Monthly **Market Review**

December 2024

Slightly Hawkish Fed Takes Away Some Of The 'Cheer' From Most Risk Assets

Hopes For Another 'Healthy and Prosperous' Year For Markets In 2025 As The Fed Easing Cycle Continues

Quarterly Highlights

- The Federal Reserve Cut The Federal Funds Target Rate (By 25 Basis Points) For The Third Meeting In A Row (Current Target Range: 4.25% - 4.50%); Lowered Expected Cuts in 2025 From Four to Two.
- The Pace Of Headline Inflation (+2.7% YoY) Accelerated For The Second Month In A Row.
- The US Economy Grew More Than 3% In 3Q24 For The Fourth Time In The Last Five Quarters.
- Donald Trump Won The US Presidential Election; Republicans Swept the House and Senate.
- The Fed Balance Sheet Fell Below $7 Trillion To The Lowest Level ($6.9 Trillion) Since May 2020.
- 10-Year Treasury Yield Rose 87 bps In 4Q24 And Closed the Year Near A Seven Month High (+4.58%).
- Investment Grade Spreads Narrowed To The Lowest Level Since 2005; High Yield Spreads Narrowed To The Lowest Level Since 2007.
- S&P 500 Rallied For The Fifth Consecutive Quarter, Ended 2024 Up 25% Or More On A Total Return Basis for Second Straight Year for First Time Since 1998.
- On An Annual Basis, European Equities Lagged Global Equities By Widest Margin Since At Least 1990.
- US Dollar Index Posted Best Quarterly Gain Since 1Q15, Rose To The Highest Level Since Nov 2022.
- Gold Declined For First Time In Five Quarters But Posted Best Annual Performance In 2024 Since 2010.

Economy | Fed Hints At 'Ringing In' Fewer Interest Rate Cuts In 2025

- The **final estimate of 3Q24 GDP** showed the US economy grew at an annualized rate of 3.1% QoQ in 3Q24 on the back of consumer and government spending. This marked the fourth time in the last five quarters that the US economy rose >3%, a feat that occurred only one other time in the 15 years prior to the COVID environment. With strength continuing in 4Q, the US economy is on pace to rise 2.7% in 2024.
- The **Federal Reserve (Fed)** cut the fed funds rate (25 basis points) for the third FOMC meeting in a row, bringing the target rate to 4.25% - 4.50%. Fed officials acknowledged a more uncertain inflation outlook and updated their projections to two rate cuts in 2025—down from four projected cuts for 2025 in September.
- Quantitative tightening continued in 4Q, as the **Fed balance sheet** declined below $7 trillion to the lowest level since May 2020. Since the peak in April 2022, the Fed balance sheet has declined ~$2 trillion (or -23%).
- It was a Republican sweep in the **2024 election**, as Donald Trump won the presidency, and Republicans won control of both the House and the Senate.
- November **ISM Manufacturing** (48.4) remained in contraction (a level below 50) for the eighth straight month. However, the 'New Orders' subindex jumped into expansion (50.4) for the first time since March.
- The **unemployment rate** ticked back up to 4.2% in November. The economy added **227k jobs,** while October's muted print was revised up from 12k to 36k.
- The four-week average of **jobless claims** (223k) increased steadily in December, and **job openings** jumped to 7.7 million.
- The pace of **headline inflation** (+2.7% YoY) accelerated for the second month in a row. Meanwhile, the pace of **core CPI** (+3.3% YoY) was unchanged. Contributors to the headline increase were new and used car prices, food, shelter, and energy prices—with shelter prices accounting for ~40% of the rise in headline CPI.
- **Consumer Confidence** (104.7) declined in December, reaching a 3-month low. Both subcomponents, 'present situation' and 'expectations', declined during the month.
- **Retail Sales Control Group** (+0.4% MoM) increased in November, but the strength was concentrated in the 'online sales'—in large part due to the holiday shopping season—and 'automobile sales' components.
- **Housing data** was mixed in November as Existing Home Sales (+4.8%), New Home Sales (+5.9%), and Building Permits (+5.2%) were positive, while Housing Starts (-1.8%) declined. The year-over-year pace of home prices (September Case Shiller 20-City Composite +4.2%) slowed for the seventh month in a row, reaching its slowest pace since September 2023.
- **China's Manufacturing PMI** (50.5) surprised to the downside but remained in expansionary territory.
- **Euro Zone Manufacturing PMI** (45.1) was almost unchanged from the month prior. The employment subsector remained in contraction.

Fixed Income

Bonds Skip The 'Celebration' On More Hawkish Tone from Federal Reserve

- The **Bloomberg US Aggregate Bond Index** (-3.1% QoQ) declined for the first time in three quarters and posted the largest quarterly decline since 3Q23 as rising rates weighed on overall returns. Despite the quarterly decline, fixed income rallied on a full year basis (+1.3%) for the second consecutive year.
- **International sovereign bonds** (G7 ex. US -9.0% QoQ) declined as rising global bond yields and a stronger dollar weighed on returns.
- **Treasuries** (-3.1% QoQ) declined for the first time in three quarters and posted the largest decline since 3Q22. The decline was driven by the increase in longer-duration bond yields, as resilient economic data, slightly hotter inflation prints, election-related volatility, and reduced expectations for future Fed rate cuts pushed yields higher. For the year, 10-year Treasury yields increased 69 bps to 4.58% and closed the quarter near a seven-month high.
- **US investment-grade bonds** (-3.0% QoQ) declined for the third time in four quarters. While spreads narrowed intra-quarter to the lowest level (74 bps) since 2005, the rise in longer-duration bond yields weighed on IG bonds due to the Index's longer duration composition. All IG sectors were negative.
- **Emerging market bonds** (-1.5% USD QoQ) declined for the first time in five quarters. Emerging market bonds declined on weakness in China, concerns surrounding the impact of a Trump presidency on the region, and a stronger dollar.
- **Municipals** (-1.2% QoQ) declined for the third time in four quarters and posted the worst quarterly decline since 3Q23. All three municipal sectors (high yield, revenue, general obligation) were negative.
- **High-yield bonds** (+0.2% QoQ) rallied modestly for the ninth consecutive quarter—the longest streak since 3Q07. High yield spreads narrowed intra-quarter to the lowest level (252 bps) since 2007.

Equities

Investors 'Hope' for a Repeat of 2024 Performance Heading into 2025

- **Global equities** (MSCI All Country World Index -0.9% USD QoQ) declined modestly for the first time in five quarters. While US equities remained in positive territory, weakness in international equities ex-US drove the Index lower. For the full year 2024, global equities (+18%) rallied for the second straight year.
- **European equities** (MSCI Europe ex UK -10.5% USD QoQ) posted the worst quarterly decline since 2Q22 on the back of weakening European economic activity and sluggish earnings. On a full-year basis, European equities lagged global equities by the widest margin (~1,700 bps) since at least 1990.
- **EM equities** (MSCI EM, -7.8% USD QoQ) posted the worst quarterly decline since 3Q23 but modestly outperformed the developed markets (MSCI EAFE USD -8.1% QoQ) for the third straight quarter.
- Within EM, **Asia** (MSCI Asia ex JP, -7.4% USD QoQ) outperformed **Latin America** (MSCI LATAM, -15.7% USD QoQ) for the fourth consecutive quarter—the longest streak since 1Q15.
- **Japanese equities** (MSCI Japan -3.6% USD QoQ) declined for the second time in three quarters.
- **US Small-Cap** equities (Russell 2000 +0.3% QoQ) rallied for the fourth time in five quarters but lagged large cap for the third time in four quarters. On an annual basis, small cap underperformed large cap (-1348 bps) for the fourth consecutive year.
- **US Large-Cap** equities (S&P 500 +2.4% QoQ) rallied for the fifth consecutive quarter—the longest streak since 2021. For full year 2024, the S&P 500 notched 57 record highs and rallied 25.0% on a total return basis, the second consecutive year of a 25% or more annual gain (a feat that has not occurred since 1998).
- Four of the 11 **S&P 500 sectors** were in positive territory in 4Q24. Performance was led by Consumer Discretionary (+14.3% QoQ), Communication Services (+8.9% QoQ), and Financials (+7.1% QoQ).

Commodities

Stronger Dollar Dampens the 'Holiday Spirit' for Commodities

- The **Bloomberg Commodity Index** (-1.6% QoQ) declined for the second consecutive quarter, ending the year essentially flat (+0.1%) for 2024. The Index remains down ~28% from its peak in 2022 as sluggish global demand (particularly in China and Europe) and strength in the dollar has weighed on the broader commodity index.
- The **US Dollar Index** (+7.6% QoQ) posted its best quarterly gain since 1Q15 and rose to the highest level since Nov 2022. The US dollar rallied on the relative strength of the US economy, widening interest rate differentials between the US and its DM counterparts, and reduced expectations for Fed cuts.
- **The Bloomberg Industrial Metals Index** (-8.8% USD QoQ) declined for the third time in the last five quarters as global industrial activity weakened, most notably in China. The decline was largely driven by weakness in copper (-11.6% QoQ), which posted its worst quarterly decline since 2Q22.
- **The Bloomberg Precious Metals Index** (-3.2% QoQ) declined for the first time in five quarters and posted its largest quarterly decline since 3Q23 on the back of the stronger dollar and rising interest rates. While gold declined (-0.7% QoQ) in the fourth quarter, it finished 2024 up 27.5%, its best performance since 2010. Silver also rallied strongly (+21.4%) in 2024.
- **The Bloomberg Grains Index** (-2.7% QoQ) declined for the ninth consecutive quarter and ended with the worst annual performance (-19.9%) since 2015. The decline was led by weakness in wheat (-5.6% QoQ).
- The **Bloomberg Energy Index** (+4.3% QoQ) rallied for the first time in six quarters. While crude oil (+5.2% QoQ) rallied, it remained flat in 2024 amid record US production levels. Natural gas (+6.0% QoQ), which is the largest weighting in the Energy subsector, pushed the sector higher as colder weather in the US boosted demand for gas. Natural gas rose to its highest level since November 2023.

Figure 1: Quantitative Tightening Slows

While the pace of Quantitative Tightening slowed in December, the overall level of the Fed's balance sheet fell below $7 trillion in the fourth quarter.

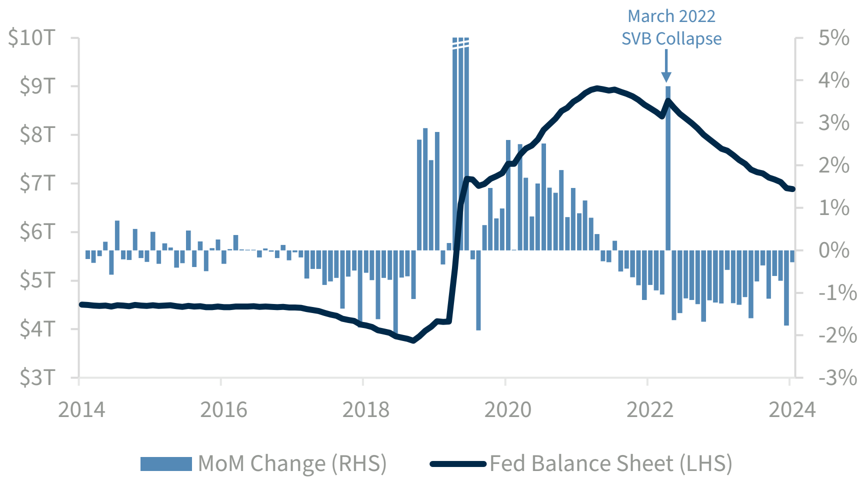


Figure 2: 10 of 11 Sectors in Positive Territory in 2024

Four of the 11 S&P 500 sectors were positive in Q4, led by the Consumer Discretionary (+14.3%), Communication Services (+8.9%), and Financials (+7.1%) sectors.

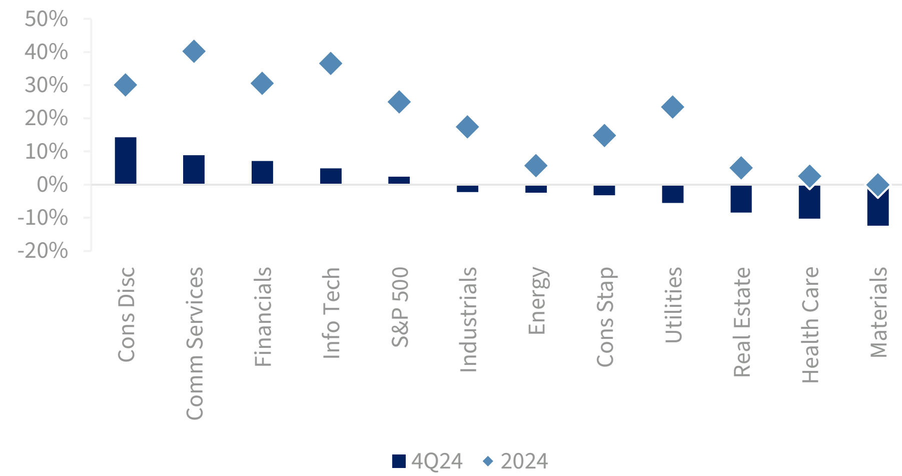


Figure 3: Treasury Yields Diverge From Economic Data

While the 10-year Treasury yield reached its highest level since May, economic data surprises have fallen to their lowest level since October.

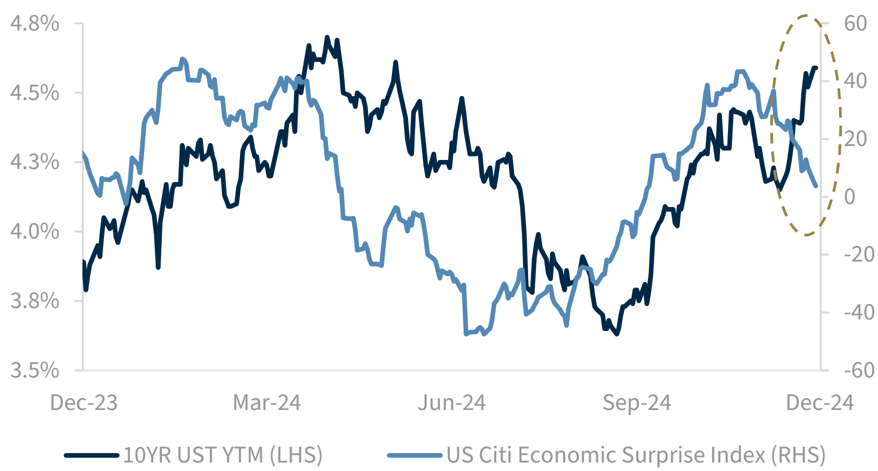
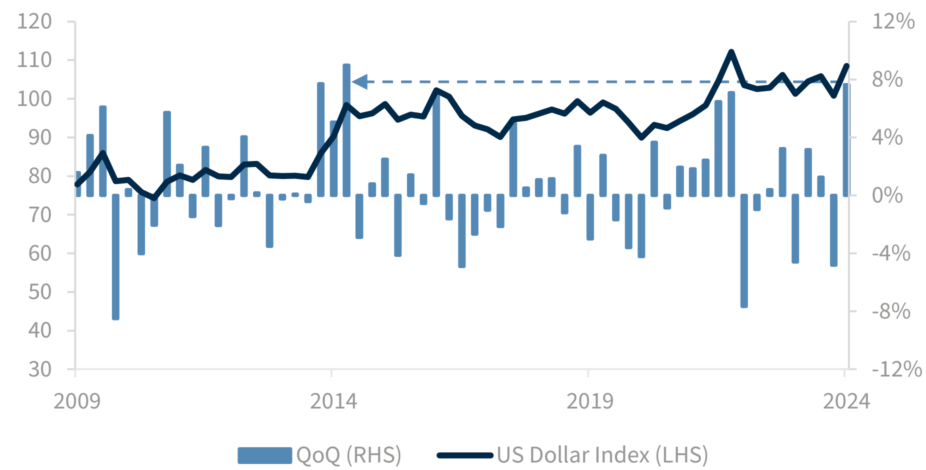


Figure 4: US Dollar Index Rallies in Q4

In Q4, the US Dollar Index rallied 7.6%—the biggest quarterly increase since 1Q15, reaching its highest level (108.49) since November 2022.



Source: FactSet, as of December 31, 2024.

Fixed Income | High Yield Bonds Only Positive Sector in Q4

	December	4Q24	1 Year	3 Year	5 Year	10 Year
High Yield	-0.4%	**0.2%**	8.2%	2.9%	4.2%	5.2%
Municipals	-1.5%	**-1.2%**	1.1%	-0.6%	1.0%	2.3%
EM Bonds	-1.2%	**-1.5%**	6.6%	-0.5%	0.6%	3.2%
TIPS	-0.9%	**-1.8%**	3.1%	-0.1%	2.7%	2.5%
US Investment Grade	-1.9%	**-3.0%**	2.1%	-2.3%	0.3%	2.4%
US Aggregate	-1.6%	**-3.1%**	1.3%	-2.4%	-0.3%	1.3%
Treasuries	-1.5%	**-3.1%**	0.6%	-2.9%	-0.7%	0.8%
International Bonds	-3.9%	**-9.0%**	-8.8%	-10.0%	-6.4%	-2.2%

Equities | Large Cap Outperforms Small Cap in Q4

	December	4Q24	1 Year	3 Year	5 Year	10 Year
Russell 1000 Growth	0.9%	**7.1%**	33.4%	10.5%	19.0%	16.8%
Russell 1000	-2.8%	**2.7%**	24.5%	8.4%	14.3%	12.9%
S&P 500	-2.4%	**2.4%**	25.0%	8.9%	14.5%	13.1%
Russell 2000 Growth	-8.2%	**1.7%**	15.2%	0.2%	6.9%	8.1%
DJ Industrial Average	-5.3%	**0.5%**	12.9%	5.4%	8.3%	9.1%
Russell 2000	-8.3%	**0.3%**	11.5%	1.2%	7.4%	7.8%
Russell 2000 Value	-8.3%	**-1.1%**	8.1%	1.9%	7.3%	7.1%
Russell 1000 Value	-6.8%	**-2.0%**	14.4%	5.6%	8.7%	8.5%

Commodities & FX | USD Soars in Q4

	December	4Q24	1 Year	3 Year	5 Year	10 Year
US Dollar Index	2.6%	**7.6%**	7.1%	4.2%	2.4%	1.9%
Crude Oil (WTI)	5.5%	**5.2%**	0.1%	-1.6%	3.3%	3.0%
BBG Energy Index	6.1%	**4.3%**	-3.9%	-1.5%	-3.7%	-6.3%
Gold	-0.6%	**-0.7%**	27.5%	13.0%	11.6%	8.4%
BBG Commodity Index	0.6%	**-1.6%**	0.1%	-0.1%	4.1%	-0.5%
BBG Precious Metals	-2.6%	**-3.2%**	19.0%	6.7%	7.4%	5.0%
BBG Industrial Metals	-3.4%	**-8.8%**	-1.6%	-6.7%	4.1%	1.3%
Copper	-2.7%	**-11.6%**	3.5%	-3.4%	7.6%	3.6%

International Equities (in USD) | All International Regions Negative in Q4

	December	4Q24	1 Year	3 Year	5 Year	10 Year
MSCI AC World	-2.3%	**-0.9%**	18.0%	5.9%	10.6%	9.8%
MSCI Japan	-0.3%	**-3.6%**	8.7%	3.2%	5.2%	6.6%
MSCI UK	-2.8%	**-6.8%**	7.5%	5.3%	4.4%	3.9%
MSCI Asia ex JP	0.2%	**-7.4%**	12.5%	-1.2%	2.9%	4.9%
MSCI EM	-0.1%	**-7.8%**	8.1%	-1.5%	2.1%	4.0%
MSCI EAFE	-2.3%	**-8.1%**	4.3%	2.2%	5.2%	5.7%
MSCI Europe ex UK	-2.3%	**-10.5%**	1.0%	0.8%	5.9%	6.3%
MSCI LATAM	-6.0%	**-15.7%**	-26.0%	2.7%	-2.9%	0.7%

S&P 500 Sectors | Only 4 Sectors Positive In Q4

	December	4Q24	1 Year	3 Year	5 Year	10 Year
Consumer Discretionary	2.4%	**14.3%**	30.1%	5.3%	14.1%	13.6%
Communication Services	3.6%	**8.9%**	40.2%	9.5%	14.6%	11.2%
Financials	-5.4%	**7.1%**	30.6%	9.4%	11.7%	11.4%
Information Technology	1.2%	**4.8%**	36.6%	15.7%	24.5%	22.4%
Industrials	-7.9%	**-2.3%**	17.5%	9.5%	12.0%	10.7%
Energy	-9.5%	**-2.4%**	5.7%	20.0%	12.1%	4.9%
Consumer Staples	-5.0%	**-3.3%**	14.9%	4.7%	8.6%	8.4%
Utilities	-7.9%	**-5.5%**	23.4%	5.2%	6.6%	8.4%
Real Estate	-8.6%	**-8.5%**	5.0%	-4.5%	4.5%	6.5%
Health Care	-6.2%	**-10.3%**	2.6%	0.9%	8.0%	9.1%
Materials	-10.7%	**-12.4%**	0.0%	-0.4%	8.7%	7.9%

Key Asset Class Levels

	December	4Q24	1 Year	3 Year	5 Year	10 Year
S&P 500	5,882	**5,882**	4,770	4,766	3,231	2,059
DJIA	42,544	**42,544**	37,690	36,338	28,538	17,823
MSCI AC World	841	**841**	727	755	565	417
S&P 500 Dividend Yield	1.33	**1.33**	1.53	1.34	1.91	2.14
1-3M T-Bills (Cash, in %)	4.28	**4.28**	5.26	0.04	1.51	0.02
2YR Treasury Yield (in %)	4.25	**4.25**	4.25	0.73	1.56	0.68
10YR Treasury Yield (in %)	4.58	**4.58**	3.86	1.50	1.91	2.17
30Yr Treasury Yield (in %)	4.78	**4.78**	4.02	1.89	2.38	2.75
EURUSD	1.04	**1.04**	1.10	1.14	1.12	1.21
Crude Oil - WTI ($/bbl)	73	**73**	72	75	61	53
Gold ($/oz)	2657	**2657**	2072	1829	1523	1184

Data as of December 31, 2024: Asset classes ranked by quarterly performance.

Disclosures

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

OIL | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

CURRENCIES | Currency investing is generally considered speculative because of the significant potential for investment loss. These markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

GOLD | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

FIXED INCOME | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

US TREASURYS | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

TREASURY INFLATION-PROTECTED SECURITIES (TIPS) | TIPS provide protection against inflation by adjusting their principal amount annually based on the Consumer Price Index (CPI) and then paying interest on that new amount. The principal amount is readjusted every year based on the prior year’s CPI, meaning it can go down as well as up are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

HIGH YIELD SECURITIES | High yield securities involve additional risks and are not appropriate for all investors.

SMALL-CAP STOCKS | Small-cap stocks involve greater risks and are not suitable for all investors.

DOMESTIC EQUITY DEFINITION

LARGE GROWTH | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

SMALL GROWTH | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000.

LARGE BLEND | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL BLEND | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

SMALL VALUE | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

Disclosures continued

FIXED INCOME DEFINITION

AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

MUNICIPAL | Bloomberg Municipal Total Return Index: The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

US INDEXES AND EQUITY SECTORS DEFINITION

DOW JONES INDUSTRIAL AVERAGE (DJIA) | The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

S&P 500 | The S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

INTERNATIONAL EQUITY DEFINITION

EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index: The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index: The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index: The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index: The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

JAPAN | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

EUROPE EX UK | MSCI Europe Ex UK Net Return Index: The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI ACWI | The MSCI All Country World Index (ACWI) is a stock index designed to track broad global equity-market performance. Maintained by Morgan Stanley Capital International (MSCI), the index comprises the stocks of nearly 3,000 companies from 23 developed countries and 25 emerging markets.

Disclosures continued.

FIXED INCOME DEFINITION

US DOLLAR INDEX | The US dollar index (USDX) is a measure of the value of the US dollar relative to the value of a basket of currencies of the majority of the US's most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies.

BLOOMBERG COMMODITY INDEX | Bloomberg Commodity Index is a commodity group sub index of the Bloomberg CITR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

BLOOMBERG INDUSTRIAL METALS INDEX | Bloomberg Industrial Metals Index is composed of futures contracts on aluminum, copper, nickel and zinc. It reflects the return of underlying commodity futures price movements only. It is quoted in USD.

BLOOMBERG SOFTS INDEX | Bloomberg Softs Index is a commodity group sub index of the Bloomberg CI. It is composed of futures contracts on coffee, cotton and sugar. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

BLOOMBERG PRECIOUS METALS INDEX | Bloomberg Precious Metals index is a commodity group sub index of the Bloomberg CI. It is composed of futures contracts on gold and silver. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

BLOOMBERG GRAINS INDEX | Bloomberg Grains Index is a commodity group subindex of the Bloomberg CI. It is composed of futures contracts on corn, soybeans and wheat. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

BLOOMBERG ENERGY INDEX | The index reflects the returns that are potentially available through an unleveraged investment in the futures contracts on energy commodities.

OTHER DEFINITIONS

CITIGROUP ECONOMIC SURPRISE INDEX | Citigroup Economic Surprise Index represents the sum of the difference between official economic results and forecasts. With a sum over 0, its economic performance generally beats market expectations. With a sum below 0, its economic conditions are generally worse than expected.

Disclosures continued.

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