

Morgan Stanley

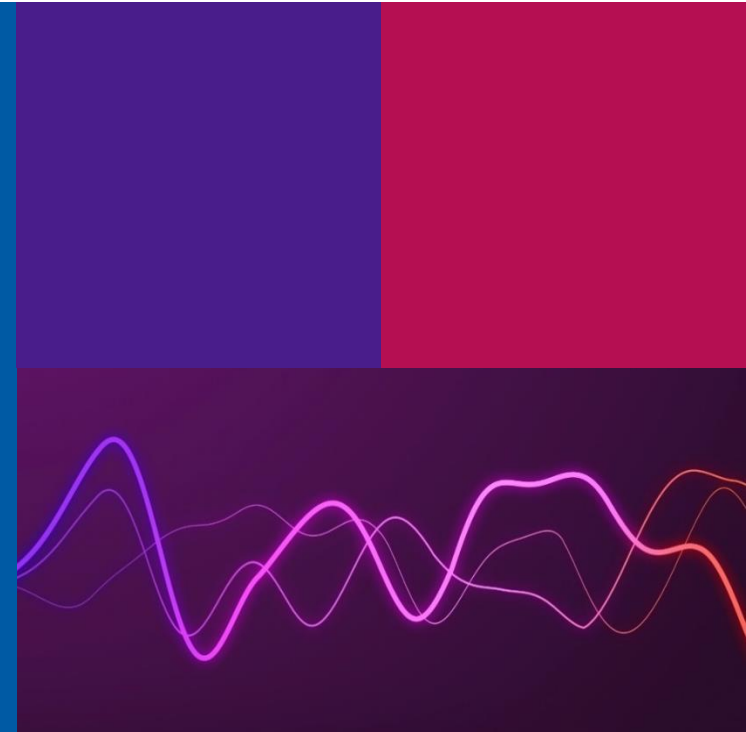
INVESTMENT MANAGEMENT

The BEAT

Bonds | Equities | Alternatives | Transition

Monthly Global Market and Asset Allocation Guide

June 2025



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The **BEAT**, previously known as the Monthly Market Monitor, provides connectivity between changing market events and implications for investor portfolios.

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

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

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



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

Data provided is for informational use only. See end of report for important additional information.

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

TOP IDEAS

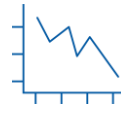
Key Themes for June 2025

**A New Fed Policy Framework**

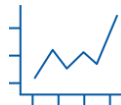
Shortfalls vs. Deviations. Chairman Powell remarked at a Fed conference in May that in the next policy framework review they would weight more heavily “shortfalls” rather than “deviations” to their inflation target and estimate of full employment - their so-called dual mandate. This marks a change from their last policy review in 2020. The implication is that Fed policy may become less reactive to deviations from objectives in their dual mandate, with the goal of adopting a more robust policy reaction function.

**The Implications of a New Fed Framework**

It's all about the average. Powell commented that he may revisit the concept of average inflation targeting. This means that the Fed may tolerate a period of above target inflation, as long as the preceding period was below target, such that “on average” they meet their target. Same for the unemployment rate. The immediate read from the market today is that the Fed could cut rates sooner, even though inflation is running above target - especially if they believe there is a risk of a sharp rise in the unemployment rate. Thus, a more robust and less rigid framework.

**Steeper Yield Curves**

Implications for long duration. The potential change in the Fed's framework increases the possibility of a steeper curve and underperformance of long duration assets. The Fed may be signaling that they are willing to risk higher inflation in order to stave off the potential recessionary impacts of a sharp rise in unemployment. This suggests term premia should increase, but doesn't mean long-term yields can't fall in absolute terms. It simply means they may fall not as far than prior to the change in framework.

**Broader Asset Market Policy Support**

A positive impulse for equities. The change in the Fed's framework is supportive of equity assets. This is because the near-term read is that the Fed is more apt to lower policy rates to create stimulus, despite risking higher inflation. This should support earnings and multiples alike, provided inflation does not spin out of control.

**Tariffs: Policy, Strategy and Process**

It's not just chaos. It is important to understand that in the eyes of the administration tariff policy needs to develop a rational thesis rather than just react to headlines. There are three components to U.S. tariff policy: 1) Reduce the trade deficit, 2) Reduce non-tariff barriers (NTBs), and 3) Coercive policy objectives with trading partners to counter China's policies. Much of the focus is on the measurable first point, but the hard-to-quantify points two and three may be the main drivers that put trade agreements well within reach. Markets may not be appreciative and risk being surprised to the upside.

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TOP IDEAS

The Portfolio Solutions Group – Our Top 4 Ideas

Rebalancing Equity Exposure

The new deals. We see the trade deal struck between the U.S. and U.K. as the first domino to fall in other successive deals with allied trading partners. Additionally, the deal struck between the U.S. and China has brought down recession risks significantly. This is increasing both earnings and multiples from previous levels and we have rebalanced by increasing equity exposures not just in the U.S. but also Europe, our highest conviction overweight.

Adding European High Yield (HY)

Good for both U.S. and European investors. The reduction in global growth risks from the recent trade deals should also reduce default risks, making lower quality credit more attractive. U.S. dollar (USD) investors can buy European Union (EU) HY and pick up a significant amount of additional yield by adding FX carry. This increased demand for EU credit should also be supportive of the underlying asset itself and a boost for euro-based investors. Fiscal stimulus and ECB rate cuts should be supportive as well.

Considering U.S. Loans Exposure

Managing duration risk. With recession risks receding, we prefer bank loans over traditional U.S. HY, and the floating rate nature of loans over traditional fixed-duration HY. Having said that, loan spreads have tightened over recent weeks, creating less of a valuation tailwind and balancing the risk/reward towards default risks going forward. While HY is typically a less rate-sensitive asset, we like the additional reduction in rate sensitivity that comes from bank loans, especially given recent commentary about the Fed's potential change to their policy framework.

Overweight Indian Equities

Downcycle bottoming. India has suffered from two quarters of a self-inflicted economic slowdown and corporate earnings downgrade cycle, all driven by a combination of tight domestic fiscal and monetary policy. As growth risk has risen due to U.S. trade policy uncertainty, and inflation has moderated to a multi-year low, the Reserve Bank of India (RBI) has shifted to an accommodative policy stance by cutting interest rates. Based on recent data, encouraging signs of the domestic cycle bottoming have emerged. While U.S. tariffs remain a risk, India is relatively insulated given their low goods export exposure to the U.S. and a largely domestic-oriented economy.

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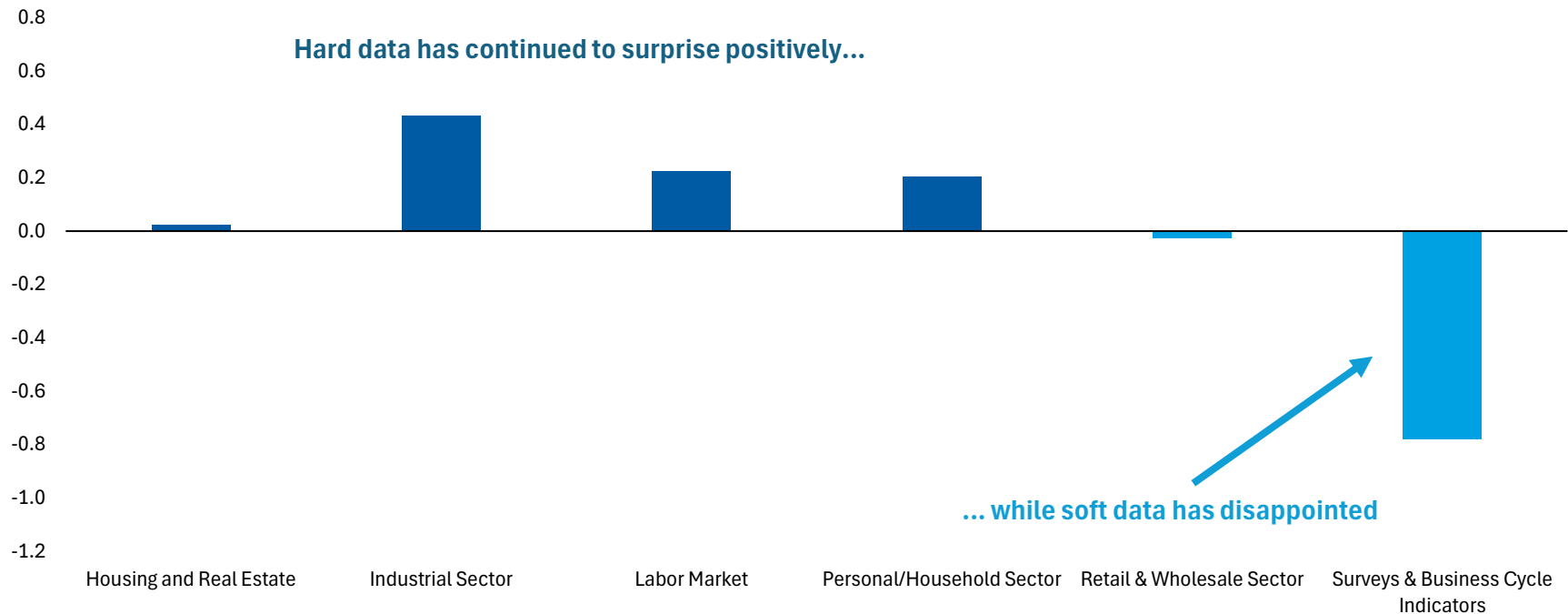
TOP THEMES

While Soft Data Continues to Disappoint, Hard Data Remains Resilient

Record levels of policy uncertainty have cast some doubt over the prospects for economic growth. Thus far, this uncertainty has resulted in negative trends for many of the so-called “soft” data measures (sentiment surveys, PMIs*), while “hard” data (measures of actual economic activity) have continued to surprise positively. We would expect these trends to eventually reconverge, with the timing, direction and magnitude determining the path forward for asset prices.

Economic Data Weakness Has Been Contained to Soft Measures Like Surveys and Business Cycle Indicators

Bloomberg U.S. economic surprise by economic sector



Source: Bloomberg, MSIM. As of May 20, 2025. * PMI stands for Purchasing Managers' Index. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

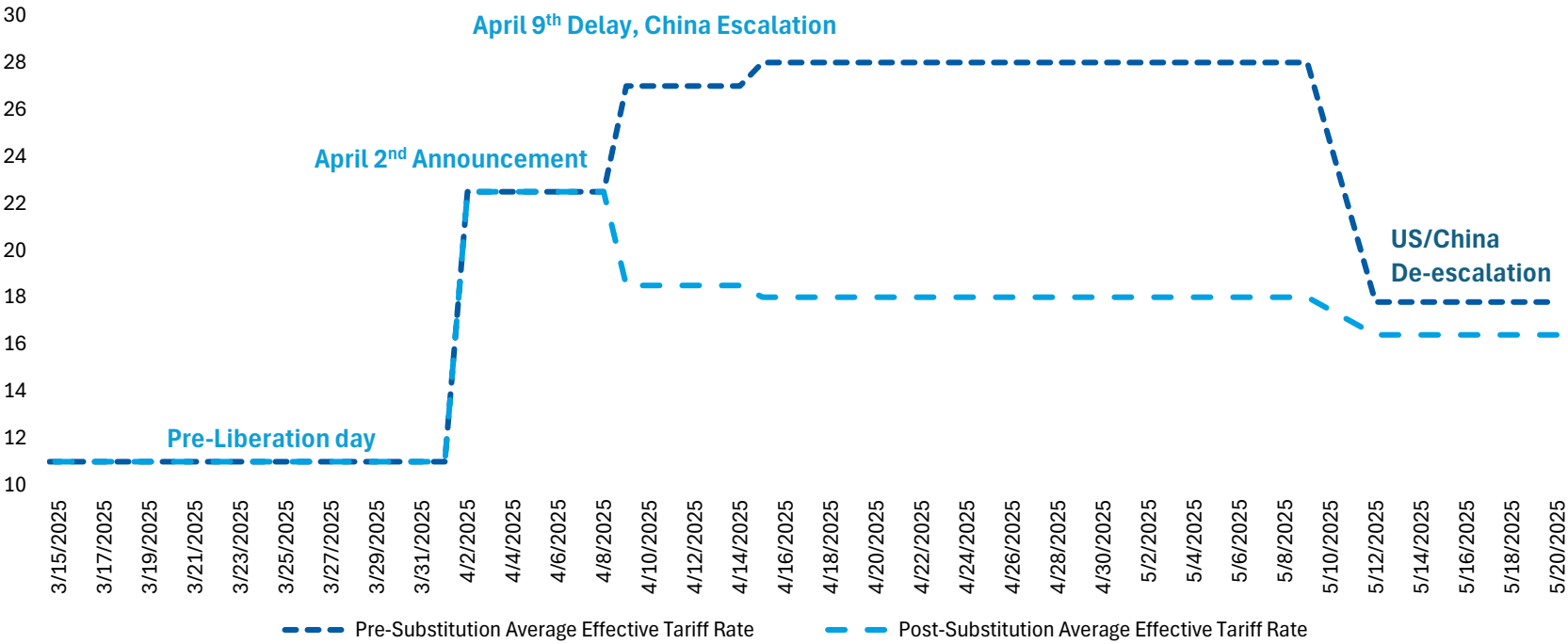
TOP THEMES

With Recent Developments, Have We Reached Peak Tariff De-escalation?

With the May 12th temporary pause/reduction of tariffs on China, the overall average effective tariff rate (as estimated by the Yale Budget Lab) fell by just over 10%, down to 17.8% on a pre-substitution basis. With the recent de-escalation with China proving to be much more significant than market expectations, further reductions seem less likely.

Following the Recent Trade Deal With China, Have We Reached Peak Tariff De-escalation?

Average pre/post-substitution effective tariff rate (%), as estimated by the Yale Budget Lab



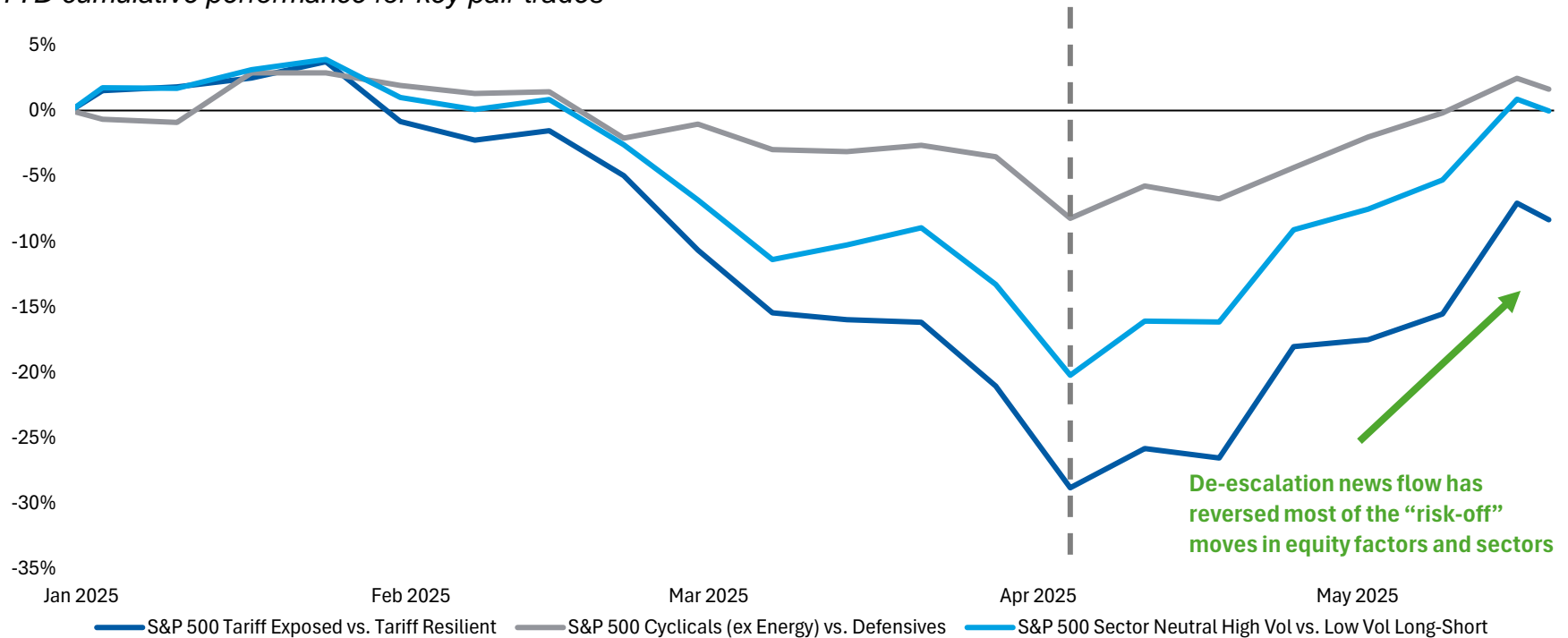
Source: Bloomberg, Yale Budget Lab, MSIM. As of May 20, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

TOP THEMES

With De-escalation in Focus, Markets Have Exhibited “Risk-On” Trends

Since the reciprocal tariffs delay announced on April 9th, equity market internals have signaled risk-on trends across several perspectives: On average, Cyclical (ex energy) have outperformed Defensives, the high-volatility factor has outperformed low-volatility (sector neutral basis), and our tariff “exposed” basket of stocks has outperformed the tariff “resilient” basket.

The “Risk-On” Trade Has Returned Since Early April, with De-escalation in Trade Tensions a Key Catalyst
YTD cumulative performance for key pair trades



Source: Bloomberg, MSIM. As of May 20, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

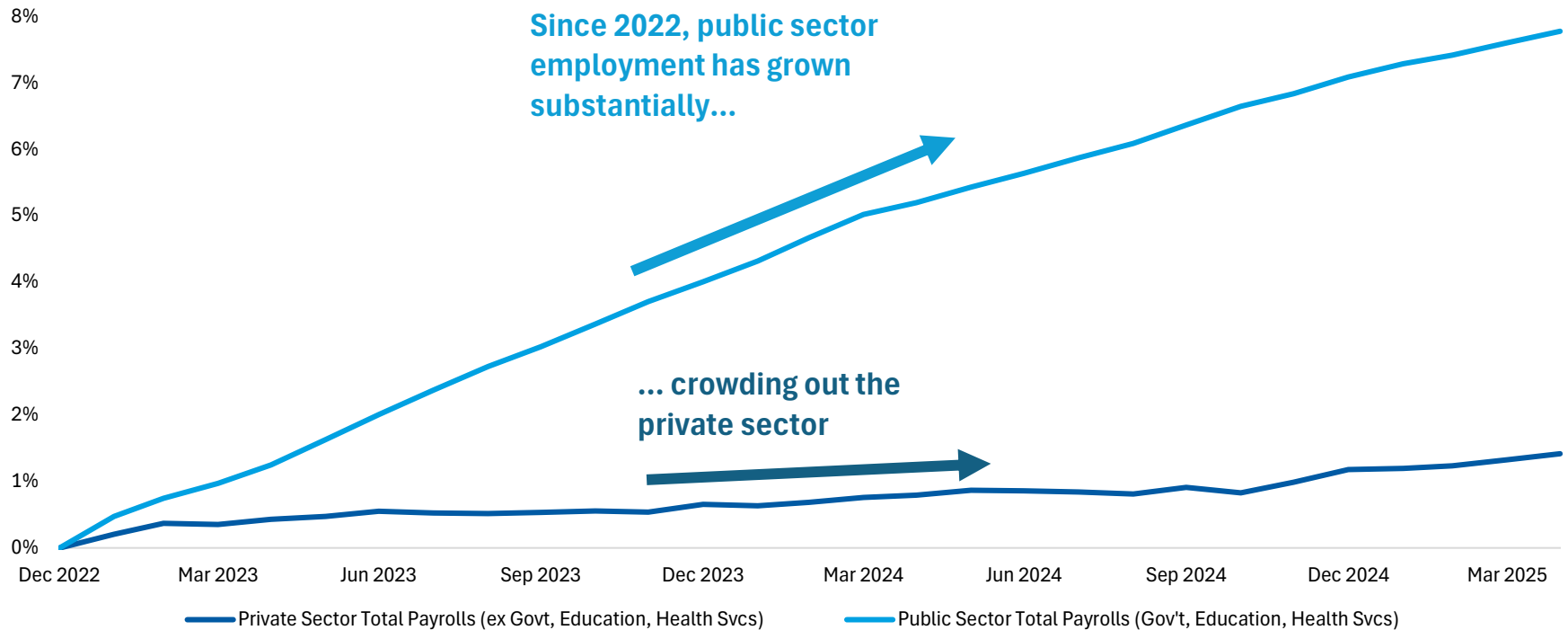
TOP THEMES

Over the Past Three Years, Payroll Gains Have Been Driven by the Public Sector

Over recent years, the majority of payroll job gains have been in the public sector (government, education, health services), resulting in a crowding out of private sector employment. It remains to be seen whether the new administration's policies can lead to a reconvergence in employment trends, which would be positive for labor productivity and inflation.

Public Sector Employment Has Exploded Since 2022, Resulting in a Crowding Out of the Private Sector

Cumulative growth in total payrolls since 12/31/2022



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

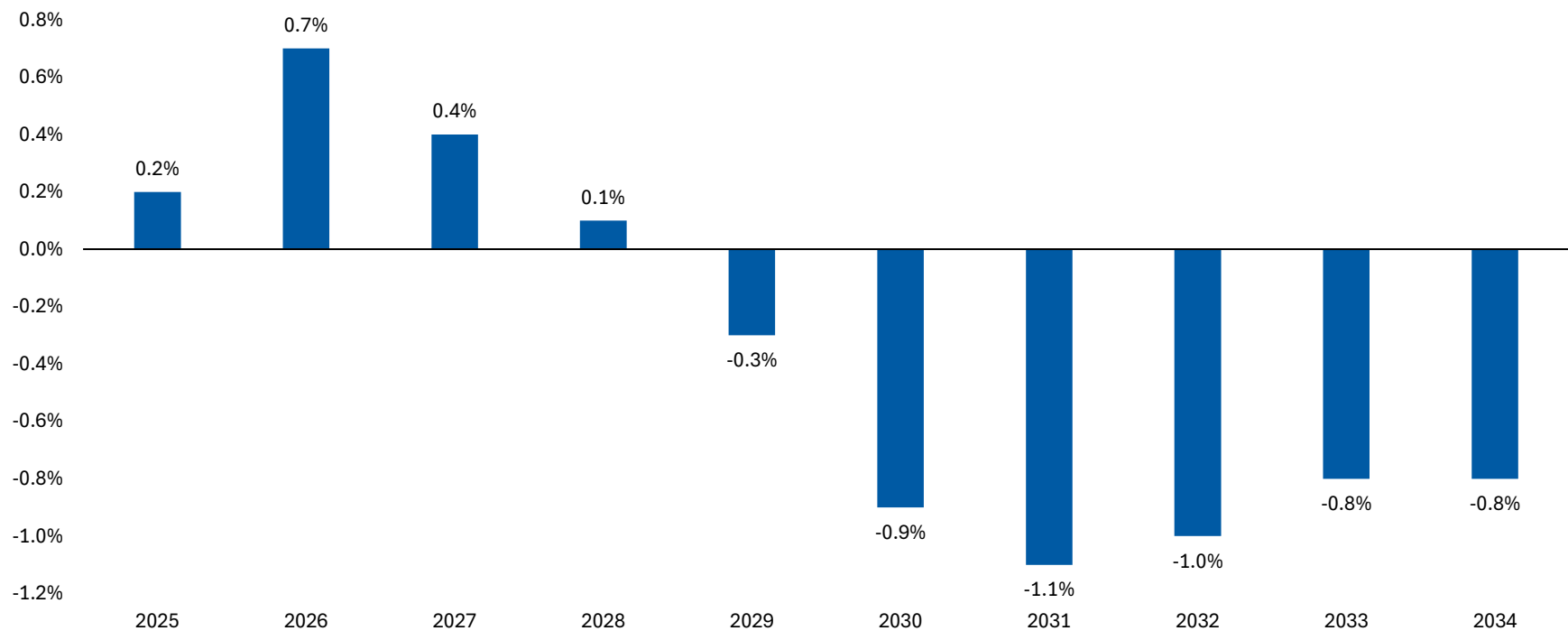
TOP THEMES

Mapping the Total Fiscal Impulse from Reconciliation

While the budget process still has a long way to go, the bill emerging from the House reconciliation process suggests more near-term fiscal tailwinds than had been expected. The core focus remains on extending the tax cuts set to expire at the end of this year, but the bill has been structured with front-loaded benefits and backend-weighted costs as well.

Estimated Fiscal Impulse from Reconciliation Shows a Front-Loading of Stimulus

Net fiscal impulse from reconciliation legislation



Source: Bloomberg, Don Schneider (Piper Sandler), MSIM. As of May 16, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

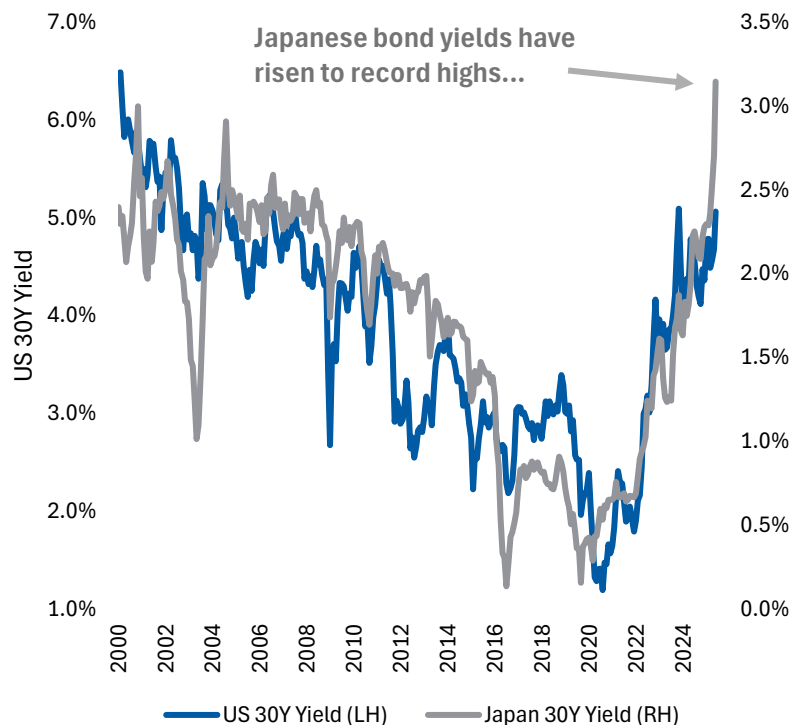
TOP THEMES

Global Bond Yields Are on the Rise – Not Unique to the U.S.

Long duration assets are being repriced globally, not just in the U.S. In fact, U.S. long-dated bond yields have risen less so than in other major regions thus far in 2025.

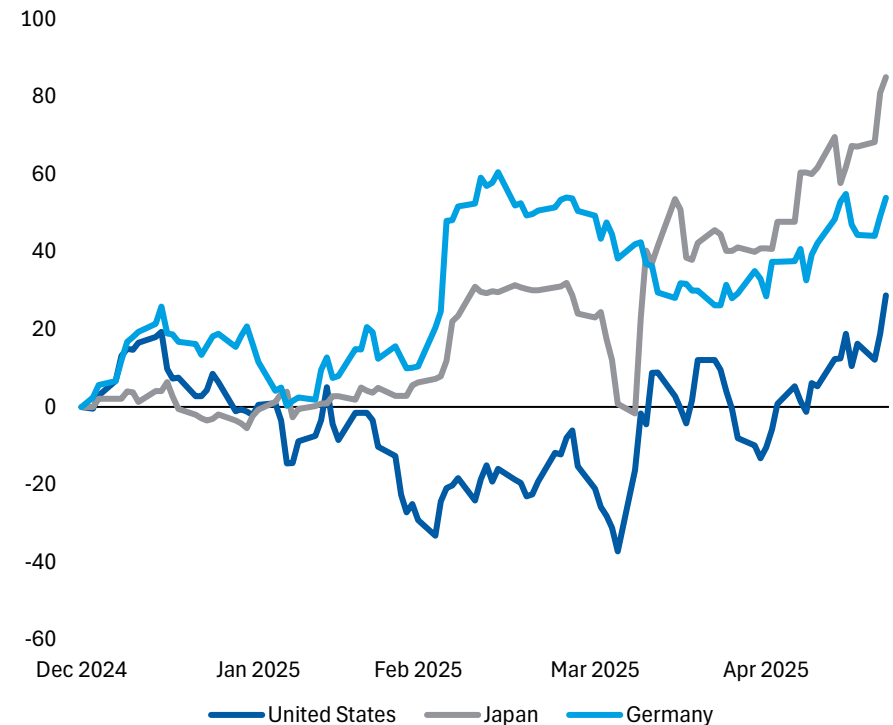
Japanese Bond Yields Have Risen to Historic Levels

U.S. 30-year yield (LH), Japan 30-year yield (RH)



U.S. Bond Yields Have Risen Least in 2025

YTD cumulative change (in bps)



Source: Bloomberg, MSIM. As of May 20, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

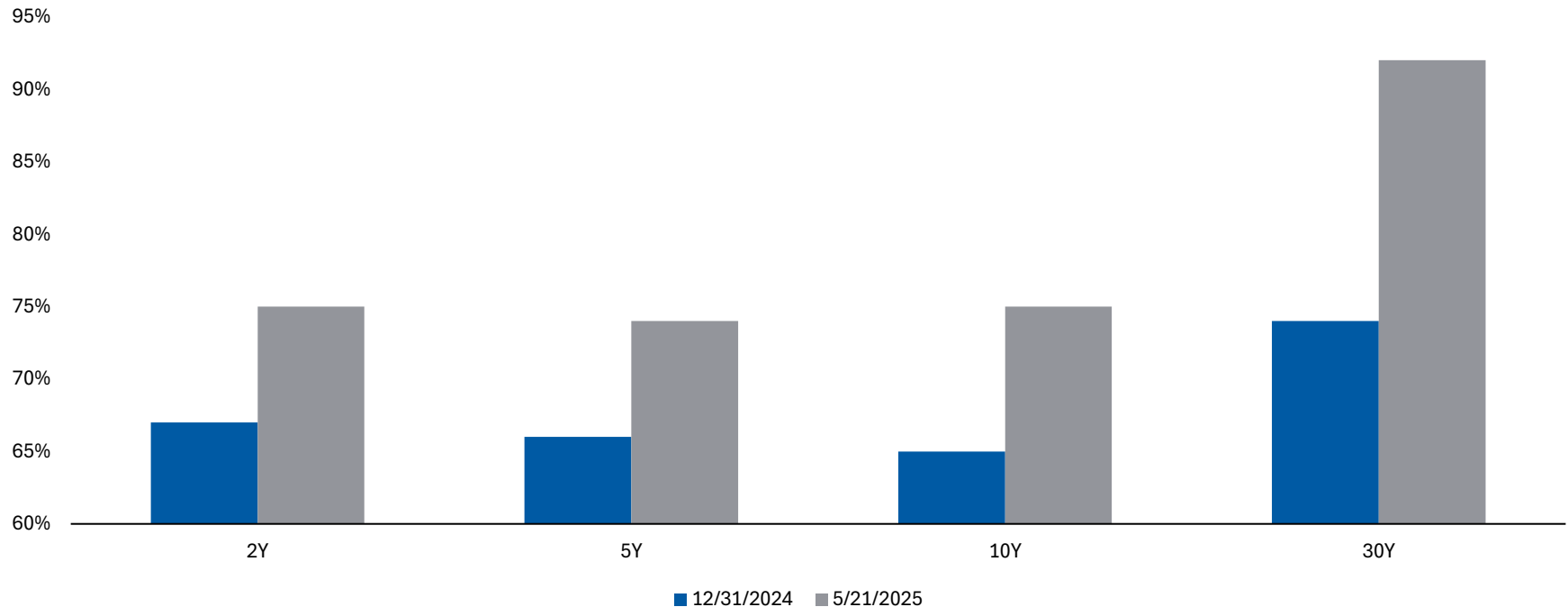
TOP THEMES

Municipals: Higher Yields and a Steeper Curve

Longer-dated yields in the municipal market moved higher in May, a continuation of the YTD trend. In the face of heavy supply in recent months, the muni curve has (bear) steepened, to a greater degree than U.S. Treasuries (USTs), resulting in attractive Muni/UST ratios out on the curve.

Muni/UST Ratios Look Attractive Farther Out on the Curve

Muni/UST ratios across selected curves, 12/31/24 and present



Source: Bloomberg, MSIM. As of May 21, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

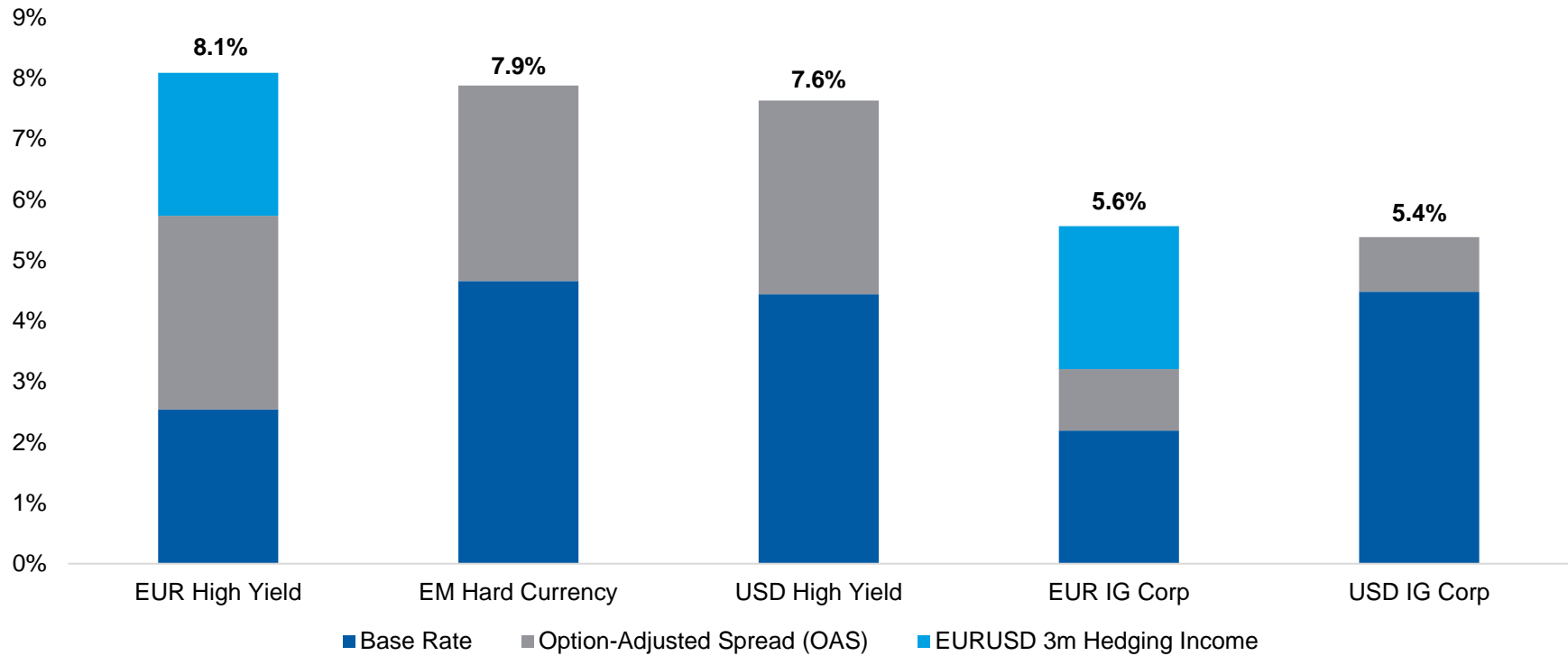
TOP IDEAS

Overweight European High Yield Credit

The reduction in global growth risks from the recent positive trade negotiation outcomes should reduce default risks, making lower-quality credit more attractive. European HY credit appears attractive especially for USD-based investors, given an additional 2.4% pick up from hedging euro exposure back to USD.

European HY Credit Offers the Highest Yield on USD-Hedged Basis

Yield decomposition across major credit asset classes



Source: Bloomberg, MSIM. As of May 22, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

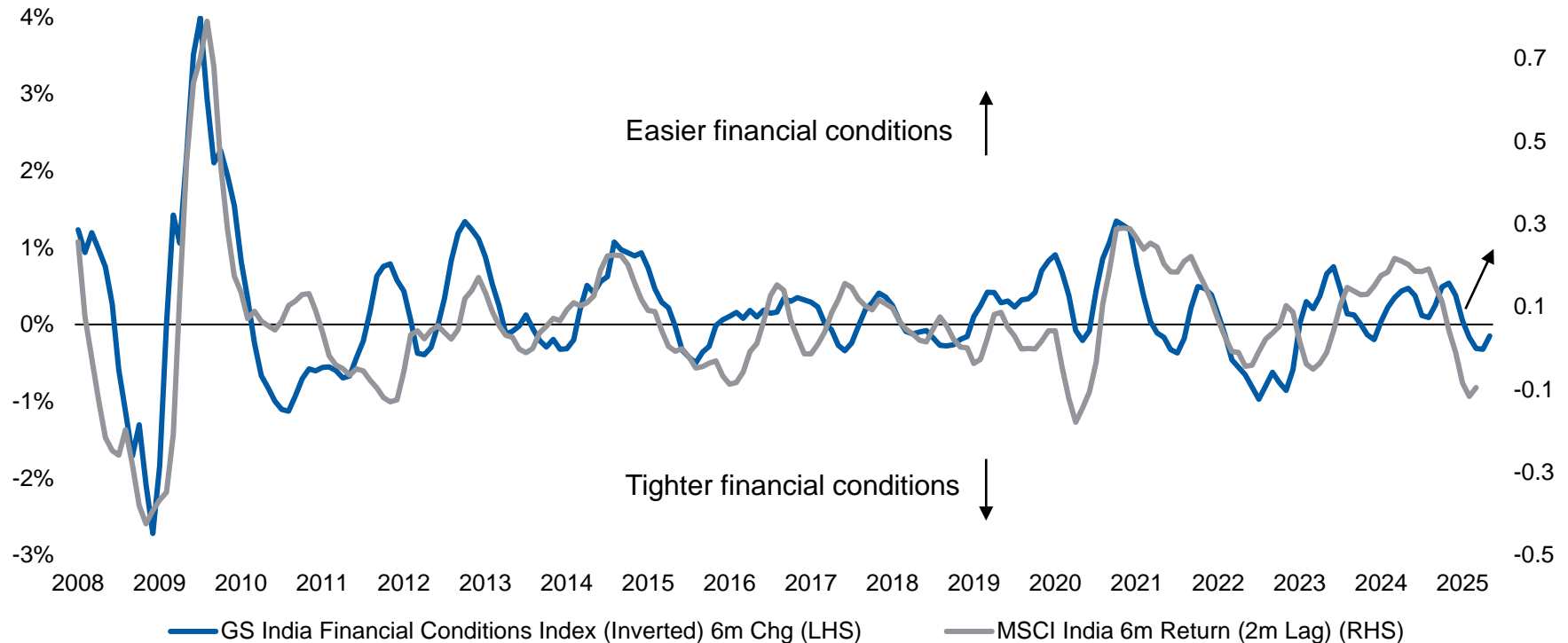
TOP IDEAS

Overweight Indian Equities

India muddled through two quarters of an economic and corporate earnings growth slowdown since 4Q24, driven by tight domestic fiscal and monetary policy. The first signs of bottoming have emerged after the Reserve Bank of India shifted to an accommodative policy stance. India is also less vulnerable to U.S. trade-policy volatility, given its low external exposure.

Indian Equity Returns Have Historically Been Positive When Financial Conditions Ease

India financial conditions (LH) and MSCI India rolling 6M return (2-month lag, RH)



Source: Bloomberg, Goldman Sachs, MSIM. As of May 21, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results.**

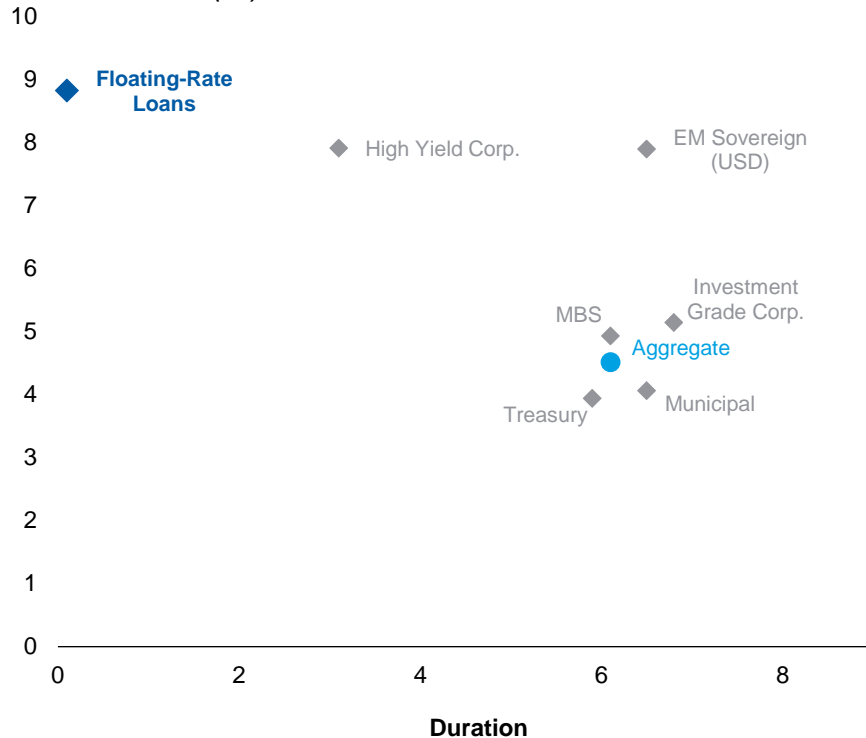
TOP IDEAS

Considering Loans Exposure: Managing Duration Risk

While loan spreads have tightened over recent weeks, we like the additional reduction in rate sensitivity that comes from bank loans, especially given the Fed's potential changes to their policy framework. Additionally, loans show low correlations to traditional fixed income asset classes.

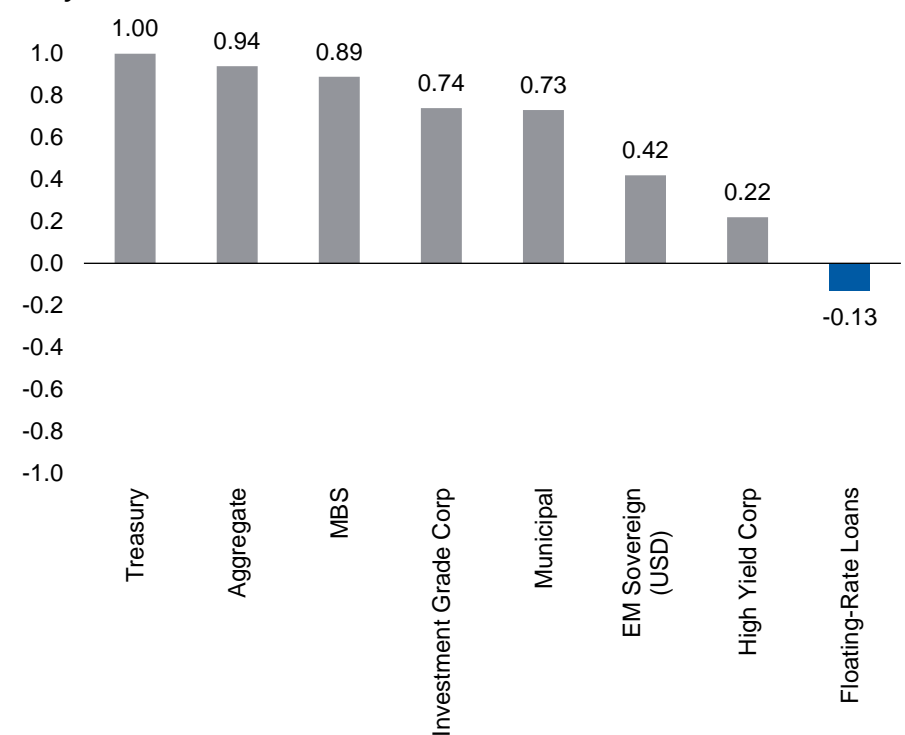
Loans Have High Yields and Near-Zero Duration

Yield-to-worst (%) vs. duration



Negative Correlation to Core Bond Allocations

10-year correlation to USTs



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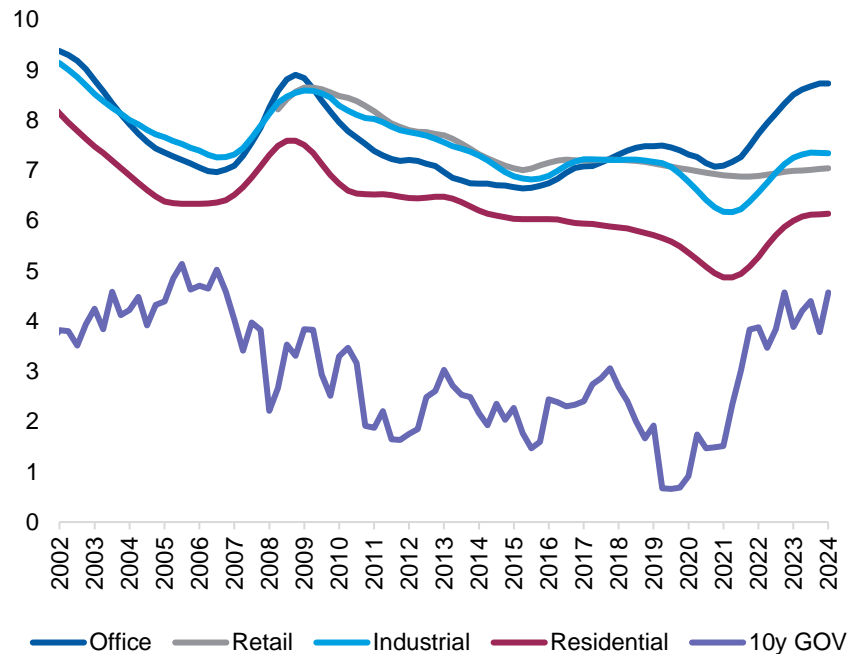
TOP IDEAS

Real Estate Fundamentals Continue to Improve

Real estate has been experiencing a repricing over the last few years in response to higher interest rates, cyclical oversupply and, in certain sectors, secular demand destruction. That said, the long-term operating outlook is markedly improving, with future supply materially decreasing and the demand destruction seen in certain sectors stabilizing. Entry pricing is meaningfully lower, providing a margin of safety and an interesting access point to improving fundamentals.

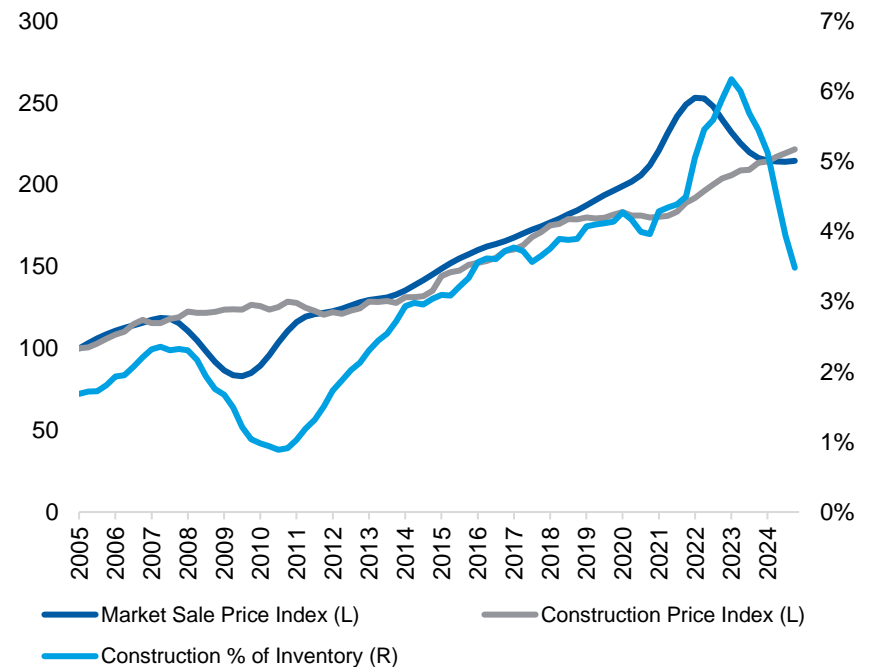
U.S. Cap Rates Have Stabilized...

Real estate sector cap rates (%)



...and Asset Valuations Are Below Replacement Cost

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



Source: CoStar, Bloomberg, Bureau of Labor Statistics. As of Dec 31, 2024. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation and are subject to change at any time due to market, economic, or other conditions, and may not necessarily come to pass. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass. **Past performance is not indicative of future results..**

TOP IDEAS

Capital Markets Investment Framework

Representative Allocations from the Portfolio Solutions Group

Capital Markets Investment Framework						Current allocation	Change from previous	High conviction underweight	Underweight	Neutral	Overweight	High conviction overweight
Representative Allocations from the Portfolio Solutions Group												
Asset Allocation	Our View					Commentary						
	--	-	=	+	++							
Bonds												
Duration						We continue to favor a neutral stance on duration. Following the recent increase to ~4.50%, 10-year yields currently sit in the middle of our conceptual range. The recent de-escalation in tariffs between China and the U.S. has removed headwinds to growth and reduced recession risks.						
Credit						Credit spreads have continued to tighten and are now back below medium and long-term averages. We continue to view credit spreads as asymmetrically exposed to negative news, with limited upside from today's levels.						
Equities												
Risk Level						Risks remain balanced for equities. The announced de-escalation of the U.S./China tariff war further eases growth headwinds and reduces recession risk. Equities still need to navigate headline risks tied to trade negotiations, upside price pressure from tariffs and eventual deceleration in growth.						
Alternatives												
Private Markets						Private equity investors have experienced constrained distribution activity since 2022. In this environment, we expect to experience higher dispersion in underlying capital markets, portfolio company and asset performance, and the success of private asset managers. We think private equity valuations offer a fair entry, and see the importance of European exposure along with emerging markets allocations, such as India.						
Hedge Funds						In private credit, we favor non-cyclical exposures in corporate lending, and acknowledge the increased supply for opportunistic and special situation lenders that have a greater degree of flexibility in their debt strategies. The macro driven environment has been disruptive for many hedge fund alpha themes. We maintain our high conviction in relative value strategies able to capitalize on high levels of intra-market dispersion.						
Commodities						We remain neutral on energy commodity markets, as geopolitical upside risks are balanced by high spare capacity in markets such as crude, which limited upside absent physical disruptions. In the current environment we see precious metals as a segment that could enjoy structural tailwinds.						
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

Global Fixed Income							Current allocation	Change from previous	High conviction underweight	Underweight	Neutral	Overweight	High conviction overweight	
Representative Positioning from Portfolio Solutions Group														
Fixed Income	Our View						Commentary							
	--	-	=	+	++									
Bonds														
U.S. Treasuries (USTs)							At ~4.50%, the 10-year yield currently sits in the middle of our conceptual range. The recent de-escalation in tariffs between China and the U.S. has meaningfully reduced the downside risks of recession.							
Inflation Linked Bonds							We see some value in this space today, particularly in the longer sections of the curve with 5Y/5Y inflation 2.29% today. While not final as of this writing, the recent House budget reinforces that view.							
Eurozone Govt. Bonds							We are neutral European duration: Germany's fiscal pivot is likely to result in a higher trading range for European rates compared to post-GFC, even as the ECB cuts.							
EM Hard Currency Govt. Bonds							EM debt (EMD) has had wider spreads than corporate credit for most of the past 15 years. But currently, those spreads are much tighter than they have been historically. Investors still get additional spread pickup from EMD and creditworthiness has generally improved with a weakening USD. As such, we remain neutral EMD.							
EM Local Currency Govt. Bonds							EM Local is a strong upgrade candidate and an asset class we are spending a lot of time on today. The higher quality issuers, mostly based in Asia, do not look very attractive with very low rates. However, other segments of the market are quite appealing. This is an asset class where we would recommend a very active manager.							
Public Credit														
Municipal Bonds								Since upgrading Munis to ++ last month, Muni/UST ratios tightened reasonably, delivering strong returns. Looking forward, we still like Munis, but the entry point is not quite as attractive.						
Investment Grade (IG)								IG spreads remain tight given the number of risks in the market. The asset class has poor convexity in the current environment.						
MBS/ABS								We continue to hold a high conviction in ABS, as yield per unit of credit quality remains attractive.						
High Yield (HY)								We remain underweight U.S. HY but have upgraded our view on European HY to neutral. European HY offers more attractive spreads than U.S. HY, once adjusting for ratings differentials.						
Bank Loans								Bank loans have recently tightened alongside the rally in broader risk assets. We like the high carry and the floating rate nature of the asset class. However, we'd like to be more convinced that the default cycle has peaked, or see spreads widen a bit, before committing to a larger overweight.						

■ Current allocation
 ◀ Change from previous

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

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TOP IDEAS

Global Equity

Representative Positioning from Portfolio Solutions Group

Global Equity

Representative Positioning from Portfolio Solutions Group

Current allocation

Change from previous

--

Underweight

=

Neutral

+

Overweight

++

High conviction overweight

Equity	Our View						Commentary
	--	-	=	+	++		
Regional							
Developed Markets							<p>United States: While de-escalation with China further reduces growth headwinds from tariffs and recession risk, U.S. equities still need to navigate price pressure from tariffs and an expected growth deceleration.</p> <p>Europe: We remain overweight European equities with the growth outlook benefiting from several factors: a) a more fiscally expansive stance, b) rising real incomes supporting consumption and c) financial conditions relatively more supportive than in the U.S. We continue to prefer segments of the market that are less exposed to tariffs and directly benefit from the nascent fiscal stimulus wave, such as banks and German mid-caps.</p> <p>Japan: We remain neutral on Japanese equities given the continued rise in longer-dated yields and the potential for further strength in the JPY (yen). We are constructive on Japan's structural reforms and longer-term prospects.</p> <p>Emerging Markets: The tail risk for EM is now substantially lower after a better-than-expected US/China trade deal. Within EM we upgraded India to overweight, while maintaining China at neutral.</p>
U.S.							
Eurozone							
Japan							
Emerging Markets							
Style							
Growth vs. Value							<p>Since mid-2022 the Growth vs Value trade has been dictated primarily by high-beta tech exposure with Growth style indexes outperforming Value as markets rise, and underperforming as they fall. In this context, a neutral view on equities suggests a neutral view on Growth vs Value.</p> <p>We retain a preference for Quality given the weaker outlook for economic growth.</p> <p>Lower quality small-caps are still best avoided. We prefer mid-caps, where we hold exposure in both the U.S. and Germany.</p> <p>Our current cyclical exposure remains in Europe and rests more on structural growth drivers.</p>
Quality							
Large Cap vs. Small Cap							
Cyclical vs. Defensive Sectors							

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TOP IDEAS

Alternatives

Representative Positioning from Portfolio Solutions Group

Alternative Assets

Commentary

Private Markets

Private Equity

Private equity investors have been experiencing constrained distribution activity since 2022 when the shift in the interest rate regime triggered adjustments across capital markets. There was optimism after last year's U.S. election that directional clarity and pro-market policy could support a recovery in distribution levels, but the recovery in investor cash flows has been more delicate than expected due to the shock factor and uncertainty associated with recent policy announcements. We think valuations offer a fair entry for new investments. Successful strategies will minimize downside exposure to the exogenous risks such as GDP growth, inflation and changes to global trade. We think they will be associated with organic growth initiatives using relatively modest leverage, and will likely participate, either as enablers or adopters, in the transformational technology changes that are taking place. While U.S. private equity is expected to benefit from its deep network of specialist private equity managers, European private opportunities potentially increases in its competitiveness as recently announced growth-related policies provide a tailwind and the country-specific nature of European private equity now potentially represents an advantage because of the resulting focus on local revenues. We are constructive on India private equity due to both domestically driven growth as well as the potential to invest in alternative global supply chains, although we note manager selection will be very important.

Private Real Assets

Commercial real estate currently offers compelling entry valuations at a time of stabilizing fundamentals. 2022 to 2024 was a challenging time for real estate, characterized by high interest rates, oversupply and difficult fundraising. In response to these dynamics, pricing has reset materially lower while the cost and availability of debt has stabilized, and future supply is significantly lower. However, private equity real estate fundraising has yet to recover, presenting a unique opportunity for those with capital willing to invest in the sector, particularly in growing, fundamentally strong sectors such as industrial, residential and net lease.

Infrastructure companies have demonstrated very strong cost-pass through and margin stability, often through fixed construction costs and contracted revenues linked to inflation. They've also demonstrated impressive demand growth in sectors such as power and data and are not directly impacted by tariffs from a revenue perspective as they are not expected to produce goods that are sold to the U.S., although transportation assets are linked to trade volumes. In relation to the cost impact from tariffs, the renewables supply chain is worth watching closely, with batteries and solar being more exposed to China, and wind power generation equipment less so due to more established supply chains through Europe and Mexico.

Private Credit

Within corporate lending, liability management exercises ("LMEs") continue to increase. Within Direct Lending we are focused on lower risk strategies – senior secured first liens, tier one sponsors, clean credit stories, non-cyclicals, strong management teams and defensible market leading positions. Pricing and terms in Europe offer a risk adjusted enhancement to U.S. direct lending. More broadly, the increased challenges being faced by corporate borrowers are providing opportunities for opportunistic and special situation lenders that have a greater degree of flexibility in their debt mandates. Real estate debt is also currently attractive, as traditional bank lenders remain less active - yet property fundamentals stabilize and pricing has reset.

Liquid Alternatives

Hedge Funds

The macro driven environment has been disruptive for many fundamental hedge fund alpha themes. However, we are cognizant that rich environments for stock picking alpha tend to follow these periods and expect an expanding opportunity set in the second half of 2025. We continue to prefer specialist hedge fund portfolio managers best positioned to analyze and adapt to the ongoing stimuli, including tariffs, a rapidly evolving AI landscape and concerns over the path of economic growth and resultant policy responses. Highly liquid macro strategies have been responsive to rapidly changing market dynamics, and we believe will continue to contribute to performance should broader volatility persist. We maintain our high conviction in relative value strategies able to capitalize on high levels of intra-market dispersion.

Commodities

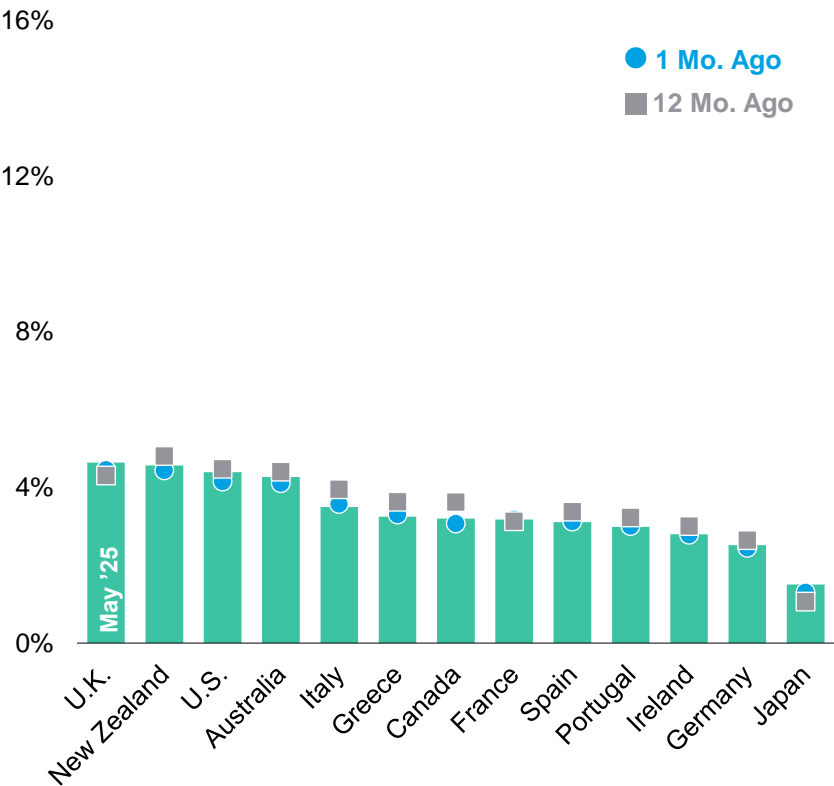
We remain neutral on energy commodity markets as geopolitical upside risks are balanced by high spare capacity in markets such as crude, which limit upside absent physical disruptions. In the current environment we see precious metals as a segment that could enjoy structural tailwinds.

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

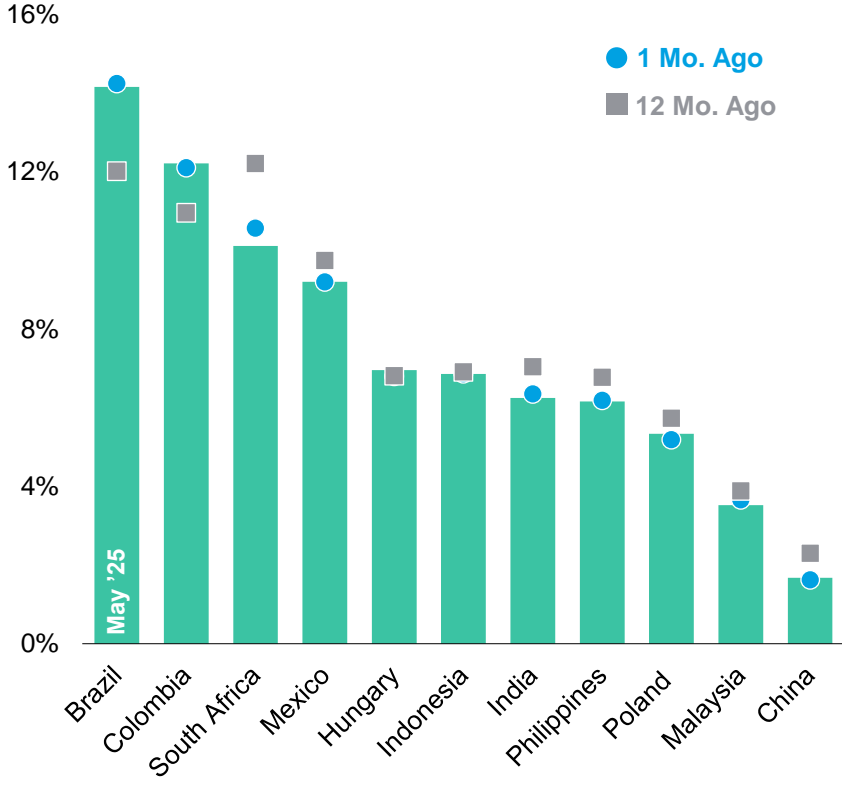
BONDS

Sovereign Bond Yields

Developed Markets
(10 yr. Yield)



Emerging Markets
(10 yr. Yield)



Past performance is no guarantee of future results.
It is not possible to invest directly in an index. Source: Factset as of 5/31/25. Data provided is for informational use only. See end of report for important additional information.

BONDS

Key Rates (%)

Security	Current	12-Mo. Ago	Average	Minimum	Maximum
1-Week SIFMA	1.97	3.36	3.08	1.86	4.21
Secured Overnight Financing Rate	4.35	5.33	4.74	4.26	5.40
1-Mo SOFR	4.32	5.33	4.70	4.29	5.35
3-Mo SOFR	4.32	5.35	4.63	4.21	5.35
2-Yr Treasury	3.90	4.92	4.12	3.54	4.88
5-Yr Treasury	3.96	4.56	4.06	3.41	4.61
10-Yr Treasury	4.39	4.55	4.25	3.62	4.79
30-Yr Treasury	4.91	4.68	4.53	3.93	5.08
2-Yr Japan	0.74	0.38	0.55	0.26	0.88
10-Yr Japan	1.50	1.07	1.13	0.80	1.58
2-Yr German Bund	1.79	3.09	2.22	1.66	3.11
10-Yr German Bund	2.51	2.67	2.41	2.03	2.91
2-Yr UK Gilt	4.00	4.49	4.11	3.53	4.60
10-Yr UK Gilt	4.64	4.36	4.34	3.74	4.89
Bloomberg US Agg	4.71	5.16	4.69	4.10	5.11
Bloomberg Global Agg	3.57	4.01	3.62	3.26	3.98
Bloomberg US Corporate	5.21	5.58	5.17	4.64	5.55
Bloomberg US Long Corporate	5.94	5.76	5.62	5.07	6.15
Bloomberg US Municipal	4.04	3.93	3.67	3.28	4.47
Bloomberg US Long Municipal	4.88	4.41	4.32	3.94	5.16
US High Yield	7.53	8.05	7.46	6.98	8.65
US Loans	8.55	9.70	9.03	8.36	9.86

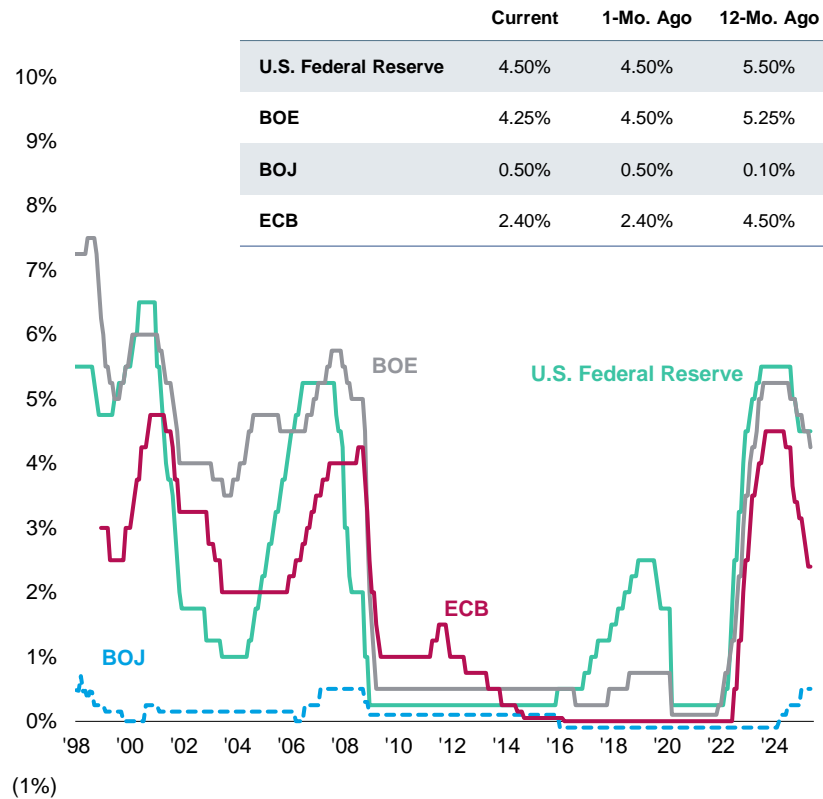
Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Bloomberg, Leveraged Commentary & Data (LCD), and Factset as of 5/31/25. Current represents most recent month. Average, minimum, and maximum measure a 12-month period ending most recent month. Data provided is for informational use only. US High Yield is represented by ICE BofA US High Yield Index. US Loans is represented by Morningstar LSTA U.S. Leveraged Loan Index. Bloomberg indices and ICE BofA US HY index using yield to worst. Morningstar LSTA U.S. Leveraged Loan Index using yield to maturity. SOFR is the Secured Overnight Financing Rate, a broad measure of secured overnight U.S. Treasury repo rates. See end of report for important additional information.

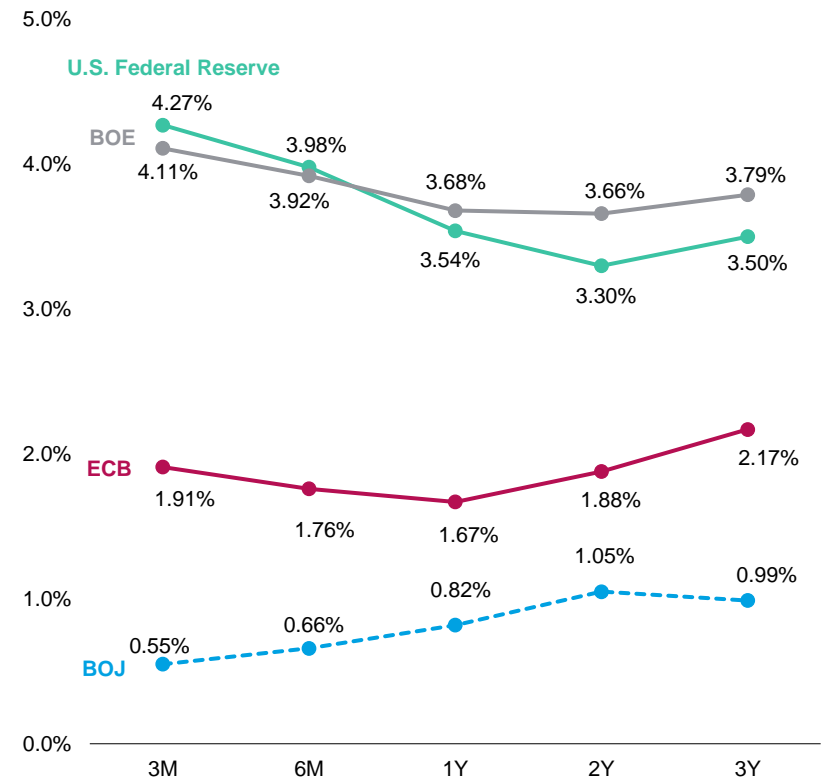
BONDS

Monetary Policy

Central Bank Policy Rates



Market Expectations for Future Central Bank Rates

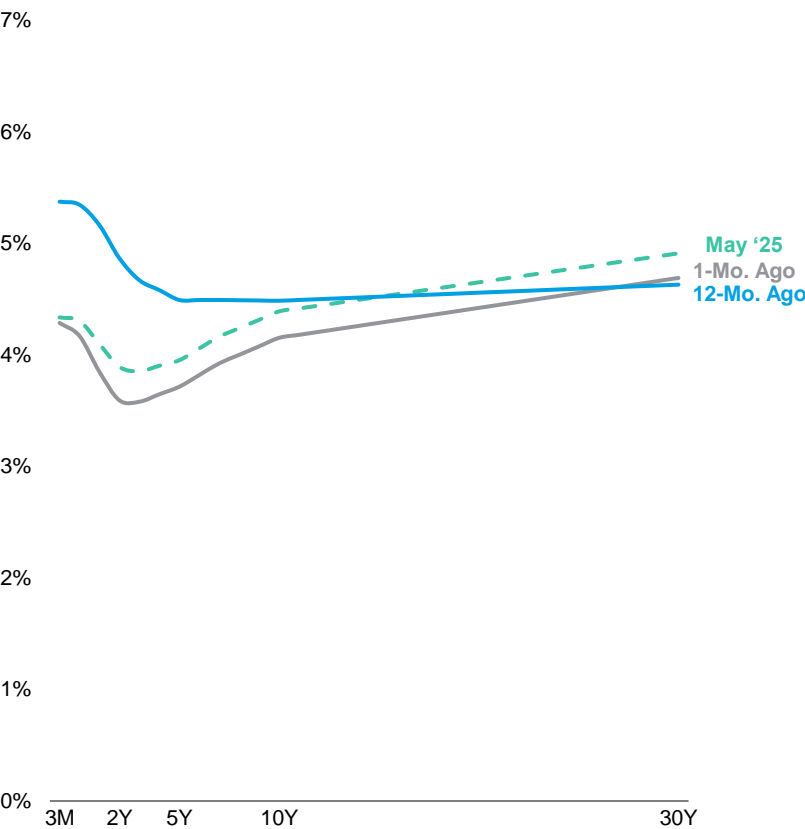


Source: Bloomberg, Factset as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

BONDS

U.S. Treasury Yields

U.S. Treasury Yield Curves



Security	Yields & Performance				
	Yield (%)			Total Return (%)	
	Current	1-Mo. Ago	12-Mo. Ago	1-Mo.	12-Mo.
3-mo. Treasury	4.34	4.29	5.38	0.36	4.76
6-mo. Treasury	4.31	4.17	5.35	0.30	4.89
2-yr. Treasury	3.90	3.59	4.87	-0.29	5.40
3-yr. Treasury	3.86	3.58	4.67	-0.47	6.07
5-yr. Treasury	3.96	3.72	4.49	-0.79	6.20
10-yr. Treasury	4.39	4.16	4.49	-1.41	4.89
30-yr. Treasury	4.91	4.69	4.63	-3.18	-0.70

Source: Factset, Morningstar as of 5/31/25. Data provided is for informational use only. Past Performance is not a reliable indicator of future results. See end of report for important additional information.

BONDS

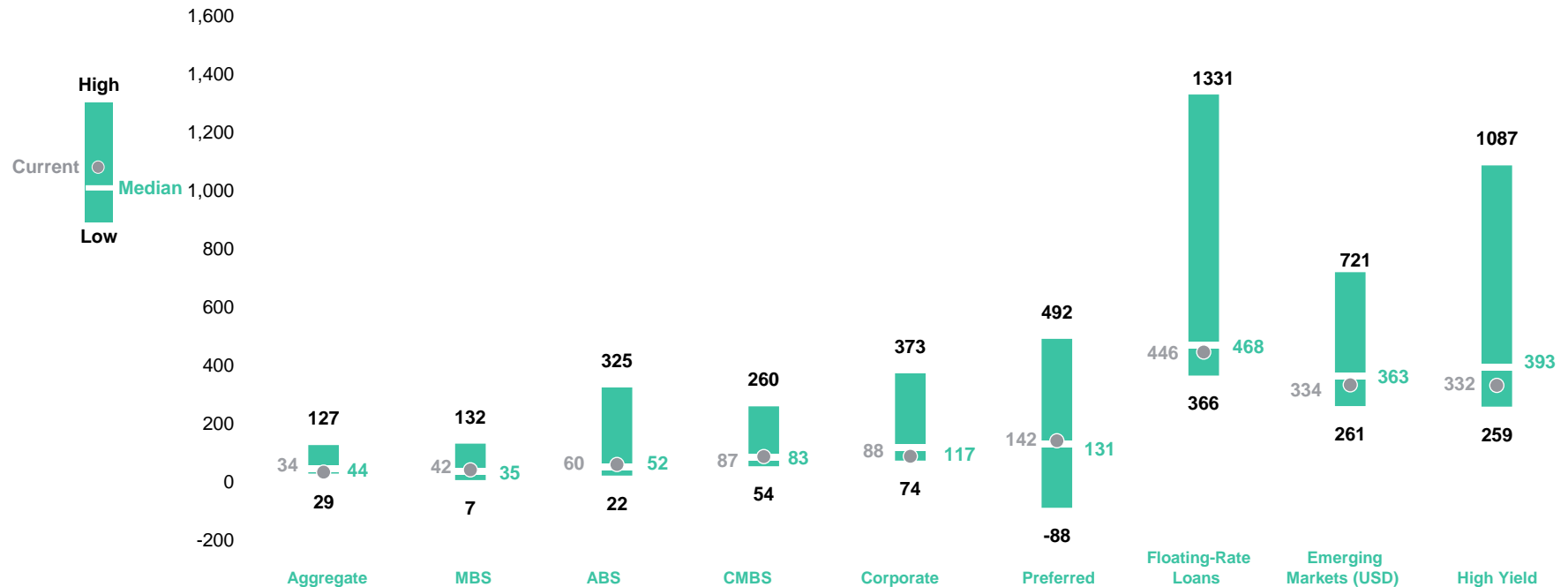
Characteristics and Performance Analysis

Index	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
U.S. High Grade													
Bloomberg U.S. Aggregate Index	3.54	91.5	4.71	34	8.4	6.1	-0.72	-0.29	2.45	5.46	1.49	-0.90	1.49
U.S. Treasury	3.13	92.1	4.19	–	7.6	5.8	-1.03	-0.17	2.51	5.04	0.81	-1.82	0.98
U.S. Mortgage Backed Securities	3.40	88.8	5.15	42	8.1	6.2	-0.91	-0.65	2.41	5.88	1.17	-0.97	1.04
U.S. Asset Backed Securities	4.75	99.5	4.62	60	3.6	2.6	0.02	0.74	2.05	6.12	3.84	1.98	2.21
U.S. Commercial Mortgage Backed Securities	3.43	94.4	4.91	87	4.5	4.0	-0.26	0.91	3.23	7.44	3.17	0.93	2.29
U.S. Corp. Investment Grade	4.38	92.5	5.21	88	10.4	6.8	-0.01	-0.33	2.26	5.61	2.72	0.16	2.56
Bloomberg Municipal Bond Index	4.62	99.2	4.04	–	13.3	6.7	0.06	-2.42	-0.96	2.03	1.73	0.55	2.13
Bloomberg Taxable Municipal Bond Index	4.40	91.0	5.20	–	14.0	7.6	-1.23	-1.64	1.64	4.40	2.19	-0.27	2.73
ICE BofA US Inflation-Linked Treasury Index	1.11	93.3	1.67	–	7.5	6.0	-0.63	0.03	3.58	5.50	0.69	1.46	2.46
ICE BofA Preferred Index (Fixed Rate)	5.43	88.8	6.30	142	–	6.2	0.69	-2.32	-0.63	2.72	3.73	2.26	3.80
U.S. High Yield													
ICE BofA US High Yield Index	6.54	95.7	7.53	332	4.7	3.0	1.68	0.59	2.64	9.28	6.64	5.82	4.94
Morningstar LSTA U.S. Leveraged Loan Index	S+3.31	96.7	8.55	446	4.5	–	1.55	1.18	1.99	6.81	8.60	7.52	5.02
Emerging Markets													
J.P. Morgan EM Bond Index (EMBI) Global Diversified	5.44	86.6	7.81	334	–	6.4	1.12	0.12	3.15	8.04	5.71	2.01	3.12
J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified	5.36	94.9	6.56	230	–	4.3	0.61	0.24	2.61	7.33	5.99	3.29	3.83
J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified	5.59	–	6.07	–	–	5.3	1.41	6.32	9.22	9.53	5.86	1.42	1.71
Global Developed Markets													
Bloomberg Global Aggregate Ex-U.S. Index	2.32	95.9	2.63	30	8.5	6.9	-0.11	6.16	7.65	8.28	0.45	-1.85	0.40
FTSE World Government Bond Index	2.58	–	3.12	–	–	7.0	-0.65	3.37	5.30	6.47	-0.02	-2.73	0.34
ICE BofA European Union Government Bond Index	2.18	94.5	2.66	39	8.9	7.3	-0.02	9.41	10.56	9.75	2.01	-1.72	0.32
ICE BofA Developed Mkts HY Ex-Sub Fincl Index (USD Hedged)	6.25	96.1	7.11	352	3.6	3.0	1.63	0.70	2.73	9.41	7.11	5.97	5.08
Bloomberg Euro-Aggregate Corporates (EUR)	2.63	97.7	3.10	100	5.1	4.4	0.54	0.49	1.53	6.47	2.86	0.73	1.20
Bloomberg Pan-European High Yield Euro (EUR)	4.85	98.2	5.65	320	3.8	3.2	1.38	0.61	2.30	8.01	6.47	4.77	3.66

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 5/31/25. Data provided is for informational use only. See end of report for important additional information. Yield to maturity is shown for the Morningstar LSTA U.S. Leveraged Loan Index and the FTSE World Government Bond Index. S+ refers to SOFR (Secured Overnight Financing Rate) as the base rate. Loan Index spread represents the three-year discounted spread over SOFR. Returns of the ICE BofA Developed Mkts HY Ex-Sub Financial Index are USD Hedged. The averages for the index are unhedged. Returns and averages for the Bloomberg Euro-Agg Corps and Bloomberg Pan-Euro HY indices are in EUR (unhedged).

BONDS

Spread Analysis (bps)



	Aggregate	MBS	ABS	CMBS	Corporate	Preferred	Floating-Rate Loans	Emerging Markets (USD)	High Yield
Max Spread Date	3/20/2020	3/19/2020	3/26/2020	3/25/2020	3/23/2020	3/23/2020	3/20/2020	3/23/2020	3/23/2020
Min Spread Date	4/14/2021	4/14/2021	6/21/2021	6/21/2021	11/08/2024	12/6/2017	4/20/2018	2/1/2018	1/22/2025
Spread on 12/31/24	34	43	44	80	80	77	424	325	292
Spread on 12/31/23	42	47	68	126	99	148	490	384	339
Spread on 12/31/22	51	51	76	120	130	227	645	452	479

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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	4.38	92.5	5.21	88	10.4	6.8	-0.01	-0.33	2.26	5.61	2.72	0.16	2.56
AAA Index	3.47	82.5	4.89	33	16.5	9.8	-0.94	-1.53	1.65	3.31	-0.46	-3.18	1.62
AA Index	3.74	88.6	4.87	47	12.4	7.7	-0.48	-0.70	2.00	4.62	1.09	-1.61	1.48
A Index	4.27	92.8	5.06	74	10.2	6.7	-0.20	-0.24	2.33	5.40	2.30	-0.42	2.27
BBB Index	4.62	93.1	5.42	110	10.1	6.6	0.27	-0.32	2.26	6.01	3.44	1.02	3.00
U.S. High Yield													
ICE BofA U.S. High Yield Index	6.54	95.7	7.53	332	4.7	3.0	1.68	0.59	2.64	9.28	6.64	5.82	4.94
BB Index	5.90	98.1	6.23	197	4.9	3.3	1.52	1.13	3.17	8.20	5.71	4.91	4.93
B Index	7.26	97.2	7.67	351	4.5	2.8	1.44	0.05	2.09	8.10	6.46	5.37	4.50
CCC Index	7.14	81.8	13.19	913	3.9	2.7	3.17	-0.26	1.84	17.06	10.66	10.77	5.96
Morningstar LSTA U.S. Leveraged Loan Index	S+3.31	96.7	8.55	446	4.5	-	1.55	1.18	1.99	6.81	8.60	7.52	5.02
BBB Index	S+1.89	100.0	6.20	188	5.1	-	1.00	1.61	2.53	6.74	7.65	5.70	4.39
BB Index	S+2.54	99.5	6.98	272	4.9	-	1.39	1.49	2.34	6.97	8.39	6.46	4.53
B Index	S+3.55	97.5	8.62	448	4.5	-	1.57	1.16	1.93	7.12	9.15	7.86	5.34
CCC Index	S+4.72	80.4	18.61	1401	3.1	-	2.98	-0.68	0.61	3.55	6.05	9.43	5.86
D Index	-	28.7	-	-	-	-	-0.38	-7.21	-13.93	-18.45	-28.31	-18.98	-19.11

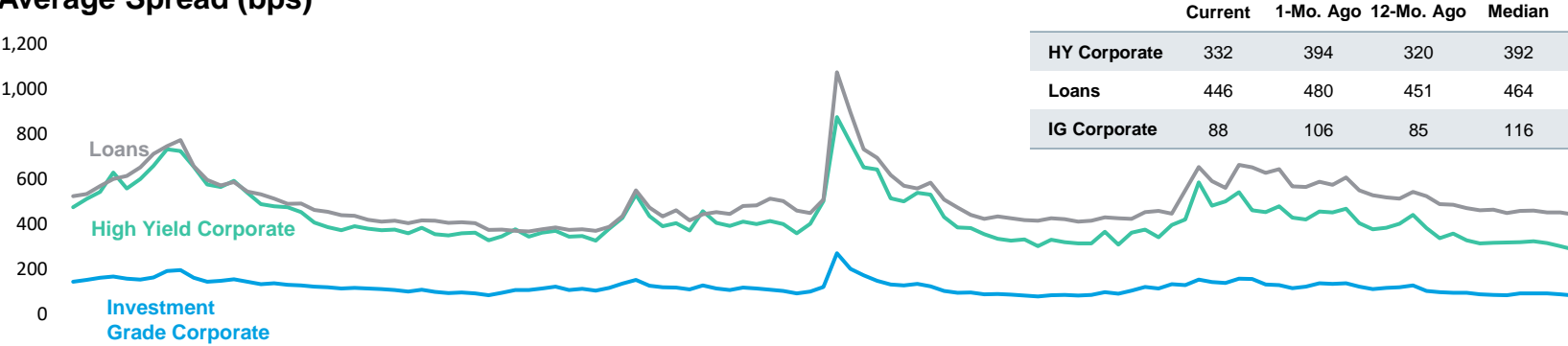
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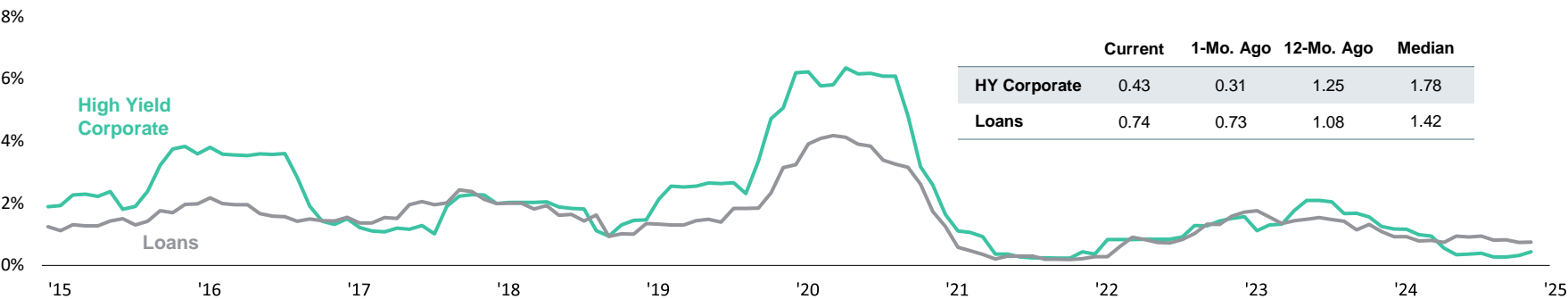
BONDS

Corporate Bond Market Update

Average Spread (bps)



Annual Default Rate



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It is not possible to invest directly in an index. Source: J.P. Morgan and Leveraged Commentary & Data (LCD), as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. Corporate spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries. Loan Index spread represents the three-year discounted spread over SOFR (Secured Overnight Financing Rate).

BONDS

Municipal Bond Market Update

	Averages					Total Returns (%)						
	Coupon (%)	Price (\$)	Yield To Worst (%)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
Bloomberg Municipal Bond Index	4.62	99.2	4.04	13.3	6.7	0.06	-2.42	-0.96	2.03	1.73	0.55	2.13
AAA Index	4.56	100.1	3.85	12.8	6.8	-0.01	-2.50	-0.97	2.06	1.38	-0.15	1.71
AA Index	4.64	100.2	3.92	13.0	6.6	0.10	-2.32	-0.94	2.00	1.59	0.20	1.94
A Index	4.62	97.6	4.31	13.5	6.7	0.07	-2.48	-0.94	2.02	2.17	1.18	2.56
BBB Index	4.61	93.5	4.81	16.9	7.5	-0.09	-3.03	-1.25	2.26	2.48	2.48	3.06
5-Year Index	4.74	105.0	3.32	4.9	3.6	0.95	-0.16	1.35	4.44	2.25	0.85	1.78
10-Year Index	4.60	103.2	3.77	9.9	6.0	0.64	-1.81	0.17	2.97	2.08	0.66	2.31
22+ Year Index	4.67	92.8	4.88	26.6	10.9	-0.98	-4.68	-3.67	-0.35	0.55	-0.27	2.21
Bloomberg High Yield Municipal Bond Index	4.78	65.0	5.85	19.2	7.5	0.07	-2.87	-0.91	3.64	3.13	3.83	4.00
Hospital	5.35	75.2	6.13	20.4	6.9	-0.32	-2.98	-0.56	7.84	3.27	3.64	3.45
IDR/PCR	4.55	38.8	6.25	18.8	7.8	0.33	-2.57	-0.76	1.84	2.55	3.54	4.94
Tobacco	2.44	19.3	6.45	27.1	12.3	0.05	-4.07	-1.24	1.36	1.60	2.73	6.35
Puerto Rico	3.56	53.0	5.14	18.5	8.0	0.17	-4.75	-2.80	-0.84	2.70	4.21	4.23

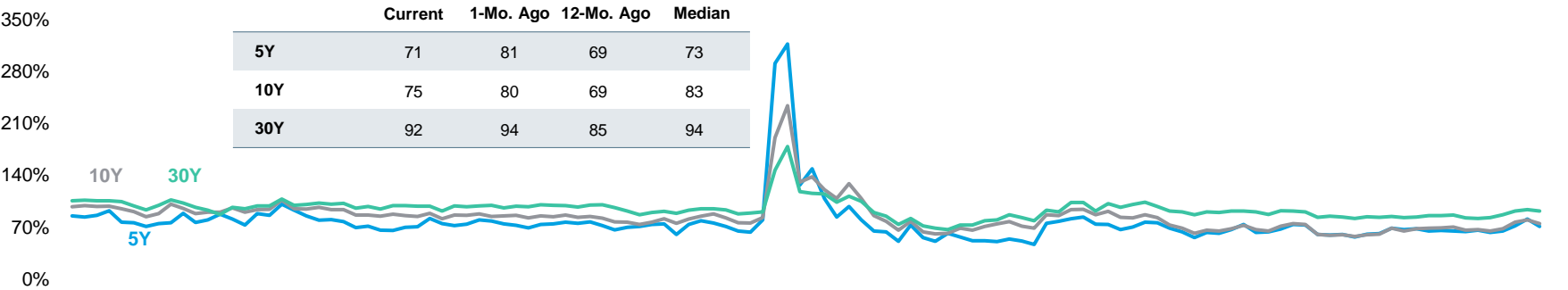
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It is not possible to invest directly in an index. Source: Bloomberg, Morningstar as of 5/31/25. Coupon and Yield To Worst figures are based on average market prices while Price is based on an average of par value. Data provided is for informational use only. See end of report for important additional information.

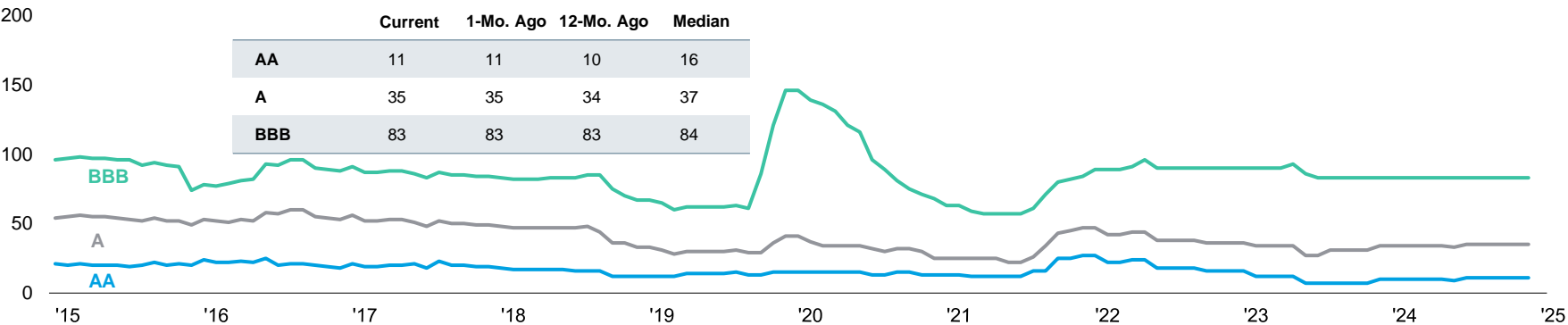
BONDS

Municipal Bond Market Update

AAA Muni-to-Treasury Yield Ratios



Credit Quality Spreads vs. AAA (bps)



Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Bloomberg as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. All spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries.

BONDS

Emerging Markets Bond Market Update

Sovereign EMD Spreads (USD)

Bps

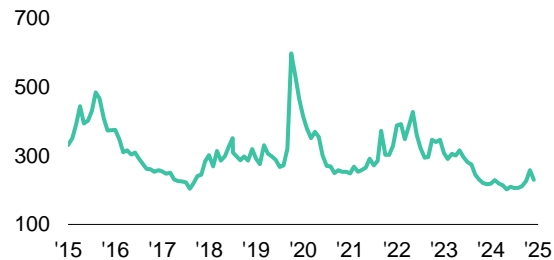


Avg. Spread (bps)

Current	334
1-Mo. Ago	368
12-Mo. Ago	380
Median	368

Corporate EMD Spreads (USD)

Bps

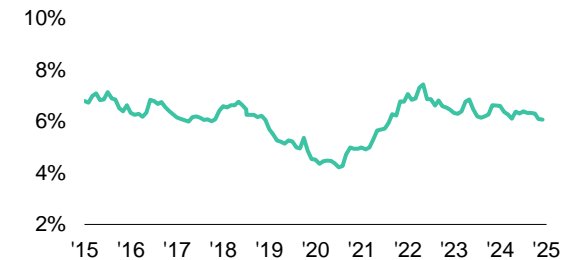


Avg. Spread (bps)

Current	230
1-Mo. Ago	258
12-Mo. Ago	217
Median	293

Local EMD Yields (%)

Bps



Avg. Yield (%)

Current	6.07
1-Mo. Ago	6.09
12-Mo. Ago	6.61
Median	6.28

Averages

	Coupon (%)	Price (\$)	Yield (%)	Duration
JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified	5.44	86.6	7.81	6.4
JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified	5.36	94.9	6.56	4.3
JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified	5.59	–	6.07	5.3

Total Returns (%)

1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
1.12	0.12	3.15	8.04	5.71	2.01	3.12
0.61	0.24	2.61	7.33	5.99	3.29	3.83
1.41	6.32	9.22	9.53	5.86	1.42	1.71

Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: J.P. Morgan, Morningstar as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. All spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries.

BONDS

Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	Municipal 3.30	High Yield 17.49	EMD (Local Currency) 15.21	Municipal 1.28	Investment Grade 14.54	Global Agg Ex-U.S. 10.11	High Yield 5.36	Bank Loan -0.77	High Yield 13.46	Bank Loan 8.95	EMD (Local Currency) 9.22
	MBS 1.51	EMD (Hard Currency) 10.19	Global Agg Ex-U.S. 10.51	MBS 0.99	EMD (Hard Currency) 14.42	Investment Grade 9.89	Bank Loan 5.20	Municipal -8.53	Bank Loan 13.32	High Yield 8.20	Global Agg Ex-U.S. 7.65
	EMD (Corp. Bonds) 1.30	Bank Loan 10.16	EMD (Hard Currency) 9.32	Treasury 0.86	High Yield 14.41	Treasury 8.00	Municipal 1.52	High Yield -11.22	EMD (Local Currency) 12.70	EMD (Corp. Bonds) 7.63	EMD (Hard Currency) 3.15
	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	High Yield 2.64
	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	EMD (Corp. Bonds) 2.61
	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	Treasury 2.51
	Bank Loan -0.69	MBS 1.67	Municipal 5.45	High Yield -2.26	Municipal 7.54	Municipal 5.21	EMD (Hard Currency) -1.51	Treasury -12.46	Municipal 6.40	Municipal 1.05	MBS 2.41
	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	Investment Grade 2.26
	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	Bank Loan 1.99
Lower	EMD (Local Currency) -14.92	Municipal 0.25	Treasury 2.31	EMD (Local Currency) -6.21	Global Agg Ex-U.S. 5.09	EMD (Local Currency) 2.69	EMD (Local Currency) -8.75	Global Agg Ex-U.S. -18.70	Treasury 4.05	Global Agg Ex-U.S. -4.22	Municipal -0.96

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 5/31/25. Data provided is for informational use only. See end of report for important additional information. Investment Grade represented by Bloomberg U.S. Corporate Index. MBS represented by Bloomberg U.S. Mortgage Backed Securities (MBS) Index. Treasury represented by Bloomberg U.S. Treasury Index. High Yield represented by ICE BofA US High Yield Index. Municipal represented by Bloomberg Municipal Bond Index. Bank Loan represented by Morningstar LSTA U.S. Leveraged Loan Index. Global Agg Ex-U.S. represented by Bloomberg Global Aggregate Ex-USD Index. EMD (Local Currency) represented by J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified. EMD (Hard Currency) represented by J.P. Morgan Emerging Markets Bond Index (EMBI) Global Diversified. EMD (Corp. Bonds) represented by J.P. Morgan Corporate Emerging Market Bond Index (CEMBI) Broad Diversified.

EQUITIES

Performance: Market Barometer (%)



< -20

-20 to -10

-10 to 0

0 to 10

10 to 20

> 20

Global	5.75	U.S.	6.29
International	4.58	Emerging Markets	4.27

Global	13.65	U.S.	13.52
International	13.33	Emerging Markets	13.04

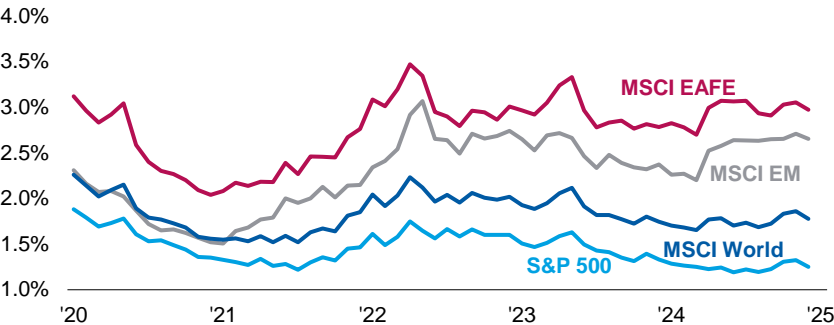
Global	12.30	U.S.	14.41
International	11.45	Emerging Markets	5.15

Past performance is no guarantee of future results.
It is not possible to invest directly in an index. Source: Morningstar as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. Returns over 1 year are annualized. Large Cap Value represented by Russell 1000 Value Index. Large Cap Core represented by Russell 1000 Index. Large Cap Growth represented by Russell 1000 Growth Index. Mid Cap Value represented by Russell Mid Cap Value Index. Mid Cap Core represented by Russell Mid Cap Index. Mid Cap Growth represented by Russell Mid Cap Growth Index. Small Cap Value represented by Russell 2000 Value Index. Small Cap Core represented by Russell 2000 Index. Small Cap Growth represented by Russell 2000 Growth Index. Global represented by MSCI ACWI Index. US represented by S&P 500 Index. International represented by MSCI EAFE Index. Emerging Markets represented by MSCI Emerging Markets Index.

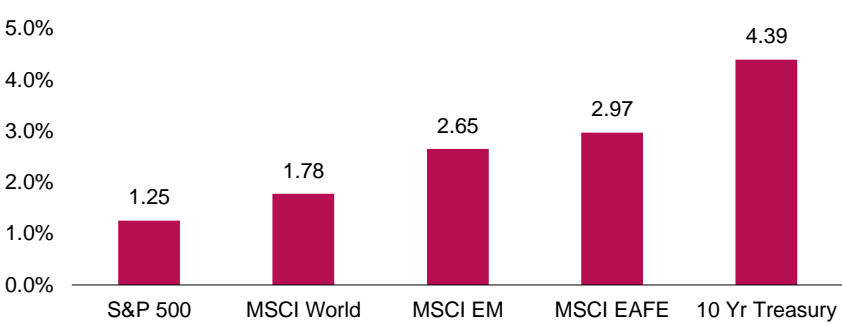
EQUITIES

Dividend Yields and Volatility Analysis

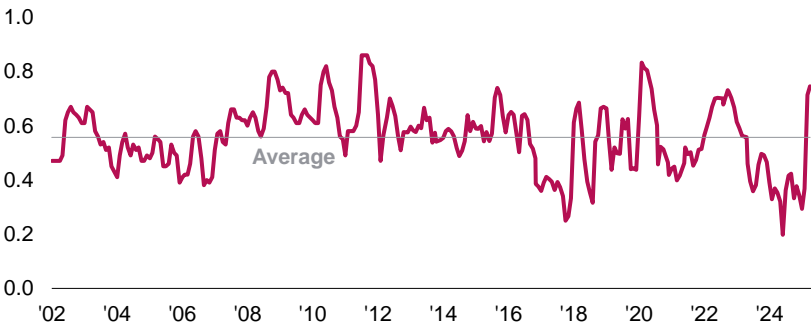
Historical Yields



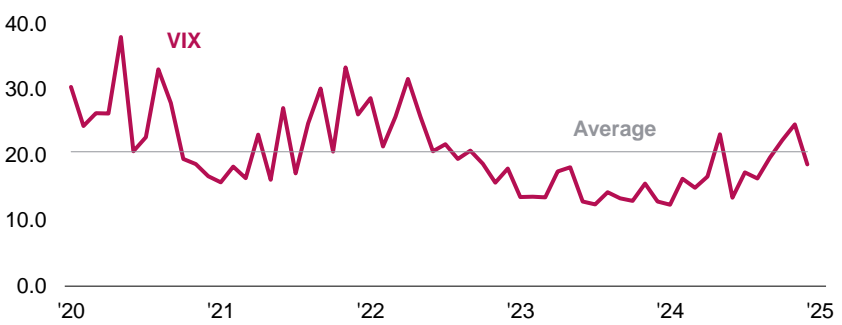
Current Yields



Correlation of S&P 500 Stocks



CBOE Market Volatility Index (VIX)

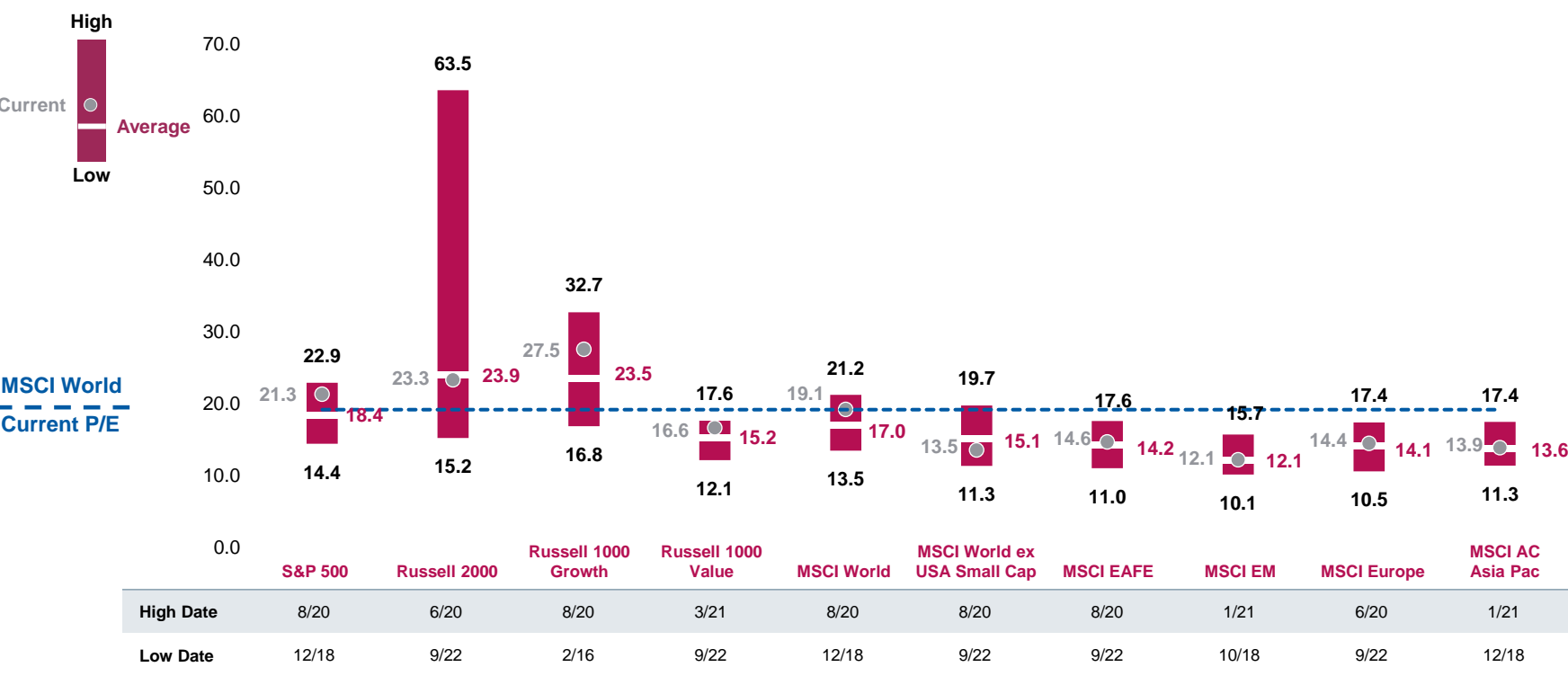


Past performance is no guarantee of future results.
It is not possible to invest directly in an index. Source: FactSet and Ned Davis Research as of 5/31/25. Correlation of S&P 500 Stocks is measured by the median 63-day rolling correlation of one day returns data provided is for informational use only. See end of report for important additional information.

EQUITIES

Valuation Analysis

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

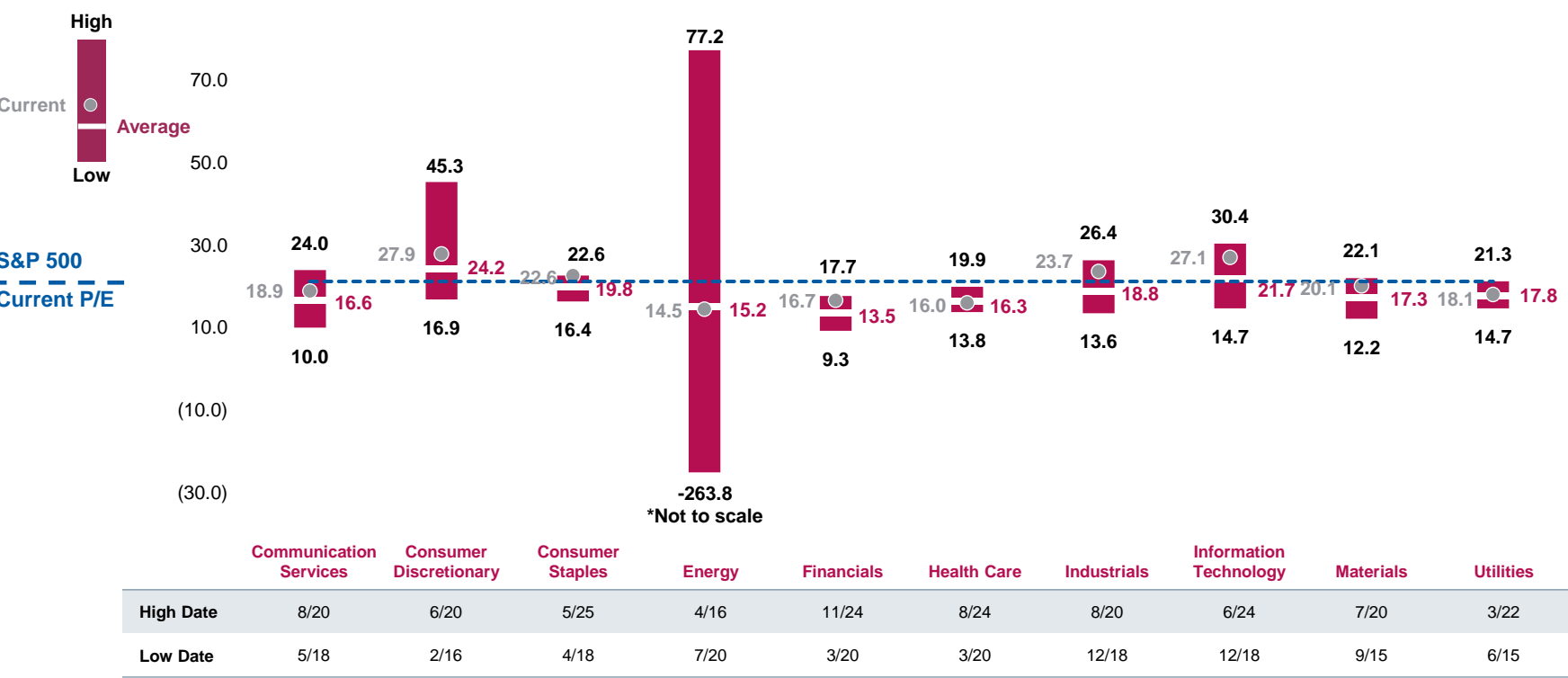


Source: FactSet as of 5/31/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

EQUITIES

Valuation Analysis

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

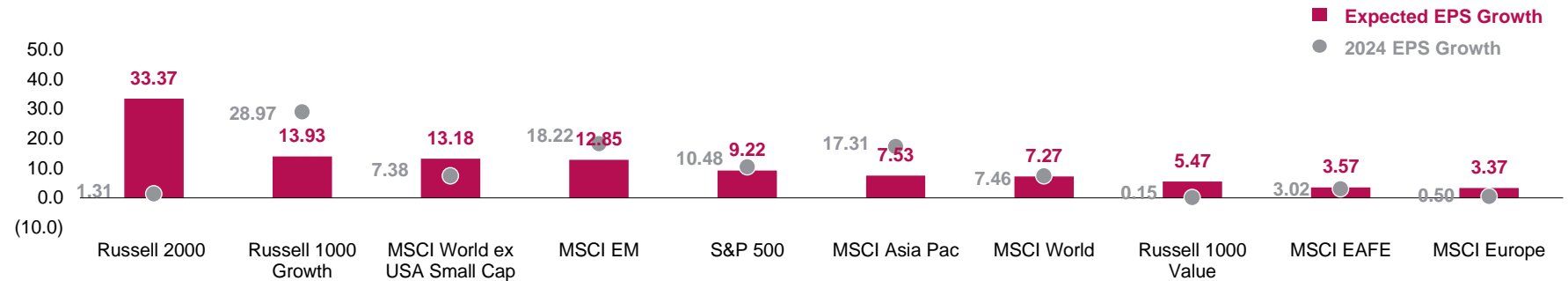


Source: FactSet as of 5/31/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. The Real Estate sector is excluded from this 10-year chart since the sector was created on August 31, 2016. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

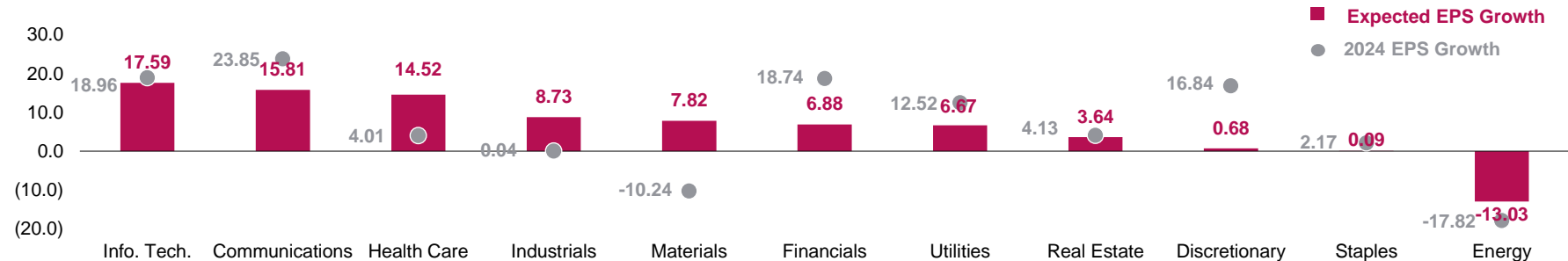
EQUITIES

Corporate Earnings Growth

Regions/Styles



S&P 500 Sectors

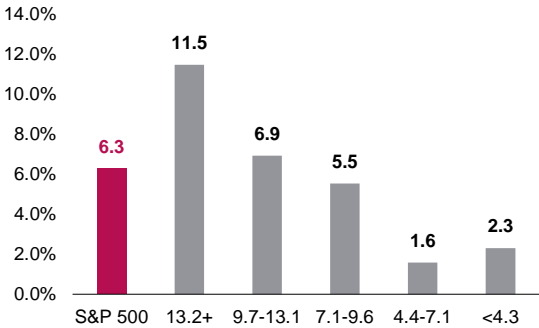


Source: FactSet as of 5/31/25. Expected EPS Growth is defined as the expected % change in the EPS growth from the beginning of the current calendar year through the end of the calendar year. 2024 EPS Growth is defined as the % change in EPS from the beginning of the year through the end of the year. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

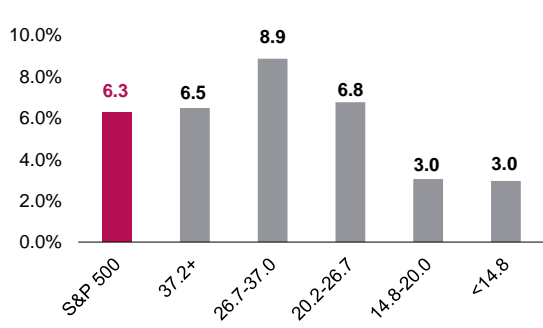
EQUITIES

S&P 500 Index: 1-Month Return Analysis

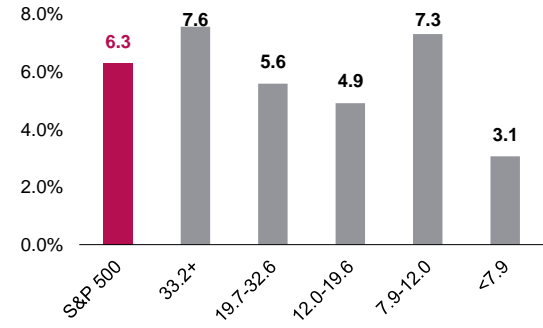
3-5 Year Earnings Growth



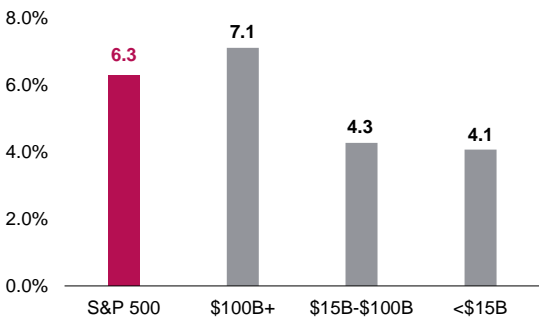
Trailing 12 Month P/E



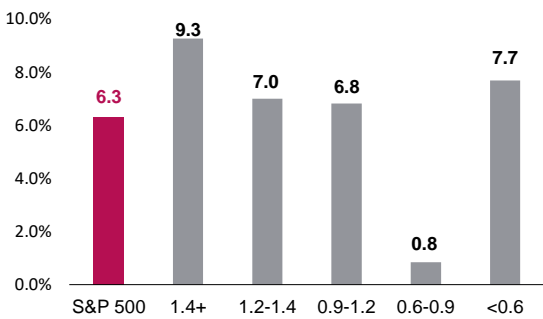
Return On Equity



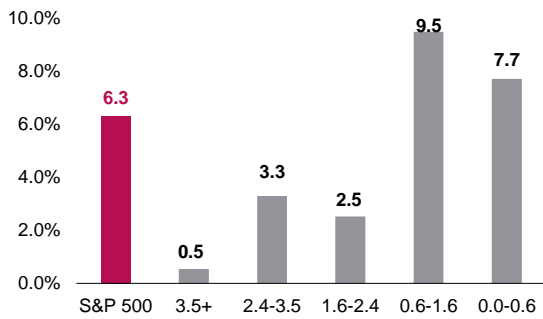
Market Cap



Beta



Dividend Yield

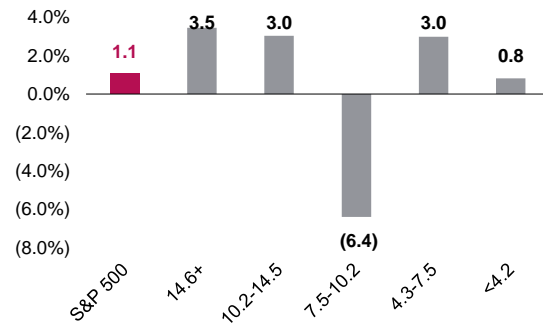


Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: FactSet as of 5/31/25. Data provided is for informational use only. See end of report for important additional information.

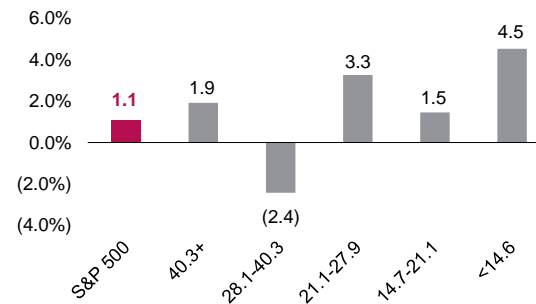
EQUITIES

S&P 500 Index: YTD Analysis

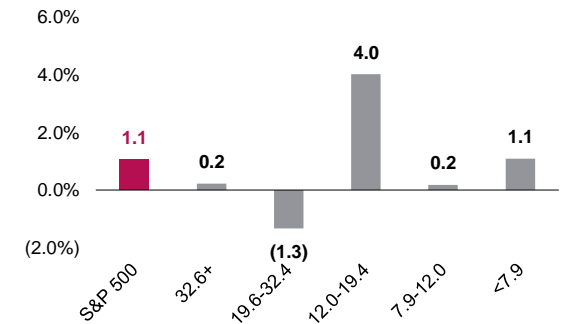
3-5 Year Earnings Growth



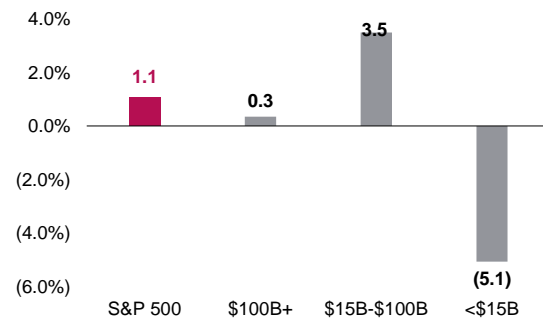
Trailing 12 Month P/E



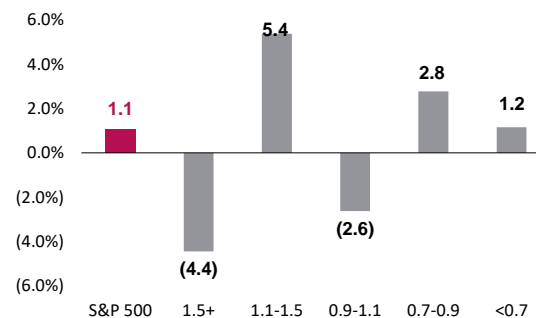
Return On Equity



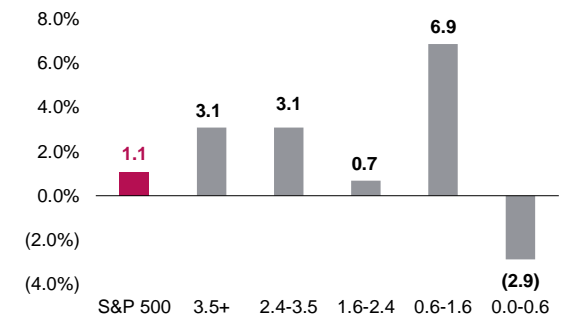
Market Cap



Beta



Dividend Yield



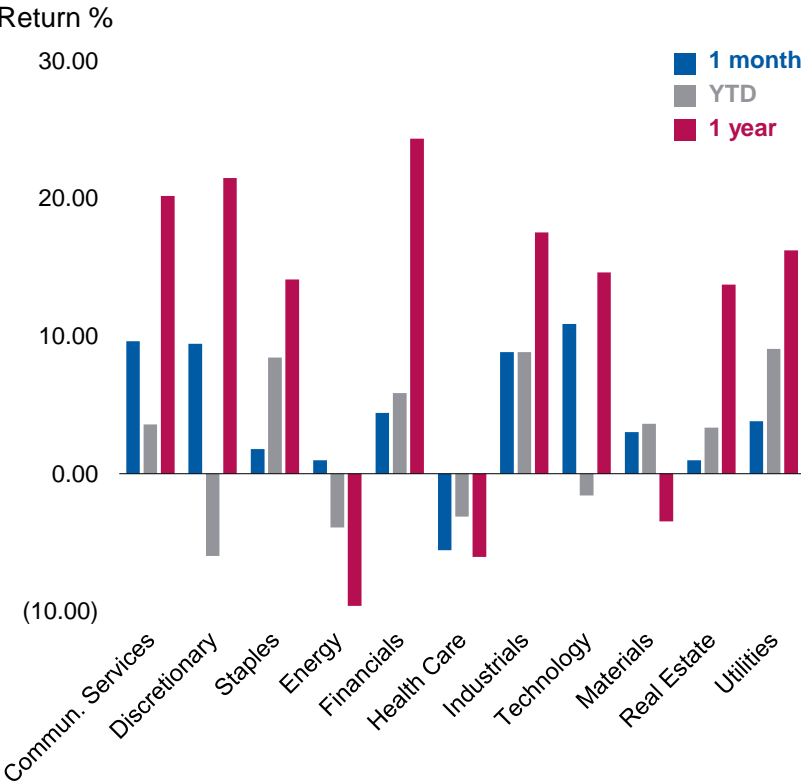
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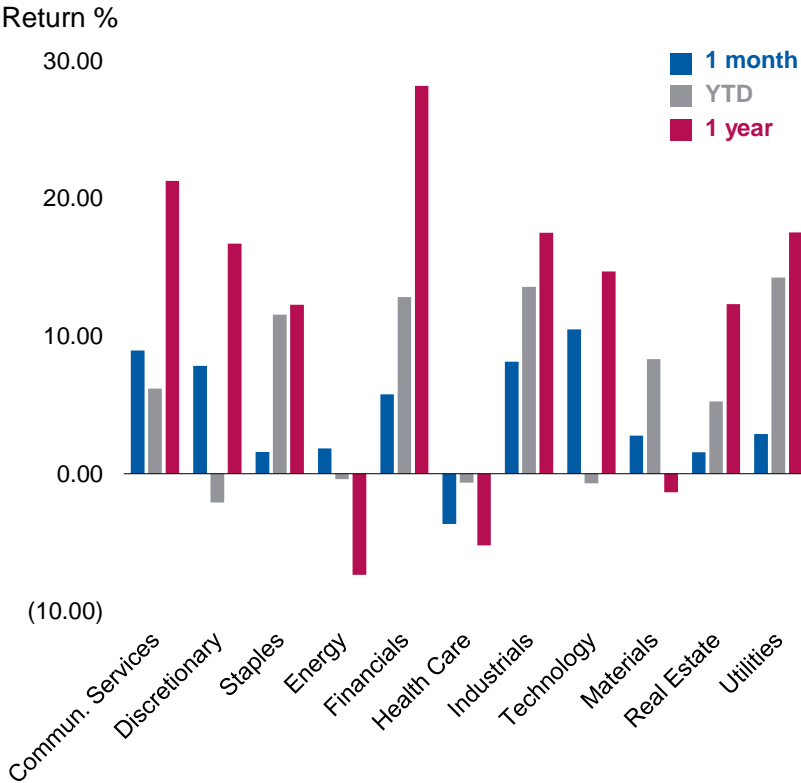
EQUITIES

Index Sectors: Return Analysis

S&P 500



MSCI World

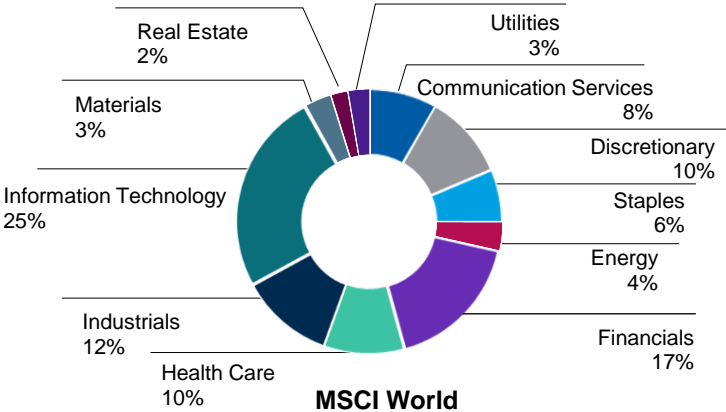
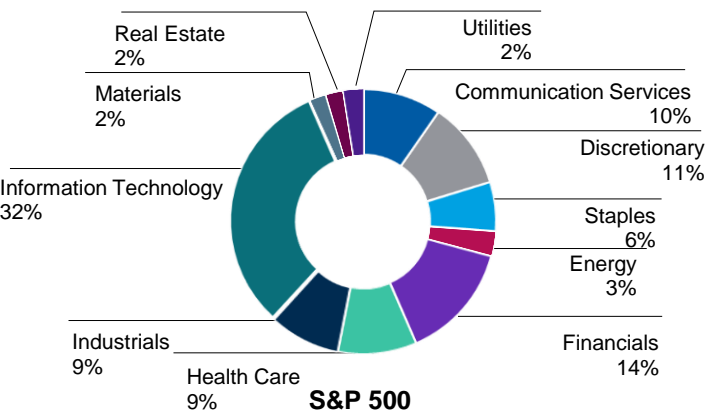


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EQUITIES

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	504	1932	392	867	1353	2187	694	1206	399	1256
Maximum Market Cap	\$3,421.65B	\$16.92B	\$3,421.65B	\$1,088.00B	\$3,309.33B	\$13.49B	\$315.21B	\$794.94B	\$315.21B	\$794.94B
Minimum Market Cap	\$5.43B	\$0.00B	\$0.39B	\$0.19B	\$0.16B	\$0.06B	\$2.28B	\$0.11B	\$2.32B	\$0.11B
Dividend Yield	1.25	1.40	0.57	2.04	1.78	3.00	2.97	2.65	3.11	2.46
NTM PE	21.26	23.28	27.53	16.59	19.14	13.49	14.62	12.15	14.43	13.85
Price to Book	4.90	1.91	12.43	2.67	3.55	1.45	2.06	1.91	2.28	1.83
Price to Cash Flow	17.81	14.40	25.58	12.61	14.74	8.67	9.82	8.05	9.27	9.69
Price to Sales	2.99	1.18	5.57	1.77	2.37	0.93	1.51	1.51	1.54	1.49
Est 3-5 Yr EPS Growth	10.17	12.18	11.41	8.98	9.66	9.73	7.83	11.19	8.69	8.51
5Yr. Div Growth Rate	6.28	8.90	4.53	6.43	6.62	8.24	6.89	2.08	8.35	2.60



Source: FactSet as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

EQUITIES

Asset Class Return Analysis (%)

		1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y	2024	2023	2022	2021	2020
U.S. Equities	S&P 500	6.29	-0.37	1.06	13.52	14.41	15.94	12.86	25.02	26.29	-18.11	28.71	18.40
	Russell 1000 Defensive	3.29	-1.74	0.79	10.53	11.37	12.54	11.69	18.55	20.23	-16.43	26.93	13.93
	Russell 1000 Dynamic	9.51	0.97	1.22	16.95	17.14	18.60	13.28	30.63	33.34	-21.94	25.57	27.69
	Russell 2500	5.99	-2.71	-3.99	3.49	6.04	11.07	7.82	12.00	17.42	-18.37	18.18	19.99
	Russell 1000 Growth	8.85	1.44	-0.27	17.62	19.85	17.69	16.08	33.36	42.68	-29.14	27.60	38.49
	Russell 1000 Value	3.51	-2.43	2.50	8.91	8.16	13.02	8.60	14.37	11.46	-7.54	25.16	2.80
	Russell Mid Cap	5.72	-0.22	1.06	10.32	9.05	12.69	9.26	15.34	17.23	-17.32	22.58	17.10
	Russell 2000	5.34	-4.10	-6.85	1.19	5.03	9.64	6.64	11.54	16.93	-20.44	14.82	19.96
	CBOE S&P 500 Buywrite BXM	0.90	-5.35	-3.81	9.30	7.39	9.56	6.10	20.12	11.82	-11.37	20.47	-2.75
Global Equities	MSCI World	5.92	2.10	4.95	13.72	13.18	14.18	9.93	18.67	23.79	-18.14	21.82	15.90
	MSCI EAFE	4.58	8.92	16.87	13.33	11.45	11.42	5.97	3.82	18.24	-14.45	11.26	7.82
	MSCI EM	4.27	6.31	8.73	13.04	5.15	7.07	3.93	7.50	9.83	-20.09	-2.54	18.31
	MSCI AC Asia Pac	4.76	7.35	8.57	12.95	7.41	7.78	5.03	9.56	11.45	-17.22	-1.46	19.71
	MSCI ACWI	5.75	2.52	5.32	13.65	12.30	13.37	9.25	17.49	22.20	-18.36	18.54	16.25
	MSCI Europe	4.56	8.80	20.57	13.39	12.42	12.82	6.23	1.79	19.89	-15.06	16.30	5.38
	MSCI World Small Cap	5.81	2.53	2.57	7.18	6.64	10.52	6.97	8.15	15.76	-18.76	15.75	15.96
	MSCI World Ex USA Small Cap	5.89	12.42	15.53	14.18	7.39	9.23	6.01	2.76	12.62	-20.59	11.14	12.78
	FTSE 100	4.83	8.22	17.85	16.58	11.45	13.64	5.03	7.73	14.38	-7.01	17.36	-8.73
	FTSE All Small	7.54	13.61	11.33	12.76	7.29	12.97	5.78	8.62	12.57	-23.06	22.15	10.77
	STOXX Europe 600	4.69	9.30	20.73	13.75	12.43	12.68	6.33	1.97	19.87	-16.14	16.09	6.83
Nikkei 225 Average	4.12	7.43	4.40	9.08	9.20	6.93	6.38	8.45	22.05	-19.49	-4.69	23.99	
Sectors	S&P 500 Comm. Services	9.63	1.31	3.59	20.18	21.61	15.33	10.98	40.23	55.80	-39.89	21.57	23.61
	S&P 500 Cons Disc	9.44	-0.62	-5.96	21.49	13.37	12.25	12.25	30.14	42.41	-37.03	24.43	33.30
	S&P 500 Cons Staples	1.81	0.56	8.45	14.11	8.72	11.55	9.20	14.87	0.52	-0.62	18.63	10.75
	S&P 500 Energy	0.99	-9.43	-3.88	-9.58	1.59	21.07	4.63	5.72	-1.33	65.72	54.64	-33.68
	S&P 500 Financials	4.43	-2.04	5.86	24.33	14.98	19.16	12.08	30.56	12.15	-10.53	35.04	-1.69
	S&P 500 Health Care	-5.55	-10.59	-3.10	-6.03	1.84	6.97	7.78	2.58	2.06	-1.95	26.13	13.45
	S&P 500 Industrials	8.83	5.13	8.83	17.54	16.69	18.07	11.75	17.47	18.13	-5.48	21.12	11.06
	S&P 500 Info Tech	10.89	2.74	-1.57	14.62	23.65	22.42	21.53	36.61	57.84	-28.19	34.53	43.89
	S&P 500 Materials	3.03	-1.85	3.63	-3.46	2.39	11.52	7.77	-0.04	12.55	-12.27	27.28	20.73
	S&P 500 Real Estate	0.99	-2.63	3.35	13.74	1.67	7.45	7.11	5.23	12.36	-26.13	46.19	-2.17
	S&P 500 Utilities	3.83	4.20	9.07	16.23	6.68	10.01	9.94	23.43	-7.08	1.57	17.67	0.48

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EQUITIES

Asset Class Return Analysis (%)

Higher ↑

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
	Growth 5.67	Small-Cap 21.31	Emerging Markets 37.28	Growth -1.51	Growth 36.39	Growth 38.49	S&P 500 28.71	Value -7.54	Growth 42.68	Growth 33.36	International 16.87
	International Small-Cap 5.46	Value 17.34	International Small-Cap 31.04	S&P 500 -4.38	S&P 500 31.49	Small-Cap 19.96	Growth 27.60	International -14.45	S&P 500 26.29	S&P 500 25.02	International Small-Cap 15.53
	S&P 500 1.38	Mid-Cap 13.80	Growth 30.21	Value -8.27	Mid-Cap 30.54	S&P 500 18.40	Value 25.16	Mid-Cap -17.32	Global 22.20	Global 17.49	Emerging Markets 8.73
	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 5.32
	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	Value 2.50
	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	Mid-Cap 1.06
	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	S&P 500 1.06
	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 -0.27
	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 -6.85

Lower ↓

Past performance is no guarantee of future results.

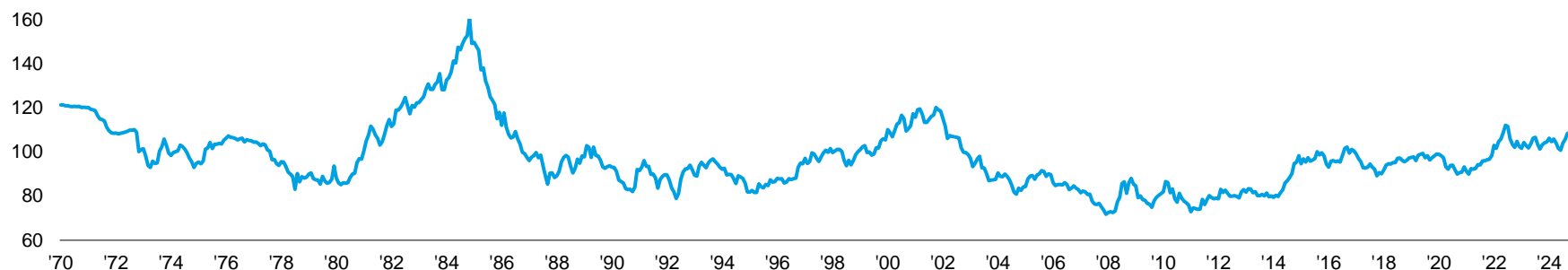
It is not possible to invest directly in an index. In general, Foreign securities are subject to currency, political, economic and market risks. The risks of investing in emerging market countries are greater than investments in foreign developed countries. Investors should carefully review the risks of each asset class prior to investing. Source: Morningstar as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. Small-Cap represented by Russell 2000 Index. Emerging Markets represented by MSCI Emerging Markets Index. Value represented by Russell 1000 Value Index. Mid-Cap represented by Russell Midcap Index. Global represented by MSCI ACWI Index. Growth represented by Russell 1000 Growth Index. International represented by MSCI EAFE Index. International Small-Cap represented by MSCI World Ex USA Small Cap Index.

ALTERNATIVES

Developed Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
U.S. Dollar (USD)	-	-	-	-	-	0.13	-8.79	-4.37	-1.92	-0.41	4.12
Euro (EUR) *	-0.13	9.63	4.57	1.95	0.41	-	-	-	-	-	1.76
British Pound (GBP)	0.96	7.68	5.92	2.28	1.75	1.10	-1.78	1.29	0.32	1.34	3.83
Japanese Yen (JPY)	-1.15	8.92	8.91	-3.75	-5.68	-1.02	-0.65	4.14	-5.60	-6.06	0.74
Australian Dollar (AUD)	0.58	3.94	-3.23	-3.55	-0.62	0.71	-5.19	-7.46	-5.40	-1.02	3.40
Canadian Dollar (CAD)	0.46	4.60	-0.86	-2.74	0.11	0.59	-4.59	-5.19	-4.61	-0.30	2.56
New Zealand Dollar (NZD)	0.61	6.57	-2.82	-2.84	-0.73	0.74	-2.80	-7.07	-4.70	-1.13	3.17
Norwegian Krone (NOK)	1.50	11.16	2.78	-2.74	-0.99	1.63	1.39	-1.71	-4.60	-1.40	4.00
Swedish Krona (SEK)	0.42	15.04	9.50	0.62	-0.39	0.55	4.93	4.71	-1.31	-0.80	1.91
Danish Krone (DKK)	-0.08	9.60	4.56	1.86	0.39	0.05	-0.03	-0.01	-0.09	-0.02	1.56
Swiss Franc (CHF)	0.02	10.31	9.81	5.28	3.18	0.16	0.62	5.01	3.26	2.76	-0.27

U.S. Dollar Index



Past performance is no guarantee of future results.

It is not possible to invest directly in an index. *German Rate. Source: Factset, Bloomberg as of 5/31/25. Dollar is represented by the US Trade Weighted Dollar Index (DXY). Data provided is for informational use only. See end of report for important additional information.

ALTERNATIVES

Emerging Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
Asia, excluding Japan											
Chinese Renminbi (CNY)	0.93	1.44	0.67	-2.56	-0.14	1.07	-7.47	-3.73	-4.43	-0.55	1.44
Malaysian Ringgit (MYR)	1.37	5.05	10.58	0.95	0.42	1.51	-4.18	5.75	-0.99	0.02	2.86
Indian Rupee (INR)	-1.28	0.05	-2.46	-3.19	-2.44	-1.14	-8.75	-6.72	-5.05	-2.84	5.73
Indonesian Rupiah (IDR)	1.90	-1.20	-0.25	-3.63	-2.15	2.04	-9.88	-4.61	-5.47	-2.55	6.03
Philippine Peso (PHP)	0.11	3.67	4.88	-2.08	-1.93	0.24	-5.44	0.30	-3.95	-2.33	5.62
Singapore Dollar (SGD)	1.25	5.78	4.82	2.06	1.85	1.38	-3.51	0.23	0.10	1.44	2.00
South Korean Won (KRW)	3.03	6.70	0.35	-3.57	-2.14	3.17	-2.67	-4.04	-5.42	-2.53	2.21
Taiwanese Dollar (TWD)	6.72	9.40	8.09	-1.06	0.04	6.86	-0.22	3.37	-2.96	-0.37	1.28
Thai Baht (THB)	1.76	3.86	12.07	1.39	-0.63	1.89	-5.26	7.17	-0.55	-1.03	1.54
Latin America											
Brazilian Real (BRL)	-1.23	7.78	-8.31	-6.15	-1.07	-1.10	-1.69	-12.32	-7.95	-1.48	14.64
Chilean Peso (CLP)	1.18	5.21	-2.81	-4.51	-3.16	1.31	-4.03	-7.06	-6.34	-3.55	5.03
Colombian Peso (COP)	1.46	5.83	-7.01	-3.20	-2.26	1.60	-3.47	-11.07	-5.05	-2.66	8.71
Mexican Peso (MXN)	0.87	7.15	-12.12	0.52	2.66	1.00	-2.27	-15.97	-1.40	2.24	8.27
Peruvian New Sol (PEN)	1.18	3.45	3.12	0.50	-1.10	1.31	-5.64	-1.39	-1.43	-1.51	3.95

Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Factset, Bloomberg as of 5/31/25. Data provided is for informational use only. See end of report for important additional information..

ALTERNATIVES

Emerging Market Currency Performance and Yields

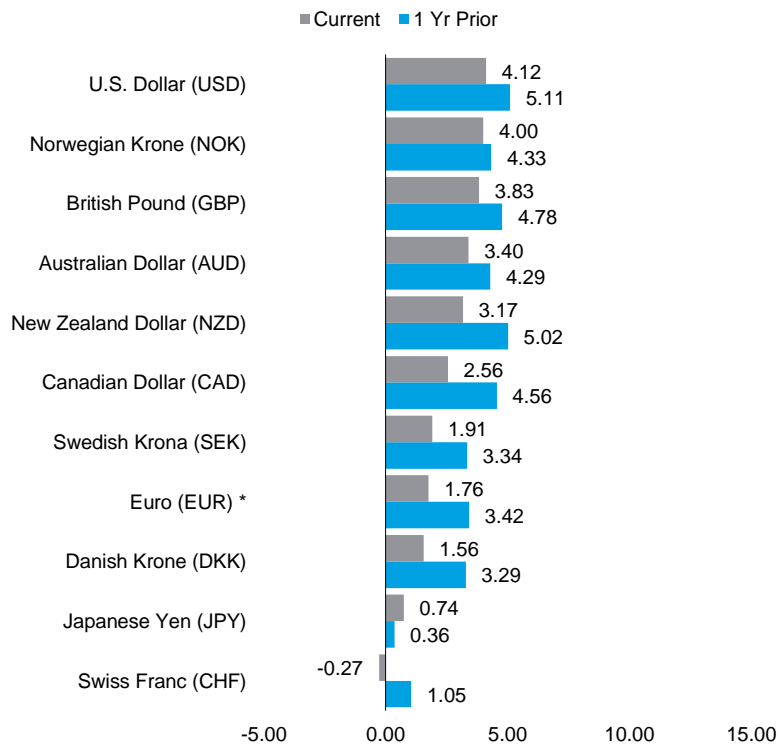
Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
Europe											
Czech Koruna (CZK)	-0.20	10.58	3.51	1.64	1.94	-0.07	0.86	-1.01	-0.31	1.52	3.09
Hungarian Forint (HUF)	-0.03	11.63	0.96	1.35	-2.64	0.11	1.82	-3.45	-0.59	-3.03	6.17
Polish Zloty (PLN)	0.48	10.31	5.14	4.53	1.35	0.62	0.62	0.54	2.52	0.94	4.26
Romanian Leu (RON)	-1.80	7.74	2.79	1.15	-0.49	-1.67	-1.73	-1.71	-0.79	-0.89	6.74
Russian Ruble (RUB)	4.29	39.59	14.94	-7.12	-2.12	4.43	27.32	9.92	-8.90	-2.52	--
Turkish New Lira (TRY)	-1.99	-9.89	-17.92	-25.26	-29.53	-1.86	-17.81	-21.51	-26.69	-29.81	42.67
Middle East and Africa											
Ghanaian Cedi (GHS)	37.56	43.41	43.90	-8.76	-10.81	37.74	30.81	37.61	-10.51	-11.17	17.90
Israeli Shekel (ILS)	3.41	3.54	5.72	-1.83	-0.09	3.54	-5.56	1.09	-3.71	-0.50	4.24
Kenyan Shilling (KES)	0.15	0.12	1.01	-3.31	-3.74	0.29	-8.68	-3.41	-5.16	-4.13	10.00
Moroccan Dirham (MAD)	0.08	9.55	7.59	2.20	1.11	0.21	-0.08	2.89	0.24	0.70	2.17
Nigerian Naira (NGN)	0.86	-2.83	-4.97	-36.08	-24.63	0.99	-11.37	-9.13	-37.30	-24.93	22.12
South African Rand (ZAR)	3.04	4.50	4.26	-4.79	-0.48	3.18	-4.68	-0.30	-6.62	-0.88	7.91
Ugandan Shilling (UGX)	0.71	1.73	4.76	1.25	0.78	0.85	-7.21	0.18	-0.69	0.37	15.50
Zambian Kwacha (ZMK)	4.32	4.72	-2.25	-13.43	-7.22	4.46	-4.48	-6.53	-15.09	-7.59	14.50

Past performance is no guarantee of future results. 5/31/25. Data provided is for informational use only. See end of report for important additional information..

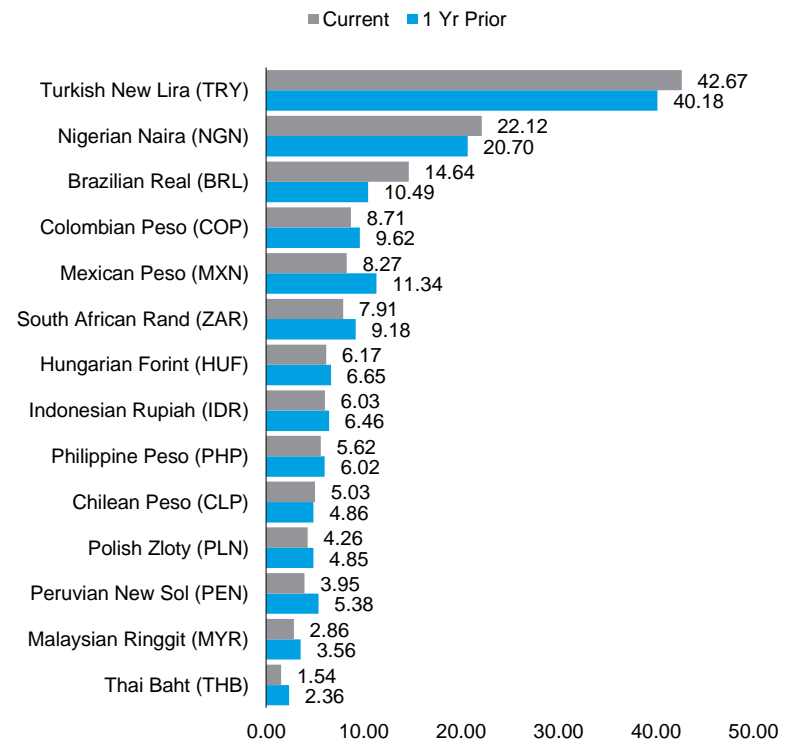
ALTERNATIVES

Local Sovereign Currency Yields

Developed Market Local Interest Rates % (1 Year)



Emerging Market Local Interest Rates % (1 Year)



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It is not possible to invest directly in an index. *German Rate. Source: Bloomberg as 5/31/25. Data provided is for informational use only. See end of report for important additional information.

ALTERNATIVES

Commodities Return Analysis (%)

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Commodity Index	-0.58	-1.64	3.05	1.69	-4.37	12.65
Bloomberg Sub Agriculture	-3.29	-2.53	-0.17	-3.69	-5.20	13.15
Coffee	-14.24	-6.63	12.35	68.98	26.17	33.32
Corn	-6.29	-5.64	-5.27	-8.00	-12.66	9.64
Cotton	-1.10	-0.42	-5.94	-15.61	-16.41	7.23
Soybean	0.09	1.57	2.17	-11.78	-5.13	12.41
Soybean Oil	-3.91	6.46	15.97	4.15	-9.04	19.18
Sugar	-0.81	-5.99	-1.64	4.86	8.16	16.94
Wheat	0.97	-5.37	-6.14	-29.13	-26.93	-6.05
Bloomberg Sub Energy	0.47	-12.47	-6.60	-8.91	-18.35	10.83
Brent Crude	3.25	-11.58	-11.28	-12.49	-5.62	23.82
Heating Oil	1.39	-7.95	-4.43	-8.28	-2.32	29.85
Natural Gas	-4.83	-17.00	2.76	-7.35	-48.05	-19.66
Unleaded Gas	1.49	-7.33	-7.28	-8.57	-2.83	30.37
WTI Crude Oil	5.88	-10.03	-11.19	-9.83	-8.27	20.96

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Sub Industrial Metals	1.21	-1.83	2.26	-8.04	-4.43	10.68
Aluminum	2.02	-6.25	-3.59	-8.41	-4.82	8.17
Copper	1.85	2.79	15.79	2.17	4.80	14.97
Nickel	-1.33	-1.69	-1.21	-23.76	-18.86	4.32
Zinc	1.34	-5.72	-11.96	-11.44	-9.40	7.65
Bloomberg Sub Precious Metals	-0.28	13.11	21.60	31.32	19.21	12.11
Gold	-0.61	15.52	24.21	39.82	20.53	12.35
Platinum	9.21	12.22	16.41	0.88	4.58	4.32
Silver	0.97	5.01	12.81	7.28	14.54	11.23
Bloomberg Sub Livestock	3.37	12.31	11.50	23.40	13.38	10.36
Lean Hogs	3.79	8.80	5.01	22.63	2.93	10.83
Live Cattle	3.06	14.31	15.18	25.05	20.04	10.47

Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Morningstar as of 5/31/25. Data provided is for informational use only. See end of report for important additional information. Commodity represented by Bloomberg Commodity Index. Agriculture represented by Bloomberg Agriculture Subindex. Energy represented by Bloomberg Energy Subindex. Grains represented by Bloomberg Grains Subindex. Industrial Metals represented by Bloomberg Industrial Metals Subindex. Livestock represented by Bloomberg Livestock Subindex. Precious Metals represented by Bloomberg Precious Metals Subindex.

ALTERNATIVES

Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	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	Equity Market Neutral 6.38
	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	Currency 6.13
	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	Commodity 3.64
	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	Fixed Income Arbitrage 3.48
	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	Multi-Strategy 2.92
	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	MLP 2.63
	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	Convertible Arbitrage 2.22
	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	Long/Short Equity 1.67
	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	Global Macro 1.18
	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	Event Driven 0.32
Lower	MLP -32.59	Managed Futures -6.84	MLP -6.52	MLP -12.42	Equity Market Neutral 1.58	MLP -28.69	Currency -3.09	Currency -7.14	Commodity -7.91	Currency -1.08	Managed Futures -6.30

Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: Morningstar as of 4/30/25. *Data is on a 1-month lag. Data provided is for informational use only. Alternative investments often are speculative and include a high degree of risk. See end of report for important additional information. Global Macro represented by Credit Suisse Global Macro Index. MLP represented by Alerian MLP Index. Event Driven represented by Credit Suisse Event Driven Index. Multi-Strategy represented by Credit Suisse Multi-Strategy Index. Long/Short Equity represented by Credit Suisse Long/Short Equity Index. Convertible Arbitrage represented by Credit Suisse Convertible Arbitrage Index. Currency represented by J.P. Morgan EMLI+ Index. Equity Market Neutral represented by Credit Suisse Equity Market Neutral Index. Fixed Income Arbitrage represented by Credit Suisse Fixed Income Arbitrage Index. Managed Futures represented by Credit Suisse Managed Futures Index. Commodity represented by Bloomberg Commodity Index.

TRANSITION

Major Asset Classes Correlation Table

	S&P 500	International	Emerging Markets	Small Cap	U.S. Aggregate	Municipal	High Yield	Bank Loan	Commodities
S&P 500	1.00	0.85	0.69	0.86	0.38	0.42	0.80	0.60	0.38
International	0.83	1.00	0.79	0.76	0.43	0.47	0.80	0.59	0.42
Emerging Markets	0.60	0.75	1.00	0.62	0.40	0.44	0.70	0.56	0.47
Small Cap	0.83	0.74	0.56	1.00	0.29	0.34	0.77	0.64	0.37
U.S. Aggregate	0.59	0.68	0.61	0.50	1.00	0.84	0.50	0.15	-0.05
Municipal	0.65	0.68	0.67	0.55	0.89	1.00	0.56	0.29	0.04
High Yield	0.83	0.80	0.65	0.76	0.74	0.74	1.00	0.80	0.49
Bank Loan	0.58	0.58	0.56	0.59	0.34	0.37	0.68	1.00	0.49
Commodities	0.30	0.32	0.35	0.23	0.02	0.02	0.32	0.35	1.00

5 Years ended May 31, 2025
 10 Years ended May 31, 2025

Past performance is no guarantee of future results.

It is not possible to invest directly in an index. Source: Morningstar as of 5/31/25. The table above shows the return correlation between various asset classes (represented by market indices as defined in this disclosure) over the past five and ten years. Data provided is for informational use only. See end of report for important additional information. S&P 500 is represented by the S&P 500 Index. International is represented by MSCI EAFE Index. Emerging Markets is represented by MSCI Emerging Markets Index. Small-Cap is represented by Russell 2000 Index. US Aggregate is represented by the Bloomberg Barclays Capital US Aggregate Bond Index. Municipal is represented by Bloomberg Barclays Municipal Bond Index. High Yield is represented by ICE BofA US High Yield Index. Bank Loan is represented by Morningstar LSTA U.S. Leveraged Loan Index. Commodities is represented by Bloomberg Commodity Index.

TRANSITION

Fund and ETF Flows by Category

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

	1 Mo.	3 Mo.	12 Mo.
Large Blend	14,763	67	-109,637
Ultrashort Bond	1,706	4,870	10,965
Short-Term Bond	1,459	1,478	-2,001
Miscellaneous Region	959	2,102	4,602
Commodities Broad Basket	823	931	-183
Equity Market Neutral	702	1,823	3,692
Trading--Inverse Equity	379	432	242
Real Estate	274	-24	690
Inflation-Protected Bond	268	723	6,621
Macro Trading	156	709	1,940

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

	1 Mo.	3 Mo.	12 Mo.
Diversified Emerging Mkts	-4,074	-10,234	-24,276
Foreign Large Blend	-4,141	-15,349	-6,217
Multisector Bond	-4,194	2,408	32,907
Moderate Allocation	-5,304	-13,703	-44,901
High Yield Bond	-5,401	-4,749	5,464
Bank Loan	-5,543	-5,777	-5,525
Large Growth	-7,183	-27,793	-122,638
Large Value	-7,258	-19,940	-73,384
Intermediate Core-Plus Bond	-9,456	-3,759	2,511
Intermediate Core Bond	-22,418	-21,260	13,445

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

	1 Mo.	3 Mo.	12 Mo.
Large Blend	25,685	79,277	397,074
Ultrashort Bond	15,301	43,673	95,313
Large Value	8,084	28,027	76,068
Foreign Large Blend	7,420	21,674	68,668
Large Growth	5,913	20,571	98,789
Trading--Leveraged Equity	4,857	11,431	15,609
Derivative Income	4,565	14,426	45,833
Commodities Focused	4,444	16,552	21,644
Digital Assets	2,867	-539	34,438
Intermediate Government	2,845	38	25,524

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

	1 Mo.	3 Mo.	12 Mo.
Mid-Cap Value	-1,463	-1,860	-1,613
Emerging Markets Bond	-1,602	-1,541	-2,301
Corporate Bond	-1,994	177	12,435
Equity Energy	-3,248	-4,971	-14,554
Financial	-3,539	-4,041	10,904
China Region	-4,084	-3,060	785
Bank Loan	-4,420	-7,240	3,588
Long Government	-4,563	-1,142	11,630
High Yield Bond	-4,731	253	14,016
Small Blend	-5,448	-7,833	20,121

Source: Morningstar as of 4/30/25. Flow data is on a one-month lag. Data provided is for informational use only. See end of report for important additional information.

TRANSITION

Major Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher	Municipal 3.30	Small-Cap 21.31	Emerging Markets 37.28	Municipal 1.28	S&P 500 31.49	Small-Cap 19.96	S&P 500 28.71	Commodities 16.09	S&P 500 26.29	S&P 500 25.02	International 16.87
	S&P 500 1.38	High Yield 17.49	International 25.03	Bank Loan 0.44	Small-Cap 25.52	S&P 500 18.40	Commodities 27.11	Bank Loan -0.77	International 18.24	Small-Cap 11.54	Emerging Markets 8.73
	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	Asset Allocation 3.46
	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	Commodities 3.05
	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	High Yield 2.64
	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	US Agg 2.45
	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	Bank Loan 1.99
	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 1.06
	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	Municipal -0.96
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 -6.85

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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
SEMELROTH**
Executive Director



ERIC ZHANG
Executive Director



**SCHUYLER
HOOPER**
Executive Director



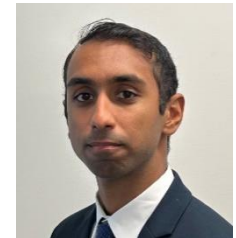
**GREG
WATERMAN**
Executive Director



UMAR MALIK
Vice President



CHRIS CHIA
Vice President



**SACHIN
RAGHAVAN**
Associate

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MARK BAVOSO

Senior Portfolio Manager, Global Multi-Asset Team

JUSTIN BOURGETTE, CFA

Portfolio Manager

Head of Investment Strategy for the High Yield Team

CRAIG BRANDON, CFA

Portfolio Manager

Co-Head of the Municipals Team

JIM CARON

Chief Investment Officer, Portfolio Solutions Group

AARON DUNN, CFA

Portfolio Manager

Co-Head of the Value Equity Team

GREG FINCK

Portfolio Manager

Co-Head of the Mortgage and Securitized Team

BRAD GODFREY, CFA

Co-Head of the Emerging Markets Team

KATIE HERR

Head of Fixed Income Product Strategy

LAUREN HOCHFELDER

Co-Chief Executive Officer of MSREI

Head of MSREI Americas

JITANIA KANDHARI

Deputy CIO, Solutions & Multi Asset Group;

*Head of Macro & Thematic Research,
Emerging Markets; Portfolio Manager*

VISHAL KHANDUJA, CFA

Portfolio Manager

Co-Head of the Broad Markets Fixed Income Team

KYLE LEE, CFA

Portfolio Manager

Co-Head of the Emerging Markets Team

SCOTT R. NORBY

Private Credit and Equity

NISHA PATEL, CFA

Senior Portfolio Manager

Head of Fixed Income SMA Management, Parametric

CHRISTOPHER REMINGTON

Institutional Portfolio Manager

Head of Fixed Income Product & Portfolio Strategy

ANDREW SLIMMON

Senior Portfolio Manager

Head of Applied Equity Advisors

ANDREW SZCZUROWSKI, CFA

Portfolio Manager

Co-Head of the Mortgage and Securitized Team

STEVEN TURNER, CFA

Head of Investment Selection,

Portfolio Solutions Group

MARK VAN DER ZWAN, CFA

*Chief Investment Officer and Head of the AIP Hedge
Fund Team*

Index Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Goldman Sachs India Financial Conditions Index is a composite indicator used to assess financial conditions in the Indian economy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADDITIONAL INFORMATION

Index Definitions, Terms and About Risk

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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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