Global Investment Research
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Russell US Indexes Spotlight

QUARTERLY REPORT | **JANUARY 2026**

After Q4 wobbles, US equities face heightened investor scrutiny going into 2026

Forecast 2026 growth improved in Q4, and the inflation outlook did not deteriorate materially, but labor market concerns rose to the forefront. The Fed eased twice in Q4 with two "hawkish" cuts; long yields stayed high leading to curve steepening. Even as tariff-related concerns receded, the mixed macro picture and questions around tech valuations dampened US equity returns and outlook at year end.

Large caps edge out small caps in Q4 amid muted returns

Russell 1000 just beat Russell 2000 amid muted overall returns in Q4; this was consistent with the 12M trend. However, Russell Top 200 continued to outperform Russell Midcap, which represents the other 800+ stocks in the Russell 1000 index.

Value asserts itself in Q4

In Q4, when Tech's performance moderated and Health Care continued to rebound, both large- and small-cap Value bested their Growth counterparts, unlike over 12M. Over 12M, Russell 1000 Growth maintained its leadership among style indices.

Industry performance narrows

In Q4, index performance was carried by fewer industries, such as Health Care, in a reversal from the previous quarter's broad-based industry performance. But more Value industries continued to outperform Growth peers as in Q3.

Earnings outlook remains healthy; but Valuations mostly de-rate

The 2-year forecast EPS growth rose or was sustained over Q4 for most Russell size and style indices, except Russell Midcap. However, valuations contracted for most Russell indices as investor sentiment turned more cautious toward year end.

Russell IPO inclusion activity is sustained

In Q4, the previous quarter's improved IPO inclusion activity was maintained, with Russell 1000 and Russell 2000 including 3 and 20 new IPO names, respectively, representing the highest number of inclusions over the last three years.

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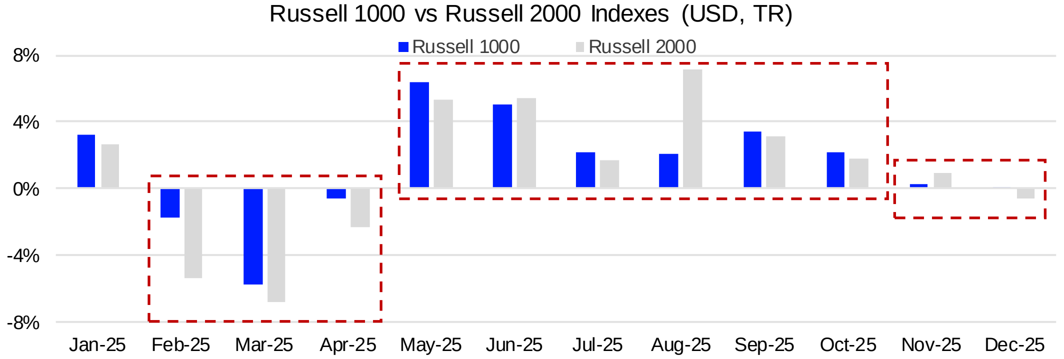
Chart 1: During Feb-Apr 2025, US equities pulled back when Tech moderated and prospects of steep US tariffs sobered markets. Since announced "reciprocal" tariffs were paused in April and the tech rally resumed, equities gained steadily until Oct when, once again, concerns about tech valuations and ROI dampened US equity performance. Investors approached 2026 with caution.



Source: FTSE Russell and LSEG. Data as of December 31, 2025. Past performance is no guarantee of future results. This report should not be considered 'research' for the purposes of MIFID II. Please see the end for important legal disclosures. For professional investors only.

Index Performance

During the fourth quarter of 2025, all Russell size and style segments were in the green, but returns were much more muted than in Q3 as the US equity rally moderated. Key market drivers, such as the AI narrative were challenged during the quarter, but markets found reasons for optimism in Q3 corporate earnings. In addition, after the Fed's October rate cut, there was uncertainty about further easing in 2025. Once again, markets were assuaged by the December rate cut and major indices largely recovered any intra-quarter losses by quarter-end.

In Q4, the Russell 1000 index just edged out Russell 2000, in a reversal from the Q3 trend when the equity rally had broadened and small caps had outperformed large caps. The performance of the Russell Top 200 index relative to the Midcap index (which constitutes the other 800+ stocks of Russell 1000) reflected this narrowing of the rally in Q4. Industry performance across size and style segments (pgs. 4-6) also painted a picture of a few industries carrying index returns, and a generally more mixed industry performance within equity segments as compared to the previous quarter.

Another notable shift in Q4 was the extent to which Growth equities moderated. Investors seemed to prefer more Value names across the size spectrum and both large-cap and small-cap Growth indices lagged their Value counterparts for the quarter. We saw the start of this in Q3, when Russell 2000 Growth slightly underperformed Russell 2000 Value. The Q4 outperformance of Value stocks may reflect mounting investor concerns regarding stretched valuations, especially of Tech and related equities. It may indicate a defensive market stance as we enter the third year of this equity bull market with concerns around its sustainability.

Chart 1: The US equity rally moderated in Q4, dampening the returns of all Russell equity segments. Russell 1000 edged out Russell 2000, but both large- and small-cap Value cohorts solidly outperformed their Growth counterparts in contrast to 12M trends.

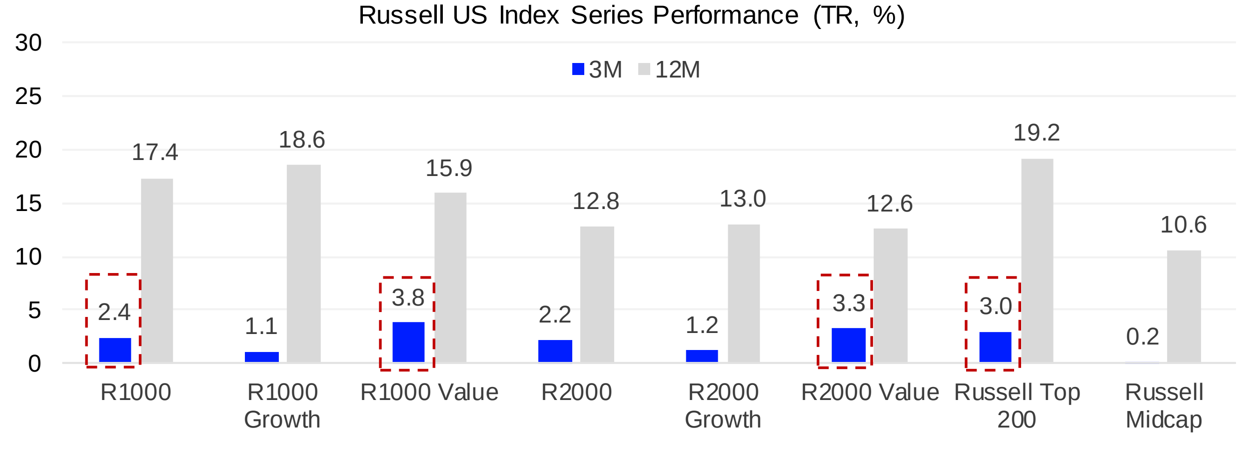
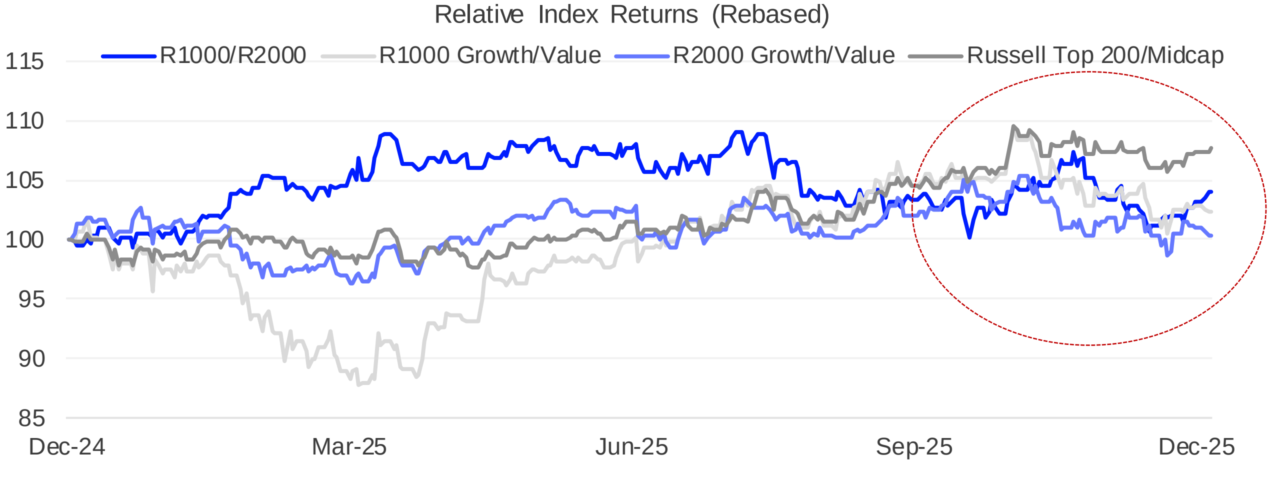


Chart 2: Over 12M, the Russell Top 200 index outpaced the Russell Midcap index underscoring the concentration in the US large cap equity rally. Large caps outperformed small caps, and large-cap Growth beat its Value counterpart over the longer timeframe. However, the Russell 2000 style segments were on par with one another over 12M, helped by Value coming back in favor in Q4.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Macro Drivers

In Q4, the US macro landscape was clouded by delayed economic data due to the US government shutdown. The picture that emerged when data became available once again was mixed.

Overall GDP growth and economic activity indicators such as PMIs remained strong. The US recorded a QoQ GDP growth rate of 4.3% (annualized) for Q3 2025. And forecast GDP growth for 2026 has steadily risen since Q2 (Chart 1) when a series of bilateral trade agreements, in addition to US business efforts to frontload tariffs since the end of 2024, softened the overall impact of US tariffs on American businesses and consumers.

Inflation expectations, which had spiked during Q1 2025 and remained elevated during Q2 and Q3, declined dramatically during Q4, especially for the near term (Chart 2). However, realized inflation was still above the central bank's target and upside risks to inflation remained (from delayed tariff impacts as well as the capex fueled AI/data center building boom). While the inflation trajectory remains an important consideration for the US Fed, during Q4 focus turned more toward the health of the US labor market, notwithstanding headline economic growth numbers.

The US labor market has shown signs of softening. While headline unemployment (U3) has remained contained, the underemployment rate (U6) rose from 8.0% at the end of Q3 to 8.7% in November before easing to 8.4% in December (Chart 3). Concerns over the labor market were a key driver of the Fed's decision to cut the policy rate twice during Q4, which resulted in a further steepening of the US yield curve over the quarter (Chart 4).

However, unlike during Q3 when falling interest rates provided a supportive backdrop for a broadening US equity rally, especially in small caps, the interest rate environment during Q4 seemed to reflect caution around the US economy. The US equity rally slowed and narrowed during Q4 when compared to the previous quarter.

Chart 1: The US GDP growth outlook has improved since Q2 2025, as worst-case tariff outcomes seem to have been avoided.

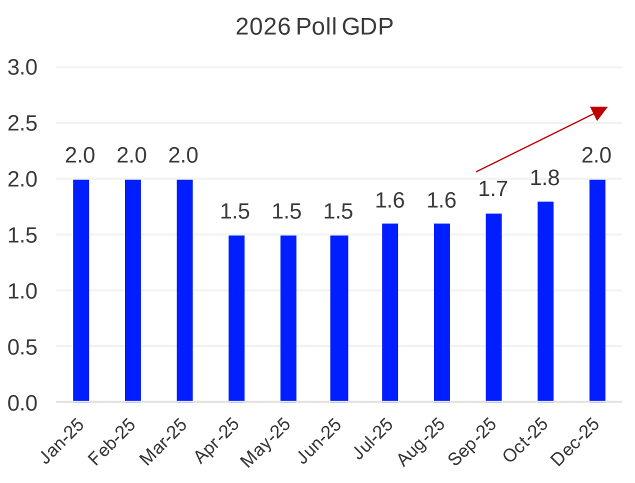


Chart 2: During Q4 2025, expected inflation over 1-3 yrs declined dramatically after remaining elevated the previous two quarters.

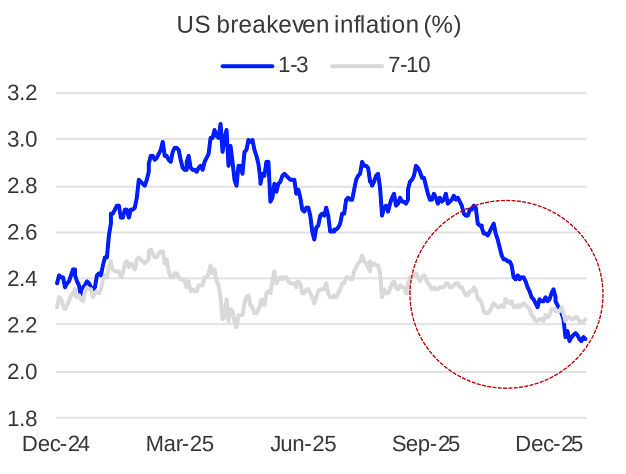


Chart 3: The U6 underemployment rate, an early indicator of a deteriorating labor market, rose to 8.4% from ~7.1% (Dec '23).

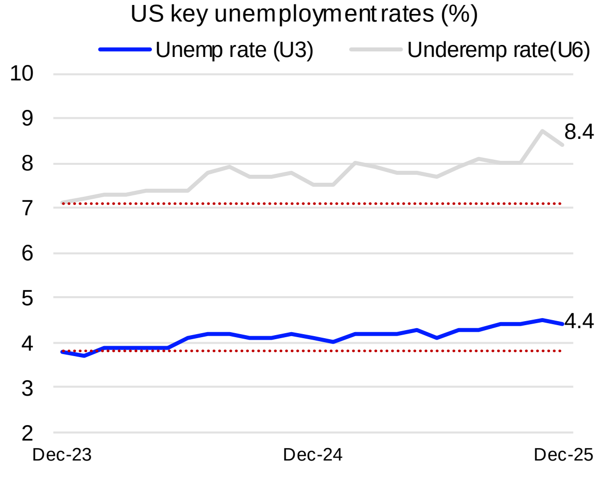
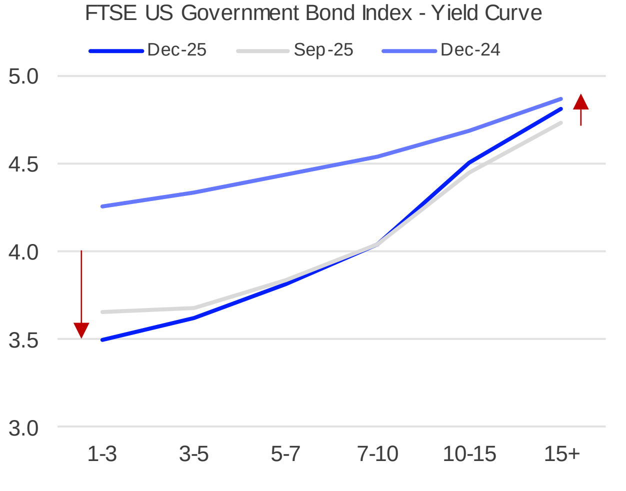


Chart 4: The US yield curve steepened over 12M and in Q4. Banks benefitted. REITs struggled from still high long rates.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Industry Returns & Weights – Russell 1000 & Russell 2000

Even as the headline Russell indices posted gains for the last quarter of 2025, industry-level performance offered a mixed picture of returns.

- In general, a narrower set of large- and small-cap industries participated in the Q4 rally as compared to the previous quarter, and even fewer industries accounted for the bulk of index returns given their relative weights in the index.
- Within Russell 1000, Health Care, Tech and Basic Materials led industry returns. Combined with their index weights, Tech and Health Care contributed most of the index's return. 5 out of 11 large-cap industries posted losses. US Health Care saw a rebound in the latter half of 2025 with incremental certainty around US health policy and drug pricing. Tech's performance moderated notably compared to previous quarters as the increasing use of leverage to finance AI capex raised the bar for those investments to become profitable.
- Within Russell 2000, Health Care led industry returns, followed by Telecoms, although the latter's contribution to index returns was modest given its small weight. Several small-cap industries were also in the red for the quarter, in a reversal from Q3's broad-based industry performance. 5 out of 11 small-cap industries outperformed their large-cap counterparts, notably in Health Care, Telecoms and Basic Materials, which was consistent with 12M trends.

Over 12M, most Russell 1000 and Russell 2000 industries posted gains. Industry leadership was reflective more of the key drivers of market returns in 2025—AI investment, demand for precious and industrial metals, US policy tailwinds—than of a pure cyclical-defensive split.

Chart 1: Over Q4, industry performance narrowed from Q3, with Health Care leading returns in Russell 1000 & Russell 2000.

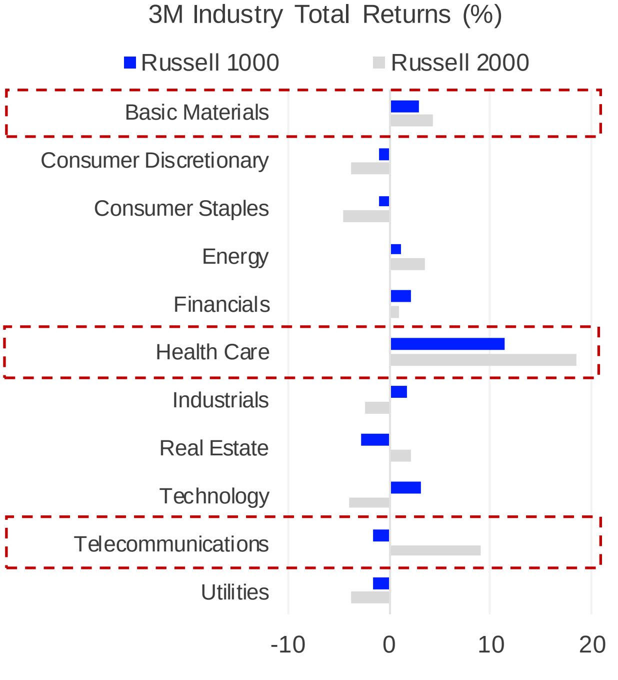
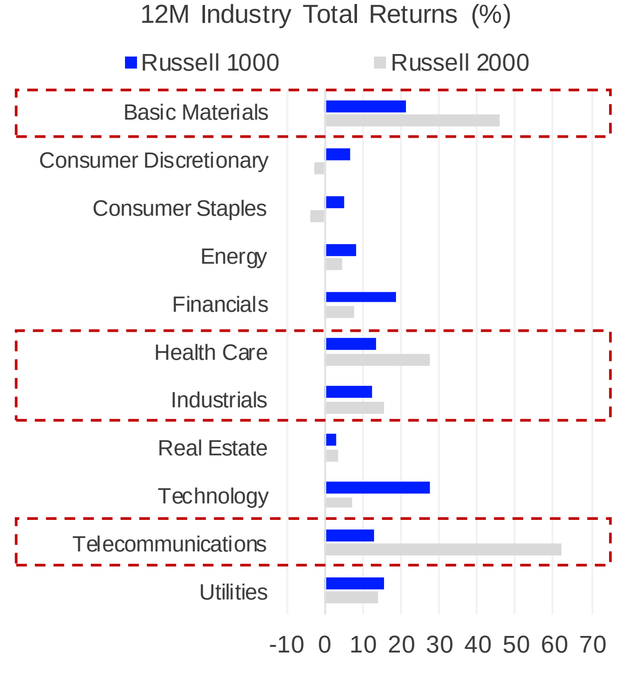
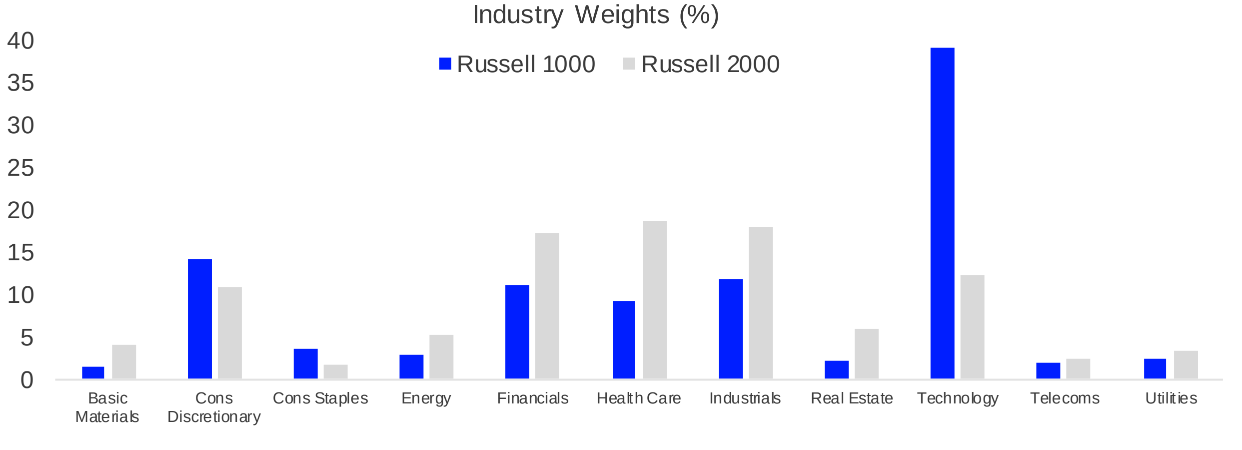


Chart 2: 12M returns were largely positive. Small-cap Telecoms, Materials, Health Care & Industrials beat their large-cap peers.





Source: FTSE Russell and LSEG. Based on Industry Classification Benchmark. All data as of December 31, 2025. Past performance is no guarantee of future results.

Industry Returns & Weights – Russell 1000 & Russell 2000 Growth & Value

Industry performance within the Russell style indices was also mixed in Q4 compared to the previous quarter.

- Health Care posted solid returns across size and style segments as the US healthcare industry, which had lagged even other US defensive industries over the previous two years, rebounded in the second half of 2025, helped by greater clarity around US health policy and drug pricing negotiations.
- Within large caps, 6 of 11 Value industries outperformed their Growth counterparts. And within small caps, 10 of 11 Value industries beat their Growth counterparts. This suggests that investor preference for Value equities in Q4 was fairly broad-based and much more so within the small-cap space. Even within Tech, more value-oriented names outperformed Growth equities across the size spectrum.

12M industry performance was still largely positive.

- Telecoms generally posted strong returns, but small-cap Value equities within Telecoms outpaced the rest.
- In terms of contribution, cyclicals and Health Care dominated contributions to Russell style index returns given their larger weights.

Chart 1: Q4 industry performance was mixed, but more Value industries continued to outperform Growth peers as in Q3.

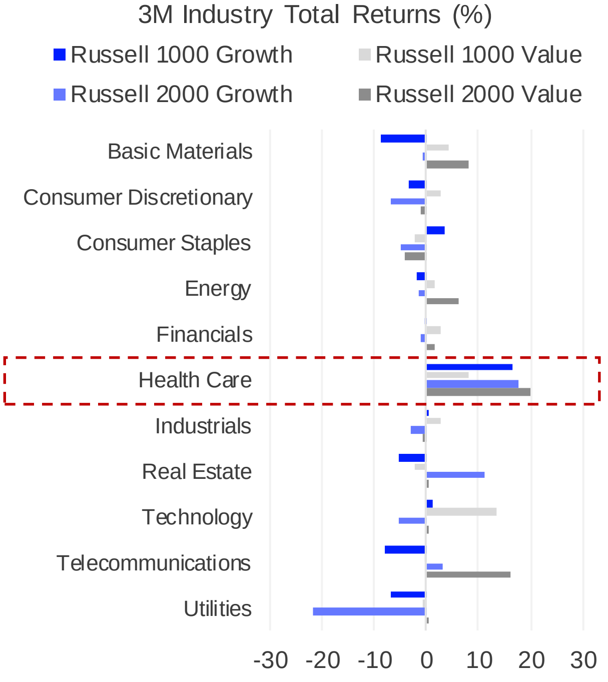
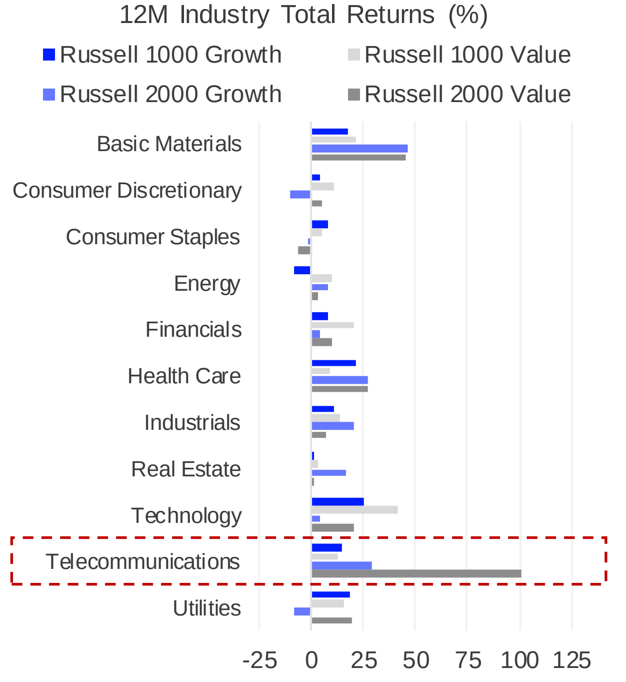
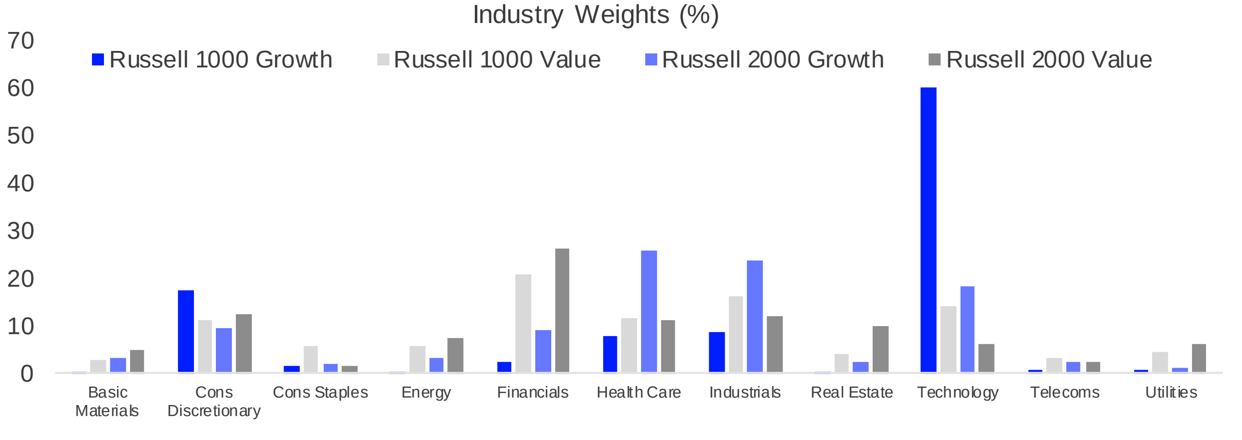


Chart 2: Over 12M, industry returns were mostly positive, with standout results from Value equities in Telecoms, Materials & Tech.





Source: FTSE Russell and LSEG. Based on Industry Classification Benchmark. All data as of December 31, 2025. Past performance is no guarantee of future results.

Industry Returns & Weights – Russell Top 200 & Russell Midcap

A comparison of the Russell Top 200 and Russell Midcap indices helps to better understand the performance and influence of the very large/mega-cap stocks. Russell Midcap represents about 27% of the market capitalization of Russell 1000 and approximately 800 stocks of its constituents. The weighted-average market cap of companies within Russell Midcap was about US$ 30.66B compared to about US$ 1.65T for the Top 200 companies (November 2025).

– Over Q4, the narrowing of the US equity rally can be seen across the industry performance of the Russell Midcap and Top 200 segments as well. More industries posted losses and return dispersion between Top 200 and Midcap industries was higher when compared to the previous quarter.

– Among Top 200 industries, Health Care outpaced others indicating the impact of big Pharma & Biotech names on returns (see also pg. 7 for large-cap sector contributions to returns). Cyclicals largely beat defensives.

– Among Midcap industries, Telecoms vastly outperformed others. Health Care and Materials also posted solid returns. The outperformance of Midcap and Small-cap Telecoms (see pgs. 4 and 5) may reflect the trend of investors seeking exposure to the AI trend through second-order beneficiaries such as the suppliers to the data center boom, where presumably they still see value as compared to the big Tech names with stretched valuations.

12M returns were largely positive with Top 200 Tech and Midcap Telecoms leading returns in each segment. However, contributions to Midcap index returns came from a broader set of industries that included Tech, Financials, Discretionary, Industrials and Health Care.

Chart 1: In Q4, most Midcap industries once again lagged their Top 200 peers, in a reversal from the previous quarter.

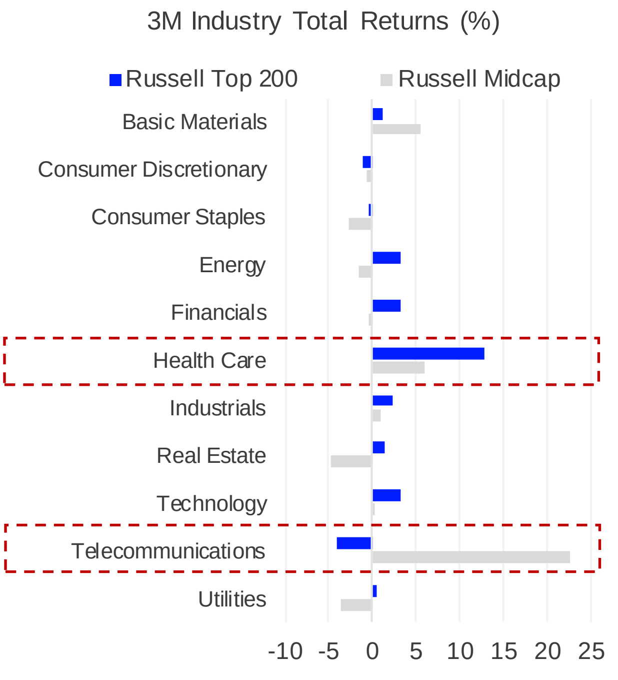
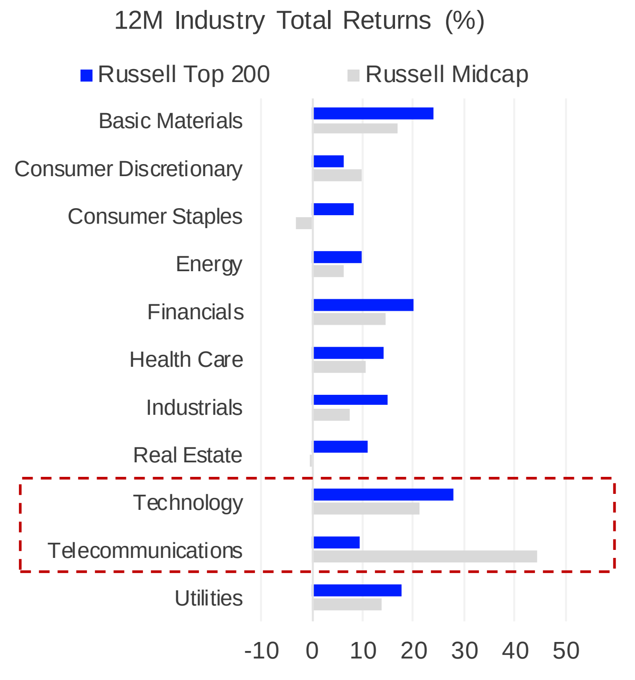
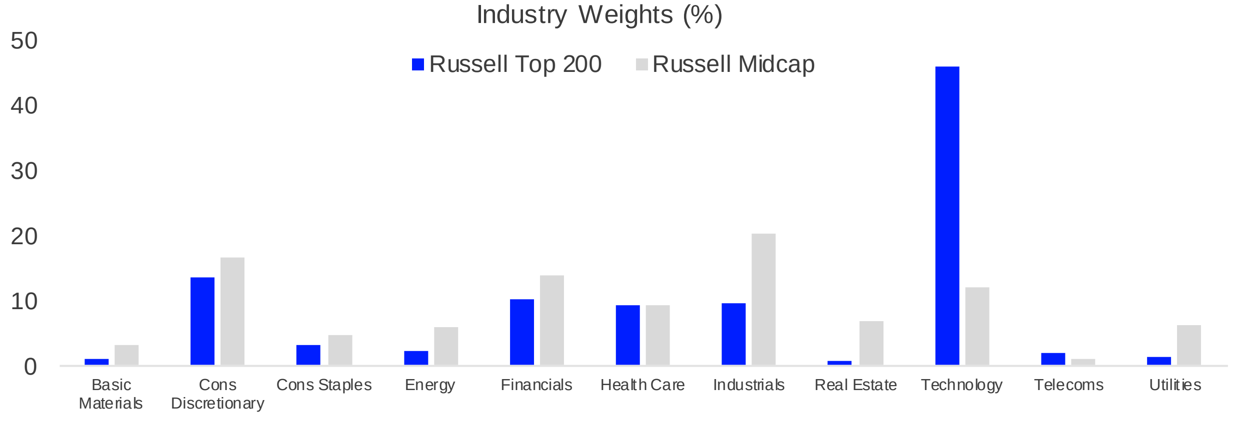


Chart 2: Over 12M, Tech and Telecoms led returns among Top 200 and Midcap industries, respectively.





Source: FTSE Russell and LSEG. Based on Industry Classification Benchmark. All data as of December 31, 2025. Past performance is no guarantee of future results.

Russell 1000 Sector Contributions to Return*

Drilling deeper into Q4 performance at the sector level for Russell 1000 industries:

- Within Tech, Hardware contributed solidly to industry returns, while Software struggled and detracted.
- Telecom Equipment continued to be accretive to Telecom returns. As investors sought value while trying to gain exposure to the AI theme, suppliers to the data center building boom, for example, benefitted.
- Health Care's rebound in 2025 has been driven by the Pharma & Biotech sector and was reflected in the sector's large contribution to industry returns as in the previous quarter.
- Precious Metals and Mining and Industrial Metals and Mining continued to be accretive to Basic Materials.
- Within Financials, Banks continued to drive returns during a quarter when the US yield curve steepened further.
- Despite oil price remaining under pressure, the Oil, Gas and Coal sector was accretive to Energy's returns.
- Among discretionary sectors, Travel and Leisure and Autos and Parts contributed.
- REITs were a drag on Real Estate's returns as US long rates remained flat even as the Fed cut twice over Q4.

Table 1: Amid narrower contributions to index returns in Q4, a few sectors stood out. Tech Hardware and Telecoms Equipment were major contributors to their respective industry returns, as was Pharma & Biotech.

Sector	Avg. Weight	Q4 2025 Contrib.
Basic Material		
Chemicals	46.9%	-2.91%
Industrial Materials	5.9%	-0.02%
Industrial Metals and Mining	31.4%	4.37%
Precious Metals and Mining	15.9%	2.93%
Consumer Discretionary		
Automobiles and Parts	12.4%	0.45%
Consumer Services	5.5%	-0.79%
Household Goods & Home Constructio	2.5%	-0.25%
Leisure Goods	3.7%	-0.65%
Media	11.9%	-0.99%
Personal Goods	2.8%	0.01%
Retailers	41.4%	0.12%
Travel and Leisure	19.7%	0.58%
Consumer Staples		
Beverages	26.6%	1.36%
Food Producers	18.2%	-0.86%
Personal Care Drug & Grocery Stores	40.9%	-1.20%
Tobacco	14.3%	-0.43%
Energy		
Alternative Energy	1.7%	0.21%
Oil, Gas and Coal	98.3%	0.62%
Financials		
Banks	31.1%	1.99%
Finance and Credit Services	6.7%	0.43%
Investment Banking and Brokerage Svcs	43.2%	-0.08%
Life Insurance	3.0%	0.03%
Mortgage Real Estate Investment Trusts	0.6%	0.04%
Non-life Insurance	15.5%	-0.17%

Sector	Avg. Weight	Q4 2025 Contrib.
Health Care		
Health Care Providers	13.2%	-0.23%
Medical Equipment and Services	32.3%	2.09%
Pharmaceuticals and Biotechnology	54.5%	9.51%
Industrials		
Aerospace and Defense	18.6%	0.39%
Construction and Materials	9.1%	-0.36%
Electronic and Electrical Equipment	8.4%	0.26%
General Industrials	13.9%	0.10%
Industrial Engineering	8.6%	0.79%
Industrial Support Services	31.7%	0.07%
Industrial Transportation	9.6%	0.63%
Real Estate		
Real Estate Investment & Services Dev.	8.3%	-0.46%
Real Estate Investment Trusts	91.7%	-2.30%
Technology		
Software and Computer Services	47.0%	-1.90%
Technology Hardware and Equipment	53.0%	3.95%
Telecomunications		
Telecommunications Equipment	43.8%	8.98%
Telecommunications Service Providers	56.2%	-3.47%
Utilities		
Electricity	69.3%	-0.68%
Gas, Water and Multi-utilities	22.2%	-0.70%
Waste and Disposal Services	8.5%	-0.22%

Source: FTSE Russell and LSEG. Based on Industry Classification Benchmark. *Index data shown here are from the Russell Capped Index Series, except for the Real Estate Industry. Data as of December 31, 2025. Past performance is no guarantee of future results.

In Focus – Looking past the Tech dominance of US equities

A key driver of US equities in 2025 was the AI theme. Recently, the capex-fuelled tech rally seemed impervious to the macro environment and left US equity indices concentrated (Chart 1) and their valuations stretched. However, performance has been vulnerable to challenges to the AI narrative as we saw in Q1 2025 after the release of China's cheaper DeepSeek AI model, and in Q4 when the increased use of leverage for AI investment and circularity within the AI ecosystem raised concerns about the eventual payoff of AI. These challenges have encouraged investors to look for opportunities beyond AI-related equities.

This is not to suggest that the AI theme is no longer a tailwind for markets. However, as fragilities begin to emerge in this investment theme, investors may wish to think more broadly about US equity opportunities.

To consider this we looked at US equity performance through the lens of *industry* equal-weighted versions of the Russell 1000 and Russell 2000 indices (EW R1000 and EW R2000) to limit the outsized impact of Tech's performance on the market cap-weighted (CW) indices' returns.

Over the last three years, since the release of ChatGPT in November 2022, the CW R1000 returned a cumulative 85%, while the EW R1000 returned 51%, underscoring the impact of market concentration (Chart 2). Interestingly, the CW R2000 and EW R2000 had similar returns over that timeframe (47-48%) indicating more broad-based performance as seen recently in Q3, *and* this was nearly in line with the EW R1000's performance.

Looking past the AI tech concentration, another tailwind for US equities, especially during H2 2025, was the resumption of US monetary easing. A lower cost of capital typically benefits smaller companies that are more sensitive to borrowing rates. This relationship was not apparent in 2025 when we looked at the CW Russell indices but was more evident when we considered the industry EW indices' performance against the US 10-yr yield (Chart 3).

As the 10-yr yield declined over 2025, EW R1000's outperformance of EW R2000 also moderated. The consensus view is that US rates are still in restrictive territory, and further easing is likely to be more supportive of smaller equities, all else equal. We saw a preview of this during Q3 2025 when small-caps outperformed large-caps and more Value equities participated in the rally. Their relative performance may well be more important for US equities' overall returns than they have been recently for investors aiming to diversify away from the AI concentration.

Chart 1: The stellar AI-related rally since end-2022 left Russell 1000 heavily concentrated, primarily in Tech.

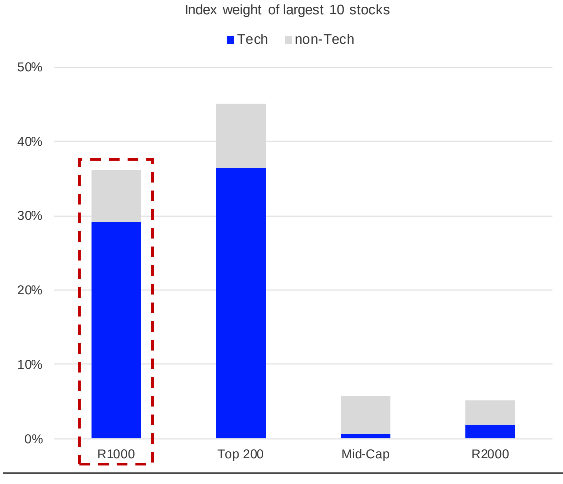
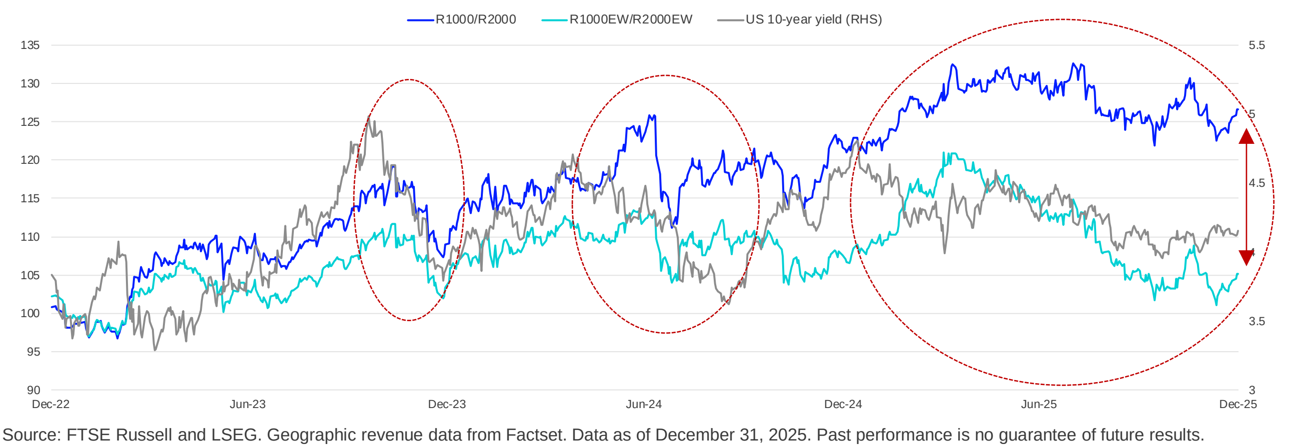


Chart 2: The EW ind Russell 1000's 3Y return was in line with that of the CW & EW ind Russell 2000 indices, markedly lagging the CW Russell 1000.

Chart 3: A lower interest rate environment has tended to be more supportive of small caps. But this relationship between Russell 1000/Russell 2000 relative return and the US 10-yr yield has been obscured recently by Tech's dominance of the large-cap index.



Source: FTSE Russell and LSEG. Geographic revenue data from Factset. Data as of December 31, 2025. Past performance is no guarantee of future results.

EPS Growth & Revision Outlook

Consensus 2-year forecast EPS growth rose over the quarter for most Russell size and style indices, except for Russell Midcap. (The 2-year forecast EPS growth is the expected growth rate of EPS over the two years from the next reported earnings.) It is worth noting that the Midcap index was essentially flat for the quarter in terms of performance and steeply lagged the Russell Top 200 index (pg. 2).

Forecast EPS growth rates were higher than one year ago for several segments, especially the Russell 1000 Growth and Top 200 indices. Both indices are heavily tilted towards Tech. Tech and related sector performance moderated in Q4 as the expected returns to AI investment came into question. However, these equities gained ground once again, partly helped by Q3 earnings and sustained forecast earnings growth.

It is worth noting that corporate earnings outlooks and forward earnings guidance had become more cautious earlier in 2025 at the height of tariff uncertainty, setting a lower earnings threshold for the rest of the year.

Compared to a year ago, Russell 2000 Value and Russell Midcap had slightly lower forecast 2-year earnings growth at the end of Q4 2025.

During Q4, earnings revision ratios for various Russell indices were mostly positive during October and November but turned negative for several segments in December, especially for Russell 1000 Value, Russell 2000 Value and Russell Midcap. They turned less positive for other segments. Overall, this indicated a deterioration in the earnings outlook toward year end.

Chart 1: Earnings growth forecasts were largely sustained over Q4, except for Russell Midcap whose forecast 2-year EPS growth was lower compared to the end of Q3. Positive earnings momentum was a factor propping market optimism and the equity rally.

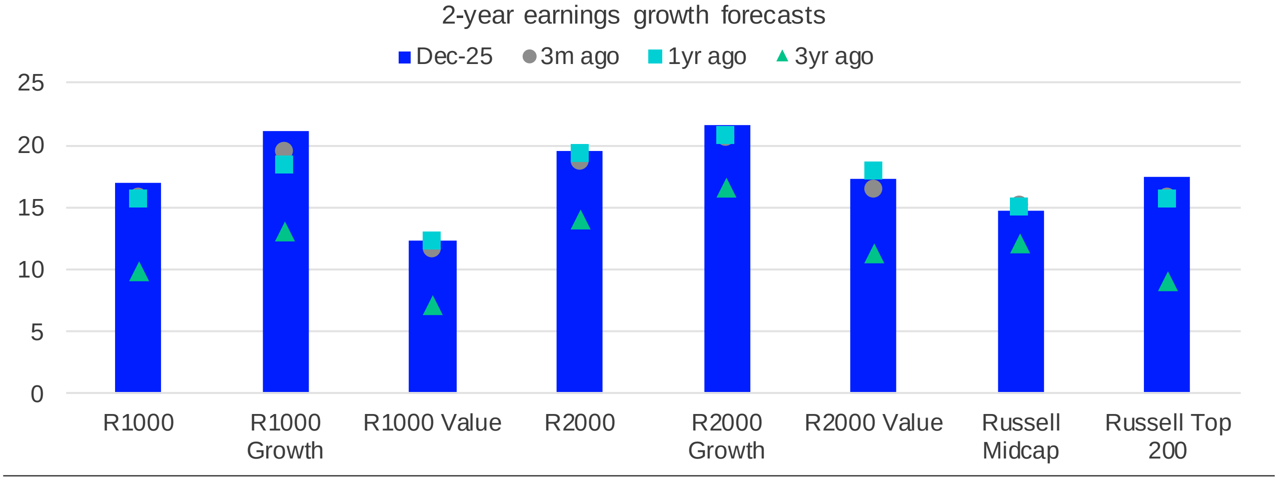
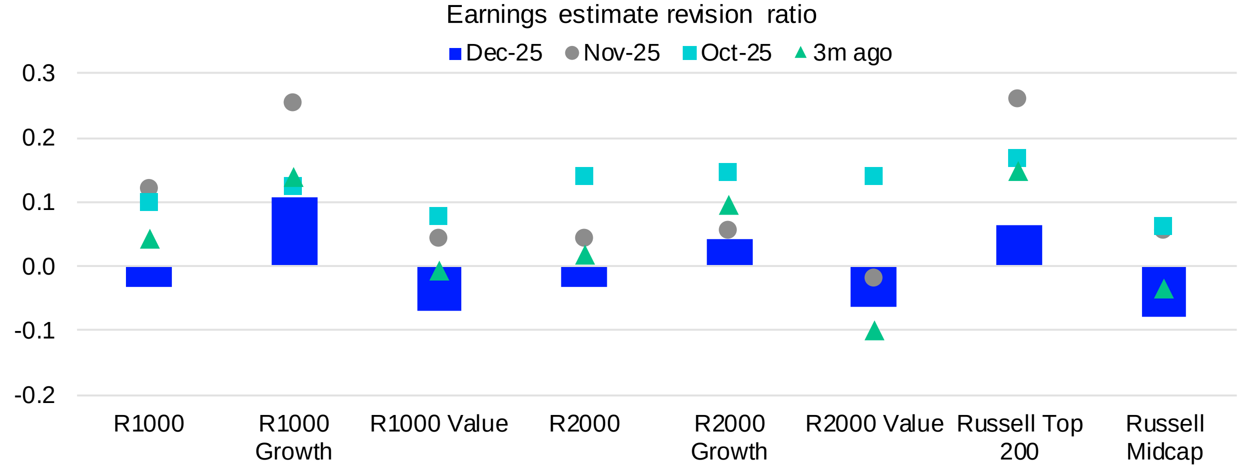


Chart 2: Earnings estimate revision ratios for Russell indices were mostly positive during October and November but turned negative or less positive in December for several segments, especially the two Value cohorts and the Midcap index, indicating a slight deterioration in the earnings outlook toward year end.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

Valuations (12M Forward) and Dividend Yield (Trailing 12M)

Companies with higher growth potential tend to trade at higher valuations. Both the Growth style and small-cap Russell segments typically represent companies with higher growth outlooks (and therefore, higher valuations) than their Value style and large-cap counterparts, respectively.

During Q4, valuations contracted for most Russell indices, especially the Russell 1000 Growth, Russell 2000 Growth and Top 200 indices. This was reflective of the moderation in Tech and related equities during the quarter as the AI narrative was challenged in the context of already stretched valuations for many Tech names. The increased use of leverage to finance AI investment and circularity in investments within the AI ecosystem called into question the sustainability of earnings and eye-popping valuations. However, Q3 earnings momentum and healthy forecast earnings growth (see pg. 9) helped equities recover by quarter end.

Typically, Value style companies tend to pay higher dividends than Growth style companies. Compared to one year ago and three years ago, dividend yields were lower across the Russell headline indices and size and style segments, largely due to their positive performance during this timeframe.

Within Russell 1000, it is interesting to note the Russell Top 200, which has a much higher weight to Tech than Midcap, has a much lower dividend yield than Russell Midcap. Five years ago, their dividend yields were more comparable. It reflects the impact of the AI-fueled tech boom in the US and the rising weight and influence of Tech stocks within the large-cap index.

Table 1: 12M Forward P/Es expanded slightly for the large-cap and small-cap Value cohorts but contracted for other Russell segments during Q4. They contracted the most for the Growth cohorts and the Top 200 segment, partly reflecting the moderation in Tech and related equities during the quarter.

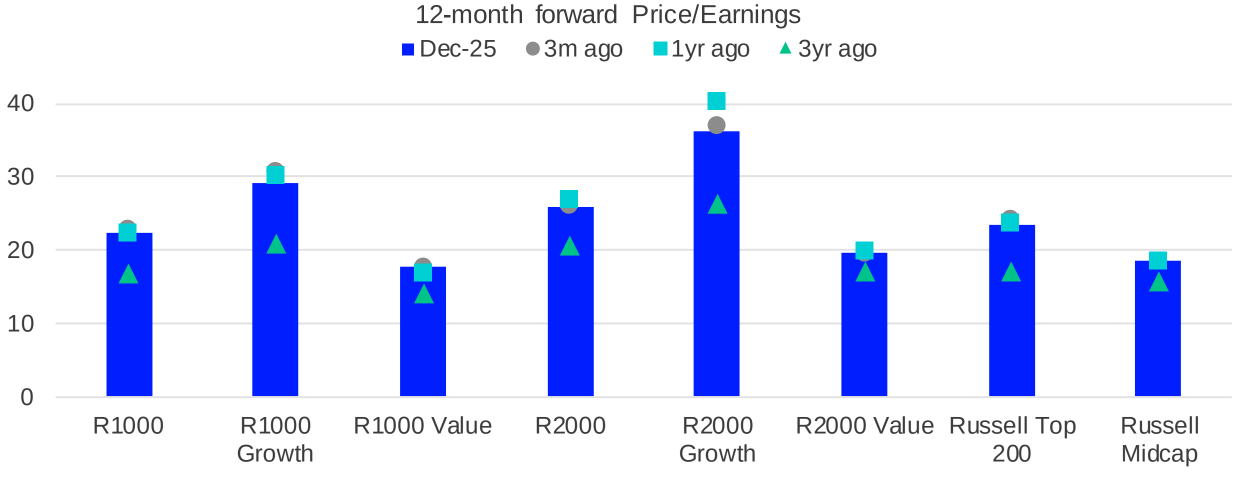
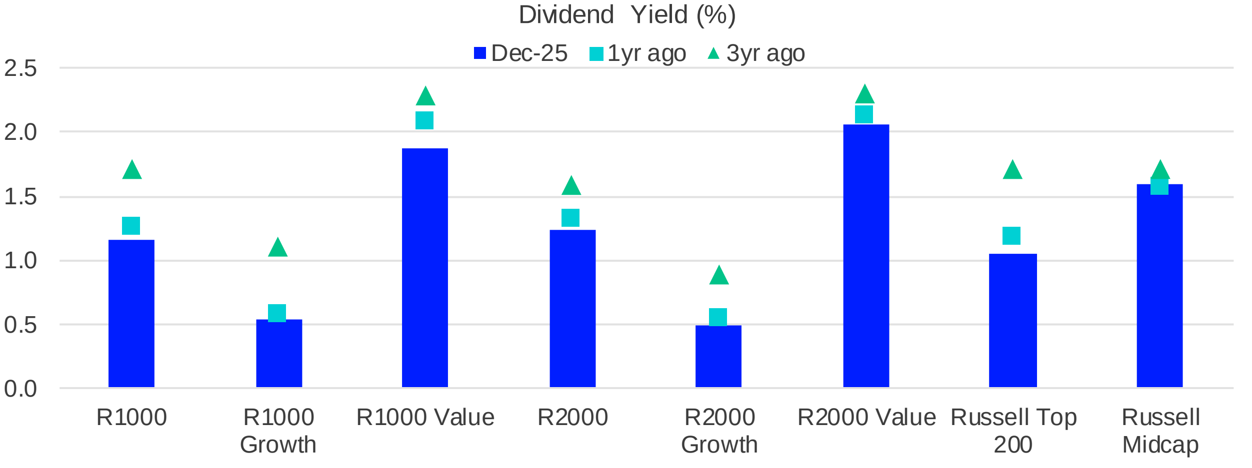


Table 2: Dividend Yields were lower across most Russell indices compared to one year ago and three years ago, largely due to their positive performance over this timeframe, and the growing weights of Tech in other indices, e.g. Top 200 and Russell 1000 Growth.



Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

IPO Additions

FTSE Russell adds eligible initial public offerings (IPOs) to its Russell US Indices on a quarterly basis, ensuring that the indices are always an accurate reflection of the markets they are designed to represent. Examining the history of such activity and its industry composition offers insights into market trends and investor sentiment.

While the number of IPOs each quarter tends to ebb and flow, the falloff over 2022-24 was dramatic, a likely effect of higher market volatility since 2020 and higher interest rates since 2022. However, IPO additions to the Russell family of indices has picked up since Q1 2024. Q3 2025 saw a sharp uptick in IPO inclusion activity in the Russell indices, particularly in the small-cap space. The last quarter of 2025 saw a similar level of activity. Over Q4, Russell 1000 added three new names (similar to Q3) while Russell 2000 included 20 new names (up one from Q3) for a total of 23 IPO inclusions to the Russell large-cap and small-cap indices.

From an industry standpoint, there was one IPO inclusion each in large-cap Financials, Real Estate and Tech. In the small-cap space, Financials saw six inclusions, Health Care saw four, Industrials, Tech and Discretionary saw three, and Materials saw one. Health Care has historically dominated IPO inclusions, especially prior to the overall decline in IPO inclusions. For more information, see [Russell US Index IPO additions and reports.](#)

Chart 1: Russell 2000 added 20 newcomers and Russell 1000 three new names in Q4. This represented a sharp rise in overall IPO inclusions to the Russell indices since 2022 when IPO inclusion activity declined sharply.

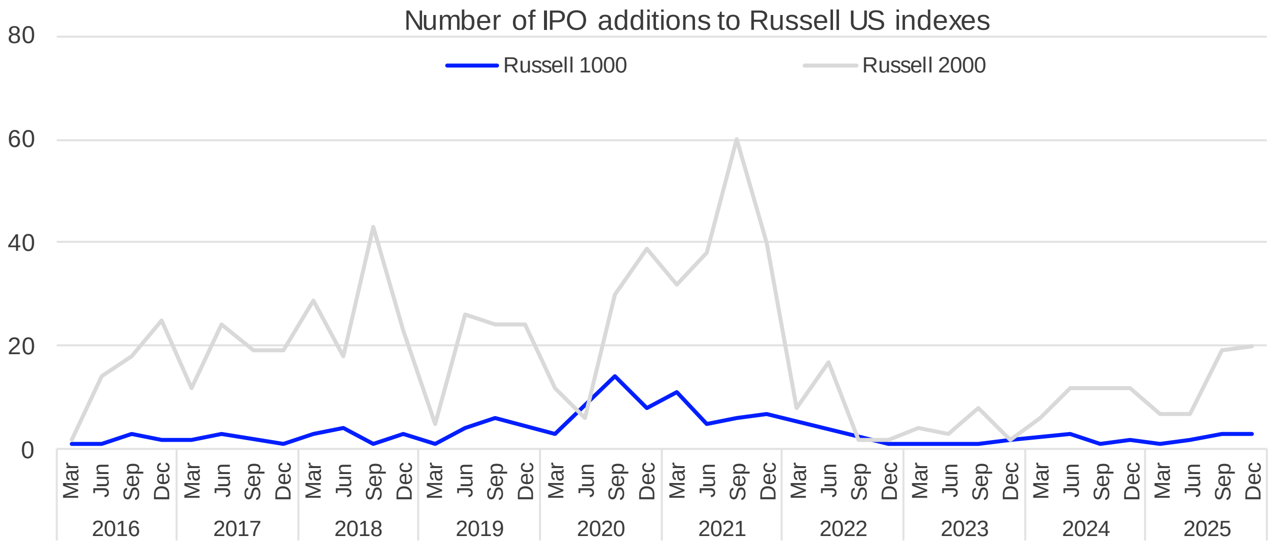
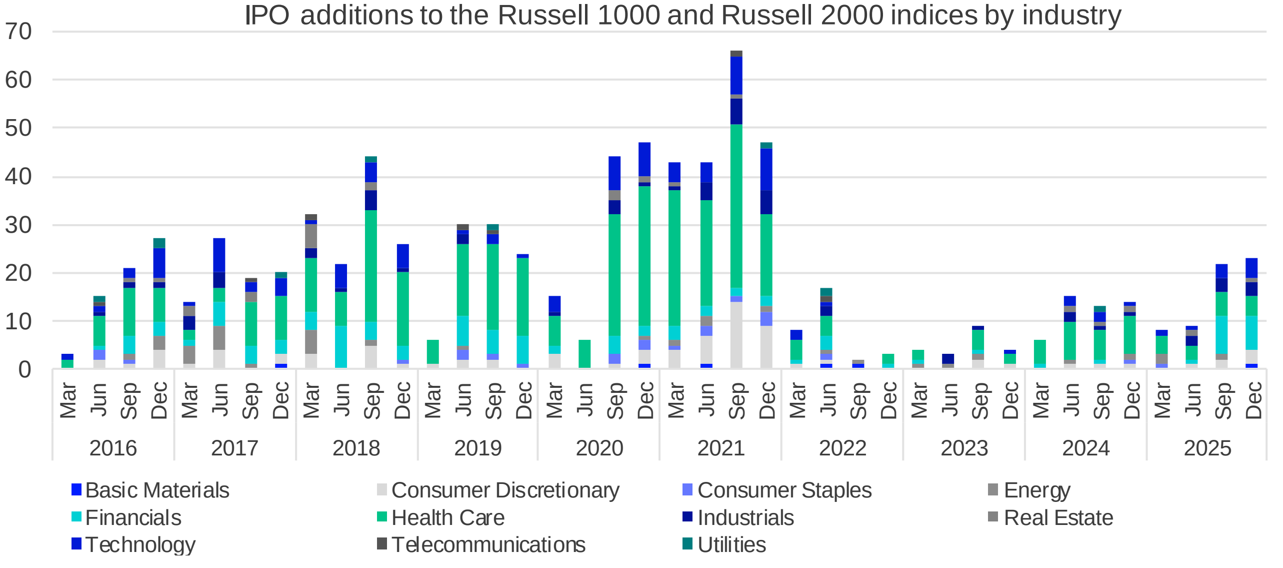


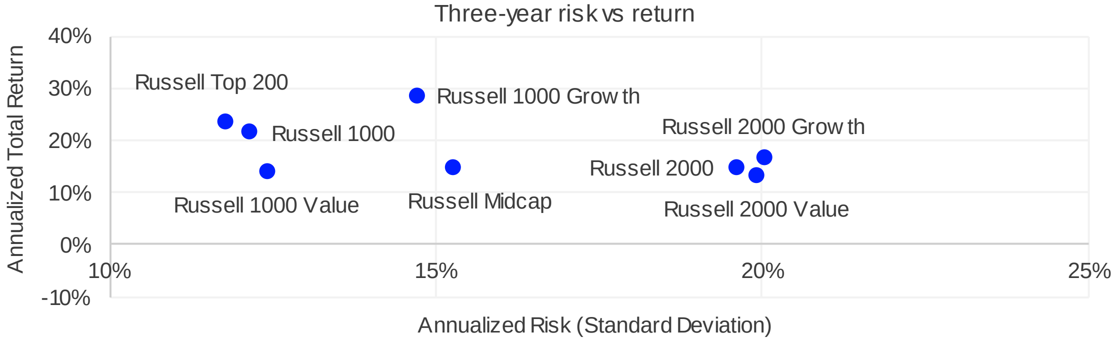
Chart 2: In Q4, the 19 new additions to the Russell 2000 index were distributed across several industries: 6 in Financials, 4 in Health Care, 3 each in Industrials, Tech and Discretionary, and one name in Materials. Russell 1000 saw one IPO addition each to Financials, Real Estate and Tech.



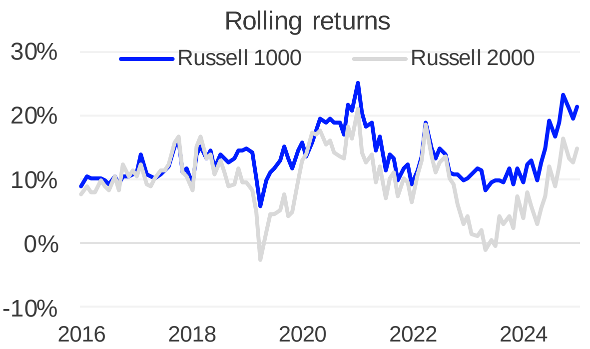
Source: FTSE Russell and LSEG. Based on Industry Classification Benchmark. All data as of December 31, 2025. Past performance is no guarantee of future results.

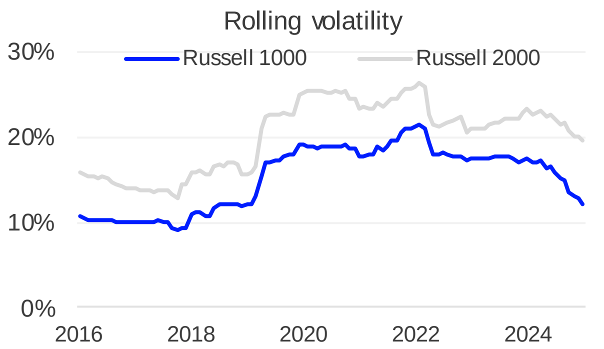
Return & Risk – Rolling Three-Year Patterns

In the most recent 3-year period, Russell Top 200 (2.00) and Russell 1000 Growth (1.94) offered the best return for unit risk followed by the headline Russell 1000 index (1.76).

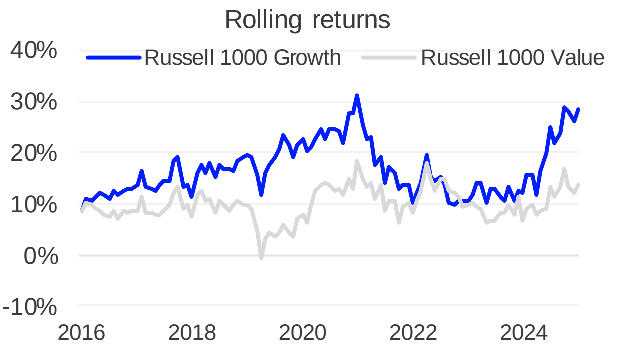


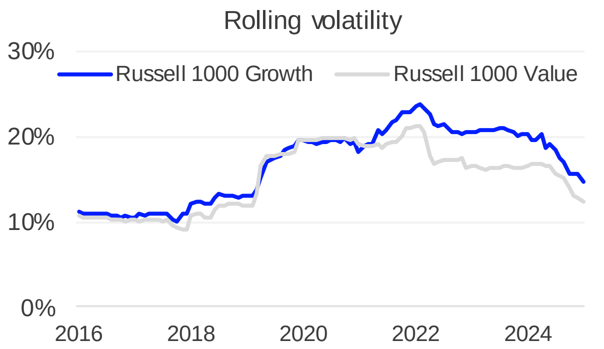
Russell 1000 and Russell 2000 rolling 3-year returns declined slightly in Q4, but volatility remained contained.



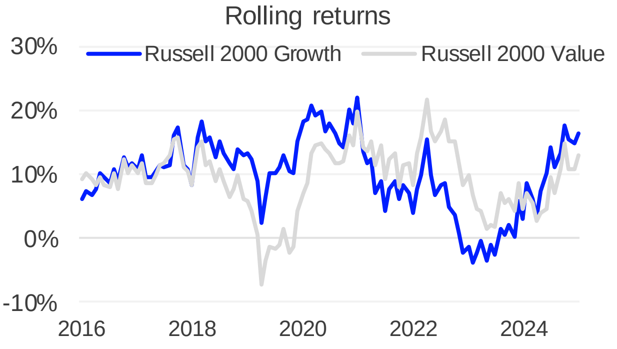


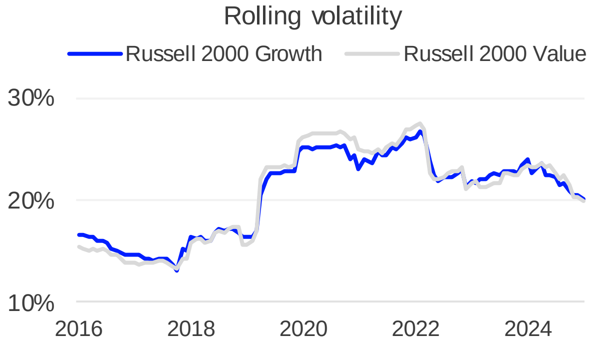
Rolling return for Russell 1000 Growth and Value declined sharply in Q4, before rising for the Growth cohort at quarter end.





Russell 2000 Growth's and Value's rolling returns ended Q4 higher, while realized volatility was lower at quarter-end.





Source: FTSE Russell and LSEG. All data as of December 31, 2025. Past performance is no guarantee of future results.

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