

Investment Committee Review

Outlook Q2 2026

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SS&C ALPS Advisors is an open architecture boutique investment manager offering portfolio building blocks, active insight and an unwavering drive to guide clients to investment outcomes across sustainable income, thematic and alternative growth strategies.

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Introduction

Q1 2026 Review

US financial conditions tightened in the first quarter amid geopolitical volatility driven by an Iranian conflict that disrupted oil markets, though underlying liquidity signals—such as rising global money supply and improving manufacturing sentiment—remain supportive for a recovery. Treasury yields moved higher across the curve, with inflation concerns pushing out expectations for Federal Reserve (Fed) rate cuts and signaling potential policy shifts ahead. Despite the tightening, fiscal and monetary dynamics—including balance sheet expansion, higher tax refunds, and improving global liquidity—are modestly positive for markets. Inflation has stabilized but remains somewhat firm due to supply shocks and stronger global activity, while labor market conditions show signs of cooling alongside early impacts from artificial intelligence (AI) adoption. Meanwhile, growth and profit cycles are improving, with stronger manufacturing data and broadening earnings expectations, even as market leadership rotates away from large AI-focused firms toward broader beneficiaries of AI-driven productivity gains.

Executive Summary

The equity market declined due to the war in Iran and concerns over the buildout of AI. Increased volatility in equity markets warrant a defensive approach. Active management in fixed income and Real Estate Investment Trusts (REITs) can add value to portfolios, and we continue to highlight the diversification benefits of a commodity allocation.

Equities

The first quarter of 2026 was dominated by the US–Iran conflict, which disrupted global oil supply and drove a surge in crude prices, briefly pushing West Texas Intermediate (WTI) above \$111 before easing after a fragile ceasefire. This energy shock weighed on major US equity indices, with the S&P 500, Nasdaq 100, and Dow Indices all declining, while smaller and equal-weighted stocks outperformed, highlighting concentration risk in mega-cap stocks. International equities showed relative strength, supported by a weakening US dollar and more attractive valuations compared to US markets. Looking ahead, market direction in the second quarter depends heavily on whether the Hormuz crisis escalates or resolves, with potential for either a sharp global rally or continued volatility where energy acts as a hedge. Given elevated uncertainty, the outlook favors a defensive investment stance, balancing energy exposure with selective international and cyclical opportunities while maintaining flexibility.

Fixed Income

Fixed income delivered mixed results during the quarter but continued to act as a stabilizing force, with the Bloomberg US Aggregate Bond Index slightly declining while still outperforming the S&P 500 amid a risk-off environment triggered by an oil shock. Rising inflation expectations and uncertainty pressured several sectors, though Treasury Inflation-Protected Securities (TIPS) and short-duration bonds performed well as stagflation hedges. While the Fed has signaled potential rate cuts, markets are now reconsidering the possibility of rate hikes given persistent inflation risks, even as economic activity remains resilient. Looking ahead, markets face a “tug of war” between growth and inflation, with expectations for higher volatility, a steeper yield curve, and wider credit spreads favoring active management. Overall, fixed income remains attractive due to relatively high yields, diversification benefits, and opportunities for alpha through selective duration, quality-focused credit positioning, and tactical sector allocation.

Real Estate

REITs started the quarter strong but gave back gains amid volatility, ultimately finishing up 3.76%, with standout performance in data centers despite broad sector dispersion. Fundamentals continued to improve across real estate, though public REITs remain priced at notable discounts to private market net asset values. Sector performance varied, with strength in areas like infrastructure, health care, and retail, while office and certain residential segments continued to face structural and supply-related pressures. Looking ahead, a favorable outlook is supported by improving property values, constrained new supply, attractive income characteristics, and long-term demand drivers such as demographics, digital infrastructure, and inflation-linked rent growth.

Commodities

Commodities surged 24.41% in Q1 2026, led overwhelmingly by energy, as the war in Iran pushed oil prices sharply higher. Other sectors posted more modest gains, with precious metals benefiting from safe-haven demand, industrial metals constrained by weak China demand, and agriculture supported by weather disruptions and export flows. Looking ahead, the outlook remains favorable but highly dependent on geopolitical risks, elevated energy prices, and inflationary pressures, with potential offsets from demand destruction and a stronger US dollar. Overall, commodities continue to offer diversification and inflation-hedging benefits, with energy and precious metals best positioned, while industrial metals and agriculture remain more dependent on global growth and supply factors.

Private Markets

Global dealmaking reached record levels in 2025, exceeding \$5 trillion, while private market valuations remained deeply discounted relative to public markets and capital shifted toward private credit and infrastructure. However, cracks emerged in private credit as weaker underwriting, high software exposure, and liquidity mismatches led to significant redemption requests and increased investor concern. Private equity (PE) and venture capital (VC) continue to face challenges from slow exits, low realized gains, and structural liquidity issues, though improving initial public offering (IPO) and mergers and acquisitions (M&A) activity offers some optimism. Overall, the outlook for alternatives is mixed, with infrastructure and real estate favored, PE and VC more uncertain, and private credit facing the greatest near-term risks despite still-attractive income potential.

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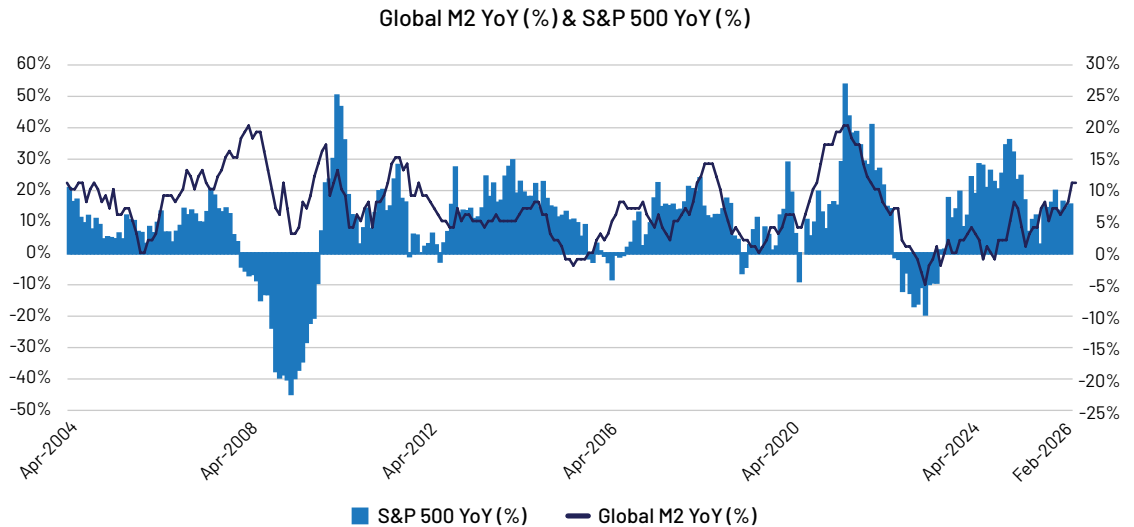
Macro Summary

Liquidity Cycle

US market-based financial conditions tightened in the first quarter of 2026 in response to a sharp shift in the global risk backdrop. A month-long Iranian conflict in the Middle East disrupted oil transport and introduced a commodity price shock, pulling equity and rates markets into a bout of volatility. Despite the turbulence, several underlying impulses remain constructive for liquidity. The pace of global money supply growth is increasing alongside higher manufacturing sentiment in January and February, pointing to the potential for recovery as soon as the geopolitical dust settles.

Yields rose meaningfully across the curve during the quarter, with the short end moving higher as oil-driven inflation concerns pushed out expectations for Fed easing. Zero rate cuts are now priced in for the second half of 2026, down from two cuts priced in at the end of February. The US 2-Year yield moved above the Fed Funds target during the quarter, a signal that has preceded changes in the Fed Funds over the last two decades.

Fiscal liquidity impulses are modestly positive. The Treasury General Account refilled on Treasury bill issuance in the fall, the Reverse Repurchase Facility is bottoming out, and the Fed's balance sheet has reversed course and is once again expanding. In addition, the One, Big, Beautiful Bill Act (OBBBA) has created tax refunds in 2026 that are currently trending 12% higher than 2025. US money supply printed 0.88% year-over-year (YoY) in February, above its historical average of 0.52% and firmly positive YoY. Global money supply growth remains on trend from its 2022 low, picking up to the rapid pace of +12% YoY, with China, Europe, and the United Kingdom driving the rate of change higher.



Source: Bloomberg, 4/30/2004 - 2/28/2026

Past performance is no guarantee of future results. One may not invest directly in an index.

Inflation Cycle

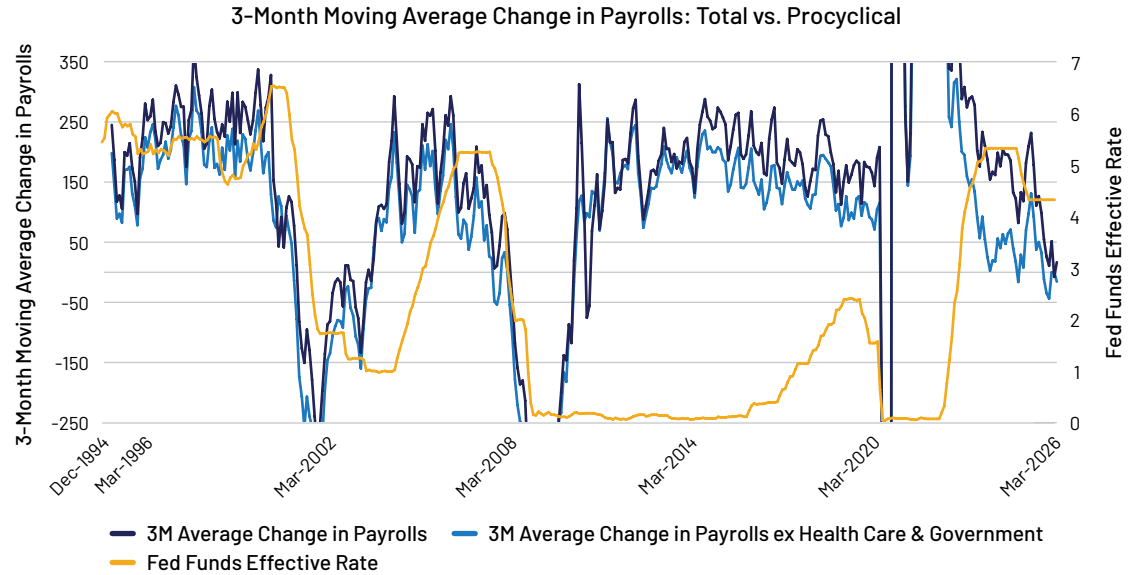
February headline inflation came in at 2.4% and core at 2.5%, with the three-month annualized rate now running around 3% for both measures, slightly higher than Q4 2025. Our previous comps analysis expected inflation to decelerate through the winter months, which is what has played out. US tariffs may have largely passed through the system at this stage, but the now-expansionary leading indicators in global manufacturing activity and prices may keep inflation firm. The commodity supply shock associated with the Iranian conflict may also be supportive of price levels.

The Sticky Price Consumer Price Index (CPI), heavily weighted by shelter costs, is now below 3% and the 3-month median Atlanta Fed Wage Growth tracker has finally fallen below 4%. Wage and earnings measures are normalizing into the 3% to 5% range, while prime age labor force participation has moved above full recovery and the 55-and-older cohort has hit a new low below 38% participation. The shifting internals of the labor market—including those related to corporate America's experimentation with AI tools—caused 4 months of overall job losses in 2025, and one month of job losses thus far in 2026. Prior to the Iran conflict the bond market's narrative transitioned to AI's influence on the labor market in February, taking the US 10-Year yield to a 15-month low of 3.93%.

Growth Cycle

The most notable shift this quarter was in manufacturing sentiment. The ISM Manufacturing survey printed its highest reading since early 2022, with New Orders at high levels in January and then again in February, confirming the reversion into expansion territory. ISM Services likewise reached its highest reading since 2022 after a brief contractionary dip in the summer of 2025. These readings, combined with the ongoing acceleration in global money supply, are macroeconomic indicators underpinning the market-based financial conditions recovery thesis for the coming quarters.

The labor market continues to operate in a low-hire, intermittent-cut regime. Challenger job cut announcements fell 55% in February YoY to 48,307, though year-to-date (YTD) hiring plans are down 56% versus last year and Tech-led layoffs are up 51% YTD. AI was cited as the reason for 4,680 announced cuts in February, roughly 10% of the monthly total and up from 5% across all of 2025. Real-time payroll receipts, however, continue to print solid readings. The Atlanta Fed’s GDPNow estimate for Q1 stands at 1.2%. Our base case is trend growth supported by continued AI investment and improving profits breadth.



Source: Bloomberg, SS&C ALPS Advisors Proprietary Research, 12/31/1994 - 3/31/2026

Profit Cycle

S&P 500 (SPX) forward earnings estimates have continued to move higher and, importantly, have broadened. SPX next-year earnings per share (EPS) revisions are now +23% YoY, up from +13% in December, while the S&P 500 Equal Weight Index has moved to +14% from +6% in September 2025. Profit margin revisions have similarly improved, with next-year SPX margin expectations at +10.2% YoY versus +8.6% in December, and equal-weight margin expectations at +11.4% versus +8.3% in September. The broadening in both earnings and margin expectations is the most encouraging profit cycle development we’ve seen in several quarters.

Hyperscalers, which have driven a disproportionate share of the equity market’s earnings and return contribution, pulled back materially from their highs: AMZN down 13%, GOOG down 15%, MSFT down 25%, and META down 27%, reflecting investor unease with an increasingly competitive capital expenditure (capex) arms race and a commensurate shift downward in free cash flow projections. We’ve flagged the downside risk to these names for the last two quarters, so we view this market action as a healthy rotation out of firms supplying AI to those increasingly consuming AI.

As the frontier AI tools transition from simple chatbots to agent-orchestrators and reasoning loops, firms adopting them are reporting internal improvements in productivity and efficiency. Some of them are subsequently reducing their workforce from high levels induced by the job hoarding that followed the COVID-19 pandemic. This combination has the potential to shift free cash flow projections higher broadly, but to the detriment of an already weakened labor market. As sophisticated AI tool adoption continues to expand over the coming quarters, we expect to see a broadening of profit growth from the primary suppliers of AI to its earliest adopters.



Source: Bloomberg, SS&C ALPS Advisors Proprietary Research, 3/31/2011 - 3/31/2026
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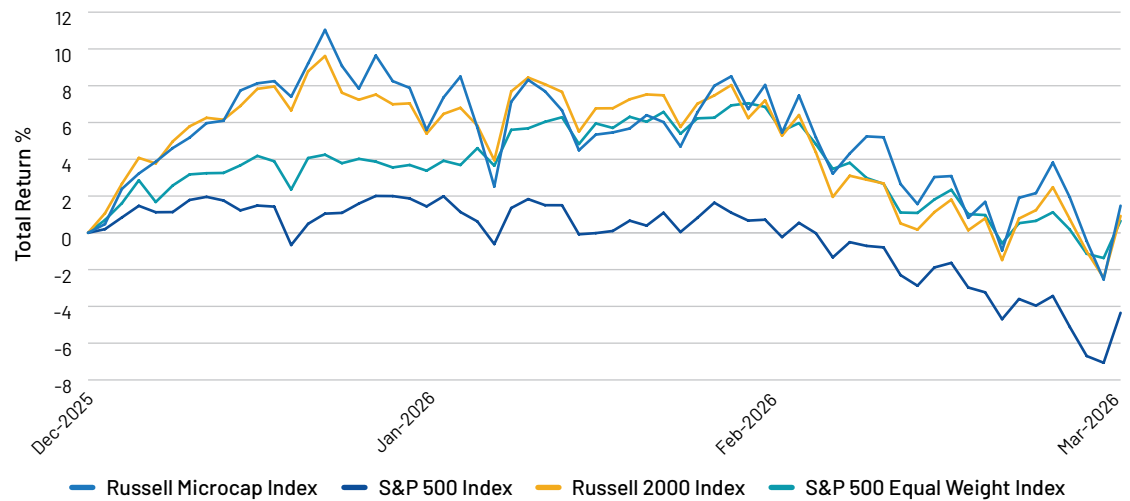
Equities Summary

Q1 2026 Review

The first quarter of 2026 was defined by the eruption of the US–Iran conflict and its cascading effects across global markets. The air campaign launched on February 28 and Iran’s subsequent closure of the Strait of Hormuz—through which roughly 20% of the world’s seaborne oil transits—triggered the largest quarterly increase in crude oil prices on an inflation-adjusted basis since 1988. WTI surged from \$61 per barrel at the start of the year to over \$111 by late March before settling around \$95 following the fragile two-week ceasefire announced on April 8. The energy shock rippled through equities, inflation expectations, and rate-cut probabilities in rapid succession.

The S&P 500 declined -4.35% for the quarter, while the Nasdaq 100 fell -5.82% as mega cap technology names bore the brunt of the selloff. The Dow Jones Industrial Average proved more resilient, declining -3.19%. The divergence between cap-weighted and equal-weighted indices was the defining feature: the S&P 500 Equal Weight gained 0.65% and the Russell 2000 rose 0.92%, underscoring the degree to which the quarter’s losses were concentrated in the largest, most expensive names.

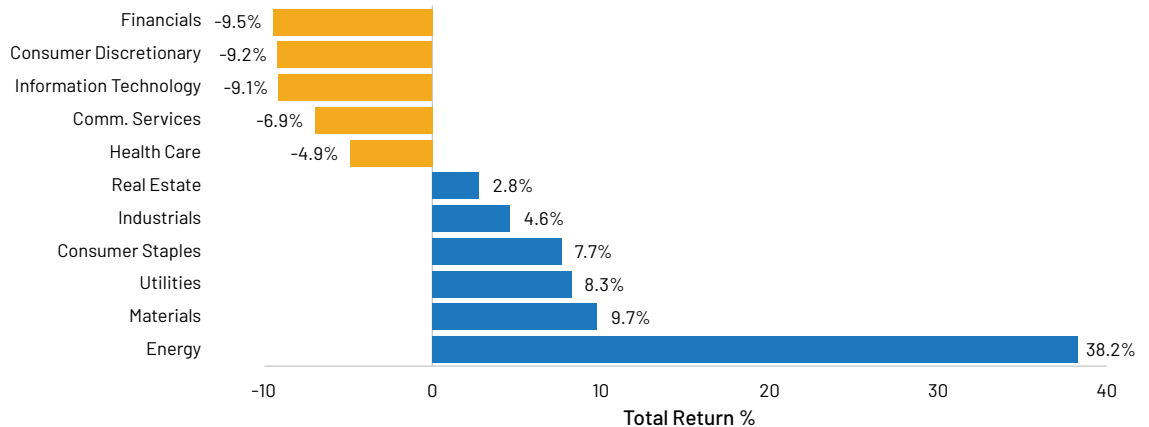
Returns by Market Capitalization



Source: Bloomberg, 12/31/2025 - 3/31/2026

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S&P 500 Sector Returns



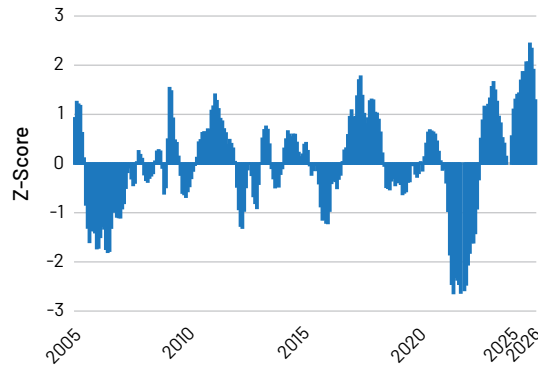
Source: Bloomberg, 12/31/2025 - 3/31/2026

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Long-term, we continue to see opportunities in international equities, supported by a weakening US dollar and a historically wide valuation gap versus US markets. This view was reinforced in Q1, as both developed and emerging markets outperformed the S&P 500 by a wide margin. While the dollar has periodically benefited from safe-haven demand during periods of escalation, its broader downtrend remains intact.

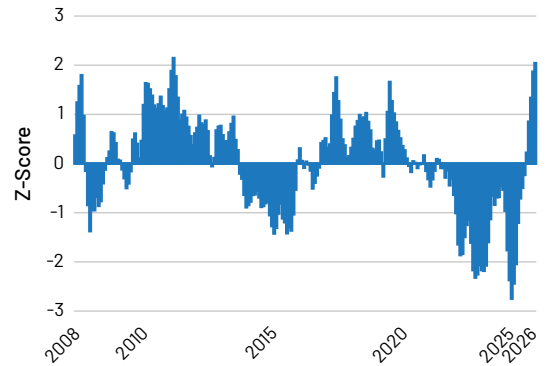
From a factor perspective, quality and growth remain expensive despite recent underperformance. In contrast, companies with stable free cash flow and low volatility offer more attractive relative value, with favorable risk/reward given their defensive characteristics. Elevated valuations and ongoing policy uncertainty warrant caution, particularly as market concentration increases idiosyncratic risk. Accordingly, we favor a defensive tilt, underweight the most expensive factors, and remain patient until market breadth improves and more compelling opportunities emerge.

Z-Score Valuation Spread Between Top and Bottom Quintiles Based on Quality



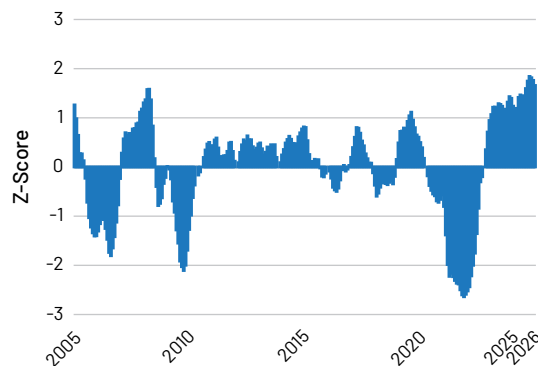
Source: Bloomberg, Bloomberg US 1000 Index, 2/28/2005 - 3/31/2026; quality is the trailing twelve month return on invested capital (ROIC)

Z-Score Valuation Spread Between Top and Bottom Quintiles Based on FCF Volatility



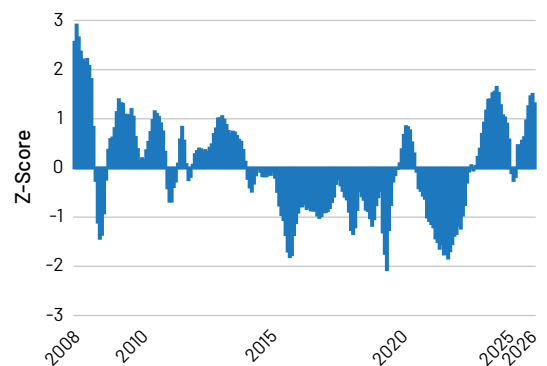
Source: Bloomberg, Bloomberg US 1000 Index, 4/30/2008 - 3/31/2026; free cash flow volatility is the standard deviation of last twelve quarters of free cash flow

Z-Score Valuation Spread Between Top and Bottom Quintiles Based on Revenue Growth



Source: Bloomberg, Bloomberg US 1000 Index, 2/28/2005 - 3/31/2026; revenue growth is the last twelve months revenue growth

Z-Score Valuation Spread Between Top and Bottom Quintiles Based on Volatility



Source: Bloomberg, Bloomberg US 1000 Index, 1/31/2008 - 3/31/2026; volatility is the standard deviation of last 36 months stock price

Q2 2026 Outlook

The Strait of Hormuz crisis remains the dominant variable for markets entering the second quarter. The two-week ceasefire announced on April 8 remains uncertain—Iran continues to restrict and condition passage, the Islamabad peace talks collapsed without agreement on April 12, and President Trump declared a US naval blockade of Iranian ports effective April 13. The distribution of outcomes is exceptionally wide, and the quarter’s trajectory will be largely determined by whether the conflict escalates further or moves toward resolution.

We frame the outlook around two scenarios. In the event that a durable settlement emerges—reopening the Strait, normalizing oil flows, and compressing the geopolitical risk premium—we expect a sharp rally in

international and emerging market equities. A resolution would allow crude to retract toward the US Energy Information Administration's (EIA) \$90 per barrel base case by Q4, relieve the inflationary pressure that has frozen Fed rate-cut expectations, and accelerate the dollar weakness we have long anticipated. Emerging markets would be primary beneficiaries. The structural tailwinds we have identified—fiscal stimulus abroad, capital repatriation from US assets, and a weakening dollar—would reassert themselves with conviction.

Conversely, if the conflict persists or escalates, Energy serves as the best portfolio hedge. The data collected over the past five weeks is unambiguous: the 40-day rolling correlation between the S&P 500 Ex-Energy and the S&P 500 Energy Sector Indices has turned decisively negative. Energy has been moving inversely to the rest of the market—when broad equities sold off on stagflation fears, Energy rallied, and vice versa. The April 8 ceasefire was a textbook illustration: oil dropped 16% in a single session while equities surged 3%. This hedging property does not vanish because of a fragile truce; it persists for as long as geopolitical uncertainty remains the dominant variable.

Beyond the correlation regime, the energy market is structurally different than it was before the conflict. The International Energy Agency (IEA) coordinated the largest emergency stockpile release in its 52-year history—over 400 million barrels across 32 member nations—and the US Strategic Petroleum Reserve (SPR) now sits at its lowest level ever. These reserves must be replenished, creating a contractually obligated demand source that establishes a medium-term bid under crude prices irrespective of how the diplomatic situation is resolved.

On the factor front, the premium for stable free cash flow and low-volatility stocks remains attractive even after the Q1 flight to safety. Revenue growth remains expensive but has begun to compress from its extremes. We see appeal pressing further into defensive factors at current levels. Alongside this posture, should a peace settlement materialize, the snap-back in cyclical and trade-sensitive areas could be swift—and we think off-setting energy exposure with more cyclical exposures could prove prudent.

Key Risks

The Hormuz crisis introduces a fat-tailed risk distribution that defies point estimates. A military escalation—whether from the announced US blockade, an Iranian response, or a breakdown of the ceasefire—could push crude prices well above \$115 and reignite the inflationary spiral that has already pushed the US CPI to 3.3%. Conversely, a rapid diplomatic resolution could unwind the energy premium overnight, punishing overweight positions in the sector. March CPI printed at 0.9% month-over-month—the largest monthly increase since June 2022—and the Fed has signaled that the conflict may require further rate hikes rather than the cuts the market had anticipated entering the year. The concentration of the S&P 500—where the top 10 stocks account for over 40% of market capitalization—amplifies idiosyncratic risk in an environment where leadership is rotating rapidly.

The second quarter requires a barbell approach: Energy as a direct hedge against continued Hormuz disruption, and international equities as the primary beneficiary of resolution. A weakening dollar, structural reserve depletion, and the wide US-to-international valuation gap all reinforce this positioning. Domestically, we maintain our preference for slightly defensive stocks while keeping tactical flexibility to rotate into cyclicals if the conflict resolves and economic data holds. The range of outcomes is wider than at any point since the COVID-19 pandemic—discipline, true diversification, and flexible positioning will be instrumental going forward.

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Fixed Income Summary

Q1 2026 Review

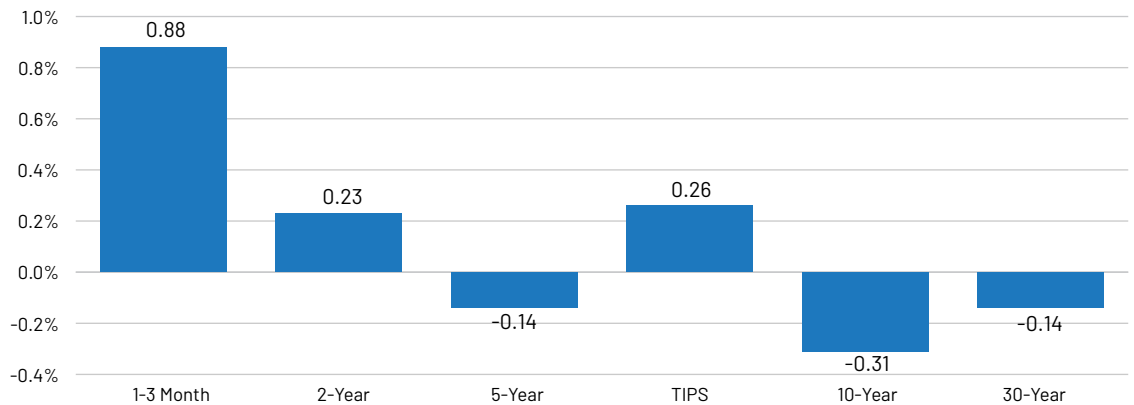
Fixed income delivered mixed results for the quarter but continued to serve as a reliable portfolio stabilizer. The Bloomberg US Aggregate Bond Index—a broad benchmark for investment-grade bonds—declined -0.05%, outperforming the S&P 500 by 4.5%. The February Iran strike quickly pushed crude oil above \$100 per barrel, driving a “risk-off” tone across markets. As inflation expectations rose and uncertainty about the economic fallout deepened, several fixed income sectors retreated. Traditional stagflation-mitigation areas—such as TIPS and short duration bonds—were key beneficiaries.

The Fed had previously signaled one or two potential rate cuts for 2026 amid softening labor data. However, given the typical inflation persistence following oil shocks, markets are now questioning whether rate hikes could instead re-enter the conversation. Despite elevated uncertainty, the economy remained resilient. Above average consumer spending and robust business investment—particularly in AI—helped to sustain expansion. Early coincident data suggests emerging signs of softer demand alongside rising prices, but conclusive inflation data are not yet available.⁽¹⁾

Performance Highlights (See Charts)

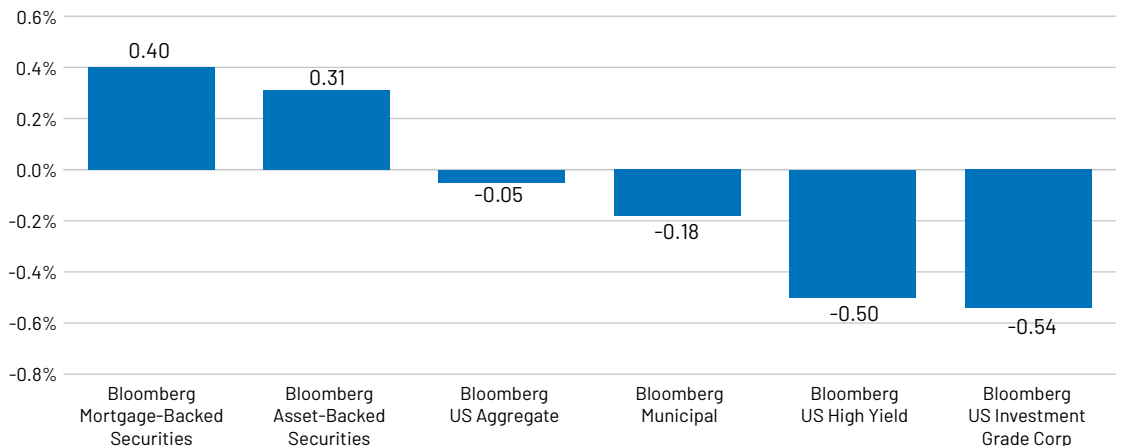
- In Treasuries (Rates), short duration and TIPS generated positive returns; longer maturities lagged.
- Within credit, higher-quality sectors outperformed lower-rated peers.
- TIPS and Mortgage-Backed Securities (MBS) led excess returns as investors positioned for a mild stagflationary environment.

US Treasury Performance
 (Total Return, Sorted by Index Duration)



Source: Bloomberg, total returns as of 3/31/2026
Past performance is no guarantee of future results.

US Core Bond and Credit Sector Performance
 (Sorted by Total Return)



Source: Bloomberg, total returns as of 3/31/2026
Past performance is no guarantee of future results. One may not invest directly in an index.

2026 Outlook—A Tug of War Between Growth and Inflation

After 2025’s supportive policy backdrop drove lower rates, volatility, and spreads, 2026 begins with far less clarity. Fiscal dynamics loom large: with national debt now exceeding \$39T, the government must soon articulate a credible funding plan. The year ahead is therefore shaping up as a contest between economic resilience and inflation persistence. Markets broadly expect a “higher for longer” rate environment until greater clarity emerges.

We anticipate 2026 to feature elevated volatility, a steeper yield curve, and modestly wider credit spreads—typical characteristics of a late-cycle environment. These conditions favor active managers who can add value through security selection, yield curve positioning, and tactical duration management.

Fixed income remains well-positioned within multi-asset portfolios. Yields are attractive on both an absolute and relative basis to equity yields, and fixed income’s historically negative correlation with equities may re-establish itself as rates stabilize.

Policy Landscape

Monetary Policy: Mildly Supportive

We view the monetary policy landscape as broadly neutral. In its mid-March Summary of Economic Conditions, the Fed described labor markets as balanced and inflation still above target—signaling no urgency to cut rates. Nevertheless, policy could pivot quickly if geopolitical events or weaker employment data warrant support. The Fed’s recent measures to enhance liquidity—such as short-term Treasury purchases and balance-sheet flexibility for primary dealers—should help anchor short-term rates and mitigate funding stress.

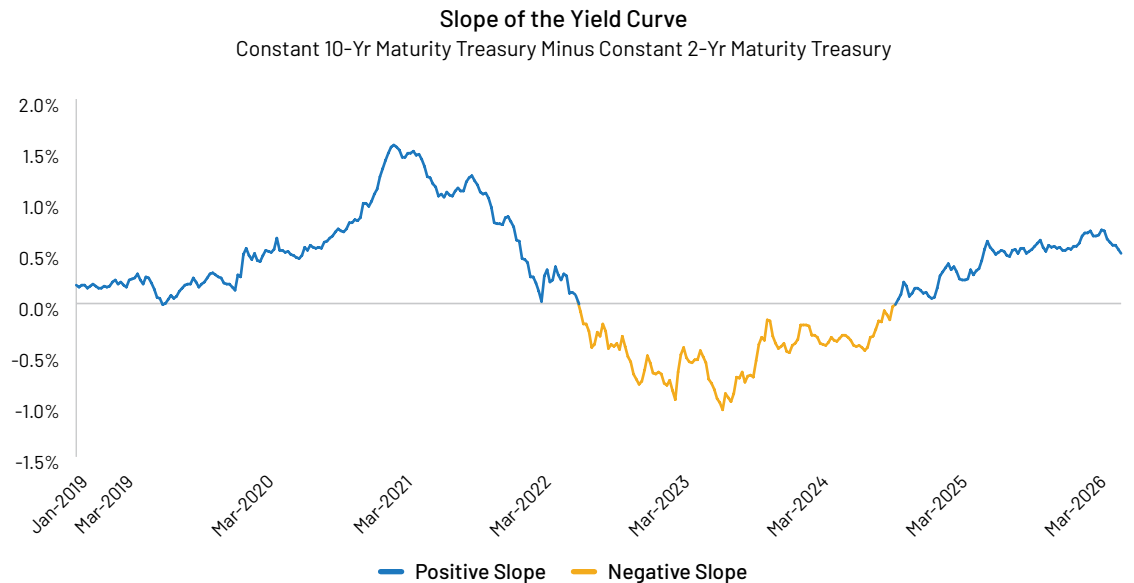
Fiscal Policy: A Source of Volatility

Fiscal risks remain a primary potential disruptor. The February government shutdown persists, and the absence of a longer-term budget framework has intensified debt-sustainability concerns. Prolonged gridlock could heighten funding pressures, particularly if inflation spikes higher. The Treasury’s borrowing needs and investor demand for longer-dated securities will be critical to watch over the coming months.

Market Dynamics: Yield Curve and Flows

We continue to expect the yield curve to steepen further during this economic cycle. This could occur through lower front-end yields, higher long-end yields, or both. We do not anticipate significant parallel shifts in the yield curve this year. Although the roll-down opportunity has narrowed amid these range-bound rates, any Fed easing later this year would likely support a “bull steepening” trend. In the meantime, we favor overweight exposure in the curve’s belly (three-to-seven-year maturities) where investors are compensated for moderate duration risk and lower inflation expectations.

Investor demand for fixed income remains strong. While inflows have recently moderated from 2025’s pace, structural appetite for yield and diversification continues to underpin the asset class.



Source: Federal Reserve Economic Data-FRED, 10-Year Treasury constant maturity minus the 2-Year Treasury constant maturity yield, percent, weekly, not seasonally adjusted. 1/23/2019 - 3/25/2026

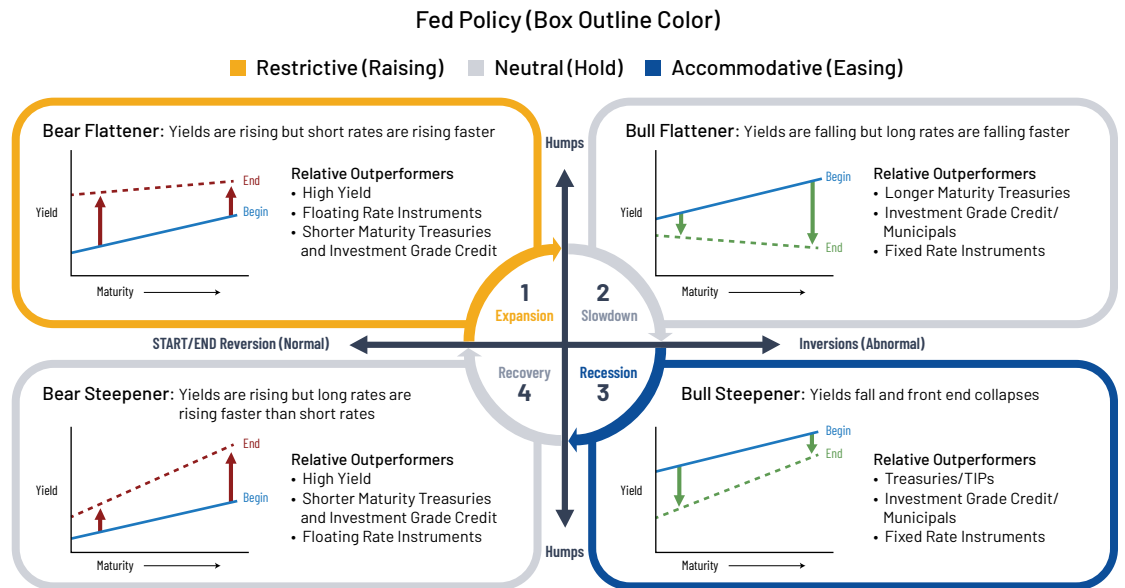
Positioning Themes

Duration Positioning: Modestly Positive

Extending duration selectively should continue to reward investors in a maturing, yield curve normalization cycle. The historical average spread between 2-year and 10-year Treasuries (roughly 85 basis points (bps) since 1976) provides a reference point as normalization progresses. We believe markets are nearing the later stages of the current cycle, offering chances to realign duration and curve exposures.

Credit Positioning: Defense Due to Growing Dispersion

Credit spreads remain tight by historical standards, reflecting resilient balance sheets and solid earnings. Yet fundamentals are increasingly divergent. Companies that issued heavily in the post-COVID-19 pandemic years now face refinancing challenges such as tightened lending covenants, and investors are demanding higher new-issue concessions amidst a large supply calendar (e.g. the AI infrastructure space). Consumer credit stress, particularly in autos and student loans, is also rising. This widening dispersion underscores the need for more rigorous credit differentiation and avoidance of over-leveraged issuers.



Source: SS&C ALPS Advisors Proprietary Research For Illustrative Purposes Only

Recommendations: Fertile Ground for Active Management

Changing expectations around rates and credit strength, together with uncertain policy implementation, typically results in more volatility, presenting a favorable landscape for active strategies this year.

Key Recommendations

- **Extend duration selectively** and position along the 3–10-year portion of the curve in high quality sectors (or Funds that target these exposures).
- **Prioritize quality** as the risk/reward for lower-rated credits (B- and below) is less attractive. Sectors such as quality financials, consumer staples, and health care remain defensive opportunities.
- **Stay active and diversified** by incorporating agency mortgage-backed securities (MBS), commercial mortgage-backed securities (CMBS), REITs and municipal bonds (in taxable accounts) for higher quality income diversification.

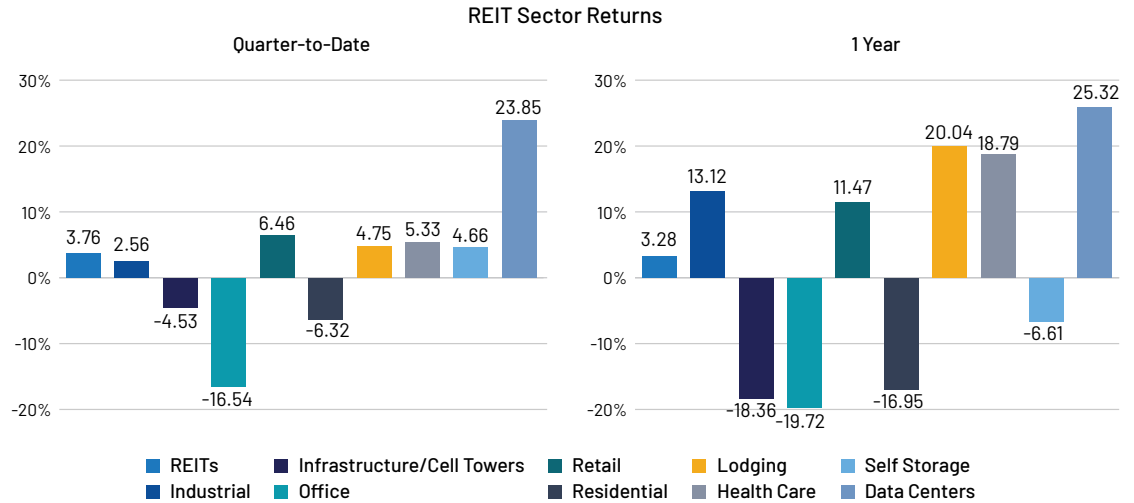
Overall, 2026 favors nimble, actively managed fixed income solutions where disciplined credit selection and yield curve positioning can turn volatility into alpha.

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Real Estate Summary

Q1 2026 Review

After posting 10%+ returns through February, REITs turned sharply negative but ended the quarter up slightly at 3.76%. REIT returns across sectors were generally positive in Q1, with data centers up sharply (23.85%). REIT fundamentals continue to improve, but public REITs continued to trade at sizeable discounts to private market estimates of net asset value (NAV) with a significant wide dispersion of returns across sectors.



Source: Bloomberg, quarter-to-date total returns 1/1/2026 - 3/31/2026; 1 year total returns 4/1/2025 - 3/31/2026

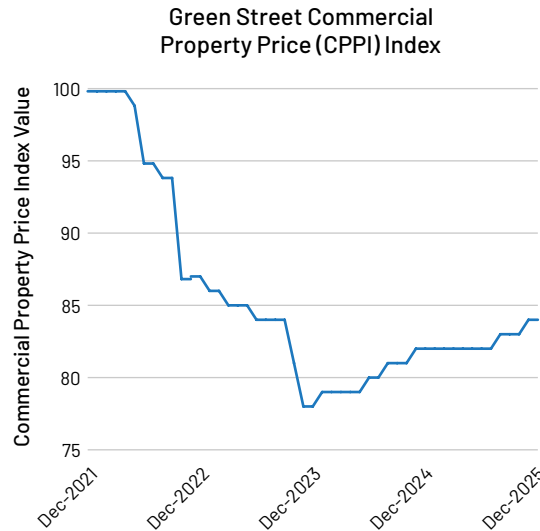
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REITs are represented by the FTSE NAREIT All Equity REITs Index; Industrial by the FTSE NAREIT Equity Industrial Index; Infrastructure/Cell Towers by the FTSE NAREIT Infrastructure REITs Index; Office by the FTSE NAREIT Equity Office Index; Retail by the FTSE NAREIT Equity Retail Index; Residential by the FTSE NAREIT Equity Residential Index; Lodging by the FTSE NAREIT Equity Lodging/Resorts Index; Health Care by the FTSE NAREIT Equity Health Care Index; Self Storage by the FTSE NAREIT Equity Self Storage Index; and Data Centers by the FTSE NAREIT Equity Data Centers Index.

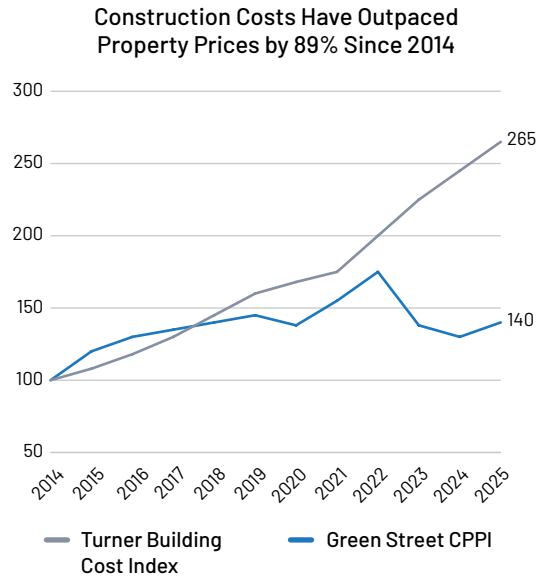
Sector	Q1 Conditions and Catalysts
Industrial	Demand remains solid; construction and supply are slowing and expected to peak in late 2026; rent growth varies by market but is modestly positive overall.
Infrastructure/Cell Towers	Carrier demand remains steady, supported by long-term contracts and continued strength in digital infrastructure driven by rising network usage.
Office	Conditions remain weak overall, though newer, well-located buildings perform better; older buildings continue to face vacancies, leasing pressure, and higher operating costs. Office conversions to residential and other uses continue to face significant economic hurdles.
Retail	Performance is holding up well in grocery-anchored and open-air centers, with steady traffic and limited new supply; weaker malls remain under pressure.
Residential	The quarter is mixed; new apartment supply continues to pressure rents in some markets, though slower deliveries are expected to provide relief later in 2026.
Lodging	Performance is supported by continued travel demand, particularly in higher-end segments, but remains sensitive to broader economic conditions.
Health Care	The quarter is strong; aging demographics remain supportive, senior housing demand improving, and occupancy trends are generally positive.
Self Storage	Conditions remain stable, though excess supply continues to be a headwind; Public Storage’s planned acquisition of National Storage Affiliates is the major event of the quarter.

Q2 2026 Outlook

Real estate continues its recovery and appears to be in a new growth cycle. Commercial property values, as illustrated by the Green Street Commercial Property Price Index (CPPI), appear to be improving. On the supply side, constructions costs, as illustrated by the Turner Building Cost Index, have risen much faster than property values, which can limit supply over longer periods and provide favorable backdrop for real estate values, rent appreciation, and improving net operating income (NOI).



Source: Green Street, 12/31/2021 - 12/31/2025



Source: Green Street, 12/31/2014 - 12/31/2025

On an earnings yield basis, listed REITs continue to trade at historic discounts, with only the Global Financial Crisis period posting lower valuations.

We continue to highlight the unique characteristics of real estate and real asset allocations:

- **Provides favorable HALO:** Hard (or heavy) asset, low obsolescence.
- **Reliable income:** Predictable rental cash flows that can exceed both bond yields and dividend stocks.
- **Secular growth:** Long-term capital appreciation driven by population trends, urbanization, and structural demand shifts (especially data centers, logistics, and housing shortages).
- **Inflation protection:** Rents and property values typically rise with (or ahead of) inflation, particularly in leases with CPI escalators or periodic market resets.

Based on a constructive supply pipeline, improving balance sheets and earnings, and the potential inflation impacts from higher energy costs, we update our outlook to **Favorable** for REITs and real estate.

Sector	Q2 2026 Outlook
Industrial	Rent growth remains positive but continues to slow as new supply is absorbed.
Infrastructure/Cell Towers	Performance stays steady, supported by network upgrades, 5G activity, and rising data usage.
Office	Recovery remains slow; newer, well-located buildings hold up better while older offices remain challenged.
Retail	Conditions remain mostly stable; necessity-based centers stay resilient while malls continue to lag.
Residential	Improvement is likely as deliveries slow and supply pressure eases.
Lodging	Performance remains generally steady if travel demand holds, though sensitivity to consumer spending persists.

Sector	Q2 2026 Outlook
Health Care	Demographic support continues, with senior housing benefiting from improving occupancy.
Self Storage	Conditions turn more constructive as supply growth slows; the Public Storage and National Storage Affiliates merger may support better pricing discipline.
Data Centers	The sector remains well positioned, with demand supported by ongoing growth in AI, cloud, and digital infrastructure.

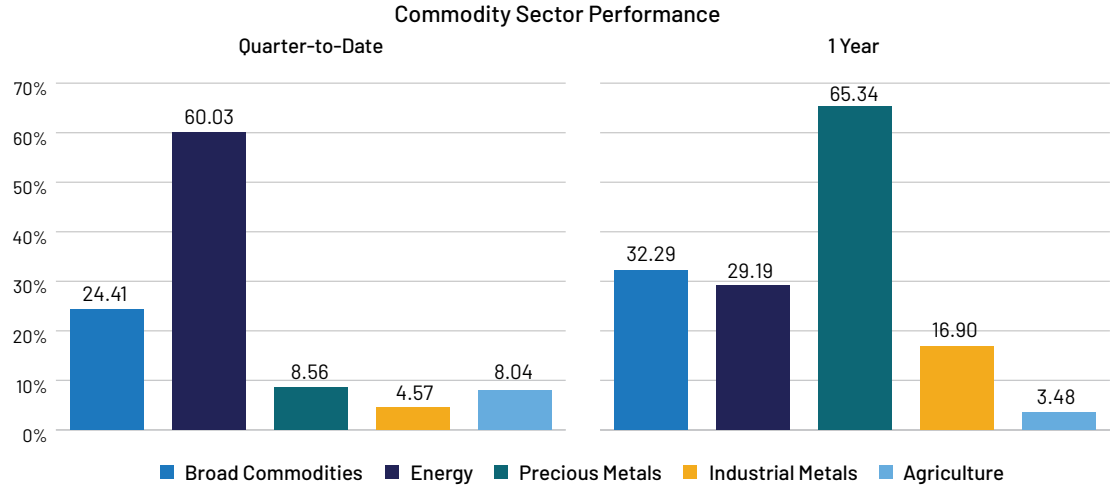
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Commodities Summary

Q1 2026 Review

Commodities surged +24.41% in Q1 2026, driven by energy’s blowout performance as geopolitical tensions were the dominant force amid a choppy macro backdrop. Energy (60.03%) was the massive outperformer and drove most of the index gain; the Iran conflict and Middle East risks layered a hefty risk premium onto oil prices, overriding what was an ample global supply at the start of the quarter.

Precious metals (8.56%) were up as gold benefitted from conflict, uncertainty, and volatility, though higher real rates restrained bigger moves. Industrial metals (4.57%) benefitted from supply disruptions and infrastructure demand, but China weakness and steady rates capped upside. Agriculture (8.04%) was a solid contributor relative to weighting; supply pressured grains/softs, weather disruptions and export demand provided some lift.



Source: Bloomberg, quarter-to-date total returns 1/1/2026 - 3/31/2026; 1 year total returns 4/1/2025 - 3/31/2026

Past performance is no guarantee of future results. One may not invest directly in an index.

Broad Commodities are represented by the Bloomberg Commodity Index; Energy by the Bloomberg Energy Subindex; Precious Metals by the Bloomberg Precious Metals Subindex; Industrial Metals by the Bloomberg Industrial Metals Subindex; and Agriculture by the Bloomberg Agriculture Subindex.

Category	Q1 Conditions and Catalysts
Energy	<ul style="list-style-type: none"> Crude oil (30% energy weighting): Prices surge more than 50% as Iran/Middle East tensions add a persistent geopolitical risk premium, overriding earlier concerns around ample global supply. Natural gas: Performance remains muted, with low single-digit gains; colder European weather tightens balances, while abundant US storage caps Henry Hub prices. Key driver: Geopolitics outweigh fundamentals, with energy’s heavy weighting driving overall performance.
Precious Metals	<ul style="list-style-type: none"> Gold (70% metals weighting): Gains remain modest, supported by safe-haven demand tied to Iran-related tensions, though higher real rates and a stronger dollar limit upside to low single digits. Silver: Performance ranges from flat to slightly negative; industrial demand from solar and electronics provides a partial offset to weaker correlation with gold. Key driver: Geopolitical uncertainty outweighs macro factors, with conflict risk eclipsing rate and inflation dynamics.
Industrial Metals	<ul style="list-style-type: none"> Copper (40% metals weighting): Prices post modest gains as supply disruptions (mine strikes, concentrate shortages) offset soft Chinese demand and steady rates. Aluminum: Prices are flat to slightly up; elevated energy costs and smelter curtailments provide support, while ample secondary supply caps upside. Key driver: China demand shapes the muted tone, while geopolitical attention remains focused on energy markets.

Category	Q1 Conditions and Catalysts
Agriculture	<ul style="list-style-type: none"> • Corn (30% agriculture weighting): The largest contributor, as weather risks in the Western Hemisphere and strong export demand offset ample global supply. • Soybeans (25% weighting): Prices find solid support from Chinese buying interest and South American weather concerns, despite a large Brazilian crop. • Wheat (20% weighting): Performance is mixed; geopolitical tensions provide a floor, but strong global yields limit gains. • Livestock (lean hogs/cattle ~15%): Gains remain muted, as steady demand is balanced by ongoing supply growth. • Key driver: Supply fundamentals—especially weather and export flows—outweigh geopolitics, with agriculture a solid performer relative to metals.

Q2 2026 Outlook

Our outlook is dominated by the Iran conflict and the economic impacts of higher energy costs (\$100+ barrel of oil (bbl)), inflation impact, and potential demand destruction.

- **Supply risks persist:** Iran conflict sustains energy premium; industrial metals tight from mine underinvestment.
- **Fiscal dominance tailwind:** \$39T debt + \$9–10T rollover/\$1.9T deficit; term premium pressures erode real yields which favors real assets, primarily precious metals and indirect energy/industrial metals benefits.
- **Geopolitical volatility:** Iran/Middle East maintains volatile energy, while precious metals can provide potential safe haven.
- **China wildcard:** Industrial metals hinge on continued spending, with no China catalyst, potential muted industrial metals upside.
- **Weaker dollar tailwind:** Expectations for weaker dollar are generally bullish for USD-priced commodities.

We continue to highlight the unique characteristics of commodity allocations:

- **Provides favorable HALO:** Hard (or heavy) asset, low obsolescence.
- **Inflation hedge:** Persistently elevated oil pushes energy/transport/input costs higher; sticky core inflation strengthens commodities role even as Fed delivers zero-to-one cut.

We update our outlook to **Favorable** for Commodities.

Sector	Q2 2026 Outlook and Beyond
Energy	<p>Outlook: Elevated and Volatile</p> <ul style="list-style-type: none"> • Crude oil: Prices remain elevated, with a persistent \$100+ bbl bias as the Iran-related geopolitical risk premium continues unless material de-escalation occurs. • Natural gas: Conditions stay supportive, driven by LNG demand and weather sensitivity in Europe. • Key risks: OPEC+ spare capacity helps buffer supply shocks, while recession risks and a stronger US dollar cap upside demand risks.
Precious Metals	<p>Outlook: Constructive</p> <ul style="list-style-type: none"> • Gold: Backdrop remains supportive amid fiscal dominance (approximately \$39T in US debt, \$9–10T in rollovers, and a ~\$1.9T deficit), rising term premium pressures, and expectations that the Fed stays restrictive. • Silver: Higher beta, with additional support from industrial demand alongside incremental safe-haven allocation. • Key drivers: Inflation expectations and real yields remain central, with US dollar strength acting as a moderating force.
Industrial Metals	<p>Outlook: Muted, China-Dependent</p> <ul style="list-style-type: none"> • Copper: Supply tightness from mine disruptions provides support, but a slowing Chinese economy limits upside; green energy demand (roughly 30% of global use) offers a steady underlying tailwind. • Aluminum: High energy costs constrain output while aviation and automotive demand remain stable. • Key drivers: China stimulus is critical; fiscal dominance plays a lesser role than in energy and precious metals, with a stronger US dollar remaining a headwind.

Sector	Q2 2026 Outlook and Beyond
Agriculture	Outlook: Steady, Weather- and Export-Driven <ul style="list-style-type: none"><li data-bbox="646 222 1546 275">• Corn/Soybeans: Fundamentals remain supported by South American weather risks and ongoing US/China export demand.<li data-bbox="646 279 1546 304">• Wheat: Conditions stay stable; Black Sea risks persist, but global inventories remain comfortable.<li data-bbox="646 308 1546 388">• Key drivers: Weather and export flows outweigh geopolitics; US farm bill uncertainty is secondary, while protein demand stays steady relative to supply and dollar strength remains a moderating factor.

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Private Markets Summary

Summary

Global dealmaking set records in 2025 as deal values surpassed \$5T, while private company valuations approached near historic lows vs. public valuations. Capital continued to rotate towards private credit and private infrastructure, as both set fundraising records in 2025. Additional clarity is emerging regarding alternatives in self-directed retirement accounts with the March 30, 2026, Department of Labor announcement regarding alternative assets in 401k plans.

As noted in our last quarterly outlook, concerns about the rapid growth of private credit, weaker underwriting standards, borrower-friendly covenants, rising opacity, and liquidity mismatches in retail fund structures have manifested in record redemption requests from wealth channel investors. Across a sample of larger private credit funds (total of \$133B assets under management (AUM)), total redemptions were \$13B during the first quarter, representing nearly 10% of AUM in redemption requests. Several of the larger evergreen private credit fund managers have gated redemptions over the past quarter, which has magnified negative sentiment and potentially amplified future period requests.

Concerns about private credit exposure from loans to software companies also came to light during the quarter. Several large private credit funds have significant (between 15%-35%) loan exposure to software companies, much of which originated at peak valuations. Rapid advances in generative AI are raising serious concerns about business model disruption, margin compression, and potential defaults, as many software firms face obsolescence risks and shrinking equity cushions that could lead to lower recoveries for lenders.

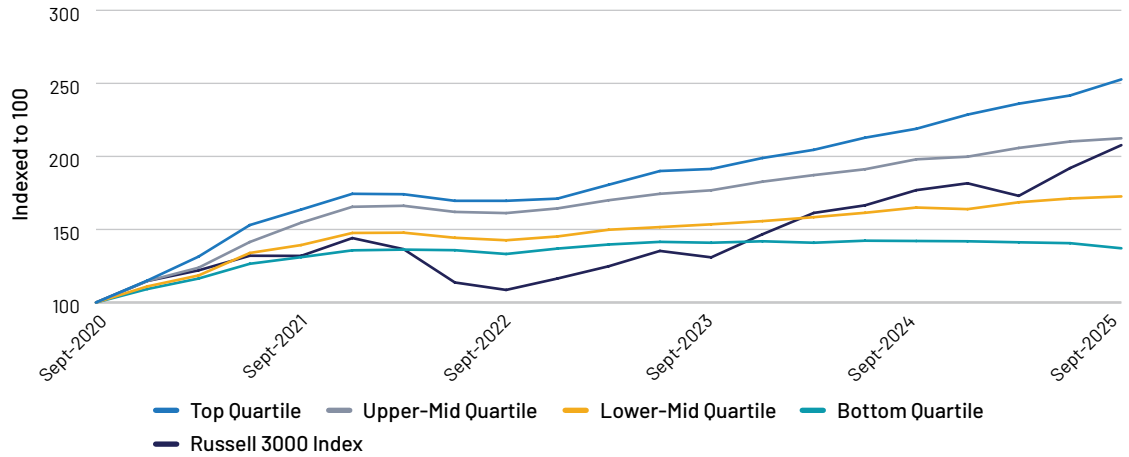
We also highlighted that, for both PE and VC, the percentage of unrealized gains and slower rate of monetization continues to be at record setting lows. With several large Initial Public Offerings (IPOs) expected in 2026 and increased deal activity, there is some optimism for improvements in the exit environment.

Sector	Current Conditions
IPO and Mergers & Acquisitions⁽²⁾	<ul style="list-style-type: none"> 2025 marked a record year for global M&A, with 50,810 deals totaling approximately \$5T, surpassing the prior peak set in 2021. Easing credit conditions reignited risk appetite in the second half, with both Q3 and Q4 setting new quarterly deal value records. IT emerged as the standout sector, approaching \$1T in deal value, led by AI infrastructure, data centers, and large PE take-private transactions. The US regulatory backdrop became more deal-friendly under the Trump administration, with approvals increasingly outpacing transaction blocks.
Valuations⁽²⁾	<ul style="list-style-type: none"> Public versus private valuation gaps remain wide: the S&P 500 trades at 14.4x Enterprise Multiple (EV/EBITDA) and 4.0x Enterprise Value-to-Revenue (EV/Revenue), compared with 10.1x and 1.7x, respectively, in the private M&A market—near historic extremes that could compress as investors pursue cheaper private entry points. Megadeals continue to drive headline valuations, potentially capping overall multiple expansion should appetite for large transactions moderate.
Fundraising⁽³⁾	<ul style="list-style-type: none"> Capital continues to rotate away from PE and VC toward infrastructure, secondaries, and private debt, all of which posted record or near-record fundraising in 2025. Evergreen funds gained momentum, with \$81B in net AUM growth and more than 100 new launches in 2025. PE fundraising fell to its weakest level since 2020, while secondaries set records in both fundraising (~\$120B) and transaction volume (\$200B+), driven by limited partner (LP) liquidity needs and general partner (GP) continuation vehicles. Capital is consolidating rapidly among larger, established managers, leaving emerging managers and fund-of-funds at multi-year or all-time lows.
Regulatory	<ul style="list-style-type: none"> 3/30/2026: Department of Labor announcement regarding the inclusion of alternative assets in 401(k) plans. 1/20/2026: President Trump signed an Executive Order “Stopping Wall Street from Competing with Main Street Homebuyers,” potentially restricting large institutional investors’ participation in the single-family housing market. Health care: State lawmakers continue to scrutinize PE ownership, with 34 restrictive bills introduced across multiple states in January–February 2026.

Performance Review

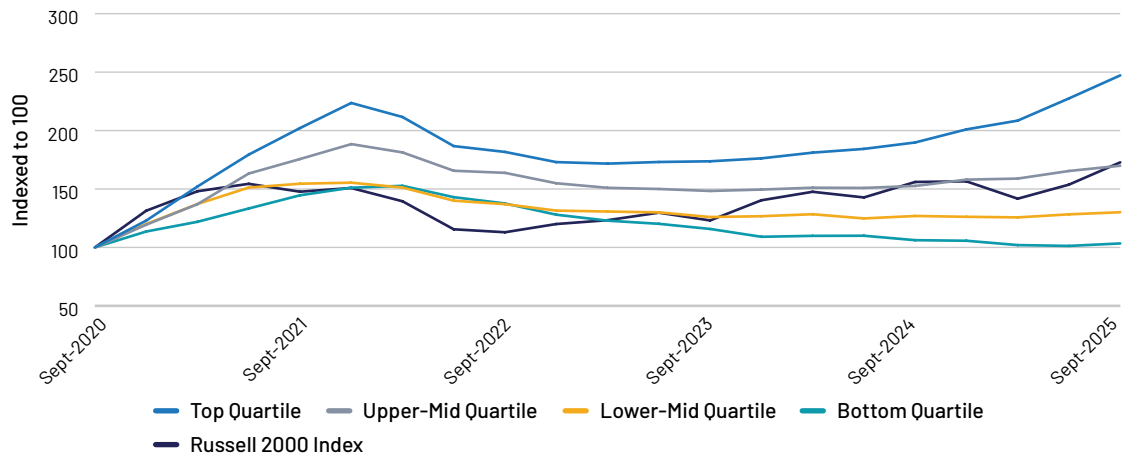
Private markets continue to exhibit high dispersion of returns across each of the major asset categories.

Private Equity Quartile Performance vs Public Markets



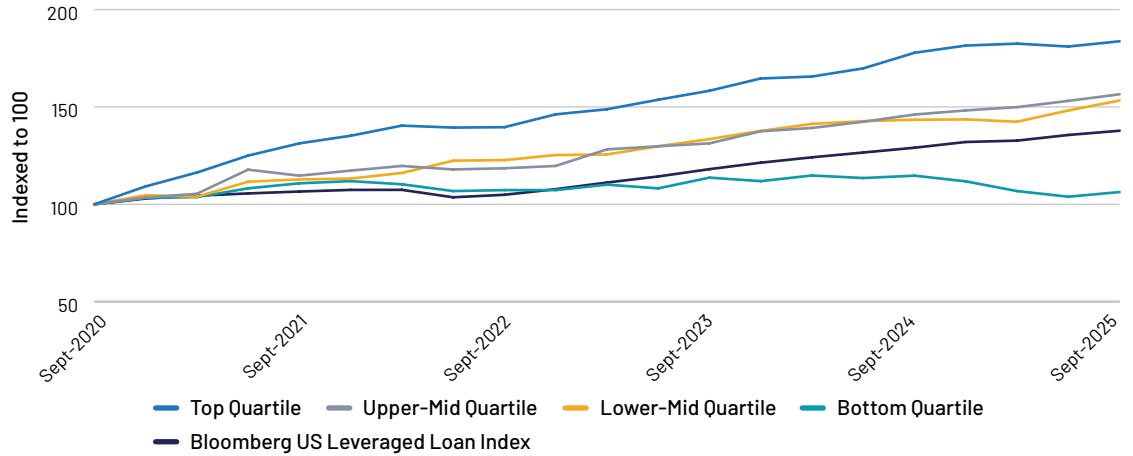
Sources: Pitchbook Private Equity Index, Morningstar, as of 9/30/2025. Latest information available.
Past performance is no guarantee of future results. One may not invest directly in an index.

Venture Capital Quartile Performance vs Public Markets



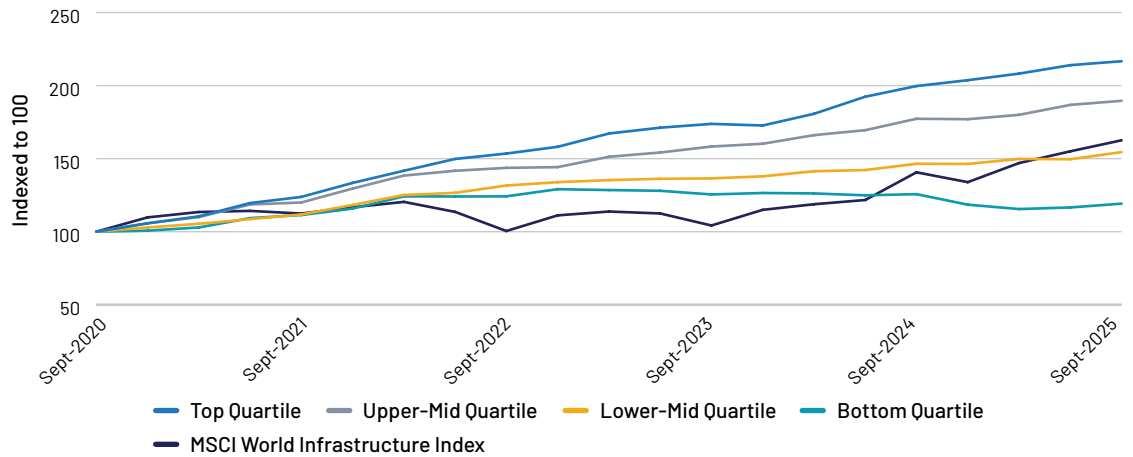
Sources: Pitchbook Venture Capital Index, Morningstar, as of 9/30/2025. Latest information available.
Past performance is no guarantee of future results. One may not invest directly in an index.

Private Credit Quartile Performance vs Public Markets



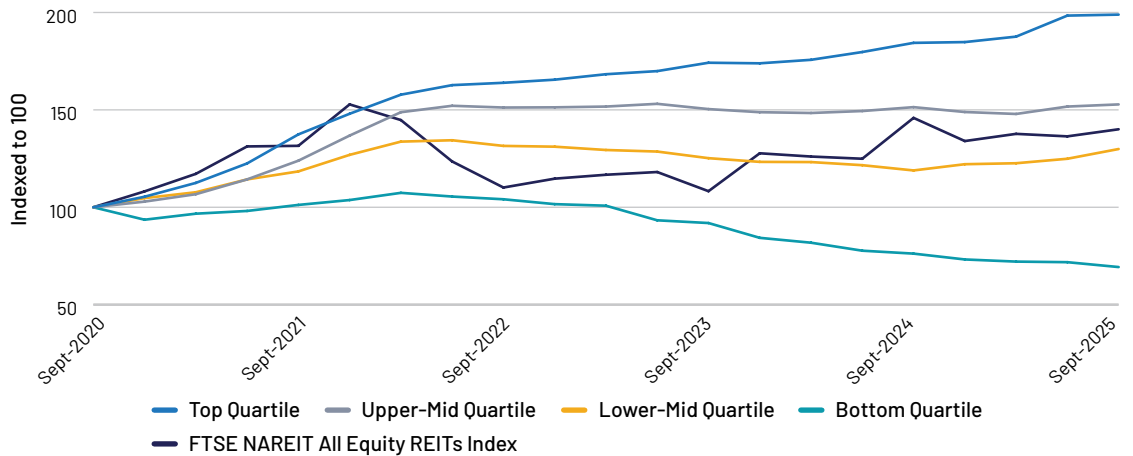
Sources: Pitchbook Private Debt Index, Morningstar, as of 9/30/2025. Latest information available.
Past performance is no guarantee of future results. One may not invest directly in an index.

Private Infrastructure/Real Assets Quartile Performance vs Public Markets



Sources: Pitchbook Private Real Assets Index, Morningstar, as of 9/30/2025. Latest information available.
Past performance is no guarantee of future results. One may not invest directly in an index.

Private Real Estate Quartile Performance vs Public Markets



Sources: Pitchbook Private Real Estate Index, Morningstar, as of 9/30/2025. Latest information available.
Past performance is no guarantee of future results. One may not invest directly in an index.

Outlook Q2 2026

Category	Positive Factors	Negative Factors and Risks	Outlook
Private Equity	<ul style="list-style-type: none"> • Most LPs and GPs expect PE exit opportunities to improve over the next six months. • Global PE investment rose to a four-year high of \$2.1T in 2025, up from \$1.8T in 2024. • Corporate buyers played an active role, driving a surge in corporate-led PE exits throughout 2025. • Continuation fund activity hit a record \$80.1B in 2025, offering a bridge for investors as traditional exit markets remain constrained. 	<ul style="list-style-type: none"> • PE inventories remain elevated, with nearly 12,900 companies outstanding and roughly 30% held for seven years or more; exit activity remains well below historical norms for comparable cohorts. • Unrealized gains and monetization rates fell to record lows across both PE and VC in 2025. • Rapid AI adoption presents a double-edged sword, offering efficiency gains while potentially disrupting existing PE-backed business models. • Deal volume declined for a second straight year, falling from 20,836 deals in 2024 to 19,093 in 2025, reflecting a shift toward fewer, larger transactions. 	Neutral
Venture Capital	<ul style="list-style-type: none"> • The IPO window is gradually reopening, with a favorable outlook projecting ~68 listings in 2026, up roughly 45% from 2025. • Several potential mega-IPOs are lining up for 2026, including names such as SpaceX and Anthropic. • A robust secondary market continues to provide incremental liquidity, helping offset slower traditional exits. • Fundraising appears to have bottomed, supported by improving liquidity expectations and gradually stabilizing investor sentiment. 	<ul style="list-style-type: none"> • Large IPOs are unlikely to resolve the broader exit backlog, leaving structural challenges for LP value creation. • Unrealized gains and monetization rates fell to record lows in 2025 across both PE and VC. • Cumulative net LP cash flows have been negative by ~\$169B since 2022, keeping overall LP sentiment weak. • Only 33% of 2021 first-time managers have raised a second fund, underscoring stress in the emerging manager ecosystem. • Late-stage valuations are heavily supported by AI exposure, increasing markdown risk if public-market AI multiples compress. • Nearly half of all unicorns have been held for nine years or more with no clear exit path, reinforcing a structural liquidity overhang. • Geographic and capital concentration continues to intensify, with nearly 70% of funds based in just four markets. 	Unfavorable to Neutral
Private Credit	<ul style="list-style-type: none"> • Income remains attractive, with fundamentals generally holding up across most private credit sectors and strategies. • Institutional capital has been relatively steady, with selective new inflows concentrated in secured and non-direct lending strategies. • Asset-backed finance is the fastest-growing segment, benefiting from its secured structure and ongoing retrenchment by commercial banks. • Refinancing and new deal activity remain robust, supported by tighter underwriting standards than those used a few years ago. • Performance dispersion is widening, favoring niche and higher-quality managers with disciplined underwriting and strong direct origination capabilities. 	<ul style="list-style-type: none"> • Retail and wealth channel outflows are creating liquidity pressure, driving NAV stress across Business Development Company (BDCs), interval funds, and tender-offer vehicles. • Several prominent managers have “gated” funds, reinforcing negative sentiment as default rates rise. • Software and technology remain the largest sector exposure in many direct lending portfolios, introducing heightened AI-related disruption risk. • Mark-to-market risk persists, particularly for unsecured loans and pandemic-era vintages that may not fully reflect current conditions. • “Higher-for-longer” short-term rates, combined with rising payment-in-kind (PIK) usage and an increase in secondary fund launches, are emerging as negative credit signals. 	Direct Lending Unfavorable Asset-Backed Finance Neutral to Favorable Infrastructure/Real Estate Favorable

Category	Positive Factors	Negative Factors and Risks	Outlook
Private Infrastructure	<ul style="list-style-type: none"> • Top-performing private asset class, supported by durable cash flows and inflation-linked characteristics. • HALO attributes—hard assets with long useful lives and limited obsolescence—support long-term value. • Strong secular demand for projects, alongside robust fundraising and sustained investor interest. • AI-driven data center demand is a powerful structural tailwind, with global data center electricity consumption expected to more than double to ~945 terawatt-hour (TWh) by 2030, directly supporting infrastructure and energy investment. • Energy security has emerged as a fourth structural pillar, alongside decarbonization, digitalization, and deglobalization. • Dry powder in real assets partially rebounded in 2025, increasing by \$22.8B through Q1 after a \$60.3B decline the prior year. 	<ul style="list-style-type: none"> • US infrastructure faces rising execution risk, as permitting delays, federal funding uncertainty, tariff-driven supply chain disruptions, and transformer and semiconductor bottlenecks drive delays and cost overruns already evident in early returns. • Digital infrastructure is constrained by power and grid limitations, while major European hubs—including Dublin, Amsterdam, and Frankfurt—have imposed multi-year construction moratoriums, limiting supply amid strong demand. • Critical minerals face heightened geopolitical and tariff risk, with rare earths, copper, and lithium supply chains increasingly exposed to US-China tensions, creating project-level risks that can overwhelm otherwise strong long-term fundamentals. 	Favorable
Private Real Estate	<ul style="list-style-type: none"> • HALO attributes—hard assets with limited obsolescence—continue to support long-term value. • Valuations remain attractive, supported by constrained supply and resilient income growth. • Buying sentiment is at a cyclical high, with the 2026 buy rating of 3.74 marking the strongest reading in the <i>Emerging Trends Barometer</i> in 20 years. • Transaction volumes have rebounded broadly across nearly all property sectors, with banks, insurers, and alternative lenders active again. • Structural housing themes remain powerful, as the US faces an estimated four-million-home shortfall by 2029, sustaining demand for multifamily, build-to-rent, and senior housing. 	<ul style="list-style-type: none"> • AI adoption is increasingly impacting labor markets, with estimated white-collar job losses ranging from 50,000 to 4 million over the past 18 months, creating headwinds for office and select urban multifamily demand. • Return dispersion has widened sharply across sectors, regions, and strategies, making broad market exposure insufficient for allocators. • The traditional tailwind of falling cap rates is fading; the next cycle is likely to be driven by execution, asset selection, and capital structure discipline rather than multiple expansion. 	Favorable

Sources: Pitchbook, Bloomberg, S&P Capital IQ, Prequin, NAREIT

Endnotes

⁽¹⁾ ISM data for March 2026, released on April 1, 2026, showed that Prices Paid increased, while New Orders declined compared to February 2026.

⁽²⁾ Pitchbook. (2025, December 31). 2025 Annual Global M&A Report.

⁽³⁾ Pitchbook. (2025, December 31). Q4 2025 Global Private Market Fundraising Report.

Definitions

Alpha: a measure of performance on a risk-adjusted basis; often considered the active return on an investment, the ratio gauges the performance of an investment against a market index used as a benchmark.

Basis Point (bps): a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

Beta: a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market or a benchmark. The beta of the market or benchmark is 1.00 by definition. An investment with a beta above 1 is more volatile than the overall market, while an investment with a beta below 1 is less volatile.

Bloomberg Agriculture Subindex (BCOMAGTR Index): formerly known as the Dow Jones-UBS Agriculture Subindex (DJUBAGTR), the index is a commodity group subindex of the Bloomberg CTR. The index is composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar and wheat. It reflects the return on fully collateralized futures positions and is quoted in USD.

Bloomberg Commodity Index: an unmanaged index used as a measurement of change in commodity market conditions based on the performance of a basket of different commodities.

Bloomberg Energy Subindex (BCOMENR Index): a commodity index composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

Bloomberg Industrial Metals Subindex (BCOMINTR Index): reflects the returns that are potentially available through an unleveraged investment in the futures contracts on industrial metal commodities.

Bloomberg Intermediate US High Yield 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. The intermediate duration segment of the index includes bonds with maturities of 1 to 10 years.

Bloomberg Municipal Index: serves as a benchmark for the US municipal bond market.

Bloomberg Precious Metals Subindex (BCOMPRT Index): reflects the returns that are potentially available through an unleveraged investment in the futures contracts on precious metals commodities. The index currently consists of two precious metals commodities futures contracts (gold and silver).

Bloomberg US Aggregate Bond Index: a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed-rate agency MBS, ABS and CMBS (agency and non-agency).

Bloomberg US Asset-Backed Securities Index: a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index only includes ABS securities.

Bloomberg US Corporate Bond Index: measures the investment grade, fixed-rate, taxable corporate bond market.

Bloomberg US Corporate High Yield Bond Index: measures the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg US Leveraged Loan Index: measures the performance of USD denominated, high-yield, floating-rate, institutional leveraged loan market.

Bloomberg US Treasury US TIPS Index: measures the performance of the US treasury inflation-linked bond market.

Bull Steepening: a term describing a scenario where the yield curve steepens because short-term interest rates fall faster than long-term interest rates.

Cash Flow: the net balance (inflows minus outflows) of cash moving into and out of a business at a specific point in time.

Consumer Price Index (CPI): a measure of the average change over time in the prices paid by urban consumers for a representative basket of consumer goods and services.

Core Inflation: a measure of the change in the costs of goods and services, excluding the costs of energy and food sectors.

Credit Quality: the risk of default, often in reference to a debt instrument.

Dow Jones Industrial Average: a stock market index of 30 prominent companies listed on stock exchanges in the United States. The DJIA is one of the oldest and most commonly followed equity indexes.

Dry Powder: the amount of committed, but unallocated capital a firm has on hand. In other words, it's an unspent cash reserve that's waiting to be invested.

Enterprise Multiple (EV/EBITDA): a ratio used to determine the value of a company by considering the company's debt. The enterprise multiple is the enterprise value (EV) (market capitalization + total debt - cash and cash equivalents) divided by EBITDA (earnings before interest, taxes, depreciation and amortization).

Enterprise Value-to-Revenue Multiple (EV/R): a stock valuation technique that compares a company's enterprise value to its revenue.

Federal Funds Rate: the target interest rate set by the Federal Open Market Committee (FOMC). This target is the rate at which the Fed suggests commercial banks borrow and lend their excess reserves to each other overnight.

FTSE NAREIT All Equity REITs Index: a free-float adjusted, market capitalization-weighted index of US 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.

FTSE NAREIT Equity Data Centers Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Data Center REITs in the parent index.

FTSE NAREIT Equity Health Care Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Health Care REITs in the parent index.

FTSE NAREIT Equity Industrial Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Industrial REITs in the parent index.

FTSE NAREIT Equity Lodging/Resorts Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Lodging/Resorts REITs in the parent index.

FTSE NAREIT Equity Office Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Office REITs in the parent index.

FTSE NAREIT Equity Residential REIT Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Equity Residential REITs in the parent index.

FTSE NAREIT Equity Retail Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Retail REITs in the parent index.

FTSE NAREIT Equity Self Storage Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Self Storage REITs in the parent index.

FTSE NAREIT Infrastructure REITs Index: a subsector index of the FTSE NAREIT US Real Estate Index containing all Infrastructure REITs in the parent index.

GDPNow: a forecasting model published by the Federal Reserve Bank of Atlanta that provides a "nowcast" of the official GDP estimate prior to its release by estimating GDP growth using a methodology similar to the one used by the US Bureau of Economic Analysis.

Green Street Commercial Property Price Index (CPPI): a time series of unleveraged US commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

Headline Inflation: the raw inflation figure reported through the Consumer Price Index (CPI) that is released monthly by the Bureau of Labor Statistics which is derived from the cost to purchase a fixed basket of goods.

Headwind: an external factor that negatively impacts a company, industry or the economy, resisting growth and hindering performance.

Henry Hub: a natural gas pipeline in Erath, Louisiana, serving as the official delivery spot for NYMEX futures contracts. Owned by Sabine Pipe Line LLC and located in Erath, Louisiana, the hub accesses major US gas markets. It connects to four intrastate and nine interstate pipelines, like the Transcontinental, Acadian, and Sabine pipelines.

High Yield: commonly referred to as "junk" or "junk bonds," fixed income securities rated below investment grade (below BBB). High yield bonds pay higher interest rates because they have lower credit ratings than investment grade bonds.

Hyperscalers: large-scale cloud service providers that manage massive, scalable data center infrastructures to provide computing, storage, and AI services.

Investment Grade (IG): a rating that signifies that a municipal or corporate bond presents a relatively low risk of default. To be considered an investment grade issue, the company must be rated at 'BBB' or higher by Standard and Poor's or Moody's. Anything below this 'BBB' rating is considered non-investment grade.

ISM Manufacturing PMI: measures the change in production levels across the US Economy from month to month.

ISM Services PMI: a composite index based on the diffusion indexes for four service economy indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Liquidity: the degree to which an asset or security can be bought or sold in the market without affecting the asset's price.

M2 Money Supply: a measure of the money supply that includes cash, checking deposits and easily-convertible near money.

Mortgage-Backed Securities (MBS): bonds secured by home and other real estate loans. They are created when a number of these loans, usually with similar characteristics, are pooled together.

MSCI World Infrastructure Index: captures the global opportunity set of companies that are owners or operators of infrastructure assets.

Municipal Bond: a debt security issued by a state, municipality, or county to finance its capital expenditures, including the construction of highways, bridges, or schools. They can be thought of as loans that investors make to local governments. Municipal bonds are often exempt from federal taxes and most state and local taxes (for residents), making them especially attractive to people in higher income tax brackets.

NASDAQ 100 Index: one of the world's preeminent large-cap growth indexes. It includes 100 of the largest domestic and international non-financial companies listed on the Nasdaq Stock Market based on market capitalization.

Nonfarm Payroll (NFP) Industry Diffusion Index: the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.

Payment-in-Kind (PIK): noncash compensation, using goods or services, as payment instead of cash.

Pitchbook Private Debt Index: a quarterly return benchmark for private credit built from Pitchbook's cash flow and NAV data. The indexes provided are meant to be estimates of asset class performance, hypothetically creating a return if one had access to all active funds in the category on a capital-weighted basis. Constituent funds are bucketed into quartile rankings based on their fund categorization and vintage year. Quartiles are determined by Total Value Paid In (TVPI) as of the most recent available data.

Pitchbook Private Equity Index: a quarterly return benchmark for private equity built from Pitchbook's cash flow and NAV data. The indexes provided are meant to be estimates of asset class performance, hypothetically creating a return if one had access to all active funds in the category on a capital-weighted basis. Constituent funds are bucketed into quartile rankings based on their fund categorization and vintage year. Quartiles are determined by Total Value Paid In (TVPI) as of the most recent available data.

Pitchbook Private Real Assets Index: a quarterly return benchmark for private real assets/infrastructure built from Pitchbook's cash flow and NAV data. The indexes provided are meant to be estimates of asset class performance, hypothetically creating a return if one had access to all active funds in the category on a capital-weighted basis. Constituent funds are bucketed into quartile rankings based on their fund categorization and vintage year. Quartiles are determined by Total Value Paid In (TVPI) as of the most recent available data.

Pitchbook Private Real Estate Index: a quarterly return benchmark for private real estate built from Pitchbook's cash flow and NAV data. The indexes provided are meant to be estimates of asset class performance, hypothetically creating a return if one had access to all active funds in the category on a capital-weighted basis. Constituent funds are bucketed into quartile rankings based on their fund categorization and vintage year. Quartiles are determined by Total Value Paid In (TVPI) as of the most recent available data.

Pitchbook Venture Capital Index: a quarterly return benchmark for venture capital built from Pitchbook's cash flow and NAV data. The indexes provided are meant to be estimates of asset class performance, hypothetically creating a return if one had access to all active funds in the category on a capital-weighted basis. Constituent funds are bucketed into quartile rankings based on their fund categorization and vintage year. Quartiles are determined by Total Value Paid In (TVPI) as of the most recent available data.

Real Estate Investment Trust (REIT): companies that own or finance income-producing real estate across a range of property sectors. Listed REITs have characteristics of both the income potential of bonds and growth potential of stocks.

Russell 2000 Index: measures the performance of the small-cap segment of the US equity universe.

Russell 3000 Index: measures the performance of the largest 3,000 US companies representing approximately 97% of the investable US equity market.

Russell Microcap Index: measures the performance of the microcap segment of the US equity market.

S&P 500 Energy Sector Index: a capitalization-weighted index designed to replicate performance of the Energy Sector of the S&P 500.

S&P 500 Equal Weight Index: the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the index is allocated a fixed weight.

S&P 500 Ex-Energy Sector Index: designed to measure the broad US market, excluding members of the GICS Energy sector.

S&P 500 Index: widely regarded as the best single gauge of large-cap US equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Sticky Price Consumer Price Index (CPI): calculated from a subset of goods and services included in the CPI that change price relatively infrequently. Because these goods and services change price relatively infrequently, they are thought to incorporate expectations about future inflation to a greater degree than prices that change on a more frequent basis.

Tailwind: a certain situation or condition that may lead to higher profits, revenue or growth.

Turner Building Cost Index: determined by the following factors considered on a nationwide basis: labor rates and productivity, material prices, and the competitive condition of the marketplace.

Wage Growth Tracker: a measure of the nominal wage growth of individuals. It is published by the Federal Reserve Bank of Atlanta using microdata from the Current Population Survey (CPS), and is the median percent change in the hourly wage of individuals observed 12 months apart.

West Texas Intermediate (WTI): a light, sweet crude oil primarily sourced from Texas, known for its high quality and ease of refining. WTI serves as a key benchmark for oil pricing in North America.

Yield Curve: a graphical representation of the yields (y-axis) on debt instruments with different maturities (x-axis).

Z-Score: a numerical measurement that describes a value's relationship to the mean of a group of values, measured as standard deviations from the mean. If a Z-score is 0, it indicates that the data point's score is identical to the mean score. A Z-score of 1.0 would indicate a value that is one standard deviation from the mean.

One may not invest directly in an index.

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