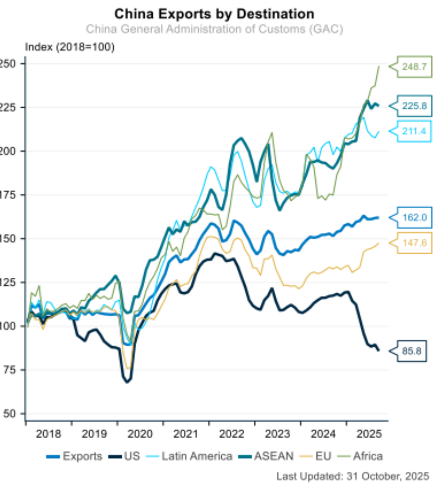
Trade Deal Implications; SCOTUS Tariff Review Awaits

WEEKLY VIEW FROM THE DESK | November 3, 2025

LINK TO WEEKLY RETURNS TABLE

MACRO

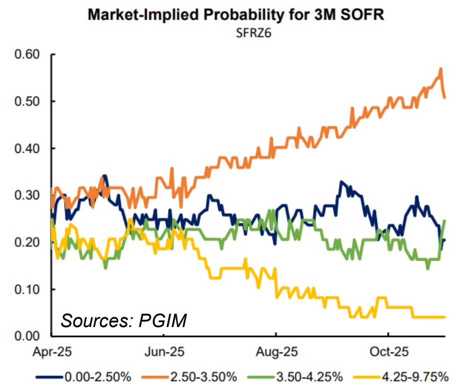
- The recent trade agreement between the U.S. and China sets the stage for a one-year truce on trade-related salvos, while maintaining the likelihood of a strategic decoupling of the two superpowers over the long term. From a U.S. perspective, the agreement freezes the tariff rate on China in the 40-50% range, partially reduces fentanyl-related tariffs, and relaxes semiconductor export controls. Meanwhile, China is set to relax its export controls on rare earth minerals and will increase its soybean purchases from the U.S.
- We see a few disparate effects from the trade truce: The agreement is a risk-positive outcome and, when combined with the effects from other recent trade deals in Asia, likely adds support to EM trade flows and sentiment. The truce should persist into Q1, but could be at risk if there is limited follow through on the pledges and/or the U.S. continues to implicitly apply pressure on China. From a political perspective, the agreement should bridge President Trump through the midterm elections, with the caveat of the potential trade-related flare ups as noted above.
- China has adapted to U.S. tariffs relatively well through supply-chain diversification. The accompanying chart shows the decline in China's exports to the U.S. since 2022, while those to other regions have climbed or remained steady. While there are concerns about the re-exporting of Chinese goods to the U.S. through other countries, we find that trans-shipment activity is mostly a value-added process. Furthermore, some recent trade deals (e.g., Thailand) include "complementary actions," which likely indicate the country is assisting the U.S. in monitoring trans-shipment activity.
- As these factors continue to play out, we see signs that the net-export contribution to China's growth of 1.2% is in a normalization process. We also see potential signs of China's pivot to domestic consumption in its 15th Five-Year Plan amidst language on sustainably boosting domestic demand via income and consumption. It also indicated a desire to redefine the role of local governments away from manufacturing and into services, which, over time, can also address some of the country's over-capacity issues.



- Meanwhile, on Wednesday, the U.S. Supreme Court is set to hear arguments on the validity of tariffs under the IEEPA law. Although we see it as a close call, it is probable that SCOTUS invalidates IEEPA tariffs, which could consequently be replaced with those under different tariff authorities. However, that replacement process could take time, introduce some complexity, and reduce the Administration's flexibility.

DEVELOPED MARKET RATES

- After last week's relatively hawkish press conference by Fed Chair Powell, the front of the Treasuries curve repriced higher, leading to a flatter curve. The market is now pricing in a 15 bps rate reduction next month—i.e., less than a full 25 bps cut—and a terminal rate of 3.06%.
- The market-implied probability for three-month SOFR by the end of 2026 reflected the change in market pricing. The accompanying chart shows a drop in probability for a rate between 2.50-3.50% and a corresponding increase in the probability for a SOFR rate between 3.50-4.25%.
- As the attention on repo conditions mount amid the increase in front end collateral, we believe the Fed is acutely aware of the issue and the combination of the standing repo facility and the end of quantitative tightening should help alleviate pressure and/or concerns.
- MBS spreads recently tightened to levels not seen since 2022/2023, driven by a surge in origination on lower rates dropped and subsequent pipeline flushes as rates moved higher. Durations on lower coupon mortgages are extending as rates bounce.



IG CORPORATES

- The U.S. IG market was weaker despite positive equity performance. The CDX and cash market both widened by 3 bps largely due to supply in the latter, which was notably higher than expected (~$73B vs. estimates of $30B). Meta's $30B deal contributed to the supply pressure, especially in the long end of the IG curve. On average, deals were 3.7x oversubscribed and came with 8.3 bps of concessions. Both Utilities and Industrials underperformed Financials (Utilities are increasing AI-related capex, and Industrials priced deals with concessions).
- To date, more than 2/3rds of S&P 500 companies have reported Q3 earnings, with 83% beating estimates. Earnings growth is strong at 10.7%, led by financials and tech companies. Expectations for Q4 have risen to 7.9%, and double-digit quarterly growth is expected in 2026. By sector, weak earnings were seen from Utilities (with balance sheets impacted by capex), Homebuilders, Packaging, Consumer, Food & Beverage, etc. Due to current valuations, there has been little tolerance in the market for negative surprises.
- Capex projections for hyperscalers (e.g., Google, META, Amazon, Oracle, and Microsoft) were revised up for 2025 and 2026 to $400B and $518B (respectively). We note that capex has been consuming a larger share of their cashflows, and issuance has been rising in both IG and

structured markets. Despite this, most large tech companies have maintained strong balance sheets (e.g., Meta remains <1x leverage), although Oracle is expected to have negative free cash flow for several years. In addition, the cost of debt (5.5%-6.0% for 30-year bonds) is not seen as a deterrent to continued issuance, given the expected IRR on capex.

- EUR IG spreads squeezed 1 bp tighter last week. At OAS+77, the Euro Index is now trading 1 bp tighter than the U.S. IG Index. In contrast to the U.S. IG market, EUR IG secondary spreads benefitted from a relatively quiet week. Supply totaled €11B, skewed towards corporates, and came with minimal concessions. Issuance picks up this week with dealers calling for €25B of supply. In addition, the OAT-Bund spread barely reacted to Moody's decision to affirm France's AA- rating, trading around 77 bps (the average of the last three months).

LEVERAGED FINANCE

- U.S. HY bond spreads tightened last week, underscoring the market's resilience as investors shrugged off a more hawkish Fed following the expected 25 bps rate cut and instead focused on a solid start to the Q3 earnings season, light new issuance, and positive fund flows. Additionally, with investor cash balances already robust, another $19B from maturities, coupons, calls, and tenders is expected to flow back to the asset class in November, further supporting the persistently strong technical environment.
- CCCs edged positive for the week, outperforming BBs and Bs, which both eased slightly. Among sectors, metals & mining & steel, telecom, and electric utilities were the top performers, while paper, consumer products, and cable were the weakest. Retail fund flows were net positive at $459M, as the $836M of ETF inflows overshadowed actively managed mutual fund outflows. Issuers remained largely on the sidelines, with only $4.2B across five deals pricing last week, capping off the slowest issuance month since April.
- In U.S. banks loans, the persistent theme of investors favoring higher-quality issues while avoiding lower-quality and distressed loans continues. Notably, 65% of Citi's non-distressed loan tracker is trading above par, while CLOs—which account for roughly two-thirds of the loan market—continue to largely ignore the low-quality/distressed cohort. The primary market remained active, mostly for the repricing of performing loans. Last week, 11 deals totaling about $10B priced, bringing October's volume to $62B from 78 deals.
- European HY bonds and loans tightened last week, largely on U.S.-China trade news. The long-running demand dispersion for high-quality issues vs low-quality held, with CCCs widening. Five deals came to market, four of which were refi's-only €350M of last week's €1.8B was new money. The supply pipeline appears modest, but easily absorbable as market technicals remain solid due to a lack of net new supply.

EMERGING MARKETS

- EM hard currency spreads tightened last week amid progress on China/U.S. trade talks. Argentina outperformed following the outcome of its mid-term election, reflecting optimism that a Milei government will resume reforms to support sustainable growth, reduce FX imbalances, allow for an increase in reserves, and reduce refinancing risk. Venezuela also saw strong performance on continued U.S. pressure for regime change. Most EM managers have done well this year and, while apprehensive about valuations, are reluctant to cut risk by too much.
- EMFX was essentially flat last week. The USD benefitted, particularly against select low-carry currencies and mainly CEE3. PLN was the worst performer as a lower CPI print brings forward more interest rate cuts. INR was also an underperformer due to importer USD demand near month-end and a trade deal still not being completed. We still view the next move in USD to be lower, but with a non-committal Fed and absent pertinent U.S. data, the USD may move higher still if U.S. rates continue to re-price
- In EM local rates, Index yields were flat. In the five-year swap space, Brazil and South Africa were tighter, while Korea and Czech were wider. After a hawkish Fed and amid an ongoing U.S. shutdown, risk/reward favors staying in long duration trades. Central banks in Mexico and Brazil meet next week. We expect the BCB to remain on hold but to soften its hawkish stance and Banxico to cut 25 bps with a potential to sound hawkish. The CNB is also likely to remain on a hawkish hold. The NBP is expected to cut 25 bps next week.
- EM corporate spreads were tighter amid a recovery in high yield sentiment. Q3 earnings were largely as expected, with TAV Airports, Vale, and Nutresa credit neutral but Colburn a touch weaker. Brazil approved Presiq (VAT credit) in the lower house, which would add $300M to Braskem's EBITDA if also approved by the Senate. Braskem bonds were higher on the news but gave up gains on Alagoas headlines.

SECURITIZED PRODUCTS

- CMBS conduit AAA spreads were marginally tighter on the week, while subordinate tranches tightened more meaningfully. SASB AAA floaters were flat, while fixed-rates and subordinate tranches tightened in limited volume. CRE CLO spreads were tighter down the stack, with AAA new issues at +145. Three transactions priced-one SASB, one CRE CLO, and one agency.
- In RMBS, Non-QM AAA spreads tightened 5 bps on strong demand, while the rest of the stack held steady. Non-QM and second-lien spreads—which were mostly flat on the week—are expected to stay range-bound amid persistent supply technicals. Both are seeing primary deals emerge and price 20-30 bps wider. CRT spreads were stable as activity picked-up post-ABS East. Last week saw 13 deals totaling $4.6B come to market, bringing October issuance to $16B, and YTD volumes to $169B.
- Benchmark AAA and mezzanine U.S. CLO spreads tightened last week. We expect decompression in senior tranches to begin as non-benchmark spreads are the first to move marginally wider, followed by benchmark managers. This trend is already visible in secondary markets and is likely to influence primary volumes. Issuance reached $8.5B and €4B across 17 and 10 deals in the U.S. and European markets, respectively. The U.S. saw 14 new issues, one reset, and two refis, while Europe saw five new issues and five resets.
- ABS spreads were range-bound—unchanged at the top of the stack, but wider at the bottom, reflecting an improved market tone. Order books were stronger last week as new issuance picked up. We remain cautious on the consumer, particularly in non-prime sectors, and are constructive on select, higher-quality issuers within auto, unsecured consumer, and commercial sectors offering favorable relative value.

MUNICIPALS

- Munis outperformed Treasures, driving M/T yield ratios lower by -0.9% and -0.5% on the 5-year and 10-year maturities, respectively. The Bloomberg Municipal Bond Index returned 1.24% for its best October return since 1995 (1.45%), and IG outperformed HY, buoyed by strong retail flows. During the month, the 2s30s and 2s10s portions of the muni curve experienced significant curve-flattening (25 bps and 35 bps, respectively). With the front end of the curve inverted, deals on issues with less than 5-year maturities continue to struggle.
- November and December issuance is expected to remain robust with many $10B+ weeks. Strong reinvestment and flows should ease digestion concerns. This week, $14B in supply is expected. Notably, the largest gas pre-pay deal of the year prices this week, $2.7B with J.P. Morgan as the funding recipient. However, the size of the deal and the structure (5-year maturity) could pose challenges.

THE RETURNS TABLE As of October 31, 2025

				Yield/ OAS Change (BPS)				Total Return (%)			
Sovereign Rates	**Duration**	**YTM**	**OAS**	**WTD**	**QTD**	**YTD**	**Prior Year**	**WTD**	**QTD**	**YTD**	**Prior Year**
U.S. 2-Year	1.90	3.58	---	9	-3	-67	-60	-0.16	0.31	4.05	4.52
U.S. 5-Year	4.52	3.69	---	8	-5	-70	-47	-0.42	0.44	6.33	5.88
U.S. 10-Year	7.88	4.08	---	8	-7	-49	-21	-0.70	0.78	7.77	5.95
U.S. 10-Year Breakeven	--	2.32	---	2	-5	-2	-1	---	---	---	---
U.S. 10-Year TIPS	4.39	1.76	---	6	-2	-47	-20	-0.56	0.53	9.12	7.20
U.S. 20-Year	12.58	4.63	---	6	-8	-23	4	-0.98	1.14	6.30	3.11
U.S. 30-Year	15.76	4.65	---	6	-8	-13	18	-1.16	1.40	5.73	1.08
U.S. SOFR	---	---	---	-2	-2	-27	-68	0.08	0.36	3.71	4.52
UK 10-Year	7.51	4.41	---	-2	-29	-16	-4	0.20	2.43	5.51	5.30
Germany 10-Year	8.46	2.63	---	1	-8	27	24	-0.02	0.80	0.56	1.15
Switzerland 10-Year	9.51	0.10	---	-2	-8	-17	-25	0.22	0.67	2.08	2.99
Japan 10-Year	8.46	1.66	---	1	2	58	72	-0.03	0.16	-3.04	-4.18
Australia 10-Year	8.02	4.30	---	15	0	-7	-21	-1.05	0.42	4.73	6.86
Canada 10-Year	8.07	3.12	---	3	-6	-11	-10	-0.27	0.68	3.95	4.57
MAJOR FI MS INDICES											
Global Aggregate Unhedged	6.44	3.43	29	0	0	-6	-7	-0.45	-0.25	7.64	5.69
Global Aggregate Hedged	6.44	3.43	29	0	0	-6	-7	-0.17	0.79	4.87	5.30
U.S. Aggregate	6.04	4.33	28	1	0	-6	-8	-0.57	0.62	6.80	6.16
Euro-Aggregate (Unhedged)	6.34	2.80	47	-1	-1	-15	-16	0.12	0.81	1.83	2.74
Japanese Aggregate	8.44	1.59	0	0	0	0	0	0.11	0.24	-3.75	-4.53
MAJOR FI CREDIT INDICES											
Mortgage-Backed (Agency)	5.56	4.66	28	1	-3	-15	-21	-0.53	0.86	7.68	7.32
Global IG Corporate Bonds	6.01	4.29	80	1	2	-9	-12	-0.69	-0.05	9.40	7.90
U.S. IG Corporate Bonds	6.99	4.82	78	3	5	-1	-5	-0.85	0.38	7.29	6.62
European IG Corporate	4.53	2.98	77	-1	-2	-25	-28	0.13	0.70	3.48	4.70
U.S. High Yield Bonds	3.16	6.78	281	0	14	-6	-1	-0.08	0.16	7.39	8.16
European High Yield Bonds	2.98	5.21	291	-10	9	-27	-39	0.23	0.07	4.24	5.79
U.S. Leveraged Loans	0.3	8.04	454	-4	3	-21	-25	0.24	0.30	5.00	6.50
European Leveraged Loans	0.3	7.34	486	-2	17	14	17	0.19	-0.20	3.09	4.56
EM Hard Currency Sovs.	6.68	6.83	262	-17	-21	-63	-75	0.56	2.13	12.88	12.76
EM Corporates	4.51	6.31	236	-11	2	-5	-9	0.09	0.56	7.95	8.01
EM Currencies	---	5.99	---	0	0	-2	-1	-0.01	-0.13	11.10	8.58
EM Local Rates	5.33	5.91	6	0	0	0	0	0.05	0.63	7.21	7.68
CMBS	3.85	4.50	77	0	2	-4	-15	-0.32	0.46	6.82	7.21
ABS	2.76	4.22	55	0	6	11	-1	-0.21	0.38	5.02	5.70
CLOs	4.04	4.73	133	-1	0	-8	-11	0.11	0.37	4.56	5.64
Municipal Bonds	6.18	3.57	---	2	-9	-17	-8	-0.07	1.24	3.91	4.17

		Total Return (%)			
Equity/Volatility	Level	WTD	QTD	YTD	Prior Yr
S&P 500 Index	6,840	0.7	2.3	17.5	21.5
DAX	23,958	-1.2	0.3	20.3	25.6
Stoxx 600	572	-0.6	2.6	16.2	17.0
Nikkei 225	52,411	6.3	16.6	33.8	36.7
Shanghai Composite	3,955	0.1	2.0	20.9	23.7
MSCI ACWI Index	1,006	0.5	2.3	21.6	23.2
FTSE 100	9,717	0.7	4.1	22.5	24.1
MOVE Index	67	-3.4	-14.5	-32.6	-50.7
VIX Index	17	6.5	7.1	0.5	-24.7

		% Change			
FX/Commodities	Spot	WTD	QTD	YTD	Prior Year
EUR/USD	1.2	-0.8	-1.7	11.4	6.0
USD/JPY	154.0	0.7	4.1	-2.0	1.3
GBP/USD	1.3	-1.2	-2.2	5.1	2.0
EUR/CHF	0.9	0.3	-0.7	-1.3	-1.3
USD/CHF	0.8	1.1	1.0	-11.3	-6.9
USD (DXY)	99.8	0.9	2.1	-8.0	-4.0
Oil	61.0	-2.1	-2.2	-15.0	-12.0
Gold	4002.9	-2.7	3.7	52.5	45.9

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Sources: Bloomberg except EMD (J.P. Morgan), HY (ICE BofAML), Bank Loans (S&P), and CLOs (Palmer Square). European returns are unhedged in euros unless otherwise indicated. An investment cannot be made directly in an index

NOTICE: IMPORTANT INFORMATION

Source(s) of data (unless otherwise noted): PGIM as of November 2025.

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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 RELATED DATA "AS IS," MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE ICE DATA INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THEIR USE, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND PGIM FIXED INCOME OR ANY OF ITS PRODUCTS OR SERVICES.

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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