

2026 CAPITAL MARKETS MODELING SUPPLEMENT

JANUARY 2026



AGENDA

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INTRODUCTION & METHODOLOGY

Syntrinsic uses a building block approach to develop 10-year expected returns across asset classes. For public equity, these building blocks include expectations for growth, inflation, yield, valuation and the effects of international trade. For fixed income, our projections are based on expectations for future yield, which in turn are driven by expectations for economic growth and inflation. For private markets investments, our forecasts are generally based on expectations for publicly-traded asset classes along with considerations of return premium, spread, valuation and investment manager fees. As inputs into this assumption-setting process, we use numerous external commercial and government sources as well as internal analysis.

Our volatility and correlation assumptions are based on historical 10-year values of the indexes used as asset class proxies.

For use in financial planning, we additionally break down many expected returns into components of taxable capital gains, interest, qualified dividends and tax-free interest. We also employ assumptions about portfolio turnover (securities trading), based on typical turnover experienced in investment manager strategies we commonly use in each asset class.



RETURN AND RISK ASSUMPTIONS



10 YEAR EXPECTED RETURN AND VOLATILITY ASSUMPTIONS

Asset Class	Index	Expected 10-Year Return (Geometric)	Expected 10-Year Volatility
Global Equity	MSCI ACWI	7.20%	15.65%
US Large Cap	S&P 500	7.15%	15.71%
US Smid Cap	Russell 2500	7.35%	20.39%
US Small Cap	Russell 2000	6.00%	21.69%
Non-U.S. Dev. Large Cap	MSCI EAFE	6.80%	16.36%
Non-U.S. SMID Cap	MSCI ACWI ex-US SMID	8.35%	18.54%
Emerging Markets Equity	MSCI EM	7.90%	17.47%
Private Equity	Cambridge US Private Equity	9.50%	8.66%
Private Debt	Cliffwater Direct Lending	7.50%	2.85%
Private Core Real Estate	NCREIF ODCE	5.85%	5.46%
Private Core-Plus Real Estate	NCREIF ODCE + Premium	7.65%	5.46%
Global Listed Real Estate	FTSE NAREIT/EPRA Global	6.70%	16.81%
US Listed Real Estate	FTSE NAREIT/EPRA United States	6.50%	18.13%
Global ex-US Listed Real Estate	FTSE NAREIT/EPRA Global	6.80%	17.82%
Global Infrastructure	S&P Global Infrastructure	6.60%	15.89%
Private Infrastructure	Cambridge Private Infrastructure	7.95%	4.27%
Commodities	S&P GSCI	3.90%	24.58%
Hedge Fund Strategies	HFRI FoF Composite	4.30%	6.12%
Hedge Fund Equity Hedged	HFRI Equity Hedged	5.40%	10.63%
Short Term Fixed Income	Bloomberg G/C 1-5 Yr.	2.90%	2.70%
US Core Bond	Bloomberg US Aggregate	4.40%	5.35%
US Core Plus Bond	80% BBG US Aggregate / 20% High Yield	4.80%	5.27%
High Yield Bond	Bloomberg US High Yield Corporate	6.40%	8.37%
Non-U.S. Developed Bond	FTSE WGI Ex-US	2.70%	10.71%
Emerging Markets Bond	JPM EMB ETF	6.65%	10.80%
Cash	3-Month Treasury	3.10%	0.97%
CPI	CPI: Consumer Price Index	2.45%	1.74%

10-YEAR CORRELATION ASSUMPTIONS

	Global Equity	U.S. Large Cap	U.S. Smid Cap	U.S. Small Cap	Non-U.S. Dev. Large Cap	Non-U.S. SMID Cap	Emg. Mkts. Eq.	Private Equity	Private Debt	Private Core Real Estate	Private Core-Plus Real Estate	Global Listed Real Estate	U.S. Listed Real Estate	Global ex-US Listed Real Estate	Global Infrastructure	Private Infrastructure	Commodities	Hedge Fund Strategies	Equity Hedge Funds	Short Term Fixed Income	U.S. Core Bond	US Core Plus Bond	High Yield Bond	Non-U.S. Develop. Bond	Emg. Markets Bond	Cash	CPI
Global Equity	1.00																										
U.S. Large Cap	0.96	1.00																									
U.S. Smid Cap	0.94	0.94	1.00																								
U.S. Small Cap	0.92	0.91	0.99	1.00																							
Non-U.S. Dev. Large Cap	0.96	0.87	0.87	0.84	1.00																						
Non-U.S. SMID Cap	0.96	0.86	0.88	0.85	0.97	1.00																					
Emerging Markets Eq.	0.90	0.77	0.80	0.77	0.90	0.95	1.00																				
Private Equity	0.74	0.75	0.78	0.78	0.66	0.67	0.60	1.00																			
Private Debt	0.60	0.58	0.65	0.63	0.53	0.58	0.57	0.73	1.00																		
Private Core Real Estate	-0.23	-0.15	-0.16	-0.14	-0.23	-0.29	-0.39	0.13	-0.09	1.00																	
Private Core-Plus RE	-0.23	-0.15	-0.16	-0.14	-0.23	-0.29	-0.39	0.13	-0.09	1.00	1.00																
Global Listed Real Estate	0.86	0.80	0.81	0.78	0.86	0.87	0.81	0.60	0.55	-0.15	-0.15	1.00															
U.S. Listed Real Estate	0.76	0.76	0.76	0.75	0.72	0.71	0.62	0.59	0.52	-0.05	-0.05	0.93	1.00														
Global ex-US Listed RE	0.86	0.74	0.76	0.74	0.90	0.92	0.89	0.53	0.51	-0.22	-0.22	0.95	0.77	1.00													
Global Infrastructure	0.87	0.80	0.81	0.79	0.88	0.87	0.82	0.63	0.58	-0.09	-0.09	0.89	0.80	0.88	1.00												
Private Infrastructure	0.03	0.03	-0.08	-0.08	0.05	-0.01	0.00	-0.26	-0.06	-0.37	-0.37	-0.06	-0.08	-0.03	0.02	1.00											
Commodities	0.52	0.48	0.52	0.51	0.49	0.51	0.49	0.63	0.63	0.05	0.05	0.40	0.32	0.42	0.56	-0.04	1.00										
Hedge Fund Strategies	0.89	0.86	0.90	0.88	0.83	0.85	0.80	0.77	0.65	-0.26	-0.26	0.67	0.56	0.68	0.71	0.03	0.53	1.00									
Equity Hedge Funds	0.95	0.90	0.94	0.93	0.89	0.92	0.88	0.78	0.65	-0.29	-0.29	0.75	0.63	0.77	0.78	0.01	0.55	0.97	1.00								
Short Term Fixed Inc.	0.21	0.13	0.12	0.09	0.27	0.28	0.30	-0.08	0.00	-0.36	-0.36	0.34	0.28	0.36	0.25	0.29	-0.31	0.09	0.14	1.00							
U.S. Core Bond	0.20	0.16	0.12	0.10	0.25	0.25	0.25	-0.03	0.00	-0.23	-0.23	0.37	0.36	0.35	0.27	0.10	-0.34	0.06	0.10	0.91	1.00						
US Core Plus Bond	0.20	0.16	0.12	0.10	0.25	0.25	0.25	-0.03	0.00	-0.23	-0.23	0.37	0.36	0.35	0.27	0.10	-0.34	0.06	0.10	0.91	1.00	1.00					
High Yield Bond	0.82	0.74	0.79	0.75	0.79	0.85	0.86	0.55	0.65	-0.52	-0.52	0.80	0.69	0.80	0.74	-0.04	0.44	0.74	0.80	0.36	0.34	0.34	1.00				
Non-U.S. Dev. Bond	0.48	0.38	0.35	0.32	0.54	0.56	0.55	0.20	0.17	-0.17	-0.17	0.57	0.45	0.63	0.57	0.10	0.00	0.27	0.36	0.71	0.76	0.76	0.47	1.00			
Emerging Markets Bond	0.76	0.69	0.68	0.64	0.76	0.78	0.76	0.47	0.52	-0.25	-0.25	0.80	0.72	0.79	0.76	0.06	0.25	0.61	0.66	0.58	0.64	0.64	0.78	0.74	1.00		
Cash	0.03	0.03	-0.08	-0.08	0.05	-0.01	0.00	-0.26	-0.06	-0.37	-0.37	-0.06	-0.08	-0.03	0.02	1.00	-0.04	0.03	0.01	0.29	0.10	0.10	-0.04	0.10	0.06	1.00	
CPI	-0.05	-0.08	-0.10	-0.13	-0.03	-0.02	0.00	0.07	0.15	0.08	0.08	-0.07	-0.10	-0.04	0.05	0.02	0.49	-0.04	-0.02	-0.25	-0.29	-0.29	-0.07	-0.16	-0.23	0.02	1.00

Private Core-Plus Real Estate and US Core Plus Bonds are modeled as combinations of other asset classes (see Index definitions in 10-Year Expected Return and Volatility Assumptions table), so they do not have separate correlation assumptions.

10-YEAR RETURN & RISK ASSUMPTIONS: EQUITIES

Asset Class		Asset Class Group	Class Name	Syntinsic Index	Projected Return					Projected Compound				Projected Arithmetic			
					Taxable		Standard Deviation (Volatility)	Tax-Free (approx.)		Taxable Capital Gains	Taxable Interest	Taxable Qualified Dividends	Taxable Tax-Free Interest	Taxable Capital Gains	Taxable Interest	Taxable Qualified Dividends	Taxable Tax-Free Interest
					Geometric (compounded)	Arithmetic (annual average)		Geometric (compound ed)	Arithmetic (annual average)								
Stock	Global Equities	Stock	Global Equity	MSCI ACWI	7.20%	8.42%	15.65%	n/a	n/a	4.97%	0.00%	2.23%	0.00%	5.81%	0.00%	2.61%	0.00%
Stock	US Equities	Stock	US Large Cap	S&P 500	7.15%	8.38%	15.71%	n/a	n/a	5.43%	0.00%	1.72%	0.00%	6.37%	0.00%	2.01%	0.00%
Stock	US Equities	Stock	US Smid Cap	Russell 2500	7.35%	9.43%	20.39%	n/a	n/a	5.59%	0.00%	1.76%	0.00%	7.17%	0.00%	2.26%	0.00%
Stock	US Equities	Stock	US Small Cap	Russell 2000	6.00%	8.35%	21.69%	n/a	n/a	4.56%	0.00%	1.44%	0.00%	6.35%	0.00%	2.00%	0.00%
Stock	Non-US Equities	Stock	Non-U.S. Dev. Large Cap	MSCI EAFE	6.80%	8.14%	16.36%	n/a	n/a	3.67%	0.00%	3.13%	0.00%	4.39%	0.00%	3.74%	0.00%
Stock	Non-US Equities	Stock	Non-U.S. SMID Cap	MSCI ACWI ex-US SMID	8.35%	10.07%	18.54%	n/a	n/a	4.51%	0.00%	3.84%	0.00%	5.44%	0.00%	4.63%	0.00%
Stock	Non-US Equities	Stock	Emerging Markets Equity	MSCI EM	7.90%	9.43%	17.47%	n/a	n/a	5.21%	0.00%	2.69%	0.00%	6.22%	0.00%	3.20%	0.00%
Stock	Private Equity	Alternative	Private Equity	Cambridge US Private Equity	9.50%	9.87%	8.66%	n/a	n/a	9.50%	0.00%	0.00%	0.00%	9.87%	0.00%	0.00%	0.00%
Stock	Private Real Estate	Alternative	Private Core Real Estate	NCREIF ODCE	5.85%	6.00%	5.46%	n/a	n/a	1.76%	0.00%	4.10%	0.00%	1.80%	0.00%	4.20%	0.00%
Stock	Private Real Estate	Alternative	Private Core-Plus Real Estate	NCREIF ODCE + Premium	7.65%	7.80%	5.46%	n/a	n/a	3.06%	0.00%	4.59%	0.00%	3.12%	0.00%	4.68%	0.00%
Stock	Listed Real Estate	Stock	Global Listed Real Estate	FTSE NAREIT/EPRA Global	6.70%	8.11%	16.81%	n/a	n/a	1.34%	0.00%	5.36%	0.00%	1.62%	0.00%	6.49%	0.00%
Stock	Listed Real Estate	Stock	US Listed Real Estate	FTSE NAREIT/EPRA United States	6.50%	8.14%	18.13%	n/a	n/a	1.30%	0.00%	5.20%	0.00%	1.63%	0.00%	6.51%	0.00%
Stock	Listed Real Estate	Stock	Global ex-US Listed Real Estate	FTSE NAREIT/EPRA Global	6.80%	8.39%	17.82%	n/a	n/a	1.36%	0.00%	5.44%	0.00%	1.68%	0.00%	6.71%	0.00%
Stock	Public Market Infrastructure: Equity	Alternative	Global Infrastructure	S&P Global Infrastructure	6.60%	7.86%	15.89%	n/a	n/a	4.55%	0.00%	2.05%	0.00%	5.43%	0.00%	2.44%	0.00%
Stock	Private Infrastructure	Alternative	Private Infrastructure	Cambridge Private Infrastructure	7.95%	8.04%	4.27%	n/a	n/a	2.39%	0.00%	5.57%	0.00%	2.41%	0.00%	5.63%	0.00%
Stock	Commodities	Alternative	Commodities	S&P GSCI	3.90%	6.92%	24.58%	n/a	n/a	3.90%	0.00%	0.00%	0.00%	6.92%	0.00%	0.00%	0.00%

10-YEAR RETURN & RISK ASSUMPTIONS: FIXED INCOME

Asset Class Group (our Superclasses)	Asset Class Group (our Classes)	Asset Class Group (their groups)	Class Name	Syntinsic Index	Projected Return												
					Taxable			Tax-Free (approx.)		Projected Compound				Projected Arithmetic			
					Geometric (compounded)	Arithmetic (annual average)	Standard Deviation (Volatility)	Geometric (compounded)	Arithmetic (annual average)	Taxable Capital Gains	Taxable Interest	Taxable Qualified Dividends	Taxable Tax-Free Interest	Taxable Capital Gains	Taxable Interest	Taxable Qualified Dividends	Taxable Tax-Free Interest
Bond	Private Debt Hedge Fund	Alternative	Private Debt Hedge Fund	Cliffwater Direct Lending	7.50%	7.54%	2.85%	n/a	n/a	0.00%	7.50%	0.00%	0.00%	0.00%	7.54%	0.00%	0.00%
Bond	Strategies Hedge Fund	Alternative	Strategies Hedge Fund	HFRI FoF Composite	4.30%	4.49%	6.12%	n/a	n/a	3.63%	0.00%	0.67%	0.00%	3.79%	0.00%	0.70%	0.00%
Bond	Strategies Short Term Fixed	Alternative	Equity Hedged Short Term	HFRI Equity Hedged	5.40%	5.96%	10.63%	n/a	n/a	4.56%	0.00%	0.84%	0.00%	5.04%	0.00%	0.92%	0.00%
Bond	Income Global Fixed	Bond	Fixed Income	Bloomberg G/C 1-5 Yr. Bloomberg US	2.90%	2.94%	2.70%	1.97%	2.01%	0.00%	2.90%	0.00%	0.00%	0.00%	2.94%	0.00%	0.00%
Bond	Income	Bond	US Core Bond	Aggregate 80% BBG US	4.40%	4.54%	5.35%	2.99%	3.14%	0.00%	4.40%	0.00%	0.00%	0.00%	4.54%	0.00%	0.00%
Bond	Global Fixed Income	Bond	US Core Plus Bond	Aggregate / 20% High Yield	4.80%	4.94%	5.27%	3.26%	3.40%	0.00%	4.80%	0.00%	0.00%	0.00%	4.94%	0.00%	0.00%
Bond	Global Fixed Income	Bond	High Yield Bond	Bloomberg US High Yield Corporate	6.40%	6.75%	8.37%	4.35%	4.70%	0.00%	6.40%	0.00%	0.00%	0.00%	6.75%	0.00%	0.00%
Bond	Global Fixed Income	Bond	Non-U.S. Developed Bond	FTSE WGI Ex-US	2.70%	3.27%	10.71%	1.84%	2.41%	0.00%	2.70%	0.00%	0.00%	0.00%	3.27%	0.00%	0.00%
Bond	Global Fixed Income	Bond	Emerging Markets Bond	JPM EMB ETF	6.65%	7.23%	10.80%	4.52%	5.11%	0.00%	6.65%	0.00%	0.00%	0.00%	7.23%	0.00%	0.00%
Bond	Cash & Cash Alternatives	Cash	Cash	3-Month Treasury CPI: Consumer Price Index	3.10%	3.10%	0.97%	2.11%	2.11%	0.00%	3.10%	0.00%	0.00%	0.00%	3.10%	0.00%	0.00%
n/a	n/a	n/a	CPI		2.45%	2.47%	1.74%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

ADDITIONAL DEFINITIONS AND CATEGORIES

- Our inflation expectations are based on Organisation for Economic Co-operation and Development (OECD) forecasts
- For assumed income tax rates, we may use broad average assumptions or tax rates customized to an individual client
- In our use of financial planning software, we map Morningstar fund categories to our asset class taxonomy and assumptions for classification purposes

DISCLOSURES



DISCLOSURES

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The information in this document is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. The opinions expressed in this document are the combined work of Syntrinsic's Investment Committee. Our research comes from a multitude of sources, but any opinions expressed are our own.

Given the complex nature of risk-reward trade-offs involved in portfolio construction, we advise clients to consult with financial professionals on specific investment-related decisions. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. In addition, past performance is not a guarantee of future results.

Assumptions, opinions, and estimates are provided for illustrative purposes only and are subject to significant limitations. Expected return estimates are subject to uncertainty and error. Expected returns for each asset class can be conditional on economic scenarios to which actual returns could be significantly higher or lower than forecasted. They should not be solely relied upon as recommendations to buy or sell securities.

Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness.

DISCLOSURES (CONTINUED)

Investors should consult with an investment advisor to determine the appropriate investment vehicle. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. Advisors should always conduct their own research and due diligence on investment products and the product managers prior to offering or making a recommendation to a client.

The information, analysis, guidance and opinions expressed herein are for general and educational purposes only and are not intended to constitute legal, tax, securities or investment advice or a recommended course of action in any given situation.

The historical performance shown and expected return does not guarantee future results. There can be no assurance that the asset classes will achieve these returns in the future. It is not intended as and should not be used to provide investment advice and does not address or account for individual investor circumstances. Investment decisions should always be made based on the investor's specific financial needs and objectives, goals, time horizon, tax liability and risk tolerance. The statements contained herein are based upon the opinions of Syntrinsic and third-party sources.

An investment in these asset classes is subject to market risk, and an investor may experience loss of principal. The return forecasts utilized in our financial planning software have been constructed using our existing approach, but with longer-term inputs. Risks and correlations are estimated using the same approach as our 10-year forecasts, using full-history autocorrelation-adjusted realized risk and past 10 year realized correlations. These return figures must be thought of separately from our 10-year forecasts and are not meant to imply performance for the 20 years beyond our 10-year forecasts.

The material may include estimates, outlooks, projections and other "forward-looking statements." Such statements can be identified by the use of terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or comparable terminology, or by discussion of strategy, or assumptions such as economic conditions underlying other statements. No assurance can be given that future results described or implied by any forward-looking information will be achieved. Actual events may differ significantly from those presented. Investing entails risks, including possible loss of principal. Risk controls and models do not promise any level of performance or guarantee against loss of principal.



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Founded in 2008, Syntrinsic is co-creating a sustainable and generative world that empowers all people by providing investment advice and strategic consulting to community foundations, private foundations, public charities, and private clients interested in using assets for good and growth. The firm offers a full suite of services, including impact investing, stakeholder education, operational support, business strategy and structure, and client-stakeholder relations.