MARKET MATTERS

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Key Highlights for July 2024

- Global equities advanced in July, with performance characterized by a rotation away from large-cap growth stocks in favor of small caps and value.
- The rotation was largely triggered by improved prospects for central bank rate cuts, which contributed to gains for bond markets as yields declined. The Federal Reserve is now expected to begin cutting rates in September, while the Bank of Canada and Bank of England cut rates.
- Emerging markets lagged developed peers, due largely to the subpar performance in tech-heavy Asia. Chinese stocks were buffeted by weak economic data and a lack of meaningful new stimulus measures following the highly anticipated Third Plenum.
- The shifting rates outlook led to US dollar depreciation. In contrast, the Japanese yen surged as the Bank of Japan tightened monetary policy and government authorities intervened in foreign exchange markets.

C|A CAMBRIDGE ASSOCIATES

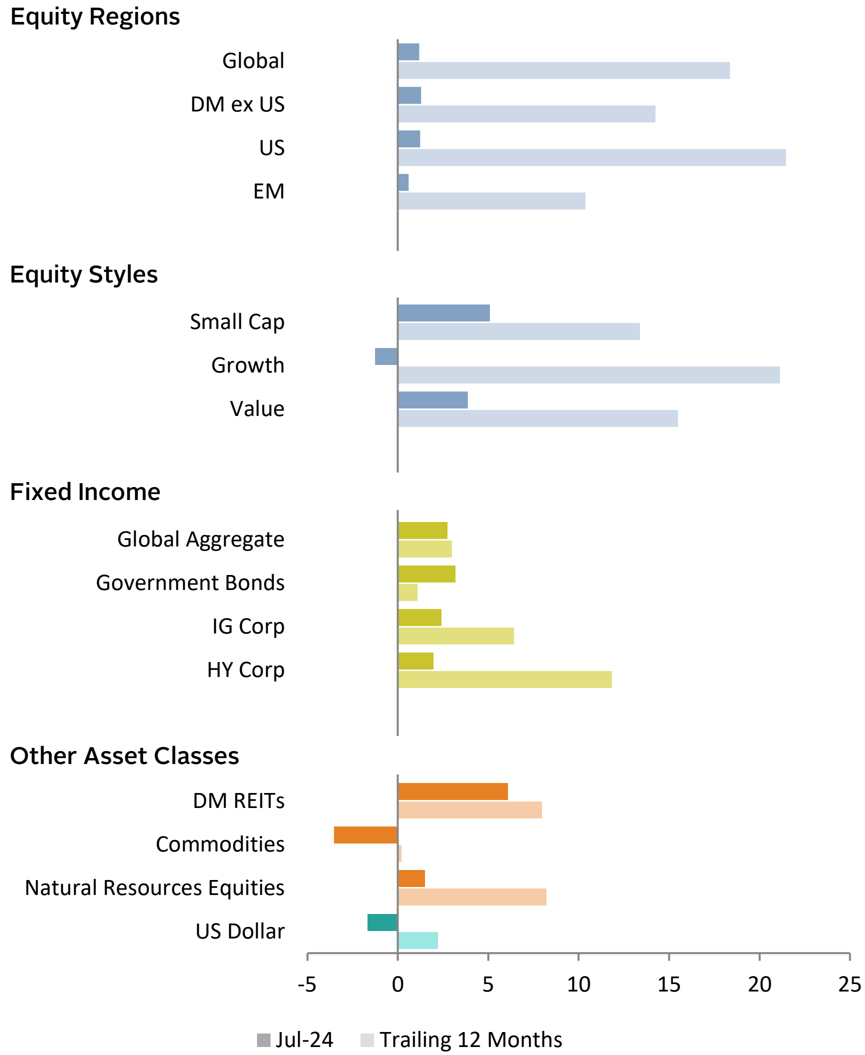
JULY 31, 2024

Improved prospects for central bank rate cuts fueled rally for small-cap and value stocks

Global Market Developments

- Markets raised their expectations for Fed rate cuts in 2024 after US inflation cooled more than expected and the labor market softened. Markets are now fully pricing in that the Fed will cut rates by 25 basis points (bps) in September, while also anticipating two additional rate cuts by year end. US Treasury yields dropped, leading to solid gains for fixed income assets.
- Rate cut expectations juxtaposed against a backdrop of solid economic updates across most developed economies. GDP growth figures released in July for the US, UK, and Eurozone all beat expectations, although some signs of slowing emerged for the latter. The Bank of Japan (BOJ) moved in the opposite direction, lifting rates amid firming inflation data, continued yen weakness, and a softer economic backdrop.
- Broad equity market performance was positive, characterized by a sharp size and style rotation. Small-cap and value stocks outperformed their respective large-cap and growth peers by some of the widest monthly margins in the past decade, reflecting expectations for outsized benefits from Fed rate cuts. Large-cap tech stocks were also impacted by some tepid earnings reports, which fell short of the high expectations reflected in their valuation multiples.
- Chinese economic data releases largely disappointed, driven by weak underlying domestic demand. The Chinese Communist Party's Third Plenum proved a nonstarter in terms of new near-term economic stimulus and support measures. Still, the People's Bank of China unexpectedly cut several key interest rates in July, and stock market regulators imposed new restrictions on short sales to shore up equities.

GLOBAL ASSET CLASS PERFORMANCE (%)



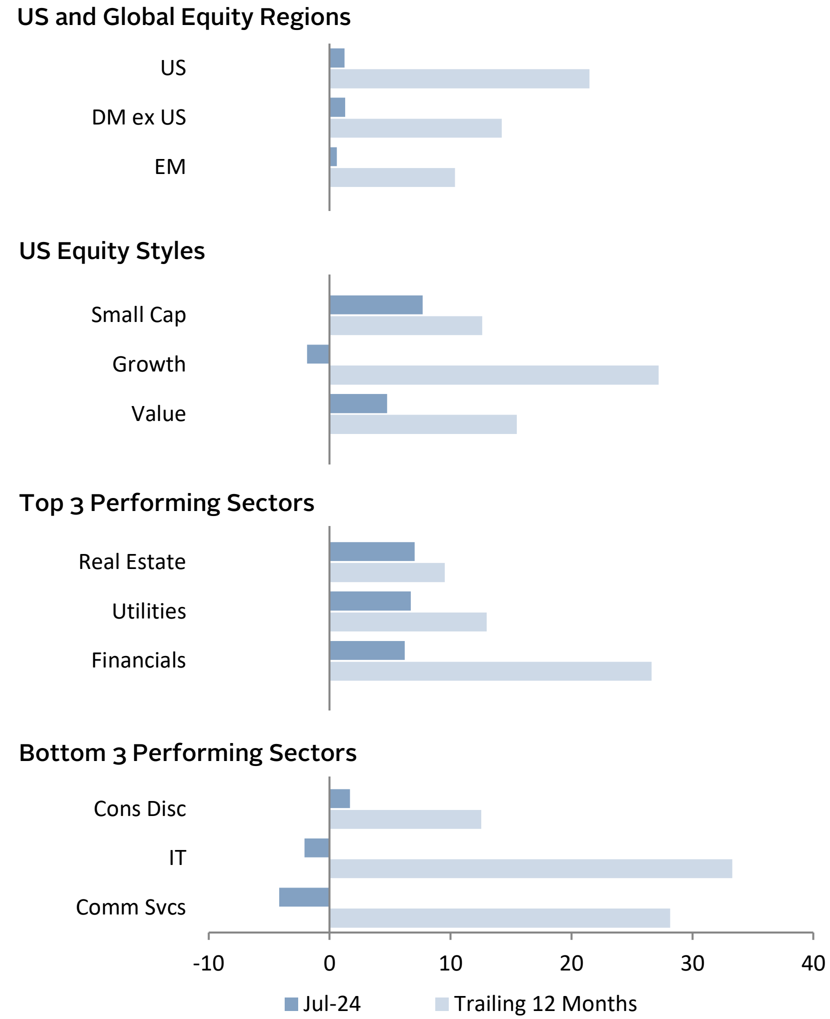
Sources: EPRA, FTSE International Limited, Intercontinental Exchange, Inc., MSCI Inc., National Association of Real Estate Investment Trusts, Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Fixed Income, DM REITs, Commodities, and Natural Resources Equities returns are in US dollars; all other returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes.

US macro data catalyzed equity market performance rotation, highlighted by tech sell-off

Outside of several high-profile tech stocks, US equity returns were solid in July as performance broadened. Cooler inflation and labor market data—coupled with signs of resilient economic growth—contributed to the outperformance of small caps and value, given elevated prospects of an economic soft landing.

- The equal-weighted US equity index gained 4.1% in July, contrasting the more muted return posted by its cap-weighted counterpart. Rate-sensitive, value-oriented, and smaller capitalization stocks surged, as investors favored them at the expense of mega-cap tech, given their lower valuations and perceived benefits from lower interest rates. Tech stocks were also impacted by reports of new export restrictions to China.
- Softer US inflation and labor market data initiated the equity rotation. Indeed, core inflation cooled more than expected to 3.3% YOY, while the monthly headline rate declined 0.1%. Labor market data revealed downward revisions to job gains in prior months, while the unemployment rate increased to 4.1% and wage growth slowed to the lowest in three years.
- Stronger-than-expected growth indicators also buoyed market sentiment. US GDP growth accelerated to 2.8% annualized in Q2 2024, driven largely by resilient consumer spending. In addition, preliminary PMI figures for July suggested economic activity expanded at the fastest rate in more than two years.
- The Fed held policy rates steady at 5.25%–5.50% at its July meeting, but Chair Jerome Powell set the stage for a rate cut in September. Policymakers appeared more dovish, having shifted focus to softening labor data and noting favorable inflation trends over the past several months.

US EQUITY MARKET PERFORMANCE (%)



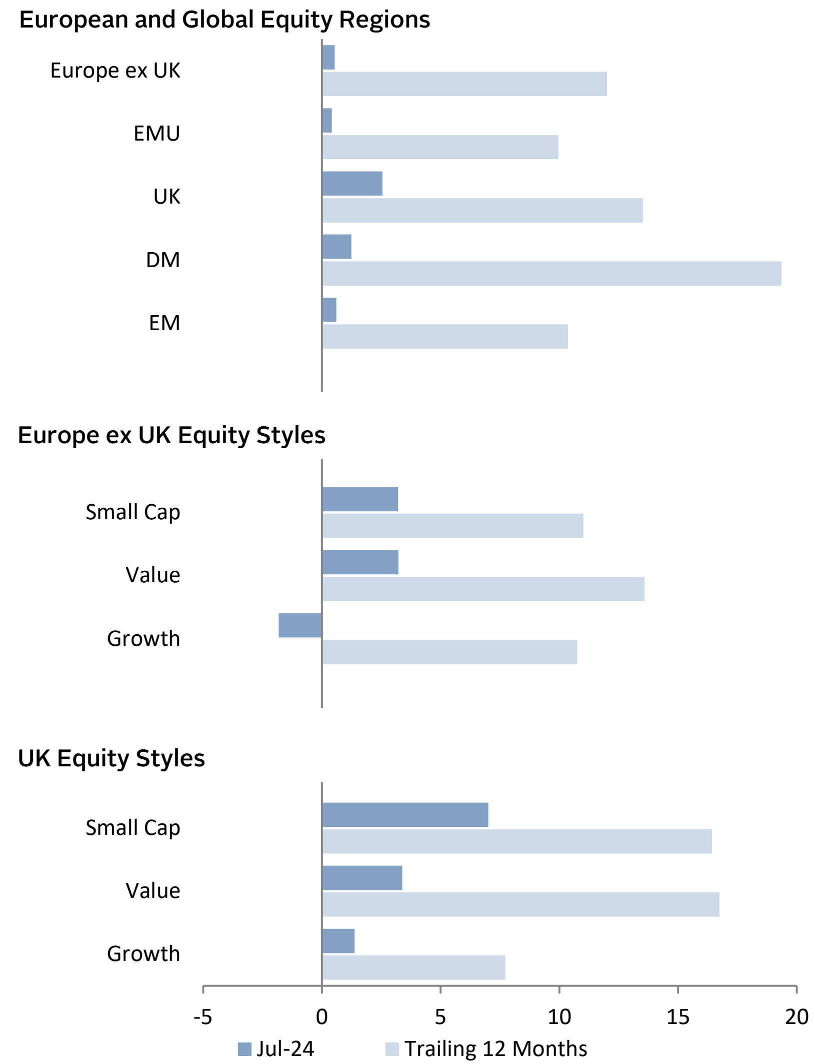
Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: All returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes.

European equity market performance reflected diverging economic momentum

European equities marginally underperformed, weighed down by Europe ex UK stocks amid softer economic data, stickier-than-expected inflation reports, and ongoing political uncertainty in France. UK equities were a top performer, boosted by economic momentum and growing rate cut expectations.

- Eurozone economic momentum has waned. Although Eurozone quarterly GDP growth topped consensus forecasts at 0.3% in Q2, the German economy unexpectedly contracted. Further, July's preliminary PMI data suggested activity largely stagnated at the start of Q3. Manufacturing remained weak, and services expanded at the slowest pace in four months.
- Markets dialed back expectations for a September ECB rate cut after inflation topped expectations in July, with the core rate holding steady at 2.9% YOY. Still, services inflation continued moderating, while loan demand across the bloc remained weak—factors that support the case for more cuts.
- UK GDP expanded at a monthly rate of 0.4% in May, doubling that expected by markets. The services sector was the primary growth driver, but manufacturing also gained momentum. Production levels returned to growth in May, while July's preliminary PMI data suggested the sector expanded at the fastest rate in two years.
- The Labour party secured its widely expected general election victory with limited market impacts, largely due to messaging that planned fiscal policy changes are likely to be modest. The Bank of England (BOE) cut rates by 25 bps shortly after month-end, which was increasingly expected by markets in July despite services inflation holding steady at 5.7% YOY in June.

EUROPEAN EQUITY MARKET PERFORMANCE (%)



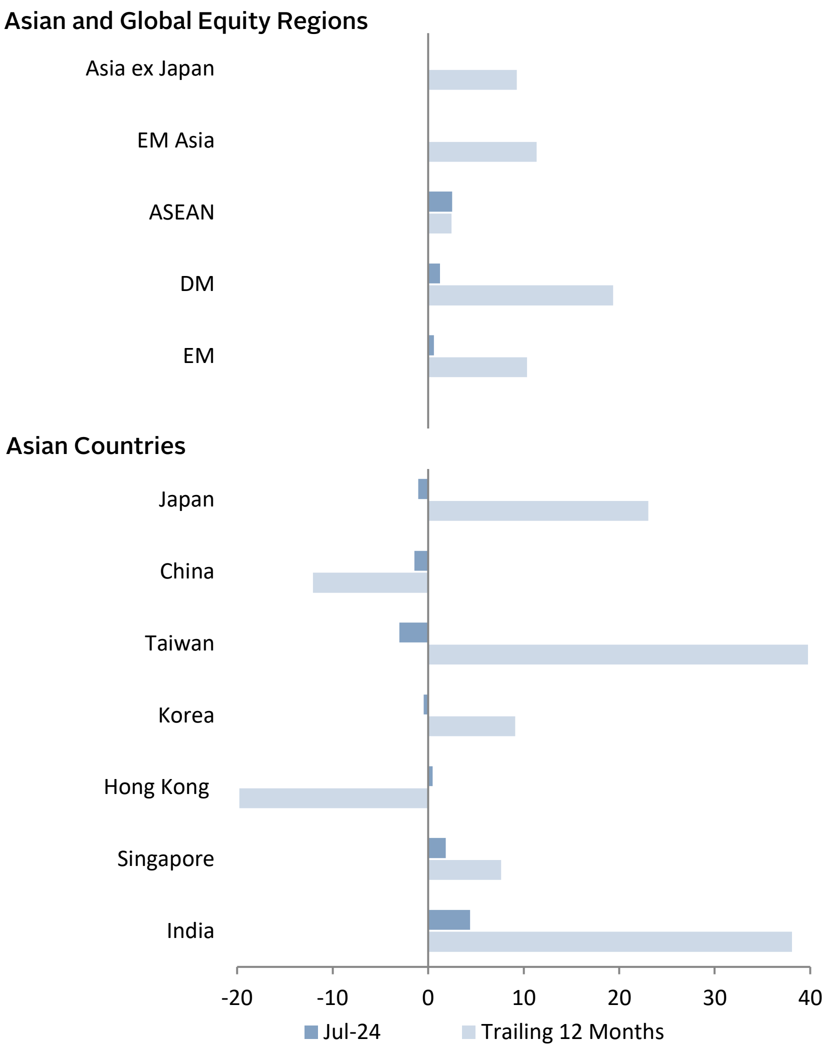
Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: All returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes.

Lack of macro support ailed Chinese stocks, while Japan tightened monetary policy

Asian equities generally declined in July. Japanese stocks were pressured by yen strength as authorities intervened to support the currency and the BOJ tightened policy. Chinese equities faced weak economic data and underwhelming policy support.

- The BOJ lifted policy rates by 15 bps to 0.25% and halved its bond buying program, citing favorable economic and inflation dynamics along with inflationary concerns from a weak yen. Market expectations for such a move, coupled with government intervention totaling nearly $40 billion, contributed to significant yen appreciation in July, weighing on equities.
- Chinese GDP expanded 4.7% YOY in Q2, underwhelming expectations and trailing the government's 5% target. Growth was driven by external demand, where exports surged nearly 9% YOY in June. However, imports contracted, inflation remained soft at just 0.2% YOY, and loan demand slumped in 1H 2024, all pointing to weak domestic demand conditions.
- Indian equities advanced for a ninth straight month on the back of strong economic momentum. Contrary to concerns of fiscal largesse in some developed markets, investors were encouraged by a conservative budget proposal from the new coalition government, which seeks to cut the fiscal deficit while maintaining record levels of capital investment.
- Taiwan's equity market stumbled, due in large part to broader pressure on tech stocks in July; still, it is up 30% YTD. Exports, which scale to roughly two-thirds of GDP, surged nearly 25% YOY in June, boosted by shipments of semiconductors that power AI capabilities. This helped overall economic growth in Q2 beat expectations at 5.1% YOY.

ASIAN EQUITY MARKET PERFORMANCE (%)



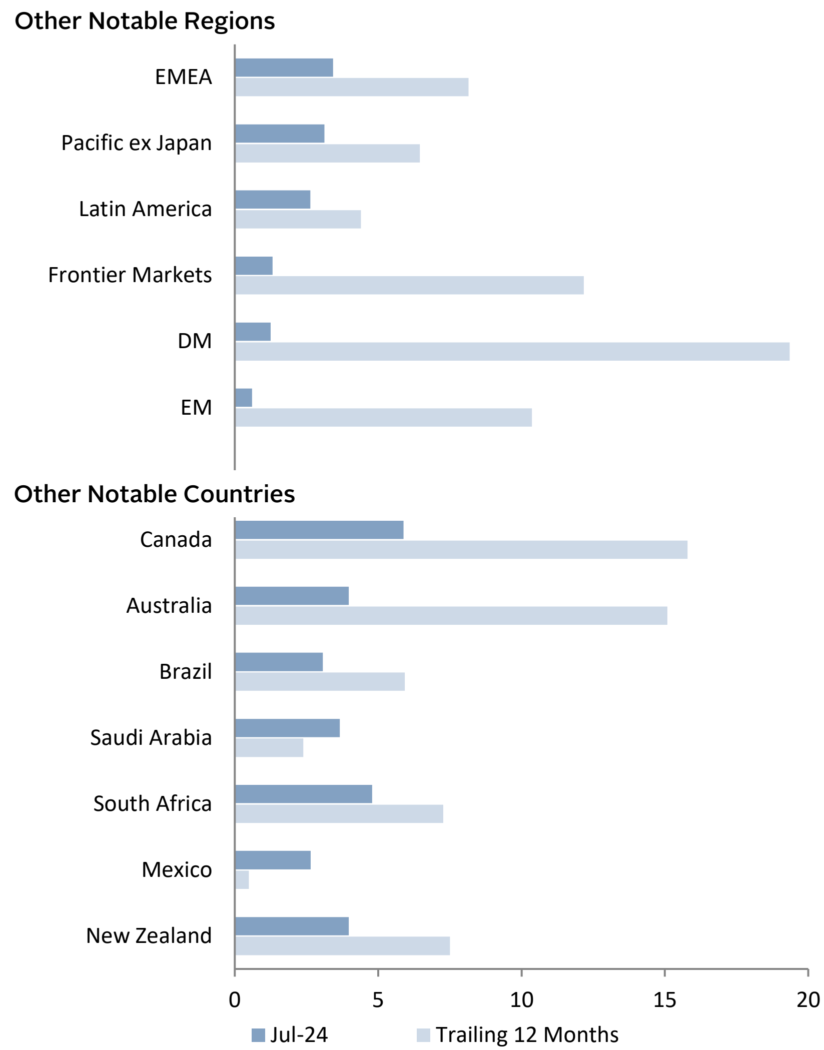
Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: All returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes. Countries are ordered by weight in the MSCI ACWI. Asia ex Japan and ASEAN include both developed and emerging, as defined by MSCI.

Dovish tilt by other major developed central banks supported performance

Canadian equities led gains among other major equity regions as inflation cooled and the Bank of Canada (BOC) cut rates. New Zealand equities rallied as the monetary policy outlook turned more dovish. Investors dialed back the possibility of rate hikes in Australia on softer inflation data.

- The BOC cut the benchmark overnight rate by 25 bps for a second straight meeting, to 4.50%. Inflation slowed more than expected in June at 2.7% YOY, and policymakers signaled concern over weaker-than-expected household spending and signs of labor market slack. The bank signaled expectations for further rate cuts ahead of looming mortgage renewals at higher rates that could further pressure household budgets.
- The Reserve Bank of New Zealand held its benchmark cash rate steady at 5.50% but turned more dovish regarding the policy outlook amid concerns over weak economic activity. Indeed, inflation slowed more than expected at 3.3% YOY in Q2—the lowest rate in three years—while PMI data suggested that economic activity contracted again in Q2 amid signs of weak consumer spending.
- Australian core inflation moderated to 3.9% YOY in Q2, coming in slightly below Reserve Bank of Australia (RBA) estimates. This encouraged markets to reduce pricing of additional rate hikes, where the RBA has telegraphed a more hawkish turn in recent months. Although PMI data suggested economic momentum has waned, retail sales growth topped expectations in May and June.

NOTABLE EQUITY MARKET PERFORMANCE (%)



Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: All returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes. Countries are ordered by weight in the MSCI ACWI.

Fixed income rallied as expectations for monetary easing solidified

- US fixed income assets delivered their strongest gains this year as US Treasury yields declined sharply. Softer inflation and labor market data, coupled with dovish Fed commentary, solidified prospects for rate cuts this year. Ten-year Treasury yields declined 27 bps to 4.09% and have fallen more than 60 bps from YTD highs of 4.70% reached in April. Policy-sensitive two-year yields fell 42 bps on the month to 4.29%.

- Yields declined across the US Treasury curve, but the fall in longer-dated yields was relatively muted as US economic growth remained resilient. Political risks also had a role in keeping longer-term yields elevated, as investors priced in potential fiscal and trade policies given shifting election odds during the month. These were driven by President Biden's poor debate performance and subsequent dropping out of the race in favor of Vice President Kamala Harris.

- European fixed income returns were also bolstered by falling yields, where ten-year German bund yields declined 19 bps to 2.30%. Recent French elections resulted in a hung parliament, which reduced fears of more radical fiscal policy, and appeared to restore investor confidence. Ten-year French OAT yields declined 28 bps to 3.01%, and the spread between German bunds and French OATs narrowed on the month.

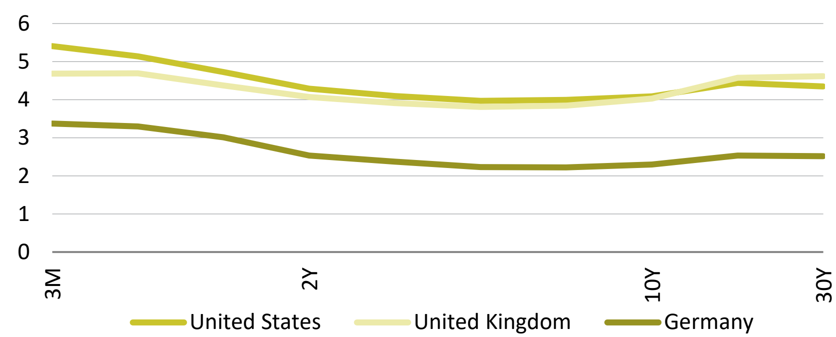
- UK fixed income also advanced as rate cut expectations mounted during the month, culminating in a 25 bp rate cut from the BOE shortly after month-end. Ten-year gilt yields fell 18 bps to 3.97%. Markets were also reassured as the new Labour government stuck to a more conservative fiscal playbook, avoiding a repeat of the short-lived government headed by former Prime Minister Liz Truss.

FIXED INCOME INDEX PERFORMANCE (%)

	Returns (LC)		Yields	
Fixed Income	**Jul-24**	**TTM**	**-1Y**	**Current**
US Dollar–Denominated				
Aggregate	2.3	5.1	4.85	4.64
Treasury	2.2	4.1	4.43	4.19
IG Corp	2.4	6.8	5.45	5.14
HY Corp*	1.9	11.1	3.67	3.14
TIPS	1.8	4.4	1.84	1.97
Muni	0.9	3.7	3.50	3.58
Euro-Denominated				
Government Bonds	2.3	4.9	2.05	2.21
IG Corp	1.7	7.1	4.24	3.49
HY Corp*	1.2	10.5	4.27	3.64
UK Sterling–Denominated				
Gilts	1.7	5.8	4.41	4.27
IG Corp	1.8	9.9	6.22	5.27
HY Corp*	1.4	14.8	5.45	4.41
Linkers	2.0	1.8	0.91	1.04

* High-yield index yield data represent option-adjusted spread.

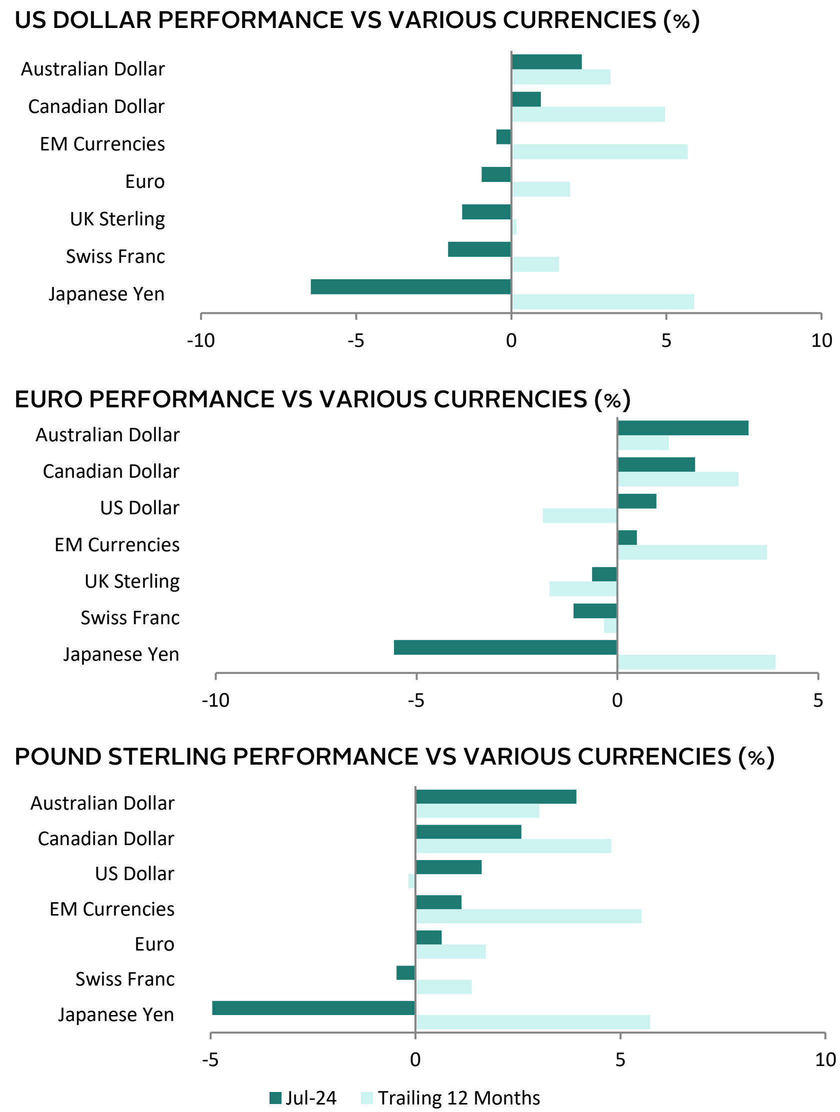
GLOBAL YIELD CURVES (%)



Sources: Bank of England, Bloomberg Index Services Limited, Federal Reserve, FTSE Fixed Income LLC, Intercontinental Exchange, Inc., and Thomson Reuters Datastream.
Note: OATs, which stands for Obligations assimilables du Trésor, are government bonds issued by the French Treasury.

Monetary policy outlook and rate differentials drove currency markets

- The US dollar generally depreciated in July as markets ramped up bets for a Fed rate cut in September. Cooling inflation and softer labor market data were the key economic factors driving the shift, despite other signs of ongoing economic strength. The Fed all but cemented the prospect for rate cuts at its late July meeting, shifting its more cautious stance from the past several months.
- Euro performance was more mixed as the currency bloc contended with several crosscurrents, including waning economic momentum and stubborn inflation reports. Although markets dialed back their near-term rate cut expectations, the common currency still depreciated vis-à-vis the broadly stronger Japanese yen, Swiss franc, and UK sterling.
- UK pound sterling broadly appreciated as economic momentum picked up and the new Labour government telegraphed plans for fiscal continuity, where potential for increased spending was seen as a risk. Although expectations for a BOE rate cut rose during the month, ongoing inflationary pressures may have tempered the expected pace and depth of an ultimate cutting cycle.
- The Japanese yen appreciated nearly 7% versus the US dollar, closing the month at around 150/USD. Authorities intervened to support the yen in July after depreciating to 38-year lows around 161/USD, while the BOJ lifted policy rates and moved to further normalize policy late in the month. The Australian and Canadian dollars were the primary laggards, mirroring weaker commodity prices, while the BOC cut rates for a second time in as many meetings.



Source: Thomson Reuters Datastream.
Note: EM currencies based on an equal-weighted basket of 20 emerging markets currencies.

Real assets performance diverged on mixed macroeconomic signals

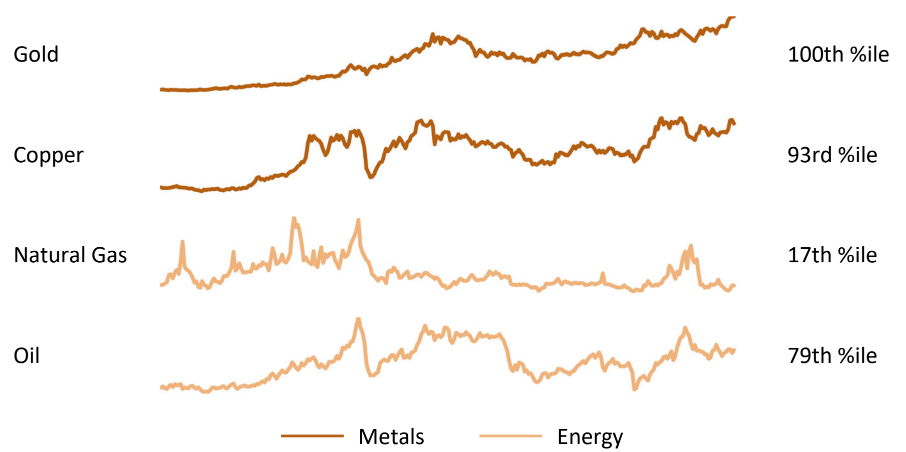
- **Commodities** lagged in July, dragged lower by declines in energy and industrial metals prices. These segments were buffeted in part by weak economic readings out of China and lack of new policy supports from the Third Plenum. Prices declined despite broad US dollar weakness, which typically acts as a support for commodities. Precious metals were the outlier, with gold's price rising to a new all-time high in nominal terms.
- Developed **natural resources equities** performed roughly in-line with broader equity indexes. Global oil prices declined nearly 7% in July, closing near $80/barrel, despite escalating tensions in the Middle East. Attempts to constrain supply have been supplanted by demand fears out of China. Weaker underlying prices of late have weighed on the earnings outlook, where 2024 EPS are now expected to contract for the energy sector.
- Interest rate–sensitive **REITs** rallied on dovish signaling from most developed markets central banks. In fact, real estate was the top-performing global equity sector in July. Investors expect lower rates to alleviate pressure on the sector, which is already reeling from secular demand shifts (namely office).
- **Gold** rose to new nominal all-time high price, closing the month at $2,422/troy ounce. A combination of lower interest rates and a weaker US dollar propelled the yellow metal in July. Gold's price appreciation picked up into month-end as well, as tensions in the Middle East risked spreading into a broader regional conflict.

REAL ASSETS PERFORMANCE (%)

	1 Month	Trailing 12 Months
Real Assets		
S&P GSCI™	-3.5	0.2
Energy Index	-3.9	3.4
Industrial Metals Index	-6.6	-0.7
Precious Metals Index	3.6	21.7
Agriculture Index	-5.1	-16.7
Bloomberg Commodities	-4.0	-5.2
DM Natural Resources Equities	1.5	8.2
Alerian MLP	0.6	29.0
Gold	4.1	23.0
DM REITs	6.1	8.0
US REITs	7.2	11.1
DM Infrastructure	6.6	9.7

SELECT COMMODITY NOMINAL PRICE PERFORMANCE

January 31, 2000 – July 31, 2024



Sources: Alerian, Bloomberg L.P., CME Group Inc., EPRA, FTSE International Limited, Hong Kong Exchanges and Clearing Limited, Intercontinental Exchange, Inc., MSCI Inc., National Association of Real Estate Investment Trusts, Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.

Notes: Returns for Commodities, DM Natural Resources Equities, and Gold are in US dollars; all other returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes. Gold performance based on spot price return. The S&P GSCI is a production-weighted commodity futures index. The Bloomberg Commodity Index is weighted based on both production and futures market liquidity, with exposure to commodity groups and individual commodities capped at 33% and 15%, respectively. Between rebalancings, weightings may fluctuate to levels outside these limits. Price percentiles calculated based on start dates as follows: November 1979 for gold, June 1988 for natural gas, April 1990 for oil, and July 1993 for copper. Oil based on the Brent Crude Oil global benchmark.

APPENDIX

CAMBRIDGE ASSOCIATES

MAJOR ASSET CLASS PERFORMANCE (%)

	Jul-2024				Trailing 12 Months			
Global Equity Regions	**LC**	**US$**	**£**	**€**	**LC**	**US$**	**£**	**€**
Global	1.2	1.6	0.0	0.6	18.4	17.0	17.2	19.2
DM ex US	1.3	3.1	1.5	2.2	14.2	11.1	11.3	13.2
US	1.2	1.2	-0.4	0.3	21.5	21.5	21.7	23.8
EM	0.6	0.3	-1.3	-0.7	10.4	6.3	6.4	8.3
Global Fixed Income								
Global Aggregate	2.8	2.8	1.1	1.8	3.0	3.0	3.2	4.9
Government Bonds	3.2	3.2	1.5	2.2	1.1	1.1	1.3	3.0
IG Corp	2.4	2.4	0.8	1.4	6.4	6.4	6.6	8.4
HY Corp	2.0	2.0	0.3	1.0	11.8	11.8	12.0	13.9
Other Global Asset Classes								
DM REITs	6.1	6.1	4.4	5.1	8.0	8.0	8.2	10.0
DM Natural Resources Equities	1.4	1.5	-0.1	0.5	9.6	8.2	8.4	10.3
Inflation-Linked Bonds	2.6	2.6	0.9	1.6	2.2	2.2	2.4	4.2
Commodities	-4.0	-4.0	-5.6	-5.0	-5.2	-5.2	-5.0	-3.4

Sources: Bloomberg Index Services Limited, Bloomberg L.P., EPRA, FTSE International Limited, MSCI Inc., National Association of Real Estate Investment Trusts, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Note: Local currency returns for the Bloomberg fixed income indexes, the Bloomberg Commodity Index, and the FTSE® Developed REITs are in USD terms.

DEVELOPED MARKETS PERFORMANCE (%)

	Jul-2024				Trailing 12 Months			
Equities (MSCI)		**US$**	**£**	**€**	**LC**	**US$**	**£**	**€**
Developed Markets	1.2	1.8	0.1	0.8	19.4	18.3	18.5	20.6
US	1.2	1.2	-0.4	0.3	21.5	21.5	21.7	23.8
Canada	5.9	4.9	3.2	3.9	15.8	10.3	10.5	12.4
UK	2.5	4.2	2.5	3.2	13.5	13.3	13.5	15.5
Japan	-1.0	5.8	4.1	4.8	23.1	16.2	16.4	18.4
Israel	3.8	3.9	2.3	2.9	20.8	18.8	19.0	21.1
Europe ex UK	0.5	1.5	-0.1	0.6	12.0	9.9	10.1	12.0
EMU*	0.4	1.4	-0.2	0.4	10.0	7.9	8.1	10.0
Austria	3.2	4.2	2.5	3.2	19.0	16.8	17.0	19.0
Belgium	5.9	6.9	5.2	5.9	10.3	8.3	8.5	10.3
Denmark	-4.9	-4.1	-5.6	-5.0	38.0	35.2	35.5	37.8
Finland	0.0	0.9	-0.7	0.0	4.6	2.7	2.8	4.6
France	1.4	2.4	0.8	1.4	2.6	0.7	0.9	2.6
Germany	0.9	1.9	0.3	0.9	11.0	8.9	9.1	11.0
Ireland	9.4	10.5	8.7	9.4	18.1	15.9	16.1	18.1
Italy	2.6	3.6	2.0	2.6	20.5	18.3	18.5	20.5
Netherlands	-5.8	-4.9	-6.4	-5.8	18.3	16.2	16.4	18.4
Norway	2.6	-0.1	-1.7	-1.0	13.5	5.0	5.1	6.9
Portugal	2.1	3.1	1.5	2.1	-1.5	-3.3	-3.2	-1.5
Spain	2.0	3.0	1.4	2.0	18.2	16.0	16.2	18.2
Sweden	1.8	0.6	-1.0	-0.4	19.5	17.2	17.4	19.4
Switzerland	2.7	4.8	3.1	3.8	9.0	7.3	7.5	9.3
Pacific ex Japan	3.1	1.6	0.0	0.7	6.5	4.0	4.2	6.0
Australia	4.0	1.7	0.1	0.7	15.1	11.5	11.7	13.6
Hong Kong	0.5	0.4	-1.2	-0.5	-19.8	-19.9	-19.8	-18.4
Singapore	1.8	3.0	1.3	2.0	7.6	6.9	7.1	9.0
New Zealand	4.0	1.3	-0.3	0.4	7.5	2.6	2.8	4.5

* MSCI EMU Index tracks ten developed nations in the European Economic and Monetary Union.

EMERGING MARKETS PERFORMANCE (%)

	Jul-2024				Trailing 12 Months			
Equities (MSCI)	**LC**	**US$**	**£**	**€**	**LC**	**US$**	**£**	**€**
Emerging Markets	0.6	0.3	-1.3	-0.7	10.4	6.3	6.4	8.3
EM Asia	0.0	-0.3	-1.9	-1.2	11.3	8.0	8.2	10.0
China	-1.4	-1.3	-2.9	-2.3	-12.1	-12.4	-12.2	-10.7
China A-Shares	0.1	0.6	-1.0	-0.3	-13.9	-14.8	-14.7	-13.2
India	4.4	4.0	2.3	3.0	38.1	35.6	35.9	38.2
Indonesia	3.1	3.8	2.2	2.8	-2.6	-9.7	-9.5	-8.0
Korea	-0.5	-0.5	-2.1	-1.4	9.1	1.0	1.2	2.9
Malaysia	2.5	5.2	3.6	4.2	14.8	12.7	12.8	14.8
Philippines	3.9	4.4	2.7	3.4	4.3	-1.9	-1.7	0.0
Taiwan	-3.0	-4.3	-5.8	-5.2	39.8	33.6	33.9	36.2
Thailand	2.8	5.8	4.1	4.8	-11.6	-15.1	-15.0	-13.5
EM EMEA	3.4	3.7	2.0	2.7	8.2	5.9	6.1	7.9
Czech Republic	3.3	2.6	1.0	1.6	7.3	-1.3	-1.1	0.6
Egypt	7.3	6.1	4.4	5.0	61.4	2.7	2.9	4.6
Greece	8.7	9.8	8.1	8.7	16.1	13.9	14.1	16.1
Hungary	2.5	3.7	2.0	2.7	35.1	30.2	30.5	32.7
Kuwait	4.3	4.7	3.1	3.7	2.9	3.4	3.6	5.4
Poland	-5.6	-4.3	-5.8	-5.2	15.8	16.6	16.8	18.8
Qatar	3.5	3.5	1.9	2.5	-4.4	-4.4	-4.2	-2.6
Saudi Arabia	3.7	3.6	2.0	2.7	2.4	2.4	2.6	4.3
South Africa	4.8	5.2	3.5	4.2	7.3	4.9	5.0	6.8
Turkey	-0.5	-1.5	-3.0	-2.4	64.7	33.9	34.2	36.5
UAE	6.8	6.8	5.1	5.8	3.1	3.1	3.2	5.0
EM Latin America	2.6	1.0	-0.6	0.1	4.4	-9.3	-9.1	-7.6
Brazil	3.1	1.3	-0.3	0.3	5.9	-10.9	-10.7	-9.2
Chile	-0.4	-0.5	-2.0	-1.4	-4.0	-14.7	-14.5	-13.1
Colombia	0.2	2.3	0.6	1.3	19.1	13.9	14.1	16.0
Mexico	2.6	0.7	-0.8	-0.2	0.5	-9.9	-9.8	-8.2
Peru	1.3	1.3	-0.3	0.3	27.1	27.1	27.3	29.5
Frontier Markets	1.3	1.9	0.2	0.9	12.2	7.0	7.1	9.0

Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Note: Equity returns are net of dividend taxes.

Global Asset Class Performance Exhibit

Equity region and style performances are represented by the following indexes: MSCI ACWI (Global), MSCI World ex US (DM ex US), MSCI US (US), MSCI Emerging Markets (EM), MSCI ACWI Small Cap (Small Cap), MSCI ACWI Growth (Growth), and MSCI ACWI Value (Value). Fixed income performances are represented by the following indexes: Bloomberg Global Aggregate (Global Aggregate), Bloomberg Government Bond (Government Bonds), Bloomberg Corporate Investment Grade Bond (IG Corp), and Bloomberg Corporate High Yield Bond (HY Corp). Other asset class performances are represented by the following indexes: FTSE EPRA NAREIT Developed Total Return (DM REITs), S&P GSCI™ Commodity Total Return (Commodities), MSCI World Natural Resources (Natural Resources Equities), and United States Dollar DXY (US Dollar).

Equity Performance Exhibits

All data are total returns unless otherwise noted. Total return data for all MSCI indexes are net of dividend taxes.

US Equity Market Performance chart includes performance for the MSCI US, MSCI World ex US, MSCI Emerging Markets, MSCI US Small Cap, MSCI US Growth, and MSCI US Value indexes. The sector performance is represented by the relevant MSCI US sector indexes.

European Equity Market Performance chart includes performance for the MSCI Europe ex UK, MSCI EMU, MSCI UK, MSCI World, MSCI Emerging Markets, MSCI Europe ex UK Small Cap Index, MSCI Europe ex UK Growth, MSCI Europe ex UK Value, MSCI UK Small Cap, MSCI UK Growth, and MSCI UK Value indexes.

Asian Equity Market Performance chart includes performance for the MSCI AC Asia ex Japan, MSCI ASEAN, MSCI EM Asia, MSCI World, and MSCI Emerging Markets indexes. The Asian country equity performances are represented by the relevant MSCI country index. Asia ex Japan includes China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, and Thailand. EM Asia includes China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan, and Thailand. ASEAN includes Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Notable Equity Market Performance chart includes performance for MSCI Emerging Markets EMEA, MSCI Pacific ex Japan, MSCI Emerging Markets Latin America, and MSCI Frontier Markets indexes. The Other Notable Country equity performances are represented by the relevant MSCI country index.

Fixed Income Performance Table

US dollar–denominated performances are represented by the following indexes: Bloomberg US Aggregate (Aggregate), Bloomberg US Treasury (Treasury), Bloomberg US Corporate Investment Grade (IG Corp), Bloomberg US Corporate High Yield (HY Corp), Bloomberg US TIPS (TIPS), and Bloomberg US Municipal Bond (Muni). Euro-denominated performances are represented by the following indexes: FTSE Europe Government Bond (Government Bonds), Bloomberg Euro-Aggregate Corporate Bond (IG Corp), and Bloomberg Pan-European High Yield Bond (Euro) (HY Corp). UK Sterling–denominated performance are represented by the following indexes: FTSE British Government All Stocks Bond (Gilts), Bloomberg Sterling Aggregate Corporate Bond (IG Corp), ICE BofA Sterling High Yield Bond (HY Corp), and Bloomberg Sterling Inflation Linked GILT (Linkers).