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MONTHLY MARKET COMMENTARY | APRIL 2019

April Showers More Gains on Equities

Monthly Snapshot

- The global stock-market recovery that defined early 2019 extended into April. Major developed-market government bond rates generally increased and oil prices climbed.
- U.S.-China trade talks continued through the end of April—touching on foreign access to Chinese markets, subsidies for Chinese companies, enforcement mechanisms, and whether to remove tariffs erected last year.
- In a world where the best- and worst-performing asset classes tend to dominate headlines, it can be easy to forget that diversification has historically been a reliable approach for meeting long-term investment objectives.

The global stock-market recovery that defined early 2019 extended into April. Major developed markets—the U.S., U.K., Europe and Japan—climbed steadily throughout the month. Emerging markets also gained, but performance diverged in China, with Hong Kong slightly higher and mainland stocks essentially flat after a late-month selloff. Intermediate- and long-term government bond rates generally increased in the U.S., U.K. and eurozone, while short-term rates were mixed, resulting in steeper yield curves. Oil prices advanced for the full month, but peaked in late April before retreating a bit.

U.S.-China trade talks continued through the end of April—touching on foreign access to Chinese markets—with China's negotiators showing willingness to remove some ownership caps, lower barriers to entry in the financial sector, and allow agreements to apply outside of geographically limited free-trade zones. Subsidies for Chinese companies remained a point of contention, however, since China's negotiators contend that a complex web of local, regional and country-level development initiatives makes enforcement intractable. Talks also covered whether and how far to remove tariffs erected last year, and mutually agreeable enforcement mechanisms appeared to take shape as talks progressed. A Chinese trade delegation is scheduled to visit Washington, DC beginning on May 8.

The U.K. and EU set a new Brexit deadline in early April, moving the U.K.'s departure from the EU to October 31 and requiring the U.K. to hold European parliamentary elections in late May. Citizens of England and Northern Ireland prepared for early May local elections as well; Conservatives appeared set to lose ground in polls for both elections, although by considerably more in EU elections as the new ascendant Brexit Party has sought to gain vote share. Tory-Labour negotiations in pursuit of a digestible Brexit solution continued into May, revolving around a customs union between the U.K. and EU (which is a must-have component of any Labour agreement but represents a deal breaker for many Tories) and a "Final Say" referendum (which would give voters the right to approve or deny the deal and is popular among party members but, on its own, does not have top-level Labour Party approval).

Key Measures: April 2019

Equity		
Dow Jones Industrial Average	2.66%	↑
S&P 500 Index	4.05%	↑
NASDAQ Composite Index	4.77%	↑
MSCI ACWI Index (Net)	3.38%	↑
Bond		
Bloomberg Barclays Global Aggregate Index	-0.30%	↓
Volatility		
Chicago Board Options Exchange Volatility Index PRIOR MONTH: **13.71**	13.12	↓
Oil		
WTI Cushing crude oil prices PRIOR MONTH: **$60.14**	$63.91	↑
Currencies		
Sterling vs. U.S. dollar	$1.30	=
Euro vs. U.S. dollar	$1.12	=
U.S. dollar vs. yen	¥111.38	↑

Sources: Bloomberg, FactSet, Lipper

Elsewhere, Indians began casting votes in April for parliamentary elections that last more than a month and represent the largest democratic exercise on the planet. Early vote counts from April elections in Indonesia, the world's fourth most populous nation, appeared set to grant President Joko Widodo a second term and deliver the largest share of seats in the legislature to his Indonesian Democratic Party of Struggle. Spain's late-April election strengthened a governing center-left coalition, and South Africans prepared to head to the ballot box on May 8.

A small subset of the Venezuelan military publicly backed the opposition amid protests that began on the last day of April, amid a growing stream of military desertions across the border to Colombia and, to a lesser extent, Brazil. Volodymyr Zelensky, winner of Ukraine's run-off presidential election in April, was forced to contend with an offer of citizenship from Russia to Ukrainian citizens living in the war-torn eastern regions of Ukraine under separatist control. The president-elect made a counter-offer of Ukrainian citizenship to "all people who suffer from authoritarian and corrupt regimes" and "to the Russian people who suffer most of all."

Central Banks

- The U.S. Federal Open Market Committee began its latest meeting on the last day of April and announced no new policy actions on May 1.
- The Bank of England's Monetary Policy Committee did not meet during April, and voted unanimously on May 2 to abstain from any policy changes. Committee guidance retained a bias toward higher rates in the future, depending on the Brexit outcome.
- The European Central Bank's Governing Council also did not meet to address monetary policy in April, but minutes released from its March meeting showed that some members were interested in extending a hold on rate increases through the first quarter of 2020 (rather than the end of 2019) given a questionable outlook for the eurozone economy, although this did not come to pass.
- The Bank of Japan held monetary policy steady in April with a zero-percent target for the ten-year Japanese government bond. It lowered the inflation target for 2020 and overall economic growth projections for 2019 and 2020.

Economic Data

- U.S. manufacturing activity expanded at a measured pace in April, while services sector growth slowed. Inflation, as measured by the core personal consumption expenditures price index—the Federal Reserve's (Fed) preferred measure—continued to edge lower in March, touching 1.6% year over year. The U.S. economy grew at a 3.2% annualized rate during the first quarter, surpassing the fourth quarter and handily beating expectations.
- British retail sales volumes showed strength in April, rebounding from a soft March, and a promising projection for May. Manufacturing conditions cooled in April following a spike during the prior month. The

services sector, meanwhile, maintained pace in April after contracting in March. The claimant count unemployment rate edged upward again in March, to 3%; average year-over-year earnings growth for December-February increased to 3.5%, while the unemployment rate remained unchanged at 3.9% for the three-month period.

- Eurozone manufacturing conditions contracted again in April, while an early estimate of services sector activity showed continued modest growth. The unemployment rate edged down to 7.7% in March due to large labor-market gains in Italy and Spain, which have struggled with higher unemployment. The broad eurozone economy grew at a 0.4% quarterly rate in the first quarter, improving on the results of recent quarters.

Portfolio Review

Large-cap U.S. stocks continued to lead the global recovery in equities during April. Our core large-cap strategy performed in line with the benchmark, boosted by an overweight to the financial sector but held back by a preference for smaller companies, overweights to healthcare and energy, and an underweight to information technology. Our core small-cap strategy performed well as a result of an underweight to and strong selection within healthcare, as well as selection in financials. Selection in energy held back performance, although an underweight to the sector was beneficial, and selection in consumer discretionary also detracted. Elsewhere, our international developed-market strategy performed well on an overweight to information technology, selection in financials and an underweight to real estate, but selection in communications services and the consumer sectors detracted. Geographically, allocations to North America and selection in Switzerland and Germany contributed, while selection in Japan and positioning in France, Sweden and Spain detracted. Our emerging-market equity strategy struggled in April primarily due to

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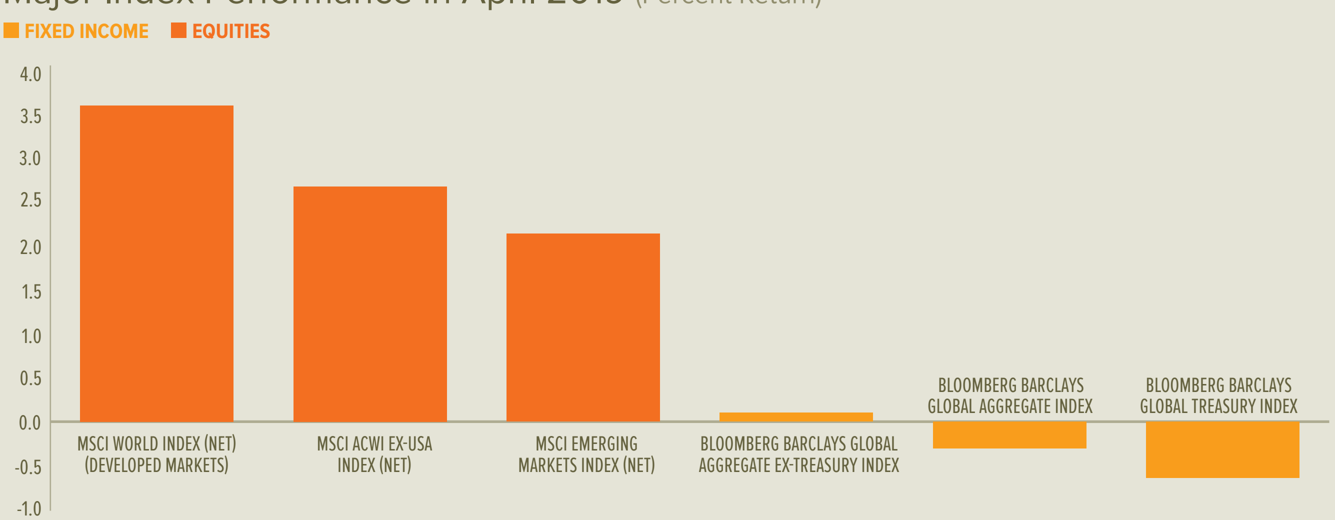
Major Index Performance in April 2019 (Percent Return)



Sources: FactSet, Lipper

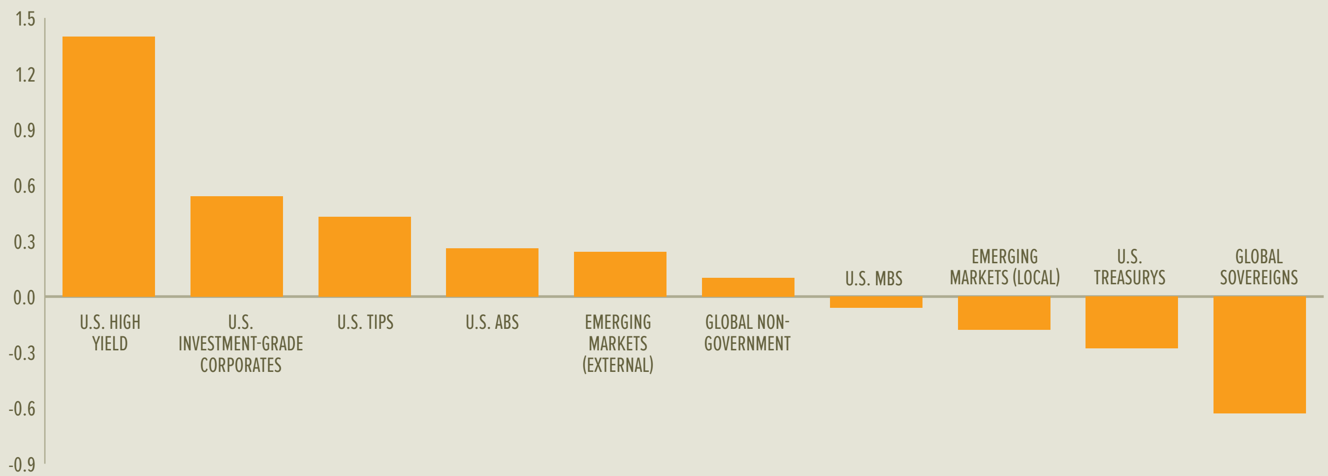
selection in consumer discretionary and information technology, although selection in consumer staples was helpful. At the country level, selection in Russia contributed while overall positioning in South Africa and selection in China and South Korea detracted.

U.S. investment-grade non-government fixed-income sectors outperformed comparable U.S. Treasurys during April, and our core fixed-income strategy was essentially flat in both absolute and benchmark-relative terms. An overweight to the long end of the yield curve detracted as long-term rates increased by more than short-term rates, while an overweight to corporate credit (primarily financials but also industrials) contributed. An allocation to non-agency mortgage-backed securities (MBS) contributed, while an overweight to agency MBS detracted. An overweight to asset-backed securities (ABS) contributed, while positioning within commercial MBS (CMBS) was mixed. Our high-yield strategy performed well in April primarily as a result of an allocation to collateralized loan obligations (CLOs) as well as selection in media and healthcare. Selection within telecommunications, leisure and an underweight to transportation detracted. Our emerging-market debt strategy essentially performed in line with its benchmark during a flat month. Positioning in several countries made small contributions to relative performance (Mexico, Egypt, and Russia, for example) while the main detractor was an overweight to Argentina, which remained volatile.

Manager Positioning and Opportunities

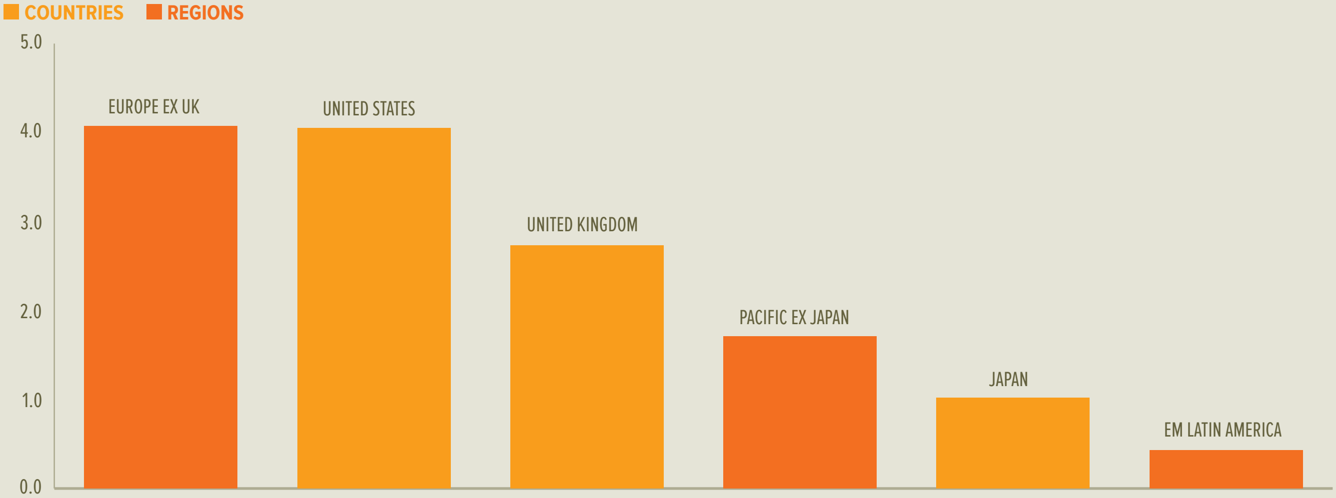
Our large-cap strategy's managers continued to underweight several of the largest companies in favor of more attractively-valued opportunities further down the company-size spectrum. It also remained underweight utilities due to their interest-rate sensitivity, high-debt balance sheets and low profitability. Within small caps, our managers have been increasing

Fixed-Income Performance in April 2019 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Fixed-Income Performance Exhibit" in the Index Descriptions section for more information.

Regional Equity Performance in April 2019 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Regional Equity Performance Exhibit" in the Index Descriptions section for more information.

their value exposure and plan to continue doing so slowly and methodically over the next few months. The strategy is slightly overweight stability and underweight momentum as well. Changes to our international developed-market strategy during April were at the margins, with managers adding to the healthcare sector in Australia while trimming U.K. names. The strategy retained overweights to technology and communications services, and small overweights to financials and energy. Defensive sectors such as telecommunications and utilities remained underweight. Our emerging-market equity strategy saw small additions to auto sector exposure, while chemicals and metals mining were slightly trimmed, and added to India while trimming from China and Brazil. It remains overweight technology and industrials, and underweights to financials and real estate are both concentrated in China.

From a yield-curve perspective, our core fixed-income strategy was overweight short-term rates, generally neutral to the intermediate term, underweight the 15-20 year segment, and overweight the 25-30 year segment. It remained modestly overweight corporates (concentrated in banking) but has been selectively adding in the new issue market. Overweights to ABS and CMBS remained given their competitive risk-adjusted yields with a higher-quality bias. Our managers maintained an allocation to non-agency MBS and an overweight to agency MBS. Our high-yield strategy's allocation to CLOs represented its largest active position, followed by significant overweights to leisure and retail. Energy was its largest underweight, followed by a number of sub-sectors in financials and industrials. Our emerging-market debt strategy was overweight local-currency assets coming out of April. Top country overweights were Argentina, Egypt and Russia, while top underweights were Philippines, Thailand and Chile.

Our View

At the end of last year, we correctly forecasted that global equity markets were poised to robustly recover from their late December lows. We assumed the sharp price correction sustained during the fourth quarter overstated the weakness in economic fundamentals and various uncertainties that plagued markets throughout much of 2018. We firmly believed that most global equity markets were deeply oversold.

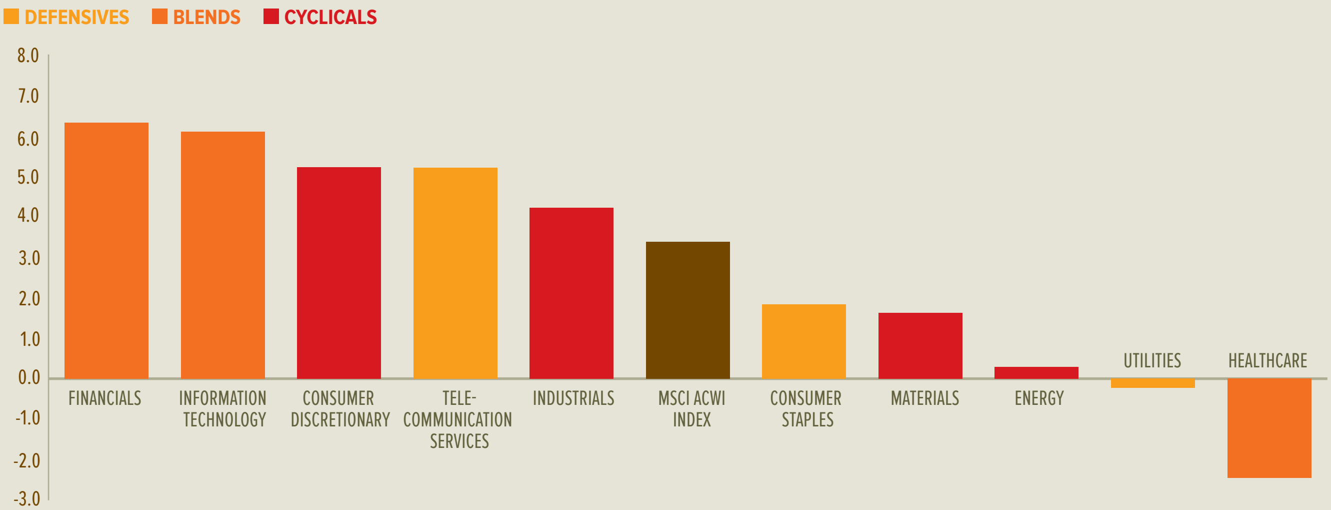
Today, there's no denying that a synchronized global growth slowdown is underway. However, it does not mean that the world economy is in recession or that it will soon fall into one. China and the U.K., for example, are the second and fourth worst-performing countries, according to the Organisation for Economic Co-operation and Development's composite leading indicators. Yet China continues to post gross domestic product growth in the vicinity of 6%, while the U.K. recorded an increase of 1.3% last year (both in inflation-adjusted terms).

The spread between 3-month and 10-year U.S. Treasurys briefly went negative in March after narrowing throughout much of the expansion. Recession historically occurs within 12 to 18 months of the yield curve either narrowing to 25 basis points or inverting. The only time recession did not follow a yield-curve inversion was in the 1966-to-1967 period—although U.S. economic growth slowed dramatically.

Deeper recessions usually cause sharper share-price declines (as was the case in 1973). More expensive stock markets (as seen following the 1998-to-2000 tech bubble) also are more vulnerable. But the time between an initial yield-curve inversion and the emergence of a bear market can be extremely long.

The Fed's change in rhetoric at the start of the year certainly has been a helpful catalyst in sparking the risk-asset rally and credit-spread narrowing. By stressing patience and data dependence, the U.S. central bank signaled

Global Equity Sector Performance in April 2019 (Percent Return)



Sources: FactSet, Lipper. MSCI ACWI Index Components (as defined by SEI).

that the pace of U.S. interest-rate increases will slow considerably from that of the past two years. The Fed's decision makers approvingly noted that the benefits of the long economic expansion are finally being distributed more evenly as the labor market tightens; they seem confident that the economy can grow without generating worrisome inflationary pressures, even as most measures of labor-market activity point toward accelerating wage inflation.

Both sides now recognize the damage that the trade standoff has caused to their respective economies and financial markets.

We see plenty of opportunities in emerging equities as investors gain confidence that the worst is behind us for the asset class. But a sustained improvement depends on better global growth. In our view, China is the linchpin; we are optimistic that the country's economic conditions will improve as it begins to feel the lagged impact of easier economic and monetary policies. We also expect domestic political pressures will likely force the Chinese government to ease further. Those political pressures certainly are influencing China's trade discussions with the U.S. Meanwhile, Trump is grappling with similar pressures on the American side of the negotiating table; he does not want the U.S. economy to sputter or the stock market to turn down as the country heads into a presidential election year. To put it bluntly, the leaders of both countries need a "win."

We therefore think China and the U.S. could reach a broader trade agreement than most observers currently expect. This is a more optimistic view than we expressed three months ago. Since that time, the Trump administration has deferred tariff increases. Both sides now recognize the damage that the trade standoff has caused to their respective economies and financial markets. While many view the delay in finalizing a trade deal as a bad sign, we see it as a sign that both sides are willing to grapple with the hard, substantive issues that would make a broader, more meaningful agreement.

A more expansive trade agreement would provide a much-needed boost to the Chinese economy. It also would benefit nations that have high export exposure to China, both directly and through the supply-chain network. MSCI Emerging Markets Index performance will depend on the economic fortunes of China, South Korea and Taiwan, which now account for 57% of its market capitalization.

Investor pessimism about Europe appears overwhelming. The European Central Bank recently cut its forecast for 2019 eurozone gross domestic product growth to 1.1% from 1.7% just three months earlier. It's a wonder that the year-to-date performance of European equities managed to nearly keep pace with that of U.S. equities.

Many of Europe's problems are structural and difficult to improve. Its demographic profile, for example, looks rather bleak. Europe is the only major region where the population is expected to contract between now and 2050. The unemployment rate for Europeans aged 25 to 29 is still in double digits (by comparison, the average annual unemployment rate in the U.S. for this age group is approximately 4%). Of course, demographics alone do not explain Europe's poor economic performance. A well-

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developed welfare state has its costs in the form of high taxation, extensive work rules, and regulations.

The shadow of a looming trade war with the U.S. surely hasn't helped sentiment in Europe. We doubt tariffs will be imposed on European autos, but headline risks may continue to have negative impacts—and it's still possible that Trump will turn his full attention to trade with Europe once his administration concludes negotiations with China. Speaking of which, China's slowdown is an additional factor behind the slide in Europe's exports. Not only was European industrial production in decline for the 2018 calendar year, but it started this year 23% below its January 2008 level.

The EU extended the Brexit deadline (to 31 October) for the U.K. to decide on its course of action. A longer delay could entail another referendum or even a change of government. It also means that the U.K. must participate in EU Parliament elections starting 23 May.

In our view, the best-case scenario is one in which the U.K. maintains close ties to the EU through a customs union. Failing that, now that voters have a better understanding of the costs and consequences of leaving, we think a second referendum either on Brexit alternatives or on Brexit itself makes sense. However, a referendum on reversing Brexit would risk political upheaval given the number of people who still support the divorce. Both Prime Minister May and U.K. Parliament will also have to reverse their stated positions. It would be nice to say that a no-deal Brexit is off the table, but that's not the case.

The uncertainty surrounding Brexit outcomes and timing remains a depressant for economic growth in the U.K. and the rest of Europe. Bottom-up analysts expect U.K. earnings to decelerate to just 1.8% in 2019, which is in stark contrast with last year's surprisingly strong rate of 10.9%.

The plunge in risk assets during the fourth quarter and subsequent bounce back in the first quarter of this year is a reminder that one should always expect the unexpected when it comes to investing. Cash was king in 2018, providing a 2.1% return, according to the ICE BofAML USD 3-Month Deposit Offered Rate Constant Maturity Index. However, cash was consistently one of the worst performers in most other years going back to 2009. Emerging equities fell at the other end of the performance spectrum in 2018—the MSCI Emerging Markets Index sustained a total-return loss of 14.6%—but was the strongest category in 2017 and posted a double-digit return in 2016.

In a world where the best- and worst-performing asset classes tend to dominate the headlines, it can be easy to forget that diversification has historically been the most reliable approach for meeting long-term investment goals—especially when looking through the lens of risk-adjusted returns.

Glossary of Financial Terms

Dovish: Dovish refers to the views of a policy advisor (for example, at the Bank of England) that are positive on inflation and its economic impact, and thus tends to favor lower interest rates.

Federal-funds rate: The federal-funds rate is the interest rate at which a depository institution lends immediately-available funds (balances at the Federal Reserve) to another depository institution overnight in the U.S.

Momentum: Momentum securities are those whose prices are expected to keep moving in the same direction (either up or down) and are not expected to change direction in the short-term.

Price-to-earnings ratio: The price-to-earnings ratio is the ratio of a company's share price to its earnings over the past 12 months, which can be used to help determine whether a stock is under- or overvalued.

Stability: Stability securities exhibit lower risk and higher quality, and can benefit from the power of long-term compounding as a result of the investors tendency to misprice lower risk.

Quantitative easing: Quantitative easing refers to expansionary efforts by central banks to help increase the supply of money in the economy.

Yield curve: The yield curve represents differences in yields across a range of maturities of bonds of the same issuer or credit rating (likelihood of default). A steeper yield curve represents a greater difference between the yields. A flatter yield curve indicates that the yields are closer together.

Index and Benchmark Descriptions

All indexes are quoted in gross performance unless otherwise indicated.

The Bloomberg Barclays 1-10 Year U.S. TIPS Index measures the performance of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of 1 to 10 years.

The Bloomberg Barclays U.S. Asset Backed Securities (ABS) Index measures the performance of ABS with the following collateral types: credit and charge card, auto and utility loans. All securities have an average life of at least one year.

The Bloomberg Barclays Global Aggregate Bond Index (formerly Lehman Brothers Global Aggregate Index), an unmanaged market-capitalization-weighted benchmark, tracks the performance of investment-grade fixed-income securities denominated in 13 currencies. The Index reflects reinvestment of all distributions and changes in market prices.

The Bloomberg Barclays Global Aggregate ex-Treasury Index is an unmanaged market index representative of the total-return performance of ex-Treasury major world bond markets.

The Bloomberg Barclays Global Treasury Bond Index is composed of those securities included in the Bloomberg Barclays Global Aggregate Bond Index that are Treasury securities.

The Bloomberg Barclays U.S. Corporate Investment Grade Index is a broad-based benchmark that measures the investment-grade, fixed-rate, taxable corporate bond market.

The Bloomberg Barclays U.S. Mortgage Backed Securities (MBS) Index measures the performance of investment-grade, fixed-rate, mortgage-backed, pass-through securities of Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA) and Freddie Mac (FHLMC).

The Bloomberg Barclays U.S. Treasury Index is an unmanaged index composed of U.S. Treasurys.

The BofA Merrill Lynch U.S. High Yield Constrained Index contains all securities in The BofA Merrill Lynch U.S. High Yield Index but caps exposure to individual issuers at 2%.

The BofA Merrill Lynch U.S. High Yield Index tracks the performance of below-investment-grade, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

The Chicago Board Options Exchange Volatility Index (VIX) tracks the expected volatility in the S&P 500 Index over the next 30 days. A higher number indicates greater volatility.

The Dow Jones Industrial Average is a widely followed market indicator based on a price-weighted average of 30 blue-chip New York Stock Exchange stocks that are selected by editors of *The Wall Street Journal*.

The FTSE All-Share Index represents 98% to 99% of U.K. equity market capitalization. The Index aggregates the FTSE 100, FTSE 250 and FTSE Small Cap Indexes.

The ICE BofAML USD 3-Month Deposit Offered Rate Constant Maturity Index is based on the assumed purchase of a synthetic instrument having three months to maturity and with a coupon equal to the closing quote for 3-month LIBOR. That issue is sold the following day (priced at a yield equal to the current day closing 3-month LIBOR rate) and is rolled into a new 3-month instrument. The index, therefore, will always have a constant maturity equal to exactly three months.

The JPMorgan EMBI Global Diversified Index tracks the performance of external debt instruments (including U.S. dollar-denominated and other external-currency-denominated Brady bonds, loans, eurobonds and local-market instruments) in the emerging markets.

JPMorgan GBI-EM Global Diversified Index tracks the performance of debt instruments issued in domestic currencies by emerging-market governments.

The MSCI ACWI Index is a market-capitalization-weighted index composed of over 2,000 companies, representing the market structure of 48 developed- and emerging-market countries in North and South America, Europe, Africa and the Pacific Rim. The Index is calculated with net dividends reinvested in U.S. dollars.

The MSCI ACWI ex-USA Index includes both developed- and emerging-market countries, excluding the U.S.

The MSCI Emerging Markets Index is a free float-adjusted market-capitalization-weighted index designed to measure the performance of global emerging-market equities.

The MSCI Emerging Markets Latin America Index captures large- and mid-cap representation across five emerging-market countries in Latin America.

The MSCI EMU (European Economic and Monetary Union) Index is a free float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of countries within EMU. The Index consists of the following 10 developed-market country indexes: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal and Spain. The MSCI EMU Index captures large- and mid-cap representation across the developed-market countries in the EMU.

The MSCI Europe ex-UK Index is a free float-adjusted market-capitalization-weighted index that captures large- and mid-cap representation across 14 developed markets countries in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland). The Index covers approximately 85% of the free float-adjusted market capitalization across European developed markets, excluding the U.K.

The MSCI Pacific ex Japan Index captures large- and mid-cap representation across four of five developed-market countries in the Pacific region (excluding Japan).

The MSCI Japan Index is designed to measure the performance of the large- and mid-capitalization stocks in Japan.

The MSCI World Index is a free float-adjusted market-capitalization-weighted index designed to measure the equity market performance of developed markets. The Index consists of the following 23 developed-market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the U.K. and the U.S.

The MSCI World ex-USA Index is a free float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

The NASDAQ Composite Index is a market-value-weighted index of all common stocks listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) system.

The Shenzhen Stock Exchange Composite Index tracks performance of A share stocks (which are denominated in renminbi, the local currency) and B share stocks (which are denominated in Hong Kong dollars, an offshore currency) on China's Shenzhen Stock Exchange.

The S&P 500 Index is a capitalization-weighted index made up of 500 widely held U.S. large-cap companies. The S&P 500 Index is an unmanaged, market-capitalization-weighted index comprising 500 of the largest publicly traded U.S. companies and is considered representative of the broad U.S. stock market.

The TOPIX, also known as the Tokyo Stock Price Index, is a capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. The Index is supplemented by the subindexes of the 33 industry sectors. The Index calculation excludes temporary issues and preferred stocks, and has a base value of 100 as of January 4, 1968.

Corresponding Indexes for Fixed-Income Performance Exhibit

U.S. High Yield	BofA Merrill Lynch U.S. High Yield Master II Constrained Index
Global Sovereigns	Bloomberg Barclays Global Treasury Bond Index
Global Non-Government	Bloomberg Barclays Global Aggregate ex-Treasury Index
Emerging Markets (Local)	JPMorgan GBI-EM Global Diversified Index
Emerging Markets (External)	JPMorgan EMBI Global Diversified Index
U.S. Mortgage-Backed Securities (MBS)	Bloomberg Barclays U.S. Mortgage Backed Securities Index
U.S. Asset-Backed Securities (ABS)	Bloomberg Barclays U.S. Asset-Backed Securities Index
U.S. Treasurys	Bloomberg Barclays U.S. Treasury Index
U.S. Treasury Inflation-Protected Securities (TIPS)	Bloomberg Barclays 1-10 Year U.S. TIPS Index
U.S. Investment-Grade Corporates	Bloomberg Barclays U.S. Corporate Investment Grade Index

Corresponding Indexes for Regional Equity Performance Exhibit

United States	S&P 500 Index
United Kingdom	FTSE All-Share Index
Pacific ex Japan	MSCI Pacific ex Japan Index (Net)
Japan	TOPIX, also known as the Tokyo Stock Price Index
Europe ex UK	MSCI Europe ex UK Index (Net)
EM Latin America	MSCI Emerging Markets Latin America Index (Net)

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Diversification may not protect against market risk. There is no assurance the objectives discussed will be met. Past performance does not guarantee future results. Index returns are for illustrative purposes only and do not represent actual portfolio performance. Index returns do not reflect any management fees, transaction costs or expenses. One cannot invest directly in an index.

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