Snapshot

Global stocks overcame a turbulent June to deliver strong second-quarter returns. Bonds also advanced for the quarter, but at a much more subdued pace.

- The S&P 500® Index logged its best quarterly performance in six years, advancing more than 15% as the ceasefire with Iran helped curb geopolitical fears. The second-quarter stock surge left the index with a year-to-date return of 10%.
- Even after declining more than 3% in June, the information technology sector was the quarter's leader, up nearly 32%. With oil prices dropping, the energy sector was the quarter's weakest, down more than 13%.
- Non-U.S. developed markets stocks advanced more than 10% in the second quarter but lagged U.S. stocks. They fared slightly better than U.S. stocks in June. Meanwhile, emerging markets (EM) stocks returned 24% for the second quarter.
- U.S. headline and core inflation increased in the quarter, largely due to rising energy costs associated with the conflict in Iran.
- Despite higher inflation, the Fed held interest rates steady. Meanwhile, inflation pressures prompted the European Central Bank to raise rates in June, the first increase since 2023. U.K. inflation slowed, and the Bank of England left rates unchanged.
- Most U.S. size and style indices rose in June, and all delivered strong second-quarter gains. Small-cap growth stocks were the top second-quarter performers. Outside the U.S., most major size and style indices in developed and emerging markets declined for the month but rallied for the quarter.
- U.S. Treasury yields rose for the quarter, but the broad U.S. bond market index advanced. It also logged a modest gain in June.

Returns (%)

INDEX	1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR
U.S. Large-Cap Equity							
S&P 500	-0.95	15.20	10.21	22.32	20.61	13.41	15.51
U.S. Small-Cap Equity							
Russell 2000	3.74	21.49	22.57	40.78	18.60	6.98	11.62
Intl. Developed Markets Equity							
MSCI World ex USA	-0.17	10.22	9.19	20.99	16.90	9.32	9.84
Emerging Markets Equity							
MSCI Emerging Markets	-1.41	24.05	23.85	43.51	23.03	7.20	10.07
Global Real Estate Equity							
S&P Global REIT	1.92	10.76	11.62	15.39	10.07	2.94	3.78
U.S. Fixed Income							
Bloomberg U.S. Aggregate Bond	0.24	0.67	0.62	3.79	4.16	0.08	1.54
Global Fixed Income							
Bloomberg Global Aggregate Bond	-0.71	0.87	-0.21	0.62	3.41	-1.55	0.38
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.30	0.92	1.81	3.96	4.74	3.61	2.35

Data as of 6/30/2026. 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 (%) Value	QTD (%) Growth	YTD (%) Value	YTD (%) Growth
Large	13.87	16.74	16.26	5.33
Small	17.19	25.71	22.99	22.18

- The broad U.S. stock market surged in the second quarter, boosting year-to-date performance. Size and style indices also rallied in the quarter and delivered solid six-month gains.
- Small-cap stocks were top second-quarter and year-to-date performers. For the quarter, small-cap stocks rose more than 21%, compared with 15% for large-caps and nearly 14% for mid-caps.
- Across the board, growth stocks outpaced their value-style peers in the quarter. Year to date, the value style outperformed, led by small-cap value, up 23%.

Non-U.S. Developed Markets

	QTD (%) Value	QTD (%) Growth	YTD (%) Value	YTD (%) Growth
Large	9.18	13.70	12.07	7.18
Small	5.46	10.52	5.32	9.84

- Non-U.S. developed markets stocks advanced but lagged U.S. stocks in the second quarter and year to date.
- Large-cap stocks gained more than 11% in the quarter, outpacing small caps, which returned nearly 8%. Year to date, large-cap stocks rose nearly 10% and outperformed small-caps by more than 2 percentage points.
- Growth stocks outpaced their value-style peers in the quarter. Large-cap value stocks were top performers year to date, advancing 12%. Among small-caps, growth outperformed value for the year-to-date period.

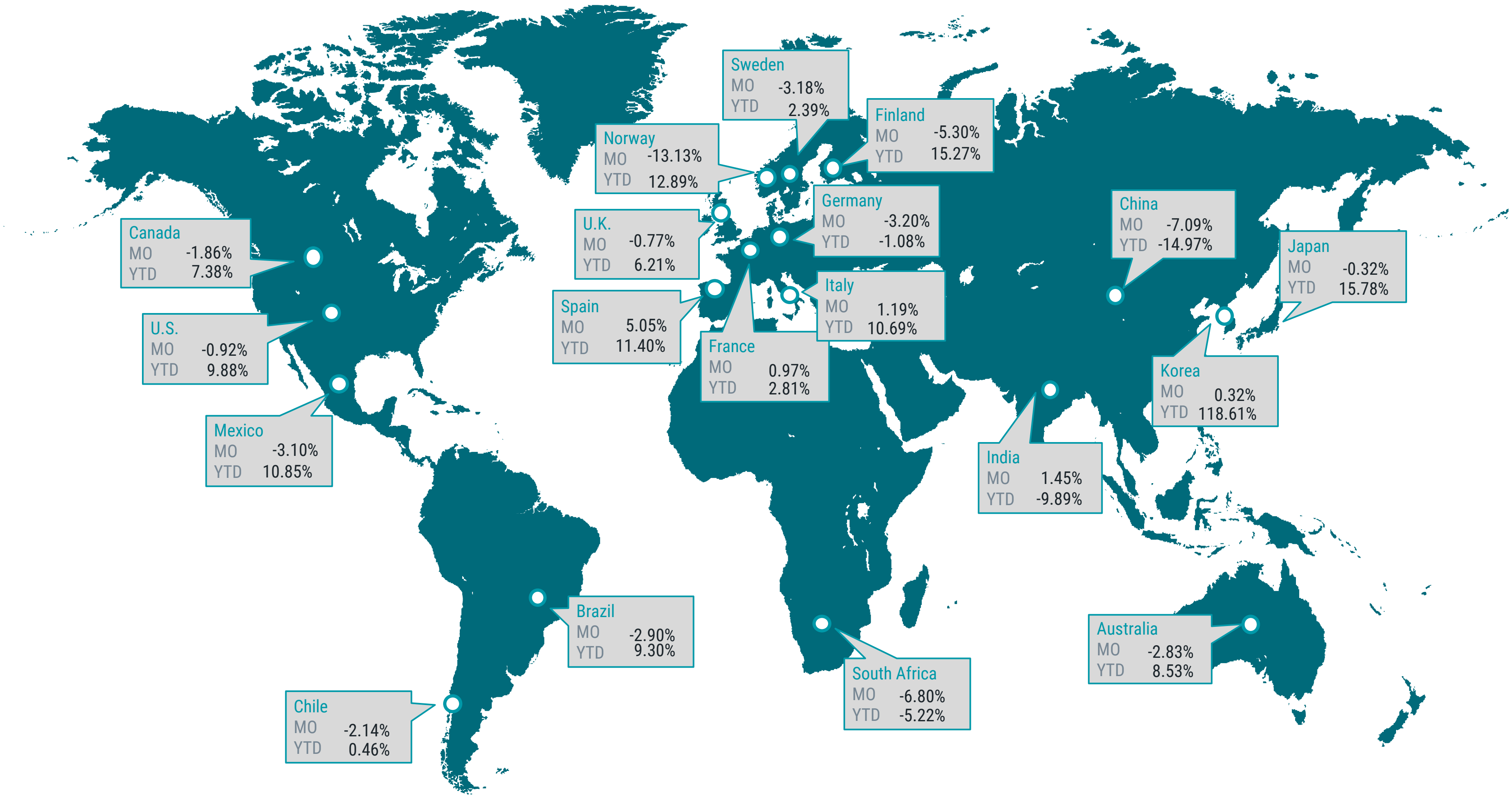
Emerging Markets

	QTD (%) Value	QTD (%) Growth	YTD (%) Value	YTD (%) Growth
Large	21.39	29.51	22.81	26.54
Small	13.73	13.72	13.84	11.92

- The broad emerging markets (EM) stock index sharply outperformed developed markets indices for the quarter and year to date.
- For the quarter, large-caps gained more than 25%, outpacing small-caps by more than 11 percentage points. Large-caps showed a similar performance advantage for the year-to-date period.
- Growth stocks outperformed value stocks in the large-cap space for the quarter and year to date. Among small-caps, the styles performed similarly for the quarter, while value outperformed year to date.

Data as of 6/30/2026. 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 6/30/2026. Performance in USD. Past performance is no guarantee of future results. Source: FactSet. Countries are represented by MSCI country indices.

Fixed-Income Returns

After declining slightly in the first quarter, the broad U.S. bond index rebounded in the second quarter.

- The Bloomberg U.S. Aggregate Bond Index logged a second-quarter gain of nearly 1%.
- The yield on the 10-year Treasury note ended the second quarter at 4.47%, up from 4.32% at the end of March. The two-year Treasury yield climbed 39 bps in the quarter to 4.2%.
- All index sectors advanced in June and in the second quarter. Investment-grade corporates drove the quarterly results, while Treasuries led in June. Credit spreads widened slightly in June but tightened for the quarter. High-yield corporates outperformed investment-grade corporates in both periods.
- The labor market remained resilient, inflation rose, and the Fed held interest rates steady throughout the quarter.
- In June, new Fed Chair Kevin Warsh presided over his first FOMC meeting and proposed curtailing forward guidance. Market expectations for future Fed rate hikes increased in June, from one to nearly two hikes for the next 12 months.
- Alongside rising energy prices, annual headline and core CPI edged higher, to 4.2% and 2.9%, respectively, in May. Meanwhile, the annualized core PCE inflation rate, the Fed's preferred inflation gauge, rose from 3.3% in March to 3.4% in May.
- Municipal bonds rebounded in the quarter to significantly outperform Treasuries. Munis also outperformed in June.
- Although inflation expectations declined, TIPS advanced and outperformed nominal Treasuries for the quarter. TIPS declined and lagged nominal Treasuries in June.

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U.S. Fixed Income							
Bloomberg U.S. Aggregate Bond	0.24	0.67	0.62	3.79	4.16	0.08	1.54
U.S. High-Yield Corporate							
Bloomberg U.S. Corporate High Yield Bond	0.27	2.47	1.96	5.91	8.86	4.17	5.81
U.S. Investment Grade							
Bloomberg U.S. Corporate Bond	0.19	1.40	0.86	4.34	5.29	0.34	2.60
Municipals							
Bloomberg Municipal Bond	0.96	2.50	2.32	7.03	3.76	1.05	2.15
U.S. TIPS							
Bloomberg U.S. Treasury Inflation Protected Securities (TIPS)	-0.47	0.89	1.15	3.42	3.98	1.01	2.58
U.S. Treasuries							
Bloomberg U.S. Treasury Bond	0.28	0.32	0.28	2.71	3.17	-0.42	0.86
U.S. Cash							
Bloomberg U.S. 1-3 Month Treasury Bill	0.30	0.92	1.81	3.96	4.74	3.61	2.35

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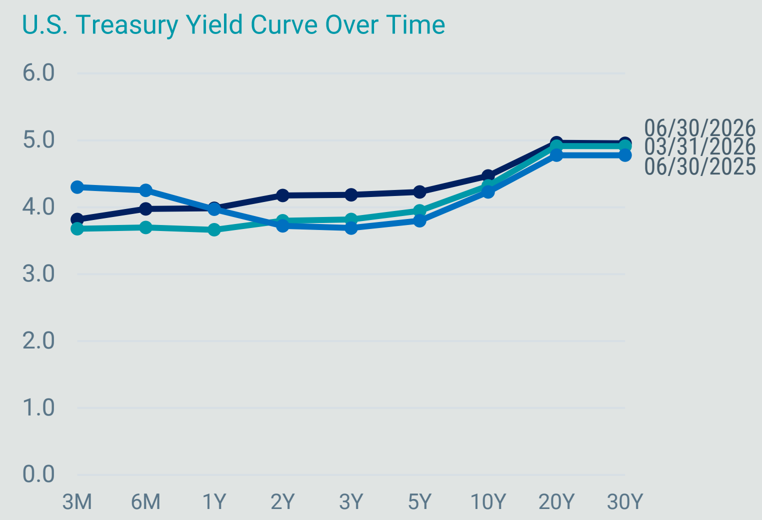
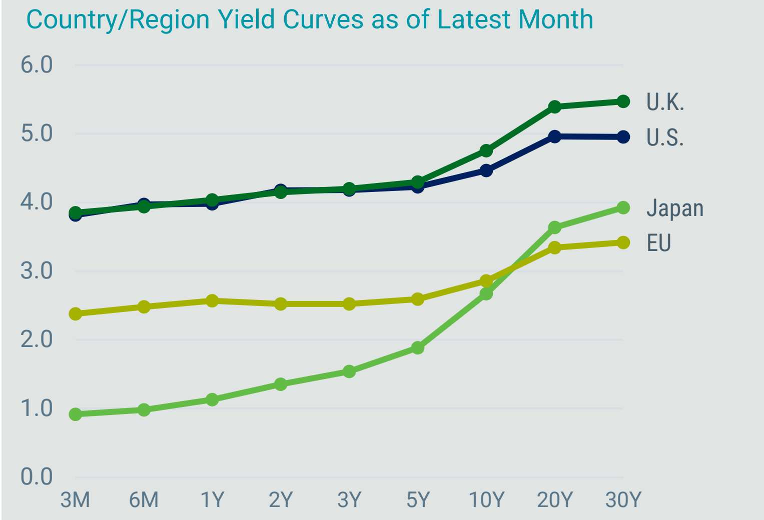
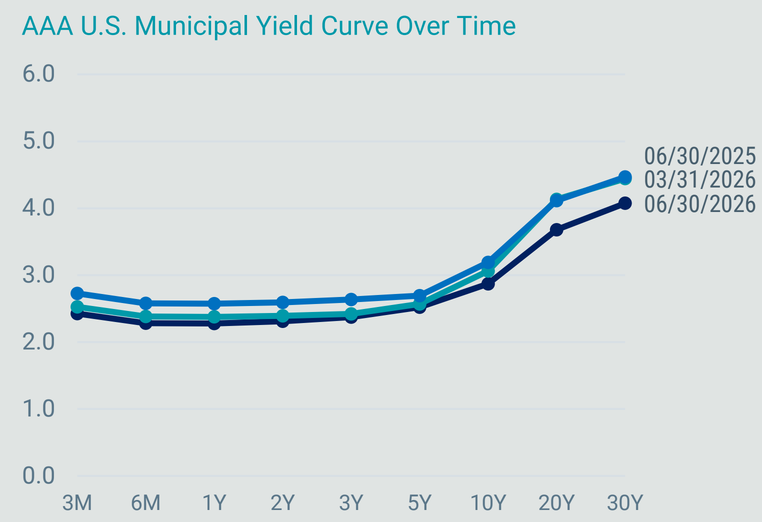
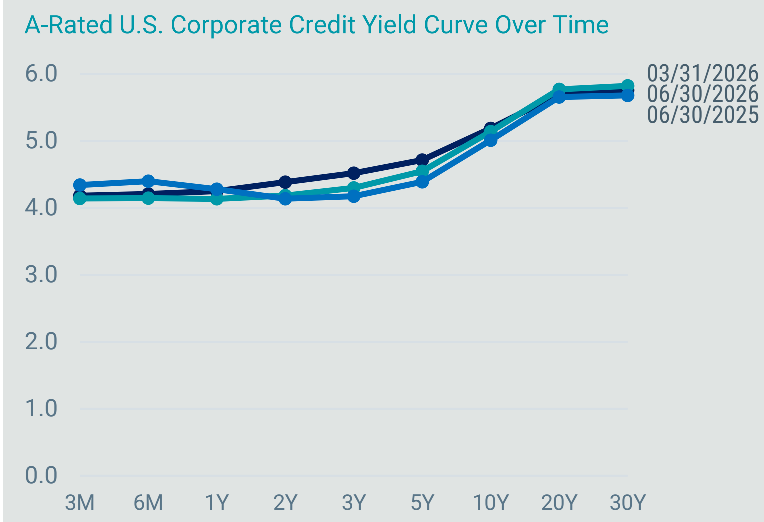
Global Yield Curves









Data as of 6/30/2026. 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).