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SEDORIC GROUP
of Steward Partners



2025 OUTLOOK

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AGENDA



LOOKING
BACK



IMPORTANT
CONTEXT



KEY THEMES FOR
THE FUTURE

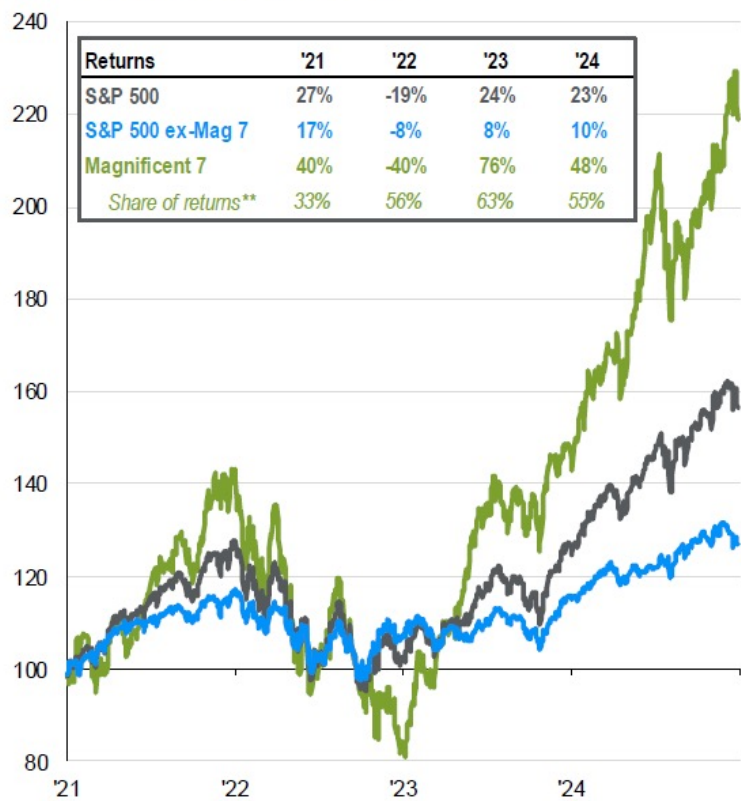


LOOKING BACK

The haves and the have less continued through year-end

Performance of “Magnificent 7” stocks in S&P 500*

Indexed to 100 on 1/1/2021, price return



Weight of the top 10 stocks in the S&P 500

% of market capitalization of the S&P 500



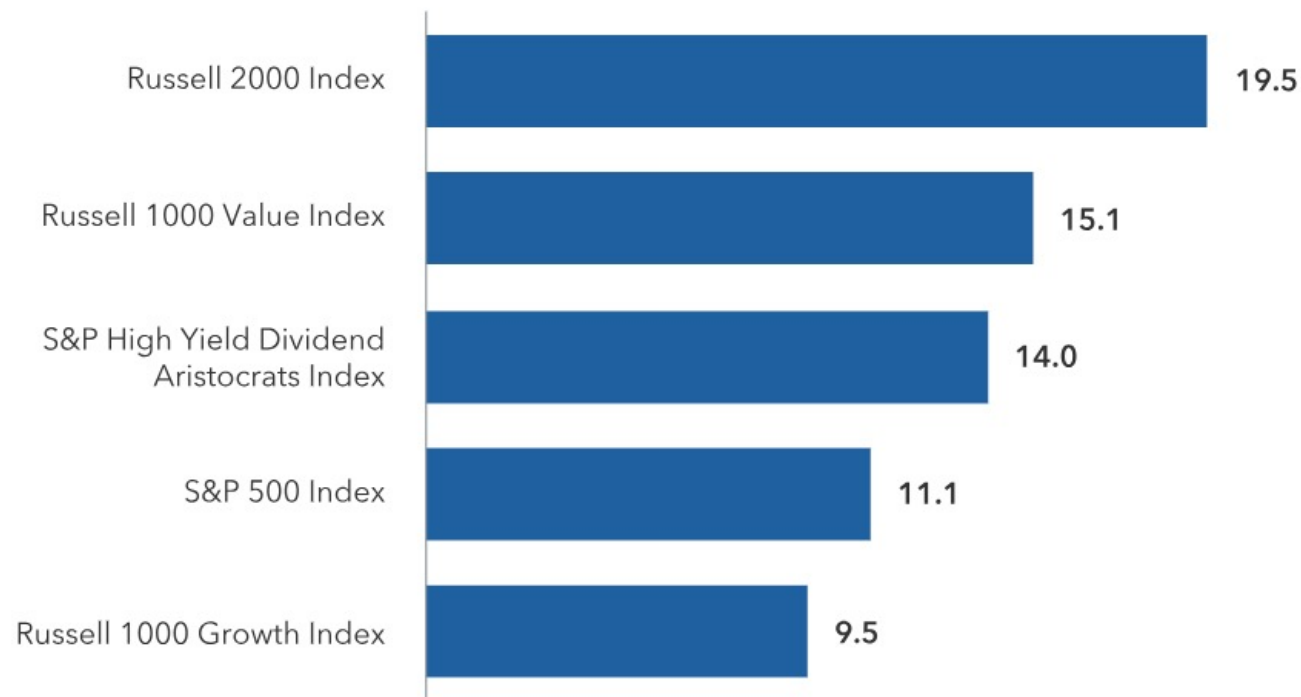
Source: FactSet, Standard & Poor’s, J.P. Morgan Asset Management. The top 10 S&P 500 companies are based on the 10 largest index constituents at the beginning of each quarter. As of 11/30/2024, the top 10 companies in the index were AAPL (7.6%), NVDA (6.6%), MSFT (6.3%), AMZN (4.1%), GOOGL/GOOG (4.0%), META (2.6%), TSLA (2.3%), BRK.B (1.7%), AVGO (2.2%) and JPM (1.4%). The remaining stocks represent the rest of the 492 companies in the S&P500.

Magnificent 7 includes AAPL, AMZN, GOOG, GOOGL, META, MSFT, NVDA, and TSLA. Share of returns represent how much each group contributed to the overall return. Numbers are always positive despite negative performance in 2022. Guide to the Markets – U.S. Data as of Dec 31st, 2024.

However, returns started to broaden in the back half of the year

Market gains have recently extended beyond tech

Cumulative returns (%) in 2H: 2024 year to date

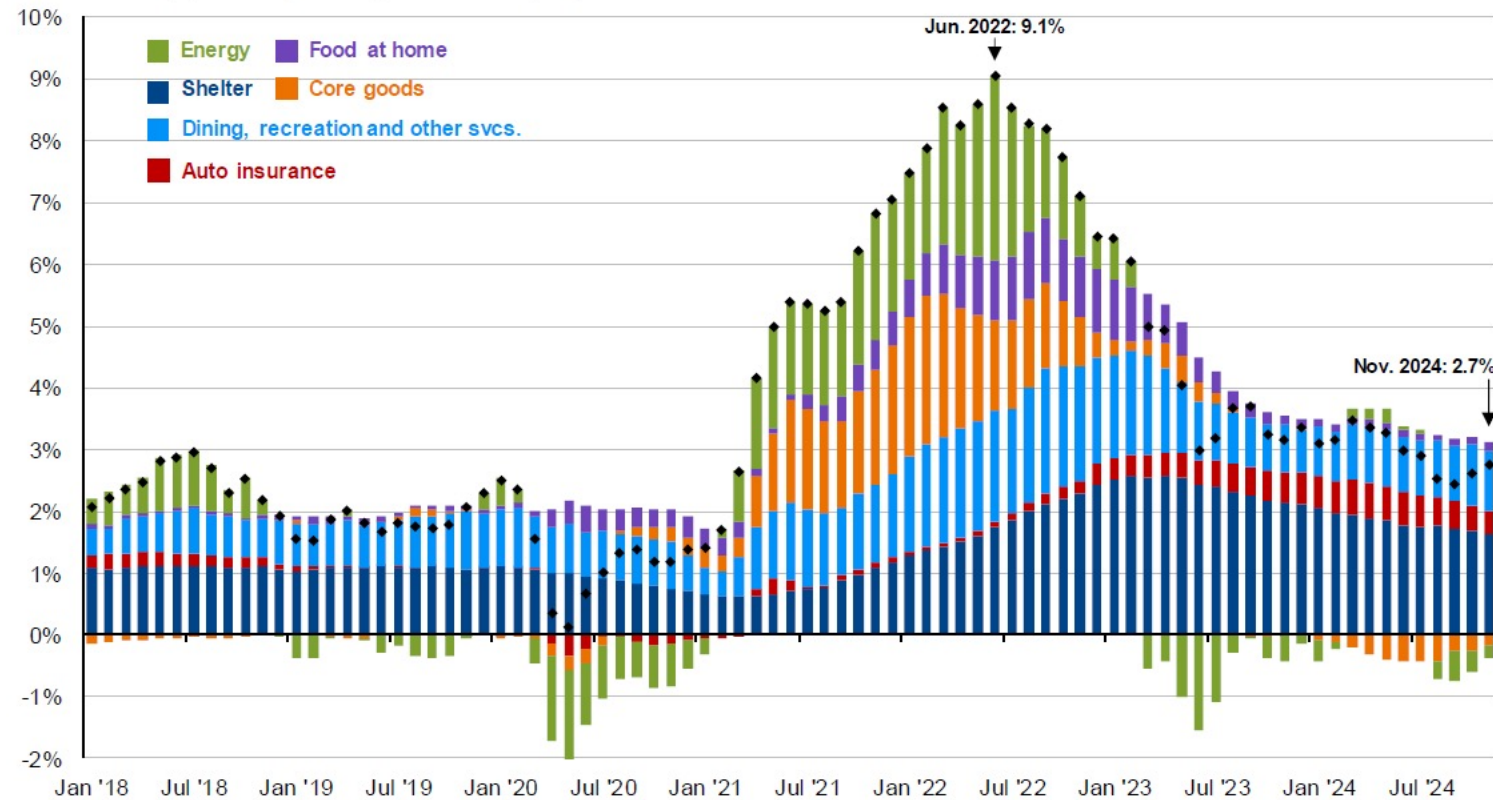


LOOKING BACK

Inflation is normalizing depending on what 'you' consider normal

Contributors to headline CPI inflation

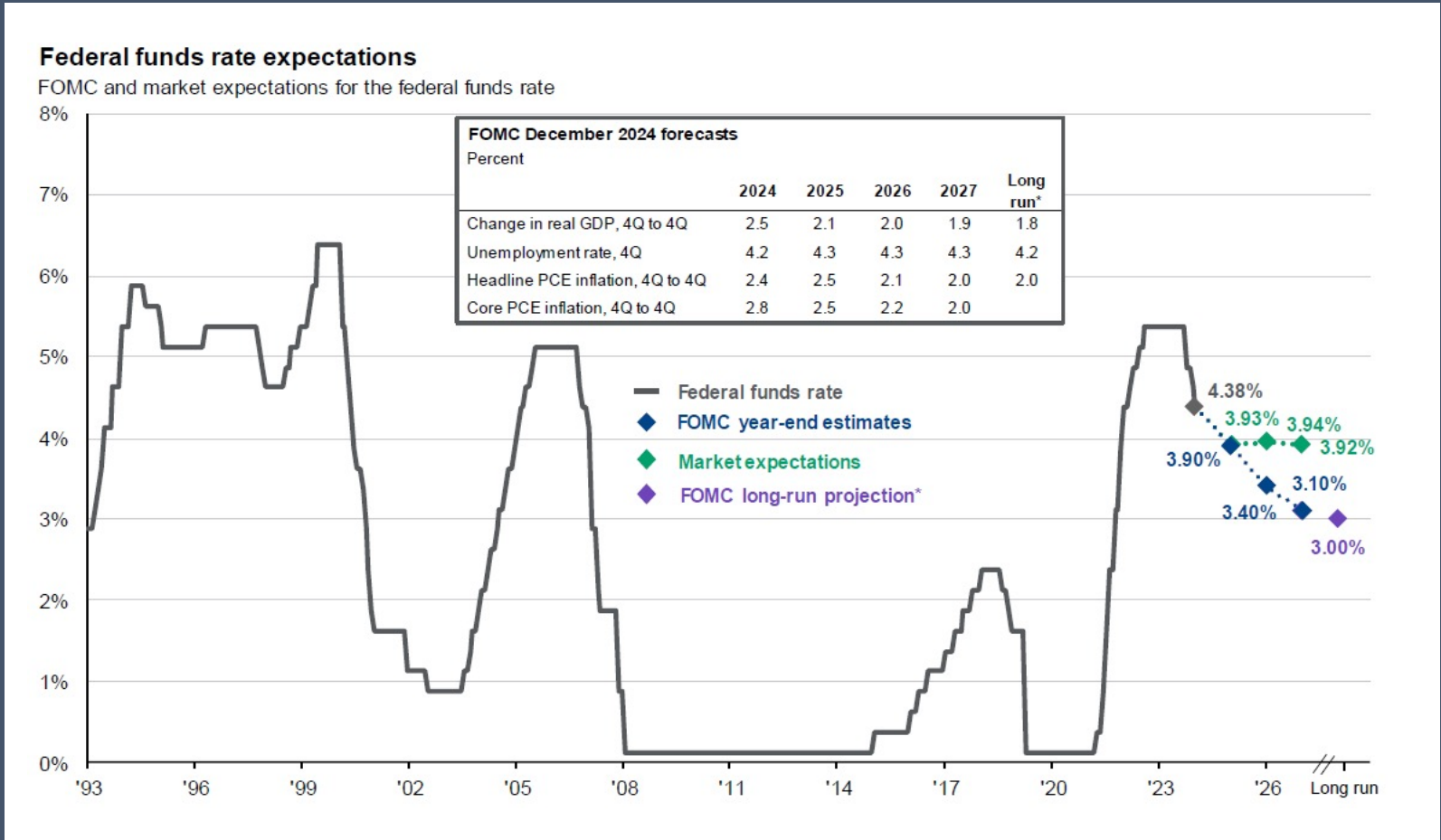
Contribution to y/y % change in CPI, non-seasonally adjusted



Source: Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. "Food at home" includes alcoholic beverages.

Guide to the Markets – U.S. Data are as of December 31, 2024.

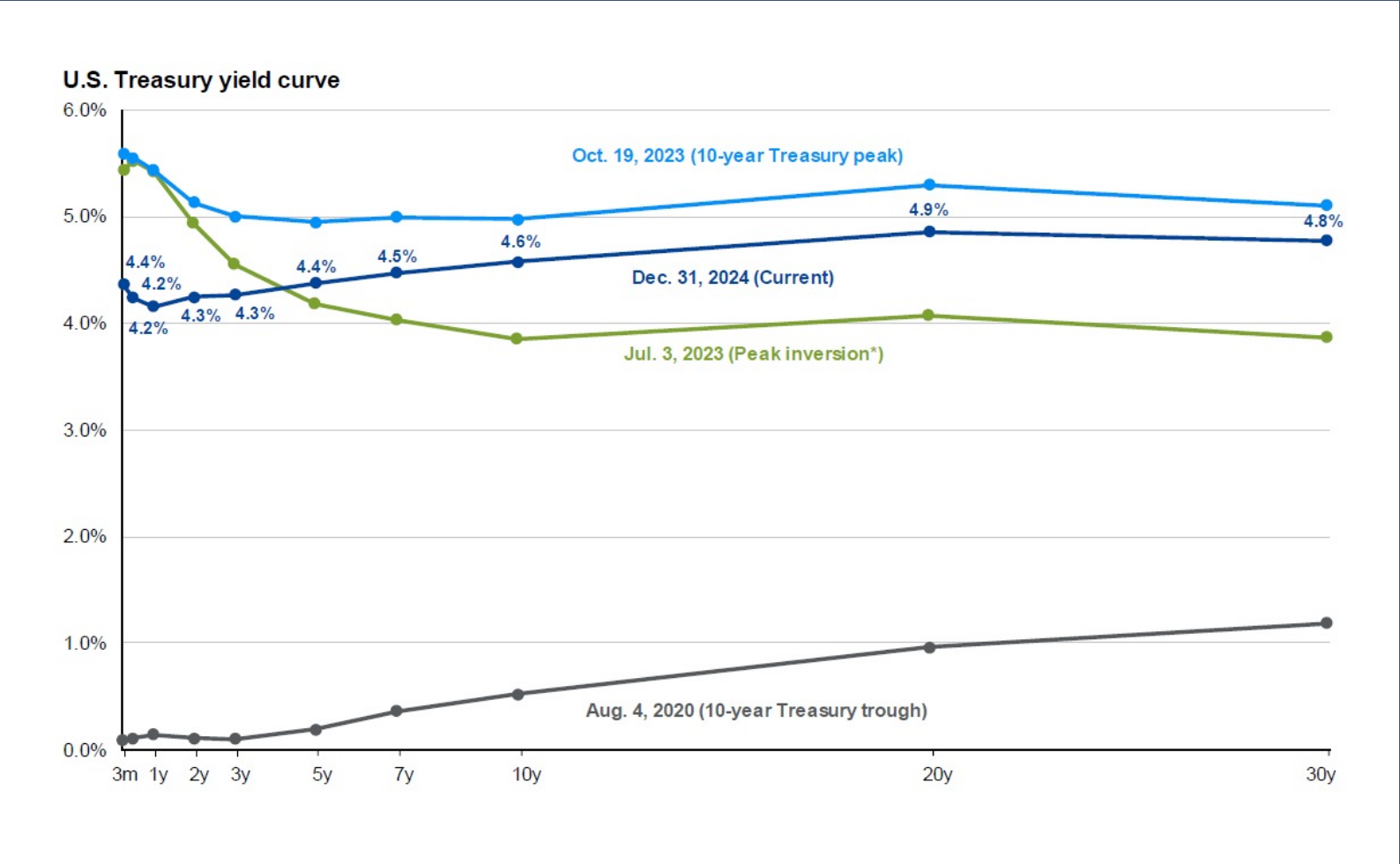
Markets are forecasting a higher norm moving forward



Source: Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

The yield curve is steepening—why does this matter?

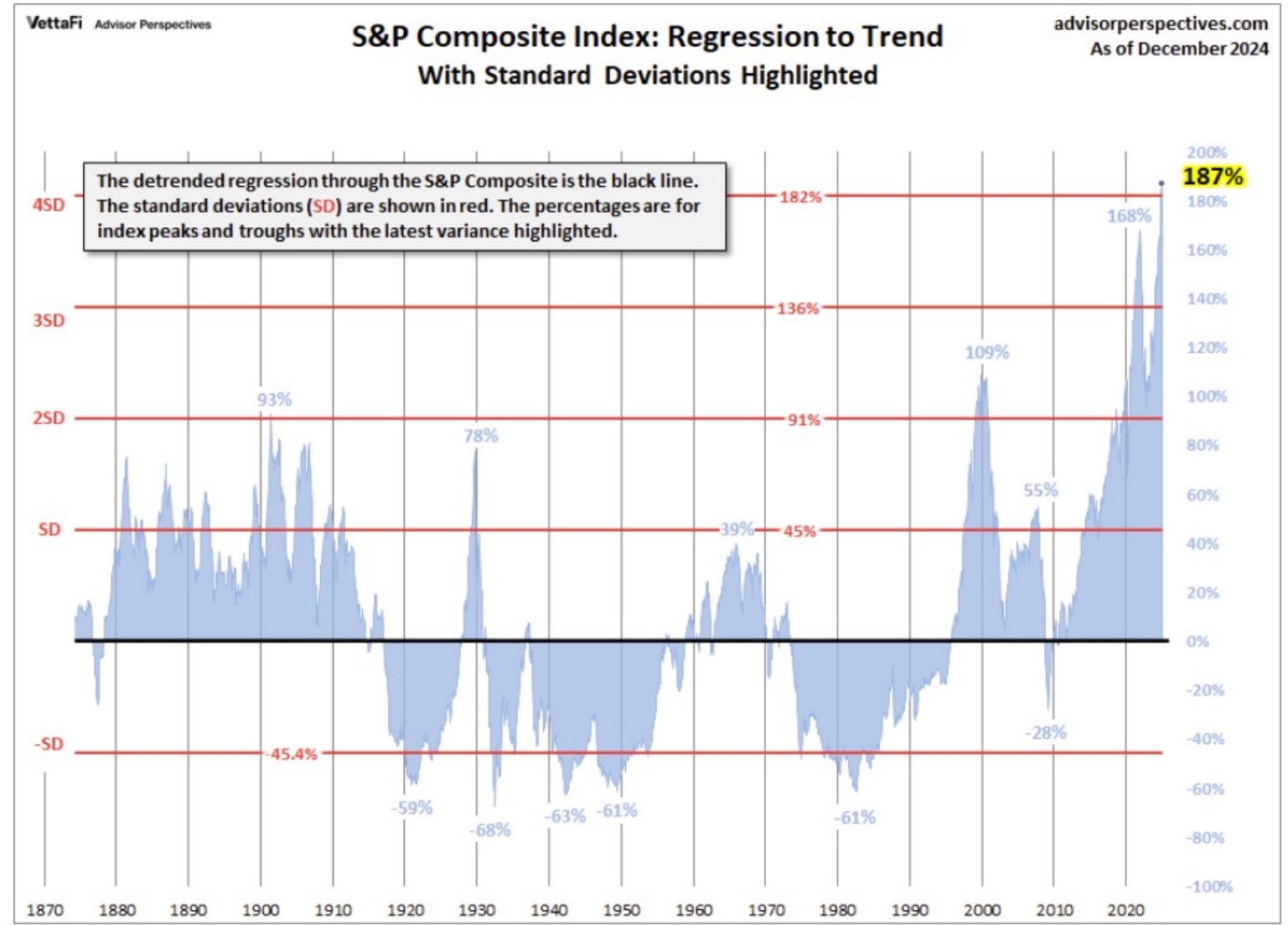


Source: Source: FactSet, Federal Reserve, J.P. Morgan Asset Management. Analysis references data back to 2020. *Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury.



IMPORTANT CONTEXT

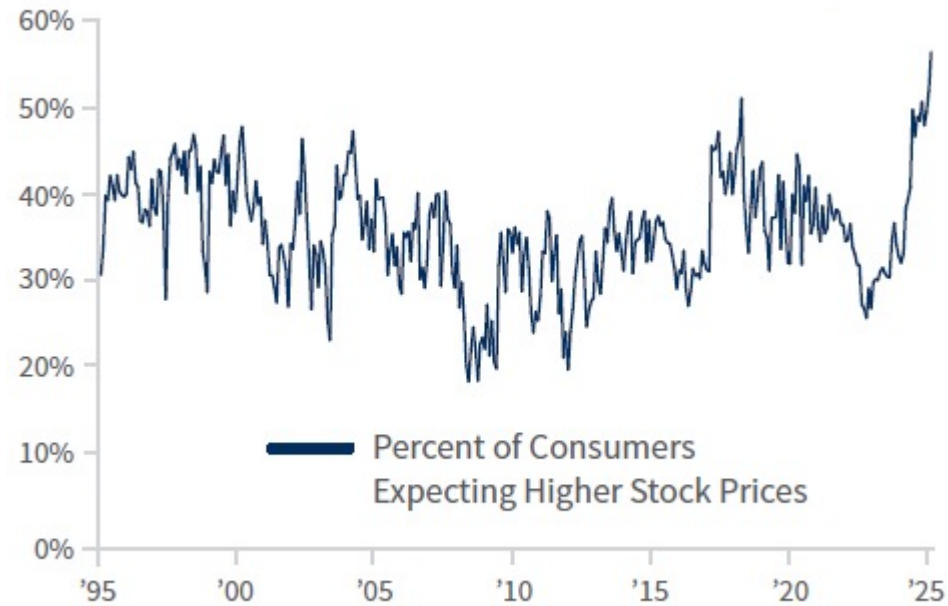
We're going to need to rescale the chart soon!



Source: <https://www.advisorperspectives.com/dshort/updates/2025/01/03/market-valuation-regression-trend-sp500-december-2024>

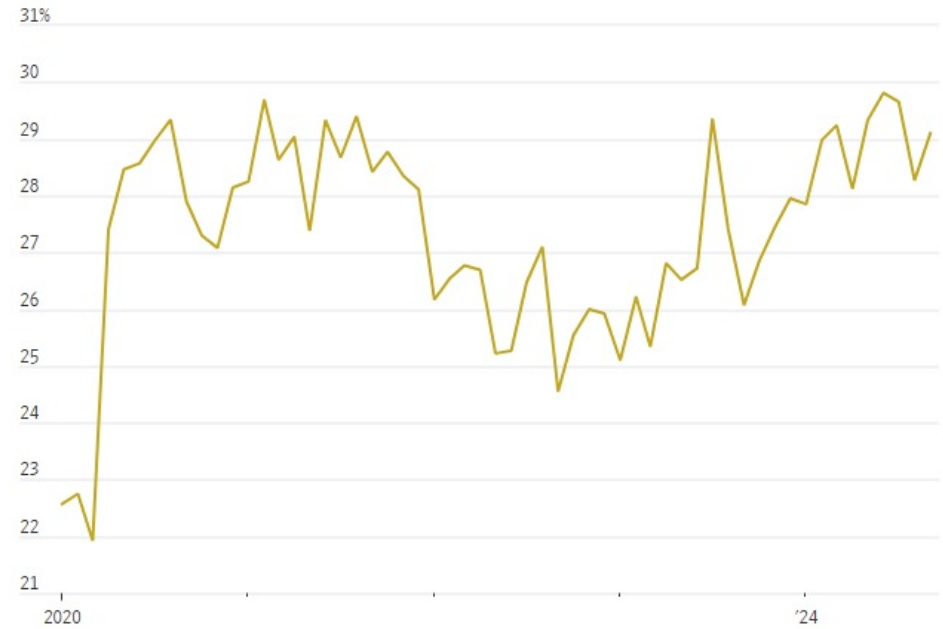
Extreme optimism and speculation—what could go wrong?

Investor Optimism at All-Time Highs



Source: Factset, as of 11/30/2024

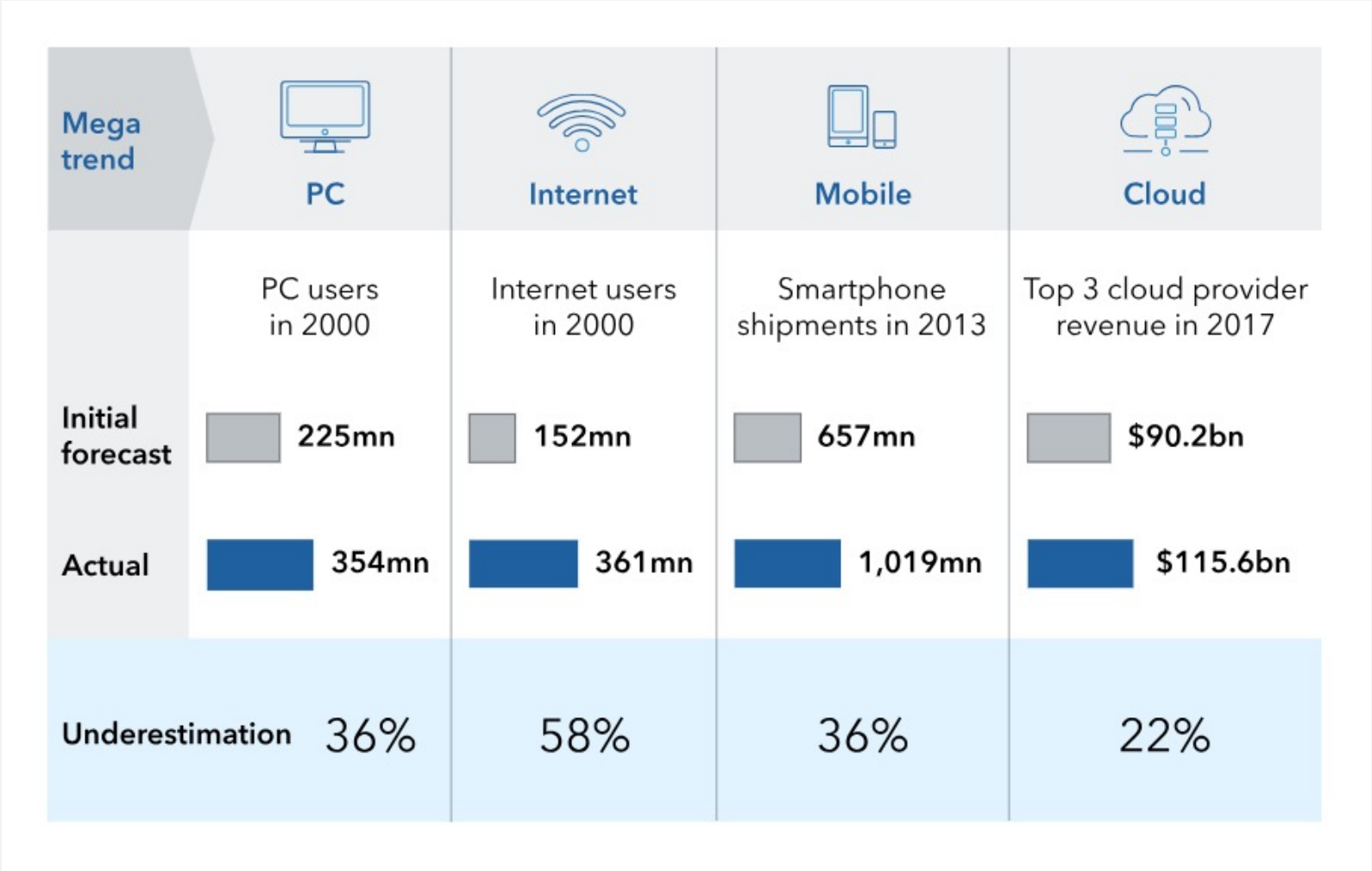
Share of U.S. options activity from individual investors



Note: Through September
Source: Bloomberg Intelligence

Source: https://www.wsj.com/finance/investing/a-thrill-seeking-trade-amps-up-heading-into-2025-acda6cb8?st=TRA6a2&reflink=article_copyURL_share

We tend to overestimate the short term and underestimate the longer term



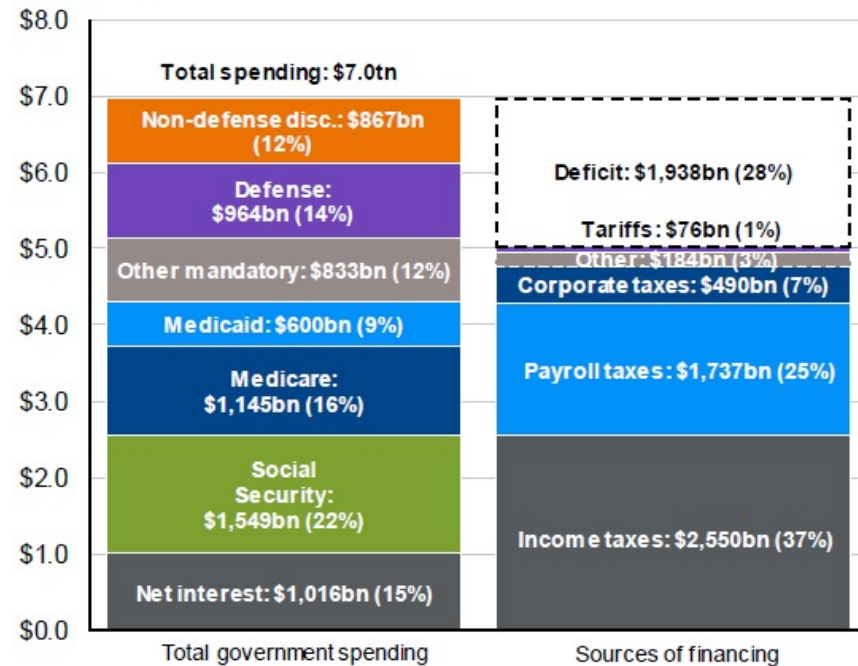
Source: <https://www.capitalgroup.com/advisor/insights/articles/2025-stock-market-outlook.html> Morgan Stanley AI Guidebook: Fourth Edition, January 23, 2024. Actual totals are as of 2000 for PC and internet users; 2013 for smartphone shipments; and 2020 for cloud provider revenue.

Vanguard 2025 Outlook: Excitement surrounding AI and it’s potential to transform the global economy is warranted but widespread adoption won’t happen overnight. When new technologies emerge, firms can take years, sometimes decades, to find profitable commercial application for them and see improved productivity. While we expect AI adoption to be relatively quicker than previous innovations (a common trait of digital technologies), significant productivity growth from AI utilization likely won’t occur until the late 2020s even in our most optimistic scenario.

The national debt may be the biggest potential policy shock over the next 12-18 months

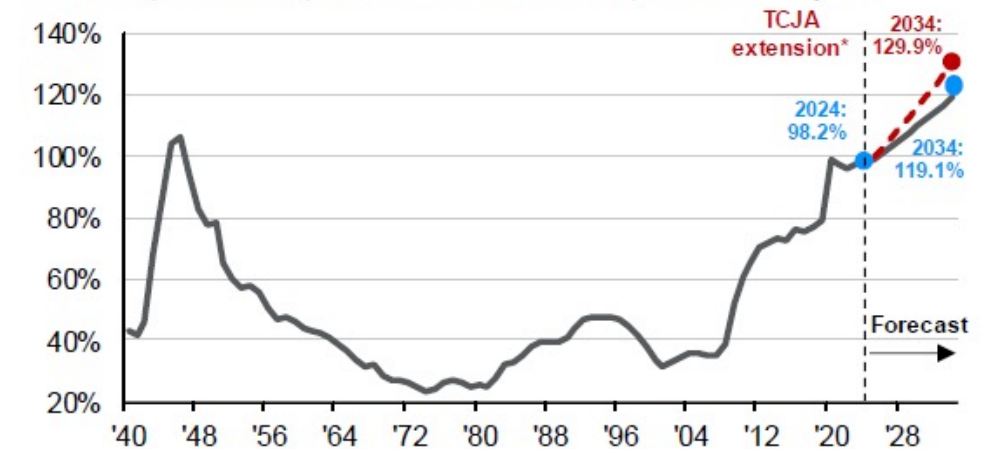
The 2025 federal budget

USD trillions



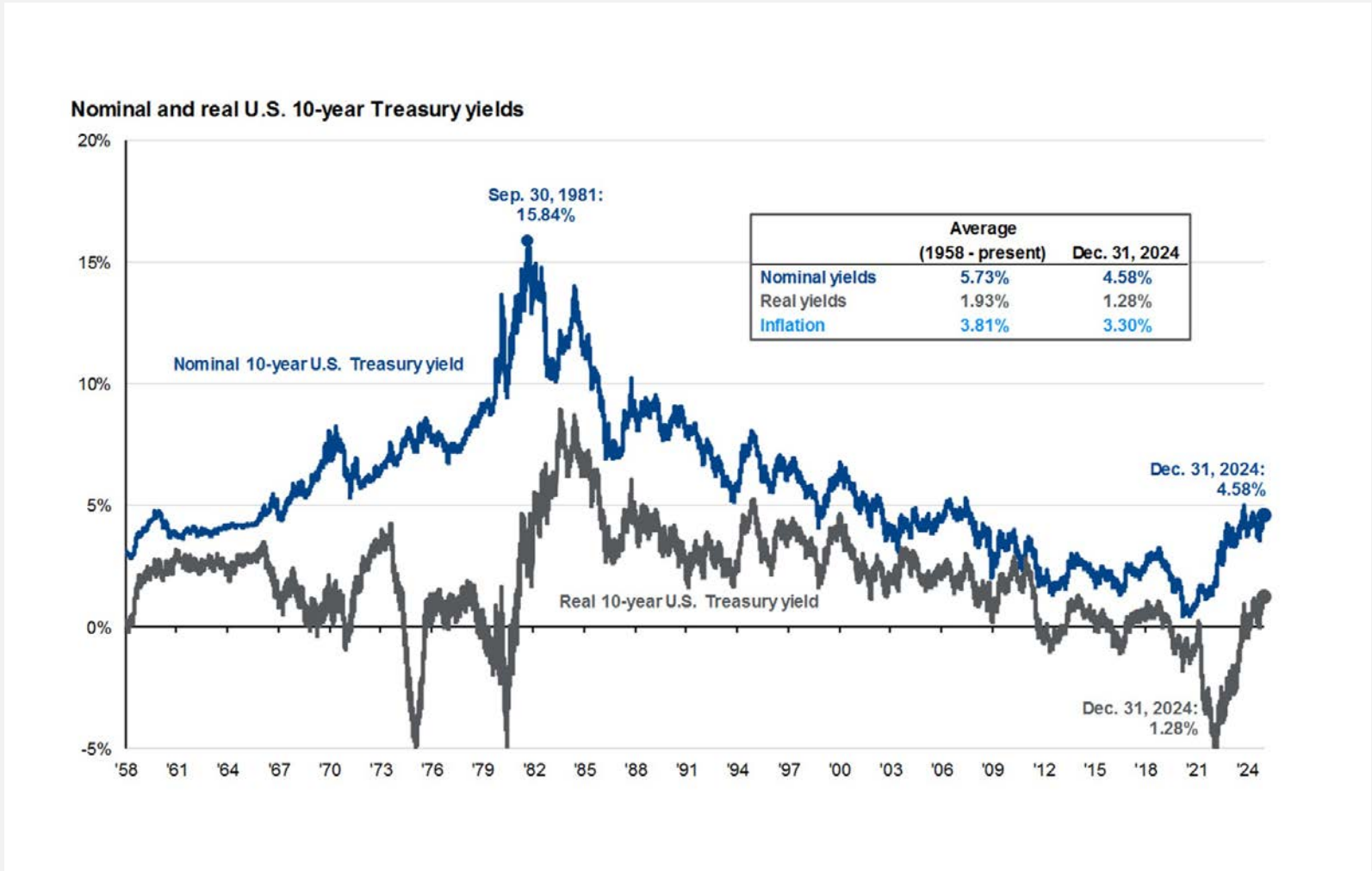
Federal net debt (accumulated deficits)

% of GDP, 1940-2034, CBO Baseline Forecast, end of fiscal year



Source: CBO, J.P. Morgan Asset Management; (Left) Numbers may not sum to 100% due to rounding; (Top and bottom right) BEA, Treasury Department. Estimates are from the Congressional Budget Office (CBO) June 2024 An Update to the Budget Outlook: 2024 to 2034. "Other" spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Years shown are fiscal years. All CBO estimates are adjusted by JPMAM to reflect GDP revisions resulting from the 2024 annual update of the National Economic Accounts. * Adjusted by JPMAM to include estimates from the CBO May 2024 report "Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues" on the extension of TCJA provisions. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

Real returns are back,
but so too are higher
rates. A turn in the
trend?



Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management. Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month. For the current month, we use the prior month's core CPI figures until the latest data are available. Guide to the Markets – U.S. Data are as of December 31, 2024.



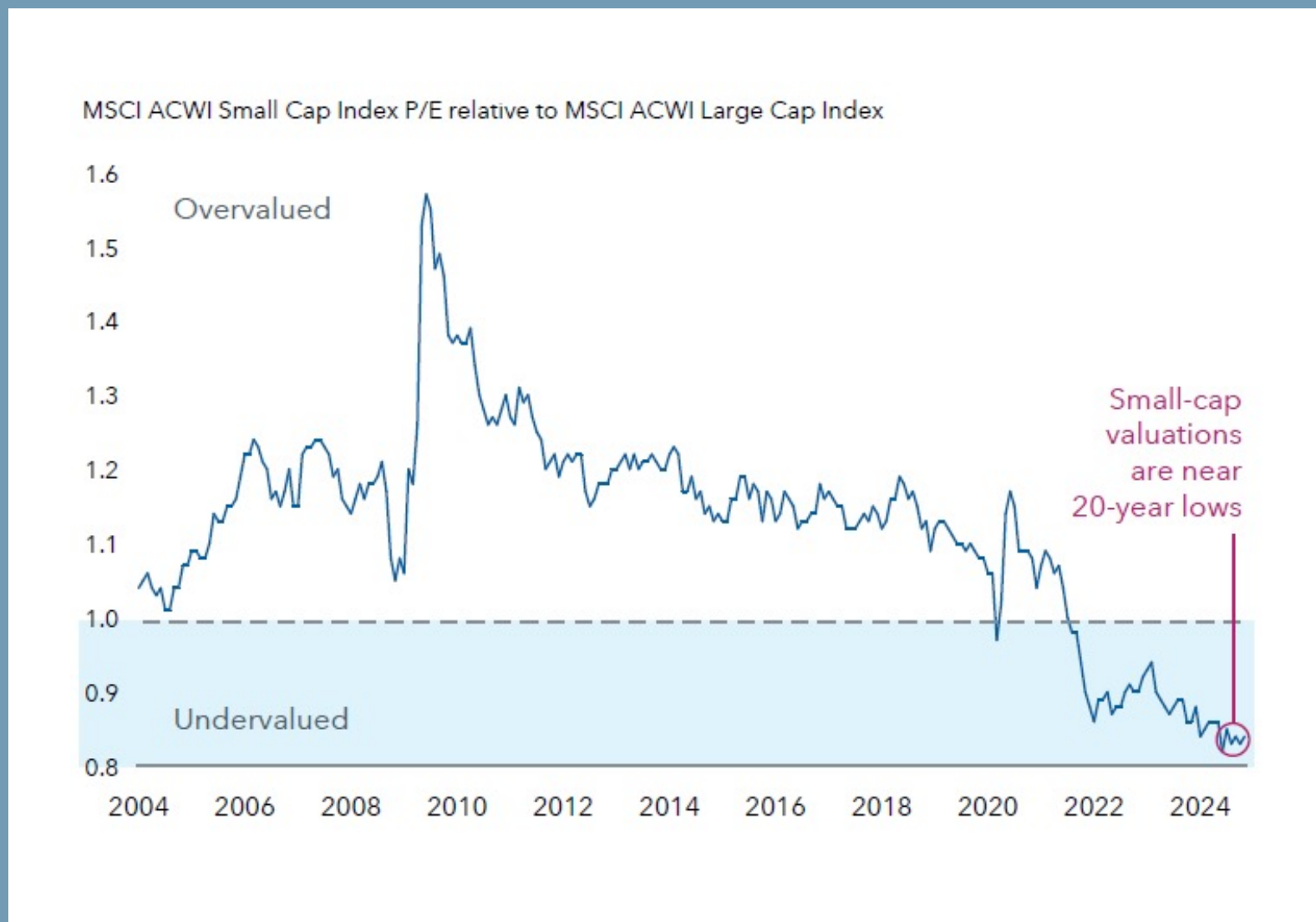
KEY THEMES FOR THE FUTURE

Updated capital market assumptions: A guide for the future

Equities	Return projection	Median volatility
U.S. equities	2.8%–4.8%	16.90%
U.S. value	4.2%–6.2%	19.20%
U.S. growth	Negative 0.4%–1.6%	17.80%
U.S. large-cap	2.5%–4.5%	16.50%
U.S. small-cap	4.2%–6.2%	22.40%
U.S. REITs	3.8%–5.8%	20.10%
Global equities ex-U.S. (unhedged)	6.9%–8.9%	18.50%
Global ex-U.S. developed markets equities (unhedged)	7.3%–9.3%	16.80%
Emerging markets equities (unhedged)	5.2%–7.2%	26.10%

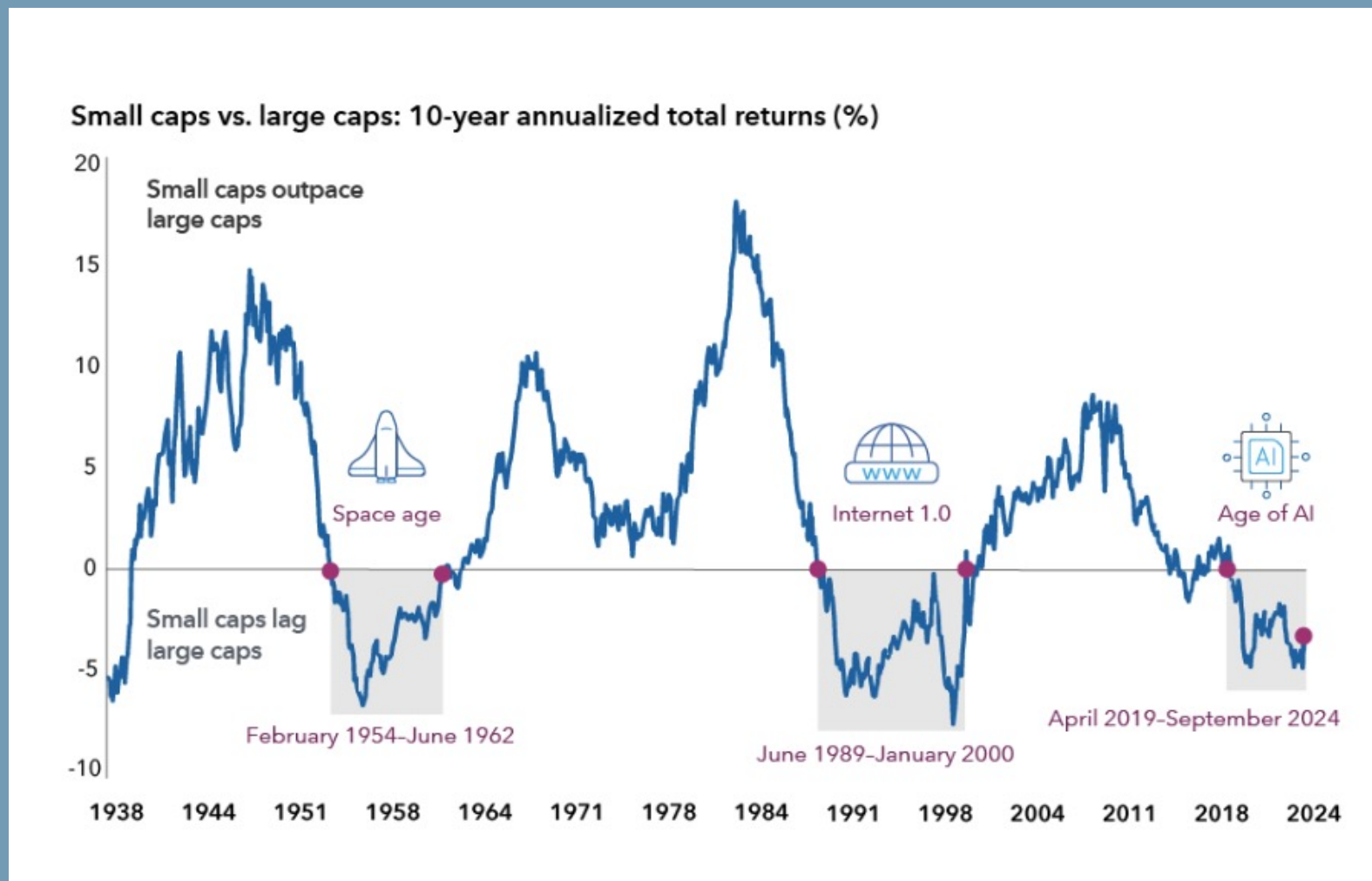
Fixed income	Return projection	Median volatility
U.S. aggregate bonds	4.3%–5.3%	5.70%
U.S. Treasury bonds	4.1%–5.1%	6.00%
U.S. intermediate credit	4.6%–5.6%	5.20%
U.S. high-yield corporate	5.3%–6.3%	10.10%
U.S. TIPS	3.4%–4.4%	5.10%
U.S. cash	3.1%–4.1%	1.40%
Global bonds ex-U.S. (hedged)	4.3%–5.3%	4.50%
Emerging markets sovereign	5.0%–6.0%	9.80%
U.S. inflation	1.9%–2.9%	2.40%

Valuations for global small caps are near multi-decade lows



Sources: Capital Group, FactSet, MSCI. As of November 30, 2024. P/E = price-to-earnings. The y-axis represents the ratio between the P/E of MSCI ACWI Small Cap Index and the P/E of the MSCI ACWI Large Cap Index. Small caps outpacing large caps in three-year rolling periods refers to MSCI ACWI Small Cap Index relative to MSCI ACWI Index for all three-year rolling periods ending between December 2000 and November 2024, calculated on a monthly basis.

Historically, small cap declines have been relatively modest

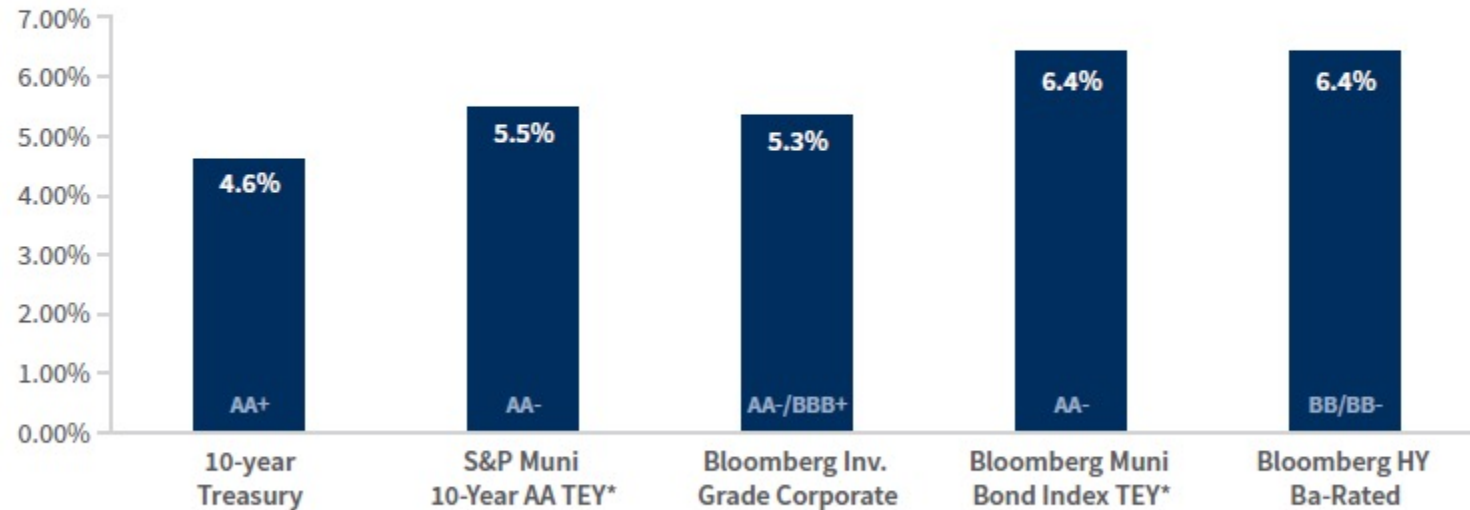


Sources: Capital Group, Ibbotson, Morningstar, Standard and Poor's. Small cap returns are represented by monthly total returns for the Ibbotson Small Company Stocks Index; large cap returns are represented by monthly total returns for the S&P 500 Index. Data as of September 30, 2024.

Bond markets remain appealing, especially Munis for those in a top bracket

Municipal Tax-Equivalent Yields Remain Attractive

Munis offer a significant yield opportunity relative to the Bloomberg Aggregate Bond Index and investment grade corporate bonds.



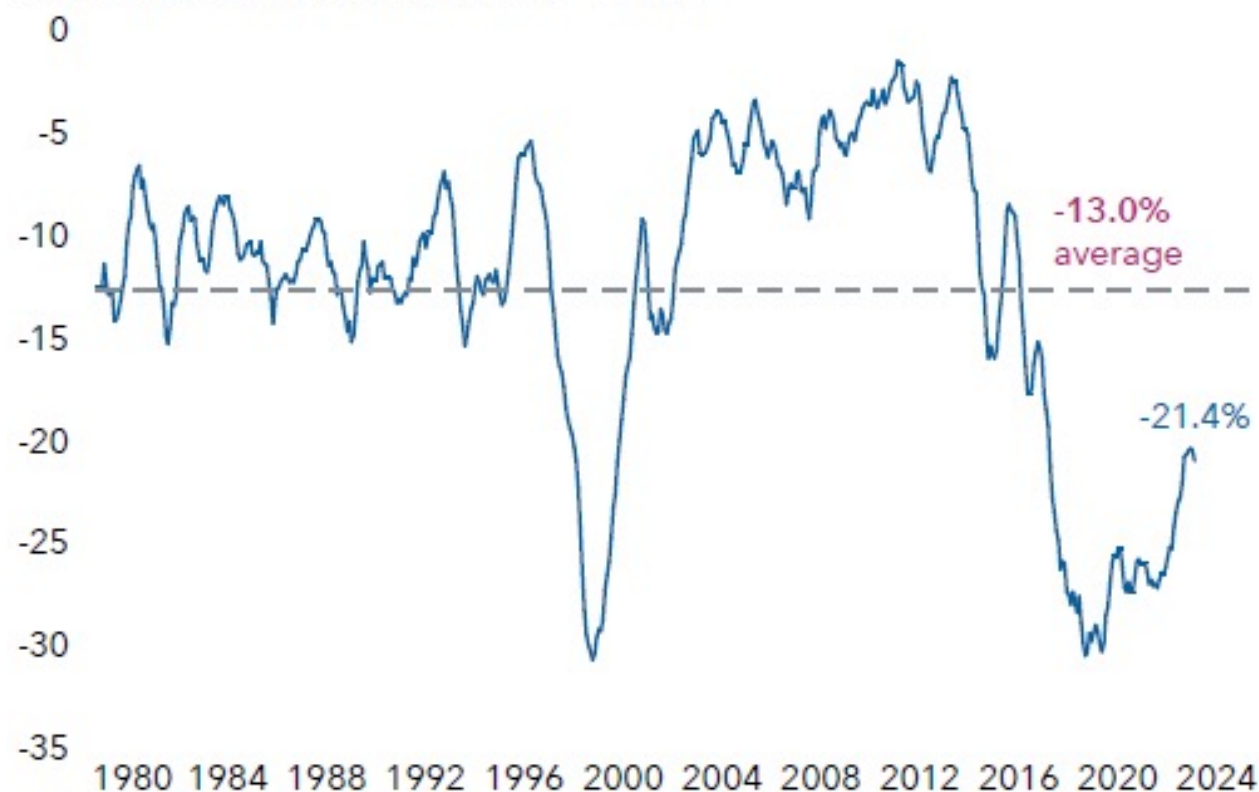
*Taxable-Equivalent Yield calculation assumes a top tax bracket of 40.8%.
Source: FactSet, data as of 12/31/2024

Source: Raymond James

Don't forget,
compounding is the
8th wonder of the
world

Dividend payers remain relatively cheap

P/E of high-dividend stocks vs. S&P 500 (%)



Sources: Capital Group, Goldman Sachs. As of October 31, 2024. High-dividend stocks refer to the cohort of stocks in the S&P 500 Index with the highest quintile dividend yield (sector-neutral) relative to the broad S&P 500 Index. Line represents smoothed six-month average. P/E ratio = price-to-earnings ratio. Past results are not predictive of results in future periods.

Benefits of International Diversification



Total Equity Returns in Various Countries by Decade

Sorted Highest to Lowest by decade.

1970s...		1980s...		1990s...		2000s...		2010s...		2020s...	
Country	Return (%)	Country	Return (%)	Country	Return (%)	Country	Return (%)	Country	Return (%)	Country	Return (%)
Japan	396%	Sweden	1248%	Sweden	464%	Canada	141%	USA	257%	USA	67%
Canada	185%	Japan	1143%	USA	433%	Spain	125%	Sweden	113%	Italy	58%
France	166%	Italy	687%	UK	279%	France	30%	Japan	92%	France	39%
Germany	165%	Spain	589%	Spain	277%	Sweden	27%	France	80%	Canada	39%
UK	122%	UK	482%	France	256%	Italy	23%	Germany	78%	Sweden	38%
Sweden	91%	France	405%	Germany	235%	Germany	21%	UK	64%	Spain	27%
USA	76%	USA	404%	Canada	156%	UK	15%	Canada	53%	Japan	25%
Spain	-6%	Germany	369%	Italy	123%	USA	-9%	Italy	8%	UK	21%
Italy	-43%	Canada	201%	Japan	-7%	Japan	-30%	Spain	-5%	Germany	19%
Equal Weight	128%	Equal Weight	614%	Equal Weight	246%	Equal Weight	38%	Equal Weight	82%	Equal Weight	37%
Best-Worst	439%	Best-Worst	1047%	Best-Worst	471%	Best-Worst	171%	Best-Worst	262%	Best-Worst	48%
Max	396%	Max	1248%	Max	464%	Max	141%	Max	257%	Max	67%
Min	-43%	Min	201%	Min	-7%	Min	-30%	Min	-5%	Min	19%

US markets have led the rest of the world in only five of the last eleven decades

Source: RWM, MSCI, Returns 2.0
* S&P 500 used for USA, MSCI for all other countries

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RITHOLTZ wealth management

There are two types of forecasters—those that don’t know, and those that know they don’t know

2010–2024		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ann.	Vol.															
Large Cap	Small Cap	REITs	REITs	REITs	Small Cap	REITs	REITs	Small Cap	EM Equity	Cash	Large Cap	Small Cap	REITs	Comdty.	Large Cap	Large Cap
13.9%	20.6%	27.9%	8.3%	19.7%	38.8%	28.0%	2.8%	21.3%	37.8%	1.8%	31.5%	20.0%	41.3%	16.1%	26.3%	25.0%
Small Cap	EM Equity	Small Cap	Fixed Income	High Yield	Large Cap	Large Cap	Large Cap	High Yield	DM Equity	Fixed Income	REITs	EM Equity	Large Cap	Cash	DM Equity	Small Cap
10.3%	17.9%	26.9%	7.8%	19.6%	32.4%	13.7%	1.4%	14.3%	25.6%	0.0%	28.7%	18.7%	28.7%	1.5%	18.9%	11.5%
REITs	REITs	EM Equity	High Yield	EM Equity	DM Equity	Fixed Income	Fixed Income	Large Cap	Large Cap	REITs	Small Cap	Large Cap	Comdty.	High Yield	Small Cap	Asset Alloc.
9.4%	16.8%	19.2%	3.1%	18.6%	23.3%	6.0%	0.5%	12.0%	21.8%	-4.0%	25.5%	18.4%	27.1%	-12.7%	16.9%	10.0%
Asset Alloc.	DM Equity	Comdty.	Large Cap	DM Equity	Asset Alloc.	Asset Alloc.	Cash	Comdty.	Small Cap	High Yield	DM Equity	Asset Alloc.	Small Cap	Fixed Income	Asset Alloc.	High Yield
7.2%	16.5%	16.8%	2.1%	17.9%	14.9%	5.2%	0.0%	11.8%	14.6%	-4.1%	22.7%	10.6%	14.8%	-13.0%	14.1%	9.2%
High Yield	Comdty.	Large Cap	Cash	Small Cap	High Yield	Small Cap	DM Equity	EM Equity	Asset Alloc.	Large Cap	Asset Alloc.	DM Equity	Asset Alloc.	Asset Alloc.	High Yield	EM Equity
5.9%	16.1%	15.1%	0.1%	16.3%	7.3%	4.9%	-0.4%	11.6%	14.6%	-4.4%	19.5%	8.3%	13.5%	-13.9%	14.0%	8.1%
DM Equity	Large Cap	High Yield	Asset Alloc.	Large Cap	REITs	Cash	Asset Alloc.	REITs	High Yield	Asset Alloc.	EM Equity	Fixed Income	DM Equity	DM Equity	REITs	Comdty.
5.7%	15.1%	14.8%	-0.7%	16.0%	2.9%	0.0%	-2.0%	8.6%	10.4%	-5.8%	18.9%	7.5%	11.8%	-14.0%	11.4%	5.4%
EM Equity	Asset Alloc.	Asset Alloc.	Small Cap	Asset Alloc.	Cash	High Yield	High Yield	Asset Alloc.	REITs	Small Cap	High Yield	High Yield	High Yield	Large Cap	EM Equity	Cash
3.4%	10.4%	13.3%	-4.2%	12.2%	0.0%	0.0%	-2.7%	8.3%	8.7%	-11.0%	12.6%	7.0%	1.0%	-18.1%	10.3%	5.3%
Fixed Income	High Yield	DM Equity	DM Equity	Fixed Income	Fixed Income	EM Equity	Small Cap	Fixed Income	Fixed Income	Comdty.	Fixed Income	Cash	Cash	EM Equity	Fixed Income	REITs
2.4%	9.4%	8.2%	-11.7%	4.2%	-2.0%	-1.8%	-4.4%	2.6%	3.5%	-11.2%	8.7%	0.5%	0.0%	-19.7%	5.5%	4.9%
Cash	Fixed Income	Fixed Income	Comdty.	Cash	EM Equity	DM Equity	EM Equity	DM Equity	Comdty.	DM Equity	Comdty.	Comdty.	Fixed Income	Small Cap	Cash	DM Equity
1.2%	4.7%	6.5%	-13.3%	0.1%	-2.3%	-4.5%	-14.6%	1.5%	1.7%	-13.4%	7.7%	-3.1%	-1.5%	-20.4%	5.1%	4.3%
Comdty.	Cash	Cash	EM Equity	Comdty.	Comdty.	Comdty.	Comdty.	Cash	Cash	EM Equity	Cash	REITs	EM Equity	REITs	Comdty.	Fixed Income
-1.0%	0.9%	0.1%	-18.2%	-1.1%	-9.5%	-17.0%	-24.7%	0.3%	0.8%	-14.2%	2.2%	-5.1%	-2.2%	-24.9%	-7.9%	1.3%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2009 to 12/31/2024. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. Past performance is not indicative of future returns. Guide to the Markets – U.S. Data are as of December 31, 2024.

THE IMPORTANCE OF TAX EFFICIENCY

- Portfolio Management: Direct Indexing and highly customizable investment strategies for those in upper tax brackets, active ETFs, asset location, and tax-exempt strategies
- Tax and Estate Planning Strategies: Annual assessment of savings/distribution strategies, Roth conversions, SLATS and other estate planning strategies while exemption limits remain high
- Charitable Planning: Donor Advised Funds, Qualified Charitable Distributions (QCDs), CRATS/CRUTS

WE'RE INTEGRATING AND EVALUATING AI-ENHANCED TOOLS TO ELEVATE CONVENIENCE, DEEPEN INSIGHTS, AND ENRICH OUR PERSONALIZED SERVICE

- Advanced portfolio management and software to help optimize investments for tax efficiency so clients keep more gains after taxes
- Interactive Financial Planning tools: AI-driven tools analyze big data to provide deeper insights into client and portfolio scenarios
- We are actively engaged in the evaluation of AI-Enhanced software pertaining:
 - Document analysis which scans complex documents like tax returns and estate plans within seconds and provides summaries with actionable recommendations
 - Communication platforms that provide access to paywall content from major publications
 - And back-office solutions that will allow us to deepen our service model

MULTI-GENERATIONAL PLANNING: HOW MUCH HAS YOUR LIFE CHANGED IN THE LAST 10 YEARS? IMAGINE HOW IT MAY MAY CHANGE OVER THE NEXT 10 YEARS.

- We are increasingly engaged in multi-generational planning efforts, working with matriarchs, patriarchs, and their adult children to facilitate vital conversations, optimize financial affairs, and preserve family roles—ensuring loved ones focus on relationships.

Summary

LOOKING BACK

The AI story continues to unfold, though other forces are shaping the landscape. Market returns are beginning to broaden as inflation ticks upward.



IMPORTANT CONTEXT

U.S. valuations remain historically high compared to the rest of the world. Pro-growth rhetoric has fueled speculative optimism on an unprecedented scale. However, beware of groupthink—change is constant, even if its form is unpredictable. Interest rates may ultimately dictate the impact of economic policies and the growing budget deficits.

KEY THEMES FOR THE FUTURE

History reminds us that disciplined, long-term investing is the most reliable path to success. With high equity valuations and uncertainties surrounding inflation, rising interest rates, and wartime budget deficits, diversification is more critical than ever. Patience and discipline are the cornerstones of successful investing. True success extends beyond returns, encompassing our readiness to embrace and adapt to change — both personally and professionally.



Bottom Line



PATIENCE AND DISCIPLINE ARE
THE CORNERSTONES OF
SUCCESSFUL INVESTING



TUNE OUT THE
RHETORIC



PREPARE FOR
CHANGE



Next Steps

I
Digest our monthly updates

II
Schedule time to discuss questions, concerns, or opportunities regarding your plan

III
Share your knowledge and our communications with people you feel may benefit

IV
And don't forget to be kind to your accountant this tax season!



Tom

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Partner, Executive Managing Director,
Wealth Manager

CASEY

D. CASEY SNYDER, CFP®

Partner, Managing Director,
Wealth Manager

Erika

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Equity securities may fluctuate in response to news on companies, industries, market conditions and the general economic environment. Companies cannot assure or guarantee a certain rate of return or dividend yield; they can increase, decrease or totally eliminate their dividends without notice.

Bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which is the risk that the issuer will redeem the debt at its option, fully or partially, before the scheduled maturity date. The market value of debt instruments may fluctuate, and proceeds from sales prior to maturity may be more or less than the amount originally invested or the maturity value due to changes in market conditions or changes in the credit quality of the issuer. Bonds are subject to the credit risk of the issuer. This is the risk that the issuer might be unable to make interest and/or principal payments on a timely basis. Bonds are also subject to reinvestment risk, which is the risk that principal and/or interest payments from a given investment may be reinvested at a lower interest rate.

Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

Diversification and asset allocation does not guarantee a profit or protect against loss in a declining financial market.

A portfolio concentrated in a single market sector may present more risk than a portfolio broadly diversified over several market sectors.

<https://advisors.vanguard.com/insights/article/2025-economic-and-market-outlook> All investing is subject to risk, including the possible loss of the money you invest. Investments in bonds are subject to interest rate, credit, and inflation risk. Investments in stocks and bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets.

IMPORTANT: The projections and other information generated by the Vanguard Capital Markets Model regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

The Vanguard Capital Markets Model® is a proprietary financial simulation tool developed and maintained by Vanguard's primary investment research and advice teams. The model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time.

Disclosures

Equities:

The Dow Jones Industrial Average is a price-weighted average of 30 actively traded blue-chip U.S. stocks.

The Dow Jones-UBS Precious Metals Total Return Index is a multiple-commodity sub-index consisting of the contracts included in the Dow Jones-UBS Commodity Index Total Return related to precious metals. Contracts for two commodities are currently included in the Dow Jones-UBS Precious Metals Subindex Total Return: gold and silver.

The Dow Jones Wilshire REIT index is intended as a broad measure of the performance of publicly traded real estate equity. The index is market-capitalization weighted of publicly traded real estate securities, such as Real Estate Investment Trusts (REITs), Real Estate Operating Companies (REOCs), and partnerships. The index is composed of companies whose charter is the equity ownership and operation of commercial real estate.

The MSCI ACWI (All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The MSCI Europe Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe.

The MSCI Pacific Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the Pacific region.

The MSCI World Index captures large-cap and mid-cap representation across 23 developed market countries. With 1,653 constituents, it accounts for about 85% of the free-float-adjusted market capitalization in each country. An investment cannot be made directly in a market index.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. An investment cannot be made directly in a market index.

The Russell 1000 Index[®] measures the performance of the 1,000 largest companies in the Russell 3000.

The Russell 1000 Growth Index[®] measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000 Value Index[®] measures the performance of those Russell 1000 companies with lower price- to-book ratios and lower forecasted growth values.

The Russell 2000 Index[®] measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The Russell 2000 Growth Index[®] measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 2000 Value Index[®] measures the performance of those Russell 2000 companies with lower price- to-book ratios and lower forecasted growth values.

The Russell 3000 Index[®] measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The Russell 3000 Growth Index[®] measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

Disclosures

The 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.

The Russell 3000E Index® refers to a composite of large, mid, small, and micro-cap companies located in the United States.

The Russell Microcap Index® is a capitalization weighted index of 2,000 small cap and micro cap stocks that captures the smallest 1,000 companies in the Russell 2000, plus 1,000 smaller U.S.-based listed stocks.

The Russell Midcap Index® measures the performance of the 800 smallest companies in the Russell 1000 Index.

The Russell Midcap Growth Index® measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The Russell Midcap Value Index® measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The Russell Small Cap Completeness Index® measures the performance of the Russell 3000® Index companies excluding S&P 500 constituents.

The Russell Small Cap Completeness® Growth Index measures the performance of the Russell 3000® Index companies excluding S&P 500 constituents. It includes those Russell Small Cap Completeness Index companies with higher price-to-book ratios and higher forecast growth values.

The Russell Top 50™ Index measures the performance of the 50 largest companies in the Russell 3000 Index, representing approximately 40% of the total market capitalization of the Russell 3000.

The Russell Top 200® Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 65% of the total market capitalization of the Russell 1000 Index.

The Russell Top 200® Growth Index measures the performance of those Russell Top 200 companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

The Russell Top 200® Value Index measures the performance of those Russell Top 200 companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

The S&P 500 Index is widely regarded as the best single gauge of the U.S. equities market. The index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The S&P 500 Index focuses on the large-cap segment of the market; however, since it includes a significant portion of the total value of the market, it also represents the market.

The S&P 500® Energy Index comprises those companies included in the S&P 500 that are classified as members of the GICS® (Global Industry Classification Standard) energy sector.

The S&P 500® Materials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

The S&P 500® Industrials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

The S&P 500® Consumer Discretionary Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

Disclosures

The S&P 500® Consumer Staples Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

The S&P 500® Health Care Index comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

The S&P 500® Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

The S&P 500® Information Technology Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Information Technology.

The S&P 500® Telecom Services Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Telecom Services.

The S&P 500® Utilities Index comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

The S&P MidCap 400 Index is an unmanaged total return index of 400 domestic stocks measuring the performance of the midsize company segment of the U.S. stock market

The S&P SmallCap 600 Index is an unmanaged index representing the aggregate market value of the common equity of 600 small-company stocks

Fixed income:

The Bloomberg 1-3 Month U.S. Treasury Bill Index includes all publicly issued zero-coupon US Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

The Bloomberg Intermediate Government/Credit Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The Bloomberg Capital U.S. Aggregate Bond index measures the performance of the U.S. investment grade bond market.

The Bloomberg U.S. credit Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The Bloomberg Global High Yield Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive. Until January 1, 2011, the index also included CMBS high yield securities.

The Bloomberg Intermediate Government/Credit Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The Bloomberg Municipal Index: consists of a broad selection of investment-grade general obligation and revenue bonds of maturities ranging from one year to 30 years. It is an unmanaged index representative of the tax-exempt bond market.

The Bloomberg Capital U.S. Aggregate Bond index measures the performance of the U.S. investment grade bond market.

The Bloomberg U.S. Credit Bond Index represents primarily investment-grade corporate bonds within the Bloomberg Capital US Investment Grade Index.

The Bloomberg US Dollar Floating Rate Note (FRN) Index provides a measure of the U.S. dollar denominated floating rate note market.

Disclosures

The Bloomberg US Corporate Investment Grade Index is an unmanaged index consisting of publicly issued US Corporate and specified foreign debentures and secured notes that are rated investment grade (Baa3/BBB or higher) by at least two ratings agencies, have at least one year to final maturity and have at least \$250 million par amount outstanding. To qualify, bonds must be SEC-registered.

The Bloomberg US High Yield Index 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.

The Bloomberg US Mortgage Backed Securities Index is an unmanaged index that measures the performance of investment grade fixed-rate mortgage backed pass-through securities of GNMA, FNMA and FHLMC.

The Bloomberg US TIPS Index consists of Inflation-Protection securities issued by the U.S. Treasury.

The J.P. Morgan Emerging Market Bond Global Index(EMBI) includes U.S. dollar denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities.

The J.P. Morgan Domestic High Yield Index is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market.

The J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI Broad Diversified) is an expansion of the J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI). The CEMBI is a market capitalization weighted index consisting of U.S. dollar denominated emerging market corporate bonds.

The J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI Global Diversified) tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. The index limits the exposure of some of the larger countries.

The J.P. Morgan GBI EM Global Diversified tracks the performance of local currency debt issued by emerging market governments, whose debt is accessible by most of the international investor base.

The U.S. Treasury Index is a component of the U.S. Government index.

Other asset classes:

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs) that provides investors with an unbiased, comprehensive benchmark for the asset class.

The Bloomberg Commodity Index and related sub-indices are composed of futures contracts on physical commodities and represents twenty two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc.

The Cambridge Associates U.S. Global Buyout and Growth Index® is based on data compiled from 1,768 global (U.S. & ex –U.S.) buyout and growth equity funds, including fully liquidated partnerships, formed between 1986 and 2013.

The CS/Tremont Hedge Fund Index is compiled by Credit Suisse Tremont Index, LLC. It is an asset-weighted hedge fund index and includes only funds, as opposed to separate accounts. The Index uses the Credit Suisse/Tremont database, which tracks over 4500 funds, and consists only of funds with a minimum of US\$50 million under management, a 12-month track record, and audited financial statements. It is calculated and rebalanced on a monthly basis, and shown net of all performance fees and expenses. It is the exclusive property of Credit Suisse Tremont Index, LLC.

Disclosures

The HFRI Monthly Indices (HFRI) are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 4 main strategies, each with multiple sub strategies. All single-manager HFRI Index constituents are included in the HFRI Fund Weighted Composite, which accounts for over 2200 funds listed on the internal HFR Database.

The NAREIT EQUITY REIT Index is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax-qualified real estate investment trusts (REITs) that are listed on the NYSE, the American Stock Exchange or the NASDAQ National Market List.

The NFI-ODCE, short for NCREIF Fund Index -Open End Diversified Core Equity, is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE Index is capitalization-weighted and is reported gross of fees. Measurement is time-weighted.

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