WEEKLY HEADINGS

THOUGHTS OF THE WEEK

Larry Adam, Chief Investment Officer, Private Client Group

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This Tuesday is Dr. Seuss's birthday! The whimsical author's stories have captivated young readers for decades, and many of his imaginative illustrations have been brought to life on the big screen for audiences of all ages. His success began after he was challenged by William Spaulding, then director of Houghton Mifflin's education division, to write a story that "first-graders can't put down" with a minimal number of words chosen from a pre-selected list. Needless to say he accomplished this feat, as the delightful read inspired Beginner Books, a new division of Random House which he himself co-founded. Simplicity was the key to his success, and we think less can be more when it comes to sharing our investment insights too. Our 2021 GDP forecast has been revised higher to 4.5% from 4.0%, but there are a few simple reasons as to why there is significant upside to even this forecast and we'll borrow a few of the iconic phrases from Dr. Seuss to explain these factors and their potential implications.

Key Takeaways

Mobility Indicators Improving, That Is Truer Than True

Out Of The Stimulus Box Will Come Deal One & Deal Two

Capex Is Capex, No Matter How Small

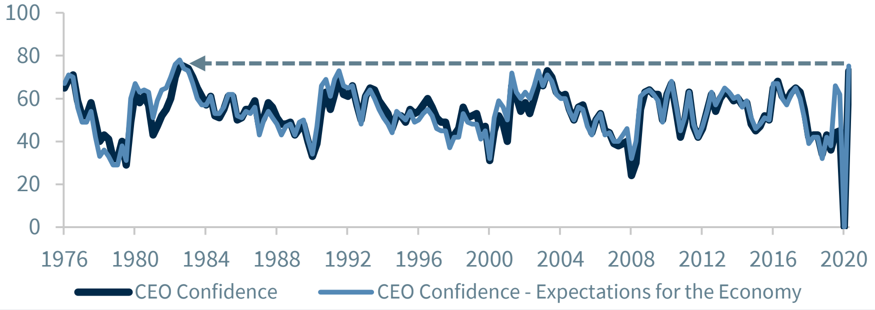
1. **Oh The Places We'll Go When Vaccine Supply Starts To Flow |** The number of COVID-19 daily new cases, positivity rate, hospitalizations, and deaths have all vastly improved as the vaccine distribution process continues. With more than 68 million vaccinations, the US has already administered doses to more than double the total number of recorded cases, and vaccine makers are making significant strides to abate the supply shortages. Moderna is increasing the number of doses per vial (15 versus 10 previously), Pfizer will expand weekly shipments to 13 million doses per week from the current 5 million, and Johnson & Johnson is prepared to ship 20 million doses by the end of March pending approval for emergency use authorization in today's hearing. Given these positive developments, we're hopeful that our expectation of 210 million vaccinations by July 23 (the Summer Olympics' Opening Ceremony) will be easily surpassed. Strengthening economic activity is consistent with rising mobility indicators, which are already rising in light of the improved COVID-19 trends.* An increase in the pace of inoculation that leads to herd immunity and a sustainable reopening sooner will only further bolster the magnitude of the recovery.
2. **From There To Here, From Here To There, Fiscal Stimulus Is Everywhere! |** The sustainable reopening combined with additional fiscal stimulus should propel economic growth even faster in 2021. With the initial ' Rescue' package in a range of $1.5-1.9 trillion likely being passed, the fiscal deficit as a percentage of GDP may rise past 2020 levels to the widest level in the post-World War II era. The record budget deficit may expand even further once the ' Recovery' phase of the package is proposed later this year. This round of fiscal stimulus, which we anticipate being passed mid-March, will supplement personal income and drive consumer spending moving forward. Excess spending capacity should continue to support the goods sector of the economy, but it will also greatly benefit the lagging services sector as pent-up demand is placated as the economy reopens.
3. **I Meant What I Said, I Said What I Meant, The Fed Is Faithful To The Recovery – One Hundred Percent |** The Federal Reserve's balance sheet hit a new record high of ~$7.6 trillion last week, and given Chair Powell's statement to Congress this week, there is no reason to believe the Fed will shy away from its accommodative stance any time soon. In his address, Chair Powell stated that "the economy is a long way from our employment and inflation goals, and it is likely to take some time for substantial further progress to be achieved." He also reiterated that its current quantitative easing purchases would continue "at least" at the current pace, and we would not be surprised to see even larger systematic bond purchases or the purchase of longer-dated bonds in an effort to keep the rise in interest rates contained. With no tapering expected, the Fed will remain in pursuit of a broad-based economic recovery that will benefit economic growth in the months to come.
4. **With Confidence In Their Heads, & Cash On Balance Sheets To Use, CEOs Can Steer Capex In Any Direction They Choose |** Capital expenditures (capex) should serve as a tailwind for economic growth moving forward. As a result of improving economic activity, aggregate CEO confidence and their expectations for future economic growth is at the highest level in 40 years! This is consistent with the most recent regional Fed surveys, which suggest that capex will increase over the upcoming months. While tech-based investment has been resilient, expanded business spending in the aggregate should bolster economic growth.

Be Sure Where You Step, Step With Care & Great Tact, & Remember The Recovery Will Be A Great Balancing Act | Heightened upside risk for our GDP forecast inherently leads to upside risk to our year-end target for the S&P 500 (2021 year-end target: 4,025), as better than expected economic growth should benefit corporate earnings. However, our optimism is tempered as faster than expected economic growth may be accompanied by rising interest rates (the 10-year Treasury reached the highest level in over a year this week*) and inflation in the near term. We detail our view that the most recent equity market volatility provides a buying opportunity in our special *Thoughts On the Market* publication titled *"Inflating Concerns?"* (February 25, 2021).*

CHART OF THE WEEK

Capex Is Capex, No Matter How Small

As a result of improving economic activity, CEO confidence is at the highest level in 40 years, and the regional Fed surveys suggest that capital expenditures will increase in the upcoming months.



*See Charts of the week on page 3.

RAYMOND JAMES

ECONOMY

- 4Q20 real GDP rose at a 4.1% annual rate in the 2nd estimate. Durable goods orders rose 3.4% in the initial estimate for January.
- The Consumer Confidence Index edged up to 91.3 in the initial estimate for February, up from 88.9 in January.* The Index of Leading Economic Indicators rose 0.5% in January, consistent with a continued economic recovery.
- In his monetary policy testimony, Fed Chair Powell said that the central bank was "a long way" from its inflation and employment goals. He downplayed concerns about inflation and asset prices bubbles.
- **Focus of the Week**: February economic data will begin to roll in. The ISM surveys should reflect strength and the February Employment Report is expected to show a pickup in job growth, helped by the drop in COVID-19 cases.

March 1 – March 5

MON ISM Manufacturing Index

TUE

WED ISM Services Index

THU

FRI Unemployment Report

FUTURE EVENTS 3/10 Consumer Price Index (CPI)
312 Producer Price Index (PPI)

US EQUITY

- With optimism toward the economic and fundamental recovery building, investors have focused on the most beaten-up areas of late. This has resulted in broad participation underlying the market's advance that bodes well for intermediate-term technical momentum, and also provides plenty of opportunity at the sector and stock level. We acknowledge the strongest short-term technical momentum being in the most cyclical areas, but recommend a more balanced barbell approach to sector positioning for the next 6-9 months. This leaves us pro-cyclical with underweight exposure to the more defensive, interest rate-sensitive sectors.
- **Focus of the Week:** Q4 earnings season continued the strong fundamental recovery exhibited in recent quarters. 79% of companies beat their earnings estimates by an aggregate of 14.8% (well above the long term average of 4.5%). Importantly, forward estimates are also being revised higher. S&P 500 Q4 earnings are now set to finish positive on a y/y basis with a large fundamental rebound occurring in 2021. Current consensus estimates reflect S&P 500 earnings growth of 24% in 2021, and we see the potential for significant upside to this in the event that the economic reopening and additional fiscal stimulus go as planned.* Valuation is extended with the S&P 500 P/E at 27.5x and this should begin to normalize as earnings recover. Additionally, the rise in interest rates is a headwind to equity multiples. However, we do not believe multiple contraction will outweigh earnings growth.

FIXED INCOME

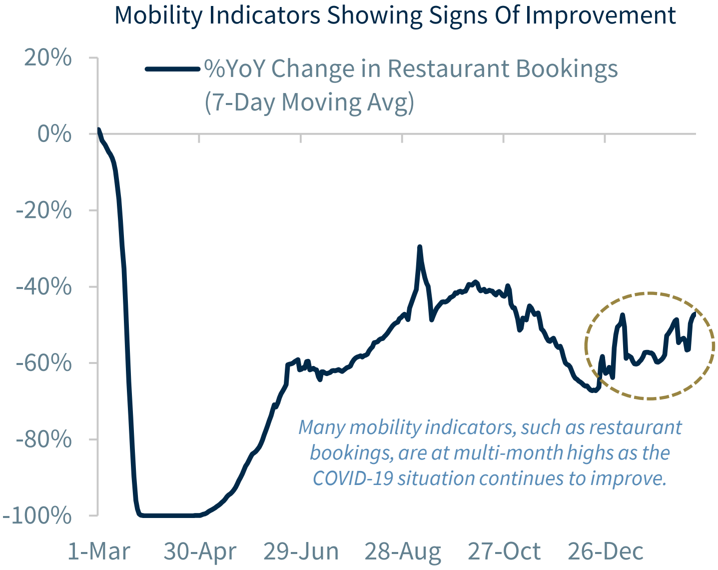
- Municipal bonds continue their plunge, raising rates across the municipal curve (another +25bp on the 10-yr). 10-year AAA municipal yields are up 43bp year-to-date, all of which has occurred over the last two weeks, creating an opportunity for yield buyers to step in.
- **Focus of the Week:** The FOMC has reiterated its pledge to keep an accommodative stance as long as needed and currently, there is no reason to sway from this policy. The continued reach for yield has the high-yield sector moving with more conviction versus other sectors. Although high-yield spreads are on top of last week's spreads, they are down 41bp year-to-date and 111bp down from the five-year average spreads. With such a narrow spread, it is difficult to make a case for a total return play which would benefit from further spread narrowing. It is equally difficult to make a case for high yield since spreads are not wide enough to compensate investors for the additional risk they would be taking on.

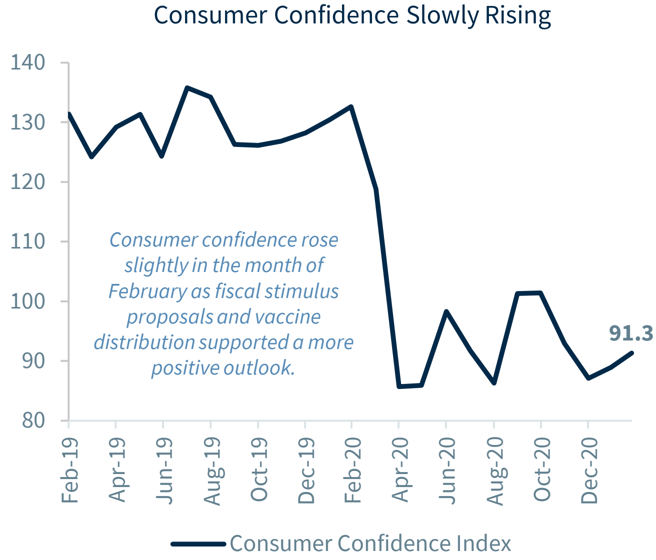
COVID-19 & POLITICS

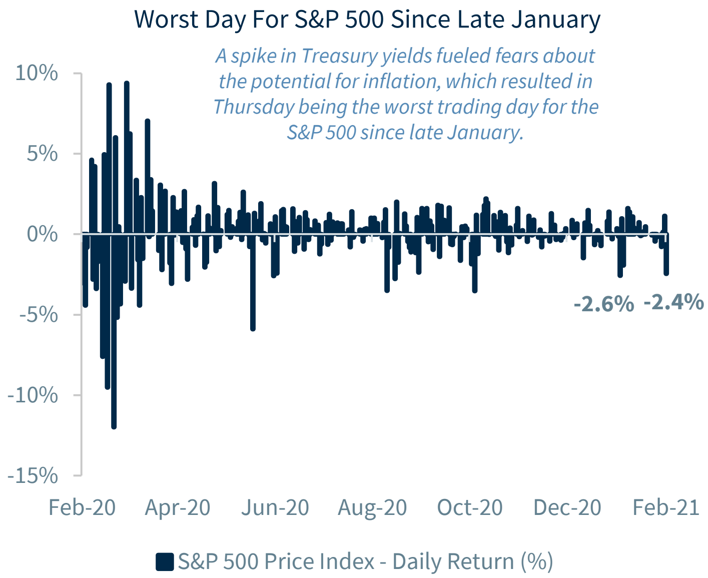
- The United States has now counted more than 28,336,500 identified cases and more than 505,900 identified deaths related to the coronavirus, passing the tragic half-a-million fatalities mark this week. Over the past seven days, we counted 66,778 cases per day on average, a 14.2% improvement compared to last week; 57,306 daily hospitalizations on average, a 15.6% improvement compared to last week; and 2,066 daily fatalities, a 23.5% improvement compared to the week prior. We have administered more than 347,959,900 tests, with 9,660,531 occurring over the past seven days for an average of more than 1.38 million tests administered daily. The testing positivity rate fell to 4.9%, compared to 5.2% the week prior – finally within our goal of 5%, and ideally fewer, tests returning positive to signal adequate capacity to meet the nation's demands. Meanwhile, more than 88.6 million vaccine doses have been delivered to US states. Over 46.1 million Americans have received at least one dose of a vaccine, while 21.6 million have received both doses.*
- On Wednesday, the FDA endorsed Johnson and Johnson's efficacy and safety data, confirming results and findings from the clinical trials were "consistent with the recommendations set forth in FDA's guidance Emergency Use Authorization for Vaccines to Prevent COVID-19." The FDA's Vaccines and Related Biological Products Advisory Committee is set to meet today (2/26) to discuss the vaccine's emergency use authorization application (EUA) in totality, and the vaccine could receive EUA by as early as this weekend. If the EUA is granted, around 20 million additional doses could be delivered to Americans by the end of March.
- **Focus of the week:** As Congress continues to advance the $1.9 trillion stimulus bill, it is worth considering how the programs and policies to support consumers can impact markets over the longer term. One way to view the new pandemic-related consumer support programs: a test of universal basic income (UBI) has arrived in the United States. A family of four (with household income below $150,000 or approximately 80% of households) received a stimulus check for $2,400 in January ($600 per person) and may receive another $1,400 per person/$5,600 for the household following the passage of the current bill (likely in late March), bringing direct stimulus payments to $8,000 for the household. A new provision has been added that establishes a child tax credit (CTC) of $3,600 for children 0-6 and $3,000 for children 6-17. The new tax credit would provide an additional $6,000-7,200 per family (this is compared to the $2,000 tax credit per child under the existing code). Altogether, a typical family of four receives $14,000 in 2021. A trend frequently observed in DC is that once a benefit has been created through legislation, it is very difficult to reverse. Republicans have supported similar plans, raising the possibility that a bipartisan effort could make these payments more permanent. We are in the middle of a new fiscal experiment, aimed at targeting support toward the bottom portion of the K recovery. These actions will have long-lasting consequences, and will likely continue to be positive for reflation-related and consumer discretionary equities.

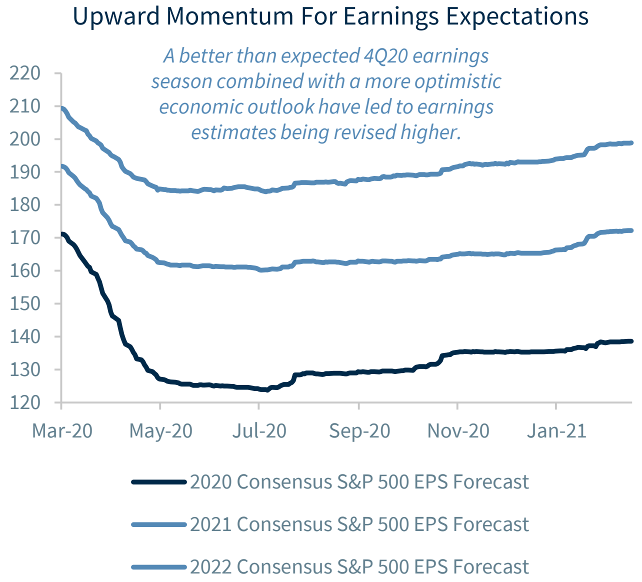
*See Charts of the week on page 3.

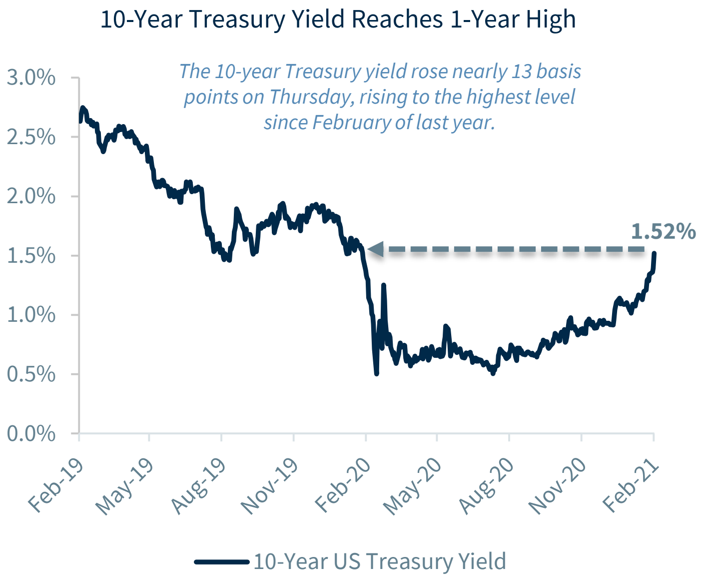
Charts of the Week

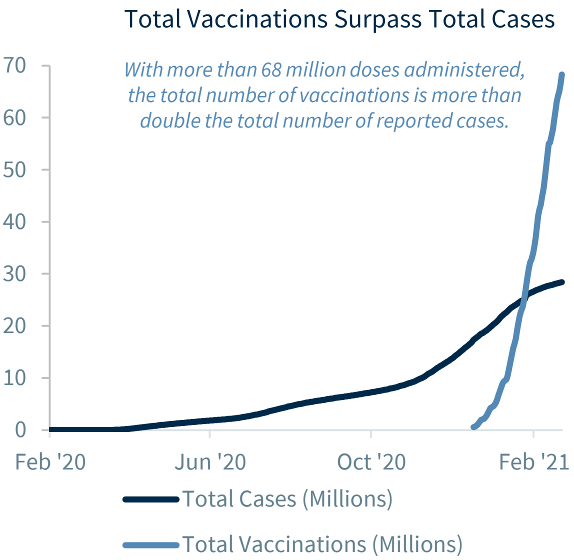












Asset Class Performance | Distribution by Asset Class and Style (as of February 25)**

Weekly Returns (as of February 25)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	0.7%	-2.4%	-5.3%
Mid Cap	1.1%	-1.5%	-6.0%
Small Cap	2.4%	-0.8%	-3.8%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	-0.1%	-2.0%	-3.1%
Mid Cap	-0.2%	-1.2%	-0.9%
Small Cap	0.4%	-0.1%	-0.6%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	-1.2%	-2.2%
Invest. Grade	-0.2%	-1.1%	-1.7%
High Yield	0.0%	-0.4%	-1.4%

Year-to-Date Returns (February 25)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	6.2%	2.4%	-1.1%
Mid Cap	8.1%	5.3%	0.5%
Small Cap	15.8%	11.5%	7.5%

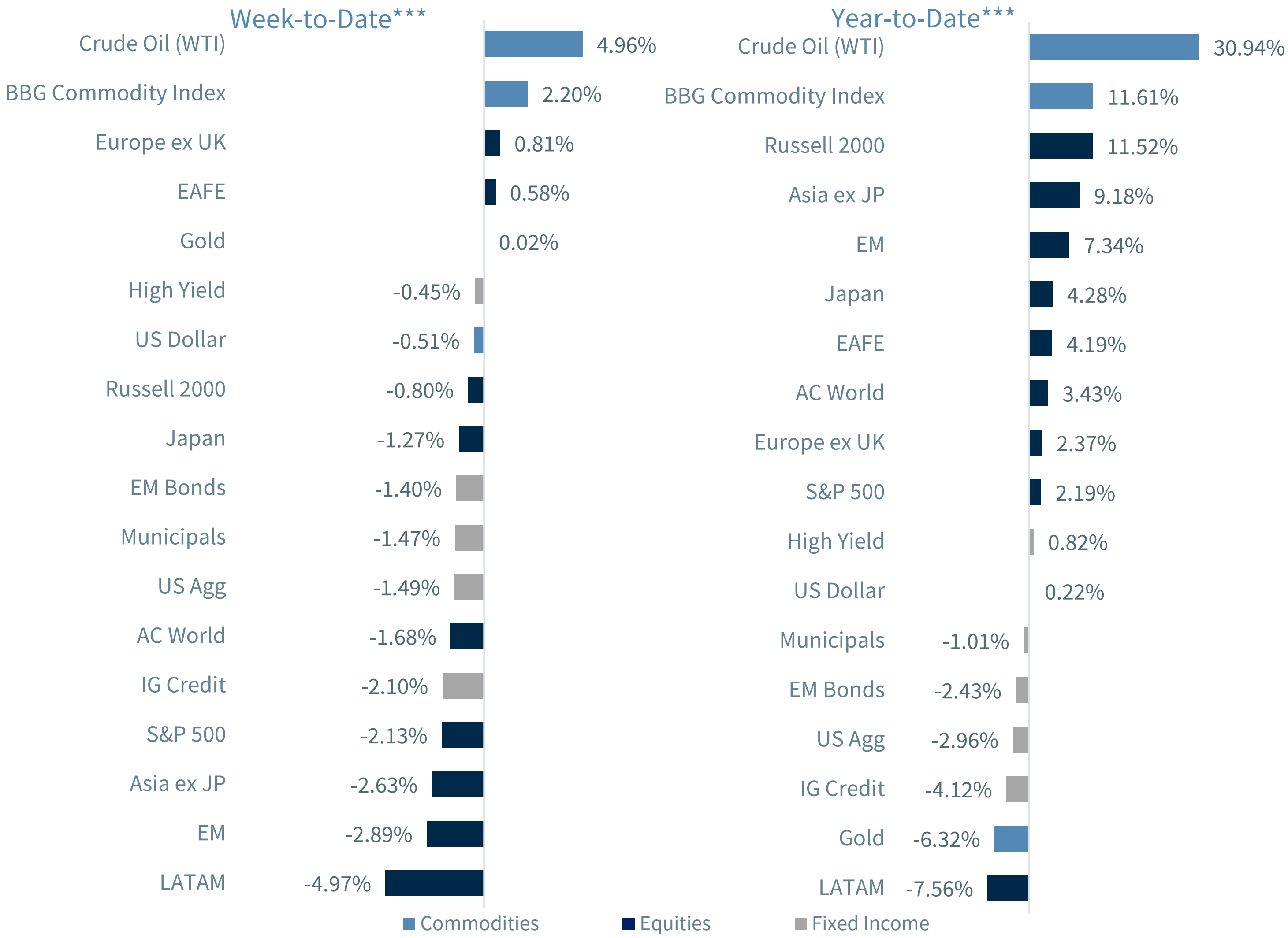
International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	4.6%	3.3%	8.2%
Mid Cap	3.9%	4.6%	5.1%
Small Cap	5.0%	8.4%	8.4%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	-2.1%	-5.3%
Invest. Grade	0.0%	-1.6%	-2.9%
High Yield	1.5%	0.8%	0.7%

Asset Class Performance | Weekly and Year-to-Date (as of February 25)**



**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 February 25

U.S Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	3829.3	(2.1)	3.2	2.2	24.6	13.8	16.7	13.5
DJ Industrial Average	31402.0	(0.3)	4.7	2.6	16.0	7.4	13.5	10.0
NASDAQ Composite Index	13119.4	(5.4)	0.4	1.8	46.3	21.3	23.4	16.8
Russell 1000	4166.5	(2.4)	3.3	2.4	19.8	12.5	16.7	13.6
Russell 2000	5468.0	(0.8)	6.2	11.5	30.2	11.1	16.5	11.8
Russell Midcap	7406.1	(1.5)	5.6	5.3	17.7	10.1	14.9	12.1

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	467.4	1.1	5.2	2.7	35.7	9.1	14.8	9.1
Industrials	772.4	2.3	8.0	3.3	20.0	7.9	13.4	11.6
Comm Services	232.0	(2.5)	6.1	4.8	31.5	16.7	10.6	10.8
Utilities	300.9	(4.6)	(4.3)	(5.2)	(9.4)	9.4	8.3	10.5
Consumer Discretionary	1287.1	(6.3)	(1.5)	(1.1)	34.0	16.5	18.3	17.0
Consumer Staples	660.2	(2.3)	0.2	(5.0)	6.7	8.9	7.5	11.2
Health Care	1321.9	(1.9)	(1.3)	0.1	19.1	12.2	13.1	15.6
Information Technology	2279.8	(4.7)	0.6	(0.3)	42.6	25.8	29.0	19.9
Energy	368.7	8.6	25.5	30.3	5.6	(6.0)	0.8	(1.4)
Financials	546.4	2.8	13.7	11.8	17.6	6.6	16.4	11.5
Real Estate	236.6	0.1	3.4	4.0	(2.3)	11.2	9.2	9.6

Fixed Income

Index	Yield	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
3-Months Treasury Bill (%)	0.0	(0.0)	0.0	0.0	0.3	1.5	1.1	0.6
2-Year Treasury (%)	0.2	(0.1)	(0.1)	(0.1)	2.1	2.7	1.6	1.2
10-Year Treasury (%)	1.5	(2.2)	(3.9)	(5.3)	(0.8)	5.8	2.0	3.9
Barclays US Corporate High Yield	4.9	(0.5)	0.5	0.8	7.7	6.7	9.3	6.5
Bloomberg Barclays US Aggregate	1.5	(1.5)	(2.3)	(3.0)	1.3	5.0	3.3	3.5
Bloomberg Barclays Municipals		(1.5)	(1.6)	(1.0)	1.3	4.8	3.4	4.4
Bloomberg Barclays IG Credit	2.2	(2.1)	(2.9)	(4.1)	1.8	6.5	5.6	5.1
Bloomberg Barclays EM Bonds	3.8	(1.4)	(1.6)	(2.4)	1.3	5.3	6.2	5.8

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	63.5	7.4	21.7	31.3	27.5	(0.0)	15.1	(4.1)
Gold ($/Troy Oz)	1779.7	0.4	(4.5)	(5.7)	7.8	10.3	7.6	2.4
Dow Jones-UBS Commodity Index	87.1	2.2	8.8	11.6	17.4	(0.6)	2.8	(6.2)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	90.1	(0.5)	(0.5)	0.2	(8.9)	0.1	(1.5)	1.6
US Dollar per Euro	1.2	1.3	0.6	(0.1)	12.5	(0.2)	2.1	(1.2)
US Dollar per British Pounds	1.4	1.3	2.9	3.4	8.6	0.4	0.3	(1.3)
Japanese Yen per US Dollar	106.3	0.5	1.5	2.9	(3.5)	(0.1)	(1.2)	2.7

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	667.0	(1.7)	3.9	3.4	25.5	11.0	15.1	9.7
MSCI EAFE	2233.6	0.6	5.3	4.2	19.6	5.9	11.0	5.9
MSCI Europe ex UK	2371.4	0.8	4.2	2.4	20.4	6.7	11.7	6.5
MSCI Japan	4018.0	(1.3)	5.3	4.3	27.6	7.0	12.3	6.8
MSCI EM	1383.8	(2.9)	4.1	7.3	34.3	7.3	16.6	5.2
MSCI Asia ex JP	918.9	(2.6)	4.9	9.2	42.3	10.5	18.2	8.3
MSCI LATAM	2261.8	(5.0)	(0.9)	(7.6)	(12.6)	(7.7)	8.0	(3.6)
Canada S&P/TSX Composite	14559.6	(0.3)	5.1	4.5	6.1	5.2	7.4	2.6

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

DISCLOSURES

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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. A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

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 SOURCE

FactSet, as of 2/26/2021

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.

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 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.

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.

MOVE | The MOVE Index is a well-recognized measure of U.S. interest rate volatility that tracks the movement in U.S. Treasury yield volatility implied by current prices of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries.

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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