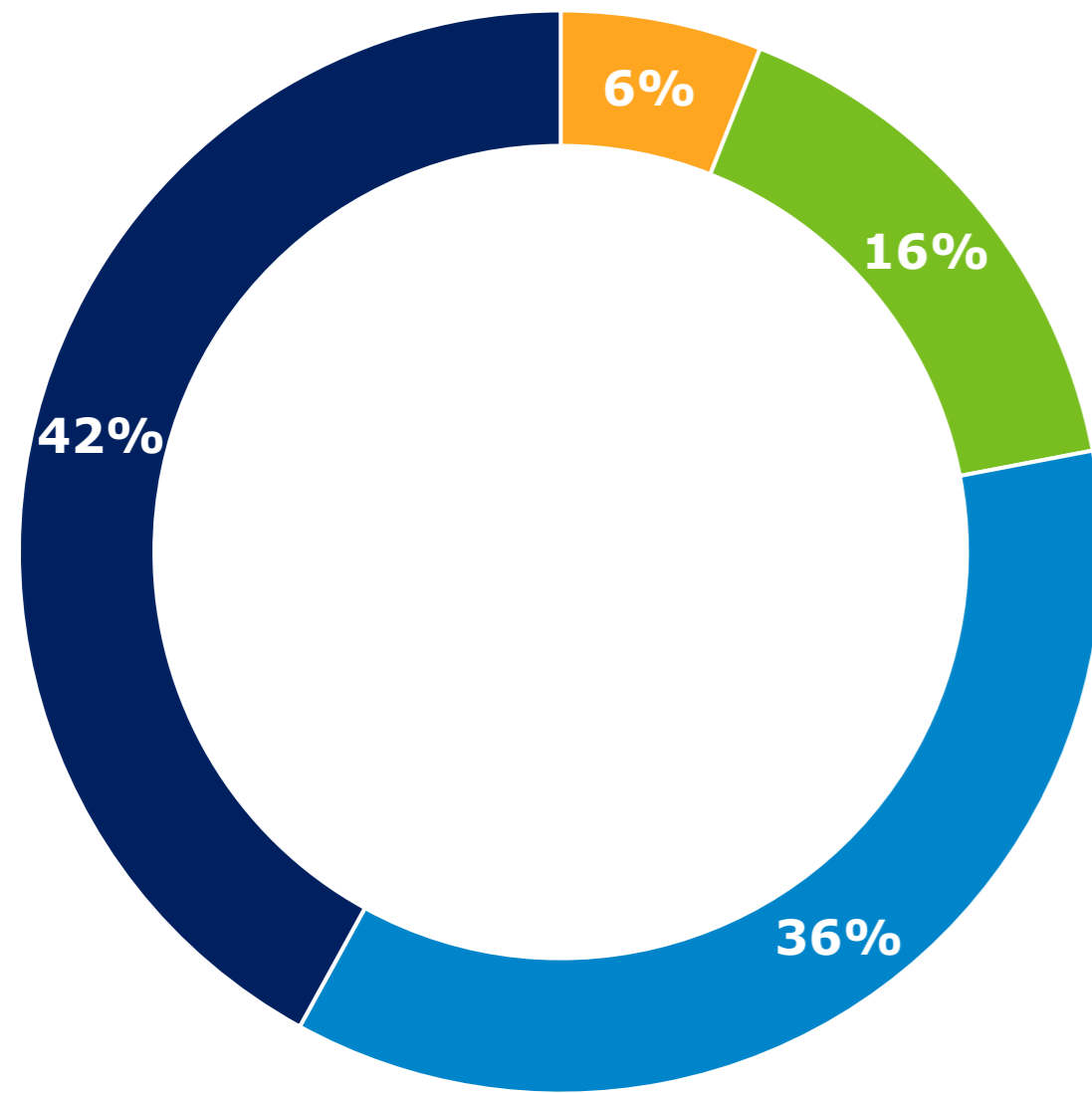
Beyond oil: Broader impacts of the Iran conflict

Geopolitical risks affecting multiple products and industries

- Beyond oil, helium (semiconductors and medical equipment), sulfur (fertilizers and pharmaceuticals), and urea (fertilizers), the Strait of Hormuz is a critical artery for roughly 20% of global Liquefied Natural Gas (LNG), essential for energy, along with iron ore, petrochemicals, fertilizers, and critical industrial inputs.
- Disruptions here threaten global supplies of aluminum, ammonia, and chemical components for electronics and healthcare.

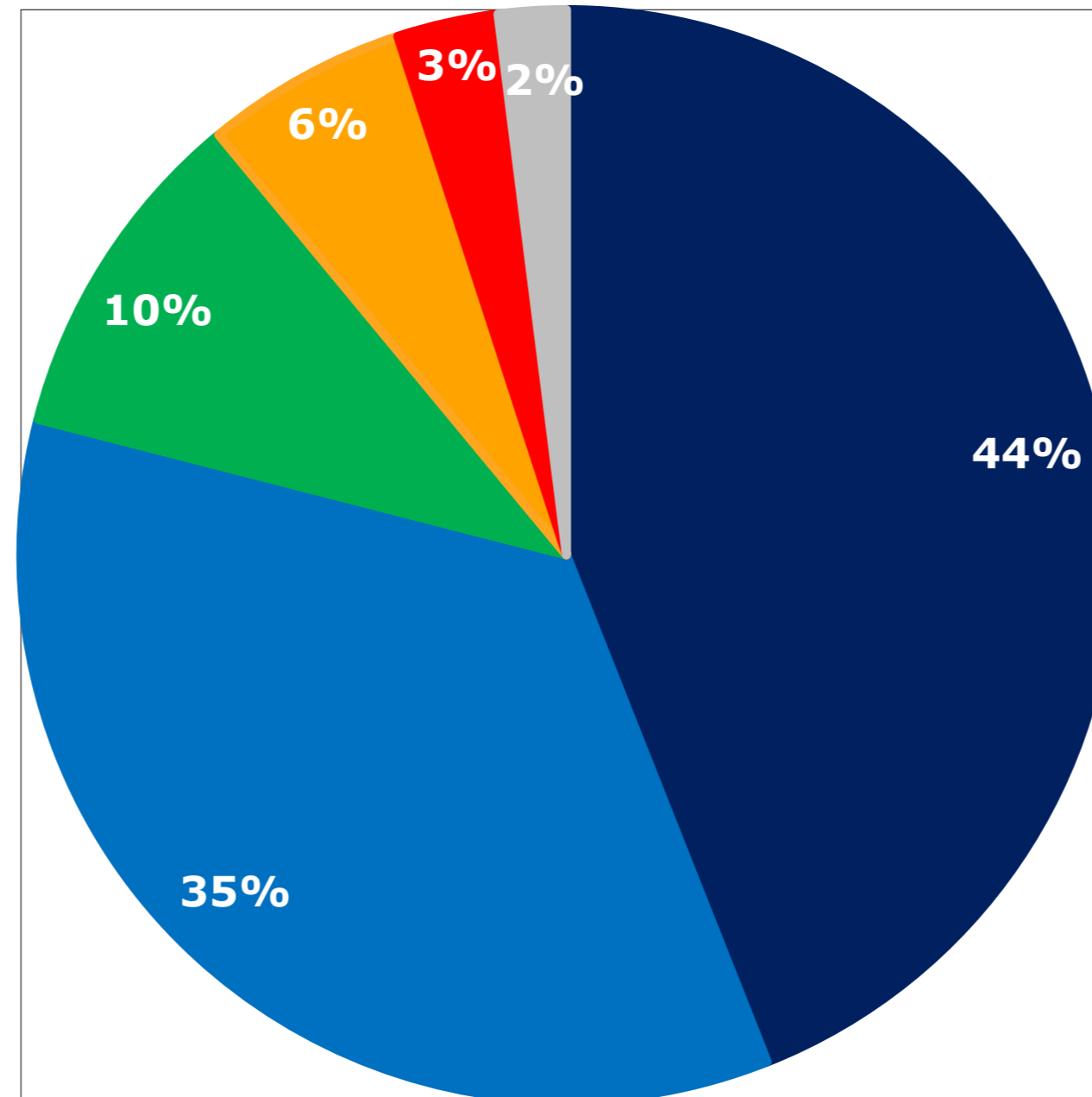
Urea Production

China, Russia, Persian Gulf, Rest of World

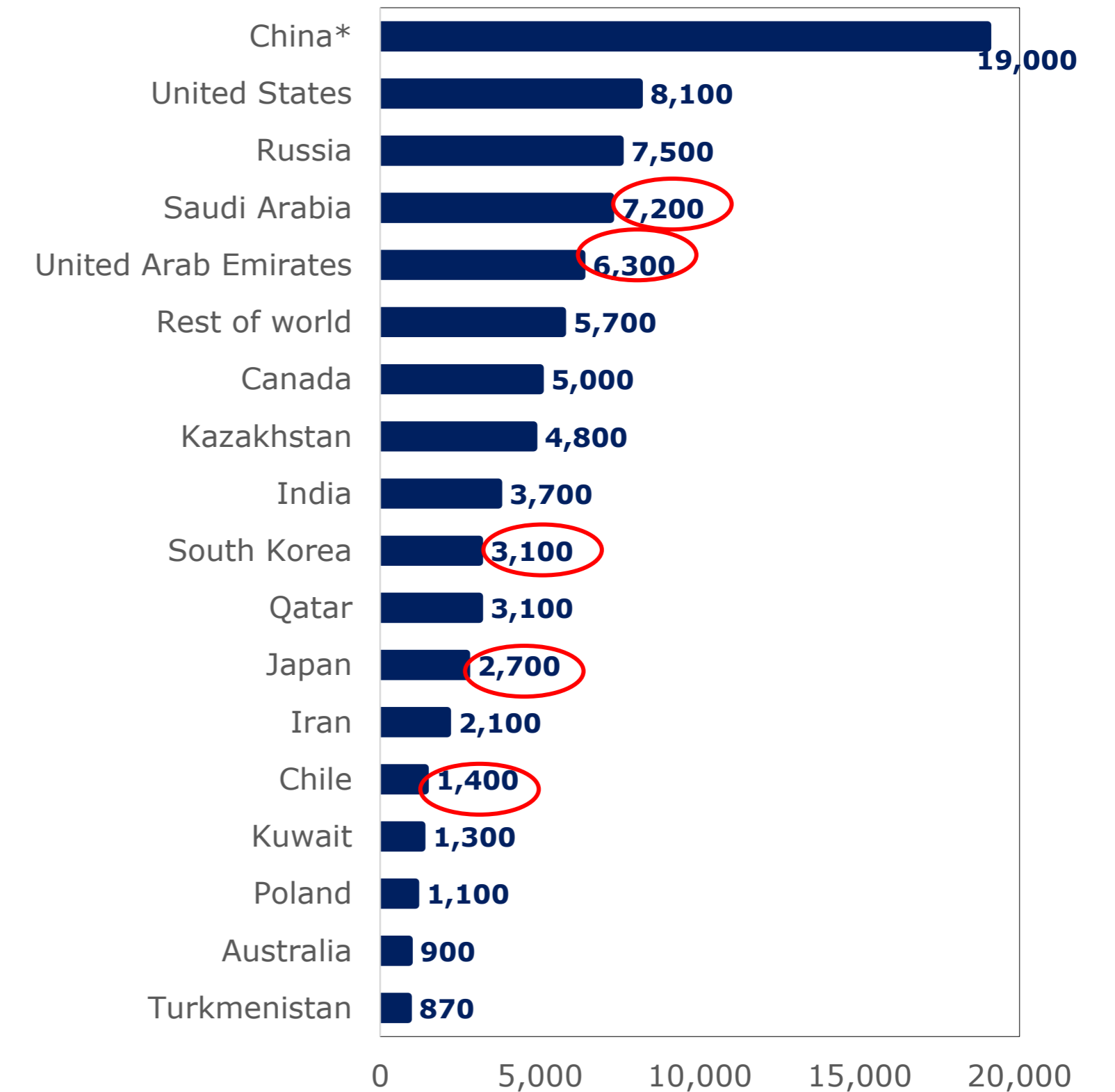


Global Helium Production

US, Qatar, Russia, Algeria, Canada, Poland



Worldwide Sulfur Production (in 1,000 metric tons)

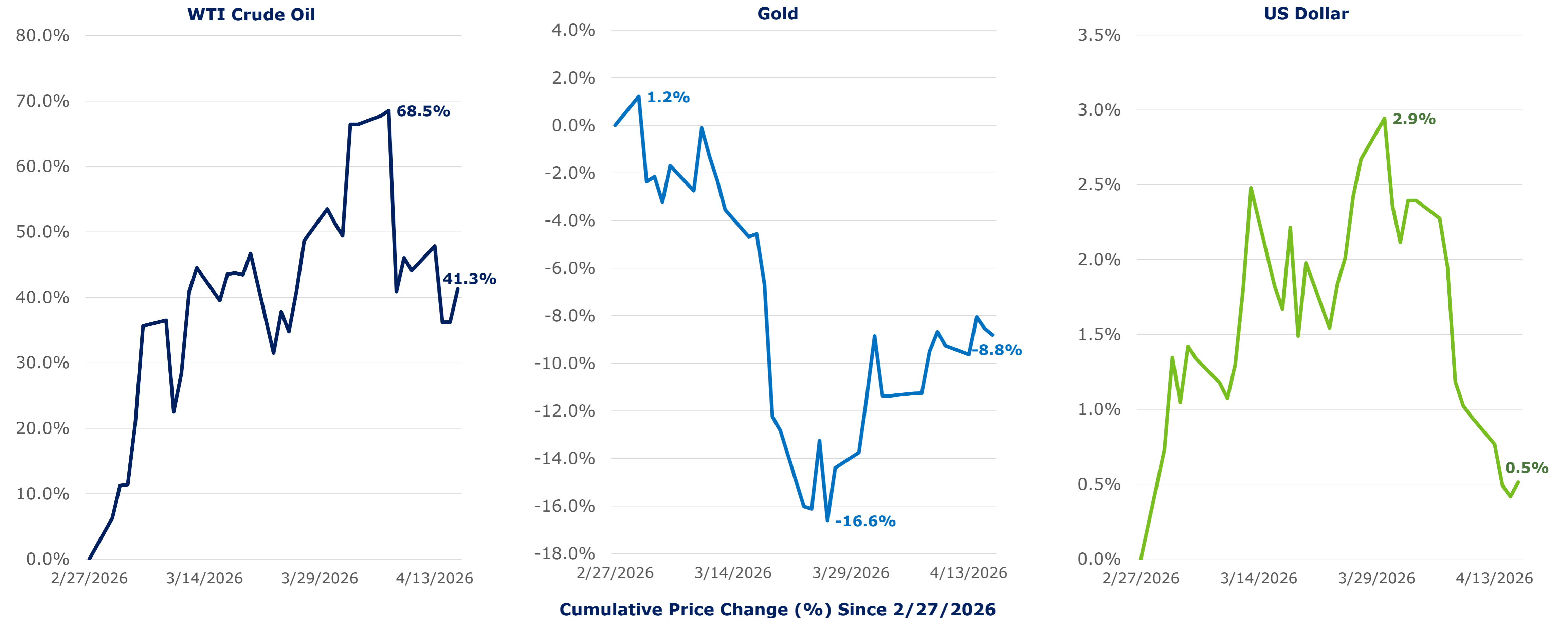


Sources: Statista and The Food Security Portal, 4/17/2026

US Dollar and gold dynamics

Notable assets in a volatile macro environment

- The 2026 Iran war initially strengthened the US dollar, reversing a decline in its global dominance.
- The dollar's strength was directly tied to the conflict, with temporary retreats occurring during ceasefire hopes.
- Gold prices have experienced significant volatility, initially falling despite the 2026 Iran war as investors prioritized liquidating assets, reversing previous highs, and dropping roughly 10-13% since late February. Gold faced downward pressure from a strengthened US dollar and rising bond yields. Prices have shown sensitivity to ceasefire negotiations, seeing temporary recoveries.

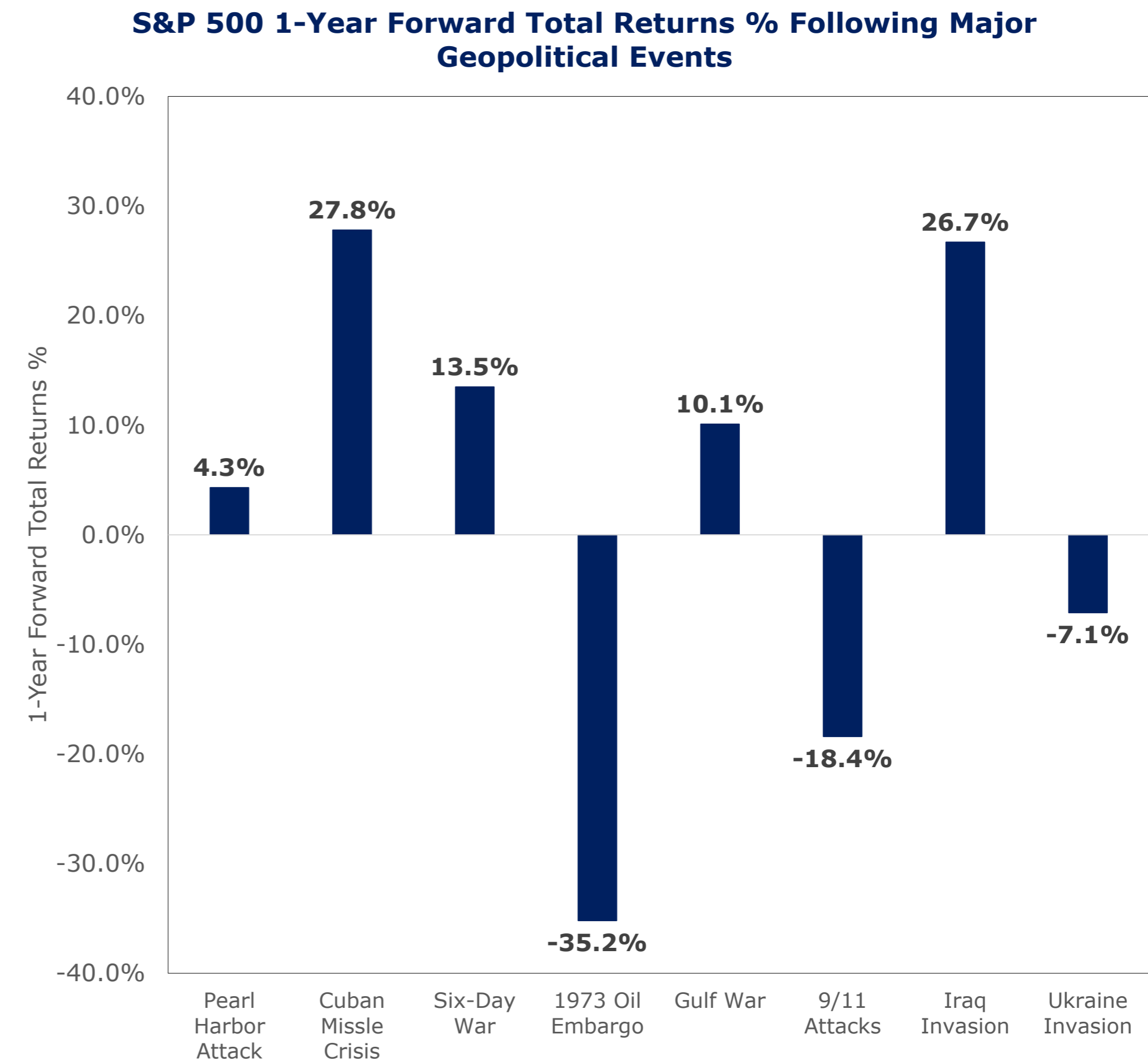
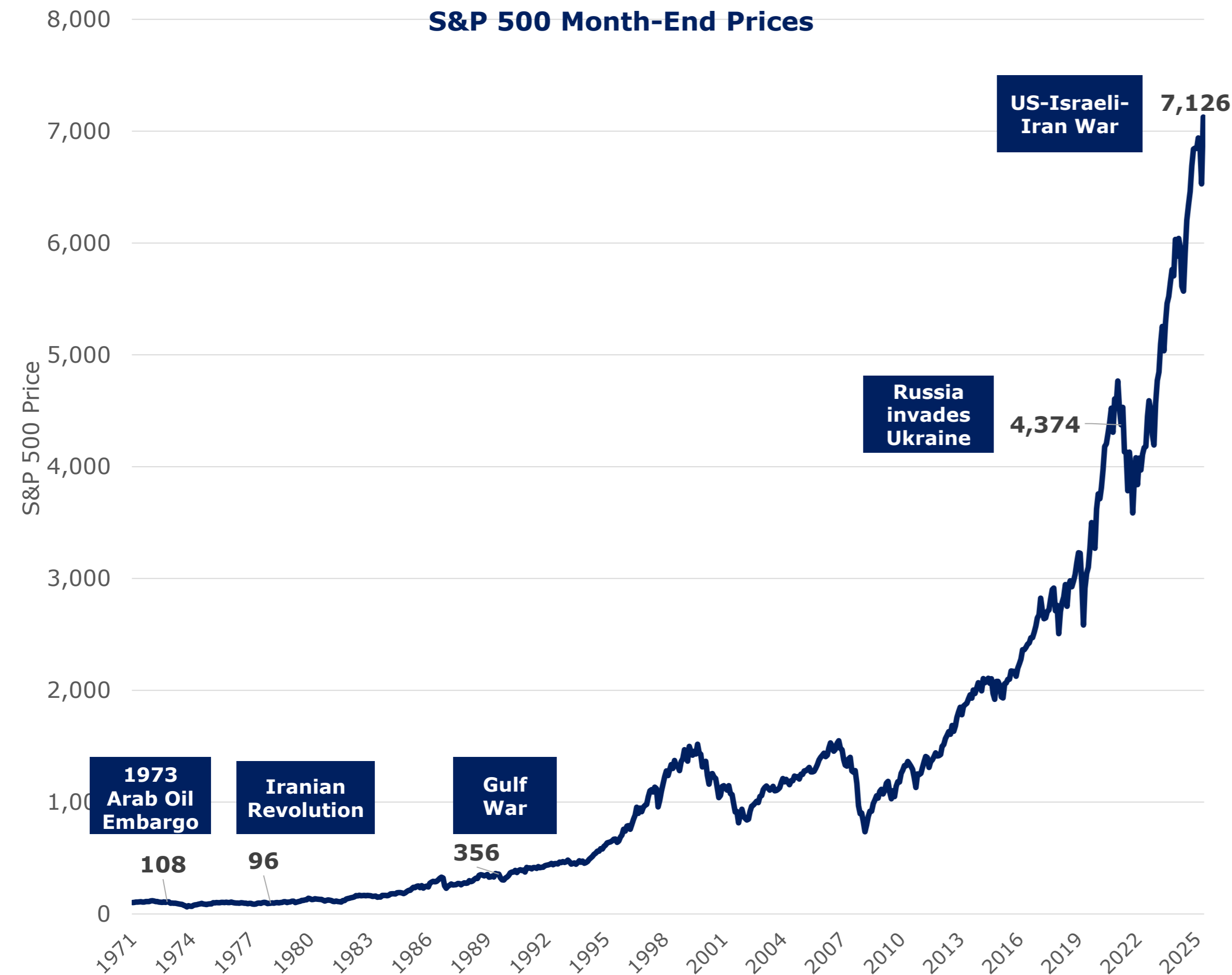


Indexes: US Dollar (BBDXY), Gold (GC1)
 Source: Sources: Bloomberg and Investing.com, April 17, 2026

S&P 500 performance during geopolitical events

Historical market responses to global uncertainty

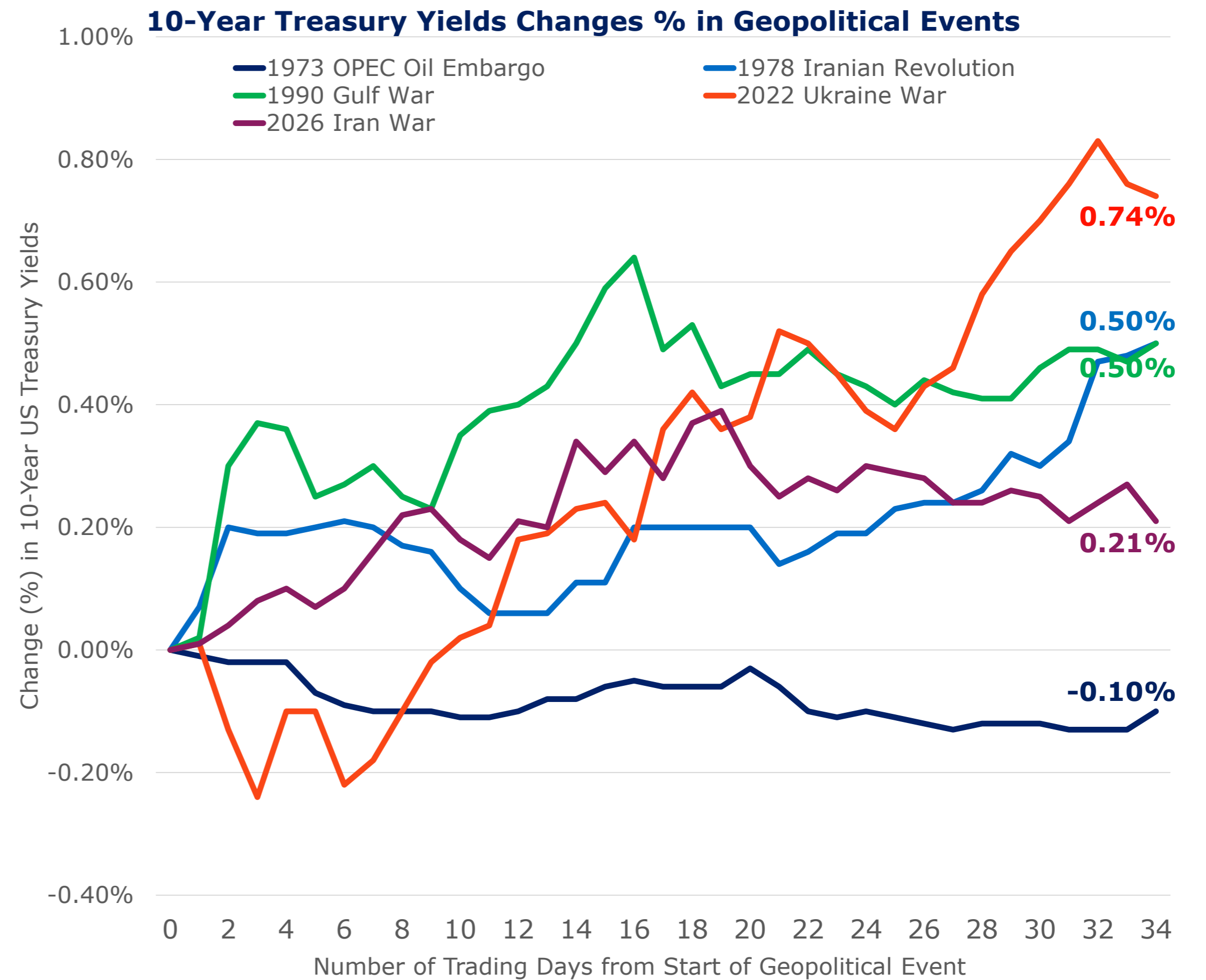
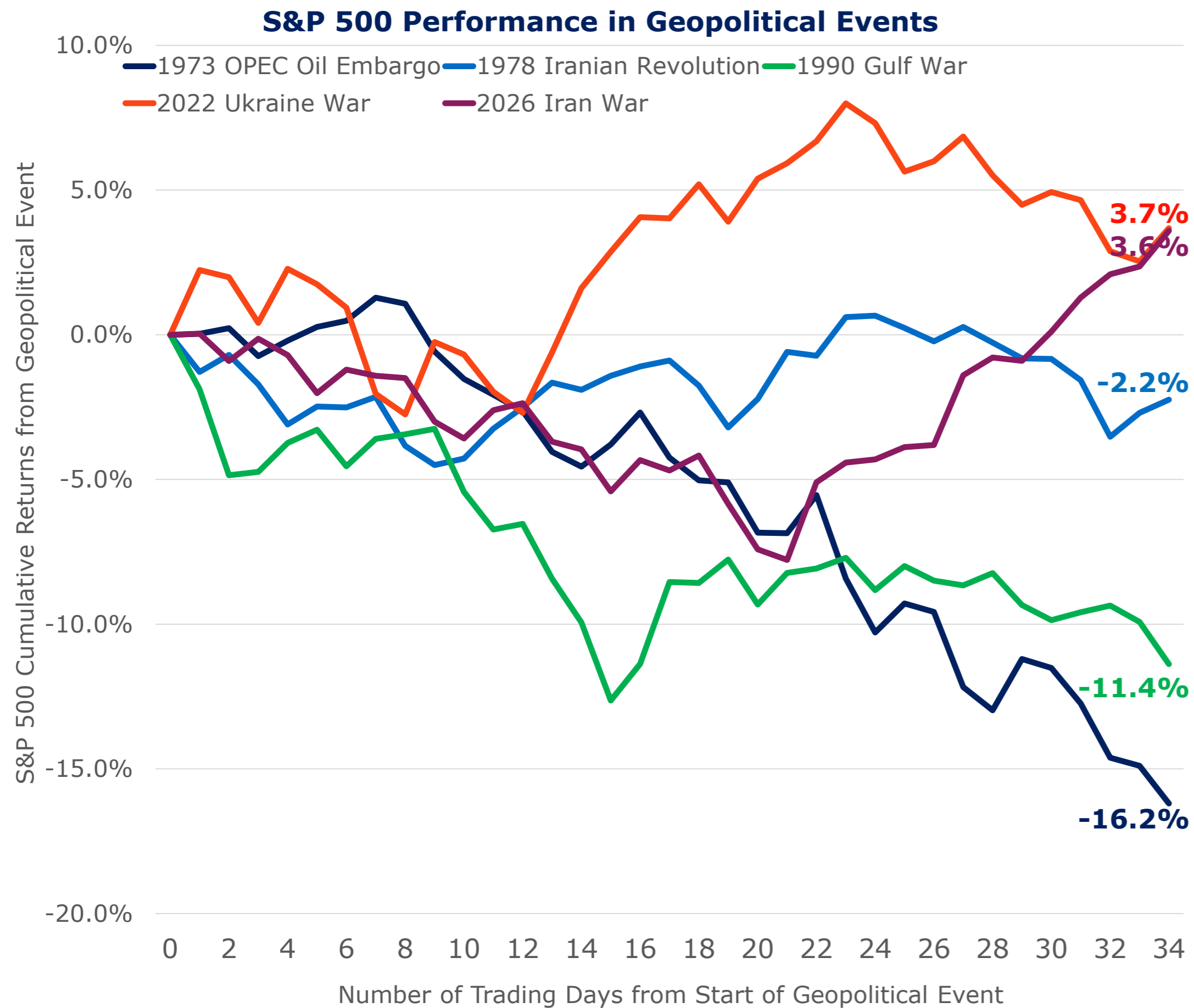
- Geopolitical events have not historically derailed the long-term performance of the S&P 500, as markets often treat these shocks as temporary, short-lived disruptions rather than sustained downturns. Data shows that while volatility often spikes, the S&P 500 typically recovers within months, averaging a ~14% gain over the 12 months following major geopolitical crises.



Market reactions to major geopolitical shocks

S&P 500 & 10-Year US Treasury yield performance across five key crises (1973 – 2026)

- Current geopolitical events (2022–2026, including the Russia-Ukraine war and Middle East tensions) have seen a more resilient S&P 500 and higher, more persistent 10Y Treasury yields compared to the severe stagflationary shocks of 1973 and 1978, or the 1990 Gulf War.
- While historical events often triggered deep, immediate bear markets, modern markets have absorbed energy shocks better due to reduced US energy dependency, though inflation pressures in the current cycle are more stubborn.



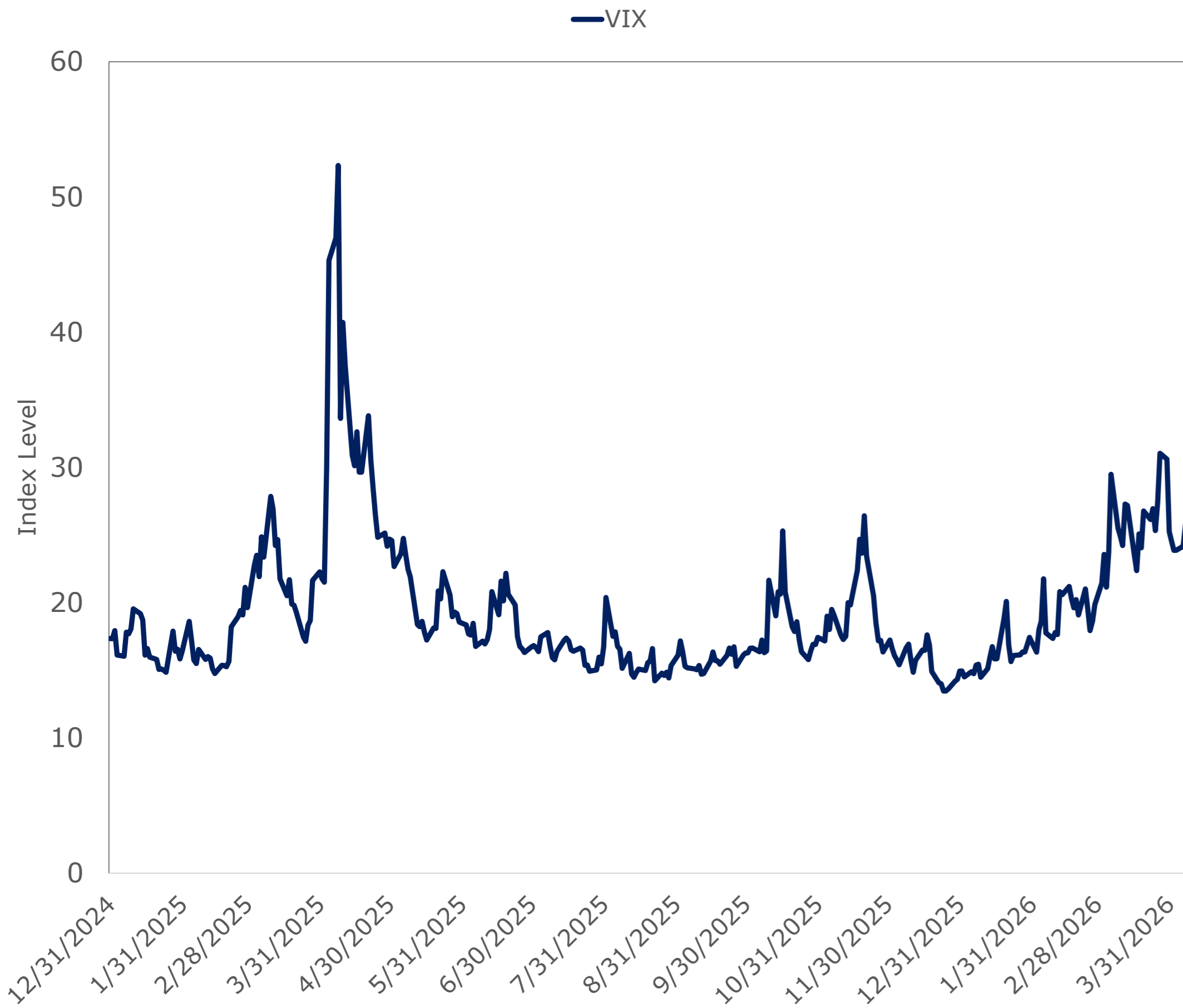
1973 OPEC Oil Embargo: 10/17/1973, 1978 Iran Revolution: 11/1/1978, 1990 Gulf War: 8/2/1990, 2022 Russia-Ukraine War: 2/24/2022, 2026 US-Israel-Iran War: 2/28/2026 Source: Bloomberg, April 17, 2026

Volatility remains muted

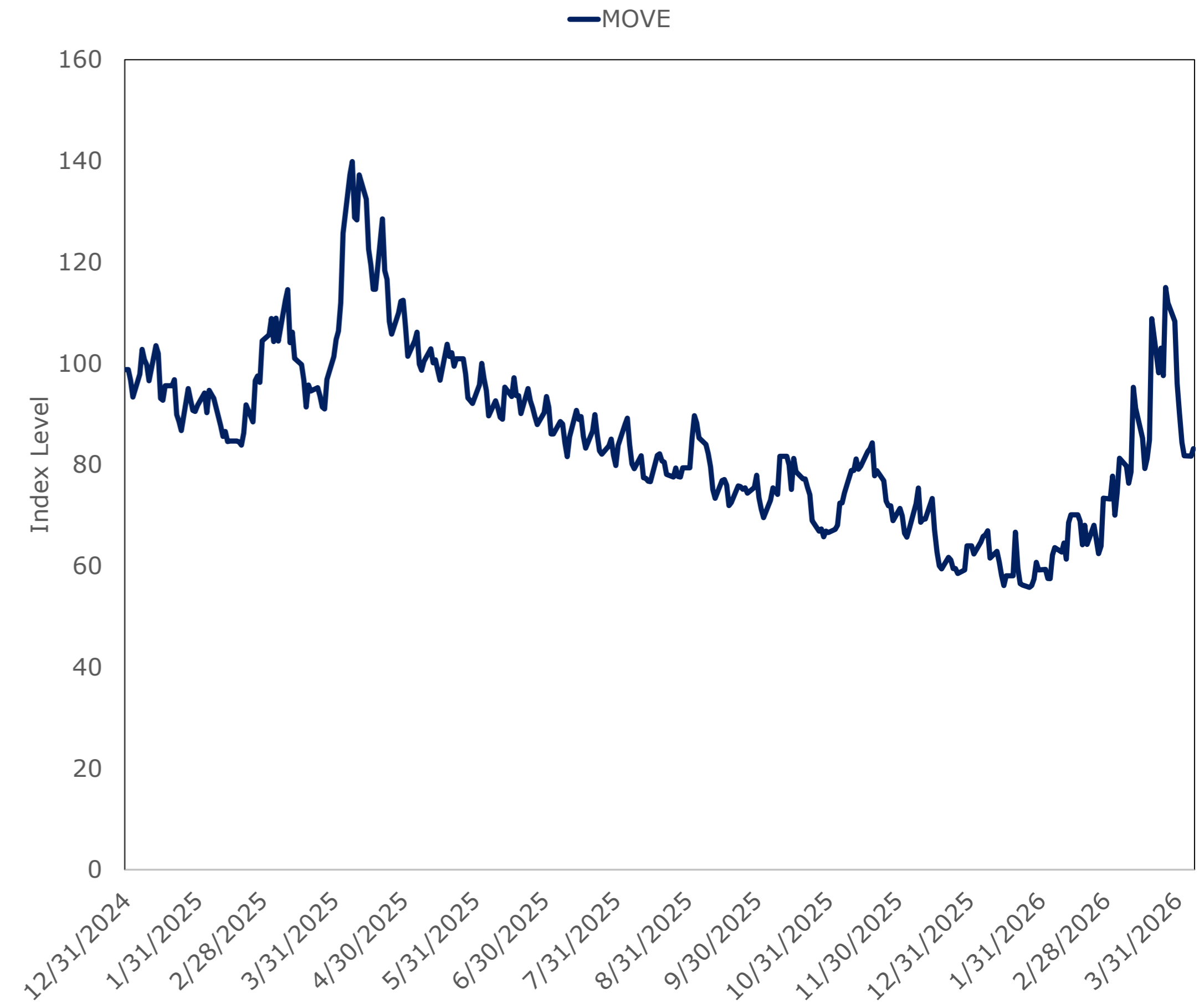
Short-term, markets are focused on earnings

- Market volatility in the VIX (equities) and MOVE (bonds) indexes has been surprisingly muted amid the 2026 Iran conflict, largely due to an announced ceasefire, allowing markets to focus on earnings rather than panic selling.
- While energy prices spiked, the broader "sell-off playbook" has evolved towards more orderly hedging rather than severe, sustained spikes in volatility, often holding near pre-war levels.

CBOE Volatility Index (VIX)



ICE BofA MOVE Index

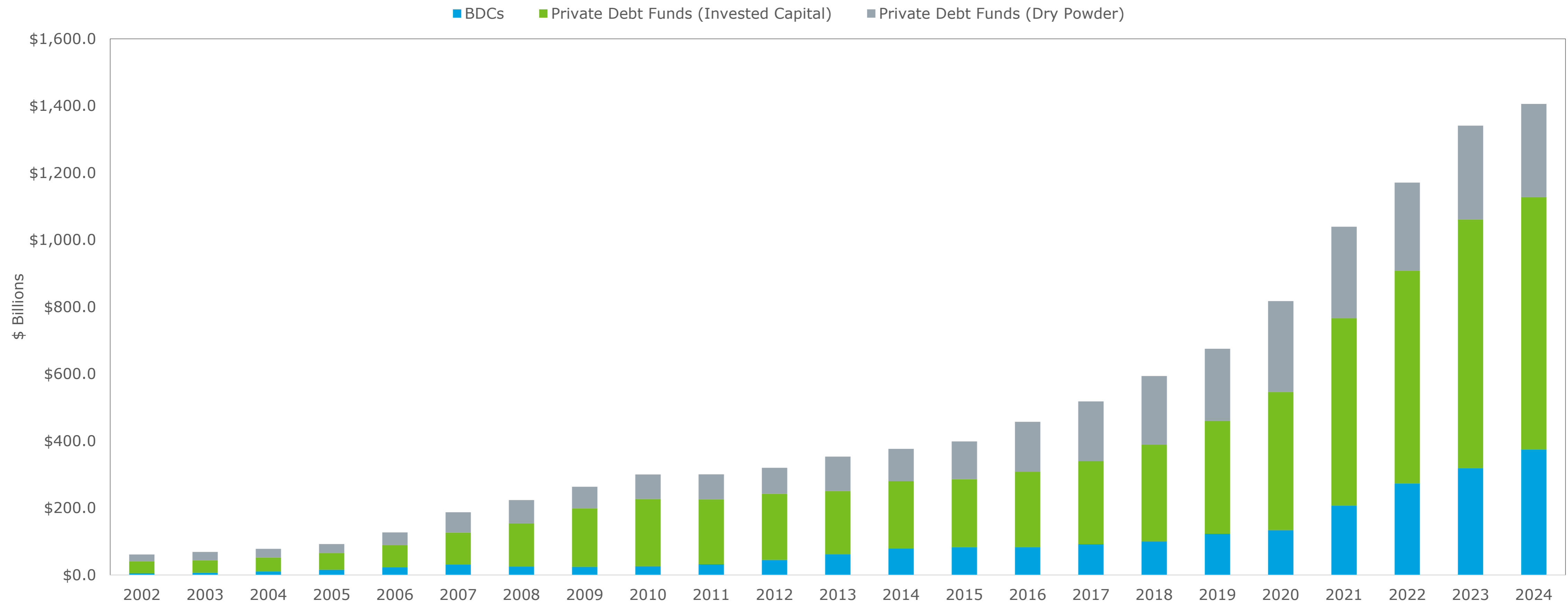


US Private Credit: Growth raises risks

A systemic market collapse is unlikely

- Private credit faces growing concerns over liquidity pressures as redemption requests increase at major Business Development Companies (BDCs).
- While risks are rising, structural protections like senior positioning, along with, lower bank exposure, make a 2008-style systemic collapse unlikely, though opacity in valuation and high retail exposure remain key risks.

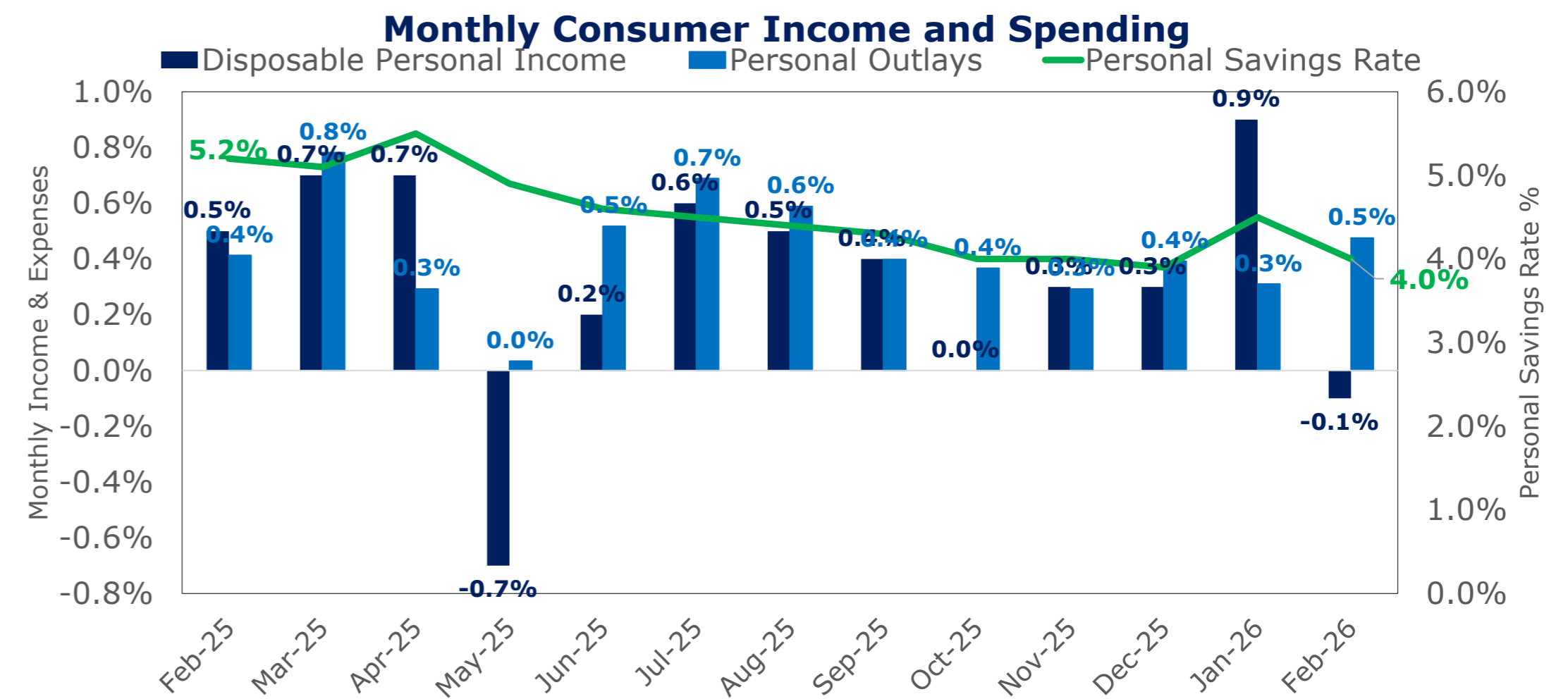
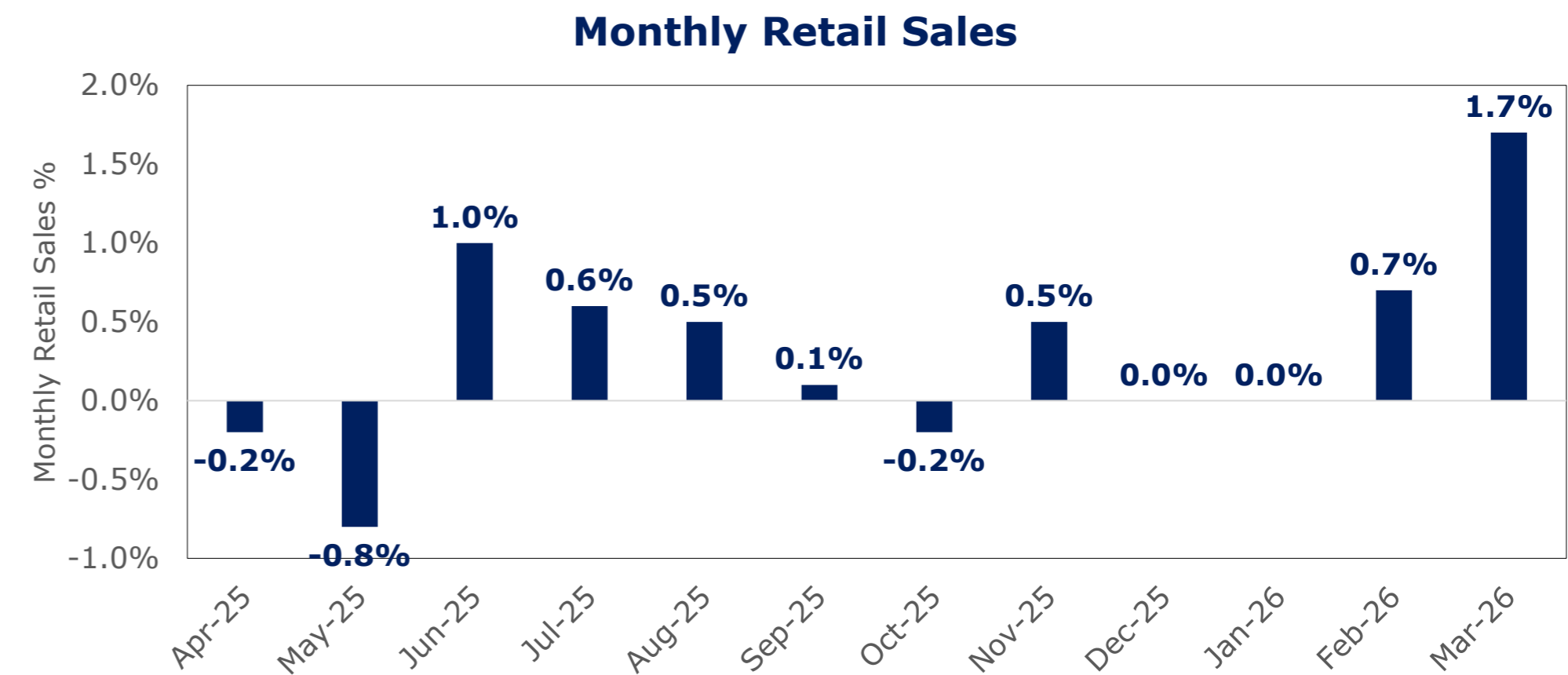
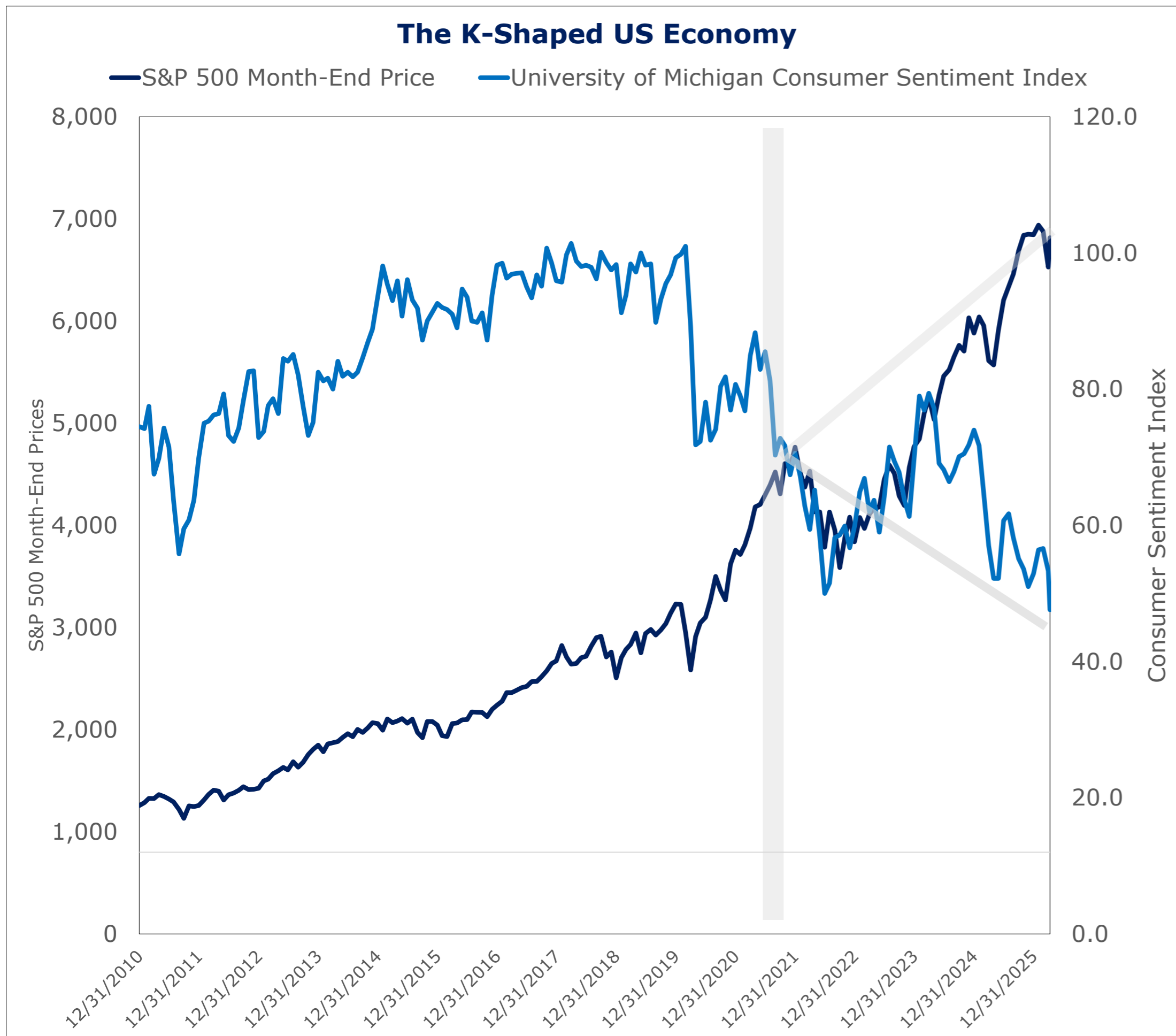
Growth of Private Credit Assets (\$Billions): 2002 - 2024



The Consumer: Spending proving to be resilient

Spending continues to be driven by higher income households

- Consumer spending in early 2026 is showing surprising resilience, with February PCE rising 0.5% despite high prices, though growth is projected to moderate to 2.1% for the year due to tight credit and slowing labor markets. Spending is increasingly driven by higher-income households, with a K-shaped pattern.
- Retail and food services sales surged by 1.7% month-over-month (m/m) in March, the fastest monthly pace in more than three years. Adjusting for inflation, the volume of sales was up 0.8% on the month.



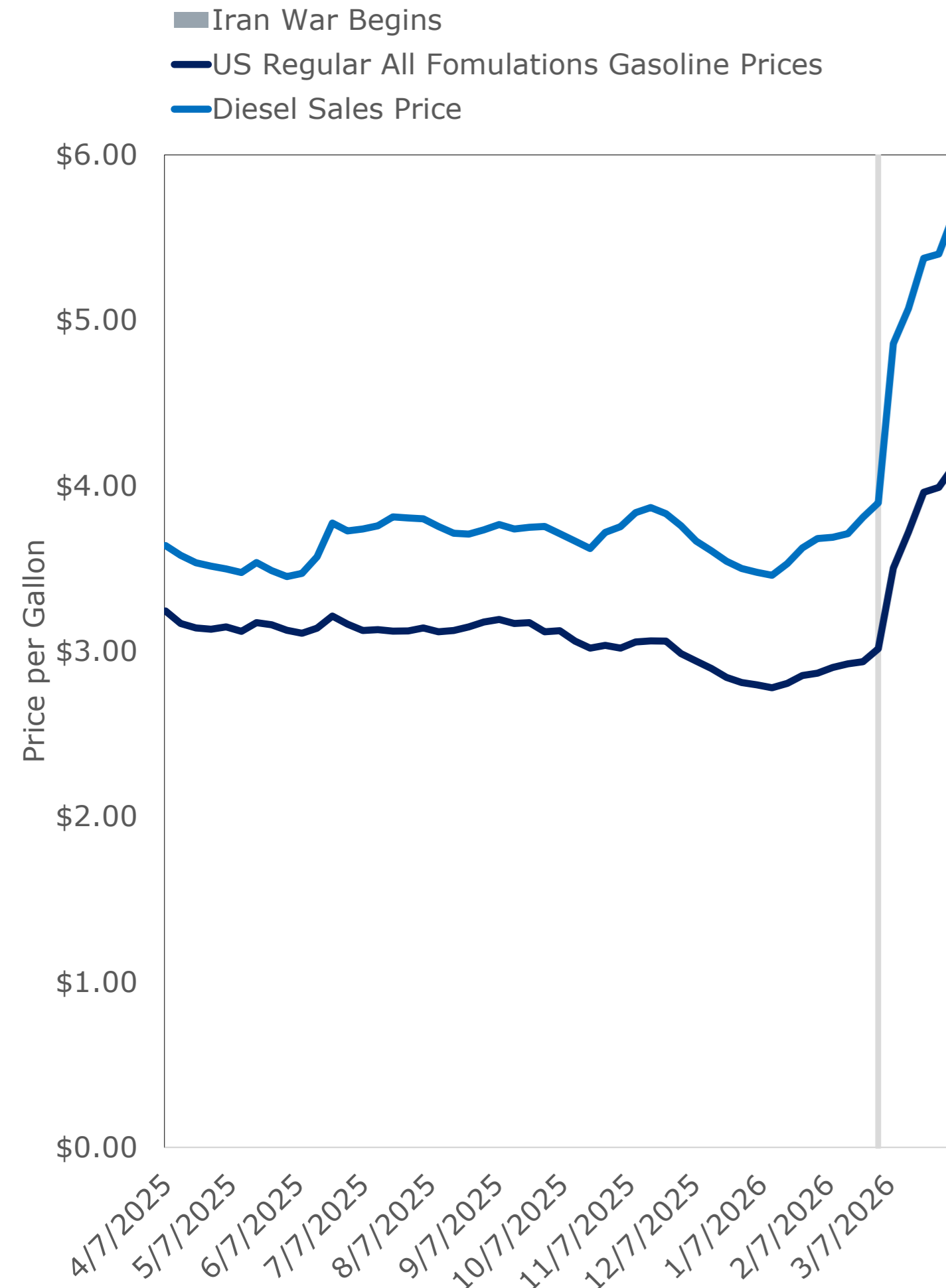
Sources: Bloomberg and the Federal Reserve Bank, St. Louis, 4/13/2026

Consumers are facing rising prices

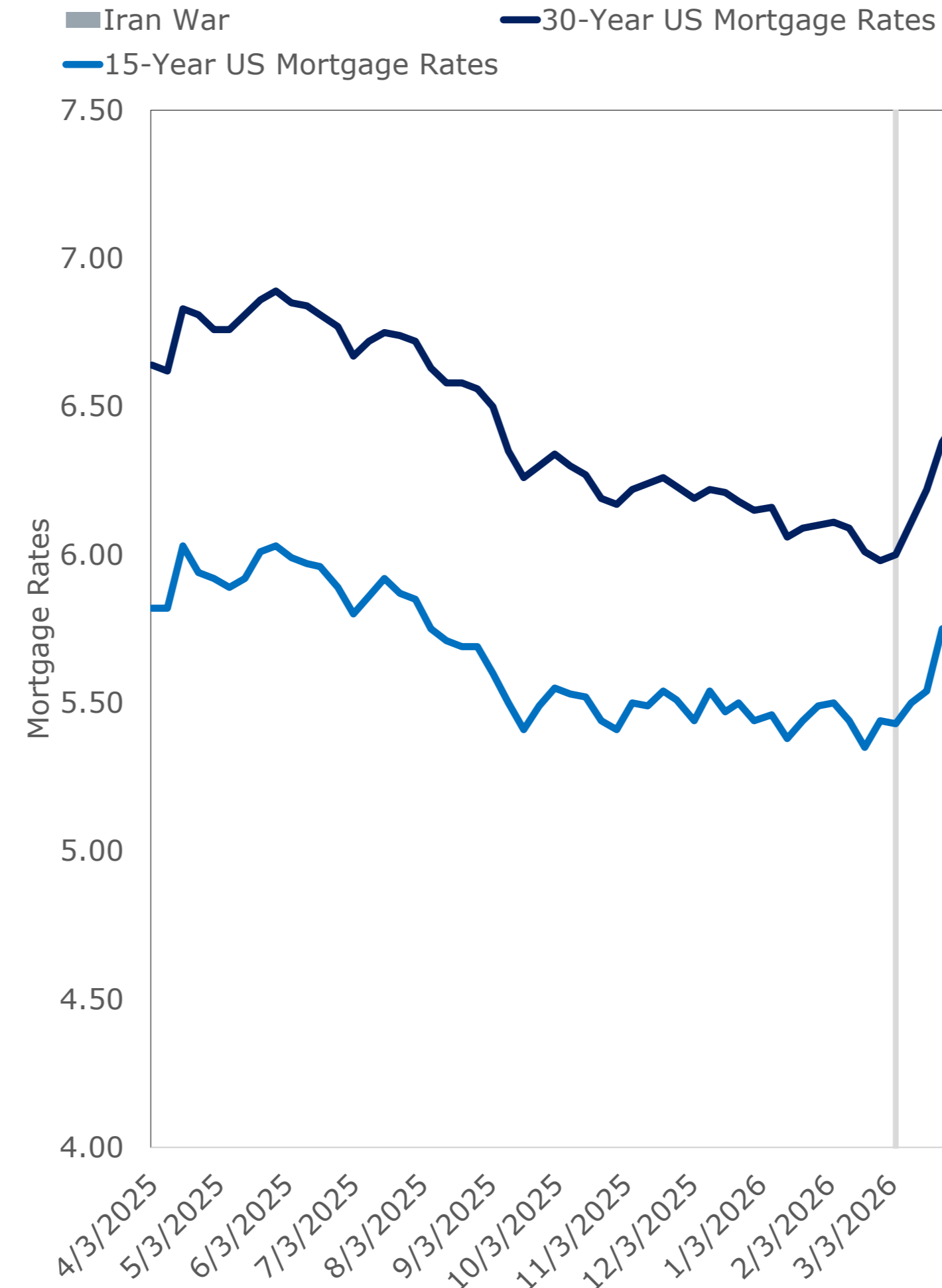
Inflationary presses and household resilience

- The conflict in Iran is driving significant inflation as of April 2026, causing a 0.9% jump in U.S. consumer prices in March and a 4% surge in wholesale prices. Soaring energy costs, fueled by disruptions to the Strait of Hormuz, are escalating prices for gasoline, transport, food, and manufacturing.

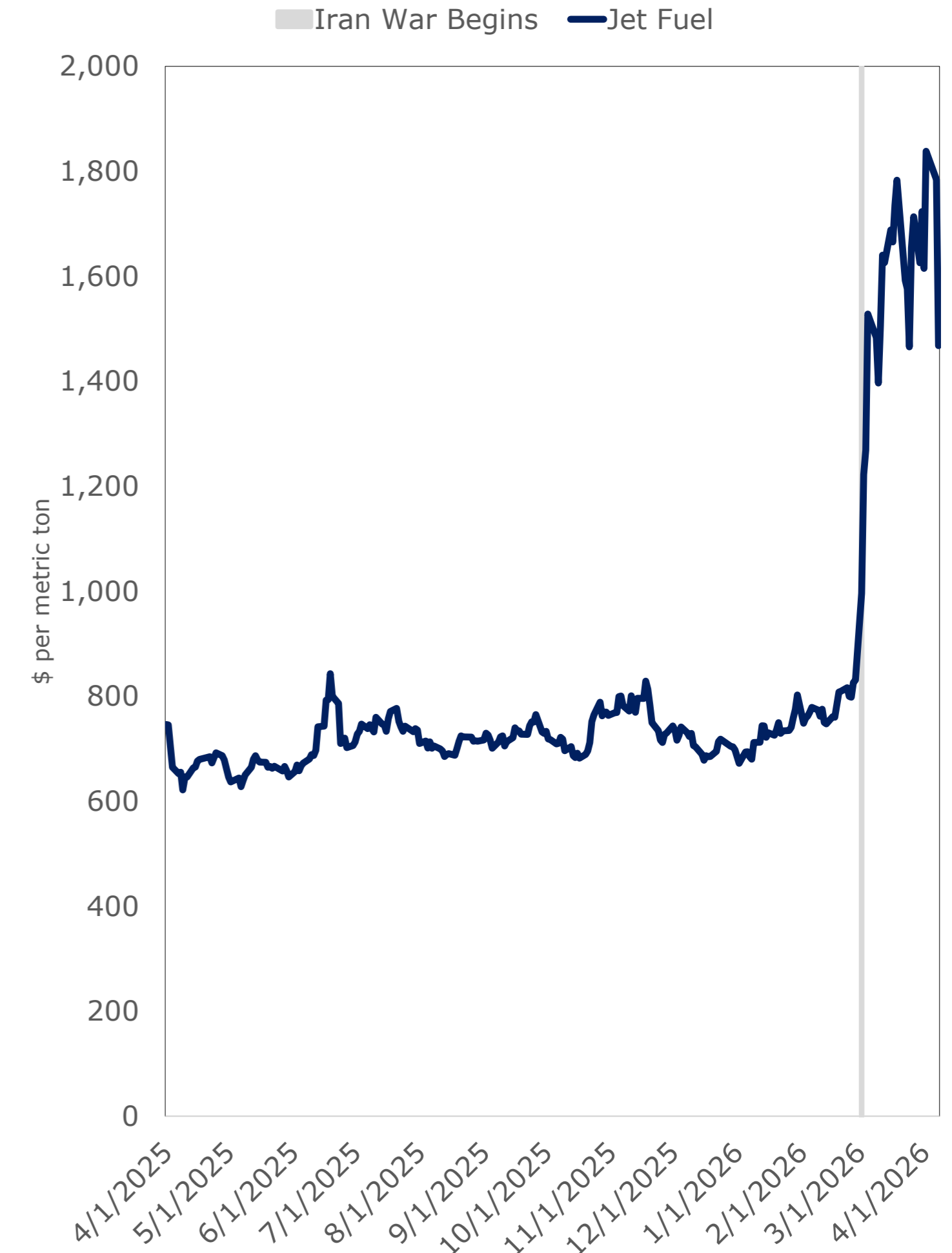
Weekly US Gasoline & Diesel Prices



US Mortgage Rates



Jet Fuel

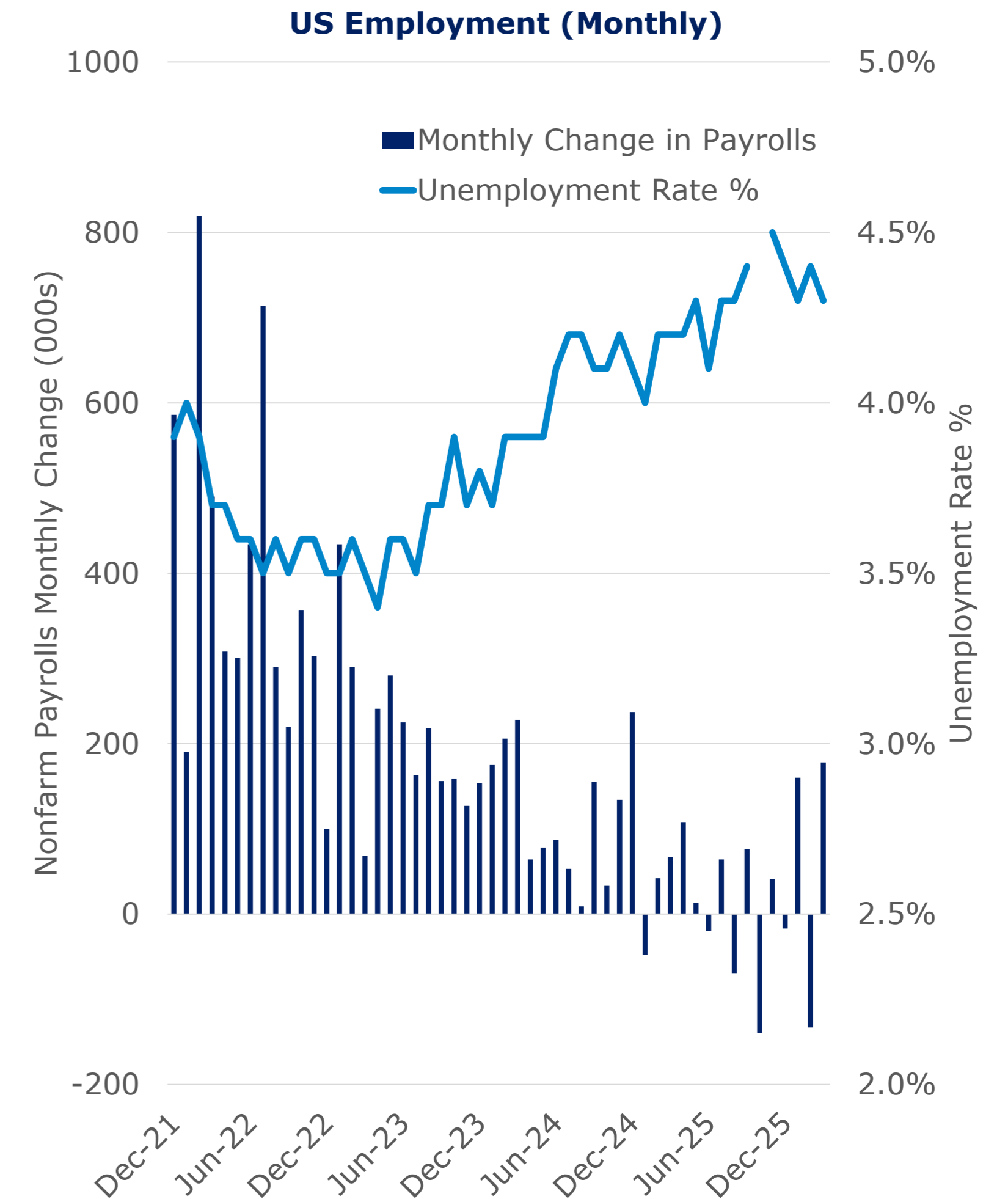
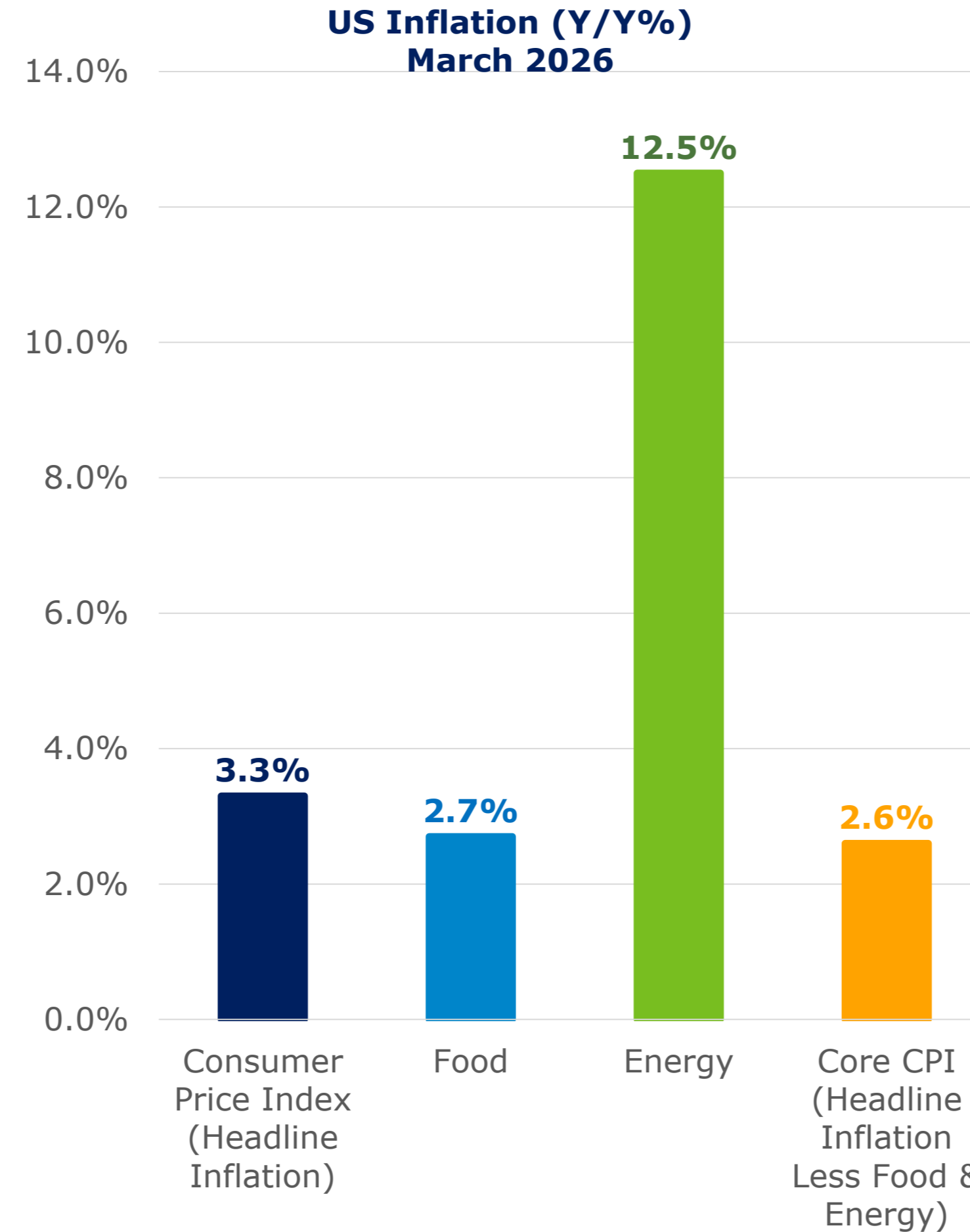
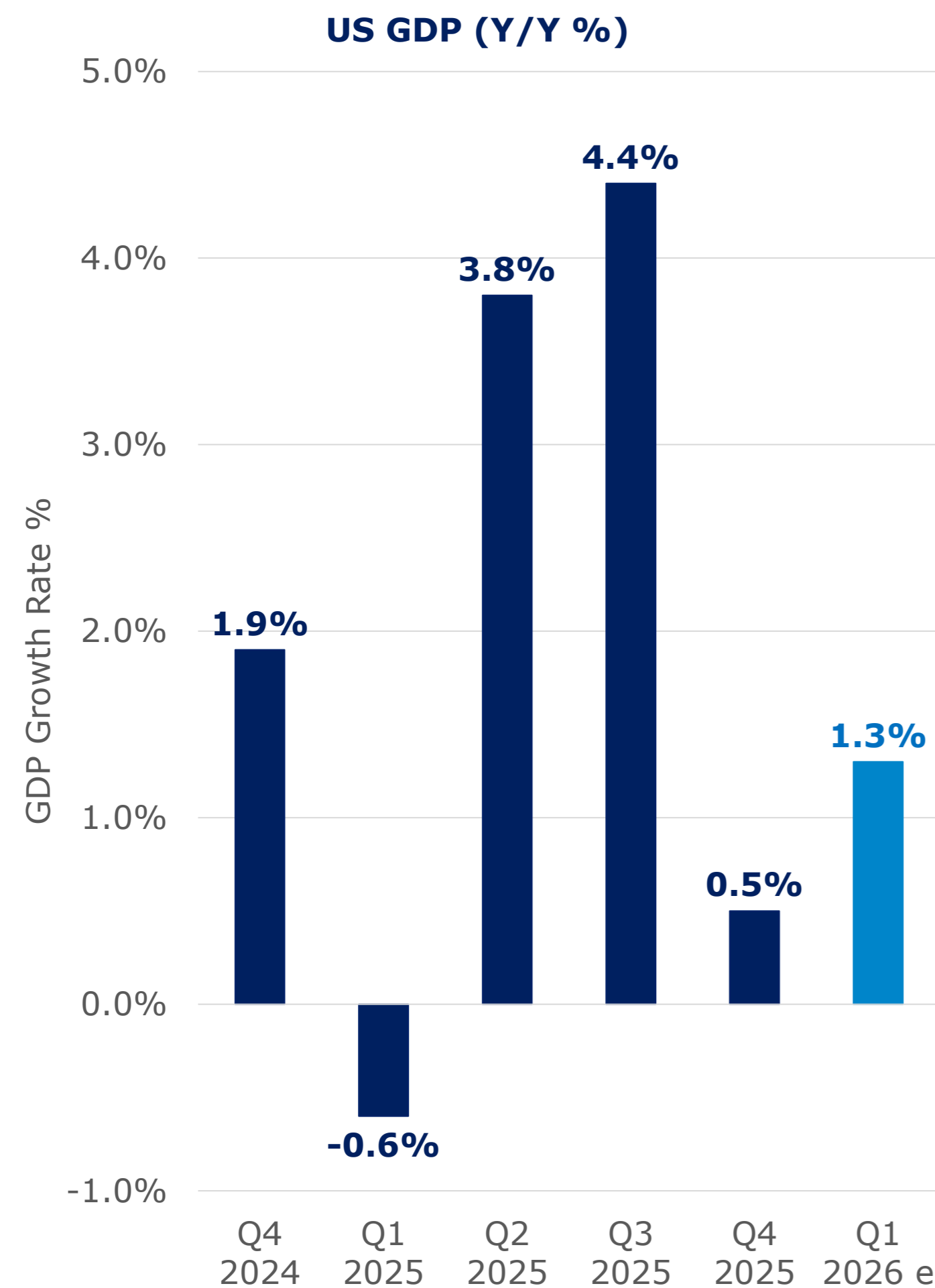


Sources: Bloomberg and Federal Reserve Bank, St. Louis, 4/8/2026

The Fed continues to balance inflation and employment

CPI inflation increases as energy prices sharply rise due to the Iran conflict

As of April 2026, the Federal Reserve continues to manage a dual mandate of maximum employment and 2% inflation, with policymakers navigating a slowing labor market (4.3% unemployment in March 2026) alongside persistent inflationary pressures, leading to a cautious approach to rate adjustments.



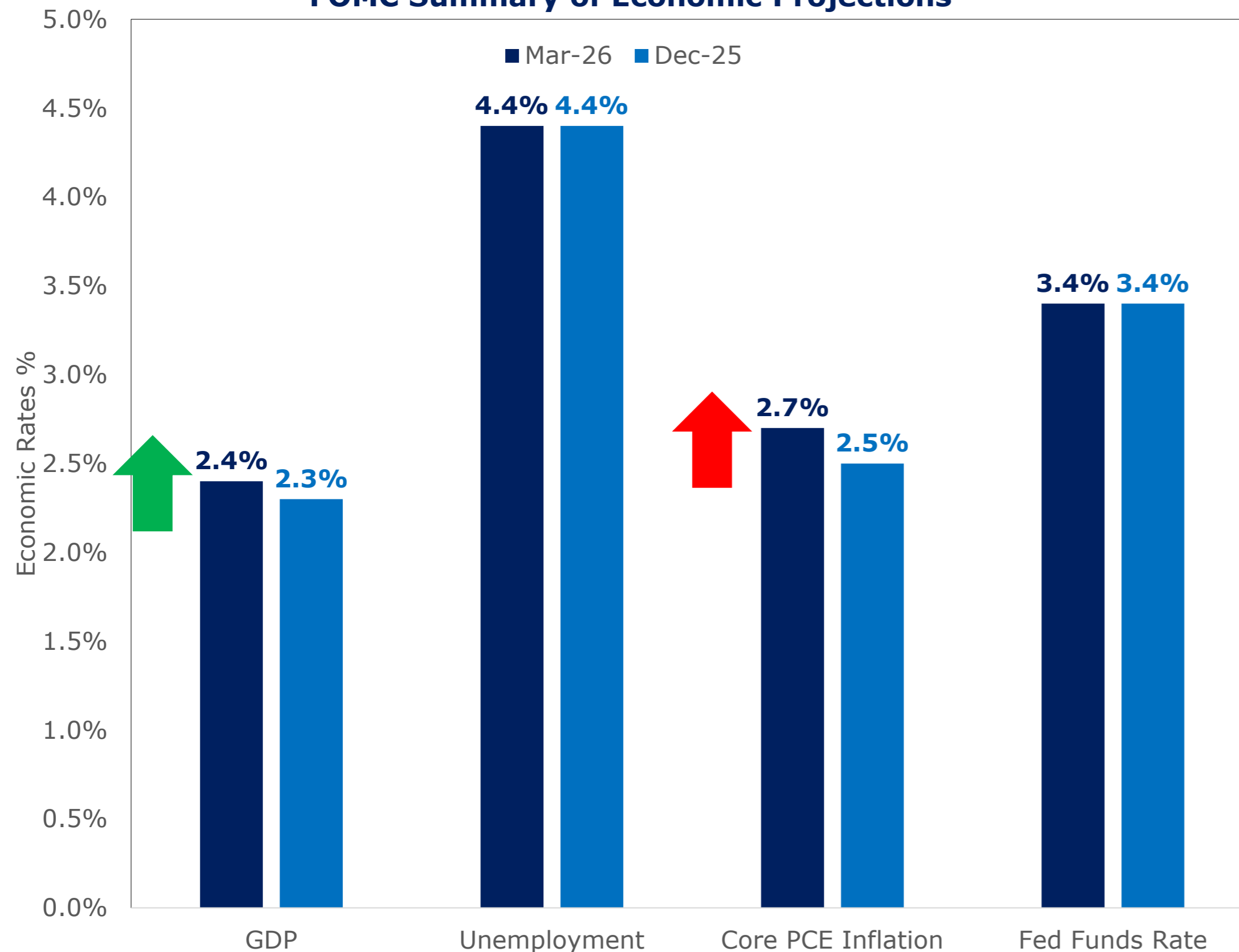
Sources: Bloomberg and Federal Reserve Bank, St. Louis, 4/10/2026

Pre-Iran War, the Fed saw GDP and Inflation rising in 2026

President Trump nominates Kevin Warsh as next Fed Chair

- The Federal Open Market Committee (FOMC) voted to keep the federal funds rate target range steady at 3.50%–3.75%.
- Relative to December, their inflation and growth forecast both increased. The median of the Committee continues to expect a convergence towards an equilibrium of around 2% growth, 4% unemployment, 2% inflation, and a 3% Fed Funds Rate over the next few years.
- Kevin Warsh's evolving views on rate cuts and economic policy will continue to face scrutiny, with Fed independence hanging in the balance.

FOMC Summary of Economic Projections



President Donald Trump says taps former Federal Reserve governor Kevin Warsh as the next Fed chair to replace Jerome Powell in May

- At 35, Warsh became the youngest governor on the Fed's seven-member board, serving in that post from 2006 to 2011.
- He was previously an economic aide in George W. Bush's Republican administration and was an investment banker at Morgan Stanley.
- Warsh worked closely with then-Chair Ben Bernanke in 2008-09 during the central bank's efforts to combat the financial crisis and the Great Recession.
- Bernanke later wrote in his memoirs that Warsh was "one of my closest advisers and confidants" and added that his "political and markets savvy and many contacts on Wall Street would prove invaluable."

Equity Markets

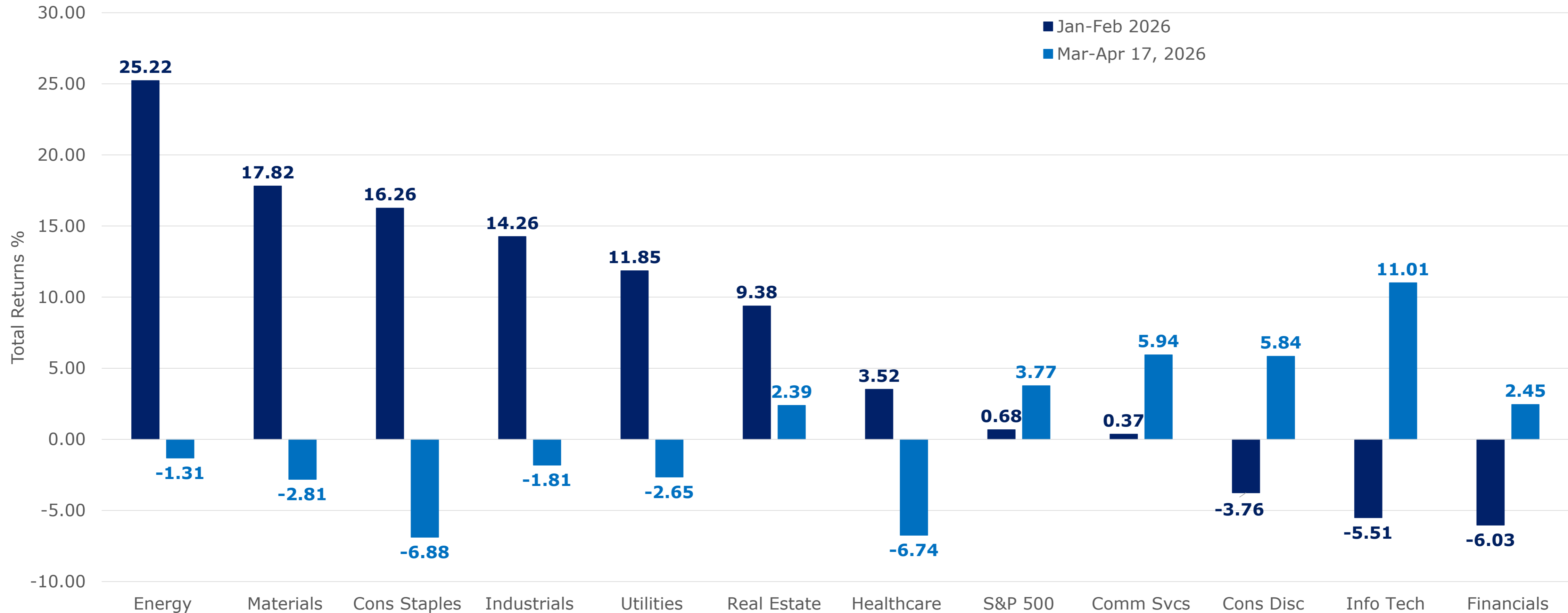


Energy: Only S&P 500 sector with positive returns in Q1

Several sectors have since rebounded in April

- Following the start of the conflict with Iran on February 28, 2026, the energy sector has been the standout performer.
- The energy sector is on the rise after lagging behind the S&P 500's strong performance over the past three years. It is now the standout sector of the index, rising 34% in the first quarter—its best quarterly performance in four years.

S&P 500: 2026 Performance



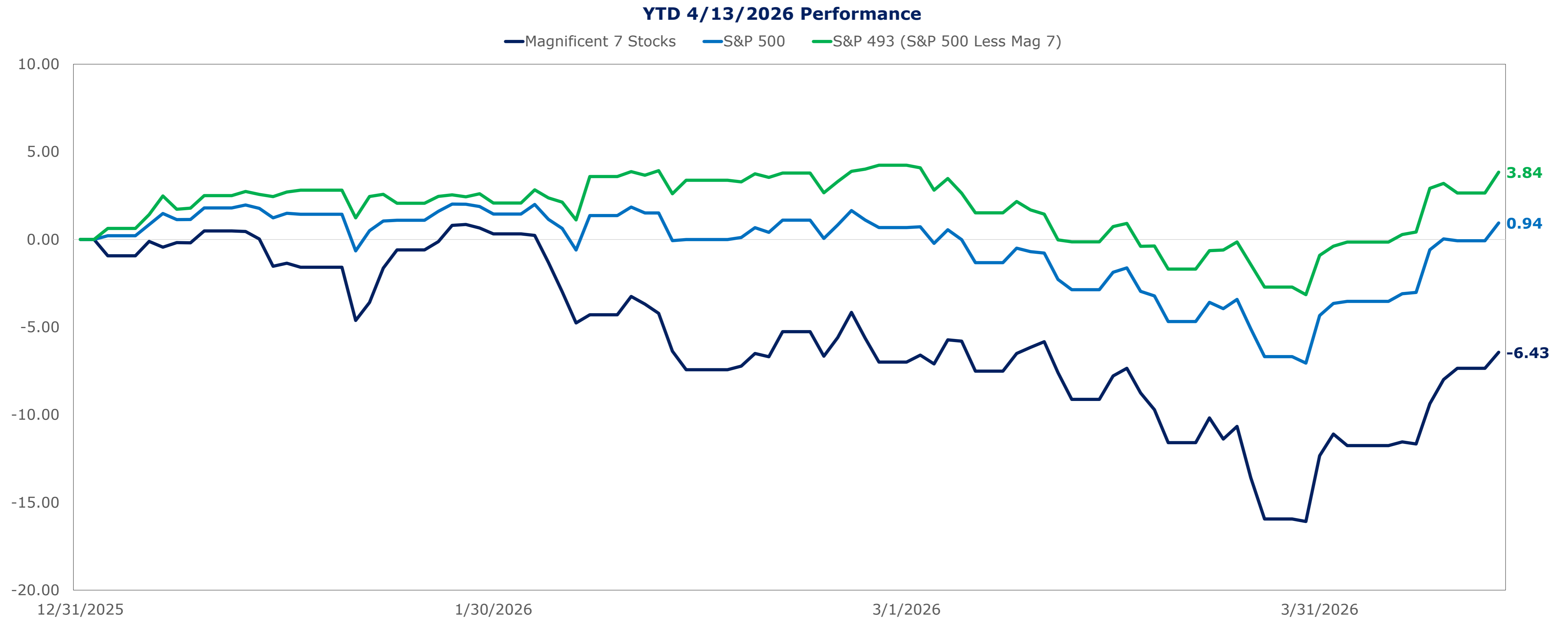
Source: Bloomberg, 4/17/2026

Past performance is no guarantee of future results.

The "forgotten" 493 take the lead YTD, as the Mag 7 stumble

Several "Magnificent Seven" stocks (Meta, Apple, Microsoft & Tesla) are underperforming the S&P 500 in 2026

- Growth stocks are under pressure as investors question the payoff of aggressive AI spending plans.
- The "other 493" companies are driving a market rotation towards valuation-focused and non-tech sectors.



Source: Bloomberg, 4/14/2026

The Markets: Stock and Bond Correlation

Stocks and bonds are becoming less correlated

- The S&P 500/Bloomberg US Aggregate Bond Index correlation is currently 0.56.
- The 3-year Stock-Bond correlation decreased in 2025 – YTD March 2026. In December 2024, the 3-year correlation was 0.72.
- This reduction in correlation is restoring bonds' role as a portfolio diversifier.



Source: Bloomberg, 3/31/2026

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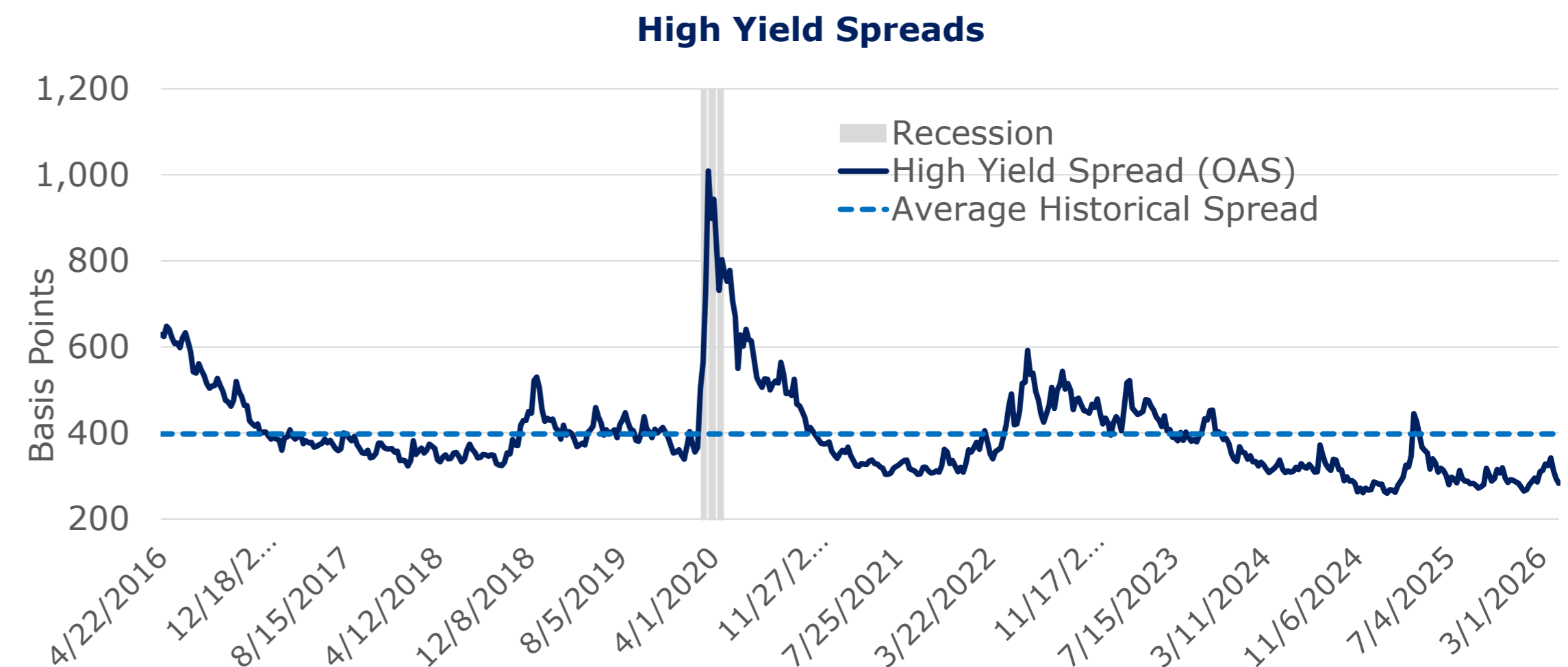
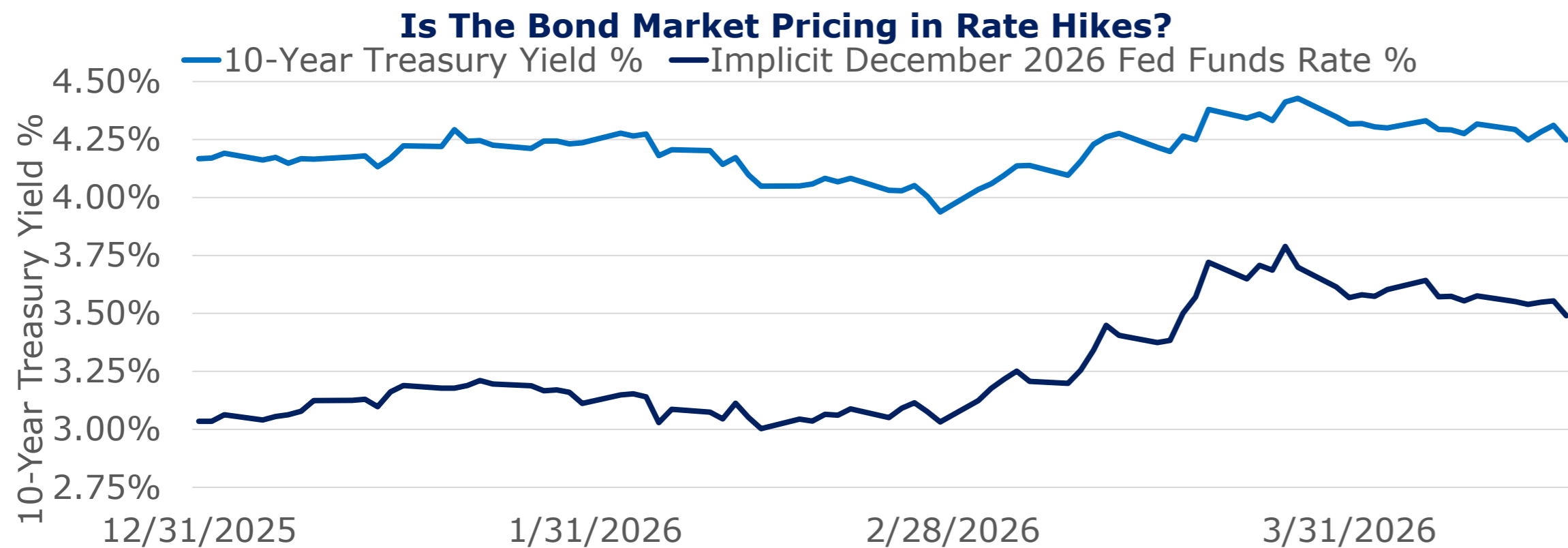
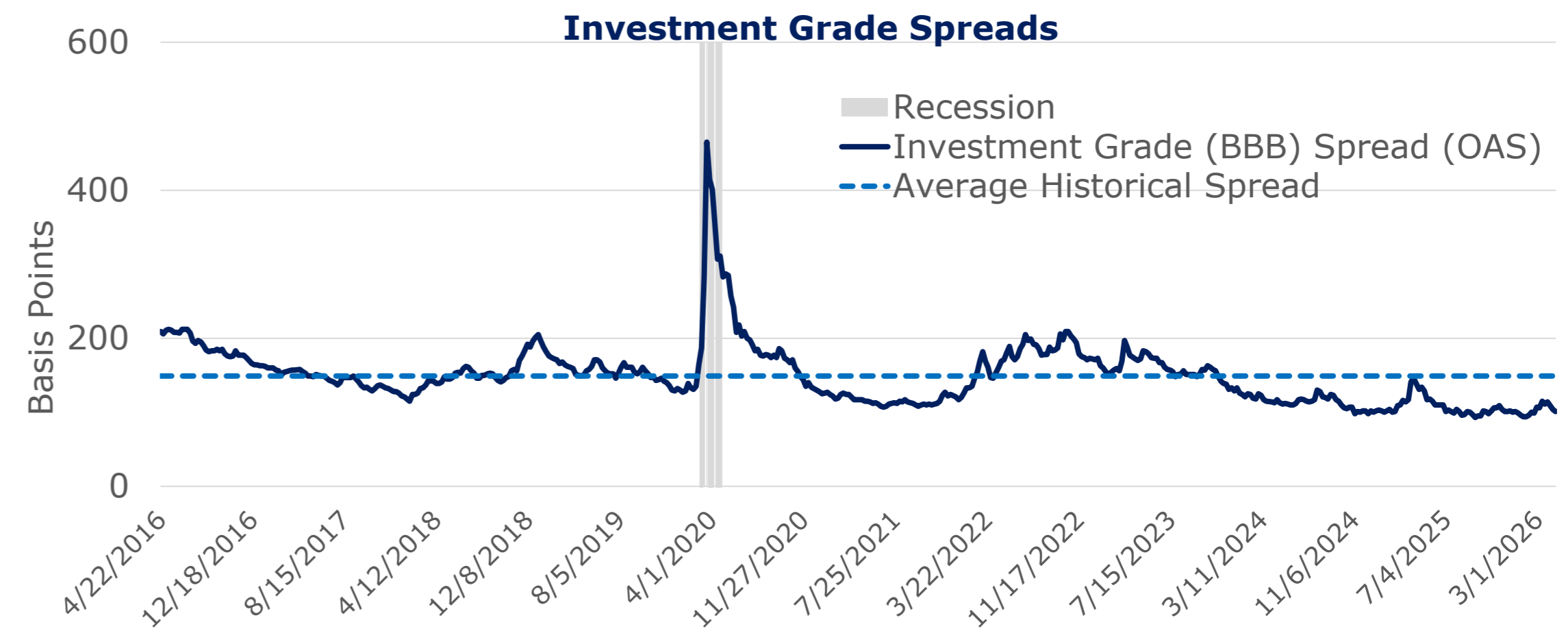
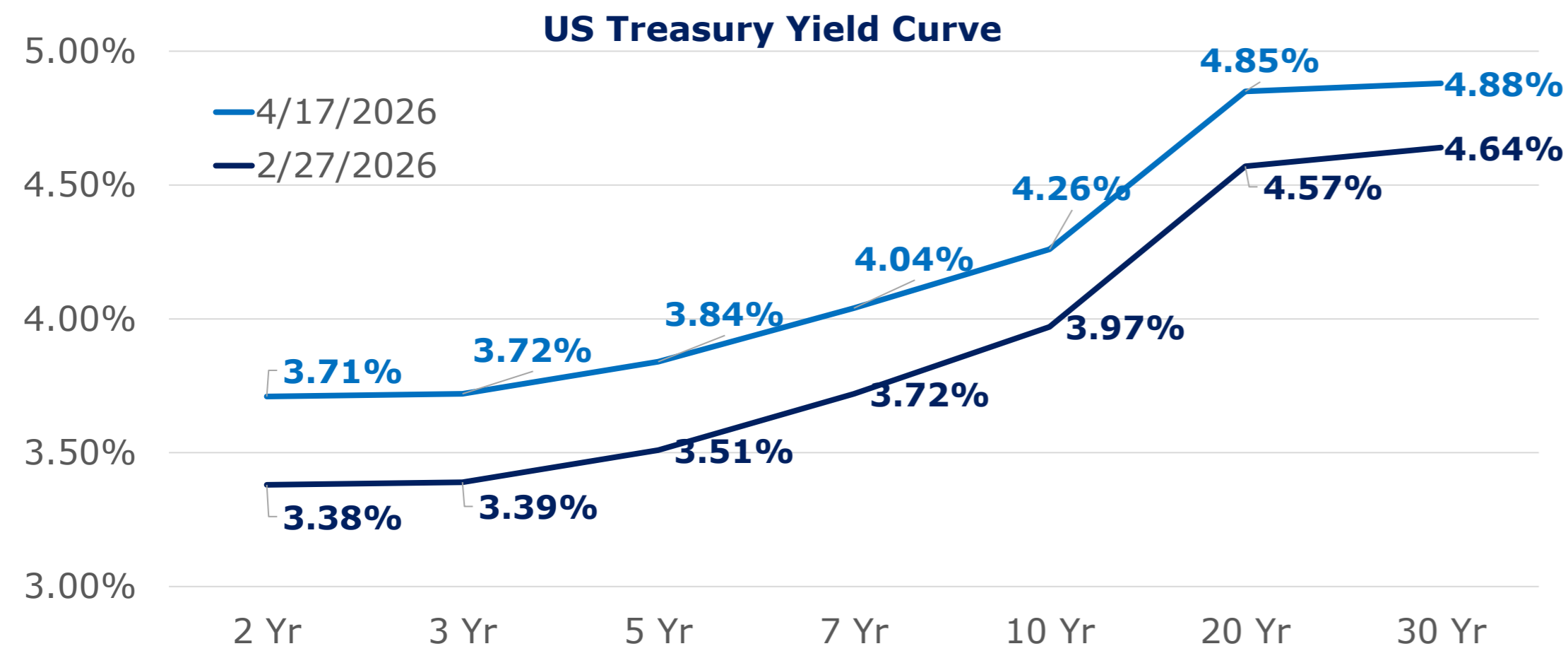
Fixed Income Markets



Long-term rates have risen since the start of the Iran War

Credit spreads remain tight

- Long-term U.S. Treasury yields have risen following the outbreak of conflict with Iran on February 28, 2026, driven by inflation fears and rising oil prices rather than traditional safe-haven demand. Credit spreads widened slightly in March 2026, signaling increased risk aversion as investors demand higher yields for corporate debt over safe-haven Treasuries.
- As of late March/early April 2026, markets are pricing in a >50% probability that the Federal Reserve will raise interest rates by the end of 2026.



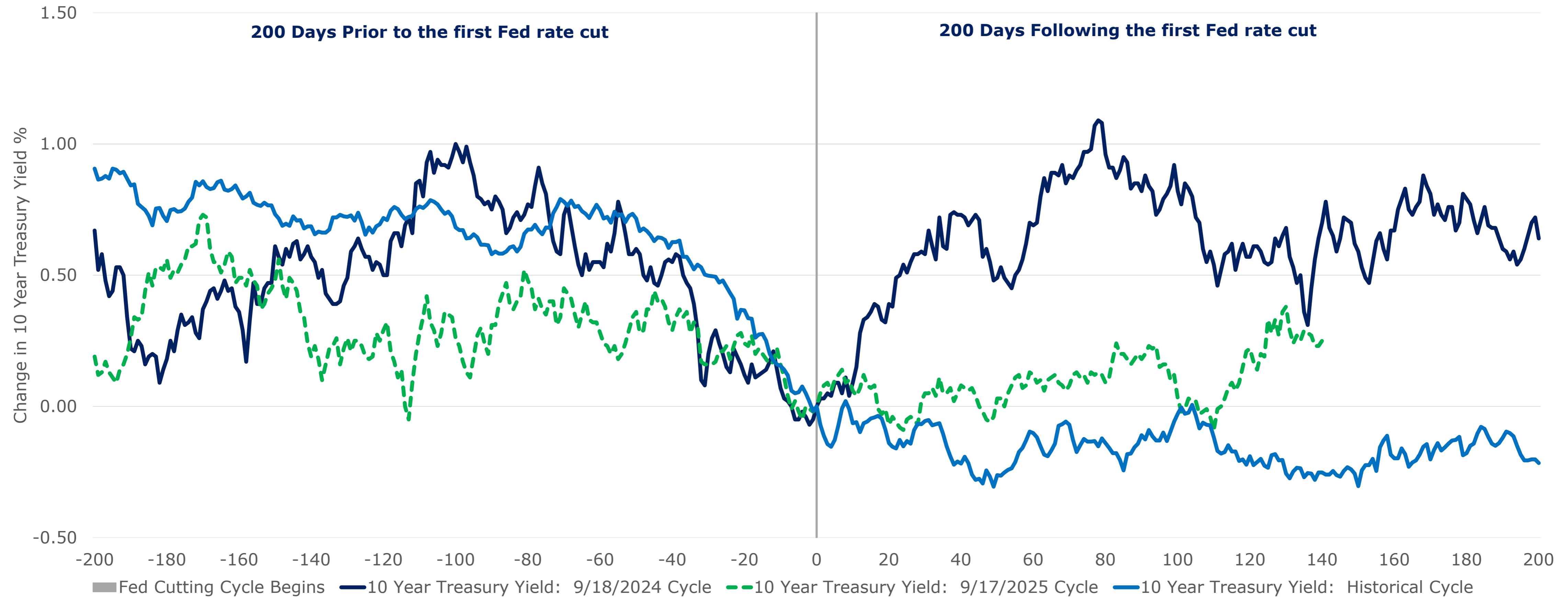
Sources: Bloomberg and Federal Reserve Bank, St. Louis, 4/17/2026

The 10-year Treasury yield remains elevated after recent rate cuts

Persistent inflation, fiscal policy and geopolitical uncertainty concerns are keeping long-term yields elevated

- Typically, long-term bond yields fall in tandem with Fed rate cuts. The 10-year U.S. Treasury yield has risen to around 4.3%–4.5% due to heightened inflationary pressures and geopolitical risks linked to the conflict with Iran. The surge in energy prices, driven by concerns over oil flows through the Strait of Hormuz, has increased inflation risks, making investors worry that the Federal Reserve may delay rate cuts.

10-Year Treasury Yield in Fed Funds Rate Decline Periods



Source: Federal Reserve Bank, St. Louis, 4/14/2026

Historical Cycles: Rate cuts beginning June 1989, September 1998, January 2001, September 2007, and July 2019.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

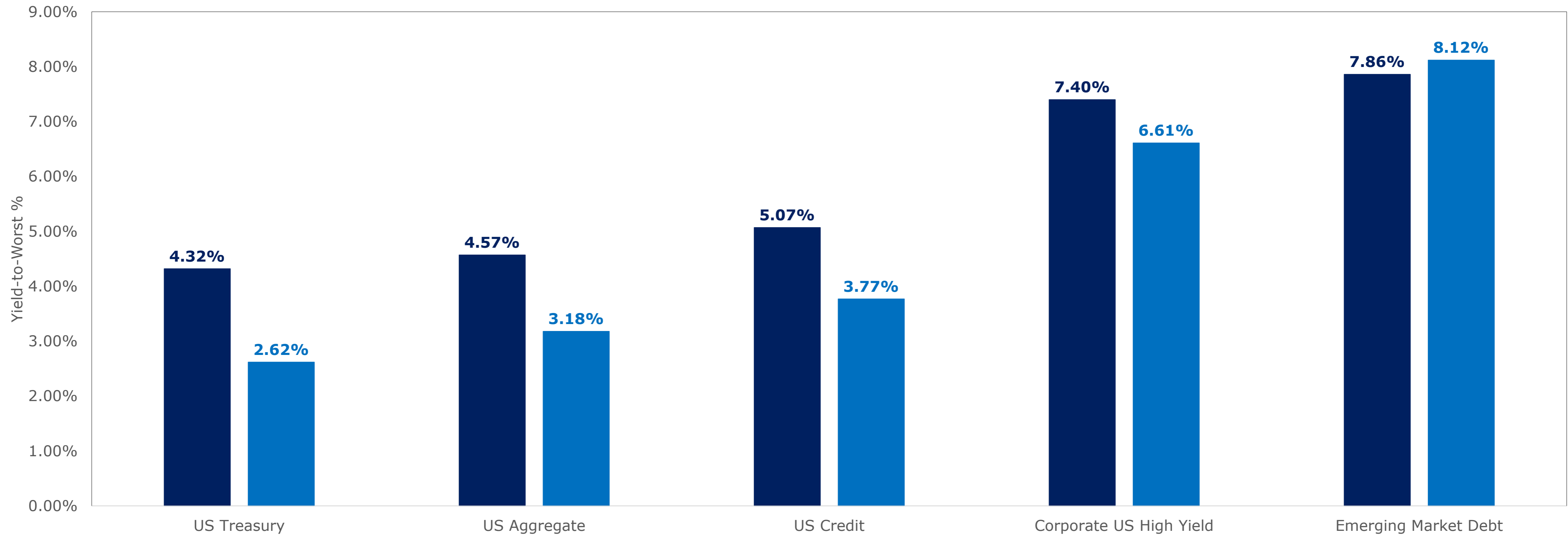
Fixed income yields remain highly attractive

Fixed income remains a potential source of income

- As of April 14, 2026, fixed income yields remain highly attractive, often cited as a "generational opportunity" for income seekers.
- Despite earlier expectations that yields would drift lower this year, ongoing geopolitical tensions and stubborn inflation have kept rates elevated, creating a favorable "carry-driven" environment.

Fixed Income Yields (As of March 31, 2026)

■ Current (3/31/2026) ■ 10-Year Average



Source: Barclays, 4/14/2026

Liquidity Markets

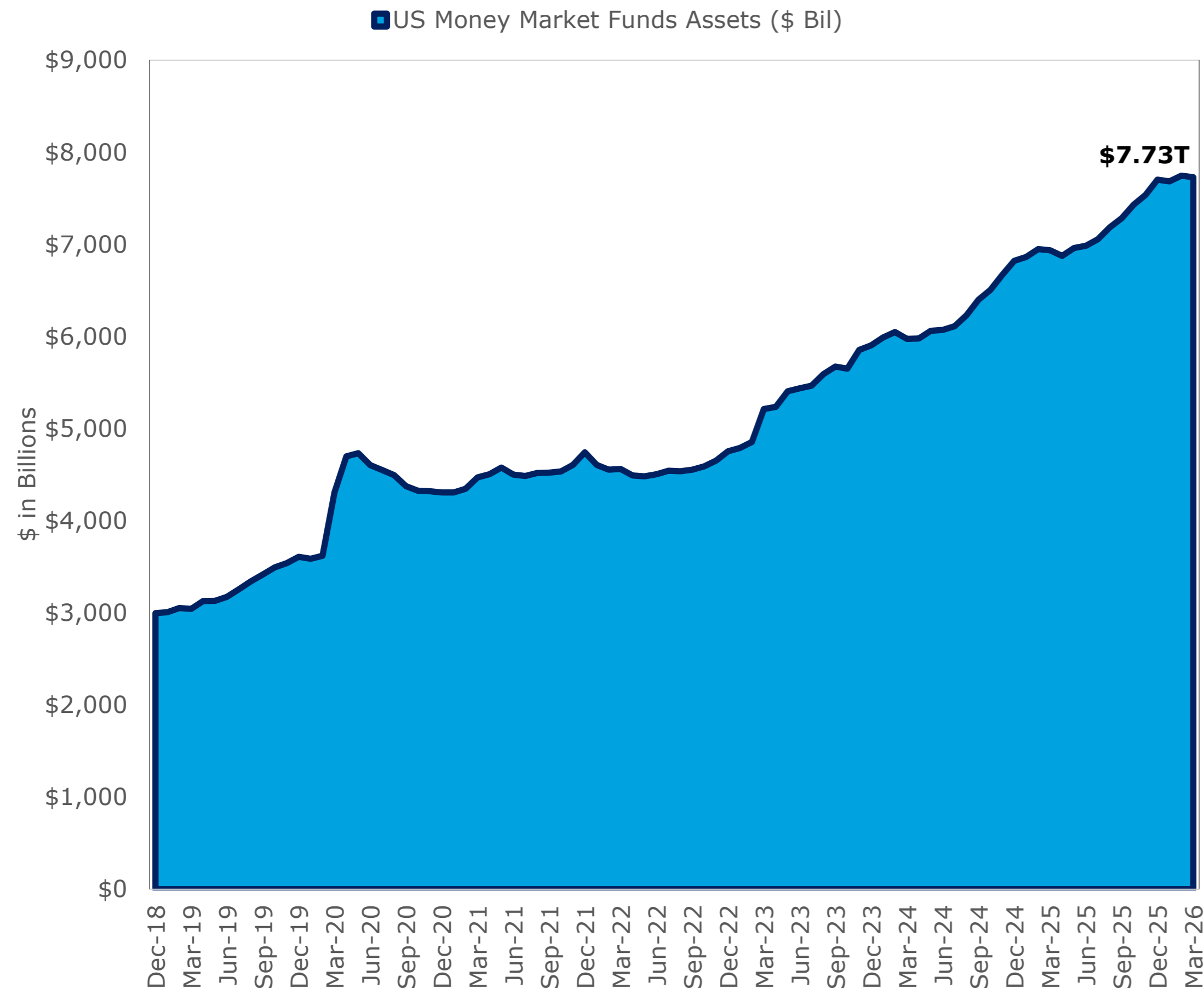


US Money Market Funds assets continue to grow

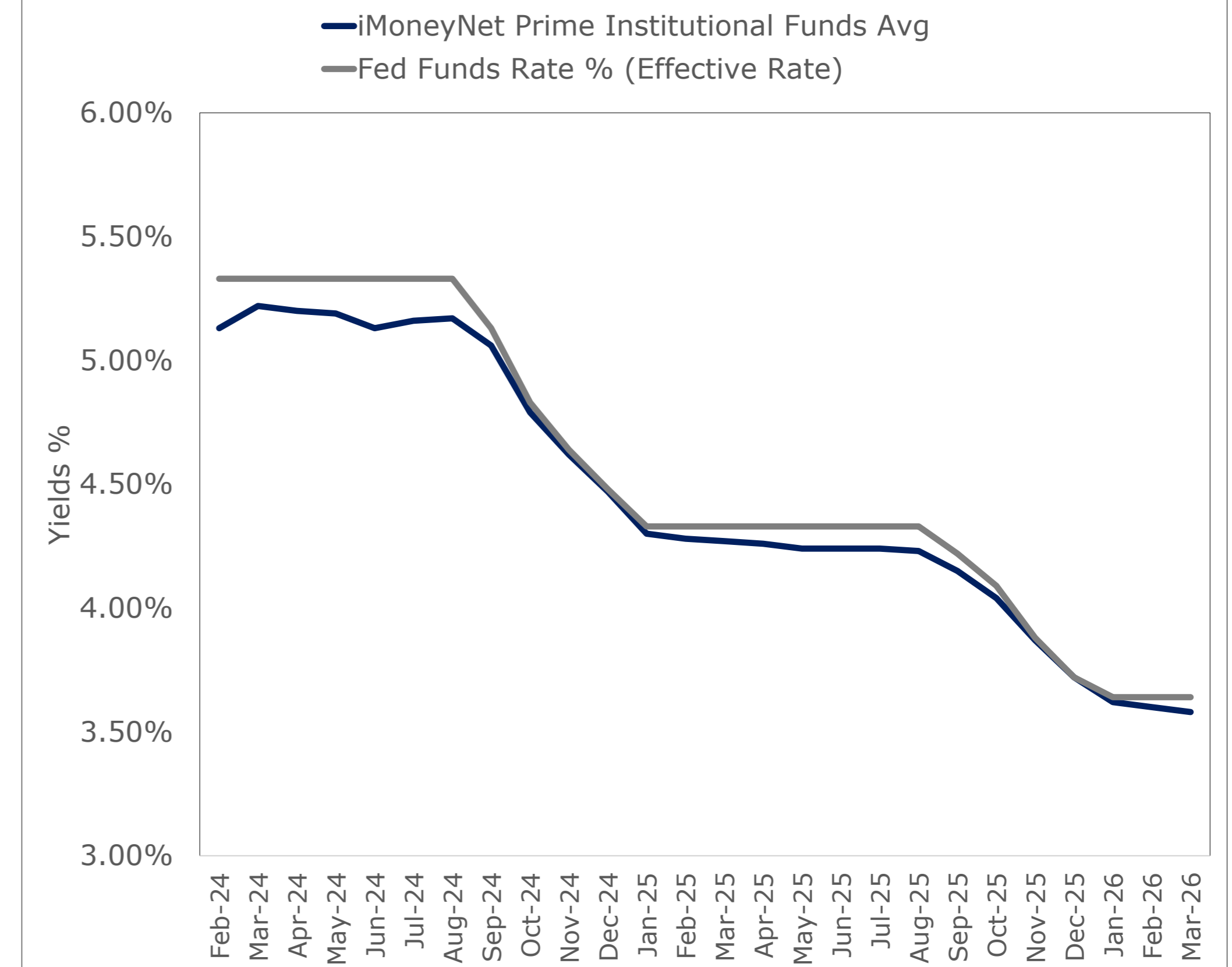
Investors “seek safety” in cash due to oil prices surges and inflation fears

- Relative Safety, liquidity, and competitive yields continue to draw investors to money market funds.
- Institutional Prime money market funds are providing competitive yields to the Fed Funds Rate.

US Money Market Funds Assets (\$ Billions)



**Institutional U.S. Prime Money Market Funds vs. Fed Funds Rate %
February 2024 – March 2026**



Sources: Bloomberg, iMoneyNet, and Federal Reserve Bank, St. Louis, 3/31/2026

Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Economic Scenarios



Scenario-specific investments

Investors with differing views on the direction of the economy may consider entry points for new investments or seek to re-allocate across existing portfolios based on their particular economic outlooks. The asset categories below have shown the potential to add to portfolio performance under these respective scenarios.

Growth Stabilization with Broader Leadership (Soft Landing Plus):

- Inflation moderates gradually, growth remains positive, and markets broaden beyond mega-caps

- Equity US all capitalizations
- International developed large -cap equity
- International small-mid cap
- Intermediate-term bonds
- Corporate bonds
- Municipal bonds

Prolonged Inflation Volatility (Higher for Longer):

- Inflation remains sticky, energy prices stay elevated, and policy easing is delayed.

- Dividend investing
- Value equity
- Asset allocation
- Short-term bonds < 1-year durations
- Short-term bonds
- Floating rate bonds
- Inflation-protected bonds

Risk-On Re-acceleration:

- Geopolitical tensions ease quickly, inflation expectations fall, and markets price aggressive rate cuts.

- Large growth
- Mid-cap growth
- Small-cap growth
- International developed growth
- Emerging markets equity
- High yield bonds
- Emerging markets bonds

Downside Shock/Hard Landing (Tail Risk) (Economic Recession):

- Growth deteriorates and financial conditions tighten.

- Alternatives
- Money market instruments
- Short-term bonds <1-year durations
- Government bonds

As of March 31, 2026

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Growth Stabilization Broader Leadership (Soft Landing Plus)

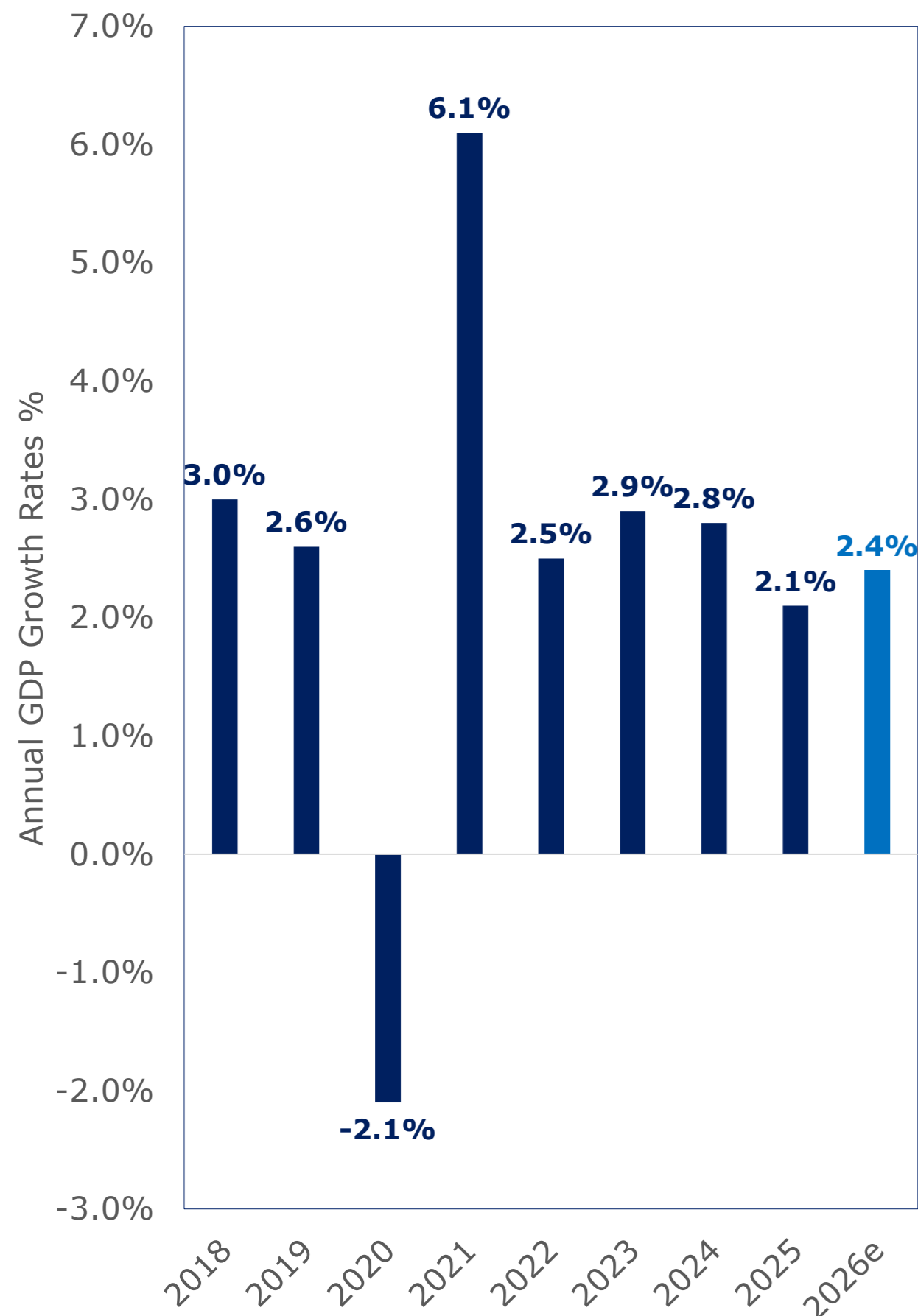


Growth Stabilization scenario: Economic indicators

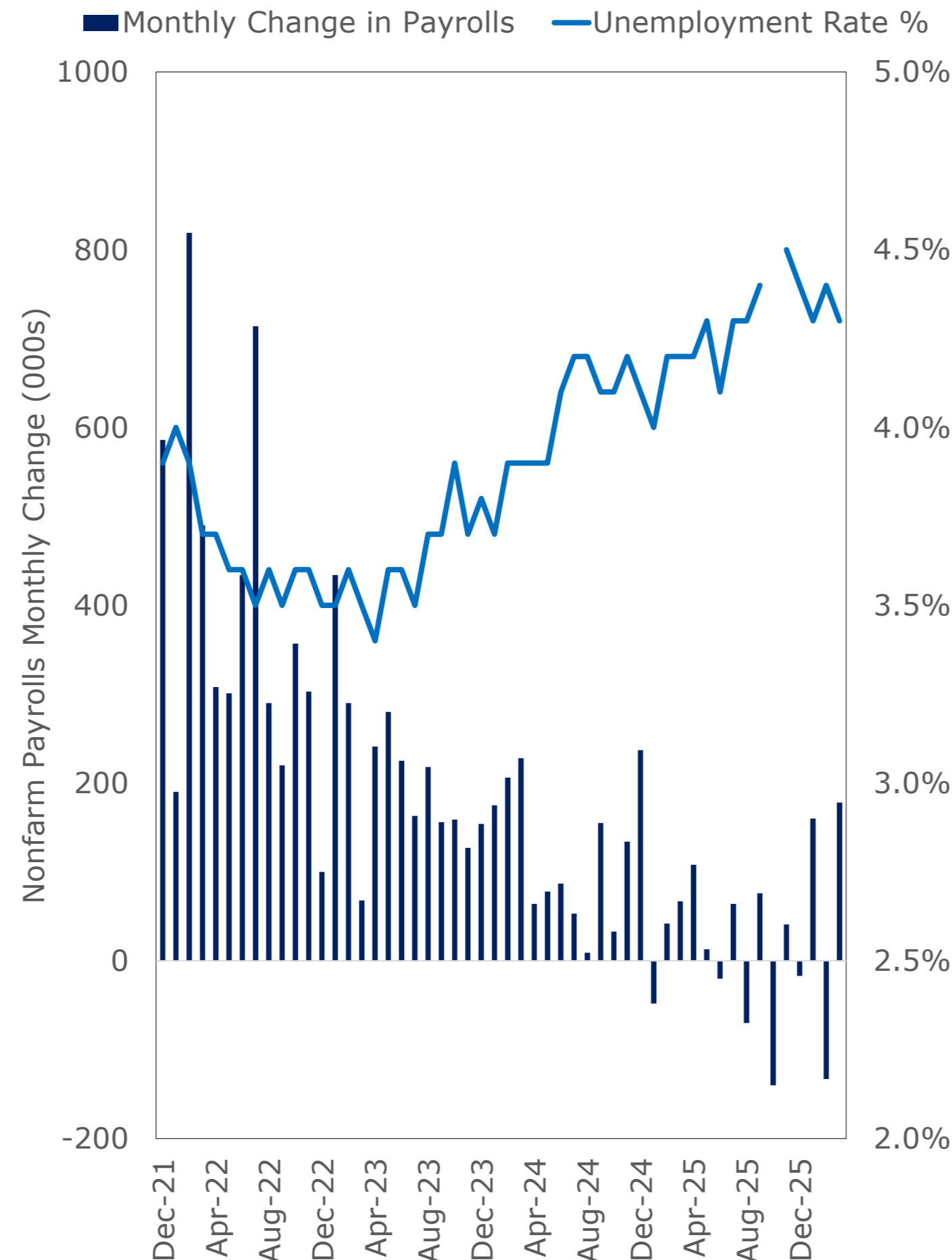
Signals of a Soft Landing and broader market leadership

- In a Growth Stabilization Broadening Market (Soft Landing Plus), GDP Growth would expand to 2.4%, the Fed's March 2026 Statement of Economic Projection.
- The Labor Market would remain resilient with no declines in Nonfarm payrolls while unemployment would remain stable in the current 4.0% – 4.5% range.
- The Federal Reserve would likely ease rates to provide growth support.
- AI Capex (capital expenditures) would provide business investment structural growth.

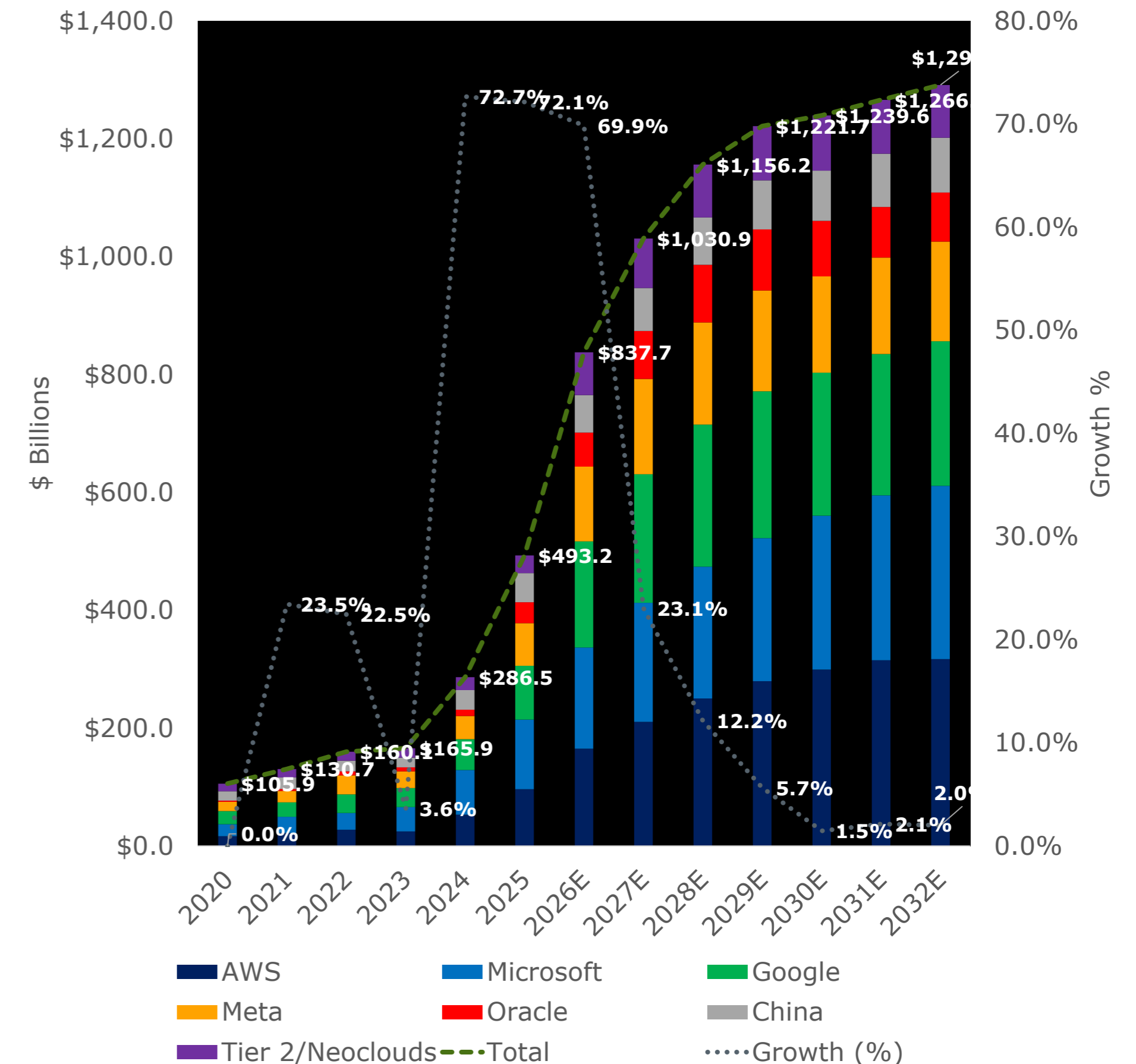
Annual US GDP Growth Rates %



US Employment



Hyperscalers: Capex Projections



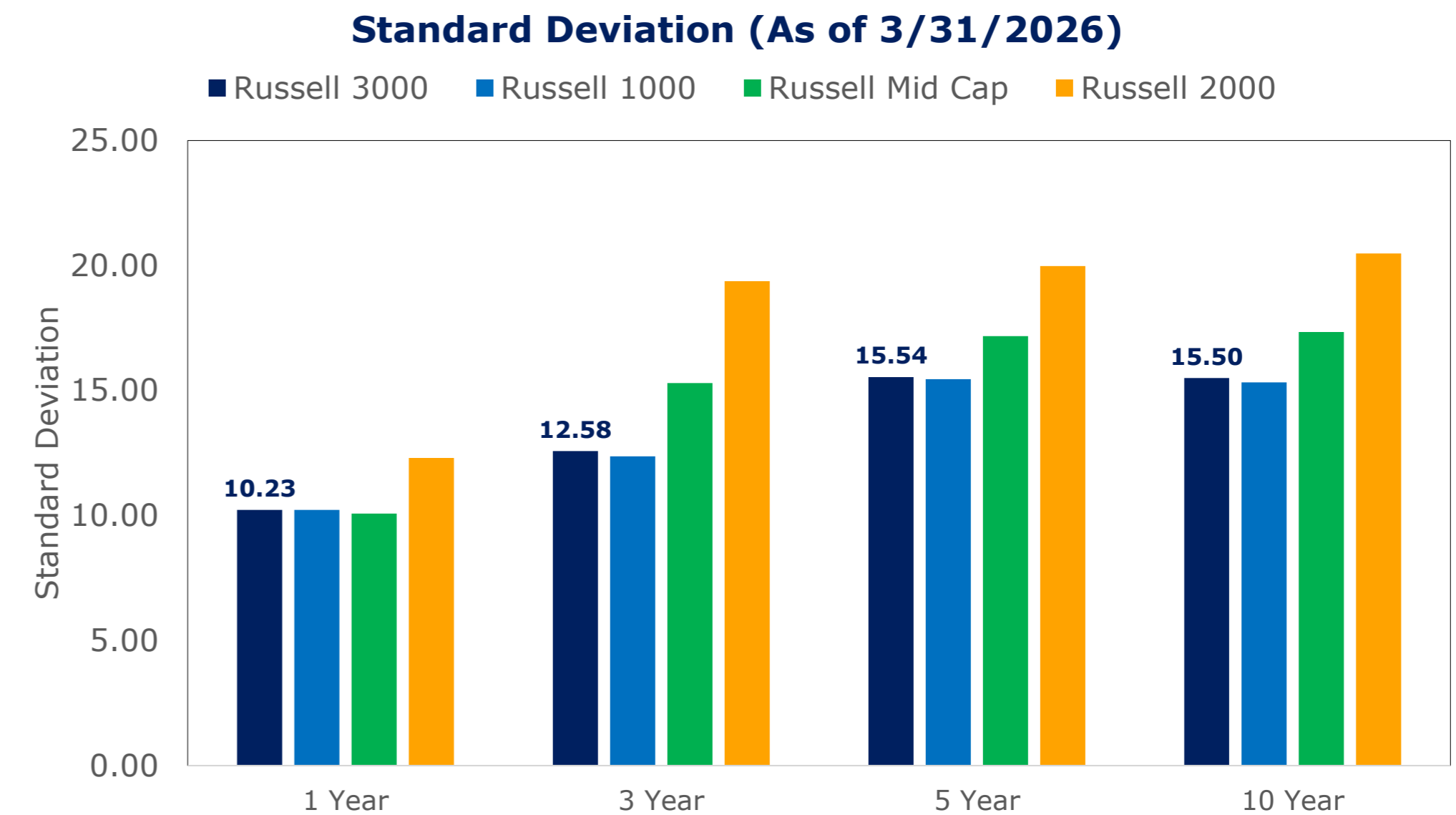
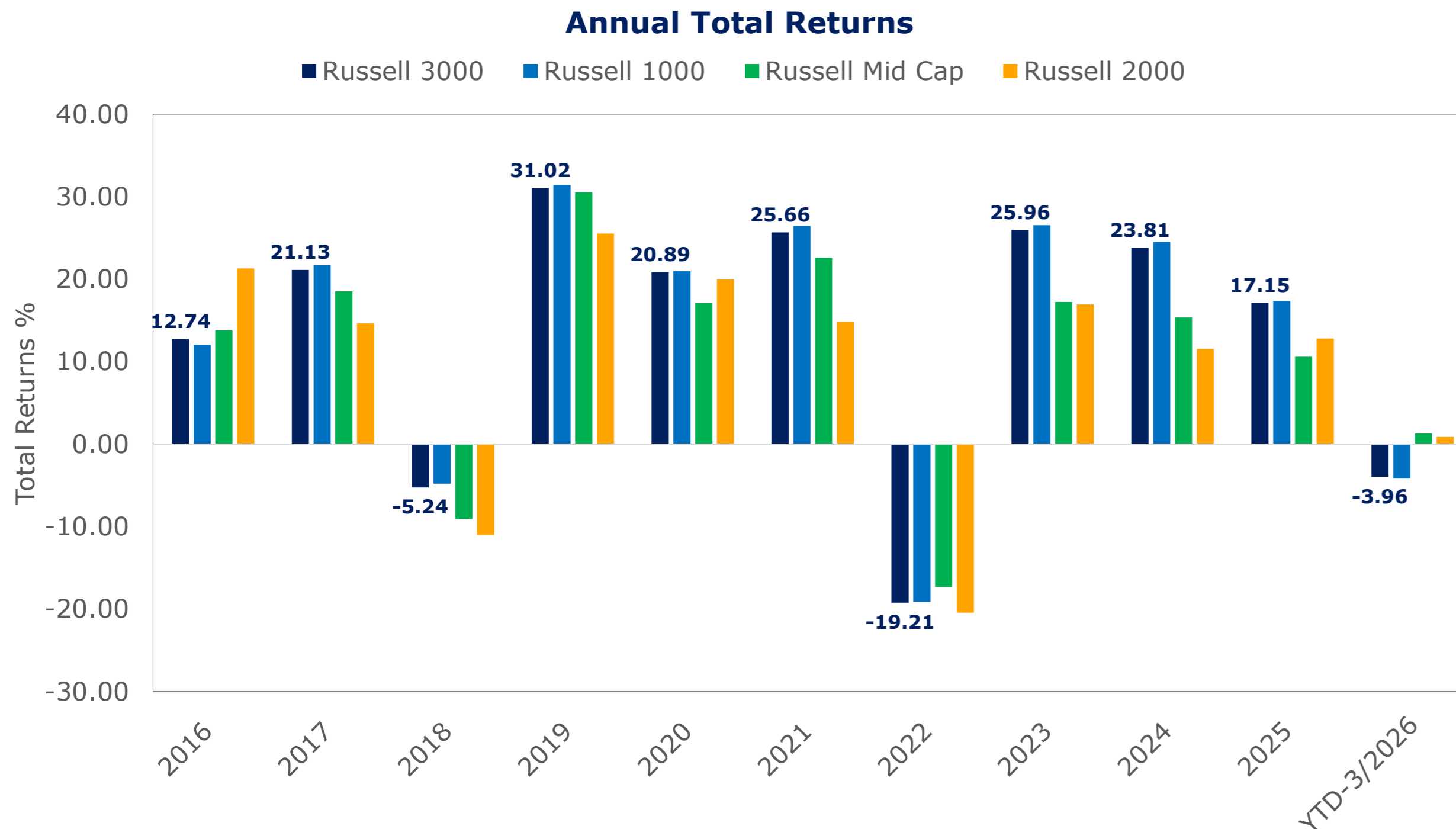
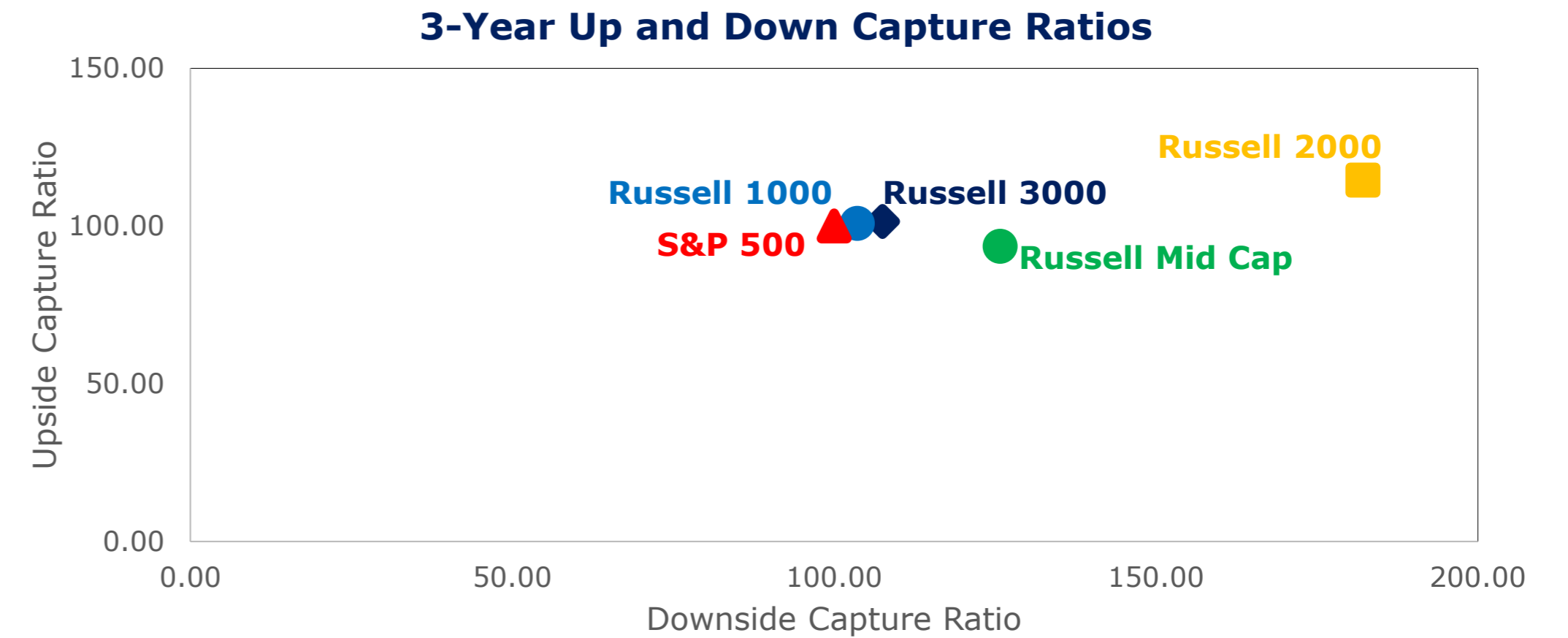
Source: Bloomberg, 3/31/2026

Equity US All-Capitalizations Investing

Helps provides portfolio diversification across Large, Mid, and Small Cap markets

All-Cap investing provides:

- **Diversification potential:** Provides exposure to Large, Medium and Small Cap companies in one portfolio.
- **Stock selection flexibility:** managers have greater flexibility when it comes to stock selection due to available larger investment universe.
- **An All-Cap strategy** may give an investor an efficient “one stop shop” for U.S. equities in a well-diversified, straight-forward portfolio.

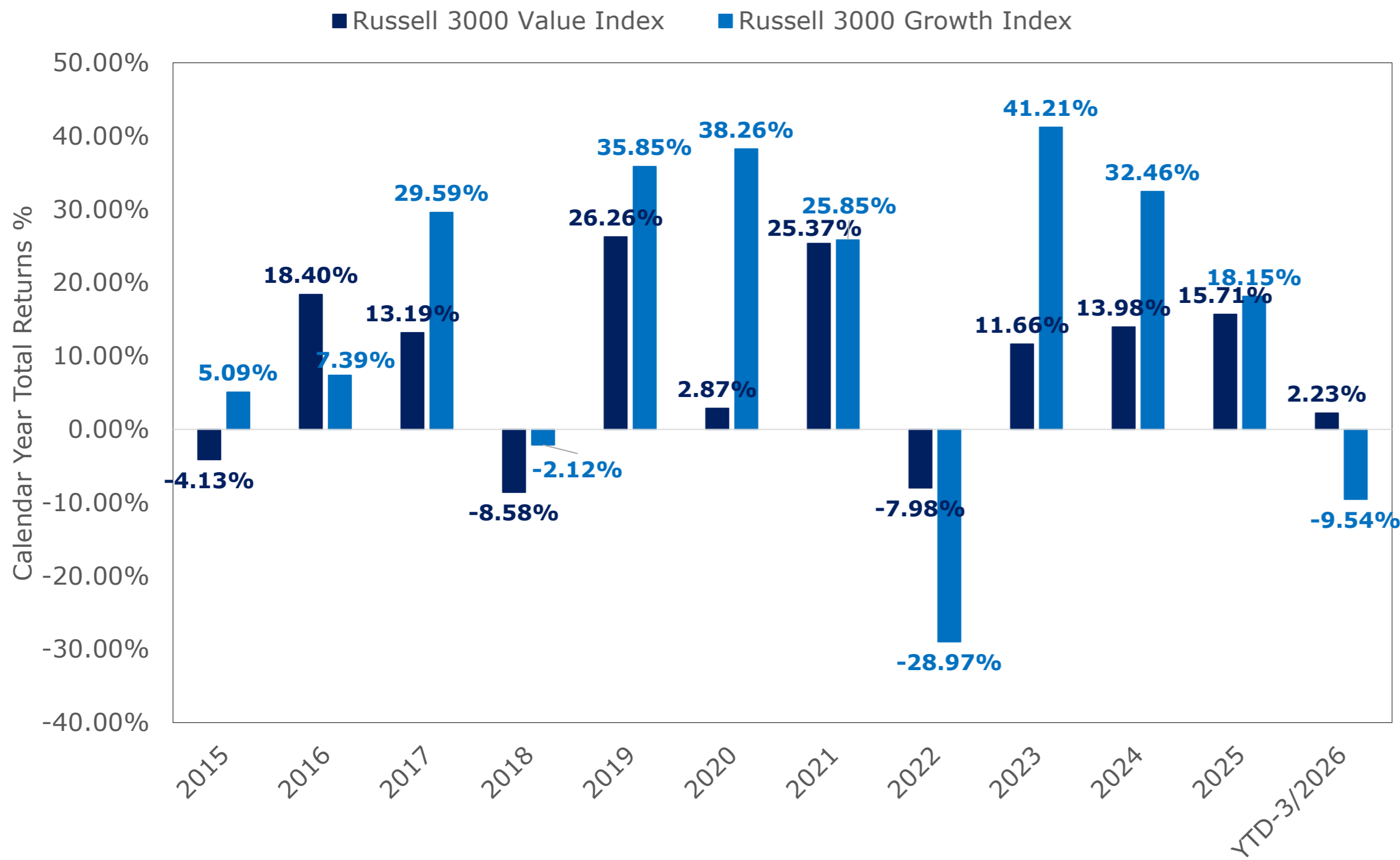


Value Equity Investing

Navigating cyclical and defensive sectors

- History shows that the performance of growth stocks and value stocks has been cyclical. Investing in both styles can be prudent.
- The 2016 and 2017 annual total returns show how quickly one style can fall out of favor.
- Value stocks have outperformed Growth year-to-date in 2026, as heightened market volatility and a shift away from mega-cap concentration favor lower valuations and quality fundamentals.
- The rotation is underpinned by supportive fiscal and monetary policy, a broad-based recovery in economic activity, and a broadening of AI investment into infrastructure-related sectors like industrials.

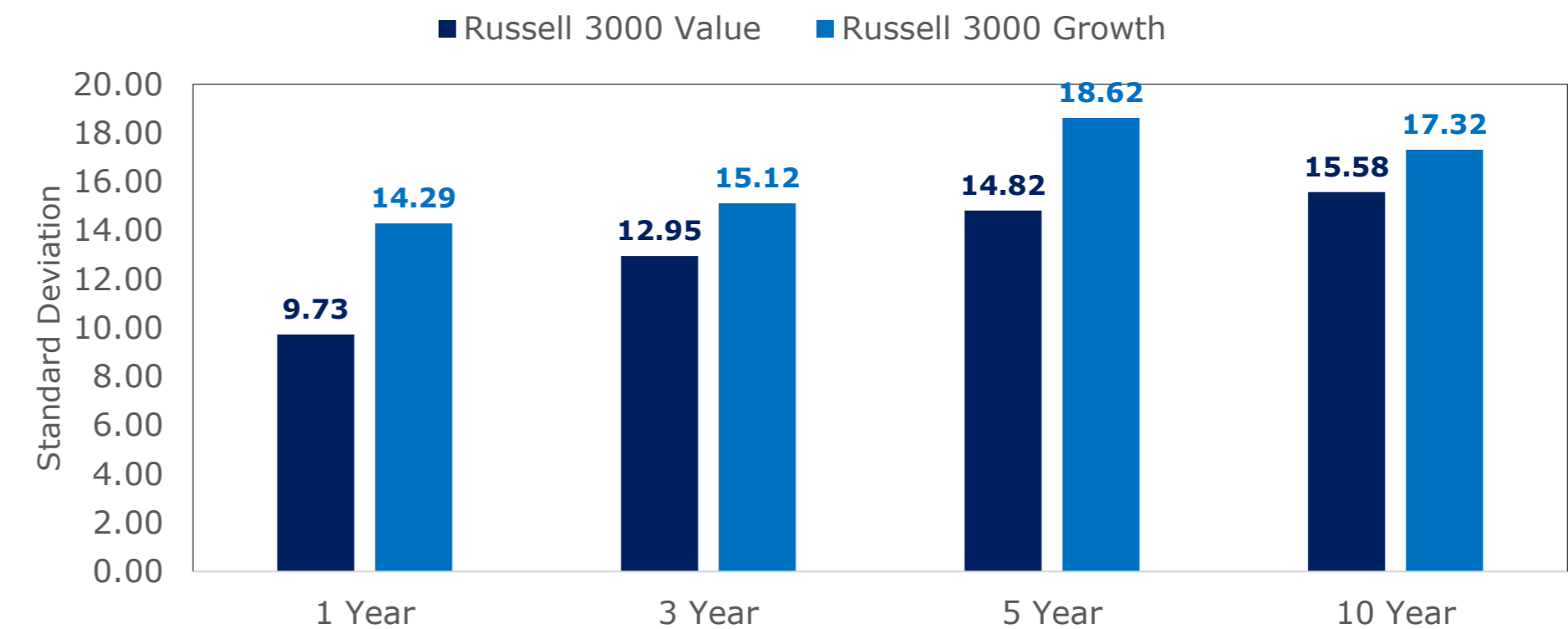
Annual Total Returns: 2015 - 2026



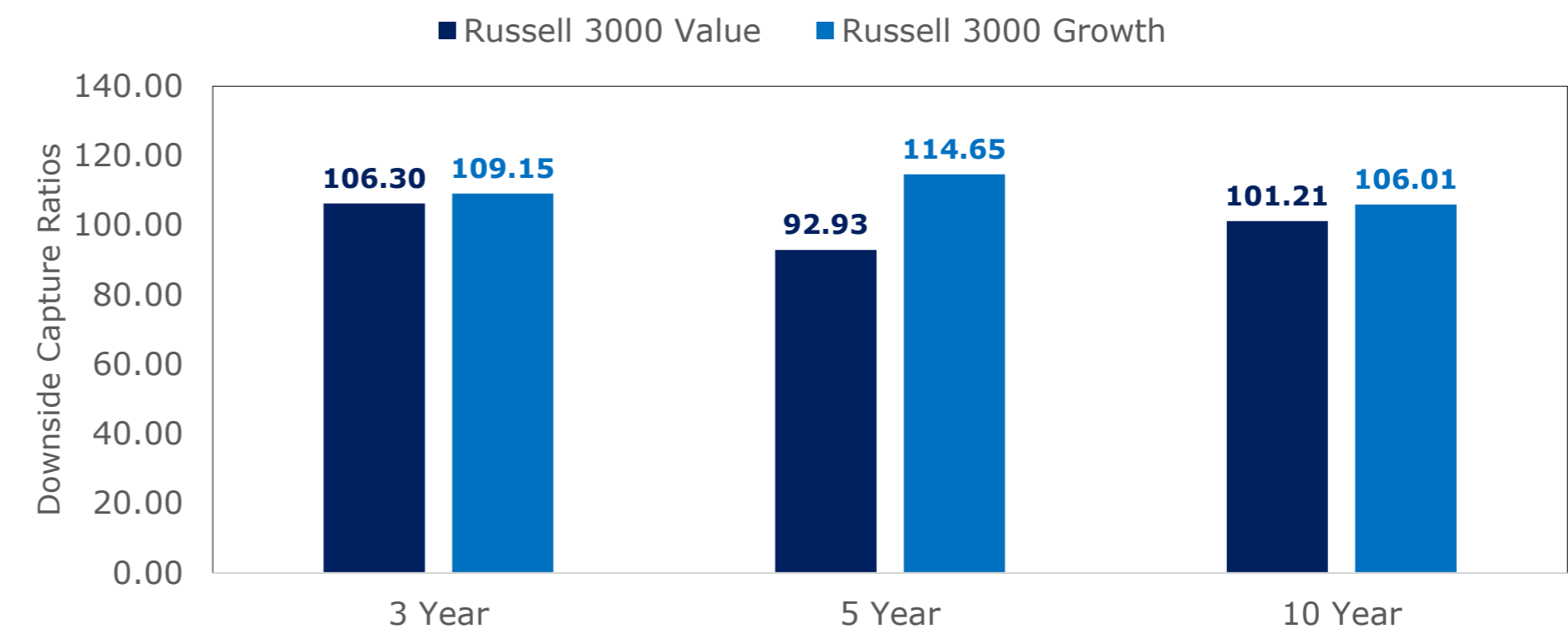
Sources: Bloomberg, Inc., 3/31/2026

Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Standard Deviation (As of March 31, 2026)



Downside Capture Ratios (As of March 31, 2026)



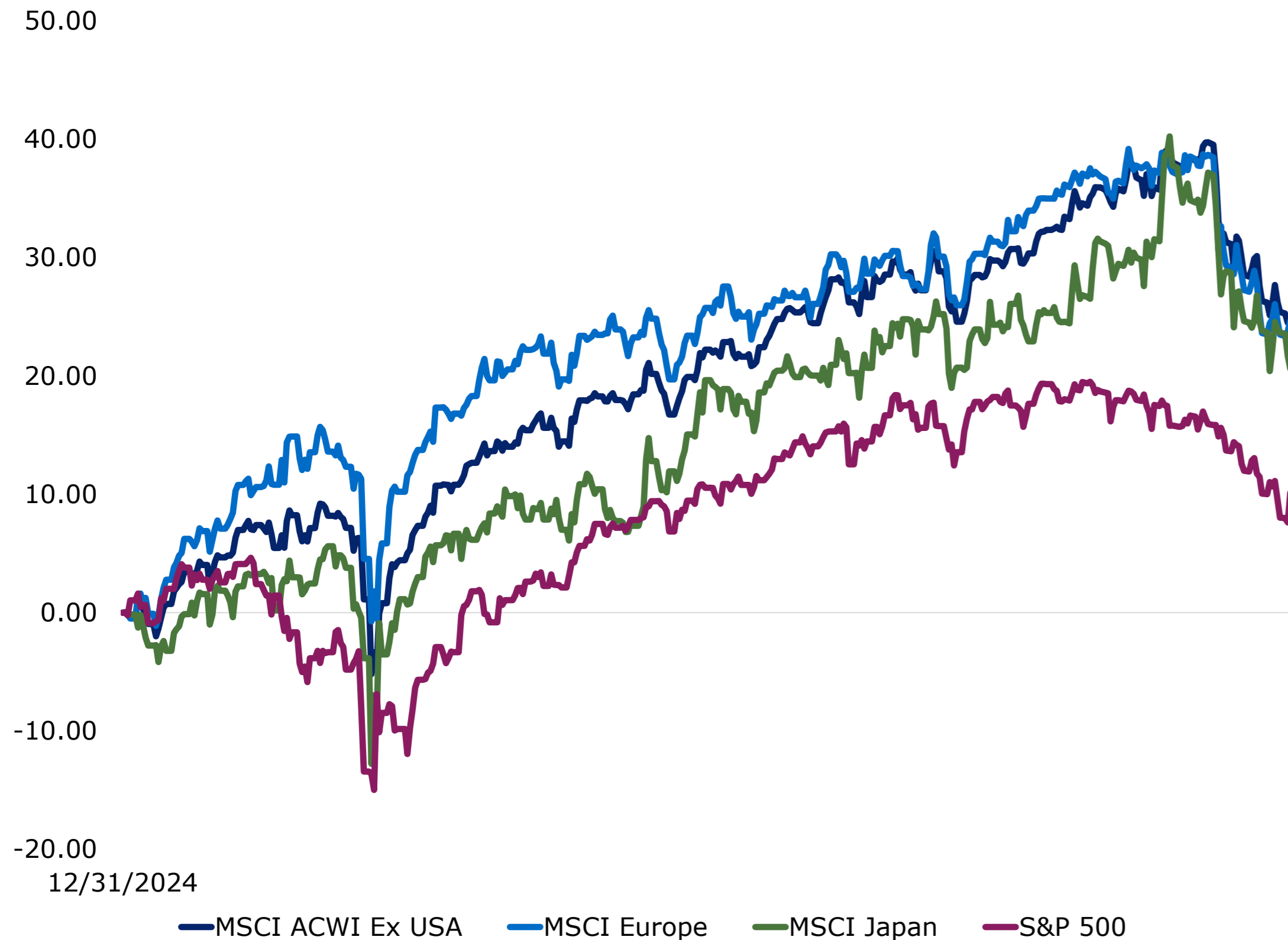
The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. Value stocks may lag growth stocks in performance, particularly in late stages of a market advance. Due to their relatively high valuations, growth stocks are typically more volatile than value stocks.

International Equity Investing

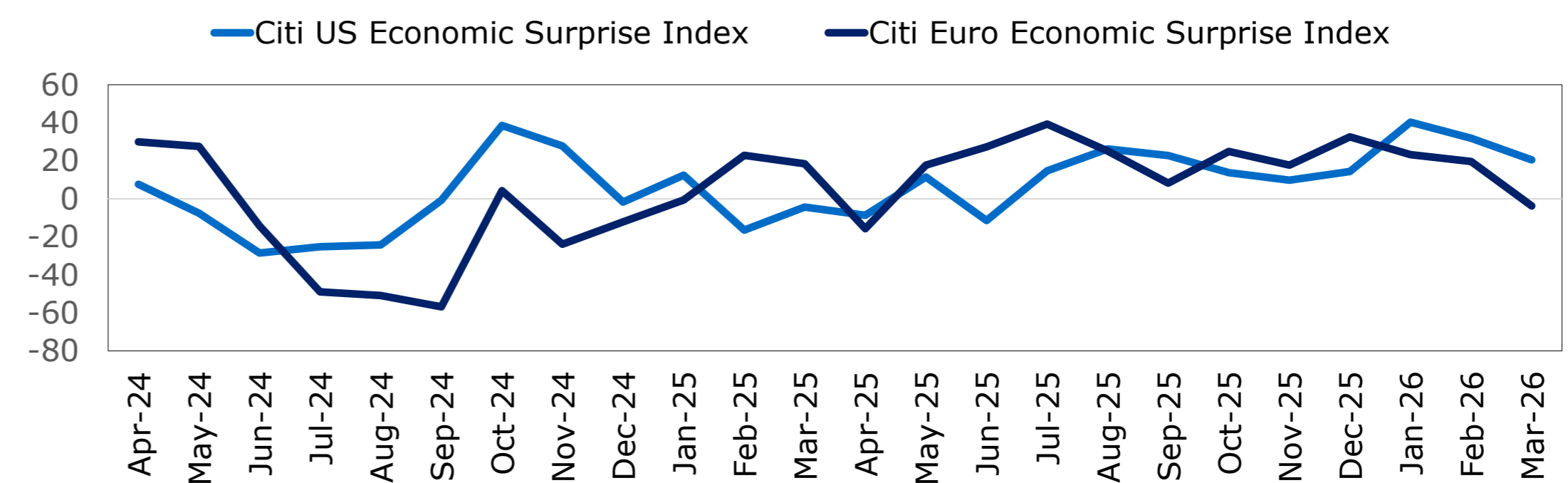
Diversification and growth potential abroad

- Since the start of 2025, International Equity has outperformed US Equity.
- A weakening US Dollar and tariff turmoil is weighing on economic expectations resulting in the Citi Euro Economic Surprise Index surpassing the Citi US Economic Surprise Index.
- International Equities are less reliant on Technology and Communication Services Sectors and more overweight in Defensive Sectors (Finance, Materials) as compared to the US.
- Adding International Equity exposure can broaden portfolio diversification.

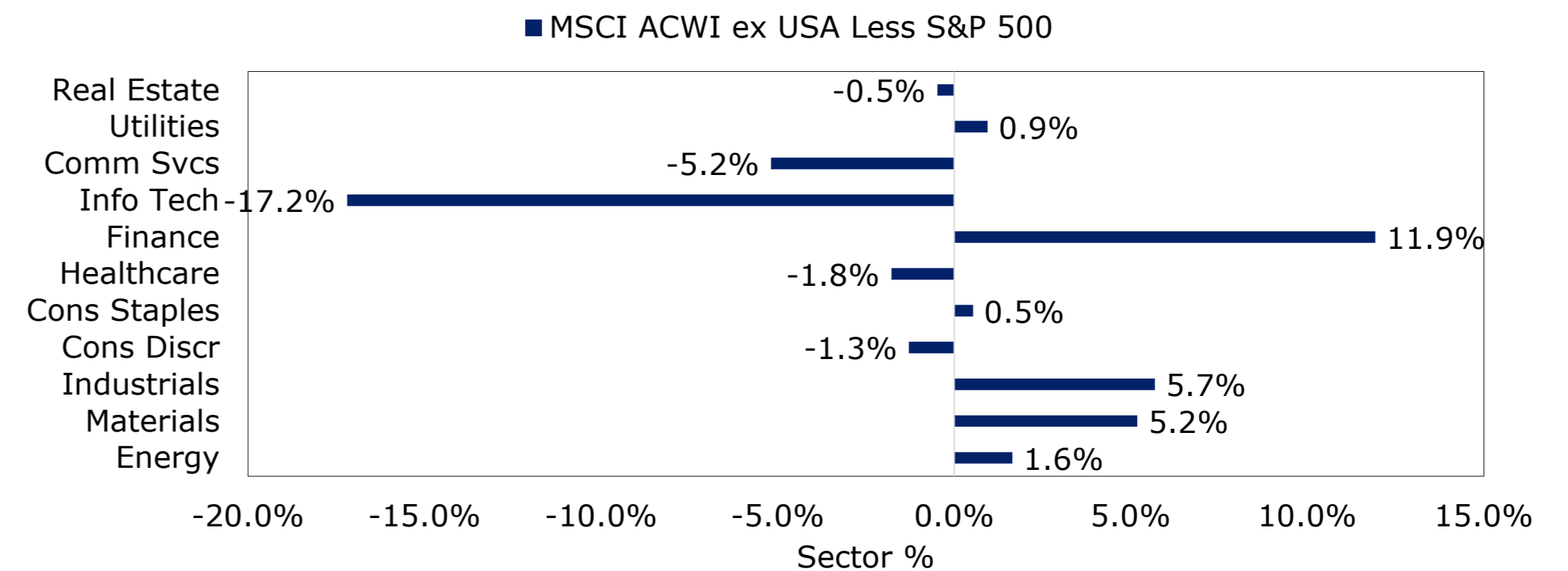
YTD-3/31/2026 Performance



Economic Surprise Favors International



Greater Diversification

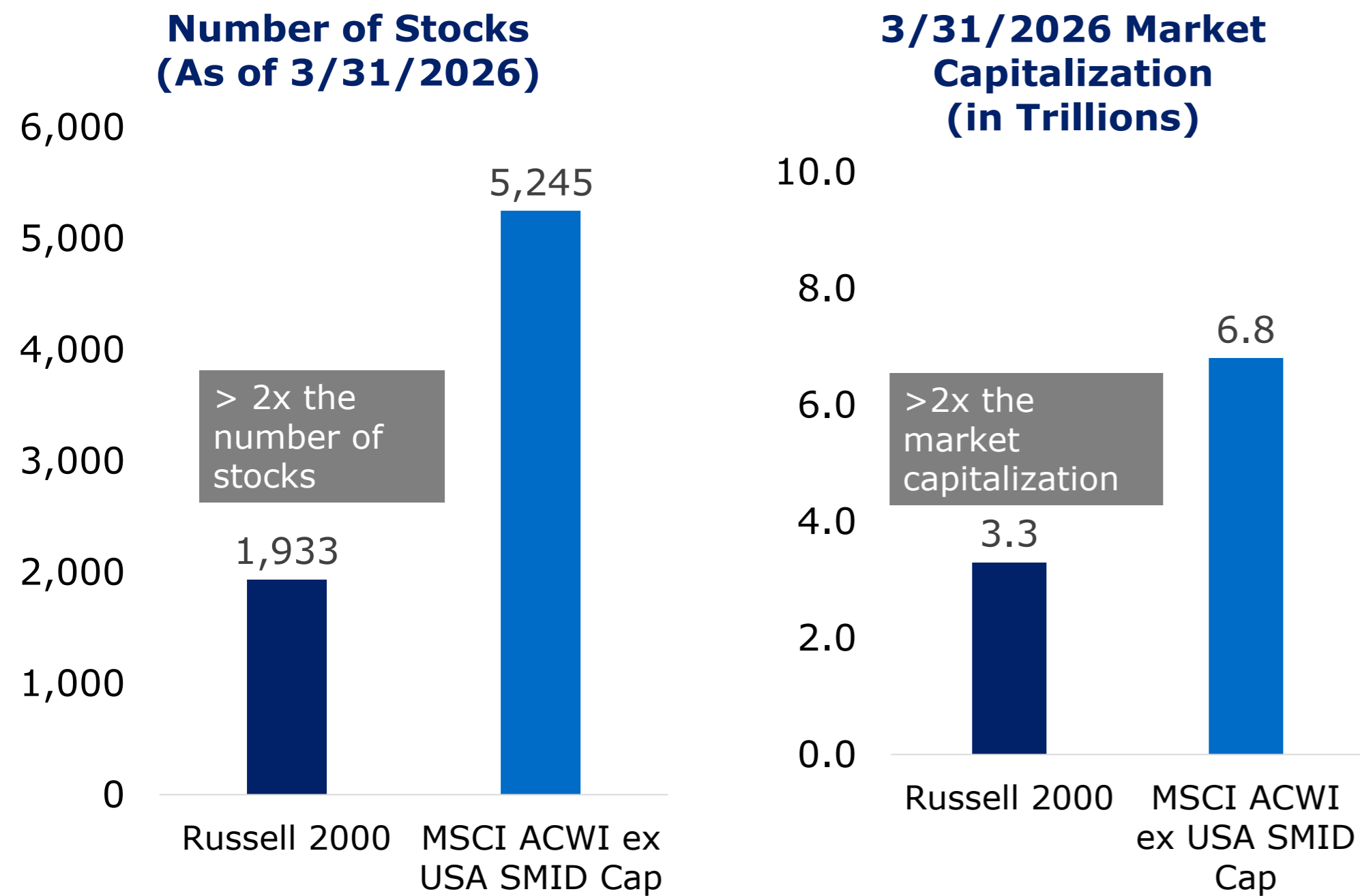


The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

International Small/Mid Company Investing

Unlocking potential in small and mid-sized companies

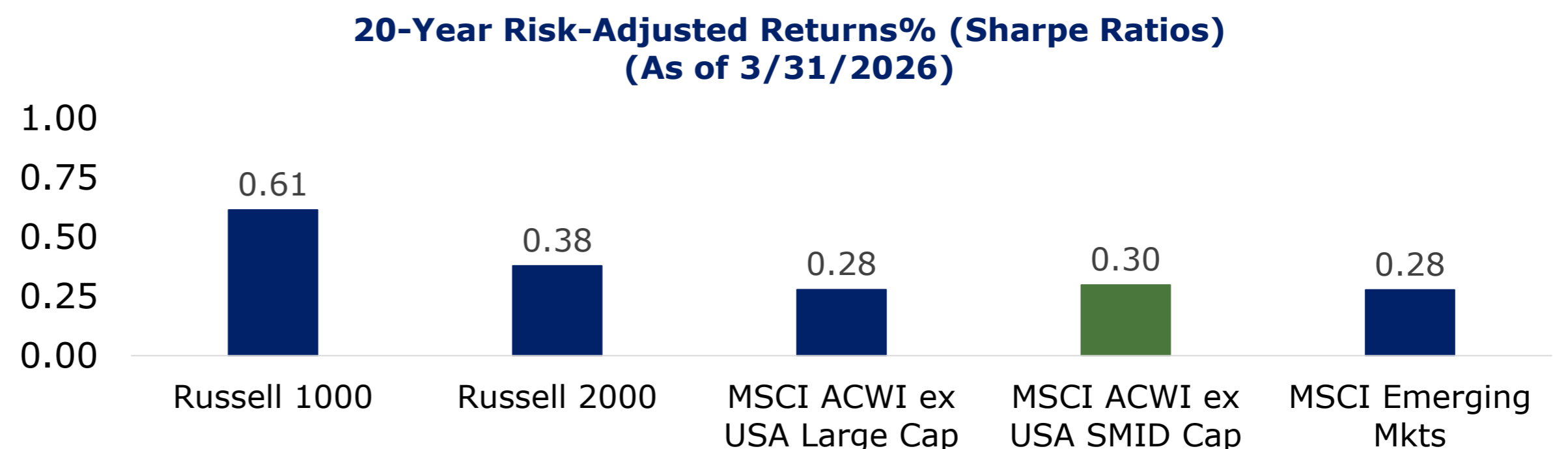
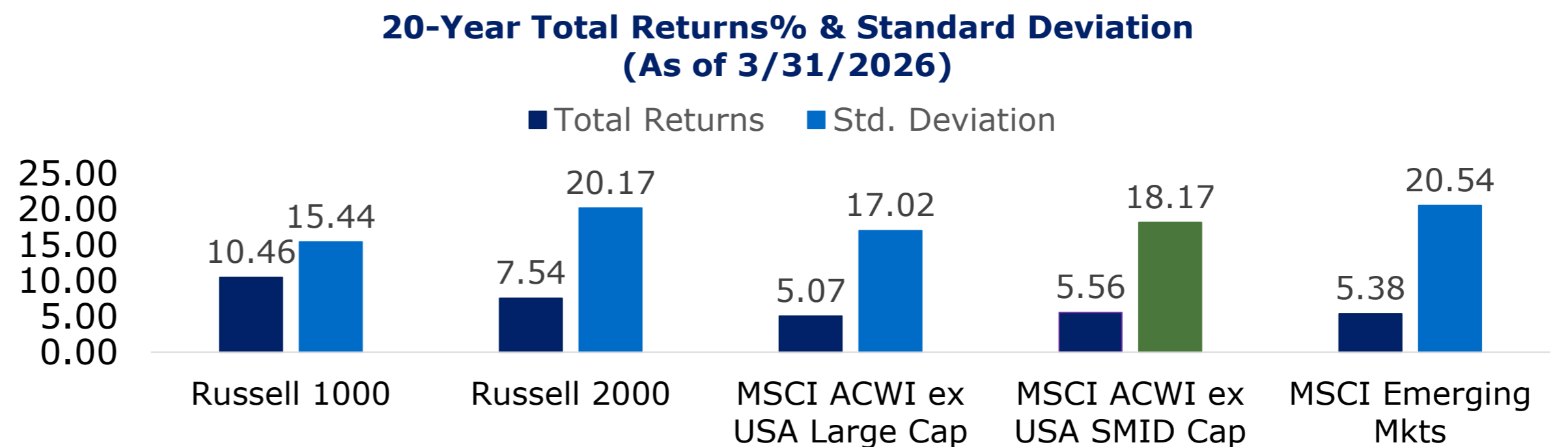
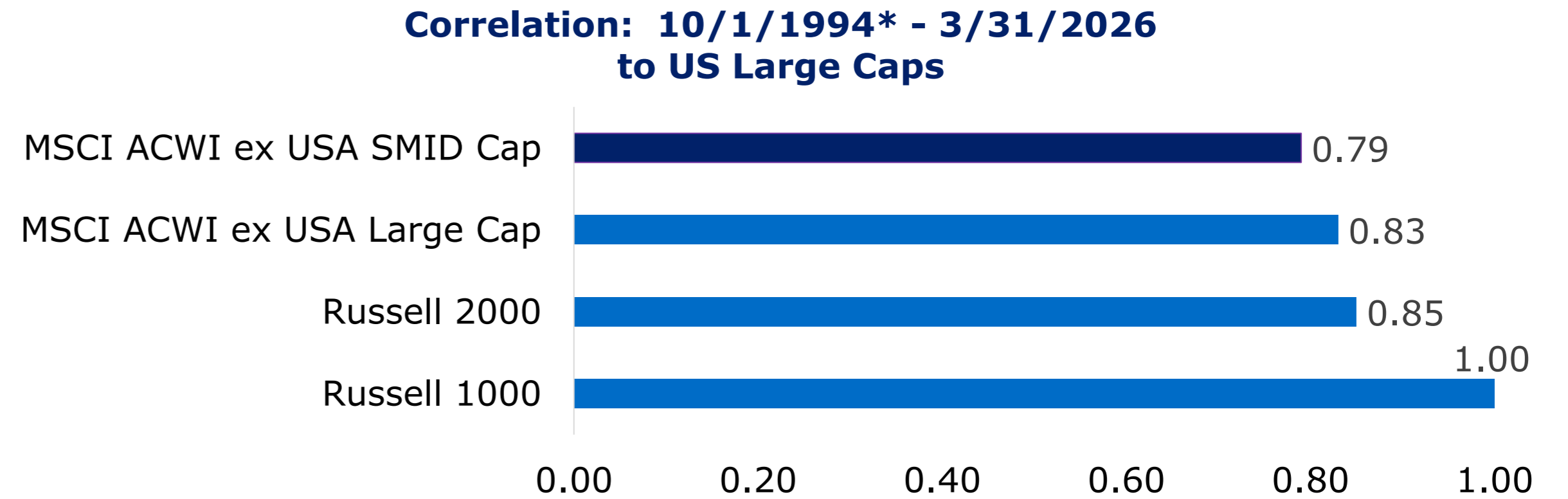
- International Small/Mid Company strategies have helped provide:
- Attractive diversification to US Large Cap stocks, as measured by lower correlation of monthly returns.
 - Lower volatility (standard deviation) than US Small Caps over the past 20 years.
 - A large opportunity universe of stocks and broad market cap range attempting to provide active managers with greater alpha opportunities.



Source: Bloomberg, 3/31/2026. *Inception of MSCI ACWI ex USA SMID Cap Index.

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The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.

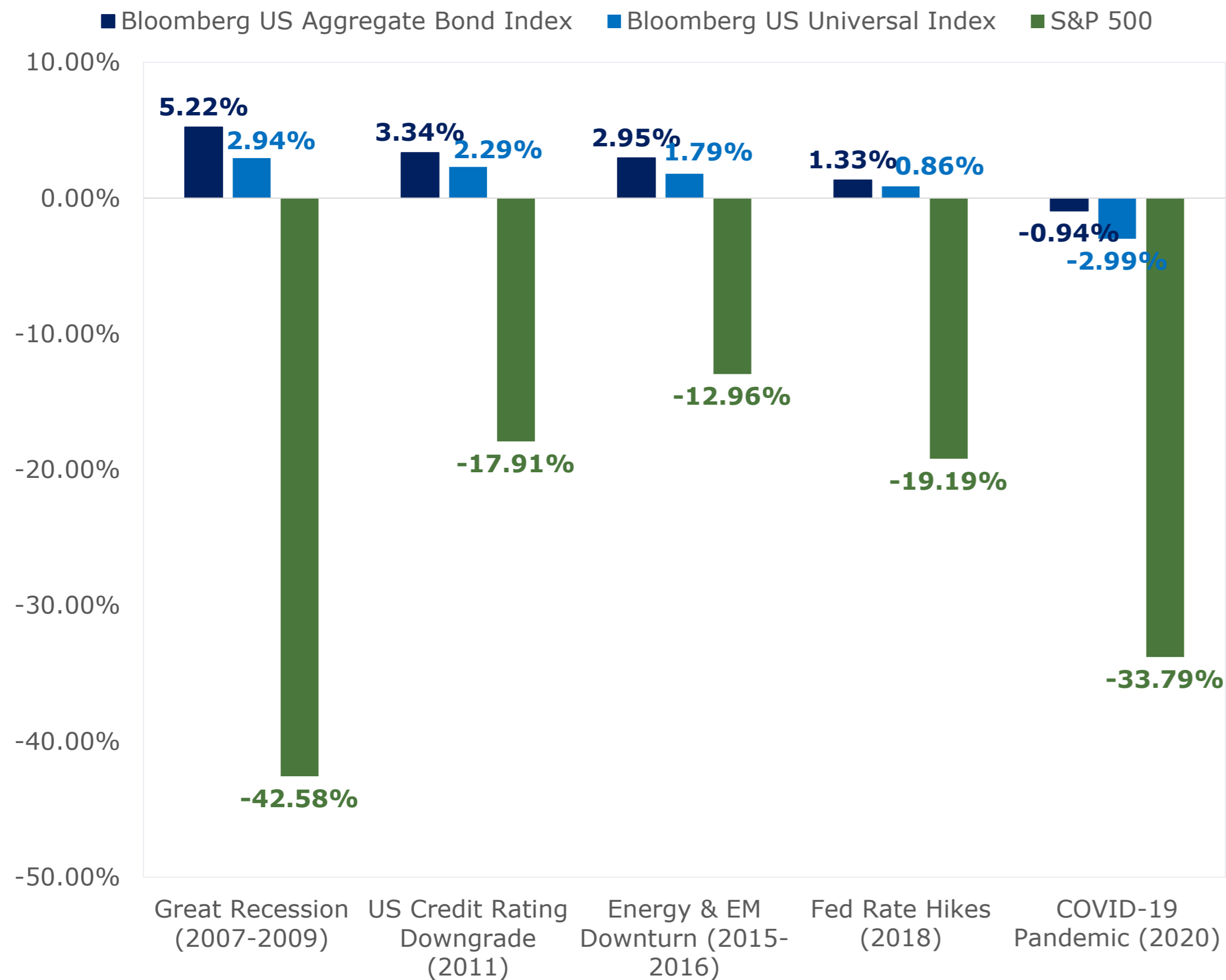


Intermediate-Term Bonds Investing

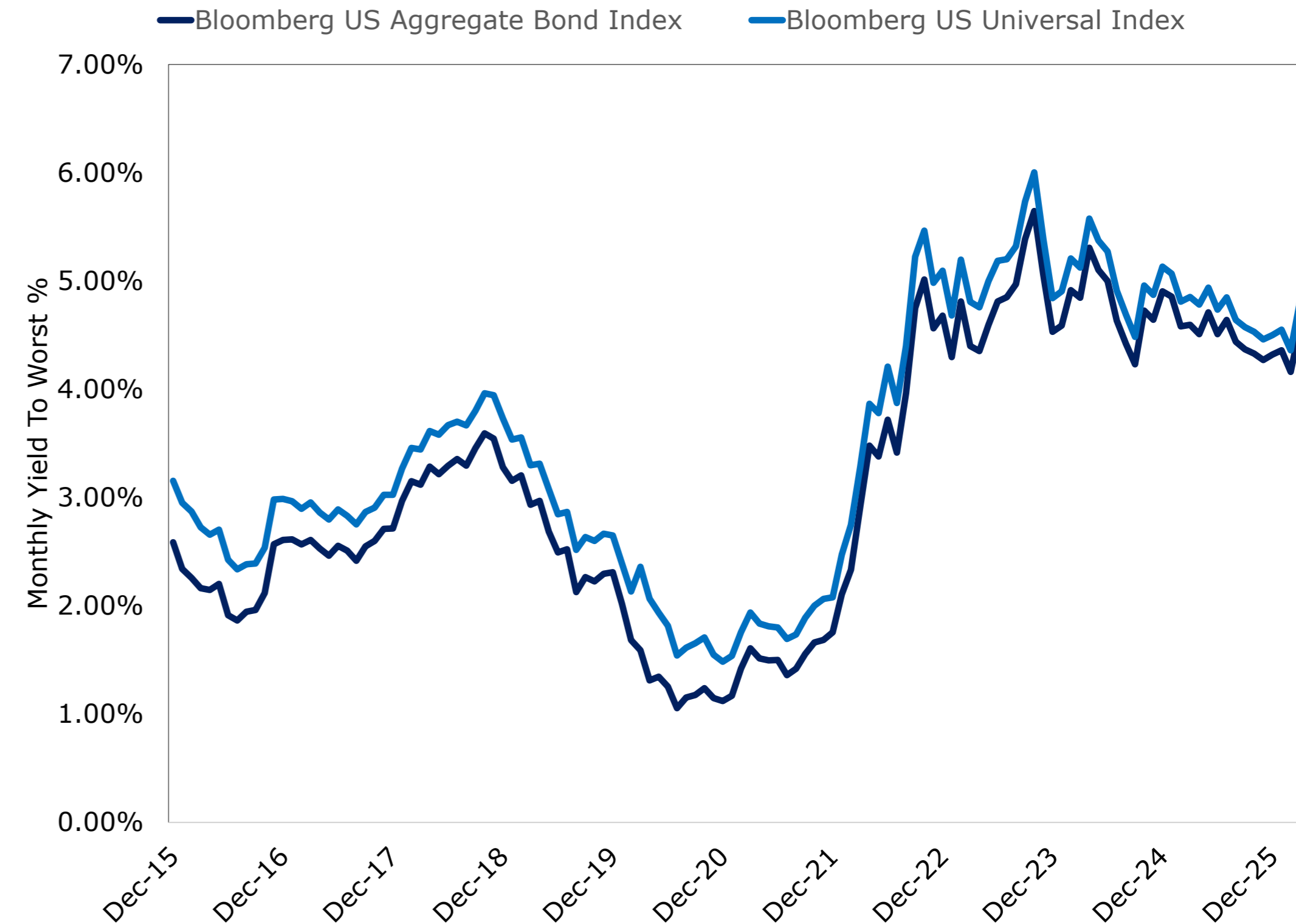
Potential for buffering risk and income

- Intermediate-Term Bonds have historically positive returns during equity downturns.
- The bonds may also provide consistent income.

Potential for Lower Downside Risk



Bloomberg US Aggregate Bond Index and Bloomberg US Universal Index Yields %



Sources: Bloomberg and Barclays, 3/31/2026

Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Small Cap Investing

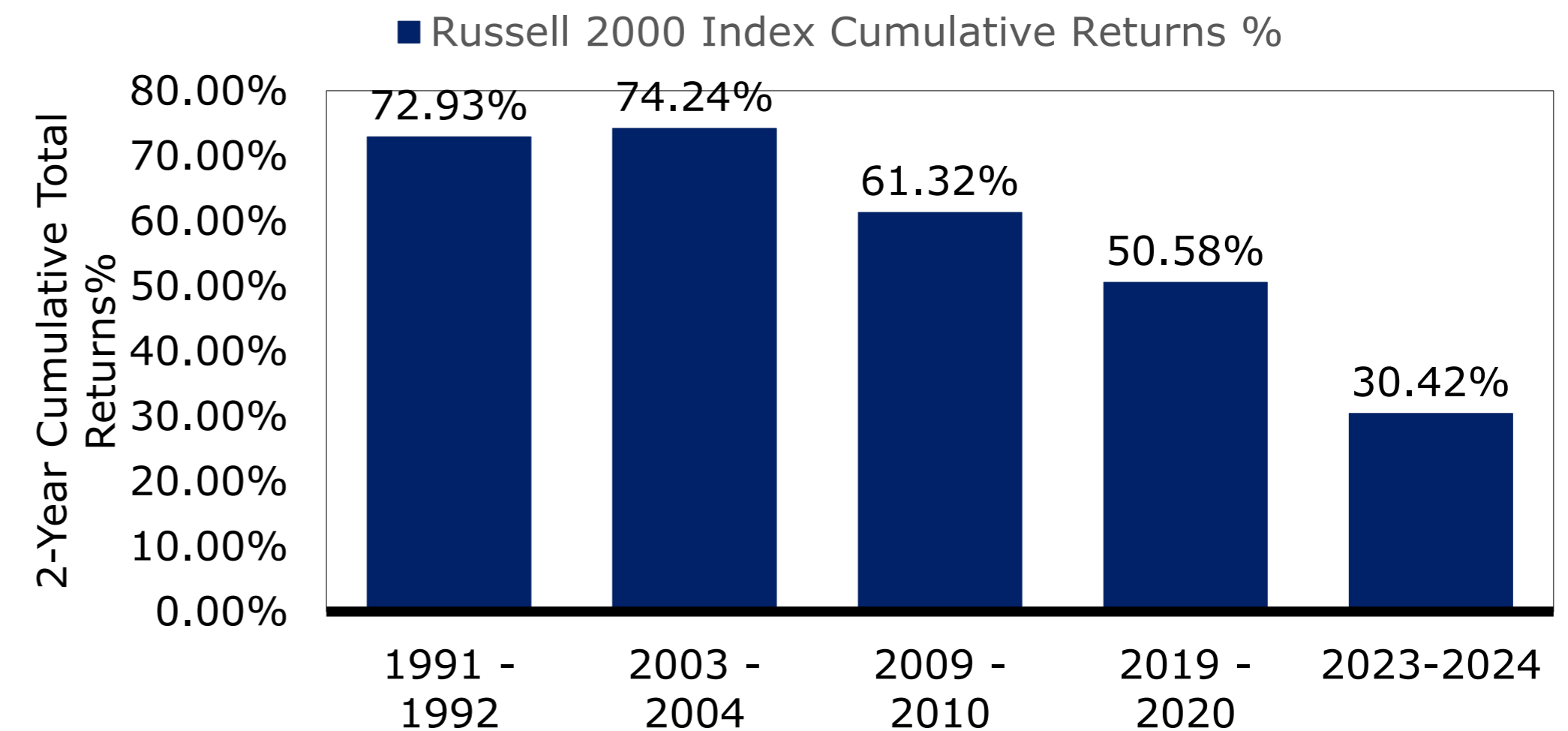
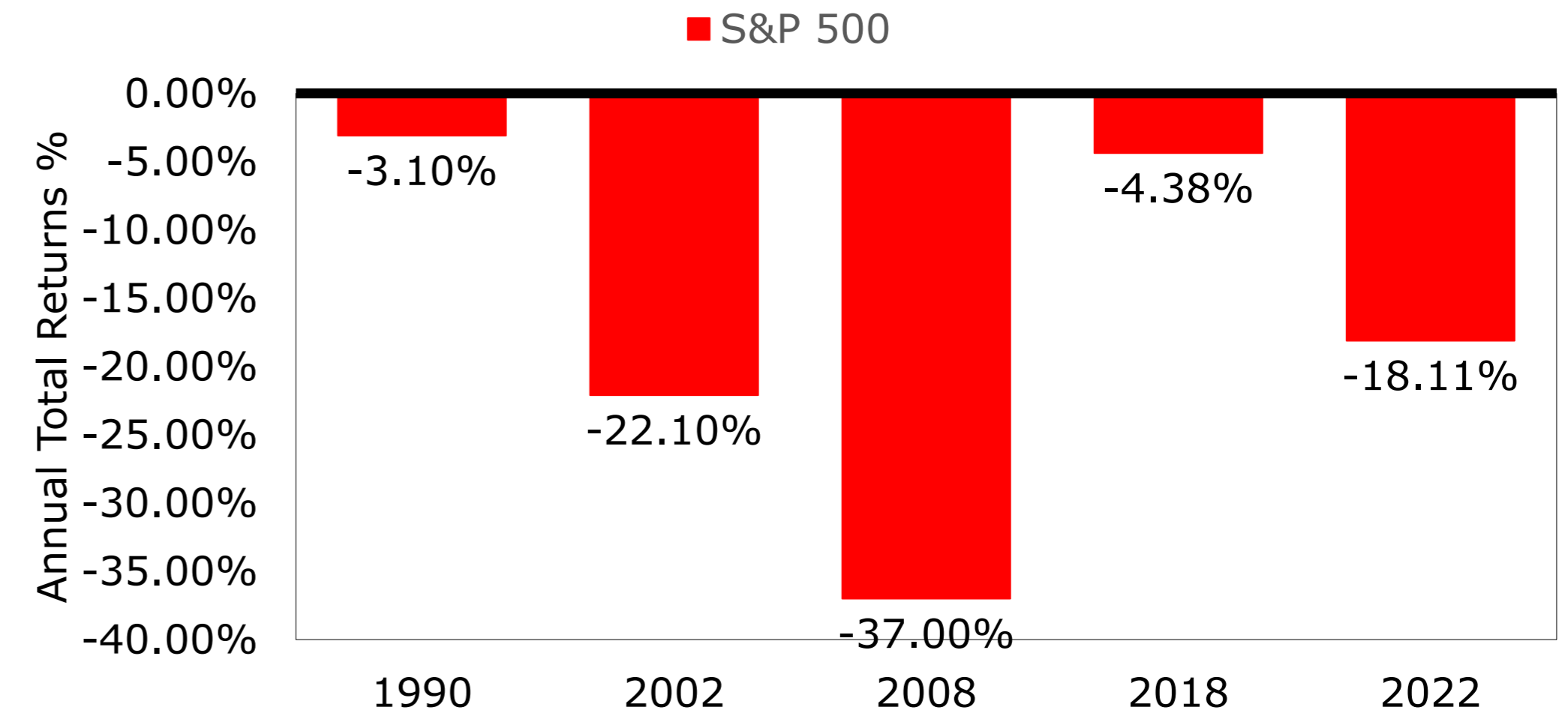
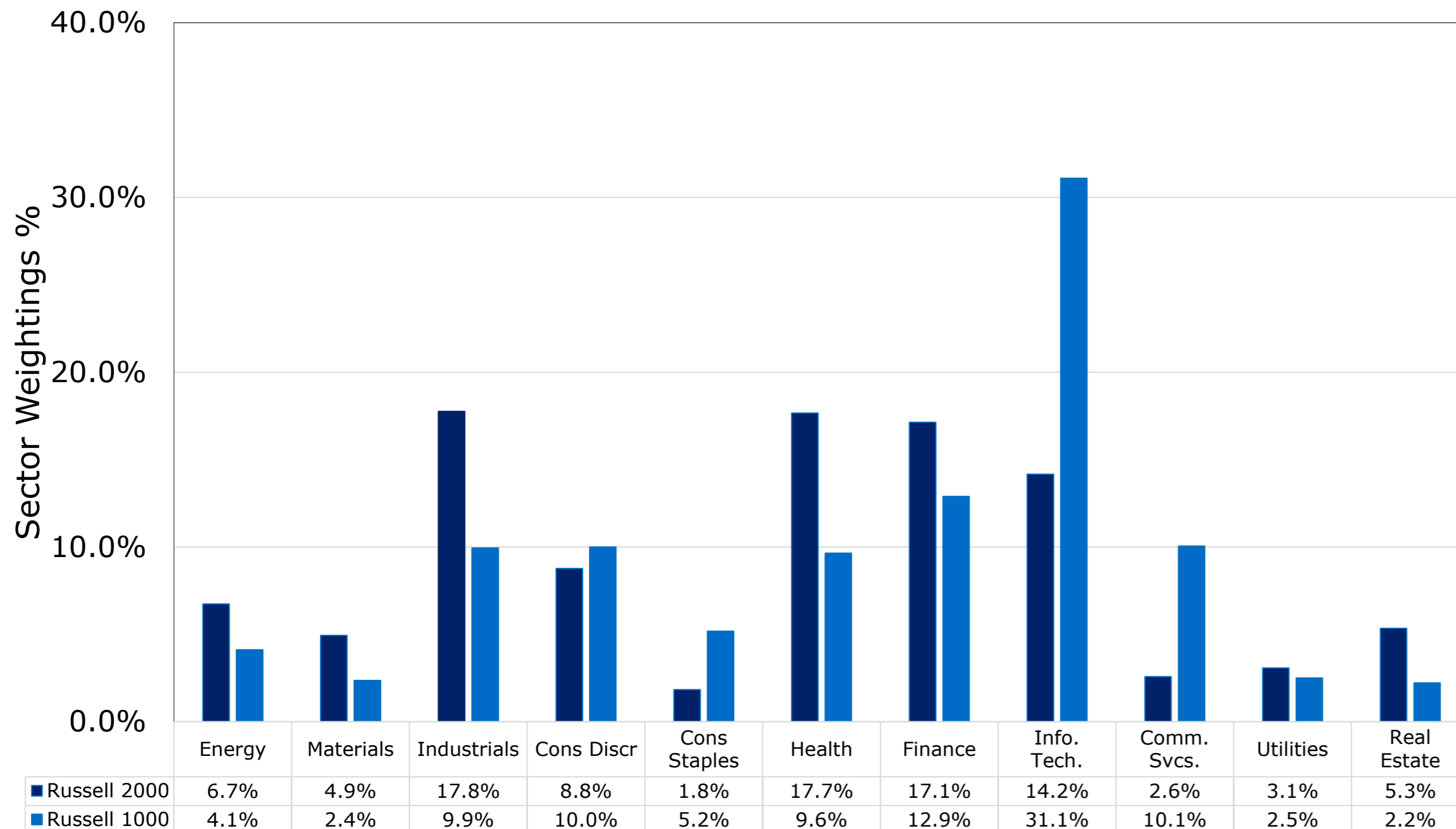
Diversification potential and total return potential

Small Cap investing attempts to provide:

- Greater diversification – Sector breadth is greater with Small Caps when compared to their Large Cap counterparts, which are more concentrated in the Technology sector.
- Revenue growth – Small Caps have the potential to grow earnings faster than Large Caps.
- Return potential – In the 2-year periods following market down years, Small Caps provided strong returns.

Sector Weightings % (As of 3/31/2026)

■ Russell 2000 ■ Russell 1000



Source: Bloomberg, 3/31/2026. Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

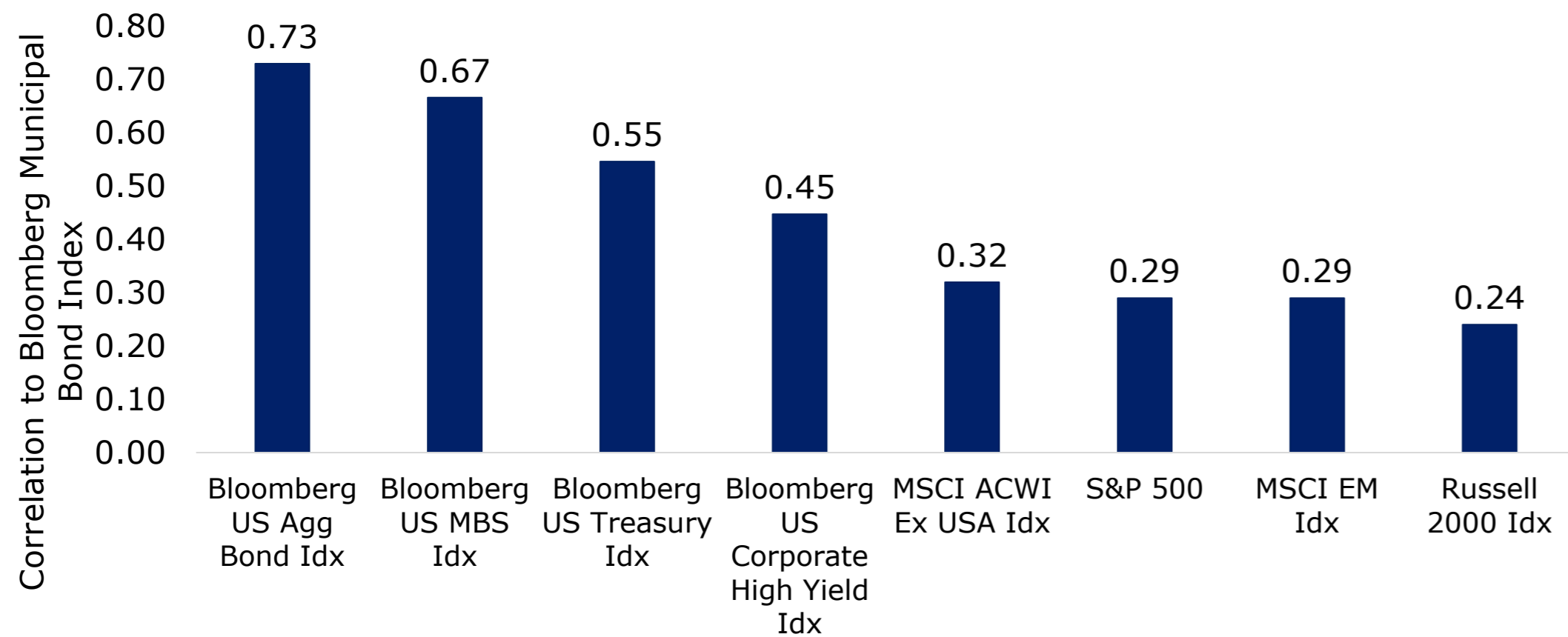
The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. Small company stocks may be less liquid and subject to greater price volatility than large company stocks.

Municipal Investing

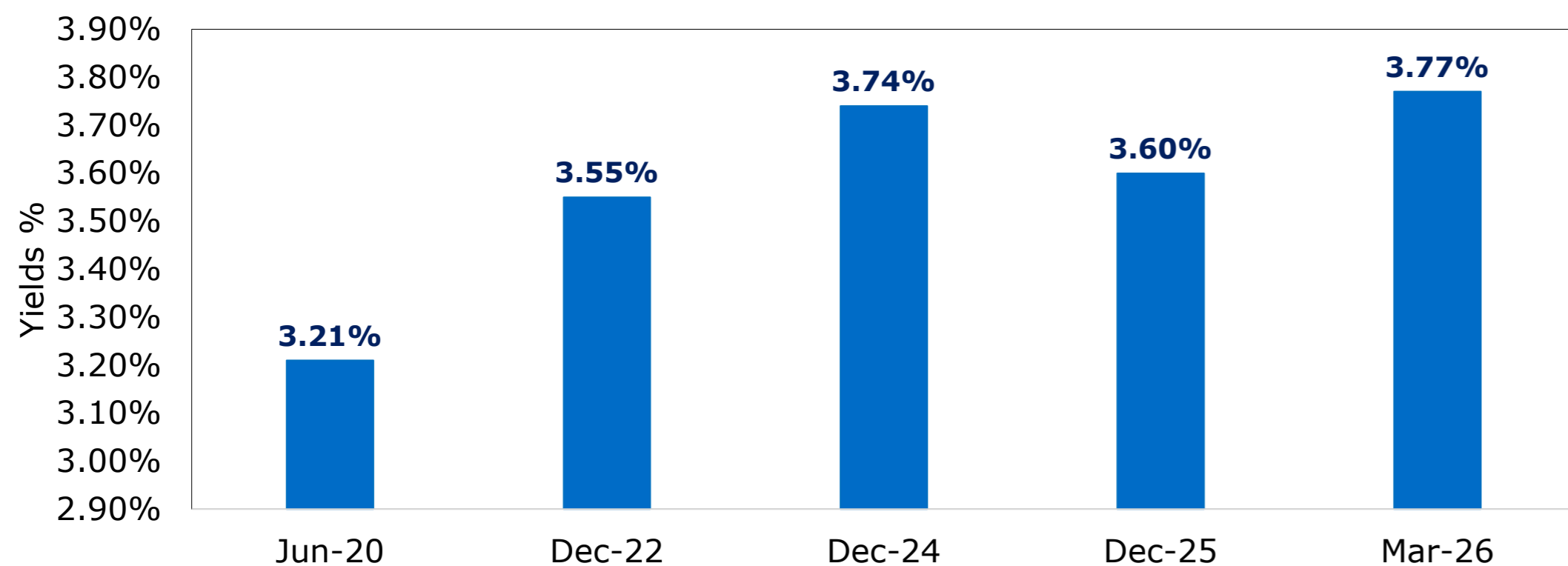
A potential source of tax-advantaged income

- Municipals have low correlations to most equity asset classes.
- Yields have risen, which increases municipals' total return potential.
- For the tax-aware investor, municipal bonds offer tax advantages and potential higher tax-equivalent yields.

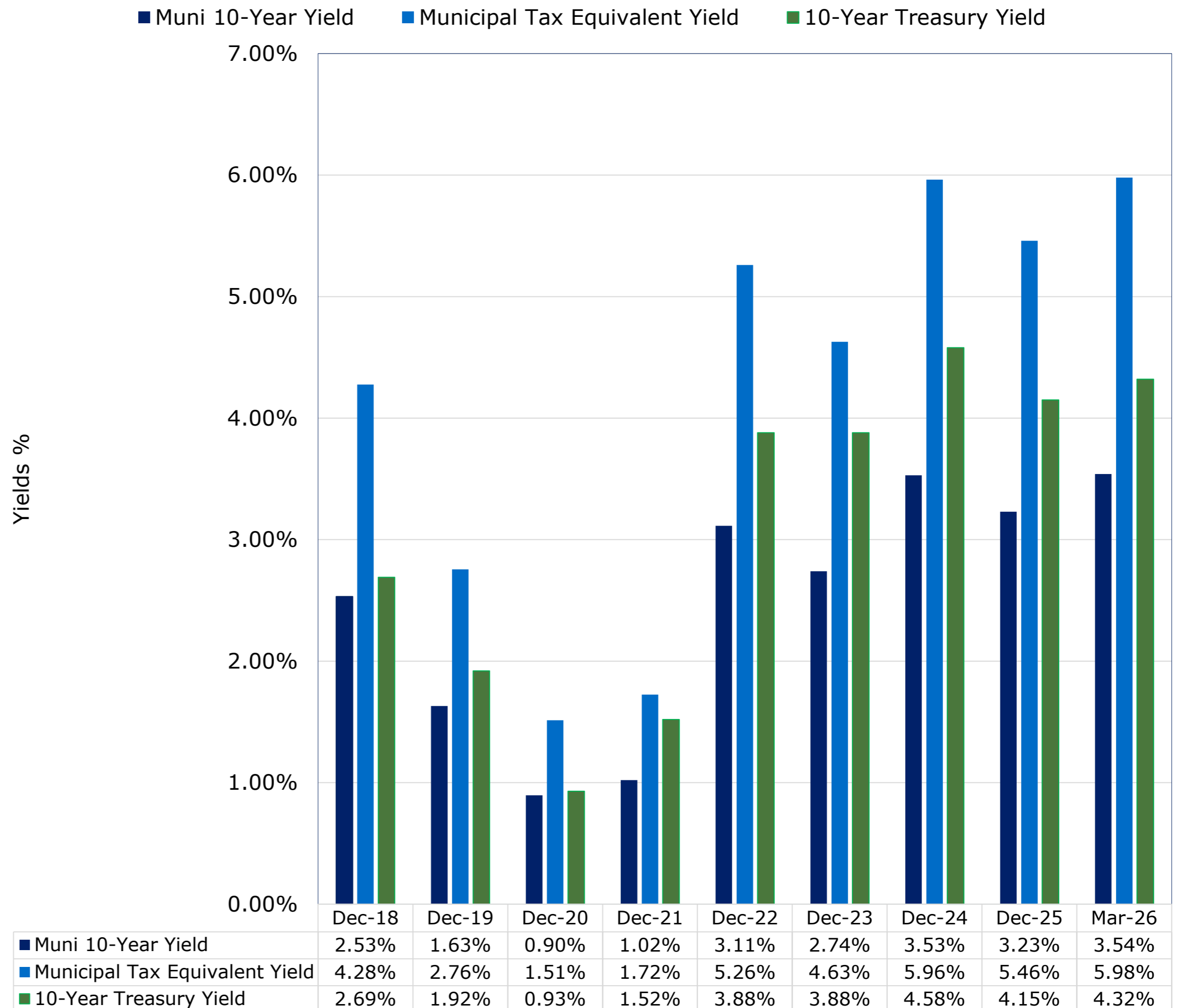
20 Yr Correlation (As of March 31, 2026)



Bloomberg Municipal Bond Index Yields %



Yields %



Sources: Bloomberg and Barclays, 3/31/2026. Tax Equivalent Yield based on a 40.8% tax rate (37% top federal income tax rate plus 3.8% tax on net investment income). Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices. Income generated by municipal bonds may be subject to the Federal alternative minimum tax and state and local taxes.

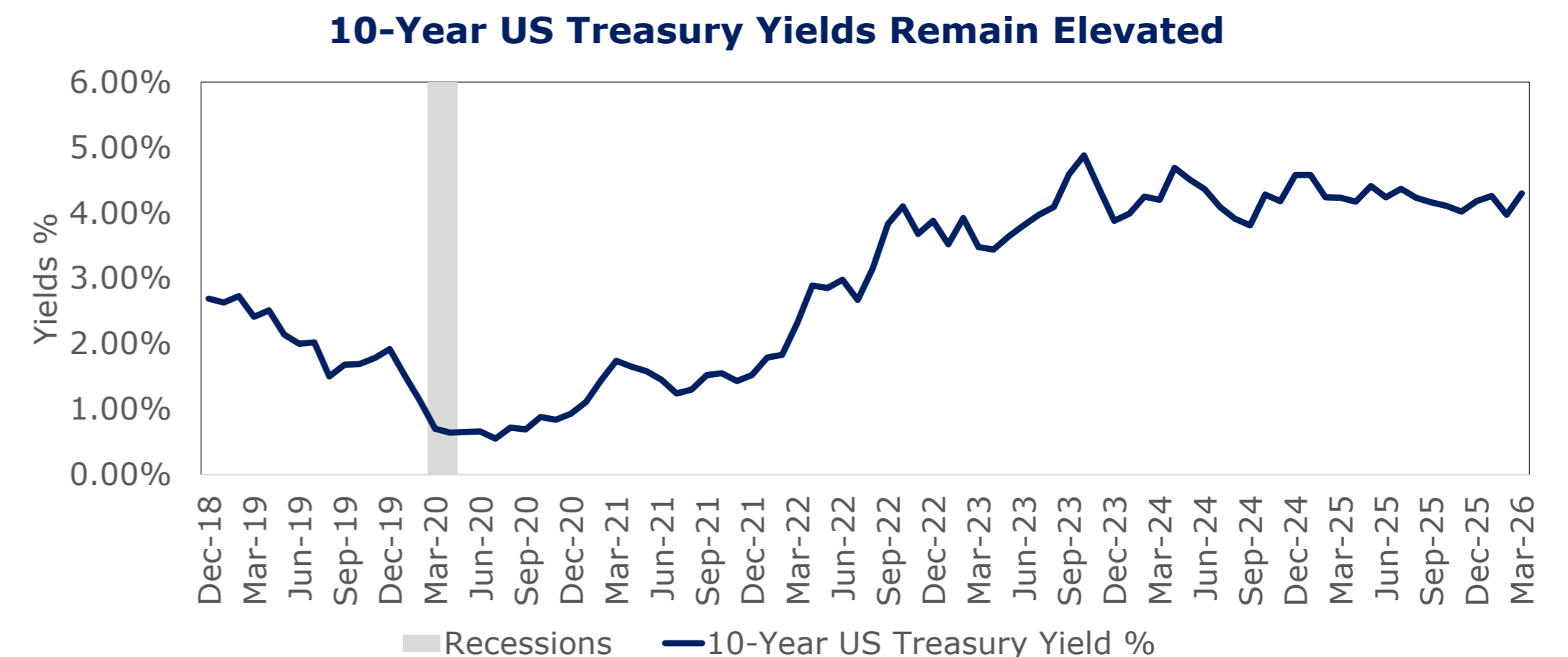
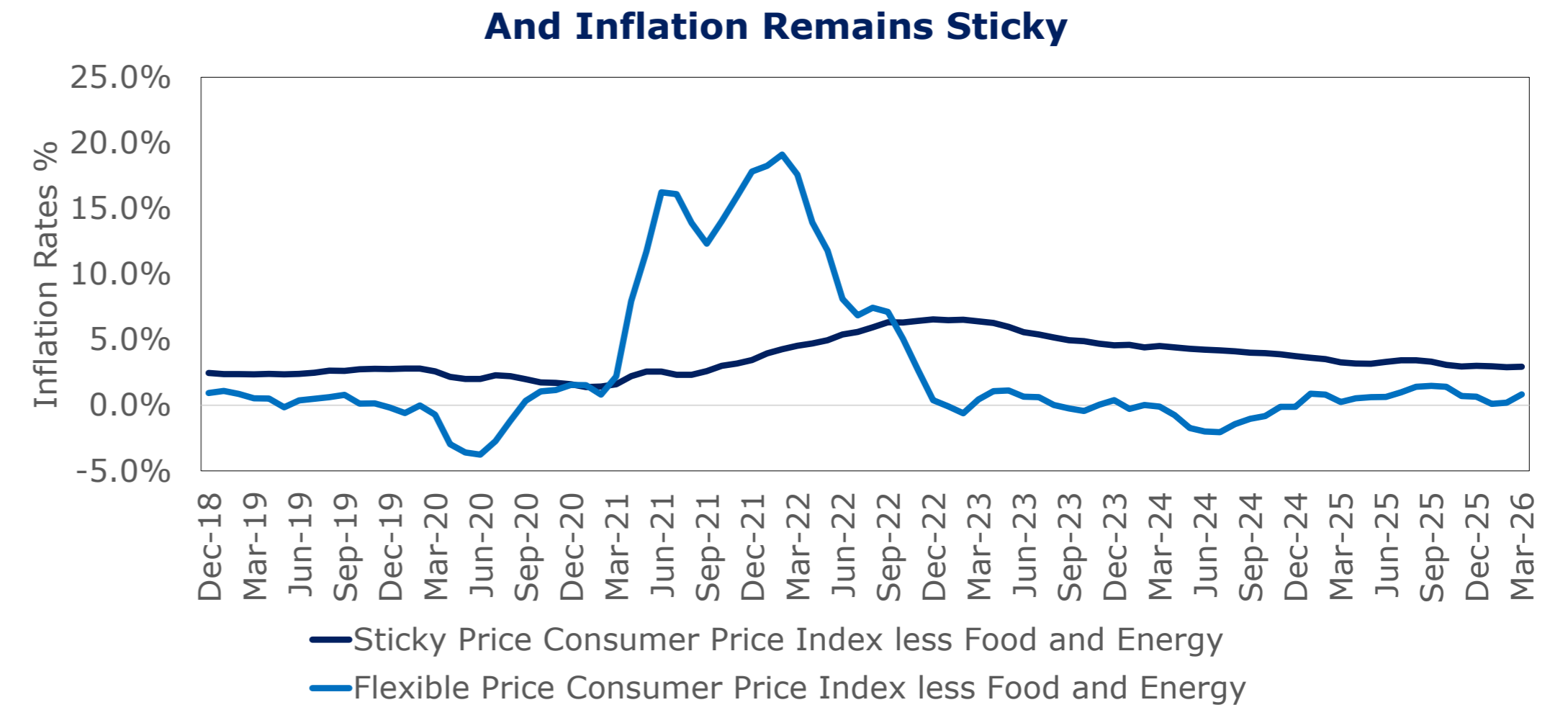
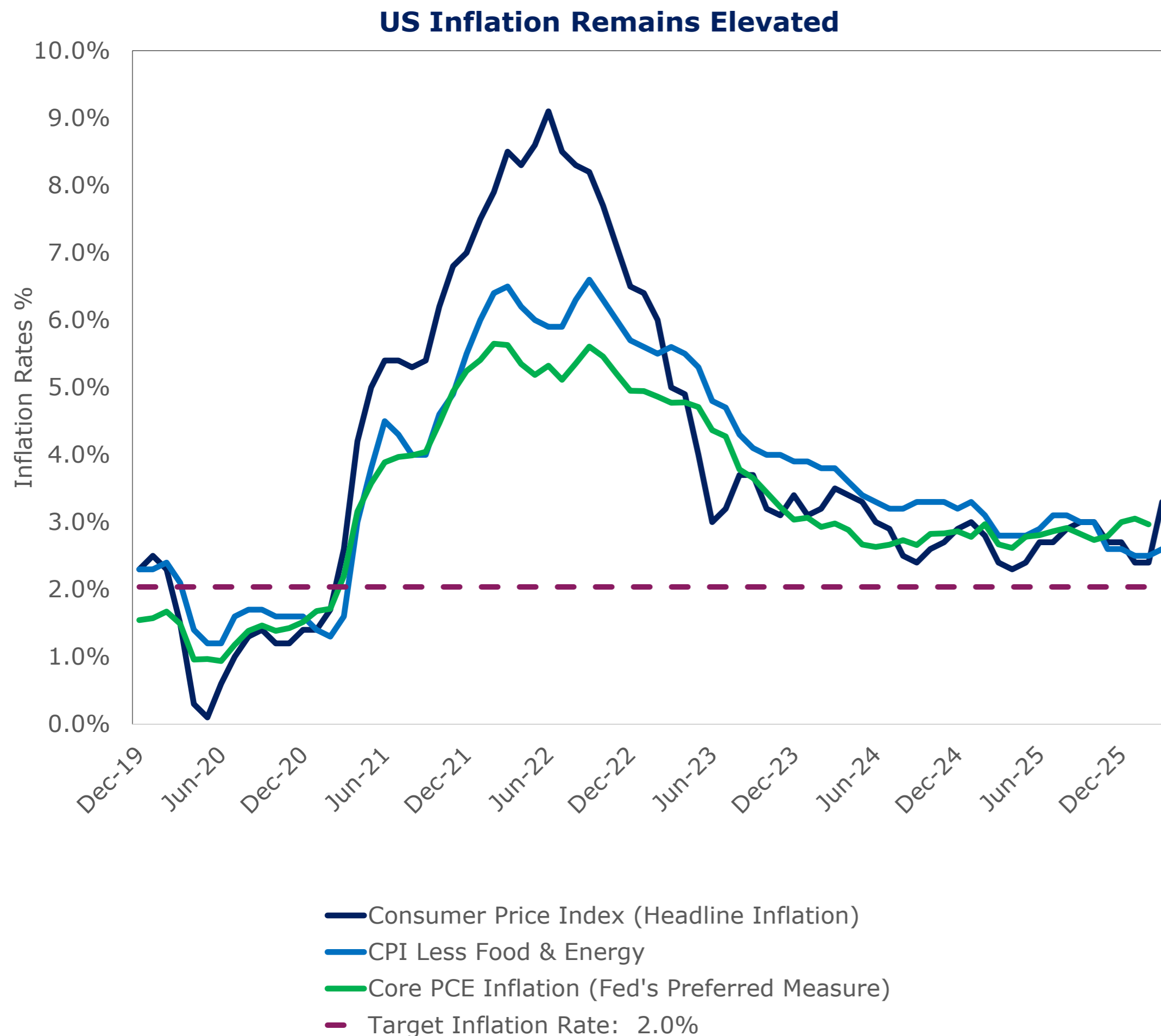
Prolonged Inflation Volatility
(Higher for Longer)



Prolonged Inflation Volatility: Economic indicators

Assessing risks and opportunities in an unstable price environment

- In a prolonged inflation volatility scenario, inflation remains elevated above the 2% target rate.
- The Federal Reserve would likely not cut interest rates in 2026.
- The 10-Year Treasury yield would also remain elevated, embedding a persistent inflation premium.



Source: Bloomberg, 3/31/2026

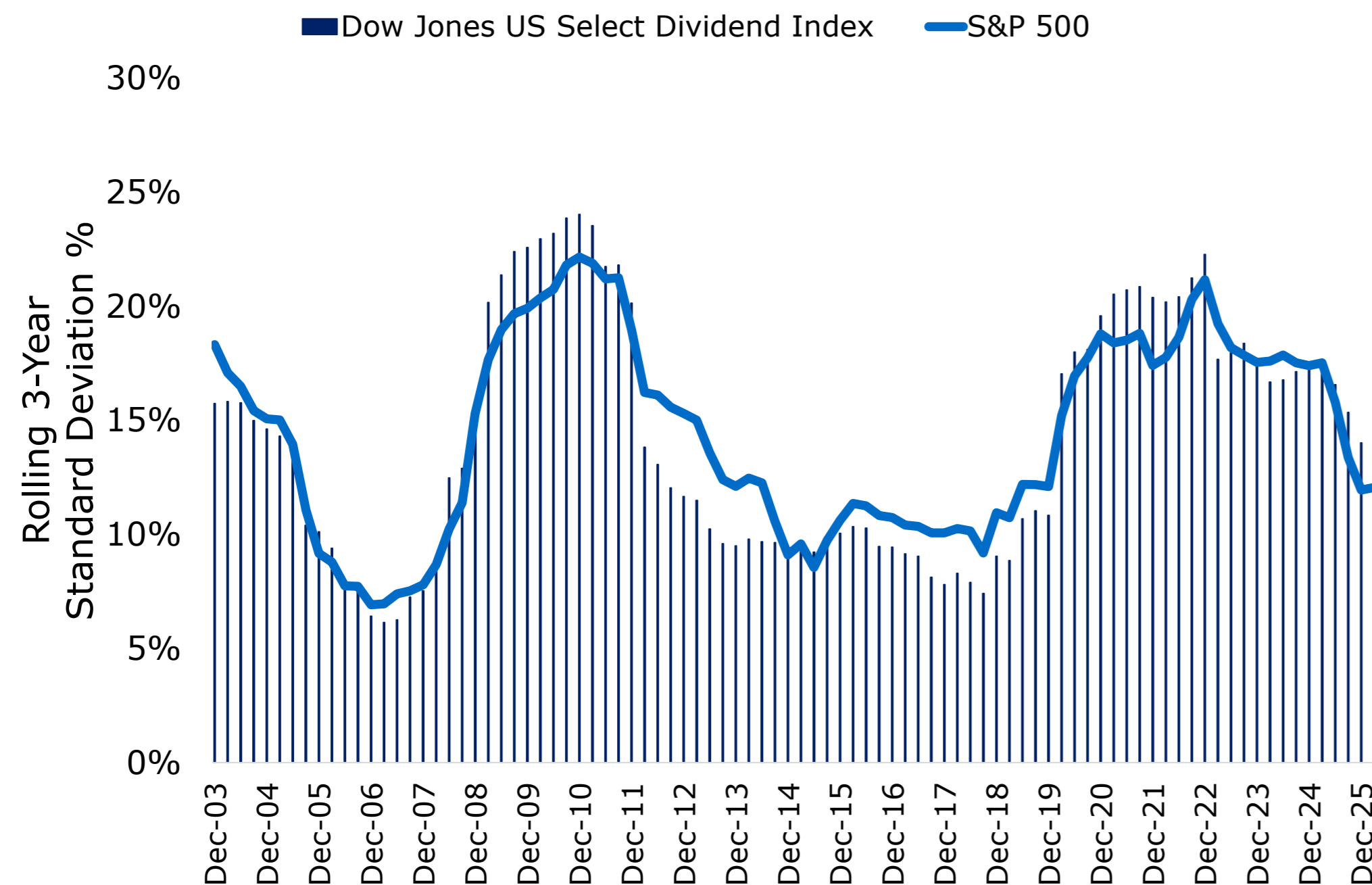
Dividend Investing

Potential for lower downside risk, lower volatility and income may offer resiliency in uncertain market environments

Dividend investing:

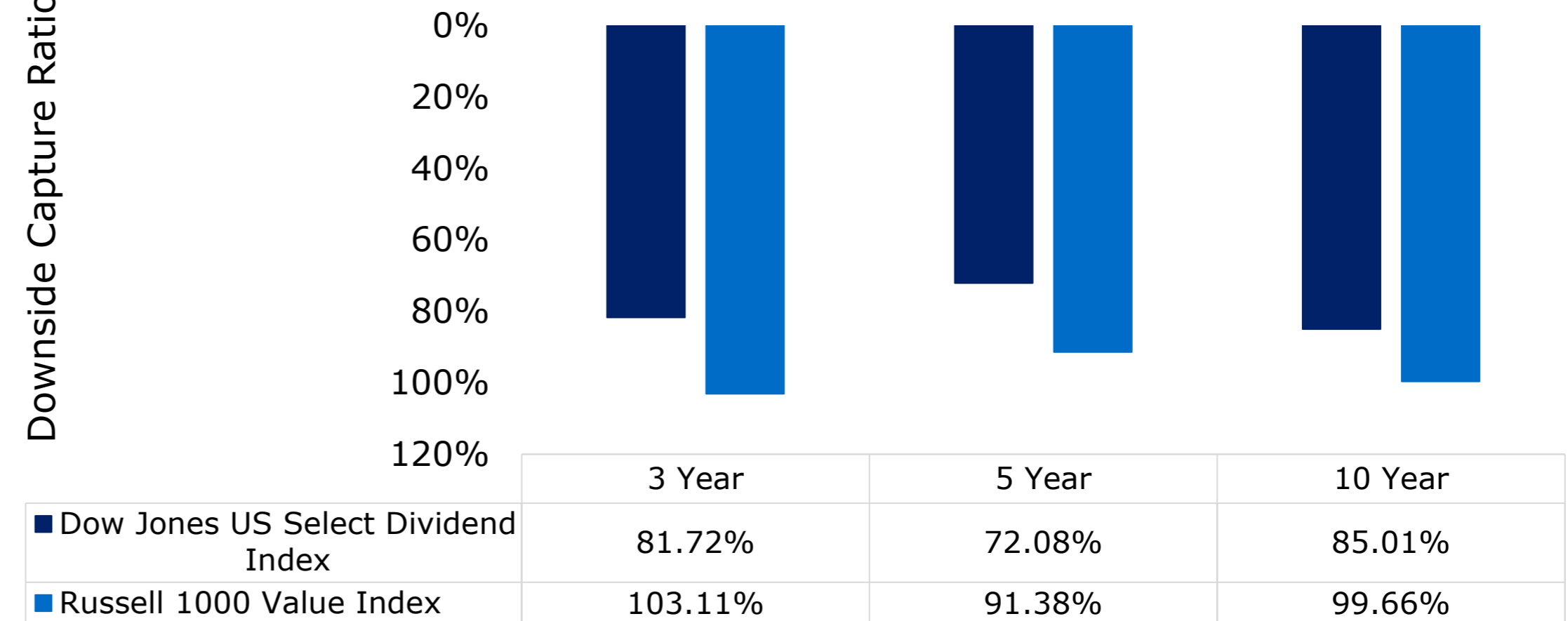
- Can provide exposure to defensive stocks in Consumer Staples, Healthcare, and Industrials sectors.
- Potential for lower portfolio volatility.
- Potential for lower drawdowns in down markets.
- Seeks to provide income in both inflationary and recessionary markets.

History of Lower Volatility

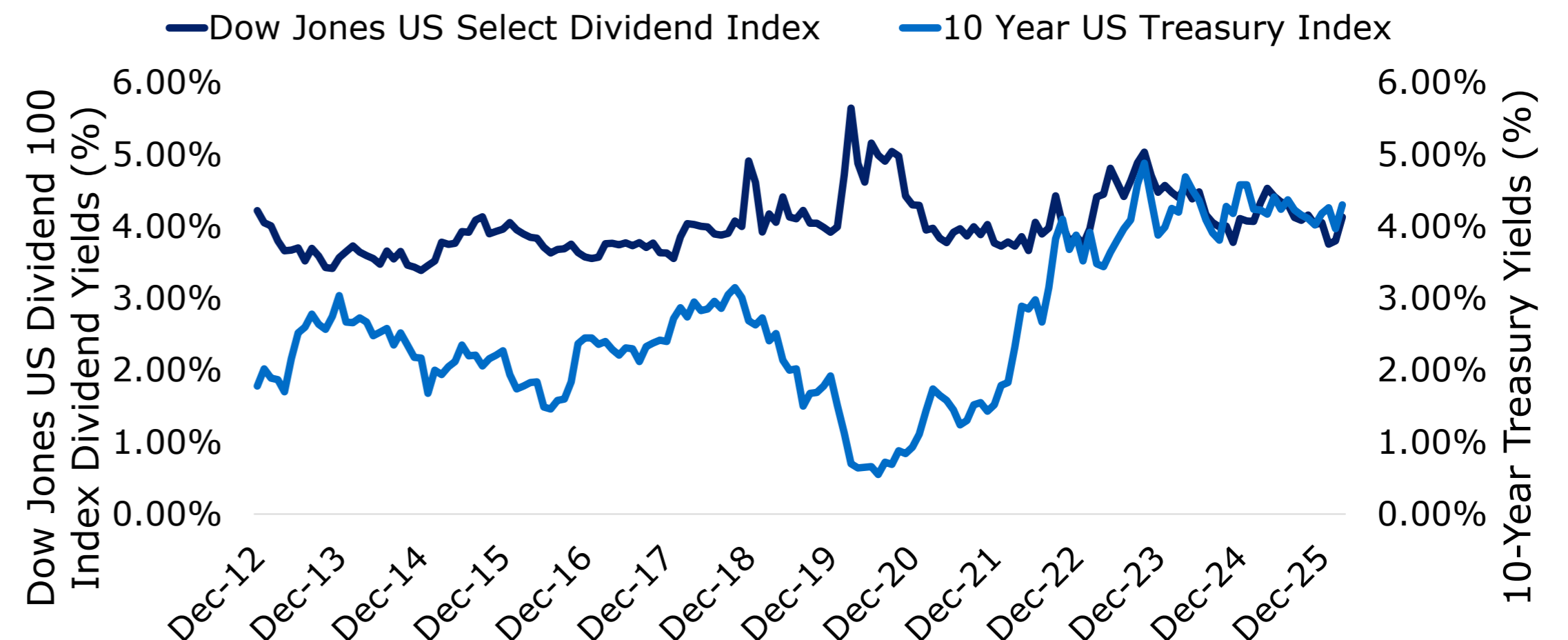


Downside Capture Ratio %

History of Lower Downside Risk (to the S&P 500)



History of Providing Income



Sources: Bloomberg, 3/31/2026. Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. There are no guarantees that dividend paying stocks will continue to pay dividends. In addition, dividend paying stocks may not experience the same capital appreciation potential as non-dividend paying stocks.

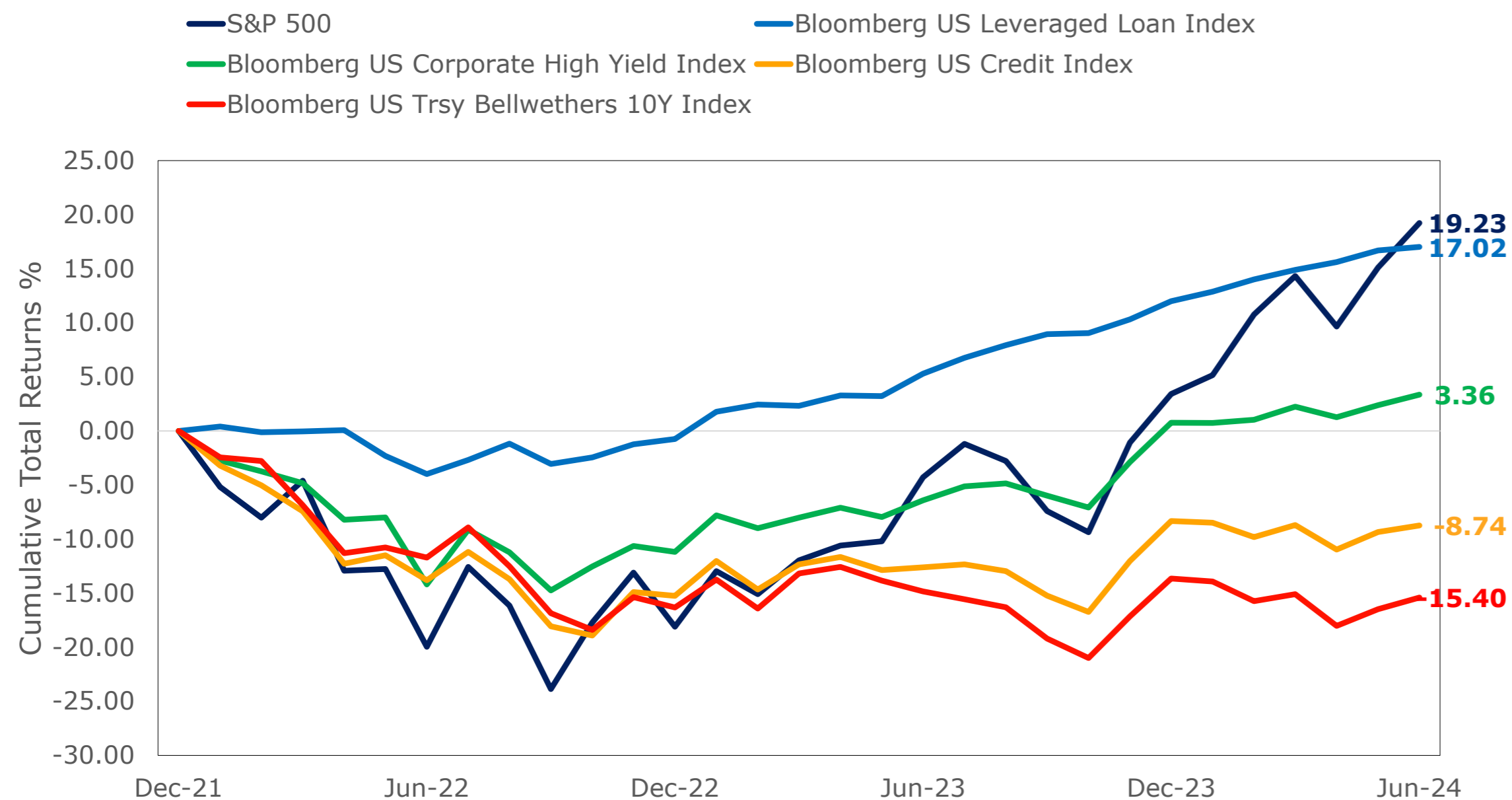
Floating Rate Bond Investing

Potential for portfolio diversification, income potential, and helping to protect against rising interest rates

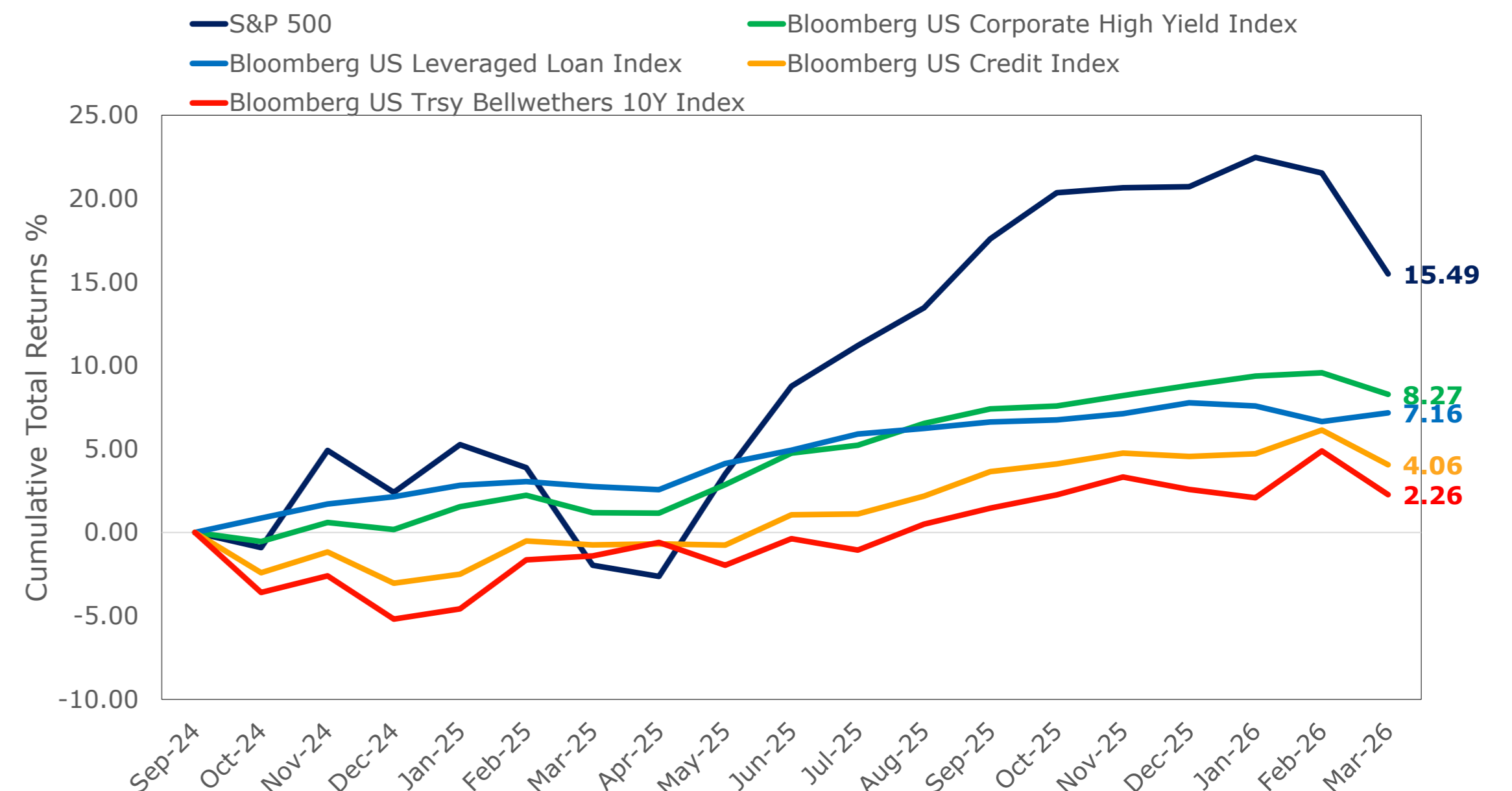
Floating Rate Bonds seek to offer:

- **Helping to Protect Against Rising Interest Rates:** Unlike fixed-rate bonds, which lose value when rates rise, floating rate bonds adjust their coupon rates periodically (e.g., every 3 to 6 months) to reflect current market rates, often resulting in higher income.
- **Reduced Interest Rate Risk (Lower Duration):** Because the interest rate resets, these bonds have limited price volatility, making them a more stable investment compared to fixed-rate bonds when interest rates are volatile or increasing.
- **Hedge Against Inflation:** As inflation forces central banks to raise rates, the income from floating rate bonds increases, helping investors maintain purchasing power.
- **Higher Income Potential:** When interest rates are rising, floating-rate notes can provide higher payouts compared to fixed-income alternatives.
- **Portfolio Diversification:** These instruments often have low correlations with traditional asset classes, such as stocks and government bonds, providing stability to a diversified portfolio.
- **Higher Recovery Rates:** Many floating-rate bonds are senior secured loans, which historically offer better protection with 60-70% recovery rates in the event of default, compared to 40-50% for high-yield bonds.

Performance in Latest Rising Rate Cycle



Performance Since First Rate Cut in September 2024



Sources: Bloomberg and Barclays, 3/31/2026

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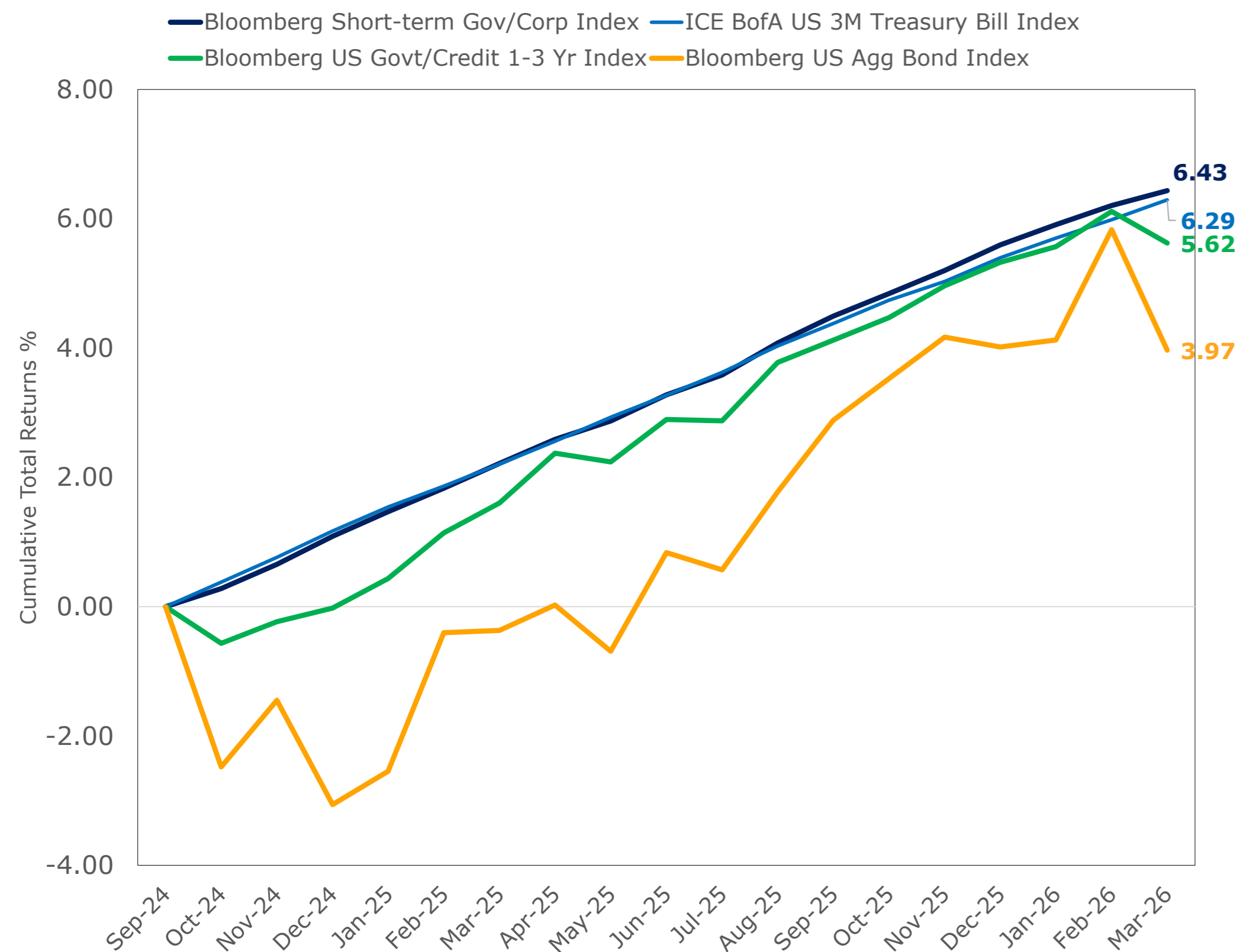
Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Short-Term Bond <1 Year Duration Investing

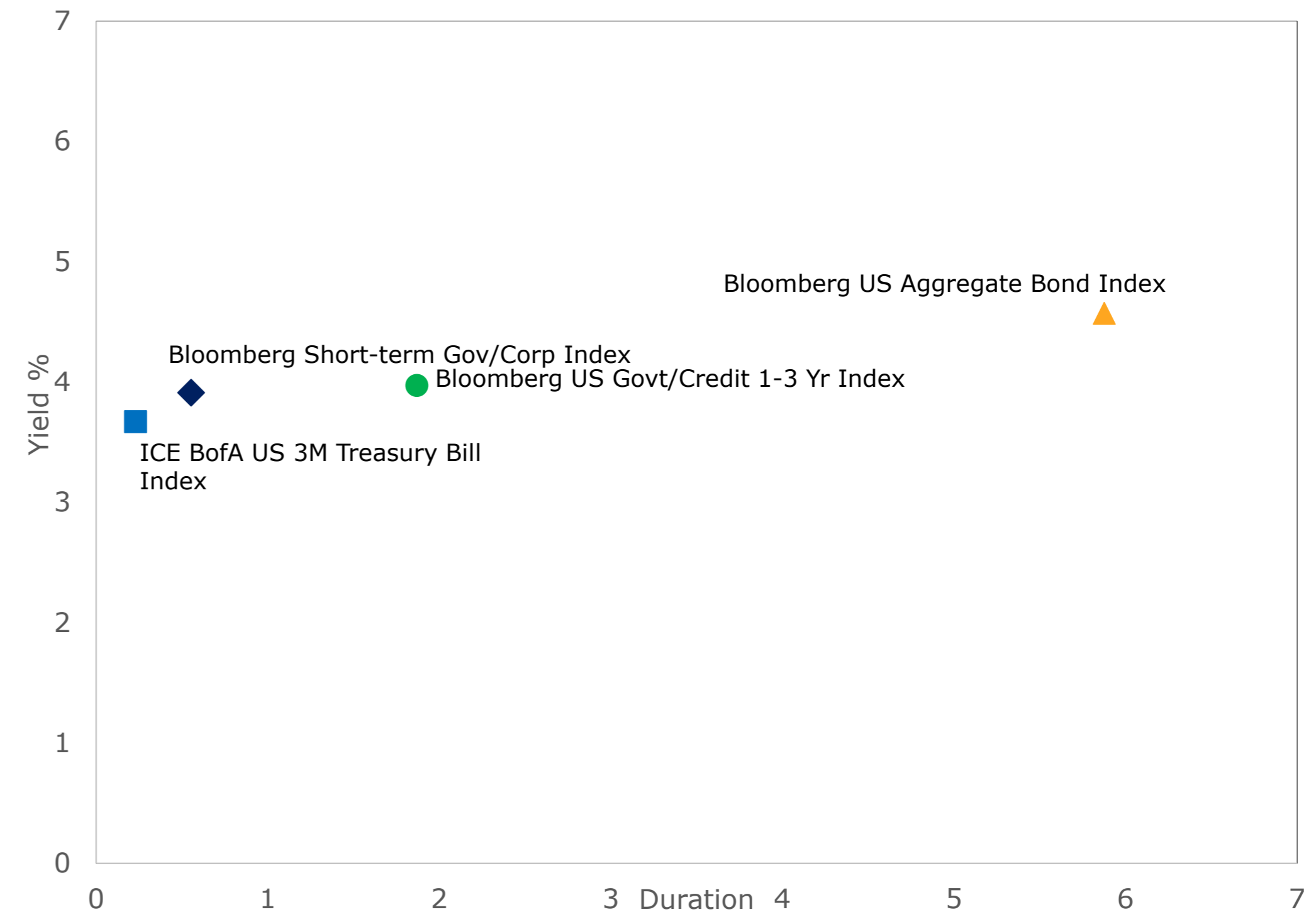
Yield potential, low-interest rate risk, potential for reduced volatility and defense against declining rates

- **Higher Yields:** Potential for higher yields than other short-term investments
- **Lower Interest Rate Risk:** Because the bonds mature quickly, their prices are less sensitive to interest rate fluctuations, protecting principal value.
- **Capital Preservation:** They focus on high-quality securities, making them a relatively safe place to park cash while still gaining some return.
- **Liquidity and Stability:** They provide high liquidity, allowing investors to move in and out of the investment easily, making them suitable for cash management.
- **Reduced Volatility:** May be a stable income source with less price fluctuation than longer-term bonds.
- **Defense against declining rates:** Potential yield advantages during shifts in central bank policy.

Performance Since First Rate Cut in September 2024



Yield and Duration (As of March 31, 2026)



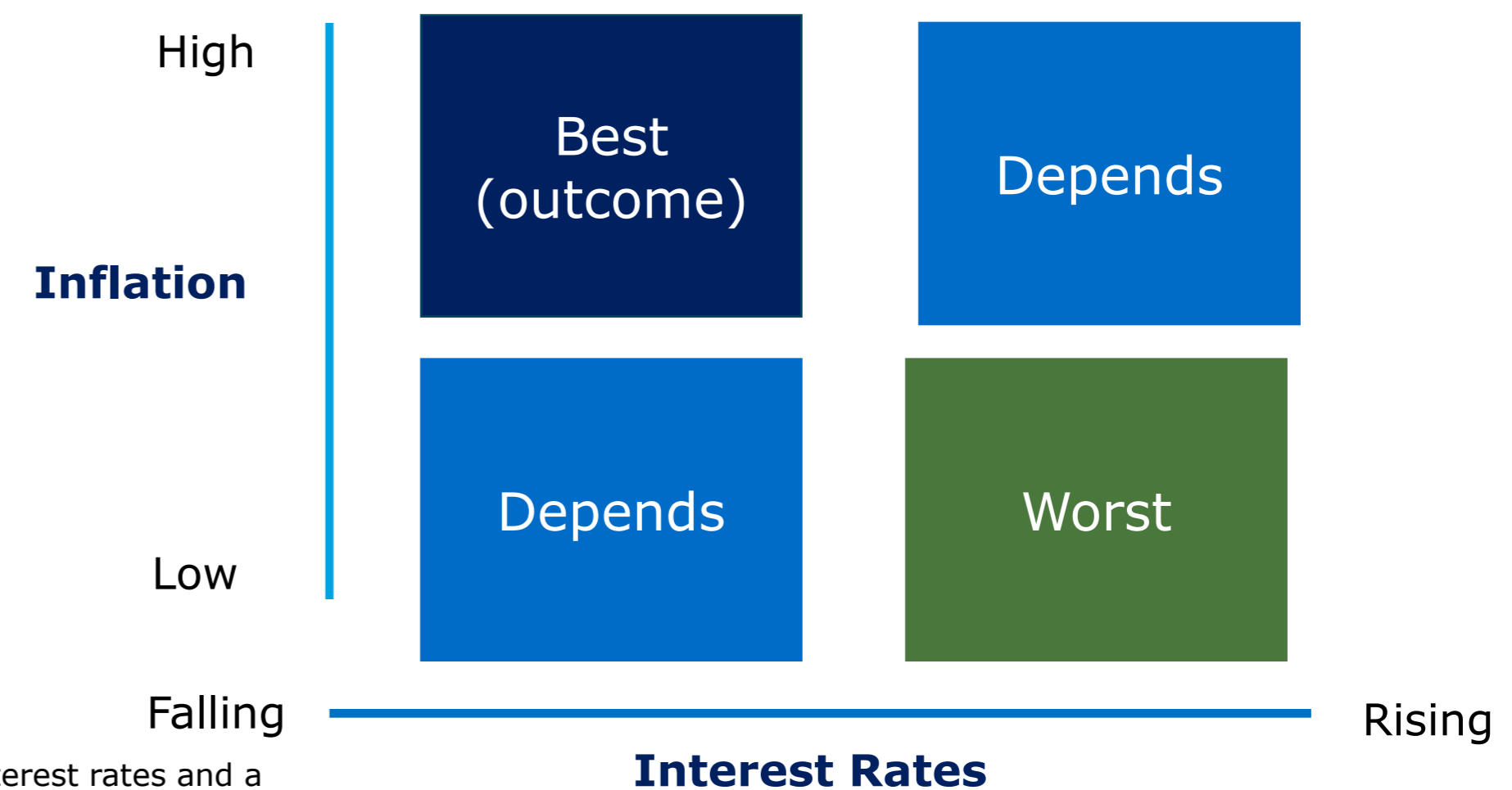
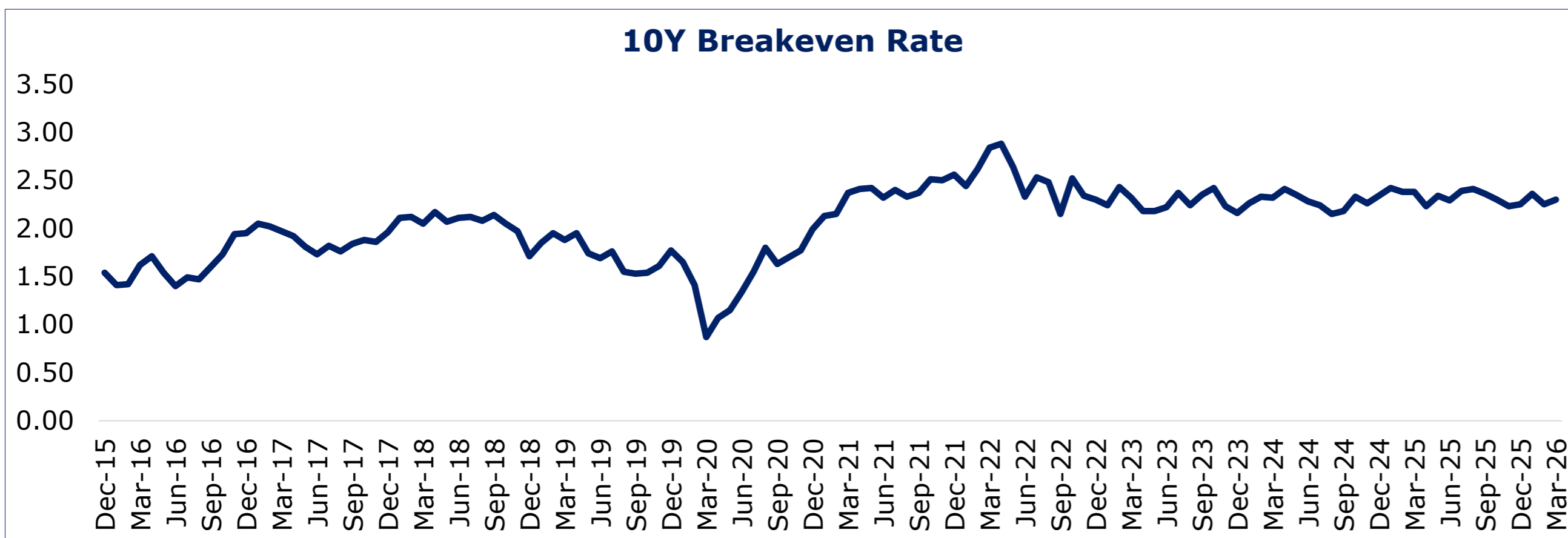
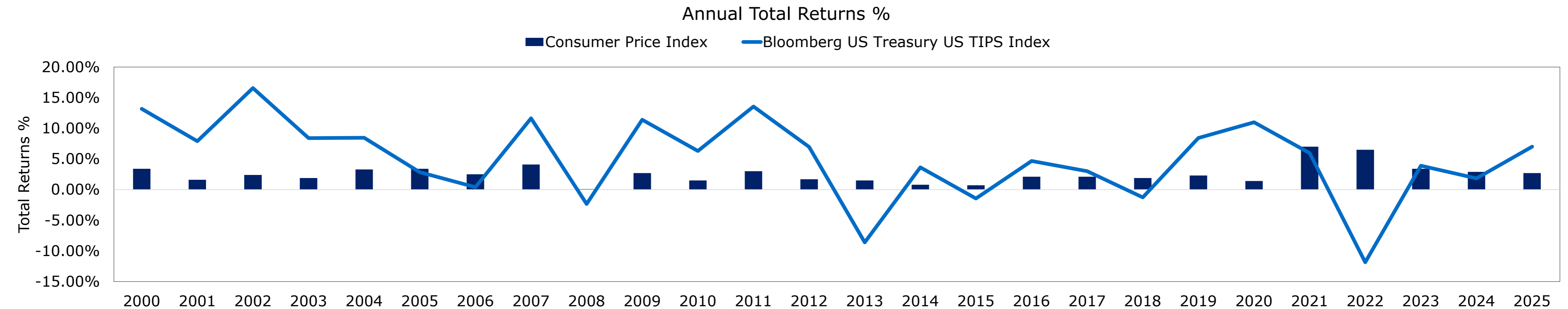
Source: Bloomberg, March 31, 2026

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Treasury Inflation-Protected Securities (TIPS) Investing

A potential buffer against inflation

- Treasury Inflation-Protected Securities (TIPS) are treasury bonds indexed to an inflationary gauge to help protect investors from a decline in the purchasing power.
- Performance is driven by interest rate risk and inflation expectations, and TIPS will tend to outperform when inflation exceeds expectations.
- TIPS total returns do not always track inflation.
- The spread between the 10Y Treasury bond yield and the 10Y TIPS yield is known as the Treasury breakeven rate. A widening spread indicates investors are expecting inflation to increase, while a narrowing spread would suggest the opposite.



Source: Morningstar, September 30, 2025

Investments cannot be made in an index. Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

Risk-on Re-acceleration

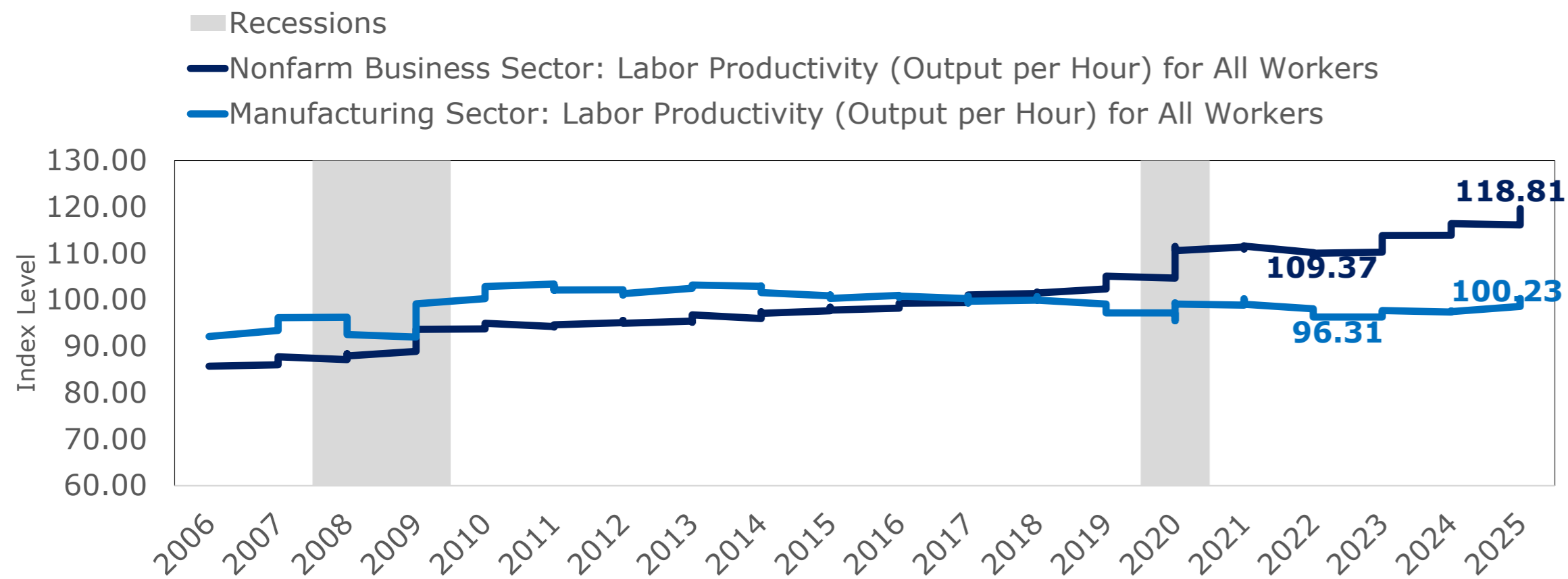


Risk-on Re-acceleration: Economic indicators

Signals of renewed growth and market momentum

- In a Risk-on Re-acceleration scenario, the US economy benefits from AI productivity gains which has the potential to lift real growth without proportional inflation.
- Additionally, strong earnings growth alongside AI Capex momentum would likely support equity breadth and investment.
- The 10Y Less 2Y US Treasury yield spread would likely remain positive and widen but may foster bank risk-taking.

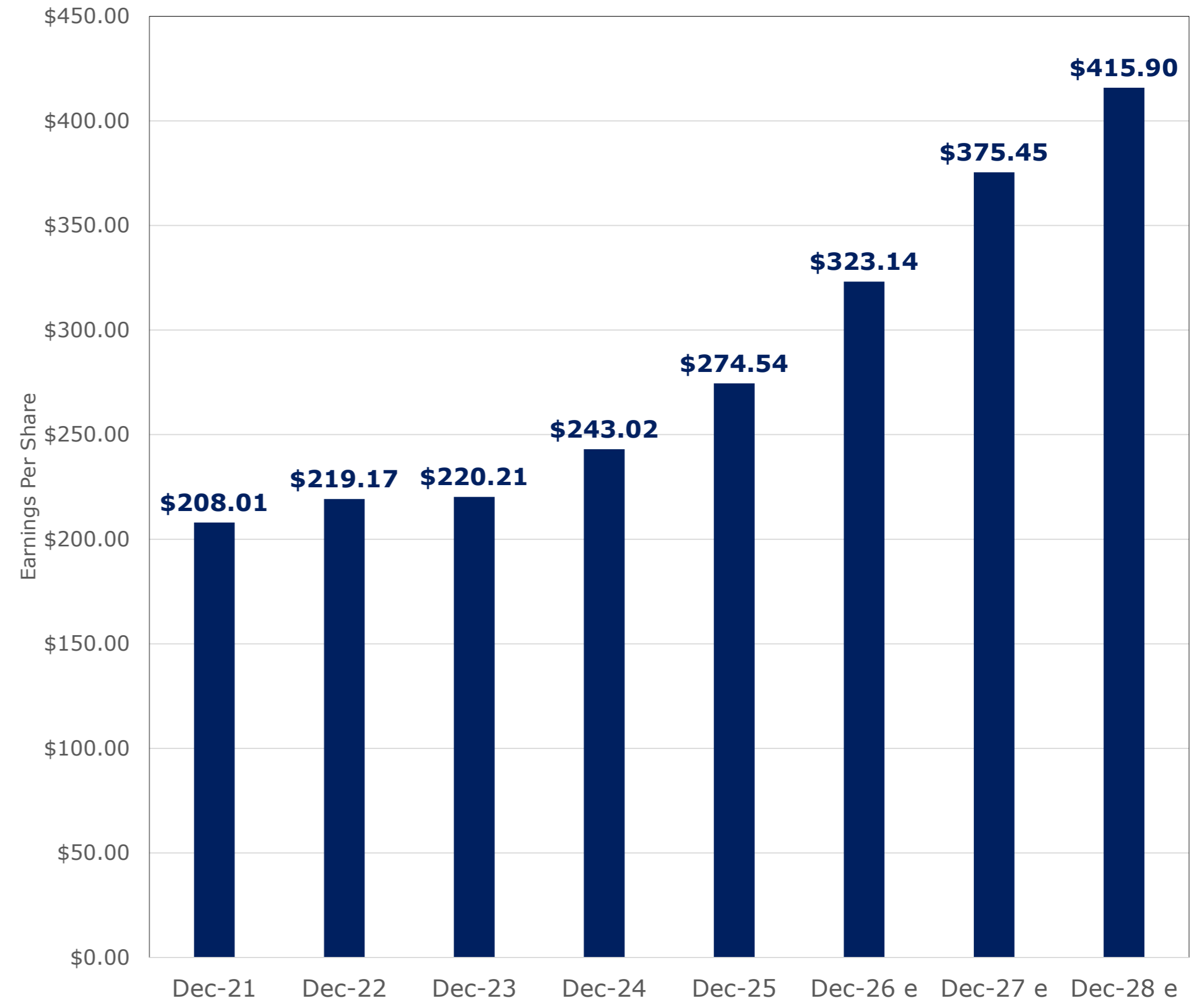
Labor Productivity: On the Upswing Since 2022



10-Year US Treasury Yield Less 2-Year US Treasury Yield %



S&P 500 Earnings Per Share (EPS)

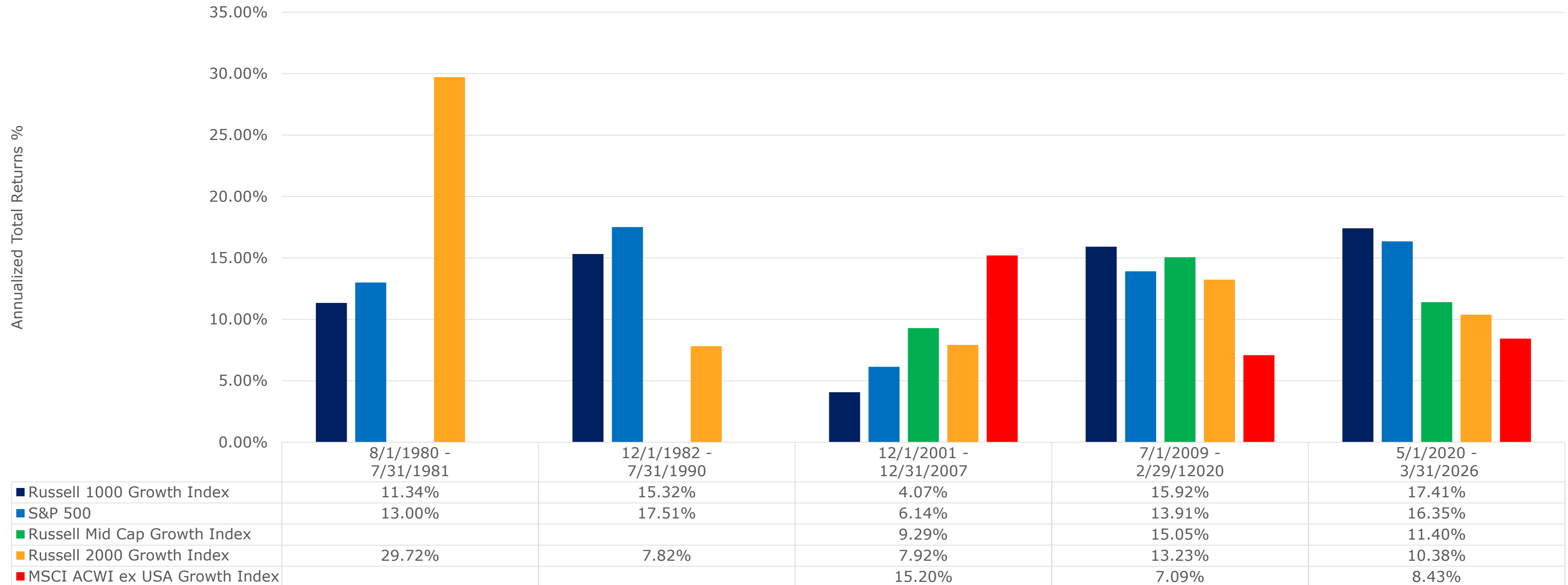


Growth has performed well in prior Bull Market cycles

Positive investor sentiment, strong earnings and a booming economy contribute to growth style investing

- Investors expect stronger economic conditions but should consider investing risks.
- Diversification and awareness of extreme valuations remain key.

Total Returns % in Bull Markets



Source: Bloomberg, 3/31/2026

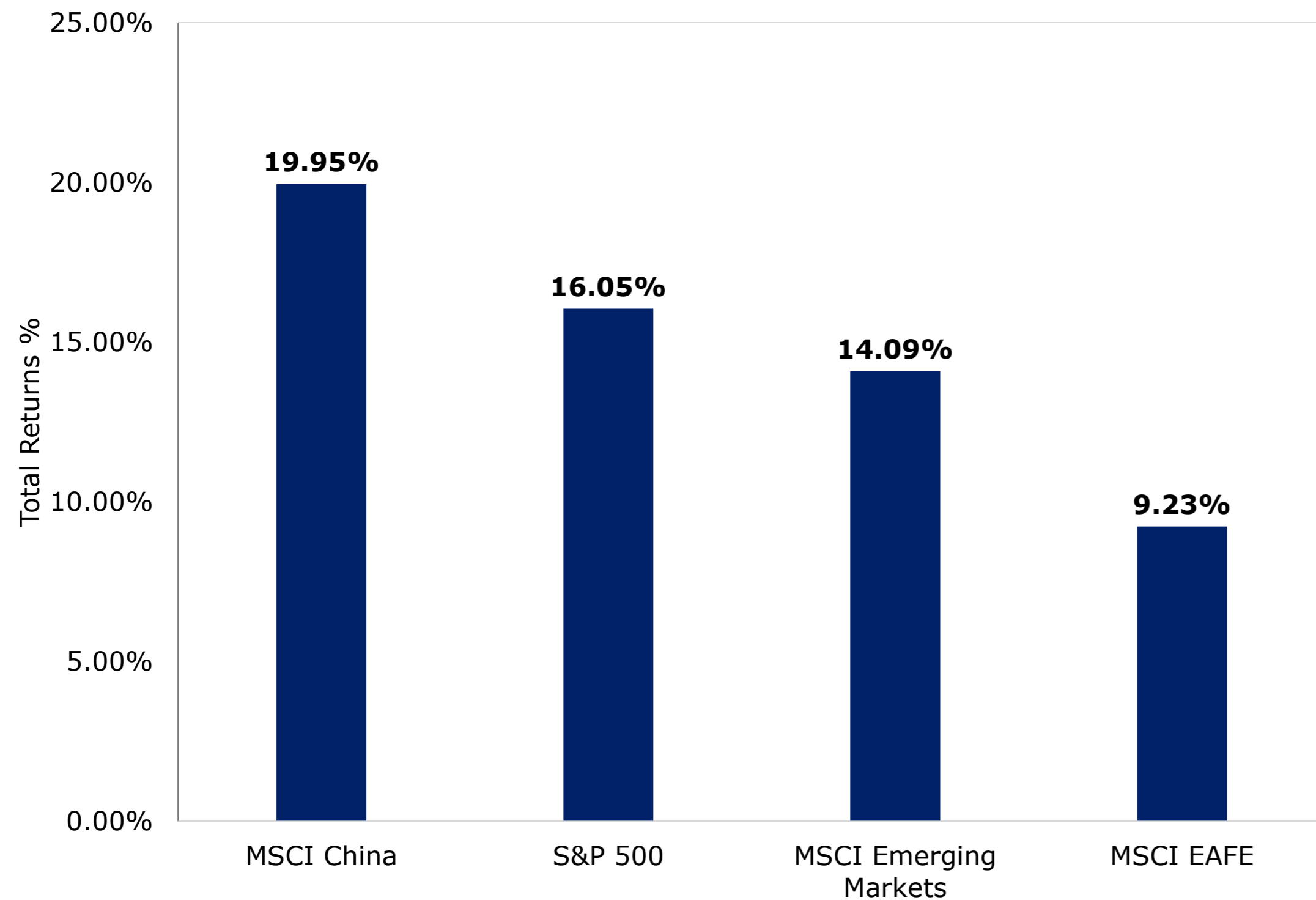
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Emerging Markets Equity Investing

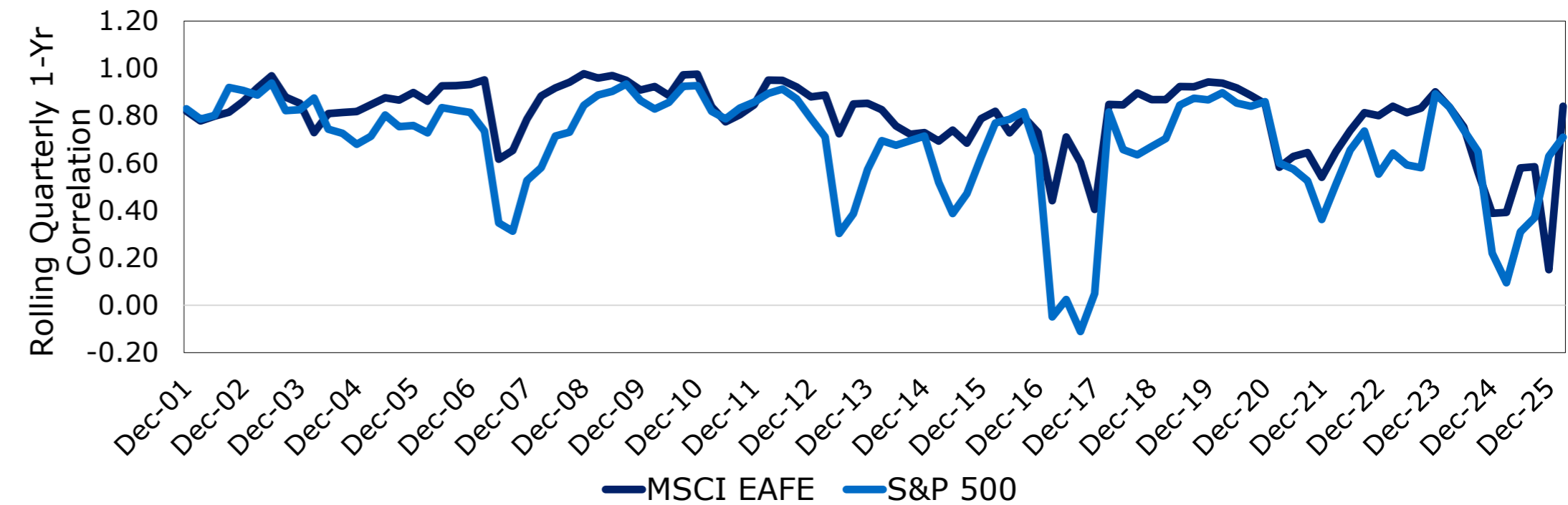
Potential diversification and alpha offer a compelling blend of opportunities

- During President Trump's first presidency, which saw an increase in tariffs, China and Emerging Markets performed relatively well.
- Over time, Emerging Markets Equities have become less correlated to both Developed International Equity Markets and US Equities, providing greater portfolio diversification benefits.
- Emerging Markets have recently offered higher Return on Earnings than International Developed Markets. Continued supply chain and energy changes should create further opportunities in emerging markets.

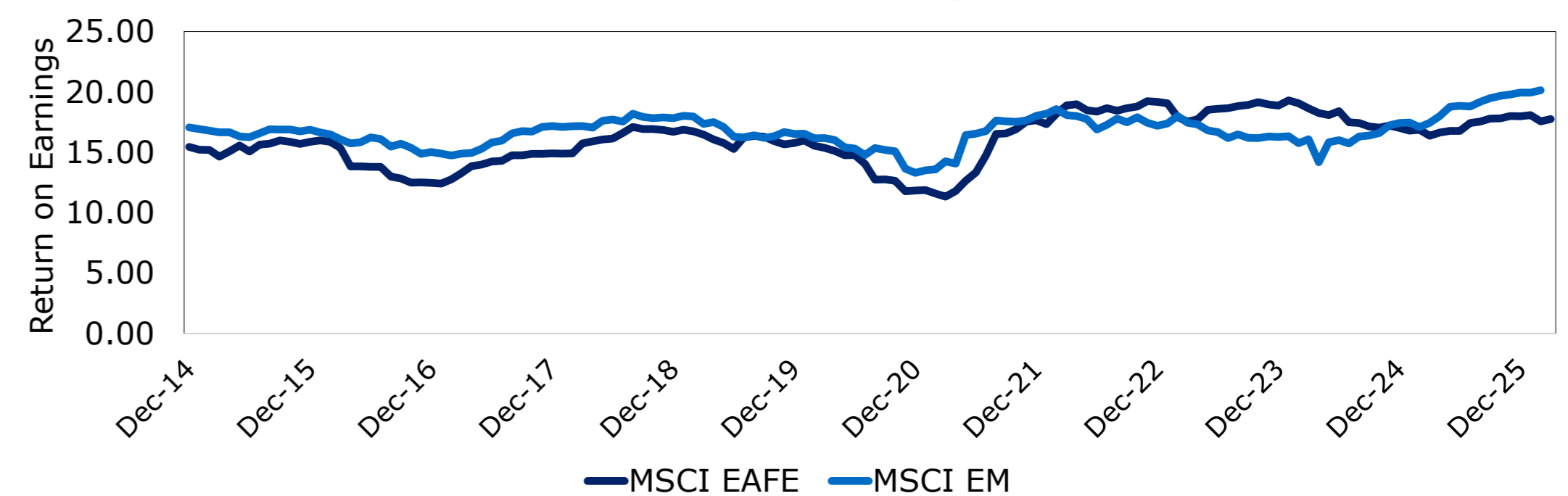
Performance During Trump 1.0 Presidency
January 20, 2017 – January 19, 2021



MSCI EM 1-Year Correlation to MSCI EAFE and S&P 500



Return on Earnings



Source: Bloomberg, 3/31/2026

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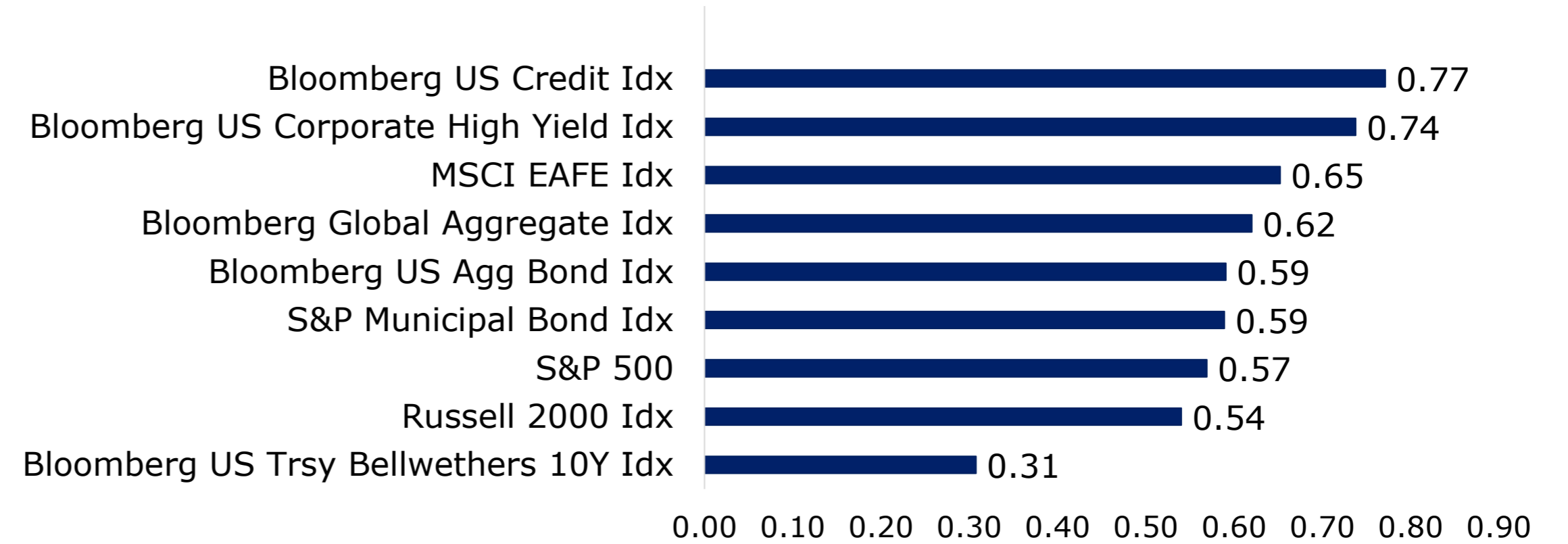
The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards. Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries and currency risk and political risks are accentuated in emerging markets.

Emerging Markets Debt Investing

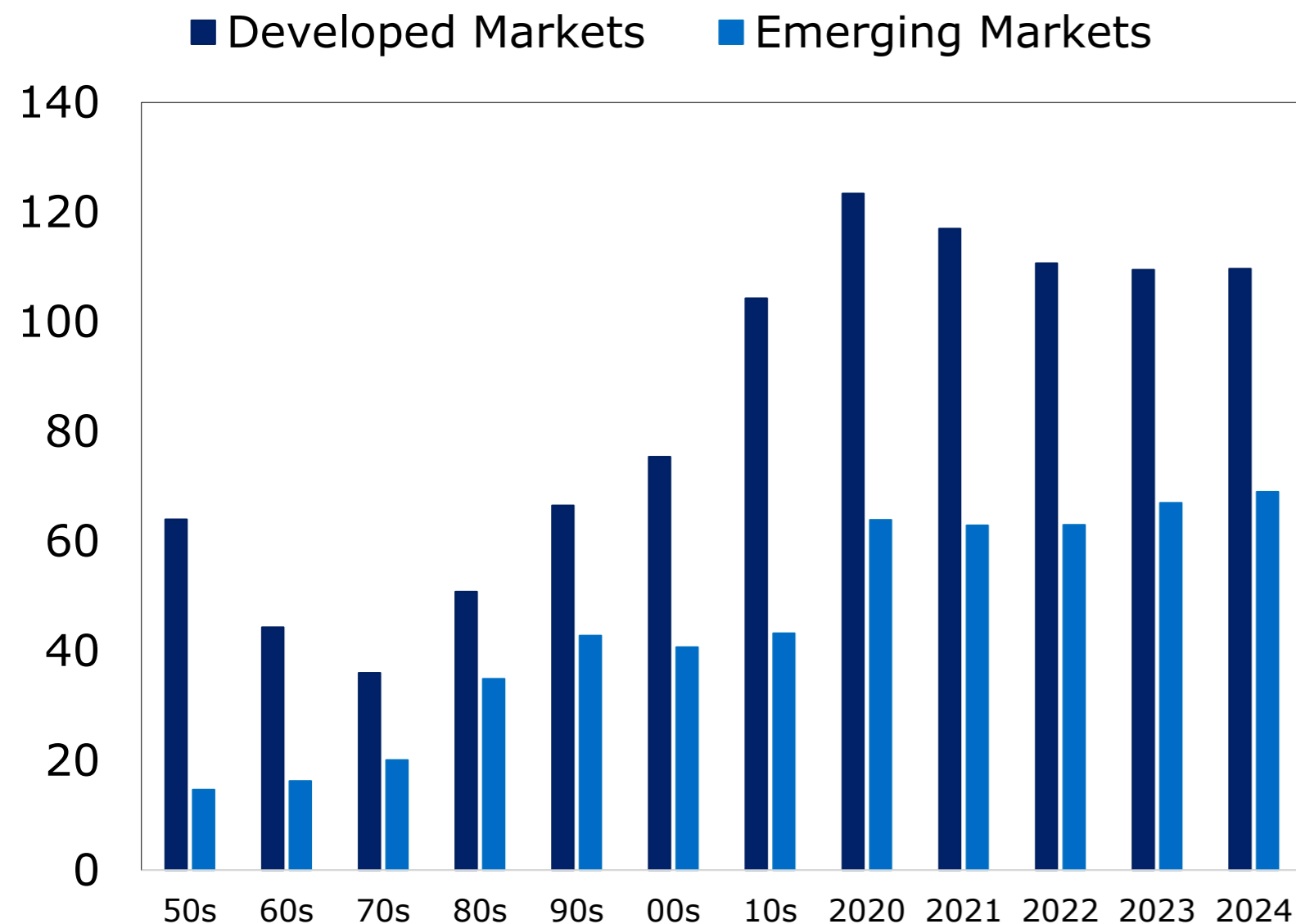
Potential diversification, total return, and yield advantages

- Why invest in Emerging Markets Debt?**
- Emerging Market countries have lower public (government) debt levels pointing to better fiscal responsibility.
 - Diversification – Emerging Market Debt typically has a low correlation to other asset classes.
 - Emerging Markets have outperformed US 10 Year Treasuries and the Global Aggregate Bond Index.
 - Emerging Markets have had higher yields than most developed markets asset classes.

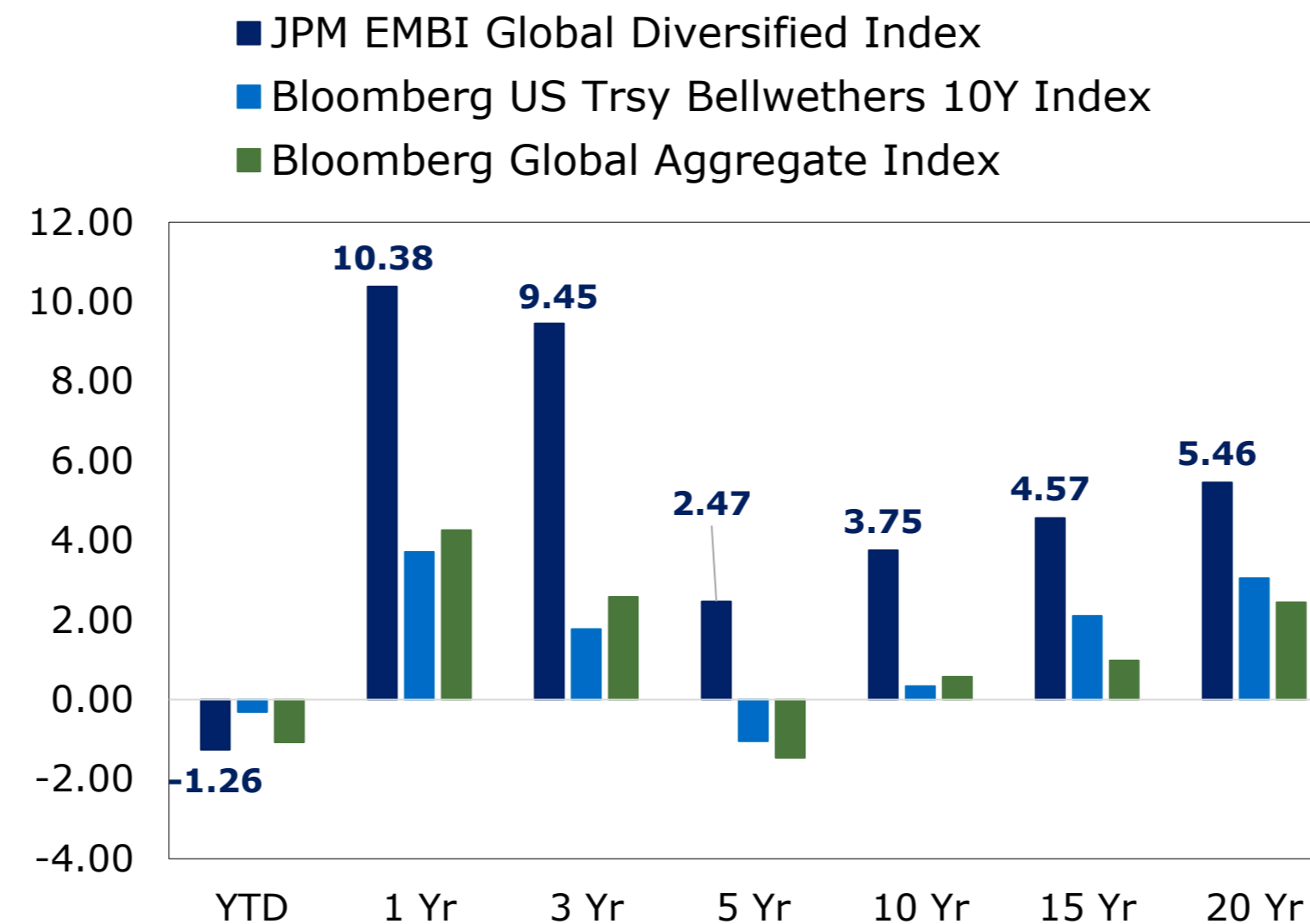
Correlation (8/1/1999 – 3/31/2026)



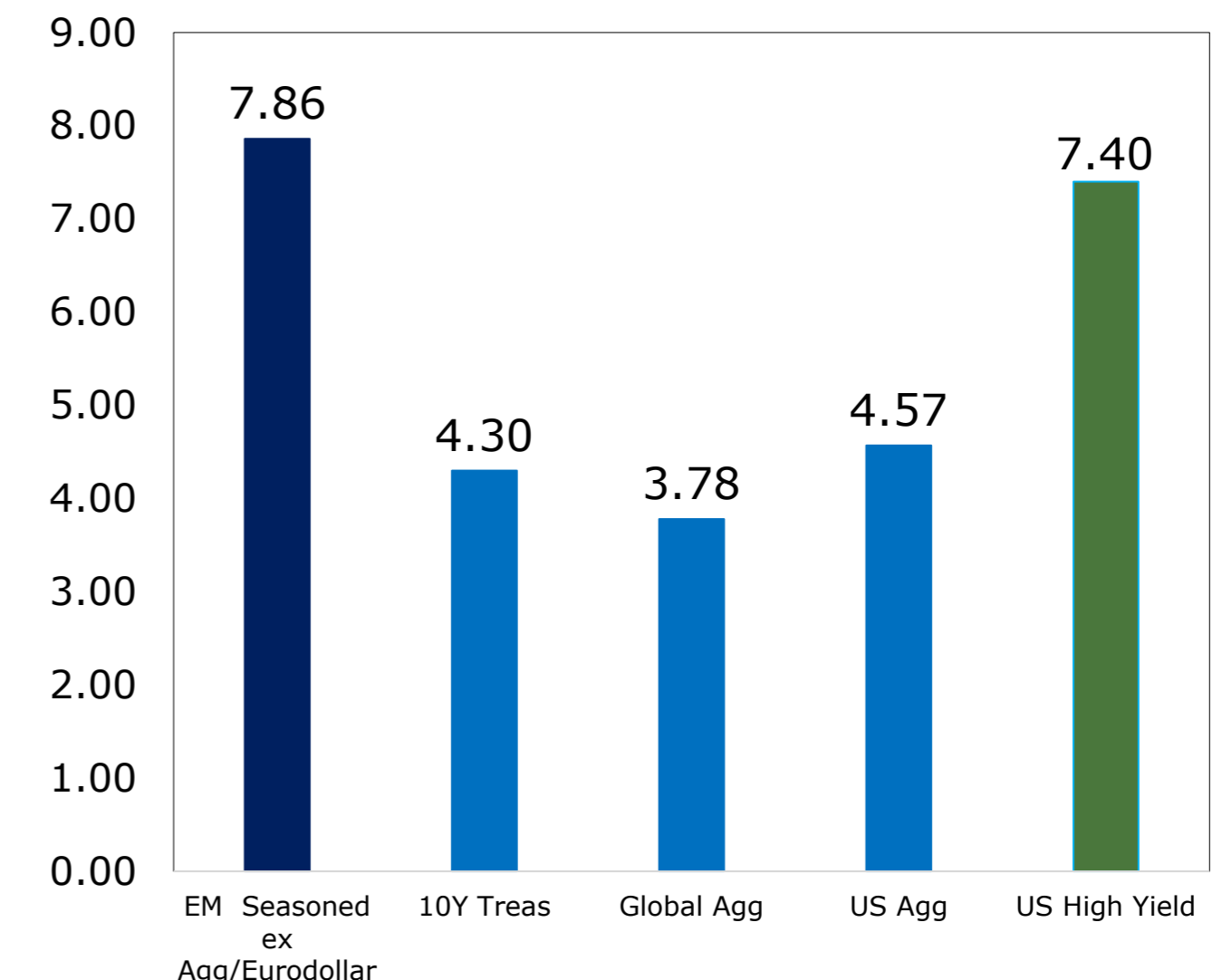
Global Public Debt as a % of GDP



Total Returns % (As of March 31, 2026)



Yields% (As of March 31, 2026)



Sources: IMF, Bloomberg, Inc., 3/31/2026. Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

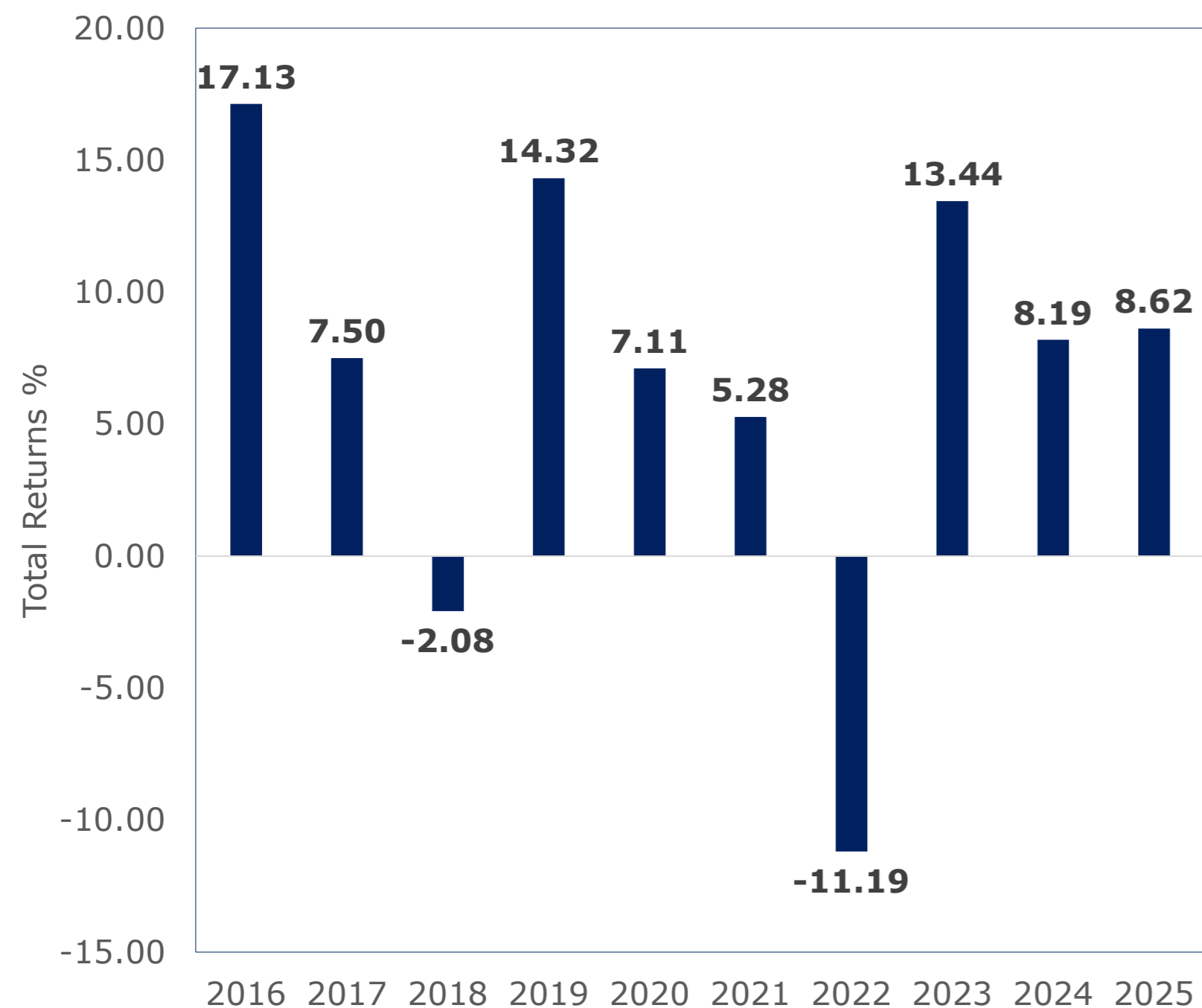
Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.

High Yield Bond Investing

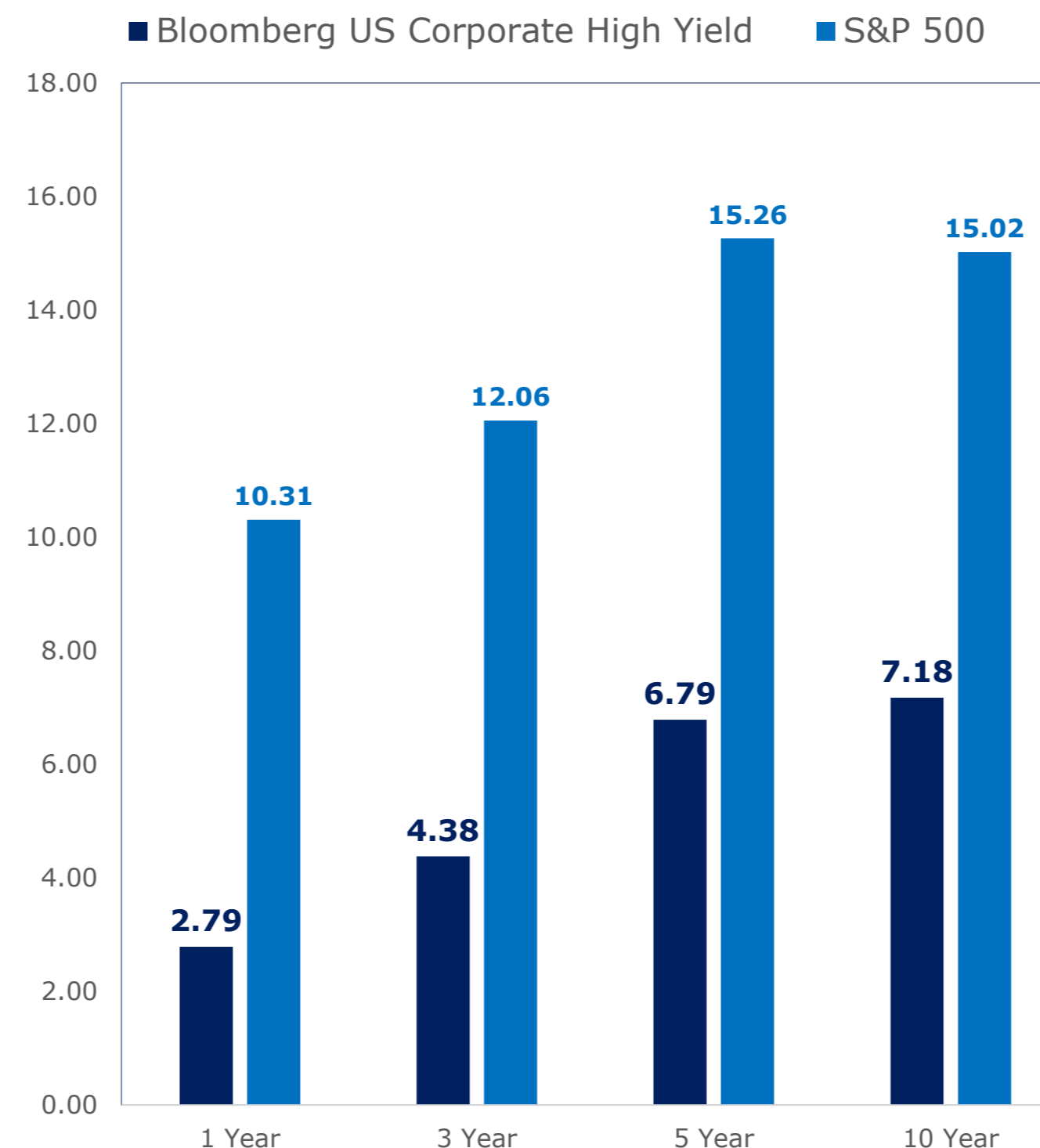
Potential for high yields, lower sensitivity to interest rates and equity-like returns with lower risk

- High Yield Bonds aim to provide:
- **Higher Yields (Income Generation):** They provide superior coupon payments to compensate for higher credit risk, making them an excellent choice for income-focused investors.
- **Lower Sensitivity to Interest Rates:** High-yield bonds generally have shorter durations, meaning their prices are less likely to fall when interest rates rise compared to higher-grade bonds.
- **Diversification and Reduced Volatility:** These bonds often have lower correlations with other fixed-income assets and equities, which can enhance a portfolio's overall risk-adjusted returns.
- **Equity-Like Returns with Lower Risk:** While they offer higher returns similar to stocks, they are typically less volatile and less prone to severe market swings.
- **Capital Appreciation Potential:** If the issuing company's financial health improves, the bond's value can rise, offering both high income and capital gains.
- **Senior Position to Equity:** In the event of bankruptcy, high-yield bondholders are generally paid before equity shareholders, offering a safety net compared to owning stocks

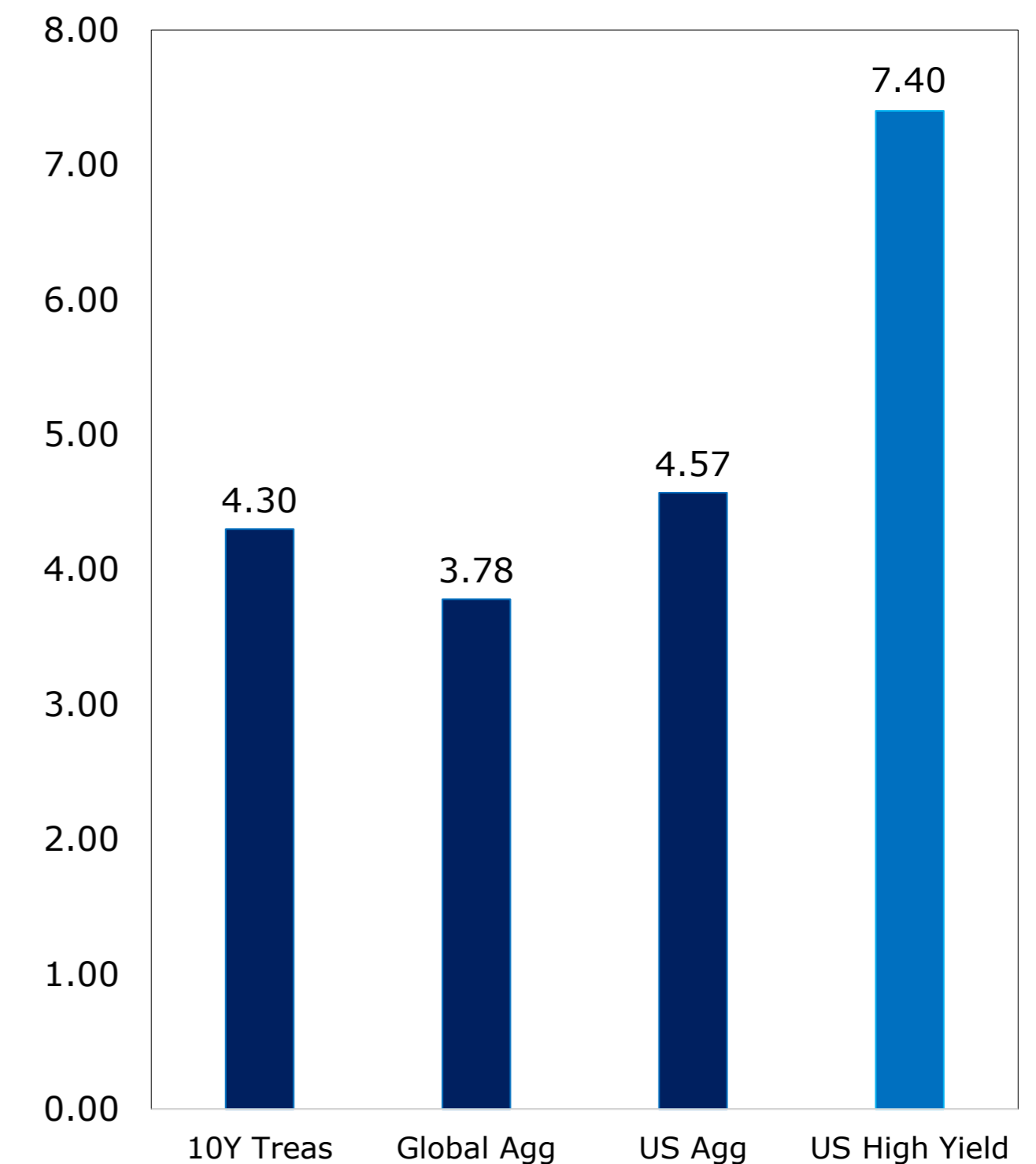
**Bloomberg US Corporate High Yield Index:
Positive Total Returns in 8 of 10
Calendar Years**



Lower Volatility Than Equities



**Yields%
(As of March 31, 2026)**



Source: Bloomberg, 3/31/2026

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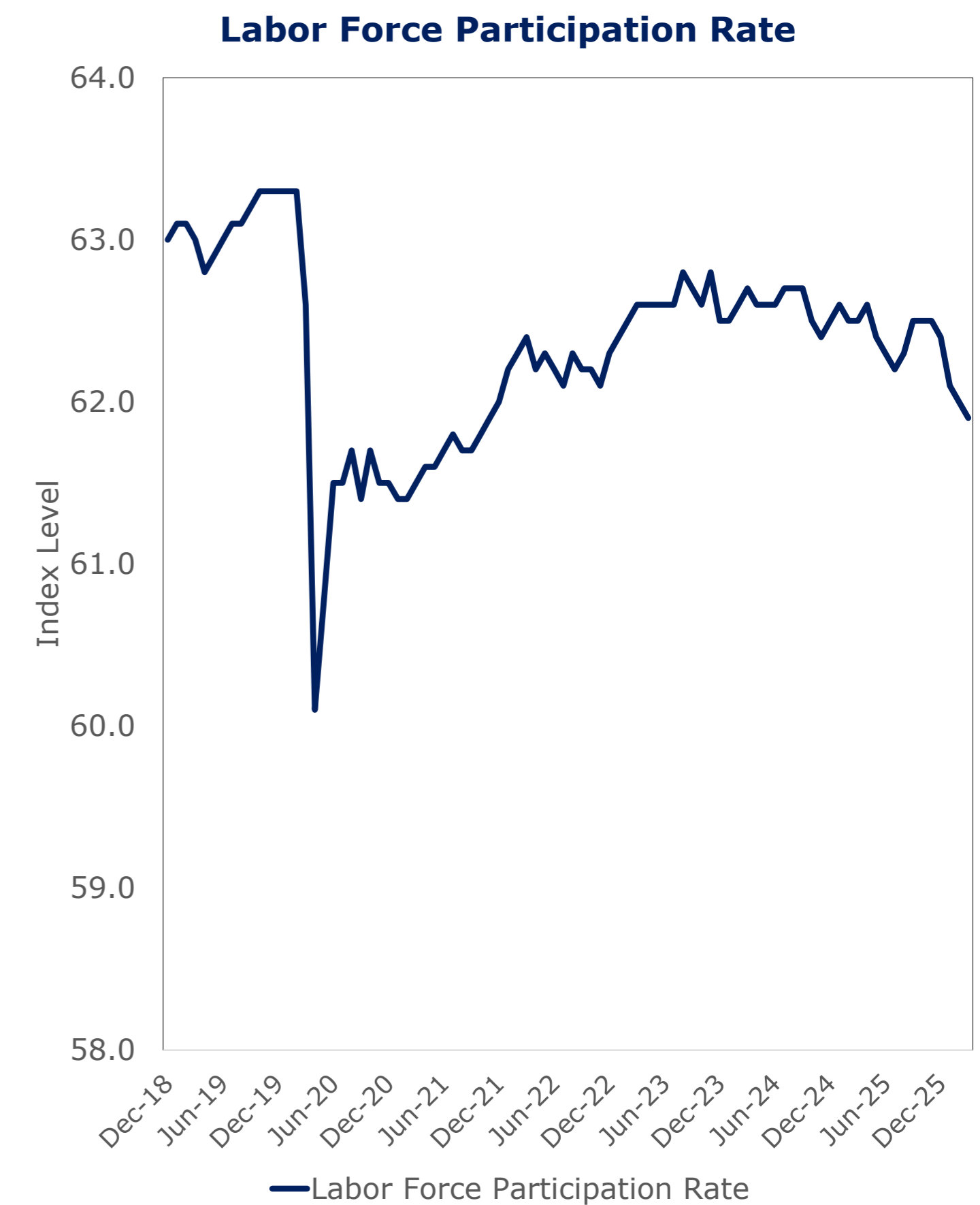
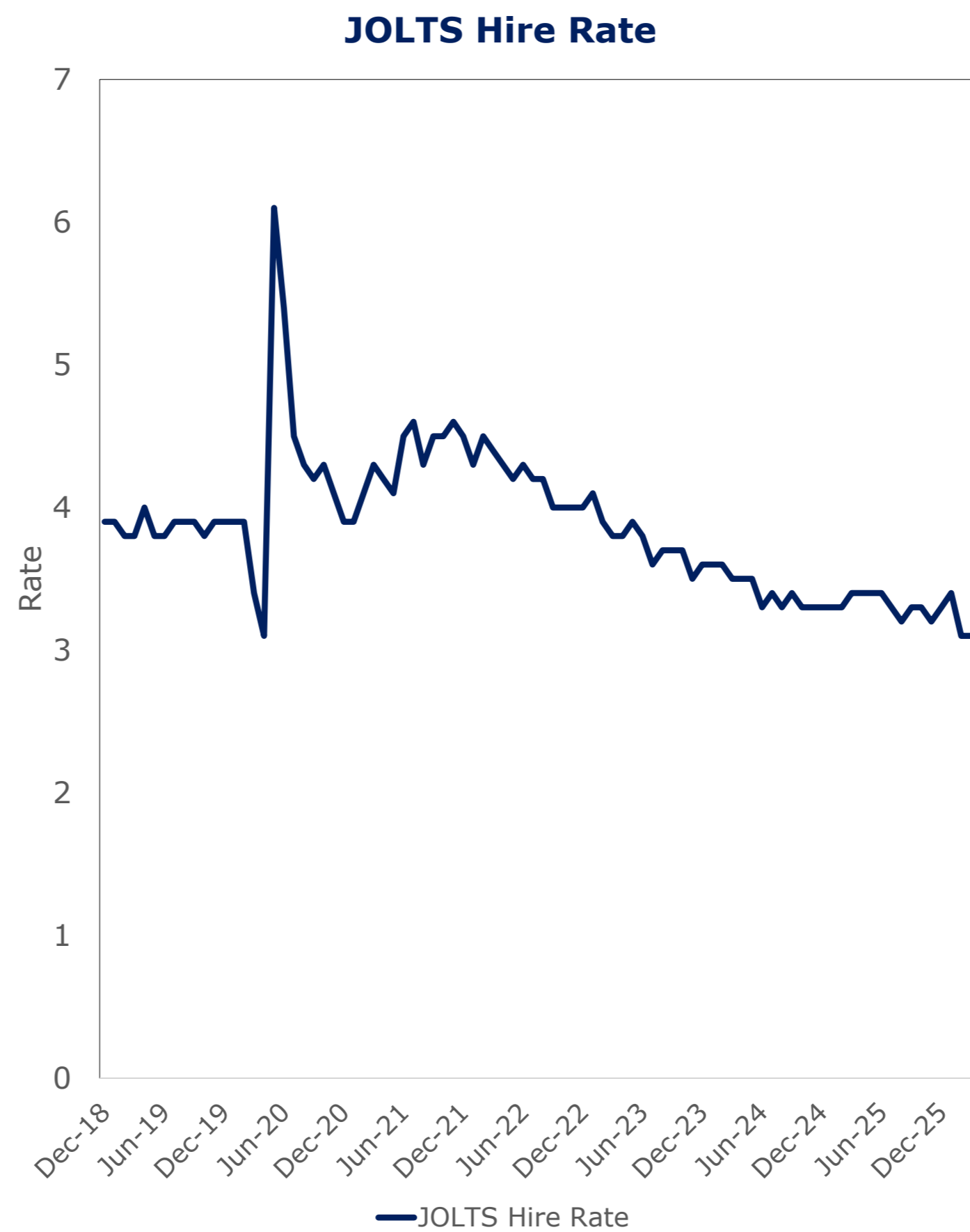
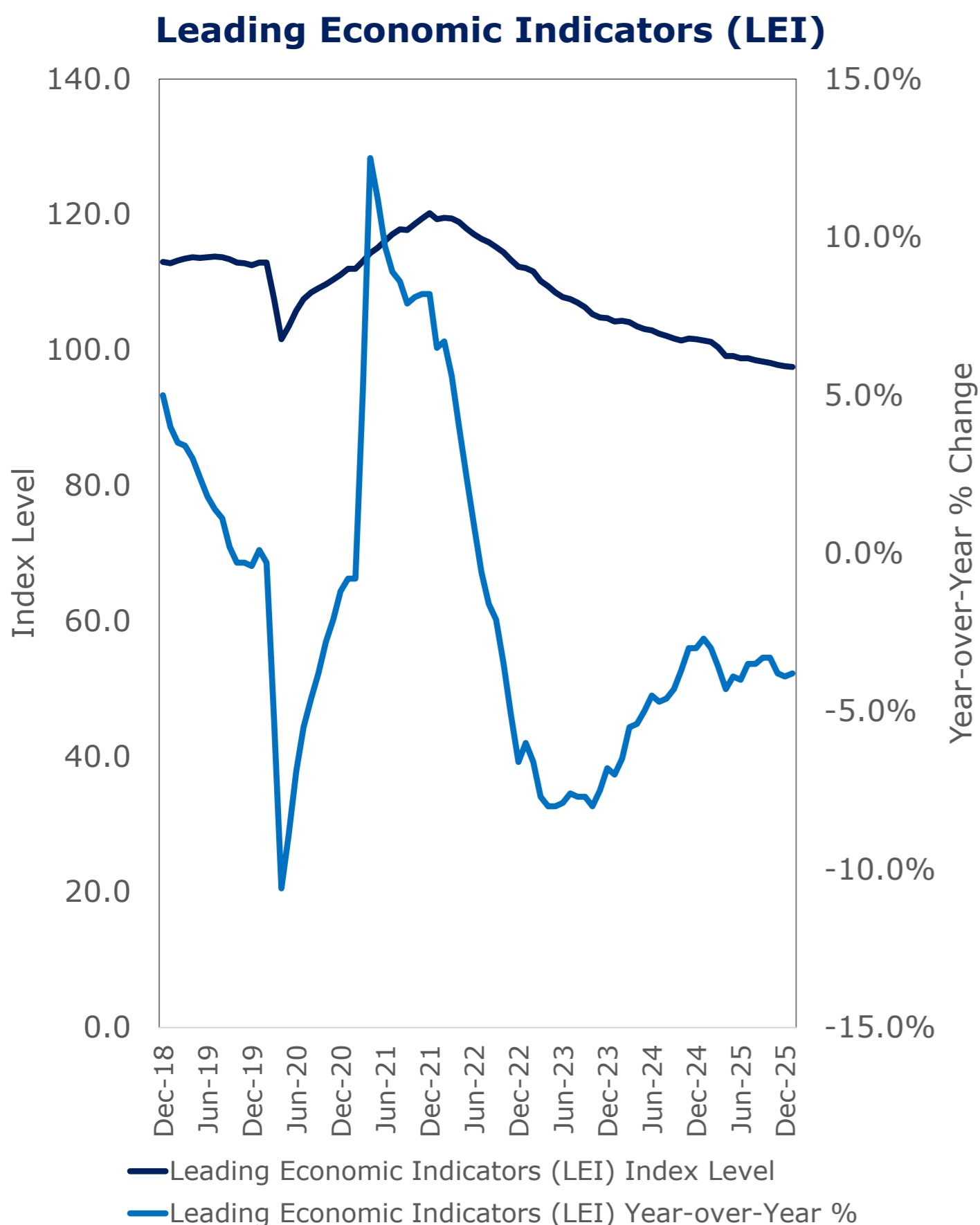
Downside Shock/Hard Landing (Tail Risk)



Downside Shock/Hard Landing: Economic indicators

Warning signs and defensive positioning

- In a Downside Shock/Hard Landing (Tail Risk) scenario, the US Labor market would likely deteriorate resulting in a labor market freeze highlighted by payroll volatility and labor force shrinkage.
- The Iran War and resulting energy shock may be a catalyst for a Hard Landing environment if the War persists. Associated inflation would limit the Fed's response.
- The US Leading Economic Indicators (LEI) fell in January 2026 from softening building permits and weakening consumer expectations.
- The JOLTS Hire rate (3.1%, March 2026) is near COVID levels.
- A US hard landing has the potential to ripple through fragile global growth.



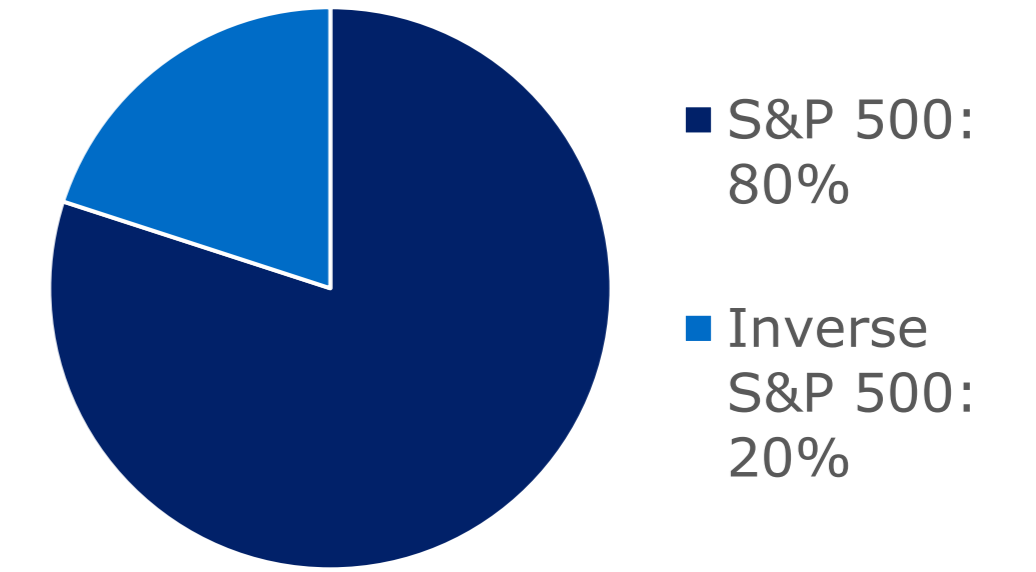
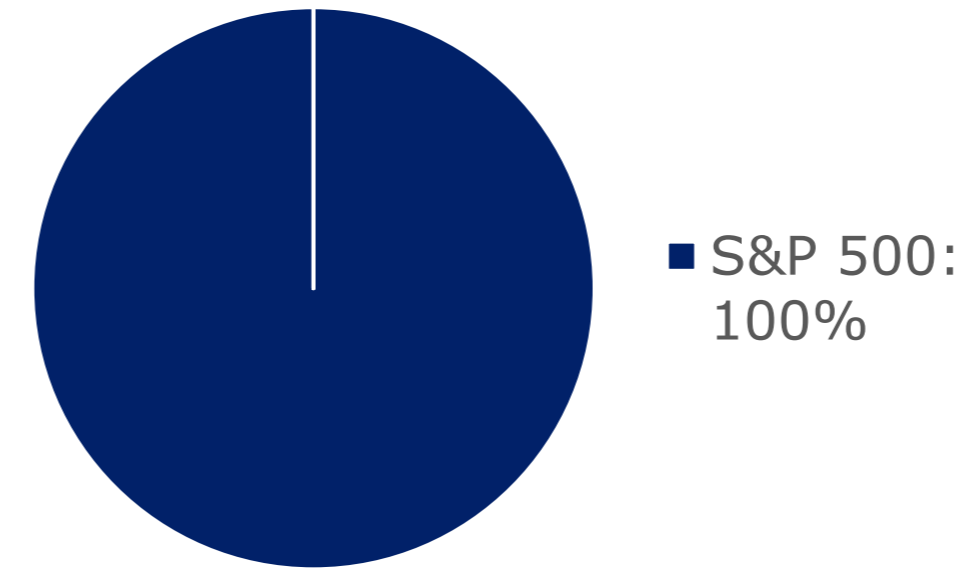
Short Equity Investing

Return potential in declining markets and portfolio hedging

Short Equity investing may:

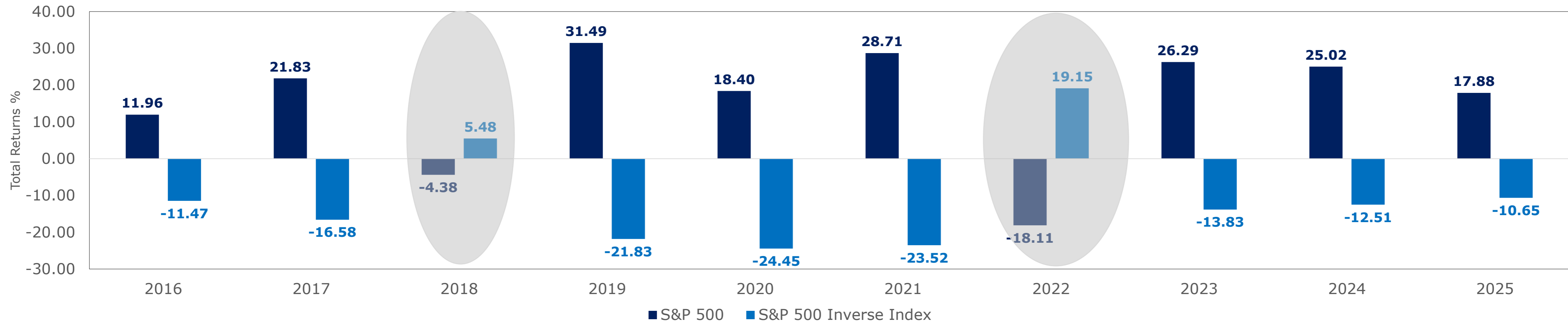
- Provide returns that are not correlated to the equity market (e.g., the inverse of the market) by using derivatives like futures.
- Reduce the risk of short-term downturns in the market by investing in derivatives like futures and options contracts that can help offset losses if the market falls

The short sale of securities involves unlimited risk including the possibility that losses may exceed the original amount invested. Options and future contracts also have risks associated with unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. Such securities may be difficult to sell without experiencing delays or additional costs. Considering the increased risks, these investments are not suitable for all investors.



Total Returns	100% S&P 500	80% S&P 500/20% S&P 500 Inverse
2018	-4.38%	-1.80%
2022	-18.11%	-10.25%

S&P 500 and S&P Inverse 500 Index: Calendar Year Total Returns %



Source: Bloomberg, 3/31/2026

Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

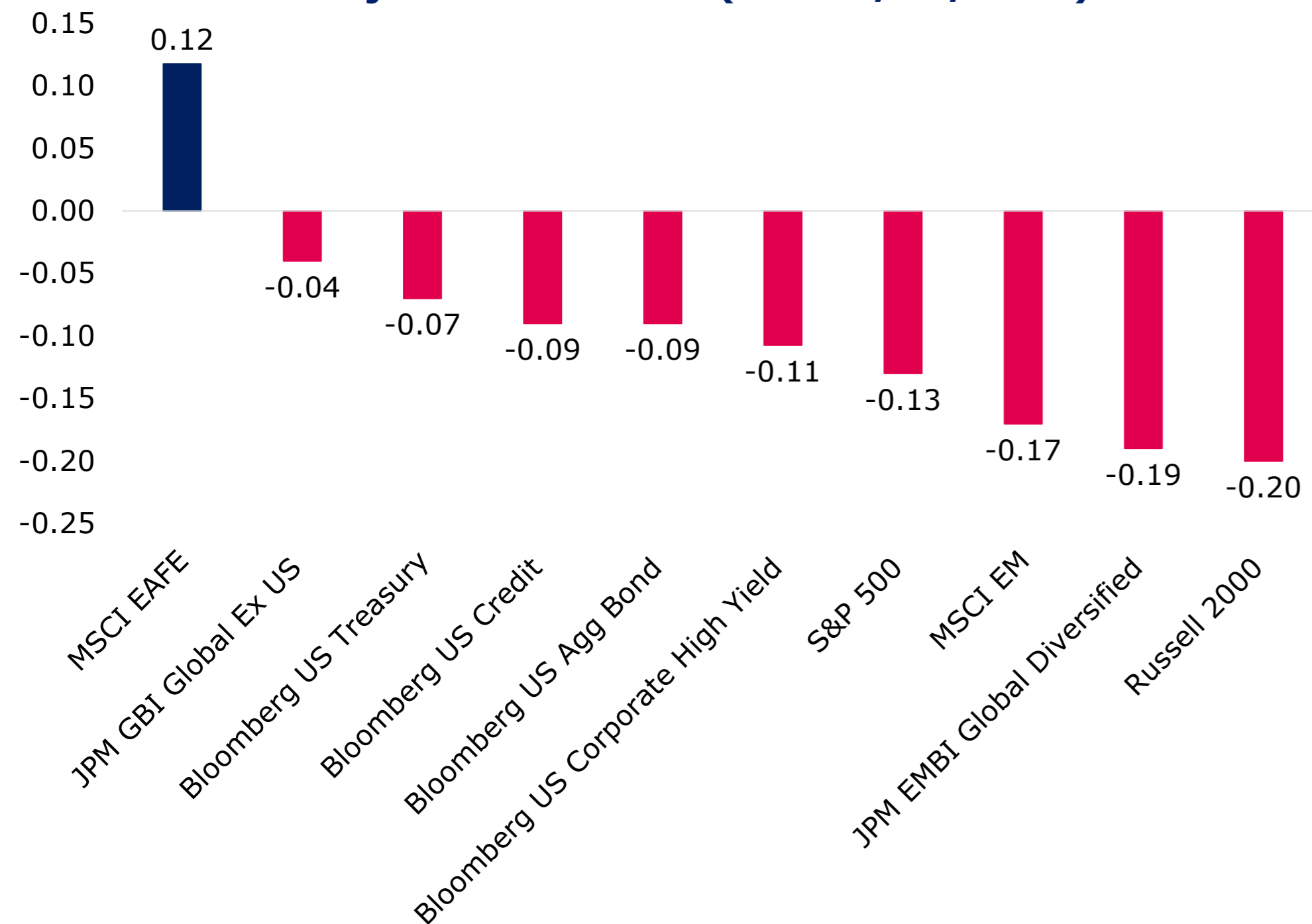
Market Neutral Investing

Diversification benefits and potential improved portfolio risk/returns

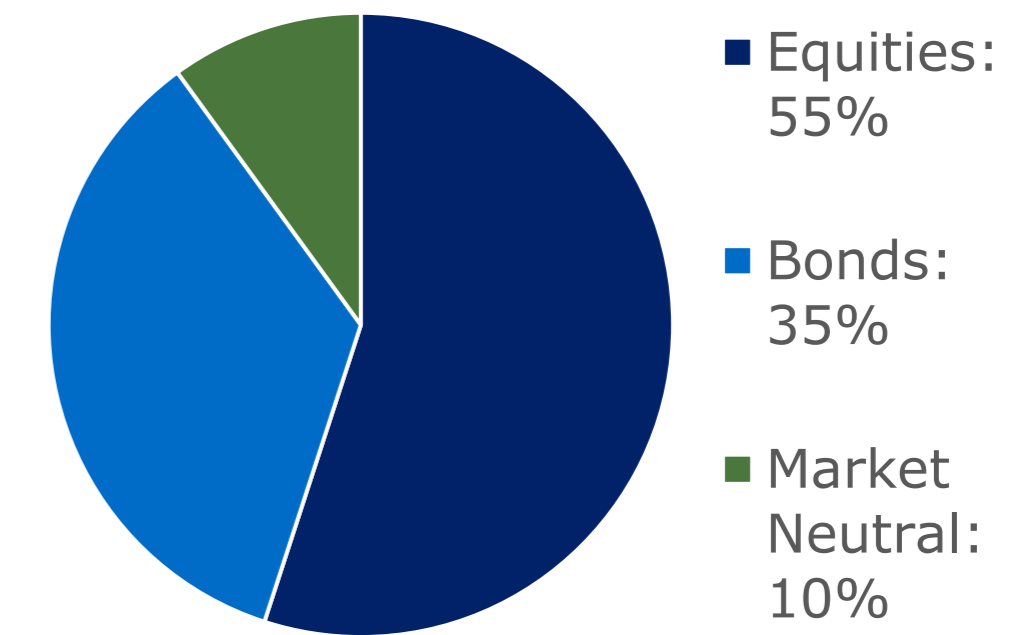
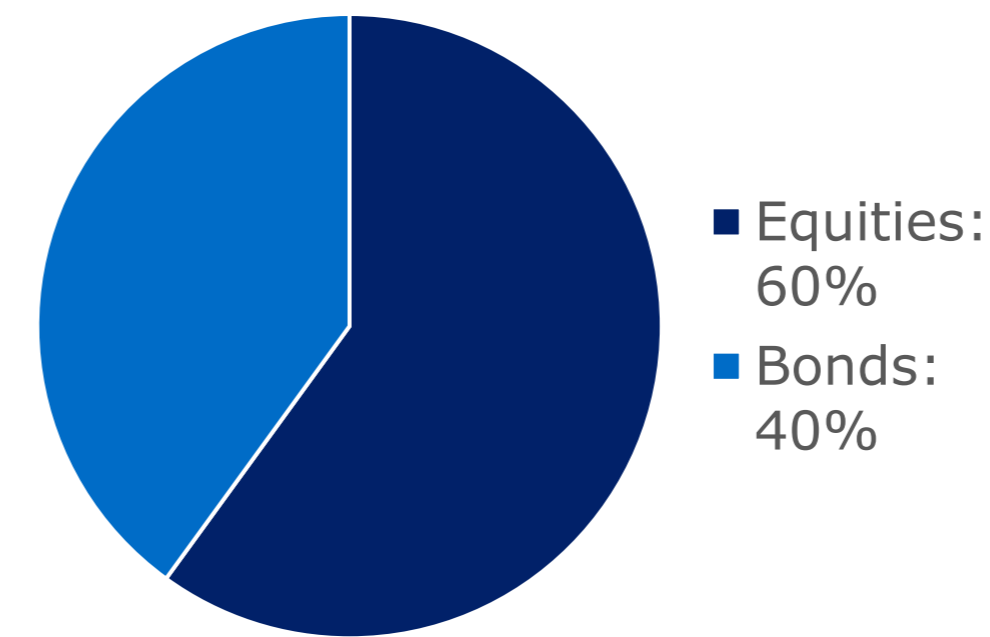
Market Neutral strategies seek to:

- Expand investment opportunities
- Take advantage of security dispersion
- Provide positive investment returns that are independent of and lowly correlated to broad equity and fixed income asset classes.
- Reduce overall portfolio volatility

Market Neutral 3-Year Correlation to Major Asset Classes (As of 3/31/2026)



Source: Bloomberg, 3/31/2026



3-Years Ending 3/31/2026	60% / 40% Portfolio	55% / 35% / 10 % Portfolio
Sharpe Ratio	0.82	0.87
Std. Deviation	8.71	7.89
Total Return %	12.36%	12.07%

Equities = S&P 500, Bonds = Bloomberg US Aggregate Bond Index, Market Neutral = Morningstar Equity Market Neutral Funds Average

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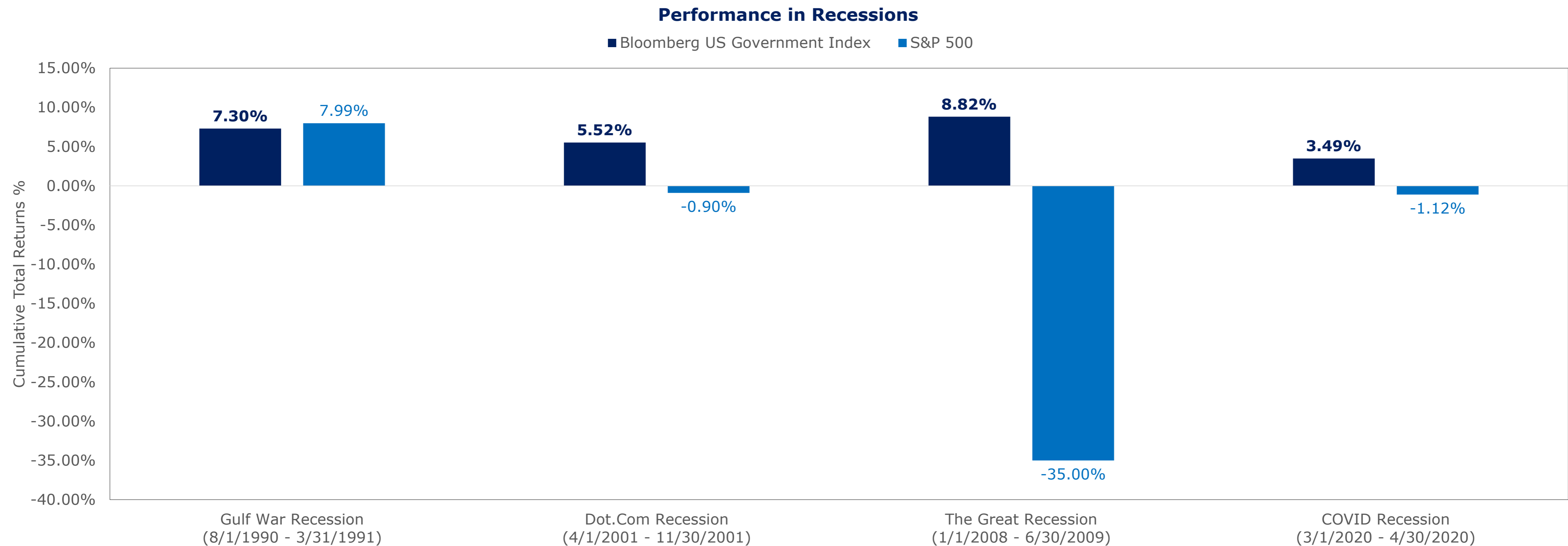
The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement. Market Neutral and Inverse strategies use long and short positions in seeking to limiting a portfolios exposure to domestic stock market movements, capitalization, sector-swings or other risk factors. There can be no guarantee that this will be a successful investment approach, and the short sale of securities can involve unlimited risk.

Government Bonds Investing

Seeks to provide relative safety in a downside scenario

Government bonds may provide:

- **Relative Safety and Credit Quality:** Government bonds (e.g., U.S. Treasuries) are backed by the full faith and credit of the government, making them low-risk compared to corporate bonds.
- **Regular Income:** Can provide a steady stream of interest payments, which can be useful for retirees or income-focused investors.
- **Diversification and Less Volatility:** Bonds often move in opposite directions to stocks, providing a buffer against stock market volatility.



Source: Bloomberg, 3/31/2026

Investments cannot be made in an index. Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Income generated by US Treasury bonds is subject to federal income taxes.

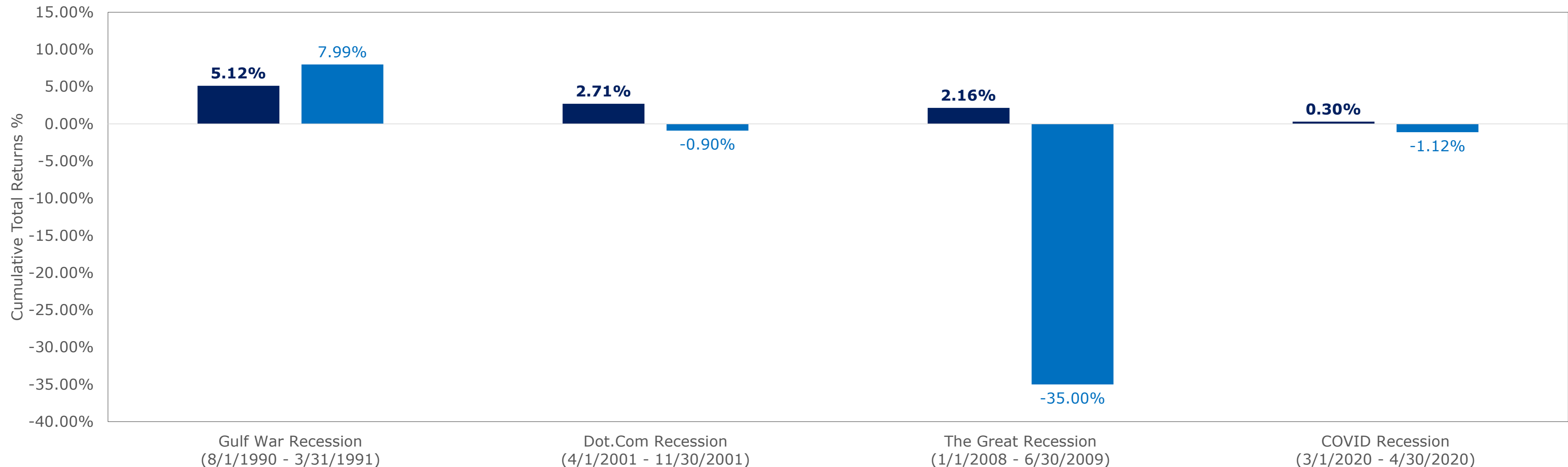
Money Markets Investing

“Flight to liquidity” for investors seeking capital preservation in uncertain times

- During recessions, investors often turn to money market investments (MMIs) as a lower-risk option for capital preservation and liquidity. This is a strategic move to help insulate a portion of a portfolio from the high volatility and potential losses seen in the stock market during economic downturns.
- Recessions are marked by stock market volatility and uncertainty. By moving assets into MMIs, investors reduce their exposure to market fluctuations, which may provide a "downside buffer" for their portfolio.
- Placing cash in an MMI can provide flexibility. Instead of panic-selling, they can wait for signs of a sustained recovery to reinvest in stocks or other assets at a lower price.

Performance in Recessions

■ ICE BofA US 3 Month T-Bill Index ■ S&P 500



Source: Bloomberg, 3/31/2026

Investments cannot be made in an index. Past performance is no guarantee of future results. For illustrative purposes only and not representative of any specific investment.

Disclosures



Word about risk

- Investing in equities is speculative and involves substantial risks. The value of equity securities will rise and fall. These fluctuations could be a sustained trend or a drastic movement.
- Value stocks tend to have higher dividends and thus have a higher income-related component in their total return than growth stocks. Value stocks also may lag growth stocks in performance at times, particularly in late stages of a market advance.
- Growth stocks tend to have higher valuations and thus are typically more volatile than value stocks. Growth stocks also may not pay dividends or may pay lower dividends than value stocks.
- Large-cap companies may have fewer opportunities to expand the market for their products or services, may focus their competitive efforts on maintaining or expanding their market share, and may be less capable of responding quickly to competitive challenges. The above factors could result in the share price of large-cap companies lagging the overall stock market or growth in the general economy, and, as a result, could have a negative effect on a fund's portfolio, performance and share price.
- Small-cap companies may have less liquid stock, a more volatile share price, unproven track records, a limited product or service base and limited access to capital. The above factors could make small-cap companies more likely to fail than larger companies and increase the volatility of a fund's portfolio, performance and share price. Suitable securities of small-cap companies also can have limited availability and cause capacity constraints on investment strategies for funds that invest in them.
- International investing involves special risks including currency risk, increased volatility, political risks, and differences in auditing and other financial standards.
- Prices of emerging markets securities can be significantly more volatile than the prices of securities in developed countries and currency risk and political risks are accentuated in emerging markets.
- There are no guarantees that dividend paying stocks will continue to pay dividends. In addition, dividend paying stocks may not experience the same capital appreciation potential as non-dividend paying stocks.

Word about risk

- Bond prices are sensitive to changes in interest rates and a rise in interest rates can cause a decline in their prices.
- High-yield, lower-rated securities generally entail greater market, credit/default and liquidity risks, and may be more volatile than investment grade securities.
- The value of some mortgage-backed securities may be particularly sensitive to changes in prevailing interest rates, and although the securities are generally supported by some form of government or private insurance, there is no assurance that private guarantors or insurers will meet their obligations.
- Income generated by municipal bonds may be subject to the Federal alternative minimum tax and state and local taxes.
- Diversification does not guarantee a profit or protect against loss.

Definitions

- Duration is a measure of a security's price sensitivity to changes in interest rates. Securities with longer durations are more sensitive to changes in interest rates than securities of shorter durations.
- Yield Curve: Graph showing the comparative yields of securities in a particular class according to maturity. Securities on the long end of the yield curve have longer maturities.
- Standard deviation is a statistical measurement of dispersion about an average which depicts how widely the returns varied over a certain period of time. The higher the standard deviation, the greater the volatility.
- Correlation expresses the strength of relationship between distribution of returns of one data series and its benchmark. The coefficient correlation is always between +1 (perfect positive correlation) and -1 (perfect negative correlation).
- Magnificent Seven (Mag-7): Moniker for seven mega-cap tech-related stocks Amazon, Apple, Google-parent Alphabet, Meta, Microsoft, Nvidia and Tesla.
- Credit ratings of A or better are considered to be high credit quality; credit ratings of BBB are good credit quality and the lowest category of investment grade; credit ratings BB and below are lower-rated securities ("junk bonds"); and credit ratings of CCC or below have high default risk.
- Weighted Average Yield to Worst: Is an average of the lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.
- Bloomberg Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings over the past three years. If the fund is less than three years old, the category is based on the life of the fund.
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Definitions

MSCI ACWI ex USA Index: Captures large- and mid-cap representation across 22 of 23 developed markets countries (excluding the U.S.) and 27 emerging markets countries. The index covers approximately 85% of the global equity opportunity set outside the U.S.

MSCI Europe, Australasia and Far East Index (EAFE): Is an equity index which captures large- and mid-cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets Index: Captures large- and mid-cap representation across 24 Emerging Markets (EM) countries. With 832 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI China Index: The MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 568 constituents, the index covers about 85% of this China equity universe.

MSCI Japan Index: is designed to measure the performance of the large and mid cap segments of the Japanese market. With 183 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

MSCI Europe Index: captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe*. With 399 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

Dow Jones US Select Dividend Index: seeks to represent the top 100 US stocks by dividend yield. The Index is derived from The Dow Jones US Index and generally consists of 100 dividend paying stocks that have 5-year non-negative dividend growth rate.

NASDAQ Composite Index: a capitalization-weighted index, meaning each component weighted according to its market value, and the index's total value is adjusted using a divisor to normalize its scale. It tracks nearly all equity securities listed on the Nasdaq exchange.

U.S. Dollar Index: Indicates the general international value of the U.S. Dollar by averaging the exchange rates between the U.S. Dollar and six major world currencies.

Definitions

Russell 1000 Index: The Russell 1000® Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000® Index represents approximately 92% of the U.S. market. The Russell 1000® Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

Russell 1000 Growth Index: Measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics.

Russell 1000 Value Index: Measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000® Index companies with lower price-to-book ratios and lower expected growth values. The R1000V is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The Russell 1000® Value Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

Russell Mid Cap Index: The Russell Midcap® Index measures the performance of the mid-cap segment of the US equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.

Russell Mid Cap Growth Index: Measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values. It is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market.

Russell Mid Cap Value Index: Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

Russell 2000 Growth Index: Measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics.

Russell 2000 Value Index: Measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. The index is constructed to provide a comprehensive and unbiased barometer for the small-cap value segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect value characteristics.

Definitions

Russell 3000 Value Index: measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000® Value or the Russell 2000® Value Indexes.

Russell 3000 Growth Index: measures the performance of the broad growth segment of the US equity universe. It includes those Russell 3000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).

S&P 500: Is an unmanaged capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

An S&P 500 Inverse Index is a financial tool designed to deliver the opposite (negative) daily return of the S&P 500. If the S&P 500 drops 1% in a day, the inverse index aims to rise by 1%. It allows investors to profit from market declines or hedge portfolios without direct short selling.

The CBOE Volatility Index® (VIX® Index) is a leading measure of market expectations of near-term volatility conveyed by S&P 500®(SPX) option prices. Since its introduction in 1993, the VIX® Index has considered by many to be the world's premier barometer of investor sentiment and market volatility.

The ICE BofA MOVE Index (Merrill Lynch Option Volatility Estimate) is a premier gauge of U.S. Treasury market volatility, often called the "bond market's VIX". It measures implied volatility, tracking the expected, or "market-implied," movement in U.S. Treasury yields using 1-month over-the-counter (OTC) options on 2, 5, 10, and 30-year maturities.

Definitions

Bloomberg US Aggregate Bond Index: Is an unmanaged index composed of securities from the Bloomberg Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indices are rebalanced monthly by market capitalization.

Bloomberg US Government Bond Index: Is a market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more.

Bloomberg US Corporate High Yield Index: Is an unmanaged index that is comprised of issues that meet the following criteria: at least \$150 million par value outstanding, maximum credit rating of Ba1 (including defaulted issues) and at least one year to maturity.

Bloomberg US Credit Index: Is composed of all publicly issued, fixed-rate, nonconvertible, investment-grade corporate debt. Issues are rated at least Baa by Moody's Investors Service or BBB by S&P Global Ratings, if unrated by Moody's. Collateralized Mortgage Obligations (CMOs) are not included. Total return comprises price appreciation/depreciation and income as a percentage of the original investment.

Bloomberg Municipal Bond Index: Is a market-value-weighted index for the long-term tax-exempt bond market. To be included in the index, bonds must have a minimum credit rating of Baa. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date.

Bloomberg 10 Year Municipal Bond Index: a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market consisting of bonds with a maturity range of 8-12 years.

Bloomberg US Mortgage-Backed Securities Index: Tracks agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLM).

Bloomberg US Treasury Bond Index: Is part of Bloomberg global family of government bonds indices. The index measures the performance of the U.S. Treasury bond market, using market capitalization weighting and a standard rule-based inclusion methodology.

Bloomberg 10-Year US Treasury Bellwethers Index: A universe of Treasury bonds with a 10-year maturity; used as a benchmark against the market for long-term maturity fixed-income securities.

Bloomberg US Treasury US TIPs Index: a rules-based, market value weighted index that tracks inflation protected securities issued by the U.S. Treasury.

Bloomberg US Govt/Credit 1-3 Year Index: Includes all medium and larger issues of U.S. government, investment-grade corporate and investment-grade international dollar-denominated bonds that have maturities of between one and three years and are publicly issued.

Bloomberg US Universal Index: Is an index that represents the union of the US Aggregate Index, US Corporate High-Yield, Investment-Grade 144A Index, Eurodollar Index, US Emerging Markets Index and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or below investment grade.

Bloomberg US Corporate Investment Grade Index: a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market.

Definitions

Bloomberg Emerging Markets USD Aggregate Index: Tracks total returns for external-currency-denominated debt instruments of the emerging markets: Brady bonds, loans, Eurobonds, and U.S. dollar-denominated local market instruments. Countries covered are Argentina, Brazil, Bulgaria, Ecuador, Mexico, Morocco, Nigeria, Panama, Peru, the Philippines, Poland, Russia and Venezuela.

Bloomberg Emerging Markets (EM) ex-US Aggregate Index: is an unmanaged index that tracks total returns for external-currency-denominated debt instruments of the emerging markets.

Bloomberg Emerging Markets Seasoned ex Aggregate/Eurodollar Index: the emerging markets debt component of the Bloomberg US Universal Bond Index and is generally at least 80% noninvestment-grade.

Bloomberg Global Aggregate Index: a flagship measure of global investment grade debt from twenty-seven local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

J.P. Morgan GBI Global ex-US Index: an unmanaged index market representative of the total return performance in US dollars on an unhedged basis of major non-US bond markets.

J.P. Morgan EMBI Global Diversified Index: tracks liquid, US Dollar emerging market fixed and floating-rate debt instruments issued by sovereign and quasi-sovereign entities.

ICE BofA 3-Month U.S. Treasury Bill Index: an unmanaged index that measures returns of three-month U.S. Treasury Bills.

ICE BofA BBB US Corporate Index: tracks the performance of U.S. dollar-denominated, investment-grade corporate debt publicly issued in the U.S. domestic market.

Bloomberg LSTA US Leveraged Loan Index: measures the performance of global bond and leveraged loan markets.

Definitions

Bloomberg US Financial Conditions Index: a Z-score tracking the overall level of financial stress in the US money, bond, and equity markets to help assess the availability and cost of credit.

Bloomberg UK Financial Conditions Index: a Z-score tracking the overall level of financial stress in the UK money, bond, and equity markets to help assess the availability and cost of credit.

Bloomberg Eurozone Financial Conditions Index: a Z-score tracking the overall level of financial stress in the Eurozone money, bond, and equity markets to help assess the availability and cost of credit.

Citigroup Euro Economic Surprise Index: a widely followed indicator that measures how recent Eurozone economic data compares to consensus expectations

Citi US Economic Surprise Index: a widely followed indicator that measures how recent US economic data compares to consensus expectations

Consumer Price Index (CPI): measure of the average change over time in the prices paid by urban consumers for a representative basket of consumer goods and services The CPI measures inflation as experienced by consumers in their day-to-day living expenses.

ISM Manufacturing PMI: a monthly economic indicator that measures the health of the manufacturing sector in the United States published by the Institute for Supply Management.

ISM Services PMI: an index used to assess the performance of services companies in the US. The reading, published monthly, is based on surveys of more than 400 purchasing and supply managers in non-manufacturing (services) firms published by the Institute for Supply Management.

Leading Economic Indicators (LEI): an economic leading indicator intended to forecast future economic activity. It is calculated by The Conference Board, a non-governmental organization, which determines the value of the index from the values of ten key variables.

Price Consumption Index (PCE): is the primary measure of consumer spending on goods and services in the U.S. economy. It accounts for about two-thirds of domestic final spending, and thus it is the primary engine that drives future economic growth. PCE shows how much of the income earned by households is being spent on current consumption as opposed to how much is being saved for future consumption.

U.S. Dollar Index: Indicates the general international value of the U.S. Dollar by averaging the exchange rates between the U.S. Dollar and six major world currencies.

University of Michigan Consumer Sentiment Index: A measure of consumer confidence based on a monthly telephone survey by the University of Michigan that gathers information on consumer expectations regarding the overall economy.

Disclosure

- Views are as of 3/31/2026 and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security or sector.
- Although the information provided in this document has been obtained from sources which Federated Hermes believes to be reliable, it does not guarantee accuracy of such information, and such information may be incomplete or condensed.
- Investments are subject to risk and fluctuate in value.
- **The data contained in this presentation is for informational purposes only and should not be relied upon to make investment decisions.**
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- Certain information contained herein may constitute “forward-looking statements”. Due to various risks and uncertainties, actual events, results or performance may differ materially from those reflected or contemplated in these statements. Nothing contained herein may be relied upon as a guarantee or representation as to the future.
- Alpha is a measure of risk-adjusted returns.
- Sharpe ratio is calculated by using standard deviation and excess return to determine reward per unit of risk.