MARKET MATTERS

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Key Highlights for January 2025

- Global equities advanced in January as cooling inflation and US tariff delays catalyzed a risk rally in the second half of the month. European stocks outperformed as the region was spared from US tariffs for now. US equities and growth stocks underperformed as increased competition in the AI space weighed on the information technology (IT) sector.
- Trade developments shortly after month end resulted in the US imposing new tariffs on China in February, and on Canada and Mexico in March. All three have planned retaliatory measures. Volatility increased across markets in early February, given the potential for adverse economic impacts.
- Bond markets generally advanced in January, recovering after an initial drawdown stoked by strong US economic data. Volatility was most acute for UK gilts amid mounting fiscal concerns.
- The US dollar was flat, while the yen appreciated as the Bank of Japan (BOJ) hiked interest rates. UK sterling and the Canadian dollar broadly depreciated, with trade news impacting the latter.

CAMBRIDGE ASSOCIATES

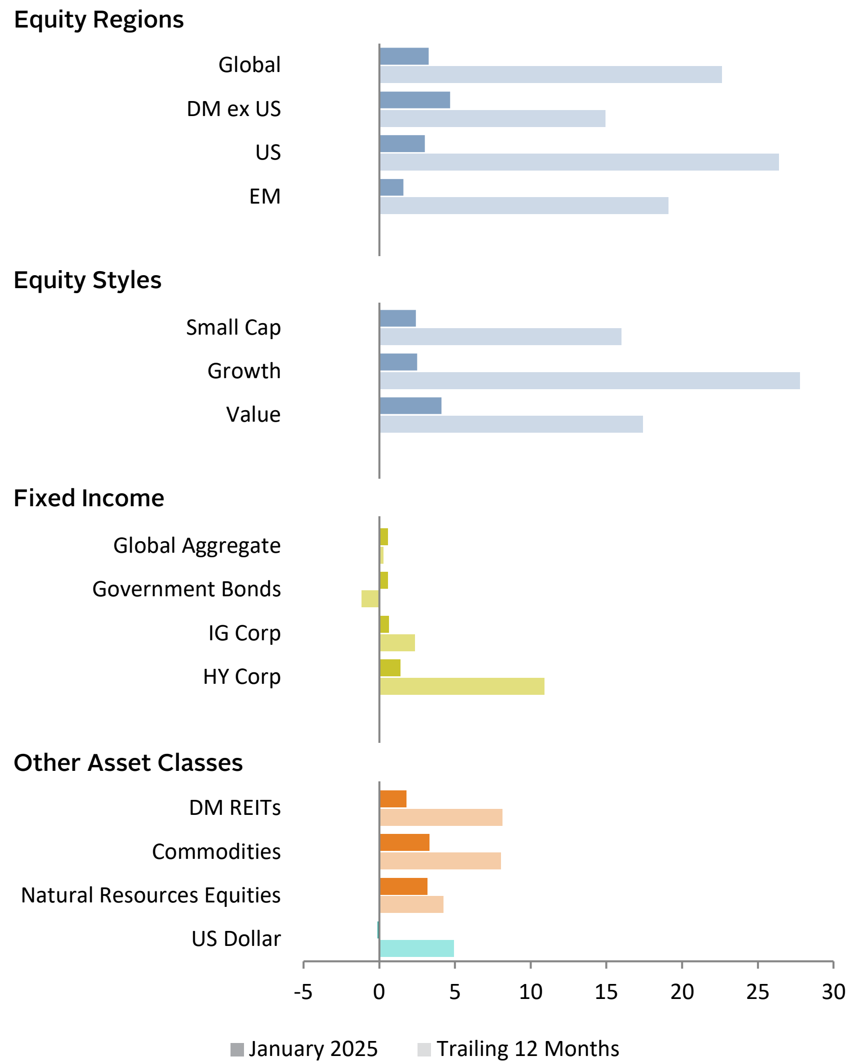
JANUARY 31, 2025

Moderately cooler inflation and delayed US tariffs catalyzed a risk rally

Global Market Developments

- Global equity and bond performance faltered to start the month as investors reduced US rate cut expectations on resilient US economic and labor market data. This contributed to upward pressure on bond yields globally and weighed on stock market returns. However, investor nerves were calmed after December inflation reports for the United States and the United Kingdom were softer than expected, sparking a rally in risk assets.
- Sentiment was also boosted by US President Donald Trump refraining from imposing new tariffs on major trading partners. This was reflected in a modestly weaker US dollar, a rally in emerging markets currencies, and outperformance by non-US equities. Still, tariff updates intensified in early February—25% tariffs on Canada and Mexico were ultimately delayed until March, but an additional 10% tariff on Chinese goods went into effect.
- AI developments whipsawed markets. US companies announced $500 billion in new AI investments, which pushed global equity benchmarks to all-time highs. However, optimism was short-lived, as Chinese start-up DeepSeek unveiled a powerful and more cost-efficient AI model, calling into question the need for sizable AI investments by US tech firms. The IT sector—buffeted by semiconductors—declined, and growth stocks lagged value.
- Central banks were active to start the year. The BOJ raised rates and signaled additional hikes forthcoming amid above-target inflation, which contributed to yen strength. The Federal Reserve held rates steady, as expected, citing sticky inflation and uncertainty in the outlook. The European Central Bank (ECB) and Bank of Canada (BOC) both cut rates as their respective growth outlooks softened.

GLOBAL ASSET CLASS PERFORMANCE (%)



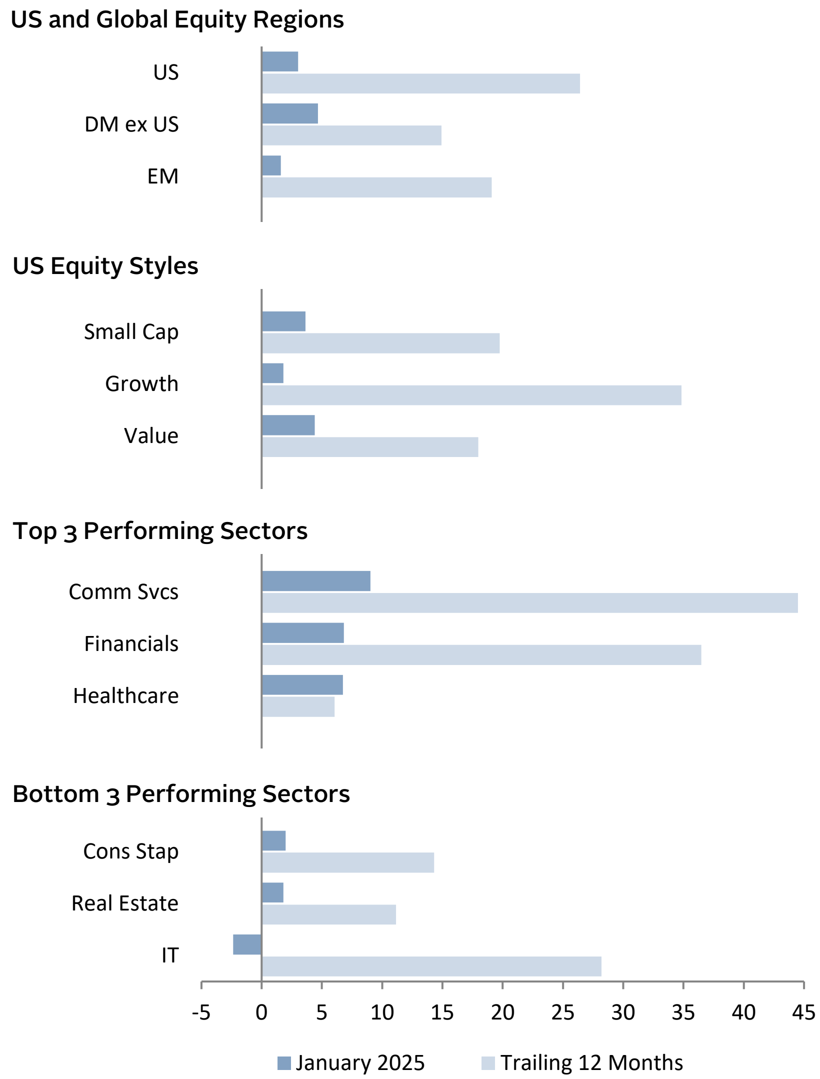
Sources: EPRA, FTSE International Limited, Intercontinental Exchange, Inc., MSCI Inc., National Association of Real Estate Investment Trusts, Standard & Poor's, and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: Fixed Income, DM REITs, Commodities, 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.

Solid fundamentals supported US equities, but the market underperformed due to IT sector uncertainty

US equities delivered solid gains to start the year but trailed developed markets (DM) ex US peers due to declines for the heavily weighted IT sector. Strong earnings results, economic data, and delayed action on tariffs otherwise supported performance.

- Incoming earnings results drove relative performance among sectors. Financials and communication services are expected to deliver the highest earnings per share (EPS) growth rates in Q4 and have thus far reported the largest upside surprises. Overall, US earnings have outperformed expectations, with analysts now expecting Q4 EPS growth of 13% year-over-year (YOY)—the highest rate in three years.
- Economic data were generally resilient. Although Q4 US GDP underwhelmed, slowing to 2.3% annualized, consumer spending accelerated at the fastest rate in nearly two years. Job market indicators largely outperformed expectations, which also bolstered the consumer outlook. Still, consumer confidence slipped on heightened inflation concerns.
- US core inflation registered 3.2% YOY in December, below expectations but cooling only 10 basis points (bps). While the result triggered an equity market rally, sticky inflation, solid labor market data, and policy uncertainty led the Fed to hold rates between 4.25% and 4.50%. Commentary suggested policymakers were on hold regarding further rate cuts in 2025.
- Nvidia and Apple were the largest detractors, subtracting more than 100 bps from the broader index return. Nvidia sold off amid concerns over future AI investment and chip demand. However, US tech firms largely reaffirmed their AI capex plans. Apple was impacted by reports of declining sales in China.

US EQUITY MARKET PERFORMANCE (%)



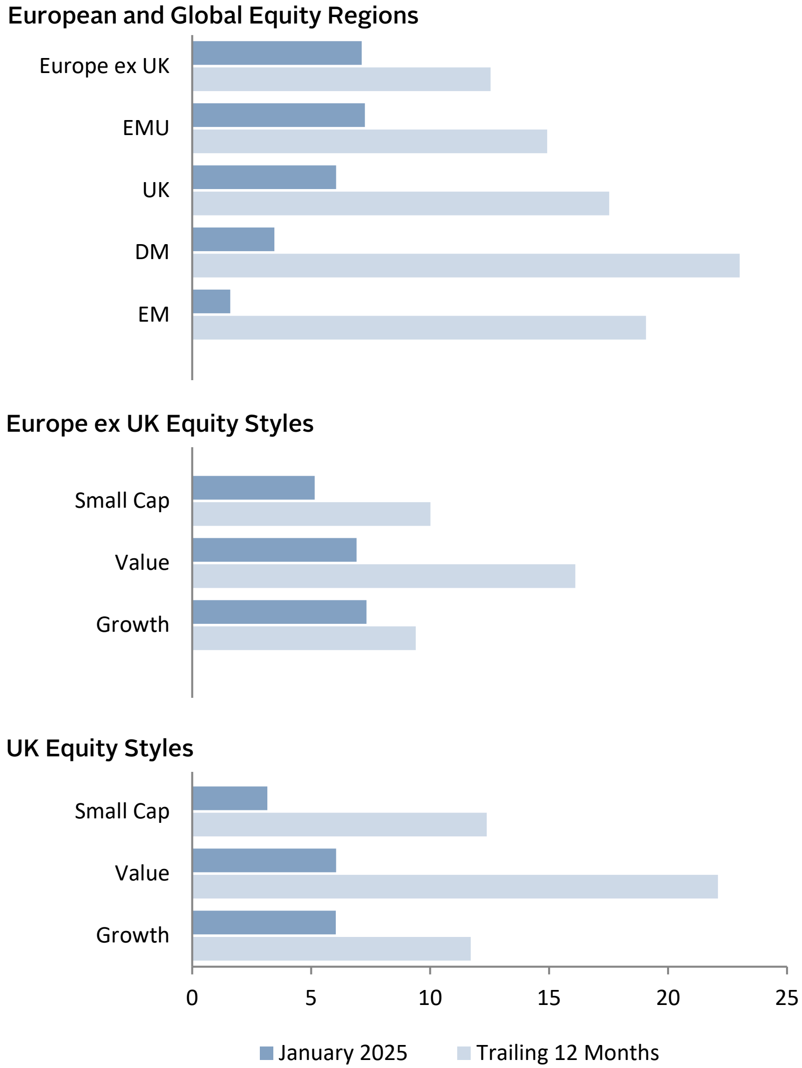
Sources: MSCI Inc. and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties.
Notes: All returns are in local currency unless otherwise noted. Equity returns are net of dividend taxes.

European shares rallied as lingering policy concerns from Q4 2024 abated

European equities outperformed broader DM stocks by the widest margin in nearly three years, with major indexes across the bloc touching record highs during the month.

- The ECB cut rates by 25 bps, as expected, bringing the benchmark deposit rate to 2.75%. Inflation readings were largely in line with expectations, while economic momentum continued to wane. Indeed, GDP growth stagnated in Q4, with Germany and France contracting more than expected. PMI data suggested economic activity was also soft in January.
- Policy-related factors supported performance. France made progress on a budget deal, while Europe was spared from new tariffs by the Trump administration, alleviating two overhangs from last quarter. Finally, comments from the European Commission president suggested a less-stringent stance toward merger and acquisition regulations.
- UK economic data raised the odds of a Bank of England (BOE) rate cut in February. Core inflation eased more than expected to 3.2% YOY, while the widely watched services component cooled to the lowest rate since early 2022. Employment data weakened, GDP and retail sales underwhelmed, and January PMI data pointed to an ongoing soft growth impulse.
- Lower rate expectations weighed on UK sterling, which benefited the UK equity market, given its large foreign revenue exposures. The top-weighted financials sector rallied as the BOE delayed implementation of tighter banking regulation, raising the outlook for profitability improvement. UK shares were also boosted by rising commodity prices and expectations for merger activity in the materials space.

EUROPEAN EQUITY MARKET PERFORMANCE (%)



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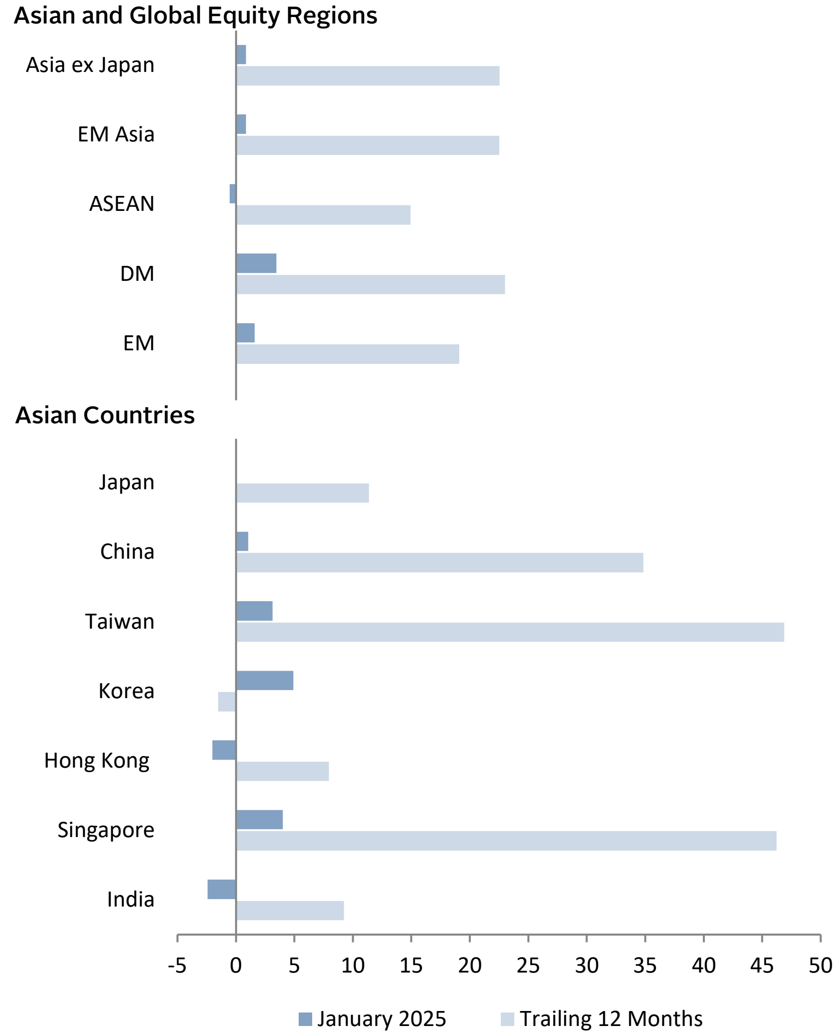
Asian equity performance diverged, driven by idiosyncratic factors

Asian equities lagged global peers as India detracted. The BOJ rate hike and yen appreciation weighed on Japanese equities. Mixed economic data and policy implications led to muted gains for Chinese equities.

- The BOJ lifted policy rates to 0.5%—the highest level in 17 years—as inflation picked up, highlighted by a key measure of core inflation rising to 3.0% YOY. Policymakers also revised their fiscal 2025 inflation forecast upward, suggesting further rate hikes on the horizon. PMI data increased at the fastest rate in four months, driven by the services sector.
- Chinese Q4 GDP (5.4% YOY) topped expectations, bringing annual growth in line with the government's 5% target. Industrial output and retail sales also outperformed, but softer PMI data and subdued inflation suggested that economic momentum waned, and overall demand remained soft.
- The positive surprise for Chinese GDP growth clouded the outlook for additional stimulus measures, and policymakers were also expected to delay further action until gaining clarity on US tariffs. Top-weighted stock Tencent was the primary detractor from performance as the US Department of Defense added it to a list of Chinese firms with alleged military ties.
- Indian equities declined, bringing their peak-to-trough drawdown to more than 12%. PMI data suggested private sector activity growth continued moderating, and earnings updates largely disappointed. The government's budget proposal supported the cyclical outlook via consumer tax cuts and increased capex spending. Inflation cooled to 5.2% YOY in December, raising prospects for a near-term rate cut.

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.

Other major equity regions saw progress on inflation and a fast-changing geopolitical backdrop

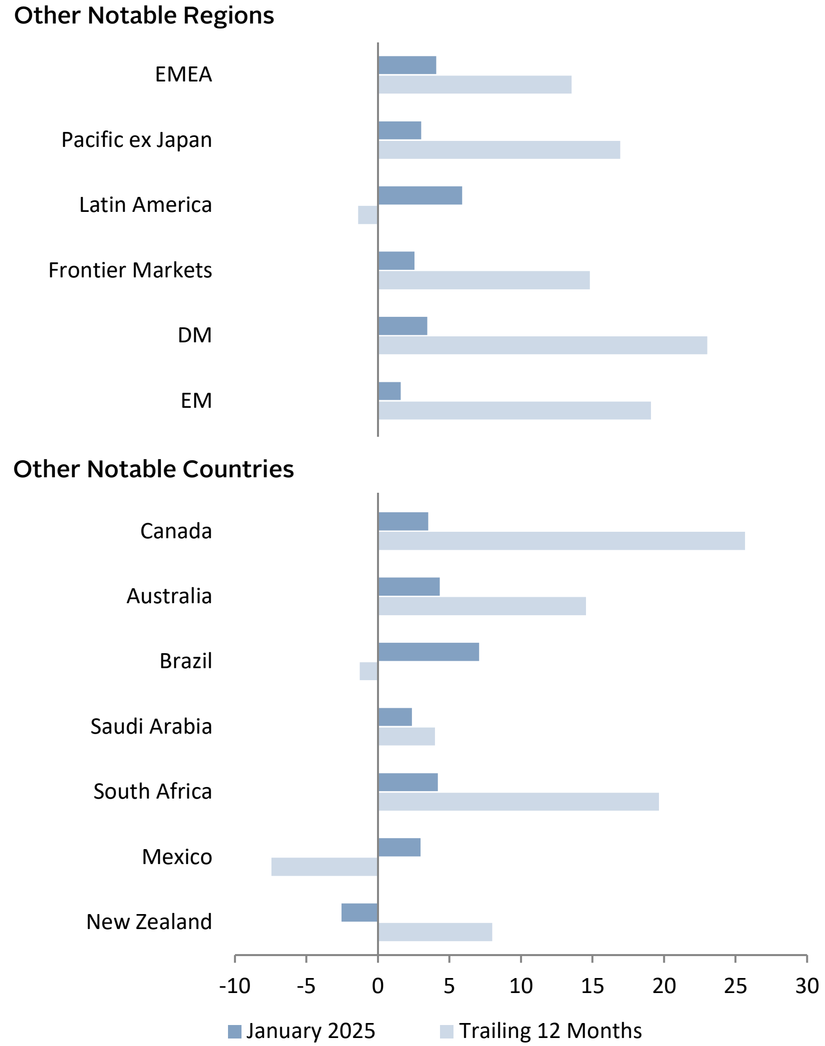
- The BOC cut policy rates by 25 bps, as expected, bringing the benchmark overnight rate to 3%. Policymakers omitted guidance on future rate actions, given mounting uncertainty over the prospect of US tariffs, and lowered their growth outlook for 2025 and 2026. Still, Canadian stocks rose to all-time highs, matching the return of broader DM stocks.

- Latin American equities delivered among the strongest gains, led by Brazil and Mexico. The rally followed poor returns in 2024, when both markets declined nearly 30%. Mexican shares gained as US tariff implementation was delayed, inflation fell more than expected, and GDP contracted in Q4, paving the way for more aggressive rate cuts by the Bank of Mexico.

- Although tariffs were avoided in January, shortly after month end, the United States announced that it planned to impose 25% levies on most Canadian and Mexican goods, and an additional 10% on Chinese imports. All countries retaliated, with the moves viewed as a potentially severe negative economic shock with potential recessionary implications for Canada and Mexico, where tariff implementation was ultimately delayed until March.

- Inflation trends in Australia and New Zealand cleared the path for rate cuts. For Australia, core inflation cooled more than expected in Q4 to 3.2% annualized, nearing the upper bound of the Reserve Bank of Australia's (RBA) target range. A cut in February would mark a first for the RBA this cycle, but inflation concerns lingered, given a recent pickup in consumer spending, strong labor market, and elevated services prices. New Zealand inflation held steady at 2.2% annualized in Q4, but domestic price pressures eased more than forecast.

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 returns were generally positive, recovering from a shaky start to the month

- US fixed income finished in the green. Ten-year US Treasury yields were unchanged at 4.58% by month end but had climbed to nearly 4.80% during January after strong US economic and job market data raised inflationary concerns. The Treasury yield curve steepened further, with the ten-year/two-year yield spread nearing 40 bps. Longer-dated 30-year bond yields closed the month up 5 bps. They had approached 5% earlier in the month before falling back.

- Relative performance between TIPS and nominal Treasury bonds suggested that bond market inflation expectations increased. Indeed, five-year breakeven inflation rose 16 bps to 2.54%, reaching the highest level since Q1 2023. Corporate yield spreads compressed, particularly for the high-yield segment, closing at roughly 260 bps.

- Euro area fixed income returns were muted. Government bonds sold off, with benchmark ten-year German bund yields increasing 10 bps to 2.46%. Reflecting political dynamics, French ten-year OAT spreads over bunds declined on budget deal progress. Higher bond rates have been met with record investor demand, with January bond sales 13x oversubscribed.

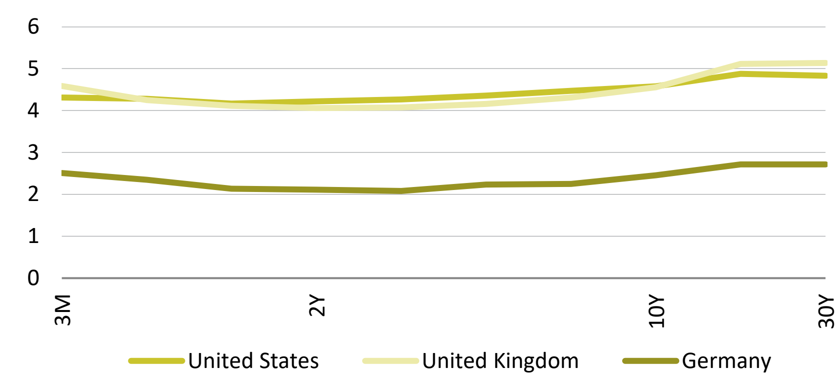
- UK fixed income gained as ten-year gilt yields were largely unchanged at 4.56%. However, rising yields early in the month sent ten-year gilts yields to their highest point since 2008, while longer-dated 30-year yields hit 26-year highs. The moves were likely exacerbated by fiscal concerns following last year's budget update, which increased borrowing and spending. Although market functioning was largely orderly, the rise in yields raised concerns over hedged pension schemes.

FIXED INCOME INDEX PERFORMANCE (%)

	Returns (LC)		Yields	
Fixed Income	**Jan-2025**	**TTM**	**-1Y**	**Current**
US Dollar–Denominated				
Aggregate	0.5	2.1	4.59	4.86
Treasury	0.5	1.4	4.12	4.42
IG Corp	0.6	2.9	5.11	5.30
HY Corp*	1.4	9.7	3.44	2.61
TIPS	1.3	3.0	1.84	2.09
Muni	0.5	2.1	3.37	3.68
Euro-Denominated				
Government Bonds	-0.2	2.1	2.08	2.24
IG Corp	0.4	5.1	3.57	3.15
HY Corp*	0.6	8.1	3.69	2.94
UK Sterling–Denominated				
Gilts	0.8	-0.3	4.19	4.75
IG Corp	1.2	4.0	5.35	5.37
HY Corp*	0.4	9.9	4.75	4.09
Linkers	1.3	-2.8	1.01	1.49

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

GLOBAL YIELD CURVES (%)

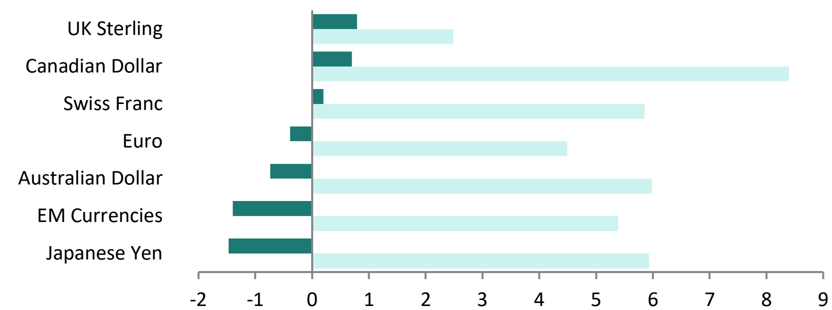


Sources: Bank of England, Bloomberg Index Services Limited, Federal Reserve, FTSE Fixed Income LLC, Intercontinental Exchange, Inc., and Thomson Reuters Datastream.

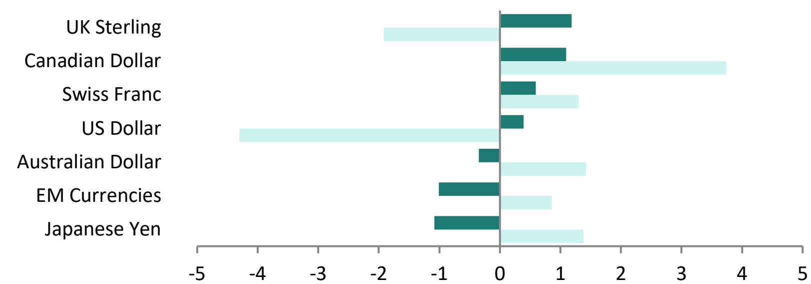
Central bank and trade policy impacted currency performance

- The US dollar was mixed, trading broadly flat against a basket of DM currencies. The widely telegraphed Fed pause offset some dollar weakness as the US delayed action on tariff policy until shortly after month end. US tariff impositions typically lead to an initial strengthening of the greenback.
- Euro performance was also mixed. Despite a rate cut by the ECB and signs of soft economic momentum, the euro strengthened against currencies that broadly depreciated on the month, particularly UK sterling and the Canadian dollar. Europe has thus far been spared from new tariffs by the Trump administration despite intensifying threats.
- UK pound sterling broadly depreciated on mounting fiscal concerns and increased odds of a near-term rate cut by the BOE. Rising UK gilt yields earlier in the month put a strain on government finances, which were already stressed by increased spending and borrowing under the government's budget plans.
- The Japanese yen broadly appreciated, strengthening to 155/dollar as the BOJ hiked rates and inflation picked up. Further policy normalization to some extent is expected this year, contrasting rate cuts by other central banks.
- The Canadian dollar depreciated as the BOC cut rates and tariff threats escalated. In contrast, the Mexican peso appreciated 70 bps vis-à-vis the US dollar. Both currencies saw intense volatility at the beginning of February, given the dynamic trade situation. The Canadian dollar initially sank to its lowest level since 2003, and the Mexican peso sold off, but both rallied after tariffs were delayed until March.

US DOLLAR PERFORMANCE VS VARIOUS CURRENCIES (%)



EURO PERFORMANCE VS VARIOUS CURRENCIES (%)



POUND STERLING PERFORMANCE VS VARIOUS CURRENCIES (%)

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

A confluence of factors contributed to gains across real assets

- **Commodities** advanced, driven by gains across all major sub-categories. Gold prices rose to an all-time high, boosted by heightened geopolitical and economic uncertainty. Global oil prices rose nearly 3% to $76.76/barrel and had surpassed $80/barrel earlier in the month after the outgoing Biden administration imposed tough sanctions on Russian oil exports. The Trump administration is also expected to ramp up sanctions—most notably against Iran—but has also pushed for higher US and OPEC production to bring energy prices down. Industrial metals were supported by improving Chinese economic data.

- **Global natural resources equities** advanced along with broader stock markets and underlying commodity prices. Although EPS growth for the energy and materials sectors is expected to be negative in Q4, earnings reports thus far have surprised to the upside. Energy MLPs were the top real assets performer, given enthusiasm for potentially higher natural gas demand and oil production.

- **REITs** lagged broader global equities and real assets categories. The initial rise in bond yields early in the month weighed on the sector, while the market also digested the implications of the Fed pausing rate cuts.

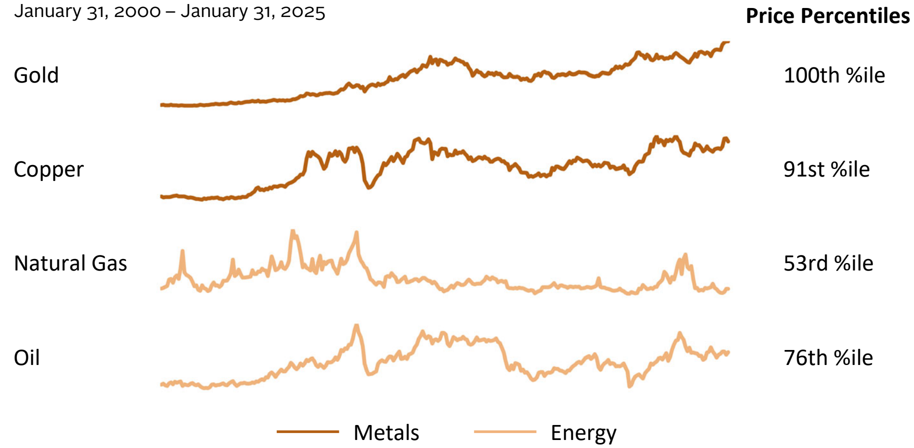
- **Gold** prices surged to $2,810/troy ounce, with several supporting factors. The gain was largely attributed to economic and policy uncertainty from potential trade disruptions in the early days of the new Trump administration. Inflation concerns also played a role in gold's advance. Finally, declining real yields boosted the yellow metal, with ten-year US TIPS yields down 8 bps to 2.16%.

REAL ASSETS PERFORMANCE (%)

Real Assets	Jan-2025	Trailing 12 Months
S&P GSCI™	3.3	8.0
Energy Index	2.6	5.2
Industrial Metals Index	1.4	5.9
Precious Metals Index	7.0	36.2
Agriculture Index	3.9	4.8
Bloomberg Commodities	4.0	9.1
DM Natural Resources Equities	3.2	4.2
Alerian MLP	8.8	29.6
Gold	7.0	37.2
DM REITs	1.8	8.1
US REITs	1.0	11.4
DM Infrastructure	1.7	13.6

SELECT COMMODITY NOMINAL PRICE PERFORMANCE

January 31, 2000 – January 31, 2025



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 (%)

	Jan-2025				Trailing 12 Months			
Global Equity Regions	**LC**	**US$**	**£**	**€**	**LC**	**US$**	**£**	**€**
Global	3.3	3.4	4.2	3.0	22.6	20.7	23.7	26.1
DM ex US	4.7	5.0	5.8	4.6	14.9	9.4	12.2	14.4
US	3.0	3.0	3.8	2.6	26.4	26.4	29.5	32.1
EM	1.6	1.8	2.6	1.4	19.1	14.8	17.6	19.9
Global Fixed Income								
Global Aggregate	0.6	0.6	1.4	0.2	0.3	0.3	2.7	4.8
Government Bonds	0.6	0.6	1.4	0.2	-1.2	-1.2	1.3	3.3
IG Corp	0.6	0.6	1.4	0.2	2.3	2.3	4.9	6.9
HY Corp	1.4	1.4	2.2	1.0	10.9	10.9	13.7	15.9
Other Global Asset Classes								
DM REITs	1.8	1.8	2.6	1.4	8.1	8.1	10.8	13.0
DM Natural Resources Equities	3.3	3.2	4.0	2.8	6.8	4.2	6.8	8.9
Inflation-Linked Bonds	1.0	1.0	1.8	0.6	-0.8	-0.8	1.6	3.6
Commodities	3.3	3.3	4.1	2.9	8.0	8.0	10.7	12.9

Sources: Bloomberg Index Services Limited, EPRA, FTSE International Limited, 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.
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 (%)

	Jan-25				Trailing 12 Months			
Equities (MSCI)	**LC**	**US$**	**£**	**€**	**LC**	**US$**	**£**	**€**
Developed Markets	3.5	3.5	4.3	3.1	23.0	21.4	24.4	26.9
US	3.0	3.0	3.8	2.6	26.4	26.4	29.6	32.1
Canada	3.5	2.8	3.6	2.4	25.7	15.9	18.8	21.1
UK	6.0	5.2	6.0	4.8	17.5	14.7	17.5	19.8
Japan	0.1	1.6	2.4	1.2	11.4	5.1	7.8	9.9
Israel	3.6	4.6	5.4	4.2	41.0	42.1	45.7	48.5
Europe ex UK	7.1	7.4	8.2	7.0	12.5	7.3	10.0	12.1
EMU*	7.3	7.7	8.5	7.3	14.9	10.0	12.7	15.0
Austria	1.9	2.3	3.1	1.9	25.5	20.1	23.1	25.5
Belgium	1.8	2.2	3.0	1.8	18.5	13.4	16.3	18.5
Denmark	-1.9	-1.6	-0.8	-2.0	-14.7	-18.4	-16.4	-14.8
Finland	6.3	6.7	7.6	6.3	3.8	-0.7	1.8	3.8
France	7.6	8.1	8.9	7.6	6.8	2.2	4.8	6.8
Germany	8.9	9.4	10.2	8.9	27.2	21.7	24.7	27.2
Ireland	4.4	4.8	5.6	4.4	18.7	13.6	16.4	18.7
Italy	7.4	7.9	8.7	7.4	25.1	19.7	22.7	25.1
Netherlands	4.9	5.2	6.1	4.8	4.9	0.6	3.1	5.1
Norway	7.5	8.0	8.9	7.6	18.6	9.7	12.4	14.6
Portugal	-0.8	-0.4	0.4	-0.8	-14.6	-18.3	-16.3	-14.6
Spain	7.6	8.0	8.9	7.6	25.7	20.3	23.3	25.7
Sweden	9.9	9.8	10.6	9.3	17.9	10.3	13.0	15.2
Switzerland	8.4	8.1	9.0	7.7	12.5	6.3	9.0	11.1
Pacific ex Japan	3.0	3.6	4.4	3.2	16.9	12.2	15.0	17.3
Australia	4.3	5.1	5.9	4.7	14.5	8.1	10.8	12.9
Hong Kong	-2.0	-2.3	-1.5	-2.7	8.0	8.3	11.0	13.2
Singapore	4.0	4.6	5.4	4.1	46.2	44.6	48.2	51.1
New Zealand	-2.5	-1.7	-0.9	-2.0	8.0	-0.8	1.7	3.6

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

EMERGING MARKETS PERFORMANCE (%)

	Jan-25				Trailing 12 Months			
Equities (MSCI)	**LC**	**US$**	**£**	**€**	**LC**	**US$**	**£**	**€**
Emerging Markets	1.6	1.8	2.6	1.4	19.1	14.8	17.6	19.9
EM Asia	0.9	0.7	1.5	0.3	22.5	19.0	22.0	24.3
China	1.1	0.9	1.7	0.5	34.8	34.8	38.2	40.9
China A-Shares	-2.6	-2.1	-1.4	-2.5	23.0	21.5	24.6	27.0
India	-2.4	-3.6	-2.8	-3.9	9.2	4.7	7.3	9.4
Indonesia	0.3	-1.0	-0.2	-1.4	-9.4	-12.3	-10.1	-8.4
Korea	4.9	6.3	7.1	5.9	-1.5	-9.5	-7.3	-5.5
Malaysia	-5.0	-4.7	-4.0	-5.1	8.8	15.4	18.3	20.6
Philippines	-8.9	-9.8	-9.1	-10.1	-8.0	-11.3	-9.1	-7.3
Taiwan	3.1	3.3	4.1	2.9	46.9	40.5	44.0	46.8
Thailand	-4.5	-3.3	-2.6	-3.7	1.0	6.4	9.0	11.1
EM EMEA	4.1	4.5	5.3	4.1	13.5	11.4	14.2	16.4
Czech Republic	9.5	9.9	10.8	9.5	29.3	22.3	25.3	27.8
Egypt	-2.6	-1.4	-0.6	-1.8	-7.9	-43.3	-41.9	-40.8
Greece	7.4	7.8	8.7	7.4	15.9	10.9	13.7	15.9
Hungary	8.4	9.8	10.7	9.4	35.2	21.8	24.9	27.3
Kuwait	5.7	5.6	6.5	5.2	9.4	9.1	11.8	14.0
Poland	11.5	13.6	14.5	13.1	11.5	9.5	12.2	14.4
Qatar	-0.5	-0.5	0.3	-0.9	11.0	11.0	13.7	16.0
Saudi Arabia	2.4	2.6	3.4	2.2	4.0	4.0	6.5	8.6
South Africa	4.2	5.3	6.1	4.9	19.7	19.2	22.2	24.6
Turkey	3.0	1.6	2.4	1.2	28.2	8.5	11.2	13.3
UAE	5.0	5.0	5.8	4.6	26.0	26.0	29.1	31.6
EM Latin America	5.9	9.5	10.4	9.1	-1.4	-15.3	-13.2	-11.5
Brazil	7.1	12.4	13.3	12.0	-1.3	-16.1	-14.0	-12.3
Chile	7.3	8.7	9.6	8.3	19.2	13.1	15.9	18.2
Colombia	15.2	21.2	22.1	20.7	37.3	28.2	31.4	34.0
Mexico	3.0	3.7	4.6	3.3	-7.4	-23.0	-21.1	-19.5
Peru	1.0	1.0	1.8	0.7	19.7	19.7	22.6	25.0
Frontier Markets	2.5	3.0	3.8	2.6	14.8	11.6	14.4	16.6

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).

Real Assets Performance Table

Real assets performances are represented by the following indexes: S&P GSCI™ Index, S&P GSCI™ Energy Index, S&P GSCI™ Industrial Metals Index, S&P GSCI™ Precious Metals Index, S&P GSCI™ Agriculture Index, Bloomberg Commodity TR Index, MSCI World Natural Resources Index, Alerian MLP Index, LBMA Gold Price, FTSE® NAREIT All Equity REITs Index, FTSE® EPRA/NAREIT Developed Real Estate Index, and the MSCI World Core Infrastructure Index.

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