

Markets Reawaken to Risk

“Confidence comes from being prepared”

– John Wooden, Legendary College Basketball Coach

Introduction:

In our last quarterly, we underscored that markets were increasingly positioned based on hopes that the most optimistic of outcomes would play out in the quarters ahead: Equity valuations were pricing in double digit earnings growth, resilient GDP, slowing inflation and lower interest rates. We thought investors were likely underappreciating how sensitive such a market can be to even modest disappointments as well as any number of geopolitical shocks. January and February showed some signs of strain, but March marked the first real shock to the narrative with the escalation of conflict in Iran into an all-out war and increased scrutiny over the consequences of AI.

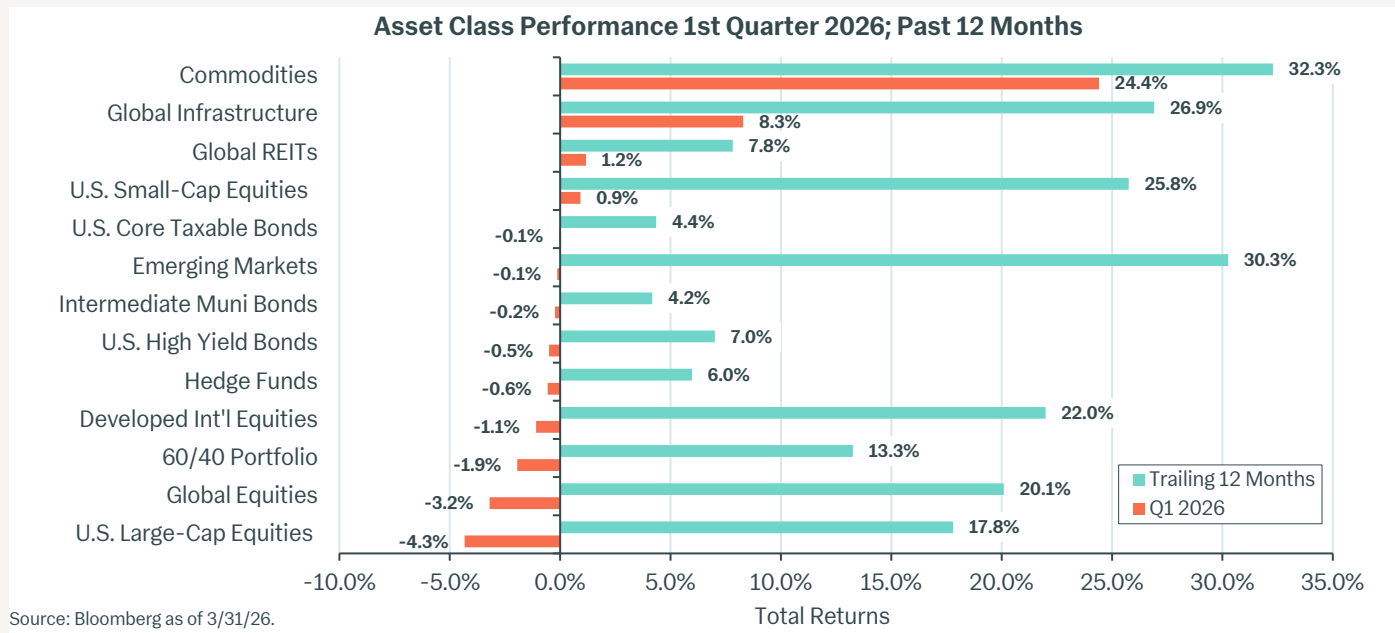
Four years ago, we posited a new macro regime backdrop had started unfolding characterized by a higher steady state for inflation, interest rates and, as a result, volatility. Since then, we have been building portfolios with these volatile moments in mind, thoughtfully designed to help mitigate risks and, where possible, take advantage of the opportunities. The war with Iran is yet another example of the changing of the world order into one that is multipolar in nature. Since our outlook for 2026 hasn't changed dramatically from our [last communique](#), we thought we would take a different approach to this commentary by simply addressing the most salient questions on client minds. We think each question deserves more narrative than we normally dedicate – as such, we have taken a modular approach to this commentary. You can choose to read just the [executive summary](#); skip to the question that resonates the most or read the commentary in its entirety.

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Quarterly Asset Class Performance Summary



Global Equities: Equity returns were flat to negative in Q1 as markets digested the Iran war, higher energy prices and uncertainty around the path of interest rates. U.S. stocks lagged as the S&P 500 was down 4.3%, with mega-cap technology and financials under the most pressure. The “Magnificent 7” which has driven outsized gains over the prior 3 years, lagged meaningfully (-12.0% Q1) as earnings expectations moderated and investors scrutinized the ROI of A.I. capital expenditures. Meanwhile, International and emerging markets equities proved more resilient when looking at the first quarter in its entirety, though both endured shocks that effectively wiped out otherwise stellar starts to 2026. Still, energy and commodities exporting countries managed to produce eye catching gains with Norway (+31.5%), Peru (+20.7) and Brazil (+19.2%) among the top performers in the quarter.

Fixed Income: Like equities, bonds struggled during the quarter as rising inflation concerns, driven by surging energy prices, pushed yields higher and reduced expectations for rate cuts. The Bloomberg US Aggregate Bond index returned only -0.1%. Short-dated government bond yields were particularly impacted, while income from high starting yields helped cushion results in credit-oriented areas. Still, high yield bonds and investment grade corporate bonds were among the weakest performers, each down approximately 0.6%. Longer-maturity municipal bonds sold off sharply in March with elevated new issuance and seasonal tax factors both considerations, but performance generally still matched taxable bonds for the quarter.

Real Assets: Real assets were again one of the strongest areas of the market and one of the only asset classes in resoundingly positive territory, led by a sharp rise in commodities as the geopolitical disruptions boosted prices. While a roughly 80% Q1 return from oil futures drove the 24.4% return of the Bloomberg Commodity Index, agricultural and precious metals components of the index also returned more than 8%. Meanwhile, infrastructure and real-asset equities benefited from their inflation sensitive cash flows, even as precious metals pulled back from earlier highs as inflation projections ticked up. Gold gave back some year-to-date gains in March with the prospect of higher-than-expected interest rates a headwind, but still posted a nearly 6% return for the quarter.

Diversifiers and Private Markets: Hedge funds posted modestly negative returns with most other asset classes in March but kept pace with fixed income for the quarter, underscoring the diversification value at the heart of the asset class. Private markets were steady overall, but March brought increased scrutiny to private credit as investors focused more on liquidity, portfolio transparency and sector concentration – particularly exposure to software and SaaS businesses. While concerns around AI disruption and redemption activity weighed on sentiment, most managers reiterated their ability to meet liquidity needs, and underlying fundamentals across private credit and private equity so far appear to remain intact.



Question: What are the Implications of the War with Iran?

The Cold War II Geopolitical Context

When markets confront a fast-moving conflict, the instinct is to focus on what comes next: The next headline, the next escalation, or just the next surprise. The more important question for investors and policymakers alike is, “What are the long-term implications both geopolitically and economically?” The economic impact depends far less on any single event and far more on whether the conflict truly resolves or leaves behind lasting vulnerabilities. At press time, a ceasefire has been announced between the United States and Iran. Markets rallied initially, but the agreement looks fragile. Israel’s conflict with Hezbollah continues, and the broader regional fault lines remain firmly in place. More importantly, the way this ceasefire emerged raises uncomfortable questions that markets seem eager to look past.

There is a risk, fairly or not, that the US is perceived as stepping back not from a position of strength, but because Iran demonstrated how quickly it could impose global economic costs through its leverage over the Strait of Hormuz. From Tehran’s perspective, the regime remains intact, the US came to the table, and all of this was achieved without further escalation. The lesson is troubling but clear. Iran does not need to defeat the US militarily to wield real power. The credible threat of disruption alone was enough to rattle energy markets, disrupt supply chains, and force political decisions. That lesson does not disappear with a ceasefire: Once vulnerabilities are exposed, they cannot be unseen. Even if traffic through the Strait normalizes, governments, insurers, and businesses will operate with a permanently higher geopolitical risk premium.

This has broader implications for Cold War II dynamics. If US resolve is seen as constrained by exposure to economic chokepoints, that perception may embolden others. In a multipolar environment competition increasingly plays out through resources, supply chains, and control of chokepoints rather than direct confrontation. In that context, the endgame matters well beyond the Middle East. A conflict that drains US attention and resources weakens its position elsewhere, while a clean resolution reinforces deterrence.

China, chief among U.S. geopolitical rivals, is evaluating what this episode reveals about U.S. endurance and willingness to absorb economic pain in pursuit of strategic objectives. China may be emerging relatively strengthened as the U.S. faces growing geopolitical isolation and mounting fiscal strain following the conflict. At the same time, China’s leadership in renewable energy supply chains—spanning solar, wind, batteries, and EVs—positions it to benefit as countries accelerate their transition away from oil amid ongoing disruptions. This combination of strategic positioning and industrial dominance tilts the playing field more in China’s favor.

The conflict also raises the risk that China could pursue a more gradual, “strangulation-style” approach toward Taiwan, rather than a full-scale invasion, particularly given perceived U.S. resource constraints and war fatigue. Beijing is reportedly studying recent disruptions to global energy flows as a model for how a Taiwan Strait blockade could pressure the global economy, especially through semiconductor supply chains. Such a scenario would have far broader consequences than an energy shock, given Taiwan’s central role in advanced chips, and would disproportionately impact regions like Europe. While there may be a temporary lull, the underlying geopolitical risks remain firmly in place.

The Long Shadow of Oil

The global economy is far less energy intensive than it was decades ago. Relative to the early 1990s, oil intensity is roughly half what it was, which helps explain why energy shocks today do not automatically produce 1970s style outcomes. However, lower intensity does not mean immunity. It means the transmission mechanism has changed: Transportation through Hormuz today plays a role similar to OPEC in earlier eras and meaningful economic damage



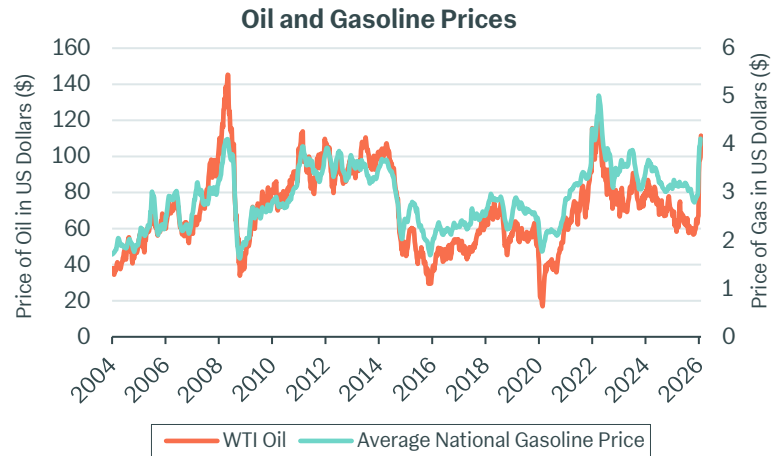
does not require full closure of the Strait either. Higher insurance costs, rerouted shipping, longer transit times, and uncertainty can materially reduce effective supply even while traffic continues.

Since the start of the war prices have risen sharply not only for crude oil but many derivatives. The economic reach of crude oil is massive. It is a conduit for refined fuels, fertilizers, petrochemicals, and industrial inputs embedded across manufacturing, transportation, agriculture, and trade. If elevated prices are sustained, it could slow advanced chip production at the margin as even the digital economy rests on physical foundations such as energy, cooling, specialty gases, and logistics. For example, helium, a critical semiconductor input, has already seen supply disruptions tied to gas processing and logistics. So, oil may dominate headlines, but these other inputs quietly affect just about everything. And no one knows how durable the ceasefire will be or how quickly shipping through Hormuz returns to normal. What matters is that inflation pressure is already visible regardless of how events unfold.

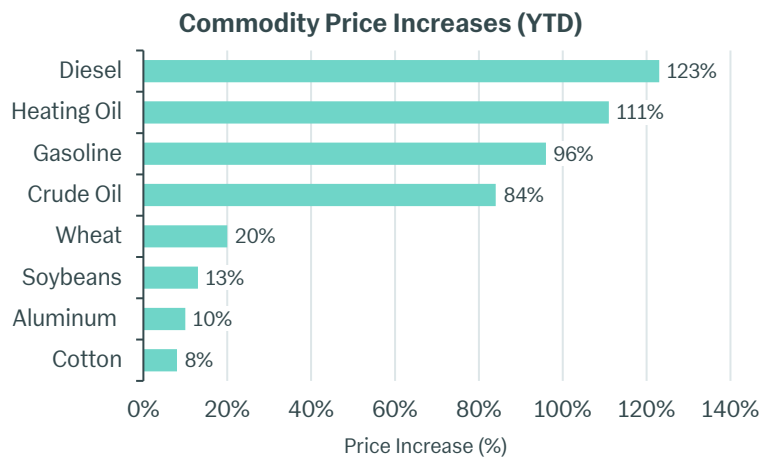
The Timing Isn't Great... And Timing Matters

All of this is unfolding in what was already a less forgiving macroeconomic environment. Growth slowed late last year, labor market strength is narrow across a handful of sectors, and inflation hasn't fully reset. Now, higher prices, oil, gasoline or otherwise, are likely to act like a tax on consumption. Why? Because prices (gasoline in particular) tend to rise like a rocket and fall like a feather. And the longer it takes for a greater resolution to present itself, the longer consumers and businesses will face those prices in the economy. Here is where the biggest risk lies: The duration of the economic impacts we have already seen will matter more than the individual headlines in the months ahead whether ceasefire or reignition of conflict.

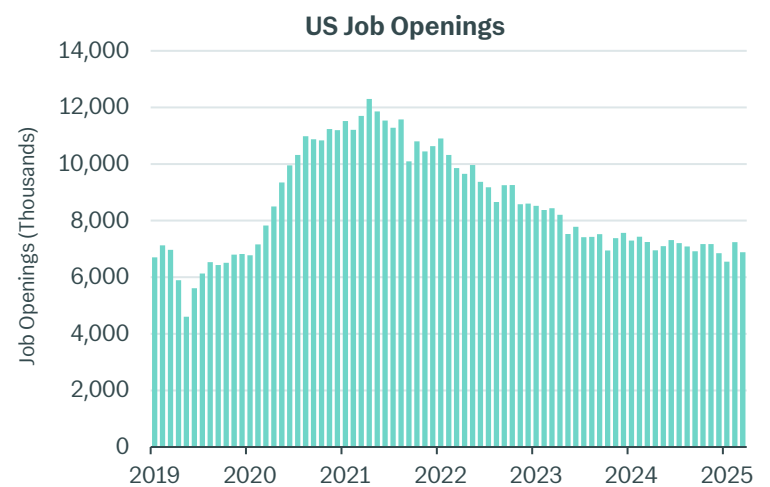
Consequently, the Fed and the market should be more concerned about accelerated inflation creating demand destruction. Historically, energy shocks hit economic activity with a lag of roughly nine months. We have likely not yet seen most of the impact. Input costs rise first and behavior changes later, to this point inflation expectations remain muted looking out 5 years. This creates an uncomfortable mix of near-term inflation pressure and weaker growth



Source: Bloomberg as of 4/5/26.



Source: Bloomberg, Invesco as of 3/30/26.



Source: Bloomberg as of 2/28/26.



down the road. Futures markets may not be placing enough weight on the risk of a meaningful slowdown or recession when pricing potential interest rate cuts later this year.

So far, equity markets absorbed the shock better than many expected, with only a modest pullback prior to the ceasefire that has since dissipated. That resilience suggests investors assume the effects of this disruption will be short lived which, alongside elevated valuations and rising uncertainty generally, seems potentially overly optimistic.

The Bigger Picture

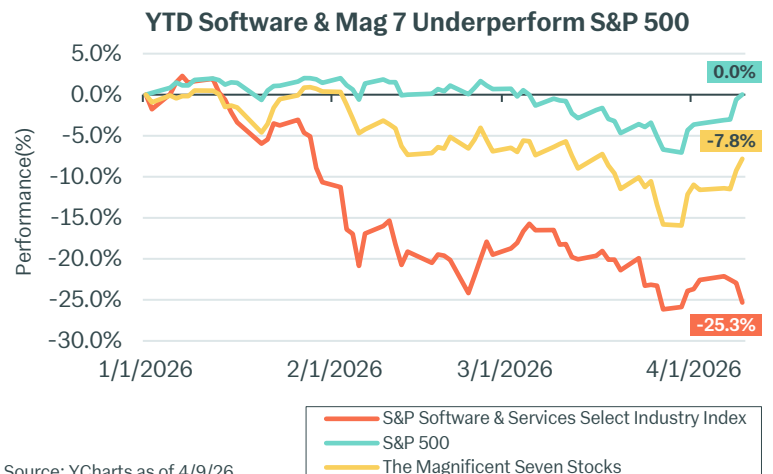
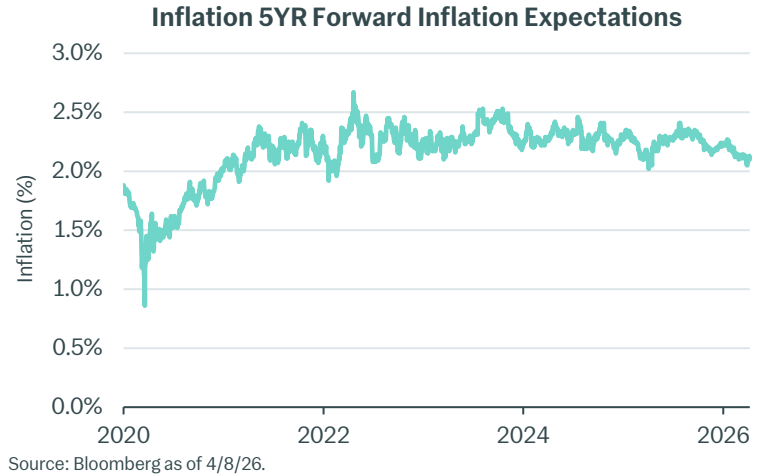
Stepping back, this episode reinforces the broader point we have been making since early 2022. We were never trying to predict specific outcomes or conflicts. Instead, we argued that we were not heading back to the pre-COVID, post-Berlin Wall regime that defined much of the past thirty years. We were entering a new regime shaped by a multipolar world. That world looks different. It is marked by more frequent supply disruptions, greater competition over resources and chokepoints, higher geopolitical risk premiums, and less margin for error. The natural consequence is a higher steady state of inflation, interest rates, and market volatility than investors were accustomed to in the prior era. The Iran conflict did not create that shift, but it is very much a symptom of it.

This isn't just an oil story. It is a reminder of how leverage works in a multipolar system, how quickly confidence can be tested, and how economic pressure can shape geopolitical outcomes without traditional battlefield victory. Those dynamics are unlikely to fade with a ceasefire. That is why the most important question remains the same, and why it matters beyond this particular event. Not simply how does this conflict end, but how do investors, policymakers, and markets adapt to a world that no longer operates under the assumptions of the last cycle?

Question: Will AI destroy software companies?

Over the last few years, strong market performance has been driven by sentiment around artificial intelligence and the potential the technology has to revolutionize how business is conducted across the global economy. Until recently, AI has been viewed through a broadly positive lens focused mostly on the gains side of the ledger versus consideration for the disruption that could occur as adoption increases. Over the last several months, however, investors have begun to consider the degree to which AI could create headwinds for several sectors including financial services and real estate, marketing, and even the epicenter of AI: the technology sector. Those market segments have seemingly taken turns under the spotlight with concerns about the replacement of full business segments as AI tools that even if they aren't perfect are "good enough" to supplant them.

In Q1, software companies and more specifically, the enterprise software or software as a service "SaaS" segment of the broader technology sector began to





be much more scrutinized. SaaS customers, whether businesses or consumers, typically pay for a certain number of licenses or “seats” based on the number of people that use the tool. What is the concern for those businesses? AI tools may be able to eliminate the need for human operated software programs or, alternatively, end users or competitors could leverage AI to recreate a replacement tool. In either case, the consequences could include reduced revenue, weaker competitive position via commoditization, or even obsolescence.

Technological Advancements Are A Net Positive

Is AI a catalyst for growth or a harbinger of economic dislocation? Investors are increasingly worried that the decline of core sectors, like SaaS, which saw a 23% Q1 slide, could undermine US employment and consumer health. While technological shifts typically benefit the economy over the long haul, the immediate threat of “broad destruction” for legacy firms is making the market nervous.

The recurring shifts from horse-drawn carriages to automobiles, and later through the dawn of the internet, reveal a consistent market truth: survival hinges on evolution, not just existence. History shows that while the automobile decimated whip makers, many carriage part manufacturers successfully pivoted to support the new industry. A classic example is Studebaker, which successfully transitioned from building horse-drawn wagons to automobiles. This same spirit of adaptation defined the survivors of the Dotcom boom, but while the lesson is familiar, the nature of this shift is distinct.

Unlike previous industrial revolutions, AI directly targets “white-collar” knowledge work, with roles in coding, customer service, and data analysis facing high task overlap with automation. The friction is already visible; in 2025, Challenger, Gray & Christmas linked roughly 55,000 job losses to AI. This suggests that while AI may not trigger immediate mass unemployment, it is forcing a workforce restructuring at a pace that challenges historical precedents. Just as assembly lines evolved, today’s workers are being pushed to transition into AI oversight and prompt engineering to manage a technology that, despite its speed, remains prone to error.

This tension between legacy and innovation is most visible among the cornerstone SaaS businesses. Giants like Microsoft, Amazon, and Google are simultaneously the most exposed to disruption and the most aggressive in their pivot. They aren't necessarily facing extinction, but they are being forced to fundamentally redefine their value, moving away from per-seat licensing toward AI-driven outcomes where agents operate across legacy silos. However, not every player has the capital to reinvent itself; smaller SaaS firms with less agility may find themselves out of runway far sooner than their predecessors in earlier tech cycles.

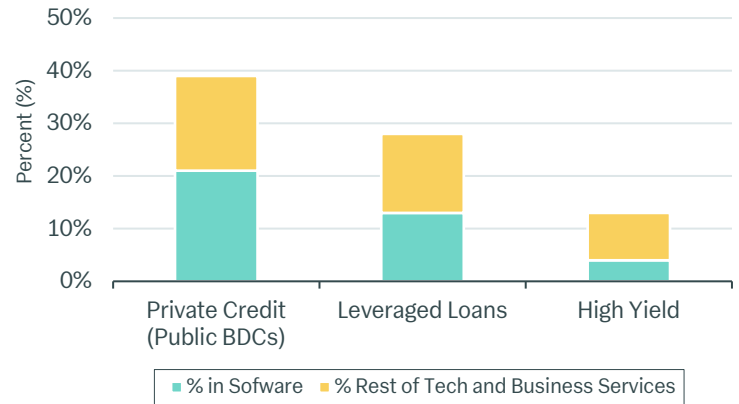
Ultimately, we are witnessing a struggle between a sudden revolution and a more measured economic evolution. Investors may be over indexing on the total destruction of industries, but the risks to employment and legacy business models are more acute than in the past. While significant headwinds, such as data scarcity, massive energy demands, and infrastructure plateaus, could act as a temporary brake on total worker replacement, the sheer velocity of AI adoption suggests this transition will be far more condensed than the decades it took to phase out the horse and carriage. The result is an economy in high-speed transition, where the window for workers and businesses to adapt is closing much faster than in any previous era.

Artificial intelligence is reshaping the private markets, but the story is more nuanced than recent headlines suggest. While AI focused startups are launching quickly and attracting capital, that does not mean older private equity vintages are inherently flawed or obsolete. Not all legacy private equity has meaningful exposure to SaaS, and even among portfolios that do, not all SaaS exposure is equally vulnerable. Many businesses provide mission critical software, operate in regulated niches, or continue to benefit from switching costs and durable customer relationships.



That said, it is fair to acknowledge that private equity portfolios built with a heavy concentration in traditional SaaS models face more questions today than they did a few years ago. For a long time, the appeal was straightforward. A successful software product could scale rapidly and deliver stable recurring cash flows once embedded into business or consumer workflows. AI has challenged that assumption in some areas by increasing the risk of substitution, commoditization, or pricing pressure. As a result, certain older portfolios may take longer to realize gains and could experience more underperforming investments than initially expected. That reassessment has unsettled some investors and has shown up most clearly in elevated redemption requests within the semi liquid portion of private markets.

Private Credit: Largest Exposer to Software and Business Services

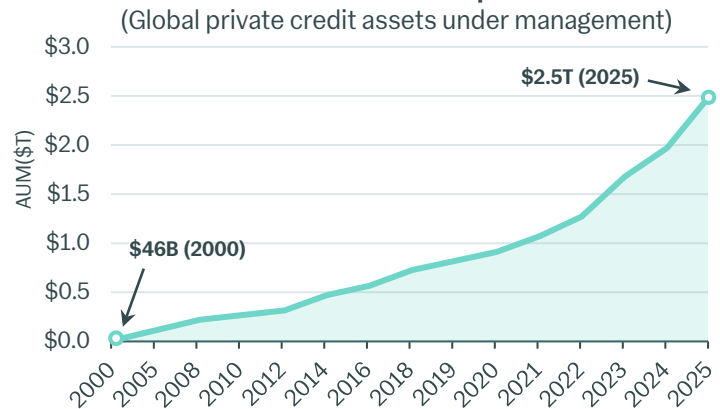


Source: JP Morgan Global Alternative Investment Solutions, Goldman Sachs, JP Morgan Investment Bank Credit Research as of February 2026. Bar graph showing private credit's largest exposure to software and business services. Private credit (Public BDCs): 20.8% in software, 21% in rest of tech and business services. Leveraged Loans: 13.8% in software, 16% in rest of tech and business services. High Yield: 4.7% in software, 9% in rest of tech and business services.)

Sorting Fundamentals From Headlines in Private Credit

Private credit, which has evolved over the last twenty five years to fill a void left by the traditional banking system post '08 Global Financial Crisis, has absorbed much of that anxiety. Over that span, it has become a core financing tool for private equity and its rapid growth has made it an easy target during periods of uncertainty. Some of the negative narrative traces back to high profile bankruptcies in two auto related businesses in 2025. Fraud was a meaningful factor in those cases, and much of the lending involved high yield bonds and syndicated bank debt rather than private credit exposure.

The Private Credit Explosion



Source: Fed Bank of Boston, IMF GFSR, FDIC Risk Review 2025, ProSight/industry estimates.

Unfortunately, portions of the media response appeared less focused on context and more focused on finding a crisis. At times it has felt like a fly actively searching for a windshield. That makes for compelling headlines, but it does not always make for good analysis.

More recently, redemption activity has been tied to concerns that AI will disrupt SaaS businesses and that private credit funds have meaningful exposure to that segment. In response, many managers have limited redemptions to five percent of net asset value, fully in line with their stated liquidity terms. While these gates often draw alarming headlines, they are standard liquidity tools designed to protect fund investors rather than evidence of deteriorating fundamentals. In other words, the funds are doing exactly what they were designed to do.

Should Investors Head for the Exit?

Despite the noise and an increasingly uncertain macro environment, we remain unconvinced that broad exits from private credit are warranted. When we allocate to private credit, we do so with a clear understanding that liquidity can tighten during periods of stress, and we believe we are being appropriately compensated for that risk.



Fundamental data across direct lending remains constructive. Leverage levels are generally manageable, default rates remain below historical averages, interest coverage continues to improve, and loan to value ratios are typically conservative. Semi liquid private credit strategies have broadly posted positive returns so far in 2026, and in several cases inflows from new investors have helped offset redemptions. Historically, starting yields in the nine to eleven percent range have provided a meaningful cushion against losses when defaults do occur.

A Fragile Moment for Risk Assets More Broadly

That said, we are paying close attention to redemption activity as a signal of sentiment rather than as a verdict on private credit itself. When many semi liquid vehicles experience elevated redemptions at the same time, investor behavior can begin to matter as much as portfolio fundamentals. That increases the risk that stress in one area could spill over into others.

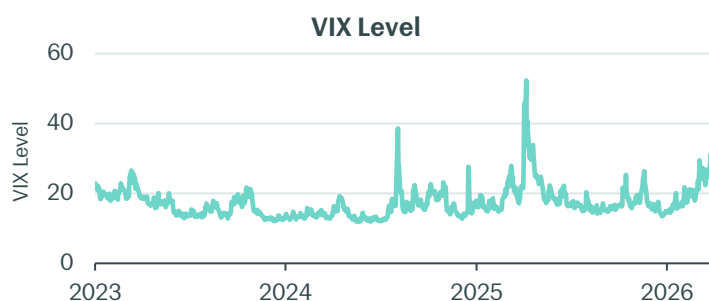
The timing also matters. The war with Iran and its second order effects raise the risk of slower growth or even recession at a moment when some private market vehicles are already managing heightened redemption pressure. But it is important to keep perspective. A recession would not be a private credit event. It would impact the entire risk asset complex, including public equities, high yield credit, real estate, and other cyclical exposures. Private credit is not uniquely vulnerable in that scenario.

Bottom line, we do not view private credit or private markets as broken. We do view the current environment as more fragile, more sensitive to liquidity and headlines, and less forgiving of complacency. That reinforces the importance of selectivity, structure, and discipline as the private markets adjust to a period of rapid technological change and elevated macro risk.

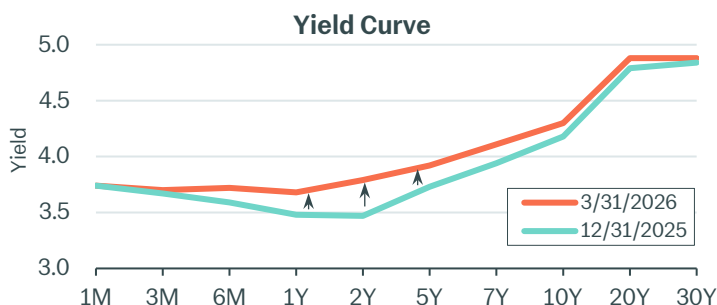
Question: How should our portfolios be positioned?

With the latest quarter's performance as a supporting argument, we continue to believe that portfolios should be prepared for uncertainty and the volatility that comes with it. However, with the backdrop we have, traditional diversification may not be enough. AI exposure still dominates index risk, and exposures that appear uncorrelated are often part of the same value chain. Creative diversification is essential:

- Correlation Matters:** Hedge funds and real assets can provide equity complementing exposures. The former can take advantage of price dislocations and the latter can offer ongoing cash flow to reduce total return volatility. Gold could also be a useful tail-risk hedge when central bank credibility or the dollar is in question.
- Quality & Liquidity:** Maintaining liquidity within Core Fixed Income allocations allows for rebalancing opportunities if long yields rise amid a backdrop of a likely more conflicted Fed, facing an even more pronounced challenge in balancing inflation and employment.
- Global Flexibility & Valuation Discipline:** Market weight exposure to non-U.S. equities with lower valuations and broader earnings drivers can help



Source: Bloomberg as of 4/7/26.



Source: YCharts and Morningstar as of 3/31/26.



manage concentration. Should A.I. enthusiasm dissipate more meaningfully, non-U.S. markets are better insulated against that possibility.

- **Inflation Hedges:** Inflation-linked assets have only grown in importance as accelerated price increases from the Iran disruption may persist. Real assets and infrastructure can provide income and inflation protection.
- **Private Market Exposures:** Targeted investments in the private capital markets, particular those insulated from SaaS and the A.I. narrative remain intriguing, with a potentially attractive entry point in terms of valuation.
- **Strategic Not Static:** The strategies we have introduced in the supply chain and infrastructure verticals have been validated as our multipolar regime change thesis continues to play out. We continue to search for strategies with unique long-term return propositions for that backdrop.

Concluding Remarks

Rather than viewing recent market developments as validation of any single call we made four years ago regarding regime change, we see them as reinforcing the importance of recognizing secular shifts when they emerge. These regime changes are infrequent, but when they do occur, they have the potential to alter the rules of engagement for investors in meaningful ways. Our objective has never been to predict specific events or time markets. History is clear that attempting to do so relies far more on luck than skill and rarely leads to repeatable and successful outcomes.

What we have sought to do—particularly over the past four years—is identify the broader forces reshaping the investment landscape and consider how portfolios may need to be positioned differently than in the prior regime. The escalation of the Iran conflict in March serves as a useful illustration. What began as a geopolitical shock quickly evolved into a broader test of inflation dynamics, growth durability, and long-held market assumptions—from the role of bonds as portfolio ballast to gold as a hedge against uncertainty. At the same time, enthusiasm around artificial intelligence gave way to more difficult questions about disruption, disintermediation, and employment, particularly in software-heavy segments of public and private markets.

To be clear, this is not an attempt to claim a market-timing win. The swift recovery in markets following the ceasefire only reinforces how impossible it is to know when—or how—risk will ultimately express itself. But the investor experience of March underscores why preparation matters. First-order shocks are often absorbed quickly; it is the second-order consequences that tend to surface over time and challenge portfolios built for a narrower set of potentially antiquated assumptions.

Our focus remains on preparing portfolios for a range of outcomes, even when that means positioning against prevailing market sentiment. Disciplined and broad diversification, a long-term perspective, discipline and thoughtful risk management have historically proven to be the most reliable defenses in periods of uncertainty. In a world shaped by regime change, geopolitical flare-ups, AI-driven disruption, and what is looking like a persistent inflation risk accompanied by slower growth, that approach may require a degree of creativity—but it remains grounded in the same principles that have served investors well over full market cycles.



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Ronald G. Albahary, CFA® is Chief Investment Officer at LNW. As head of the investment team (see below), Ron determines the firm's investment strategy, directs the investment selection process, and works in tandem with client advisory teams to deliver investment solutions structured to attain each client's unique goals. Prior to joining LNW, Ron served as CIO or CEO at regional investment firms focused on ultra-high-net-worth families and foundations. Earlier in his career, he held leadership positions in the private client business of major global financial institutions, including Merrill Lynch and Northern Trust Private Bank. Ron has a degree in economics from the Wharton School at the University of Pennsylvania and currently serves as advisor to the Center for High Impact Philanthropy at the University of Pennsylvania.

The LNW investment team is comprised of 12 analysts and strategists working together to design and implement investment solutions for client portfolios. Six analysts at the firm hold the Chartered Financial Analyst® designation, with expertise spanning macroeconomics, public and private asset classes across the global capital markets, and impact investing. Collaborating with each other and with client advisors, the investment team's overarching goal is to help clients and their families preserve and grow their wealth over many generations.

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DEFINITION OF INDEXES

Global REITs = FTSE EPRA NAREIT Global Index

A global equity benchmark designed to track the performance of publicly traded real estate companies and REITs worldwide. It includes property owners and operators that meet strict criteria for real estate activities, liquidity, and transparency.

Intermediate Muni Bonds = Bloomberg Municipal 1-10 Year Index

A bond index measuring the performance of U.S. investment-grade municipal bonds with maturities between 1 and 10 years. It includes tax-exempt bonds issued by state and local governments and their agencies, focusing on the short-to-intermediate segment of the muni market.

US Core Taxable Bonds = Bloomberg U.S. Aggregate Bond Index

A broad, market-capitalization-weighted benchmark for the U.S. investment-grade fixed income market. It includes U.S. Treasuries, government-related bonds, corporate bonds, mortgage-backed securities (MBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS).

Hedge Funds = HFRX Global Hedge Fund Index

An investable index designed to represent the global hedge fund industry using a rules-based selection of hedge funds. It covers multiple strategies (e.g., equity hedge, event-driven, macro, relative value) and emphasizes transparency, liquidity, and lower survivorship bias.

US High Yield Bonds = Bloomberg U.S. High Yield Bond Index

A benchmark tracking the performance of U.S. dollar-denominated, below-investment-grade corporate bonds publicly issued in the U.S. domestic market. It reflects the high-yield (or “junk”) segment of the corporate bond market.

US Large Cap Equities = S&P 500 Index

A widely followed equity index measuring the performance of approximately 500 large-capitalization U.S. companies. It is market-cap-weighted and designed to represent the core of the U.S. equity market across multiple sectors.

US Small-cap Equities = Russell 2000 Index

A U.S. equity index that measures the performance of approximately 2,000 small-cap companies drawn from the broader Russell 3000 Index. It represents the small-cap segment of the U.S. stock market and is widely used as a benchmark for U.S. small-cap equities, which typically exhibit higher growth potential and higher volatility than large-cap stocks.

Global Equities = MSCI ACWI (All Country World Index)

A global equity index capturing large- and mid-cap stocks across both developed and emerging markets. It represents the broadest commonly used benchmark for global equity performance, covering roughly 85% of global investable market capitalization.

Emerging Markets = MSCI Emerging Markets (MSCI EM)

An equity index representing large- and mid-cap companies across emerging market countries. It provides exposure to faster-growing economies with higher potential returns and higher volatility relative to developed markets.

Developed Int'l Equities = MSCI EAFE

An equity index covering large- and mid-cap stocks in developed markets outside the U.S. and Canada, specifically Europe, Australasia, and the Far East. It is a standard benchmark for international developed-market equities.

Commodities = Bloomberg Commodity Index

A broadly diversified benchmark tracking the performance of futures contracts on physical commodities. It provides exposure across major commodity sectors, including energy, metals, and agriculture, with weighting constraints to limit concentration in any single commodity or sector.

Global Infrastructure = S&P Global Infrastructure Index

A global equity index designed to measure the performance of publicly traded infrastructure companies around the world. It includes firms involved in infrastructure-related businesses such as transportation (airports, toll roads, railways), utilities (electricity, gas, water), and energy infrastructure (pipelines and storage). The index is structured to provide diversified exposure across regions and infrastructure subsectors and is commonly used as a benchmark for global listed infrastructure investments.