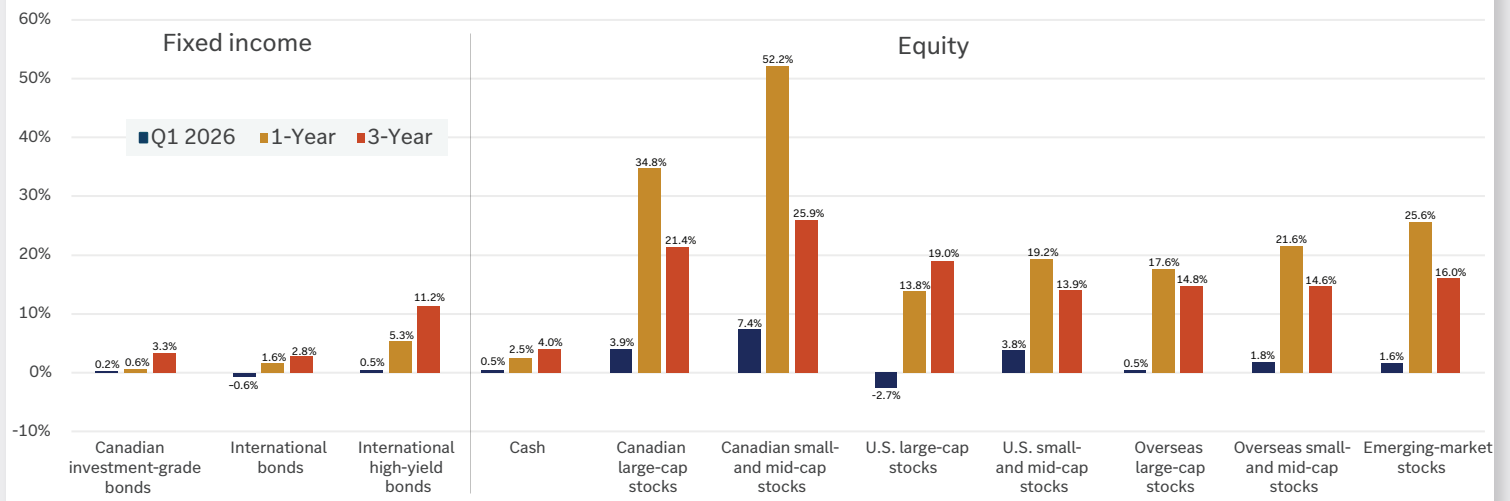


Quarterly market outlook: **Second quarter 2026****Looking back at the first quarter****Asset class performance**

Source: FactSet. Canadian large-cap stocks represented by the S&P/TSX Composite. Canadian small- and mid-cap stocks represented by the S&P/TSX Completion. U.S. large-cap stocks represented by the S&P 500. U.S. small- and mid-cap stocks represented by the Russell 2500. Developed overseas large-cap stocks represented by MSCI EAFE. Developed overseas small- and mid-cap stocks represented by MSCI EAFE SMID. Emerging-market stocks represented by MSCI EM. Canadian investment-grade bonds represented by the Bloomberg Canada Aggregate Index. International bonds represented by the Bloomberg Global Aggregate CAD Hedged Index. International high-yield bonds represented by the Bloomberg Global High Yield Index. Cash represented by the S&P Canada Treasury Bill Index. Canadian equity sectors based on GICS sectors of the S&P/TSX Composite. All returns are total return in CAD. Net total return used for equity indexes outside of Canada. Past performance does not guarantee future results. An index is unmanaged, cannot be invested into directly and is not meant to depict an actual investment.

The conflict in Iran drove oil prices sharply higher and triggered global market volatility in the first quarter. U.S. large-cap stocks lagged, while cyclical and commodity-sensitive equities outperformed.

**Geopolitical conflict sparks volatility**

After strong returns for global equity markets in 2025, 2026 began on a volatile note. On February 28, the United States and Israel launched attacks on Iran, which responded with counterattacks across the Middle East. The conflict disrupted oil tanker traffic through the Strait of Hormuz, a key shipping route that typically handles roughly 20% of global oil supply. Oil prices surged 77% during the quarter, ending above \$100 per barrel and contributing to heightened volatility in global equity markets in March.

**Cyclical and commodity-sensitive equities outperform**

After posting strong returns over the past three years, U.S. large-cap stocks underperformed in the first quarter, declining 2.7%, with weakness in growth sectors such as technology leading the decline. Canadian equity markets finished higher, supported by strong gains in the energy and materials sectors.

Despite weakness late in the quarter, overseas stocks ended the period in positive territory. Because Europe and parts of Asia are more dependent on energy imports, these regions were especially vulnerable to rising oil prices and underperformed in March. However, strong performance earlier in the quarter supported positive returns overall.

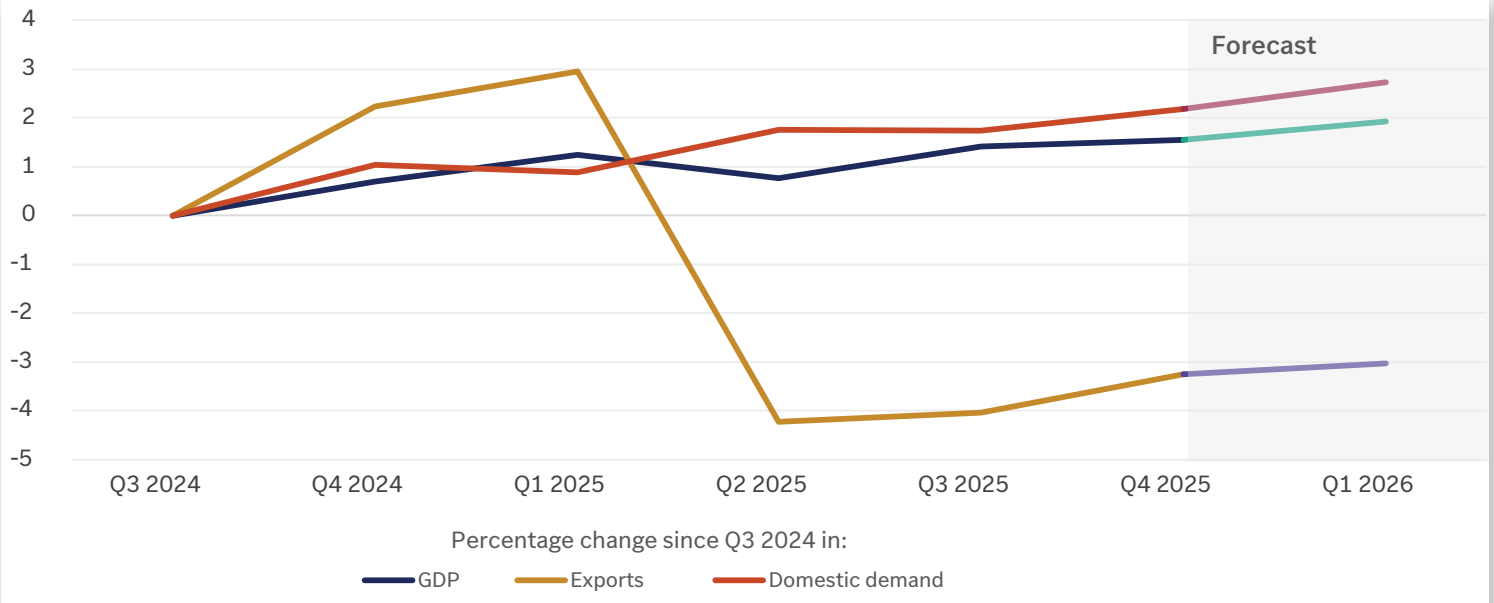
**Bonds provide stability**

The Bank of Canada held its policy rate steady at both its January and March meetings, and government bond yields were little changed during the first quarter, driving a modest gain for Canadian investment-grade bonds. In contrast, longer-term yields rose more in international bond markets, as higher inflation expectations reduced market expectations for Federal Reserve interest-rate cuts, while investors anticipate rate hikes in 2026 for the euro area, the United Kingdom, and Japan. As a result, international bonds generated negative returns for the quarter. Credit spreads widened for international high-yield bonds amid heightened geopolitical uncertainty during the first quarter, weighing on performance. However, a weaker Loonie provided support, resulting in positive returns overall.

**► Action for investors**

Although market volatility can be uncomfortable, it is a normal part of investing. Market volatility may present an opportunity for investors to rebalance their portfolios or add to investments that support their long-term goals.

Investing involves risk, including interest rate risk, credit risk and market risk. The value of investments fluctuates and investors can lose money. Rebalancing does not ensure a profit or protect against loss and may result in a taxable event.

Quarterly market outlook: **Second quarter 2026****Canadian outlook****The trade war has left its mark on the Canadian economy, but domestic demand has been more resilient**

Source: Bank of Canada

The Canadian economy has started 2026 on a sluggish footing. A burst of energy price inflation will add another near-term headwind but we continue to look for a pick-up in activity later this year.

**Trade headwinds** – Following a surprisingly strong burst of hiring through the end of last year we have seen employment fall back sharply over the first quarter of 2026. Job losses have been broad based, although we continue to see those sectors most exposed to trade with the U.S. struggle. Indeed, ongoing trade policy uncertainty with Canada’s largest trade partner continues to leave its mark, with exports to the U.S. down sharply over the past year and business investment soft. The good news is that other parts of the economy look more resilient, particularly on the consumer spending side. However, the big picture is of an economy continuing to adjust to a more protectionist trade policy south of the border.

**An energy price shock** – The impact of surging oil prices is more mixed for Canada than many of its developed market peers. The large domestic oil sector will benefit from higher prices, potentially supporting profits, investment, hiring and exports.

However, the broader drag to consumer spending and corporate margins from rising energy costs will likely more than offset this boost. The scale and extent of the aggregate hit to growth will of course depend on the path of oil prices from here. However, should oil decline through the end of 2026, as implied by forward markets, we would expect the impact on inflation and growth to be short lived.

**Better times ahead?** – While conflict in the Middle East has dominated headlines in recent weeks, the big event of 2026 for Canada remains the renegotiation of the CUSMA trade agreement. Judging from recent trade policy negotiations this is likely to be a bumpy process, with U.S. President Trump having already threatened to walk away from the agreement. However, our base case is that consensus can be found to maintain the important CUSMA, which should help ease risks around trade policy. Combined with a potential easing in the oil shock this spring, supportive fiscal policy, and low interest rates, this should set the stage for an improvement in economic growth in late 2026.

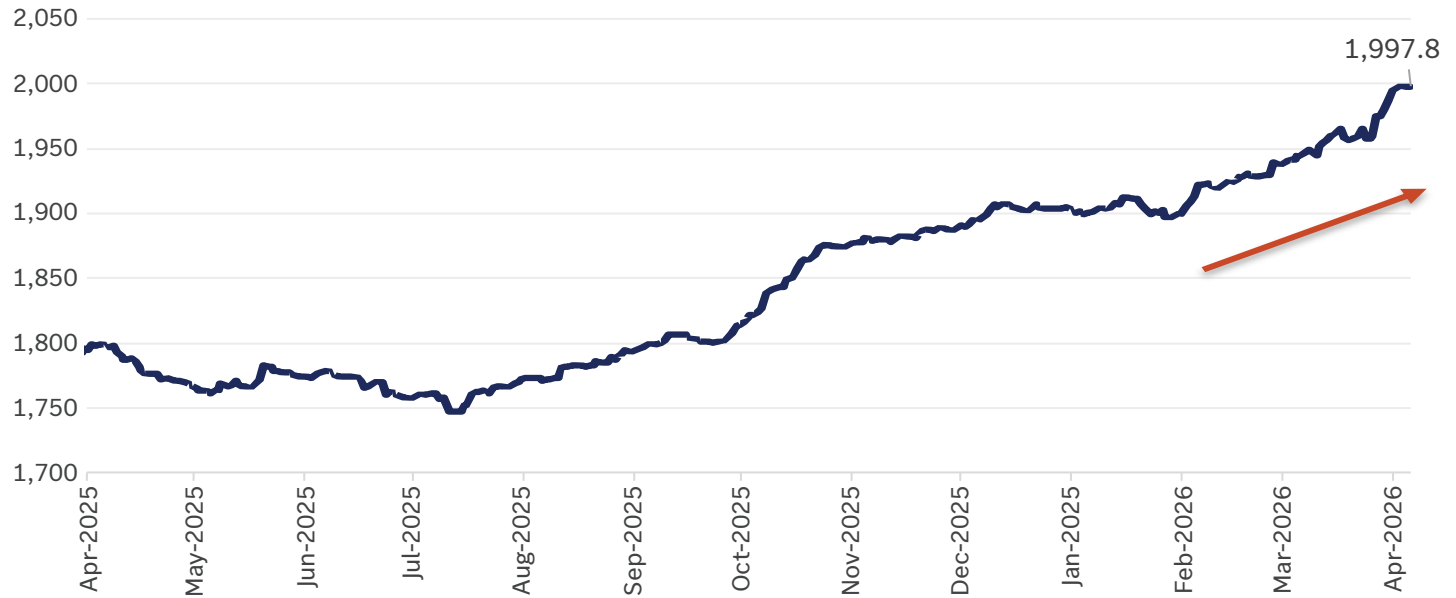
## ► Action for investors

Geopolitical developments have driven market sentiment in early 2026. However, we remain constructive on the underlying economic and corporate earnings outlook, which is why we continue to recommend holding overweight allocations to a diverse basket of domestic and international equities

Investing in equities involves risks. The value of your shares will fluctuate and you may lose principal. Special risks are inherent to international investing, including those related to currency fluctuations and foreign political and economic events.

Quarterly market outlook: **Second quarter 2026****Equity outlook**

**Forecasts for Canadian TSX earnings growth in 2026 have continued to move higher in recent months**  
(Earnings per share, FY2026, CAD)



Source: Bloomberg

**Energy and materials sectors lead in first quarter**

For both Canadian and U.S. markets, leadership in the first quarter of 2026 came from the energy and materials sectors, driven by the ongoing Iran crisis and higher oil prices. The TSX was higher by about 3% in Q1 due to its higher weights in these sectors, while the S&P 500 was down about 4.6%. Notably, the market began the year optimistically, with equity leadership from a broader basket of cyclical sectors. However, this broadening theme has stalled during the Iran crisis, with volatility impacting most asset classes, and just a few relative safe-havens emerging, including the energy and materials sectors and U.S. dollar.

**Market correction should not become a deep or prolonged bear-market**

Market volatility may persist until the crisis involving Iran ends and oil prices revert towards \$70 to \$80 levels (WTI crude oil per barrel). Markets continue to price in a reversion to the mean, indicating WTI returning to around \$73 levels by year-end<sup>1</sup>. If the crisis is contained and oil prices moderate, equity leadership may return to the broadening theme.

Historically, 1-3 corrections annually are normal. Investors have seen a solid rally since April 2025 lows, with the TSX up over 50% and the S&P 500 up over 35%<sup>1</sup>. A correction in the 5% to 15% range may help valuations reset and provide entry opportunities.

We would not expect a correction to morph into a deep or prolonged bear market (20% or higher drawdown). Bear markets typically occur when recession looms or central banks rapidly raise rates. Currently, our scenario calls for positive growth, with the Bank of Canada and the Fed on hold. A rate hike may be building in Canada given inflation focus, but we do not see a prolonged cycle ahead if oil prices prove temporary.

<sup>1</sup>Bloomberg

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## Quarterly market outlook: **Second quarter 2026**

### Earnings growth revised higher for 2026

We believe another reason for optimism is corporate earnings. Forecasts for earnings growth in both the TSX and S&P 500 have moved higher through the first quarter. Canadian TSX corporate earnings are expected to grow by about 18% in 2026, versus initial forecasts of around 15%<sup>1</sup>. S&P 500 earnings are now expected to grow by about 17% year-over-year, versus estimates of about 13% growth<sup>1</sup>. This has been driven by upward revisions in the energy and materials sectors, and by the technology sector in the U.S., given a rise in capital expenditure spending across the AI landscape. The positive earnings growth should underpin equity markets this year and support better sentiment, despite ongoing geopolitical uncertainty.

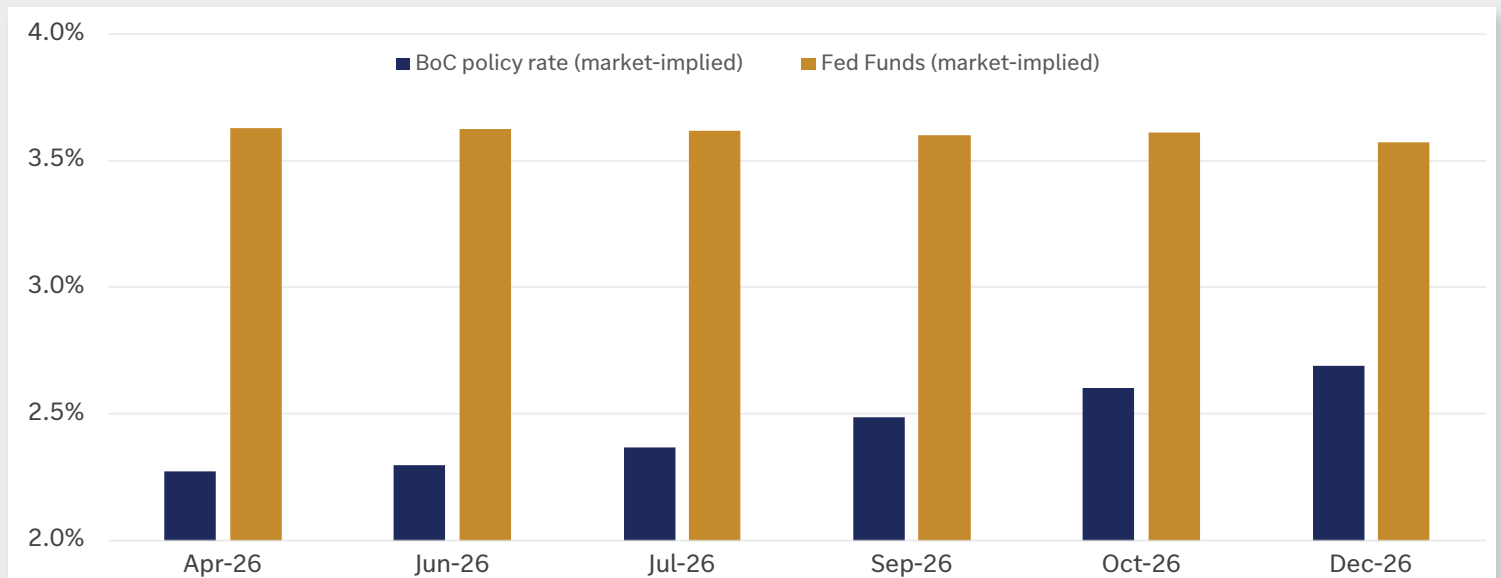
### ► Action for investors

We remain overweight equities versus fixed income. We recommend overweight allocations to U.S. large-cap and mid-cap stocks, which can benefit if a broadening theme re-emerges. In Canada, we favour the energy, materials, and industrials sectors, and in the U.S., we favour consumer discretionary and industrials sectors, all of which can do well as the economy and corporate earnings deliver steady growth in the year ahead.

Investing in equities involves risks. The value of shares will fluctuate and investors may lose principal.

<sup>1</sup>Bloomberg



Quarterly market outlook: **Second quarter 2026****Fixed-income outlook****Markets price in Bank of Canada hike, Fed on hold**

Source: Bloomberg, CME FedWatch.

The Bank of Canada (BoC) is at the end of its easing cycle and willing to look through a temporary rise in inflation. The Fed's easing cycle appears set to slow, contributing to higher bond yields. On a positive note, higher yields improve income potential, the primary driver of bond returns.

**Bank of Canada likely on the sidelines —**

BoC left its policy rate unchanged at 2.25% in March for a third straight meeting. Policymakers agreed to look through the initial impact of higher oil prices on inflation while remaining committed to ensuring that price increases do not spread broadly or become persistent. While markets are reflecting some likelihood of one or two rate hikes this year — shown in the chart above — we expect BoC to hold rates steady over the near term. With inflation near target and some slack in the economy that could help limit the pass-through of higher energy costs, policymakers should have some time to assess whether inflation is becoming entrenched.

**Fed delayed, not derailed —** The Fed also held rates steady in March and updated its quarterly projections. The expected path for the Fed funds rate still points to one cut this year and another next year. The inflation outlook was revised higher for 2026 and 2027, reflecting the temporary effects of higher oil prices and lingering tariffs. Growth estimates were upgraded on expectations for stronger productivity, including AI-related investment. While the “dot plot” of individual participant projections still points to one cut this year, some policymakers shifted from expecting two or more cuts to just one, suggesting that the center of gravity has moved modestly less dovish. Bond markets may be reflecting that nuance, pricing in a slower pace of easing ahead, shown in the chart above.

We still think the Fed remains in its easing cycle, though that path now appears more gradual. The central bank's preferred inflation gauge, the Personal Consumption Expenditures (PCE) price index, was running at 2.8% through January and has remained above the 2% target

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Quarterly market outlook: **Second quarter 2026**

for five years now. Meanwhile, a stabilizing labour market — marked by slower hiring and fewer layoffs — may give policymakers more time to assess whether inflation is cooling, rather than forcing more urgent action. Importantly, policymakers still see inflation returning to target by 2028, reflecting the view that the expected rise will not be persistent enough to require a renewed tightening cycle. In our view, the Fed is likely willing to look past a temporary increase, provided longer-term inflation expectations remain anchored.

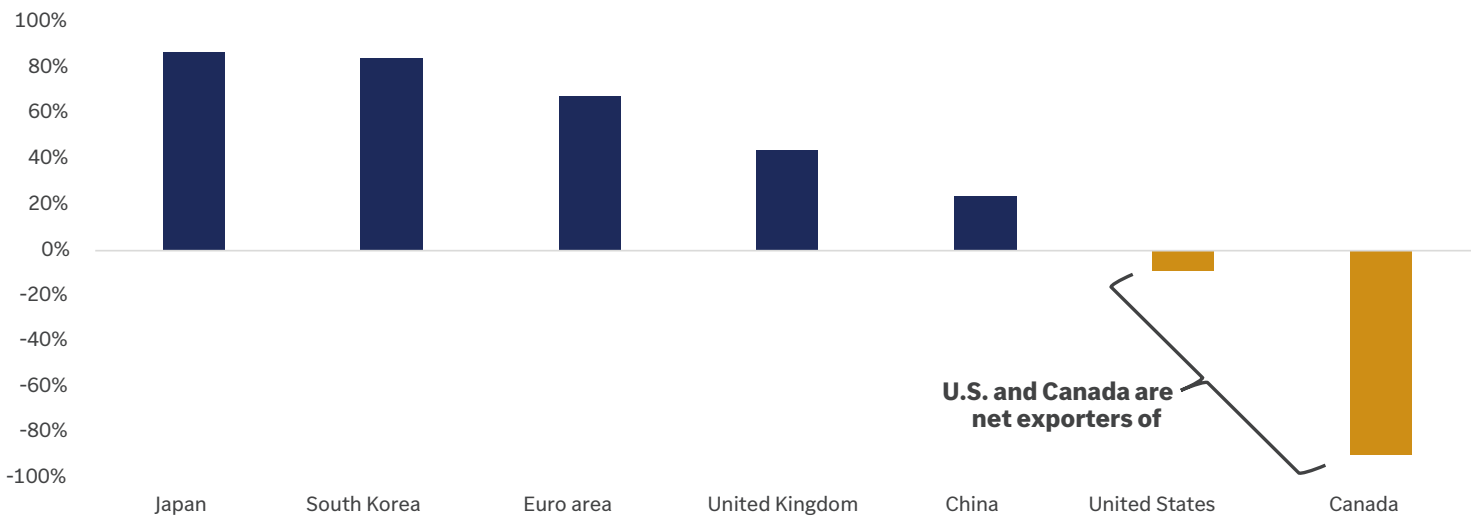
**Bond yields have risen but are likely to remain range-bound** — Bond yields have risen from their February lows, though the 10-year Government of Canada yield has remained largely within our expected 3.0%-3.5% range for this year. The 10-year U.S. Treasury yield has returned more firmly within our 2026 forecast of 4.0%-4.5%. The prospects of possible BoC rate hikes and delayed Fed rate cuts have accounted for most of that move, pushing both yield curves higher. Inflation expectations — a key component of bond yields — have also contributed. Although bonds often benefit during periods of market stress, they can be vulnerable to inflationary shocks. The upshot is that higher yields improve income potential, the primary driver of bond returns. In addition, any easing in inflation expectations could lift bond prices, which move inversely to yields.

### ► Action for investors

Consider offsetting our recommended overweight exposure to equities by underweighting a mix of fixed income across Canadian investment grade bonds, international bonds and international high-yield bonds.

Quarterly market outlook: **Second quarter 2026****International outlook****Most overseas economies are more exposed to high energy prices**

Energy imports as a share of total energy use



Source: Bloomberg. Emerging-market stocks represented by MSCI EM index, developed overseas stocks represented by MSCI EAFE, U.S. stocks by S&P 500 Total Return Index, Canadian stocks by S&P/TSX Composite Total Return Index. Past performance does not guarantee future results.

Overseas equities began the year with strong momentum, but the escalation of conflict in the Middle East has introduced uncertainty and reversed their outperformance relative to Canadian and U.S. stocks. The duration and severity of the conflict will be key to how meaningful the resulting energy supply shock becomes. While volatility is likely to remain elevated in the near term, we believe overseas equities can reassert their value once energy prices begin to normalize.

**Energy dependence is a vulnerability** — The conflict poses downside risks to global growth and upside risks to inflation through higher energy prices. As net energy exporters, Canada and the U.S. are better insulated from rising energy costs. By contrast, many overseas economies face greater exposure due to their reliance on imports. For example, Japan imports roughly 90% of its energy needs, while much of Asia and the euro area depend heavily on energy flows through the Strait of Hormuz. Sustained higher energy prices would pressure household incomes and growth abroad. Ultimately, the length of any supply disruption will determine the market impact. A short-lived spike in oil prices would likely allow overseas equities to resume outperformance, whereas a prolonged conflict would be a more meaningful headwind.

**Central banks are sensitive to inflation risks** — Higher oil prices are also prompting a reassessment of interest-rate expectations globally, with short-term rates moving higher since the conflict began. Central banks that are closer to neutral and primarily focused on inflation — rather than operating under a dual mandate like the Federal Reserve — may be less inclined to look past an energy-driven inflation shock. Reflecting this dynamic, European Central Bank rhetoric has turned more hawkish, and markets are increasingly pricing in two to three rate hikes this year in both the euro area and the UK.

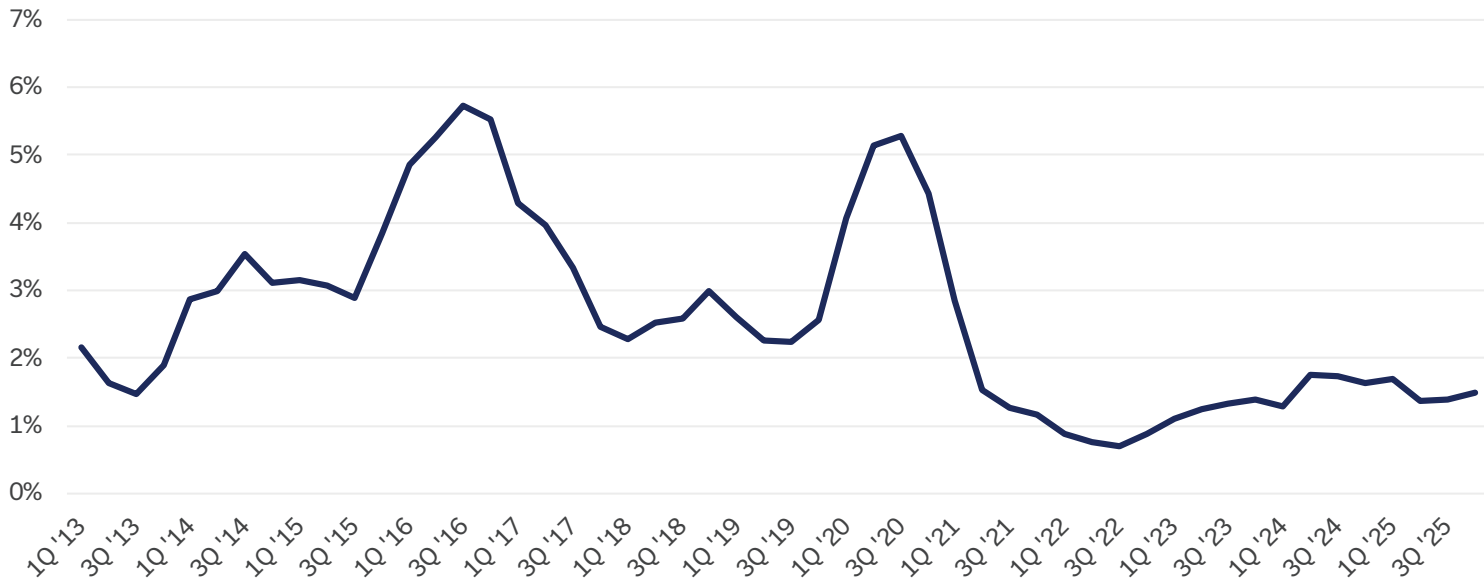
**U.S. dollar re-emerges as safe haven, modestly weighing on the Loonie** — Since the onset of the Iran war, the U.S. dollar has strengthened as investors have sought the safety of U.S. assets amid heightened geopolitical uncertainty. While the Canadian dollar typically benefits from higher energy prices, elevated risk aversion has muted that support. Looking ahead, sustained strength in commodities and a Bank of Canada that is more likely to raise interest rates this year than the Federal Reserve would be supportive of the Loonie should tensions ease.

## ► Action for investors

We continue to favour emerging-market equities and overseas developed small- and mid-caps over large-cap overseas equities. The recent pullback linked to geopolitical concerns may present an opportunity for investors to add to overseas exposure if allocations are below long-term strategic targets.

Source for all data: Bloomberg

Investing in equities involves risks. The value of your shares will fluctuate and you may lose principal. Special risks are inherent to international investing, including those related to currency fluctuations and foreign political and economic events.

Quarterly market outlook: **Second quarter 2026****Private credit****Senior loan default rates remain below long-term averages** (Trailing four-quarter senior loan default rate)

Source: Cliffwater LLC

Headlines are loud, but fundamentals remain sound.

### Redemptions are elevated, but the system is working as designed

Recent media coverage has intensified concerns about liquidity in private credit, contributing to higher redemption requests across several evergreen private credit funds. Despite the noise, managers have generally continued to meet redemption requests up to their stated quarterly caps using available liquidity, including cash, undrawn credit facilities and, in limited cases, asset sales near par. In recent examples, some funds honoured redemptions in full, while others received requests well above their stated caps and fulfilled withdrawals on a pro rata basis up to their stated limits. If redemption requests remain elevated, funds will likely continue to prorate withdrawals above their stated caps. This is not necessarily a sign of distress; rather, it is an essential feature of the structure. Evergreen private credit vehicles are designed for long-term investors and are not intended to provide regular liquidity beyond defined thresholds. Proration protects remaining shareholders by avoiding forced asset sales and preserving portfolio construction. While headlines may frame gating or proration negatively, adherence to redemption limits reflects disciplined fund management

and is central to how these vehicles are designed to operate. Continued redemption queues could weigh on sentiment and fundraising, but they do not, on their own, signal underlying credit stress. It is also important to remember that evergreen private market vehicles, besides interval funds, retain board level discretion on when access to redemptions is appropriate.

### Technology exposure is meaningful, but disruption concerns remain nuanced

Private credit has meaningful exposure to software and technology enabled businesses. These companies represent 24% of the Cliffwater Direct Lending Index as of Q4 2025. This exposure has drawn attention amid broader discussion around artificial intelligence (AI) and its potential impact on traditional software business models.

At this stage, credit performance does not show broad deterioration tied to technology disruption. Many borrowers are either system of record platforms, have deeply embedded workflow tools with long term contracts, high switching costs or mission critical functionality, which can slow the pace of disruption.

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## Quarterly market outlook: **Second quarter 2026**



In addition, private equity sponsors have been incorporating automation and AI considerations into operating strategies for several years, focusing on efficiency gains and competitive positioning rather than reacting to a single technological development. While technology exposure warrants monitoring, current data does not support an imminent credit-led downturn stemming from AI driven disruption.

### **Losses will rise over time as part of a normal credit cycle**

Private credit is part of the broader leveraged finance ecosystem that also includes public high yield and bank loans, which should all be expected to experience cyclical increases in losses over time. Historically, annualized loss rates in private direct lending have averaged about 1%, broadly similar to long run experience in publicly traded bank loans. Recent default rates have remained below these averages, reflecting generally stable borrower performance.

Several structural features support credit quality in private markets, including tighter documentation, enhanced financial reporting, closer lender sponsor engagement, and alignment created by lenders retaining originated loans. At the same time, portfolio level leverage can magnify losses in a downturn. Investors should therefore expect loss rates to rise when the next credit cycle emerges, potentially resulting in temporary NAV pressure. This dynamic is part of the normal cycle and is factored into long term return expectations for the asset class.

### ► **Action for investors**

We believe, private credit remains supported by stable fundamentals despite elevated redemptions and uneven sentiment. Long term investors should anticipate occasional proration of withdrawals and view this as a normal structural safeguard rather than a sign of stress. While technology exposure and redemption activity merit ongoing attention, current evidence does not indicate a meaningful deterioration in credit quality. In our view, properly sized allocations and appropriate liquidity expectations remain central to successful private credit outcomes.

Edward Jones Canada does not offer direct access to private credit products for clients at this time.

Alternative investments are speculative, highly illiquid and include a high degree of risk. Investors could lose some or all of their investment.

Alternative investments are designed for long-term investment. Alternative investments typically have higher fees and expenses than other investment vehicles which will lower returns achieved by investors. Alternative investments have distinctive characteristics, such as investing in private markets and investor eligibility.

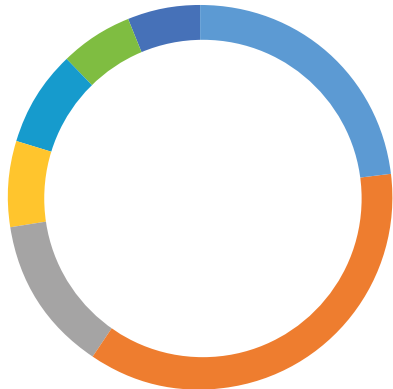
Unlike mutual funds, alternative investment funds are not subject to some of the regulations designed to protect investors and are not required to provide the same level of disclosure. Before investing, you should carefully consider the features, suitability and risks of these investments.

Quarterly market outlook: **Second quarter 2026**

## Strategic asset allocation guidance

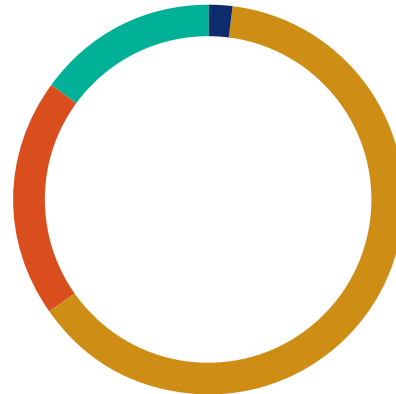
Our strategic asset allocation represents our view of balanced diversification for the fixed-income and equity portions of a well-diversified portfolio based on our outlook for the economy and markets over the next 30 years. The exact weightings (neutral weights) to each asset class will depend on the broad allocation to equity and fixed-income investments that most closely aligns to your comfort with risk, time horizon and financial goals.

### Equity diversification



- Canadian large-cap stocks
- U.S. large-cap stocks
- Developed overseas large-cap stocks
- Canadian small- and mid-cap stocks
- U.S. small- and mid-cap stocks
- Developed overseas small- and mid-cap stocks
- Emerging-market stocks

### Fixed-income diversification



- Cash
- Canadian investment-grade bonds
- International bonds
- International high-yield bonds

Investors should understand the risks involved in owning investments, including interest rate risk, credit risk and market risk. The value of investments fluctuates, and investors can lose some or all of their principal. The prices of small-cap, mid-cap and emerging-market stocks are generally more volatile than those of large company stocks. Special risks are inherent to international investing, including those related to currency fluctuations and foreign political and economic events. Diversification does not guarantee a profit or protect against loss in declining markets

Quarterly market outlook: **Second quarter 2026****Opportunistic portfolio guidance**

Our opportunistic portfolio guidance represents our timely investment advice based on our global outlook. We expect this guidance to enhance your portfolio's return potential, relative to our long-term strategic portfolio guidance, without taking on unintentional risk.

		Underweight	Neutral	Overweight
	Equity	•	•	•
	Fixed income	•	•	•
Equity	Canadian large-cap stocks	•	•	•
	U.S. large-cap stocks	•	•	•
	Developed overseas large-cap stocks	•	•	•
	Canadian small- and mid-cap stocks	•	•	•
	U.S. small- and mid-cap stocks	•	•	•
	Developed overseas small- and mid-cap stocks	•	•	•
	Emerging-market stocks	•	•	•
Fixed income	Canadian investment-grade bonds	•	•	•
	International bonds	•	•	•
	International high-yield bonds	•	•	•
	Cash	•	•	•
<b>Canadian equity sector guidance</b>		<b>Underweight</b>	<b>Neutral</b>	<b>Overweight</b>
Communication services		•	•	•
Consumer discretionary		•	•	•
Consumer staples		•	•	•
Energy		•	•	•
Financial services		•	•	•
Health care		•	•	•
Industrials		•	•	•
Materials		•	•	•
Real estate		•	•	•
Technology		•	•	•
Utilities		•	•	•
<b>U.S. equity sector guidance</b>		<b>Underweight</b>	<b>Neutral</b>	<b>Overweight</b>
Communication services		•	•	•
Consumer discretionary		•	•	•
Consumer staples		•	•	•
Energy		•	•	•
Financial services		•	•	•
Health care		•	•	•
Industrials		•	•	•
Materials		•	•	•
Real estate		•	•	•
Technology		•	•	•
Utilities		•	•	•
<b>Opportunistic Canadian investment-grade bond guidance</b>		<b>Underweight</b>	<b>Neutral</b>	<b>Overweight</b>
Interest rate risk (duration)		•	•	•
Credit risk		•	•	•

Quarterly market outlook: **Second quarter 2026**

# Investment performance benchmarks

It's natural to compare your portfolio's performance to market performance benchmarks, but it's important to put this information in the right context and understand the mix of investments you own. Talk with your financial advisor about any next steps for your portfolio to help you stay on track toward your long-term goals.

As of March 31, 2026

<b>Asset class performance</b>				
	Q1 2026	1-year	3-year	5-year
Canadian investment-grade bonds	0.2%	0.6%	3.3%	0.7%
International bonds	-0.6%	1.6%	2.8%	0.0%
International high-yield bonds	0.5%	5.3%	11.2%	6.4%
Cash	0.5%	2.5%	4.0%	2.9%
Canadian large-cap stocks	3.9%	34.8%	21.4%	15.3%
Canadian small- and mid-cap stocks	7.4%	52.2%	25.9%	17.3%
U.S. large-cap stocks	-2.7%	13.8%	19.0%	13.9%
U.S. small- and mid-cap stocks	3.8%	19.2%	13.9%	7.3%
Developed overseas large-cap stocks	0.5%	17.6%	14.8%	10.2%
Developed overseas small- and mid-cap stocks	1.8%	21.6%	14.6%	7.5%
Emerging-market stocks	1.6%	25.6%	16.0%	5.9%

Source: FactSet. Canadian large-cap stocks represented by the S&P/TSX Composite. Canadian small- and mid-cap stocks represented by the S&P/TSX Completion. U.S. large-cap stocks represented by the S&P 500. U.S. small- and mid-cap stocks represented by the Russell 2500. Developed overseas large-cap stocks represented by MSCI EAFE. Developed overseas small- and mid-cap stocks represented by MSCI EAFE SMID. Emerging-market stocks represented by MSCI EM. Canadian investment-grade bonds represented by the Bloomberg Canada Aggregate Index. International bonds represented by the Bloomberg Global Aggregate CAD Hedged Index. International high-yield bonds represented by the Bloomberg Global High Yield Index. Cash represented by the S&P Canada Treasury Bill Index. Canadian equity sectors based on GICS sectors of the S&P/TSX Composite. All returns are total return in CAD. Net total return used for indexes outside of Canada. Past performance does not guarantee future results. An index is unmanaged, cannot be invested into directly and is not meant to depict an actual investment.

<b>Canadian equity sector performance</b>				
	Q1 2026	1-year	3-year	5-year
Communication services	5.8%	14.9%	-4.8%	0.2%
Consumer discretionary	-3.9%	26.0%	14.3%	9.1%
Consumer staples	3.1%	16.9%	12.9%	15.3%
Energy	30.1%	51.0%	27.9%	26.9%
Financials	-1.9%	34.4%	24.6%	16.4%
Health care	-4.5%	5.3%	6.8%	-22.8%
Industrials	-0.2%	4.9%	5.8%	6.9%
Technology	-22.5%	3.1%	20.7%	5.0%
Materials	10.7%	84.6%	35.0%	24.8%
Real Estate	-4.3%	1.4%	2.1%	2.0%
Utilities	11.2%	26.9%	12.4%	7.9%

This report is provided as general information only and should not be interpreted as specific recommendation or investment advice. Investors should make investment decisions based on their unique investment objectives and financial situation. Opinions expressed are as of the date of this report and are subject to change. Asset Allocation does not ensure a profit or protect against loss in a declining market. Investors should understand the risks involved in owning investments, including interest rate risk, credit risk and market risk. The value of investments fluctuates, and investors can lose some or all of their principal. Special risks are inherent in international and emerging-market investing, including those related to currency fluctuations and foreign political and economic events.