THOUGHTS OF THE WEEK

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WEEKLY HEADINGS

The economic and financial market carnage of the coronavirus continued in yet another unbearable week for investors. The S&P 500 suffered its worst daily decline since October 1987 on Monday, and has fallen ~30% from its February 19 high—the fastest decline and entrance into bear market territory in the history of the US equity market. 'Bear in mind' this level of volatility is unprecedented too, as we have seen eight consecutive days of 4% swings in the market for the first time ever. But despite these chaotic movements, we are 'bearing witness' to a national, collective effort to 'come together' in this time of need and overcome not only the virus but its subsequent impact on our economy. 'Bear with us' as we explain why this effort by policymakers, US corporations, and consumers to confront the coronavirus is the reason why we remain optimistic longer term.

Key Takeaways

'Bearing Witness' To Unprecedented Volatility

The Fed 'Bears A Hand' In Stabilizing The Economy

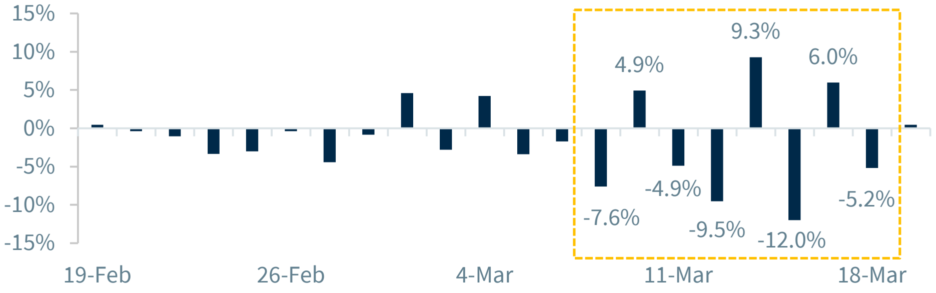
US Consumers Will Eventually 'Come Out Of Hibernation'

- **Fed Action 'Bears Testimony' To Their Promise To Act |** The Federal Reserve (Fed) was among the first to act, announcing two interest rate cuts during emergency meetings to reduce rates to zero, implementing trillion dollar facilities to ensure the proper functioning of the commercial paper and credit markets, and undergoing significant overnight repo operations.* This week, the Fed ensured the backing of the US money market fund industry when prime fund redemptions began to rise and launched a program for currency swaps with nine other global central banks. While it appears the Fed's scope of policy measures may be nearing its limits, we believe it will expand its balance sheet and possibly expand the scope of its purchases to include both corporate and municipal bonds. No matter the measures taken, our belief that the Fed will remain proactive and continue to 'bear a hand' in ensuring the stability of the economy and financial markets is unchanged.
- **Fiscal Stimulus Measures Should 'Bear Fruit' |** President Trump and Congress have been swiftly proceeding with several phases of fiscal stimulus in order to boost confidence and counteract the economic impact of the virus outbreak. As our Washington Policy Analyst Ed Mills** predicted, the measures have grown in both scope and cost as time passes and as the economic effects of the necessary social distancing practices are realized. Phase One was an $8.3 billion package targeted toward specific health-care measures needed to combat the virus, and Phase Two, which was passed this week, is a $100 billion package to provide free testing, food assistance, paid sick leave, and unemployment insurance. We expect by the beginning of next week, a massive ~$1 trillion plus stimulus package will be agreed upon to address the large scale issues faced by small businesses and distressed industries (e.g., airlines). This effort will also seek to put cash directly in the hands of taxpayers, whether through a series of direct payments or through indirect measures such as the suspension of student loan payments. No matter the specifics of the deal, both parties seem prepared to work together, and further phases are not out of the realm of possibility should the impact of the coronavirus be prolonged.
- **Corporations Help 'Bear the Brunt' Of The Impact |** President Trump invoked the Defense Production Act (DPA) primarily to speed up domestic manufacturing of medical supplies and personal protective equipment needed to combat the virus, but some industries have voluntarily offered to allocate their resources toward alleviating medical device shortages. While there appears to be urgency in finding a vaccine and treatment to truly curtail the virus, the actions by multiple US corporations this week are heavily geared toward mitigating the threat that the COVID-19 pandemic places on our overwhelmed medical systems. While it is up to citizens to practice social distancing, the actions taken by these companies to assist what could quickly become overloaded hospitals, is evidence of the collective effort to curb the detrimental health impact of the virus.
- **Consumers Will 'Come Out of Hibernation' |** While we 'cannot bear to think' of the lives lost in the US and abroad, there is hope that through social distancing, each citizen can contribute to limiting the spread of the virus. State and local governments have specifically instituted rules and guidance to reduce social interaction over the next two weeks at a minimum; statistics surrounding miles driven, restaurant traffic, and school closings suggest Americans are taking this advice to heart. While these actions are critical in combating the virus, it is not any less difficult to see the impact on the US economy. This week, retail sales posted a -0.5% MoM decline, and initial claims rose to 281,000—the highest level since Sept. 2017. Since these unemployment claims are as of March 14, it is likely claims will dramatically increase next week. However, there is a 'light at the end of tunnel' as our Health Care Analyst Chris Meekins** estimates a 70% probability that we will "turn the corner" by Memorial Day. If this occurs, there is potential for a robust economic rebound in the second half of the year as US consumers return to stores (possibly with government cash in hand) and as businesses begin to rehire their employees.

CHART OF THE WEEK

More Volatile 'Than The Average Bear' Market

Not only was this the fastest decline into a bear market, but it has also been the most volatile, with the S&P 500 experiencing eight consecutive days of 4% swings for the first time.



*See Charts of the week on page 3.
**Raymond James Equity Research

RAYMOND JAMES

ECONOMY

- The Federal Reserve lowered the federal funds target range by 100 basis points, to 0-0.25%, and restarted $700bn in asset purchases. The Fed also took a number of steps to support liquidity and the smooth functioning of the credit markets. Lawmakers worked to provide significant fiscal stimulus, which is expected to arrive in a series of packages in the weeks ahead. These efforts will not prevent an economic downturn, but should lessen the damage and provide support for the eventual recovery.
- Retail sales fell 0.5% in the initial estimate for February, reflecting little impact yet from COVID-19. The Index of Leading Economic Indicators edged up 0.1% in February, but will fall sharply in March following coronavirus impacts.* Residential construction figures were mixed in February, reflecting continued strength in single-family activity and the usual noise in multi-family. Weekly jobless claims jumped by 70,000, to 281,000, with much larger gains in claims anticipated over the next few weeks.
- **Focus of the Week**: Durable goods orders are expected to reflect weakness in aircraft orders in February, but the report will miss much of the impact of the coronavirus (much broader declines are anticipated for March and April). Jobless claims are expected to surge and UM Consumer Sentiment should fall sharply.*

March 23 – March 27

MON	Chicago Fed National Act Index	WED	Advanced Economic Indicators Durable Goods Orders	FRI	Personal Income Consumer Sentiment
TUE	New Home Sales (Feb)	THU	Jobless Claims Real GDP	FUTURE EVENTS	4/1 ISM Manufacturing Survey 4/3 Employment Report 4/3 ISM Non-Manufacturing Survey

US EQUITY

- With the global economy screeching to a halt, and the number of new COVID-19 cases increasing every day, global equities are understandably on the defensive. The economic toll has worsened dramatically over the past week, leading us to lower our ***S&P 500 base case earnings estimate to $155.*** This reflects -5% earnings growth for the full year on a -0.5% contraction in GDP for 2020, with the assumption that the number of new coronavirus cases plateaus around Memorial Day. It is nearly impossible to have much confidence in economic and fundamental assumptions at this point with the duration of the coronavirus so uncertain.
- From a valuation standpoint, the S&P 500 now trades at ~15x P/E (long term average is 16.5x).* It is important to remember that the stock market is a forward-looking mechanism—meaning valuation multiples will start to rise long before economic data and corporate profits find a trough. Stocks have historically bottomed 4 months prior to recession end and 4-6 months before earnings trough. For example, during the credit crisis, the P/E bottomed at 10x, and expanded to 17x by the time earnings troughed. For this reason, we maintain a 19.5x P/E year-end base case assumption as the market eventually discounts the eventual recovery (results in a ***S&P 500 base case target of 3022***). In a worst case scenario of -3% GDP for the full year (credit crisis saw -2.5% GDP contraction for full year), we could see S&P 500 earnings hit by -20% y/y, taking full year earnings to $130.
- **Focus of the Week:** Fiscal programs are needed, and will be coming (likely over $1T) as the economic impact to the coronavirus will be big. However, we view this as a buying opportunity for long-term investors, but would use partial positions (patiently accumulate) with the number of new cases still accelerating in the short term.

FIXED INCOME

- Surprise Fed cut -- the Fed is acting quickly and with the greatest impact it can. Lowering the fed funds rate to zero provides the greatest stimulus with this tool that they can offer. The market had been pricing this in but the effects will hopefully soften the market move and better position it for when a recovery does take place. The Fed also dusted off some 2008-era funding facilities like the Commercial Paper Funding Facility, the Primary Dealer Credit Facility, and the Money Market Mutual Fund Liquidity Facility in an effort to keep the markets functioning properly.
- **Focus of the Week:** Credit. This is not the same as the financial crisis of 2008. This is a medical crisis. The consequential fear and uncertainty will likely negatively affect fundamentals. Spreads have widened based on the lack of liquidity as the bid side market has struggled creating a mismatch between supply/demand. Therefore, the quality of investment grade over high yield prevails.*

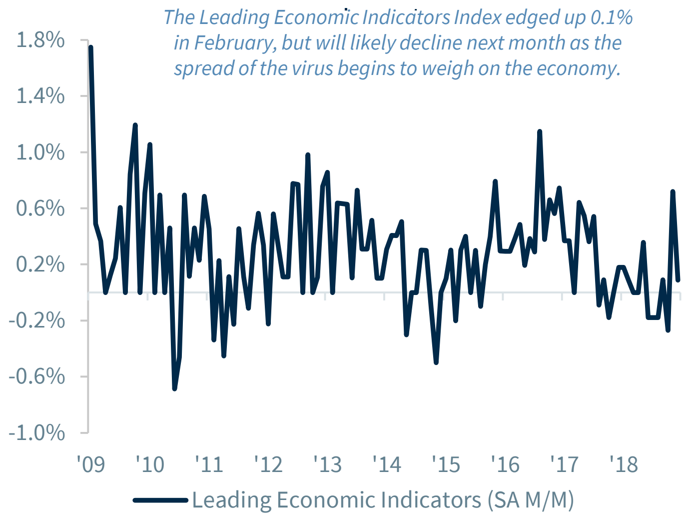
INTERNATIONAL, POLITICAL & COMMODITIES

- Florida, Illinois, & Arizona decisively chose Biden over Sanders in the third consecutive "Super Tuesday" for the Biden campaign as rumors are beginning to emerge that the Sanders campaign is close to an end. As of today, a handful of states have decided to postpone their primaries, with several other states and territories expected to join this growing list. As these cancelations rack up, the Sanders campaign and Democrats could be faced with challenging logistics on how to finalize the process of selecting their nominee. The clearest path forward would be for Sanders to drop out of the race, making Biden the presumptive nominee. Alternatively, the Sanders campaign could hold out hope that the political winds change when voting resumes.
- Assuming the virus's demand impact peaks in 2Q, for 2020 as a whole global oil demand is still set to be down more steeply than the declines from 2008 and 2009 combined. Needless to say, the timing of improvement in demand, enabled by the easing of travel bans and other restrictions, will largely be a function of medical and public health developments vis-a-vis the virus. Also, the Saudi economy needs $70/Bbl oil to balance its fiscal requirements, and moreover there is the political sensitivity of watching Aramco shares trading below the IPO price.* Bottom line: we think that oil will test the $20/Bbl level in 2Q, but this should be followed by a V-shaped bounce to $45 in 4Q and then a slower recovery to an average of $55 in 2021.
- **Focus of the Week:** Things are progressing, regrettably, with the COVID-19 outbreak in the US and the government response as we expected. We continue to believe things are going to get worse before they get better. Public messaging is likely to continue to ramp up with a goal of scaring the public into taking appropriate public health mitigation measures. If not effective, we expect government entities to force mandatory actions. Congress and the Administration signaled all focus will be on a fiscal stimulus in the $1 trillion range which could include direct payments to individuals, support for significantly affected industries (airlines, hospitality), and emergency funding for small businesses. However, the legislative process is more likely than not to produce delays and negative headlines as negotiations unfold, which may contribute to market volatility in the near term.

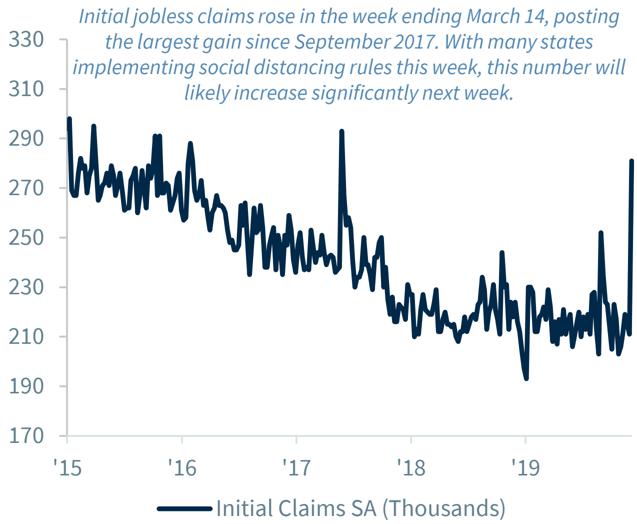
*See Charts of the week on page 3.

Charts of the Week

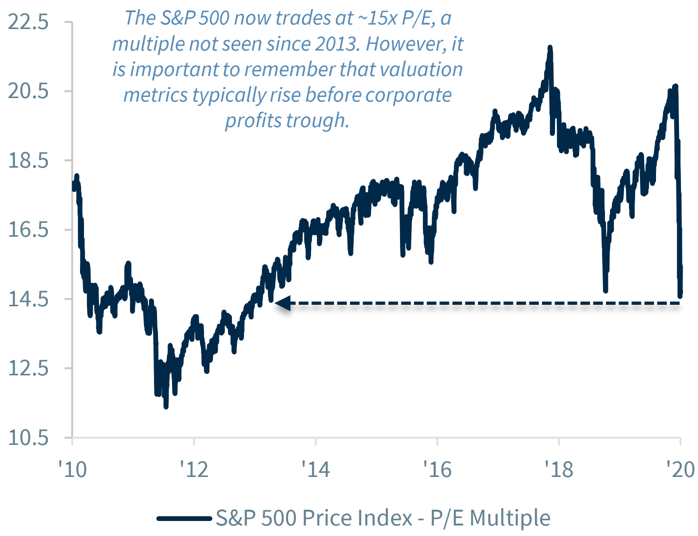
Leading Economic Indicators Yet to Reflect Virus



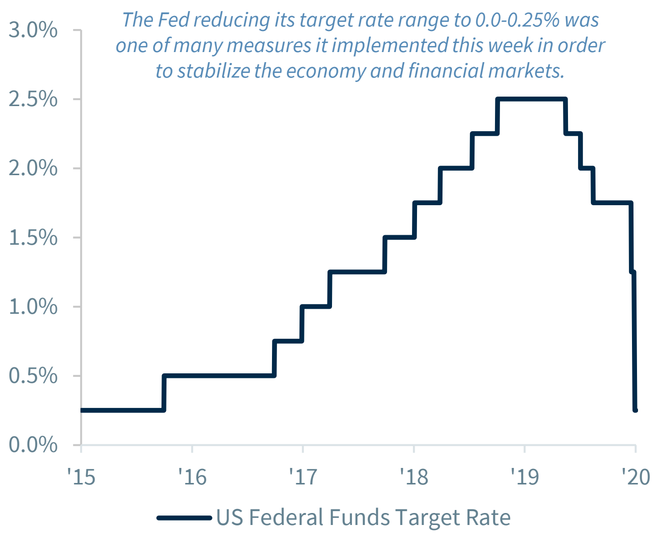
Initial Jobless Claims Start to Show Weakness



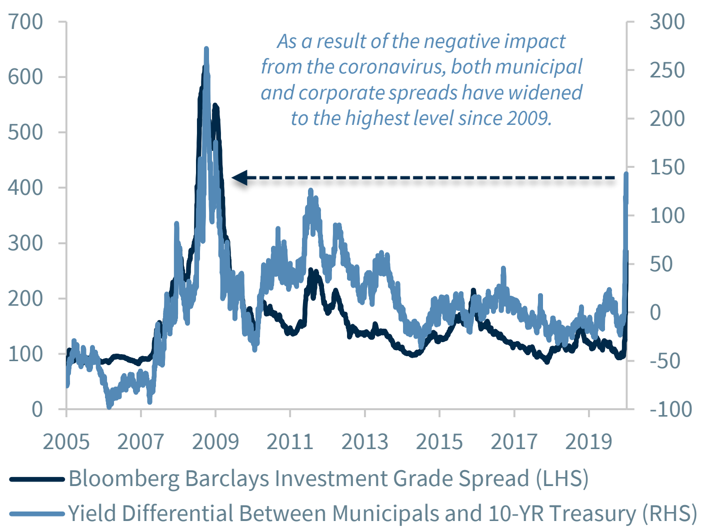
P/E Multiple Falls to 7-Year Low



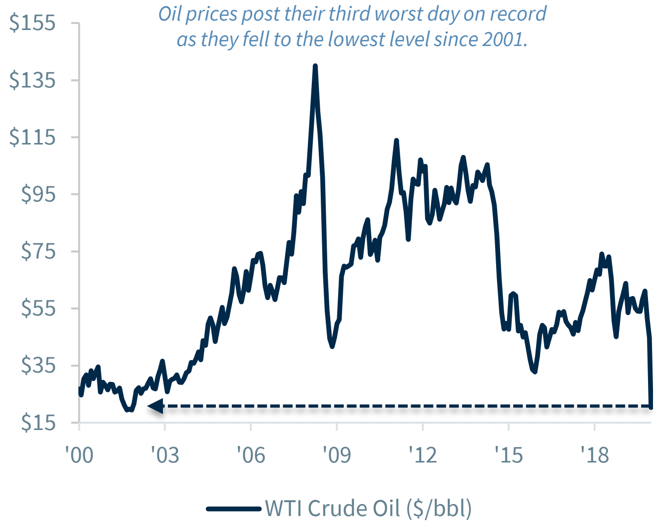
Second Inter-Meeting Emergency Rate Cut



Spreads Widen Sharply



18-Year Low for Oil Prices



Asset Class Performance | Distribution by Asset Class and Style (as of March 19)**

Weekly Returns (as of March 19)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-4.8%	-3.5%	-2.5%
Mid Cap	-9.6%	-8.2%	-6.2%
Small Cap	-5.7%	-5.7%	-5.7%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	-2.5%	-3.6%	-11.0%
Mid Cap	-5.7%	-7.4%	-13.0%
Small Cap	-9.4%	-9.5%	-16.9%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.1%	0.0%	-2.5%
Invest. Grade	-2.4%	-6.1%	-7.9%
High Yield	-6.9%	-9.5%	-13.3%

Year-to-Date Returns (as of March 19)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-31.8%	-25.9%	-20.4%
Mid Cap	-37.2%	-33.1%	-26.9%
Small Cap	-39.8%	-36.3%	-33.0%

International Equities (MSCI indices)

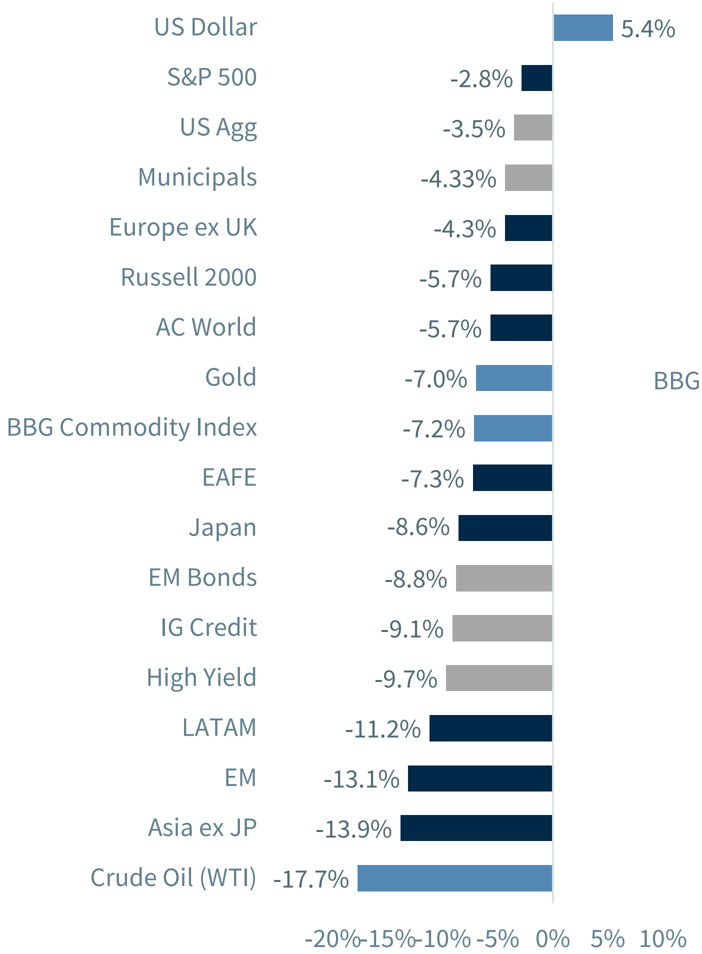
	Dev. Mkt	World	Emerg. Mkt
Large Cap	-27.1%	-25.2%	-25.6%
Mid Cap	-30.1%	-31.4%	-31.5%
Small Cap	-33.7%	-35.5%	-33.5%

Fixed Income (Bloomberg Barclays indices)

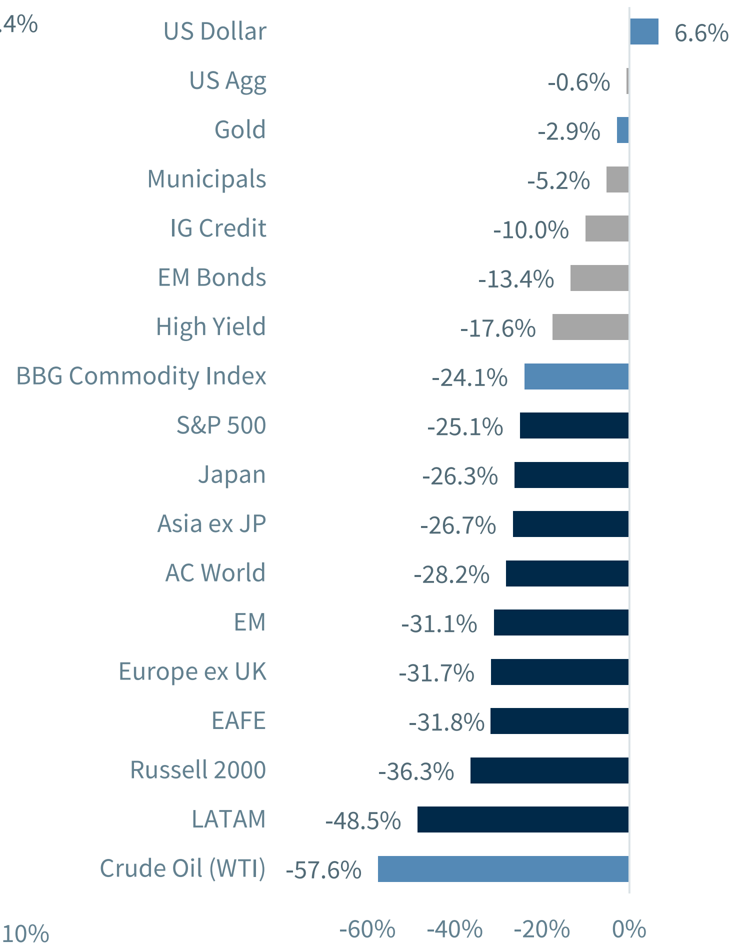
	1-3 YR	Medium	Long
Treasury	0.6%	5.3%	7.5%
Invest. Grade	-2.0%	-6.6%	-8.5%
High Yield	-13.7%	-17.5%	-18.9%

Asset Class Performance | Weekly and Year-to-Date (as of March 19)**

Week-to-Date***



Year-to-Date***



Commodities Equities Fixed Income

**Weekly performance calculated from Thursday close to Thursday close.

***Assumes all asset classes are priced in US dollars unless otherwise noted. Ranked in order of performances (best to worst).

Weekly Data**

Data as of March 19

U.S Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	2409.4	(2.8)	(18.3)	(25.1)	(13.2)	2.4	10.8	15.8
DJ Industrial Average	20087.2	(5.3)	(20.9)	(29.6)	(22.4)	19.3	12.6	16.1
NASDAQ Composite Index	7150.6	(0.7)	(16.5)	(20.3)	(7.4)	19.9	13.1	19.0
Russell 1000	2529.6	(3.5)	(19.4)	(25.9)	7.8	9.7	9.0	12.6
Russell 2000	2631.3	(5.7)	(28.2)	(36.3)	(4.9)	3.5	5.1	10.4
Russell Midcap	4074.6	(8.2)	(26.1)	(33.1)	2.3	6.6	6.4	11.9

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	263.4	(3.1)	(20.2)	(31.4)	(22.4)	(5.2)	(0.9)	5.0
Industrials	454.3	(7.3)	(26.5)	(33.6)	(26.1)	(5.1)	0.7	7.7
Comm Services	145.0	0.5	(15.3)	(19.9)	(6.5)	(2.4)	2.6	7.7
Utilities	262.0	(4.7)	(16.3)	(19.6)	(6.9)	3.7	6.6	9.7
Consumer Discretionary	731.2	(4.6)	(20.0)	(25.6)	(16.5)	3.1	5.5	12.8
Consumer Staples	552.4	3.0	(7.0)	(14.2)	0.1	2.0	5.0	9.9
Health Care	955.5	(2.9)	(11.1)	(19.2)	(9.3)	5.0	3.9	11.9
Information Technology	1309.6	(0.7)	(15.4)	(18.5)	3.0	14.7	14.8	15.0
Energy	192.1	(13.3)	(44.0)	(57.4)	(59.2)	(25.3)	(16.5)	(5.2)
Financials	323.2	(3.9)	(26.5)	(36.4)	(25.5)	(5.5)	1.7	6.3
Real Estate	177.7	(11.3)	(21.7)	(25.6)	(16.0)	0.7	1.6	9.1

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Months Treasury Bill (%)	0.0	0.0	0.2	0.5	2.2	1.7	1.1	0.6
2-Year Treasury (%)	0.4	0.1	0.9	2.4	5.2	2.4	1.6	1.3
10-Year Treasury (%)	1.1	(2.5)	0.0	7.5	15.7	6.2	3.4	4.7
Barclays US Corporate High Yield	10.8	(9.7)	(16.5)	(17.6)	(11.8)	(0.9)	1.7	5.1
Bloomberg Barclays US Aggregate	2.3	(3.5)	(4.2)	(0.6)	6.2	3.8	2.7	3.5
Bloomberg Barclays Municipals		(4.3)	(8.1)	(5.2)	0.1	2.6	2.2	3.6
Bloomberg Barclays IG Credit	4.4	(9.1)	(13.2)	(10.0)	(0.4)	2.1	2.0	4.2
Bloomberg Barclays EM Bonds	7.7	(8.8)	(14.6)	(13.4)	(6.5)	0.2	2.6	4.6

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	25.2	(20.5)	(43.7)	(58.8)	(57.3)	(19.5)	(10.5)	(11.0)
Gold ($/Troy Oz)	1474.3	(6.1)	(8.4)	(2.7)	12.7	6.2	4.8	2.9
Dow Jones-UBS Commodity Index	61.4	(7.2)	(13.5)	(24.1)	(25.2)	(10.3)	(8.9)	(7.4)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	102.8	5.4	4.7	6.6	6.6	0.8	0.7	2.4
US Dollar per Euro	1.1	(3.4)	(2.6)	(4.7)	(5.7)	(0.1)	0.1	(2.3)
US Dollar per British Pounds	1.2	(7.0)	(8.7)	(12.0)	(12.1)	(2.0)	(4.6)	(2.5)
Japanese Yen per US Dollar	110.1	4.1	2.0	1.3	(1.2)	(0.8)	(1.9)	2.0

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	404.0	(5.7)	(21.1)	(28.2)	(19.1)	(1.2)	1.5	5.6
MSCI EAFE	1382.0	(7.3)	(23.4)	(31.8)	(25.0)	(5.3)	(2.6)	2.0
MSCI Europe ex UK	1448.2	(4.3)	(23.9)	(31.7)	(24.0)	(4.4)	(1.9)	2.4
MSCI Japan	2532.3	(8.6)	(17.8)	(26.3)	(16.8)	(3.2)	(0.4)	2.9
MSCI EM	766.4	(13.1)	(23.7)	(31.1)	(26.3)	(4.8)	(1.8)	0.1
MSCI Asia ex JP	503.2	(13.9)	(21.0)	(26.7)	(22.3)	(2.3)	(0.4)	3.0
MSCI LATAM	1494.6	(11.2)	(38.0)	(48.5)	(46.6)	(14.2)	(6.2)	(6.7)
Canada S&P/TSX Composite	8414.4	(2.7)	(25.2)	(28.7)	(24.8)	(7.7)	(3.9)	0.2

**Weekly performance calculated from Thursday close to Thursday close.

DISCLOSURES

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Diversification and asset allocation do not ensure a profit or protect against a loss.

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 | Currencies investing are generally considered speculative because of the significant potential for investment loss. Their 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 TREASURIES | 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.

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DATA SOURCES

FactSet.

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.

MID GROWTH | **Russell Mid Cap Growth Total Return Index:** This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. 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. This index includes the effects of reinvested dividends.

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.

MID BLEND | **Russell Mid Cap Total Return Index:** This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. 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.

MID VALUE | **Russell Mid Cap Value Total Return Index:** This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. 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.

FIXED INCOME DEFINITION

AGGREGATE BOND | **Bloomberg Barclays 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.

HIGH YIELD | **Bloomberg Barclays US Corporate High Yield Total Return Index:** The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | **Bloomberg Barclays US Credit Total Return Index:** The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

MUNICIPAL | **Bloomberg Barclays 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.

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.

NASDAQ COMPOSITE INDEX | The **Nasdaq Composite Index** is the market capitalization-weighted index of over 3,300 common equities listed on the Nasdaq stock exchange.

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.

BLOOMBERG BARCLAYS CAPITAL AGGREGATE BOND TOTAL RETURN INDEX | This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

VIX | The CBOE Volatility Index, known by its ticker symbol VIX, is a popular measure of the stock market's expectation of volatility implied by S&P 500 index options.

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.

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