

# Market Environment Standard Report

Long Version

Second Quarter 2024

# Market review & outlook

## Strong stock performance in aggregate but high dispersion; bonds mostly flat



- Global equity markets had a solid second quarter although dispersion within equities was large. Expectations for rate cuts were pushed out. However, markets were upbeat amid improving inflation readings, the AI narrative, strong corporate profit growth and a generally solid economy, which benefited US large growth stocks the most. Returns for small cap and value were negative. International equities suffered partly due to heightened political uncertainty in Europe, while emerging markets performed strongly.
- Treasury yields were up slightly during the quarter as markets expected the Fed to hold off with rate cuts until later this year given inflation uncertainty remains elevated. The 2-year Treasury yield rose by ~10 bps from 4.6% to 4.7% during Q2, while the 30-year Treasury yield rose by ~20 bps from 4.3% to 4.5%. Credit spreads declined during this risk-on quarter.
- The Bloomberg US Aggregate Bond Index returned 0.1% in Q2 as high coupons offset the negative rate impact except for longer durations, while the MSCI ACWI returned 2.9%. As a result, a traditional 60/40\* portfolio returned 1.8%.

## Inflation stabilizing again, economy resilient, central banks remain cautious

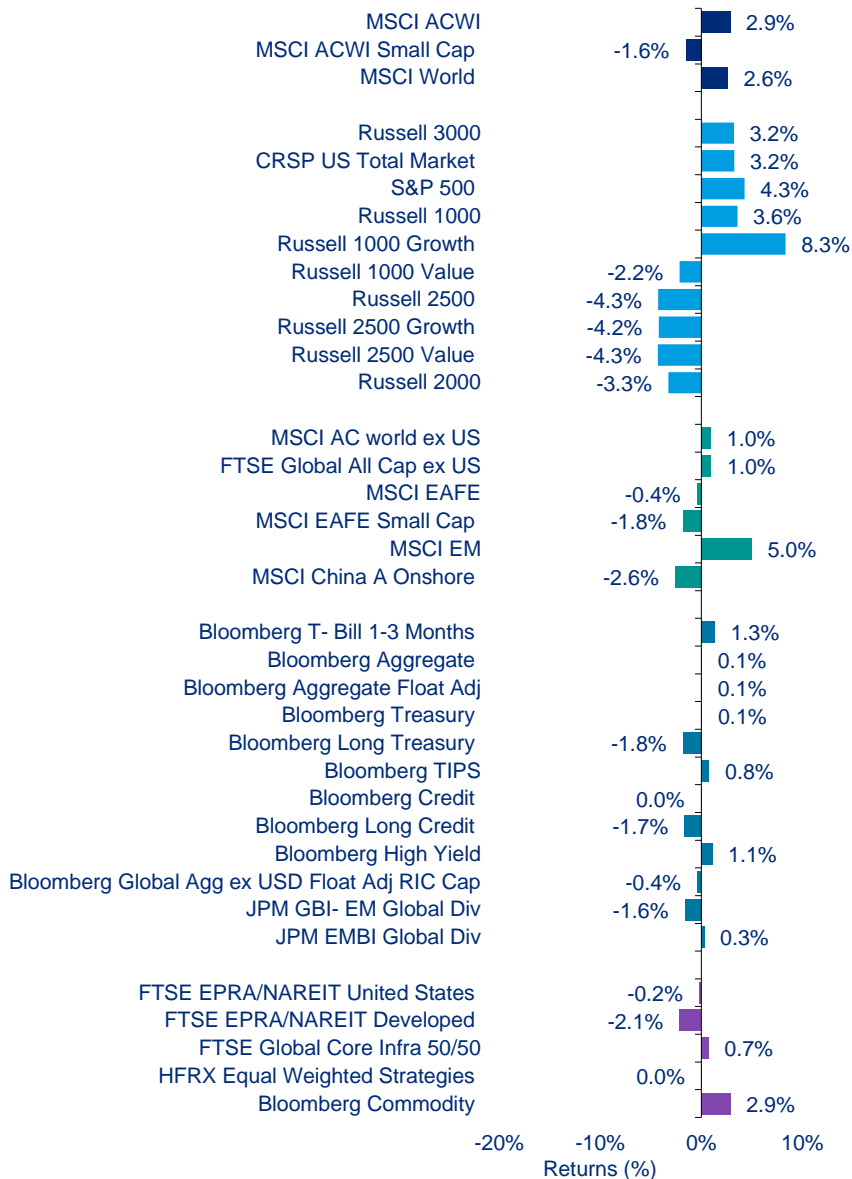


- US economic growth continued to remain strong over the second quarter. Growth was weaker in developed countries outside the US as well as China, which still seems to be touching bottom. Overall, this paints a picture of a resilient global economy and aligns with our expectations of a moderate slowdown in global growth in 2024 and 2025 while avoiding a hard landing.
- US inflation was below expectations in the second quarter of 2024. Headline CPI was 3% year-over-year through June, while core CPI came in at 3.3%. Inflation is expected to decline further as remaining inflationary components such as shelter roll over. Labor markets have shown signs of softening from tight levels as seen by the unemployment rate increasing slightly to around 4.1%, which may help inflation fall back to target.
- Nevertheless, the Fed remained cautious as implied by the FOMC dot plot. Outside the US, the European central bank cut rates for the first time since 2019 and the Swiss national bank cut rates for the second time in a surprise move, while the Bank of England held rates steady but is also expected to start cutting rates later this year. Japan on the other hand exited yield curve control as inflationary pressures mounted, albeit from very low levels.
- Geopolitical events abounded this quarter, including ongoing conflicts in the Middle East and Eastern Europe and numerous elections including in India, Mexico, France and the UK. This increased political uncertainty and, in some cases, led to brief drawdowns in local equity market as in the case of India and France.
- Over the quarter, strong equity returns pushed equity valuations further into richly valued territory, particularly in the US. Rising yields have kept fixed income attractively valued compared to recent history, while this quarter's risk on environment has kept credit spreads at tight levels.

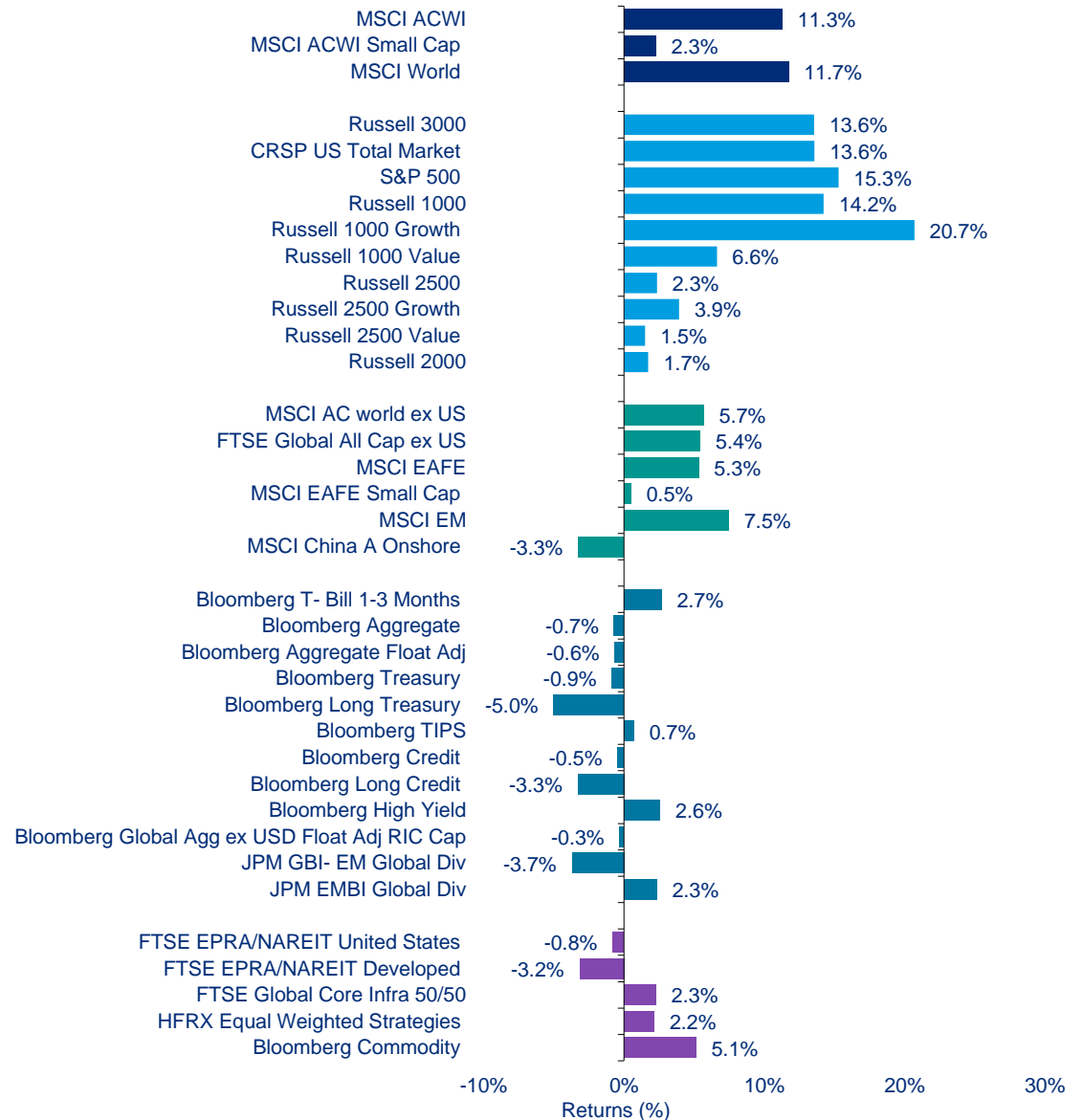
\*60% MSCI ACWI, 40% Bloomberg US Aggregate

# Performance summary

## Market Performance Second Quarter 2024



## Market Performance YTD



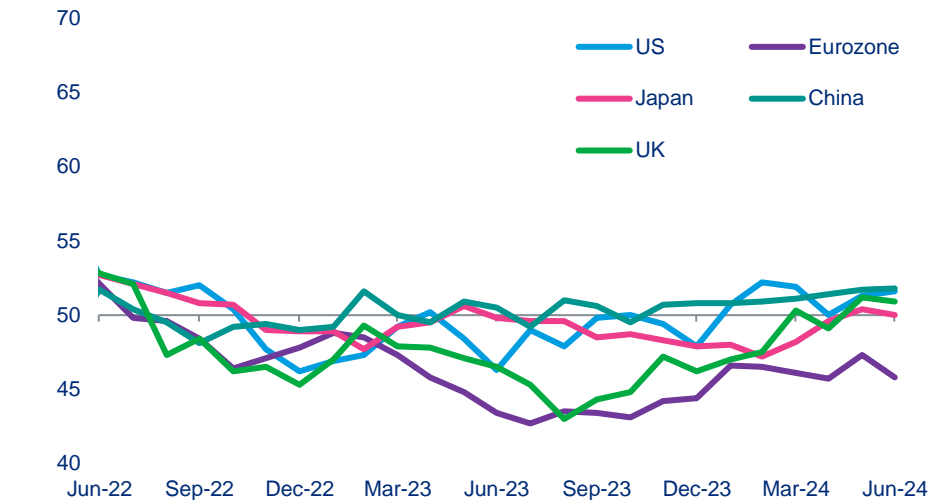
Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 06/30/24. Past performance is no guarantee of future results.

# Economic fundamentals

## US resilient, rest of the world weaker

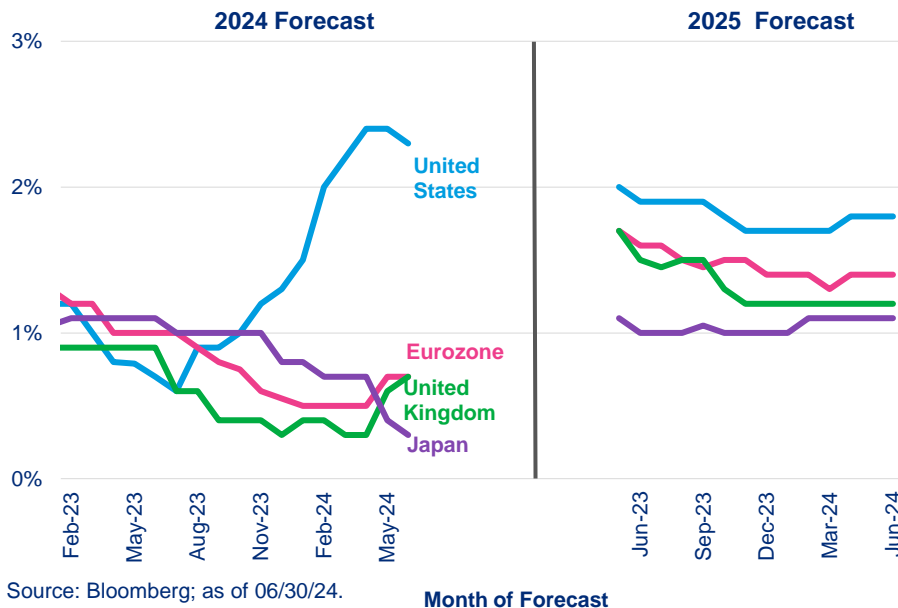
- US economic growth continued at a solid pace during the second quarter, while the Eurozone and UK lagged. Consensus growth forecasts for 2024 fell for the United States but rose marginally for the Eurozone and UK, while forecasts for 2025 remained the same except for the Eurozone and US, which increased slightly.
- Manufacturing PMIs remained in expansionary territory except for the Eurozone.
- The US labor market loosened over the quarter but remains tight. The unemployment rate (U-3)<sup>1</sup> ended the quarter at 4.1%, and the labor force participation rate remained at 62.6%, just below its pre-Covid trend. However, wage growth appears to be moderating.

Markit Manufacturing PMIs



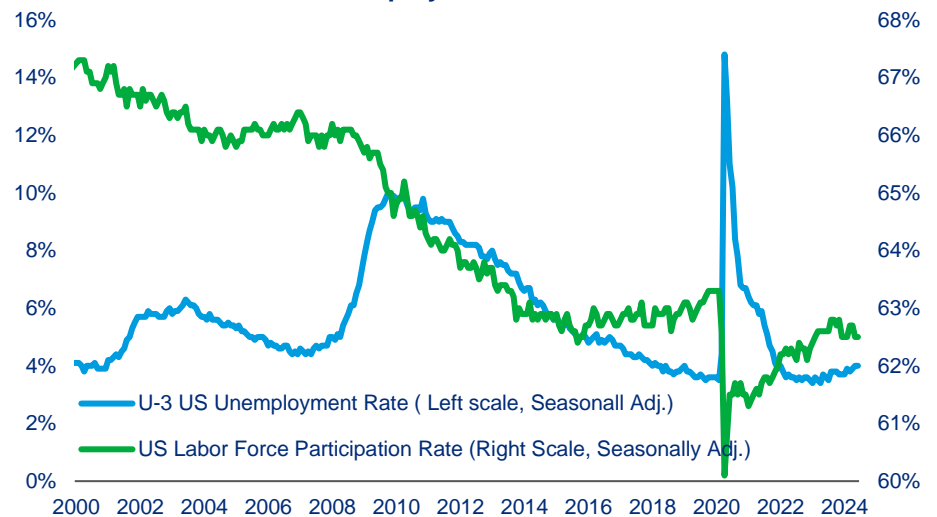
Source: Bloomberg; as of 06/30/24.

Consensus GDP Growth Forecasts



Source: Bloomberg; as of 06/30/24.

US Employment Statistics

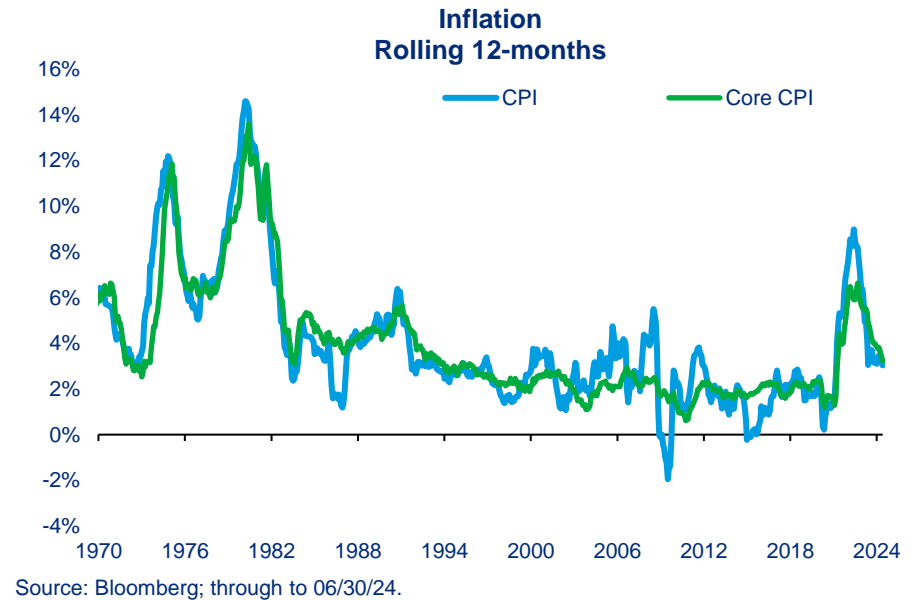
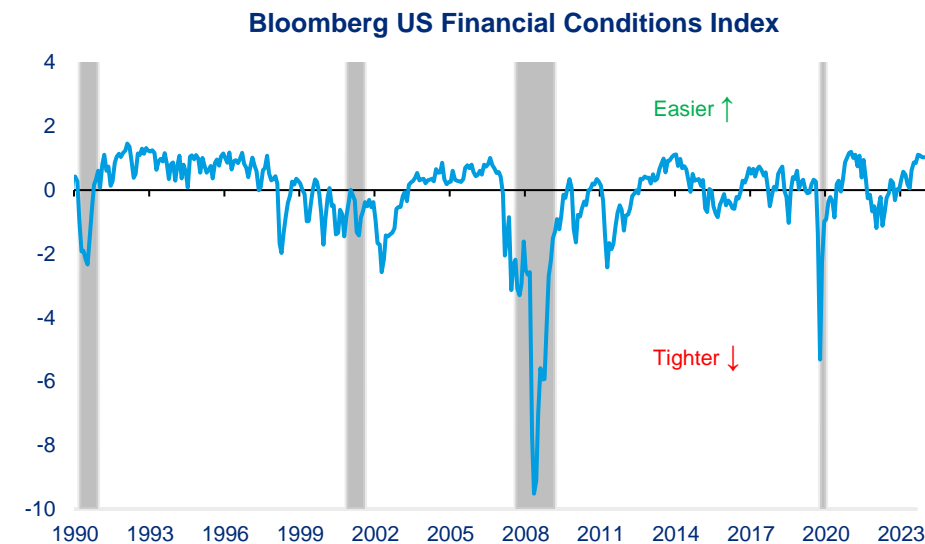
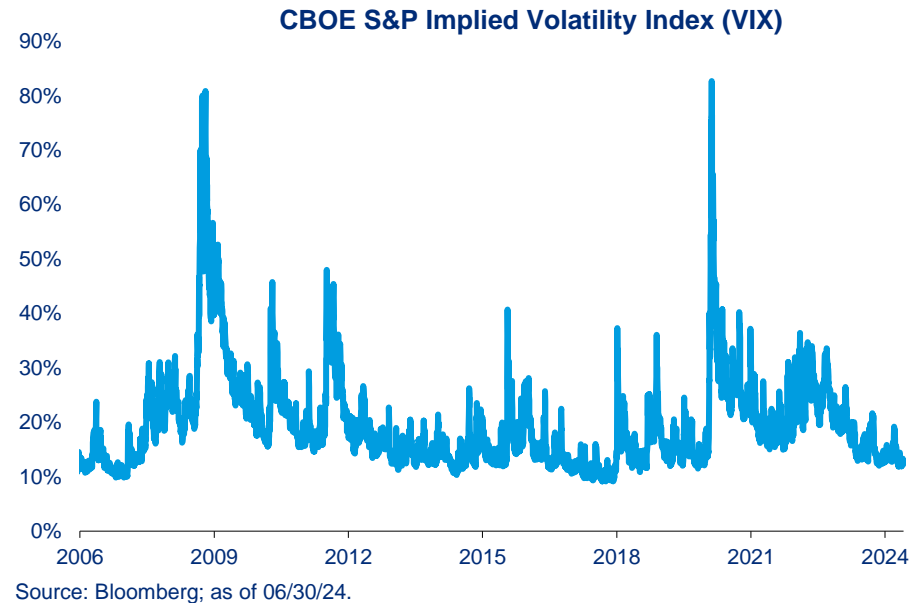


Source: Bloomberg, Refinitiv; as of 06/30/24.

# Risk factors

## Long-term interest rates rise but financial conditions remain easier than two years ago

- Long-term interest rates rose during the quarter as markets dialed back rate cut expectations from earlier this year.
- Geopolitical risks remained elevated as conflicts across the Middle East and Eastern Europe remain unresolved while numerous elections added to political uncertainty.
- US headline inflation came in at 3% in June, while core CPI declined to 3.3%, a relief following higher-than-expected inflation readings during the first quarter.
- The CBOE Volatility Index (VIX) marginally decreased from 13.0 to 12.4.
- The Bloomberg US Financial Conditions Index tightened slightly during the quarter but remains near its easiest levels since 2021.

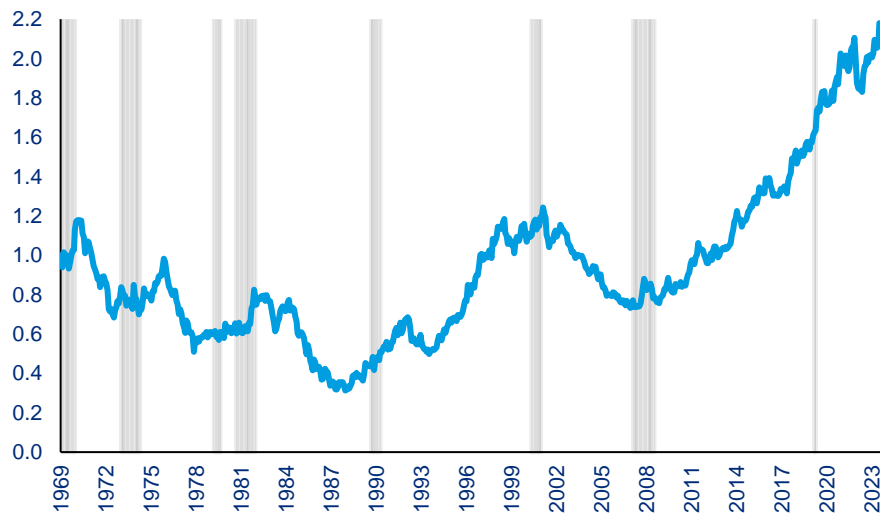


# Regional equity returns

## Global equities perform strongly, driven by large US growth stocks

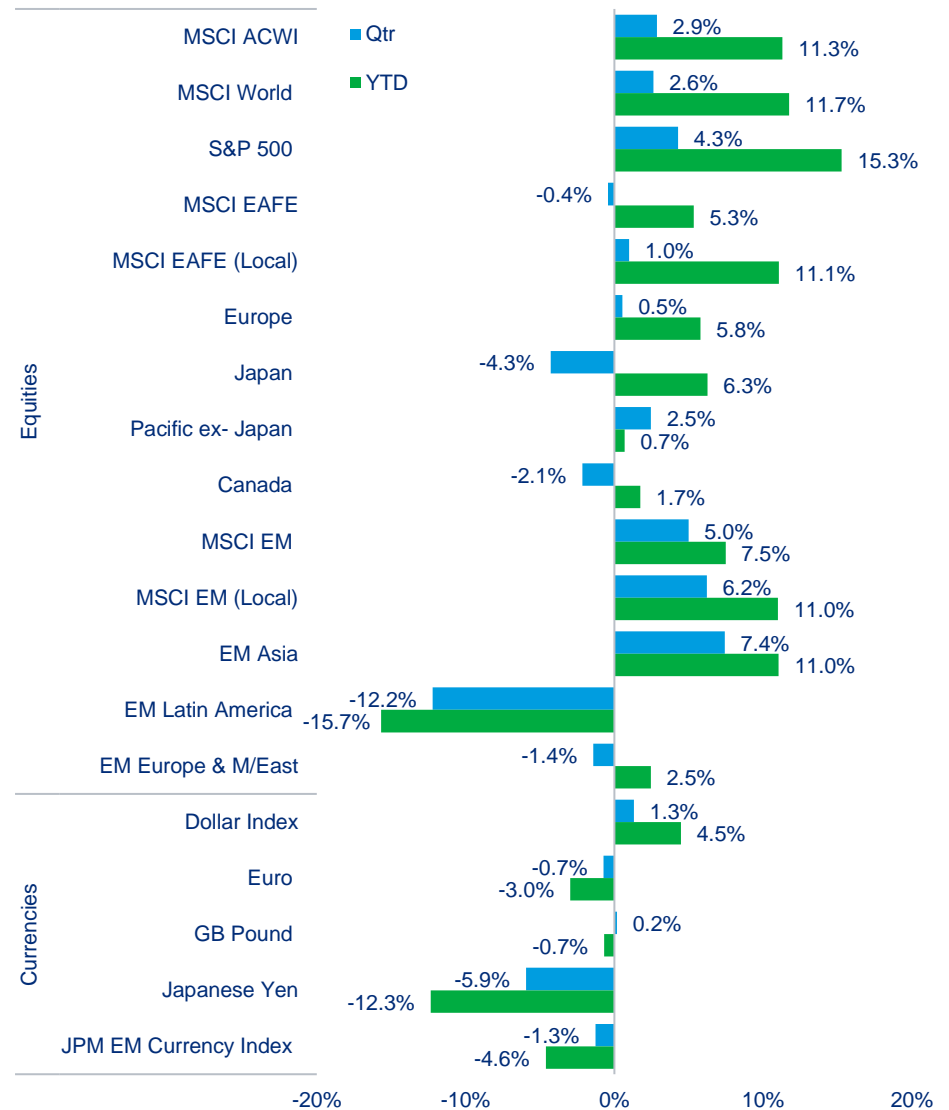
- Global equities maintained their momentum for the quarter with the MSCI ACWI returning 2.9%, but there was considerable dispersion this quarter.
- The S&P 500 rallied strongly during the quarter, up 4.3%, still led by the Magnificent 7.
- International developed stocks returned -0.4% in Q2, far behind US equities due to their lower tech exposure, slower earnings growth and additional political uncertainty. A stronger dollar detracted 140 bps from US\$ returns during the quarter.
- Emerging markets equities returned 5.0% in Q2, outperforming developed equities, which was driven by strong positive returns from Asia. Latin America and emerging Europe detracted from returns.

Ratio of MSCI EAFE (Relative Performance to MSCI USA)



Source: Refinitiv; through to 06/30/24.

Global Performance



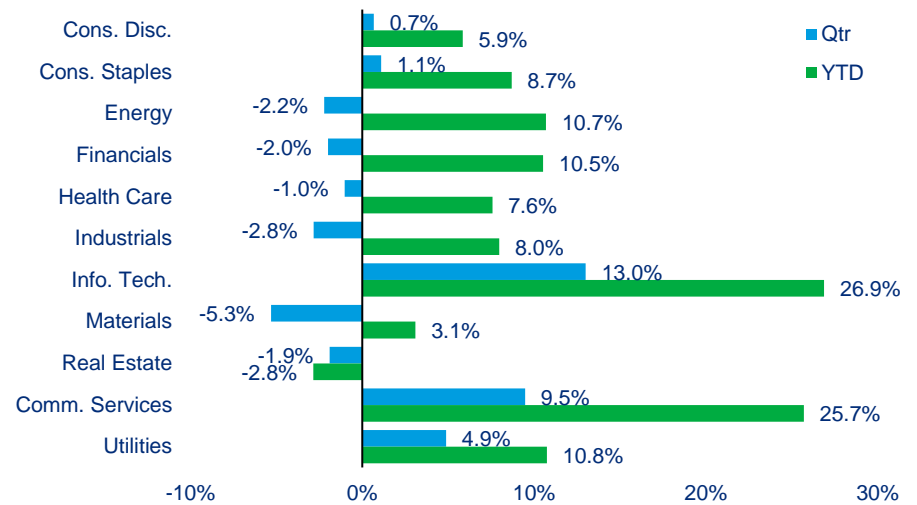
Source: Bloomberg, Refinitiv; as of 06/30/24.

# US equity factor and sector returns

## Mega-growth outperforms by wide margin

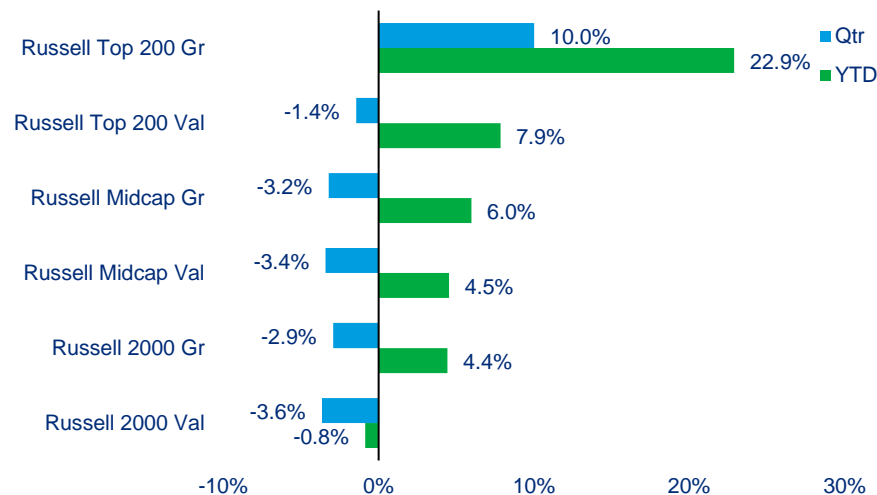
- The AI narrative was fueled by strong earnings results for companies like Nvidia, becoming the most valuable company in the S&P 500 for a brief period.
- Relative to the MSCI USA, the quality factor produced the strongest results during the quarter driven by strong tech performance, while equal-weighted was the weakest due to poor performance across most value sectors and smaller cap companies.
- The strongest sectors for this quarter were information technology, communication services, and utilities. Traditional value sectors such as energy, financials, healthcare, industrials, materials, and real estate all had negative performance.

MSCI USA Sector Returns



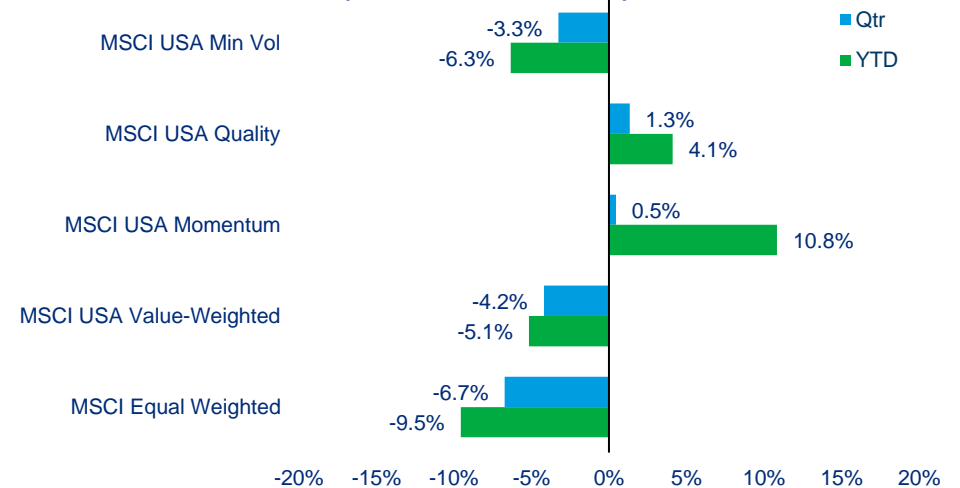
Source: Refinitiv; as of 06/30/24.

US Style Performance



Source: Refinitiv; as of 06/30/24.

Relative Factor Performance  
(Relative to MSCI USA)



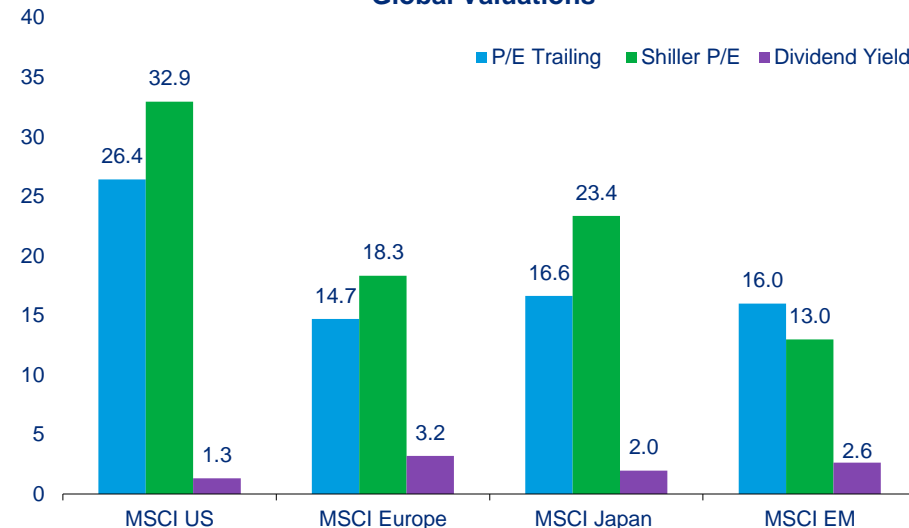
Source: Refinitiv; as of 06/30/24.

# Equity fundamentals

## Valuations rose driving strong equity returns

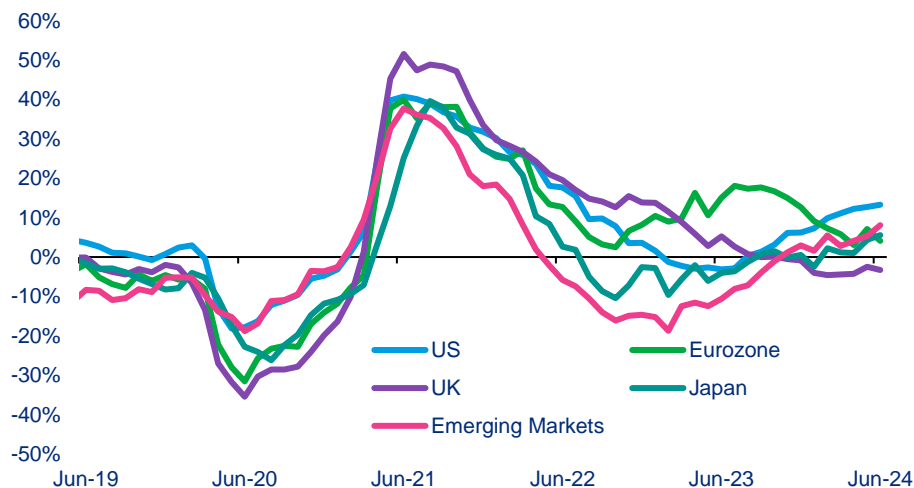
- Valuations slightly increased during the quarter due to rising equity prices. The trailing P/E ratio on the MSCI US Index rose from 26.2 to 26.4<sup>1</sup>. We estimate that the equity risk premium over long-term treasuries decreased roughly 30 bps <sup>2</sup>.
- International developed stocks appear more reasonably valued than US stocks, but markets may price in slower economic and earnings growth for these stocks.
- Emerging market valuations continue to appear attractive. The Chinese economy seems to be touching bottom, but serious cyclical and structural challenges remain.

Global Valuations



Source: Refinitiv, Bloomberg; as of 06/30/24.

Forward Earnings Estimates  
Year-over-Year Change



Source: Refinitiv, Bloomberg; as of 06/30/24.

S&P 500- Equity Risk Premium Versus Long- Term  
Treasuries



Source: Bloomberg, Refinitiv, Mercer, as of 06/30/24.

<sup>1</sup> Source: Refinitiv; as of 6/30/24

<sup>2</sup> Source: MSCI, Refinitiv, Mercer; as of 6/30/24



# Interest rates and fixed income

## Yields rise and credit spreads fall to 2-year low

- The Bloomberg US Aggregate Index returned 0.1% during the quarter. Treasuries returned 0.1% and corporates were flat. The yield curve shifted higher during the quarter. The 2-year yield rose 10 bps, while the 30-year yield rose 20 bps<sup>1</sup>.
- Spreads on US investment-grade credit fell to ~0.9%, below the long-term median level<sup>2</sup> but this was offset by rising rates.
- US high yield bonds returned 1.1% during the quarter, as high yield spreads fell 24 bps to 3.1% in a risk-on market. US high yield spreads are 120 bps below the long-term median level of 4.3%<sup>2</sup>. Local currency EMD returned -1.6% during Q2 as the strong dollar was a headwind.

Yield History

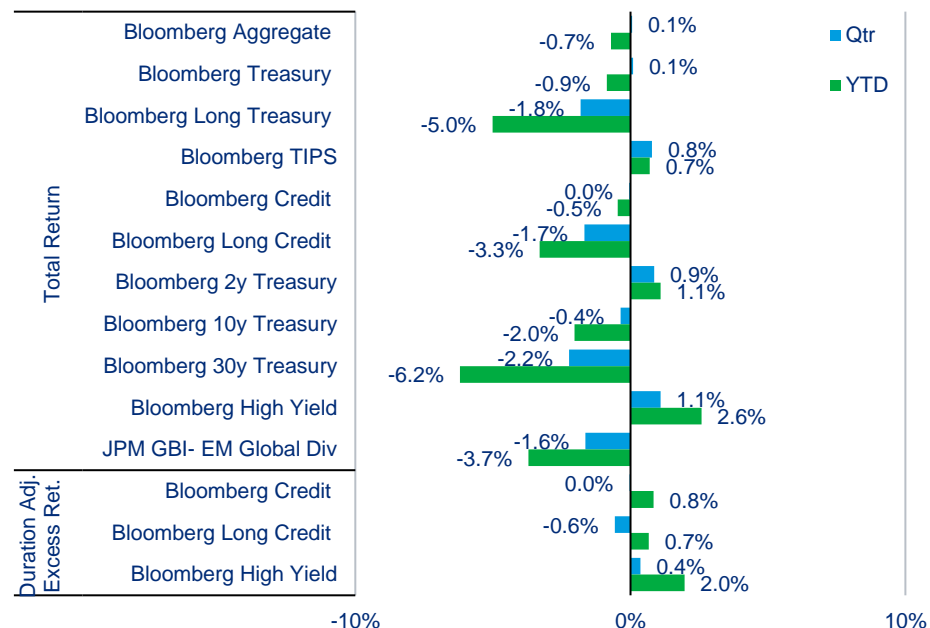


Source: Bloomberg, Federal Reserve; as of 06/30/24.

<sup>1</sup> Source: Federal Reserve; as of 6/30/24

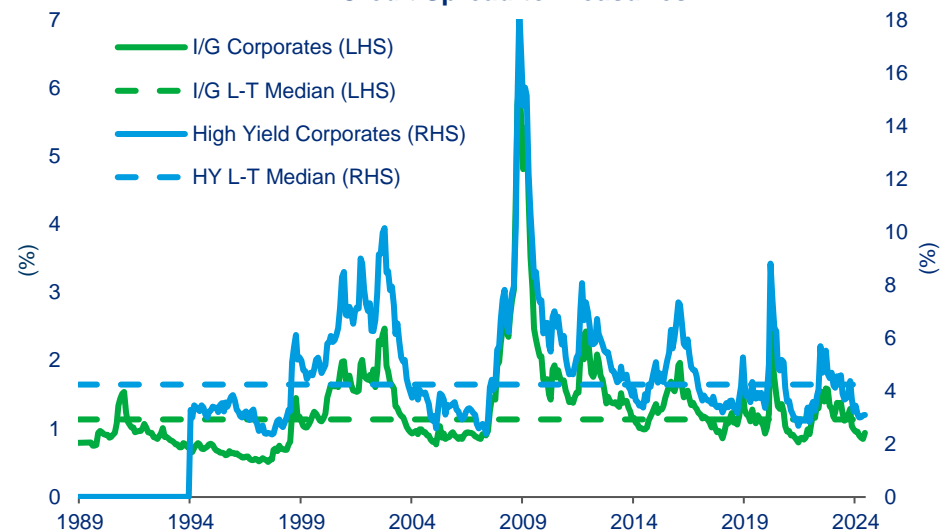
<sup>2</sup> Source: Bloomberg, Mercer; as of 6/30/24

Fixed Income Performance



Source: Bloomberg, Datastream; as of 06/30/2024

Credit Spread to Treasuries



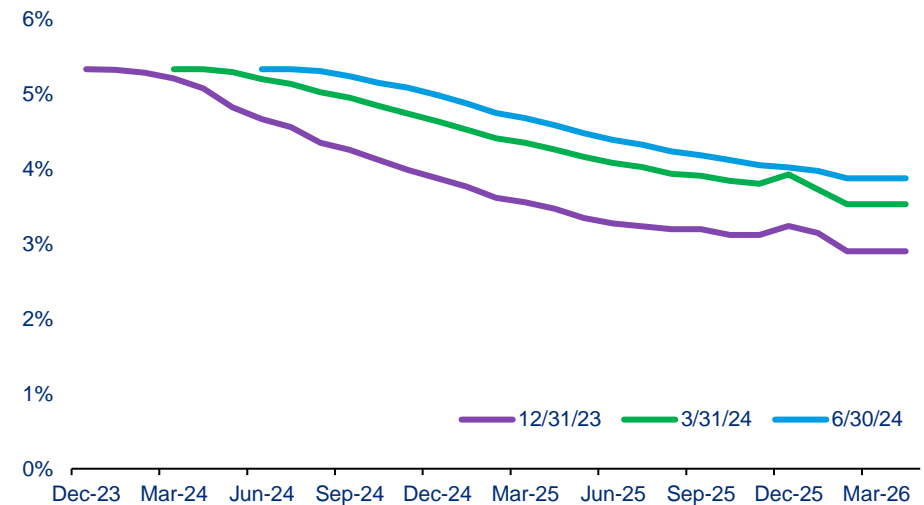
Source: Bloomberg; as of 06/30/24.

# Monetary policy

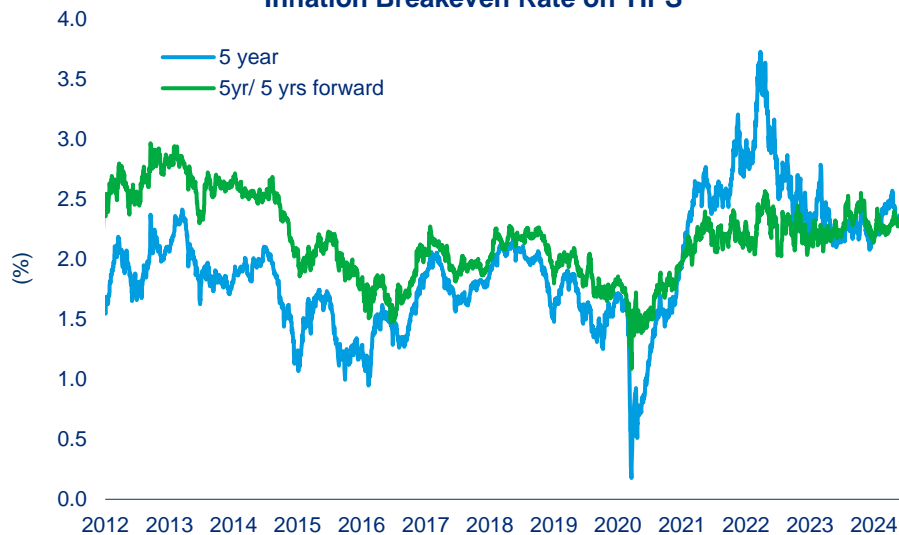
## Fed remains cautious even as inflation data improve

- The US' economic resilience and continued inflation uncertainty has led to the Fed holding off on rate cuts. The consensus is one rate cut possibly in September. These numbers are down from the 3 cuts that were projected earlier in the year.
- US inflation breakeven rates fell modestly during the quarter, with the 10-year inflation breakeven rate ending at ~2.3%, still below the Fed's target of 2.0% PCE (roughly equivalent to 2.5% CPI)<sup>1</sup>.
- Overseas, the ECB cut and BOE left rates unchanged in Q2 while the BOJ exited yield curve control. The Swiss surprised markets with a second rate cut in a row.

Market Implied US Overnight Lending Rate (Based on Fed Funds Futures)

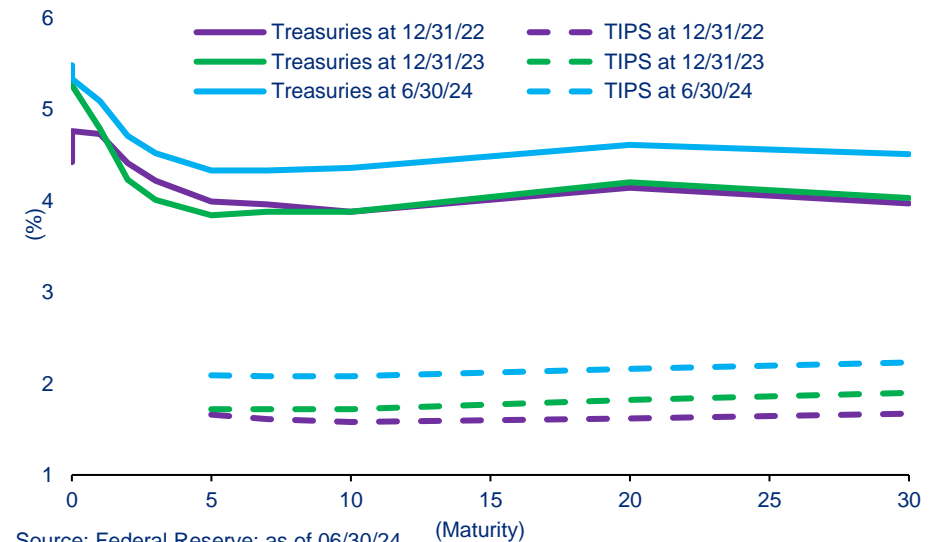


Inflation Breakeven Rate on TIPS



Source: Bloomberg, Mercer as of 06/30/24.

Treasury Yield Curve



Source: Federal Reserve; as of 06/30/24. (Maturity)

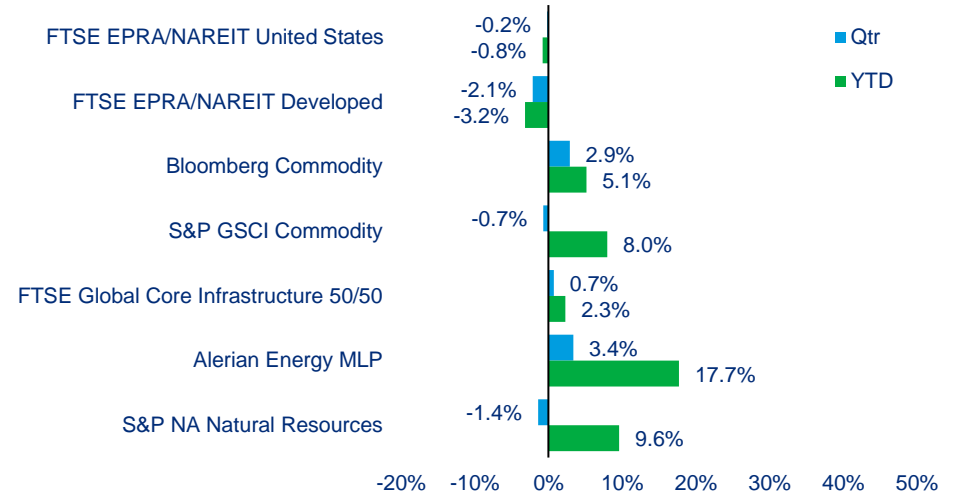
<sup>1</sup> Source: St. Louis Fed; as of 6/30/24

# Alternative investment performance

## REITs & infrastructure underperform broader equities, negative commodity returns

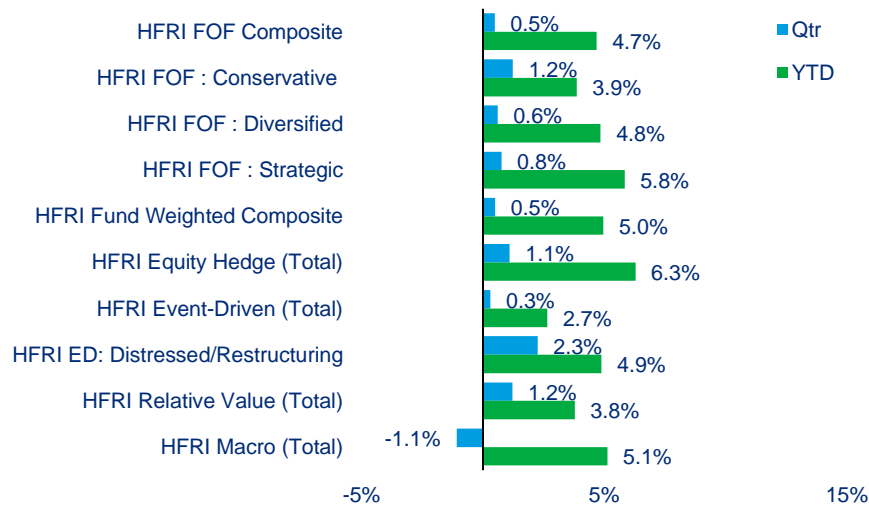
- Global developed REITs returned -2.1% during Q2, underperforming broader equity markets by a wide margin. Core infrastructure stocks had moderately positive returns during the quarter. Higher rate sensitivities for both sectors were a headwind this quarter.
- Commodities and natural resources had negative to positive performance depending on the index. Decreasing oil prices led to negative performance for the energy heavy S&P GSCI Commodity index. The price of WTI crude oil fell by ~2% and ended the quarter at around \$83.
- The HFRI FOF Composite Index returned 0.5% in Q2 <sup>1</sup>.
- Global private equity outperformed global developed stocks over the longer-term trailing periods <sup>2</sup>.

### Real Asset Performance



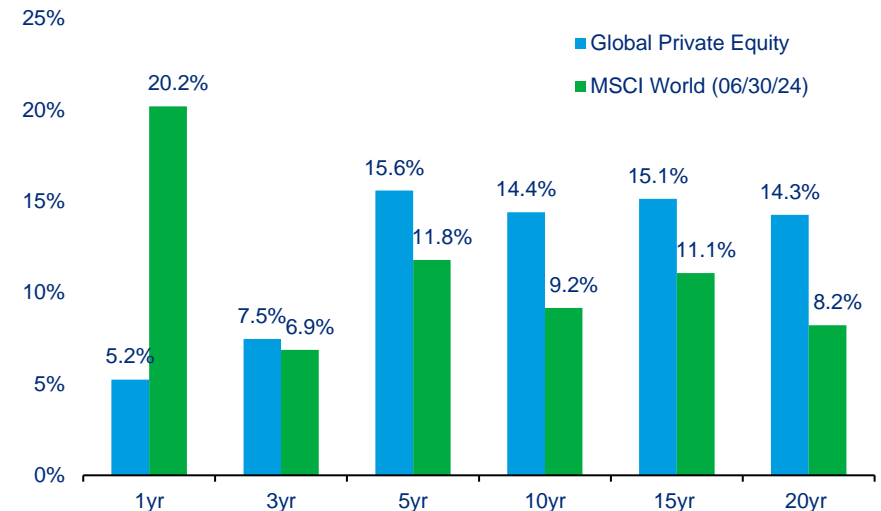
Source: Refinitiv; as of 06/30/2024.

### Hedge Fund Performance



Source: Hedge Fund Research; as of 06/30/24.

### Global Private Equity vs. Global Public Equities



Source: Burgiss, Bloomberg; as of 03/31/24.

<sup>1</sup> Source: Hedge Fund Research; as of 6/30/24

<sup>2</sup> Source: Burgiss, Bloomberg; as of 3/31/24

# Valuations and yields

Ending June 30, 2024

## Valuations

MSCI USA	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Index Level	24644.7	23686.9	21453.4	19163.7
P/E Ratio (Trailing)	26.4	26.2	24.9	22.9
CAPE Ratio	32.9	32.9	29.8	27.3
Dividend Yield	1.3	1.4	1.4	1.6
P/B	5.0	4.8	4.6	4.1
P/CF	19.0	18.1	16.3	15.3
MSCI EAFE	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Index Level	8199.7	8234.3	7784.0	7049.3
P/E Ratio (Trailing)	15.3	15.7	14.7	14.4
CAPE Ratio	16.8	17.3	15.6	15.4
Dividend Yield	3.0	2.9	3.0	3.2
P/B	1.9	1.9	1.8	1.6
P/CF	12.6	10.1	9.4	9.3
MSCI EM	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Index Level	573.8	546.5	533.8	494.9
P/E Ratio (Trailing)	16.0	15.6	14.5	14.1
CAPE Ratio	13.0	12.2	11.9	10.9
Dividend Yield	2.6	2.8	2.9	3.1
P/B	1.7	1.7	1.6	1.6
P/CF	9.5	8.1	8.2	8.5

Source: Bloomberg, Thomson Reuters Datastream

## Yields

Global Bonds	6/30/2024	3/31/2024	12/31/2023	9/30/2023
Germany – 10Y	2.50	2.30	2.02	2.84
France – 10Y	3.30	2.81	2.56	3.40
UK – 10Y	4.17	3.93	3.54	4.44
Switzerland – 10Y	0.60	0.69	0.70	1.10
Italy – 10Y	4.07	3.68	3.70	4.78
Spain – 10Y	3.42	3.16	2.99	3.93
Japan – 10Y	1.06	0.73	0.61	0.77
Euro Corporate	3.82	3.66	3.56	4.52
Euro High Yield	7.02	7.72	7.35	8.43
EMD (\$)	8.49	7.23	7.43	9.03
EMD (LCL)	7.18	6.81	6.19	6.76
US Bonds	6/30/2024	3/31/2024	12/31/2023	9/30/2023
3-Month T-Bill	5.48	5.46	5.40	5.55
10Y Treasury	4.36	4.20	3.88	4.59
30Y Treasury	4.51	4.34	4.03	4.73
10Y TIPS	2.08	1.88	1.72	2.24
30Y TIPS	2.23	2.07	1.90	2.33
US Aggregate	5.00	4.85	4.53	5.39
US Treasury	4.57	4.43	4.08	4.85
US Corporate	5.48	5.30	5.06	6.04
US Corporate High Yield	7.91	7.66	7.59	8.88

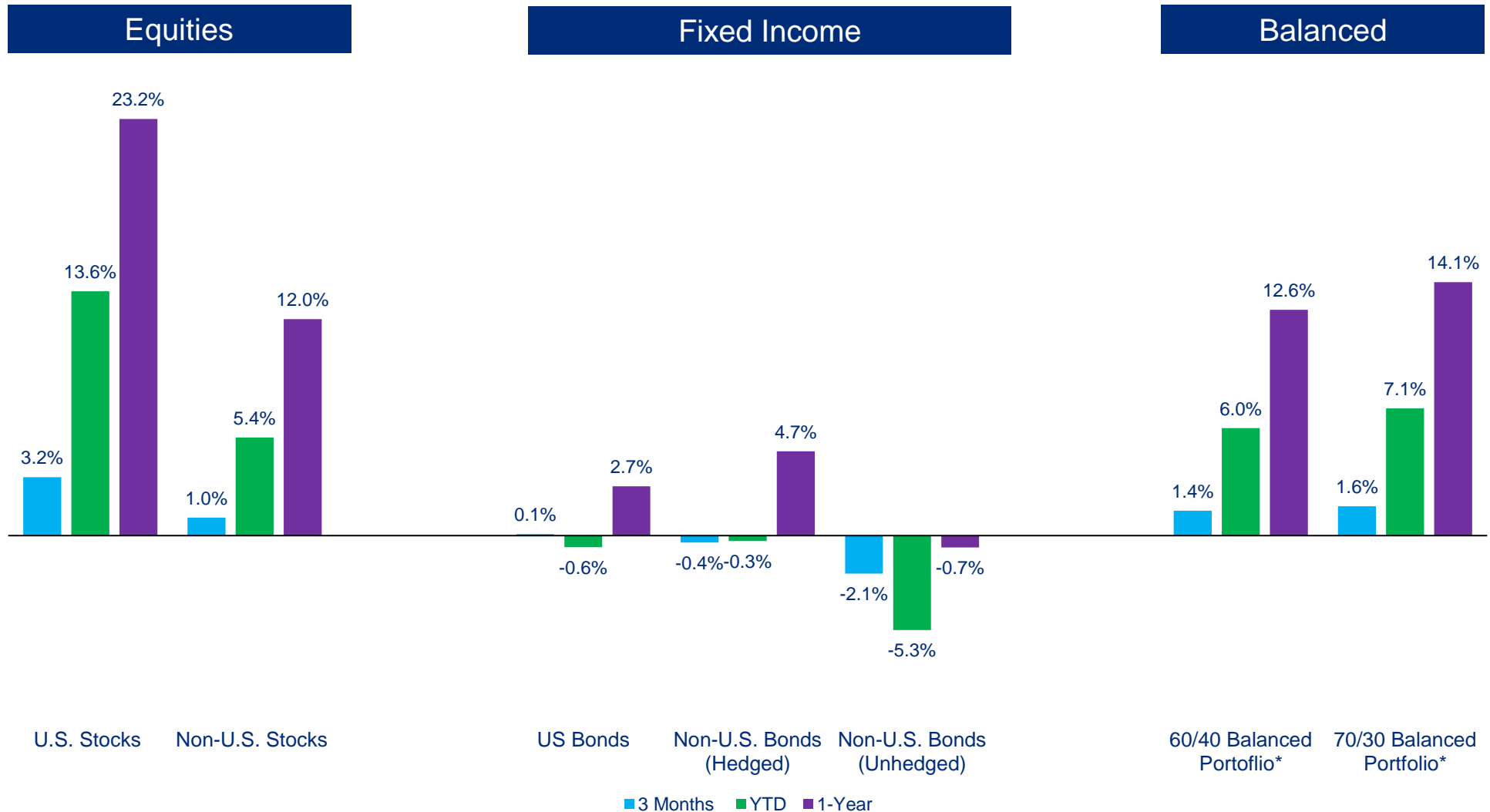
Source: Bloomberg, Thomson Reuters Datastream

# Appendix

# 1

# Global market returns - overview

Global market returns as of June 30, 2024 (%)



Source: Refinitiv, Bloomberg; as of 06/30/24

US Stocks (CRSP US Total Market Index), Non-US Stocks (FTSE Global All-Cap ex-US Index), US Bonds (Bloomberg US Aggregate Float Adjusted Index), Non-US Bonds hedged (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), Non-US Bonds unhedged (Bloomberg Global Aggregate Index ex-USD).

\*60/40 balanced portfolio Static Composite (36% U.S. stocks, 24% international stocks, and 28% investment-grade U.S. bonds, 12% investment-grade international bonds).

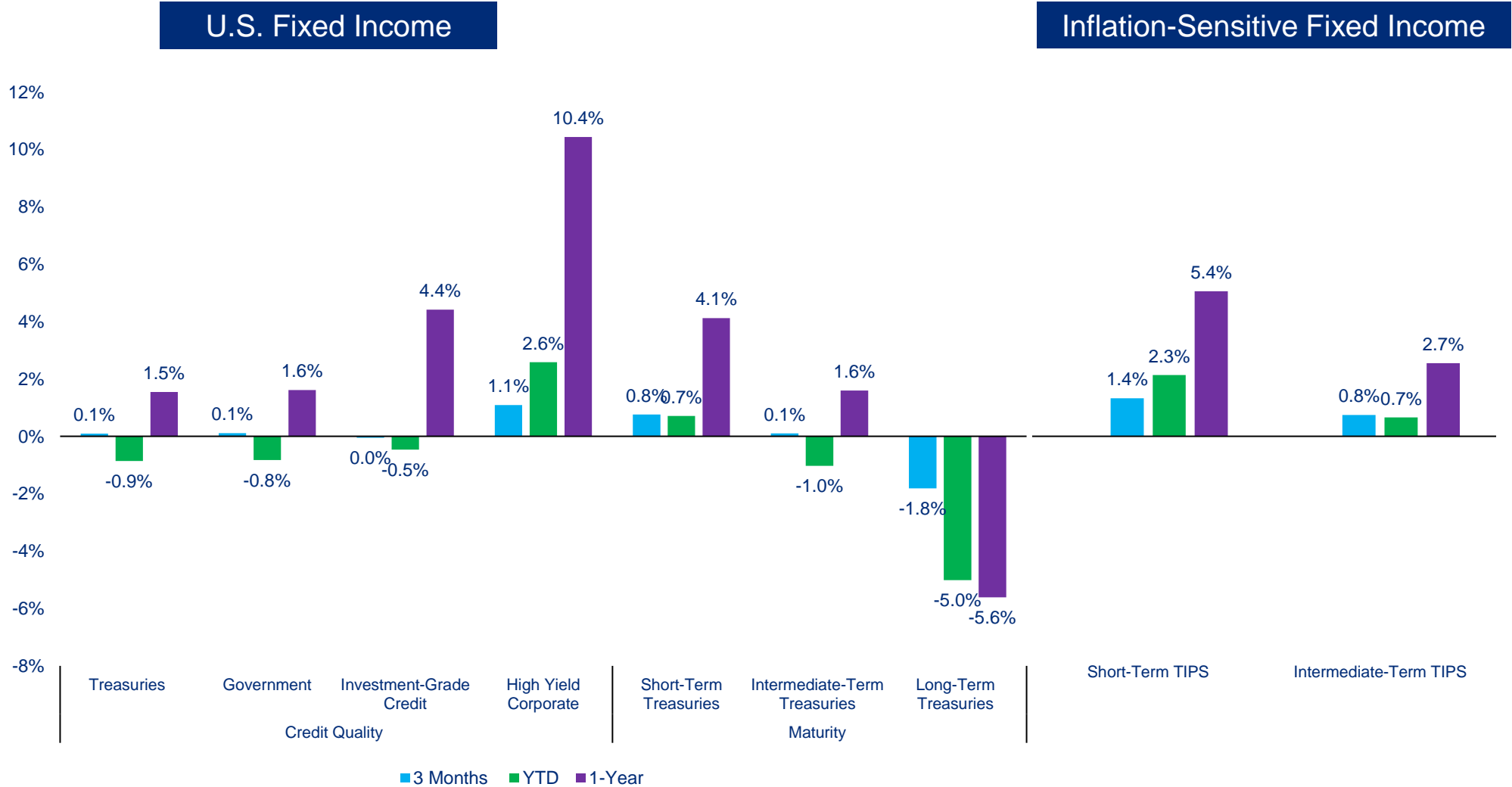
\*70/30 balanced portfolio Static Composite (42% U.S. stocks, 28% international stocks, and 21% investment-grade U.S. bonds, 9% investment-grade international bonds).

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# Global market returns – fixed income

Global market returns as of June 30, 2024 (%)

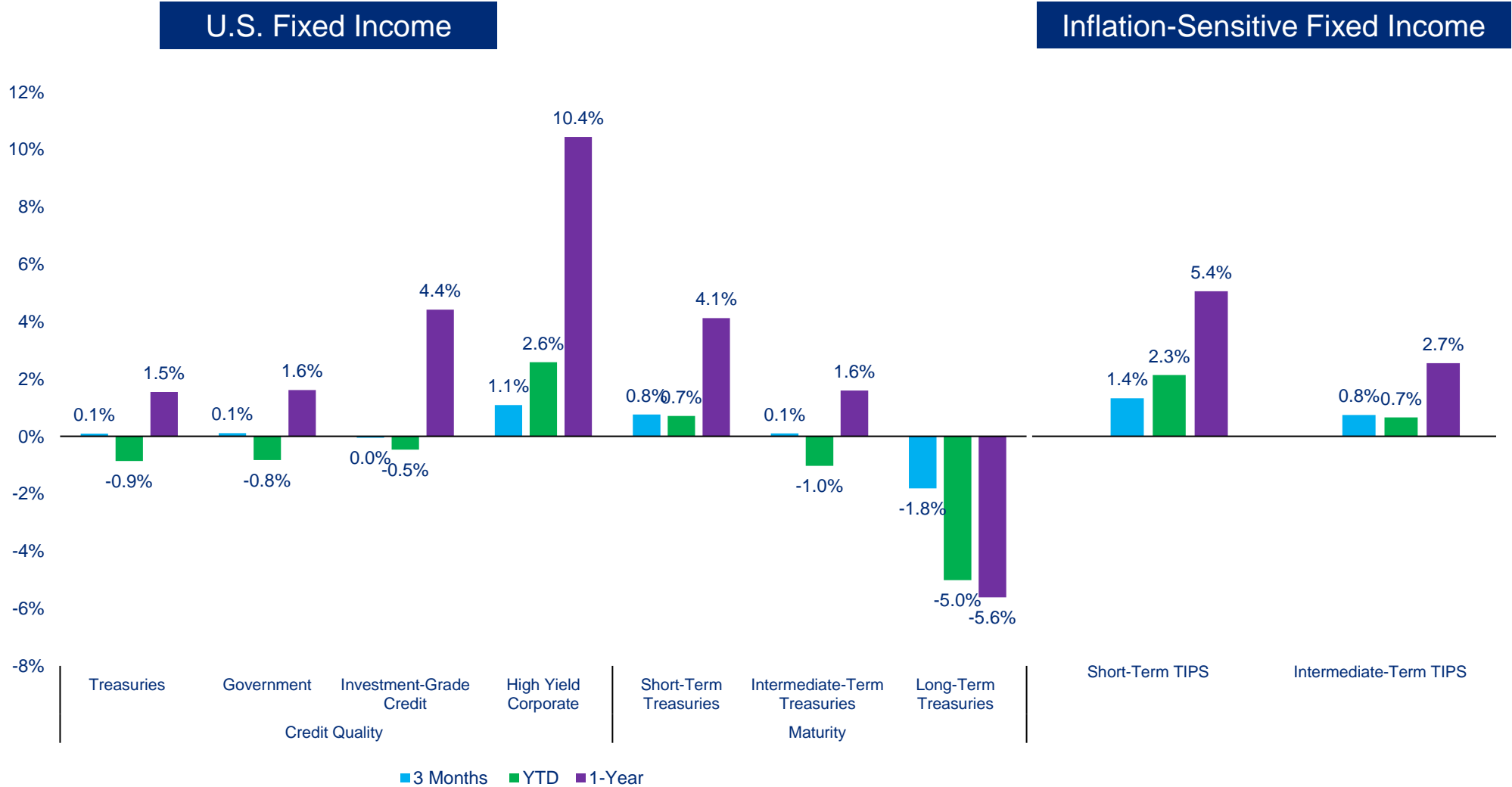


Source: Refinitiv, Bloomberg; as of 06/30/24

Treasuries (Bloomberg US Treasury Index), Government (Bloomberg US Government Index), Investment-grade credit (Bloomberg US Credit Index), High Yield Corporate (Bloomberg US High Yield Corporate index), Short Term treasuries (Bloomberg US 1-5yr Treasury Index), Intermediate term treasuries (Bloomberg US 5-10yr Treasury Index), Long term Treasuries (Bloomberg US Long Treasury Index), Short Term TIPS (Bloomberg US Treasury 0-5yr TIPS Index), Intermediate term TIPS (Bloomberg US TIPS Index)

# Global market returns – fixed income

Global market returns as of June 30, 2024 (%)



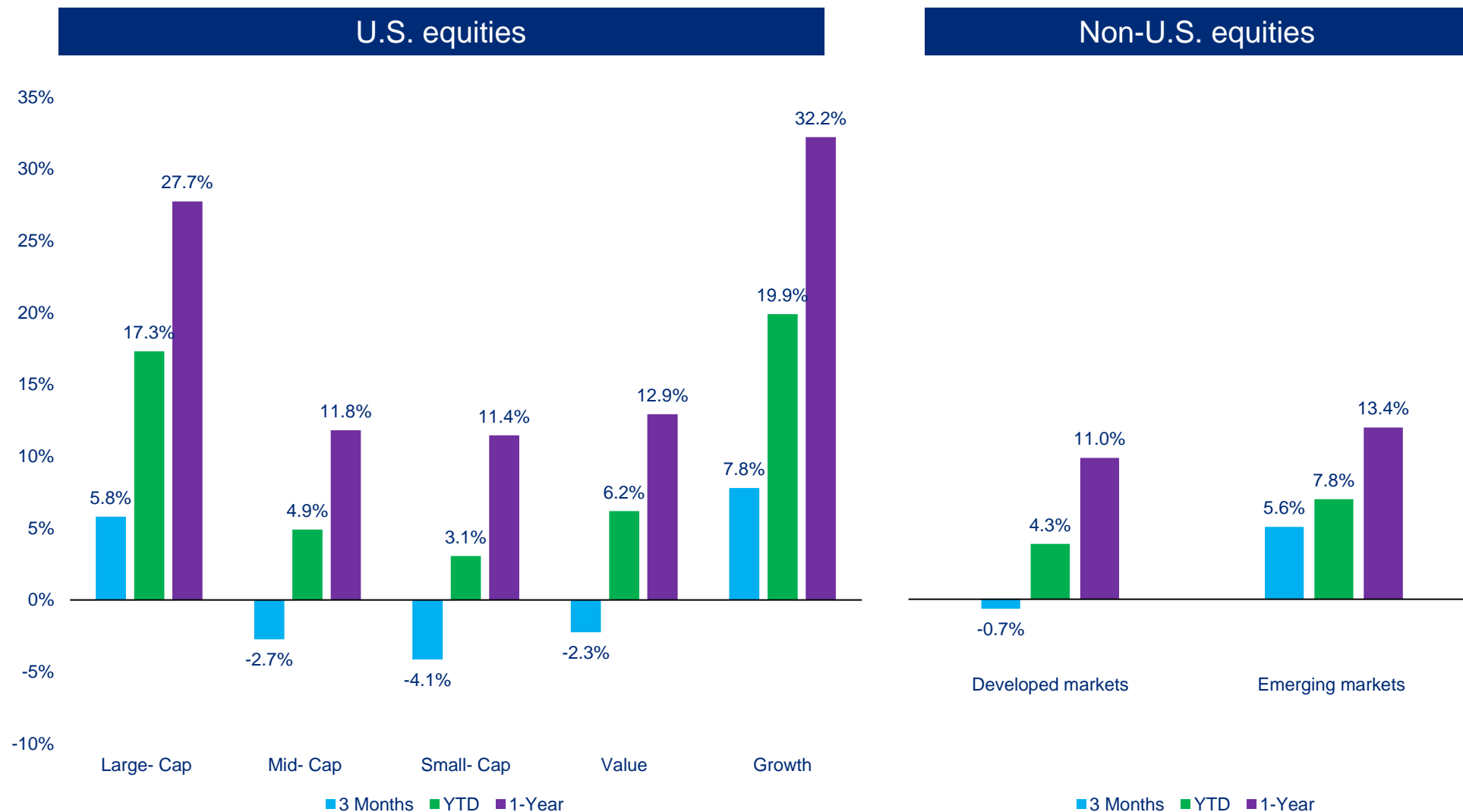
Source: Refinitiv, Bloomberg; as of 06/30/24

Treasuries (Bloomberg US Treasury Index), Government (Bloomberg US Government Index), Investment-grade credit (Bloomberg US Credit Index), High Yield Corporate (Bloomberg US High Yield Corporate index), Short Term treasuries (Bloomberg US 1-5yr Treasury Index), Intermediate term treasuries (Bloomberg US 5-10yr Treasury Index), Long term Treasuries (Bloomberg US Long Treasury Index), Short Term TIPS (Bloomberg US Treasury 0-5yr TIPS Index), Intermediate term TIPS (Bloomberg US TIPS Index)



# Global market returns - equities

Global market returns as of June 30, 2024 (%)



Source: Refinitiv, Bloomberg; as of 06/30/24

Large-Cap (CRSP US Mega Cap Index), Mid-Cap (CRSP US Mid Cap Index), Small-Cap (CRSP US Small Cap Index), Value (Russell 3000 Value Index), Growth (Russell 3000 Growth Index), Developed Markets (FTSE Developed All Cap ex US Index), Emerging Markets (FTSE Emerging Markets All Cap China A Inclusion Index)

# Periodic table of returns

Global market returns as of March 31, 2024 (%)

Periodic Table of Index Returns

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	10-Year Average Return	
US REITS 28.0%	Private Equity All 10.1%	Small Cap Core Equity 21.3%	Emerging Market Equity 37.3%	Private Equity All 19.2%	Large Cap Core Equity 31.5%	Private Equity All 29.9%	Private Equity All 53.1%	Commodity 16.1%	Large Cap Core Equity 26.3%	Large Cap Core Equity 10.6%	15.1%	Private Equity All Burgiss Private iQ All
Private Equity All 15.1%	US REITS 2.8%	High Yield Bonds 17.1%	Developed Intl Equity 25.0%	Treasury Bonds 0.9%	Mid Cap Core Equity 30.5%	Small Cap Core Equity 20.0%	US REITS 41.3%	Private Equity All 0.5%	Global Equity 22.2%	Mid Cap Core Equity 8.6%	13.0%	Large Cap Core Equity S&P 500
Large Cap Core Equity 13.7%	Large Cap Core Equity 1.4%	Mid Cap Core Equity 13.8%	Global Equity 24.0%	Aggregate Bonds 0.0%	US REITS 28.7%	Large Cap Core Equity 18.4%	Large Cap Core Equity 28.7%	Hedge Fund of Funds -5.6%	Developed Intl Equity 18.2%	Global Equity 8.2%	9.9%	Mid Cap Core Equity Russell Midcap
Mid Cap Core Equity 13.2%	Blended 60/40 1.3%	Large Cap Core Equity 12.0%	Large Cap Core Equity 21.8%	High Yield Bonds -2.1%	Global Equity 26.6%	Emerging Market Equity 18.3%	Commodity 27.1%	High Yield Bonds -11.2%	Blended 60/40 17.7%	Blended 60/40 6.0%	8.7%	Global Equity MSCI ACWI Net
Blended 60/40 11.0%	Treasury Bonds 0.8%	Commodity 11.8%	Mid Cap Core Equity 18.5%	Blended 65/35 -2.5%	Small Cap Core Equity 25.5%	Mid Cap Core Equity 17.1%	Mid Cap Core Equity 22.6%	Emerging Debt Local -11.7%	Mid Cap Core Equity 17.2%	Developed Intl Equity 5.8%	8.3%	Blended 60/40 60%S&P 500/40% Barc
Aggregate Bonds 6.0%	Aggregate Bonds 0.6%	Emerging Market Equity 11.2%	Private Equity All 17.1%	Hedge Fund of Funds -2.6%	Blended 60/40 23.3%	Global Equity 16.3%	Global Equity 18.5%	Treasury Bonds -12.5%	Small Cap Core Equity 16.9%	Small Cap Core Equity 5.2%	7.6%	Small Cap Core Equity Russell 2000US
Treasury Bonds 5.0%	Hedge Fund of Funds -0.3%	Emerging Debt Local 9.9%	Blended 60/40 15.4%	US REITS -4.0%	Developed Intl Equity 22.0%	Blended 60/40 14.6%	Blended 60/40 15.9%	Aggregate Bonds -13.0%	Private Equity All 15.7%	Hedge Fund of Funds 2.7%	6.9%	REITS NAREIT Equity REITs
Small Cap Core Equity 4.9%	Developed Intl Equity -0.8%	Private Equity All 9.2%	Emerging Debt Local 15.2%	Large Cap Core Equity -4.4%	Emerging Market Equity 18.4%	Treasury Bonds 8.0%	Small Cap Core Equity 14.8%	Developed Intl Equity -14.5%	High Yield Bonds 13.4%	Emerging Market Equity 2.4%	4.8%	Developed Intl Equity MSCI EAFE Net
Global Equity 4.2%	Global Equity -2.4%	Blended 60/40 8.8%	Small Cap Core Equity 14.6%	Emerging Debt Local -6.2%	High Yield Bonds 14.3%	Developed Intl Equity 7.8%	Developed Intl Equity 11.3%	Blended 60/40 -15.8%	Emerging Debt Local 12.7%	Commodity 2.2%	4.4%	High Yield Bonds Bloomberg High Yield
Hedge Fund of Funds 3.4%	Mid Cap Core Equity -2.4%	US REITS 8.6%	US REITS 8.7%	Mid Cap Core Equity -9.1%	Emerging Debt Local 13.5%	Aggregate Bonds 7.5%	Hedge Fund of Funds 5.7%	Mid Cap Core Equity -17.3%	US REITS 11.4%	High Yield Bonds 1.5%	3.5%	Hedge- Fund of Funds HFRI Fund of Funds
High Yield Bonds 2.5%	Small Cap Core Equity -4.4%	Global Equity 7.9%	Hedge Fund of Funds 7.6%	Global Equity -9.4%	Private Equity All 11.9%	High Yield Bonds 7.1%	High Yield Bonds 5.3%	Large Cap Core Equity -18.1%	Emerging Market Equity 9.8%	Aggregate Bonds -0.8%	2.9%	Emerging Markets Equity MSCI EMF Net
Emerging Market Equity -2.2%	High Yield Bonds -4.5%	Aggregate Bonds 2.7%	High Yield Bonds 7.5%	Small Cap Core Equity -11.0%	Aggregate Bonds 8.7%	Hedge Fund of Funds 6.7%	Aggregate Bonds -1.5%	Global Equity -18.4%	Aggregate Bonds 5.5%	Treasury Bonds -1.0%	1.5%	Aggregate Bonds Bloomberg Aggregate
Developed Intl Equity -4.9%	Emerging Market Equity -14.9%	Treasury Bonds 1.0%	Aggregate Bonds 3.5%	Commodity -11.3%	Commodity 7.7%	Emerging Debt Local 2.7%	Treasury Bonds -2.3%	Emerging Market Equity -20.1%	Hedge Fund of Funds 4.4%	US REITS -1.3%	1.0%	Treasury Bonds Bloomberg Treasury
Emerging Debt Local -5.7%	Emerging Debt Local -14.9%	Developed Intl Equity 1.0%	Treasury Bonds 2.3%	Developed Intl Equity -13.8%	Treasury Bonds 6.9%	Commodity -3.1%	Emerging Market Equity -2.5%	Small Cap Core Equity -20.4%	Treasury Bonds 4.1%	Emerging Debt Local -2.2%	-0.3%	Emerging Debt Local JP Morgan Emerging Market GBI-EM
Commodity -17.0%	Commodity -24.7%	Hedge Fund of Funds 0.5%	Commodity 1.7%	Emerging Market Equity -14.6%	Hedge Fund of Funds 6.2%	US REITS -5.1%	Emerging Debt Local -8.8%	US REITS -24.9%	Commodity -7.9%	Private Equity All N/A	-1.6%	Commodity Bloomberg Commodity

Source: Bloomberg, Mercer as of 3/31/24

Source: Bloomberg, Mercer as of 3/31/24

Past performance is no guarantee of future results

Source: Bloomberg, Refinitiv, JP Morgan, Barclays, ICE, Mercer Analysis; as of 12/31/23

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# Appendix

## Index List

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# Appendix 1 – Indices used by asset class

Asset Class	Index	Source
Global All Cap Equities	MSCI ACWI Net Total Return Index	Refinitiv
Global Small Cap Equities	MSCI ACWI Small Cap Net Total Return Index	Refinitiv
Global Developed Equity	MSCI World Net Total Return Index	Refinitiv
Defensive Equity	Russell 3000 Total Return Index	Refinitiv
	CRSP US Total Market Total Return index	Refinitiv
	CRSP US Mega Cap Total Return Index	Bloomberg
US Large Cap	S&P 500 Total Return Index	Refinitiv
	Russell 1000 Total Return Index	Refinitiv
US Large Cap growth	Russell 1000 Growth Total Return Index	Refinitiv
US Large Cap Value	Russell 1000 Value Total Return Index	Refinitiv
US Mid Cap	CRSP US Mid Cap Total Return Index	Refinitiv
US SMID Cap	Russell 2500 Total Return Index	Refinitiv
US SMID Cap Growth	Russell 2500 Growth Total Return Index	Refinitiv
US SMID Value	Russell 2500 Value Total Return Index	Refinitiv
US Small Cap	CRSP US Small Cap Total return Index	Refinitiv
	Russell 2000 Total Return Index	Refinitiv
US Value Equity	Russell 3000 Value Total Return Index	Refinitiv
US Growth Equity	Russell 3000 Growth Total Return Index	Refinitiv
Global ex US Equity	MSCI AC World ex US Net Total Return Index	Refinitiv
	FTSE Global All Cap ex US Total Return Index	Refinitiv
International Developed Equity	FTSE Developed All cap ex US Total Return Index	Refinitiv
	MSCI EAFE Net Total Return Index	Refinitiv

All indices in USD unless otherwise specified

# Appendix 1 – Indices used by asset class

Asset Class	Index	Source
International Developed Equity Small Cap	MSCI EAFE Small Cap Net Total Return Index	Refinitiv
Emerging Markets Equity	MSCI EM Net Total Return Index	Refinitiv
	FTSE Emerging Markets All Cap China A Inclusion Total Return Index	Bloomberg
	MSCI China A Onshore Net Total Return Index	Refinitiv
China Equity	MSCI China A Onshore Net Total Return Index	Refinitiv
US Cash	Bloomberg T- Bill 1-3 months Index	Bloomberg
Global Bonds	Bloomberg Aggregate Total Return Index	Refinitiv
US Treasuries	Bloomberg Treasury Total Return Index	Refinitiv
US Government Bonds	US Government Total Return Index	Refinitiv
US Long Treasuries	Bloomberg Long Treasury Total Return Index	Refinitiv
Short Term Treasuries	Bloomberg 1-5yr Treasury Total Return Index	Refinitiv
Intermediate Term Treasuries	Bloomberg 5-10yr Treasury Total Return Index	Refinitiv
Short Term TIPS	Bloomberg 0-5yr US TIPS Total Return Index	Bloomberg
US Inflation Linked Bonds	Bloomberg US TIPS Total Return Index	Refinitiv
US Investment Grade Credit	Bloomberg Credit Total Return Index	Refinitiv
US Long Investment Grade Credit	Bloomberg Long Credit Total Return Index	Refinitiv
US High Yield Bonds	Bloomberg High Yield Total Return Index	Refinitiv
EMD (Local Currency)	JPM GBI-EM Global Diversified Total Return Index	Refinitiv
EMD (Hard Currency)	JPM EMBI Global Diversified Total Return Index	Refinitiv
Global Bonds ex US	Bloomberg Global Aggregate ex USD Float Adjusted RIC Capped Index Hedged	Bloomberg
US REITS	FTSE EPRA/NAREIT United States Total Return Index	Refinitiv
Global Developed REITS	FTSE EPRA/NAREIT Developed Total Return Index	Refinitiv

All indices in USD unless otherwise specified

# Appendix 1 – Indices used by asset class

Asset Class	Index	Source
Infrastructure	FTSE Global Core Infrastructure 50/50 Total Return Index	Refinitiv
Hedge Funds	HFRX Equal Weighted Strategies Total Return Index	Refinitiv
Commodities	Bloomberg Commodity Total Return Index	Refinitiv
Europe Equity	MSCI Europe Net Total Return Index	Refinitiv
Japan Equity	MSCI Japan Net Total Return Index	Refinitiv
Pacific ex Japan	MSCI Pacific ex Japan Net Total Return Index	Refinitiv
Canada	MSCI Canada Net Total Return Index	Refinitiv
Emerging Markets Asia	MSCI EM Asia Net Total Return Index	Refinitiv
Emerging Markets Latin America	MSCI EM Latin America Net Total Return Index	Refinitiv
EM Europe and Middle East	MSCI EM & Middle East Net Total Return Index	Refinitiv
US Dollar	DXY Index	Bloomberg
Euro	EUR Currency Index	Bloomberg
GB Pound	GBP Currency Index	Bloomberg
Japanese Yen	JPY Currency Index	Bloomberg
Emerging Market currency	JPM EM Currency Index	Bloomberg
2-year Treasury	Bloomberg US 2yr Treasury Index	Bloomberg
10-year Treasury	Bloomberg US 10yr Treasury Index	Bloomberg
Long Corporate	Bloomberg US long corporate Index	Bloomberg
Corporate	Bloomberg US corporate Index	Bloomberg

All indices in USD unless otherwise specified



# Appendix 1 – Indices used by asset class

Asset Class	Index	Source
5 year Breakeven	US 5-year breakeven index	Bloomberg
5year 5 years forward	US Forward 5-year 5years Index	Bloomberg
Energy	Alerian Energy MLP Total Return Index	Refinitiv
Natural Resources	S&P NA Natural resources Total Return Index	Refinitiv
Global Private Equity	Burgiss Private Equity	Burgiss
Hedge Funds Conservative	HFRI FOF conservative Index	Refinitiv
Diversified Hedge Funds	HFRI FOF Diversified Index	Refinitiv
Strategic Hedge Funds	HFRI FOF Strategic Index	Refinitiv
Equity Hedge Funds	HFRI Equity Hedge Index	Refinitiv
Event driven Hedge Funds	HFRI Event Driven Index	Refinitiv
Distressed Hedge Funds	HFRI ED: Distressed/Restructuring Index	Refinitiv
Relative Value Hedge Funds	HFRI Relative Value Index	Refinitiv
Macro Hedge Funds	HFRIC Macro Index	Refinitiv

All indices in USD unless otherwise specified

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