

# Q1

## Quarterly Market Review

First Quarter 2020

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This report features world capital market performance and a timeline of events for the past quarter. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios.

## Overview:

Market Summary

World Stock Market Performance

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks

Select Market Performance

Select Currency Performance  
vs. US Dollar

Real Estate Investment Trusts (REITs)

Commodities







Fixed Income

Global Fixed Income

Impact of Diversification

# Quarterly Market Summary



















## Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
<b>1Q 2020</b>	<b>STOCKS</b>					<b>BONDS</b>	
	<b>-20.90%</b>	<b>-23.26%</b>	<b>-23.60%</b>	<b>-29.02%</b>		<b>3.15%</b>	<b>0.51%</b>
							
<b>Since Jan. 2001</b>							
Avg. Quarterly Return	1.8%	1.2%	2.5%	2.2%		1.2%	1.1%
Best Quarter	16.8% 2009 Q2	25.9% 2009 Q2	34.7% 2009 Q2	32.3% 2009 Q3		4.6% 2001 Q3	4.6% 2008 Q4
Worst Quarter	-22.8% 2008 Q4	-23.3% 2020 Q1	-27.6% 2008 Q4	-36.1% 2008 Q4		-3.0% 2016 Q4	-2.7% 2015 Q2

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2020, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

# Long-Term Market Summary

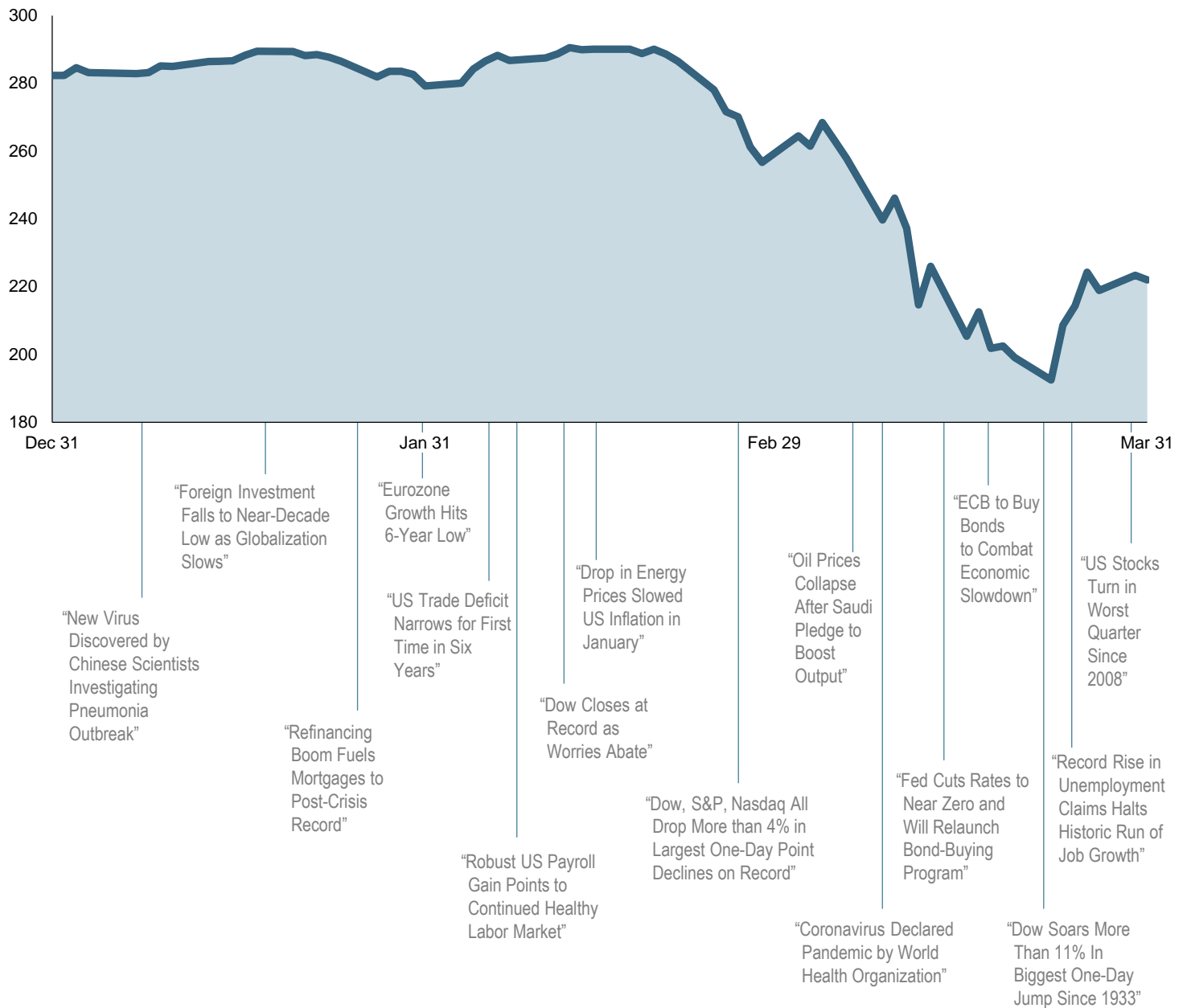
## Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	-9.13%	-14.89%	-17.69%	-23.39%	8.93%	5.01%
						
5 Years						
	5.77%	-0.76%	-0.37%	-2.14%	3.36%	3.56%
						
10 Years						
	10.15%	2.43%	0.68%	5.12%	3.88%	4.17%
						

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# World Stock Market Performance

MSCI All Country World Index with selected headlines from Q1 2020



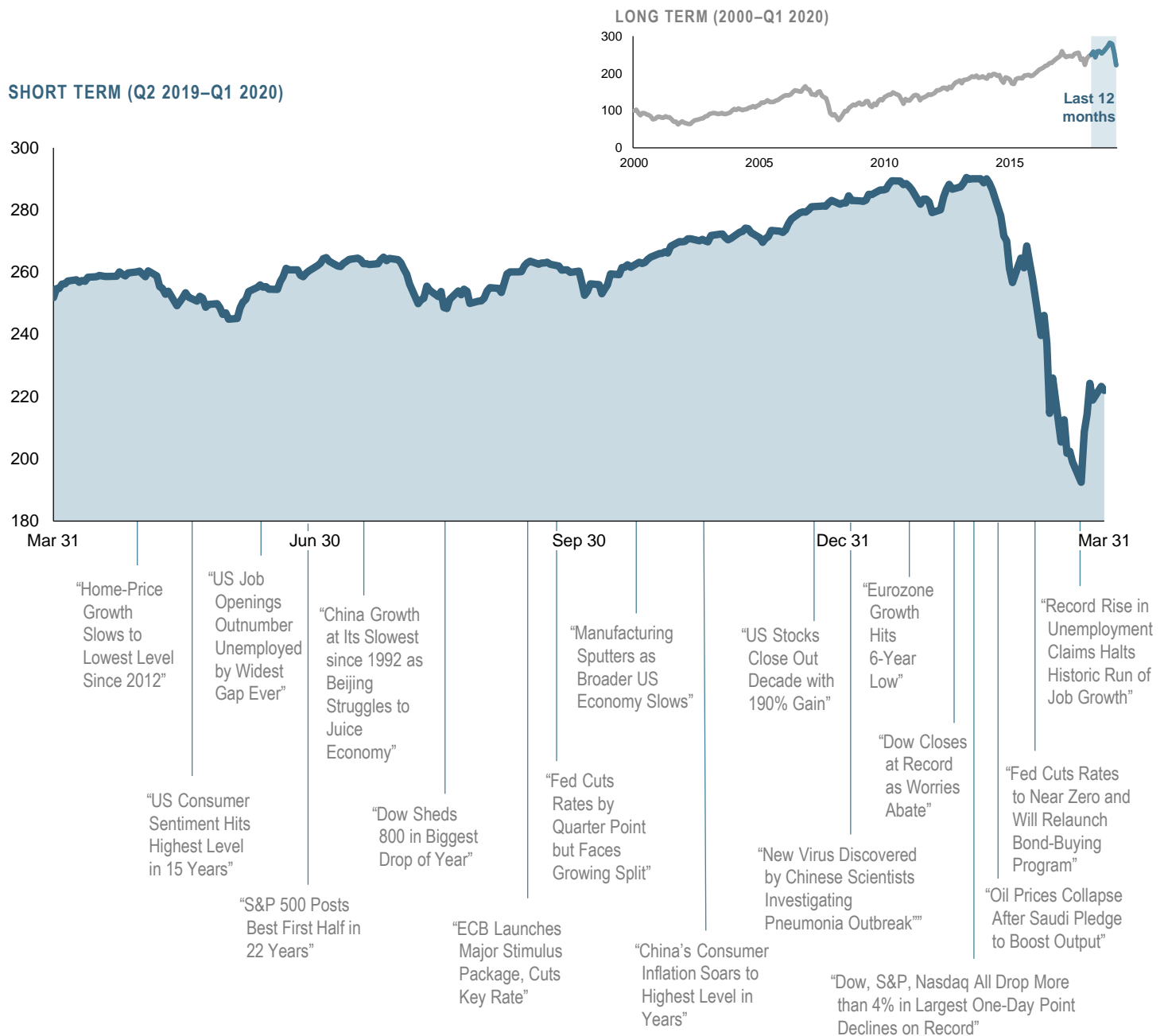
*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2020, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

# World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months



*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2020, all rights reserved.

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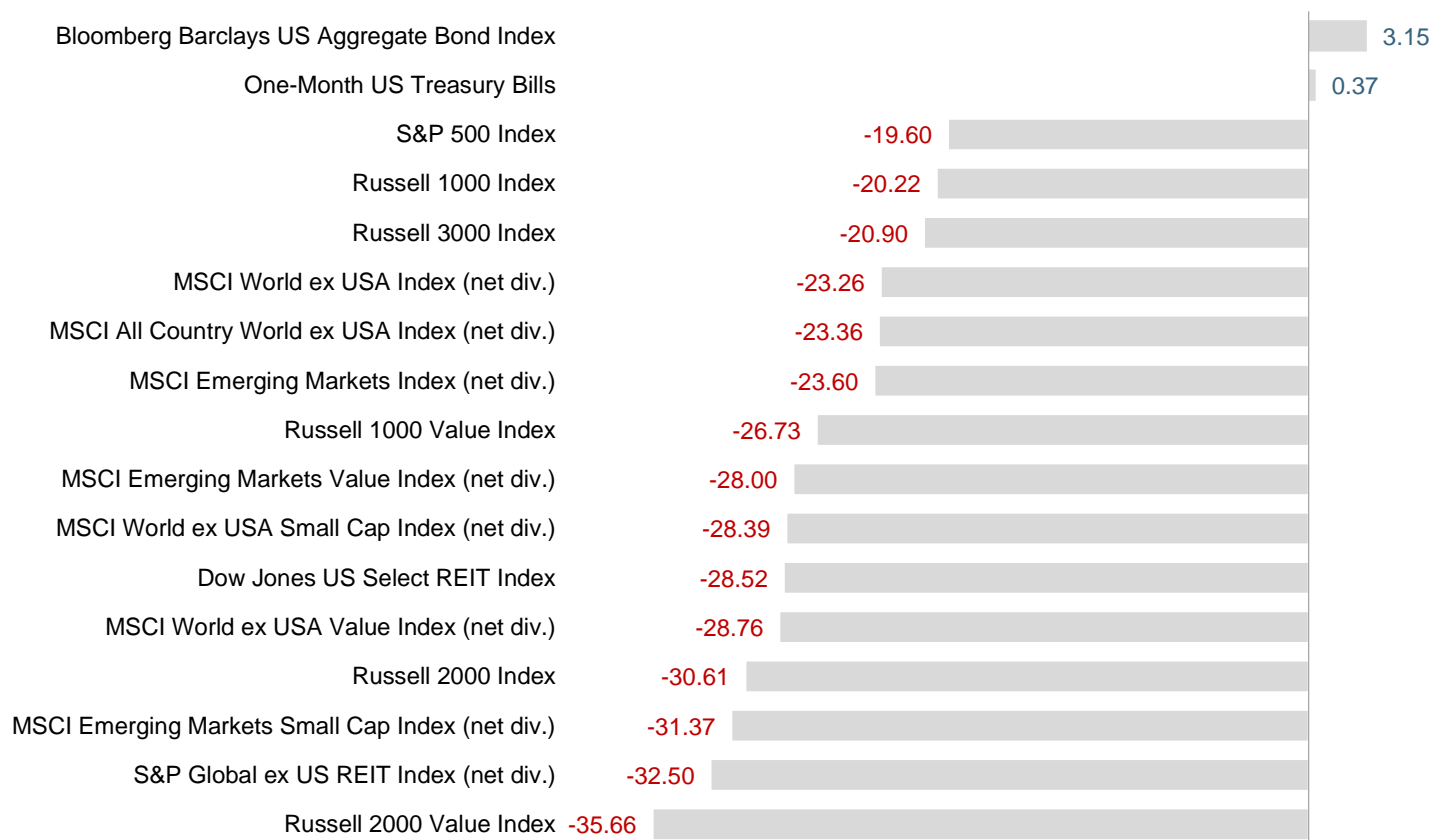
# World Asset Classes

## First Quarter 2020 Index Returns (%)

Equity markets around the globe posted negative returns in the first quarter. Looking at broad market indices, US equities outperformed non-US developed markets and emerging markets.

Value stocks underperformed growth stocks in all regions. Small caps also underperformed large caps in all regions.

REIT indices underperformed equity market indices in both the US and non-US developed markets.



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# US Stocks

## First Quarter 2020 Index Returns

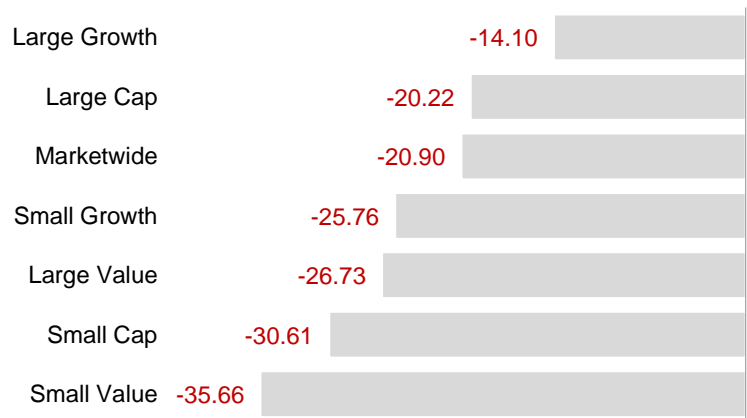
The US equity market posted negative returns for the quarter but on a broad index level outperformed non-US developed markets and emerging markets.

Value underperformed growth in the US across large and small cap stocks.

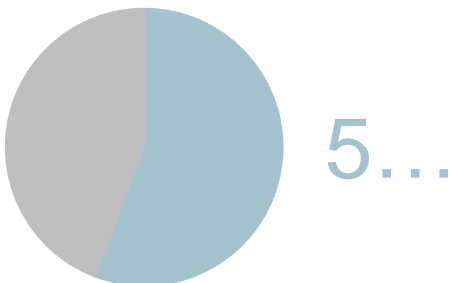
Small caps underperformed large caps in the US.

REIT indices underperformed equity market indices.

### Ranked Returns (%)



### World Market Capitalization—US



### Period Returns (%)

Asset Class	* Annualized				
	YTD	1 Year	3 Years*	5 Years*	10 Years*
Large Growth	-14.10	0.91	11.32	10.36	12.97
Large Cap	-20.22	-8.03	4.64	6.22	10.39
Marketwide	-20.90	-9.13	4.00	5.77	10.15
Small Growth	-25.76	-18.58	0.10	1.70	8.89
Large Value	-26.73	-17.17	-2.18	1.90	7.67
Small Cap	-30.61	-23.99	-4.64	-0.25	6.90
Small Value	-35.66	-29.64	-9.51	-2.42	4.79

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Cap Value (Russell 1000 Value Index), Large Cap Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Cap Value (Russell 2000 Value Index), and Small Cap Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Dow Jones US Select REIT Index used as proxy for the US REIT market. Frank Russell Company is source and owner of trademarks, service marks, and copyrights related to Russell Indexes. MSCI data © MSCI 2020, all rights reserved.



# International Developed Stocks

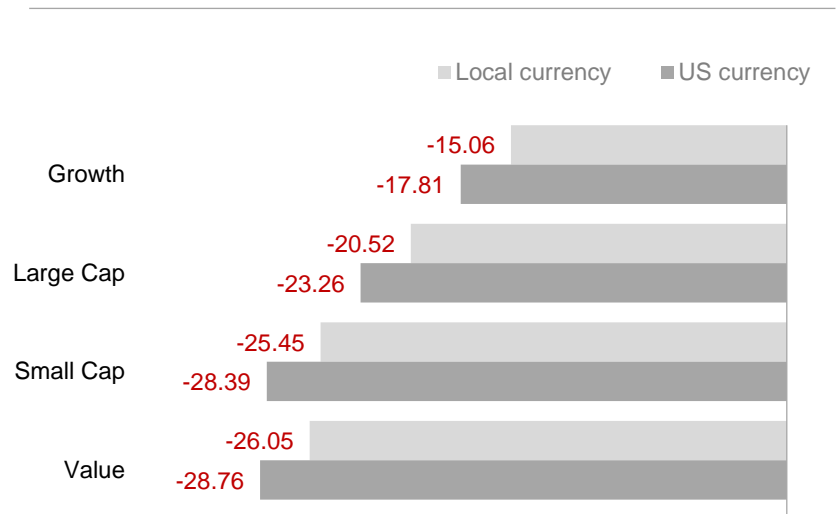
## First Quarter 2020 Index Returns

Developed markets outside the US underperformed the US equity market but outperformed emerging markets equities during the quarter.

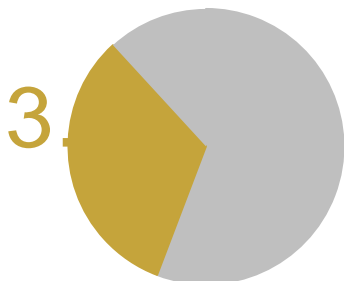
Small caps underperformed large caps in non-US developed markets.

Value underperformed growth across large and small cap stocks.

### Ranked Returns (%)



### World Market Capitalization—International Developed



### Period Returns (%)

Asset Class	YTD	1 Year	* Annualized		
			3 Years*	5 Years*	10 Years*
Growth	-17.81	-6.47	2.55	2.05	4.25
Large Cap	-23.26	-14.89	-2.07	-0.76	2.43
Small Cap	-28.39	-19.04	-3.60	0.39	3.95
Value	-28.76	-23.16	-6.74	-3.70	0.51

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# Emerging Markets Stocks

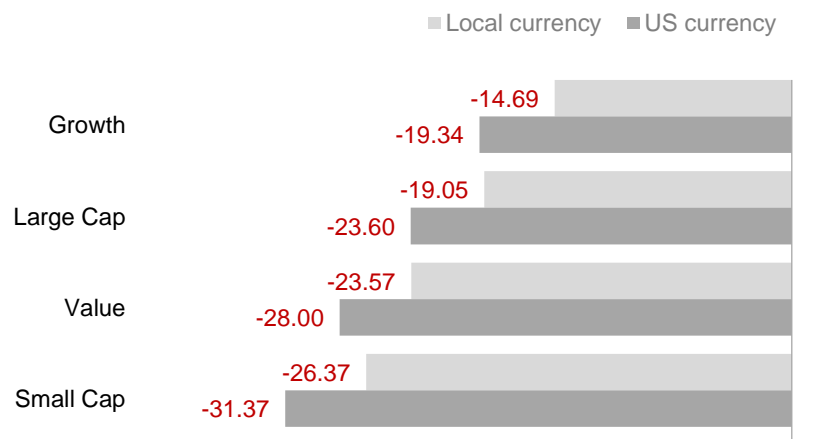
## First Quarter 2020 Index Returns

Emerging markets underperformed developed markets, including the US, for the quarter.

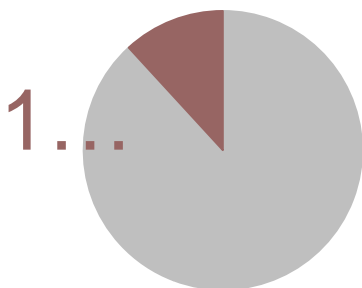
Value stocks underperformed growth stocks.

Small caps underperformed large caps.

### Ranked Returns (%)



### World Market Capitalization— Emerging Markets



### Period Returns (%)

\* Annualized

Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*
Growth	-19.34	-9.94	2.39	2.13	2.71
Large Cap	-23.60	-17.69	-1.62	-0.37	0.68
Value	-28.00	-25.26	-5.78	-3.00	-1.45
Small Cap	-31.37	-28.98	-9.64	-5.17	-1.34

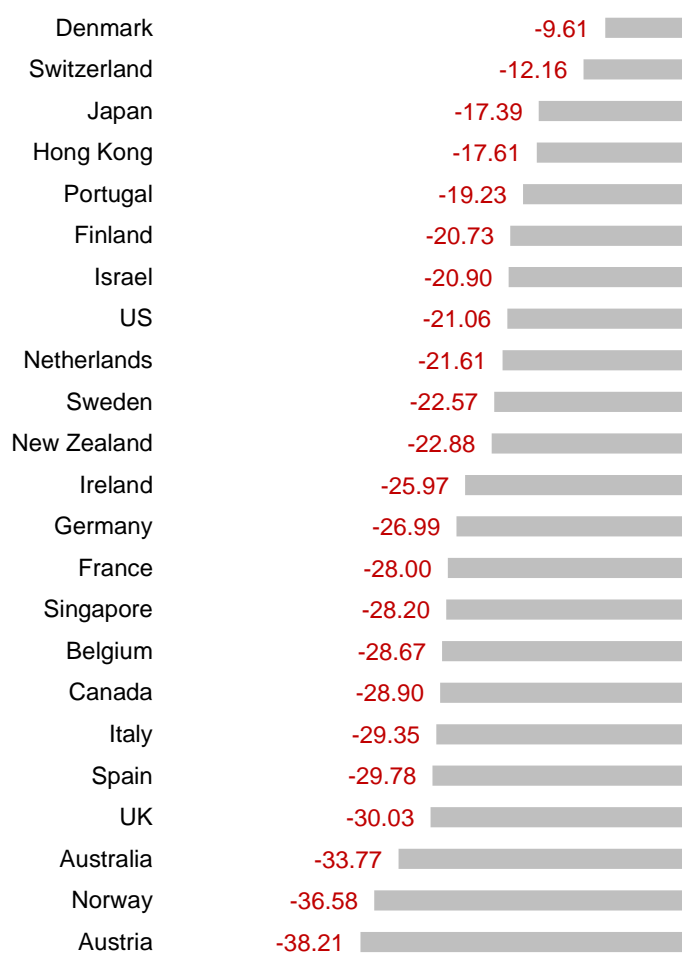
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# Select Market Performance

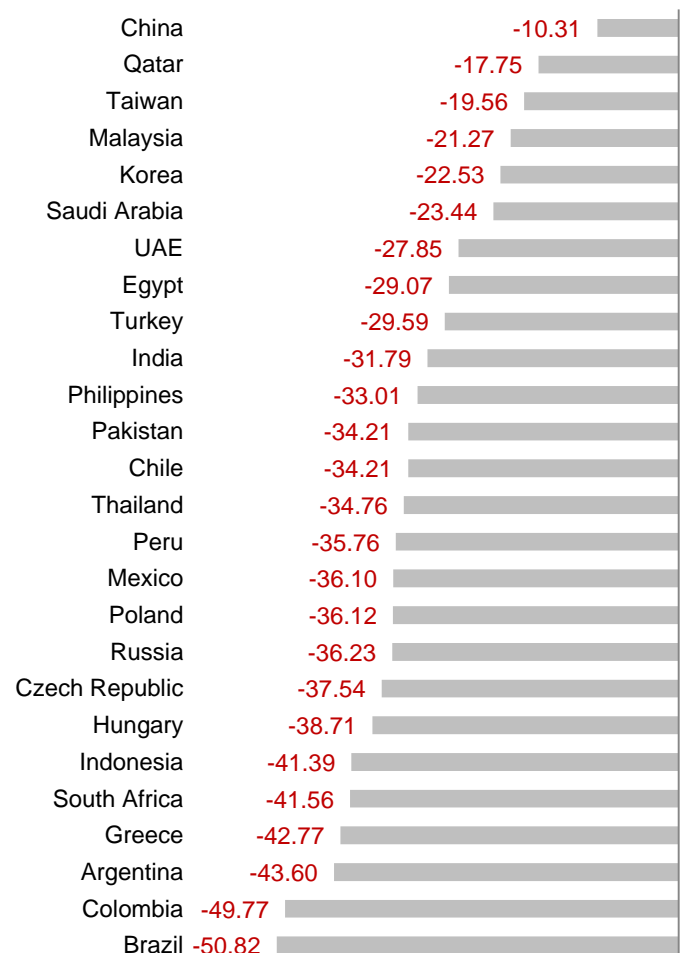
## First Quarter 2020 Index Returns

In US dollar terms, Denmark and Switzerland recorded the highest country performance in developed markets, while Austria and Norway posted the lowest returns for the quarter. In emerging markets, China and Qatar recorded the highest country performance, while Brazil and Colombia posted the lowest performance.

### Ranked Developed Markets Returns (%)



### Ranked Emerging Markets Returns (%)



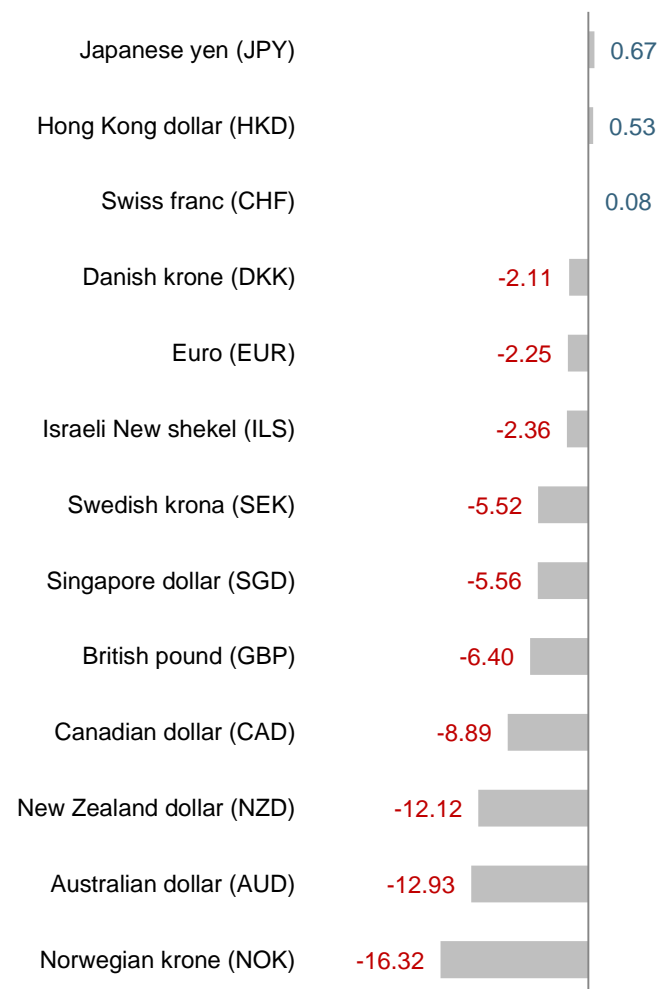
Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), MSCI USA IMI Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. MSCI data © MSCI 2020, all rights reserved. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014. Saudi Arabia and Argentina have been reclassified as emerging markets by MSCI, effective May 2019.

# Select Currency Performance vs. US Dollar

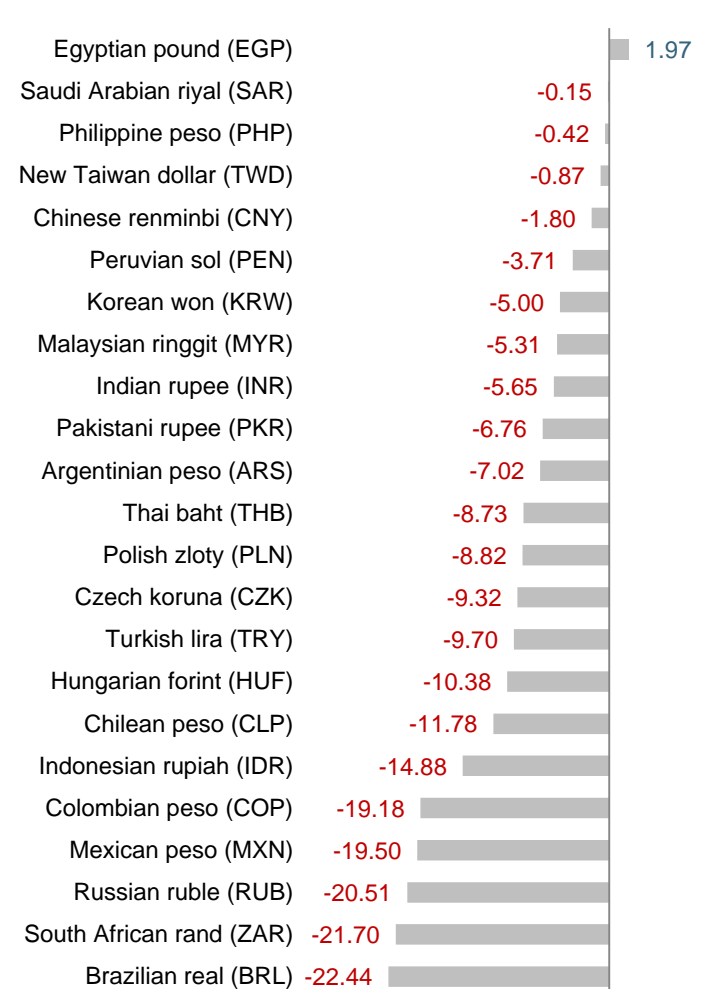
First Quarter 2020

In developed and emerging markets, currencies mostly depreciated vs. the US dollar with a few exceptions, including the Japanese yen and the Swiss franc.

## Ranked Developed Markets Returns (%)



## Ranked Emerging Markets Returns (%)



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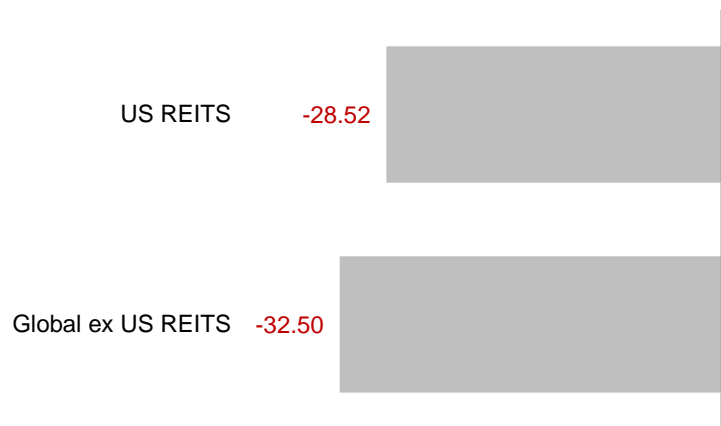
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# Real Estate Investment Trusts (REITs)

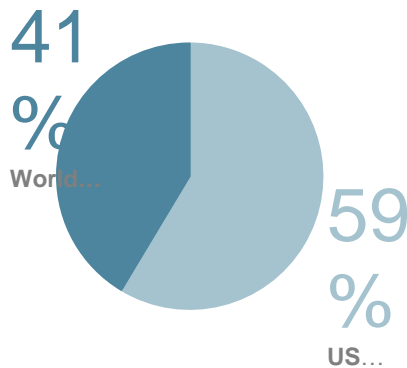
## First Quarter 2020 Index Returns

US real estate investment trusts outperformed non-US REITs in US dollar terms during the quarter.

### Ranked Returns (%)



### Total Value of REIT Stocks



### Period Returns (%)

Asset Class	YTD	* Annualized			
		1 Year	3 Years*	5 Years*	10 Years*
US REITS	-28.52	-23.96	-4.28	-1.42	6.88
Global ex US REITS	-32.50	-25.34	-4.83	-2.76	3.61

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Number of REIT stocks and total value based on the two indices. All index returns are net of withholding tax on dividends. Total value of REIT stocks represented by Dow Jones US Select REIT Index and the S&P Global ex US REIT Index. Dow Jones US Select REIT Index used as proxy for the US market, and S&P Global ex US REIT Index used as proxy for the World ex US market. Dow Jones and S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

# Commodities

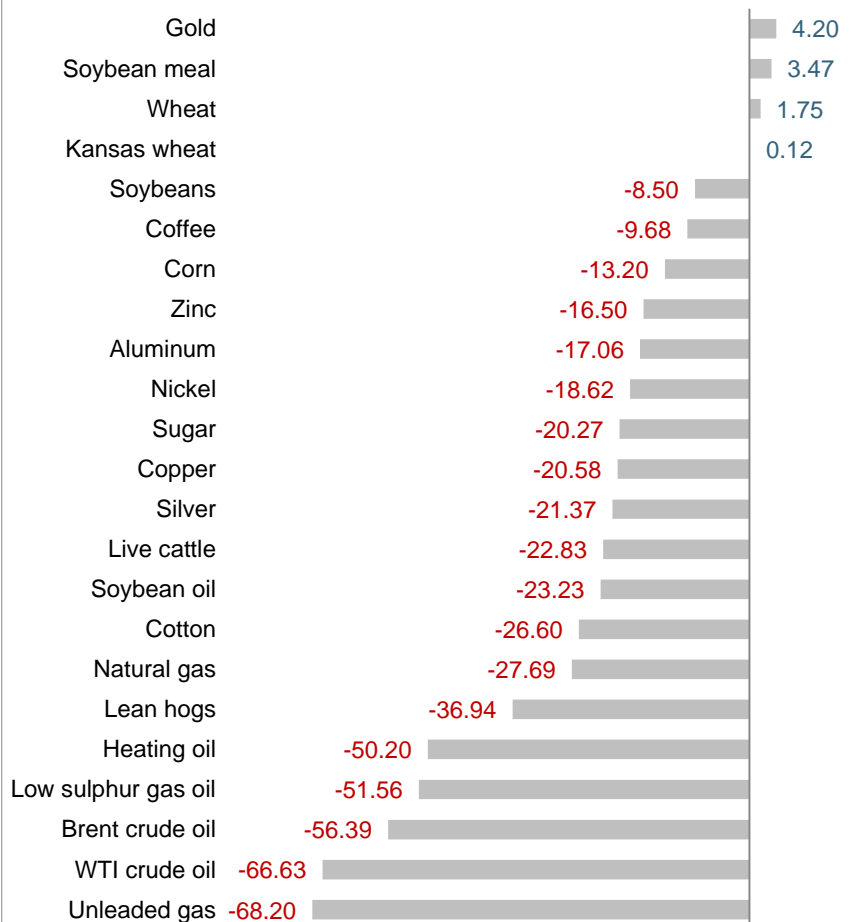
## First Quarter 2020 Index Returns

The Bloomberg Commodity Index Total Return decreased 23.29% for the first quarter.

Unleaded gas and WTI crude oil were the worst performers, declining by 68.20% and 66.63%, respectively.

Gold and soybean meal led quarterly performance, returning 4.20% and 3.47%, respectively.

### Ranked Returns (%)



### Period Returns (%)

\* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*
Commodities	-23.29	-22.31	-8.61	-7.76	-6.74

# Fixed Income

## First Quarter 2020 Index Returns

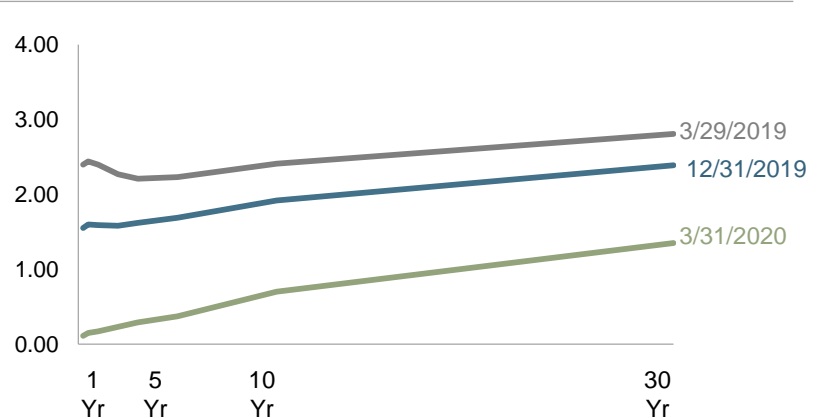
Interest rates decreased in the US treasury market in the first quarter. The yield on the 5-year Treasury note decreased by 132 basis points (bps), ending at 0.37%. The yield on the 10-year note decreased by 122 bps to 0.70%. The 30-year Treasury bond yield decreased 104 bps to 1.35%.

On the short end of the yield curve, the 1-month Treasury bill yield decreased to 0.05%, while the 1-year Treasury bill yield decreased by 142 bps to 0.17%. The 2-year note finished at 0.23% after a decrease of 135 bps.

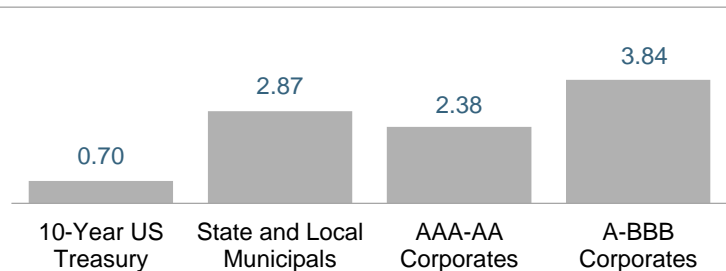
In terms of total returns, short-term corporate bonds declined 2.19%. Intermediate-term corporate bonds declined 3.15%.

The total return for short-term municipal bonds was -0.51%, while intermediate muni bonds returned -0.82%. General obligation bonds outperformed revenue bonds.

### US Treasury Yield Curve (%)



### Bond Yields across Issuers (%)



### Period Returns (%)

Asset Class	QTR	1 Year	*Annualized		
			3 Years*	5 Years*	10 Years*
Bloomberg Barclays US Government Bond Index Long	20.63	32.28	13.30	7.32	8.89
Bloomberg Barclays US Aggregate Bond Index	3.15	8.93	4.82	3.36	3.88
FTSE World Government Bond Index 1-5 Years (hedged to USD)	2.25	4.98	3.03	2.24	2.00
ICE BofA 1-Year US Treasury Note Index	1.72	3.85	2.31	1.57	0.98
Bloomberg Barclays US TIPS Index	1.69	6.85	3.46	2.67	3.48
FTSE World Government Bond Index 1-5 Years	0.69	2.79	2.12	1.55	0.40
ICE BofA US 3-Month Treasury Bill Index	0.57	2.25	1.83	1.19	0.64
Bloomberg Barclays Municipal Bond Index	-0.63	3.85	3.96	3.19	4.15
Bloomberg Barclays US High Yield Corporate Bond Index	-12.68	-6.94	0.77	2.78	5.64

One basis point (bps) equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the ICE BofA US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA US Corporates, BBB-A rated. Bloomberg Barclays data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (S&BBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2020 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2020 ICE Data Indices, LLC. S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

# Global Fixed Income

## First Quarter 2020 Yield Curves

Government bond interest rates in the global developed markets generally decreased during the quarter.

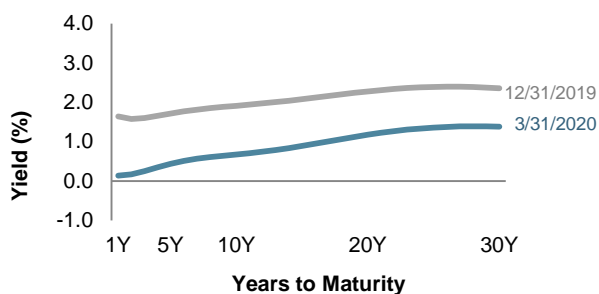
Longer-term bonds generally outperformed shorter-term bonds in the global developed markets.

Short- and intermediate-term nominal interest rates are negative in Japan and Germany.

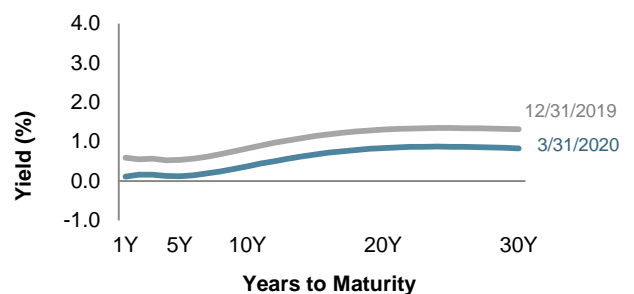
Changes in Yields (bps) since 12/31/2019

	1Y	5Y	10Y	20Y	30Y
US	-1.5	-1.3	-1.2	-1.1	-1.0
UK	-0.5	-0.4	-0.5	-0.5	-0.5
Germany	0.1	-0.2	-0.3	-0.3	-0.3
Japan	-0.0	0.0	0.1	0.1	0.0
Canada	-1.3	-1.1	-0.9	-0.5	-0.4
Australia	-0.7	-0.7	-0.6	-0.3	-0.3

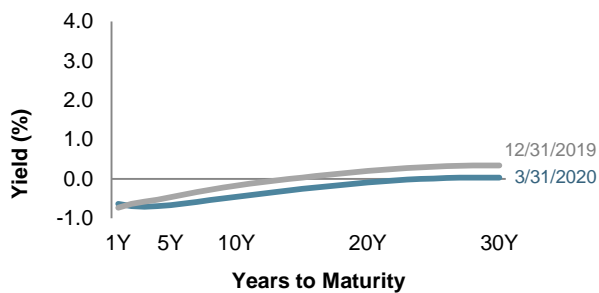
### US



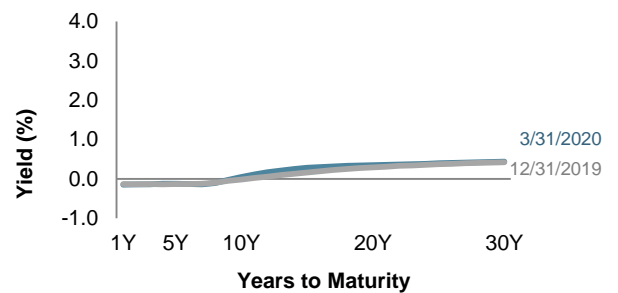
### UK



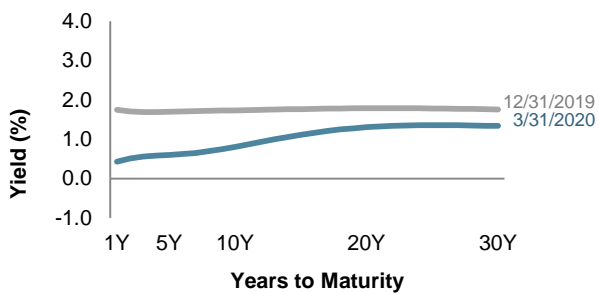
### Germany



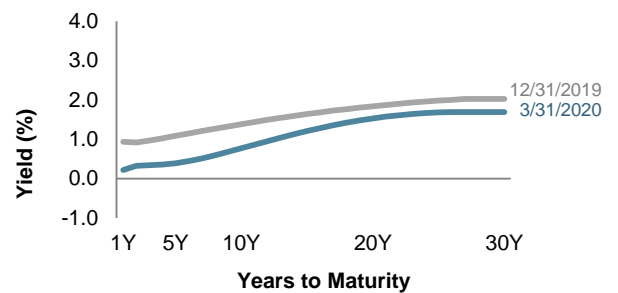
### Japan



### Canada



### Australia



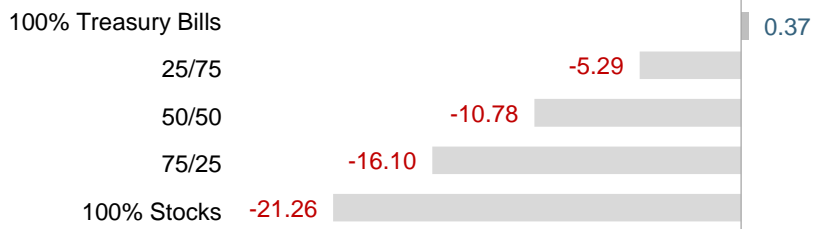


# Impact of Diversification

First Quarter 2020

These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

## Ranked Returns (%)

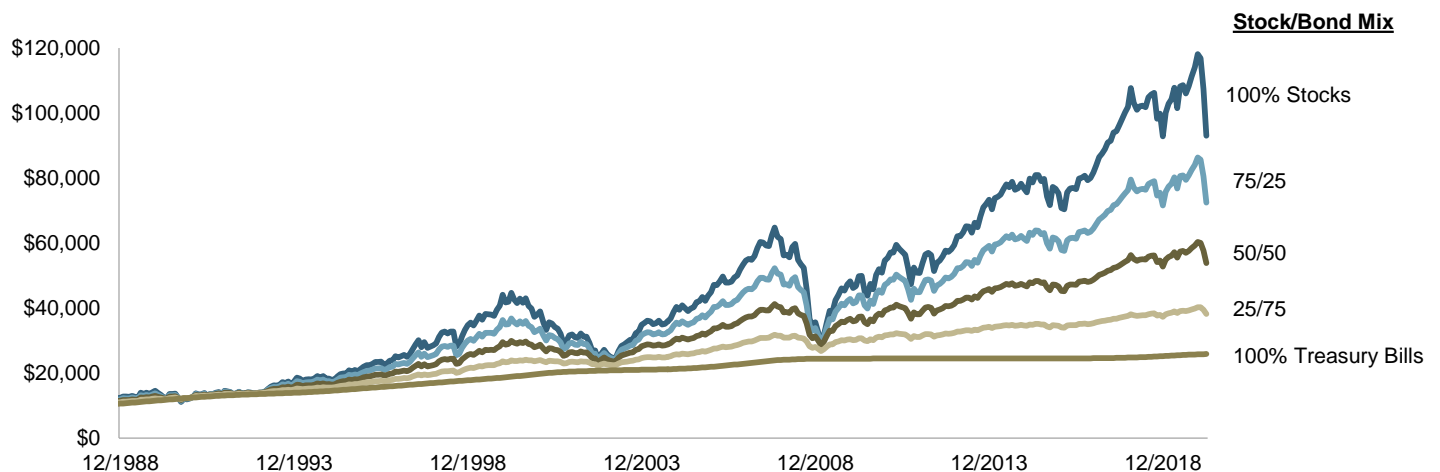


## Period Returns (%)

\* Annualized

Asset Class	QTR	1 Year	3 Years*	5 Years*	10 Years*	10-Year STDEV <sup>1</sup>
100% Treasury Bills	0.37	1.93	1.67	1.06	0.56	0.23
25/75	-5.29	-1.03	1.98	1.83	2.19	3.50
50/50	-10.78	-4.14	2.15	2.48	3.72	7.00
75/25	-16.10	-7.39	2.17	3.01	5.14	10.50
100% Stocks	-21.26	-10.76	2.05	3.41	6.45	14.00

## Growth of Wealth: The Relationship between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.

Diversification does not eliminate the risk of market loss. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2020, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).

# Disclosures

A **basis point** is the smallest measure used in quoting yields or interest rates. One basis point is equal to one one-hundredth of one percentage point (0.01%).

There is no guarantee that a **diversified portfolio** will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

**Bonds** are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Bond yields are subject to change. Certain call or special redemption features may exist which could impact yield.

The price of **equity** securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk" meaning that stock prices in general may decline over short or extended periods of time.

Investments in **emerging markets** can be more volatile. As mentioned above, the normal risks of investing in foreign countries are heightened when investing in emerging markets. In addition, the small size of securities markets and the low trading volume may lead to a lack of liquidity, which leads to increased volatility. Also, emerging markets may not provide adequate legal protection for private or foreign investment or private property.

Investments in **commodities** may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Use of leveraged commodity-linked derivatives creates an opportunity for increased return but, at the same time, creates the possibility for greater loss.

**Real estate** investments may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investments may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower. Investing in Real Estate Investment Trusts (REITs) involves special risks such as potential illiquidity and may not be suitable for all investors. There is no assurance that the investment objectives of this program will be attained.

**International** investing involves a greater degree of risk and increased volatility. Changes in currency exchange rates and differences in accounting and taxation policies outside the U.S. can raise or lower returns. Also, some overseas markets may not be as politically and economically stable as the United States and other nations.

**Treasury inflation-protected securities (TIPS)** help eliminate inflation risk to your portfolio as the principal is adjusted semiannually for inflation based on the Consumer Price Index – while providing a real rate of return guaranteed by the U.S. Government. Treasury Inflation-Protected Securities, or TIPS, are subject to market risk and significant interest rate risk as their longer duration makes them more sensitive to price declines associated with higher interest rates.

**World Market Capitalization** refers to the total dollar market value that a country makes up, as a whole of the global markets.

**All indexes are unmanaged, and an individual cannot invest directly in an index. Unmanaged index returns do not reflect fees, expenses, or sales charges.**

**Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.**

**Russell 1000 Index** consists of the 1,000 largest securities in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. It is a large-cap, market-oriented index and is highly correlated with the S&P 500 Index.

**Russell 2000 Index**® measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

**Russell 3000 Index**® measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

**Russell 1000 Value Index**® measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The index is unmanaged, includes the reinvestment of dividends and cannot be purchased directly by investors.

**Russell 2000 Value Index**® measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 3000® Growth Index** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

# Disclosures

**MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries\*--excluding the United States. With 1,005 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**MSCI World ex USA Small Cap Index** captures small cap representation across 22 of 23 Developed Markets (DM) countries\* (excluding the United States). With 2,437 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

**MSCI Emerging Markets Small Cap Index** includes small cap representation across 23 Emerging Markets countries\*. With 1,792 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

**MSCI World ex USA Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 22 of 23 Developed Markets countries\*. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 540 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI World ex USA Index.

**MSCI Emerging Markets Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Emerging Markets (EM) countries\*. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 484 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EM Index.

**MSCI Emerging Markets Index** captures large and mid cap representation across 24 Emerging Markets (EM) countries\*. With 1,125 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**MSCI Emerging Markets Index<sup>SM</sup>** is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**MSCI ACWI (All Country World Index) Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of June 2009 the **MSCI ACWI** consisted of 45 country indices comprising 23 developed and 22 emerging market country indices.

**MSCI USA Investable Market Index (IMI)** is designed to **measure** the performance of the large, mid and small cap segments of the US market. With 2,411 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in the US.

**MSCI World ex USA Investable Market Index (IMI)** captures large, mid and small cap representation across 22 of 23 Developed Markets (DM) countries\*--excluding the United States. With 3,553 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

**S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market. An investor cannot invest directly in an index.

A member of the S&P Global Property Index Series, **the S&P Global REIT Index** serves as a comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets.

**S&P Global ex-U.S. Property Index** defines and measures the investable universe of publicly traded property companies domiciled in developed and emerging markets excluding the U.S. The companies included are engaged in real estate related activities such as property ownership, management, development, rental and investment.

**S&P/Citigroup International Treasury Bond Ex-U.S. 1-3 Years Index** is designed to reflect the performance of bonds issues by non-U.S. developed market countries maturing in 1-3 years.

**Dow Jones U.S. Select REIT Index** intends to measure the performance of publicly traded REITs and REIT-like securities. The index is a subset of the Dow Jones U.S. Select Real Estate Securities Index (RESI), which represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded in the U.S. The indices are designed to serve as proxies for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

# Disclosures

**FTSE World Government Bond Index 1-5 Years** comprises central government debt from 22 Countries (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, UK, and US), denominated in the domicile currency or Euros for Eurozone countries. This particular index has maturity sub-index of 1 to 5 years.

**FTSE World Government Bond Index 1-5 Years (hedged to USD)** comprises central government debt from 22 Countries (Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, UK, and US), denominated in the domicile currency or Euros for Eurozone countries. This particular index has maturity sub-index of 1 to 5 years hedged to US dollar – currencies hedged back to the U.S. dollar (not denominated in domicile currency)

**Bloomberg Commodity Index** is composed of futures contracts on physical commodities and represents twenty-two separate commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc

**U.S. Treasury Index** is a component of the U.S. Government index.

**BofA Merrill Lynch Three-Month US Treasury Bill Index** is an unmanaged market index of U.S. Treasury securities maturing in 90 days that assumes reinvestment of all income.

**BofA Merrill Lynch 1-3 US Year Treasury Index** is an unmanaged index that tracks the performance of the direct sovereign debt of the U.S. Government having a maturity of at least one year and less than three years. It is not possible to invest directly in an unmanaged index

**Citigroup WGBI 1-5 Years Index** measures the performance of the short-term global government bond market.

**Barclays U.S. Government Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

**Barclays US Corporate High Yield Bond 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. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. The US Corporate High Yield Index is a component of the US Universal and Global High Yield Indices. The index was created in 1986, with history backfilled to July 1, 1983.

**Barclays U.S. Municipal Index** covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Many of the sub indices of the Municipal Index have historical data to January 1980. In addition, several sub indices based on maturity and revenue source have been created, some with inception dates after January 1980 but no later than July 1, 1993. In January 1996, Barclays Capital also began publishing a noninvestment grade municipal bond index and "enhanced" state-specific indices for Arizona, Connecticut, Maryland, Massachusetts, Minnesota, and Ohio. These indices are published separately from the Barclays Capital Municipal Bond Index. In 2005, Barclays Capital began publishing Managed Money Municipal Indices and Insurance Mandate Municipal Indices.

**Barclays US Treasury Index** measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices. The US Treasury Index was launched on January 1, 1973.

**Barclays US Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The US Aggregate Index was created in 1986 with history backfilled to January 1, 1976.

**Bloomberg Barclays Global Aggregate Index** is a measure of global investment grade debt from 24 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

**Bloomberg Commodity Total Return index** is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13 week (3 Month) U.S. Treasury Bills.

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