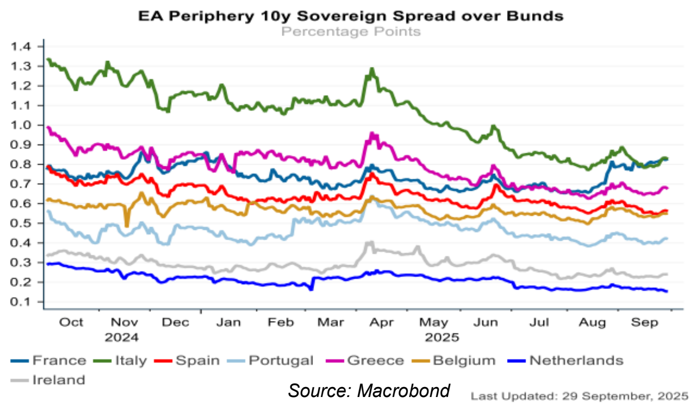
Of Vulnerabilities and Shutdowns

WEEKLY VIEW FROM THE DESK | September 29, 2025

LINK TO WEEKLY RETURNS TABLE

MACRO

- The euro area continues to reflect our [“muddle through” base case] (45% probability in Europe) with the broad economy remaining resilient, despite weakness in France. For example, although Europe’s manufacturing PMIs remain lackluster, the euro area composite PMIs generally appear to be improving in expansion territory (more than 50) with the exception of France, which has yet to break 50 this year.
- France is appearing conspicuously weak relative to the recent credit rating upgrades for Spain, Italy, and Portugal as well as Italy’s narrowing deficit to potentially less than 3% of GDP. French 10-year spreads over bunds reflect the country’s tenuous position with its budget process commencing in October amidst little signs of fiscal consolidation—a suggested budget of 4.7% of GDP with no wealth tax or pension reform—from Prime Minister Lecornu.
- However, from a regional perspective, fiscal conditions in the UK may be more vulnerable than those in France for several reasons. Inflation-linked debt, governance around BoE balance sheet losses, shorter maturity debt on average, and a relative high proportion of overseas investors contribute to the UK’s sensitivities.
- Government-related uncertainty is also on the docket in the U.S. with prediction markets indicating more than a 75% probability for a partial shutdown of the federal government on Wednesday morning. From an economics perspective, one of the early ramifications of the shutdown will be the lack of government-released data, including the September payroll report scheduled to be released on Friday.

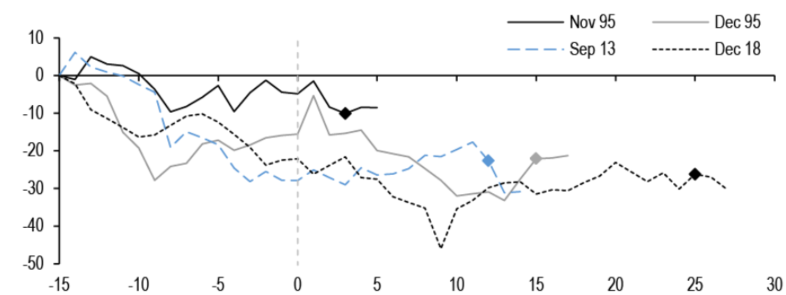


Source: Macrobond

DEVELOPED MARKET RATES

- In contrast to the potential effect on constituents, market reactions to partial federal shutdowns are usually mild with the 10-year Treasury yield historically drifting lower during shutdowns (see the accompanying chart).
- However, the potential for lower rates indicates additional, broader forces at play. Indeed, cash rates are falling with Fed rate cuts and rising retail demand is extending to longer-maturity allocations. At this point, our stable-to-lower thesis for U.S. rates may depend on a Fed funds rate that is at or below 3.6%. That specific threshold may maintain market stability, while a lower Fed funds rate would likely support lower long-term rates.
- The biggest risk to the bullish-rate thesis appears to be an acceleration in economic activity. However, an economic boost driven by monetary policy would likely require a sub-3% policy rate that transmits to the intermediate portion of the curve and more readily into the real economy.

Cumulative change in 10-year Treasury yields averaged around recent instances in which Congress has failed to extend a Continuing Resolution;* end of shutdown period marked with diamond; bp



Source: J.P. Morgan
*11/14/1995, 12/16/1995, 9/30/13, 12/20/2018

- MBS spreads were largely unchanged last week, with higher coupons and the 15-year sector showing a modest recovery after previous underperformance. Ginnie Mae space also improved, especially in higher coupons. Overseas accounts remained active buyers near par, while convexity accounts paused due to rate stability.

IG CORPORATES

- In the U.S., the IG Index moved wider on higher issuance and stronger economic data. By quality and maturity, BBB-rated bonds and 10+ year bonds both lagged by +3 bps. Issuance was higher-than-expected at ~$55B, with ~25% in long-dated paper. This led to a slight steepening of the credit curve. Deals were 4.4x over-subscribed and came with minimal concessions (on average). MTD, this brings the gross supply for September to ~$181B (a record). In October, this is expected to slow (~$100B), with net issuance likely flat to negative for the rest of the year.
- **Spotlight on CAPEX/AI**: CAPEX spending by "hyperscale’s"—i.e., Google, Microsoft, Meta, Amazon, Apple, Oracle—doubled, reaching a pace of ~$400B compared to ~$200B in 2023. Most these hyperscalers generate significant cash flow from operations (~$600B, in aggregate), making the current CAPEX cycle more sustainable compared to the Dotcom era. However, Oracle is an outlier, with negative free cash flow due to its large spending commitments (especially related to OpenAI) and leverage peaking at 4.3x.

- The EUR IG Index drifted 1 bp wider last week to end at OAS+79. EA composite PMI came in just ahead of expectations, followed by a weak economic forecast from the IFO Institute later in the week. In the UK, the FTSE 100 underperformed European counterparts following flash PMIs surprising to the downside. However, the primary driver of spreads was the risk-off sentiment in the U.S. market, which filtered through to the Euro market.
- Primary markets remained active with issuance totaling ~€23B, beating initial expectations of €9B-€15B. Deals priced with little to no concession. This week, issuance expectations are slightly lower than last week.

LEVERAGED FINANCE

- U.S. HY bond spreads held steady against the heaviest weekly issuance volume since March 2021 and moderate outflows. The resilient technical environment prevailed, as investors put cash balances to work at lower levels, which will likely continue as calls, tenders, and coupon proceeds will need to be reinvested. Primary market volume was $20.9B across 24 transactions, bringing month-to-date issuance to a September record of $49B.
- All credit tiers saw negative returns, with BBs easing the most, followed by CCCs. Industry performance was mixed, with super retail and air transportation the only industries to edge positive, while paper, chemicals, and gaming were the softest on slightly negative performance. HY retail flows were negative for the week, with $365M flowing out, bringing YTD flows to $14.9B.
- U.S. loans gained slightly for the week, with prevailing strong demand for higher-quality loans offsetting continued weakness in CCCs. Despite ongoing weakness in lower-quality issues, the percentage of loans trading at our above par is still above 40%. Flows were positive for a second consecutive week while solid CLOs issuance continued. The primary market remained active, with $18.9B pricing across 27 deals. Last Wednesday saw the heaviest daily volume since September 2021 and the highest level of new money in months.
- European HY bonds and leveraged loans were stable, edging slightly wider but remaining close to YTD tights. The strong technical backdrop continues, as 13 new deals were easily absorbed. The European leveraged finance market remains highly bifurcated, with strong technicals and high demand for performing credits, but significantly less demand and price volatility for weaker, more speculative names.

EMERGING MARKETS

- EM hard currency spreads tightened last week, largely driven by idiosyncratic developments in lower-rated/stressed issuers. By ratings category, CCCs tightened sharply while other ratings buckets remained relatively flat. Notable outperformers included Argentina, which rose 12 points after Bessent and Trump suggested the U.S. was prepared to provide a $20B swap line. Other notable outperformers included Ecuador and Ukraine. Balancing tail risks with attractive idiosyncratic stories and selective relative value opportunities, risk levels seem appropriate with a focus on identifying bottom-up stories.
- EMFX declined last week as U.S. rates rose with a bear flattening bias. Asia underperformed, followed by European and LatAm. High-carry currencies generally outperformed, with EGP, TRY, MXN, and ZAR among the top performers. Low-carry currencies such as KRW, THB and TWD underperformed. We don't believe the recent USD strength will continue and, as such, we continue to have a slight USD short bias and remain relative-value focused (long high carry versus short low carry).
- In EM local rates, the Index widened in line with the move in U.S. 10-year Treasuries. South Africa government bonds continued to rally while other high yielders such as Turkey, Indonesia, Brazil, and Colombia underperformed. Thailand, Czech, and Malaysia also underperformed. In swaps, Korea moved as much as 15 bps, removing half of the rate cut priced into the curve.
- EM corporate spreads tightened again and are now sitting as post-GFC tights. Brazil corporates widened as Braskem surprised the market by hiring financial and legal advisors despite having no maturities until 2028, $2.5B in cash and revolvers, unencumbered high-quality assets in the U.S., and recent approval of anti-dumping duty in Brazil. Separately, mid-sized Brazil company Ambipar defaulted after the CFO resigned.

SECURITIZED PRODUCTS

- Primary AAA floating-rate SASB and CRE CLO spreads tightened last week. Subordinate SASB floating-rate tranches also tightened while fixed-rates continued to trade well. AAA Conduit spreads were unchanged while subordinate tranches were directionally wider. Eleven primary market deals priced—five SASB, three conduit, two agency, and one CRE CLO. The SASB pipeline shows no sign of easing while CRE CLO issuance has ticked higher on tightening spreads.
- In RMBS, heavy issuance and macro volatility pushed non-QM and second-lien spreads wider, especially in the non-QM BBB tranche. CRT spreads were stable with only modest activity as dealers slowed security additions ahead of quarter-end and investors absorbed paper from dealer inventories. Ten primary deals totaling $3.9B priced, including $3.2B from eight no-QMs deals and $730M from two second lien issues.
- Benchmark AAA U.S. CLO spreads continued to tighten, while mezzanine tranches softened further under the weight of elevated supply. The benchmark vs. non-benchmark basis has started compress again as demand for non-benchmark profiles increases. Primary issuance was $12.6 billion across 29 deals in the U.S. and €2.9 billion priced across seven deals in Europe. The U.S. saw 13 resets, seven new issues, and nine refis, while Europe saw three new issues, three resets, and one refi.
- ABS spreads were range-bound in lighter primary market activity, with senior credit cards, prime auto, and unsecured consumer trading at T+37, T+40-50, and T+90-100 bps, respectively. The ABS vs. corporates spread tightened 2 bps to 39 bps. The U.S. primary market is set to pick-up over the coming weeks and issuance is expected to remain elevated in Europe and Australia, with additional auto and consumer loan transactions expected.

MUNICIPALS

- Last week, short-term munis underperformed Treasuries as this portion of the muni curve bear flattened. Indeed, 2-year and 5-year M/T yield ratios, although still rich, rose 26 bps and 15 bps, respectively. Drivers included higher Treasury yields, ETF outflows after several weeks of inflows, persistent supply, and late-September reinvestment.
- While last week's issuance was robust ($18B), shorter-maturity issuance from large state GO deals met some resistance. This led to pricing cuts to attract buyers as well as unsold balances that needed to be written down (e.g., California $2.4B).

THE RETURNS TABLE As of September 26, 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	1.91	3.64	---	7	-8	-60	1	-0.10	0.91	3.62	3.42
U.S. 5-Year	4.53	3.77	---	9	-3	-62	20	-0.32	1.00	5.68	2.85
U.S. 10-Year	7.97	4.18	---	5	-5	-40	38	-0.35	1.50	6.60	1.13
U.S. 10-Year Breakeven	--	2.38	---	-1	10	4	21	---	---	---	---
U.S. 10-Year TIPS	4.44	1.80	---	6	-14	-44	17	-0.49	2.41	8.34	3.70
U.S. 20-Year	12.66	4.73	---	1	-5	-13	54	-0.20	1.78	4.58	-3.56
U.S. 30-Year	15.82	4.75	---	0	-3	-3	62	-0.13	1.54	3.73	-6.10
U.S. SOFR	---	---	---	2	-29	-33	-67	0.08	1.07	3.29	4.58
UK 10-Year	7.58	4.74	---	3	26	18	74	-0.14	-0.83	1.66	1.66
Germany 10-Year	8.54	2.75	---	0	14	38	56	0.07	-0.10	-0.10	-0.10
Switzerland 10-Year	9.60	0.16	---	-2	-25	-11	-24	0.20	2.45	1.78	3.02
Japan 10-Year	8.35	1.65	---	1	22	56	82	-0.04	-1.51	-1.51	-1.51
Australia 10-Year	8.25	4.39	---	15	22	2	44	-1.12	-0.86	3.34	0.79
Canada 10-Year	8.16	3.22	---	2	-5	0	21	-0.15	1.18	5.04	5.04
MAJOR FI MS INDICES											
Global Aggregate Unhedged	6.45	3.50	29	0	-3	-6	-9	-0.54	0.10	7.37	2.07
Global Aggregate Hedged	6.45	3.50	29	0	-3	-6	-9	-0.15	1.00	3.83	2.89
U.S. Aggregate	6.05	4.40	27	0	-5	-6	-9	-0.28	1.81	5.90	2.69
Euro-Aggregate (Unhedged)	6.30	2.91	48	1	-3	-14	-20	0.00	-0.07	0.77	1.20
Japanese Aggregate	8.51	1.61	1	0	0	1	0	-0.02	-1.49	-4.04	-5.42
MAJOR FI CREDIT INDICES											
Mortgage-Backed (Agency)	5.64	4.76	29	-1	-9	-14	-11	-0.29	2.27	6.59	3.16
Global IG Corporate Bonds	6.01	4.34	78	1	-11	-11	-23	-0.46	1.52	9.03	4.79
U.S. IG Corporate Bonds	6.99	4.84	74	2	-9	-6	-16	-0.40	2.32	6.59	3.45
European IG Corporate	4.54	3.08	79	1	-13	-23	-38	0.00	0.79	2.60	3.71
U.S. High Yield Bonds	3.15	6.71	266	4	-24	-21	-34	-0.23	2.42	7.10	7.48
European High Yield Bonds	2.94	5.18	277	2	-44	-40	-76	0.02	1.83	4.17	6.31
U.S. Leveraged Loans	0.3	8.03	450	3	-9	-25	-48	0.02	1.62	4.63	7.14
European Leveraged Loans	0.3	7.21	467	3	4	-5	-13	0.04	0.90	3.30	5.66
EM Hard Currency Sovs.	6.55	7.10	282	-9	-41	-44	-84	0.31	4.74	10.73	8.76
EM Corporates	4.38	6.34	233	-5	-33	-8	-35	-0.07	3.16	7.32	6.62
EM Currencies	---	6.09	---	0	1	-2	0	-0.55	0.40	10.88	5.87
EM Local Rates	5.31	5.90	6	0	0	0	0	-0.17	1.95	6.45	5.65
CMBS	3.85	4.55	75	-1	-9	-5	-18	-0.19	1.57	6.13	4.59
ABS	2.78	4.23	49	0	-7	5	-14	-0.08	1.50	4.47	4.44
CLOs	3.87	4.77	133	0	-3	-7	-14	0.10	1.37	4.11	5.85
Municipal Bonds	6.34	3.67	---	11	-29	-7	34	-0.41	2.88	2.52	1.38

		Total Return (%)			
Equity/Volatility	Level	WTD	QTD	YTD	Prior Yr
S&P 500 Index	6,644	-0.3	7.4	14.1	17.2
DAX	23,739	0.4	-0.7	19.2	23.4
Stoxx 600	555	0.1	2.8	12.5	9.1
Nikkei 225	45,355	0.7	12.1	15.0	18.8
Shanghai Composite	3,828	0.2	12.3	16.9	30.9
MSCI ACWI Index	977	-0.5	6.8	17.9	17.0
FTSE 100	9,285	0.8	6.8	16.8	16.0
MOVE Index	74	2.6	-17.6	-24.7	-17.5
VIX Index	15	-1.0	-8.6	-11.9	-0.5

		% Change			
FX/Commodities	Spot	WTD	QTD	YTD	Prior Year
EUR/USD	1.2	-0.4	-0.7	13.0	4.7
USD/JPY	149.5	1.0	3.8	-4.9	3.2
GBP/USD	1.3	-0.5	-2.4	7.1	-0.1
EUR/CHF	0.9	-0.1	-0.1	-0.7	-1.3
USD/CHF	0.8	0.3	0.6	-12.1	-5.7
USD (DXY)	98.2	0.5	1.3	-9.5	-2.4
Oil	65.7	4.9	0.9	-8.4	-2.9
Gold	3760.0	2.0	13.8	43.3	40.7

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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

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

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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 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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