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# Chart book

As of March 31, 2026

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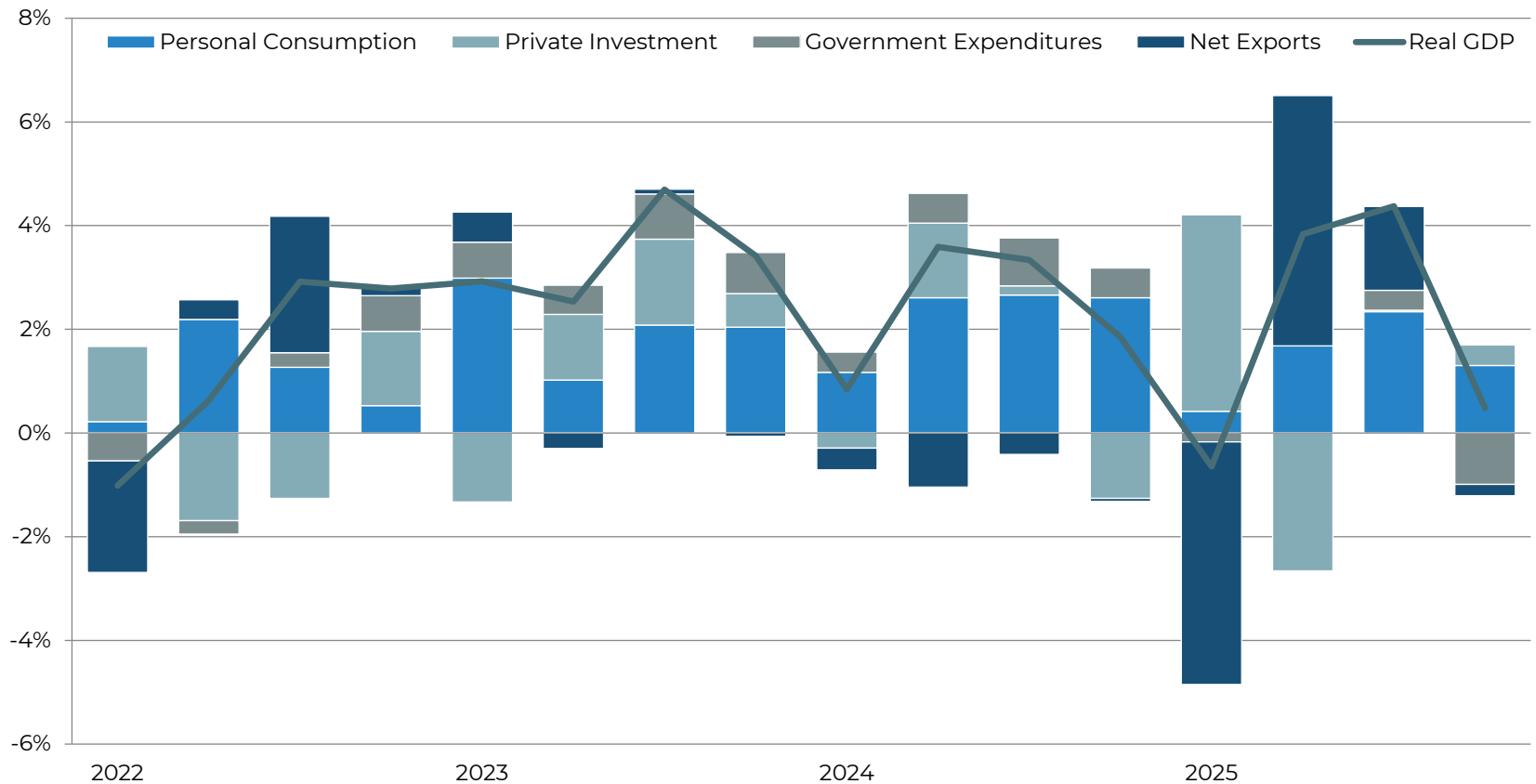


**ECONOMIC  
PERSPECTIVE**

The final reading from the Bureau of Economic Analysis (BEA) showed that U.S. GDP grew at a slower-than-expected 0.5% annualized rate in the fourth quarter, down from earlier estimates of 1.4% and 0.7%. Despite this weak finish, the economy grew about 2.1% overall in 2025, supported by strong gains in the second and third quarters. In Q4 2025, growth was driven mainly by consumer spending and investment, though weaker government spending and exports partially offset these gains. The downward revision was largely due to lower inventory investment, especially in wholesale trade. Additionally, a partial government shutdown in the quarter likely weighed on growth - estimated to have reduced GDP by about 1% - while also delaying the report and impacting both federal spending and consumer activity.

# Economic Growth

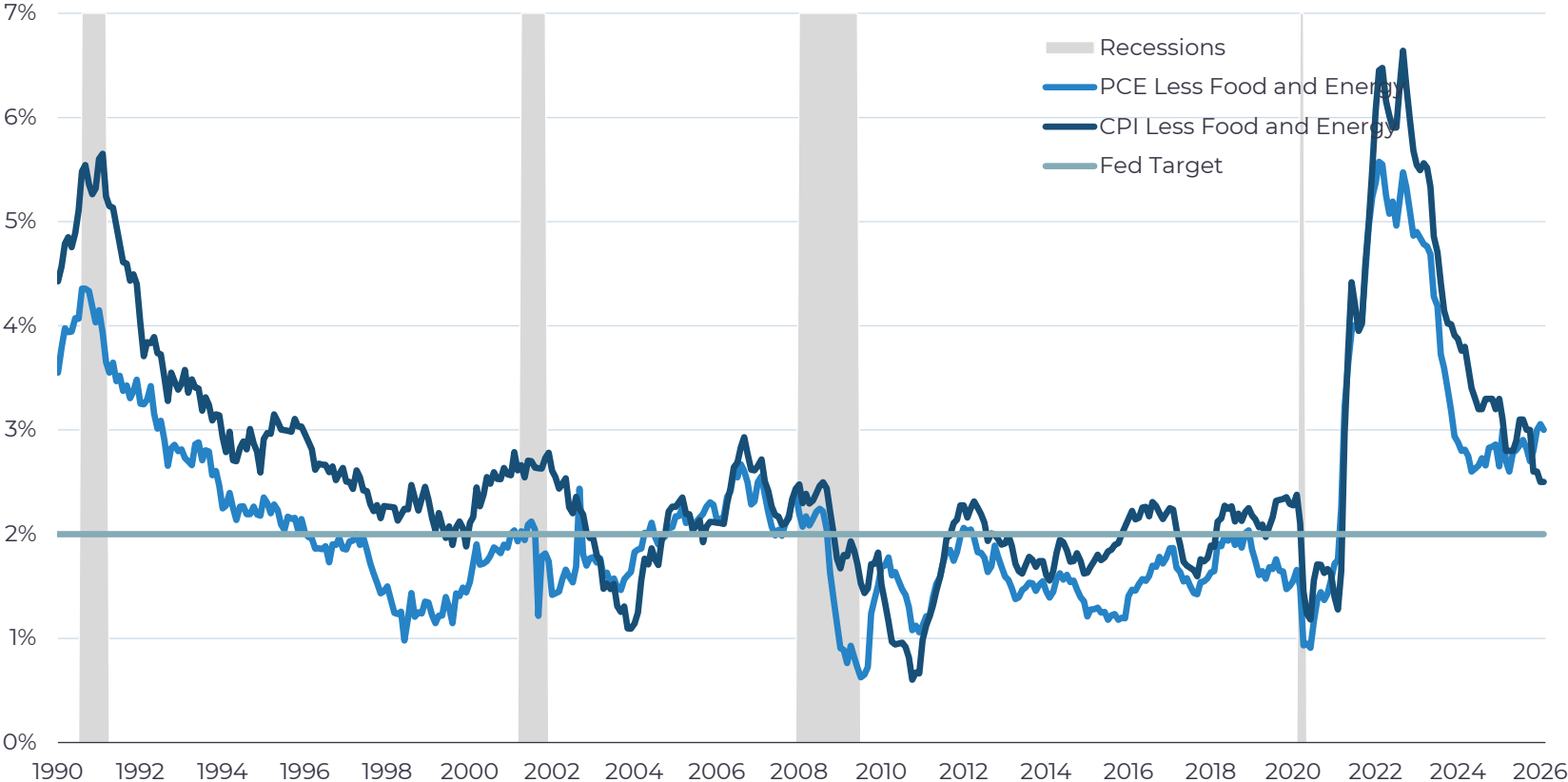
Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)



A key inflation measure remained elevated in February, rising 0.4% month-over-month and 2.8% annually, with core inflation at 3%. While the yearly pace edged slightly lower, the monthly increases suggest inflation is still running above the Federal Reserve's 2% target. The data predates a surge in gas prices caused by conflict with Iran, meaning inflation pressures were already persistent. Upcoming March CPI data is expected to show a sharp jump - driven by higher energy costs - which could further distance inflation from the Fed's target and reduce the likelihood of near-term rate cuts, with some officials even considering potential rate hikes.

# Inflation Outlook

Consumer Price Index (Core) and Personal Consumption Expenditures Price Index (Core) (Y/Y % Change)

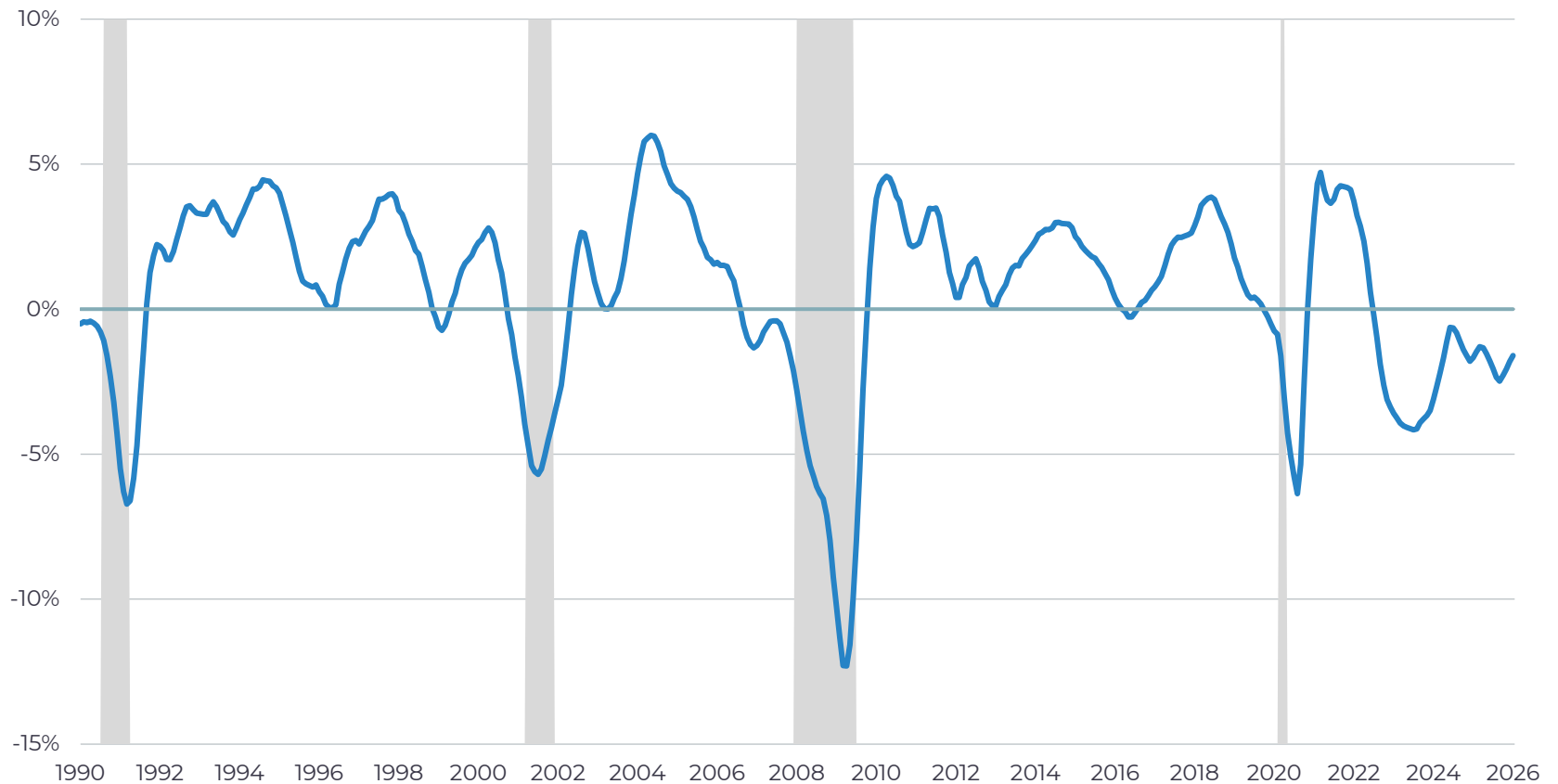


Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis (Reported monthly)

The Conference Board's Leading Economic Index (LEI) edged down again in January 2026, signaling continued but moderating economic headwinds, with its six-month decline slowing and most components showing recent improvement. As a result, The Conference Board's 2026 growth expectations were slightly reduced to about 2.0%. In contrast, the Coincident Economic Index (CEI) rose modestly, reflecting steady current economic conditions with broad-based gains across key indicators. The Lagging Economic Index (LAG) also increased and turned positive over the past six months, suggesting improving momentum in backward-looking measures.

# U.S. Economic Outlook

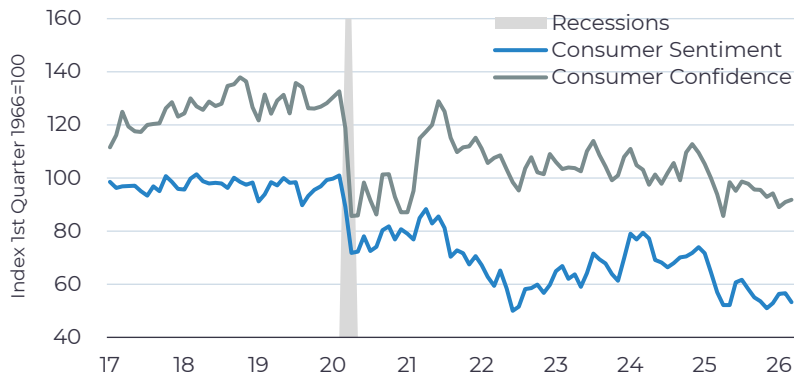
Leading Economic Index (Six-Month Moving Average of the Six-Month Rate of Change)



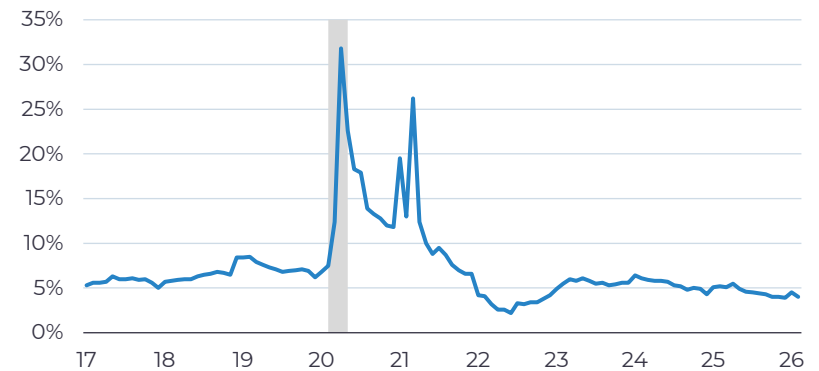
The Conference Board Consumer Confidence Index rose slightly in March to 91.8, driven by improved views of current business and labor market conditions, while expectations for the future weakened. Consumers were more positive about present conditions and job availability, but more pessimistic about income, business prospects, and the broader outlook. Overall confidence improved modestly for a second month, though it remains on a longer-term downward trend since 2021. Inflation concerns intensified, with expectations rising sharply amid oil price spikes tied to the Iran conflict. Consumers also became more worried about higher interest rates, weaker stock performance, and an increased likelihood of recession, even as views of current personal finances improved slightly.

# Consumer Outlook

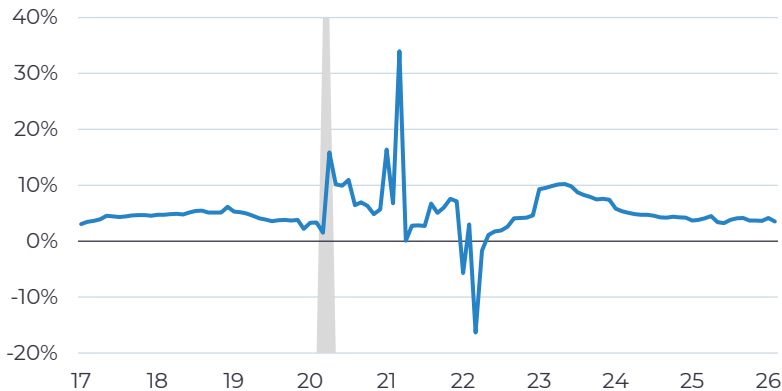
## Consumer Sentiment & Confidence Indexes



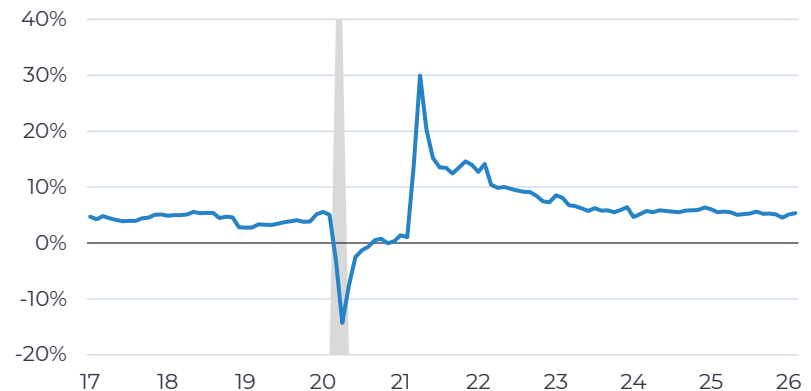
## Personal Saving Rate (Seasonally Adjusted Annual Rate)



## Disposable Personal Income (Y/Y % Change)



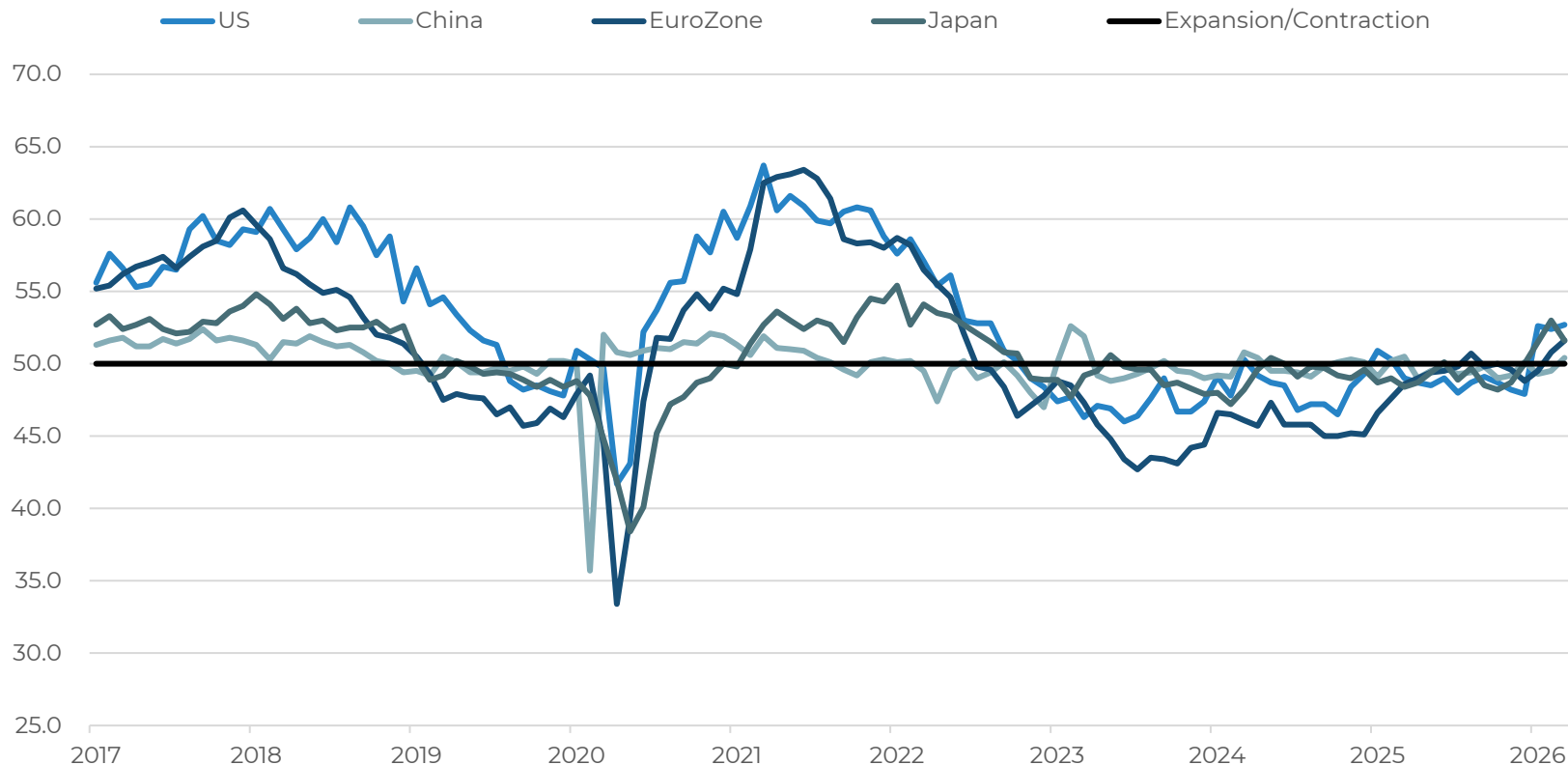
## Personal Consumption Expenditures (Y/Y % Change)



Global manufacturing growth slowed in March 2026 as the Middle East conflict weighed on trade, supply chains, and demand. The JPMorgan Global Manufacturing PMI fell slightly to 51.3 but remained in expansion territory for the eighth straight month, indicating continued - but weaker - growth. Output and new orders increased more slowly, while international trade nearly stalled and input costs rose sharply, with inflation and supply chain delays reaching multi-year highs. Performance varied widely by country: several nations saw contractions, though the U.S., Euro area, China, and Japan still recorded growth. Overall business confidence weakened, employment was flat globally, and manufacturers faced rising cost pressures and growing supply chain strain despite ongoing modest expansion.

# Global Economic Outlook

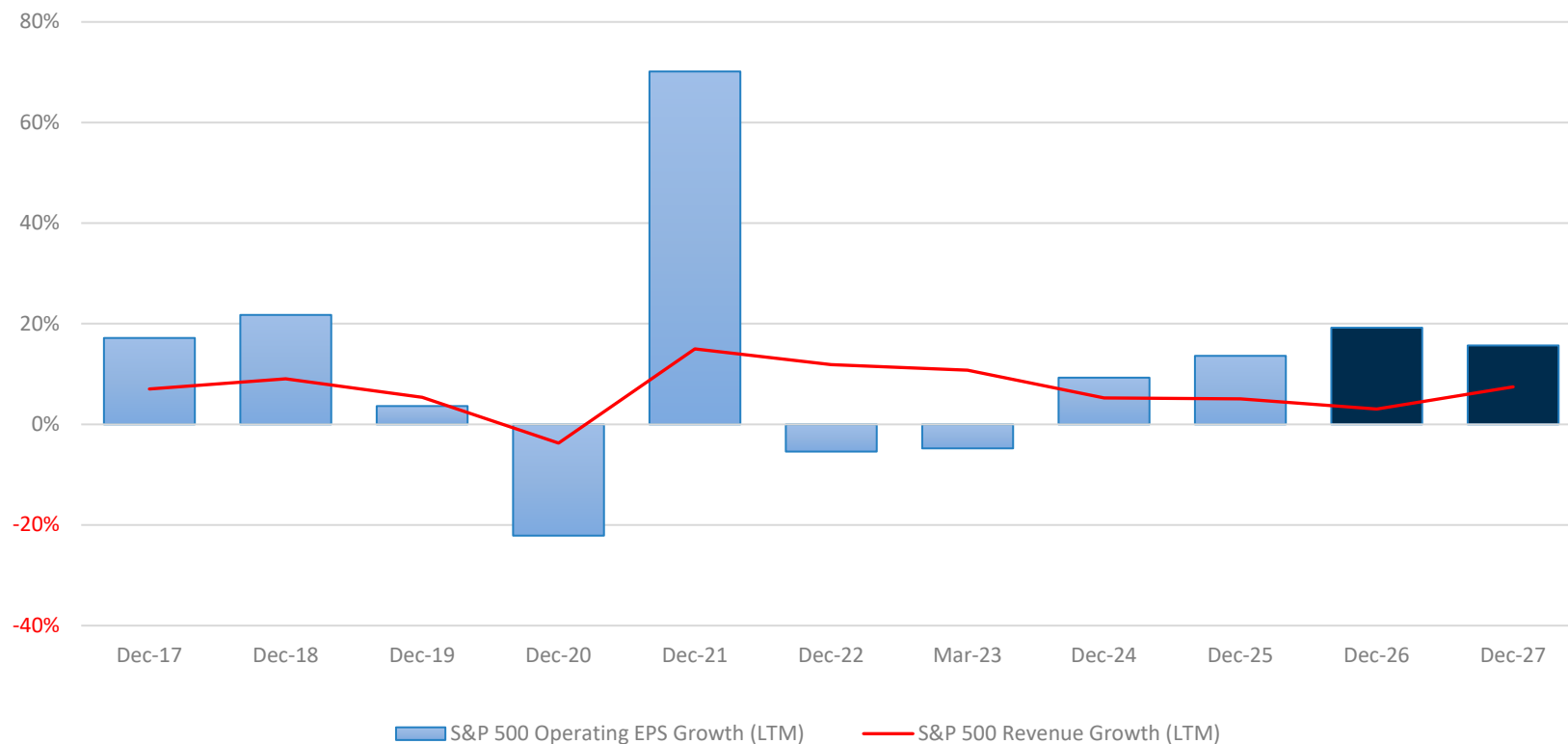
Manufacturing Purchasing Managers Index (PMI) (A PMI over 50 represents growth in manufacturing)



According to FactSet, the bottom-up price target for the S&P 500 over the next 12 months is 8330, which is 26.7% above the closing price of 6575. At the sector level, the Information Technology (+38.3%) sector is expected to see the largest price increase. On the other hand, the Energy (+3.3%) sector is expected to see the smallest price increase. Overall, there are 12,806 ratings on stocks in the S&P 500. Of these 12,806 ratings, 58.6% are Buy ratings, 36.2% are Hold ratings, and 5.1% are Sell ratings. At the sector level, the Information Technology (68%), Communication Services (65%), and Health Care (62%) sectors have the highest percentages of Buy ratings, while the Consumer Staples (43%) sector has the lowest percentage of Buy ratings.

## Corporate Profitability

S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)



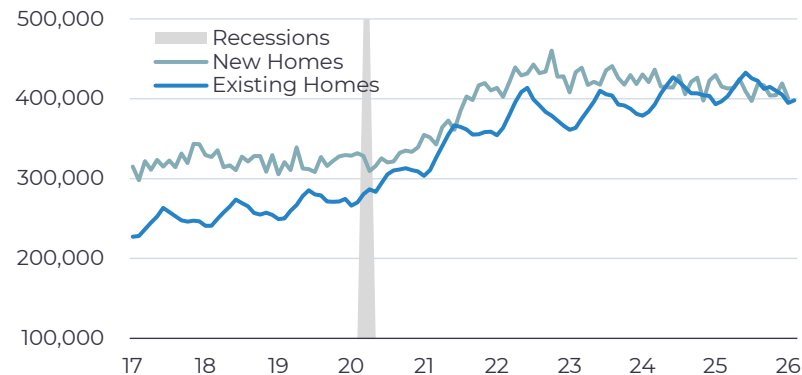
The U.S. housing market is stabilizing but remains highly sensitive to interest rates. Mortgage rates have eased to around 6.37%, which is helping revive some buyer interest, while increased inventory is giving buyers more options and slowing the pace of sales. Home prices have held relatively steady, with a modest 0.9% increase to a median of about \$429,129, though demand varies significantly by region - some areas are rebounding while others remain sluggish. Affordability continues to be a major constraint, requiring roughly \$110,000 in annual income to purchase a median-priced home. Looking ahead, the market is expected to soften compared to prior years, with price growth potentially flattening in 2026. Ongoing economic uncertainty and geopolitical factors may continue to drive mortgage rate volatility.

# Housing Market Outlook

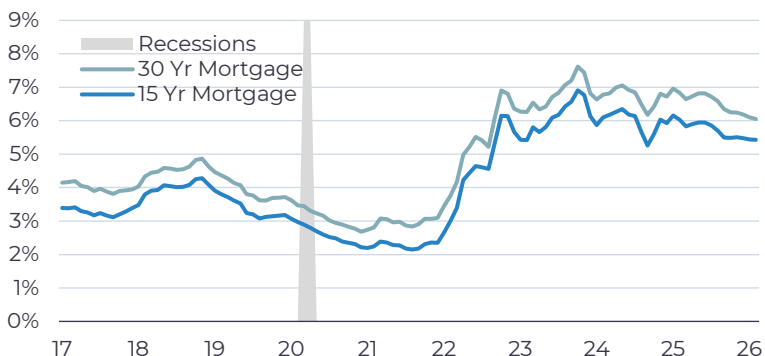
Housing Affordability (higher = more affordable)



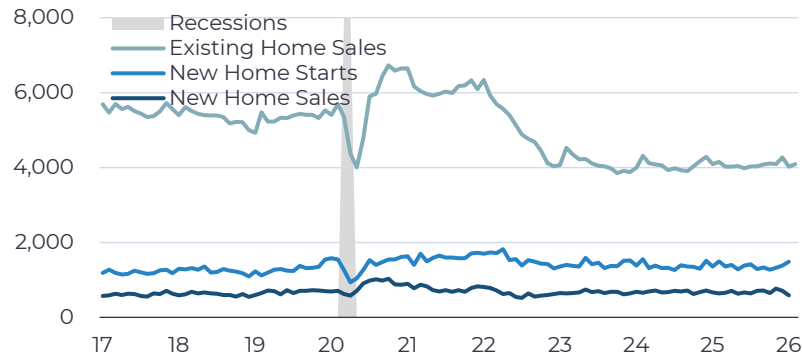
Median Selling Price of New and Existing Homes



Average Fixed Rate Mortgage in the U.S.®



Housing Starts, Existing Home Sales and New Home Sales (000's)

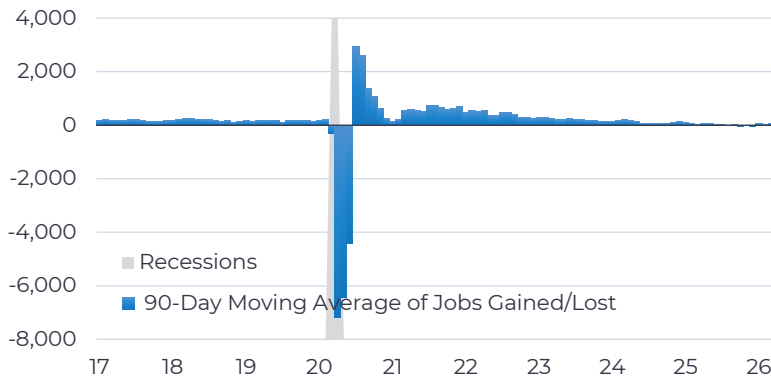


Source: National Association of Realtors, Freddie Mac, U.S. Bureau of the Census (Reported monthly)

The U.S. labor market rebounded in March, with nonfarm payrolls rising by 178,000 - well above expectations and reversing February's decline. However, overall job growth remains modest, with a three-month average of about 68,000, reflecting a slower-growth environment. The unemployment rate dipped to 4.3%, but largely due to a shrinking labor force rather than stronger employment. Job gains were concentrated in healthcare, along with gains in construction and transportation, while federal government and financial sectors lost jobs. Underlying indicators were weaker as labor force participation fell to its lowest level since 2021, fewer people were employed overall, and broader unemployment measures ticked higher. Wage growth also softened, signaling continued cooling in labor market momentum.

# Labor Market Outlook

Jobs Gained/Lost (000's) with 12-Month Moving Average



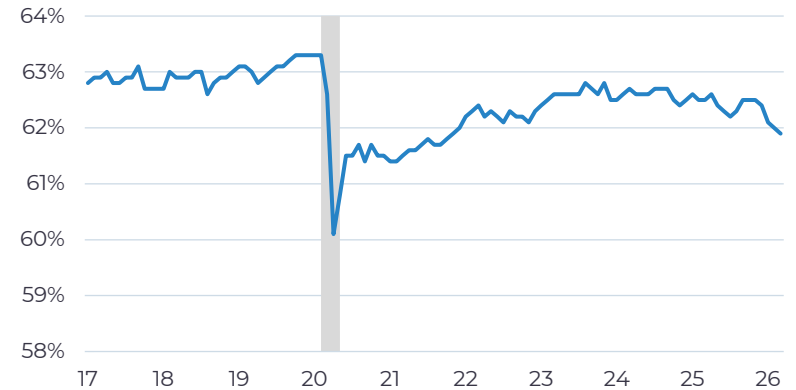
Labor Market Slack (000's)



Wage Growth (Y/Y % Change)



Labor Force Participation Rate



Source: U.S. Bureau of Labor Statistics, (Reported monthly, Wage Growth reported quarterly)

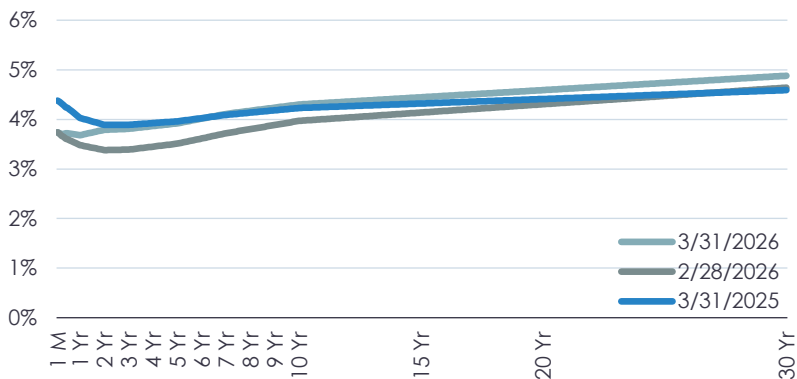


**BOND MARKET  
PERSPECTIVE**

A sharp surge in oil prices triggered renewed inflation concerns, pushed Treasury yields significantly higher, and led to a broad, rapid selloff across nearly all risk assets. Treasury yields rose sharply, with the 2-year reaching 3.79% and the 10-year 4.30%, reflecting reduced expectations for Federal Reserve rate cuts. Interestingly, traditional inflation hedges like gold and silver declined, while the U.S. dollar strengthened. Falling inflation expectations alongside rising nominal yields pushed real rates higher, tightening financial conditions further. This combination - higher rates, elevated energy prices, and constrained policy flexibility - created a particularly challenging environment for risk assets, underscoring that the selloff was driven by broad macro de-risking rather than sector - or style-specific factors.

# U.S. Treasury Market

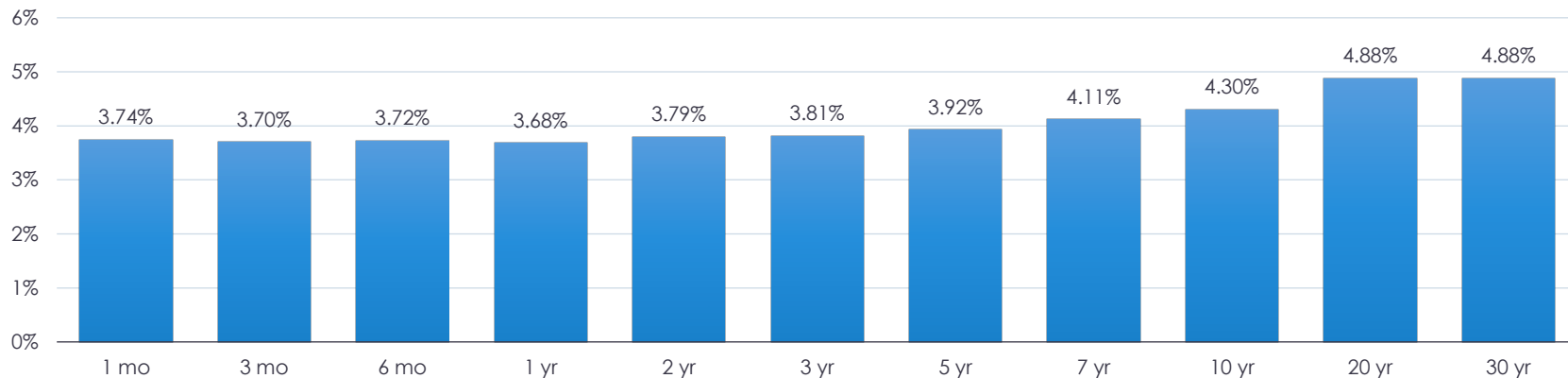
### U.S Treasury Yield Curve



### Historical U.S. 10-Year Treasury Rate

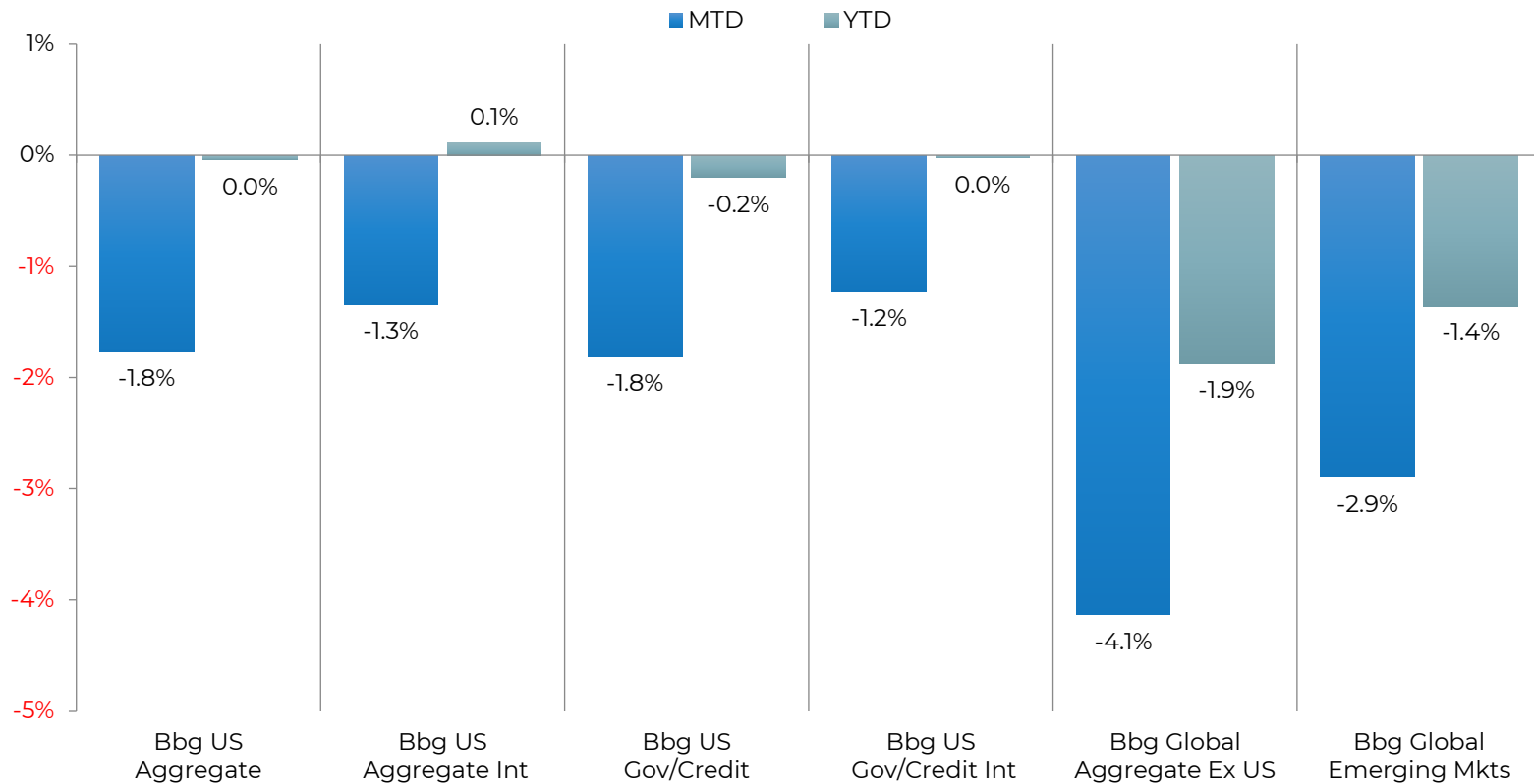


### Current U.S. Treasury Yields by Maturity



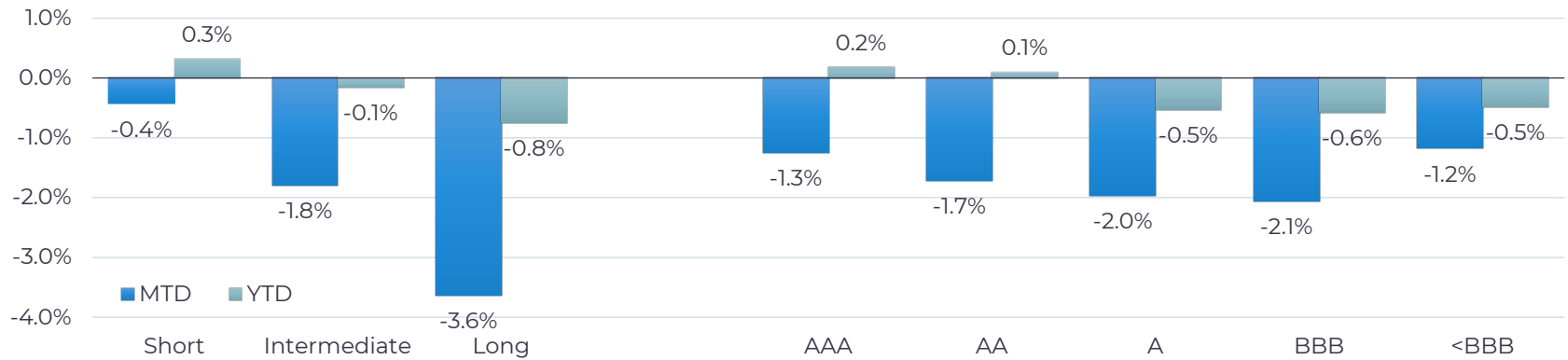
Source: U.S. Department of Treasury

# Global Fixed Income Returns by Bellwether Index

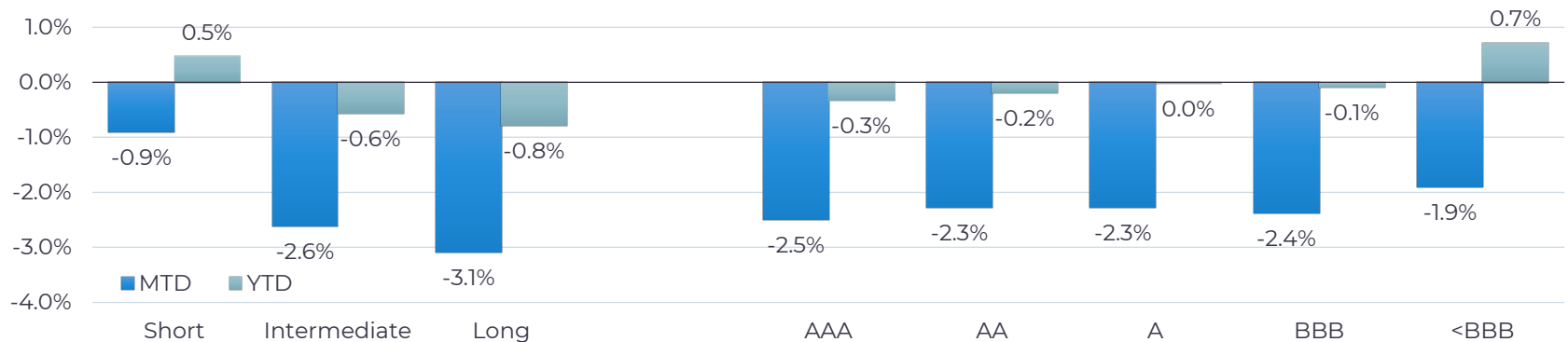


# Domestic Fixed Income Returns by Maturity and Credit Quality

## Domestic Bond Market - Taxable

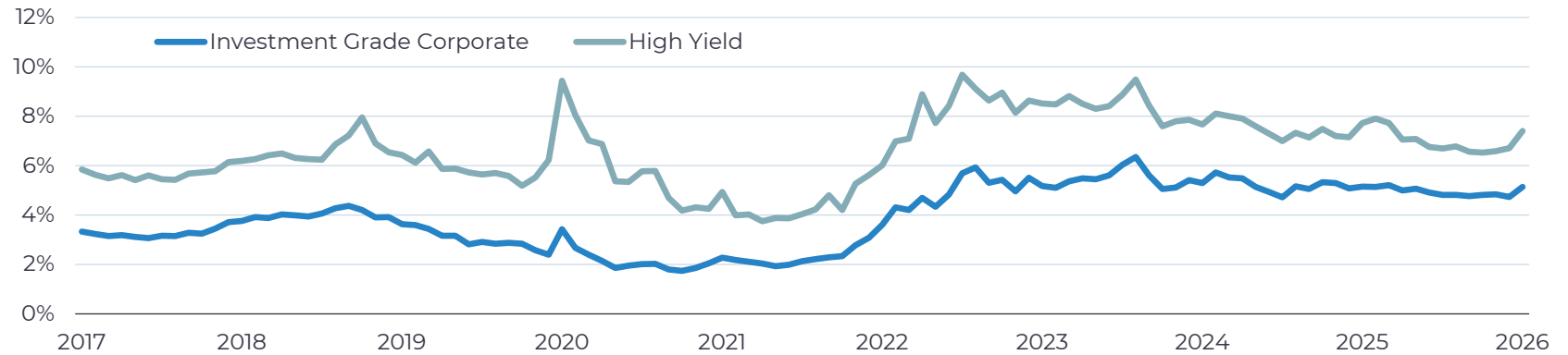


## Domestic Bond Market - Municipal

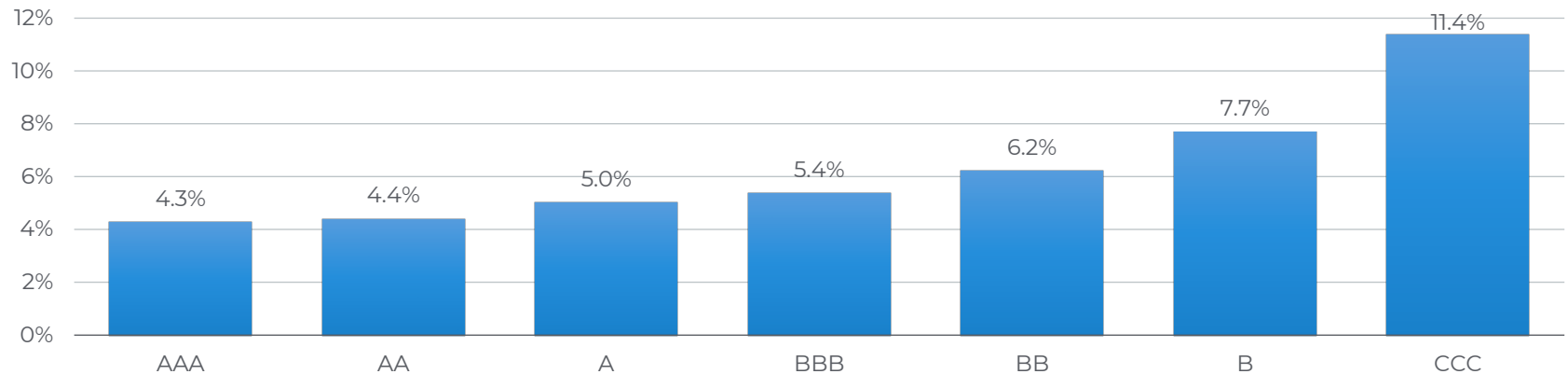


# Domestic Fixed Income Bond Yields

## Historical Corporate Bond Market Yield to Worst



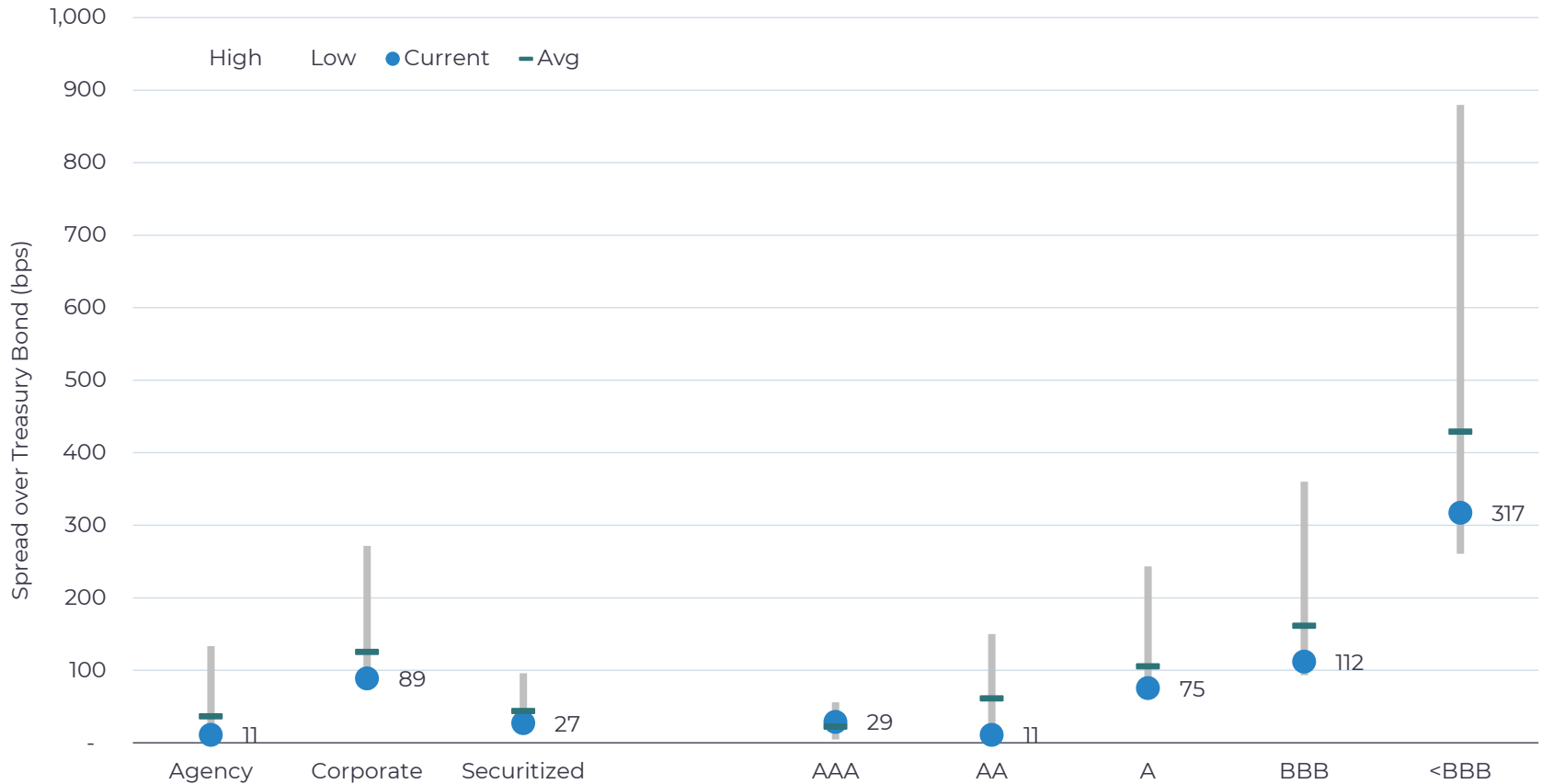
## Current Corporate Bond Market Yields by Credit Quality



Investment Grade Corporate bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade index. High Yield bonds are represented by the Bloomberg Barclays U.S. Corporate High Yield index. Source: Bloomberg Barclays

# Domestic Fixed Income Bond Spreads

Current Bond Spreads Compared to 15-Year Range and 15-Year Average



The length of each bar represents the Range of the highest and lowest spread to the Treasury benchmark over the past 15 years. Average represents the average spread over the past 15 years. Current represents the most recent month. Source: Bloomberg Barclays

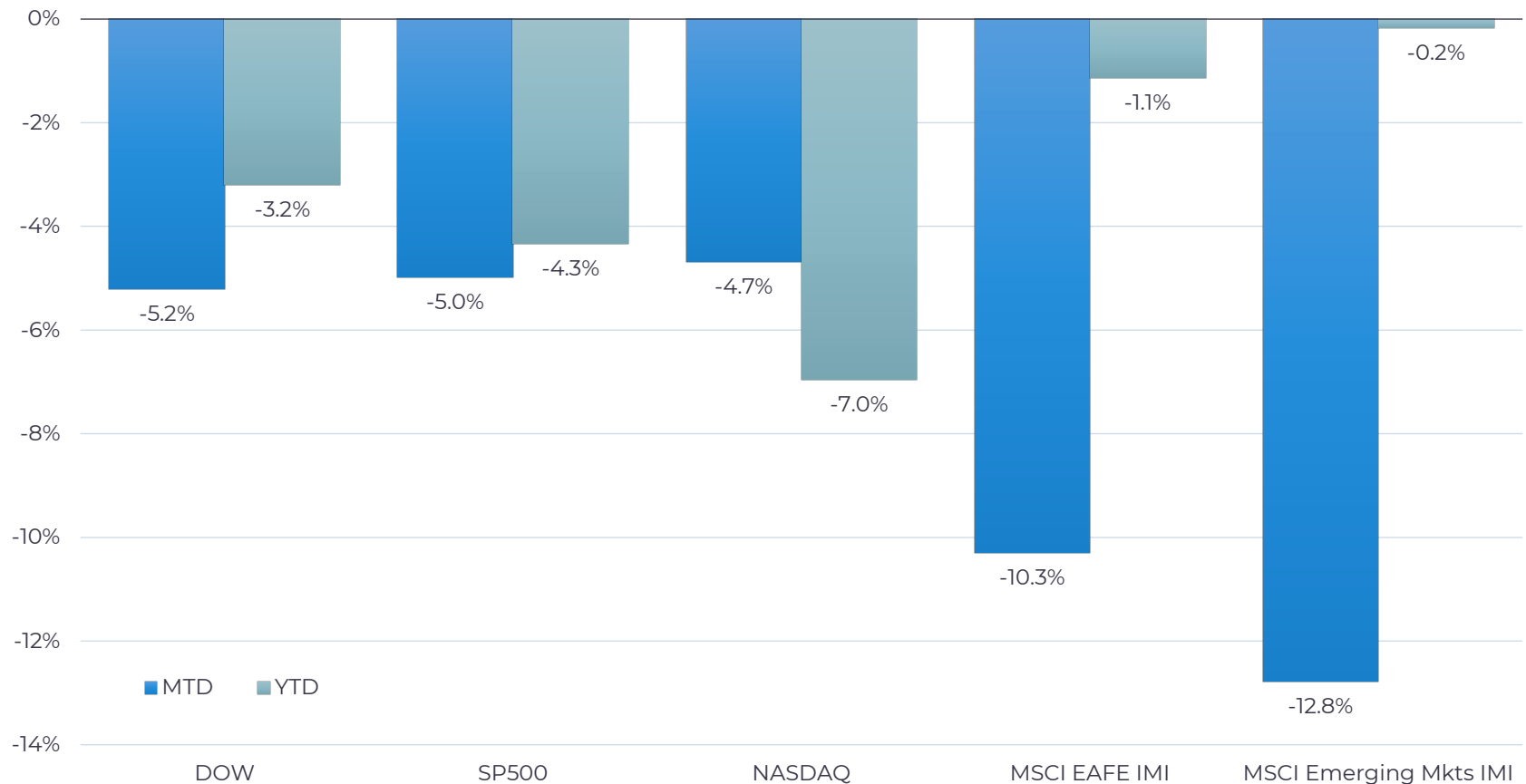
An aerial photograph of a bridge spanning a river, overlaid with a teal color scheme. The bridge is a simple concrete structure with a single lane. The surrounding landscape is rocky and forested. The text 'EQUITY MARKET PERSPECTIVE' is centered in white, bold, sans-serif font. A thin teal line is positioned above the text, and a larger teal arc with concentric lines is at the bottom.

**EQUITY MARKET  
PERSPECTIVE**

March marked a major turning point for global markets, as geopolitical tensions overtook economic fundamentals as the primary driver of asset prices. Unlike typical market rotations, the downturn was widespread and highly correlated, with both growth and value stocks, as well as large- and small-cap equities, declining simultaneously. Rising energy costs complicated the Federal Reserve's policy outlook, reducing expectations for rate cuts and increasing volatility in bond markets. Diversification offered little protection during the selloff, as most sectors declined. Energy was the only standout performer, benefiting from higher oil prices, while all other sectors - including both cyclical and defensive - moved lower amid broad risk aversion and macro-driven de-risking.

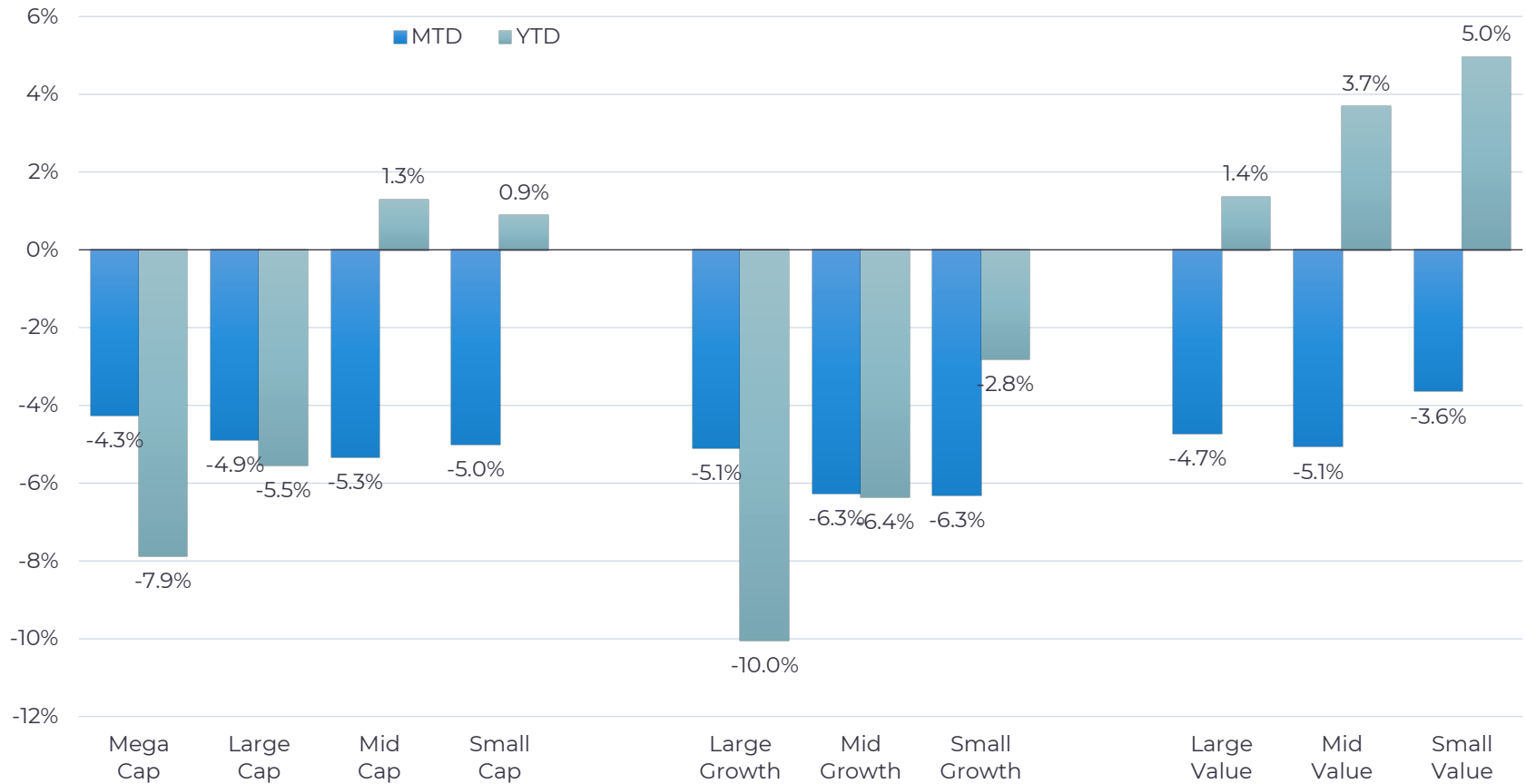
## Global Equity Returns by Bellwether Index

### Global Equity Markets



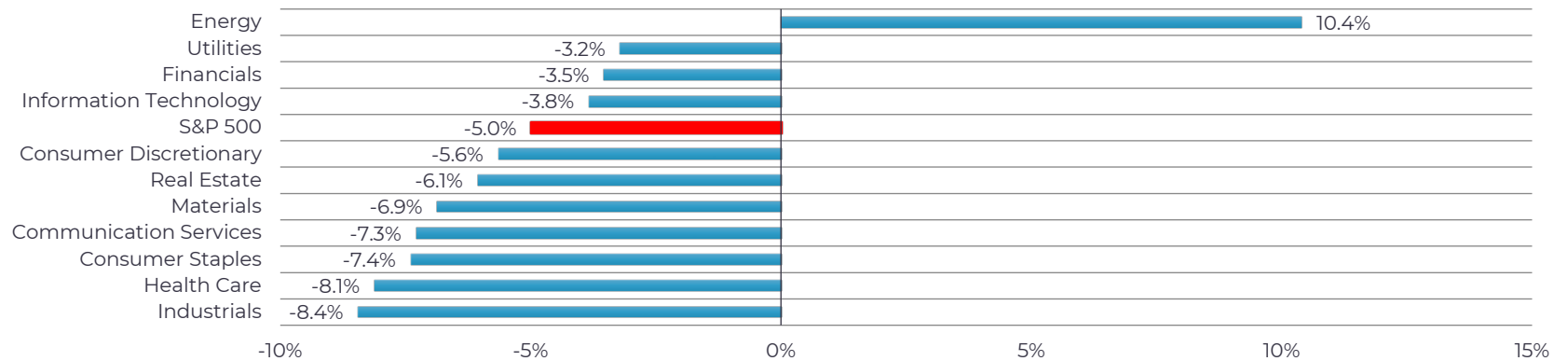
# Domestic Equity Returns by Market Cap & Style

Domestic Equity Markets

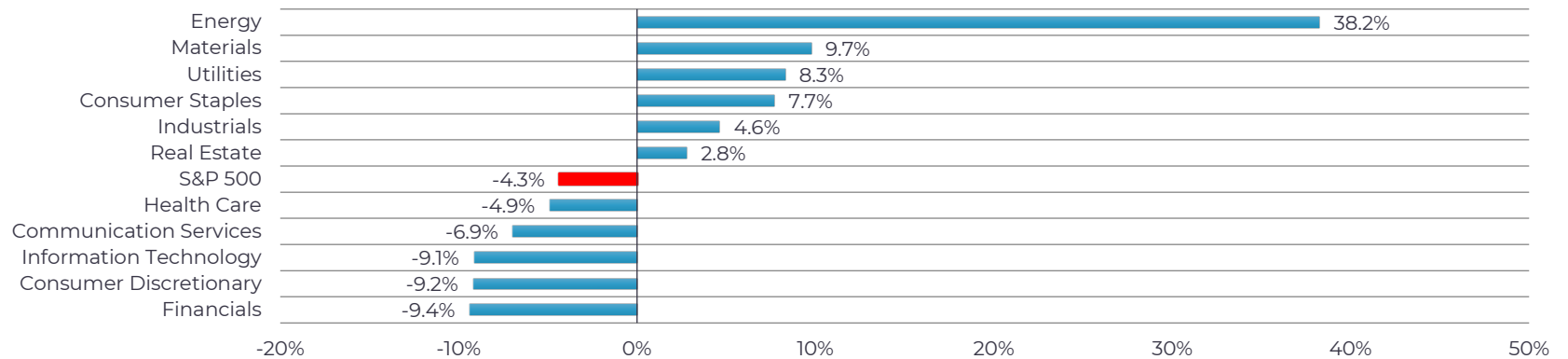


# Domestic Equity Returns by Sector

## MTD S&P 500 Returns by Sector

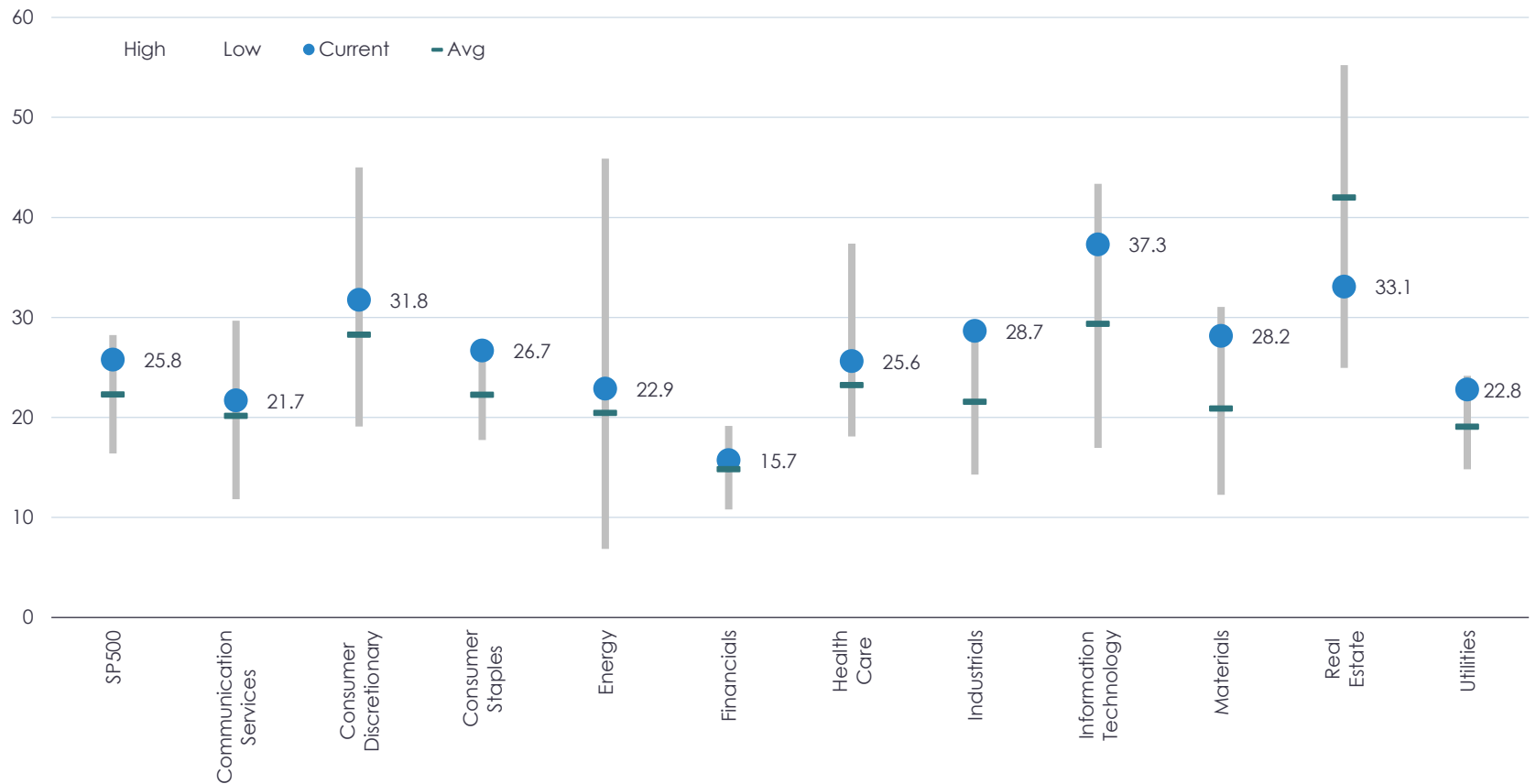


## YTD S&P 500 Returns by Sector



# Domestic Equity Valuations by Sector

Trailing 12 Month P/E Ratio Compared to 10-Year Range and 10-Year Average



P/E ratios are based on trailing 12 months earnings (LTM) excluding negative earnings. The length of each bar represents the Range of the highest and lowest P/E ratio over the past 10 years. Average represents the average P/E ratio over the past 10 years. Current represents the most recent month. Source: Bloomberg

# Economic Indicator Descriptions

- **Real Gross Domestic Product (GDP):** GDP is a basic measure of U.S. economic output adjusted for inflation. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy.
- **Consumer Price Index (CPI):** Measuring the change in the CPI provides an estimate for inflation. The CPI tracks the price of a basket of consumer goods and services. High inflation or deflation (negative inflation) can be signs of economic worry. CPI is typically reported in two ways: headline and core CPI. Headline CPI includes all categories that comprise the CPI basket of goods and services.
- **Personal Consumption Expenditure Chain-type Price Index (PCEPI):** Measuring the change in the PCEPI provides an estimate for inflation. In comparison to CPI, which uses one set of expenditure weights for several years, this index uses expenditure data from the current period and the preceding period. This price index method assumes that the consumer has substituted from goods whose prices are rising to goods whose prices are stable or falling. Core PCEPI, which is closely monitored by the Fed, strips out the more volatile Food and Energy categories.
- **Conference Board Index of Leading Economic Indicators (LEI):** The LEI is designed to signal peaks and troughs in the business cycle. The ten components include: average weekly manufacturing hours; average weekly initial claims for unemployment insurance; manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; manufacturers' new orders for nondefense capital goods excluding aircraft orders; building permits for new private housing units; stock prices of 500 common stocks; Leading Credit Index™; interest rate spread on 10-year Treasury bonds less federal funds and average consumer expectations for business conditions.
- **The Institute for Supply Management (ISM) PMI Index:** The PMI is a composite index of five "sub-indicators", which are extracted through surveys to purchasing managers from around the country. The five sub-indexes are: Production, New orders, Supplier deliveries, Inventories and Employment level. An Index value over 50 indicates expansion; below 50 indicates contraction.
- **The Institute for Supply Management (ISM) Non-manufacturing Index (NMI):** The NMI is a composite index of four "sub-indicators", which are extracted through surveys to purchasing managers. The four sub-indexes: Business activity, New orders, Employment, Supplier deliveries. An Index value over 50 indicates expansion; below 50 indicates contraction.
- **Consumer Confidence Index (CCI):** The Consumer Confidence Index is a well-known proxy for the attitudes of U.S. consumer towards the business climate, personal finances and spending. This index attempts to measure the confidence that consumers have in the overall economy. This is important because consumer spending accounts for a large portion of U.S. GDP.
- **Consumer Sentiment Index (MCSI):** The MCSI uses telephone surveys to gather information on consumer expectations regarding the overall economy. The MCSI is becoming more useful for investors because it gives a monthly snapshot of whether consumers feel like spending money by accessing their views on the business climate, personal finance, and spending in order to judge their level of optimism/pessimism. This is important because consumer spending accounts for a large portion of U.S. GDP.
- **Disposable Personal Income per Capita (DPI):** DPI is the amount of money that households have available for spending and saving after income taxes have been accounted for. DPI is monitored to gauge the overall state of the economy.
- **Personal Consumption Expenditures (PCE):** PCE consists of the actual and imputed expenditures of households including durables, non-durables and services.
- **Retail Sales:** The retail sales report captures in-store sales as well as catalog and other out-of-store sales. The report also breaks down sales figures into groups such as food and beverages, clothing, and autos. The results are often presented two ways: with and without auto sales being counted, because their high sticker price can add extra volatility to the data.
- **Housing Affordability Index (HAI):** Published monthly by the National Association of Realtors, the HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.
- **Unemployment Rate:** Calculated monthly by the Bureau of Labor Statistics, the unemployment rate is a gauge of the health of the U.S. labor market. High unemployment can stifle the growth of the economy.
- **Wage Growth:** Calculated quarterly by the Bureau of Labor Statistics, the employment cost index measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The index tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company. We are using the wage component of this index.

# Benchmark Descriptions

- **U.S. Aggregate Bond:** The Barclays U.S. Aggregate Bond Index measures the performance of USD-denominated, SEC-registered, investment-grade, fixed-rate or step up, taxable bonds. The index includes bonds from the Treasury, Government-Related, Corporate and MBS, ABS, and CMBS sectors. Securities included in the index must have at least one year until final maturity.
- **U.S. Treasury:** The Barclays Capital U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury with a remaining maturity of one year or more.
- **U.S. Agency:** The Barclays Capital U.S. Agency Bond Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade USD-denominated debentures issued by government and government-related agencies, including FNMA. The index includes both callable and non-callable securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate and foreign debt guaranteed by the U.S. government.
- **U.S. Corporate:** The Barclays Capital U.S. Corporate Bond Index measures the performance of publicly issued USD-denominated corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **U.S. MBS:** The Barclays Capital U.S. Mortgage Backed Securities Index measures the performance of mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).
- **U.S. Municipal Bond:** The Barclays Capital Municipal Bond Index measures the performance of the USD-denominated, investment grade, fixed-rate tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Securities included in the index must have at least one year until final maturity.
- **General Obligation Bond Index:** The Barclays General Obligation Bond Index measures the average market-weighted performance of general obligations securities that have been issued in the last five years with maturities greater than one year.
- **Revenue Bond Index:** The Barclays Revenue Bond Index measures the average market-weighted performance of revenue backed securities that have been issued in the last five years with maturities greater than one year.
- **Investment Style:** Performance of different types of stocks will vary over time. A common way to characterize a stock is by market capitalization (e.g., large cap or small cap) or style (e.g., value or growth).
- **Large Cap vs. Small Cap:** Large companies tend to be more established companies and therefore exhibit lower volatility. Over an extended period of time, expected returns of small cap companies are often higher due to the risks associated with smaller, less established companies.
- **Value vs. Growth:** Value companies typically trade at discount valuations and may pay a dividend. Growth companies are those that are experiencing greater earnings growth prospects.
- **Mega Cap:** The Russell Top 50 Index measures the performance of the top 50 largest companies in the Russell 1000 Index, which represents approximately 40% of the total market capitalization of the Russell 1000 index.
- **Large Cap:** The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 68% of the total market capitalization of the Russell 1000 index.
- **Mid Cap:** The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 36% of the total market capitalization of the Russell 1000 Index.
- **Small Cap:** The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.
- **Large Cap Growth:** The Russell 1000 Growth Index measures the performance of those Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values.
- **Large Cap Value:** The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
- **Mid Cap Growth:** The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.
- **Mid Cap Value:** The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.
- **Small Cap Growth:** The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.
- **Small Cap Value:** The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.



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