



Market Intel Exchange

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As of 6/30/2026

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Market intelligence, made easy

Saving you time.

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Market Intel Exchange.

Did you know?

From July of midterm election years since 1950 through the following June, the S&P 500 has been **positive 95%** of the time with an average return of **19.8%**. In a typical year, those numbers are *74% and 9.3%*, respectively.

See page 6 for the full historical breakdown.

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



What's inside?



Trending topic

What is a Trending Topic?

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



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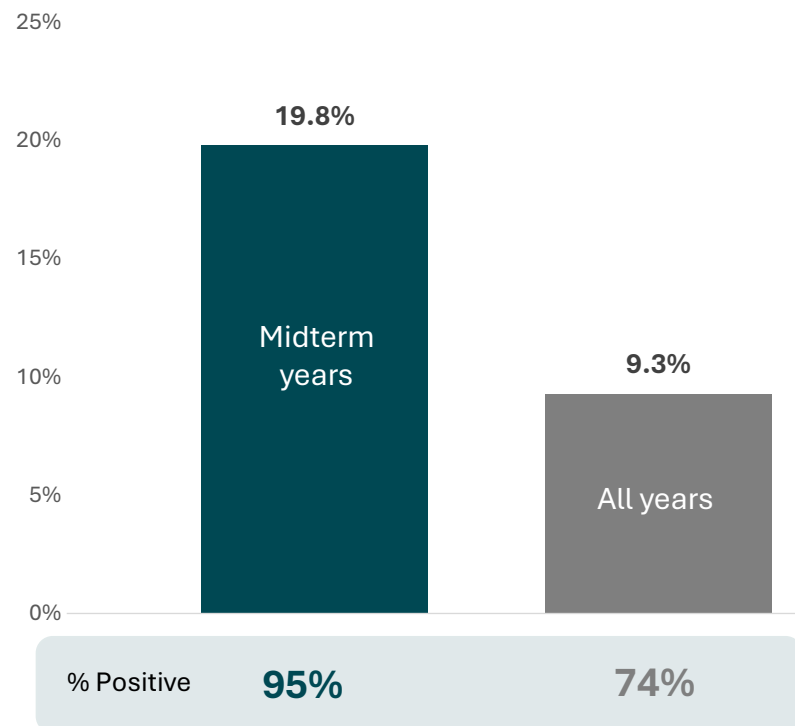
01

Midterm Elections

Midterm midyear market pattern

Midterm years have seen strong 12-month returns after the first half ...

S&P 500: average 12-month return, July – June of following year (1950 – 2026¹)



... but the short-term path can be bumpy

S&P 500: forward returns from July of midterm years

Year	6-mo (Jul-Dec)	12-mo (Jul-Jun)
1950	15.5%	18.5%
1954	23.2%	40.5%
1958	22.0%	29.2%
1962	15.3%	26.7%
1966	-5.2%	7.0%
1970	26.7%	37.1%
1974	-20.3%	10.7%
1978	0.6%	7.7%
1982	28.3%	53.4%
1986	-3.5%	21.2%
1990	-7.8%	3.7%
1994	3.4%	22.6%
1998	8.4%	21.1%
2002	-11.1%	-1.5%
2006	11.7%	18.4%
2010	22.0%	28.1%
2014	5.0%	5.2%
2018	-7.8%	8.2%
2022	1.4%	17.6%
Average	+6.7%	+19.8%
% positive	68%	95%

What this chart shows:

The chart on the left compares the 19 midterm election years vs. all years since 1950, showing the S&P 500's average return and how often it was positive from July – June of the following year.

The table on the right shows each midterm year, along with the 6- and 12- month returns from the start of the second half of each year.

Why it matters:

The second half of midterm years has often been choppy.

Roughly a third of instances since 1950 were negative, and the worst six-month stretch fell more than 20% (1974).

Twelve months out (July through the following June), the picture has improved. Returns in midterm years averaged more than double a typical year, and all but one instance was positive (-1.5% from July 2002 – June 2003).

In fact, even 1974, the midterm year with the worst second half, still finished the 12-month period from July of that year through June of the following year with a gain of more than 10%.

Source: Morningstar, analysis by Lincoln Financial. (1) S&P 500 Price Return Index from 1950 – June 2026. Forward returns measured from July 1 of each year through June 30 of the following year. **Past performance does not guarantee or predict future performance.** You cannot invest directly in an index.

Midterm election years: choppy with a strong Q4 rally

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

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



What this chart shows:

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

Why it matters:

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

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

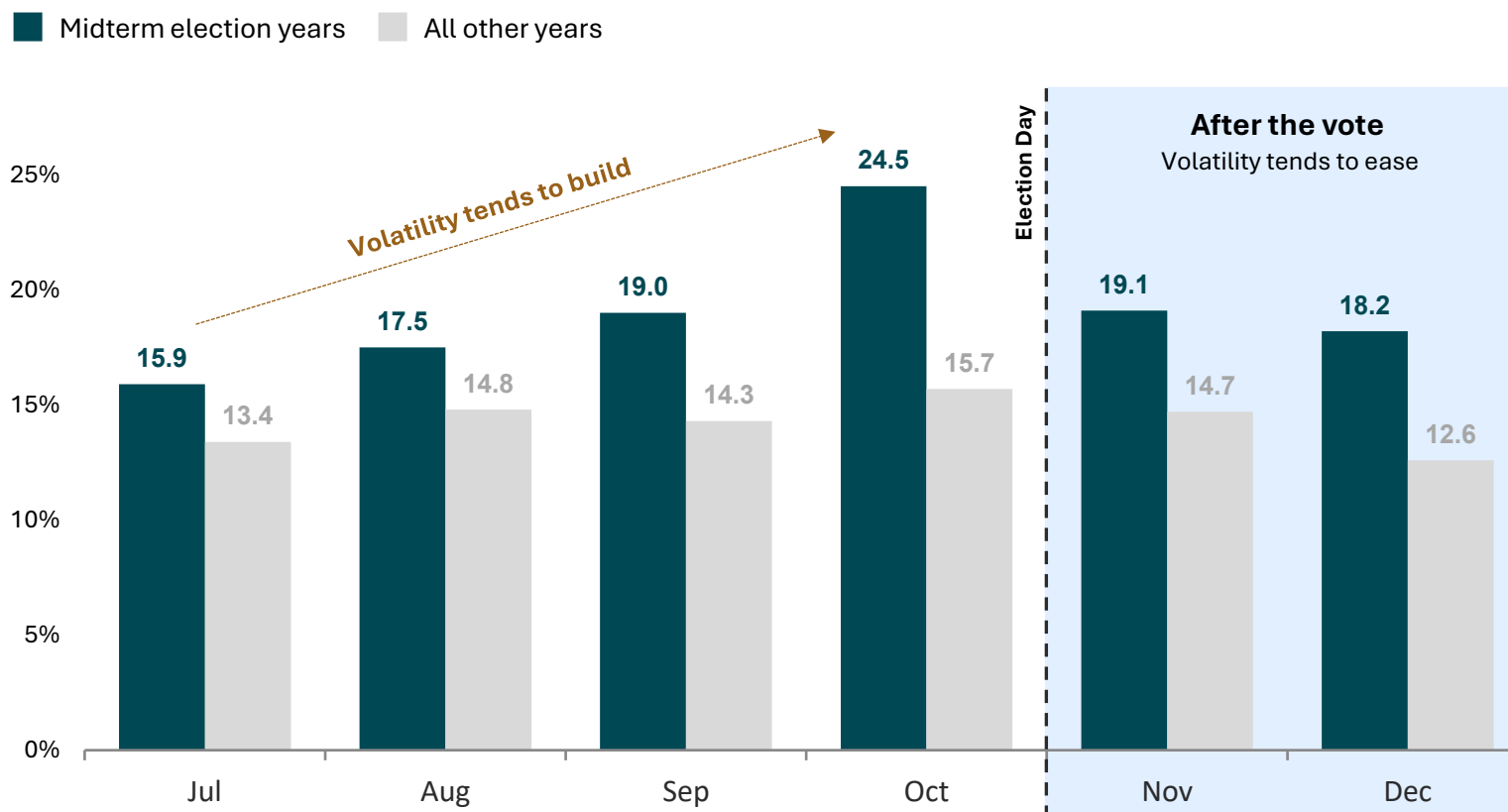
Source: Morningstar, analysis by Lincoln Financial. S&P 500 price return index, does not include dividends. The dashed red line represents the average path of the S&P 500 index in all years since 1950, and the blue represents its average path in midterm election years. **Past performance does not guarantee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



Midterm years have seen volatility build leading up to the election



S&P 500 median volatility by month, midterm election years vs. all other years (1976 – 2025)



What this chart shows:

This chart compares the S&P 500's median volatility from July to December by month in midterm election years against all other years from 1976 to 2025.

Why it matters:

The run-up to a midterm election has historically been bumpy.

Volatility tends to build through late summer and fall, peaking around October, and has run well above what's been seen in ordinary years.

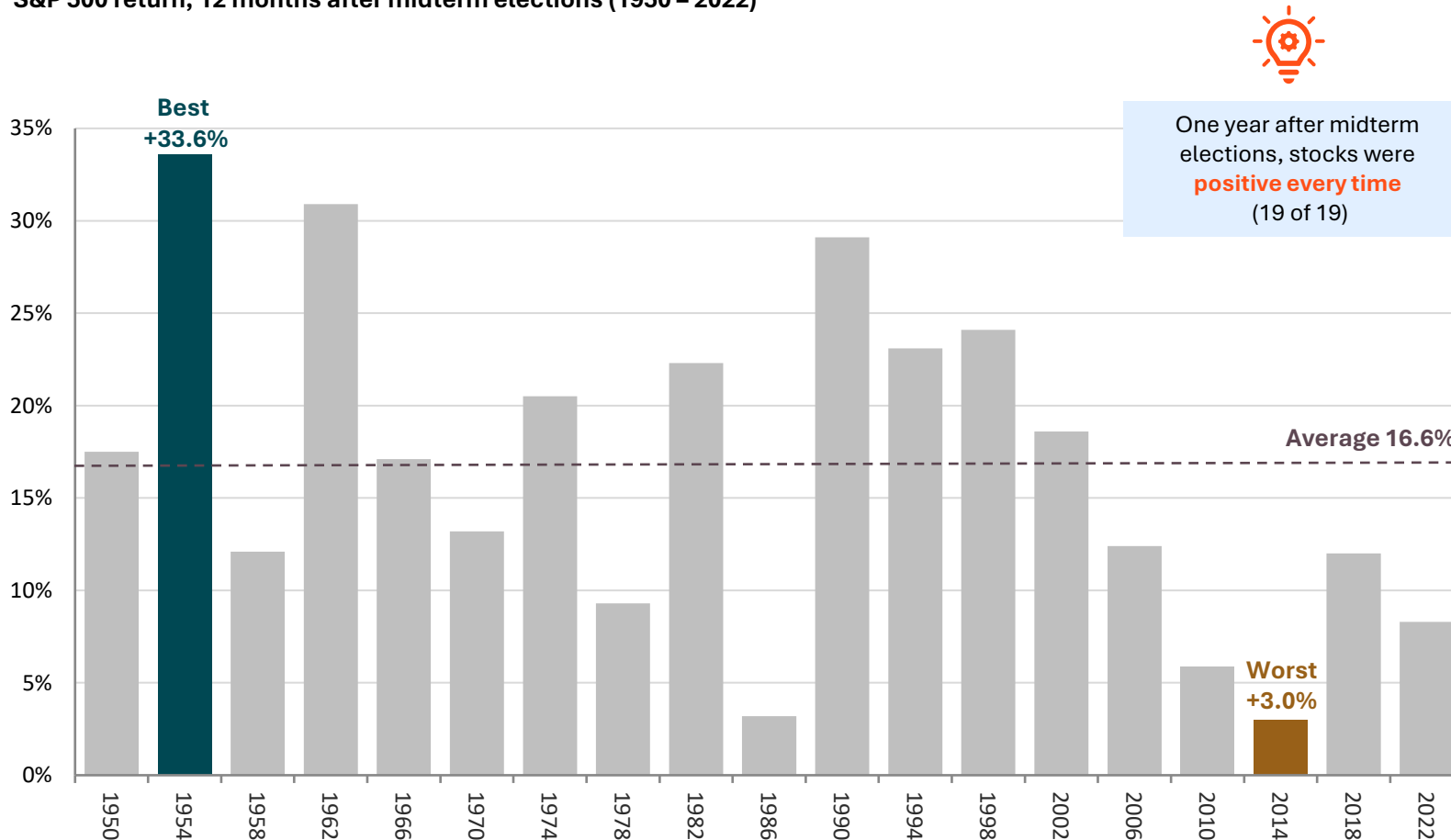
The encouraging news is that once the results are in and uncertainty clears, choppiness has tended to ease through year-end.

For investors, the lesson is not to panic if the noise picks up before the vote. History says that it usually passes, and long-term investors tend to be rewarded for staying the course.

Source: Morningstar, analysis by Lincoln Financial. Median standard deviation of daily returns by month in midterm election years vs. years without a midterm election. Analysis as of 12/31/2025. Federal Election Day falls on the Tuesday after the first Monday in November; the dashed marker approximates its position on a monthly chart. November is classified as a post-election ("after the vote") month. **Past performance does not guarantee or predict future performance.**

Post-midterm election strength has been the norm

S&P 500 return, 12 months after midterm elections (1950 – 2022)



What this chart shows:

The one-year return of the S&P 500 from November 1st of each midterm election year since 1950. In every cycle, that 12-month stretch ended in positive territory.

Why it matters:

Midterm years tend to bring political noise, and markets often trade nervously into them.

However, once the results are in and the uncertainty lifts, investors have generally gone back to watching the things that historically drive returns, like earnings, the economy, and interest rates.

The post-midterm record has been consistent. The last 19 cycles produced a positive 12-month return, averaging a gain of +16.6%, with results running anywhere from +3% to +33.6%.

History shows that the real takeaway is less about the election and more about what has followed it. Markets tend to breathe easier once uncertainty clears.

Source: Morningstar, analysis by Lincoln Financial. Measures the 12-month S&P 500 price return (excluding dividends) from November 1 of midterm election years through October 31 of the following year. November 1 is used as a proxy for midterm elections. Actual Federal Election Day falls on the Tuesday after the first Monday in November. **Past performance does not guarantee or predict future performance.** You cannot invest directly in an index.

Control of Congress has had little impact on investment returns

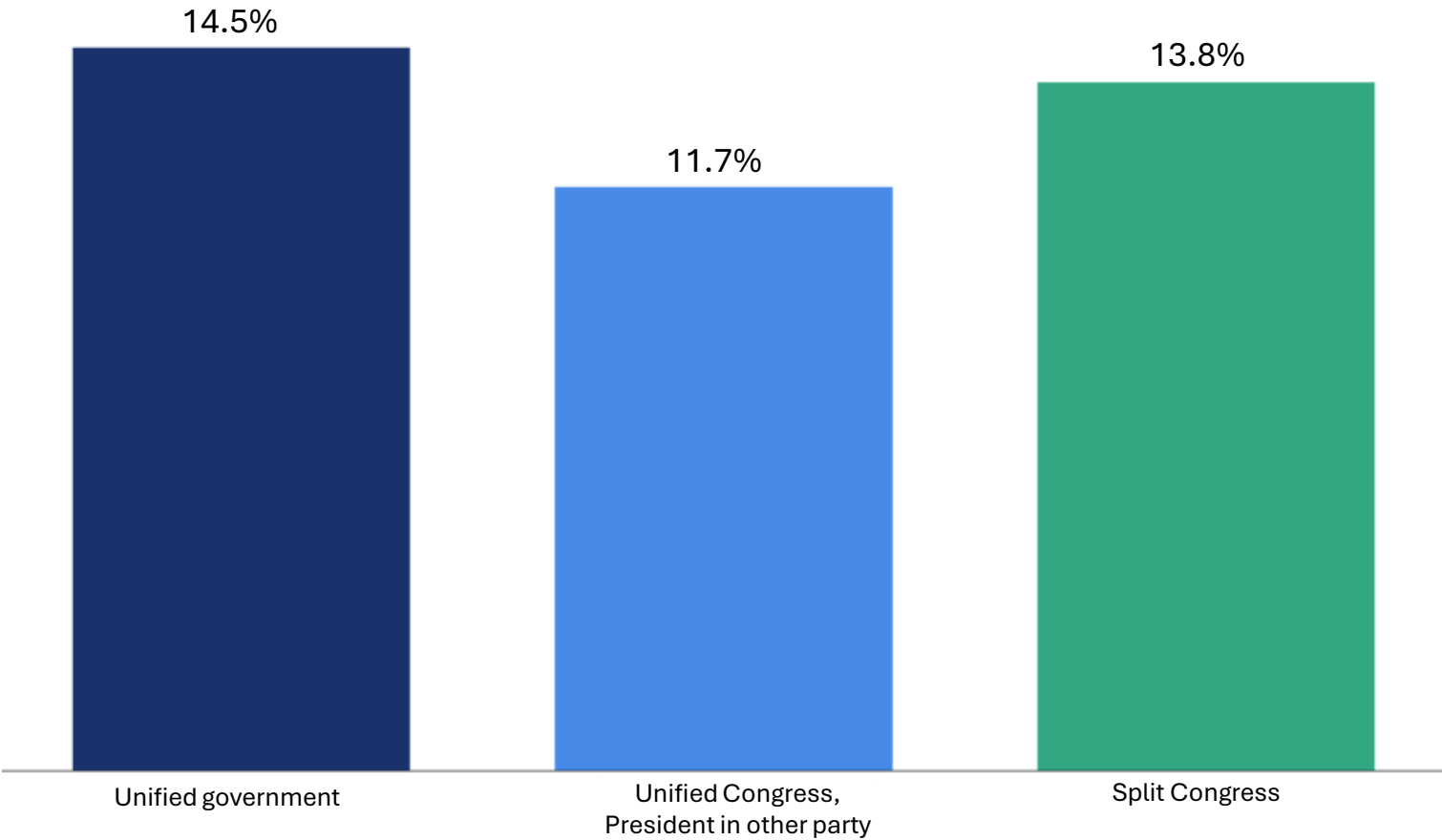


Historically, elections have had little impact on long-term investment returns.

Going back to 1933, markets have averaged double-digit returns during various scenarios, including when a single party controlled the White House and both chambers of Congress as a “unified government,” a split Congress and when a president’s opposing party controls Congress.

Although midterm election years have exhibited these trends in aggregate over long periods, it is important to remember that each year follows its own path. Midterm elections, and politics as a whole, generate a lot of noise and uncertainty. But the reality is that long-term equity returns are generated by the value of individual companies over time.

S&P 500 Index average annual total return, 1933 – 2025



Sources: Capital Group, Office of the Clerk — U.S. House of Representatives, Senate.gov, S&P Global. Unified government indicates White House, House and Senate are controlled by the same political party. Unified Congress indicates House and Senate are controlled by the same party, but the White House is controlled by a different party. Split Congress indicates House and Senate are controlled by different parties, regardless of the White House control. Data excludes 2001 due to Senator Jeffords switching parties midyear. As of December 31, 2025. **Past results are not predictive of results in future periods.**

02

Economy

Three questions for the second half of 2026

What's the next move for the Fed?



Reason for Optimism Easing could return ...	Reason for Caution ... or rates may stay higher for longer	Investor Consideration
Energy drove inflation higher, but oil prices cooled late in Q2. If inflation follows suit, the Fed may have room to consider rate cuts.	Accelerating core inflation (CPI ex. food and energy) since March could keep the Fed on hold or even have them consider a hike.	When the rate path is uncertain, diversifying across assets that respond differently to changes is a lever investors can control.

What this chart shows:

This chart shows three questions that investors may ask in the second half of 2026, along with reasons for optimism, reasons for caution, and an investor consideration for each.

Why it matters:

No one can control how the Fed, the AI trade, or the midterms will play out in the future.

What investors can control though is whether their plan is built to hold up across a range of outcomes, which is a case for diversification and risk management aligned to individual goals.

Can the AI rally broaden beyond the megacap builders?



Reason for Optimism Price leadership is broadening ...	Reason for Caution ... but megacaps still lead on earnings	Investor Consideration
The S&P 493 outperformed the Mag 7 in the first half of 2026, ¹ an early sign that price leadership is broadening beyond the megacaps. ¹	The Mag 7 grew Q1 earnings far faster than the rest of the S&P 500 (63.2% versus 17.4%), ² so leadership widened without the earnings gap closing.	Exposure to both AI builders and the companies adopting AI can help manage concentration risk and reduce dependency on which group leads.

Will the midterm elections rattle markets?



Reason for Optimism History favors patience ...	Reason for Caution ... but the path is rarely smooth	Investor Consideration
The S&P 500 has seen gains in the 12 months after all 19 midterm elections since 1950, averaging a gain of 16.6%. ³	Midterm years have historically seen above-average volatility in the months leading up to the vote. ⁴	Election years bring noise, staying the course through any potential volatility, rather than timing the cycle, has historically rewarded investors.

Sources: CPI inflation data from the Bureau of Labor Statistics as of 6/30/26. (1) JPMorgan Guide to the Markets, U.S. edition 3Q 2026 as of 6/25/26, Magnificent 7: Performance, earnings and dispersion. Mag 7: -4%, S&P 493: +14%. (Mag 7 = AAPL, MSFT, GOOGL (Alphabet), AMZN, NVDA, META, TSLA. (2) FactSet Earnings Insight (John Butters), May 21, 2026. Reflects actual Q1 2026 year-over-year earnings growth. Magnificent Seven 63.2%, other 493 S&P 500 companies 17.4%. (3) Morningstar. S&P 500 price return from November 1 of midterm years through October 31 of the following year. (4) Morningstar. Median standard deviation of returns, July – December of midterm years vs. non-midterm years. 1976-2025. **This material is for educational purposes only and not intended as investment advice. Past performance does not guarantee or predict future performance.**

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



Wednesday, July 1

- ADP Nonfarm Employment Change (June)
- Manufacturing PMI (June)
- ISM Manufacturing PMI (June)
- ISM Manufacturing Prices (June)

Thursday, July 2

- Nonfarm Payrolls (June)
- Unemployment Rate (June)
- Average Hourly Earnings (June)

Friday, July 3

- Holiday – **U.S. Stock Market Closed**

Monday, July 6

- Services PMI (June)
- ISM Non-Manufacturing PMI (June)
- ISM Non-Manufacturing Prices (June)

Wednesday, July 8

- FOMC Minutes (June)

Friday, July 10

- Michigan Consumer Sentiment (July)

Tuesday, July 14

- Consumer Price Index (CPI) (June)

Wednesday, July 15

- Producer Price Index (PPI) (June)

Thursday, July 16

- Retail Sales (June)

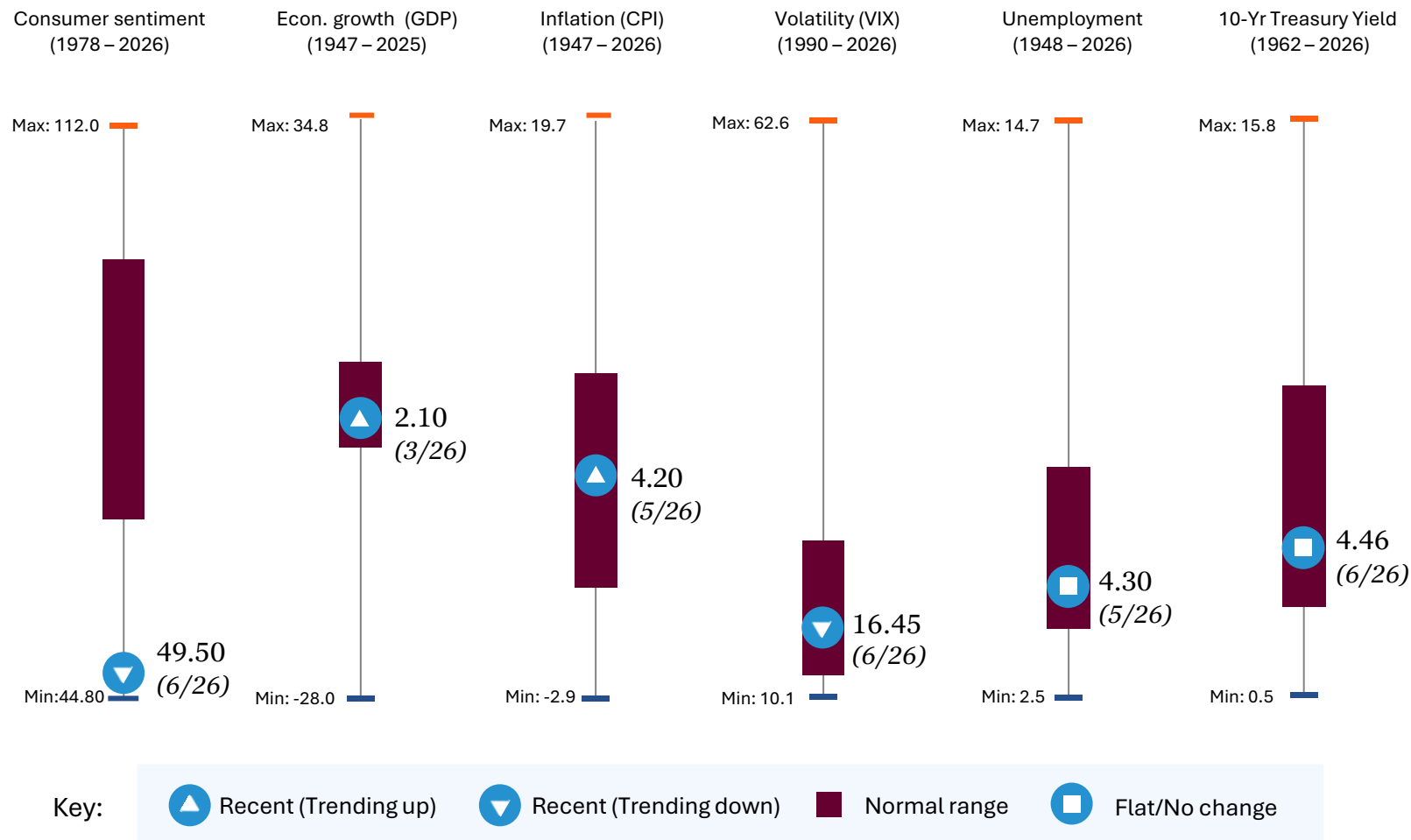
Monday, July 27

- Durable Goods Orders (June)

Thursday, July 30

- Personal Consumption Expenditures Index (PCE) (June)
- Personal Income (June)
- Personal Spending (June)
- GDP (Q2 – Advance)

Key economic and market metrics



What this chart shows:

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

Why it matters:

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

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

Economic Growth (GDP — real) 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 +2.9% YoY May 2026.

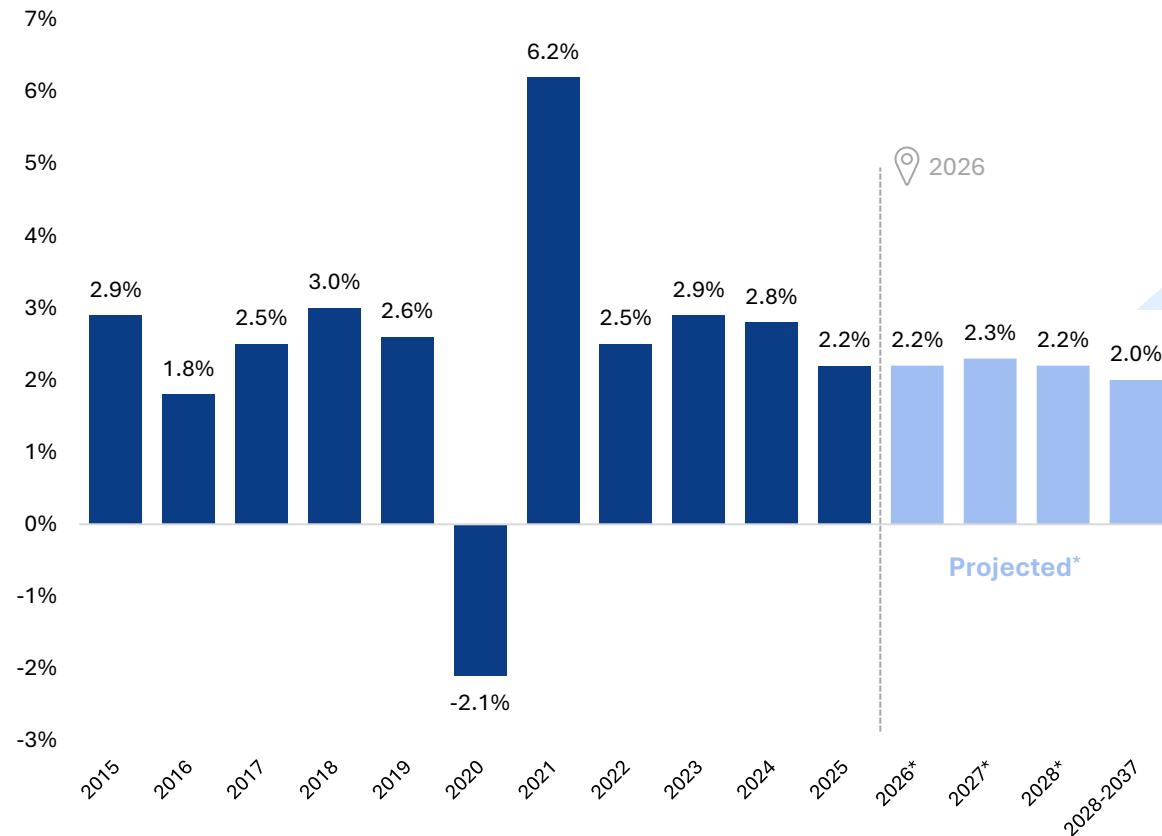
Volatility VIX is a real-time market index representing the market's expectations for volatility over the coming 30 days.

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

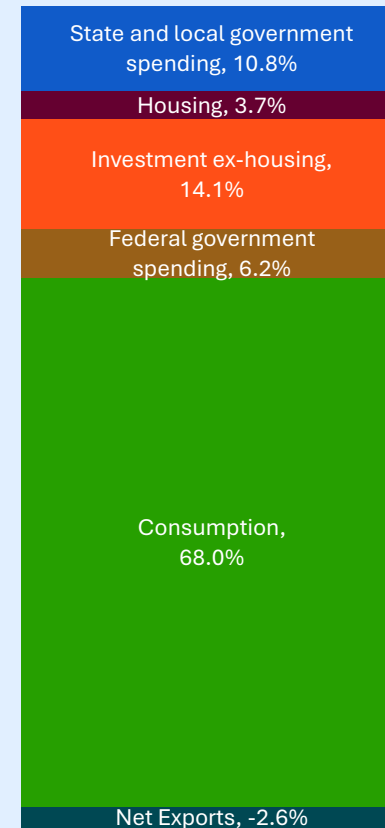
Source: Most recent data available as of June 30, 2026. Bloomberg. Arrows in the blue circles are indicative of most recent three-month trend, with exception of GDP, which is based on quarter-over-quarter trend. Latest GDP reading reflects the 1Q26 reading. Normal range represents +/- one standard deviation to the mean over timeframe referenced. See Additional Information for more details. **Past performance does not guarantee or predict future performance.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

U.S. gross domestic product

Real gross domestic product, actuals and future projections



Components of GDP as of 1Q26



What this chart shows:

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

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

Why it matters:

Growth reaccelerated in the first quarter up from a soft 0.5% close to 2025, led by a rebound in business investment, exports, and government spending.

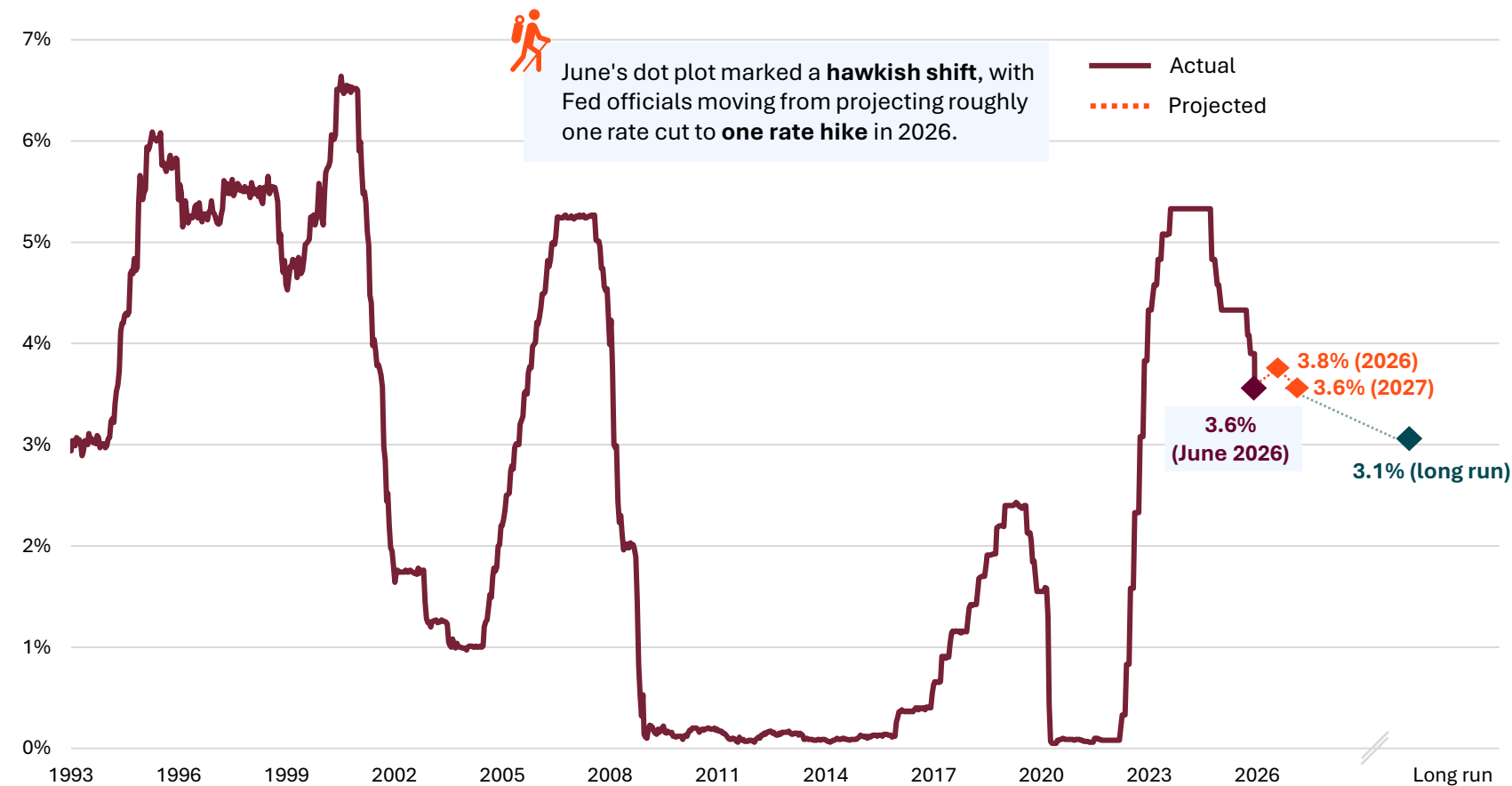
Consumer spending, still 68% of the economy, grew more slowly, as elevated energy prices tied to the Middle East conflict and above-target inflation weigh on household budgets.

The Fed's own forecast calls for growth to hold near 2.2% for the full year, but sees the risks tilted toward inflation staying hotter and consumer spending losing steam if the labor market softens further.

Source: Most recent data available as of June 30, 2026. Bloomberg, U.S. Bureau of Economic Analysis. Arrows in the blue circles are indicative of most recent three-month trend, with exception of GDP, which is based on quarter-over-quarter trend. Latest GDP components reflects the 1Q26 reading. *Projections reflect median change in real GDP from the June 2026 Summary of Economic Projections released by the FOMC. See Additional Information for more details. **Past performance does not guarantee or predict future performance.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

Federal funds rate over time

Effective Federal Funds Rate (1993 – 2026*)



What this chart shows:

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

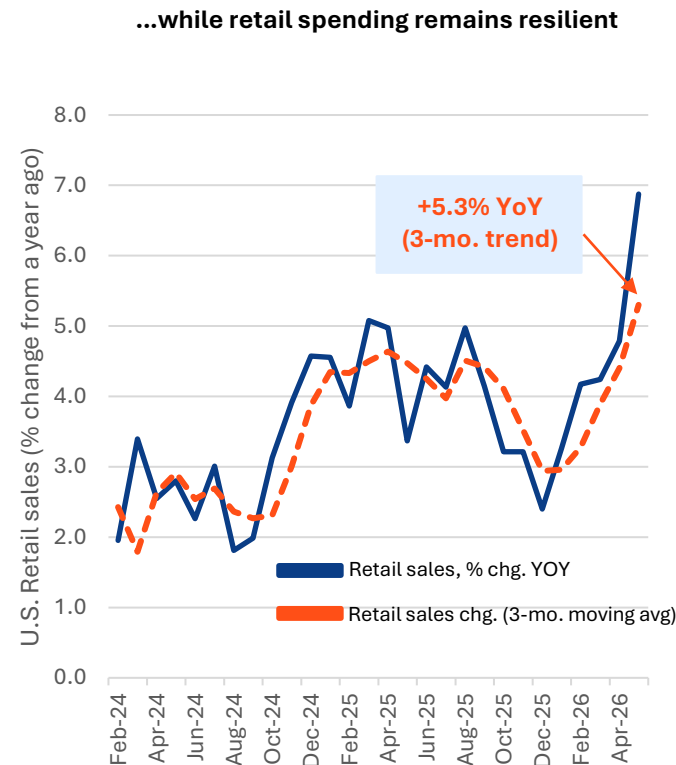
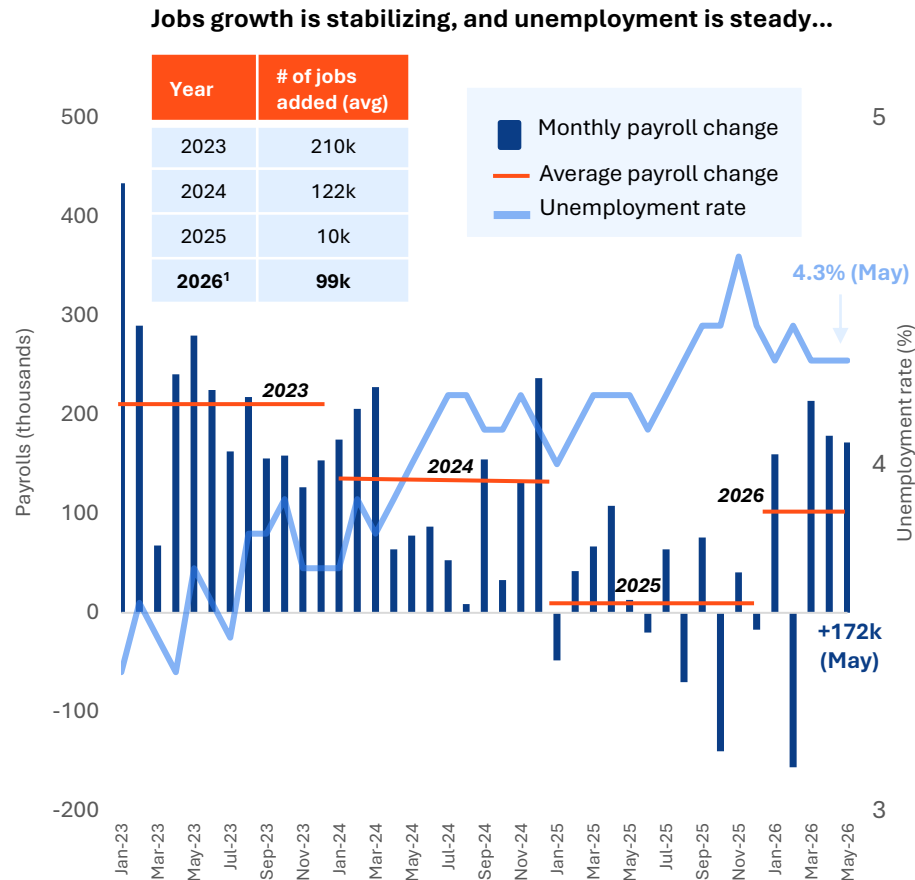
Why it matters:

The Fed held rates steady in June, its fourth straight hold, and the first meeting under new Chair Kevin Warsh.

However, the updated forecast told a different story than the decision itself; officials now see the fed funds rate ending 2026 higher, not lower, than it sits today with more policymakers anticipating a hike vs a cut.

Source: Federal Reserve Bank of St. Louis; Federal Reserve Board Summary of Economic Projections, June 17, 2026. *As of June 30, 2026. Projections reflect the Summary of Economic Projections released following the FOMC's June 16–17, 2026 meeting; current target range of 3.50%–3.75%, held since the December 2025 rate cut. Past performance does not guarantee or predict future performance.

Jobs stabilizing, spending resilient



What this chart shows:

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

Why it matters:

Despite choppiness in recent labor data, consumer spending has remained a key support for the U.S. economy.

Job growth and retail sales have both firmed in 2026, with payroll gains beating expectations and spending rising off a winter lull.

Risks to the outlook remain, but current data continues to point toward economic resilience.

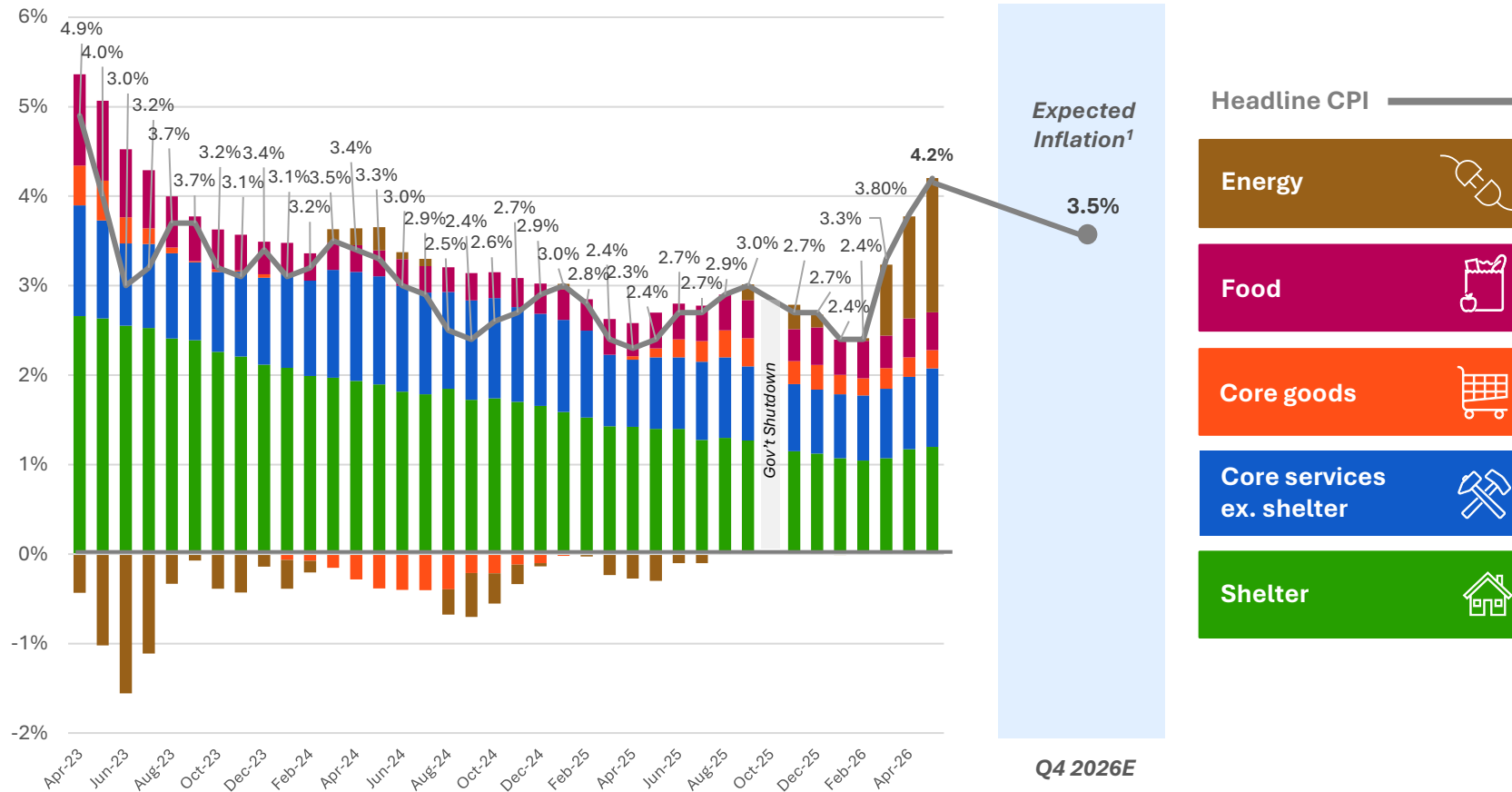


Household net worth hit a record **\$174.0T** in Q1 2026²

Source: Federal Reserve Bank of St. Louis, Bureau of Labor Statistics. Based on available data as of June 30, 2026 (no October unemployment rate due to Government Shutdown). 1- as of May 2026. 2- Board of Governors of the Federal Reserve System (US), Households; Net Worth, Level retrieved from FRED, Federal Reserve Bank of St. Louis.

Inflation trends and components

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



What this chart shows:

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

Why it matters:

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

Fed rate cuts in 2025 signaled confidence in the trajectory of inflation, but new risks have emerged in 2026.

Surging energy prices due to the ongoing conflict in Iran drove inflation higher in April and May, with May CPI rising 4.2% year-over-year — its highest level since April of 2023.

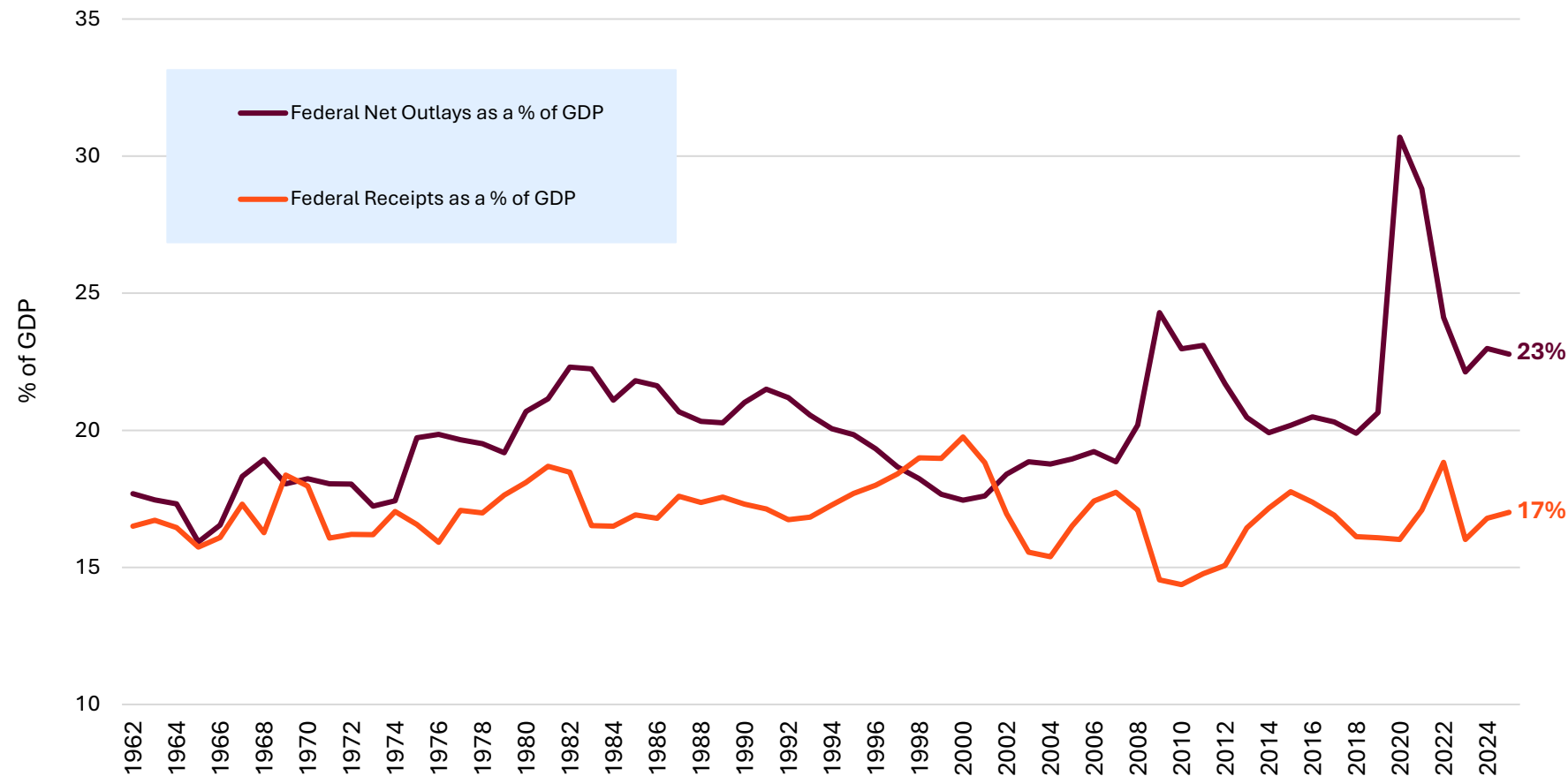
The direction of inflation through the remainder of 2026 will likely be a critical driver of investor sentiment and Fed policy.

Source: U.S. Bureau of Labor Statistics. The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. This measure includes food and energy, which tend to have more price volatility and whose price shocks cannot be damped through monetary policy. Percentages may not sum due to rounding. October 2025 excluded due to Government Shutdown. 1- Inflation expectations for Q4 2026 represent median analyst expectations compiled by Bloomberg as of 6/30/2026.

Government spending outpacing revenue



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



What this chart shows:

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

Why it matters:

Federal spending continues to exceed revenue, resulting in persistent deficits. The Congressional Budget Office projects the full-year deficit to hit \$1.9 trillion in 2026 and grow to \$3.1 trillion by 2036.¹

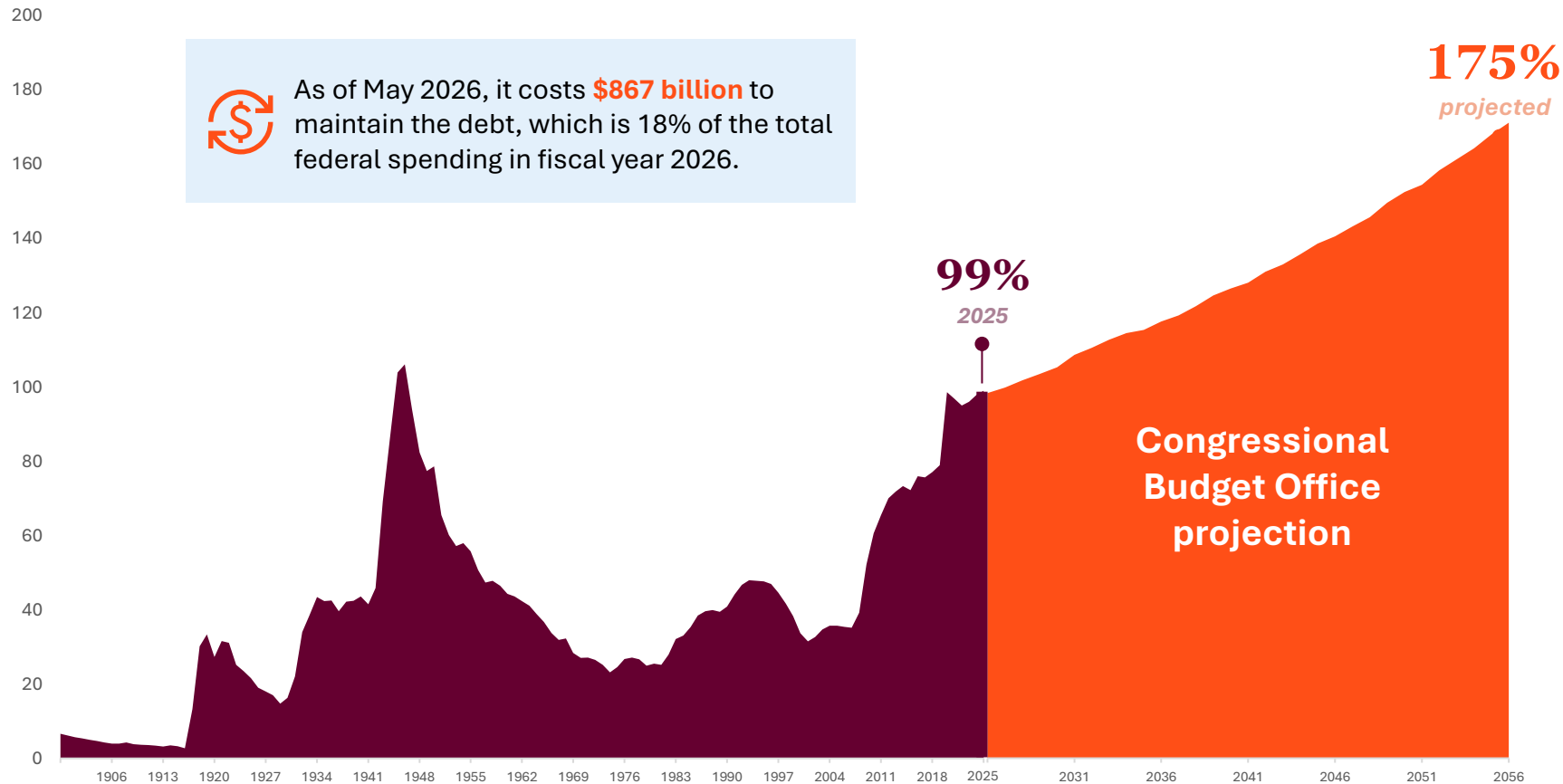
While pandemic-related spending has eased, tax and other receipts have not kept pace and a February 2026 Supreme Court ruling against certain tariffs adds further uncertainty to the revenue side.

Together, these raise concerns about rising debt and its potential impact on future interest rates, taxes, and economic policy.

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

U.S. debt levels

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



What this chart shows:

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

Why it matters:

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

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

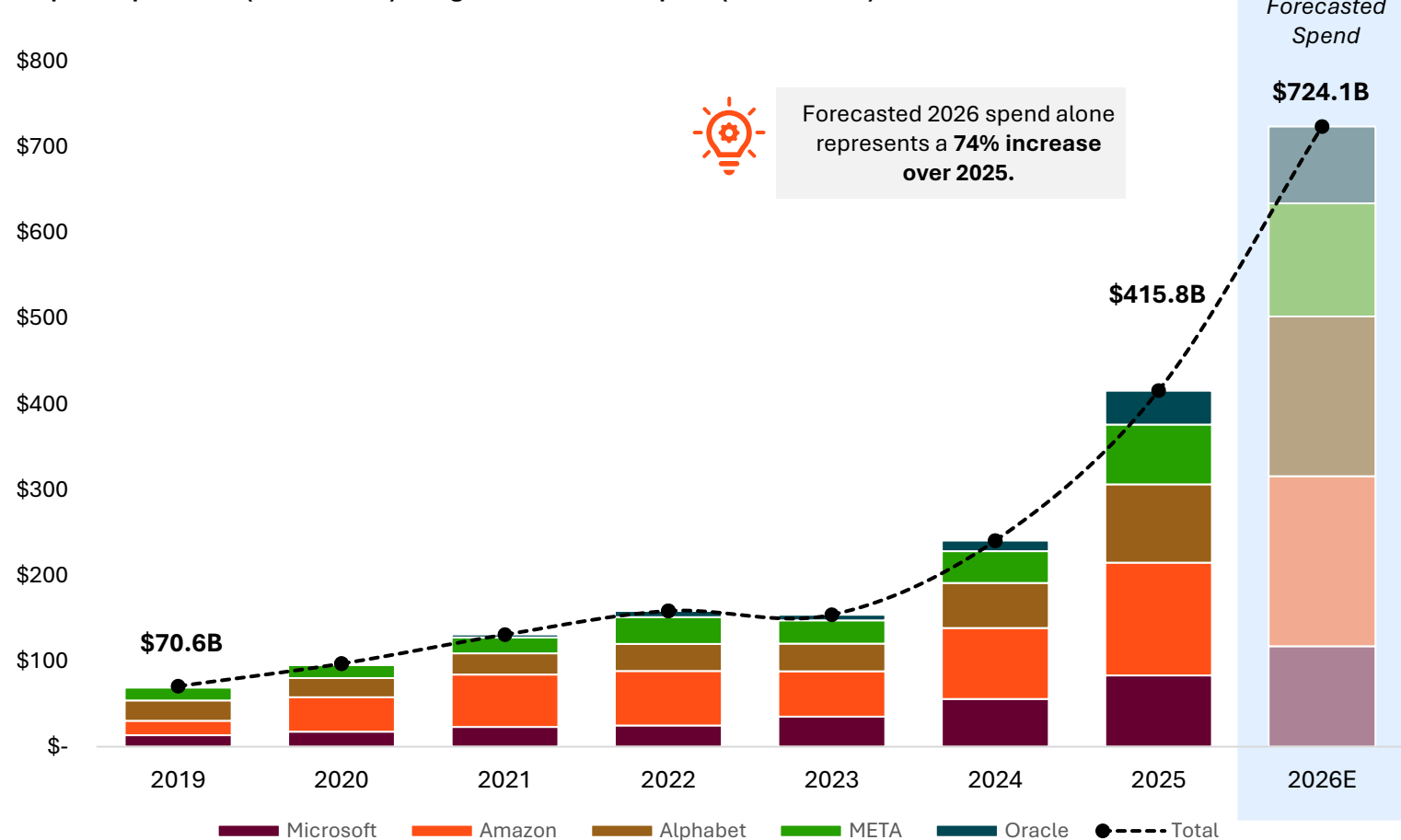
The ratio of a country's total debt to GDP helps show the burden of its debt relative to total economic output, and therefore its ability to pay it.

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

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

Capex from large technology companies has climbed

Capital expenditure (USD billions) along with forecasted spend (2019 – 2026E)



What this chart shows:

Combined total capital expenditures (CAPEX) for large technology companies. 2019 through 2025 with estimated totals for 2026. The dashed line is the group total.

Why it matters:

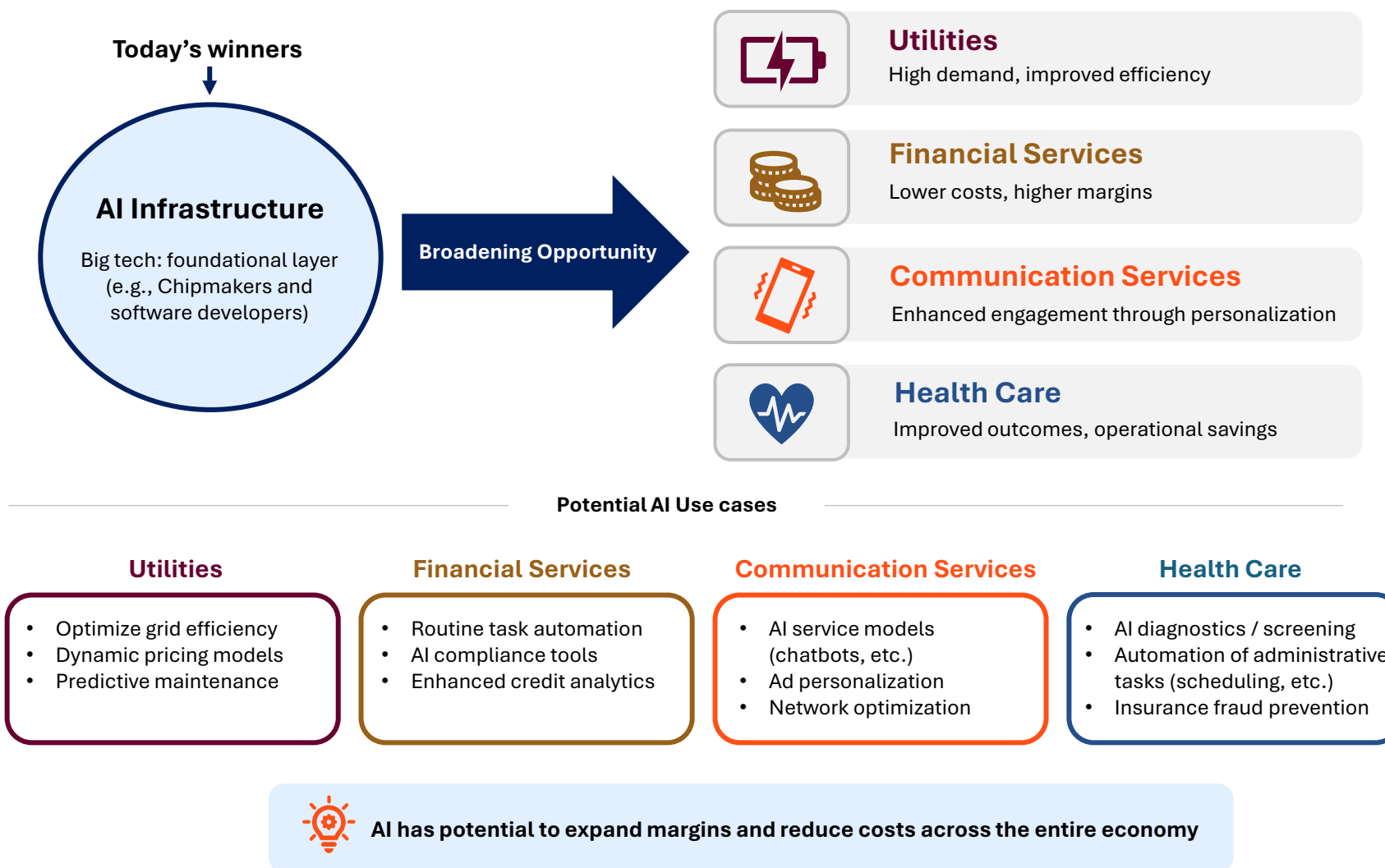
Capital spending amongst the largest technology companies has climbed sharply. That spending flows into chips, data centers, power, and construction, and supports earnings beyond the tech sector.

The investment case depends on these companies translating today's spending into tomorrow's earnings growth. Because they represent such a large share of the S&P 500, their ability to generate attractive returns matters increasingly to the broader market.

In a scenario where earnings fail to keep pace with investment, today's spending could shift from a market tailwind to pressure on future profits, prompting investors to question whether the current pace of AI investment is sustainable.

Source: FactSet as of 6/25/26. Figures represent total capital expenditure (CAPEX) for each company. Actuals 2019 – 2025. 2026 is a forecast and subject to revision.
Past performance does not guarantee or predict future performance.

Beyond tech: potential beneficiaries of AI adoption



What this chart shows:

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

Why it matters:

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

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

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

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

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

03

Market Volatility

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



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

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

What this chart shows:

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

Why it matters:

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

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

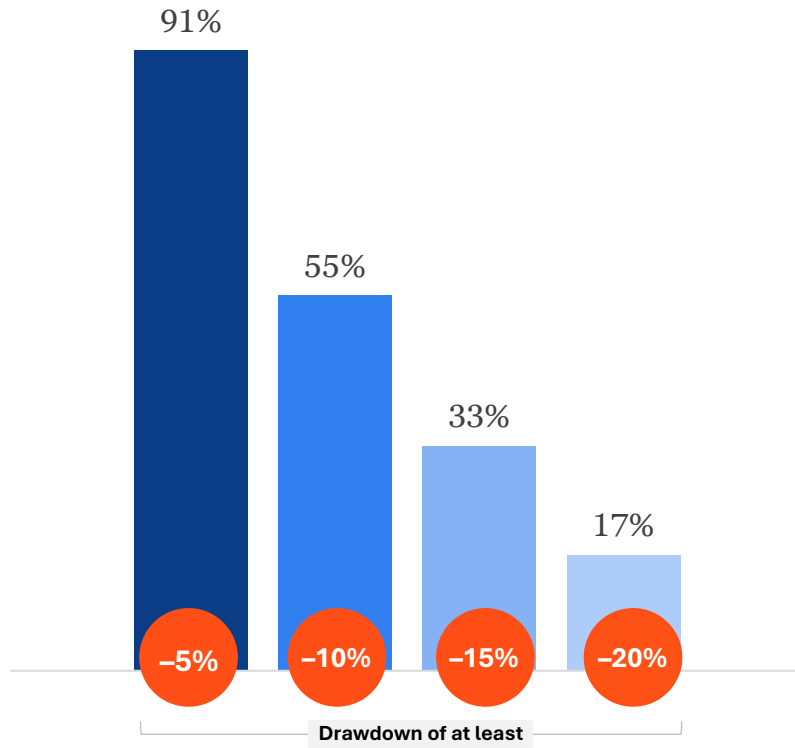
¹Cumulative total returns for S&P 500 Index are calculated from January 1st of each year to December 31, 2025, sourced from Morningstar. Worrisome events sourced from J.P. Morgan Private Bank from 2000 – 2021, Lincoln Financial for 2022 – 2025. You cannot invest directly in an index. **Past performance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

Market drawdowns are more common than you think



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

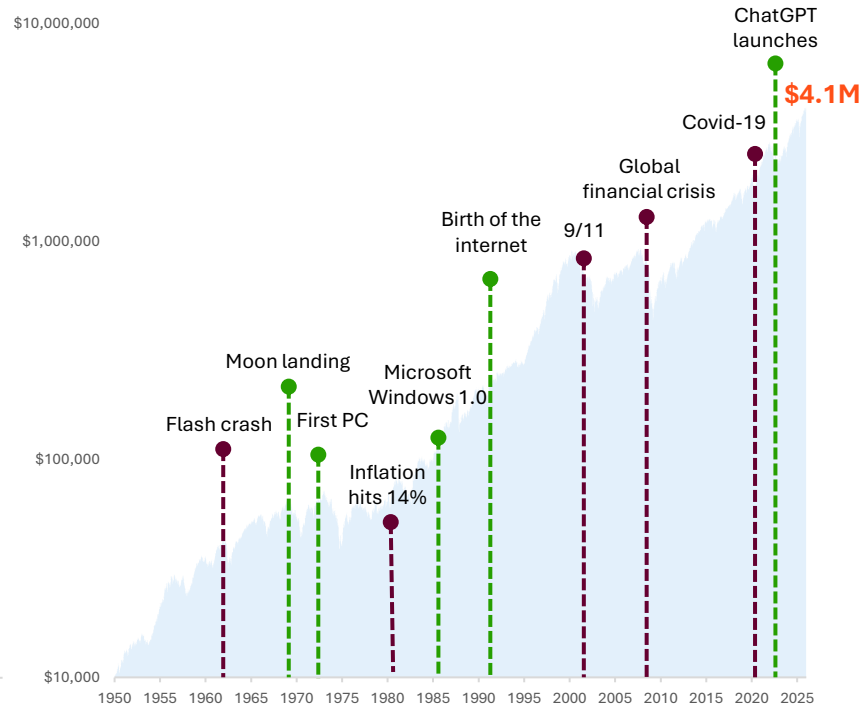
% of calendar years with drawdowns, S&P 500 (1950 – 2025)



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

...despite this, markets trend higher over time

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



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

What this chart shows:

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

Why it matters:

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

Nearly all calendar years see stocks decline at least 5%, and more than half see double-digit drawdowns.

Additionally, the average year experienced a decline of nearly 14%. Despite this, stocks still finished with gains in 73% of all years.

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

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

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

What this chart shows:

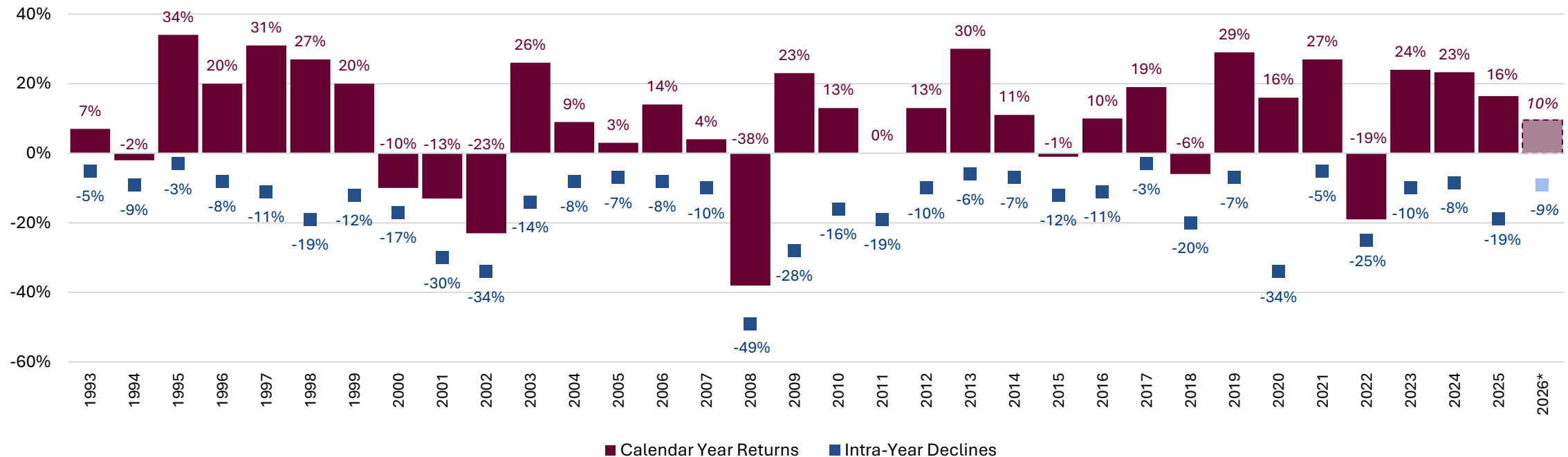
This chart shows calendar year returns of the S&P 500 Price Index from 1993 to present. It also shows the largest intra-year declines (lows) for each year.

Why it matters:

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



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

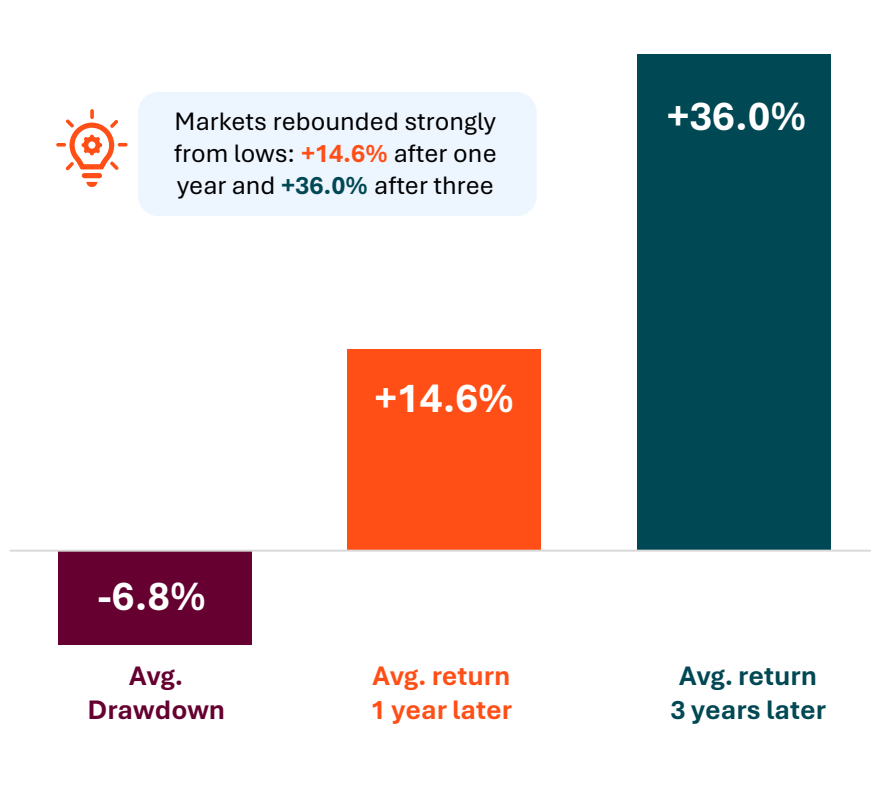


You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures.

Source: Morningstar, Standard & Poor's. Data as of June 30, 2026. Returns are based on price index only and do not include dividends. Intra-year declines refer to the largest market drops from a peak to a trough during the year. **Past performance does not guarantee or predict future performance.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

Geopolitical conflicts have had little long-term market impact

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



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

¹U.S.-Iran max drawdown as of 6/30/26

What this chart shows:

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

Why it matters:

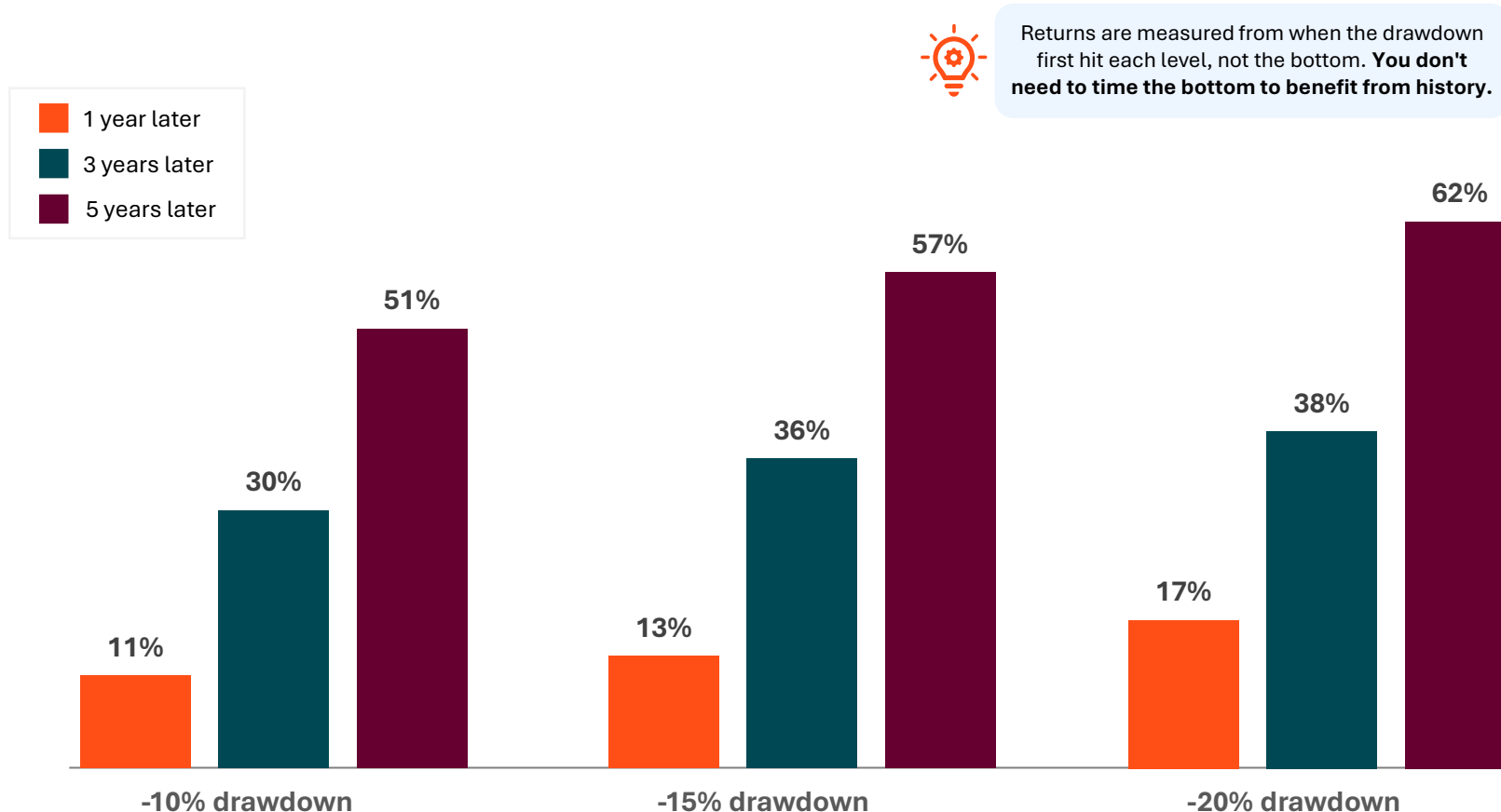
History shows that markets tend to react quickly to geopolitical shocks. Over time though, it's the strength of the underlying economy, not the headlines, that ultimately determines the direction of markets.

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

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

S&P 500: returns after drawdowns

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



What this chart shows:

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

Why it matters:

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

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

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

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

Periods of elevated volatility may represent opportunities for investors



The **Volatility Index (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.

What this chart shows:

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

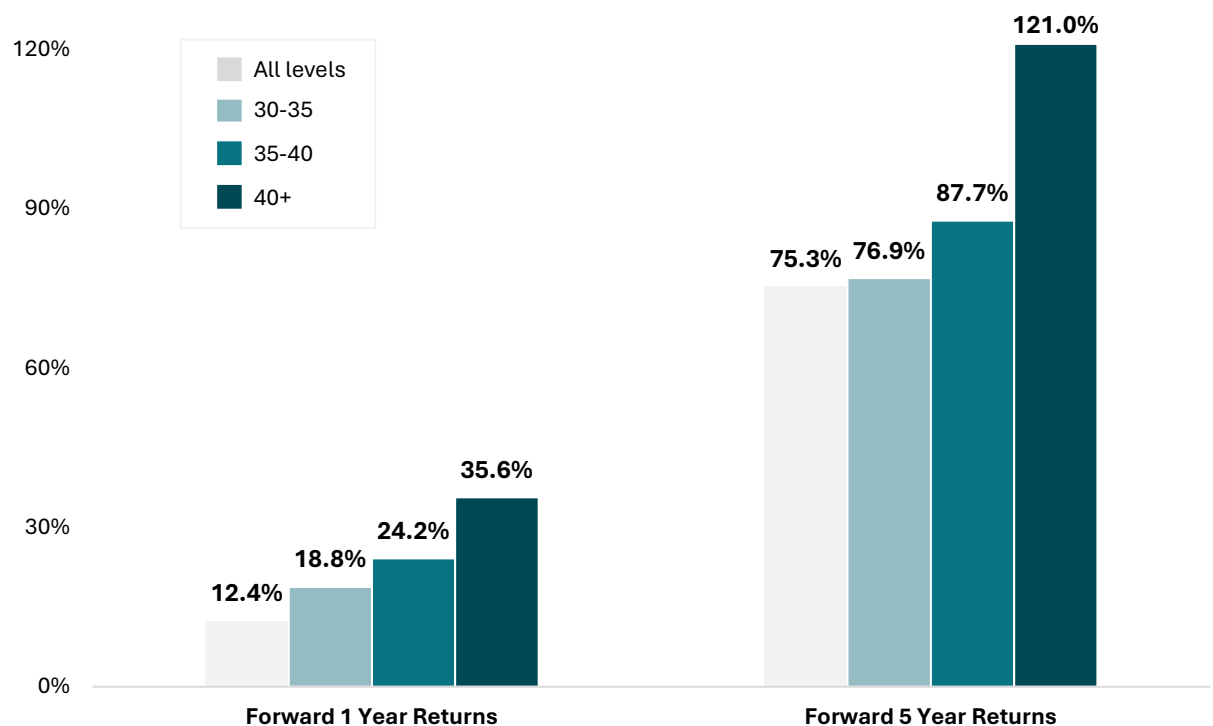
Why it matters:

Volatility is a feature of investing, not a defect. Yet many investors instinctually view it as something to fear and avoid, which can lead to poor decisions and subpar long-term results.

History tells a different story. When the VIX closed above 40, the S&P 500 averaged a 35.6% one-year return and 121% over five years. Even at less elevated levels of 30 to 35, the one-year average was 18.8% and the five-year average was 76.9%.

Over time, disciplined investing has tended to be more effective than reacting to short-term market conditions. History shows that some of the best entry points have come during periods of elevated volatility.

S&P 500 average forward returns based on VIX level (1990 – 2026¹)

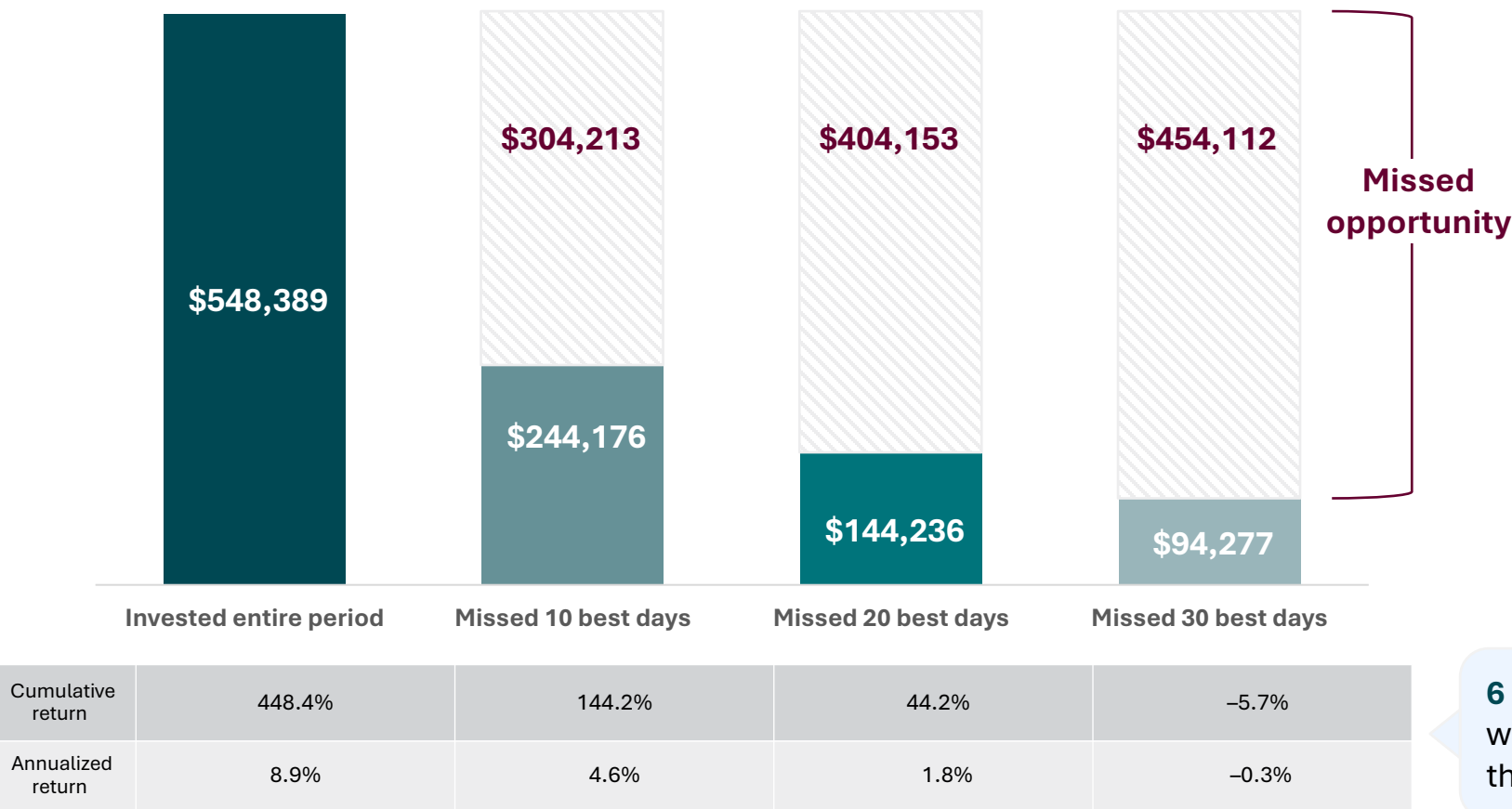


VIX level	Examples of events when the VIX reached these levels
40+	COVID-19 Global Pandemic (2020)
35-40	Markets react to 9/11 attacks (2001)
30-35	FED begins tightening to combat inflation (2022)

Source: Morningstar, Lincoln Financial 1/1/1990 – 6/30/2026. 1- 2026 as of June 30th. Past performance does not guarantee future results. Subsequent 1-year and 5-year returns represent the average forward 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.

Impact of being out of the market

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



What this chart shows:

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

Why it matters:

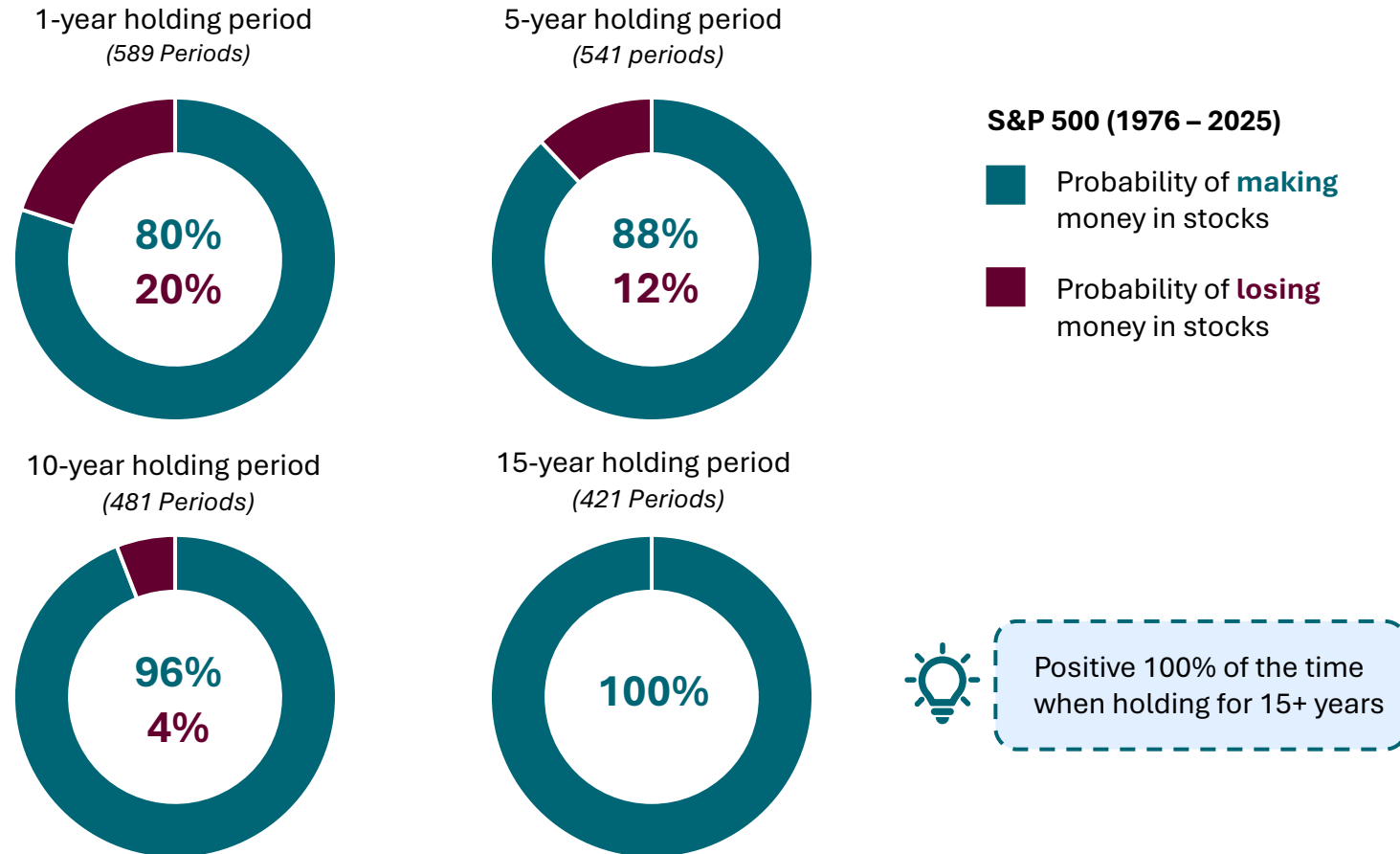
Missing the best days can be costly, while avoiding the worst days can be beneficial. However, because the best days often follow the worst, it is nearly impossible to accurately time the market.

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

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

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

Patience pays: the power of long-term investing



What this chart shows:

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

Why it matters:

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

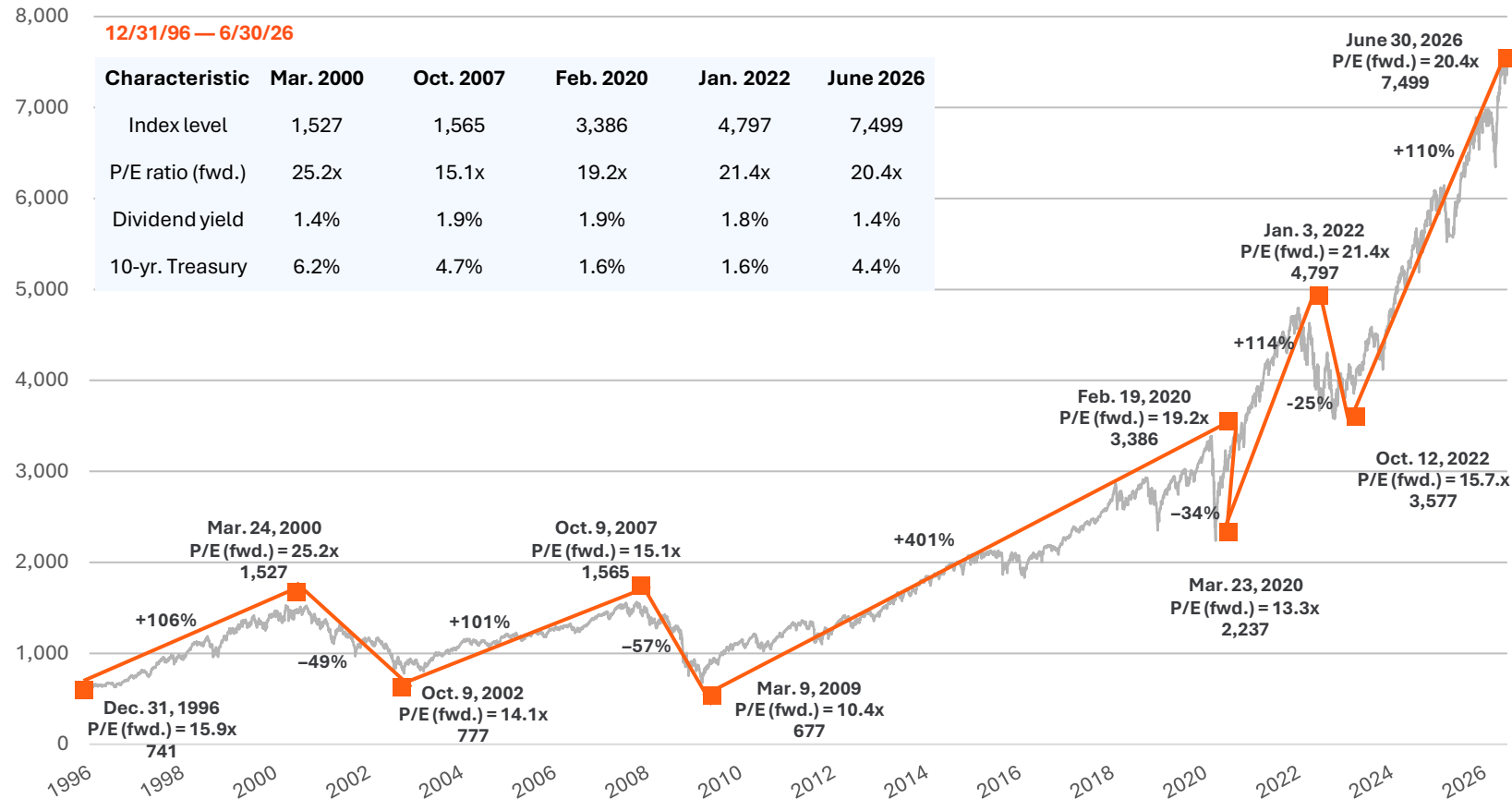
A patient approach can help investors avoid emotional decisions and improve the odds of successful outcomes.

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

04

Equities

S&P 500: Cumulative returns



What this chart shows:

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

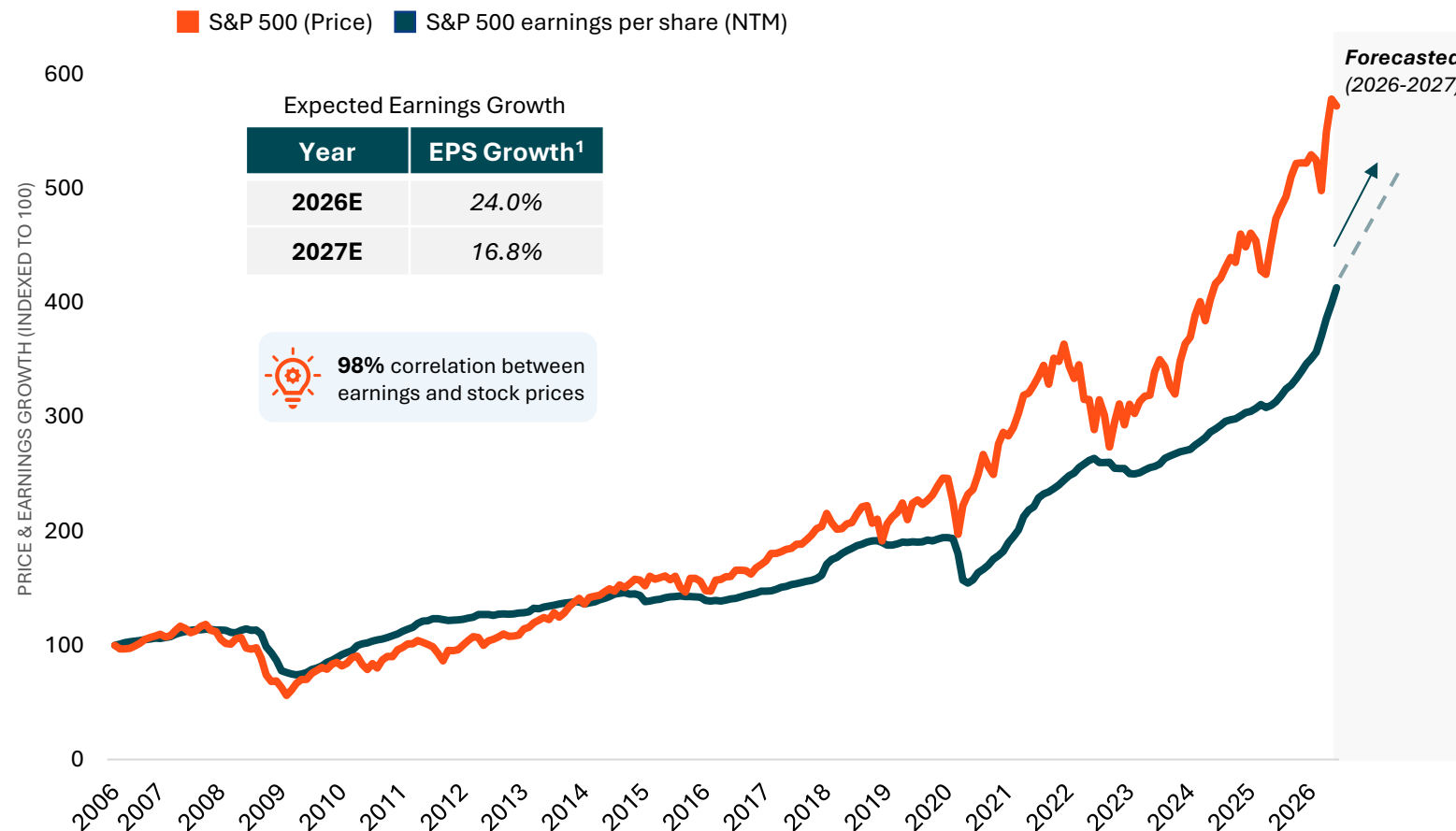
Why it matters:

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

Past performance does not guarantee or predict future results. 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, 2026. **Dividend yield** is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. **Forward price-to-earnings ratio** is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM). The S&P 500® Price Return Index tracks the stock performance of 500 large U.S. companies. The index used is a price index and does not reflect dividends paid on the underlying stocks.

Earnings historically drive stock prices

S&P 500 price and NTM earnings indexed to 100 (May 2006 – June 2026)



What this chart shows:

This chart shows the relationship between stock prices and earnings by plotting the growth of the S&P 500 price index together with its NTM earnings per share (EPS), both indexed to 100.

The shaded area extends the EPS trend through 2027 using consensus bottom-up growth estimates.

Why it matters:

Over 20+ years and multiple market cycles, S&P 500 earnings and prices have historically moved in the same direction.

Despite the market uncertainty and geopolitical noise of 2026, earnings expectations have remained strong, with consensus projections calling for 24% EPS growth this year and 16.8% in 2027. For long term investors, that is a signal to focus attention on.

Source: FactSet (S&P 500 price and NTM EPS, indexed to 100 at May 2006). Price and EPS data as of June 30, 2026. (1) FactSet Earnings Insight, June 26, 2026; consensus bottom-up estimates, subject to change. NTM = next twelve months. Forecasted EPS trend extends the index using consensus growth rates and is illustrative only. **Past performance does not guarantee or predict future returns.**

Strong earnings, strong gains

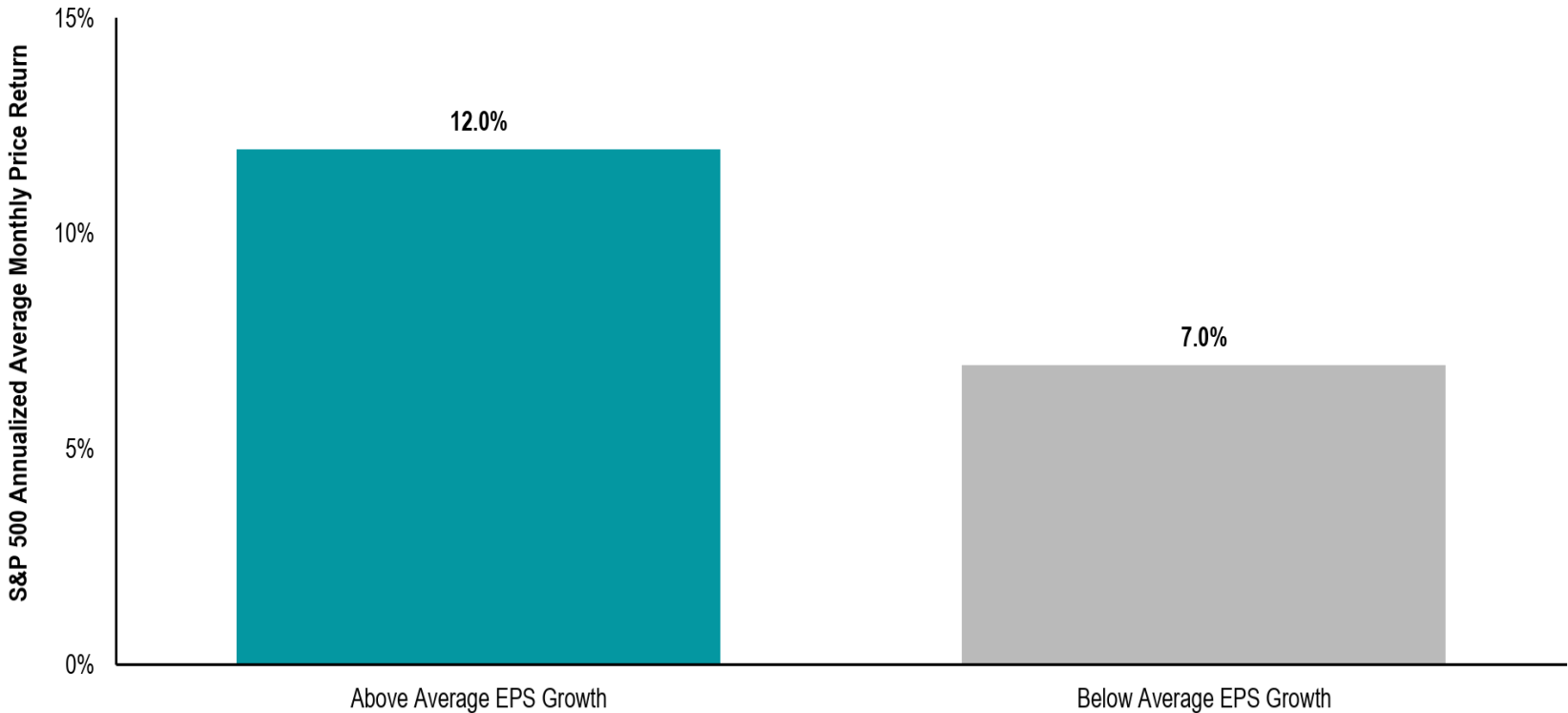
ClearBridge

A Franklin Templeton Company

Benchmark returns have historically been stronger when earnings per share (EPS) growth is above the average of 9%.

Consensus estimates for 2026 suggest EPS growth is poised to remain above average, with earnings expected to broaden beyond mega-cap technology.

S&P 500 Price Return in Above- and Below-Average EPS Growth Regimes



Source: Clearbridge Anatomy of a Recession Q2 2026. Note: Annualized average monthly returns based on actual 12-month EPS growth. The term “consensus” within the capital markets industry refers to the average of earnings estimates made by professionals. There is no assurance that any estimate, forecast or projection will be realized. Data as of March 31, 2026. Sources: FactSet, S&P. **Past performance does not guarantee or predict future results.** Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

S&P 500: Top 10 companies by decade

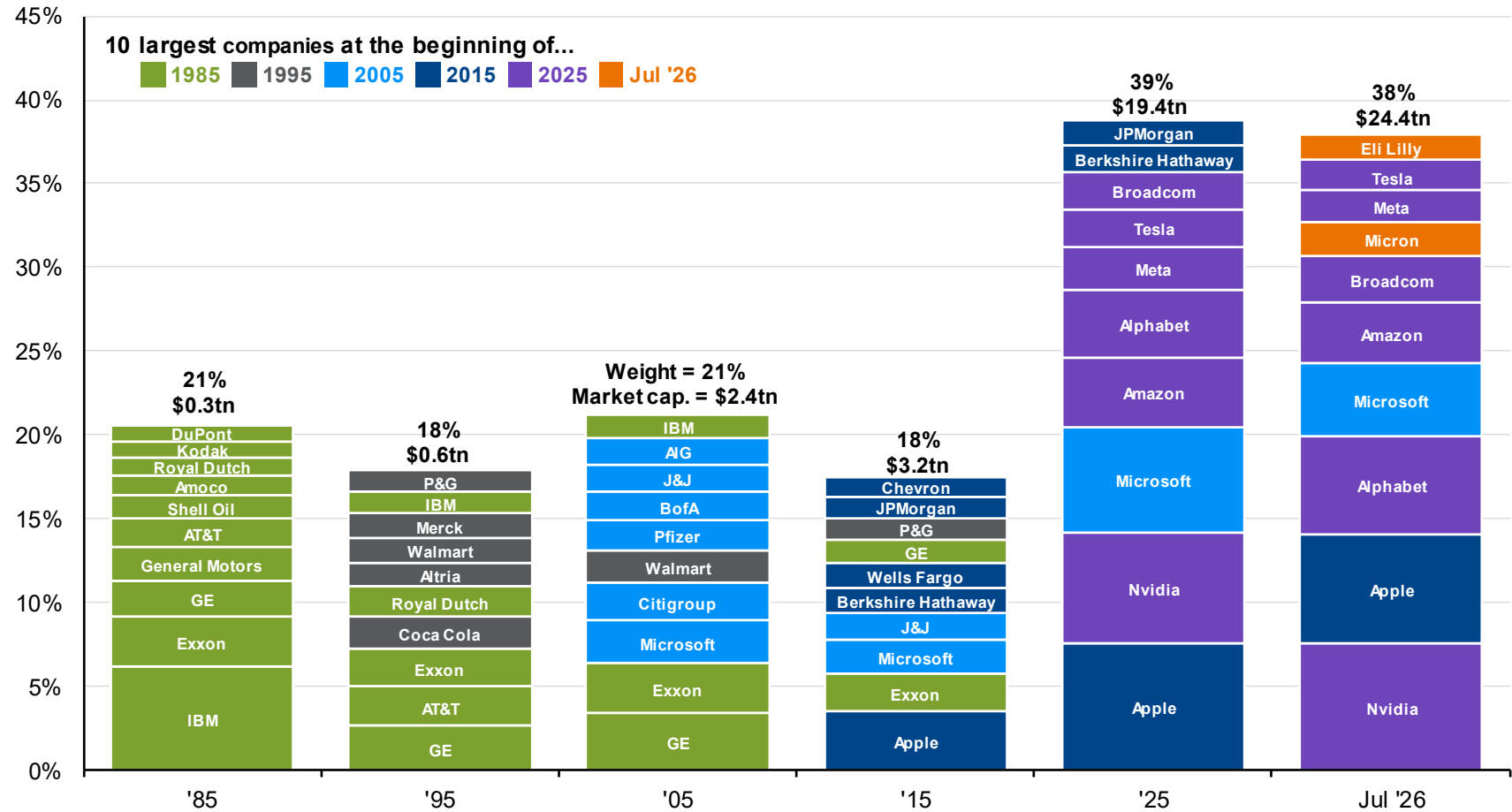
J.P.Morgan Asset Management

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

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

Top 10 companies in the S&P 500

Index weight on the first day of the indicated year and month for current year



Source: Bloomberg, Standard & Poor's, J.P. Morgan Asset Management. Companies are organized from highest weight at the bottom to lowest weight at the top. Past performance is no guarantee of future results. Guide to the Markets – U.S. Data as of June 30, 2026.

Top-heavy market? History favors the other 490

HARTFORDFUNDS

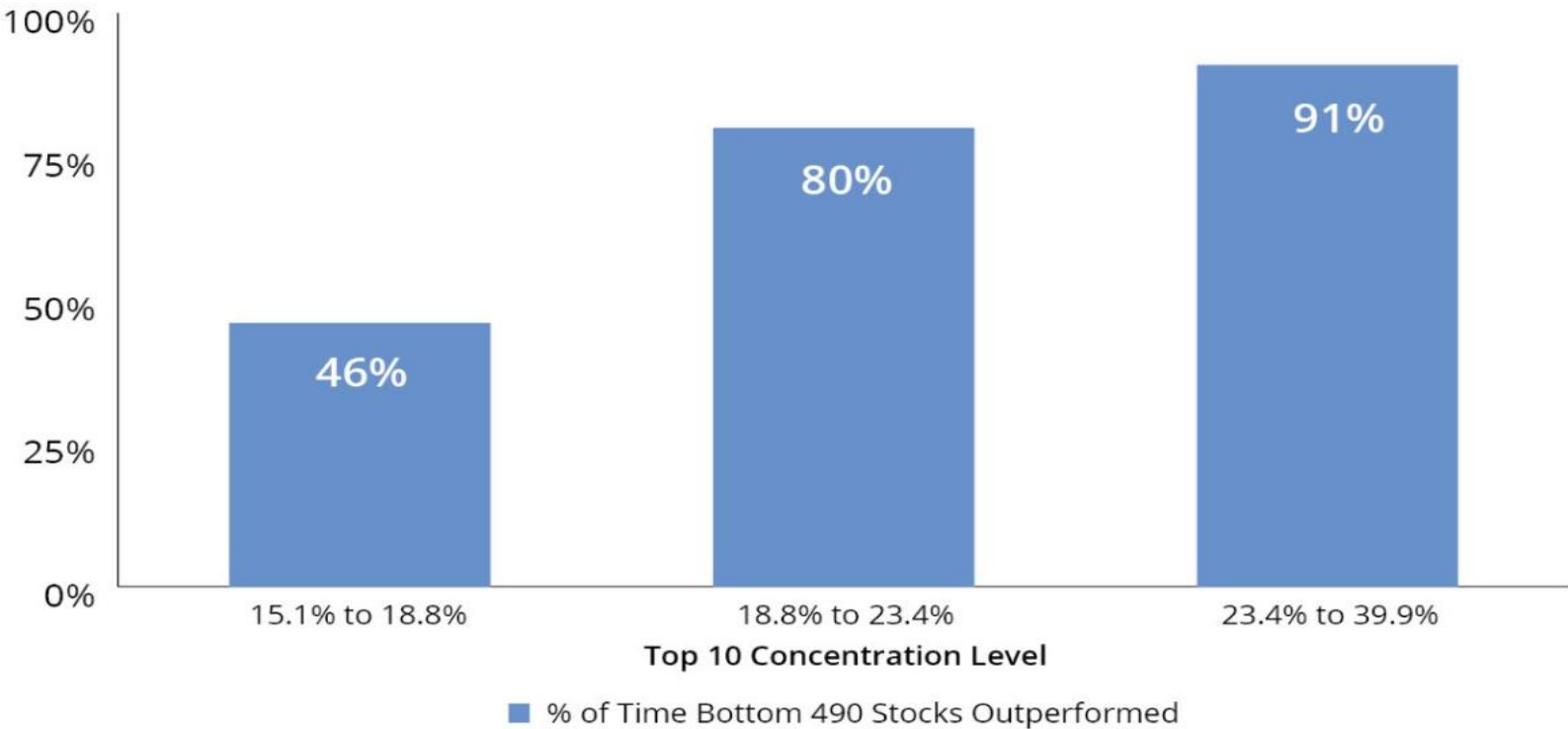
Our benchmark is the investor.*

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

When the top 10 stocks account for 23.4% or more of the index, the bottom 490 have outperformed 91% of the time over the next five years. As of the end of June 2026, the top 10 stocks in the S&P 500 accounted for 37.9% of the index¹.

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

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

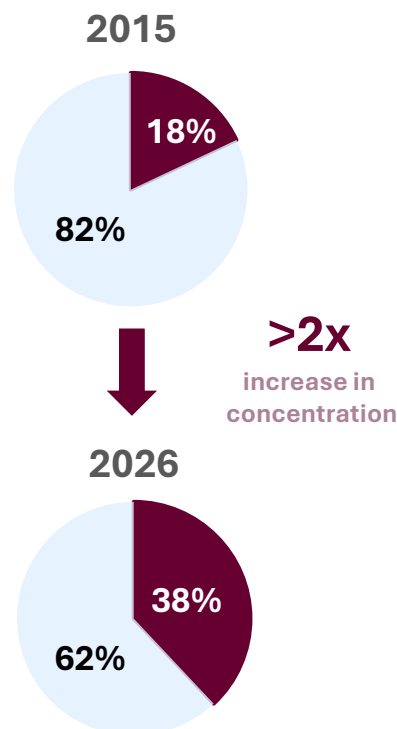


Source: Hartford Funds, as of 12/31/24. (1) JPMorgan Guide to the Markets- S&P 500: Index concentration as of 6/30/26. Past performance does not guarantee future results. Based on the 500 largest US stocks. Top 10 and bottom 490 portfolios are market cap-weighted and rebalanced monthly. Data Sources: Hartford Equity Modeling Platform and Compustat. **Past performance does not guarantee or predict future performance.**

Is market leadership broadening?

S&P 500 concentration has more than doubled since 2015...

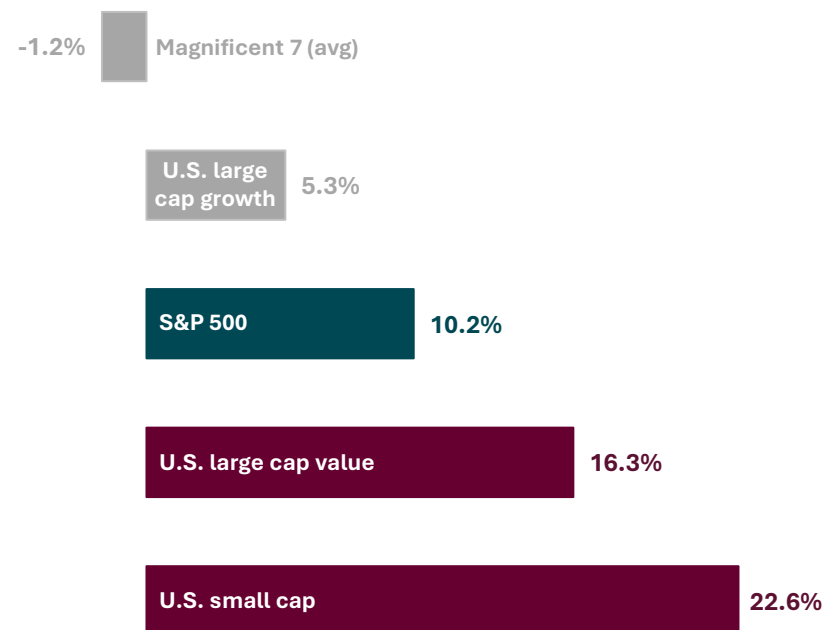
■ Top 10 companies
■ Bottom 490 companies



... and markets are showing signs of broadening in 2026 (YTD: June)



When leadership shifts, **diversification is often rewarded**



What this chart shows:

The increase in concentration of the S&P 500 since 2015 (left). Also shown are 2026 year-to-date returns of the Magnificent 7, the S&P 500, and both U.S. large growth and value indices (right).

Why it matters:

Recent market performance has largely been driven by a small group of mega-cap growth stocks. The Magnificent 7 companies alone were responsible for more than 45% of the S&P 500's return in each year from 2023 – 2025¹.

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

2026 is showing signs of broadening, with value and smaller-company stocks outpacing both the S&P 500 and large growth stocks.

Source: Morningstar, FactSet. As of 6/30/26. concentration levels as of 12/31/2015 and 6/30/2026 – SPY ETF used as a proxy for S&P 500. Alphabet Class A and C combined as one holding. Total return indices used for S&P 500 and S&P 500 equal weighted. U.S. large cap value = Russell 1000 value total return index. U.S. large cap growth = Russell 1000 growth total return index. U.S. small cap = Russell 2000 total return index. Magnificent 7 average is the equally weighted return of NVIDIA, Apple, Meta, Amazon, Alphabet, Microsoft, and Tesla through May. 1- JPMorgan Guide to the Markets: Magnificent 7: performance, earnings and dispersion. **Past performance does not predict or guarantee future performance.** You cannot invest directly in an index. Company references are used for illustrative purposes and should not be construed as an endorsement. This information is not intended as an investment recommendation, nor does it constitute investment advice.

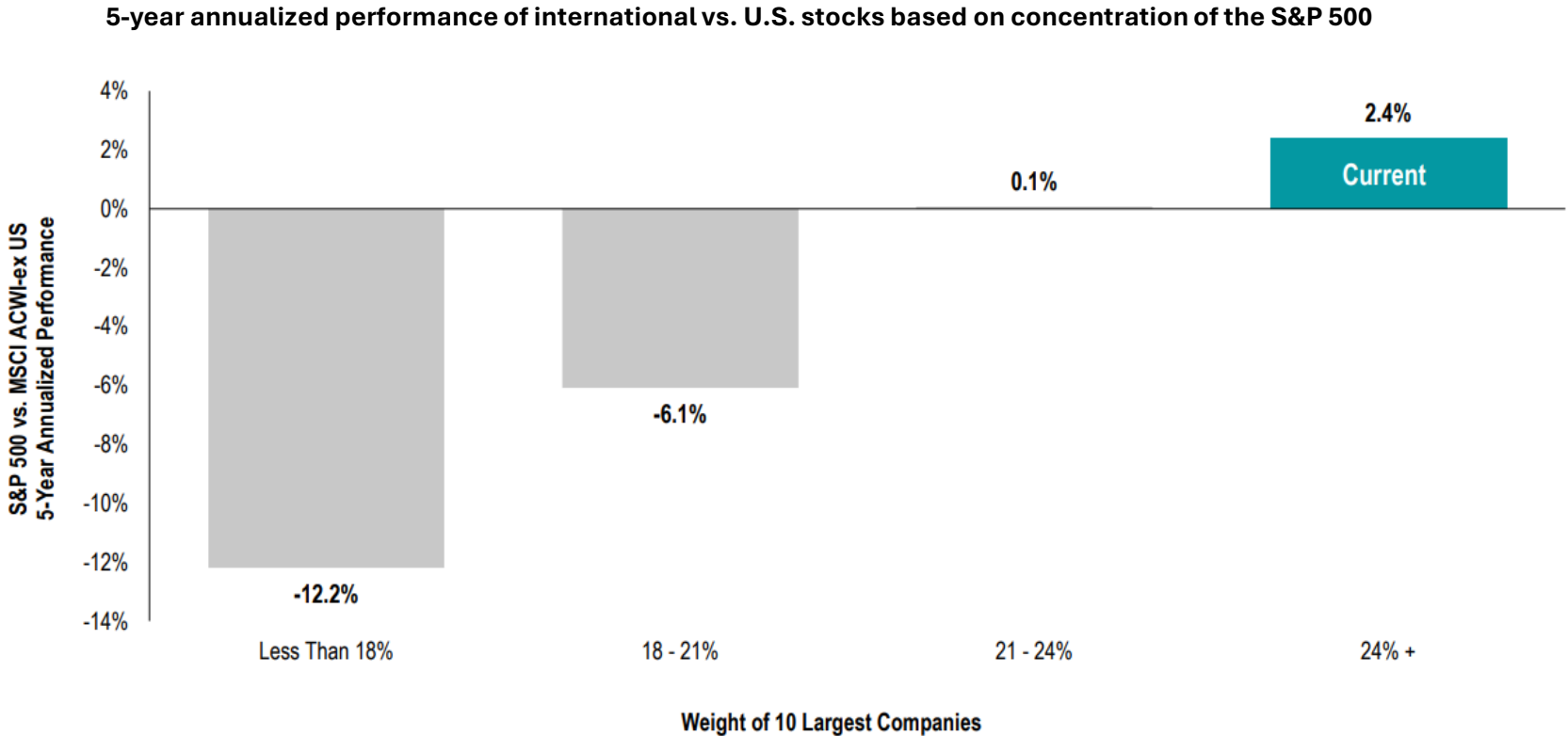
Concentration leads to non-U.S. opportunity



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

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

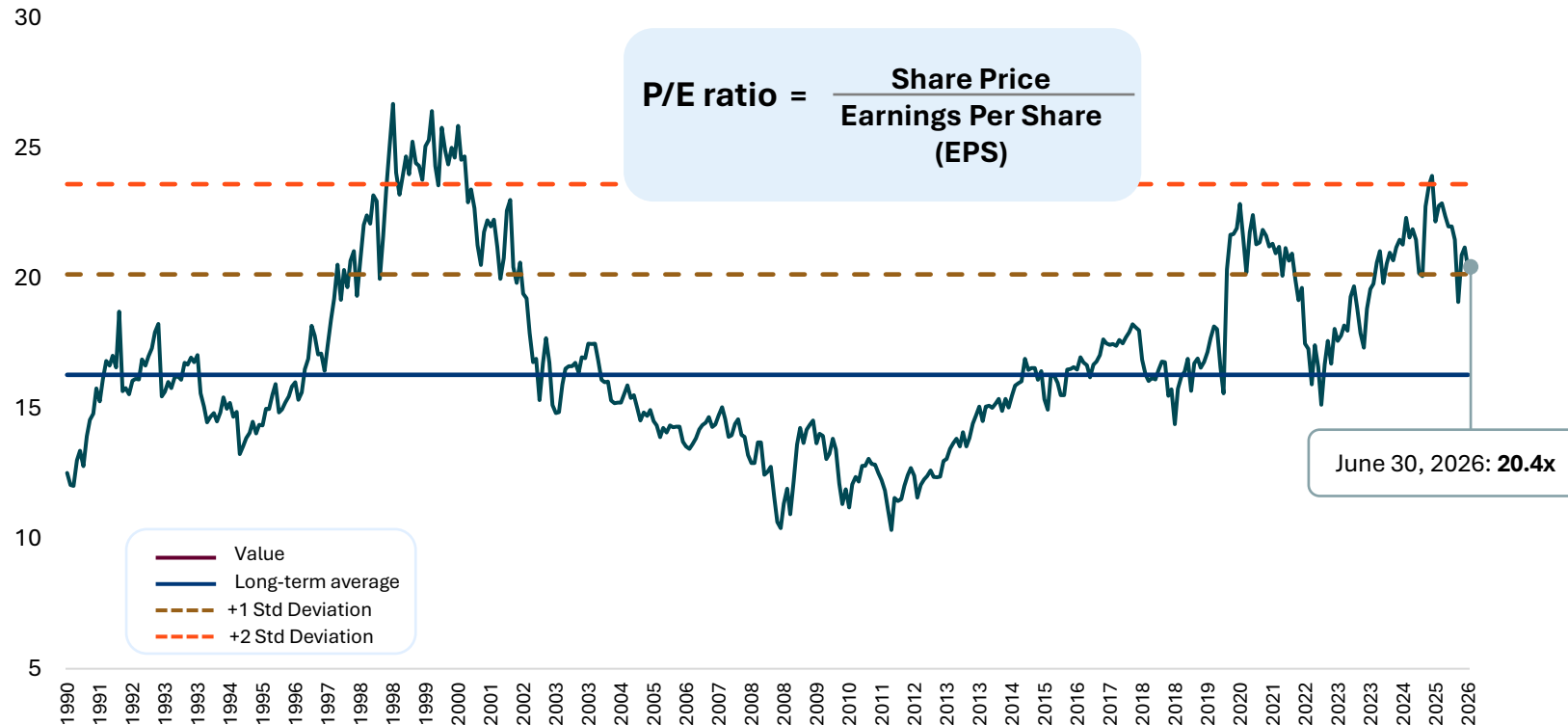
International stocks have outpaced the S&P 500 by an average of 2.4% annually in the five years following periods of elevated U.S. market concentration like what we see today.



Source: Clearbridge Anatomy of a Recession Q2 2026: Data shown is from Dec. 1989–present, as of March 31, 2026. Monthly constituent-level market cap data. FactSet, S&P, MSCI. **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.

S&P 500: Valuation measures

Forward P/E ratio valuation



Source: FactSet, S&P, Robert Shiller, Bloomberg. Data as of June 30, 2026

Forward P/E ratio (or forward price-to-earnings ratio) is the most-recent stock price divided by the forward-looking EPS estimate. **Shiller's P/E ratio** is the most recent stock price divided by the average of 10 years of inflation-adjusted earnings. It 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.

Valuation measures	Recent	20-year average
Forward P/E	20.4x	16.4x
Shiller's P/E	40.7x	27.6x
Dividend Yield	1.4%	2.0%
Price-to-book	5.0	2.9
Price-to-cash flow	15.3	11.7

What this chart shows:

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

Why it matters:

The P/E ratio shows how much investors are willing to pay for each dollar of expected future earnings. At 20.4x, the S&P 500's forward P/E sits well above its long-term average.

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

Elevated multiples may increase the likelihood of drawdowns



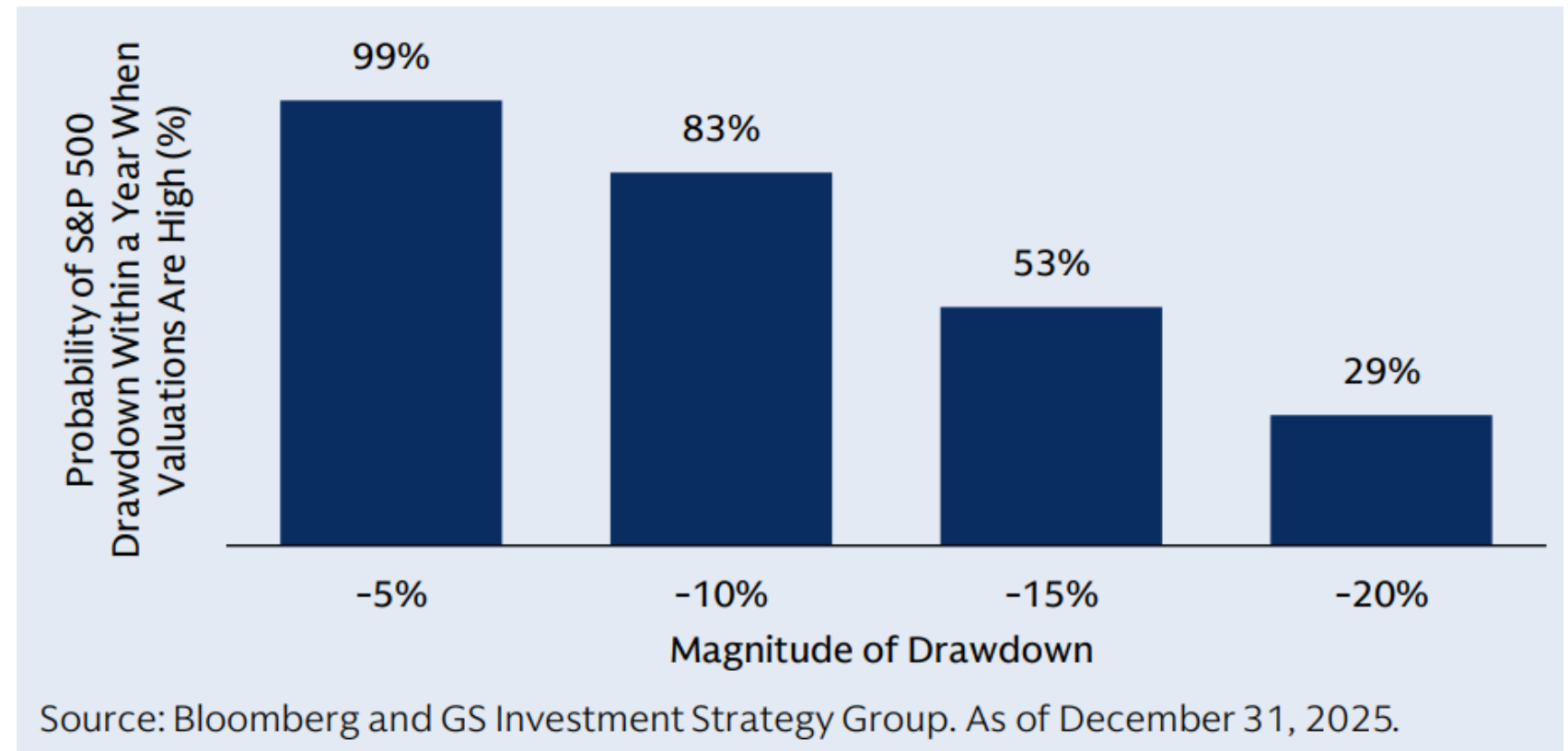
Markets have experienced several brief spikes in volatility in the last year, driven mainly by concerns over policy change and AI disruption.

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

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

Note: “we” refers to Goldman Sachs Asset Management

Volatility and Valuations



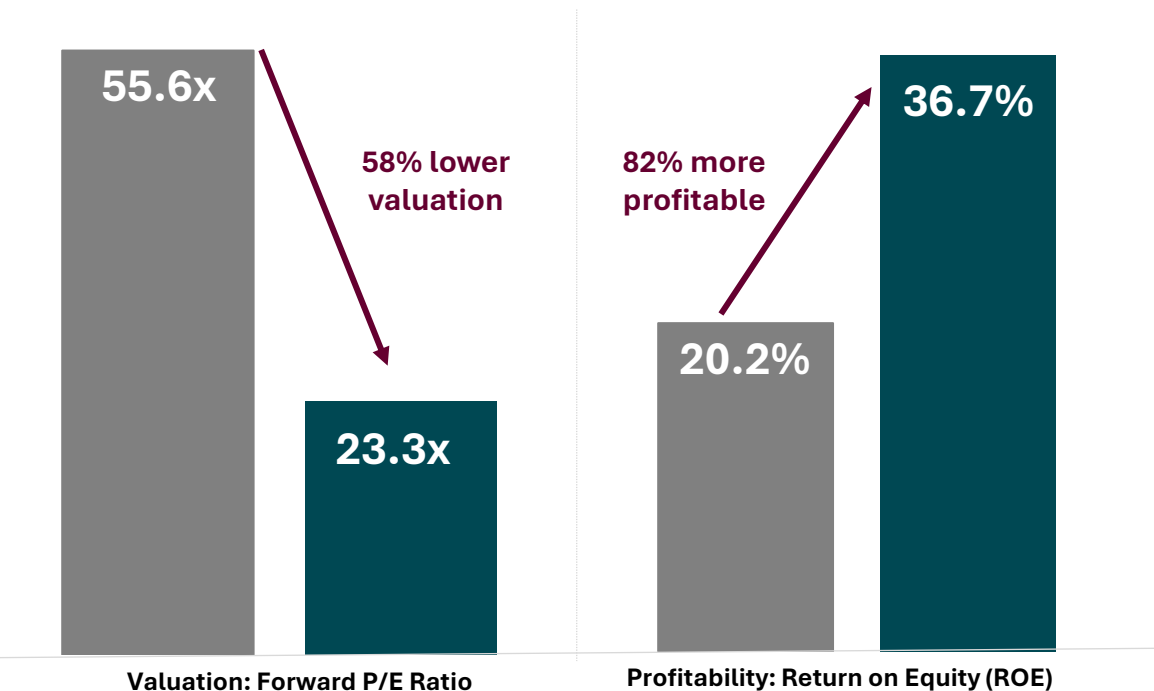
Source: Goldman Sachs Asset Management Market Monitor, week ending February 13, 2026. As of December 31, 2025. Analysis from 1945-2025 using NTM P/E ratio. Chart shows the historical frequency of different magnitudes of US equity market peak to trough drawdowns at any point within a year. **Probability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

Tech valuations have been driven by fundamentals

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

■ March 2000 (Dot-Com peak)

■ Current (June 2026)



What this chart shows:

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

Why it matters:

Today's tech sector trades at a 58% lower valuation than the dot-com peak while generating 82% higher profitability, suggesting outperformance has been anchored in earnings power, not speculation.

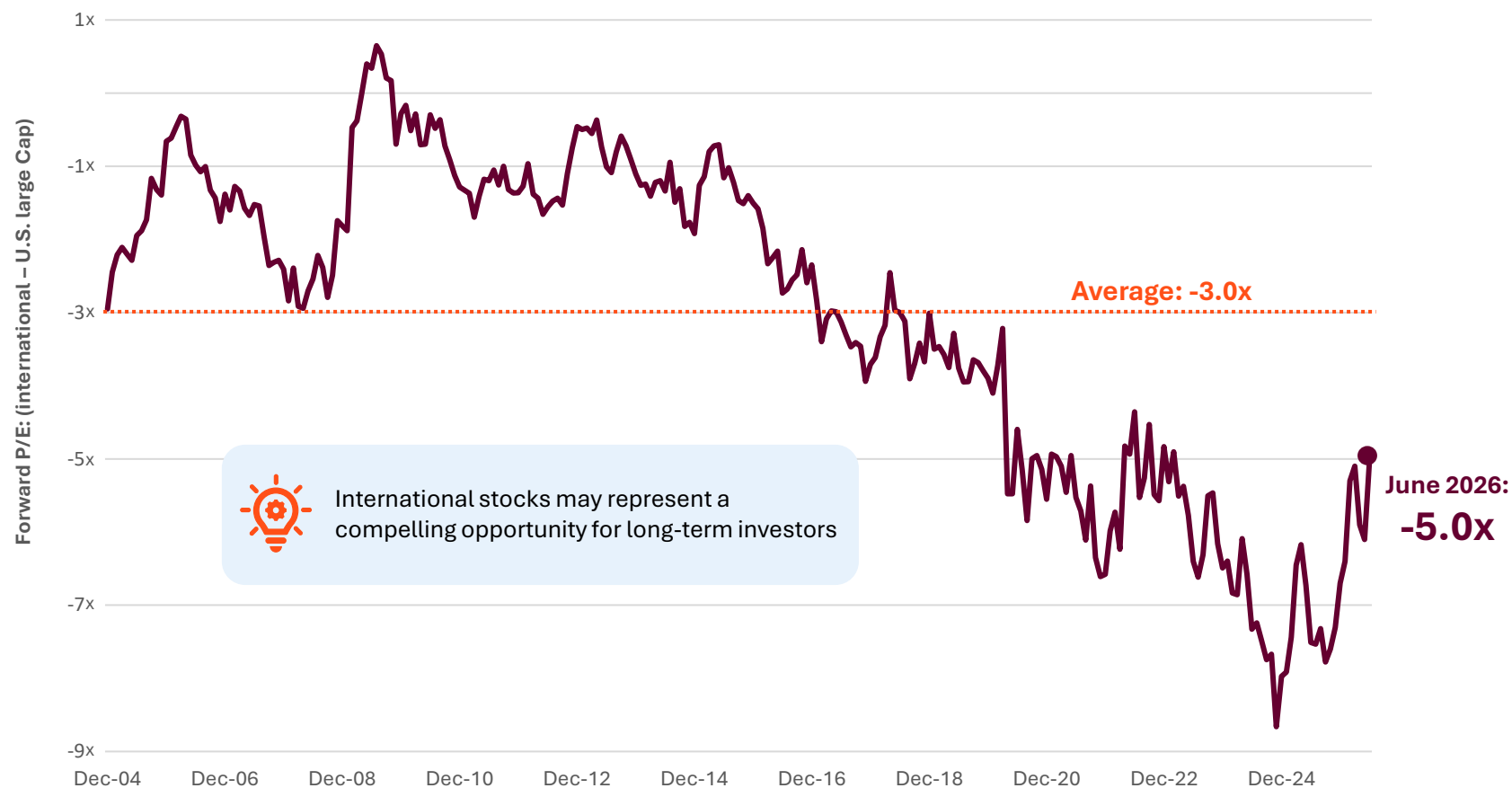
However, concentration remains a vulnerability. The weight of the tech sector in the index stood at 19.2% in March 2000, but it has risen to more than 38% today. If growth expectations shift, valuations can contract rapidly regardless of profitability.

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

Source: FactSet, data as of 6/30/2026. March 2000 = dot-com peak on March 11, 2000. Forward P/E (next 12 months) and ROE (last 12 months).

International equity valuations remain attractive

Developed international equity discount vs. U.S. large cap (forward P/E: 2005- 2026¹)



What this chart shows:

This chart shows the valuation gap between developed international equities and U.S. large-cap stocks since 2005. As of May 2026, international stocks traded at a 6.1x discount relative to the U.S, significantly deeper than the historical 3.0x average discount.

Why it matters:

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

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

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

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

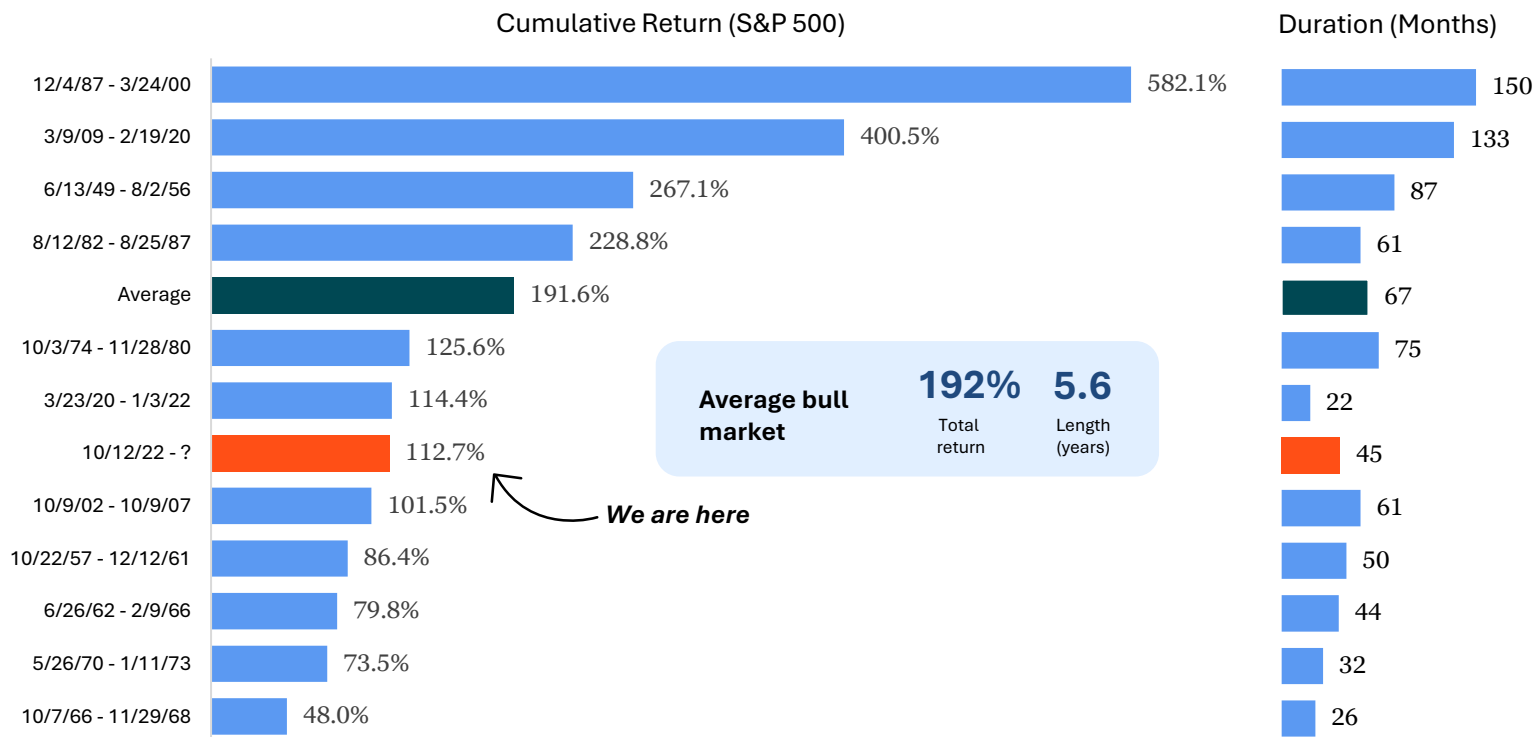
Source: FactSet. iShares MSCI ETF (ticker EFA) used as a proxy for international stocks. 1 - 2026 as of June 30, 2026. Discount measures as the forward P/E of the iShares MSCI ETF minus the forward P/E of the S&P 500. Data as of June 30, 2026.

Visualizing the magnitude and duration of bull markets



About bull markets

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



What this chart shows:

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

Why it matters:

This can help investors contextualize today's bull market that began in October 2022. June saw two new all-time high closes for the S&P 500, bringing the cumulative peak gain thus far to 112.7% as the rally heads into its 45th month.

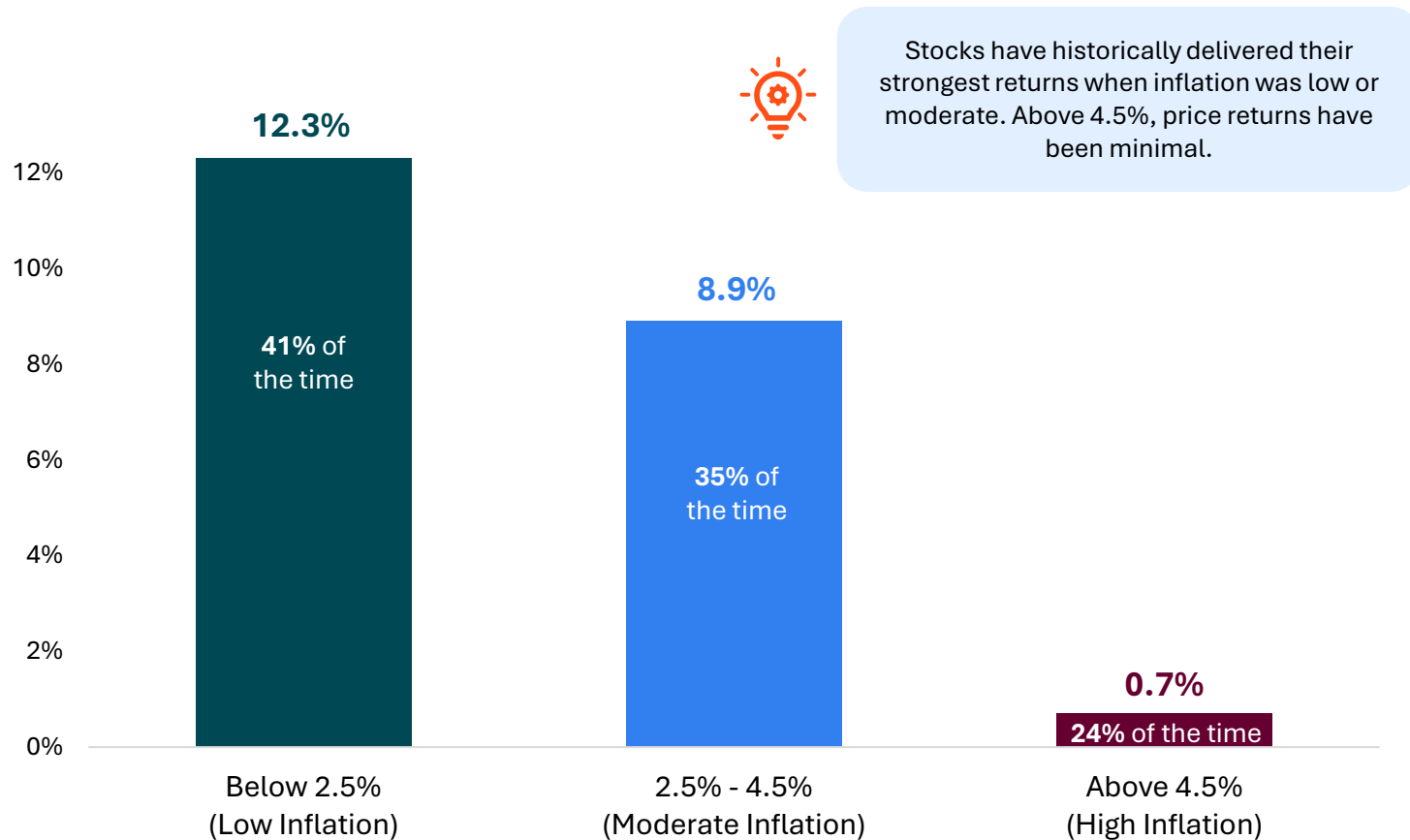
While there is quite a bit of variability in both the magnitude and duration of previous bull runs, on average, they have gained more than 192% and lasted approximately 67 months (5.6 years).

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

Source: Bloomberg, Morningstar - S&P 500 Price Return Index bull market peak as of 6/30/26. Bull market that began on 10/12/22 excluded from averages and duration of the current bull market rounded up to the nearest full month. Median gain across bull markets listed is 114.4%. A bear market is defined by a closing price that drops at least 20% from its most recent high while a bull market begins when the closing price gains 20% from its low. **Past performance does not guarantee or predict future performance.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

S&P 500 performance in different inflation environments

S&P 500 annualized return by CPI inflation regime (1950 – 2025)



What this chart shows:

S&P 500 annualized returns since 1950 grouped by prevailing Consumer Price Index (CPI) inflation regimes. The chart also highlights how frequently each inflation environment occurred historically.

Why it matters:

Inflation affects more than the price of goods. It can also influence the return environment for stocks.

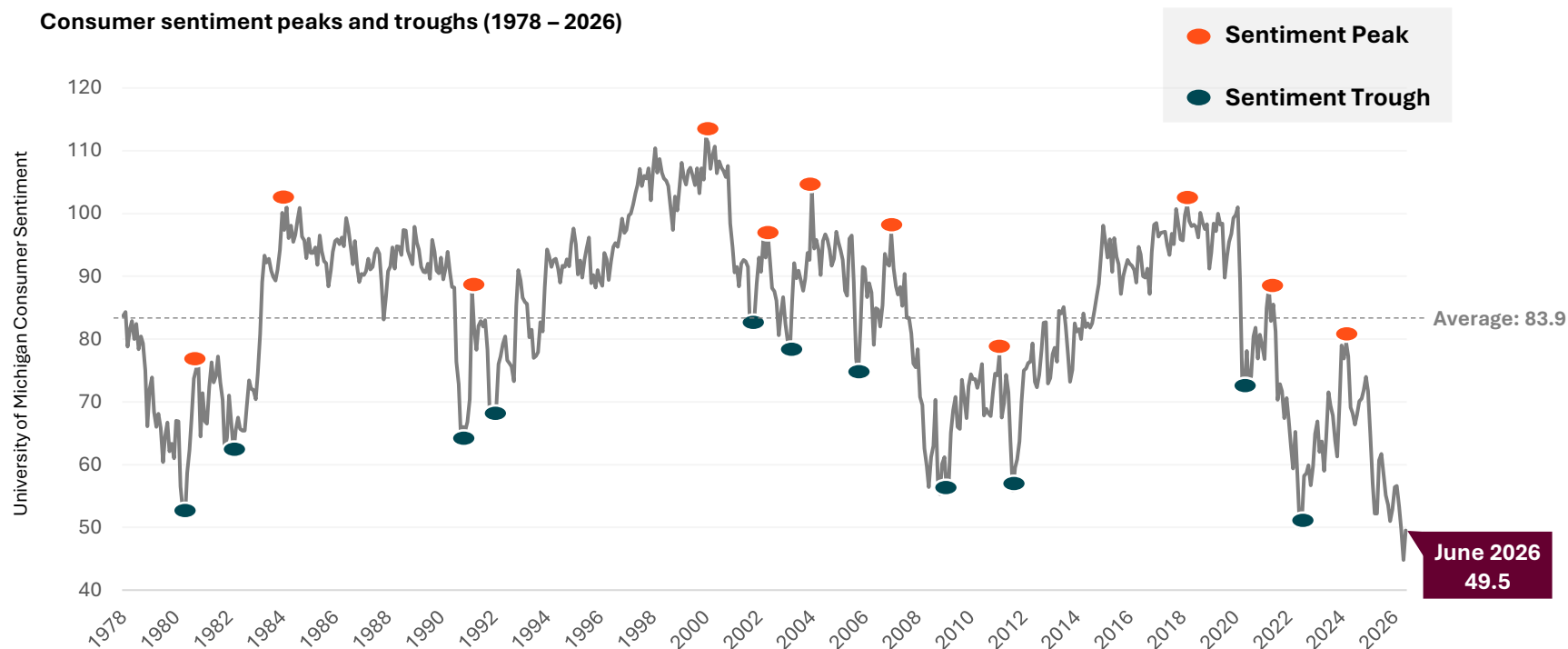
Historically, stocks delivered solid returns when inflation was low (below 2.5%) or moderate (between 2.5% – 4.5%), conditions that together prevailed about three-quarters of the time since 1950. As of May 2026, CPI sat at 4.2% year-over-year.

High inflation (above 4.5%) stretches were far less common, but they coincided with much weaker stock returns.

Part of the reason is that when inflation runs hot, interest rates often rise. Higher rates can weigh on valuations and put pressure on equity prices by making future earnings worth less today.

Source: Morningstar, U.S. Bureau of Labor Statistics, analysis by Lincoln Financial. S&P 500 price return index (does not include dividends). Inflation measured by year-over-year change in the Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis, June 18, 2026. Each month assigned to an inflation regime by its year-over-year CPI reading; monthly S&P 500 price returns grouped by regime and annualized. **Past performance does not guarantee or predict future returns.** You may not invest directly in an index.

Consumer sentiment and subsequent S&P returns



What this chart shows:

Monthly readings of the University of Michigan Consumer Sentiment Index since 1978. Peaks and troughs in sentiment are marked, and the boxes below show what the S&P 500 returned, on average, in the 12 months following each.

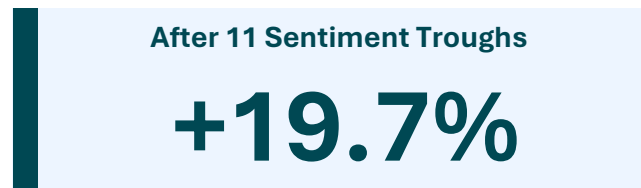
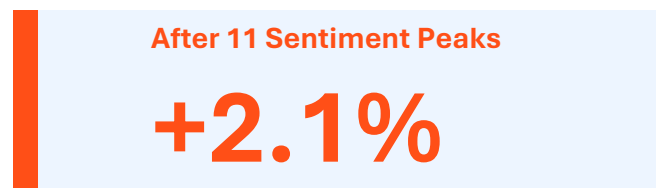
Why it matters:

When Americans are pessimistic about the economy, markets have historically rewarded those who stayed invested.

After the 11 deepest sentiment troughs, the S&P 500 averaged a gain of 19.7% over the next 12 months. That's nearly 10x the average gain of 2.1% that has followed peaks in sentiment.

Historically, fear has been a setup for markets, not a stopping point.

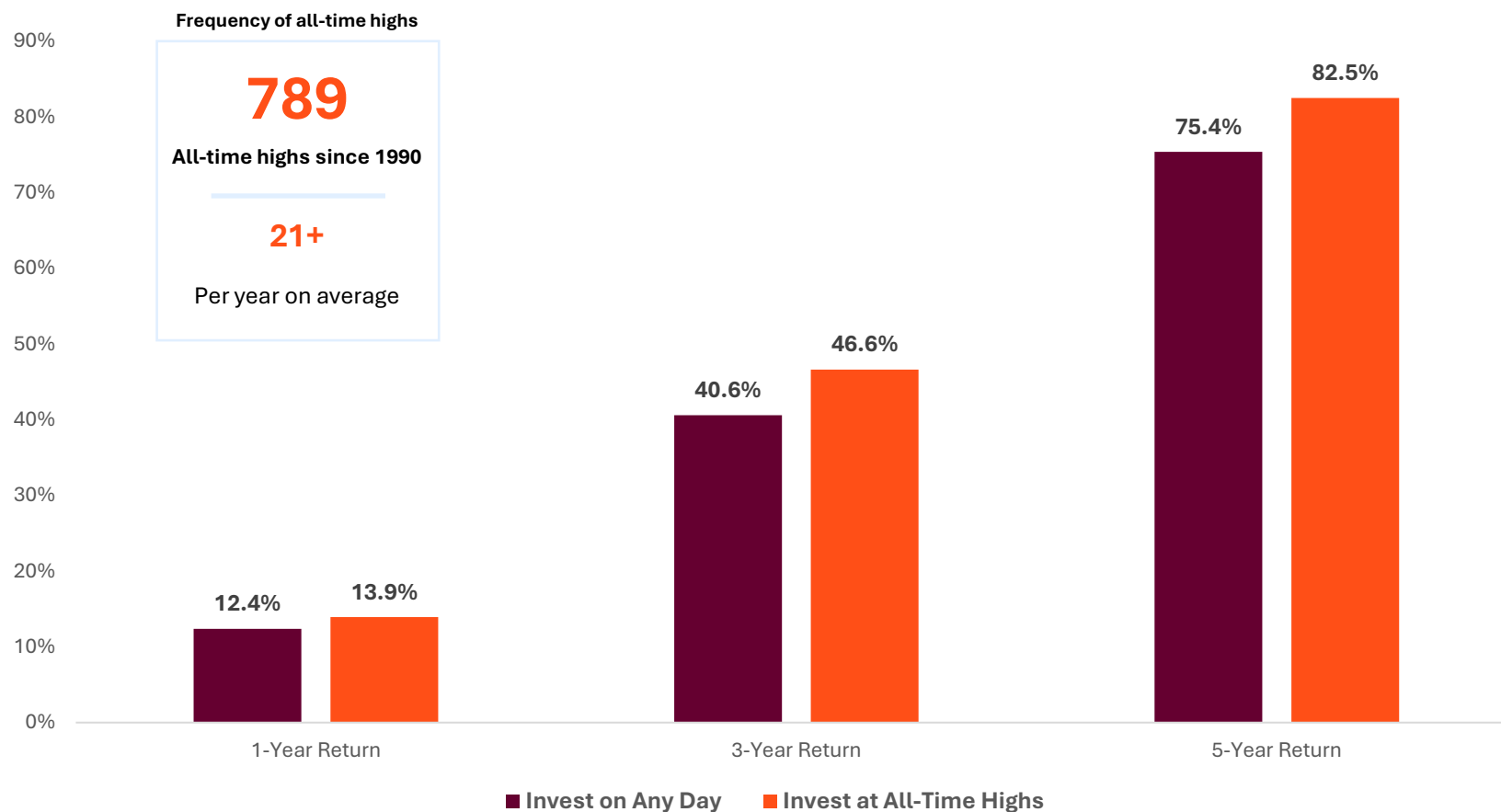
S&P 500: Average Subsequent 12-Month Return



Source: Morningstar, Federal Reserve Bank of St. Louis, University of Michigan, Lincoln Financial analysis. University of Michigan Consumer Sentiment Index (UMCSENT, monthly), January 1978–June 2026. Peaks and troughs are alternating sentiment extremes, each separated by a ≥15-point reversal. Forward 12-month returns use S&P 500 month-end levels, price-only. **Past performance does not guarantee future results.** Index performance is for illustrative purposes only. You may not invest directly in an index.

S&P 500: Don't fear all-time highs

Total cumulative returns: investing at all-time highs vs. any day (January 1990 – June 2026)



What this chart shows:

The average total return of the S&P 500 over the next 1, 3, and 5 years, comparing two approaches: investing on any trading day versus investing only on days the market closed at a new all-time high.

Why it matters:

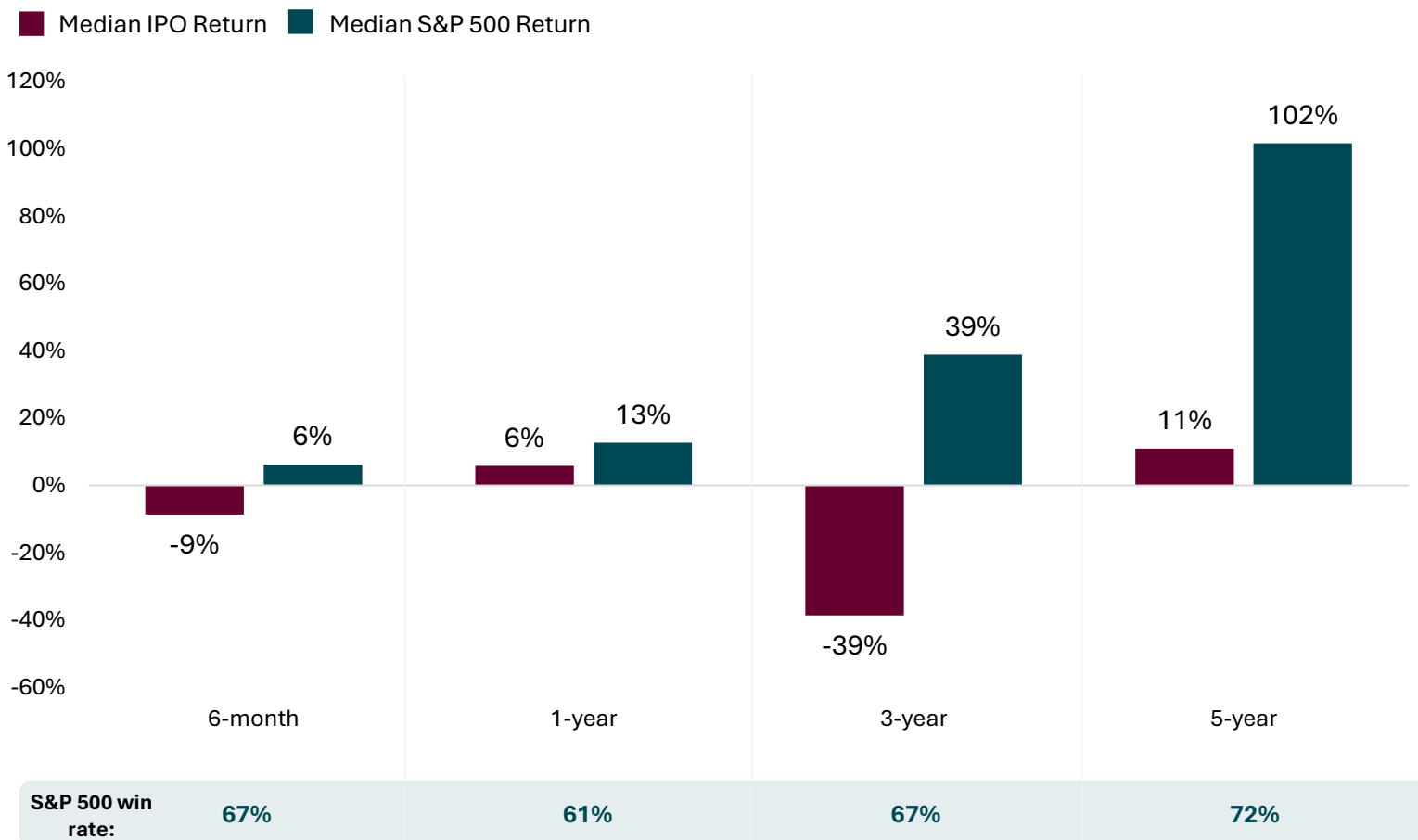
New highs feel like a risky moment to invest, and the instinct may be to wait for a pullback.

However, history says the opposite. Since 1990, money invested at an all-time high has, on average, outpaced money invested on any day across each horizon measured: 13.9% vs. 12.4% over one year, 46.6% vs. 40.6% over three years, and 82.5% vs. 75.4% over five.

Source: Morningstar, analysis by Lincoln Financial. S&P 500 price return index used to identify all-time highs, total return (including dividends) used for 1, 3, and 5-year returns (January 1990-June 2026). Number of all-time highs since 1990 includes the current year count, average per year is through most recent year-end. **Past performance does not guarantee or predict future performance.** You cannot invest directly in an index.

Notable IPOs vs. the S&P 500: A look at returns

Median total return: notable IPOs' first trading day vs. the S&P 500 over the same period



What this chart shows:

This chart compares the median total cumulative return of a basket of notable IPOs against the median return of the S&P 500 over matched holding periods. For each IPO, returns are measured from its first-trading-day closing price and the S&P 500 is measured over the identical dates. The bars show the median across the basket at each horizon — 6 months, 1 year, 3 years, and 5 years.

Why it matters:

When companies go public, it often creates an exciting story. But excitement at the IPO and results afterward can be two different things.

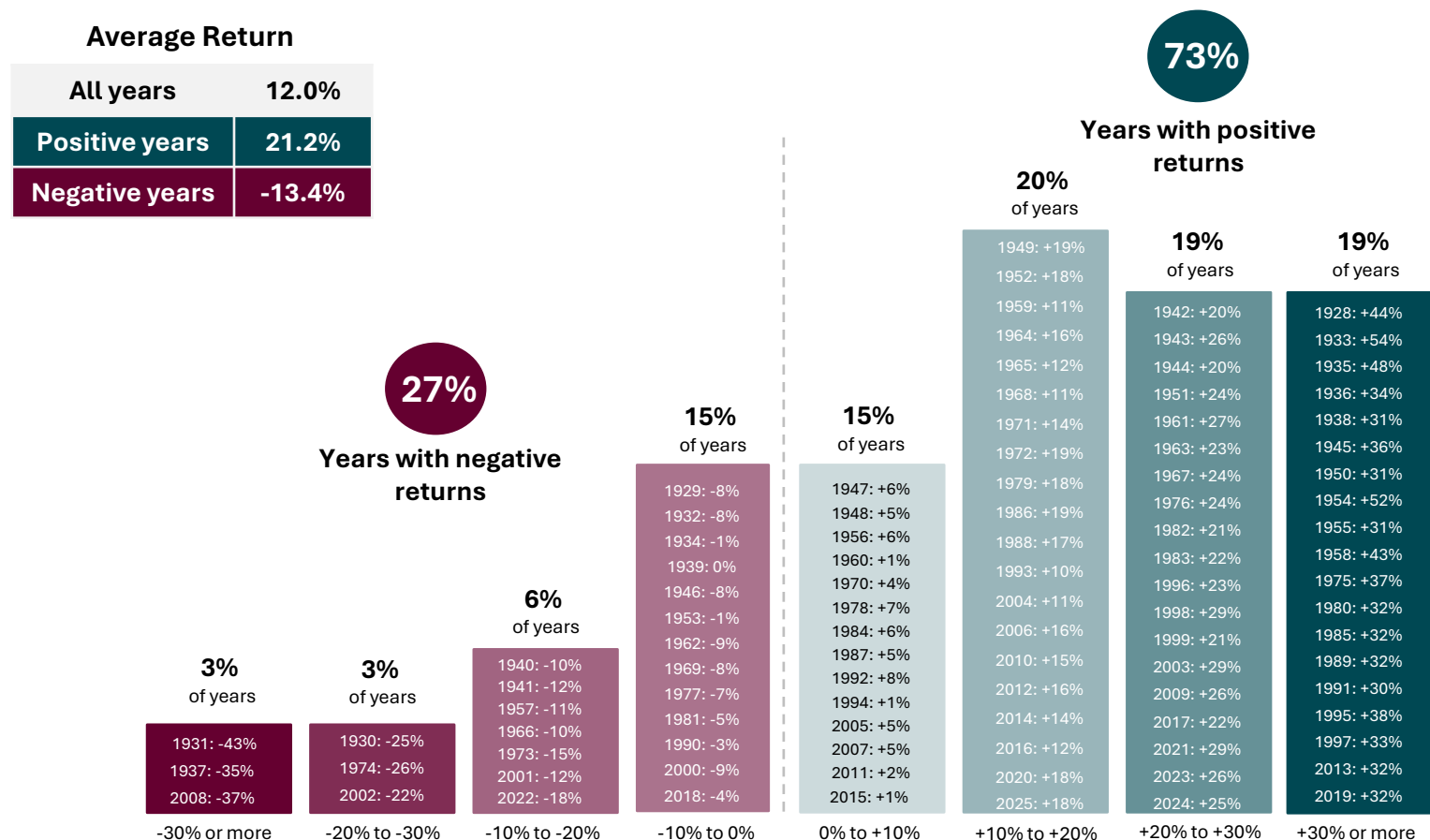
Among widely recognized companies that went public since 2012, the typical IPO underperformed the S&P 500 over every period measured: a median 11% over five years versus about 102% for the index.

The real lesson isn't that IPOs fall, it's that results scatter. Over five years, the highest IPO gain measured was +568%. The worst loss measured was -89%.

The S&P 500's range over the same windows was far narrower, roughly +66% to +115%.

Source: Bloomberg, analysis by Lincoln Financial. Total returns from each company's first-trading-day closing price, measured against the S&P 500 Index (SPX) over the identical period. Data as of 6/25/26. Selection: An illustrative, non-exhaustive sample of 18 widely recognized U.S.-listed companies that completed a traditional underwritten IPO (direct listings and SPAC mergers excluded) on or after May 18, 2012, with at least a five-year trading history as of 6/25/26, not a ranking. IPOs included: BABA, META, UBER, CPNG, SNOW, ABNB, SNAP, DASH, LYFT, RKT, PINS, U, PTON, ZM, DDOG, CRWD, NET, BYND. Individual results varied widely. 3yr ret. window coincided with growth stock weakness that began in 2022. **Past performance does not guarantee or predict future performance.** You cannot invest directly in an index. **For educational purposes only; not a recommendation to buy or sell any security.**

Stocks rise far more often than they fall



What this chart shows:

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

Why it matters:

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

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

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

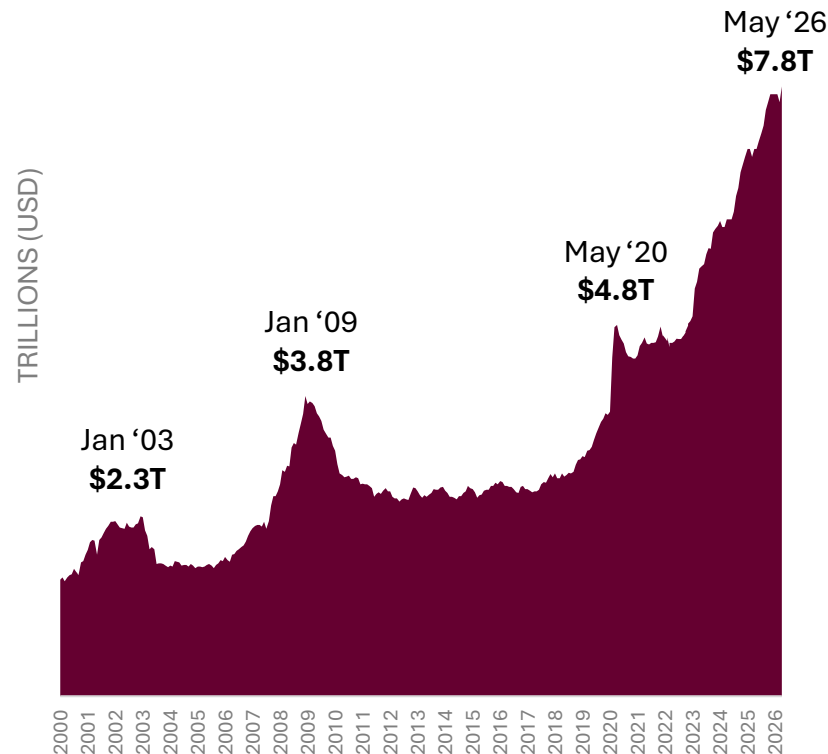
Not only has the market risen far more often than it has fallen, many of the worst years for stocks were followed by strong rallies – rewarding investors who chose to stay the course.

Source: NYU.Edu – Historical Returns for the U.S. (including dividends) from 1928 – 1936. Morningstar for returns from 1937 – 2025.

Past performance is not indicative of future returns. Index performance is for illustrative purposes only. You cannot invest directly in the index.

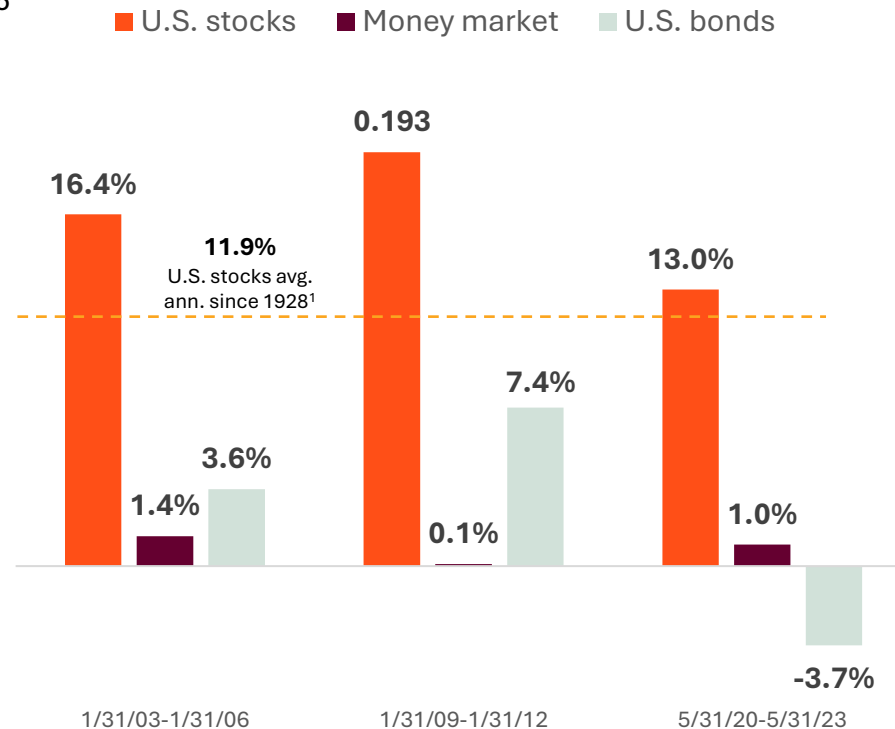
Returns following money market asset peaks

Money market assets



3-year performance after peak in money market assets

Average annual performance



What this chart shows:

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

Why it matters:

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

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

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

Source: Chart (left): Morningstar. Data most recently available as of 6/30/26. Chart (right): Morningstar, (1) NYU Stearns historical returns on stocks, bonds and bills accessed on 6/30/2026 S&P 500 total return including dividends, 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.**

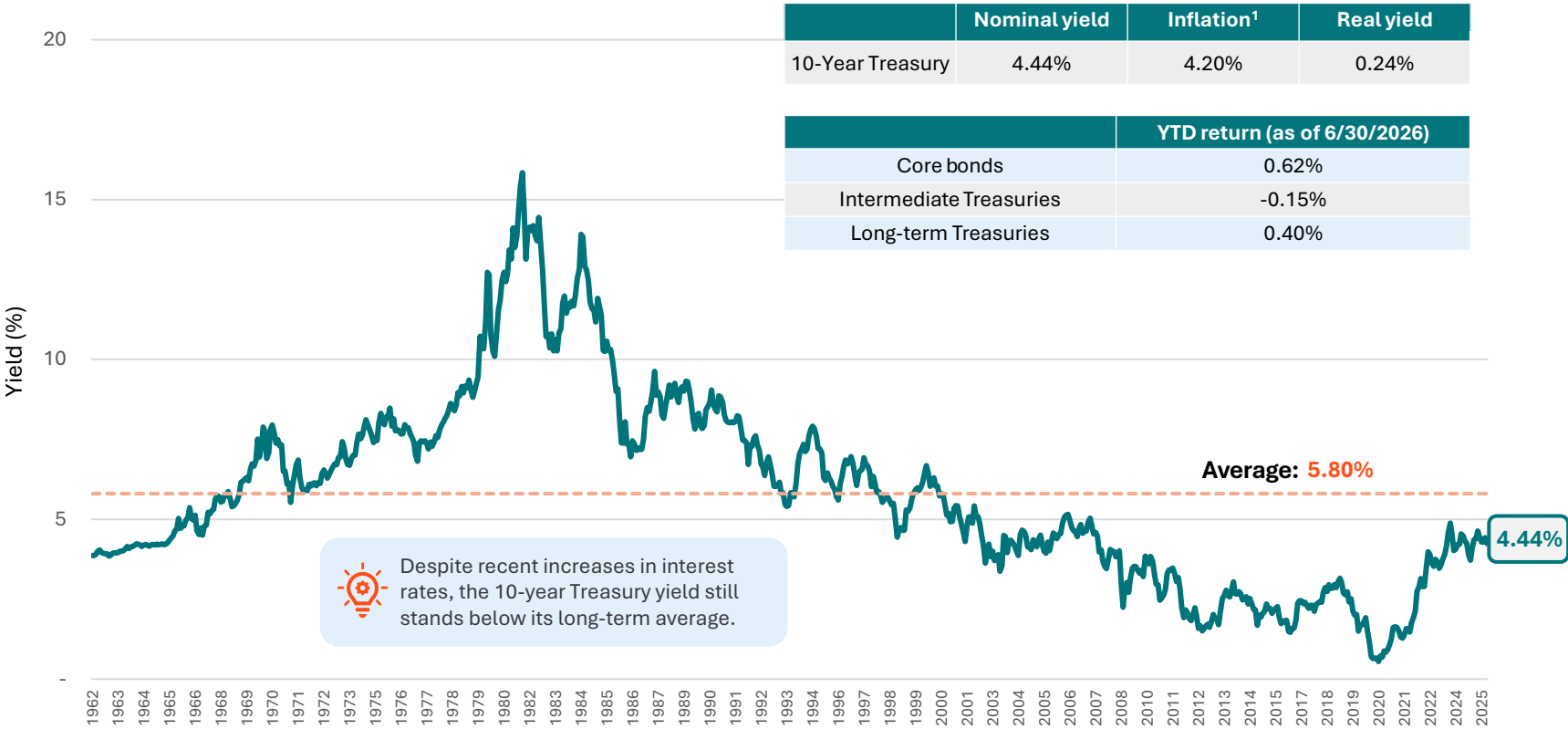
05

Fixed Income

U.S. Treasury yield



U.S. 10-year Treasury yield



What this chart shows:

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

Why it matters:

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

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

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

Past performance is not indicative of future returns.

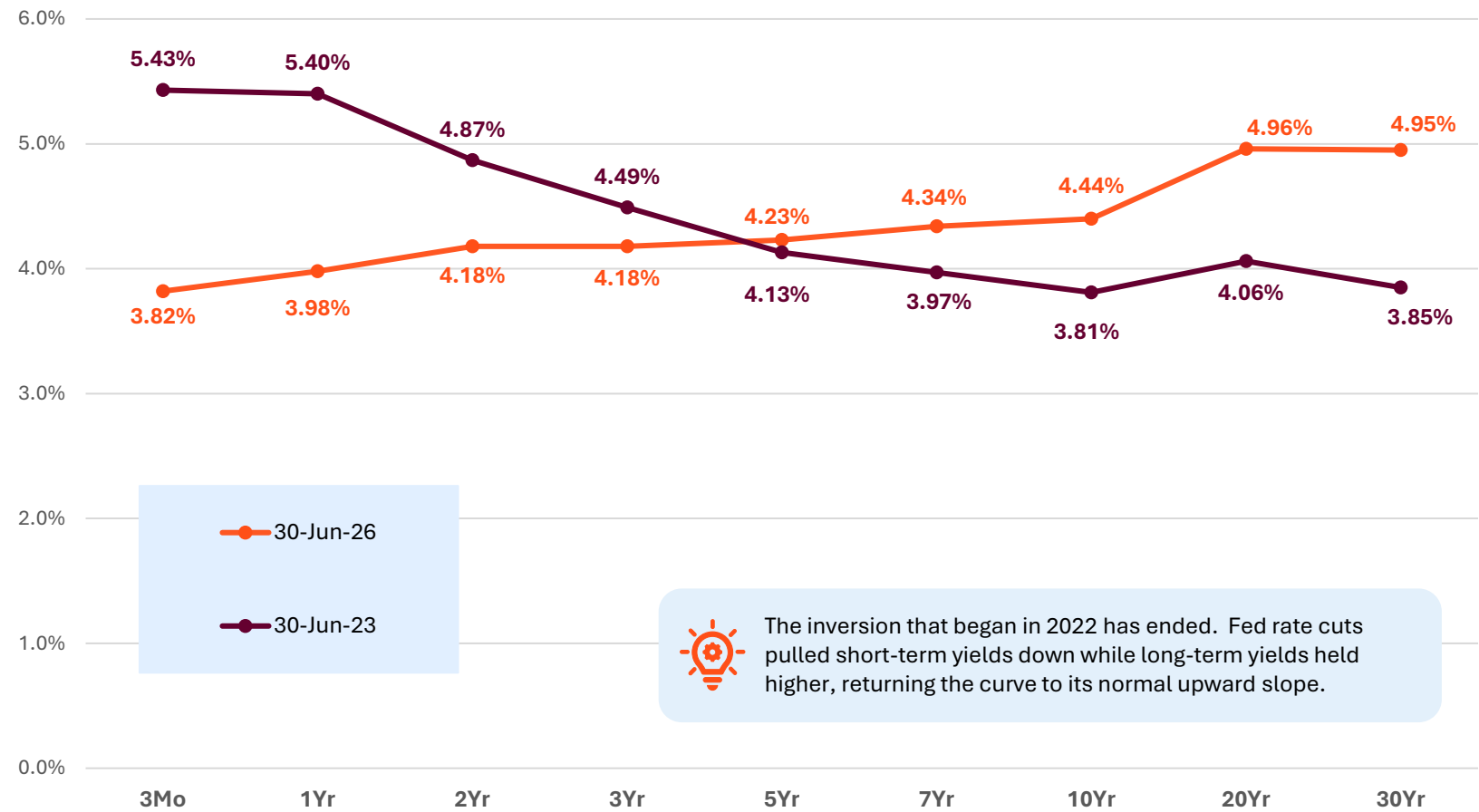
Core bonds represented by Bloomberg US Aggregate Bond Index; Intermediate Treasuries represented by ICE BofA 5-10Y US Trsy TR USD; Long-term Treasuries represented by ICE BofA 10+Y US Trsy TR USD.

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

Source: Morningstar, FactSet, Bloomberg, J.P. Morgan Asset Management. Data as of June 30, 2026. ¹Real 10-year Treasury yields are calculated as the daily Treasury yield less year-over-year CPI inflation for that month. For the current month, we use the prior month's CPI figures until the latest data is available.

Yield curve

U.S. Treasury yield curve



What this chart shows:

This chart compares the U.S. Treasury yield curve at two quarter-end snapshots three years apart: June 2026 and June 2023, near the peak of the inversion during the Fed’s hiking cycle.

Why it matters:

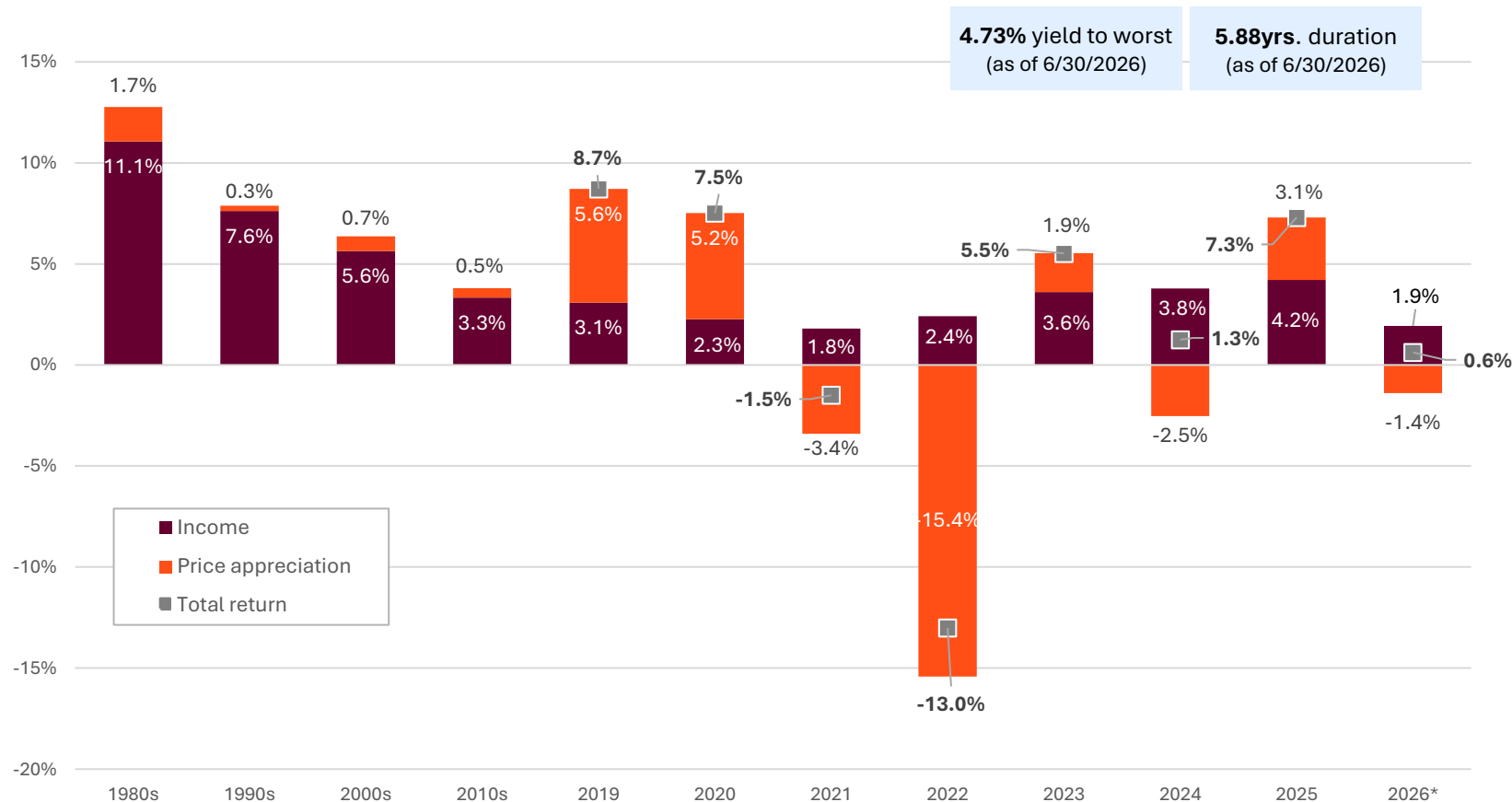
The yield curve reflects investor expectations for growth, inflation, and interest rates. From 2022 into 2024, it was inverted, with short-term yields above long-term — a pattern that has historically preceded economic slowdowns.

In 2025, Fed rate cuts pulled short-term yields down while long-term yields held higher, restoring the curve's normal upward slope. The steepening suggests that investor expectations for growth and inflation have become more balanced.

Source: Bloomberg, U.S. Department of the Treasury, Federal Reserve Bank of St. Louis. Data as of June 30, 2026

Core bonds: Total return breakdown

Bloomberg U.S. Aggregate Bond Index



What this chart shows:

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

Why it matters:

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

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

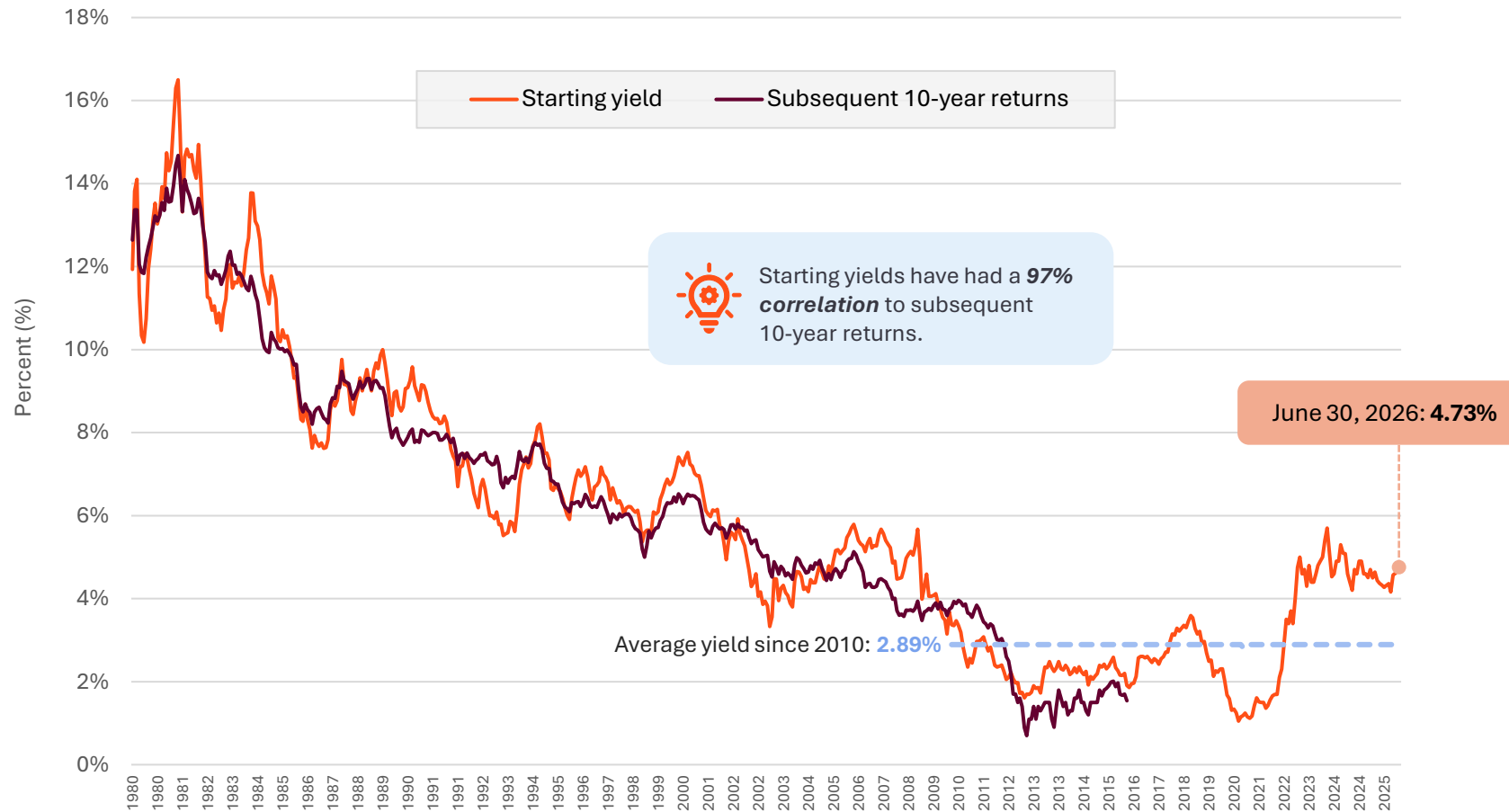
Bonds rebounded strongly in 2023, delivering a solid 5.5% return. In 2024, however, a late-year rise in interest rates limited gains to a modest 1.3%. 2025 represented another strong year for bonds, with the index gaining 7.3%.

So far in 2026, core bonds have returned a modest 0.6%.

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, 2026. **Past performance is not indicative of future returns.**

Core bonds: Starting yields and subsequent returns



What this chart shows:

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

Why it matters:

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

With yields continuing to remain elevated, today may represent a relatively attractive entry point for long-term investors.

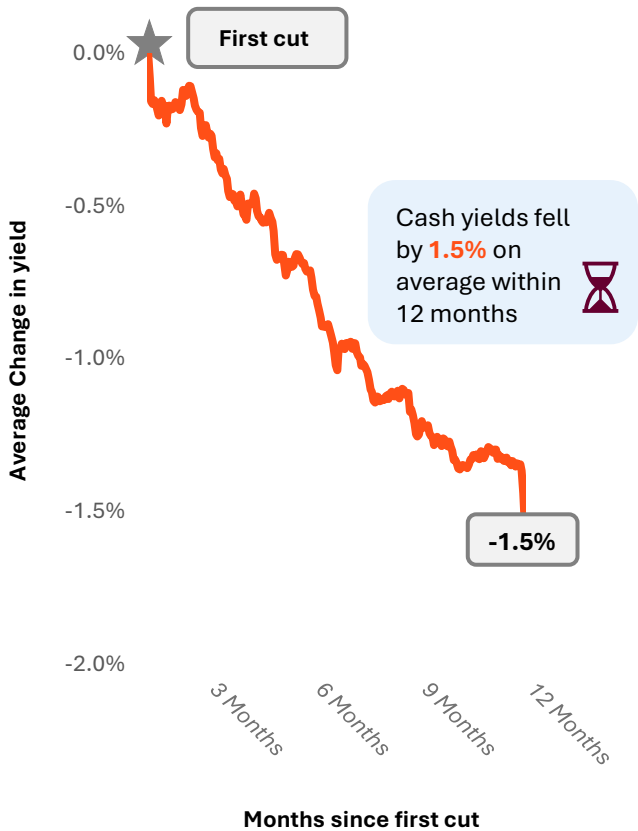
You cannot invest directly in an index. All indices are unmanaged and do not include fees or expenses. Please see the back of this presentation for index definitions and disclosures.

Source: Research affiliates based on data from Bloomberg and FactSet as of June 30, 2026. Proxy: Bloomberg U.S. Aggregate Bond Index. **Past performance is not a guarantee or a reliable indicator of future results**

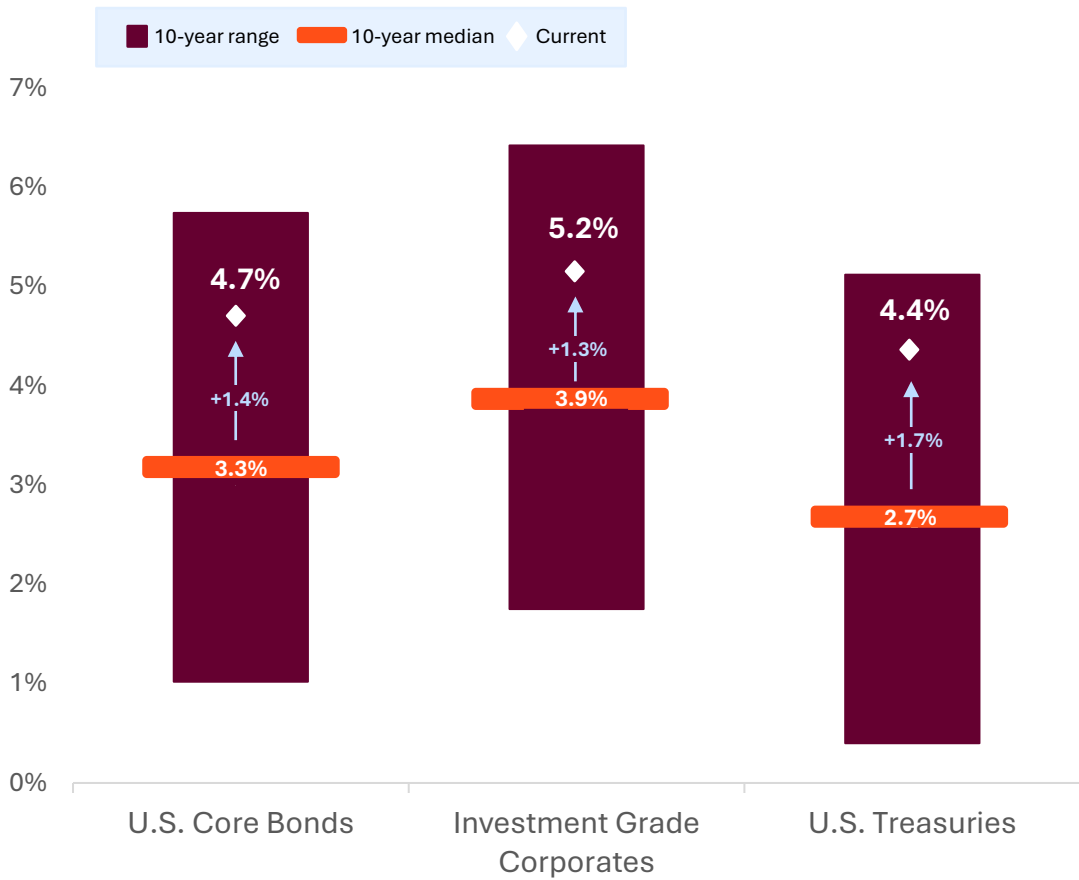
Declining cash yields: a window to lock in today's rates



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



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



What this chart shows:

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

Why it matters:

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

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

Source: (Left) Federal Reserve Bank of St. Louis market yield on U.S. Treasury Securities at 3-month constant maturity, quoted on an investment basis used as cash proxy. First cut considered to be those that followed a 6 month or more pause in monetary policy since 1990 excluding 2025 (8 occurrences). (Right) Bloomberg as of 6/30/26. Yield as represented by yield to worst. U.S. Core Bonds as represented by the Bloomberg U.S. Aggregate Bond Index. Investment grade corporates as represented by Bloomberg U.S. Corporate 1% Cap Index. U.S. Treasuries as represented by the Bloomberg Global U.S. Treasury Index. **Past performance does not guarantee or predict future performance.**

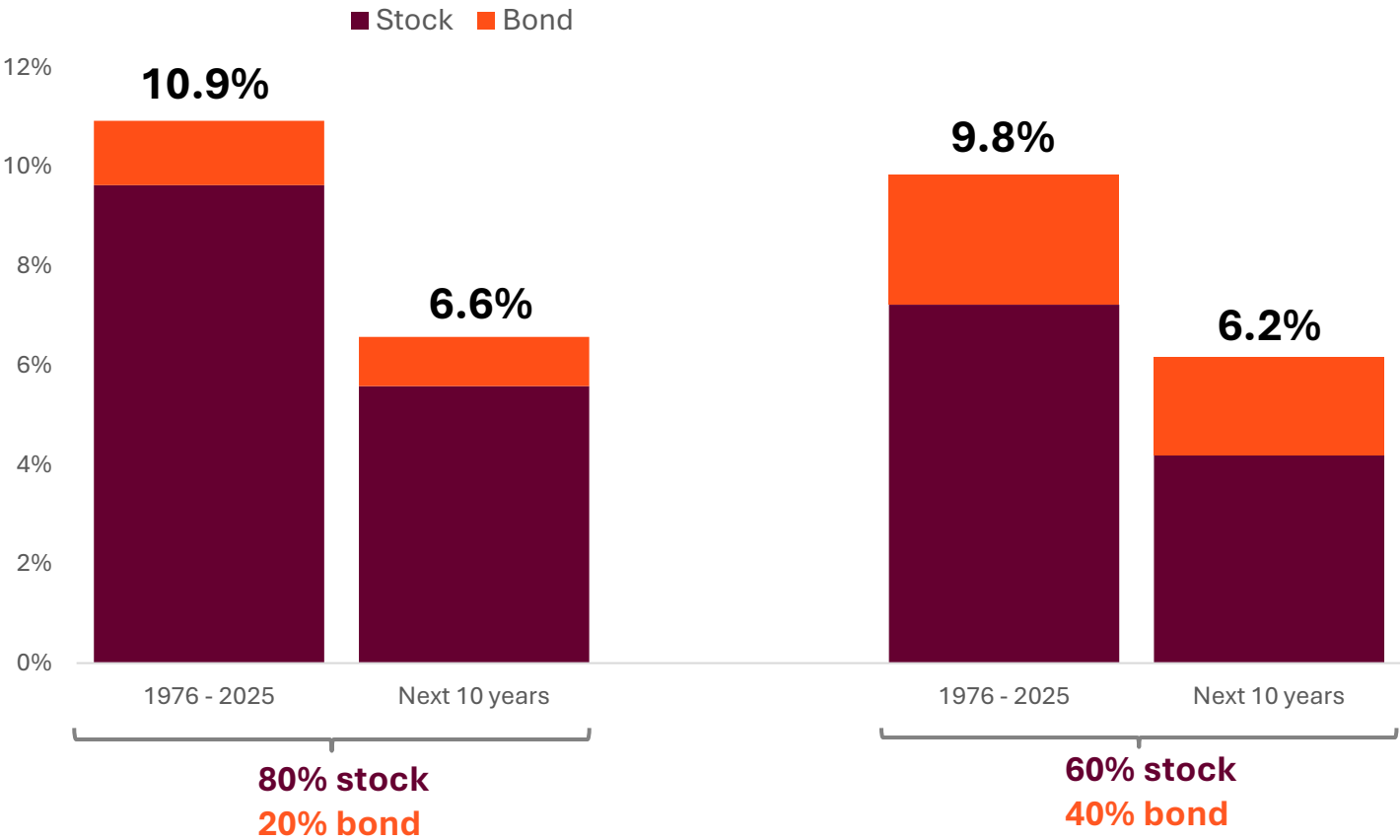
06

Asset Allocation

Balanced portfolios: historic vs. projected returns



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



Capital market expectations	U.S. Stocks	U.S. bonds
J.P. Morgan Asset Management	7.94%	5.46%
Invesco	4.70%	4.90%
BlackRock	8.47%	4.77%
State Street	6.80%	4.60%
Average	6.98%	4.93%

What this chart shows:

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

Why it matters:

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

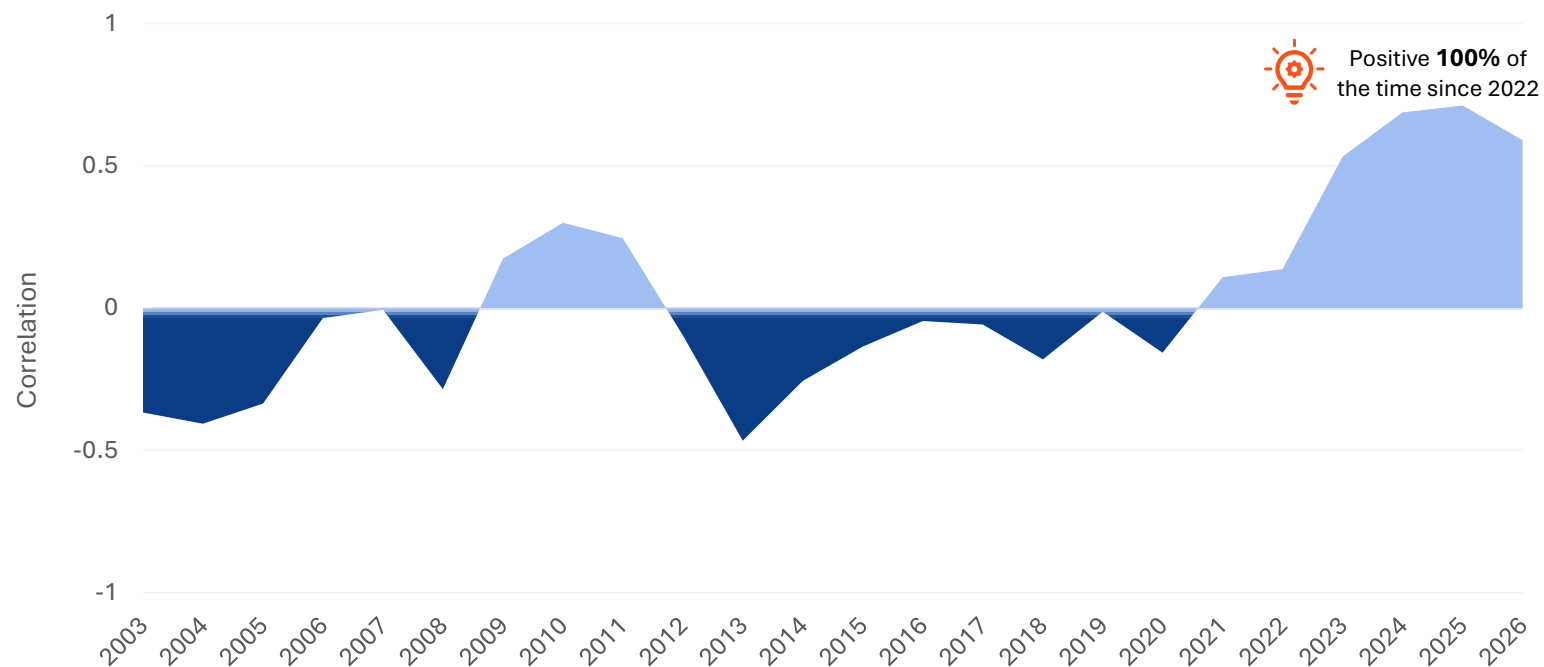
Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index.

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

Source: Morningstar, S&P, Bloomberg. Data as of June 30, 2026. Portfolios 1976 – 2025 represent average annualized weighted return of 80% S&P 500 TR – 20% Bloomberg US Aggregate Index and 60% S&P 500 TR – 40% Bloomberg US Aggregate Index ; Next 10 years = Average Equity and bond returns based on capital market expectations shown in the table. Core equity = US Equity, Core bonds = US aggregate bonds. **See Additional Information for more information.**

The stock-bond correlation has shifted

Rolling 3-year correlation: S&P 500 and Bloomberg US Aggregate Bond returns (2000-2026¹)



2000-2019 Average

-0.11

Bonds helped offset equity losses

2022-2026 Average

+0.58

Bonds struggled to offset equity losses

Peak (Dec 2024)

+0.72

What this chart shows:

This chart tracks the 3-year rolling correlation between monthly stock and bond returns since 2000.

Through 2021, the correlation was largely negative, meaning bonds tended to rise when stocks fell, providing a natural cushion in diversified portfolios.

Since 2022, that relationship has shifted. Stocks and bonds have been moving in the same direction more consistently than prior cycles.

Why it matters:

Historically, the negative correlation between stocks and bonds was a key structural support for balanced portfolios, working quietly in the background during periods of market stress.

Since 2022, that correlation has been positive, peaking at +0.72 in late 2024. Whether this is a temporary regime or a more lasting shift remains to be seen, but it's worth asking whether portfolios have the diversification they appear to have on paper.

Moving forward, broadening sources of diversification and downside protection may help portfolios remain resilient across a wider range of market environments.

Source: Morningstar, analysis by Lincoln Financial. S&P 500 and Bloomberg U.S. Aggregate Bond Index. Analysis spans January 2000 – June 2026 using monthly returns. First 3-year period measured ended in 2003. **Past performance does not guarantee or predict future returns.** You cannot invest directly in an index. 1- as of 6/30/26.

Optimizing your portfolio allocation



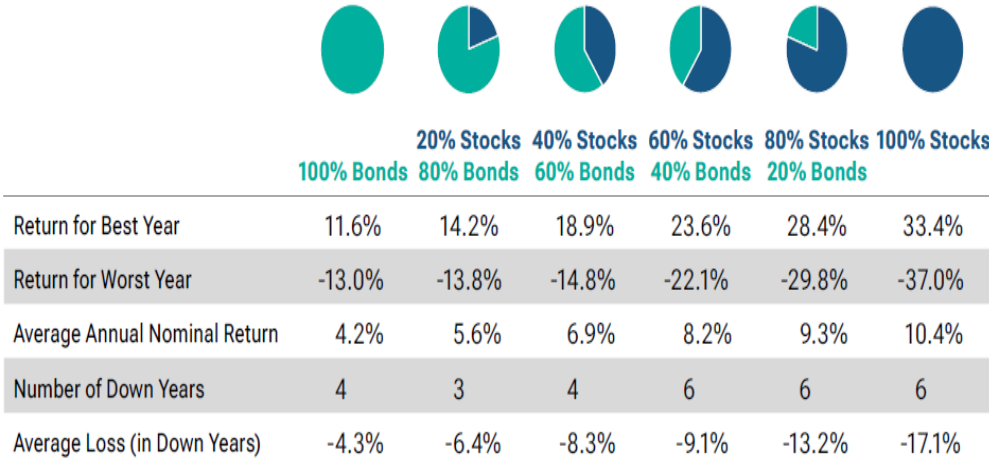
T. Rowe Price

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

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

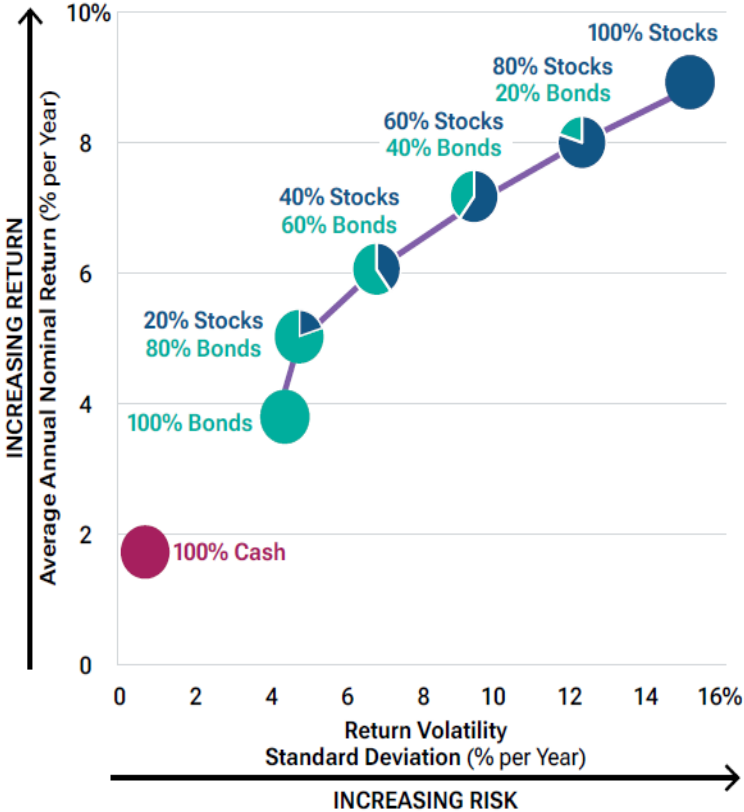
Portfolio performance

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



Asset allocation has a big impact on performance

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



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

Asset class returns

J.P.Morgan Asset Management

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

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

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

2011 - 2025																	
Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	EM Equity 24.0%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	Small Cap 22.6%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	REITs 14.9%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	Comdty. 14.4%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	Large Cap 10.2%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	DM Equity 9.8%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	Asset Alloc. 9.3%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	High Yield 2.1%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	Cash 1.8%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Fixed Income 0.6%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management. Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index, and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2010 to 12/31/2025. All data represent total return for stated period. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of June 30, 2026.

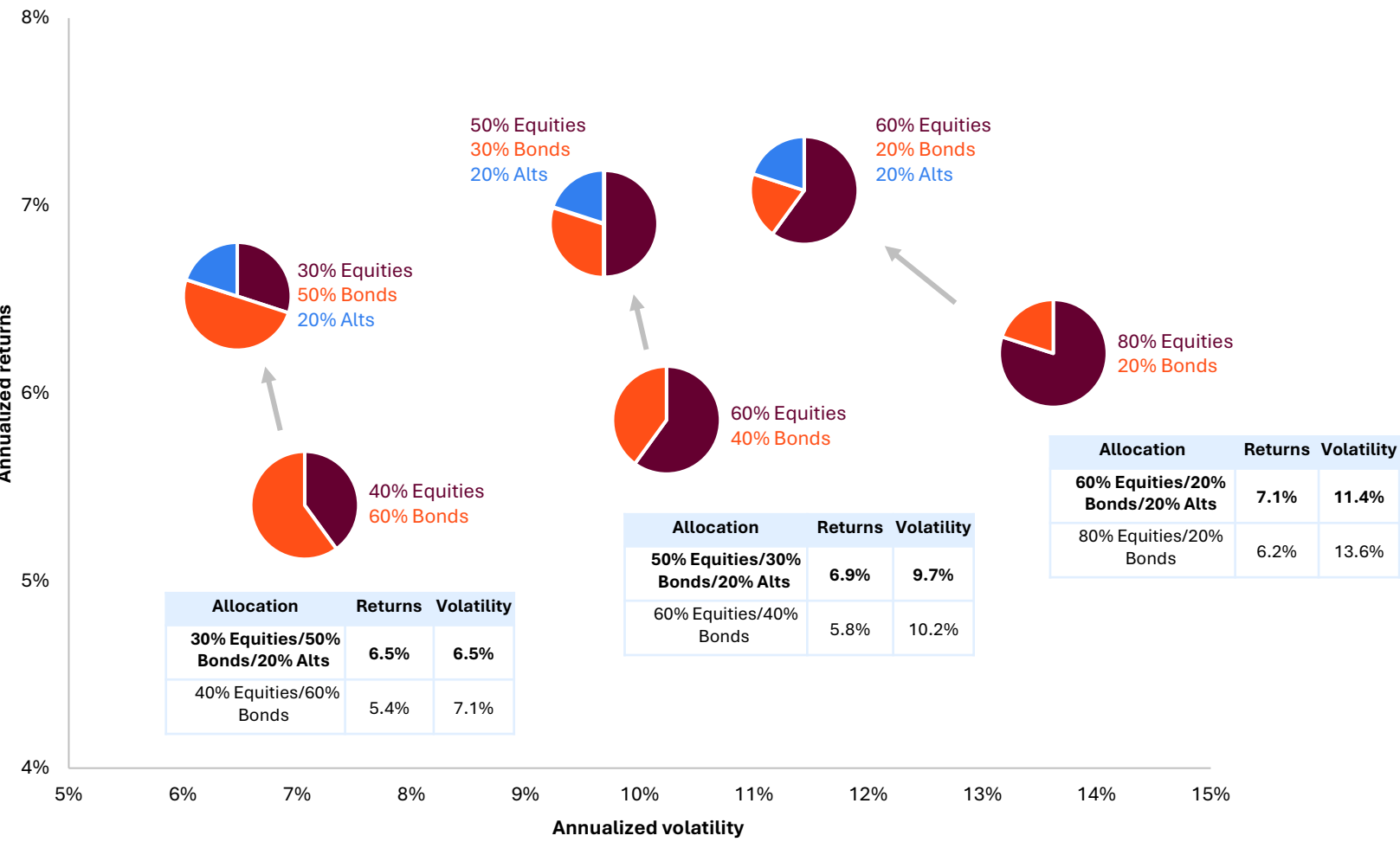
07

Alternatives

The diversification benefit of alternatives



Portfolio risk/return, 1Q 2000 – 4Q 2025



What this chart shows:

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

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

Why it matters:

Historically, adding alternatives to a portfolio of traditional stocks and bonds has provided higher returns with lower volatility.

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.**

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.

										2016 – 2025	
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Ann.	Vol.
Infra. 14.2%	Private Equity 23.0%	Venture Capital 21.2%	60/40 Portfolio 22.4%	Venture Capital 58.5%	Venture Capital 49.9%	Transport 12.1%	60/40 Portfolio 18.0%	60/40 Portfolio 15.5%	Venture Capital 22.0%	Venture Capital 14.9%	Venture Capital 13.1%
Private Equity 12.2%	Venture Capital 14.8%	Infra. 11.6%	Venture Capital 20.5%	Private Equity 24.0%	Private Equity 37.3%	Infra. 9.4%	50/30/20 Portfolio 15.3%	50/30/20 Portfolio 14.1%	60/40 Portfolio 13.6%	Private Equity 14.2%	60/40 Portfolio 10.3%
Private Credit 11.2%	60/40 Portfolio 14.5%	Europe Core RE 9.9%	50/30/20 Portfolio 20.3%	60/40 Portfolio 14.0%	U.S. Core RE 22.2%	U.S. Core RE 7.5%	Private Credit 12.1%	Private Credit 11.3%	50/30/20 Portfolio 13.1%	Infra. 9.7%	50/30/20 Portfolio 8.8%
APAC Core RE 10.4%	50/30/20 Portfolio 14.3%	APAC Core RE 9.3%	Private Equity 16.8%	50/30/20 Portfolio 13.9%	50/30/20 Portfolio 17.7%	APAC Core RE 6.8%	Private Equity 9.7%	Hedge Funds 10.6%	Hedge Funds 12.0%	Private Credit 9.4%	Private Equity 8.3%
U.S. Core RE 8.8%	Infra. 12.2%	Private Equity 8.9%	Infra. 11.5%	Hedge Funds 11.4%	60/40 Portfolio 16.6%	Private Credit 6.3%	Transport 8.9%	Infra. 10.5%	Private Equity 10.4%	50/30/20 Portfolio 8.6%	Hedge Funds 5.9%
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. 7.8%	Transport 7.5%	Transport 10.4%	Transport 8.1%	U.S. Core RE 5.4%
60/40 Portfolio 8.2%	Transport 10.6%	Private Credit 8.1%	Private Credit 9.0%	Private Credit 5.5%	Private Credit 12.8%	Private Equity -1.4%	Hedge Funds 7.6%	Private Equity 5.6%	Infra. 9.7%	60/40 Portfolio 8.1%	Transport 4.7%
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 -2.2%	Venture Capital -2.1%	Venture Capital 5.4%	Private Credit 9.3%	Hedge Funds 6.7%	Europe Core RE 3.9%
Transport 7.8%	Private Credit 8.6%	50/30/20 Portfolio -0.4%	APAC Core RE 6.6%	U.S. Core RE 1.2%	Infra. 10.4%	50/30/20 Portfolio -12.6%	APAC Core RE -2.3%	Europe Core RE 4.3%	APAC Core RE 6.5%	APAC Core RE 5.9%	Infra. 3.0%
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 -5.2%	APAC Core RE -0.9%	Europe Core RE 5.7%	Europe Core RE 5.7%	APAC Core RE 2.9%
Venture Capital 0.6%	U.S. Core RE 7.6%	60/40 Portfolio -2.6%	Transport 1.5%	Infra. 0.2%	Hedge Funds 7.8%	Venture Capital -20.6%	U.S. Core RE -12.0%	U.S. Core RE -1.4%	U.S. Core RE 3.8%	U.S. Core RE 4.8%	Private Credit 2.7%

Source: J.P. Morgan Asset Management, "Guide to Alternatives," 1Q 2026. Bloomberg, Burgiss, Cliffwater, FactSet, HFRI, MSCI, NCREIF, J.P. Morgan Asset Management. Private Equity and Venture Capital are internal rates of return from Burgiss. Hedge funds: HFRI Fund Weighted Composite. Transport returns are derived from a J.P. Morgan Asset Management index and are shown on an unlevered basis, which can be enhanced by adding leverage. U.S. Core RE: NCREIF Property Index – Open End Diversified Core Equity component. Europe Core Real Estate: MSCI Global Property Fund Index – Continental Europe. Asia Pacific (APAC) Core Real Estate: MSCI Global Property Fund Index – Asia-Pacific. Direct Lending: Cliffwater Direct Lending Index. Global infrastructure (Infra.): MSCI Global Private Infrastructure Asset Index. A 50/30/20 portfolio is comprised of 50% U.S. equities weight, 30% fixed income weight and 20% alternatives asset allocation weight. Portfolios are rebalanced at the start of the year. A 60/40 portfolio is comprised of 60% equities and 40% fixed income. Equities in both the 60/40 portfolio and the 50/30/20 portfolio are represented by the S&P 500 Total Return Index. Fixed income in both the 60/40 portfolio and the 50/30/20 portfolio are represented by the Bloomberg U.S. Aggregate Total Return Index. Alternatives in the 50/30/20 portfolio are represented by an equal-weight asset allocation mix of the returns from the other nine alternatives asset classes on the chart. Annualized return (Ann.) and volatility (Vol.) represents the 40-quarter period to 12/31/2025. *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 April 30, 2026.

08

Foundations

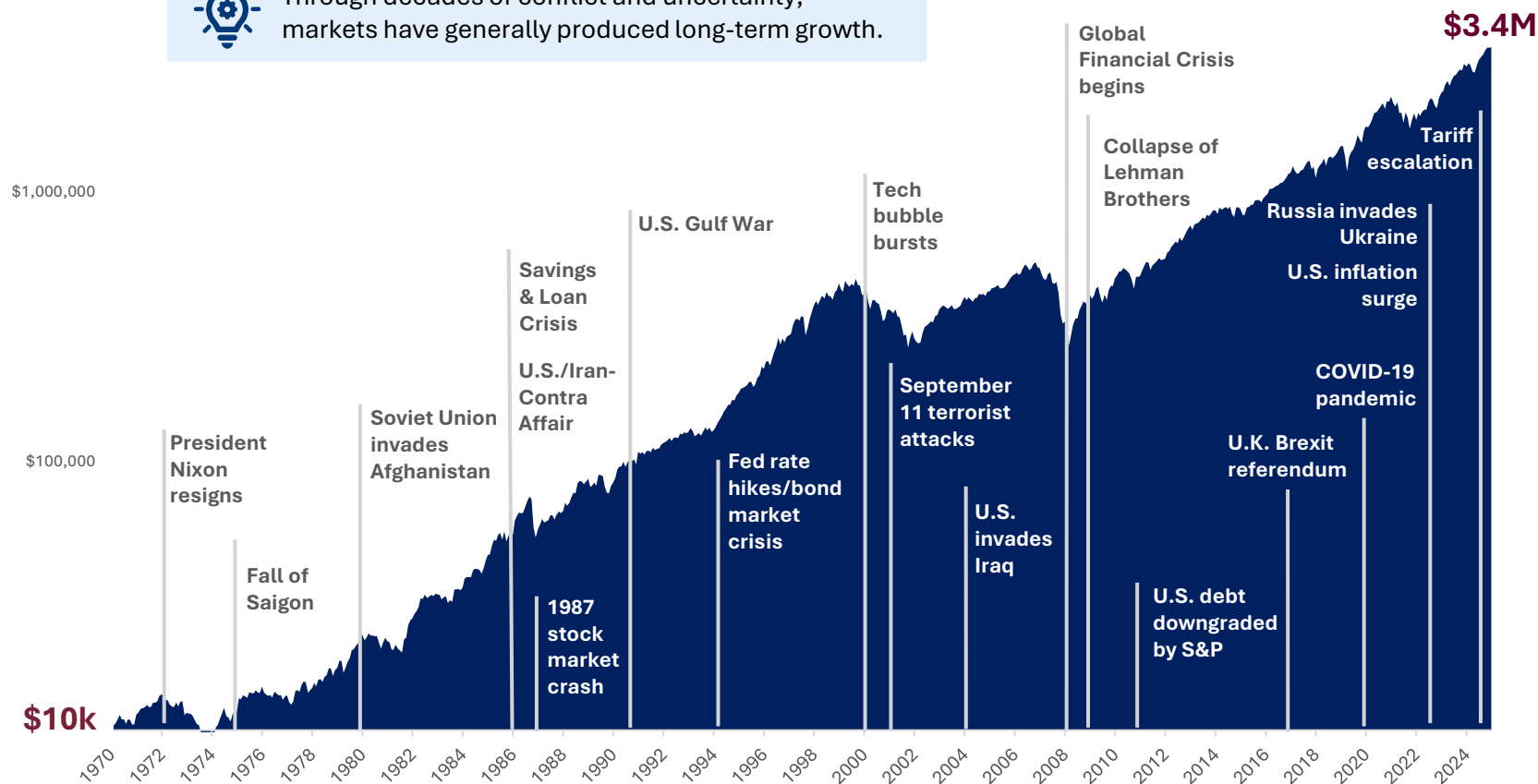
Market resiliency

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

\$10,000,000



Through decades of conflict and uncertainty, markets have generally produced long-term growth.



What this chart shows:

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

Why it matters:

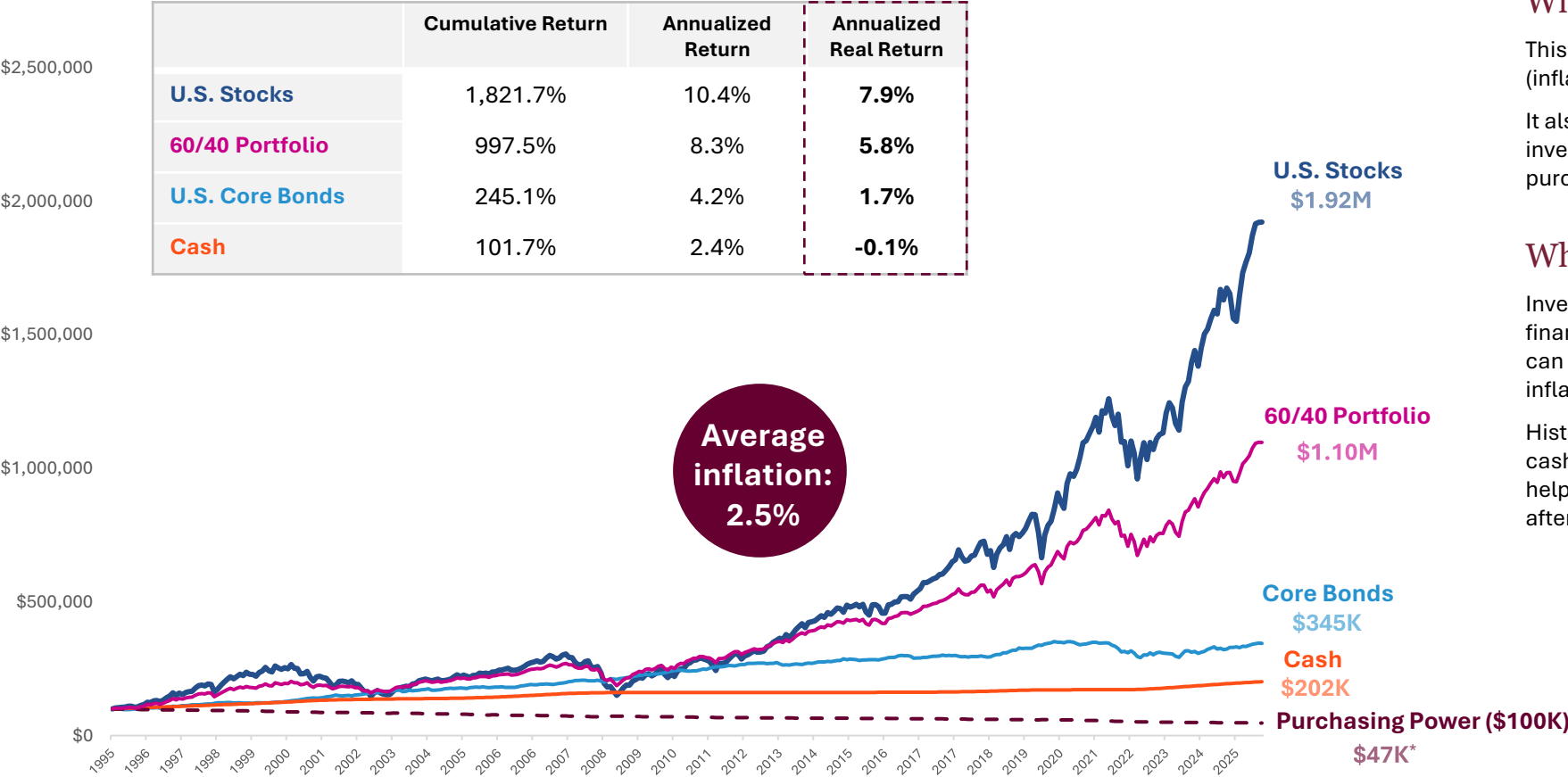
Volatility has been a permanent feature of markets, whether it's driven by geopolitics, inflation, or economic shifts.

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

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

The importance of investing for the long-term

Growth of \$100K; 1996 – 2025



What this chart shows:

This chart shows the cumulative, annualized, and real (inflation-adjusted) returns of various asset classes (top). It also shows the hypothetical growth of \$100,000 invested in each asset class, along with the erosion of purchasing power due to inflation (bottom).

Why it matters:

Investing for the long-term is crucial for achieving future financial goals. While a conservative investment like cash can provide stability, it often struggles to keep up with inflation over time. Historically, a balanced portfolio of stocks, bonds and cash that is tailored to an individual’s risk tolerance can help investors grow their assets over time both before and after accounting for inflation.

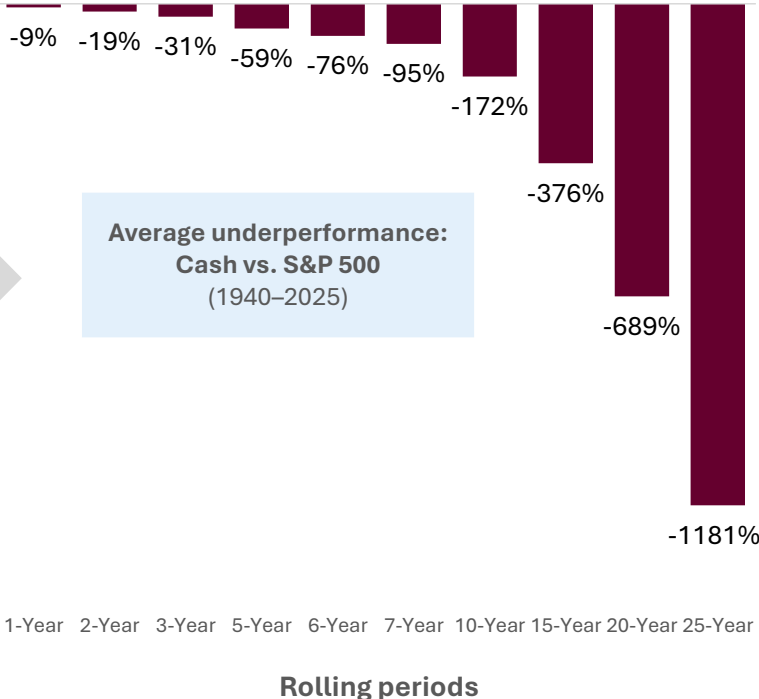
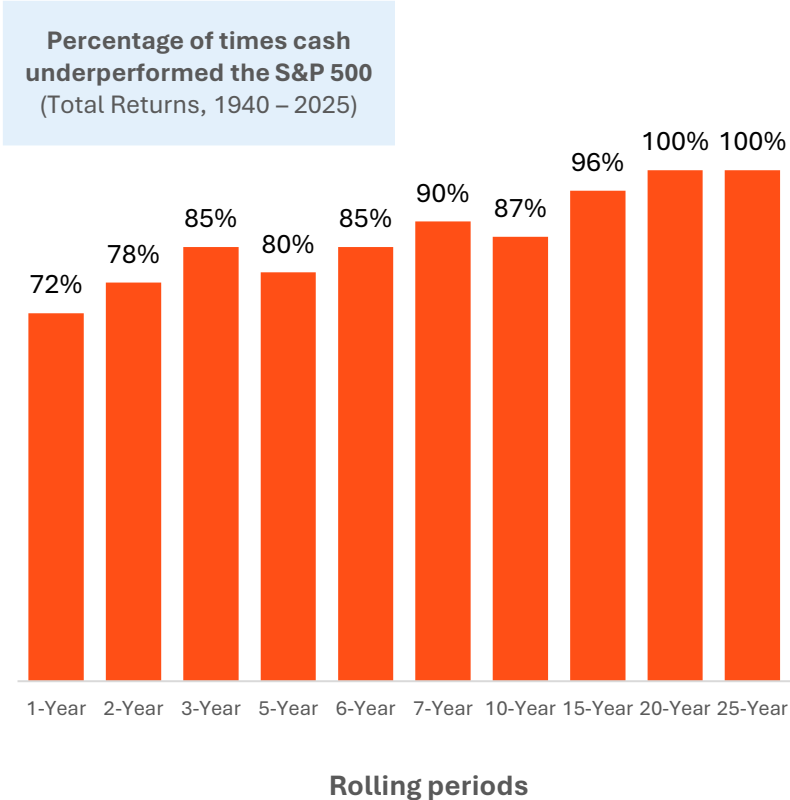
Source: Morningstar, BLS. January 1, 1994 - December 31, 2025. U.S. Stocks = S&P 500 Total Return. U.S. Core Bonds = Bloomberg U.S. Aggregate Bond Index. Cash = 3month U.S. Treasury Bills. 60/40 portfolio = 60% S&P 500/40% U.S. Aggregate Bond. Average inflation represents the average yearly headline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

The odds of cash underperforming are high



How often cash underperforms...

...and by how much on average



What this chart shows:

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

Why it matters:

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

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

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

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

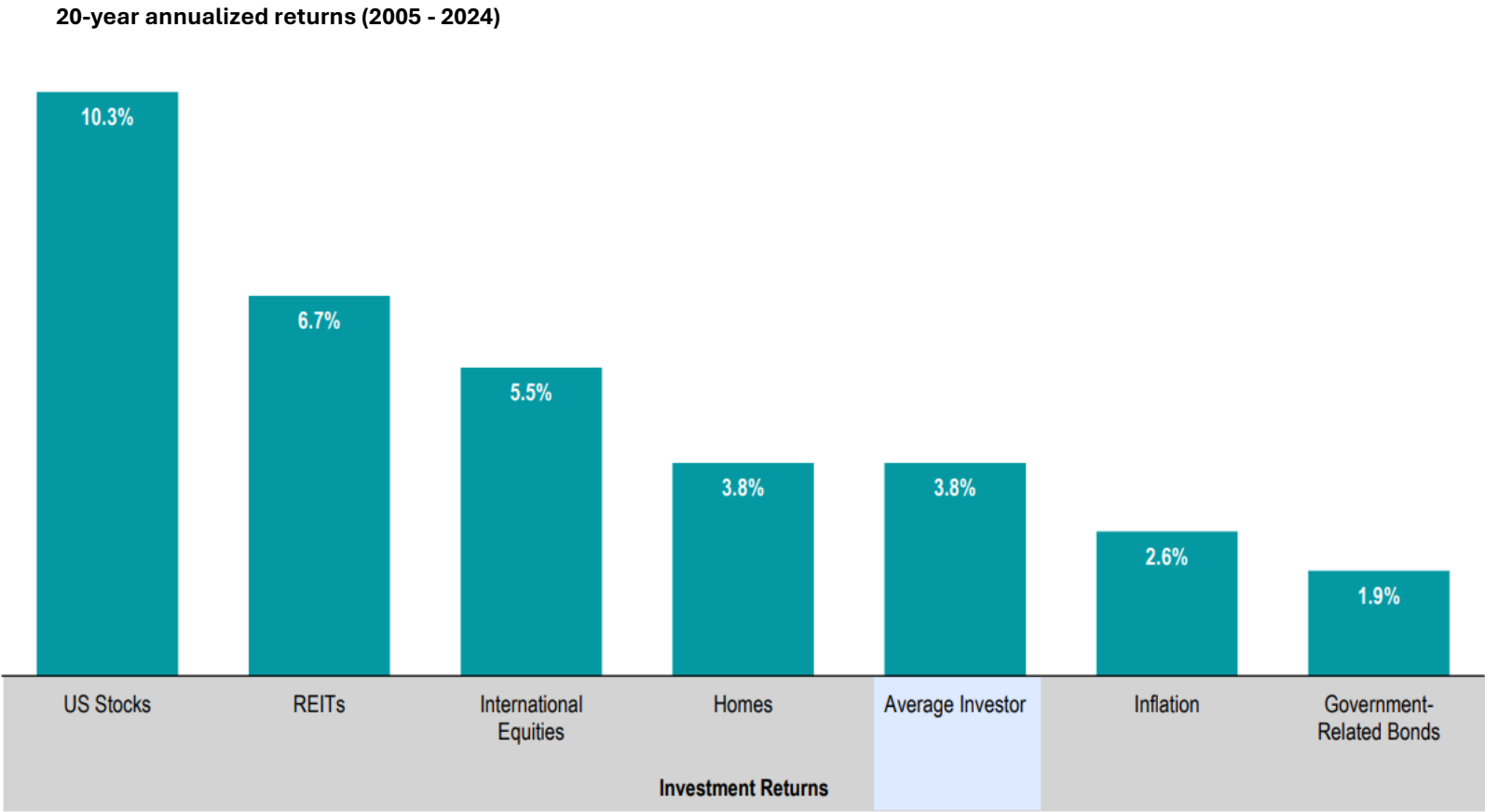
Source: NYU.edu: historical returns on stocks, bonds and bills, Morningstar, Lincoln Financial. S&P 500 total return index including dividends. Rolling periods with a 1-year step. Cash represented as the average 3-month Treasury Bill rate in each calendar year used. **Past performance is not indicative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

Average investor versus the market



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 2005 to 2024, highlighting that the average investor earned only 3.8%.

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



Source: Clearbridge Investments, Franklin Templeton, Bloomberg, as of Dec. 31, 2024. 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.**

Time in the market, not timing the market

Rolling returns, range of outcomes (1976 – 2025)



What this chart shows:

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

Why it matters:

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

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

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

Long-term investors are often rewarded

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



Time

1-Year Returns (577 Rolling Periods)

80% Equity/20% Fixed Income
70% Equity/30% Fixed Income
60% Equity/40% Fixed Income
40% Equity/60% Fixed Income

Return thresholds				
5%+	6%+	7%+	8%+	9%+
74%	71%	69%	66%	63%
74%	71%	68%	65%	62%
73%	71%	67%	63%	59%
72%	69%	62%	55%	49%

10-Year Returns (469 Rolling Periods)

80% Equity/20% Fixed Income
70% Equity/30% Fixed Income
60% Equity/40% Fixed Income
40% Equity/60% Fixed Income

5%+	6%+	7%+	8%+	9%+
89%	88%	80%	72%	67%
89%	88%	77%	71%	66%
90%	87%	75%	69%	62%
91%	80%	69%	59%	47%

20-Year Returns (349 Rolling Periods)

80% Equity/20% Fixed Income
70% Equity/30% Fixed Income
60% Equity/40% Fixed Income
40% Equity/60% Fixed Income

5%+	6%+	7%+	8%+	9%+
100%	95%	89%	75%	54%
100%	93%	87%	69%	47%
100%	92%	85%	60%	43%
100%	90%	73%	43%	41%

30-Year Returns (229 Rolling Periods)

80% Equity/20% Fixed Income
70% Equity/30% Fixed Income
60% Equity/40% Fixed Income
40% Equity/60% Fixed Income

5%+	6%+	7%+	8%+	9%+
100%	100%	100%	100%	99%
100%	100%	100%	100%	89%
100%	100%	100%	100%	74%
100%	100%	100%	84%	49%



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

What this chart shows:

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

Why it matters:

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

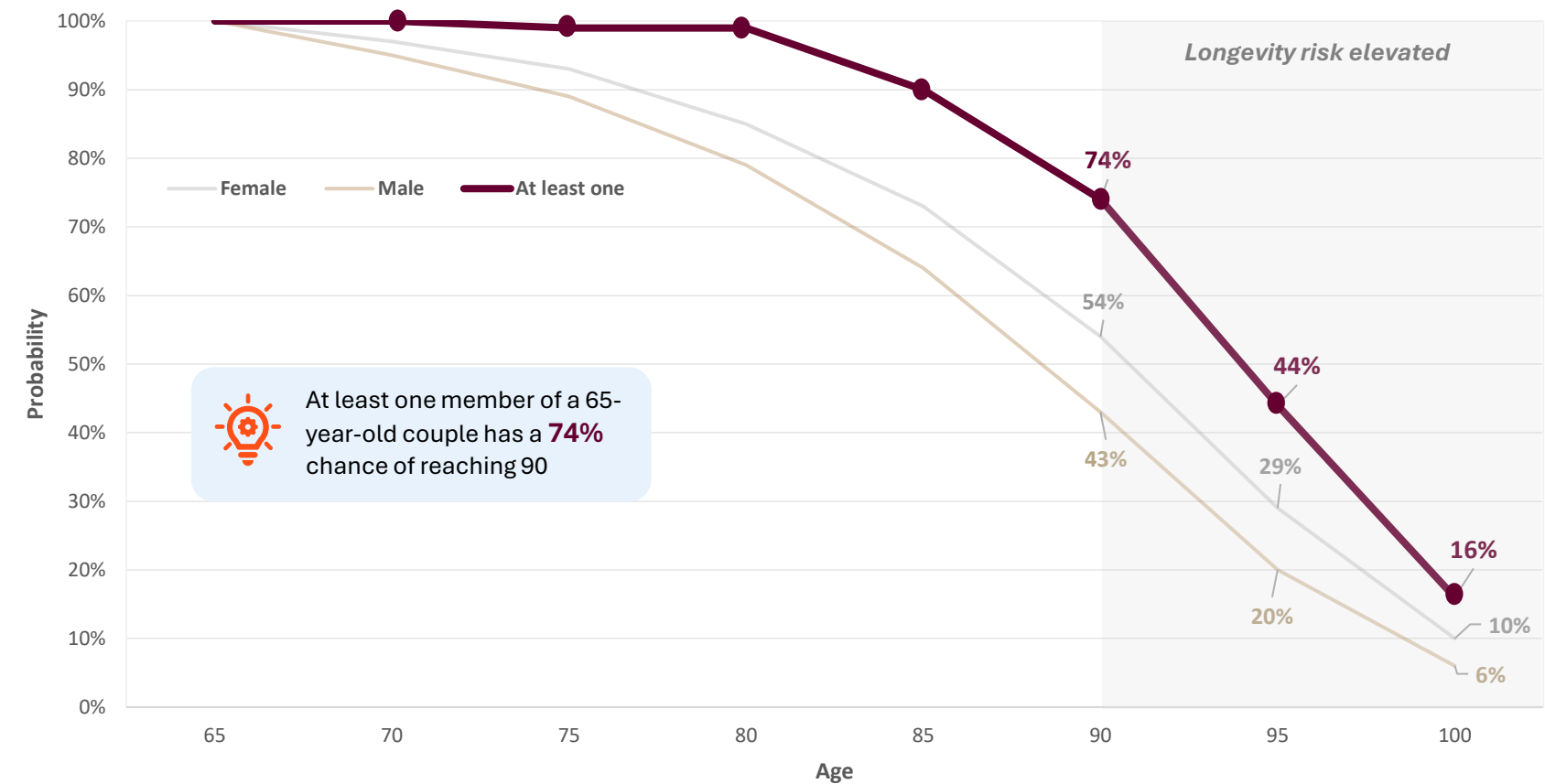
For example, an 80/20 mix of stocks and bonds surpassed a 7% return in 69% of one-year holding periods. However, when that holding period was extended to 30 years, 100% of historical outcomes generated a return of at least 7%.

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

Americans often live longer than expected



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



What this chart shows:

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

Why it matters:

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

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

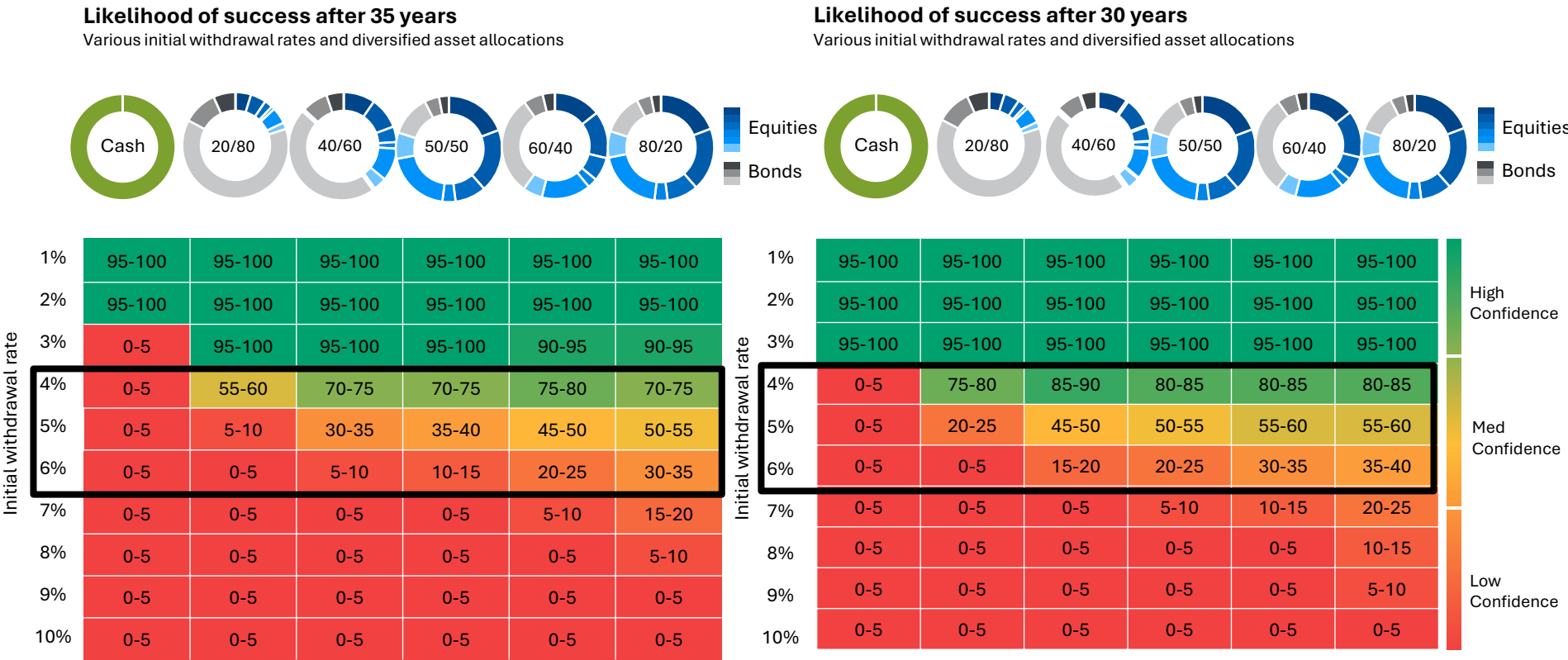
Source: American Academy of Actuaries. Longevityillustrator.org accessed on December 15, 2025. Assumes a 65-year-old non-smoker couple (M/F) in excellent health. Longevity risk refers to the potential financial risk of individuals facing higher-than-expected costs due to living longer than expected.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

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.



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



Investor A

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



Investor B

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

Investor A portfolio

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

Investor B portfolio

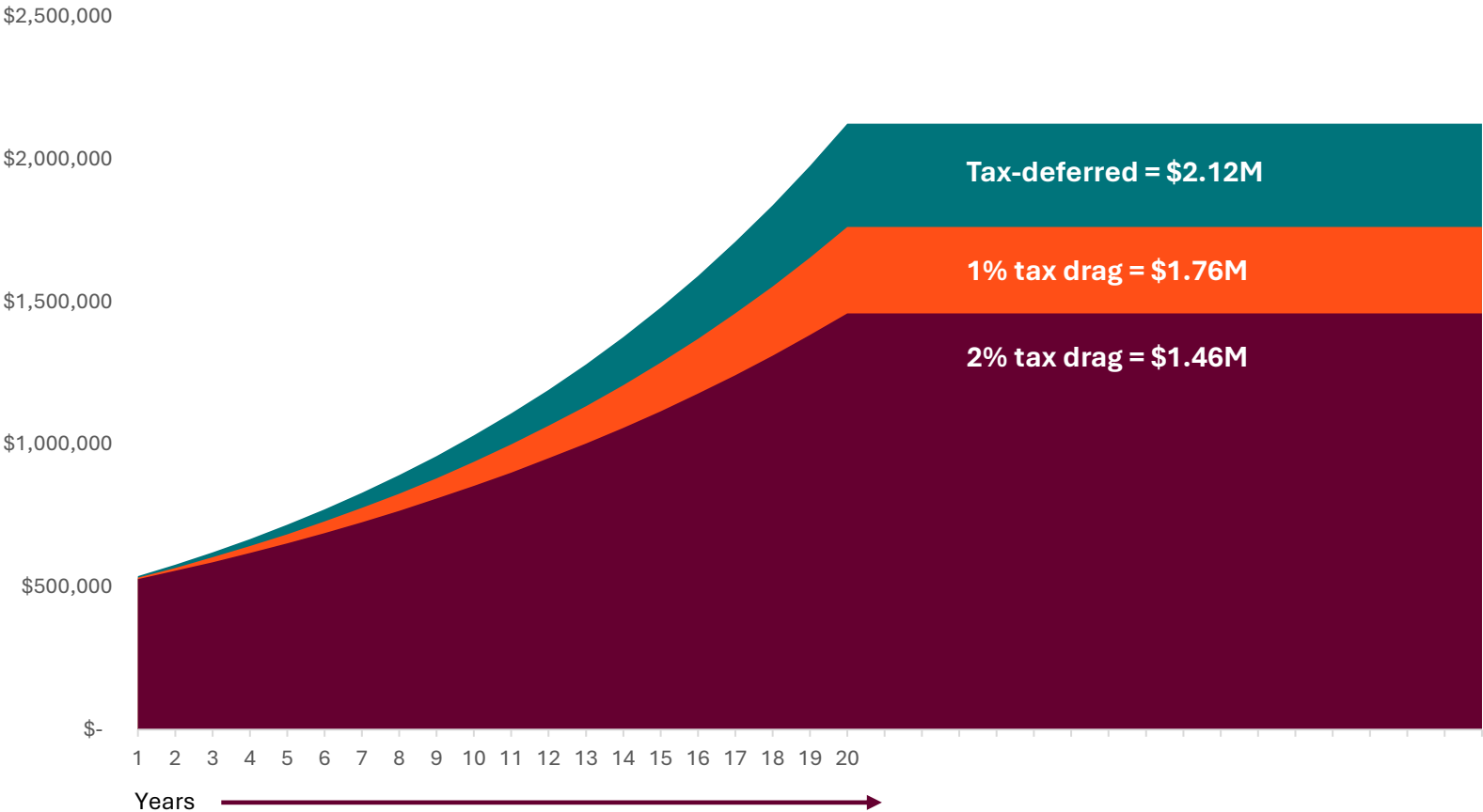
Year	Annual return	Annual withdrawal	Year-end value
2000	-10.1%	-	-
2001	-13.0%	-	-
2002	-23.4%	-	-
2003	26.4%	\$50,000	\$1,200,610
2004	9.0%	\$50,000	\$1,254,091
2005	3.0%	\$50,000	\$1,240,233
2006	13.6%	\$50,000	\$1,352,333
2007	3.5%	\$50,000	\$1,348,295
2008	-38.5%	\$50,000	\$798,643
2009	23.5%	\$50,000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

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

The benefits of tax deferral



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



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

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

What this chart shows:

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

Why it matters:

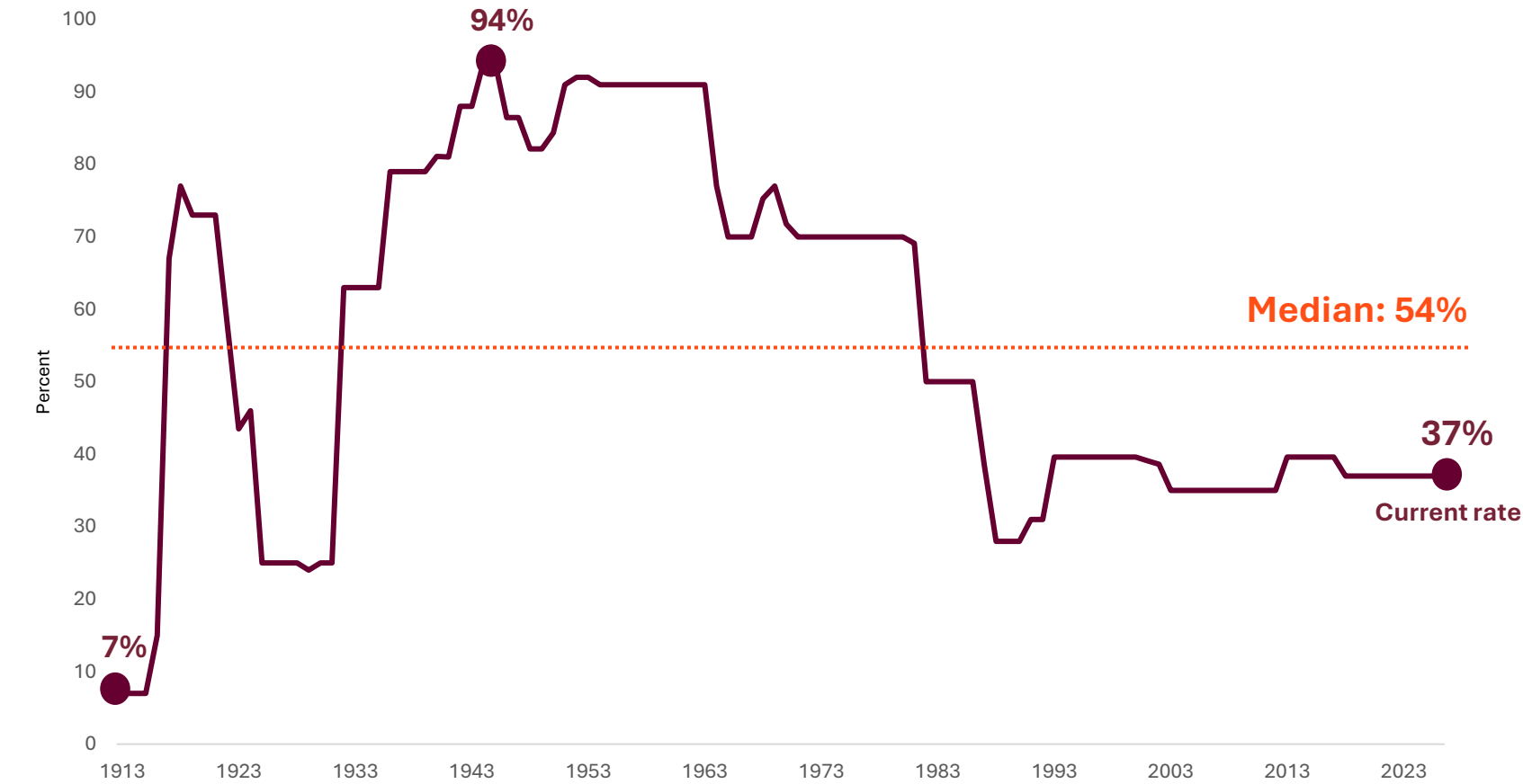
Taxes can have a meaningful impact on the long-term growth of portfolios. Because of this, investors often benefit from considering strategies designed to improve their after-tax returns.

Note: This illustration is for hypothetical purposes only and may not represent an actual experience. Tax drag represents the reduction in portfolio returns due to taxes paid on distributions (stock dividends, bond dividends and capital gains). ¹Average 5yr tax cost ratio as of 6/30/26 for U.S. funds within the Morningstar categories of U.S. equity, international equity, and taxable bond. Source: Morningstar. Assumes that distributions are taxed at the highest federal tax-rate prevailing for each type of distribution, and the appropriate current or historical federal tax rate is applied to each distribution date. State and local taxes are ignored, as are the effects of AMT, exemptions, phase-out credits, or any individual specific issues.

Historical income tax rates



Top marginal individual federal income tax rate (1913 – 2026)



What this chart shows:

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

Why it matters:

The current top marginal federal income tax rate of 37% remains well below the long-term median of 54%, providing a historically favorable backdrop for tax planning.

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

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

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

HARTFORDFUNDS

Our benchmark is the investor.*

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

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

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

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

Source: Hartford Funds, Bloomberg, FactSet.

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

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 2026. 10-year return time period.
- J.P. Morgan Asset Management, 2026 Long Term Capital Market Assumptions: <https://am.jpmorgan.com/us/en/asset-management/adv/insights/portfolio-insights/ltcma/>.
- State Street: <https://www.ssga.com/us/en/individual/insights/long-term-asset-class-forecasts-q2-2026>, as of Q2 2026. 10+ year return time period.
- Invesco: Quarterly Global Asset Allocation Outlook | Q1 2026: <https://www.invesco.com/uk/en/insights/quarterly-global-asset-allocation-portfolio-outlook.html>, as of Q1 2026.

Economic and market indicators

- Consumer sentiment based on month-end data, starting in Jan. 1978 to June 2026. +/- 1 std. deviation of historical value range from 97.83% to 69.78%.
- Economic expansion (CQOQ Index) based on QOQ % change data of quarterly data, starting in June 1947 to March 2026. +/- 1 std. deviation of historical value range from 7.68% to – 1.33%.
- Inflation (CPI) based on YOY % change of monthly CPI seasonally adjusted data, starting in Jan. 1947 to May 2026. +/- 1 std. deviation of historical value range from 6.98% to 0.47%.
- Market volatility (VIX) based on average daily closing values for the month of the CBOE VIX index from Jan. 1990 to June 2026. +/- 1 std. deviation of historical value range from 24.19% to 12.19%.
- Unemployment based on month-end data, starting in Jan. 1948 to May 2026. +/- 1 std. deviation of historical value range from 7.36% to 3.96%.
- 10Y U.S. Treasury yield based on daily data, starting in Jan. 1962 to June 2026. +/- 1 std. deviation of historical value range from 8.74% to 2.88%.

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Prepared by: David P. Kelly, Jordan K. Jackson, John C. Manley, Meera Pandit, Gabriela D. Santos, Aaron Mulvihill, Stephanie Aliaga, Sahil Gauba, Mary Park Durham, Brandon Hall, Katie Korngiebel and Grant Papa.

Unless otherwise stated, all data are as of June 30, 2026 or most recently available.

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