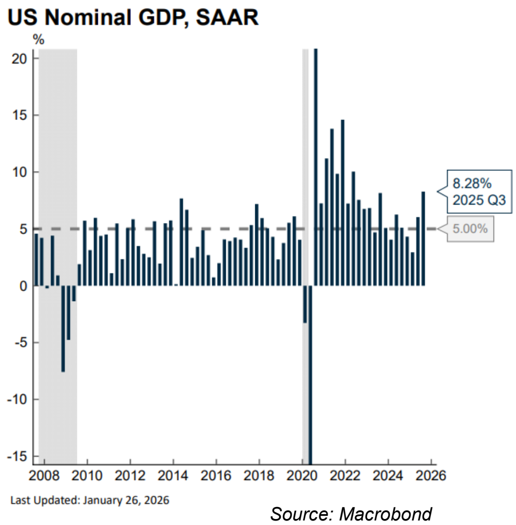
The Old Normal Returns

WEEKLY VIEW FROM THE DESK | January 26, 2026

LINK TO WEEKLY RETURNS TABLE

MACRO

- The first few weeks of 2026 continued to underscore several themes from our year-ahead outlook. In terms of our "era of fiscal dominance and central bank pressure" theme, the potential for twin stimuli of easing monetary and fiscal policies should contribute to a sustained period of above-trend growth in the U.S.
- For example, although relatively few Fed rate cuts are priced into the market at this point, we believe the Fed funds rate could still drop into the 2.5% area amid the administration's pressure campaign for a lower monetary policy rate. Meanwhile, in addition to fiscal stimulus already in play this year, another round could emerge (e.g., potential tariff rebates) prior to mid-term elections.
- Furthermore, the potential for a 35% increase in AI-related capex to $600B this year could add 100 bps to real GDP alone. When combined with steady consumer consumption, particularly from high-income households, the tailwinds from AI capex and the twin stimuli increase the likelihood of a sustained period of nominal U.S. GDP growth that continues to exceed 5% (see the accompanying chart). This outcome could also lead to higher inflation, which is a political liability unto itself.
- A scenario of above-trend growth and sticky inflation could lead to further volatility at the back of global Treasury curves. The U.S. administration's focus on affordability initiatives, several of which pertain to the credit markets, also introduces the possibility of policy interventions aimed at anchoring long-term yields, with a weaker U.S. dollar emerging as the potential pressure escape valve.

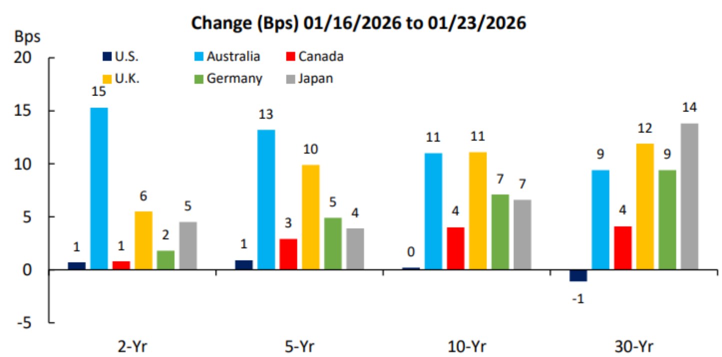


Source: Macrobond

- Further long-end volatility also encapsulates conditions in Japan amid prospects for further fiscal stimulus from the Takaichi administration. Support for the yen implicitly emerged with last week's disclosed "rate check" amongst participants and could subsequently entail tighter policy from the BoJ, perhaps on the magnitude of two to three hikes in the first half of the year. Meanwhile, China's recent strength in trade and exports should continue—particularly to region's outside the U.S.—as trade barriers to non-U.S. entities remain low.
- The points above indicate a return to the "old normal," which may consist of: a more fragmented, contested world; looser anchors on growth, inflation, and risk premia; higher interest rates and steeper yield curves; continued dollar primacy amid declining USD overweights; and long, grinding bull markets potentially punctuated by sudden stops.

DEVELOPED MARKET RATES

- Even with the aforementioned volatility at the back of developed market rate curves, we do not see the recent periods of volatility as a potential threat to risk product as credit spreads remain near historical tights and major equity indices remain near record highs. Thereore, if one views DM rates as attractive at current levels—i.e., near the top of their long-term range—the potential exists for upside for both rates and risk product.
- The recent volatility has deviated where implied volatility is far higher than realized volatility, indicating a potential benefit in selling options, but the gap in volatility readings may close over time.



Source: PGIM

- As for one of the administration's affordability initiatives, the recent GSE activity to purchase MBS is ocurring across coupons in an effort to to suppress forward mortgage rates and keep spread volatility low. We believe effective execution of the strategy could notably narrow MBS spreads. However, if lower Treasury yields and MBS buying combine to drive mortgage rates below 5.5%, increased prepayment speeds may present a risk.

IG CORPORATES

- In the U.S., the IG corporate market saw strong performance over the past couple of weeks, with spreads 5-8 bps tighter. Last week saw just under $20B of issuance against strong demand amid $19B of inflows into mutual funds. Amid the heights of the Greenland headlines and the spike in JGB yields, the market widened about 2 bps but tightened later in the week to tights not seen since the 1990s.
- Putting context around the recent JGB moves and the potential impact on the U.S. IG market, JGB yields are about 54 bps higher over the past six months while yields on the long corporate index is about 20 bps lower. However, hedging costs have improved by more than 90 bps, thus increasing the attractiveness of U.S. IG.

- In terms of impacts of some of the U.S. administration's recent actions/announcements, we would point to Valero as benefiting from increased Venezuelan oil, which has seen its spreads tighten by about 6 bps since the beginning of the month. Potential limits on defense company buybacks and CEO pay has helped Raytheon, which has seen spreads tighten by approximately 4 bps. Meanwhile, a potential 10% cap on credit card rates has led to some spread widening in J.P. Morgan and Capital One bonds.
- The EUR IG Index finished last week 2 bps tighter at an OAS of 75. Trump's rhetoric around Greenland led to a sell-off at the start of the week where the index peaked at an OAS of 79 before tightening again. Meanwhile, the headlines around Japanese rates were largely pushed to one side. Elsewhere, the key driver remains supply. The primary market was definitely lighter, with a mere €12B being issued while supply is expected to remain muted over the next two weeks before springing back in February.

LEVERAGED FINANCE

- U.S. HY bonds tightened to a post-GFC low last week, marking the sixth consecutive weekly gain, on a benign start to earnings season, strong macro data, and easing geopolitical tensions. CCCs continued to outperform BBs and Bs. Among sectors, chemicals, energy, and telecommunications were the top performers, while diversified media, paper & packaging, and technology were the weakest.
- The primary market was active but less than anticipated, helping to shore up demand in most cases. Issuers priced $8B across 12 transactions, with more than 75% used for refinancing and nearly 20% supporting M&A/LBOs. Meanwhile, retail fund flows reported their largest outflow since the initial U.S. tariff announcement in April 2025, with $1.4B flowing out of HY mutual funds and ETFs.
- The U.S. loan market softened last week, pressured by the primary market kicking into high gear and continued CCC underperformance amid a perceived near-certainty of a pause in monetary policy easing at next week's Fed meeting. That said, $36B billion across 32 deals priced last week, with a similar use of proceeds breakdown as the U.S. high yield market.
- European high yield spreads tightened 2 bps last week, reaching decade-to-date tights and the first percentile margin since the GFC. Banks loans edged wider for the week, mainly due to the weakest 1% of the market lagging. Meanwhile, four HY bond deals and six loan deals priced. Despite some market disruption, 35 deals are currently in the pipeline—10 HY deals split more evenly between new money and refinancing—and 25 loan transactions, most of which are repricings or amend-extends, and not new money supply.

EMERGING MARKETS

- EM hard currency sovereign spreads were marginally tighter last week, holding in over the last few weeks despite significant new issue supply, U.S. Treasury volatility, and geopolitics. Venezuela/PDVSA bonds remain up 8-10 points on the year. Some higher-yielding LatAm names have also performed well, including Argentina and Ecuador. There continues to be healthy supply, with Indonesia, Philippines, Colombia, Turkey all issuing. Themes that have been driving returns continue to play out, and we are increasing risk as the backdrop remains supportive.
- EMFX continues to show good momentum, with LatAm trading well and Asia continuing to lag. Commodity performance in the metals space remains strong, which is supporting some currencies' terms of trade. Most central banks are at the end of cutting cycles, which is also supportive. Frontier markets, such as Egypt and Nigeria, continue to see strong inflows. A rally in JPY triggered appreciation in KRW and TWD, two currencies which have shown a strong correlation to JPY over the past seven months.
- Earlier in the week, Bessent said that Korea's KRW is not trading in-line with fundamentals. If this is the start of coordinated intervention, it will signal that the U.S. does not want a stronger USD, which should be supportive of EMFX in the aggregate, and select high-carry currencies should continue to do well. We have been taking our short USD beta higher mainly via frontier markets currencies and have been reducing relative-value positioning.
- In local rates, the index yield was unchanged amid wide dispersion. Turkey, Colombia, and South Africa outperformed while Indonesia and Thailand underperformed. The coming week will see several central bank decisions. While the Fed's decision is unlikely to move markets, forward guidance from central banks in Chile, Colombia, Brazil, and Hungary will be key. In EM corporates, spreads were flat on the week as heavy new issuance was well absorbed. Braskem confirmed that it would launch an out-of-court reprofiling by the middle of March once the transfer of the ownership to IG4 is completed.

SECURITIZED PRODUCTS

- CMBS conduit AAA and subordinate spreads tightened last week, as did SASB generic AAA floaters, fixed rates, and subordinate secondary spreads. New issue AAA CRE CLOs were tighter at 135-140 while subordinate tranches edged wider. Agency 10-year benchmarks also edged tighter. Ten deals came to market, including four SASBs, four CRE CLOs, one conduit, and one agency.
- In RMBS, new issue non-QM spreads tightened-with AAAs clearing as low as 105 bps-while secondary spreads traded around 5 bps tighter than new issues. New issue AAA second-lien deals priced as much as 15 bps wide of non-QM, reflecting a liquidity premium. CRT spreads were range-bound last week. Issuance was heavy, with 12 deals totaling $5B coming to market, including six non-QMs and three second-liens.
- U.S. CLO spreads tightened across the curve last week on strong demand from banks, insurers, and asset managers. Benchmark AAAs rallied another 2 bps, while secondary BBBs were as much as 10 bps tighter. European CLO spreads tightened across the capital structure, with a notable uptick in demand away from AAAs. In the U.S. primary market, approximately $16.2B across 39 CLOs has priced YTD, with nearly $12B of which going to resets or refis. In Europe, approximately €3.2B across 8 CLOs has priced YTD, with €2.7B for resets and refis.
- ABS spreads were flat to 10 bps tighter last week-depending on sector-as continued strong demand endured against early-week global macro volatility and increased supply. The market has absorbed approximately $25B in new issuance YTD, with most deals clearing at or tighter than price guidance. The U.S. primary market is expected to remain active given attractive funding levels for issuers, while the thus far quiet European and Australian primary markets are expected to pick up in early February.

MUNICIPALS

- Tax-exempt munis have had a strong start to the year, posting total returns of 0.64% thus far, outperforming U.S. Treasuries (-0.06%), U.S. Corporates (-0.28%), and the Taxable Municipal Index (0.00%). The AAA muni curve has steepened in January, with the 10-30 curve steepening by 9 bps. MMD/UST ratios are now looking rich 10-years and in.
- Last week saw $994M of inflows, with long-term funds leading the way and short-term funds seeing modest outflows. This week's calendar is estimated to be ~$4B with ~$40B projected for the month. While net supply is expected to be positive in January (+$5B), net supply will turn negative in February (-$4B).

THE RETURNS TABLE AS OF JANUARY 23, 2026

				Yield / OAS change (bps)					Total return (%)				
	Duration	YTM	OAS	WTD	MTD	QTD	YTD	Prior year	WTD	MTD	QTD	YTD	Prior year
Sovereign rates													
U.S. 2-Year	1.84	3.60	---	1	12	12	12	-70	0.07	-0.01	-0.01	-0.01	4.65
U.S. 5-Year	4.46	3.83	---	1	10	10	10	-63	0.04	-0.22	-0.22	-0.22	6.62
U.S. 10-Year	7.95	4.23	---	0	6	6	6	-42	0.03	-0.17	-0.17	-0.17	7.86
U.S. 10-Year Breakeven	--	2.31	---	-1	7	7	7	-15	---	---	---	---	---
U.S. 10-Year TIPS	4.52	1.91	---	3	1	1	1	-27	0.25	0.02	0.02	0.02	8.42
U.S. 20-Year	12.68	4.79	---	0	-1	-1	-1	-15	0.03	0.41	0.41	0.41	5.95
U.S. 30-Year	15.72	4.83	---	-1	-2	-2	-2	-4	0.17	0.72	0.72	0.72	4.97
U.S. SOFR	---	---	---	0	-22	-22	-22	-70	0.07	0.24	0.24	0.24	4.35
UK 10-Year	7.28	4.51	---	11	4	4	4	-12	-0.66	0.08	0.08	0.08	6.07
Germany 10-Year	8.60	2.91	---	7	5	5	5	36	-0.44	0.13	0.13	0.13	0.50
Switzerland 10-Year	9.27	0.28	---	5	0	0	0	-15	-0.30	0.25	0.25	0.25	1.98
Japan 10-Year	8.09	2.25	---	7	19	19	19	105	-0.32	-1.06	-1.06	-1.06	-5.87
Australia 10-Year	7.97	4.82	---	11	8	8	8	35	-0.77	-0.22	-0.22	-0.22	2.54
Canada 10-Year	8.31	3.41	---	4	-2	-2	-2	9	-0.20	0.40	0.40	0.40	3.43
Major fixed income multi-sector indices		**YTW**											
Global Aggregate Unhedged	6.34	3.56	26	-1	-2	-2	-2	-8	0.46	0.14	0.14	0.14	8.36
Global Aggregate Hedged	6.34	3.56	26	-1	-2	-2	-2	-8	-0.05	0.10	0.10	0.10	5.12
U.S. Aggregate	6.00	4.38	24	0	-2	-2	-2	-8	0.07	0.08	0.08	0.08	7.45
Euro-Aggregate (Unhedged)	6.26	2.96	39	-2	-3	-3	-3	-18	-0.08	0.38	0.38	0.38	2.35
Japanese Aggregate	8.13	2.05	0	0	0	0	0	0	-0.66	-1.42	-1.42	-1.42	-6.98
Major fixed income credit indices		**YTW**											
Mortgage-Backed (Agency)	5.54	4.66	19	2	-3	-3	-3	-24	-0.04	0.22	0.22	0.22	8.96
Global IG Corporate Bonds	5.98	4.37	75	-2	-5	-5	-5	-11	0.57	0.38	0.38	0.38	10.70
U.S. IG Corporate Bonds	6.93	4.85	72	-2	-5	-5	-5	-6	0.20	0.29	0.29	0.29	8.06
European IG Corporate	4.56	3.18	75	-2	-4	-4	-4	-21	-0.03	0.37	0.37	0.37	3.70
U.S. High Yield Bonds	3.00	6.62	256	5	-10	-10	-10	0	0.10	0.67	0.67	0.67	8.17
European High Yield Bonds	2.91	5.14	264	-4	-17	-17	-17	-47	0.13	0.76	0.76	0.76	5.79
U.S. Leveraged Loans	0.3	8.20	455	8	0	0	0	-17	-0.09	0.29	0.29	0.29	5.60
European Leveraged Loans	0.3	7.45	478	5	4	4	4	7	-0.01	0.11	0.11	0.11	3.46
EM Hard Currency Sovereigns	6.51	6.78	245	-3	-9	-9	-9	-72	0.25	0.53	0.53	0.42	14.12
EM Corporates	4.42	6.34	226	0	-11	-11	-11	-13	0.12	0.55	0.55	0.55	8.96
EM Currencies	---	5.47	---	0	0	0	0	-1	0.87	0.78	0.78	0.78	12.35
EM Local Rates	5.39	5.88	6	0	0	0	0	0	0.20	0.31	0.31	0.31	8.06
CMBS	3.82	4.49	68	0	-6	-6	-6	-7	0.06	0.07	0.07	0.07	7.57
ABS	2.87	4.18	49	-1	-4	-4	-4	5	0.10	0.09	0.09	0.09	5.96
CLOs	4.04	4.84	129	0	-2	-2	-2	-8	0.08	0.38	0.38	0.38	5.38
Municipal Bonds	6.17	3.49	---	5	-11	-11	-11	-27	-0.28	0.64	0.64	0.64	4.97

		Total return (%)				
	Level	WTD	MTD	QTD	YTD	Prior year
Equity / volatility indices						
S&P 500 Index	6,916	-0.3	1.1	1.1	1.1	14.5
DAX	24,901	-1.6	1.7	1.7	1.7	16.3
Stoxx 600	608	-1.0	2.8	2.8	2.8	18.6
Nikkei 225	53,847	-0.2	7.0	7.0	7.0	37.4
Shanghai Composite	4,136	0.8	4.3	4.3	4.3	31.4
MSCI ACWI Index	1,038	-0.1	2.3	2.3	2.3	21.2
FTSE 100	10,143	-0.9	2.2	2.2	2.2	22.5
MOVE Index	56	-3.1	-12.1	-12.1	-12.1	-36.4
VIX Index	16	1.5	7.6	7.6	7.6	7.1

		Change (%)				
	Spot	WTD	MTD	QTD	YTD	Prior year
FX / commodities						
EUR / USD	1.2	2.0	0.7	0.7	0.7	13.6
USD / JPY	155.7	-1.5	-0.6	-0.6	-0.6	-0.2
GBP / USD	1.4	2.0	1.2	1.2	1.2	10.4
EUR / CHF	0.9	-0.9	-0.8	-0.8	-0.8	-2.3
USD / CHF	0.8	-2.9	-1.6	-1.6	-1.6	-14.1
USD (DXY)	97.6	-1.8	-0.7	-0.7	-0.7	-9.7
Oil	61.2	3.0	6.7	6.7	6.7	-18.3
Gold	4987.5	8.5	15.5	15.5	15.5	81.0

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Source(s) of data (unless otherwise noted): PGIM as of January 2026.

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U.S. Investment Grade Corporate Bonds: Bloomberg Barclays U.S. Corporate Bond Index: The Bloomberg Barclays U.S. Investment Grade Corporate Bond Index covers U.S.D-denominated, investment-grade, fixed-rate or step up, taxable securities sold by industrial, utility and financial issuers. It includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

European Investment Grade Corporate Bonds: Bloomberg Barclays European Corporate Bond Index (unhedged): The Bloomberg Barclays Euro-Aggregate: Corporates bond Index is a rules-based benchmark measuring investment grade, EUR denominated, fixed rate, and corporate only. Only bonds with a maturity of 1 year and above are eligible.

U.S. High Yield Bonds: ICE BofAML U.S. High Yield Index: The ICE BofAML U.S. High Yield Index covers US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, and at least one year remaining term to final maturity as of the rebalancing date.

European High Yield Bonds: ICE BofAML European Currency High Yield Index: This data represents the ICE BofAML Euro High Yield Index value, which tracks the performance of Euro denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch). Qualifying securities must have at least one year remaining term to maturity, a fixed coupon schedule, and a minimum amount outstanding of €100 M. ICE Data Indices, LLC, used with permission. ICE DATA INDICES, LLC IS LICENSING THE ICE DATA INDICES AND

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U.S. Senior Secured Loans: The iBoxx USD Leveraged Loan index family represents the main sections of the USD leveraged loan market. Index constituents are derived using selection criteria such as loan type, minimum size, liquidity, credit ratings, initial spreads and minimum time to maturity.

European Senior Secured Loans: The index universe of the S&P UBS Western European Leveraged Loan Index is meant to represent assets or activity in Western Europe, and includes loans denominated in EUR, GBP, or USD.

Emerging Markets U.S.D Sovereign Debt: JP Morgan Emerging Markets Bond Index Global Diversified: The Emerging Markets Bond Index Global Diversified (EMBI Global) tracks total returns for U.S.D-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. To be deemed an emerging market by the EMBI Global Diversified Index, a country must be rated Baa1/BBB+ or below by Moody's/S&P rating agencies. Information has been obtained from sources believed to be reliable, but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval.

Emerging Markets Local Debt (unhedged): JPMorgan Government Bond Index-Emerging Markets Global Diversified Index: The Government Bond Index-Emerging Markets Global Diversified Index (GBI-EM Global) tracks total returns for local currency bonds issued by emerging market governments.

Emerging Markets Corporate Bonds: JP Morgan Corporate Emerging Markets Bond Index Broad Diversified: The CEMBI tracks total returns of U.S. dollar-denominated debt instruments issued by corporate entities in Emerging Markets countries.

Emerging Markets Currencies: JP Morgan Emerging Local Markets Index Plus: The JP Morgan Emerging Local Markets Index Plus (JPM ELMI+) tracks total returns for local currency–denominated money market instruments.

Municipal Bonds: Bloomberg Barclays Municipal Bond Indices: The index covers the U.S.D-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The bonds must be fixed-rate or step ups, have a dated date after Dec. 13, 1990, and must be at least 1 year from their maturity date. Non-credit enhanced bonds (municipal debt without a guarantee) must be rated investment grade (Baa3/BBB-/BBB- or better) by the middle rating of Moody's, S&P, and Fitch.

U.S. Treasury Bonds: Bloomberg Barclays U.S. Treasury Bond Index: The Bloomberg Barclays U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Mortgage Backed Securities: Bloomberg Barclays U.S. MBS - Agency Fixed Rate Index: The Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage.

Commercial Mortgage-Backed Securities: Bloomberg Barclays CMBS: ERISA Eligible Index: The index measures the performance of investment-grade commercial mortgage-backed securities, which are classes of securities that represent interests in pools of commercial mortgages. The index includes only CMBS that are Employee Retirement Income Security Act of 1974, which will deem ERISA eligible the certificates with the first priority of principal repayment, as long as certain conditions are met, including the requirement that the certificates be rated in one of the three highest rating categories by Fitch, Inc., Moody's Investors Services or Standard & Poor's.

Palmer Square AAA CLO DM Index represents the discount margin of CLO AAA rated tranches in the Palmer Square CLO Senior Index, which is designed to reflect the investable universe of U.S CLO senior original rated AAA and AA debt issued after Jan 1, 2011.

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

U.S. Aggregate Bond Index: Bloomberg Barclays U.S. Aggregate Bond Index: The Bloomberg Barclays U.S. Aggregate Index covers the U.S.D-denominated, investment-grade, fixed-rate or step up, taxable bond market of SEC-registered securities and includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Euro Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, euro-denominated, fixed rate bond market, including treasuries, government-related, corporate and securitized issues. Inclusion is based on currency denomination of a bond and not country of risk of the issuer.

Japanese Aggregate Bond Index The Japanese Aggregate Index contains fixed-rate investment-grade securities denominated in Japanese yen and registered as domestic bonds. The index is composed primarily of local currency sovereign debt but also includes government-related, corporate, and securitized bonds.

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. There is over U.S.D 9.9 trillion indexed or benchmarked to the index, with indexed assets comprising approximately U.S.D 3.4 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

The DAX Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation. The DAX has a base value of 1,000 as of December 31, 1987. As of June 18, 1999 only XETRA equity prices are used to calculate all DAX indices.

The STOXX 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region.

The Nikkei 225 Index 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.

Shanghai Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. The index was developed on December 19, 1990.

MSCI ACWI is a free-float weighted equity index. It was developed with a base value of 100 as of December 31 1987. MXWD includes both emerging and developed world markets.

FTSE 100 is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed with a base level of 1000 as of December 30, 1983.

MOVE Index is a yield curve weighted index of the normalized implied volatility on 1-month Treasury options. It is the weighted average of volatilities on the CT2, CT5, CT10, and CT30. (weighted average of 1m2y, 1m5y, 1m10y and 1m30y Treasury implied vols with weights 0.2/0.2/0.4/0.2, respectively).

VIX Index is a financial benchmark designed to be an up-to-the-minute market estimate of the expected volatility of the S&P 500® Index, and is calculated by using the midpoint of real-time S&P 500 Index (SPX) option bid/ask quotes.

Bloomberg Commodity Index Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

The U.S. Dollar Index indicates the general international value of the USD. The USDX does this by averaging the exchange rates between the USD and major world currencies. The ICE US computes this by using the rates supplied by some 500 banks.

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