Second Half 2023 Outlook

Chief Investment Office

July 7, 2023

Second Half 2023 Outlook: Economy and Fed

U.S. Economy

- We expect the U.S. economy to avoid a recession in 2023, with a recession remaining a possibility in 2024 (2024 could be "the boy who cried wolf" recession where businesses and consumers tire of 2023's recession warnings and are caught off guard by the bite of tight monetary policy and decelerating growth)
- We expect U.S. inflation to continue to moderate but remain elevated above the Fed's 2% target on a Core basis (ex food and energy)
- **Watch items**: consumer spending as savings balances have been depleted and fiscal support ends; early signs of easing in the labor market, which we expect to remain tight for now; a potential reacceleration in inflation either driven by improved consumer demand/sentiment or supply shocks that impact food and energy prices; credit availability/growth as banks continue to struggle with higher rates

Fed and Macro

- With a resilient U.S. economy and persistent growth, we expect the Fed to continue to tighten policy (with a peak rate reaching 5.5-6.0%, depending on the path of growth and inflation), with no cuts expected for 2023
- **Yields**: we expect better growth, persistent inflation, and a tighter Fed to keep upward pressure on, or at least a ceiling under, yields
- **USD**: expect continued cross currents with the Fed more hawkish than emerging markets, Japan, and China, yet possibly more dovish than Europe and the UK
- **Oil**: upside to oil if global recession fears fade; supply cuts from OPEC+ have little impact unless met with U.S. shale supply reduction as well
- **Watch items**: the level of interest rates that will begin to restrict economic activity; upside to oil as an inflation shock; global central bank policy shifts as Japan may reconsider its ultra-loose policy stance, China continues to struggle to spur its growth, emerging markets potentially begin an easing cycle, and developed countries continue to fight high inflation

Source: NewEdge Wealth, Macrobond, Bloomberg

Source: NewEdge Wealth, Macrobond, Bloomberg

Second Half 2023 Outlook Expectations: Equities

U.S. Equities

- We expect lower returns for equities in the 2H compared to the 1H driven by:
  - Higher interest rates pressuring now elevated valuations, potentially offsetting the benefit to earnings from better economic growth (which currently do not reflect a recession)
  - Positioning no longer a tailwind- equity positioning now "overweight" after starting 2023 deeply "underweight"
  - Liquidity fading as a tailwind
- **Upside scenario**: resilient economic growth leading to higher earnings, while optimism around AI and a continued positioning chase allows valuations to remain elevated despite interest rates
- **Downside scenario**: economic growth begins to deteriorate, pressuring earnings estimates and risk appetite into 2024; liquidity becomes a headwind pressuring valuations
- **Leadership:**
  - Equal Weight vs. Cap Weight: after an extraordinarily narrow start to 2023, we expect market strength to continue to broaden out (began in early June)
  - Large vs. Small: we expect large cap to continue to lead small cap indices (Russell 2000) given small cap's rate sensitivity and weak profitability
  - Growth vs. Value: short term momentum remains bullish for Growth and its Technology overweight, but valuation has reemerged as a medium-term headwind; Value continues to struggle given its overweight to Financials and Energy (Russell 1000 Indices)

S&P 500 Scenario Analysis for 2024

Change vs. 2023E EPS	2024 EPS	PE on 2024 EPS: 14x	15x	16x	17x	18x	19x	20x	21x
-10%	$200	2,800	3,000	3,200	3,400	3,600	3,800	4,000	4,200
-5%	$210	2,940	3,150	3,360	3,570	3,780	3,990	4,200	4,410
0%	$220	3,080	3,300	3,520	3,740	3,960	4,180	4,400	4,620
4%	$230	3,220	3,450	3,680	3,910	4,140	4,370	4,600	4,830
9%	$240	3,360	3,600	3,840	4,080	4,320	4,560	4,800	5,040
13%	$250	3,500	3,750	4,000	4,250	4,500	4,750	5,000	5,250
18%	$260	3,640	3,900	4,160	4,420	4,680	4,940	5,200	5,460
22%	$270	3,780	4,050	4,320	4,590	4,860	5,130	5,400	5,670
27%	$280	3,920	4,200	4,480	4,760	5,040	5,320	5,600	5,880

Source: NewEdge Wealth, Bloomberg, as of 7/6/23

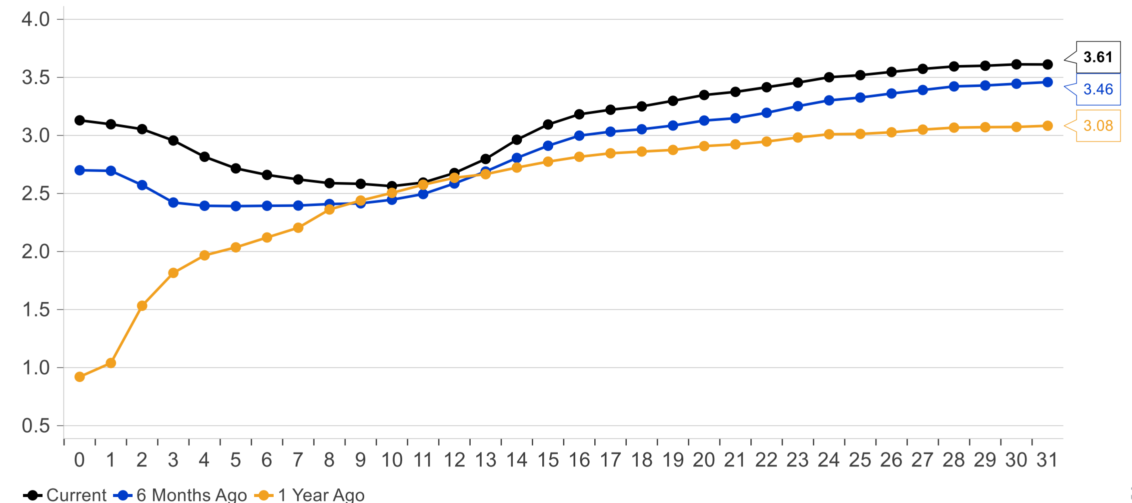
Source: NewEdge Wealth, Bloomberg, as of 7/6/23

Second Half 2023 Outlook: Fixed Income

Fixed Income

- We continue to expect 2023 to be a better year for fixed income than 2022 as Central Banks (CB) near the end of their tightening cycles vs. 2022 being the year of CB's playing "catch up" to tighten policy in the face of too-high inflation
- Yield expectations:
  - 2 Year: 4.25-5.25% with upside driven by higher for longer Fed policy, and downside driven by weaker economic growth that ignites rate cut expectations
  - 10 Year: 3.5-4.5% with upside driven by resilient economic growth, higher inflation, and possibly international capital flows (ex. higher rates in Japan), and downside driven by weaker economic growth and a flight to quality
- **Municipals**: We continue to see healthy fundamentals for municipals as states prudently prepare for a softer economy by bolstering their rainy-day funds (though some states in the Northeast are the exception, with smaller rainy-day funds in 2023 vs. 2022). We see opportunity to begin extending duration in municipals, mostly during the summer months when supply is lightest, while longer maturity municipal bonds have the most attractive Muni-to-Treasury yield ratios. We see IG sectors like General Obligation and Water & Sewer bonds coming back into favor with investors, while the hospital sector could continue to struggle.
- **Investment Grade:** credit spreads have remained stable given economic stability. 2H23 could see greater challenges if: a) corporate borrowers significantly increase supply due to refinancing needs, b) the U.S. economic environment deteriorates, causing a widening of credit spreads as investors demand greater compensation for rising credit risks. We see the potential for a modest pickup in defaults in 2024, which justifies focusing on higher quality parts of the investment grade market.
- **High Yield**: HY spreads have fallen in 2023 as economic risks remain contained. If these spreads compress further, HY investors may see increasing forward risk, as they are being undercompensated for the risk that the U.S. economy could experience a moderation in growth in the coming year.

Source: NewEdge Wealth, Macrobond, Bloomberg



Source: NewEdge Wealth, Macrobond, Bloomberg

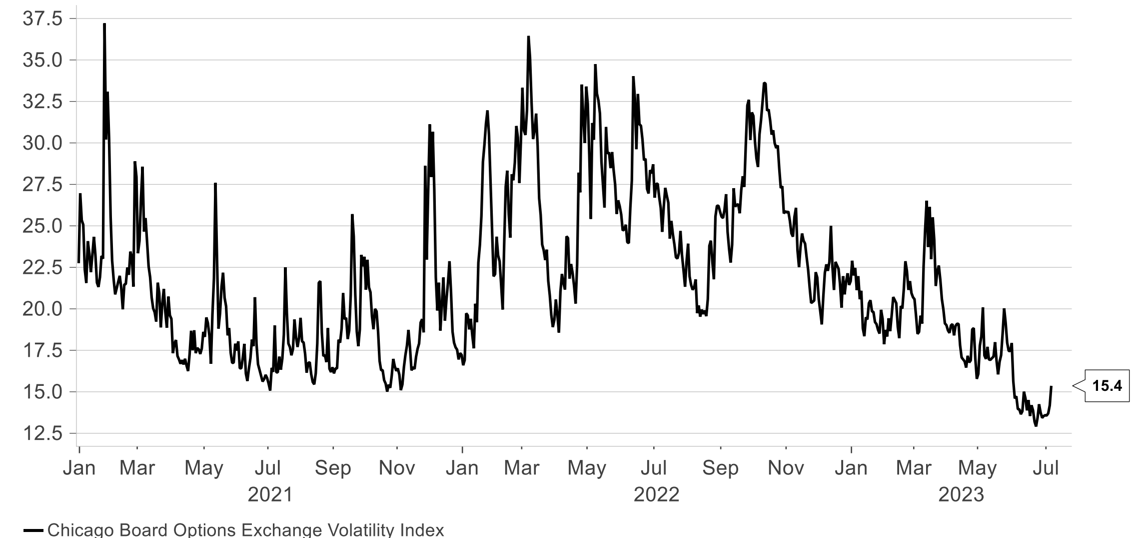
Second Half 2023 Outlook: Alternatives

Private Markets

- **Private Equity Buyout**: We have begun to see the effects of the syndicated loan market closure and the higher cost of leverage on the broader private equity ecosystem. We continue to believe that larger funds using significant amounts of leverage, which we define as greater than 4x EBITDA, could see their returns diminish considerably over time. This could lead to outperformance from lower middle market and middle market funds, which see the vast majority of their returns coming from operational improvements and only tactically use leverage
- **Growth Equity**: We have continued to have near-term concerns about later stage venture growth as companies are only starting to feel the pain of a full year of higher rates. With the closure of the IPO window, which is only now starting to reopen, many of these companies are now being forced to consider recapitalizing before going public as many had budgeted for a liquidity event last year and are running out of the runway needed to complete an IPO.
- **Private Credit**: You may have heard that it is a "golden age" for private credit investing. This may be true but we expect to see default rates tick up as the true effect of rates start to hit company income statements and balance sheets. We believe a mix of larger more diversified, and smaller more niche players can provide the best risk reward without overbuying into the hype around this asset class.
- **Venture Equity**: 2022's disruptions have created opportunity in early stage venture. Valuations for resilient companies in attractive industries, such as artificial intelligence and machine learning, have been stable to strong.
- **Secondaries**: We see multiple forces creating opportunities in secondaries including rebalancing, as large allocators being forced to reduce their private market exposure given weakness in public markets, leading to secondaries funds being able to buy these stakes at a discount.
- **Private Real Estate**: Real estate is really a tail of two cities, where multifamily and industrial remain strong due to a structural housing shortage and high replacement costs (though with slowing rent growth and appreciation), while office continues to experience pronounced weakness and uncertainty. As weakness in office real estate continues, distressed and opportunistic investment opportunities will likely emerge.

Structured Notes

- While equity market volatility (represented by the "VIX" index) has declined meaningfully from 2022 averages, higher than historically average short-term interest rates continue to provide attractive terms for many Structured Note.
- Broadly speaking, equity market valuations continue their march higher, lowering the probability of sustained double-digit returns in the coming years. In addition, the possibility of recession continues to loom on the horizon, though timing remains uncertain. These two factors create the potential for greater opportunity in defensively positioned Structured Notes (Fixed Return Notes) over Structures which may lower the probability of positive outcomes in favor of higher potential returns at maturity (Growth Focused Notes).



Source: NewEdge Wealth, Macrobond, Bloomberg

U.S. Economy

The U.S. Economy Continues to Be Stronger Than Forecasted

As of 7/6/23

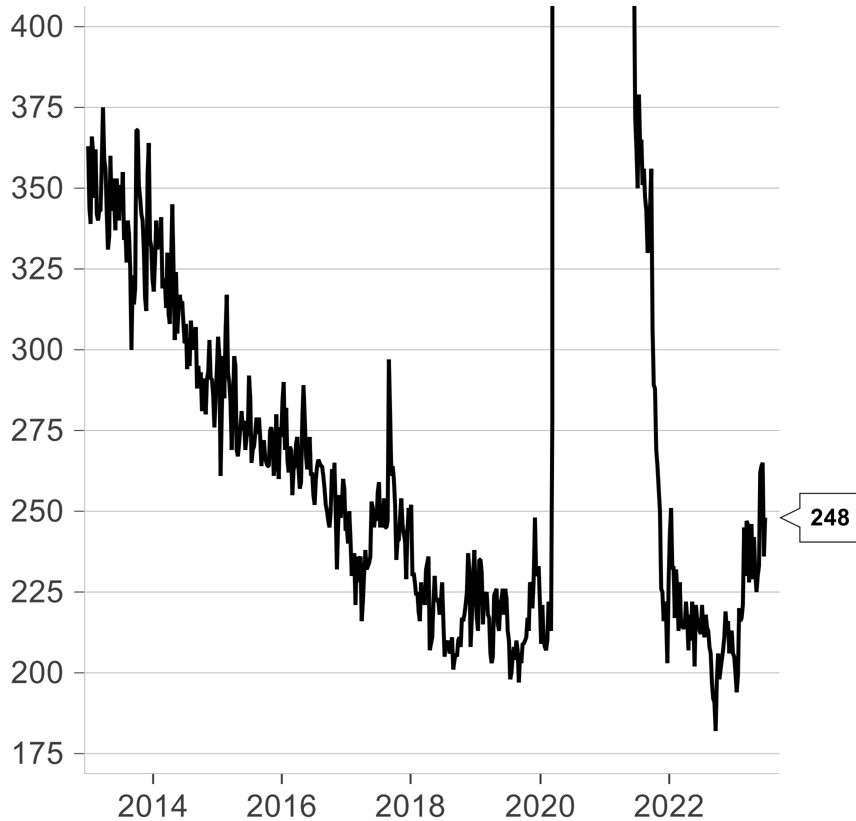
As data has come in better than expected, U.S. economic surprise indices have been surging higher (a reading above 0 indicates data coming in better than expected).

These positive data surprises likely mean that GDP forecasts need to move higher for 2023 (current consensus is for +1.3% Real GDP growth in 2023).

Currently, economists have a mild recession beginning in 3Q23 (0% in 3Q23 and -0.5% in 4Q23 for Real GDP), which is not consistent with the current trajectory of stronger data.

NewEdge WEALTH

The Job Market is Still Tight, But Early Signs of Easing?



As of 7/6/23

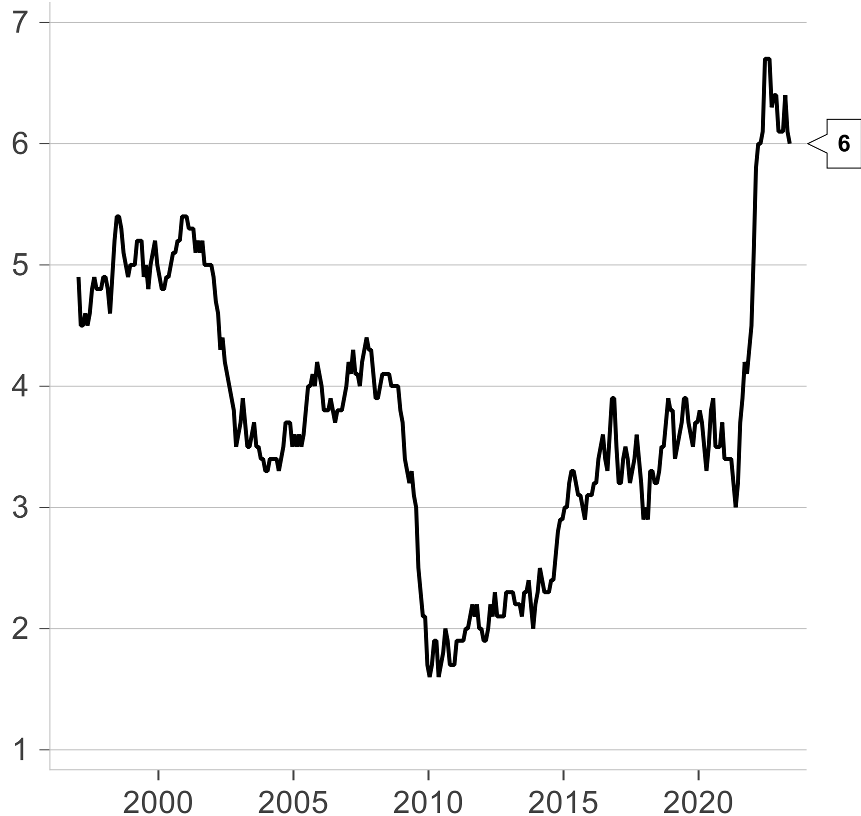
We have started to see an uptick in Initial Jobless Claims, leading this index to jump to above-seasonal levels.

This contrasts with still-resilient Nonfarm Payrolls, which have continued to surprise to the upside.

Job openings are moderating, but remain well above the pre-pandemic level.

All in, this is a labor market that is showing some signs of easing, but it is coming off of such tight levels that significantly more easing would need to be seen before the Fed would consider labor weakness to be an actionable issue.

And Wage Growth is Still Strong (Though Slowing)



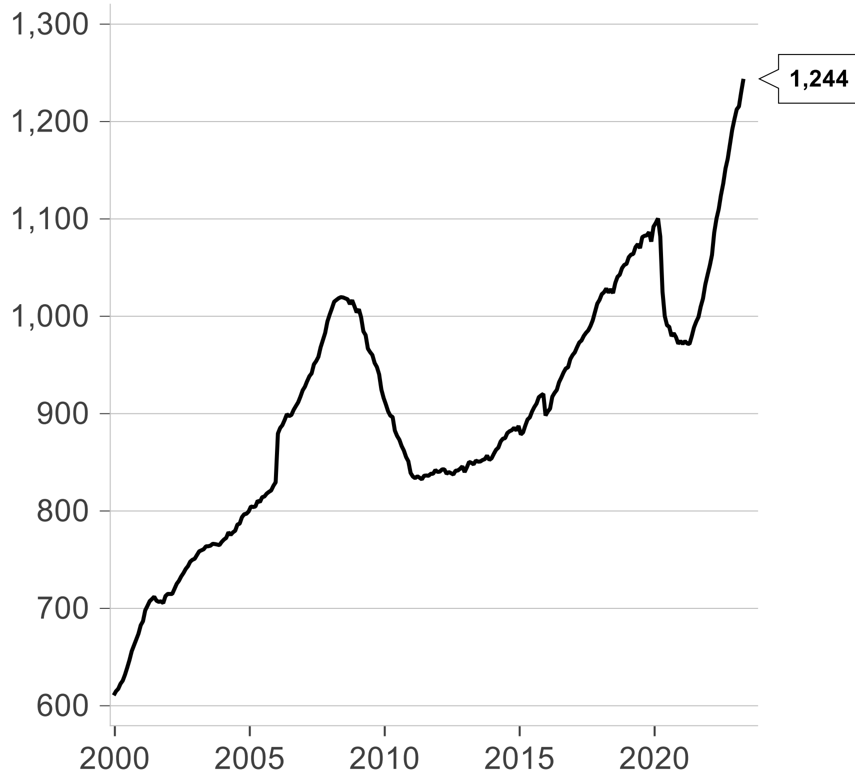
Wage growth remains elevated, though could slow if job switching slows, or the labor market loosens.

As inflation moderates from the 2022 peak, we are seeing real earnings growth recover. This is helping consumer sentiment and supporting continued consumer spending as purchasing power improves.

A key question for 2H23 is if improved real wages will lead to higher spending that could restoke inflation, such as for services and consumer goods (outside of gasoline).

As of 7/6/23

Are Consumers Stretched?



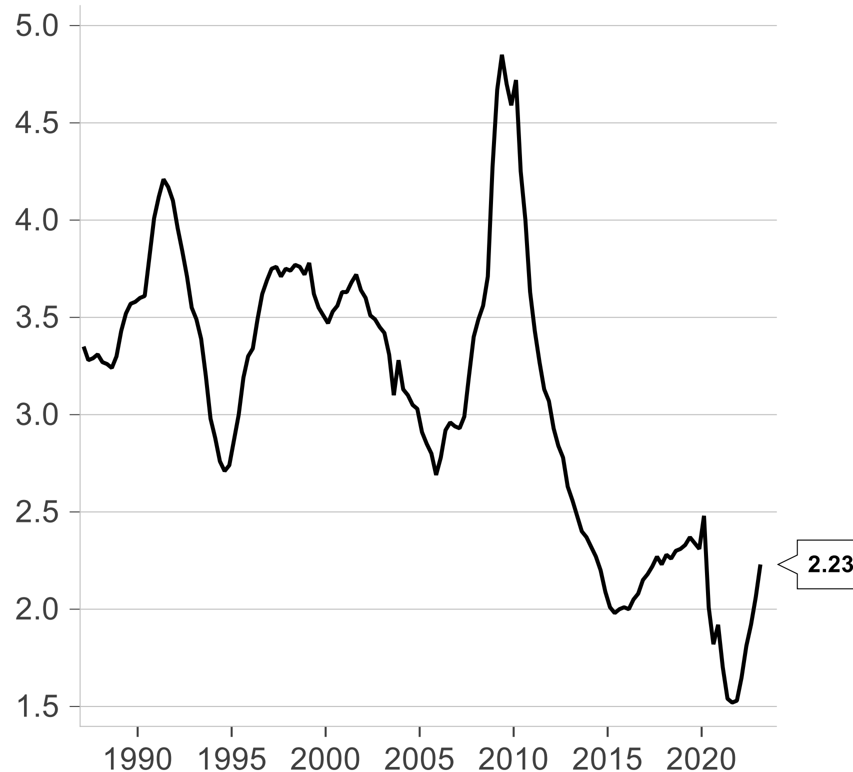
As of 7/6/23

Credit card balances have surged to a new all-time highs, but remain low as a % of disposable income.

Note that Savings as % of disposable income are also ticking higher. This could be due to some caution by consumers, plus improving real wage growth.

We are near the exhaustion point of excess savings balances from the pandemic, which have been supporting spending. Note these savings are also not adjusted for inflation, so current excess savings do not have the same purchasing power given the 18% increase in price levels since 2019 (CPI data).

Interest Rates Starting to Pinch, Delinquencies Rising But Low Historically



Rates on credit card debt have surged to a new all-time high, watch if this pinches credit usage/exacerbates servicing costs.

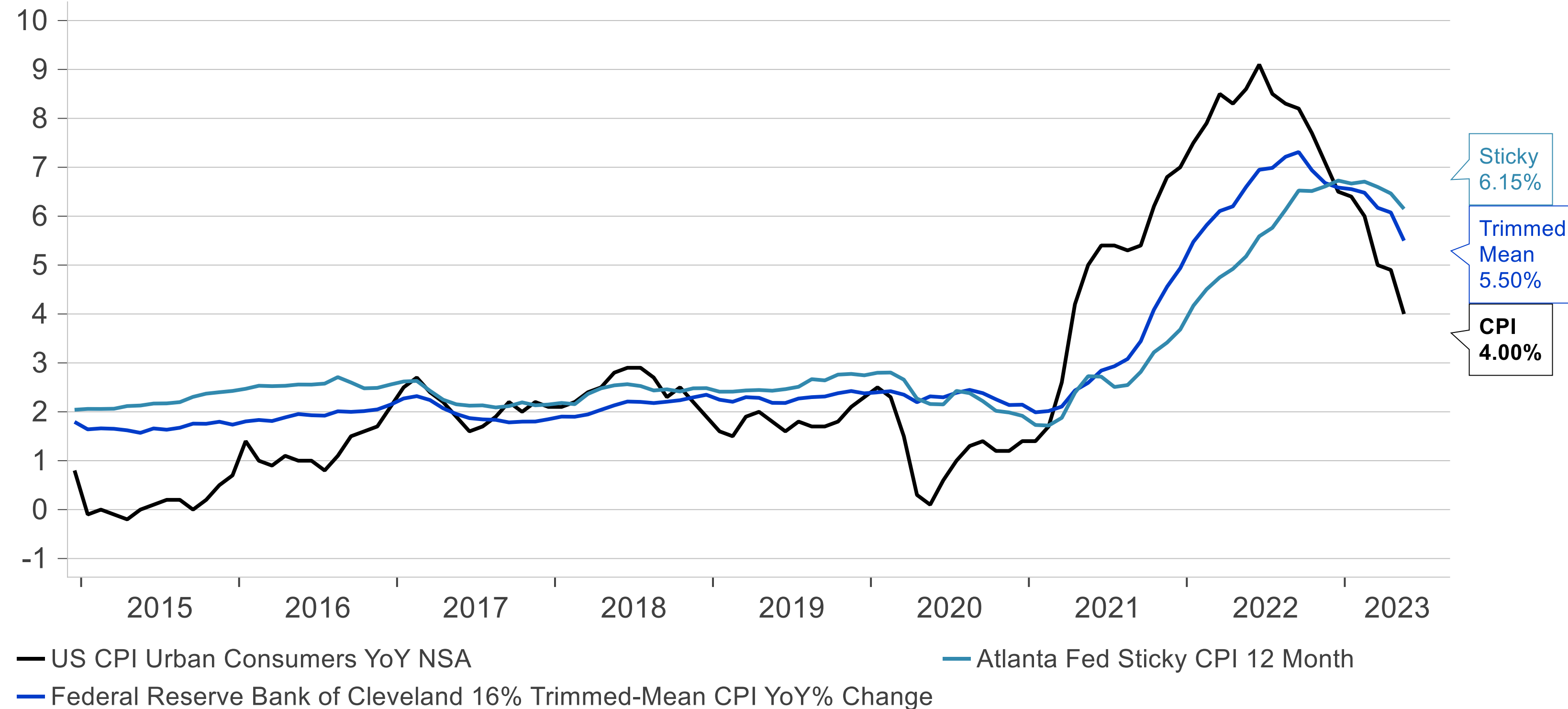
Delinquency rates have jumped higher in 2023, but remain historically low and below pre-pandemic levels.

Watch the end of student loan repayment moratorium as a possible driver of higher debt delinquencies.

As of 7/6/23

NewEdge WEALTH

Is Inflation Still a Problem?

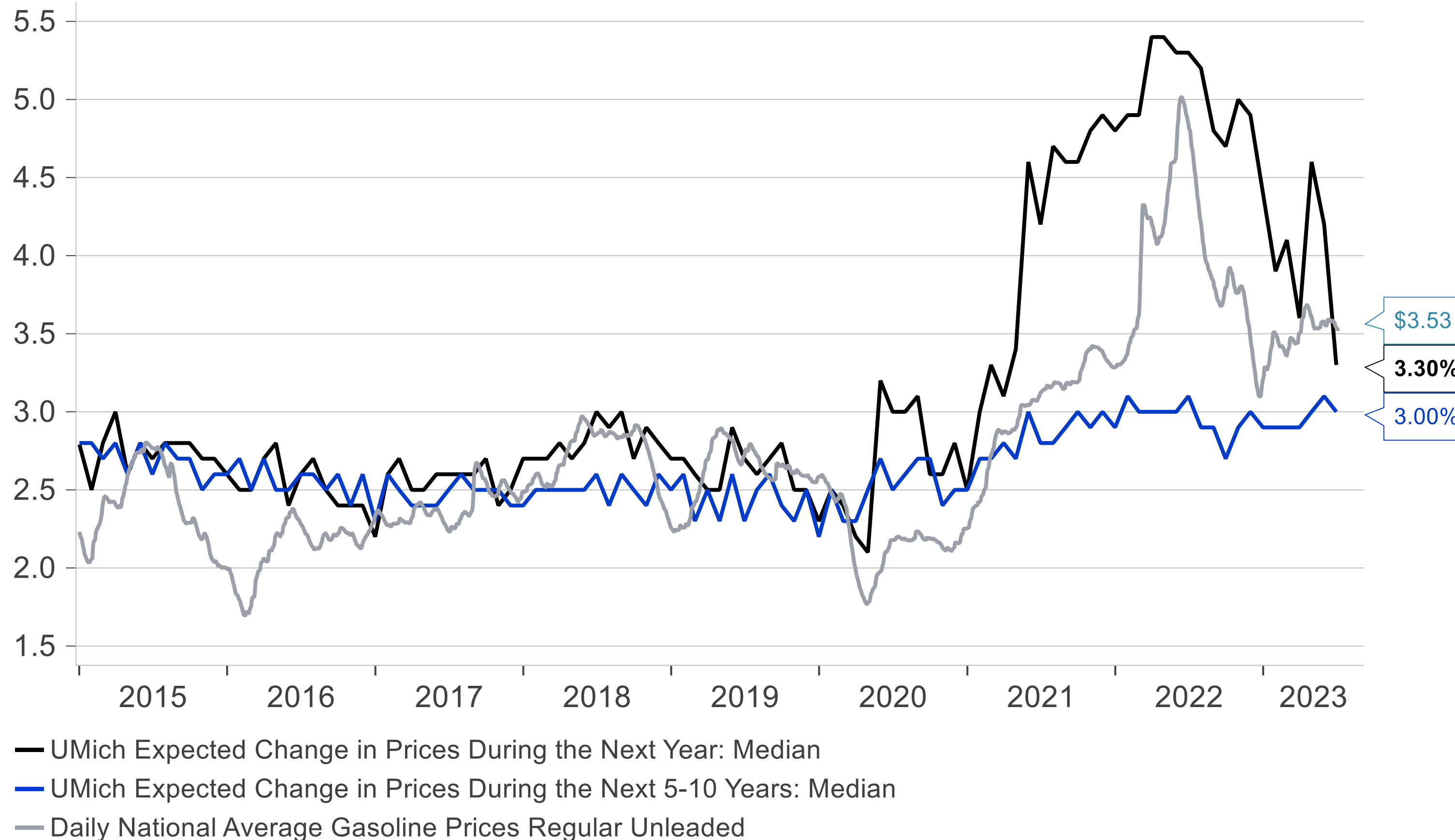


As of 7/6/23

Inflation has peaked, but inflation remains broad and sticky, with both Trimmed Mean Inflation and Sticky Inflation remaining well above the Fed's 2% target (and not falling as rapidly as the headline index).

The Fed is watching Core Services Ex-Housing (not shown), which remains at ~4.5% and has not moderated in 2023.

Watching Inflation Expectations, Long Term Remains Elevated and Sticky



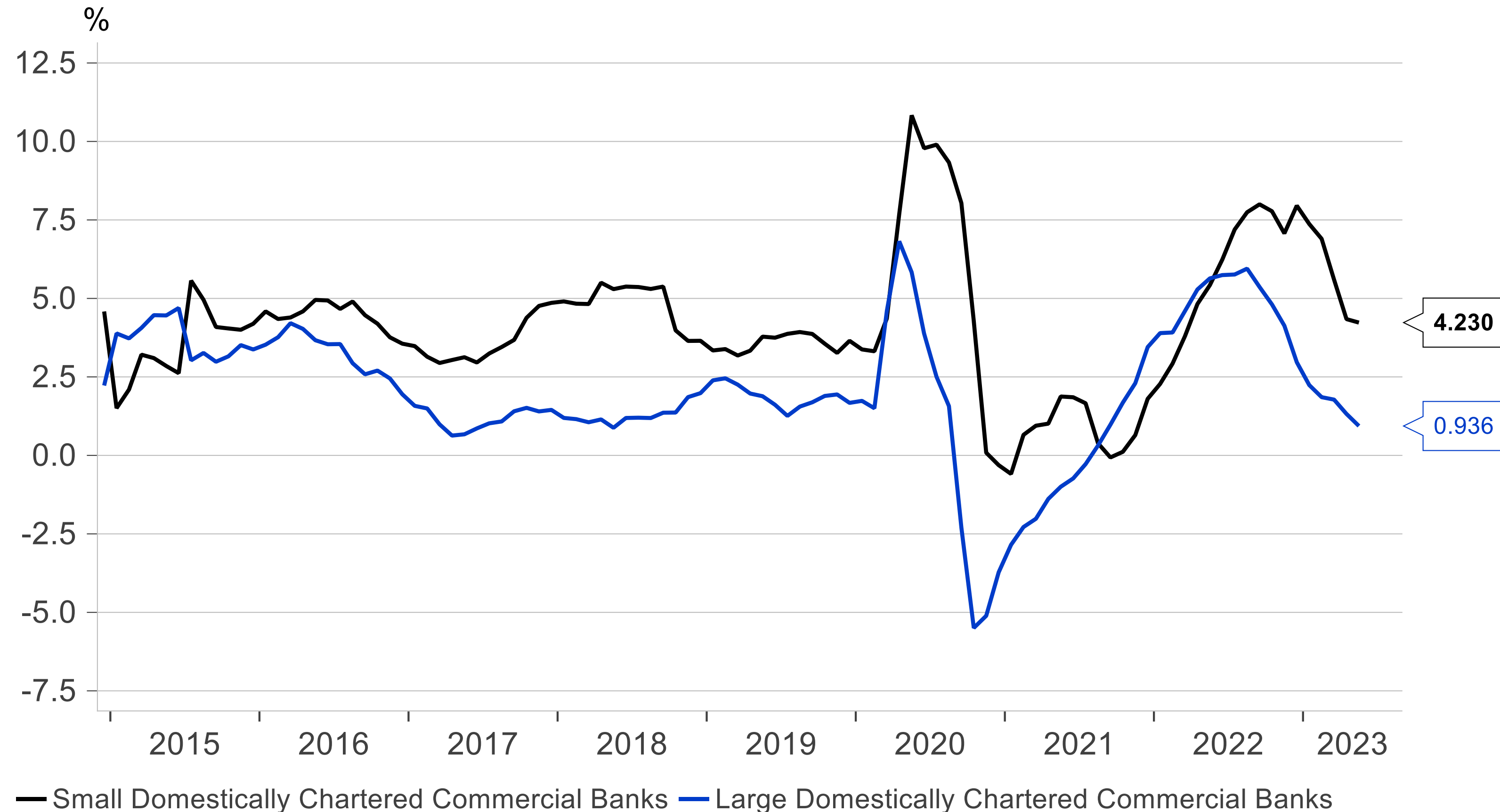
Source: NewEdge Wealth, Macrobond, Bloomberg

As of 7/6/23

Consumers' short term inflation expectations are highly correlated to gasoline prices, which have moderated significantly since their peak in June of 2022 (the biggest source of headline CPI disinflation).

Interestingly, long term inflation expectations remain elevated at ~3% since late 2021 and above the ~2.5% range where they hovered throughout the pre-pandemic cycle.

Will Regional Banking Issues Impact the Broad Economy?



As of 7/6/23

Months before the regional bank issues emerged in March of 2023, large banks had begun moderating their pace of loan growth.

In the aftermath of the regional bank failures, loan growth has continued to moderate, but remains positive on a 6-month rolling basis.

The Fed's emergency liquidity facilities, deposit stabilization, and the resilient economy have led to loan activity remaining healthier than many expected in the initial aftermath of the bank failures.

Fed Policy

Rate Cut Bets are Unwound with Stronger Data

As of 7/6/23

In the aftermath of regional banking issues, markets priced in a rapid pivot to rate cuts by the Fed.

As data has continued to come in better than expected, these rate cut bets have been priced out of markets.

Interestingly, equity markets have not cared about the pricing out of easier policy in 2023.

This could be because markets *and* the Fed are still pricing in a policy shift in 2024, with markets and the Fed forecasting ~100 bps of cuts. The market expects rates to reach 4.3% in 2024, while the median dot on the Fed's June dot plot is at 4.6% in 2024 vs. 5.6% in 2023.

Liquidity Was Supportive for Markets in 1H23

As of 7/6/23

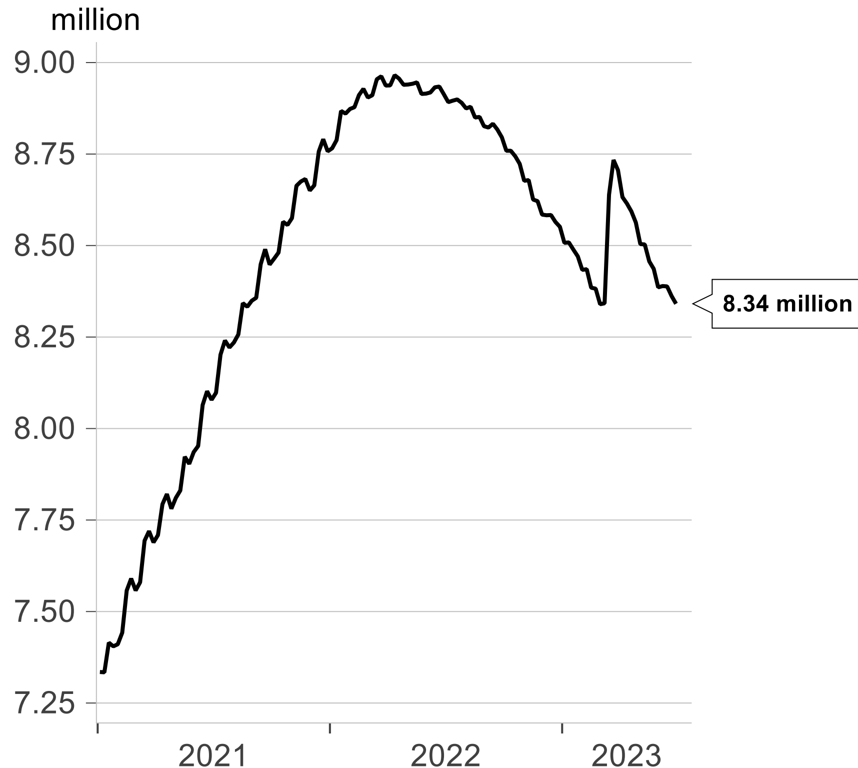
Despite the Fed's hawkish rhetoric and continued rate hikes, the Fed has overseen an expansion in liquidity in 1H23, which has been a boost for markets.

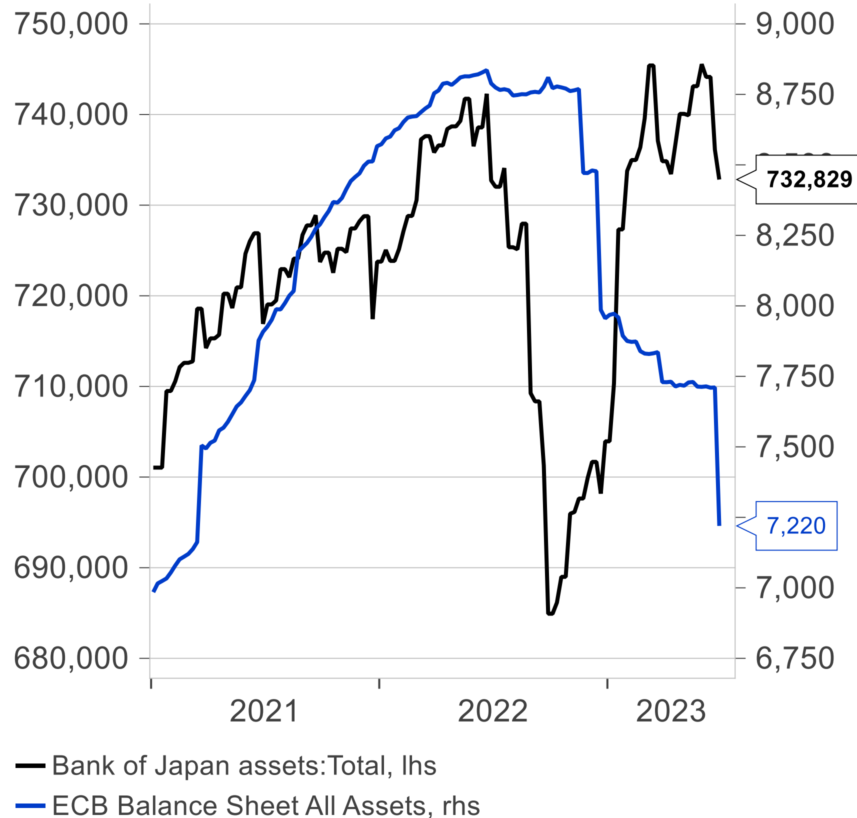
This contrasts to 2022, when liquidity was a distinct headwind for markets.

As we go into 2H23, some of the drivers of more ample liquidity from the first half of the year will start to fade (no further drawdown of the Treasury General Account, continuation of Quantitative Tightening), while we could continue to see liquidity be accessed through the Fed's emergency liquidity program set up during the regional banking issues (Bank Term Funding Program).

NewEdge WEALTH

Balance Sheets Resuming Their Descent, Watch BOJ As Global Yields Rise





The Fed's balance sheet has now unwound the jump higher post regional bank issues, with Quantitative Tightening back as the dominant driver of the balance sheet.

Watch the Bank of Japan's balance sheet as it contemplates the continuation of its easy, Yield Curve Control policy, which necessitates the BOJ buying bonds and expanding its balance sheet in order to keep yields pegged. The pressure to buy bonds increases as global yields rise.

As of 7/6/23

Equities

S&P 500 Earnings Power: Revenue Growth Light for 2023, But Watch Margins for 2024

S&P 500 Consensus	2022A	2023E	2024E	2025E
EPS	$223	$220	$243	$265
YoY Change	*13%*	*-1%*	*9%*	*10%*
Revenue Growth	11.1%	2.20%	4.60%	5.0%
Operating Margin	15.7%	14.8%	15.6%	15.9%

Source: Bloomberg Consensus, as of 7/6/23

The record margin in 2022 was made possible by huge revenue growth of +11% driven by high inflation enabling strong pricing power.

We see the biggest source of potential upside to 2023 forecasts coming from revenue growth. With nominal GDP tracking near +6% in 1H23, we could see further upside surprises to quarterly EPS, like we did in 1Q23. Margins remain the key source of downward pressure on EPS as they normalize down from pandemic era levels.

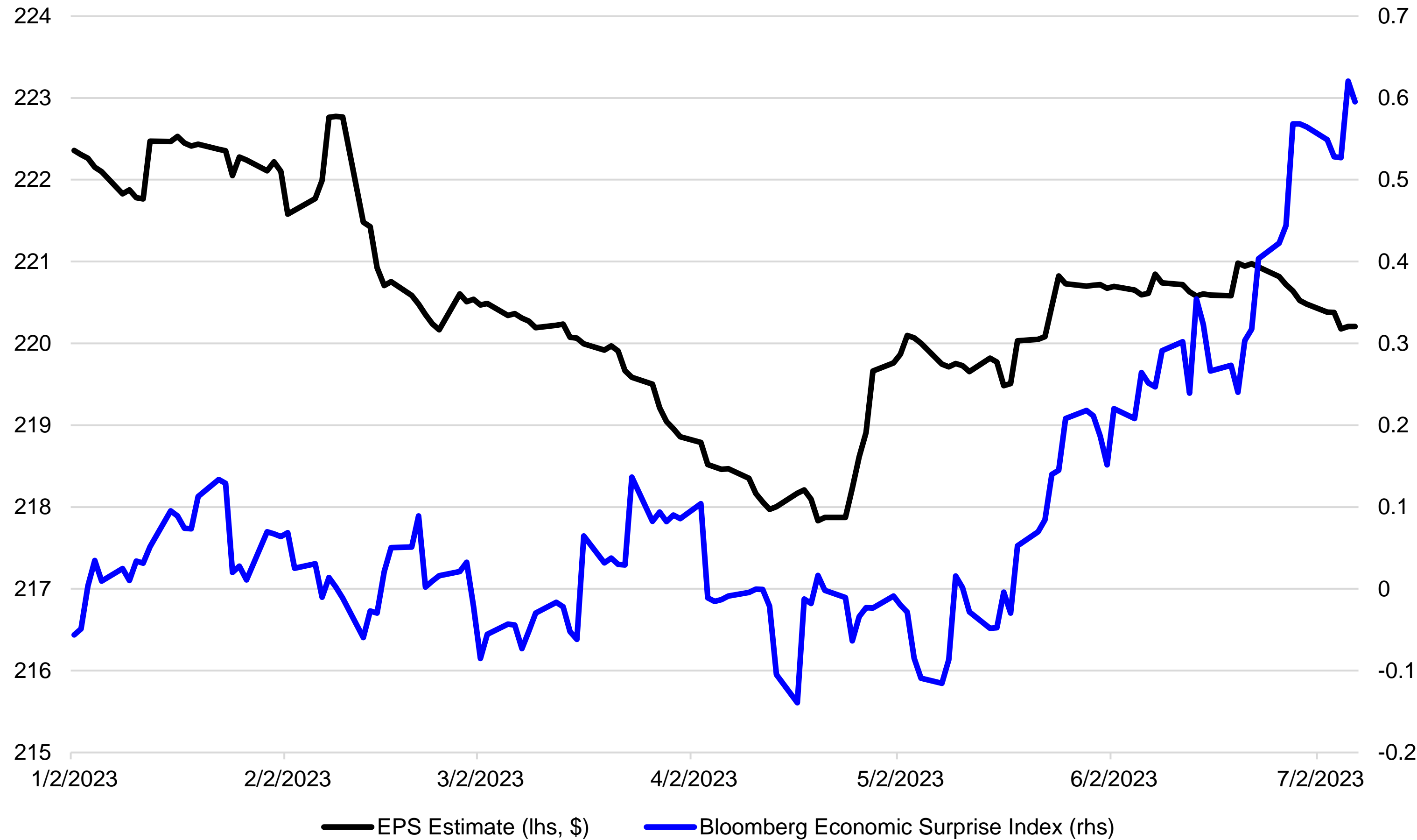
Upside scenario: $230 (+3% YoY, better revenue still offset by margins)
Downside scenario: $210 (-5% YoY, weaker growth in 2H23 and continued margin pressure)

Our biggest watch item in 2024 estimates is the rapid return to 2022's record margins, which we do not see as likely without continued elevated inflation and pricing power.

Note, 2024 estimates do not incorporate a recession.

Upside scenario: $250 (+12% YoY, we are hesitant to put even more upside into margins to get to higher EPS growth, but could have a higher base for revenue growth as 2023 is stroger)
Downside scenario: $200 (-10% YoY, driven by a moderate recession)

Potential Upside to 2023 Earnings Given Stronger Economy



Source: Bloomberg, NewEdge Wealth

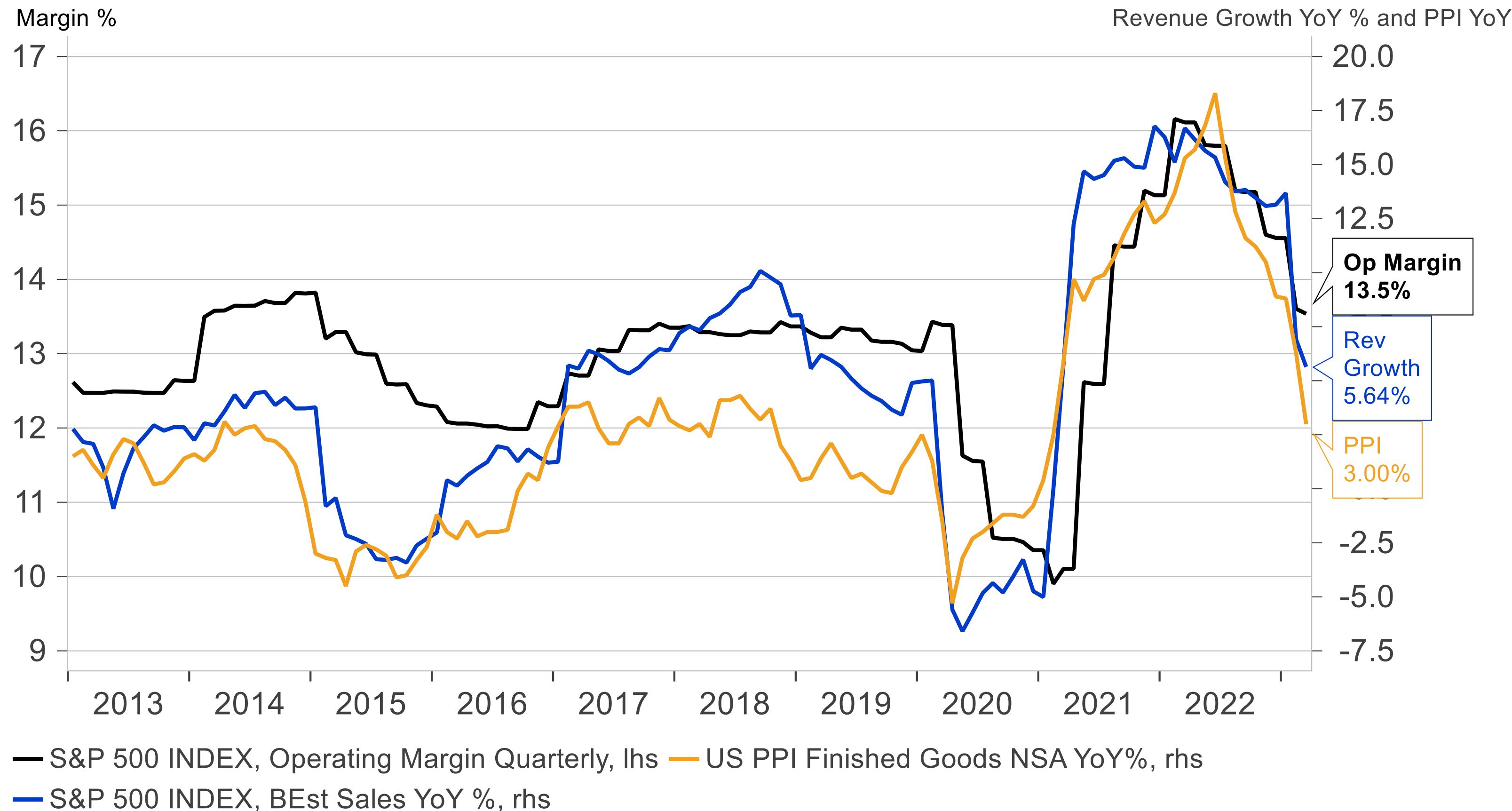
As of 7/6/23

Economic surprises have surged higher in 2Q23. At first, this coincided with rising estimates for 2023 S&P 500 earnings.

However, in the past month, economic surprises have continued to shoot higher, but equity analysts have been cutting their forecasts for full year 2023 earnings and 2Q23 (recall 1Q23 earnings came in better-than-expected).

Given stronger economic growth, 2023's muted revenue growth forecast could see upward revisions.

Falling Inflation → Slowing Revenue Growth → Normalizing Margins



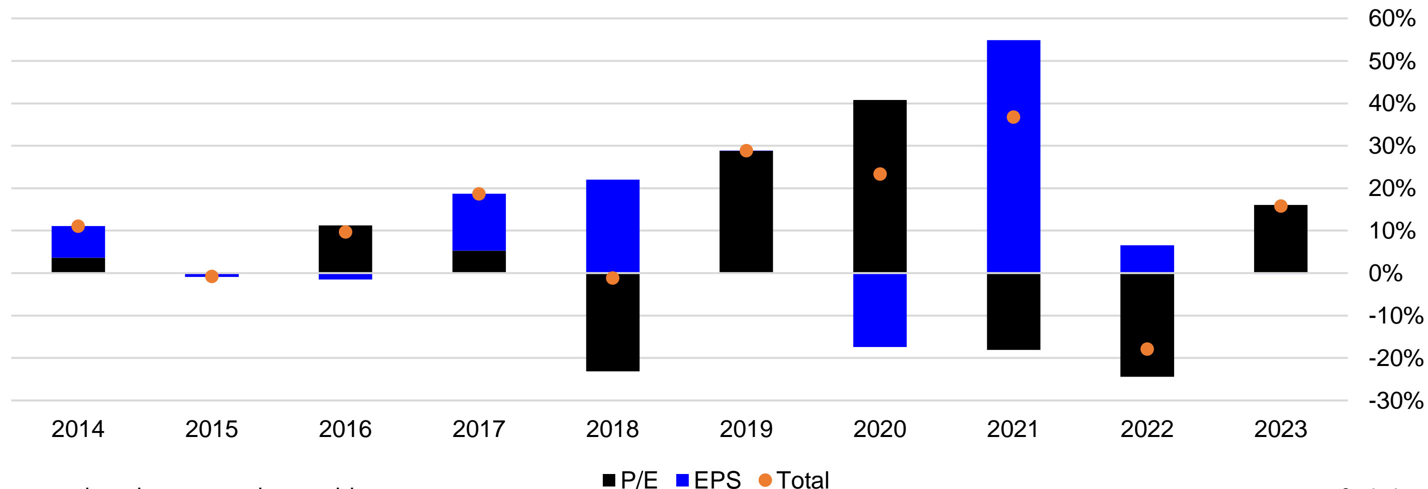
As of 7/6/23

2021 and 2022's powerful, inflation-fueled revenue growth propelled operating margins to new all-time highs, thanks to powerful Incremental/Contribution Margins (effectively operating leverage).

As inflation slows, pricing power will likely slow, causing revenue growth to drop, and margins to normalize back to pre-pandemic levels.

Forecasts for a return to all-time high margins in 2024 and beyond must include significant productivity growth, as strong revenue growth is unlikely to return at 2021 and 2022's pace.

Can Valuation Continue to be the Source of Upside in 2H23?



Source: Bloomberg, NewEdge Wealth

As of 7/6/23

The entirety of 1H23's gains in the S&P 500 have come from valuation multiple expansion, as earnings estimates for both the current and next year are revised lower.

This valuation expansion has now brought the S&P 500 to over 19x blended next 12-month earnings. This levels is back to the pre-pandemic peak and puts the S&P valuation in its pandemic-era range. Recall that pandemic era valuations were supported by both depressed earnings and ultra-easy monetary policy.

Unless we enter a new valuation paradigm (high valuations despite rates, possibly based on optimism about a step-change higher in EPS from technology), we see little upside to current valuations.

Rolling Forward to 2024

S&P 500 2024 Scenario Analysis

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Operating Margin	15.7%	14.8%	15.6%	15.9%

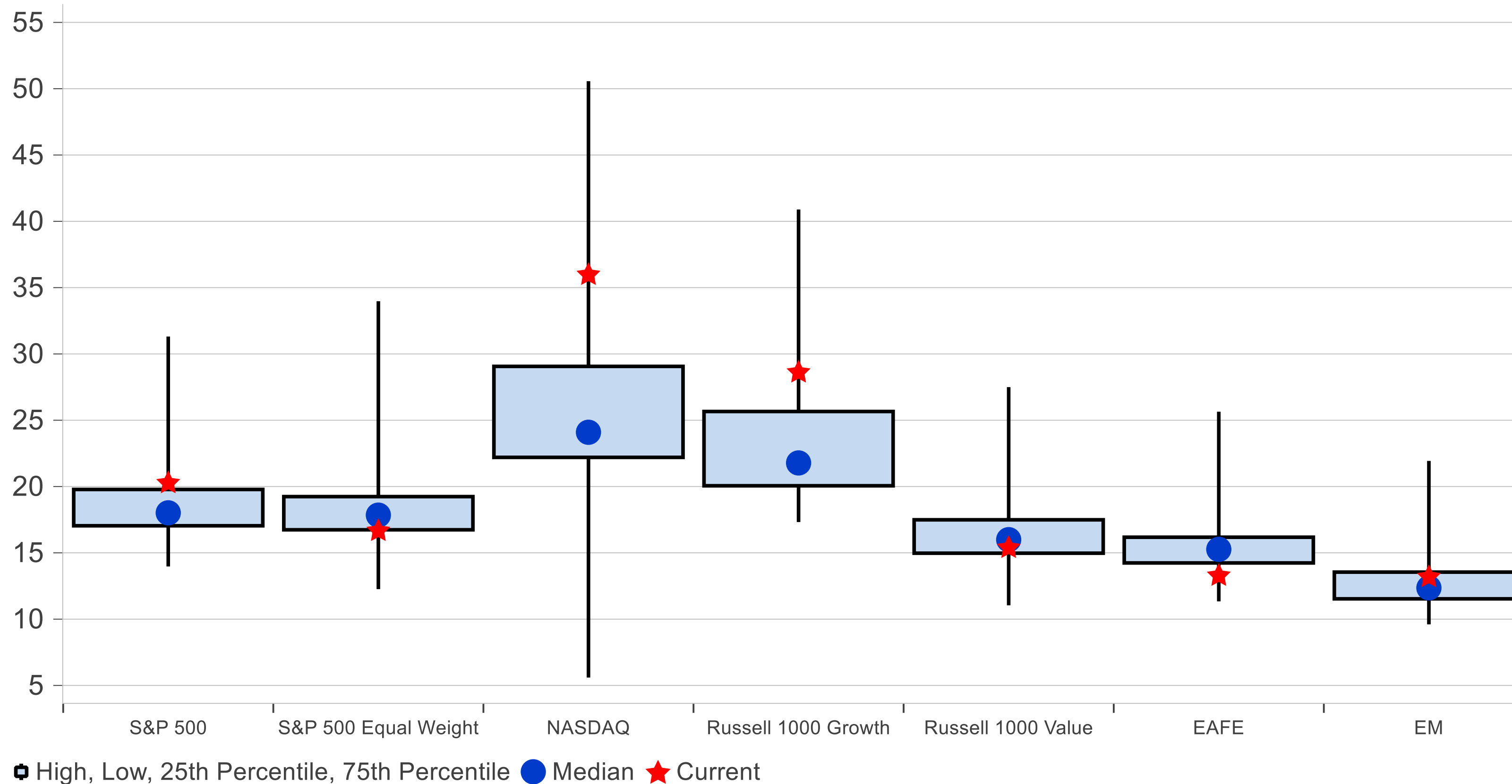
Source: Bloomberg Consensus, as of 7/6/23

As we look forward to 2024, we present various scenarios for S&P 500 outcomes based on the earnings progression into next year and various valuation statistics.

On valuations, we continue to see 19-20x as an upside ceiling on valuations, unless we get a bout of aggressive Fed easing (which would likely also come with much weaker earnings, making the combination of strong earnings and very high valuations as a lower probability outcome).

On the downside for valuations, note that 2022's PE bottomed in June and October at ~15.5x, which implies a valuation floor in this area, unless we experienced a period of severe economic distress (such as during the Great Financial Crisis).

Valuations are Historically Stretched for NASDAQ and Growth Stocks



As of 7/6/23

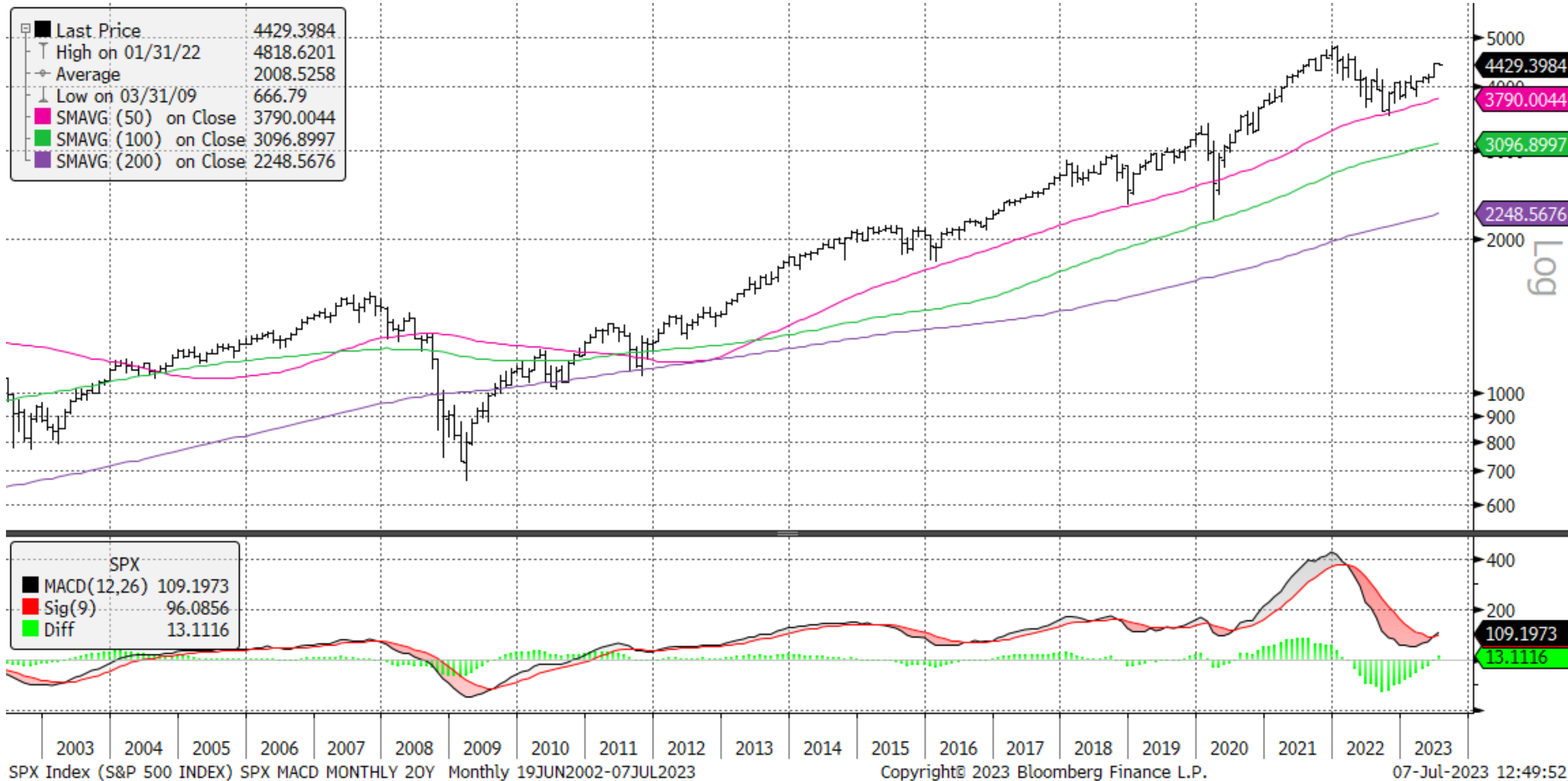
The powerful rally in NASDAQ, Russell 1000 Growth, and Technology shares have resulted in valuations for these indices becoming notably stretched.

Other parts of the market, such as the Equal Weight S&P 500 and Russell 1000 Value, which have sat out the 2023 rally, are trading at below median valuations.

Momentum and trends are most positive for the expensive Growth/Tech names in the near term, meaning valuation premiums can persist in the short run, however looking out over the medium term, there are more attractive valuations outside of these leading indices.

Technicals: Long-Term Trend Has Improved Materially

S&P 500 Monthly with Monthly Moving Average Convergence Divergence (MACD)

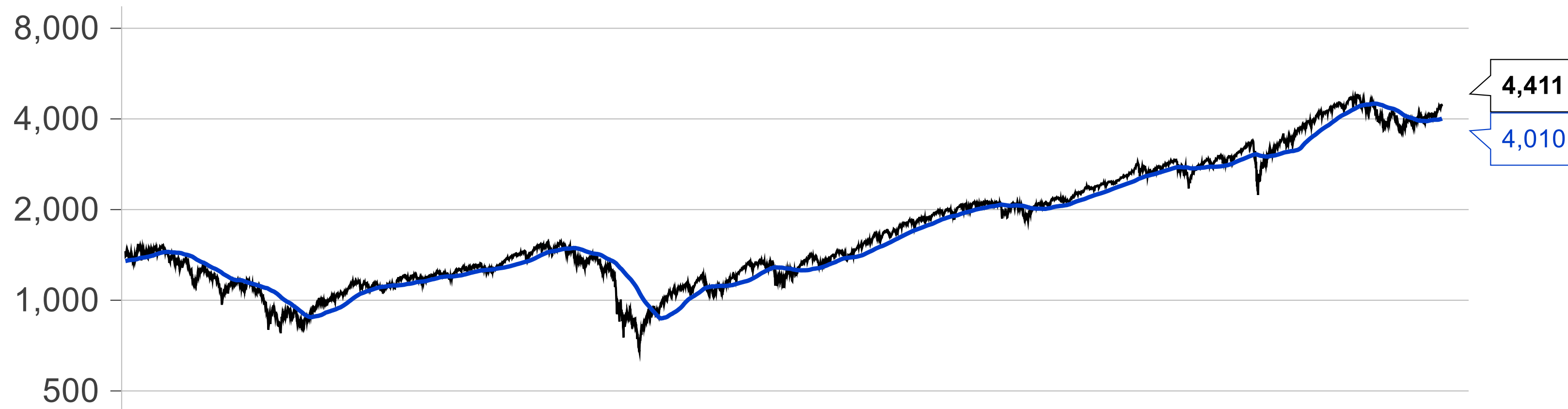


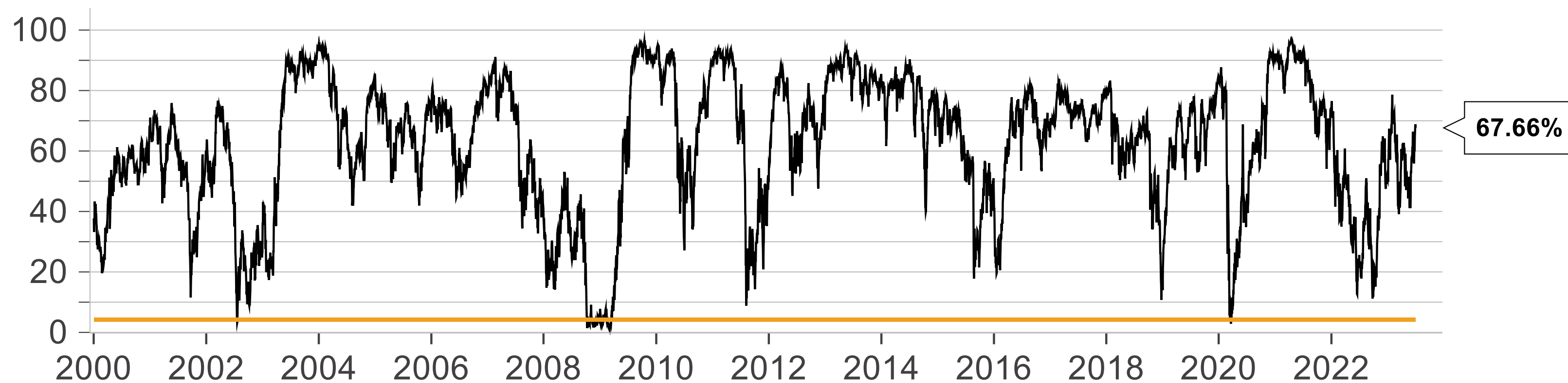
Source: Bloomberg, NewEdge Wealth

2023's rally has resulted in significantly healing in the S&P 500's trend.

The Monthly Moving Average Convergence Divergence (MACD), a measure of trend, has turned positive for the first time since the 2022 bear market began.

Technicals: Breadth Has Improved, But Not as Powerful as Prior Bull Starts





Source: NewEdge Wealth, Macrobond, Bloomberg

As of 7/6/23

Typically, we see a breadth surge at the beginning of a bull market, but given how narrow the rally has been this year (with only 7 stocks contributing the vast majority of the total returns in 2023), we have not see breadth be as powerful, despite the robust index returns.

NewEdge WEALTH

Sentiment Has Turned Bullish, Positioning Has Turned Overweight

Source: Bloomberg, NewEdge Wealth

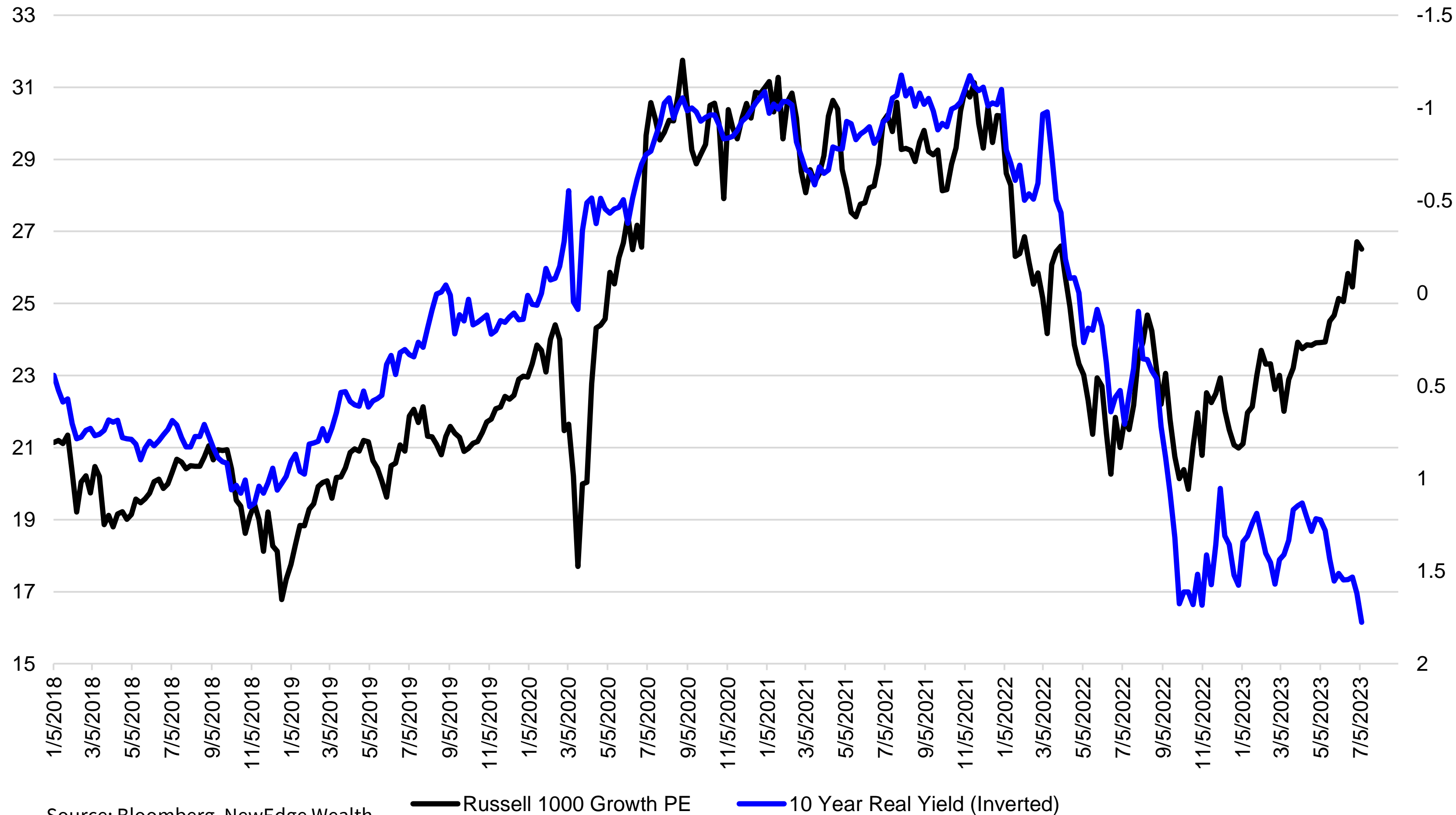
Investor sentiment has improved materially in 2023, as investors have become more optimistic as the S&P 500 has rallied.

This has led to chasing behavior, with inflows into equity funds jumping and call option buying surging.

We have also seen measures of positioning, such as Deutsche Bank's Consolidated Positioning Index, go from deeply underweight to start 2023 to nearing aggressive overweight today.

Neither positioning or sentiment are at extreme enough levels (yet) to be outright headwinds (like they were in early 2018 and early 2022).

Valuations Have Diverged Meaningfully from Real Yields, Is it Sustainable?



Source: Bloomberg, NewEdge Wealth

As of 7/6/23

One of the dynamics that has surprised us the most in 2023 has been the divergence of real yields and Growth valuations.

After being inversely correlated since 2018, real yields surging higher has been completely ignored by Growth stock valuations.

This is likely due to liquidity (described in Fed section) and AI optimism. Interestingly, Growth earnings have only been revised higher by ~3% for 2023-2025 in the past 3 months, though earnings revisions do typically lag.

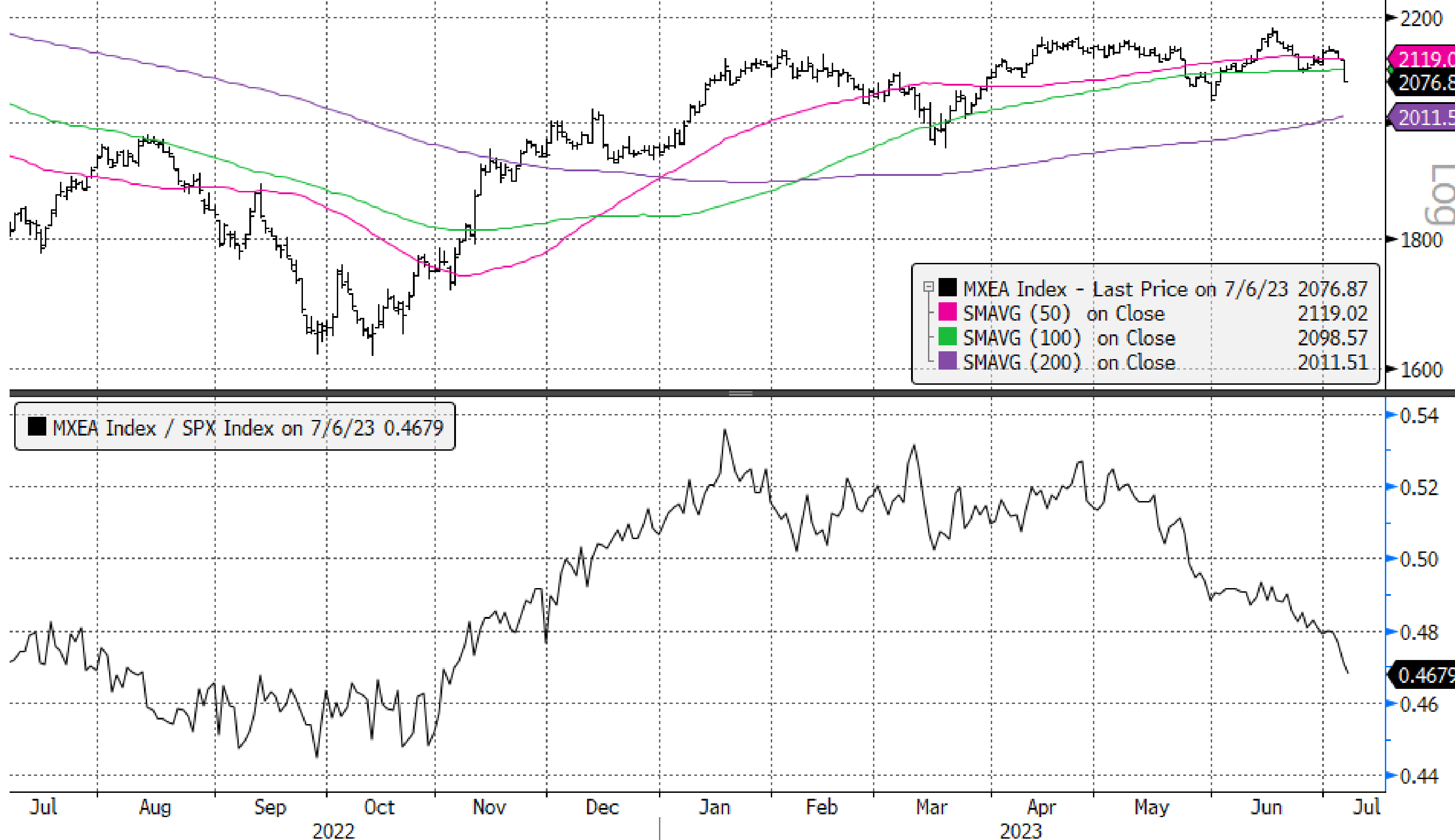
The Riskiest of the Risk Underperforming

Microcap stocks are even riskier than small caps, and when they outperform small caps, it is typically a sign of expanding risk appetite.

After the meme and speculative bubble topped in 2021 (coincided with the peak in money supply growth), microcaps have been underperforming.

As of 7/6/23

International Developed Under Pressure



Source: Bloomberg, NewEdge Wealth

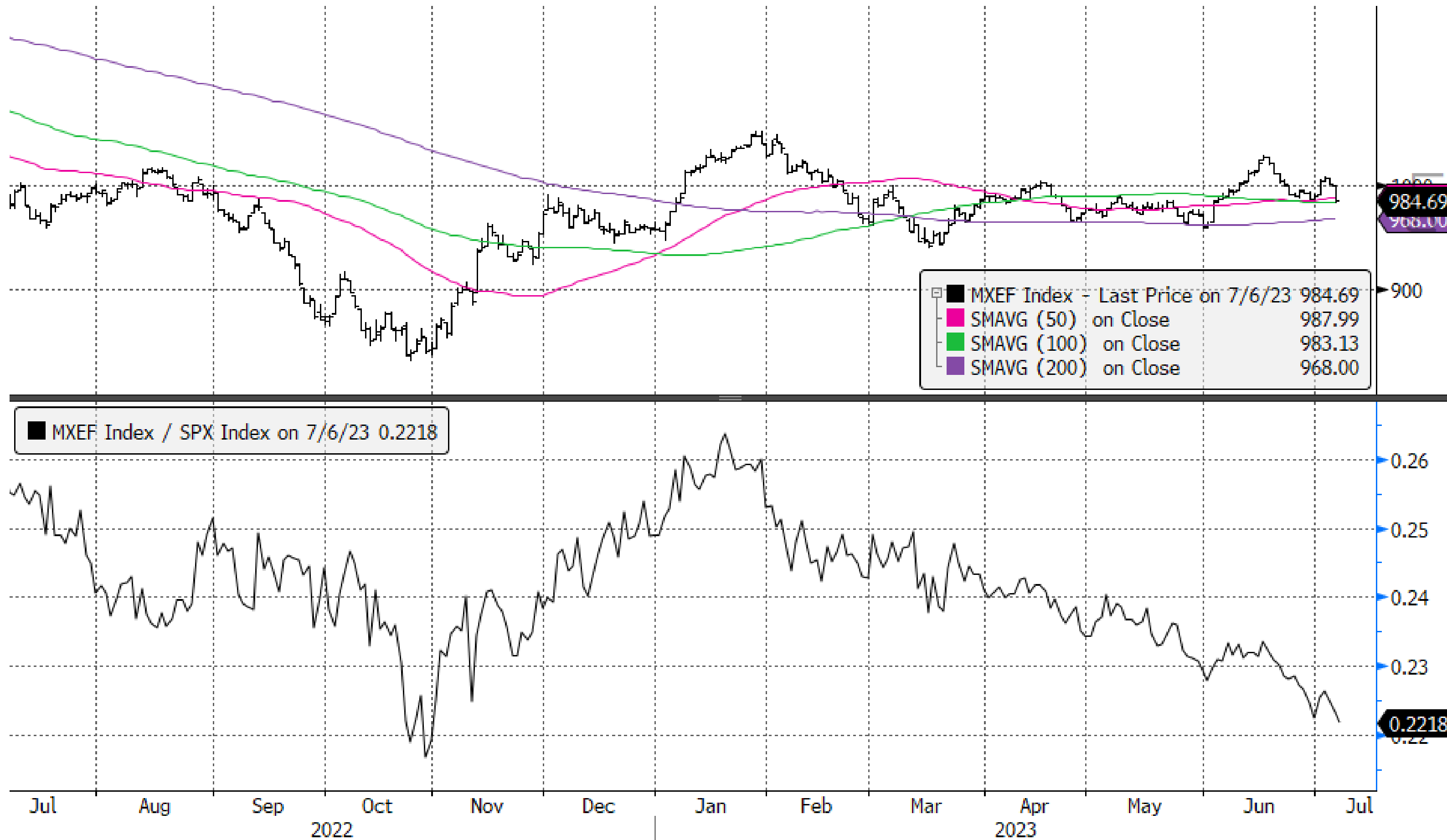
After a strong end to 2022 and a solid start to 2023, international developed stocks have been lagging materially since May.

This is partially because of the indices lower weighting to Technology (8% of EAFE and leaders with the AI boom) and larger weighting to Financials (18% of EAFE and laggards post the regional banking issues).

Further, pronounced weakness in UK stocks (15% of EAFE), which have offset strength in Japanese stocks (22% of EAFE).

Emerging Markets Persistently Weak

MSCI Emerging Markets Index (MXEF) Absolute and Relative to U.S. S&P 500



Source: Bloomberg, NewEdge Wealth

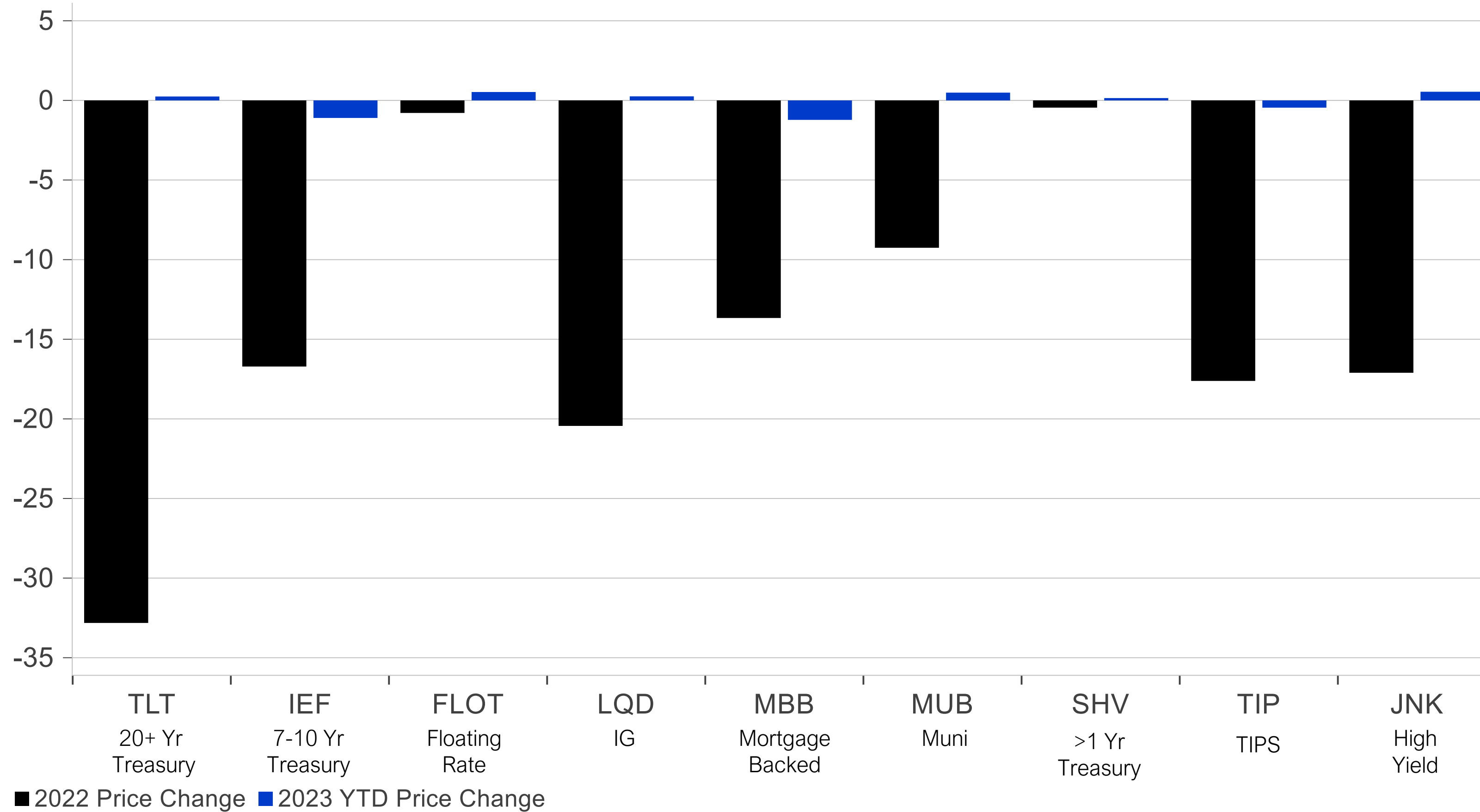
Emerging markets remain weak on both a short and long term basis (they remain in a 15 year relative downtrend).

China's lackluster reopening continues to weigh on the emerging markets index.

We will watch closely how EM stocks respond to the end of hiking/tightening cycles in their local countries and the potential start of cutting/easing cycles.

Fixed Income

After an Ugly 2022, Stabilization to Start 2023



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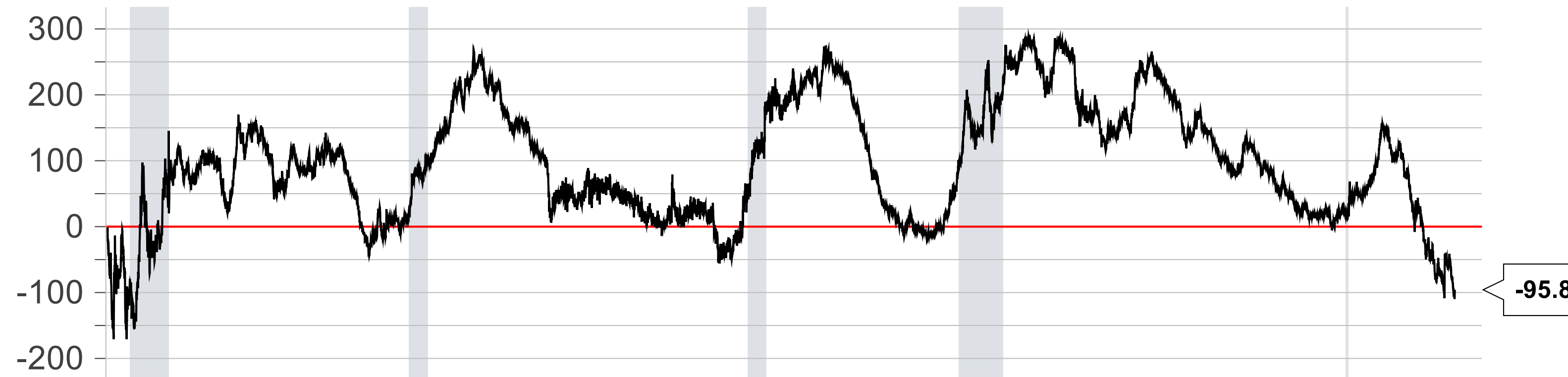
Bonds have had a better start to 2023 than 2022, but price gains have been minimal as yields remain elevated.

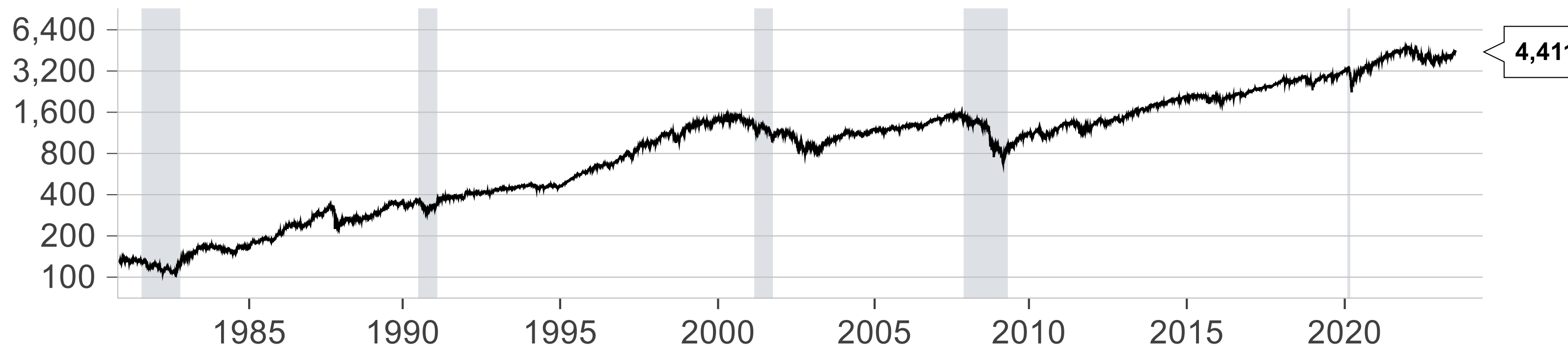
It's Not the Inversion, It's the Re-Steepening That Gets You

Re-Steepening of the Yield Curve Occurs Before Recessions Begin and Risk Assets Bottom

US Treasury 2s10s Curve (NBER Recessions Shaded)



S&P 500 (NBER Recessions Shaded)



Source: NewEdge Wealth, Macrobond, Bloomberg

As of 7/6/23

As mentioned with the 2-year, a sharp drop in short-term yields signals an imminent recession and rate cuts.

This is why a re-steepening of the yield curve (when short-term yields start to drop faster than long-term yields, called a bull steepener) is the a much better signal for the timing of a recession than the inversion of the curve itself.

Note that the re-steepening has typically begin before or in the early days of a recession, while risk assets have not bottomed until the re-steepening is well underway.

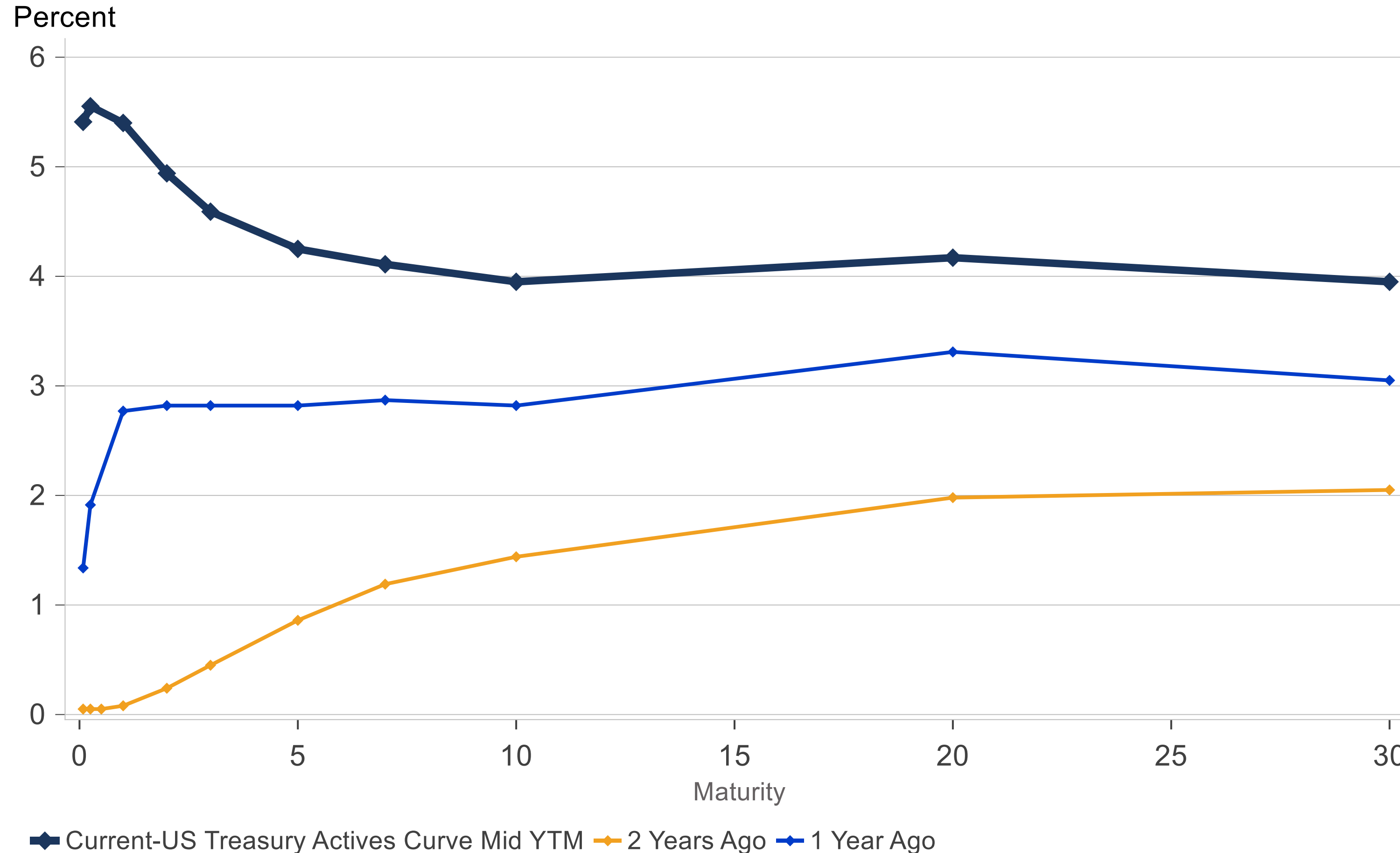
Credit Spreads Remain Contained

As of 7/6/23

Despite a jump higher in delinquency rates, credit spreads for both high yield and investment grade debt remain contained.

This is partially due to supply/demand (low supply for new debt, while demand for juicy all-in yields is high), plus economic data that remains better-than-expected has kept recession fears from becoming a reality.

The Entirety of the U.S. Yield Curve is Now Nearly Above 4%!



As of 7/6/23

What a difference 2 years makes!

This time in 2021, the entirety of the U.S. yield curve was below 2%.

This allowed borrowers, both corporates and households, to borrow long-term at historically low rates.

Today, the yield curve has shifted materially higher following the Fed's rapid rate hiking cycle, end of quantitative easing (bond buying), beginning of quantitative tightening (reducing its balance sheet), and resilience of the U.S. economy.

Disclosures

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Abbreviations/Definitions: AI: artificial intelligence; CB: central banks; CPI: Consumer Price Index; Dot Plot: The Fed dot plot is published quarterly as a chart showing where each of the 12 members of the FOMC expect the federal funds rate to be for each of the next three years and the long term; EBITDA: Earnings before interest, taxes, depreciation and amortization; EM: emerging markets; EPS: earnings per share; HY: high yield; IG: investment grade; Initial Jobless Claims: measures the number of individuals who filed for unemployment insurance for the first time during the past week; IPO: initial public offering; Treasury General Account (TGA): Treausry's cash balance held at the Fed; Trimmed mean inflation: a measure that strips out the fastest and slowest growing prices each month, leaving behind a less noisy measure of core inflation; VIX is the ticker symbol for the Chicago Board Options Exchange's CBOE Volatility Index, a popular measure of the stock market's expectation of volatility based on S&P 500 index options.

Disclosures

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. You cannot invest directly in an index. Index returns shown are total returns which includes interest, capital gains, dividends, and distributions realized over a given period of time. An individual who purchases an investment product which attempts to mimic the performance of a benchmark or index will incur expenses such as management fees and transaction costs which reduce returns.

TIPS: Bloomberg Barclays Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged
Municipals 5-Year: Bloomberg Barclays Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD
Core Bond: Bloomberg Barclays US Agg Total Return Value Unhedged USD
U.S. MBS: Bloomberg Barclays US MBS Index
High Yield Municipals: Bloomberg Barclays Muni High Yield Total Return Index Value Unhedged USD
High Yield: Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD
Foreign Bond: Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)
EM Debt (unhedged): J.P. Morgan GBI-EM Global Diversified Composite Unhedged USD
U.S. Large Cap: S&P 500 Total Return Index
U.S. Small Cap : Russell 2000 Total Return Index
International Developed: MSCI EAFE Net Total Return USD Index
Emerging Markets: MSCI Emerging Markets Net Total Return USD Index
World: MSCI ACWI Net Total Return USD Index
U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD
Commodities: Bloomberg Commodity Total Return Index
Midstream Energy: Alerian MLP Total Return Index
Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index
U.S.: MSCI USA Net Total Return USD Index

Europe: Euro Stoxx 50
United Kingdom: UK FTSE 100
Japan: Tokyo TOPIX Stock Exchange Index
China: Hang Seng Index
Brazil: Ibovespa Brasil Sao Paulo Stock Exchange Index
India: NSE Nifty Index
South Korea: Korea Stock Exchange KOSPI Index
Taiwan: Taiwan Stock Exchange Index

REITS Diversified: FTSE Nareit Eqty Diversified Total Return Index
REITS Healthcare: FTSE Nareit Eqty Health Care Total Return Index
REITS Industrial: FTSE Nareit Eqty Industrial Total Return Index
REITS Lodging/Resorts: FTSE Nareit Eqty Lodging/Resorts Total Return Index
REITS Office: FTSE Nareit Eqty Office Total Return Index
REITS Residential: FTSE Nareit Eqty Residential Total Return Index
REITS Retail: FTSE Nareit Eqty Retail Total Return Index
REITS Self Storage: FTSE Nareit Eqty Self Storage Total Return Index
REITS Data Centers: FTSE Nareit Equity Data Centers Total Return Index
REITS Specialty: FTSE Nareit Equity Specialty Total Return Index
Real Assets Agriculture: Bloomberg Sub Agriculture Total Return Index
Real Assets Industrial Metals: Bloomberg Sub Industrial Metals Total Return Index
Real Assets Precious Metals: Bloomberg Sub Precious Metals Total Return Index
Real Assets Energy: Bloomberg Sub Energy Total Return Index

Any questions?

Contact: