

Sterling Capital Advisory Solutions Monthly Update

June 2025

Asset Allocation Update

- We recommend a neutral weight to Global Equities and Fixed Income.
- Within the equity allocation, we recommend an overweight to Developed Equities and an underweight to Emerging Market Equities.
- Within the fixed income allocation, we recommend an overweight to Short U.S. Government bonds.

Equity Market Highlights

- Global equities, as defined by the MSCI ACWI IMI, rose 5.79% in May with a de-escalation in trade tensions between the U.S. and China serving as a catalyst for the highest monthly return for global equities since November 2023. U.S. equities (Russell 3000® Index +6.34%) outperformed international equities (MSCI ACWI ex USA IMI +4.84%) for the first time on a monthly basis in 2025. Growth (MSCI ACWI Growth +8.25%) outperformed value (MSCI ACWI Value +3.16%) during the month, driven primarily by relative strength in the U.S. large-cap growth (Russell Top 200® Growth Index +8.33%) and U.S mid-cap growth (Russell Midcap® Growth Index +9.59%) segments. Information technology and industrials were the top performing global equity sectors in May, while consumer staples and health care underperformed.
- Actively-managed strategies have struggled to outperform their passive counterparts year-to-date, with the U.S. Small Cap Growth category experiencing the largest level of underperformance so far in 2025.
- On a rolling five-year basis, U.S. growth outperformance relative to value improved from the previous month. Rolling five-year growth returns have consistently been ahead of value returns since 2017.

Fixed Income Market Highlights

- The broad bond market, as represented by the Bloomberg U.S. Aggregate Bond Index, returned -0.72% in May, a reversal from the previous four months in which the Index generated a positive return. May was “risk-on” with high yield and Emerging Market (EM) Debt producing the best returns, up 1.68% and 0.67%, respectively. U.S. Government Securities and agency Mortgage-Backed Securities (MBS) were the worst performers within the opportunity set, returning -1.02% and -0.91%, respectively.
- 10-year government bond yields of select countries were mixed in May, with Italy’s 10-year declining by eight bps (basis points) month-over-month as well as France which declined by a single basis point. Conversely, the United Kingdom saw its 10-year yield move higher by 18 bps, as well as Germany’s key-rate, which increased by six bps. The U.S. saw the largest increase, moving higher by 23 bps from 4.16% to 4.39%.
- Reversing the trend from the past three-months, Municipal/Treasury ratios moved lower in May, with ratios across the curve declining. Ratios on the front-end of the curve saw the largest decline, with two-year ratios moving lower by 10%. Ratios across the curve are in-line with its respective five-year average, all within 200 bps of its average.

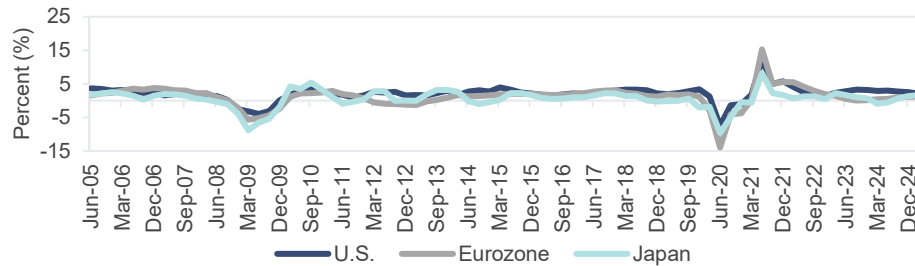
Stock Indices YTD		Bond Indices YTD		Other Indices YTD		U.S. Treasury Yields		Rates/Commodities	
MSCI ACWI IMI	5.06%	Bloomberg US Aggregate	2.45%	US Fund Multialternative	-0.04%	6-month	4.31%	Prime Rate	7.50%
Russell 3000	0.64%	Bloomberg Gbl Treas xUS Hdg	0.93%	DJ Equity All REIT	1.96%	1-year	4.10%	LIBOR (3 Mo)	4.85%
S&P 500	1.06%	Bloomberg US TIPS	3.68%	Bloomberg Commodity	3.05%	3-year	3.86%	Oil Price (\$/barrel)	\$60.79
MSCI EAFE	16.87%	Bloomberg US High Yield	2.68%			5-year	3.96%	Gold (\$/t oz)	\$3,289.70
MSCI EM	8.73%	Bloomberg EM Aggregate	2.97%			10-year	4.39%		
						30-year	4.91%		

TIPS= Treasury Inflation Protected Securities. Data is as of 05.31.2025. Sources: Morningstar; FactSet; Russell Investments; Bloomberg L.P.; U.S. Department of Treasury. Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets. For illustrative purposes only. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Past performance is no guarantee of future results.



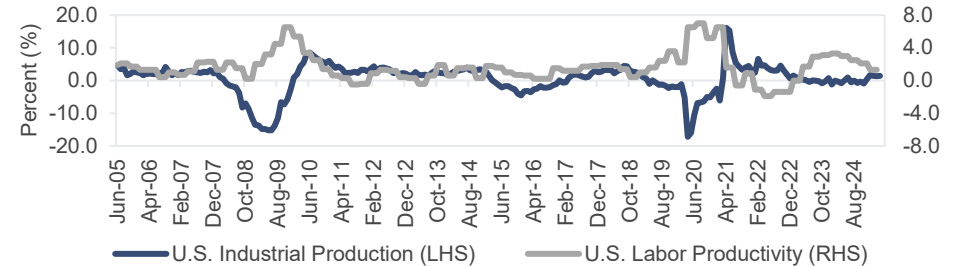
Global Economic Snapshot

YOY Real GDP Growth (\$U.S.)



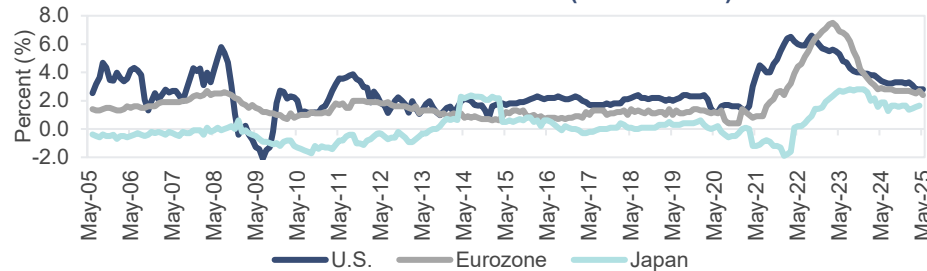
U.S. and Eurozone data as of 03.31.2025. Japan as of 12.31.2024. Source: FactSet.

YoY U.S. Industrial Production and Productivity



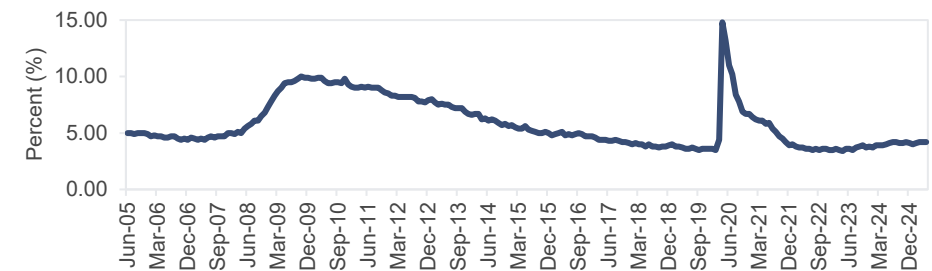
Industrial Production as of 04.30.2025. Industrial Productivity data as of 03.31.2025. Source: FactSet.

Core Consumer Price Index (YoY Growth)



Japan data is as of 04.30.2025. U.S. & Eurozone data as of 05.31.2025. Source: FactSet. The sudden increase in Japan CPI growth in 2014 coincided with an increase in national sales tax that impacted final price levels.

U.S. - Unemployment Rate



Data is as of 05.31.2025. Source: FactSet.

- According to initial estimates, quarterly U.S. gross domestic product (GDP) declined in the first quarter, resulting in a slower year-over-year growth rate. Growth in Europe and Japan has improved but continues to lag the U.S.
- The U.S. unemployment rate held steady at 4.2% in May.
- Year-over-year U.S. core inflation has slowly moderated but remains above Federal Reserve targets. Inflation in Europe moved lower in May, while inflation in Japan has leveled out at a relatively low rate.
- U.S. industrial production growth was flat in April but remains moderately positive year-over-year. U.S. labor productivity declined in the first quarter, bringing the year-over-year rate back below 2%.

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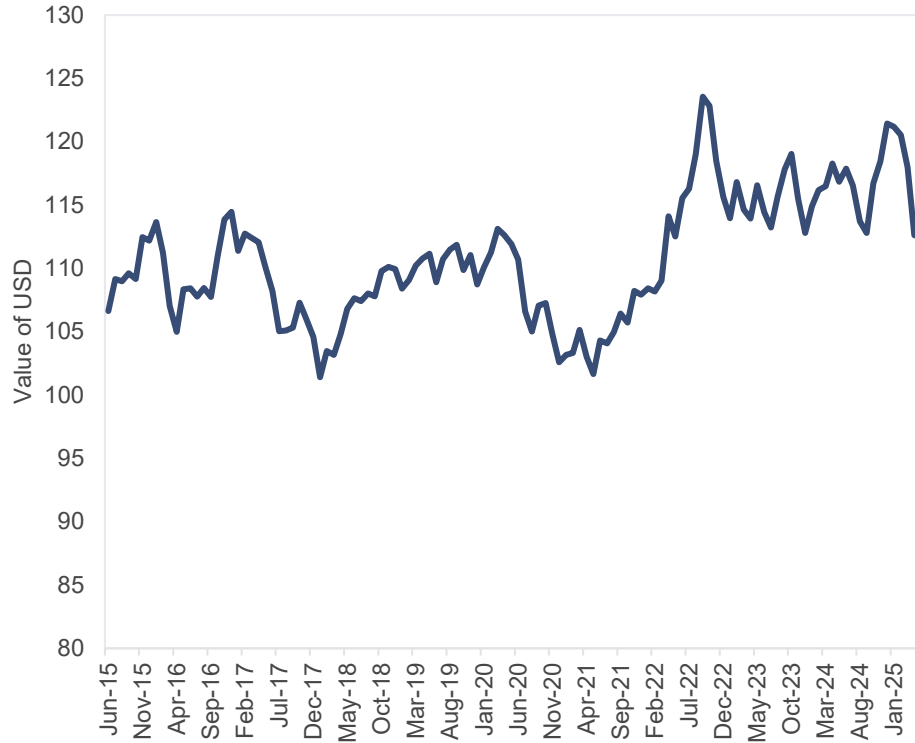
U.S. Economic Indicators

Leading	Initial Jobless Claims	<ul style="list-style-type: none"> In the week ending 05.23.2025 the four-week moving average of Initial Jobless Claims was 230,500 a decrease of -500 from the previous week's revised average.
	Manufacturing	<ul style="list-style-type: none"> ISM Manufacturing registered 48.5% in May, a -0.2% decrease from the previous reading. A reading below 50.0% indicates contraction. ISM Manufacturing New Orders registered 47.6% in May, up 0.4% over the previous reading. ISM Non-Manufacturing registered 49.9% in May, a -1.7% decrease from the previous reading.
	Housing/Construction	<ul style="list-style-type: none"> Building permits were down -2.2% in April and have decreased -2.54% over the past year.
Coincident	Consumer Confidence	<ul style="list-style-type: none"> The Consumer Confidence Index increased to 98 compared to 85.7 in the previous month.
	Nonfarm Payrolls	<ul style="list-style-type: none"> Total Nonfarm Payroll employment increased by 362,000 in April while the unemployment rate was flat at 4.2%.
	Industrial Production	<ul style="list-style-type: none"> Industrial Production decreased -0.01% in April and increased 1.45% over the past year.
	Personal Income	<ul style="list-style-type: none"> Real Disposable Personal Income increased 1.46% in April and increased 2.94% over the past year.
Lagging	Ratio of Consumer Installment Credit to Personal Income	<ul style="list-style-type: none"> Real Disposable Personal Income decreased -0.2% in April and decreased -4.8% over the past year. Consumer borrowing tends to lag improvements in personal income by many months because people tend to remain hesitant to take on new debt until they are sure that their improved income level is sustainable.
	Inflation	<ul style="list-style-type: none"> CPI (All Items) increased 0.17% in April and increased 2.33% over the past year. CPI (Core) increased 0.29% in April and increased 2.78% over the past year.

Source: Factset. For illustrative purposes only. Past performance is no guarantee of future results.

Currency

Nominal Trade-Weighted U.S. Dollar Major Currencies



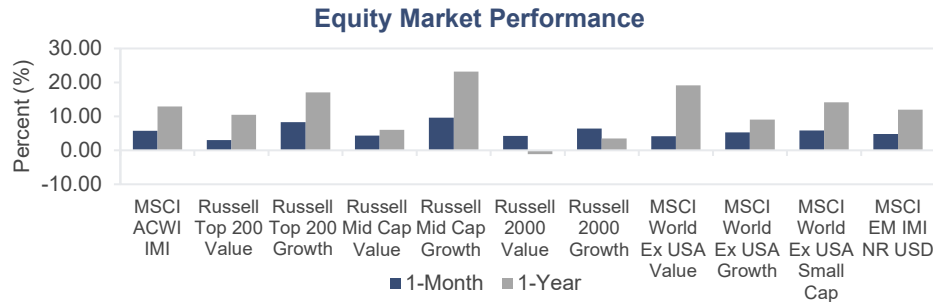
Euro per U.S. Dollar



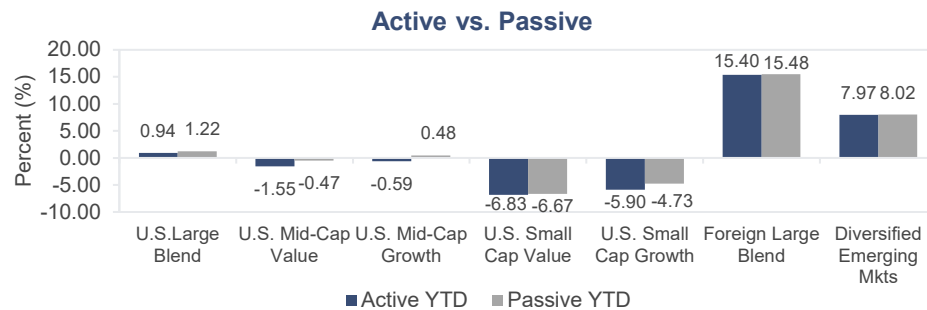
- The Trade-Weighted U.S. Dollar Index (Major Currencies) decreased -0.1% in May and decreased -7.4% year-to-date. The dollar was up 0.1% versus the Euro in May.

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Global Equity Markets



Data is as of 05.31.2025. Sources: Morningstar; Russell Investments.



Data is as of 05.31.2025. Sources: Morningstar, Russell Investments. Median return of Morningstar open-end fund category (institutional share class). Russell return of U.S. categories.



Data is as of 05.31.2025. Source: Morningstar.

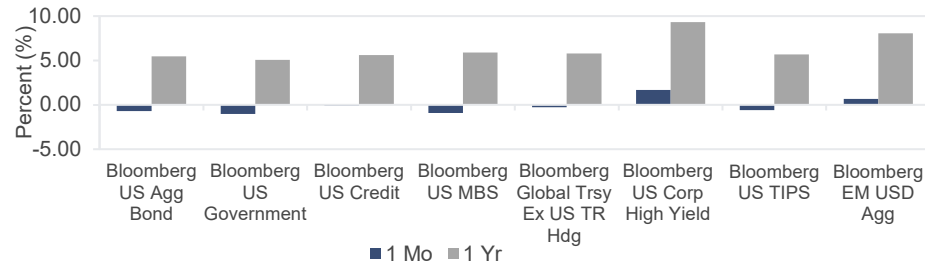
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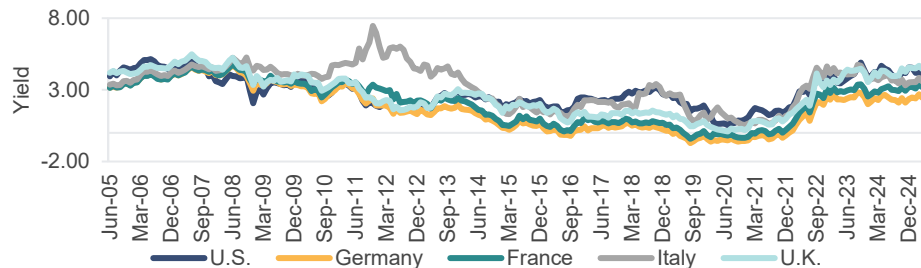
Fixed Income Markets

Bond Market Performance



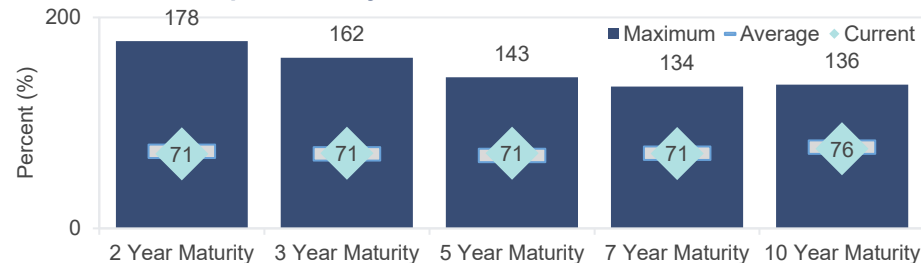
Data is as of 05.31.2025. Sources: Morningstar; Bloomberg L.P.

10-Year Government Bond Yields



Data is as of 05.31.2025. Sources: FactSet; U.S. Department of Treasury.

Municipal/Treasury Yield Ratios Over The Last 5 Years



Data is as of 05.31.2025. Sources: Thompson Reuters; Sterling Capital Management Analytics.

- The broad bond market, as represented by the Bloomberg U.S. Aggregate Bond Index, returned -0.72% in May, a reversal from the previous four months in which the Index generated a positive return. May was “risk-on” with high yield and Emerging Market (EM) Debt producing the best returns, up 1.68% and 0.67%, respectively. U.S. Government Securities and agency Mortgage-Backed Securities (MBS) were the worst performers within the opportunity set, returning -1.02% and -0.91%, respectively.

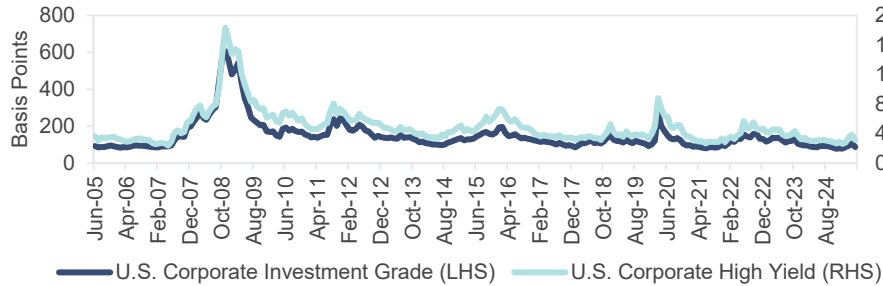
- 10-year government bond yields of select countries were mixed in May, with Italy’s 10-year declining by eight bps (basis points) month-over-month as well as France which declined by a single basis point. Conversely, the United Kingdom saw its 10-year yield move higher by 18 bps, as well as Germany’s key-rate, which increased by six bps. The U.S. saw the largest increase, moving higher by 23 bps from 4.16% to 4.39%.

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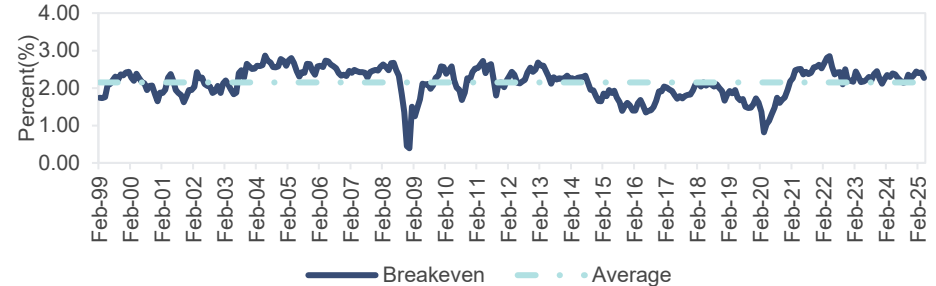
Fixed Income Spreads and TIPS Breakeven

20-Year U.S. Corporate OAS



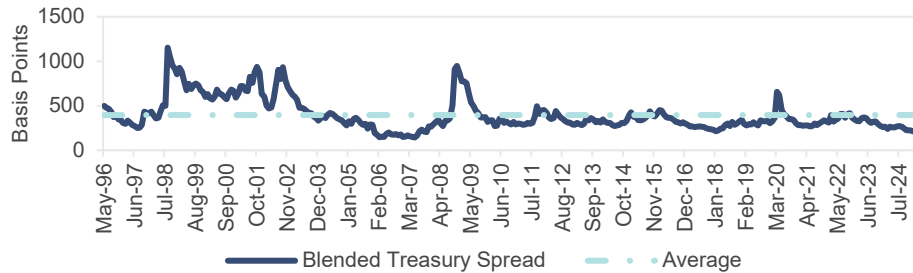
Data is as of 05.31.2025. Source: FactSet.

10-Year TIPS Breakeven



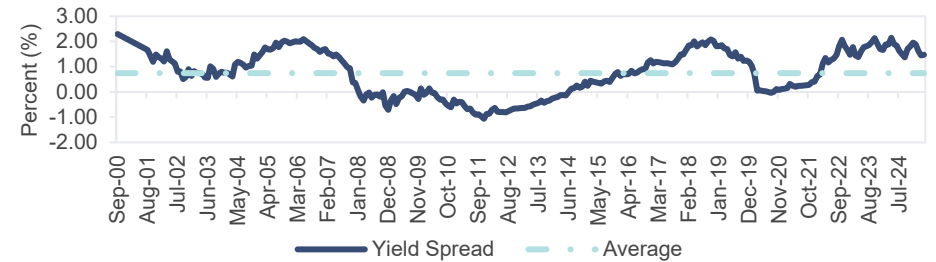
Data is as of 05.31.2025. Source: Federal Reserve Board of Governors.

EM Debt OAS



Data is as of 05.31.2025. Source: Bloomberg L.P.

Yield Spread of Bloomberg U.S. Treasury Index to Global Ex-U.S. Treasury Index



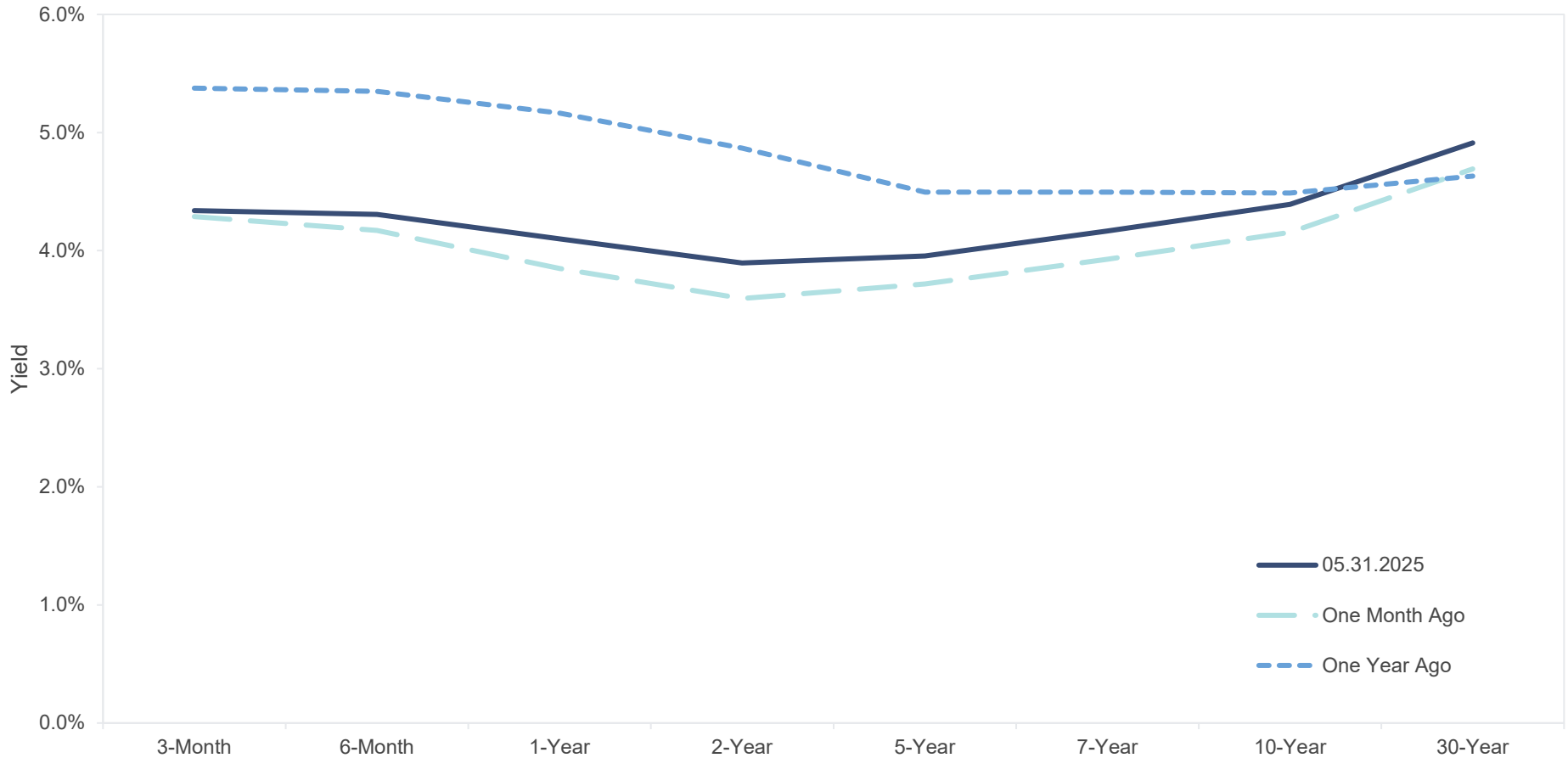
Data is as of 05.31.2025. Source: Bloomberg L.P.

- Investment grade and high yield corporate bond spreads rallied lower in May after significant increases in the prior three months.
- 10-year TIPS breakeven rates increased in May and remain above the long-run average.
- Emerging Market (EM) debt credit spreads declined in May following increases in the prior 3 months, and spreads remain well below the historical average. The yield spread of U.S. to Global Treasuries increased in May and remains above the historical average.

TIPS = Treasury Inflation-Protected Securities.

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U.S. Treasury Yield Curve

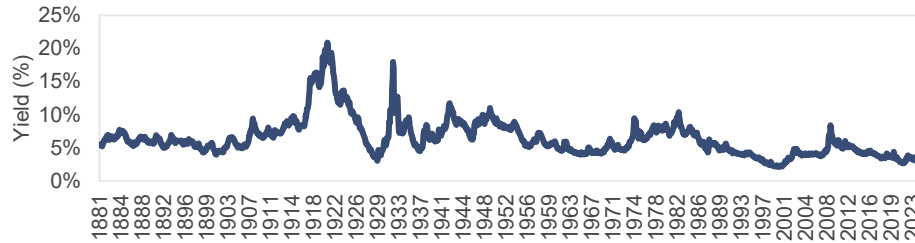


- For the month of May, yields were higher across the curve, led by the two-year tenor which increased by 30 bps. All tenors from one-year and beyond were higher by more than 20 bps over the month.

Data is as of 05.31.2025. Source: FactSet. For illustrative purposes only. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Past performance is no guarantee of future results. Yields are subject to market conditions and are therefore expected to fluctuate.

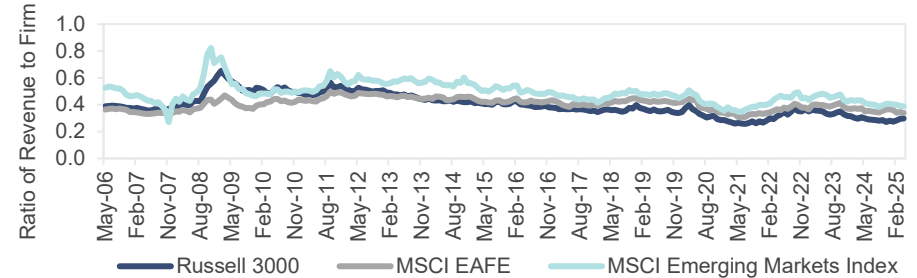
Global Equity Market Fundamentals and Indicators

U.S. Cyclically-Adjusted Earnings Yield



Data is as of 05.31.2025. Sources: Bloomberg L.P.; Robert Shiller "U.S. Stock Markets 1871 - Present and CAPE Ratio."

Revenue to Firm Value



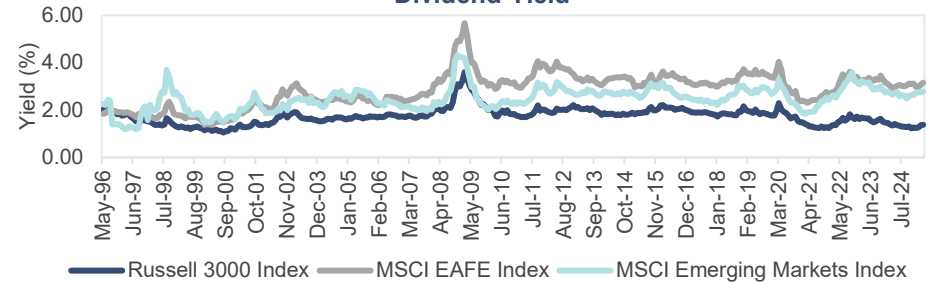
Data is as of 05.31.2025. Sources: FactSet; Russell; MSCI.

VIX Index



Data is as of 05.31.2025. Sources: FactSet; Russell; Bureau of Labor Statistics; Sterling Capital Management Analytics.

Dividend Yield



Data is as of 05.31.2025. Sources: FactSet; Russell; MSCI.

- Following a rally higher in U.S. equity prices, the U.S. cyclically-adjusted earnings yield declined in May and remains low relative to history.
- Revenue and dividend yields declined in May across markets. U.S. dividend yields remain low relative to long-run averages and are well below international market levels.
- The Volatility Index (VIX), a measure of market expected equity volatility, declined in May, moving close to the 20-year historical median. Higher VIX levels may be indicative of higher equity risk premiums.

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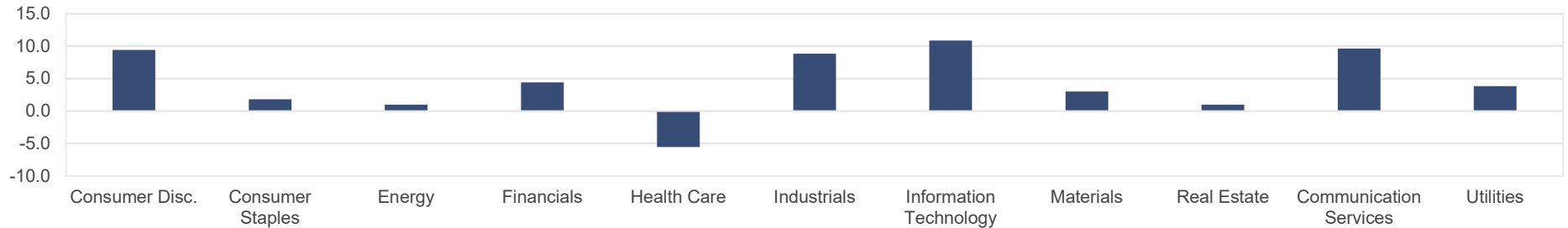
U.S. Equity Market Style and Sector Returns

S&P 1500 by Capitalization & Style¹

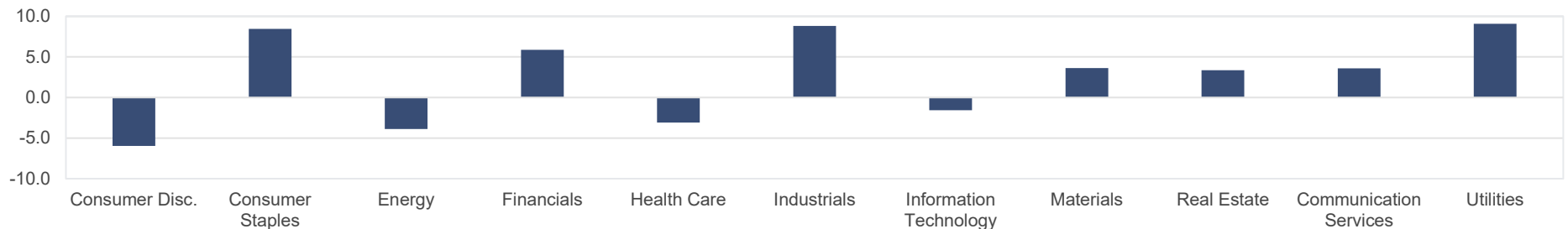
1-Month				YTD		
Value	Blend	Growth		Value	Blend	Growth
3.01%	6.29%	9.41%	Large	-0.39%	1.06%	2.37%
4.54%	5.40%	6.20%	Mid	-3.72%	-3.26%	-2.84%
4.37%	5.23%	6.04%	Small	-11.46%	-8.18%	-4.91%

S&P 500 Sector Returns (%)

1-Month



YTD



¹Style boxes are derived from the components of the S&P 1500® Index. Please refer to the appendix for further information about capitalization/style returns. Data is as of 05.31.2025. Source: FactSet. For illustrative purposes only. The views expressed represent the opinions of Sterling Capital Management. Any type of investing involves risk and there are no guarantees that these methods will be successful. Past performance is no guarantee of future results.

Net of Benchmark Allocations

Standard Models & U.S. Focused Models

	Fixed Income	Income	Income Primary	Income & Growth	Balanced	Growth	Aggressive Growth
U.S. Equity							
Large Cap Value	0.00%	-0.25%	-0.40%	-0.50%	-0.60%	-0.75%	-1.00%
Large Cap Growth	0.00%	0.06%	0.10%	0.13%	0.15%	0.19%	0.25%
Mid Cap Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mid Cap Growth	0.00%	0.25%	0.40%	0.50%	0.60%	0.75%	1.00%
Small Cap Value	0.00%	0.25%	0.40%	0.50%	0.60%	0.75%	1.00%
Small Cap Growth	0.00%	-0.13%	-0.20%	-0.25%	-0.30%	-0.38%	-0.50%
Non-U.S. Equity							
International Developed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
International Developed Growth	0.00%	0.06%	0.10%	0.13%	0.15%	0.19%	0.25%
International Developed Small Cap	0.00%	0.38%	0.60%	0.75%	0.90%	1.13%	1.50%
Emerging Markets	0.00%	-0.63%	-1.00%	-1.25%	-1.50%	-1.88%	-2.50%
Total Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
U.S. Aggregate Fixed Income	-2.50%	-1.88%	-1.50%	-1.25%	-1.00%	-0.63%	0.00%
International Fixed Income (Hedged)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
U.S. High Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
U.S. TIPS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Emerging Markets Debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
U.S. Government: Short	2.50%	1.88%	1.50%	1.25%	1.00%	0.63%	0.00%
U.S. Government: Intermediate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
U.S. Government: Long	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Fixed Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Allocation information is as of 04.29.2025. Benchmark weights reflect market values as of the market close on 04.28.2025 and will change through time due to differences in index returns and other factors. Net benchmark exposure for Standard Models and U.S. Focused Models is the same. Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.



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Appendix

Important Information

Disclosures & Technical Terms

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

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SCM does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

Core Consumer Price Index (CPI): a measure of the aggregate price level in an economy, excluding certain volatile items.

Consumer Confidence Index (CCI): measures what consumers are feeling about their expected financial situation, whether that's optimistic or pessimistic.

Option Adjusted Spread (OAS): A bond's yield spread over comparable maturity government bonds, adjusted for any embedded options.

Real Disposable Personal Income: the amount of money that an individual or household has to spend or save after federal, state, and local taxes and other mandatory charges are deducted.

Real GDP: Real gross domestic product (GDP) is an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year, expressed in base-year prices.

Nonfarm payroll refers to the number of jobs in the private sector and government agencies. It excludes farm workers, private household employees, proprietors, non-profit employees, and actively serving military.

Revenue-to-Firm Value: Total Index Revenues of the past 12 months divided by the sum of equity market value and the value of total debt. This is a measure of total sales generated on the total value (debt plus equity) of firms in the index.

TIPS Breakeven: The inflation rate implied by the spread in yield between U.S. TIPS (Treasury Inflation Protected Securities) and nominal U.S. Government Bonds of equal maturity.

U.S. 3-Year Real Revenue Growth, Russell 3000 Non-Financials: For the Russell 3000 excluding financial firms, the percentage change in trailing 12-month inflation adjusted revenue over 12-month inflation adjusted revenue three years prior.

U.S. Cyclically Adjusted Earnings Yield: The 10-year average of annual, inflation adjusted earnings divided by the current inflation adjusted price of the S&P 500 index. This measure is the inverse of the Shiller CAPE Ratio.

YOY U.S. Productivity Growth: The year-over-year growth in real U.S. output produced per hour worked for non-farm workers.

CAPE Ratio: is a valuation measure that uses real earnings per share (EPS) over a 10-year period to smooth out fluctuations in corporate profits that occur over different periods of a business cycle.

Dividend Risk: refers to the risk of a stock's dividend being cut or eliminated, or to the risk to an option when a dividend is paid.

Dividend Yields: is a financial ratio that shows how much a company pays out in dividends each year relative to its stock price.

Eurozone: consists of those Member States of the European Union that have adopted the euro as their currency.

Municipal Yield: the annual return an investor receives on a municipal bond. It's calculated based on the bond's purchase price, coupon rate, and how long the investor holds the bond.

Treasury Yield: the interest rate the U.S. government pays on its debt securities, expressed as a percentage. It's also the annual return investors earn from holding a U.S. government security.

Capitalization/Style Returns: Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500 Value Index, S&P 500 Index, S&P 500 Growth Index, S&P Mid Cap 400 Value Index, S&P Mid Cap 400 Index, S&P Mid Cap 400 Growth Index, S&P Small Cap 600 Value Index, S&P Small Cap 600 Index, S&P Small Cap 600 Growth Index. The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P® Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P Midcap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Momentum. The Value factors are Book Value to price Ratio, Earnings to Price Ratio, and Sales to Price Ratio.



Important Information

Index Definitions & Disclosures

A Note on Indices: The volatility of an index varies greatly; all indices are unmanaged and investments cannot be made directly in an index. Indices are shown for illustrative purposes only and do not represent the performance of any specific investment. The indices selected by Sterling Capital Management to measure performance are representative of broad asset classes. Sterling Capital Management retains the right to change representative indices at any time.

The **Bloomberg Emerging Markets Hard Currency Aggregate Index** is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

The **Bloomberg Global Treasury Ex U.S. Hedged Index** is comprised of securities issued by developed ex. U.S. and emerging market governments. The index is hedged against constituent currencies versus the U.S. dollar.

The **Bloomberg Global Treasury Index** is a broad benchmark that tracks the performance of fixed-rate, local currency government debt of investment-grade countries, including both developed and emerging markets, excluding the United States. It's essentially the treasury sector of the Global Aggregate Index.

The **Bloomberg U.S. Aggregate Bond Index** is an unmanaged index composed of securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. It is not possible to invest in the Bloomberg U.S. Aggregate Bond Index, which is unmanaged and does not incur fees and charges.

The **Bloomberg U.S. Corporate High Yield Index** measures the U.S. corporate market of non-investment grade, fixed-rate corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The **Bloomberg U.S. Credit Index** measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

The **Bloomberg U.S. Government Index** is comprised of securities issued by the U.S. government and its agencies with at least one year until final maturity.

The **Bloomberg U.S. MBS Index** covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). It is formed by grouping the universe of individual fixed rate MBS pools into generic aggregates.

The **Bloomberg U.S. Treasury Inflation-Linked Bond Index** (Series-L) measures the performance of the U.S. Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of U.S. TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index.

The **Bloomberg Commodity Index** and related sub-indices are composed of futures contracts on physical commodities and represents 22 separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc.

Bloomberg L.P.: "Bloomberg®" and the Bloomberg indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Sterling Capital Management LLC and its affiliates. Bloomberg is not affiliated with Sterling Capital Management LLC or its affiliates, and Bloomberg does not approve, endorse, review, or recommend the product(s) presented herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the product(s) presented herein.

The **Dow Jones Equity All REIT Index** is designed to measure all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as equity REITs according to the S&P Dow Jones Indices REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

The **MSCI ACWI Investable Market Index (IMI)** captures large, mid and small cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. With 8,768 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set. DM countries include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the U.K. and the U.S. EM countries include: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The **MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The **MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The **MSCI Emerging Markets Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 26 Emerging Markets (EM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

The **MSCI Emerging Markets Investable Market Index (IMI)** is a stock market index that measures the performance of large, mid, and small-cap companies in emerging markets



Important Information

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The **MSCI Emerging Markets Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 26 Emerging Markets (EM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

The **MSCI ACWI Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets countries and 24 Emerging Markets (EM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

The **MSCI ACWI Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

The **MSCI ACWI ex USA Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 22 Developed Markets (DM) countries and 26 Emerging Markets (EM) countries.

The **MSCI ACWI ex USA IMI Index** is a global equity index that tracks the performance of large, mid, and small-cap companies in developed and emerging markets outside the United States. It aims to capture approximately 99% of the global equity investment opportunity set excluding US equities, according to MSCI.

The **MSCI ACWI Small Cap Index** captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. With 4,372 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.

The **MSCI ACWI Large Cap Index** captures large cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. With 982 constituents, the index covers approximately 70% of the free float-adjusted market capitalization in each country.

The **MSCI ACWI Mid Cap Index** captures mid cap representation across 22 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 1,280 constituents, the index covers approximately 15% of the free float-adjusted market capitalization in each country.

The **MSCI World ex USA Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets countries.

The **MSCI World ex USA Small Cap Index** captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,529 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

The **Russell Midcap® Index** measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap® Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap® Index represents approximately 31% of the total market capitalization of the Russell 1000® companies. The Russell Midcap® Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set.

The **Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The **MSCI World ex USA Investable Market Index (IMI)** captures large, mid and small cap representation across 22 of 23 Developed Markets (DM) countries--excluding the United States. With 3,540 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

The **Russell 2000® Growth Index** measures the performance of growth style of investing in small cap U.S. stocks. The Growth Index contains those Russell 2000 securities with greater-than-average growth orientation.

The **Russell 2000® Value Index** measures the performance of value style of investing in small cap U.S. stocks. The Value Index contains those Russell 2000 securities with less-than-average growth orientation. Securities in the Value Index generally have lower price-to-book and price-to-earnings ratios than those in the Growth Index.

The **Russell 3000® Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

The **Russell 3000® Growth Index** is an unmanaged index comprised of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 3000® Value Index** measures the performance of the broad value segment of the US equity value universe.

The **Russell 200® Value Index** measures the performance of the especially large cap segment of the US equity universe represented by stocks in the largest 200 by market cap that exhibit value characteristics.

The **Volatility Index (VIX)** is a real-time market index representing the market's expectations for volatility over the coming 30 days.

Important Information

Index Definitions & Disclosures

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The **Russell Midcap® Growth Index** measures the performance of growth styles of investing in Mid Cap U.S. stocks. The Growth Index contains those Russell Mid Cap securities with greater-than-average growth orientation.

The **Russell Midcap® Value Index** measures the performance of value style of investing in Mid Cap U.S. stocks. The Value Index contains those Russell Mid Cap securities with less-than-average growth orientation. Securities in the Value Index generally have lower price-to-book and price-to-earnings ratios than those in the Growth Index.

The **Russell Top 200® Growth Index** offers measures the performance of the especially large cap segment of the U.S. equity universe represented by stocks in the largest 200 by market cap. It includes Russell Top 200® Index companies with higher growth earning potential as defined by Russell's leading style methodology.

The **Russell Top 200® Index** is an index of the largest 200 companies in the Russell 3000 index. It is commonly used as a benchmark index for U.S.-based ultra large-cap (mega-cap) stocks with the average member commanding a market capitalization of upwards of \$200 billion.

The **S&P® 500 Index** is an unmanaged capitalization-weighted index of 500 U.S. stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The **CBOE Volatility Index (VIX)** is a real-time market index representing the market's expectations for volatility over the coming 30 days.

The **S&P Small Cap 600® Index:** The S&P SmallCap 600® Index is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

The **S&P Mid Cap 400® Index:** The S&P MidCap 400® Index is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 400 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

The **S&P 1500:** An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500®, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

The **Trade-Weighted U.S. Dollar Index**, also known as the broad index, is a measure of the value of the United States dollar relative to other world currencies. It is a trade weighted index that improves on the older U.S. Dollar Index by using more currencies and the updating the weights yearly.

The **ISM Manufacturing Index** is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at manufacturing firms nationwide.

The **ISM Non-Manufacturing Index** is an index that measures the economic condition and performance of service-based companies.

The **Consumer Confidence Index (CCI)** is a monthly report that measures how confident consumers are about the economy and their finances. It's based on surveys of a representative group of households.

The **Volatility Index** or VIX is the annualized implied volatility of a hypothetical S&P 500 stock option with 30 days to expiration.