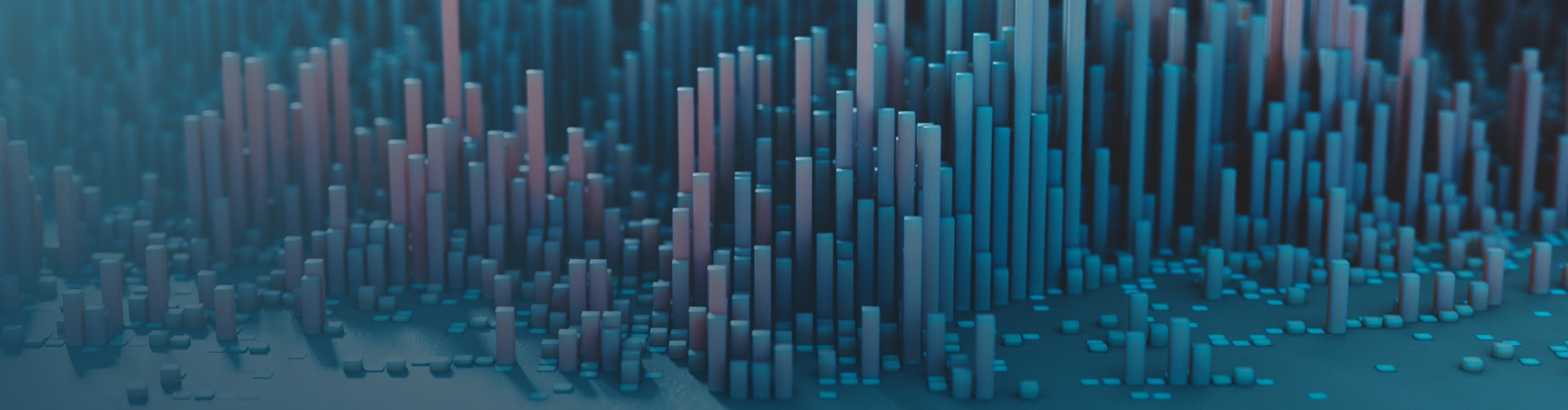


TOUCHPOINTS Q4 2024

RECALIBRATION

Global Markets Investment Outlook

BNY Global Markets Advisory Council (GMAC)

BNY | INVESTMENTS

EXECUTIVE SUMMARY

"All eyes will be on central bankers as they navigate the risks of the global economy, and there are many. With the surge in post-Covid diminishing, it makes sense for policymakers to move rates back to neutral as soon as possible to steer clear of unnecessary risks to growth. The Federal Reserve starting its easing cycle in September should help secure a soft landing in the US in line with our baseline scenario, where growth slows to below trend but avoids an outright recession. However, loosening labor markets, elevated geopolitical risks, and growth dynamics in China will likely continue to keep risk assets apprehensive."

Eric Hundahl, CFA
Head of Investment Institute, BNY Advisors

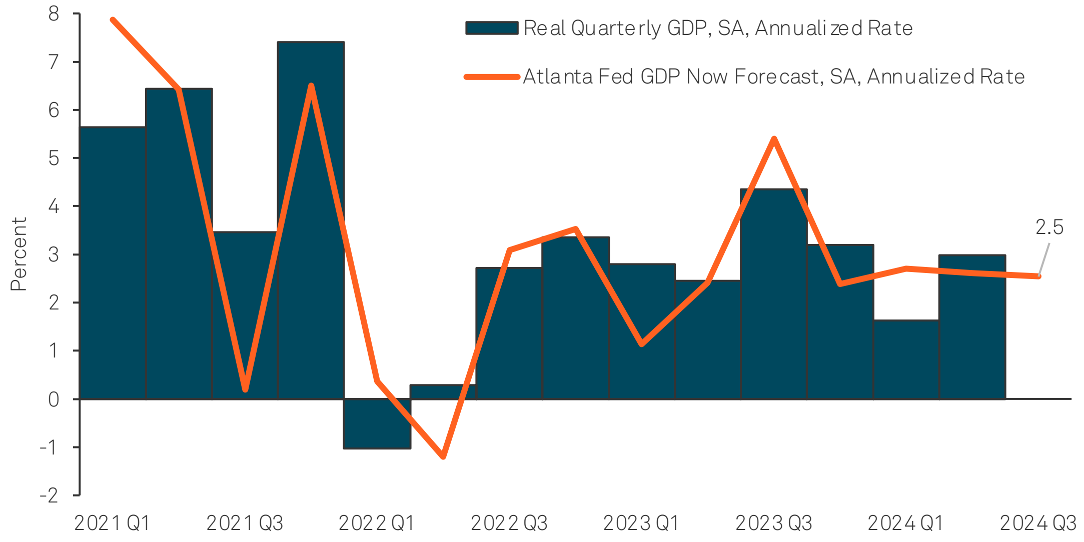
OUTLOOK & GROWTH

Through the first half of 2024, growth remained resilient and financial conditions loose.

The US economy has proved to be resilient in Q2 2024, growing at an annual rate of 3%, reflecting increases in consumer spending, private inventory investment and business investment. This was an increase from Q1 2024 where the US economy grew at an annual rate of 1.6%. As of publication, GDPNow forecasts an annual growth rate of 2.5% for the US economy in Q3 2024.

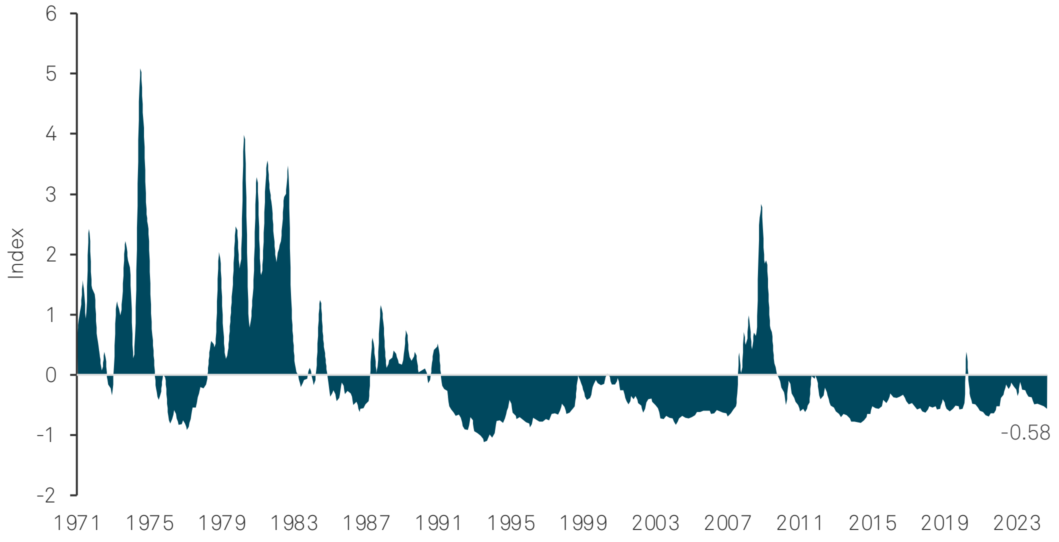
In hindsight, the historic tightening of monetary policy was well absorbed by consumers and businesses. Financial conditions remained loose, bank lending remained robust, and fiscal transfers were large.

US REAL GDP GROWTH AND ATLANTA FED GDPNOW
(quarterly, SA, annualized rate)



Sources: St. Louis Fred, Atlanta Fed, BNY Investments Portfolio Solutions Group as of October 1, 2024.

CHICAGO FED NATIONAL FINANCIAL CONDITIONS INDEX
(index, weekly, not seasonally adjusted)



Sources: Chicago Fed, BNY Investments Portfolio Solutions Group as of September 26, 2024.

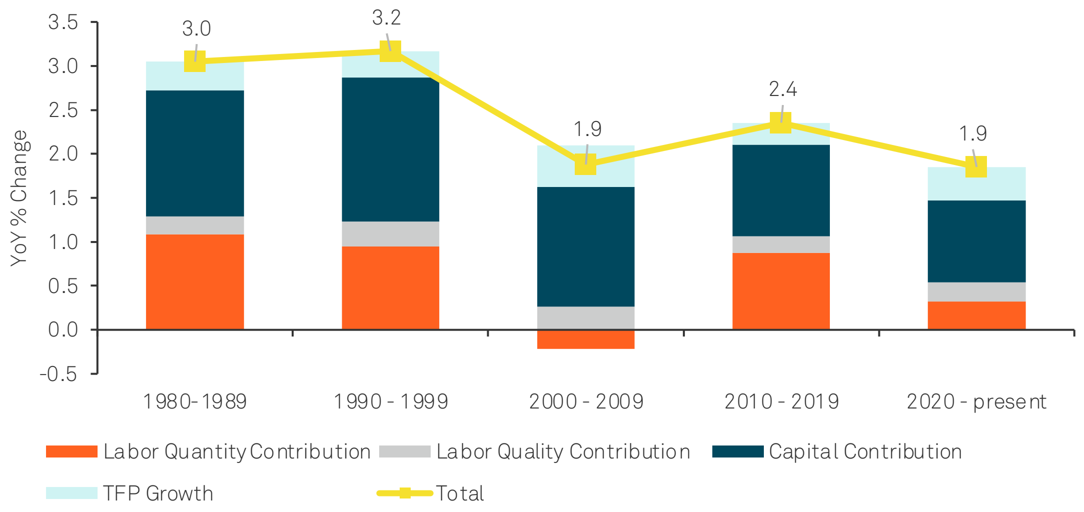
Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

Recession risks have risen, but odds remain against it.

US trend growth has weakened relative to the late 1900s. Current growth estimates point towards a continuation of above trend growth that the US economy has experienced through 2023, thanks to strong consumer spending. Given the normalization of the labor market and the delayed effect of monetary tightening, we expect the US economy to moderate. Our single most-likely scenario, a "soft landing," placed at 45%, sees Q4 growth hover in the 1.5–2.0% range.

THE US TREND GROWTH IS WEAKENING

(contribution of factor inputs and efficiency changes to US GDP growth, average annual change %)

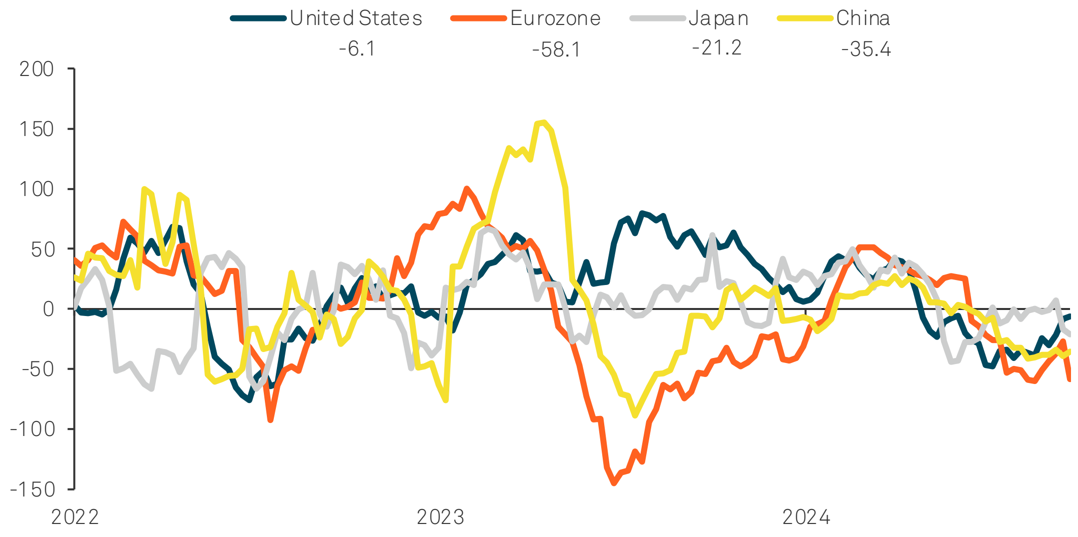


Sources: Macrobond, Conference Board, BNY Advisors Investment Institute as of September 30, 2024. TFP = Total Factor Productivity.

Recession remains a risk, and probabilities of a slowdown have increased in the recent months given recent labor market developments. We have upped the probabilities of a shallow recession scenario to 25% this quarter, but odds remain against it. Growth in global economies has slowed slightly in Q2. While services activity remains resilient, manufacturing Purchasing Managers' Index (PMI) trends remain under pressure at major global economies.

ECONOMIC DATA CONTINUES TO SURPRISE TO THE DOWNSIDE

(Citi Economic Surprise Index)



Sources: Macrobond, Citi, BNY Advisors Investment Institute as of September 23, 2024.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

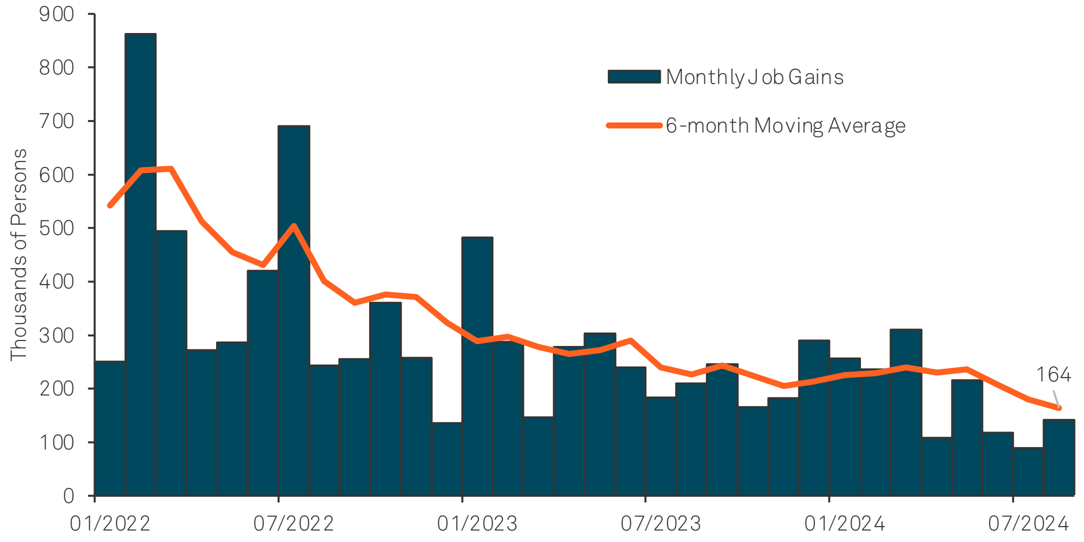
LABOR MARKET & INFLATION

The US economy is still growing and adding jobs.

The labor market has exhibited remarkable resilience so far but has since shifted into lower gear with continued downward revisions in the nonfarm payroll prints. However, changes in nonfarm payrolls remain positive on net.

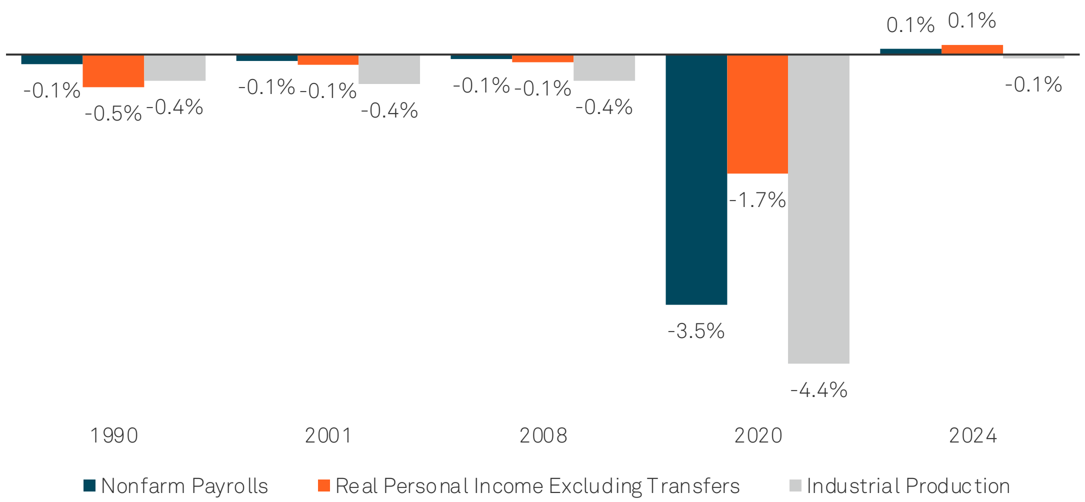
But the triggering of the Sahm Rule, a commonly cited predictor of an impending US recession, has generated several headlines regarding the health of the US economy given unemployment's nature to increase at a greater pace during downturns. But unlike prior triggers, job gains and real personal income were positive for the four months prior.

THE US ECONOMY IS STILL ADDING JOBS
(all employees, total nonfarm, change, thousands of persons, monthly, SA)



Sources: St. Louis Fred, US Bureau of Labor Statistics, BNY Investments Portfolio Solutions Group as of September 26, 2024.

RECESSION INDICATORS BEFORE TRIGGERING OF SAHM RULE
(average change over four months)



Sources: St. Louis Fred, US Bureau of Labor Statistics, US Bureau of Economic Analysis, Board of Governors of the Federal Reserve System, Claudia Sahm, BNY Investments Portfolio Solutions Group as of September 26, 2024.

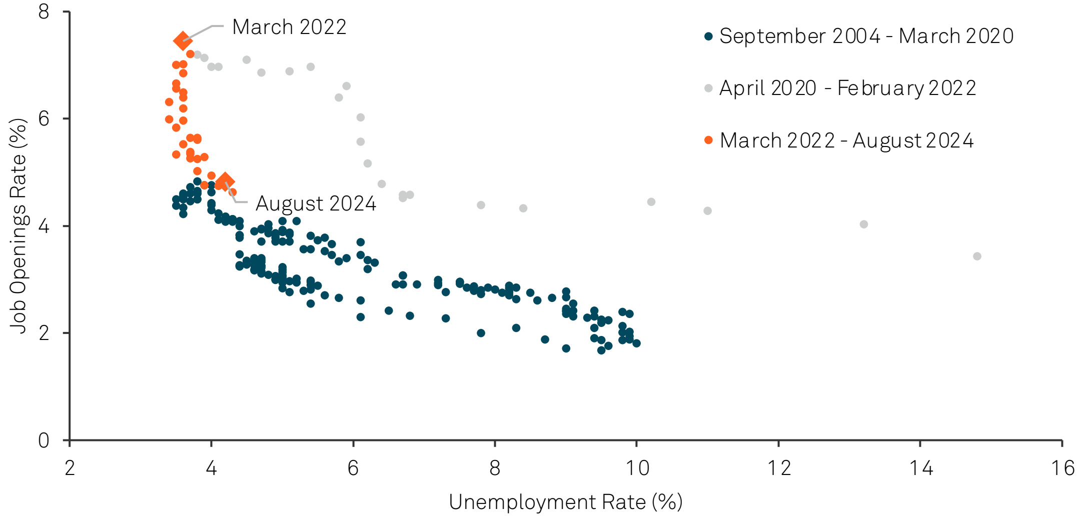
Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

For the most part, job openings fell meaningfully without nudging the unemployment rate.

Job openings have fallen in a near vertical manner on the Beveridge Curve since the Federal Reserve's (the Fed) rate hikes (historically decreases in job openings were complemented with an increase in unemployment rate — a diagonal movement), which we view as a healing of the labor market.

US BEVERIDGE CURVE

Trailing 20Y

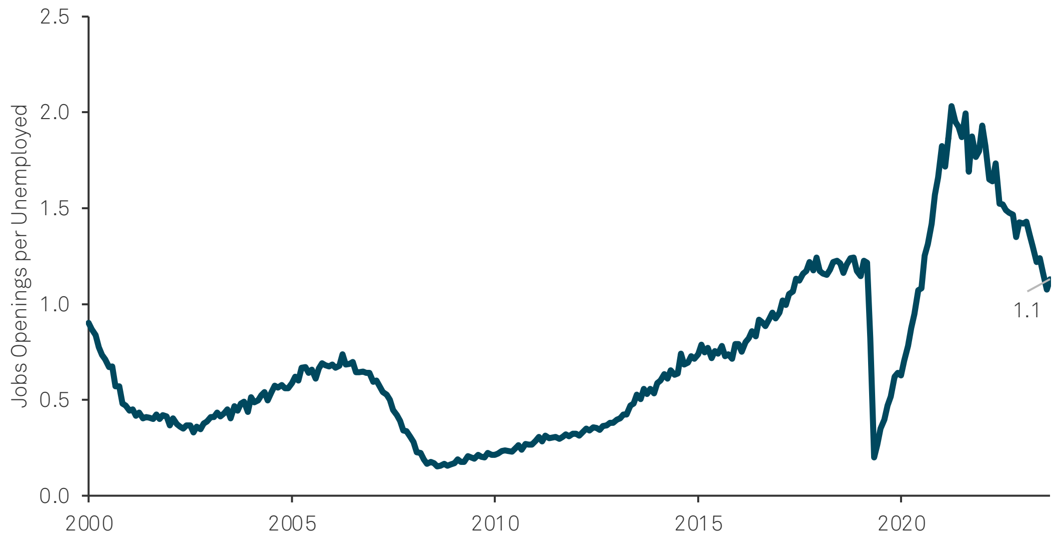


Sources: St. Louis Fred, US Bureau of Labor Statistics, BNY Investments Portfolio Solutions Group as of October 1, 2024.

That said, further labor market moderation could nudge the unemployment rate. However, we view the triggering of the Sahm Rule less as a growth shock but a path towards normalization. The demand for labor has largely rebalanced with the supply.

DEMAND FOR LABOR HAS LARGELY REBALANCED

(data since 2000)



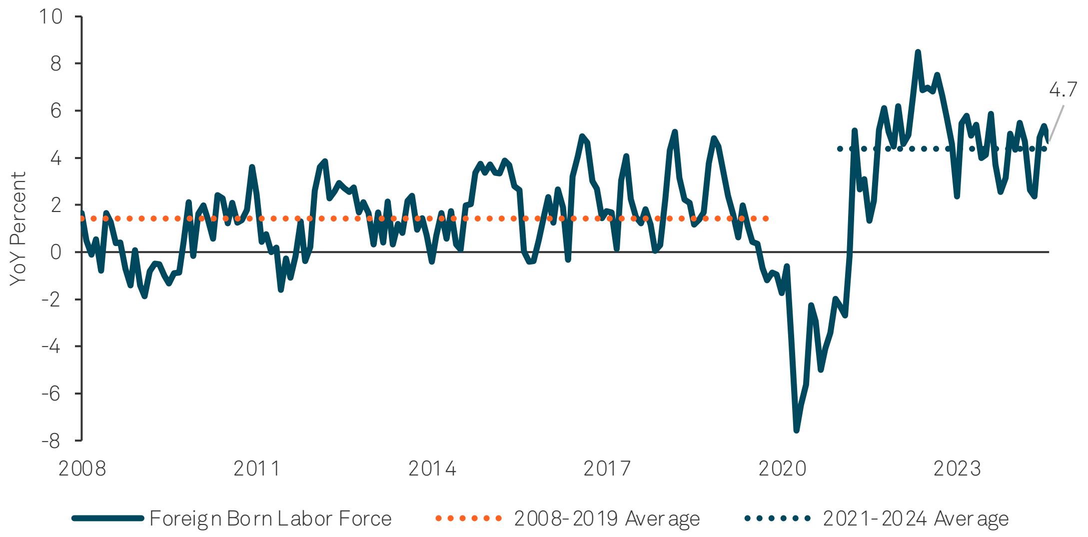
Sources: St. Louis Fred, US Bureau of Labor Statistics, BNY Investments Portfolio Solutions Group as of October 1, 2024.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

Increasing labor supply from layoffs is a concern, but if it's from immigration, less so.

This scenario challenges the intuitive link between a rising unemployment rate and an economic downturn. An increase in labor supply from an influx of foreign-born workers can help generate rather than reduce potential economic activity.

FOREIGN-BORN CIVILIAN LABOR FORCE LEVEL
(y/y percent change, monthly, not seasonally adjusted)



Sources: US Bureau of Labor Statistics, BNY Investments Portfolio Solutions Group as of September 26, 2024.

Job growth has slowed, and it remains to be seen whether labor demand will prove strong enough to absorb labor supply and stabilize the unemployment rate. Corporations have begun to cut hours, a typical behavior that precedes layoffs.

FIRMS GENERALLY PREFER TO CUT HOURS BEFORE RESORTING TO LAYOFFS
(six-month moving average, average weekly hours of all employees, total private, hours, monthly, seasonally adjusted)

Sources: US Bureau of Labor Statistics, BNY Investments Portfolio Solutions Group as of September 26, 2024.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

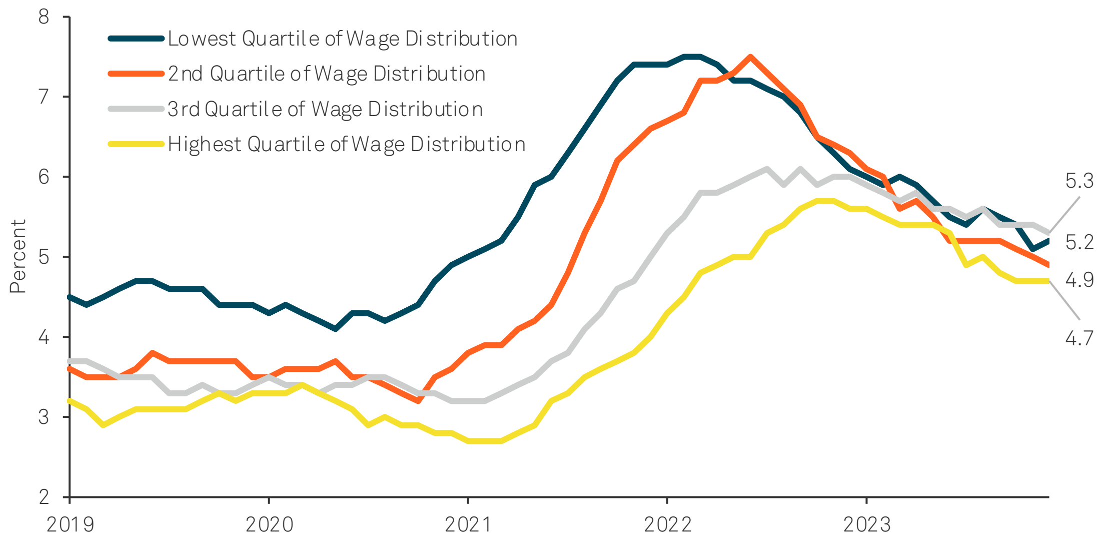
BNY | INVESTMENTS

Inflation directionally headed towards target and continues to be encouraging.

The composition of available jobs has shifted from higher-paying to lower-paying ones. That said, wage growth is likely to be a smaller contribution to upside in inflation in the coming months.

MEDIAN WAGE GROWTH BY WAGE QUARTILE

(12-month moving average, trailing 5Y)

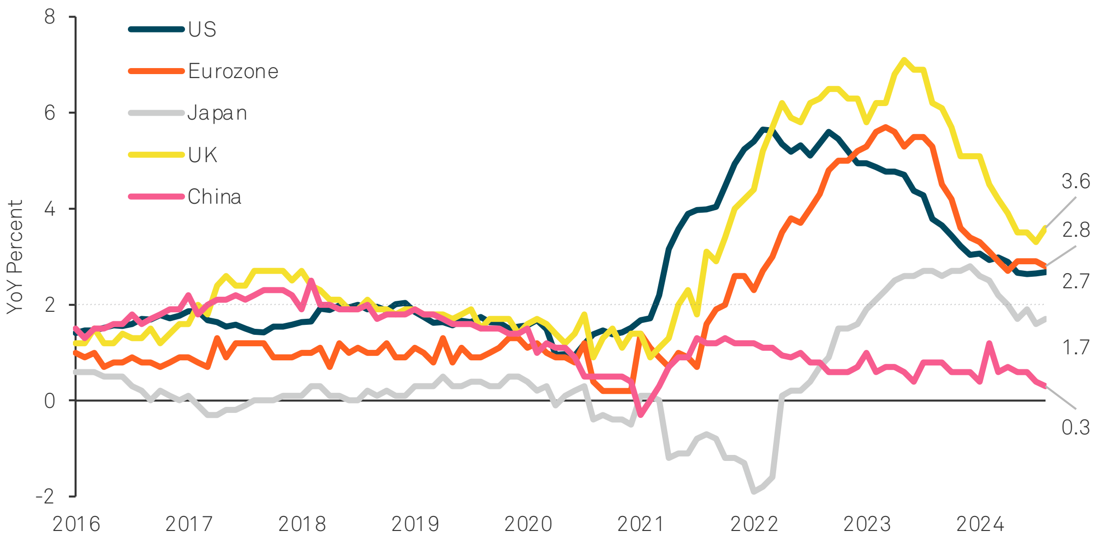


Sources: Atlanta Fed, US Bureau of Labor Statistics, BNY Investments Portfolio Solutions Group as of September 26, 2024.

Headline inflation has trended to near policy targets in major global economies, but core inflation and the "last mile" remains slightly elevated. In the US, shelter inflation, the largest Consumer Price Index (CPI) category by weight, remains stickier than most but continues to make slow progress directionally.

CORE INFLATION TRENDING DOWNWARDS

(excluding food and energy, yearly % change)



Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024.

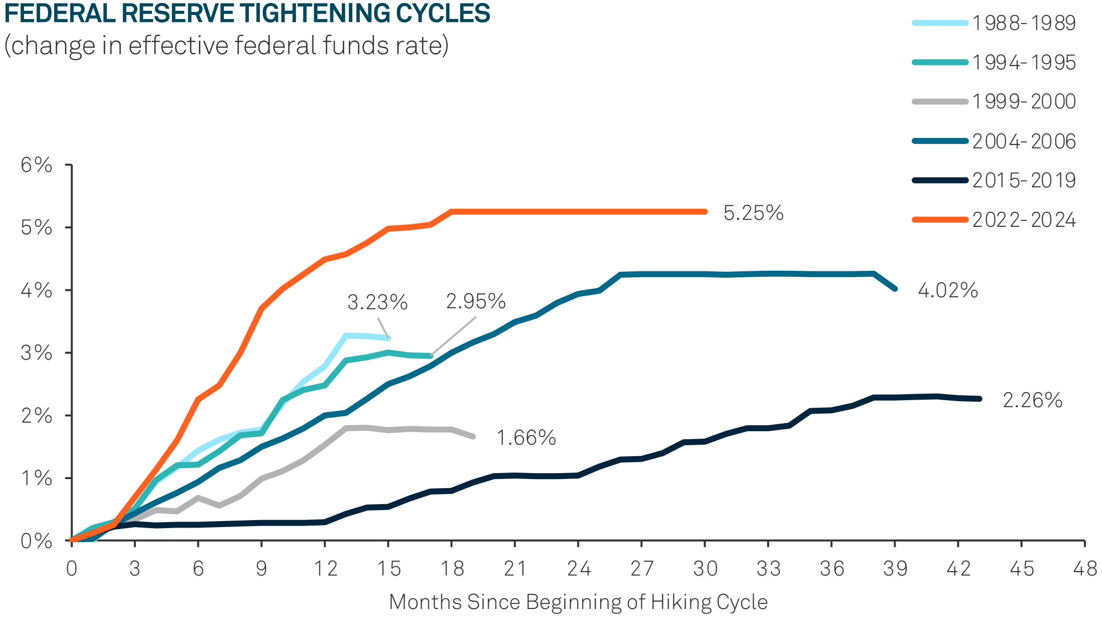
Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

MONETARY POLICY

Historically, it was up the escalator then down the elevator.

In recent tightening cycles, the Fed's policy was planned and put in place in anticipation of future inflation threats. Tightening was more gradual and more protracted. On the flipside, Fed easings were more abrupt as rate cuts were primarily driven by dismal economic performance (Fed "behind the curve").

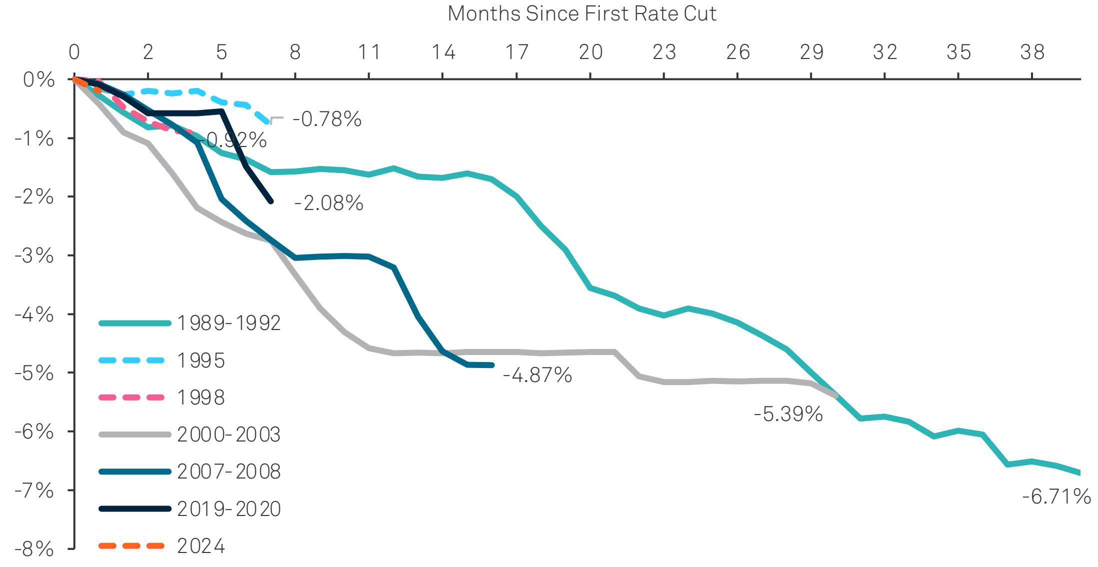
FEDERAL RESERVE TIGHTENING CYCLES
(change in effective federal funds rate)



Sources: Bloomberg, BNY Investments Portfolio Solutions Group as of September 30, 2024. Above chart shows data from the first-rate hike within a cycle up until the first rate cut as defined by the Federal Funds Rate.

We think the Fed will remain in the driver's seat should labor demand only moderate without deterioration. However, markets expect slightly more aggression in cuts, which should also imply distress in other areas of the economy, wider risk spreads, lower equity prices and ultimately tightening of financial conditions, which currently isn't present.

FEDERAL RESERVE CUTTING CYCLES
(change in effective federal funds rate)



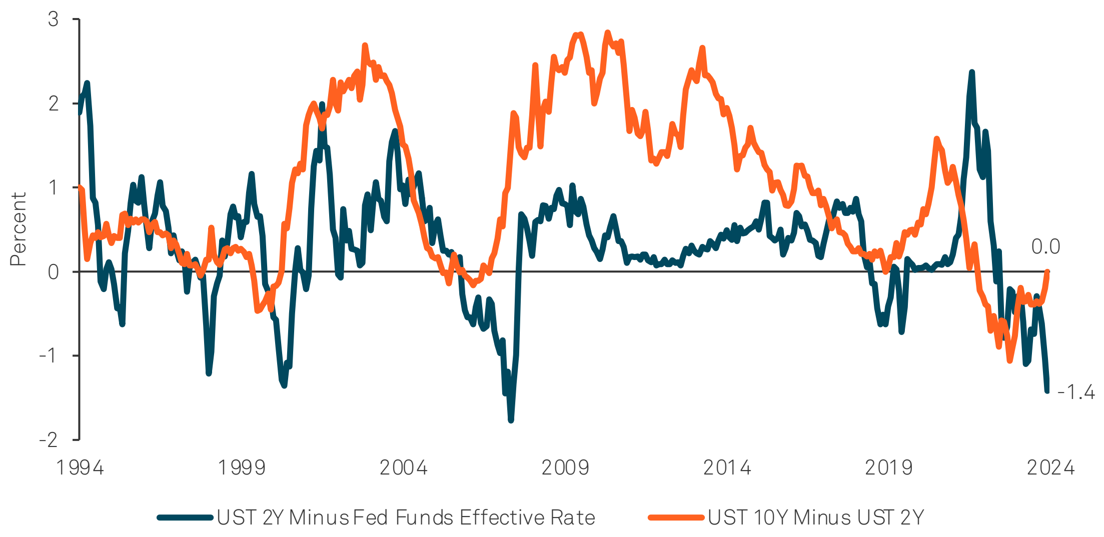
Sources: Bloomberg, BNY Investments Portfolio Solutions Group as of September 30, 2024. Above chart shows data prior to the first-rate cut within a cycle until the final rate cut as defined by the Fed Funds Rate. Dotted lines show periods absent of recessions.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

This cycle, it could be up the elevator and down the escalator.

We expect the yield curve to continue to “un-invert” without a recession largely attributed to the Fed normalizing policy. That said, a 50 basis point (bp) cut by the Fed in September, which surprised many, remains a pre-emptive one as the Federal Open Market Committee (FOMC) looks to be shifting its focus from inflation to the labor market.

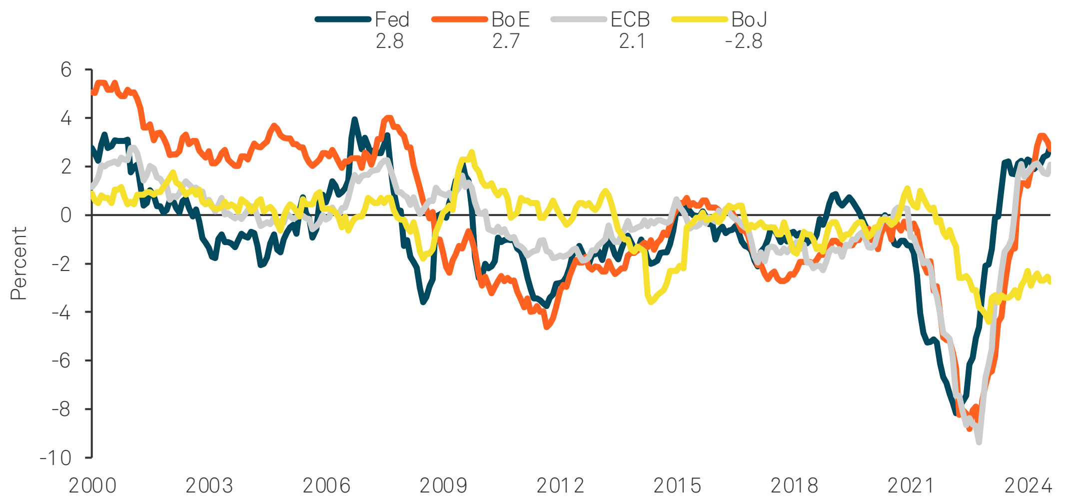
YIELD CURVE “UN-INVERTS” AS FED COMMENCES ON MONETARY EASING
(monthly, percent)



Sources: St. Louis Fred, BNY Investments Portfolio Solutions Group as of September 26, 2024.

We think the current market pricing of rate cuts warrants a more pronounced slowdown to materialize, such as the one incorporated in our “shallow recession” scenario. That said, with real rates restrictive, the Fed has enough fire power to deliver such cuts should the labor market show deterioration.

FED, BOE, AND ECB HAVE FIRE POWER — REAL POLICY RATES ADJUSTED FOR HEADLINE INFLATION
(central bank policy rate minus headline yearly inflation rate)



Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024. BoE = Bank of England; ECB = European Central Bank; BoJ = Bank of Japan

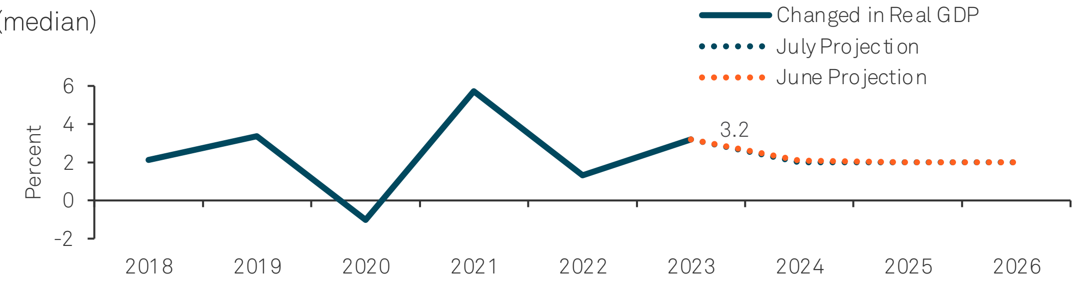
Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

While 50bps was surprising, it remains a pre-emptive move, but the focus has shifted from inflation to employment.

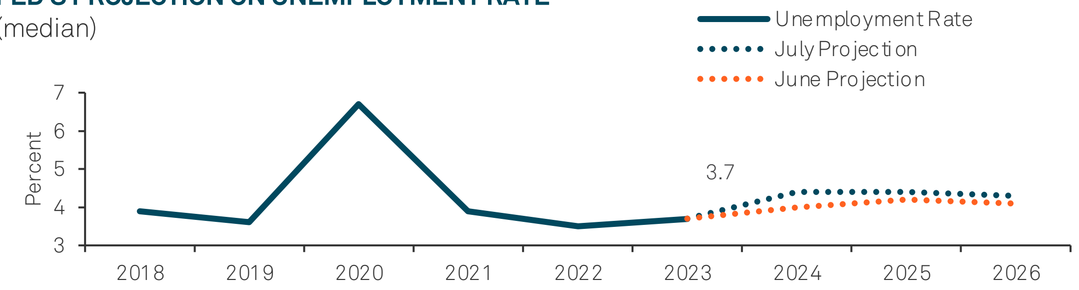
September's Summary of Economic Projections (SEP) saw an increase in unemployment by end-2024 from the 4% published in June to 4.4% with September's update, above its longer run estimate of 4.2%, suggesting that current levels of unemployment are closer to neutral — or put differently, well balanced.

While Fed Chair Jerome Powell was upbeat about the real economy overall in September's FOMC meeting, the job market remains concern number one. Should unemployment rise meaningfully further, we could see the Fed cutting rates by the elevator, closer to current market pricing.

FED'S PROJECTION ON REAL GDP GROWTH
(median)

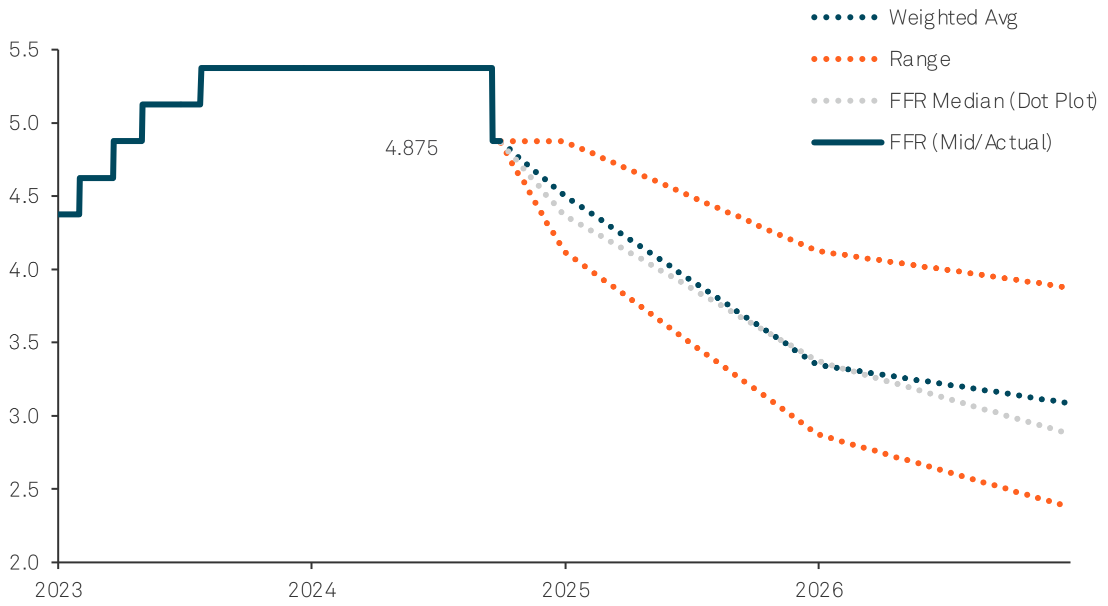


FED'S PROJECTION ON UNEMPLOYMENT RATE
(median)



Source: Federal Reserve, Summary of Economic Projections, released on September 18, 2024.

FED'S EXPECTATIONS FOR RATE CUTS



Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024. FFR = Federal Funds Rate.

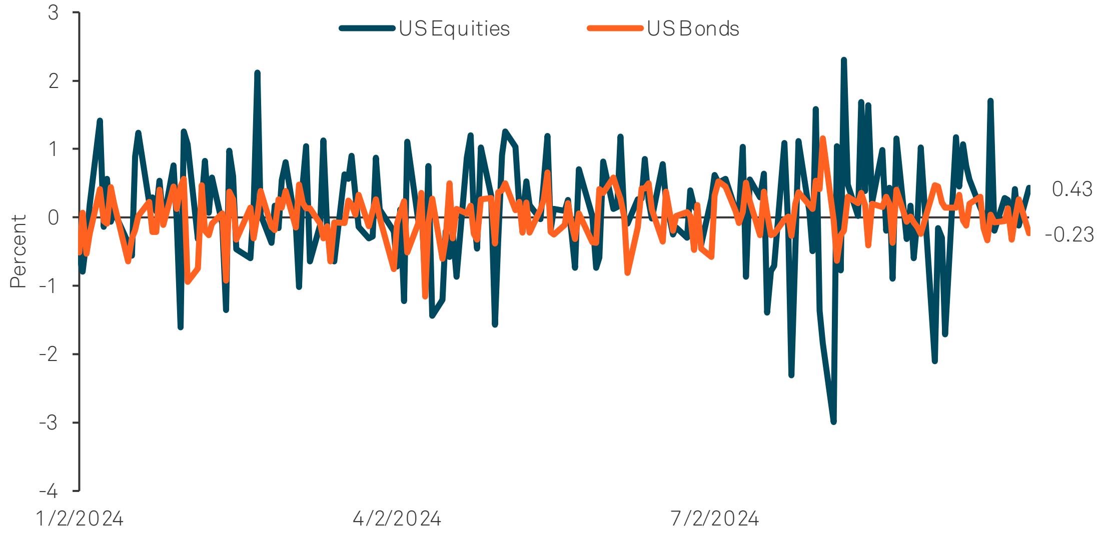
Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

MARKET IMPLICATIONS

Bonds outperformed equities in Q3 2024.

Equity market performance over the summer was overall positive but much more volatile relative to the first two quarters. Equity sell-offs in both August and September were triggered by US growth concerns and the unwinding of concentrated trades.

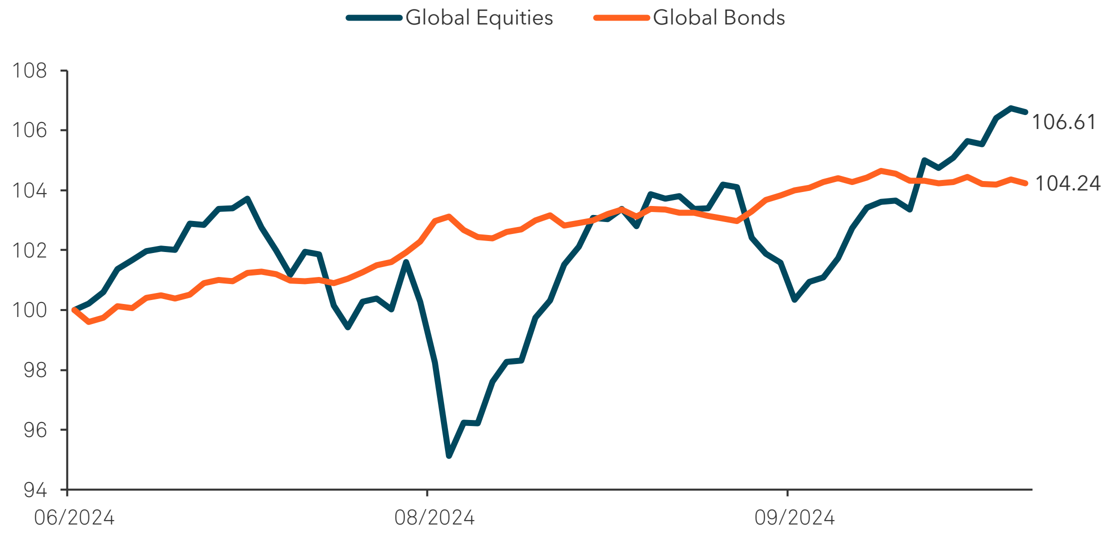
EQUITY VOLATILITY PICKED UP IN Q3
(daily return, percent)



Sources: Morningstar Direct, BNY Investments Portfolio Solutions Group as of September 30, 2024. US Equities defined as S&P 500 TR USD. US Bonds defined as Bloomberg US Agg Bond TR USD.

Sovereign fixed income performed strongly, particularly in the US, as the market priced in a sharp loosening in monetary policy. Both US and Global sovereigns outperformed US and Global equities on a risk-adjusted basis.

BONDS OUTPERFORM EQUITIES ON A RISK-ADJUSTED BASIS
(daily return, indexed to 100)



Sources: Morningstar Direct, BNY Investments Portfolio Solutions Group as of September 30, 2024. Global Equities defined as MSCI ACWI NR USD. Global Bonds defined as Bloomberg Global Aggregate TR Hdg USD.

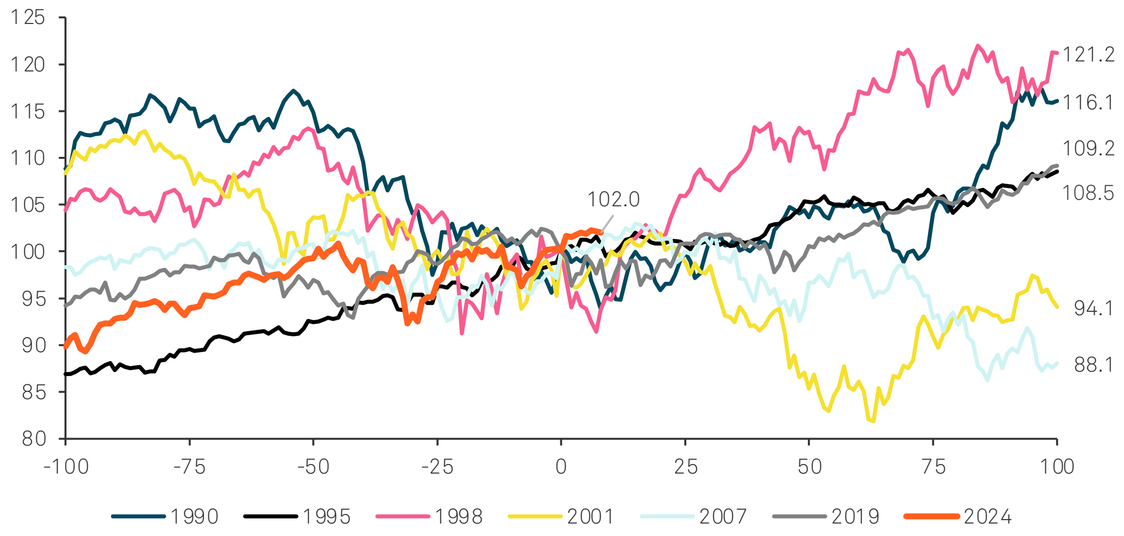
Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

Equity is likely to be volatile through year-end, though investors remain bullish on equities relative to bonds.

We believe that the likelihood of ongoing volatility and swings in sentiment remains high in the coming months. The market focus on growth rather than inflation raises the likelihood of sharper equity moves as equity as an asset class tends to be more sensitive to the growth outlook. Additionally, elevated geopolitical risks will likely keep risk assets uneasy.

VOLATILITY LIKELY REMAINS HIGH

(S&P 500 Total Return index around first cut)

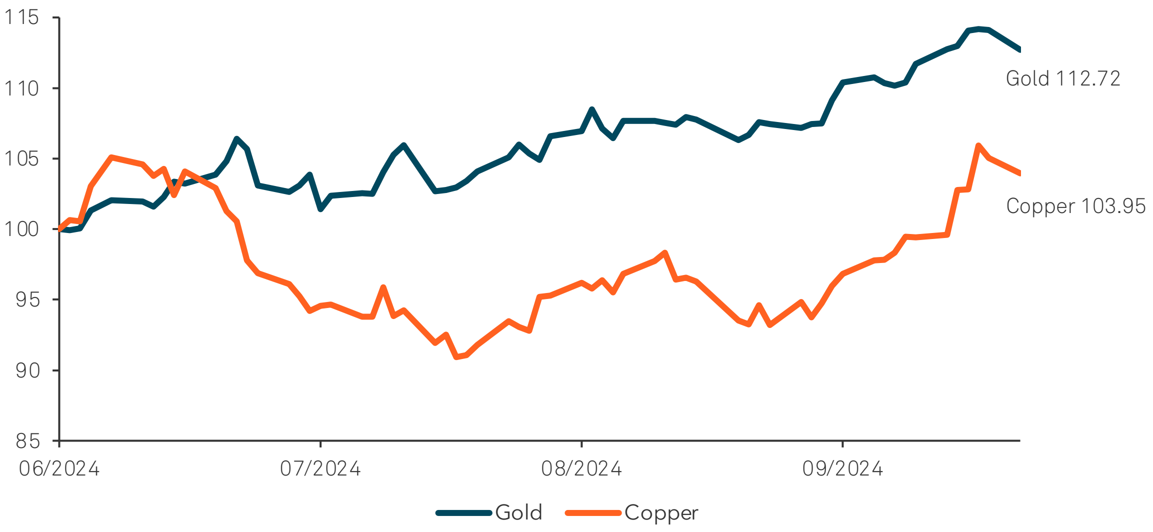


Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024.

But equity positioning remains bullish relative to bonds despite global market-implied growth expectations lowering over the quarter, as shown by the underperformance of asset classes and strategies most sensitive to the economic cycle underperforming: i.e., copper vs gold.

GOLD OUTPERFORMS COPPER IN Q3

(daily return, indexed to 100)



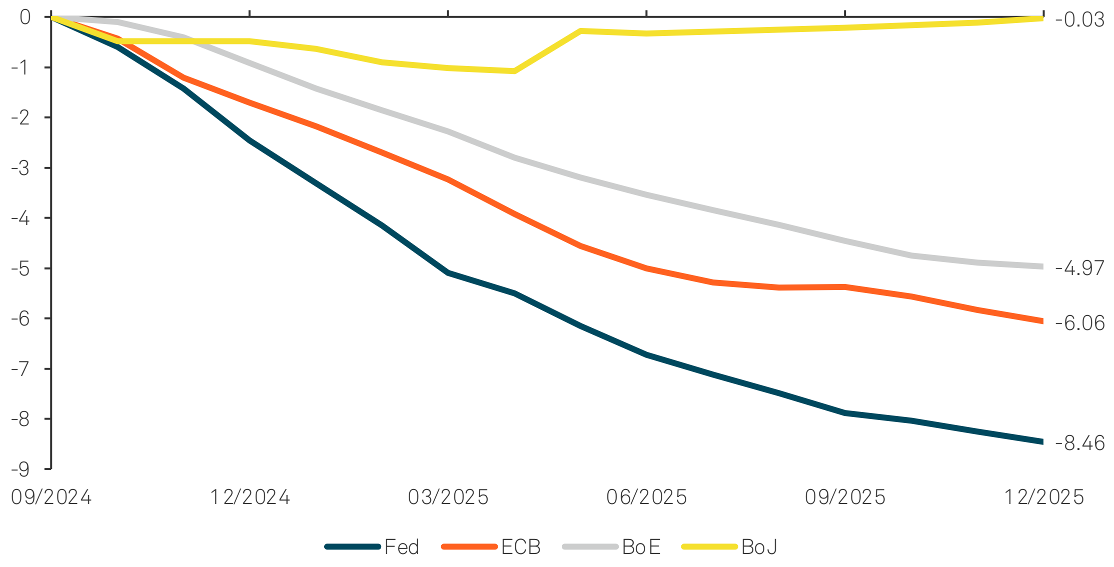
Sources: Morningstar Direct, BNY Investments Portfolio Solutions Group as of September 30, 2024. Gold is represented by SPDR® Gold Shares and copper is the US Copper Index.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

US market pricing of rate cuts suggests a shallow recession, but pricing is more reasonable for other major central banks.

This is especially evident in the interest rate market, where the anticipated policy cuts over the next 12 months mirror those seen during past shallow recessions. But expectations for other major central banks (e.g., the ECB and the BoE) are more muted, and what is priced in appears to be more reasonable given the range of outcomes for the global economy.

RATE HIKES/CUTS PRICED IN FOR MAJOR CENTRAL BANKS

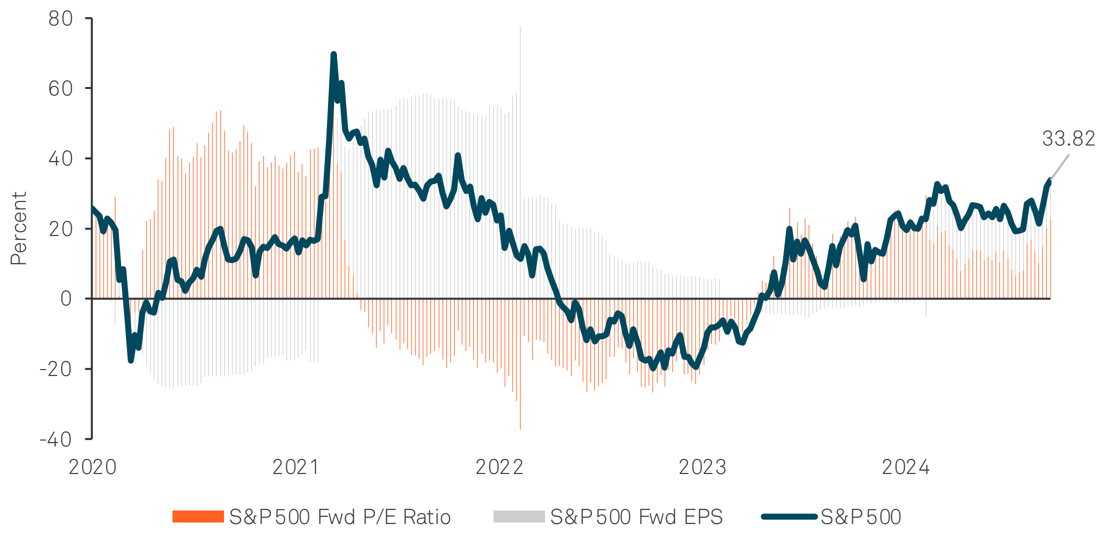


Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024.

Slight aggressive pricing of the loosening cycle in the US is sustaining elevated equity market expectations, which continues to reflect a benign macro environment and one that is characterized by robust earnings growth.

UNLIKE 2023, EARNINGS GROWTH HAVE SUPPORTED EQUITIES

(S&P 500 1Y Rolling Return and P/E, EPS Change)



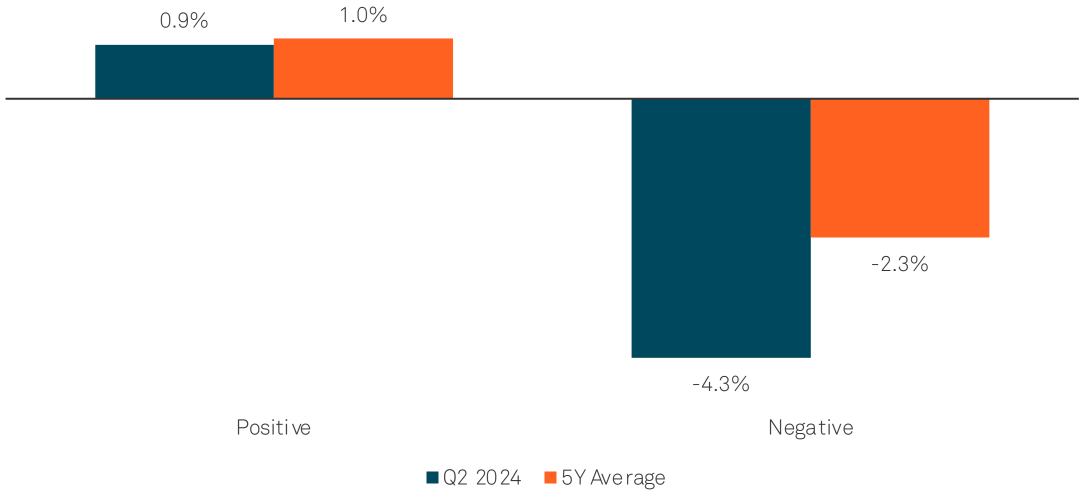
Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024. P/E = Price-to-earnings; EPS = earnings per share.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

Both the equity and interest rate market are likely to be vulnerable to a revision in expectations.

The combination of shallow recessionary-like rate cut expectations and robust equity earnings is an unusual phenomenon, which makes both the equity and interest rate markets vulnerable to a revision in expectations. While the rate-cutting cycle could support further elevation in valuations, with current cutting expectations, it is difficult to envision much more of a tailwind for equities in the near term.

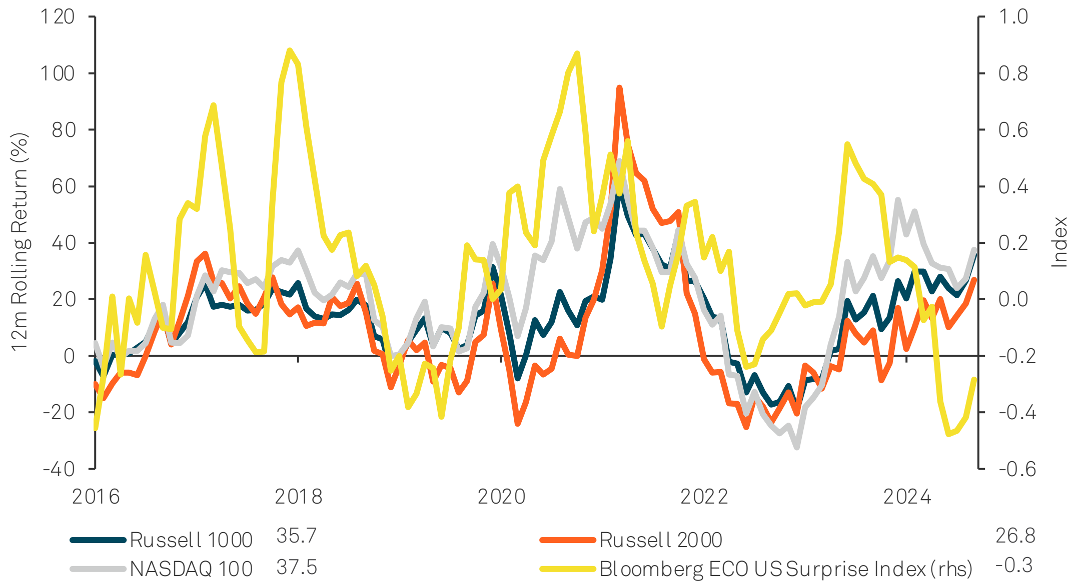
NEGATIVE EARNINGS SURPRISES AREN'T TAKEN WELL BY THE MARKETS
(S&P 500 EPS Surprise vs. Avg. Price Change %)



Sources: FactSet, BNY Investments Portfolio Solutions Group as of September 20, 2024.

Considering the non-linear nature of growth declines seen historically after increases in the unemployment rate of a similar magnitude to today's (triggering of the Sahm Rule), the equity market is likely to be particularly attuned to negative data surprises, and more so than to positive data, which was largely absent until Q3.

MARKET PERFORMANCE AND ECONOMIC SURPRISES



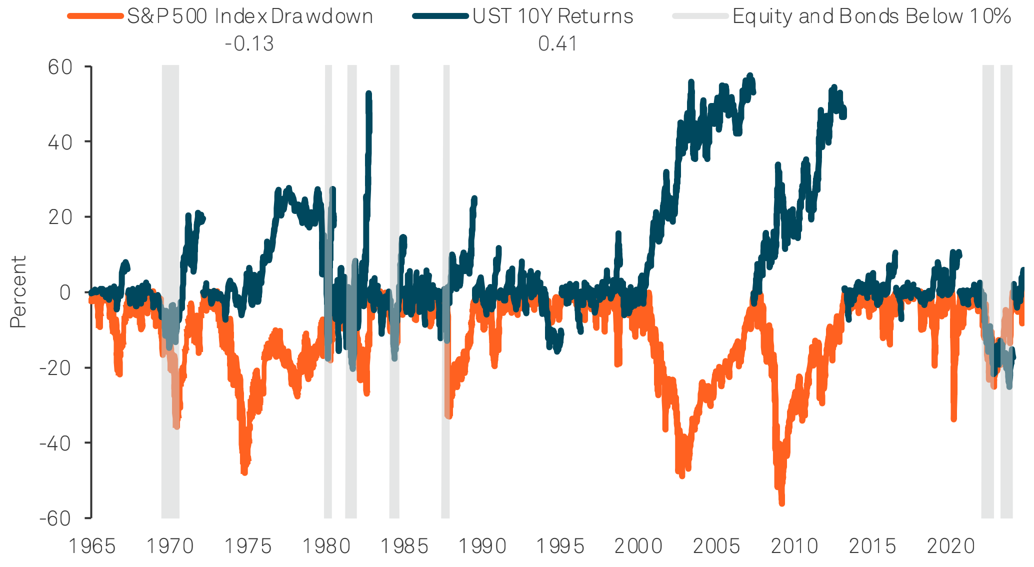
Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024.

Charts are for illustrative purposes and are not indicative of the past or future performance of any BNY product.

Quality bonds are likely to return as a portfolio hedge.

We remain in the "slowdown/no recession" camp based on our scenario probabilities and expect rate cuts to be more of the "normalization" variety than "growth saving." In this scenario, risk assets overall are expected to perform reasonably well over the forecast horizon, but the near-term outlook is more nuanced. We think risk-adjusted returns for equities are likely to be lower than for sovereign fixed income into year-end.

BOND MARKET PERFORMANCE DURING EQUITY MARKET DRAWDOWN

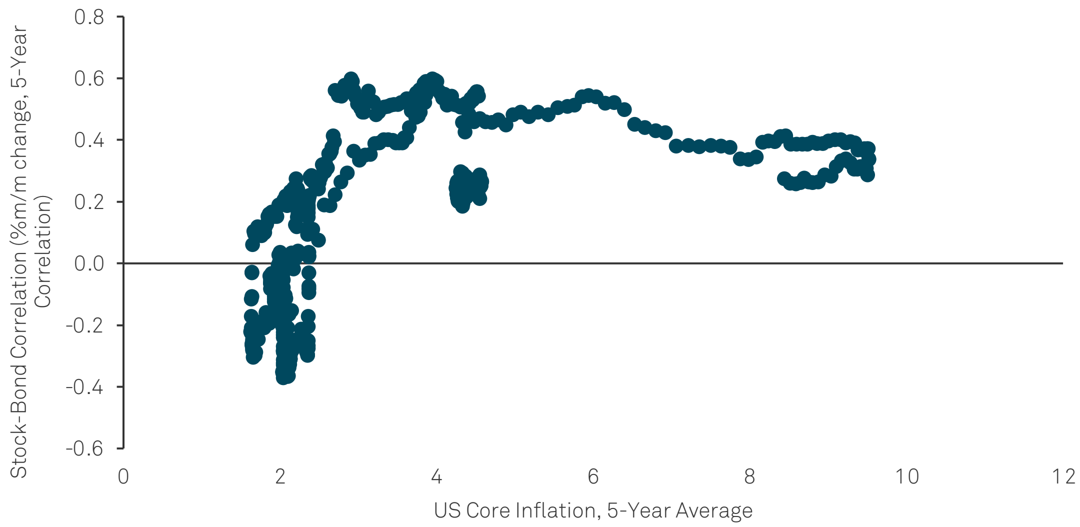


Sources: Macrobond, BNY Advisors Investment Institute as of September 30, 2024.

With the continuation of the yield curve "un-inversion," we expect the stock-bond correlation to normalize. Investors' current pricing of inflation (closer to 2%) suggests a stock-bond correlation closer to 0. Bonds should be better hedged to portfolios than they were 12–24 months ago.

STOCK-BOND CORRELATION AND INFLATION ARE TIGHTLY CONNECTED

(data since 1976)



Sources: St. Louis Fred, US Bureau of Labor Statistics, Morningstar Direct, BNY Investments Portfolio Solutions Group as of September 26, 2024.

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ASSET CLASS VIEWS

Cross Asset Views

Underweight Overweight
Neutral

BNY ADVISORS MACRO SCENARIOS

Scenarios (probability)→	Soft Landing (45%)	New Cycle (30%)	Shallow Recession (25%)
Growth	Slowing to below trend but avoiding recession; growth remains solidly positive, but unspectacular	Short-lived slowdown, accelerating growth above potential in 2025 on stronger demand and re-leveraging activity	Growth surprises to downside as labor market cracks become wide (i.e., unemployment increases)
Inflation	Disinflation continues gradually and stabilizes near target in 2025	Inflation pressures relatively contained, due to rebound in aggregate supply, but averaging above target	Inflation drops below target on slumping demand
Policy	Fed adjusts policy smoothly, but slower than market expects, reducing Fed Funds to ~3% by 2026	Cutting cycle in line with consensus near-term, but paused in mid-2025 at ~4% as inflation risks arise	Fast/deep cuts, broadly in line with market expectations, as aggressive action needed to keep recession shallow

Cross Asset	Views	Commentary
Equities		Neutral stance overall due to near-term growth outlook uncertainty around policy inflection points. There are regional opportunities to add value. We prefer Europe and UK equity, as well as emerging markets (EM) ex China.
Fixed Income		Sovereign bond yields are expected to fall, and income returns remain meaningful. Safe sovereign fixed income is to be preferred to credit, as spreads remain tight. We prefer higher quality credits over HY.
Alts/Real Assets		We prefer infrastructure given equity exposure but relative stability. Commodity exposure is a diversified hedge to inflationary pressures.
Cash		Cash attractiveness is supported by low volatility, elevated income returns and rates that are expected to fall more slowly, but better expected return opportunities are appearing elsewhere.

Source: BNY Global Markets Advisory Council, as of September 27, 2024. For illustrative purposes only.

Equity Views

Tactical asset allocation.

Equities	
Fixed Income	
Alts/Real Assets	
Cash	

Asset Class	Views	Commentary
US Equity		Given moderating growth expectations and labor market concerns, near-term risks skewed to the downside. Elevated multiples could de-rate if policy easing is perceived as bearish “growth saving.” Brighter 2025 as near-term constraints fade and expected positive artificial intelligence (AI) impact dominates.
UK Equity		Macro outlook has been improving, and uncertainty falling. Cheap valuations on both relative and historical average basis remain attractive and imply that minimal less bad news could spur a rally. 12m forward EPS growth expectations remain low compared to peers.
Europe ex-UK Equity		Earnings expectations have recovered somewhat in recent weeks but remain weak. Income returns are significant, with dividend and buyback yields providing more than 4%, or about ~70+% of the total return assumed in our long-term capital market assumptions.
Japan Equity		More durable reflation underpinned by rising wages, more entrenched inflation expectations, and strengthening corporate sector reforms. BOJ policy normalization will be gradual, not unduly restrictive. Corporate earnings to remain buoyed by domestic improvements; however, tailwinds from yen weakness to wane.
EM Equity		Lower US rates and a stable trend in the USD to ease global financial conditions and help EMs. But weakening G3 demand and a more protracted downturn in China to hurt external demand and commodity producers’ terms of trade.

Source: BNY Global Markets Advisory Council, as of September 27, 2024. For illustrative purposes only.

Fixed Income Views

Tactical asset allocation.

Equities	
Fixed Income	
Alts/Real Assets	
Cash	

Asset Class	Views	Commentary
US Treasuries		We see less risk of a rapid deterioration in growth that would force an aggressive cutting cycle, as implied by market pricing. However, given attractive carry and the stage of the cycle, we see increasing potential benefits from portfolio hedging.
Intl. Sovereign Debt		Foreign exchange (FX) hedged income returns are attractive in absolute terms and vs. Treasuries. Less rate cuts are priced in vs. the Fed for most central banks, but several other developed market (DM) economies also appear to be at risk of a recession. US term premium risk also advocates for increasing diversification.
Inflation Protected		Real rates now available are relatively attractive and provide a way to balance between duration exposure and potential upside inflation surprises.
Investment Grade Credit		Spreads are rich relative to history and amid a gradual slowdown, especially in the US, high-grade corporate spreads are expected to widen modestly. We expect fundamentals to hold up, but risk-adjusted-returns are not attractive yet for us to turn more constructive.
High Yield		Spreads have gotten rich, and we expect a re-widening of spreads toward long-term averages on a slide in HY corporates' margins and their rising issuance needs — amid a global slowdown, weakening commodity prices and gradual policy easing.
EM Debt Local		Peak US rates, better emerging market (EM) inflation fundamentals, easing global goods prices, decent real rate buffers and cheap currency valuations keep EM local debt attractive. EM rate cuts to be catalyzed by onset of Fed policy easing.
EM Debt USD		Our "neutral" recommendation balances slowing G3 and China growth alongside decent policy buffers, cheap currencies, improved economic flexibility and better fiscal fundamentals (relative to DMs). Valuations are less expensive than IG and HY credits.

Source: BNY Global Markets Advisory Council, as of September 27, 2024. For illustrative purposes only.

BY THE NUMBERS...

200+
year legacy

20%
of the world's investable assets touched

7th
largest US institutional money manager[1]

35+
years providing investment solutions[2]

$2.1T
Assets under management[3]

Source: BNY as of September 30, 2024. [1] *Pensions & Investments*, June 2024. [2] OCIO services date back to 1985 via predecessor firms. [3] BNY as of September 30, 2024.

APPENDIX

Representative Indices

	Index
U.S. Large Cap (S&P)	The S&P 500 Composite Index (S&P 500) is designed to track the performance of the largest 500 US companies.
U.S. Large Cap (Nasdaq)	The index measures the performance of 100 of the largest non-financial securities listed on The NASDAQ Stock Market based on market capitalization. It includes common stocks, ordinary shares and ADRs. The index is modified market capitalization-weighted.
U.S. Large Cap Value	The Russell 1000® Value Index measures the performance of the large cap value segment of the US equity universe.
U.S. Large Cap Growth	The Russell 1000® Growth Index measures the performance of the large cap growth segment of the US equity universe.
U.S. Small Cap	The Russell 2000® Index measures the performance of the small-cap segment of the US equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index.
Europe	The STOXX Europe 600, also called STOXX 600, SXXP, is a stock index of European stocks designed by STOXX Ltd. This index has a fixed number of 600 components representing large, mid and small capitalization companies among 17 European countries, covering approximately 90% of the free-float market capitalization of the European stock market.
Europe (Cyclicals)	STOXX Europe 600 Optimized Cyclicals Index: companies which tend to follow economic cycles.
Europe (Defensives)	STOXX Europe 600 Optimized Defensive Index: companies which tend not to be affected by economic cycles.
Japan (TOPIX)	TOPIX is a free-float adjusted market capitalization-weighted index with nearly 2000 constituents.
Japan (Nikkei)	The Nikkei 225 is a price weighted equity index, which consists of 225 stocks in the Prime Market of the Tokyo Stock Exchange.
Emerging Markets	The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,373 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Emerging Markets ex China	The MSCI Emerging Markets ex China Index captures large and mid cap representation across 23 of the 24 Emerging Markets (EM) countries excluding China. With 671 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
China	The index measures the performance of the large and mid cap segments of emerging China equity securities. It is free float-adjusted market-capitalization weighted.
India	The index measures the performance of the large and mid cap segments of India equity securities. It is free float-adjusted market-capitalization weighted.
U.S. Aggregate	Bloomberg US Agg Total Return Value Unhedged USD Index is a widely accepted, unmanaged total return index of corporate, government and government-agency debt instruments, mortgage-backed securities and asset-backed securities with an average maturity of 1–10 years.
Intermediate Bonds	The index measures the performance of non-securitized component of the U.S. Aggregate Index with maturities of 5-10 years, including Treasuries, government-related issues and corporates. It is a subset of the U.S. Aggregate Index.
Short-term Bonds	The index measures the performance of the non-securitized component of the U.S. Aggregate Index including treasuries, government-related issues and corporates with maturities of one to five years. It is a subset of the U.S. Aggregate Index.
U.S. High Yield	ICE BofA US High Yield Index, which tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market.
Bloomberg Global Aggregate TR Hedged USD	The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from 24 local currency markets.

Investors cannot invest directly into any index.

Representative Indices

	Index
GDPNow Forecast	The GDPNow forecast is constructed by aggregating statistical model forecasts of 13 subcomponents that comprise GDP.
Personal Consumption Expenditure (PCE)	US Personal Consumption Expenditure (PCE) YoY tracks overall price changes for goods and services purchased by consumers.
Core PCE	US Core Personal Consumption Expenditure (PCE) YoY tracks overall price changes for goods and services purchased by consumers less food and energy.
Consumer Price Index (CPI)	US Consumer Price Index Urban Consumers (CPI) YoY is an index designed to measure the changes in prices of all goods and services purchased for consumption by US urban households.
Core CPI	US Consumer Price Index (CPI) Urban Consumers Less Food & Energy YoY is an index designed to measure the prices paid by consumers for a market basket of goods.
MOVE Index	ICE BofAML MOVE Index is an index designed to reflect the level of volatility in US Treasury futures.
VIX Index	CBOE Volatility Index is an index designed to measure the projected 30-day forward volatility of the market. Investors use the VIX to measure levels of risk, fear, and/or stress in the markets.
Cash	ICE BofA US 3-Month Treasury Bill tracks short-term US government security with a maturity period of 3 months.
MSCI All-Country World Index (ACWI)	The MSCI All-Country World Index (ACWI) captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries.* With 2,687 constituents, the index covers approximately 85% of the global investable equity opportunity set.
Purchasing Managers' Index	The Purchasing Managers' Index (PMI) indicates the direction of economic trends in the manufacturing and service sectors.
Citigroup Economic Surprise Index	Citigroup Economic Surprise Index represents the sum of the difference between official economic results and forecasts.
Bloomberg Economic Surprise Index	The Bloomberg Economic Surprise Index is a measure of major economic indicators out- or underperformance versus consensus estimates.
Chicago Fed National Financial Conditions Index	The Chicago Fed's National Financial Conditions Index (NFCI) provides a comprehensive weekly update on US financial conditions in money markets, debt and equity markets, and the traditional and "shadow" banking systems.
Gold	Gold is represented by SPDR® Gold Shares. The investment objective of SPDR® Gold Trust (the "Trust") is for SPDR® Gold Shares ("GLD") to reflect the performance of the price of gold bullion, less the Trust's expenses.
Copper	The US Copper Index; the investment seeks the daily changes in percentage terms of its shares' per share net asset value ("NAV") to reflect the daily changes in percentage terms of the SummerHaven Copper Index Total Return℠ (the "SCI"), less CPER's expenses. The fund seeks to achieve its investment objective by investing in the Benchmark Component Copper Futures Contracts. The SCI is designed to reflect the performance of the investment returns from a portfolio of copper futures contracts on the Commodity Exchange, Inc. exchange ("COMEX").

Investors cannot invest directly into any index.

Definitions

Terms	
Gross Domestic Product (GDP)	Gross domestic product is the total monetary or market value of all the finished goods and services produced within a country’s borders over a given time period.
CME FedWatch	The CME FedWatch Tool is an online resource from the CME Group that measures the market's expectations for future monetary policy from the Federal Reserve.
Sticky Inflation	Refers to wages and consumer prices that don’t respond quickly to changes in demand.
Yield Curve	Represents the term structure of interest rates for government or benchmark securities, with the assumption that all promised principal and interest payments take place.
Recession Probability	Median forecasted probability of recession. These forecasts are derived from the latest monthly & quarterly surveys conducted by Bloomberg and from forecasts submitted by various banks.
Quits Rate	Number of quits during the entire month as a percent of employment.
Price-to-Earnings	The ratio of share price to earnings per share (EPS).
Return on Equity	ROE is the percentage of a firm's net income or earnings relative to the total equity of the firm. It is a measure of profitability.
Yield	Yields shown are the yield to worst of each respective index. Yield to worst represents the lowest yield figure between the yield to maturity, yield to call, or yield to refunding.
Spread	Spread represents the Option Adjusted Spread (OAS) for the index. The OAS spread is a constant spread that when added to all discount rates from the US treasury curve on the binomial interest rate tree model will make the theoretical value of future cash flows equal to the market price of the instrument.
Duration	Duration measures the price sensitivity of a bond to changes in interest rates.
Carry	Carry benefits arise from owning certain underlying’s; for example, dividends, foreign interest, and bond coupon payments. Carry costs arise from owning certain underlying's. They are generally a function of the physical characteristics of the underlying asset and also the interest forgone on the funds tied up in the asset.
Correlation	Correlation is a statistic that measures the degree to which two variables move in relation to one another.
Fed	US Federal Reserve
Alpha	The return on an asset in excess of the asset’s required rate of return; the risk-adjusted return.
Beta	A measure of an investment’s sensitivity to market movements and is used to evaluate market related, or systematic risk.
Recovery and Resilience Facility (RRF)	An instrument for providing grants and loans to support reforms and investments in the EU Member States at a total value of €723.8 billion.
Beveridge Curve	The relationship between the unemployment rate and the job openings rate. It is a measure of the general state of the labor market, highlighting if the market is tight (lots of jobs available, low unemployment), or loose (few jobs available, high unemployment).
Sahm Rule	The Sahm Rule identifies signals related to the start of a recession when the three-month moving average of the national unemployment rate (U3) rises by 0.50 percentage points or more relative to its low during the previous 12 months.

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