WEEKLY HEADINGS

THOUGHTS OF THE WEEK

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Key Takeaways

Technical Supports For The S&P 500 Remain Intact

Better Economic Growth Should Bring Better Earnings

The Recent Tech Sell-Off May Be Misplaced

Can you hear me now? Good! This Sunday will mark 145 years since the US Patent Office awarded Alexander Graham Bell with the patent for the telephone. By the end of World War II, there was only one working phone for every five people, and now, there are more than 260 million smart phone users within the US alone. It is hard to imagine a world without these technological and telecommunication innovations, especially developments like video conferencing, which helped virtually connect us with coworkers, friends, and family over the last 12 months. These advancements have also allowed us to share our thoughts on the economy and financial markets no matter how near or far an investor may be. Given the anniversary of this specific, significant communication breakthrough, we'll address the miscommunications between Chair Powell and the markets this week, and provide context for the inflation and interest-rate induced market volatility.

- **Positive View on Equity Market A Long Distance Call |** Since their peaks, the Dow Jones Industrial Average, the S&P 500, and the NASDAQ have declined 3.3%, 4.2%, and 9.7%, respectively. While pullbacks in the equity market are unnerving in the moment, it is important to put them into context. First, these declines are minimal from the perspective that the Dow Jones Industrial Average, the S&P 500, and the NASDAQ have rallied an astounding 66%, 68%, and 85%, respectively, since the market lows last March 23. Second, pullbacks are not uncommon. In fact, dating back to 1990, the S&P 500, on average, experiences three to four 5% plus declines during the course of the year. Pullbacks remain a buying opportunity as we reiterate our year-end S&P 500 target of 4,025. From a technical perspective, the S&P 500 remains above its 200-day moving average (3,493) and is nearing oversold territory (current Relative Strength Index (RSI) level 39.97 versus 30 threshold).*
- **Dialing In On The Decline—Interest Rate and Inflation Static |** Investors should not overreact to modestly higher inflation and interest rates because they are rising for the right reasons as it is a sign the economy is healing from the depths of the pandemic-induced recession. In addition, the combination of the vaccine roll-out, additional massive fiscal stimulus, and pent-up demand is likely to drive US economic growth to ~5% this year—the best economic growth we have seen since 1984. The point is that better economic growth should support better earnings growth which should ultimately support higher equity market prices. Similarly, healthy inflation gives companies the ability to raise their prices, which if they can control their costs, can lead to better earnings growth as well. Contrary to the recent angst in the markets, historically, the equity market has had above-average performance in rising inflation and interest rate environments.
- **Expectations Chair Powell Would Hold The Line |** In his address at the Wall Street Journal's Job Summit, it was not as much about what Chair Powell did say as it was what he did not say. His commentary largely addressed the inflationary concerns, as he acknowledged that upward pricing pressure is expected given the base effects of an improving economy, reiterated the Fed's "patient" stance in the midst of transitory increases in inflation, and explained that the current economic backdrop is different from the runaway inflation periods experienced in the 1960s and 1970s. However, investors were hoping to hear a stronger message regarding the tactics the Fed would utilize should bond yields continue to move higher. Chair Powell stated that the substantial move had "caught his eye," yet he did not offer potential or specific actions (e.g., purchasing longer-duration bonds as part of its current quantitative easing program) that the Fed may undertake. While it remains our base case that a further rise in rates will be limited, the next Federal Open Market Committee Meeting in two weeks (March 16-17) will be critical and it remains our belief that the Fed will take all necessary actions to contain the rate rise if the magnitude of the move worsens.
- **Don't Hang Up On The Tech Sector Yet |** The Tech sector, which turned negative on a year-to-date basis this week, has significantly weighed on the NASDAQ as the index posted its worst two-day decline since early September yesterday (-4.8%).* However, it is far too early to give up on this sector given its recent above-average earnings results, strong visibility in earnings (e.g., 5G), and our expectation that Tech will be a beneficiary of significant continued consumer and business demand as the economy reopens. The recent decline of this sector as a result of higher interest rates and inflation may be misplaced as historically, Tech has been the best performing sector during these environments because of its strong pricing power (mitigates inflation risk) and strong cyclicality (sales benefit from surging economy). As an example, the recent negative correlation between interest rates and the Tech sector is unusual as historically (since 2000) this relationship has tended to exhibit a positive correlation. In fact, over this time period, the correlation has been positive more than 93% of the time.

CHART OF THE WEEK

Wires May Be Crossed When It Comes To Tech Sell-Off

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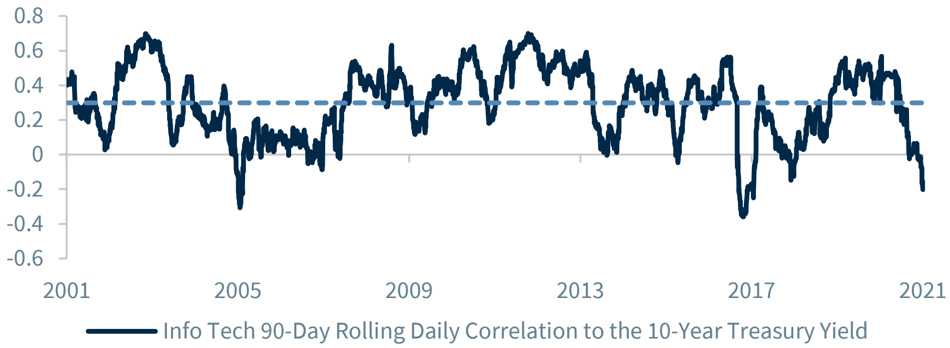


*See Charts of the week on page 3.

ECONOMY

- The ISM Manufacturing Index rose to 60.8 in February (from 58.7 in January), reflecting stronger growth in new orders, production, and employment.* The ISM Services Index fell to 55.3 (from 58.7), reflecting slower growth.
- Nonfarm payrolls rose more than expected in February (379,000 overall, 465,000 private), despite the impact of poor weather.* However, we are about 9.5 million jobs below where we were a year ago and we would have added up to two million more jobs if not for the pandemic, leaving us a very long way from full employment. The unemployment rate edged down to 6.2%, but the broader U-6 measure remained at 11.1%.
- **Focus of the Week**: Next week, high gas prices should drive the CPI higher in February, but core inflation should remain moderate.

March 8 – March 12

MON	WED Consumer Price Index (CPI)	FRI Producer Price Index (PPI)
TUE	THU	FUTURE EVENTS 3/16 Retail Sales 3/17 Fed Funds Target

US EQUITY

- After abating slightly over the past week, the surge higher in interest rates continued Thursday with the US 10-year Treasury yield up to 1.55%.* This spurred an additional pullback in equities, pushing the S&P 500 below its 50-day moving average. We reiterate our view that rates are rising for the right reasons, as the economic outlook improves rather than tightening monetary conditions. An improving economy is good for equity markets. While the pace of the move higher in rates is unsettling equities in the short term, pullbacks are normal. The S&P 500 is now 5% below its highs for the first time since early November. Importantly, the short-term volatility has not changed our positive view on equities for the year ahead, resulting in better upside over the longer term.
- **Focus of the Week:** Q4 earnings season concluded with the S&P 500 finishing at 1.8% earnings growth year-over-year. This was 14.7% ahead of expectations, marking the third consecutive quarter with the highest level of earnings surprises in at least 20 years. Earnings growth is set to rebound substantially in 2021 as the economy reopens. Current consensus estimates reflect 24.4% earnings growth, but these estimates are trending higher as the economic outlook improves. Our base case earnings estimate is $175; but if GDP growth approaches a level closer to 6%, earnings could finish closer to $190.

FIXED INCOME

- In his conversation at the Wall Street Jobs Submit, when questioned about the recent rise in interest rates, Fed Chair Powell said that he didn't want to be the judge of a particular level of long-term interest rates, but would be concerned by "disorderly conditions in markets or a persistent tightening in financial conditions broadly that threatens the achievement of our goals."
- **Focus of the Week:** Long rates are increasing and will likely continue to do so in the short term as forward anticipation of higher rates and fear of inflation dominate investor sentiment. Expect a non-linear move as headlines create some back-and-forth directional change.

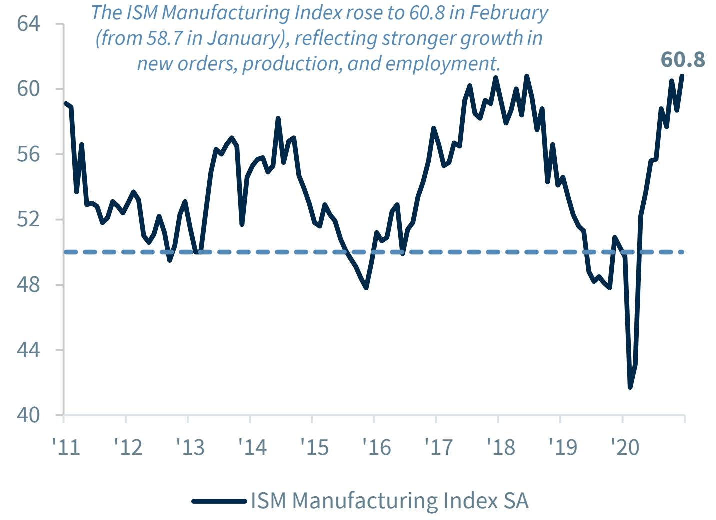
COVID-19 & POLITICS

- The US has now counted more than 28,763,300 identified cases and more than 518,500 identified fatalities related to the coronavirus. More than 357.5 million tests have been administered with more than 10.5 million occurring over the past seven days for an average of 1,513,163 tests administered daily. The testing positivity rate stands at 4.2%, down from 4.9% last week and still below the long-stated goal of a maximum 5% tests, and ideally fewer, returning positive to signal adequate testing capacity. Over the past week, there were 63,599 cases per day on average, a 4.8% decrease relative to the prior week; 48,370 hospitalizations on average, a 15.6% decrease compared to the week prior; and 1,942 daily fatalities on average, a 6.0% decrease compared to last week. Additionally, more than 107.0 million vaccines have been distributed and 52.8 million Americans have received at least one dose while 26.9 million have received two.* While we are optimistic about vaccine developments and continued statistical progress, we hope that Americans maintain strong mitigation measures to preserve the progress and defend against problematic mutations.
- The FDA authorized J&J's COVID vaccine on February 27 following a 22-0 vote by the FDA's advisory committee on the key question: "Based on the totality of scientific evidence available, do the benefits of the Janssen COVID-19 Vaccine outweigh its risks for use in individuals 18 years of age and older?" Thus, three vaccines are now authorized in the US. J&J made 3.9M doses available for immediate shipment and anticipates contributing ~20M by the end of March. Over 15% of the population has already received at least one dose of existing vaccines and the daily dose rate continues to grind higher which will only continue with the advent of J&J's single-shot vaccine.
- Regional economic data across Europe remained significantly mixed during the first quarter, reflecting the impact of the widespread lockdown policies of regional governments. Whilst vaccine numbers have continued to improve in the euro zone - including sharply enhanced anticipated rollout in the second quarter of the year - the relative speed compared to the vaccine rollout in the UK is modest. The economic implication of this remains still modest 2021 growth rates. Fortunately, corporate earnings for regional companies continue to beat already cautious expectations, building attraction levels for global investors.
- **Focus of the week:** We expect Congress to finalize and approve the $1.9 trillion fiscal relief deal next week before it is signed into law by President Biden ahead of the March 14 expiration of several pandemic support programs. The final bill will largely be in line with the House version previously passed, with some changes on the margins to increase the targeting of certain aid provisions, including individual checks (lowering the income phase out) and potential restrictions on the use of state and local aid. The last-minute push among moderate Democrats to rein in some of the spending provisions of this 'rescue' package may be the latest signal that lawmakers are looking to 'go big' with the subsequent 'recovery' package that should include significant infrastructure investment. While bond market reaction/inflation metrics will be watched closely and will influence the final price tag, it is clear that policymakers are looking beyond the immediate COVID-related relief and readying the next stage of Biden's domestic agenda that is likely to elevate discussions of revenue-raising measures and tax adjustments in the second half of this year.

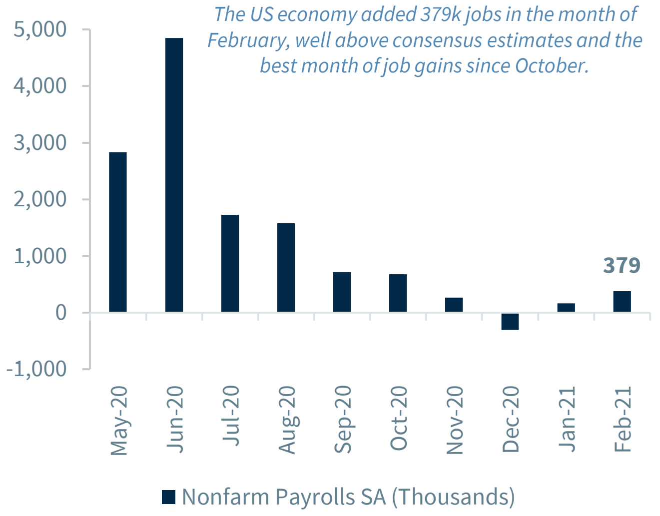
*See Charts of the week on page 3.

Charts of the Week

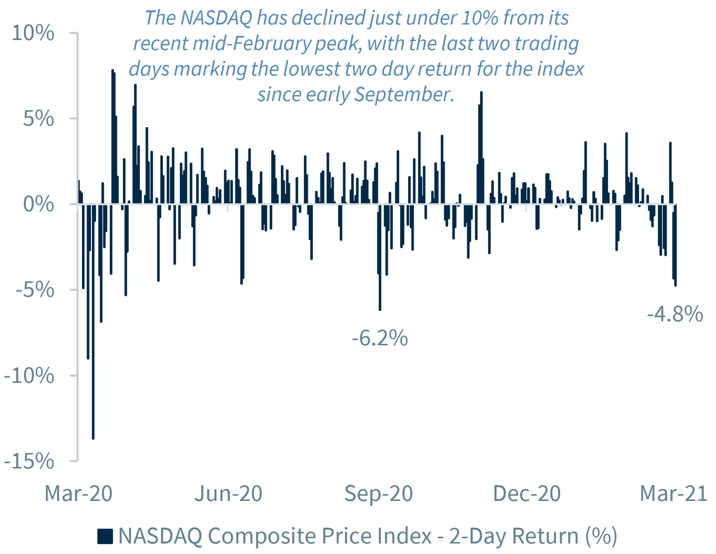
New Orders Lead ISM Manufacturing Index Higher



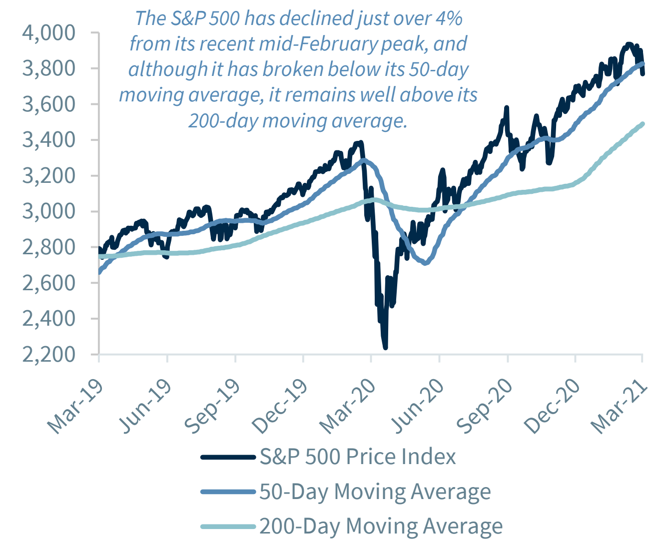
Best Month of Jobs Gains Since October



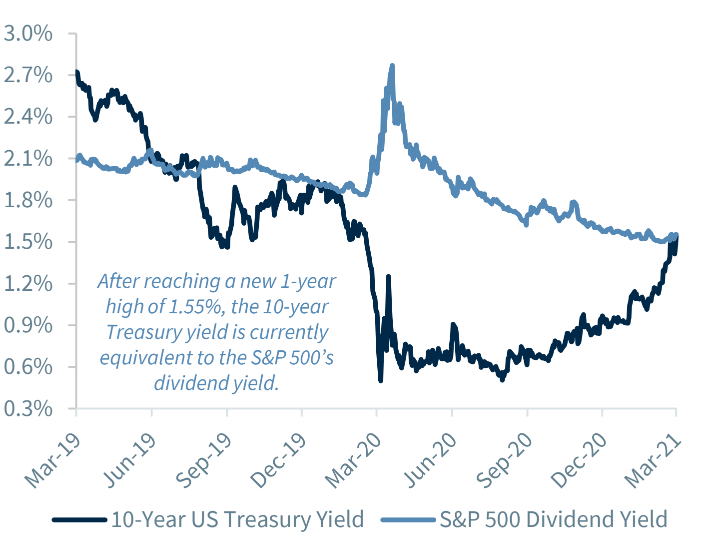
Tech Weakness Weighs On The NASDAQ



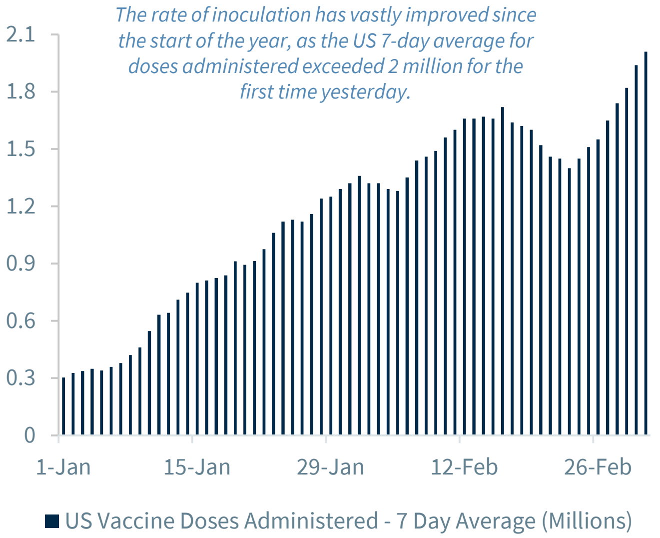
S&P 500 Still Above 200-Day Moving Average



10-Year Treasury Yield Reaches 1-Year High



US Rate of Vaccination Improves



Asset Class Performance | Distribution by Asset Class and Style (as of March 4)**

Weekly Returns (as of March 4)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-0.7%	-1.8%	-2.9%
Mid Cap	-0.7%	-2.2%	-5.0%
Small Cap	0.3%	-2.4%	-5.0%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	-0.5%	-1.5%	-2.5%
Mid Cap	-0.8%	-1.6%	-0.7%
Small Cap	-0.6%	-1.4%	0.0%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	0.2%	-0.1%
Invest. Grade	0.0%	0.0%	-0.2%
High Yield	0.2%	-0.1%	-0.7%

Year-to-Date Returns (March 4)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	5.5%	0.6%	-4.0%
Mid Cap	7.3%	3.1%	-4.5%
Small Cap	16.1%	8.9%	2.1%

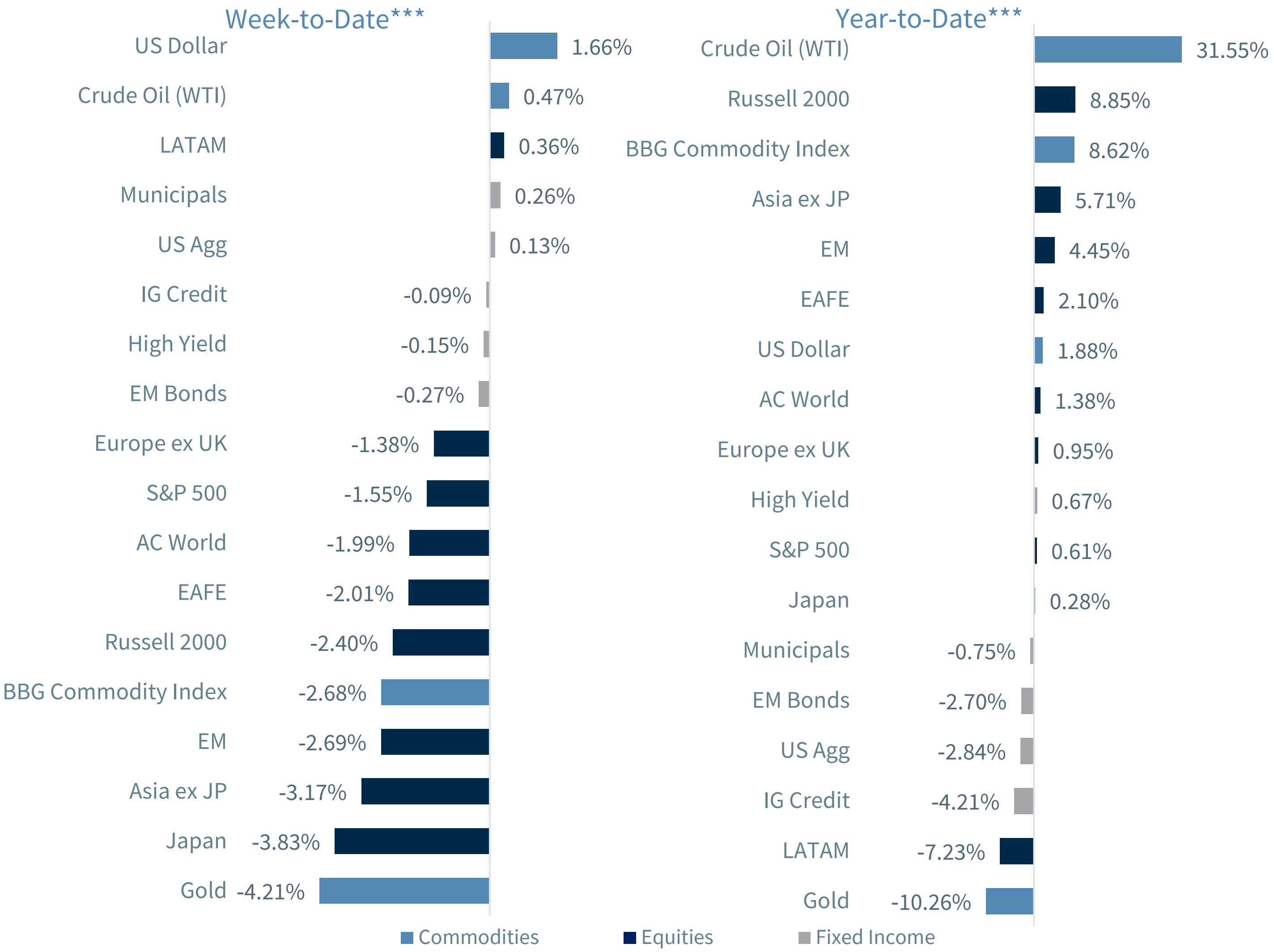
International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	4.1%	1.7%	5.6%
Mid Cap	3.0%	2.9%	4.3%
Small Cap	4.4%	6.9%	8.4%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	-1.8%	-5.4%
Invest. Grade	0.0%	-1.7%	-3.0%
High Yield	1.7%	0.7%	0.0%

Asset Class Performance | Weekly and Year-to-Date (as of March 4)**



**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).

RAYMOND JAMES

Weekly Data**

Data as of March 4

U.S Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	3768.5	(1.6)	(1.1)	0.6	22.5	14.0	15.8	13.4
DJ Industrial Average	30924.1	(1.5)	(0.0)	1.0	14.1	8.0	12.7	9.8
NASDAQ Composite Index	12723.5	(3.0)	(3.6)	(1.3)	41.1	20.5	22.0	16.4
Russell 1000	4090.4	(1.8)	(1.4)	0.6	34.3	15.0	17.4	13.6
Russell 2000	5335.6	(2.4)	(2.4)	8.9	51.0	14.9	17.9	11.9
Russell Midcap	7242.8	(2.2)	(2.1)	3.1	36.1	13.7	15.9	12.3

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	460.9	(1.2)	0.1	1.5	32.5	10.1	13.5	9.0
Industrials	769.7	(0.3)	0.7	3.0	21.3	9.0	12.8	11.6
Comm Services	232.2	0.1	0.1	4.9	32.2	16.9	10.3	10.8
Utilities	296.9	(1.3)	0.6	(6.4)	(11.5)	10.0	8.2	10.3
Consumer Discretionary	1248.9	(2.9)	(3.5)	(4.0)	31.5	16.4	17.0	16.6
Consumer Staples	647.5	(1.8)	(0.2)	(6.7)	2.6	8.6	7.0	10.9
Health Care	1289.1	(2.5)	(1.7)	(2.4)	12.8	12.0	12.6	15.0
Information Technology	2218.6	(2.7)	(3.3)	(3.0)	36.5	25.0	27.7	19.6
Energy	381.8	3.6	6.0	34.9	15.5	(4.1)	0.3	(1.1)
Financials	548.2	0.4	2.4	12.3	22.3	7.5	15.3	11.7
Real Estate	226.5	(4.2)	(2.5)	(0.4)	(6.0)	10.6	7.5	9.3

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	0.2	1.5	1.1	0.6
2-Year Treasury (%)	0.1	0.1	(0.0)	(0.0)	1.1	2.7	1.6	1.2
10-Year Treasury (%)	1.5	(0.1)	(1.4)	(5.4)	(3.9)	5.7	2.3	4.0
Barclays US Corporate High Yield	4.9	(0.2)	(0.0)	0.7	7.8	6.7	8.4	6.5
Bloomberg Barclays US Aggregate	1.5	0.1	(0.7)	(2.8)	0.1	5.1	3.5	3.5
Bloomberg Barclays Municipals		0.3	0.2	(0.8)	1.4	4.9	3.6	4.5
Bloomberg Barclays IG Credit	2.2	(0.1)	(1.3)	(4.2)	0.7	6.5	5.6	5.1
Bloomberg Barclays EM Bonds	3.9	(0.3)	(0.4)	(2.7)	0.7	5.2	5.8	5.6

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	63.8	3.7	3.7	32.0	36.4	1.4	12.2	(4.8)
Gold ($/Troy Oz)	1712.1	(3.8)	(1.8)	(9.3)	4.3	9.0	6.0	1.8
Dow Jones-UBS Commodity Index	84.8	(2.7)	(0.6)	8.6	15.8	(1.3)	1.6	(6.7)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	91.6	1.7	0.8	1.9	(5.9)	0.6	(1.2)	1.8
US Dollar per Euro	1.2	(1.5)	(0.8)	(1.6)	8.1	(0.7)	1.8	(1.5)
US Dollar per British Pounds	1.4	(1.0)	0.1	2.4	9.2	0.5	(0.3)	(1.5)
Japanese Yen per US Dollar	107.6	1.3	1.0	4.2	0.3	0.7	(1.1)	2.7

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	653.4	(2.0)	(0.5)	1.4	24.5	11.2	13.8	9.4
MSCI EAFE	2185.4	(2.0)	0.9	2.1	20.7	6.2	9.5	5.6
MSCI Europe ex UK	2335.9	(1.4)	0.6	1.0	20.0	7.5	10.4	6.3
MSCI Japan	3864.1	(3.8)	(0.2)	0.3	28.7	6.3	10.5	6.3
MSCI EM	1346.3	(2.7)	0.5	4.5	32.9	7.3	14.3	4.5
MSCI Asia ex JP	889.7	(3.2)	0.3	5.7	39.1	10.1	15.9	7.6
MSCI LATAM	2268.9	0.4	2.5	(7.2)	(7.1)	(6.7)	5.3	(3.8)
Canada S&P/TSX Composite	14376.9	(0.5)	0.4	4.0	8.0	5.6	6.5	2.4

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

DISCLOSURES

All expressions of opinion reflect the judgment of the author(s) and the Investment Strategy Committee, and are subject to change. This information should not be construed as a recommendation. The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct. Past performance is not a guarantee of future results. Indices and peer groups are not available for direct investment. Any investor who attempts to mimic the performance of an index or peer group would incur fees and expenses that would reduce returns. No investment strategy can guarantee success. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital.

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 3/5/2021

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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