

Asset Allocation Note

Madness

This year April has borrowed a measure of March's madness. Michigan ended a 37-year pilgrimage and cut the nets as the NCAA men's basketball champions. The U.S. set an early month deadline on Iran with severe consequences, and as days gave way to hours, the world watched. At the last hour, Pakistan intervened with a ceasefire request *deus ex machina*, and Washington and Tehran had *finally seen the light*. The peace has been fragile: as talks quickly unraveled, the U.S. established a blockade of Iranian ports. With Iran controlling the strait, oil seems poised to stay elevated as a long game of economic chicken *is starting to evolve*. Should the stalemate persist, higher oil, fertilizer, and ultimately food prices will likely ripple across the world economy. Despite the headlines, the S&P 500 has surged more than 10% to fresh all-time highs from March lows, retracing in two weeks what took over a month to lose — calling into question the adage that markets take the stairs up and the elevator down. Investors appear to have shrugged off renewed conflict, higher inflation, the possibility of rate hikes, and slower growth. Have we *finally seen the end* of higher oil prices and conflict? Even if probabilities have fallen, are they low enough to let this go? Is the bull run beginning again...or is *it just madness keeping us afloat*?

ECONOMIC UPDATE

A Wider Range of Outcomes Remains

Regions Economic Division

Unfortunately, we feel compelled to start this month's edition exactly how we started last month's edition, which is to note that it is obviously too soon to know how events in the Middle East will play out and the timeline on which they will do so. It is also too soon to know how lasting of an impact there will be on energy prices and on the broader economy. While the most immediate and obvious impact of the conflict was a dramatic spike in energy prices, global supply chains have been impaired, the costs of producing and transporting food have risen sharply, and higher fuel costs are being passed along in various manners. Once again, all we can say for certain at this point is that the longer this persists, the higher the toll on the U.S. and global economies.

For now, all we can do is monitor the incoming economic data and assess whether, or to what extent, how we see the economy performing has changed since the beginning of the conflict. That task, however, is complicated by the disruptions in the flow of economic data brought about by last fall's government shutdown still not being fully resolved, and it won't be until the end of next month that the flow of data is back on a normal cadence. To that point, we only recently got the final print on Q4 GDP from the Bureau of Economic Analysis (BEA). The BEA's third estimate puts Q4 real GDP growth at an annual rate of just 0.5 percent, a far cry from the initial estimate of 1.7 percent growth, though there was

Highland Associates, Inc. is an institutional investment advisor headquartered in Birmingham, Alabama. Highland was founded specifically to help develop, implement and maintain investment management programs for institutions. We serve a national client base of investors including not-for-profit healthcare organizations, foundations, endowments, defined benefit plans and defined contribution plans. Please visit the website at highlandassoc.com to learn more.

far less source data available to BEA than is typically the case for their initial estimates. Recall that the shutdown took over a full percentage point off Q4 real GDP, most of which will be made up for in Q1 2026. Real private domestic demand – combined household and business spending – grew at an annual rate of 1.8 percent in Q4.

The BEA's final look at Q4 GDP brought with it their first look at Q4 corporate profits. Note that the measure of corporate profits derived from the GDP accounts covers a much wider universe of firms than does the more commonly cited S&P 500 measure, but the BEA does produce a measure which is more consistent with how profits are accounted for and reported in the S&P 500 measure. On that basis, corporate profits made another solid gain in Q4 2025, with before-tax profits rising 5.9 percent and after-tax profits rising 5.6 percent on a sequential basis. After a weak first half, profits picked up strongly over the back half of 2025, which coincides with a rebound in business investment spending on machinery and equipment.

One series we watch closely as an early indicator of business investment as measured in the GDP data is core capital goods orders, i.e., non-defense capital goods excluding aircraft. After being oddly rangebound for over two years, core capital goods orders turned higher over the second half of 2025 and that growth persisted into early 2026, with core capital goods orders rising 0.6 percent in February. Moreover, growth in core capital goods orders has become increasingly broadly based, meaning AI is not the sole driver of the rebound in business investment spending. Shipments of core capital goods, which enter into the GDP data on business investment, rose by 0.9 percent in February. Though not matching the pace seen over the second half of Q4 2025, our baseline forecast anticipates business investment in machinery and equipment being a solid support for 2026 real GDP growth.

In keeping with the rebound in business capital spending, the ISM Manufacturing Index rose to 52.7 percent in March, the third straight month in which the headline index was above the 50.0 percent break between contraction and expansion. Even more noteworthy is the strength of the new orders index, with solid and broadly based growth in new orders thus far in 2026. At the same time, manufacturers have reported growing backlogs of unfilled orders in each of the past three months. Growth in new orders and expanding order backlogs should support output and employment in the manufacturing sector over coming months, but this is one area in which the conflict in the Middle East could throw the U.S. economy off course. Whether via spikes in energy and shipping costs, shipments of materials being delayed

or canceled due to supply chain disruptions (keep in mind more than one-half of all goods imported into the U.S. are either raw materials or capital goods), or a loss of business confidence, the conflict in the Middle East could derail the nascent recovery in the manufacturing sector.

The ISM Non-Manufacturing Index signaled continued expansion in the broad services sector in March, with the index of new orders rising to its highest level in over three years. As with the manufacturing sector, the ISM's survey shows firms in the services sector reporting rising backlogs of unfilled orders. The ISM surveys will be critical and timely indicators of whether, or to what extent, the conflict in the Middle East is impacting the U.S. economy. One telling signal from the ISM surveys is the March behavior of the prices paid index, a gauge of changes in input prices being paid by firms. The prices paid index in the manufacturing survey rose to 78.3 percent in March, the highest reading since June 2022, while the prices paid index in the services survey rose to 70.7 percent, with March seeing the largest monthly increase in this index in over thirteen years.

What is important to keep in mind, however, is that the ISM's prices paid indexes did not suddenly spring to life in the March surveys but instead have for some time been signaling persistent and broadly based upward pressures on input prices. This is also the case with commodity prices, i.e., they were already rising strongly prior to the conflict in the Middle East adding further fuel. On the retail level, the Consumer Price Index (CPI) rose by 0.9 percent in March, the largest monthly increase since June 2022. The obvious culprit here was the spike in retail gasoline prices; as reported in the CPI data, retail gasoline prices rose by 21.2 percent in March, accounting for the bulk of the increase in the total CPI. Keep in mind, however, that the CPI measure relies on a monthly average of retail gasoline prices, and we know that prices ended the month over nine percent higher than the monthly average for March. As such, even if retail gasoline prices back off for the remainder of April, on a monthly average they are very likely to still be higher than was the case in March, meaning gasoline will add to April headline inflation.

Some, however, are pointing to the mild 0.2 percent increase in the core CPI in March to argue that broader inflation pressures remain well contained, and that once the conflict in the Middle East is resolved and energy prices reverse course, so too will headline inflation. We strongly disagree, and even prior to the conflict in the Middle East we were pointing to evidence of persistent inflation pressures, including the prices paid indexes in the ISM surveys and the behavior of commodity prices.

To that point, the PCE Deflator, a much broader measure of prices than the CPI and also the FOMC's preferred gauge of price changes, showed core inflation running at 3.0 percent in February (the latest available observation), marking a third straight month of core PCE inflation at or above 3.0 percent. Moreover, we have long pointed to the prices paid index in the ISM Manufacturing Index as a reliable guide to the path of the core Producer Price Index (PPI), and that relationship still holds. Thinking of the progression from input prices to overall costs of producing goods to final goods prices, the ISM prices paid index and the core PPI were suggesting continued upward pressure on retail level inflation well before the start of the conflict in the Middle East.

This, of course, leaves the FOMC in an uncomfortable position. As universally expected, the FOMC left the Fed funds rate unchanged in March, while updated forecasts from Committee members show they expect inflation to be faster than was the case in their December 2025 forecasts. More tellingly, the overwhelming majority of FOMC members see the risks to their inflation forecasts as being weighted to the upside, i.e., if they miss their inflation forecasts, the vast majority of FOMC members think that will be because inflation is higher than their forecasts. Though by no means firing on all cylinders, the labor market has at least stabilized over recent months, meaning that the upside risks to inflation are likely to remain top of mind for most, if not all, FOMC members. The danger, of course, is that the conflict in the Middle East persists long enough for what is at present an inflation shock to morph into a growth shock. For now, though, the FOMC is likely to remain on hold, making no changes to the Fed funds rate.

Sources: Bureau of Economic Analysis; Bureau of Labor Statistics; U.S. Census Bureau; Institute for Supply Management

INVESTMENT STRATEGY UPDATE

Regions Multi-Asset Solutions & Highland Associates

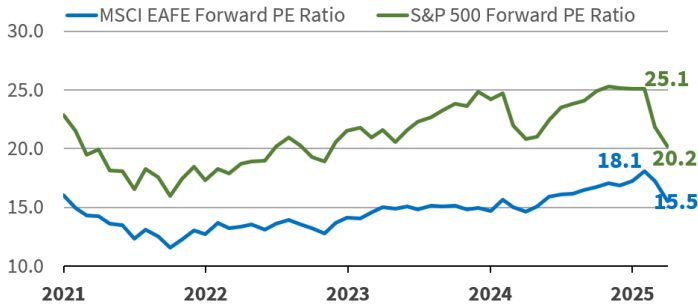
An increasingly uncertain macro backdrop dominated during March as the onset of the conflict in the Middle East pushed energy prices and near-term inflation expectations higher, tamping down investor sentiment and risk appetite.

Investors appeared eager to decrease equity exposure early in the month, leading to a steep drop in developed and developing markets abroad with more muted pullbacks stateside. The S&P 500 experienced a peak-to-trough decline of 9% before staging a comeback to close out the month, while the S&P Midcap 400 and S&P Small Cap 600 indices fell 8% and 7%, respectively, from the end of February to their March lows. Notably, even after drawdowns in March, the Midcap 400 and Small Cap 600 indices were still higher by 2.5% and 3.5%, respectively, year-to-date through month-end. Elevated and volatile energy prices will likely continue to cloud the outlook for economic growth and corporate profits but, from a fundamental and valuation perspective, U.S. stocks hold more appeal on both an absolute and relative basis than they did at the start of last month.

As energy prices rose last month, the prospect of stagflation in the U.S. and global economy led market participants to downgrade their expectations for rate cuts from the FOMC this calendar year. In contrast, the futures market began to price in a higher probability that both the Bank of England and the European Central Bank would begin hiking key policy rates, potentially as soon as April, to combat rising inflationary pressures. This shift was particularly painful for economically sensitive sectors/stocks as most central banks across the globe were expected to either be on pause or perhaps ease policy further in the coming quarters, not make policy more restrictive. This outcome was an underappreciated and underpriced headwind in our opinion. With this backdrop in place, U.S. stocks find themselves relatively well positioned compared to developed markets abroad, many of which rely heavily on imported energy and could see inflation rise materially in the coming months.

The underpinnings of U.S. stocks, i.e. earnings estimates, moved higher in March despite a more uncertain backdrop for energy prices and the global economy. On February 28, the consensus estimate called for the S&P 500 to earn \$314.35 in 2026, but that figure had surprisingly risen to \$323.59 as of March 31 as estimates for the energy and information technology sectors moved higher. So far, strategists have chosen to take more of a wait and see approach to the Iran conflict, with downward revisions to corporate profits few and far between up to this point. With quarterly reporting season set to ramp up, companies could be forgiven for lowering or withdrawing guidance citing the ongoing conflict in the Middle East, but to what degree they do so and the tone they set could dictate the path forward for earnings estimates and either improve or weigh on investor sentiment into the summer months.

In March, U.S. Equity Valuations Approached Levels Last Seen In '23



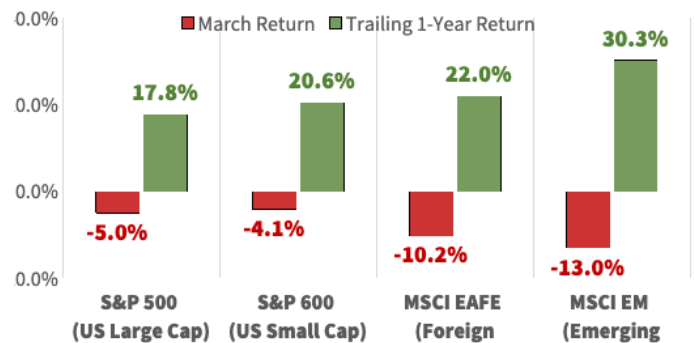
Source: Bloomberg

On the valuation front, the S&P 500 now trades at 20.2 times projected 2026 earnings and 17.6 times the 2027 estimate, down from 21.8 and 19.0 times at the end of February. Lower valuations are pricing in a combination of less earnings/ economic visibility along with higher Treasury yields/ interest rates which decrease the present value of future cash flows. While still not "cheap" relative to historical valuation norms, the fact that the entirety of the March drawdown in the S&P 500 was driven by valuation compression and not downward earnings revisions is reason to believe a constructive outlook on U.S. stocks remains warranted. While we are encouraged that earnings estimates for U.S. large cap companies have remained resilient, market tops tend to be caused by events such as the onset of the Iran conflict, while finding a durable market bottom is a process that often takes time to play out. We are monitoring the CBOE Volatility Index, or VIX, as a spike into the mid-to-high 30s or a sustained move below 20 could potentially be "all clear" signs. Credit spreads on high yield bonds are also worth watching as they were around 270 basis points over the Treasury curve in early April, and a move back toward 250-bps could indicate that risk appetite has returned.

Emerging markets are poised for a relief rally, but concentration and thematic risks have risen. Country leadership in emerging market indices shifted last month as South Korea and Taiwan were the biggest detractors, with the former falling by 18.9% and the latter by 10.3%, respectively, in March. Both countries have still turned out sizable year-to-date gains thanks to their parabolic rise in the first two months of the year, but both rely heavily on energy imported from the Middle East which clouds each country's economic outlook to varying degrees. Over the last 12-months, South Korea and Taiwan are responsible for 30.2% and 21.8% of the return generated by the broader MSCI EM index.

For those keeping track, roughly two-thirds of the MSCI EM's return over the past year has come from just those two countries. If that concentration of returns isn't stark enough, three stocks: Taiwan Semiconductor, Samsung, and SK HYNIX have accounted for 12.5% of the benchmark's 30.2% total return over that same time frame. Those outsized returns have been most welcomed by global investors, but tech hardware providers, including DRAM manufacturers like Samsung, are historically cyclical in nature and new entrants should be wary of the rising individual stock and country risk in the broader index. That said, potential resolution to the conflict in Iran could lead to a sharp reversal and reignite bullish momentum behind emerging market stocks, so at present we think it prudent to stay neutral with a still positive near-term outlook should geopolitical fears subside. At the allocation level, we're broadly positive on our exposure but view active managers as a risk-conscious way to play emerging market stocks as they can adjust positioning in highly appreciated areas and tilt toward pockets of stability like Latin America, which didn't even cross below their 200-day moving average in March and are already making new highs in early April. At the same time, we see value in supplemental lower cost beta exposures as at the margin to round out portfolios.

Trailing 12-Month Equity Leaders Became Laggards In March



Source: Bloomberg

Yields on the short end of the Treasury curve made year-to-date lows to close out February as market participants ratcheted up Fed funds rate cut bets over the balance of this year as they expected the FOMC to address softness in the labor market by making policy less restrictive. Hopes for cuts were dashed in early March as energy prices rose sharply amid the conflict in Iran, and market participants shifted their focus from weakness in the labor market to the prospect of a potentially sharp rise in inflation expectations which would limit the FOMC's desire to further ease policy, even when a new Chair is confirmed.

The 2-year Treasury yield, which is more closely tied to the expected path of the Fed funds rate, ultimately jumped from 3.38% at the end of February to 3.79% at the end of March as rate cuts were completely priced out and rate hikes were even briefly priced in. Farther out on the yield curve, the 10-year yield, which is more impacted by economic growth and inflation expectations than the expected path of the funds rate, closed at 3.97% on February 27, its lowest close in 2026, before closing out March at 4.30%. Point-to-point, the 33-basis-point rise in the 10-year yield isn't all that awe-inspiring, but that masks the fact that the 10-year yield closed at 4.44% on March 20, marking an unsettling 47-basis-point move in just three weeks' time.

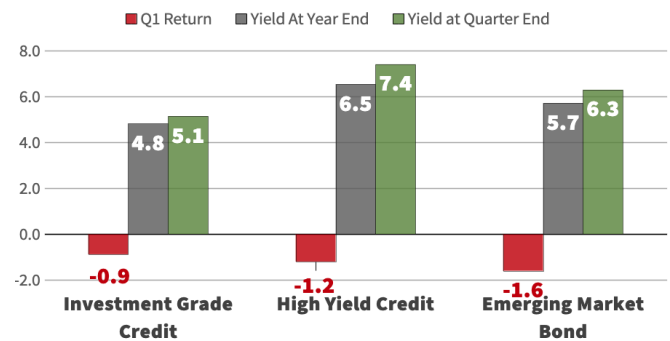
On the surface, the backup in yields and modest, albeit relatively short-lived, widening of credit spreads on corporate bonds in March should present fixed income investors with more appealing opportunities to deploy cash. But energy prices will likely remain elevated and potentially move higher still as crude oil supply shortfalls will intensify the longer traffic in the Strait of Hormuz is curbed. As a result, we look for Treasury yields across the curve to be "sticky" with a modest upward bias as market participants likely won't be in much of a rush to put capital to work in higher quality, longer duration bonds. However, this is starting to look like a better backdrop for bond investors than it was at the end of February and we are looking to increase tweak portfolios to take advantage of relative value opportunities that have been presented over the past month as market participants have de-risked portfolios.

The credit selloff was short-lived as the higher yields brought buyers back in. The uptick in volatility across asset classes last month had a relatively muted impact on the below-investment-grade bond market with the Bloomberg U.S. High Yield Corporate index off by just 1.2% on a total return basis, while the S&P 500 declined by 5.0%. Part of the reason we saw a more muted decline relative to past bouts of volatility relates to the balance sheet strength displayed by issuers in public credit markets, with credit ratings upgrades consistently outpacing downgrades. On balance, the decline in bond prices translated into a cheaper valuation as the option-adjusted spread on the index peaked for the month at 335-bps on March 30th but that move wider in spreads proved short-lived as buyers started nibbling at credit before month-end with yields topping 7.4% at the end of March.

Buyers returned in early April with demand picking up as the prospects of a potential resolution in the Middle East rippled through markets with the Bloomberg U.S. High Yield Index posting its strongest two-week gain since the Liberation Day lows in April of last year.

At the time of this writing in early April, the high yield credit spread had fallen by 65-bps from the March high and was back to 270-bps over the Treasury curve, just 20-bps above the richest level seen in 2026. It's not uncommon to see these strong reversion tendencies in fixed income, making it vital to avoid behavioral missteps by remaining invested during periods in which prices start declining rapidly. Cheaper valuations were starting to pique our interest but ultimately didn't reach levels that were "table pounding" enough to increase exposure to below-investment-grade debt.

March Was Tough On Credit, But Higher Yields Have Drawn Buyers In



Source: Bloomberg

Highland Outlook

Although there has been no formal resolution to the Iran conflict, the prospect of peace has apparently calmed markets and risk assets have rebounded after an ugly March. While many investors have returned their focus to artificial intelligence and seasonal earnings, we believe another key takeaway from March was the failure of traditional portfolio hedges such as U.S. Treasuries and gold. While this dynamic may have been an isolated event, the rationale for why they sold off was logical. Treasuries failed to provide downside protection due to inflationary fears. As oil rallied, the probability of cuts to the federal funds target rate faded and the concern became that there could be increases instead. This drove interest rates higher across the yield curve, which in turn meant lower bond prices. Gold, on the other hand, had rallied nearly 20% through the first two months of the year and was up over 75% over the trailing twelve months. As such, gold was already primed for a pullback on that strength, but the conflict also made it an attractive source of funds for investors looking to rebalance portfolios and allocate capital into the market weakness.




Many investors are keenly aware that correlations move towards positive one in risk-off scenarios, but the positive correlation between equities and U.S. Treasury bonds has continued into April where markets have rebounded. For the rest of 2026, we believe that oil, the U.S. dollar, and potentially gold could act as more effective hedges in the event of a renewed escalation with Iran.

The Highland team is also assessing the current overweight allocation to emerging markets within equity portfolios, a trade tactical tilt that has been in place since the end of November. While emerging markets continue to outperform developed markets, even despite a larger drawdown in the month of March, a large portion of this outperformance has been tied to the outperformance is tied to South Korea and Taiwan. Because these two countries are heavily tied to the build-out of artificial intelligence, we are assessing how we would reposition portfolios if the narrative around AI were to change. While China battles its own economic weakness, it remains the other leading source of innovation within artificial intelligence and now produces its own cutting-edge semiconductor chips. Latin American countries (primarily Brazil and Peru) are seeing increasing inflows into country-specific ETFs, signaling growing interest from investors. As such we believe emerging markets still hold opportunities even outside of South Korea and Taiwan and we may look to alter the composition of the EM exposure based in the event the memory cycle has run its course.

We remain risk-neutral given current geopolitical uncertainty, but the announced ceasefire in Iran might support some near-term upside to markets. In the second quarter we believe market participants will become increasingly focused on two events: the confirmation of Kevin Warsh as Chairman of the Federal Reserve and the meeting between Donald Trump and Xi Jinping in May.

These two events could have meaningful implications for global markets and the trade discussions with China will be heavily influenced by events in the Middle East. Later this year, markets will likely move their focus to U.S. midterm elections, which have historically led to heightened volatility and lower median returns on equities. As such, we believe a neutral risk positioning is warranted while we await further clarity.

Highland Associates Cross Asset Views

TIER 1 CALLS	TIER 2 VIEWS				
	-	N	+		
FIXED INCOME 	1-3 Year Gov / Credit		▲		
	U.S. Treasury		▲		
	IG Credit		▲		
	Long Duration Credit		▲		
	Non-Core Credit		▲		
EQUITIES 	United States		▲		
	Int'l Developed		▲		
	Emerging Markets			▲	
REAL ASSETS 	U.S. TIPS		▲		
	Commodity Futures		▲		
	Commodity Equities		▲		
	Global Infrastructure				▲
	Public Real Estate	▲			

AS OF 1/20/2026

HIGHLAND ASSOCIATES
2545 HIGHLAND AVENUE SOUTH
SUITE 200
BIRMINGHAM, ALABAMA 35205

205.933.8664 PHONE
205.933.7688 FAX

BIRMINGHAM
ST. LOUIS

THIS PUBLICATION HAS BEEN PREPARED BY THE STAFF OF HIGHLAND ASSOCIATES, INC. ("HIGHLAND") FOR DISTRIBUTION TO, AMONG OTHERS, HIGHLAND ASSOCIATES, INC. CLIENTS. HIGHLAND ASSOCIATES IS REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE INVESTMENT ADVISORS ACT OF 1940. HIGHLAND ASSOCIATES IS A WHOLLY OWNED SUBSIDIARY OF REGIONS BANK, WHICH IN TURN IS A WHOLLY OWNED SUBSIDIARY OF REGIONS FINANCIAL CORPORATION. RESEARCH SERVICES MAY BE PROVIDED THROUGH MULTI-ASSET SOLUTIONS, A DEPARTMENT OF THE REGIONS ASSET MANAGEMENT BUSINESS GROUP WITHIN REGIONS BANK.

THIS COMMUNICATION IS PROVIDED FOR EDUCATIONAL AND INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS A RECOMMENDATION OR SUGGESTION. AS TO THE ADVISABILITY OF ACQUIRING, HOLDING OR DISPOSING OF A PARTICULAR SECURITY OR STRATEGY OR A COMPLETE ANALYSIS OF ANY SECURITY, COMPANY OR INDUSTRY, NOR SHOULD IT BE CONSTRUED AS A SUGGESTION OR INDICATION THAT THE PARTICULAR INVESTMENT OR INVESTMENT COURSE OF ACTION DESCRIBED HEREIN IS APPROPRIATE FOR ANY SPECIFIC INVESTOR. THIS PUBLICATION AND THE VIEWS EXPRESSED HEREIN ARE NOT INTENDED TO PROVIDE INDIVIDUALIZED INVESTMENT, LEGAL, TAX, OR ACCOUNTING ADVICE, AND IT SHOULD NOT BE RELIED UPON AS A RECOMMENDATION TO BUY, SELL, OR HOLD ANY SECURITY, TO ADOPT ANY INVESTMENT STRATEGY, OR TO PURSUE ANY PARTICULAR COURSE OF ACTION. NOTHING IN THIS PUBLICATION IS INTENDED TO CONSTITUTE ADVICE IN A FIDUCIARY CAPACITY UNDER ERISA, THE INTERNAL REVENUE CODE, OR OTHER LAW, UNLESS HIGHLAND HAS EXPRESSLY AGREED OTHERWISE IN WRITING. INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, BUT HIGHLAND DOES NOT WARRANT ITS ACCURACY, COMPLETENESS, OR TIMELINESS. ANY VIEWS, OPINIONS, ANALYSES, ESTIMATES OR FORECASTS REFLECT THE JUDGMENT OF THE INDIVIDUAL AS OF THE DATE OF THIS PUBLICATION, ARE BASED ON CURRENT MARKET CONDITIONS, AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. CERTAIN STATEMENTS MAY BE FORWARD-LOOKING IN NATURE AND ARE BASED ON CURRENT EXPECTATIONS, ESTIMATES, PROJECTIONS, AND ASSUMPTIONS. FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE, ARE SUBJECT TO RISKS AND UNCERTAINTIES, AND ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED. HIGHLAND UNDERTAKES NO DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT EXCEPT AS REQUIRED BY LAW. INVESTMENT IDEAS AND STRATEGIES PRESENTED HEREIN MAY NOT BE SUITABLE FOR ALL INVESTORS. DIVERSIFICATION STRATEGIES DO NOT ENSURE A PROFIT OR PROTECT AGAINST LOSSES IN DECLINING MARKETS. TO THE FULLEST EXTENT PERMITTED BY LAW, HIGHLAND DISCLAIMS LIABILITY FOR LOSSES ARISING FROM RELIANCE ON THIS PUBLICATION. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. ANY PERFORMANCE SHOWN IS FOR ILLUSTRATIVE PURPOSES ONLY AND, WHERE REQUIRED, SHOULD BE REVIEWED TOGETHER WITH CORRESPONDING NET PERFORMANCE, APPLICABLE TIME PERIODS, AND RELATED DISCLOSURES REGARDING FEES, METHODOLOGY, AND BENCHMARKS. TO THE EXTENT THESE MATERIALS REFERENCE REGIONS BANK DATA, SUCH MATERIALS ARE NOT INTENDED TO BE REFLECTIVE OR INDICATIVE OF, AND SHOULD NOT BE RELIED UPON AS, THE RESULTS OF OPERATIONS, FINANCIAL CONDITIONS OR PERFORMANCE OF REGIONS BANK. UNLESS OTHERWISE SPECIFICALLY STATED, ANY VIEWS, OPINIONS, ANALYSES, ESTIMATES AND STRATEGIES, AS THE CASE MAY BE ("VIEWS"), EXPRESSED IN THIS CONTENT ARE THOSE OF THE RESPECTIVE AUTHORS AND SPEAKERS NAMED IN THOSE PIECES AND MAY DIFFER FROM THOSE OF REGIONS BANK AND/OR OTHER REGIONS BANK EMPLOYEES AND AFFILIATES. VIEWS AND ESTIMATES CONSTITUTE OUR JUDGMENT AS OF THE DATE OF THESE MATERIALS, ARE OFTEN BASED ON CURRENT MARKET CONDITIONS, AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. ANY EXAMPLES USED ARE GENERIC, HYPOTHETICAL AND FOR ILLUSTRATION PURPOSES ONLY. ANY PRICES/QUOTES/STATISTICS INCLUDED HAVE BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE, BUT HIGHLAND ASSOCIATES, INC. DOES NOT WARRANT THEIR COMPLETENESS OR ACCURACY. THIS PUBLICATION IS NOT A RESEARCH REPORT AND IS NOT INTENDED TO SERVE AS THE PRIMARY BASIS FOR ANY INVESTMENT DECISION. THE NAMES AND MARKS OF OTHER COMPANIES OR THEIR SERVICES OR PRODUCTS MAY BE THE TRADEMARKS OF THEIR OWNERS AND ARE USED ONLY TO IDENTIFY SUCH COMPANIES OR THEIR SERVICES OR PRODUCTS AND NOT TO INDICATE ENDORSEMENT, SPONSORSHIP, OR OWNERSHIP BY REGIONS OR HIGHLAND. HIGHLAND, ITS AFFILIATES, ITS EMPLOYEES, AND ITS CLIENTS MAY HOLD POSITIONS IN, OR MAY FROM TIME TO TIME EFFECT TRANSACTIONS IN, SECURITIES OR OTHER FINANCIAL INSTRUMENTS THAT MAY BE REFERENCED IN THIS PUBLICATION. COMPANIES AFFILIATED WITH HIGHLAND MAY ALSO PROVIDE BANKING OR OTHER FINANCIAL SERVICES TO ISSUERS OR COUNTERPARTIES DISCUSSED IN THIS PUBLICATION.

SOURCE: BLOOMBERG INDEX SERVICES LIMITED. BLOOMBERG IS A TRADEMARK AND SERVICE MARK OF BLOOMBERG FINANCE L.P. AND ITS AFFILIATES (COLLECTIVELY "BLOOMBERG").

BLOOMBERG OR BLOOMBERG'S LICENSORS OWN ALL PROPRIETARY RIGHTS IN THE BLOOMBERG INDICES. BLOOMBERG DOES NOT APPROVE OR ENDORSE THIS MATERIAL OR GUARANTEE THE ACCURACY OR COMPLETENESS OF ANY INFORMATION HEREIN, NOR DOES BLOOMBERG MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED THEREFROM, AND, TO THE MAXIMUM EXTENT ALLOWED BY LAW, BLOOMBERG SHALL NOT HAVE ANY LIABILITY OR RESPONSIBILITY FOR INJURY OR DAMAGES ARISING IN CONNECTION THEREWITH.

CERTAIN INFORMATION CONTAINED HEREIN (THE "INFORMATION") IS SOURCED FROM/COPYRIGHT OF MSCI INC., MSCI SOLUTIONS LLC, OR THEIR AFFILIATES ("MSCI"), OR INFORMATION PROVIDERS (TOGETHER THE "MSCI PARTIES") AND MAY HAVE BEEN USED TO CALCULATE SCORES, SIGNALS, OR OTHER INDICATORS. THE INFORMATION IS FOR INTERNAL USE ONLY AND MAY NOT BE REPRODUCED OR DISSEMINATED IN WHOLE OR PART WITHOUT PRIOR WRITTEN PERMISSION. THE INFORMATION MAY NOT BE USED FOR, NOR DOES IT CONSTITUTE, AN OFFER TO BUY OR SELL, OR A PROMOTION OR RECOMMENDATION OF, ANY SECURITY, FINANCIAL INSTRUMENT OR PRODUCT, TRADING STRATEGY, OR INDEX, NOR SHOULD IT BE TAKEN AS AN INDICATION OR GUARANTEE OF ANY FUTURE PERFORMANCE. SOME FUNDS MAY BE BASED ON OR LINKED TO MSCI INDEXES, AND MSCI MAY BE COMPENSATED BASED ON THE FUNDS' ASSETS UNDER MANAGEMENT OR OTHER MEASURES. MSCI HAS ESTABLISHED AN INFORMATION BARRIER BETWEEN INDEX RESEARCH AND CERTAIN INFORMATION. NONE OF THE INFORMATION IN AND OF ITSELF CAN BE USED TO DETERMINE WHICH SECURITIES TO BUY OR SELL OR WHEN TO BUY OR SELL THEM. THE INFORMATION IS PROVIDED "AS IS" AND THE USER ASSUMES THE ENTIRE RISK OF ANY USE IT MAY MAKE OR PERMIT TO BE MADE OF THE INFORMATION. NO MSCI PARTY WARRANTS OR GUARANTEES THE ORIGINALITY, ACCURACY AND/OR COMPLETENESS OF THE INFORMATION AND EACH EXPRESSLY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES. NO MSCI PARTY SHALL HAVE ANY LIABILITY FOR ANY ERRORS OR OMISSIONS IN CONNECTION WITH ANY INFORMATION HEREIN, OR ANY LIABILITY FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

Non-Deposit Products including Investments, Securities, Mutual Funds, Insurance Products, Crypto Assets, and Annuities			
Are Not FDIC Insured	Are Not a Deposit	May Go Down In Value	Are Not Bank Guaranteed
Are Not Insured by Any Government Entity		Are Not a Condition of Any Banking Activity	