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Market data and insights from Lincoln and industry asset management partners

As of 3/31/2026

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Market intelligence, made easy

Saving you time.
Helping you stay informed.
Providing you valuable insights.
Market Intel Exchange.

Did you know?

The S&P 500 has bounced back from the lows of major geopolitical conflicts since 1980, averaging **+14.6%** one year later and **+36%** after three years.

See page 26 for the full historical breakdown.

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A special thank you to this quarter's featured contributors:

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What's inside?

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Trending topic

What is a *Trending Topic?*

Throughout the chart pack, you will notice several "Trending Topic" (TT!) icons. These highlight key concepts and visuals likely to be top of mind for investors in the coming months.

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01 Economy

U.S. Economic Calendar: Important days to watch in April

Wednesday, April 1
- Manufacturing PMI (Mar)
- ISM Manufacturing PMI (Mar)
- ISM Manufacturing Prices (Mar)
- Retail Sales (Feb)
- ADP Nonfarm Employment Change (Mar)

Friday, April 3
- Holiday – U.S. Stock Market Closed
- Services PMI (Mar)
- ISM Non-Manufacturing PMI (Mar)
- ISM Non-Manufacturing Prices (Mar)
- Nonfarm Payrolls (Mar)
- Unemployment Rate (Mar)
- Average Hourly Earnings (Mar)

Tuesday, April 7
- Durable Goods Orders (Feb)

Wednesday, April 8
- FOMC Minutes (Mar)

Thursday, April 9
- Personal Consumption Expenditures Index (PCE) (Feb)
- Personal Income (Feb)
- Personal Spending (Feb)
- GDP (Q4 – Final)

Friday, April 10
- Consumer Price Index (CPI) (Mar)

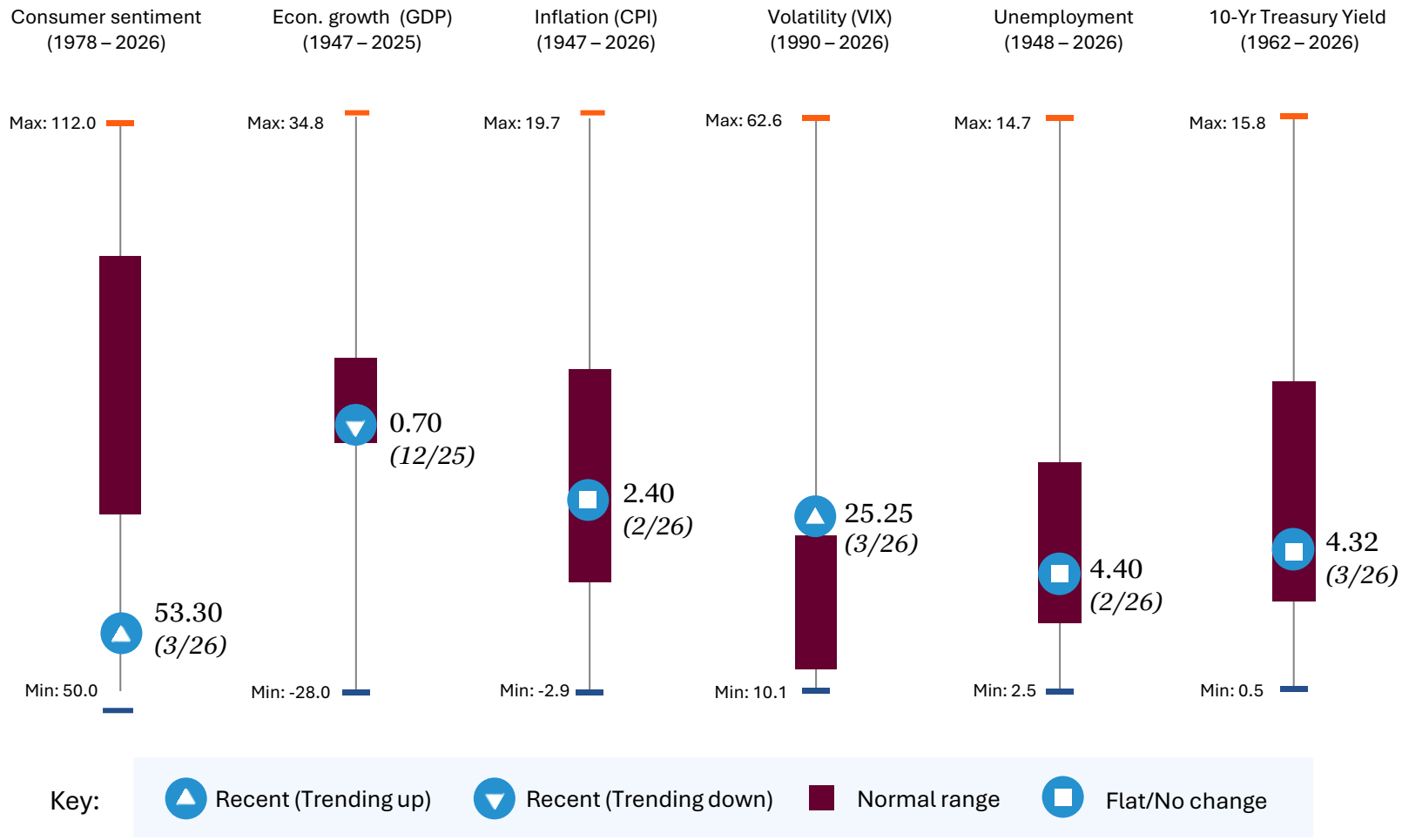
Tuesday, April 14
- Producer Price Index (PPI) (Mar)

Tuesday, April 21
- Retail Sales (Mar)

Wednesday, April 29
- Fed Interest Rate Decision
- Durable Goods Orders (Mar)

Thursday, April 30
- GDP (Q1 – 1st Advance Estimate)
- Personal Consumption Expenditures Index (PCE) (Mar)
- Personal Income (Mar)
- Personal Spending (Mar)

Key economic and market metrics



What this chart shows:

This chart shows the historical range and recent level of six key economic and market indicators.

Why it matters:

Investors can use this chart to quickly determine if economic indicators are at, above, or below historical ranges. Indicators that are outside of their normal range may provide insight into the health or direction of the economy and the market.

Consumer Sentiment as measured by the Michigan Consumer Sentiment Index is calculated each month based on a household survey of consumers' opinions on current conditions and future expectations of the economy.

Economic Growth (GDP — nominal) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

Inflation (CPI) is a measure of inflation that calculates the change in the prices of a basket of goods and services. This measure includes food and energy. Core CPI (excludes food and energy) was +2.5% YOY February 2026.

Volatility VIX is a real-time market index representing the market's expectations for volatility over the coming 30 days.

Unemployment rate as measured by the U.S. Bureau of Labor Statistics.

Source: Most recent data available as of March 31, 2026. Bloomberg. Arrows in the blue circles are indicative of most recent three-month trend, with exception of GDP, which is based on quarter-over-quarter trend. Latest GDP reading reflects the 4Q25 reading. Normal range represents +/- one standard deviation to the mean over timeframe referenced. See Additional Information for more details. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

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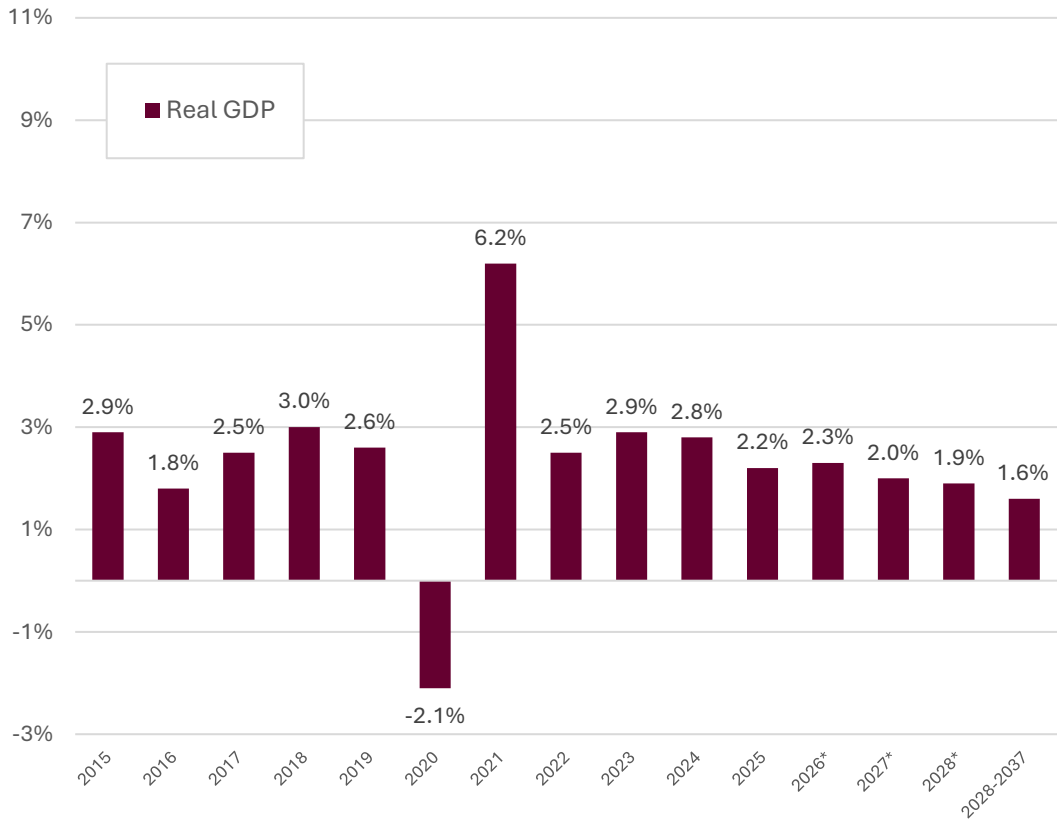
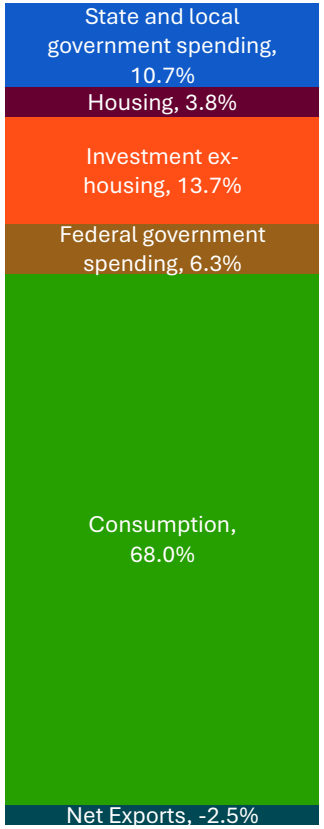
U.S. gross domestic product

Real gross domestic product, actuals and future projections



Components of GDP as of 4Q25



What this chart shows:

The chart on the left shows historical real GDP, as well as the most recently reported economic growth projections prepared by the Federal Open Market Committee.

The chart on the right shows the components of GDP as of the latest available data.

Why it matters:

The U.S. economy has proven remarkably resilient. While growth slowed to 0.7% in the fourth quarter, the full-year 2025 figure of 2.2% demonstrates continued expansion despite headwinds.

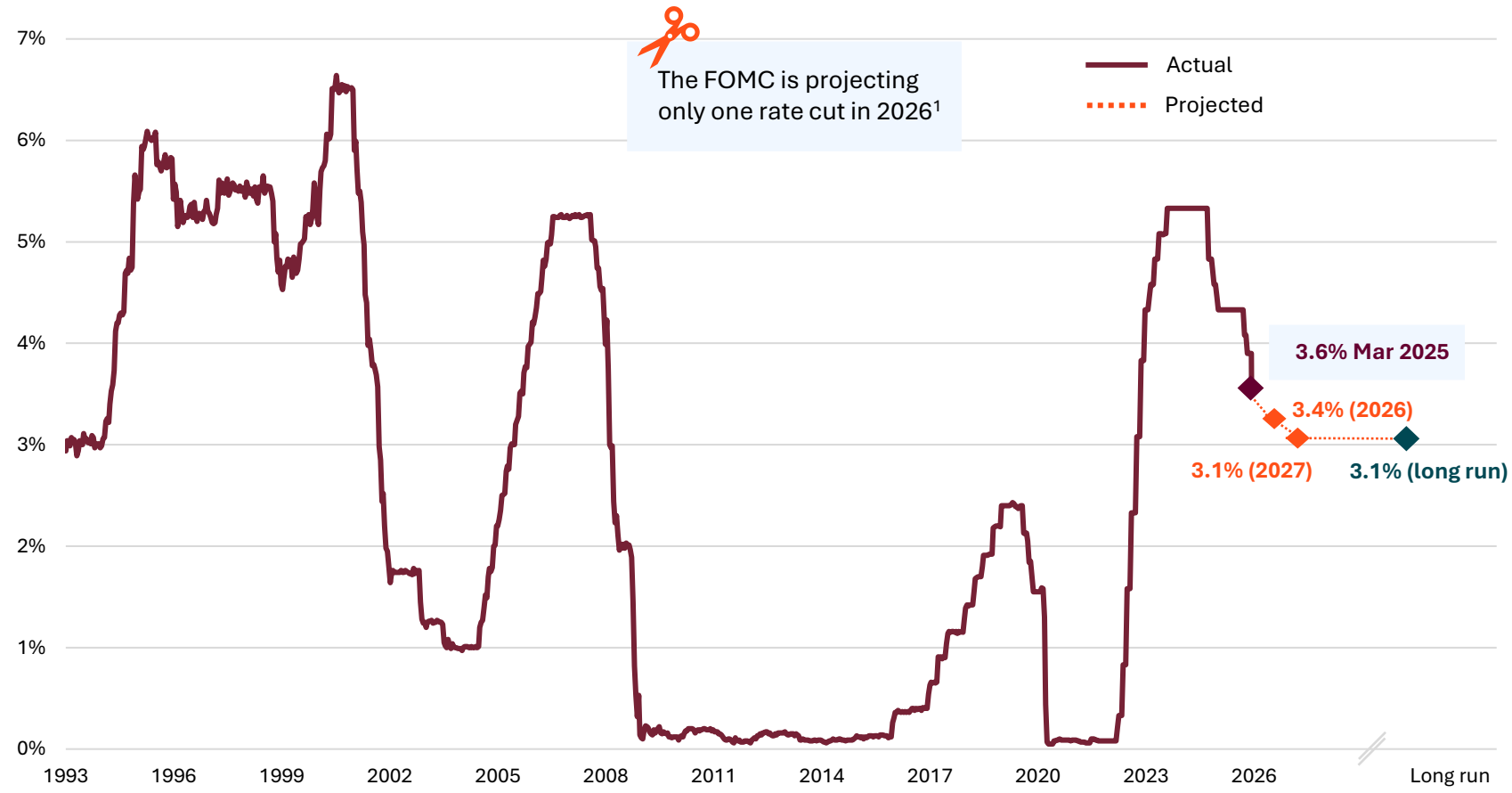
Consumer spending, which represents 68% of economic activity, has been the economy's anchor.

While the economy continues to expand, slower fourth-quarter growth and recent geopolitical tensions raise questions about momentum. The Fed's baseline forecast calls for modest growth in 2026, but risks remain around trade policy and whether consumer spending can maintain its strength as the labor market softens.

Source: Most recent data available as of March 31, 2026. Bloomberg, U.S. Bureau of Economic Analysis. Arrows in the blue circles are indicative of most recent three-month trend, with exception of GDP, which is based on quarter-over-quarter trend. Latest GDP reading reflects the 4Q25 reading. Normal range represents +/- one standard deviation to the mean over timeframe referenced. See Additional Information for more details. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Federal funds rate over time

Effective Federal Funds Rate (1993 – 2026*)



What this chart shows:

This chart shows the effective federal funds rate since 1993 along with expectations from the Federal Reserve's Summary of Economic Projections released after their March 2026 meeting.

Why it matters:

The easing cycle is active, but the pace has slowed meaningfully. The Federal Open Market Committee (FOMC) cut their policy rate by 0.25% following meetings in September, October, and December 2025.

However, the December move was accompanied by guidance signaling a strictly "measured" approach entering the new year, and the Fed followed through thus far in 2026, electing to hold interest rates steady following their first two meetings.

The "easy cuts" may be behind us as policymakers are currently projecting just a single rate cut in 2026.

Source: Federal Reserve Bank of St. Louis, Federal Reserve Board Summary of Economic Projections. *As of March 31, 2026. 1- Rate cut projections are from the Summary of Economic Projections as of March 2026 and reflect policy rate actions as of March 2026.

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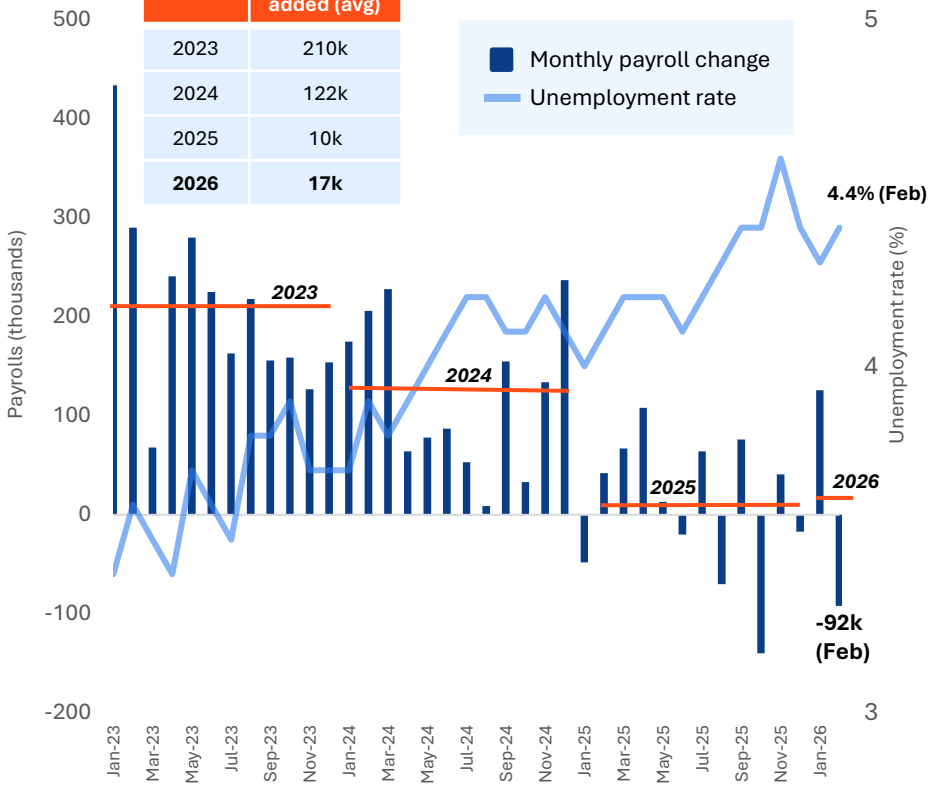
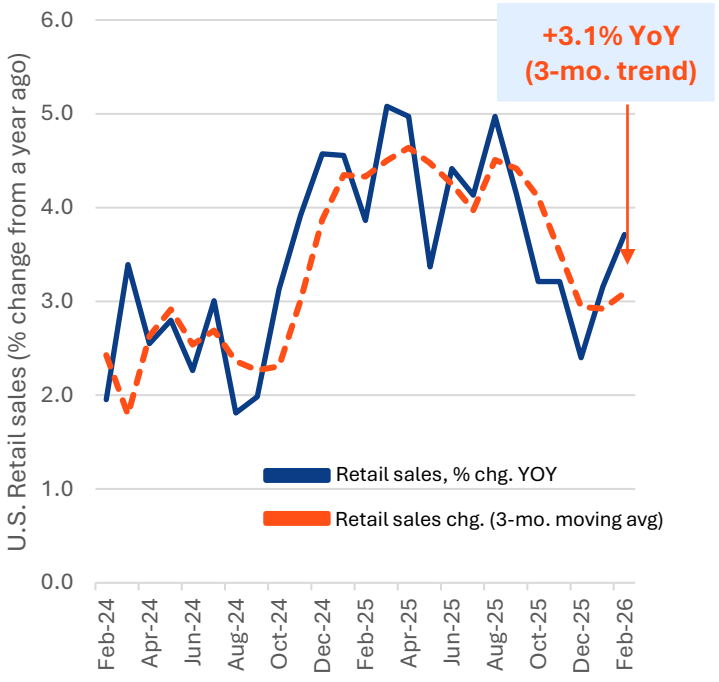
Jobs cooling, spending moderating

Jobs growth has slowed, and the unemployment rate has risen…

Year	# of jobs added (avg)
2023	210k
2024	122k
2025	10k
2026	**17k**



…while consumers continue to spend, but at a slower pace



Household net worth hit a record **$175.2T** in Q4 2025[1]

What this chart shows:

This chart shows trends in the U.S. labor market and consumer spending. The left side shows average monthly payroll gains along with the unemployment rate, while the right side shows year-over-year retail sales growth and its three-month moving average (smoothed trend).

Why it matters:

While the last year has brought a notable slowdown in job growth, consumer spending has continued to support the U.S. economy, albeit at a moderating pace.

The slowdown in jobs growth and moderation in spending warrant attention, but don't necessarily signal an imminent downturn. Record household net worth provides a meaningful cushion, and so far, spending has continued to grow.

Source: Federal Reserve Bank of St. Louis, Bureau of Labor Statistics. Based on available data as of March 31, 2026 (no October unemployment rate due to Government Shutdown). 1- Board of Governors of the Federal Reserve System (US), Households; Net Worth, Level retrieved from FRED, Federal Reserve Bank of St. Louis.

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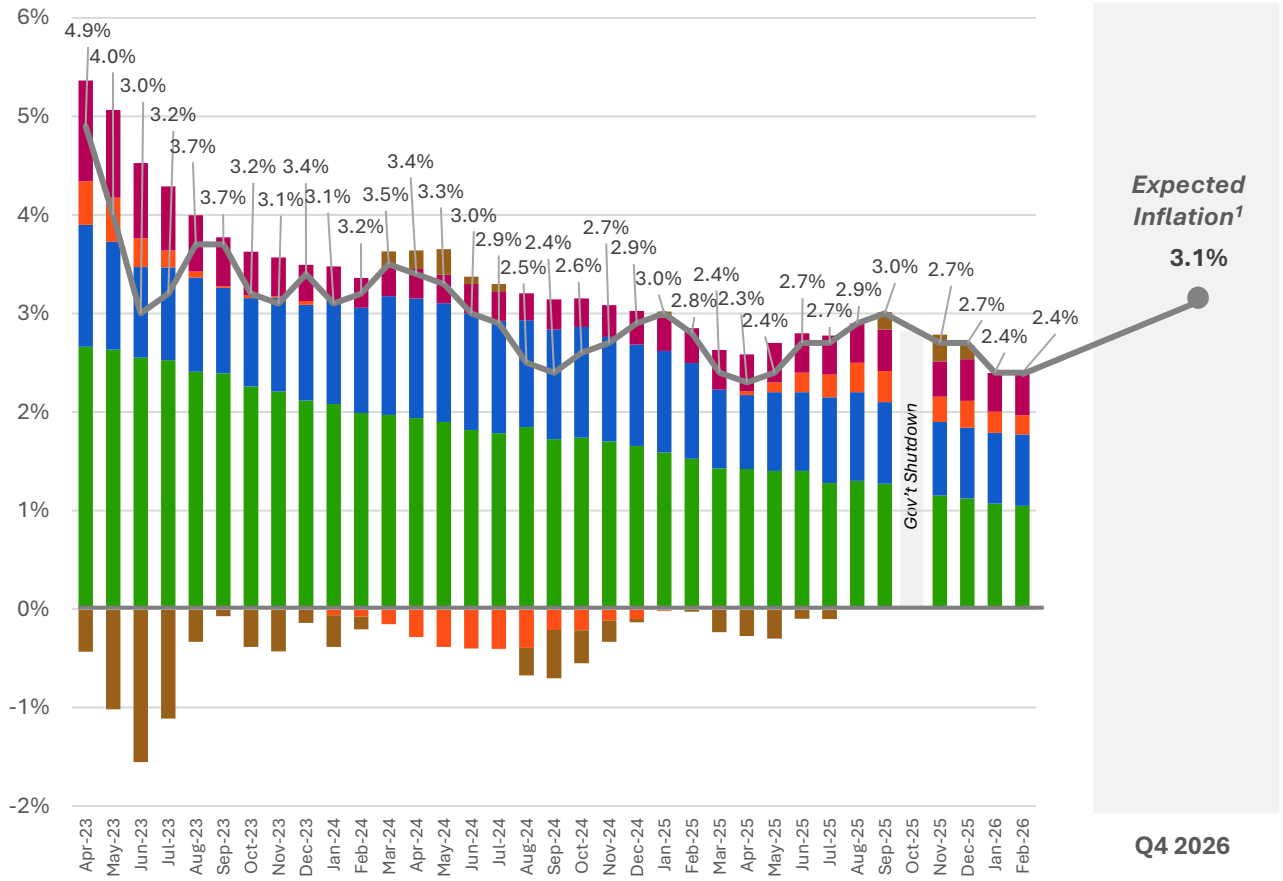
Inflation trends and components

Headline CPI and components of CPI inflation (year-over-year), %



Expected Inflation[1]

3.1%

Q4 2026

Headline CPI

- **Energy**
- **Food**
- **Core goods**
- **Core services ex. shelter**
- **Shelter**

What this chart shows:

This chart shows the recent trend in year-over-year U.S. inflation, along with analyst forecasts for the fourth quarter of 2026.

Why it matters:

Inflation remains modestly elevated above the Fed's 2% target.

Recent Fed rate cuts signaled confidence in the trajectory of inflation, but new risks have emerged. Ongoing tariff policies, geopolitical tensions, and potential immigration policy changes create the potential for renewed price pressures — or at minimum, slower disinflation than previously expected.

The direction of inflation through the remainder of 2026 will likely be a critical driver of investor sentiment and Fed policy.

Analysts surveyed by Bloomberg in March revised their year-end CPI forecasts higher to 3.1% (vs. 2.6% in February). An acceleration of inflation due to supply shocks or fiscal stimulus has the potential to create headwinds for both the market and the broader economy, though the path remains uncertain.

Source: U.S. Bureau of Labor Statistics. The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. This measure includes food and energy, which tend to have more price volatility and whose price shocks cannot be damped through monetary policy. Percentages may not sum due to rounding. October 2025 excluded due to Government Shutdown. 1- Inflation expectations for Q4 2026 represent median analyst expectations compiled by Bloomberg as of 3/31/2026.

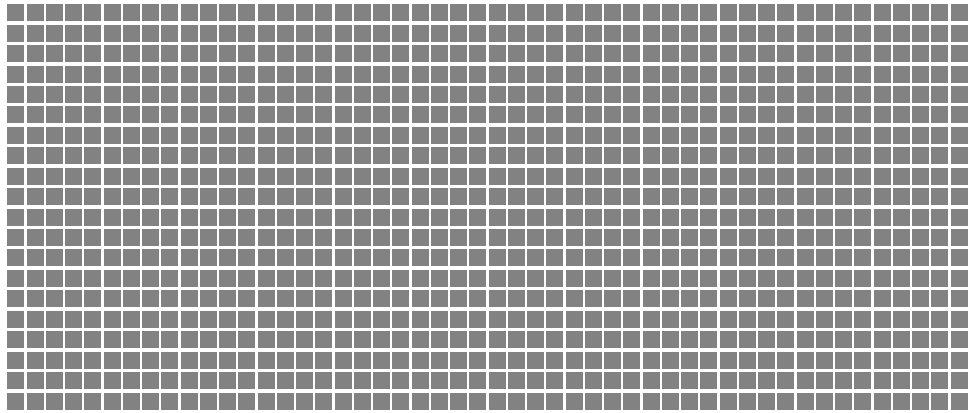
Visualizing the U.S. national debt

At the end of January 2026, the U.S. national debt was $39.0 trillion.

That's 39,000 squares!

If this is 1 billion:

Then this is 1 trillion:



Higher debt levels may reduce fiscal flexibility in an economic downturn

What this chart shows:

This chart helps readers visualize the size of the U.S. national debt.

Why it matters:

1 trillion dollars is hard for the average person to conceptualize given the sheer size of the number.

A relative comparison to 1 billion dollars, which in and of itself is a very large number, puts the 39 trillion-dollar debt level into perspective.

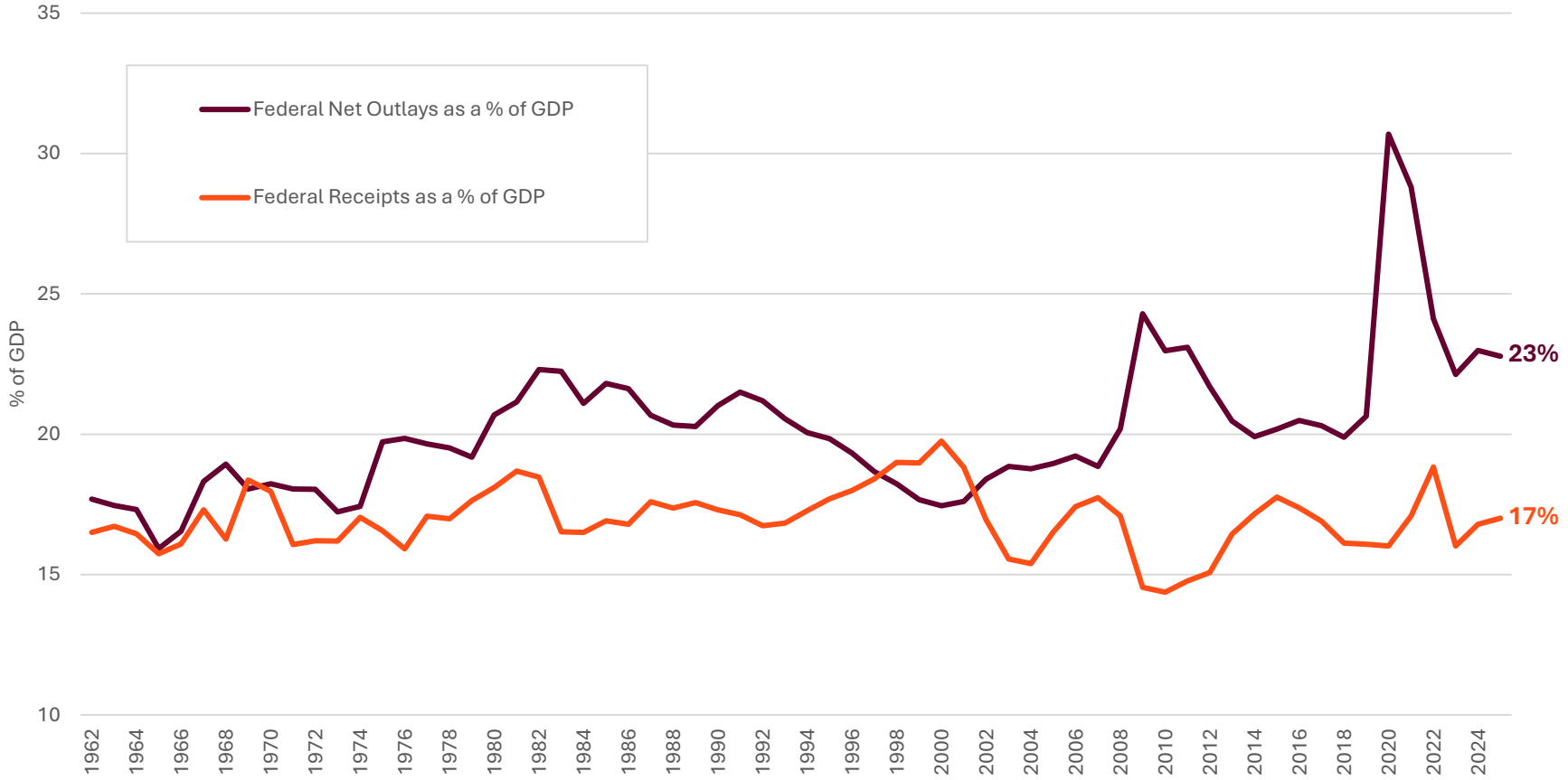
Government debt, when sustainably managed, is not inherently bad. In fact, the U.S. has carried debt since its inception.

Debt is an important tool to help fund programs like Social Security, national security, health care services, etc., that benefit the American people.

Source: Understanding the National Debt | U.S. Treasury Fiscal Data rounded to one decimal as of 3/31/2026.

Government spending outpacing revenue

U.S. federal government spending vs. receipts (1962 – 2025)



What this chart shows:

This chart shows the trend in U.S. government spending and revenue (receipts) as a percentage of gross domestic product (GDP) from 1962 – 2025.

Why it matters:

Federal spending continues to exceed revenue, resulting in persistent deficits. The Congressional Budget Office projects the full-year deficit to hit $1.9 trillion in 2026, and grow to $3.1 trillion in 2036.[1]

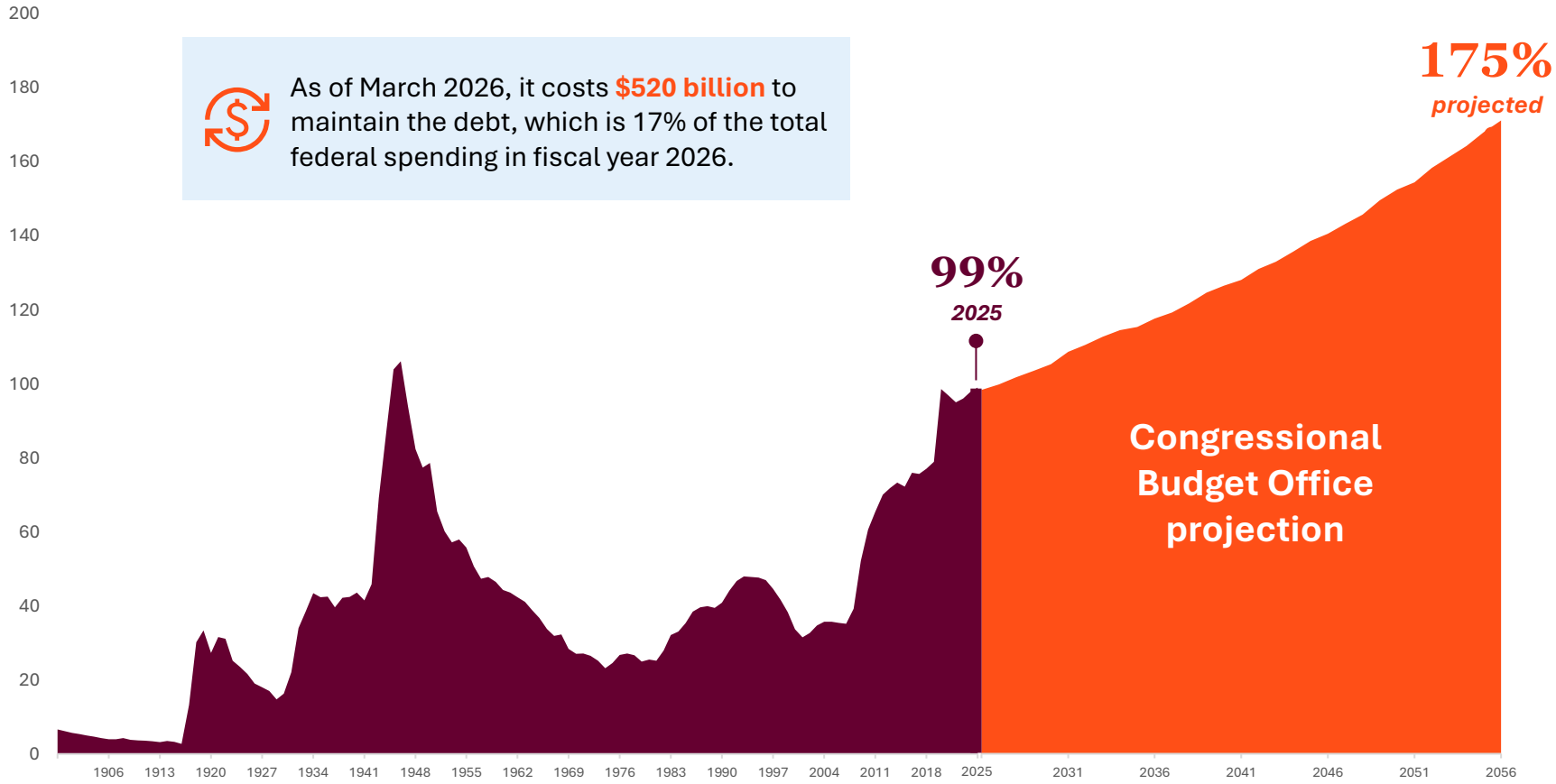
While pandemic-related spending has eased, tax and other receipts have not kept pace, raising concerns about rising debt and potential impacts on future interest rates, taxes, and economic policy.

Source: Federal Reserve Bank of St. Louis Economic Research. [1] Congressional Budget Office Budget and Economic Outlook for 2026 – 2036, CBO.gov/publication/62105

For use with the general public.

U.S. debt levels

U.S. Federal debt held by the public (as a % of GDP)



What this chart shows:

This chart shows historical U.S. national debt levels as a percentage of gross domestic product (GDP), as well as projections by the Congressional Budget Office through 2056.

Why it matters:

The U.S. government has been running a consistent fiscal deficit since the Global Financial Crisis, with spending outpacing revenue.

This has contributed to a rapidly rising pool of national debt, and more recently, increased interest expense as rates have risen.

The ratio of a country's total debt to GDP helps show the burden of its debt relative to total economic output, and therefore its ability to pay it.

It remains to be seen how this issue will be addressed, but it is likely to be an ongoing challenge requiring careful management and bipartisan policy decisions to help ensure long-term fiscal sustainability.

Source: Congressional Budget Office (CBO). February 2026 report The Budget and Economic Outlook: 2026 to 2036 and report The Long-Term Budget Outlook: 2026-2056
Federal spending statistic sourced from U.S. Treasury Fiscal Data.

For use with the general public.

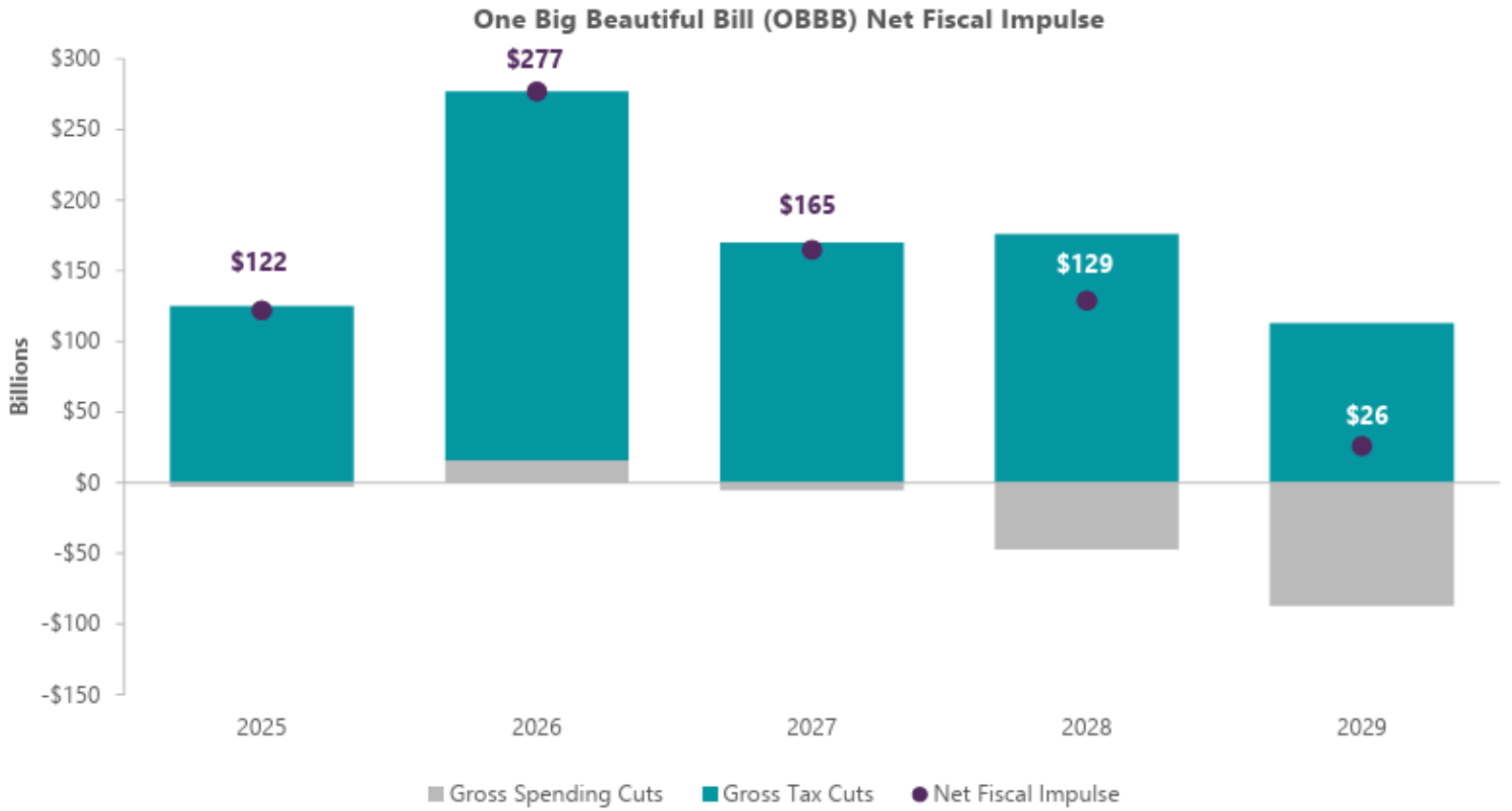
Tax tailwind: One Big Beautiful Bill (BBB) net fiscal impulse

ClearBridge
A Franklin Templeton Company

This chart shows the net spending cuts, net tax cuts, and net fiscal impulse expected from the recently enacted One Big Beautiful Bill Act.

The bill is expected to deliver a positive fiscal boost above and beyond the extension of the 2017 TCJA tax cuts.

The peak impulse of approximately 1% of gross domestic product is estimated to be felt in 2026 before gradually fading over the following three years.



ClearBridge Anatomy of a Recession. Data as of Sept. 30, 2025. Based on CBO Scoring of Senate One Big Beautiful Bill Act. Source: Wolfe Research. There is no assurance that any estimate, forecast or projection will be realized.

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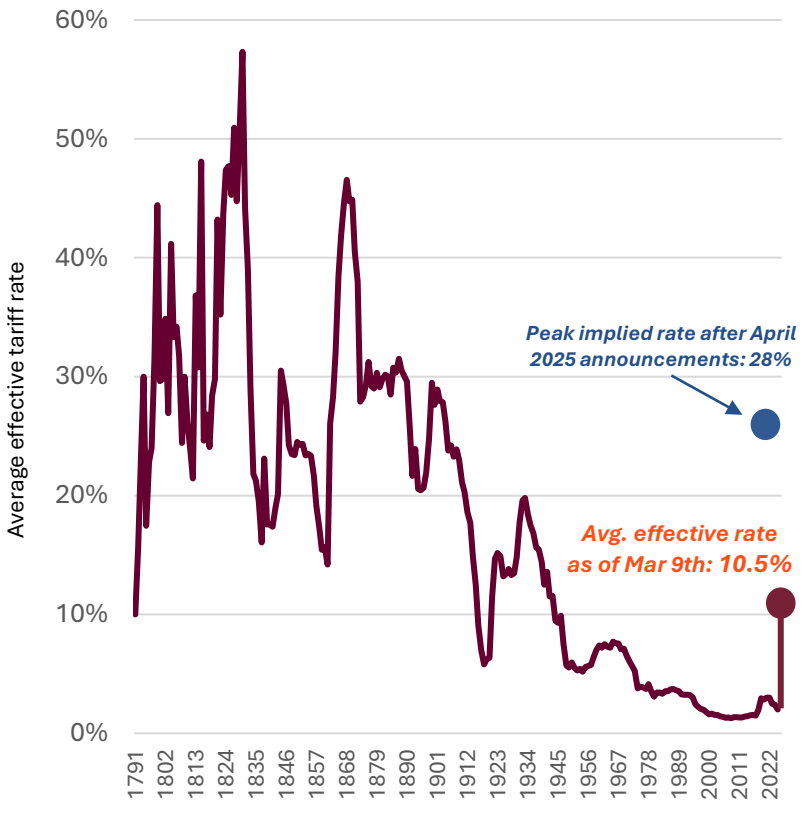
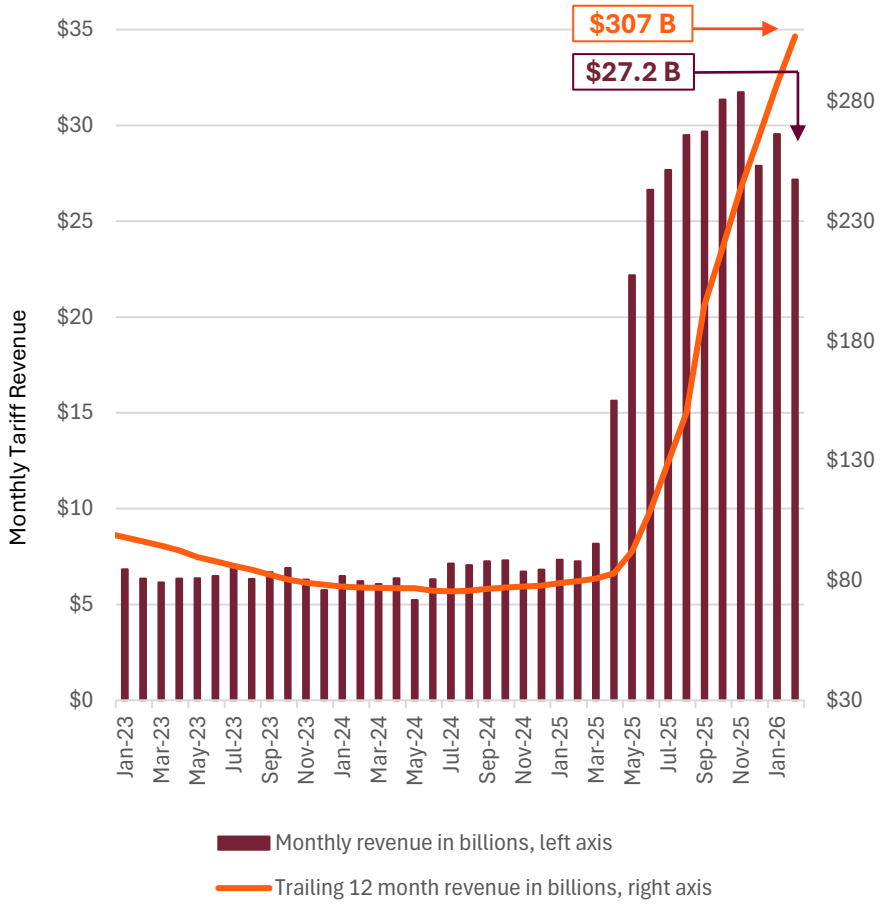
U.S. average effective tariff rate and customs revenue

Customs duty revenue as a percent of goods imports



Monthly revenue from customs duties



What this chart shows:

The chart on the left shows the average U.S. effective tariff rate from 1790 through today, while the chart on the right shows trailing revenue from customs duties to the U.S. Treasury.

Why it matters:

Tariffs were a primary source of revenue early in the United States' history, but beginning in the mid-1930s, a shift toward globalization and open markets brought with it lower tariffs that persisted for decades until an abrupt policy shift in 2025.

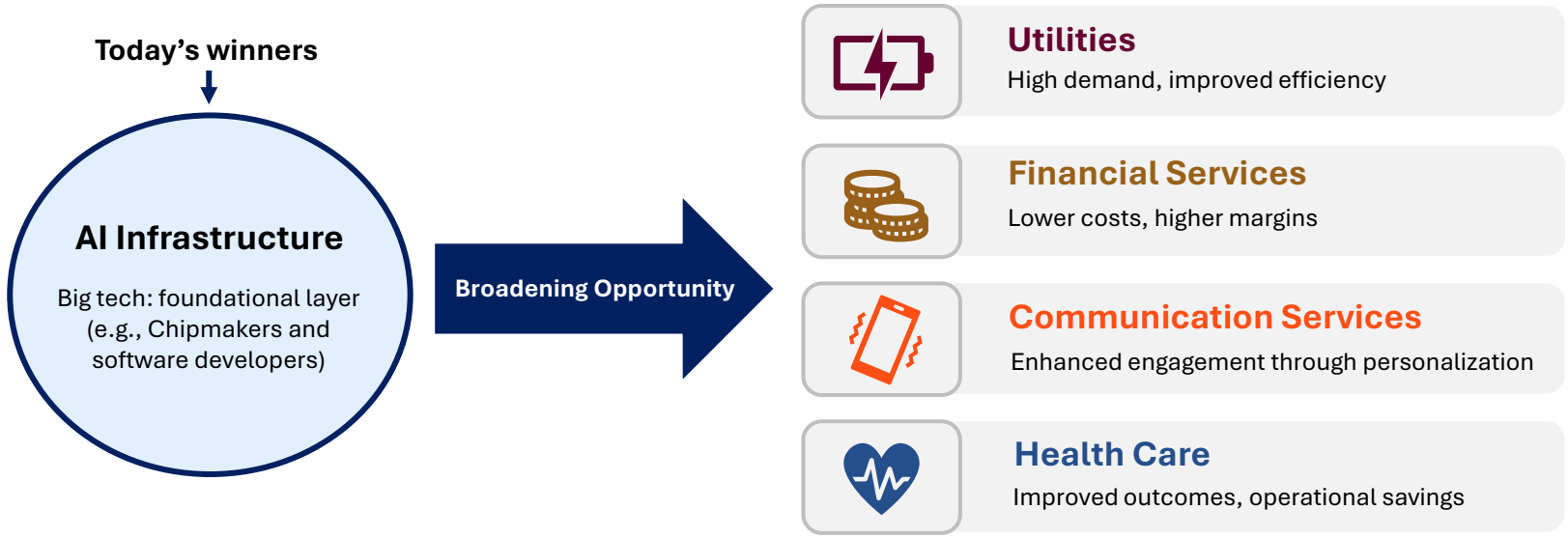
In February 2026, the Supreme Court struck down tariffs imposed under the International Emergency Economic Powers Act (IEEPA). With it, the average effective tariff rate briefly fell from 16% to 9.1% immediately after the ruling.

However, the Administration countered with Section 122 tariffs (Trade Act of 1974), ultimately lifting the overall average effective tariff rate modestly higher.

The ruling limits the use of emergency powers for broad tariff increases, reducing one potential source of abrupt policy escalation. On the other hand, customs revenue has risen sharply, and the outlook now depends on the durability of temporary tariffs and the legal authorities used going forward.

Sources: (Left) The Budget Lab at Yale as of March 9, 2026. Historical Statistics of the United States Ea424-434, Monthly Treasury Statement gross customs duty receipts, Bureau of Economic Analysis, The Budget Lab analysis. (Right) FiscalData.Treasury.Gov Monthly Treasury Statement as of February 2026.

Beyond tech: potential beneficiaries of AI adoption



Potential AI Use cases

Utilities

- Optimize grid efficiency
- Dynamic pricing models
- Predictive maintenance

Financial Services

- Routine task automation
- AI compliance tools
- Enhanced credit analytics

Communication Services

- AI service models (chatbots, etc.)
- Ad personalization
- Network optimization

Health Care

- AI diagnostics / screening
- Automation of administrative tasks (scheduling, etc.)
- Insurance fraud prevention

AI has potential to expand margins and reduce costs across the entire economy

What this chart shows:

This chart shows sectors and specific use cases demonstrating the potential value of AI beyond technology companies.

Why it matters:

As adoption increases, AI is likely to expand well beyond a tech story — delivering measurable business outcomes and fresh opportunities for investors.

AI can help expand margins and reduce costs across utilities, financial services, communications, and health care through practical applications: optimizing infrastructure, automating compliance, personalizing engagement, and improving diagnostics.

By linking AI to real business challenges, it is likely to drive earnings growth and competitive advantages across industries.

For investors, this broadening of AI-driven gains creates diversification opportunities beyond traditional technology names.

Source: Lincoln Financial. This material is for educational purposes only and not intended as investment advice.

02

Market Volatility

S&P 500: Calendar returns and intra-year declines

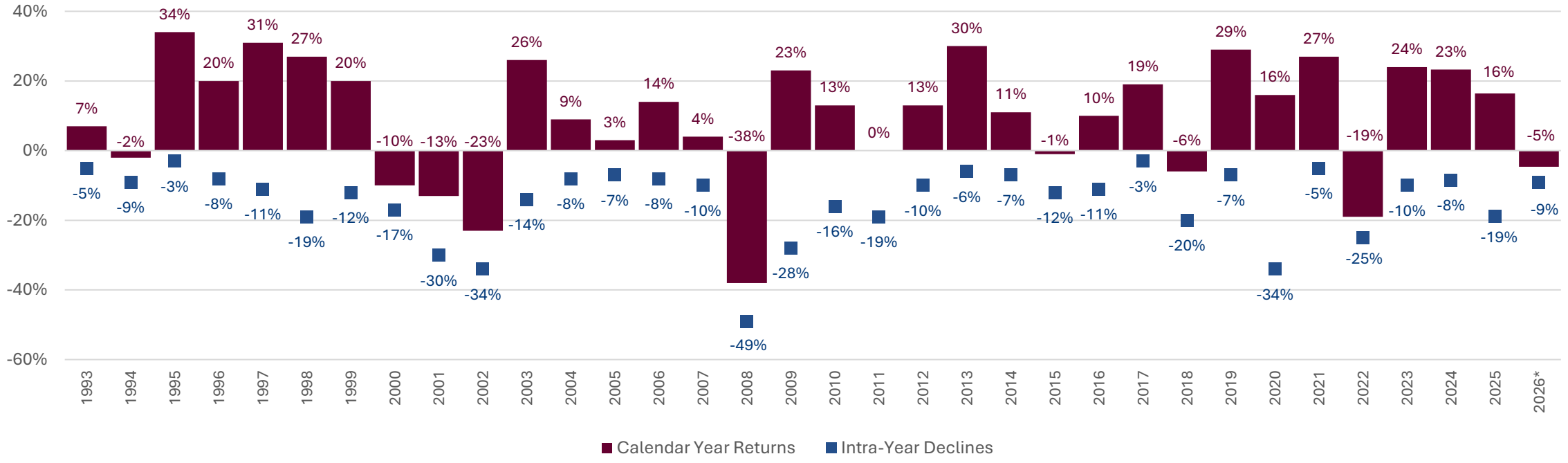
What this chart shows:

This chart shows calendar year returns of the S&P 500 Price Index from 1993 to present. It also shows the largest intra-year declines (lows) for each year.

Why it matters:

Investors can use this to understand how looking at annual returns alone can hide that there are often large drops that occur within the year.

Despite average intra-year declines of 14.7%, annual returns were positive in 24 of 33 years.

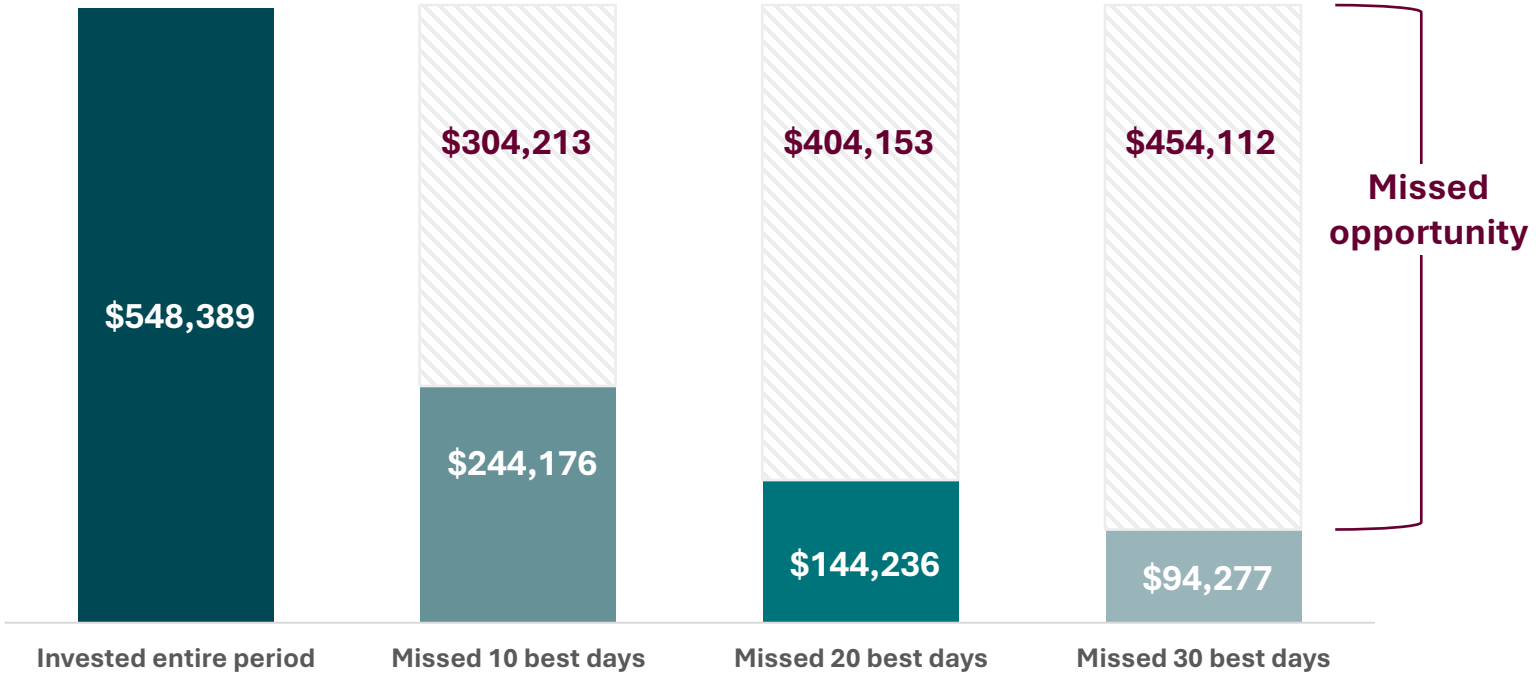


You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures.

Source: Morningstar, Standard & Poor's. Data as of March 31,2026. Returns are based on price index only and do not include dividends. Intra-year declines refer to the largest market drops from a peak to a trough during the year. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Impact of being out of the market

Growth and performance of $100,000 in the S&P 500 (2006-2025)



	Invested entire period	Missed 10 best days	Missed 20 best days	Missed 30 best days
Cumulative return	448.4%	144.2%	44.2%	–5.7%
Annualized return	8.9%	4.6%	1.8%	–0.3%

6 of the best 10 days occurred within 10 trading days of one of the worst 10 days.

What this chart shows:

This chart shows how missing the best days in the market over the last 20 years would have impacted returns of a $100,000 investment in the S&P 500 Index.

Why it matters:

Missing the best days can be costly, while avoiding the worst days can be beneficial. However, because the best days often follow the worst, it is nearly impossible to accurately time the market.

For this reason, simply staying the course is generally the best approach.

Source: Morningstar, Lincoln Financial. Equity represented by the S&P 500 Price Return Index. Data is from January 1, 2006, to December 31, 2025. **Past performance is not indicative of future returns.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

Trending topic

Despite the headlines … it has always been a good time to invest for the long term

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Year	Worrisome event	Cumulative returns[1]
2000	Tech wreck; bubble bursts	653%
2001	September 11	728%
2002	Dot-com bubble; market down –49%	840%
2003	War on Terror – U.S. invades Iraq	1,107%
2004	Boxing Day Tsunami kills 225,000+ in Southeast Asia	838%
2005	Hurricane Katrina	746%
2006	Not a bad year, but Pluto demoted from planet status	706%
2007	Subprime meltdown	596%
2008	Global Financial Crisis; bank failures	560%
2009	GFC; market down –56%; depths of despair	948%
2010	Flash crash; BP oil spill; QE1 ends	728%
2011	S&P downgrades U.S. debt; 50% write-down of Greek debt	620%
2012	Second Greek bailout; existential threat to Euro	605%

Year	Worrisome event	Cumulative returns[1]
2013	Taper Tantrum	508%
2014	Ebola epidemic; Russia annexes Crimea	359%
2015	Global deflation scare; China FX devaluation	304%
2016	Brexit vote; U.S. election	298%
2017	Fed rate hikes; North Korea tensions	256%
2018	Trade war; February inflation scare	192%
2019	Trade war; impeachment inquiry, global growth slowdown	205%
2020	Covid-19 pandemic; U.S. presidential election	132%
2021	Omicron variant, China regulatory crackdown	96%
2022	Russia invasion of Ukraine, inflation hits 40-year high	52%
2023	Fed rate hikes; bank failures, recession concerns	86%
2024	U.S. election, global conflicts escalate	47%
2025	Global trade war 2.0, record 43-day U.S. government shutdown	18%

What this chart shows:

This chart shows a list of worrisome events by calendar year, along with the cumulative returns of the S&P 500 index from January 1st of each year through the end of 2025.

Why it matters:

It always feels like there are compelling reasons not to invest. The table lists a sampling of the worrying headlines over the past two-plus decades.

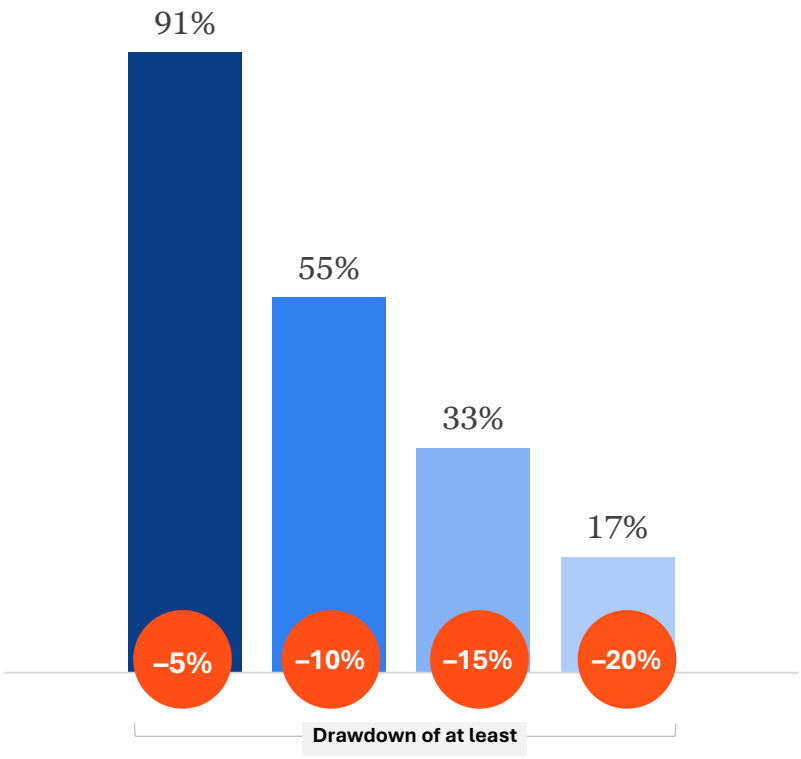
Bad news may make short-term waves, but over time, those waves tend to smooth out and not disturb the long-term trajectory of markets. Investors who successfully tune out the noise and remain invested have historically been rewarded.

[1]Cumulative total returns for S&P 500 Index are calculated from January 1st of each year to December 31, 2025, sourced from Morningstar. Worrisome events sourced from J.P. Morgan Private Bank from 2000 – 2021, Lincoln Financial for 2022 – 2025. You cannot invest directly in an index. **Past performance does not guarantee or predict future performance.**

Market drawdowns are more common than you think

A meaningful drawdown in any given year is likely...

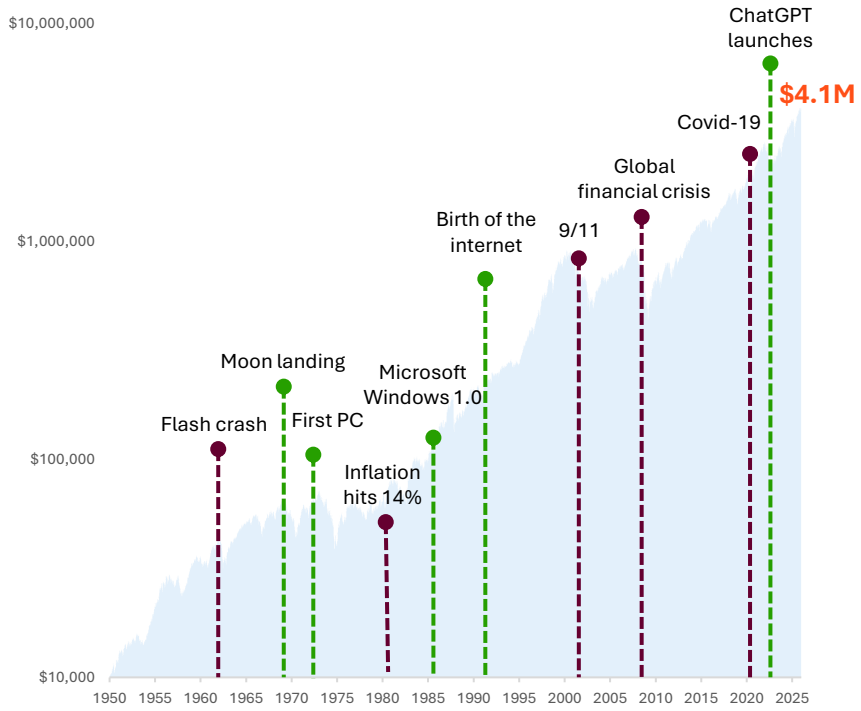
% of calendar years with drawdowns, S&P 500 (1950 – 2025)



Although market corrections can be unsettling, don't panic — pullbacks are a normal feature of healthy functioning markets

...despite this, markets trend higher over time

Growth of $10,000, S&P 500 (1950 – 2025)



Despite short-term disruptions, American innovation has contributed to driving markets higher over the long-term

What this chart shows:

This chart shows the percentage of calendar years since 1950 that saw a drawdown of at least 5%, 10%, 15%, and 20% (left) and the long-term growth of $10,000 invested in the S&P 500 with a handful of significant events overlayed (right).

Why it matters:

Drawdowns are a normal occurrence — even during healthy bull markets.

Nearly all calendar years see stocks decline at least 5%, and more than half see double-digit drawdowns.
Additionally, the average year experienced a decline of nearly 14%. Despite this, stocks still finished with gains in 73% of all years.

While these drawdowns can be unsettling, the best course of action is often to stay the course. Because over the long term, markets tend to march higher, with most of these declines ending up looking like nothing more than a small bump in the road.

Source: Morningstar. S&P 500 Price Return Index. Average max intra-year decline was 13.7%. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Trending topic

S&P 500: returns after drawdowns

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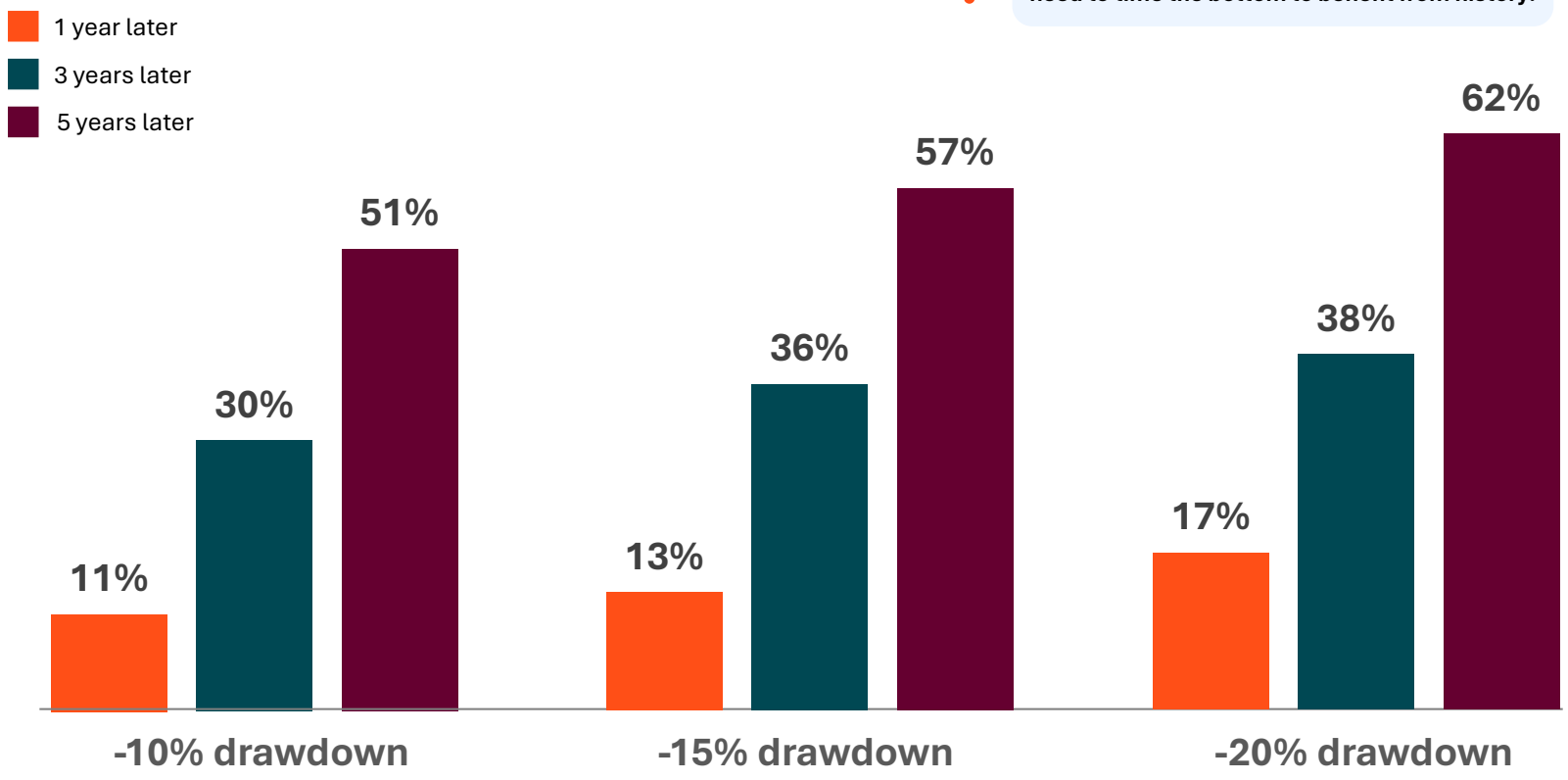
Average S&P 500 forward returns after drawdowns (1950 – 2025)



Returns are measured from when the drawdown first hit each level, not the bottom. **You don't need to time the bottom to benefit from history.**

What this chart shows:

Average S&P 500 forward returns 1, 3, and 5 years after each drawdown threshold (−10%, −15%, −20%) was first crossed, based on data from 1950 – 2025.

Why it matters:

When markets sell off, the instinct to move to safety feels rational. However, history shows that stepping aside during a drawdown often means missing the recovery.

Market bottoms are only clear in hindsight. Historically, once these drawdown thresholds were reached, average forward returns were strong over the following 1, 3, and 5 years — even if markets fell more in the short-term.

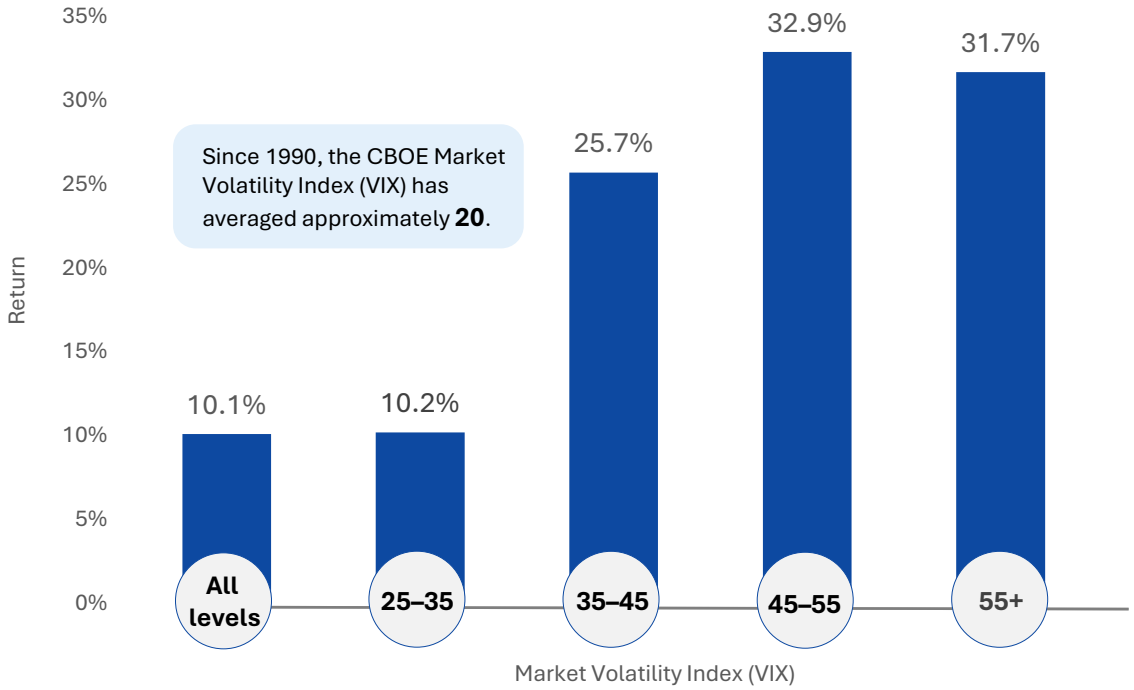
Investors who stayed the course or used the drawdown as an opportunity to invest more have been rewarded.

Source: Morningstar, analysis by Lincoln Financial. S&P 500 Price Return Index from 1950-2025. Drawdown signals are identified using S&P 500 daily closing prices. A signal fires on the first close at or below the threshold (−10%, −15%, or −20%) from the most recent cycle high. The signal resets after the index recovers by the corresponding percentage from the post-signal trough, at which point the cycle high resets. During multi-threshold drawdowns, shallower signals remain inactive until the deepest breached threshold completes its recovery. During deeper drawdowns, shallower signals do not re-trigger on interim rallies. For example, if the market declines 25% from its high with intermittent rallies along the way, only one signal is recorded at each threshold breached. Forward returns are measured from the signal date. Past performance is not indicative of future results. **Past performance does not predict or guarantee future performance.** You cannot invest directly in an index.

Periods of elevated volatility may represent opportunities for investors

The VIX, often referred to as the "fear gauge," is a real-time measure of expected near-term volatility of the S&P 500 derived using option prices.

S&P 500 average one-year returns from VIX levels (1990 – 2025)



VIX level	Example periods when the VIX peaked at certain volatility threshold levels
55+	COVID-19 Global Pandemic (2020)
45 – 55	Tech bubble (2002)
35 – 45	Markets react to 9/11 attacks (2001)
25 - 35	FED begins tightening to combat inflation (2022)

What this chart shows:

This chart shows the average one-year performance of the S&P 500 Index from various VIX levels since 1990, as well as historical examples of events that occurred when the VIX Index hit certain thresholds.

Why it matters:

Volatility is a feature of investing, not a defect. However, many investors instinctually view it as something to fear and avoid – which can lead to poor behavior and subpar long-term results. Using the daily closing price of the VIX, an investment made at any level had a solid average one-year return of 9.9%. However, an investment made on days where the VIX was elevated performed meaningfully better.

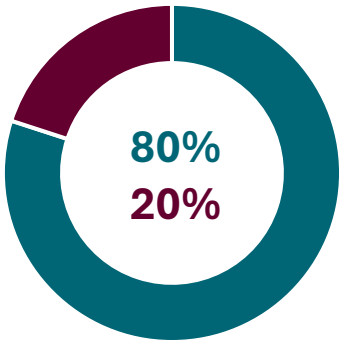
Investors could benefit from thinking of the VIX as an "opportunity index." Because while it's always a good time to invest, history shows that some of the best opportunities have come during periods associated with elevated volatility.

Source: Morningstar, Lincoln Financial 1/1/1990 – 12/31/2025. Past performance does not guarantee future results. Subsequent 1-year returns represent the average forward 12-month return of the S&P 500 TR based on all days in which the VIX closed within each specified range. VIX is the ticker symbol for the CBOE Volatility Index. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

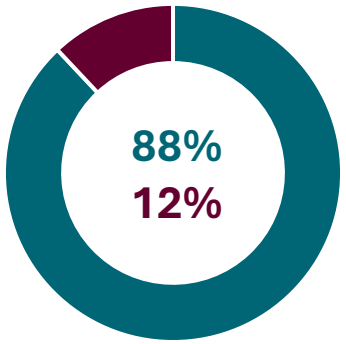
For use with the general public.

Patience pays: the power of long-term investing

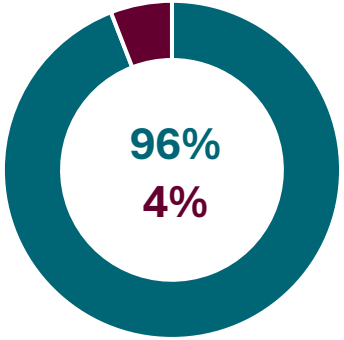
1-year holding period
(589 Periods)



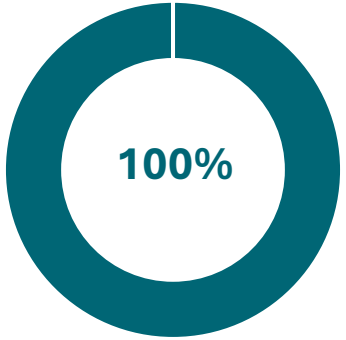
5-year holding period
(541 periods)



10-year holding period
(481 Periods)



15-year holding period
(421 Periods)



S&P 500 (1976 – 2025)

Probability of **making** money in stocks

Probability of **losing** money in stocks

Positive 100% of the time when holding for 15+ years

What this chart shows:

This chart shows, based on historical data from 1976 –2025, how likely investors were to make or lose money in the S&P 500 depending on how long they stayed invested. Holding for 15 years or more resulted in positive returns every time.

Why it matters:

Markets can be unpredictable in the short term, but history shows that staying invested for the long haul has paid off.

A patient approach can help investors avoid emotional decisions and improve the odds of successful outcomes.

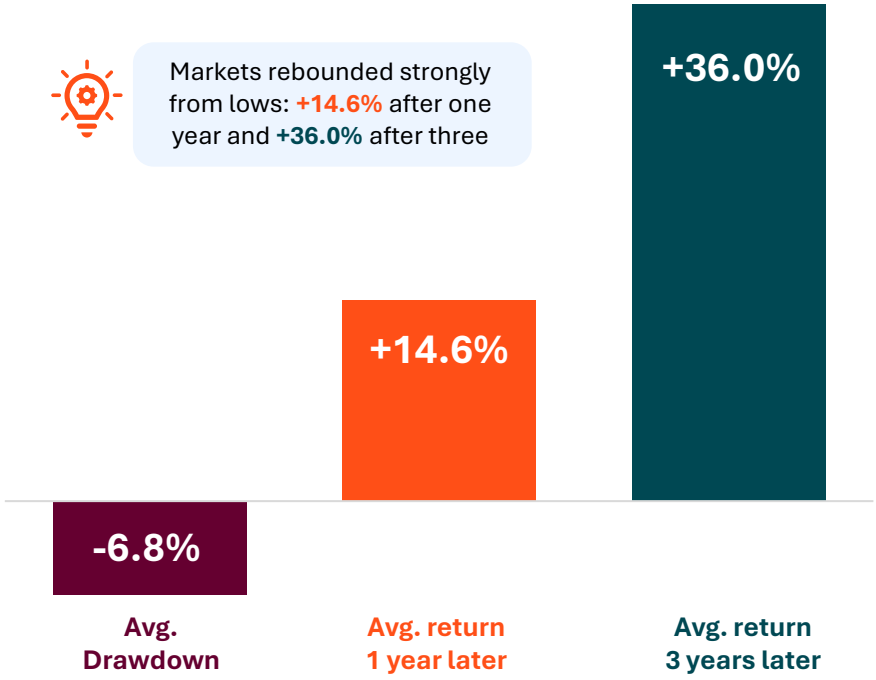
Source: Morningstar. Stocks represented by the S&P 500 Price Return Index from 1976 – 2025. Probability represented as the percentage of historical outcomes (rolling returns with a monthly step) that were either positive or negative based on holding periods of 1, 5, 10 and 15 years. **Past performance does not guarantee or predict future performance.**

Trending topic

Geopolitical conflicts have had little long-term market impact

Lincoln Financial

Average S&P 500 drawdowns and returns from market lows around conflicts (1980 – March 2026)



Event:	Max drawdown	1 year later	3 years later
Iran-Iraq (1980)	-4.4%	-6.2%	35.4%
Libya bombing (1986)	-2.6%	23.5%	35.5%
Invasion of Panama (1989)	-8.4%	5.6%	35.9%
Gulf War (1990)	-19.9%	29.1%	56.0%
Kosovo bombing (1998)	-1.4%	23.2%	19.9%
Afghanistan War (2001)	-3.3%	-26.5%	6.2%
Iraq War (2003)	-3.0%	32.8%	52.7%
Crimea annexation (2014)	-1.6%	15.8%	29.6%
Russia - Ukraine (2022)	-15.0%	7.5%	52.9%
Israel - Hamas (2023)	-8.6%	41.1%	-
U.S./Israel–Iran (2026)[1]	-9.1%	-	-

[1]U.S.–Iran max drawdown as of 3/31/26

What this chart shows:

The chart on the left shows the average S&P 500 drawdown after geopolitical conflicts since 1980, along with the average one- and three-year returns from the lows. The chart on the right shows each event alongside its maximum drawdown, and subsequent one- and three-year returns from the bottom.

Why it matters:

History shows that markets tend to react quickly to geopolitical shocks. Over time though, it's the strength of the underlying economy, not the headlines, that ultimately determines the direction of markets.

Short-term sell-offs during major conflicts are expected, but markets have bounced back every time. Since 1980, stocks were positive one year after the associated low in 8 of 10 cases and delivered gains three years later in every instance.

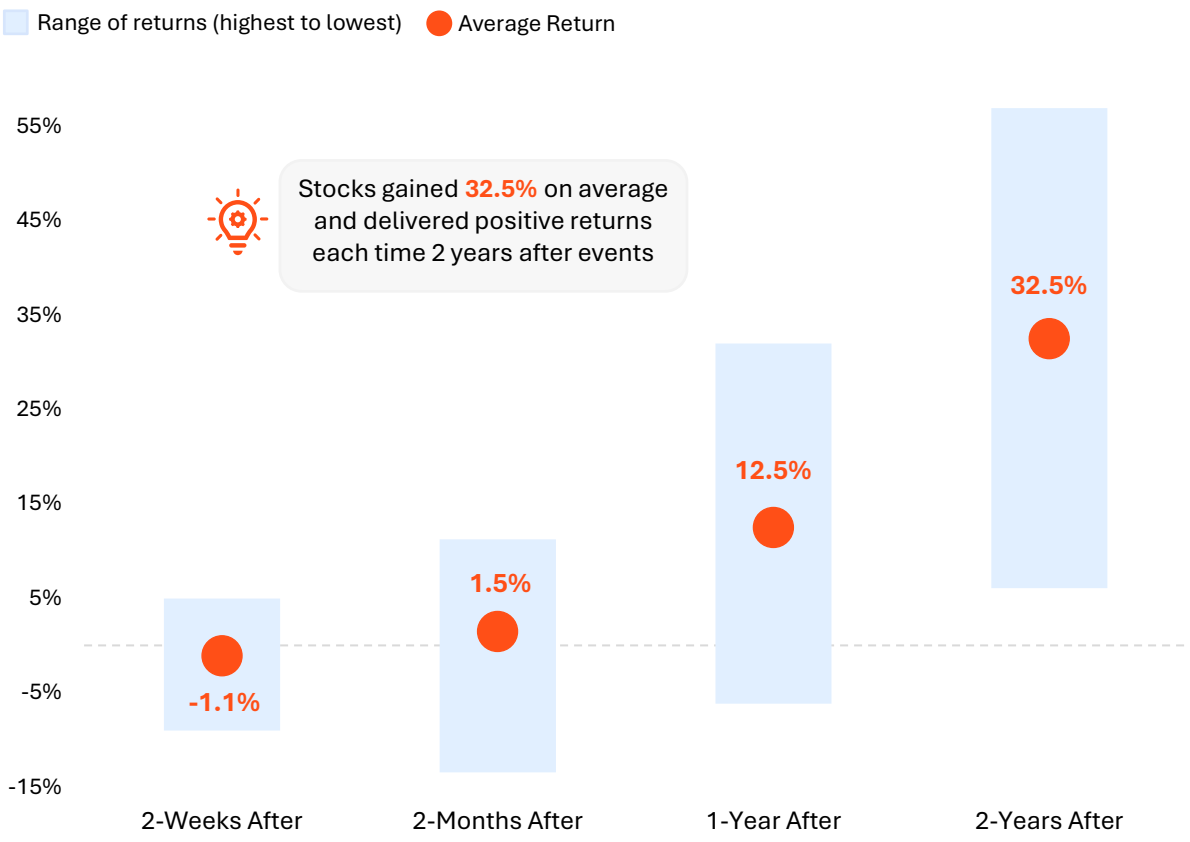
Source: Morningstar. S&P 500 Price Return Index. Max drawdown = market peak over prior 30 calendar days prior to event to market trough over the following 90 calendar days. 1-year and 3-year returns = S&P 500 index 1 and 3 years after the trough date. Averages exclude the 2026 U.S./Israel–Iran conflict. Analysis represents major geopolitical conflict events since 1980; may not be exhaustive. **Past performance does not predict or guarantee future performance.** You cannot invest directly in an index.

Trending topic

Markets have recovered quickly from oil disruptions

Lincoln Financial

S&P 500 total returns following geopolitical oil disruptions (1990 – 2026)



Event:	S&P 500 Return			
	2-Weeks	2-Months	1-Year	2-Years
First Gulf War *Aug. 1990*	-6.3%	-10.7%	12.8%	27.4%
Second Gulf War *Mar. 2003*	0.6%	5.5%	29.2%	41.0%
Niger Delta supply disruptions *Feb. 2006*	-0.6%	2.2%	15.2%	8.8%
Libyan Civil War *Feb. 2011*	-1.9%	-0.6%	3.5%	19.3%
Iran sanctions *Dec. 2011*	2.2%	8.5%	14.8%	52.1%
Drone attack on Saudi Aramco *Aug. 2019*	-1.0%	4.1%	15.3%	54.2%
Russian invasion of Ukraine *Feb. 2022*	0.9%	1.3%	-3.4%	24.5%
U.S./Israel – Iran conflict *Feb. 2026*	-2.5%	-	-	-

What this chart shows:

The range of outcomes and average return of the S&P 500 following eight geopolitical related oil disruptions since 1990 (left) along with the returns of each event (right).

Why it matters:

Geopolitical oil supply disruptions have historically led to short-term market volatility, but equity returns have often improved over the subsequent months and years.

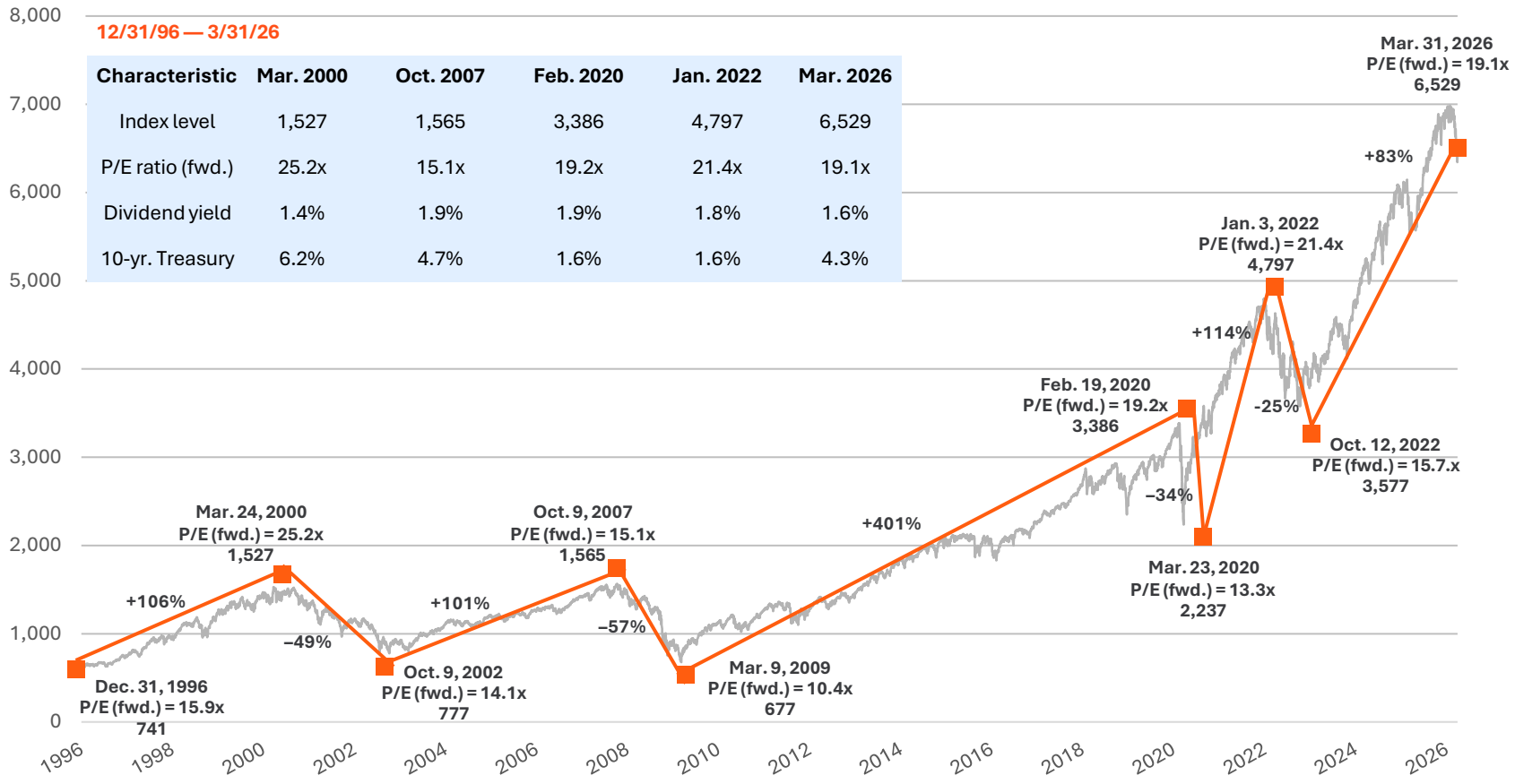
While oil price spikes often create near-term anxiety, history shows that markets look past the headlines and focus on the economy and earnings. Two-year returns were positive in each case, with an average gain of 32.5%.

Source: Morningstar, S&P 500 total return index. Left chart represents the range and average of events in the table. Event dates are aligned to the nearest available market price. If a shock occurs on a non-trading day, the next trading day was used as the start date. Returns are measured from the first available trading day on or after the stated event and forward window based on calendar days. Events were selected based on acute, geopolitically-driven oil supply disruptions where a distinct event or policy shift led to an identifiable oil price spike. The list may not be exhaustive of all geopolitical events affecting oil prices during the period shown. **Past performance does not predict or guarantee future performance**. You cannot invest directly in an index.

03

Equities

S&P 500: Cumulative returns



What this chart shows:

This chart shows the cumulative return of the S&P 500 Index from 1996 to present – highlighting the return of major expansionary and contraction periods during this time.

Why it matters:

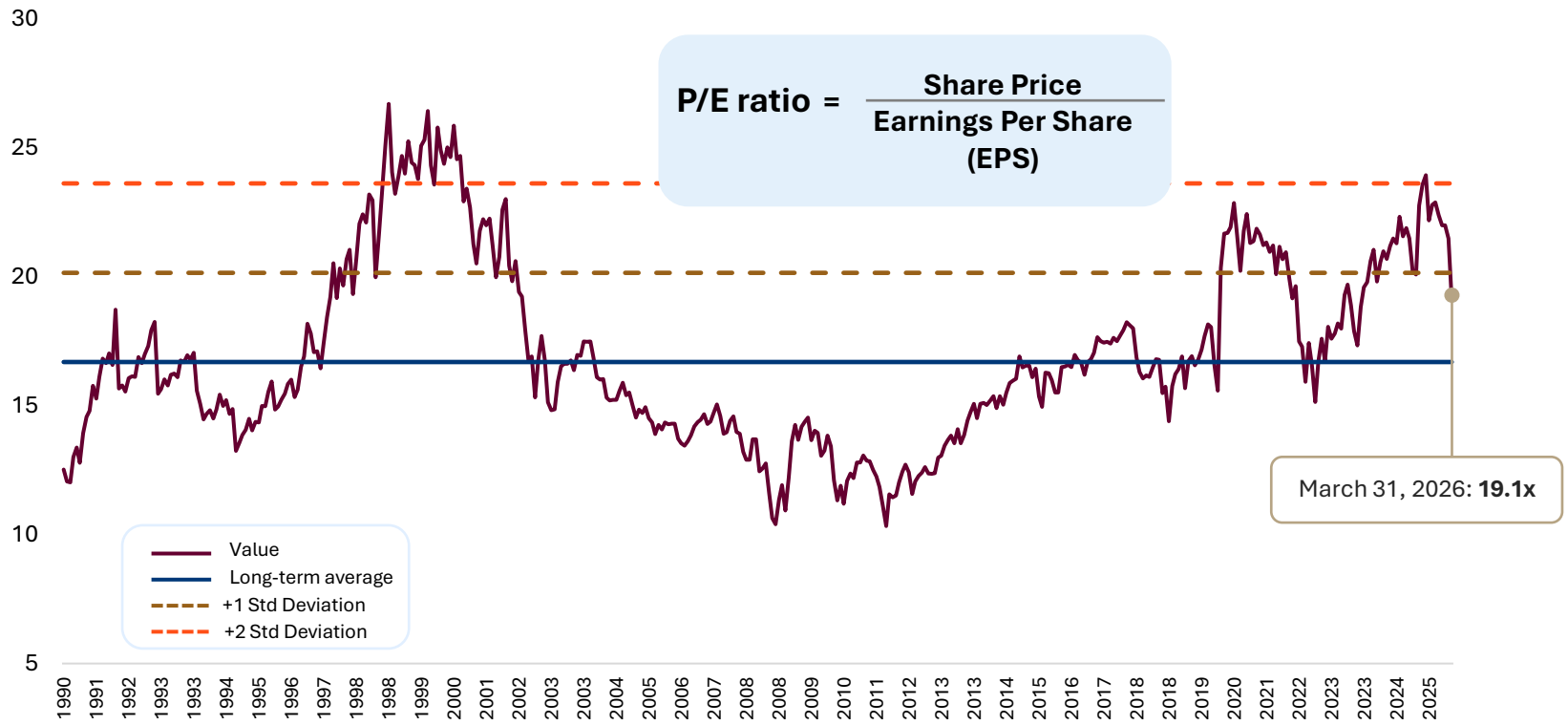
This chart can help put market cycles in context by comparing the magnitude and duration of bull and bear markets, along with the long-term trend of the S&P 500.

Past performance is not indicative of future returns. You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures. Data as of March 31,2026. **Dividend yield** is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. **Forward price-to-earnings ratio** is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM). The S&P 500® Price Return Index tracks the stock performance of 500 large U.S. companies. The index used is a price index and does not reflect dividends paid on the underlying stocks.

For use with the general public.

S&P 500: Valuation measures

Forward P/E ratio valuation



Valuation measures	Recent	20-year average
Forward P/E	19.1x	16.3x
Shiller's P/E	37.2x	27.5x
Dividend yield	1.6%	2.0%
Price-to-book	4.5	2.9
Price-to-cash flow	15.2	11.6

What this chart shows:

This chart shows the historical trend of the S&P 500 forward P/E ratio compared to the modern-era historical average.

Why it matters:

The P/E ratio shows how much investors are willing to pay for each dollar of expected future earnings. At 19x, the S&P 500's forward P/E sits well above its long-term average.

While elevated valuations may indicate investor confidence in future earnings growth, future gains become more dependent on the expected earnings growth following through rather than valuation expansion.

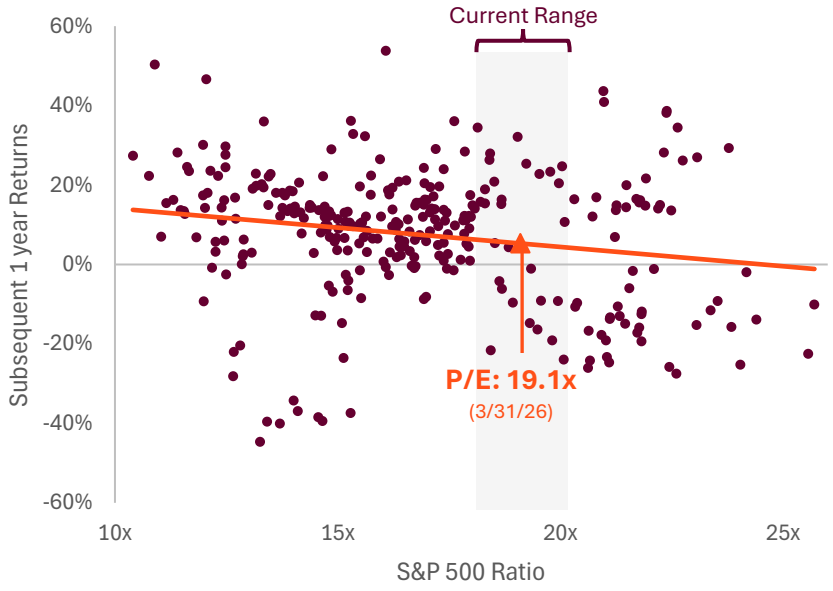
Source: FactSet, S&P, Robert Shiller, Bloomberg. Data as of March 31,2026

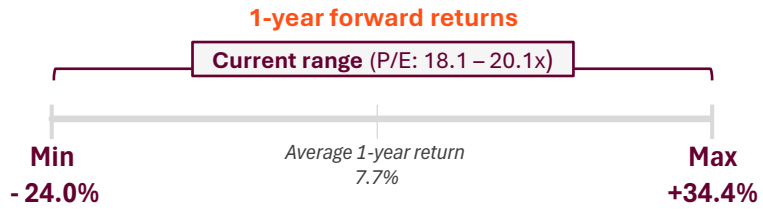
Forward P/E ratio (or forward price-to-earnings ratio) is the most-recent stock price divided by the forward-looking EPS estimate. **Shiller's P/E ratio** is the most recent stock price divided by the average of 10 years of inflation-adjusted earnings. **Dividend yield** is the percentage of its stock price that a company is projected to pay out as dividends. It is calculated by dividing estimated annual dividends per share for the current fiscal year by the company's most recent month-end stock price. **Price-to-book** compares a firm's market capitalization to its book value. It's calculated by dividing the company's stock price per share by its book value per share (BVPS). **Price-to-cash flow** is a valuation indicator or multiple that measures the value of a stock's price relative to its operating cash flow per share. **Standard deviation** is a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

S&P 500: Valuations and forward returns

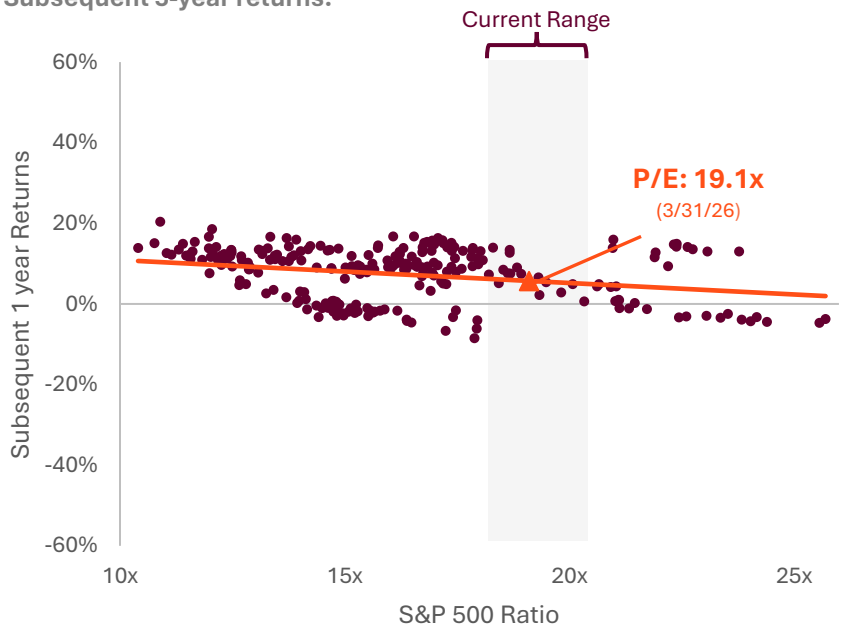
S&P 500 forward price-to-earnings (P/E) ratios and subsequent returns (2000 – 2026)

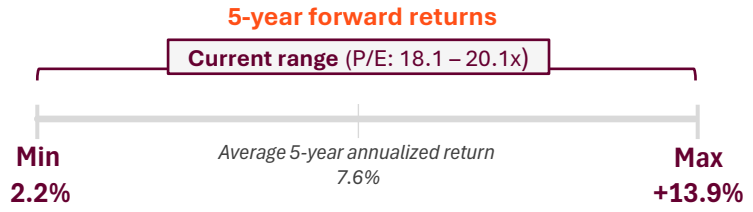
Subsequent 1-year returns:





Subsequent 5-year returns:





What is this chart shows:

The graph shows how the S&P 500's forward price-to-earnings (P/E) ratio relates to subsequent returns over 1-year and 5-year periods.

Why it matters:

Historically, valuations have had very little correlation to returns over the following 12 months. Given today's valuation range (P/E between 18.1-20.1x), the average 1-year forward return of 7.7% may be misleading, as results ranged from +34.4% to -24.0%. This illustrates why making investment decisions based on valuations alone is unreliable—especially for short-term outcomes.

However, over a 5-year horizon, the relationship becomes more predictive.

This reinforces why portfolio construction and risk management matter. At current valuations, an emphasis on diversification, quality exposure, and selective downside protection can be even more critical than in lower-valuation environments.

Source: FactSet, Morningstar. Analysis by Lincoln Financial. January 1, 2000 – March 31, 2026. Current range represented as +/- 1 from the current P/E. 5-year forward returns are annualized.
Past performance does not guarantee or predict future returns.

For use with the general public.

Elevated multiples may increase the likelihood of drawdowns

Goldman Sachs | Asset Management

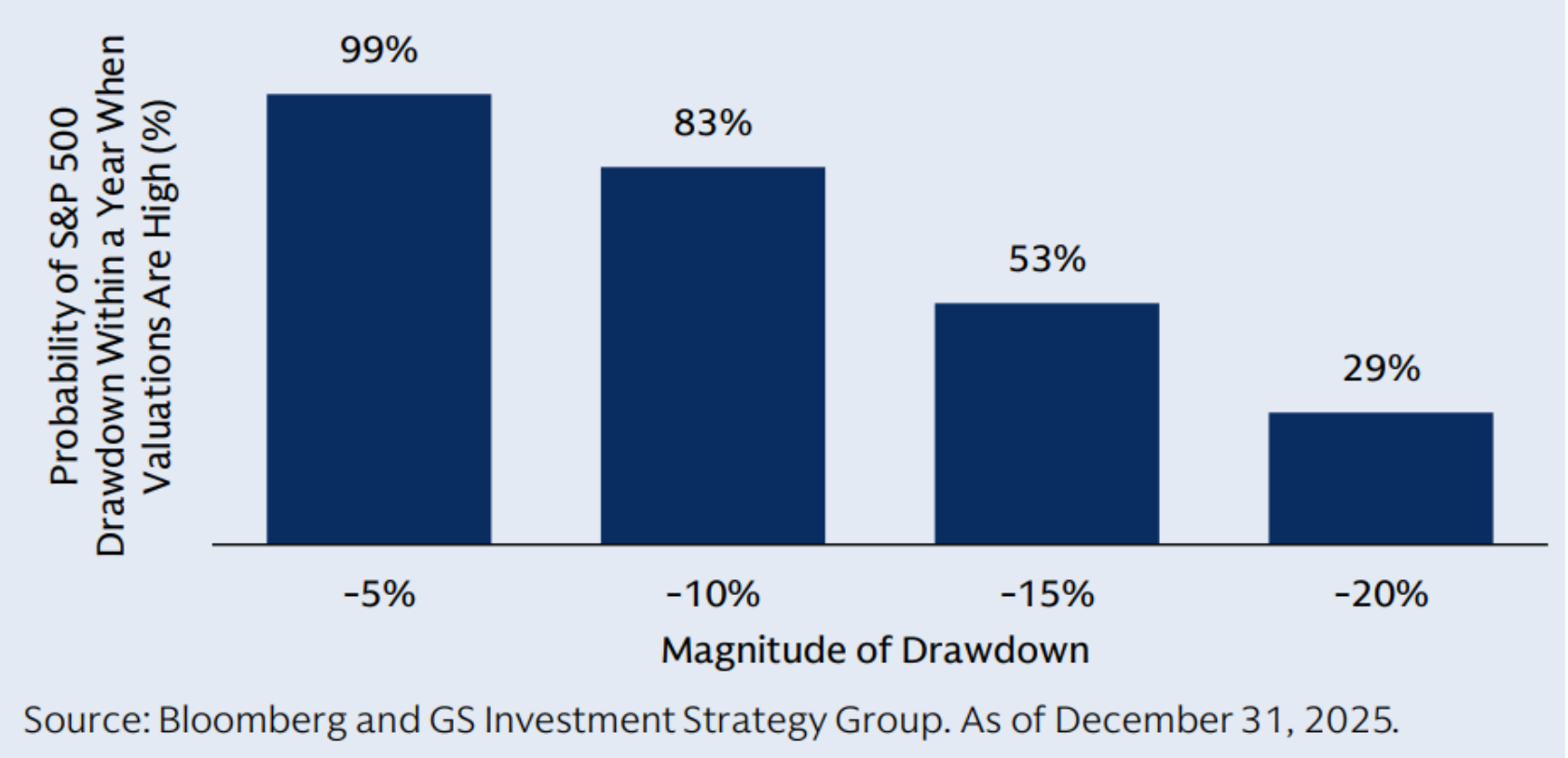
Markets have experienced several brief spikes in volatility in the last year, driven mainly by concerns over policy change and AI disruption.

While we remain constructive on US equities in 2026, we acknowledge that elevated prices today may lead to some similar bumps along the way.

Valuations alone do not determine market performance, but elevated multiples can increase the likelihood of 5-10% corrections – moves that are historically normal but underscore the value of diversification and hedges within portfolios.

Note: "we" refers to Goldman Sachs Asset Management

Volatility and Valuations



Source: Bloomberg and GS Investment Strategy Group. As of December 31, 2025.

Source: Goldman Sachs Asset Management Market Monitor, week ending February 13, 2026. As of December 31, 2025. Analysis from 1945-2025 using NTM P/E ratio. Chart shows the historical frequency of different magnitudes of US equity market peak to trough drawdowns at any point within a year**. Probability of drawdown is conditional on US equity valuation being in the 9th or 10th decile**. "AI" refers to Artificial Intelligence. Diversification does not protect an investor from market risk and does not ensure a profit. **Past performance does not predict future returns and does not guarantee future results, which may vary. For Illustrative Purposes Only. "We" refers to Goldman Sachs Asset Management.**

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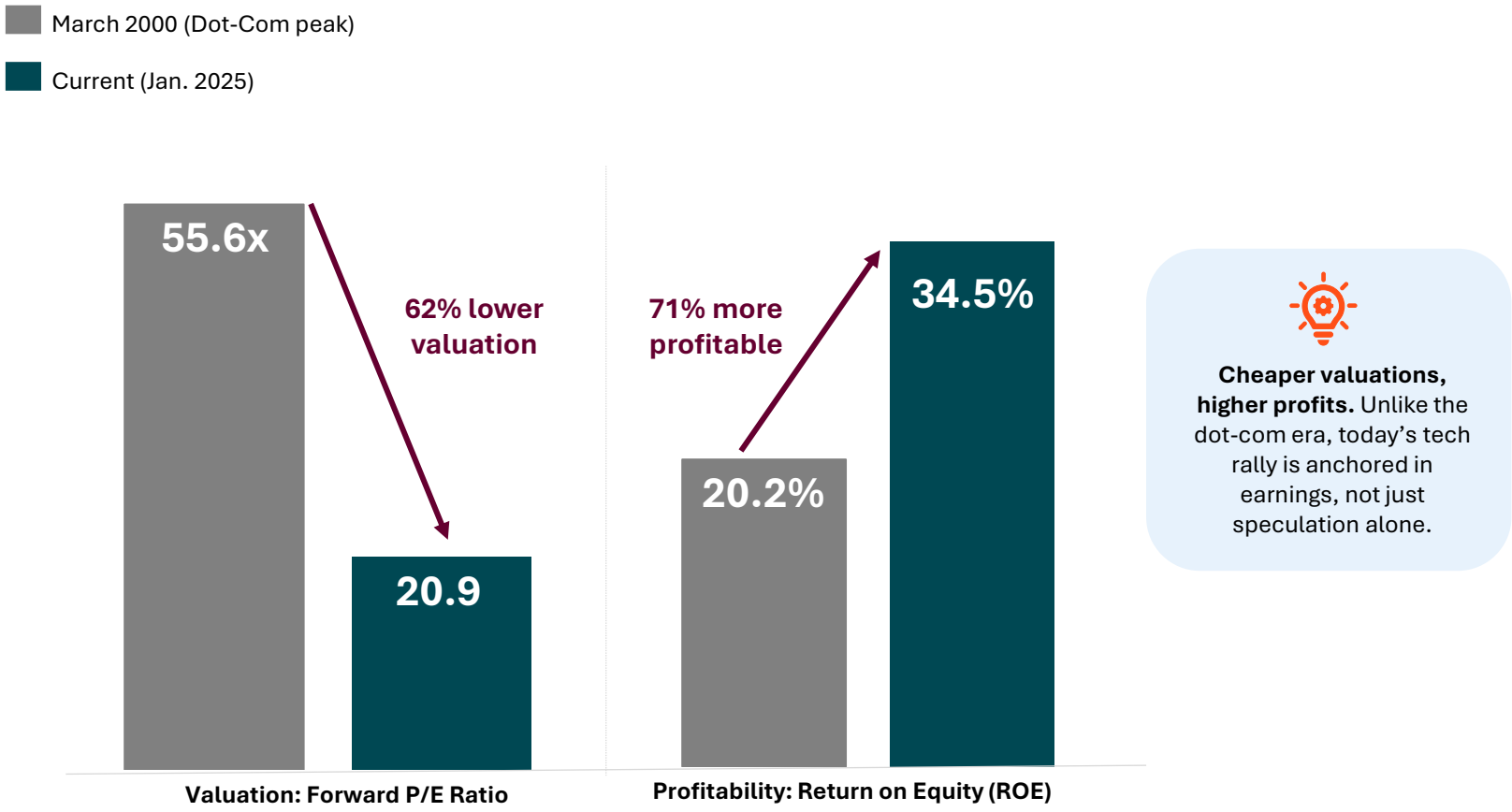
Tech valuations have been driven by fundamentals

S&P 500 Technology Sector valuation and profitability (Dot-Com vs. today)



Cheaper valuations, higher profits. Unlike the dot-com era, today's tech rally is anchored in earnings, not just speculation alone.

What this chart shows:

This chart compares the S&P 500 Technology Sector in March 2000 (dot-com peak) to today's tech landscape across two dimensions: valuation multiples (forward P/E) and profitability (return on equity).

Why it matters:

Today's tech sector trades at a 62% lower valuation than the dot-com peak while generating 71% higher profitability, suggesting outperformance has been anchored in earnings power, not speculation.

However, concentration remains a vulnerability. The weight of the tech sector in the index stood at 19.2% in March 2000, but it has risen to more than 32% today. If growth expectations shift, valuations can contract rapidly regardless of profitability.

This concentration matters because portfolio outcomes are increasingly dependent on a narrow set of winners. A meaningful pullback in tech valuations would have outsized impact on overall returns, making diversification across sectors and geographies a prudent consideration in 2026.

Source: FactSet, data as of 3/31/2026. March 2000 = dot-com peak on March 11, 2000. Forward P/E (next 12 months) and ROE (last 12 months).

For use with the general public.

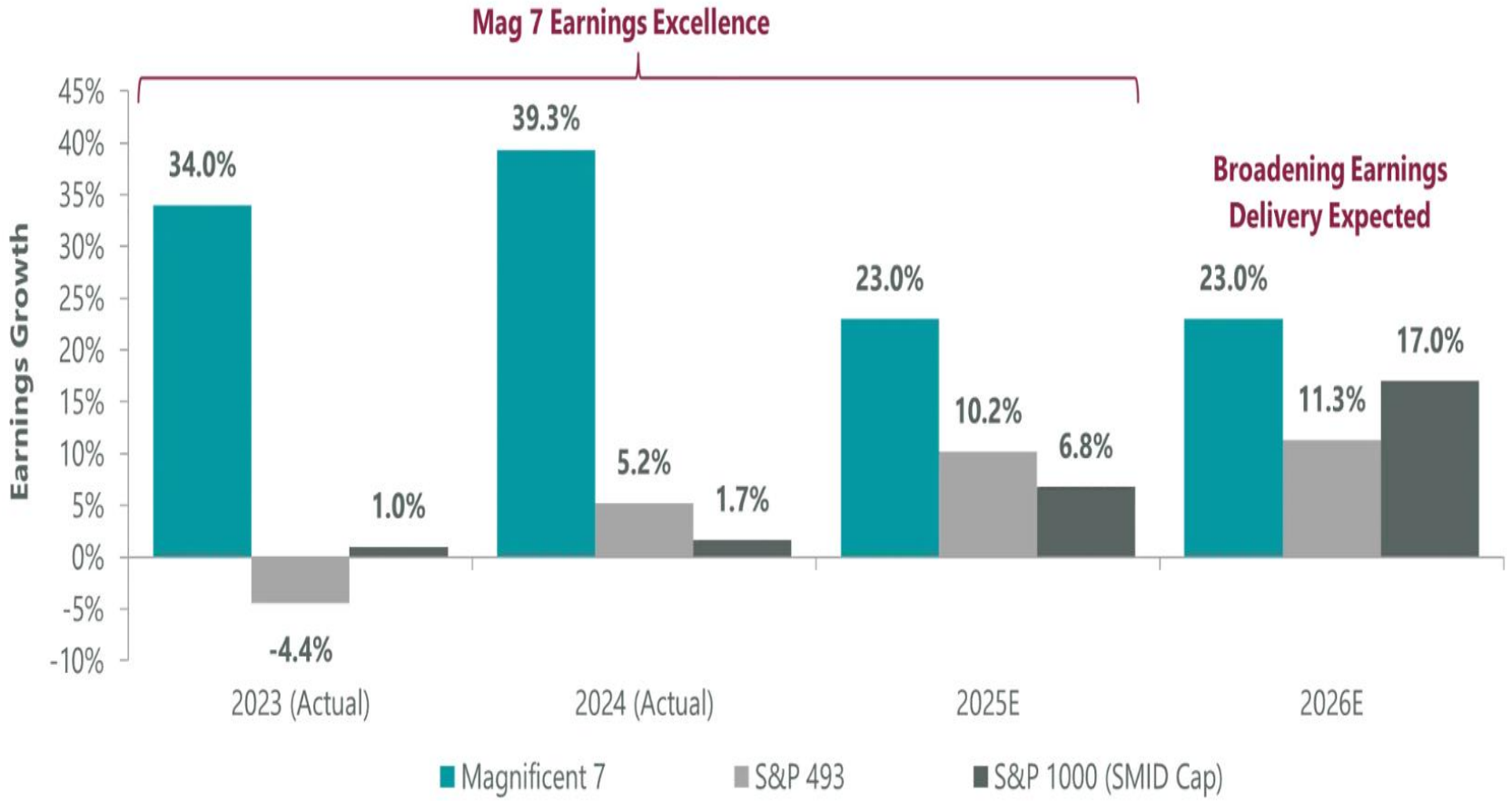
Earnings delivery is expected to broaden in 2026

ClearBridge
A Franklin Templeton Company

A key driver of the Magnificent 7's outperformance in recent years has been superior earnings growth.

Consensus forecasts suggest this earnings advantage will narrow in 2026, with broader participation expected across U.S. equities.

Even if the Magnificent 7 continues delivering solid earnings, a narrowing gap could present an opportunity to reduce concentration risk and capture broader market gains through more diversified U.S. exposure.



Source: Clearbridge Anatomy of a Recession Q4 Flyer. The term "consensus" within the capital markets industry refers to the average of earnings estimates made by professionals. Magnificent 7 data refers to the following set of stocks: Microsoft (MSFT), Amazon (AMZN), Meta (META), Apple (AAPL), Google parent Alphabet (GOOGL), Nvidia (NVDA), and Tesla (TSLA). Data as of January 31, 2026. Sources: FactSet, S&P. **There is no assurance that any estimate, forecast or projection will be realized.** Company references are used for illustrative purposes and should not be construed as an endorsement of sponsorship of Franklin Templeton companies. This information is not intended as an investment recommendation, nor does it constitute investment advice.

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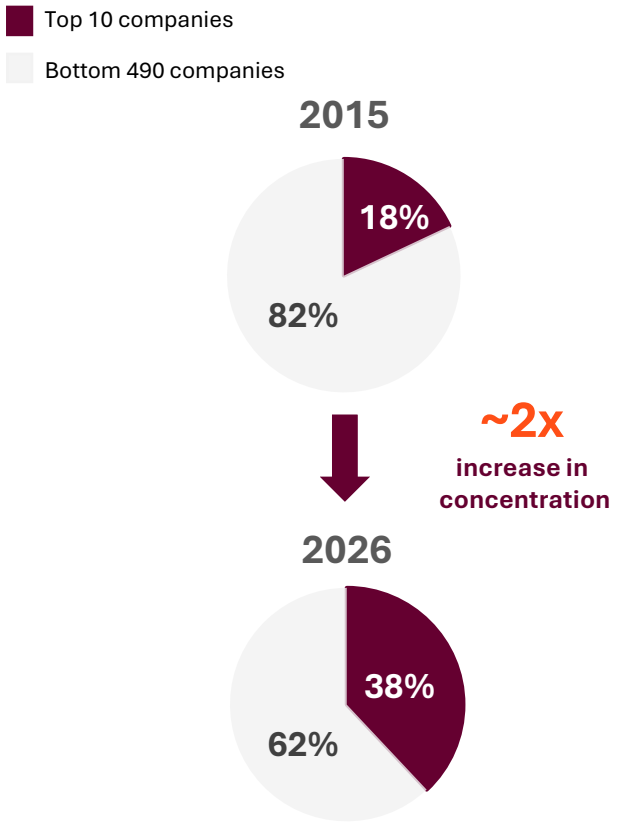
Trending topic

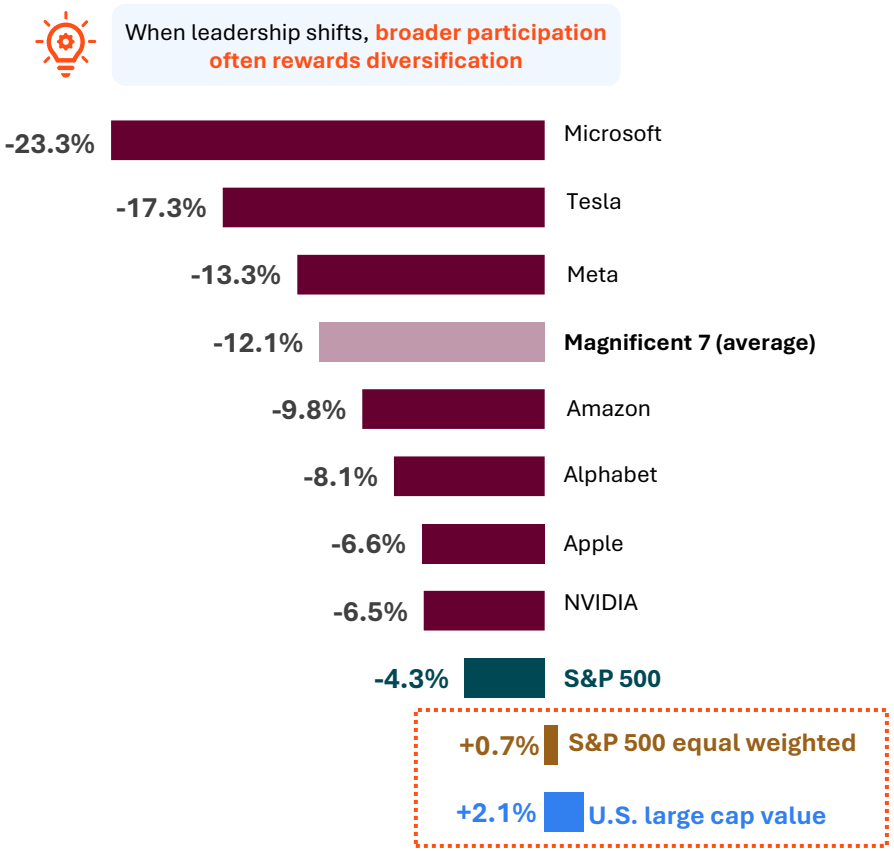
Is market leadership shifting?

Lincoln Financial

S&P 500 concentration has nearly doubled since 2009



The "Magnificent 7" is underperforming in 2026



What this chart shows:

The top 10 stocks now represent 37% of the S&P 500, up from 19% in 2009 (left). In 2026, all seven Magnificent 7 stocks are underperforming the S&P 500 as participation has broadened (right).

Why it matters:

Recent market performance has largely been driven by a small group of mega-cap growth stocks. The "Mag 7" companies alone were responsible for more than 45% of the S&P 500's return in each year from 2023 – 2025[1].

While this concentration has rewarded investors during periods of strong performance, it also creates risk for cap-weighted indices when these stocks move together on the downside.

Early signs in 2026 suggest a potential rotation, with the equal-weighted S&P 500 outperforming the traditional cap-weighted index by 5% and all "Mag 7" companies underperforming. This highlights the value of diversification.

Should participation continue to broaden, actively managed strategies with less concentration may help investors navigate periods of leadership rotation.

Source: Morningstar, Factset. As of 3/31/26. concentration levels as of 12/31/2015 and 3/31/2026 – SPY ETF used as a proxy for S&P 500. Alphabet Class A and C combined as one holding. Total return indices used for S&P 500 and S&P 500 equal weighted. U.S. large cap value = Russell 1000 value total return index. 1- JPMorgan Guide to the Markets: Magnificent 7: performance, earnings and dispersion. **Past performance does not predict or guarantee future performance**. You cannot invest directly in an index. Company references are used for illustrative purposes and should not be construed as an endorsement. This information is not intended as an investment recommendation, nor does it constitute investment advice.

For use with the general public.

Top-heavy market? History favors the other 490

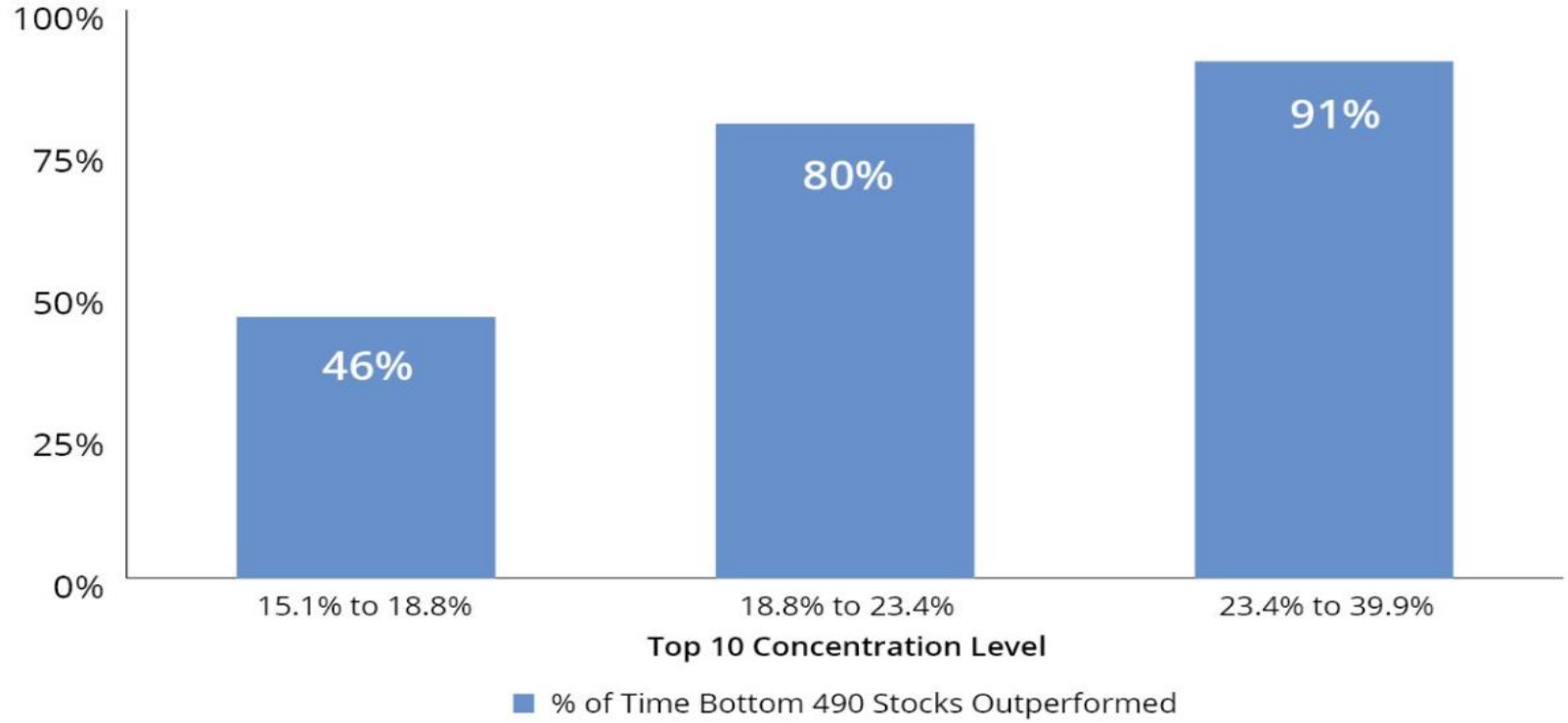
HARTFORDFUNDS
Our benchmark is the investor.®

This chart shows how the likelihood of the bottom 490 S&P 500 stocks outperforming the top 10 has historically increased as market concentration rises.

When the top 10 stocks account for 23.4% or more of the index, the bottom 490 have outperformed 91% of the time over the next five years. As of the end of February 2026, the top 10 stocks in the S&P 500 accounted for 37.8% of the index[1].

This suggests that extreme concentration has historically set the stage for stronger relative returns from the broader market.

Bottom 490 Stocks Five-Year Outperformance at Different Concentration Levels (1970-2024)



Source: Hartford Funds, as of 12/31/24. [1]JPMorgan Guide to the Markets. Past performance does not guarantee future results. Based on the 500 largest US stocks. Top 10 and bottom 490 portfolios are market cap-weighted and rebalanced monthly. Data Sources: Hartford Equity Modeling Platform and Compustat. **Past performance does not guarantee or predict future performance.**

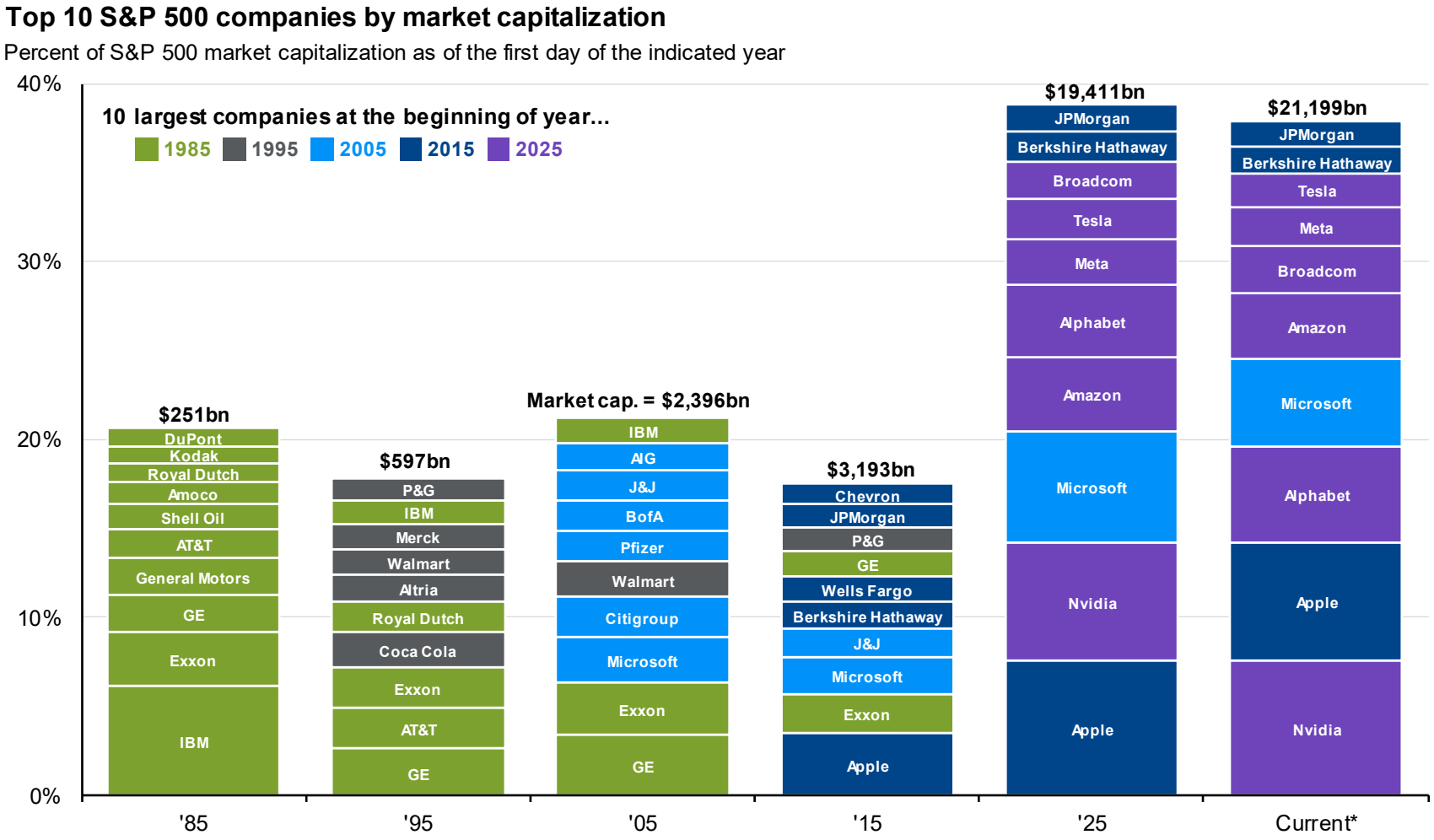
For use with the general public.

S&P 500: Top 10 companies by decade

J.P.Morgan Asset Management

This chart shows the largest 10 companies in the S&P 500 by decade, starting in 1985 and ending in 2025. The color coding tracks in which of the shown years the company first entered the top 10, highlighting how frequently leadership changes across decades.

Notably, Microsoft is the only company from the internet transformation era that is still in the top 10 today, a reminder that technological disruption has historically reshaped market leadership.



Source: Bloomberg, Standard & Poor's, J.P. Morgan Asset Management. Companies are organized from highest weight at the bottom to lowest weight at the top. **Past performance is no guarantee of future results.** *Guide to the Markets – U.S.* Data as of March 31,2026

International equity valuations remain attractive

Developed international equity discount vs. U.S. large cap (forward P/E: 2005- 2026[1])

What is this chart shows:

This chart shows the valuation gap between developed international equities and U.S. large-cap stocks since 2005. As of March 2026, international stocks traded at a 5.1x discount relative to the U.S, significantly deeper than the historical 3.0x average discount.

Why it matters:

International equities trading at a historically large discount to U.S. suggests a potential long-term opportunity, particularly for investors with diversified portfolios.

While valuations alone don't predict returns, they can be helpful in setting long-term expectations.

The valuation gap becomes especially interesting given that international stocks showed renewed strength over the past year.

Now may be a good time to review portfolios and consider if they are adequately diversified to capture this potential long-term opportunity.

Source: Factset. IShares MSCI ETF (ticker EFA) used as a proxy for international stocks. 1- 2026 as of 3/31/26. Discount measures as the forward P/E of the Ishares MSCI ETF minus the forward P/E of the S&P 500. Data as of March 31, 2026.

Concentration leads to non-U.S. opportunity

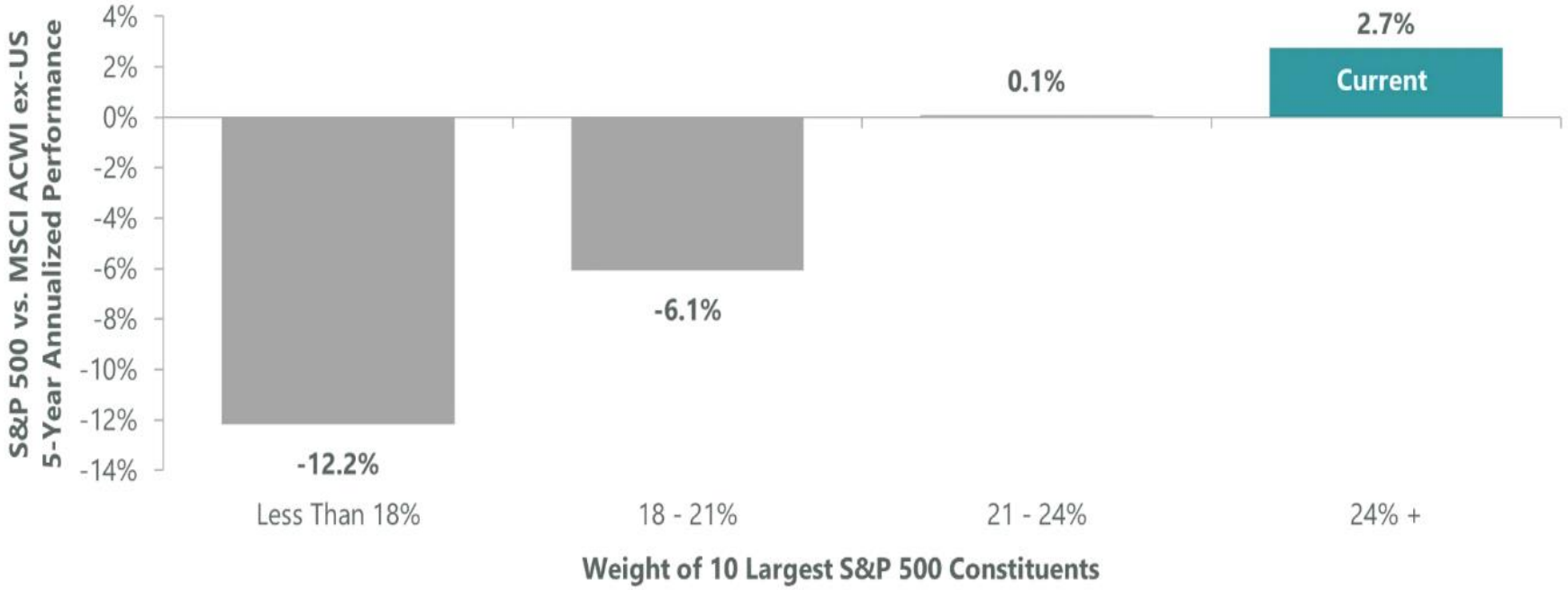
ClearBridge
A Franklin Templeton Company

Concentration in the top 10 stocks within the S&P 500 remains elevated. As a result, many portfolios that appear diversified on the surface are increasingly dependent on a narrow group of large-cap names.

Historically, when concentration is high, performance leadership often shifts — flowing into other regions and sectors.

International stocks have outpaced the S&P 500 by an average of 2.7% annually in the five years following periods of elevated U.S. market concentration like what we see today.

5-year annualized performance of international vs. U.S. stocks based on concentration of the S&P 500



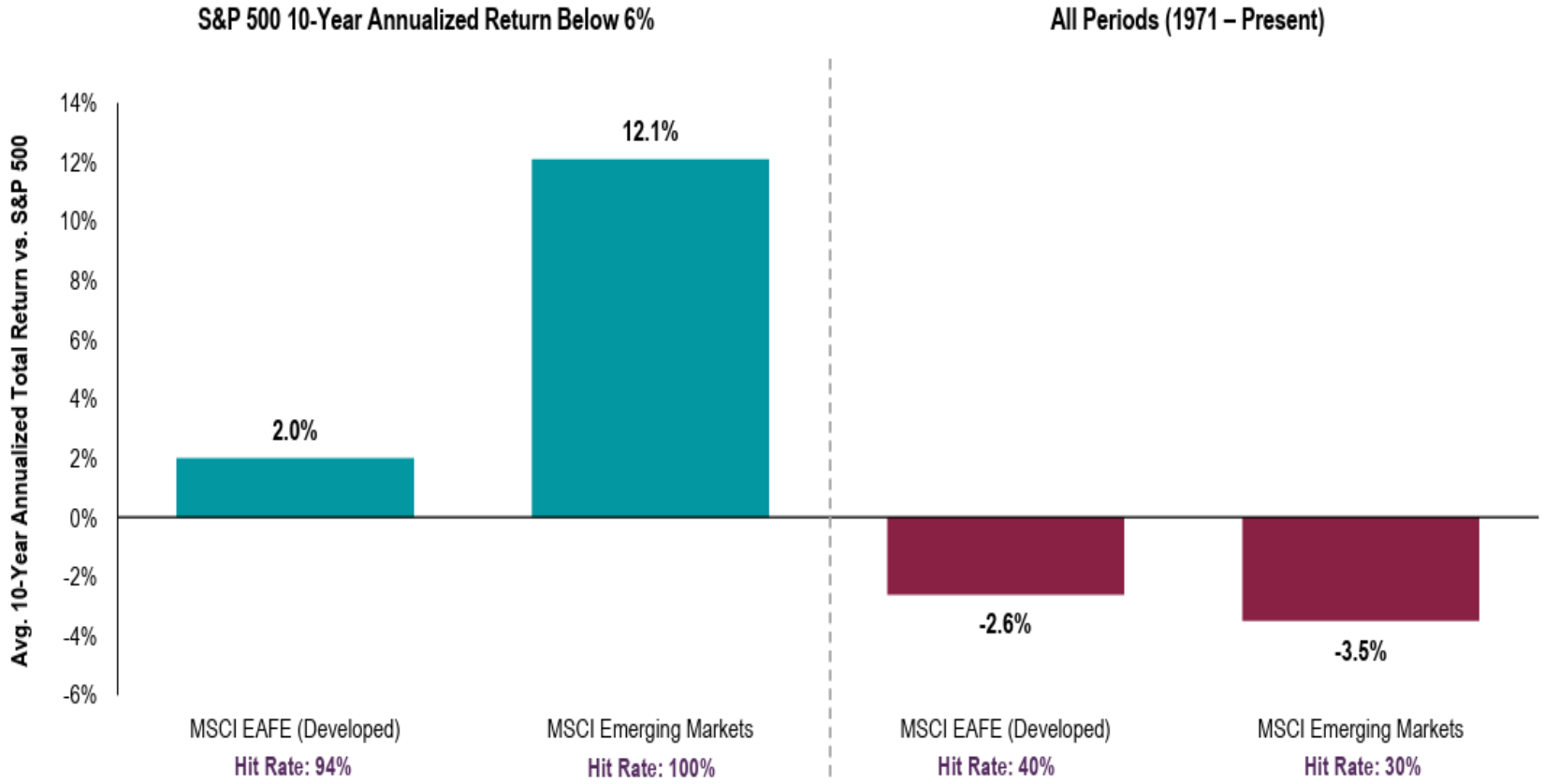
Source: Clearbridge Anatomy of a Recession Update: U.S. equities – new year, same rotation. The term "consensus" within the capital markets industry refers to the average of earnings estimates made by professionals. Magnificent 7 data refers to the following set of stocks: Microsoft (MSFT), Amazon (AMZN), Meta (META), Apple (AAPL), Google parent Alphabet (GOOGL), Nvidia (NVDA), and Tesla (TSLA). Data as of January 31, 2026. Sources: FactSet, S&P, and Bloomberg. **There is no assurance that any estimate, forecast or projection will be realized.** Company references are used for illustrative purposes and should not be construed as an endorsement of sponsorship of Franklin Templeton companies. This information is not intended as an investment recommendation, nor does it constitute investment advice.) **Past performance does not predict or guarantee future performance.**

Diversification matters

ClearBridge
A Franklin Templeton Company

This chart highlights periods where international equities have historically provided a performance advantage over U.S. stocks. It contrasts the 10-year annualized relative performance in two scenarios: on the left, during periods when the S&P 500 returned less than 6%, and on the right, across all periods since 1971.

Although the U.S. has historically outperformed international equities, investors have been rewarded for holding non-U.S. stocks during periods of softer U.S. performance.



Source: ClearBridge Q1 2026 Anatomy of a Recession Presentation. Note: Data shows 10-year rolling monthly periods. Data as of December. 31, 2025. Sources: Morningstar, S&P, MSCI. **Past performance is no guarantee of future results**. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Diversification does not guarantee a profit or protect against a loss.

For use with the general public.

Trending topic

Consumer confidence and subsequent S&P returns

Lincoln Financial

J.P.Morgan Asset Management

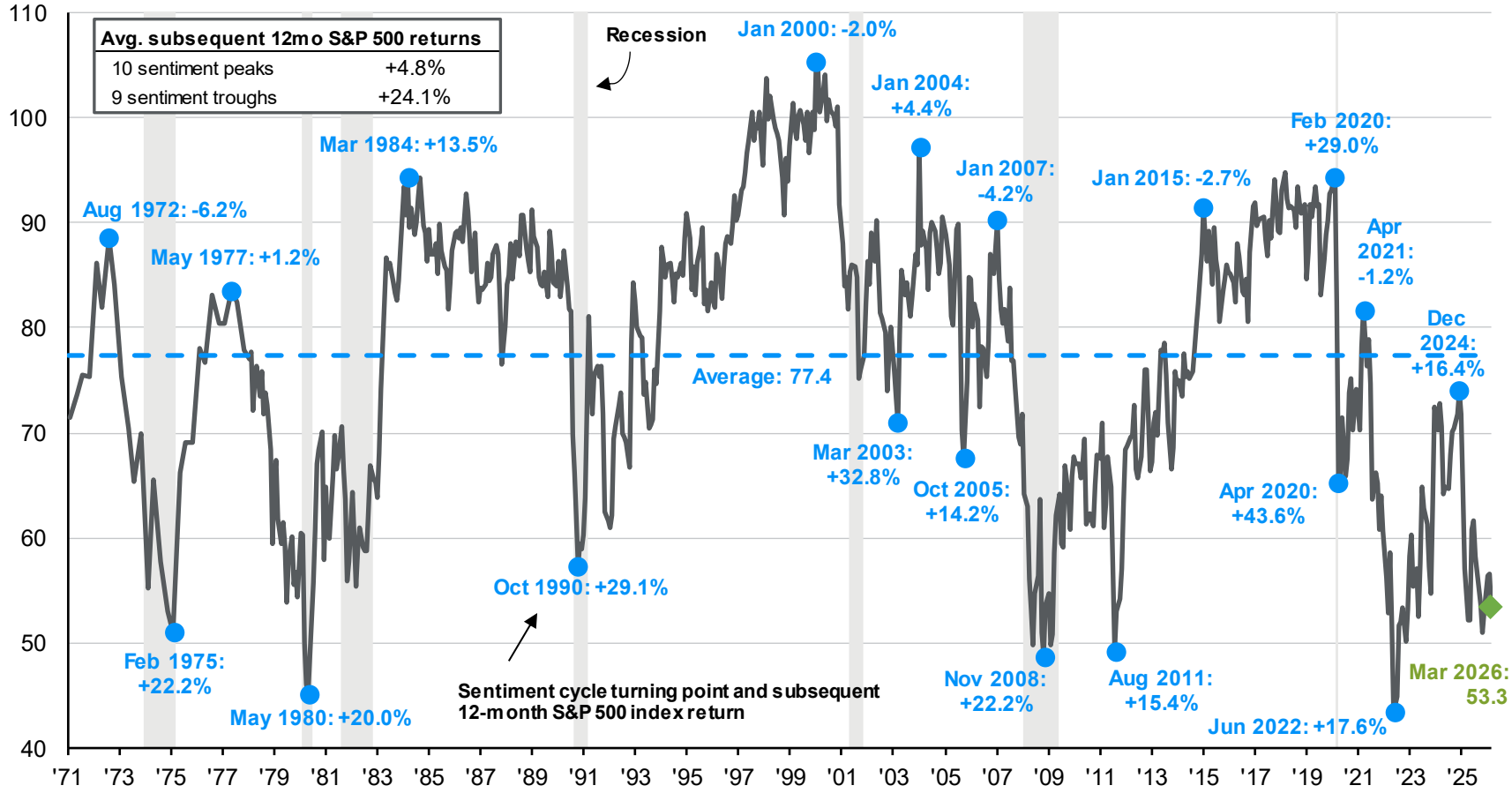
This chart shows S&P 500 performance after peaks and troughs in consumer sentiment.

Interestingly, troughs in sentiment tend to precede strong equity returns while peaks in sentiment do not see as much upside.

This underscores that getting out of the market when sentiment is low can be a poor investment strategy.

Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.
Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only starting from the end of the month and excluding dividends. Past performance is not a reliable indicator of current and future results.
Guide to the Markets – U.S. Data are as of March 31, 2026

Consumer Sentiment Index* and subsequent 12-month S&P 500 returns

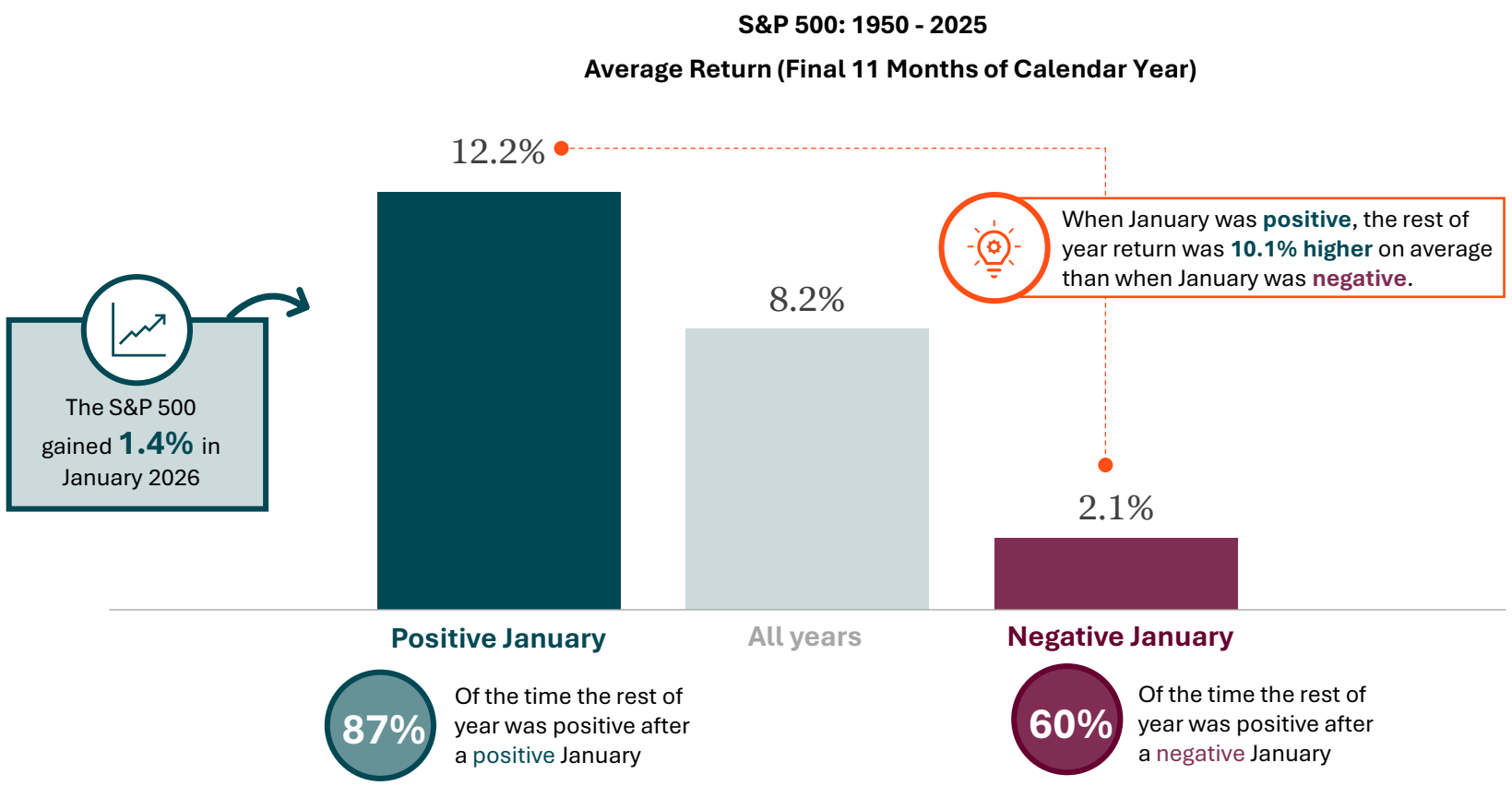


Past performance does not guarantee or predict future performance. Index performance is for illustrative purposes only. You cannot invest directly in the index.

Source: J.P. Morgan Asset Management, as of March 31, 2026

For use with the general public.

The January barometer: Was January's gain a bullish signal for the rest of 2026?



What this chart shows:

This chart shows the historical average performance of the S&P 500 from February through December, depending on whether January's returns were positive or negative. It also shows the average return for all years from 1950-2025.

Why it matters:

A positive January has historically been a bullish indicator. Specifically, when January saw gains as it did in 2026, the S&P 500 rose in the remaining 11 months 87% of the time, with an average return of 12.2% over that time.

In contrast, a negative January was followed by positive returns in the remaining months of the year only 60% of the time, with a significantly lower average gain of 2.1%.

While many factors can influence stock prices, this historical pattern suggests that momentum is often a strong force in market performance.

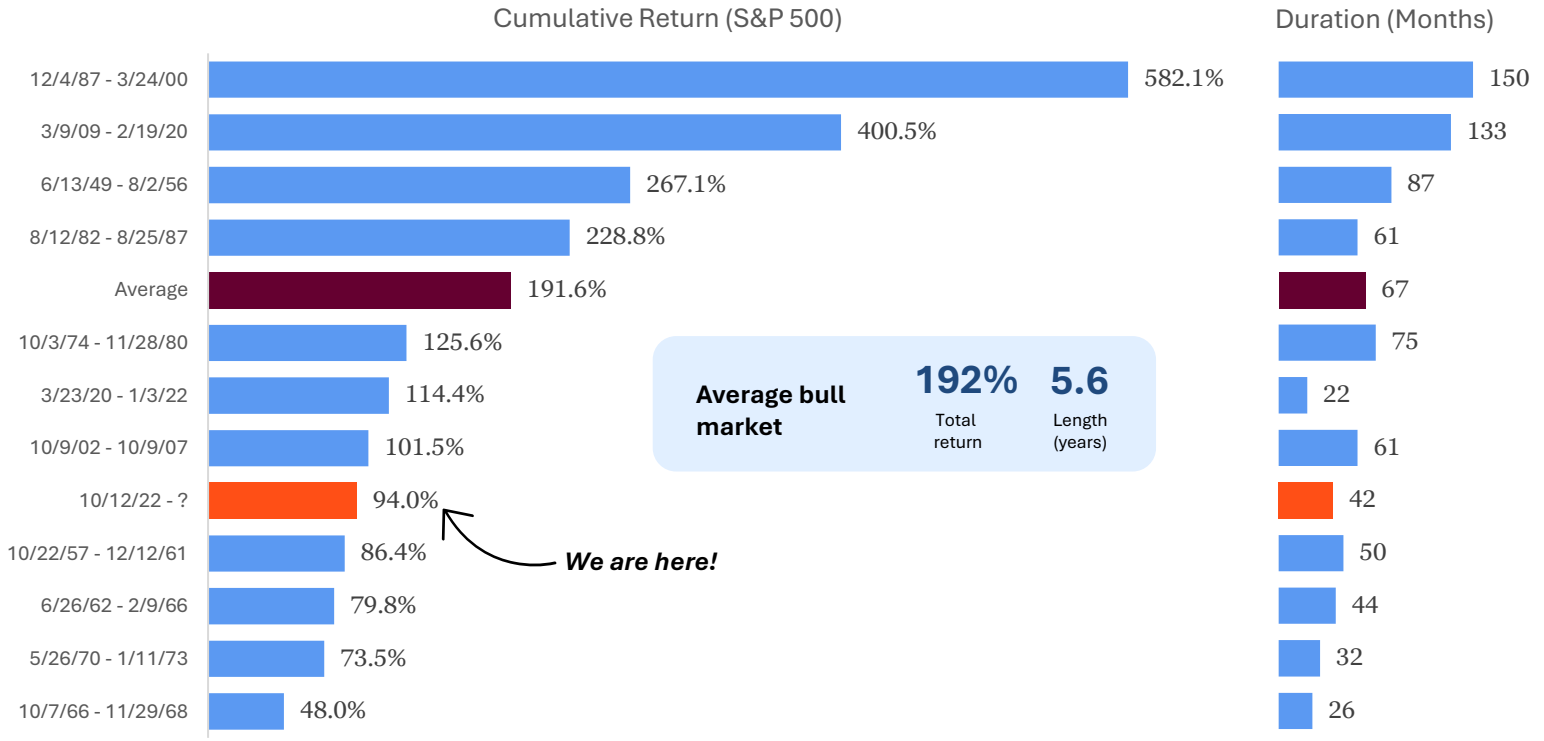
Source: Morningstar. Returns reflect the S&P 500 Price Return Index. Average returns are for February – December only and do not represent full calendar year returns. Positive January N=46. Negative January N=30. **Past performance does not guarantee or predict future performance**.

For use with the general public.

Visualizing the magnitude and duration of bull markets

About bull markets

A sustained period of upward trending stock prices, typically 20% or more from a recent low



What this chart shows:

This chart shows the historical magnitude (left) and duration (right) of the last 12 S&P 500 Index bull markets.

Why it matters:

This can help investors contextualize today's bull market that began in October 2022. While markets closed March off their all-time highs, the bull remains intact, registering a peak gain of 94% as this rally heads into its 42nd month.

While there is quite a bit of variability in both the magnitude and duration of previous bull runs, on average, they have gained more than 192% and lasted approximately 67 months (5.6 years).

Not shown in this visual is that over the same timeframe, the S&P 500 has experienced 13 bear markets. On average, they saw stocks fall 33% and lasted only 11 months, highlighting the relative resilience of bull markets.

Source: Bloomberg, Morningstar - S&P 500 Price Return Index bull market peak as of 3/31/26. Bull market that began on 10/12/22 excluded from averages and duration of the current bull market rounded up to the nearest full month. Median gain across bull markets listed is 114.4%. A bear market is defined by a closing price that drops at least 20% from its most recent high while a bull market begins when the closing price gains 20% from its low. **Past performance does not guarantee or predict future performance**. Index performance is for illustrative purposes only. You cannot invest directly in the index.

For use with the general public.

S&P 500: Investing at all-time highs

J.P.Morgan Asset Management

Investors may use all-time highs as a reason to stay in cash or on the sidelines. However, history suggests that market strength tends to beget more market strength.

The left chart shows the S&P 500 price index and marks each all-time high that set a "market floor," or an all-time high from which the market has never fallen more than 5%. Since 1950, there would have been many instances in which an investor sitting on the sidelines with markets near all-time highs would have never seen a better entry point.

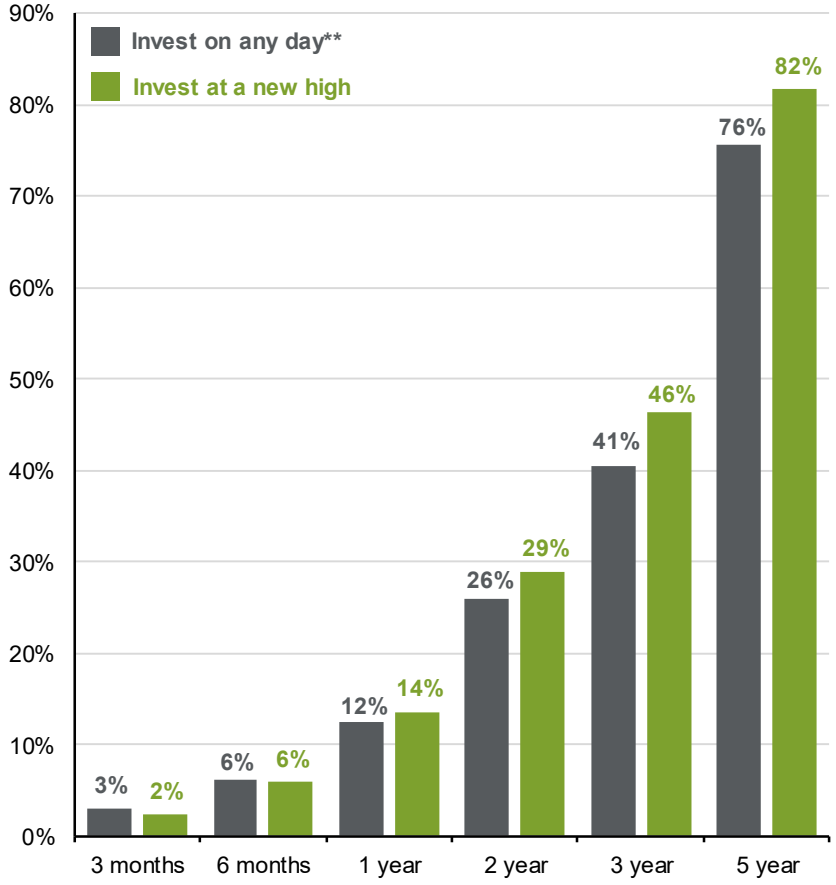
The right chart shows that returns from investing on any given day versus an all-time high are comparable and, in some cases, better when investing at market highs.

All-time highs and market floors

S&P 500 price index, daily, 1950 - present

Average cumulative S&P 500 total returns

Jan 1, 1988 - Dec 31, 2025



Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index. *Guide to the Markets – U.S.* Data are as of March 30,2026. Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. (Left) *Market floor is defined as an all-time high from which the market never fell more than 5%. (Right) **"Invest on any day" represents average of forward returns for the entire time period whereas "Invest at a new high" represents average of rolling forward returns calculated from each new S&P 500 high for the subsequent 3-month, 6-month, 1-year, 2-year, 3-year and 5-year intervals, with data starting 1/1/1988 through 12/31/2025.

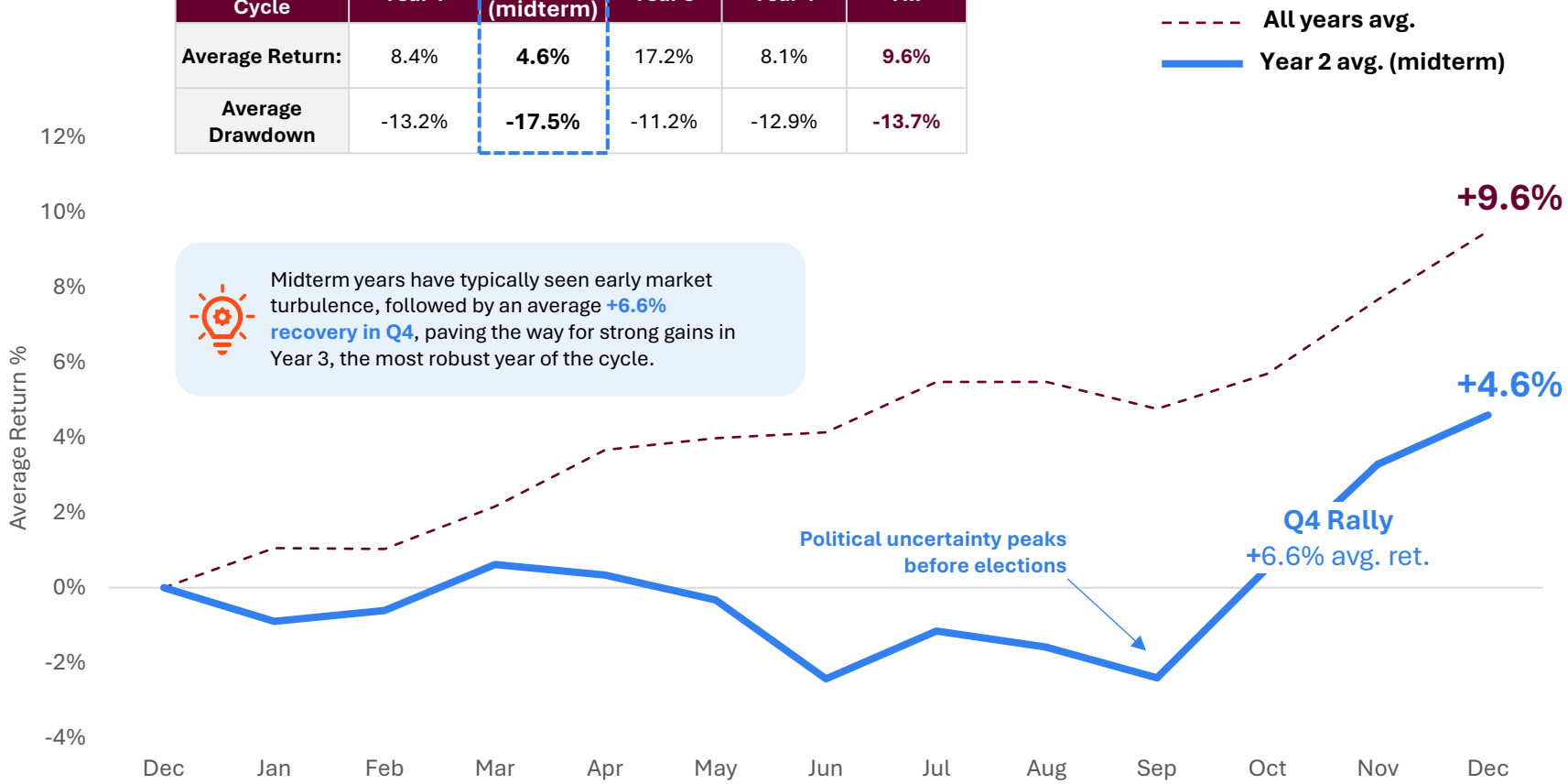
Trending topic

Midterm election years: choppy with a strong Q4 rally

Lincoln Financial

S&P 500: average return and drawdown by year of the presidential cycle (1950 – 2025)

Presidential Cycle	Year 1	Year 2 (midterm)	Year 3	Year 4	All
Average Return:	8.4%	**4.6%**	17.2%	8.1%	**9.6%**
Average Drawdown	-13.2%	**-17.5%**	-11.2%	-12.9%	**-13.7%**



What this chart shows:

This chart shows the S&P 500's typical path through the four-year Presidential Cycle. It highlights the unique volatility of "Year 2" (Midterms) compared to the long-term historical average of all years since 1950.

Why it matters:

Midterm years are notoriously the "choppiest" phase of the presidential cycle, seeing an average intra-year drawdown of -17.5% as political uncertainty impacts sentiment. However, history shows this volatility is often followed by a robust recovery in Q4.

Staying the course through seasonal turbulence has often been the key to capturing both the Q4 rally and the transition into Year 3, which has historically been the strongest year of the entire four-year Presidential cycle.

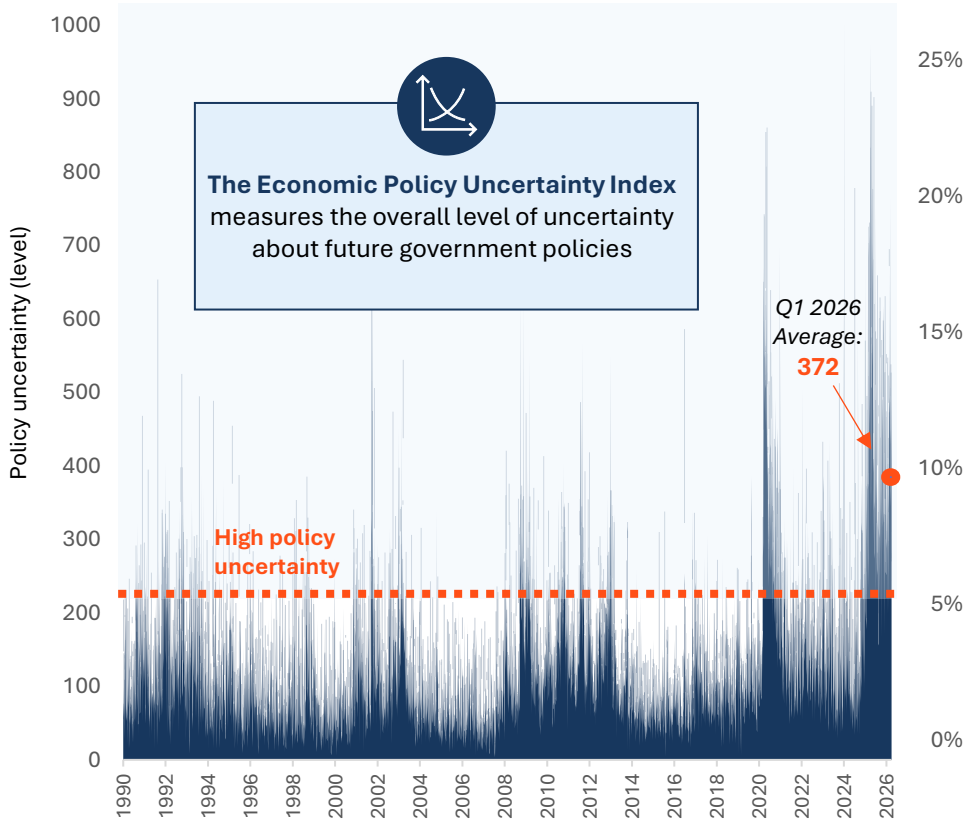
Source: Morningstar, analysis by Lincoln Financial. S&P 500 price return index, does not include dividends. The red line represents the average path of the S&P 500 index in all years since 1950, and the blue represents its average path in midterm election years. **Past performance does not guarantee or predict future performance.** You cannot invest directly in an index.

Trending topic

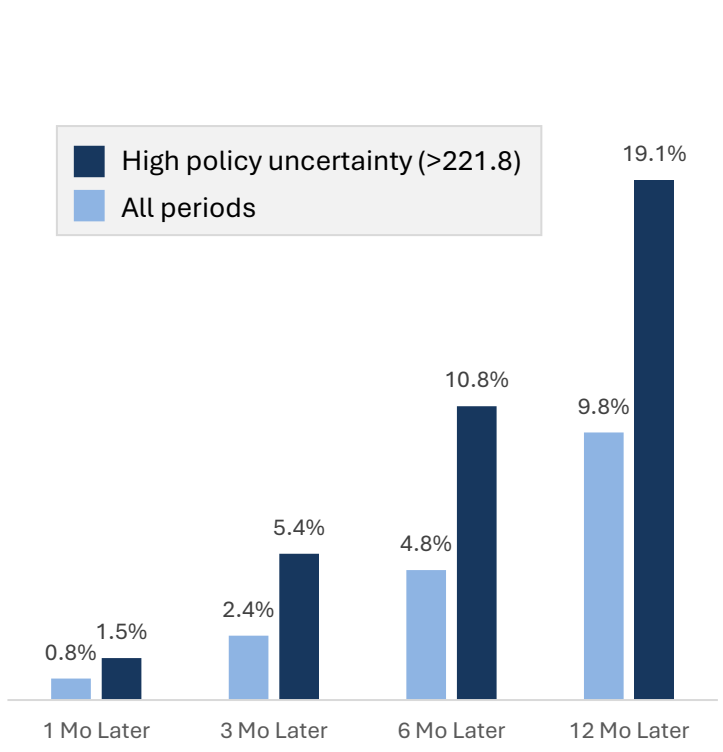
The upside of uncertainty

Lincoln Financial

U.S. policy uncertainty has surged: (Economic Policy Uncertainty Index)



S&P 500 return based on starting level of policy uncertainty



What this chart shows:

This chart shows the daily closing value of the Economic Policy Uncertainty Index for the United States from January 1990 – March 2026 (left).

Also shown is the average performance of the S&P 500 after periods of high uncertainty—defined as days in which the index closed at least one standard deviation above its mean (values >221.8) — compared to average returns following all periods (right).

Why it matters:

Economic policy uncertainty surged higher over the last year, with the index averaging 372 during the first quarter of 2026 — well above its historical norm.

While periods of high uncertainty can feel unsettling, history shows that stocks have often delivered strong returns in the months that follow.

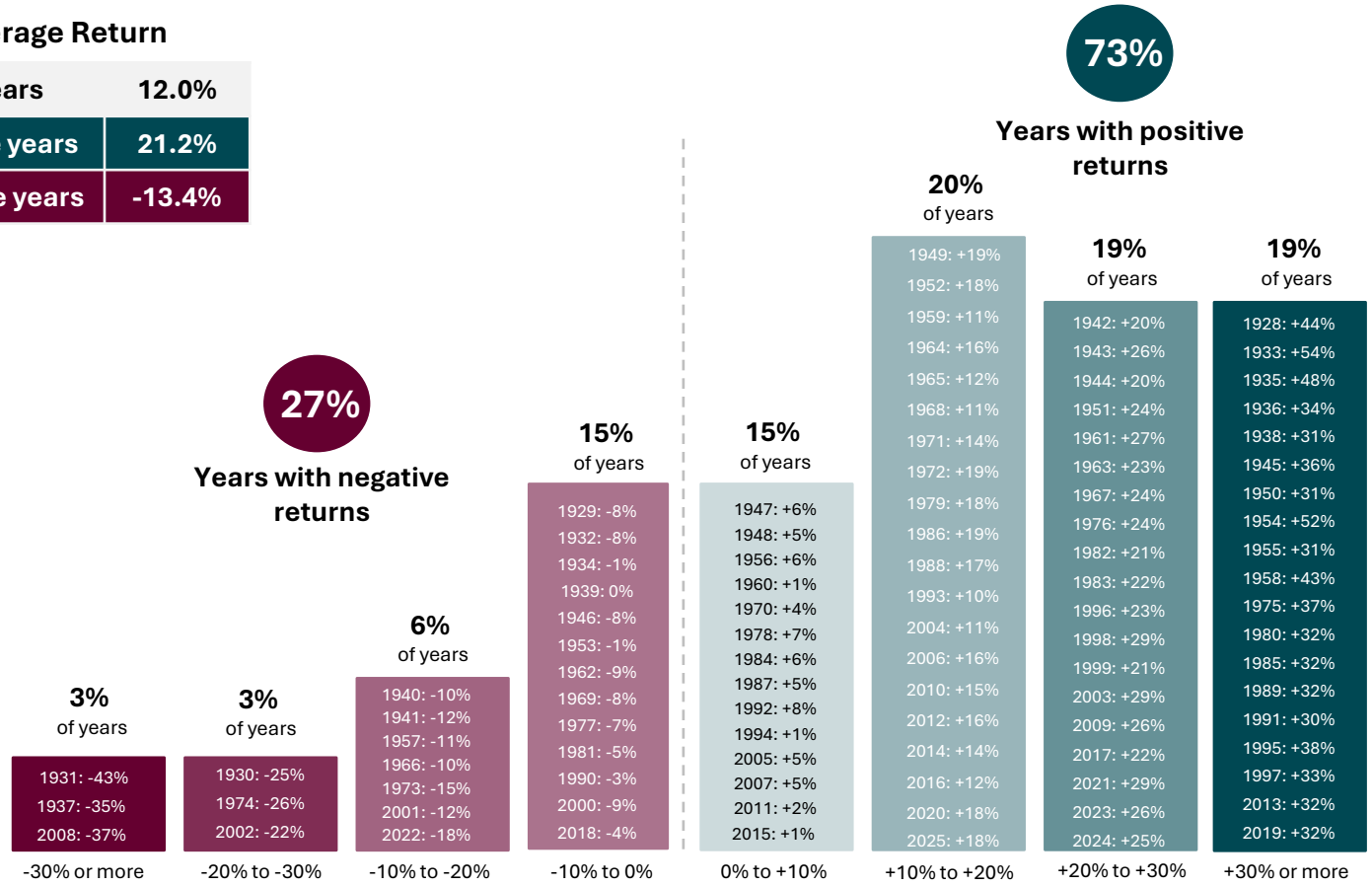
This underscores the importance of staying invested, even when headlines seem worrying, as uncertainty can create opportunity.

Source: Federal Reserve Bank of St. Louis, S&P Dow Jones Indices, Lincoln Financial. Daily data from January 1990 until March 2026. S&P 500 data reflected by S&P 500 Price Return Daily. High policy uncertainty is measured by 1 std dev above the mean, or readings above 221.8. The index is based on news coverage, volume of expiring tax laws, and the degree of disagreement among economic forecasters. **Past performance does not guarantee or predict future performance. You cannot invest directly in an index.**

For use with the general public.

Stocks rise far more often than they fall

Average Return	
All years	12.0%
Positive years	21.2%
Negative years	-13.4%



What this chart shows:

This chart shows the distribution of calendar year returns for the S&P 500 Index from 1928 through 2025.

Why it matters:

While the market has certainly suffered down years, they've been far outweighed by good – and even great – ones.

From 1928 to 2025, the average calendar year return for the S&P 500 Index was 12%.

Over that timeframe, 73% of yearly returns were positive while only 27% experienced a negative return.

Not only has the market risen far more often than it has fallen, many of the worst years for stocks were followed by strong rallies – rewarding investors who chose to stay the course.

Source: NYU.Edu – Historical Returns for the U.S. (including dividends) from 1928 – 1936. Morningstar for returns from 1937 – 2025.
Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index.

For use with the general public.

Equity performance around U.S. recessions

S&P 500 Index Price Return

Recession start date	*Duration (months)*	*Return during recession*	*Return 1 yr. after recession*	*Return 3 yrs. after recession*	*Return 5 yrs. after recession*
July 1953	10	18%	30%	62%	101%
August 1957	8	–4%	33%	50%	61%
April 1960	10	17%	10%	23%	44%
December 1969	11	–5%	8%	10%	5%
November 1973	16	–13%	23%	7%	22%
January 1980	6	7%	8%	34%	57%
July 1981	16	6%	20%	46%	66%
July 1990	8	5%	8%	19%	72%
March 2001	8	–2%	–18%	3%	23%
December 2007	18	–37%	12%	48%	113%
February 2020	2	–1%	44%	43%	91%
Average return		–1%	+16%	+31%	+60%
Number of positive periods (%)		45%	91%	100%	100%

+16%
Average S&P return one year after recession

+31%
Average S&P return three years after recession

+60%
Average S&P return five years after recession

What this chart shows:

This chart shows performance of the S&P 500 Index in the periods during and after past U.S. recessions.

Why it matters:

Although recessions can be a time of uncertainty, investors likely shouldn't let the prospect of a bumpy landing for the economy keep them from staying invested.

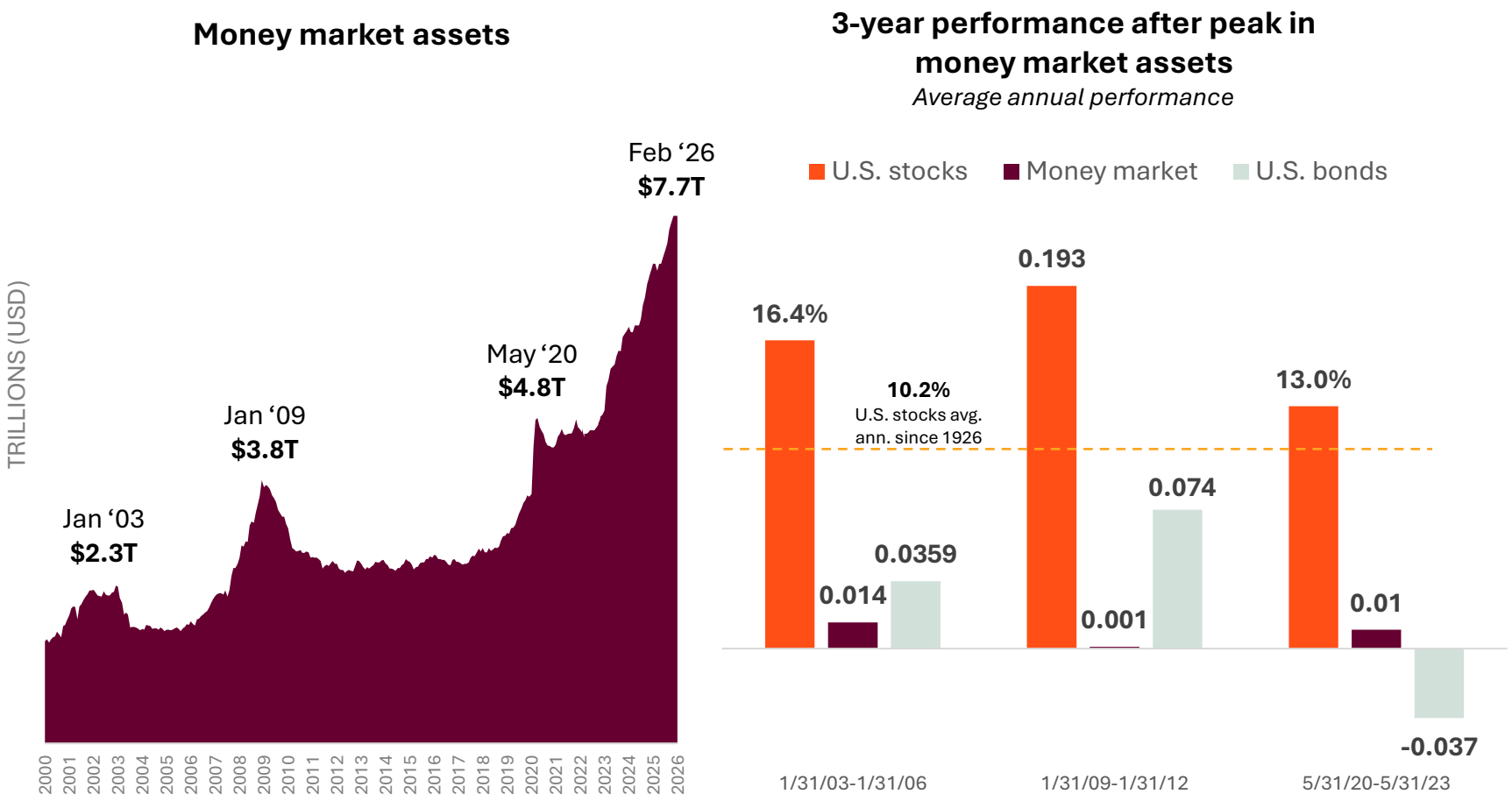
History shows that returns during recessionary periods have been relatively mixed, lending itself to the adage that the stock market is not the economy.

Returns following recessions have been strong, with cumulative gains one, three and five years later of 16%, 31%, and 60%.

Additionally, the S&P 500 was negative only one time 12 months following the end of a recession and generated a positive return 100% of the time both three and five years later.

Source: Morningstar, NBER. 1950-2025. Cumulative price return of the S&P 500 Index. **Past performance does not guarantee future results**. Recession duration is measured from the first day of the month following the peak month, to the end of the trough month.

Returns following money market asset peaks



What this chart shows:

This chart shows the rise in money market assets over time, and how money markets and U.S. stocks performed over the three-year period following peaks in money market assets.

Why it matters:

While it can be beneficial for investors to hold cash for preservation or liquidity purposes, holding too much can lead to suboptimal results.

Money market fund assets have continued to reach all-time highs in 2026.

Historically, this has been a bullish sign for stocks as they have performed better than average following periods of peak money market assets.

Source: Chart (left): Morningstar. Data most recently available as of 3/31/26. Chart (right): Morningstar, BlackRock Student of the Markets, Lincoln Financial. Returns calculated from end of peak month listed. US Stocks = S&P 500 TR; Money Market = Morningstar taxable money market category average returns; US bonds = Bloomberg U.S. Aggregate Bond TR. **Past performance does not guarantee or predict future performance. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

04

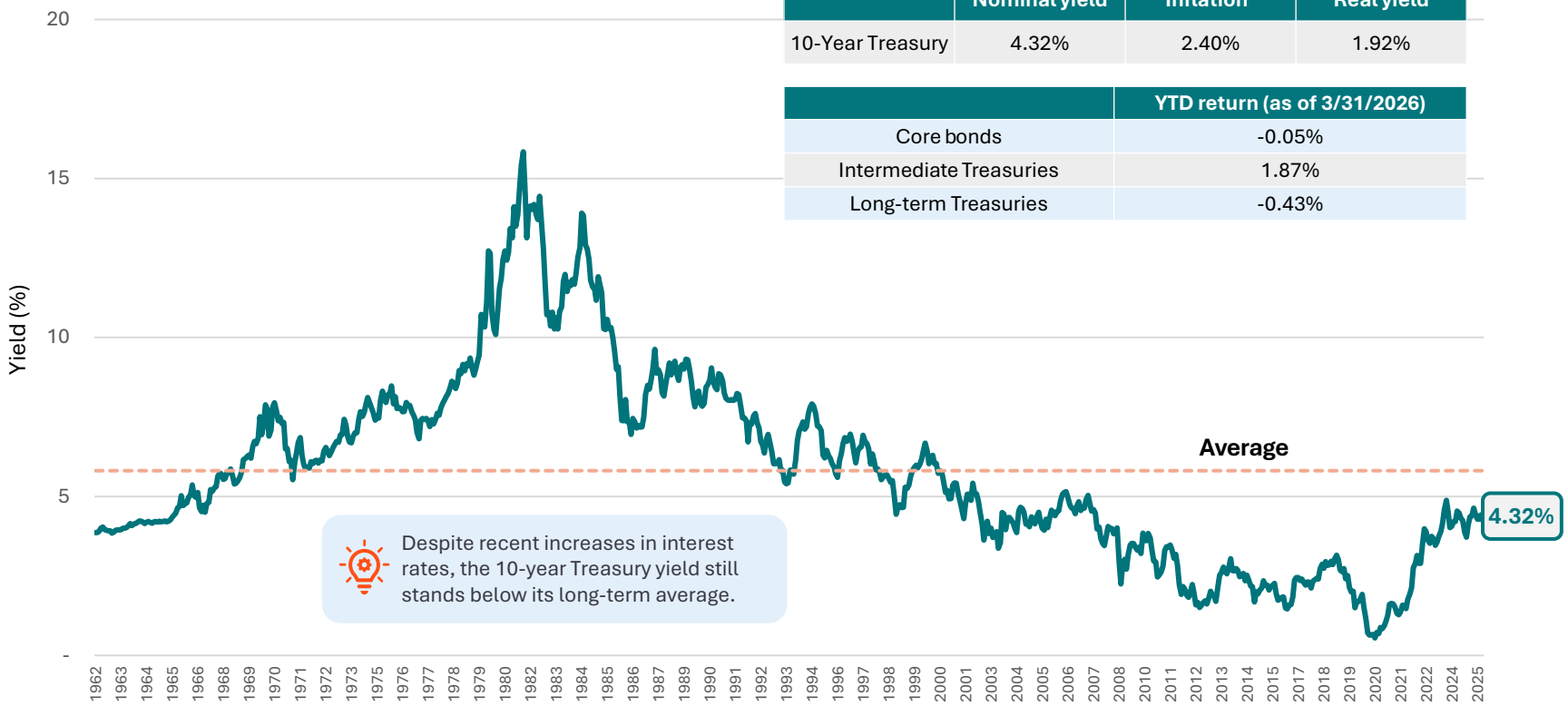
Fixed Income

U.S. Treasury yield

U.S. 10-year Treasury yield

	Nominal yield	Inflation[1]	Real yield
10-Year Treasury	4.32%	2.40%	1.92%

	YTD return (as of 3/31/2026)
Core bonds	-0.05%
Intermediate Treasuries	1.87%
Long-term Treasuries	-0.43%



What this chart shows:

This chart shows the historical yield for the 10-year Treasury.

Why it matters:

The 10-year Treasury serves as a benchmark for the state of the economy and investor sentiment, influencing rates throughout the market and affecting the cost of borrowing.

While the recent upward trend in yields may represent an opportunity for savers, it can create a more challenging environment for borrowers.

Context matters, and it is notable that yields still sit below their long-term averages.

Past performance is not indicative of future returns.

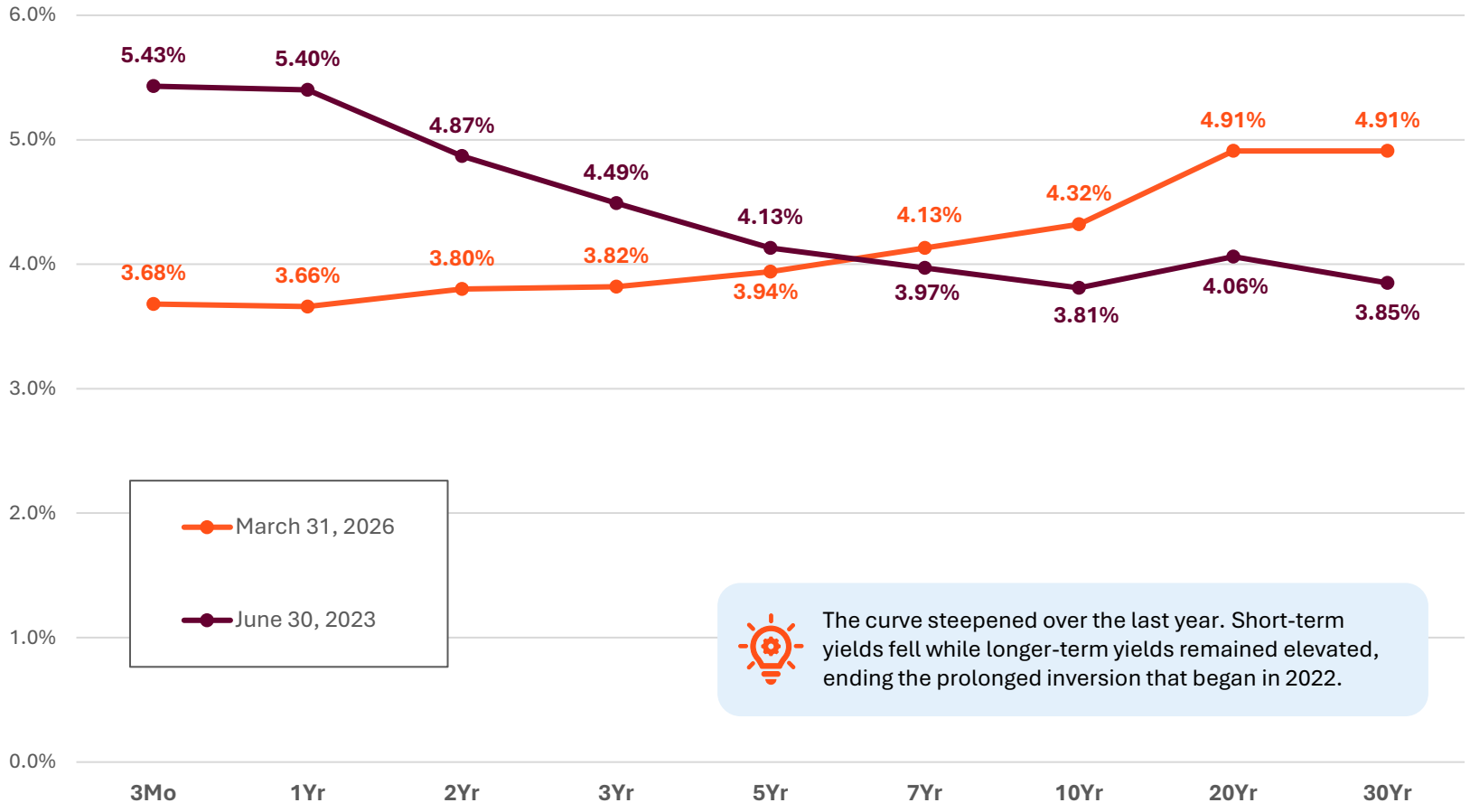
Core bonds represented by Bloomberg US Aggregate Bond Index; Intermediate Treasuries represented by ICE BofA 5-10Y US Trsy TR USD; Long-term Treasuries represented by ICE BofA 10+Y US Trsy TR USD.

You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. See index definitions and disclosures at back of presentation.

Source: Morningstar, FactSet, Bloomberg, J.P. Morgan Asset Management. Data as of March 31, 2026. [1]Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year CPI inflation for that month. For the current month, we use the prior month's CPI figures until the latest data is available.

Yield curve

U.S. Treasury yield curve



What this chart shows:

This chart shows the U.S. Treasury yield curve as of the latest month-end compared to June 2023, which was near the peak of the inversion during the Fed's hiking cycle.

Why it matters:

The yield curve is a key economic indicator, reflecting investors' expectations for future economic growth, inflation and interest rates.

The curve has largely normalized. From early 2022 through late 2024 , the yield curve was inverted—a condition that historically preceded economic slowdowns.

In 2025, Fed rate cuts helped steepen the curve, with short-term yields falling and longer-term yields, while off their recent highs, remaining elevated.

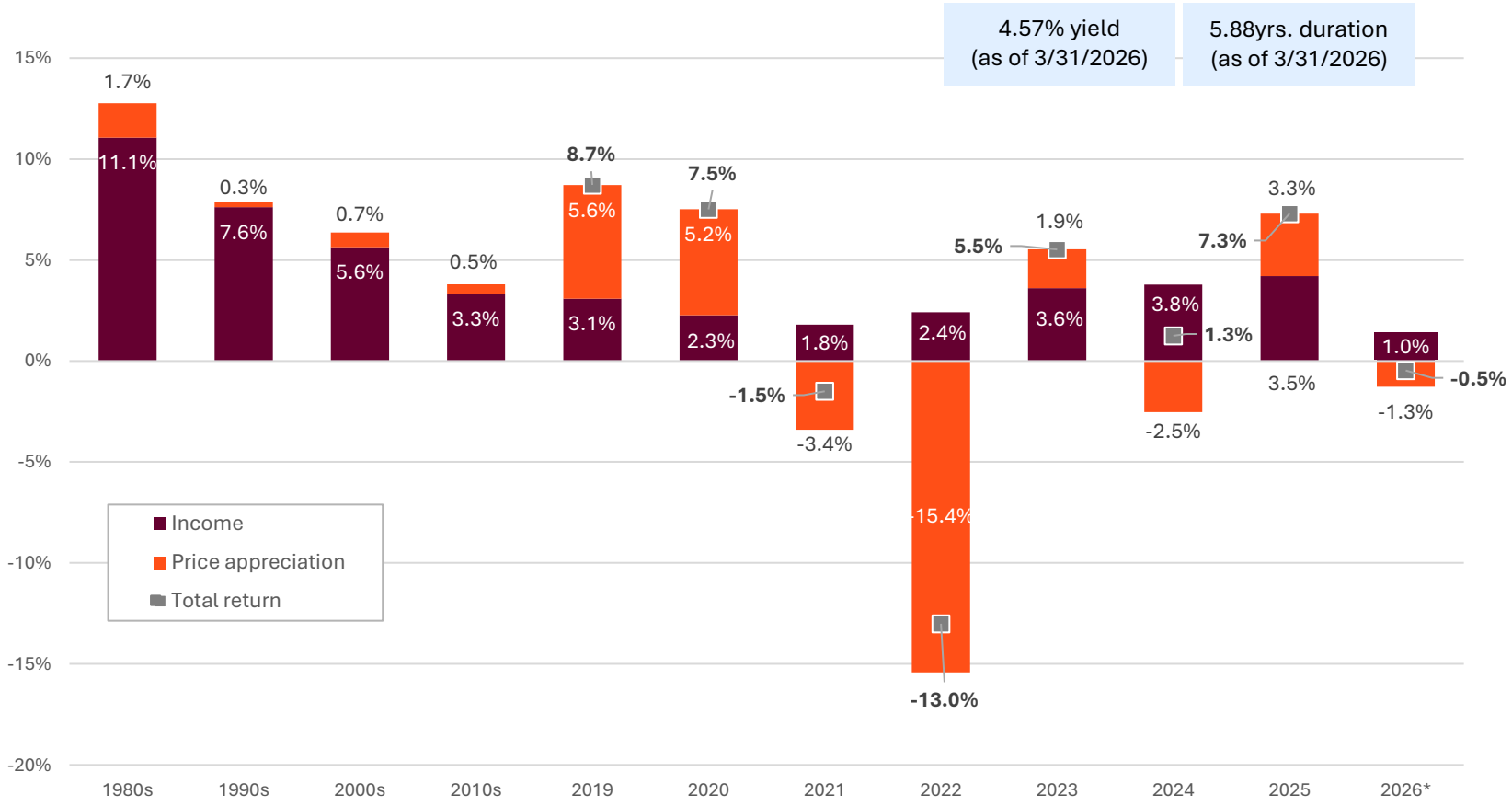
A normalized yield curve reflects a return to more typical market conditions, suggesting that investor expectations for growth and inflation have become more balanced following the recent inversion period.

Source: Bloomberg, U.S. Department of the Treasury, Federal Reserve Bank of St. Louis. Data as of March 31, 2026

For use with the general public.

Core bonds: Total return breakdown

Bloomberg U.S. Aggregate Bond Index



What this chart shows:

This chart breaks down the total return of the Barclays U.S. Aggregate Bond Index into separate income and price appreciation components throughout different time periods.

Why it matters:

Investors can use this to see what has historically contributed to the total return of bonds, and how it has shifted over the decades.

In 2022, a spike in interest rates resulted in significant price declines in core bonds. With little income to offset this price loss, the asset class ended the year deeply in the red.

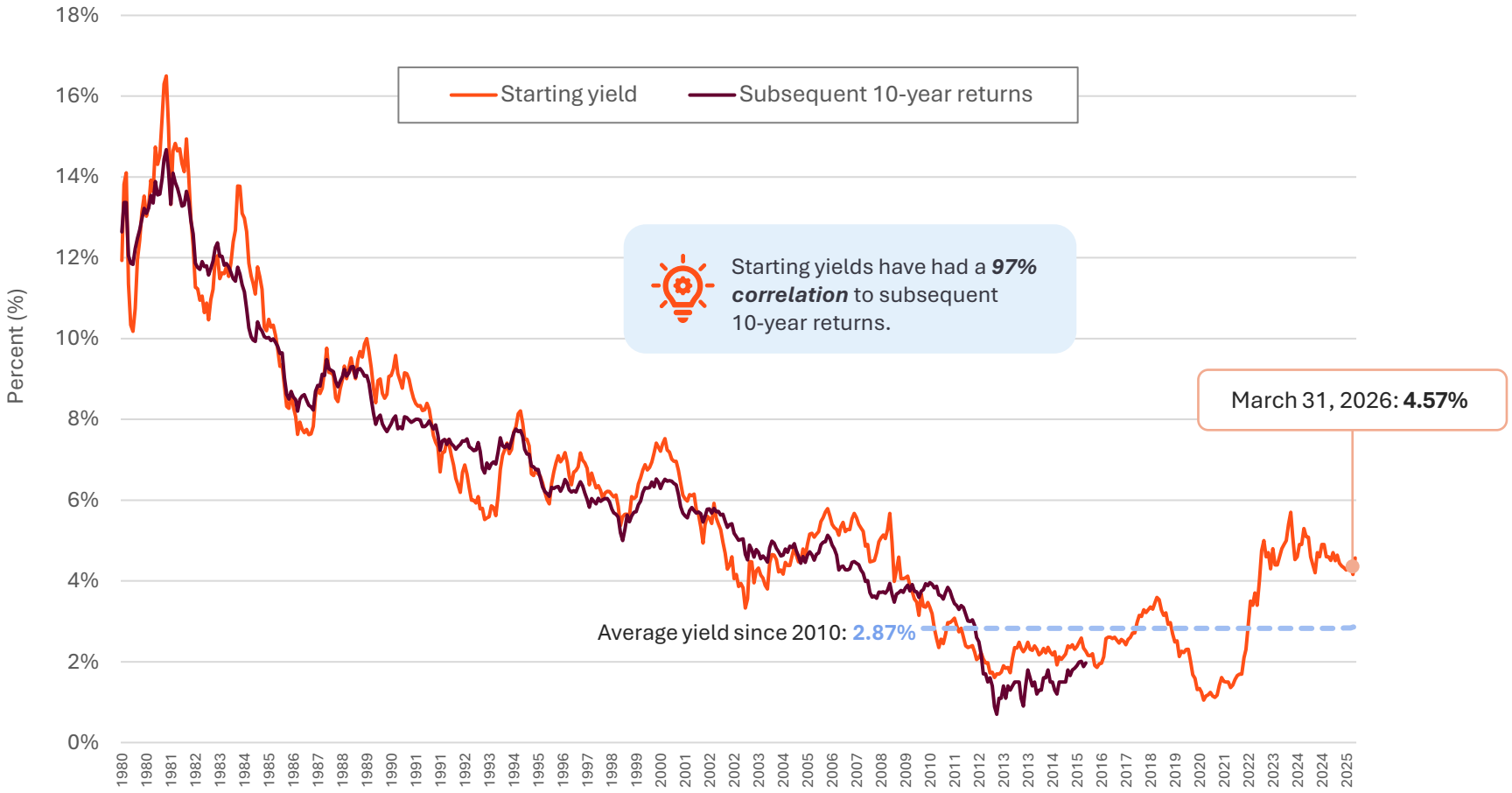
Bonds rebounded strongly in 2023, delivering a solid 5.5% return. In 2024, however, a late-year rise in interest rates limited gains to a modest 1.3%. 2025 represented another strong year for bonds, with the index gaining 7.3%.

Looking ahead, higher starting yields could prove beneficial for the longer-term returns of core bonds.

You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures.
Source: Bloomberg, Morningstar. Data as of March 31,2026. **Past performance is not indicative of future returns.**

Core bonds: Starting yields and subsequent returns

Bloomberg U.S. Aggregate Bond Index



What this chart shows:

This chart shows the starting yield of U.S. core bonds for the past 40+ years, along with the subsequent 10-year total returns from that point.

Why it matters:

Bond investors commonly look to yields to inform their total return expectations, as historically, the starting yield is an accurate predictor of future long-term returns (97% correlation).

With yields continuing to hover near their highest levels in more than a decade, today may represent a relatively attractive entry point for long-term investors.

You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures.

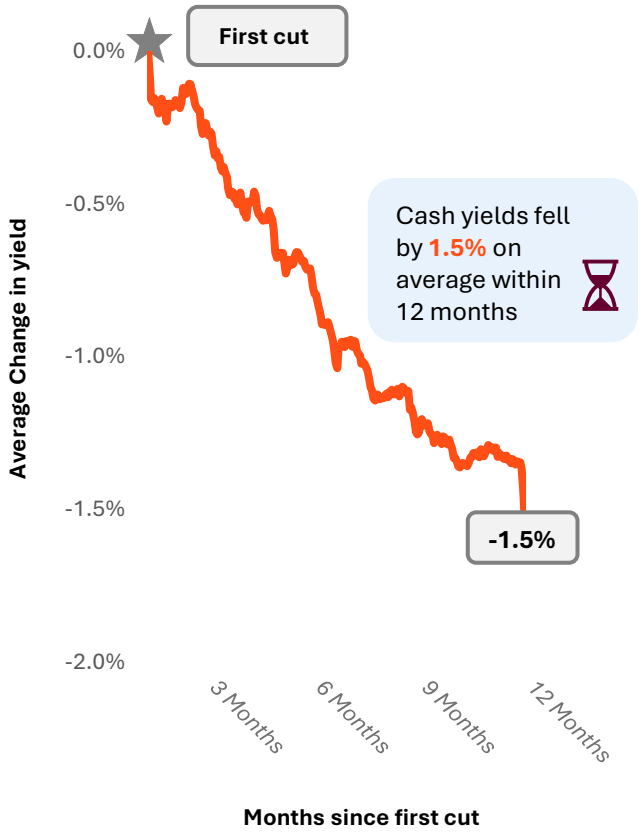
Source: Research affiliates based on data from Bloomberg and FactSet as of March 31, 2026. Proxy: Bloomberg U.S. Aggregate Bond Index. **Past performance is not a guarantee or a reliable indicator of future results**

Trending topic

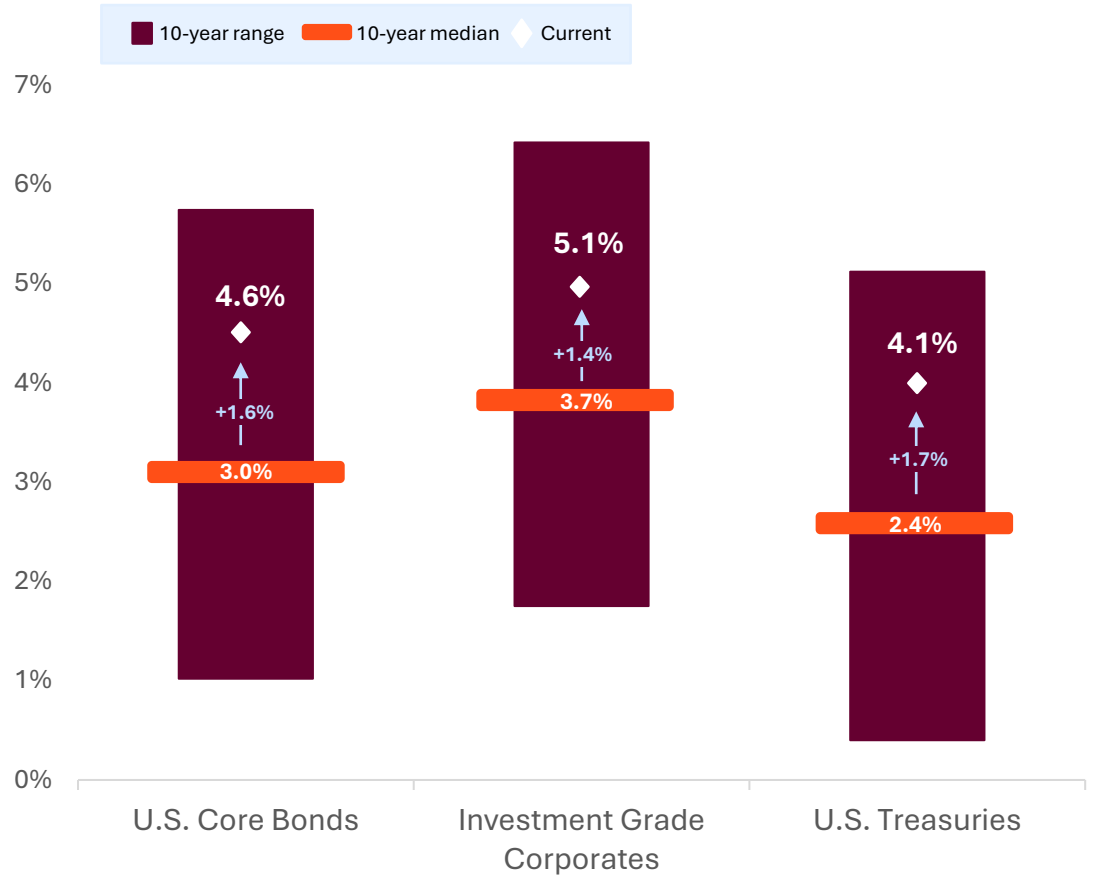
Declining cash yields: a window to lock in today's rates

Lincoln Financial

Cash yields historically fall quickly after Fed rate cuts begin (avg. change in yield, indexed to 0%)...



...leaving a window to lock in today's higher yields (fixed income yields as of Mar. 2026)



What this chart shows:

The left chart shows the rapid average historical decline in cash yields during the 12 months following an initial Fed rate cut. The right chart places today's fixed income yields in context, comparing current levels against their 10-year range and median to highlight the present income advantage.

Why it matters:

Historically, yields compress rapidly once rate cuts begin. The Fed resumed cuts in September 2025, reducing short-term yields by 0.75% by mid-December.

While off their highs, fixed income yields are still elevated relative to their 10-year median, creating a window to deploy cash and lock in today's higher rates should they continue to fall.

Source: (Left) Federal Reserve Bank of St. Louis market yield on U.S. Treasury Securities at 3-month constant maturity, quoted on an investment basis used as cash proxy. First cut considered to be those that followed a 6 month or more pause in monetary policy since 1990 excluding 2025 (8 occurrences). (Right) Bloomberg as of 3/31/26. Yield as represented by yield to worst. U.S. Core Bonds as represented by the Bloomberg U.S. Aggregate Bond Index . Investment grade corporates as represented by Bloomberg U.S. Corporate 1% Cap Index. U.S. Treasuries as represented by the Bloomberg Global U.S. Treasury Index. **Past performance does not guarantee or predict future performance.**

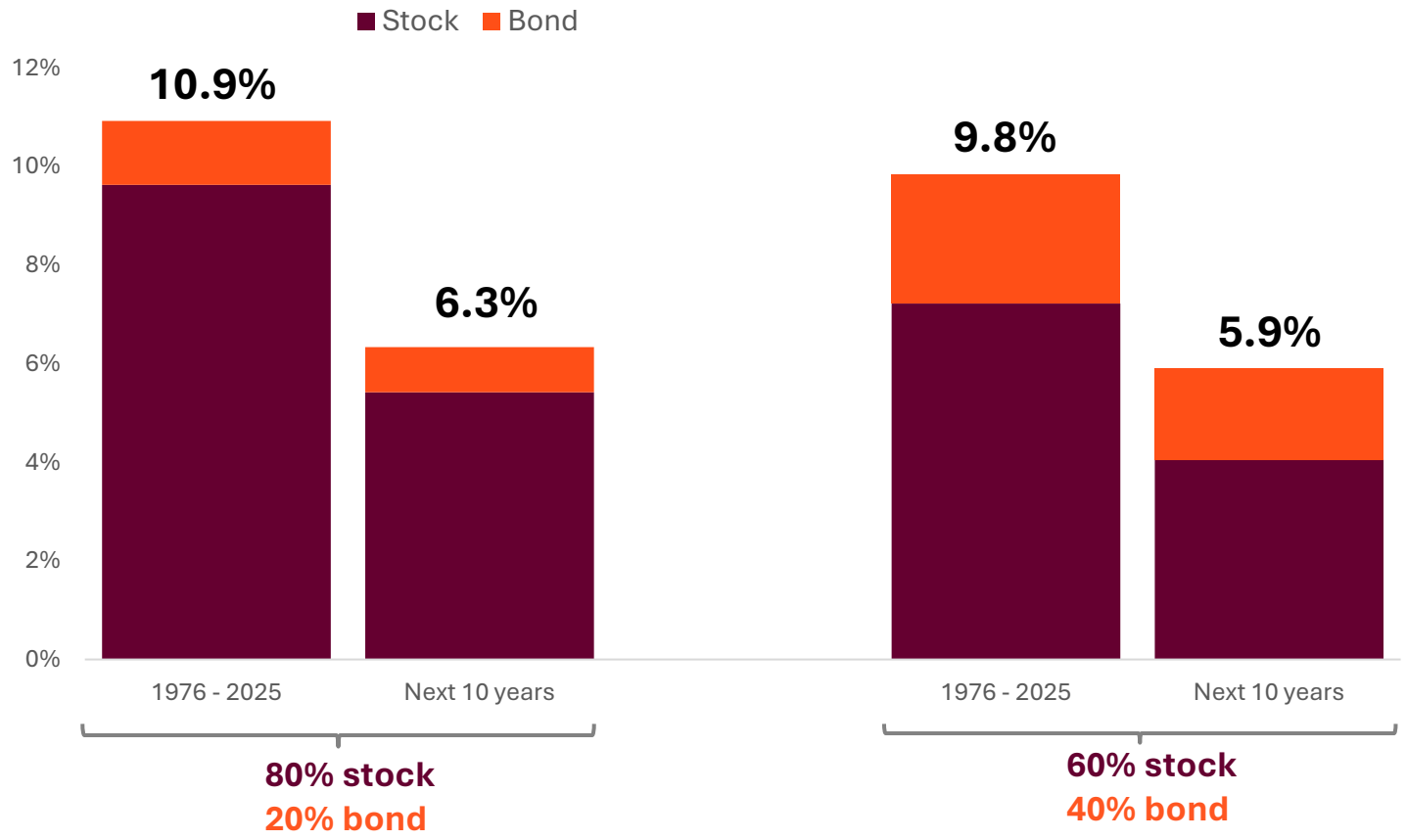
For use with the general public.

05

Asset Allocation

Balanced portfolios: historic vs. projected returns

Portfolio historic and projected returns based on average assumptions from asset managers



Capital market expectations	U.S. Stocks	U.S. bonds
J.P. Morgan Asset Management	7.94%	5.46%
Invesco	4.70%	4.90%
BlackRock	7.74%	3.91%
State Street	6.70%	4.20%
Average	**6.77%**	**4.62%**

What this chart shows:

This chart shows the average historical return of balanced portfolios compared to the projected 10-year future return of similarly weighted portfolios. Future returns are based on the average of capital market expectations from several of our asset management partners.

Why it matters:

Understanding what forward returns may look like relative to the past can help inform investment decisions and provide a valuable input for planning purposes.

Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index.

You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures. **Past performance is not indicative of future returns. This market forecast is based on the latest forward-looking expectations from select fund partners and is not intended as a recommendation to invest in any particular asset class or strategy or as a promise — or even estimate — of future performance.**

Source: Morningstar, S&P, Bloomberg. Data as of March 31, 2026. Portfolios 1976 – 2025 represent average annualized weighted return of 80% S&P 500 TR – 20% Bloomberg US Aggregate Index and 60% S&P 500 TR – 40% Bloomberg US Aggregate Index ; Next 10 years = Average Equity and bond returns based on capital market expectations shown in the table. Core equity = US Equity, Core bonds = US aggregate bonds. **See Additional Information for more information.**

Optimizing your portfolio allocation

T.RowePrice

These charts show that, historically, a portfolio that has a mix of both stocks and bonds generated higher returns than an all-bond or all-cash portfolio with less risk (as measured by volatility) than an all-stock portfolio.

Diversification, or investing in a variety of assets such as stocks and bonds, has historically helped reduce the overall risk of a portfolio and improve risk-adjusted returns over time.

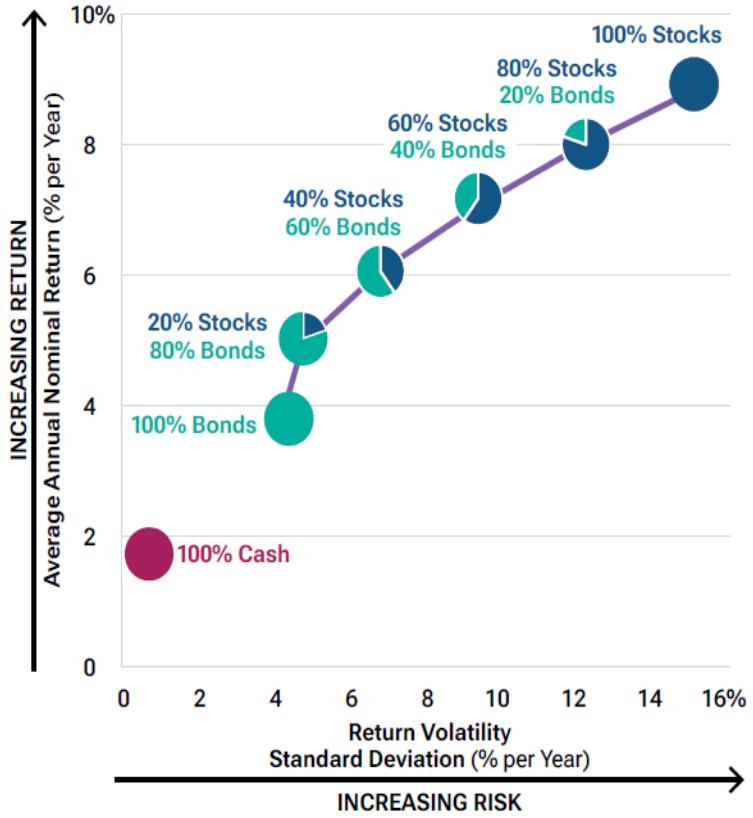
Portfolio performance

(Fig. 1a) 30 years ended December 31, 2025

	100% Bonds	20% Stocks 80% Bonds	40% Stocks 60% Bonds	60% Stocks 40% Bonds	80% Stocks 20% Bonds	100% Stocks
Return for Best Year	11.6%	14.2%	18.9%	23.6%	28.4%	33.4%
Return for Worst Year	-13.0%	-13.8%	-14.8%	-22.1%	-29.8%	-37.0%
Average Annual Nominal Return	4.2%	5.6%	6.9%	8.2%	9.3%	10.4%
Number of Down Years	4	3	4	6	6	6
Average Loss (in Down Years)	-4.3%	-6.4%	-8.3%	-9.1%	-13.2%	-17.1%

Asset allocation has a big impact on performance

(Fig. 1b) 30 years ended December 31, 2025



Source: T. Rowe Price. These hypothetical portfolios combine stocks and bonds to represent a range of potential risk/reward profiles. For each allocation model, historical data are shown to represent how the portfolios would have fared in the past. Figures include changes in principal value and reinvested dividends and assume the portfolios are rebalanced monthly. It is not possible to invest directly in an index. Past performance cannot guarantee future results. Charts are shown for illustrative purposes only and do not represent the performance of any specific security or T. Rowe Price product. Sources: T. Rowe Price, created with Zephyr StyleADVISOR; S&P; Bloomberg Index Ltd.; and FTSE. See Additional Disclosure. Stocks, S&P 500 Index; bonds, Bloomberg U.S. Aggregate Bond Index; cash, FTSE 3-Month U.S. Treasury Bill. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action. This information is not intended to reflect a current or past recommendation concerning investments, investment strategies, or account types; advice of any kind; or a solicitation of an offer to buy or sell any securities or investment services. The opinions and commentary provided do not take into account the investment objectives or financial situation of any particular investor or class of investor. Please consider your own circumstances before making an investment decision. This material is provided for informational purposes only and is not intended to be investment advice or a recommendation to take any particular investment action.

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Asset class returns

J.P.Morgan Asset Management

This table shows the annual returns for a range of different asset classes across a 15-year time period. It has everything from stocks and bonds to commodities and cash.

On the far left-hand side of the chart, both the annualized return and annualized volatility over the last 15 years for each asset class is shown.

Cutting through the middle of the chart is a hypothetical diversified portfolio composed of different weights of these asset classes.

2011 - 2025																	
Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	Comdty. 24.4%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	REITs 3.8%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	Small Cap 0.9%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	Cash 0.9%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	Asset Alloc. 0.2%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	Fixed Income 0.0%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	EM Equity -0.1%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	DM Equity -1.1%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	High Yield -1.3%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Large Cap -4.3%

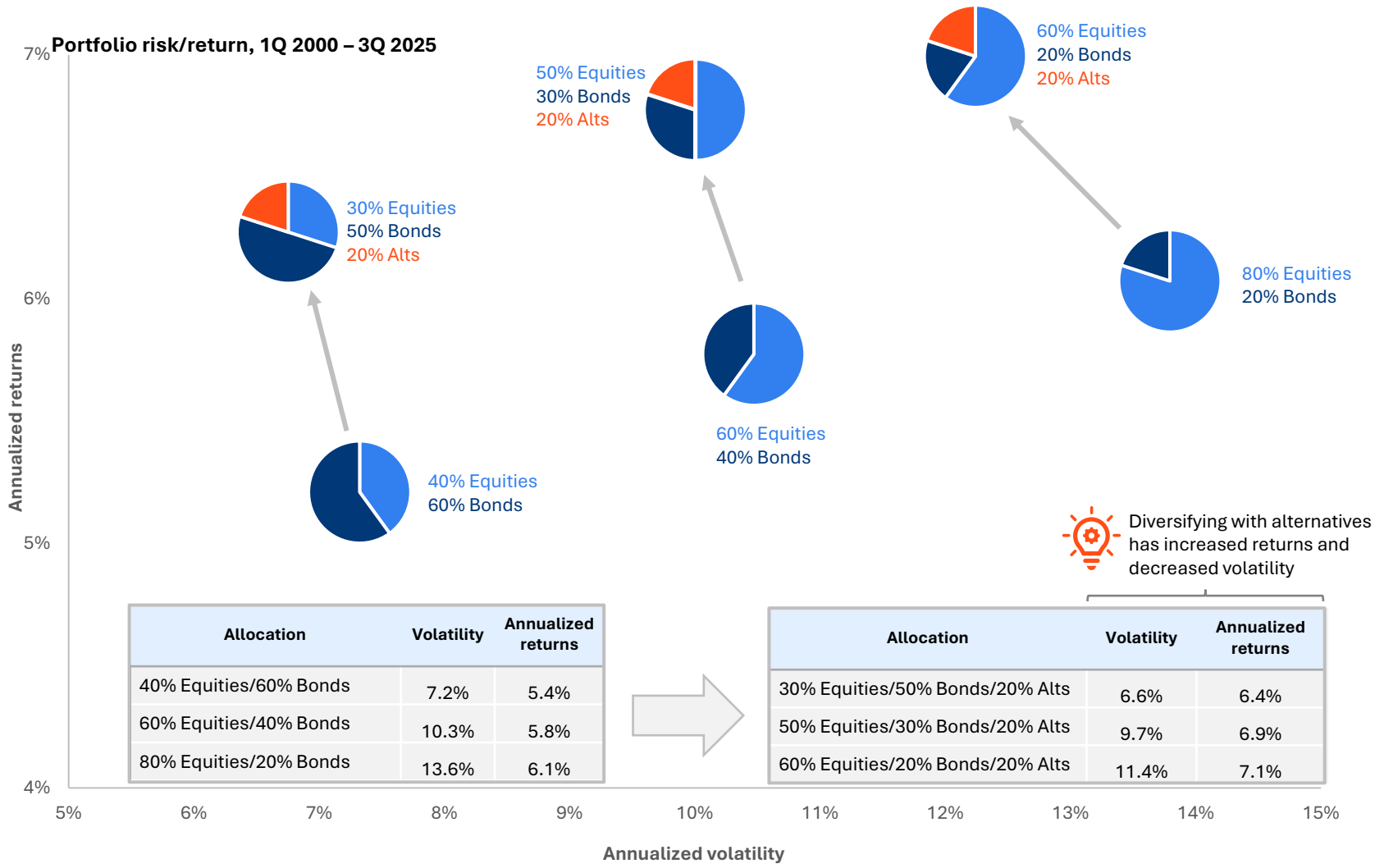
Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with 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. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2009 to 12/31/2025. All data represent total return for stated period. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of March 31, 2026.

06

Alternatives

The diversification benefits of alternatives



Allocation	Volatility	Annualized returns
40% Equities/60% Bonds	7.2%	5.4%
60% Equities/40% Bonds	10.3%	5.8%
80% Equities/20% Bonds	13.6%	6.1%

Allocation	Volatility	Annualized returns
30% Equities/50% Bonds/20% Alts	6.6%	6.4%
50% Equities/30% Bonds/20% Alts	9.7%	6.9%
60% Equities/20% Bonds/20% Alts	11.4%	7.1%

What this chart shows:

This chart compares the historical risk (volatility) and return of traditional stock/bond portfolios versus those including alternative investments like private credit and private equity.

Each pie chart represents a different asset allocation, showing how adding alternatives has historically affected long-term results.

Why it matters:

Historically, adding alternatives to a portfolio of traditional stocks and bonds has provided substantial diversification benefits without sacrificing returns.

Looking ahead, considering alternatives as a part of a balanced portfolio has the potential to help investors add both resiliency and the ability to more effectively weather market ups and downs to their long-term plan.

Source: PitchBook, Inc and Morningstar. Alts allocation: equal weight private equity and private credit. Portfolios rebalanced quarterly. Equities represented by the MSCI World Net Return Index. Bonds represented by Bloomberg U.S. Aggregate Index. Private market data leverages PitchBook, Inc Private Capital Total Return Indexes. Volatility calculated as the annualized standard deviation of quarterly returns. The cited data has not been reviewed by PitchBook analysts and may be inconsistent with PitchBook methodology. **Past performance is not a guarantee or a reliable indicator of future results. You can't invest directly in an index.**

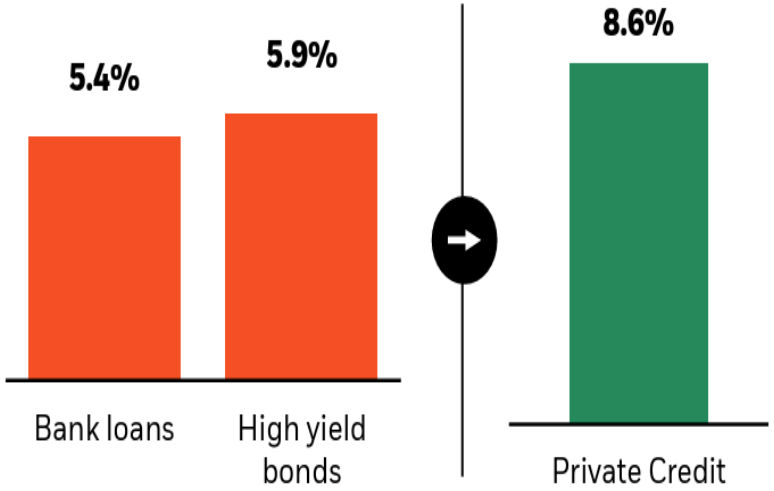
Private credit – it's more than just return

BlackRock

While private credit may deliver attractive yield and total return, many of the loans also have various covenants — or protections for the lender — and thus may pose an even lower default risk than comparable public bonds.

Not all credit is created equal[1]

Annualized returns by asset class, 10/1/2015 – 12/31/2024



Private credit may offer better protection

Stronger structural protections and company performance can mean lower defaults and loss rates

	Direct lending[2]	High yield bonds[3]	Bank loans[3]
Historical default rate	✓ 0.08%	2.25%	2.36%
Historical recovery rate[4]	✓ 84%	41%	61%

Covenants: protections for lender in a debt agreement

On average, **15%** of liquid market loans offer strong covenant protection vs. **89%** of recently issued private credit loans.[5]

Source: BlackRock, Student of Private Markets, Q2 2025.

Source: **Past performance is no guarantee of future returns.** [1]Source: BlackRock, Bloomberg, Morningstar, Cliffwater. Annualized historical total returns over the period from October 1, 2015 through December 31, 2024. September 30, 2015 is the inception of the Cliffwater Direct Lending Index and excludes any use of backtested data. Return data of selected asset categories represented by: High Yield = Bloomberg U.S. Corporate High Yield Index as of 12/31/24; Loans= Morningstar LSTA Leveraged Loan Index as of 12/31/24. Private Credit = Cliffwater Direct Lending Index (CDLI) as of 12/31/24. Index performance is shown for illustrative purposes only and does not reflect any deduction for fees or expenses. You cannot invest directly in an unmanaged index. Not indicative of the Fund's performance or distribution rate. The Fund's portfolio, at any given point in time, may be composed of some, all or none of the asset classes shown. An investment in the Fund is different from a direct investment in any of the asset classes shown above. Fees and expenses will be deducted from any investment in the Fund. This is the most recent data available, but recent market events may have had material impact on the data as presented. Do not rely on this data to make investment decisions. Comparisons to "Bank loans" and "High yield bonds" are included in this analysis due to them being frequent funding sources for private credit allocations within portfolios For illustrative purposes only. Not intended for comparison. [2]Source: BlackRock as of December 31, 2024. Reflects BlackRock aggregate direct lending track record from June 2000 to December 2024 comprising 1,000+total deals, approximately $40+ billion of invested capital. Beginning in Q1 2023, for ease and clarity of presentation, we consolidated multiple investments made in the same borrower on the same date into single line items. These instances included situations where in addition to our term loan, we also provided a delayed draw term loan or a revolver. [3]As of December 2024 (most recent common data available). Source: BlackRock, JP Morgan, Moody's Investors Service, Markit, S&P LCD. Represents 20-years of data from 2004 - 2024.[4]Recovery rate is the extent to which principal

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Alternative asset class returns

J.P.Morgan Asset Management

Within alternatives, selection is key, and there are benefits to diversifying exposure across asset classes to reduce volatility. Over the 10-year period from 2015 to 2024, venture capital, private equity, infrastructure and direct lending led the way in terms of returns, while hedge funds come in at the bottom – with their performances in the earlier half of the decade bringing down the cumulative number.

We construct an illustrative 50/30/20 portfolio, where 50% is equity, 30% is bonds, and the 20% alternatives allocation represents an equal-weighted basket of the nine alternatives asset classes on the chart. Not only does the 50/30/20 portfolio provide better returns than a traditional 60/40 portfolio but also demonstrates lower volatility.

											2015 – 2024	
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	3Q25	Ann.	Vol.*
Infra. 15.5%	Infra. 14.2%	Private Equity 23.0%	Venture Capital 21.2%	60/40 Portfolio 22.4%	Venture Capital 58.5%	Venture Capital 49.9%	Transport 12.1%	60/40 Portfolio 18.0%	60/40 Portfolio 15.5%	Venture Capital 14.4%	Venture Capital 14.2%	Venture Capital 13.1%
U.S. Core RE 15.0%	Private Equity 12.2%	Venture Capital 14.8%	Infra. 11.6%	Venture Capital 20.5%	Private Equity 24.0%	Private Equity 37.3%	Infra. 9.5%	50/30/20 Portfolio 15.3%	50/30/20 Portfolio 14.1%	60/40 Portfolio 11.4%	Private Equity 14.0%	60/40 Portfolio 10.3%
Venture Capital 15.0%	Private Credit 11.2%	60/40 Portfolio 14.5%	Europe Core RE 9.9%	50/30/20 Portfolio 20.3%	60/40 Portfolio 14.0%	U.S. Core RE 22.2%	U.S. Core RE 7.5%	Private Credit 12.1%	Private Credit 11.3%	50/30/20 Portfolio 10.7%	Infra. 10.3%	50/30/20 Portfolio 8.8%
Europe Core RE 12.8%	APAC Core RE 10.4%	50/30/20 Portfolio 14.3%	APAC Core RE 9.3%	Private Equity 16.8%	50/30/20 Portfolio 13.9%	50/30/20 Portfolio 17.7%	APAC Core RE 6.8%	Private Equity 9.7%	Hedge Funds 10.6%	Transport 10.6%	Private Credit 9.0%	Private Equity 8.5%
APAC Core RE 11.8%	U.S. Core RE 8.8%	Infra. 12.2%	Private Equity 8.9%	Infra. 11.5%	Hedge Funds 11.4%	60/40 Portfolio 16.6%	Private Credit 6.3%	Transport 8.9%	Infra. 10.5%	Hedge Funds 8.7%	50/30/20 Portfolio 8.6%	Hedge Funds 5.9%
Transport 8.8%	50/30/20 Portfolio 8.5%	APAC Core RE 11.5%	U.S. Core RE 8.3%	Europe Core RE 9.3%	Transport 6.8%	Europe Core RE 14.2%	Hedge Funds -1.1%	Infra. 7.8%	Transport 7.5%	Private Equity 8.1%	60/40 Portfolio 8.1%	U.S. Core RE 5.6%
Private Equity 8.8%	60/40 Portfolio 8.2%	Transport 10.6%	Private Credit 8.1%	Private Credit 9.0%	Private Credit 5.5%	Private Credit 12.8%	Private Equity -1.4%	Hedge Funds 7.6%	Private Equity 5.6%	Private Credit 7.0%	Transport 7.9%	Transport 4.7%
Private Credit 5.5%	Europe Core RE 8.1%	Europe Core RE 9.8%	Transport 5.2%	Hedge Funds 9.0%	Europe Core RE 4.9%	APAC Core RE 11.8%	Europe Core RE -2.3%	Venture Capital -2.1%	Venture Capital 5.4%	Infra. 6.9%	Europe Core RE 6.5%	Europe Core RE 4.1%
50/30/20 Portfolio 3.0%	Transport 7.8%	Private Credit 8.6%	50/30/20 Portfolio -0.4%	APAC Core RE 6.6%	U.S. Core RE 1.2%	Infra. 10.4%	50/30/20 Portfolio -12.6%	APAC Core RE -2.3%	Europe Core RE 4.6%	APAC Core RE 4.4%	APAC Core RE 6.4%	Infra. 3.2%
Hedge Funds 2.5%	Hedge Funds 5.0%	Hedge Funds 8.0%	Hedge Funds -1.6%	U.S. Core RE 5.3%	APAC Core RE 0.4%	Transport 10.3%	60/40 Portfolio -16.1%	Europe Core RE -5.0%	APAC Core RE -0.9%	Europe Core RE 4.3%	U.S. Core RE 5.9%	APAC Core RE 3.0%
60/40 Portfolio 1.1%	Venture Capital 0.6%	U.S. Core RE 7.6%	60/40 Portfolio -2.6%	Transport 1.5%	Infra. 0.2%	Hedge Funds 7.8%	Venture Capital -20.6%	U.S. Core RE -12.0%	U.S. Core RE -1.4%	U.S. Core RE 2.8%	Hedge Funds 5.8%	Private Credit 2.9%

Source: J.P. Morgan Asset Management, "Guide to Alternatives," 1Q 2026. Bloomberg, Burgiss, Cliffwater, FactSet, HFRI, MSCI, NCREIF, J.P. Morgan Asset Management. Private Equity and Venture Capital are internal rates of return from Burgiss. Hedge funds: HFRI Fund Weighted Composite. Transport returns are derived from a J.P. Morgan Asset Management index and are shown on an unlevered basis, which can be enhanced by adding leverage. U.S. Core RE: NCREIF Property Index – Open End Diversified Core Equity component. Europe Core Real Estate: MSCI Global Property Fund Index – Continental Europe. Asia Pacific (APAC) Core Real Estate: MSCI Global Property Fund Index – Asia-Pacific. Direct Lending: Cliffwater Direct Lending Index. Global infrastructure (Infra.): MSCI Global Private Infrastructure Asset Index. A 50/30/20 portfolio is comprised of 50% U.S. equities weight, 30% fixed income weight and 20% alternatives asset allocation weight. Portfolios are rebalanced at the start of the year. A 60/40 portfolio is comprised of 60% equities and 40% fixed income. Equities in both the 60/40 portfolio and the 50/30/20 portfolio are represented by the S&P 500 Total Return Index. Fixed income in both the 60/40 portfolio and the 50/30/20 portfolio are represented by the Bloomberg U.S. Aggregate Total Return Index. Alternatives in the 50/30/20 portfolio are represented by an equal-weight asset allocation mix of the returns from the other nine alternatives asset classes on the chart. Annualized return (Ann.) and volatility (Vol.) represents the 40-quarter period to 12/31/2024. *Volatility calculated as the annualized standard deviation of quarterly returns. Past performance is not a reliable indicator of current and future results. Data are based on availability as of January 31, 2026

07

Foundations

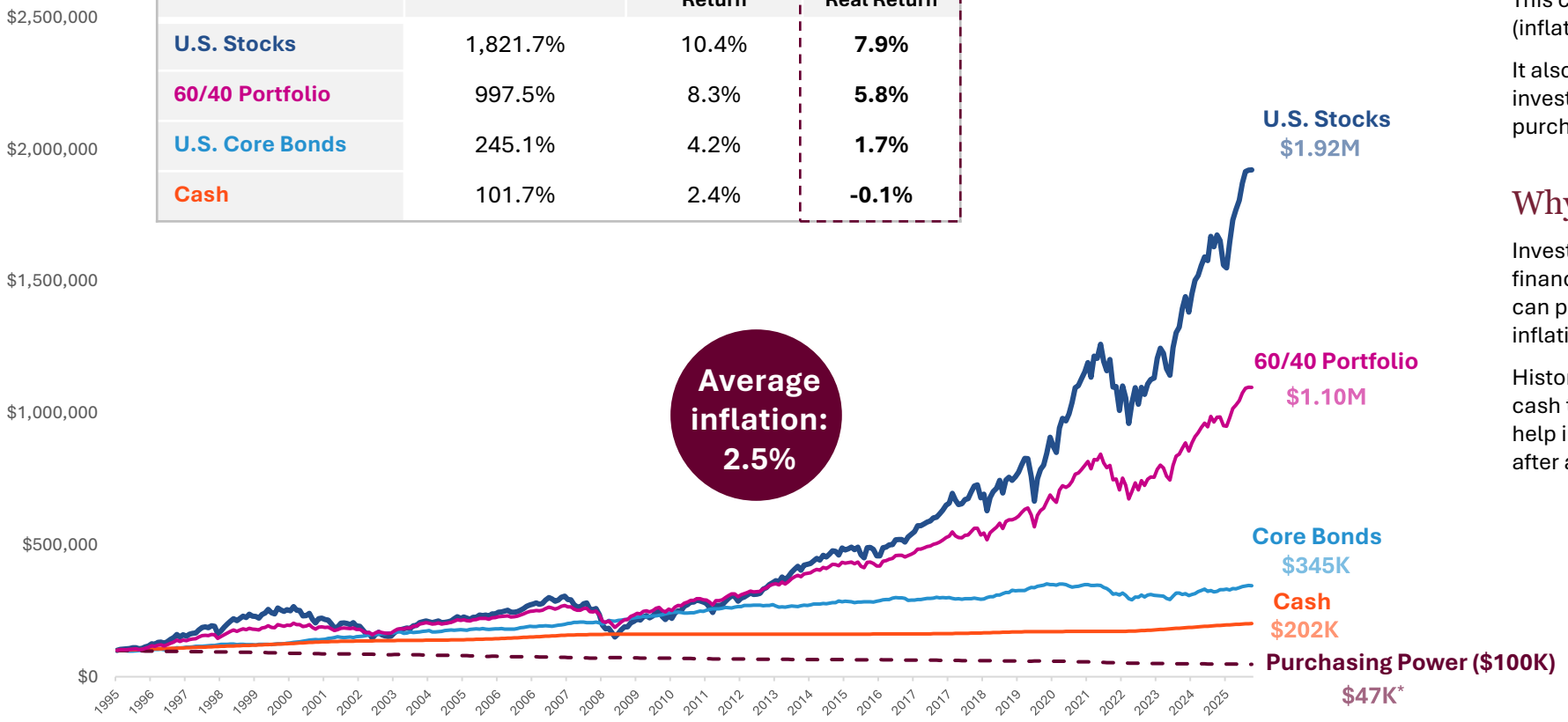
Trending topic

The importance of investing for the long-term

Lincoln Financial

Growth of $100K; 1996 – 2025

	Cumulative Return	Annualized Return	Annualized Real Return
U.S. Stocks	1,821.7%	10.4%	**7.9%**
60/40 Portfolio	997.5%	8.3%	**5.8%**
U.S. Core Bonds	245.1%	4.2%	**1.7%**
Cash	101.7%	2.4%	**-0.1%**



What this chart shows:

This chart shows the cumulative, annualized, and real (inflation-adjusted) returns of various asset classes (top).

It also shows the hypothetical growth of $100,000 invested in each asset class, along with the erosion of purchasing power due to inflation (bottom).

Why it matters:

Investing for the long-term is crucial for achieving future financial goals. While a conservative investment like cash can provide stability, it often struggles to keep up with inflation over time.

Historically, a balanced portfolio of stocks, bonds and cash that is tailored to an individual's risk tolerance can help investors grow their assets over time both before and after accounting for inflation.

Source: Morningstar, BLS. January 1, 1994 - December 31, 2025.U.S. Stocks = S&P 500 Total Return. U.S. Core Bonds = Bloomberg U.S. Aggregate Bond Index. Cash = 3month U.S. Treasury Bills.60/40 portfolio = 60% S&P 500/40% U.S. Aggregate Bond. Average inflation represents the average yearly headline Consumer Price Index (CPI) increase. *Purchasing power represents the erosion of value of $100k based on increases in CPI over time through Nov. 2025. Bottom chart ex. purchasing power based on nominal returns. **Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

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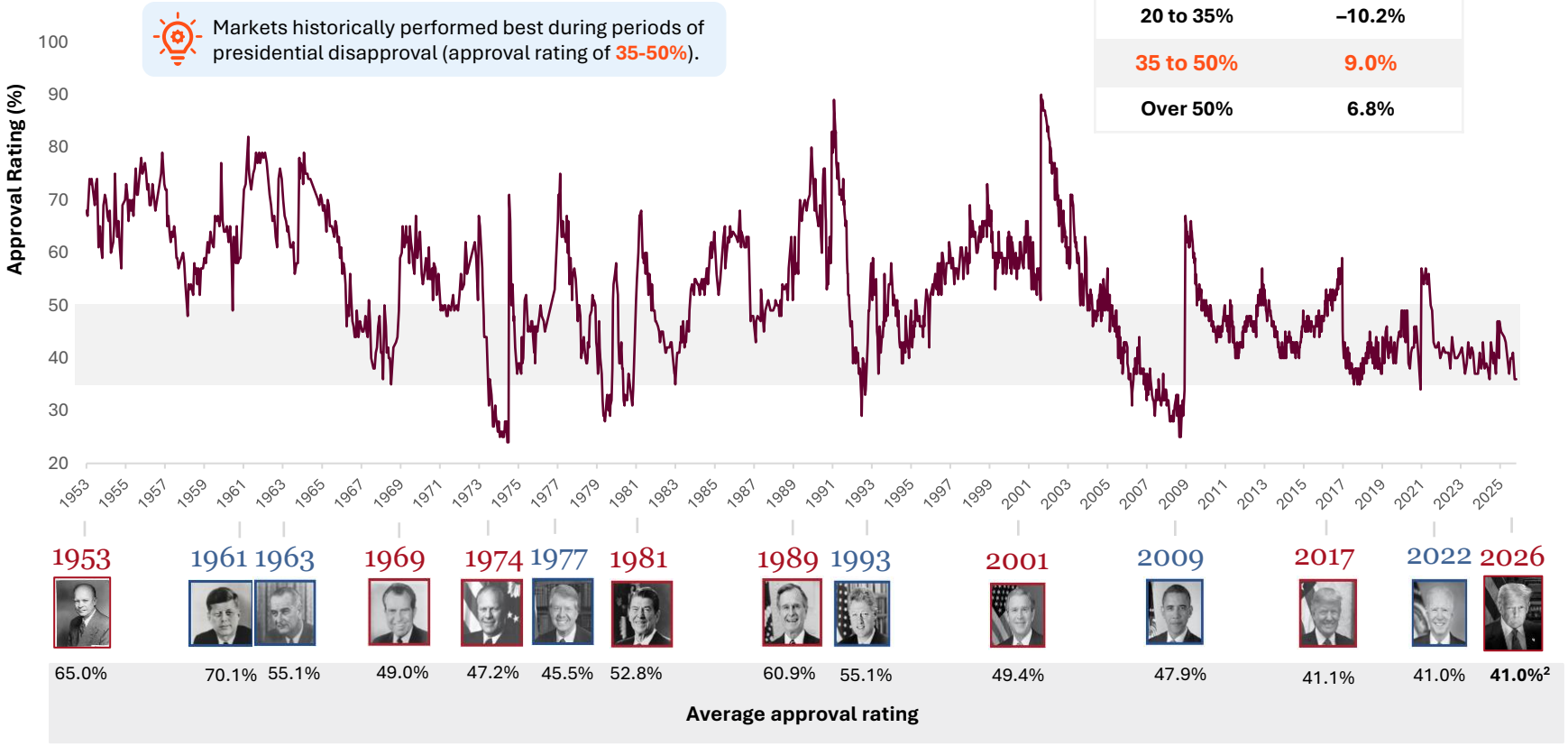
Presidential popularity doesn't predict market returns

Presidential approval ratings, Gallup poll (1953 – 2025)[1]



S&P 500 returns by approval rating

Approval rating	S&P 500 returns (avg.)
20 to 35%	–10.2%
35 to 50%	9.0%
Over 50%	6.8%

What this chart shows:

This chart tracks U.S. Presidential approval ratings over time alongside the S&P 500's average return based on the prevailing level of approval.

Why it matters:

People care about politics, but markets don't belong to a political party. They perform well during periods of high approval, low approval, and everything in between.

Investors who disapprove of the sitting president have historically been wrong to let their feelings drive portfolio decisions. Interestingly, the best returns for stocks have come when the country is most divided (approval rating between 35-50%).

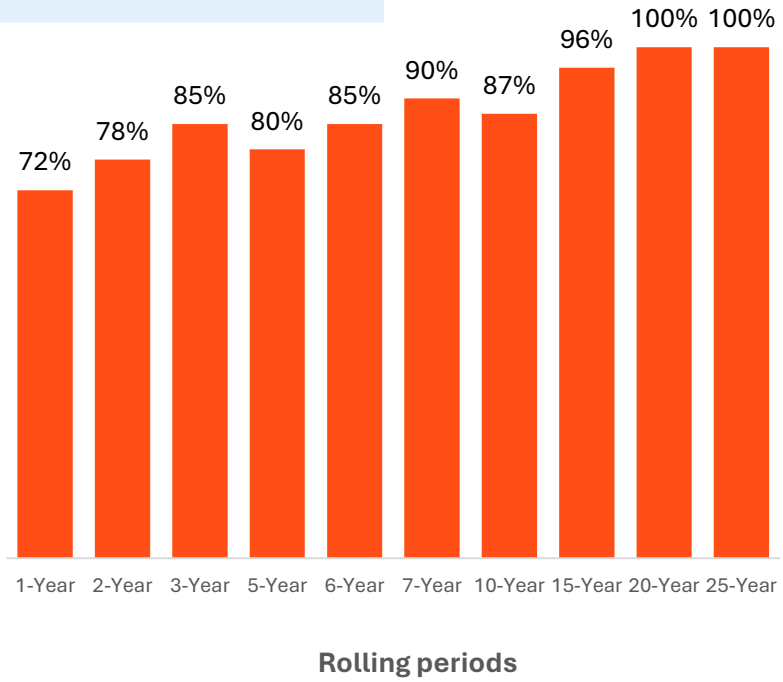
For this reason, investment strategies should be based on your long-term goals, not who is in the White House.

Source: 1 – Presidential approval ratings– Gallup historical statistics and trends available at: https://news.gallup.com/poll/116677/presidential-approval-ratings-gallup-historical-statistics-trends.aspx. 2 – Donald Trump term 2 average as of 12/1/25. Presidential portraits. Library of Congress, https://www.loc.gov/free-to-use/presidential-portraits. S&P 500 returns by approval rating: Morningstar, analysis by Lincoln Financial. S&P 500 price return index used. Average annualized return based on days in which presidential approval rating was within the specified range. **Past performance does not guarantee or predict future performance.**

The odds of cash underperforming are high

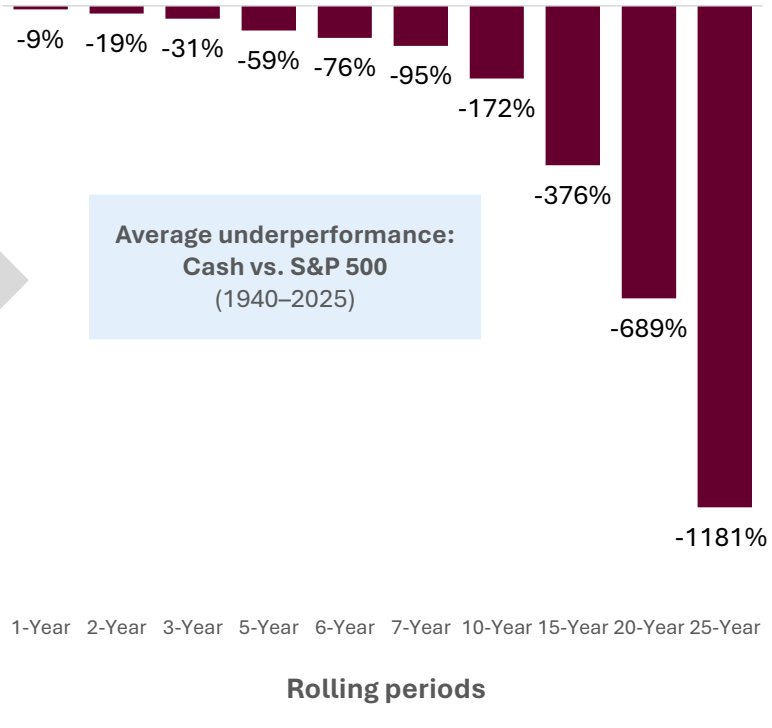
How often cash underperforms...

Percentage of times cash underperformed the S&P 500
(Total Returns, 1940 – 2025)



...and by how much on average

Average underperformance: Cash vs. S&P 500
(1940–2025)



What this chart shows:

This chart shows the percentage of times cash has underperformed the S&P 500 over various holding periods (left) along with the average underperformance (right).

Why it matters:

While holding cash to fund emergency expenses and short-term goals is important, holding excess cash on the sidelines — especially for an extended period — can put your long-term goals in jeopardy.

Over one-year periods, cash has historically underperformed stocks 72% of the time by about 9% on average.

However, stretching that timeframe to three years increases the average underperformance to 31%, translating to $31,000 in lost growth potential assuming a $100,000 investment.

The longer excess cash is held on the sidelines, the more potential growth has historically been lost.

Source: NYU.edu: historical returns on stocks, bonds and bills, Morningstar, Lincoln Financial. S&P 500 total return index including dividends. Rolling periods with a 1-year step. Cash represented as the average 3-month Treasury Bill rate in each calendar year used. **Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

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Time in the market, not timing the market

Rolling returns, range of outcomes (1976 – 2025)

What this chart shows:

This chart shows the range and average of rolling returns of the S&P 500 Index, as well as an 80/20 and 60/40 portfolio of U.S. stocks and core bonds over 1-, 5-, 10-, 15-, 20-, 25- and 30-year periods.

Why it matters:

While returns can be volatile over short periods of time, staying the course over the long term in a balanced portfolio can help shrink the range of potential investment outcomes and reduce the probability of experiencing a negative return.

Source: Morningstar. 80/20 portfolio = 80% S&P 500 TR and 20% Bloomberg U.S. Aggregate Bond Index TR. 60/40 portfolio = 60% S&P 500 TR and 40% Bloomberg U.S. Aggregate Bond Index TR.

Rolling returns are annualized on a 5, 10-, 15-, 20-, 25- and 30-year basis. Using monthly S&P 500 Total Return and Bloomberg U.S. Aggregate Bond Index data starting in January of 1976, summary return statistics were calculated based on the total number of rolling return periods existing for each given period of time with a one-month step. For each rolling return period, a range of returns (maximum and minimum) as well as the average return has been calculated to provide a historical reference for how equities and balanced portfolios have performed. Returns greater than 1 year are annualized. **Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

For use with the general public.

Long-term investors are often rewarded

Longer holding periods have increased odds of hitting return targets (1976 – 2025)

Time

Return thresholds

1-Year Returns (*577 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	74%	71%	69%	66%	63%
70% Equity/30% Fixed Income	74%	71%	68%	65%	62%
60% Equity/40% Fixed Income	73%	71%	67%	63%	59%
40% Equity/60% Fixed Income	72%	69%	62%	55%	49%

10-Year Returns (*469 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	89%	88%	80%	72%	67%
70% Equity/30% Fixed Income	89%	88%	77%	71%	66%
60% Equity/40% Fixed Income	90%	87%	75%	69%	62%
40% Equity/60% Fixed Income	91%	80%	69%	59%	47%

20-Year Returns (*349 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	100%	95%	89%	75%	54%
70% Equity/30% Fixed Income	100%	93%	87%	69%	47%
60% Equity/40% Fixed Income	100%	92%	85%	60%	43%
40% Equity/60% Fixed Income	100%	90%	73%	43%	41%

30-Year Returns (*229 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	100%	100%	100%	100%	99%
70% Equity/30% Fixed Income	100%	100%	100%	100%	89%
60% Equity/40% Fixed Income	100%	100%	100%	100%	74%
40% Equity/60% Fixed Income	100%	100%	100%	84%	49%

Patience and a long-term view have historically helped deliver positive investment outcomes.

What this chart shows:

This chart shows the percentage of times the return of several hypothetical mixes of U.S. stocks and bonds were equal to or above specific thresholds over 1-, 10-, 20- and 30-year rolling periods from 1976 through 2025.

Why it matters:

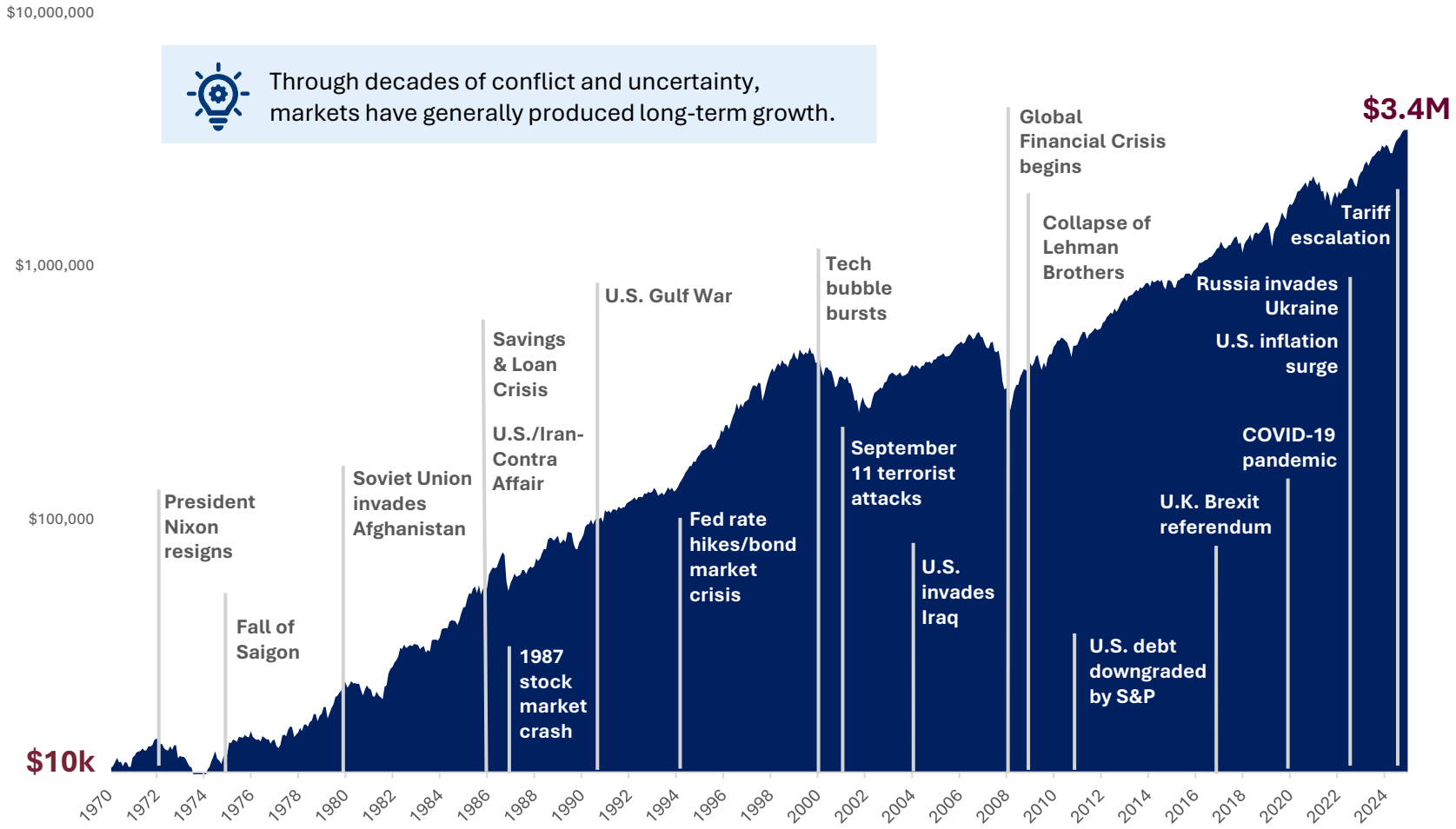
As time in the market increases, so does the historical frequency of surpassing various annual return targets.

For example, an 80/20 mix of stocks and bonds surpassed a 7% return in 69% of one-year holding periods. However, when that holding period was extended to 30 years, 100% of historical outcomes generated a return of at least 7%.

Source: Morningstar. **Equity** = S&P 500 TR. **Fixed Income** = Bloomberg U.S. Aggregate Index TR. 80/20 portfolio = 80% S&P 500 TR and 20% Bloomberg U.S. Aggregate Bond Index TR. 70/30 portfolio = 70% S&P 500 TR and 30% Bloomberg U.S. Aggregate Bond Index TR. 60/40 portfolio = 60% S&P 500 TR and 40% Bloomberg U.S. Aggregate Bond Index TR. 40/60 portfolio = 40% S&P 500 TR and 60% Bloomberg U.S. Aggregate Bond Index TR. Rolling returns are annualized on a 1-, 10-, 20-, and 30-year basis and rounded to nearest whole number. Using monthly S&P 500 Total Return and Bloomberg U.S. Aggregate Bond Index Total Return data starting in January of 1976, summary return statistics were calculated based on the total number of rolling return periods existing for each given period of time with a one-month step. **Past performance is not indicative of future returns.**

Market resiliency

Growth of $10,000, S&P 500 (1971 – 2025)



What this chart shows:

This chart shows that $10,000 invested in the S&P 500 Index from 1971 to 2025, grew to over $3.4 million despite encountering numerous challenging events. This equates to a hypothetical annualized return of more than 11%.

Why it matters:

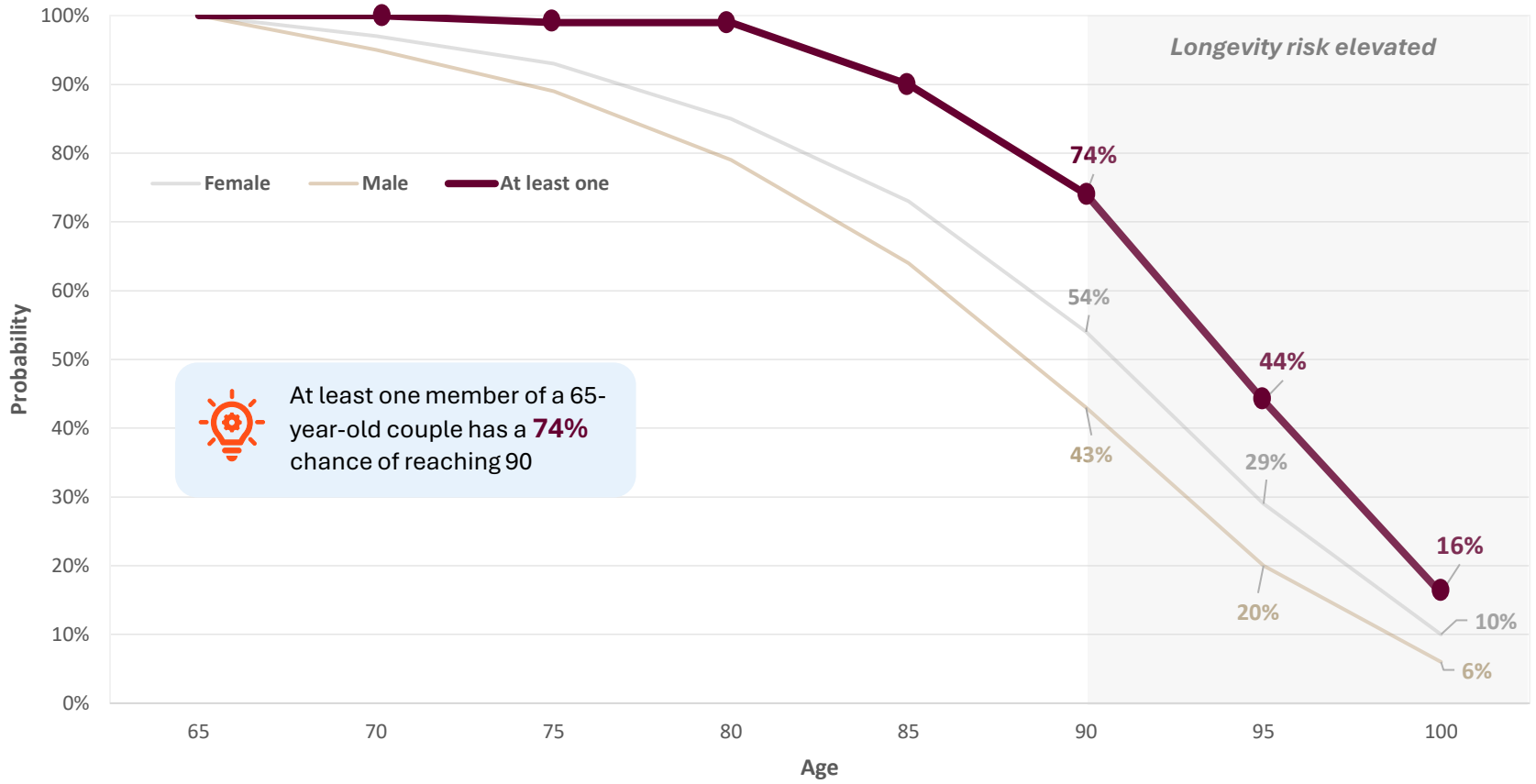
Volatility has been a permanent feature of markets, whether it's driven by geopolitics, inflation, or economic shifts.

While we can't predict the next catalyst, history shows that market recoveries are as common as the downturns that precede them. Staying disciplined through these cycles has historically been the most effective path to long-term wealth.

Source: Morningstar, S&P 500 Total Return Index, January 1, 1971, through December 31, 2025. Scale is logarithmic. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. Stocks are not guaranteed and have been more volatile than the other asset classes. These returns were the result of certain market factors and events which may not be repeated in the future. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. Data as of December 31, 2025.

Americans often live longer than expected

Probability of a healthy 65-year-old couple today living to a specific age or beyond



What this chart shows:

This chart shows the probability of a healthy 65-year-old couple living to various ages. It highlights that for a couple age 65 today, there is a nearly 75% chance that at least one of them will live to age 90.

Why it matters:

Planning for retirement requires accounting for longevity, which is arguably the most critical factor. Longer lifespans increase the risk of outliving your assets.

Given the numbers, it is prudent to prepare for a retirement that could last 30 years or more. A comprehensive plan should generate sustainable lifetime income while also accounting for the potential healthcare expenses that often accompany increased longevity.

Source: American Academy of Actuaries. Longevityillustrator.org accessed on December 15, 2025. Assumes a 65-year-old non-smoker couple (M/F) in excellent health. Longevity risk refers to the potential financial risk of individuals facing higher-than-expected costs due to living longer than expected. Longevity risk increases exposure to other risks during retirement, such as market volatility, inflation, and unexpected healthcare or long-term care costs.

For use with the general public.

Effect of withdrawal rates and portfolio allocations

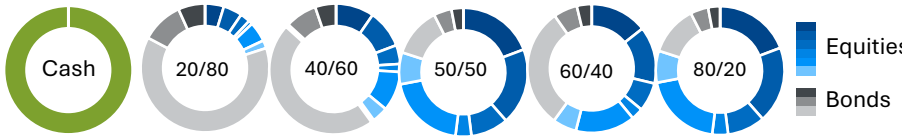
J.P.Morgan Asset Management

The table on the left shows the probability of systematic withdrawal rates ranging from 1 – 10% successfully lasting for 35 years given various diversified asset allocations.

The table on the right reflects the probability of success after 30 years.

Likelihood of success after 35 years

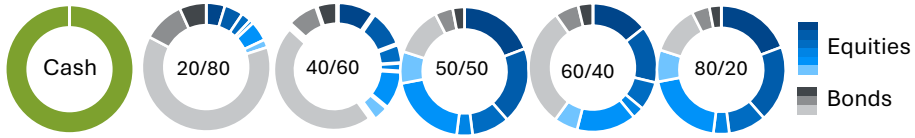
Various initial withdrawal rates and diversified asset allocations



Initial withdrawal rate	Cash	20/80	40/60	50/50	60/40	80/20
1%	95-100	95-100	95-100	95-100	95-100	95-100
2%	95-100	95-100	95-100	95-100	95-100	95-100
3%	0-5	95-100	95-100	95-100	90-95	90-95
4%	0-5	55-60	70-75	70-75	75-80	70-75
5%	0-5	5-10	30-35	35-40	45-50	50-55
6%	0-5	0-5	5-10	10-15	20-25	30-35
7%	0-5	0-5	0-5	0-5	5-10	15-20
8%	0-5	0-5	0-5	0-5	0-5	5-10
9%	0-5	0-5	0-5	0-5	0-5	0-5
10%	0-5	0-5	0-5	0-5	0-5	0-5

Likelihood of success after 30 years

Various initial withdrawal rates and diversified asset allocations



Initial withdrawal rate	Cash	20/80	40/60	50/50	60/40	80/20
1%	95-100	95-100	95-100	95-100	95-100	95-100
2%	95-100	95-100	95-100	95-100	95-100	95-100
3%	95-100	95-100	95-100	95-100	95-100	95-100
4%	0-5	75-80	85-90	80-85	80-85	80-85
5%	0-5	20-25	45-50	50-55	55-60	55-60
6%	0-5	0-5	15-20	20-25	30-35	35-40
7%	0-5	0-5	0-5	5-10	10-15	20-25
8%	0-5	0-5	0-5	0-5	0-5	10-15
9%	0-5	0-5	0-5	0-5	0-5	5-10
10%	0-5	0-5	0-5	0-5	0-5	0-5

High Confidence

Med Confidence

Low Confidence

Source: J.P. Morgan Asset Management. This chart is for illustrative purposes only and must not be used, or relied upon, to make investment decisions. Portfolios are described using equity/bonds. For asset allocation details, see "Model Portfolio Details" on the Disclosure page. J.P. Morgan Asset Management's (JPMAM) model is based on a blend of proprietary Long-Term Capital Market Assumptions (first 10 years) and equilibrium returns (25 years). The resulting projections include only the benchmark return associated with the portfolio and do not include alpha from the underlying product strategies within each asset class. The yearly withdrawal amount (1% to 10%) is set as a fixed percentage of the initial amount of $1,000,000 and is then inflation-adjusted over the period (2.3%). The percentile outcomes represent the percentage of simulated results with an account balance greater than $0 after 35 years (e.g., "95–100" means that 95–100% of simulations had account balances greater than $0 after 35 years). Overlap percentiles are included in the lower bracket (e.g., 80 is included in "75–80"; 85 is included in "80-85"). Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.

Sequence of returns: you can control when you retire, but not what type of market you retire into

Investor A

- At age 65, retires in 2000 with a $1 million portfolio
- Needs income in retirement, withdraws $50k per year
- Market downturn initially
- **Ran out of money in 2017 at age 82**

Investor B

- At age 65, retires in 2003 with a $1 million portfolio
- Needs income in retirement, withdrawals $50k per year
- Positive returns early
- **Substantial cash value remaining after 2025 at age 87**

Investor A portfolio

Year	Annual return	Annual withdrawal	Year-end value
2000	-10.1%	$50,000	$853,678
2001	-13.0%	$50,000	$698,858
2002	-23.4%	$50,000	$497,244
2003	26.4%	$50,000	$565,228
2004	9.0%	$50,000	$561,565
2005	3.0%	$50,000	$526,920
2006	13.6%	$50,000	$541,873
2007	3.5%	$50,000	$509,232
2008	-38.5%	$50,000	$282,495
2009	23.5%	$50,000	$287,024
2010	12.8%	$50,000	$267,321
2011	0.0%	$50,000	$217,316
2012	13.4%	$50,000	$189,744
2013	29.6%	$50,000	$181,110
2014	11.4%	$50,000	$146,045
2015	-0.7%	$50,000	$95,347
2016	9.5%	$50,000	$49,671
2017	19.4%	$49,671	$0
2018	-6.2%	$0	$0
2019	28.9%	$0	$0
2020	16.3%	$0	$0
2021	26.9%	$0	$0
2022	-19.4%	$0	$0
2023	24.2%	$0	$0
2024	23.3%	$0	$0
2025	16.4%	$0	$0

Investor B portfolio

Year	Annual return	Annual withdrawal	Year-end value
2000	-10.1%	-	-
2001	-13.0%	-	-
2002	-23.4%	-	-
2003	26.4%	$50,000	$1,200,610
2004	9.0%	$50,000	$1,254,091
2005	3.0%	$50,000	$1,240,233
2006	13.6%	$50,000	$1,352,333
2007	3.5%	$50,000	$1,348,295
2008	-38.5%	$50,000	$798,643
2009	23.5%	$50,000	$924,228
2010	12.8%	$50,000	$985,973
2011	0.0%	$50,000	$935,949
2012	13.4%	$50,000	$1,004,712
2013	29.6%	$50,000	$1,237,318
2014	11.4%	$50,000	$1,322,565
2015	-0.7%	$50,000	$1,263,315
2016	9.5%	$50,000	$1,329,005
2017	19.4%	$50,000	$1,527,390
2018	-6.2%	$50,000	$1,385,239
2019	28.9%	$50,000	$1,720,834
2020	16.3%	$50,000	$1,942,493
2021	26.9%	$50,000	$2,401,436
2022	-19.4%	$50,000	$1,894,248
2023	24.2%	$50,000	$2,291,120
2024	23.3%	$50,000	$2,763,502
2025	16.4%	$50,000	$3,158,516

Source: This hypothetical is for illustrative purposes only and does not reflect the performance of any product. Returns use the S&P 500 Index, price only (dividends not reinvested), from January 1, 2000, to December 31, 2025. Assumes Investor A begins withdrawing $50k from $1M in Jan. 2000, Investor B begins withdrawing $50k from $1M in Jan. 2003. Average annual return is a simple average of the yearly returns and does not account for cash flows. Indices are unmanaged and unavailable for direct investment. **Past performance does not indicate future results**

What's the real return on 12-month CDs?

HARTFORDFUNDS
Our benchmark is the investor.®

Twelve-month rates on certificates of deposit (CDs) were below 3% from 2008 to 2022 but have recently increased.

However, when taxes and inflation are factored in, 12-month CDs have provided negative real returns in 15 out of the last 20 years.

Inflation and taxes have had a significantly negative effect on CD return rates

Year	12-Month CD Yield (%)[1]	Taxes (%)[1]	Inflation (%)	Real Return After Taxes & Inflation (%)
2006	4.91	25	2.52	1.16
2007	4.43	25	4.11	-0.79
2008	2.65	25	-0.02	2.01
2009	1.44	25	2.81	-1.73
2010	0.96	25	1.44	-0.72
2011	0.77	25	3.06	-2.48
2012	0.69	25	1.76	-1.24
2013	0.67	25	1.51	-1.01
2014	0.70	25	0.65	-0.13
2015	0.62	25	0.64	-0.18
2016	0.59	25	2.05	-1.61
2017	0.80	25	2.10	-1.50
2018	1.29	22	1.92	-0.91
2019	1.14	22	2.26	-1.37
2020	0.39	22	1.28	-0.98
2021	0.28	22	7.10	-6.88
2022	2.35	22	6.42	-4.59
2023	5.32	22	3.40	0.75
2024	4.42	22	2.90	0.55
2025	4.01	22	2.65	0.48

Source: Hartford Funds, Bloomberg, FactSet.
Past performance does not guarantee future results, 1/26. [1]CD rates are proxied by Bankrate's 12-month CD national average. [2] Tax Policy Center, 12/24. Investing involves risk, including the possible loss of principal.

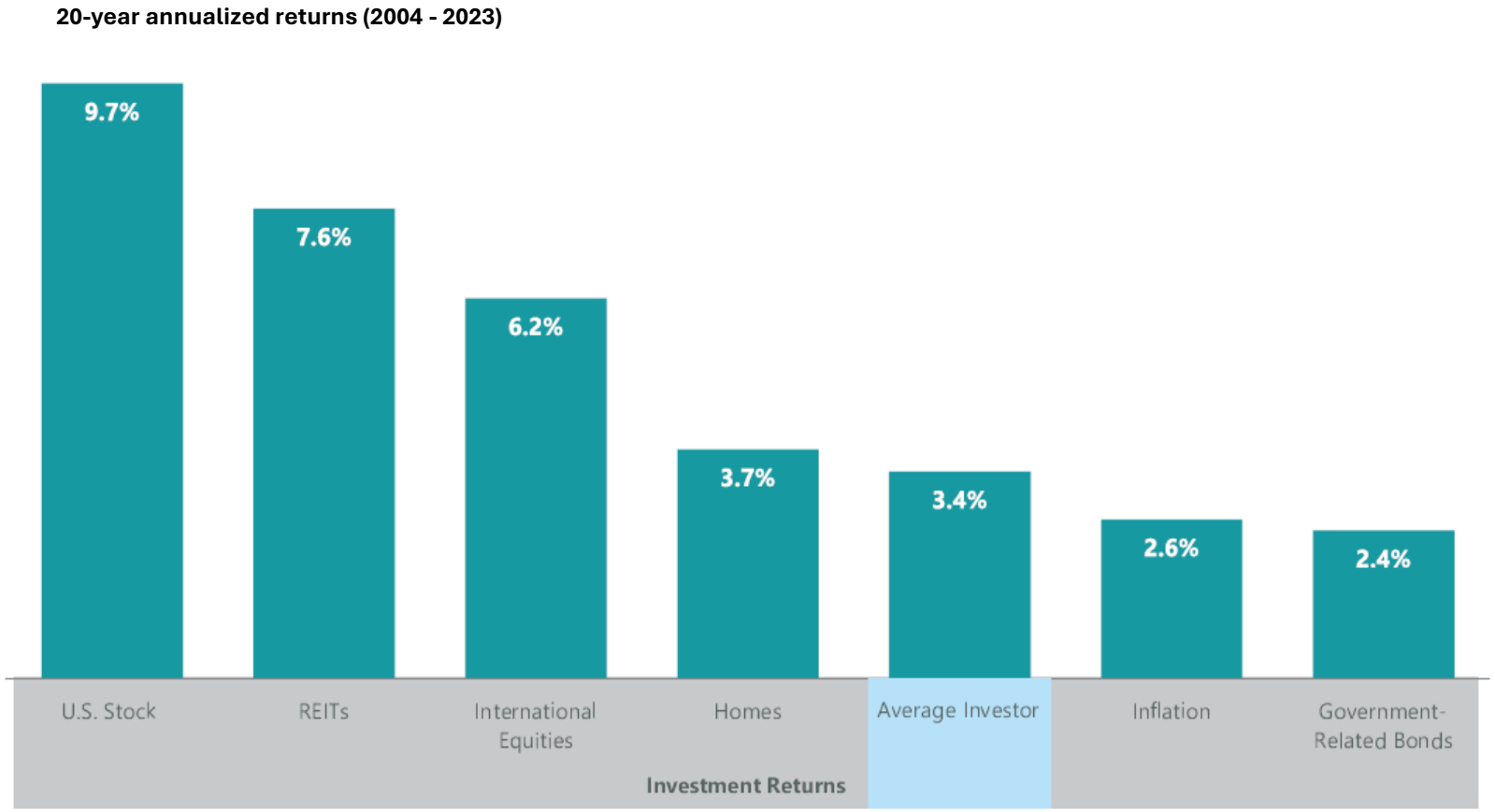
For use with the general public.

Average investor versus the market

ClearBridge
A Franklin Templeton Company

This chart shows the importance of staying calm during market fluctuations, emphasizing the long-term benefits of a disciplined investment strategy. It compares the 20-year annualized returns from 2004 to 2023, highlighting that the average investor earned only 3.4%.

This underperformance is largely attributed to emotional decision-making, particularly during periods of market volatility, which often leads to panic selling. The data underscores the value of sticking to a well-thought-out investment plan and avoiding knee-jerk reactions in response to market stress. Staying invested for the long term has historically resulted in better outcomes compared to trying to time the market.

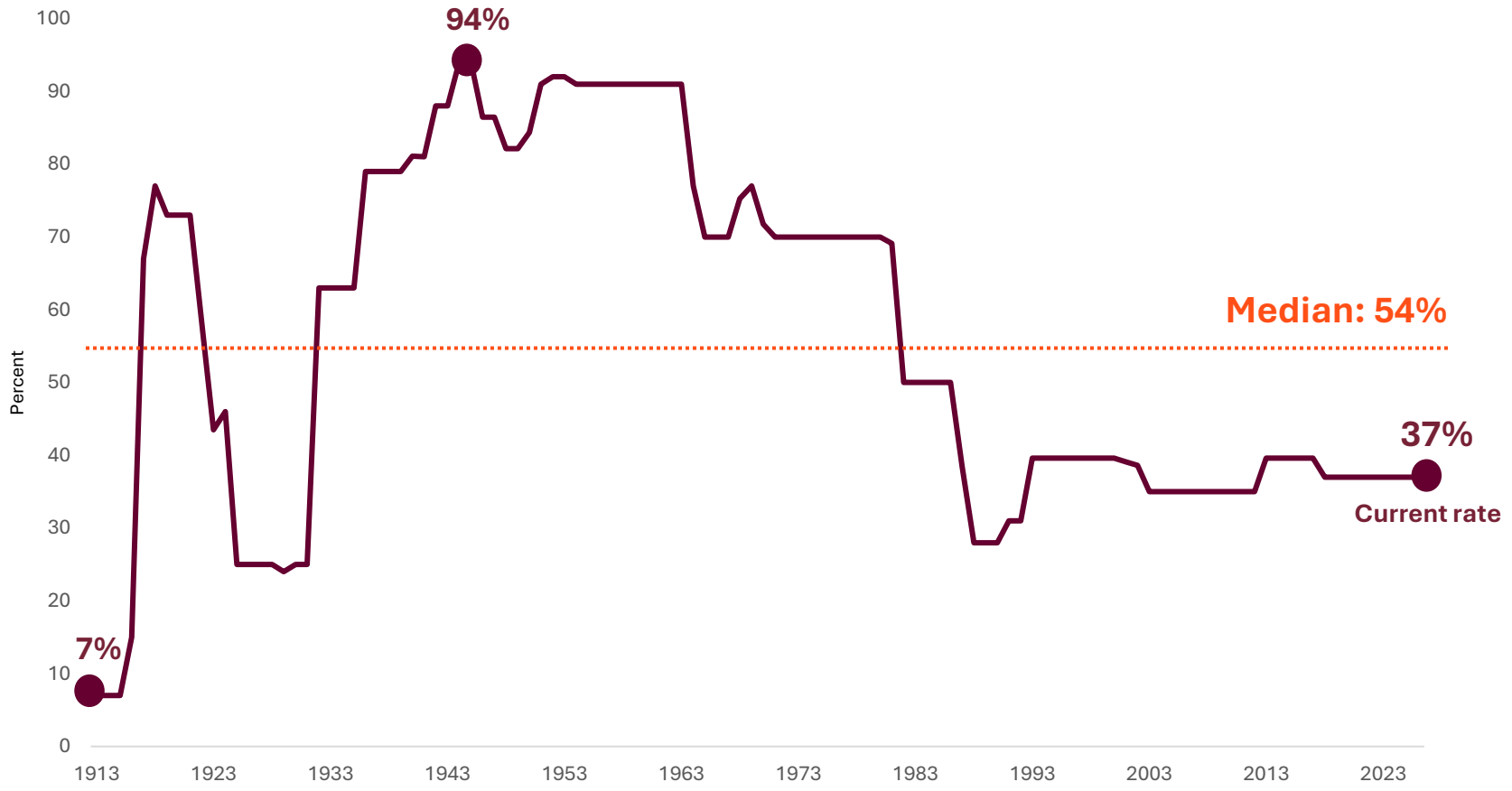


Source: Clearbridge Investments, Franklin Templeton, Bloomberg, as of Dec. 31, 2023. Average asset allocation investor return is based on an analysis by DALBAR, Inc., which utilizes the net of aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Indices shown are as follows: REITs are represented by the NAREIT Equity REIT Index, U.S. Stocks are represented by the S&P 500 Index, International Equities are represented by the MSCI EAFE Index, Government-Related Bonds are represented by the Bloomberg Global Aggregate TR Index, Homes are represented by U.S. existing home sales median price, Inflation is represented by the Consumer Price Index. Indices are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. **Past performance is no guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.**

For use with the general public.

Historical income tax rates

Top marginal individual federal tax rate (1913 – 2026)



What this chart shows:

This chart shows the historical top marginal individual federal tax rate over time, along with the long-term median.

Why it matters:

Today's income tax rates, especially for those in the top individual bracket, are relatively low compared to the median over the last 100+ years.

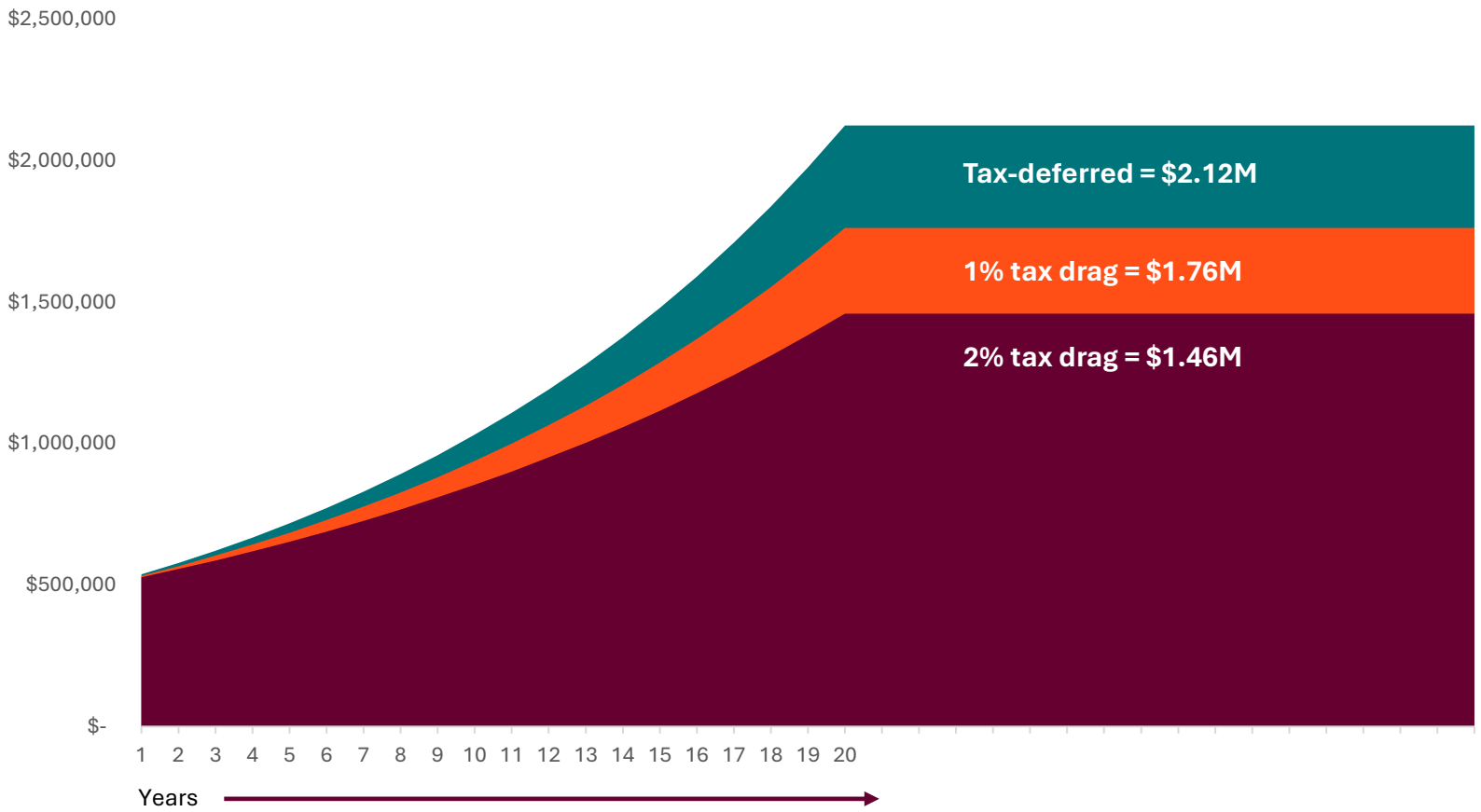
Investors may benefit from working with a tax professional to determine the most effective and appropriate tax planning strategies to meet their long-term goals.

Source: Federal Reserve Bank of St. Louis U.S. Individual Income Tax: Tax Rates for Regular Tax: Highest Bracket, Percent, Annual, Not Seasonally Adjusted for 1913 – 2018. Taxfoundation.org for years 2019 – 2026.

For use with the general public.

The benefits of tax deferral

Hypothetical growth of $500,000 over 20 years at 7.5% per year, with 0%, 1% and 2% tax drag scenarios.



US equity	International equity	Fixed income
1.6% Lost to taxes each year[1]	1.4% Lost to taxes each year[1]	1.7% Lost to taxes each year[1]

Every dollar paid in taxes is a dollar less invested for your long-term goals.

What this chart shows:

This chart shows a hypothetical example of the financial impact that taxes can have on a portfolio over a long-time horizon.

Why it matters:

Taxes can have a meaningful impact on the long-term growth of portfolios. Because of this, investors often benefit from considering strategies designed to improve their after-tax returns.

Note: This illustration is for hypothetical purposes only and may not represent an actual experience. Tax drag represents the reduction in portfolio returns due to taxes paid on distributions (stock dividends, bond dividends and capital gains). [1]Average 5yr tax cost ratio as of 3/31/26 for U.S. funds within the Morningstar categories of U.S. equity, international equity, and taxable bond. Source: Morningstar. Assumes that distributions are taxed at the highest federal tax-rate prevailing for each type of distribution, and the appropriate current or historical federal tax rate is applied to each distribution date. State and local taxes are ignored, as are the effects of AMT, exemptions, phase-out credits, or any individual specific issues.

Additional information

Index descriptions

S&P 500 Index is a market-cap weighted index that measures the performance of 500 widely held large capitalization stocks in the U.S. equity market. It is regarded as the best gauge of the U.S. equity market.

Russell 2000 Index measures the performance of the small cap segment of the U.S. equity universe. It is a subset of the Russell 3000.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that measures equity market performance in large and mid cap representation across 27 emerging market countries.

MSCI EAFE Index is a free float-adjusted equity index that captures large and mid cap representation across 21 developed market countries, excluding the U.S. and Canada.

MSCI All Country World Index (ACWI) is a free float-adjusted market capitalization index that captures large and mid cap representation across 23 developed markets and 27 emerging market countries.

Bloomberg Commodity Total Return Index is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13-week (3-month) U.S. Treasury bills.

Bloomberg Barclays Global High Yield Index is a multicurrency flagship measure of the global high yield debt market. The index represents the union of the U.S. High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

The FTSE Nareit All Equity REITs Index is a free float-adjusted market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

The Bloomberg Barclays U.S. Treasury Bills 1–3 Month Index includes all publicly issued zero coupon U.S. Treasury bills that have a remaining maturity of less than three months and at least one month, are rated investment-grade, are U.S.-dollar denominated, nonconvertible, and have $300 million or more of outstanding face value.

University of Michigan (UoM) Inflation Expectations measures the percentage that consumers expect the price of goods and services to change during the next 12 months.

Capital market expectations

- BlackRock: https://www.blackrock.com/institutions/en-us/insights/charts/capital-market-assumptions, as of February, 2025. 10-year return time period.
- J.P. Morgan Asset Management, 2026 Long Term Capital Market Assumptions: https://am.jpmorgan.com/us/en/asset-management/adv/insights/portfolio-insights/ltcma/.
- StateStreet: https://www.ssga.com/us/en/individual/insights/long-term-asset-class-forecasts-q4-2025. as of February 2026. 10+ year return time period.
- Invesco: Quarterly Global Asset Allocation Outlook | Q4 2025: https://www.invesco.com/uk/en/insights/quarterly-global-asset-allocation-portfolio-outlook.html, as of Q4 2025.

Economic and market indicators

- Consumer sentiment based on month-end data, starting in Jan. 1978 to Mar. 2026. +/- 1 std. deviation of historical value range from 97.81% to 70.17%.
- Economic expansion (CQOQ Index) based on QOQ % change data of quarterly data, starting in June 1947 to Dec. 2025. +/- 1 std. deviation of historical value range from 7.70% to – 1.33%.
- Inflation (CPI) based on YOY % change of monthly CPI seasonally adjusted data, starting in Jan. 1947 to Feb. 2026. +/- 1 std. deviation of historical value range from 6.98% to 0.47%.
- Market volatility (VIX) based on average daily closing values for the month of the CBOE VIX index from Jan. 1990 to Mar. 2026. +/- 1 std. deviation of historical value range from 24.33% to 12.10%.
- Unemployment based on month-end data, starting in Jan. 1948 to Feb. 2026. +/- 1 std. deviation of historical value range from 7.37% to 3.96%.
- 10Y U.S. Treasury yield based on daily data, starting in Jan. 1962 to Mar. 2026. +/- 1 std. deviation of historical value range from 8.75% to 2.88%.

Additional disclosures specific to J.P Morgan Asset Management Content

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Unless otherwise stated, all data are as of February 27, 2026 or most recently available.

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