

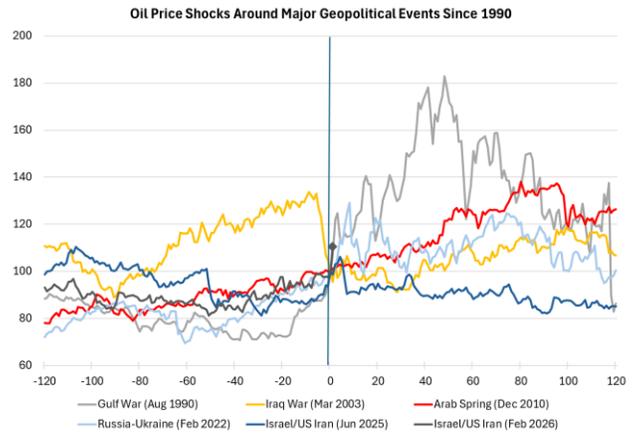
Iran Perspectives, Scenarios, and Implications

WEEKLY VIEW FROM THE DESK | March 2, 2026

[LINK TO WEEKLY RETURNS TABLE](#)

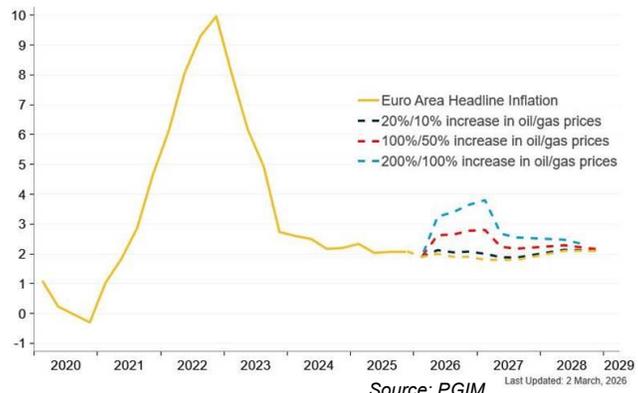
MACRO

- As conditions in Iran and the Middle East evolve, we're characterizing the actions by the U.S. and Israel as a maximalist, high-risk/high-reward approach. From a **tactical perspective**, their military operations have been successful thus far and continue to underscore the effectiveness of U.S. and Israeli intelligence capabilities. However, from a **strategic perspective**, the strikes do not constitute a long-term strategy, and the endgame for the conflict has yet to be clearly or consistently articulated. From a **market perspective**, the rapid escalation in the situation has materially widened the uncertainty bands on both sides of the probability distribution, and, in the short term, sentiment may skew to the downside amidst the vast uncertainty (listen to our [webinar on the conflict here](#)).
- Our forward-looking view of the conflict is framed in three scenarios. Our **base case** (50% probability) is summarized by the concept of "we broke it, you fix it" where the military success of the operation is followed by a lack of political motivation to invest in a long-term transition within Iran. This could result in a complex situation where remnants of the Iranian Revolutionary Guard Corps, military factions, and ethnic/internal groups vie for power. Our base case scenario does not anticipate lasting market shocks and assumes that any initial disruptions will fade. The scenario could also include energy-related steps, such as a release from the U.S. strategic petroleum reserve and/or a supply increase from OPEC+.
- Our **upside scenario** (25% probability) is based on potential displacement of the Iranian regime, or its past practices, which could be a positive result for the country's citizens, the broader region, and global markets. However, the prerequisites of the upside scenario consist of a credible "day-after" strategy and sustained support for a successful political transition. Furthermore, there are notable constraints to the upside scenario, including a highly decentralized Iranian regime that is designed to survive decapitation strikes, the lack of a clearly identifiable opposition figure, and the United States' weak track record of nation building in the Middle East.
- Our **downside scenario** (also a 25% probability) is one where the Iranian regime survives in a weakened state, but remains entrenched, while the duration and geographic footprint of the conflict expands. The expansion could include additional strikes on neighboring countries, civilian targets, energy infrastructure—a key risk being the prolonged closure of the Strait of Hormuz—cyber attacks, and terror operations. The market implications include sharply higher crude oil prices, classic supply shock conditions, risk-off dynamics, steeper yield curves, more pronounced economic effects in Europe and Asia, and an environment where gold outperforms the dollar (see more on Europe below).
- In terms of the reaction in crude oil prices, the chart above indicates that price spikes that follow geopolitical events are usually marginal and tend to ease within a month, some of which may be explained by market anticipation prior to the event.



DEVELOPED MARKET RATES

- We've also positioned our views on DM rates in scenarios, which we'll express in terms of U.S. rates. At this point, **our base case** is one that may be similar to the events following the prior strikes on Iran in mid-2025. Tensions after the 2025 strikes quickly abated and gave way to the prevailing economic trends. In this instance, the prevailing conditions consist of decent growth and above-target inflation, which provides context to the movement in the U.S. 10-year yield. It initially rallied below 4%, but soon reversed course to 4.04% late Monday.
- Our **bullish rate scenario** dovetails with the concept of prevailing, near-term downside risks—note that U.S. equity prices also erased early losses Monday. The bullish rate scenario is based on the ample risk-off events that may occur during war, particularly with cash rates elevated in the 3.6% area. Furthermore, prior periods of range bound interest rates, such as in 2006-2008, often end in sharp declines once the range breaks.
- Given Europe's reliance on imported energy, one rule-of-thumb is that a 10% increase in natural gas prices lifts inflation by 0.1 percentage point over two years, while a 10% increase in crude oil prices equates to a 0.05 pp impact (see accompanying chart). Considering the potential inflation impact, we see a ECB rate cut as less likely (an insurance cut was possible) and rate hikes could be brought forward from late 2027, but we don't see an aggressive shift towards tighter monetary policy.
- U.S. MBS spreads widened late last week, but recovered some of that move on Monday as risk sentiment stabilized. Following on the theme of prevailing market sentiment, refinancing risks are becoming more tangible amid the recent decline in rates (Monday notwithstanding) and efforts to improve affordability. At this point, estimates indicate that 25% of the MBS universe is now eligible to refinance.



Source: PGIM Last Updated: 2 March, 2026

IG CORPORATES

- In the U.S., the IG corporate Index widened in February, with much of it occurring towards the end of the month, particularly last Friday. This widening reflected a mix of pre-positioning for geopolitical risk (i.e., Iran) and concern about a heavy March issuance calendar (\$200-250B).
- Over the month, credit curves steepened, with more pressure in intermediate and long maturities. By credit quality, BBB rated bonds underperformed A-rated bonds. By sector, Energy was the strongest performer, driven by geopolitics rather than a cyclical recovery. TMT lagged, especially software and media, with several large names (e.g., Paramount) widening meaningfully. Insurance and BDC-related names also underperformed on renewed private credit concerns.
- We are cautious in early March given supply and spread dynamics. Issuance is expected to be driven by M&A financing, debt funded share buybacks, seasonality, and skewed toward the back end of the curve, which could further steepen credit curves.
- In Europe, EUR IG cash spreads also widened last week. The cause shifted through the week—from tariffs to AI related concerns and then to private credit worries. Reaction to the weekend's events was muted. Higher-beta names initially moved ~5-7 bps wider, then retraced to ~2-3 bps wider. Although Europe has more downside risk due to exposure to natural gas prices, new deals have struggled due to the gently widening backdrop and issuer concession expectations. As a result, we are keeping a short-term negative outlook—driven mainly by supply dynamics, not by expectations of a sharp geopolitical spread shock.

LEVERAGED FINANCE

- U.S. HY bond spreads widened to YTD highs on concerns over continued AI disruption and tensions in the Middle East. The HY technical environment remains solid, supported by large cash balances and investors willing to put assets to work. Among sectors, metals & mining & steel, food & drug retail, and cable were the top performers, while paper, technology, and home builders & construction materials lagged.
- Primary market activity continued, with \$8.5B across 12 deals pricing—more than 90% of proceeds were used for refinancing. Retail fund flows were negative, with \$406M flowing out of the asset class. Notably, HY mutual funds reported an outflow of \$84M (their tenth consecutive weekly outflow) while ETFs reported an outflow \$322M (their first outflow in three weeks). With all eyes now on Iran following the military activity over the weekend, the HY new issue calendar is temporarily on hold.
- U.S. bank loans were weaker last week, pressured by outflows, the growing dispersion between higher quality and CCCs, and ongoing concerns over AI disruption. The percentage of loans trading above par decreased to around 21%, from 30% the week prior. Retail funds saw their largest weekly outflow since April 2025, with \$1.5B exiting the asset class. Issuance was light. Six deals totaling \$7.3B came to market, with over 30% of proceeds backing acquisitions, and the rest being used for repricing (30%) or refinancing (36%).
- European high yield bond spreads widened last week, with investors positioning defensively in anticipation of escalating geopolitical tensions. Bank loans spreads continued to widen, driven mostly by ongoing volatility in technology issuers, which account for roughly half of recent losses in the asset class. While last week's widening brought HY spreads to flat YTD, loans are now 56 bps wider for the period.

EMERGING MARKETS

- EM hard currency sovereign spreads initially widened on the news of the U.S./Israel strikes on Iran but improved as the day progressed and the overall market reaction remained fairly muted. GCC countries saw limited spread widening as these are typically A-rated countries with strong fundamentals and the beneficiaries of strong investment flows. Some BB names, including Turkey and South Africa, widened by 10 bps. Egypt widened by less than 20 bps.
- Before the weekend, spreads were under modest pressure from AI concerns, economic data, and some pricing of a strike on Iran. Fast forward to Monday and spreads are still at the tighter end of their recent range (having benefitted from strong inflows) as markets appear less focused on the initial shock of the strikes and more on the duration and whether oil supply is ultimately disrupted. Although oil prices rose, it was not a dramatic shift higher, signaling that markets are currently assigning a low probability to a severe, prolonged disruption.
- Looking at EMFX and local rates, both remained relatively well-behaved immediately following the strikes even as the U.S. dollar moved slightly higher. Outside of a few currencies that are exposed to potentially higher oil prices, particularly the Egyptian pound (-2.6%), Hungarian forint (-2%) and Polish zloty (-1.4%), there was limited reaction in the FX market, with little differentiation between oil exporters and importers. Asian and LatAm currencies were less affected overall.

SECURITIZED PRODUCTS

- CMBS conduit AAA primary and subordinate spreads widened last week with AAAs edging into the mid-70s and A and BBB-s reaching the high 100s and low- to mid-400s, respectively. Generic AAA primary and secondary SASB spreads widened, while fixed rates tightened as much as 30 bps. Dispersion by SASB property and sponsor increased further. CRE AAA CLOs widened into the 140-145 bps range, while tier-two issuers widened as much as 10 bps. Three deals priced—one SASB, conduit, and agency.
- In RMBS, non-QMs widened as much as 10 bps across the stack on elevated macro volatility and heavy supply. Tiering widened, with first-tier AOMT AAAs at T+115 and second-tier shelves at T+125-130a. Second-liens were unchanged in light activity, owing to the SFA Vegas conference. CRT spreads widened across the stack on higher macro volatility and elevated HY spreads. Issuance slowed due to the conference—eight deals totaling \$2.9B priced, led by non-QM's \$2B across five transactions.
- U.S. CLO spreads softened broadly. Primary spreads widened across the capital structure, with mezz tranches most impacted. Credit curves steepened as macro volatility pressured mezz fundamentals. European CLOs widened across the capital structure, with mezz tranches the most impacted. Issuance reached \$9.2B across 19 transactions in the U.S. (including eight new issues, five resets, and six refi's) and €1.3B across three deals in Europe, including two new issues and one reset.
- ABS spreads remained rangebound last week with continued strong demand in primary and secondary markets. Spreads for most sectors remain in the context of January 2025 tights, but the basis vs. 1-5-year corporates is in the three-year average range. New issuance is expected to increase substantially over the coming weeks, with \$5B across nine transactions already in the pipeline.

MUNICIPALS

- Munis underperformed Treasuries last week, especially in the front end. M/T yield ratios on 5-year, 10-year, and 30-year maturities ended up 1.6%, 2.2%, and 0.9%, respectively. Overall, February was a strong month for Munis, with returns of ~125 bps, led by HY munis.
- In terms of technicals, strong flows are starting to support the back end of the muni curve, which had been stubbornly cheap. Looking ahead, while March and April are typically weak, we expect milder seasonality this year due to the likelihood of tax code changes from the OBBA reducing tax driven selling, and ~\$32B in reinvestment in March.

THE RETURNS TABLE AS OF MARCH 2, 2026

	Duration	YTM	OAS	WTD	Yield / OAS change (bps)				WTD	MTD	Total return (%)		
					MTD	QTD	YTD	Prior year			QTD	YTD	Prior year
Sovereign rates													
U.S. 2-Year	1.91	3.38	---	-10	-15	-10	-10	-68	0.23	0.52	0.71	0.71	4.59
U.S. 5-Year	4.54	3.50	---	-15	-29	-22	-22	-57	0.62	1.55	1.53	1.53	6.39
U.S. 10-Year	8.09	3.94	---	-14	-30	-23	-23	-32	1.03	2.75	2.46	2.46	7.12
U.S. 10-Year Breakeven	--	2.26	---	-4	-8	1	1	-10	---	---	---	---	---
U.S. 10-Year TIPS	4.48	1.68	---	-11	-21	-22	-22	-22	0.82	2.08	2.17	2.17	7.43
U.S. 20-Year	12.91	4.55	---	-12	-27	-24	-24	-2	1.30	3.82	3.74	3.74	4.53
U.S. 30-Year	15.92	4.61	---	-11	-26	-23	-23	8	1.52	4.48	4.36	4.36	3.12
U.S. SOFR	---	---	---	2	0	-19	-19	-68	0.07	0.29	0.59	0.59	4.28
UK 10-Year	7.54	4.23	---	-12	-29	-24	-24	-28	0.92	2.37	2.49	2.49	7.13
Germany 10-Year	8.53	2.64	---	-9	-20	-21	-21	23	0.76	1.69	2.36	2.36	1.35
Switzerland 10-Year	8.90	0.18	---	-6	-2	-9	-9	-25	0.53	0.27	1.11	1.11	2.74
Japan 10-Year	8.11	2.11	---	0	-13	5	5	71	0.14	1.00	0.06	0.06	-3.34
Australia 10-Year	7.90	4.65	---	-8	-16	-9	-9	31	0.63	1.38	1.32	1.32	2.64
Canada 10-Year	8.23	3.13	---	-9	-29	-31	-31	16	0.72	2.38	2.84	2.84	2.57
Major fixed income multi-sector indices YTW													
Global Aggregate Unhedged	6.34	3.38	28	2	2	0	0	-5	0.50	1.12	2.06	2.06	8.36
Global Aggregate Hedged	6.34	3.38	28	2	2	0	0	-5	0.44	1.41	1.65	1.65	5.19
U.S. Aggregate	5.94	4.16	28	2	4	1	1	-4	0.54	1.64	1.75	1.75	6.68
Euro-Aggregate (Unhedged)	6.35	2.79	41	1	2	-1	-1	-14	0.46	1.18	1.93	1.93	2.64
Japanese Aggregate	8.19	1.94	0	0	0	0	0	0	0.10	1.50	0.25	0.25	-4.43
Major fixed income credit indices YTW													
Mortgage-Backed (Agency)	5.08	4.38	21	2	5	-1	-1	-10	0.58	1.67	2.09	2.09	8.00
Global IG Corporate Bonds	5.99	4.25	85	7	10	5	5	-2	0.25	0.76	1.63	1.63	9.81
U.S. IG Corporate Bonds	6.95	4.73	84	8	11	7	7	0	0.21	1.29	1.47	1.47	6.91
European IG Corporate	4.57	3.07	83	5	9	4	4	-6	0.18	0.55	1.31	1.31	3.34
U.S. High Yield Bonds	3.07	6.71	291	21	26	25	25	16	-0.22	0.19	0.69	0.69	7.22
European High Yield Bonds	2.92	5.27	296	12	23	15	15	0	-0.02	0.12	0.93	0.93	4.08
U.S. Leveraged Loans	0.3	8.50	526	30	46	71	71	50	-0.67	-0.82	-1.08	-1.08	3.84
European Leveraged Loans	0.3	7.67	524	15	31	50	50	62	-0.31	-0.52	-0.73	-0.73	1.72
EM Hard Currency Sovereigns	6.57	6.66	259	14	14	5	5	-67	0.05	1.39	2.08	2.13	13.37
EM Corporates	4.47	6.20	242	8	18	5	5	-7	0.29	0.90	1.65	1.65	8.15
EM Currencies	---	5.40	---	0	0	0	0	-2	0.43	0.95	2.45	2.45	13.27
EM Local Rates	5.41	5.83	6	0	0	0	0	0	0.26	0.61	1.20	1.20	8.03
CMBS	3.82	4.21	68	0	0	-7	-7	-11	0.55	1.28	1.64	1.64	7.36
ABS	2.89	3.98	49	0	0	-3	-3	0	0.34	0.87	1.12	1.12	5.91
CLOs	4.08	4.52	129	0	1	-3	-3	-9	0.06	0.32	0.83	0.83	5.37
Municipal Bonds	5.94	3.29	---	-4	-16	-31	-31	-26	0.33	1.25	2.20	2.20	5.00

	Total return (%)						Change (%)						
	Level	WTD	MTD	QTD	YTD	Prior year	Spot	WTD	MTD	QTD	YTD	Prior year	
Equity / volatility indices													
S&P 500 Index	6,879	-0.4	-0.8	0.7	0.7	18.9	FX / commodities						
DAX	25,284	0.1	3.0	3.2	3.2	12.1	EUR / USD	1.2	0.2	-0.3	0.6	0.6	13.6
Stoxx 600	634	0.5	3.9	7.3	7.3	17.6	USD / JPY	156.1	0.6	0.8	-0.4	-0.4	4.2
Nikkei 225	58,850	3.6	10.4	17.0	17.0	56.8	GBP / USD	1.3	0.0	-1.5	0.1	0.1	7.0
Shanghai Composite	4,163	2.0	1.1	5.0	5.0	26.1	EUR / CHF	0.9	-0.6	-0.9	-2.4	-2.4	-2.9
MSCI ACWI Index	1,057	0.4	1.3	4.3	4.3	25.6	USD / CHF	0.8	-0.8	-0.5	-2.9	-2.9	-14.5
FTSE 100	10,911	2.1	7.0	10.2	10.2	28.8	USD (DXY)	97.6	-0.2	0.6	-0.7	-0.7	-9.0
MOVE Index	73	14.2	24.0	14.7	14.7	-23.8	Oil	67.4	1.5	3.3	17.4	17.4	-4.2
VIX Index	20	4.0	13.9	32.8	32.8	-6.0	Gold	5278.9	3.4	7.9	22.2	22.2	83.5

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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. Copyright 2021, J.P. Morgan Chase & Co. All rights reserved.

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 ELM+I) 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 passsthroughs), 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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