

AUGUST 2021 Capital Markets Update

Verus⁷⁷

Market commentary

U.S. ECONOMICS

- Non-farm payrolls grew by just 235,000 in August, falling well short of economists' estimates of 733,000. Job losses in the retail trade sector and the leisure and hospitality sector remained unchanged and led to disappointment in the headline print.
- University of Michigan's gauge of consumer sentiment fell 13.5% from its July reading and hit its lowest level since December 2011. The plunge in confidence was attributed to the spread of the Delta variant of Covid-19 which led some consumers to sense that the end of the pandemic might be further away than they had anticipated.
- Senate leaders passed a bipartisan \$1 trillion infrastructure bill on to the House of Representatives where it awaits a much tougher test. The proposed bill contains \$550 billion of new spending and would be partially funded by raising the corporate tax rate to 28% from 21%.

U.S. EQUITIES

- S&P 500 advanced +3.0%, supported by growth stocks still benefitting from low rates. On August 16th, the S&P 500 Price Index closed at 4,480, double the 2,237 level it had bottomed at during the Q1 2020 equity market selloff. While a bull market on average takes around 1,000 trading days to double off a bottom, the most recent doubling took place in just 354 trading days.
- In August, the S&P 500 posted thirteen new daily highs. Year to date, the S&P 500 has closed higher 53 out of 167 trading days, accounting for nearly a third of the trading sessions this year.
- Facebook and Google combined to make up 83% of the return within the S&P 500 Communications Sector (+5.0%).

U.S. FIXED INCOME

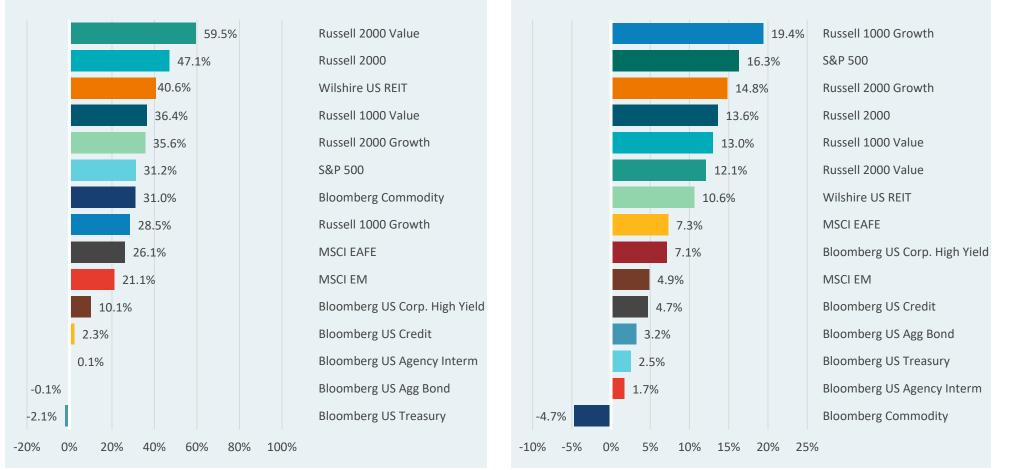
- At the much-anticipated Jackson Hole Economic Symposium, Fed Chairman Jerome Powell remarked that the July jobs report indicated "clear progress" but that the Delta variant will be an important factor in deliberation. The tone was largely reflective of the July meeting minutes and lack of clarity around a timeline for tapering received a muddled response from bond markets.
- The yield curve began to steepen In August. With shorter-end rates fixed, the 10-2 yield curve rose as the 10-year yield increased six basis points to 1.30%.
- TIPS breakeven rates were little changed over the month with both the five- and 10-year breakeven rates falling a basis point, as the measures of priced inflation expectations remained elevated.

INTERNATIONAL MARKETS

- The EU recommended that its 27 member states halt travel to the US for non-vaccinated individuals, delisting the country that was only added to the safe list in June of 2021. Within the US, 70% of adults have received at least one shot, and lagged the EU who reached this point in July. Some scientists believe herd immunity would require 80% of a population being fully vaccinated.
- Japan's broad TOPIX Index rose +3.2% and reached its highest level in 30 years at 1,961. The Index, which tracks the Tokyo Stock Exchange, has experienced two big bull-runs - one in 2007 and one in 2018 - neither were able to breach the 1,900 level.
- The Europe-wide Euro STOXX 600 (+2.2%) posted its seventh consecutive month of positive performance in August, marking its longest monthly winning streak in over eight years.

Major asset class returns

ONE YEAR ENDING AUGUST



TEN YEARS ENDING AUGUST

*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay. Source: Morningstar, as of 8/31/21 Source: Morningstar, as of 8/31/21

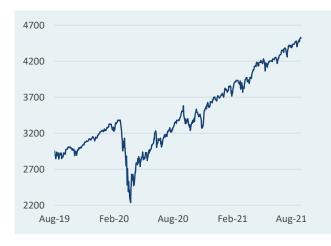
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Capital Markets Update August 2021

U.S. large cap equities

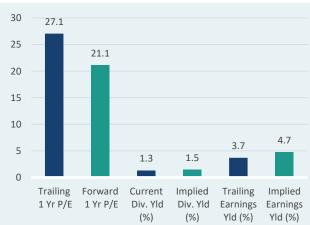
- The S&P 500 climbed +3.0% over the month, marking its seventh consecutive month of gains. The index hasn't seen more than a 5% intra-month correction since October 2020.
- Every sector but one of the 11 GICS S&P 500 sectors posted positive performance in August. Financials (+5.1%), Comm Services (+5.0%), Utilities (+4.0%) and Information Technology (+3.6%) were the only sectors to contribute positively to performance. Consumer Staples (+1.4%) and Industrials (+1.1%) weighed on the index. Energy (-2.0%) was the lone sector in decline and posted the worst return over the month.
- The S&P 500 Price Index closed the month at 4,523, a price which is already 2.3% above the average year-end target of 4,421. The price target was derived by taking the average price target of 15 strategists across Wall Street, which had been polled by CNBC.
- The VIX Index of implied volatility fell -9.9% over the month of August. The index rose 3.4 to an intra-month high of 21.7 on August 19th surrounding risk off sentiment in global equities. The index fell in the second half of the month back down below its 50- and 200-day moving averages to 16.5

S&P 500 PRICE INDEX



IMPLIED VOLATILITY (VIX INDEX)





Source: Bloomberg, as of 8/31/21

Source: CBOE, as of 8/31/21

Source: Bloomberg, as of 8/31/21



Domestic equity size and style

- The Russell 1000 (+2.9%) outperformed the Russell 2000 (+2.2%) and marked the fifth consecutive month of large-cap equity outperformance of its small-cap peers. The large-cap Communications Services sector (+5.4%) returned far more than the same sector within the small-cap equity space (+0.3%).
- Growth-oriented stocks within the Russell 3000 Growth Index (+3.6%) performed better than value stocks (Russell 3000 Value +2.0%). The value-leaning Financial sector (+5.1%) narrowed the margin of relative performance, but the Energy (-2.0%) and Industrials (+1.1%) sectors proved a headwind for value.
- The S&P 500 Momentum Index (+4.5%), which mirrors the strategy of entering holdings that are rising the fastest and exiting positions that are falling fastest, outperformed the S&P 500 (+3.0%).
- The S&P Low Volatility High Dividend Index (+1.5%) lagged the overall S&P 500 (+3.0%). Companies with high dividends on average carry a higher debt load which tends to make these companies more interestrate-sensitive and rising interest rates can cause interest-rate-sensitive sectors to fall.

2.5 20% 15% 2.0 10% 1.5 5% 0% 1.0 -5% 0.5 -10% 0.0 -15% 18:80 ative P/E (Value/Growth) (Left) Relative Average Valuation (Left) Subsequent 5 Year Rolling Excess Returns (Value/Growth) (Right)

VALUE VS. GROWTH 1-YR ROLLING RELATIVE VALUE VS. GROWTH RELATIVE VALUATIONS PERFORMANCE



Source: FTSE, Bloomberg, as of 8/31/21

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 8/31/21

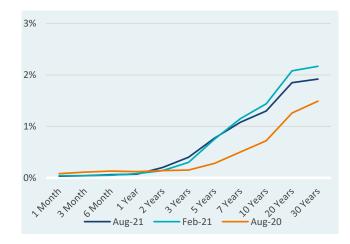
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Source: FTSE, Bloomberg, as of 8/31/21

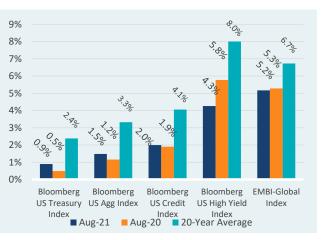
Fixed income

- Riskier global credit outperformed U.S. credit in August. Five-year yields (+8bps) moved up by more than 30-Hard-currency denominated emerging market debt (JPM EMBI Global Diversified Index +1.0%) gained over the month and outperformed the Bloomberg US corporate High Yield Index (+0.5%).
- The European Central Bank announced that it would buy bonds at a "moderately lower pace". Currently the ECB is buying roughly 80 billion euros (\$95 billion) per month. The more hawkish tone from the ECB comes as the Eurozone saw a preliminary year-on-year CPI reading of 2.7% in August, above the central bank's 2.0% target.
- year yields (+3bps), resulting in a flatter long-end of the vield curve.
- The yield on the ICE BofA US High Yield Option-Adjusted Spread Index fell 11 basis points in August. At month end, the index's price was above \$100 signifying the average bond was priced above face value, something not seen since February of 2020. Higher prices may be a testament to the Federal Reserve supporting high-yield bond prices that investors wouldn't otherwise pay in absence of unprecedented support from the Fed.

U.S. TREASURY YIELD CURVE



NOMINAL YIELDS



BREAKEVEN INFLATION RATES



Source: Bloomberg, as of 8/31/21

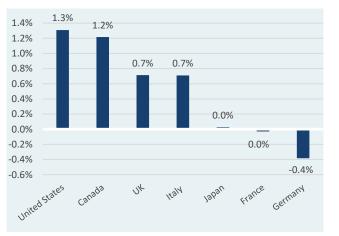
Source: Morningstar, as of 8/31/21

Source: Bloomberg, as of 8/31/21



Global markets

- World equities (+2.5% MSCI ACWI) advanced over the month led by Japanese (MSCI Japan +3.1%) and US (S&P 500 +3.0%) equities. Developed market equities (MSCI EAFE +1.8%) lagged world equities and were hindered by the United Kingdom (MSCI UK +0.8%).
- At the onset of the month emerging market equities stalled but recovered to close up +2.6%. India's equity market (MSCI India +8.9%) helped emerging markets higher. Covid cases within India remained low despite lifting some social distancing restrictions. Latin American equities (MSCI Latin American +0.8%) weighed on the emerging market equity basket.
- The Pound weakened (-1.0%) to the US dollar likely due to subdued demand for the Pound against haven currencies as well as a mid-month reaction to weaker than expected inflation in the UK. The MSCI UK Hedged Index (+1.9%) outperformed the MSCI UK Unhedged (+0.9%) as unhedged US investors were affected negatively by the strengthening US dollar.
- The Nasdaq Golden Dragon China Index an index comprised of Chinese companies whose stock is traded in the US dropped -15.2% midway through the month before recovering to a -1.6% return in August. The move was driven by tighter Chinese tech regulations.



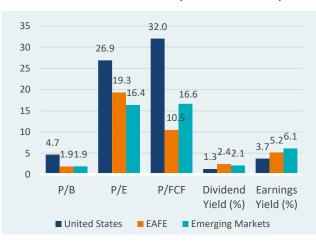
GLOBAL SOVEREIGN 10-YEAR YIELDS

U.S. DOLLAR MAJOR CURRENCY INDEX

Source: Federal Reserve, as of 8/31/21



MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 8/31/21

Capital Markets Update August 2021

Source: Bloomberg, as of 8/31/21

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Commodities

- The Bloomberg Commodity Index closed the month down -0.3%. Petroleum (-4.7%) and Grains (-1.9%) troubled the overall commodities basket and brought the index into negative territory for the second month in 2021.
- The Bloomberg Energy Sub-Index (-0.4%) mirrors the holdings of the Bloomberg Petroleum Sub-Index (-4.7%) but the former holds natural gas as its largest weight. Natural gas prices rose 13.3%. Prices were pulled higher by hotter than expected temperatures in August that raised demand in the electric power sector while Hurricane Ida caused a decline in production that pushed prices higher.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(0.3)	3.4	23.0	31.0	5.8	4.2	(4.7)
Bloomberg Agriculture	0.1	(1.1)	19.3	49.8	11.5	2.7	(4.3)
Bloomberg Energy	(0.4)	15.2	49.5	38.1	(9.3)	(1.6)	(11.4)
Bloomberg Grains	(1.9)	(5.7)	13.7	47.7	9.5	3.5	(4.7)
Bloomberg Industrial Metals	0.3	1.0	22.7	36.2	12.5	12.2	(0.9)
Bloomberg Livestock	0.1	(2.9)	8.7	19.6	(5.3)	(3.0)	(3.9)
Bloomberg Petroleum	(4.7)	5.7	44.8	62.0	(7.2)	3.5	(7.6)
Bloomberg Precious Metals	(1.4)	(7.1)	(5.9)	(11.0)	13.8	5.0	(2.4)
Bloomberg Softs	7.9	14.9	34.0	45.6	12.4	(1.9)	(7.5)

Grains (-1.9%) make up roughly 23% of the Bloomberg Commodity Index and weighed on performance over the month. Soybean and corn saw contracts fell -4.2%, and -2.3%, respectively.

— The Bloomberg Softs Sub-Index posted a strong +7.9% return and was accretive to overall commodity performance. The Sub-Index was propelled higher from positive price action in sugar and coffee, which saw their contracts appreciate 10.8% and 9.1%, respectively. The price action in large part was due to concerns over frost damage to crops in Brazil where roughly 25% of the world's coffee and 39% of the worlds sugar comes from.





Source: Bloomberg, as of 8/31/21

Source: Morningstar, as of 8/31/21





Periodic table of returns

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	5-Year	10-Yea
Small Cap Value	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	25.4	24.4	19.4
Commodities	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	23.0	18.2	16.4
Large Cap Growth	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	21.1	16.6	14.8
Large Cap Equity	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	20.7	14.4	13.6
Large Cap Value	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	20.3	11.7	13.0
Small Cap Equity	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	14.0	15.8	11.7	12.1
International Equity	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	10.3	11.6	10.4	8.8
50/40 Global Portfolio	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	8.5	9.7	7.6
Small Cap Growth	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	6.9	9.7	7.3
Real Estate	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	5.4	6.1	4.9
Hedge Funds of Funds	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	5.1	5.7	4.1
merging Markets Equity	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	2.8	4.2	3.2
Cash	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	0.0	3.1	0.6
US Bonds	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-0.7	1.1	-4.7
			Large	e Cap Eq	uity				Small	Cap Gro	owth				Comm	odities									
			Large	e Cap Va	lue				Intern	ationa	l Equity				Real Es	state									

WORST

BEST

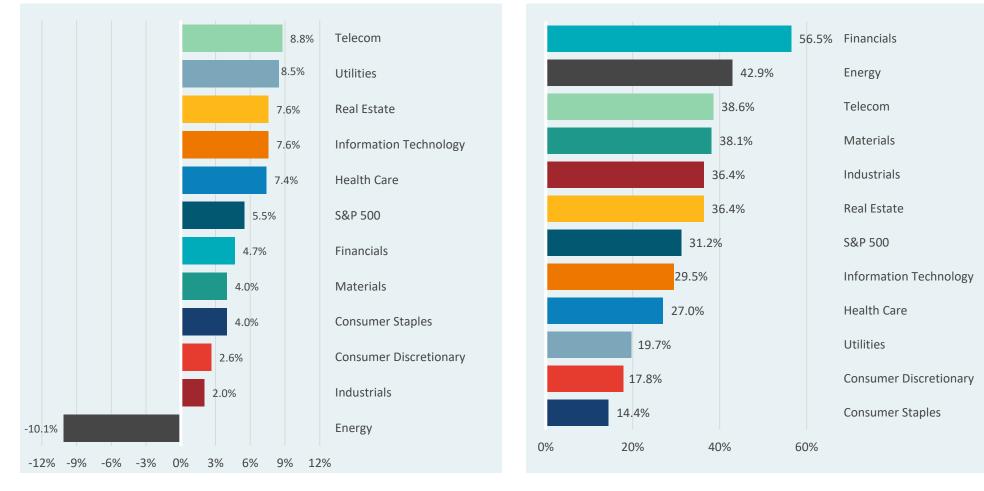


Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 6/30/21.



S&P 500 sector returns

QTD



ONE YEAR ENDING AUGUST

Source: Morningstar, as of 8/31/21

Source: Morningstar, as of 8/31/21

Detailed index returns

DOMESTIC EQUITY							
	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	3.0	5.5	21.6	31.2	18.1	18.0	16.3
S&P 500 Equal Weighted	2.4	3.7	23.6	42.7	15.8	15.5	15.3
DJ Industrial Average	1.5	2.9	17.0	26.8	13.3	16.6	14.5
Russell Top 200	3.0	5.7	21.0	29.4	19.5	19.3	17.0
Russell 1000	2.9	5.0	20.7	32.3	18.4	18.2	16.4
Russell 2000	2.2	(1.5)	15.8	47.1	10.7	14.4	13.6
Russell 3000	2.9	4.6	20.4	33.0	17.9	18.0	16.2
Russell Mid Cap	2.5	3.3	20.1	41.2	15.6	15.4	14.8
Style Index							
Russell 1000 Growth	3.7	7.2	21.1	28.5	24.6	24.4	19.4
Russell 1000 Value	2.0	2.8	20.3	36.4	11.5	11.7	13.0
Russell 2000 Growth	1.8	(1.9)	6.9	35.6	12.3	16.6	14.8
Russell 2000 Value	2.7	(1.0)	25.4	59.5	8.4	11.7	12.1
INTERNATIONAL EQUITY							
Broad Index							
MSCI ACWI	2.5	3.2	15.9	28.6	14.3	14.3	11.3
MSCI ACWI ex US	1.9	0.2	9.4	24.9	9.4	9.9	6.6
MSCI EAFE	1.8	2.5	11.6	26.1	9.0	9.7	7.3
MSCI EM	2.6	(4.3)	2.8	21.1	9.9	10.4	4.9
MSCI EAFE Small Cap	2.9	4.6	14.1	32.8	10.1	11.8	9.9
Style Index							
MSCI EAFE Growth	2.4	4.1	11.2	24.9	13.3	12.6	9.2
MSCI EAFE Value	1.1	0.9	11.7	27.0	4.4	6.6	5.3
Regional Index							
MSCI UK	0.8	1.8	14.5	27.2	3.7	5.5	4.7
MSCI Japan	3.1	1.8	3.1	20.0	7.6	9.1	7.9
MSCI Euro	2.0	3.1	16.3	31.1	9.7	10.6	7.5
MSCI EM Asia	2.6	(5.7)	(0.0)	17.5	10.9	12.0	7.5
MSCI EM Latin American	0.8	(3.3)	5.3	34.7	3.9	3.9	(1.9)

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(0.2)	2.5	4.3	5.6	7.3	4.6	3.2
Bloomberg US Treasury Bills	0.0	0.0	0.0	0.1	1.3	1.2	0.7
Bloomberg US Agg Bond	(0.2)	0.9	(0.7)	(0.1)	5.4	3.1	3.2
Bloomberg US Universal	(0.1)	0.9	(0.2)	0.9	5.7	3.5	3.6
Duration							
Bloomberg US Treasury 1-3 Yr	(0.0)	0.2	0.1	0.1	2.7	1.7	1.2
Bloomberg US Treasury Long	(0.2)	3.4	(4.8)	(7.3)	9.2	3.6	5.7
Bloomberg US Treasury	(0.2)	1.2	(1.4)	(2.1)	4.9	2.4	2.5
Issuer							
Bloomberg US MBS	(0.2)	0.5	(0.3)	(0.2)	3.8	2.3	2.5
Bloomberg US Corp. High Yield	0.5	0.9	4.5	10.1	7.1	6.7	7.1
Bloomberg US Agency Interm	(0.1)	0.5	(0.1)	0.1	3.3	2.0	1.7
Bloomberg US Credit	(0.2)	1.1	(0.2)	2.3	7.4	4.5	4.7
Bloomberg US Credit		1.1	(0.2)	2.3	7.4	4.5	4.7
		1.1	(0.2)	2.3	7.4	4.5	4.7
Bloomberg US Credit OTHER Index	(0.2)	1.1	(0.2)	2.3	5.8	4.5	
Bloomberg US Credit							4.7 (4.7) 10.6
Bloomberg US Credit DTHER Index Bloomberg Commodity	(0.2)	1.5	23.0	31.0	5.8	4.2	(4.7)
Bloomberg US Credit OTHER Index Bloomberg Commodity Wilshire US REIT	(0.2) (0.3) 1.9	1.5 7.1	23.0 31.5	31.0 40.6	5.8 11.3	4.2 7.6	(4.7) 10.6
Bloomberg US Credit OTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans	(0.2) (0.3) 1.9 0.5	1.5 7.1 0.5	23.0 31.5 4.0	31.0 40.6 8.5	5.8 11.3 4.1	4.2 7.6 4.7	(4.7) 10.6 5.0
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP	(0.2) (0.3) 1.9 0.5	1.5 7.1 0.5	23.0 31.5 4.0	31.0 40.6 8.5	5.8 11.3 4.1	4.2 7.6 4.7	(4.7) 10.6 5.0
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index	(0.2) (0.3) 1.9 0.5 (2.3)	1.5 7.1 0.5 (8.5)	23.0 31.5 4.0 35.3	31.0 40.6 8.5 54.8	5.8 11.3 4.1 (6.8)	4.2 7.6 4.7 (3.7)	(4.7) 10.6 5.0 0.6
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index JPM EMBI Global Div	(0.2) (0.3) 1.9 0.5 (2.3) 1.0	1.5 7.1 0.5 (8.5) 1.4	23.0 31.5 4.0 35.3 0.7	31.0 40.6 8.5 54.8 4.6	5.8 11.3 4.1 (6.8) 6.9	4.2 7.6 4.7 (3.7) 4.4	(4.7) 10.6 5.0 0.6 5.6
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index JPM EMBI Global Div JPM GBI-EM Global Div	(0.2) (0.3) 1.9 0.5 (2.3) 1.0	1.5 7.1 0.5 (8.5) 1.4	23.0 31.5 4.0 35.3 0.7	31.0 40.6 8.5 54.8 4.6	5.8 11.3 4.1 (6.8) 6.9	4.2 7.6 4.7 (3.7) 4.4	(4.7) 10.6 5.0 0.6 5.6
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index JPM EMBI Global Div JPM GBI-EM Global Div Hedge Funds	(0.2) (0.3) 1.9 0.5 (2.3) 1.0 0.8	1.5 7.1 0.5 (8.5) 1.4 0.3	23.0 31.5 4.0 35.3 0.7 (3.0)	31.0 40.6 8.5 54.8 4.6 4.1	5.8 11.3 4.1 (6.8) 6.9 5.8	4.2 7.6 4.7 (3.7) 4.4 3.2	(4.7) 10.6 5.0 0.6 5.6 0.4
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index JPM EMBI Global Div JPM GBI-EM Global Div Hedge Funds HFRI Composite	(0.2) (0.3) 1.9 0.5 (2.3) 1.0 0.8	1.5 7.1 0.5 (8.5) 1.4 0.3 (0.1)	23.0 31.5 4.0 35.3 0.7 (3.0) 9.9	31.0 40.6 8.5 54.8 4.6 4.1 20.8	5.8 11.3 4.1 (6.8) 5.8 8.4	4.2 7.6 4.7 (3.7) 4.4 3.2 7.4	(4.7) 10.6 5.0 0.6 5.6 0.4 5.4
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index JPM EMBI Global Div JPM GBI-EM Global Div Hedge Funds HFRI Composite HFRI FOF Composite	(0.2) (0.3) 1.9 0.5 (2.3) 1.0 0.8	1.5 7.1 0.5 (8.5) 1.4 0.3 (0.1)	23.0 31.5 4.0 35.3 0.7 (3.0) 9.9	31.0 40.6 8.5 54.8 4.6 4.1 20.8	5.8 11.3 4.1 (6.8) 5.8 8.4	4.2 7.6 4.7 (3.7) 4.4 3.2 7.4	(4.7) 10.6 5.0 0.6 5.6 0.4 5.4
Bloomberg US Credit DTHER Index Bloomberg Commodity Wilshire US REIT CS Leveraged Loans Alerian MLP Regional Index JPM EMBI Global Div JPM GBI-EM Global Div Hedge Funds HFRI Composite HFRI FOF Composite Currency (Spot)	(0.2) (0.3) 1.9 0.5 (2.3) 1.0 0.8 0.8 1.1	1.5 7.1 0.5 (8.5) 1.4 0.3 (0.1) 0.4	23.0 31.5 4.0 35.3 0.7 (3.0) 9.9 5.1	31.0 40.6 8.5 54.8 4.6 4.1 20.8 13.4	5.8 11.3 4.1 (6.8) 6.9 5.8 8.4 6.2	4.2 7.6 4.7 (3.7) 4.4 3.2 7.4 5.7	(4.7) 10.6 5.0 0.6 5.6 0.4 5.4 4.1

Source: Morningstar, HFRI, as of 8/31/21



Detailed private market returns

Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	48.2	19.3	15.9	12.6
Global Private Equity Direct Funds *	58.5	22.9	20.0	15.2
U.S. Private Equity Direct Funds *	61.1	25.1	20.9	16.6
Europe Private Equity Direct Funds *	51.8	19.5	20.0	12.7
Asia Private Equity Direct Funds *	54.3	20.0	17.9	14.6
Public Index Time-weighted Returns				
MSCI World	54.0	12.8	13.4	9.9
S&P 500	56.4	16.8	16.3	13.9
MSCI Europe	44.9	5.6	8.2	5.1
MSCI AC Asia Pacific	51.8	8.2	12.2	6.7
Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	13.1	7.0	8.5	11.7
Public Index Time-weighted Returns				
FTSE NAREIT Equity REIT	37.8	9.5	5.3	8.6

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	32.0	10.4	11.5	10.4
Public Index Time-weighted Returns				
S&P / LSTA U.S. Leveraged Loan 100 Index	15.3	4.1	5.0	3.9

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	19.6	(4.7)	1.7	0.6
Global Infrastructure	16.9	9.1	10.9	9.7
Public Index Time-weighted Returns				
S&P Global Natural Resources	67.7	5.5	11.4	1.1
S&P Global Infrastructure	37.0	5.7	6.8	6.3

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of March 31st, 2021. All returns in U.S. dollars.

* Includes Buyout, Growth Equity and Venture Capital.

** Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

*** Includes Private Equity Energy, Timber and Upstream Energy & Royalties.



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