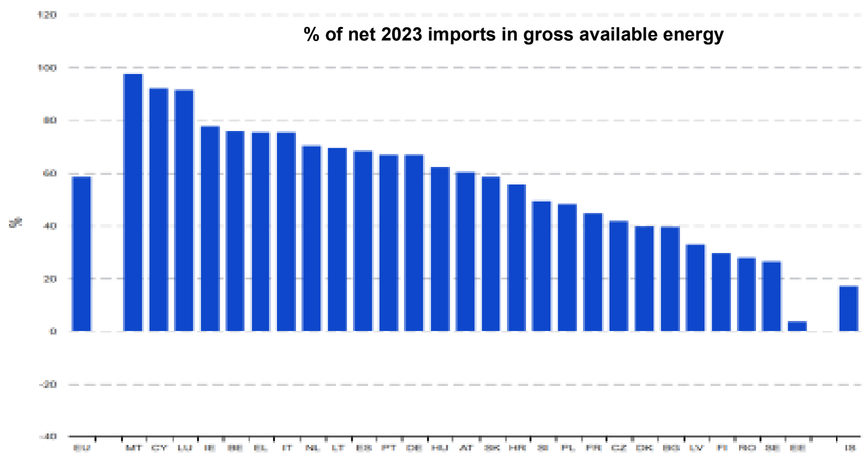
Crude Scenarios and European Effects

WEEKLY VIEW FROM THE DESK | March 9, 2026

LINK TO WEEKLY RETURNS TABLE

MACRO

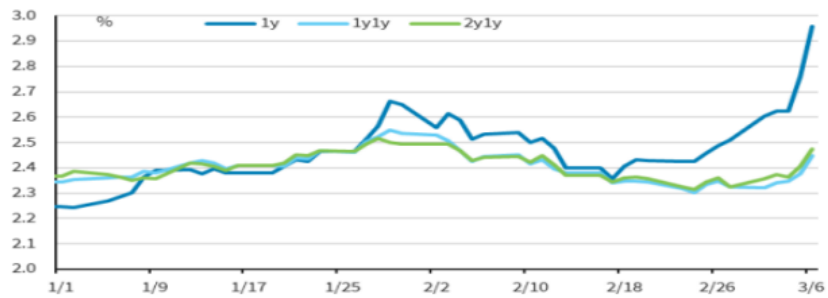
- As the volatility in crude oil prices continues with the ongoing conflict in Iran, we see three scenarios pertaining to how energy-related events could develop from here. In our **optimistic scenario**, the conflict cools and shipping through the Strait of Hormuz resumes within days, rather than weeks. While a void of supply may exist in this scenario, inventories and strategic reserves mostly offset the shortfall, and WTI crude settles into a range of \$75-\$80 barrel, which incentivizes marginal supply.
- Our **middling scenario** sees a continuing conflict where the U.S. Navy enforces open seas lanes through the Strait. Despite ongoing tension, some Gulf Cooperation Council countries are incentivized to resume some shipping, and crude oil production partially resumes. This scenario could result in a supply shortfall of 5 million barrels per day, prompting a “nervous” price range of \$90-\$120 per barrel.
- Our **pessimistic scenario** sees extensive damage to energy infrastructure, and the Strait is closed for weeks, rather than days. A potential increase in WTI to \$150 per barrel leads to potential demand destruction and the consequent effects across the global economy.
- Europe is particularly vulnerable to energy price spikes given that the EU imports 60% of its energy, with Italy, Spain, and Germany importing even higher amounts (see accompanying chart). However, the scale of the shock pales in comparison to the Ukraine-invasion shock when crude oil surged 70% and gas spiked +1000%. That said, even marginal increases in energy prices further erodes European competitiveness in energy-intensive industries, such as aluminum, cement, chemicals, and steel—much of which is needed for Germany’s planned increase in defense and infrastructure spending. It is estimated that European power cannot regularly exceed €60MWh for the region to remain internationally competitive.



Source: PGIM, Eurostat

DEVELOPED MARKET RATES

- DM interest rates have largely followed the movement in crude oil prices, and most yield complexes rose last week. UK rates encountered the most pressure with increases of 25-30 bps, whereas U.S. rates increased by about 15-20 bps. While bid-offer spreads are wider, liquidity remains adequate—with Europe being marginally weaker—and risk is still being transferred throughout the markets.
- Inflation expectations are also showing some nuanced movement. The accompanying chart shows that the 1-year CPI inflation swap has recently surged, yet forward readings of the 1y1y and 2y1y have exhibited a far more gradual increase, indicating limited concerns about a sustained surge in inflation.



CPI swaps
Source: Bloomberg, Barclays Research

- U.S. MBS spreads widened slighly last week on higher volatility and an increase in mortgage supply. Lower coupons (below 5%) widened the most given their likely extension amid higher rates. We remain underweight higher coupon 30-year issues based on refinancing potential, particularly as current prepayment speeds are running at about twice the levels from late 2023.

IG CORPORATES

- U.S. IG corporates held up well despite macro volatility and Middle East-driven risk. The IG Index finished the week ~1 bp tighter, remaining close to recent tights. CDX widened modestly, indicating some defensive positioning (without broad cash weakness). In terms of sectors, energy outperformed on higher commodity prices, and BDCs were volatile, reflecting investor redemptions and structural concerns.
- Nearly \$50B priced across roughly 25 issuers last week. Deals were 4.3x oversubscribed and came with an average concession of 3.6 bps. Issuance was skewed toward the front end of the IG curve, helping to limit spread pressure. Dealers were net sellers of ~\$5B of paper, particularly longer maturities, which contributed to a flatter IG curve. This week, we expect \$25B-\$75B in issuance. There is potential for longer duration deals. However, we note that issuers have generally been quick to stand down when macro conditions soften.

- Despite supportive technicals (e.g., higher yields, solid earnings, and manageable inventories), valuations look tight given geopolitical and macro risks. While our short-term view is negative, longer-term carry remains attractive.
- In Europe, EUR IG cash spreads widened by 6 bps. European industries with sensitivities to rates (e.g., property) or energy costs (e.g., chemicals) underperformed last week. On the upside, the demand from yield buyers has maintained an important positive technical.
- Europe's exposure to geopolitical shocks from the Iran war is primarily through energy markets. Notably, European Natural Gas Futures (e.g., Dutch Title Transfer Facility)-a key indicator of energy pricing-have increased by 111% YTD, outpacing Brent Crude Oil, which is up 70% YTD. The market is now pricing in two ECB rate hikes in 2026, given the upward pressure on inflation and growth expectations.

LEVERAGED FINANCE

- As the U.S. HY market contends with the most macro volatility since April 2025, the solid technical environment prevails on large cash balances and continued investor willingness to put assets to work. Last week, BBs outperformed Bs and CCCs, all on negative performance. Among sectors, technology, energy, and broadcasting were the top performers, while diversified media, paper & packaging, and consumer products lagged.
- Retail fund flows were negative for a fourth consecutive week, with a net $182M flowing out of the asset class. Notably, HY mutual funds reported an inflow of $182M—breaking a ten-week streak of outflows, while ETFs reported an outflow of $399M. Light primary market activity continued, with $5.4B across five deals pricing, nearly 75% of which was new money. With all eyes on Iran, the HY new issue calendar is expected to remain light over the short term.
- While still down for the period, U.S. bank loans stabilized after early-week softness. The percentage of loans trading above par edged higher to around 22%. Retail funds saw a second consecutive weekly outflow of approximately $1.5B. Issuance remained light, with 12 deals totaling $11.1B coming to market, approximately 70% of which was used for repricing or refinancing and nearly 20% for acquisitions.
- European high yield spreads widened last week, underperforming their U.S. counterparts, mostly driven by energy-intensive and cyclical sectors. Meanwhile, European bank loans outperformed HY, as the asset class is less sensitive to macro volatility and technology issues found a floor. That said, bifurcation in the loan market remains pronounced, with lower-quality lagging considerably.

EMERGING MARKETS

- EM hard currency sovereign spreads widened last week across ratings categories, with dispersion playing out on a name, oil-sensitivity, and proximity-to-the-Iran-conflict basis. Outperformers included Lebanon, Venezuela, and select LatAm issuers. Underperformers included Egypt, Turkey, Bahrain, Sri Lanka, and Pakistan. GCC countries held up well amid a lack of selling. We continue to believe that EM is a long-term beneficiary of the changes taking place in the global economy. However, the tails are clearly wider so the sizing of relative risks is key.
- EMFX was under pressure last week with LatAm underperforming. High beta oil importers lagged, with HUF, EGP, ZAR, and CLP declining the most. TRY was an outperformer as CBRT continues to manage the currency. COP, an oil exporter, outperformed. We continue with short USD positioning. We believe the USD is on a weakening trend, unless a prolonged Middle East conflict with elevated oil prices shifts the balance of risks for the global economy towards recession.
- Within local rates, last week saw some fast money accounts unwinding trades amid low liquidity, helping the index yield rise above 6% for the first time since Q2 2025. Only Colombia and China yields declined. Turkey underperformed. We continue to monitor the situation in the Middle East and are mindful that the weak U.S. labour market data could further weigh on the short-term risk sentiment, which may provide some attractive entry points over the coming weeks.
- While EM corporate spreads tightened last week, there were significant regional variations. Some spread tightening also related to the U.S. Treasury selloff and the inertia in EM corporate bond prices. Latin America outperformed and Asian spreads held in well despite the region being reliant on crude imports. Bahrain, Saudi, and UAE spreads were under pressure with UAE HY property bonds down 3-10 pts. We have been reviewing the Middle East risk in the portfolios and may reduce some Israel-related risk as these spreads have been holding in very well. We are also looking to cover some UWs in upstream oil & gas issuers.

SECURITIZED PRODUCTS

- CMBS conduit AAA primary and subordinate spreads widened last week with AAAs reaching 82 and A and BBBs reaching the high 100s and mid-400s, respectively. Generic AAA primary and secondary SASB spreads widened, while fixed rates tightened as much as 30 bps. CRE AAA CLOs widened into the 140-145 bps range, while tier-two issuers widened as much as 15 bps. Four deals priced, one SASB, two conduits, and one agency.
- In RMBS, non-QM spreads were range-bound last week, but tiering widened meaningfully amid elevated macro volatility—the gap between first-tier and second-tier shelves widened to as much as 15 bps from 5 bps. Second-liens and CRTs drifted wider as well. Issuance was heavy, with 15 deals totaling $11.7B pricing, led by seven non-QM's and three second-lien transactions.
- U.S. CLO spreads softened broadly. Primary spreads widened variably across the capital structure, with mezz tranches impacted the most. Primary vs. secondary AAA spreads were mixed, with primary lagging secondary volatility. European CLOs widened across the capital structure, with mezz tranches widening the most. Issuance reached $8.4B across 19 transactions in the U.S.—including 13 new issues, five resets, and one refi—and €2.3B across five deals in Europe, including four new issues and one reset.
- ABS spreads widened on broader market volatility—around 5 bps in senior tranches—and 10bps and 15bps among BBBs and BBs, respectively. As expected, primary activity picked up, with $5 billion across 10 deals placing. Notably, some cleared at or tighter than initial price guidance. In the secondary market, light broker-dealer inventories puts them in a good position to arbitrate near-term risk.

MUNICIPALS

- Last week, tax-exempt munis experienced their first real bout of pain since the Iranian conflict began, with mixed performance vs. Treasuries. Inflationary pressures from the war pushed yields higher, despite a weaker payroll data. M/T yield ratios on 5-year and 10-year maturities ended the week up 0.4% and 1.3%, respectively. Meanwhile, the 30-year M/T yield ratio was down -0.9%.
- The technical backdrop continues to be supportive. In terms of demand, inflows totaled $1.4B last week (~$18.4B YTD), skewed towards IG and longer-duration funds. Elevated supply remains a near-term pressure point. This week, we expect $14B in supply. Notably, Prepaid gas issuance has picked up (~$4B), partly reflecting higher Treasury yields and issuer economics.
- In the short term, our outlook is negative due to geopolitical uncertainty and supply pressure. However, we remain constructive longer term due to supportive technicals.

THE RETURNS TABLE AS OF MARCH 6, 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	1.89	3.56	---	19	19	9	9	-40	-0.27	-0.27	0.43	0.43	4.07
U.S. 5-Year	4.52	3.73	---	23	23	0	0	-33	-0.86	-0.86	0.66	0.66	5.33
U.S. 10-Year	8.06	4.14	---	20	20	-3	-3	-14	-1.42	-1.42	1.01	1.01	5.69
U.S. 10-Year Breakeven	--	2.35	---	10	10	11	11	1	---	---	---	---	---
U.S. 10-Year TIPS	4.47	1.79	---	10	10	-11	-11	-15	-0.72	-0.72	1.44	1.44	6.87
U.S. 20-Year	12.84	4.73	---	18	18	-6	-6	11	-2.11	-2.11	1.55	1.55	2.82
U.S. 30-Year	15.85	4.76	---	15	15	-9	-9	18	-2.08	-2.08	2.18	2.18	1.49
U.S. SOFR	---	---	---	-3	-3	-22	-22	-70	0.07	0.07	0.66	0.66	4.27
UK 10-Year	7.48	4.63	---	40	40	15	15	-3	-2.21	-2.21	0.22	0.22	5.51
Germany 10-Year	8.49	2.86	---	22	22	0	0	3	-1.63	-1.63	0.69	0.69	3.13
Switzerland 10-Year	9.04	0.36	---	18	18	8	8	-32	-1.50	-1.50	-0.40	-0.40	3.56
Japan 10-Year	8.02	2.17	---	5	5	11	11	63	-0.32	-0.32	-0.26	-0.26	-2.56
Australia 10-Year	7.84	4.84	---	19	19	10	10	36	-1.27	-1.27	0.03	0.03	2.34
Canada 10-Year	8.19	3.40	---	28	28	-3	-3	34	-1.96	-1.96	0.82	0.82	1.32
Major fixed income multi-sector indices		**YTW**											
Global Aggregate Unhedged	6.37	3.58	29	1	1	1	1	-3	-1.75	-1.75	0.28	0.28	5.96
Global Aggregate Hedged	6.37	3.58	29	1	1	1	1	-3	-0.99	-0.99	0.65	0.65	4.90
U.S. Aggregate	5.98	4.36	28	0	0	1	1	-5	-0.96	-0.96	0.77	0.77	5.73
Euro-Aggregate (Unhedged)	6.34	3.07	45	4	4	2	2	-7	-1.50	-1.50	0.40	0.40	3.54
Japanese Aggregate	8.32	2.00	0	0	0	0	0	0	-0.37	-0.37	-0.12	-0.12	-3.87
Major fixed income credit indices		**YTW**											
Mortgage-Backed (Agency)	5.28	4.63	23	2	2	1	1	-10	-1.02	-1.02	1.05	1.05	7.02
Global IG Corporate Bonds	6.03	4.47	85	0	0	5	5	-4	-1.54	-1.54	0.07	0.07	7.58
U.S. IG Corporate Bonds	6.96	4.90	83	-2	-2	5	5	-4	-0.95	-0.95	0.51	0.51	6.09
European IG Corporate	4.62	3.35	84	1	1	5	5	-2	-1.09	-1.09	0.20	0.20	3.82
U.S. High Yield Bonds	3.22	6.95	296	5	5	30	30	3	-0.44	-0.44	0.26	0.26	7.05
European High Yield Bonds	3.09	5.70	305	9	9	23	23	10	-0.69	-0.69	0.23	0.23	4.03
U.S. Leveraged Loans	0.3	8.55	511	-15	-15	56	56	39	0.20	0.20	-0.89	-0.89	4.18
European Leveraged Loans	0.3	8.03	527	3	3	53	53	68	-0.21	-0.21	-0.94	-0.94	1.52
EM Hard Currency Sovereigns	6.48	6.87	262	3	3	8	8	-70	-1.19	-1.19	0.86	1.35	12.51
EM Corporates	4.43	6.36	238	-4	-4	1	1	-14	-0.63	-0.63	1.01	1.01	7.41
EM Currencies	---	6.60	---	1	1	1	1	0	-2.05	-2.05	0.34	0.34	9.64
EM Local Rates	5.36	6.05	6	0	0	0	0	0	-1.09	-1.09	0.10	0.10	6.95
CMBS	3.79	4.44	70	2	2	-5	-5	-10	-0.80	-0.80	0.83	0.83	6.39
ABS	2.86	4.14	47	-2	-2	-5	-5	-1	-0.38	-0.38	0.73	0.73	5.32
CLOs	4.05	4.77	0	-129	-129	-131	-131	-138	-0.26	-0.26	0.56	0.56	5.06
Municipal Bonds	6.10	3.44	---	15	15	-15	-15	-19	-0.77	-0.77	1.41	1.41	4.70

		Total return (%)				
	Level	WTD	MTD	QTD	YTD	Prior year
Equity / volatility indices						
S&P 500 Index	6,740	-2.0	-2.0	-1.3	-1.3	19.0
DAX	23,591	-6.7	-6.7	-3.7	-3.7	0.7
Stoxx 600	599	-5.5	-5.5	1.3	1.3	11.3
Nikkei 225	55,621	-5.5	-5.5	10.6	10.6	50.4
Shanghai Composite	4,124	-0.9	-0.9	4.1	4.1	25.2
MSCI ACWI Index	1,017	-3.7	-3.7	0.5	0.5	21.9
FTSE 100	10,285	-5.7	-5.7	4.0	4.0	22.1
MOVE Index	81	10.7	10.7	27.0	27.0	-25.4
VIX Index	29	48.5	48.5	97.3	97.3	18.6

		Change (%)				
	Spot	WTD	MTD	QTD	YTD	Prior year
FX / commodities						
EUR / USD	1.2	-1.6	-1.6	-1.1	-1.1	7.7
USD / JPY	157.8	1.1	1.1	0.7	0.7	6.6
GBP / USD	1.3	-0.5	-0.5	-0.5	-0.5	4.1
EUR / CHF	0.9	-0.8	-0.8	-3.1	-3.1	-5.4
USD / CHF	0.8	0.9	0.9	-2.1	-2.1	-12.2
USD (DXY)	99.0	1.4	1.4	0.7	0.7	-4.9
Oil	90.9	34.8	34.8	58.2	58.2	36.9
Gold	5171.7	-2.0	-2.0	19.7	19.7	77.6

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