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CHIEF INVESTMENT OFFICE

Capital Market Outlook

August 24, 2020

All data, projections and opinions are as of the date of this report and subject to change.

IN THIS ISSUE:

- **Macro Strategy**—From its low point on March 23, 2020, the U.S. stock market had its best 100-day performance off a bear-market bottom in history. Comparisons with previous strong 100-day rallies from bear low points suggest that the U.S. economy may be at a secular turning point, with stronger growth and higher inflation likely in the years ahead.
- **Global Market View**—Geographic allocation can make a meaningful difference in portfolio performance during an uneven global recovery. With the case study of Europe vs. U.S. equities in mind, we review some key lessons for investors on the importance of geographic revenue exposures, currency effects and sector exposures in portfolio allocation decisions.
- **Thought of the Week**—Pre-pandemic, the impact of women in the economy was on a positive trajectory. As the economy emerges from recession, unlocking the economic power of gender parity is more critical than ever.
- **Portfolio Considerations**—Global growth continues to grind higher. This month, we upgraded International Developed equities, specifically Europe, to neutral as macro conditions have solidified, and structural progress toward a fiscal union is viewed as positive by reducing the magnitude of the U.S. Large-cap overweight. In addition, we have taken this opportunity to actively rebalance portfolios back to tactical targets given substantial drift over recent months.

MACRO STRATEGY

Chief Investment Office Macro Strategy Team

GLOBAL MARKET VIEW

Kathryn McDonald, CFA®,
Vice President and Investment Strategist

THOUGHT OF THE WEEK

Jackie Vanderbrug
Managing Director and Head of Sustainable & Impact Investment Strategy

Sarah Norman
Director and Senior Investment Strategy Analyst

Data as of 8/24/2020, and subject to change.

MACRO STRATEGY:

The Message From The Shortest Bear Market Ever

CIO Macro Strategy Team

The S&P 500 hit an all-time closing high on August 18, 2020. This marked the official end of the 2020 bear market. Bear markets are generally defined as a drop of a minimum of 20% from a high point. The S&P 500 dropped over 30% from its mid-February peak to its low point on March 23, the quickest and sharpest bear-market decline ever. The record rise in the 100 days since March 23 and new high on August 18 mark the fastest recovery out of a bear market ever.

The reasons behind the rapid decline and speedy recovery offer insights for the economic outlook. First, it is clear that the shutdowns were the shock that sent the global economy and stock markets reeling. Stock markets are leading indicators of economic activity. In the run up to a typical recession, the stock market often starts to decline six months, or more, before a recession begins, as early warning signs develop and cumulate to a critical mass that causes economic activity to eventually turn negative. The pandemic shock was different in that the recession began almost immediately in response to the March and April shutdowns. Once the economy began to reopen, growth turned positive in May and June. The brevity of the shutdowns and quick return to positive growth are key reasons for the brevity of the bear market and the rapid return to new highs.

Just as the stock market leads on the way down, in this case just a few weeks before the shutdown-induced U.S. recession, it also leads on the way up, in this case starting in the week of March 23, 2020, when the Coronavirus Aid, Relief, and Economic Security (CARES) Act fiscal-stimulus package was signed into law. The package was designed to plug the hole in the economy during what was expected to be about a 10-to-12-week economic shutdown. As it turned out, the fiscal-policy package was more than sufficient to replace the income that vanished when more than 20 million people lost their jobs. Thanks to massive government transfer payments, disposable personal income rose during the spring, an unprecedented occurrence during a recession. Investors who recognized that the policy response was bigger than the pandemic hit were the early "smart money" that turned the bear into a bull.

The strength of the recovery continues to exceed economists' expectations, with many measures of positive economic surprises still at or near all-time highs, the latest example being the robust housing data for July. A strong new housing cycle is just beginning, a typical sign of a healthy economic expansion. Still, as is always the case when a recession is ending and a new expansion begins, there are plenty of headwinds to keep bearish economists from acknowledging the strength implied by the unprecedented recovery in stock prices. Unemployment remains high and generous unemployment benefits have ended. The fiscal plug that was designed to end in midsummer is being pulled. Service industries that count on congregated clients are lagging behind.

This negativity makes it easy to conclude that the stock market is out of touch with the economy. Yet, there is a reason the index of leading indicators includes stock prices and excludes the consensus economic outlook from economists. Stocks tend to be right and economists wrong, especially at turning points, when recessions end or begin. That's why it is normal to see economists and strategists raise their outlooks for the economy and stock market in the early stage of a new expansion, as we have seen recently with a bevy of Wall Street strategists sharply raising their price targets for the S&P 500.

If the stock market is not out of touch with fundamentals after all, what is it saying about the outlook? Clearly the outlook is much better than the economists say. While the downside impact from the pandemic has understandably overwhelmed commentators on the status quo, the stock market, with a more farsighted glimpse into the future, seems to like what it sees.

Before the pandemic, the global economy was plodding along, with aging expansions around the world not too hot, not too cold. There were few typical precursors of recession, with inflation still running below target. The shutdowns ended that, extinguishing economic activity around the world and resetting the mindset of households to a whole new way of looking at the future. The unprecedented impact on the population's psyche has also caused an abrupt and major shift in the course of the future, with an acceleration of the application of digital technology and the virtualization of the economy. The growth rate of the new economy is faster than it was before, with Ned Davis Research analysts estimating that almost 60% of companies benefit from this pandemic impact. This helps explain the market's bullish performance pricing in this new faster growth future. If correct, this conclusion implies that whatever the market was worth before the pandemic, it is worth more afterward.

At the same time, the companies hurt by the pandemic will eventually benefit from a strong new economic expansion as the world returns to normal. The recent relative outperformance of cyclical stocks is an early sign that stronger growth is coming. In addition, the market seems to be sensing a positive secular shift as well as the usual cyclical pickup after a recession. Among the few other top 100-day recoveries out of recessionary bear markets is the 1982 example. That early 1980s recession was the worst since the 1930s as measured by the peak in the unemployment rate, which at 10.8% was higher than even the peak of 10% during the Great Financial Crisis (GFC). While the recent spike in unemployment was even higher, it is largely temporary, as most of the unemployed expect to go back to their jobs. More than 40% already have.

The strong stock performance out of the early 1980s recession anticipated a secular shift that few, if any, saw coming at the time. It marked the turning point from a trend of ever-rising inflation and interest rates to a new 40-year trend of ever-declining cyclical peaks and bottoms in inflation and interest rates through successive business cycles right up until 2020. That trend change set off the biggest stock and bond bull markets in U.S. history. The even faster, stronger rally out of the 2020 bear market suggests a similar big trend shift may now be afoot, and it's not hard to see what is causing it.

The past decade's secular stagnation reflected policy failures. Monetary policy failed to keep inflation at its target. Fiscal policy often worked at cross-purposes with monetary policy. After the GFC, monetary easing in the U.S. was offset by premature fiscal tightening. Policy was worse in Europe, where untimely tightening in 2011 caused a double-dip recession and existential threat to the Euro while fiscal hawks insisted that southern member countries tighten their belts ever more. In 2017 and 2018, when the U.S. began to grow faster after major tax cuts and deregulation, the Federal Reserve (Fed) nipped it in the bud by overtightening and missing its inflation target once again. The message in the strongest U.S. bull market out of a recession ever seems to be that policy is going to finally promote a healthier economic environment of stronger growth and inflation. The biggest fiscal and monetary stimulus since World War II makes this likely. It worked then, and there's no reason to think it can't work now.

GLOBAL MARKET VIEW:

Revisiting Geographic Revenue Exposures: Three Lessons For Investors Amid The Virus Shock

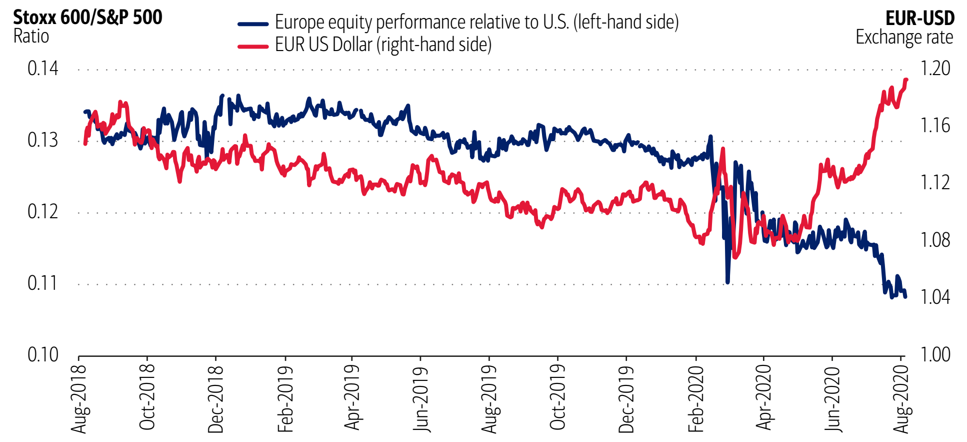
Kathryn McDonald, CFA®, Vice President and Investment Strategist

The coronavirus pandemic has evolved into the most widespread global economic downturn in recorded history. According to the World Bank, 93% of economies are estimated to contract this year, setting a record for the largest percentage of countries in recession in data going back to 1870. While the economic damage was a universal and common shock across the globe, the economic recovery will likely be more uneven, depending on individual countries' virus responses, available policy space, and tech resilience, among other factors.

Against this backdrop, geographic equity allocations in the post-crisis period have become an even more important dynamic for overall portfolio returns. In our latest Viewpoint, we upgraded International Developed equities, notably European equities, from slightly underweight to neutral on strengthening macro activity and policy advancements toward a more fiscally integrated union. Given these improving conditions for the Eurozone, we have already seen the Euro soar against the U.S. dollar, rising 10% since May; however, European equities have continued to underperform U.S. stocks (Exhibit 1).

Part of the European stock weakness-to-date can be attributed to (1) the region's large foreign revenue exposures amid a weaker global trading environment, (2) a stronger currency which can weigh on the global earnings of European multinationals, and (3) less exposure to secular sector "winners" from the coronavirus crisis including technology and communication services. That being said, past performance is no indication of future results, and the tide may soon be shifting for Europe. As global trade picks back up, cyclical sectors gain momentum, and the economic recovery gathers pace, the more cyclically oriented European markets could start to improve relative to U.S. markets.[1] With the case study of Europe in mind, we review below some key lessons for investors on the importance of geographic revenue exposures, currency effects and sector exposures in portfolio allocation decisions.

Exhibit 1: European Equities Have Underperformed While The Euro Has Soared



Source: Bloomberg. Data as of August 17, 2020. **Past performance is no guarantee of future results.** Short-term performance shown to illustrate more recent trend.

Lesson #1: Geographic Exposure Matters. Diversifying by Country of Domicile Only Gets You So Far.

As we have written at length in the past, traditional diversification methods—whereby investors allocate funds according to country of domicile—can be misleading and, at times, inefficient when it comes to portfolio diversification. Instead, investors should diversify according to companies' revenue exposures to different consumers around the world. Whether it's a U.S. automaker selling cars in China, a British pharmaceutical company developing products for the U.S. market, or a Swiss bank providing financial services for Asian investors, the geographic exposures of multinational companies are much more complex than traditionally thought.

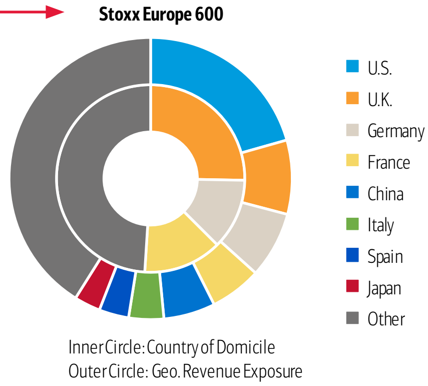
Exhibit 2 gives a more complete and telling picture of various equity indices' geographic exposures. Based on revenue exposure, European indices are highly globalized. Take the German DAX, for instance, comprising 30 of the largest publicly traded German stocks. According to the latest figures, these German multinationals generate more revenue in the United States than in Germany, with China a distant third. Meanwhile, companies in the Stoxx 600, a broader measure of European equities, make 21% of their revenues in the United States. By contrast, U.S. corporate revenues, measured by the S&P 500, are more domestically focused, with just 40% of revenues coming from foreign markets.

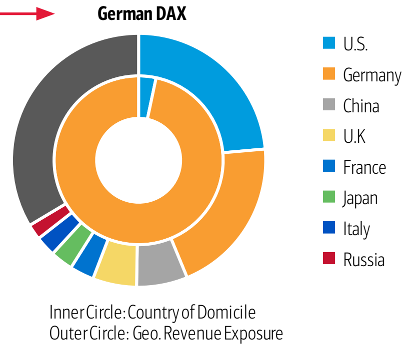
Given Europe's outsized dependence on foreign revenue sources—juxtaposed against a strained global trading environment and collapse in global demand—it becomes more clear why European equities have lagged year to date. However, as the global backdrop improves and trade rebounds, European shares could be among the largest beneficiaries.

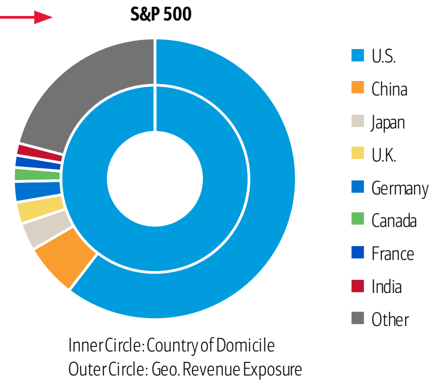
[1] See August 10, 2020, Capital Market Outlook, *Europe Poised to Catch Up*.

Exhibit 2: Revenue Exposure By Country

	Top 3 Markets, % of total revenue exposure		
Index	1	2	3
Stoxx Europe 600	U.S. 20.6%	U.K. 8.5%	Germany 7.6%
France CAC 40	U.S. 19.6%	France 15.5%	China 5.7%
U.K. MSCI	U.S. 25.8%	U.K. 22.9%	China 9.0%
Italy MSCI	Italy 44.3%	U.S. 7.3%	Spain 6.2%
Germany DAX	U.S. 23.6%	Germany 20.2%	China 6.5%
Spain IBEX 35	Spain 38.0%	U.S. 11.1%	Brazil 7.1%
Belgium BEL-20	Belgium 22.0%	U.S. 19.3%	Brazil 5.1%
Netherlands AEX	U.S. 21.0%	Netherlands 8.1%	Taiwan 8.0%
Norway OSE	Norway 41.7%	U.S. 9.3%	France 4.5%
Switzerland SMI	U.S. 32.0%	Switzerland 6.2%	China 5.6%
China MSCI	China 89.9%	U.S. 2.3%	Hong Kong 1.5%
Japan MSCI	Japan 56.4%	U.S. 12.8%	China 7.8%
Korea Kospi	S. Korea 52.1%	China 10.4%	U.S. 8.8%
India MSCI	India 65.2%	U.S. 11.2%	China 2.5%
Taiwan TAIEX	Taiwan 33.0%	U.S. 24.3%	China 18.2%
Mexico S&P/BMV IPC	Mexico 60.3%	U.S. 14.1%	Brazil 4.4%
Brazil Bovespa	Brazil 75.9%	China 6.1%	U.S. 5.2%
S&P 500	U.S. 60.4%	China 6.2%	Japan 3.2%







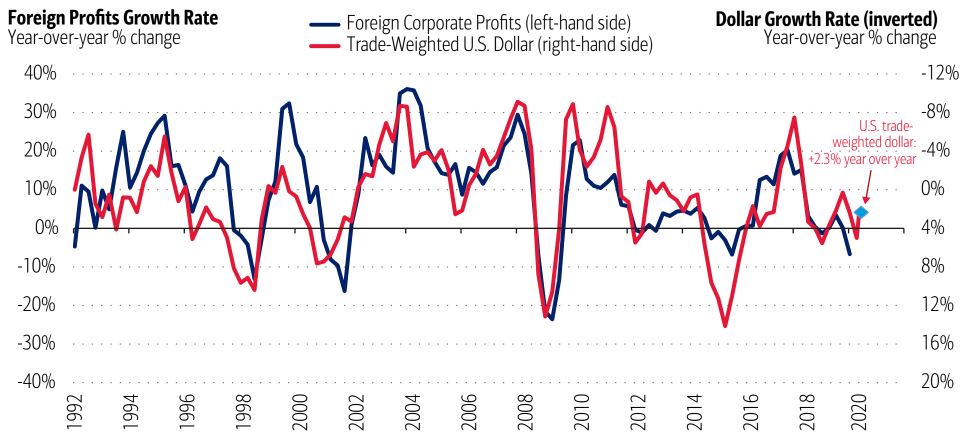
Source: FactSet. Data as of August 2020. Note: Revenue for last 12 months. Past performance is no guarantee of future results.

Lesson #2: Don't Fret the Dollar Decline. A Weaker Dollar Could Be a Good Thing (for U.S. Earnings).

A weaker dollar represents a mild tailwind for U.S. foreign corporate profit growth. U.S. dollar strength has faded in the past few months, helping U.S. multinationals convert their overseas earnings into dollars at more favorable exchange rates. While Exhibit 1 above shows a sharp deterioration of the dollar versus the Euro, taking a broader view, on a trade-weighted basis the dollar is still elevated versus its levels a year ago (Exhibit 3). Further weakening of the dollar could provide a moderate boost to U.S. foreign earnings. We saw a similar dynamic occur in 2017 when accelerating global growth and a softer U.S. dollar combined to boost U.S. exports and U.S. global profits. During this period, U.S. firms with more foreign exposure handily outperformed their more domestically focused counterparts.[2] As a footnote, keep in mind that U.S. exports of $2.5 trillion in 2019 pale in comparison to U.S. multinationals' sales abroad through foreign affiliates, which we estimate totaled $7 trillion last year.

[2] Weakness in the trade-weighted broad dollar occurred from the end of 2016 through February 2018. During this period, the S&P 500 Foreign Focused Index outperformed the S&P 500 Domestic Focused Index by over 20 percentage points. And the S&P 500 Foreign Focused Index outperformed the S&P 500 by 5 percentage points.

Exhibit 3: U.S. Foreign Corporate Profits Benefit From A Weakening Dollar



Sources: Bureau of Economic Analysis; Federal Reserve; Haver Analytics. Profits data as of Q1 2020. Trade-weighted dollar data through August 14, 2020.

Lesson #3: Equity Indices Are Only As Good As Their Components. Sector Exposures Can Be Meaningful.

As we have noted previously, the U.S. market has become increasingly exposed to secular industries such as technology, communications services and health care. These three sectors plus e-commerce consumer discretionary now make up 58% of the S&P 500 index, up from 33% a decade ago. By contrast, European indices are relatively more balanced between cyclical and secular themes—Financials, Industrials, Materials and Energy stocks make up 41% of the Stoxx 600 (versus 23% in the S&P 500). This divergence in composition may be another reason for U.S. outperformance year-to-date, as technology names and work-from-home beneficiaries have emerged as key "winners" during the shutdown and transition phases of the economic crisis. However, looking forward, the more cyclical tilt of European indices could be positive for performance during the recovery phase.

INVESTMENT SUMMARY:

Geographic allocation can make a meaningful difference in portfolio performance during an uneven global recovery. While we continue to favor U.S. stocks, we believe investors should be appropriately diversified across regions and be actively looking to add global exposure when foreign conditions improve. Recently, we have upgraded developed Europe to neutral on improving macro conditions and progress on fiscal policy. We attribute Europe's relative underperformance year-to-date to various factors, including the region's greater foreign revenue exposure, stronger currency and limited exposure to secular technology "winners" of the stay-at-home environment. However, as global trade picks back up, cyclical sectors begin to gain momentum, and the economic recovery gathers pace, Europe looks increasingly attractive with the potential to narrow the performance gap with U.S. markets.

THOUGHT OF THE WEEK:

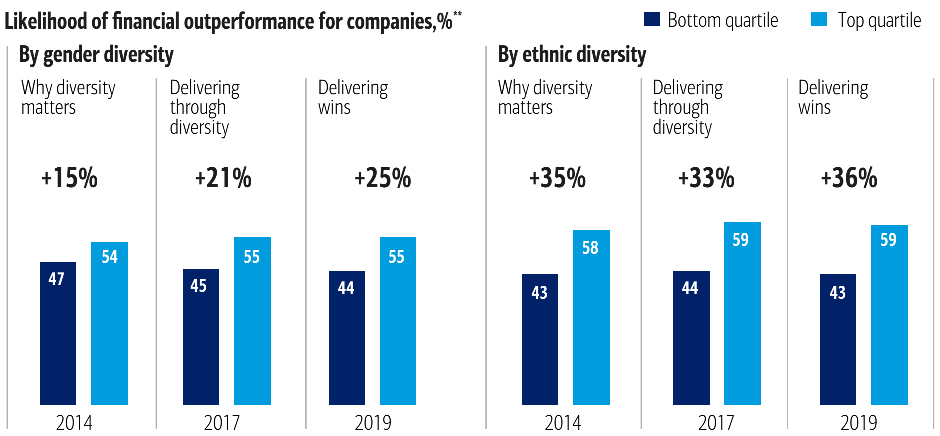
On The Basis Of Gender

Jackie Vanderbrug, Managing Director and Head of Sustainable & Impact Investment Strategy

Sarah Norman, Director and Senior Investment Strategy Analyst

In December, women constituted 50.4% of the total nonfarm payrolls—briefly overtaking men as the majority of the workforce. More women sat on more boards than at any other time in history at Russell 3000 companies, increasing from 21.5% in Q4 2019 to 22% in Q1 2020 - an all time high according to Equilar Gender Diversity Index. And the benefits of these diversity gains were impossible to ignore: gender-diverse companies are more likely to outperform peers, with the difference even more pronounced for ethnically diverse companies.[3] As the economy emerges from a recession, the temptation will be to regress to the mean. That would be a mistake, in our view.

Exhibit 4: The Business Case For Diversity On Executive Teams Remains Strong

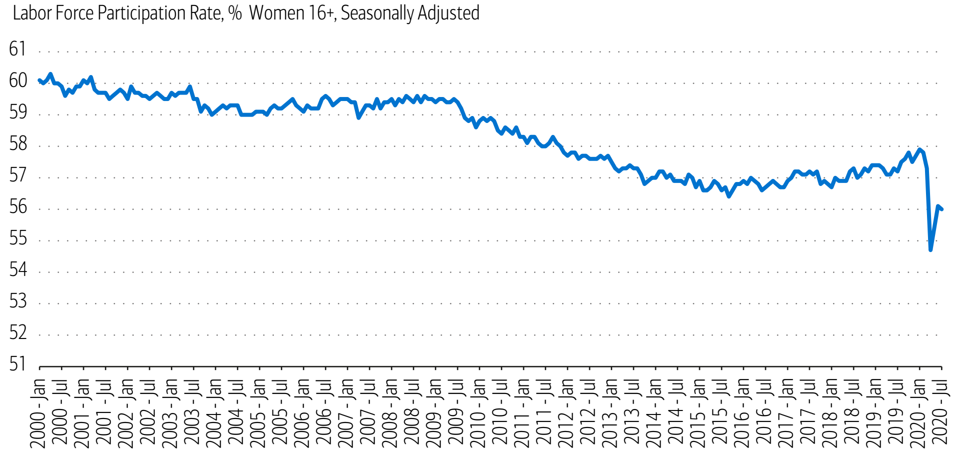


** Likelihood of financial outperformance for companies vs. the national industry median; p-value < 0.05, except 2014 data where p-value < 0.1.
Why diversity matters- n = 383; Latin America, UK, and US; earnings before interest and taxes (EBIT) margin 2010 –13.
Delivering through diversity- n = 991; Australia, Brazil, France, Germany, India, Japan, Mexico, Nigeria, Singapore, South Africa, UK, and US; EBIT margin 2011–15.
Delivering wins- n = 1,039; 2017 companies for which gender data available in 2019, plus Denmark, Norway and Sweden; EBIT margin 2014–18.
Why diversity matters- n = 364; Latin America, UK, and US; EBIT margin 2010 –2013.
Delivery though diversity- n = 589; Brazil, Mexico, Singapore, South Africa, UK, and US; EBIT margin 2011–15.
Delivering wins- n = 533; Brazil, Mexico, Nigeria, Singapore, South Africa, UK, and US, where ethnicity data available in 2019; EBIT margin 2014 –18.
Source: McKinsey, "Diversity wins: How inclusion matters," May 2020. **Past performance is no guarantee of future results.**

The unemployment rate for adult women in the U.S. leaped to 10.5% in July, up from 3.1% in February (vs. 9.4% from 3.3% for men).[4] The labor force participation rate for women declined more sharply than for men, dropping more than 3% from February to April, before leveling off at 56% in July.[5] We've seen the same trend affecting the Black and Hispanic workforce. And this is just in paid work: Significant imbalances in the unpaid and invisible-care economy are rising too.[6]

[3] McKinsey "Diversity wins: How inclusion matters," as of 2019.
[4] U.S. Bureau of Labor Statistics as of July 2020.
[5] Ibid
[6] United Nations. Policy Brief: Impact of COVID-19 on Women as of April 2020.

Exhibit 5: Women's Labor Force Participation Dipped Below 55% In April



Source: Bureau of Labor Statistics. Data as of July 2020.

Closing the gender gap at work, and tackling those inequalities in society more broadly, can unlock economic opportunities for women to create economic benefits far exceeding the social spend. In fact, it could be added to global gross domestic product by 2025 by advancing women's equality, according to McKinsey.[7] To get there, today's financial support measures need to address those jobs largely carried out by women—informal and part-time work, and those in sectors such as hospitality, food and tourism.[8] And that includes tackling broader issues like assistance with unpaid care work. Bailouts, too, must extend beyond large and medium-sized businesses, to assist micro and small businesses, where women are relatively more represented.[9]

Investors should take note. Gender-diverse companies have seen lower price and earnings volatility, and a higher return on equity (ROE), than companies that score poorly on board diversity, women in management, and diversity and inclusion policies, finds BofA Global Research.[10] Gender lens investing gives companies a financial and ethical incentive to hire, promote, purchase and innovate with equality in mind—and in turn identifies opportunities for enhanced investment returns, sustainable growth and lower risk.

A century on since women secured the constitutional right to vote, we once again have the opportunity to address long-standing inequalities—for an inclusive society and sustainable economy. The power of parity cannot be ignored.

[7] McKinsey and Company. "The Power of Parity: How Advancing Women's Equality Can Add $12 Trillion to Global Growth", as of 2015.

[8] U.S. Bureau of Labor Statistics. kcFed Economic Bulletin, Federal Reserve Bank of Kansas City, April 16, 2020

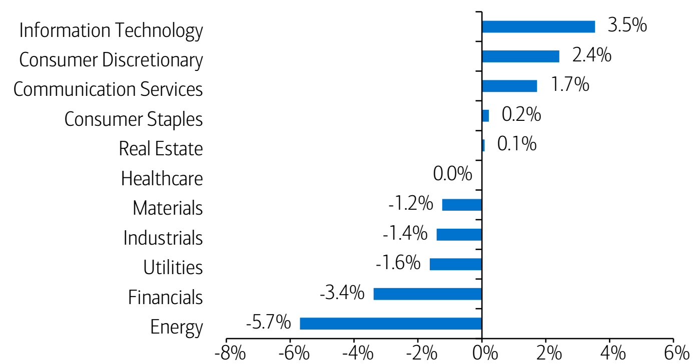
[9] United Nations. Policy Brief: Impact of COVID-19 on Women as of April 2020.

[10] BofA Global Research. "Thematic Investing: The She-conomy" as of March 6, 2019.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	27,930.33	0.1	5.9	-0.6
NASDAQ	11,311.80	2.7	5.4	26.9
S&P 500	3,397.16	0.8	4.0	6.5
S&P 400 Mid Cap	1,910.25	-2.0	2.6	-6.4
Russell 2000	1,552.48	-1.6	5.0	-6.1
MSCI World	2,392.11	0.4	3.9	2.6
MSCI EAFE	1,879.90	-1.0	3.4	-6.2
MSCI Emerging Markets	1,091.85	-0.1	1.3	-0.5

S&P 500 Sector Returns



Fixed Income[1]

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	1.10	0.4	-0.8	8.5
Agencies	0.53	0.2	-0.2	5.3
Municipals	1.25	-0.3	-0.1	3.6
U.S. Investment Grade Credit	1.13	0.3	-0.5	7.1
International	1.93	0.3	-0.9	7.5
High Yield	5.62	0.1	0.1	0.9

	Current	Prior Week End	Prior Month End	2019 Year End
90 Day Yield	0.09	0.09	0.08	1.54
2 Year Yield	0.14	0.15	0.11	1.57
10 Year Yield	0.63	0.71	0.53	1.92
30 Year Yield	1.34	1.45	1.19	2.39

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	152.50	0.9	4.1	-11.3
WTI Crude $/Barrel[2]	42.34	0.8	5.1	-30.7
Gold Spot $/Ounce[2]	1,940.48	-0.2	-1.8	27.9

Currencies	Current	Prior Week End	Prior Month End	2019 Year End
EUR/USD	1.18	1.18	1.18	1.12
USD/JPY	105.80	106.60	105.83	108.61
USD/CNH	6.92	6.94	6.99	6.96

Source: Bloomberg, Factset. Total Returns from the period of 08/17/2020 to 08/21/2020. Bloomberg Barclays Indices.1 Spot price returns.2 All data as of the 08/21/2020 close..
Past performance is no guarantee of future results.

Asset Class Weightings (as of 8/4/2020)

	Under-weight		Neutral		Over-weight
Equities	•	•	•	●	•
U.S. Large Caps	•	•	•	●	•
U.S. Mid Caps	•	•	●	•	•
U.S. Small Caps	•	•	•	●	•
International Developed	•	▶	●	•	•
Emerging Markets	●	•	•	•	•
Fixed Income	•	●	•	•	•
U.S. Investment Grade Taxable	•	●	•	•	•
International	●	•	•	•	•
Global High Yield Taxable	•	●	•	•	•
U.S. Investment Grade Tax Exempt	•	•	●	•	•
U.S. High Yield Tax Exempt	•	●	•	•	•
Alternative Investments*					
Hedge Funds			●		
Private Equity					
Real Estate					
Tangible Assets/ Commodities			●		
Cash					

* Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to pre-qualified clients.

Economic and Market Forecasts (as of 08/21/2020)

	Q3 2019A	Q4 2019A	2019A	Q1 2020A	Q2 2020A	2020E
Real global GDP (% y/y annualized)	-	-	2.9	-	-	-4.3
Real U.S. GDP (% q/q annualized)	2.1	2.1	2.3	-5.0	-32.9	-5.6
CPI inflation (% y/y)	1.8	2.0	1.8	2.1	0.4	1.2
Core CPI inflation (% y/y)	2.3	2.3	2.2	2.2	1.3	1.6
Unemployment rate (%)	3.6	3.5	3.7	3.8	13.0	9.0
Fed funds rate, end period (%)	1.90	1.55	1.55	0.08	0.08	0.13
10-year Treasury, end period (%)	1.66	1.92	1.92	0.67	0.66	1.00
S&P 500 end period	2977	3231	3231	2585	3100	2900
S&P earnings ($/share)	42	42	163	33	25*	115
Euro/U.S. dollar, end period	1.09	1.12	1.12	1.10	1.12	1.14
U.S. dollar/Japanese yen, end period	108	109	109	108	108	103
Oil ($/barrel, avg. of period, WTI**)	56	57	57	46	29	40

The forecasts in the table above are the base line view from BofA Global Research team. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts.

Past performance is no guarantee of future results. There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.

A = Actual. E/* = Estimate. S&P 500 represents the year-end target for 2020. **West Texas Intermediate.
Sources: BofA Merrill Lynch Global Research; GWIM ISC as of August 21, 2020.

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Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index.

Indexes are all based in dollars.

S&P 500 is a stock market index that tracks the stocks of 500 large-cap U.S. companies. It represents the stock market's performance by reporting the risks and returns of the biggest companies.

Organisation for Economic Co-operation and Development (OECD) system of Composite Leading Indicators (CLIs) is designed to provide early signals of turning points in business cycles - fluctuation in the output gap.

MSCI All Country World Index consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

STOXX Europe 600 Swiss globally integrated index provider, covering the world markets across all asset classes – developing, maintaining, distributing and marketing a comprehensive global family of strictly rules-based and transparent indice.

CAC 40 is a benchmark French stock market index. The index represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market caps on the Euronext Paris DAX is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Prices are taken from the Xetra trading venue.

BEL 20 is the benchmark stock market index of Euronext Brussels. In general, the index consists of a minimum of 10 and a maximum of 20 companies traded at the Brussels Stock Exchange.

AEX index, derived from Amsterdam Exchange index, is a stock market index composed of Dutch companies that trade on Euronext Amsterdam, formerly known as the Amsterdam Stock Exchange. Started in 1983, the index is composed of a maximum of 25 of the most frequently traded securities on the exchange.

Oslo Stock Exchange (OSE) is a stock exchange within the Nordic countries and offers Norway's only regulated markets for securities trading today. The stock exchange offers a full product range including equities, derivatives and fixed income instruments.

Swiss Market Index is Switzerland's blue-chip stock market index, which makes it the most followed in the country. It is made up of 20 of the largest and most liquid Swiss Performance Index stocks.

Korea Composite Stock Price Index or KOSPI is the index of all common stocks traded on the Stock Market Division—previously, Korea Stock Exchange—of the Korea Exchange. Taiwan Capitalization Weighted Stock Index is a stock market index for companies traded on the Taiwan Stock Exchange.

S&P/BMV IPC seeks to measure the performance of the largest and most liquid stocks listed on the Bolsa Mexicana de Valores. Bovespa Index is the benchmark index of about 60 stocks that are traded on the B3, which account for the majority of trading and market capitalization in the Brazilian stock market.

IBEX 35 index is a domestic and international benchmark for the BME Spanish Exchange. It is made up of the 35 most liquid stocks traded on the Spanish stock market. IBE stands for Índice Bursátil Español, which translates to Spanish Exchange Index.

Equilar Gender Equality Index is a unique tool that measures how far (or close) the EU and its Member States are from achieving a gender-equal society.

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