

Morgan Stanley

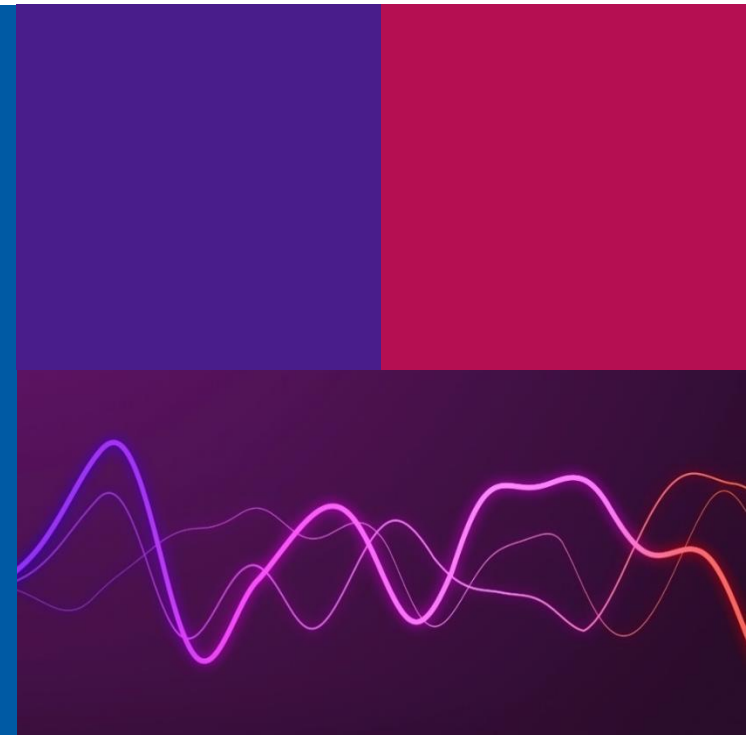
INVESTMENT MANAGEMENT

# The BEAT

**Bonds | Equities | Alternatives | Transition**

Monthly Global Market and Asset Allocation Guide

August 2025



TOP IDEAS 3
BONDS 22
EQUITIES 34
ALTERNATIVES 45
TRANSITION 51

The **BEAT** provides connectivity between changing market events and implications for investor portfolios.

Spanning **B**onds, **E**quities, **A**lternatives and **T**ransition\*, this monthly review provides timely information across a broad array of markets and investment topics.

Each edition explores investment ideas, identifies areas of focus and provides a comprehensive outlook on asset allocation — all supported by a concise review of economic and asset class data through clear and impactful charts.

We believe The **BEAT** is a critical desk reference that enables more informed discussion and understanding of financial markets.

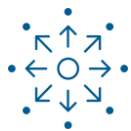


If you are viewing this book on your computer or tablet, **click or tap on the section box to jump to the beginning of each section.**

Data provided is for informational use only. See end of report for important additional information. \*Transition is an asset allocation view, which refers to cash, cash equivalents or liquid short-duration assets, such as short-dated Treasuries, that can be used to “transition” to other asset classes.

## KEY THEMES

## Key Themes for August 2025

**U.S. Equities: Climbing the Wall of Worry**

**Through the noise.** Equity markets continue to press higher despite a fresh focus on tariffs, the related deadlines, concerns around Fed independence and ongoing second-half growth debates.

**Why higher?** In part it's a view that trade policy will ultimately be calibrated to avoid excess risk, and the absence of a post-tariff cliff has eased fears around growth implications. It also may be that earnings revision breadth is picking up. History shows that yearly estimates tend to experience upward revisions starting in July through the second half of the year. While we assess risk with ongoing uncertainty, current momentum favors optimism.

**U.S.: Inflation Remains a Key Focus**

**A balancing act.** Both headline and core inflation have arguably stalled in their decline, yet not moved higher on tariffs. Even so, the soft data, namely Purchasing Managers Indexes (PMIs), have been universally signaling stronger inflationary pressures. In addition, certain tariff-exposed sub-categories showed a clear post-tariff step higher in the June Consumer Price Index (CPI).

**So what does this mean for the Fed?** There will be some willingness to look through one-time price effects, but with growth showing resilience and inflation data signaling some pre-tariff "stickiness," current expectations for roughly five rate cuts through year-end 2026 may prove too optimistic. We continue to favor a slight underweight in duration, with the front-end of the curve particularly vulnerable to a repricing based on policy expectations.

**Europe: Capital Expenditure Is Making a Comeback**

**Made for Germany.** Following the announcement of the EUR 500 billion (bn) Infrastructure Fund in March, the private sector has also stepped up to mobilize investment in Germany.

**Top German companies** have pledged to invest roughly EUR 630bn in the country over the next three years under an alliance called "Made for Germany." Additional public sector incentives include a EUR 46bn corporate tax relief package. Combined with defense spending, public and private investment commitments now represent over 30% of German GDP.

**Rate Cuts Despite Higher Inflation? Here's How...**

**Fed strategy review.** At Jackson Hole in August, the Fed may allude to a "strategy review" (its first since 2020) in which they discuss a change toward Flexible Average Inflation Targeting (FAIT). While this is not listed explicitly as a primary theme, it could be discussed within the broader context of labor market dynamics.

**Why is this important?** The result is a potential modification of the Fed's policy reaction function related to inflation. Instead of having an explicit target of 2%, it could target an average level, meaning inflation may be allowed to run above 2% for some time to offset times when it ran below. In all, this may enable the Fed to cut rates despite inflation running above 2%. We find this a positive for equities and higher-yielding credit assets, as it allows nominal growth to run hotter for longer.

The views and opinions expressed are those of the Portfolio Solutions Group at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Not to be construed as an investment or research recommendation.

## TOP IDEAS

## The Portfolio Solutions Group – Our Top Three Ideas

**Credit: Add to Overweight on EU HY Relative to U.S. HY**

**Staying the course.** We retain our preference for EU HY (High Yield) relative to U.S. HY, as we see potential underperformance in the U.S. across both the rates and spread components. From a U.S. rates perspective, higher downside risks for growth and upside risks for inflation make current expectations for roughly five Fed cuts by year-end 2026 appear overly optimistic, such that the front-end of the curve is vulnerable to repricing.

From a spread perspective, with current levels near all-time tights, U.S. HY spreads remain vulnerable to any downside growth surprises. Additionally, EU HY offers wider spreads on a quality-adjusted basis, and we remain more comfortable with default trends in Europe as well.

**Rates: Moving Underweight Duration**

**Weighing the risks.** We favor an underweight on duration, as the balance of growth and inflation risks likely means the Fed will enact fewer cuts than expected over the next 12-18 months. Economic growth in the U.S. continues to show mild deceleration, but not a dramatic drop-off following the tariff-induced demand pull-forward witnessed in March.

At the same time, inflation remains a relevant risk, with current levels still above target and tariff impacts yet unclear. Additionally, fiscal concerns stemming from the passage of the One Big Beautiful Bill Act (OBBBA) remain a structural force underpinning U.S. Treasury (UST) yields.

**Japanese Government Bonds (JGB): Yield Curve Flatteners Trade**

**Room for reversal.** At ~150 basis points (bps), the 10s/30s section of the JGB curve is thrice as steep as its U.S. and German counterparts. The reason is technical in nature as demand from domestic investors, like life insurers, has diminished.

The Ministry of Finance swiftly announced shifting future issuances from the super-long sector to the shorter end, effectively backstopping the supply/demand imbalance. We have observed increased foreign investor demand for long-end JGBs, likely enticed by the extra FX-hedged yield pickup. Additionally, the ongoing Bank of Japan tapering of bond purchases will drive a net increase in “belly” supply. We prefer bar-belling JGB exposure while avoiding the middle.

The views and opinions expressed are those of the Portfolio Solutions Group at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Not to be construed as an investment or research recommendation.

## TOP THEMES

## Key Portfolio Themes and Implementation

INVESTMENT THEME	DESCRIPTION	IMPLEMENTATION	
		OVERWEIGHT	UNDERWEIGHT
EU Investment Renaissance	<i>After decades of underinvestment, Germany is expanding fiscal capacity</i>	European Banks German Mid-Caps	
U.S. Fed Framework Review	<i>Fed's strategy review likely to include flexible average inflation targeting (FAIT)</i>	Steeper Yield Curve High Yield Credit/Loans U.S. Equities	U.S. Duration
U.S. Deregulation	<i>Deregulation remains a key tailwind following passage of the OBBBA</i>	U.S. Equities	
Tariffs/Trade Protectionism	<i>Higher tariffs are likely to remain in place, altering global trade dynamics</i>	India Equities	
Monetary Policy Divergence	<i>ECB has more capacity to cut rates relative to the Fed; EU spread product offers better risk/reward</i>	EU HY vs. U.S. HY EU Governments vs. UST (FX Hedged)	

Source: MSIM. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

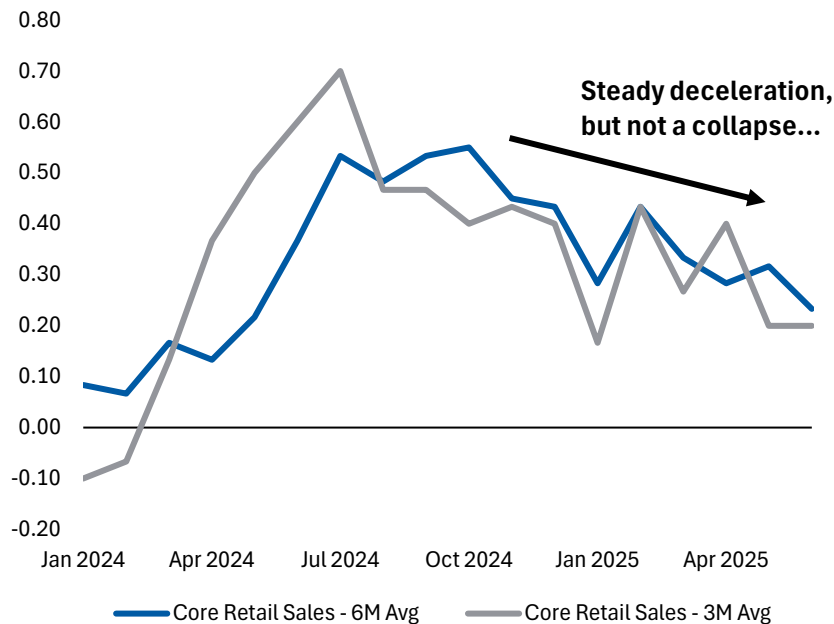
## TOP THEMES

# U.S. Consumer Decelerates, but With No Sign of a Post-Tariff Collapse

Consumer spending through 2Q25 indicates some softness following the demand pull-forward seen in March, but consistent with the longer-term trend of mild deceleration. This is in line with the labor market, where there is a slowdown in hiring, but no sign of significant job losses. The absence of post-tariff weakness supports 2H25 optimism.

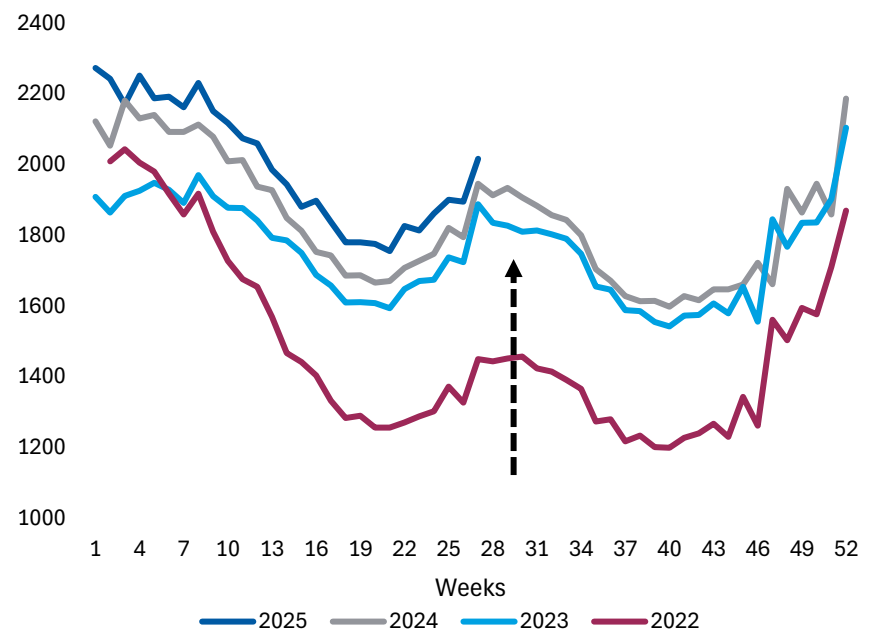
## Retail Sales Show Steady, yet Mild, Deceleration...

Core retail sales, 3- and 6-month moving averages



## ...Consistent With Trends in the Labor Market

Continuing claims\* level and trajectory, 2022-2025 YTD



Source: Bloomberg, MSIM. As of July 17, 2025. \*Claims are not seasonally adjusted. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

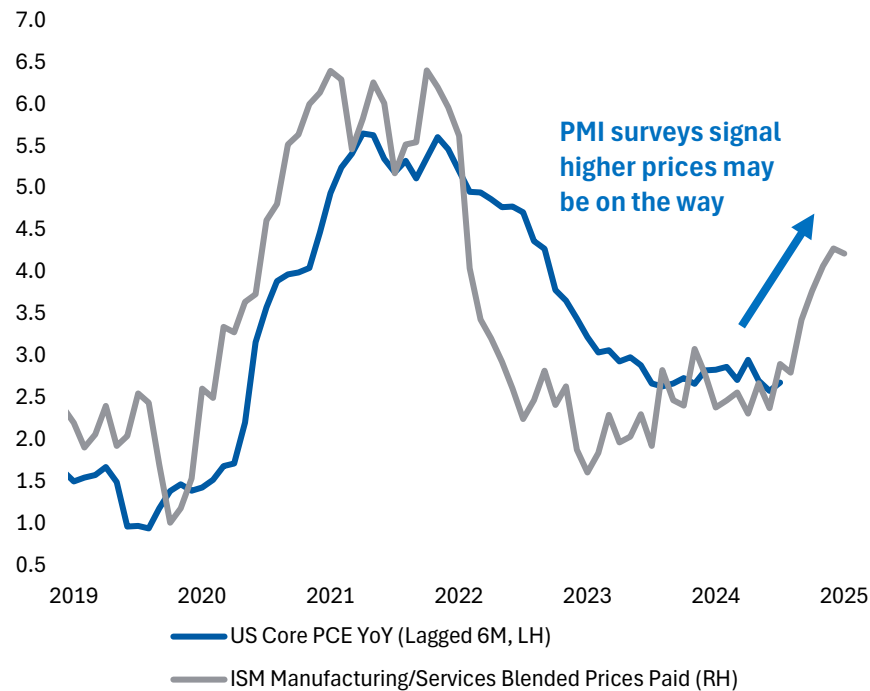
## TOP THEMES

## Inflation Risk Remains a Key Focus in the U.S.

Headline and core inflation have not inflected higher in the wake of tariffs, but the prices paid component of U.S. PMIs has been signalling risk. June's CPI is also clearly higher in select tariff-exposed sub-categories. Second-half inflation trends hold implications for both growth risk and Fed policy. Our current view is that risk skews toward fewer rate cuts.

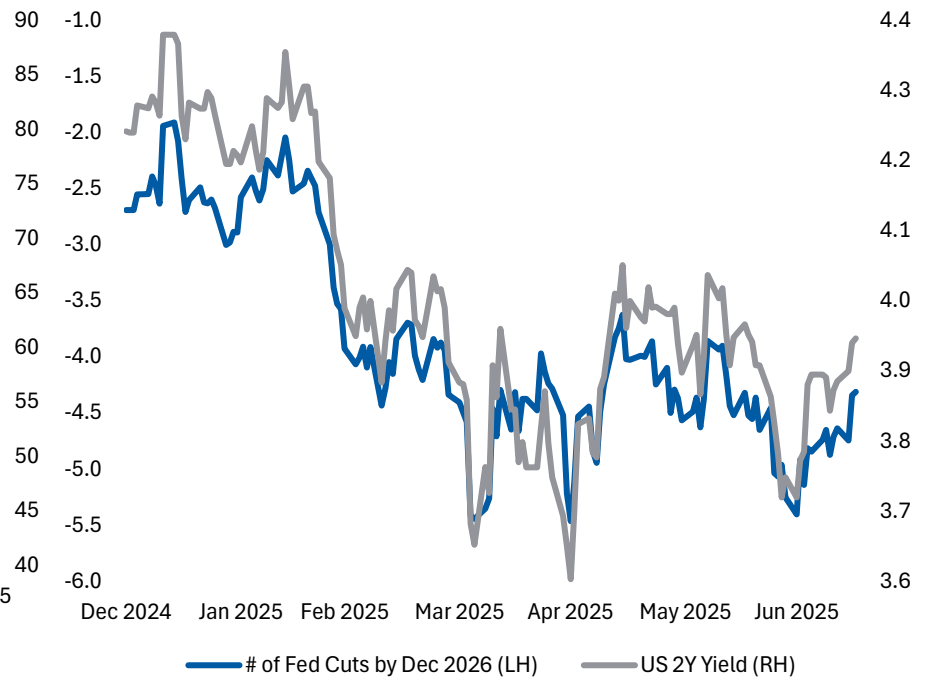
## PMIs Continue to Message Potential for Higher Prices

Core PCE year-over-year (LH); PMI prices paid (RH)



## Front-End Rates Have Rallied Amid Positions on Rate Cuts

Implied cuts by 2026 (LH); U.S. 2-year yield (RH)



Source: Bloomberg, MSIM. As of July 15, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

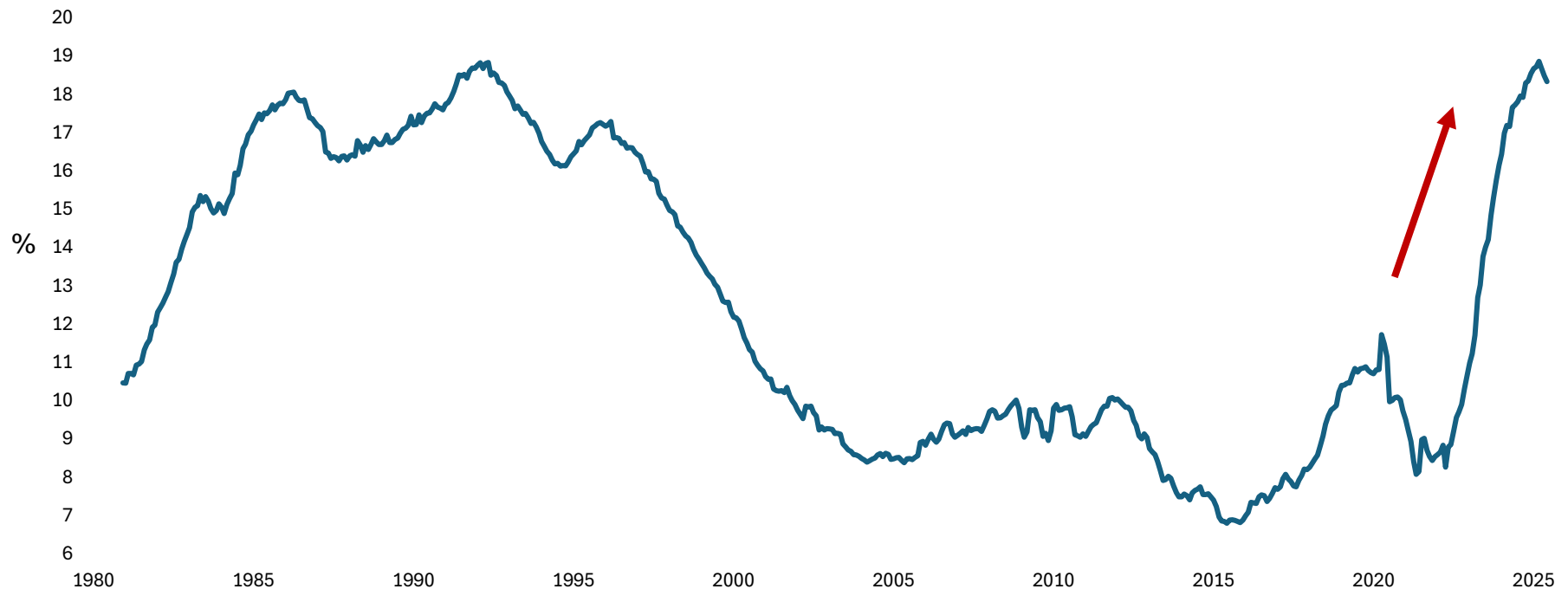
## TOP THEMES

# Is the U.S. National Debt on a Sustainable Trajectory?

In 2025, net interest payments are projected to be about 18.4% of U.S. federal revenues, a significant increase from historic levels, yet in line with the previous high (1991). While we see little risk in the country's ability to rollover its debt near-term, the current trajectory is unsustainable. Fiscal consolidation and monetization of the debt eventually may be required.

## Net Interest Payments Have Risen to Near All-Time Highs

*Trailing 12-month net interest payments as a % of total federal revenues; 2025 projection = 18.4%*



Source: Macrobond, MSIM. As of June 30, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**



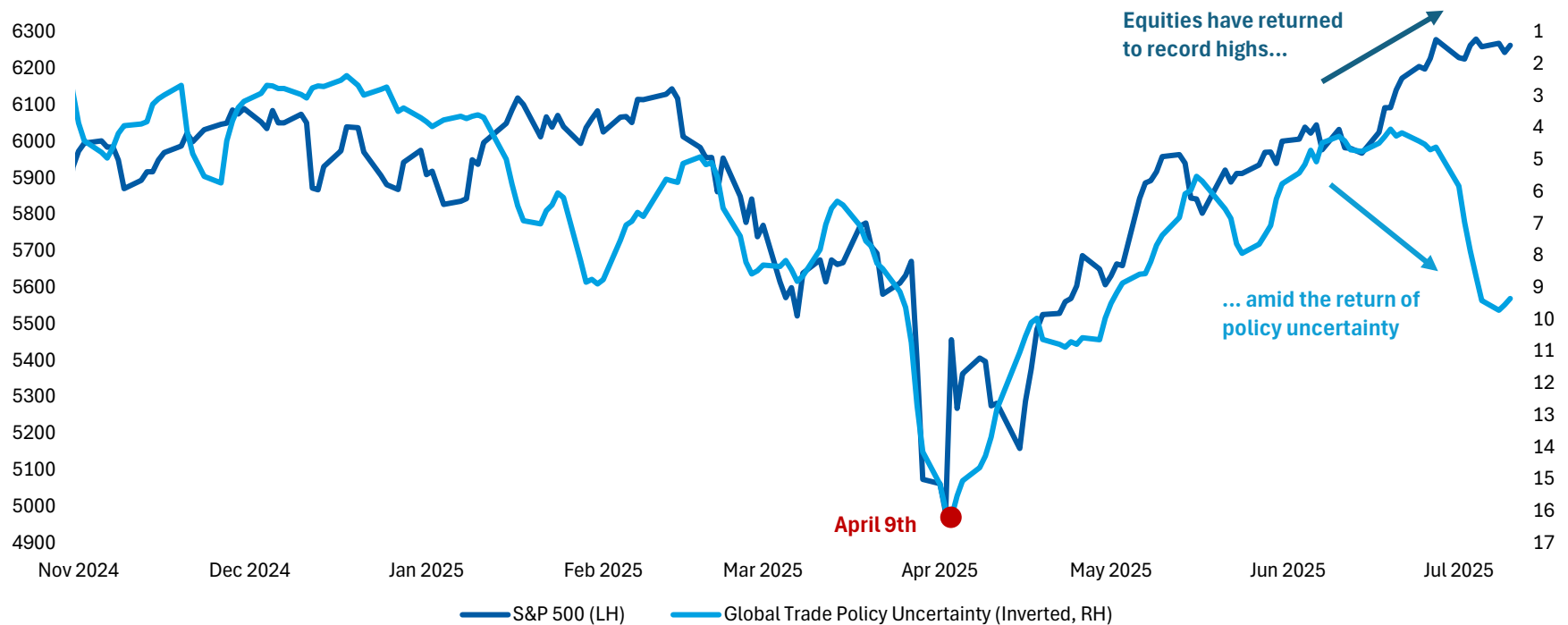
## TOP THEMES

# Equities Have Rallied to Record Highs Amid Growing Policy Uncertainty

Equity markets continue to press higher despite a fresh focus on tariffs and the related deadlines. Why? In part it represents a view that trade policy will ultimately be calibrated to avoid excess growth risk. The absence of a post-tariff cliff has also eased fears around growth implications.

## Equities Have Remained Resilient Even as Trade Policy Uncertainty Has Returned

S&P 500 index (LH); Bloomberg global trade policy uncertainty (RH)



Source: Bloomberg, MSIM. As of July 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

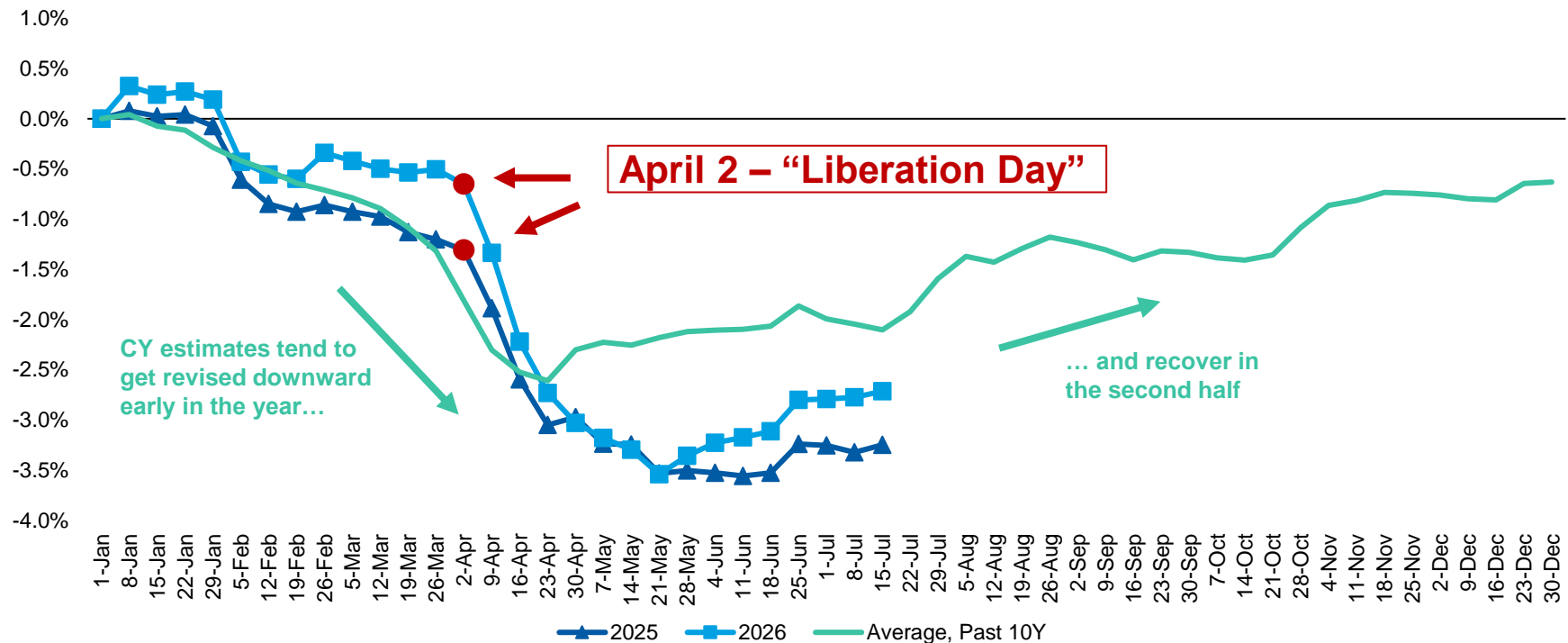
## TOP THEMES

## U.S. Earnings: The Case for Positive Surprises in 2H25

While negative earnings projections are typically revised early in the year, current-year (CY) 2025 and 2026 estimates were revised down more than average after April 2. Recent trends have been more positive, mirroring historical 2<sup>nd</sup> half results.

## Positive Earnings Revisions Tend To Pick Up in the Second Half of the Year

S&P 500 CY earnings estimate evolution, CY 2025 and past 10-year average



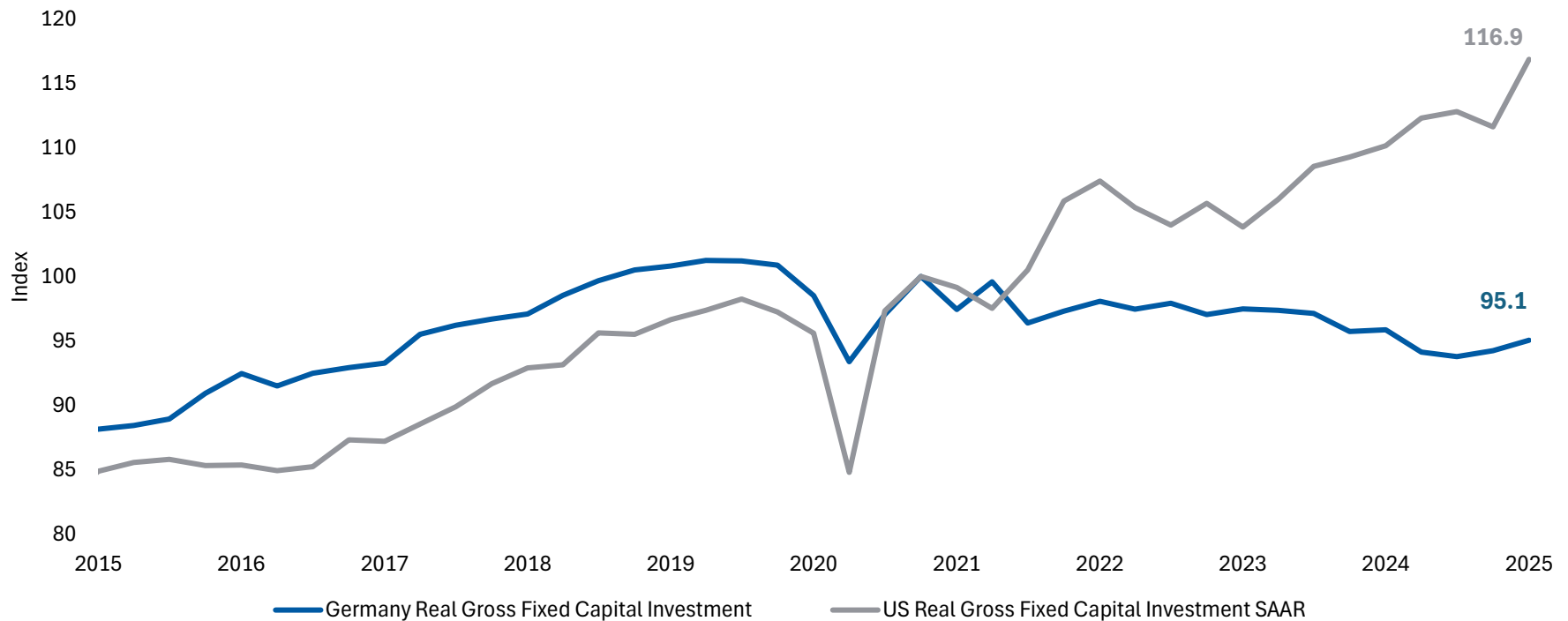
Source: Bloomberg, MSIM. As of July 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

## TOP THEMES

## Europe: German Infrastructure Spending Is Set for a Historic Surge

The “Made for Germany” initiative of ~EUR 630bn is in addition to the EUR 500bn Infrastructure Fund announced in March. Combined with defense spending, public and private investment commitments represent over 30% of German GDP.

**Trying To Bridge the Gap - German Public and Private Spending Has Materially Lagged the U.S. Since the Pandemic**  
*Real gross fixed capital formation\* rebased to 100 (as of 12/31/2020)*



Source: Bloomberg, MSIM. As of July 18, 2025. \*Public and private investment. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

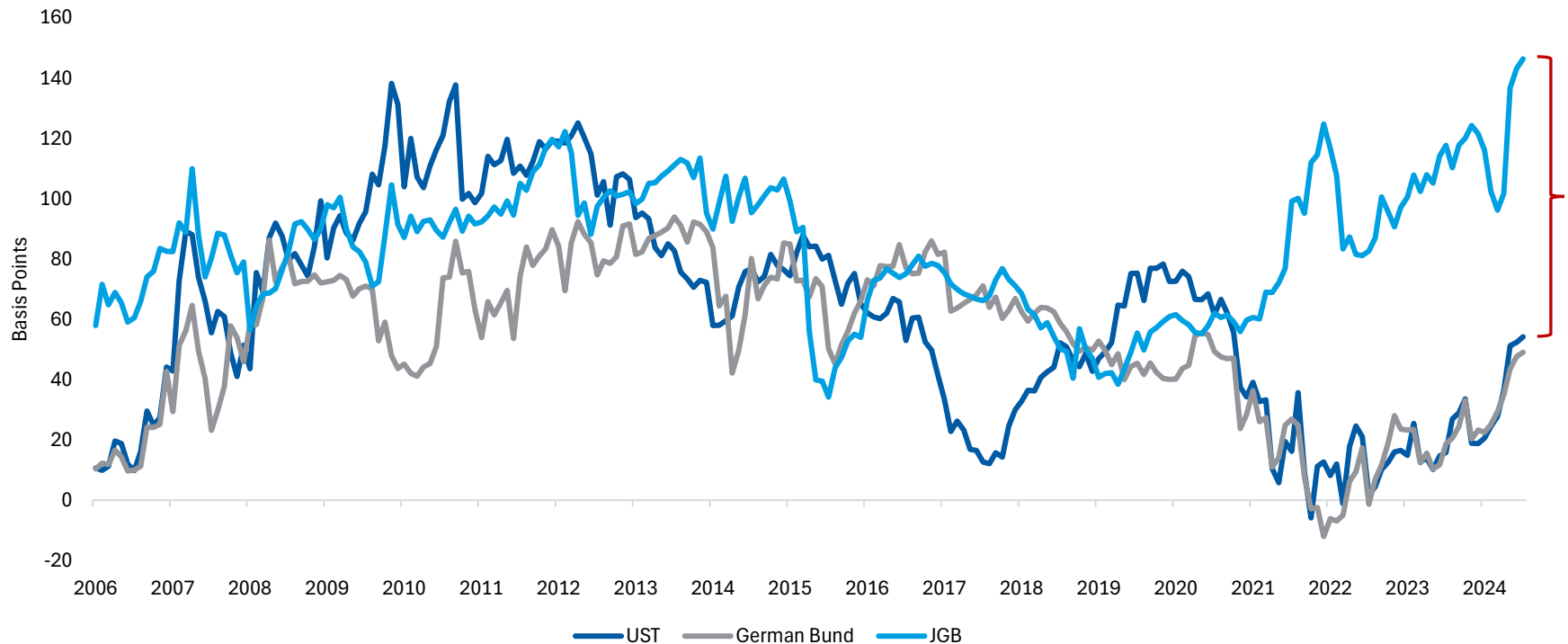
## TOP IDEAS

## Japanese Government Bond (JGB) Yield Curve Flattener Trade

Japan's Ministry of Finance acting as a backstop to shift future issuances away from the super-long sector, and increased foreign demand enticed by attractive FX-hedged JGB long-end yields, could drive a partial reversal of the steepening trend.

### JGB 10s/30s Yield Curve Is Much Steeper Than USTs and German Bunds

*G3 government bonds 10s/30s yield curves*



Source: Bloomberg, MSIM. As of July 17, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

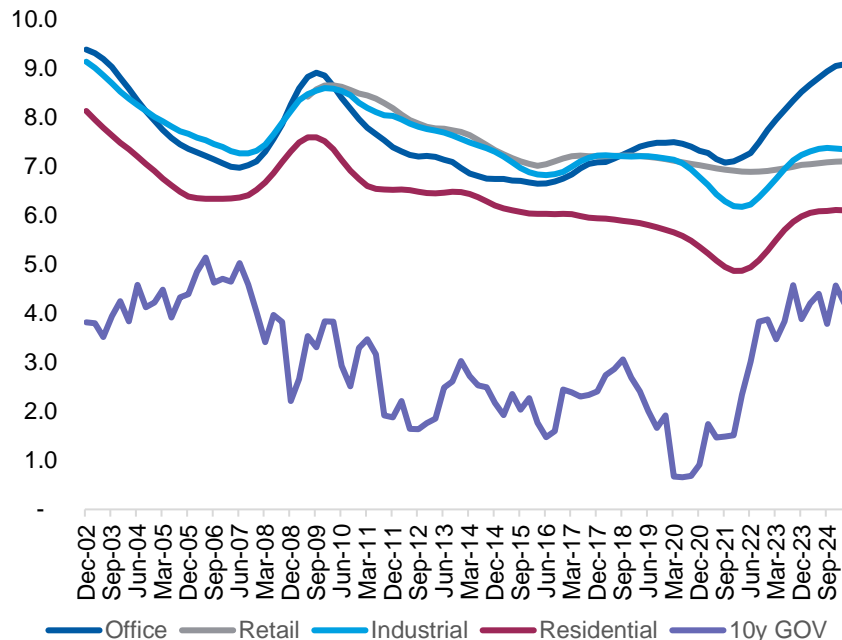
## TOP IDEAS

## Real Estate Fundamentals Continue to Improve

Real estate has been experiencing a repricing over the last few years in response to higher interest rates, cyclical oversupply and, in certain sectors, secular demand destruction. That said, the long-term operating outlook is markedly improving, with future supply materially decreasing and the demand in certain sectors stabilizing.

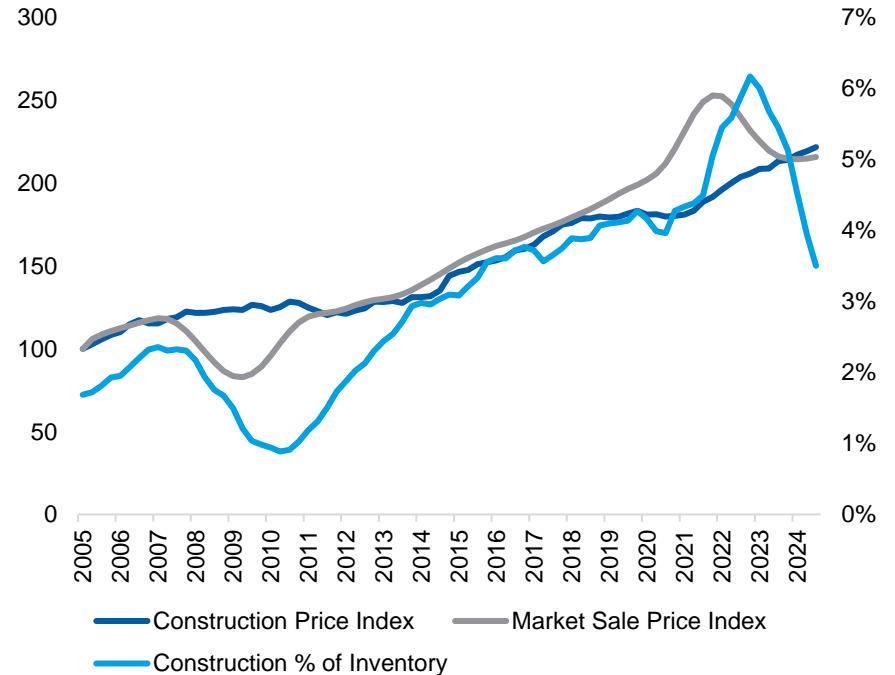
## U.S. Cap Rates Have Stabilized...

Real estate sector cap rates (%)



## ...and Asset Valuations Are Below Replacement Cost

Residential price index (LH), construction as % of inventory (RH)



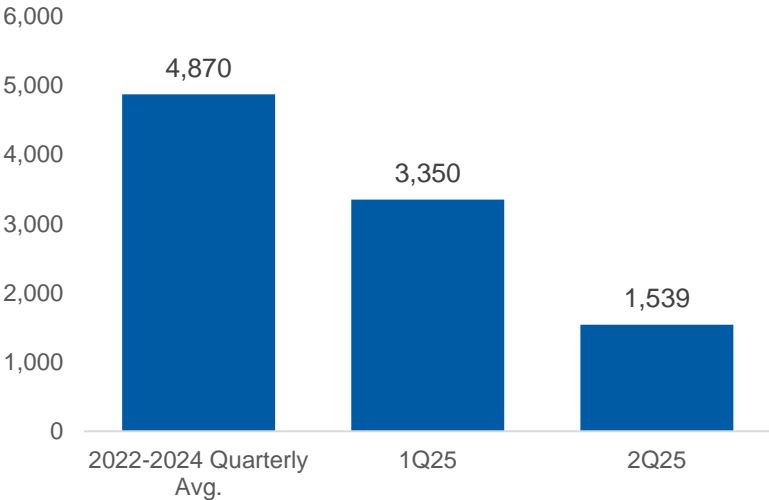
Source: CoStar, Bloomberg, Bureau of Labor Statistics. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

TOP IDEAS

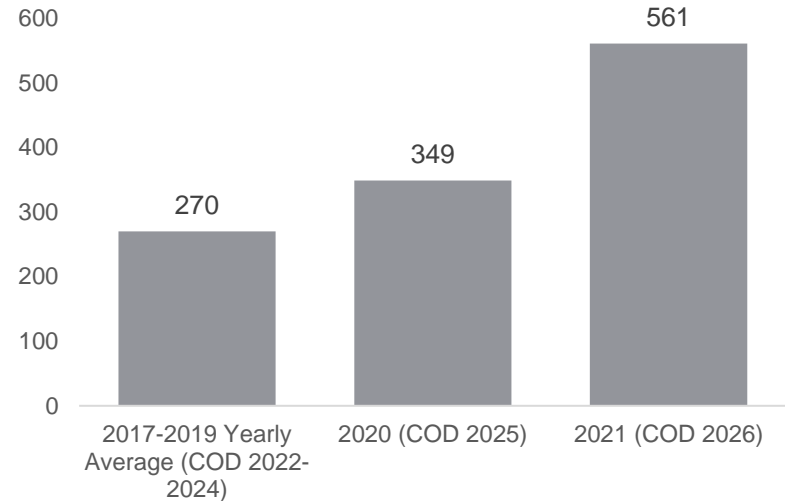
OBBB Act Expected to Spark Bargain Prices for U.S. Renewables

2Q25 saw the fewest U.S. renewable transactions since 2021 as stakeholders awaited the final version of OBBB Act. With the bill now law, regulatory certainty has improved. Owner/operators able to raise funds quickly are now well-positioned to acquire projects at favorable prices from weaker developers unable to meet near-term tax credit deadlines.

Renewable Deals Have Decreased Significantly...  
*U.S. renewable energy transaction volumes \$m*



...Despite a Significant Increase in Projects Expected to Become Operational in 2025-2026  
*Capacity (gigawatts) entering queues in years shown*



Source: Left Chart – Preqin as at 18<sup>th</sup> July 2025. Renewable deals include Solar Power, Clean Technology, Wind, and Renewable Energy classifications in Preqin. Right Chart: Berkeley Lab, Queued Up: 2024 Edition. The charts represent the total capacity gigawatts (GW) of projects entering interconnection queues in each year between 2017 and 2021. Based on most recent data, it takes, on average, five years from joining the interconnection queue to reaching COD (Commercial Operation Date). Not all projects joining the interconnection queue reach COD as completion rates are <15% and have been trending downwards. In all cases, the data represents projects expected to be successful by the date indicated. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results..**

## TOP IDEAS

## Municipals: Opportunity at the Long End of the Muni Curve

As of July 31, 2025, the 5s/30s AAA muni spread sits at 214 basis points (bps), more than double the U.S. Treasury curve. This sharp steepness is rare, having occurred only three times since 2006. When the 5s/30s spread is over 200 bps, 12-month forward returns for the long end of the muni curve have been compelling, averaging 11.60%.

### Municipal 5s/30s Yield Spread History



Source: Bloomberg, MSIM. As of July 31, 2025. The views and opinions expressed are those of the Portfolio Solutions Group at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. It is not possible to invest directly in an index. **Past performance is no guarantee of future results.**

# Capital Markets Investment Framework

Representative Allocations From the Portfolio Solutions Group

Capital Markets Investment Framework						Current allocation	Change from previous	-- High conviction underweight	- Underweight	= Neutral	+ Overweight	++ High conviction overweight
Representative Allocations From the Portfolio Solutions Group												
Asset Allocation		Our View					Commentary					
		--	-	=	+	++						
Bonds												
Duration												We move underweight on duration. Stable economic growth trends paired with potential inflationary pressure will likely mean fewer Fed rate cuts over the next 12-18 months. Additionally, fiscal concerns remain a structural force underpinning UST yields.
Credit												Credit spreads continue to trend near all-time tight levels, while defaults remain somewhat elevated by comparison. As such, we continue to view the risk/reward asymmetry in credit as unfavorable.
Equities												
Risk Level												Risks remain balanced for equities as news on the tariff and non-tariff fronts is likely to be noisy, with scope for surprise in either direction. We remain overweight the U.S., where we continue to see stable growth and positive trends in earnings revisions amid heightened policy uncertainty.
Alternatives												
Private Markets												Private equity (PE) investors have felt constrained distribution since 2022. We expect to see higher dispersion in underlying capital markets for new investments, and we recognize the increased importance of European exposure along with emerging markets allocations, such as India.
Hedge Funds												In private credit, we favor non-cyclical exposures in corporate lending, and acknowledge the increased supply for opportunistic and special situation lenders that have a greater degree of flexibility in their debt strategies
Commodities												The macro environment has been disruptive for many fundamental hedge fund alpha themes. We maintain our high conviction in relative value strategies able to capitalize on high levels of intra-market dispersion.
Transition												
Cash/Short Duration												We remain underweight cash and short duration instruments.

- Current allocation
- ←

 Change from previous
- High conviction underweight
- Underweight
- = Neutral
- + Overweight
- ++ High conviction overweight

For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not contend to address the financial objectives, situation or specific needs of any individual investor. The signals represent the Portfolio Solutions Group view on each asset class.



# Global Fixed Income

Representative Positioning From Portfolio Solutions Group

■ Current allocation

◀ Change from previous

-- High conviction underweight

- Underweight

= Neutral

+ Overweight

++ High conviction overweight

Fixed Income	Our View						Commentary
	--	-	=	+	++		
Bonds							
U.S. Treasuries (USTs)						◀	Resilience in U.S. economic data and growing inflationary pressures likely mean fewer Fed rate cuts over the next 12-18 months. As such, we believe there is room for front-end yields to rise.
Inflation-Linked Bonds							We see some value in Inflation-Linked Bonds, particularly in the longer sections of the curve, with 5Y/5Y inflation currently at 2.31%.
Eurozone Govt. Bonds							We remain neutral EU duration; Germany's fiscal pivot is likely to result in a higher trading range for EU rates compared to post-GFC. Additionally, fiscal spending and higher energy prices likely reduces the ECB's appetite to deliver additional rate cuts.
EM Hard Currency Govt. Bonds						▶	We move overweight EM debt. Spreads remain tight vs. corporate credit, but the asset class offers higher quality-adjusted carry and a strong fundamental backdrop.
EM Local Currency Govt. Bonds							At the GBI-EM index level, real rates are near central bank targets and FX valuations are broadly in-line with longer-term medians. We do see pockets of value in the EM Local space, but would prefer to access the asset class actively, as we see much less value in a passive approach.

For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not contend to address the financial objectives, situation or specific needs of any individual investor. The signals represent the Portfolio Solutions Group view on each asset class.

# Global Fixed Income

Representative Positioning From Portfolio Solutions Group

- Current allocation
- ➡

 Change from previous
- High conviction underweight
- Underweight
- =

 Neutral
- +

 Overweight
- ++

 High conviction overweight

Fixed Income		Our View						Commentary
		--	-	=	+	++		
Public Credit								
Municipal Bonds								After briefly tightening in early July, Muni/UST ratios at the long-end of the curve have widened back to attractive levels, even after accounting for lower effective tax rates following the passage of the OBBBA.
Investment Grade (IG)								With spreads back near all-time tights, IG has poor convexity in the current environment.
MBS/ABS								We continue to hold a high conviction in ABS, as yield per unit of credit quality remains attractive.
High Yield (HY)								We remain underweight U.S. HY and overweight in EU. EU HY continues to offer more attractive spread than U.S. HY (adjusting for ratings differentials), and more comfortable with the defaults in backdrop in EU.
Bank Loans								We remain neutral bank loans. We like the high carry and the floating rate nature of the asset class, but continue to hold concerns related to default trends, which have recently outpaced HY significantly.

For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not contend to address the financial objectives, situation or specific needs of any individual investor. The signals represent the Portfolio Solutions Group view on each asset class.

# Global Equity

Representative Positioning From Portfolio Solutions Group

Equity	Our View						Commentary
	--	-	=	+	++		
Regional							
Developed Markets							<b>United States:</b> News flow is likely to remain noisy, but we remain overweight the U.S. on the back of continued improvement in earnings revision breadth. We continue to believe the potential for positive surprises in 2H25 as long as economic growth remains resilient amid fears of a second half deceleration.
U.S.							<b>Europe:</b> We continue to hold a positive view on structural trends in Europe, but earnings revisions at the broad index level continue to lag other regions. As such, we opt for a more targeted approach within Europe and retain our overweight exposure to European banks and German mid-caps (MDAX).
Eurozone							<b>Japan:</b> We remain neutral Japanese equities; earnings have continued their relative underperformance, although the recent better-than-expected trade deal with the U.S. should relieve some pressure on the more export-heavy segments of the market, i.e., autos. We continue to hold a constructive view on Japan's structural reforms and longer-term prospects.
Japan							
Emerging Markets							<b>Emerging Markets:</b> Tail risks for EM were substantially lowered as trade deals continue to be agreed on by the U.S. and a few EM countries. Within EM, we remain overweight India while maintaining China at neutral.

- Current allocation
- ◀

 Change from previous
- High conviction underweight
- Underweight
- =

 Neutral
- +

 Overweight
- ++

 High conviction overweight

For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not contend to address the financial objectives, situation or specific needs of any individual investor. The signals represent the Portfolio Solutions Group view on each asset class.

Global Equity

Representative Positioning From Portfolio Solutions Group

- Current allocation

Change from previous
- High conviction underweight
- Underweight
- =

Neutral
- +

Overweight
- ++

High conviction overweight

Equity	Our View						Commentary
	--	-	=	+	++		
Style							
Growth vs. Value							Since mid-2022, the Growth vs. Value trade has been dictated primarily by high-beta tech exposure, with Growth outperforming Value as markets rise, yet underperforming as they fall. In this context, a neutral view on equities suggests a neutral view on Growth vs. Value.
Quality							We retain a preference for Quality as growth decelerates relative to the past three years.
Large Cap vs. Small Cap							We remain overweight large caps in the U.S., as the cohort continues to show stronger earnings revisions relative to SMID. USD weakness remains a structural headwind for SMID, given the segment's more domestic sales exposure.
Cyclical vs. Defensive Sectors							Our current cyclical exposure remains in Europe and relies more on structural growth drivers.

For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not contend to address the financial objectives, situation or specific needs of any individual investor. The signals represent the Portfolio Solutions Group view on each asset class.

# Alternatives

## Commentary From the Portfolio Solutions Group

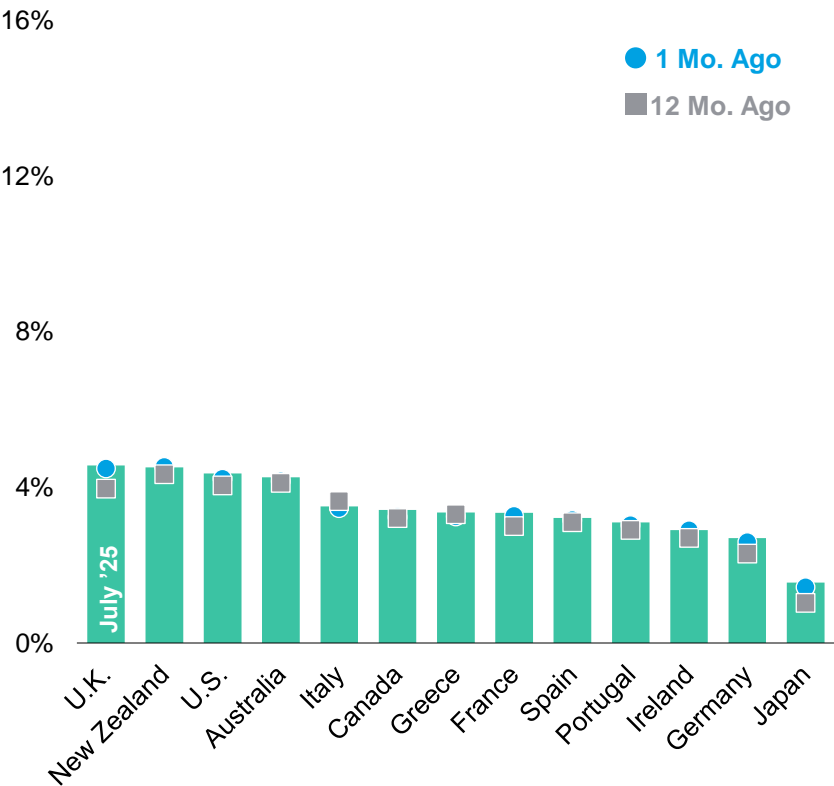
Alternative Assets	Commentary
<b>Private Markets</b>	
Private Equity	Private equity investors have been experiencing constrained distribution activity since 2022 when the shift in the interest rate regime triggered adjustments across capital markets. There was optimism after last year's U.S. election that directional clarity and pro-market policy could support a recovery in distribution levels, but the recovery in investor cash flows has been more delicate than expected due to the shock factor and uncertainty associated with recent policy announcements. We think valuations offer a fair entry for new investments. Successful strategies will minimize downside exposure to the exogenous risks such as GDP growth, inflation and changes to global trade. We think they will be associated with organic growth initiatives using relatively modest leverage, and will likely participate, either as enablers or adopters, in the transformational technology changes that are taking place. While U.S. private equity is expected to benefit from its deep network of specialist private equity managers, European private opportunities potentially increases in its competitiveness as recently announced growth-related policies provide a tailwind and the country-specific nature of European private equity now potentially represents an advantage because of the resulting focus on local revenues. We are constructive on India private equity due to both domestically-driven growth as well as the potential to invest in alternative global supply chains, although we note manager selection will be very important.
Private Real Assets	Commercial real estate currently offers compelling entry valuations at a time of stabilizing fundamentals. The 2022 to 2024 period was a challenging one for real estate, characterized by high interest rates, oversupply and difficult fundraising. In response to these dynamics, pricing has reset materially lower while the cost and availability of debt has stabilized and future supply is much lower. Private equity real estate fundraising has yet to recover, however, presenting a unique opportunity for those with capital willing to invest in the sector, particularly in growing, fundamentally strong sectors such as industrial, residential and net lease.  Infrastructure companies have demonstrated very strong cost pass-through and margin stability, often through fixed construction costs and contracted revenues linked to inflation. They've also demonstrated impressive demand growth in sectors such as power and data and are not directly impacted by tariffs from a revenue perspective as they are not expected to produce goods that are sold to the U.S., although transportation assets are linked to trade volumes. In relation to the cost impact from tariffs, the renewables supply chain is worth watching, with batteries and solar being more exposed to China, and wind power equipment less so due to more established supply chains through Europe and Mexico. The enactment of OBBBA and the deadlines associated with receiving full tax credits will pressure owners of late-stage development projects which do not have the funds required to advance them fast enough.
Private Credit	Within corporate lending, liability management exercises ("LMEs") and borrowers exercising payment in kind ("PIK") toggles continue to increase, while realized and unrealized losses in portfolios have trended up to a multi-year high. Within Direct Lending we are focused on lower risk strategies – senior secured first liens, tier one sponsors, clean credit stories, non-cyclicals, strong management teams and defensible market-leading positions. Pricing and terms in Europe offer a risk-adjusted enhancement to U.S. direct lending. More broadly, the increased challenges being faced by corporate borrowers is providing opportunities for opportunistic and special situation lenders that have a greater degree of flexibility in their debt mandates. Real estate debt is also currently attractive, as traditional bank lenders remain less active, yet property fundamentals stabilize and pricing has reset.
<b>Liquid Alternatives</b>	
Hedge Funds	The macro environment has been disruptive for many fundamental hedge fund alpha themes. However, we are cognizant that rich environments for stock picking alpha tend to follow these periods and expect an expanding opportunity set in the second half of 2025. We continue to prefer specialist hedge fund managers best positioned to analyze and adapt to the ongoing stimuli, including trade rhetoric, geopolitical tensions, a rapidly evolving AI landscape and disparate global monetary policies. Highly liquid macro strategies have been responsive to rapidly changing market dynamics, and we believe will continue to contribute to performance should broader volatility persist. We maintain our high conviction in relative value strategies able to capitalize on high levels of intra-market dispersion.
Commodities	We remain neutral on energy commodity markets, as geopolitical upside risks are balanced by high spare capacity in markets such as crude, which limit upside absent physical disruptions. In the current environment we continue to see precious metals as a segment that could enjoy structural tailwinds.

For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not contend to address the financial objectives, situation or specific needs of any individual investor. The signals represent the Portfolio Solutions Group view on each asset class. Note: Over/underweight in private markets refers to decisions regarding the flow of new investments, not the stock of existing investments.

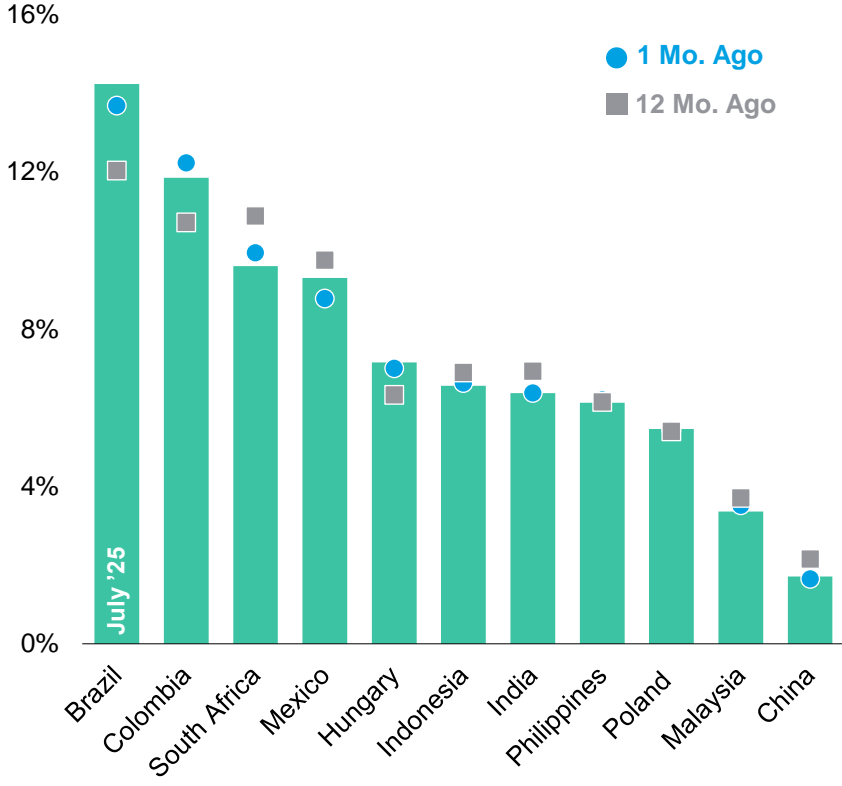
BONDS

Sovereign Bond Yields

Developed Markets  
(10 yr. Yield)



Emerging Markets  
(10 yr. Yield)



Past performance is no guarantee of future results.  
It is not possible to invest directly in an index. Source: Factset as of 7/31/25. Data provided is for informational use only. See end of report for important additional information.

## BONDS

## Key Rates (%)

Security	Current	12-Mo. Ago	Average	Minimum	Maximum
1-Week SIFMA	2.29	3.51	2.88	1.86	4.21
Secured Overnight Financing Rate	4.39	5.38	4.57	4.26	5.38
1-Mo SOFR	4.35	5.34	4.53	4.29	5.35
3-Mo SOFR	4.30	5.24	4.46	4.21	5.24
2-Yr Treasury	3.94	4.26	4.00	3.54	4.39
5-Yr Treasury	3.95	3.92	4.01	3.41	4.61
10-Yr Treasury	4.36	4.05	4.26	3.62	4.79
30-Yr Treasury	4.89	4.34	4.60	3.93	5.08
2-Yr Japan	0.82	0.45	0.62	0.26	0.88
10-Yr Japan	1.56	1.03	1.21	0.80	1.60
2-Yr German Bund	1.97	2.52	2.05	1.66	2.48
10-Yr German Bund	2.70	2.31	2.44	2.03	2.91
2-Yr UK Gilt	3.87	3.80	4.07	3.53	4.60
10-Yr UK Gilt	4.57	3.97	4.42	3.74	4.89
Bloomberg US Agg	4.64	4.64	4.65	4.10	5.11
Bloomberg Global Agg	3.57	3.62	3.57	3.26	3.86
Bloomberg US Corporate	5.07	5.14	5.14	4.64	5.55
Bloomberg US Long Corporate	5.76	5.49	5.66	5.07	6.15
Bloomberg US Municipal	3.98	3.58	3.72	3.28	4.47
Bloomberg US Long Municipal	5.02	4.16	4.45	3.94	5.16
US High Yield	7.07	7.61	7.37	6.98	8.65
US Loans	8.34	9.78	8.82	8.28	9.86

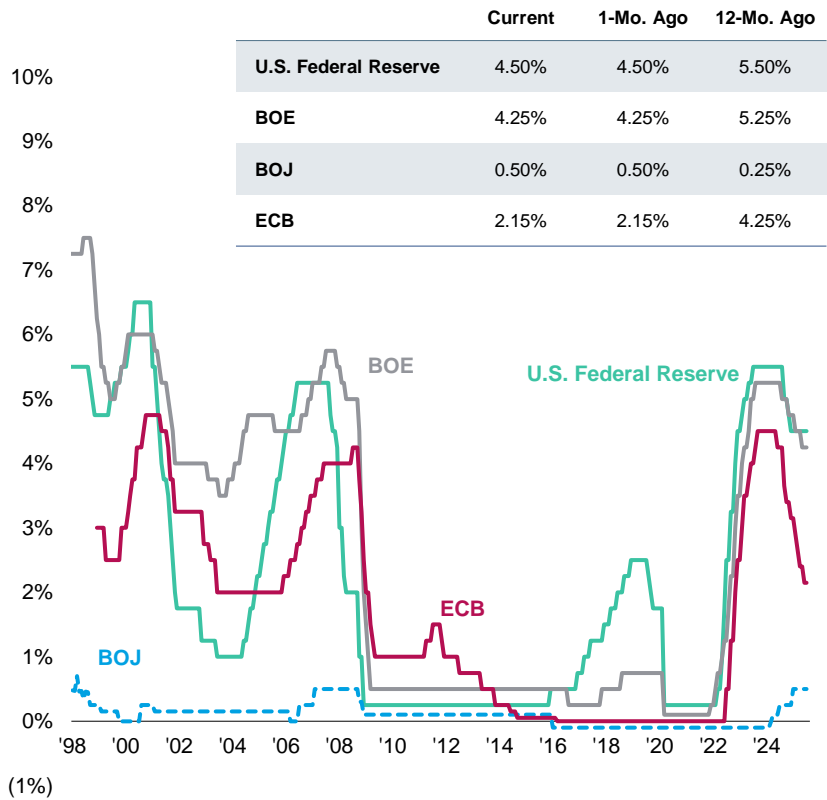
**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Bloomberg, Leveraged Commentary & Data (LCD), and Factset as of 7/31/25. Current represents most recent month. Average, minimum, and maximum measure a 12-month period ending most recent month. Data provided is for informational use only. US High Yield is represented by ICE BofA US High Yield Index. US Loans is represented by Morningstar LSTA U.S. Leveraged Loan Index. Bloomberg indices and ICE BofA US HY index using yield to worst. Morningstar LSTA U.S. Leveraged Loan Index using yield to maturity. SOFR is the Secured Overnight Financing Rate, a broad measure of secured overnight U.S. Treasury repo rates. See end of report for important additional information.

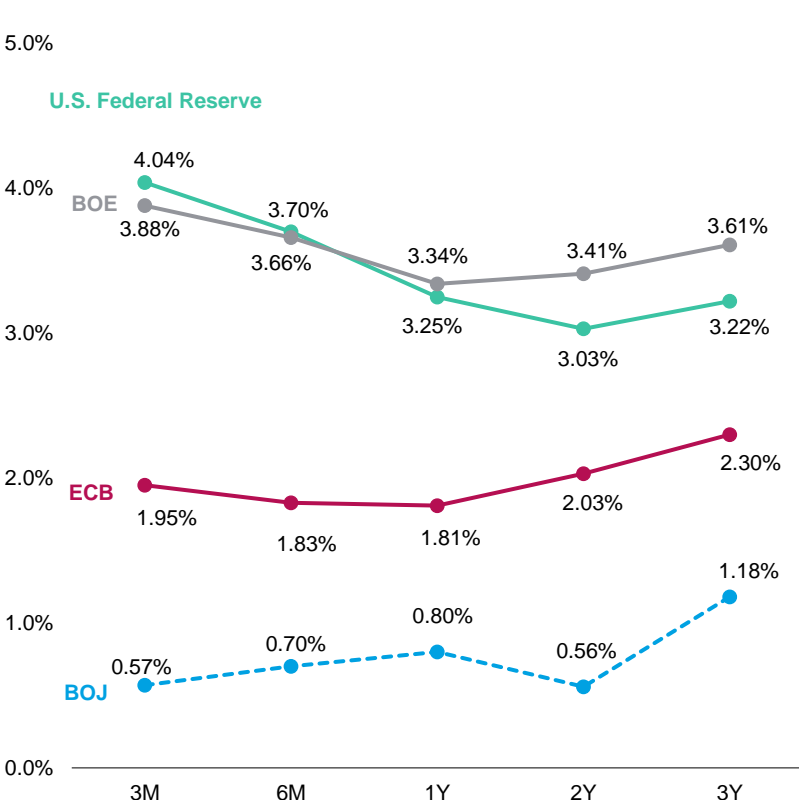
BONDS

Monetary Policy

Central Bank Policy Rates



Market Expectations for Future Central Bank Rates



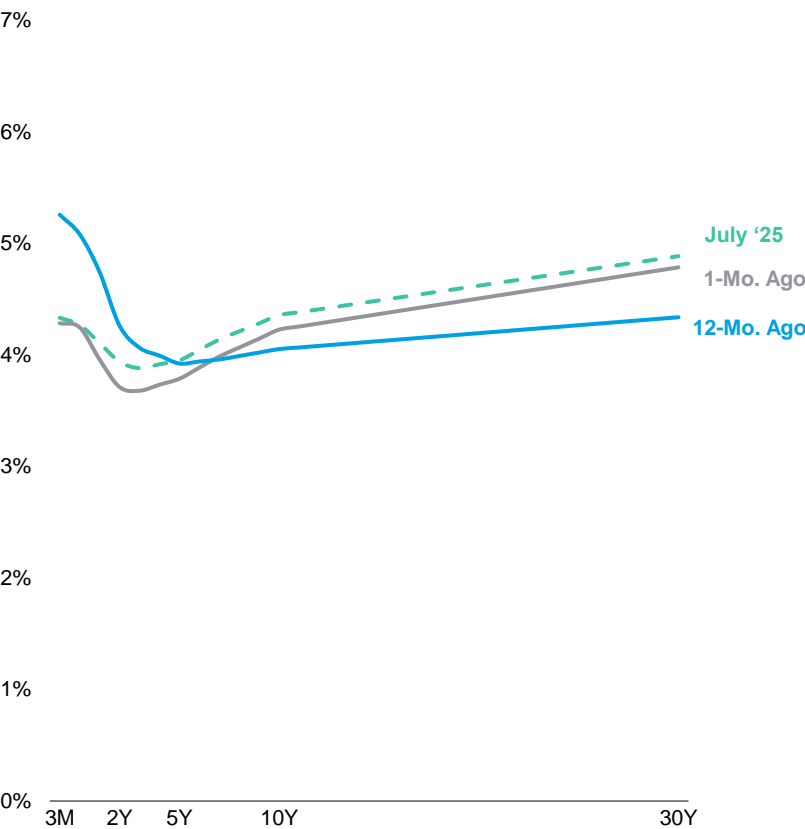
Source: Bloomberg, Factset as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.



BONDS

U.S. Treasury Yields

U.S. Treasury Yield Curves



Security	Yields & Performance				
	Yield (%)			Total Return (%)	
	Current	1-Mo. Ago	12-Mo. Ago	1-Mo.	12-Mo.
3-mo. Treasury	4.33	4.29	5.26	0.35	4.57
6-mo. Treasury	4.27	4.25	5.08	0.33	4.60
2-yr. Treasury	3.94	3.71	4.26	-0.13	4.07
3-yr. Treasury	3.88	3.68	4.07	-0.22	4.23
5-yr. Treasury	3.95	3.79	3.92	-0.42	3.60
10-yr. Treasury	4.36	4.23	4.05	-0.67	1.62
30-yr. Treasury	4.89	4.79	4.34	-1.22	-4.85

Source: Factset, Morningstar as of 7/31/25. Data provided is for informational use only. Past Performance is not a reliable indicator of future results. See end of report for important additional information.

# BONDS

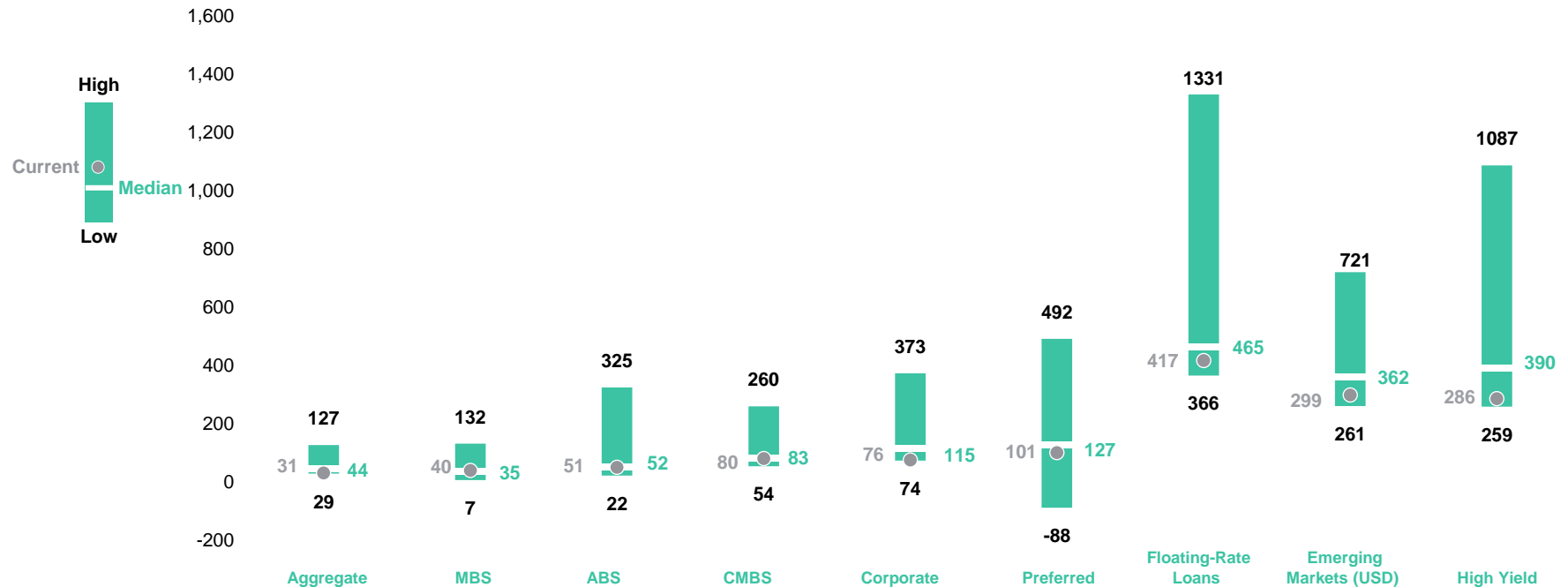
## Characteristics and Performance Analysis

Index	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
<b>U.S. High Grade</b>													
<b>Bloomberg U.S. Aggregate Index</b>	3.58	92.2	4.64	31	8.3	6.0	-0.26	0.54	3.75	3.38	1.64	-1.07	1.66
U.S. Treasury	3.17	92.5	4.19	–	7.7	5.8	-0.39	-0.18	3.39	2.64	0.86	-1.90	1.08
U.S. Mortgage Backed Securities	3.45	89.4	5.07	40	7.9	6.0	-0.40	0.44	3.81	3.36	1.11	-0.72	1.19
U.S. Asset Backed Securities	4.68	99.7	4.53	51	3.6	2.7	0.13	1.02	3.06	5.03	4.17	1.88	2.30
U.S. Commercial Mortgage Backed Securities	3.45	94.9	4.82	80	4.4	3.9	-0.12	0.85	4.37	5.45	3.19	0.59	2.44
U.S. Corp. Investment Grade	4.41	93.7	5.07	76	10.4	6.8	0.07	1.92	4.24	4.49	3.26	-0.49	2.88
<b>Bloomberg Municipal Bond Index</b>	4.64	99.1	3.98	–	13.3	7.0	-0.20	0.48	-0.55	0.00	1.54	0.13	2.11
<b>Bloomberg Taxable Municipal Bond Index</b>	4.42	92.1	5.08	–	14.1	7.8	-0.16	0.73	3.66	2.71	2.29	-0.95	2.99
<b>ICE BofA US Inflation-Linked Treasury Index</b>	1.15	93.6	1.65	–	7.5	5.2	0.07	0.43	4.68	3.90	0.75	0.95	2.65
<b>ICE BofA Preferred Index (Fixed Rate)</b>	5.49	90.6	5.90	101	–	6.2	1.45	3.84	2.47	4.76	4.16	2.12	4.07
<b>U.S. High Yield</b>													
<b>ICE BofA US High Yield Index</b>	6.56	97.0	7.07	286	4.7	3.0	0.40	3.98	4.97	8.55	7.87	5.11	5.40
<b>Morningstar LSTA U.S. Leveraged Loan Index</b>	S+3.29	97.4	8.34	417	4.5	–	0.88	3.27	3.71	7.50	9.24	7.22	5.24
<b>Emerging Markets</b>													
<b>J.P. Morgan EM Bond Index (EMBI) Global Diversified</b>	5.53	88.8	7.44	299	–	6.5	1.27	4.87	6.98	9.32	8.28	1.31	3.61
<b>J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified</b>	5.45	96.3	6.23	196	–	4.4	0.91	2.94	4.98	7.19	7.54	2.73	4.17
<b>J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified</b>	5.60	–	5.96	–	–	5.3	-0.75	3.46	11.42	10.45	8.09	1.13	2.30
<b>Global Developed Markets</b>													
<b>Bloomberg Global Aggregate Ex-U.S. Index</b>	2.34	95.7	2.67	26	8.4	6.9	-2.51	-0.49	7.24	5.10	1.23	-2.97	0.36
<b>FTSE World Government Bond Index</b>	2.61	–	3.20	–	–	6.9	-1.79	-0.61	5.35	3.59	0.48	-3.53	0.33
<b>ICE BofA European Union Government Bond Index</b>	2.19	93.6	2.80	37	8.8	7.2	-2.72	0.34	10.96	7.77	3.07	-3.24	0.28
<b>ICE BofA Developed Mkts HY Ex-Sub Fincl Index (USD Hedged)</b>	6.29	97.4	6.66	305	3.7	2.9	0.64	3.90	5.02	8.88	8.38	5.33	5.51
<b>Bloomberg Euro-Aggregate Corporates (EUR)</b>	2.68	98.1	3.04	79	5.1	4.4	0.53	1.34	2.34	4.81	2.77	0.32	1.36
<b>Bloomberg Pan-European High Yield Euro (EUR)</b>	4.95	99.2	5.34	273	4.0	3.3	1.16	2.99	3.92	8.04	7.81	4.33	3.90

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Bloomberg, J.P. Morgan, ICE BofA Data Indices, LLC, Factset, and Leveraged Commentary & Data (LCD), as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Yield to maturity is shown for the Morningstar LSTA U.S. Leveraged Loan Index and the FTSE World Government Bond Index. S+ refers to SOFR (Secured Overnight Financing Rate) as the base rate. Loan Index spread represents the three-year discounted spread over SOFR. Returns of the ICE BofA Developed Mkts HY Ex-Sub Financial Index are USD Hedged. The averages for the index are unhedged. Returns and averages for the Bloomberg Euro-Agg Corps and Bloomberg Pan-Euro HY indices are in EUR (unhedged).

## BONDS

## Spread Analysis (bps)



	Aggregate	MBS	ABS	CMBS	Corporate	Preferred	Floating-Rate Loans	Emerging Markets (USD)	High Yield
Max Spread Date	3/20/2020	3/19/2020	3/26/2020	3/25/2020	3/23/2020	3/23/2020	3/20/2020	3/23/2020	3/23/2020
Min Spread Date	4/14/2021	4/14/2021	6/21/2021	6/21/2021	11/08/2024	12/6/2017	4/20/2018	2/1/2018	1/22/2025
Spread on 12/31/24	34	43	44	80	80	77	424	325	292
Spread on 12/31/23	42	47	68	126	99	148	490	384	334
Spread on 12/31/22	51	51	76	120	130	227	645	452	479

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Factset and Leveraged Commentary & Data (LCD) as of 7/31/25. Spread history measures past 10 years. Data provided is for informational use only. See end of report for important additional information. All fixed-income spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries using daily data. Aggregate represented by Bloomberg US Aggregate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. ABS represented by Bloomberg U.S. Asset Backed Securities (ABS) Index. CMBS represented by Bloomberg U.S. CMBS Investment Grade Index. Corporate represented by Bloomberg U.S. Corporate Investment Grade Index. Preferred represented by ICE BofA Fixed Rate Preferred Securities Index. Floating-Rate Loans represented by Morningstar LSTA U.S. Leveraged Loan Index. Loan Index spread represents the three-year discounted spread over SOFR (Secured Overnight Financing Rate). Emerging Markets(USD) represented by J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified. High Yield represented by ICE BofA US High Yield Index.

## BONDS

## Corporate Bond Market Update

	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
U.S. High Grade													
Bloomberg U.S. Corp. Investment Grade Index	4.41	93.7	5.07	76	10.4	6.8	0.07	1.92	4.24	4.49	3.26	-0.49	2.88
AAA Index	3.47	83.3	4.84	30	16.4	9.8	-0.24	0.67	3.30	1.18	-0.22	-3.65	1.85
AA Index	3.79	89.7	4.80	43	12.2	7.6	-0.13	1.13	3.65	3.05	1.31	-2.03	1.71
A Index	4.30	93.9	4.94	64	10.2	6.8	0.05	1.70	4.28	4.26	2.76	-0.97	2.55
BBB Index	4.64	94.5	5.24	95	10.1	6.6	0.12	2.29	4.33	4.99	4.10	0.25	3.38
U.S. High Yield													
ICE BofA U.S. High Yield Index	6.56	97.0	7.07	286	4.7	3.0	0.40	3.98	4.97	8.55	7.87	5.11	5.40
BB Index	5.89	98.7	5.99	174	5.0	3.2	0.17	3.46	5.14	7.38	6.63	4.07	5.28
B Index	7.32	99.2	7.20	298	4.5	2.7	0.45	4.00	4.67	7.88	7.86	4.93	4.99
CCC Index	7.34	83.1	12.28	824	4.0	2.7	1.39	6.40	5.02	15.42	12.87	9.85	6.77
Morningstar LSTA U.S. Leveraged Loan Index	S+3.29	97.4	8.34	417	4.5	-	0.88	3.27	3.71	7.50	9.24	7.22	5.24
BBB Index	S+1.87	100.1	6.17	185	5.2	-	0.51	2.15	3.69	6.72	7.73	5.70	4.47
BB Index	S+2.51	99.6	6.93	266	4.9	-	0.59	2.73	3.69	7.15	8.70	6.32	4.64
B Index	S+3.53	98.2	8.41	422	4.4	-	0.97	3.45	3.81	7.98	9.85	7.55	5.57
CCC Index	S+4.70	81.3	17.66	1343	3.4	-	1.50	5.68	3.25	5.60	8.34	8.67	6.25
D Index	-	69.5	-	-	-	-	3.15	-1.40	-14.81	-20.94	-25.23	-19.99	-17.91

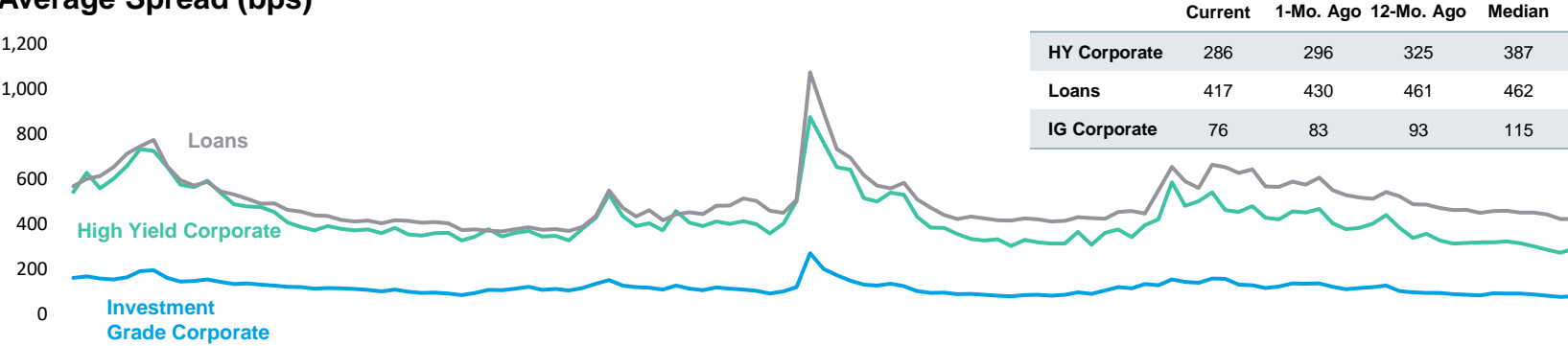
**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Bloomberg, J.P. Morgan, ICE BofA Data Indices, LLC, Factset, and Leveraged Commentary & Data (LCD), as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Yield to maturity is shown for the Morningstar LSTA U.S. Leveraged Loan Index. S+ refers to SOFR (Secured Overnight Financing Rate) as the base rate. Loan Index spread represents the three-year discounted spread over SOFR.

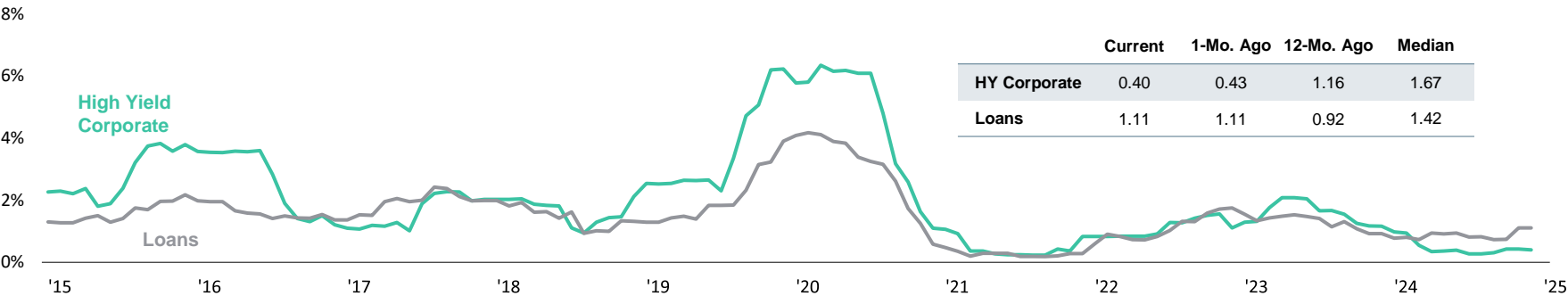
BONDS

Corporate Bond Market Update

Average Spread (bps)



Annual Default Rate



**Past performance is no guarantee of future results.**  
It is not possible to invest directly in an index. Source: J.P. Morgan and Leveraged Commentary & Data (LCD), as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Corporate spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries. Loan Index spread represents the three-year discounted spread over SOFR (Secured Overnight Financing Rate).

## BONDS

## Municipal Bond Market Update

	Averages					Total Returns (%)						
	Coupon (%)	Price (\$)	Yield To Worst (%)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
<b>Bloomberg Municipal Bond Index</b>	<b>4.64</b>	<b>99.1</b>	<b>3.98</b>	<b>13.3</b>	<b>7.0</b>	<b>-0.20</b>	<b>0.48</b>	<b>-0.55</b>	<b>0.00</b>	<b>1.54</b>	<b>0.13</b>	<b>2.11</b>
AAA Index	4.59	100.0	3.81	12.9	7.2	-0.27	0.26	-0.70	-0.18	1.14	-0.38	1.67
AA Index	4.66	100.1	3.84	13.0	6.9	-0.14	0.57	-0.48	0.08	1.39	-0.07	1.91
A Index	4.63	97.4	4.24	13.5	7.0	-0.18	0.57	-0.45	0.07	2.08	0.62	2.54
BBB Index	4.62	93.0	4.81	16.8	7.9	-0.70	-0.04	-1.20	-0.64	2.20	1.17	3.06
5-Year Index	4.75	106.4	2.96	5.0	3.6	0.86	2.74	3.15	4.12	2.34	0.86	1.88
10-Year Index	4.60	103.5	3.71	9.9	6.2	0.11	1.63	1.15	1.61	1.80	0.37	2.35
22+ Year Index	4.71	91.8	5.02	26.7	11.5	-1.08	-1.75	-4.42	-4.08	0.35	-1.18	2.05
<b>Bloomberg High Yield Municipal Bond Index</b>	<b>4.75</b>	<b>63.0</b>	<b>5.91</b>	<b>19.4</b>	<b>8.0</b>	<b>-1.51</b>	<b>-0.86</b>	<b>-1.83</b>	<b>-0.86</b>	<b>2.67</b>	<b>2.28</b>	<b>4.35</b>
Hospital	5.35	66.4	6.26	20.7	7.5	-0.90	-0.47	-0.71	2.18	3.32	2.37	3.40
IDR/PCR	4.58	37.7	6.45	18.6	8.5	-1.53	-1.78	-2.85	-2.60	1.59	1.68	4.72
Tobacco	2.47	18.3	6.70	26.8	13.5	-2.51	-4.46	-5.69	-6.51	-0.43	0.07	5.86
Puerto Rico	3.59	52.5	5.06	18.2	8.6	-1.10	-0.13	-3.10	-2.65	2.47	2.31	5.92

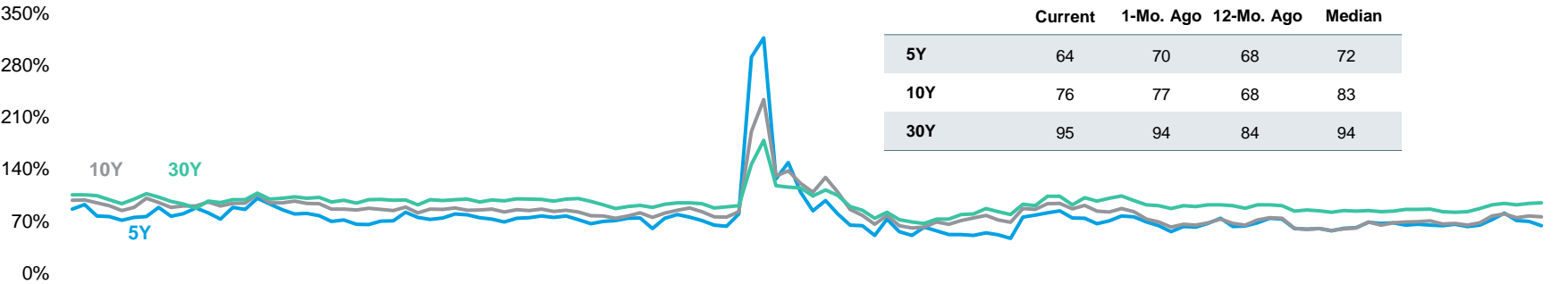
**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Bloomberg, Morningstar as of 7/31/25. Coupon and Yield To Worst figures are based on average market prices while Price is based on an average of par value. Data provided is for informational use only. See end of report for important additional information.

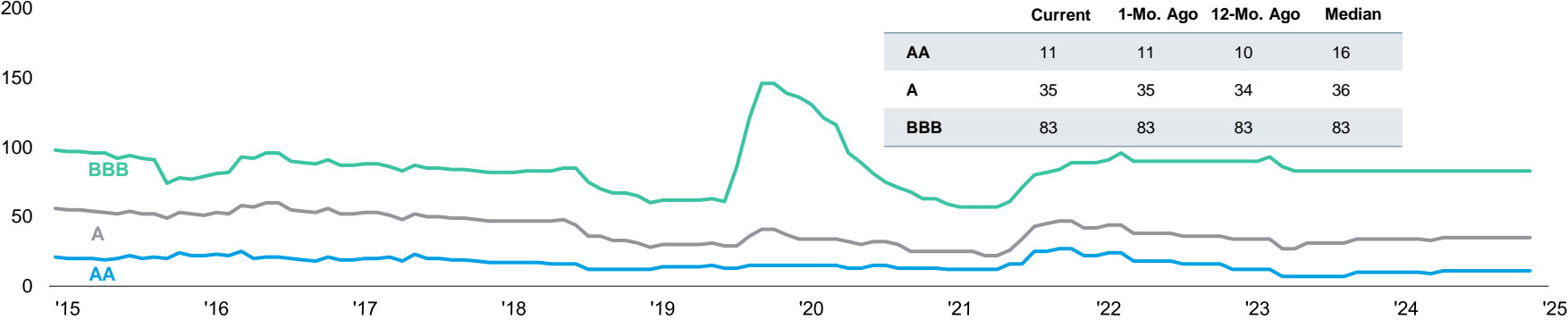
BONDS

Municipal Bond Market Update

AAA Muni-to-Treasury Yield Ratios



Credit Quality Spreads vs. AAA (bps)



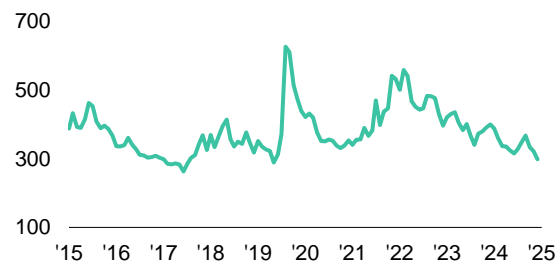
Past performance is no guarantee of future results.  
It is not possible to invest directly in an index. Source: Bloomberg as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. All spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries.

## BONDS

## Emerging Markets Bond Market Update

## Sovereign EMD Spreads (USD)

Bps

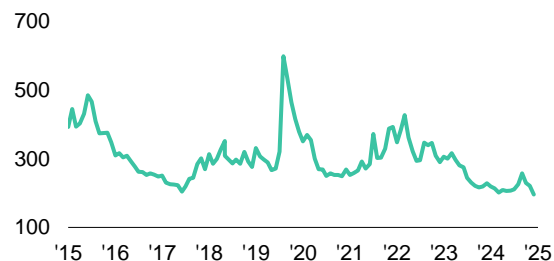


Avg. Spread (bps)

<b>Current</b>	299
<b>1-Mo. Ago</b>	322
<b>12-Mo. Ago</b>	400
<b>Median</b>	368

## Corporate EMD Spreads (USD)

Bps

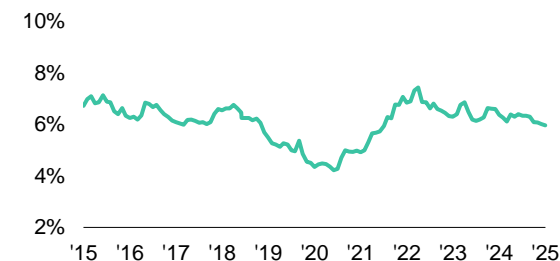


Avg. Spread (bps)

<b>Current</b>	196
<b>1-Mo. Ago</b>	221
<b>12-Mo. Ago</b>	229
<b>Median</b>	292

## Local EMD Yields (%)

Bps



Avg. Yield (%)

<b>Current</b>	5.96
<b>1-Mo. Ago</b>	6.01
<b>12-Mo. Ago</b>	6.37
<b>Median</b>	6.27

## Averages

	Coupon (%)	Price (\$)	Yield (%)	Duration
<b>JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified</b>	5.53	88.8	7.44	6.5
<b>JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified</b>	5.45	96.3	6.23	4.4
<b>JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified</b>	5.60	–	5.96	5.3

## Total Returns (%)

	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
<b>JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified</b>	1.27	4.87	6.98	9.32	8.28	1.31	3.61
<b>JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified</b>	0.91	2.94	4.98	7.19	7.54	2.73	4.17
<b>JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified</b>	-0.75	3.46	11.42	10.45	8.09	1.13	2.30

## Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: J.P. Morgan, Morningstar as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. All spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries.



## BONDS

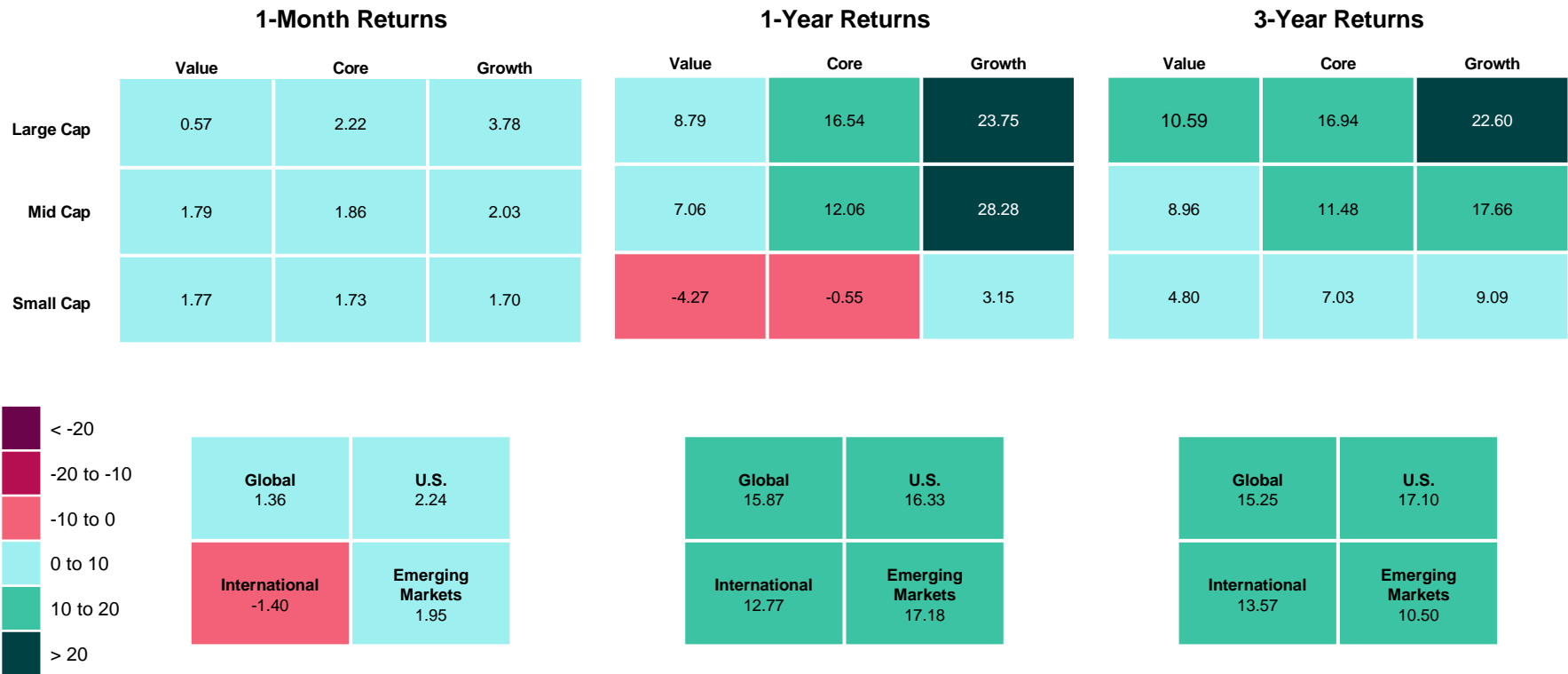
## Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	Municipal 3.30	High Yield 17.49	EMD (Local Currency) 15.21	Municipal 1.28	Investment Grade 14.54	Global Agg Ex-U.S. 10.11	High Yield 5.36	Bank Loan -0.77	High Yield 13.46	Bank Loan 8.95	EMD (Local Currency) 11.42
	MBS 1.51	EMD (Hard Currency) 10.19	Global Agg Ex-U.S. 10.51	MBS 0.99	EMD (Hard Currency) 14.42	Investment Grade 9.89	Bank Loan 5.20	Municipal -8.53	Bank Loan 13.32	High Yield 8.20	Global Agg Ex-U.S. 7.24
	EMD (Corp. Bonds) 1.30	Bank Loan 10.16	EMD (Hard Currency) 9.32	Treasury 0.86	High Yield 14.41	Treasury 8.00	Municipal 1.52	High Yield -11.22	EMD (Local Currency) 12.70	EMD (Corp. Bonds) 7.63	EMD (Hard Currency) 6.98
	EMD (Hard Currency) 1.23	EMD (Local Currency) 9.94	EMD (Corp. Bonds) 7.96	Bank Loan 0.44	EMD (Local Currency) 13.47	EMD (Corp. Bonds) 7.13	EMD (Corp. Bonds) 0.91	EMD (Local Currency) -11.69	EMD (Hard Currency) 11.09	EMD (Hard Currency) 6.54	EMD (Corp. Bonds) 4.98
	Treasury 0.84	EMD (Corp. Bonds) 9.65	High Yield 7.48	EMD (Corp. Bonds) -1.65	EMD (Corp. Bonds) 13.09	High Yield 6.17	Investment Grade -1.04	MBS -11.81	EMD (Corp. Bonds) 9.08	Investment Grade 2.13	High Yield 4.97
	Investment Grade -0.68	Investment Grade 6.11	Investment Grade 6.42	Global Agg Ex-U.S. -2.15	Bank Loan 8.64	EMD (Hard Currency) 5.88	MBS -1.04	EMD (Corp. Bonds) -12.26	Investment Grade 8.52	MBS 1.20	Investment Grade 4.24
	Bank Loan -0.69	MBS 1.67	Municipal 5.45	High Yield -2.26	Municipal 7.54	Municipal 5.21	EMD (Hard Currency) -1.51	Treasury -12.46	Municipal 6.40	Municipal 1.05	MBS 3.81
	High Yield -4.64	Global Agg Ex-U.S. 1.49	Bank Loan 4.12	Investment Grade -2.51	Treasury 6.86	MBS 3.87	Treasury -2.32	Investment Grade -15.76	Global Agg Ex-U.S. 5.72	Treasury 0.58	Bank Loan 3.71
	Global Agg Ex-U.S. -6.02	Treasury 1.04	MBS 2.47	EMD (Hard Currency) -4.61	MBS 6.35	Bank Loan 3.12	Global Agg Ex-U.S. -7.05	EMD (Hard Currency) -16.45	MBS 5.05	EMD (Local Currency) -2.38	Treasury 3.39
Lower	EMD (Local Currency) -14.92	Municipal 0.25	Treasury 2.31	EMD (Local Currency) -6.21	Global Agg Ex-U.S. 5.09	EMD (Local Currency) 2.69	EMD (Local Currency) -8.75	Global Agg Ex-U.S. -18.70	Treasury 4.05	Global Agg Ex-U.S. -4.22	Municipal -0.55

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. In general, fixed income investments are subject to credit and interest rate risks. High yield investments may have a higher degree of credit and liquidity risk. Foreign securities are subject to currency, political, economic and market risks. Investors should carefully review the risks of each asset class prior to investing. Source: Morningstar as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Investment Grade represented by Bloomberg U.S. Corporate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. Treasury represented by Bloomberg U.S. Treasury Index. High Yield represented by ICE BofA US High Yield Index. Municipal represented by Bloomberg Municipal Bond Index. Bank Loan represented by Morningstar LSTA U.S. Leveraged Loan Index. Global Agg Ex-U.S. represented by Bloomberg Global Aggregate Ex-USD Index. EMD (Local Currency) represented by J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified. EMD (Hard Currency) represented by J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified. EMD (Corp. Bonds) represented by J.P. Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified.

EQUITIES

Performance: Market Barometer (%)



< -20

-20 to -10

-10 to 0

0 to 10

10 to 20

> 20

Global	1.36	U.S.	2.24
International	-1.40	Emerging Markets	1.95

Global	15.87	U.S.	16.33
International	12.77	Emerging Markets	17.18

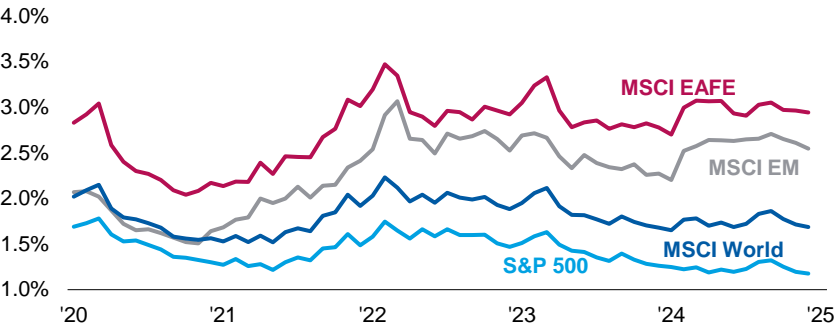
Global	15.25	U.S.	17.10
International	13.57	Emerging Markets	10.50

**Past performance is no guarantee of future results.**  
It is not possible to invest directly in an index. Source: Morningstar as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Returns over 1 year are annualized. Large Cap Value represented by Russell 1000 Value Index. Large Cap Core represented by Russell 1000 Index. Large Cap Growth represented by Russell 1000 Growth Index. Mid Cap Value represented by Russell Mid Cap Value Index. Mid Cap Core represented by Russell Mid Cap Index. Mid Cap Growth represented by Russell Mid Cap Growth Index. Small Cap Value represented by Russell 2000 Value Index. Small Cap Core represented by Russell 2000 Index. Small Cap Growth represented by Russell 2000 Growth Index. Global represented by MSCI ACWI Index. US represented by S&P 500 Index. International represented by MSCI EAFE Index. Emerging Markets represented by MSCI Emerging Markets Index.

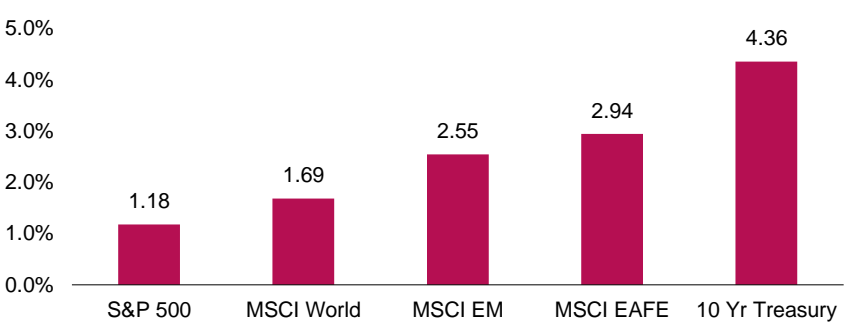
EQUITIES

Dividend Yields and Volatility Analysis

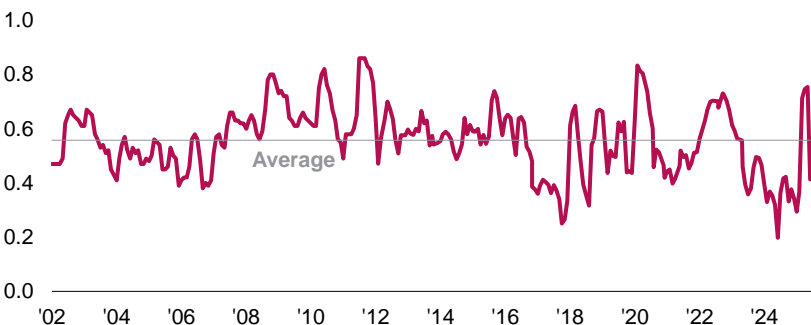
Historical Yields



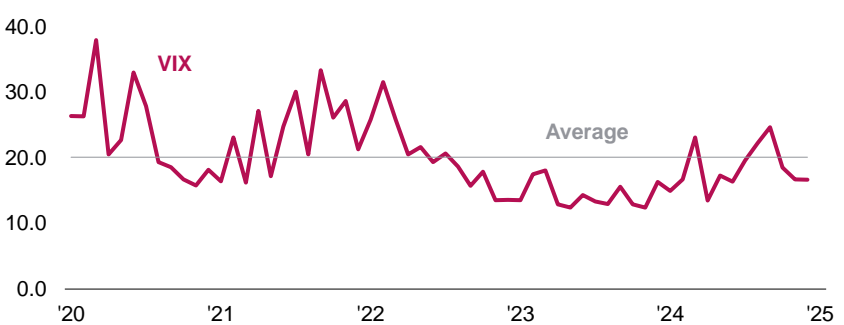
Current Yields



Correlation of S&P 500 Stocks



CBOE Market Volatility Index (VIX)

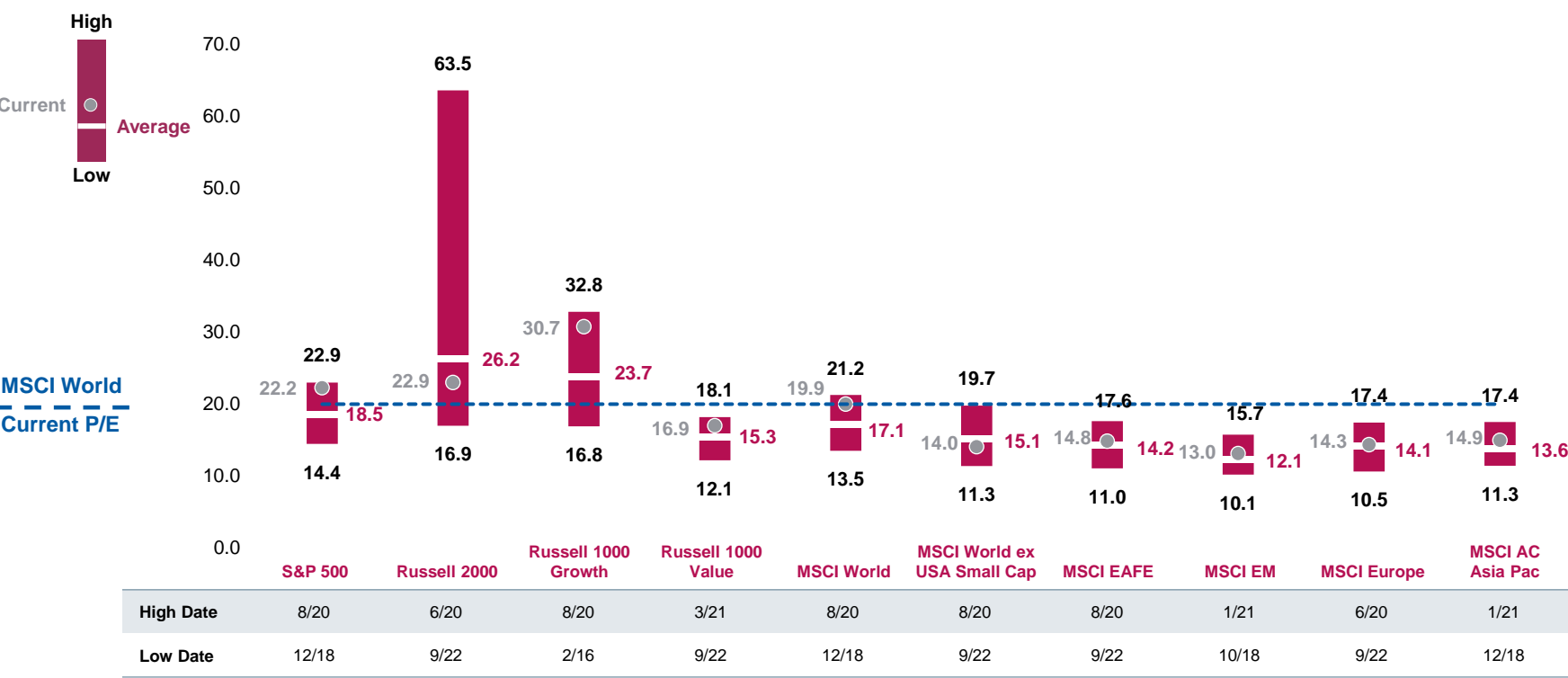


**Past performance is no guarantee of future results.**  
It is not possible to invest directly in an index. Source: FactSet and Ned Davis Research as of 7/31/25. Correlation of S&P 500 Stocks is measured by the median 63-day rolling correlation of one day returns data provided is for informational use only. See end of report for important additional information.

EQUITIES

Valuation Analysis

Regions/Styles: Current NTM P/E vs. 10-Year High, Low, Average

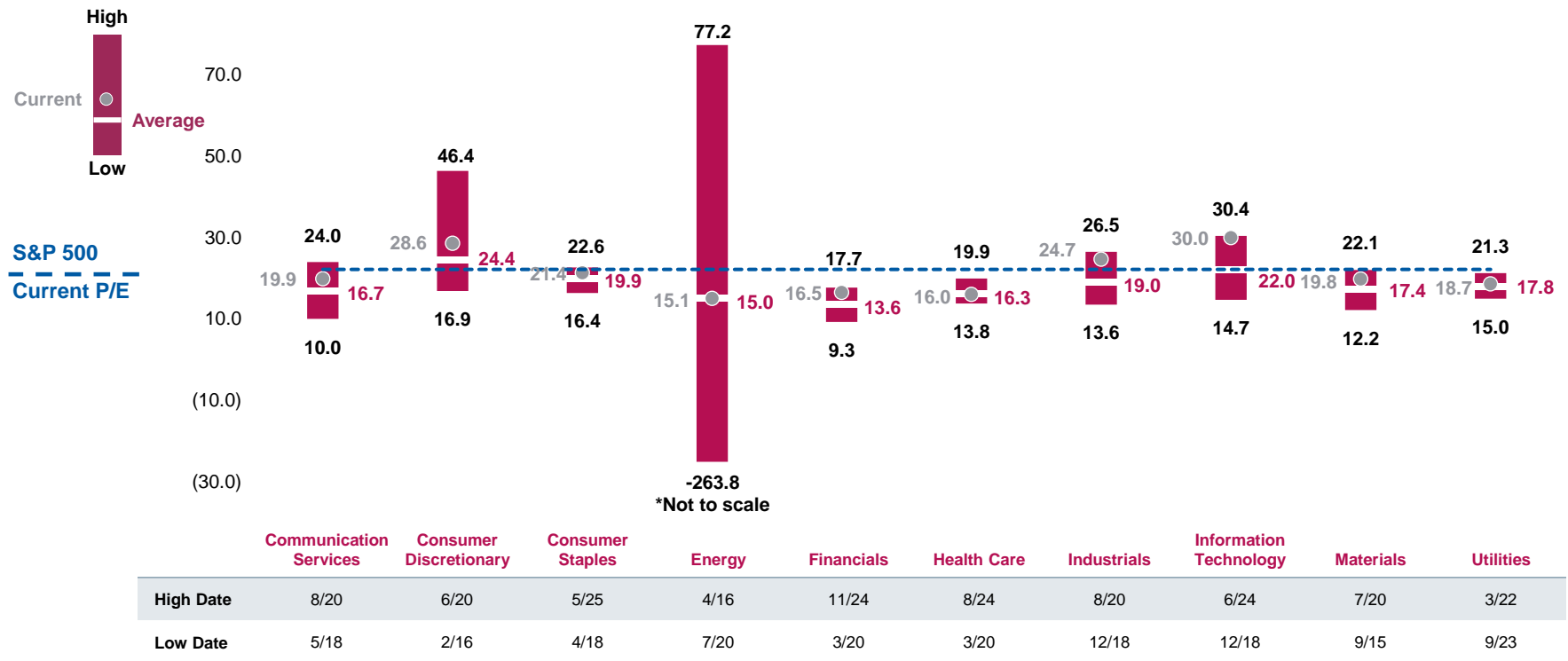


Source: FactSet as of 7/31/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

# EQUITIES

## Valuation Analysis

### S&P 500 Sectors: Current NTM P/E vs. 10-Year High, Low, Average

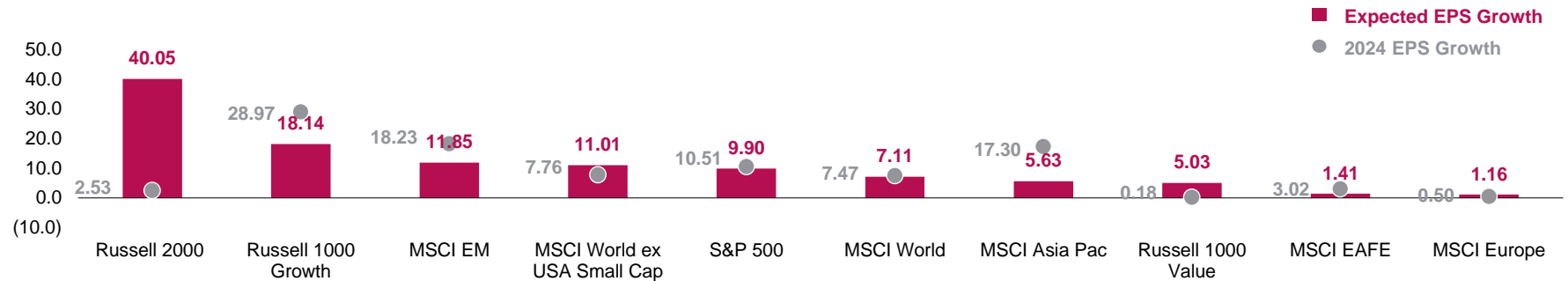


Source: FactSet as of 7/31/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. The Real Estate sector is excluded from this 10-year chart since the sector was created on August 31, 2016. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

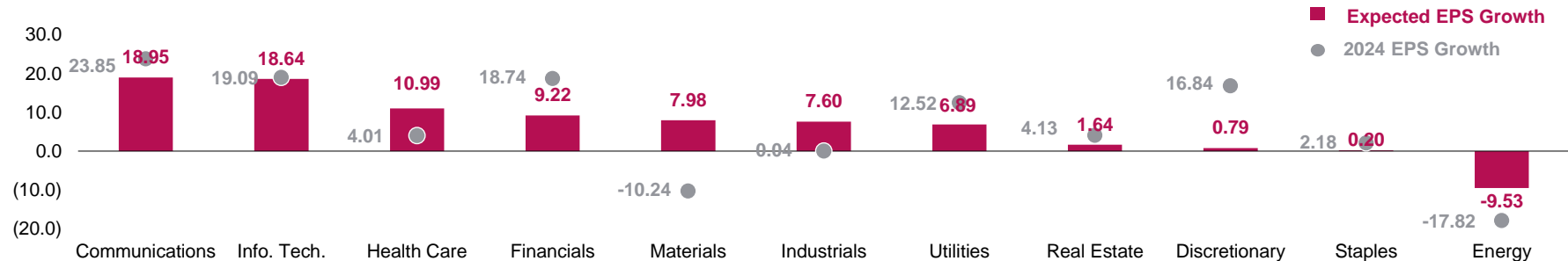
## EQUITIES

# Corporate Earnings Growth

### Regions/Styles



### S&P 500 Sectors

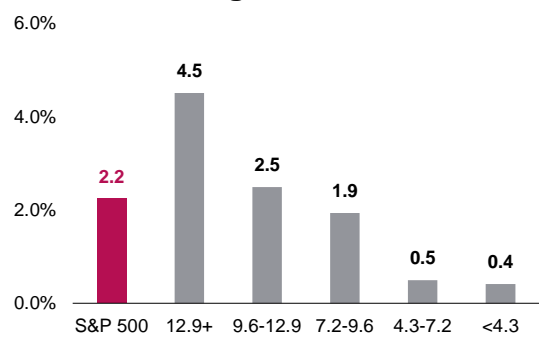


Source: FactSet as of 7/31/25. Expected EPS Growth is defined as the expected % change in the EPS growth from the beginning of the current calendar year through the end of the calendar year. 2024 EPS Growth is defined as the % change in EPS from the beginning of the year through the end of the year. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

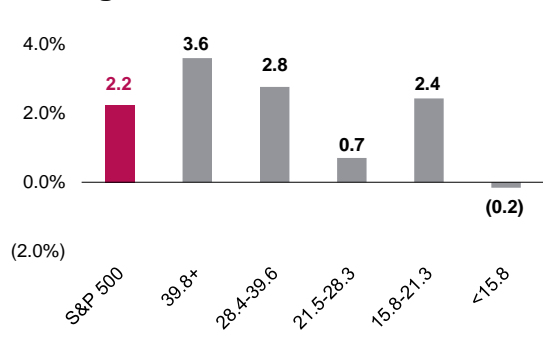
EQUITIES

S&P 500 Index: 1-Month Return Analysis

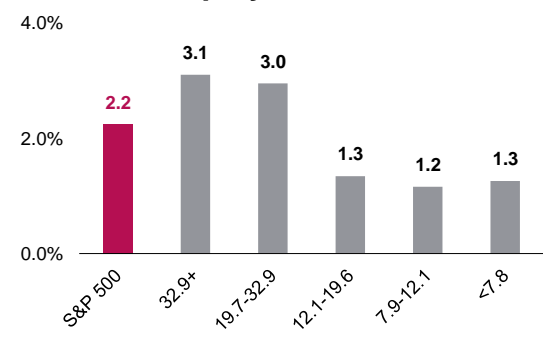
3-5 Year Earnings Growth



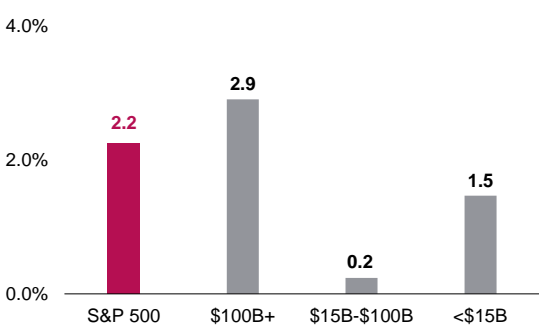
Trailing 12 Month P/E



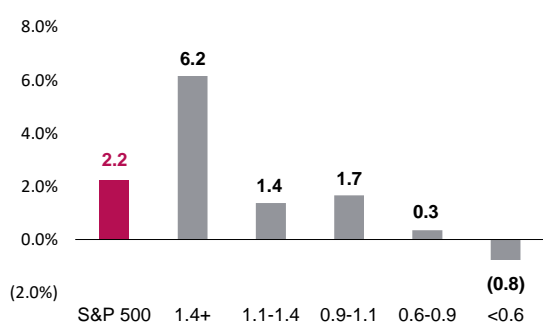
Return On Equity



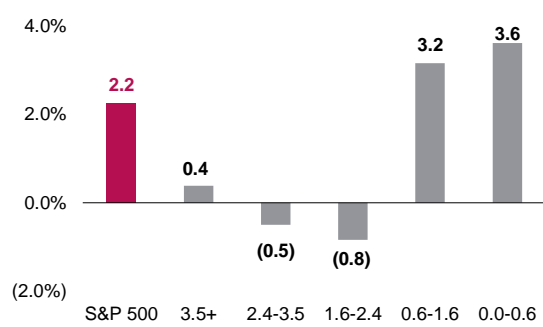
Market Cap



Beta



Dividend Yield

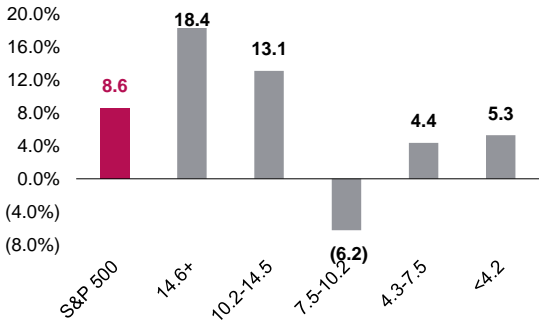


Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: FactSet as of 7/31/25. Data provided is for informational use only. See end of report for important additional information.

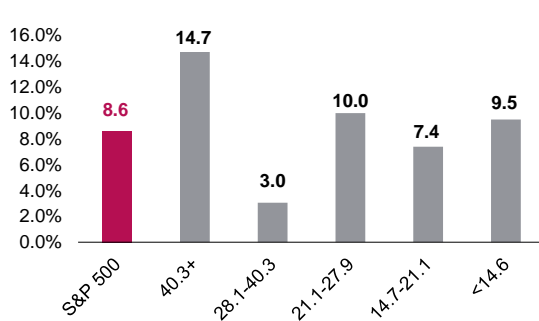
EQUITIES

S&P 500 Index: YTD Analysis

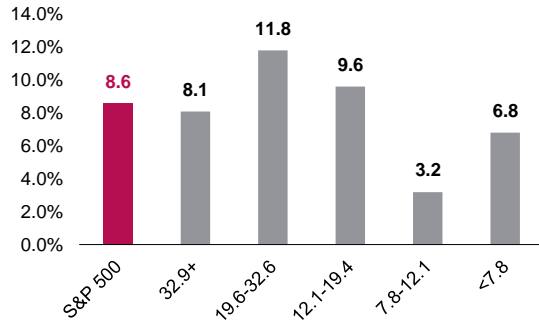
3-5 Year Earnings Growth



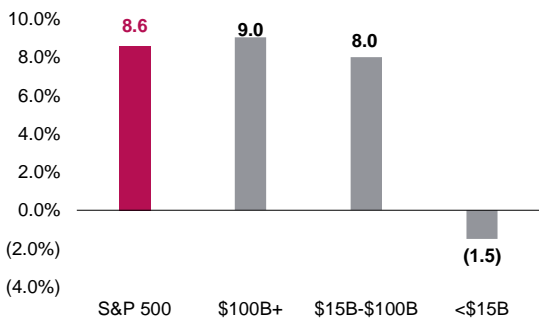
Trailing 12 Month P/E



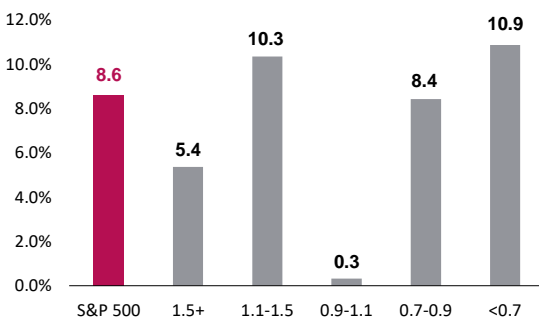
Return On Equity



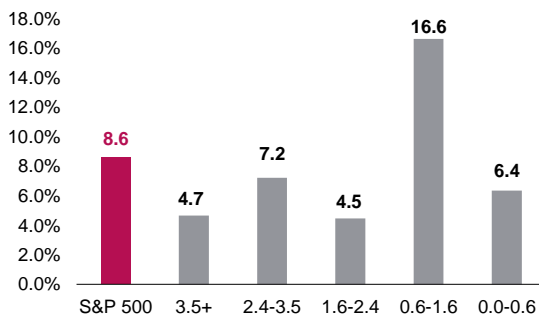
Market Cap



Beta



Dividend Yield



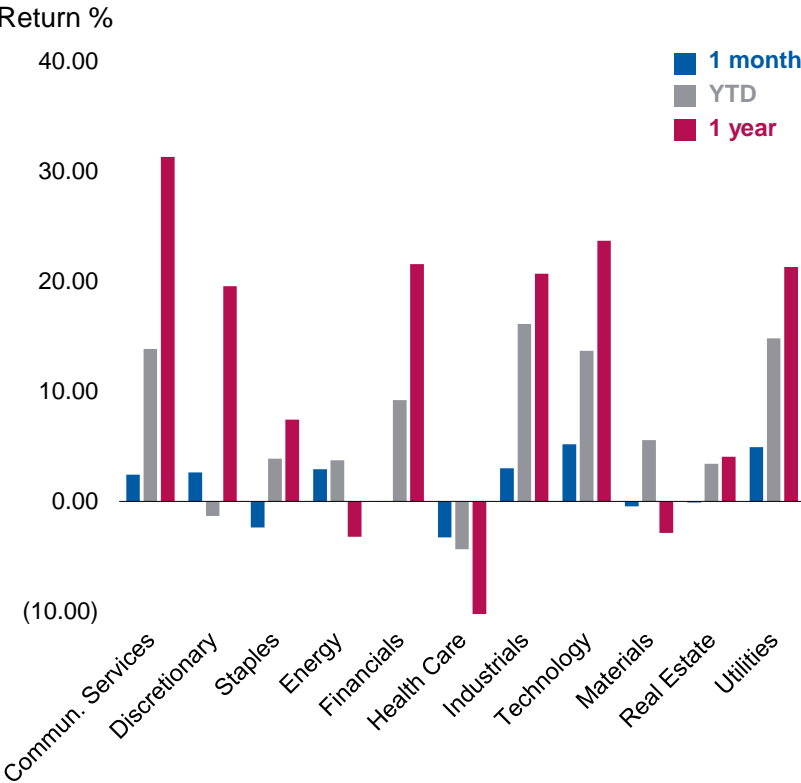
Past performance is no guarantee of future results.  
It is not possible to invest directly in an index. Source: FactSet as of 7/31/25. Data provided is for informational use only. See end of report for important additional information.



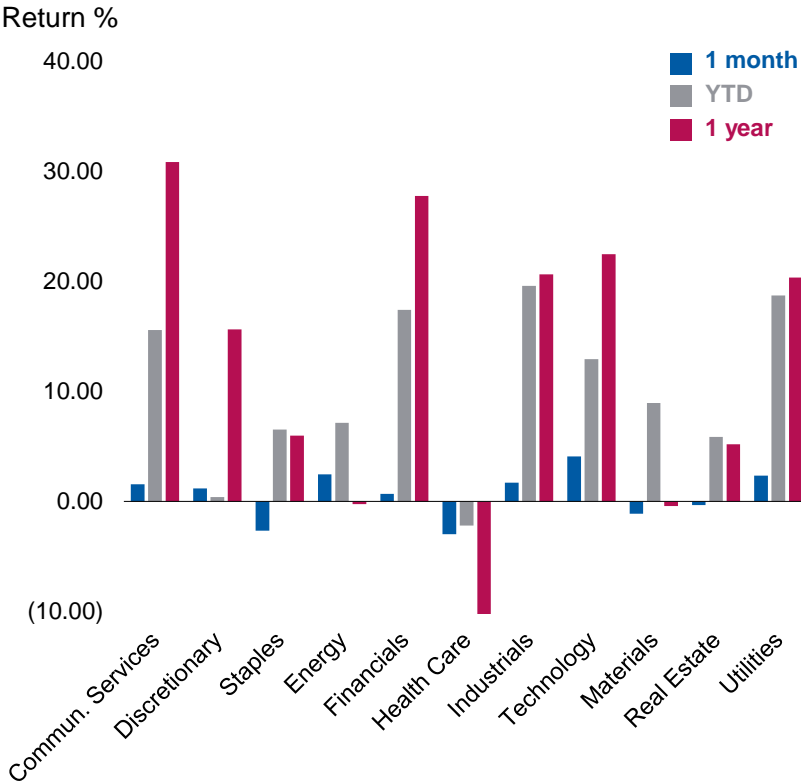
EQUITIES

Index Sectors: Return Analysis

S&P 500



MSCI World

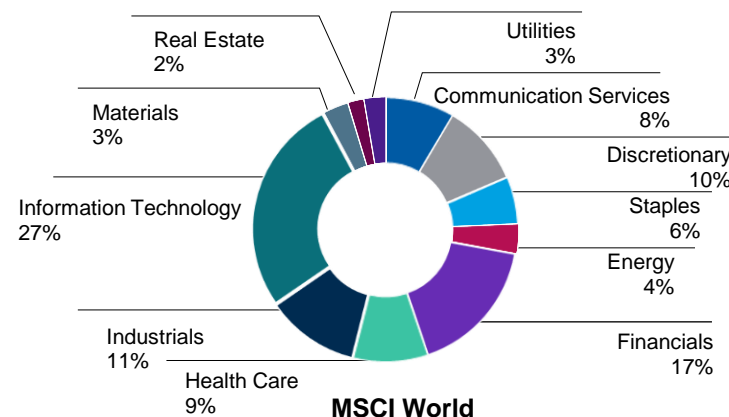
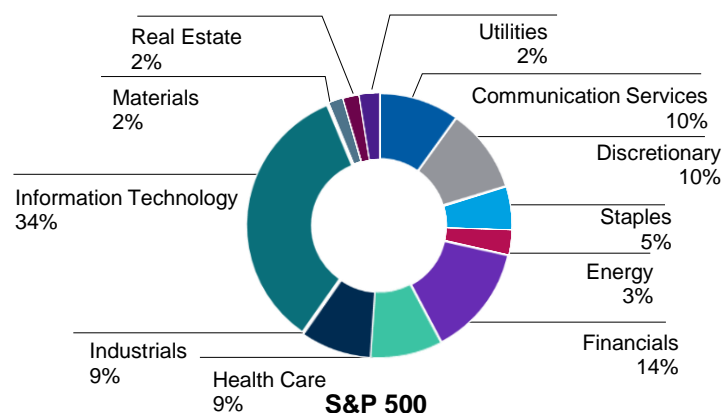


Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Morningstar as of 7/31/25. Data provided is for informational use only. See end of report for important additional information.

# EQUITIES

## Current Characteristics and Sector Weights

	S&P 500	R2000	R1000G	R1000V	MSCI World	MSCI World ex USA Small Cap	MSCI EAFE	MSCI EM	MSCI Europe	MSCI Asia Pac
Number of Holdings	503	1972	388	873	1322	2172	695	1202	402	1243
Maximum Market Cap	\$4,340.03B	\$19.15B	\$4,340.03B	\$2,485.39B	\$4,374.19B	\$12.41B	\$303.29B	\$957.88B	\$303.29B	\$957.88B
Minimum Market Cap	\$4.23B	\$0.05B	\$0.81B	\$0.81B	\$1.74B	\$0.15B	\$1.97B	\$0.12B	\$2.26B	\$0.12B
Dividend Yield	1.18	1.35	0.48	1.90	1.69	2.85	2.94	2.55	3.12	2.34
NTM PE	22.19	22.92	30.66	16.90	19.92	14.00	14.76	13.04	14.26	14.86
Price to Book	5.25	1.97	15.27	2.88	3.68	1.45	1.99	2.00	2.17	1.88
Price to Cash Flow	19.06	14.52	30.39	13.07	15.27	8.56	9.62	8.44	8.95	9.98
Price to Sales	3.20	1.20	6.30	1.94	2.48	0.93	1.46	1.59	1.47	1.53
Est 3-5 Yr EPS Growth	11.57	11.37	13.59	9.34	10.71	9.40	7.93	11.35	8.98	8.55
5Yr. Div Growth Rate	6.30	8.85	4.54	6.46	6.61	8.24	6.82	2.11	8.24	2.63



Source: FactSet as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

## EQUITIES

## Asset Class Return Analysis (%)

		1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y	2024	2023	2022	2021	2020
U.S. Equities	S&P 500	2.24	14.21	8.59	16.33	17.10	15.88	13.66	25.02	26.29	-18.11	28.71	18.40
	Russell 1000 Defensive	1.35	6.90	4.31	9.06	12.43	12.09	12.00	18.55	20.23	-16.43	26.93	13.93
	Russell 1000 Dynamic	3.05	21.72	12.51	24.13	21.51	18.67	14.55	30.63	33.34	-21.94	25.57	27.69
	Russell 2500	1.93	13.02	2.38	4.28	8.40	11.00	8.61	12.00	17.42	-18.37	18.18	19.99
	Russell 1000 Growth	3.78	20.16	10.10	23.75	22.60	17.27	17.06	33.36	42.68	-29.14	27.60	38.49
	Russell 1000 Value	0.57	7.66	6.61	8.79	10.59	13.18	9.20	14.37	11.46	-7.54	25.16	2.80
	Russell Mid Cap	1.86	11.70	6.78	12.06	11.48	12.24	10.01	15.34	17.23	-17.32	22.58	17.10
	Russell 2000	1.73	12.99	-0.08	-0.55	7.03	9.81	7.43	11.54	16.93	-20.44	14.82	19.96
	CBOE S&P 500 Buywrite BXM	0.72	4.33	-0.54	9.80	8.27	9.49	6.21	20.12	11.82	-11.37	20.47	-2.75
Global Equities	MSCI World	1.29	11.91	10.88	15.72	15.83	13.78	10.60	18.67	23.79	-18.14	21.82	15.90
	MSCI EAFE	-1.40	5.38	17.77	12.77	13.57	10.34	6.14	3.82	18.24	-14.45	11.26	7.82
	MSCI EM	1.95	12.69	17.51	17.18	10.50	5.40	5.77	7.50	9.83	-20.09	-2.54	18.31
	MSCI AC Asia Pac	1.07	10.54	14.55	14.19	11.15	6.90	6.22	9.56	11.45	-17.22	-1.46	19.71
	MSCI ACWI	1.36	11.99	11.54	15.87	15.25	12.79	10.05	17.49	22.20	-18.36	18.54	16.25
	MSCI Europe	-1.78	4.81	20.86	13.83	14.65	11.13	6.26	1.79	19.89	-15.06	16.30	5.38
	MSCI World Small Cap	1.20	12.14	8.71	8.42	9.38	10.39	7.74	8.15	15.76	-18.76	15.75	15.96
	MSCI World Ex USA Small Cap	-0.03	10.68	20.75	16.41	10.92	8.99	6.65	2.76	12.62	-20.59	11.14	12.78
	FTSE 100	0.74	7.36	20.69	16.66	14.45	13.43	5.45	7.73	14.38	-7.01	17.36	-8.73
	FTSE All Small	-2.64	10.52	14.42	10.88	10.52	11.74	5.96	8.62	12.57	-23.06	22.15	10.77
	STOXX Europe 600	-1.55	5.26	21.40	14.48	14.85	10.97	6.37	1.97	19.87	-16.14	16.09	6.83
Nikkei 225 Average	-2.63	8.14	8.44	6.65	11.24	7.49	6.74	8.45	22.05	-19.49	-4.69	23.99	
Sectors	S&P 500 Comm. Services	2.43	20.46	13.83	31.27	27.33	16.11	12.29	40.23	55.80	-39.89	21.57	23.61
	S&P 500 Cons Disc	2.64	14.83	-1.34	19.54	12.95	10.32	12.19	30.14	42.41	-37.03	24.43	33.30
	S&P 500 Cons Staples	-2.37	-2.48	3.88	7.43	6.92	9.19	8.35	14.87	0.52	-0.62	18.63	10.75
	S&P 500 Energy	2.92	8.98	3.72	-3.19	7.42	24.55	6.64	5.72	-1.33	65.72	54.64	-33.68
	S&P 500 Financials	-0.05	7.70	9.18	21.54	17.96	19.09	12.11	30.56	12.15	-10.53	35.04	-1.69
	S&P 500 Health Care	-3.26	-6.75	-4.33	-11.32	1.21	6.09	7.38	2.58	2.06	-1.95	26.13	13.45
	S&P 500 Industrials	3.01	16.11	16.11	20.67	18.68	18.13	12.74	17.47	18.13	-5.48	21.12	11.06
	S&P 500 Info Tech	5.19	28.05	13.66	23.65	28.47	22.92	23.47	36.61	57.84	-28.19	34.53	43.89
	S&P 500 Materials	-0.44	4.95	5.55	-2.85	6.13	9.94	8.96	-0.04	12.55	-12.27	27.28	20.73
	S&P 500 Real Estate	-0.09	1.05	3.42	4.05	1.34	6.31	7.01	5.23	12.36	-26.13	46.19	-2.17
	S&P 500 Utilities	4.94	9.31	14.81	21.26	8.43	10.54	10.54	23.43	-7.08	1.57	17.67	0.48

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Morningstar as of 7/31/25. Data provided is for informational use only. Results in US Dollar. See end of report for additional information.

## EQUITIES

## Asset Class Return Analysis (%)

Higher ↑

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
	Growth 5.67	Small-Cap 21.31	Emerging Markets 37.28	Growth -1.51	Growth 36.39	Growth 38.49	S&P 500 28.71	Value -7.54	Growth 42.68	Growth 33.36	International Small-Cap 20.75
	International Small-Cap 5.46	Value 17.34	International Small-Cap 31.04	S&P 500 -4.38	S&P 500 31.49	Small-Cap 19.96	Growth 27.60	International -14.45	S&P 500 26.29	S&P 500 25.02	International 17.77
	S&P 500 1.38	Mid-Cap 13.80	Growth 30.21	Value -8.27	Mid-Cap 30.54	S&P 500 18.40	Value 25.16	Mid-Cap -17.32	Global 22.20	Global 17.49	Emerging Markets 17.51
	International -0.81	S&P 500 11.96	International 25.03	Mid-Cap -9.06	Global 26.60	Emerging Markets 18.31	Mid-Cap 22.58	S&P 500 -18.11	International 18.24	Mid-Cap 15.34	Global 11.54
	Global -2.36	Emerging Markets 11.19	Global 23.97	Global -9.42	Value 26.54	Mid-Cap 17.10	Global 18.54	Global -18.36	Mid-Cap 17.23	Value 14.37	Growth 10.10
	Mid-Cap -2.44	Global 7.86	S&P 500 21.83	Small-Cap -11.01	Small-Cap 25.52	Global 16.25	Small-Cap 14.82	Emerging Markets -20.09	Small-Cap 16.93	Small-Cap 11.54	S&P 500 8.59
	Value -3.83	Growth 7.08	Mid-Cap 18.52	International -13.79	International Small-Cap 25.41	International Small-Cap 12.78	International 11.26	Small-Cap -20.44	International Small-Cap 12.62	Emerging Markets 7.50	Mid-Cap 6.78
	Small-Cap -4.41	International Small-Cap 4.32	Small-Cap 14.65	Emerging Markets -14.58	International 22.01	International 7.82	International Small-Cap 11.14	International Small-Cap -20.59	Value 11.46	International 3.82	Value 6.61
	Emerging Markets -14.92	International 1.00	Value 13.66	International Small-Cap -18.07	Emerging Markets 18.42	Value 2.80	Emerging Markets -2.54	Growth -29.14	Emerging Markets 9.83	International Small-Cap 2.76	Small-Cap -0.08

Lower ↓

**Past performance is no guarantee of future results.**

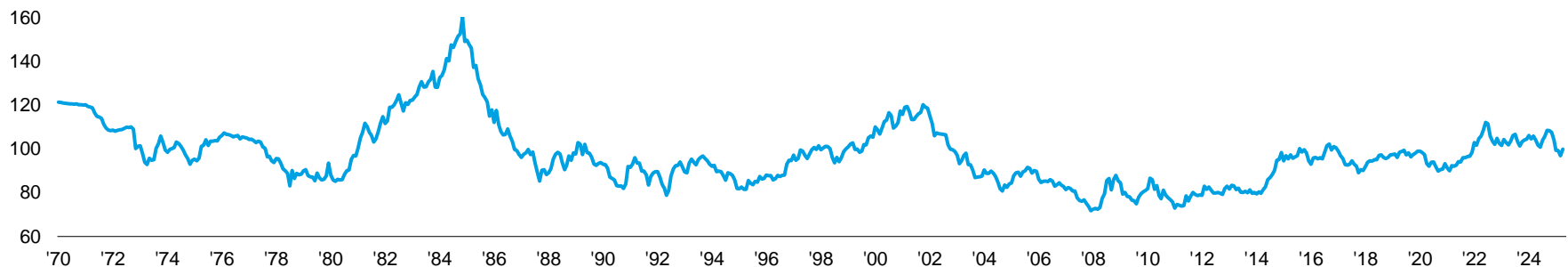
It is not possible to invest directly in an index. In general, Foreign securities are subject to currency, political, economic and market risks. The risks of investing in emerging market countries are greater than investments in foreign developed countries. Investors should carefully review the risks of each asset class prior to investing. Source: Morningstar as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Small-Cap represented by Russell 2000 Index. Emerging Markets represented by MSCI Emerging Markets Index. Value represented by Russell 1000 Value Index. Mid-Cap represented by Russell Midcap Index. Global represented by MSCI ACWI Index. Growth represented by Russell 1000 Growth Index. International represented by MSCI EAFE Index. International Small-Cap represented by MSCI World Ex USA Small Cap Index.

## ALTERNATIVES

## Developed Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
U.S. Dollar (USD)	-	-	-	-	-	2.56	-9.53	-5.46	-3.78	0.65	3.87
Euro (EUR) *	-2.50	10.53	5.77	3.93	-0.65	-	-	-	-	-	1.84
British Pound (GBP)	-3.43	5.67	3.03	2.83	0.16	-0.96	-4.40	-2.59	-1.05	0.82	3.75
Japanese Yen (JPY)	-4.02	4.43	-0.02	-3.88	-6.82	-1.56	-5.52	-5.48	-7.51	-6.21	0.80
Australian Dollar (AUD)	-1.75	3.99	-1.40	-2.65	-2.13	0.76	-5.92	-6.78	-6.33	-1.49	1.84
Canadian Dollar (CAD)	-1.31	4.03	-0.08	-2.50	-0.63	1.22	-5.89	-5.53	-6.19	0.02	2.64
New Zealand Dollar (NZD)	-2.75	5.37	-0.61	-1.99	-2.39	-0.26	-4.67	-6.03	-5.69	-1.75	3.04
Norwegian Krone (NOK)	-1.69	10.34	6.23	-2.07	-2.48	0.83	-0.18	0.43	-5.77	-1.84	3.69
Swedish Krona (SEK)	-2.35	13.21	9.81	1.47	-2.17	0.15	2.43	3.82	-2.37	-1.53	1.83
Danish Krone (DKK)	-2.52	10.46	5.77	3.85	-0.69	-0.02	-0.07	0.00	-0.08	-0.04	1.51
Swiss Franc (CHF)	-1.98	11.60	8.40	5.46	2.30	0.53	0.97	2.48	1.47	2.97	-0.27

## U.S. Dollar Index

**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. \*German Rate. Source: Factset, Bloomberg as of 7/31/25. Dollar is represented by the US Trade Weighted Dollar Index (DXY). Data provided is for informational use only. See end of report for important additional information.

## ALTERNATIVES

## Emerging Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
<b>Asia, excluding Japan</b>											
Chinese Renminbi (CNY)	-0.38	1.48	0.47	-2.16	-0.60	2.17	-8.19	-5.01	-5.86	0.05	1.35
Malaysian Ringgit (MYR)	-1.28	4.84	7.73	1.43	-0.12	1.25	-5.15	1.85	-2.40	0.54	2.82
Indian Rupee (INR)	-2.10	-2.27	-4.42	-3.28	-3.11	0.41	-11.58	-9.63	-6.93	-2.47	5.69
Indonesian Rupiah (IDR)	-1.34	-2.19	-1.19	-3.40	-2.36	1.19	-11.51	-6.58	-7.05	-1.72	5.57
Philippine Peso (PHP)	-3.43	-0.84	0.07	-1.86	-3.37	-0.96	-10.28	-5.39	-5.57	-2.74	5.85
Singapore Dollar (SGD)	-1.83	5.15	3.10	2.15	1.11	0.69	-4.87	-2.52	-1.71	1.78	1.54
South Korean Won (KRW)	-2.68	6.15	-0.72	-2.15	-2.99	-0.19	-3.96	-6.14	-5.85	-2.36	2.34
Taiwanese Dollar (TWD)	-2.13	9.84	10.13	0.10	-0.37	0.38	-0.63	4.12	-3.68	0.28	1.17
Thai Baht (THB)	-0.52	4.33	9.07	4.05	-0.93	2.02	-5.61	3.12	0.12	-0.29	1.27
<b>Latin America</b>											
Brazilian Real (BRL)	-2.51	10.35	0.97	-2.44	-1.44	-0.02	-0.17	-4.54	-6.13	-0.80	14.42
Chilean Peso (CLP)	-4.66	1.58	-3.50	-2.71	-5.02	-2.22	-8.10	-8.76	-6.39	-4.40	4.80
Colombian Peso (COP)	-1.92	5.77	-2.55	1.08	-2.19	0.59	-4.31	-7.87	-2.74	-1.55	8.58
Mexican Peso (MXN)	0.34	10.43	-1.05	2.64	3.34	2.91	-0.09	-6.45	-1.24	4.02	8.10
Peruvian New Sol (PEN)	-1.05	4.76	3.68	3.14	-0.33	1.48	-5.22	-1.98	-0.75	0.33	3.89

**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Factset, Bloomberg as of 7/31/25. Data provided is for informational use only. See end of report for important additional information..

## ALTERNATIVES

## Emerging Market Currency Performance and Yields

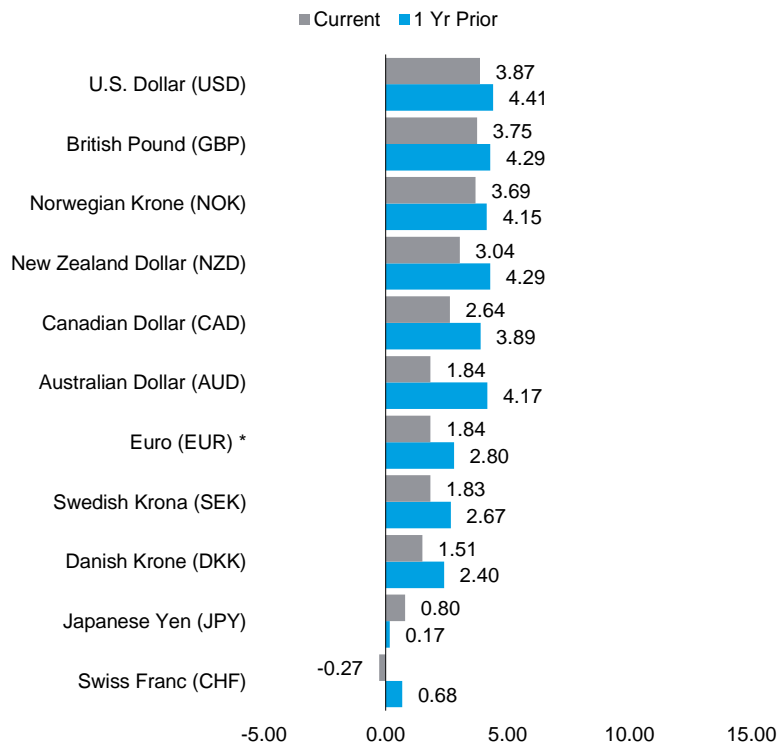
Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
<b>Europe</b>											
Czech Koruna (CZK)	-1.99	13.16	9.53	3.96	0.67	0.52	2.37	3.55	0.03	1.33	3.28
Hungarian Forint (HUF)	-2.50	13.76	4.28	4.26	-3.56	0.00	2.92	-1.41	0.32	-2.93	5.96
Polish Zloty (PLN)	-3.22	10.62	6.28	7.49	-0.01	-0.74	0.08	0.48	3.42	0.64	4.01
Romanian Leu (RON)	-2.31	8.49	3.87	2.96	-1.60	0.19	-1.85	-1.80	-0.93	-0.96	6.75
Russian Ruble (RUB)	-2.37	37.02	7.30	-7.39	-1.52	0.13	23.96	1.45	-10.89	-0.87	--
Turkish New Lira (TRY)	-1.97	-12.89	-18.43	-23.86	-29.68	0.54	-21.19	-22.88	-26.74	-29.22	37.64
<b>Middle East and Africa</b>											
Ghanaian Cedi (GHS)	-1.43	40.00	48.00	-6.71	-11.24	1.09	26.66	39.92	-10.23	-10.66	17.90
Israeli Shekel (ILS)	-0.74	7.40	10.87	0.17	0.06	1.80	-2.83	4.82	-3.62	0.71	4.15
Kenyan Shilling (KES)	0.04	0.12	-0.15	-2.73	-3.57	2.60	-9.42	-5.60	-6.41	-2.93	9.72
Moroccan Dirham (MAD)	-1.40	10.79	8.56	4.06	0.37	1.12	0.24	2.64	0.13	1.03	2.18
Nigerian Naira (NGN)	-0.14	0.48	4.45	-34.81	-24.13	2.41	-9.09	-1.25	-37.27	-23.63	16.72
South African Rand (ZAR)	-1.72	4.36	0.60	-2.70	-1.19	0.79	-5.59	-4.89	-6.37	-0.55	7.66
Ugandan Shilling (UGX)	0.28	3.21	3.99	2.49	0.55	2.85	-6.63	-1.69	-1.39	1.21	15.25
Zambian Kwacha (ZMK)	4.69	22.15	14.57	-10.52	-4.35	7.37	10.51	8.32	-13.91	-3.72	14.50

Past performance is no guarantee of future results. 7/31/25. Data provided is for informational use only. See end of report for important additional information..

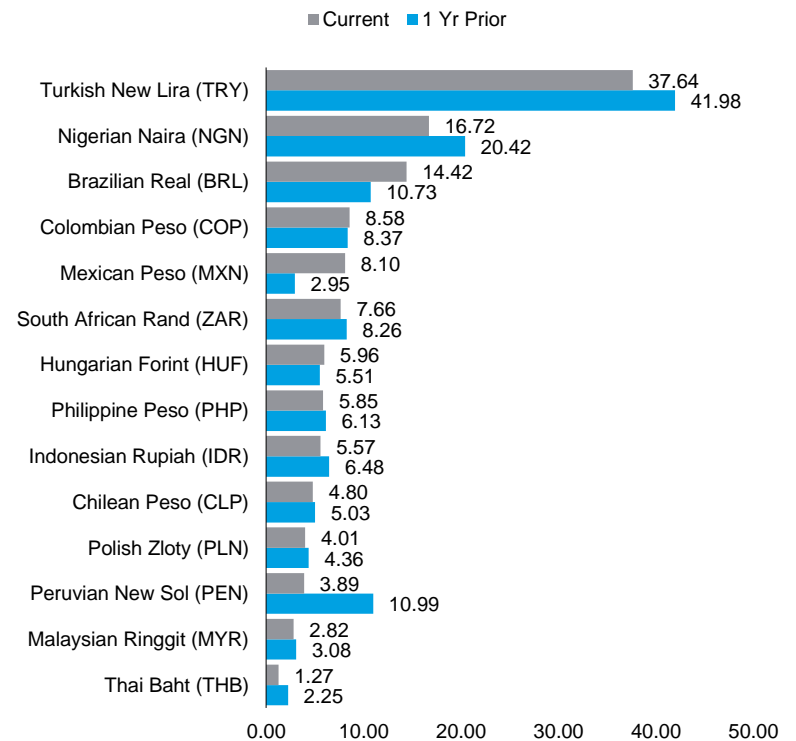
## ALTERNATIVES

# Local Sovereign Currency Yields

### Developed Market Local Interest Rates % (1 Year)



### Emerging Market Local Interest Rates % (1 Year)



**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. \*German Rate. Source: Bloomberg as 7/31/25. Data provided is for informational use only. See end of report for important additional information.



## ALTERNATIVES

## Commodities Return Analysis (%)

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
<b>Bloomberg Commodity Index</b>	<b>-0.45</b>	<b>1.36</b>	<b>5.05</b>	<b>9.71</b>	<b>-1.41</b>	<b>11.33</b>
<b>Bloomberg Sub Agriculture</b>	<b>-1.36</b>	<b>-6.44</b>	<b>-3.42</b>	<b>4.05</b>	<b>-2.55</b>	<b>11.44</b>
Coffee	-1.07	-24.90	-1.61	42.59	23.15	24.90
Corn	-3.37	-13.95	-13.02	-1.43	-10.84	8.76
Cotton	-0.93	-0.59	-5.45	-7.48	-10.38	5.37
Soybean	-3.32	-2.24	-0.21	-1.70	-5.06	10.86
Soybean Oil	4.15	11.64	34.74	30.12	-0.69	20.76
Sugar	1.30	-6.34	-7.12	-5.35	10.03	12.48
Wheat	-2.43	-2.97	-9.81	-10.28	-20.12	-6.97
<b>Bloomberg Sub Energy</b>	<b>2.52</b>	<b>8.99</b>	<b>1.33</b>	<b>2.81</b>	<b>-14.96</b>	<b>11.71</b>
Brent Crude	9.54	22.10	4.91	1.42	1.13	24.78
Heating Oil	6.79	22.68	15.64	8.86	6.10	31.63
Natural Gas	-10.67	-15.47	-8.72	5.32	-50.33	-19.82
Unleaded Gas	6.84	12.87	3.12	-1.98	5.45	31.23
WTI Crude Oil	8.87	25.71	5.44	3.75	0.56	22.54

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
<b>Bloomberg Sub Industrial Metals</b>	<b>-6.30</b>	<b>0.27</b>	<b>1.31</b>	<b>3.25</b>	<b>0.42</b>	<b>7.56</b>
Aluminum	-1.03	7.73	1.81	13.66	0.40	7.45
Copper	-14.00	-5.51	7.42	3.42	8.68	9.64
Nickel	-1.99	-3.45	-3.33	-11.16	-14.37	1.62
Zinc	0.71	7.20	-6.87	4.77	-2.86	5.66
<b>Bloomberg Sub Precious Metals</b>	<b>0.39</b>	<b>2.13</b>	<b>24.53</b>	<b>32.07</b>	<b>22.24</b>	<b>9.50</b>
Gold	-0.06	-0.54	24.31	34.18	22.39	9.93
Platinum	-2.91	34.93	43.83	32.32	15.40	7.92
Silver	1.87	12.05	25.18	25.46	21.49	7.84
<b>Bloomberg Sub Livestock</b>	<b>2.59</b>	<b>8.15</b>	<b>16.66</b>	<b>25.03</b>	<b>12.70</b>	<b>12.15</b>
Lean Hogs	-3.34	1.39	2.59	17.64	-0.46	14.82
Live Cattle	5.95	11.96	25.13	29.53	21.08	11.51

**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Morningstar as of 7/31/25. Data provided is for informational use only. See end of report for important additional information. Commodity represented by Bloomberg Commodity Index. Agriculture represented by Bloomberg Agriculture Subindex. Energy represented by Bloomberg Energy Subindex. Grains represented by Bloomberg Grains Subindex. Industrial Metals represented by Bloomberg Industrial Metals Subindex. Livestock represented by Bloomberg Livestock Subindex. Precious Metals represented by Bloomberg Precious Metals Subindex.

## ALTERNATIVES

## Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher ↑ Lower	Multi-Strategy 3.84	MLP 18.31	Long/Short Equity 13.41	Fixed Income Arbitrage 1.10	Long/Short Equity 12.17	Convertible Arbitrage 10.25	MLP 40.17	MLP 30.92	MLP 26.56	MLP 24.41	Currency 10.44
	Long/Short Equity 3.55	Commodity 11.77	Currency 11.54	Global Macro -0.11	Global Macro 10.38	Long/Short Equity 7.86	Commodity 27.11	Managed Futures 19.12	Long/Short Equity 10.93	Long/Short Equity 14.78	Equity Market Neutral 9.12
	Equity Market Neutral 1.69	Convertible Arbitrage 6.60	Equity Market Neutral 8.45	Multi-Strategy -1.05	Managed Futures 9.01	Event Driven 6.95	Event Driven 12.92	Commodity 16.09	Event Driven 9.30	Event Driven 13.03	MLP 7.06
	Convertible Arbitrage 0.81	Multi-Strategy 4.41	Multi-Strategy 6.83	Convertible Arbitrage -2.26	Event Driven 8.22	Global Macro 6.53	Global Macro 9.60	Global Macro 15.89	Currency 8.44	Multi-Strategy 8.66	Long/Short Equity 6.92
	Fixed Income Arbitrage 0.59	Fixed Income Arbitrage 4.29	Fixed Income Arbitrage 6.52	Currency -3.33	Convertible Arbitrage 8.15	Multi-Strategy 5.60	Long/Short Equity 8.35	Equity Market Neutral 1.71	Multi-Strategy 8.04	Fixed Income Arbitrage 8.49	Commodity 5.53
	Global Macro 0.18	Global Macro 3.58	Event Driven 6.30	Event Driven -3.95	Commodity 7.69	Fixed Income Arbitrage 3.64	Managed Futures 8.19	Multi-Strategy 1.27	Fixed Income Arbitrage 7.71	Equity Market Neutral 8.05	Fixed Income Arbitrage 5.37
	Managed Futures -0.93	Currency 3.54	Convertible Arbitrage 5.01	Long/Short Equity -4.62	Multi-Strategy 7.25	Managed Futures 1.86	Multi-Strategy 6.97	Fixed Income Arbitrage -0.97	Equity Market Neutral 6.73	Convertible Arbitrage 7.35	Multi-Strategy 4.11
	Event Driven -6.29	Event Driven 2.68	Managed Futures 3.29	Equity Market Neutral -5.00	MLP 6.56	Currency 1.73	Convertible Arbitrage 6.33	Convertible Arbitrage -3.32	Convertible Arbitrage 4.04	Global Macro 5.52	Event Driven 3.73
	Currency -7.61	Long/Short Equity -3.43	Global Macro 2.14	Managed Futures -6.67	Fixed Income Arbitrage 6.10	Equity Market Neutral 1.69	Equity Market Neutral 6.16	Long/Short Equity -5.77	Managed Futures -2.78	Commodity 5.38	Convertible Arbitrage 3.72
	Commodity -24.66	Equity Market Neutral -4.58	Commodity 1.70	Commodity -11.25	Currency 5.20	Commodity -3.12	Fixed Income Arbitrage 5.22	Event Driven -6.80	Global Macro -5.19	Managed Futures 2.87	Global Macro 3.09
	MLP -32.59	Managed Futures -6.84	MLP -6.52	MLP -12.42	Equity Market Neutral 1.58	MLP -28.69	Currency -3.09	Currency -7.14	Commodity -7.91	Currency -1.08	Managed Futures -6.62

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Morningstar as of 6/30/25. \*Data is on a 1-month lag. Data provided is for informational use only. Alternative investments often are speculative and include a high degree of risk. See end of report for important additional information. Global Macro represented by Credit Suisse Global Macro Index. MLP represented by Alerian MLP Index. Event Driven represented by Credit Suisse Event Driven Index. Multi-Strategy represented by Credit Suisse Multi-Strategy Index. Long/Short Equity represented by Credit Suisse Long/Short Equity Index. Convertible Arbitrage represented by Credit Suisse Convertible Arbitrage Index. Currency represented by J.P. Morgan EMLI+ Index. Equity Market Neutral represented by Credit Suisse Equity Market Neutral Index. Fixed Income Arbitrage represented by Credit Suisse Fixed Income Arbitrage Index. Managed Futures represented by Credit Suisse Managed Futures Index. Commodity represented by Bloomberg Commodity Index.

## TRANSITION

## Major Asset Classes Correlation Table

	S&P 500	International	Emerging Markets	Small Cap	U.S. Aggregate	Municipal	High Yield	Bank Loan	Commodities
S&P 500	1.00	0.85	0.70	0.87	0.38	0.42	0.80	0.60	0.40
International	0.82	1.00	0.80	0.77	0.43	0.47	0.80	0.59	0.45
Emerging Markets	0.61	0.75	1.00	0.63	0.41	0.45	0.70	0.56	0.46
Small Cap	0.83	0.74	0.58	1.00	0.29	0.34	0.77	0.64	0.38
U.S. Aggregate	0.59	0.67	0.61	0.50	1.00	0.84	0.50	0.15	-0.04
Municipal	0.64	0.68	0.67	0.55	0.89	1.00	0.57	0.29	0.05
High Yield	0.83	0.82	0.64	0.78	0.74	0.74	1.00	0.80	0.50
Bank Loan	0.57	0.57	0.53	0.59	0.33	0.35	0.67	1.00	0.50
Commodities	0.28	0.32	0.33	0.23	0.01	0.00	0.29	0.33	1.00

5 Years ended July 31, 2025
10 Years ended July 31, 2025

**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Morningstar as of 7/31/25. The table above shows the return correlation between various asset classes (represented by market indices as defined in this disclosure) over the past five and ten years. Data provided is for informational use only. See end of report for important additional information. S&P 500 is represented by the S&P 500 Index. International is represented by MSCI EAFE Index. Emerging Markets is represented by MSCI Emerging Markets Index. Small-Cap is represented by Russell 2000 Index. US Aggregate is represented by the Bloomberg Barclays Capital US Aggregate Bond Index. Municipal is represented by Bloomberg Barclays Municipal Bond Index. High Yield is represented by ICE BofA US High Yield Index. Bank Loan is represented by Morningstar LSTA U.S. Leveraged Loan Index. Commodities is represented by Bloomberg Commodity Index.

## TRANSITION

# Fund and ETF Flows by Category

## Top 10 Open-End Mutual Fund Categories by Monthly Flows (\$MM)

	1 Mo.	3 Mo.	12 Mo.
Intermediate Core Bond	15,166	-3,471	27,267
Multisector Bond	2,544	970	34,011
Long Government	2,183	1,238	7,270
Inflation-Protected Bond	1,535	2,108	10,630
Short-Term Inflation-Protected Bond	1,466	1,403	1,789
High Yield Bond	1,066	-2,655	6,691
Global Bond-USD Hedged	1,056	-80	7,064
Muni National Intern	1,005	-165	11,153
Multistrategy	889	1,114	2,813
Miscellaneous Region	852	2,748	6,340

## Bottom 10 Open-End Mutual Fund Categories by Monthly Flows (\$MM)

	1 Mo.	3 Mo.	12 Mo.
Diversified Emerging Mkts	-1,792	-9,376	-28,311
Mid-Cap Value	-2,416	-5,860	-19,256
Small Blend	-2,540	-4,923	-16,148
Mid-Cap Blend	-2,758	-6,124	-17,856
Foreign Large Growth	-3,234	-9,355	-36,074
Moderate Allocation	-4,125	-12,269	-46,196
Mid-Cap Growth	-4,159	-9,458	-34,650
Large Value	-6,780	-17,929	-75,753
Large Growth	-16,650	-34,399	-135,232
Large Blend	-21,676	-16,763	-124,969

## Top 10 Exchange-Traded Fund Categories by Monthly Flows (\$MM)

	1 Mo.	3 Mo.	12 Mo.
Large Blend	20,466	50,072	372,655
Foreign Large Blend	10,163	23,977	73,769
Intermediate Core Bond	9,089	14,299	65,781
Diversified Emerging Mkts	5,892	7,192	16,082
Digital Assets	5,889	15,501	43,910
Commodities Focused	5,480	8,600	26,608
Derivative Income	5,444	16,298	52,597
Ultrashort Bond	4,983	20,765	90,202
High Yield Bond	4,173	4,447	17,460
Large Growth	3,852	22,816	90,968

## Bottom 10 Exchange-Traded Fund Categories by Monthly Flows (\$MM)

	1 Mo.	3 Mo.	12 Mo.
Consumer Defensive	-270	-354	10
Equity Energy	-303	-4,336	-13,094
Small Value	-634	-1,669	5,741
Mid-Cap Value	-654	-2,671	-3,589
Diversified Pacific/Asia	-847	-694	-654
Health	-866	-3,153	-9,200
Long-Term Bond	-1,233	-3,815	1,742
Small Blend	-2,647	-7,647	16,754
Long Government	-3,482	-1,042	8,131
Trading--Leveraged Equity	-4,058	-3,541	11,912

Source: Morningstar as of 6/30/25. Flow data is on a one-month lag. Data provided is for informational use only. See end of report for important additional information.

## TRANSITION

## Major Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	Municipal 3.30	Small-Cap 21.31	Emerging Markets 37.28	Municipal 1.28	S&P 500 31.49	Small-Cap 19.96	S&P 500 28.71	Commodities 16.09	S&P 500 26.29	S&P 500 25.02	International 17.77
	S&P 500 1.38	High Yield 17.49	International 25.03	Bank Loan 0.44	Small-Cap 25.52	S&P 500 18.40	Commodities 27.11	Bank Loan -0.77	International 18.24	Small-Cap 11.54	Emerging Markets 17.51
	US Agg 0.55	S&P 500 11.96	S&P 500 21.83	US Agg 0.01	International 22.01	Emerging Markets 18.31	Small-Cap 14.82	Municipal -8.53	Small-Cap 16.93	Asset Allocation 9.79	S&P 500 8.59
	Bank Loan -0.69	Commodities 11.77	Small-Cap 14.65	High Yield -2.26	Asset Allocation 18.70	Asset Allocation 11.95	Asset Allocation 11.43	High Yield -11.22	Asset Allocation 14.09	Bank Loan 8.95	Asset Allocation 7.31
	International -0.81	Emerging Markets 11.19	Asset Allocation 14.02	S&P 500 -4.38	Emerging Markets 18.42	International 7.82	International 11.26	US Agg -13.01	High Yield 13.46	High Yield 8.20	Commodities 5.05
	Asset Allocation -2.03	Bank Loan 10.16	High Yield 7.48	Asset Allocation -5.40	High Yield 14.41	US Agg 7.51	High Yield 5.36	Asset Allocation -13.04	Bank Loan 13.32	Emerging Markets 7.50	High Yield 4.97
	Small-Cap -4.41	Asset Allocation 8.61	Municipal 5.45	Small-Cap -11.01	US Agg 8.72	High Yield 6.17	Bank Loan 5.20	International -14.45	Emerging Markets 9.83	Commodities 5.38	US Agg 3.75
	High Yield -4.64	US Agg 2.65	Bank Loan 4.12	Commodities -11.25	Bank Loan 8.64	Municipal 5.21	Municipal 1.52	S&P 500 -18.11	Municipal 6.40	International 3.82	Bank Loan 3.71
	Emerging Markets -14.92	International 1.00	US Agg 3.54	International -13.79	Commodities 7.69	Bank Loan 3.12	US Agg -1.54	Emerging Markets -20.09	US Agg 5.53	US Agg 1.25	Small-Cap -0.08
Lower	Commodities -24.66	Municipal 0.25	Commodities 1.70	Emerging Markets -14.57	Municipal 7.54	Commodities -3.12	Emerging Markets -2.54	Small-Cap -20.44	Commodities -7.91	Municipal 1.05	Municipal -0.55

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Morningstar as of 7/31/25. Data provided is for informational use only. Investing involves risks including the possible loss of principal. Investors should carefully review the risks of each asset class prior to investing. See end of report for important additional information. S&P 500 represented by the S&P 500 Index. International represented by MSCI EAFE Index. Emerging Markets represented by MSCI Emerging Markets Index. Small-Cap represented by Russell 2000 Index. US Aggregate represented by the Bloomberg Capital US Aggregate Bond Index. Municipal represented by Bloomberg Municipal Bond Index. High Yield represented by ICE BofA US High Yield Index. Bank Loan represented by Morningstar LSTA U.S. Leveraged Loan Index. Commodity represented by Bloomberg Commodity Index. The Asset Allocation portfolio assumes the following weights: 25% in the S&P 500 Index, 15% in the MSCI EAFE Index, 5% in the MSCI Emerging Markets Index, 10% in the Russell 2000 Index, 25% in the Bloomberg Capital US Aggregate Bond Index, 5% in the Bloomberg Municipal Bond Index, 5% in the Bloomberg US Corporate High Yield Index, 5% in the Morningstar LSTA U.S. Leveraged Loan Index, and 5% in the Bloomberg Commodity Index.

## Portfolio Solutions Group

The Portfolio Solutions Group is a comprehensive multi-asset business, with activity across all asset strategies and type, both traditional and alternative, through solutions that span fully liquid (public assets), comprehensive (public and private assets) and fully private portfolios. Offerings are delivered by a managed portfolio or model, in discretionary or advisory format.

The team's expertise lies in partnering with institutional, intermediaries and high net worth investors to understand their unique needs and crafting solutions to help them achieve their overall investment objectives.



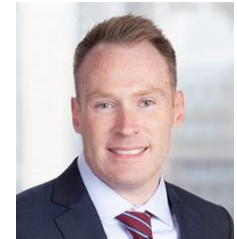
**JIM CARON**  
*Chief Investment  
Officer  
Managing Director*



**EWA TUREK  
SEMMELOTH**  
*Executive Director*



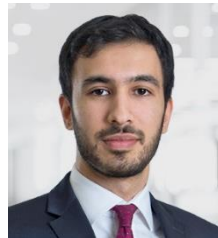
**ERIC ZHANG**  
*Executive Director*



**SCHUYLER  
HOOPER**  
*Executive Director*



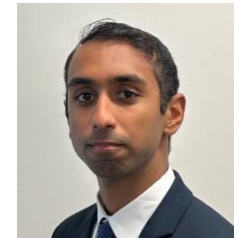
**GREG  
WATERMAN**  
*Executive Director*



**UMAR MALIK**  
*Vice President*



**CHRIS CHIA**  
*Vice President*



**SACHIN  
RAGHAVAN**  
*Associate*

# Asset Allocation Committee

The Asset Allocation Committee is an independent group of senior investment professionals across various disciplines within MSIM and Eaton Vance. The Portfolio Solutions Group presents multi-sector research and investment ideas to the Committee, who is responsible for vetting and challenging these ideas to insure they meet their rigorous standards and can then be included in representative asset allocation recommendations.

**MARK BAVOSO**

*Senior Portfolio Manager, Global Multi-Asset Team*

**JUSTIN BOURGETTE, CFA**

*Portfolio Manager*

*Head of Investment Strategy for the High Yield Team*

**CRAIG BRANDON, CFA**

*Portfolio Manager*

*Co-Head of the Municipals Team*

**JIM CARON**

*Chief Investment Officer, Portfolio Solutions Group*

**AARON DUNN, CFA**

*Portfolio Manager*

*Co-Head of the Value Equity Team*

**GREG FINCK**

*Portfolio Manager*

*Co-Head of the Mortgage and Securitized Team*

**BRAD GODFREY, CFA**

*Co-Head of the Emerging Markets Team*

**KATIE HERR**

*Head of Fixed Income Product Strategy*

**LAUREN HOCHFELDER**

*Co-Chief Executive Officer of MSREI*

*Head of MSREI Americas*

**JITANIA KANDHARI**

*Deputy CIO, Solutions & Multi Asset Group;*

*Head of Macro & Thematic Research,*

*Emerging Markets; Portfolio Manager*

**VISHAL KHANDUJA, CFA**

*Portfolio Manager*

*Co-Head of the Broad Markets Fixed Income Team*

**KYLE LEE, CFA**

*Portfolio Manager*

*Co-Head of the Emerging Markets Team*

**SCOTT R. NORBY**

*Private Credit and Equity*

**NISHA PATEL, CFA**

*Senior Portfolio Manager*

*Head of Fixed Income SMA Management, Parametric*

**CHRISTOPHER REMINGTON**

*Institutional Portfolio Manager*

*Head of Fixed Income Product & Portfolio Strategy*

**ANDREW SLIMMON**

*Senior Portfolio Manager*

*Head of Applied Equity Advisors*

**ANDREW SZCZUROWSKI, CFA**

*Portfolio Manager*

*Co-Head of the Mortgage and Securitized Team*

**STEVEN TURNER, CFA**

*Head of Investment Selection,*

*Portfolio Solutions Group*

**MARK VAN DER ZWAN, CFA**

*Chief Investment Officer and Head of the AIP Hedge*

*Fund Team*



# Index Definitions

The **Bloomberg Capital Expenditure Index** measures capital expenditure in the U.S.

**Bloomberg Commodity Index** is a broadly diversified index tracking futures contracts on physical commodities.

The **Bloomberg ECO Labor Market Surprise Index** measures economic data releases on the labor market compared to market expectations.

**Bloomberg Euro-Aggregate Corporates Index** consists of bonds issued in the euro or the legacy currencies of the 16 sovereign countries participating in the European Monetary Union (EMU)

**Bloomberg Global Aggregate Ex-USD Index** is a broad-based measure of global Investment Grade fixed-rate debt investments, excluding USD-denominated debt.

**Bloomberg High Yield Municipal Bond Index** is an unmanaged index of non-Investment Grade Municipal bonds traded in the U.S.

**Bloomberg Magnificent 7 Index** is an equal-dollar weighted equity benchmark consisting of Alphabet, Amazon, Apple, Microsoft, Meta, Nvidia and Tesla.

**Bloomberg Municipal Bond Index** is an unmanaged index of Municipal bonds traded in the U.S.

**Bloomberg Pan-European High Yield Index** covers the universe of fixed-rate, sub-investment-grade debt denominated in euros or other European currencies (except Swiss francs).

**Bloomberg Taxable Municipal Bond Index** is an unmanaged index of Taxable Municipal bonds traded in the U.S.

**Bloomberg U.S. Agency Index** measures agency securities issued by U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government.

**Bloomberg U.S. Aggregate Index** is an unmanaged index of domestic investment-grade bonds, including corporate, government and mortgage-backed securities.

**Bloomberg U.S. Asset Backed Securities (ABS) Index** measures ABS with the following collateral type: credit and charge card, auto, and utility loans.

**Bloomberg U.S. CMBS Index** measures the market of conduit and fusion CMBS deals with a minimum current deal size of \$300mn.

**Bloomberg U.S. Corporate Investment Grade Index** is an unmanaged index that measures the performance of investment-grade corporate securities within the Barclays U.S. Aggregate Index.

**Bloomberg U.S. Mortgage-Backed Securities (MBS) Index** measures agency mortgage-backed pass-through securities issued by GNMA, FNMA, and FHLMC.

**Bloomberg U.S. Treasury Index** measures public debt instruments issued by the U.S. Treasury.

**CBOE Volatility Index (VIX)** tracks the implied volatilities of a wide range of S&P 500 Index options.

**CBOE S&P 500 BuyWrite Index** measures the performance of a hypothetical buy-write strategy on the S&P 500 Index.

**Citigroup Eurozone Economic Surprise Index** represents the sum of the difference between official economic results and forecasts in Europe.

**Citigroup U.S. Economic Surprise Index** represents the sum of the difference between official economic results and forecasts in the U.S.

**The DAX** consists of the 40 major German blue chip companies trading on the Frankfurt Stock Exchange.

**ICE BofA US Inflation-Linked Treasury Index** tracks the performance of USD denominated inflation linked sovereign debt publicly issued by the US government.

**ICE BofA Fixed Rate Preferred Securities Index** is an unmanaged index of fixed-rate, preferred securities issued in the U.S.

**ICE BofA European Union Government Bond Index** tracks the performance of sovereign debt publicly issued by countries that are members of the European Union.

**ICE BofA U.S. High Yield Index** is an unmanaged index of below-investment grade U.S. corporate bonds.

**ICE BofA Developed Markets High Yield Ex-Subordinated Financial Index (Hedged)** is an unmanaged index of global developed market below investment grade corporate bonds, USD hedged.

**FTSE 100 Index** is an unmanaged market-capitalization weighted index representing the performance of the 100 largest UK listed blue chip companies, which pass screening for size and liquidity.

**FTSE All Small Index** consists of all the companies in the FTSE SmallCap and FTSE Fledgling indices.

**FTSE World Government Bond Index (WGBI)** measures the performance of fixed-rate, local currency, investment-grade sovereign bonds.

**J.P. Morgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified** is an unmanaged index of USD-denominated emerging market corporate bonds.

**J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified** is an unmanaged index of USD-denominated bonds with maturities of more than one year issued by emerging markets governments.

**J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified** is an unmanaged index of local-currency bonds with maturities of more than one year issued by emerging market governments.

**The MDAX** lists German companies trading on the Frankfurt Stock Exchange. It includes the 50 Prime Standard shares that rank in size immediately below the companies included in the DAX index.

**Morgan Stanley Capital International (MSCI) Emerging Markets Index** is an unmanaged index of emerging markets common stocks

**MSCI EMU Index (European Economic and Monetary Union)** captures large and mid cap representation across the 10 Developed Markets countries in the EMU. With 229 constituents, the index covers approximately 85% of the free float-adjusted market capitalization of the EMU.

**Morgan Stanley Capital International All Country Asia Pacific Index (MSCI AC Asia Pac)** is an unmanaged total return, capitalization-weighted index that measures the performance of stock markets in 15 Pacific region countries, including Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Taiwan and Thailand.

**Morgan Stanley Capital International (MSCI) Japan Index** is an unmanaged index designed to measure the performance of the large and mid cap segments of the Japan market.

**Morgan Stanley Capital International (MSCI) World Index** is an unmanaged index of equity securities in the developed markets.

**Morgan Stanley Capital International (MSCI) World ex USA Small Cap Index** is an unmanaged index of small-cap equity securities in the developed markets, excluding the United States.

**Morgan Stanley Capital International All Country World (MSCI AC World) Index** is an unmanaged free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed and emerging markets.

**Morgan Stanley Capital International Europe (MSCI Europe) Index** is an unmanaged free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of the developed markets in Europe.

**Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE) Index** is an unmanaged index of equities in the developed markets, excluding the U.S. and Canada.

**MSCI USA Index** is designed to measure the performance of the large and mid cap segments of the US market. With 625 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

**MSCI China** captures large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips and P-chips. It reflects the Mainland China and Hong Kong opportunity set from an international investor's perspective.

The **MSCI India Index** is designed to measure the performance of the large and mid cap segments of the Indian market.



## ADDITIONAL INFORMATION

## Index Definitions, Terms and About Risk

The **MSCI World Index** is a free float adjusted market capitalization weighted index that is designed to measure the global equity market performance of developed markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in U.S. dollars and assumes reinvestment of net dividends.

The **MSCI USA Health Care Index** is designed to capture the large and mid cap segments of the US equity universe. All securities in the index are classified in the Health Care sector as per the Global Industry Classification Standard.

**Morningstar LSTA U.S. Leveraged Loan Index** is an unmanaged index of the institutional leveraged loan market. Prior to August 29, 2022, the index name was S&P/LSTA Leveraged Loan Index.

**Nikkei 225 Stock Average Index** is unmanaged price-weighted index of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

**Russell 1000 Index** is an unmanaged index of 1,000 U.S. large-cap stocks.

**Russell 1000 Growth Index** is an unmanaged index of 1,000 U.S. large-cap growth stocks.

**Russell 1000 Value Index** is an unmanaged index of 1,000 U.S. large-cap value stocks.

**Russell 2000 Index** is an unmanaged index of 2,000 U.S. small-cap stocks.

**Russell 2500 Index** is an unmanaged index of approximately 2,500 U.S. small- and mid-cap U.S. stocks.

**Russell Midcap Index** is an unmanaged index of U.S. mid-cap stocks.

**Standard & Poor's 400 Index** is designed to measure the performance of 400 mid-sized U.S. companies, reflecting the distinctive risk and return characteristics of this market segment.

**Standard & Poor's 493 Index** is designed to measure the performance of the S&P 500 excluding the "Mag 7" i.e. Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

**Standard & Poor's 500 Index** is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance.

**STOXX Europe 600 Index** is a fixed component number index designed to provide a broad yet liquid representation of large, mid and small capitalization companies in Europe.

**ICE BofA Indexes:** ICE® BofA® indices are not for redistribution or other uses; provided "as is", without warranties, and with no liability. Eaton Vance has prepared this report and ICE Data Indices, LLC does not endorse it, or guarantee, review, or endorse Eaton Vance's products. BofA® is a licensed registered trademark of Bank of America Corporation in the United States and other countries.

**MSCI Indexes:** Source: MSCI. MSCI data may not be reproduced or used for any other purpose. MSCI provides no warranties, has not prepared or approved this report, and has no liability hereunder.

**J.P. Morgan Indices:** Information has been obtained from sources believed to be reliable, but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2019, J.P. Morgan Chase & Co. All rights reserved.

**S&P Dow Jones Indices** are a product of S&P Dow Jones Indices LLC ("S&P DJI") and have been licensed for use. S&P® and S&P 500® are registered trademarks of S&P DJI; Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); S&P DJI, Dow Jones and their respective affiliates do not

sponsor, endorse, sell or promote the Fund, will not have any liability with respect thereto and do not have any liability for any errors, omissions, or interruptions of the S&P Dow Jones Indices.

Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index. Data provided is for informational use only. Past performance is no guarantee of future results. See end of report for important additional information.

**Municipal-to-Treasury Yield Ratios** are relative value indicators that measure the richness or cheapness of Municipal bond yields to comparable maturity Treasury bond yields.

## Terms

**Yield to Worst** is a measure which reflects the lowest potential yield earned on a bond without the issuer defaulting. The yield to worst is calculated by making worst-case scenario assumptions by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

## About Risk

**Bank Loans** – There can be no assurance that the liquidation of collateral securing an investment will satisfy the issuer's obligation in the event of non-payment or that collateral can be readily liquidated. The ability to realize the benefits of any collateral may be delayed or limited. **Commodities** – The value of commodities investments will generally be affected by overall market movements and factors specific to a particular industry or commodity including weather, embargoes, tariffs, or health, political, international and regulatory developments. **Credit** – Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of non-payment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. **Duration** – Securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. **Equity** – Equity investment values are sensitive to stock market volatility. **Foreign** – Investments in foreign instruments or currencies can involve greater risk and volatility than U.S. investments because of adverse market, economic, political, regulatory, geopolitical, or other conditions. In emerging countries, these risks may be more significant. **Gov't Agency** – While certain U.S. Government-sponsored agencies may be chartered or sponsored by acts of Congress, their securities are neither issued nor guaranteed by the U.S. Treasury. **Income Market** – An imbalance in supply and demand in the income market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. There generally is limited public information about Municipal issuers. **Inflation-Linked** – Interest payments on inflation-linked securities may vary widely and will fluctuate as principal and interest are adjusted for inflation. Investments in inflation-linked securities may lose value in the event that the actual rate of inflation is different than the rate of the inflation index. **Interest Rate** – As interest rates rise, the value of certain income investments is likely to decline. **Lower-Rated** – Investments rated below Investment Grade (typically referred to as "junk") are generally subject to greater price volatility and illiquidity than higher rated investments. **Maturity** – Longer-term bonds typically are more sensitive to interest rate changes than shorter-term bonds. **Preferred Stocks** – When interest rates rise, the value of preferred stocks will generally decline. **Prepayment - MBS** – Mortgage-backed securities are subject to prepayment risk. **Prepayment - Bank Loan** – Bank Loans are subject to prepayment risk. **Real Estate** – Changes in real estate values or economic downturns can have a significant negative effect on issuers in the real estate industry, including REITs.

## ADDITIONAL INFORMATION

## Risk Considerations

Diversification does not eliminate the risk of loss.

In general, equity securities' values also fluctuate in response to activities specific to a company. Investments in foreign markets entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging market countries are greater than risks associated with investments in foreign developed countries. Fixed income securities are subject to the ability of an issuer to make timely principal and interest payments (credit risk), changes in interest rates (interest-rate risk), the creditworthiness of the issuer and general market liquidity (market risk). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. Longer-term securities may be more sensitive to interest rate changes. Alternative investments are speculative, involve a high degree of risk, are highly illiquid, typically have higher fees than other investments, and may engage in the use of leverage, short sales, and derivatives, which may increase the risk of investment loss. These investments are designed for investors who understand and are willing to accept these risks. Performance may be volatile, and an investor could lose all or a substantial portion of its investment.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

**A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.**

**For important information about the investment managers, please refer to Form ADV Part 2.**

The views and opinions and/or analysis expressed are those of the author or the investment team as of the date of preparation of this material and are subject to change at any time without notice due to market or economic conditions and may not necessarily come to pass. Furthermore, the views will not be updated or otherwise revised to reflect information that subsequently becomes available or circumstances existing, or changes occurring, after the date of publication. The views expressed do not reflect the opinions of all investment personnel at Morgan Stanley Investment Management (MSIM) and its subsidiaries and affiliates (collectively "the Firm") and may not be reflected in all the strategies and products that the Firm offers.

Forecasts and/or estimates provided herein are subject to change and may not actually come to pass. Information regarding expected market returns and market outlooks is based on the research, analysis and opinions of the authors or the investment team. These conclusions are speculative in nature, may not come to pass and are not intended to predict the future performance of any specific strategy or product the Firm offers. Future results may differ significantly depending on factors such as changes in securities or financial markets or general economic conditions.

This material has been prepared on the basis of publicly available information, internally developed data and other third-party sources believed to be reliable. However, no assurances are provided regarding the reliability of such information and the Firm has not sought to independently verify information taken from public and third-party sources.

This material is a general communication, which is not impartial, and all information provided has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The information herein has not been based on a consideration of any individual investor circumstances and is not investment advice, nor should it be construed in any way as tax, accounting, legal or regulatory advice. To that end, investors should seek independent legal and financial advice, including advice as to tax consequences, before making any investment decision.

The Firm does not provide tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer. Each Jurisdiction tax laws are complex and constantly changing. You should always consult your own legal or tax professional for information concerning your individual situation.

Charts and graphs provided herein are for illustrative purposes only. **Past performance is no guarantee of future results.**

The indexes are unmanaged and do not include any expenses, fees or sales charges. It is not possible to invest directly in an index. Any index referred to herein is the intellectual property (including registered trademarks) of the applicable licensor. Any product based on an index is in no way sponsored, endorsed, sold or promoted by the applicable licensor and it shall not have any liability with respect thereto.

This material is not a product of Morgan Stanley's Research Department and should not be regarded as a research material or a recommendation.

The Firm has not authorized financial intermediaries to use and to distribute this material, unless such use and distribution is made in accordance with applicable law and regulation. Additionally, financial intermediaries are required to satisfy themselves that the information in this material is appropriate for any person to whom they provide this material in view of that person's circumstances and purpose. The Firm shall not be liable for, and accepts no liability for, the use or misuse of this material by any such financial intermediary.

This material may be translated into other languages. Where such a translation is made this English version remains definitive. If there are any discrepancies between the English version and any version of this material in another language, the English version shall prevail.

## ADDITIONAL INFORMATION

The whole or any part of this material may not be directly or indirectly reproduced, copied, modified, used to create a derivative work, performed, displayed, published, posted, licensed, framed, distributed or transmitted or any of its contents disclosed to third parties without the Firm's express written consent. This material may not be linked to unless such hyperlink is for personal and non-commercial use. All information contained herein is proprietary and is protected under copyright and other applicable law.

Eaton Vance is part of Morgan Stanley Investment Management. Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

### DISTRIBUTION

**This material is only intended for and will only be distributed to persons resident in jurisdictions where such distribution or availability would not be contrary to local laws or regulations.**

**MSIM, the asset management division of Morgan Stanley (NYSE: MS), and its affiliates have arrangements in place to market each other's products and services. Each MSIM affiliate is regulated as appropriate in the jurisdiction it operates. MSIM's affiliates are: Eaton Vance Management (International) Limited, Eaton Vance Advisers International Ltd, Calvert Research and Management, Eaton Vance Management, Parametric Portfolio Associates LLC, and Atlanta Capital Management LLC.**

This material has been issued by any one or more of the following entities:

### **EMEA**

This material is for Professional Clients/Accredited Investors only.

In the EU, MSIM and Eaton Vance materials are issued by MSIM Fund Management (Ireland) Limited ("FMIL"). FMIL is regulated by the Central Bank of Ireland and is incorporated in Ireland as a private company limited by shares with company registration number 616661 and has its registered address at 24-26 City Quay, Dublin 2, DO2 NY19, Ireland.

Outside the EU, MSIM materials are issued by Morgan Stanley Investment Management Limited (MSIM Ltd) is authorised and regulated by the Financial Conduct Authority. Registered in England. Registered No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA.

In Switzerland, MSIM materials are issued by Morgan Stanley & Co. International plc, London (Zurich Branch) Authorised and regulated by the Eidgenössische Finanzmarktaufsicht ("FINMA"). Registered Office: Beethovenstrasse 33, 8002 Zurich, Switzerland.

Outside the US and EU, Eaton Vance materials are issued by Eaton Vance Management (International) Limited ("EVM") 125 Old Broad Street, London, EC2N 1AR, UK, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority.

**Italy:** MSIM FMIL (Milan Branch), (Sede Secondaria di Milano) Palazzo Serbelloni Corso Venezia, 16 20121 Milano, Italy. **The Netherlands:** MSIM FMIL (Amsterdam Branch), Rembrandt Tower, 11th Floor Amstelplein 1 1096HA, Netherlands. **France:** MSIM FMIL (Paris Branch), 61 rue de Monceau 75008 Paris, France.

**Spain:** MSIM FMIL (Madrid Branch), Calle Serrano 55, 28006, Madrid, Spain. **Germany:** MSIM FMIL Frankfurt Branch, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (Gattung: Zweigniederlassung (FDI) gem. § 53b KWG). **Denmark:** MSIM FMIL (Copenhagen Branch), Gorrisen Federspiel, Axel Towers, Axelortov2, 1609 Copenhagen V, Denmark.

### **MIDDLE EAST**

**Dubai:** MSIM Ltd (Representative Office, Unit Precinct 3-7th Floor-Unit 701 and 702, Level 7, Gate Precinct Building 3, Dubai International Financial Centre, Dubai, 506501, United Arab Emirates. Telephone: +97 (0)14 709 7158).

This document is distributed in the Dubai International Financial Centre by Morgan Stanley Investment Management Limited (Representative Office), an entity regulated by the Dubai Financial Services Authority ("DFSA"). It is intended for use by professional clients and market counterparties only. This document is not intended for distribution to retail clients, and retail clients should not act upon the information contained in this document.

This document relates to a financial product which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any documents in connection with this financial product. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document and has no responsibility for it. The financial product to which this document relates may be illiquid and/or subject to restrictions on its resale or transfer. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this document, you should consult an authorised financial adviser.

**South Africa:** Issued by Morgan Stanley Investment Management Limited (MSIM Ltd) authorised and regulated in the UK by the Financial Conduct Authority. Registered in England. No. 1981121. Registered Office: 25 Cabot Square, Canary Wharf, London E14 4QA. MSIM Ltd is regulated in South Africa by the Financial Sector Conduct Authority ("FSCA") as a Category 1 Financial Services Provider (FSP No 9752) to provide intermediary services in relation to certain financial products.

### **U.S.**

**NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT**

**LATIN AMERICA (Brazil, Chile, Colombia, Mexico, Peru, and Uruguay)**

This material is for use with an institutional investor or a qualified investor only. All information contained herein is confidential and is for the exclusive use and review of the intended addressee, and may not be passed on to any third party. This material is provided for informational purposes only and does not constitute a public offering, solicitation or recommendation to buy or sell for any product, service, security and/or strategy. A decision to invest should only be made after reading the strategy documentation and conducting in-depth and independent due diligence.

## ADDITIONAL INFORMATION

### ASIA PACIFIC

**Hong Kong:** This material is disseminated by Morgan Stanley Asia Limited for use in Hong Kong and shall only be made available to “professional investors” as defined under the Securities and Futures Ordinance of Hong Kong (Cap 571). The contents of this material have not been reviewed nor approved by any regulatory authority including the Securities and Futures Commission in Hong Kong. Accordingly, save where an exemption is available under the relevant law, this material shall not be issued, circulated, distributed, directed at, or made available to, the public in Hong Kong. **Singapore:** This material is disseminated by Morgan Stanley Investment Management Company and should not be considered to be the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor under section 304 of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”); (ii) to a “relevant person” (which includes an accredited investor) pursuant to section 305 of the SFA, and such distribution is in accordance with the conditions specified in section 305 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. This publication has not been reviewed by the Monetary Authority of Singapore. **Australia:** This material is provided by Morgan Stanley Investment Management (Australia) Pty Ltd ABN 22122040037, AFSL No. 314182 and its affiliates and does not constitute an offer of interests. Morgan Stanley Investment Management (Australia) Pty Limited arranges for MSIM affiliates to provide financial services to Australian wholesale clients. Interests will only be offered in circumstances under which no disclosure is required under the Corporations Act 2001 (Cth) (the “Corporations Act”). Any offer of interests will not purport to be an offer of interests in circumstances under which disclosure is required under the Corporations Act and will only be made to persons who qualify as a “wholesale client” (as defined in the Corporations Act). This material will not be lodged with the Australian Securities and Investments Commission.

**Japan:** For professional investors, this material is circulated or distributed for informational purposes only. For those who are not professional investors, this material is provided in relation to Morgan Stanley Investment Management (Japan) Co., Ltd. (“MSIMJ”)’s business with respect to discretionary investment management agreements (“IMA”) and investment advisory agreements (“IAA”). This is not for the purpose of a recommendation or solicitation of transactions or offers any particular financial instruments. Under an IMA, with respect to management of assets of a client, the client prescribes basic management policies in advance and commissions MSIMJ to make all investment decisions based on an analysis of the value, etc. of the securities, and MSIMJ accepts such commission. The client shall delegate to MSIMJ the authorities necessary for making investment. MSIMJ exercises the delegated authorities based on investment decisions of MSIMJ, and the client shall not make individual instructions. All investment profits and losses belong to the clients; principal is not guaranteed. Please consider the investment objectives and nature of risks before investing. As an investment advisory fee for an IAA or an IMA, the amount of assets subject to the contract multiplied by a certain rate (the upper limit is 2.20% per annum (including tax)) shall be incurred in proportion to the contract period. For some strategies, a contingency fee may be incurred in addition to the fee mentioned above. Indirect charges also may be incurred, such as brokerage commissions for incorporated securities. Since these charges and expenses are different depending on a contract and other factors, MSIMJ cannot present the rates, upper limits, etc. in advance. All clients should read the Documents Provided Prior to the Conclusion of a Contract carefully before executing an agreement. This material is disseminated in Japan by MSIMJ, Registered No. 410 (Director of Kanto Local Finance Bureau (Financial Instruments Firms)), Membership: the Japan Securities Dealers Association, The Investment Trusts Association, Japan, the Japan Investment Advisers Association and the Type II Financial Instruments Firms Association.

RO 4695395      Exp 8/31/2026

43274 | 8/5/2025