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*Financial markets tumbled in March as the Iran conflict upended energy markets and sparked a synchronized shock to the global economy. Since early March, the markets have experienced extreme volatility as oil prices surged to over \$100 per barrel, casting a long shadow over the financial markets. While the U.S. economy has shown remarkable resilience over the last several years, the spillover effects from higher energy prices have been immediate and significant. The Strait of Hormuz remains a critical chokepoint for global energy transportation, and any disruption has created ripple effects across multiple industries, including fertilizers, with potential implications for the global food supply. Iran's response of launching missiles and drones across the Persian Gulf has rattled investors, igniting fears of further escalation in hostilities. Meanwhile, U.S. economic momentum appears to be moderating, with consumer sentiment waning alongside subdued jobs growth. Rising energy costs have also contributed to renewed inflation fears, complicating the Federal Reserve's policy path as it balances lowering interest rates and resurfacing inflation risks. Investor risk tolerance has already been pressured by ongoing uncertainties related to AI-driven disruption, concerns around private credit, and political dynamics in Washington. The future direction of the markets should be highly dependent on the duration of the Iran war. President Trump is now facing a chokepoint as he seeks to wind down military action and reduce energy prices ahead of the November mid-term elections.*

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The ISM Manufacturing Index is a monthly gauge on the level of economic activity in the U.S. manufacturing sector versus the previous month.

The ICE BofA Current 10-Year U.S. Treasury Index (GA10) is a one security index comprised of the most recently issued 10-year U.S. Treasury Note.

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The Morningstar LSTA US Leveraged Loan Index is a market value-weighted index designed to measure the performance of the U.S. leveraged loan market based upon weightings, spreads and interest payments.

The Refinitiv US All-Cap Focus Convertible Bond Index has an inception date of December 1993, is a subset of the Refinitiv US Convertible Bond Index and includes securities that have a price between 60 and 140 and a conversion premium of < 100%, among other criteria. The Refinitiv US Convertible Bond Index includes convertible securities that are denominated in USD, have a market value of over \$300mm, and have underlying stocks that trade on US equity markets.

The Dow Jones Industrial Average is a price-weighted average of thirty blue-chip stocks that are generally the leaders in their respective industries.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

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The MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Markets (EM) countries. With 1,398 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World Index does not offer exposure to emerging markets.

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