WEEKLY HEADINGS

THOUGHTS OF THE WEEK

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Key Takeaways

Labor Market Improvements Should Bolster Spending

Tech-Oriented Business Investment Not Fading

Investor Sentiment Toward Inflation Is Shifting

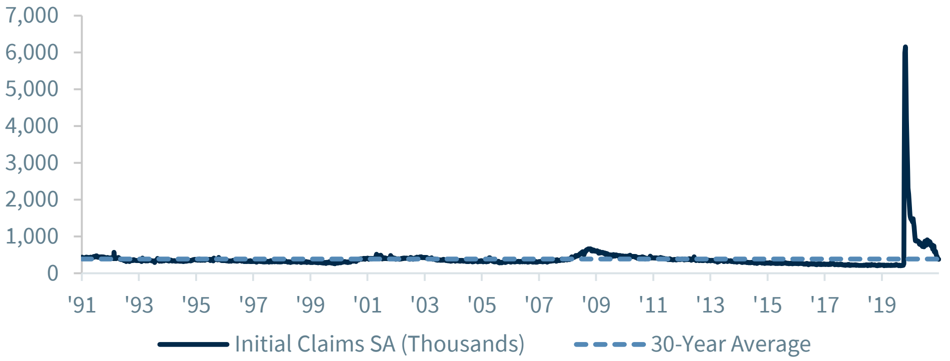
This past weekend, the GOAT (Greatest of All Time) of women's gymnastics, Simone Biles, notched her seventh US Championship title. Between her never-before-seen tricks, balance, and poise, it would be unsurprising if she is able to become the first woman to win back-to-back Olympic all-around titles since 1968 and the first US woman in any sport to win five gold medals at a single games in Tokyo this summer. This 'all-around' strength has also been on display by the US economy, as it is arguably experiencing the GOAT of recoveries from last year's recessionary decline. In fact, just this week, the National Retail Federation became the latest institution to boost their 2021 retail sales growth forecast. In honor of Simone Biles' historic seventh win, below we outline seven accolades the economy has earned throughout its remarkable recovery 'routine' that portends continued strength.

1. **Retail Sales Springing To New Heights |** The control group of retail sales—a direct gauge for the consumer spending component of GDP—is up 29.1% on a year-over-year basis. This is the fastest year-over-year pace on record and more than 7x the average over the last 10 years. While extended unemployment benefits will be ending early in 25 states, the monthly Child and Dependent Care Credit payments, which impacts ~90% of US families with children, are set to begin mid-July. After elevated spending on renovations and travel, what may consumers spend on next? Back-to-school sales at department stores are set to spike 25% given that most students learned from home over the last year. Consumers continue to captain the surge in economic growth.
2. **Initial Claims Parallel To 30-Year Average |** Initial claims have remained below the 400k threshold for two consecutive weeks. But in addition to marking the lowest level of filings since the pandemic began, this week's report of 376k claims is back in line with the 30-year average of 385k. Although roughly 9.3 million workers are still unemployed, this week's JOLTS Job Openings report showed a record 9.3 million positions still open. If 6 million of those jobs (~500k/month) are filled over the next twelve months, that will lead to even more spending power for consumers to power this economy to new record highs.
3. **Withholding Taxes Round-Off To Record High |** Personal disposable income is up 10.5% since March 2020, which is not all too surprising given the aforementioned improvements in the labor market. As a result, withholding taxes, which are an effective real-time indicator for evaluating the trajectory of the economy given it is reported by the government on a daily basis, are now at a record high. This indicates one of two scenarios: either more individuals working or those that are working are bringing home bigger paychecks. In either case, it's a win for US consumers, who already have an unprecedented ~$2 trillion in excess savings.
4. **Execution Of Tech Spending Reflects CEO Confidence |** After a year in which many companies suspended forward guidance and reduced capital expenditures, CEO Confidence has since surged to the highest level in nearly 40 years. With record levels of cash on balance sheets, companies have been investing heavily in technology, which has become a critical part of business operations regardless of industry. But what's even more promising, is that more than 25% of companies are planning to increase tech investment in the months ahead—an astounding percentage given how much companies invested in tech over the last year.
5. **Amplitude Of ISM Index Recovery Earns A Top Score |** The ISM Manufacturing Index returned to pre-COVID levels in just four months, the fastest recovery during any recession since 1950 due in large part to new orders, which surged to 67.0 from the April 2020 low of 27.1. Elevated new orders and healthy backlogs are a harbinger of continued manufacturing strength moving forward. A noteworthy rebound was also experienced by the ISM Services Index that currently sits at the highest level on record.
6. **Housing Prices Yet To Dismount |** The National Home Price Index rose at the fastest year-over-year pace since 2005 (13.2% YoY). The steady rise in home prices has been broad based too, with 19 of the 20 tracked cities reporting homes' appreciated in excess of 10% year-over-year. Home appreciation has been one contributor (in addition to the equity market rally) that has helped household net worth climb to a record $136.9 trillion. Historically, wealthier individuals tend to spend more readily.
7. **Inflation Fears Balancing Out |** The year-over-year pace of headline and core inflation reached the fastest pace since August 2008 and May 1992, respectively, but fear is no longer the prevailing sentiment as the surge is being viewed not only as transitory, but as a healthy sign of the economy's recovery. Our view is that inflation pressures will peak in 3Q before subsiding by year end. What has also helped shift sentiment is the reassurance from policymakers and businesses that the supply chain disruptions are being addressed and that pricing pressures should dissipate soon.

CHART OF THE WEEK

Initial Claims Parallel To 30-Year Average

This week's 376k claims marks the lowest level of filings since the pandemic began, and is substantial progress from the COVID-induced peak of 6.1 million. It also falls in line with the 30-year average of 385k.



*See Charts of the week on page 3.

RAYMOND JAMES

ECONOMY

- The Consumer Price Index rose 0.6% in May (+5.0% y/y)*, reflecting base effects (CPI rose 0.1% y/y a year ago), re-start pressures, and another increase in used vehicles (+7.3%, following a 10.0% jump in April). Prices of used vehicles, new vehicles, car insurance, and vehicle rentals accounted for half of the May increase. Ex-food & energy, CPI rose 0.7% (+3.8% y/y, vs. +1.2% in May 2020).
- The Job Opening and Labor Turnover Survey (JOLTS) results for April showed a further surge in job openings (to 9.27 million). The hiring rate picked up and the quit rate hit a record high, consistent with a strengthening labor market.*
- **Focus of the Week**: Next week, the focus will be on the Fed policy meeting. No change in short-term interest rates is expected for a long time, but officials may begin discussing when to start tapering the monthly pace of asset purchases (most likely, later this year or in early 2022). Officials will revise their forecasts of growth, unemployment, and inflation, and we'll get a new dot plot that should show some of the dots (representing individual expectations for the timing of a rate hike) moving into 2023.

June 14 - June 18

MON		WED	FOMC Meeting	FRI	
TUE	Producer Price Index (PPI) Retail Sales	THU	Leading Economic Indicators	FUTURE EVENTS	6/24 Durable Goods Orders 6/25 Personal Consumption Expenditures

US EQUITY

- The major dynamic this week has been downside in the US 10-year Treasury yield (which is a significant influence on the rotation trade). Long-duration growth stocks with high valuation multiples have been used as a source of capital for rotation into shorter-duration, deep-cyclical stocks as interest rates were rising. With the upward move in rates abating (and the US 10-year yield dropping to 3-month lows below 1.5%)*, Tech is seeing a bump in relative strength. We believe interest rates will grind higher over time with a continuation of rotation into the deeper-cyclical areas. We like Tech over the long term, but do not believe it is ready to regain market leadership yet. For those too overweight, we would use the bounce as an opportunity to trim exposure to Tech.
- **Focus of the Week:** On the flip side, the banks are consolidating with the interest rate contraction (95% correlation between the US 10-year Treasury yield and banks' relative performance over the past twelve months). We recommend accumulating the banks as they become oversold or reach their 50 day moving average (which has held as support since November). 100% of banks are above their 200 DMA, reflecting a strong intermediate-term technical backdrop; and valuation remains attractive. The group trades at a large discount to the S&P 500 on a P/Book and P/E basis, and relative valuation by both metrics is below pre-pandemic levels.*

FIXED INCOME

- While inflation pressures have risen sharply as the economy reopens and contends with supply shortages following the pandemic, bond prices are moving higher (bringing yields lower) as it is becoming apparent that previous moves anticipating higher inflation may have been overplayed. Supply chain disruptions will remain the bigger uncertainty, creating a choppy inflation pattern as not all markets or products will be impacted, and those that are impacted will have varying degrees and duration of inflation.
- **Focus of the Week:** Inflation data will continue to dominate investor focus as Personal Consumption Expenditures (PCE)—the Fed's preferred inflationary data point—is released next Friday. Last week's Fed's announcement to begin unwinding its corporate bond purchases raised speculation of discussions beginning to reduce its bond buying program (possibly as soon as next week's meeting).

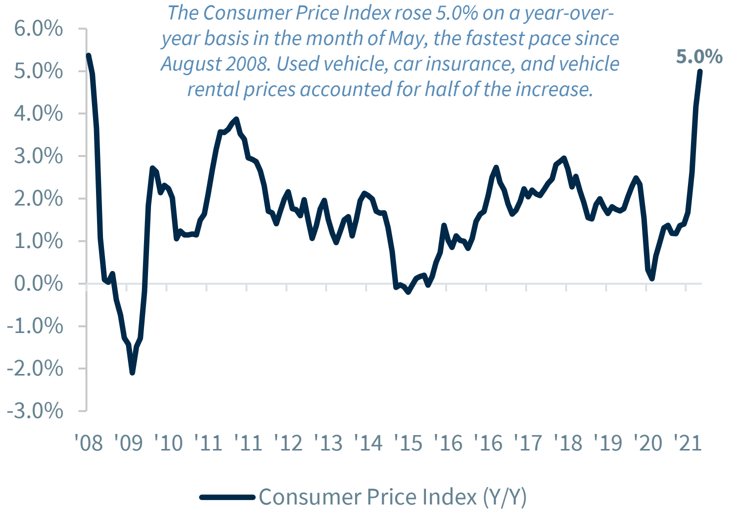
COVID-19 & POLITICS

- **Domestic COVID-19:** The US has counted more than 33,415,000 identified cases and more than 598,300 identified deaths attributed to COVID-19. Over the last week new cases have fallen 10.4%, hospitalizations have fallen 16.6%, and deaths remain at pandemic lows. This progress comes as 51.8% of the US population has received at least one vaccine dose, and 42.5% are fully vaccinated.*
- **Vaccines:** The COVID-19 Delta variant is becoming the primary focus for the US and abroad given recent studies suggesting 1) it has 40-50% higher transmissibility than the Alpha variant and 2) it may be as immune-evasive as the Beta variant. A recent UK-based study cited by the White House showed that Pfizer and AstraZeneca's vaccines both showed ~33% effectiveness against the Delta variant after one dose, in contrast to ~50% effectiveness against the Alpha variant. However, in patients who received the full 2-dose regimens, the Pfizer and AZ vaccines were ~88% and 60% effective, respectively. Vaccine developers, such as Moderna and Pfizer, are evaluating new booster versions of their vaccines against new COVID-19 variants which could be available later this year.
- **Infrastructure:** The White House is shifting attention to a bipartisan infrastructure proposal being developed by Sens. Manchin (D-WV) and Romney (R-UT) in a bid to revive Congressional negotiations on Biden's infrastructure priorities that have not yielded the scope of funding sought by Democrats. Although the separate bipartisan working group shifts some of the negotiating dynamics, the current policy details pitched by the new bipartisan group on financing have previously been ruled out by the Biden administration. While bipartisan negotiations could see small breakthroughs, we are seeing increasing signs that Democratic lawmakers are preparing legislation for a go-it-alone approach. The $547B surface transportation bill advanced by the House this week includes boosted funding for Biden's infrastructure priorities and contains provisions which are likely to be the backbone of the overall infrastructure bill. Overall, we see a simple majority vote through reconciliation as the most likely path for infrastructure legislation.
- **US/China:** This week the Senate approved the US Innovation and Competition Act, a $250 billion bill that includes broad China policy provisions across economic, geopolitical, tech, capital markets, and sanctions related policies, with highlights including $39 billion in grants available over five years for domestic semiconductor manufacturing in order to increase supply chain security. The House is working on similar legislation, however strong bipartisan backing increases the pressure on the House to fast-track their process or vote on the Senate bill outright. In the near term, we see China's response to this legislation as relatively muted, unless additional human rights, forced labor, or Xinjiang Province-related provisions are added. However, this week China unveiled a new law that could impact foreign corporations operating in China that abide by US export controls and human rights sanctions. This development overall demonstrates that tensions in the US/China relationship continue to become strained on a broader range of issues, with potential for market repercussions should new laws begin to impact firms operating in China, as signaled.

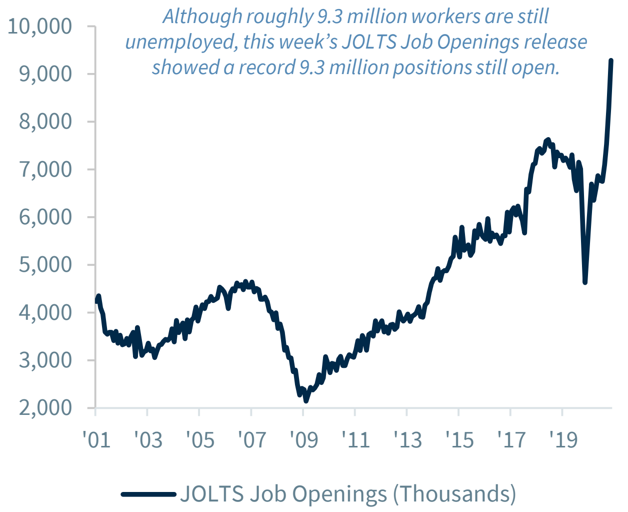
*See Charts of the week on page 3.

Charts of the Week

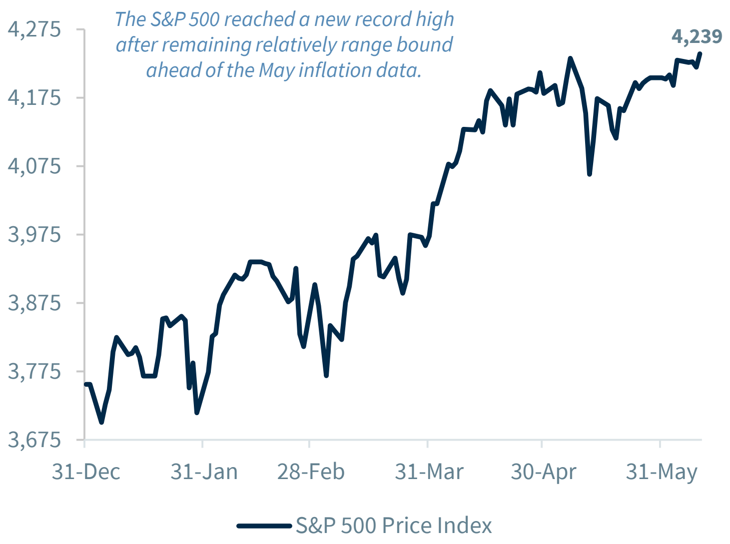
Headline CPI Rises At Fastest Pace Since 2008



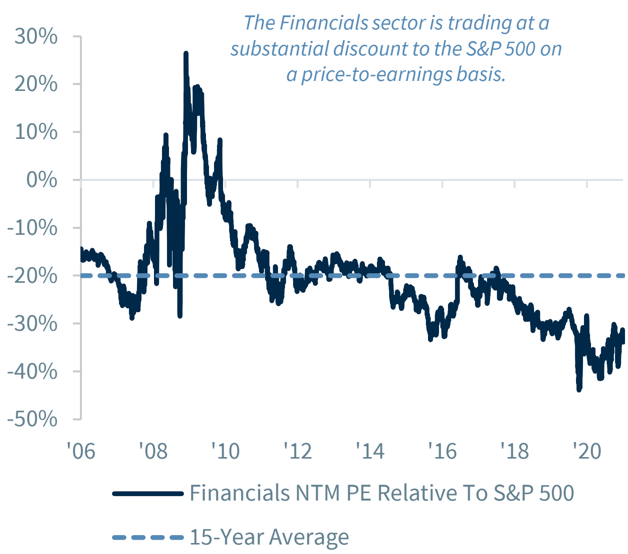
Job Openings Reach A New Record High



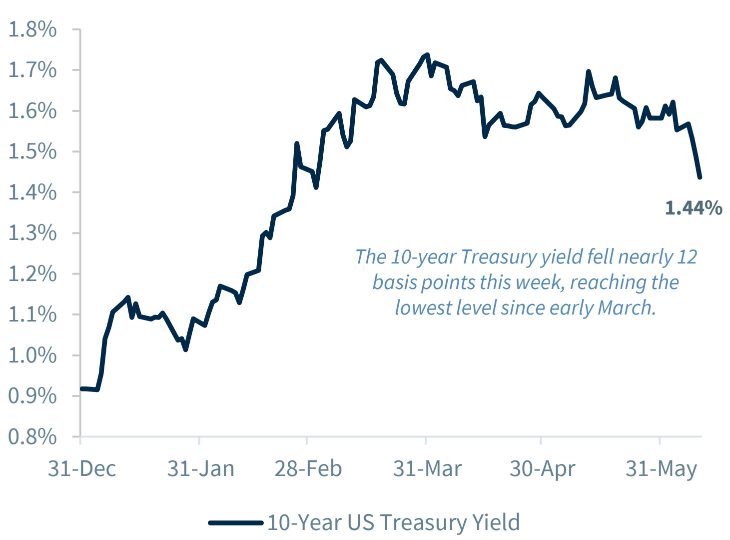
S&P 500 Reaches New Record High



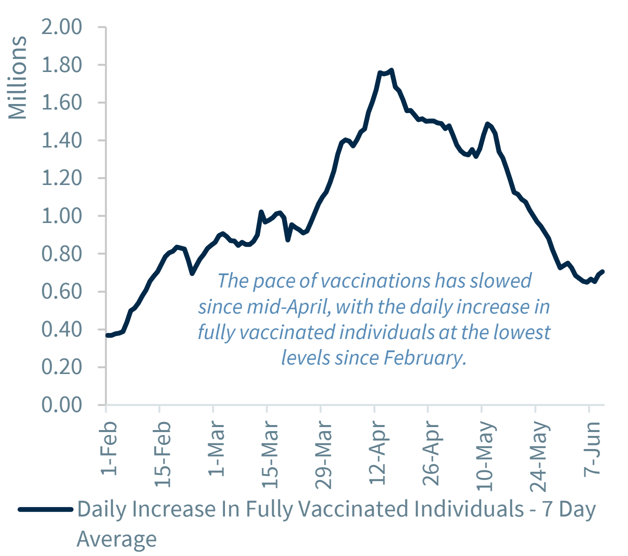
Relative Valuation For Financials Sector



10-Year Treasury Yield Falls To 3-Month Low



Pace Of Vaccination Slowing



Asset Class Performance | Distribution by Asset Class and Style (as of June 10)**

Weekly Returns (as of June 10)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	-0.4%	1.3%	3.0%
Mid Cap	-0.3%	0.9%	3.4%
Small Cap	-0.1%	1.4%	3.2%

International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	0.5%	0.9%	-0.4%
Mid Cap	0.4%	0.6%	-0.1%
Small Cap	0.4%	1.0%	0.9%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	0.6%	1.7%
Invest. Grade	0.1%	0.7%	1.2%
High Yield	0.3%	0.5%	1.2%

Year-to-Date Returns (June 10)

US Equities (Russell indices)

	Value	Blend	Growth
Large Cap	18.4%	13.2%	8.3%
Mid Cap	21.1%	15.4%	5.3%
Small Cap	29.7%	17.5%	6.3%

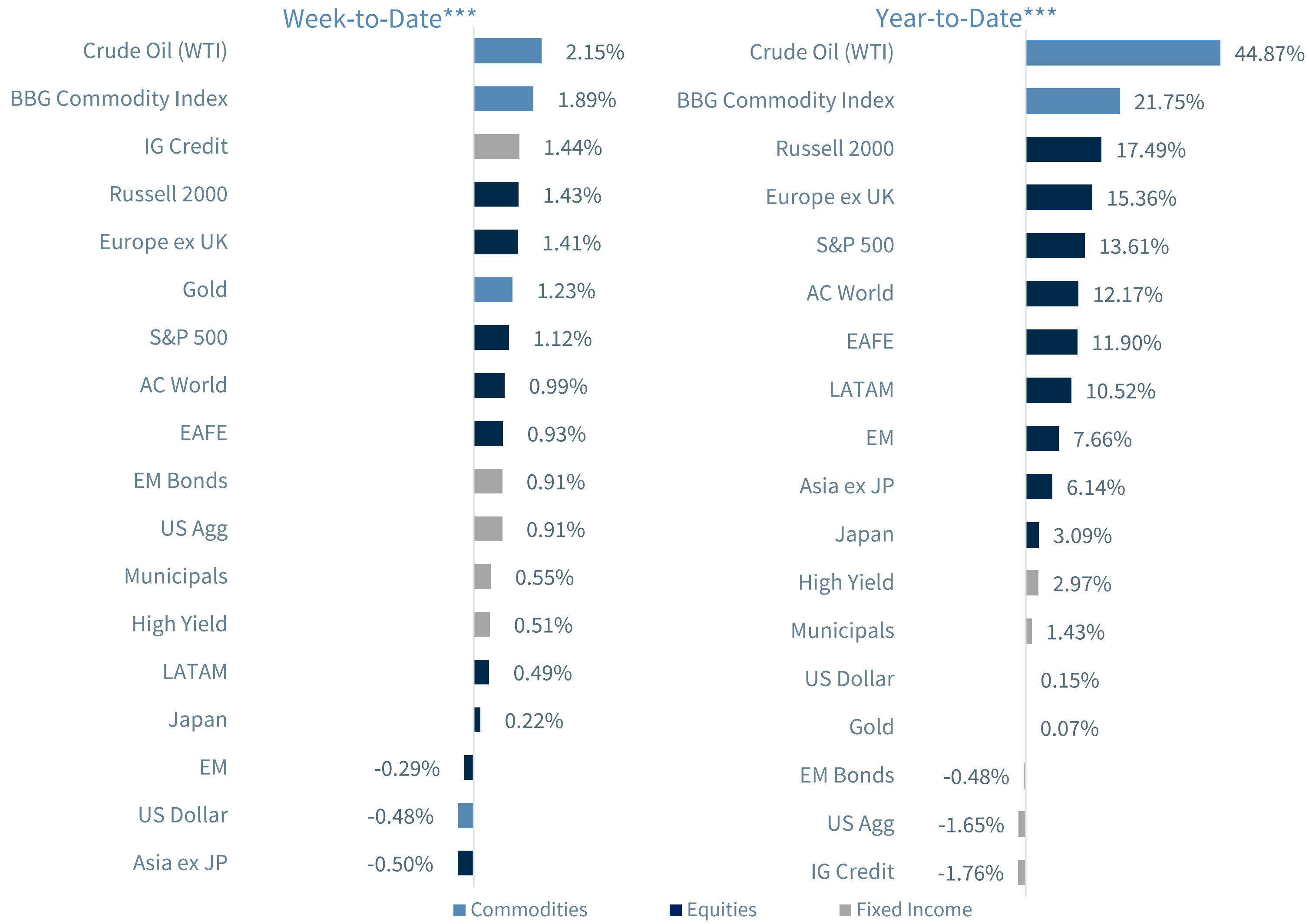
International Equities (MSCI indices)

	Dev. Mkt	World	Emerg. Mkt
Large Cap	13.8%	12.1%	6.4%
Mid Cap	11.7%	13.7%	12.9%
Small Cap	13.6%	17.1%	19.9%

Fixed Income (Bloomberg Barclays indices)

	1-3 YR	Medium	Long
Treasury	0.0%	-1.1%	-4.2%
Invest. Grade	0.3%	-0.4%	-1.3%
High Yield	3.9%	3.0%	2.7%

Asset Class Performance | Weekly and Year-to-Date (as of June 10)**



**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 June 10

U.S Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
S&P 500	4239.2	1.1	0.9	13.6	35.0	17.2	17.4	15.1
DJ Industrial Average	34466.2	(0.3)	(0.2)	12.6	27.7	10.8	14.0	11.2
NASDAQ Composite Index	14020.3	3.0	2.0	8.8	39.9	22.4	23.4	18.2
Russell 1000	4586.3	1.3	0.9	13.2	42.7	18.4	17.5	14.4
Russell 2000	5744.4	1.4	1.9	17.5	64.6	13.1	16.0	11.9
Russell Midcap	8082.4	0.9	0.7	15.4	50.3	16.1	15.4	12.8

Equity Sectors

Sector	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
Materials	537.5	(2.2)	(1.6)	18.9	49.4	14.7	14.8	11.1
Industrials	871.3	(1.6)	(1.7)	17.0	44.8	12.9	14.5	13.5
Comm Services	260.9	2.2	1.4	18.1	40.8	22.1	12.0	11.6
Utilities	333.1	0.7	1.3	6.0	11.4	14.5	9.2	11.2
Consumer Discretionary	1381.9	2.0	0.2	6.4	31.1	17.8	18.8	18.2
Consumer Staples	726.7	(0.5)	0.3	5.5	21.1	15.0	8.7	11.7
Health Care	1458.9	3.0	1.5	10.9	24.3	16.1	14.0	15.9
Information Technology	2475.7	2.8	2.0	8.5	36.8	26.9	29.6	21.9
Energy	415.0	0.4	6.5	48.3	36.0	(5.7)	0.0	0.5
Financials	618.8	(2.8)	(1.7)	27.3	51.7	12.4	17.2	14.3
Real Estate	285.3	2.7	5.7	26.3	29.2	16.7	11.3	11.8

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	0.1	1.3	1.1	0.6
2-Year Treasury (%)	0.1	0.0	(0.0)	0.0	0.2	2.6	1.5	1.1
10-Year Treasury (%)	1.4	1.7	1.3	(4.2)	(5.0)	6.2	2.0	3.5
Barclays US Corporate High Yield	4.7	0.5	0.7	3.0	12.6	7.2	7.3	6.6
Bloomberg Barclays US Aggregate	1.5	0.9	0.7	(1.6)	0.0	5.5	3.2	3.3
Bloomberg Barclays Municipals		0.5	0.6	1.4	5.1	5.3	3.5	4.3
Bloomberg Barclays IG Credit	2.1	1.4	1.1	(1.8)	3.5	7.6	5.0	5.0
Bloomberg Barclays EM Bonds	3.8	0.9	0.8	(0.5)	6.7	6.7	5.2	5.5

Commodities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
WTI Crude ($/bl)	70.3	1.0	6.0	45.4	77.8	2.2	7.4	(3.4)
Gold ($/Troy Oz)	1888.7	1.2	(0.6)	0.1	9.7	13.3	8.2	2.1
Dow Jones-UBS Commodity Index	95.0	1.9	2.4	21.7	46.2	1.8	1.3	(5.4)

Currencies

Currency	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	90.1	(0.5)	0.0	0.2	(6.1)	(1.3)	(1.0)	1.9
US Dollar per Euro	1.2	0.3	(0.4)	(0.5)	7.2	1.1	1.5	(1.6)
US Dollar per British Pounds	1.4	0.2	(0.5)	3.5	10.9	1.8	(0.3)	(1.4)
Japanese Yen per US Dollar	109.6	(0.5)	0.2	6.2	2.2	0.1	0.5	3.2

International Equities

Index	Price	Weekly	MTD	YTD	1 Year	3 Year	5 Year	10 Year
MSCI AC World	718.2	1.0	1.0	12.2	35.8	14.0	15.0	10.8
MSCI EAFE	2365.1	0.9	1.1	11.9	31.4	8.8	10.9	6.9
MSCI Europe ex UK	2627.3	1.4	1.5	15.4	37.8	12.1	12.8	7.7
MSCI Japan	3935.2	0.2	0.6	3.1	21.6	6.8	10.4	8.0
MSCI EM	1378.8	(0.3)	1.4	7.7	39.4	9.6	13.9	4.8
MSCI Asia ex JP	888.5	(0.5)	0.6	6.1	38.6	9.9	15.0	7.5
MSCI LATAM	2665.0	0.5	4.9	10.5	33.9	6.0	8.1	(1.7)
Canada S&P/TSX Composite	16566.4	0.5	1.6	15.0	27.7	7.3	7.4	4.4

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

DISCLOSURES

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The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. 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. 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 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.

GERMAN BUND| A bund, German for "bond," is a debt instrument issued by Germany's federal government that is similar to the US Treasury bond.

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DATA SOURCE

FactSet, as of 6/11/2021

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).

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. The index is comprised of the stocks of about 3,000 companies from 23 developed countries and 26 emerging markets.

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