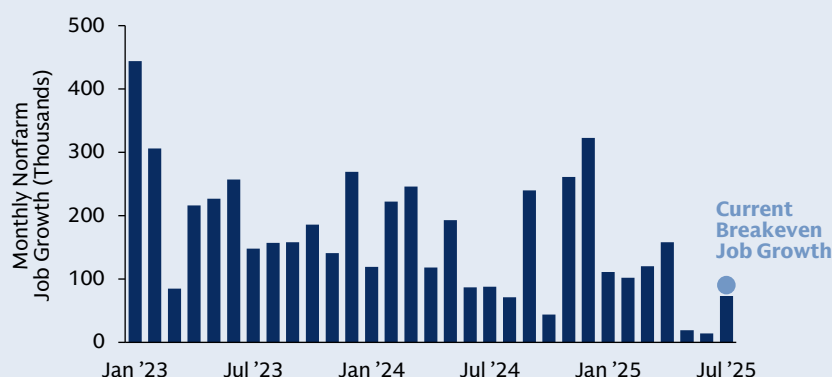


STRATEGIC ADVISORY SOLUTIONS

# Weekly Market Monitor

Chart of the Week: Cracks in the Labor Market



Source: Goldman Sachs Asset Management and GS GIR. As of August 1, 2025.

## Macro

The Fed has remained on hold since last year, weighing uncertainty about the inflationary effects of tariffs against a healthy, albeit softening, labor market. We are now starting to see signs of labor market weakness: nonfarm payrolls rose by 73k in July, below consensus expectations of 106k, while the May and June numbers were revised down by a combined 258k. This pace of job growth is below GIR's estimates of the rate needed to maintain a stable unemployment rate, which is currently 90k. If job growth remains below breakeven rates, the cracks in the labor market will likely widen, which could lead to a faster and deeper easing cycle.

## Market Summary

**Global Equities:** US equities rebounded last week amid solid corporate earnings and consensus expectations that the Federal Reserve will cut rates sooner rather than later. With S&P 500 earnings growth tracking at 9% in Q2, above consensus expectations of 4%, the index ended 2.44% higher, even as a new round of tariffs went into effect this week. European stocks rose sharply in the risk-on environment and also benefited from hopes of an end to the Russia-Ukraine conflict. The STOXX 600 ended the week up 2.18% while the FTSE 100 was up 0.51%.

**Fixed Income:** US Treasury yields rose last week as investors weighed the implications of tariff developments and the 10-Year Treasury auction saw weak demand. The 2-Year and 10-Year Treasury yields ended the week up at 3.76% and 4.28%, respectively. In Europe, the 10-Year German Bund yield edged up slightly to 2.69%, while the 10-Year UK Gilt yield rose to 4.60% after the Bank of England's hawkish commentary.

**Commodities:** Oil prices fell to an eight-week low after President Trump's comments about "great progress" in US-Russia talks raised uncertainty over whether the US will impose additional sanctions on Russian oil. WTI and Brent crude ended the week at \$63.88 and \$66.59/bbl, respectively. COMEX gold futures reached new highs after the announcement of US tariffs on gold. Ongoing trade tensions and hopes of Fed rate cuts also supported gold prices, with London spot prices ending the week at \$3398/troy oz.

**FX:** The US dollar index fell by 0.97% last week, as recent data releases have fueled heightened expectations of Fed rate cuts. The euro rose to \$1.1641, but the big winner over the week was the pound sterling, which rallied to \$1.3452 as markets trimmed their expectations of further UK rate cuts this year.

## Economic Summary

**Trade:** President Trump's latest round of tariffs took effect on Thursday, with new rates imposed on over 90 countries around the world. These tariffs included a 39% rate on Switzerland, a 50% rate on Brazil, and a 50% rate on India due to its imports of Russian oil. The US effective tariff rate is now around 17%, its highest level since 1933. Even though President Trump said that the meeting between the US special envoy and Russia was highly productive, the administration still plans to impose tariffs of up to 100% on countries buying Russian oil.

**Monetary Policy:** The Bank of England lowered its Bank Rate by 25bp to 4.0% at its August meeting, in line with consensus expectations. That said, the decision to cut received less support than consensus expected, with four Committee members dissenting in favor of a hold. The minutes reiterated that a "gradual and careful approach" to monetary easing remains appropriate.

**Activity:** The number of initial jobless claims in the US hit 226k in the week ending August 2, up from 219k the previous week. Continuing claims – recurring applications for unemployment benefits – rose to 1.974M, their highest level since 2021. The ISM US Services PMI fell to 50.1 in July, below consensus expectations. Most respondents said that tariffs continued to create significant uncertainty and affected planning for purchases and projects.

**China:** Chinese export and import growth in July came in at 4.1% and 7.2% year-over-year, respectively, both above consensus expectations. The increase in headline export growth was primarily driven by faster shipments to the EU and emerging economies (ex-ASEAN), as Chinese firms channel goods through these regions to circumvent US tariffs. The acceleration of imports was broad-based across major trading partners and products. Overall, China's trade surplus fell from \$114.8bn in June to \$98.2bn in July.

## Why European High Yield Has More Room to Run

European high yield credit delivered a 1.2% return in July, marking the 19th month of positive returns out of the last 21 and contributing to a ~4% return year-to-date (see top chart). This performance was mainly driven by income from an attractive yield and spread tightening, which helped offset the impact of higher German bund yields. We anticipate continued strong performance due to several factors:

- **Attractive income potential:** Yields are around ~5% (see bottom chart).
- **Strong earnings:** Companies are reporting robust Q2 earnings.
- **Contained defaults:** The last twelve-month default rate stood at 5% in July, and we expect this to moderate as fewer bonds trade at distressed levels and the impact of a UK utility drops out of the calculation<sup>1</sup>.
- **Supportive technical dynamics:** Robust new supply is being matched by firm investor demand. Year-to-date new issuance is the second highest on record, while July marked the largest monthly inflow since October 2024<sup>1</sup>.

However, we remain cautious about the potential impact of tariffs on cyclical companies. Therefore, we believe it is crucial for investors to maintain a diversified and disciplined approach when accessing opportunities in European high yield credit.

<sup>1</sup>Source: Barclays European High Yield Corporate Update. As of July 2025.

## Equity Insights

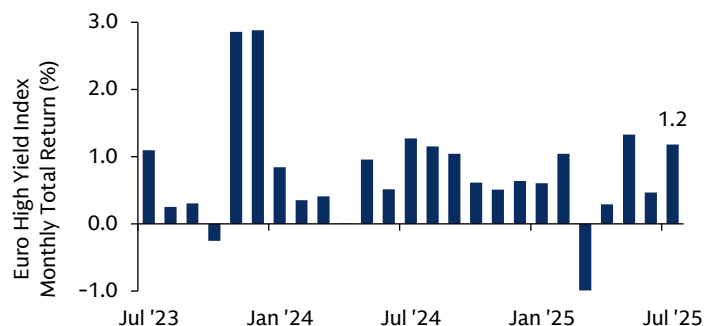
### Making Sense of the 'Meme Mania'

Risk appetite in the US equity market has seemingly increased, as evidenced by several key indicators:

- The Goldman Sachs Speculative Trading Indicator has risen, reflecting higher trading volumes in unprofitable stocks, penny stocks, and stocks with high enterprise value-to-sales multiples<sup>1</sup>.
- Call options activity has surged, accounting for 61% of recent options volumes, compared to a 20-year average of 55%. Investors tend to buy call options when they are bullish<sup>1</sup>.
- Stocks popular with retail investors have risen by 50% from early April lows<sup>2</sup>.
- Highly shorted stocks have gained 58% since their 2025 low<sup>2</sup>.
- Equity capital markets activity has increased, with recent IPOs generating strong first-day returns<sup>1</sup>.

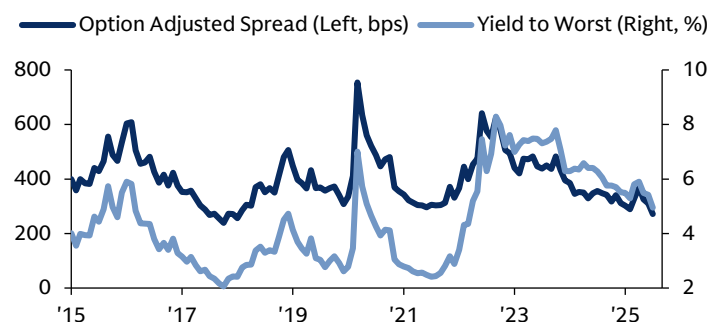
We think this risk-taking behavior is partly driven by speculative factors, including improved social media sentiment around "[meme stocks](#)," rather than fundamental shifts. That said, strong earnings from financial and technology companies may have also contributed. This may explain why recent weakness in US equities on weak labor market data proved to be short-lived. While increases in speculative trading may signal above-average near-term returns, they can also indicate risk to the medium-term outlook. Therefore, we believe investors should maintain focus on fundamentals, including earnings trends.

### Consistent Performance: 19 Positive Returns in 21 Months



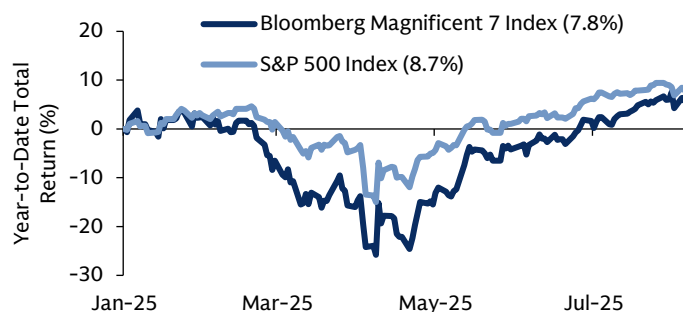
Source: Goldman Sachs Asset Management, Macrobond, ICE BofA. As of July 31, 2025.

### Euro High Yield Index: Tight Spreads But Attractive Yields



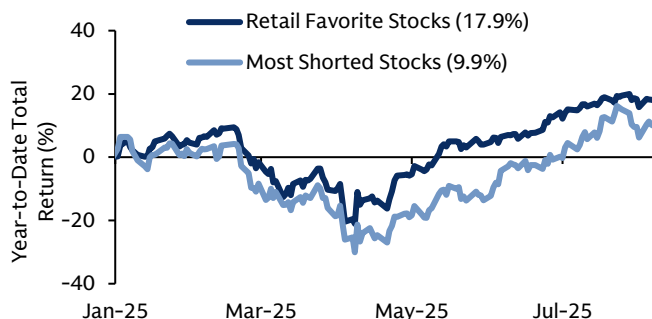
Source: Goldman Sachs Asset Management, Macrobond, ICE BofA. As of July 31, 2025.

### US Equities Have Firmly Recovered From Their April Lows...



Source: Macrobond, GS Asset Management, Bloomberg. As of August 6, 2025. <sup>1</sup> Source: Goldman Sachs GIR US Macroscope (July 24, 2025).

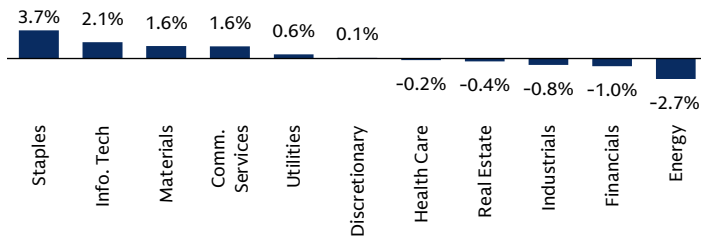
### ...Though Part of the Rise Reflects Speculative Activity



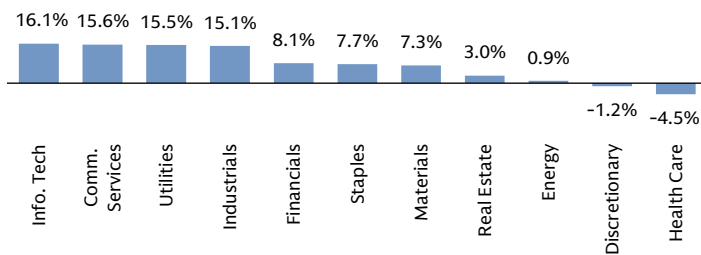
<sup>2</sup> Source: GS GIR, Bloomberg. As of August 6, 2025. Bloomberg tickers for retail favourites: GSXURFAV. Bloomberg ticker for most shorted: GSCBMSAL.

## S&amp;P 500 Index Sector Returns

## Month-To-Date

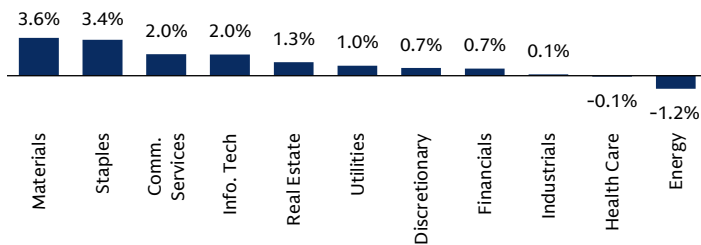


## Year-To-Date

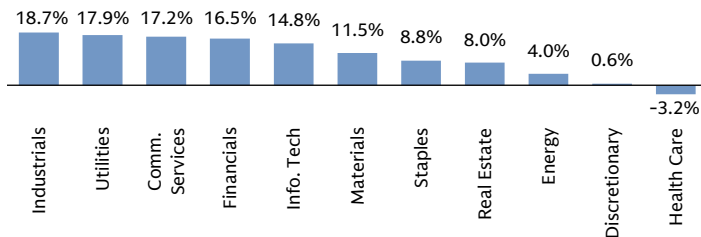


## MSCI World Index Sector Returns

## Month-To-Date



## Year-To-Date



## Economic Watch

August 11 (Mon)

August 12 (Tue)

US CPI YoY  
(Cons: 2.8%, Prior: 2.7%)  
UK Unemployment Rate  
(Prior: 4.7%)

August 13 (Wed)

August 14 (Thu)

US PPI MoM  
(Cons: 0.2%, Prior: 0.0%)  
Euro Area Q2 GDP YoY  
(Cons: 1.4%, Prior: 1.5%)  
UK Q2 GDP YoY  
(Prior: 1.3%)  
US Initial Jobless Claims  
(Prior: 226k)

August 15 (Fri)

US Retail Sales MoM  
(Cons: 0.5%, Prior: 0.6%)

## Critical Future Events

ECB Meeting – Sep 10  
FOMC Meeting – Sep 16  
BoE Meeting – Sep 18  
BoJ Meeting – Sep 18

Source: MSCI, Bloomberg, and Goldman Sachs Asset Management. As of August 9, 2025. For style performance, Large, Mid, and Small for US Equity refer to the Russell 1000, Russell Midcap, and Russell 2000 indices, respectively. Value refers to companies with lower price-to-book ratios and lower expected growth values, and Growth refers to higher price-to-book ratios and higher forecasted growth values. For US Fixed Income, Government, Corporate, and High Yield refer to the Bloomberg Treasury, Bloomberg Corporate Credit, and Bloomberg High Yield indices, respectively. Short, Intermediate, and Long refer to the Short, Intermediate, and Long segments of their respective curves. For European Fixed Income, Government, Corporate, and High Yield refer to the Bloomberg Euro Treasury Index, the Bloomberg Euro Corporate Index, and the Bloomberg Euro High Yield Index, respectively. Quality returns refers to the credit quality of asset classes ranging from Government, highest quality, to High Yield, lowest quality. Since August 24, 2021, the Barclays indices are branded "Bloomberg indices". Please see end disclosures for footnotes. Past performance does not guarantee future results, which may vary.

## Style Performance

## US Equity Size &amp; Style Returns

	Month-to-Date			Year-to-Date		
	Value	Core	Growth	Value	Core	Growth
Large	0.07%	0.68%	1.23%	5.44%	8.41%	11.06%
Medium	-0.56%	-0.91%	-1.97%	3.26%	4.87%	9.43%
Small	0.33%	0.31%	0.29%	-2.30%	-0.53%	1.16%

## MSCI World Size &amp; Style Returns

	Month-to-Date			Year-to-Date		
	Value	Core	Growth	Value	Core	Growth
Large	1.02%	1.32%	1.57%	11.06%	11.35%	11.60%
Medium	0.98%	0.57%	-0.10%	8.36%	10.73%	15.61%
Small	1.32%	0.90%	0.49%	7.64%	8.59%	9.56%

## US Fixed Income Maturity and Quality Returns

	Month-to-Date			Year-to-Date		
	Short	Intermed.	Long	Short	Intermed.	Long
Government	0.42%	0.73%	0.77%	3.20%	5.56%	2.94%
Corporate	0.38%	0.62%	0.63%	3.63%	6.15%	4.22%
High Yield	0.21%	0.25%	0.35%	5.19%	5.98%	4.93%

## European Fixed Income Maturity and Quality Returns

	Month-to-Date			Year-to-Date		
	Short	Intermed.	Long	Short	Intermed.	Long
Government	0.06%	0.14%	0.01%	1.65%	1.83%	-2.95%
Corporate	0.04%	0.04%	-0.18%	2.43%	2.76%	-0.43%
High Yield	0.11%			3.58%		

## Index Returns

	1 Week	MTD	QTD	YTD
<b>Equities</b>				
S&P 500	2.44%	0.81%	3.07%	9.46%
NASDAQ Composite	3.88%	1.56%	5.35%	11.52%
DJ Industrial Average	1.37%	0.12%	0.29%	4.85%
S&P 400	0.65%	-0.83%	0.77%	0.97%
Russell 2000	2.41%	0.34%	2.08%	0.25%
S&P 500 Equal Weight	0.79%	-0.30%	0.67%	5.52%
STOXX Europe 50 (€)	3.57%	0.57%	1.03%	12.22%
STOXX Europe 600 (€)	2.18%	0.25%	1.24%	10.78%
MSCI EAFE Small Cap	2.52%	3.00%	2.93%	24.79%
FTSE 100 (€)	0.51%	-0.20%	4.11%	13.95%
FTSE MIB (€)	4.21%	1.55%	4.96%	26.35%
CAC 40 (€)	2.61%	-0.37%	1.10%	7.98%
DAX (€)	3.15%	0.40%	1.06%	21.37%
SWISS MKT (CHF)	0.26%	0.26%	-0.46%	5.42%
TOPIX (¥)	2.56%	2.76%	6.01%	8.59%
Nifty 50	-0.82%	-1.64%	-4.30%	3.04%
Hang Seng (HKD)	1.43%	0.35%	3.47%	23.92%
MSCI World	2.58%	1.24%	2.56%	12.57%
MSCI China Free	1.56%	0.73%	5.97%	22.06%
MSCI EAFE	2.87%	2.48%	1.07%	21.23%
MSCI EM	2.32%	0.93%	2.95%	18.95%
MSCI Brazil (BRL)	2.37%	1.73%	-3.16%	12.42%
MSCI India (INR)	-0.99%	-1.99%	-4.99%	0.88%
<b>Fixed Income</b>				
Bloomberg US Aggregate	-0.18%	0.63%	0.37%	4.40%
Bloomberg Euro Aggregate	0.95%	1.93%	-0.61%	13.61%
Bloomberg US High Yield	0.38%	0.25%	0.70%	5.30%
Bloomberg Euro High Yield (€)	0.29%	0.11%	1.25%	3.58%
Bloomberg Muni Aggregate	0.24%	0.64%	0.43%	0.09%
Bloomberg TIPS	0.11%	0.74%	0.85%	5.44%
JPM EMBI Gbl. Divers.	0.70%	0.76%	2.04%	7.80%
JPM GBI-EM Gbl. Divers.	1.49%	1.84%	1.08%	13.47%
<b>Other</b>				
DJ US Real Estate	-0.02%	-0.13%	0.00%	3.03%
S&P GSCI	-1.19%	-2.68%	0.84%	2.80%
Alerian MLP	-0.58%	-2.22%	0.87%	7.99%
VIX	-25.66%	-9.39%	-9.44%	-12.68%
US Dollar Index	-0.97%	-1.79%	1.35%	-9.50%
Bitcoin	2.73%	-0.30%	8.22%	24.62%

	8/8/2025	7/31/2025	6/30/2025	12/31/2024
<b>Commodities</b>				
WTI Oil (\$/barrel)	\$63.88	\$69.26	\$65.11	\$71.72
Brent Oil	\$66.59	\$72.53	\$67.61	\$74.64
Gold (\$/oz)	\$3,397.75	\$3,289.93	\$3,303.14	\$2,624.50
Natural Gas (\$/mmBtu)	\$2.99	\$3.11	\$3.46	\$3.63
<b>Currencies</b>				
Euro (\$/€)	1.1641	1.1415	1.1787	1.0354
Pound (\$/£)	1.3452	1.3207	1.3732	1.2516
Japanese Yen (¥/\$)	147.74	150.75	144.03	157.2
Swiss Franc (CHF/€)	0.9410	0.9274	0.9348	0.9401
Chinese Yuan Renminbi (CNY/\$)	7.1802	7.2	7.1638	7.2993

## Rates &amp; Spreads

	8/8/2025	7/31/2025	6/30/2025	12/31/2024
<b>Rates</b>				
Fed Funds Effective Rate	4.33%	4.33%	4.33%	4.33%
ECB Depo Rate	2.00%	2.00%	2.00%	3.00%
US Treasuries 2-Year	3.76%	3.96%	3.72%	4.24%
US Treasuries 10-Year	4.28%	4.37%	4.23%	4.57%
US Treasury 2-10 Slope	0.52%	0.42%	0.51%	0.33%
German Bunds 2-Year	1.95%	1.96%	1.86%	2.08%
German Bunds 10-Year	2.69%	2.69%	2.61%	2.36%
Japanese Govt Bonds 10-Year	1.49%	1.55%	1.43%	1.09%
UK Gilts 10-Year	4.60%	4.57%	4.49%	4.56%
Swiss Govt Bonds 10-Year	0.24%	0.33%	0.41%	0.27%
French OATs 10-Year	3.35%	3.35%	3.28%	3.19%
Italian BTPs 10-Year	3.48%	3.51%	3.48%	3.52%
Chinese Govt Bonds 10-Year	1.70%	1.71%	1.65%	1.67%
<b>Spreads</b>				
US HY Corp. Spread (bps)**	283	278	290	287
US IG Corp. Spread (bps)**	78	76	83	80
EMD Spread (bps)	298	299	322	325

## Global Equity Valuations

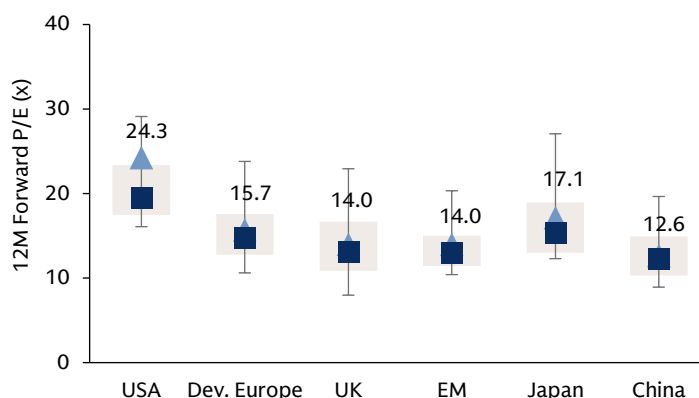


Chart Source: Goldman Sachs Asset Management and Bloomberg as of close of trading on July 31, 2025. Chart data shows next 12-month P/E ratio from August 2015 to the current period. 12m forward P/E(x) refers to price-to-earnings ratio for the next 12 months, which is a valuation measure applied to respective broad equity indices. Please see additional disclosures at the end of this presentation.

## Weekly Market Recap Notes:

All data is denominated in USD unless noted otherwise.

If data displays an asterisk:

\* Data is lagged by 1 day.

\*\* Spreads shown are option-adjusted.

Source: Bloomberg, MSCI, and Goldman Sachs Asset Management. **Past performance does not guarantee future results, which may vary.** Please see end disclosures for footnotes.

## IMPORTANT INFORMATION

**Page 1 Chart of the Week Notes:** Source: GS Asset Management and GS GIR. As of August 1, 2025. Chart shows monthly nonfarm job growth in thousands of jobs, along with GIR's estimate of the current breakeven rate of job growth. For illustrative purposes only. 'We' refers to Goldman Sachs Asset Management.

**Page 1 Market Summary Notes:** "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "FX" refers to foreign exchange. "Fed" refers to Federal Reserve.

**Page 1 Economic Summary Notes:** "ISM" refers to Institute for Supply Management. "PMI" refers to Purchasing Managers' Index. "ASEAN" refers to Association of Southeast Asian Nations. "EU" refers to European Union.

**Page 2 Fixed Income Insights Notes:** "ICE" refers to Intercontinental Exchange.

**Page 3 Style Performance Notes:** For US Fixed Income, Government, Corporate, and High Yield refer to the Bloomberg US Treasury, the Bloomberg US Corporate Credit, and the Bloomberg US High Yield indices, respectively. For European Fixed Income, Government, Corporate, and High Yield refer to the Bloomberg Euro Treasury Index, the Bloomberg Euro Corporate Index, and the Bloomberg Euro High Yield Index, respectively. Short, Intermediate, and Long refer to the Short, Intermediate, and Long segments of their respective curves. Quality returns refers to the credit quality of asset classes ranging from Government, highest quality, to High Yield, lowest quality. Since August 24, 2016, the Barclays indices are co-branded "Bloomberg Barclays indices".

**Page 3 Economic Watch Notes:** "CPI" refers to Consumer Price Index. "YoY" refers to year-over-year. "GDP" refers to Gross Domestic Product. "PPI" refers to Purchasing Price Index. "MoM" refers to month-over-month. "BoE" refers to Bank of England. "ECB" refers to European Central Bank. "FOMC" refers to Federal Open Market Committee. "BoJ" refers to Bank of Japan.

**Page 4 Global Equity Valuations Chart Notes:** Earnings are forward looking Bloomberg estimates of operating earnings per share over the next four quarters, which may exclude one-time extraordinary gains and losses. Please see index disclosures for additional definitions on the indices.

USA is represented by the MSCI USA Index, Dev. Europe is represented by MSCI Europe Index, Germany is represented by MSCI Germany Index, France is represented by MSCI France Index, UK is represented by MSCI UK Index, EM is represented by MSCI EM Index, Japan is represented by MSCI Japan Index, Hong Kong is represented by MSCI Hong Kong Index, China is represented by MSCI China Index, Global Dev. is represented by MSCI World Index.

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Equity securities are more volatile than bonds and subject to greater risks. Small and mid-sized company stocks involve greater risks than those customarily associated with larger companies. Bonds are subject to interest rate, price and credit risks. Prices tend to be inversely affected by changes in interest rates. Unlike stocks and bonds, U.S. Treasuries securities are guaranteed as to payment of principal and interest if held to maturity. High yield fixed income securities are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities. Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT).

Investments in foreign securities entail special risks such as currency, political, economic, and market risks. These risks are heightened in emerging markets. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity.

Emerging markets investments may be less liquid and are subject to greater risk than developed market investments as a result of, but not limited to, the following: inadequate regulations, volatile securities markets, adverse exchange rates, and social, political, military, regulatory, economic or environmental developments, or natural disasters.

The currency market affords investors a substantial degree of leverage. This leverage presents the potential for substantial profits but also entails a high degree of risk including the risk that losses may be similarly substantial. Such transactions are considered suitable only for investors who are experienced in transactions of that kind. Currency fluctuations will also affect the value of an investment.

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The risk of foreign currency exchange rate fluctuations may cause the value of securities denominated in such foreign currency to decline in value. Currency exchange rates may fluctuate significantly over short periods of time. These risks may be more pronounced for investments in securities of issuers located in, or otherwise economically tied to, emerging countries. If applicable, investment techniques used to attempt to reduce the risk of currency movements (hedging), may not be effective. Hedging also involves additional risks associated with derivatives.

Because the strategy has exposure to the commodities markets, it may subject the strategy to greater volatility than investments in traditional securities. Investments in commodities may be affected by changes in overall market movements, changes in interest rates, or factors affecting a particular industry or commodity. Commodities are also subject to social, political, military, regulatory, economic, environmental or natural disaster risks.



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## Index Benchmarks

**Equities:** The **S&P 500 Index** is the Standard & Poor's 500 Composite Stock Prices Index of 500 stocks, an unmanaged index of common stock prices. The **NASDAQ Composite Index** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market, and Capital Market. The **Dow Jones Industrial Average Index** is a price-weighted average of 30 actively traded blue-chip stocks. The **S&P 400 Index** measures the performance of the mid-range sector of the US stock market. The **Russell 2000 Index** is an unmanaged index of common stock prices that measures the performance of the 2000 smallest companies in the Russell 3000 Index. The **S&P 500 Equal Weight Index** includes the same constituents as the capitalization weighted S&P 500, but each company is allocated a fixed weight. **Euro Stoxx 50 Index**, Europe's leading Blue-chip index for the Eurozone, provides a Blue-chip representation of supersector leaders in the Eurozone. The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region. The **Financial Times Stock Exchange (FTSE) 100 Index** is an index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. **FTSE MIB Index** is composed of 40 Italian equities and seeks to replicate the broad sector weights of the Italian stock market. **CAC 40 Index** is composed of the 40 largest equities listed in France.

**SWISS Market Index** is composed of the largest and most liquid stocks traded on the Geneva, Zurich, and Basel Stock Exchanges. The **Japan TOPIX Index** is a capitalization-weighted index of the largest companies and corporations that are found in the First Section of the Tokyo Stock Exchange. The **NIFTY 50 Index** tracks the behavior of blue chip companies, the largest and most liquid Indian securities domiciled in India and listed on the NSE. The **Hang Seng Composite Index** covers about 95% of the total market capitalization of companies listed on the Main Board of the Hong Kong Stock Exchange. The **MSCI World Index** is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI China Index** captures large and mid cap representation across China H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 461 constituents, the index covers about 85% of this China equity universe. Currently, the index also includes Large Cap A shares represented at 5% of their free float adjusted market capitalization. The **MSCI EAFE Index** is a free-float weighted equity index, which covers developed markets countries in Europe, Australasia, Israel, and the Far East. The **MSCI Emerging Markets (EM) Index** is a free float-adjusted market capitalization index that captures large and midcap representation across 24 Emerging Markets (EM) countries. The **MSCI Brazil Index** covers about 85% of the total market capitalization of the Brazilian equity universe. The **MSCI India Index** covers about 85% of the total market capitalization of the Indian equity universe. The **CBOE Volatility Index (VIX)** is a leading measure of market expectations of near-term volatility conveyed by S&P 500 Index option prices. The **Korea Composite Stock Price Index (KOSPI)** is the index of all common stocks traded on the Stock Market Division of the Korea Exchange and contains over 900 constituents. The **KOSDAQ Composite Index** is a market capitalization-weighted index that tracks the performance of primarily small and medium-sized growth companies in Korea. **Fixed Income:** The **Bloomberg US Aggregate Bond Index** represents an unmanaged diversified portfolio of fixed-income securities, including US Treasuries, investment-grade corporate bonds, and mortgage-backed and asset-backed securities. The **Bloomberg US High-Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. The **Bloomberg US Aggregate Municipal Bond Index** is an unmanaged broad-based total return index composed of approximately 8,000 investment grade, fixed rate, and tax-exempt issues, with a remaining maturity of at least one year. The **J.P. Morgan Emerging Markets Bond Index (EMBI Global Index)** is an unmanaged market capitalization Index that tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign issuers. The **J.P. Morgan Government Bond Index-Emerging Markets Global Diversified (GBI-EM Global Index)** is a market capitalization Index that tracks the performance of local currency debt issued by emerging market governments. **Bloomberg Euro Aggregate Index** refers to the Bloomberg EuroAgg Index. The index measures the market of investment grade, euro-denominated, fixed-rate bond market, including treasuries, government-related, corporate and securitized issues. Inclusion is based on currency denomination of a bond and not country of risk of the issuer. **Bloomberg Euro High Yield Index** refers to the Bloomberg Euro High Yield 3% Issuer Capped Index. The index measures the of non-investment grade, fixed-rate corporate bonds denominated in USD. Inclusion is based on the currency of issue, and not the domicile of the issuer. The index excludes emerging market debt. **Other:** The **S&P GSCI Commodity Index** is a composite index of commodity sector returns, representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. It is not possible to invest in an unmanaged index. **Commodities:** **WTI Oil** refers to West Texas Intermediate (WTI) Crude Oil, a land-locked crude, delivered via pipeline into Cushing, Oklahoma. **Brent Oil** refers to Brent crude oil, a waterborne crude oil produced in the North Sea. **Currencies:** **Euro (\$/€)** refers to the Euro's exchange rate with the Dollar. **Pound (\$/£)** refers to the British Pound's exchange rate with the US Dollar. **Japanese Yen (¥/\$)** refers to the US Dollar's exchange rate with the Japanese Yen. **Swiss Franc (CHF/€)** refers to the Euro's exchange rate with the Swiss Franc. **Chinese Yuan Renminbi (CNY/\$)** refers to the US Dollar's exchange rate with the Chinese Yuan Renminbi. **Rates:** The **2-Year Treasury** is a US Treasury debt obligation that has a maturity of 2 years. The **10-Year Treasury** is a US Treasury debt obligation that has a maturity of 10 years. The **2-10 Treasury Slope** is the difference between the 10-Year Treasury and the 2-Year Treasury. The **German Bunds 2-Year** is a German debt obligation that has a maturity of 2 years. The **German Bunds 10-Year** is a German debt obligation that has a maturity of 10 years. The **Japanese Govt Bonds 2-Year** is a Japanese debt obligation that has a maturity of 2 years. The **Japanese Govt Bonds 10-Year** is a Japanese debt obligation that has a maturity of 10 years. The **UK Gilts 10-Year** is a UK debt obligation that has a maturity of 10 years. The **Swiss Govt Bonds 10-Year** is a Swiss debt obligation that has a maturity of 10 years. The **French OATs 10-Year** is a French debt obligation that has a maturity of 10 years. The **Italian BTPs 10-Year** is an Italian debt obligation that has a maturity of 10 years. **Spreads:** **High Yield (HY) Corporate Spread** is the Bloomberg US Corporate High Yield Average Option Adjusted Spread (OAS), which measures the spread between the US Treasury yield curve and the Bloomberg US Corporate High Yield curve. The **Investment Grade (IG) Corporate Spread** is the Bloomberg US Aggregate Corporate Average OAS, which measures the spread between the US Treasury yield curve and the Bloomberg US Corporate Average curve. The **EMD Spread** is the J.P. Morgan EMBI Global Diversified Sovereign Spread, which measures the spread between the US Treasury yield curve and the J.P. Morgan EMBI Global Diversified Sovereign curve.

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