

Morgan Stanley

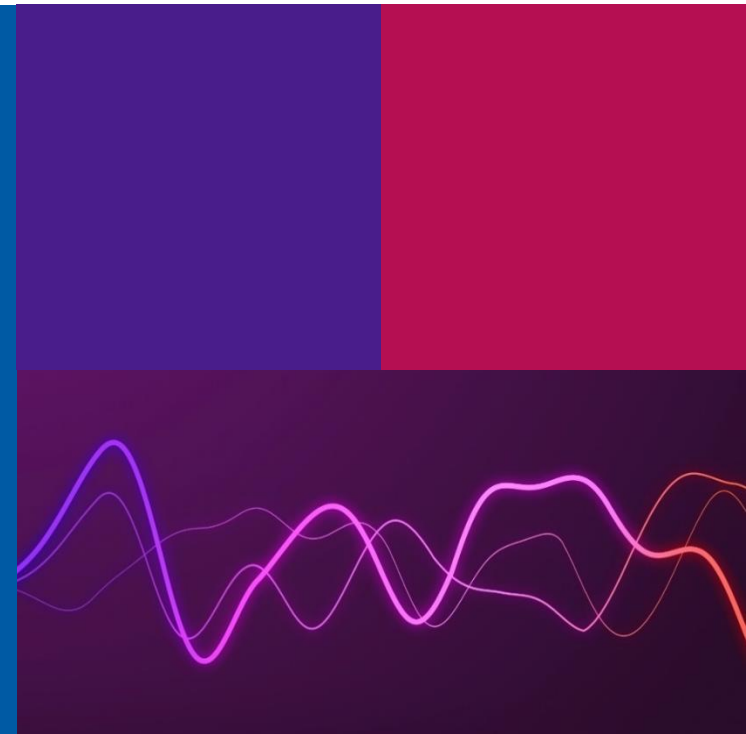
INVESTMENT MANAGEMENT

# The BEAT

**Bonds | Equities | Alternatives | Transition**

Monthly Global Market and Asset Allocation Guide

October 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.

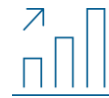
## TOP VIEWS: THE BOTTOM LINE

**Irrational exuberance? We say no. That's because fundamentals support equity market strength and bond spreads alike. Supporting drivers are resilient macro data (sturdy albeit softer growth, sticky albeit low inflation), fiscal and monetary policy tailwinds, and structural durability of AI productivity gains. We remain cautiously optimistic.**



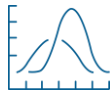
### Headwinds (Tariffs) Turning Into Tailwinds (Taxes)

After the passage of the One Big Beautiful Bill Act, taxes paid by corporations on the September 15<sup>th</sup> tax date fell by \$104Bn, compared to tariff expenses rising \$94Bn, a net positive for issuers that's feeding into earnings.



### Rising Productivity

Productivity has risen steadily, and we expect the trend to continue into 2026. Investment in AI tools, equipment, software and automation should accelerate productivity gains in the coming years. This supports higher valuations.



### Positive Policy Impulses

The Fed believes it can run the economy hot with low risk of inflation. Combined with government stimulus the markets will be supported on both sides of the monetary/fiscal policy picture.



### Widening Profit Margins

Markets are pricing rising growth in earnings with stable costs, which equals wider profit margins, something that may justify higher valuations. A resilient consumer and a Fed focused on supporting the labor market add to a solid backstop.

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TOP VIEWS: POSITIONING

## Top Active Views

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- 1 O/W U.S. Equities: Continued Scope for Positive Earnings Surprises
  - 2 Continued Preference for U.S. Large-Cap Over Small- and Mid-Caps
  - 3 Selective in Europe: Neutral Overall With O/Ws to Banks and Mid-Caps
  - 4 Duration: U/W in U.S. With Yield Curve Steepening Bias
  - 5 We Prefer Higher-Yielding Credit Relative to Investment Grade, as Recession Risks Are Low
  - 6 Carry via FX: Owning EU High Yield Hedged Back to the U.S. Dollar (USD)
  - 7 Non-Agency RMBS Remains Highest Conviction Bond O/W
- 

Note: O/W means overweight and U/W means underweight. 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.**

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## TOP VIEWS: POSITIONING

## Capital Markets Investment Framework

ASSET ALLOCATION	OUR VIEW				
	--	-	=	+	++
<b>Bonds</b>					
Duration	●	●	●	●	●
Credit	●	●	●	●	●
<b>Equities</b>					
Risk Level	●	●	●	●	●
<b>Alternatives</b>					
Private Markets	●	●	●	●	●
Hedge Funds	●	●	●	●	●
Commodities	●	●	●	●	●
<b>Transition</b>					
Cash/Short Duration	●	●	●	●	●

● Current allocation  
 ◀ Change from previous

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

## Points of Focus:

- 1 Remain U/W duration.
- 2 Corporate credit remains expensive; we maintain a relative preference for Emerging Market (EM) Debt Hard Currency, Asset-Backed Securities (ABS) and Bank Loans.
- 3 Remain neutral on equities globally, with a view of balanced risks.

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.

## TOP VIEWS: POSITIONING

# Global Fixed Income

	OUR VIEW				
FIXED INCOME	--	-	=	+	++
<b>Bonds</b>					
U.S. Treasuries	●	●	●	●	●
Inflation-Linked Bonds	●	●	●	➡	●
Eurozone Govt. Bonds	●	●	➡	●	●
EM Hard Currency	●	●	●	●	●
EM Local Currency	●	●	●	●	●
<b>Public Credit</b>					
Municipal Bonds	●	●	●	➡	●
Investment Grade (IG)	●	●	●	●	●
MBS*/ABS	●	●	●	●	●
High Yield (HY)	●	●	●	●	●
Bank Loans	●	●	●	➡	●

● Current allocation  
 ➡ Change from previous

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

## Points of Focus:

- 1 MBS/ABS remains our highest conviction fixed income O/W.
- 2 Move to Neutral on Munis as ratios have tightened vs. USTs.
- 3 Move O/W on Treasury Inflation-Protected Securities (TIPS) as there is scope for inflation expectations to rise in 2026.
- 4 Within European government bonds, we are O/W peripherals and U/W core.
- 5 Move Bank Loans to O/W given high carry and solid growth backdrop.

\*Mortgage-Backed Securities. 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.

## TOP VIEWS: POSITIONING

## Global Equity

EQUITIES	OUR VIEW				
	--	-	=	+	++
<b>Regional</b>					
U.S.	●	●	●	●	●
Eurozone	●	●	●	●	●
Japan	●	●	●	●	●
Emerging Markets (EM)	●	●	●	●	●
<b>Style</b>					
Growth vs. Value	●	●	●	●	●
Quality	●	●	●	●	●
Large-Cap vs. Small-Cap	●	●	●	●	●
Cyclicals vs. Defensives	●	●	●	●	●

● Current allocation  
 ◀ Change from previous

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

## Points of Focus:

- 1 Remain O/W U.S. given positive earnings revisions trends. Add O/W to U.S. industrial policy beneficiaries.
- 2 Targeted exposure in Europe; neutral overall but O/W banks, O/W German mid-caps and U/W core.
- 3 Preference for U.S. large-caps vs. small/mid-caps; targeted mid-cap exposure in Germany.
- 4 Overweight cyclicals in the U.S. and Europe, given exposure to structural policy-driven growth tailwinds.

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## TOP VIEWS: KEY PORTFOLIO THEMES

INVESTMENT THEME	DESCRIPTION	IMPLEMENTATION
Global Fiscal Expansion	Most major countries will likely benefit from positive fiscal impulses in the coming 1-2 years. Partly spurred by Trump, partly by industrial policy.	<ul style="list-style-type: none"> <li>• <b>U/W Duration</b></li> <li>• <b>O/W TIPS vs. Nominals</b></li> </ul>
EU Investment Renaissance	After decades of underinvestment, the EU, led by Germany, is expanding fiscal capacity.	<ul style="list-style-type: none"> <li>• <b>O/W EU Banks</b></li> <li>• <b>O/W German mid-caps</b></li> <li>• <b>O/W Credit</b></li> </ul>
U.S. Productivity Boom	The adoption of AI (artificial intelligence), tax incentives, deregulation and shrinking public-sector employment will likely lead to a productivity-driven boom.	<ul style="list-style-type: none"> <li>• <b>O/W U.S. Equities</b></li> <li>• <b>O/W U.S. Industrial Policy Beneficiaries</b></li> <li>• <b>O/W AI Adopters (Defense)</b></li> <li>• <b>O/W Bank Loans</b></li> </ul>
Corporate Credit Is Expensive	Corporate spreads offer poor risk/reward in the current environment, with default rates still reasonably high.	<ul style="list-style-type: none"> <li>• <b>U/W IG</b></li> <li>• <b>O/W Structured and EM Debt</b></li> </ul>
Preference for EU Over U.S. High Yield	Lower default rates, wider spreads, likely higher hedged yields.	<ul style="list-style-type: none"> <li>• <b>O/W EU HY vs. U/W U.S. HY</b></li> </ul>

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



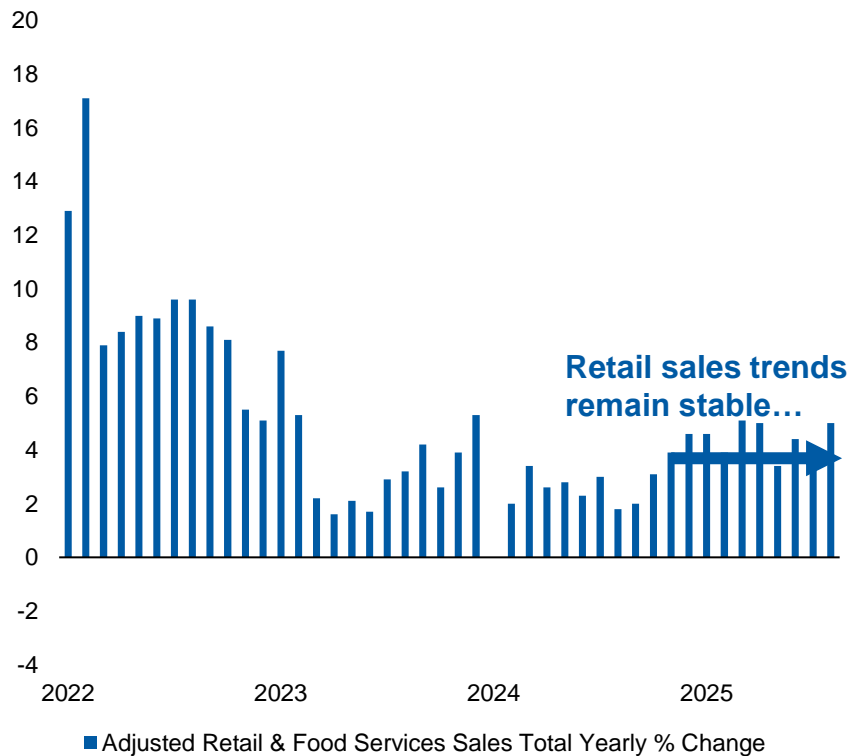
## TOP VIEWS: MACRO

# A Resilient Consumer Supports Upward Revisions to Growth Forecasts

Stable retail sales signal a healthy consumer, reinforcing upward revisions to 2025–2026 GDP forecasts.

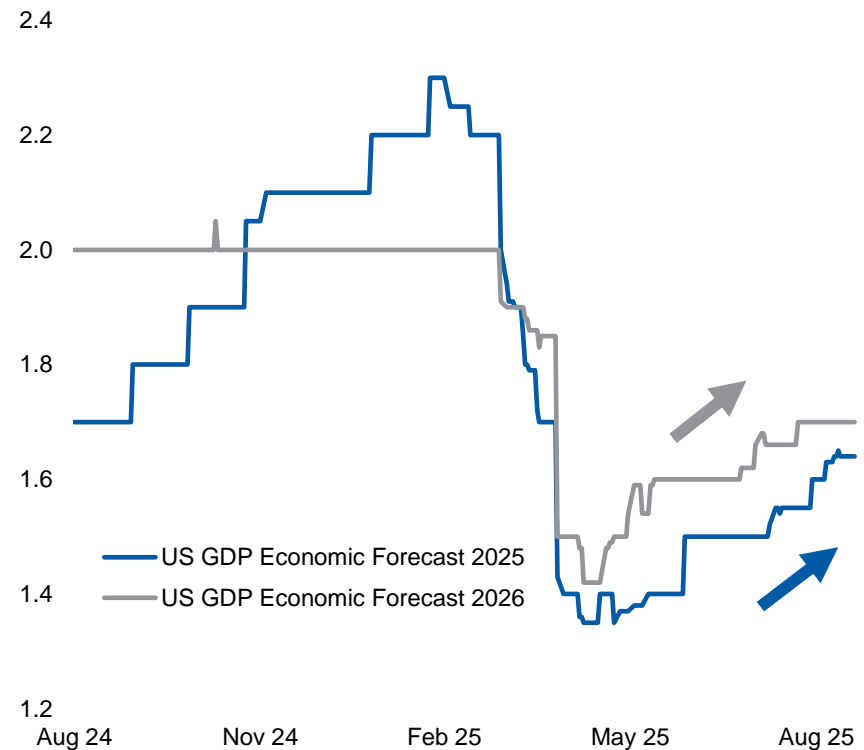
## Consumer Spending Remains Resilient ...

Adjusted retail and food sales total %YoY (year-over-year)



## ... Supporting Positive Revisions to GDP Forecasts

U.S. GDP forecast evolution, calendar years 2025 and 2026



Source: Bloomberg, MSIM. As of September 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.**

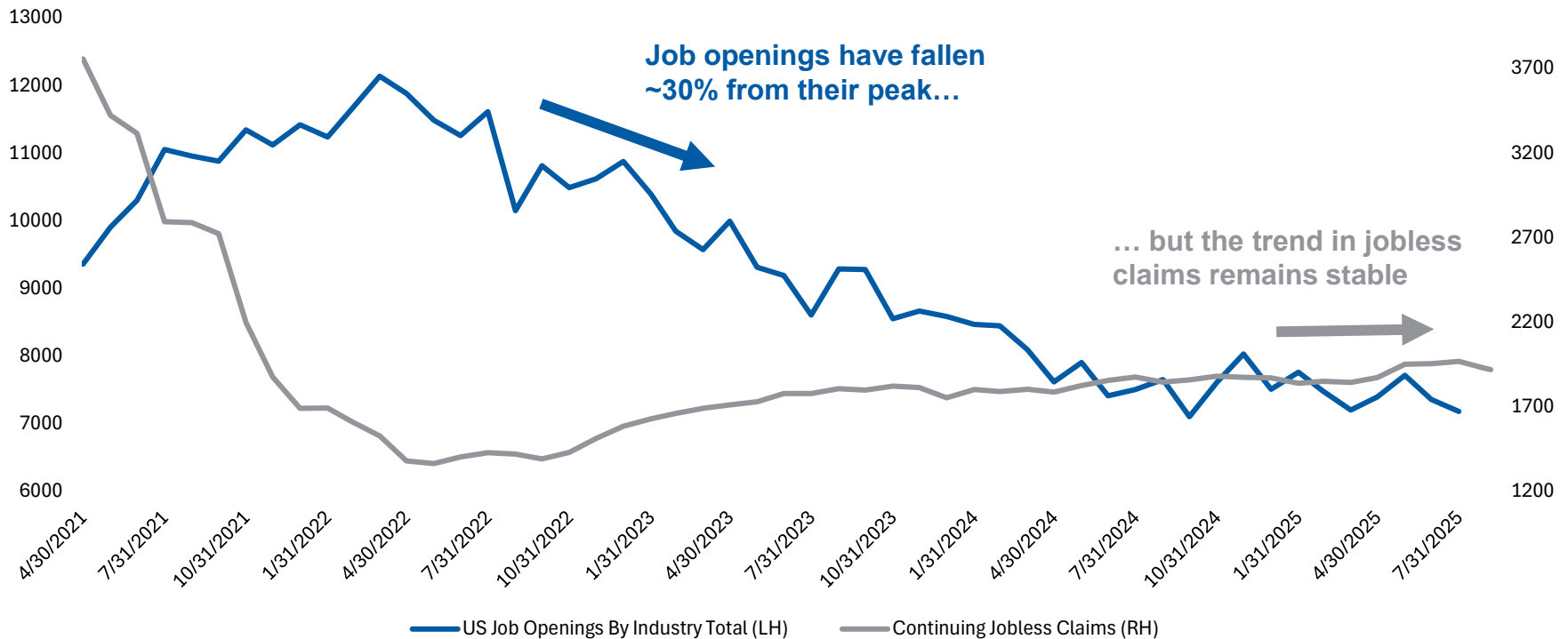
## TOP VIEWS: MACRO

# Labor Market Rebalancing: Hiring Slowing, but Layoffs Remain Contained

Job openings have declined from highs, but layoffs have yet to increase meaningfully. This points to a gradual rebalancing in the labor market rather than a sharp downturn.

## Fewer Job Openings Indicate Hiring Slowdown, but Stable Claims Show Limited Stress on Labor Markets

JOLTS\* job openings total (LH), continuing jobless claims (RH)



Source: Bloomberg, MSIM. As of September 22, 2025. \*JOLTS stands for Job Openings and Labor Turnover Survey. 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.**

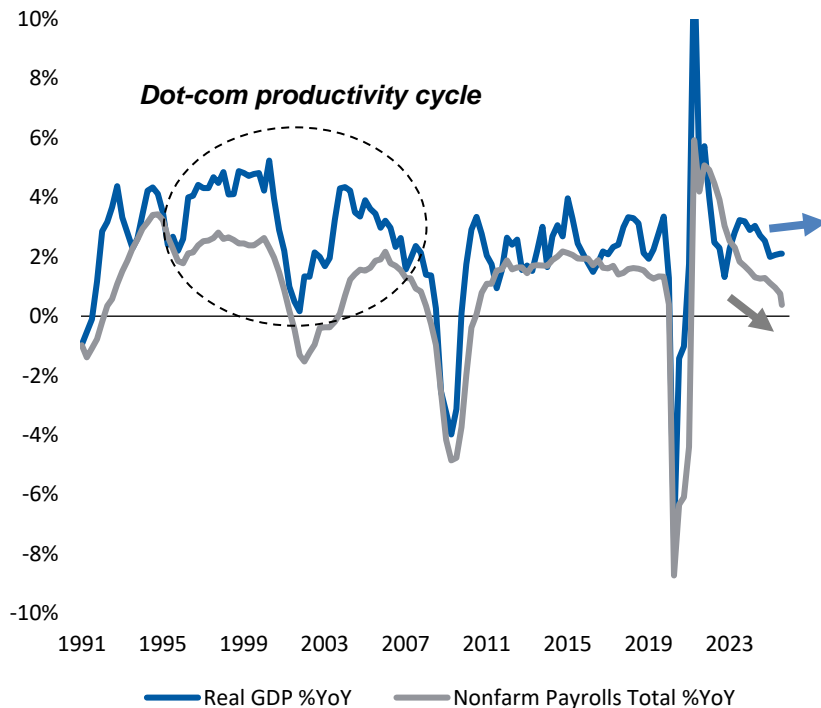
## TOP VIEWS: MACRO

# Labor Productivity Remains a Key Growth Driver in the U.S.

Broad economic growth has been outpacing measures of employment growth, signalling a continued growth in labor productivity. Higher productivity increases potential growth, which can support higher profit margins and valuation multiples.

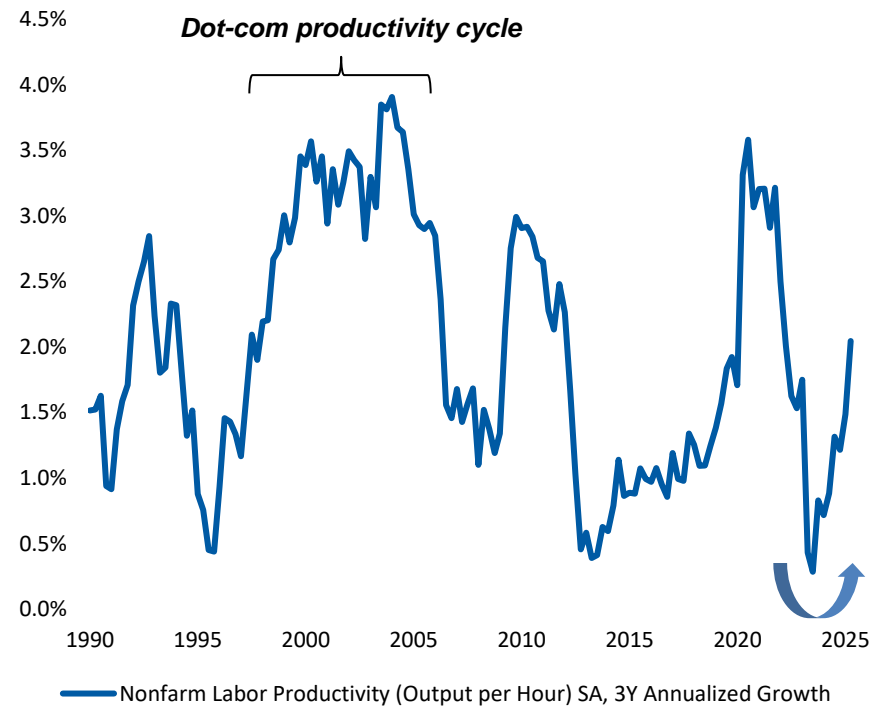
## Economic Growth Is Outpacing Employment Growth ...

Real GDP growth %YoY, total nonfarm payrolls growth %YoY



## ... Signaling a New Productivity Growth Cycle

Nonfarm labor productivity, 3-year annual growth



Source: Bloomberg, MSIM. As of September 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.**

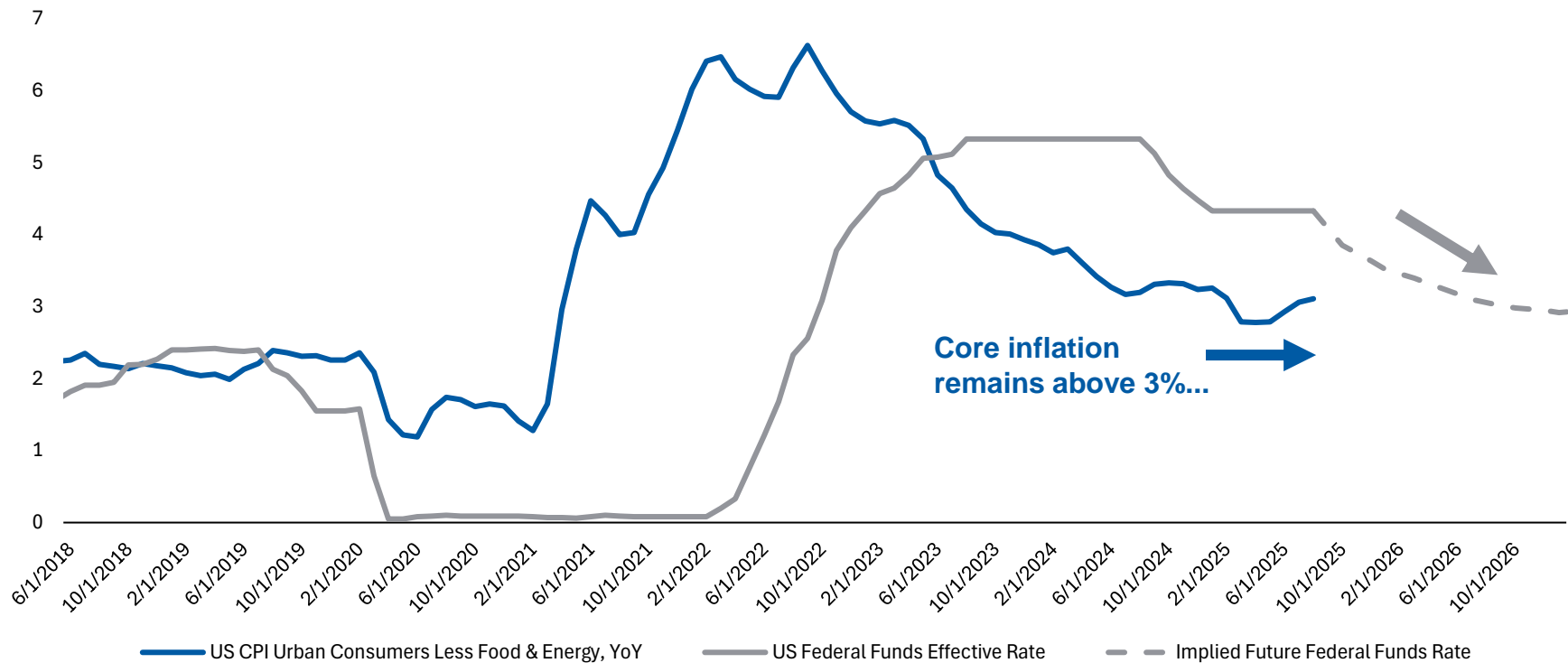
## TOP VIEWS: MACRO

## Markets Expect Several Rate Cuts, While Inflation/Growth Suggest Fewer

Consensus expects the Fed funds rate to finish 2026 at ~3% (4-5 additional cuts), but sticky inflation and stronger growth trends suggest expectations may be too aggressive.

## Market Expectations for Rate Cuts May Be Overly Optimistic Given Sticky Inflation and Resilient Growth

*U.S. Fed funds effective rate with market-implied path, U.S. core CPI %YoY*



Source: Bloomberg, MSIM. As of September 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.**

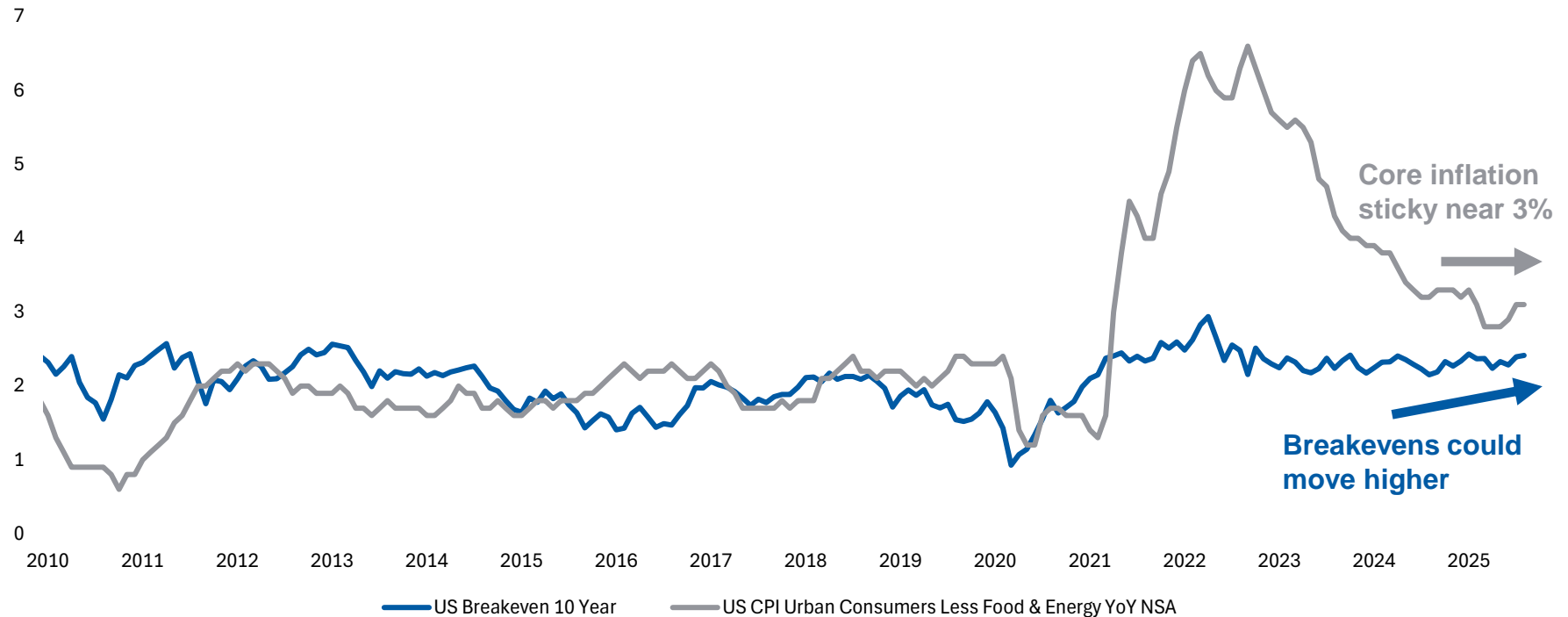
## TOP VIEWS: BONDS

# Overweight TIPS: Markets May Be Underappreciating Inflation Risks

10-year breakevens imply core inflation is returning closer to 2%, while current levels remain closer to 3%. With growth potentially reaccelerating in 2026, upside inflation risks may be underappreciated.

## Breakevens May Rise if Inflation Remains Sticky or Reaccelerates in 2026

U.S. 10-year breakevens vs. Core CPI NSA (Not Seasonally Adjusted) %YoY



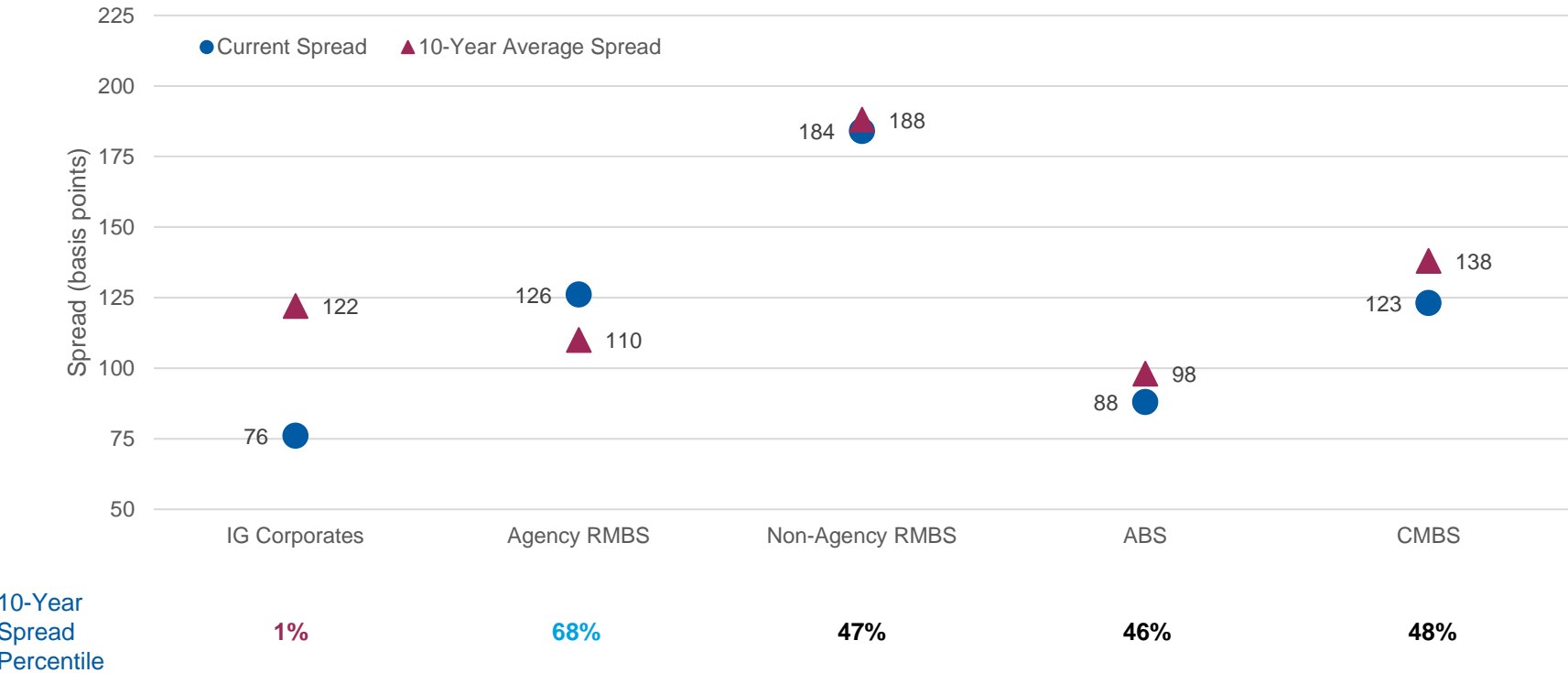
Source: Bloomberg, MSIM. As of September 22, 2025. For illustrative purposes only. Not a recommendation to buy or sell any security. It is not possible to invest directly in an index. The views and opinions expressed are those of the portfolio management team at the time of writing/of this presentation 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 VIEWS: BONDS

# Case for Mortgage-Backed Securities and Securitized Assets

Securitized markets trade at wider spreads than other IG sectors, such as IG corporates.

Current Spreads, 10-Year Average and 10-Year Spread Percentile  
As of September 30, 2025



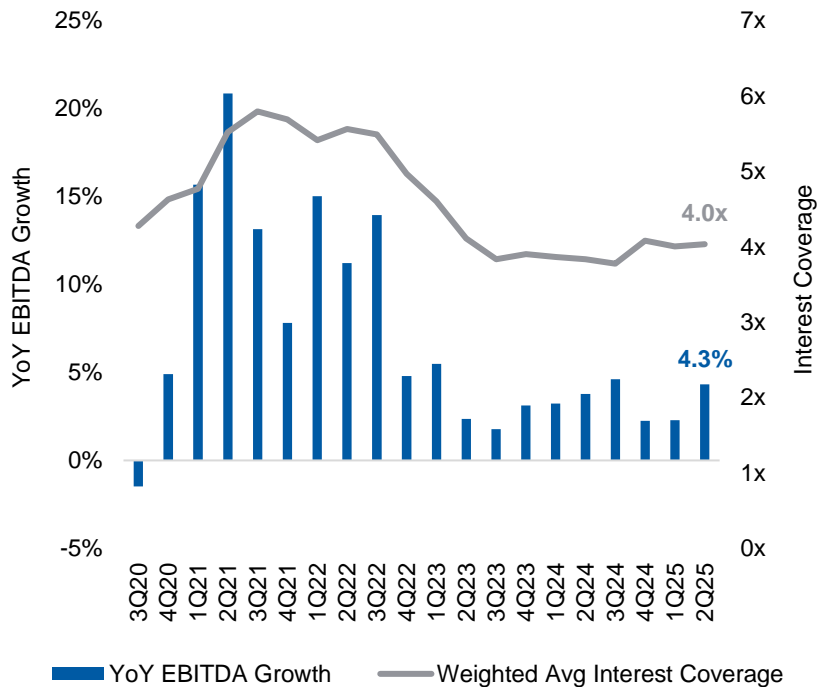
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TOP VIEWS: BONDS

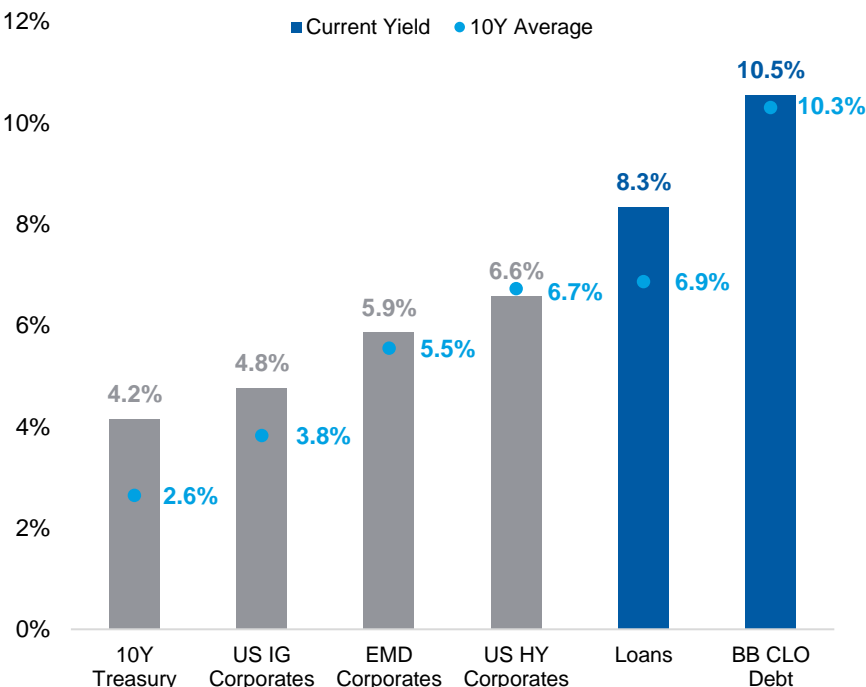
# Floating-Rate Loans Continue to Show Resilience

As the Fed cuts interest rates, fundamentals continue to improve while the asset class offers yields of ~8%

## Earnings Growth and Interest Coverage Improving



## Current Yields vs. 10-Year Average



Source: MSIM, PitchBook LCD, ICE Data Indices LLC, J.P. Morgan. As of September 22, 2025. EBITDA stands for earnings before interest, taxes, depreciation and amortization. Loans represented by Morningstar LSTA US Leveraged Loan Index. US High Yield represented by ICE BofA US High Yield Index. US IG Corporates represented by ICE BofA US Corporate Index. 10Y Treasury represented by ICE BofA Current 10Y US Treasury Index. EMD Corporates represented by the J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified. BB CLOs represented by the BB portion of the J.P. Morgan CLOIE Post-Crisis 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.**

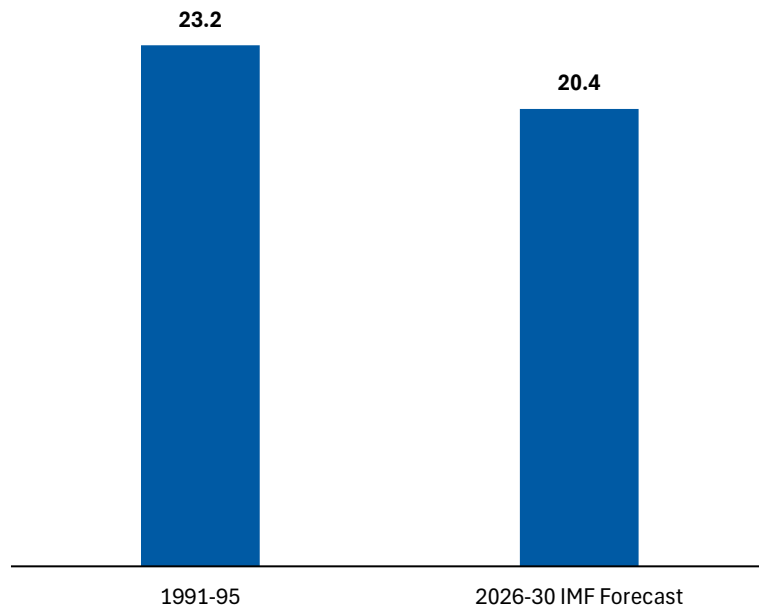
## TOP VIEWS: BONDS

## Underweight Eurozone Duration: More Upside in Long-End Yields

Despite inflation falling towards target, we think long-end yields in the Eurozone could continue to rise, as Germany's fiscal spending exerts steepening pressure on yield curves.

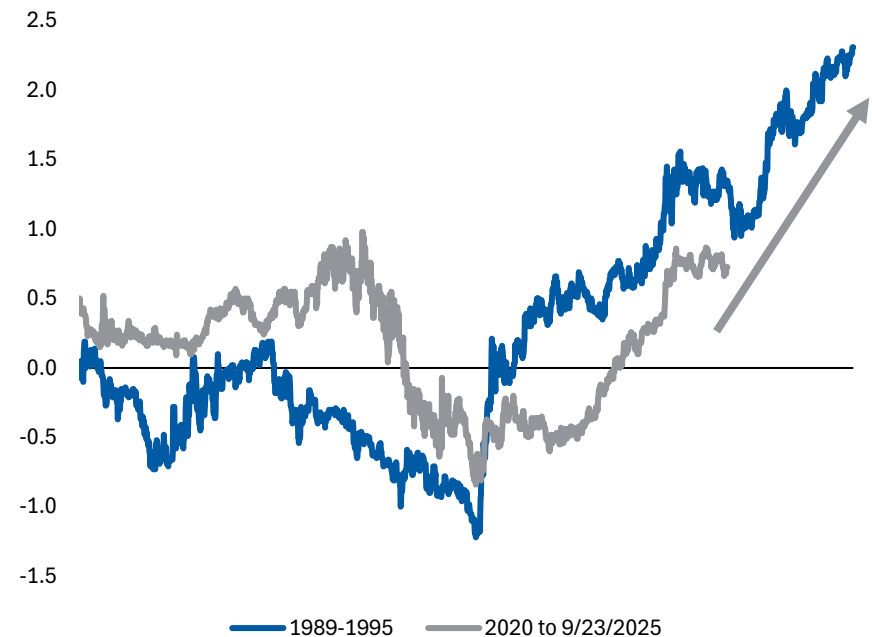
### Germany's Fiscal Expansion Mirrors the Post-Reunification Spending Boom

*Germany cumulative change in cyclically adjusted balance as % of GDP*



### Reunification Precedent Means the Curve Could Continue to Steepen

*German bund 2-10 year curve slope*



Source: IMF Fiscal Monitor, Macrobond, MSIM. As of September 23, 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.**

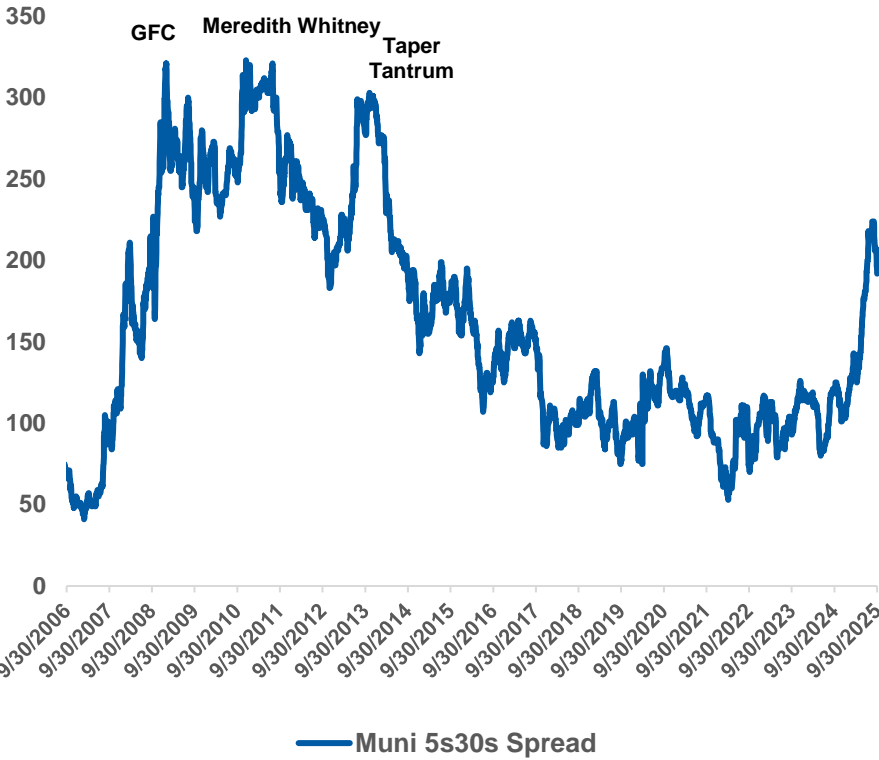


TOP VIEWS: BONDS

# Municipal Bonds: Steep n Cheap

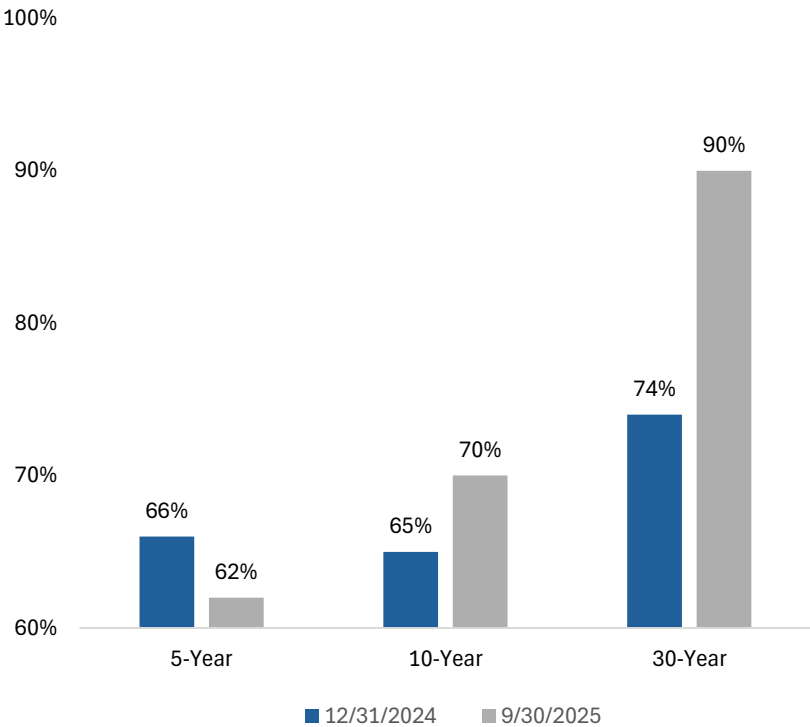
Even with the much-needed rally in September, the curve remains steep, and, in our view, longer-duration municipals are cheap as we enter the 4th quarter

MMD AAA Municipal 5s/30s Yield Curve



Muni/Treasury Ratios

Muni/Treasury Ratios as of 12/31/24 and 9/30/2025



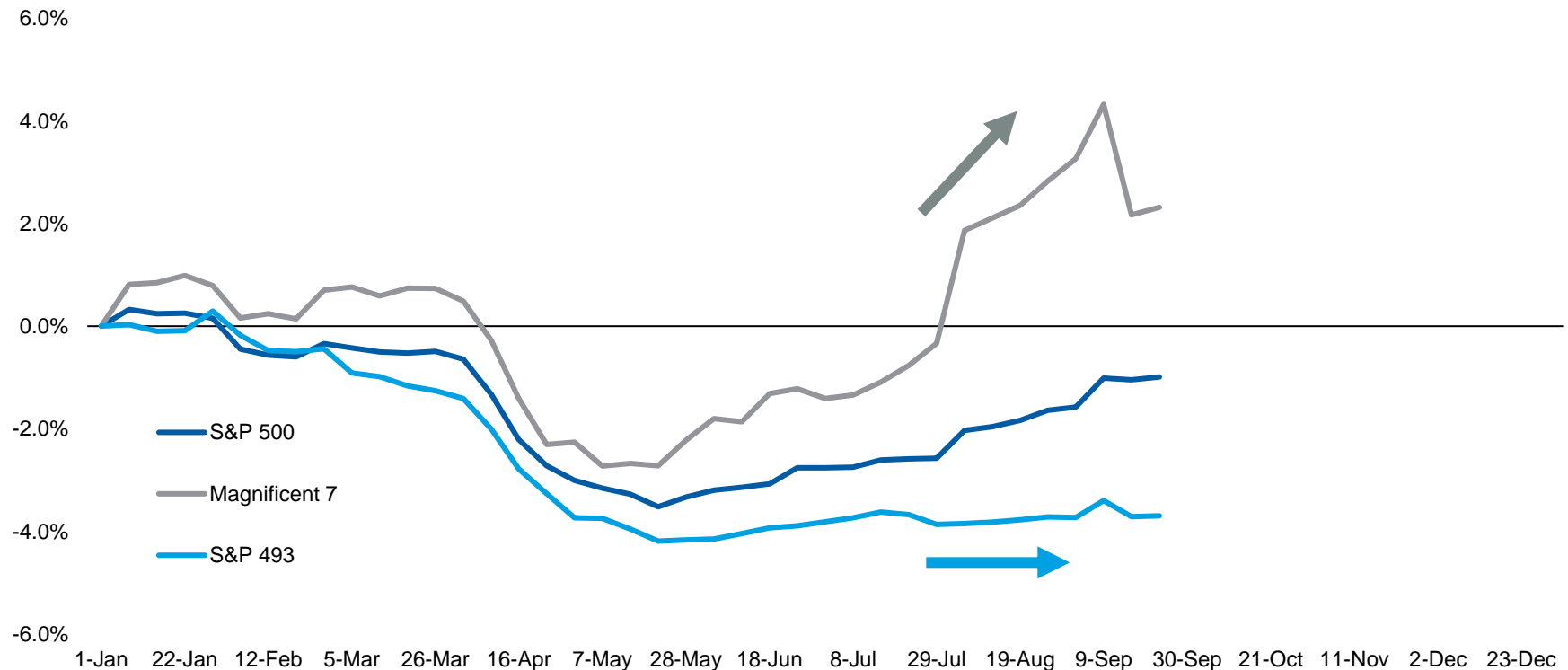
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## TOP VIEWS: EQUITIES

## The Mag-7 Continues To Drive Positive Revisions in U.S.

Despite expectations for a broadening in U.S. equity market performance, the Mag-7\* remains the primary driver of positive EPS revisions. Meanwhile, expectations for the S&P 493 (ex. Mag-7) have not yet recovered following April's downgrades.

**Since May 2025, the Mag-7 Was the Primary Driver of Positive Earnings Revisions, While the S&P 493 Is Still Stalling**  
*Calendar Year 2026 EPS revision YTD evolution*



Source: Bloomberg, MSIM. As of September 22, 2025. \* The Magnificent 7 (Mag-7) are Amazon, Apple, Google, Microsoft, Meta, Nvidia and Tesla. 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.**

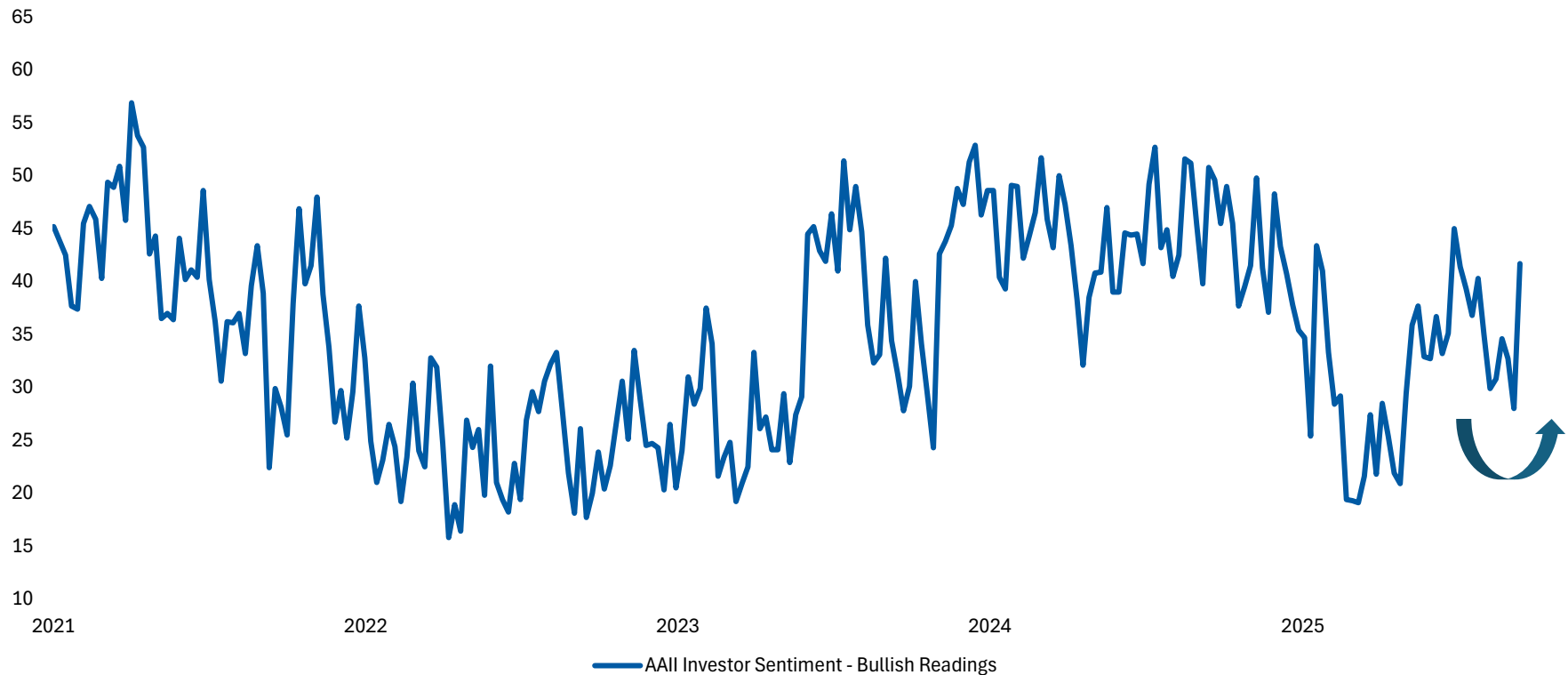
## TOP VIEWS: EQUITIES

# Investor Sentiment Measurements Are Turning More Positive

After briefly turning lower in August, market sentiment measures have shown sequential improvement in September, as growth continues to surprise to the upside and the Fed begins its cutting cycle.

## Market Sentiment Is Turning More Constructive Following Initial September Slump

*AAll bull-bear index*



Source: Bloomberg, MSIM. As of September 18, 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.**

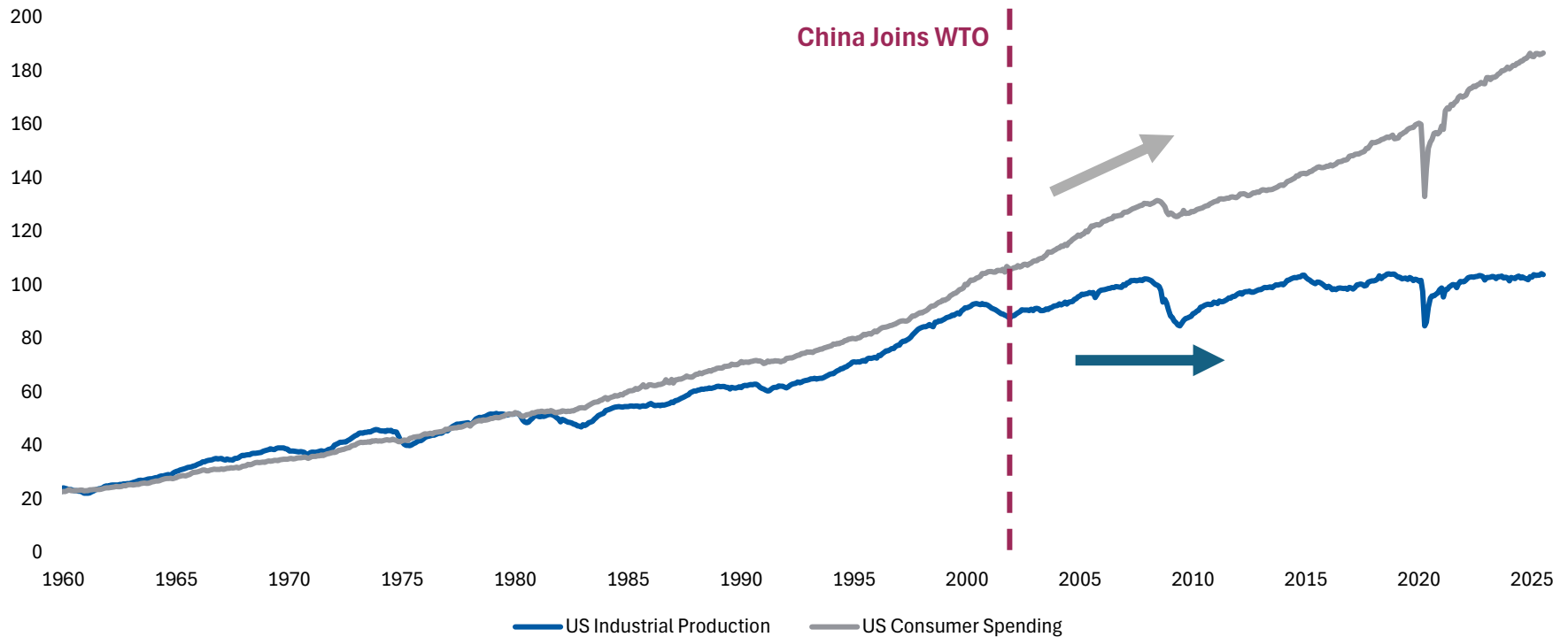
## TOP VIEWS: EQUITIES

# Overweight U.S. Industrial Policy Beneficiaries

Since China joined the World Trade Organization (WTO), U.S. industrial production growth has flatlined in favor of consumption. The administration's industrial policy push, namely the OBBBA, tariffs and deregulation, aims to reverse these dynamics.

## U.S. Policy Tailwinds Could Help Reignite Domestic Industrial Production

*U.S. industrial production vs. U.S. consumer spending (real, indexed)*



Source: Bloomberg, MSIM. As of July 31, 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.**

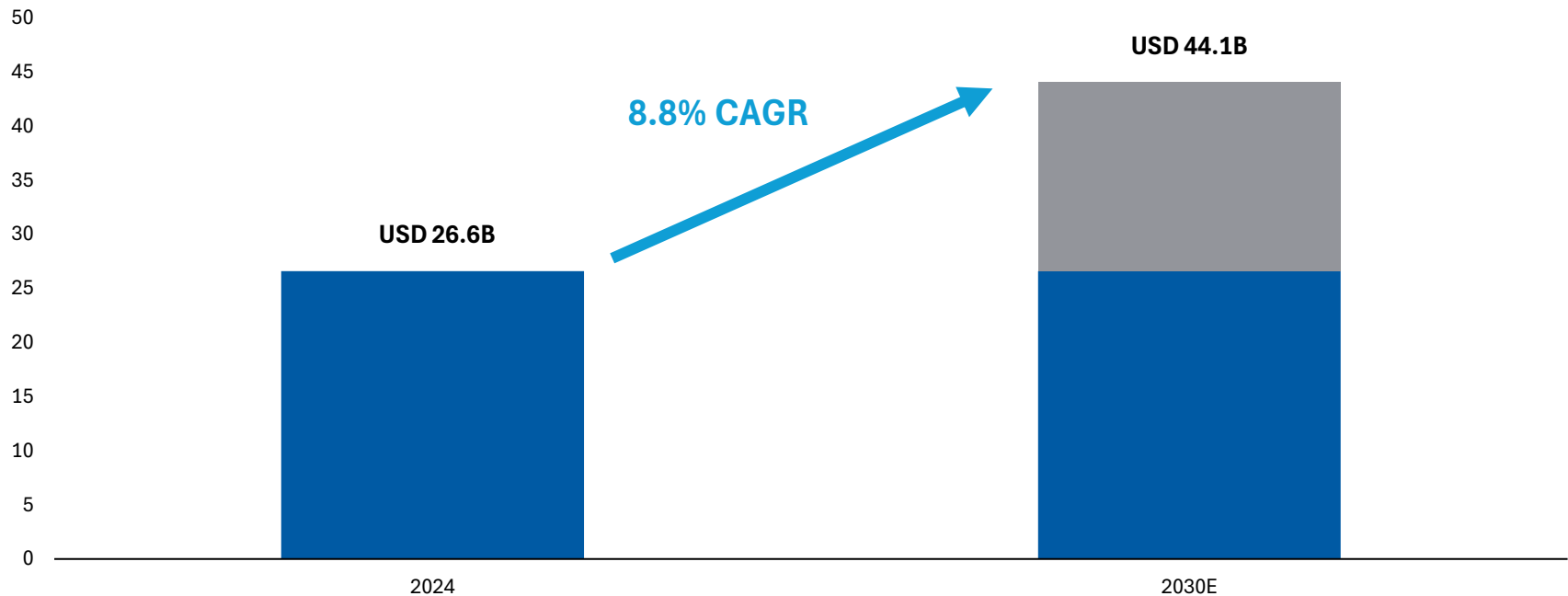
## TOP VIEWS: EQUITIES

## Overweight AI Adopters: Defense

The global defense industry appears well positioned to benefit from the adoption and usage of AI, with much of the increase in global defense spending projected to flow to these new technologies. According to several forecasts, the market size of AI in the defense industry is expected to nearly double by 2030.

### The Aerospace and Defense Industry Is at the Forefront of AI Adoption

*Estimated global market size of AI in Aerospace and Defense, 2024 and 2030 forecast*



Source: Research and Markets, MSIM. As of September 24, 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 VIEWS: ALTERNATIVES

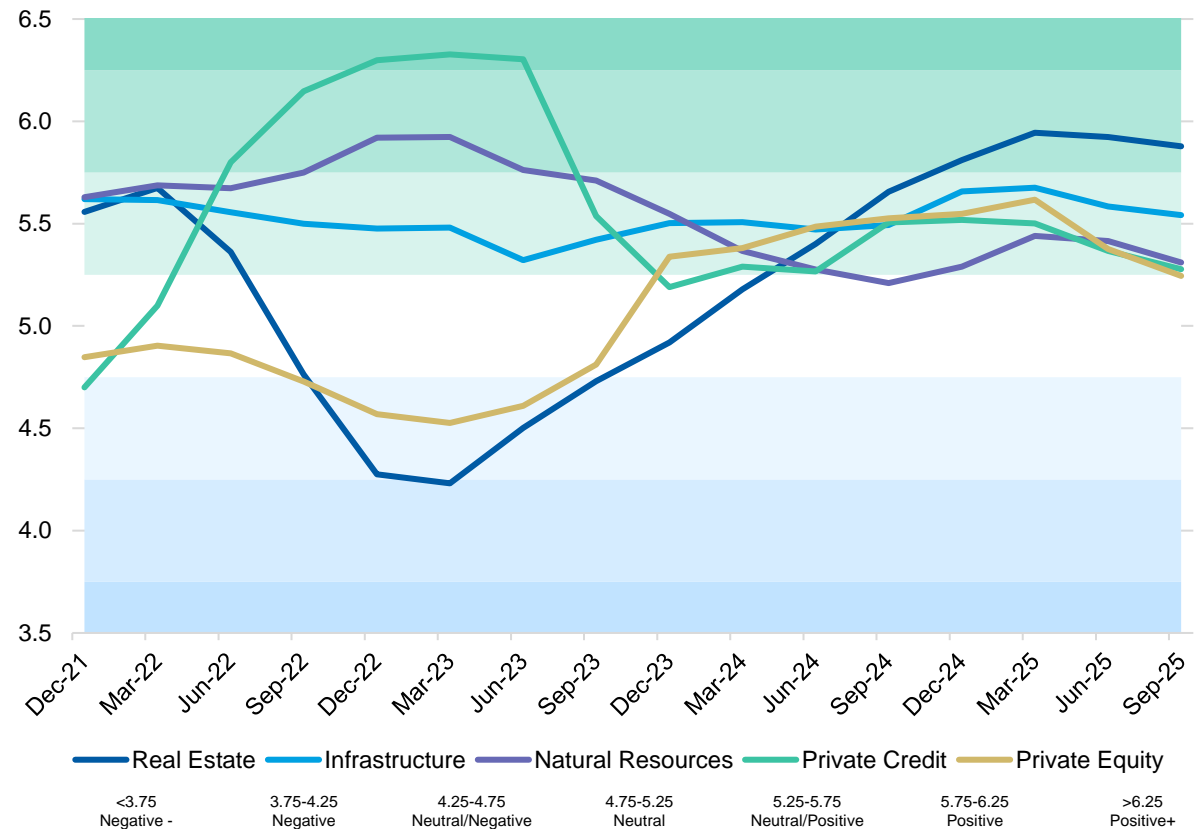
# Private Markets: Quarterly Assessment of Segment Attractiveness

### Private Markets Views:

- Real Estate (Positive):**  
New developments supply decreasing, coupled with attractive valuations, provide attractive entry.
- Infrastructure (Neutral/Positive):**  
Generational tailwinds in demand for energy and digital, but elevated valuations requires selectivity.
- Natural Resources (Neutral/Positive):**  
Population growth and decreasing arable land provide long-term tailwinds.
- Private Credit (Neutral/Positive):**  
Focused on pockets of value in specialist strategies as direct lending faces some challenges.
- Private Equity (Neutral):**  
Still constructive on buyouts, neutral on growth and venture capital.

### Assessment of Relative Attractiveness Across Private Market Segments

*Integrates assessment of supply, demand, market dynamics, valuation and leverage*



Source: MSIM Portfolio Solutions Group. As of September 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 VIEWS: POSITIONING COMMENTARY

Representative Allocations From the Portfolio Solutions Group

ASSET ALLOCATION	COMMENTARY
<b>Bonds</b>	
Duration	<b>DURATION (U/W):</b> We remain U/W duration. We continue to believe the market is too negative about the U.S. economic outlook, even as recent trends surprise to the upside. As such, we think it is unlikely that the UST 10-year yield falls materially below 4% and stays there for any length of time. We see two to three additional Fed cuts (vs. expectations of 4-5) but ultimately expect stronger growth and sticky inflation to limit cuts beyond that.
Credit	<b>CREDIT (U/W):</b> Corporate credit spreads remain near all-time tights, while defaults remain somewhat elevated by comparison. As such, we continue to view the risk/reward asymmetry within credit as unfavorable.
<b>Equities</b>	
Risk Level	<b>EQUITIES (Neutral):</b> We continue to hold a view of balanced risks for global equities. The back half of this year is likely to represent peak tariff headwinds, yet 3Q25 growth to date is surprising to the upside. Regionally, we remain overweight the U.S., where we see stable growth and continued scope for positive trends in earnings revisions.
<b>Alternatives</b>	
Commodities	<b>COMMODITIES (Neutral):</b> We remain neutral on energy commodity markets, as geopolitical upside risks are balanced by high spare capacity in markets such as crude, which limit upside absent physical disruptions. In the current environment we continue to see precious metals as a segment that could enjoy structural tailwinds.

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## TOP VIEWS: POSITIONING COMMENTARY

## Global Fixed Income: Representative Allocations From the Portfolio Solutions Group

## FIXED INCOME

## COMMENTARY

Bonds	
U.S. Treasuries (USTs)	<b>USTs (U/W):</b> A potential reacceleration of growth in 2026 likely skews the Fed to fewer cuts than what is currently priced in over the next 12-18 months. As such, we still believe there is scope for front-end yields to rise.
Inflation-Linked Bonds	<b>Inflation-Linked Bonds (O/W):</b> We move to O/W as there may be some value in this space, particularly on the longer sections of the curve, should inflation remain sticky or even reaccelerate in 2026.
Eurozone Govt. Bonds	<b>Eurozone Govt. Bonds (U/W):</b> Despite inflation falling towards target, we think long-end yields in the Eurozone could continue to rise, as Germany's fiscal spending exerts steepening pressure on yield curves. Within Eurozone, we are O/W Spain and Portugal on the back of more favorable growth and debt dynamics.
EM Hard Currency Govt. Bonds	<b>EM Hard Currency (O/W):</b> We remain overweight EMD despite spreads being near all-time tights. Default prospects appear lower than in corporate credit while quality-adjusted spreads remain higher.
EM Local Currency Govt. Bonds	<b>EM Local Currency (Neutral):</b> EM Local continues to perform very well in USD, but has not been great in other currencies, such as EUR. This supports our view that EM Local rates and currencies are fairly valued, but a view on the base currency may be more impactful for near-term returns.
Public Credit	
Municipal Bonds	<b>Municipal Bonds (Neutral):</b> Muni/UST ratios at the long-end of the curve have tightened significantly in September. We still like the asset class for taxable investors, but would opt for a neutral stance at current levels.
Investment Grade (IG)	<b>Investment Grade (U/W):</b> With spreads near all-time tights, IG has poor convexity in the current environment.
MBS/ABS	<b>MBS/ABS (O/W):</b> Asset-backed securities remain our highest conviction fixed income overweight. Yield per unit of credit quality remains attractive, and the asset class continues to benefit from structural tailwinds.
High Yield (HY)	<b>High Yield (Neutral):</b> We remain U/W HY in the U.S. and O/W in Europe. European HY continues to offer a more attractive spread relative to U.S. HY in both absolute terms and adjusted for ratings differentials. We expect higher yields (owing to FX carry) and lower defaults to drive outperformance of European HY.
Bank Loans	<b>Bank Loans (O/W):</b> With economic growth prospects for 2026 looking robust, we see value in owning bank loans given the high carry associated with the asset class. Additionally, we believe loans should benefit from a repricing in the front-end of the curve, which we feel is too aggressively pricing in rate cuts based on this outlook.

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## TOP VIEWS: POSITIONING COMMENTARY

## Global Equity: Representative Allocations From the Portfolio Solutions Group

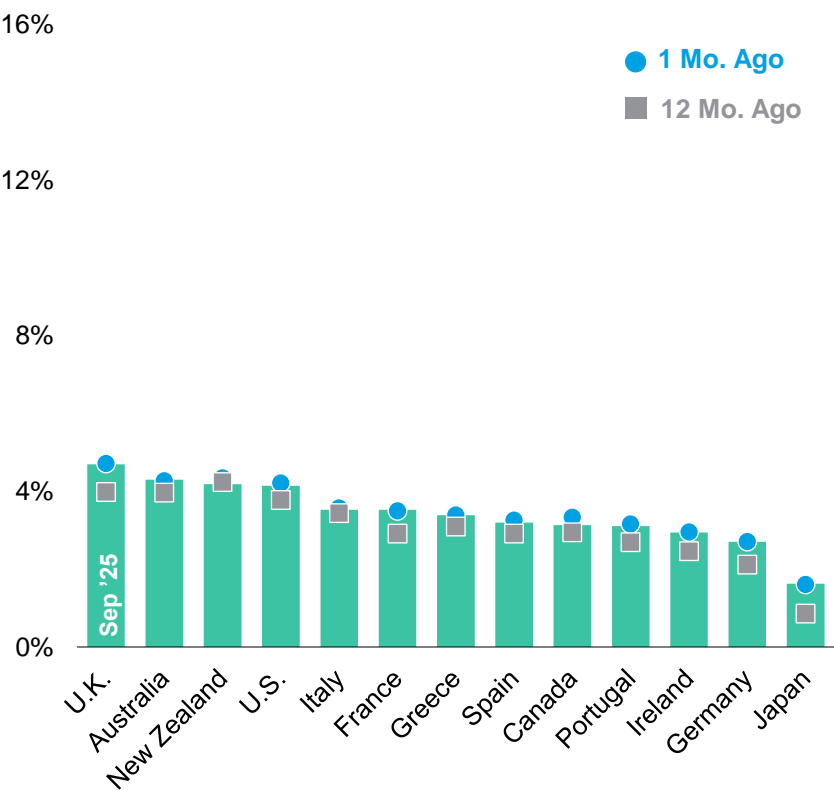
EQUITY	COMMENTARY
<b>Regional</b>	
U.S.	<b>United States (O/W):</b> We remain O/W U.S. equities as economic growth continues to surprise to the upside amid broad expectations for tariff-induced weakness. In addition to our core U.S. exposure, we added targeted exposure to select industrial and construction companies given the coordinated efforts across trade, fiscal and deregulation policy to support U.S. industrial production.
Eurozone	<b>Europe (Neutral):</b> We continue to hold a positive view on structural trends in Europe, but earnings revisions at the broad index level continue to lag other regions. As such, we opt for a more targeted approach to compose our exposure and retain our O/W to European banks and German mid-caps.
Japan	<b>Japan (Neutral):</b> The near-term earnings outlook has improved, supported by the removal of U.S. tariff concerns, expectations of fiscal expansion under the next administration and gradual Bank of Japan policy normalization. We remain neutral here, favoring a selective approach to avoid structurally challenged sectors.
Emerging Markets	<b>Emerging Markets (Neutral):</b> EM is supported by resilient U.S. growth, a weaker USD and a more benign tariff outcome. In China, equity risk premiums remain compressed with the extended US-China trade truce, while Asia's tech supply chain continues to benefit from the global AI theme. By contrast, India has faced domestic growth setbacks, AI-related headwinds and strained U.S. relations.
<b>Style</b>	
Growth vs. Value	<b>Growth vs. Value (Neutral):</b> 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 broadly neutral view on equities suggests a neutral view on Growth vs. Value.
Quality	<b>Quality (O/W):</b> We retain a preference for Quality as growth decelerates relative to the last three years.
Large Cap vs. Small Cap	<b>Large Cap (O/W):</b> We remain overweight Large Caps in the U.S., as the cohort continues to show stronger earnings revisions trends relative to Small and Mid caps (SMID). In Europe, we continue to hold mid-cap exposure in Germany given the structural tailwinds linked to the fiscal stimulus wave.
Cyclical vs. Defensive Sectors	<b>Cyclicals (O/W):</b> Our cyclical exposure in the U.S. and Europe rests on structural growth drivers from policy efforts.

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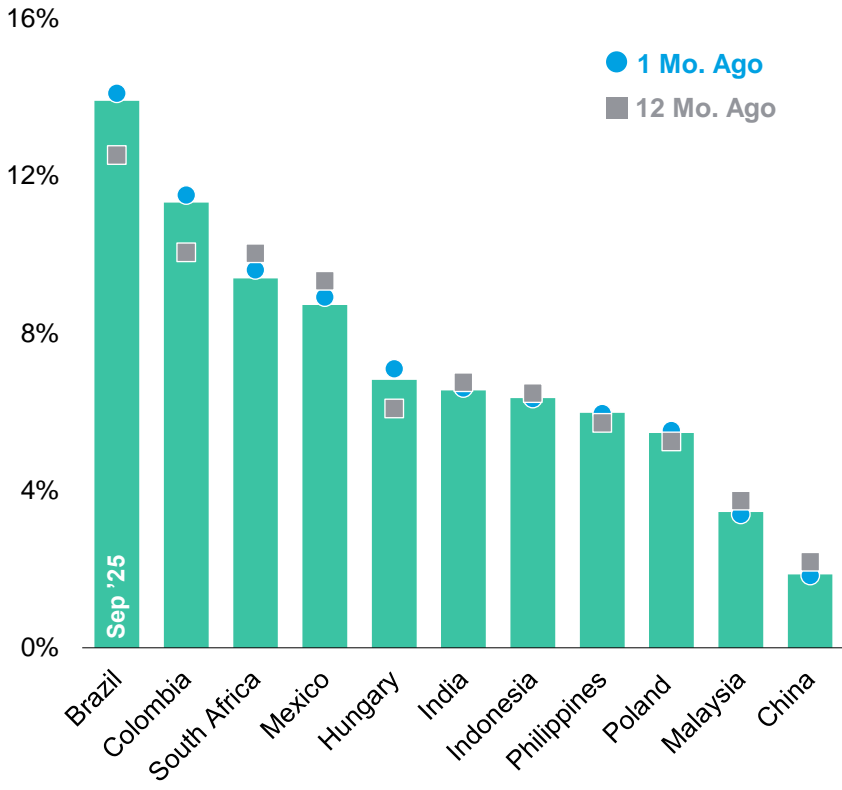
BONDS

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 9/30/25. Data provided is for informational use only. See end of report for important additional information.

## BONDS

## Key Rates (%)

Security	Current	12-Mo. Ago	Average	Minimum	Maximum
1-Week SIFMA	2.95	3.15	2.54	1.86	3.24
Secured Overnight Financing Rate	4.24	4.96	4.41	4.12	5.05
1-Mo SOFR	4.13	4.85	4.38	4.13	4.86
3-Mo SOFR	3.98	4.59	4.32	3.98	4.68
2-Yr Treasury	3.61	3.64	3.97	3.49	4.39
5-Yr Treasury	3.74	3.56	4.03	3.51	4.61
10-Yr Treasury	4.15	3.79	4.33	3.74	4.79
30-Yr Treasury	4.73	4.13	4.72	4.08	5.08
2-Yr Japan	0.94	0.38	0.70	0.36	0.94
10-Yr Japan	1.63	0.86	1.33	0.82	1.66
2-Yr German Bund	2.03	2.07	2.00	1.66	2.31
10-Yr German Bund	2.71	2.12	2.52	2.03	2.91
2-Yr UK Gilt	3.98	3.97	4.10	3.78	4.60
10-Yr UK Gilt	4.70	3.99	4.54	3.92	4.89
Bloomberg US Agg	4.37	4.23	4.67	4.19	5.11
Bloomberg Global Agg	3.48	3.33	3.58	3.30	3.86
Bloomberg US Corporate	4.81	4.72	5.14	4.68	5.55
Bloomberg US Long Corporate	5.53	5.18	5.72	5.14	6.15
Bloomberg US Municipal	3.66	3.32	3.79	3.28	4.47
Bloomberg US Long Municipal	4.63	4.00	4.58	3.95	5.16
US High Yield	6.73	6.98	7.27	6.58	8.65
US Loans	8.25	9.54	8.58	8.24	9.18

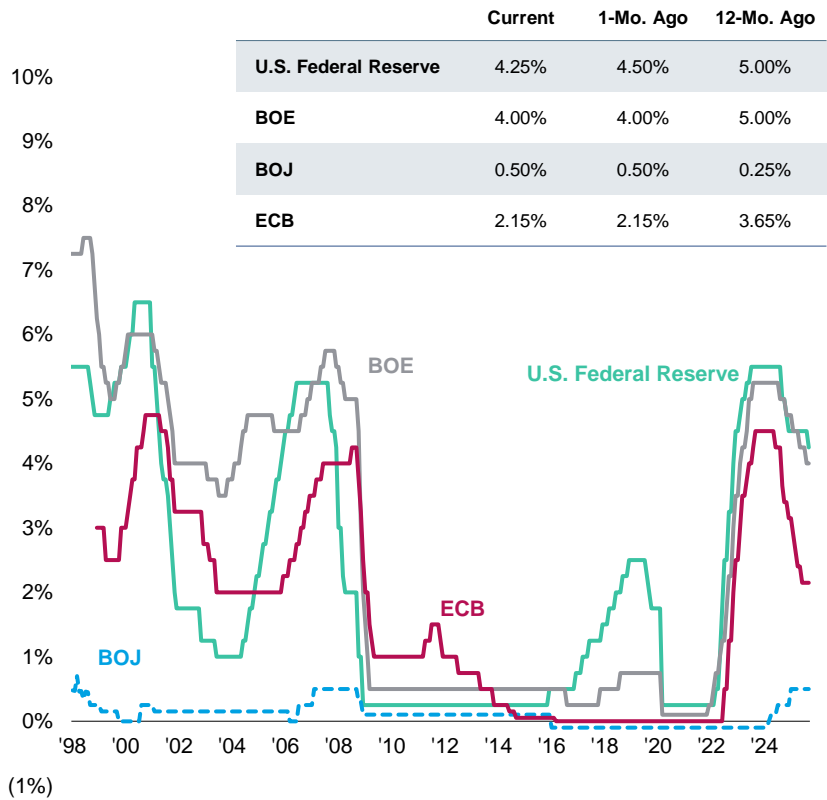
**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Bloomberg, Leveraged Commentary & Data (LCD), and Factset as of 9/30/25. 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.

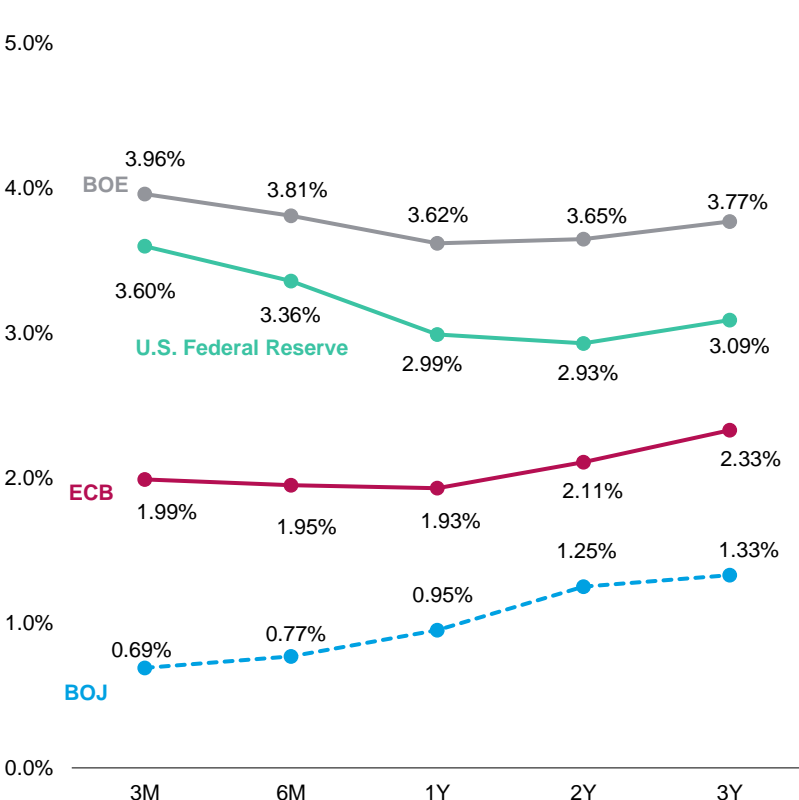
BONDS

Monetary Policy

Central Bank Policy Rates



Market Expectations for Future Central Bank Rates

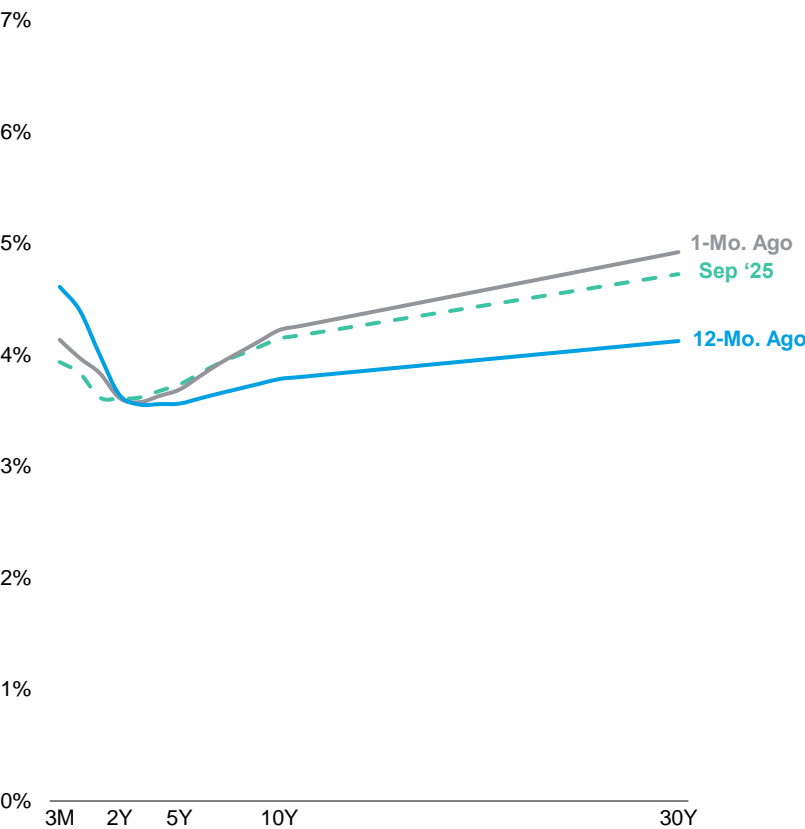


Source: Bloomberg, Factset as of 9/30/25. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

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	3.94	4.14	4.61	0.33	4.38
6-mo. Treasury	3.84	3.97	4.40	0.36	4.37
2-yr. Treasury	3.61	3.61	3.64	0.27	3.52
3-yr. Treasury	3.62	3.58	3.56	0.15	3.56
5-yr. Treasury	3.74	3.69	3.56	0.11	2.99
10-yr. Treasury	4.15	4.22	3.79	0.94	1.35
30-yr. Treasury	4.73	4.92	4.13	3.47	-5.67

Source: Factset, Morningstar as of 9/30/25. Data provided is for informational use only. Past Performance is not a reliable indicator of future results. See end of report for important additional information.

## BONDS

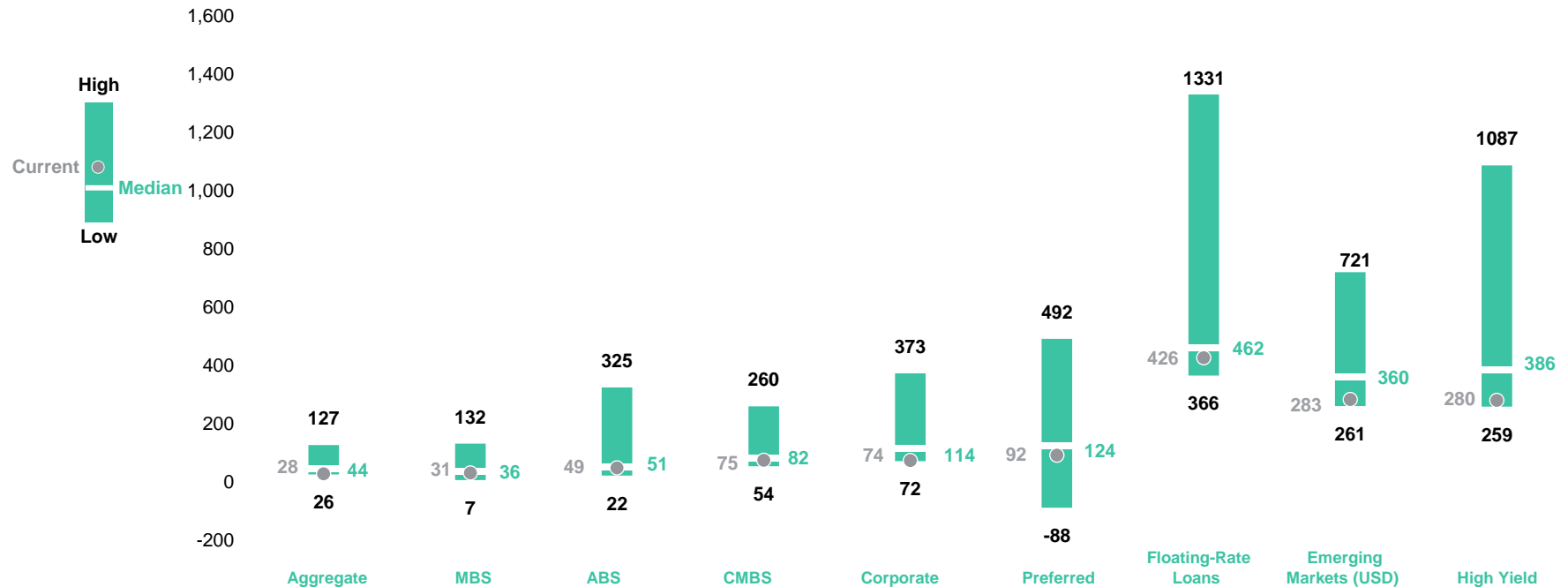
## Characteristics and Performance Analysis

Index	Averages						Total Returns (%)						
	Coupon (%)	Price (\$)	Yield to Worst (%)	Spread (bps)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
<b>U.S. High Grade</b>													
<b>Bloomberg U.S. Aggregate Index</b>	3.62	93.8	4.37	28	8.3	6.0	1.09	2.03	6.13	2.88	4.93	-0.45	1.84
U.S. Treasury	3.22	93.9	3.94	–	7.7	5.9	0.85	1.51	5.36	2.06	3.56	-1.33	1.17
U.S. Mortgage Backed Securities	3.49	91.5	4.74	31	7.4	5.8	1.22	2.43	6.76	3.39	5.05	-0.14	1.41
U.S. Asset Backed Securities	4.64	100.4	4.18	49	3.7	2.8	0.55	1.64	4.62	4.57	5.34	2.11	2.39
U.S. Commercial Mortgage Backed Securities	3.50	96.1	4.51	75	4.3	3.9	0.40	1.75	6.32	4.75	5.83	0.86	2.54
U.S. Corp. Investment Grade	4.44	95.4	4.81	74	10.5	6.9	1.50	2.60	6.88	3.63	7.07	0.35	3.12
<b>Bloomberg Municipal Bond Index</b>	4.65	101.7	3.66	–	13.5	6.9	2.32	3.00	2.64	1.39	4.74	0.86	2.34
<b>Bloomberg Taxable Municipal Bond Index</b>	4.44	93.9	4.84	–	14.2	7.8	1.29	2.51	6.43	2.63	6.08	-0.27	3.19
<b>ICE BofA US Inflation-Linked Treasury Index</b>	1.16	95.0	1.44	–	7.5	5.2	0.46	2.09	6.79	3.62	4.83	1.20	3.01
<b>ICE BofA Preferred Index (Fixed Rate)</b>	5.55	92.2	5.61	92	–	6.3	1.66	4.41	5.46	2.29	7.61	2.58	4.35
<b>U.S. High Yield</b>													
<b>ICE BofA US High Yield Index</b>	6.57	98.1	6.73	280	4.7	2.9	0.76	2.40	7.06	7.23	10.97	5.53	6.07
<b>Morningstar LSTA U.S. Leveraged Loan Index</b>	S+3.21	97.1	8.25	426	4.6	–	0.44	1.77	4.63	7.00	9.85	6.96	5.47
<b>Emerging Markets</b>													
<b>J.P. Morgan EM Bond Index (EMBI) Global Diversified</b>	5.57	91.0	7.08	283	–	6.7	1.78	4.75	10.66	8.52	12.29	2.27	4.19
<b>J.P. Morgan Corp. EM Bond Index (CEMBI) Broad Diversified</b>	5.51	98.0	5.90	187	–	4.5	0.95	3.18	7.34	6.48	9.69	3.11	4.69
<b>J.P. Morgan Govt. Bond Index-EM (GBI-EM) Global Diversified</b>	5.65	–	5.93	–	–	5.4	1.40	2.80	15.41	7.35	11.25	2.32	3.54
<b>Global Developed Markets</b>													
<b>Bloomberg Global Aggregate Ex-U.S. Index</b>	2.35	95.3	2.73	27	8.3	6.8	0.30	-0.59	9.36	1.87	5.75	-2.54	0.48
<b>FTSE World Government Bond Index</b>	2.63	–	3.25	–	–	6.8	0.61	0.16	7.43	1.59	4.45	-3.02	0.40
<b>ICE BofA European Union Government Bond Index</b>	2.21	93.3	2.86	37	8.8	7.2	0.84	-0.10	13.95	5.51	8.71	-2.67	0.48
<b>ICE BofA Developed Mkts HY Ex-Sub Fincl Index (USD Hedged)</b>	6.31	98.3	6.40	300	3.7	2.9	0.74	2.42	6.87	7.49	11.26	5.67	6.14
<b>Bloomberg Euro-Aggregate Corporates (EUR)</b>	2.71	98.0	3.09	79	5.1	4.4	0.39	0.94	2.76	3.65	5.58	0.31	1.55
<b>Bloomberg Pan-European High Yield Euro (EUR)</b>	5.01	99.4	5.29	265	4.0	3.4	0.50	1.88	4.65	6.57	9.96	4.30	4.28

**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 9/30/25. 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	9/15/2025	4/14/2021	6/21/2021	6/21/2021	9/19/2025	12/6/2017	4/20/2018	2/1/2018	1/22/2025
Spread on 12/31/24	34	43	44	80	80	77	424	325	292
Spread on 12/31/23	42	47	68	126	99	148	490	384	334
Spread on 12/31/22	51	51	76	120	130	227	645	452	479

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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	4.44	95.4	4.81	74	10.5	6.9	1.50	2.60	6.88	3.63	7.07	0.35	3.12
AAA Index	3.52	84.4	4.65	30	17.2	10.4	2.09	2.64	6.29	0.04	4.42	-2.58	2.05
AA Index	3.80	91.2	4.55	41	12.3	7.8	1.61	2.37	6.24	2.06	5.42	-1.12	1.90
A Index	4.32	95.5	4.68	61	10.3	6.9	1.46	2.52	6.85	3.31	6.52	-0.09	2.74
BBB Index	4.69	96.3	4.99	92	10.2	6.7	1.52	2.71	7.03	4.26	7.89	1.04	3.69
U.S. High Yield													
ICE BofA U.S. High Yield Index	6.57	98.1	6.73	280	4.7	2.9	0.76	2.40	7.06	7.23	10.97	5.53	6.07
BB Index	5.93	99.8	5.75	177	5.0	3.2	0.79	2.17	7.24	6.71	9.84	4.66	5.84
B Index	7.35	100.5	6.75	283	4.6	2.6	0.81	2.43	6.73	7.09	10.92	5.34	5.72
CCC Index	7.32	83.7	11.87	807	4.0	2.6	0.41	3.35	7.05	9.67	15.47	9.56	7.65
Morningstar LSTA U.S. Leveraged Loan Index	S+3.21	97.1	8.25	426	4.6	-	0.44	1.77	4.63	7.00	9.85	6.96	5.47
BBB Index	S+1.86	100.1	6.03	183	5.1	-	0.49	1.53	4.74	6.64	8.08	5.70	4.57
BB Index	S+2.47	99.5	6.79	264	5.0	-	0.49	1.59	4.72	7.04	9.00	6.33	4.78
B Index	S+3.44	98.2	8.17	410	4.5	-	0.35	1.85	4.72	7.35	10.59	7.27	5.81
CCC Index	S+4.71	78.7	19.14	1501	3.5	-	0.97	1.70	3.46	3.64	8.97	7.36	6.78
D Index	-	62.2	-	-	-	-	2.97	6.91	-11.70	-8.83	-22.97	-19.44	-16.14

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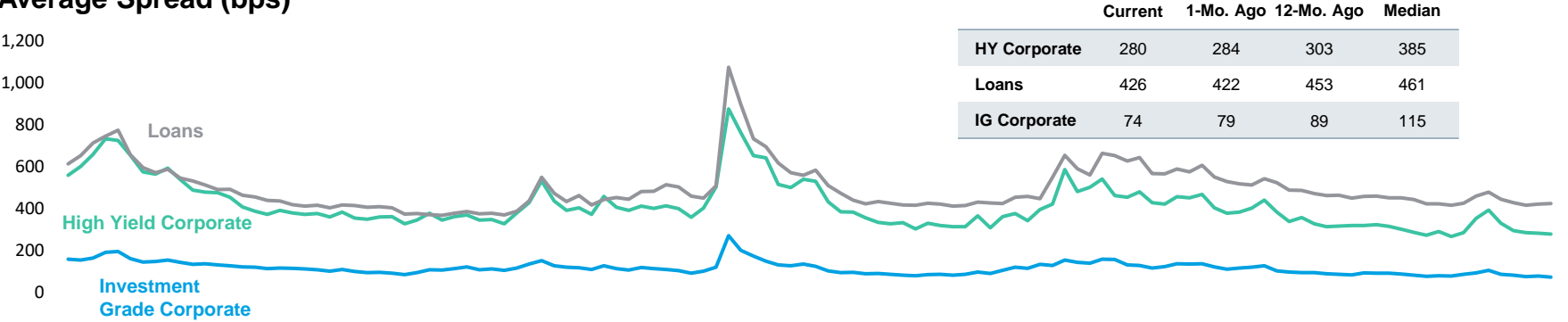
It is not possible to invest directly in an index. Source: Bloomberg, J.P. Morgan, ICE BofA Data Indices, LLC, Factset, and Leveraged Commentary & Data (LCD), as of 9/30/25. Data provided is for informational use only. See end of report for important additional information. Yield to maturity is shown for the Morningstar LSTA U.S. Leveraged Loan Index. S+ refers to SOFR (Secured Overnight Financing Rate) as the base rate. Loan Index spread represents the three-year discounted spread over SOFR.



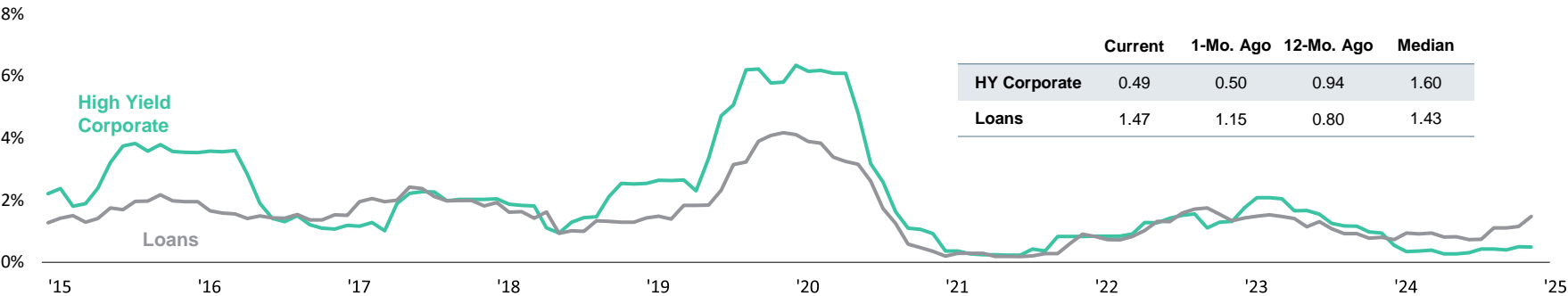
BONDS

Corporate Bond Market Update

Average Spread (bps)



Annual Default Rate



**Past performance is no guarantee of future results.**  
It is not possible to invest directly in an index. Source: J.P. Morgan and Leveraged Commentary & Data (LCD), as of 9/30/25. Data provided is for informational use only. See end of report for important additional information. Corporate spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries. Loan Index spread represents the three-year discounted spread over SOFR (Secured Overnight Financing Rate).

## BONDS

## Municipal Bond Market Update

	Averages					Total Returns (%)						
	Coupon (%)	Price (\$)	Yield To Worst (%)	Maturity (yrs.)	Duration (yrs.)	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
<b>Bloomberg Municipal Bond Index</b>	<b>4.65</b>	<b>101.7</b>	<b>3.66</b>	<b>13.5</b>	<b>6.9</b>	<b>2.32</b>	<b>3.00</b>	<b>2.64</b>	<b>1.39</b>	<b>4.74</b>	<b>0.86</b>	<b>2.34</b>
AAA Index	4.60	102.7	3.49	13.2	7.0	2.43	3.07	2.63	1.28	4.35	0.40	1.91
AA Index	4.66	102.7	3.53	13.2	6.8	2.23	2.95	2.61	1.39	4.48	0.64	2.13
A Index	4.65	100.2	3.90	13.5	6.8	2.34	3.08	2.80	1.57	5.30	1.34	2.78
BBB Index	4.66	95.9	4.55	17.6	7.7	2.81	2.84	2.32	0.97	6.00	1.92	3.35
5-Year Index	4.75	107.2	2.78	5.0	3.6	0.48	2.19	4.51	3.43	4.36	1.11	1.94
10-Year Index	4.61	105.8	3.35	9.9	6.0	1.99	3.03	4.10	2.71	4.68	1.05	2.52
22+ Year Index	4.74	96.1	4.63	26.8	11.2	4.05	3.82	0.31	-1.34	5.38	-0.04	2.45
<b>Bloomberg High Yield Municipal Bond Index</b>	<b>4.77</b>	<b>64.8</b>	<b>5.69</b>	<b>19.5</b>	<b>7.7</b>	<b>2.64</b>	<b>1.63</b>	<b>1.29</b>	<b>0.20</b>	<b>6.77</b>	<b>2.85</b>	<b>4.41</b>
Hospital	5.39	68.6	6.05	20.8	7.0	2.48	2.28	2.47	2.27	7.04	2.81	3.60
IDR/PCR	4.61	38.6	6.27	18.6	8.3	2.49	0.77	-0.57	-1.85	5.65	2.16	4.66
Tobacco	2.51	18.5	6.62	26.7	13.5	3.73	-0.74	-3.98	-5.56	5.04	0.41	5.55
Puerto Rico	3.58	54.2	4.82	18.2	7.9	3.68	2.87	0.79	-0.36	7.79	3.32	5.82

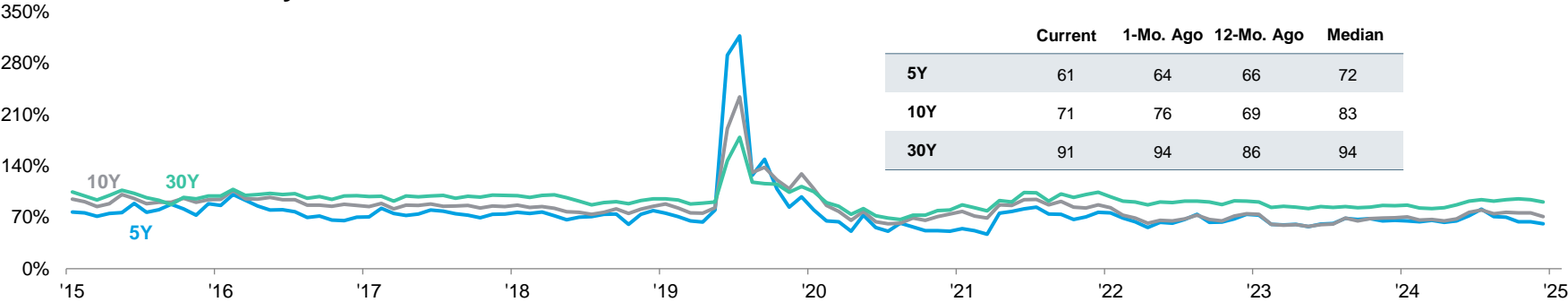
**Past performance is no guarantee of future results.**

It is not possible to invest directly in an index. Source: Bloomberg, Morningstar as of 9/30/25. 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.

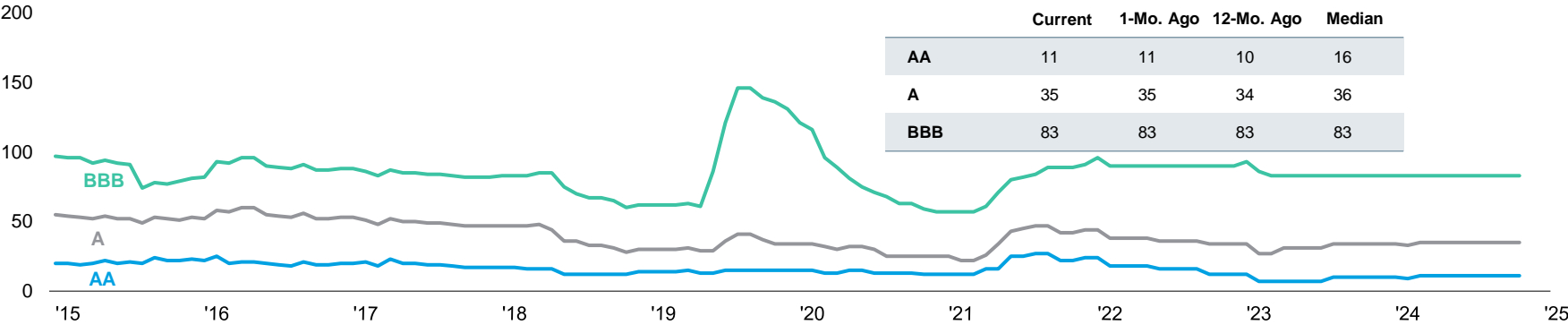
BONDS

Municipal Bond Market Update

AAA Muni-to-Treasury Yield Ratios



Credit Quality Spreads vs. AAA (bps)



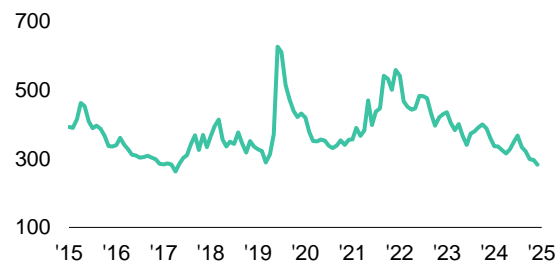
**Past performance is no guarantee of future results.**  
It is not possible to invest directly in an index. Source: Bloomberg as of 9/30/25. Data provided is for informational use only. See end of report for important additional information. All spreads are in basis points and measure option-adjusted yield spread relative to comparable maturity U.S. Treasuries.

## BONDS

## Emerging Markets Bond Market Update

## Sovereign EMD Spreads (USD)

Bps

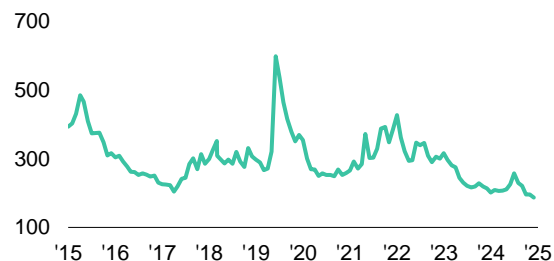


Avg. Spread (bps)

<b>Current</b>	283
<b>1-Mo. Ago</b>	297
<b>12-Mo. Ago</b>	361
<b>Median</b>	366

## Corporate EMD Spreads (USD)

Bps



Avg. Spread (bps)

<b>Current</b>	187
<b>1-Mo. Ago</b>	196
<b>12-Mo. Ago</b>	214
<b>Median</b>	291

## Local EMD Yields (%)

Bps



Avg. Yield (%)

<b>Current</b>	5.93
<b>1-Mo. Ago</b>	5.91
<b>12-Mo. Ago</b>	6.11
<b>Median</b>	6.26

## Averages

	Coupon (%)	Price (\$)	Yield (%)	Duration
<b>JPMorgan Emerging Markets Bond Index (EMBI) Global Diversified</b>	5.57	91.0	7.08	6.7
<b>JPMorgan Corporate Emerging Markets Bond Index (CEMBI) Broad Diversified</b>	5.51	98.0	5.90	4.5
<b>JPMorgan Government Bond Index-Emerging Markets (GBI-EM) Global Diversified</b>	5.65	–	5.93	5.4

## Total Returns (%)

1-Mo.	3-Mo.	YTD	1Y	3Y	5Y	10Y
1.78	4.75	10.66	8.52	12.29	2.27	4.19
0.95	3.18	7.34	6.48	9.69	3.11	4.69
1.40	2.80	15.41	7.35	11.25	2.32	3.54

## 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 9/30/25. 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) 15.41
	MBS 1.51	EMD (Hard Currency) 10.19	Global Agg Ex-U.S. 10.51	MBS 0.99	EMD (Hard Currency) 14.42	Investment Grade 9.89	Bank Loan 5.20	Municipal -8.53	Bank Loan 13.32	High Yield 8.20	EMD (Hard Currency) 10.66
	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	Global Agg Ex-U.S. 9.36
	EMD (Hard Currency) 1.23	EMD (Local Currency) 9.94	EMD (Corp. Bonds) 7.96	Bank Loan 0.44	EMD (Local Currency) 13.47	EMD (Corp. Bonds) 7.13	EMD (Corp. Bonds) 0.91	EMD (Local Currency) -11.69	EMD (Hard Currency) 11.09	EMD (Hard Currency) 6.54	EMD (Corp. Bonds) 7.34
	Treasury 0.84	EMD (Corp. Bonds) 9.65	High Yield 7.48	EMD (Corp. Bonds) -1.65	EMD (Corp. Bonds) 13.09	High Yield 6.17	Investment Grade -1.04	MBS -11.81	EMD (Corp. Bonds) 9.08	Investment Grade 2.13	High Yield 7.06
	Investment Grade -0.68	Investment Grade 6.11	Investment Grade 6.42	Global Agg Ex-U.S. -2.15	Bank Loan 8.64	EMD (Hard Currency) 5.88	MBS -1.04	EMD (Corp. Bonds) -12.26	Investment Grade 8.52	MBS 1.20	Investment Grade 6.88
	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 6.76
	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	Treasury 5.36
	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 4.63
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 2.64

**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 9/30/25. 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

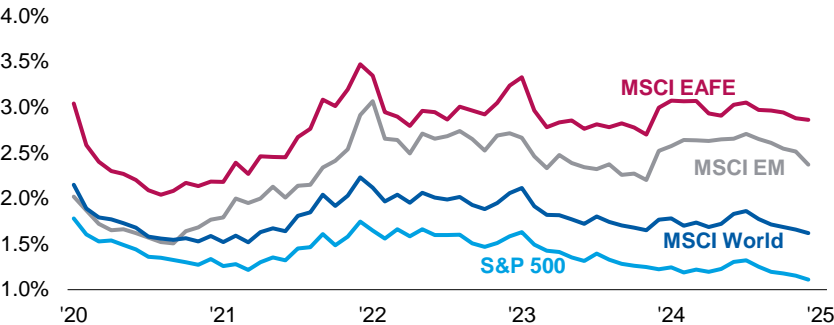
Performance: Market Barometer (%)



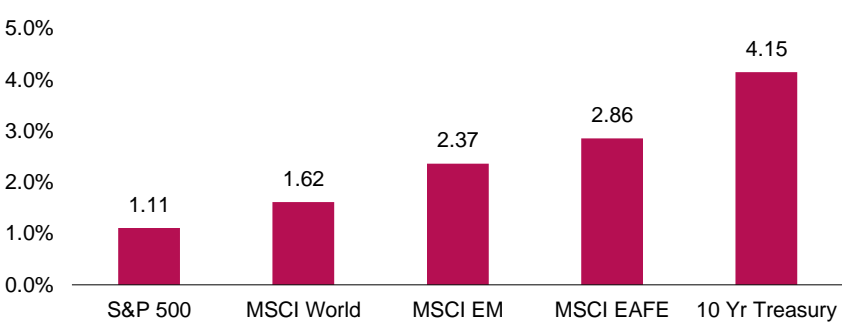
EQUITIES

Dividend Yields and Volatility Analysis

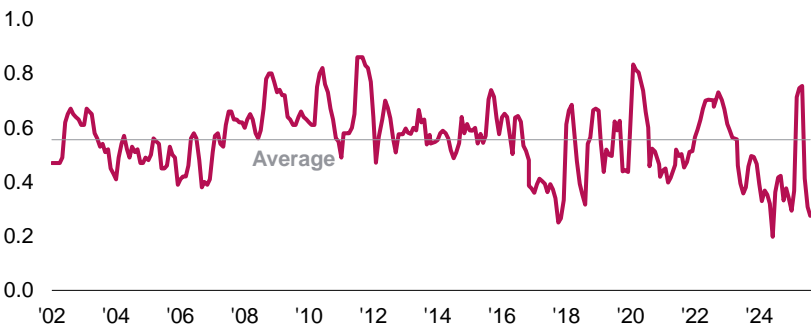
Historical Yields



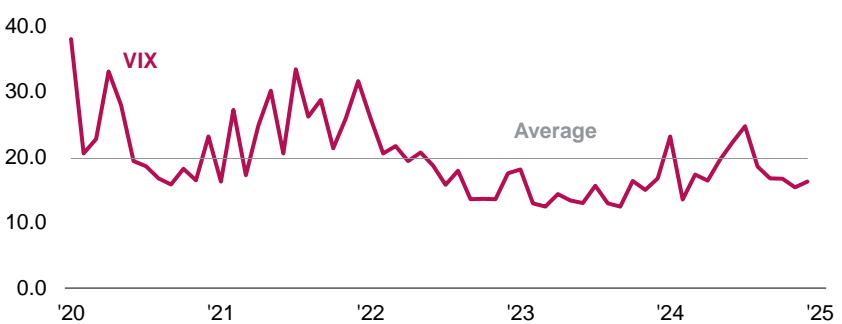
Current Yields



Correlation of S&P 500 Stocks



CBOE Market Volatility Index (VIX)

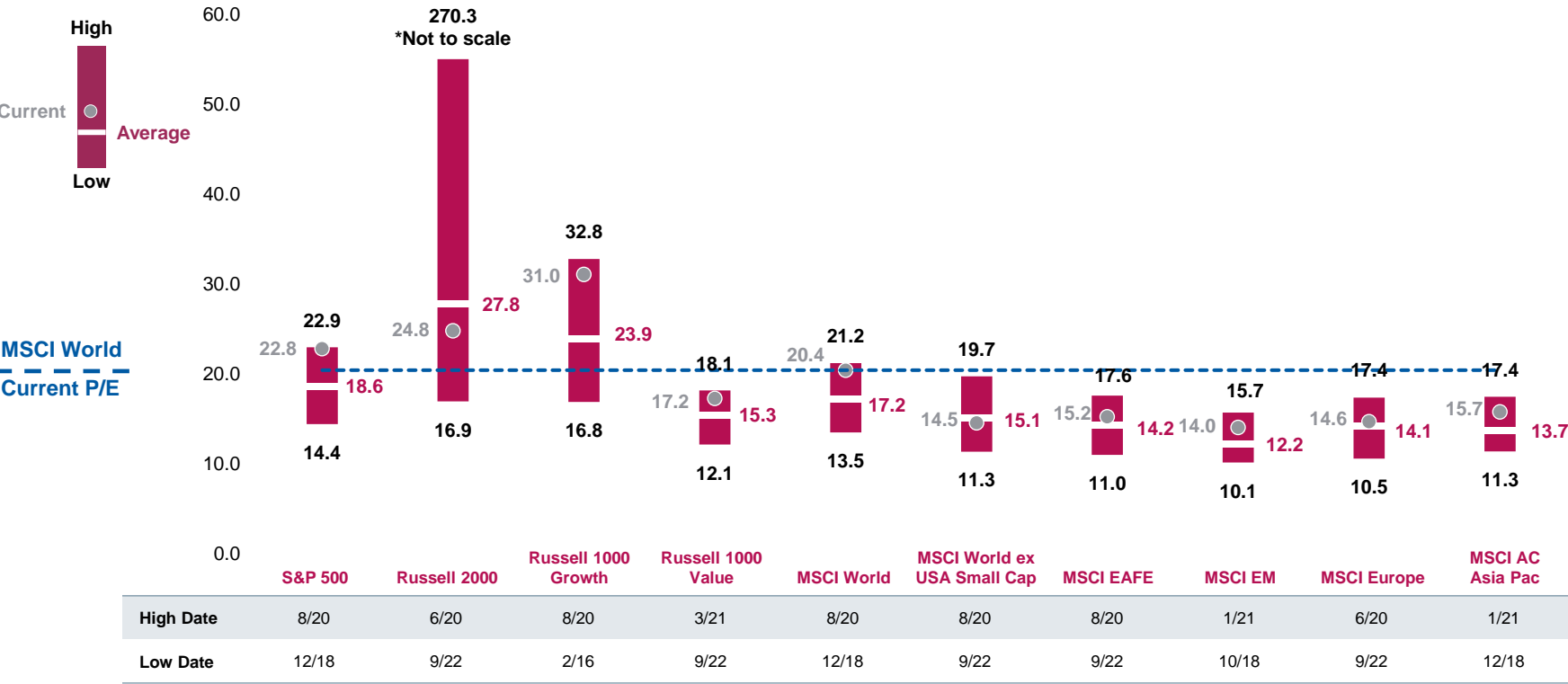


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It is not possible to invest directly in an index. Source: FactSet and Ned Davis Research as of 9/30/25. Correlation of S&P 500 Stocks is measured by the median 63-day rolling correlation of one day returns data provided is for informational use only. See end of report for important additional information.

EQUITIES

Valuation Analysis

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



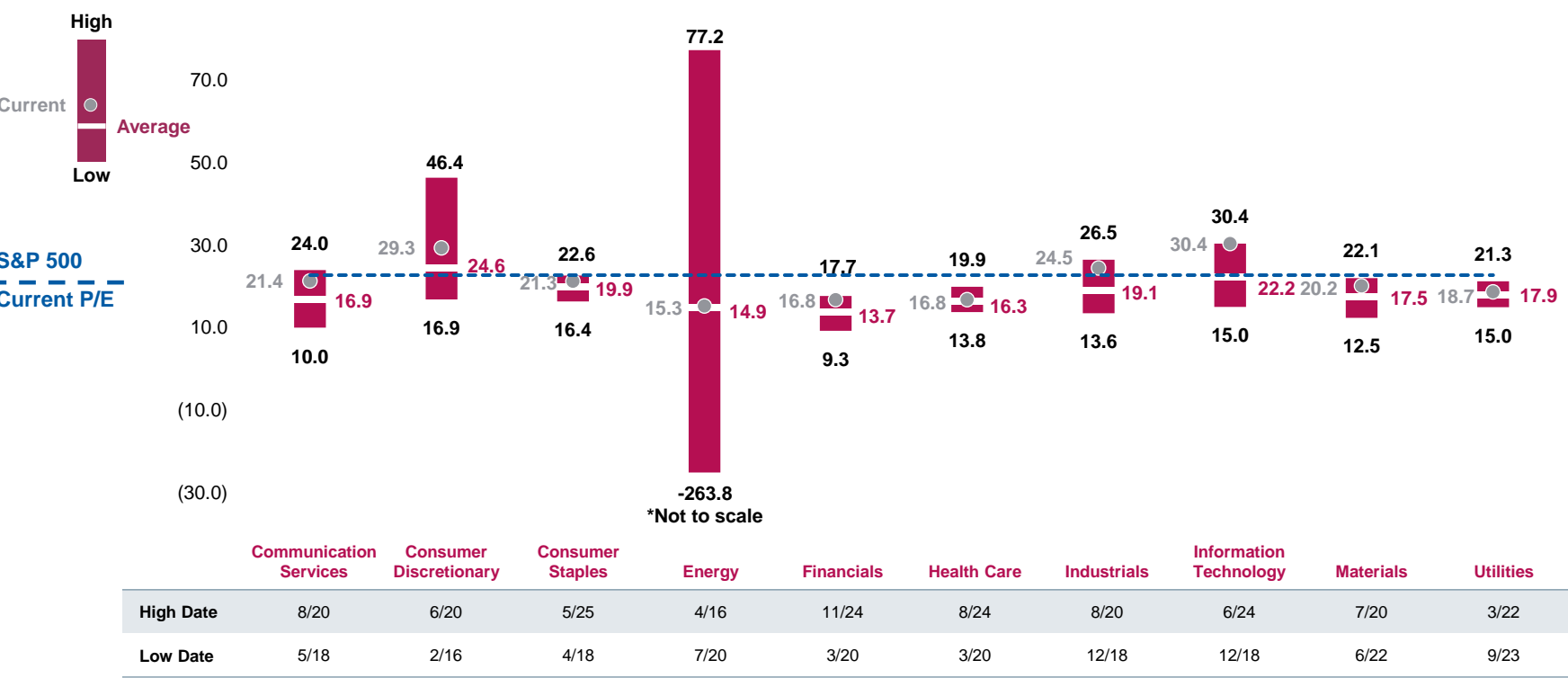
Source: FactSet as of 9/30/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject 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

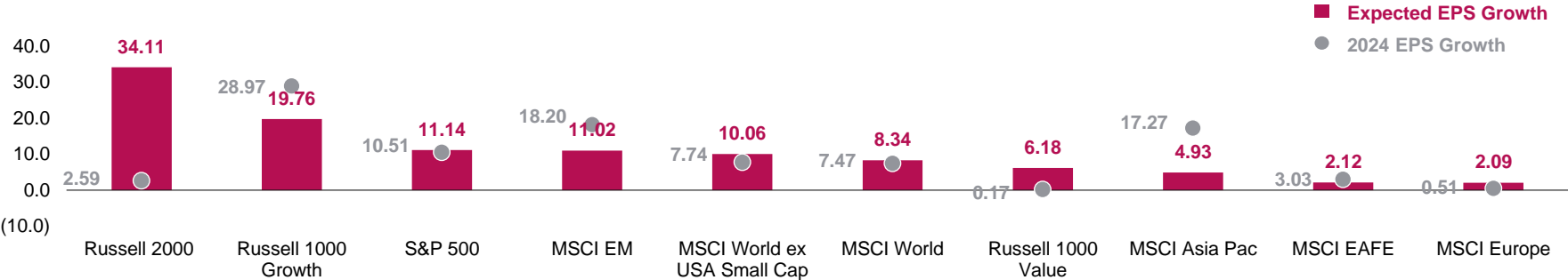


Source: FactSet as of 9/30/25. NTM P/E is market price per share divided by expected earnings per share over the next twelve months. The Real Estate sector is excluded from this 10-year chart since the sector was created on August 31, 2016. Data provided is for informational use only. See end of report for important additional information. Forecasts/estimates are based on current market conditions, subject to change, and may not necessarily come to pass.

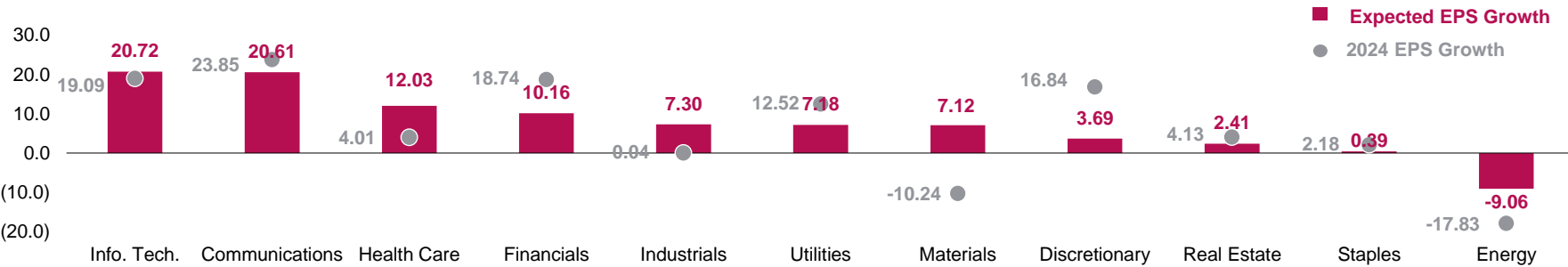
EQUITIES

Corporate Earnings Growth

Regions/Styles



S&P 500 Sectors

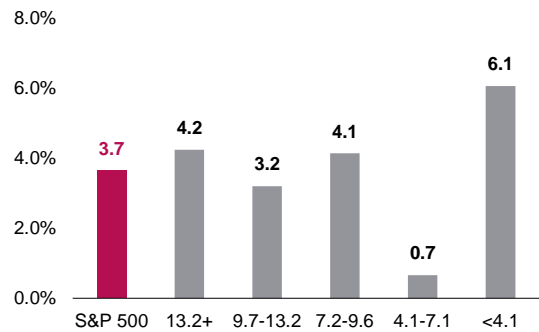


Source: FactSet as of 9/30/25. Expected EPS Growth is defined as the expected % change in the EPS growth from the beginning of the current calendar year though the end of the calendar year. 2024 EPS Growth is defined as the % change in EPS from the beginning of the year through the end of the year. Data 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.

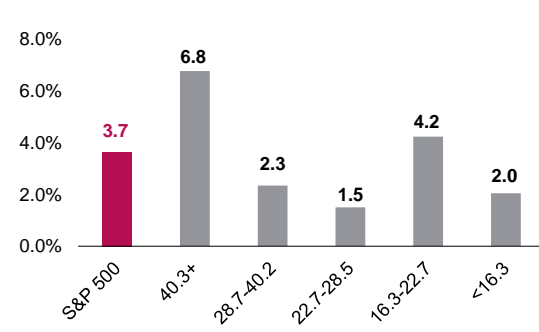
EQUITIES

S&P 500 Index: 1-Month Return Analysis

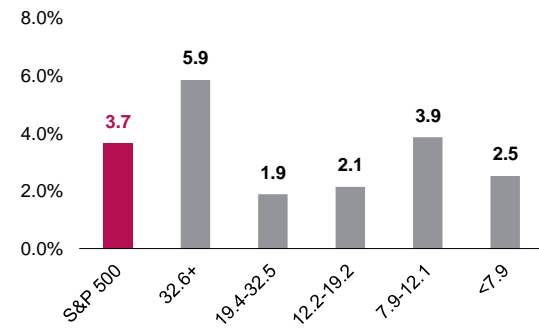
3-5 Year Earnings Growth



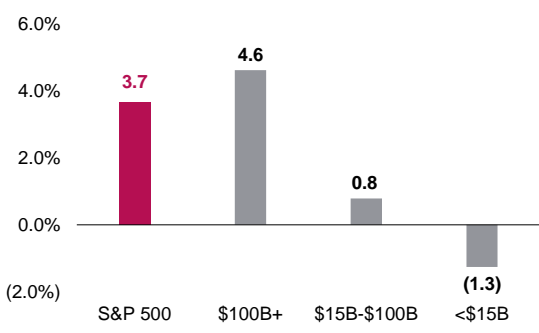
Trailing 12 Month P/E



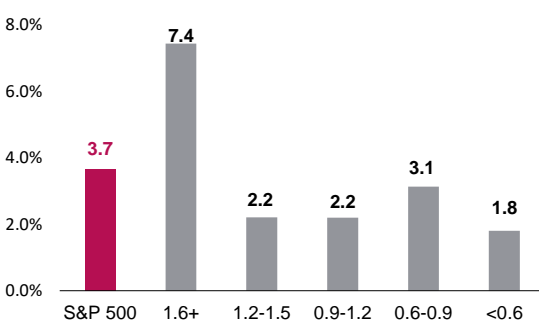
Return On Equity



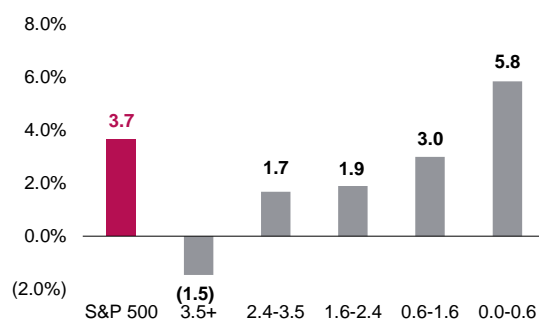
Market Cap



Beta



Dividend Yield

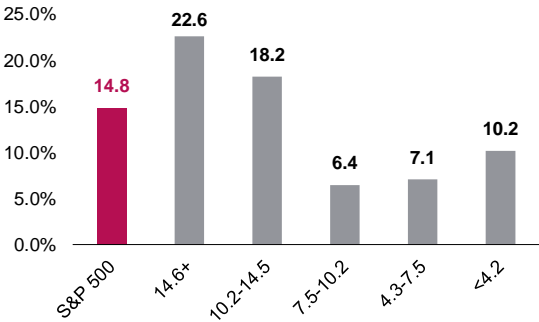


Past performance is no guarantee of future results. It is not possible to invest directly in an index. Source: FactSet as of 9/30/25. Data provided is for informational use only. See end of report for important additional information.

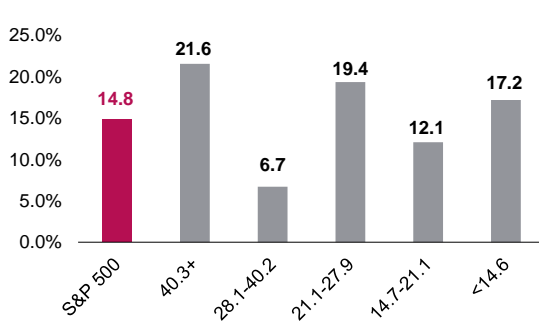
EQUITIES

S&P 500 Index: YTD Analysis

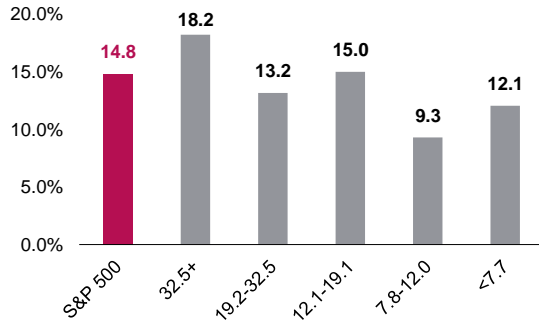
3-5 Year Earnings Growth



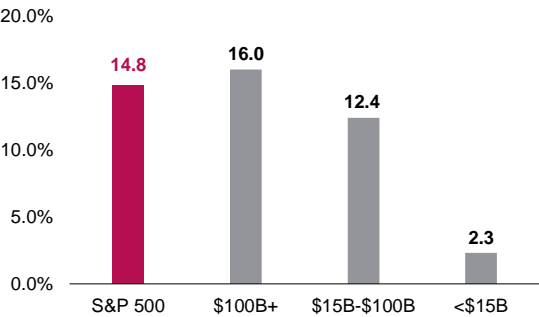
Trailing 12 Month P/E



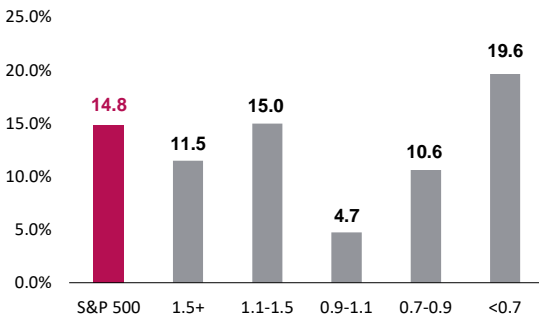
Return On Equity



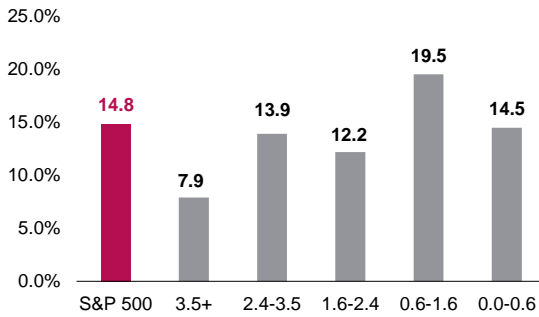
Market Cap



Beta



Dividend Yield

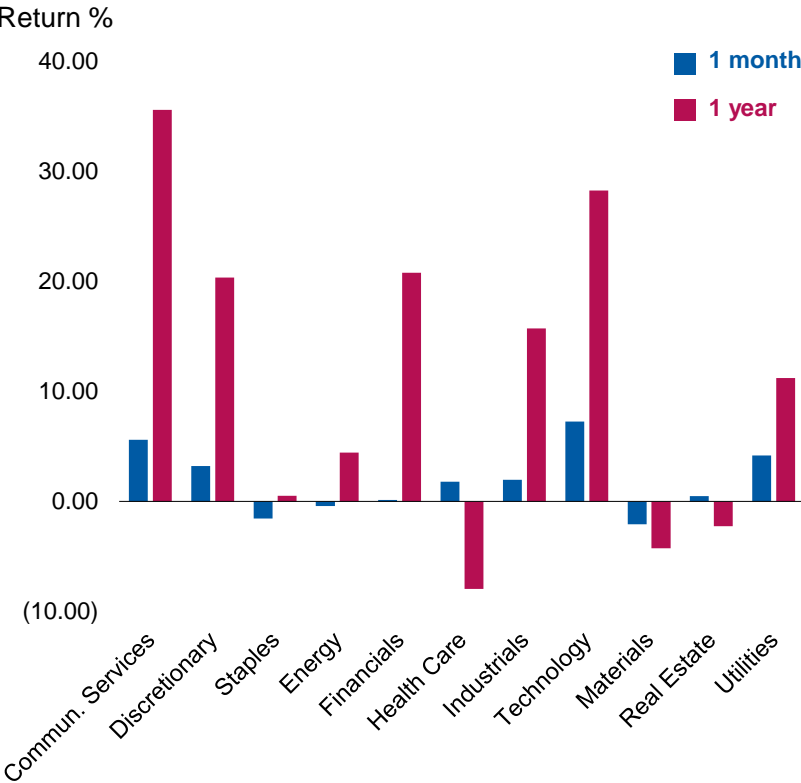


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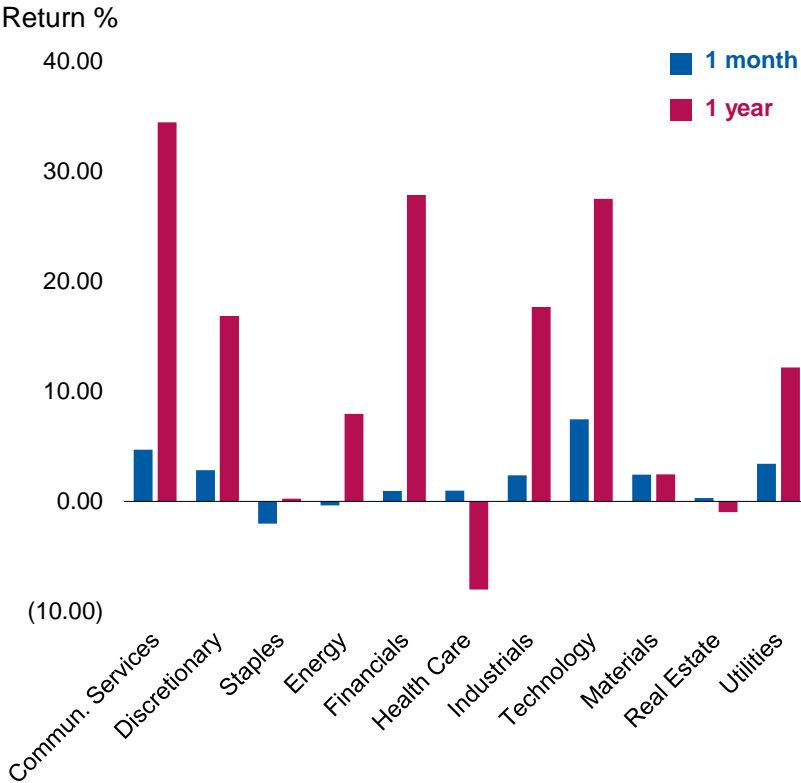
EQUITIES

Index Sectors: Return Analysis

S&P 500



MSCI World

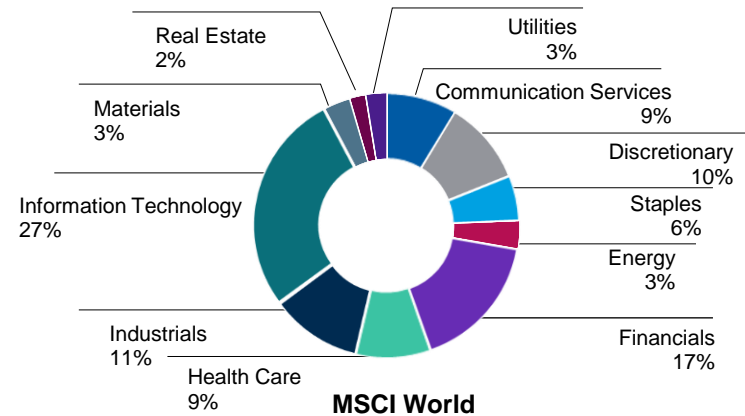
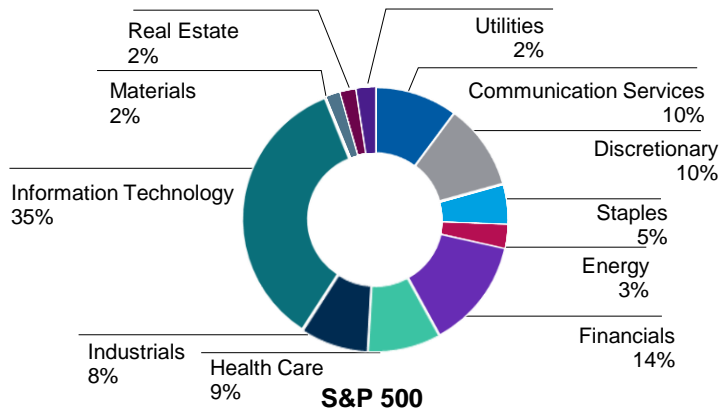


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## EQUITIES

## 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
<b>Number of Holdings</b>	503	1972	391	870	1320	2201	693	1189	402	1233
<b>Maximum Market Cap</b>	\$4,533.89B	\$25.19B	\$4,533.89B	\$2,736.59B	\$4,552.55B	\$10.59B	\$383.20B	\$1,054.86B	\$383.20B	\$1,054.86B
<b>Minimum Market Cap</b>	\$6.59B	\$0.02B	\$1.07B	\$1.07B	\$1.74B	\$0.13B	\$2.90B	\$0.18B	\$2.90B	\$0.18B
<b>Dividend Yield</b>	1.11	1.22	0.47	1.83	1.62	2.79	2.86	2.37	3.03	2.22
<b>NTM PE</b>	22.77	24.75	31.05	17.24	20.39	14.53	15.20	13.99	14.64	15.74
<b>Price to Book</b>	5.40	2.15	15.31	2.93	3.91	1.58	2.19	2.17	2.39	2.06
<b>Price to Cash Flow</b>	19.31	16.04	31.12	13.14	15.80	8.99	9.96	9.17	9.36	10.81
<b>Price to Sales</b>	3.37	1.33	6.44	2.03	2.60	0.99	1.54	1.70	1.52	1.65
<b>Est 3-5 Yr EPS Growth</b>	11.30	10.85	13.16	9.35	10.57	10.19	8.21	11.73	9.19	9.23
<b>5Yr. Div Growth Rate</b>	6.27	8.86	4.54	6.41	6.59	8.20	6.82	2.11	8.22	2.63



Source: FactSet as of 9/30/25. 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	3.65	8.12	14.83	17.60	24.94	16.47	15.30	25.02	26.29	-18.11	28.71	18.40
	Russell 1000 Defensive	2.26	6.57	9.68	9.81	19.70	12.42	13.32	18.55	20.23	-16.43	26.93	13.93
	Russell 1000 Dynamic	4.61	9.34	19.38	25.82	29.63	19.32	16.54	30.63	33.34	-21.94	25.57	27.69
	Russell 2500	1.60	9.00	9.48	10.16	15.65	12.09	10.52	12.00	17.42	-18.37	18.18	19.99
	Russell 1000 Growth	5.31	10.51	17.24	25.53	31.61	17.58	18.83	33.36	42.68	-29.14	27.60	38.49
	Russell 1000 Value	1.49	5.33	11.65	9.44	16.96	13.88	10.72	14.37	11.46	-7.54	25.16	2.80
	Russell Mid Cap	0.89	5.33	10.42	11.11	17.69	12.66	11.39	15.34	17.23	-17.32	22.58	17.10
	Russell 2000	3.11	12.39	10.39	10.76	15.21	11.56	9.77	11.54	16.93	-20.44	14.82	19.96
	CBOE S&P 500 BuyWrite BXM	1.80	3.53	2.23	8.15	13.61	9.54	7.05	20.12	11.82	-11.37	20.47	-2.75
Global Equities	MSCI World	3.21	7.27	17.43	17.25	23.72	14.41	12.43	18.67	23.79	-18.14	21.82	15.90
	MSCI EAFE	1.91	4.77	25.14	14.99	21.70	11.15	8.17	3.82	18.24	-14.45	11.26	7.82
	MSCI EM	7.15	10.64	27.53	17.32	18.21	7.02	7.99	7.50	9.83	-20.09	-2.54	18.31
	MSCI AC Asia Pac	4.73	9.16	23.72	15.37	19.32	7.74	8.44	9.56	11.45	-17.22	-1.46	19.71
	MSCI ACWI	3.62	7.62	18.44	17.27	23.12	13.54	11.91	17.49	22.20	-18.36	18.54	16.25
	MSCI Europe	1.98	3.62	27.50	15.08	22.91	12.19	8.14	1.79	19.89	-15.06	16.30	5.38
	MSCI World Small Cap	1.98	8.53	16.58	13.57	17.36	11.20	9.57	8.15	15.76	-18.76	15.75	15.96
	MSCI World Ex USA Small Cap	2.21	7.24	29.54	19.35	19.98	9.24	8.29	2.76	12.62	-20.59	11.14	12.78
	FTSE 100	1.47	5.64	26.57	17.96	22.24	14.81	7.24	7.73	14.38	-7.01	17.36	-8.73
	FTSE All Small	1.62	0.44	18.03	9.72	18.47	12.23	7.07	8.62	12.57	-23.06	22.15	10.77
	STOXX Europe 600	1.91	3.57	27.72	15.39	23.16	11.94	8.17	1.97	19.87	-16.14	16.09	6.83
Nikkei 225 Average	5.13	9.18	21.59	16.56	21.17	8.39	9.37	8.45	22.05	-19.49	-4.69	23.99	
Sectors	S&P 500 Comm. Services	5.60	12.04	24.51	35.55	38.95	17.74	14.11	40.23	55.80	-39.89	21.57	23.61
	S&P 500 Cons Disc	3.22	9.54	5.30	20.31	20.57	10.56	13.75	30.14	42.41	-37.03	24.43	33.30
	S&P 500 Cons Staples	-1.56	-2.36	3.89	0.51	10.58	8.51	8.95	14.87	0.52	-0.62	18.63	10.75
	S&P 500 Energy	-0.43	6.21	7.04	4.43	11.10	29.60	8.18	5.72	-1.33	65.72	54.64	-33.68
	S&P 500 Financials	0.14	3.22	12.75	20.75	23.32	19.70	13.61	30.56	12.15	-10.53	35.04	-1.69
	S&P 500 Health Care	1.78	3.76	2.61	-7.95	6.61	7.49	9.66	2.58	2.06	-1.95	26.13	13.45
	S&P 500 Industrials	1.95	5.02	18.38	15.69	25.12	16.82	13.79	17.47	18.13	-5.48	21.12	11.06
	S&P 500 Info Tech	7.25	13.19	22.31	28.22	40.31	23.29	25.22	36.61	57.84	-28.19	34.53	43.89
	S&P 500 Materials	-2.08	3.10	9.32	-4.27	12.26	9.47	10.82	-0.04	12.55	-12.27	27.28	20.73
	S&P 500 Real Estate	0.49	2.59	6.19	-2.24	9.24	7.31	7.61	5.23	12.36	-26.13	46.19	-2.17
	S&P 500 Utilities	4.16	7.57	17.69	11.20	13.61	11.44	10.88	23.43	-7.08	1.57	17.67	0.48

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Morningstar as of 9/30/25. Data provided is for informational use only. Results in US Dollar. See end of report for additional information.

## EQUITIES

## Asset Class Return Analysis (%)

Higher ↑

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
	Growth 5.67	Small-Cap 21.31	Emerging Markets 37.28	Growth -1.51	Growth 36.39	Growth 38.49	S&P 500 28.71	Value -7.54	Growth 42.68	Growth 33.36	International Small-Cap 29.54
	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	Emerging Markets 27.53
	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	International 25.14
	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 18.44
	Global -2.36	Emerging Markets 11.19	Global 23.97	Global -9.42	Value 26.54	Mid-Cap 17.10	Global 18.54	Global -18.36	Mid-Cap 17.23	Value 14.37	Growth 17.24
	Mid-Cap -2.44	Global 7.86	S&P 500 21.83	Small-Cap -11.01	Small-Cap 25.52	Global 16.25	Small-Cap 14.82	Emerging Markets -20.09	Small-Cap 16.93	Small-Cap 11.54	S&P 500 14.83
	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	Value 11.65
	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	Mid-Cap 10.42
	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 10.39

Lower ↓

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It is not possible to invest directly in an index. In general, Foreign securities are subject to currency, political, economic and market risks. The risks of investing in emerging market countries are greater than investments in foreign developed countries. Investors should carefully review the risks of each asset class prior to investing. Source: Morningstar as of 9/30/25. 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.

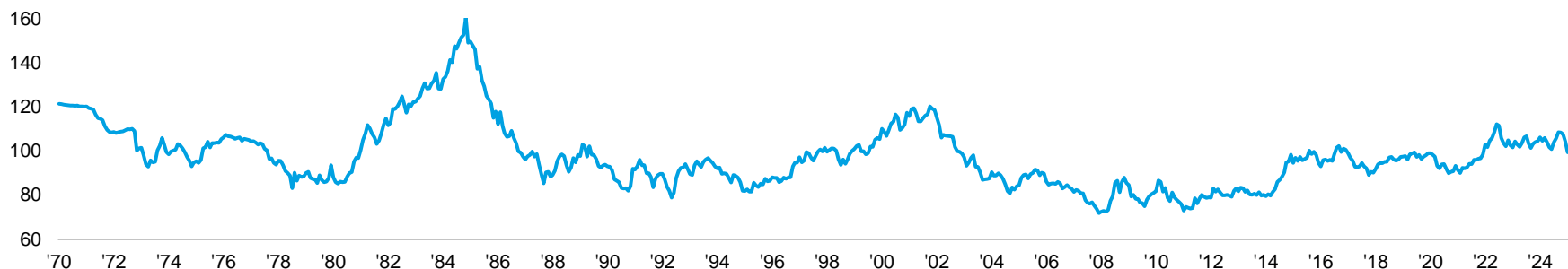


## ALTERNATIVES

## 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)	-	-	-	-	-	-0.38	-11.87	-5.02	-5.88	-0.04	3.61
Euro (EUR) *	0.38	13.47	5.28	6.25	0.04	-	-	-	-	-	1.98
British Pound (GBP)	-0.36	7.49	0.37	6.44	0.81	-0.74	-5.27	-4.67	0.18	0.77	3.84
Japanese Yen (JPY)	-0.58	6.42	-3.15	-0.67	-6.50	-0.96	-6.22	-8.00	-6.51	-6.54	0.78
Australian Dollar (AUD)	1.26	7.04	-4.47	1.02	-1.55	0.87	-5.67	-9.26	-4.92	-1.59	3.57
Canadian Dollar (CAD)	-1.33	3.36	-2.91	-0.42	-0.81	-1.70	-8.91	-7.78	-6.27	-0.85	2.40
New Zealand Dollar (NZD)	-1.59	3.64	-8.74	0.88	-2.56	-1.97	-8.66	-13.32	-5.06	-2.60	2.49
Norwegian Krone (NOK)	0.70	13.83	5.56	2.98	-1.28	0.31	0.31	0.26	-3.07	-1.32	3.87
Swedish Krona (SEK)	0.65	17.48	7.78	5.67	-0.99	0.26	3.53	2.37	-0.54	-1.03	1.76
Danish Krone (DKK)	0.38	13.36	5.14	6.11	-0.02	0.00	-0.10	-0.13	-0.13	-0.06	1.59
Swiss Franc (CHF)	0.43	13.90	6.02	7.35	2.92	0.04	0.38	0.70	1.04	2.88	-0.26

## U.S. Dollar Index



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## ALTERNATIVES

## Emerging Market Currency Performance and Yields

Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
<b>Asia, excluding Japan</b>											
Chinese Renminbi (CNY)	0.20	2.54	-1.44	-0.13	-0.88	-0.18	-9.63	-6.38	-6.00	-0.92	1.29
Malaysian Ringgit (MYR)	0.39	6.25	-2.02	3.28	-0.25	0.01	-6.37	-6.94	-2.79	-0.29	2.82
Indian Rupee (INR)	-0.64	-3.58	-5.62	-2.87	-3.64	-1.02	-15.02	-10.35	-8.59	-3.67	5.71
Indonesian Rupiah (IDR)	-1.05	-3.42	-9.15	-2.96	-2.24	-1.43	-14.89	-13.71	-8.67	-2.28	4.66
Philippine Peso (PHP)	-1.81	-0.61	-3.72	0.24	-3.59	-2.19	-12.41	-8.55	-5.65	-3.63	3.95
Singapore Dollar (SGD)	-0.48	5.82	-0.56	3.63	1.15	-0.86	-6.75	-5.55	-2.46	1.11	1.19
South Korean Won (KRW)	-0.91	4.92	-6.80	0.65	-3.58	-1.29	-7.53	-11.47	-5.27	-3.61	2.32
Taiwanese Dollar (TWD)	0.30	7.57	3.83	1.37	-1.02	-0.08	-5.20	-1.38	-4.59	-1.05	1.17
Thai Baht (THB)	-0.03	5.22	-0.70	5.19	-0.45	-0.41	-7.28	-5.68	-0.99	-0.49	1.13
<b>Latin America</b>											
Brazilian Real (BRL)	1.93	16.00	2.26	0.52	1.14	1.54	2.23	-2.87	-5.39	1.10	14.28
Chilean Peso (CLP)	0.15	3.43	-6.62	-0.13	-3.91	-0.23	-8.85	-11.30	-6.00	-3.95	4.71
Colombian Peso (COP)	2.63	12.50	6.59	5.47	-0.32	2.24	-0.86	1.24	-0.74	-0.36	8.74
Mexican Peso (MXN)	1.70	13.42	6.92	3.13	3.79	1.31	-0.05	1.56	-2.94	3.74	7.61
Peruvian New Sol (PEN)	1.94	8.40	7.32	4.70	0.75	1.55	-4.47	1.94	-1.46	0.71	3.95

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## ALTERNATIVES

## Emerging Market Currency Performance and Yields

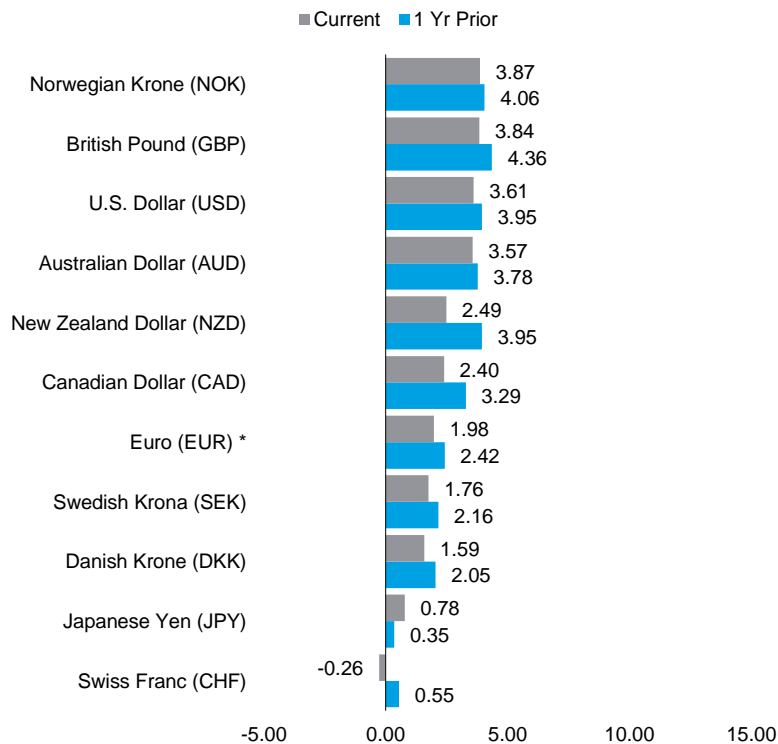
Currency	Spot Returns vs. USD (%)					Spot Returns vs. EUR (%)					Local Interest Rates (%)
	1-Mo.	YTD	1Y	3Y	5Y	1-Mo.	YTD	1Y	3Y	5Y	1Y
<b>Europe</b>											
Czech Koruna (CZK)	0.88	17.42	9.12	6.60	2.21	0.50	3.48	3.65	0.33	2.17	2.92
Hungarian Forint (HUF)	2.27	19.83	7.34	9.21	-1.35	1.87	5.60	1.95	2.79	-1.39	5.97
Polish Zloty (PLN)	0.44	13.86	5.75	10.83	1.28	0.06	0.34	0.44	4.31	1.24	3.64
Romanian Leu (RON)	0.22	11.11	3.10	5.33	-0.79	-0.16	-2.08	-2.07	-0.86	-0.83	6.64
Russian Ruble (RUB)	-2.55	33.03	12.88	-9.51	-1.22	-2.92	17.24	7.22	-14.83	-1.26	--
Turkish New Lira (TRY)	-1.04	-14.96	-17.78	-23.61	-28.62	-1.41	-25.06	-21.91	-28.10	-28.65	36.87
<b>Middle East and Africa</b>											
Ghanaian Cedi (GHS)	-6.05	18.55	27.42	-5.77	-14.13	-6.41	4.47	21.03	-11.31	-14.16	17.90
Israeli Shekel (ILS)	1.24	10.30	12.60	2.50	0.70	0.85	-2.80	6.95	-3.53	0.66	3.78
Kenyan Shilling (KES)	0.04	0.15	-0.12	-2.22	-3.42	-0.34	-11.74	-5.13	-7.97	-3.46	9.53
Moroccan Dirham (MAD)	-0.67	11.34	6.72	6.39	0.31	-1.05	-1.88	1.36	0.14	0.27	2.01
Nigerian Naira (NGN)	3.36	4.05	12.54	-33.54	-23.63	2.97	-8.30	6.90	-37.45	-23.66	18.48
South African Rand (ZAR)	2.56	9.38	-0.12	1.37	-0.67	2.16	-3.61	-5.13	-4.59	-0.71	7.50
Ugandan Shilling (UGX)	1.78	6.17	5.80	3.38	1.30	1.39	-6.44	0.49	-2.70	1.26	15.25
Zambian Kwacha (ZMK)	-1.44	16.49	10.40	-12.96	-3.51	-1.82	2.66	4.86	-18.08	-3.55	14.50

Past performance is no guarantee of future results. 9/30/25. Data provided is for informational use only. See end of report for important additional information..

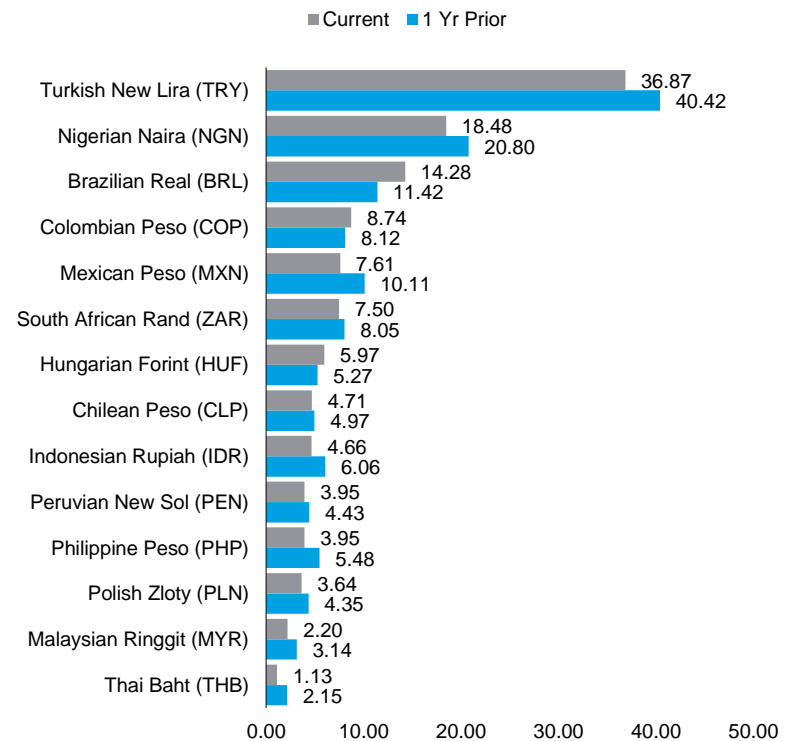
## ALTERNATIVES

## Local Sovereign Currency Yields

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



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



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## ALTERNATIVES

## Commodities Return Analysis (%)

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
<b>Bloomberg Commodity Index</b>	<b>2.15</b>	<b>3.65</b>	<b>9.38</b>	<b>8.88</b>	<b>2.76</b>	<b>11.53</b>
<b>Bloomberg Sub Agriculture</b>	<b>-3.40</b>	<b>-0.81</b>	<b>-2.87</b>	<b>-4.01</b>	<b>-2.98</b>	<b>9.64</b>
Coffee	-2.57	29.04	28.33	53.82	32.65	34.10
Corn	-0.78	-3.22	-12.88	-7.55	-13.78	5.75
Cotton	-0.81	-2.44	-6.89	-15.32	-7.19	4.02
Soybean	-4.67	-1.42	1.75	-3.85	-2.24	8.28
Soybean Oil	-4.75	-5.18	22.66	14.78	-1.82	16.76
Sugar	-2.35	-0.62	-8.88	-21.01	8.18	11.78
Wheat	-4.58	-8.33	-15.26	-21.25	-24.69	-9.34
<b>Bloomberg Sub Energy</b>	<b>-0.14</b>	<b>-3.33</b>	<b>-4.45</b>	<b>0.81</b>	<b>-11.69</b>	<b>9.92</b>
Brent Crude	-1.45	3.23	-1.13	5.15	4.74	24.62
Heating Oil	3.14	5.20	13.92	21.85	8.17	33.74
Natural Gas	-0.55	-18.16	-16.38	-15.39	-48.46	-23.29
Unleaded Gas	0.82	5.84	2.15	8.99	10.00	29.21
WTI Crude Oil	-1.37	0.83	-2.35	5.78	4.53	21.04

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
<b>Bloomberg Sub Industrial Metals</b>	<b>3.66</b>	<b>0.20</b>	<b>8.34</b>	<b>-0.03</b>	<b>5.87</b>	<b>8.17</b>
Aluminum	2.85	4.06	7.04	4.27	7.01	8.09
Copper	6.17	-4.70	19.04	5.23	14.14	10.85
Nickel	-1.30	-0.14	-1.51	-14.14	-10.57	0.99
Zinc	5.77	9.31	1.08	-2.04	2.71	6.74
<b>Bloomberg Sub Precious Metals</b>	<b>11.60</b>	<b>19.20</b>	<b>47.87</b>	<b>44.71</b>	<b>32.03</b>	<b>14.35</b>
Gold	10.54	16.40	44.78	44.10	31.30	14.39
Platinum	16.33	19.55	77.11	62.46	24.93	12.89
Silver	14.93	28.63	58.07	46.58	34.03	13.85
<b>Bloomberg Sub Livestock</b>	<b>-0.82</b>	<b>9.21</b>	<b>24.18</b>	<b>30.11</b>	<b>16.68</b>	<b>11.85</b>
Lean Hogs	2.46	5.42	11.88	19.46	7.00	10.99
Live Cattle	-2.37	11.46	31.64	36.76	23.10	12.66

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It is not possible to invest directly in an index. Source: Morningstar as of 9/30/25. Data provided is for informational use only. See end of report for important additional information. Commodity represented by Bloomberg Commodity Index. Agriculture represented by Bloomberg Agriculture Subindex. Energy represented by Bloomberg Energy Subindex. Grains represented by Bloomberg Grains Subindex. Industrial Metals represented by Bloomberg Industrial Metals Subindex. Livestock represented by Bloomberg Livestock Subindex. Precious Metals represented by Bloomberg Precious Metals Subindex.

## ALTERNATIVES

## Asset Class Return Analysis (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
Higher ↑ Lower	Multi-Strategy 3.84	MLP 18.31	Long/Short Equity 13.41	Fixed Income Arbitrage 1.10	Long/Short Equity 12.17	Convertible Arbitrage 10.25	MLP 40.17	MLP 30.92	MLP 26.56	MLP 24.41	Currency 10.40
	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	Long/Short Equity 10.36
	Equity Market Neutral 1.69	Convertible Arbitrage 6.60	Equity Market Neutral 8.45	Multi-Strategy -1.05	Managed Futures 9.01	Event Driven 6.95	Event Driven 12.92	Commodity 16.09	Event Driven 9.30	Event Driven 13.03	MLP 9.81
	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	Equity Market Neutral 9.57
	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	Fixed Income Arbitrage 7.28
	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	Commodity 7.07
	Managed Futures -0.93	Currency 3.54	Convertible Arbitrage 5.01	Long/Short Equity -4.62	Multi-Strategy 7.25	Managed Futures 1.86	Multi-Strategy 6.97	Fixed Income Arbitrage -0.97	Equity Market Neutral 6.73	Convertible Arbitrage 7.35	Event Driven 6.29
	Event Driven -6.29	Event Driven 2.68	Managed Futures 3.29	Equity Market Neutral -5.00	MLP 6.56	Currency 1.73	Convertible Arbitrage 6.33	Convertible Arbitrage -3.32	Convertible Arbitrage 4.04	Global Macro 5.52	Multi-Strategy 5.66
	Currency -7.61	Long/Short Equity -3.43	Global Macro 2.14	Managed Futures -6.67	Fixed Income Arbitrage 6.10	Equity Market Neutral 1.69	Equity Market Neutral 6.16	Long/Short Equity -5.77	Managed Futures -2.78	Commodity 5.38	Convertible Arbitrage 5.17
	Commodity -24.66	Equity Market Neutral -4.58	Commodity 1.70	Commodity -11.25	Currency 5.20	Commodity -3.12	Fixed Income Arbitrage 5.22	Event Driven -6.80	Global Macro -5.19	Managed Futures 2.87	Global Macro 5.09
	MLP -32.59	Managed Futures -6.84	MLP -6.52	MLP -12.42	Equity Market Neutral 1.58	MLP -28.69	Currency -3.09	Currency -7.14	Commodity -7.91	Currency -1.08	Managed Futures -5.33

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Morningstar as of 8/31/25. \*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	0.84	0.69	0.86	0.39	0.43	0.80	0.60	0.40
International	0.82	1.00	0.79	0.76	0.44	0.48	0.80	0.59	0.44
Emerging Markets	0.61	0.74	1.00	0.61	0.42	0.47	0.70	0.55	0.46
Small Cap	0.82	0.74	0.57	1.00	0.30	0.35	0.76	0.63	0.38
U.S. Aggregate	0.62	0.69	0.62	0.52	1.00	0.84	0.51	0.15	-0.03
Municipal	0.67	0.68	0.68	0.56	0.89	1.00	0.58	0.29	0.06
High Yield	0.84	0.82	0.63	0.78	0.75	0.74	1.00	0.80	0.49
Bank Loan	0.56	0.57	0.52	0.58	0.33	0.35	0.67	1.00	0.50
Commodities	0.25	0.30	0.32	0.21	0.03	0.02	0.28	0.32	1.00

5 Years ended Sep 30, 2025
10 Years ended Sep 30, 2025

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It is not possible to invest directly in an index. Source: Morningstar as of 9/30/25. The table above shows the return correlation between various asset classes (represented by market indices as defined in this disclosure) over the past five and ten years. Data provided is for informational use only. See end of report for important additional information. S&P 500 is represented by the S&P 500 Index. International is represented by MSCI EAFE Index. Emerging Markets is represented by MSCI Emerging Markets Index. Small-Cap is represented by Russell 2000 Index. US Aggregate is represented by the Bloomberg Barclays Capital US Aggregate Bond Index. Municipal is represented by Bloomberg Barclays Municipal Bond Index. High Yield is represented by ICE BofA US High Yield Index. Bank Loan is represented by Morningstar LSTA U.S. Leveraged Loan Index. Commodities is represented by Bloomberg Commodity Index.

## TRANSITION

# Fund and ETF Flows by Category

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

	1 Mo.	3 Mo.	12 Mo.
Multisector Bond	6,936	12,822	36,815
Intermediate Core Bond	6,441	35,685	45,499
Intermediate Core-Plus Bond	2,996	6,140	6,727
Ultrashort Bond	1,693	3,164	17,847
Muni National Interm	1,497	4,046	12,087
Miscellaneous Region	1,296	2,397	8,034
Global Bond-USD Hedged	1,282	4,829	9,744
Nontraditional Bond	1,119	2,615	10,730
Short-Term Bond	913	3,768	5,717
Multi strategy	875	2,193	4,097

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

	1 Mo.	3 Mo.	12 Mo.
Small Growth	-2,101	-6,596	-21,103
Diversified Emerging Mkts	-2,184	-7,100	-31,533
Mid-Cap Growth	-2,363	-9,962	-35,049
Mid-Cap Blend	-2,372	-7,878	-20,972
Foreign Large Growth	-2,506	-8,092	-37,711
Moderate Allocation	-2,838	-10,534	-44,829
Small Blend	-4,164	-10,309	-20,252
Large Value	-6,049	-20,331	-77,737
Large Growth	-14,173	-45,050	-143,150
Large Blend	-16,072	-69,709	-153,107

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

	1 Mo.	3 Mo.	12 Mo.
Large Blend	22,109	83,949	380,654
Ultrashort Bond	9,815	22,367	99,577
Foreign Large Blend	9,337	29,313	85,259
Large Growth	8,654	17,649	95,384
Corporate Bond	7,132	5,971	14,414
Commodities Focused	6,394	13,936	30,869
Intermediate Core Bond	6,020	19,459	65,375
Large Value	5,986	10,811	73,347
Short-Term Bond	4,875	7,869	18,602
Derivative Income	4,509	17,496	60,107

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

	1 Mo.	3 Mo.	12 Mo.
Natural Resources	-345	383	-2,185
Defined Outcome	-394	405	9,515
Long Government	-405	-2,789	-1,407
Europe Stock	-514	473	3,260
Mid-Cap Growth	-715	1,142	2,676
India Equity	-776	245	-1,450
Miscellaneous Region	-779	439	1,457
Equity Energy	-869	-1,489	-12,309
Japan Stock	-1,079	-813	-2,825
Trading--Leveraged Equity	-5,026	-14,370	-2,927

Source: Morningstar as of 8/31/25. Flow data is on a one-month lag. Data provided is for informational use only. See end of report for important additional information.



## TRANSITION

## Major Asset Class Return Analysis (%)

Higher ↑

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD 2025
	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	Emerging Markets 27.53
	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	International 25.14
	US Agg 0.55	S&P 500 11.96	S&P 500 21.83	US Agg 0.01	International 22.01	Emerging Markets 18.31	Small-Cap 14.82	Municipal -8.53	Small-Cap 16.93	Asset Allocation 9.79	S&P 500 14.83
	Bank Loan -0.69	Commodities 11.77	Small-Cap 14.65	High Yield -2.26	Asset Allocation 18.70	Asset Allocation 11.95	Asset Allocation 11.43	High Yield -11.22	Asset Allocation 14.09	Bank Loan 8.95	Asset Allocation 12.61
	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	Small-Cap 10.39
	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	Commodities 9.38
	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	High Yield 7.06
	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	US Agg 6.13
	Emerging Markets -14.92	International 1.00	US Agg 3.54	International -13.79	Commodities 7.69	Bank Loan 3.12	US Agg -1.54	Emerging Markets -20.09	US Agg 5.53	US Agg 1.25	Bank Loan 4.63
	Commodities -24.66	Municipal 0.25	Commodities 1.70	Emerging Markets -14.57	Municipal 7.54	Commodities -3.12	Emerging Markets -2.54	Small-Cap -20.44	Commodities -7.91	Municipal 1.05	Municipal 2.64

Lower ↓

**Past performance is no guarantee of future results.** It is not possible to invest directly in an index. Source: Morningstar as of 9/30/25. Data provided is for informational use only. Investing involves risks including the possible loss of principal. Investors should carefully review the risks of each asset class prior to investing. See end of report for important additional information. S&P 500 represented by the S&P 500 Index. International represented by MSCI EAFE Index. Emerging Markets represented by MSCI Emerging Markets Index. Small-Cap represented by Russell 2000 Index. US Aggregate represented by the Bloomberg Capital US Aggregate Bond Index. Municipal represented by Bloomberg Municipal Bond Index. High Yield represented by ICE BofA US High Yield Index. Bank Loan represented by Morningstar LSTA U.S. Leveraged Loan Index. Commodity represented by Bloomberg Commodity Index. The Asset Allocation portfolio assumes the following weights: 25% in the S&P 500 Index, 15% in the MSCI EAFE Index, 5% in the MSCI Emerging Markets Index, 10% in the Russell 2000 Index, 25% in the Bloomberg Capital US Aggregate Bond Index, 5% in the Bloomberg Municipal Bond Index, 5% in the Bloomberg US Corporate High Yield Index, 5% in the Morningstar LSTA U.S. Leveraged Loan Index, and 5% in the Bloomberg Commodity Index.

## Portfolio Solutions Group

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

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



**JIM CARON**

*Chief Investment Officer  
Managing Director*



**GREG WATERMAN**

*Executive Director*



**EWA TUREK SEMMELROTH**

*Executive Director*



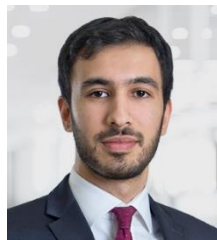
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*Executive Director*



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*Executive Director*



**UMAR MALIK**

*Vice President*



**CHRIS CHIA**

*Vice President*



**SACHIN RAGHAVAN**

*Associate*



**SILVIA MARE**

*Analyst*

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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.

**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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