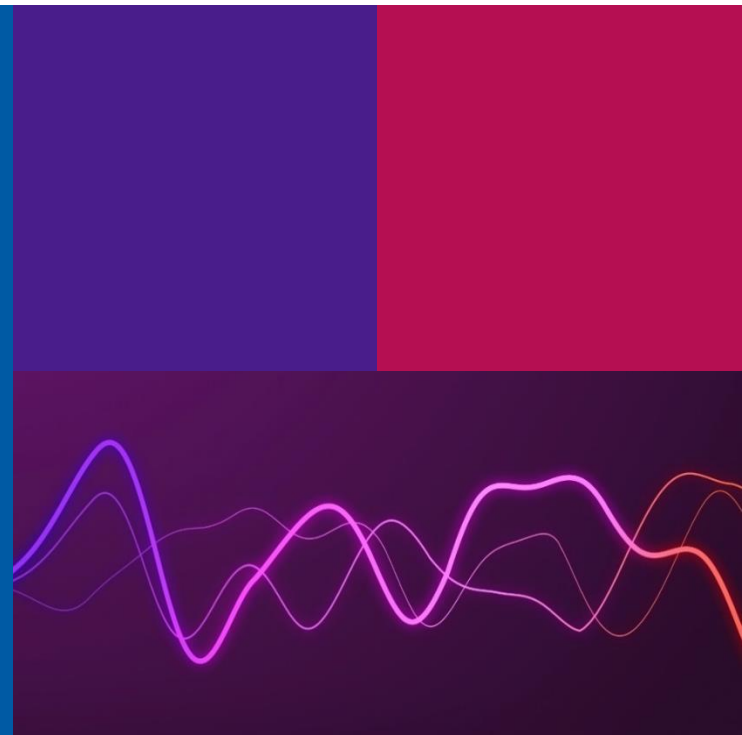


The BEAT

BONDS | EQUITIES | ALTERNATIVES | TRANSITION

March 2025



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

Spanning **Bonds, Equities, Alternatives and Transition***, 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.

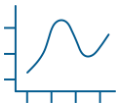
*Transition is an asset allocation view, which refers to cash, cash equivalents or liquid short-duration assets, such as short-dated Treasuries, that can be used to “transition” to other asset classes.

TOP IDEAS

Key Themes for March 2025

**Europe: The Underdog**

Tariffs, reconstruction and reindustrialization. Europe is the next regional target for tariffs, and although this is well-advertised, the announcement may still roil markets. We would view this as a buying opportunity. While European equities are the consensus underweight heading into 2025, they are the best performing DM year-to-date. As PMIs (an indication of the health of manufacturing) recover from a multi-year trough below 50, Europe is poised to recover. A ceasefire between Russia and Ukraine would provide further support. After all, doesn't everyone like the underdog!

**To Be or Not To Be Inflationary**

That is the question. Whether tariffs are inflationary or not is hotly debated. On the one hand, they may not be because without a monetary offset the impact is just a one-off rise in prices subject to substitution effects to lower priced goods. On the other, it may be because it disrupts supply chains and creates inefficiencies that put sustained upward pressure on prices. What does the market think? It seems to have sided with mildly-inflationary, as inflation breakevens have risen. This puts duration at risk.

**Let's Get Fiscal: Tariffs, Taxes, Budget**

It's part of the plan. One of President Trump's main goals this year is to pass a pro-growth budget plan, accomplished by creating easier fiscal policy spurred by tax relief, while simultaneously controlling the deficit. As we saw in February, tariffs were the first step to create the revenue needed to offset his plan to lower taxes. Starting in March, the linkage between the two will become part of the narrative, where we will be watchful of which sectors stand to benefit most.

**Growth: Taking the Easy Way Out**

Despite the noise, growth is still good. Global economic growth is still pointing toward expansion. Other than Japan, global central bank policies remain easy or at least are not tightening. This provides a tailwind to earnings and margins and is supportive of asset prices - let's not lose sight of this as it provides the signal through the noise. We think this supports a broadening of markets and our cyclical recovery theme.

TOP IDEAS

The Portfolio Solutions Group – Our Top 4 Ideas

Adding to Equities

Finding value and diversification in Europe. It is counter the consensus to add to European equity exposure, but this is what we are doing regardless. Why? A number of reasons: Recovering global PMIs, a low bar for earnings expected to surprise to the upside, German elections, pro-growth policies gaining favor and diversification all benefit European equities as an attractive large-cap value play. One of our themes calls for a broadening of the markets that favors cyclical and value, which we are adding exposure to in both the U.S. and Europe.

Add Exposure to European Construction

Improving fundamentals with positive optionality. After a challenging few years, the European Construction & Construction Materials sector looks poised for a rebound, as the tailwind from rate cuts works its way into construction activity. Additionally, news of a ceasefire in Ukraine and related reconstruction efforts could provide a further boost to EPS, providing positive optionality to the trade. With cheap valuation and relative insulation from tariff risks, we view this as an attractive opportunity.

Are Bonds Riskier than Stocks?

Duration. We have shifted portfolios to a modest underweight in duration, but we may continue to reduce. This is because 1) we hold a view that the yield curve may continue to steepen and 2) pro-growth fiscal policy is unfolding alongside tariffs, tilting the scales towards slightly higher inflation. As such, we prefer adding exposure to equities at the expense of duration-sensitive bonds. However, we remain overweight less duration-sensitive and higher-yielding credit.

A Turning Point for Real Estate

Pricing stabilizing amid improving fundamentals. 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. However, the long-term operating outlook is markedly improving, with future supply materially decreasing and the demand destruction underway in certain sectors stabilizing. Entry pricing is meaningfully lower, providing a margin of safety and an interesting access point to these improving fundamentals.

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.

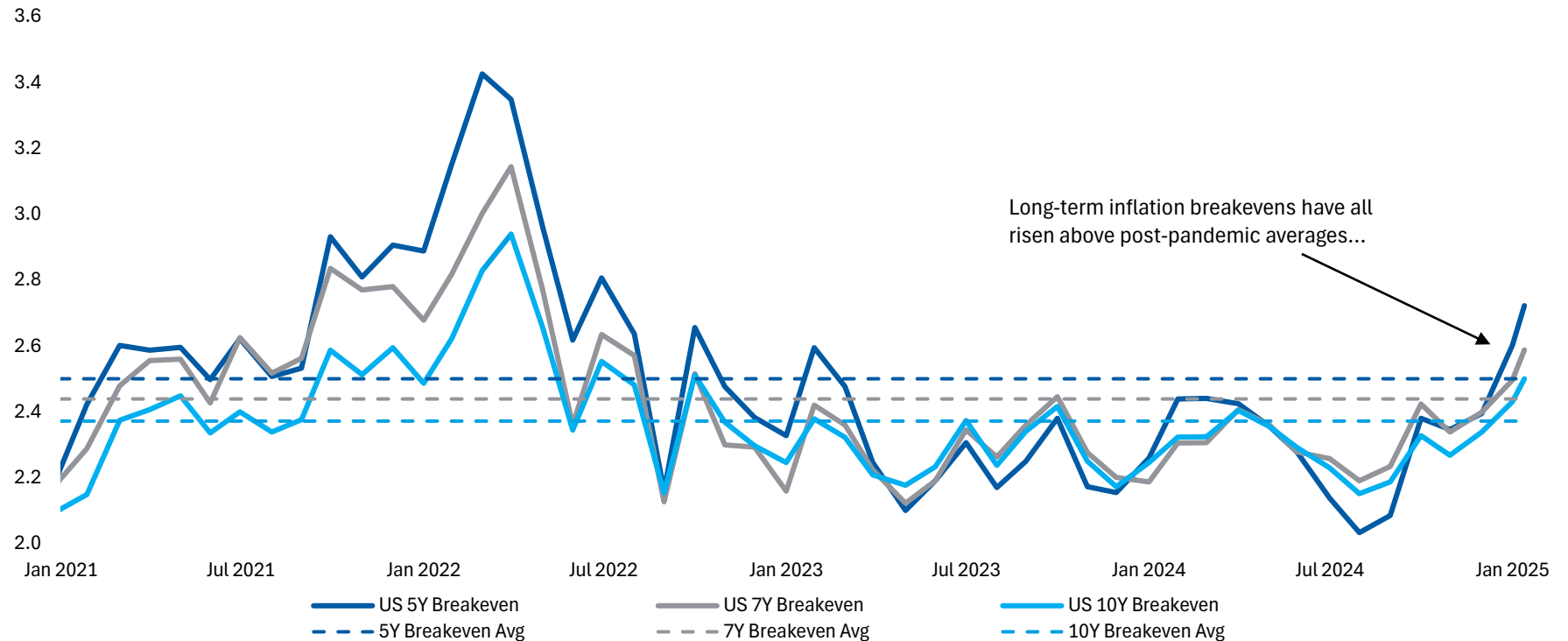
TOP THEMES

Market Measures of Inflation Have Been Trending Higher

Are tariffs inflationary? On the one hand, without a monetary offset the impact is just a one-off increase in prices which are then subject to substitution effects. On the other, tariffs disrupt supply chains and create inefficiencies that may lead to sustained inflationary impulses. Thus far, markets seem to have sided with the latter argument, with longer-term breakevens all moving above post-pandemic averages for the first time since late 2022.

Inflation Breakevens Recently Broke Above Post-Pandemic Averages

U.S. 5Y, 7Y, 10Y inflation breakevens (%) with post-pandemic averages



Source: Bloomberg, MSIM. As of February 11, 2025. "Inflation breakevens" are a market-based measure of inflation expectations. 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. **Past performance is no guarantee of future results.**

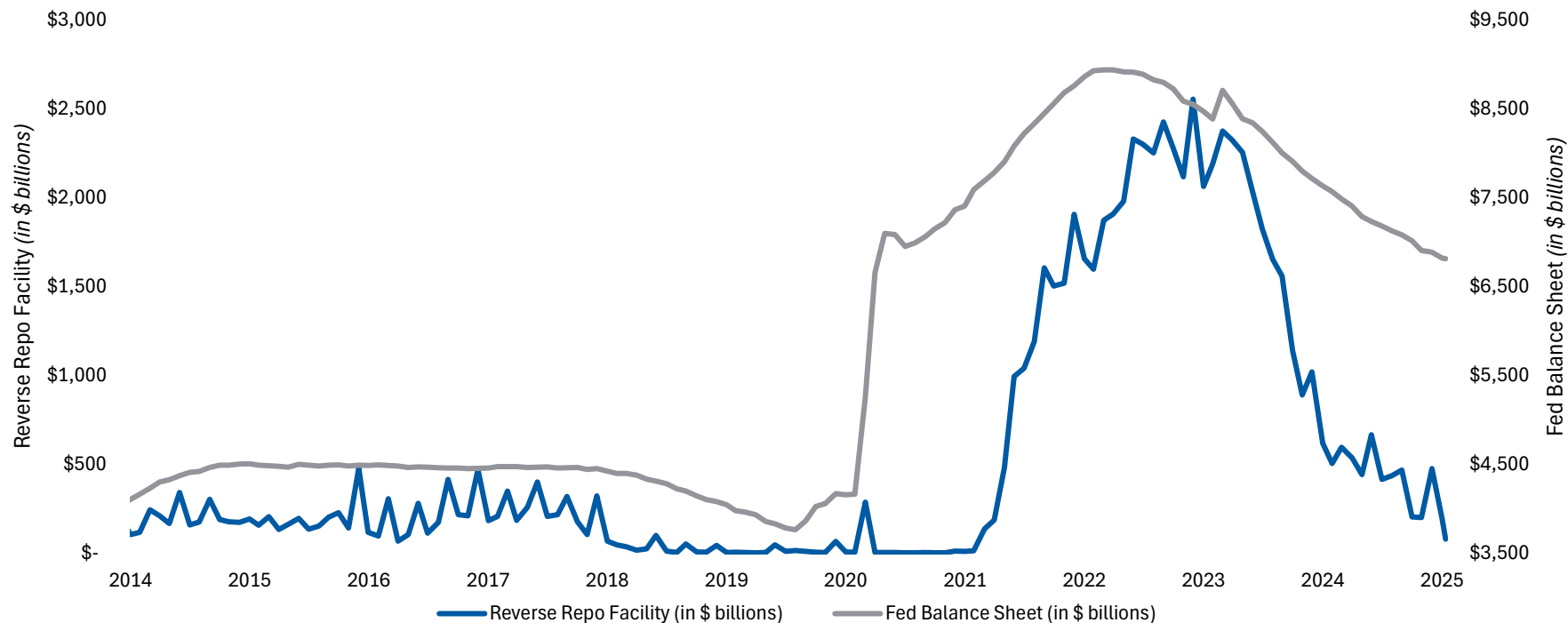
TOP THEMES

Regime Change: Excess Liquidity Shifting from Public to Private Sector

It's a zero-sum game. Larger public sector spending from the government crowds out the private sector. Many worry that Trump's plans to reduce government spending will hurt growth, but we do not believe this to be the case. The private sector can replace the public sector as a growth engine, which is beneficial as the private sector tends to have higher productive growth (i.e. higher growth with a lower inflation impulse).

As Money from Fiscal Largesse Wanes, the Private Sector Can Take Over as the Growth Driver

Fed balance sheet (RH, in \$ billions), reverse repo facility (LH, in \$ billions)



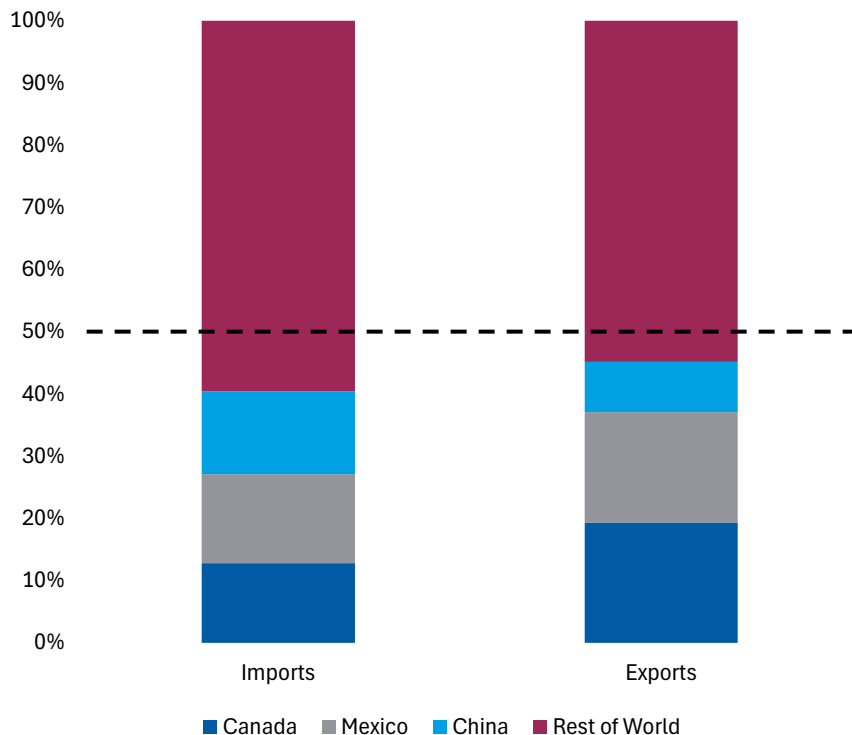
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TOP THEMES

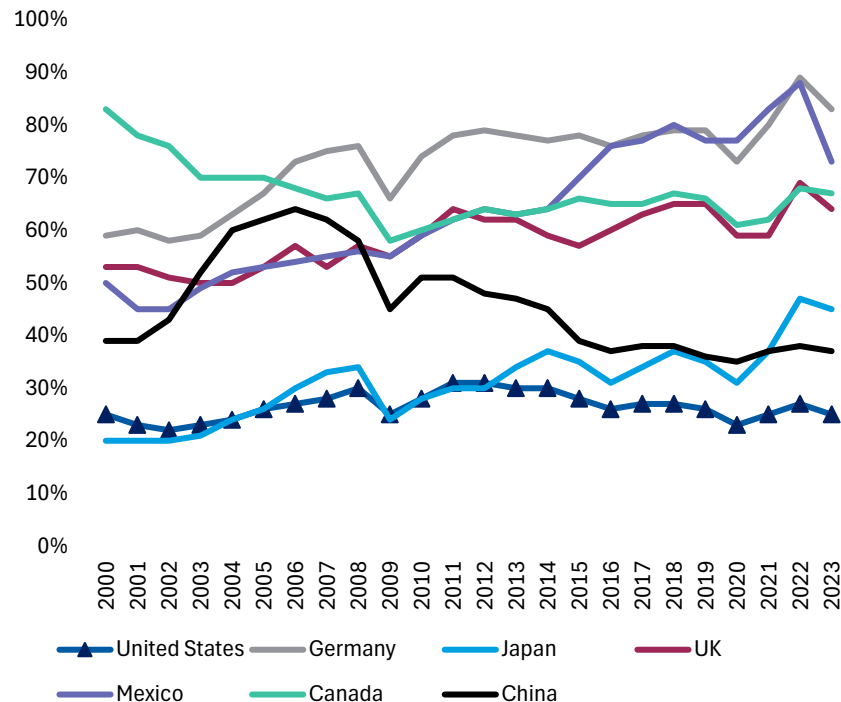
Tariffs Will Impact Global Trade, but Risks Are Skewed Towards ex-U.S.

We continue to view the core policy priorities of the Trump administration as net positive for the U.S. (deregulation, taxes) and negative for ex-U.S. (tariffs). Canada, Mexico and China represent ~40% of U.S. trade and have all been subjected to noise surrounding tariffs. While trade represents ~25% of U.S. GDP, it represents ~70% of GDP for Canada and Mexico.

Canada, Mexico and China Are ~40% of U.S. Trade...
Share of U.S. imports/exports by region (%)



... but the U.S. Relies Less on Trade than Its Peers
Trade in goods and services as % of GDP



Source: World Bank, Council of Foreign Relations, MSIM. As of February 11, 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. **Past performance is no guarantee of future results.**

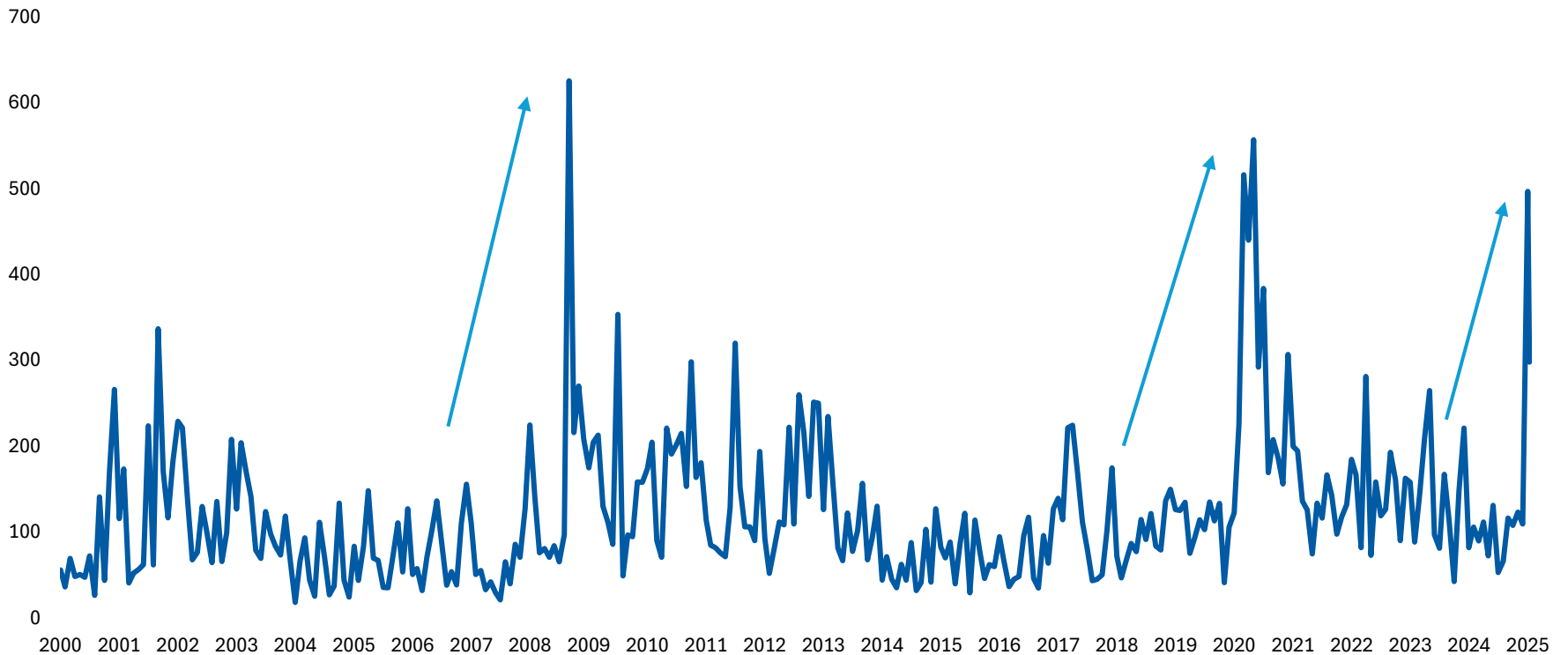
TOP THEMES

Economic Policy Uncertainty Has Risen to Near All-Time Highs

Heightened uncertainty surrounding the path for tariffs, taxes and government spending have all driven gauges of general economic policy uncertainty to levels not witnessed since 2008 and 2020. Despite this, economic growth data remains solid and continues to point towards expansion. We remain focused on these signals amid the noise and uncertainty.

Economic Policy Uncertainty Has Spiked to Levels Consistent with Past Crises

Baker, Bloom and Davis U.S. Economic Policy Uncertainty Index



Source: Bloomberg, MSIM. As of February 11, 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. **Past performance is no guarantee of future results.**

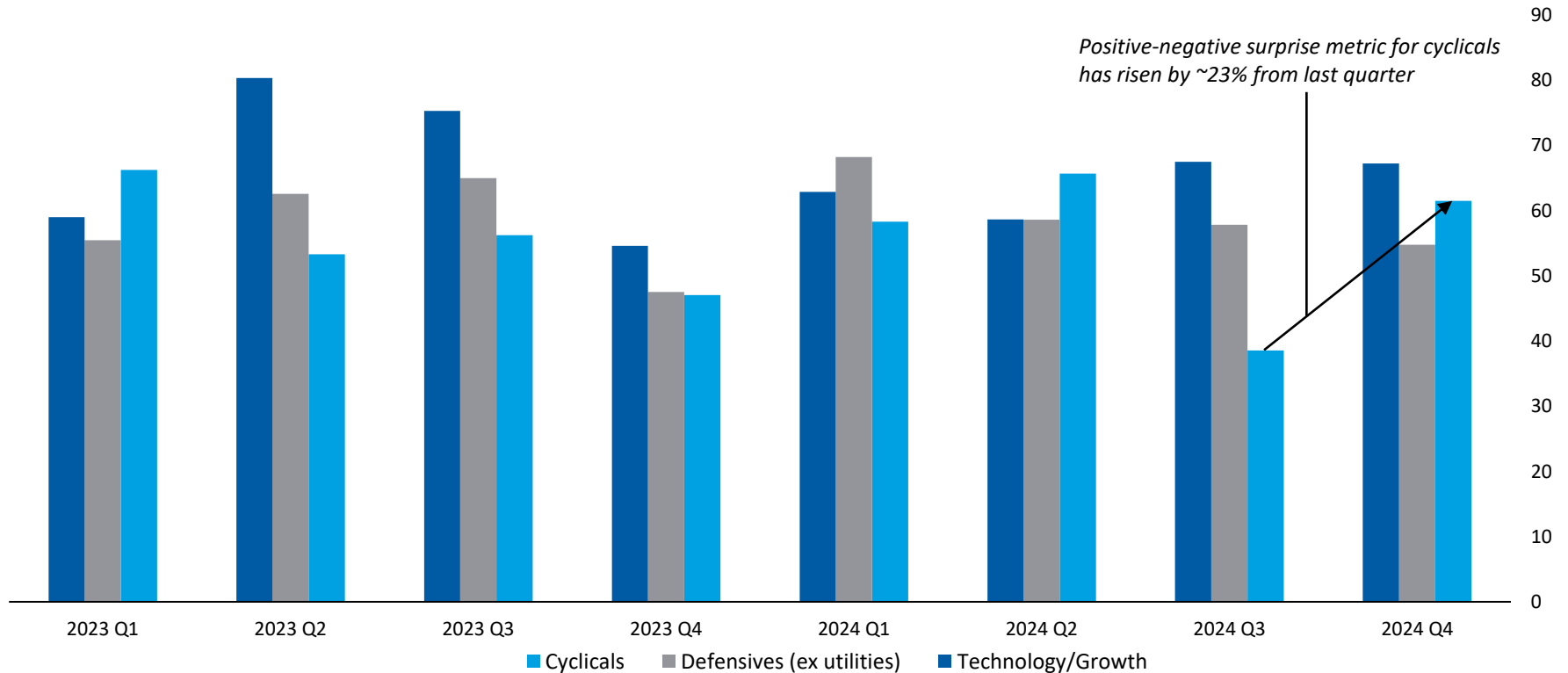
TOP THEMES

4Q24 Earnings Scorecard: Materials Lead Improvement in Cyclical

With ~73% of market cap now having reported, earnings for cyclical sectors have improved noticeably since last quarter, with the average positive-negative surprise spread now at 62%, compared to 39% last quarter. Within cyclicals, the largest marginal improvement since last quarter was in materials, which displayed more positive surprises after a difficult Q3.

Earnings for Cyclical Sectors Have Shown More Positive Surprises thus far in Q4

Positive-negative surprise metric spread by sector group



Source: Bloomberg, MSIM. As of February 11, 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. **Past performance is no guarantee of future results.**

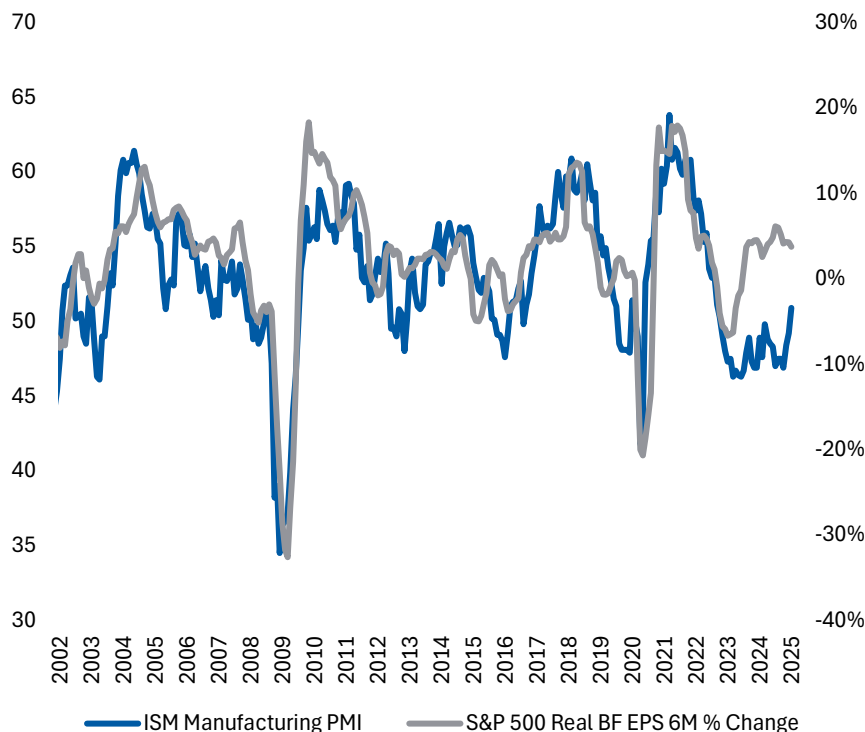
TOP THEMES

A Continued Manufacturing Recovery Should Benefit SMID Segments

Manufacturing PMIs have historically displayed high correlations with earnings growth trends. Interestingly, large-cap earnings have decoupled from their historical relationship with PMIs, while small- and mid-caps (SMID) continue to move in line. A continued manufacturing recovery should benefit small- and mid-caps, and further fuel a broadening in U.S. equity markets.

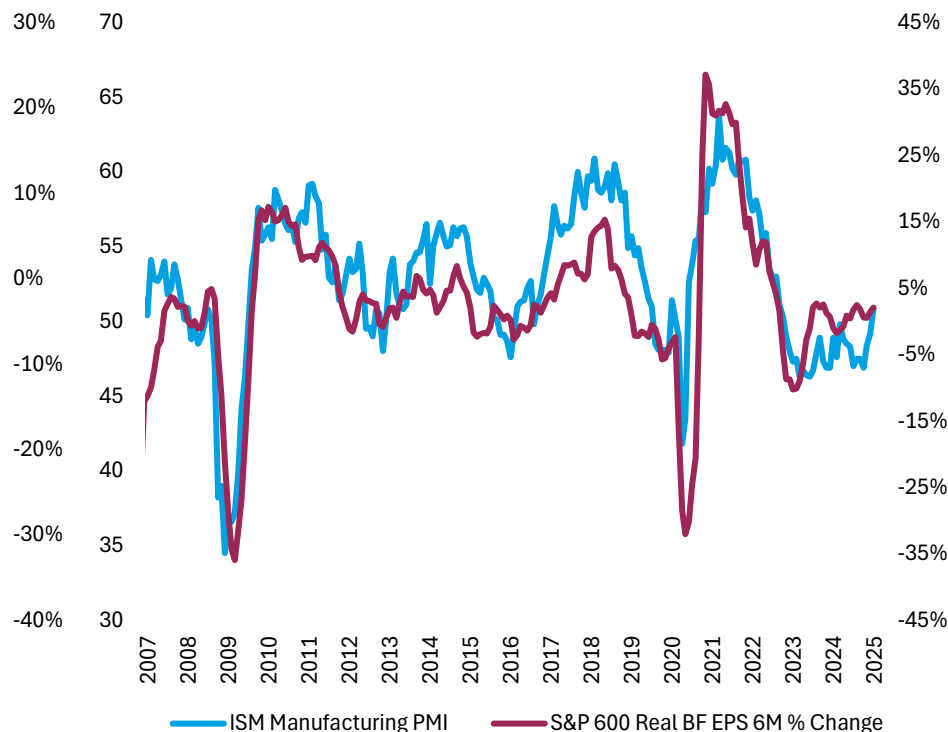
Large-Cap EPS Has Defied the Trend in PMIs...

ISM manufacturing (LH), S&P 500 BF Real EPS 6M Change (RH)



... While for Small Caps the Trend Is More Consistent

ISM manufacturing (LH), S&P 600 BF Real EPS 6M Change (%)



Source: Bloomberg, MSIM. As of February 11, 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. **Past performance is no guarantee of future results.**

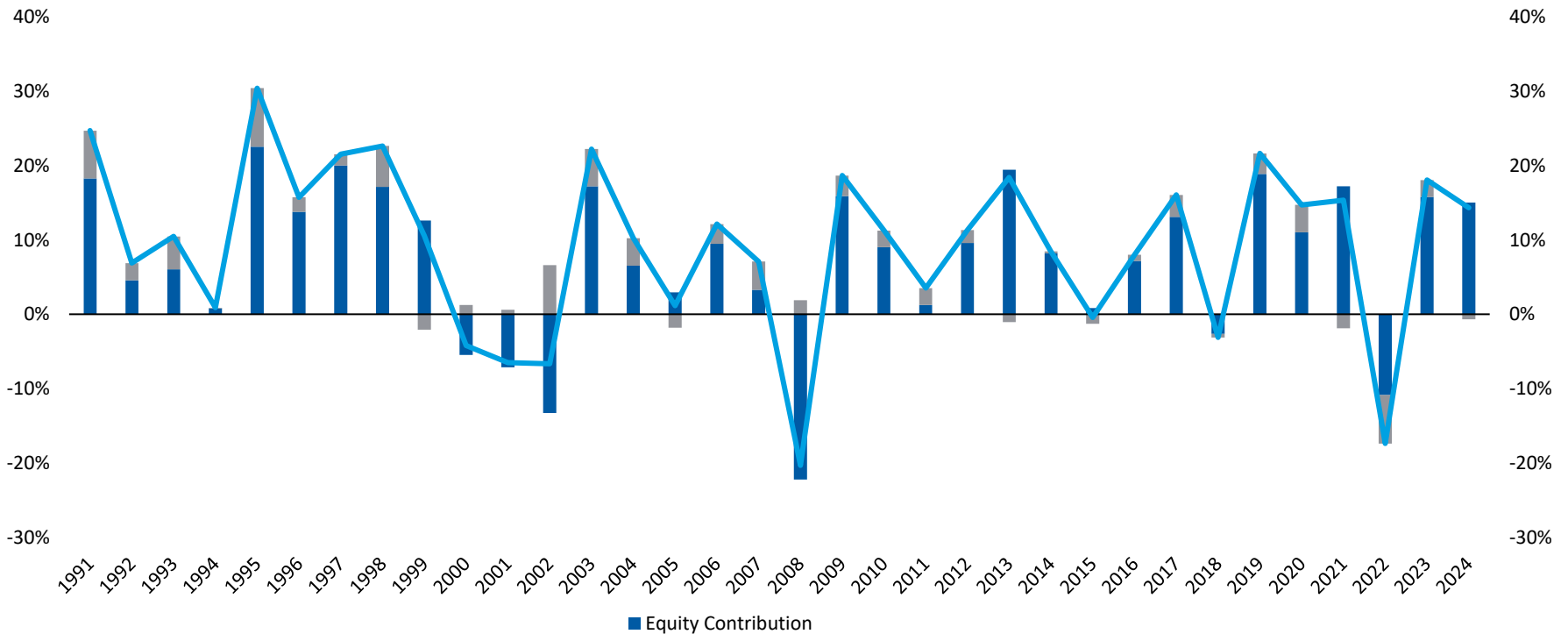
TOP THEMES

Equities Expected to Continue to Dominate Returns in a Balanced Strategy

We expect equities to continue to dominate returns in a balanced portfolio strategy. But the main difference going forward is that as the interest rate cycle moves sideways, passive bond strategies may not prove to be an effective hedge. One needs to actively manage duration risk within bond allocations moving ahead.

Equities Are Expected to Continue to Dominate Returns in a Balanced Strategy

Return contributions in a 60/40 portfolio (as measured by S&P 500 and Bloomberg Global Aggregate Bond Index)



Source: Bloomberg, MSIM. As of December 31, 2024. 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. **Past performance is no guarantee of future results.**

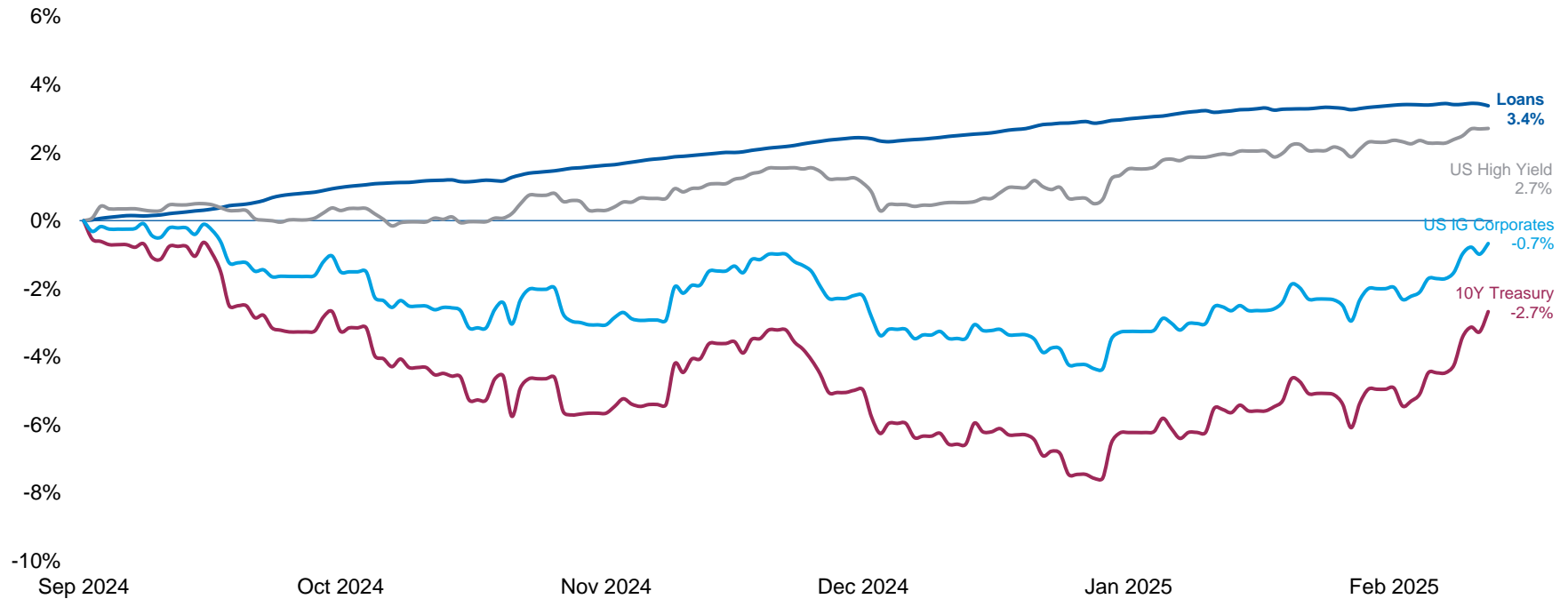
TOP THEMES

Bank Loans Continue to Deliver Strong Performance

We continue to hold a favorable view on bank loans, which have outperformed other sectors of the credit markets since the onset of the Fed rate cutting cycle last September. Valuations remain attractive and the sector offers high carry relative to other areas of fixed income.

Loans Continue to Outperform Other Credit Sectors Since the Fed Began Cutting Rates

Performance since 9/18/2024 (first Fed rate cut)



Source: Morningstar, MSIM. As of February 28, 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. **Past performance is no guarantee of future results.**

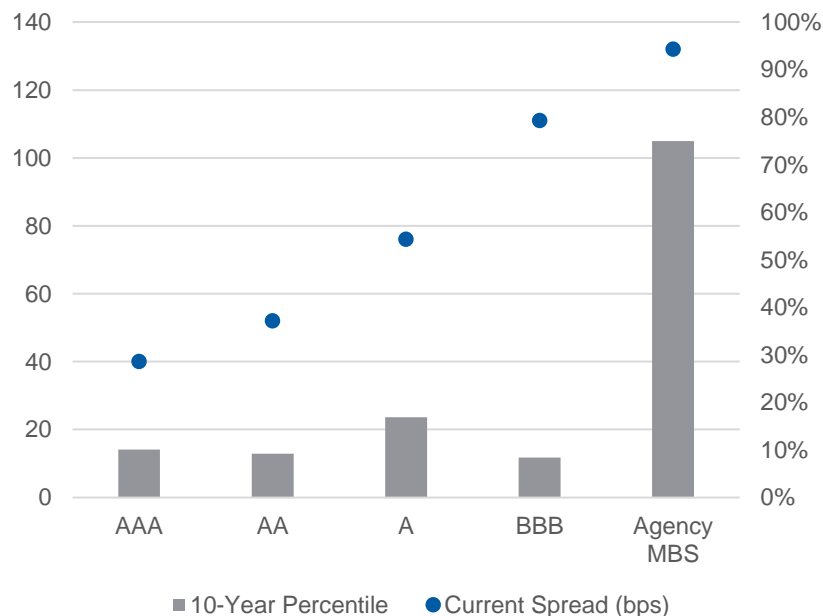
TOP THEMES

Mortgage-Backed Securities: Brightest Bright Spot in Fixed Income?

We continue to hold a high-conviction overweight on Mortgage-Backed Securities (MBS) as U.S. 30-year fixed mortgage rates are higher than BB-rated corporate yields, a rare occurrence in the past 25 years.

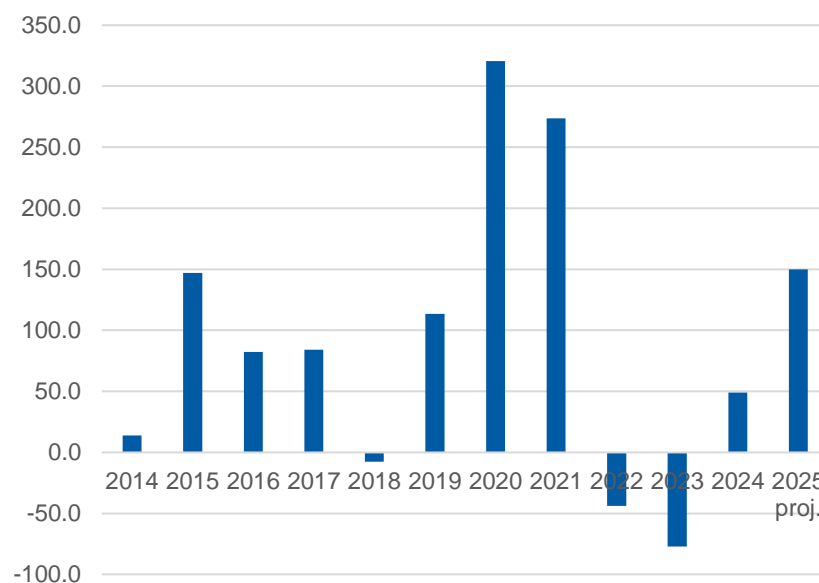
Agency MBS Spreads Look Attractive Today

Current spread to worst (RHS) and 10-year spread percentile (LHS)



The Demand for Agency MBS Is Expected to Rise in 2025

BankPortfolio demand (in \$ billions)



Source: Bloomberg, MSIM. As of February 28, 2024. 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. **Past performance is no guarantee of future results.**

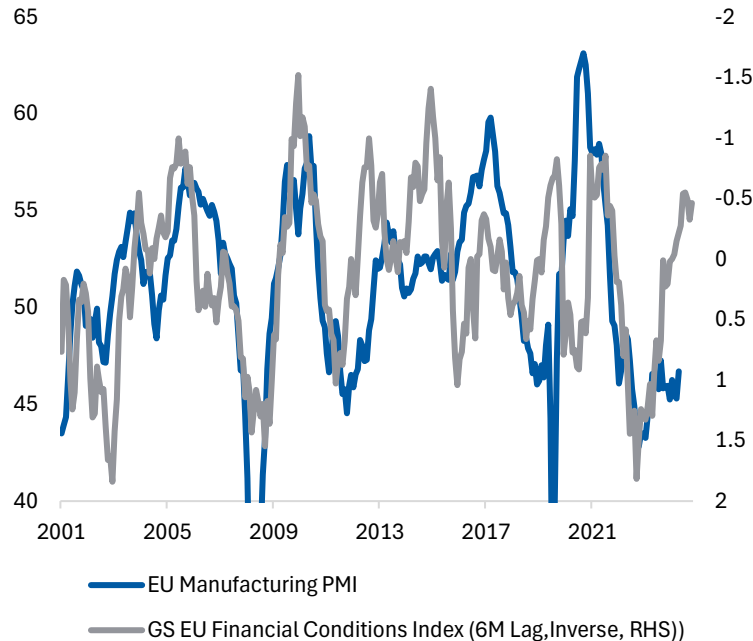
TOP THEMES

Europe: The Underdog

As PMIs recover from a multi-year trough below 50, Europe is poised to generate improved performance, with a ceasefire between Russia-Ukraine potentially providing added support to this sentiment. Although Europe is the next regional target for tariffs, this is a well-advertised headwind, something we view as a buying opportunity.

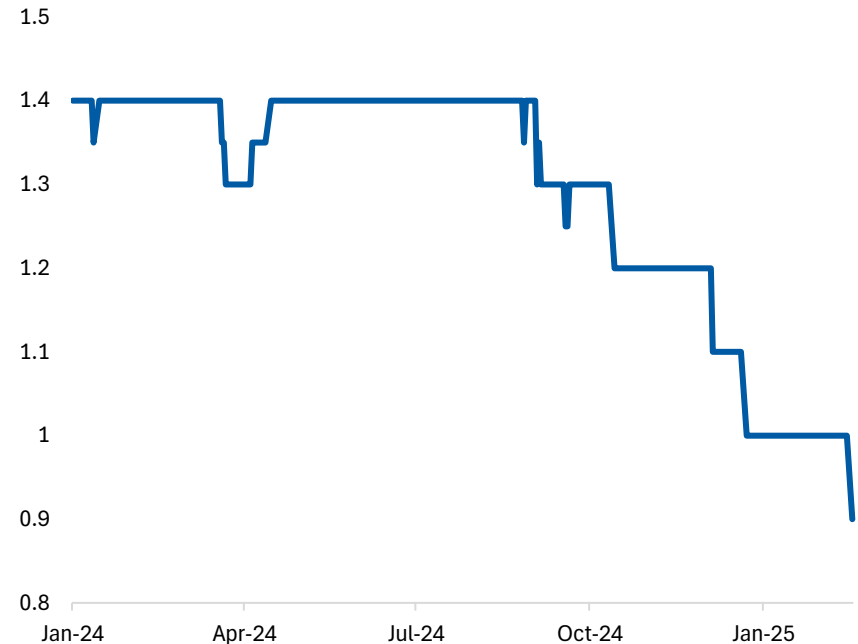
The Drag on PMIs from Monetary Policy and FX Appreciation Is Set to Fade in Coming Months

EU manufacturing PMI (LH), GS EU financial conditions (6M lag, inverse) (RH)



EU GDP Forecasts Have Been Significantly Revised Down Since the Odds of a Trump Victory Started to Rise; The Impact of Tariffs Looks Well “Baked In”

Bloomberg consensus forecast for 2025 GDP growth



Source: Macrobond, Bloomberg, Goldman Sachs, MSIM. As of January 17, 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. **Past performance is no guarantee of future results.**

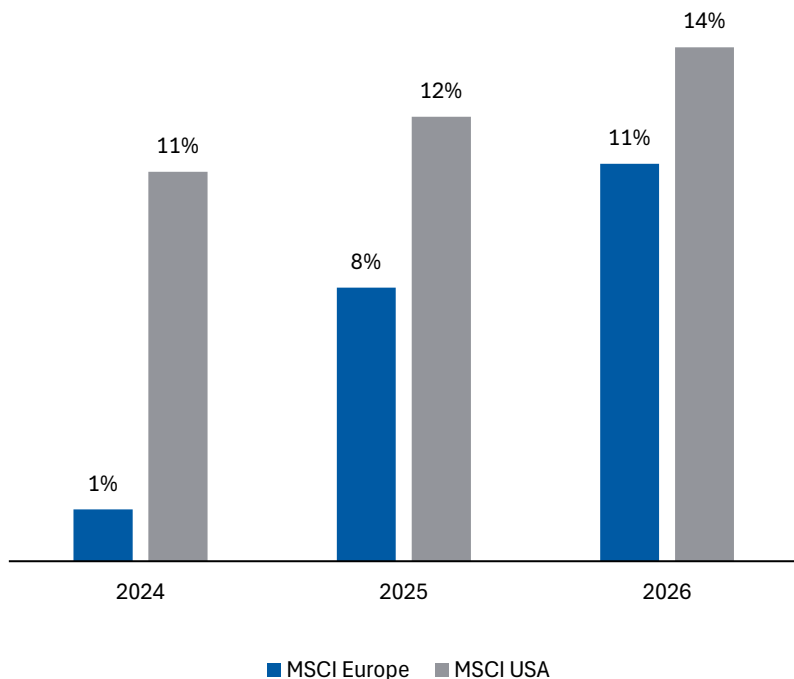
TOP IDEAS

Adding European Equity Exposure

It is counter consensus to add to European equity exposure, but this is what we are doing regardless. Why? Recovering global PMIs, a low bar for earnings to surprise to the upside, German elections, pro-growth polices gaining favor and diversification* all benefit European equities as an attractive large-cap value play.

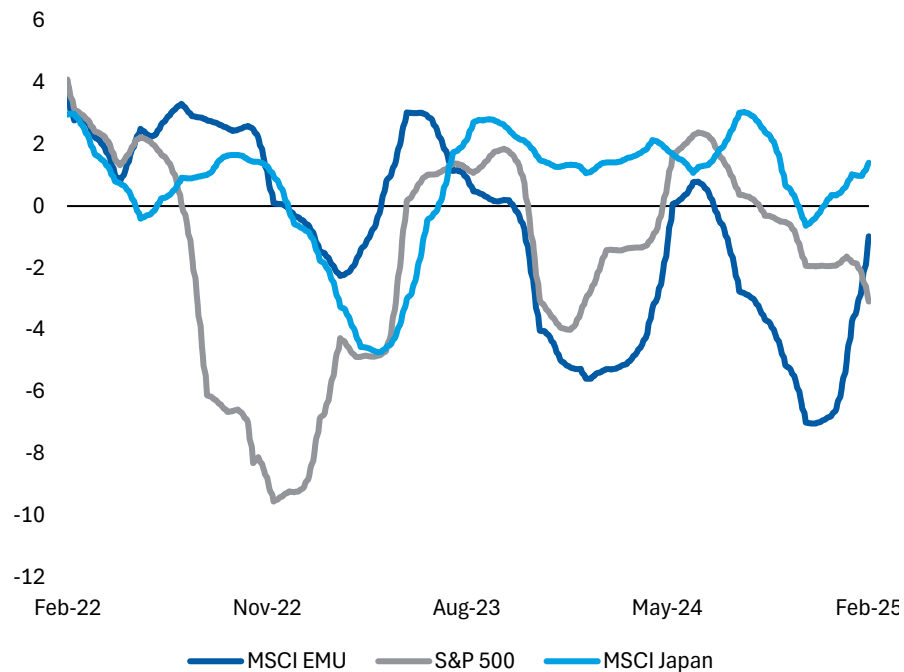
Despite Rising Growth, 2025 Expectations Are Still Significantly Lower than for the U.S.

IBES EPS growth expectations



Earnings Revisions Are Rebounding from a low Base, Suggesting a lot of Negativity Was in the Price

Earnings revision ratio; 3M Moving Average



* Diversification does not eliminate the risk of loss. IBES stands for the Institutional Brokers' Estimate System. Source: Bloomberg, MSIM. As of February 17, 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. **Past performance is no guarantee of future results.**

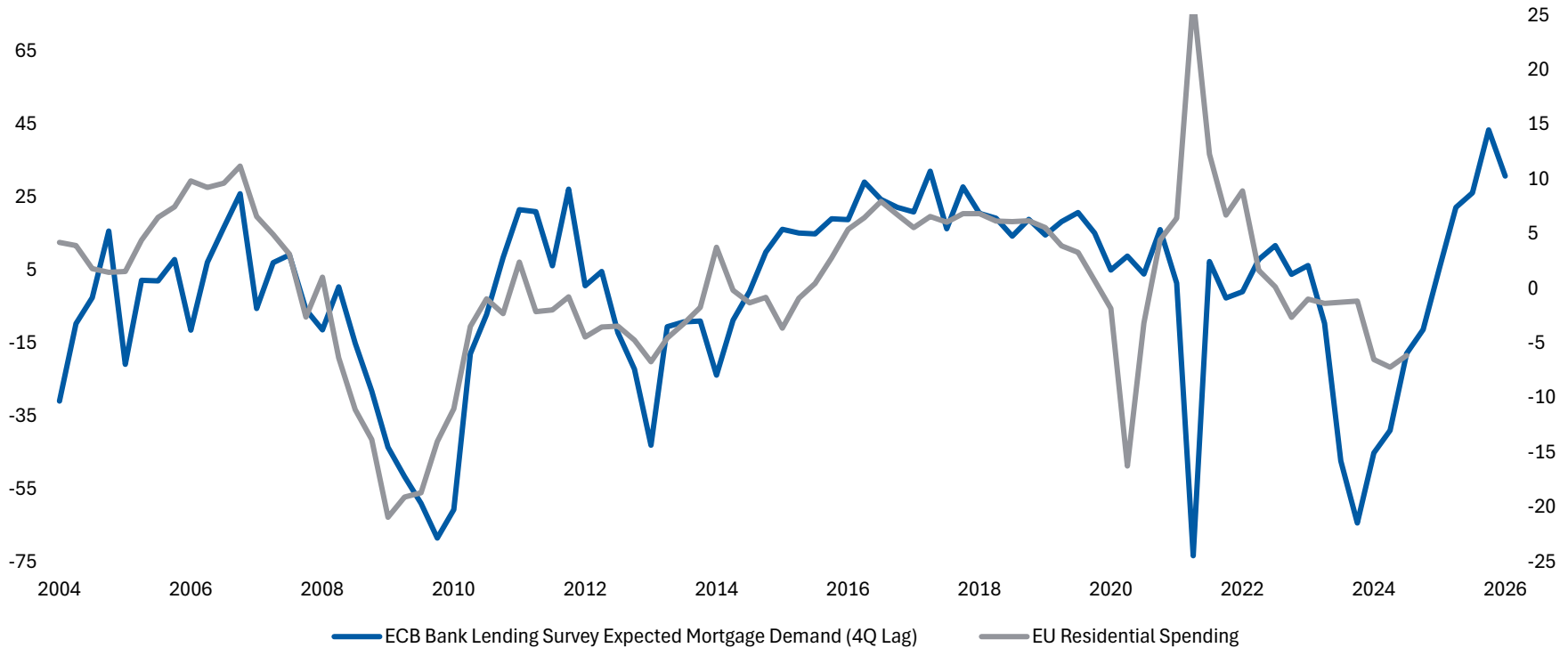
TOP IDEAS

Overweight European Construction

After a challenging few years, the European Construction & Construction Materials sector looks poised for a rebound, as the tailwind from rate cuts works its way into construction activity. Additionally, news of a ceasefire in Ukraine and related reconstruction efforts could provide a further boost to EPS, providing positive optionality to the trade.

Leading Indicators Point to a Recovery in Construction Activity in 2H25

ECB bank lending survey expected mortgage demand (4Q lag) (LH), EU residential spending (RH)



Source: MSIM, Bloomberg. As of February 17, 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. **Past performance is no guarantee of future results.**

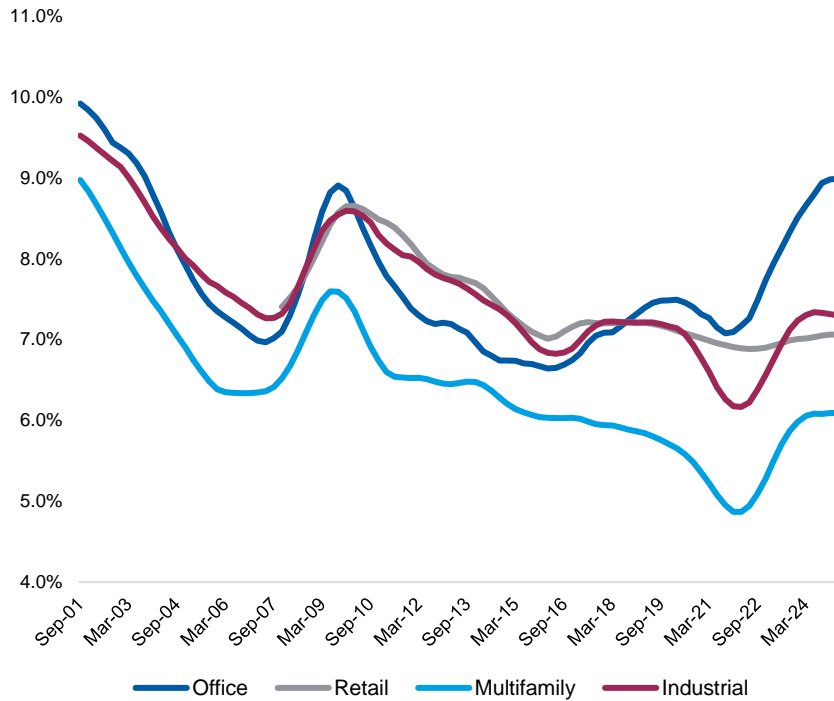
TOP IDEAS

A Turning Point for Real Estate

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. However, the long-term operating outlook is markedly improving, with future supply materially decreasing and the demand destruction in certain sectors stabilizing. Entry pricing is meaningfully lower, providing a margin of safety and an interesting access point to these improving fundamentals.

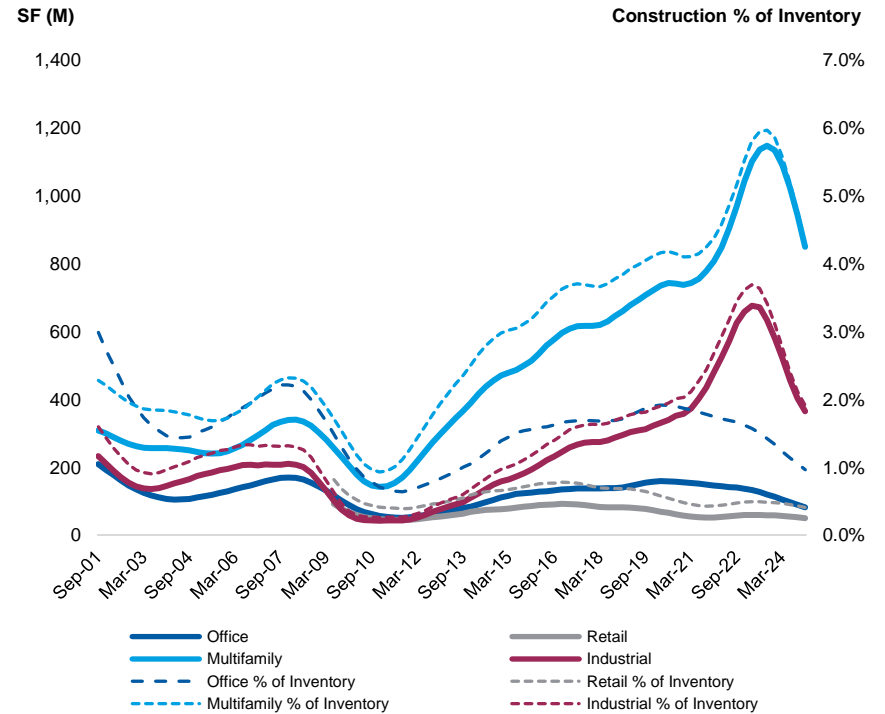
U.S. Cap Rates Have Stabilized...

Real estate sector cap rates (%)



...and the Pace of New Construction Has Slowed

Construction square footage (M, LH), as % of inventory (RH)



Source: CoStar (Sept 01 – Dec 24) as of February 1, 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. **Past performance is no guarantee of future results.**

TOP IDEAS

Capital Markets Investment Framework

Representative Allocations from the Portfolio Solutions Group

■ Current allocation
 ◀ Change from previous

-- High conviction underweight
 - Underweight
 = Neutral
 + Overweight
 ++ High conviction overweight

Asset Allocation	Our View					Commentary
	--	-	=	+	++	
Bonds						
Duration		■				We remain underweight duration. While the UST 10Y yield at ~4.5% sits towards the middle of our view on a longer-term range, we see the near-term balance of risks skewing higher with recession risk low, but inflation risk a relevant focus.
Credit				■		
Equities						
Risk Level				■		We remain overweight equities, having added incrementally to our European equity exposure in February. Our core view in the U.S. remains soft landing, and we continue to assess U.S. political developments as net positive for 2025 equity returns. We remain vigilant to new policy developments.
Alternatives						
Private Markets				■		Private investment activity has been subdued year-to-date as investors cautiously interpreted announcements to changes in U.S. Fed policy, including its interaction with global geopolitics. However, we believe the directional clarity of the new administration and the continuing maturation of relatively low-cost financing are expected to expand deal-making activity in 2025. In addition, attractive entry prospects have emerged within sub-segments of real estate, private equity and private credit, but investor commitment levels have not yet responded to the heightened level of opportunity.
Hedge Funds				■		Hedge funds are benefiting from a constructive market environment for skill-based managers. We maintain conviction in equity long/short and fixed income relative value strategies as our expectations for market dispersion remain supportive while correlations have decreased at the micro level.
Commodities				■		We remain neutral on key commodity markets as geopolitical upside risks are balanced by high spare capacity in markets such as crude, which limit upside absent physical disruptions.
Transition						
Cash/Short Duration		■				We remain underweight cash and short duration instruments.

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TOP IDEAS

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)	-	We remain underweight duration in the U.S. with 10Y yields at ~4.5%, given our view that the near-term balance of risks continues to skew higher with recession risk low, but inflation risk a relevant focus.
Inflation Linked Bonds	- ◀	We are reducing breakeven exposure as shorter term breakevens look particularly expensive relative to our view of future inflation. Longer term breakevens are closer to fair value.
Eurozone Govt. Bonds	+	We remain overweight duration in Europe, with scope for the ECB to continue cutting rates even if growth improves slightly. Core inflation and real GDP growth are likely to remain lower than in the U.S.
EM Hard Currency Govt. Bonds	+	EMD looks somewhat expensive on a standalone basis, yet remains more attractive relative to other segments of the market, such as corporate credit. We still think it's sensible to have an allocation to hard currency EMD.
EM Local Currency Govt. Bonds	+	The U.S. dollar (USD) appears very expensive from a Real Effective Exchange Rate perspective, which could manifest in attractive EM Local returns. However, this dynamic can take years to play out and policy uncertainty near term is too high for us to overweight EM Local given current real rate spreads vs USTs.
Public Credit		
Municipal Bonds	+	Muni ratios versus USTs currently look closer to "fair value" than cheap. We still like the asset class for taxable investors but are not forecasting large excess returns.
Investment Grade	-	Spreads are near all-time tights, excess return over USTs should be minimal and IG remains sensitive to left-tail outcomes. Our positive economic outlook keeps this from being a high-conviction underweight.
MBS/ABS	++	We continue to hold high conviction in ABS and yield per unit of credit quality remains attractive. U.S. 30Y fixed mortgage rates are higher than BB-rated corporate yields, a rare occurrence in the past 25 years.
High Yield	-	With spreads at historic lows across credit ratings, we see little upside left for high yield. We prefer to allocate to areas of fixed income with less stretched valuations.
Bank Loans	+	Loan spreads have continued to tighten and now look moderately expensive versus history. However, we still see a lot of relative value with the recent repricing of Fed expectations higher. Loans look poised to continue outperforming other fixed income asset classes due to their higher carry and low-duration sensitivity.

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TOP IDEAS

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
	-- - = + ++	
Regional		
Developed Markets		We remain overweight the U.S. based on our view that the key policy priorities of the new administration will be beneficial for domestic growth (deregulation, fiscal), while posing challenges outside the U.S. (tariffs). We manage elevated U.S. valuations through mid-caps and selective cyclical exposure.
U.S.		We increased European equity exposure given our continued conviction in a manufacturing recovery, view that the worst-case tariff scenarios don't materialize and depressed sentiment/valuation. We view EU construction as a beneficiary of these tailwinds, and as having some positive optionality on a potential ceasefire in Ukraine.
Eurozone		Japan's structural domestic improvements remain intact, while valuations remain undemanding. Near-term headwinds are U.S. trade policy uncertainty and renewed yen appreciation from rising inflationary pressure and continued BoJ rate hike prospects.
Japan		We continue to see regional dispersion in EM, with structural economic headwinds for China and tailwinds for India. Fortunes are reversing in the near-term with China's AI breakthrough and change in leadership attitude toward the private sector, while India's economy is undergoing a cyclical slowdown.
Emerging Markets		
Style		
Growth vs. Value		Growth style indexes remain disproportionately exposed to Big Tech, where we seek to keep our risk exposure close to neutral.
Quality		With little excess risk premium in equities and a limit to economic growth acceleration due to inflation risk, we continue to prefer a tilt toward quality. We balance this with selective cyclical exposure.
Large Cap vs. Small Cap		Mid-caps represent the sweet spot between elevated large-cap valuation and small-cap quality risk.
Cyclical vs. Defensive Sectors		We continue to favor selective cyclical exposure consistent with late cycle expansion.

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TOP IDEAS

Alternatives

Representative Positioning from Portfolio Solutions Group

Alternative Assets	Commentary
Private Markets	
Private Equity	<p>We expect investor cash flows to recover due to increasing market activity, and asset pricing to offer an attractive entry point. While a key discipline in private equity investing is to limit exposure to exogenous risks, the directional clarity associated with the change of government in the U.S. is expected to expand deal-making activity, but likely to have an uneven impact on the growth opportunities and risks within each sector. The prospect of deregulation will potentially lead to increased opportunities in Financials and Healthcare and reduced anti-trust intervention could spark additional M&A more broadly. However, growth policies have the potential to add to inflation, so we continue to focus on middle-market strategies that rely less on leverage and are well-placed to deliver asset management initiatives to drive margin expansion and real earnings growth.</p>
Private Real Assets	<p>Commercial real estate is working through its debt maturity wall and pockets of elevated supply, leading to increased transaction volumes at more attractive entry valuations. These reset valuations and retreat of bank lending have created interesting opportunities for commercial real estate lenders. At the same time, fundamentals are constructive, as debt liquidity improves and the future supply in key sectors is materially lower, setting up an attractive opportunity for commercial real estate equity as well - particularly in secularly growing sectors including industrial, residential and net lease.</p> <p>Private infrastructure continues to participate in the investable opportunities relating to the mega trends of digitization and power generation. These themes converge where data services require power, and generative Artificial Intelligence (AI) is highlighting the fact that the current power mix is insufficient in terms of volume, density and reliability. Private investors are playing a key role in supplying this enabling infrastructure with attractive growth prospects. Recently observable policy changes in the U.S. and the Deepseek announcements could threaten performance in projects that are over-extended in their cash flow or valuations, but we believe investments in mature cost-competitive technologies that are under supplied versus demand tailwinds will continue to be positioned for strong returns.</p>
Private Credit	<p>Within corporate lending, covenant relief cases have increased as debt service has become more burdensome, but demand for products and services is generally healthy which is supporting profitability and debt coverage. Companies in unorthodox or transitional situations are accessing special situations capital that is improving alignment and offering attractive returns for investors.</p>
Liquid Alternatives	
Hedge Funds	<p>Given the current market drivers, we prefer hedge fund specialist portfolio managers who are best positioned to analyze policy impacts on security prices and capture the potential opportunity in increased capital markets activity. We stress the need to incorporate highly liquid, responsive, macro convexity strategies within portfolios to capitalize on price volatility should consensus views prove incorrect, stoking periods of broader market volatility. In addition, our highest conviction sub-strategies are fixed income relative value and quantitative long / short equity to take advantage of decreasing correlations at the micro level.</p>
Commodities	<p>We remain neutral on key commodity markets as geopolitical upside risks are balanced by high spare capacity in markets such as crude, limiting upside absent physical disruptions.</p>

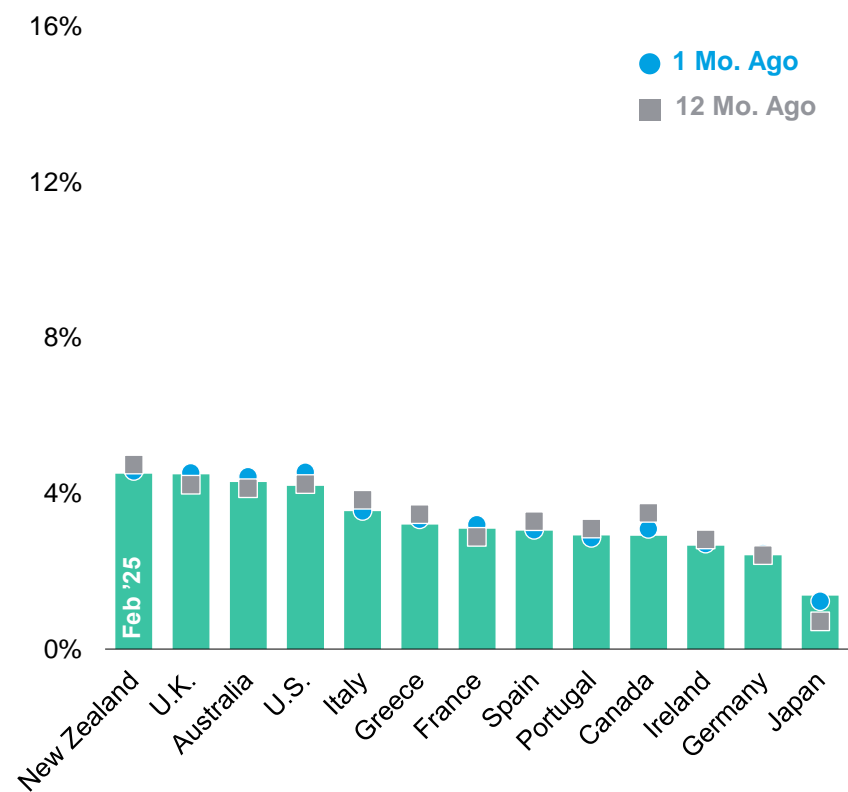
For informational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy. The tactical views expressed above are a broad reflection of our team's views and implementations, expressed for client communication purposes. Individual team allocations may differ. The information herein does not intend 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

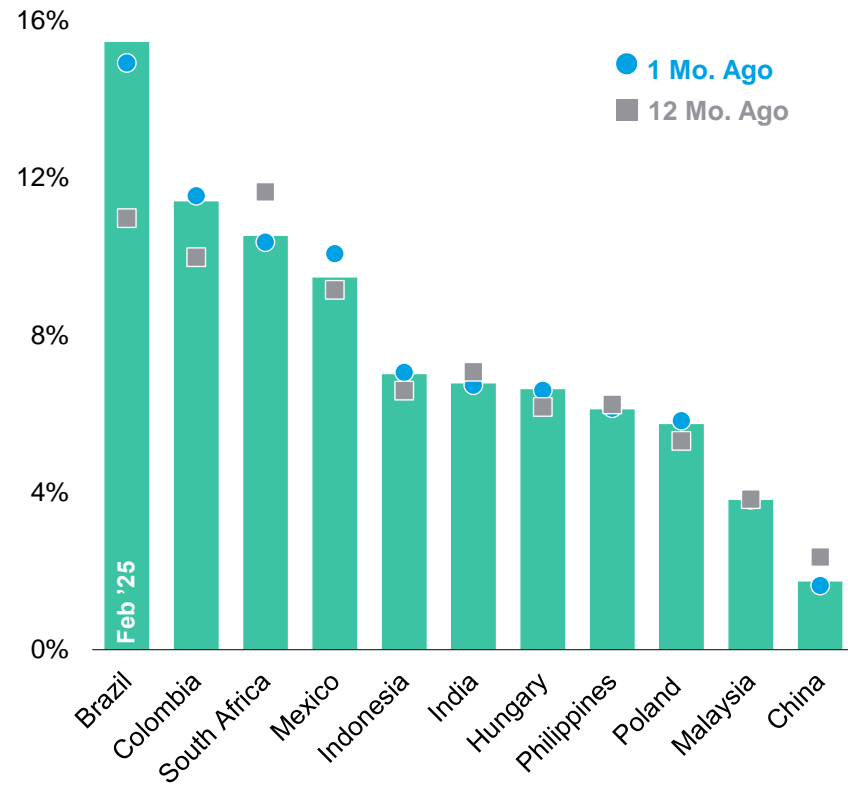
Developed Markets

(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 2/28/25. 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	1.86	3.30	3.33	1.86	4.35
Secured Overnight Financing Rate	4.39	5.31	4.99	4.27	5.40
1-Mo SOFR	4.32	5.33	4.96	4.30	5.35
3-Mo SOFR	4.32	5.34	4.90	4.29	5.35
2-Yr Treasury	3.98	4.68	4.35	3.54	5.03
5-Yr Treasury	4.00	4.27	4.17	3.41	4.71
10-Yr Treasury	4.19	4.26	4.27	3.62	4.79
30-Yr Treasury	4.47	4.40	4.48	3.93	4.98
2-Yr Japan	0.81	0.17	0.43	0.17	0.83
10-Yr Japan	1.37	0.69	0.99	0.70	1.44
2-Yr German Bund	2.02	2.91	2.48	1.91	3.11
10-Yr German Bund	2.41	2.45	2.37	2.03	2.67
2-Yr UK Gilt	4.20	4.63	4.19	3.53	4.62
10-Yr UK Gilt	4.49	4.11	4.23	3.74	4.89
Bloomberg US Agg	4.58	4.93	4.78	4.10	5.31
Bloomberg Global Agg	3.54	3.82	3.69	3.26	4.06
Bloomberg US Corporate	5.08	5.42	5.23	4.64	5.75
Bloomberg US Long Corporate	5.57	5.59	5.56	5.07	6.01
Bloomberg US Municipal	3.55	3.42	3.58	3.28	3.93
Bloomberg US Long Municipal	4.28	4.16	4.21	3.94	4.54
US High Yield	7.16	7.90	7.51	6.98	8.32
US Loans	8.41	9.93	9.31	8.36	9.90

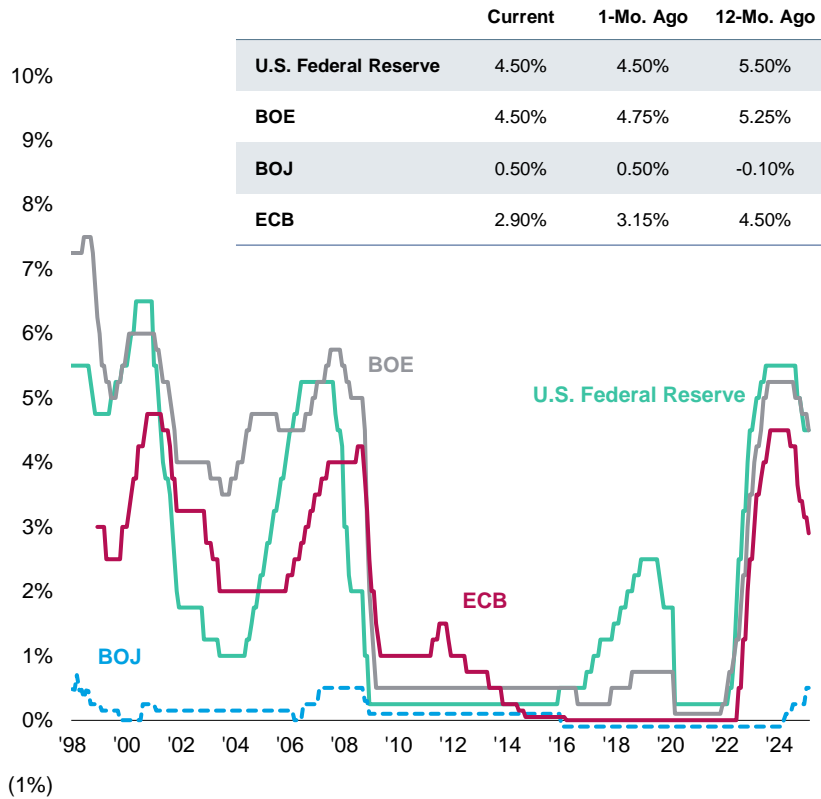
Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Bloomberg, Leveraged Commentary & Data (LCD), and Factset as of 2/28/25. 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.

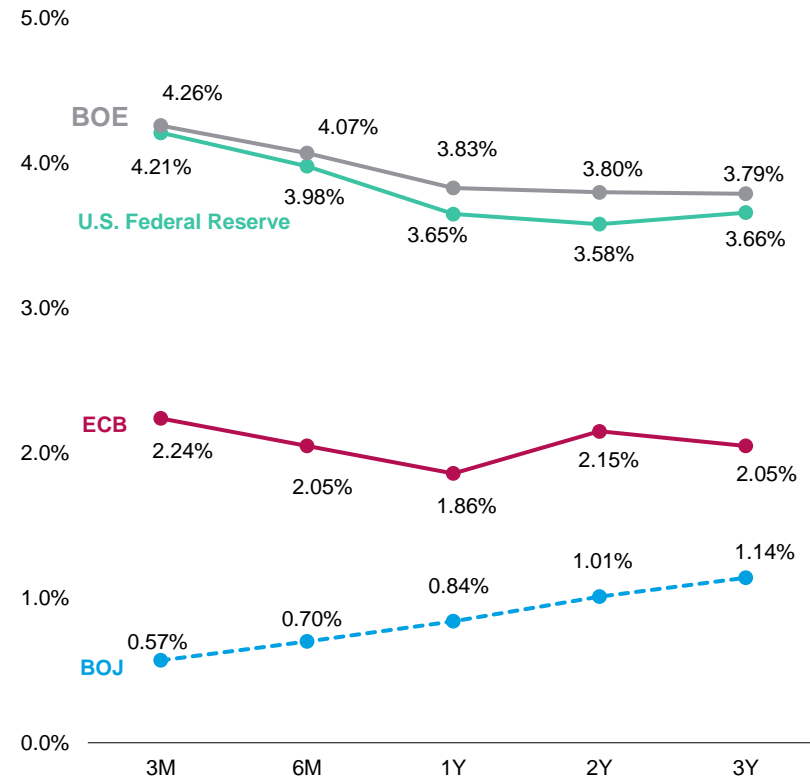
BONDS

Monetary Policy

Central Bank Policy Rates



Market Expectations for Future Central Bank Rates

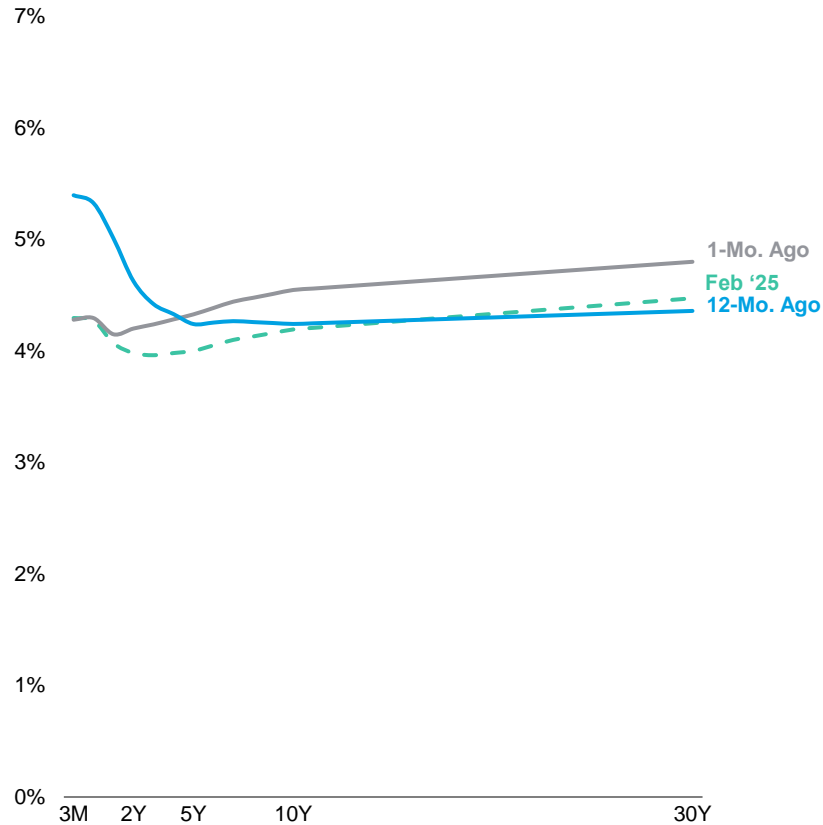


Source: Bloomberg, Factset as of 2/28/25. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

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	4.30	4.28	5.40	0.32	5.09
6-mo. Treasury	4.27	4.30	5.33	0.32	5.23
2-yr. Treasury	3.98	4.20	4.63	0.68	4.99
3-yr. Treasury	3.96	4.24	4.42	1.04	5.13
5-yr. Treasury	4.00	4.33	4.24	1.73	4.88
10-yr. Treasury	4.19	4.55	4.24	3.09	4.34
30-yr. Treasury	4.47	4.80	4.36	5.57	1.89

Source: Factset, Morningstar as of 2/28/25. 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

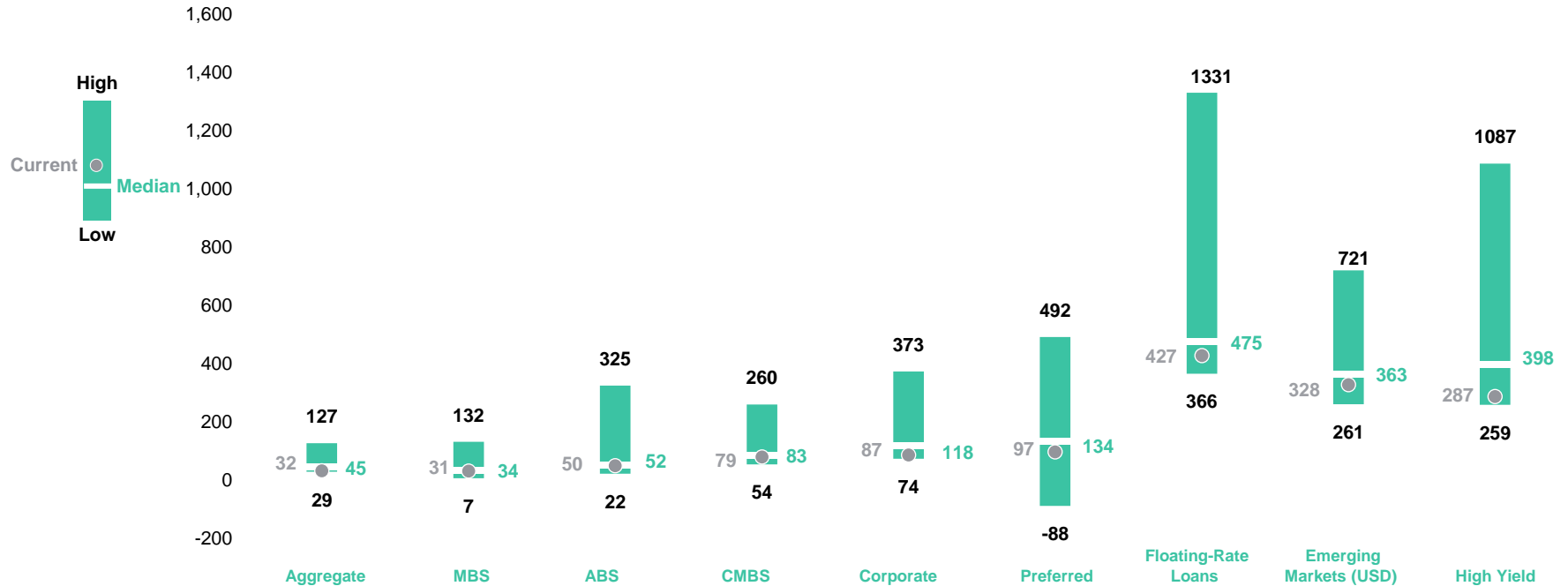
Characteristics and Performance Analysis

Index	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
U.S. High Grade													
Bloomberg U.S. Aggregate Index	3.48	92.5	4.58	32	8.4	6.1	2.20	1.06	2.74	5.81	-0.44	-0.52	1.51
U.S. Treasury	3.06	92.8	4.14	-	7.8	6.0	2.16	1.10	2.68	4.95	-1.17	-1.15	0.99
U.S. Mortgage Backed Securities	3.36	90.2	4.85	31	7.6	5.9	2.55	1.38	3.07	6.53	-0.32	-0.48	1.15
U.S. Asset Backed Securities	4.80	100.0	4.55	50	3.6	2.7	0.97	1.25	1.30	6.19	2.83	1.89	2.20
U.S. Commercial Mortgage Backed Securities	3.37	94.2	4.86	79	4.6	4.1	1.57	1.74	2.30	7.15	1.13	0.57	2.26
U.S. Corp. Investment Grade	4.32	93.7	5.08	87	10.6	6.9	2.04	0.62	2.60	6.56	0.38	0.09	2.49
Bloomberg Municipal Bond Index	4.60	102.5	3.55	-	13.5	6.3	0.99	0.02	1.50	2.96	0.99	0.67	2.33
Bloomberg Taxable Municipal Bond Index	4.38	93.6	4.92	-	14.3	7.7	2.85	0.79	3.33	6.20	-1.06	-0.66	2.75
ICE BofA US Inflation-Linked Treasury Index	1.05	94.7	1.52	-	7.7	5.1	2.24	1.83	3.55	6.33	-0.96	1.73	2.38
ICE BofA Preferred Index (Fixed Rate)	5.35	92.1	5.69	97	-	5.7	1.10	-0.11	1.73	5.11	2.94	2.69	4.11
U.S. High Yield													
ICE BofA US High Yield Index	6.44	96.5	7.16	287	4.7	3.1	0.65	1.60	2.04	10.06	4.89	4.79	4.97
Morningstar LSTA U.S. Leveraged Loan Index	S+3.32	97.2	8.41	427	4.5	-	0.11	1.37	0.80	8.10	7.34	6.19	5.05
Emerging Markets													
J.P. Morgan EM Bond Index (EMBI) Global Diversified	5.41	87.7	7.56	328	-	6.6	1.57	1.59	3.03	9.82	3.36	0.61	3.26
J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified	5.32	95.8	6.29	211	-	4.4	1.55	1.80	2.36	8.75	4.06	2.34	4.09
J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified	5.67	-	6.33	-	-	5.3	0.66	0.74	2.72	2.41	1.66	-0.38	0.81
Global Developed Markets													
Bloomberg Global Aggregate Ex-U.S. Index	2.30	96.5	2.62	30	8.6	7.0	0.81	-1.25	1.40	0.59	-4.87	-3.21	-0.50
FTSE World Government Bond Index	2.54	-	3.37	-	-	7.0	1.40	-0.46	1.87	1.84	-4.23	-3.22	-0.23
ICE BofA European Union Government Bond Index	2.16	94.8	2.69	44	9.0	7.3	0.75	-2.40	1.05	0.09	-5.16	-3.59	-0.91
ICE BofA Developed Mkts HY Ex-Sub Fincl Index (USD Hedged)	6.20	96.9	6.81	314	3.7	3.0	0.76	1.85	2.01	10.12	5.39	4.89	5.10
Bloomberg Euro-Aggregate Corporates (EUR)	2.53	97.8	3.06	91	5.1	4.4	0.60	0.66	1.04	6.62	0.92	-0.02	1.04
Bloomberg Pan-European High Yield Euro (EUR)	4.76	98.7	5.48	284	3.7	3.1	1.04	2.33	1.67	8.83	4.84	3.47	3.61

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 2/28/25. 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	339
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 2/28/25. 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	4.32	93.7	5.08	87	10.6	6.9	2.04	0.62	2.60	6.56	0.38	0.09	2.49
AAA Index	3.39	84.4	4.71	38	16.8	10.0	2.99	-0.18	3.23	4.04	-2.79	-2.33	1.58
AA Index	3.69	90.1	4.76	51	12.5	7.8	2.23	0.43	2.72	5.26	-1.24	-1.19	1.47
A Index	4.20	93.9	4.96	74	10.4	6.9	2.02	0.55	2.58	6.10	0.12	-0.23	2.20
BBB Index	4.56	94.4	5.27	105	10.4	6.7	2.00	0.72	2.59	7.24	0.97	0.64	2.92
U.S. High Yield													
ICE BofA U.S. High Yield Index	6.44	96.5	7.16	287	4.7	3.1	0.65	1.60	2.04	10.06	4.89	4.79	4.97
BB Index	5.79	98.2	6.12	182	4.9	3.3	0.72	1.35	2.02	8.61	4.11	4.40	4.89
B Index	7.11	98.7	7.20	288	4.5	2.8	0.61	1.72	2.04	9.27	4.83	4.36	4.63
CCC Index	7.23	84.7	11.75	760	4.2	2.8	0.46	2.30	2.10	18.38	7.72	7.27	6.08
Morningstar LSTA U.S. Leveraged Loan Index	S+3.32	97.2	8.41	427	4.5	-	0.11	1.37	0.80	8.10	7.34	6.19	5.05
BBB Index	S+1.90	100.0	6.21	189	5.1	-	0.29	1.35	0.90	7.43	6.81	4.97	4.30
BB Index	S+2.50	99.8	6.87	257	5.1	-	0.18	1.38	0.84	7.78	7.43	5.36	4.52
B Index	S+3.60	98.2	8.50	430	4.5	-	0.09	1.31	0.76	8.68	7.78	6.59	5.40
CCC Index	S+4.71	80.2	18.69	1411	3.3	-	0.33	1.91	1.30	5.92	4.41	6.12	6.06
D Index	-	45.8	-	-	-	-	-9.31	-3.07	-7.25	-20.69	-30.51	-23.58	-18.57

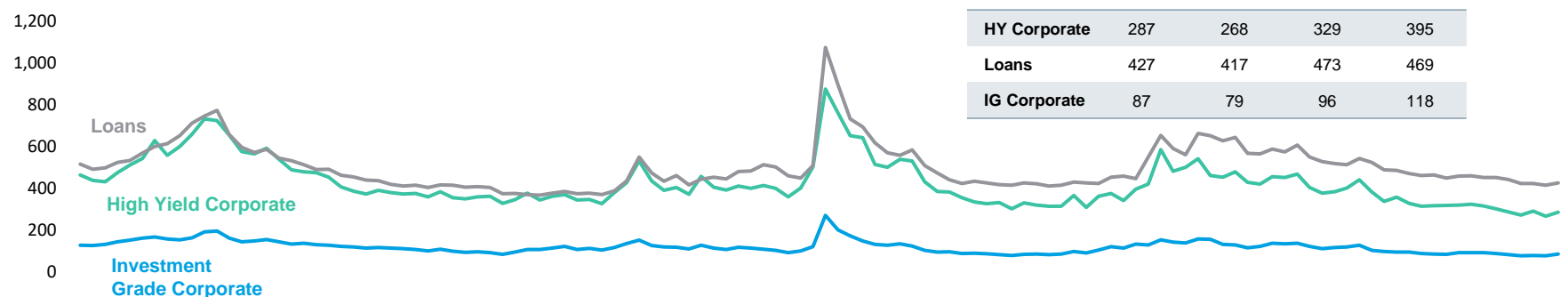
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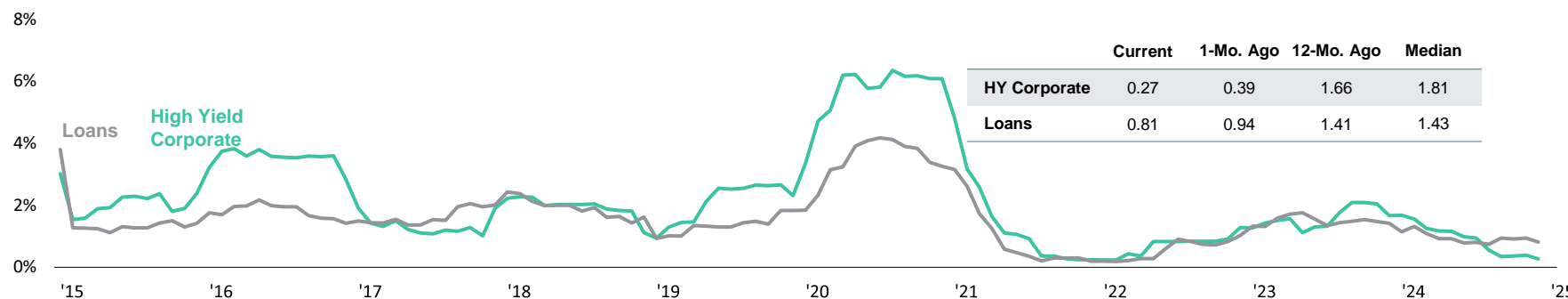
BONDS

Corporate Bond Market Update

Average Spread (bps)



Annual Default Rate



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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
Bloomberg Municipal Bond Index	4.60	102.5	3.55	13.5	6.3	0.99	0.02	1.50	2.96	0.99	0.67	2.33
AAA Index	4.53	103.5	3.39	13.1	6.5	1.01	-0.03	1.57	2.60	0.79	0.46	1.92
AA Index	4.62	103.4	3.42	13.1	6.1	1.00	0.03	1.41	2.64	0.90	0.56	2.13
A Index	4.60	101.0	3.79	13.9	6.3	0.96	0.08	1.57	3.52	1.37	1.01	2.74
BBB Index	4.61	97.7	4.28	17.4	7.2	1.03	-0.14	1.83	4.90	1.49	1.15	3.36
5-Year Index	4.73	106.0	3.02	5.0	3.6	0.86	0.76	1.51	2.95	1.45	0.85	1.74
10-Year Index	4.58	105.9	3.26	9.9	5.7	1.19	0.82	2.02	2.14	1.25	0.77	2.44
22+ Year Index	4.63	98.2	4.28	26.6	10.1	0.98	-1.46	1.06	3.24	-0.47	-0.18	2.62
Bloomberg High Yield Municipal Bond Index	4.74	66.7	5.43	19.4	6.6	1.25	0.32	2.02	8.12	2.01	2.15	4.35
Hospital	5.31	78.0	5.64	20.6	5.9	1.62	0.94	2.49	14.20	1.69	1.47	3.83
IDR/PCR	4.47	38.8	6.01	19.2	6.8	1.17	0.57	1.86	5.24	1.34	1.88	5.25
Tobacco	2.27	19.2	6.24	27.8	10.4	1.37	1.68	2.95	4.38	0.78	2.00	6.83
Puerto Rico	3.55	56.2	4.61	18.9	6.9	1.00	0.22	2.05	4.39	2.27	2.85	4.78

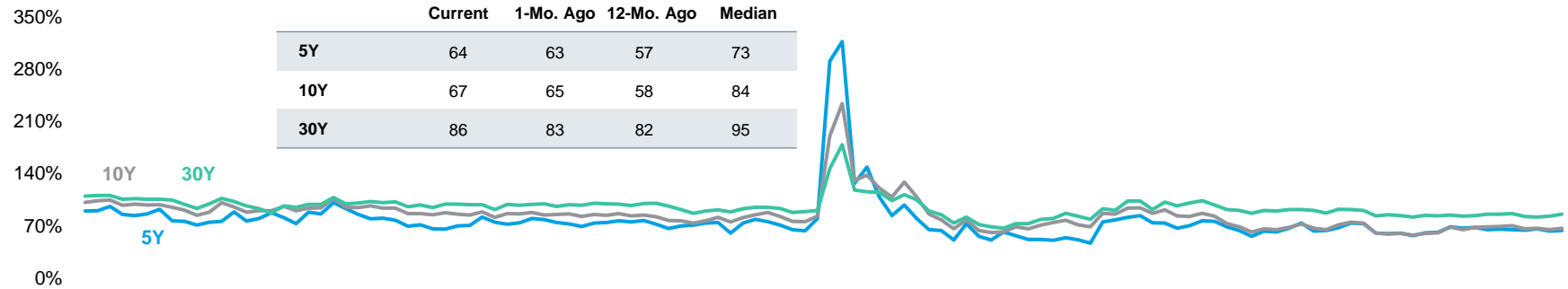
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It is not possible to invest directly in an index. Source: Bloomberg, Morningstar as of 2/28/25. Coupon and Yield To Worst figures are based on average market prices while Price is based on an average of par value. Data provided is for informational use only. See end of report for important additional information.

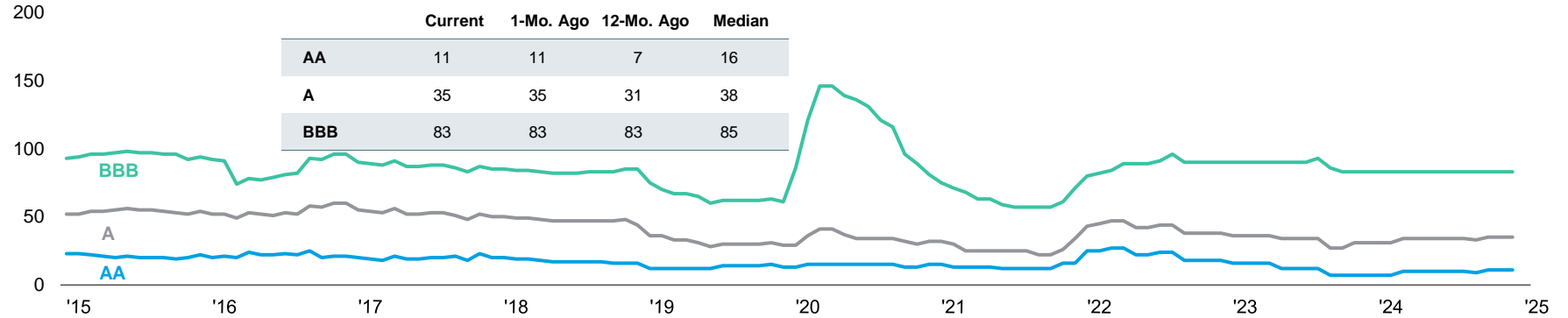
BONDS

Municipal Bond Market Update

AAA Muni-to-Treasury Yield Ratios



Credit Quality Spreads vs. AAA (bps)



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BONDS

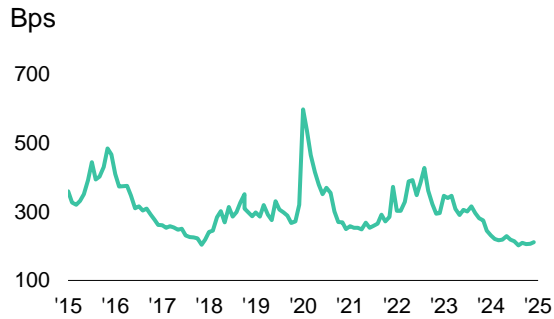
Emerging Markets Bond Market Update

Sovereign EMD Spreads (USD)



	Avg. Spread (bps)
Current	328
1-Mo. Ago	316
12-Mo. Ago	368
Median	367

Corporate EMD Spreads (USD)



	Avg. Spread (bps)
Current	211
1-Mo. Ago	207
12-Mo. Ago	245
Median	297

Local EMD Yields (%)



	Avg. Yield (%)
Current	6.33
1-Mo. Ago	6.33
12-Mo. Ago	6.19
Median	6.29

	Averages				Total Returns (%)						
	Coupon (%)	Price (\$)	Yield (%)	Duration	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified	5.41	87.7	7.56	6.6	1.57	1.59	3.03	9.82	3.36	0.61	3.26
JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified	5.32	95.8	6.29	4.4	1.55	1.80	2.36	8.75	4.06	2.34	4.09
JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified	5.67	-	6.33	5.3	0.66	0.74	2.72	2.41	1.66	-0.38	0.81

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It is not possible to invest directly in an index. Source: J.P. Morgan, Morningstar as of 2/28/25. 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 (%)

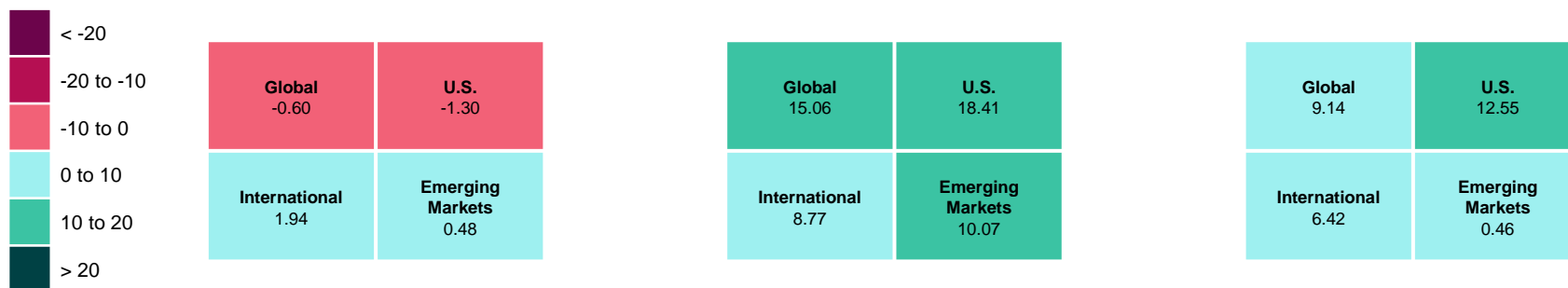
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	Municipal 3.30	High Yield 17.49	EMD (Local Currency) 15.21	Municipal 1.28	Investment Grade 14.54	Global Agg Ex-U.S. 10.11	High Yield 5.36	Bank Loan -0.77	High Yield 13.46	Bank Loan 8.95	MBS 3.07
	MBS 1.51	EMD (Hard Currency) 10.19	Global 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	EMD (Hard Currency) 3.03
	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 (Local Currency) 2.72
	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	Treasury 2.68
	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	Investment Grade 2.60
	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	EMD (Corp. Bonds) 2.36
	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	High Yield 2.04
	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	Municipal 1.50
	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	Global Agg Ex-U.S. 1.40
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	Bank Loan 0.80

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 2/28/25. 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 (%)

	1-Month Returns			1-Year Returns			3-Year Returns		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large Cap	0.41	-1.75	-3.59	15.75	18.11	19.75	8.65	12.07	14.84
Mid Cap	-1.82	-2.84	-5.70	11.67	12.25	14.54	6.14	7.18	9.51
Small Cap	-3.83	-5.35	-6.77	7.58	6.69	5.83	2.79	3.34	3.62



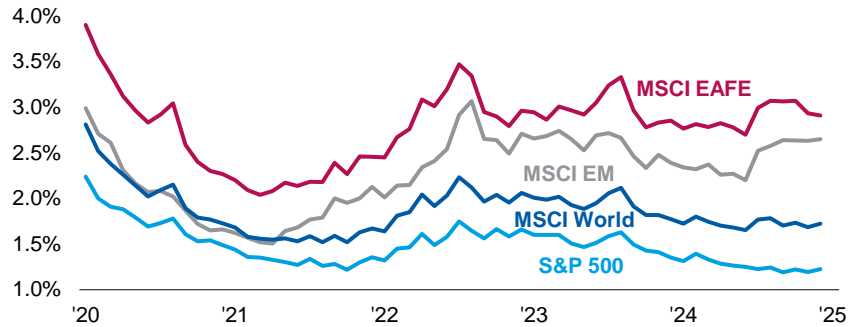
Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Morningstar as of 2/28/25. 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.

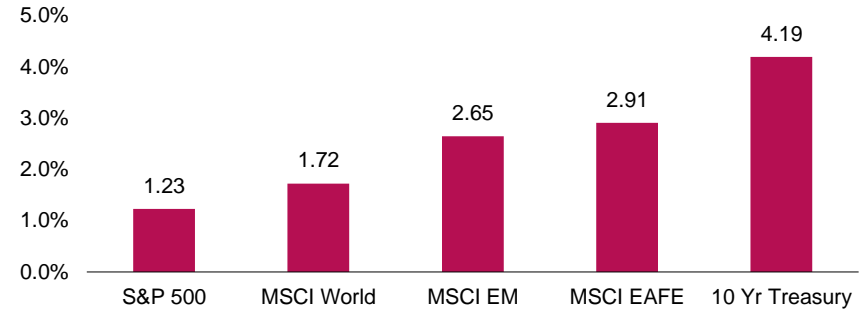
EQUITIES

Dividend Yields and Volatility Analysis

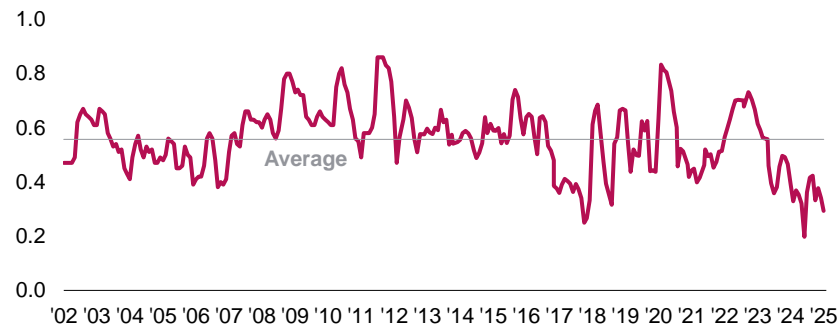
Historical Yields



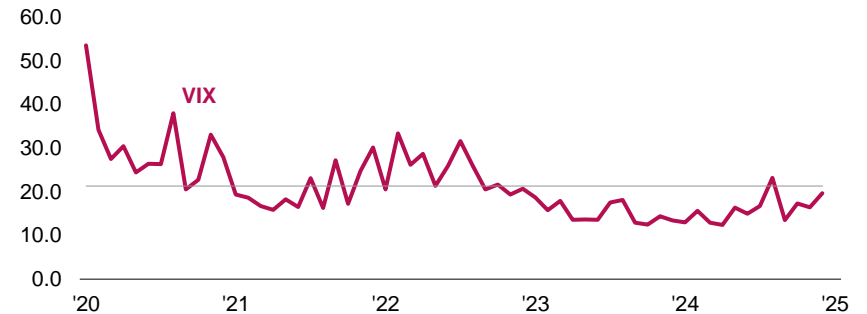
Current Yields



Correlation of S&P 500 Stocks



CBOE Market Volatility Index (VIX)



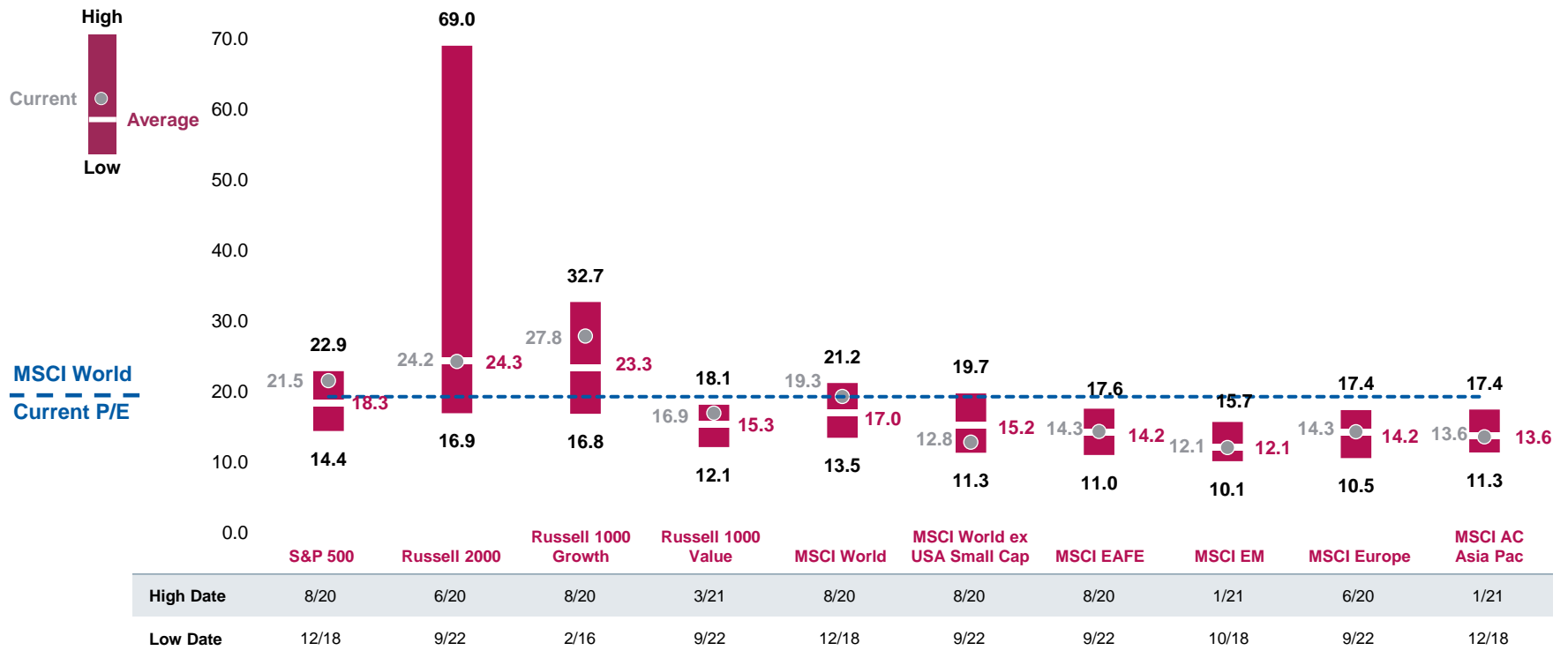
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It is not possible to invest directly in an index. Source: FactSet and Ned Davis Research as of 2/28/25. Correlation of S&P 500 Stocks is measured by the median 63-day rolling correlation of one day returns data provided is for informational use only. See end of report for important additional information.

EQUITIES

Valuation Analysis

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

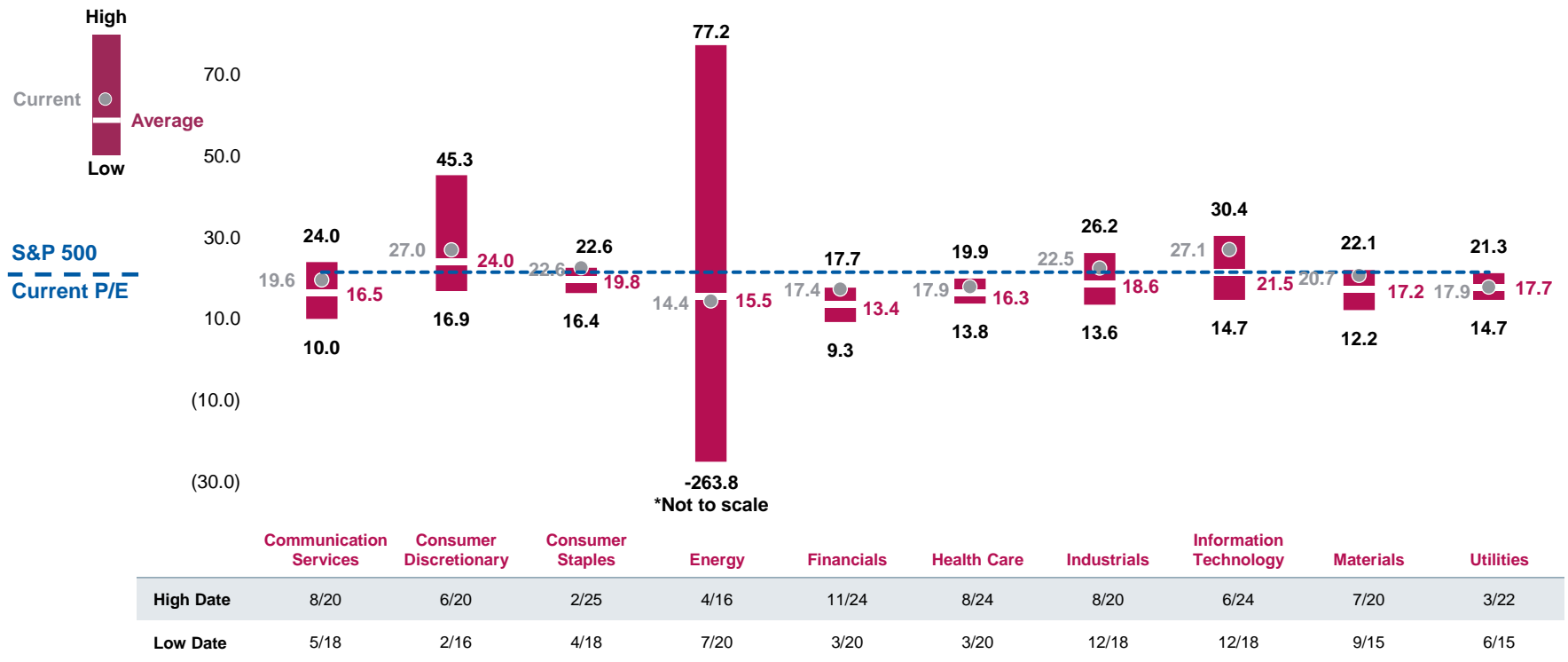


Source: FactSet as of 2/28/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject 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



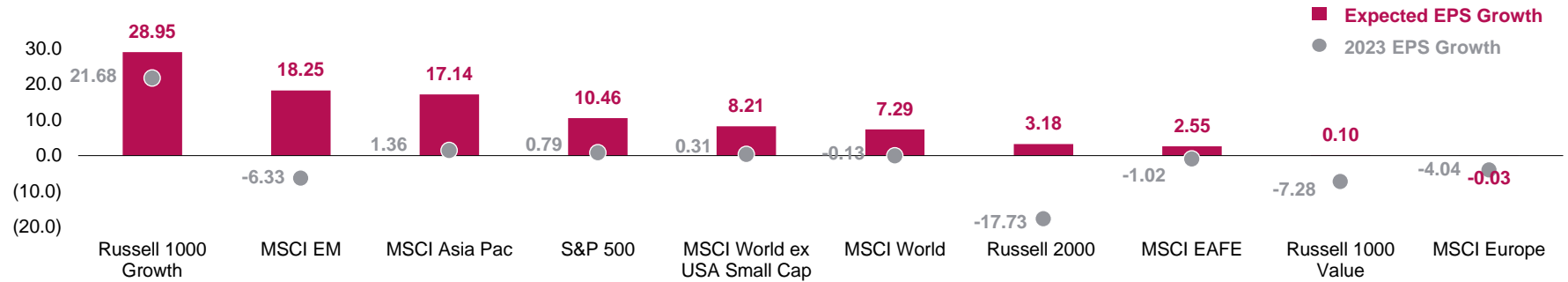
	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Utilities
High Date	8/20	6/20	2/25	4/16	11/24	8/24	8/20	6/24	7/20	3/22
Low Date	5/18	2/16	4/18	7/20	3/20	3/20	12/18	12/18	9/15	6/15

Source: FactSet as of 2/28/25. 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.

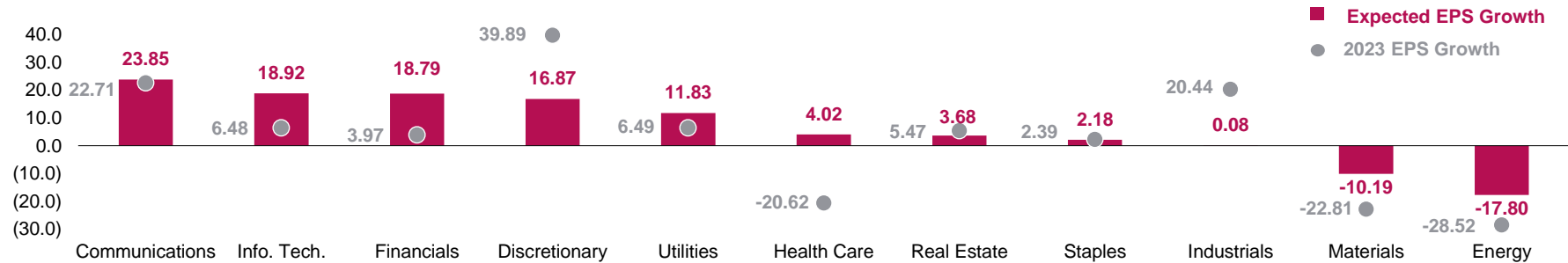
EQUITIES

Corporate Earnings Growth

Regions/Styles



S&P 500 Sectors

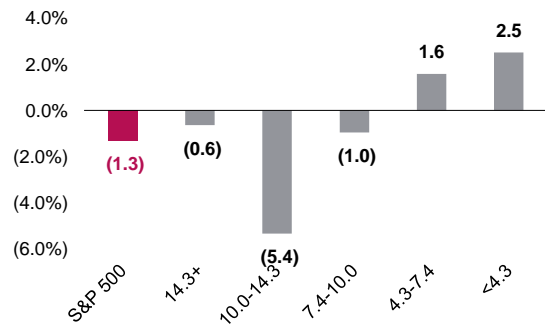


Source: FactSet as of 2/28/25. Expected EPS Growth is defined as the expected % change in the EPS growth from the beginning of the current calendar year through the end of the calendar year. 2023 EPS Growth is defined as the % change in EPS from the beginning of the year through the end of the year. 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.

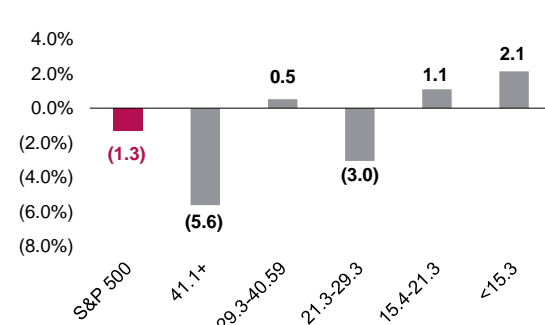
EQUITIES

S&P 500 Index: 1-Month Return Analysis

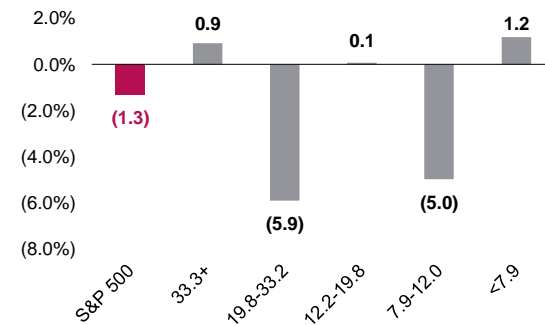
3-5 Year Earnings Growth



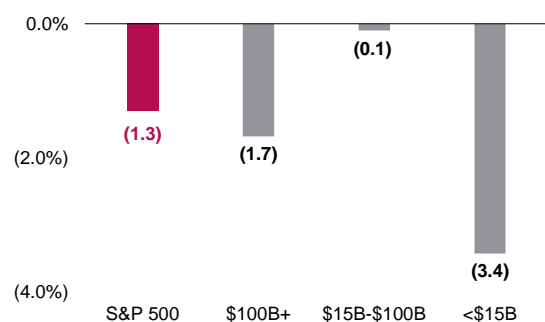
Trailing 12 Month P/E



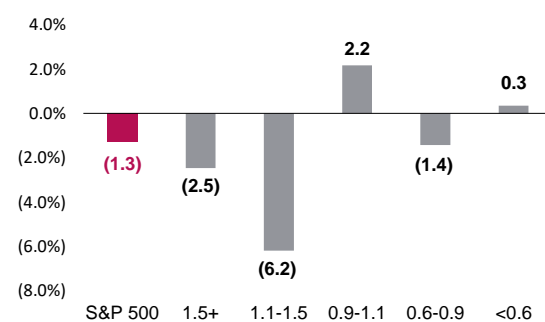
Return On Equity



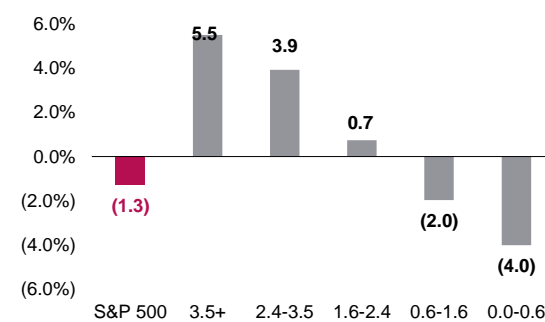
Market Cap



Beta



Dividend Yield



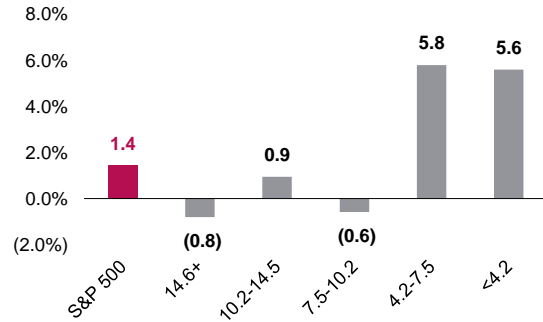
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It is not possible to invest directly in an index. Source: FactSet as of 2/28/25. Data provided is for informational use only. See end of report for important additional information.

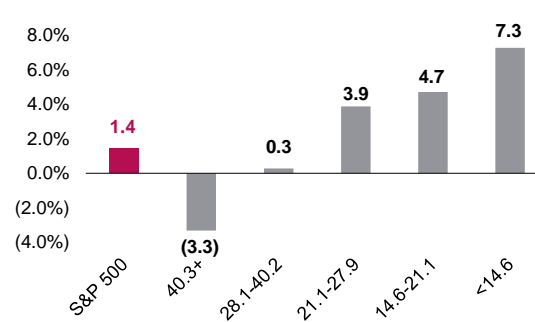
EQUITIES

S&P 500 Index: YTD Analysis

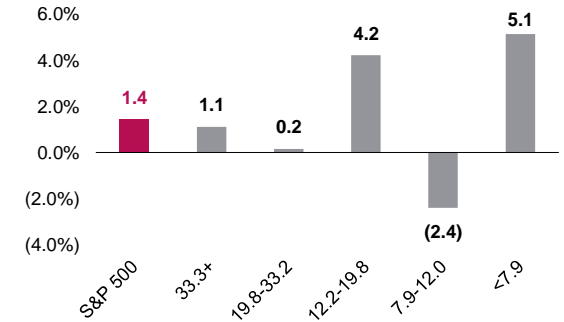
3-5 Year Earnings Growth



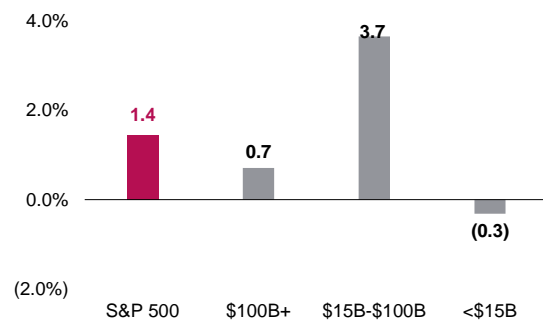
Trailing 12 Month P/E



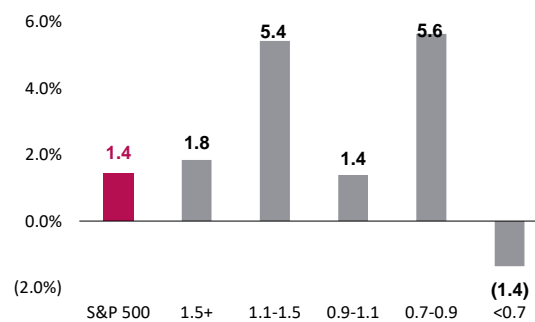
Return On Equity



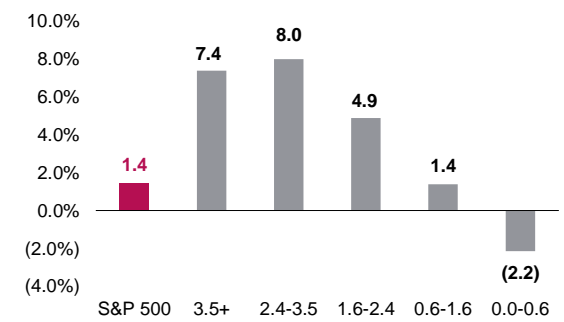
Market Cap



Beta



Dividend Yield



Past performance is no guarantee of future results.

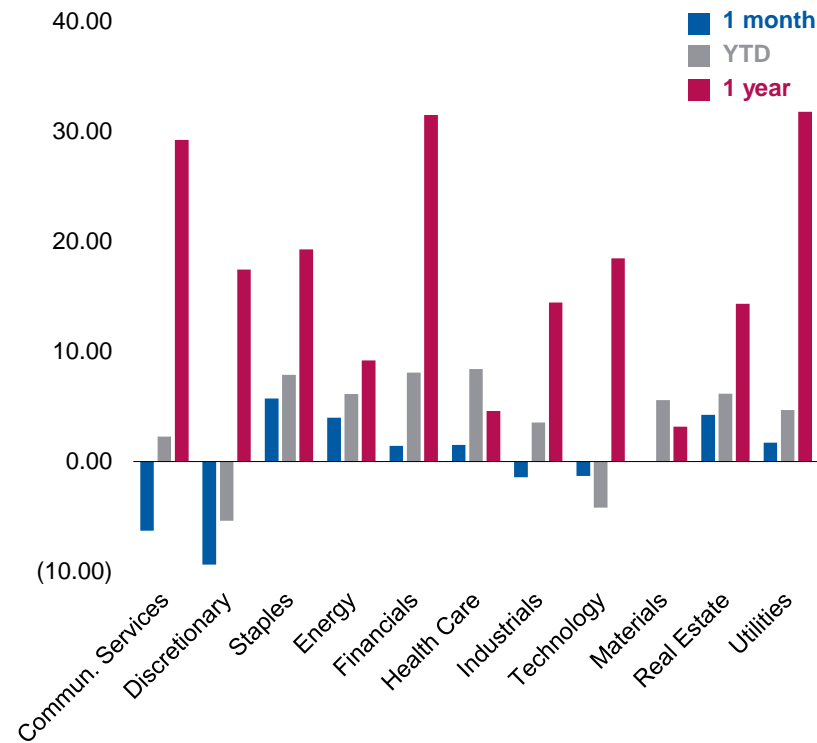
It is not possible to invest directly in an index. Source: FactSet as of 2/28/25. Data provided is for informational use only. See end of report for important additional information.

EQUITIES

Index Sectors: Return Analysis

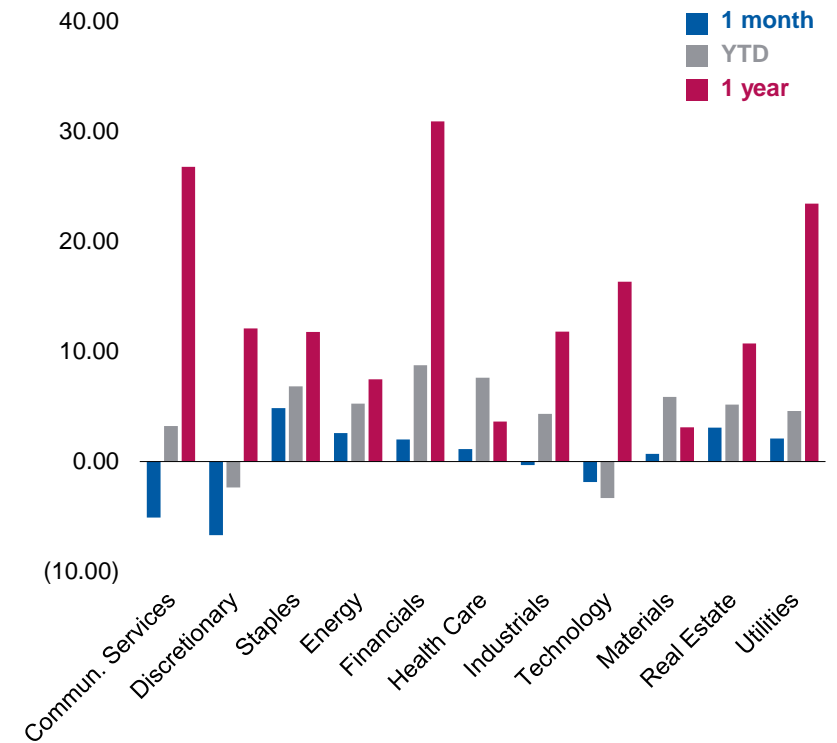
S&P 500

Return %



MSCI World

Return %



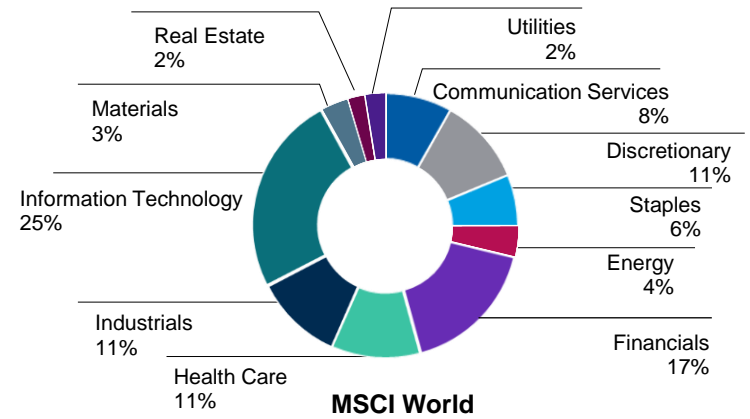
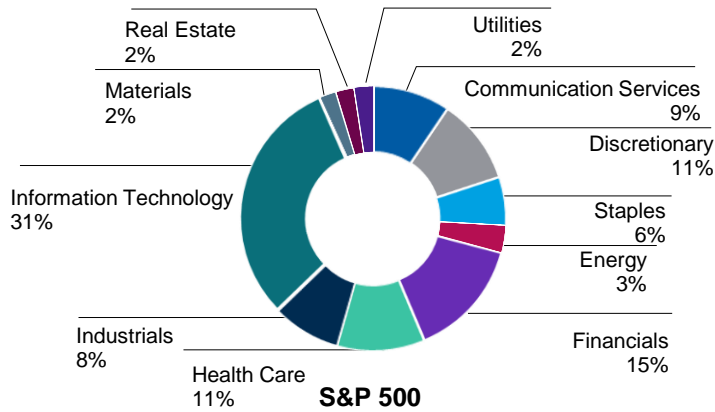
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EQUITIES

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	1960	395	870	1395	2243	722	1250	414	1302
Maximum Market Cap	\$3,632.94B	\$15.26B	\$3,632.94B	\$1,110.83B	\$3,676.97B	\$12.48B	\$289.46B	\$780.85B	\$289.46B	\$780.85B
Minimum Market Cap	\$4.61B	\$0.01B	\$0.99B	\$0.30B	\$1.69B	\$0.00B	\$1.95B	\$0.13B	\$1.95B	\$0.13B
Dividend Yield	1.23	1.32	0.55	1.96	1.72	3.00	2.91	2.65	2.99	2.45
NTM PE	21.52	24.22	27.83	16.90	19.26	12.80	14.31	12.05	14.27	13.57
Price to Book	5.01	2.02	12.94	2.78	3.58	1.38	1.99	1.82	2.22	1.74
Price to Cash Flow	17.83	15.29	25.99	12.66	14.59	8.36	9.52	8.14	8.46	10.33
Price to Sales	3.03	1.25	5.70	1.83	2.36	0.87	1.43	1.43	1.47	1.40
Est 3-5 Yr EPS Growth	11.69	11.71	13.94	9.00	11.15	10.87	9.41	12.84	10.01	11.02
5Yr. Div Growth Rate	10.49	#N/A	11.95	7.18	8.34	7.43	4.20	2.38	4.82	1.11



Source: FactSet as of 2/28/25. 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	-1.30	-0.97	1.44	18.41	12.55	16.85	12.98	25.02	26.29	-18.11	28.71	18.40
Russell 1000 Defensive	-0.18	-0.13	2.57	15.65	10.52	13.73	11.87	18.55	20.23	-16.43	26.93	13.93
Russell 1000 Dynamic	-3.23	-2.69	0.25	20.57	13.54	19.15	13.36	30.63	33.34	-21.94	25.57	27.69
Russell 2500	-4.69	-8.75	-1.32	7.64	4.55	10.85	8.30	12.00	17.42	-18.37	18.18	19.99
Russell 1000 Growth	-3.59	-0.82	-1.69	19.75	14.84	19.71	16.01	33.36	42.68	-29.14	27.60	38.49
Russell 1000 Value	0.41	-2.13	5.05	15.75	8.65	12.51	8.95	14.37	11.46	-7.54	25.16	2.80
Russell Mid Cap	-2.84	-5.84	1.29	12.25	7.18	12.41	9.35	15.34	17.23	-17.32	22.58	17.10
Russell 2000	-5.35	-10.89	-2.87	6.69	3.34	9.39	7.23	11.54	16.93	-20.44	14.82	19.96
CBOE S&P 500 Buywrite BXM	-0.56	3.89	1.63	17.69	7.70	9.17	6.97	20.12	11.82	-11.37	20.47	-2.75
Global Equities												
MSCI World	-0.72	0.11	2.78	15.63	10.22	13.91	9.82	18.67	23.79	-18.14	21.82	15.90
MSCI EAFE	1.94	4.86	7.30	8.77	6.42	8.70	5.28	3.82	18.24	-14.45	11.26	7.82
MSCI EM	0.48	2.14	2.28	10.07	0.46	4.26	3.49	7.50	9.83	-20.09	-2.54	18.31
MSCI AC Asia Pac	-0.30	0.23	1.14	8.39	2.62	5.73	4.72	9.56	11.45	-17.22	-1.46	19.71
MSCI ACWI	-0.60	0.30	2.73	15.06	9.14	12.79	9.11	17.49	22.20	-18.36	18.54	16.25
MSCI Europe	3.67	8.10	10.81	11.20	7.40	9.74	5.42	1.79	19.89	-15.06	16.30	5.38
MSCI World Small Cap	-3.31	-5.93	0.04	7.68	3.18	9.12	6.98	8.15	15.76	-18.76	15.75	15.96
MSCI World Ex USA Small Cap	-0.40	0.08	2.77	7.13	0.76	6.20	5.22	2.76	12.62	-20.59	11.14	12.78
FTSE 100	3.36	5.92	8.90	19.21	7.49	9.53	4.26	7.73	14.38	-7.01	17.36	-8.73
FTSE All Small	-1.63	-2.90	-2.01	9.42	0.15	7.35	4.96	8.62	12.57	-23.06	22.15	10.77
STOXX Europe 600	3.46	7.80	10.46	11.13	7.20	9.64	5.50	1.97	19.87	-16.14	16.09	6.83
Nikkei 225 Average	-3.47	-2.94	-2.81	-4.44	3.97	6.32	6.22	8.45	22.05	-19.49	-4.69	23.99
Sectors												
S&P 500 Comm. Services	-6.29	5.92	2.26	29.17	15.46	16.38	10.85	40.23	55.80	-39.89	21.57	23.61
S&P 500 Cons Disc	-9.37	-3.11	-5.38	17.42	8.39	14.51	12.41	30.14	42.41	-37.03	24.43	33.30
S&P 500 Cons Staples	5.70	2.49	7.85	19.25	8.38	12.01	8.92	14.87	0.52	-0.62	18.63	10.75
S&P 500 Energy	3.97	-3.93	6.13	9.16	12.87	19.88	5.64	5.72	-1.33	65.72	54.64	-33.68
S&P 500 Financials	1.41	2.19	8.06	31.45	12.77	16.78	12.47	30.56	12.15	-10.53	35.04	-1.69
S&P 500 Health Care	1.49	1.65	8.38	4.56	6.42	11.88	9.43	2.58	2.06	-1.95	26.13	13.45
S&P 500 Industrials	-1.44	-4.70	3.52	14.42	12.87	15.14	10.93	17.47	18.13	-5.48	21.12	11.06
S&P 500 Info Tech	-1.33	-3.09	-4.19	18.44	18.76	24.40	21.35	36.61	57.84	-28.19	34.53	43.89
S&P 500 Materials	-0.01	-5.74	5.58	3.16	4.24	13.25	7.83	-0.04	12.55	-12.27	27.28	20.73
S&P 500 Real Estate	4.22	-2.98	6.14	14.30	2.14	6.90	6.91	5.23	12.36	-26.13	46.19	-2.17
S&P 500 Utilities	1.69	-3.64	4.67	31.73	8.70	8.45	9.40	23.43	-7.08	1.57	17.67	0.48

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EQUITIES

Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	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 7.30
	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	Value 5.05
	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	International Small-Cap 2.77
	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 2.73
	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	Emerging Markets 2.28
	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 1.44
	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 1.29
	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	Growth -1.69
Lower	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 -2.87

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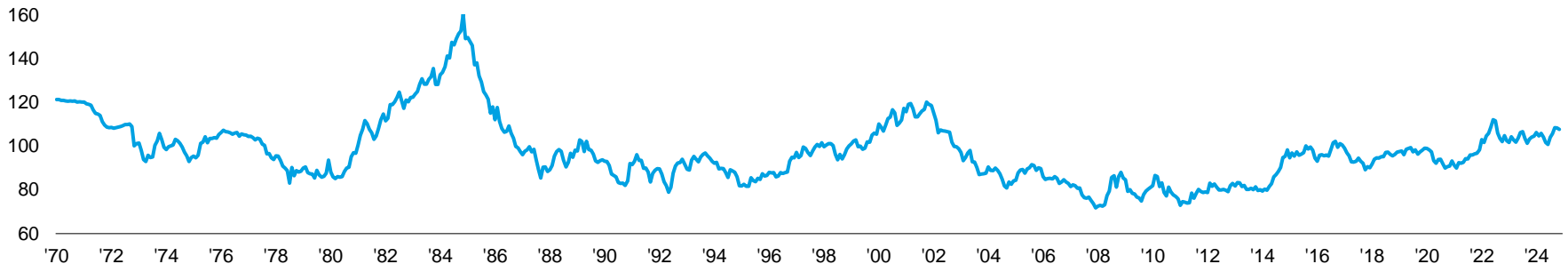
It is not possible to invest directly in an index. In general, Foreign securities are subject to currency, political, economic and market risks. The risks of investing in emerging market countries are greater than investments in foreign developed countries. Investors should carefully review the risks of each asset class prior to investing. Source: Morningstar as of 2/28/25. 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)	-	-	-	-	-	-0.04	-0.43	4.05	2.60	1.10	4.06
Euro (EUR) *	0.04	0.43	-3.90	-2.53	-1.09	-	-	-	-	-	2.09
British Pound (GBP)	1.34	0.54	-0.46	-2.10	-0.29	1.29	0.10	3.58	0.45	0.81	1.59
Japanese Yen (JPY)	2.76	4.29	-0.68	-8.57	-6.47	2.71	3.84	3.35	-6.19	-5.44	0.83
Australian Dollar (AUD)	-0.30	0.44	-4.50	-5.02	-0.72	-0.35	0.00	-0.63	-2.55	0.37	3.97
Canadian Dollar (CAD)	0.53	-0.16	-5.84	-4.15	-1.40	0.49	-0.60	-2.03	-1.66	-0.32	2.53
New Zealand Dollar (NZD)	-0.88	0.02	-8.03	-6.10	-2.01	-0.93	-0.41	-4.30	-3.66	-0.93	3.47
Norwegian Krone (NOK)	0.54	1.01	-5.73	-7.87	-3.37	0.50	0.58	-1.91	-5.47	-2.31	4.14
Swedish Krona (SEK)	3.02	2.93	-3.61	-4.20	-2.02	2.98	2.48	0.30	-1.71	-0.94	2.04
Danish Krone (DKK)	0.10	0.43	-3.94	-2.62	-1.05	0.06	-0.01	-0.05	-0.09	0.04	1.86
Swiss Franc (CHF)	0.64	0.44	-2.41	0.56	1.42	0.60	0.01	1.55	3.17	2.53	0.39

U.S. Dollar Index



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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
Asia, excluding Japan											
Chinese Renminbi (CNY)	-0.26	0.22	-1.24	-4.66	-0.82	-0.30	-0.21	2.77	-2.19	0.27	1.44
Malaysian Ringgit (MYR)	-0.11	0.20	6.34	-2.01	-1.13	-0.16	-0.23	10.65	0.53	-0.05	3.22
Indian Rupee (INR)	-1.01	-2.16	-5.24	-4.86	-3.78	-1.06	-2.58	-1.40	-2.39	-2.72	6.56
Indonesian Rupiah (IDR)	-1.69	-2.93	-5.22	-4.66	-2.85	-1.73	-3.35	-1.38	-2.19	-1.78	6.23
Philippine Peso (PHP)	0.66	-0.25	-3.07	-4.02	-2.55	0.61	-0.69	0.86	-1.53	-1.47	4.26
Singapore Dollar (SGD)	0.48	1.14	-0.31	0.21	0.69	0.44	0.70	3.73	2.82	1.79	2.64
South Korean Won (KRW)	-0.68	0.63	-8.98	-6.33	-3.65	-0.72	0.20	-5.29	-3.89	-2.59	2.60
Taiwanese Dollar (TWD)	-0.26	-0.09	-3.67	-5.11	-1.59	-0.30	-0.52	0.24	-2.64	-0.51	1.33
Thai Baht (THB)	-1.46	-0.23	4.95	-1.48	-1.58	-1.50	-0.66	9.21	1.08	-0.50	1.89
Latin America											
Brazilian Real (BRL)	-0.46	5.27	-15.33	-4.25	-5.12	-0.50	4.82	-11.90	-1.76	-4.08	15.04
Chilean Peso (CLP)	2.71	4.04	1.17	-5.97	-3.01	2.67	3.59	5.27	-3.52	-1.95	5.33
Colombian Peso (COP)	1.43	6.69	-4.91	-1.89	-2.99	1.39	6.22	-1.06	0.66	-1.93	8.57
Mexican Peso (MXN)	0.55	1.28	-16.87	-0.16	-0.72	0.50	0.84	-13.50	2.44	0.37	9.11
Peruvian New Sol (PEN)	1.24	2.24	2.70	1.12	-1.22	1.20	1.79	6.86	3.74	-0.13	4.15

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ALTERNATIVES

Emerging Market Currency Performance and Yields

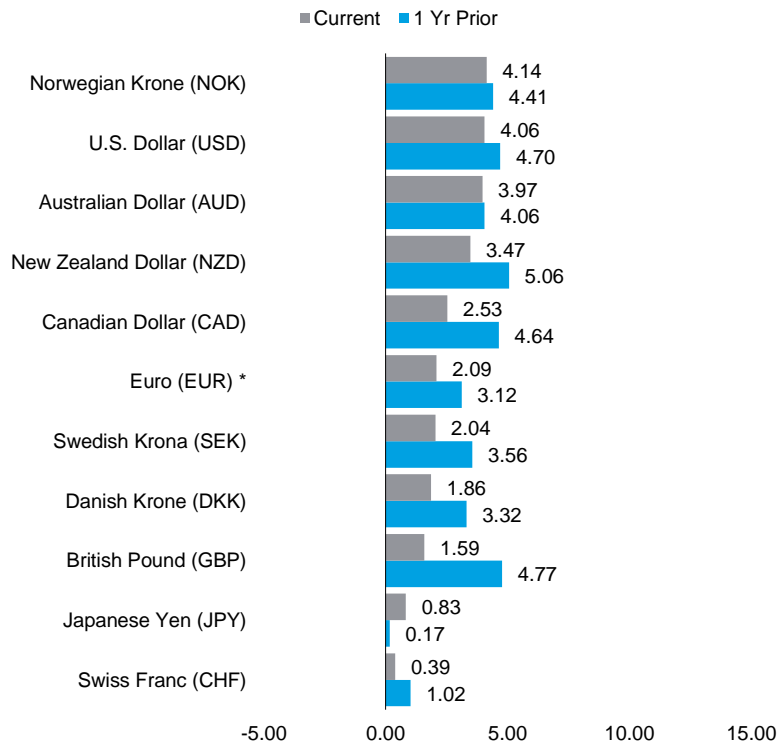
Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
Europe											
Czech Koruna (CZK)	0.49	0.83	-3.02	-2.39	-0.77	0.44	0.39	0.92	0.14	0.32	3.18
Hungarian Forint (HUF)	1.95	3.28	-5.53	-5.00	-4.39	1.90	2.83	-1.70	-2.53	-3.33	5.89
Polish Zloty (PLN)	1.50	3.40	-0.17	1.55	-0.26	1.46	2.95	3.88	4.19	0.84	4.86
Romanian Leu (RON)	0.02	0.40	-4.04	-2.72	-1.74	-0.02	-0.04	-0.15	-0.19	-0.66	6.58
Russian Ruble (RUB)	10.47	22.63	1.79	6.20	-5.57	10.43	22.10	5.91	8.96	-4.53	--
Turkish New Lira (TRY)	-1.83	-3.18	-14.52	-27.60	-29.75	-1.87	-3.60	-11.05	-25.72	-28.98	36.33
Middle East and Africa											
Ghanaian Cedi (GHS)	-1.03	-5.22	-18.60	-24.05	-18.98	-1.07	-5.63	-15.30	-22.08	-18.09	17.90
Israeli Shekel (ILS)	-0.70	1.25	-0.75	-3.78	-0.60	-0.74	0.82	3.27	-1.28	0.49	4.17
Kenyan Shilling (KES)	0.00	0.12	13.78	-4.13	-4.77	-0.04	-0.32	18.39	-1.64	-3.72	10.50
Moroccan Dirham (MAD)	0.69	1.67	1.15	-1.43	-0.70	0.64	1.23	5.25	1.13	0.39	2.56
Nigerian Naira (NGN)	-1.31	2.61	5.04	-34.87	-24.64	-1.35	2.17	9.30	-33.18	-23.81	19.61
South African Rand (ZAR)	0.52	1.60	3.29	-5.95	-3.27	0.48	1.16	7.48	-3.50	-2.20	8.22
Ugandan Shilling (UGX)	0.05	0.65	6.91	-1.22	0.18	0.01	0.22	11.24	1.35	1.29	14.99
Zambian Kwacha (ZMK)	-1.76	-2.31	-17.76	-14.63	-11.78	-1.80	-2.73	-14.43	-12.41	-10.81	15.00

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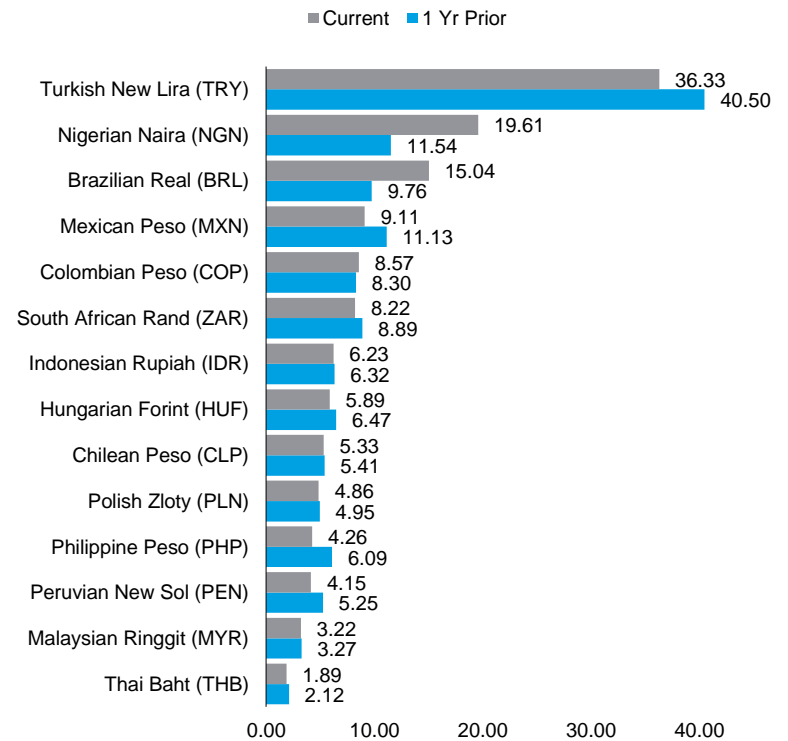
ALTERNATIVES

Local Sovereign Currency Yields

Developed Market Local Interest Rates % (1 Year)



Emerging Market Local Interest Rates % (1 Year)



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It is not possible to invest directly in an index. *German Rate. Source: Bloomberg as 2/28/25. 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
Bloomberg Commodity Index	0.78	5.83	4.76	11.60	0.71	10.56
Bloomberg Sub Agriculture	-2.30	3.63	2.42	3.96	-1.93	11.47
Coffee	1.45	21.43	20.32	123.3	28.86	31.07
Corn	-4.85	6.71	0.39	-0.08	-8.03	7.89
Cotton	-2.29	-9.83	-5.54	-35.62	-11.51	5.83
Soybean	-2.80	2.48	0.59	-8.02	-4.39	10.55
Soybean Oil	-5.00	5.10	8.93	-1.26	-8.06	16.32
Sugar	3.77	-4.03	4.63	-3.02	14.07	12.25
Wheat	-2.59	0.20	-0.82	-12.90	-21.83	-5.16
Bloomberg Sub Energy	4.86	13.63	6.71	5.48	-3.30	5.92
Brent Crude	-2.50	5.14	0.33	1.68	6.40	17.81
Heating Oil	-1.00	9.22	3.82	-6.97	14.41	21.17
Natural Gas	25.55	36.55	23.82	12.94	-32.69	-18.15
Unleaded Gas	-1.75	5.94	0.05	-3.88	10.83	20.45
WTI Crude Oil	-3.39	4.68	-1.30	2.86	2.17	8.33

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Sub Industrial Metals	2.75	1.02	4.16	10.55	-4.42	9.93
Aluminum	0.42	0.71	2.83	16.34	-8.94	7.16
Copper	5.61	9.98	12.64	19.82	2.55	13.18
Nickel	1.40	-3.27	0.50	-14.41	-14.10	4.68
Zinc	1.86	-10.57	-6.63	15.16	-5.34	8.48
Bloomberg Sub Precious Metals	-0.10	5.14	7.51	37.18	12.44	11.70
Gold	0.81	6.33	7.52	37.37	13.66	11.44
Platinum	-9.84	-1.90	3.73	6.34	-1.58	2.13
Silver	-2.99	1.37	7.43	36.38	8.35	12.57
Bloomberg Sub Livestock	-5.37	-1.45	-0.72	6.70	6.35	4.72
Lean Hogs	-7.08	-8.74	-3.48	2.96	-2.95	2.99
Live Cattle	-4.46	2.75	0.76	10.55	12.39	6.10

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It is not possible to invest directly in an index. Source: Morningstar as of 2/28/25. 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	MLP 8.79
	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	Commodity 3.95
	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	Global Macro 3.68
	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 3.35
	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	Currency 1.55
	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	Equity Market Neutral 1.55
	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	Event Driven 1.54
	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	Multi-Strategy 1.50
	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	Fixed Income Arbitrage 0.99
	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	Convertible Arbitrage 0.85
	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 0.65

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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	0.86	0.68	0.86	0.39	0.41	0.80	0.60	0.40
International	0.86	1.00	0.79	0.76	0.43	0.47	0.80	0.60	0.45
Emerging Markets	0.69	0.79	1.00	0.60	0.39	0.44	0.70	0.56	0.49
Small Cap	0.86	0.80	0.66	1.00	0.29	0.33	0.76	0.63	0.37
U.S. Aggregate	0.60	0.66	0.59	0.50	1.00	0.85	0.50	0.15	-0.05
Municipal	0.62	0.69	0.66	0.55	0.85	1.00	0.56	0.29	0.04
High Yield	0.83	0.83	0.72	0.81	0.62	0.71	1.00	0.80	0.50
Bank Loan	0.61	0.61	0.61	0.66	0.23	0.39	0.80	1.00	0.49
Commodities	0.39	0.45	0.44	0.36	0.04	0.15	0.48	0.49	1.00

5 Years ended February 28, 2025
 10 Years ended February 28, 2025

Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Morningstar as of 2/28/25. 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.
Multisector Bond	2,942	9,466	42,570
Bank Loan	1,955	3,201	1,528
High Yield Muni	1,862	2,901	13,488
Nontraditional Bond	1,792	3,577	10,388
Muni National Interm	1,375	3,321	13,987
High Yield Bond	1,110	-995	12,241
Muni National Short	807	501	-4,094
Equity Market Neutral	702	1,381	2,667
Ultrashort Bond	569	4,031	6,783
Multistrategy	399	303	1,346

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

	1 Mo.	3 Mo.	12 Mo.
Global Large-Stock Growth	-1,854	-4,701	-14,059
Health	-2,135	-6,799	-15,897
Mid-Cap Value	-2,587	-5,944	-22,413
Foreign Large Blend	-2,609	10,626	4,269
Foreign Large Growth	-3,002	-11,177	-23,257
Mid-Cap Growth	-3,588	-9,483	-32,021
Moderate Allocation	-3,593	-10,172	-39,413
Large Blend	-5,916	-39,715	-120,463
Large Value	-6,017	-20,284	-67,511
Large Growth	-14,671	-36,128	-127,009

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

	1 Mo.	3 Mo.	12 Mo.
Large Blend	16,256	133,993	368,303
Ultrashort Bond	12,074	26,055	62,997
Large Growth	7,711	37,367	97,059
Derivative Income	5,594	14,678	36,535
Digital Assets	5,356	21,158	46,568
Technology	4,068	9,910	24,490
Financial	3,947	11,579	13,713
Intermediate Core Bond	3,755	15,870	58,412
Long Government	3,687	-7,839	16,308
Foreign Large Blend	3,555	17,473	62,019

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

	1 Mo.	3 Mo.	12 Mo.
Health	-648	-3,099	-8,438
China Region	-702	-5,705	3,252
Equity Precious Metals	-739	-936	-2,150
Trading--Leveraged Equity	-937	2,014	3,899
India Equity	-973	-1,574	2,910
Large Value	-1,025	24,009	53,526
Natural Resources	-1,048	-664	-2,157
Commodities Focused	-1,102	-2,469	3,017
Diversified Emerging Mkts	-1,170	1,428	8,090
Equity Energy	-1,891	-2,629	-9,413

Source: Morningstar as of 1/31/25. 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 7.30
	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	Commodities 4.76
	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	US Agg 2.74
	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 2.43
	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	Emerging Markets 2.28
	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 2.04
	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	Municipal 1.50
	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	S&P 500 1.44
	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	Bank Loan 0.80
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	Small-Cap -2.87

Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Morningstar as of 2/28/25. 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.



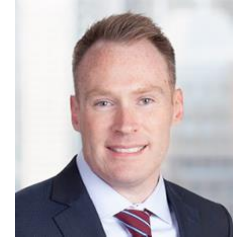
JIM CARON
*Chief Investment
Officer
Managing Director*



**EWA TUREK
SEMMELOTH**
Executive Director



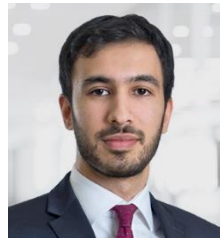
ERIC ZHANG
Executive Director



**SCHUYLER
HOOPER**
Executive Director



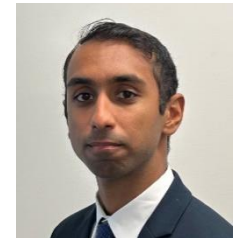
**GREG
WATERMAN**
Executive Director



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

Portfolio Manager

Head of Investment Strategy for the High Yield Team

CRAIG BRANDON

Portfolio Manager

Co-Head of the Municipals Team

JIM CARON

Chief Investment Officer, Portfolio Solutions Group

AARON DUNN

Portfolio Manager

Co-Head of the Value Equity Team

GREG FINCK

Portfolio Manager

Co-Head of the Mortgage and Securitized Team

BRAD GODFREY

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

Portfolio Manager

Co-Head of the Broad Markets Fixed Income Team

KYLE LEE

Portfolio Manager

Co-Head of the Emerging Markets Team

SCOTT R. NORBY

Private Credit and Equity

NISHA PATEL, CFA

Senior Portfolio Manager

Parametric

ANDREW SLIMMON

Senior Portfolio Manager

Head of Applied Equity Advisors

ANDREW SZCZUROWSKI

Portfolio Manager

Co-Head of the Mortgage and Securitized Team

STEVEN TURNER

Head of Investment Selection,

Portfolio Solutions Group

MARK VAN DER ZWAN

Chief Investment Officer and Head of the AIP Hedge

Fund Team

ADDITIONAL INFORMATION

Index Definitions

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

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 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.

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.

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.

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.

ADDITIONAL INFORMATION

Index Definitions, Terms and About Risk

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 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.

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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.

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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).

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