NOVEMBER 6, 2026

# WEEKLY HEADINGS

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*The Votes Are In. Now What?* Election Day delivered a decisive shift in the political landscape. Democrats regained control of both the House and Senate and captured several key governorships. Affordability concerns, unease about the economy, and dissatisfaction with the war in Iran all played a role, consistent with polling heading into the vote. Still, the size of the Democratic gains exceeded what seemed plausible just a few months ago. Nowhere was that more apparent than in the Senate, where Democrats flipped at least seven seats, including victories in deep-red Texas, South Carolina, and Kansas, while also securing a sizeable House majority. The election may be over, but for investors, the important questions are just beginning, as evidenced by the increased market volatility we have seen since Election Day. Below, we tackle five of the biggest questions for the economy and financial markets.

## KEY TAKEAWAYS

State Policies—Rather Than Congress—May Be More Directly Impactful For Data Centers

A Diplomatic Settlement With Iran Is A Realistic Scenario, But It May Take Time

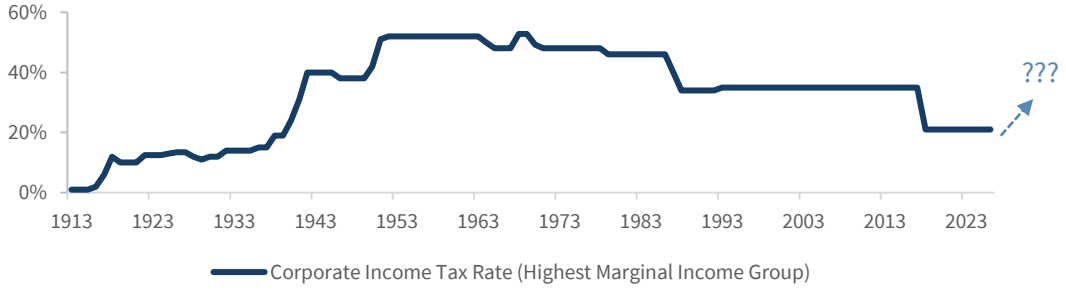
We See Room For Bipartisan Compromise On A Limited Set Of Issues

1. **What Is The Outlook For The Data Center Buildout?** This is probably the top market question coming out of the election. New governors who campaigned on stricter data center regulation, notably in Texas, Ohio, and Georgia, could make projects harder to approve. But new restrictions or moratoriums generally *wouldn't* stop projects already underway, making any potential slowdown more of a 2028 and beyond story. The capacity currently under construction is enormous, ~150% of what's operational today. So, the AI megatrend *isn't* over. With underlying demand for AI solutions still robust, the bigger question may be where data centers get built and at what cost. If construction slows, it could weigh on demand for chipmakers. On the flip side, hyperscalers, which dominate existing data center capacity, could benefit from a supply-constrained environment and less pressure on balance sheets. At the federal level, another key question is whether Democrats revisit 100% expensing for data center capital investment. What we're watching most closely, however, is the trajectory of AI capex. It has accounted for a significant portion of economic growth over the past year, so any meaningful slowdown could be an important warning sign. Given our view that the AI ecosystem can navigate these post-election regulatory challenges, we remain *overweight Technology*, particularly following the sector's recent pullback.
2. **What Is The Outlook For the War With Iran? |** Markets now see the election as reducing the risk of further escalation, and that's reflected in the retreat in oil prices. But we'd be careful about declaring the conflict resolved. Foreign policy and military decisions remain largely under the control of the White House, not Congress. The US and Iran remain far apart, US forces remain in the region, and the window before Democrats take control of Congress in January could prove important. The oil market's risk premium has faded, but geopolitical risk hasn't disappeared. Our non-consensus *12-month WTI target remains $65*, based on our view that the Iran conflict ultimately finds an off-ramp over the next six months. Any sign of an earlier resolution could accelerate oil's decline. That's why we remain *underweight Energy* while *favoring Consumer Discretionary and Industrials*, particularly transports.
3. **Does The Outcome Change The Outlook For Taxes? |** Probably not over the next two years. Democrats made significant gains, but President Trump retains the veto pen, and overriding a veto requires two-thirds of both the House and Senate. Sweeping tax changes therefore look unlikely until 2029 at the earliest. As both parties pivot toward 2028, we'll be watching whether more populist policy proposals gain momentum. *If* Democrats sweep in 2028, tax rates on capital gains, dividends, estates, corporate earnings, and ordinary income for high earners could move higher. With today's low tax rates supporting consumer spending, particularly among high earners, as well as corporate earnings, tax policy could become an increasingly important market issue as the 2028 election approaches.
4. **Can Republicans Raise The Debt Limit In The Next Six Weeks? |** Republicans have a narrow six-week window before Democrats take control of Congress. They could address the debt ceiling during the lame-duck session, potentially alongside year-end government funding, but securing the votes won't be easy. If they can't, the debt ceiling could emerge as one of the market's biggest Washington risks in 2027, raising the prospect of more brinksmanship. The national debt continues to rise, but that doesn't mean Treasury yields have to follow. With growth slowing modestly and inflation cooling, we expect the *10-year yield to move toward 4.5%–4.75% over the next 12 months.* The key gauge we're watching is Treasury auction demand, and with bid-to-cover ratios near 2.5x, demand remains healthy.
5. **To What Extent Will Trump Reach Across The Aisle? |** This may be the sleeper story. Moderate Democrats performed well, suggesting voters want more compromise, particularly on affordability. While gridlock remains the consensus view, could 'Trump the Dealmaker' actually lead to more getting done in DC? We see defense spending, health care, energy permitting, and clean energy as potential areas for bipartisan deals. The catch is that compromise rarely means fiscal discipline. If both sides get some of what they want on spending, the deficit could widen further. With defense and health care among the areas where compromise could support earnings growth, this reinforces our *overweight to Industrials*, while *valuations keep us neutral on Health Care*.

## CHART OF THE WEEK

### Is a Corporate Tax Rate Hike in the Cards?

*The most recent reduction in tax rates took place in 2017. While tax hikes appear unlikely over the next two years given President Trump's veto power, the Democratic win could increase the likelihood of higher taxes after 2028.*




*Source:, Tax Foundation. Data as of 10/29/2026*



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## Economy

- October nonfarm payrolls rose a stronger-than-expected 165,000, with August and September revised higher by a combined 84,000. The unemployment rate declined to 4.1% despite higher labor force participation, reinforcing labor market strength.
- Productivity rose 3.6% QoQ in 3Q26, pushing unit labor costs down 0.7%, their first decline since 2Q25. However, labor's share of output fell to a record low of 53%, suggesting productivity gains have yet to translate into proportional increases in compensation.
- October's ISM Manufacturing PMI rose to 55.5, its highest reading since 2021, while the Services PMI edged lower to 54.5. Both remained firmly in expansion, although elevated prices and ongoing supply chain disruptions continued to weigh on sentiment.
- **Focus of the Week:** As the December FOMC meeting approaches, rate hike expectations have now moved up to ~79%. With a stable labor market, the Federal Reserve can focus on its inflation mandate, placing added emphasis on next week's CPI (Tue) and PPI (Fri)—the final CPI & PPI prints before the meeting. We expect headline and core CPI to remain unchanged at 3.7% & 2.6% YoY, respectively.

### November 9 – November 13

**MON** Wholesale Trade

**TUE** CPI
NFIB Small Business Index

**WED** *Veteran's Day (Bond Market Closed)*

**THU** Existing Home Sales
Treasury Budget

**FRI** PPI

**FUTURE EVENTS** 11/17 Retail Sales
11/18 Housing Starts

## Equity

- While investor sentiment has been volatile following the Democratic sweep, history suggests broad congressional turnover has not been a headwind for equities. Since 1942, both chambers of Congress have flipped control after a midterm election four times (1946, 1954, 1994, 2006), with the S&P 500 delivering positive average returns over the subsequent 1-, 3-, 6-, and 12-month periods. Over the following 12 months, equities gained 17% on average and were positive in all four instances, underscoring the market's tendency to look beyond political transitions and refocus on underlying fundamentals (e.g., economic and earnings growth).
- One of the biggest pressure points for markets following the Democratic sweep has been hawkish rhetoric around new data center construction and its implications for AI capital investment in the coming years. If regulatory hurdles alongside constrained power availability were to slow new capacity additions, the AI bottleneck could shift from advanced chip supply to access to computing infrastructure that's already in place. This helps explain the recent divergence among AI beneficiaries, with semiconductor stocks under pressure while hyperscalers have outperformed given their ownership of existing large-scale data center capacity. Ultimately, the outlook for both groups will depend on whether political rhetoric, especially at the state level, translates into tangible regulatory action. With semiconductor stocks already pricing in significant risk, with relative valuations to the S&P 500 at nearly their lowest level in at least 30 years, and demand trends remaining healthy through at least in 2027, recent volatility does not alter our positive stance.
- **Focus of the Week:** Given the negative reaction of independent power producers following the election results, we'll be focused on earnings results from Constellation and NRG on Monday for additional insight into power demand growth assumptions.

## Fixed Income

- The 10-year Treasury yield is down nearly 50 bps from its 5.31% closing peak one month ago, reaching its lowest level since Labor Day as lower oil prices and the sell-off in tech stocks supported bonds. Still, stronger economic data surprises and stretched technicals could spark a near-term rebound in yields. Historically, monthly declines of at least 50 bps have been followed by an average 5 bps increase the next month, or 10 bps outside recessions. Any modest rebound would not change our view that fundamental drivers should ultimately pull the 10-year toward 4.50%–4.75%.
- Hyperscalers issued ~$67 billion across US and European bond markets in one week, pushing their 2026 issuance to $296b. Microsoft's $25b deal was followed by Oracle ($10b), Meta (~$25b) and Alphabet (~$6.7b). Despite mostly unexpected supply, demand remains robust. US dollar deals were 3.8-4.6x covered and Meta's euro debut reportedly drew a record corporate order book. IG spreads have gradually normalized wider since September, led by Tech, but the broader index rose just 1 bps to 91 bps despite the supply wave.*
- **Focus of the Week:** After today's jobs data, which put upward pressure on yields, fundamental rate drivers continue with CPI and PPI.

## Washington Policy

- The Democratic wave in the 2026 midterm elections marked a significant turning point in Washington as Democrats secured control of both chambers of Congress, winning at least 253 seats in the House and 54 seats in the Senate. We expect Democrats to use their control of both chambers to launch a broad oversight agenda focused on the administration's trade policies, the Iran conflict, federal spending, and the tech/AI sectors. Rather than behaving like a conventional lame-duck president, President Trump is likely to press the limits of executive authority over his remaining two years, particularly as Democrats gain greater leverage over government funding, nominations, investigations, and the legislative agenda.

## International

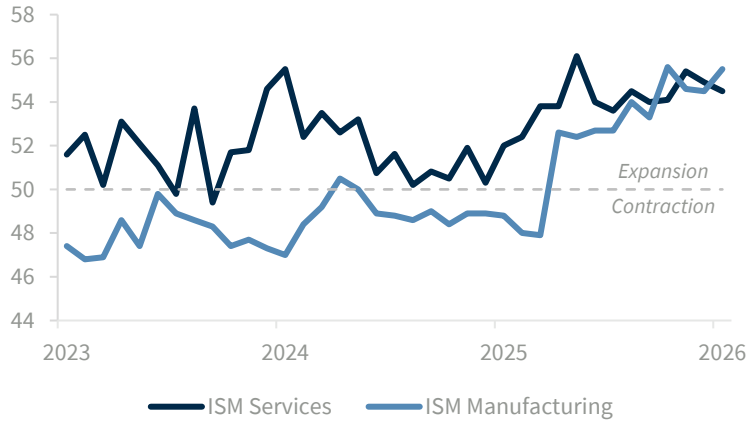
- The Bank of England (BOE) delivered its first hike since August 2023, taking the policy rate up 25 bps to 4.0%. With this move, all of the G7 central banks have hiked at least once YTD. Bearing in mind the BOE's single mandate—price stability—the decision was spurred by headline inflation, which has been above the BOE's 2% target since October 2024. The countervailing factor that's kept the BOE on the sidelines longer than its counterparts is labor market weakness: payrolls have been in the red for eight of the past 12 months.
- The UK is also notable for having the G7's highest 10-year government bond yield: currently at 5.20%. While UK public finances have generated fewer headlines than France, the UK is on a similarly problematic fiscal trajectory. In the post-COVID era, UK budget deficits have ranged from 4% to 5% of GDP, with 2026 on pace for 4.2%. Andy Burnham, who has been prime minister since July, is navigating a tough balancing act, simultaneously seeking to avoid widespread tax increases and spending cuts. The result is persistent borrowing.

*Source: FactSet and Bloomberg for peak order book coverage ratios. *US IG spread data is for the Bloomberg US Corporate Investment Grade Index. Hyperscaler supply includes Alphabet, Amazon, Meta, Microsoft, and Oracle and is USD and non-USD supply.*

## Charts of the Week

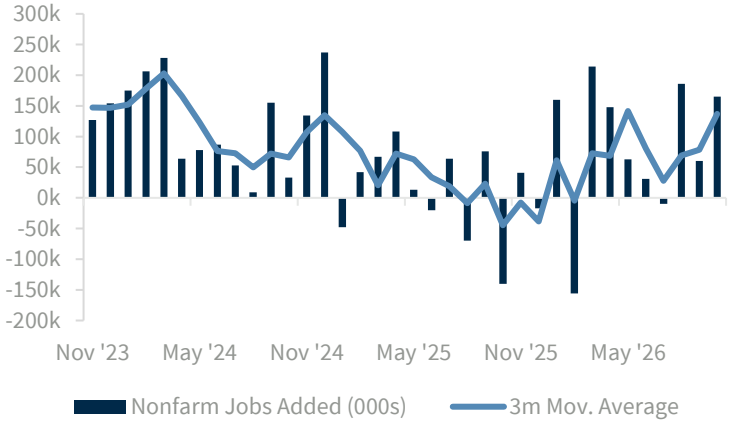
### PMIs Continue to Expand

*Both sectors, manufacturing and services, remained firmly in expansionary territory in October.*



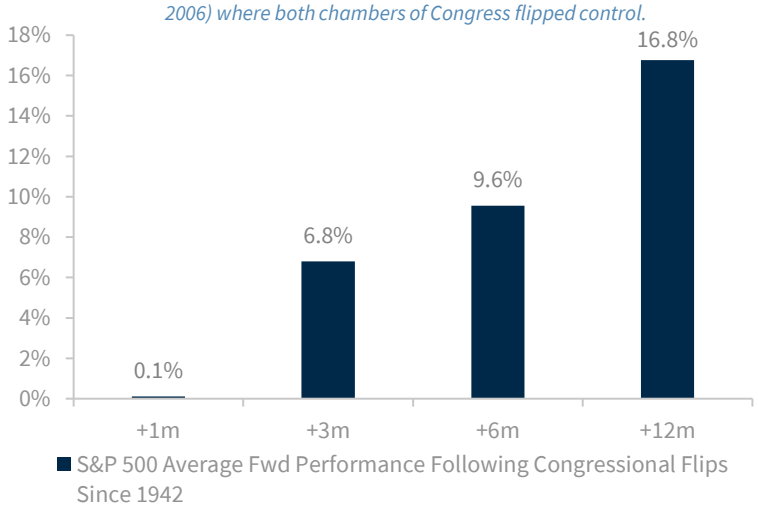

### Employment Report Beats Expectations

*The US economy added a stronger than expected 165,000 jobs in October, reflecting a resilient labor market.*



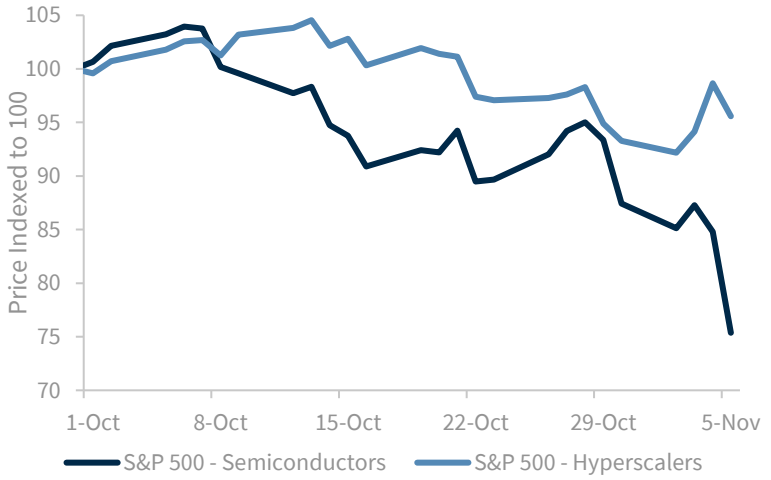

### Equities Look Past Shifting Congressional Control

*Since 1942, the S&P 500 has gained 17% on average in the 12 months following midterm elections in the four instances (1946, 1954, 1994, 2006) where both chambers of Congress flipped control.*



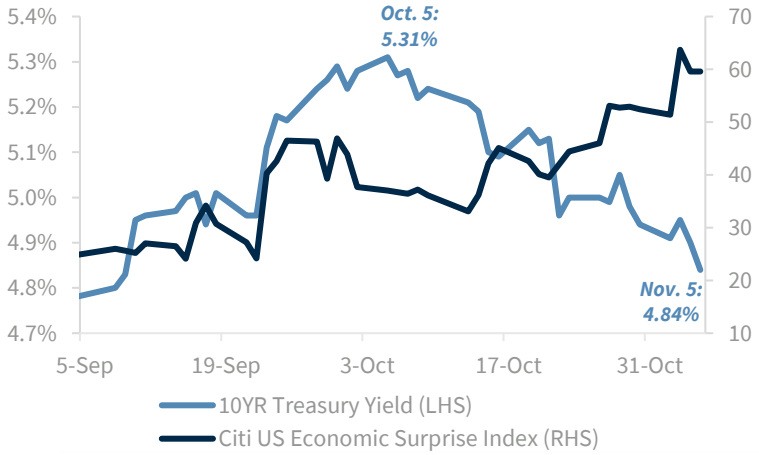

### AI Divergence Following Midterms

*Hyperscalers have gained 2% WTD while semiconductors have declined by 14%.*



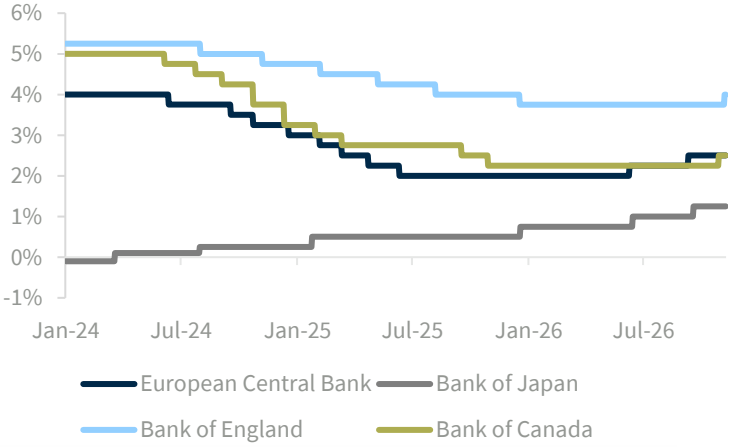

### Treasury Yields And Economic Surprises Diverge

*While the 10-year Treasury yield has declined near its lowest level since Labor Day, US economic data continues to surprise to the upside.*




### Alongside The Fed, Other Central Banks Have Also Hiked

*With this week's 25 bp rate hike by the Bank of England, all of the G7 central banks have delivered at least one hike in 2026.*




*Source for charts: FactSet, as of 11/5/2026. *Spread data is using daily OAS readings for the Bloomberg US Corporate Credit indexes. B-rated credit sits once tier above CCC, though both are sub-investment grade.*



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## Asset Class Performance | Distribution by Asset Class and Style (as of November 5)**

### US Equities (Russell indices)

Weekly Returns (as of November 5)

| | Value | Blend | Growth |
|---|---|---|---|
| Large Cap | -0.9% | -4.6% | -8.9% |
| Mid Cap | -1.4% | -3.5% | -9.9% |
| Small Cap | -2.7% | -4.5% | -6.3% |

Year-to-Date Returns (as of November 5)

| | Value | Blend | Growth |
|---|---|---|---|
| Large Cap | 24.3% | 8.3% | -6.4% |
| Mid Cap | 21.1% | 12.9% | -9.8% |
| Small Cap | 18.0% | 11.0% | 4.7% |

### International Equities (MSCI indices)

Weekly Returns (as of November 5)

| | Dev. Mkt | World | Emerg. Mkt |
|---|---|---|---|
| Large Cap | -0.2% | -3.8% | -3.1% |
| Mid Cap | 1.0% | -1.9% | -1.6% |
| Small Cap | 0.0% | -2.3% | -3.6% |

Year-to-Date Returns (as of November 5)

| | Dev. Mkt | World | Emerg. Mkt |
|---|---|---|---|
| Large Cap | 12.6% | 9.7% | 12.3% |
| Mid Cap | 14.6% | 11.1% | 16.0% |
| Small Cap | 10.5% | 11.4% | 4.6% |

### Fixed Income (Bloomberg indices)

Weekly Returns (as of November 5)

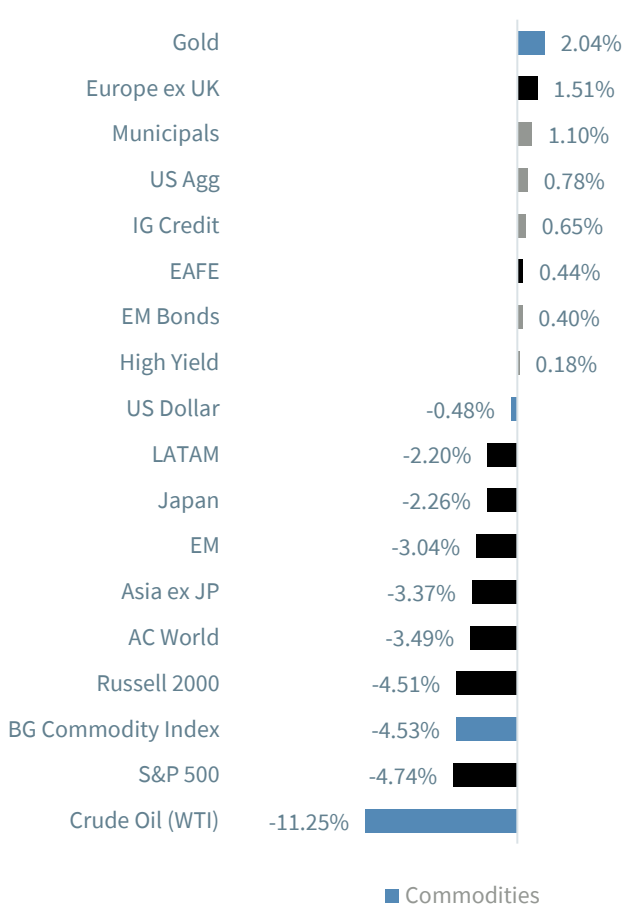
| | 1-3 YR | Medium | Long |
|---|---|---|---|
| Treasury | 0.1% | 0.9% | 1.2% |
| Invest. Grade | 0.4% | 0.6% | 0.8% |
| High Yield | 0.1% | 0.2% | 1.5% |

Year-to-Date Returns (as of November 5)

| | 1-3 YR | Medium | Long |
|---|---|---|---|
| Treasury | 3.1% | -0.5% | -1.6% |
| Invest. Grade | 2.1% | 0.4% | -0.8% |
| High Yield | 2.1% | 0.9% | -6.5% |

## Asset Class Performance | Weekly and Year-to-Date (as of November 5)**

### Weekly***




### Year-to-Date***

**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).



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# Weekly Data

***As of 11/5/2026 *****

**US Equities**

| Index | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| S&P 500 | 7353.7 | (4.7) | (3.0) | 8.4 | 9.5 | 20.6 | 10.9 | 15.3 |
| DJ Industrial Average | 51523.1 | (1.6) | (0.5) | 7.2 | 8.9 | 14.8 | 7.2 | 11.2 |
| NASDAQ Composite Index | 24315.0 | (7.1) | (4.4) | 4.6 | 3.5 | 21.7 | 8.8 | 17.0 |
| Russell 1000 | 7698.0 | (4.6) | (2.9) | 8.3 | 11.8 | 23.2 | 11.4 | 15.2 |
| Russell 2000 | 6784.5 | (4.5) | (2.9) | 11.0 | 14.8 | 20.8 | 5.6 | 10.4 |
| Russell Midcap | 11009.6 | (3.5) | (2.2) | 12.9 | 16.6 | 20.5 | 7.5 | 11.9 |

**Equity Sectors**

| Sector | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| Materials | 658.9 | 0.2 | 0.1 | 16.1 | 24.2 | 11.9 | 5.6 | 10.7 |
| Industrials | 1374.8 | (4.5) | (3.0) | 5.6 | 7.3 | 18.6 | 10.6 | 12.8 |
| Comm Services | 405.7 | 0.6 | 1.7 | (9.8) | (4.7) | 22.3 | 8.7 | 12.1 |
| Utilities | 439.8 | 0.4 | (0.3) | 3.6 | 0.3 | 15.3 | 8.5 | 9.6 |
| Consumer Discretionary | 1926.7 | 1.7 | 2.6 | 0.4 | (2.1) | 15.7 | 3.8 | 13.3 |
| Consumer Staples | 1024.9 | 3.6 | 2.2 | 20.9 | 24.0 | 15.0 | 8.9 | 9.8 |
| Health Care | 2155.3 | 0.4 | 0.0 | 21.0 | 29.2 | 15.2 | 8.7 | 12.8 |
| Information Technology | 6224.0 | (12.0) | (8.1) | 10.0 | 7.1 | 27.6 | 17.1 | 24.4 |
| Energy | 948.8 | (10.1) | (11.8) | 41.0 | 46.1 | 16.3 | 20.7 | 10.6 |
| Financials | 956.6 | 1.1 | 1.8 | 6.4 | 11.3 | 21.3 | 9.5 | 13.6 |
| Real Estate | 285.8 | 2.5 | 2.4 | 16.7 | 16.1 | 13.1 | 2.5 | 8.1 |

**Fixed Income**

| Index | Yield | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| 3-Month Treasury Bill (%) | 4.1 | 0.1 | 0.0 | 3.2 | 3.8 | 4.5 | 3.9 | 2.5 |
| 2-Year Treasury (%) | 4.5 | 0.4 | 0.3 | 1.5 | 2.3 | 4.0 | 1.8 | 1.6 |
| 10-Year Treasury (%) | 4.8 | 1.2 | 0.6 | (1.6) | (0.8) | 3.7 | (2.0) | 0.1 |
| Bloomberg US Corporate HY | 8.4 | 0.2 | 0.4 | 0.8 | 2.2 | 7.8 | 3.7 | 5.2 |
| Bloomberg US Aggregate | 5.2 | 0.8 | 0.5 | (0.1) | 0.7 | 4.8 | (0.2) | 1.5 |
| Bloomberg Municipals | -- | 1.1 | 0.9 | 0.4 | 0.8 | 4.2 | 0.7 | 2.1 |
| Bloomberg IG Credit | 5.7 | 0.6 | 0.5 | (0.5) | 0.3 | 5.7 | (0.2) | 2.4 |
| Bloomberg EM Bonds | 6.8 | 0.4 | 0.3 | 0.1 | 1.1 | 8.4 | 1.8 | 3.0 |

**Commodities**

| Index | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| WTI Crude ($/bl) | 90.5 | (11.3) | (13.1) | 57.6 | 51.9 | 4.0 | 2.2 | 7.5 |
| Gold ($/Troy Oz) | 4113.5 | 2.0 | 5.5 | (5.2) | 3.0 | 27.2 | 17.8 | 12.2 |
| Bloomberg Commodity Index | 134.9 | (4.5) | (4.4) | 23.0 | 25.5 | 8.6 | 5.6 | 4.9 |

**Currencies**

| Currency | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| US Dollar Index | 101.5 | (0.5) | (0.3) | 3.3 | 1.3 | (1.1) | 1.5 | 0.5 |
| Euro | 1.12 | 0.6 | 0.6 | (4.4) | (2.2) | 1.5 | (0.6) | 0.1 |
| British Pound | 1.35 | 0.8 | 0.6 | 0.2 | 3.3 | 2.9 | (0.0) | 0.7 |
| Japanese Yen | 157.87 | (0.0) | (0.2) | (0.7) | (2.3) | (1.8) | (6.4) | (4.2) |

**International Equities**

| Index | Price | Weekly | MTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|---|---|---|---|
| MSCI AC World | 1092.9 | (3.5) | (2.0) | 9.3 | 11.4 | 20.4 | 9.8 | 12.9 |
| MSCI EAFE | 3126.0 | 0.4 | 0.8 | 10.9 | 16.1 | 19.0 | 9.0 | 10.0 |
| MSCI Europe ex UK | 3430.6 | 1.5 | 2.0 | 8.1 | 14.8 | 18.6 | 8.4 | 10.9 |
| MSCI Japan | 5475.4 | (2.3) | (1.3) | 16.3 | 19.0 | 19.6 | 9.1 | 9.4 |
| MSCI EM | 1543.8 | (3.0) | (1.4) | 12.1 | 14.3 | 20.8 | 7.1 | 8.7 |
| MSCI Asia ex JP | 1017.8 | (3.4) | (2.0) | 13.4 | 14.8 | 22.1 | 7.4 | 9.3 |
| MSCI LATAM | 2785.5 | (2.2) | (0.6) | 5.8 | 11.7 | 11.9 | 12.4 | 6.4 |
| Canada S&P/TSX Composite | 25442.3 | (1.8) | (0.0) | 12.3 | 18.3 | 21.5 | 10.7 | 9.4 |

**Weekly performance calculated from Thursday close to Thursday close.

# Disclosures

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**SMALL CAPS** | Investing in small cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. The prices of small company stocks may be subject to more volatility than those of large company stocks.

**INTERNATIONAL INVESTING** | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and heightened political and/or economic instability. These risks are greater in emerging markets.

**ENERGY COMMODITIES** | Investing in energy commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Oil prices are influenced by OPEC decisions and tend to be economically sensitive. Natural gas prices are influenced by weather.

**MINING COMMODITIES** | Investing in mining commodities is generally considered speculative, with high levels of volatility, limited market regulation, and emerging markets risk. Prices of precious metals such as gold are influenced by central bank decisions. Prices of industrial metals such as copper tend to be economically sensitive.

**SECTORS** | Sector investments are companies focused on a specific economic sector and are presented here for illustrative purposes only. Sectors, including Tech, are subject to varying levels of competition, economic sensitivity, and political and regulatory risks. Investing in any individual sector involves limited diversification.

**CURRENCIES** | Currency investing is generally considered speculative, with high levels of volatility and limited market regulation. These risks are greater in emerging markets.

**FIXED INCOME** | Fixed-income securities (or bonds) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

**MUNICIPAL BONDS** | Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

**HIGH YIELD BONDS** | High-yield bonds are not suitable for all investors. The risk of default may increase due to changes in the issuer's credit quality. Price changes may occur due to changes in interest rates and the liquidity of the bond. When appropriate, these bonds should only comprise a modest portion of a portfolio.

**US TREASURIES** | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

**PERSONAL CONSUMPTION EXPENDITURES** | The Personal Consumption Expenditures (PCE) Price Index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services.

**PRODUCER PRICE INDEX** | The Producer Price Index (PPI) is a measure of wholesale inflation, while the Consumer Price Index measures the prices paid by consumers.

**CONSUMER PRICE INDEX** | 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.

**CONSUMER SENTIMENT INDEX** | The University of Michigan Consumer Sentiment Survey (MCSI) is a monthly survey measuring US consumer confidence regarding personal finances, business conditions, and buying conditions. It serves as a key leading economic indicator, forecasting consumer spending by interviewing approximately 600–1,000 households.

**ISM MANUFACTURING INDEX** | The ISM Manufacturing Index, or Purchasing Managers' Index (PMI), is a crucial monthly report on US economic activity based on surveys of manufacturing supply executives. It gauges sector health by tracking new orders, production, employment, supplier deliveries, and inventories. A reading above 50 indicates expansion; below 50 signals contraction.

**ISM SERVICES INDEX** | The ISM Services Index, now officially known as the Services PMI (Purchasing Managers' Index), is a monthly economic indicator released by the Institute for Supply Management. It measures the performance of the US service sector—which constitutes nearly 80% of the economy—based on surveys of over 400 purchasing managers across 60+ industries, such as finance, retail, and healthcare.

**IMPORT/EXPORT PRICE INDICES** | The Import and Export Price Indices are economic indicators that measure the average change in prices of goods and services imported into a country from foreign sources, or exported from the US, respectively. These indices act as key metrics for inflation, tracking how changing international costs affect domestic consumers, businesses, and economic policy.

**US DOLLAR INDEX** | The US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies.

**EMPLOYMENT COST INDEX** | The Employment Cost Index (ECI) measures the change in the hourly cost of labor to employers, tracking both wages and salaries and employee benefits. It is a key economic indicator published quarterly by the US Bureau of Labor Statistics (BLS).

**UNIT LABOR COST** | Unit labor cost is how much a business pays its workers to produce one unit of output. It is measured by the US Bureau of Labor Statistics.

**NEW HOME SALES INDEX** | The New Home Sales report, released monthly by the US Census Bureau and the Department of Housing and Urban Development (HUD), tracks the number of newly constructed, privately-owned single-family homes sold across the US. As a key leading economic indicator, it measures new, signed sales contracts rather than closings.

**EXISTING HOME SALES INDEX** | The Existing Home Sales report is a monthly economic indicator released by the National Association of Realtors (NAR). It measures the total number of closed transactions for previously owned single-family homes, townhomes, condominiums, and co-ops across the United States.

**LEADING ECONOMIC INDEX** | The Leading Economic Index (LEI) is a monthly composite statistic published by The Conference Board that predicts future shifts in the business cycle, typically looking six to nine months ahead. It combines 10 forward-looking economic components, such as stock prices, building permits, and manufacturing orders, to signal upcoming economic expansions or recessions before they become evident in the overall economy.

**MICHIGAN CONSUMER SENTIMENT INDEX** | The Michigan Consumer Sentiment Index (MCSI) is a monthly survey-based economic indicator measuring US consumer confidence regarding their personal finances, business conditions, and buying power. It is a leading indicator for predicting consumer spending, which drives the majority of the US economy.

**NFIB SMALL BUSINESS INDEX** | The NFIB Small Business Optimism Index is a monthly composite indicator that measures the outlook of U.S. small business owners on economic conditions, employment, and business health.

**NAHB/WELLS FARGO HOUSING MARKET INDEX (HMI)** | The NAHB/Wells Fargo Housing Market Index (HMI) is a monthly survey-based gauge of sentiment among U.S. single-family home builders that reflects their views on current and near-term housing market conditions.

**CITI ECONOMIC SURPRISE INDEX** | The Citigroup Economic Surprise Index represents the sum of the difference between official economic results and forecasts. With a sum over 0, its economic performance generally beats market expectations. With a sum below 0, its economic conditions are generally worse than expected.

# Disclosures

DATA SOURCE | FactSet, Bloomberg as of 11/5/2026

DOMESTIC EQUITY DEFINITION

**DOW JONES INDUSTRIAL AVERAGE (DJIA)** | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

**NASDAQ COMPOSITE INDEX** | The Nasdaq Composite Index is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

**NASDAQ 100** | The Nasdaq-100 Index® includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

**WILSHIRE 5000 INDEX** | The Wilshire 5000 is a broad-market, free-float capitalization-weighted index that measures the performance of the entire U.S. stock market

**S&P 500** | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

**S&P 500 EQUAL WEIGHT INDEX** | The S&P 500 Equal Weight Index: The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

**S&P SMALL CAP 600** | The S&P Small Cap 600: The index tracks 600 US small-capitalization companies. It acts as a benchmark for the small-cap segment of the U.S. equity market and is used by investors to measure performance or gain exposure to smaller-tier growth companies.

**LARGE GROWTH** | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater- than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

**MID GROWTH** | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

**LARGE BLEND** | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

**SMALL GROWTH** | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater- than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

**MID BLEND** | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

**SMALL BLEND** | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

**LARGE VALUE** | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

**MID VALUE** | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

**SMALL VALUE** | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

COMMODITY INDEX DEFINITION

**BLOOMBERG COMMODITY INDEX (BCOM)** | The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.

FIXED INCOME DEFINITION

**AGGREGATE BOND** | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

**HIGH YIELD** | Bloomberg US Corporate High Yield Total Return Index: The index measures the USD-denominated, high yield, fixed- rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

# Disclosures

**BLOOMBERG US CORPORATE INVESTMENT GRADE** | The index commonly used as the standard benchmark for US investment-grade corporate debt, and tracks the performance of the USD-denominated, fixed-rate, taxable corporate bond market. It captures publicly issued securities across industrial, utility, and financial issuers by companies inside and outside the US.

**BLOOMBERG MUNICIPAL BOND INDEX** | The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

**BLOOMBERG US CONVERTIBLE LIQUID BOND INDEX |** The index tracks the performance of USD-denominated convertible securities, specifically bonds and convertible preferred stock, issued in the US market with a minimum amount outstanding of $350 million.

**BLOOMBERG CAPITAL AGGREGATE BOND TOTAL RETURN INDEX** | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

**BLOOMBERG EMERGING MARKET BOND INDEX** | The Bloomberg USD Emerging Market Composite Bond Index is a rules-based, market-value-weighted index engineered to measure USD fixed-rate sovereign and corporate securities issued from emerging markets. The index includes both investment- grade and below-investment-grade securities.

**BLOOMBERG WIRP FUTURES MODEL** | The Bloomberg World Interest Rate Probability (WIRP) function calculates the implicit forecast for rates after each meeting over the next year for the biggest developed world central banks, based on pricing in futures and overnight index swaps markets.

**BLOOMBERG TREASURY INDEX** | The Bloomberg US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. The Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The index includes securities with remaining maturity of at least one year.

**BLOOMBERG BELLWETHERS INDEX** | The Bloomberg US Treasury Bellwethers 30 Yr. Index is a single-security market index that tracks the most recently issued 30-year US Treasury bond.

INTERNATIONAL EQUITY DEFINITION

**EMERGING MARKETS EASTERN EUROPE** | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe.

**EMERGING MARKETS ASIA** | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS LATIN AMERICA** | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS** | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

**PACIFIC EX-JAPAN** | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**JAPAN** | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

**NIKKEI 225 INDEX** | The Nikkei 225 is Japan's main stock market index, tracking the performance of 225 large, highly traded "blue-chip" companies listed on the Tokyo Stock Exchange (TSE). It's a price-weighted index, meaning higher-priced stocks have a greater impact, similar to the Dow Jones Industrial Average, and serves as a key indicator of the Japanese economy.

**FOREIGN DEVELOPED MARKETS** | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

**MSCI EAFE** | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

**MSCI ACWI** | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

**MSCI ACWI EX US** | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

**THE GERMAN CONSUMER CONFIDENCE INDEX** | The German Consumer Confidence Index officially known as the GfK Consumer Climate Indicator is a monthly economic indicator that measures the mood, sentiment, and spending inclinations of private consumers in Germany.

**THE BOVESPA INDEX**| The Bovespa Index is a theoretical portfolio of stocks designed to measure the overall average performance and health of the Brazilian equity market.

# Disclosures

**CANADA S&P/TSX COMPOSITE** | The S&P/TSX Composite Index is a capitalization-weighted equity index that tracks the performance of the largest companies listed on primary stock exchange, the Toronto Stock Exchange.

**STOXX EUROPE 600** | The Represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

**CREDIT** | Bloomberg US Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed- rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

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