Lincoln Financial℠

Market Intel Exchange

Market data and insights from Lincoln and industry asset management partners

As of 6/30/2025

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Market intelligence, made easy

Saving you time.
Helping you stay informed.
Providing you valuable insights.

Market Intel Exchange.

The S&P 500 ended the first half of 2025 in positive territory despite a nearly 19% drop in early April.

Since 1950, this marks only the third time the index has declined 15% or more in the first half yet still recovered to finish June with a year-to-date gain.

See page 39 for details about what has historically followed large first-half declines.

Did you know?

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

AllianceBernstein
American Century Investments
BlackRock
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ClearBridge Investments
Franklin Templeton
Goldman Sachs Asset Management
Lincoln Financial
Hartford Funds — Our benchmark is the investor.
Invesco
Janus Henderson Investors
J.P.Morgan Asset Management
Partners Group
T.RowePrice

What's inside?

What is a Trending Topic?

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

Economy

Market volatility

Equities

Fixed income

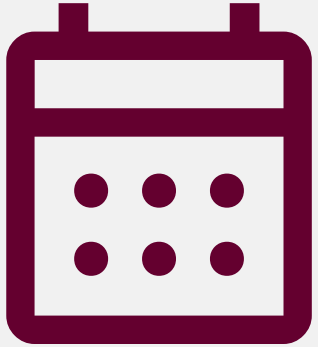
Asset allocation

Alternatives

Foundations

Economy

Important days to watch in July



Tuesday, July 1
- Manufacturing PMI (Jun)
- ISM Manufacturing PMI (Jun)
- ISM Manufacturing Prices (Jun)

Wednesday, July 2
- Nonfarm Employment Change (Jun)

Thursday, July 3
- Average Hourly Earnings (Jun)
- Unemployment Rate (Jun)
- Nonfarm Payrolls (Jun)
- Services PMI (Jun)
- ISM Non-Manufacturing PMI (Jun)
- ISM Non-Manufacturing Prices (Jun)

Friday, July 4
- Holiday – U.S. Stock Market Closed

Tuesday, July 15
- Consumer Price Index (CPI) (Jun)

Wednesday, July 16
- Producer Price Index (PPI) (Jun)

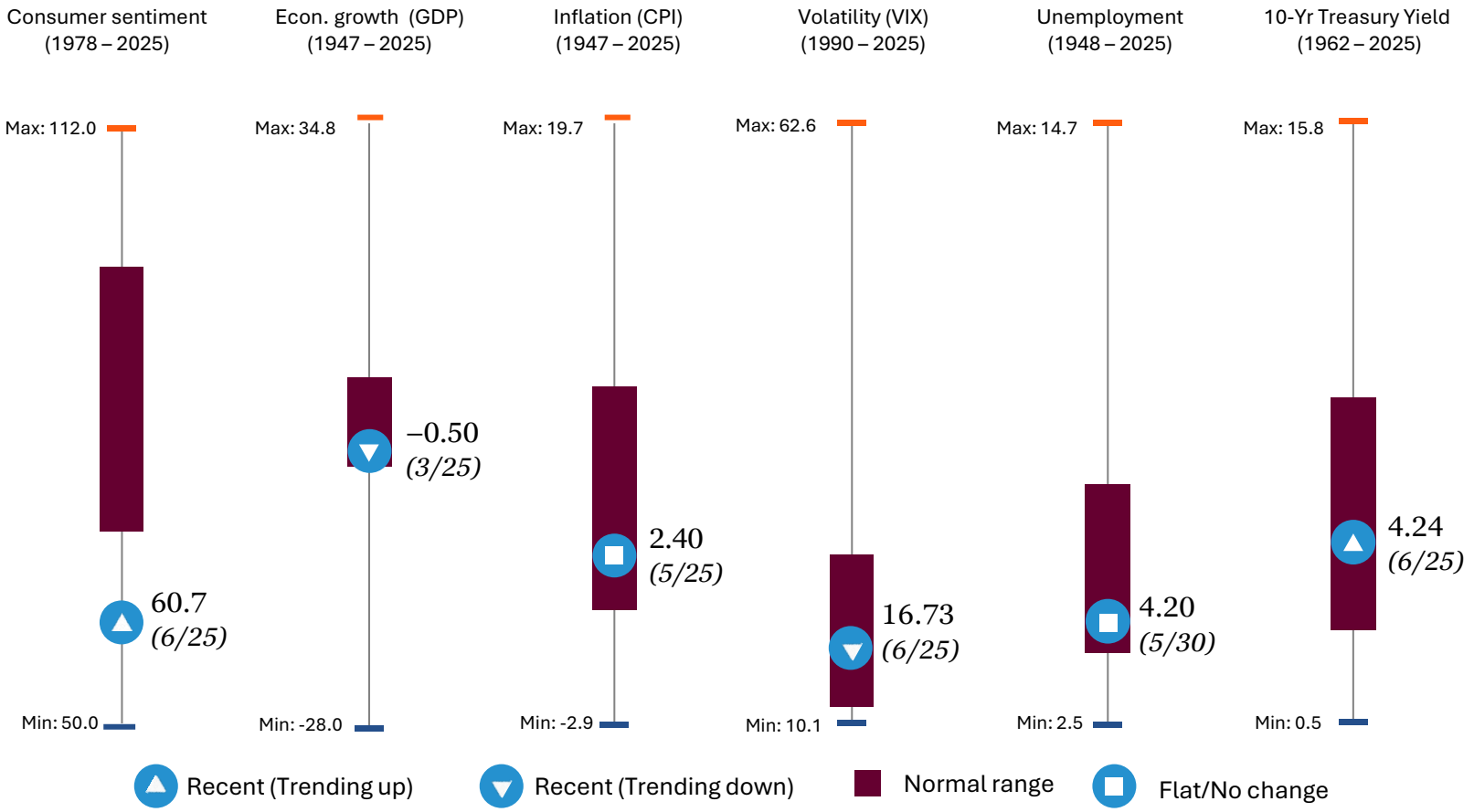
Thursday, July 17
- Retail Sales (Jun)

Friday, July 25
- Durable Goods Orders (Jun)

Wednesday, July 30
- Fed Interest Rate Decision
- GDP (Q2 – 1st Advance Estimate)

Thursday, July 31
- Personal Consumption Expenditures Index (PCE) (Jun)
- Personal Income (Jun)
- Personal Spending (Jun)

Key economic and market metrics



Source: Most recent data available as of June 30, 2025. 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. 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.

What is this chart showing?

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

Why is it important?

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.

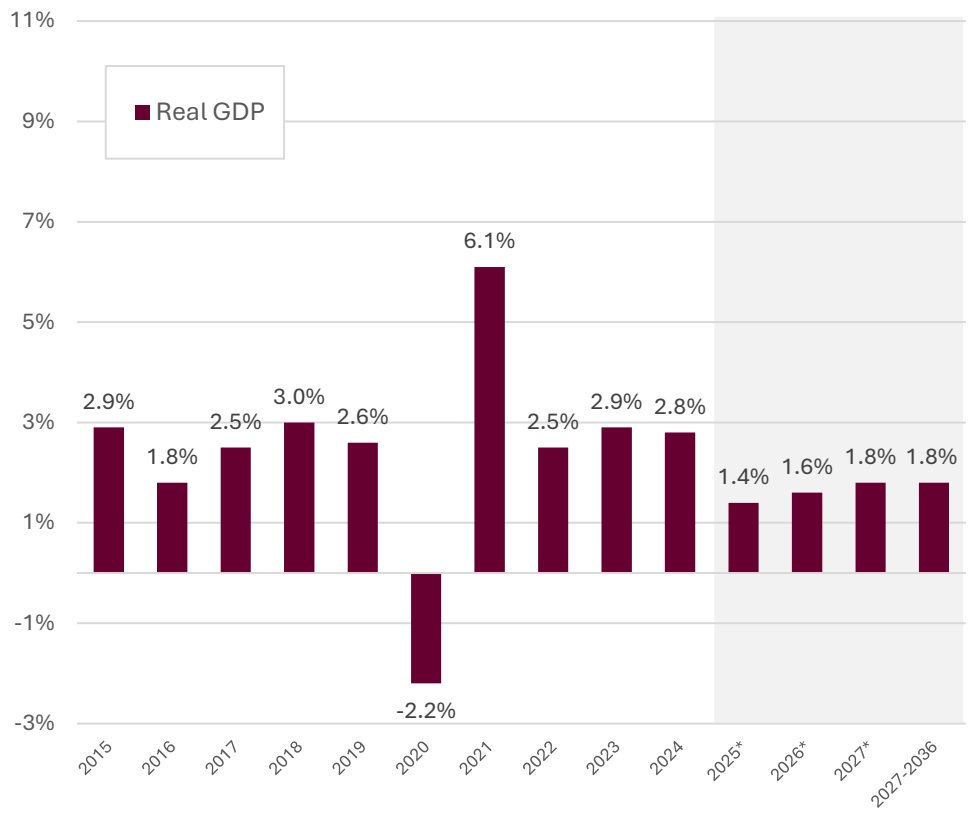
Inflation (CPI) is a measure of inflation that calculates the change in the prices of a basket of goods and services. This measure includes food and energy. Core CPI (excludes food and energy) was +2.8% YOY May 2025.

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

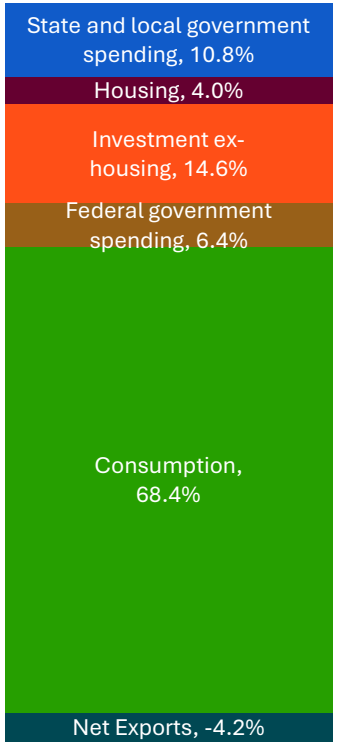
Unemployment rate as measured by the U.S. Bureau of Labor Statistics.

U.S. gross domestic product

Real gross domestic product, actuals and future projections



Components of GDP as of 1Q25



What is this chart showing?

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 is it important?

Economic growth influences many factors that can impact the long-term performance of the markets, including interest rates and corporate earnings growth. As such, these GDP projections can be a valuable input for investors looking to set future portfolio return expectations.

Source: Federal Reserve Bank of St. Louis Economic Research, Federal Open Market Committee, The Conference Board. *Indicates future projections as of June 2025. 2027 – 2036 long-term projections are as of June 2025. Components of GDP depicted as 1Q 2025 nominal. Values may not sum to 100% due to rounding.

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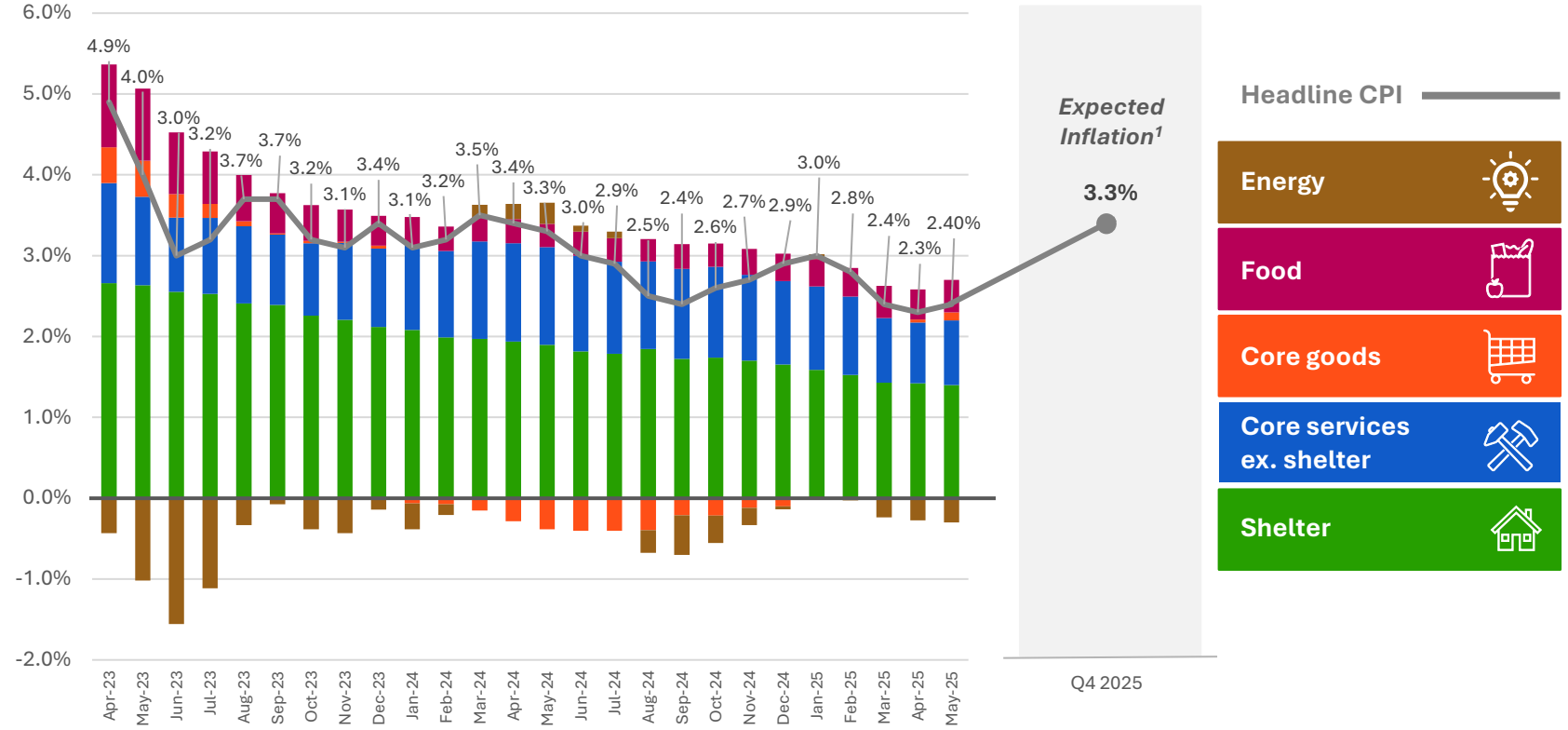
Inflation trends and components

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



What is this chart showing?

This chart shows the recent trend in year-over-year U.S. inflation, along with analyst forecasts for the fourth quarter of 2025.

Why is it important?

While inflation moderated in 2024, the downward momentum began to stall during the final months of the year and into the early parts of 2025 before resuming its downward trend in February. This highlights a consistent theme in the ongoing battle against inflation, which has often moved sideways on its broader path lower.

Uncertainty surrounding the potential impact of trade policy on both inflation and the labor market will likely keep Fed officials cautious in their approach to monetary policy decisions in the months ahead.

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. [1]Inflation expectations for Q4 2025 represent median analyst expectations compiled by Bloomberg as of 6/30/2025.

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The Fed and interest rates

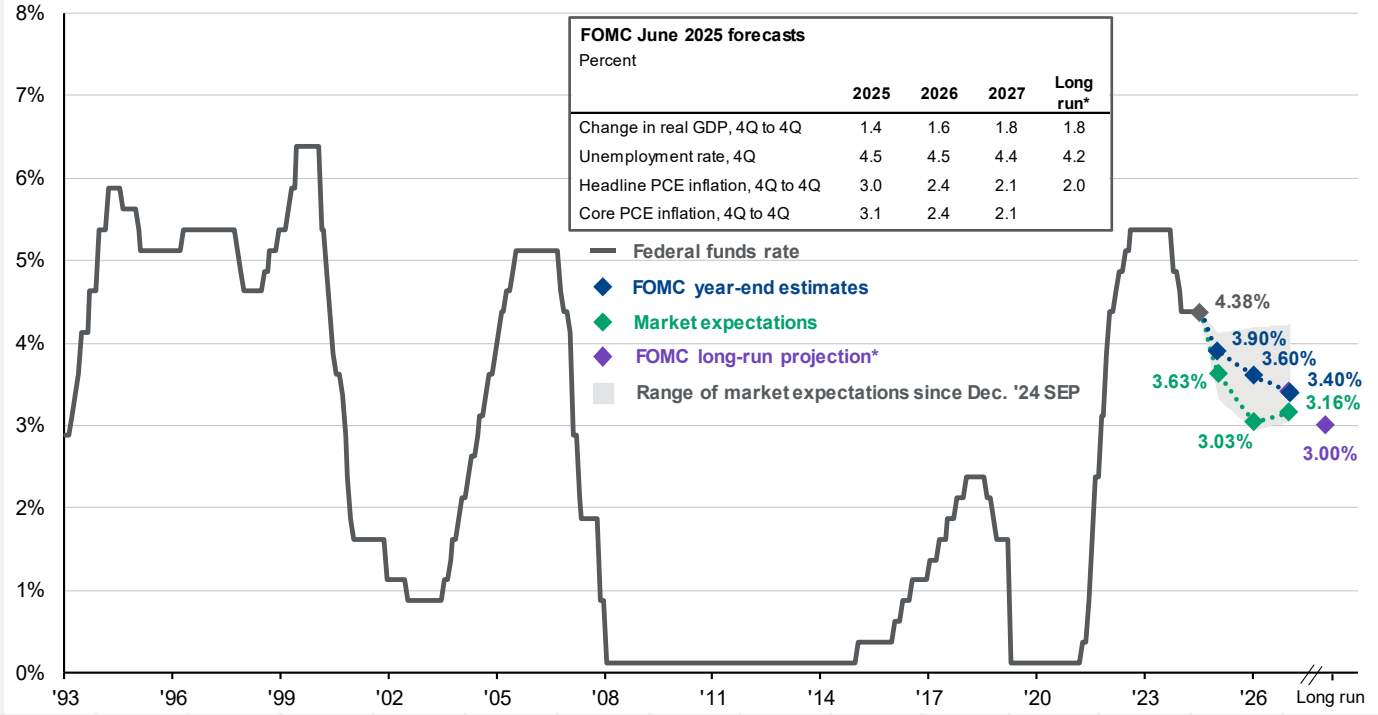
J.P.Morgan
Asset Management

This slide shows the historical federal funds rate and the differences in rate expectations between the FOMC and market participants. The gray shaded area shows the range of market expectations since the December 2024 FOMC meeting. The table in the top right shows the FOMC's economic projections over the next few years and its long-run estimates.

Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management. Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
Guide to the Markets – U.S. Data are as of June 30, 2025.

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



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 June 30, 2025.

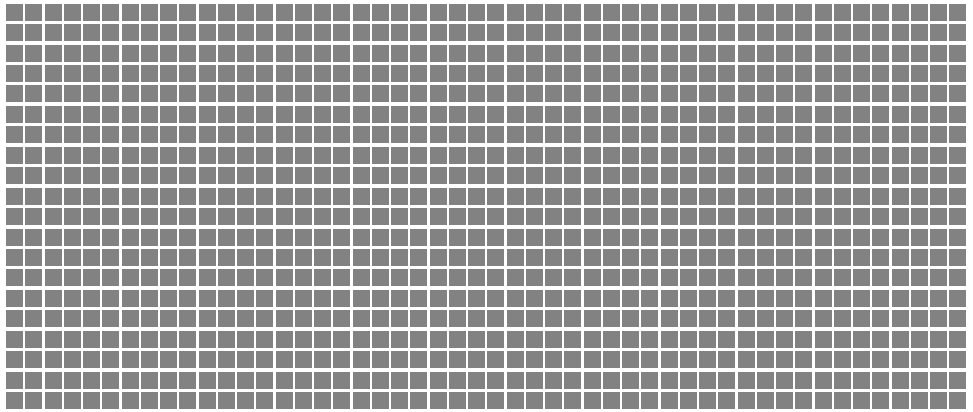
Visualizing the U.S. national debt

At the end of June 2025, the U.S. national debt was $36.2 trillion.

That's 36,200 squares!

If this is 1 billion:

Then this is 1 trillion:



The national debt enables the federal government to pay for important programs and services for the American public.

What is this chart showing?

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

Why is it important?

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

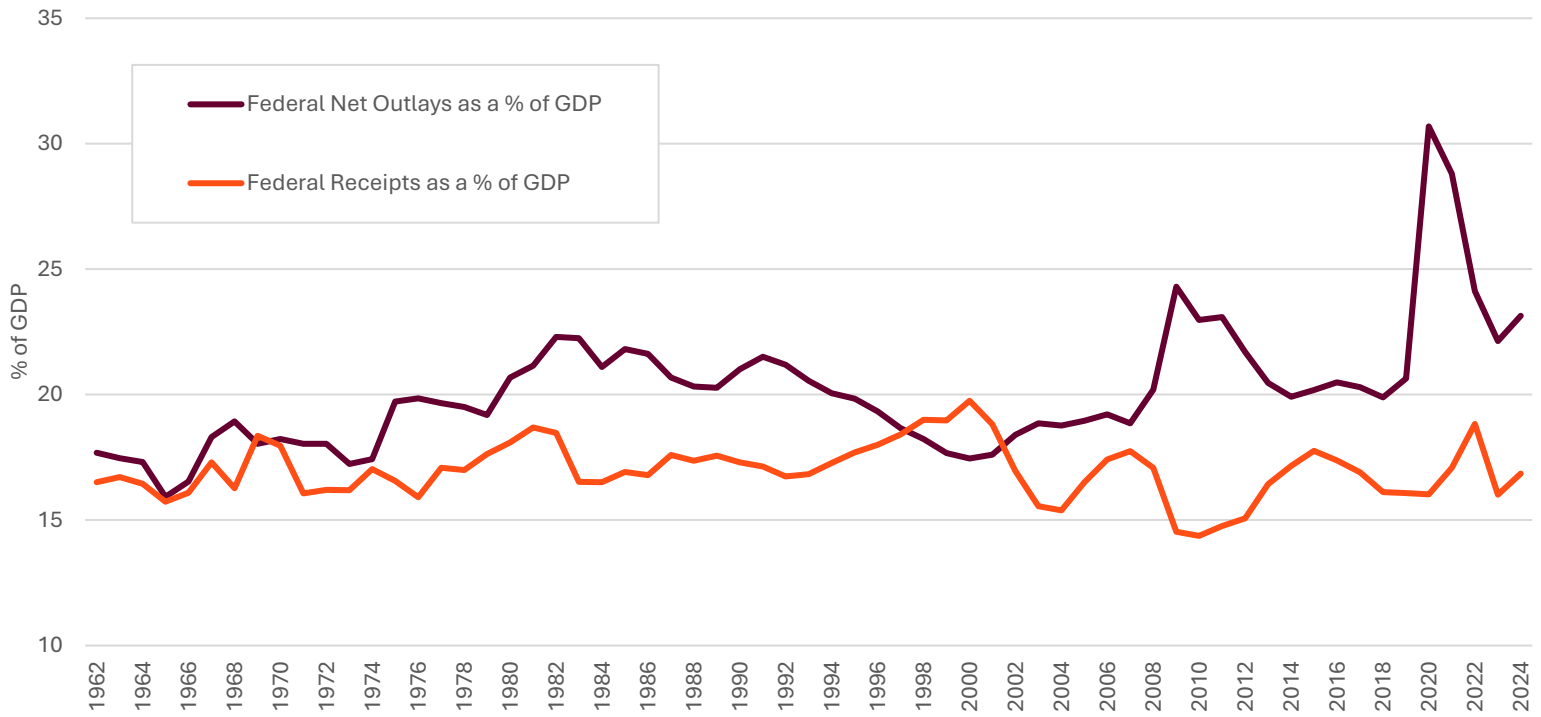
A relative comparison to 1 billion dollars, which in and of itself is a very large number, puts the 36.2 trillion-dollar debt level into perspective.

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 as of 6/30/2025.

Government spending outpacing revenue

U.S. federal government spending vs. receipts (1962 – 2024)



What is this chart showing?

This chart shows the trend in U.S. government spending and revenue (receipts) as a percentage of gross domestic product (GDP) from 1962 – 2024.

Why is this important?

Federal spending continues to exceed revenue, resulting in persistent deficits. For 2025 alone, the Congressional Budget Office projected the full-year deficit to hit $1.9 trillion.[1]

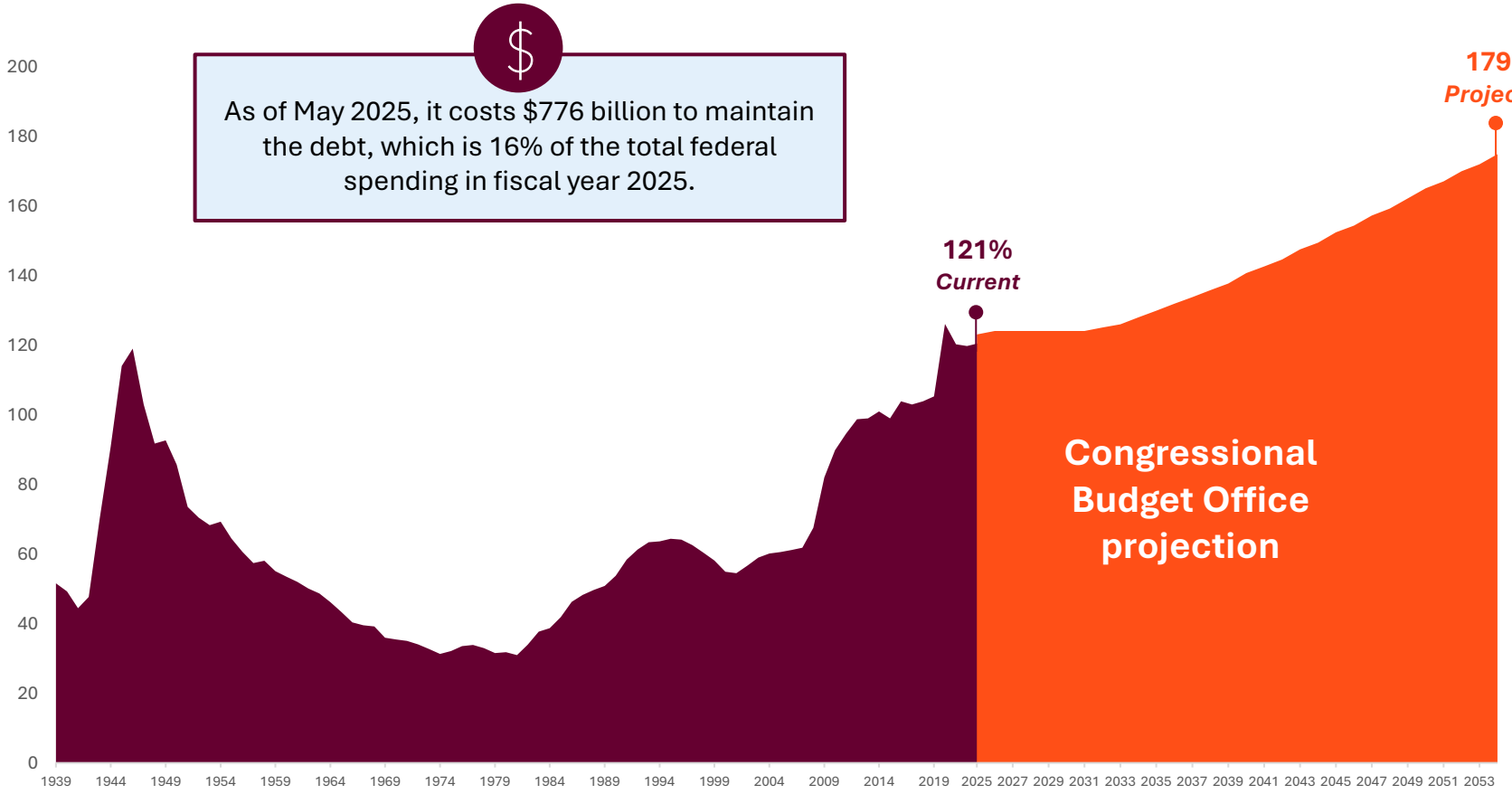
While pandemic-related spending has eased, tax and other receipts have not kept pace, raising concerns about rising debt and potential impacts on future interest rates, taxes, and economic policy.

Source: Federal Reserve Bank of St. Louis Economic Research. [1] Congressional Budget Office Budget and Economic Outlook for 2025 – 2035, Bipartisanpolcy.org.

For use with the general public.

U.S. debt levels

U.S. federal debt as a % of GDP



What is this chart showing?

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 2054.

Why is it important?

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: Historical data sourced from Federal Reserve Bank of St. Louis as of Q1 2025. 2024 – 2054 U.S. federal debt projections sourced from Congressional Budget Office (CBO). Federal spending statistic sourced from U.S. Treasury Fiscal Data.

For use with the general public.

How the administration could impact the U.S. economy and markets

Potential tailwinds

Pro-growth policy

The administration aims to extend and expand tax cuts, while introducing proposals to increase infrastructure investment for key industries like energy.

Deregulation and business incentives

A looser regulatory environment, along with targeted incentives for domestic manufacturing, is expected to boost economic activity by reducing compliance costs and encouraging investment.

Market support

Despite saying otherwise, the administration has shown a sensitivity to significant market declines. Many investors believe should persistent weakness arise; policymakers may consider measures to help stabilize financial markets.

Potential headwinds

Trade tensions and tariffs

Ongoing trade disputes and new tariffs will likely raise costs for businesses and consumers, disrupt global supply chains, and create uncertainty that could slow economic growth.

Deficit and debt concerns

Tax cuts and increased spending would likely widen the federal deficit, raise government borrowing costs and debt service burden, and heighten concerns about long-term fiscal sustainability.

Policy uncertainty

Frequent shifts in policy make it harder for businesses and consumers to plan, potentially leading firms to delay investment and hiring, and individuals to pull back on spending.

What is this chart showing?

This chart shows a few of the potential tailwinds and headwinds for both the economy and markets under the current administration in Washington.

Why is it important?

Financial markets initially rallied after the 2024 U.S. presidential election, reflecting optimism around potential tax cuts, deregulation, and pro-growth policies.

As 2025 has unfolded, investors have adopted a more balanced view — recognizing both opportunities from supportive policies and risks presented from trade tensions, deficit concerns, and policy uncertainty.

While some policies may present challenges for parts of the economy, others could provide meaningful support.

Maintaining a measured perspective and focusing on long-term goals remains important in this evolving environment.

Trending topic

Lincoln Financial

What could be next for taxes under the One Big Beautiful Bill Act?

The **One Big Beautiful Bill Act** aims to make most TCJA tax cuts permanent and introduce new credits and deductions.

Temporary provisions proposed for four years

Potential relief on tips and overtime wages

Enhanced tax deductions for seniors

Broader options for car loan interest deductions

Key tax policy themes

Mortgage and deduction support: potential SALT cap adjustments.	**Gift and estate benefits:** expanded exemptions and inflation-adjusted limits.	**Family and child support:** preservation and indexing of Child Tax Credit.	**Incentives for American production:** enhanced expensing and tax benefits for reshoring.	**Standard deduction enhancement:** increased deduction to simplify filing and provide taxpayer relief.	**Personal exemption deduction:** previously $4,050 per person; would be permanently repealed.	**Corporate tax stability:** retention of current tax rates or adjustments to support long-term business investment.

What is this chart showing?

This chart summarizes several key tax-related provisions of the One Big Beautiful Bill Act (H.R. 1, 199th Congress) as passed by the House and under Senate consideration as of June 30th.

Why is it important?

While details of provisions were still being ironed out as June wrapped up, awareness about these potential tax policy shifts can help steer important planning conversations.

While expanded tax cuts for individuals and businesses could improve investor sentiment, independent analysis from the Congressional Budget Office projects that the bill could further widen the federal deficit over the next decade.

A larger deficit may influence government borrowing needs and has the potential to put upward pressure on rates.

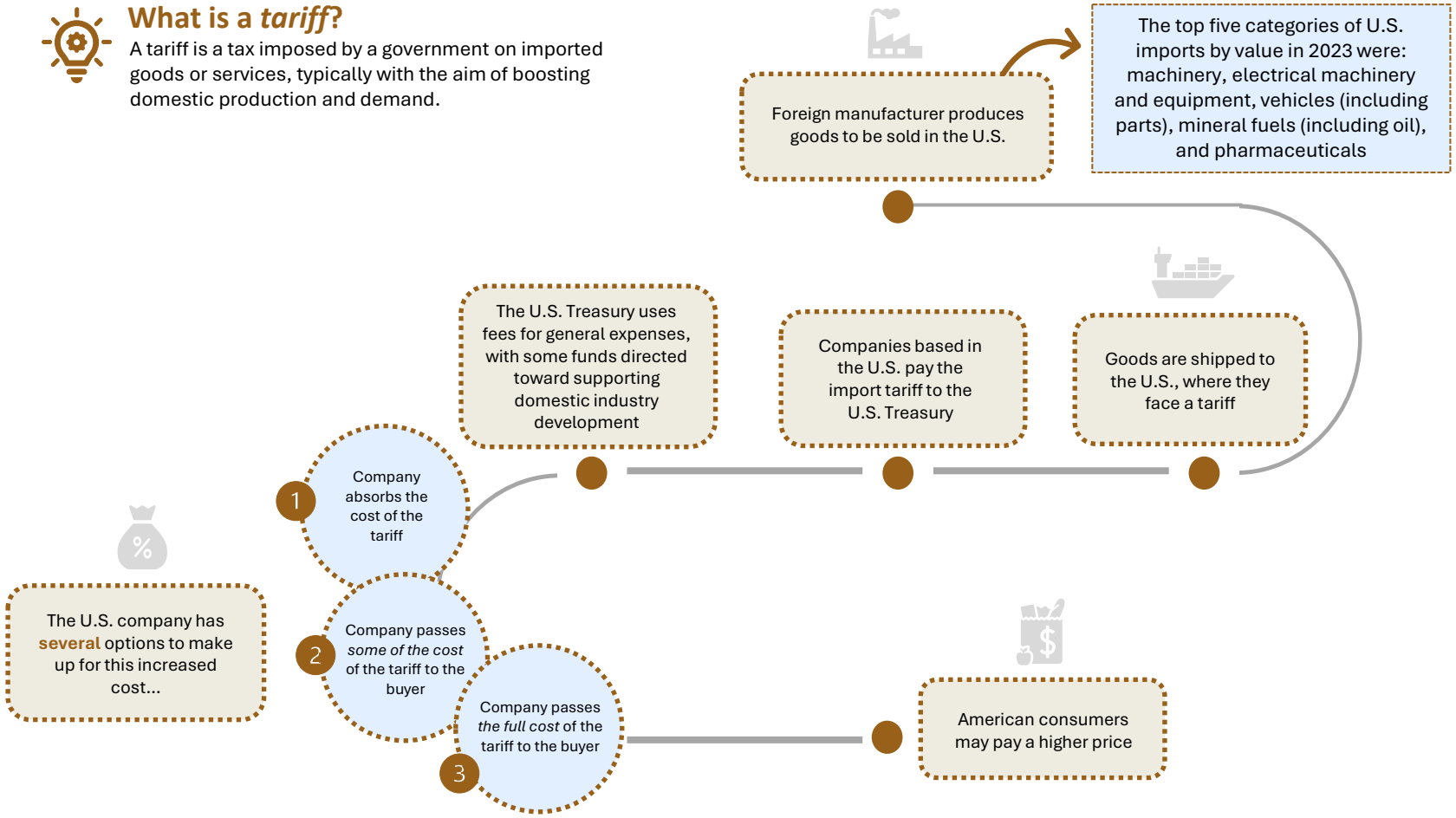
That said, this bill by itself doesn't represent the full picture. It's important to consider other parts of the administration's agenda that may have the potential to help offset at least a portion of the impact from tax cuts and increased spending.

Source: U.S. House-passed One Big Beautiful Bill Act (H.R. 1, May 22, 2025) and Senate Finance Committee discussions (as of June 30, 2025), with analysis the tax foundation. All information is subject to legislative change. See congress.gov for details and status of H.R. TCJA = Tax Cut and Jobs Act.

How do tariffs work?

What is a *tariff*?

A tariff is a tax imposed by a government on imported goods or services, typically with the aim of boosting domestic production and demand.



What is this chart showing?

This chart shows a breakdown of how tariffs work.

Why is it important?

A tariff is a tax on imported goods, paid by the importer— for example, a $50,000 car with a 25% tariff adds $12,500 in costs.

Supporters argue tariffs protect American industries and boost domestic production, while critics warn they raise costs for consumers and risk retaliation from trade partners.

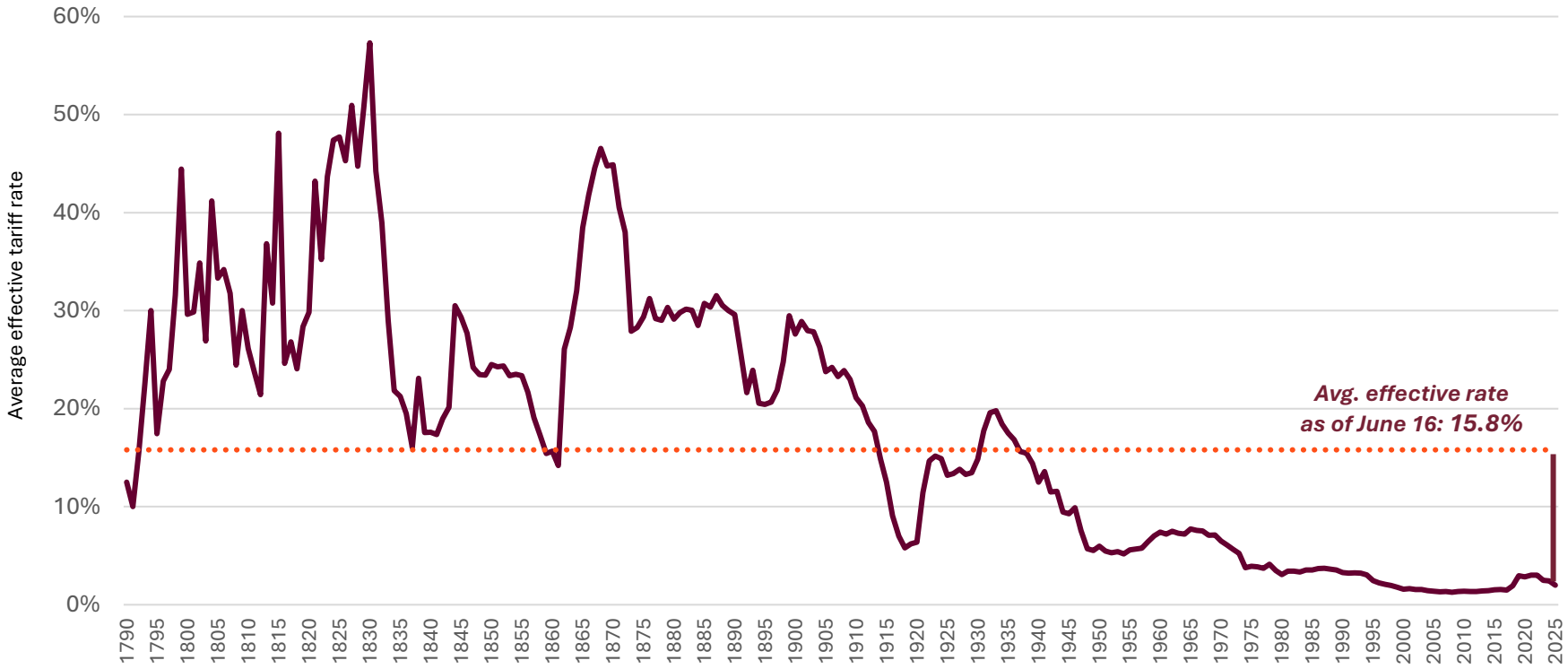
Both sides have valid points, as tariffs can influence markets and the broader economy — especially companies that rely heavily on imported materials or sell products overseas, which may face retaliatory tariffs.

While tariffs often dominate headlines, they are just one part of the administration's broader policy agenda. For investors, it's important to consider how tariffs interact with other policies to understand their full impact on markets and long-term investment risks.

Source: BBC, 2024.

U.S. average effective tariff rate since 1790

Customs duty revenue as a percent of goods imports



What is this chart showing?

This chart shows the average U.S. effective tariff rate — customs duty revenue as a percent of goods imports — from 1790 through today.

Why is it important?

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

In 2025, policy changes have led to a significant increase in tariffs. While there is still uncertainty about where tariffs will settle in the long-run, today's 15.8% average effective rate is the highest since 1936.

Source: The Budget Lab at Yale as of June 16th, 2025. Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. Average effective rate as of June 16th includes 50% steel and aluminum tariff.

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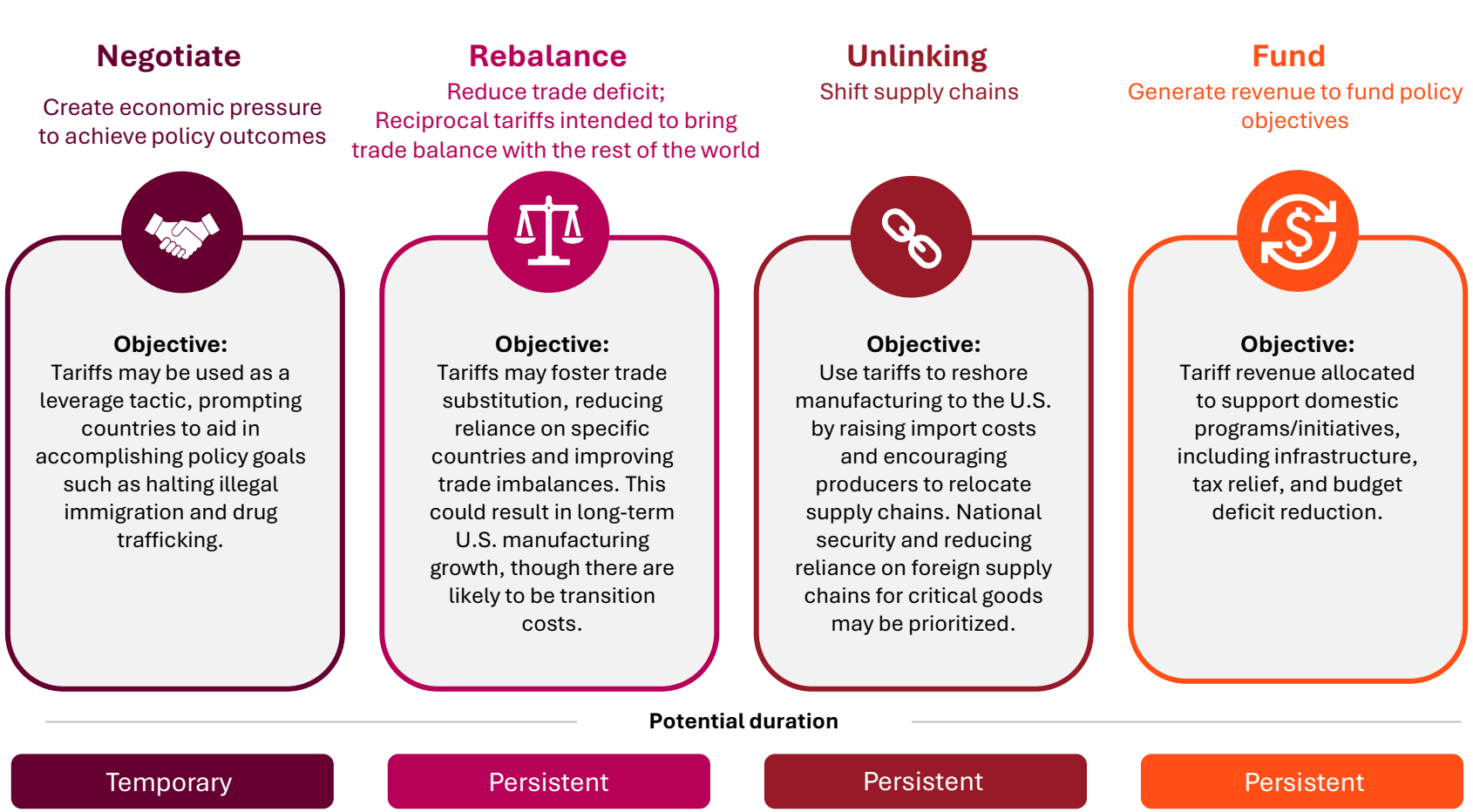
Potential motivations for tariffs

Four potential motivations for tariffs



What is this chart showing?

This chart shows four potential motivations for the implementation of tariffs. Each motivation is paired with specific objectives and the potential duration of these measures, ranging from temporary to persistent.

Why is it important?

Tariffs have the potential to impact markets, supply chains, and the global economy.

Understanding the motivations and objectives behind tariffs can provide a framework for assessing potential risks and identifying opportunities.

However, the path forward remains uncertain, as tariffs can also provoke retaliation from trading partners, introducing additional complexities and volatility into global trade dynamics.

Source: Lincoln Financial.

Market volatility

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

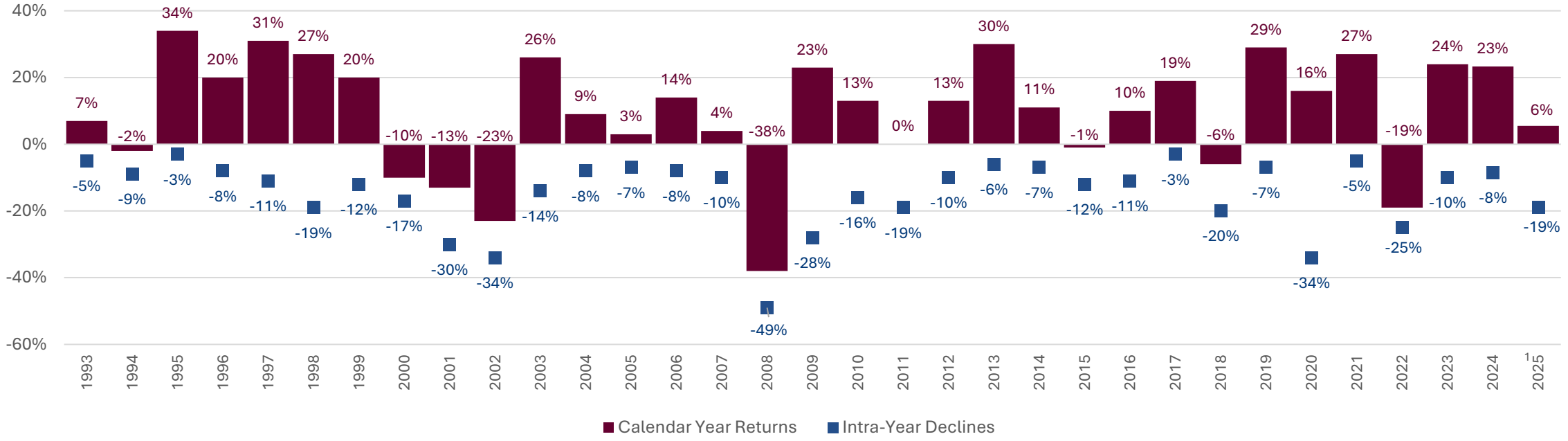
What is this chart showing?

This chart shows calendar year returns of the S&P 500 Price Index from 1992 to present. It also shows the largest intra-year declines (lows) for each year.

Why is it important?

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 14.6%, annual returns were positive in 23 of 32 years.

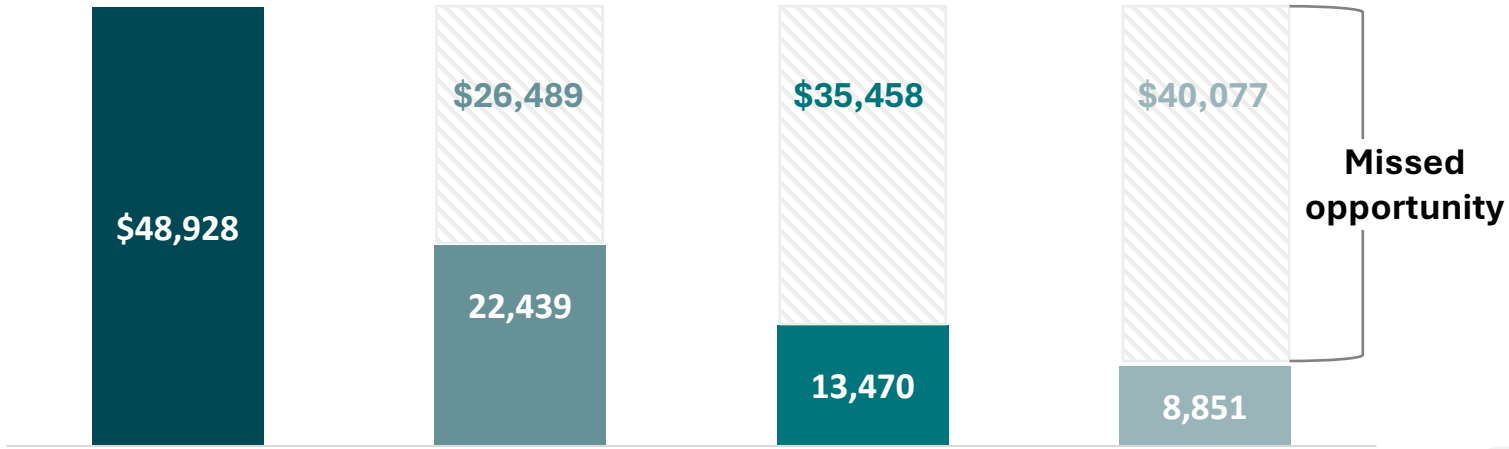


You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures.

Source: Morningstar, Standard & Poor's. [1]Data as of June 30, 2025. 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

Performance of $10,000 investment between January 1, 2005, and December 31, 2024.



	Invested entire period	Missed 10 best days	Missed 20 best days	Missed 30 best days
Cumulative return	389.3%	124.4%	34.7%	–11.5%
Annualized return	8.3%	4.1%	1.5%	–0.6%

What is this chart showing?

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

Why is it important?

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.

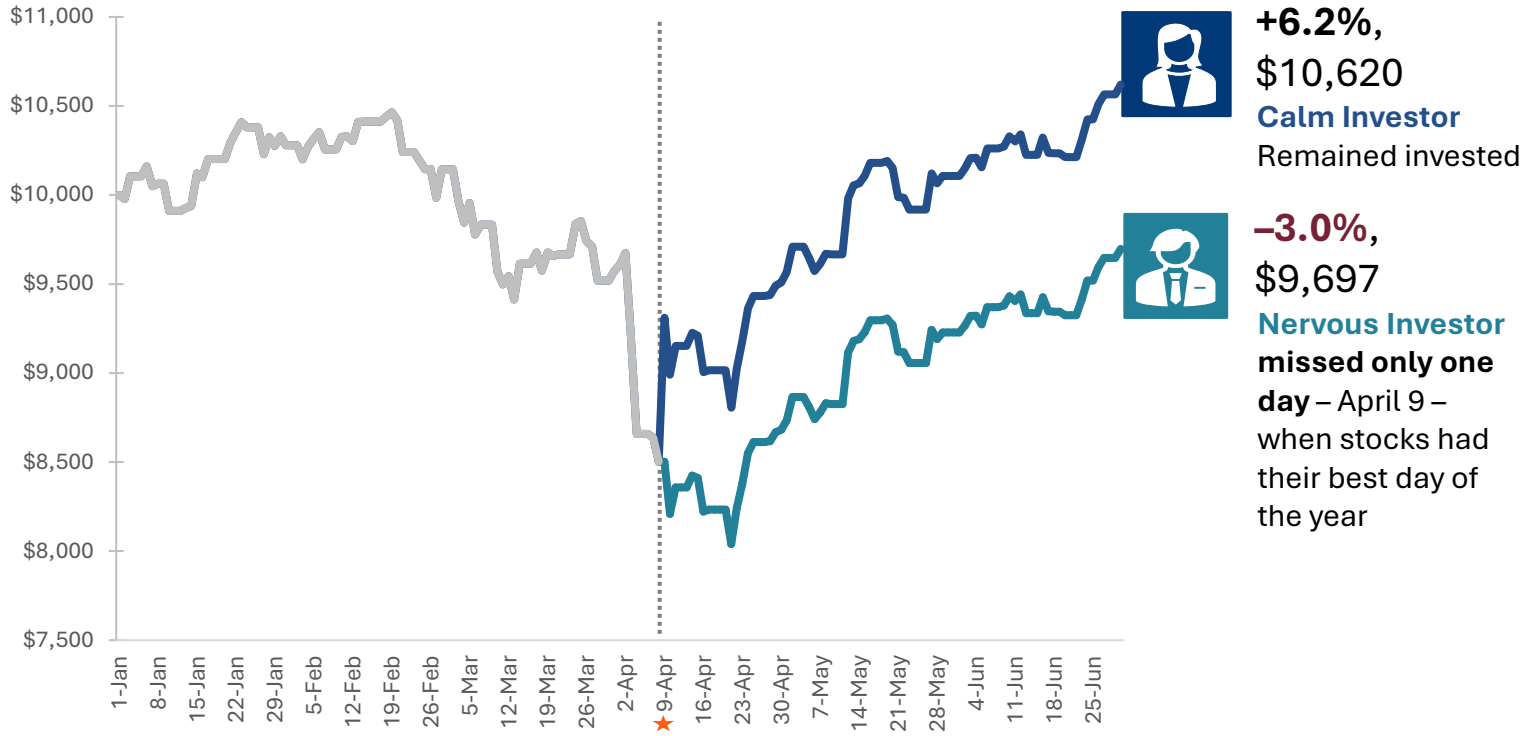
6 of the **best 10 days** happened within 10 trading days following one of the worst 10 days.

Source: Bloomberg, Lincoln Financial. Equity represented by the S&P 500 Price Return Index. Data is from January 1, 2005, to December 31, 2024. **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.

Exiting the market for even one day can make a big difference

Growth of $10,000 in the S&P 500 from January – June 2025: remaining fully invested vs. missing the single best day



+6.2%,
$10,620
Calm Investor
Remained invested

–3.0%,
$9,697
Nervous Investor
missed only one day – April 9 – when stocks had their best day of the year

What is this chart showing?

The chart compares two investors who each started with $10,000 in the S&P 500 in January of 2025.

The calm investor stayed the course, while the nervous investor sold after the market had dropped on April 8th, missing April 9th — the year's best day when the market jumped 9.5% — before reinvesting the following day.

Why is it important?

Although it can be tempting, 2025 thus far has served as a great reminder of the fact that trying to time the market often results in poorer outcomes for investors.

Because the market's best days often happen right after the worst, missing even a single day in which stocks rebound can make a significant difference in overall returns.

Simply ignoring the headlines and staying the course through ups and downs is often the most effective way for investors to reach their long-term investment goals.

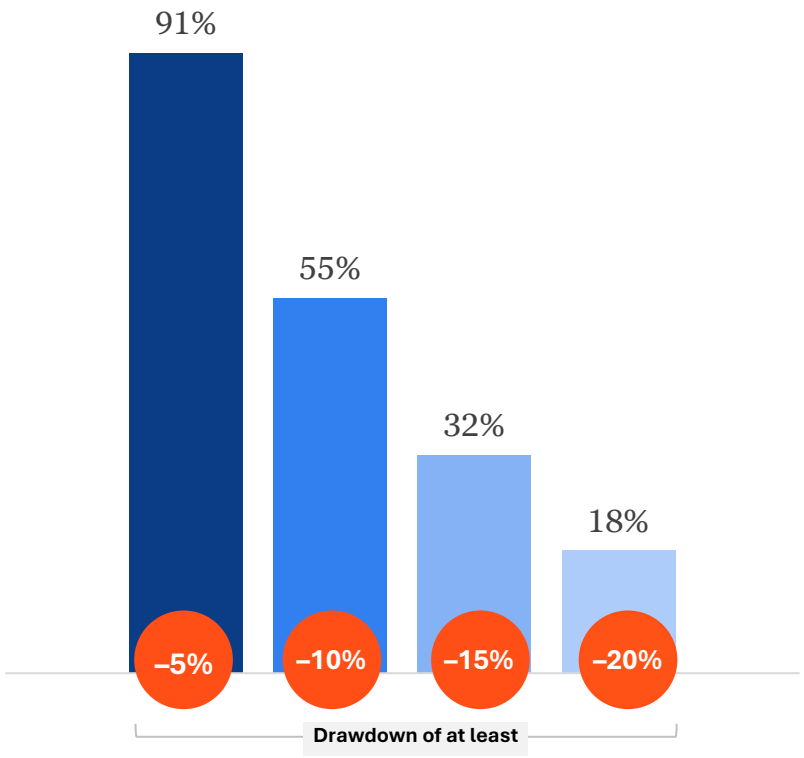
Source: Morningstar, S&P 500 Total Return index including dividends (1/1/2025 – 6/30/2025). Growth of $10,000 invested in the S&P 500: remaining full invested in 2025 year vs. missing the best day of 2025 on April 9th. **Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index**

For use with the general public.

Market drawdowns are more common than you think

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

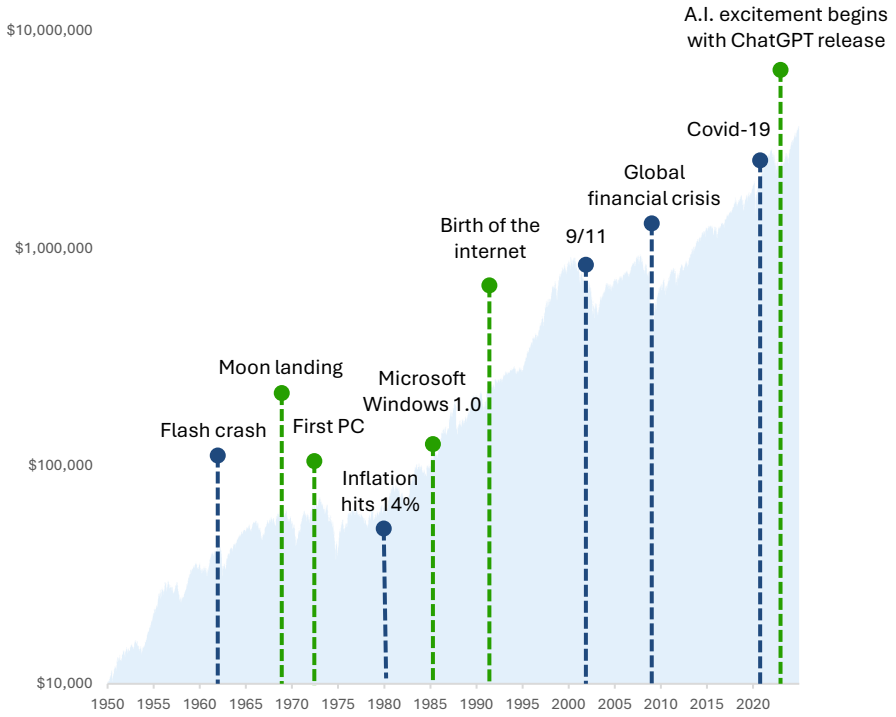
% of calendar years with drawdowns, S&P 500 (1950 – 2024)



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 – 2024)



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

What is this chart showing?

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 is it important?

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.

History of market corrections: Most do not fall into bear market territory

American Century Investments®

Market corrections — a 10% drop from recent highs — typically occur every two years and last a few months, though their timing can vary.

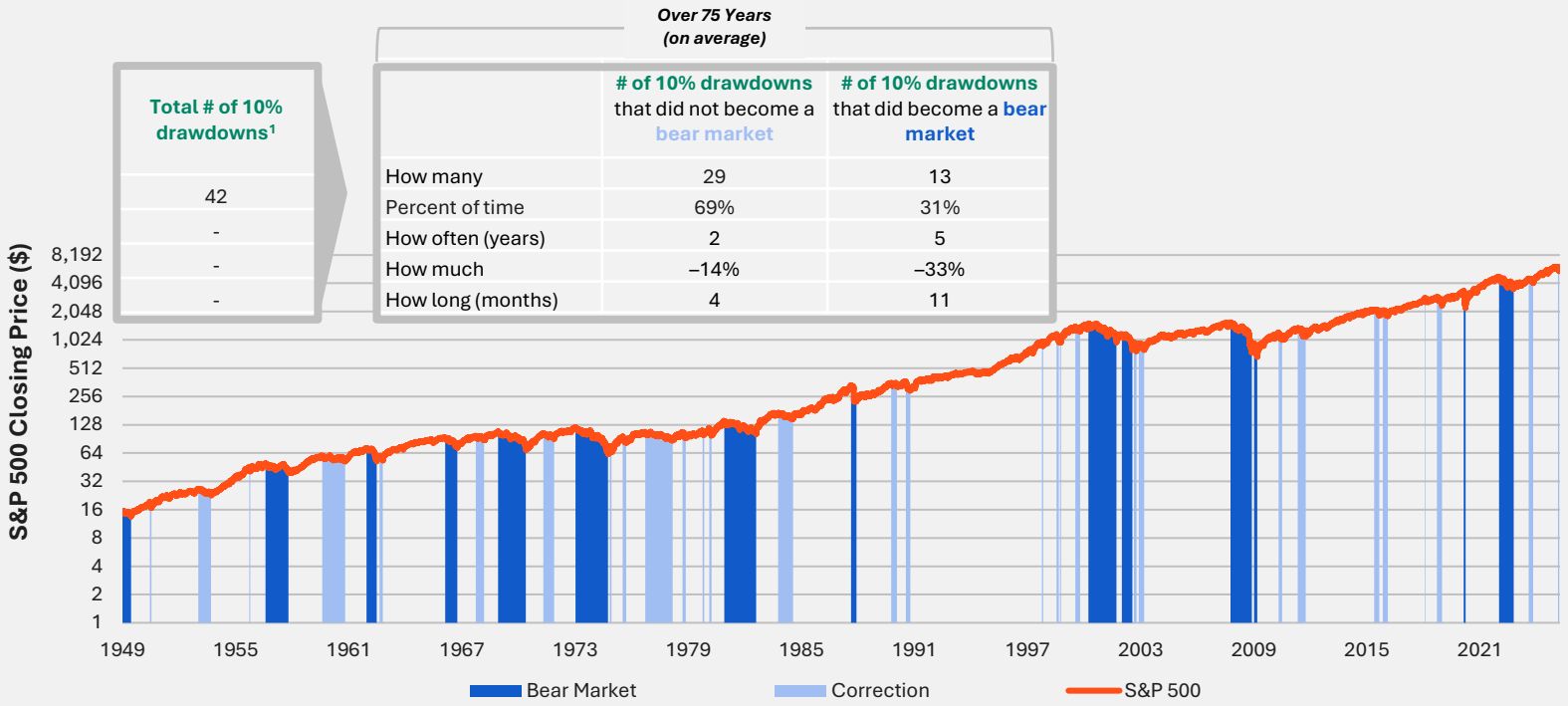
They often happen when stock prices become overvalued and are a natural part of market cycles, helping to stabilize valuations.

Bear markets, while less frequent, tend to last longer — averaging 11 months over the past 75 years.

Since 1949,[1] there have been 42 corrections; only 13 (31%) became bear markets (a decline of 20% or more). Most (69%) did not lead to deeper, prolonged drawdowns.

While corrections and bear markets can be challenging, they are an inherent part of investing and long-term market trends.

Market corrections of at least 10% happened every two years on average



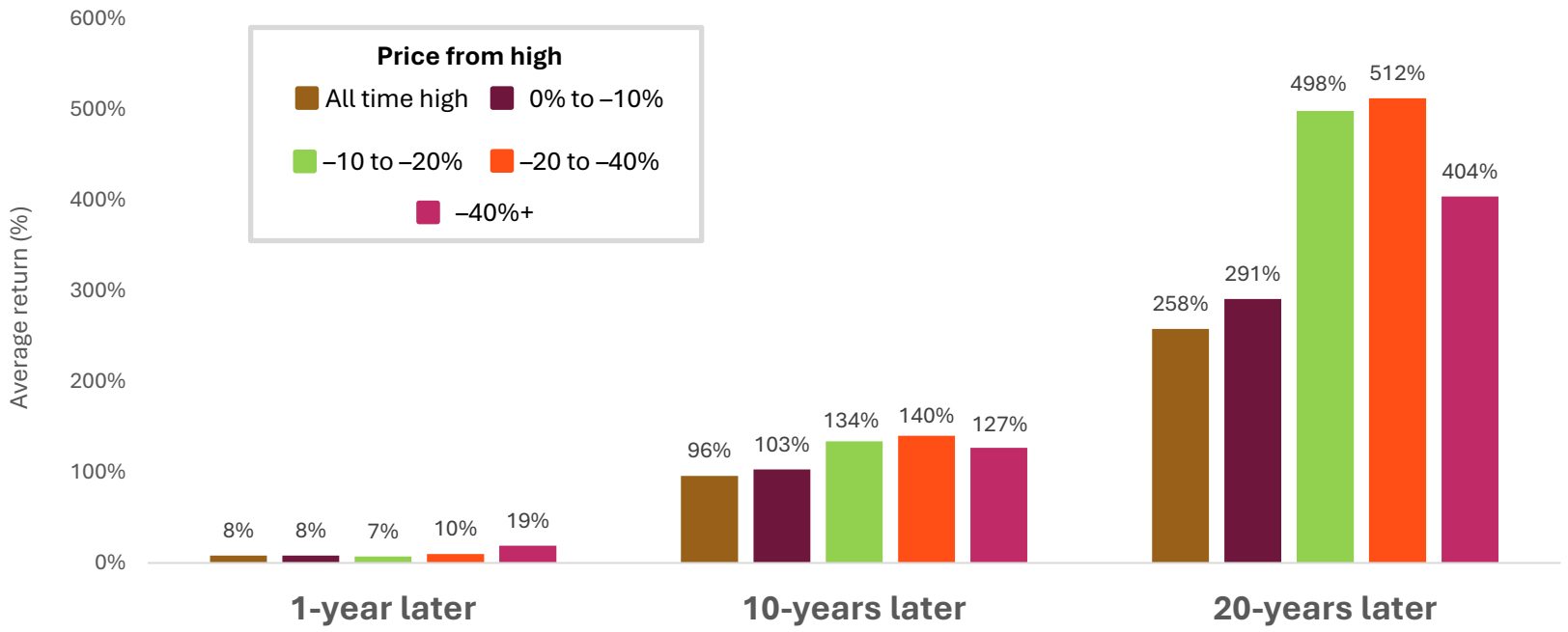
Source: American Century Investments. FactSet. Data from 1/1/1949 through 3/28/2025. [1]Excluding the March 2025 correction as it is ongoing. Total number of 10% drawdowns as of 3/28/2025 is 43. **Past performance does not guarantee or predict future performance.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

For use with the general public.

S&P 500 performance after market drawdowns

Investing consistently, whether stocks are at all-time highs or at any level below, has historically delivered strong long-term returns.

Average cumulative S&P 500 price returns based on distance from high: (January 1960 – March 2025)



What is this chart showing?

This chart shows the average cumulative performance of the S&P 500 over 1-, 10-, and 20-year periods, based on where its daily closing price stood in relation to its most recent peak. Additionally, it displays the frequency with which the index closed at different drawdown levels.

Why is it important?

While on average it is always a good time to invest, buying during periods of significant drawdowns has rewarded patient investors with robust long-term returns. For example, buying when the index is 20 – 40% below its recent high yielded an average 20-year cumulative return of nearly 512%.

This data underscores an important point: drawdowns, while emotionally challenging, often present favorable entry points for long-term investors.

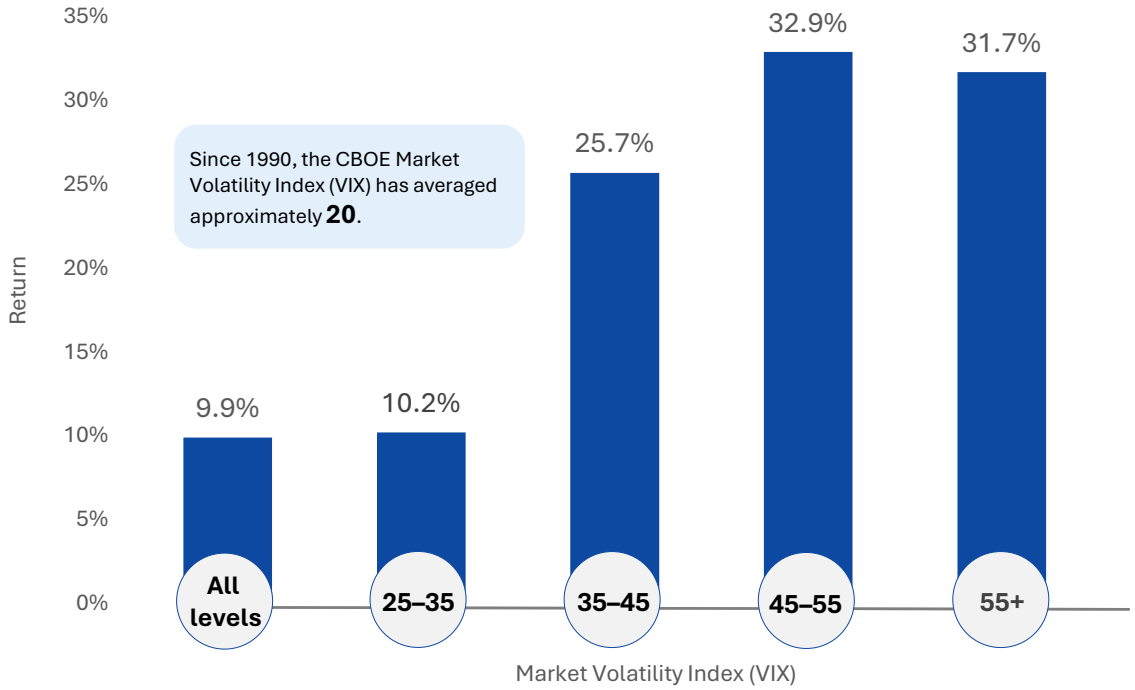
However, stocks spend nearly 60% of their time at or within 10% from all-time highs, so prioritizing consistent investing rather than waiting for a dip is typically the recommended strategy.

Source: S&P Dow Jones. Daily S&P 500 Price Return data from January 1960 – March 2025. Returns are cumulative. **Past performance does not guarantee or predict future performance. Index performance is for illustrative purposes only. You cannot invest directly in the 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 – 2024)



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 is this chart showing?

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 is it important?

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 – 12/31/2024. 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.

Despite the headlines … it's always a good time to invest for the long term

Year	Worrisome event	Cumulative returns[1]
2000	Tech wreck; bubble bursts	538.8%
2001	September 11	602.7%
2002	Dot-com bubble; market down –49%	697.5%
2003	War on Terror – U.S. invades Iraq	923.8%
2004	Boxing Day Tsunami kills 225,000+ in Southeast Asia	695.6%
2005	Hurricane Katrina	617.5%
2006	Not a bad year, but Pluto demoted from planet status	583.9%
2007	Subprime meltdown	490.6%
2008	Global Financial Crisis; bank failures	459.9%
2009	GFC; market down –56%; depths of despair	788.7%
2010	Flash crash; BP oil spill; QE1 ends	602.7%
2011	S&P downgrades U.S. debt; 50% write-down of Greek debt	510.7%
2012	Second Greek bailout; existential threat to Euro	498.1%
2013	Taper Tantrum	415.6%
2014	Ebola epidemic; Russia annexes Crimea	289.4%
2015	Global deflation scare; China FX devaluation	242.5%
2016	Brexit vote; U.S. election	237.9%
2017	Fed rate hikes; North Korea tensions	201.8%
2018	Trade war; February inflation scare	147.7%
2019	Trade war; impeachment inquiry, global growth slowdown	159.1%
2020	Covid-19 pandemic; U.S. presidential election	97.0%
2021	Omicron variant, China regulatory crackdown	66.4%
2022	Russia invasion of Ukraine, inflation hits 40-year high	29.3%
2023	Fed rate hikes; bank failures, recession concerns	57.9%
2024	U.S. election, global conflicts escalate	25.0%

What is this chart showing?

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 2024.

Why is it important?

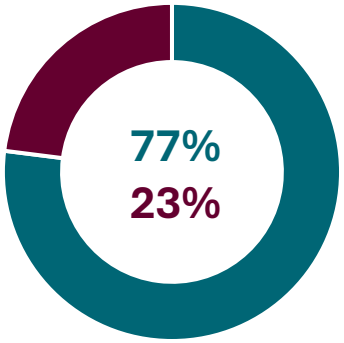
It always feels like there are compelling reasons not to invest. This is just a sampling of worrying headlines over the past two-plus decades.

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.

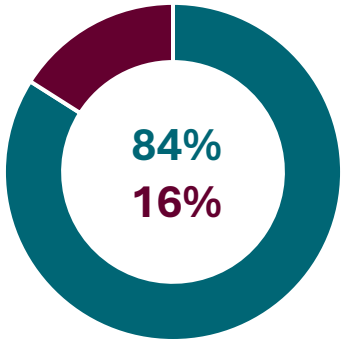
[1]Cumulative total returns for S&P 500 Index are calculated from January 1st of each year to December 31, 2024, sourced from Morningstar. Worrisome events sourced from J.P. Morgan Private Bank from 2000 – 2021, Lincoln Financial for 2022 – 2024. You cannot invest directly in an index. **Past performance does not guarantee or predict future performance.**

Patience pays: the power of long-term investing

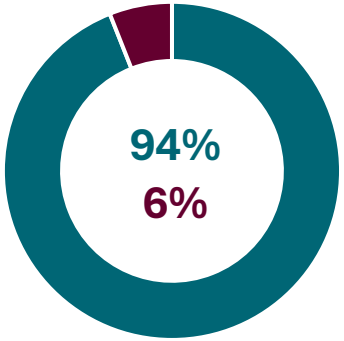
1-year holding period
(577 Periods)



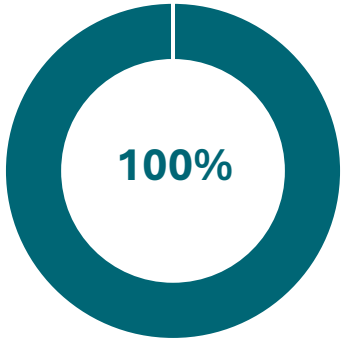
5-year holding period
(529 periods)



10-year holding period
(469 Periods)



15-year holding period
(409 Periods)



S&P 500 (1976-2024)

Probability of **making** money in stocks

Probability of **losing** money in stocks

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

What is this chart showing?

This chart shows, based on historical data from 1976 – 2024, 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 is it important?

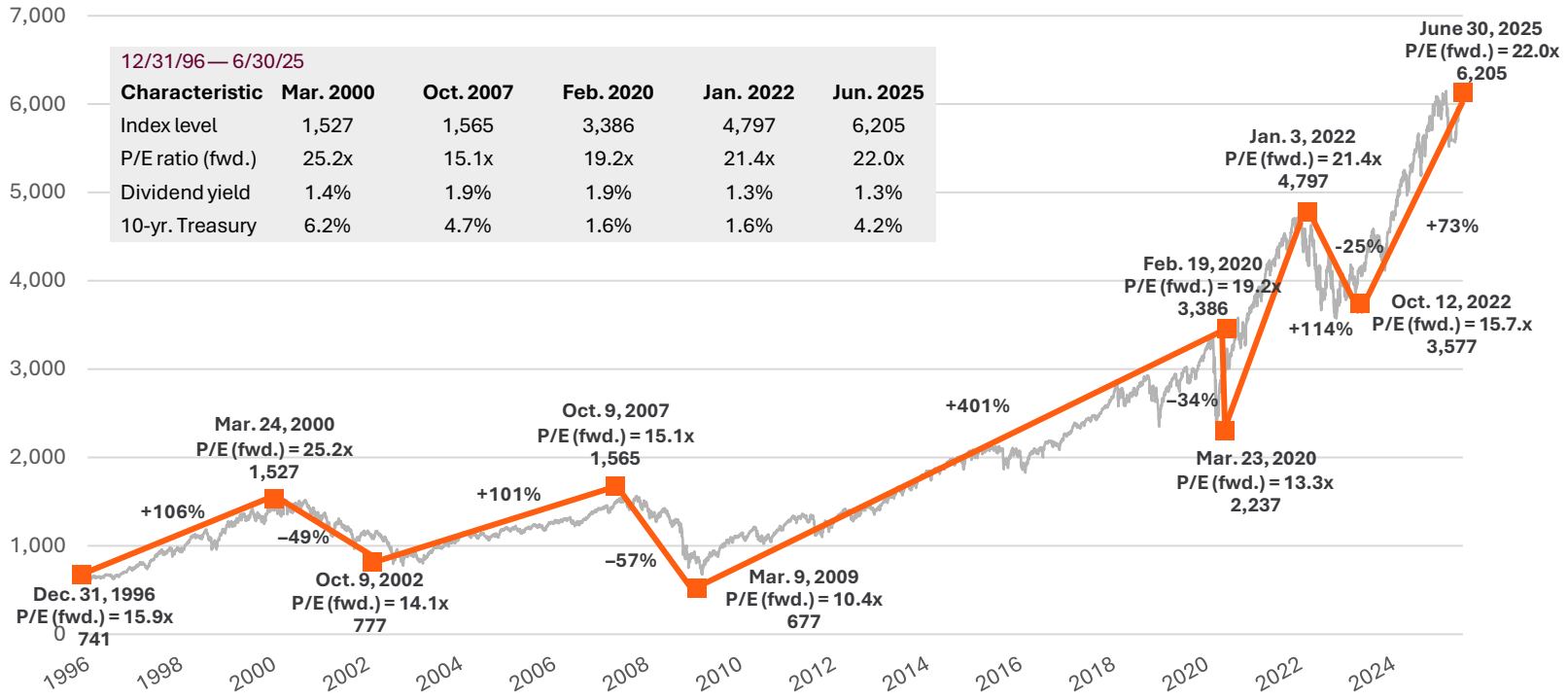
Markets can be unpredictable in the short term, but history shows that staying invested for the long haul has paid off.

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 – 2024. 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.**

Equities

S&P 500: Cumulative returns



What is this chart showing?

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

Why is this important?

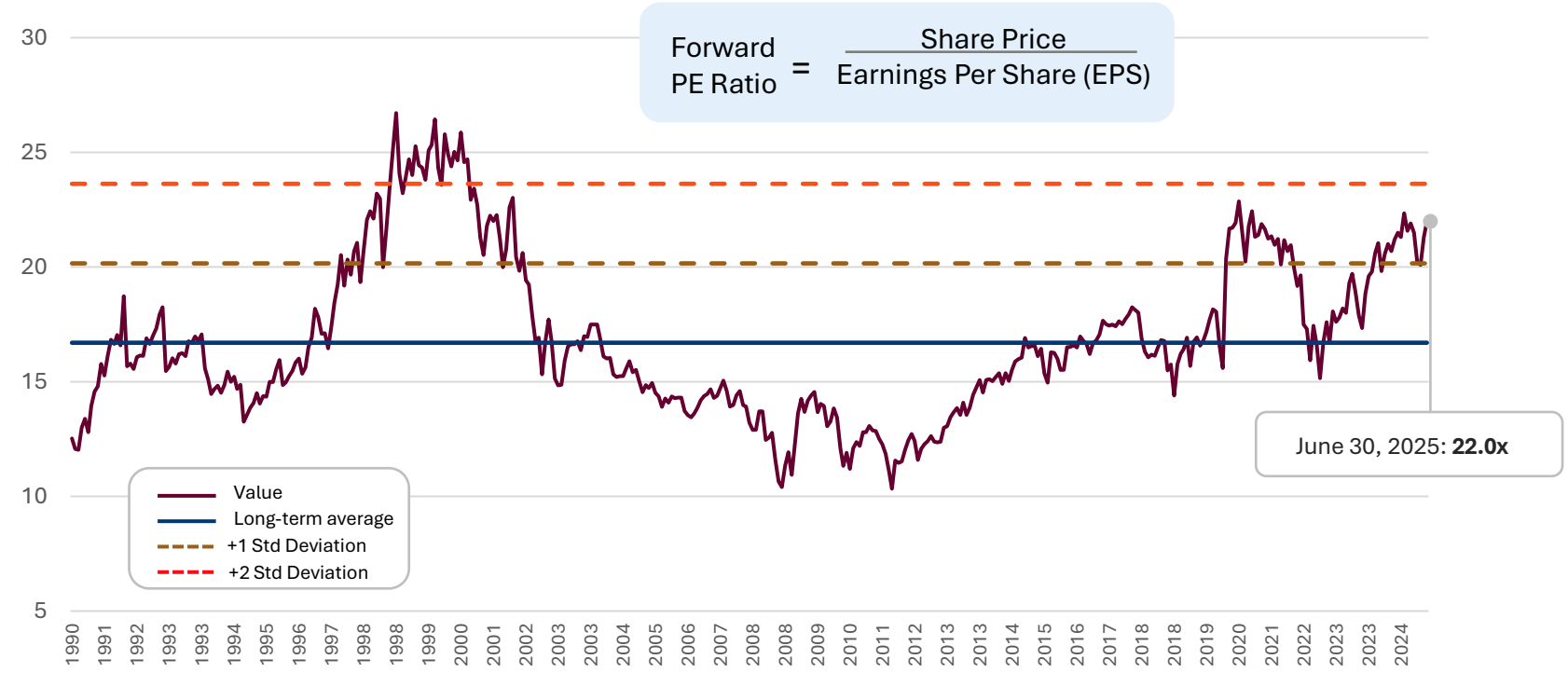
This chart can help put market cycles in context by comparing the magnitude and duration of bull and bear markets, along with the long-term trend of the S&P 500.

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 June 30, 2025. **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	22.0x	16.0x
Shiller's P/E	37.6	27.0
Dividend yield	1.3%	2.0%
Price-to-book	4.8	2.8
Price-to-cash flow	17.2	11.4

What is this chart showing?

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

Why is it important?

The P/E ratio is a valuation measure for stocks. It shows how much investors are willing to pay for each unit's earning. The forward P/E ratio uses forecasted EPS over the next 12 months.

Equity valuation measures, like the forward P/E, can help investors gauge if the market is overvalued or undervalued relative to historical averages.

Source: FactSet, S&P, Robert Shiller, Bloomberg. Data as of June 30, 2025.

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: Index concentration

J.P.Morgan
Asset Management

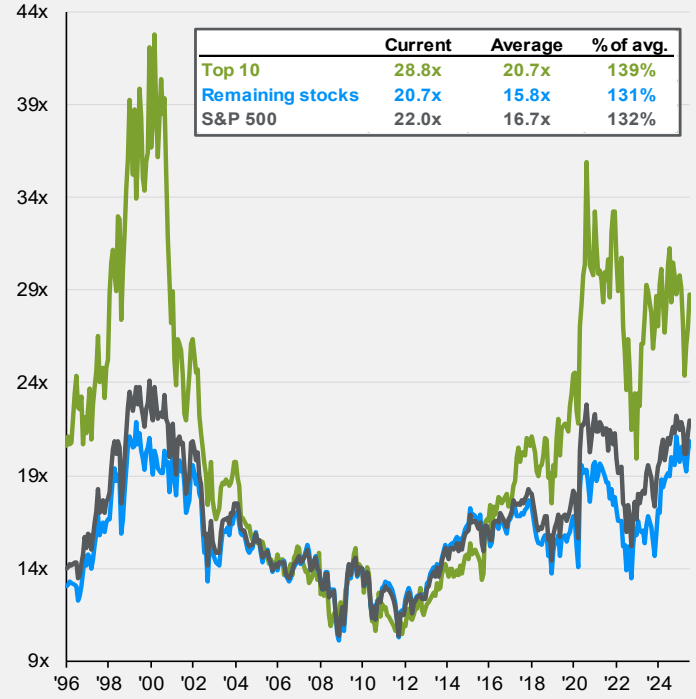
The chart on the left shows the forward P/E ratio of the 10 largest companies in the S&P 500, the other 490 companies and the index itself. The table has the current valuation, the average and the current valuation as a percentage of the average for each group.

The chart on the right shows that both the weight of the top 10 companies and their share of index level earnings have increased over the past decade. This suggests that there are fundamental reasons for the concentration in market cap.

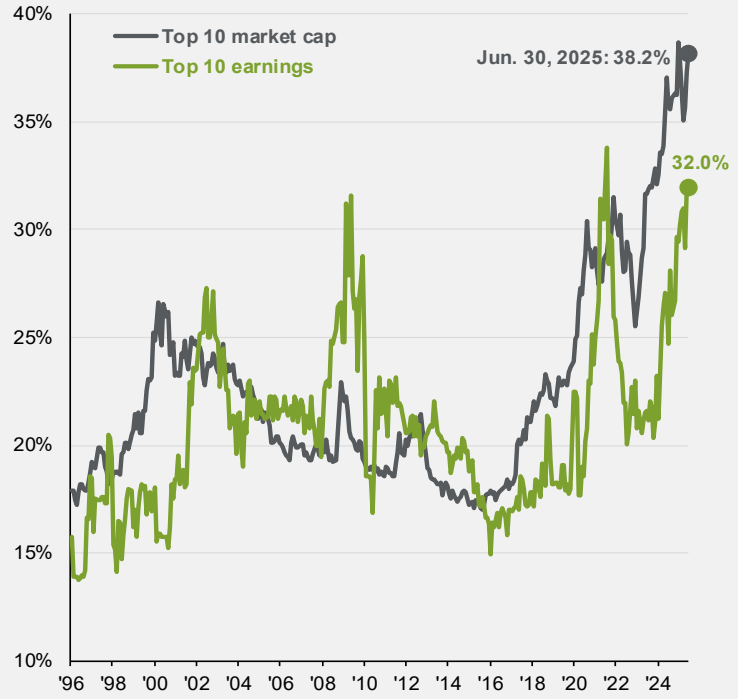
Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
The 10 largest S&P 500 companies are based on the beginning of each month. As of 6/30/2025, the top 10 companies in the index were NVDA (7.3%), MSFT (7.0%), AAPL (5.8%), AMZN (3.9%), GOOGL/GOOG (3.5%), META (3.1%), AVGO (2.5%), BRK.B (1.7%), TSLA (1.7%) and JPM (1.5%). The remaining stocks represent the rest of the 490 companies in the S&P 500.

Guide to the Markets – U.S. Data are as of June 30, 2025.

P/E of the top 10 and remaining stocks in the S&P 500
Next 12 months, 1996 - present



Weight of the top 10 stocks in the S&P 500
% of market capitalization, % of last 12 months' earnings



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 June 30, 2025.

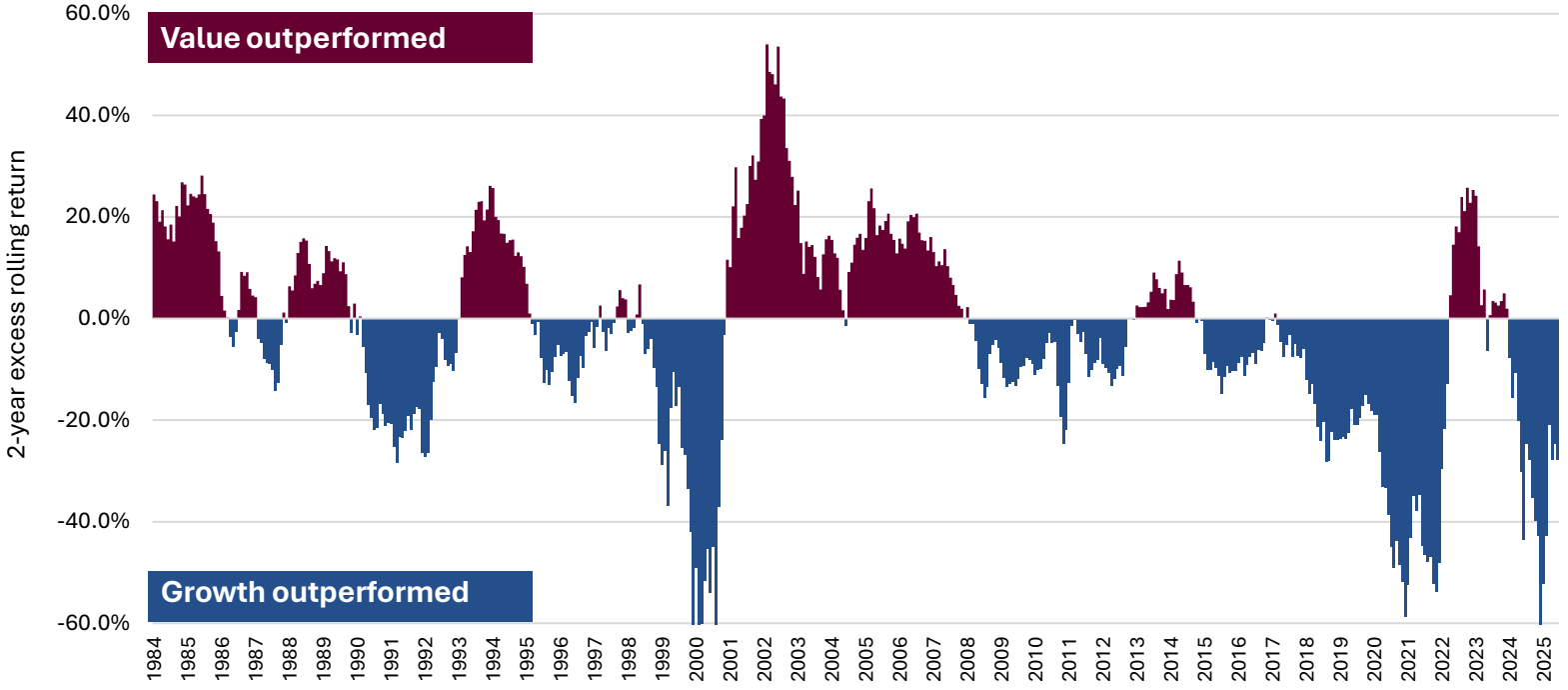
Growth vs. Value leadership rotation

What is this chart showing?

Growth and Value styles have rotated leadership during different market and economic environments.

Why is it important?

Historically, Value has led early in the economic recovery and when rates are rising, where Growth has led when interest rates are falling, and earnings are strong.



Value sectors

Industrials	Real Estate
Financials	Utilities
Energy	Consumer Staples
Manufacturing	

Growth sectors

- Communication Services
- Technology
- Healthcare
- Consumer Discretionary

Source: Morningstar. Value represented by Russell 1000 Value Index, Growth represented by Russell 1000 Growth Index. Both indices are total return. Data through June 30, 2025. **Past performance is not indicative of future returns.**

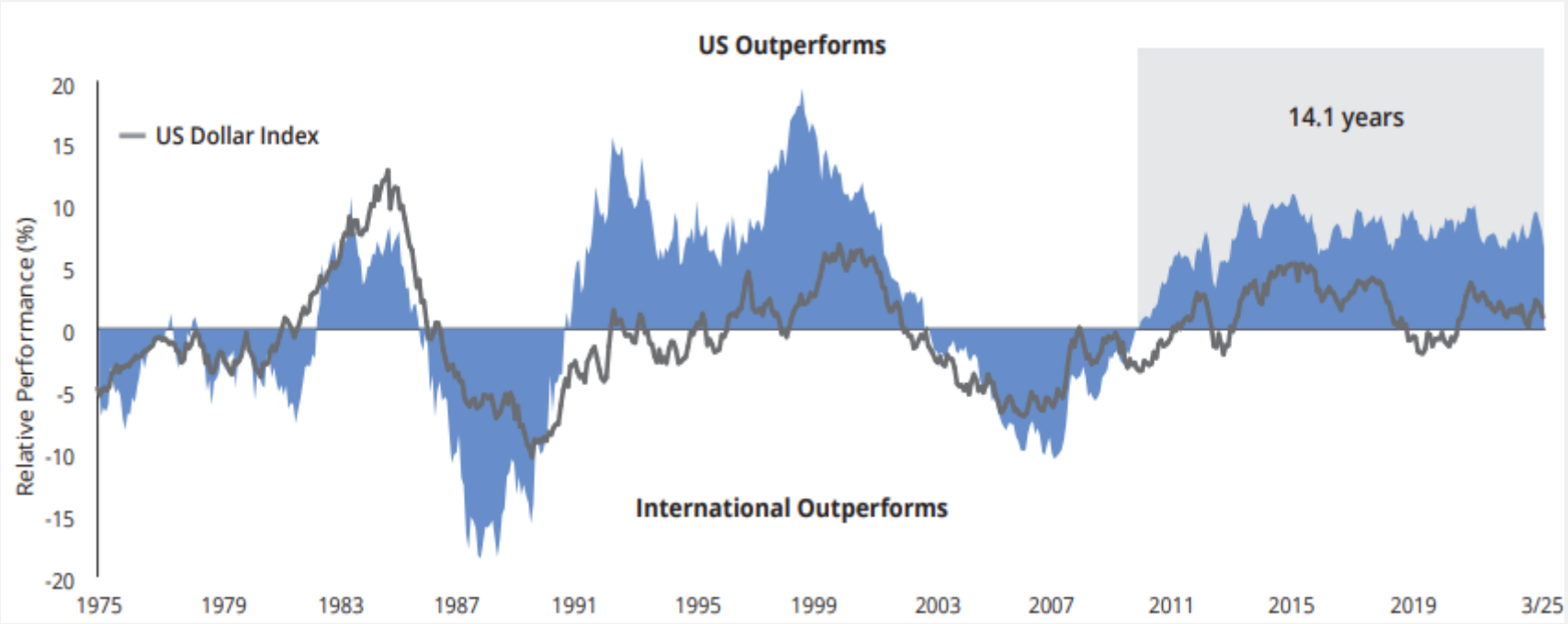
U.S. and international equities have traded periods of outperformance

HARTFORDFUNDS
Our benchmark is the investor.®

While we hope U.S. stocks continue to perform well, history suggests that international stocks may soon have their day in the sun. Since 1975, the outperformance cycle for U.S. vs. international stocks has lasted an average of more than eight years.

As of March, we were 14.1 years into the current cycle of U.S. outperformance based on 5-year monthly rolling returns.

U.S. Equity vs. International Equity 5-Year Monthly Rolling Returns (1975 – 1Q 2025)



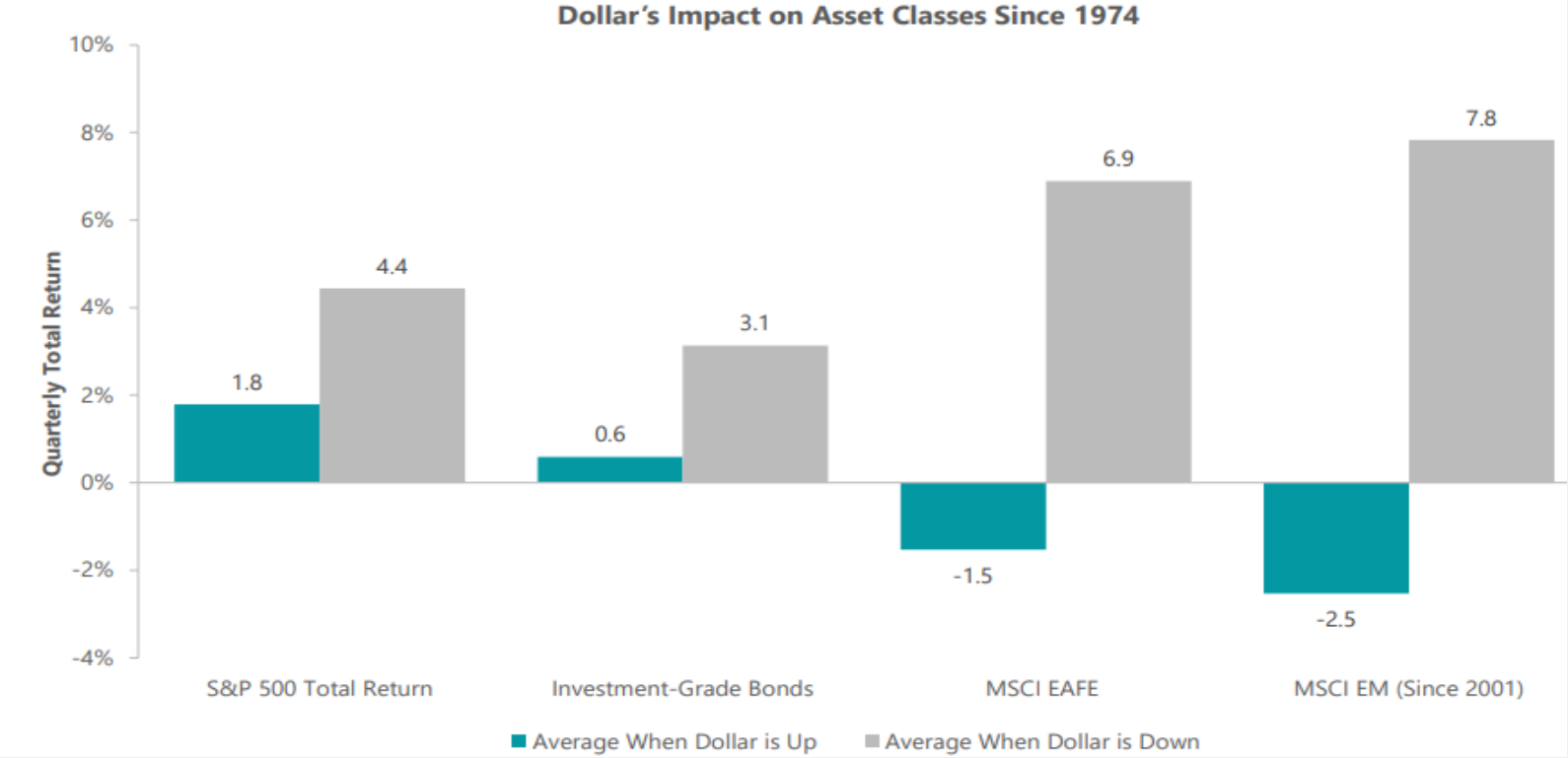
Source: Morningstar, Bloomberg, and Hartford Funds, 4/25. Data from 1/31/75-3/31/25. The chart shows the values of the S&P 500 Index's returns minus the MSCI World ex USA Index's returns. When the line is above 0, domestic stocks outperformed international stocks. When the line is below 0, international stocks outperformed domestic stocks. **Past performance does not guarantee future results**. Indices are unmanaged and not available for direct investment. The performance shown above is index performance and is not representative of any Hartford Fund's performance. U.S. equity is represented by the S&P 500 Index; international equity is represented by the MSCI World ex USA Index. Please see the additional information section for index definition of S&P 500. MSCI World Ex USA Index captures large and mid cap representation across developed market countries, excluding the U.S. For illustrative purposes only.

Weaker dollar supercharges non-U.S. stocks

ClearBridge Investments

FRANKLIN TEMPLETON

This chart shows that international equities have historically tended to outperform domestic during periods of dollar weakness.



Source: ClearBridge Investments. Data as of Mar. 31, 2025. MSCI EAFE and MSCI EM are net returns; MSCI EM data starts in 2001. Investment-Grade Bonds refers to the Bloomberg U.S. Corporate Investment Grade Bond Index. Sources: FactSet, S&P, MSCI, Bloomberg. **Past performance is not a 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.

Consumer confidence and subsequent S&P returns

J.P.Morgan
Asset Management

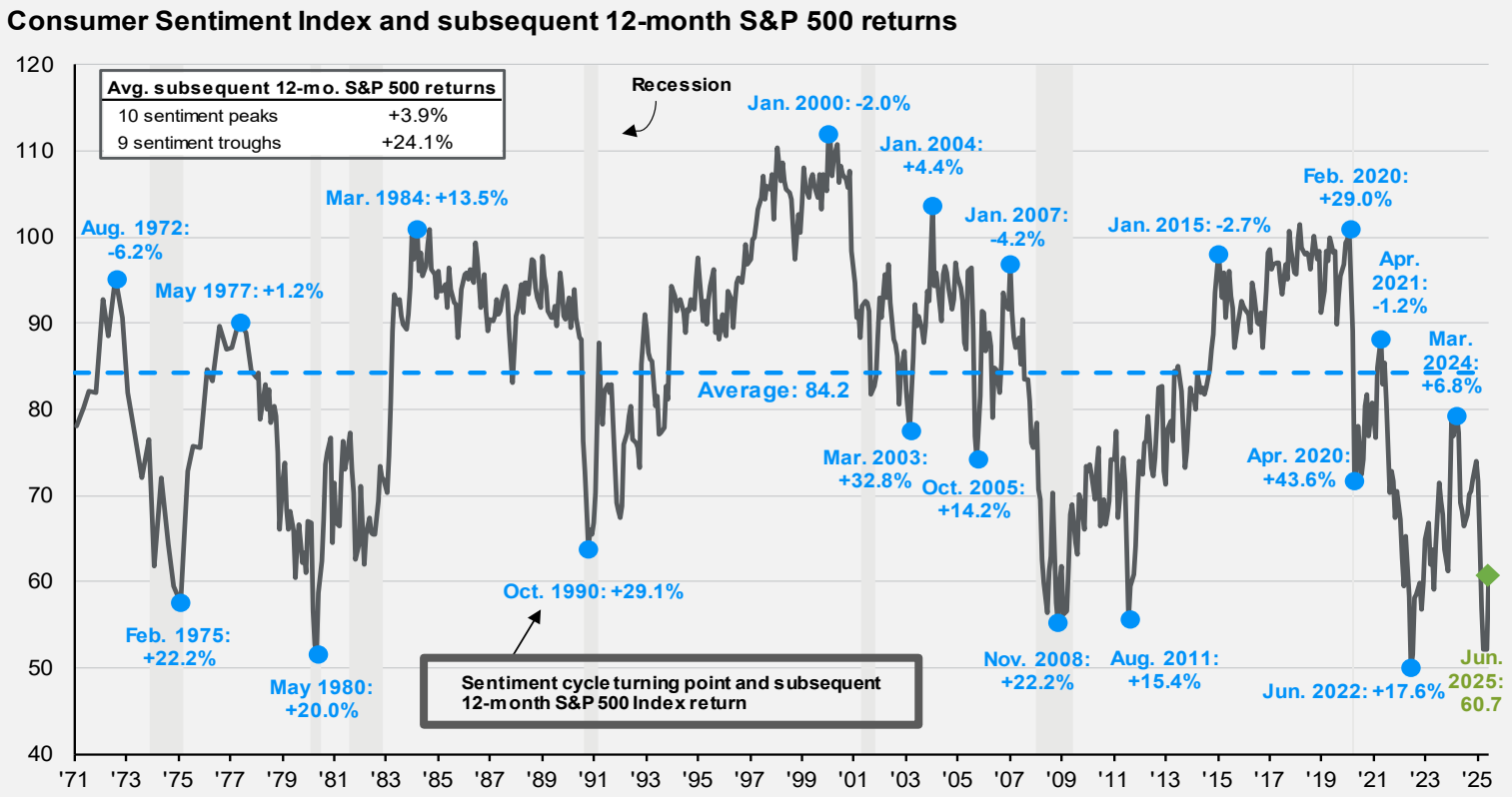
This chart shows consumer sentiment over the past 50 years and how much the S&P 500 gained or lost on average 12 months after 10 distinct peaks and 9 distinct troughs. Buying at a confidence peak returned on average 3.9%, while buying at a trough returned 24.1%.

This underscores that when investors feel gloomy and worried about the outlook, history shows they should consider resisting the temptation to sell risk assets.

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 June 30, 2025.



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

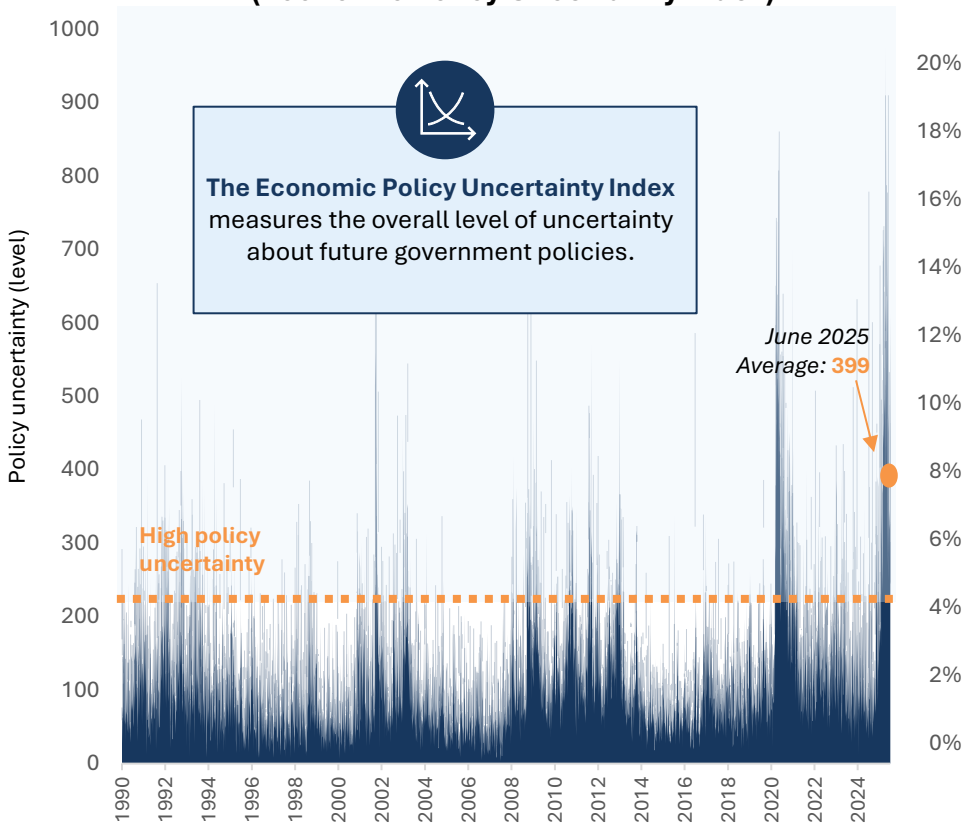
Source: J.P. Morgan Asset Management, as of June 30, 2025.

Trending topic

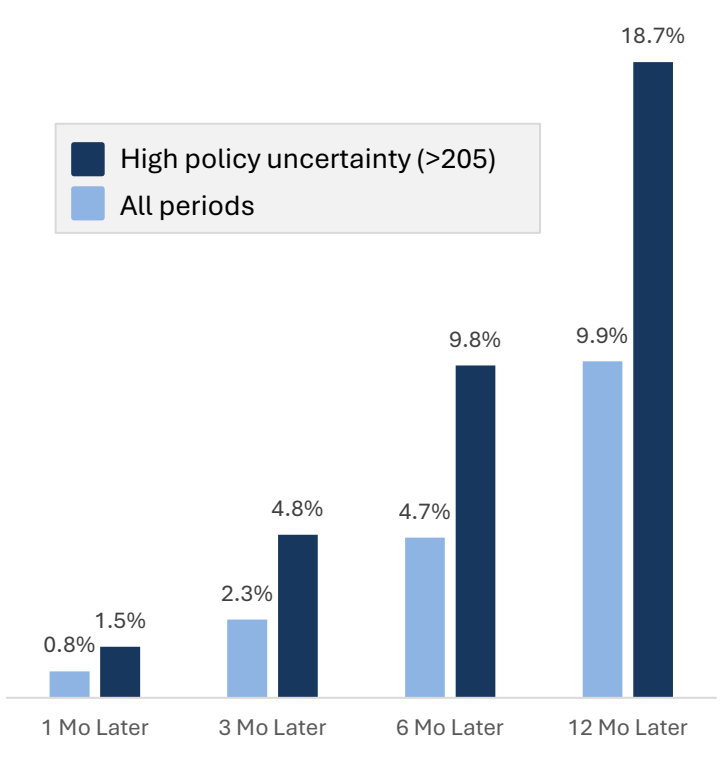
Lincoln Financial

The upside of uncertainty

U.S. policy uncertainty has surged in 2025: (Economic Policy Uncertainty Index)



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



What is this chart showing?

This chart shows the daily closing value of the Economic Policy Uncertainty Index for the United States from January 1990 – June 2025 (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 >205) — compared to average returns following all periods (right).

Why is it important?

Economic policy uncertainty has surged higher in 2025, with the index averaging 399 in June — 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 — uncertainty can create opportunity.

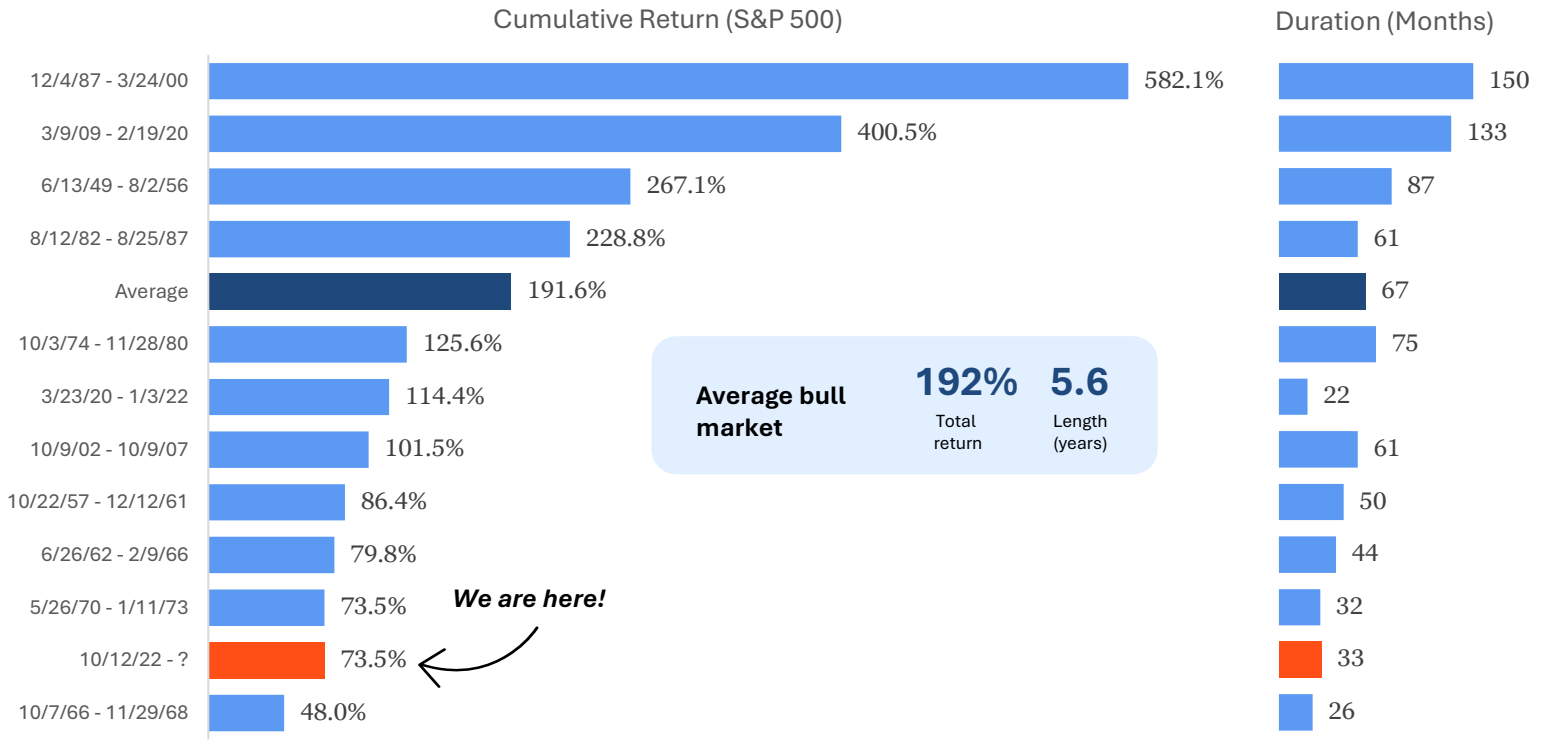
Source: Federal Reserve Bank of St. Louis, S&P Dow Jones Indices, Lincoln Financial. Daily data from January 1990 until June 2025. S&P 500 data reflected by S&P 500 Price Return Daily. High policy uncertainty is measured by 1 std dev above the mean, or readings above 205. The index is based on news coverage, 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.

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 is this chart showing?

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

Why is it important?

This can help investors contextualize today's bull market that began in October 2022. The first half of 2025 closed with a fresh all-time high for the S&P 500, pushing the peak gain of this cycle to more than 73% as it approached its 33rd month.

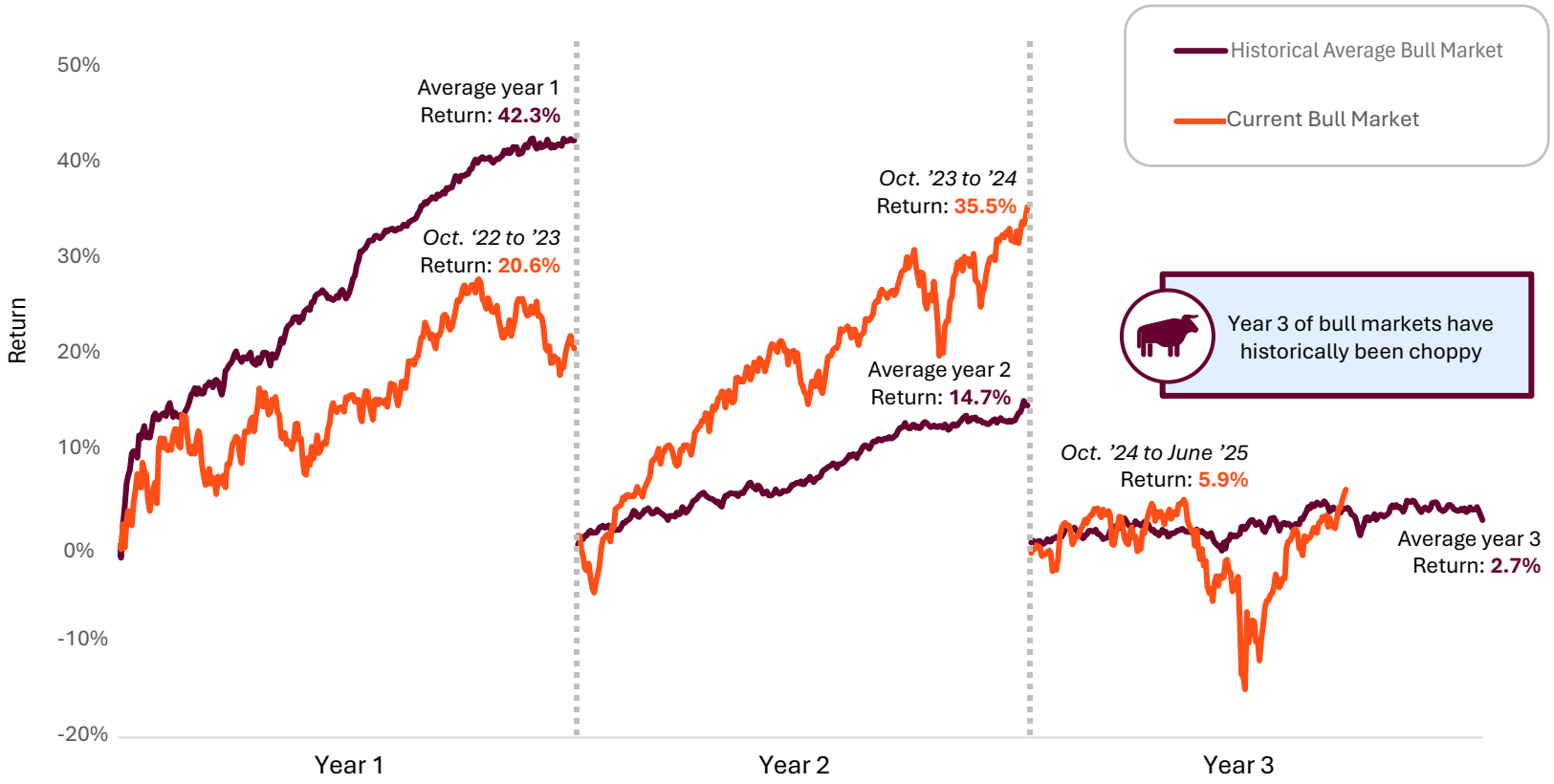
While there is quite a bit of variability in both the magnitude and duration of previous bull runs, on average, they have gained more than 192% and lasted approximately 67 months (5.6 years).

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 - S&P 500 Price Return Index as of 06/30/25. 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.

Bull markets: Historical patterns and current trends

Current vs. average historical bull market performance



What is this chart showing?

This chart shows the yearly performance of the current bull market that began in October 2022 compared to the historical average of all bull markets since 1950.

Why is it important?

History shows that while year three of bull markets tends to be choppy, they still deliver modestly positive gains on average.

The current bull market underperformed the historical average in year 1, outperformed in year 2, and through June, has been choppy, remaining broadly in line with the year 3 trend.

While many factors influence market returns, these patterns can offer valuable insights to help investors set expectations and prepare to navigate market volatility.

Source: YCharts, S&P Dow Jones, Lincoln Financial. S&P 500 price return index from 1/1/1950 – 6/30/2025, indexed to 0% at the start of each bull market year. **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: Recoveries after 15%+ first-half drops

S&P 500: 1950 – 2025

Year	First half max drawdown	Finished first half positive?	Next 6 months	Next 12 months
1962	-27%		15%	27%
1970	-26%		27%	37%
1980	-17%	☑	19%	15%
2001	-20%		-6%	-19%
2002	-17%		-11%	-2%
2009	-28%	☑	21%	12%
2010	-15%		22%	28%
2020	-34%		21%	39%
2022	-24%		1%	18%
2025	**-19%**	☑	**?**	**?**
Average return			12%	17%
(%) Positive			78%	78%

2025 was the third time the **first half finished positive** despite a ≥15% drawdown.

Instances in 1980 and 2009 saw a strong **second half rebound, averaging a 20% gain.**

What is this chart showing?

This chart highlights every year from 1950 to 2025 in which the S&P 500 experienced a drawdown of 15% or more in the first half of the year.

For each instance, it shows the first half drawdown and the S&P 500's returns over the subsequent 6 and 12 months, starting in July of that year.

Why is it important?

The S&P 500 experienced a 19% drawdown in the first half of 2025 — the tenth time the index has fallen 15% or more through June of a calendar year.

Notably, it was only the third time the index finished the first half in positive territory after such a steep decline.

While past performance doesn't guarantee future results, history shows that sharp first-half declines have often rewarded investors with strong recoveries in the months ahead.

Source: Morningstar, Lincoln Financial. S&P 500 Price Return data from January1950 through June 2025. **Past performance does not guarantee or predict future performance. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

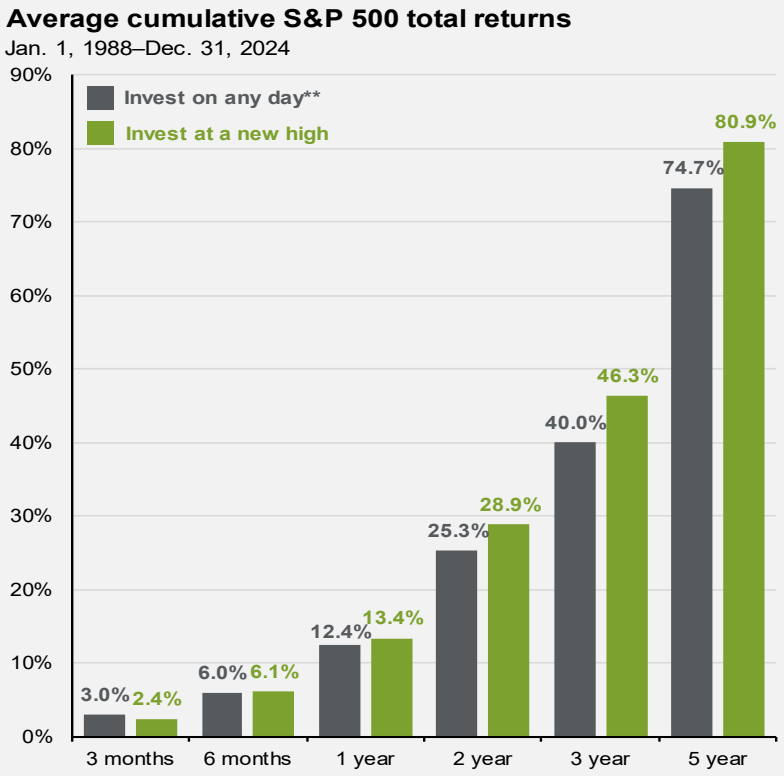
S&P 500: Investing at all-time highs

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 investing at all-time highs is not a bad strategy because new highs are typically clustered together. The chart on the left shows the S&P 500 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 were 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 chart on the right shows that returns from investing on any given day versus an all-time high are comparable and, in many cases, even better when investing at market highs.

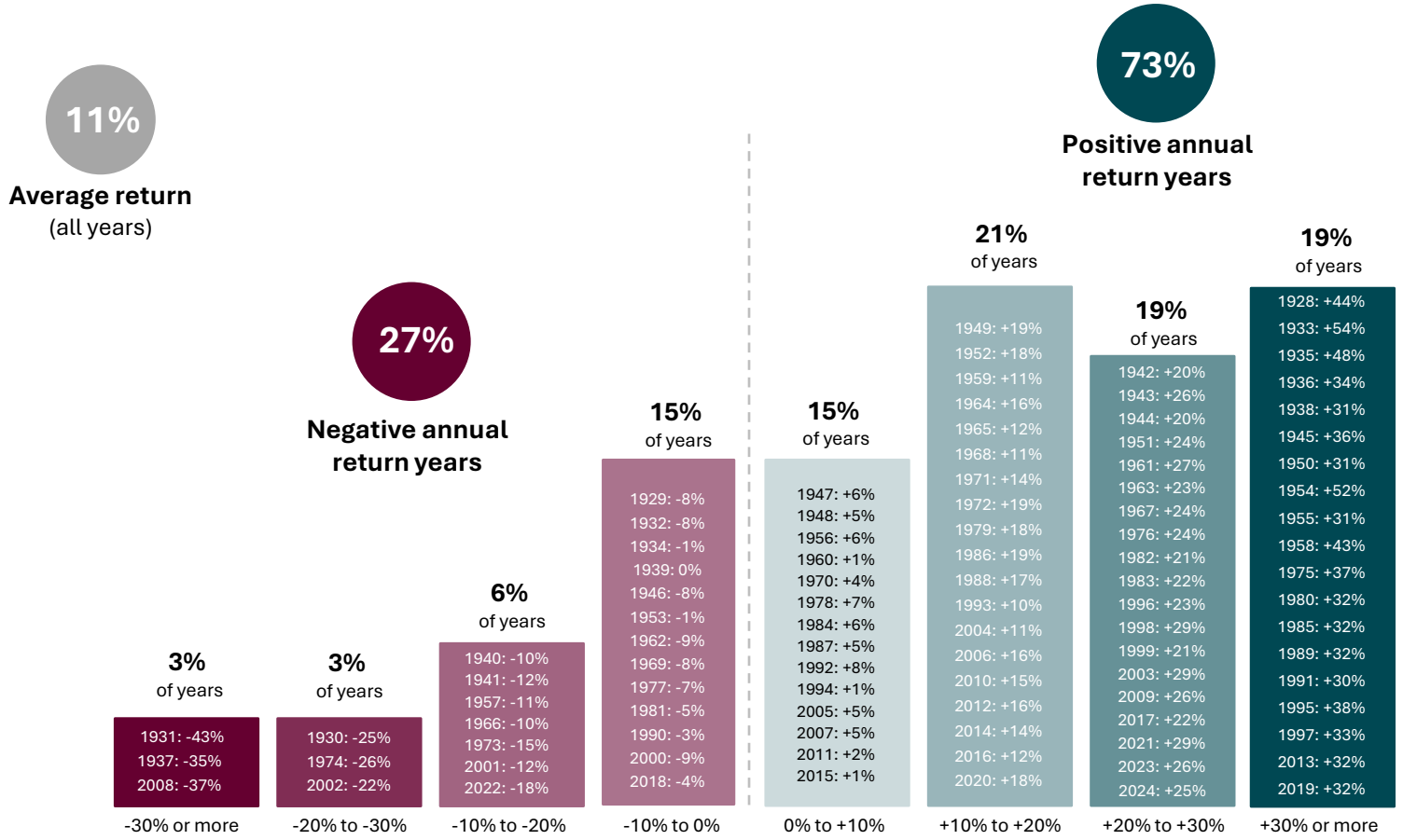


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. (Left) *Market floor is defined as an all-time high from which the market never fell more than 5%. (Right) **"Invest on any day" represents average of forward returns for the entire time period whereas "Invest at a new high" represents 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 12/31/2024. **Past performance does not guarantee or predict future returns**. Index performance is illustrative only. You cannot invest directly in an index.

Guide to the Markets- U.S. Data are as of June 30, 2025.

For use with the general public.

Stocks rise far more often than they fall



Source: DFA Matrix Book for S&P 500 returns (including dividends) from 1928 – 1936. Morningstar for returns from 1937 – 2024.
Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index.

What is this chart showing?

This chart shows the distribution of calendar year returns for the S&P 500 Index from 1928 through 2024.

Why is it important?

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

From 1928 to 2024, the average calendar year return for the S&P 500 Index was 11%.
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.

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%

Did you know?

+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 is this chart showing?

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

Why is it important?

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.

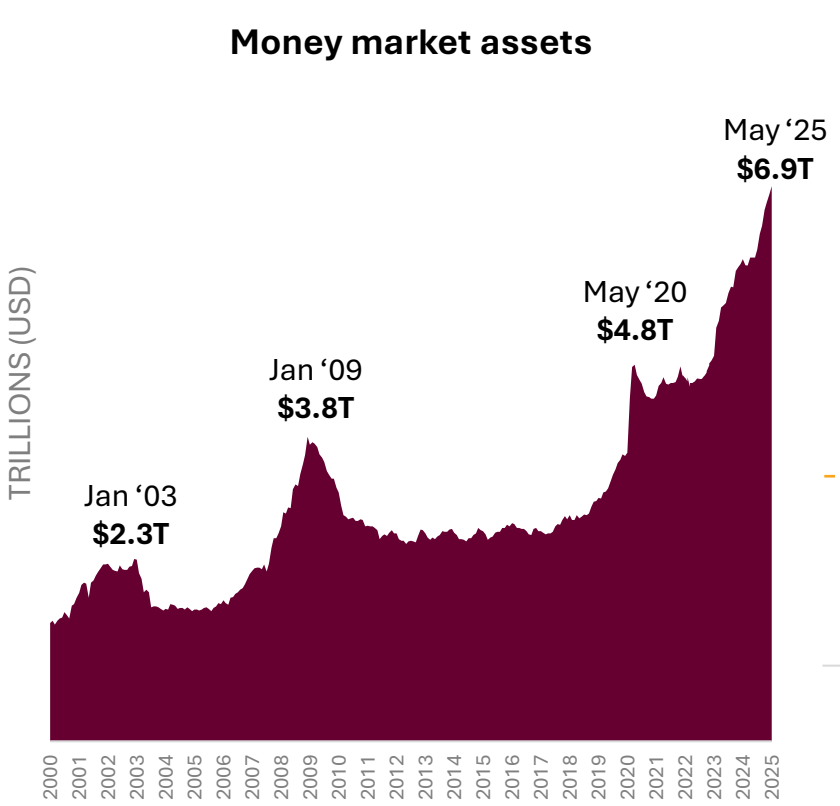
History shows that returns during recessionary periods have been relatively mixed, lending itself to the adage that the stock market is not the economy.

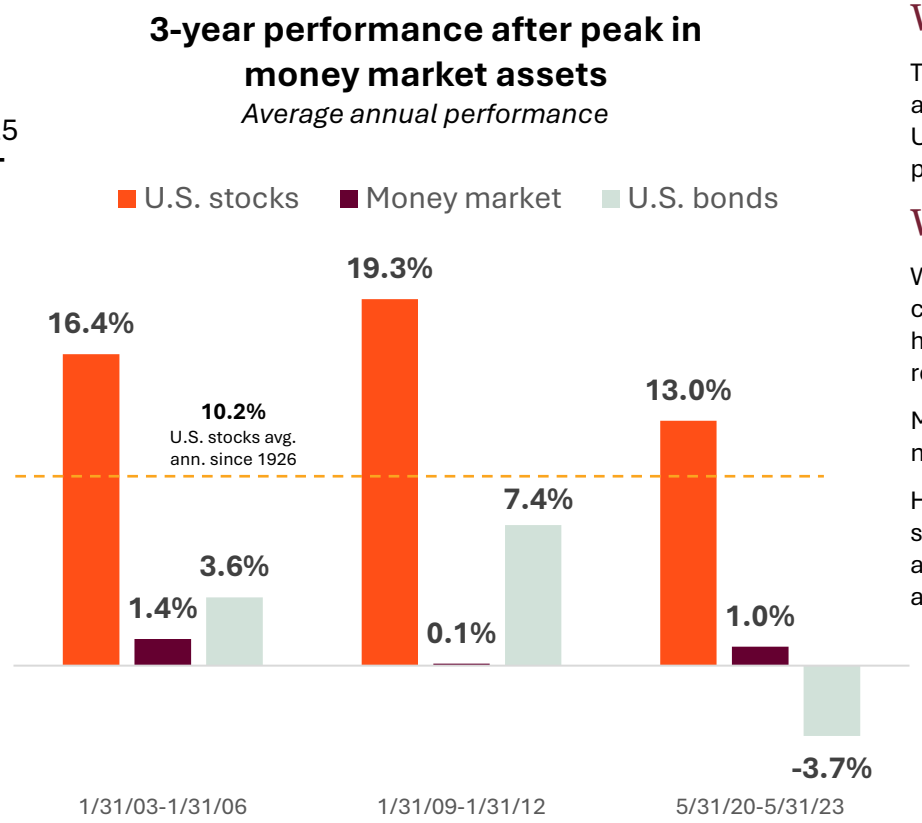
Returns following recessions have been strong, with cumulative gains one, three and five years later of 16%, 31%, and 60%.

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. 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 is this chart showing?

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 peak money market assets.

Why is it important?

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 continue to touch new all-time highs in 2025.

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 06/30/25. 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.**

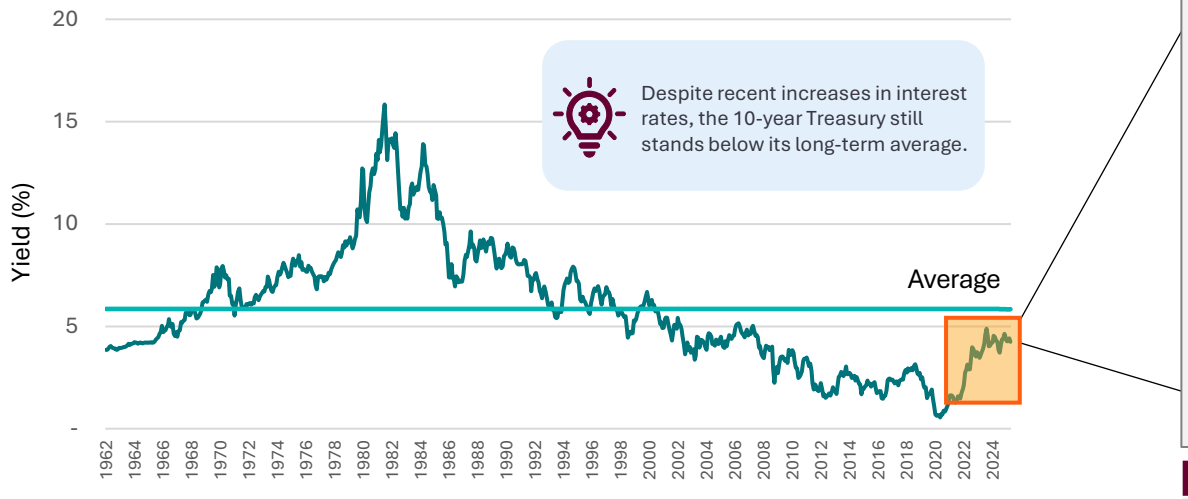
Fixed income

U.S. Treasury yield

What is this chart showing?

This chart shows the historical yield for the 10-year Treasury, along with an expanded view of more recent yield movements and bond asset class returns.

U.S. 10-year Treasury yield



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.

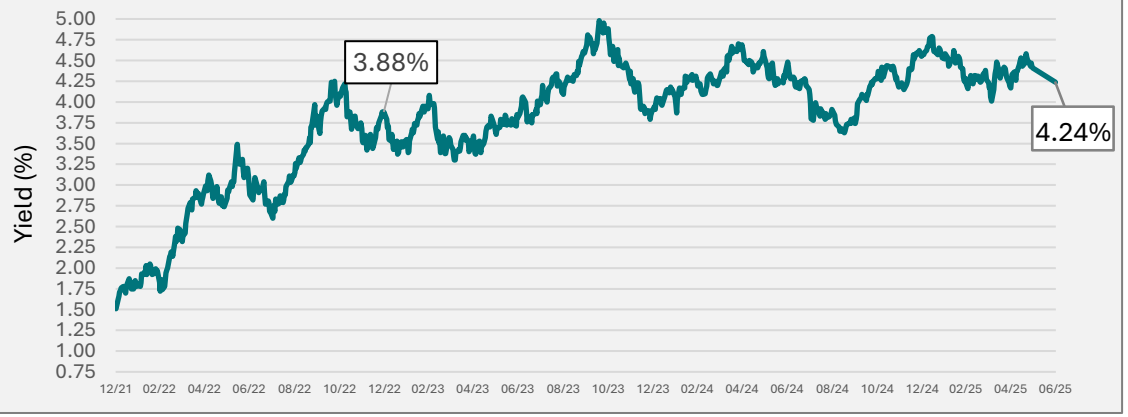
You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. See index definitions and disclosures at back of presentation.

Source: Morningstar, FactSet, Bloomberg, J.P. Morgan Asset Management. Data as of June 30, 2025. [1]Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year core CPI inflation for that month. For the current month, we use the prior month's core CPI figures until the latest data is available.

Why is it important?

The10-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.

U.S. 10-year Treasury yield, EOY December 2021 through June 2025



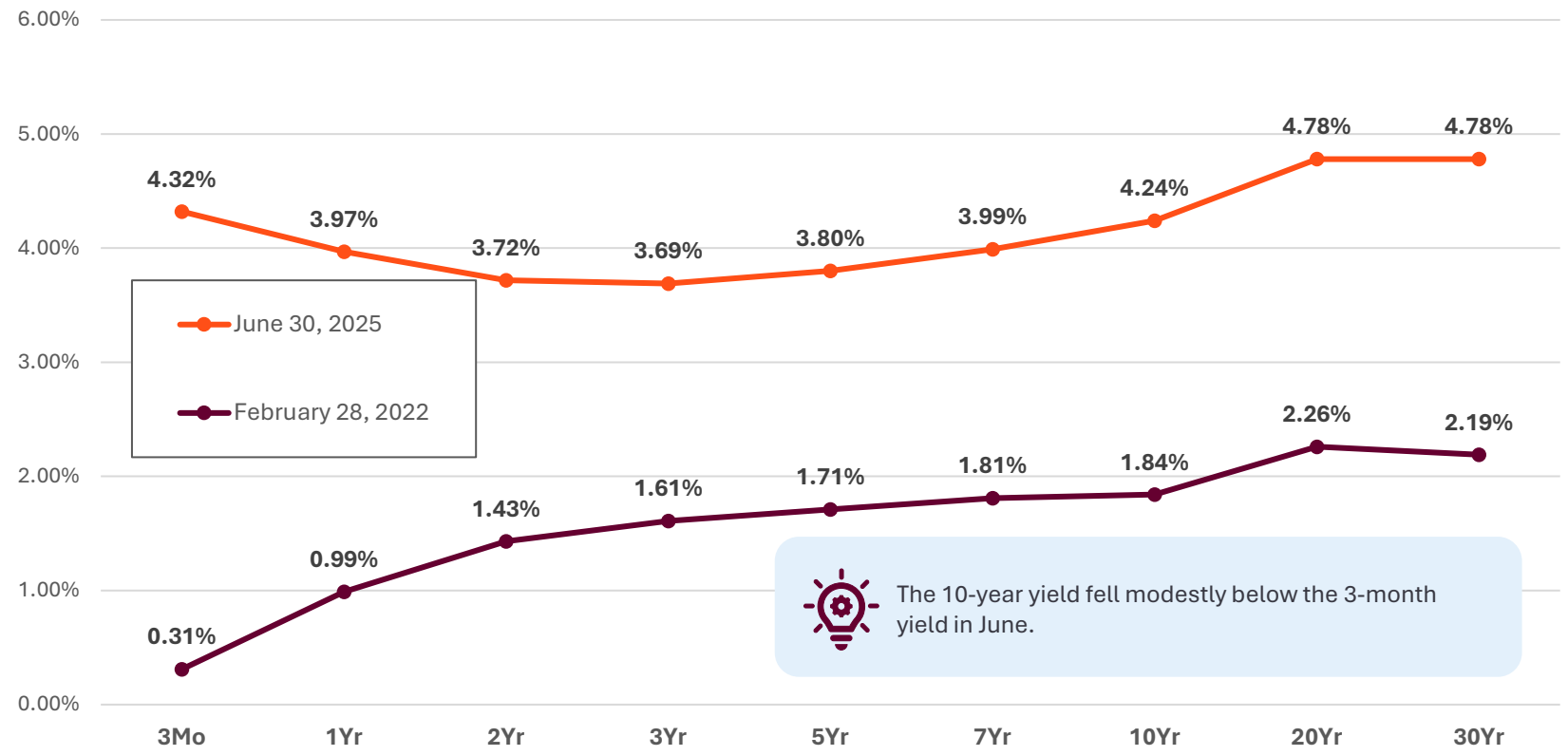
	YTD return (as of 6/30/2025)
Core bonds	4.02%
Intermediate Treasuries	5.29%
Long-term Treasuries	3.36%

	Nominal yield	Core inflation[1]	Real yield
10-year Treasury	4.24%	2.80%	1.44%

For use with the general public.

Yield curve

U.S. Treasury yield curve



What is this chart showing?

This chart shows the U.S. Treasury yield curve — which plots yields for bonds of different maturities— as of the latest month end and as of February 2022, just before the Federal Reserve began raising interest rates.

Why is it important?

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

From early 2022 through mid-2024, the curve was inverted — meaning short-term yields exceeded long-term yields —a condition that has often preceded periods of slower economic growth or recession in the past.

In 2025, the 10-year yield once again dipped modestly below the 3-month yield, signaling a renewed inversion.

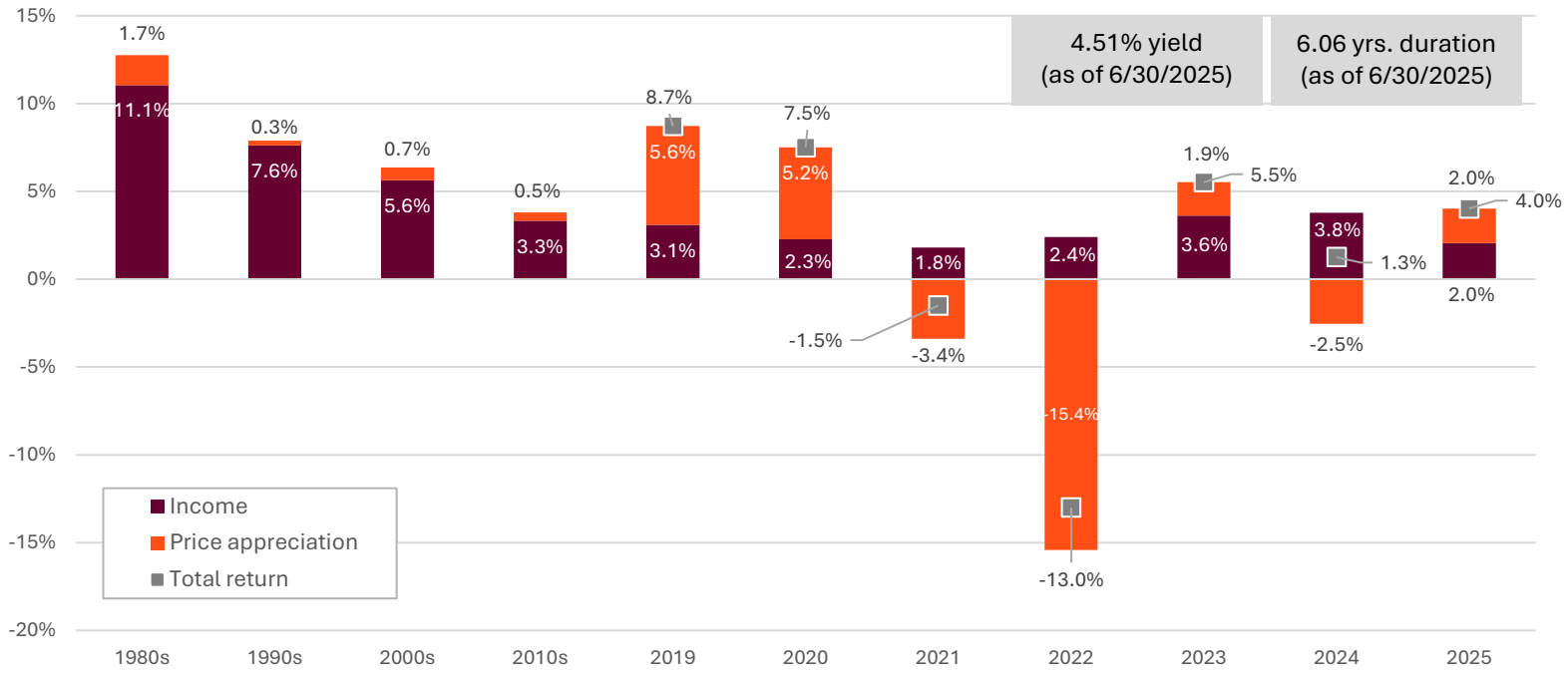
While such inversions do not guarantee a recession, their recurrence in 2025 highlights ongoing uncertainty about the economic outlook.

Source: FactSet, U.S. Department of the Treasury, Federal Reserve Bank of St. Louis. Data as of June 30, 2025.

For use with the general public.

Core bonds: Total return breakdown

Bloomberg U.S. Aggregate Bond Index



What is this chart showing?

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 is it important?

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 nicely in 2023, delivering a healthy 5.5% return. However, in 2024, a late rise in rates left them with a modest 1.3% gain for the year. 2025 has seen bonds get off to a strong start, with a total return of 4% through June.

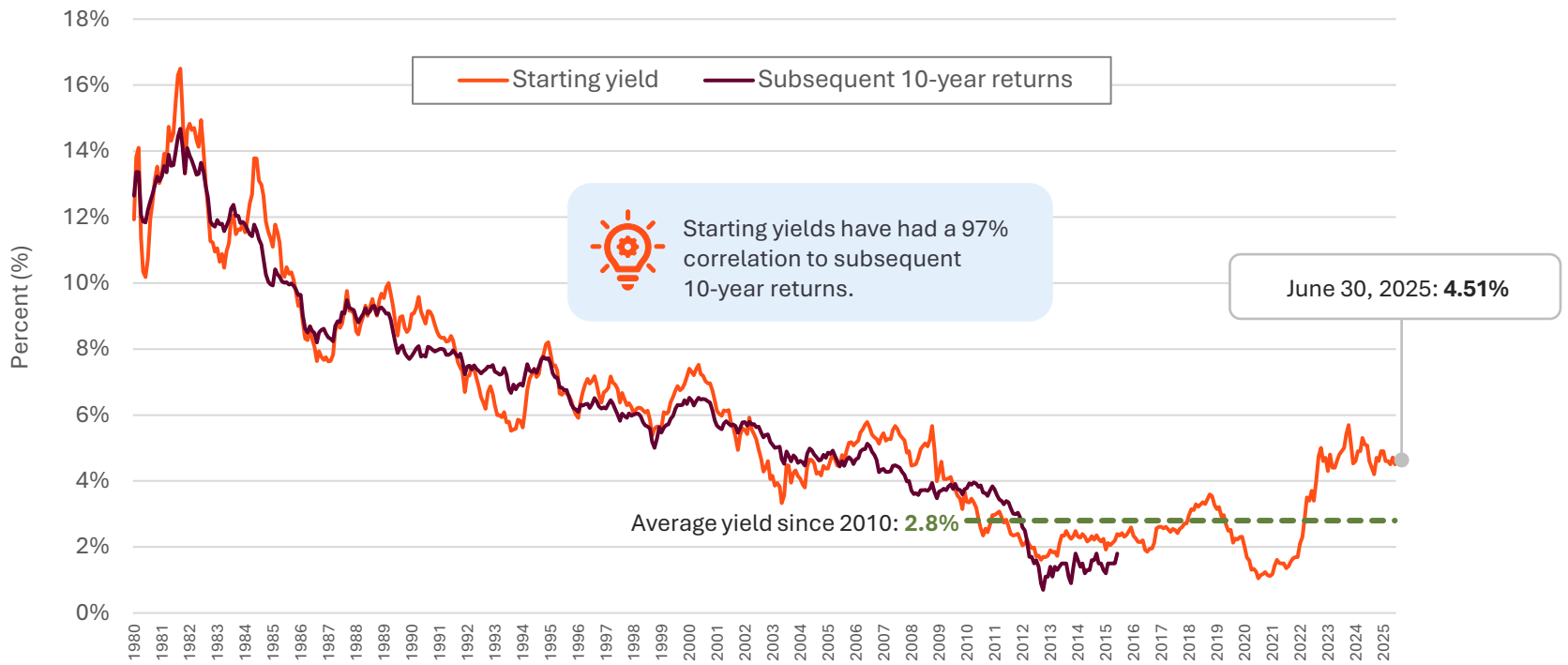
Looking ahead, higher starting yields could prove beneficial for the longer-term returns of core bonds.

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 June 30, 2025. **Past performance is not indicative of future returns.**

Core bonds: Starting yields and subsequent returns

Bloomberg U.S. Aggregate Bond Index



What is this chart showing?

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 is it important?

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 June 30, 2025. Proxy: Bloomberg U.S. Aggregate Bond Index. **Past performance is not a guarantee or a reliable indicator of future results.**

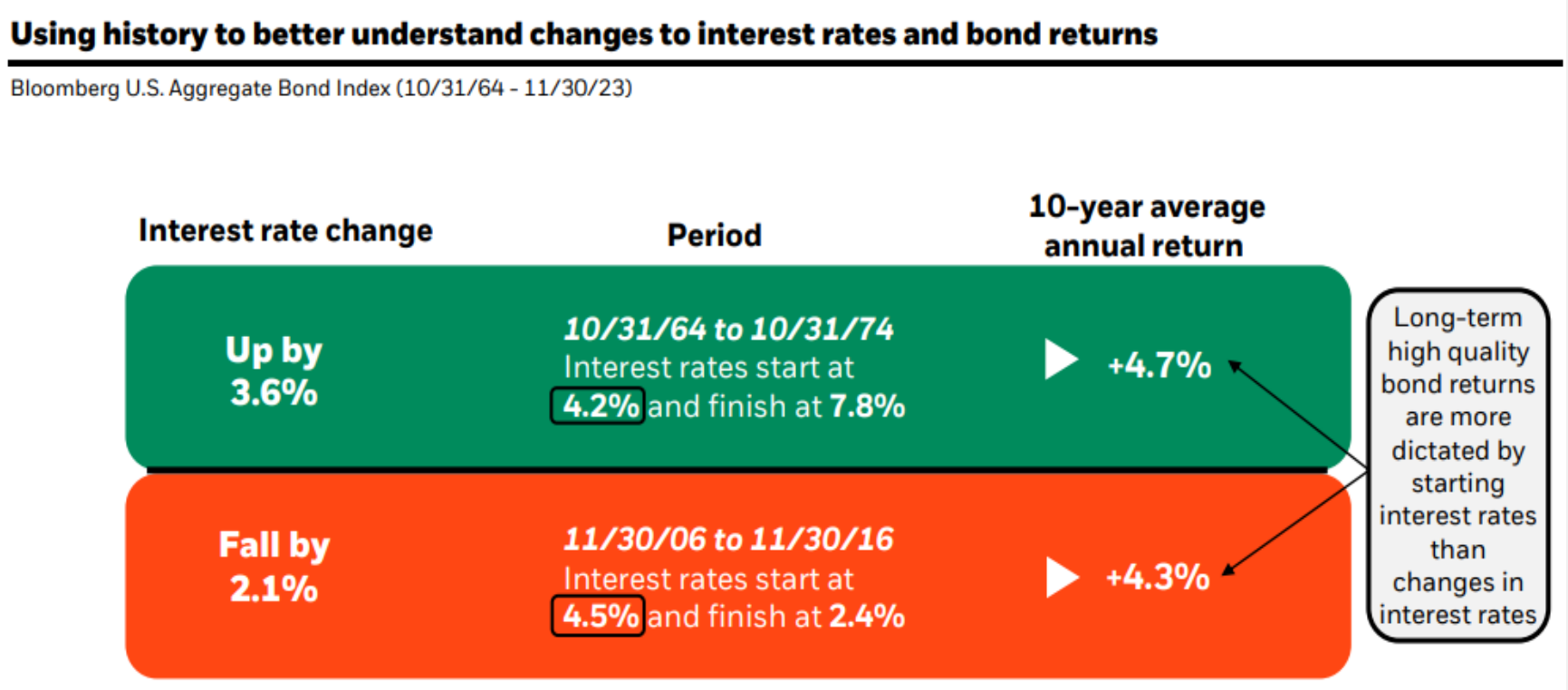
Long-term bond returns and changes to interest rates

BlackRock

The starting interest rate often dictates the longer-term total return for bond investors.

This slide shows two ten-year historical examples of this concept, one in which interest rates rose over the decade, and another where they fell.

In both cases, the average annual return was very close to the starting yield.



Source: BlackRock, Student of the Market. Morningstar as of 11/30/23. U.S. bonds represented by the U.S. Agg Bond TR Index. **Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You cannot invest directly in the index.**

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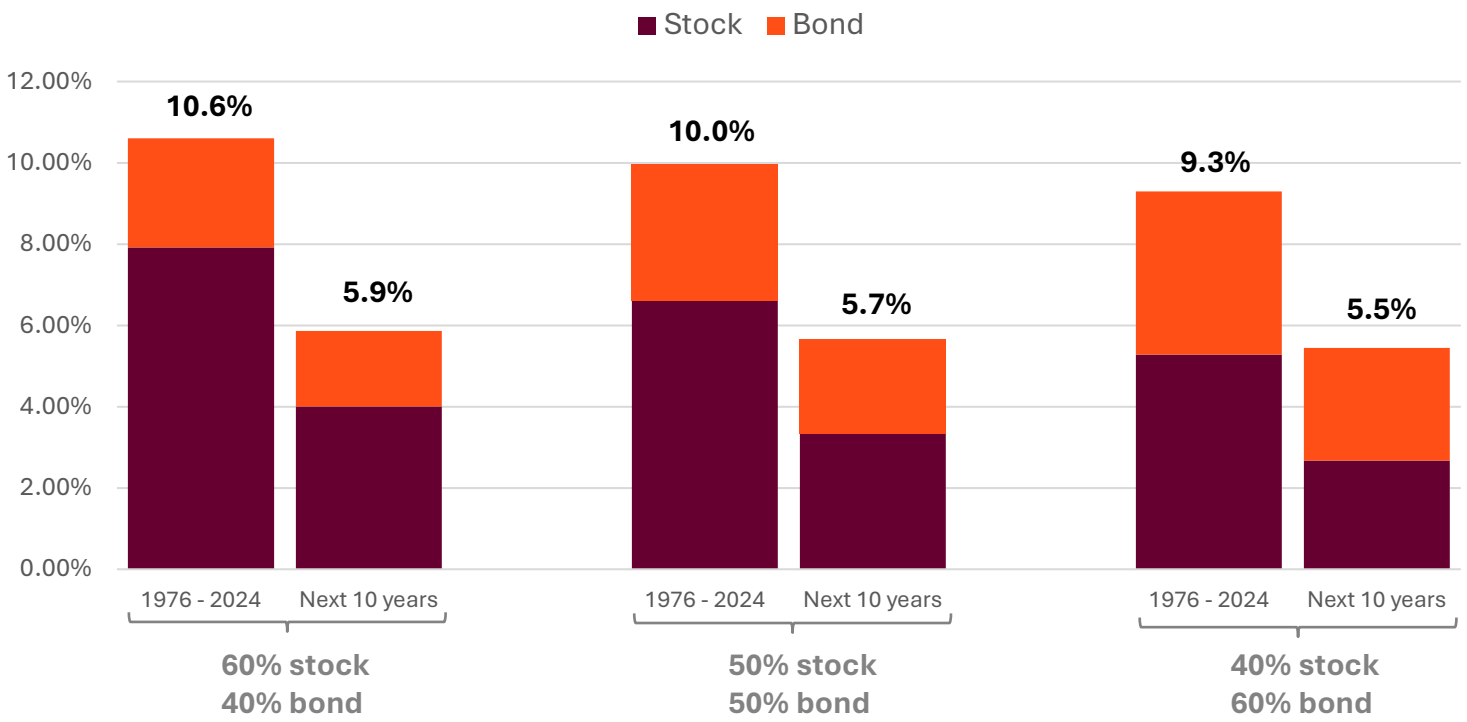
Asset allocation

Balanced portfolio returns: historic and projected



Capital market expectations	U.S. stocks	U.S. bonds
J.P. Morgan Asset Management	7.91%	4.70%
Invesco	5.8%	4.90%
BlackRock	6.70%	4.40%
State Street	6.30%	4.50%
Average	**6.68%**	**4.63%**

What is this chart showing?

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 is it important?

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 June 30, 2025. Portfolios 1976 – 2024 represent average calendar year weighted return of various mixes from 40% – 60% S&P 500 TR to 60% – 40% Barclays 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

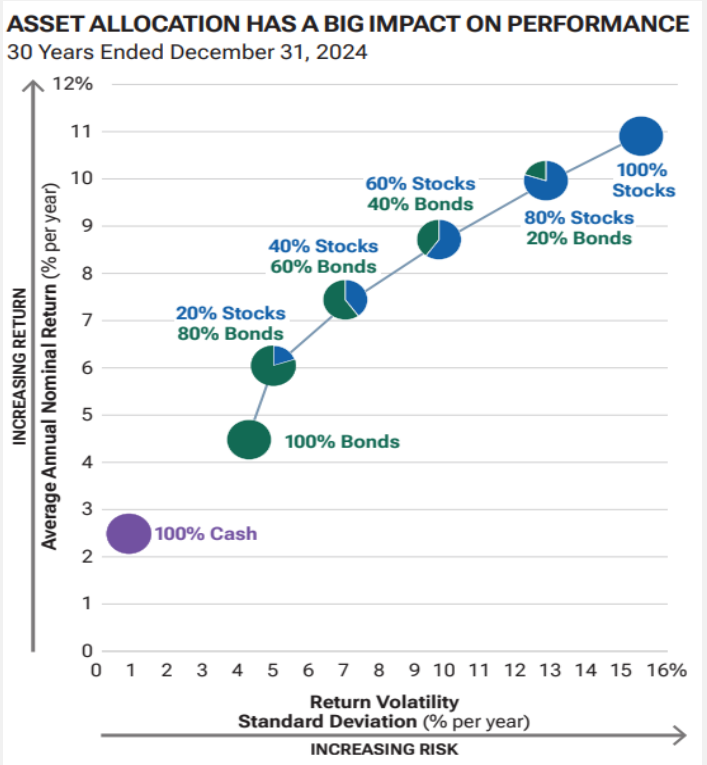
These charts show that, historically, a portfolio that has a mix of both stocks and bonds generated higher returns than an all-bond or all-cash portfolio with less risk (as measured by volatility) than an all-stock portfolio.

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

30 Years Ended December 31, 2024

	100% Bonds	20% Stocks 80% Bonds	40% Stocks 60% Bonds	60% Stocks 40% Bonds	80% Stocks 20% Bonds	100% Stocks
Return for Best Year	18.5%	22.1%	25.8%	29.7%	33.6%	37.6%
Return for Worst Year	-13.0%	-13.8%	-14.8%	-22.1%	-29.8%	-37.0%
Average Annual Nominal Return	4.6%	6.0%	7.4%	8.6%	9.8%	10.9%
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%



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 could 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. 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.

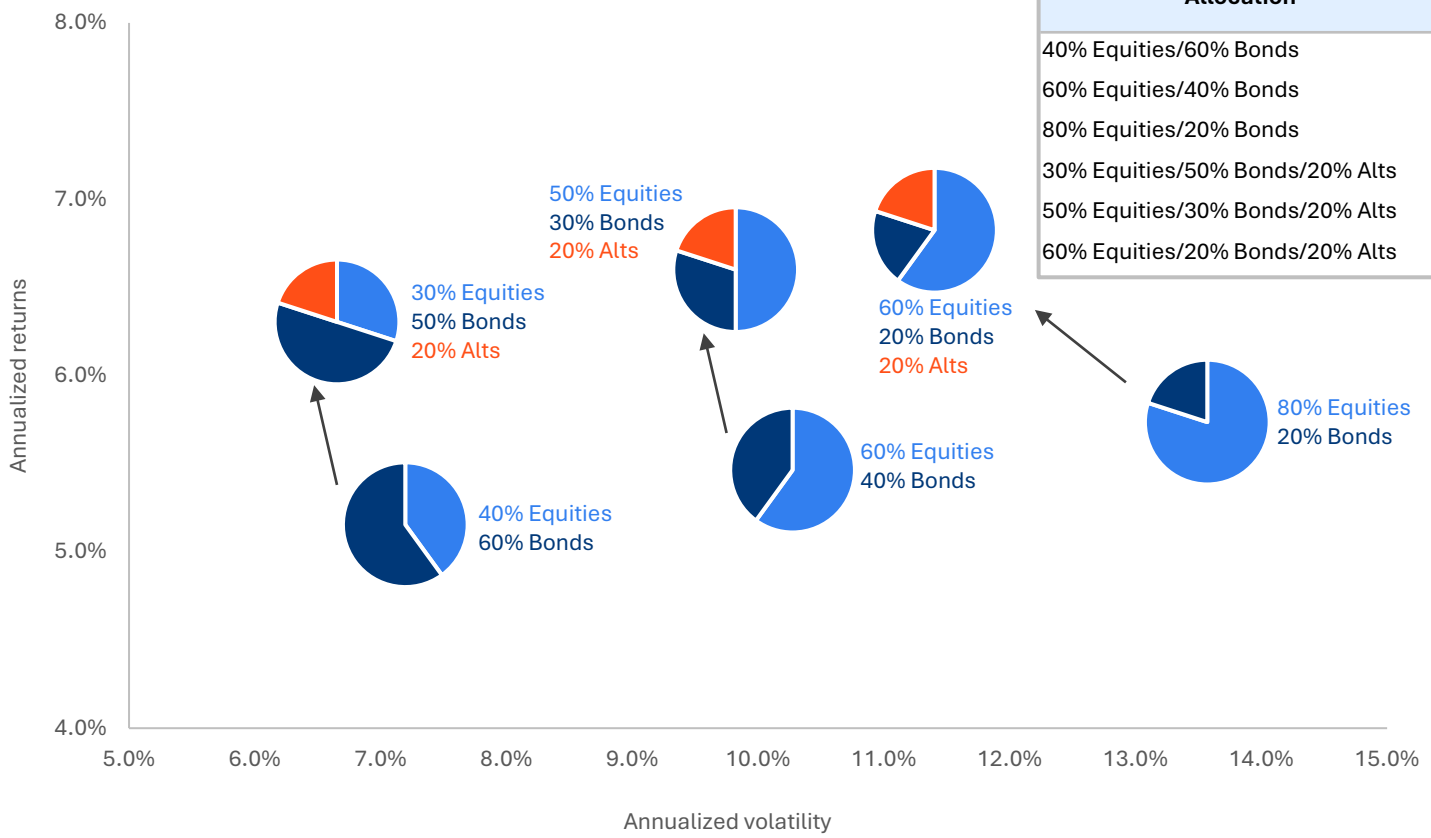
2010–2024																	
Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap 13.9%	Small Cap 20.6%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	DM Equity 19.9%
Small Cap 10.3%	EM Equity 17.9%	Small Cap 26.9%	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%	EM Equity 15.6%
REITs 9.4%	REITs 16.8%	EM Equity 19.2%	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%	Asset Alloc. 7.0%
Asset Alloc. 7.2%	DM Equity 16.5%	Comdty. 16.8%	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%	High Yield 6.8%
High Yield 5.9%	Comdty. 16.1%	Large Cap 15.1%	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%	Large Cap 6.2%
DM Equity 5.7%	Large Cap 15.1%	High Yield 14.8%	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%	Comdty. 5.5%
EM Equity 3.4%	Asset Alloc. 10.4%	Asset Alloc. 13.3%	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%	Fixed Income 4.0%
Fixed Income 2.4%	High Yield 9.4%	DM Equity 8.2%	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%	Cash 2.1%
Cash 1.2%	Fixed Income 4.7%	Fixed Income 6.5%	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%	REITs 1.8%
Comdty. -1.0%	Cash 0.9%	Cash 0.1%	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%	Small Cap -1.8%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period from 12/31/2009 to 12/31/2024. Please see disclosure page at end for index definitions. All data represents total return for stated period. The "Asset Allocation" portfolio is for illustrative purposes only. **Past performance is not indicative of future returns.** *Guide to the Markets* – U.S. Data are as of June 30, 2025.

Alternatives

The diversification benefits of alternatives

Portfolio risk/return, 1Q 2000 – 4Q 2024



Allocation	Volatility	Annualized returns
40% Equities/60% Bonds	7.2%	5.1%
60% Equities/40% Bonds	10.3%	5.5%
80% Equities/20% Bonds	13.7%	5.7%
30% Equities/50% Bonds/20% Alts	6.7%	6.3%
50% Equities/30% Bonds/20% Alts	9.9%	6.7%
60% Equities/20% Bonds/20% Alts	11.5%	6.8%

What is this chart showing?

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 is it important?

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

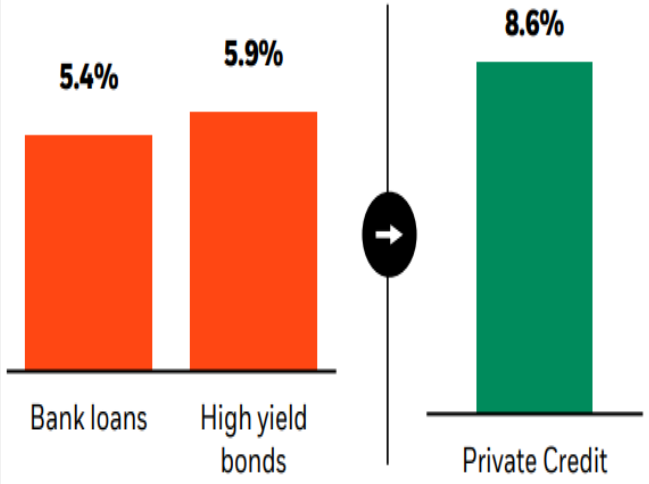
BlackRock

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.

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

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: **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 and accrued interest on defaulted debt can be recovered, expressed as a percentage of face value. [5]As of 12/31/22. Liquid Market Loans represented by S&P/ LISTA leveraged loan index. Source: LLI Factsheet. Private credit loans sourced from Lincoln International Valuation and Opinions Group as of March 2023. Most recent data available.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2015-2024 Ann.	2015-2024 Vol.*
Infra. 15.5%	Infra. 14.2%	Private Equity 22.9%	Venture Capital 21.2%	60/40 Portfolio 22.4%	Venture Capital 58.3%	Venture Capital 49.8%	Transport 12.1%	60/40 Portfolio 18.0%	60/40 Portfolio 15.5%	Venture Capital 14.1%	Venture Capital 13.1%
Venture Capital 15.1%	Private Equity 12.2%	Venture Capital 14.8%	Infra. 11.6%	Venture Capital 20.3%	Private Equity 24.1%	Private Equity 37.6%	Infra. 9.6%	50/30/20 Portfolio 15.3%	50/30/20 Portfolio 14.0%	Private Equity 14.0%	60/40 Portfolio 10.3%
U.S. Core RE 15.0%	Direct Lending 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%	Direct Lending 12.1%	Direct Lending 11.3%	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 9.6%	Infra. 10.7%	Direct Lending 9.0%	Private Equity 8.5%
APAC Core RE 11.8%	U.S. Core RE 8.8%	Infra. 12.2%	Private Equity 9.0%	Infra. 11.5%	Hedge Funds 11.4%	60/40 Portfolio 16.6%	Direct Lending 6.3%	Transport 8.9%	Hedge Funds 10.6%	50/30/20 Portfolio 8.7%	Hedge Funds 5.9%
Private Equity 8.8%	50/30/20 Portfolio 8.5%	APAC Core RE 11.5%	U.S. Core RE 8.3%	Europe Core RE 9.4%	Transport 6.8%	Europe Core RE 14.2%	Hedge Funds -1.1%	Infra. 7.9%	Transport 7.4%	60/40 Portfolio 8.1%	U.S. Core RE 5.6%
Transport 8.8%	60/40 Portfolio 8.2%	Transport 10.6%	Direct Lending 8.1%	Direct Lending 9.0%	Direct Lending 5.5%	Direct Lending 12.8%	Private Equity -1.5%	Hedge Funds 7.6%	Private Equity 4.9%	Transport 7.9%	Transport 4.7%
Direct Lending 5.5%	Europe Core RE 8.1%	Europe Core RE 9.8%	Transport 5.2%	Hedge Funds 9.0%	Europe Core RE 4.8%	APAC Core RE 11.8%	Europe Core RE -2.4%	Venture Capital -2.2%	Venture Capital 4.8%	Europe Core RE 6.5%	Europe Core RE 4.1%
50/30/20 Portfolio 3.0%	Transport 7.8%	Direct Lending 8.6%	50/30/20 Portfolio -0.4%	APAC Core RE 6.6%	U.S. Core RE 1.2%	Infra. 10.5%	50/30/20 Portfolio -12.6%	APAC Core RE -2.3%	Europe Core RE 4.7%	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 0.3%	Transport 10.3%	60/40 Portfolio -16.1%	Europe Core RE -4.9%	APAC Core RE -1.0%	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 -20.5%	U.S. Core RE -12.0%	U.S. Core RE -1.4%	Hedge Funds 5.8%	Direct Lending 2.9%

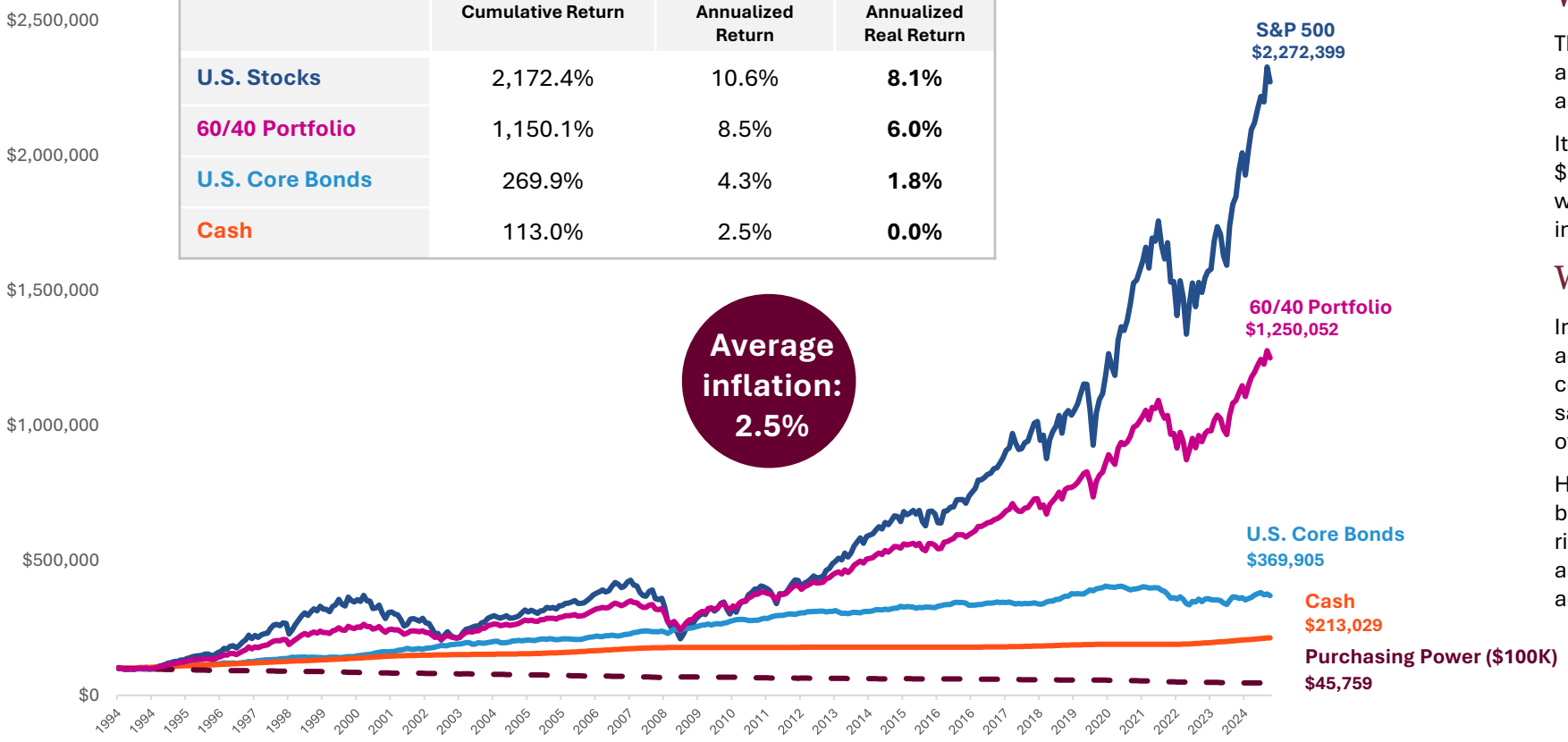
Source: J.P. Morgan Asset Management, "Guide to Alternatives," 2025. Bloomberg, Burgiss, Cliffwater, FactSet, HFRI, MSCI, NCREIF, J.P. Morgan Asset Management. Private Equity and Venture Capital are internal rates of return from Burgiss. Hedge funds: HFRI Fund Weighted Composite. Transport returns are 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 May 31, 2025

Foundations

The importance of investing for the long-term

Growth of $100K; 1994 – 2024

	Cumulative Return	Annualized Return	Annualized Real Return
U.S. Stocks	2,172.4%	10.6%	**8.1%**
60/40 Portfolio	1,150.1%	8.5%	**6.0%**
U.S. Core Bonds	269.9%	4.3%	**1.8%**
Cash	113.0%	2.5%	**0.0%**



What is this chart showing?

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 is it important?

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

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

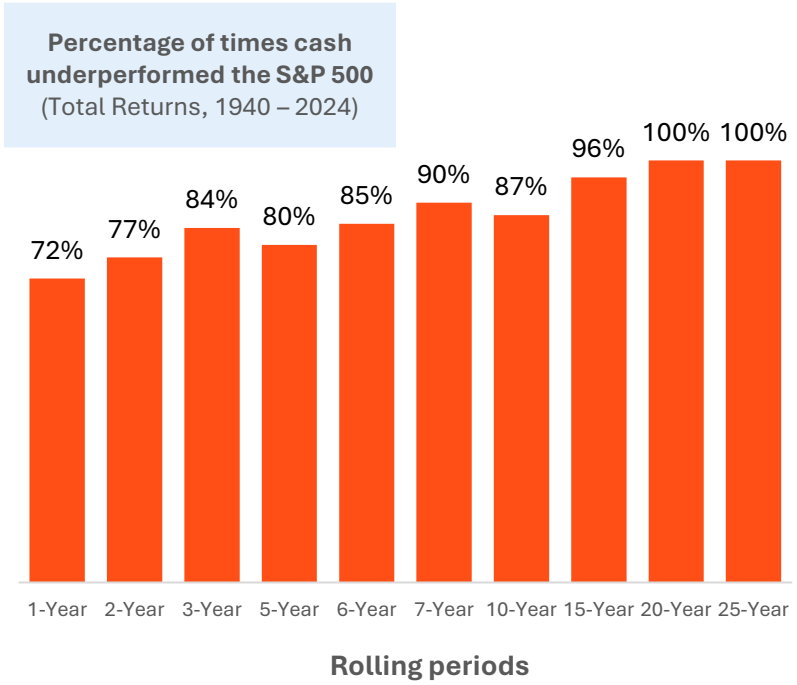
Source: Morningstar, BLS. January 1, 1994 - December 31, 2024.U.S. Stocks = S&P 500 Total Return. U.S. Core Bonds = Bloomberg U.S. Aggregate Bond Index. Cash = 3month U.S. Treasury Bills.60/40 portfolio = 60% S&P 500/40% U.S. Aggregate Bond. Average inflation represents the average yearly headline Consumer Price Index (CPI) increase. Purchasing power represents the erosion of value of $100k based on increases in CPI over time. 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.**

Trending topic

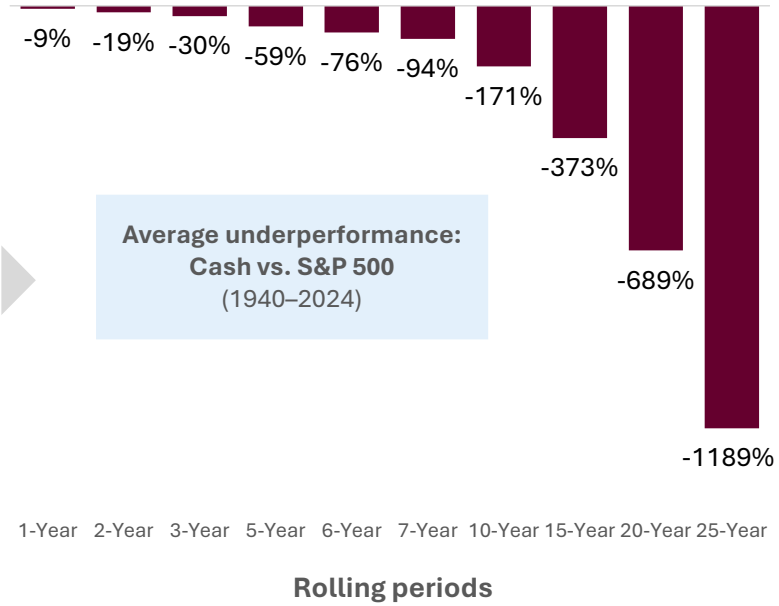
Lincoln Financial

The odds of cash underperforming are high

How often cash underperforms...



...and by how much on average



What is this chart showing?

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 is it important?

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 30%, translating to $30,000 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, 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.**

Time in the market, not timing the market

Rolling returns, range of outcomes (1976 – 2024)

What is this chart showing?

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 is it important?

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.**

Long-term investors are often rewarded

Time

Return thresholds

1-Year Returns (*577 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	74%	71%	68%	66%	63%
70% Equity/30% Fixed Income	73%	71%	67%	64%	61%
60% Equity/40% Fixed Income	73%	70%	66%	63%	59%
40% Equity/60% Fixed Income	72%	69%	62%	54%	49%

10-Year Returns (*469 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	89%	88%	80%	71%	67%
70% Equity/30% Fixed Income	89%	88%	77%	70%	65%
60% Equity/40% Fixed Income	89%	86%	74%	68%	61%
40% Equity/60% Fixed Income	91%	80%	68%	59%	48%

20-Year Returns (*349 Rolling Periods*)

	5%+	6%+	7%+	8%+	9%+
80% Equity/20% Fixed Income	100%	95%	88%	74%	52%
70% Equity/30% Fixed Income	100%	93%	87%	68%	46%
60% Equity/40% Fixed Income	100%	91%	84%	59%	44%
40% Equity/60% Fixed Income	100%	89%	72%	45%	42%

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%	75%
40% Equity/60% Fixed Income	100%	100%	100%	86%	51%

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

What is this chart showing?

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 2024.

Why is it important?

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 68% 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%.

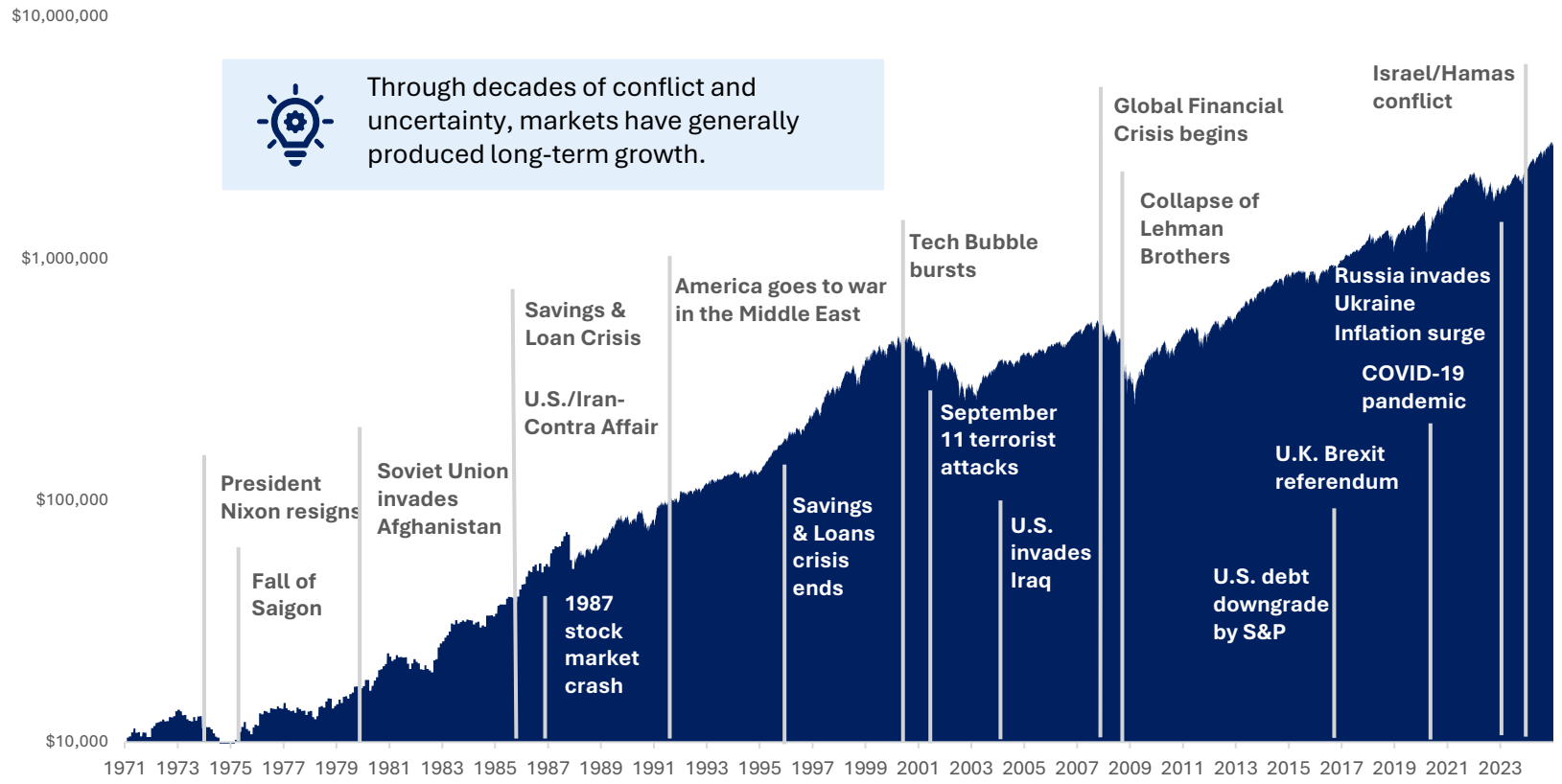
Source: Morningstar. **Equity** = S&P 500 TR. **Fixed Income** = Bloomberg U.S. Aggregate Index TR. 80/20 portfolio = 80% S&P 500 TR and 20% Bloomberg U.S. Aggregate Bond Index TR. 70/30 portfolio = 70% S&P 500 TR and 30% Bloomberg U.S. Aggregate Bond Index TR. 60/40 portfolio = 60% S&P 500 TR and 40% 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.**

Trending topic

Lincoln Financial

Market resiliency

Growth of $10,000, S&P 500 (1971 – 2024)



Source: Morningstar, S&P 500 Total Return Index, January 1, 1971, through December 31, 2024. 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, 2024.

What is this chart showing?

This chart shows that $10,000 invested in the S&P 500 Index from January 1, 1971, to December 31, 2024, grew to over $2.9 million throughout various crisis events. This equates to a hypothetical annualized return of more than 11%.

Why is it important?

Market volatility has always been a source of concern for investors — whether it's caused by geopolitical events, pandemics, inflation, interest rates or other economic conditions.

It's important to remember that while current events may feel unprecedented to us, markets have seen and tackled these types of challenges before — and are poised to do so again.

For use with the general public.

Trending topic

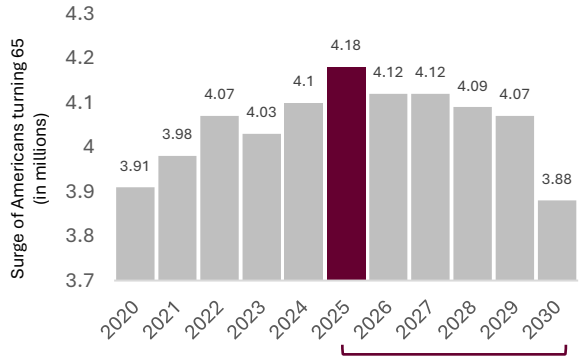
Lincoln Financial

America's Peak 65 milestone

The greatest surge of new retirees in the nation's history is fast approaching.

11,400
Americans are turning 65 *every day*!

2025 will set a historic milestone of Americans reaching age 65 in a single year – the highest on record.



- ☑ **~25 million** Americans will turn age 65 between 2025 and 2030 ... *that's more than the population of Florida and New York!*
- ☑ **4.1 million+** Americans will turn 65 *each year* through 2027.

Did you know?

America's 65-year-old population increased **1,000%** between 1920 and 2020, with **one in six** people now 65 or older.	There are **73 million** Baby Boomers in the U.S. and by 2030, **one-fifth** of the country will be 65 years or older.	**24%** of Peak Boomers have defined benefit pensions.	There is a nearly **50%** chance of one member of a 65-year-old couple living for another 30 years.
Based on their assets and their likelihood of living up to *20 or more* years in retirement, **two-thirds** of Peak Boomers will be challenged to maintain their lifestyles in retirement.	**46%** of Baby Boomer Americans are seeking financial advice. The 65 – 74 age range has an average net worth of $1,794,600.	In the U.S., nearly **$84.4 trillion** in wealth will be transferred from the baby boomer generation over the **next two decades,** particularly to **millennials and Gen Xers.**	This shift of wealth will impact the **U.S. housing market, healthcare, education, labor markets, financial markets, and more.**

What is this chart showing?

This chart shows an overview of America's Peak 65 milestone.

Why is it important?

The year 2024 marked the beginning of the "Peak 65® Zone," the largest surge of retirement age Americans turning 65 in our nation's history. These Peak Boomers represent the youngest, largest, and final cohort of the Baby Boomer generation.

We are in the midst of what some are calling the "Great Wealth Transfer," as trillions of dollars move from Baby Boomers to younger generations over the next two decades. This shift is likely to have a major impact on the economy, benefiting many upper-middle-class millennials and Gen Xers who stand to inherit wealth.

As this unprecedented wave of Americans turns 65, it's crucial for investors and families to have strategies in place to navigate the evolving retirement landscape.

Source: Alliance for Lifetime Income, AARP, J.P. Morgan Asset Management, Cerulli Associates, U.S. News, The Cerulli Report —"U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021: Evolving Wealth Demographics," "The Peak Boomer Impact Study" commissioned by ALI's Retirement Income Institute.

For use with the general public.

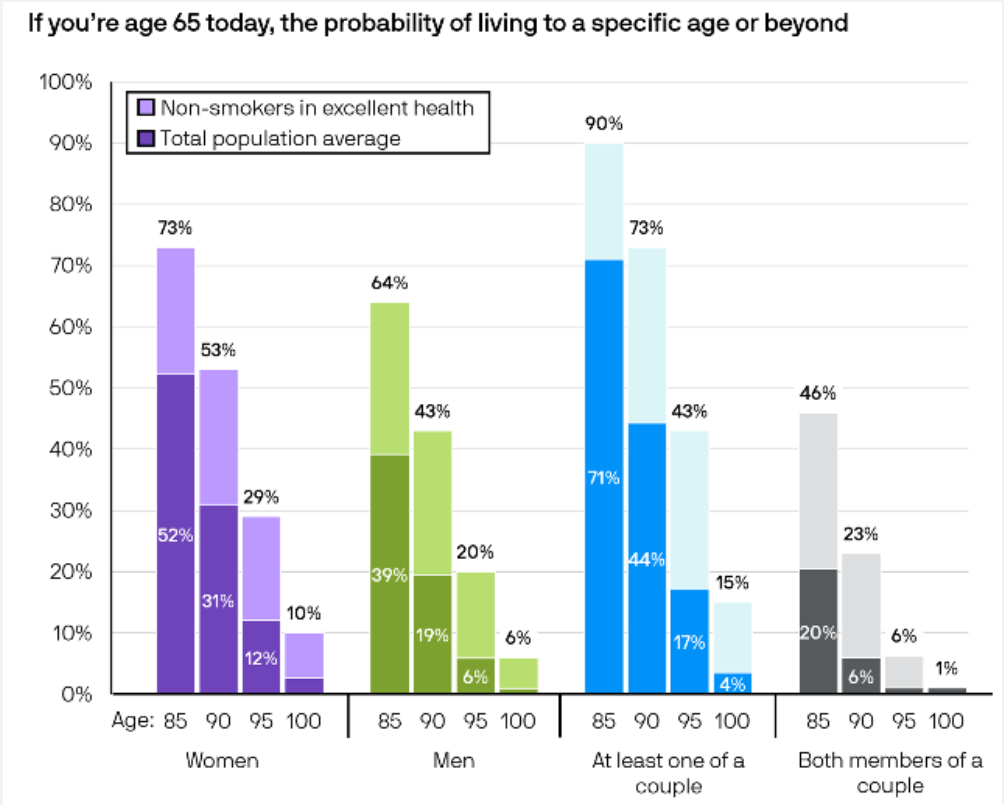
Life expectancy probabilities

J.P.Morgan
Asset Management

Life expectancies in the United States continue to increase as more people are living to older ages.

This chart shows the probability that 65-year-old men and women today will reach various ages. For a 65-year-old couple, there is nearly an even chance that one of them will live to age 90 or beyond.

Individuals should plan for living well beyond the average – to age 95 or even 100 – especially those in good health. Shown on the purple bars, half of women will make it at least to 85, and more than half of female nonsmokers in excellent health will pass age 90. Men are not that far behind, with 4 in 10 healthy nonsmoking men expected to surpass age 90.



Source: Social Security Administration, Period Life Table, 2021 (published in the 2024 OASDI Trustees Report); American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, http://www.longevityillustrator.org/ (accessed December 2024), J.P. Morgan Asset Management.

Source: J.P. Morgan Asset Management, "Guide to Retirement," 2025.

For use with the general public.

Effect of withdrawal rates and portfolio allocations

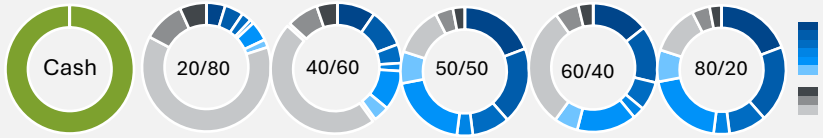
J.P.Morgan
Asset Management

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

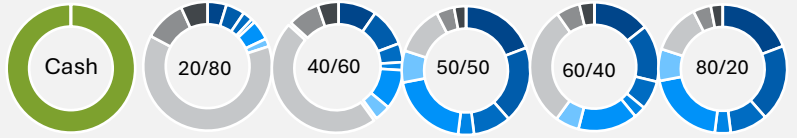
Various initial withdrawal rates and diversified asset allocations



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.

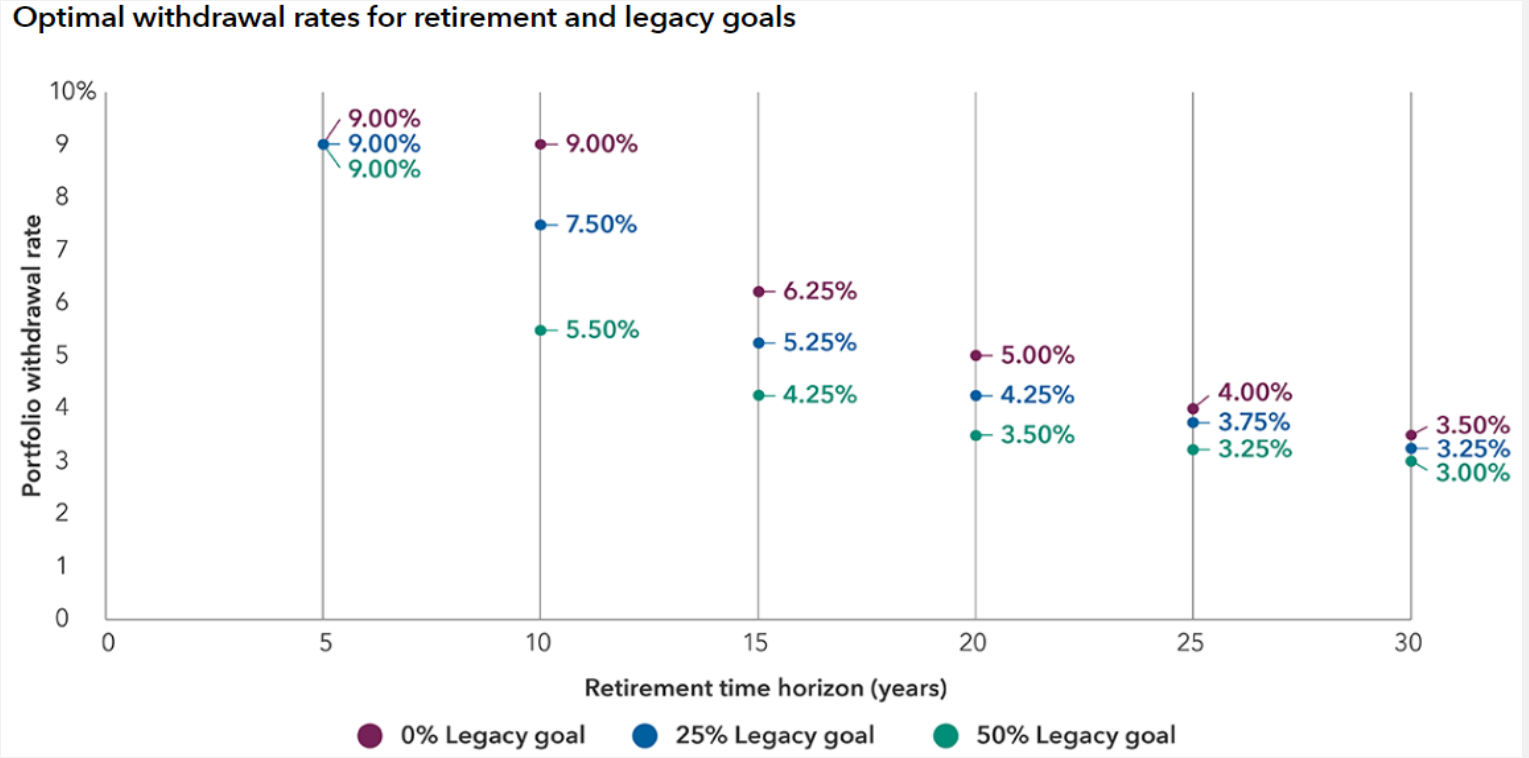
Balancing sustainable income and legacy goals

CAPITAL GROUP | AMERICAN FUNDS

Certain withdrawal methods may be better for maximizing current spending, while others excel in preserving one's nest egg for a future legacy.

For example, legacy-focused investors often favor lower withdrawal rates. Based on analysis by Capital Group, an investor looking to preserve at least 50% of their account balance over a 30-year horizon may consider a 3.00% fixed withdrawal to meet this objective. If the legacy goal decreases to 25% of the account balance, the fixed withdrawal rate may increase to 3.25%.

The probability of success involves balancing a retiree's income and legacy objectives, not just avoiding portfolio depletion.



Source: Capital Group calculations based on a hypothetical Monte Carlo analysis. We then calculated the hypothetical investment outcomes of these personalized portfolios using Capital Group's capital markets assumptions (CMAs) for global equities (represented by the MSCI All Country World Index) and U.S. aggregate fixed income (represented by the Bloomberg U.S. Aggregate Index). We assumed a 60% allocation to equities and 40% to fixed income with fixed withdrawals starting in the first year of retirement and continuing for the time horizon indicated. Withdrawals are increased by 2.25% each year after the first year to adjust for inflation. Taxes and fees are not included. Neither past results nor capital market assumptions can guarantee future performance.

Sequence of returns: A tale of two investors

Investor 1

- $500,000 investment
- 7.4% average annual return
- 4% withdrawals, increasing 3% each year
- Negative returns during early years
- Ran out of money in year 24
- Positive returns in later years were not enough to sustain income

Investor 2

- $500,000 investment
- 7.4% average annual return
- 4% withdrawals, increasing 3% each year
- Positive returns early in retirement
- Still had substantial cash value, even with negative returns in later years
- Will likely have a legacy to leave behind

Investor 1's portfolio

Year	Annual return	4% withdrawals	Year-end value
1	–11.36%	$20,000	$425,472
2	0.10%	$20,600	$405,277
3	10.79%	$21,218	$425,499
4	15.63%	$21,855	$466,734
5	–17.37%	$22,510	$367,062
6	–29.72%	$23,185	$241,676
7	31.55%	$23,881	$286,510
8	19.15%	$24,597	$312,069
9	–11.50%	$25,335	$253,759
10	1.06%	$26,095	$230,077
11	12.31%	$26,878	$228,212
12	25.77%	$27,685	$252,203
13	–9.73%	$28,515	$201,923
14	14.76%	$29,371	$198,021
15	17.27%	$30,252	$196,743
16	1.40%	$31,159	$167,902
17	26.33%	$32,094	$171,566
18	14.62%	$33,057	$158,759
19	2.03%	$34,049	$127,242
20	12.40%	$35,070	$103,601
21	27.25%	$36,122	$85,867
22	–6.56%	$37,206	$45,469
23	26.31%	$38,322	$9,028
24	4.46%	$9,028	$0
25	7.06%	$0	**$0**

Investor 2's portfolio

Year	Annual return	4% withdrawals	Year-end value
1	7.06%	$20,000	$513,888
2	4.46%	$20,600	$515,289
3	26.31%	$21,218	$624,061
4	–6.56%	$21,855	$562,701
5	27.25%	$22,510	$687,393
6	12.40%	$23,185	$746,570
7	2.03%	$23,881	$737,359
8	14.62%	$24,597	$816,967
9	26.33%	$25,335	$1,000,069
10	1.40%	$26,095	$987,609
11	17.27%	$26,878	$1,126,649
12	14.76%	$27,685	$1,261,171
13	–9.73%	$28,515	$1,112,718
14	25.77%	$29,371	$1,362,527
15	12.31%	$30,252	$1,496,278
16	1.06%	$31,159	$1,480,649
17	–11.50%	$32,094	$1,281,971
18	19.15%	$33,057	$1,488,081
19	31.55%	$34,049	$1,912,779
20	–29.72%	$35,070	$1,319,654
21	–17.37%	$36,122	$1,060,582
22	15.63%	$37,206	$1,183,330
23	10.79%	$38,322	$1,268,554
24	0.10%	$39,472	$1,230,312
25	–11.36%	$40,656	**$1,054,511**

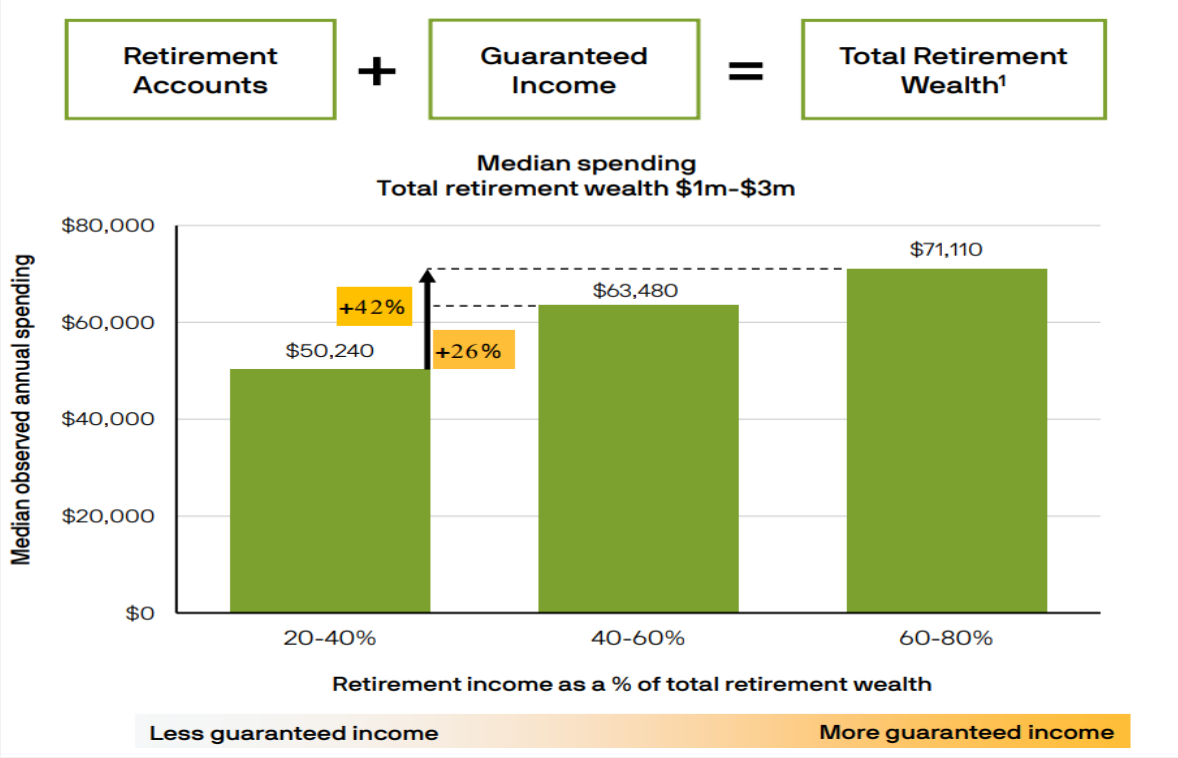
Source: This hypothetical is for illustrative purposes only and does not reflect the performance of any product. Investor 1's portfolio is based on S&P 500 Index returns, price only (dividends not reinvested), from January 1, 1969, to December 31, 1993. Investor 2's portfolio is based on reversing the order of Investor 1's returns. 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.**

For use with the general public.

The power of a retirement paycheck

J.P.Morgan
Asset Management

When comparing households with similar total retirement wealth, those who are more heavily weighted to retirement income spend significantly more per year. Total retirement wealth includes investable assets plus the present value of retirement income sources like Social Security, pensions and annuities.



Source: Chase data including select Chase credit and debit card, electronic payment, ATM withdrawal and check transactions in 2023. Information that would have allowed identification of specific customers was removed prior to the analysis. Asset estimates for de-identified and aggregated households supplied by IXI/Equifax, Inc. Total retirement wealth is the sum of investable wealth and the present value of observed retirement income sources including Social Security (inflated), pensions and annuities (both not inflated) until age 90. Inflation rate assumption is 2.5%. Observed retirement income sources are adjusted to pre-tax values to be consistent with investable wealth. [1]Total retirement is wealth in retirement accounts and the present value of future guaranteed income payments.

Source: J.P. Morgan Asset Management, “Guide to Retirement," 2025.

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 16 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 (%)[2]	Inflation (%)	Real Return After Taxes & Inflation (%)
2005	4.22	25	3.34	-0.18
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

Source: Hartford Funds, Bloomberg, FactSet. **Past performance does not guarantee future results,** 2/24. [1]CD rates are proxied by Bankrate's 12-month CD national average. [2] Tax Policy Center, 12/23. Investing involves risk, including the possible loss of principal.

Average investor versus the market

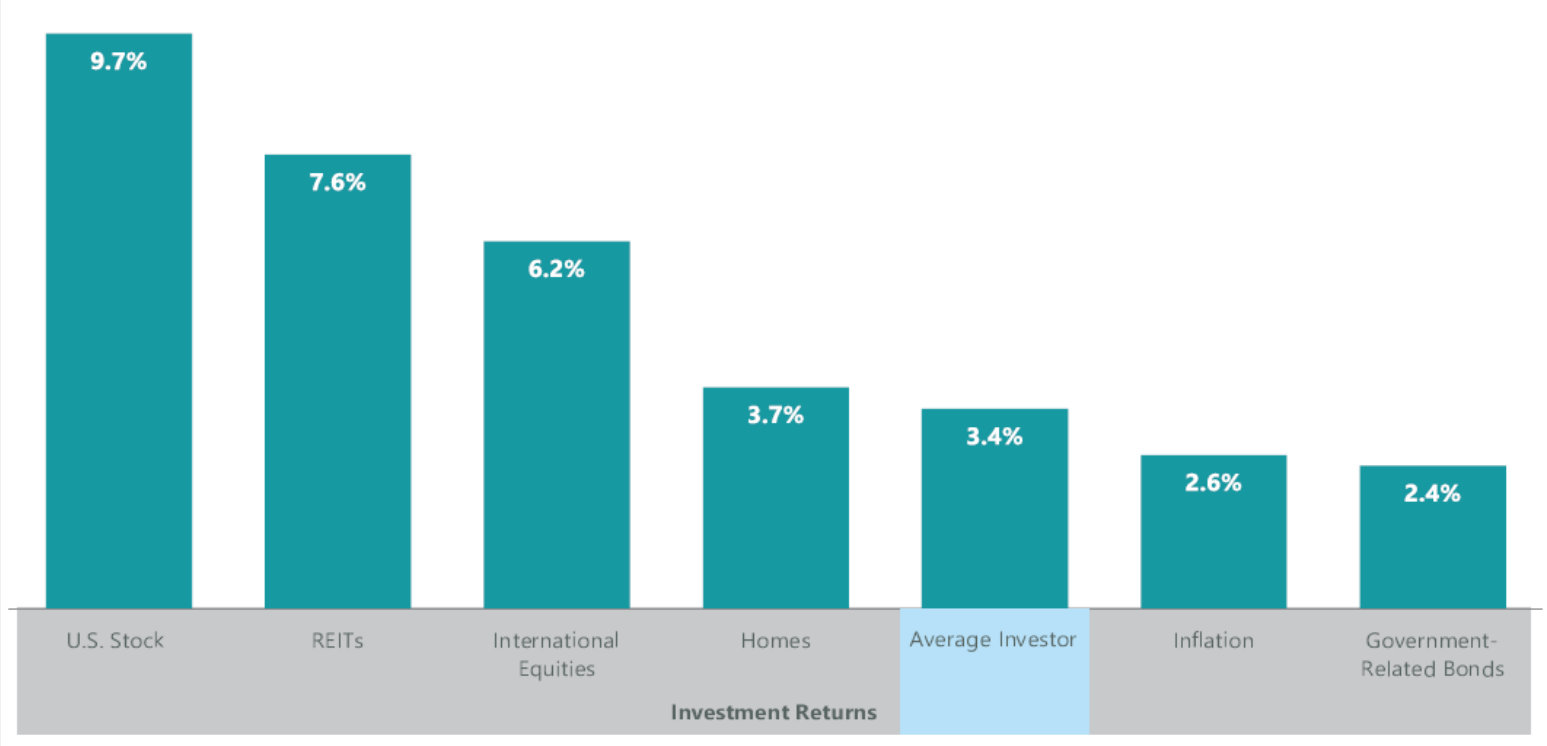
ClearBridge Investments

FRANKLIN TEMPLETON

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.

20-year annualized returns (2004 -2023)



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.**

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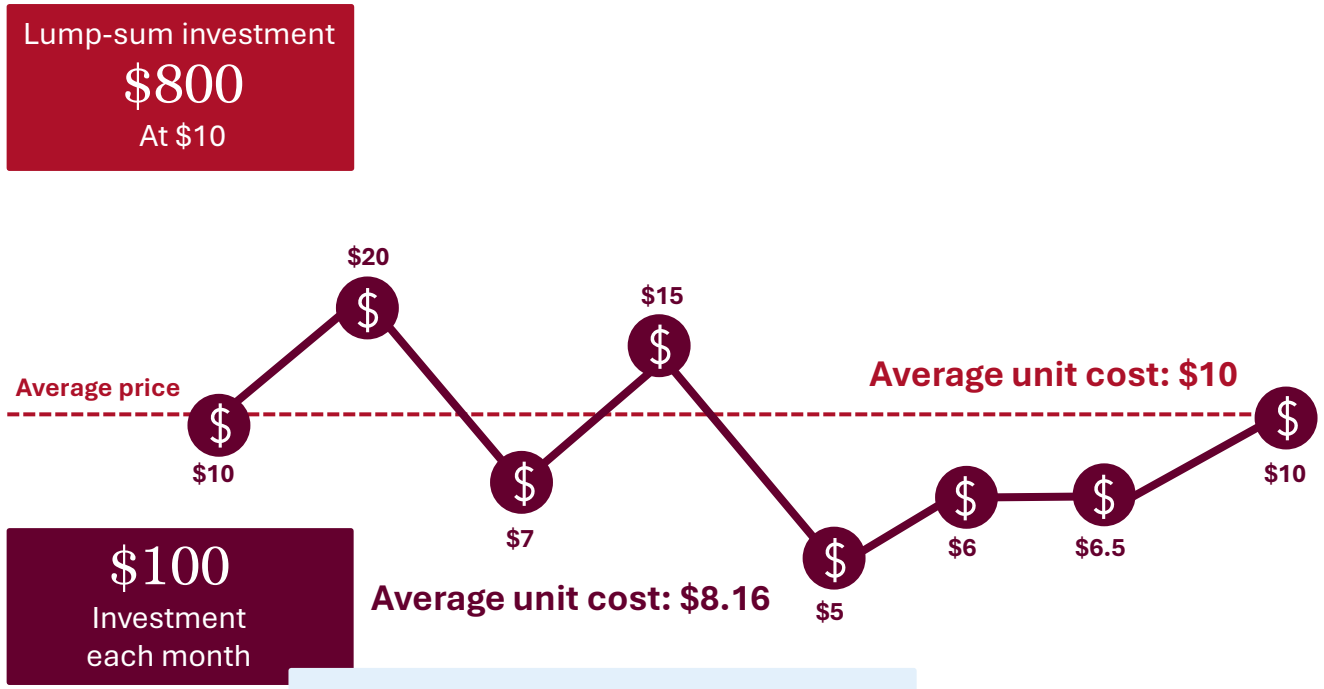
Why consider dollar cost averaging?

What is dollar cost averaging (DCA)?

A strategy that involves investing equal dollar amounts at regular intervals, regardless of market fluctuations



What is this chart showing?

This chart shows a hypothetical example of how dollar cost averaging works by comparing a lump-sum investment to spreading purchases out over time.

Why is it important?

Dollar cost averaging (DCA) is an approach that involves investing equal amounts at regular intervals, regardless of market conditions. This strategy can help average out the cost of investments over time, buying more units when prices are lower and fewer when prices are higher.

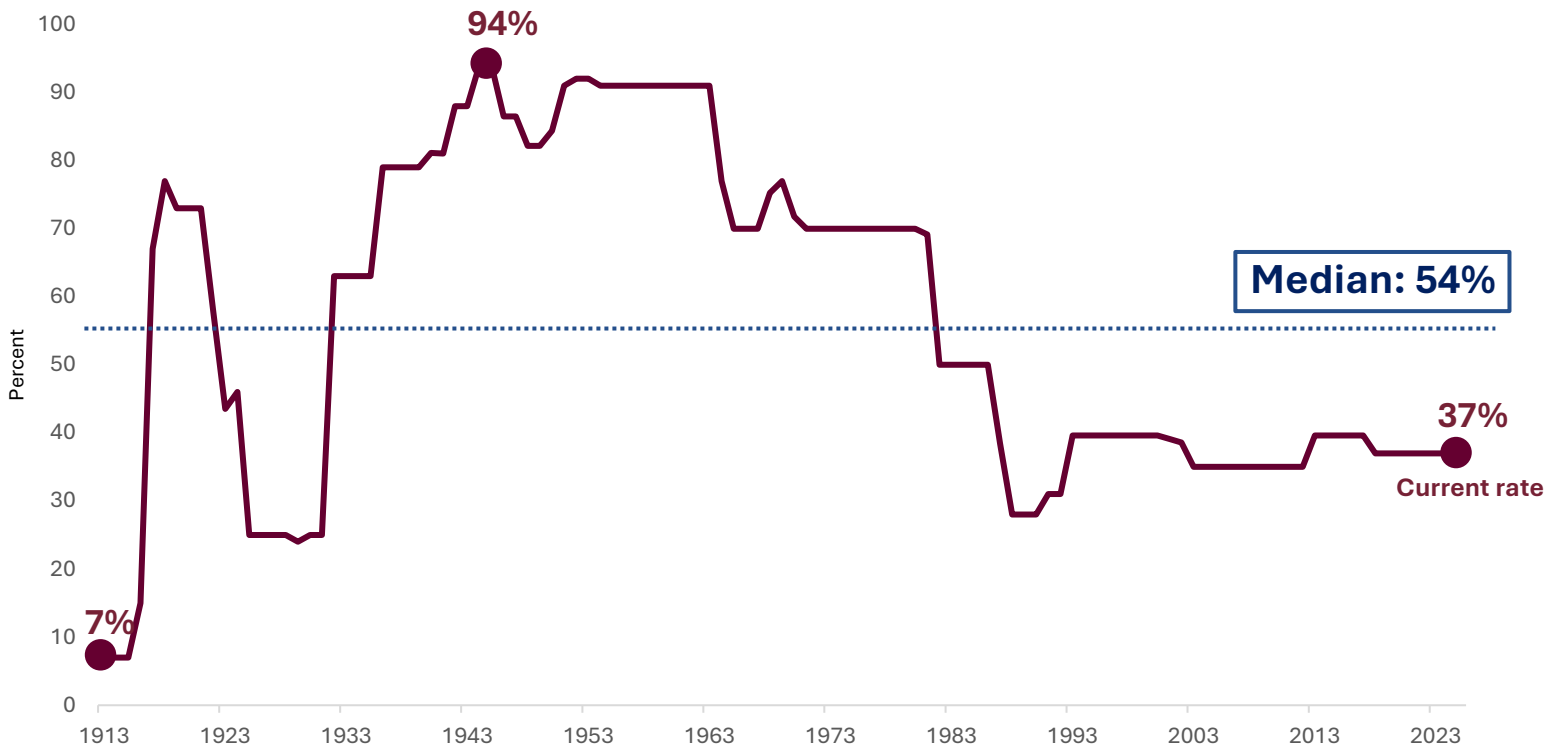
A DCA strategy can also encourage consistent habits and help investors avoid making decisions based on short-term market movements or emotions.

While DCA does not guarantee profits or eliminate risk, it can be used to help investors stay disciplined and focused on their long-term plans.

Source: Lincoln Financial. **Example is hypothetical and for illustrative purposes only. It is not indicative of any particular investment. Dollar cost averaging does not guarantee a profit or protect against losses.**

Historical income tax rates

Top marginal individual federal tax rate



What is this chart showing?

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

Why is it important?

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.

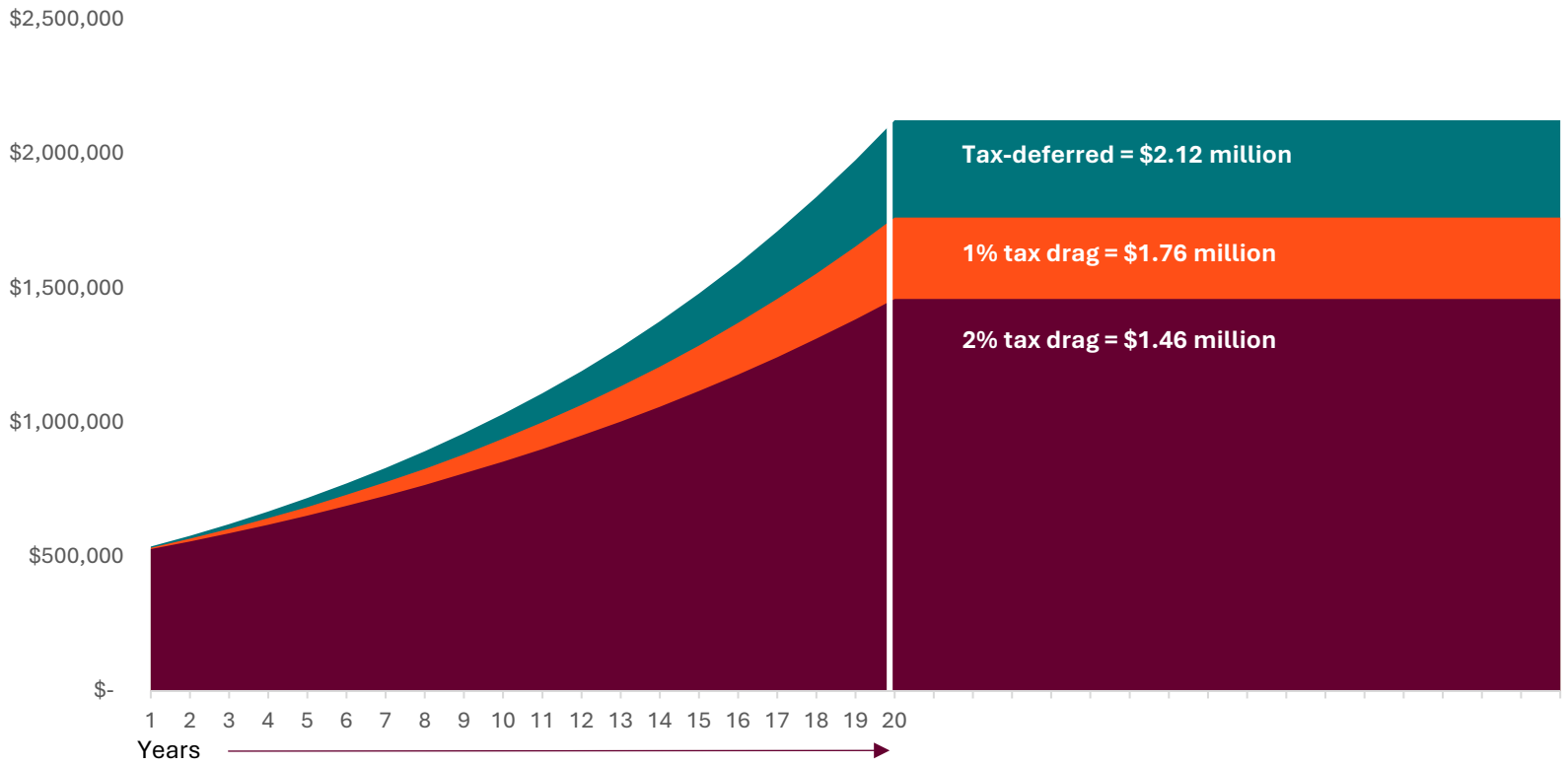
Investors may benefit from working with a tax professional to determine the most effective and appropriate tax planning strategies to meet their long-term goals.

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 – 2025.

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
1.5% Lost to taxes each year[1]	1.2% Lost to taxes each year[1]	1.5% Lost to taxes each year[1]

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

What is this chart showing?

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

Why is it important?

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 6/30/25 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.

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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 May 2025. 10-year return time period.
- J.P. Morgan Asset Management, 2025 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/market-forecasts-q1-2025, as of Q1 2025. 10+ year return time period.
- Invesco: Quarterly Global Asset Allocation Outlook | Q3 2025: https://www.invesco.com/uk/en/insights/quarterly-global-asset-allocation-portfolio-outlook.html, as of June 2025.

Economic and market indicators

- Consumer sentiment based on month-end data, starting in Jan. 1978 to June 2025. +/- 1 std. deviation of historical value range from 97.90% to 71.06%.
- Economic expansion (CQOQ Index) based on QOQ % change data of quarterly data, starting in June 1947 to March 2025. +/- 1 std. deviation of historical value range from 7.72% to – 1.34%.
- Inflation (CPI) based on YOY % change of monthly CPI seasonally adjusted data, starting in Jan. 1947 to May 2025. +/- 1 std. deviation of historical value range from 6.99% to 0.47%.
- Market volatility (VIX) based on average daily closing values for the month of the CBOE VIX index from Jan. 1990 to June 2025. +/- 1 std. deviation of historical value range from 24.83% to 11.68%.
- Unemployment based on month-end data, starting in Jan. 1948 to May 2025. +/- 1 std. deviation of historical value range from 7.38% to 3.97%.
- 10Y U.S. Treasury yield based on daily data, starting in Jan. 1962 to June 2025. +/- 1 std. deviation of historical value range from 8.79% to 2.88%.

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