WELLS FARGO
Investment Institute

Market Overview

April 2024

Capital market summary
as of 3/31/2024

Equity Market	March	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Dow Jones Industrial Average	2.21%	6.14%	6.14%	22.18%	8.65%	11.31%	11.76%
NASDAQ Composite Index	1.85%	9.31%	9.31%	35.08%	8.17%	17.19%	15.73%
S&P 500 Index	3.22%	10.56%	10.56%	29.88%	11.49%	15.05%	12.96%
Russell 1000 Index	3.21%	10.30%	10.30%	29.87%	10.45%	14.76%	12.68%
Russell 1000 Growth Index	1.76%	11.41%	11.41%	39.00%	12.50%	18.52%	15.98%
Russell 1000 Value Index	5.00%	8.99%	8.99%	20.27%	8.11%	10.32%	9.01%
Russell MidCap Index	4.34%	8.60%	8.60%	22.35%	6.07%	11.10%	9.95%
Russell MidCap Growth Index	2.39%	9.50%	9.50%	26.28%	4.62%	11.82%	11.35%
Russell MidCap Value Index	5.18%	8.23%	8.23%	20.40%	6.80%	9.94%	8.57%
Russell 2000 Index	3.58%	5.18%	5.18%	19.71%	-0.10%	8.10%	7.58%
Russell 2000 Growth Index	2.80%	7.58%	7.58%	20.35%	-2.68%	7.38%	7.89%
Russell 2000 Value Index	4.38%	2.90%	2.90%	18.75%	2.22%	8.17%	6.87%
Russell 3000 Index	3.23%	10.02%	10.02%	29.29%	9.78%	14.34%	12.33%
MSCI EAFE Index (U.S Dollar)	3.40%	5.93%	5.93%	15.90%	5.31%	7.85%	5.30%
MSCI Emerging Markets Index (U.S. Dollar)	2.52%	2.44%	2.44%	8.59%	-4.68%	2.61%	3.33%

Fixed Income Market	March	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg U.S. Aggregate Bond Index	0.92%	-0.78%	-0.78%	1.70%	-2.46%	0.36%	1.54%
Bloomberg U.S. Treasury Bills (1–3 Month) Index	0.46%	1.32%	1.32%	5.37%	2.65%	2.02%	1.36%
Bloomberg U.S. Aggregate 5–7 Year Bond Index	0.90%	-0.51%	-0.51%	2.12%	-1.95%	0.65%	1.60%
Bloomberg U.S. Intermediate Government/Credit Bond Index	0.64%	-0.15%	-0.15%	2.69%	-1.06%	1.09%	1.61%
Bloomberg U.S. Government/Credit Bond Index	0.88%	-0.72%	-0.72%	1.74%	-2.35%	0.62%	1.70%
Bloomberg U.S. Municipal Bond Index	0.00%	-0.39%	-0.39%	3.13%	-0.41%	1.59%	2.66%
Bloomberg U.S. Corporate High Yield Bond Index	1.18%	1.47%	1.47%	11.15%	2.19%	4.21%	4.44%
J.P. Morgan GBI Global ex -U.S. (Unhedged)	0.28%	-4.39%	-4.39%	-3.71%	-9.11%	-4.25%	-2.11%
J.P. Morgan EMBI Global (U.S. Dollar)	1.90%	1.40%	1.40%	9.53%	-1.10%	0.93%	2.85%
Real Assets & Hedge Funds	**March**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
HFRI Fund Weighted Composite Index	2.50%	4.95%	4.95%	12.14%	4.25%	7.01%	4.98%
FTSE/EPRA NAREIT Developed Index	3.63%	-1.05%	-1.05%	8.57%	-0.20%	0.74%	4.00%
Bloomberg Commodity Index	3.31%	2.19%	2.19%	-0.56%	9.11%	6.38%	-1.56%
Liquid Allocations	**March**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**10 Year**
Moderate Income	1.74%	2.19%	2.19%	8.92%	0.87%	3.90%	4.01%
Moderate Growth & Income	2.43%	4.34%	4.34%	13.78%	2.89%	6.97%	6.30%
Moderate Growth	3.07%	6.29%	6.29%	18.07%	4.21%	8.96%	7.72%

Sources: Bloomberg, © 2024 – Morningstar Direct, All Rights Reserved[i], and Wells Fargo Investment Institute. Data as of March 31, 2024. **Past performance is no guarantee of future results.** HFRI performance for the most recent month is preliminary. *Performance results for the Liquid Allocations are calculated based on blended index returns and are for illustrative purposes only. Please see slides 11-12 for index definitions and allocation compositions.* An index is unmanaged and not available for direct investment. QTD = quarter to date, starting January 1, 2024, through March 31, 2024. YTD = year to date starting January 1, 2024, through March 31, 2024.

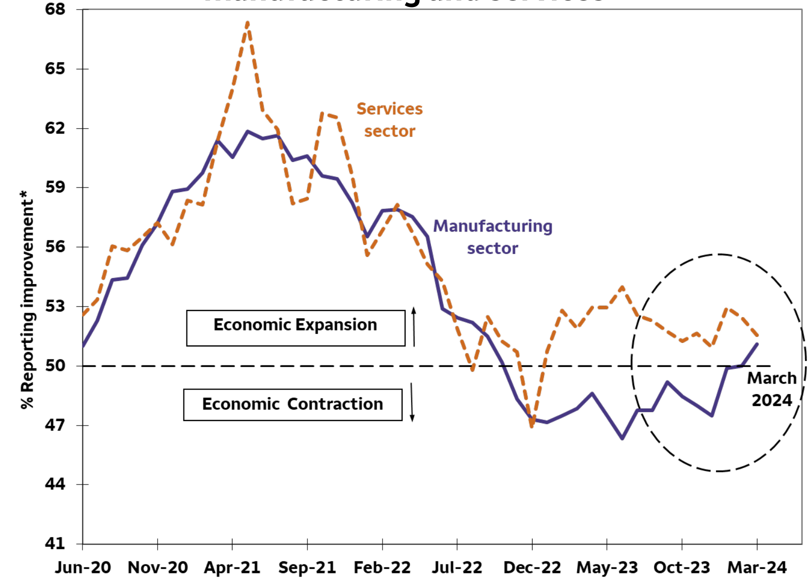
U.S. economic overview

Shifting economy, stalling disinflation

- March capped a mixed quarter for the U.S. economy, in which it shifted to a more sustainable pace of growth following a rebound from an early-year soft patch. Lower mortgage rates from a mid-February peak stabilized home sales, while business investment was steadied by commercial construction—led by manufacturing—overshadowing weakness in office-building construction. March business surveys from S&P Global showed a rotation of leadership from services to manufacturing activity for the first time since the start of 2023, perhaps anticipating a similar shift in consumer spending following services-led growth in household demand during the start of 2024. Hopes for better times ahead were reinforced in February by the first increase in the Conference Board's U.S. Leading Economic Index in two years.

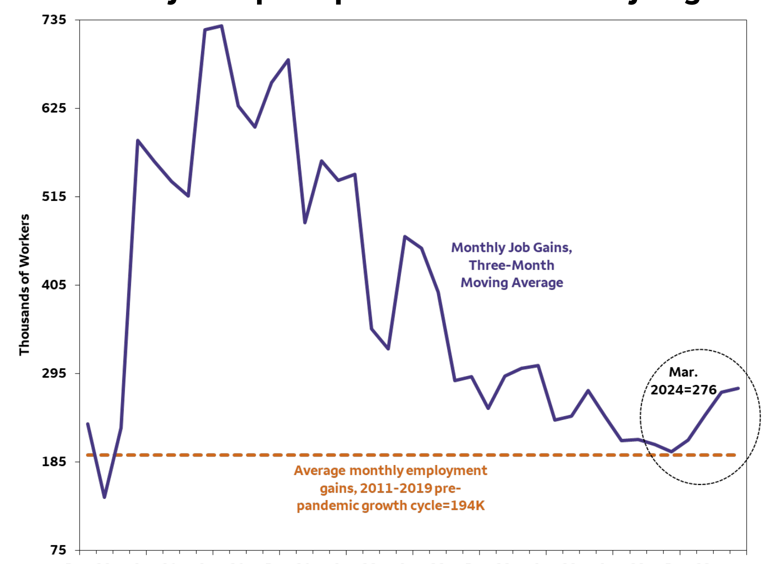
- A late-March bounce in the University of Michigan's Consumer Sentiment Index to a July 2021 high, confirmed consumers' leading-edge role in economic growth. Maintaining this support likely will prove difficult, however, as lower- and middle-income households grapple with a historically low and declining savings rate, alongside increasing financial strains propelling auto and credit-card delinquency rates to a decade high. Countering this is support coming to household incomes from strong job growth. Non-farm payrolls increased 303,000 in March, the most since May and holding well above its long-term average. Disinflation has gone into reverse, with back-to-back increases in 12-month Consumer Price Index (CPI) inflation, which climbed to 3.5% in March, the highest since September 2023. That has cut inflation-adjusted wage increases to a 10-month low, creating a headwind for consumer-led growth.

Toward better-balanced economic growth between manufacturing and services



Sources: Wells Fargo Investment Institute, S&P Global, Inc., and the Institute for Supply Management (ISM). Data as of April 3, 2024. *Average of S&P Global, Inc. and the ISM's purchasing managers' indexes.

More than just a post-pandemic bounce in job growth



Source: U.S. Labor Dep't, Bureau Of Labor Statistics; data as of April 5, 2024.

International economic overview

Weaker Europe and China weighing on global economy

Europe

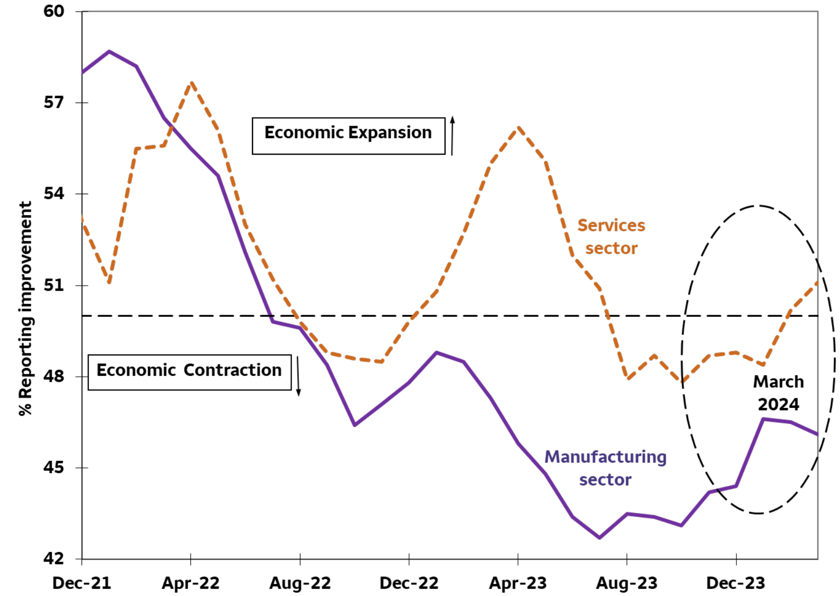
- A manufacturing slump in Europe's two largest economies, Germany and France, dragged down the broader region in March. The factory-led downturn persisted as a world trade recovery remains slowed by a struggling Chinese economy. Among the eurozone's added headwinds are sizeable budget deficits limiting fiscal stimulus, tight credit conditions, elevated fuel costs, and geopolitical strains. Still, S&P Global's Composite Purchasing Managers' Index (PMI) survey for March came within striking distance of expansionary territory for the first time in 10 months, as stronger services growth offset deterioration in the manufacturing sector. The other piece of good news was that overall eurozone sentiment continued to improve through March, reinforced by inflation near enough to the European Central Bank's (ECB) 2% target to bolster the case for a June rate cut. 12-month eurozone CPI inflation[1] eased more than anticipated in March to 2.4%, versus the prior month's 2.6% pace.

Asia

- Business surveys showing a March revival in China's business activity included the first increase in manufacturing output since September and the strongest service-industry growth in nine months. We question the recovery's staying power in the face of deep-rooted weaknesses ranging from ongoing property-market turmoil, inadequate government stimulus, a high debt burden, and related financial sector strains to a weak global trade environment, deflation, and poor consumer sentiment. Tepid demand from China and other key export markets stymied a manufacturing rebound in northern Asia last month, while March manufacturing growth in Southeast Asia was confined to Indonesia, the Philippines, and Singapore. In Japan, service-sector growth hit a May 2023 high as a weak yen bolstered the country's tourism industry.

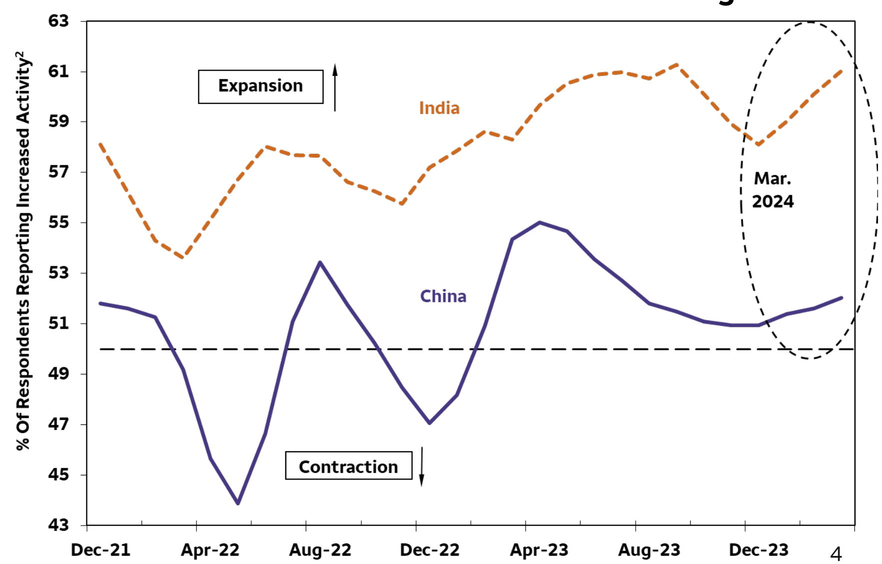
1. Measured by Eurostat Eurozone Euro Area Monetary Union Index of Consumer Prices. All Items year over year, not seasonally adjusted.

Europe's service-sector rebound offsets manufacturing slump



Sources: Wells Fargo Investment Institute and S&P Global, Inc. Data as of April 3, 2024.

India still well out in front of China in Asia's economic growth derby



2. Purchasing managers' composite index of manufacturing and nonmanufacturing activity.
Sources: HSBC Holdings plc, China Federation of Logistics & Purchasing, and Caixin Global. Data as of April 4, 2024.

Stock market review and strategy

Continued optimism supported equities

U.S. equities

- The good times kept rolling for equity markets in March as the S&P 500 Index posted eight new all-time closing highs. Federal Reserve (Fed) Chair Powell's dovish post-meeting comments certainly were a tailwind and highlighted market expectations for continued economic growth and disinflation. An earnings season that significantly beat expectations also helped drive performance last month. The March rally was broad as U.S. small caps (+3.6%), mid caps (+4.3%), and large caps (+3.2%) all posted strong monthly returns. The three main themes of 2023 — Artificial Intelligence (AI), the Fed, and the economy — likely will continue to be dominant return drivers in 2024.
- All S&P 500 Index sectors posted positive monthly returns in March, with Energy (+10.6%), Utilities (+6.6%), and Materials (+6.5%) having the strongest performance. The Consumer Discretionary (+0.1%) and the beleaguered Real Estate sector (+1.8%) underperformed.
- Only one Russell Midcap Index sector — Telecommunications (-3.4%) — posted a negative March return, while only two Russell 2000 Index sectors — Telecommunications (-2.1%) and Health Care (-1.4%) — did the same. Energy was the best performing sector in both the mid-cap (+9.6%) and small-cap (+9.8%) benchmarks. Basic Materials and Utilities rounded out the top three sectors last month in both the Russell Midcap Index — with a +6.1% and +6.5% monthly return, respectively — and the Russell 2000 Index — with a +6.4% and +6.1% return, respectively.

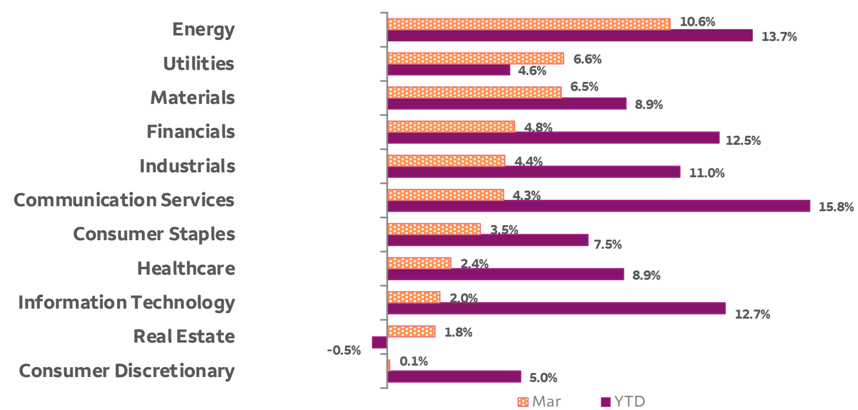
International equities[3]

- U.S. dollar-denominated developed market (DM) equities (+3.4%) outperformed emerging market (EM) equities (+2.5%) last month. The currency conversion into U.S. dollars was a slight drag on returns for both asset classes as the U.S. dollar modestly strengthened.
- Regarding March DM performance, the Pacific region (+2.6%) underperformed the Europe region (+3.9%). In the Pacific, Singapore (+3.8%) and Japan (+3.2%) outperformed, while New Zealand (-0.5%) and Hong Kong (-6.5%) underperformed last month. In Europe, Spain (+11.3%) and Italy (+7.2%) outperformed, while Finland (+0.7%) and Sweden (+1.1%) underperformed in March.
- Within EM, Asia (+3.1%) far outperformed both the Europe, Middle East, and Africa (+0.2%) and Latin America regions (+1.1%) last month. Strong returns in Taiwan (+7.9%) and South Korea (+5.3%) largely drove Asia regional outperformance for March, while Mexico (+5.4%) and South Africa (+4.8%) were also notable EM outperformers.

Stock market total returns** Period ending March 31, 2024

Equity indexes	March	QTD	YTD	1 Year	3 Year*	5 Year*
Global Market	3.2%	8.3%	8.3%	23.8%	7.5%	11.5%
Large Cap	3.2%	10.6%	10.6%	29.9%	11.5%	15.0%
Large Cap Growth	1.8%	11.4%	11.4%	39.0%	12.5%	18.5%
Large Cap Value	5.0%	9.0%	9.0%	20.3%	8.1%	10.3%
Mid Cap	4.3%	8.6%	8.6%	22.3%	6.1%	11.1%
Small Cap	3.6%	5.2%	5.2%	19.7%	-0.1%	8.1%
Developed ex. U.S. (USD)	3.4%	5.9%	5.9%	15.9%	5.3%	7.9%
Developed Small Cap (USD)	3.8%	2.5%	2.5%	11.0%	-0.9%	5.4%
Emerging Markets (USD)	2.5%	2.4%	2.4%	8.6%	-4.7%	2.6%
Frontier Markets (USD)	4.2%	5.3%	5.3%	14.5%	1.3%	3.4%

S&P 500 Index sector returns



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of March 31, 2024. QTD = quarter-to-date. YTD = year-to-date.
*Annualized returns. **Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see slides 11-16 for index definitions.
3. Regional and country returns are measured using the total U.S. dollar returns of their respective MSCI Index. Please see slide 13 for index definitions.

Bond market review and strategy

Resilient economy and Fed rate-cut expectations affected fixed income

U.S. fixed income

- Investor optimism toward Fed rate cuts diminished slightly during the month, however that did not disrupt a decline in U.S. Treasury yields, especially on the long end of the curve. Economic news showed continued resilience, but the Fed maintained their openness to cutting rates despite a stronger economic environment. The U.S. Treasury yield curve remains inverted and has already reached the longest continuous period of inversion since the early 1970s.
- Investor appetite for credit exposure was moderate in March. U.S. investment-grade (IG) corporate fixed income (+1.3%) slightly outperformed high yield (HY) taxable fixed income (+1.2%). Credit spreads for both IG and HY fell during the month. Both spreads continued to trade below long-term averages. We recommend maintaining a neutral position to IG corporates, particularly for investors seeking income potential; however, we remain unfavorable on HY.
- Municipal bond yield movements were mixed as yields in the short and long-end of the curve increased while yields inside the 10-to-19-year maturity declined. Still, overall municipal performance was flat during March. The municipal yield curve remains inverted (10-year minus 1-year) following the inversion of the U.S. Treasury yield curve with no signs of un-inverting in the near term. We remain favorable on municipal bonds, especially as they have historically been resilient during periods of economic uncertainty. For investors in higher effective tax brackets, we believe municipal securities are an important part of fixed-income positioning.

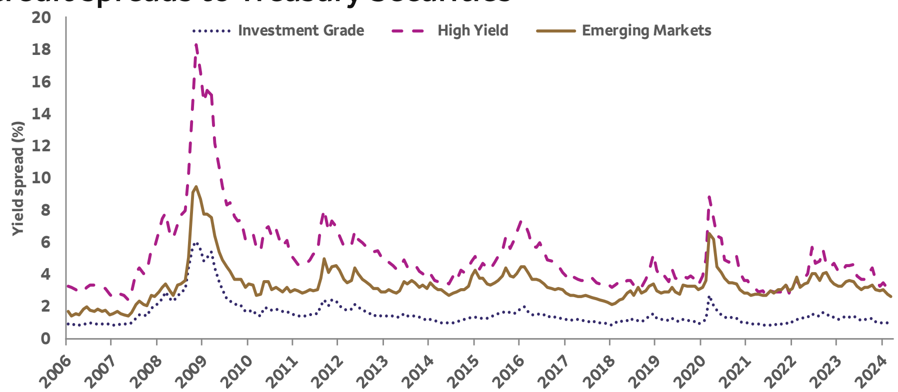
International fixed income

- Unhedged DM bond returns (+0.3%) rose even as the yen and euro depreciated against the U.S. dollar in March. Hedged DM bonds[4] performed well (+1.0%) with the dollar's rise. The decline in long-term U.S. yields benefited most international bonds. Bonds from the United Kingdom, Australia, and Italy rose the most.
- Weak EM foreign exchange rates against the U.S. dollar impacted local-currency-denominated EM bonds[5], which declined 0.1% in March. Dollar-denominated EM bonds benefited from a drop in long-term U.S. Treasury yields and ended up higher by 1.9% for the month. Performance was generally positive across several of the largest EM countries, with Argentina, Mexico, and Saudi Arabia being the key contributors.

Fixed Income market total returns Period ending March 31, 2024**

Fixed Income indexes	March	QTD	YTD	1 Year	3 Year*	5 Year*
Global Multiverse	0.6%	-1.9%	-1.9%	0.9%	-4.5%	-1.0%
U.S. Inv Grade Taxable	0.9%	-0.8%	-0.8%	1.7%	-2.5%	0.4%
U.S. Treasury Bills	0.5%	1.3%	1.3%	5.4%	2.7%	2.0%
U.S. Short-Term Taxable	0.4%	0.5%	0.5%	3.6%	0.3%	1.3%
U.S. Interm-Term Taxable	0.9%	-0.5%	-0.5%	2.1%	-1.9%	0.6%
U.S Long-Term Taxable	1.5%	-2.4%	-2.4%	-1.7%	-6.3%	-0.8%
U.S. Treasury	0.6%	-1.0%	-1.0%	0.1%	-2.7%	-0.1%
U.S. Corporate	1.3%	-0.4%	-0.4%	4.4%	-1.9%	1.5%
U.S. Municipal	0.0%	-0.4%	-0.4%	3.1%	-0.4%	1.6%
U.S. TIPS	0.8%	-0.1%	-0.1%	0.5%	-0.5%	2.5%
U.S. High Yield	1.2%	1.5%	1.5%	11.2%	2.2%	4.2%
Developed ex. U.S. (unhedged)	0.3%	-4.4%	-4.4%	-3.7%	-9.1%	-4.2%
Emerging Market (USD)	1.9%	1.4%	1.4%	9.5%	-1.1%	0.9%

Credit spreads to Treasury Securities



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of March 31, 2024. QTD = quarter-to-date. YTD = year-to-date.

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4. As measured by the JPMorgan GBI Global ex-U.S. (Hedged) Index.
5. As measured by the J.P. Morgan GBI-EM Diversified Local Currency Index.

Real Assets review and strategy

Tightening supply and worries of a slowing global economy

Master limited partnerships (MLPs)

- MLPs outperformed the broader market in March, with a +4.5% total return (as measured by the Alerian MLP Index) versus a +3.2% return for the S&P 500 Index.

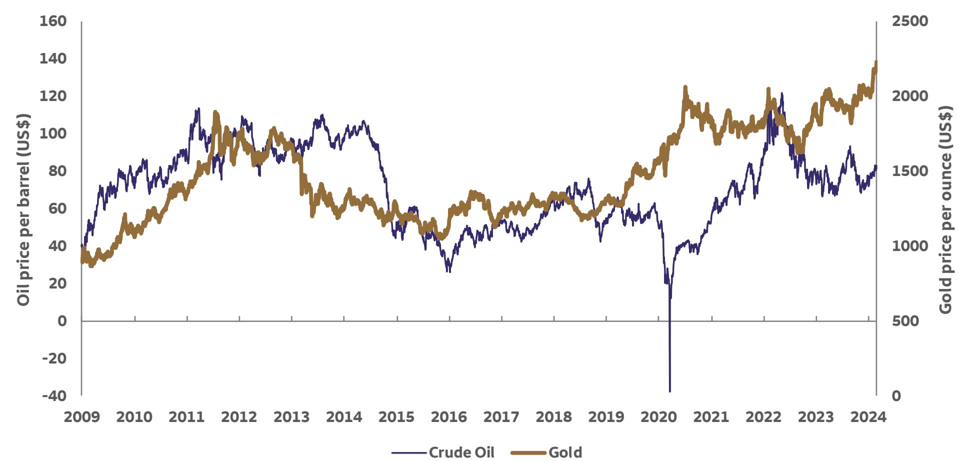
Commodities

- **Energy:** The Bloomberg Commodity Energy Subindex was up 2.4% in March, slightly underperforming the Bloomberg Commodity Index (BCOM). WTI and Brent crude prices both strengthened and were up 6.3% and 4.6%, respectively. Looking ahead, we expect global supply to remain tight, as demand strengthens on improving economic conditions. There are two emerging risks to oil: The first is the possibility that the Organization of the Petroleum Exporting Countries (OPEC) begins unwinding its restrictive production policy as economic conditions improve. There is no indication that OPEC will unwind its quotas anytime soon, but it is a risk in 2024. The second risk is the possibility for additional U.S. supply growth in response to high oil prices — akin to 2023.
- **Metals:** Precious metals outperformed BCOM with an +8.6% return in March, as gold prices achieved record highs and ended the month up 9.1%. Central bank demand remains strong, especially in China, and we suspect this will continue to support prices. Domestically, we expect rate cuts by the Fed to also support higher prices. Industrial metals underperformed BCOM, with a +1.8% return in March. Aluminum was the top performer (+5.0%), while nickel was the worst performer (-6.3%). We suspect the sector will continue to face headwinds as China continues to struggle with structural headwinds, such as property sector turmoil and high debt loads, and as a manufacturing recovery remains uncertain. If China's economic slowdown is shallower than expected, we believe industrial metals could revert and become strong performers.
- **Agriculture:** Agricultural commodity prices were up 2.5% in March, underperforming the BCOM, but there was still a wide dispersion in individual performance. Soybean oil was the top performer (+7.4%), while coffee (-3.6%) and cotton (-10.0%) were the worst performers. Though some agricultural commodities showed strong performance, we caution that adequate supply growth and an easing of supply chain disruptions appear to be strong headwinds for prices across the agricultural complex.

Real Assets total returns Period ending March 31, 2024**

REIT/Commodity indexes	March	QTD	YTD	1 Year	3 Year*	5 Year*
Public Real Estate	3.6%	-1.0%	-1.0%	8.6%	-0.2%	0.7%
U.S. REITs	1.8%	-1.3%	-1.3%	8.0%	2.5%	4.0%
International REITs	6.6%	-1.9%	-1.9%	6.6%	-5.2%	-2.7%
S&P Goldman Sachs Commodity (GSCI)	4.7%	10.4%	10.4%	11.1%	18.1%	7.8%
Bloomberg Commodity	3.3%	2.2%	2.2%	-0.6%	9.1%	6.4%
Commodities (RICI)	4.1%	5.4%	5.4%	5.4%	15.2%	9.9%
Global Infrastructure	4.6%	1.3%	1.3%	4.1%	5.5%	4.9%
MLPs	4.5%	13.9%	13.9%	38.5%	29.4%	11.5%

Crude oil versus gold



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of March 31, 2024. QTD = quarter-to-date. YTD = year-to-date.
REITs = real estate investment trusts.
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Alternatives review and strategy

Equities, rates, and currencies impacted alternatives

Relative Value

- Relative Value strategies registered a profit of 1.0% for the month, with positive contributions from Long/Short (L/S) Credit, Structured Credit, and Arbitrage strategies. Declining credit and structured credit spreads were constructive for many Relative Value managers. As compared to Equity Hedge and Macro strategies, Relative Value strategies recorded more modest returns owing to their defensive characteristics.

Macro

- Macro strategies marched up by 3.9% in March. Systematic strategies generated a +4.3% return for the month, benefiting from trends established in commodity, equity, and currency markets. Long positions in global stocks were additive to returns, as major U.S., European, and Japanese stock indexes rallied to new highs. Further, the spike in cocoa prices fueled by poor harvests and the rise in crude oil prices (owing to production cuts and geopolitical conflicts) benefited commodity positions. Additional profits attributable to currency positions were largely driven by long U.S. dollar, Mexican peso holdings against Japanese yen and Swiss franc currencies. During the month, the strategies increased long holdings in energy and U.S. dollar. Systematic strategies also maintained the long positions in equities, and short positions in agricultural commodities and fixed income. For the month, Discretionary strategies had a gain of 3.2%.

Event Driven

- Event Driven advanced 2.2% during March. All strategies, including Activist, Distressed Credit, and Merger Arbitrage, recorded gains. Merger Arbitrage return was boosted by successful deal completions, narrowing spreads, and a stable supply of new deals, as the deal environment continued to recover.

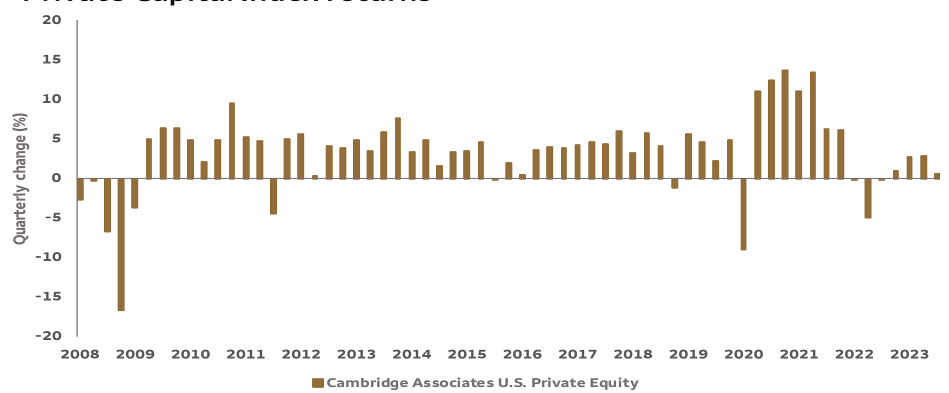
Equity Hedge

- Equity Hedge strategies posted a 2.4% gain in March but trailed the MSCI All Country World Index. The positive return was driven by both equity market and security selection impacts. Throughout the month, the strategies increased exposures across major global markets, especially Europe, and rebalanced into defensive sectors at the expense of technology-related and cyclical stocks. Equity Market Neutral strategies registered a return of +1.9%.

Alternatives total returns** Period ending March 31, 2024

Alternative indexes	March	QTD	YTD	1 Year	3 Year*	5 Year*
Global Hedge Fund	2.5%	4.9%	4.9%	12.1%	4.3%	7.0%
Relative Value	1.0%	2.5%	2.5%	8.1%	4.1%	4.6%
Arbitrage	1.2%	2.3%	2.3%	6.9%	3.6%	4.8%
Long/Short Credit	0.8%	2.9%	2.9%	9.4%	2.8%	4.9%
Structure Credit/Asset Backed	0.9%	2.6%	2.6%	9.1%	4.8%	4.2%
Macro	3.9%	6.9%	6.9%	9.2%	6.3%	6.5%
Systematic	4.3%	8.7%	8.7%	10.6%	6.4%	6.3%
Discretionary	3.2%	2.7%	2.7%	8.0%	2.8%	5.9%
Event Driven	2.2%	2.8%	2.8%	12.0%	4.2%	6.5%
Activist	2.2%	5.2%	5.2%	17.0%	3.5%	7.5%
Distressed Securities	3.1%	4.0%	4.0%	13.5%	5.0%	7.0%
Merger Arbitrage	0.6%	-0.3%	-0.3%	6.7%	4.5%	5.5%
Equity Hedge	2.4%	5.5%	5.5%	14.6%	3.4%	8.0%
Directional Equity	2.5%	5.6%	5.6%	15.1%	3.1%	8.4%
Equity Market Neutral	1.9%	4.6%	4.6%	10.0%	5.6%	3.9%

Private Capital Index returns



Sources: © 2024 – Morningstar Direct, All Rights Reserved[1], Cambridge Associates, and Wells Fargo Investment Institute. Data as of March 31, 2024. Cambridge Associates data through September 30, 2023. QTD = quarter-to-date. YTD = year-to-date.
*Annualized returns. **Index returns do not reflect the deduction of fees, expenses or taxes. Performances for the most recent month are preliminary from HFR. An index is unmanaged and not available for direct investment.
Past performance is no guarantee of future results. Please see slides 15-16 for index definitions.

Disclosures (1 of 2)

Forecasts are not guaranteed and based on certain assumptions and on views of market and economic conditions which are subject to change.

Asset class risks

Alternative Investments, such as hedge funds and private capital funds, are not appropriate for all investors. They are speculative and involve a high degree of risk that is only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program.

Hedge funds trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the investor. **Arbitrage strategies** expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund. **Relative Value** strategies seek to make profits by arbitrage opportunities between two related securities. These arbitrage opportunities might come in the way of pricing discrepancies between two securities or between securities and derivative instruments. **Event Driven** strategies involve investing in opportunities created by significant transactional events, such as spinoffs, mergers and acquisitions, bankruptcy reorganization, recapitalization and share buybacks. Managers who use such strategies may invest in, and might sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation. **Equity Hedge** strategies maintain positions both long and short in primarily equity and equity derivative securities. Investing in **Distressed companies** is speculative and subject to greater levels of credit, issuer and liquidity risks and the repayment of default obligations contains significant uncertainties such companies may be engaged in restructurings or bankruptcy proceedings. **Macro** strategies base their investment decisions on the anticipated price movement of stock markets, interest rates, foreign exchange, and physical commodities. These price movements result from many factors including forecasted shifts in world economies. Exchange-traded and over-the-counter derivatives are often used to magnify these price movements. The fixed income securities used in the structured credit relative value strategy may include CMBS, RMBS, ABS CLOs and other debt securities. They are subject to security-specific risks in addition to the risks associated with fluctuations in interest rates, credit/default, liquidity and forced deleveraging. **Long/short credit** strategies invest in the global credit markets which may be volatile. The risks associated with this strategy include investments in debt securities and the use of short selling and derivatives.

Private capital investments are complex, speculative investment vehicles that are not appropriate for all investors. The funds use complex trading strategies, including hedging and leveraging through derivatives and short selling and other aggressive investment practices. It is possible to lose your entire investment investing in these funds. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty and management risks. Short selling involves leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase.

Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Investments in equity securities are generally more volatile than other types of securities. Small and Mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks. Small- and mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks. Growth stocks may be more volatile than other stocks and there is no guarantee growth will be realized. There are no guarantees that value stocks will increase in value or that their intrinsic values will eventually be recognized by the overall market. Both growth and value types of investing tend to shift in and out of favor.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio’s vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

Investments in fixed-income securities are subject to interest rate and credit risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond’s price. Credit risk is the risk that an issuer will default on payments of interest and principal. High yield fixed income securities are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than their original cost upon redemption or maturity.

U.S. government securities are backed by the full faith and credit of the federal government as to payment of principal and interest. Unlike U.S. government securities, agency securities carry the implicit guarantee of the U.S. government but are not direct obligations. Payment of principal and interest is solely the obligation of the issuer. If sold prior to maturity, both types of debt securities are subject to market risk. Although Treasuries are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate.

Disclosures (2 of 2)

Asset class risks (continued)

Municipal bonds offer interest payments exempt from federal taxes, and potentially state and local income taxes. These bonds are subject to interest rate and credit/default risk. Quality varies widely depending on the specific issuer. Municipal securities may also be subject to the alternative minimum tax and legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

Treasury Inflation-Protected Securities (TIPS) are subject to interest rate risk, especially when real interest rates rise. This may cause the underlying value of the bond to fluctuate more than other fixed income securities.

Mortgage- and asset-backed securities are subject to the risks associated with debt securities and to prepayment, extension and call risks. Changes in prepayments may significantly affect yield, average life and expected maturity. Extension risk is the risk that rising interest rates will slow the rate at which mortgages are prepaid. Call risk is the risk that If called prior to maturity, similar yielding investments may not be available for the Fund to purchase. These risks may be heightened for longer maturity and duration securities.

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging and frontier markets.

Currency risk is the risk that foreign currencies will decline in value relative to that of the U.S. dollar. Exchange rate movement between the U.S. dollar and foreign currencies may cause the value of a portfolio's investments to decline.

Exposure to the commodities markets may subject an investment to greater share price volatility than an investment in traditional equity or debt securities. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. Investing in precious metals involves special risk considerations such as severe price fluctuations and adverse economic and regulatory developments which could materially and adversely affect an investment.

Investing in physical commodities, such as gold, silver, palladium and other precious metals, exposes a portfolio to material risk considerations such as potentially severe price fluctuations over short periods of time and storage costs that exceed the custodial and/or brokerage costs associated with a portfolio’s other holdings.

Investment in securities of Master Limited Partnerships (MLPs) involves certain risks which differ from an investment in the securities of a corporation. MLPs may be sensitive to price changes in oil, natural gas, etc., regulatory risk, and rising interest rates. A change in the current tax law regarding MLPs could result in the MLP being treated as a corporation for federal income tax purposes which would reduce the amount of cash flows distributed by the MLP. Other risks include the volatility associated with the use of leverage; volatility of the commodities markets; market risks; supply and demand; natural and man-made catastrophes; competition; liquidity; market price discount from Net Asset Value and other material risks.

There are special risks associated with an investment in real estate, including the possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions. Other risks associated with investing in listed REITs include the use of leverage, unexpected reductions in common dividends, increases in property taxes, and the impact to listed REITs from new property development.

Index definitions (1 of 6)

Broad-based indexes are unmanaged and not available for direct investment.

Allocation Compositions (Slide 2)
Moderate Income Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 60% Bloomberg U.S. Aggregate Bond Index, 4% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 16% S&P 500 Index, 5% Russell Midcap Index, 2% Russell 2000 Index, 4% MSCI EAFE Index, 2% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Moderate Growth & Income Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Moderate Growth Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 8% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 31% S&P 500 Index, 14% Russell Midcap Index, 10% Russell 2000 Index, 15% MSCI EAFE Index, 12% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Equities (Slide 2)
Dow Jones Industrial Average is an unweighted index of 30 "blue-chip" industrial U.S. stocks.
NASDAQ Composite Index measures the market value of all domestic and foreign common stocks, representing a wide array of more than 5,000 companies.
S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.
Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index.
Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell MidCap Index measures the performance of the 800 smallest companies in the Russell 1000 Index.
Russell MidCap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.
Russell MidCap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.
Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.
Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.
Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.
MSCI EAFE Index (U.S Dollar) is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.
MSCI Emerging Market Index (U.S. Dollar) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.
MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed, or produced by MSCI.

Fixed income (Slide 2)
Bloomberg U.S. Aggregate Bond Index is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.
Bloomberg U.S. Treasury Bills (1–3 Month) Index includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.
Bloomberg U.S. Aggregate 5–7 Year Bond Index is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities with maturities of 5-7 years.
Bloomberg U.S. Intermediate Government/Credit Bond Index is the intermediate component of the Bloomberg U.S. Government/Credit Index which is generally representative of government and investment grade corporate debt securities.
Bloomberg U.S. Government/Credit Bond Index is a market-weighted index generally representative of intermediate and long-term government and investment grade corporate debt securities having maturities of greater than one year.

Index definitions (2 of 6)

<u>Fixed income (Slide 2)</u>

Bloomberg U.S. Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa.

Bloomberg U.S. Corporate High Yield Bond Index covers the universe of fixed-rate, noninvestment-grade debt.

J.P. Morgan GBI (Global Bond Index) Global ex -U.S. (Unhedged) in USD is a representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

J.P. Morgan EMBI (Emerging Market Bond Index) Global (U.S. Dollar) currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

<u>Real assets and hedge funds (Slide 2)</u>

HFRI Fund Weighted Composite Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

Note: HFRI Indices have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI Indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

FTSE/EPRA NAREIT Developed Index is designed to track the performance of listed real-estate companies and REITs in developed countries worldwide.

Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

<u>Economic indexes (Slides 3-4)</u>

Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

Eurostat Eurozone Monetary Union Index of Consumer Prices (MUICP) is an aggregate measure of consumer inflation for all countries within the eurozone.

Global Supply Chain Pressure Index integrates transportation cost data and manufacturing indicators to provide a gauge of global supply chain conditions.

JPMorgan Global Manufacturing PMI® is produced by S&P Global in association ISM and IFPSM. Global manufacturing PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added.

Personal Consumption Expenditure (PCE) measure is the component statistic for consumption in gross domestic product (GDP). It is essentially a measure of goods and services targeted towards individuals and consumed by individuals.

University of Michigan Consumer Sentiment Index is published monthly by the University of Michigan. Each month at least 500 telephone interviews are conducted throughout the U.S. The Index of Consumer Sentiment is developed from these interviews.

<u>Equities (Slide 5)</u>

***Global Market Equity:* MSCI AC World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed and 23 emerging markets.

***Large Cap Equity:* S&P 500 Index** is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market. Returns assume reinvestment of dividends and capital gain distributions.

***Large Cap Growth Equity:* Russell 1000® Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **Russell 1000® Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. The **Russell 3000® Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

***Large Cap Value Equity:* Russell 1000® Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

***Mid Cap Equity*: Russell Midcap® Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000® Index.

***Small Cap Equity:* Russell 2000® Index** measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

***Developed Market ex. U.S. Equity:* MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of 21 developed markets, excluding the US & Canada.

Index definitions (3 of 6)

Equities (Slide 5)

Developed Small Cap Equities: The **MSCI EAFE Small Cap Index** is an equity index which captures small cap representation across Developed Markets countries around the world, excluding the US and Canada. With 2,282 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

Emerging Markets: **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of 23 emerging market countries.

Frontier Market Equity: **MSCI Frontier Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets.

MSCI Emerging Markets (EM) Asia Index captures large and mid cap representation across 8 Emerging Markets countries.

MSCI Emerging Markets EMEA Index captures large and mid cap representation across 11 Emerging Markets (EM) countries* in Europe, the Middle East and Africa (EMEA).

MSCI Emerging Markets (EM) Latin America Index captures large and mid cap representation across 5 Emerging Markets (EM) countries* in Latin America.

MSCI Europe Index captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe.

MSCI Finland Index is designed to measure the performance of the large and mid cap segments of the Finnish equity market.

MSCI Hong Kong Index is designed to measure the performance of the large and mid-cap segments of the Hong Kong market.

MSCI Italy Index is designed to measure the performance of the large and mid cap segments of the Italian market.

MSCI Japan Index is a free-float weighted equity index composed of companies domiciled in Japan.

MSCI Korea Index is designed to measure the performance of the large and mid cap segments of the South Korean market.

MSCI Mexico Index is designed to measure the performance of the large and mid cap segments of the Mexican market.

MSCI New Zealand Index is designed to measure the performance of the large and mid cap segments of the New Zealand market.

MSCI Pacific Index captures large and mid cap representation across 5 Developed Markets (DM) countries in the Pacific region.

MSCI Singapore Index is designed to measure the performance of the large and mid cap segments of the Singapore market.

MSCI South Africa Index is designed to measure the performance of the large and mid cap segments of the South African market.

MSCI Spain Index is designed to measure the performance of the large and mid cap segments of the Spanish market.

MSCI Sweden Index is designed to measure the performance of the large and mid cap segments of the Swedish market.

MSCI Taiwan Index is designed to measure the performance of the large and mid cap segments of the Taiwan market.

S&P 500 Communication Services Index comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector.

S&P 500 Consumer Discretionary Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy Index comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

S&P 500 Health Care Index comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology Index comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Real Estate Index comprises those companies included in the S&P 500 that are classified as members of the GICS® real estate sector.

S&P 500 Utilities Index comprises those companies included in the S&P 500 that are classified as members of the GICS utilities sector.

S&P 500 Equal Weight Index is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.

Fixed Income (Slide 6)

Global Multiverse Fixed Income: **Bloomberg Multiverse Index** provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies.

U.S. Inv Grade Taxable Fixed Income: **Bloomberg U.S. Aggregate Bond Index** is composed of the Bloomberg Capital U.S. Government/Credit Index and the Bloomberg Capital U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

Index definitions (4 of 6)

Fixed Income (Slide 6)

***U.S. Treasury Bills Fixed Income*: Bloomberg U.S. Treasury Bills Index** includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

***Short, Intermediate and Long Term Fixed Income:* Bloomberg U.S. Aggregate Bond Index** is made up of the Bloomberg U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million.

***U.S. Treasury Fixed Income*: Bloomberg U.S. Treasury Index** includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

***U.S. Corporate Fixed Income:* Bloomberg U.S. Corporate Bond Index** includes publicly issued U.S. corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

***U.S. Municipal Fixed Income:* Bloomberg U.S. Municipal Bond Index** represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least $3 million, and a remaining maturity of at least one year. The Index excludes taxable municipal bonds, bonds with floating rates, derivatives, and certificates of participation.

***U.S. TIPS Fixed Income:* Bloomberg Treasury Inflation Protected Securities (TIPS) Index** includes all publicly issued, investment-grade U.S. TIPS with an outstanding face value of more than $250 million and that have at least one year to maturity.

***U.S. High Yield Fixed Income:* Bloomberg U.S. High Yield Bond Index** is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

***Developed ex. U.S. Fixed Income:* JPMorgan GBI Global ex-U.S. (Unhedged)** in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

***Emerging Market Fixed Income*: JP Morgan Emerging Markets Bond Index Global (EMBI Global),** which currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

JPMorgan Non-U.S. Global Government Bond Index (Hedged) is a representative of the total return performance, on a hedged basis, of major non-U.S. bond markets. It is calculated in U.S. dollars.

J.P. Morgan GBI Emerging Markets Global Diversified (Local Currency) (USD Unhedged) tracks the performance of bonds issued by emerging market governments and denominated in the local currency of the issuer.

Real Assets (Slide 7)

***Public Real Estate:* FTSE/EPRA NAREIT Developed Index** is designed to track the performance of listed real estate companies and REITs worldwide.

***U.S. REITs*: FTSE NAREIT U.S. All Equity REITs Index** is designed to track the performance of REITs representing equity interests in (as opposed to mortgages) on properties. It represents all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets, other than mortgages secured by real property that also meet minimum size and liquidity criteria.

***International REITs:* FTSE EPRA/NAREIT Developed ex U.S. Index** is designed to track the performance of listed real estate companies in developed countries worldwide other than the U.S.

S&P Goldman Sachs Commodity Index (GSCI) is a composite index of commodity sector returns representing unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The index is includes futures contracts on 24 physical commodities of which Energy represents nearly 70%.

Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

Bloomberg Commodity Energy Subindex is a commodity group subindex of the Bloomberg CITR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

Bloomberg Precious Metals Subindex is a commodity group subindex of the Bloomberg CITR. It is composed of futures contracts on gold and silver. It reflects the return on underlying commodity future price movements only and is quoted in USD.

***Commodities (RICI):* The Rogers International Commodity Index** is a U.S. dollar based index representing the value of a basket of commodities consumed in the global economy. Representing futures contracts on 37 physical commodities, it is designed to track prices of raw materials not just in the U.S. but around the world.

***Global Infrastructure*: S&P Global Infrastructure Index** provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

***MLPs:* Alerian MLP Index** is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

Bloomberg Agriculture Subindex Total Return Index reflects the returns of an index composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar, and wheat.

Bloomberg Energy Subindex Total Return Index reflects the returns of an index composed of futures contracts on crude oil, heating oil, unleaded gasoline, and natural gas.

Bloomberg Industrial Metals Subindex Total Return Index reflects the returns of an index composed of longer-dated future contracts on aluminum, copper, nickel, and zinc.

Bloomberg Precious Metals Subindex Total Return Index reflects the returns that are potentially available through an unleveraged investment in the futures contracts on precious metals commodities.

Index definitions (5 of 6)

Alternative Assets (Slide 8)

Note: HFRI Indices have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown. The HFRI Indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

Global Hedge Funds: **The HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net-of-all-fees performance in U.S. dollars and have a minimum of $50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

Relative Value: **The HFRI Relative Value Index:** maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

Arbitrage: **HFRI RV: Multi-Strategy Index:** multi-strategies employ an investment thesis predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

Long/Short Credit: **HFRI Relative Value Fixed Income—Corporate Index.** Includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed-income instrument. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments, typically realizing an attractive spread between multiple corporate bonds or between a corporate and risk free government bond. They typically involve arbitrage positions with little or no net credit market exposure, but are predicated on specific, anticipated idiosyncratic developments.

Structured Credit/Asset Backed: HFRI Relative Value Fixed Income-Asset Backed Index includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed-income instrument backed by physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments specifically securitized by collateral commitments, which frequently include loans, pools and portfolios of loans, receivables, real estate, machinery or other tangible financial commitments. Investment thesis may be predicated on an attractive spread given the nature and quality of the collateral, the liquidity characteristics of the underlying instruments and on issuance and trends in collateralized fixed-income instruments, broadly speaking. In many cases, investment managers hedge, limit, or offset interest-rate exposure in the interest of isolating the risk of the position to strictly the disparity between the yield of the instrument and that of the lower-risk instruments.

Macro: **HFRI Macro Index:** Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposes to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.

Systematic Macro: **HFRI Macro Systematic Diversified Index**: Diversified strategies employing mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. Strategies are designed to identify opportunities in markets exhibiting trending or momentum characteristics across individual instruments or asset classes. Strategies typically employ quantitative processes which focus on statistically robust or technical patterns in the return series of the asset, and they typically focus on highly liquid instruments and maintain shorter holding periods than either discretionary or mean-reverting strategies. Although some strategies seek to employ counter-trend models, strategies benefit most from an environment characterized by persistent, discernible trending behavior. Typically have no greater than 35 percent of portfolio in either dedicated currency or commodity exposures over a given market cycle.

Discretionary Macro: **HFRI Macro Discretionary Thematic Index**: Strategies primarily rely on the evaluation of market data, relationships and influences, as interpreted by individuals who make decisions on portfolio positions; strategies employ an investment process most heavily influenced by top-down analysis of macroeconomic variables. Investment Managers may trade actively in developed and emerging markets, focusing on both absolute and relative levels on equity markets, interest rates/fixed income markets, currency and commodity markets; they frequently employ spread trades to isolate a differential between instrument identified by the Investment Manager as being inconsistent with expected value. Portfolio positions typically are predicated on the evolution of investment themes the Manager expects to develop over a relevant time frame, which in many cases contain contrarian or volatility-focused components.

Index definitions (6 of 6)

Alternative Assets (Slide 8)

***Event Driven:* HFRI Event Driven Index:** Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

***Activist:* HFRI Event Driven Activist Index**: Strategies may obtain or attempt to obtain representation on the company's board of directors in an effort to impact the firm's policies or strategic direction and in some cases may advocate activities such as division or asset sales, partial or complete corporate divestiture, dividends or share buybacks, and changes in management. Strategies employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies that are currently or prospectively engaged in a corporate transaction, security issuance/repurchase, asset sales, division spin-off or other catalyst-oriented situation. These involve both announced transactions and situations in which no formal announcement is expected to occur. Activist strategies would expect to have greater than 50 percent of the portfolio in activist positions, as described.

***Distressed Credit:* HFRI Event Driven Distressed/Restructuring Index**: Strategies focus on corporate fixed-income instruments, primarily corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceedings or financial-market perception of near-term proceedings. Managers are typically actively involved with the management of these companies; they are frequently involved on creditors' committees in negotiating the exchange of securities for alternative obligations, either swaps of debt, equity or hybrid securities. Managers employ fundamental credit processes focused on valuation and asset coverage of securities of distressed firms; in most cases portfolio exposures are concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity but in general for which a reasonable public market exists. Strategies employ primarily debt (greater than 60 percent) but also may maintain related equity exposure.

***Merger Arbitrage:* HFRI Event Driven Merger Arbitrage Index:** Strategies primarily focus on opportunities in equity and equity-related instruments of companies that are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross-border, collared, and international transactions that incorporate multiple geographic regulatory institutions, typically with minimal exposure to corporate credits. Strategies typically have over 75 percent of positions in announced transactions over a given market cycle.

***Equity Hedge:* HFRI Equity Hedge (Total) Index**: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50 percent exposure to, and may in some cases be entirely invested in, equities, both long and short.

***Directional Equity:* HFRX Equity Hedge Multi-Strategy Index**: Managers maintain positions both long and short in primarily equity and equity-derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage, holding period, concentrations of market capitalizations, and valuation ranges of typical portfolios. Managers typically do not maintain more than 50 percent exposure to any one Equity Hedge sub-strategy.

***Equity Market Neutral:* HFRI Equity Hedge Equity Market Neutral Index:** Strategies employ sophisticated quantitative techniques to analyze price data to ascertain information about future price movement and relationships between securities. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies predicated on the systematic analysis of common relationships between securities. In many cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high-frequency techniques may be employed; trading strategies may also be based on technical analysis or designed opportunistically to exploit new information that the investment manager believes has not been fully, completely, or accurately discounted into current security prices. Strategies typically maintain characteristic net equity market exposure no greater than 10 percent long or short.

The **Cambridge Associates LLC U.S. Private Equity Index®** uses a horizon calculation based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds formed between 1986 and 2021. The funds included in the index report their performance voluntarily and therefore the index may reflect a bias towards funds with records of success. Funds report unaudited quarterly data to Cambridge Associates when calculating the index. The index is not transparent and cannot be independently verified because Cambridge Associates does not identify the funds included in the index. Because Cambridge Associates recalculates the index each time a new fund is added, the historical performance of the index is not fixed, can't be replicated and will differ over time from the day presented. The returns shown are net of fees, expenses and carried interest. Index returns do not represent fund performance.

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