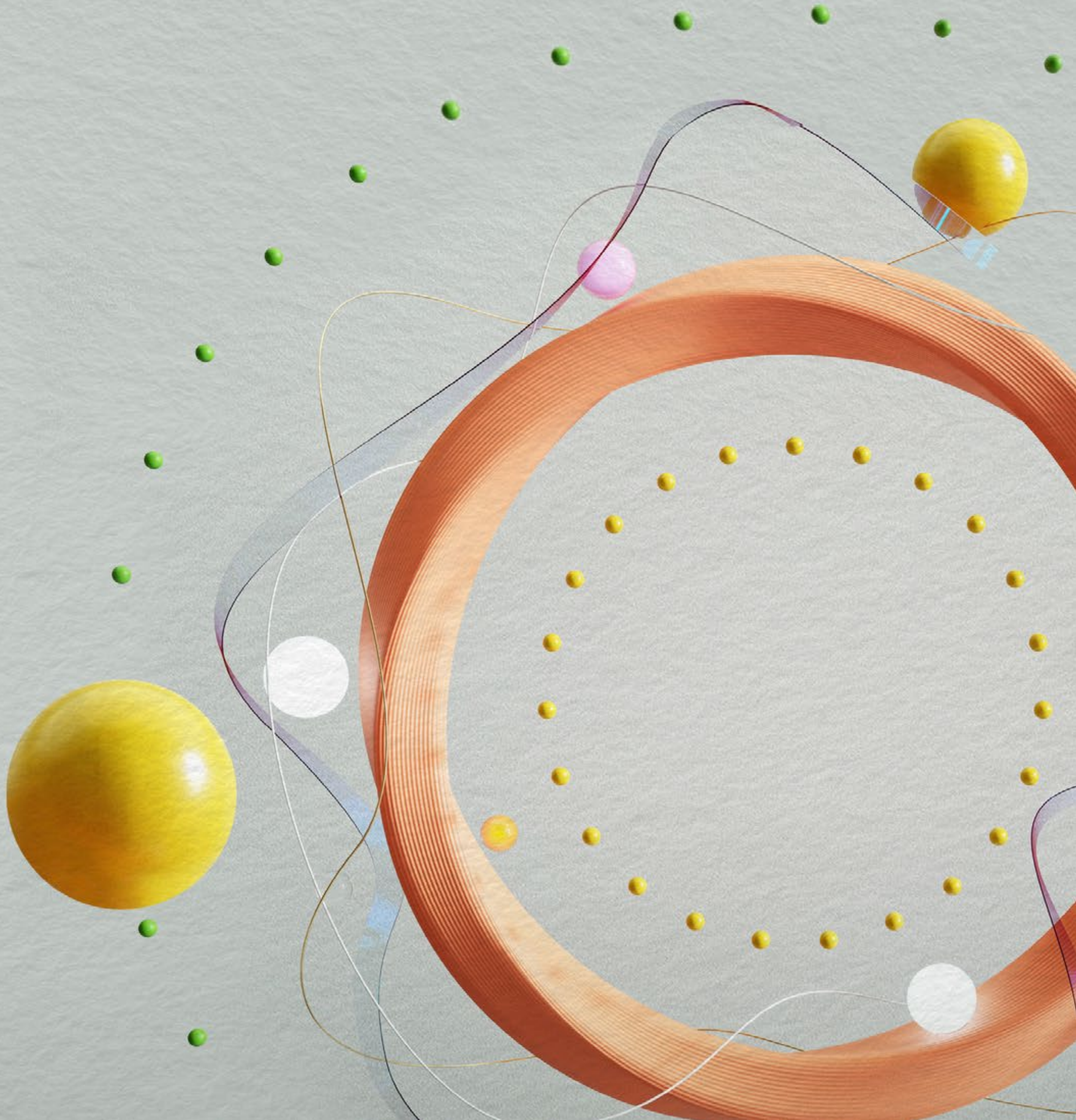
Family Office Investment Report

Q2 2024 CAPITAL FLOWS & INSIGHTS



This analysis is based on investment assets held by single family office clients at Citi Private Bank. Citi Private Bank's Global Family Office Group considers a single family office to have US $250mm+ net worth and one or more dedicated professionals covering i. portfolio of assets/investments & liabilities; ii. legal matters; iii. finance and accounting; iv. trusts & tax planning; and/or v. philanthropy & foundations.

Data is taken from more than 1,200 single family office clients globally and filtered for size and allocation characteristics. This publication presents a general snapshot of how Citi Private Bank's single family office clients are positioned and provides insight into regional flows. The data provided is not representative of and should not be deemed to be attributable to any particular family office client. Please refer to page 22 for methodology information.

Investment assets that single family office clients hold at Citi Private Bank were captured on March 31 and June 30, 2024. The asset classes included align with Citi Private Bank's Global Investment Committee definitions and nomenclature. Please refer to pages 23-24 for index definitions and page 25 for asset class definitions.

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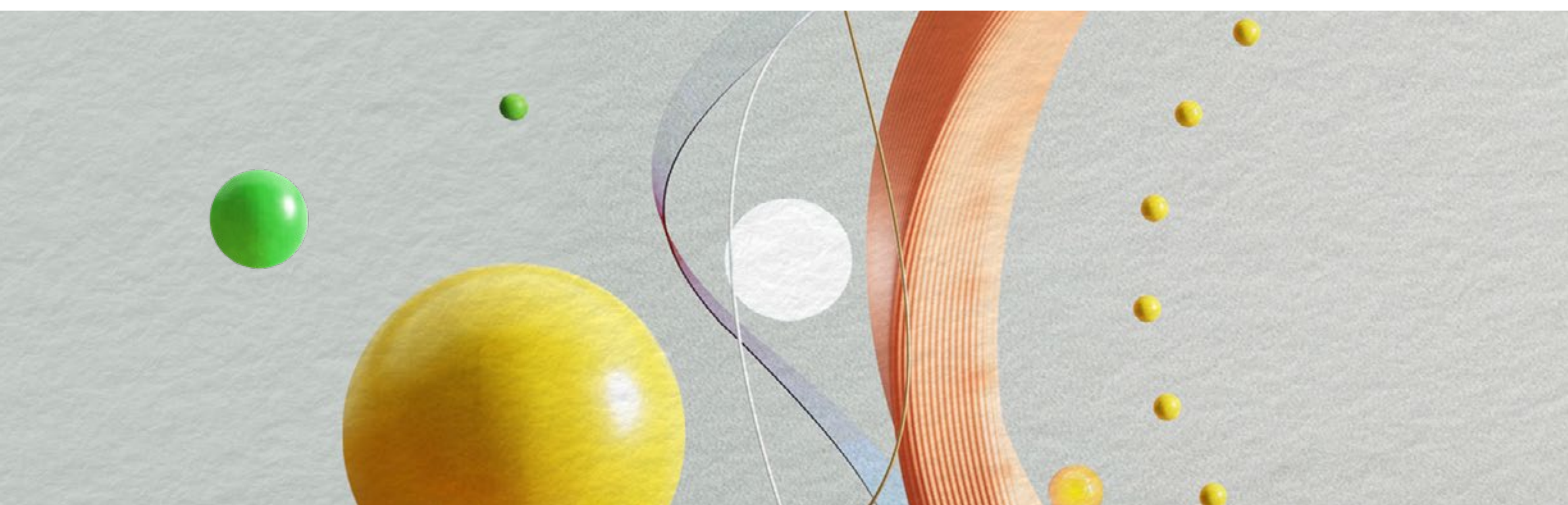


Foreword

Actions speak louder than words. While often true in life, this rule of thumb may have even greater relevance when it comes to investing. Financial markets are noisy places, owing to almost incessant chatter, rumors, and extrapolation. Amid the din, we believe that looking at how investors are acting may be more instructive than listening to speculation about how they might be acting.

Of course, this is easier said than done. Insight into the portfolio positioning and shifts of others is not always readily available. This is especially true when it comes to family offices. Unlike many other market participants, they typically shun publicity. So, our Family Office Investment Report provides a quarterly aggregate snapshot of these sophisticated entities' recent decisions. We then review these moves given subsequent events.

Many risk assets rallied in the second quarter of 2024, particularly Equities. This followed our family office clients' broad-based additions to equity holdings in the first three months of the year. By contrast, they were more ambivalent about Fixed Income, which has since done somewhat worse.

During the second quarter, our family office clients also continued to allocate more to Equities but also to Hedge Funds. There has also been a modest renewal of interest in Fixed Income. We shall, of course, be closely watching how these moves play out over the coming quarters.

To provide you with yet more insights into family office investment thinking, we will publish our annual survey report in mid-September. The survey presents the total holdings of many of our family office clients across all providers, accompanied by their perspectives into a wide range of key issues. Based on self-reported data, it is most useful when read in conjunction with this publication.

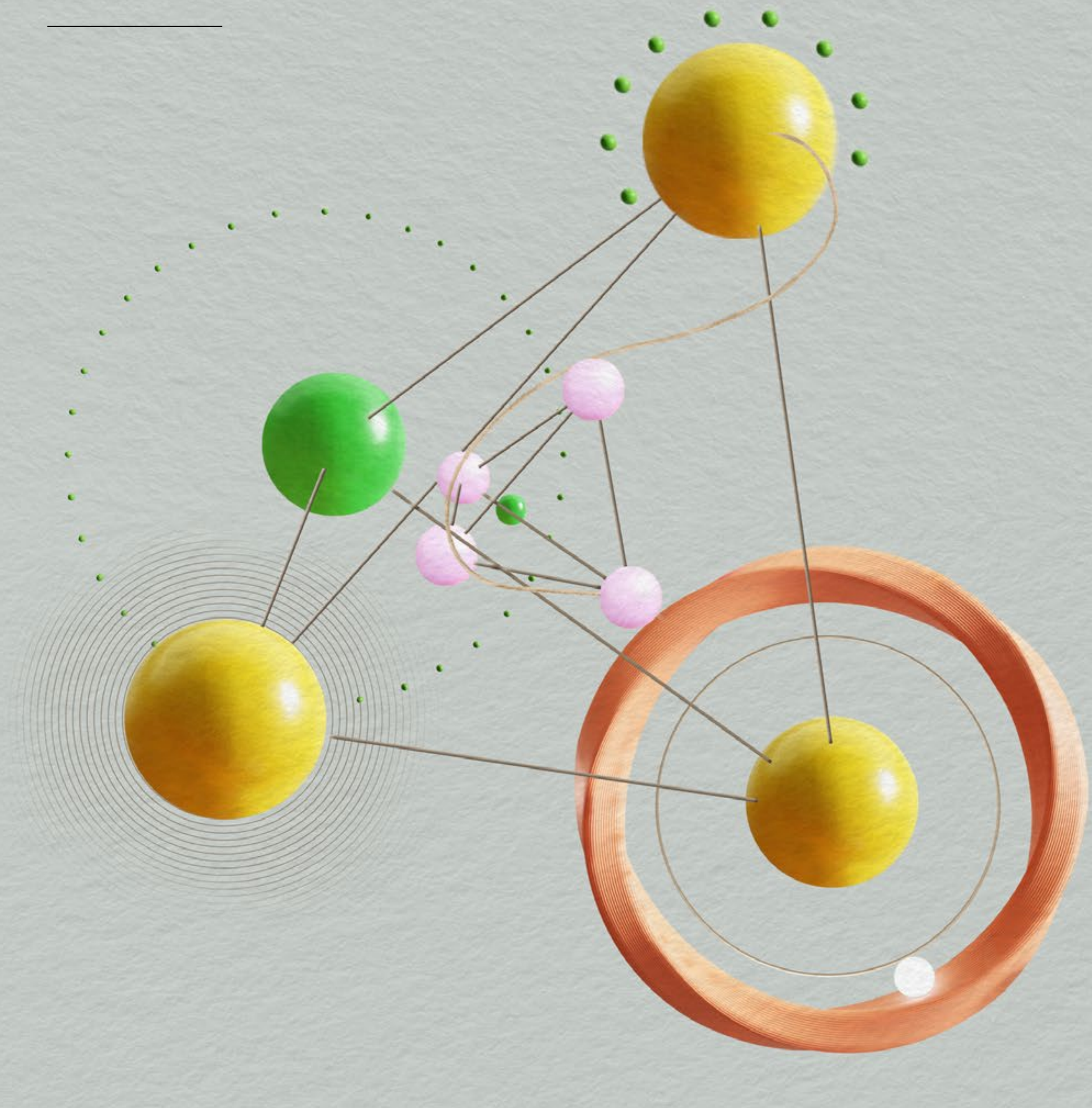
After you have digested this report, we invite you to have a conversation with us about your family office's positioning. We are always keen to hear your perspectives and discuss possibilities for evolving your allocation.

It is our privilege to serve you.

Hannes Hofmann
Head
Global Family Office Group

Shu Zhang
Head
Global Investment Lab

Asset allocation



ASSET ALLOCATION

Despite a further delay in US interest rate cuts and greater geopolitical uncertainty, many family offices raised their allocations to Fixed Income and Equities in the second quarter of 2024, while further reducing Cash holdings.

Within Equities, their preferences tilted toward Developed Large Caps. All regions except North America saw reduced allocations to Small and Mid Cap (SMID) Equities, while exposure to Emerging Markets Equities was down or flat.

Within Fixed Income sub-asset classes, flows were mixed across all four regions with no clear preference.

Allocations to Hedge Funds rose during the period.

Activity in Commodities was muted.

FIGURE 1: ASSET ALLOCATIONS (EQUAL-WEIGHTED)*

	GLOBAL	APAC	EMEA	LATAM	NAM
CASH	28.2%	27.3%	27.9%	29.0%	28.5%
FIXED INCOME	22.4%	20.3%	22.9%	24.9%	21.8%
EQUITIES	35.0%	40.3%	31.6%	32.9%	35.8%
HEDGE FUNDS	3.0%	3.7%	3.1%	3.3%	2.4%
PRIVATE EQUITY	7.3%	4.7%	8.1%	5.9%	8.5%
REAL ESTATE	3.5%	3.2%	5.5%	3.3%	2.4%
COMMODITIES	0.7%	0.5%	0.9%	0.7%	0.6%

An equal–weighted average of family office client allocations as of June 30, 2024.
In the 'equal–weighted' methodology, each account included in the analysis is given the same weight (1/Number of Accounts).

FIGURE 2: ASSET ALLOCATIONS (CAPITAL-WEIGHTED)*

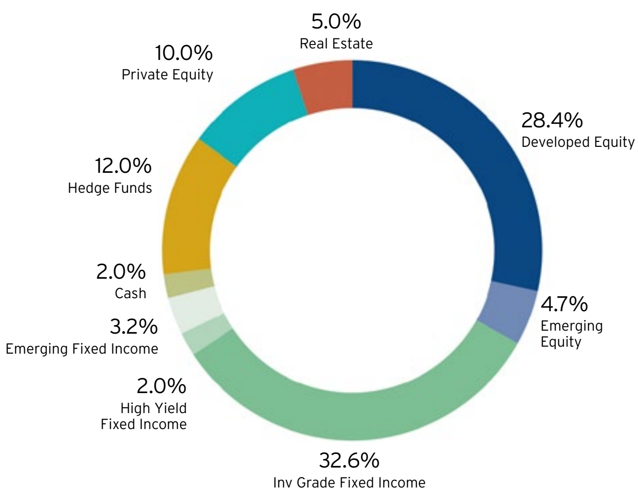
	GLOBAL	APAC	EMEA	LATAM	NAM
CASH	20.4%	17.0%	23.0%	19.8%	20.5%
FIXED INCOME	17.7%	20.3%	21.7%	17.8%	14.8%
EQUITIES	55.6%	58.5%	39.9%	57.5%	61.6%
HEDGE FUNDS	2.0%	1.4%	4.3%	2.0%	1.0%
PRIVATE EQUITY	2.6%	1.8%	5.8%	2.1%	1.5%
REAL ESTATE	1.4%	0.8%	4.0%	0.6%	0.5%
COMMODITIES	0.4%	0.3%	1.3%	0.3%	0.1%

A capital–weighted average of family office client allocations as of June 30, 2024.
In the 'capital–weighted' methodology, each account's weight is proportional to its market value (Weight of Account A = Market Value of Account A / Market Value of Family Office Client Universe Holdings).

Source: Citi Private Bank, June 2024.

*This analysis takes holdings data from over 1,200 relationships globally and requires a minimum of 50 relationships in each region (APAC, EMEA, LATAM or NAM) to conduct this analysis.

FIGURE 3: GLOBAL ALLOCATION IN US DOLLARS WITH HEDGE FUNDS AND 15% ILLIQUIDS (PRIVATE EQUITY & REAL ESTATE) AT RISK LEVEL 3*



Source: Citi Global Wealth Investments Quant Research & Global Asset Allocation teams, data as of December 31, 2023

Cash

- Extending the trend of several recent quarters, family offices cut their exposure to Cash. This was the case for family office clients overall (equal-weighted basis) and those with larger portfolios held at Citi Private Bank (capital-weighted basis) in all four regions bar Latin America.

Fixed Income

- Allocations were flat to positive in all regions bar Latin America on both an equal- and capital-weighted basis.
- Preferences for fixed income sub-asset classes were mixed across regions.

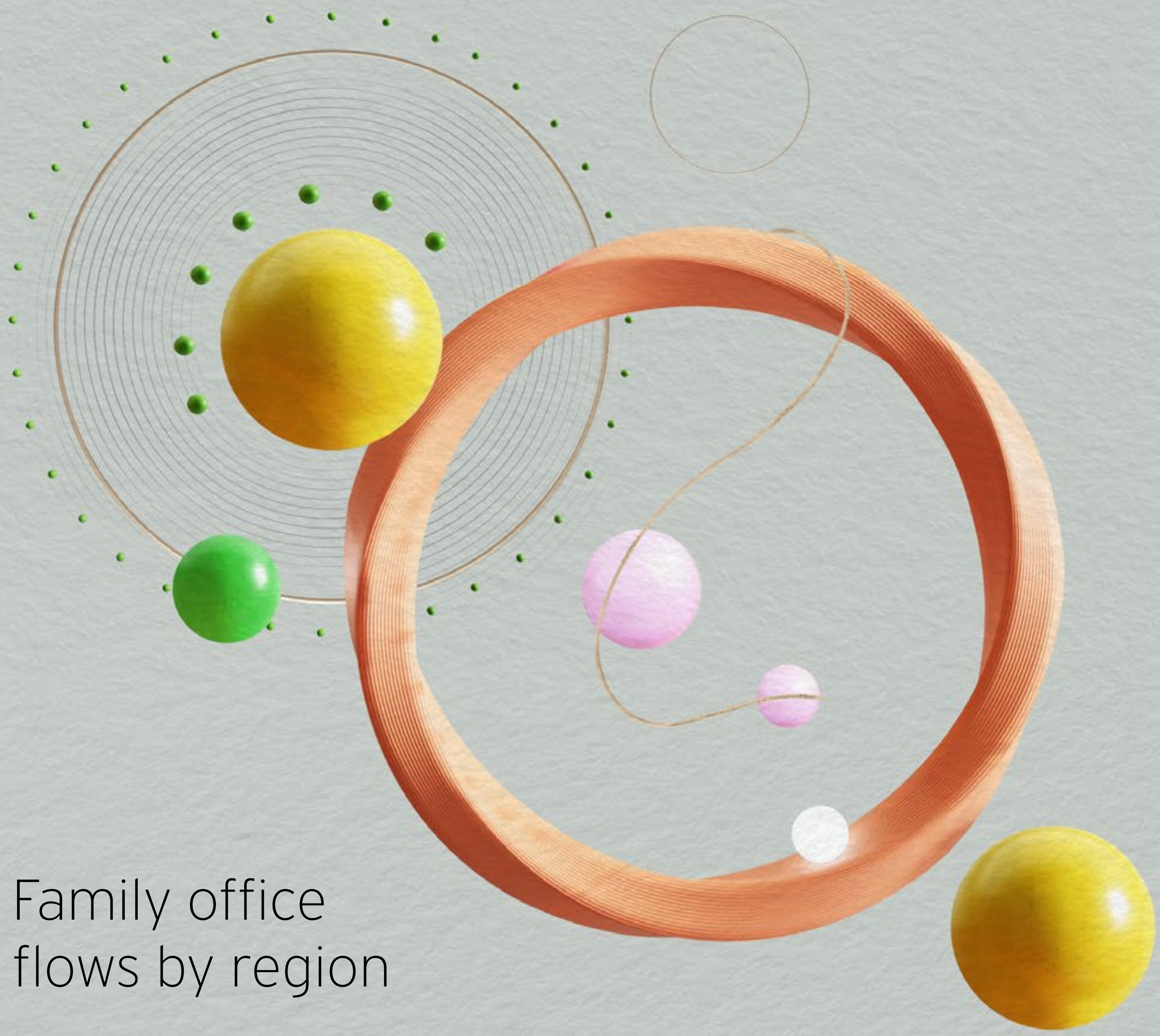
Equities

- Equities saw increased allocations in three of four regions on an equal-weighted view. For family offices with large portfolios at Citi Private Bank, allocations rose in every region.
- As in previous quarters, Developed Large Cap Equities were favored.
- Developed Small and Mid Cap Equities experienced a reversal of the previous quarter's positive flows except in North America.

Alternatives and Commodities

- Hedge Fund allocations went up in every region bar Latin America (equal-weighted basis), while the trend was mixed for family offices with larger portfolios at Citi Private Bank.
- Private Equity saw significantly increased allocations in two regions, with minor retreats in two other regions (equal-weighted basis).
- There was no clear trend in Real Estate or Commodities between regions.

*Please refer to Citi Global Wealth Investments' Global Investment Committee's Portfolio Allocations for information on portfolios at each risk level.



Family office flows by region

How have family office clients' portfolios evolved in the second quarter of 2024?

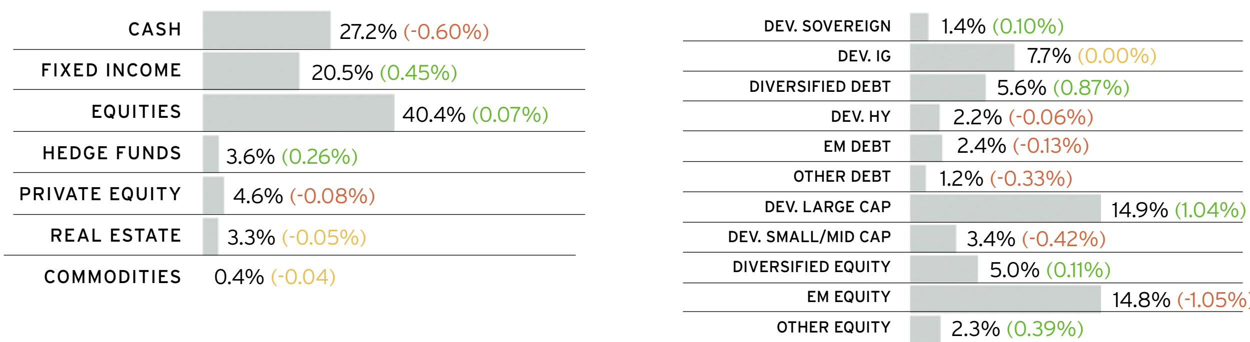
In this section, we break down portfolio flows by region. Key trends observed include:

- A renewed but modest shift into Fixed Income overall
- Mixed preferences for Fixed Income sub-asset classes
- Continued appetite for Equities across most regions
- A widespread preference for Developed Large Cap Equities over Small and Mid Caps
- Increased allocations to Hedge Funds in most regions

ASIA PACIFIC

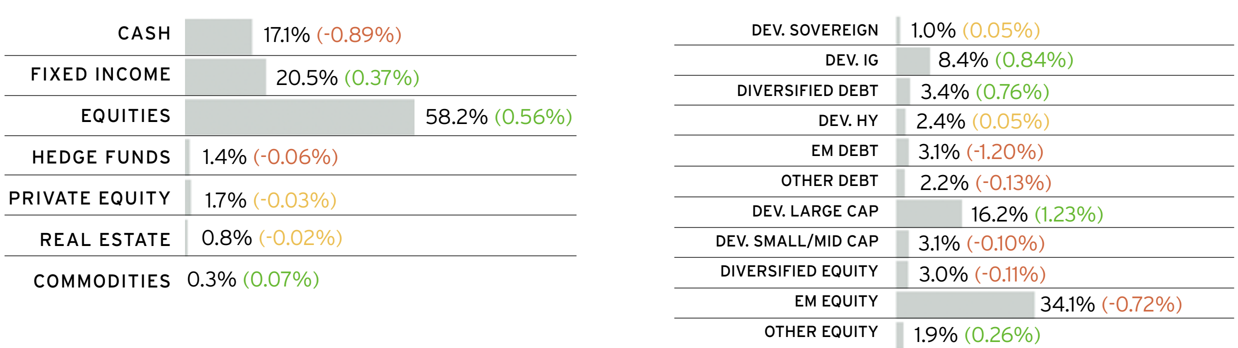
As in the previous quarter, family offices allocated more to both Fixed Income and Equities on an equal-weighted basis. This pattern was even more pronounced for family offices with larger portfolios at Citi Private Bank.

FIGURE 4: ASSET ALLOCATIONS (EQUAL-WEIGHTED)*



An equal–weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

FIGURE 5: ASSET ALLOCATIONS (CAPITAL-WEIGHTED)*



An equal–weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

DECREASED ALLOCATION AS COMPARED TO PRIOR PERIOD

NO CHANGE TO ALLOCATION AS COMPARED TO PREVIOUS PERIOD

INCREASED ALLOCATION AS COMPARED TO PREVIOUS PERIOD

Source: Citi Private Bank, June 2024. The changes in asset allocation are based on trading activity. Holdings are normalized to March 31, 2024 valuations for consistency and, as such, are not impacted by price action. Detailed methodology is available on page 22.

*Two weighting methodologies are used in this analysis: equal–weighted and capital–weighted. In the 'equal–weighted' methodology, each account included in the analysis is given the same weight (1/Number of Accounts). In the 'capital–weighted' methodology, each account's weight is proportional to its market value (Weight of Account A = Market Value of Account A / Market Value of Family Office Client Universe Holdings). This analysis takes holdings data from over 1,200 relationships globally and requires a minimum of 50 relationships in each region (APAC, EMEA, LATAM or NAM) to conduct this analysis.

Fixed Income

- Net dollar flows were positive once more, but at almost twice the rate of the first quarter of 2024.
- Developed Investment Grade and Developed Sovereign were together the largest contributors of overall positive net dollar flow within Fixed Income. Most buying activity centered on US Treasuries and high-quality financial credits within the short- to intermediate-duration range.
- Dollar flows into Diversified Fixed Income were also net positive, and at similar magnitude to those into Developed Investment Grade and Developed Sovereign. A handful of large buy trades on select global income funds were largely responsible. But even excluding these trades, overall net dollar flow remains positive.
- Allocations to Developed Corporate High Yield rose again on a capital-weighted view. Buying was broadly diversified across financials, energy and real estate, while selling primarily involved select financial perpetuals.
- Net dollar outflow from Emerging Market Debt was mainly due to bond maturities. Excluding maturing bonds, net dollar flow was flat for the quarter. Buying and selling activities were broadly diversified across sectors.

Equities

- Net dollar flow for Equities was positive for the third quarter running, with family offices increasing allocation on both an equal-weighted and capital-weighted basis.
- Developed Large Cap Equities was the main driver of positive net dollar flow, at roughly twice the rate of the previous quarter. Buying and selling of individual equities and exchange traded funds (ETFs) within the US technology sector dominated net dollar flow for the quarter. While this mostly focused on the US, there was also buying interest in select Japanese stocks.
- Developed Small and Mid Cap Equities saw another quarter of net dollar outflow. Buying and selling activities were broadly diversified across sectors and geographies.
- Emerging Markets Equities saw negative net dollar flow in the second quarter of 2024, as in the first quarter. Buying was broadly diversified across sectors, while selling was largely concentrated upon the information technology, consumer discretionary and communication services sectors. We continued to see moderate buying interest in select India-focused funds.
- On average, family offices in the region hold a greater allocation to Equities than anywhere else on an equal-weighted basis.

Alternatives and Commodities

- Allocations to Hedge Funds overall stepped up on an equal-weighted basis.
- However, allocations retreated on a capital-weighted basis owing to the distortionary effect of a large redemption by one family office with a large portfolio at Citi Private Bank.
- There was moderate buying interest in certain multi-strategy and multi-manager hedge fund strategies.
- Trading within Commodities was also muted, with allocation staying broadly flat at 0.4% on an equal-weighted basis.

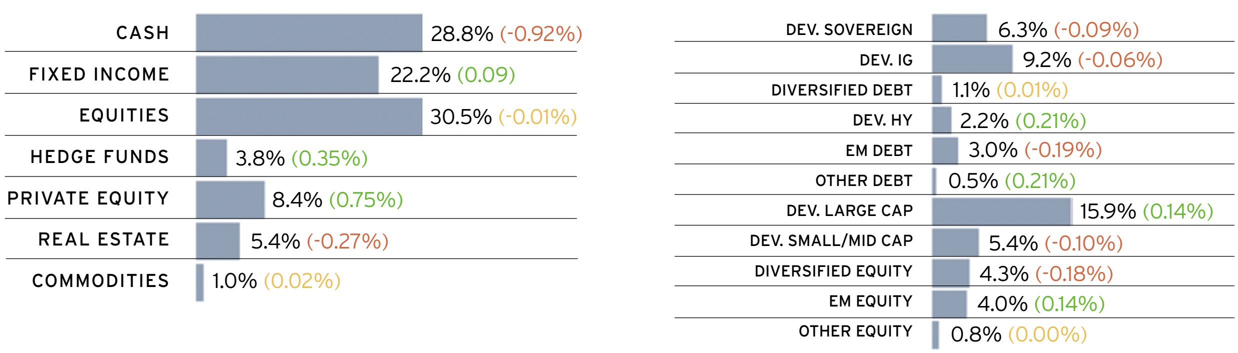
The changes in asset allocation are based on trading activity. Holdings are normalized to June 30, 2024 valuations for consistency and, as such, are not impacted by price action. Detailed methodology is available on page 22. This page summarizes changes observed in Citi Private Bank's single family office clients' portfolio asset allocations in Q2 2024. The summary on this page is for informational purposes only, based on past activity, not intended to represent investment advice, nor any projection of forward—looking performance.

EUROPE, THE MIDDLE EAST & AFRICA

Putting capital to work remained the order of the day, with allocations to Cash declining on both an equal- and capital-weighted basis.

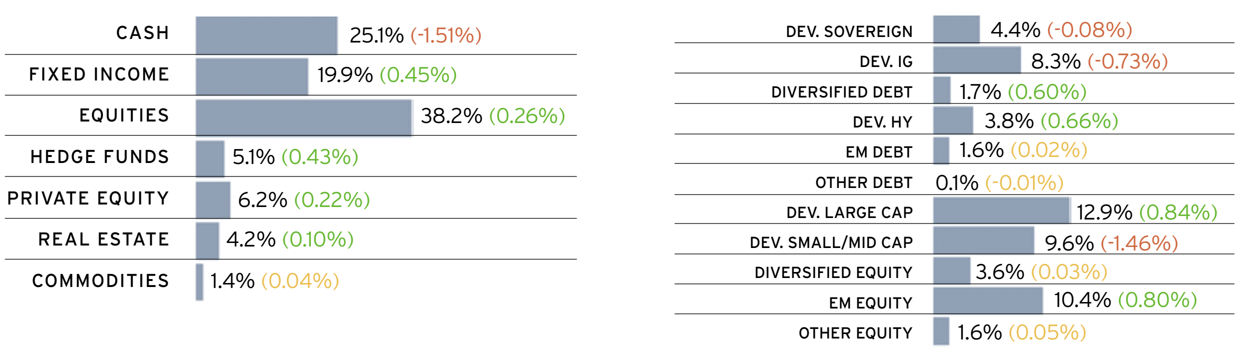
Private Equity and Hedge Funds allocations rose.

FIGURE 6: ASSET ALLOCATIONS (EQUAL-WEIGHTED)*



An equal–weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

FIGURE 7: ASSET ALLOCATIONS (CAPITAL-WEIGHTED)*



An equal–weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

DECREASED ALLOCATION AS COMPARED TO PRIOR PERIOD

NO CHANGE TO ALLOCATION AS COMPARED TO PREVIOUS PERIOD

INCREASED ALLOCATION AS COMPARED TO PREVIOUS PERIOD

Source: Citi Private Bank, June 2024. The changes in asset allocation are based on trading activity. Holdings are normalized to March 31, 2024 valuations for consistency and, as such, are not impacted by price action. Detailed methodology is available on page 22.

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Fixed Income

- Family offices overall fractionally increased their holdings in the second quarter of 2024 (equal-weighted basis).
- Those with larger portfolios at Citi Private Bank, however, upped their allocations somewhat more.
- Developed Corporate High Yield was favored among family offices overall and on a capital-weighted basis.
- Family offices broadly maintained their allocation to high-quality debt, albeit with redemptions in selected short maturity funds.
- While allocations to Emerging Market Debt declined during the period, holdings were steady on a capital-weighted basis.

Equities

- While allocations to Equities remained broadly unchanged on average for the second quarter, family offices with larger investment portfolios at Citi Private Bank slightly increased their allocations.
- Developed Large Cap Equities accounted for approximately 61% of overall trading volume for this asset class. Within Large Caps, there was net buying of European stocks, while US technology and communication stocks saw outflows as clients potentially sought to take profits following the strong market rally.
- Allocations to Developed Small and Mid Cap (SMID) names declined, particularly on a capital-weighted basis.
- Emerging Market names experienced continued net dollar inflows during the period, driven by activity around select large cap Indian stocks.

Alternatives and Commodities

- Allocations to Private Equity and Hedge Funds increased during the period.
- Allocations to Commodities remained flat during the period.

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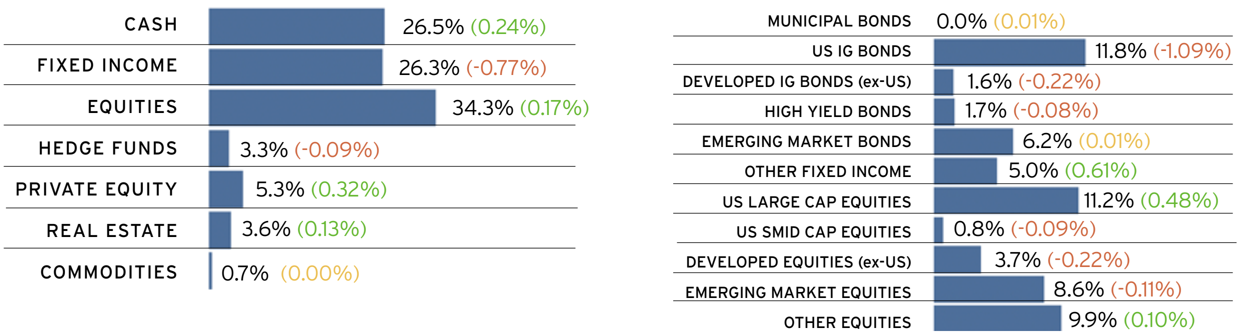
LATIN AMERICA

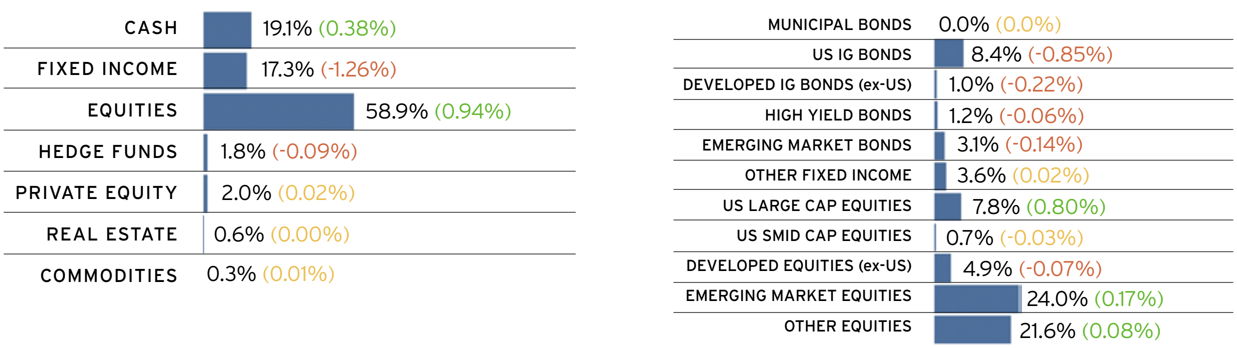
Fixed income exposure was trimmed, with proceeds reinvested in more growth-oriented asset classes such Equities, Private Equity, and Real Estate.

FIGURE 8: ASSET ALLOCATIONS (EQUAL-WEIGHTED)*



An equal–weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

FIGURE 9: ASSET ALLOCATIONS (CAPITAL-WEIGHTED)*



An equal–weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

DECREASED ALLOCATION AS COMPARED TO PRIOR PERIOD

NO CHANGE TO ALLOCATION AS COMPARED TO PREVIOUS PERIOD

INCREASED ALLOCATION AS COMPARED TO PREVIOUS PERIOD

Source: Citi Private Bank, June 2024. The changes in asset allocation are based on trading activity. Holdings are normalized to March 31, 2024 valuations for consistency and, as such, are not impacted by price action. Detailed methodology is available on page 22.

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Fixed Income

- The decreases in fixed income exposure were some of the most pronounced for any asset class regionally, on both an equal- and capital-weighted basis.
- The largest outflow occurred in US Investment Grade, focused on US Treasuries. By contrast, US Investment Grade Corporate exposure remained stable.
- Despite the outflows, Latin America family offices still had the largest exposure to this asset class of any region.

Equities

- Exposure to Equities increased overall, but especially so for family offices with larger portfolios at Citi Private Bank.
- Within Equities, the largest flows - equal- and capital-weighted - were purchases of US Large Cap Equities. These were mostly concentrated in broad-based S&P 500 strategies and some of the biggest individual technology stocks.

Alternatives and Commodities

- Half of family offices have an allocation to Private Equity and/or Real Estate held with Citi Private Bank.
- Slow distributions have resulted in higher net asset values for Private Equity and Real Estate holdings. This has slightly inflated allocation levels, particularly on an equal-weighted view.

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NORTH AMERICA

Despite the high yields still available on Cash, there was a continued shift toward other asset classes. This reallocation was tilted toward Equities rather than Fixed Income, although both saw inflows.

Family offices with larger investment portfolios at Citi were somewhat more active in putting Cash to work, as the capital-weighted figure shows.

FIGURE 10: ASSET ALLOCATIONS (EQUAL-WEIGHTED)*

CASH	27.6% (-1.46%)
FIXED INCOME	22.0% (0.40%)
EQUITIES	36.3% (0.78%)
HEDGE FUNDS	2.4% (0.29%)
PRIVATE EQUITY	8.7% (-0.03%)
REAL ESTATE	2.5% (0.01%)
COMMODITIES	0.5% (0.00%)

MUNICIPAL BONDS	12.7% (0.49%)
US IG BONDS	5.7% (0.19%)
DEVELOPED IG BONDS (ex-US)	0.6% (0.01%)
HIGH YIELD BONDS	0.3% (0.01%)
EMERGING MARKET BONDS	0.0% (0.00%)
OTHER FIXED INCOME	2.7% (-0.30%)
US LARGE CAP EQUITIES	20.4% (1.14%)
US SMID CAP EQUITIES	4.3% (0.14%)
DEVELOPED EQUITIES (ex-US)	3.8% (-0.08%)
EMERGING MARKET EQUITIES	1.7% (0.17%)
OTHER EQUITIES	6.2% (-0.59%)

An equal-weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

FIGURE 11: ASSET ALLOCATIONS (CAPITAL-WEIGHTED)*

CASH	20.0% (-2.39%)
FIXED INCOME	15.1% (0.49%)
EQUITIES	61.9% (1.82%)
HEDGE FUNDS	1.0% (0.04%)
PRIVATE EQUITY	1.5% (0.04%)
REAL ESTATE	0.5% (0.01%)
COMMODITIES	0.1% (0.00%)

MUNICIPAL BONDS	7.2% (0.16%)
US IG BONDS	5.7% (0.22%)
DEVELOPED IG BONDS (ex-US)	0.8% (0.06%)
HIGH YIELD BONDS	0.1% (0.00%)
EMERGING MARKET BONDS	0.0% (0.02%)
OTHER FIXED INCOME	1.3% (0.04%)
US LARGE CAP EQUITIES	36.1% (1.41%)
US SMID CAP EQUITIES	2.6% (0.28%)
DEVELOPED EQUITIES (ex-US)	4.3% (0.01%)
EMERGING MARKET EQUITIES	1.8% (0.08%)
OTHER EQUITIES	17.2% (0.03%)

A capital-weighted average of family office client allocations; June 30, 2024 vs. March 31, 2024.

DECREASED ALLOCATION AS COMPARED TO PRIOR PERIOD

NO CHANGE TO ALLOCATION AS COMPARED TO PREVIOUS PERIOD

INCREASED ALLOCATION AS COMPARED TO PREVIOUS PERIOD

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Fixed Income

- Allocations went up across both weighting methodologies.
- This increase was primarily driven by buying of Municipal Bonds and US Treasuries. On an equal-weighted basis, the average maturity purchased was around four to six years.
- Together, these two sub-asset classes accounted for 92% of trading volume within Fixed Income.

Equities

- Both the average family office client and those with larger portfolios at Citi Private Bank upped their holdings.
- The increase was proportionally greater among the latter group. This signifies large trades within concentrated relationships.
- Activity in US Large Cap Equities was the principal driver, accounting for 60% of trading volume within Equities.
- Amid ongoing low relative valuations, there was continued interest in US Small and Mid Cap Equities. Consumer discretionary and financials saw buying.
- After almost a year of muted activity in Emerging Markets Equities, there was a broad-based renewal of interest in this asset class.
- On average, exposure fell in Developed Equities ex-US and Other Equities, the latter consisting mainly of broad-based ETFs, managed accounts, and mutual funds.

Alternatives and Commodities

- Broad interest was apparent in Hedge Funds, but particularly in credit-focused strategies.
- Activity in Private Equity, Real Estate, and Commodities was muted during the second quarter of 2024.

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RECAP AND OUTLOOK

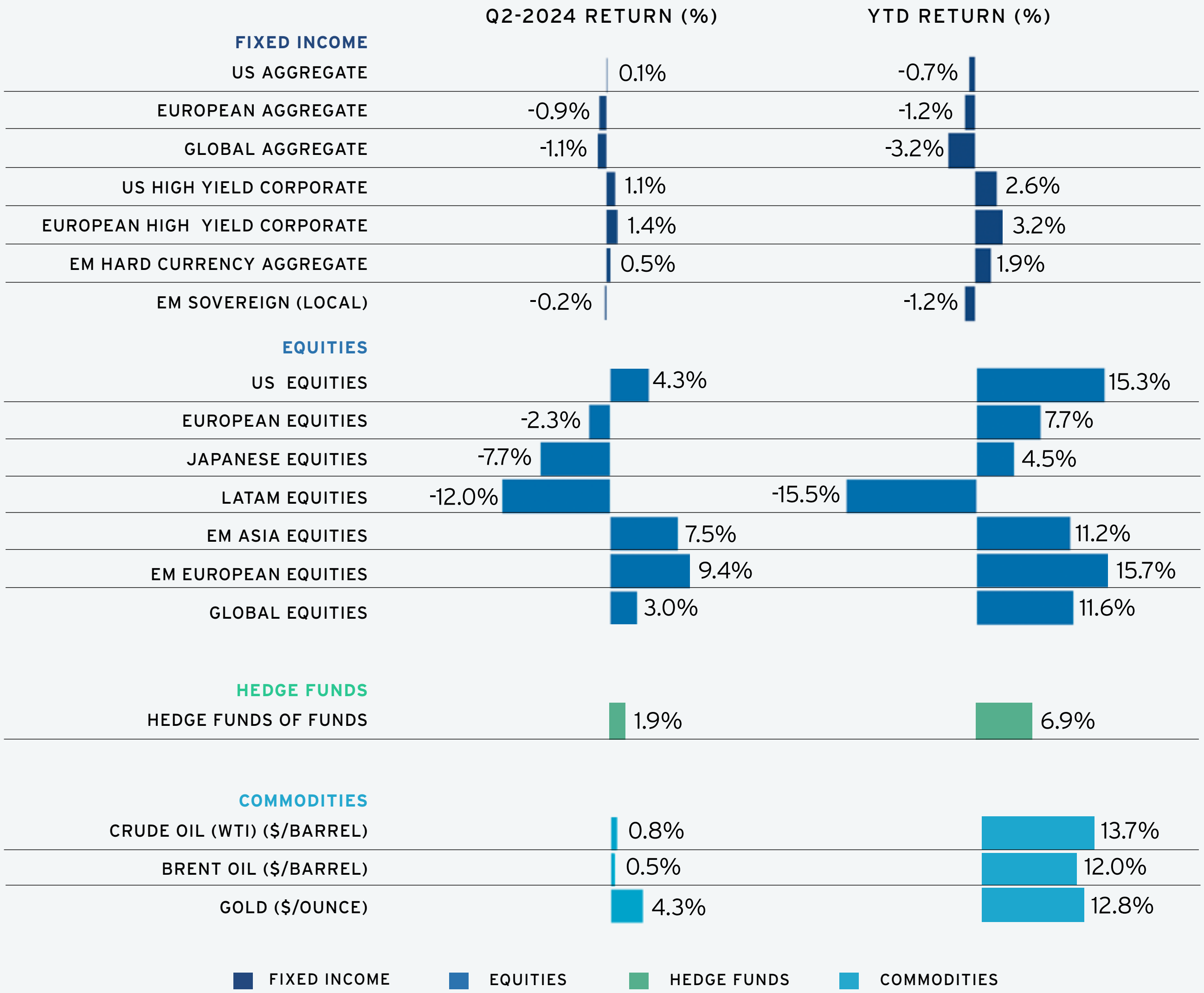
Positive momentum for risk assets continued in the second quarter of 2024, albeit somewhat more slowly than in the brisk first quarter. A further easing of inflation, an interest rate cut from the European Central Bank, and hopes of stimulus-driven recovery in China were all helpful for investor sentiment. Admittedly, such factors were somewhat offset by the further postponement of US interest rate cuts and the initial reactions to election results in India, Mexico, and France.

Global Equity thus registered another quarterly gain. Within that, however, there were some changes of gear. In a reversal of the first quarter's pattern, Emerging Markets trumped their developed counterparts. India, China, and Taiwan were major contributors to this, whereas Latin America's performance went backwards. In developed markets, the UK, a long-time laggard, saw signs of revival, while Europe retreated.

In Fixed Income, performance patterns resembled those in the prior quarter. Higher quality corporate and sovereign bonds in developed markets were flat to lower, while High Yield and Emerging Markets advanced.

Commodities and hedge funds built on their gains from the first quarter, albeit to a lesser degree.

FIGURE 12: MARKET PERFORMANCE



Source: Bloomberg, as of June 30, 2024, OCIS June 2024. Q1 2024 Total Return Analysis Period: April 2024 - June 2024. Note: Return is in USD terms and is total returns. Past performance is not indicative of future returns. The indices are unmanaged and are not investable. Index data is provided for comparative purposes only. Please refer to pages 23–24 for index definitions. Diversification does not ensure profit or protection against loss.

More key reads for family offices

ANNUAL FAMILY OFFICE SURVEY REPORT

The 2023 Family Office Survey collected responses from over 268 family office clients over a month-long period.

The findings and analysis in the resulting report offer exclusive insights into the thinking of some of the world's most sophisticated family offices.

Watch out for the 2024 Global Family Office Survey Report in the fall.

We regularly publish topical insights on the most important topics for family offices.

Read our latest articles and publications at citiprivatebank.com/globalfamilyoffice

FEATURED WHITE PAPERS

Eight best practices for family leadership succession

A guide to establishing a family office

Executive reward and retention strategies for family offices

Family learning and education initiatives: Building a foundation for the future

When hope is not a strategy: Preparing children for significant wealth

Investment management best practices for family offices

About the Global Family Office Group

Citi Private Bank's Global Family Office Group serves single family offices, private investment companies and private holding companies, including family-owned enterprises and foundations, around the world.

We offer clients comprehensive private banking and family office advisory services, institutional access to global opportunities and connections to a community of like-minded peers.

For more information, please contact your Private Banker or the group head in your region.

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About the Global Investment Lab

The Global Investment Lab is a dedicated, institutional-calibre analytical team within Citi Global Wealth that is focused on customized portfolio construction, risk management and investment strategy.

We understand the complex needs of family offices and are committed to helping clients identify opportunities and make well-informed investment decisions. From liquidity events to direct investment to strategic portfolio realignment, we put our analytical minds and deep experience with portfolio construction to work, identifying the appropriate investment portfolio opportunities for your family office.

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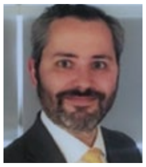

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Methodology

We use equal-weighted and capital-weighted methodologies in this analysis.

In the equal-weighted methodology, each account included in the analysis is given the same weight in the calculation of averages.

Equal-weighted calculation = 1/number of family office accounts.

In the capital-weighted methodology, larger transactions – which are often carried out by family offices with larger portfolios – have a greater bearing on the calculation.

Capital-weighted calculation = Account A's asset value / total value of family office client assets.

This analysis takes asset data from over 1,200 relationships globally, requiring a minimum of 50 relationships in each region (APAC, EMEA, LATAM or NAM) for that region to be included.

The analysis is only inclusive of assets for which Citi holds information (e.g., direct client investments are not captured).

Asset allocation (pg. 5)

Snapshot of asset allocation on a capital-weighted and equal-weighted basis, excluding:

a. Liabilities;

b. Client accounts valued at <USD 1MM; and

c. Clients who hold 90% (or more) of their assets in Cash & Cash Equivalents

Regional flows (pgs. 9-16)

Changes in the value of assets held, and the resultant impact on aggregate asset class weights, are entirely based on changing quantities and do not incorporate any price effects. Products with multiple asset classes and holdings traded within managed portfolios are excluded from this analysis, along with:

a. Negative positions and liabilities;

b. Unfunded derivatives positions;

c. Client accounts valued at <USD 1MM;

d. Client accounts opened or closed during the analysis period;

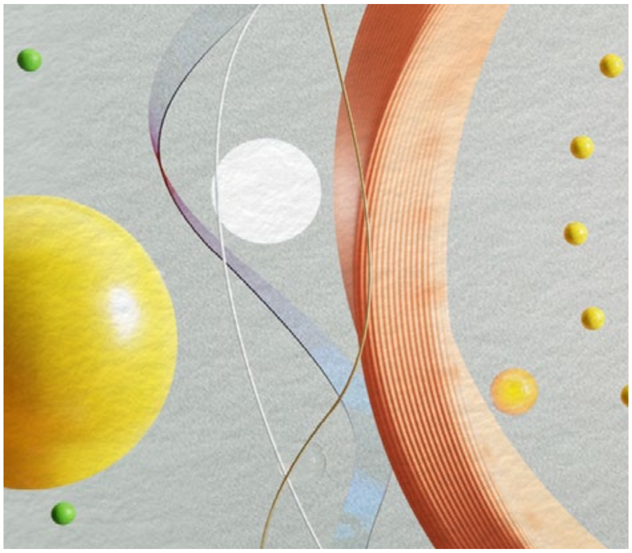
e. Clients who hold 90% (or more) of their assets in Cash & Cash Equivalents at both observation points; and

f. Client accounts whose total asset value has changed by >100%.

Allocations to an asset class could change due to shifts in allocations to other asset classes. For example, an inflow of funds to one asset class while all others saw zero flows would register as negative flows for the latter.

Private Equity & Real Estate do not record flows unless it is the first capital call of a new fund or retirement of an existing fund.

Past performance is not indicative of future results.



Index definitions

US Aggregate - Bloomberg Barclays U.S. Aggregate Bond Index
The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities.

European Aggregate - Bloomberg Barclays Euro Agg Total Return Index
The Bloomberg Barclays Euro Aggregate Bond Index includes fixed-rate, investment grade euro denominated bonds. Inclusion is based on the currency of the issue, and not the domicile of the issuer. The principal sectors in the index are the Treasury, corporate, government-related and securitized.

Global Aggregate - Bloomberg Barclays Global Aggregate Bond
The Index measures the performance of the global investment grade, fixed-rate bond markets. The benchmark includes government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging markets issuers.

US High Yield Corporate - Bloomberg Barclays US Corporate High Yield Total Return Index
The Bloomberg 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.

European High Yield Corporate - Bloomberg Barclays Pan-European High Yield Total Return Index
The Bloomberg Barclays Pan-European High Yield Index measures the market of non-investment grade, fixed-rate corporate bonds denominated in the following currencies: euro, pounds sterling, Danish krone, Norwegian krone, Swedish krona and Swiss franc. Inclusion is based on the currency of issue, and not the domicile of the issuer.

EM Hard Currency Aggregate - Bloomberg Barclays EM Local Currency Government TR Index
The Bloomberg Barclays Emerging Markets Local Currency Government Index is a flagship index that measures the performance of local currency Emerging Markets (EM) debt. Classification as an EM is rules-based and reviewed annually using World Bank income group, International Monetary Fund (IMF) country classification and additional considerations such as market size and investability.

US Equities - S&P 500 Index
The S&P 500® is widely regarded as the best single gauge of Large-Cap U.S. Equities. There is over USD 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately USD 3.4 trillion of this total. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

European Equities - EURO STOXX 50
The EURO STOXX 50 Index, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

Japanese Equities - Nikkei 225
The Nikkei 225 Stock Average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange. The Nikkei Stock Average was first published on May 16, 1949, where the average price was ¥176.21 with a divisor of 225.

LatAm Equities - MSCI Emerging Markets Latin America Index
Latin America Index captures large- and mid-cap representation across 6 Emerging Markets (EM) countries* in Latin America. With 118 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EM Asia Equities - MSCI Emerging Markets Asia Index
The MSCI Emerging Markets (EM) Asia Index captures large- and mid-cap representation across 9 Emerging Markets countries. With 903 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EM European Equities - MSCI EMERGING MARKETS EUROPE INDEX
The MSCI Emerging Markets Europe Index captures large- and mid-cap representation across 6 Emerging Markets (EM) countries in Europe. With 72 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Global Equities - MSCI All Country World Index (ACWI)
The MSCI ACWI is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI) and is comprised of stocks from 23 developed countries and 24 emerging markets.

Hedge Fund Research - HFRX Global Hedge Fund Index
The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies falling within four principal strategies: Equity Hedge, event-driven, macro/CTA and relative value arbitrage.

Asset class and other definitions

Global Developed Market Equity
The asset class is composed of MSCI indices capturing large-, mid- and small-cap representation across 18 individual developed markets countries, as weighted by the market capitalization of these countries. The composite covers approximately 95% of the free float-adjusted market capitalization in each country.

Global Emerging Market Equity
The asset class is composed of MSCI indices capturing large- and mid-cap representation across 20 individual emerging-market countries. The composite covers approximately 85% of the free float-adjusted market capitalization in each country. For the purposes of supplemental long-term historical data, local-market country indices are used, wherever applicable.

Global Developed Investment Grade Fixed Income
The asset class is composed of Bloomberg Barclays indices capturing investment grade debt from twenty different local currency markets. The composite includes fixed-rate treasury, government-related, investment grade rated corporate and securitized bonds, and mortgage-backed securities from the developed-market issuers. Local market indices for US, UK and Japan are used for supplemental historical data.

Global High Yield Fixed Income
The asset class is composed of Bloomberg Barclays indices measuring the non-investment grade, fixed rate corporate bonds denominated in USD, GBP and EUR. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Ibbotson High Yield Index, a broad high yield index including bonds across the maturity spectrum, within the BB-B rated credit quality spectrum, included in the below-investment-grade universe, is used for supplemental historical data.

Global Emerging Fixed Income
The asset class is composed of Bloomberg Barclays indices measuring performance of fixed and floating rate US dollar denominated emerging markets sovereign debt for 3 different regions including Latin America, EMEA and Asia.

Cash
The asset class is represented by US 3-Month Government Bond TR, measuring the USD denominated active 3-month fixed-rate nominal debt issues by the US Treasury.

Hedge Funds
The asset class is composed of investment managers employing different investment styles as characterized by different sub categories — HFRI Equity Long/Short: Positions both long and short in primarily Equity and Equity-derivative securities; HFRI Credit: Positions in corporate Fixed Income securities; HFRI Event Driven: Positions in companies currently or prospectively involved in wide variety of corporate transactions; HFRI Relative Value: Positions based on a valuation discrepancy between multiple securities; HFRI Multi Strategy: Positions based on realization of a spread between related yield instruments; HFRI Macro: Positions based on movements in underlying economic variables and their impact on different markets; Barclays Trader CTA Index: The composite performance of established programs (Commodity Trading Advisors) with more than four years of performance history.

Private Equity
The asset class characteristics are driven by those for Developed Market Small-Cap Equities, adjusted for illiquidity, sector concentration and greater leverage.

Real Estate
The asset class contains index contains all Equity REITs (US REITs and publicly-traded Real Estate companies) not designated as Timber REITs or Infrastructure REITs: NAREIT US REIT Index, NAREIT Canada REIT Index, NAREIT UK REIT Index, NAREIT Switzerland REIT Index, NAREIT Euro zone REIT Index, NAREIT Japan REIT Index, NAREIT Hong Kong REIT Index, NAREIT Singapore REIT Index, NAREIT Australia REIT Index.

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