Earned

2026 Market Outlook

The Discipline Dividend:

A Doctor-Centered Perspective on Markets, Risk, and Long-Term Wealth

Table of Contents

Introduction

As a doctor, you operate in one of the most demanding professions in the world. Your time is scarce, your decisions carry real consequences, and your career path looks very different from most high earners.

You start earning later. You face some of the highest tax burdens in the country. Your prime earning years are compressed. And burnout is a real and growing risk.

That reality shapes how your financial strategy must be built.

At Earned, we don’t believe doctors should be forced to become market experts to build lasting wealth. Our role is to translate market complexity into clear, disciplined decisions that support your long-term goals — so you can stay focused on your patients, your family, and your life outside medicine.

As we head into 2026, markets are being shaped by powerful forces: elevated valuations, shifting interest rate policy, and the rapid acceleration of artificial intelligence. While these developments create opportunity, they also demand discipline.

The Earned Perspective: Long-Term by Design

We believe wealth is built over decades, not quarters.

At Earned, we don't attempt to predict short-term market movements. Instead, we focus on building durable, tax-aware portfolios that can adapt across market environments – aligned to your life goals, practice realities, and personal definition of success.

For doctors, this means:

Integrating investments with tax planning

Aligning portfolio risk with career stage and burnout risk

Coordinating wealth decisions with practice, retirement, and family planning

This outlook reflects that philosophy – disciplined, intentional, and long-term.

2026 Outlook: Deep Dive

2025 brought defining moments that sought to reshape markets and the global economy. From rapid policy shifts on Liberation Day to the return to rate cuts by the U.S. Federal Reserve and renewed hopes for peace in Europe and the Middle East, the past 12 months have been anything but static.

Our 2025 themes, Fragility, Durability and the Age of Alpha proved highly relevant. The near-bear market in April exposed market fragility and fixed income provided ballast when trends turned negative. Bonds delivered their strongest performance in the last few years as prices adjusted to evolving macro conditions. As we recast our 2026 capital market assumptions you will generally see more modest return forecasts given the increase in valuations.

Doctors rarely have the luxury of “starting over” financially. With a shorter accumulation window, protecting capital matters just as much as growing it. A disciplined approach – staying invested, properly diversified, and aligned with your goals – helps avoid costly mistakes that can derail long-term progress. For doctors, the biggest risk is often not missing the next opportunity – it’s taking too much risk at the wrong time.

We outline several key themes that will remain central into the new year and beyond.

Key Themes for 2026

Looking ahead to 2026, we anticipate a year shaped by subtle but meaningful shifts. Our themes serve as a playbook for navigating these changes. Current allocations provide a strong foundation, and most portfolios may require only modest adjustments. In fact, recasting our long-term assumptions reinforces the adage that sometimes, no action is the best action.

AI Playbook dives into the nuance of managing a narrow and exuberant market. We address the seemingly more frequent question: "Is AI a bubble?" and evaluate the asymmetry of potential outcomes. Is it worse to be underweight AI if it rallies or overweight if it falters? History, math and experience suggest it is better to leave some upside on the table than risk being caught in a severe downdraft.

What this means for doctors:
If you own U.S. stocks, you already have meaningful AI exposure. The question isn't "Should I invest in AI?" – it's "How much exposure is appropriate given my goals, timeline, and risk tolerance?"

Navigating Valuation explores how to manage markets that appear richly valued and identify where green shoots of opportunity may exist. We also assess the role of alternatives in mitigating uncertainty without wholesale portfolio changes.

What this means for doctors:
When expected returns are lower, tax efficiency, portfolio construction, and downside protection matter more. In these environments, it's especially important to revisit your financial plan to stress-test whether you're taking the right amount of risk to fund your goals – enough to support long-term outcomes, but not so much that you're exposed to unnecessary downside. This is where thoughtful fixed income, global diversification, and selective alternatives can play an important role – not as added complexity, but as practical tools to help smooth the path forward.

Finally, **Noise Resistance** reviews economic and external factors influencing markets. While the existential weight of AI and elevated valuations present challenges, many indicators point to growth and additional stimulus ahead.

What this means for doctors:
Doctors already operate in high-stress environments. Financial noise shouldn't add to that burden. Successful long-term outcomes rarely come from reacting to headlines — they come from staying aligned with a well-built plan.

In all, we believe our portfolios are well positioned thanks to the groundwork laid in 2025. With modest exceptions, such as selectively adding alternatives, portfolio adjustments will likely be limited.

AI is poised to be one of the most influential forces in markets next year. Public equity markets, particularly in the U.S., are already highly concentrated in AI-related exposure. Whether you are an enthusiast or a skeptic, getting the right amount of exposure could mean the difference between success and failure. The **AI Playbook** outlines our approach to allocating in an AI-driven market without being distracted by the existential debates.

1 Bubble? The Jury is Out

Classic bubbles share a familiar pattern: displacement, boom, euphoria and bust. Displacement often begins with a kernel of truth and a breakthrough that is genuinely transformative. That spark fuels the boom and the exuberance that follows. History offers many examples: the invention of radio, the expansion of U.S. railroads and the fiber-optic buildout that laid the foundation for the internet, just to name a few. Each innovation changed the world, created extraordinary market opportunities and ultimately led to sharp price declines in related stocks and industries after euphoria took it too far.[1]

23.0x vs. 25.6x

The S&P 500 P/E ratio today vs. March 2000

Those who believe AI is truly transformative must also seemingly cosign the notion that transformative change often carries cautionary lessons. To hold one thought without the other is to ignore history and utter the words “it is different this time”, a phrase that has accompanied every cycle of excess only to be proven wrong. So where are we in this cycle? The boom is clear: adoption, demand, and massive investment in research and infrastructure. Euphoria, however, is where the real debate begins.

On one hand, some believe AI-related companies have taken a measured approach. Capital expenditures, estimated at more than $1 trillion, have been largely funded by existing cash flow of these businesses rather than debt, a sign of discipline rather than speculation. Demand also continues to outpace supply, a dynamic rarely seen in the late stages of a bubble.

On the other hand, extremes exist. Consider Thinking Machines, an AI startup founded by a former OpenAI executive. It raised $2 billion in “seed” capital at a ~$10 billion valuation, without a product and reportedly unwilling to disclose to investors what it plans to build. A month later, they went through a second round, valuing the company at $50 billion.[2] Still no product. Still no revenue.

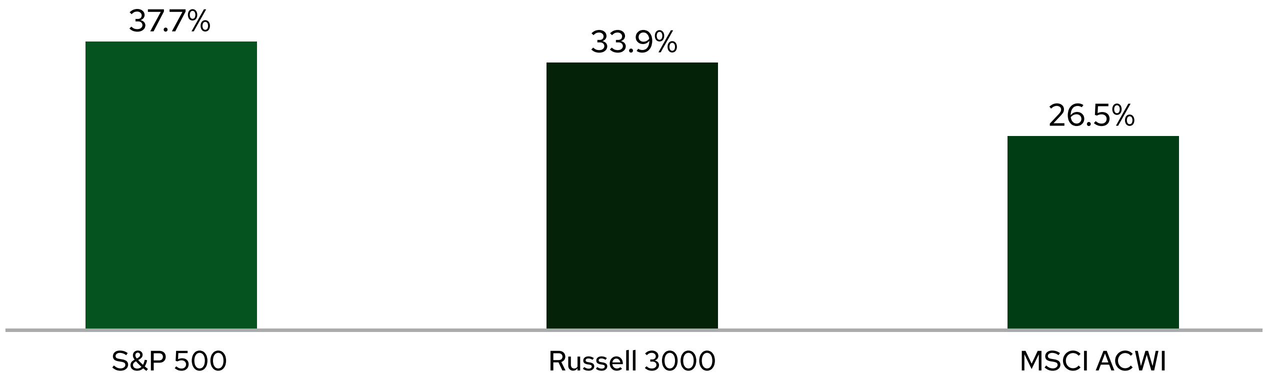
[1]FactSet. As of October 31, 2025.
[2]Reuters. November 13, 2025.

Evidence of exuberance and optimism remains, but as in all cycles, the devil is in the details. Certain pockets of the AI ecosystem will undoubtedly overreach while others will remain disciplined. No one knows precisely where we sit in this cycle, but the approach to investing through it does not change; operate with openness and curiosity, stay disciplined in risk management, and never lose sight of the first principles of long-term, diversified investing. The jury is still out, and in truth, a verdict will only come long after it is too late to act. Until then, we remain grounded in practical experience and committed to disciplined risk management to navigate the current environment.

2 The Facts: Look Inward First

If you own U.S. equities, you have already made an AI bet, and it may be your largest. Roughly 38% of the S&P 500 is tied to companies connected to artificial intelligence.[3] For perspective, ahead of the Global Financial Crisis, financials were the largest sector, representing about 20% of the index. In 2000, technology peaked at 34%.[4] This does not mean AI is a bubble, but it does showcase the market's enthusiasm for transformative technologies. So before asking how to "get into AI," recognize that in many ways, you may already be there.

Market Exposure to AI



Sources: BlackRock, Morningstar, Fiducient Advisors. As of November 30, 2025. Exposure to "AI" based on the common holdings compared to the following indexes: Morningstar Global Artificial Intelligence Select Index; NYSE Semiconductor Index; S&P Data Center, Tower REIT, and Communications Equipment Index; Morningstar Global Digital Infrastructure & Connectivity Index.

**If you own U.S. equities, AI is already one of your largest exposures.
The question isn't whether to invest – it's how much risk is appropriate.**

[3]BlackRock, Morningstar, Fiducient Advisors. As of November 30, 2025.
[4]Morningstar. As of November 30, 2025.

3 Offense: The AI Flywheel

If AI proves to be as transformative as some expect, the benefits may not be evenly distributed. Companies with lower margins and sectors with lighter capital expenditure requirements, particularly service-oriented businesses, may see disproportionate gains. Mid-cap and small-cap could also present opportunities relative to large-cap U.S. stocks, given their exposure to businesses positioned to capture AI-driven efficiencies. That optimism has begun to work its way into earnings expectations and may provide newly found footing for securities outside of the "Magnificent 7." Identifying these dynamics will be key to capturing upside beyond the obvious names.

4 Defense: Finding the Right Balance

With the facts in hand, sizing risk becomes critical. The top 10 stocks in the MSCI ACWI now account for roughly 25% of the index, nearly triple their share a decade ago.[5] Our 2026 global equity allocations show top 10 exposure near 18%, above that of the ACWI historical norm of about 14%, yet far more risk-conscious than today's market.[5] Why does this matter? Because owning too little and watching AI soar is a better outcome than owning too much and suffering if AI falters. Our analysis shows that capturing some upside is preferable to risking a severe drawdown from overexposure.

Portfolio Impact

Famed investor Howard Marks, who recently wrote on the topic of an AI bubble, stated this:

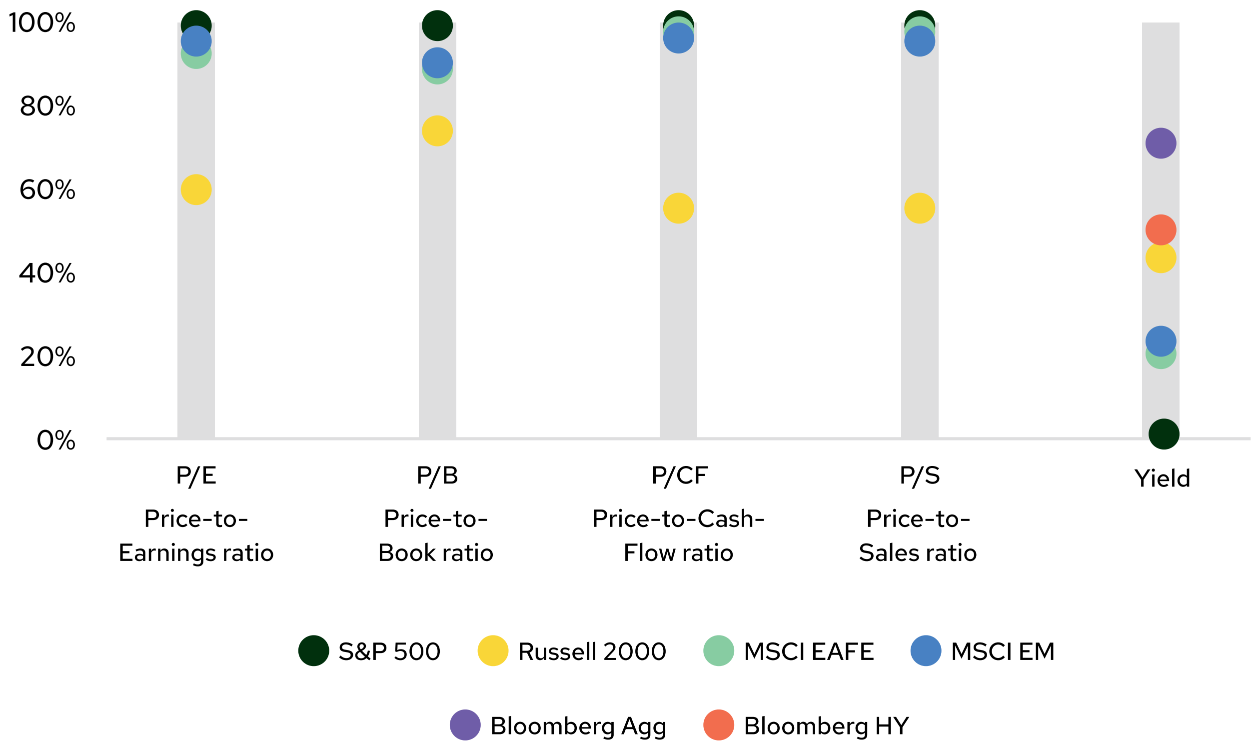
> "*Since no one can say definitively whether this is a bubble, I'd advise that no one should go all-in without acknowledging that they face the risk of ruin if things go badly. But by the same token, no one should stay all-out and risk missing out on one of the great technological steps forward. A moderate position, applied with selectivity and prudence, seems like the best approach.*"

AI is already embedded in portfolios, and in a meaningful way. Yet our approach holistically emphasizes measured exposure, thoughtful diversification and a focus on sectors positioned to benefit from AI's real-world adoption. We are maintaining our overweight exposure to mid-cap and small-cap stocks and our modest overweight to non-U.S. equity. Both stand to benefit from a broadening of AI and should help mitigate downside risk if enthusiasm slows.

[5] Morningstar, Fiducient Advisors. As of November 30, 2025.
See disclosures for global equity allocation definition.

While the sun seemingly rises and sets with AI, the world beyond it remains complex and far from easy. Across a wide range of metrics, valuations look full relative to history. Over the last 20 years, most markets are trading near historically full valuations. Credit spreads—the extra yield awarded to investors for taking on credit risk—are low, even as overall fixed income yields remain compelling. In the short term, that may mean very little, but over the long term, it matters. **Navigating Valuation** focuses on the nuance required in periods of elevated valuations and the importance of staying aligned with risk tolerances and long-term portfolio objectives.

Valuation Percentile Rank (Last 20 Years)



Source: FactSet. As of October 31, 2025. Yield is Dividend Yield for equity indexs and Yield to Worst for fixed income.

As we recast our 10-year forecasts, the “cost” of full valuations comes into view. Our prospective median return for U.S. equity hovers just above 5% (before inflation), ranking near the low end of our historical forecasts. While lower forecasts may not excite, nuance matters. Opportunities exist across global markets.

Fixed income remains compelling on both an absolute basis (attractive yields) and a risk adjusted basis (relative to the outlook for public equity). Publicly listed real estate also looks more appealing after a modest showing last year. Supported by falling rates, REITs often behave like fixed income in rate-cutting cycles. Power infrastructure and other real assets may also benefit if AI-driven demand for computing capacity continues to accelerate.

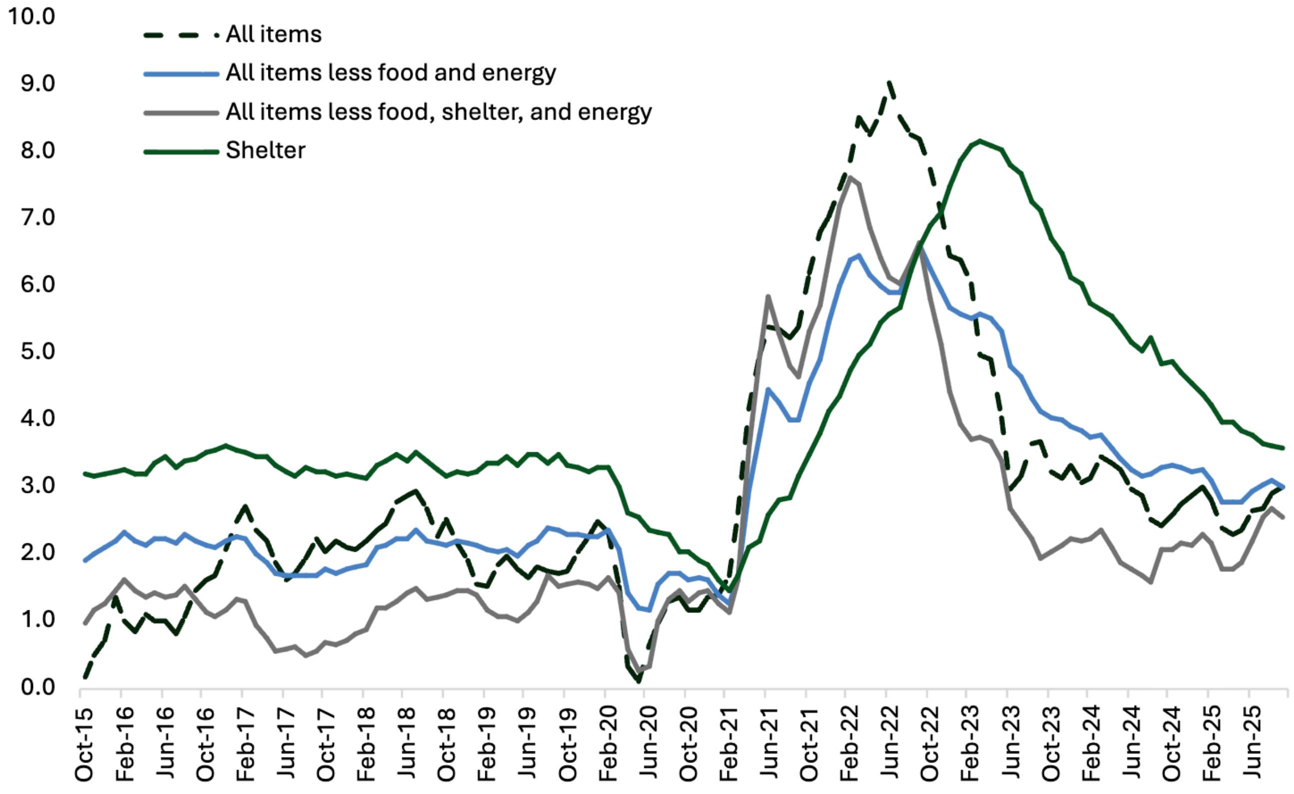
Portfolio Impact

Valuations are important over the long-term, and help determine what level of risk is warranted given objectives and tolerance. Even in a rich environment, opportunity persists. Fixed income offers risk-adjusted appeal with attractive all-in yields despite tight credit spreads. Alternatives may offer upside capture should markets continue their upward path while reducing downside risk in a narrow and fully valued market. While alternatives may not be suitable for all based on liquidity or complexity, we believe clients without exposure should consider an allocation, and those already invested should review the potential benefits of an increased position.

Markets are rarely short on information, but they are often short on clarity. **Noise Resistance** focuses on identifying which forces meaningfully influence long-term outcomes—and which simply create short-term distraction. In an environment shaped by rapid technological change, policy shifts, and heightened media attention, disciplined decision-making becomes a competitive advantage.

Investors navigated a steady stream of developments this year, from tariff uncertainty and Liberation Day in the spring to the passage of the "One Big Beautiful Bill," a fall government shutdown, and the Federal Reserve resuming rate cuts after a nine-month pause. Tariffs dominated early discussions, ultimately settling near an average level of approximately 17%,[6] introducing near-term inflation pressure while leaving longer-term inflation expectations relatively anchored. Inflation has moderated from post-pandemic highs but remains above the Fed's 2% target, with shelter costs easing while several CPI components continue to run above 3%, pointing to a disinflationary path that is likely to be uneven rather than linear.

U.S. Inflation - CPI (Y/Y% Change)



Source: FactSet. Asof October 24, 2025.

[6]Tax Policy Center. As of December 11, 2025.

As the year progressed, labor market data showed signs of softening, with downward revisions during the summer and shutdown-related disruptions limiting visibility. Job growth has remained muted, and unemployment edged higher to 4.6%[7], setting the stage for the Federal Reserve to resume easing in September. Additional cuts in October and December brought the policy rate to 3.50%–3.75%. While the government shutdown delayed key economic releases and contributed to volatility around the December decision—adding uncertainty to 2026 rate expectations—markets continue to price in further accommodation next year. Despite debate around Fed independence and future leadership, incoming economic data remains the primary driver of policy decisions.

Despite layoff headlines grabbing attention from firms like Meta, the overall employment picture remains stable and the consumer remains resilient. Early data suggest consumers spent nearly $12 billion on Black Friday, a ~9% increase from 2024.[8] Additional stimulus from the "One Big Beautiful Bill" tax cuts, which are estimated to be $150 billion in tax refunds for 2026[9] and a central bank that is more accommodative lay the groundwork for economic acceleration.

Credit was a standout in 2025. High yield bonds returned 8% year-to-date through November, supported by strong risk appetite and demand for yield, which sits near 6.6%.[10] While spreads hover near 20-year lows, corporate fundamentals and an increase in the credit quality of the index broadly temper concern. This lower cost of lending bodes well for economic expansion, but as allocators we continue to exercise caution given current valuations.

Portfolio Impact

The prospects for growth heading into 2026 are positive, but signs of moderation and uncertainty in the market persist. Positioning portfolios for multiple outcomes, rather than a single scenario, remains prudent. While all-in yields in non-investment grade remain high enough to compel an allocation, similar to last year we remain tempered in our sizing. With current spreads near all-time lows and credit risk seemingly absent, our emphasis remains on high quality investment grade fixed income. Additionally, we continue to believe select active management strategies have the ability to generate alpha in this market. Dynamic fixed income and alternatives like private markets offer flexibility to navigate sector divergences, capture market opportunities, uncover mispriced assets, and manage risk effectively.

[7]BLS. As of December 16, 2025. [8]Black Friday Statistics. As of December 2, 2025. https://statistics.blackfriday/ [9]Strategas. As of December 9, 2025. [10]FactSet. As of November 30, 2025.

A Note to Our Clients

For doctors with demanding schedules and complex financial lives, there's rarely time to monitor markets or react to every headline. Yet the decisions you make – or don't make – can have a lasting impact on your future. In an environment shaped by rapid change, elevated valuations, and ongoing uncertainty, having a durable, thoughtfully constructed financial strategy matters more than ever.

At Earned, our role is to help simplify that complexity. Through an integrated, doctor-centric approach, we align your investments with tax planning, career stage, and long-term personal and professional goals. The result is a strategy designed to adapt across market cycles – so market noise doesn't distract you from patient care, your family, or the life you're building outside of medicine.

Whether you're already working with Earned or exploring what a more coordinated approach could look like, our goal is the same: to help you move forward with clarity, confidence, and peace of mind – knowing your wealth strategy is working as hard as you are.

Bill Martin, CFA®
Chief Wealth Officer
Earned

You work hard.
Your money should too.

Book a meeting with us today and take the next step toward aligning your wealth strategy with your professional and personal goals.

Schedule your free consult!

Index and Disclosure Proxies

This report does not represent a specific investment recommendation. Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and are reported gross of any fees and expenses. Any forecasts represent future expectations and actual returns; volatilities and correlations will differ from forecasts.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged, and investors can not actually invest directly into an index:

“Finding the Right Balance” global equity allocation top 10 weights based on the following weighted average portfolio of indexes: S&P 500 (41.8%), Russell Mid Cap (12.5%), Russell 2000 (8.2%), MSCI EAFE (26.1%) and MSCI EM (11.5%).

Index Definitions

Indices used to generate historical risk and return metrics	Most Recent Index	Index Dates	Linked Index 1	Index Dates	Linked Index 2	Index Dates	Linked Index 2	Index Dates
Cash	FTSE Treasury Bill 3 Mon USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
ST Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
TIPS	Bloomberg US Treasury US TIPS TR USD	11/25 - 3/97	Bloomberg US Agg Bond TR USD	2/97 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Muni Bond	Bloomberg Municipal 5 Yr 4-6 TR USD	11/25 - 1/88	Bloomberg US Agg Bond TR USD	2/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Muni High Yield	Bloomberg HY Muni TR USD	11/25 - 11/95	Bloomberg Municipal 5 Yr 4-6 TR USD	10/95 - 1/88	Bloomberg US Agg Bond TR USD	2/87 - 1/79	N.A.	N.A. - N.A.
US Bond	Bloomberg US Agg Bond TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Bonds - Dynamic	*Custom Blend of Indices	11/25 - 2/90	Bloomberg US Agg Bond TR USD	1/90 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
For. Dev. Bond	50% CITI WGBI NonUSD Hdg 50% CITI WGBI NonUSD	11/25 - 1/85	Bloomberg US Agg Bond TR USD	12/84 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
HY Bond	Bloomberg US Corporate High Yield TR USD	11/25 - 7/83	Bloomberg US Agg Bond TR USD	6/83 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
EM Bond	JPM GBI-EM Global Diversified TR USD	11/25 - 1/03	JPM EMBI Global Diversified TR USD	12/02 - 1/94	Bloomberg US Corporate High Yield TR USD	12/93 - 7/83	Bloomberg US Agg Bond TR USD	6/83 - 1/79
Global Bonds	Bloomberg Global Aggregate TR USD	11/25 - 2/90	Bloomberg US Agg Bond TR USD	1/90 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Global Equity	MSCI ACWI GR USD	11/25 - 1/88	S&P 500 TR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (AC)	Russell 3000 TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (LC)	S&P 500 TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (MC)	Russell Mid Cap TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
US Equity (SC)	Russell 2000 TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Int'l Dev. Equity	MSCI EAFE GR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
EM Equity	MSCI EM GR USD	11/25 - 1/88	MSCI EAFE GR USD	12/87 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Preferred Equity	ICE BofA Convertible Pref TR USD	11/25 - 1/88	Bloomberg US Corporate High Yield TR USD	12/96 - 1/79	Bloomberg US Aggregate TR USD	6/83 - 1/79	N.A.	N.A. - N.A.
Real Estate	FTSE Nareit All Equity REITs TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Private Real Estate	Wilshire US RESI TR USD	11/25 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Broad Real Assets	S&P Real Asset TR USD	11/25 - 5/05	*Custom Real Assets Index	4/05 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.
Commod. Fut.	BCI+TIPS-CASH	11/25 - 3/97	BCI+AGG-CASH	2/97 - 1/91	GSCI+AGG-CASH	12/90 - 1/79	N.A.	N.A. - N.A.
Global Infrastructure	DJ Brookfld Global Infra TR USD	11/25 - 2/03	Alerian MLP TR USD	1/03 - 1/96	Wilshire US RESI TR USD	12/95 - 1/79	N.A.	N.A. - N.A.
Marketable Alternatives	HFRI Fund of Funds Composite USD	11/25 - 1/90	HFN Hedge Fund Aggregate Average	12/89 - 1/79	Wilshire US RESI TR USD	12/95 - 1/79	N.A.	N.A. - N.A.
Private Equity	Cambridge PE 67% Buyout vs. 33% Venture	11/25 - 4/86	Russell 2000 TR USD	3/86 - 1/79	N.A.	N.A. - N.A.	N.A.	N.A. - N.A.

* US Bonds – Dynamic Index – 1/3 Bloomberg Gbl Agg EXUSD TR Hdg USD, 1/3 FTSE Treasury Bill Mon USD & 1/3 Bloomberg US Corporate High Yield TR USD

FTSE Treasury Bill 3 Month measures return equivalents of yield averages and are not marked to market. It is an average of the last three three-month Treasury bill month-end rates.

Bloomberg Capital US Treasury Inflation Protected Securities Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Muni 5 Year Index is the 5 year (4-6) component of the Municipal Bond index.

Bloomberg High Yield Municipal Bond Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg U.S. Aggregate 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.

FTSE World Government Bond Index (WGBI) (Unhedged) provides a broad benchmark for the global sovereign fixed income market by measuring the performance of fixed-rate, local currency, investment-grade sovereign debt from over 20 countries.

FTSE World Government Bond Index (WGBI) (Hedged) is designed to represent the FTSE WGBI without the impact of local currency exchange rate fluctuations.

Bloomberg US Corporate High Yield TR USD covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

JP Morgan Government Bond Index-Emerging Market Index (GBI-EMI) is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

JPMorgan EMBI Global Diversified is an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

MSCI ACWI is designed to represent performance of the full opportunity set of large- and mid-cap stocks across multiple developed and emerging markets, including cross-market tax incentives.

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

S&P 600 measures the performance of 600 small-cap companies in the U.S. equity market. It is comprised of the smallest 600 companies in the S&P Composite 1500 Index. It is a float-adjusted market-capitalization weighted index.

Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.

Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.

Russell 2000 consists of the 2,000 smallest U.S. companies in the Russell 3000 index.

MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country

The Wilshire US Real Estate Securities Index (Wilshire US RESI) is comprised of publicly-traded real estate equity securities and designed to offer a market-based index that is more reflective of real estate held by pension funds.

Alerian MLP Index is a float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.

Bloomberg Commodity Index (BCI) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

Treasury Inflation-Protected Securities (TIPS) are Treasury bonds that are indexed to inflation to protect investors from the negative effects of rising prices. The principal value of TIPS rises as inflation rises.

HFRI Fund of Funds Composite is an equal-weighted index consisting of over 800 constituent hedge funds, including both domestic and offshore funds.

Index Definitions

HFRI Asset Weighted Composite Index is a global, asset-weighted index comprised of single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of $50 Million under management or $10 Million under management and a twelve (12) month track record of active performance. The HFRI Asset Weighted Composite Index does not include Funds of Hedge Funds. The constituent funds of the HFRI Asset Weighted Composite Index are weighted according to the AUM reported by each fund for the prior month.

Cambridge Associates U.S. Private Equity Index (67% Buyout vs. 33% Venture) is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.

HFN Hedge Fund Aggregate Average is an equal weighted average of all hedge funds and CTA/managed futures products reporting to the HFN Database. Constituents are aggregated from each of the HFN Strategy Specific Indices.

Goldman Sachs Commodity Index (GSCI) is a broadly diversified, unleveraged, long-only composite index of commodities that measures the performance of the commodity market.

Morningstar Global Artificial Intelligence Select Index provides exposure to companies to the top 50 companies identified using research provided by Morningstar's Equity Research team, as positioned to be at the forefront of AI innovation in areas including generative AI, AI data & infrastructure, AI software, and AI services.

NYSE Semiconductor Index is a rules-based, modified float-adjusted market capitalization-weighted Index that tracks the performance of the thirty largest U.S. listed semiconductor companies. Semiconductor companies are defined as those classified within the Semiconductors Industry of the ICE Uniform Sector Classification schema. This includes companies that either manufacture materials that have electrical conductivity (semiconductors) to be used in electronic applications or utilize LED and OLED technology. This also includes companies that provide services or equipment associated with semiconductors such as packaging and testing.

S&P Data Center, Tower REIT, and Communications Equipment Index measures the performance of developed market-domiciled, U.S.-listed companies which are involved in the ownership and management of data centers, telecommunication towers, and related equipment.

Morningstar Global Digital Infrastructure & Connectivity Index provides exposure to the top 50 companies identified using research provided by Morningstar's Equity Research team, as positioned to experience meaningful economic benefits as a producer of promising digital infrastructure technologies consisting of two themes: infrastructure as a service and current next-generation connectivity (5G).

Material Risks Disclosures

Fixed Income securities are subject to interest rate risks, the risk of default and liquidity risk. U.S. investors exposed to non-U.S. fixed income may also be subject to currency risk and fluctuations.

Cash may be subject to the loss of principal and over longer period of time may lose purchasing power due to inflation.

Domestic Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry factors, or other macro events. These may happen quickly and unpredictably.

International Equity can be volatile. The rise or fall in prices take place for a number of reasons including, but not limited to changes to underlying company conditions, sector or industry impacts, or other macro events. These may happen quickly and unpredictably. International equity allocations may also be impact by currency and/or country specific risks which may result in lower liquidity in some markets.

Real Assets can be volatile and may include asset segments that may have greater volatility than investment in traditional equity securities. Such volatility could be influenced by a myriad of factors including, but not limited to overall market volatility, changes in interest rates, political and regulatory developments, or other exogenous events like weather or natural disaster.

Private Equity involves higher risk and is suitable only for sophisticated investors. Along with traditional equity market risks, private equity investments are also subject to higher fees, lower liquidity and the potential for leverage that may amplify volatility and/or the potential loss of capital.

Private Credit involves higher risk and is suitable only for sophisticated investors. These assets are subject to interest rate risks, the risk of default and limited liquidity. U.S. investors exposed to non-U.S. private credit may also be subject to currency risk and fluctuations.

Private Real Estate involves higher risk and is suitable only for sophisticated investors. Real estate assets can be volatile and may include unique risks to the asset class like leverage and/or industry, sector or geographical concentration. Declines in real estate value may take place for a number of reasons including, but are not limited to economic conditions, change in condition of the underlying property or defaults by the borrow.