

# Snapshot

Global stocks and bonds were mixed in February, with non-U.S. stocks outperforming U.S. stocks and U.S. bonds outperforming global bonds.

- Amid a sell-off in the technology sector and higher-than-expected producer price inflation, U.S. stocks broadly declined in February. Large-cap stocks largely drove the sell-off, and the S&P 500 Index returned -0.8% for the month.
- Sector performance reflected a defensive tone, with utilities returning more than 10% in February. The consumer discretionary sector, down more than 5%, was the weakest. Other declining sectors included communication services, information technology and financials.
- Non-U.S. developed markets stocks advanced and outperformed U.S. stocks. Emerging markets stocks outpaced U.S. and non-U.S. developed markets stocks.
- At month-end, the futures market expected the Fed to remain on hold until at least September. Elsewhere, the European Central Bank and the Bank of England held interest rates steady at their February meetings.
- Annualized headline and core U.S. inflation (CPI) rates eased in January. Annual headline inflation edged higher in Europe in February and lower in the U.K. in January.
- Most U.S. size and style indices were mixed in February. Mid-cap stocks rallied nearly 4%, while large-caps declined modestly. Value broadly outperformed growth. Outside the U.S., major size and style indices delivered robust monthly gains.
- U.S. Treasury yields declined in February, and the broad U.S. bond market rallied.

## Returns (%)

INDEX	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR
<b>U.S. Large-Cap Equity</b>							
S&P 500	-0.76	0.74	0.68	16.99	21.80	14.19	15.50
<b>U.S. Small-Cap Equity</b>							
Russell 2000	0.80	5.58	6.20	23.34	13.14	5.05	11.30
<b>Intl. Developed Markets Equity</b>							
MSCI World ex USA	4.81	13.04	9.75	35.48	19.14	11.20	10.50
<b>Emerging Markets Equity</b>							
MSCI Emerging Markets	5.50	18.27	14.83	49.96	21.53	6.31	10.69
<b>Global Real Estate Equity</b>							
S&P Global REIT	6.10	7.81	9.21	12.90	8.43	5.20	4.95
<b>U.S. Fixed Income</b>							
Bloomberg U.S. Aggregate Bond	1.64	1.60	1.75	6.26	5.12	0.42	1.97
<b>Global Fixed Income</b>							
Bloomberg Global Aggregate Bond	1.12	2.33	2.06	8.23	4.74	-1.23	1.16
<b>U.S. Cash</b>							
Bloomberg U.S. 1-3 Month Treasury Bill	0.28	0.93	0.58	4.17	4.88	3.36	2.23

Data as of 2/28/2026. Performance in USD. Periods greater than one year have been annualized. Past performance is no guarantee of future results. Source: FactSet.

Inflation, sometimes referred to as headline inflation, reflects rising prices for consumer goods and services, or equivalently, a declining value of money. Core inflation excludes food and energy prices, which tend to be volatile.

# Equity Returns | Size and Style

		U.S.			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Large		7.28	-4.82	7.28	-4.82
Small		8.92	3.72	8.92	3.72

		Non-U.S. Developed Markets			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Large		11.57	6.84	11.57	6.84
Small		12.09	12.25	12.09	12.25

		Emerging Markets			
		QTD (%)		YTD (%)	
		Value	Growth	Value	Growth
Large		16.41	13.87	16.41	13.87
Small		12.37	11.02	12.37	11.02

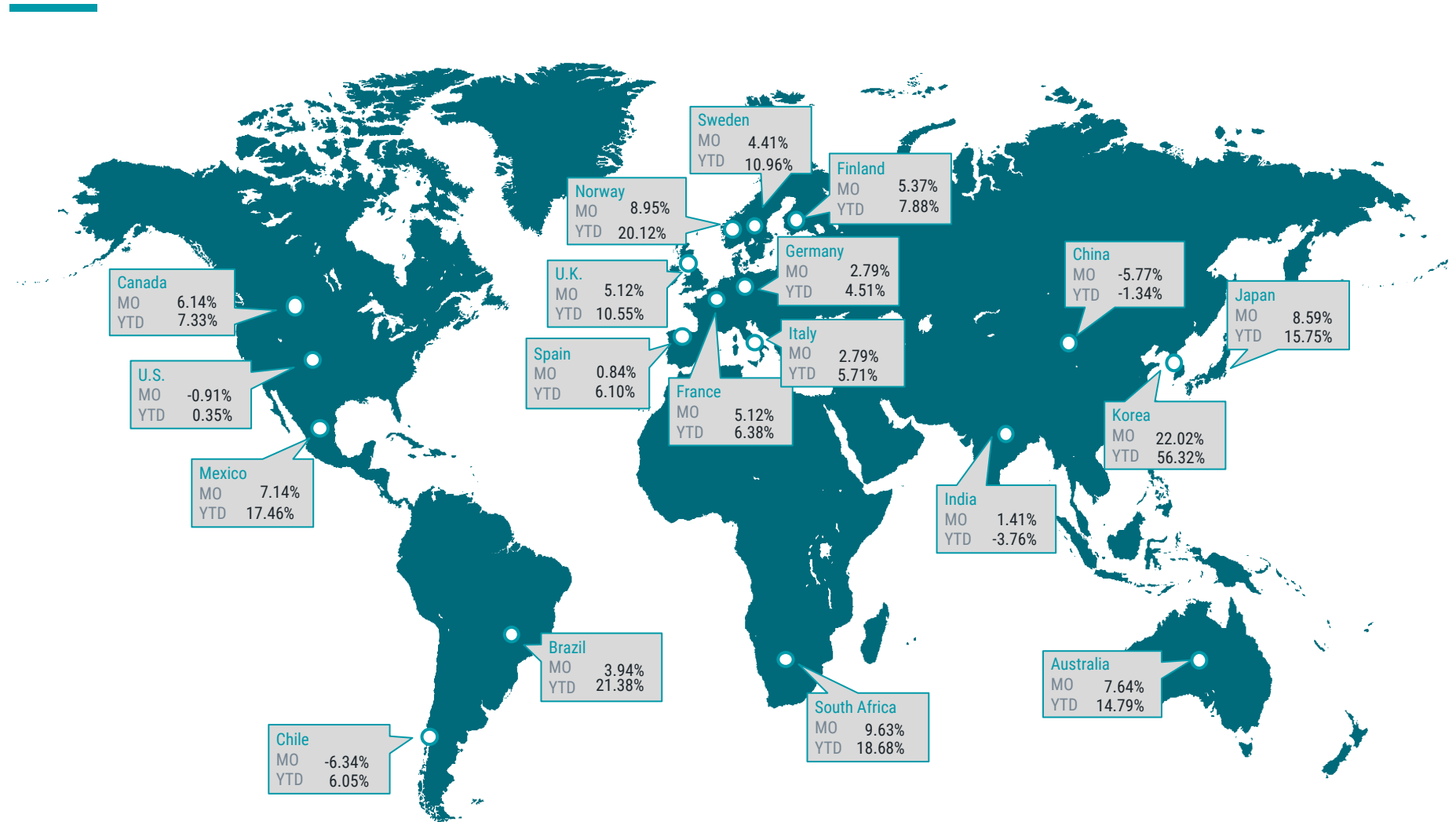
- U.S. stock indices were mixed in February. Broadly, the S&P 500 Index returned -0.8% for the month and 0.7% year to date.
- Mid- and small-cap stocks advanced and outperformed large-cap stocks, which declined, in February. Large-caps also underperformed year to date.
- Value stocks significantly outperformed their growth-style counterparts across capitalizations for the month and year-to-date period. Mid-cap value stocks were top performers in February, up nearly 5%.

- Non-U.S. developed markets stocks significantly outperformed U.S. stocks in February and year to date. All major size and style indices advanced for both periods.
- Small-cap stocks gained nearly 6% for the month and more than 12% year to date, outperforming large-caps.
- Value stocks outperformed their growth-style peers among large-caps for the month and year to date. Among small-caps, there was little difference in February, while growth slightly outperformed year to date.

- The broad emerging markets stock index outperformed U.S. and non-U.S. developed markets stocks for the month and year to date. The index gained nearly 6% in February and almost 15% year to date.
- Large-cap stocks outperformed small-caps in February and year to date. For the first two months of the year, large-caps gained more than 15%.
- Value stocks outperformed growth stocks across capitalizations for both periods. Large value stocks were top performers, up nearly 7% in February and more than 16% year to date.

Data as of 2/28/2026. Performance in USD. Past performance is no guarantee of future results. Source: FactSet. U.S. Equity, International Developed Markets and Emerging Markets Equity style boxes are represented by Russell, MSCI World ex USA and MSCI Emerging Markets indices, respectively.

# Equity Returns | Country



Data as of 2/28/2026. Performance in USD. Past performance is no guarantee of future results. Source: FactSet. Countries are represented by MSCI country indices.

# Fixed-Income Returns

The broad U.S. investment-grade bond index rallied in February, as Treasury yields declined and the yield curve flattened.

- The Bloomberg U.S. Aggregate Bond Index returned nearly 2% in February.
- The yield on the 10-year Treasury note declined 29 bps to 3.95% at month-end. The two-year Treasury yield fell 15 bps to 3.39%.
- Within the Bloomberg U.S. Aggregate Bond Index, the Treasury sector was the top performer, followed by MBS, both of which outperformed the index. Investment-grade corporates advanced but lagged the broad index.
- Investment-grade and high-yield credit spreads widened for the month. High-yield corporate bonds advanced but underperformed investment-grade corporates.
- Looking ahead to the Fed's monetary policy meeting in March, the market broadly expects the Fed to hold rates steady again. The market currently expects two more rate cuts for the remainder of the year.
- Annual headline and core CPI moderated in January to 2.4% and 2.5%, respectively. The core PCE inflation rate, the Fed's preferred inflation gauge, ended 2025 on a modest upswing, reaching 3% in December.
- Municipal bonds advanced but underperformed Treasuries and the broad U.S. bond index for the month. However, munis outperformed year to date.
- Inflation expectations declined in February. TIPS advanced but underperformed nominal Treasuries.

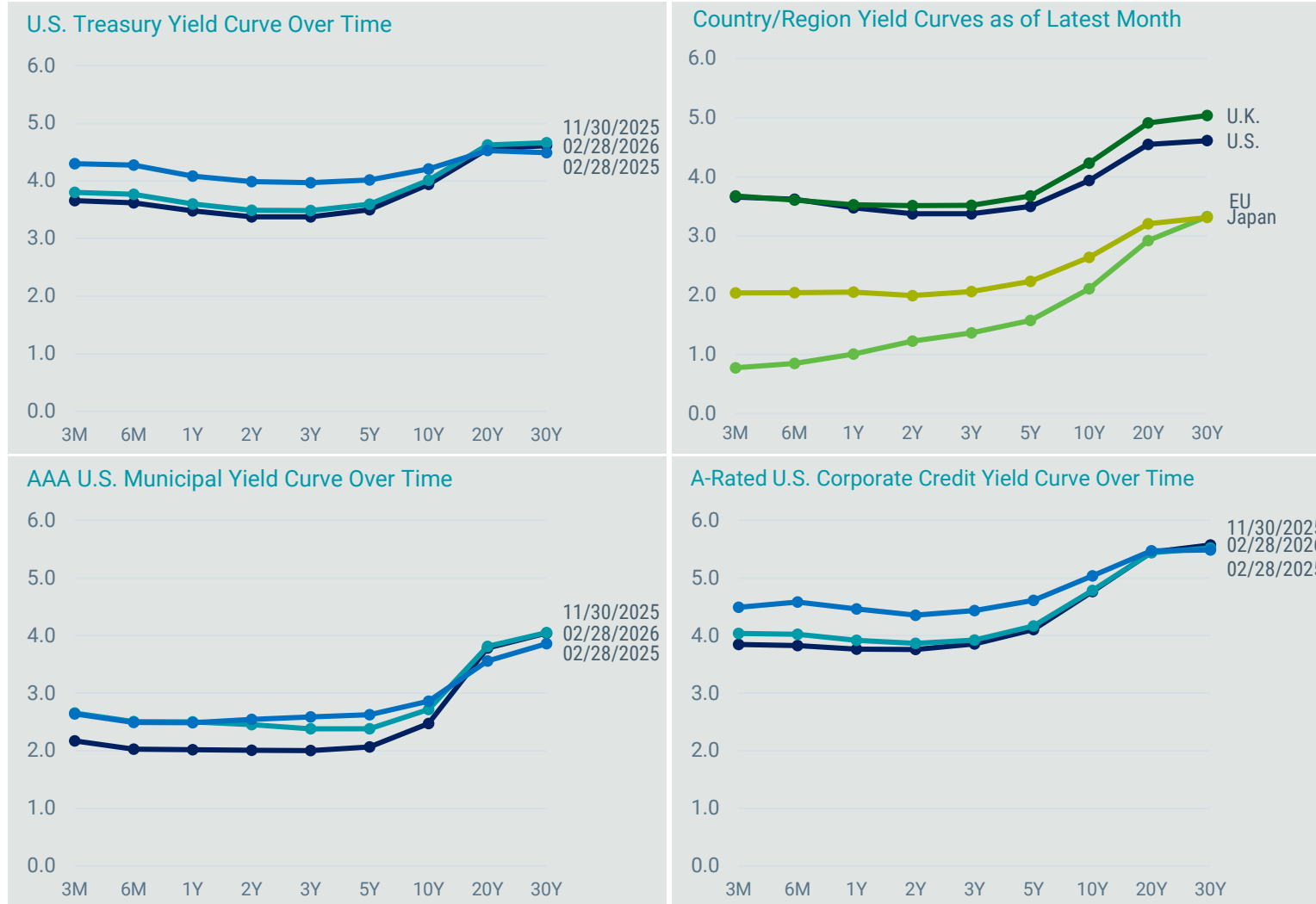
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<b>Global Fixed Income</b>							
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<b>U.S. Fixed Income</b>							
Bloomberg U.S. Aggregate Bond	1.64	1.60	1.75	6.26	5.12	0.42	1.97
<b>U.S. High-Yield Corporate</b>							
Bloomberg U.S. Corporate High Yield Bond	0.19	1.27	0.69	7.18	9.42	4.51	6.71
<b>U.S. Investment Grade</b>							
Bloomberg U.S. Corporate Bond	1.29	1.27	1.47	6.58	6.37	0.81	3.30
<b>Municipals</b>							
Bloomberg Municipal Bond	1.25	2.29	2.20	4.96	4.44	1.44	2.43
<b>U.S. TIPS</b>							
Bloomberg U.S. Treasury Inflation Protected Securities (TIPS)	1.31	1.21	1.62	5.06	4.63	1.71	2.98
<b>U.S. Treasuries</b>							
Bloomberg U.S. Treasury Bond	1.82	1.39	1.72	5.32	4.18	-0.10	1.23
<b>U.S. Cash</b>							
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Mortgage-backed securities (MBS) are a type of securitized debt that represents ownership in pools of mortgage loans and their payments.

# Global Yield Curves



Data as of 2/28/2026. Source: Bloomberg.

Yield is a rate of return for bonds and other fixed-income securities. A yield curve is a line graph that shows yields of fixed-income securities from a single sector (e.g., Treasuries) over various maturities (e.g., five and 10 years) at a single point in time (e.g., 12/31/2020).