

# Investment Performance Summary

As of 3/31/2026



| Individual Investment Options                 | YTD          | 1 Month      | 3 Months     | 1 Year       | 3 Years      | 5 Years      | 10 Years     |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Domestic Equity Pool TR</b>                | <b>-3.96</b> | <b>-4.96</b> | <b>-3.96</b> | <b>18.21</b> | <b>17.86</b> | <b>10.79</b> | <b>13.69</b> |
| Domestic Equity Benchmark                     | -3.96        | -4.96        | -3.96        | 18.21        | 17.86        | 10.78        | 13.68        |
| S&P 500 TR USD                                | -4.33        | -4.98        | -4.33        | 17.80        | 18.32        | 12.06        | 14.16        |
| <b>International Equity Pool TR</b>           | <b>1.95</b>  | <b>-8.74</b> | <b>1.95</b>  | <b>28.12</b> | <b>15.44</b> | <b>7.70</b>  | <b>8.84</b>  |
| International Equity Benchmark                | -0.43        | -10.92       | -0.43        | 25.95        | 14.67        | 7.12         | 8.48         |
| MSCI ACWI Ex USA NR USD                       | -0.71        | -10.79       | -0.71        | 24.91        | 14.49        | 7.02         | 8.38         |
| <b>Intermediate-Term Fixed Income Pool TR</b> | <b>-0.09</b> | <b>-1.83</b> | <b>-0.09</b> | <b>5.10</b>  | <b>4.27</b>  | <b>0.87</b>  | <b>2.13</b>  |
| Intermediate-Term Fixed Income Benchr         | -0.16        | -1.81        | -0.16        | 5.17         | 4.35         | 0.94         | 2.22         |
| <b>Short-Term Fixed Income Pool TR</b>        | <b>0.18</b>  | <b>-0.82</b> | <b>0.18</b>  | <b>4.52</b>  | <b>4.47</b>  | <b>1.71</b>  | <b>2.04</b>  |
| Short-Term Fixed Income Benchmark             | 0.20         | -0.82        | 0.20         | 4.57         | 4.55         | 1.80         | 2.15         |
| <b>Money Market Pool TR</b>                   | <b>0.80</b>  | <b>0.27</b>  | <b>0.80</b>  | <b>3.66</b>  | <b>4.28</b>  | <b>2.83</b>  | <b>1.80</b>  |
| USTREAS T-Bill Auction Ave 3 Mon              | 0.93         | 0.31         | 0.93         | 4.12         | 4.89         | 3.60         | 2.37         |

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more Investment Pools. Please refer to the quarterly Investment Performance Supplemental Report for benchmark definitions.

\*The Domestic Equity TR, the International Equity TR, the Domestic Equity Benchmark and the International Equity Benchmark have an inception date of 6/30/19; performance prior to that date is pro forma.

| Investment Mix Options              | YTD          | 1 Month      | 3 Months     | 1 Year       | 3 Years      | 5 Years     | 10 Years     |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|
| <b>Aggressive Mix TR</b>            | <b>-1.49</b> | <b>-5.04</b> | <b>-1.49</b> | <b>17.41</b> | <b>14.35</b> | <b>8.18</b> | <b>10.24</b> |
| Aggressive Mix Benchmark            | -2.05        | -5.58        | -2.05        | 16.95        | 14.21        | 8.07        | 10.19        |
| <b>Moderately Aggressive Mix TR</b> | <b>-1.15</b> | <b>-4.18</b> | <b>-1.15</b> | <b>14.42</b> | <b>12.14</b> | <b>6.82</b> | <b>8.43</b>  |
| Moderatly Aggressive Mix Benchmark  | -1.57        | -4.59        | -1.57        | 14.10        | 12.06        | 6.78        | 8.42         |
| <b>Moderate Mix TR</b>              | <b>-0.68</b> | <b>-3.16</b> | <b>-0.68</b> | <b>11.05</b> | <b>9.56</b>  | <b>5.18</b> | <b>6.31</b>  |
| Moderate Mix Benchmark              | -0.96        | -3.44        | -0.96        | 10.88        | 9.57         | 5.23        | 6.38         |
| <b>Conservative Mix TR</b>          | <b>-0.23</b> | <b>-2.02</b> | <b>-0.23</b> | <b>7.64</b>  | <b>6.93</b>  | <b>3.53</b> | <b>4.15</b>  |
| Conservative Mix Benchmark          | -0.36        | -2.14        | -0.36        | 7.65         | 7.06         | 3.70        | 4.31         |
| <b>Risk Averse Mix TR</b>           | <b>0.80</b>  | <b>0.27</b>  | <b>0.80</b>  | <b>3.66</b>  | <b>4.28</b>  | <b>2.83</b> | <b>1.80</b>  |
| USTREAS T-Bill Auction Ave 3 Mon    | 0.93         | 0.31         | 0.93         | 4.12         | 4.89         | 3.60        | 2.37         |

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which Greater Horizons rebalances.

Returns for periods greater than 1 year are compound annual returns. TR = Total Return

| Current Investment Mix Allocations | Domestic Equity Pool | Int'l Equity Pool | Inter-Term Fixed Income Pool | Short-Term Fixed Income Pool | Money Market Pool |
|------------------------------------|----------------------|-------------------|------------------------------|------------------------------|-------------------|
| Aggressive                         | 52%                  | 25%               | 12%                          | 8%                           | 3%                |
| Moderately Aggressive              | 41%                  | 19%               | 21%                          | 14%                          | 5%                |
| Moderate                           | 27%                  | 13%               | 30%                          | 20%                          | 10%               |
| Conservative                       | 14%                  | 6%                | 36%                          | 24%                          | 20%               |
| Risk Averse                        | 0%                   | 0%                | 0%                           | 0%                           | 100%              |

#### Estimated Investment Management Fees for the Investment Mix Options

|                       |       |
|-----------------------|-------|
| Aggressive            | 0.06% |
| Moderately Aggressive | 0.07% |
| Moderate              | 0.08% |
| Conservative          | 0.09% |
| Risk Averse           | 0.14% |

Performance is presented gross of Greater Horizons' administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

#### Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact Donor Services at support@greaterhorizons.org or 866.627.3440.

Contact Trey Corbett at corbett@greaterhorizons.org or 816.627.3419 for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

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# Domestic Equity Pool

As of 12/31/2025

## Trailing Returns

| Domestic Equity Pool & Benchmark | YTD          | Quarter     | 1 Year       | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|----------------------------------|--------------|-------------|--------------|--------------------|--------------------|---------------------|
| <b>Domestic Equity Pool TR</b>   | <b>17.14</b> | <b>2.43</b> | <b>17.14</b> | <b>22.25</b>       | <b>13.09</b>       | <b>14.26</b>        |
| Domestic Equity Benchmark        | 17.15        | 2.45        | 17.15        | 22.24              | 13.08              | 14.25               |
| S&P 500 TR USD                   | 17.88        | 2.66        | 17.88        | 23.01              | 14.42              | 14.82               |
| Russell 3000 TR USD              | 17.15        | 2.40        | 17.15        | 22.25              | 13.15              | 14.29               |

## Trailing Returns

| Equity Pool Holdings & Benchmarks              | YTD          | Quarter     | 1 Year       | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|--|--------------|-------------|--------------|--------------------|--------------------|---------------------|
| <b>Vanguard Instl Ttl Stk Mkt Idx InstlPIs</b> | <b>17.16</b> | <b>2.44</b> | <b>17.16</b> | <b>22.27</b>       | <b>13.10</b>       | <b>14.27</b>        |
| CRSP US Total Market TR USD                    | 17.15        | 2.45        | 17.15        | 22.24              | 13.08              | 14.25               |

## Purpose

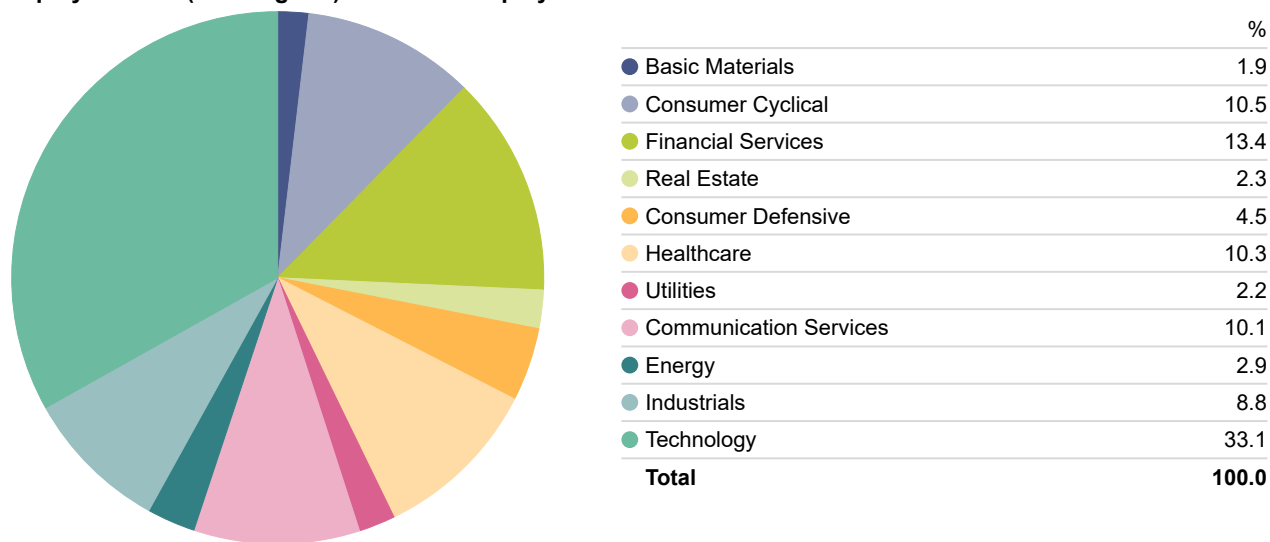
The purpose of the Domestic Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

## Top Holdings - Domestic Equity Pool

Portfolio Date: 12/31/2025

| Total Market Value: \$679,937,554       | Market Value (mil) | Portfolio Weighting % |
|---|--------------------|-----------------------|
| Vanguard Instl Ttl Stk Mkt Idx InstlPIs | \$ 679.9           | 100.0%                |

## Equity Sectors (Morningstar) - Domestic Equity Pool



## Top Stock Holdings

1. NVIDIA Corp
2. Apple Inc
3. Microsoft Corp
4. Amazon.com Inc
5. Alphabet Inc Class A
6. Broadcom Inc
7. Alphabet Inc Class C
8. Meta Platforms Inc Class A
9. Tesla Inc
10. Eli Lilly and Co

Trailing Twelve Month Dividend Yield: 1.30%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .03%

Equity Benchmark Current  
CRSP US Total Stock Market 100%

Source: Morningstar Direct

# International Equity Pool

As of 12/31/2025

## Trailing Returns

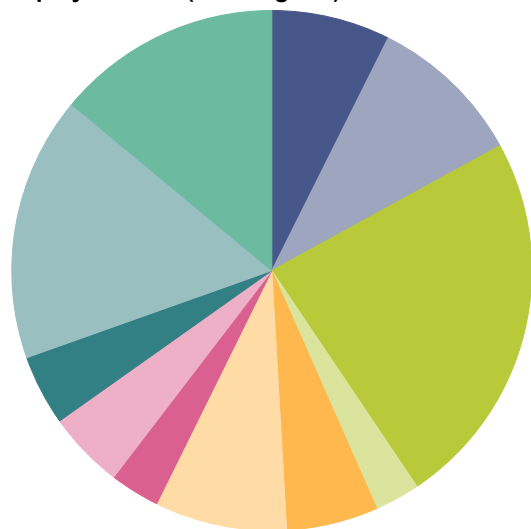
| Equity Pool & Benchmark             | YTD          | Quarter     | 1 Year       | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|-------------------------------------|--------------|-------------|--------------|--------------------|--------------------|---------------------|
| <b>International Equity Pool TR</b> | <b>33.04</b> | <b>4.85</b> | <b>33.04</b> | <b>17.22</b>       | <b>8.13</b>        | <b>8.57</b>         |
| International Equity Benchmark      | 32.88        | 5.20        | 32.88        | 17.23              | 8.02               | 8.46                |
| FTSE Global All Cap ex US TR USD    | 32.37        | 4.89        | 32.37        | 17.64              | 8.38               | 8.88                |

Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

## Trailing Returns

| International Equity Pool Holding & Benchmark | YTD          | Quarter     | 1 Year       | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|---|--------------|-------------|--------------|--------------------|--------------------|---------------------|
| <b>Vanguard Developed Markets Index Instl</b> | <b>35.16</b> | <b>5.68</b> | <b>35.16</b> | <b>17.94</b>       | <b>9.13</b>        | <b>8.73</b>         |
| FTSE Developed ex US All Cap NR USD           | 34.56        | 6.06        | 34.56        | 17.77              | 8.92               | 8.52                |
| <b>Vanguard Emerging Mkts Stock Idx Instl</b> | <b>24.79</b> | <b>1.38</b> | <b>24.79</b> | <b>14.80</b>       | <b>4.67</b>        | <b>8.14</b>         |
| FTSE Emerging NR USD                          | 26.01        | 1.80        | 26.01        | 15.43              | 4.89               | 8.56                |

## Equity Sectors (Morningstar) - International Equity Pool



|                        | %            |
|------------------------|--------------|
| Basic Materials        | 7.4          |
| Consumer Cyclical      | 9.6          |
| Financial Services     | 23.6         |
| Real Estate            | 2.8          |
| Consumer Defensive     | 5.7          |
| Healthcare             | 8.2          |
| Utilities              | 3.1          |
| Communication Services | 4.8          |
| Energy                 | 4.4          |
| Industrials            | 16.5         |
| Technology             | 14.0         |
| <b>Total</b>           | <b>100.0</b> |

| International Equity Benchmark | Current |
|--------------------------------|---------|
| FTSE Developed ex US All Cap   | 80%     |
| FTSE Emerging Markets          | 20%     |

Source: Morningstar Direct

## Purpose

The purpose of the International Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the International Equity Pool is to obtain broad international equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

## Top Holdings - International Equity Pool

Portfolio Date: 12/31/2025

| Total Market Value: \$280,606,259        | Market Value (mil) | Portfolio Weighting % |
|--|--------------------|-----------------------|
| Vanguard Developed Markets Index Ins Pls | \$ 224.1           | 80%                   |
| Vanguard Emerging Mkts Stock Idx Instl   | \$ 56.5            | 20%                   |

## Top Stock Holdings

1. Taiwan Semiconductor Manufacturing Co Ltd
2. ASML Holdings NV
3. Samsung Electronics Co Ltd
4. Tencent Holdings Ltd
5. Roche Holdings AG
6. AstraZeneca PLC
7. HSBC Holdings PLC
8. Novartis AG Registered Shares
9. Nestle SA
10. SAP SE

Trailing Twelve Month Dividend Yield: 2.93%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .05%

# Intermediate-Term Fixed Income Pool

As of 12/31/2025

## Trailing Returns

| Int-Term Fix. Inc. Pool & Blended Benchmark   | Year To Date | Quarter     | 1 Year      | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|---|--------------|-------------|-------------|--------------------|--------------------|---------------------|
| <b>Intermediate-Term Fixed Income Pool TR</b> | <b>8.40</b>  | <b>1.19</b> | <b>8.40</b> | <b>5.44</b>        | <b>0.26</b>        | <b>2.49</b>         |
| Intermediate-Term Fixed Income Benchmark      | 8.58         | 1.30        | 8.58        | 5.50               | 0.35               | 2.58                |

## Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgage-backed securities, and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays US Aggregate Bond index.

## Trailing Returns

| Short-Term Fix. Inc. Pool Holdings & Benchmarks | Year to Date | Quarter     | 1 Year      | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|---|--------------|-------------|-------------|--------------------|--------------------|---------------------|
| <b>Vanguard Interm-Term Bond Index I</b>        | <b>8.58</b>  | <b>1.14</b> | <b>8.58</b> | <b>5.36</b>        | <b>-0.18</b>       | <b>2.49</b>         |
| Bloomberg US 5-10 GovCredit FIAdj TR USD        | 8.76         | 1.23        | 8.76        | 5.36               | -0.15              | 2.55                |
| <b>Vanguard Mortgage-Backed Secs Idx Instl</b>  | <b>8.44</b>  | <b>1.57</b> | <b>8.44</b> | <b>4.92</b>        | <b>0.16</b>        | <b>1.53</b>         |
| Bloomberg US MBS TR USD                         | 8.58         | 1.71        | 8.58        | 4.90               | 0.15               | 1.59                |
| <b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b> | <b>6.06</b>  | <b>0.39</b> | <b>6.06</b> | <b>5.14</b>        | <b>3.54</b>        | <b>3.16</b>         |
| Bloomberg US TIPS 0-5 Year TR USD               | 6.07         | 0.39        | 6.07        | 5.11               | 3.54               | 3.18                |
| <b>State Street® SPDR® Port Hi Yld Bd ETF</b>   | <b>8.52</b>  | <b>1.33</b> | <b>8.52</b> | <b>10.09</b>       | <b>4.73</b>        | <b>5.68</b>         |
| ICE BofA US High Yield TR USD                   | 8.50         | 1.35        | 8.50        | 10.03              | 4.50               | 6.45                |

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2025

|  | Market Value (mil) | Portfolio Weight % |
|--|--------------------|--------------------|
| Total Market Value: \$289,474,513        |                    |                    |
| Vanguard Interm-Term Bond Index Ins Plus | \$ 202.2           | 70.0%              |
| Vanguard Mortgage-Backed Secs Idx Instl  | \$ 60.8            | 21.0%              |
| Vanguard Shrt-Term Infl-Prot Sec Idx Ins | \$ 13.0            | 4.5%               |
| State Street® SPDR® Port Hi Yld Bd ETF   | \$ 13.0            | 4.5%               |

## Intermediate-Term Fixed Income Benchmark Weights

### Percent

|  |      |
|--|------|
| Bloomberg US 5-10 GovCredit FIAdj TR USD | 70%  |
| Bloomberg US MBS TR USD                  | 21%  |
| Bloomberg US TIPS 0-5 Year TR USD        | 4.5% |
| ICE BofA US High Yield TR USD            | 4.5% |

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.05%

## Fixed Income Pool Statistics

|                             |            |
|-----------------------------|------------|
| Average Yield to Maturity   | 4.45%      |
| Average Effective Duration  | 5.46 years |
| Trailing Twelve Month Yield | 3.94%      |

# Short-Term Fixed Income Pool

As of 12/31/2025

## Trailing Returns

| Short-Term Fix. Inc. Pool & Blended Benchmark | Year To Date | Quarter     | 1 Year      | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|---|--------------|-------------|-------------|--------------------|--------------------|---------------------|
| <b>Short-Term Fixed Income Pool TR</b>        | <b>6.62</b>  | <b>1.28</b> | <b>6.62</b> | <b>5.14</b>        | <b>1.56</b>        | <b>2.20</b>         |
| Short-Term Fixed Income Benchmark             | 6.67         | 1.29        | 6.67        | 5.19               | 1.65               | 2.30                |

## Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

## Trailing Returns

| Short-Term Fix. Inc. Pool Holdings & Benchmarks | Year to Date | Quarter     | 1 Year      | 3 Years Annualized | 5 Years Annualized | 10 Years Annualized |
|---|--------------|-------------|-------------|--------------------|--------------------|---------------------|
| <b>Vanguard Short-Term Bond Idx I</b>           | <b>6.10</b>  | <b>1.20</b> | <b>6.10</b> | <b>4.90</b>        | <b>1.54</b>        | <b>2.13</b>         |
| Bloomberg US 1-5Y GovCredit FIAAdj TR USD       | 6.11         | 1.18        | 6.11        | 4.91               | 1.56               | 2.17                |
| <b>Vanguard Mortgage-Backed Secs Idx Instl</b>  | <b>8.44</b>  | <b>1.57</b> | <b>8.44</b> | <b>4.92</b>        | <b>0.16</b>        | <b>1.53</b>         |
| Bloomberg US MBS Float Adjusted TR USD          | 8.53         | 1.73        | 8.53        | 5.03               | 0.30               | 1.64                |
| <b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b> | <b>6.06</b>  | <b>0.39</b> | <b>6.06</b> | <b>5.14</b>        | <b>3.54</b>        | <b>3.16</b>         |
| Bloomberg US TIPS 0-5 Year TR USD               | 6.07         | 0.39        | 6.07        | 5.11               | 3.54               | 3.18                |
| <b>Invesco Senior Loan ETF</b>                  | <b>6.66</b>  | <b>1.65</b> | <b>6.66</b> | <b>8.81</b>        | <b>5.37</b>        | <b>4.72</b>         |
| Morningstar LSTA US LL100 Index TR USD          |              |             |             |                    |                    |                     |

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2025

|  | Market Value (mil) | Portfolio Weight % |
|--|--------------------|--------------------|
| Total Market Value: \$281,174,471        |                    |                    |
| Vanguard Short-Term Bond Idx InstlPIs    | \$ 196.2           | 70.0%              |
| Vanguard Mortgage-Backed Secs Idx Instl  | \$ 58.8            | 21.0%              |
| Invesco Senior Loan ETF                  | \$ 12.6            | 4.5%               |
| Vanguard Shrt-Term Infl-Prot Sec Idx Ins | \$ 12.6            | 4.5%               |

## Short-Term Fixed Income Benchmark Weights

|  | Percent |
|--|---------|
| Bloomberg US 1-5Y GovGredit FIAjd TR USD | 70%     |
| Bloomberg US MBS Float Adjusted TR USD   | 21%     |
| Bloomberg US TIPS 0-5 Year TR USD        | 4.5%    |
| Morningstar LSTA US LL 100 Index TR USD  | 4.5%    |

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.08%

## Fixed Income Pool Statistics

|                             |            |
|-----------------------------|------------|
| Average Yield to Maturity   | 4.07%      |
| Average Effective Duration  | 2.98 years |
| Trailing Twelve Month Yield | 4.11%      |

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## Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

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### Money Market Trailing Returns

| Time Period  | Money Market Pool | 90 Day Treasury Bills |
|--------------|-------------------|-----------------------|
| Year to Date | 3.82%             | 4.29%                 |
| 3 Months     | 0.90%             | 0.97%                 |
| 1 Year       | 3.82%             | 4.29%                 |
| 3 Years      | 4.29%             | 4.99%                 |
| 5 Years      | 2.67%             | 3.41%                 |
| 10 Years     | 1.72%             | 2.28%                 |

*Performance periods greater than 12 months are annualized.  
Performance is net of investment management fees but not the  
Foundation's administrative fees.*

**Current Month Return Annualized: 3.51%**

# Investment Commentary

## December 31, 2025

Global equity and fixed income markets posted positive returns in the fourth quarter, with the MSCI All Country World Index returning +3.3% (+22.3% YTD) and the Bloomberg U.S. Aggregate Bond Index gaining +1.1% (+7.3% YTD). During the period, the U.S. Federal Reserve (“Fed”) implemented two additional 0.25% rate cuts, lowering the target range to 3.5% to 3.75%, and extended the easing cycle that began in September. These policy adjustments lowered short-term borrowing costs, supporting risk assets amid ongoing concerns about moderating economic growth and labor-market softness in the United States.

Domestic equity markets, as measured by the S&P 500 Index, returned +2.7% (+17.9% YTD), supported by expectations of continued monetary easing, earnings strength among mega-cap technology companies, and resilient consumer spending. U.S. small-cap equities, as measured by the Russell 2000 Index, advanced +2.2% (+12.8% YTD), while mid-cap equities were essentially unchanged, with the Russell Mid Cap Index returning +0.2% (+10.6% YTD). From a sector perspective, healthcare (+11.7% Q4, +14.6% YTD) and communication services (+7.3% Q4, +33.6% YTD) led performance for the quarter. After lagging earlier in the year, health care benefited from a rotation into defensive companies with stronger-than-expected earnings. Rate-sensitive sectors such as real estate (-2.9% Q4, +3.2% YTD) and utilities (-1.4% Q4, +16.0% YTD) lagged, driven by a late quarter increase in U.S. Treasury yields that weighed on valuations. For the year, the S&P 500 Index delivered its third consecutive year of double-digit gains, fueled by persistent enthusiasm around artificial intelligence. The top performing sectors for the year were communication services (+33.6% YTD) and technology (+24.0% YTD). Consumer staples (+3.9% YTD) and consumer discretionary (+6.0% YTD) sectors underperformed for the year. In 2025, U.S. consumer spending was characterized by a sharp divide, or “k-shaped” recovery, where resilient spending by affluent households helped offset a broader slowdown among lower-income groups. This dynamic created a performance gap across equity markets as continued inflationary pressures on lower-income households, tariff uncertainty, and a decline in investor sentiment served as headwinds for consumer-oriented sectors for the year.

Developed international equities, as measured by the MSCI EAFE Index, gained +4.9% (+31.2% YTD). Emerging markets also advanced, with the MSCI Emerging Markets Index returning +4.7% (+33.6% YTD). International markets outperformed U.S. equities in 2025, supported by a weaker U.S. dollar, improving corporate earnings across Europe and Asia, and targeted fiscal initiatives that helped bolster regional demand. Emerging markets were further supported by countries tied to AI-related supply chains, improving technology fundamentals, and region-specific policy developments. Both indices ended the year with some of their strongest results in more than a decade. Attractive relative valuations across both developed and emerging markets remain a source of investor interest.

Fixed income markets were positive for the quarter as yields moved lower following the Fed’s rate cuts, and credit conditions remained stable. The Bloomberg U.S. Aggregate Bond Index returned +1.1% (+7.3% YTD). High-yield credit outperformed investment-grade credit, supported by solid corporate earnings and favorable supply-and-demand dynamics. Credit spreads, a valuation measure that is the difference in yield between a corporate bond and a “risk-free” governmental bond, remained at historically tight levels for both investment-grade and high-yield credit. Municipal bonds also delivered positive performance, with the Bloomberg Municipal Bond Index returning +1.6% (+4.3% YTD). Overall, the fixed-income environment reflected greater stability than earlier in the year, with investors gaining renewed confidence in the trajectory of interest rates and the resilience of corporate and municipal borrowers.