

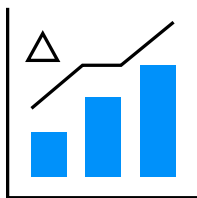
Quarterly Commentary

New York's 529 Advisor-Guided College Savings Program®

Market commentary

2025 was a year of dramatic swings. Markets stumbled early as the U.S. hiked tariffs to historic highs, sending developed equities down 16.5% by April. But resilience won out—stimulus measures fueled a powerful rebound, and developed markets closed the year up 21.6%. Fixed income also delivered: Bloomberg U.S. Aggregate gained 7.3% and U.S. High Yield returned 8.6%. For the first time since the pandemic, most major asset classes posted gains.

Q4 highlights:



- Emerging markets led, surging 4.7% in Q4 and 33.6% for the year.
- Developed markets gained 3.1% in Q4, finishing up 21.1% for 2025.
- The S&P 500 lagged but still delivered 2.7% in Q4 and 17.9% for the year.
- Diversification was key—global exposure outperformed U.S.-centric portfolios.

Looking ahead

We enter 2026 optimistic but cautious, with the U.S. economy showing late-cycle signals. Modest above-trend growth is expected, powered by ongoing investment and a consumption boost from the One Big Beautiful Bill.

Key themes & markets

- ☑ Diversification paid off in the quarter and year as U.S. markets lagged international counterparts.
- ☑ Emerging market equity performance was broad based with all regions posting strong returns.
- ☑ Credit outpaced Treasuries, complementing the risk tilt of equities in portfolios as investors continued to seek yields and returns.
- ☑ However, fiscal concerns continued to weigh on government bonds, and curves steepened in all major markets.
- ☑ Artificial Intelligence (AI) remained the dominant theme driving U.S. equity markets. JPM believes in the AI investment driving returns and productivity but expects investors will try and discern the eventual winners and losers in the AI race.
- ☑ We enter 2026 with a sense of optimism, though we are mindful that the U.S. economy has taken on a distinct late-cycle tone. We anticipate modestly above-trend growth, driven by an ongoing investment cycle and a small pickup in consumption—primarily due to elements in the One Big Beautiful Bill.

Performance commentary

In the fourth quarter of 2025, despite volatility, the Plan's age-based and asset allocation portfolios produced strong positive returns, with higher-equity-content portfolios outperforming more conservative portfolios.



Performance contributors

Asset allocation positioning being overweight equities and credit contributed to returns, with the equity market continuing their positive trends and outperforming fixed-income markets. Positions in emerging market equity and international markets helped performance.



Performance detractors

Manager selection detracted, with notable underperformance by fundamental global and U.S. equity managers caught offside on stock selection in this narrow market environment.

What this means for investors

- **Reacceleration of growth:** We expect the U.S. economy to reaccelerate over 2026 given lower rates and fiscal stimulus; there is scope for business cycle to extend, and we see upside risks to global growth from increased fiscal spending.
- **Risk on tilt:** Potential for growth to recover toward trend next year, and improving earnings revisions call for an overweight to equities; our conviction in a risk-on tilt has increased at the margin.
- **Moderating credit exposure:** All-in yields around 6.5% in high-yield and low-distress ratio supportive for credit, but little scope for further spread compression implies a more neutral stance on credit.
- **All eyes on the Fed and inflation:** U.S. inflation remains above target, but the Fed is responding to soft labor market data; we see scope for one rate cut in the first half of 2026 as the Fed weighs the growth and inflation balance.
- **Risks we are watching:** Reacceleration of inflation, more hawkish tone from the Fed, excess leverage via private credit, labor market weakness and sharp tightening of credit conditions.

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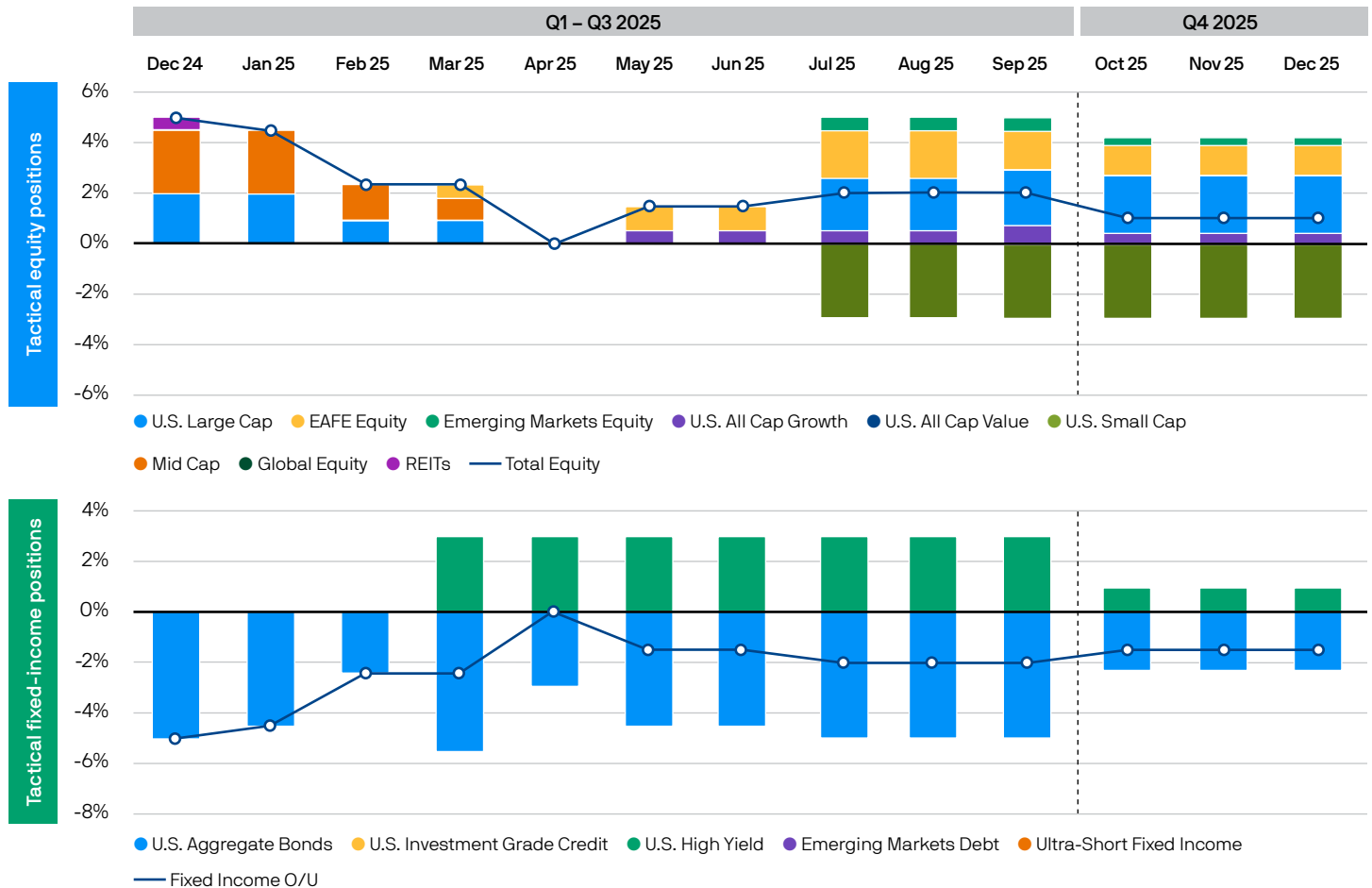
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Asset allocation and chart commentary

- The portfolio management team started the fourth quarter by slightly moderating the overweight to equities.
- Positioning remained fairly consistent for the quarter, with overweights in U.S. Growth and International equities, Emerging Markets equities as well as an overweight to High Yield bonds.
- Throughout the quarter, the team reexamined positions reflecting on new information around resilient economic growth, corporate earnings, moderating inflation and Fed action. The result was a consistent position throughout the quarter.

Evolution of equity and fixed-income positions | Age-based portfolio (11-12)



Source: J.P. Morgan Asset Management; as of 12/31/2025. Shown for illustrative purposes only. **Past performance is no guarantee of future results.** The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met. Tactical positions represent overweight/underweight relative to strategic asset allocation.

For more information

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- Consult your financial professional
- Visit www.ny529advisor.com
- Call 1-800-774-2108 (M-F, 8 a.m.–6 p.m. ET)

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- Dedicated team of **over 100 investment professionals**¹
- More than **\$350 billion in global assets** under management¹
- Builds 529 Plan portfolios, selects investments and **makes adjustments as market conditions change over time**

¹As of March 31, 2025.

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