

APPROVED MINUTES
Virginia Board for the Blind and Vision Impaired
Quarterly Board Meeting
December 17, 2024
11:00 am – 2:00 pm

Location: Department for the Blind and Vision Impaired (DBVI)
397 Azalea Avenue
Richmond, VA 23227

Board Members in Attendance

Joseph Ashley-Vice Chair, Robert Bartolotta-Secretary, Paul D’Addario-Chair, Michael Kasey

Board Members Not in Attendance

Mazen Basrawi, Kathryn Campbell, Tina Egge

Guests in Attendance

Bryce Lee, The Optimal Service Group, Wells Fargo
Jeff Rakes, The Optimal Service Group, Wells Fargo

Public in Attendance

Becky Keller

DBVI Staff Attendance

Rebecca Askew, Senior Policy Analyst; Rachel Dancy, Executive Assistant, Commissioner’s Office; Wallica Gaines, Deputy Commissioner, Administration; Tina Hawley-Blount, Business Relations, Specialist; Melissa Jackson, Financial and Risk Management Director; Gary Joyce, Business Relations Specialist; Matt Koch, Deputy Commissioner of Enterprises; Diane McBride, Business Relations Specialist; Maggie Mills, Executive Assistant to the Commissioner; Rick Mitchell, Commissioner; Cindy Roberts, Director of Business and Corporate Initiatives; Ashley West, Executive Assistant to the Deputy Commissioners

Call to Order & Welcome

Chair D’Addario called the meeting to order and welcomed those in attendance. A roundtable of introductions was conducted. A quorum was met.

Business Items

Consent of Agenda

Mr. Kasey moved to approve the agenda as presented. Dr. Ashley seconded. The motion passed unanimously.

Consent of September 24, 2024, Meeting Minutes

The Minutes were approved without objection. Minutes were accepted for filing.

Public Comment

None

Investment Report - Optimal Services Group

Mr. Rakes and Mr. Lee provided a forecast for 2025 investments stating 2025 should show significant improvement. As of October, the Endowment account was close in line with target.

The account began the year at \$5.9M. Through November the balance was \$6.41M even with a total over \$500,000 distributed in grants in June 2023 and June 2024.

This translates that account is up about 12.9% year-to-date. Benchmark is 12.4%. Majority of account's equities are in large cap.

Agency Reports

Commissioner Mitchell reported that the Governor's budget would be made public tomorrow.

DBVI's Communications Director compiled a year in review of ten significant events/accomplishments.

These items were:

- 1) Commissioner Mitchell was Keynote Speaker at JMU's Annual Diversity Conference.
- 2) DBVI honored staff during Public Service Recognition Week
- 3) VIB launched new initiative supplying Navy Ships worldwide
- 4) DBVI Headquarters renovation project achieved Gold LEED Certification
- 5) Celebrating Champions at Honors Night at JMU / Launching Point Program
- 6) VIB provided new mattresses for Liberty University students
- 7) DBVI hosted DeafBlind Awareness Day
- 8) Two "Live Active, Live Healthy, Live Modern" Senior Retreats
- 9) Celebrating Abilities Event in October
- 10) DBVI's video series showcasing its services and impact

Administration Division

Deputy Commissioner Gaines reported that over the last year a lot of work was done to reorganize DBVI's Facilities Department. DBVI owns a ¼ million sq feet of space. In addition to regular maintenance, DBVI has a capital outlay program (renovations), two large and some smaller ones going on.

The VIB Charlottesville plant is in the design process for renovating that facility. The Agency received COVID-related funding to renovate it. The funding requirement is to spend these funds by December 2026.

The Library and Resource Center (LRC) is also being renovated. The Agency has submitted working drawings and is now waiting for bidding process.

The smaller projects include renovation of sidewalks and roadways.

Rebecca Askew was introduced as the newest member of the Administration Division. She is DBVI's Senior Policy Analyst and Legislative Liaison.

Enterprise Division

VIB:

Deputy Commissioner Koch reported that DBVI is working with the Division of Real Estate Services (DRES) to negotiate a permanent office/warehouse space in Norfolk to house VIB's Navy Ships Stores (NSS) program. VIB is temporarily operating out of its retail store and containers in a parking lot at the Naval Air Station Oceana.

Overall fiscal news for VIB at end of November is doing well and on track.

VEB:

The federal government is planning a reduction in force, so VEB markets had to justify their presence in their buildings. They will remain open.

Commissioner Mitchell and Deputy Commissioner Koch will speak with senior leaders from the U.S. Army Missions & Installations Contracting Command (MICC) regarding DBVI's cafeteria contract at Fort Gregg-Adams. DBVI assigned a private-citizen who is blind, trained, and certified through the federal Randolph-Sheppard program to manage the contract two years ago with operations beginning on April 1, 2023. While performance on the contract has been rated as "satisfactory" by the Army across the five cafeterias in its annual evaluation process, monthly inspections result in massive deductions averaging \$500,000 per month on contract values of \$2,200,000 per month. That 22% average deduction does not represent a sustainable model and, just as importantly, does not represent a realistic picture of the quality of the service provided. The result of poor contract administration by the Army is that the private-citizen contractor is owed \$13,000,000 in past due invoices. The OAG and outside counsel are engaged.

VIB:

VIB completed another delivery of 1,080 Navy shipboard mattresses to the Defense Logistics Agency (DLA) depot in Austin, Texas. VIB's current contract will produce 10,000 mattresses for the Navy which provides quality, full-time textile jobs for 24 employees in Charlottesville with more than half of all the employees being blind.

Working Lunch**DBVI Business Team**

DBVI's Business Team provided an overview of what the Team does. In attendance: Cindy Roberts, Director, Business and Corporate Initiatives, and Business Relations Specialists: Karen Kahn, Diane McBride, Gary Joyce, Tina Hawley-Blount.

After the Workforce Innovation and Opportunity Act (WIOA) was implemented in July of 2015 in Virginia, DBVI had to have a dual service model not only providing services to clients but also providing services for the business community. Cindy Roberts became Director of Business and Corporate Initiatives. The Business Relations Team from DBVI helps business partners find the right people. They set up job options for DBVI individuals, including youth and adults. The team helps employers find skilled, ready-to-work interns and career seekers. They also help with hiring practices, diversity and inclusion training, worksite advice, job support, and benefits of hiring people with different abilities.

Ms. Roberts reported that DBVI has been given a grant from Aetna and CVS to open a training center at DBVI. DBVI did not apply for this grant. Aetna approached DBVI wanting to create a skills lab where clients would come on campus and receive customer service training. A space at the Virginia Rehabilitation Center for the Blind and Vision Impaired (VRCBVI) on the DBVI campus has been reserved for six fully accessible computer stations and will have whatever accommodations needed. The training will focus on customer service; however, if students want training in marketing, merchandising, accounting, finance, administrative skills, etc., that will be accommodated as well. DBVI hopes to have a ribbon-cutting ceremony in the spring.

Ms. Kahn is a member of the Virginia Ability Community Advisory Council which provides guidance and consultation to help the Virginia Ability Board achieve its goal of educating employers about the benefits of hiring persons with disabilities

During COVID the Business Team started doing virtual job readiness sessions called Steer Your Career. They continue now throughout the year. The sessions discuss personal branding, elevator speeches, resume creation, LinkedIn, interviewing, scams for job offers and more.

Ms. McBride works with federal government employment. She discussed Section 503 of the Rehabilitation Act which calls for a workforce that consists of 7% of people with disabilities. The Schedule A letter is used by federal agencies to assist the agencies in reaching their utilization goals. Certified vocational rehabilitation counselors are able to file a Schedule A letter, thus our agencies are able to provide direct recruitment. The Schedule A letter is a document that demonstrates the applicant's eligibility for Schedule A non-competitive hiring. It serves as proof of the applicant's disability and is provided to the federal agency prior to the applicant being hired. Many federal agencies, through their selective hiring managers, will directly recruit from DBVI.

Mr. Joyce is developing a presentation on the use of LinkedIn. He is participating in the Leadership Program of Roanoke Valley which is geared to building better community relationships and partnering with local companies.

Ms. Hawley-Blount works in the Hampton Roads area and is a former consumer of DBVI. She discussed a new curriculum for 2025 where she is gathering feedback from career seekers to see if they feel they have benefited from the Agency's services. Career Compass includes six workshop sessions to educate career seekers on topics like self-advocacy, application process, email etiquette, and how to safeguard personal information. It partners with several community organizations in the region and VIB.

The Business Team received an invitation from the city of Suffolk. The city wants to participate in Windmills training which is disability awareness training. Tina will be providing training to the city's businesses each month.

Unfinished Business

Location June 24, 2025, Board Meeting

Ms. Mills shared that if the CyberSpace Program is scheduled for the week of June 24, the Quarterly Board for the Blind and Vision Impaired Board Meeting on June 24 would be held in the VRCBVI conference room. VRCBVI is directly across from the Headquarters building on campus.

Date of June 2025 Special Meeting Prior to June 24 Meeting

Friday, June 13, 2025, was chosen as the date to have a Special Virtual Meeting prior to the June 24 meeting to discuss grant applications. ***Maggie will send out calendar invite.*

Adoption of Board Attendance Policy

***After a brief discussion by the Board about development of a meeting attendance policy, it was determined that Deputy Commissioner Gaines will reach out to an attorney for possible wording of an attendance policy, including defining terms excused and not excused absences.*

New Business

Review of Grant Recipient Interim Reports

The Board discussed the grant recipient interim reports. ***The Chair requested that the amount of grant received be included in the final grant report in June. Dr. Ashley recommended adding any significant barriers the recipients encountered and how they plan to address it.*

Adjourn

Dr. Ashley moved to end the meeting. Mr. Bartolotta seconded. All were in favor, and the meeting was adjourned.



The Private Bank

Investment Performance Statement for Virginia Dept for the Blind & Vision Impaired October 31, 2024

Investment and Insurance Products are:

- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

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Asset Allocation

Actual Versus Target Asset Allocation as of October 31, 2024

Asset Class	Actual Market Value	Target Market Value	\$ Difference	Actual Percent	Target Percent	% Difference
Cash Alternatives	185,026	124,225	60,800	3%	2%	1%
Fixed Income	2,396,646	2,546,618	-149,972	39%	41%	-2%
Equities	3,512,101	3,416,195	95,906	57%	55%	2%
Real Assets	117,490	124,225	-6,735	2%	2%	0%
Total Portfolio	6,211,264	6,211,264	0	100%	100%	0%

Cash Flow Summary

Portfolio Statement of Changes Periods Ended October 31, 2024

Portfolio Categories	Year To Date	Since Inception (12/08/2021)
Beginning Portfolio Value	5,899,574	0
Income	137,363	444,854
Net Contribution	-234,503	5,765,489
Contribution	0	6,250,000
Distribution	-234,503	-484,511
Fees And Expenses	-27,550	-84,819
Change In Market Value	<u>436,380</u>	<u>85,740</u>
Ending Portfolio Value	6,211,264	6,211,264
Investment Gain	546,193	445,775

Investment Gain equals the sum of Income, Management Fees, Other Expenses, and Change In Market Value. Income is reported net of foreign withholding taxes.

Investment Performance

Consolidated Performance Summary

Asset Classes	Current Month	Last 3 Months	Year to Date	1 Year	Since Inception
Cash Alternatives	0.41%	1.88%	4.79%	5.80%	3.70%
BB US Treasury 1-3M	0.4	1.31	4.49	5.45	3.93
Fixed Income	-1.99	0.75	3.75	11.58	-0.86
BB US Agg Bond TR	-2.48	0.25	1.86	10.55	-2.34
Equities	-1.95	2.47	14.52	32.68	4.99
MSCI ACWI NR	-2.24	2.57	16	32.79	5.29
Real Assets	-1.32	3.01	4.09	-1.19	2.89
50% FTSE E/N Dev TR 50% BB COM	-3.45	3.62	5.76	14.05	0.47
Total Portfolio	-1.91%	1.71%	9.37%	21.79%	2.50%
Client Custom Benchmark	-2.31%	1.61%	9.61%	22.35%	2.08%

*Market Values and performance for illiquid assets may lag up to 90 days.

Policy Benchmark Over Time

Total Portfolio Client Custom Benchmark

12/31/2021 - Present

55%	MSCI AC World NR USD
41%	Bloomberg US Agg Bond TR USD
2%	67% FTSE E/N Dev NR/33% BB Commodity TR
2%	USTREAS T-Bill Cnst Mat Rate 3 Mon

Market Commentary

As of October 31, 2024

U.S. economic overview

Some weaknesses showing despite continued economic momentum

The U.S. economy showed continued momentum midway through the final quarter of 2024, largely sustaining strong third-quarter gross domestic product (GDP) growth of 2.8%. Dominant service-sector activity underscored resilient consumer demand, overshadowing a deepening manufacturing slump. Slowing growth of inflation-adjusted incomes is creating a headwind for consumer spending. Labor-market soft spots — beyond October's meager non-farm payrolls gain marred by hurricane- and strike-related distortions — are weighing on consumer-led growth, as well. For example, the number of workers voluntarily quitting jobs (a sign of job-market confidence) has fallen back to pre-pandemic averages, along with net hiring after accounting for layoffs.¹ Further, lower-income families remain financially stretched by elevated borrowing costs and by the high price of essentials, both offset by little, if any, benefit from gains in financial-asset prices. Additionally, company earnings reports for the third quarter have largely reflected dreary corporate sentiment. Still-elevated interest rates are also stymieing a housing-market recovery² by pressuring home affordability, which is offsetting higher inventory.³

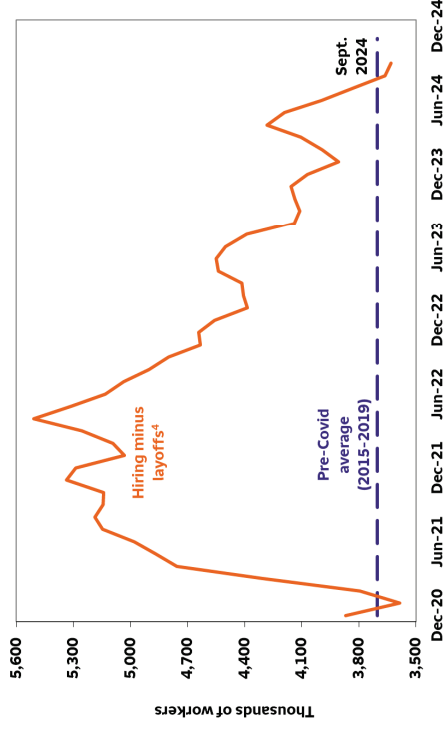
Elsewhere, 12-month Consumer Price Index (CPI) inflation slowed in September for a sixth straight month to 2.4%, although it centered increasingly on fuel-price declines. Core inflation (excluding food and energy) has held steady at an elevated 3.3% as core goods deflation slowed for a second straight month. Services inflation remains uncomfortably high, pressured by rents, less economically sensitive components, and an accelerated rise in wages more recently.

1. Based on September's Jobs Openings and Labor Market Turnover Survey (JOLTS).

2. In October, weekly mortgage applications fell to the lowest level since August as the 30-year fixed-rate mortgage increased to a July high.

3. In October, listed homes for sale increased to the highest level since December 2019, according to Realtor.com.

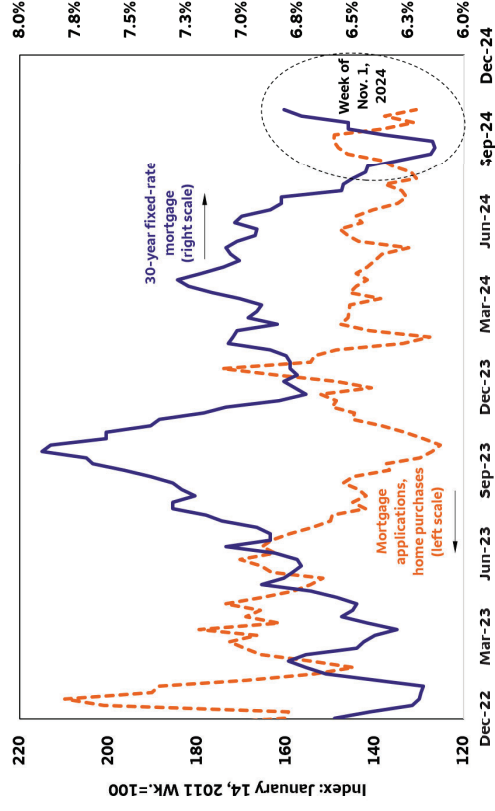
Hiring losing ground to layoffs in a softening labor market



4. Three-month moving average data.

Sources: Wells Fargo Investment Institute and U.S. Bureau of Labor Statistics. Data as of October 29, 2024.

Home demand constrained by rising interest rates



Sources: Wells Fargo Investment Institute, Bloomberg, and Mortgage Banker Association. Data as of November 6, 2024.

International

economic overview

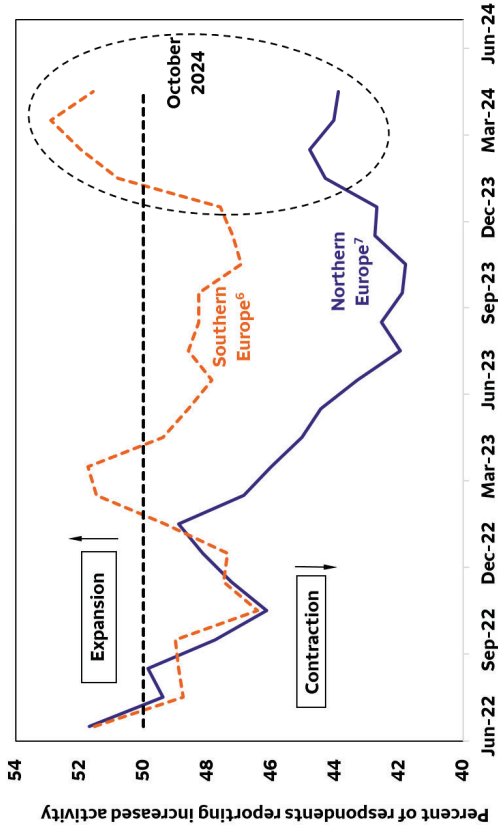
Still-weak Europe and somewhat stronger China

Europe Europe's economy is having difficulty gaining momentum after narrowly avoiding a recession in the third quarter. October business surveys showed activity stabilizing at low levels, with weakness broad-based across eurozone countries and deterioration seeping into the service sector. Export-reliant Germany remains a notable soft spot, grappling with a manufacturing contraction stemming from tepid world trade growth, tied largely to China. Improvement in the credit impulse⁵ for eurozone households and non-financial corporations has the potential to support domestic spending, though sentiment indicators reflect prevailing caution, and rising real (inflation-adjusted) incomes have so far failed to spark consumer-led growth. With fiscal stimulus limited by outsized deficits in many countries and inflation hovering at the European Central Bank's (ECB's) 2% target, central bank officials may need to accelerate interest-rate cuts in the coming months.

Asia In Asia, China's modest economic growth firmed last month ahead of monetary and fiscal stimulus likely overshadowed, after short-lived support, by the drift toward global protectionism, a property-related hit to household wealth, excessive local-government debt, past overinvestment, and other structural problems facing the country's maturing economy. Elsewhere, economic activity in export-driven Taiwan and South Korea slowed in October, while manufacturing activity in southeast Asia continued to move sideways. Japan's economy slipped for the first time in four months as services joined manufacturing in declining. However, a tightening labor market should boost wage inflation and support domestic spending in coming months — a welcome sign for the Bank of Japan (BOJ) as the central bank aims to normalize monetary policy.

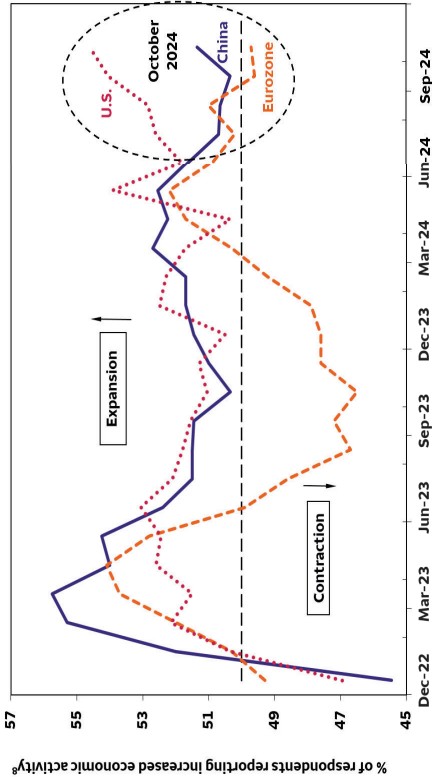
Elsewhere, India continues to outperform, as near boomlike conditions in both services and manufacturing persist.

Eurozone economic activity still buoyed by southern countries



Sources: Wells Fargo Investment Institute, Netherlands Bureau of Economic Policy Analysis, and the Federal Reserve Bank of New York. Data as of September 30, 2024.

U.S. exceptionalism intact despite modest global growth convergence



4. Based on the average of purchasing managers' indexes (PMIs) from the China Federation of Logistics & Purchasing and Caxin Global. Sources: Wells Fargo Investment Institute, China Federation of Logistics & Purchasing, and Caxin Global. Data as of November 5, 2024.

Stock market review and strategy

Inflation and economic concerns, dollar's strength

U.S. equities:

Coming off five new S&P 500 Index all-time highs in September, stocks were volatile in October. Growing concerns over inflation and economic growth contributed to the volatility. In October, U.S. mid caps (-0.5%) outperformed U.S. large caps (-0.9%), which in turn outperformed U.S. small caps (-1.4%). In a reversal from last month, eight of the eleven S&P 500 Index sectors posted negative returns in October, with the Real Estate (-3.3%), Materials (-3.5%), and Health Care (-4.6%) sectors being the biggest laggards. The Communications Services (+1.9%) and Financials (+2.7%) sectors led the index. Within the Russell Midcap Index, the best-performing sectors were the Financials (+2.7%) and Energy (+3.3%) sectors, while the Financials (+1.3%) and Consumer Staples (+1.6%) sectors led within the small-cap Russell 2000 Index. The biggest laggards within the Russell Midcap Index were the Real Estate (-3.0%) and Health Care (-5.6%) sectors while the Utilities (-2.9%) and Consumer Discretionary (-3.3%) sectors lagged within the Russell 2000 Index.

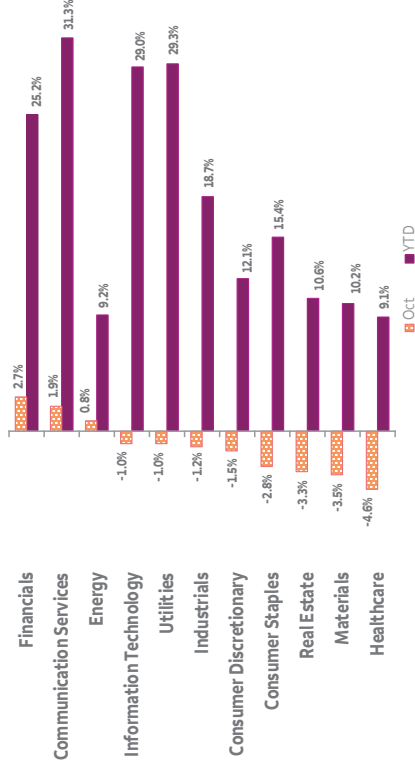
International equities:

U.S. dollar-denominated emerging market (EM) equities (-4.3%) outperformed developed market (DM) equities (-5.4%) last month. The currency conversion into U.S. dollars served as a significant headwind to both as the dollar broadly strengthened relative to other DM and EM currencies, driving dollar-denominated returns downward. Within DM, the Pacific region (-4.7%), outperformed the Europe region (-5.9%). In the Pacific region, Hong Kong (-5.9%) and Australia (-7.0%) were the biggest laggards while Japan (-3.9%) and Singapore (-3.3%) outperformed. In Europe, Ireland (-7.8%), Sweden (-8.6%), and the Netherlands (-11.3%) were notable underperformers while Italy (-2.1%) and Norway (-2.4%) outperformed. Regarding EM, the Europe, Middle East, and Africa (-3.1%) region outperformed both the Asia (-4.4%) and Latin America (-5.1%) regions. In the Europe, Middle East, and Africa region, Turkey (-9.7%) was a notable underperformer while Saudi Arabia (-1.6%) and Qatar (-0.6%) outperformed. In the Latin America region, Peru (-1.8%) and Columbia (-0.6%) led while Mexico (-5.0%), Chile (-5.3%), and Brazil (-5.5%) lagged.

Stock market total returns** Period ending October 31, 2024

Equity indexes	October	QTD	YTD	1 Year	3 Year*	5 Year*
Global Market	-2.2%	-2.2%	16.4%	33.4%	6.0%	11.6%
Large Cap	-0.9%	-0.9%	21.0%	38.0%	9.1%	15.3%
Large Cap Growth	-0.3%	-0.3%	24.1%	43.8%	8.8%	19.0%
Large Cap Value	-1.1%	-1.1%	15.4%	31.0%	6.8%	10.1%
Mid Cap	-0.5%	-0.5%	14.0%	35.4%	3.5%	10.9%
Small Cap	-1.4%	-1.4%	9.6%	34.1%	0.0%	8.5%
Developed ex. U.S. (USD)	-5.4%	-5.4%	7.3%	23.6%	3.2%	6.8%
Developed Small Cap (USD)	-6.3%	-6.3%	4.6%	23.6%	-2.5%	4.5%
Emerging Markets (USD)	-4.3%	-4.3%	12.2%	25.9%	-1.0%	4.3%
Frontier Markets (USD)	-0.6%	-0.6%	10.5%	22.1%	-3.9%	3.4%

S&P 500 Index sector returns



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of October 31, 2024. QTD = quarter-to-date. YTD = year-to-date.

* Annualized returns. ** Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see the end of the report for index definitions. 9 Regional and country returns are measured using the total U.S. dollar returns for their respective MSCI Index. Please see slide 13 for index definitions.

Bond market review and strategy

Fed easing cycle beginning

U.S. fixed income:

Recent economic reports continue to show that the U.S. economy remains strong alongside somewhat sticky inflation. In October, investor optimism toward Federal Reserve (Fed) rate cuts fell considerably, with some doubts forming on whether the Fed will be able to deliver as many cuts as previously expected between now and year-end 2025. The U.S. Treasury yield curve has continued to steepen, presumably a sign that fixed-income investors are anticipating the Fed to deliver an economic soft landing. Investor appetite for credit exposure was moderate in October. U.S. investment-grade (IG) corporate fixed income (-2.5%) underperformed high-yield (HY) taxable fixed income (-0.5%) as HY tends to be less interest-rate sensitive than IG. Credit spreads for both HY and IG fell further over the month and continue trading well below long-term averages. We recently moved to a favorable position on IG corporates, particularly for investors seeking income potential; we maintain a neutral guidance on HY.

Municipal bond performance was also negative (-1.5%) as municipal bond yields rose across the curve over the month. We are now neutral on municipal bonds. Despite our rating downgrade, we believe municipal credit fundamentals remain favorable. For investors in higher effective tax brackets, we believe municipal securities still play an important role in fixed-income positioning. We also remain neutral on high-yield municipal bonds.

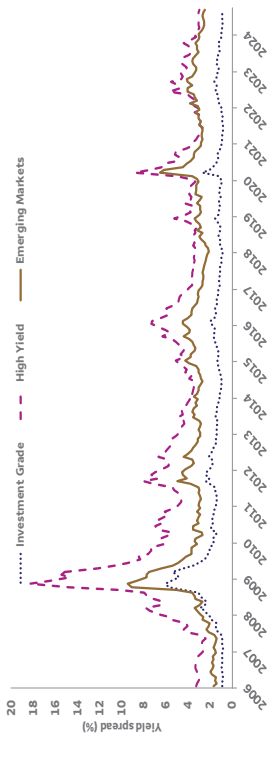
International fixed income:

Unhedged DM bond returns (-5.2%) fell significantly as the yen and euro depreciated against the U.S. dollar in October. Hedged DM bonds¹⁰ also dipped (-1.0%) as U.S. yields rose. Australian, U.K., and Japanese bonds all decreased considerably, in both local and U.S. dollar terms. Weaker EM foreign exchange rates against the U.S. dollar impacted local-currency-denominated EM bonds¹¹ (-4.6%), which fell in October. Dollar-denominated EM bonds were also impacted by rising U.S. yields and ended the month lower (-1.8%). Performance was poor for most emerging markets, with Mexico, Saudi Arabia, and Indonesia the key underperformers. Argentina was the lone bright spot, building on its year-to-date strength.

Fixed Income market total returns** Period ending September 30, 2024

Fixed Income Indexes	October	QTD	YTD	1 Year	3 Year	5 Year
Global Multiverse	-3.3%	-3.3%	0.4%	9.9%	-3.8%	-1.4%
U.S. Inv Grade Taxable	-2.5%	-2.5%	1.9%	10.5%	-2.2%	-0.2%
U.S. Treasury Bills	0.4%	0.4%	4.5%	5.4%	3.7%	2.4%
U.S. Short-Term Taxable	-0.6%	-0.6%	3.8%	6.3%	1.4%	1.5%
U.S. Interm-Term Taxable	-2.6%	-2.6%	2.1%	9.7%	-1.3%	0.3%
U.S Long-Term Taxable	-4.7%	-4.7%	-1.3%	15.1%	-8.4%	-3.0%
U.S. Treasury	-2.4%	-2.4%	1.4%	8.4%	-2.5%	-0.7%
U.S. Corporate	-2.4%	-2.4%	2.8%	13.6%	-2.1%	0.5%
U.S. Municipal	-1.5%	-1.5%	0.8%	9.7%	-0.3%	1.1%
U.S. TIPS	-1.8%	-1.8%	3.0%	8.6%	-1.5%	2.2%
U.S. High Yield	-0.5%	-0.5%	7.4%	16.5%	3.0%	4.5%
Developed ex. U.S. (unhedged)	-5.2%	-5.2%	-4.2%	6.8%	-8.4%	-5.1%
Emerging Market (USD)	-1.8%	-1.8%	6.1%	17.6%	-0.7%	0.8%

Credit spreads to Treasury Securities



Investment Periods: Data as of October 31, 2024. QTD = quarter-to-date. YTD = year-to-date.

*Annualized return. **Total returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. Past performance is no guarantee of future results. Please see disclosures at the end of the report for index definitions. 10. As measured by the JPMorgan GBI Global ex-U.S. Hedged Index. 11. As measured by the JPMorgan GBI Global ex-U.S. Composite (Unhedged) Index.

Source: Bloomberg and Wells Fargo

Real Assets review and strategy

Fed easing and Chinese economy

Master limited partnerships (MLPs):

MLPs underperformed the broader market in October, with a -1.3% total return (as measured by the Alerian MLP Index) versus a -0.9% return for the S&P 500 Index.

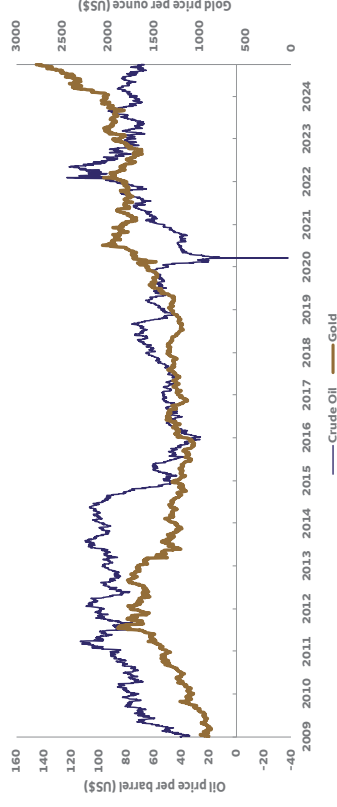
Commodities:

Energy: The Bloomberg Commodity Subindex's performance was down by 4.4% in October, underperforming the Bloomberg Commodity Total Return Index (BCOMTR). Brent crude and West Texas Intermediate (WTI) prices strengthened by 1.9% and 1.6%, respectively. Concerns over China's economy and OPEC+'s¹² plan to unwind a portion of its production cuts next year have weighed on performance this year. We believe OPEC+'s commitment to supporting oil prices will result in a slow unwinding of production cuts in 2025 and should help prevent an oversupplied market. On the demand front, we expect the positive effects of rate cuts by the Fed and improved economic conditions in 2025 to further support a favorable supply and demand balance. These factors should help support prices and underscore why we remain favorable on energy. **Metals:** Precious metals outperformed the BCOMTR with a 4.0% return in October as silver and gold prices both rose by 4.3%. Gold's performance in 2024 has been driven by robust purchases from central banks, consumer demand, and geopolitical tensions. Adding to the support of strong existing fundamentals, recent Fed interest rate cuts should also continue to support prices. Therefore, we remain favorable on precious metals and recently raised our 2025 gold price target to \$2,800–\$2,900 per troy ounce. Industrial metals were down by 3.7% in October, underperforming the BCOMTR. Despite October's negative performance, prices have climbed back from lows earlier this year as the Fed began a new monetary easing cycle and China has implemented new stimulus measures to address weakness in its economy. While we believe the economic environment for industrial metals is improving, we remain neutral. In our view, China's economy still faces a fragile property sector along with weak manufacturing activity, which will likely pose headwinds for sustained outperformance. **Agriculture:** Agricultural commodity prices were down by 4.2% in October, underperforming the BCOMTR, but there was still a wide dispersion in individual performance. Soybean oil was the top performer (+3.8%), while soybean meal (-13%) was the worst.

Real Assets total returns* Period ending October 31, 2024

REIT/Commodity indexes	October	QTD	YTD	1 Year	3 Year*	5 Year*
Public Real Estate	-5.0%	-5.0%	7.0%	29.8%	-2.3%	0.8%
U.S. REITs	-3.6%	-3.6%	10.1%	34.1%	-0.1%	4.1%
International REITs	-8.7%	-8.7%	-0.8%	20.3%	-7.3%	-3.5%
S&P Goldman Sachs Commodity (GSCI)	0.5%	0.5%	5.7%	-1.5%	6.9%	7.9%
Bloomberg Commodity	-1.9%	-1.9%	3.9%	-1.2%	2.1%	7.0%
Commodities (RICI)	-1.2%	-1.2%	4.4%	0.1%	5.4%	10.1%
Global Infrastructure	-1.3%	-1.3%	16.5%	33.3%	7.8%	6.3%
MLPs	-1.3%	-1.3%	17.0%	22.3%	22.9%	14.7%

Crude oil versus gold



Sources: Bloomberg and Wells Fargo Investment Institute. Data as of October 31, 2024. REITs = real estate investment trusts. QTD= quarter-to-date. YTD= year-to-date.

*Annualized returns. **Index returns do not reflect the deduction of fees, expenses or taxes. An index is unmanaged and not available for direct investment. Past performance is no guarantee of future results. Please see disclosures at the end of the report for index definitions. 12. The Organization of the Petroleum Exporting Countries and its allies such as Russia.

Alternatives review and strategy

Equities, rates, and currencies impacted alternatives

Relative Value: Relative Value strategies registered a gain of 0.6% for the month, with positive contributions from Structured Credit, Long/Short Credit, and Arbitrage strategies. Elevated security dispersion continued to benefit many Relative Value managers.

Macro: Macro strategies posted a negative return of -2.0% in October. Systematic strategies returned -2.7% for the month, owing to positions across fixed income, equities, and currencies. The reversal of recent interest rate and currency trends weighed on the strategy's long bond and short U.S. dollar positions. Further, long equity holdings detracted from returns as global stocks recorded their first negative month since April. However, Systematic strategies saw accretive performance in precious metal positions, as gold prices rallied for the fourth straight month and reached record highs. During the month, the strategies maintained long holdings in precious and industrial metals and remained short positions in energy commodities. Systematic strategies also scaled back long equity positions and reestablished long U.S. dollar holdings and short fixed-income positions. For the month, Discretionary strategies posted a mild gain of 0.1%.

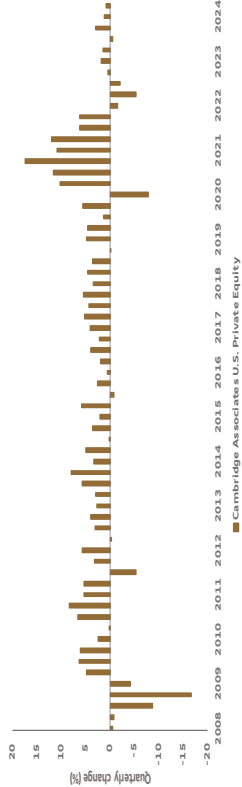
Event Driven: Event Driven recorded a 0.4% loss for the month. All strategies, except Distressed Credit, recorded negative returns. Equity-market pullbacks weighed on Activist strategies, and Merger Arbitrage experienced losses due to deal terminations and a lack of major progress. For Distressed Credit, we continue to expect elevated levels of distressed situations as businesses with overleveraged balance sheets become increasingly stressed under the weight of higher debt-service levels and slower growth.

Equity Hedge: Equity Hedge strategies posted a 0.7% loss in October while outperforming the MSCI All Country World Index. The negative return was primarily driven by broad equity-market exposure. Throughout the month, the strategies pared back exposures in Asia and Europe and rotated into North America. Equity Hedge strategies also rebalanced into Information Technology cyclical and defensive sectors from Consumer Discretionary and Communication Services sectors. Equity Market Neutral strategies registered a gain of 2.0% for the month.

Alternatives total returns** Period ending October 31, 2024

Alternative indexes	October	QTD	YTD	1 Year	3 Year*	5 Year*
Global Hedge Fund	-0.7%	-0.7%	7.4%	13.7%	3.3%	7.1%
Relative Value	0.6%	0.6%	7.3%	10.3%	4.4%	5.2%
Arbitrage	0.7%	0.7%	6.1%	9.3%	3.6%	5.4%
Long/Short Credit	0.5%	0.5%	8.6%	12.3%	3.8%	5.5%
Structure Credit/Asset Backed	0.9%	0.9%	8.4%	10.9%	5.3%	4.7%
Macro	-2.0%	-2.0%	2.7%	2.6%	3.2%	5.0%
Systematic	-2.7%	-2.7%	2.3%	0.7%	2.7%	4.2%
Discretionary	0.1%	0.1%	6.9%	10.9%	4.5%	6.3%
Event Driven	-0.4%	-0.4%	7.2%	15.3%	4.0%	7.2%
Activist	-2.6%	-2.6%	5.1%	22.2%	1.6%	6.7%
Distressed Securities	0.0%	0.0%	8.4%	16.5%	4.6%	7.7%
Merger Arbitrage	-0.6%	-0.6%	3.2%	7.8%	3.9%	5.8%
Equity Hedge	-0.7%	-0.7%	9.6%	19.6%	2.8%	8.5%
Directional Equity	-0.9%	-0.9%	9.6%	20.4%	2.5%	8.8%
Equity Market Neutral	2.0%	2.0%	10.1%	12.5%	5.9%	4.9%

Private Capital Index Returns



Sources: 2024 – Morningstar Direct, All Rights Reserved; Cambridge Associates, and Wells Fargo Investment Institute. Data as of October 31, 2024. Cambridge Associates data through June 30, 2024. QTD = quarter-to-date. YTD = year-to-date.

*Annualized returns. **Index returns do not reflect the deduction of fees, expenses or taxes. Performances for the most recent month are preliminary from HFR. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Please see disclosures at the end of the report for index definitions.

Disclosures

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Due to the unique characteristics of private equity assets (PE), including irregular cash flows and lack of reinvestment options, performance measurement is better assessed through different methods than those typically used for more liquid asset classes (which use time weighted metrics) as such methods may not provide representative PE performance. In practice, PE funds are typically long-lived and interim estimates of returns must be based on implicit assessments of expected future cash flows. In order to more effectively gauge performance, PE generally uses two principal cash flow based performance indicators where capital calls, capital reimbursement and profit distributions are the basis for calculation: the internal rate of return "IRR" and the presentation of investment "multiples". Internal rate of return (IRR) is a dollar-weighted metric and measures the rate of return specific to your position. It takes into consideration the timing and value of all deposits and distributions made, is intended to measure the performance of dollars actually invested, and is based on beginning and ending balances for the specified time period. Multiples are calculated as the ratio of cash paid out (distributions) to total funds supplied (drawdowns or capital calls), but do not take into account the timing of the cash flows.

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The "Performance" sections show performance for the portfolio and for your individual accounts. Return figures shown may not reflect fees and expenses, which, if applied, would result in lower return figures than shown. Net of fees returns may be impacted based on fee payment election method. Performance "net of fees" is lower than performance gross of fees. It is lower because it reflects the deduction of the fees actually charged to each account. The Bank fees charged to accounts are stated in your Terms and Condition and Fee Schedule. The performance of individual managers, indexes and markets for periods after any period shown may differ substantially from the period shown. Neither WFB nor Informa Investment Solutions undertake to make available updated information for any periods after those included in the report. Past performance does not guarantee future results. Performance returns greater than one year are annualized.

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Risk Considerations

All investing involves some degree of risk, whether it is associated with market volatility, purchasing power or a specific security. There is no assurance any investment strategy will be successful. Asset allocation does not guarantee a profit nor does diversification protect against loss.

Alternative Investments

Alternative investments, such as hedge funds, funds of hedge funds, managed futures, private capital, real assets and real estate funds, are not suitable for all investors. They are speculative, highly illiquid, and are designed for long-term investment, and not as trading vehicle. These funds carry specific investor qualifications which can include high income and net-worth requirements as well as relatively high investment minimums. The high expenses associated with alternative investments must be offset by trading profits and other income which may not be realized. Unlike mutual funds, alternative investments are not subject to some of the regulations designed to protect investors and are not required to provide the same level of disclosure as would be received from a mutual fund. They trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the fund and the investor.

An investment in these funds involve the risks inherent in an investment in securities and can include losses associated with speculative investment practices, including hedging and leveraging through derivatives, such as futures, options, swaps, short selling, investments in non-U.S. securities, "junk" bonds and illiquid investments. The use of leverage in a portfolio varies by strategy. Leverage can significantly increase return potential but create greater risk of loss. At times, a fund may be unable to sell certain of its illiquid investments without a substantial drop in price, if at all. Other risks can include those associated with potential lack of diversification, restrictions on transferring interests, no available secondary market, complex tax structures, delays in tax reporting, valuation of securities and pricing. An investment in a fund of funds carries additional risks including asset-based fees and expenses at the fund level and indirect fees, expenses and asset-based compensation of investment funds in which these funds invest. An investor should review the private placement memorandum, subscription agreement and other related offering materials for complete information regarding terms, including all applicable fees, as well as the specific risks associated with a fund before investing.

Commodities

Investing in commodities, futures, and managed futures is not suitable for all investors. Exposure to the commodities markets may subject an investment to greater share price volatility than an investment in traditional equity or debt securities. The prices of various commodities may fluctuate based on numerous factors including changes in supply and demand relationships, weather and acts of nature, agricultural conditions, international trade conditions, fiscal monetary and exchange control programs, domestic and foreign political and economic events and policies, and changes in interest rates or sectors affecting a particular industry or commodity. Products that invest in commodities may employ more complex strategies which may expose investors to additional risks, including futures roll yield risk.

Equities

Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Investments in equity securities are generally more volatile than other types of securities. There is no guarantee that dividend-paying stocks will return more than the overall stock market. Dividends are not guaranteed and are subject to change or elimination.

Fixed Income

Investments in fixed-income securities are subject to market, interest rate, credit and other risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. Credit risk is the risk that an issuer will default on payments of interest and/or principal. This risk is heightened in lower rated bonds. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than their original cost upon redemption or maturity.

Income from municipal securities is generally free from federal taxes and state taxes for residents of the issuing state. While the interest income is tax-free, capital gains, if any, will be subject to taxes. Income for some investors may be subject to the federal Alternative Minimum Tax (AMT). High-yield bonds, also known as junk bonds, are subject to greater risk of loss of principal and interest, including default risk, than higher-rated bonds. Investors should not place undue reliance on yield as a factor to be considered in selecting a high yield investment.

Private Equity

Private equity investments are complex, speculative investment vehicles that are not required to provide investors with periodic pricing or valuation and are not subject to the same regulatory requirements as mutual funds. An investment in a private equity fund involves the risks inherent in an investment in securities, as well as specific risks associated with limited liquidity, the use of leverage and illiquid investments.

Private Real Estate

Investment in real estate securities include risks, such as the possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions.

Foreign Securities

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging markets.

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Forecasts are not guaranteed and based on certain assumptions and on views of market and economic conditions which are subject to change.

Asset class risks

Alternative Investments, such as hedge funds and private capital funds, are not appropriate for all investors. They are speculative and involve a high degree of risk that is only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in a fund and for which the fund does not represent a complete investment program.

Hedge funds trade in diverse complex strategies that are affected in different ways and at different times by changing market conditions. Strategies may, at times, be out of market favor for considerable periods with adverse consequences for the investor. Arbitrage strategies expose a fund to the risk that the anticipated arbitrage opportunities will not develop as anticipated, resulting in potentially reduced returns or losses to the fund. Relative Value strategies seek to make profits by arbitrage opportunities between two related securities. These arbitrage opportunities might come in the way of pricing discrepancies between two securities or between securities and derivative instruments. Event Driven strategies involve investing in opportunities created by significant transactional events, such as spinoffs, mergers and acquisitions, bankruptcy reorganization, recapitalization and share buybacks. Managers who use such strategies may invest in, and might sell short, the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation. Equity Hedge strategies maintain positions both long and short in primarily equity and equity derivative securities. Investing in Distressed companies is speculative and subject to greater levels of credit, issuer and liquidity risks and the repayment of default obligations contains significant uncertainties such companies may be engaged in restructurings or bankruptcy proceedings. Macro strategies base their investment decisions on the anticipated price movement of stock markets, interest rates, foreign exchange, and physical commodities. These price movements result from many factors including forecasted shifts in world economies. Exchange-traded and over-the-counter derivatives are often used to magnify these price movements. The fixed income securities used in the structured credit relative value strategy may include CMBS, RMBS, ABS CLOs and other debt securities. They are subject to security-specific risks in addition to the risks associated with fluctuations in interest rates, credit/default, liquidity and forced deleveraging.

Long/short credit strategies invest in the global credit markets which may be volatile. The risks associated with this strategy include investments in debt securities and the use of short selling and derivatives.

Private capital investments are complex, speculative investment vehicles that are not appropriate for all investors. The funds use complex trading strategies, including hedging and leveraging through derivatives and short selling and other aggressive investment practices. It is possible to lose your entire investment investing in these funds. Leverage can significantly increase return potential but create greater risk of loss. Derivatives generally

have implied leverage which can magnify volatility and may entail other risks such as market, interest rate, credit, counterparty and management risks. Short selling involves leverage and theoretically unlimited loss potential since the market price of securities sold short may continuously increase.

Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions, the prospects of individual companies, and industry sectors. Investments in equity securities are generally more volatile than other types of securities. Small and Mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks. Small- and mid-cap stocks are generally more volatile, subject to greater risks and are less liquid than large company stocks. Growth stocks may be more volatile than other stocks and there is no guarantee growth will be realized. There are no guarantees that value stocks will increase in value or that their intrinsic values will eventually be recognized by the overall market. Both growth and value types of investing tend to shift in and out of favor.

Sector investing can be more volatile than investments that are broadly diversified over numerous sectors of the economy and will increase a portfolio's vulnerability to any single economic, political, or regulatory development affecting the sector. This can result in greater price volatility.

Investments in fixed-income securities are subject to interest rate and credit risks. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. Credit risk is the risk that an issuer will default on payments of interest and principal. High yield fixed income securities are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities. If sold prior to maturity, fixed income securities are subject to market risk. All fixed income investments may be worth less than their original cost upon redemption or maturity.

U.S. government securities are backed by the full faith and credit of the federal government as to payment of principal and interest. Unlike U.S. government securities, agency securities carry the implicit guarantee of the U.S. government but are not direct obligations. Payment of principal and interest is solely the obligation of the issuer. If sold prior to maturity, both types of debt securities are subject to market risk. Although Treasuries are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate.

Municipal bonds offer interest payments exempt from federal taxes, and potentially state and local income taxes. These bonds are subject to interest rate and credit/default risk. Quality varies widely depending on the specific issuer. Municipal securities may also be subject to the alternative minimum tax and legislative and regulatory risk which is the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.

Treasury Inflation-Protected Securities (TIPS) are subject to interest rate risk, especially when real interest rates rise. This may cause the underlying value of the bond to fluctuate more than other fixed income securities.

Mortgage- and asset-backed securities are subject to the risks associated with debt securities and to prepayment, extension and call risks. Changes in prepayments may significantly affect yield, average life and expected maturity. Extension risk is the risk that rising interest rates will slow the rate at which mortgages are prepaid. Call risk is the risk that if called prior to maturity, similar yielding investments may not be available for the Fund to purchase. These risks may be heightened for longer maturity and duration securities.

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging and frontier markets.

Currency risk is the risk that foreign currencies will decline in value relative to that of the U.S. dollar. Exchange rate movement between the U.S. dollar and foreign currencies may cause the value of a portfolio's investments to decline.

Exposure to the commodities markets may subject an investment to greater share price volatility than an investment in traditional equity or debt securities. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. Investing in precious metals involves special risk considerations such as severe price fluctuations and adverse economic and regulatory developments which could materially and adversely affect an investment.

Investing in physical commodities, such as gold, silver, palladium and other precious metals, exposes a portfolio to material risk considerations such as potentially severe price fluctuations over short periods of time and storage costs that exceed the custodial and/or brokerage costs associated with a portfolio's other holdings.

Investment in securities of Master Limited Partnerships (MLPs) involves certain risks which differ from an investment in the securities of a corporation. MLPs may be sensitive to price changes in oil, natural gas, etc., regulatory risk, and rising interest rates. A change in the current tax law regarding MLPs could result in the MLP being treated as a corporation for federal income tax purposes which would reduce the amount of cash flows distributed by the MLP. Other risks include the volatility associated with the use of leverage; volatility of the commodities markets; market risks; supply and demand; natural and man-made catastrophes; competition; liquidity; market price discount from Net Asset Value and other material risks.

There are special risks associated with an investment in real estate, including the possible illiquidity of the underlying properties, credit risk, interest rate fluctuations, and the impact of varied economic conditions. Other risks associated with investing in listed REITs include the use of leverage, unexpected reductions in common dividends, increases in property taxes, and the impact to listed REITs from new property development.

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Index definitions

Broad-based indexes are unmanaged and not available for direct investment.

Allocation Compositions (Slide 2)

Moderate Income Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 60% Bloomberg U.S. Aggregate Bond Index, 4% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 16% S&P 500 Index, 5% Russell Midcap Index, 2% Russell 2000 Index, 4% MSCI EAFE Index, 2% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Moderate Growth & Income Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 30% Bloomberg U.S. Aggregate Bond Index, 6% Bloomberg U.S. Corporate High Yield Bond Index, 5% JPM EMBI Global Index, 24% S&P 500 Index, 10% Russell Midcap Index, 6% Russell 2000 Index, 8% MSCI EAFE Index, 5% MSCI Emerging Markets Index, 4% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Moderate Growth Liquid is composed of: 2% Bloomberg U.S. Treasury Bills (1–3 Month) Index, 8% Bloomberg U.S. Aggregate Bond Index, 3% Bloomberg U.S. Corporate High Yield Bond Index, 31% S&P 500 Index, 14% Russell Midcap Index, 10% Russell 2000 Index, 15% MSCI EAFE Index, 12% MSCI Emerging Markets Index, 5% Bloomberg Commodity Index. U.S. Investment Grade Fixed Income encompasses the allocations to Short Term, Intermediate Term, and Long Term.

Equities (Slide 2)

Dow Jones Industrial Average is an unweighted index of 30 "blue-chip" industrial U.S. stocks.

NASDAQ Composite Index measures the market value of all domestic and foreign common stocks, representing a wide array of more than 5,000 companies.

S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

Russell 1000 Index measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index.

Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell MidCap Index measures the performance of the 800 smallest companies in the Russell 1000 Index.

Russell MidCap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Russell MidCap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

MSCI EAFE Index (U.S Dollar) is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada.

MSCI Emerging Market Index (U.S. Dollar) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Fixed income (Slide 2)

Bloomberg U.S. Aggregate Bond Index is a broad-based measure of the investment grade, US dollar-denominated, fixed-rate taxable bond market.

Bloomberg U.S. Treasury Bills (1-3 Month) Index includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

Bloomberg U.S. Aggregate 5-7 Year Bond Index is composed of the Bloomberg U.S. Government/Credit Index and the Bloomberg U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities with maturities of 5-7 years.

Bloomberg U.S. Intermediate Government/Credit Bond Index is the intermediate component of the Bloomberg U.S. Government/Credit Index which is generally representative of government and investment grade corporate debt securities.

Bloomberg U.S. Government/Credit Bond Index is a market-weighted index generally representative of intermediate and long-term government and investment grade corporate debt securities having maturities of greater than one year.

Fixed income (Slide 2)

Bloomberg U.S. Municipal Bond Index is an unmanaged index composed of long-term tax-exempt bonds with a minimum credit rating of Baa.

Bloomberg U.S. Corporate High Yield Bond Index covers the universe of fixed-rate, noninvestment-grade debt.

J.P. Morgan GBI (Global Bond Index) Global ex -U.S. (Unhedged) in USD is a representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

J.P. Morgan EMBI (Emerging Market Bond Index) Global (U.S. Dollar) currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

Real assets and hedge funds (Slide 2)

HFRI Fund Weighted Composite Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

FTSE/EPRA NAREIT Developed Index is designed to track the performance of listed real-estate companies and REITs in developed countries worldwide.

Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

Economic indexes (Slides 3-4)

Consumer Price Index (CPI) produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

Eurostat Eurozone Monetary Union Index of Consumer Prices (MUICP) is an aggregate measure of consumer inflation for all countries within the eurozone.

Global Supply Chain Pressure Index integrates transportation cost data and manufacturing indicators to provide a gauge of global supply chain conditions.

JPMorgan Global Manufacturing PMI® is produced by S&P Global in association ISM and IFPSM. Global manufacturing PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added.

Personal Consumption Expenditure (PCE) measure is the component statistic for consumption in gross domestic product (GDP). It is essentially a measure of goods and services targeted towards individuals and consumed by individuals.

University of Michigan Consumer Sentiment Index is published monthly by the University of Michigan. Each month at least 500 telephone interviews are conducted throughout the U.S. The Index of Consumer Sentiment is developed from these interviews.

Equities (Slide 5)

Global Market Equity: MSCI AC World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed and 23 emerging markets.

Large Cap Equity: S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market. Returns assume reinvestment of dividends and capital gain distributions.

Large Cap Growth Equity: Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. **Russell 1000 Index** measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the Russell 3000 Index. The **Russell 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Large Cap Value Equity: Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Mid Cap Equity: Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

Small Cap Equity: Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Developed Market ex. U.S. Equity: MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of 21 developed markets, excluding the US & Canada.

Equities (Slide 5)

Developed Small Cap Equities: The **MSCI EAFE Small Cap Index** is an equity index which captures small cap representation across Developed Markets countries around the world, excluding the US and Canada. With 2,282 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country.

Emerging Markets: MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 23 emerging market countries.

Frontier Market Equity: MSCI Frontier Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of frontier markets.

MSCI Australia Index is designed to measure the performance of the large and mid cap segments of the Australia market.

MSCI China Index captures large and mid-cap representation across China H shares, B shares, Red Chips and P Chips.

MSCI Emerging Markets (EM) Asia Index captures large and mid cap representation across 8 Emerging Markets countries.

MSCI Emerging Markets EMEA Index captures large and mid cap representation across 11 Emerging Markets (EM) countries* in Europe, the Middle East and Africa (EMEA).

MSCI Emerging Markets (EM) Latin America Index captures large and mid cap representation across 5 Emerging Markets (EM) countries* in Latin America.

MSCI Europe Index captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe.

MSCI Finland Index is designed to measure the performance of the large and mid cap segments of the Finnish equity market.

MSCI Hong Kong Index is designed to measure the performance of the large and mid-cap segments of the Hong Kong market.

MSCI India Index is designed to measure the performance of the large and mid cap segments of the Indian market.

MSCI Japan Index is a free-float weighted equity index composed of companies domiciled in Japan.

MSCI Netherlands Index is designed to measure the performance of the large and mid cap segments of the Netherlands market.

MSCI Pacific Index captures large and mid cap representation across 5 Developed Markets (DM) countries in the Pacific region.

MSCI Singapore Index is designed to measure the performance of the large and mid cap segments of the Singapore market.

MSCI South Africa Index is designed to measure the performance of the large and mid cap segments of the South African market.

MSCI Switzerland Index is designed to measure the performance of the large and mid cap segments of the Swiss market.

MSCI Turkey Index is designed to measure the performance of the large and mid cap segments of the Turkish market.

MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market.

S&P 500 Communication Services Index comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector.

S&P 500 Consumer Discretionary Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy Index comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

S&P 500 Health Care Index comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology Index comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Real Estate Index comprises those companies included in the S&P 500 that are classified as members of the GICS® real estate sector.

S&P 500 Utilities Index comprises those companies included in the S&P 500 that are classified as members of the GICS utilities sector.

S&P 500 Equal Weight Index is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight – or 0.2% of the index total at each quarterly rebalance.

Fixed Income (Slide 6)

Global Multiverse Fixed Income: Bloomberg Multiverse Index provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies.

U.S. Inv Grade Taxable Fixed Income: Bloomberg U.S. Aggregate Bond Index is composed of the Bloomberg Capital U.S.

Government/Credit Index and the Bloomberg Capital U.S. Mortgage-Backed Securities Index, and includes Treasury issues, agency issues, corporate bond issues, and mortgage-backed securities.

Fixed Income (Slide 6)

U.S. Treasury Bills Fixed Income: Bloomberg U.S. Treasury Bills Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars and must be fixed rate and non convertible.

Short, Intermediate and Long Term Fixed Income: Bloomberg U.S. Aggregate Bond Index is made up of the Bloomberg U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

U.S. Treasury Fixed Income: Bloomberg U.S. Treasury Index includes public obligations of the U.S. Treasury with a remaining maturity of one year or more.

U.S. Corporate Fixed Income: Bloomberg U.S. Corporate Bond Index includes publicly issued U.S. corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

U.S. Municipal Fixed Income: Bloomberg U.S. Municipal Bond Index represents municipal bonds with a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million, and a remaining maturity of at least one year. The Index excludes taxable municipal bonds, bonds with floating rates, derivatives, and certificates of participation.

U.S. TIPS Fixed Income: Bloomberg Treasury Inflation Protected Securities (TIPS) Index includes all publicly issued, investment-grade U.S. TIPS with an outstanding face value of more than \$250 million and that have at least one year to maturity.

U.S. High Yield Fixed Income: Bloomberg U.S. High Yield Bond Index is an unmanaged index that tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

Developed ex. U.S. Fixed Income: JPMorgan GBI Global ex-U.S. (Unhedged) in USD is an unmanaged index market representative of the total return performance in U.S. dollars on an unhedged basis of major non-U.S. bond markets.

Emerging Market Fixed Income: JP Morgan Emerging Markets Bond Index Global (EMBI Global), which currently covers 27 emerging market countries. Included in the EMBI Global are U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

JPMorgan Non-U.S. Global Government Bond Index (Hedged) is a representative of the total return performance, on a hedged basis, of major non-U.S. bond markets. It is calculated in U.S. dollars.

J.P. Morgan GBI Emerging Markets Global Diversified (Local Currency) (USD Unhedged) tracks the performance of bonds issued by emerging market governments and denominated in the local currency of the issuer.

Real Assets (Slide 7)

Public Real Estate: FTSE/EPRA NAREIT Developed Index is designed to track the performance of listed real estate companies and REITs worldwide.

U.S. REITs: FTSE NAREIT U.S. All Equity REITs Index is designed to track the performance of REITs representing equity interests in (as opposed to mortgages) on properties. It represents all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets, other than mortgages secured by real property that also meet minimum size and liquidity criteria.

International REITs: FTSE EPRA/NAREIT Developed ex U.S. Index is designed to track the performance of listed real estate companies in developed countries worldwide other than the U.S.

S&P Goldman Sachs Commodity Index (GSCI) is a composite index of commodity sector returns representing unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. The index is includes futures contracts on 24 physical commodities of which Energy represents nearly 70%.

Bloomberg Commodity Index is comprised of 23 exchange-traded futures on physical commodities weighted to account for economic significance and market liquidity.

Bloomberg Commodity Energy Subindex is a commodity group subindex of the Bloomberg CINTR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

Bloomberg Precious Metals Subindex is a commodity group subindex of the Bloomberg CINTR. It is composed of futures contracts on gold and silver. It reflects the return on underlying commodity future price movements only and is quoted in USD.

Commodities (RICI): The Rogers International Commodity Index is a U.S. dollar based index representing the value of a basket of commodities consumed in the global economy. Representing futures contracts on 37 physical commodities, it is designed to track prices of raw materials not just in the U.S. but around the world.

Global Infrastructure: S&P Global Infrastructure Index provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

MLPs: Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

Bloomberg Agriculture Subindex Total Return Index reflects the returns of an index composed of futures contracts on coffee, corn, cotton, soybeans, soybean oil, soybean meal, sugar, and wheat.

Bloomberg Energy Subindex Total Return Index reflects the returns of an index composed of futures contracts on crude oil, heating oil, unleaded gasoline, and natural gas.

Bloomberg Industrial Metals Subindex Total Return Index reflects the returns of an index composed of longer-dated future contracts on aluminum, copper, nickel, and zinc.

Bloomberg Precious Metals Subindex Total Return Index reflects the returns that are potentially available through an unleveraged investment in the futures contracts on precious metals commodities.

Alternative Assets (Slide 8)

Global Hedge Funds: HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net-of-all-fees performance in U.S. dollars and have a minimum of \$50 million under management or a 12-month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

Relative Value: HFRI Relative Value Index: maintains positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are

typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager. RV position may be involved in corporate transactions also, but as opposed to ED exposures, the investment thesis is predicated on realization of a pricing discrepancy between related securities, as opposed to the outcome of the corporate transaction.

Arbitrage: HFRI RV: Multi-Strategy Index: multi-strategies employ an investment thesis predicated on realization of a spread between related yield instruments in which one or multiple components of the spread contains a fixed income, derivative, equity, real estate, MLP or combination of these or other instruments. Strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk adjusted spread between these instruments represents an attractive opportunity for the investment manager.

Long/Short Credit: HFRI Relative Value Fixed Income—Corporate Index. Includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a corporate fixed-income instrument. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments, typically realizing an attractive spread between multiple corporate bonds or between a corporate and risk free government bond. They typically involve arbitrage positions with little or no net credit market exposure, but are predicated on specific, anticipated idiosyncratic developments.

Structured Credit/Asset Backed: HFRI Relative Value Fixed Income-Asset Backed Index includes strategies predicated on realization of a spread between related instruments in which one or multiple components of the spread is a fixed-income instrument backed by physical collateral or other financial obligations (loans, credit cards) other than those of a specific corporation. Strategies are designed to isolate attractive opportunities between a variety of fixed income instruments specifically securitized by collateral commitments, which frequently include loans, pools and portfolios of loans, receivables, real estate, machinery or other tangible financial commitments. Investment thesis may be predicated on an attractive spread given the nature and quality of the collateral, the liquidity characteristics of the underlying instruments and on issuance and trends in collateralized fixed-income instruments, broadly speaking. In many cases, investment managers hedge, limit, or offset interest-rate exposure in the interest of isolating the risk of the position to strictly the disparity between the yield of the instrument and that of the lower-risk instruments.

Macro: HFRI Macro Index: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Although some strategies employ RV techniques, Macro strategies are distinct from RV strategies in that the primary investment thesis is predicated on predicted or future movements in the underlying instruments, rather than realization of a valuation discrepancy between securities. In a similar way, while both Macro and equity hedge managers may hold equity securities, the overriding investment thesis is predicated on the impact movements in underlying macroeconomic variables may have on security prices, as opposes to EH, in which the fundamental characteristics on the company are the most significant are integral to investment thesis.

Systematic Macro: HFRI Macro Systematic Diversified Index: Diversified strategies employing mathematical, algorithmic and technical models, with little or no influence of individuals over the portfolio positioning. Strategies are designed to identify opportunities in markets exhibiting trending or momentum characteristics across individual instruments or asset classes. Strategies typically employ quantitative processes which focus on statistically robust or technical patterns in the return series of the asset, and they typically focus on highly liquid instruments and maintain shorter holding periods than either discretionary or mean-reverting strategies. Although some strategies seek to employ counter-trend models, strategies benefit most from an environment characterized by persistent, discernible trending behavior. Typically have no greater than 35 percent of portfolio in either dedicated currency or commodity exposures over a given market cycle.

Discretionary Macro: HFRI Macro Discretionary Thematic Index: Strategies primarily rely on the evaluation of market data, relationships and influences, as interpreted by individuals who make decisions on portfolio positions; strategies employ an investment process most heavily influenced by top-down analysis of macroeconomic variables. Investment Managers may trade actively in developed and emerging markets, focusing on both absolute and relative levels on equity markets, interest rates/fixed income markets, currency and commodity markets; they frequently employ spread trades to isolate a differential between instrument identified by the Investment Manager as being inconsistent with expected value. Portfolio positions typically are predicated on the evolution of investment themes the Manager expects to develop over a relevant time frame, which in many cases contain contrarian or volatility-focused components.

Alternative Assets (Slide 8)

Event Driven: HFRI Event Driven Index: Investment Managers who maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including but not limited to mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event Driven exposure includes a combination of sensitivities to equity markets, credit markets and idiosyncratic, company specific developments. Investment theses are typically predicated on fundamental characteristics (as opposed to quantitative), with the realization of the thesis predicated on a specific development exogenous to the existing capital structure.

Activist: HFRI Event Driven Activist Index: Strategies may obtain or attempt to obtain representation on the company's board of directors in an effort to impact the firm's policies or strategic direction and in some cases may advocate activities such as division or asset sales, partial or complete corporate divestiture, dividends or share buybacks, and changes in management. Strategies employ an investment process primarily focused on opportunities in equity and equity-related instruments of companies that are currently or prospectively engaged in a corporate transaction, security issuance/repurchase, asset sales, division spin-off or other catalyst-oriented situation. These involve both announced transactions and situations in which no formal announcement is expected to occur. Activist strategies would expect to have greater than 50 percent of the portfolio in activist positions, as described.

Distressed Credit: HFRI Event Driven Distressed/Restructuring Index: Strategies focus on corporate fixed-income instruments, primarily corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceedings or financial-market perception of near-term proceedings. Managers are typically actively involved with the management of these companies; they are frequently involved on creditors' committees in negotiating the exchange of securities for

alternative obligations, either swaps of debt, equity or hybrid securities. Managers employ fundamental credit processes focused on valuation and asset coverage of securities of distressed firms; in most cases portfolio exposures are concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity but in general for which a reasonable public market exists. Strategies employ primarily debt (greater than 60 percent) but also may maintain related equity exposure.

Merger Arbitrage: HFRI Event Driven Merger Arbitrage Index: Strategies primarily focus on opportunities in equity and equity-related instruments of companies that are currently engaged in a corporate transaction. Merger Arbitrage involves primarily announced transactions, typically with limited or no exposure to situations in which no formal announcement is expected to occur. Opportunities are frequently presented in cross-border, collared, and international transactions that incorporate multiple geographic regulatory institutions, typically with minimal exposure to corporate credits. Strategies typically have over 75 percent of positions in announced transactions over a given market cycle.

Equity Hedge: HFRI Equity Hedge (Total) Index: Investment Managers who maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. EH managers would typically maintain at least 50 percent exposure to, and may in some cases be entirely invested in, equities, both long and short.

Directional Equity: HFRX Equity Hedge Multi-Strategy Index: Managers maintain positions both long and short in primarily equity and equity-derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage, holding period, concentrations of market capitalizations, and valuation ranges of typical portfolios. Managers typically do not maintain more than 50 percent exposure to any one Equity Hedge sub-strategy.

Equity Market Neutral: HFRI Equity Hedge Equity Market Neutral Index: Strategies employ sophisticated quantitative techniques to analyze price data to ascertain information about future price movement and relationships between securities. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Factor-based investment strategies include strategies predicated on the systematic analysis of common relationships between securities. In many cases, portfolios are constructed to be neutral to one or multiple variables, such as broader equity markets in dollar or beta terms, and leverage is frequently employed to enhance the return profile of the positions identified. Statistical Arbitrage/Trading strategies consist of strategies predicated on exploiting pricing anomalies which may occur as a function of expected mean reversion inherent in security prices; high-frequency techniques may be employed; trading strategies may also be based on technical analysis or designed opportunistically to exploit new information that the investment manager believes has not been fully, completely, or accurately discounted into current security prices. Strategies typically maintain characteristic net equity market exposure no greater than 10 percent long or short.

The **Cambridge Associates LLC U.S. Private Equity Index®** uses a horizon calculation based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds formed between 1986 and 2021. The funds

included in the index report their performance voluntarily and therefore the index may reflect a bias towards funds with records of success. Funds report unaudited quarterly data to Cambridge Associates when calculating the index. The index is not transparent and cannot be independently verified because Cambridge Associates does not identify the funds included in the index. Because Cambridge Associates recalculates the index each time a new fund is added, the historical performance of the index is not fixed, can't be replicated and will differ over time from the day presented. The returns shown are net of fees, expenses and carried interest. Index returns do not represent fund performance.

MSCI All Country World Index (MSCI ACWI) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed and 26 emerging markets.

Note: HFR Indices have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and, therefore, the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFR Indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe and may be biased in several ways. Returns of the underlying hedge funds are net of fees and are denominated in USD.

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