

A decorative geometric pattern of overlapping triangles in shades of blue and green is overlaid on the left side of the image. A large white triangle is positioned to the left of the main title text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

AUGUST 2024
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Investors remain focused on the U.S. labor market, as changes in conditions will likely have a large impact on the Federal Reserve's rate cutting path. The release of the Quarterly Census of Employment and Wages (QCEW) indicated a preliminary downward revision of -818k jobs through the period ended March 31st, broadly in line with expectations, though investors believe the full impact of immigration is likely not fully captured in the print.
- August nonfarm payrolls totaled 142,000, below estimates of 165,000, while June and July were revised lower by a combined 86,000. Interpretations of the print were mixed but there seems to be general consensus that the labor market has further cooled.
- The ISM Manufacturing Survey rose from 46.8 to 47.2, indicating a slight increase in manufacturing activity while the ISM Services Survey was roughly flat at 51.5 (+0.1 from July).

U.S. EQUITIES

- U.S. equities, along with other global markets, faced a difficult start to the month. A strengthening of the yen and the prospect of rate hikes in Japan triggered a rapid technical selloff as traders unwound yen positions. This flash crash, along with some weaker U.S. economic datapoints, contributed to one of the largest volatility spikes (VIX) in history. The S&P 500 fell about -6% from July 31st through August 5th but recovered nearly 9% to end the month +2.4%—near all time highs.
- Equities stabilized and recovered throughout the month as other data releases countered the narrative that the U.S. economy might be nearing a breaking point. Investor sentiment also improved after Chairman Jerome Powell spoke at the Jackson Hole Symposium and stated that the time had come for policy adjustments.

U.S. FIXED INCOME

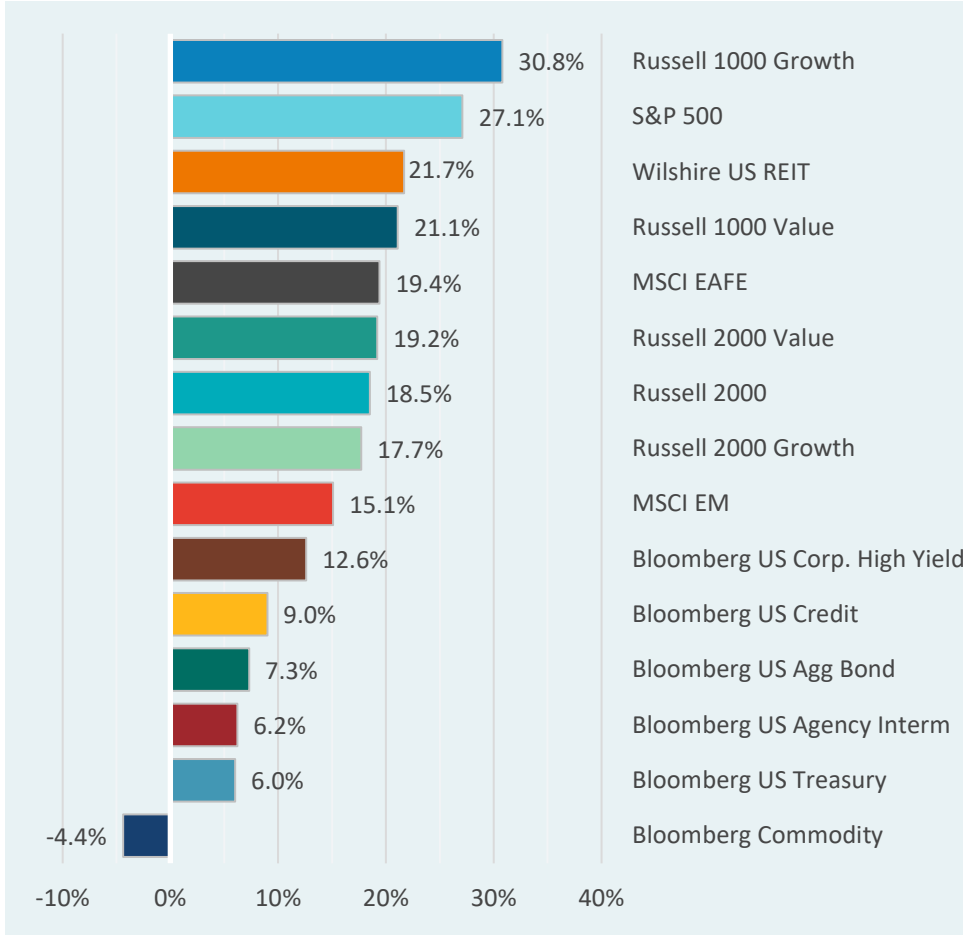
- Investor expectations for rate cuts changed significantly throughout the month. Early in August, investors were pricing in a nearly 100% probability of a second 0.25% rate cut (-0.5% total) for the September 17th meeting. By month end, expectations were reset to a 30% probability of a second rate cut, in line with prior expectations.
- Chairman Powell's commentary at Jackson Hole reiterated the recent statements on the trajectory of inflation and a cooling of the labor market but made a meaningful change in acknowledging that the bank would be adjusting its policy. To investors, the comments were indicative of rate cuts to come, and solidified expectations of a 0.25% rate cut in September.
- Fixed income markets continued to benefit from this shift in tone and confirmation of rate cuts. Yields fell overall, with the yield curve moving closer to normalization. At month end the spread between the 10-year and 2-year yield curve shape was flat rather than inverted.

INTERNATIONAL MARKETS

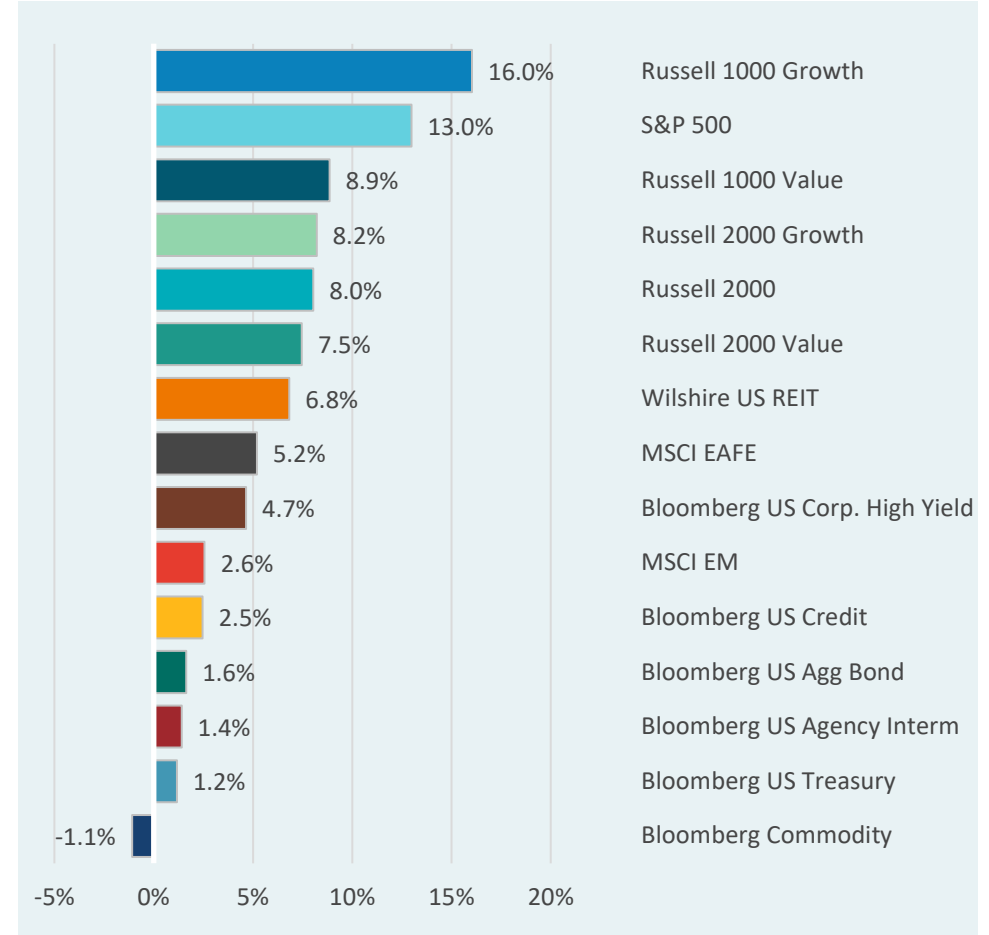
- The impacts of the July Bank of Japan rate hike rippled through markets well into August, though BOJ officials acknowledged that they would be mindful of the impact on markets as they consider policy changes going forward. Japanese equities fell -12% on the worst day for the TOPIX since 1987 but rebounded to end the month +0.4% in local currency terms.
- A drop in Eurozone inflation to 2.2% helped cement expectations for a European Central Bank September rate cut. The ECB had paused after its first cut in June but was widely expected to enact another cut in September. Inflation moderation and an improved economic outlook helped boost the MSCI Euro Index +4.1%.

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 8/31/24

Source: Morningstar, as of 8/31/24

U.S. large cap equities

- The S&P 500 delivered a bumpy ride in August, falling -6.1% at the beginning of the month but recovering as investors focused on positive earnings news, cooling economic data, and the Federal Reserve’s upcoming meeting on September 17th. The index ended the month at a +2.4% gain.
- S&P sector performance in August appeared to reflect a defensive rotation. Top performers included consumer staples (+5.9%), real estate (+5.8%), and health care (+5.1%). Laggards included energy (-1.7%), consumer discretionary (-1.0%), and communication services (+1.2%).
- As of September 9th, 99% of S&P 500 companies had reported earnings, with results overall beating expectations. Positive earnings surprises were posted by 79% of companies and positive revenue surprises were posted by 60% of companies.
- The VIX spiked to 65 at the beginning of August as the yen carry trade unwound and investors became increasingly concerned about a recession. By the end of the month, the VIX settled to 15.6, below the two-year average of 17.5.

S&P 500 PRICE INDEX



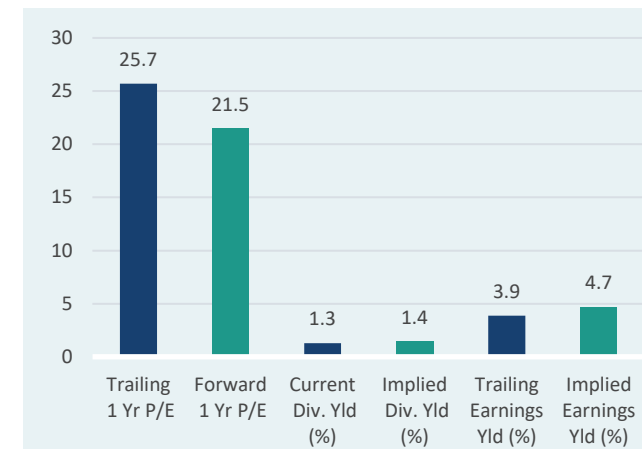
Source: S&P, as of 8/31/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, based on closing price as of 8/31/24

S&P 500 VALUATION SNAPSHOT

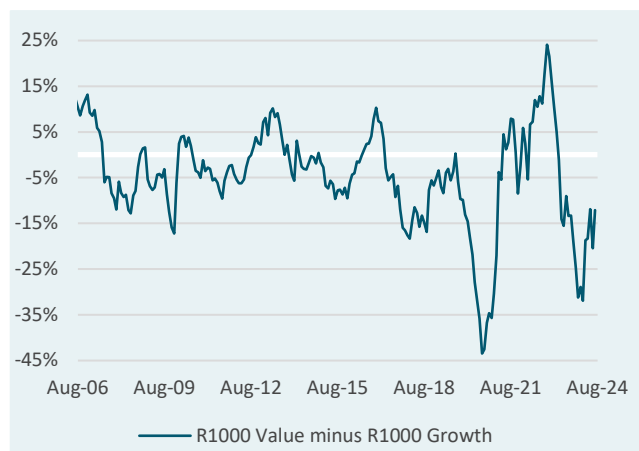


Source: S&P, as of 8/31/24

Domestic equity size and style

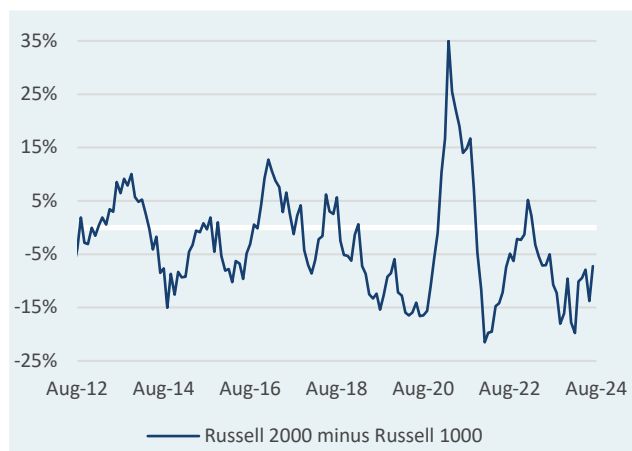
- Large cap indexes (Russell 1000 +2.4%) ended the month positive. At the beginning of August, small cap indexes (Russell 2000) fell -9.7% as the bank of Japan raised interest rates to 0.25%. By month end, small caps recovered most of those losses, ending the month down -1.5%.
- Style performance was mixed. Large value (Russell 1000 Value +2.7) outperformed large growth (Russell 1000 Growth +2.1%) while small value (Russell 2000 Value -1.9%) underperformed small growth (Russell 2000 Growth -1.1%). On a one-year basis, large cap growth stocks continued to significantly outperform.
- Large cap growth stocks have delivered strong returns partly due to a continued rise in valuations. The Russell 1000 Growth Index ended the month at 28.3x forward earnings, a +24.7% valuation premium over the 10-year average of 22.7x. Large cap value is trading at an 8.6% premium to the 10-year average.
- Small cap valuations have risen but are still cheap compared to large caps. In June, the Russell 2000 was trading at a -8.4% discount to the 10-year average. At the end of August, the Russell 2000 was trading at a +4.2% premium to the 10-year average.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Russell, as of 8/31/24

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Russell, as of 8/31/24

1-YEAR SIZE & STYLE PERFORMANCE

| | Value | Core | Growth |
|-----------|-------|-------|--------|
| Large Cap | 21.1% | 26.6% | 30.8% |
| Mid Cap | 20.2% | 20.2% | 19.1% |
| Small Cap | 19.2% | 18.5% | 17.7% |

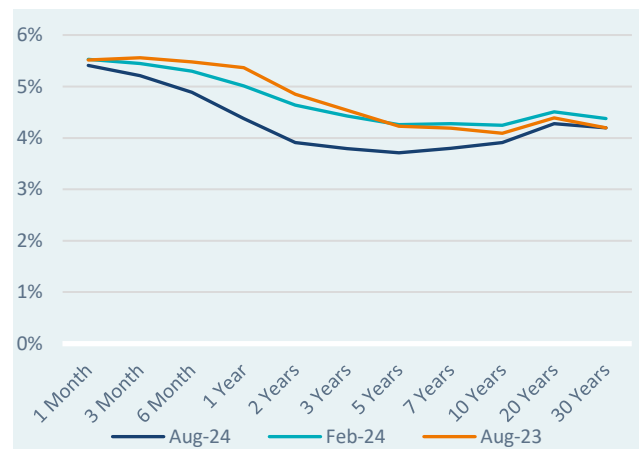
Source: FTSE, Russell, as of 8/31/24

Fixed income

- U.S. core bonds (Bloomberg U.S. Aggregate Index +0.8%) posted positive returns in August as downward revisions in labor data and continued economic cooling bolstered investor confidence in a September rate cut, pushing yields lower.
- All major U.S. fixed income indexes ended in positive territory as rates fell for the fourth consecutive month. The Bloomberg U.S. Treasury Long Index gained the most—up more than 2.0%. The Bloomberg US TIPS index (+0.8%) lagged other fixed income indexes. Emerging market debt led other sectors with a +3.1% gain.

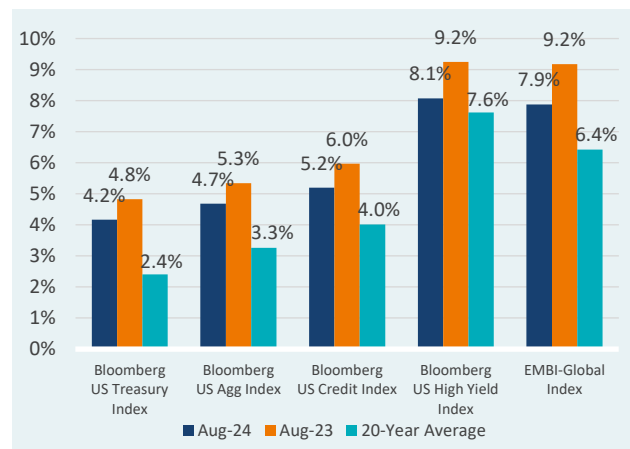
- Yields moved sharply downward in August. The 2-year moved -38 bps lower to 3.9% and the 10-year fell -18 bps to 3.9%. The 10/2 yield curve spread fell to 0 bps as the soft-landing narrative continued to build momentum.
- Annual default rates for bank loans and high yield corporate debt fell in August. High yield corporate annual default rates ended the month at 0.98% from 1.16% in July. Bank loan annual default rates fell 14 bps to end August at 0.78%. The annual default rate in August 2023 for high yield corporate debt and bank loans was 1.29% and 1.55%, respectively.

U.S. TREASURY YIELD CURVE



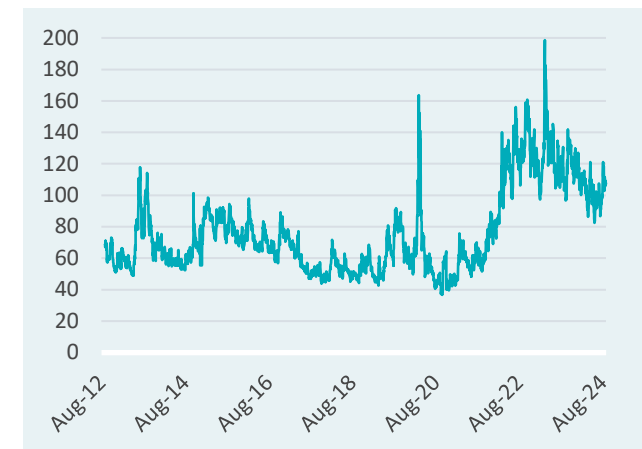
Source: Bloomberg, as of 8/31/24

NOMINAL YIELDS



Source: Morningstar, as of 8/31/24

U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)

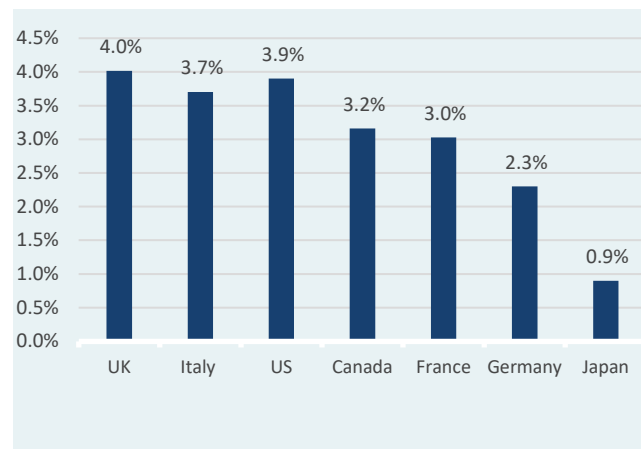


Source: Bloomberg, as of 8/31/24

Global markets

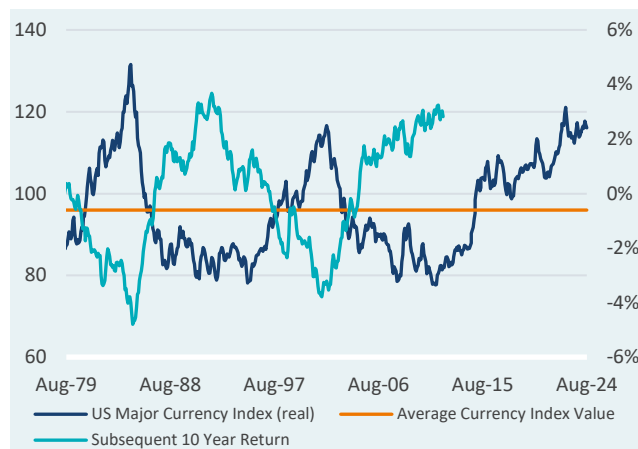
- International equities slightly outperformed U.S. equities. The MSCI ACWI ex-US returned +2.8% as the United Kingdom (+3.3%), Canada (+4.1%), and France (+3.8%) led the index as the top performers.
- The MSCI Euro was one of the top performing international indexes, up +4.1% and leading European equities to near all time highs. Moderating inflation and a largely anticipated rate cut for the September 12th ECB meeting lifted markets.
- The Japanese market showed only slightly positive returns of +0.5% for the month. Despite extreme volatility, the government upgraded their economic outlook, which helped buoy the index later in August.
- The MSCI China index returned a modest +1.0%, as investors remained concerned over the ailing property sector and a continued slowdown in manufacturing. Imports of raw materials also eased, adding to concerns that the Chinese Communist Party may not be doing enough to support their economy.

GLOBAL SOVEREIGN 10-YEAR YIELDS



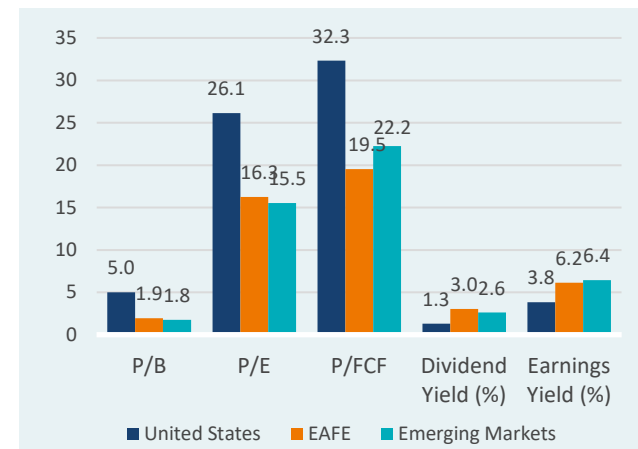
Source: Bloomberg, as of 8/31/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 8/31/24

MSCI VALUATION METRICS (3-MONTH AVG)



Source: MSCI, as of 8/31/24

Commodities

- Commodity performance was flat during the month as energy and petroleum weighed on the index, while softs, precious metals and industrial metals gained. Petroleum saw losses of -4.4%, likely driven in part by worries of slower economic growth in the U.S. and China.
- The Bloomberg Energy Index posted a -4.3% decline in August. Most components of the index were in the red, except for natural gas which gained +4.5%. Global demand for energy has fallen as some of the world's largest economies, particularly China, cope with excess inventories which has had negative implications for imports.

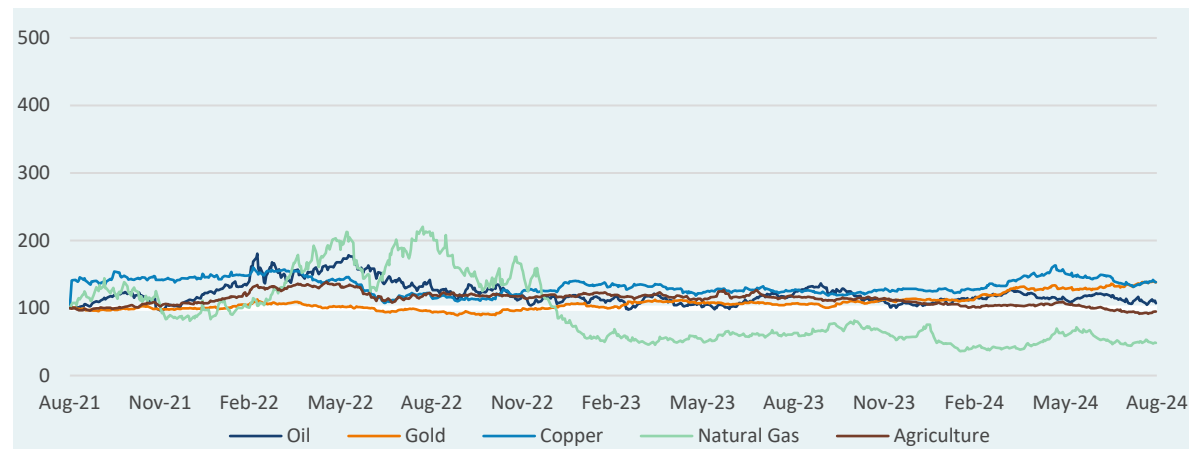
- Softs (+5.5%) were the top performing sub index with coffee, cotton, and sugar all in the green for the month. Coffee prices have faced upward price pressures due to poor and unexpected weather patterns as well as tighter environmental regulations.
- Industrial metals benefitted from robust demand in China and other Asian economies. Both aluminum and zinc rose +8.6% on tighter supply, partly due to disruptions at key zinc mines in South America and Europe. On the demand side, China and other key Asian economies have generated more industrial demand than expected as usage across many industrial applications has increased.

INDEX AND SECTOR PERFORMANCE

| | Month | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|-----------------------------|-------|--------|--------|--------|--------|--------|---------|
| Bloomberg Commodity | 0.0 | (4.0) | 0.9 | (4.4) | 3.7 | 7.0 | (1.1) |
| Bloomberg Agriculture | 1.3 | (3.6) | (9.7) | (13.7) | 1.9 | 10.4 | (0.2) |
| Bloomberg Energy | (4.3) | (11.6) | (4.6) | (18.4) | 1.2 | (1.0) | (9.8) |
| Bloomberg Grains | (0.3) | (6.8) | (19.1) | (22.6) | (4.1) | 5.5 | (2.6) |
| Bloomberg Industrial Metals | 3.4 | (3.6) | 5.0 | 6.9 | (0.3) | 7.2 | 1.9 |
| Bloomberg Livestock | 0.4 | 2.7 | 12.6 | 2.7 | 5.8 | 1.2 | (2.9) |
| Bloomberg Petroleum | (4.4) | (7.4) | 8.2 | (1.4) | 21.0 | 11.9 | (2.9) |
| Bloomberg Precious Metals | 1.9 | 4.7 | 20.4 | 25.4 | 9.6 | 9.1 | 5.2 |
| Bloomberg Softs | 5.5 | 3.1 | 14.6 | 14.7 | 12.1 | 18.2 | 1.2 |

Source: Morningstar, as of 8/31/24

COMMODITY PERFORMANCE



Source: Bloomberg, as of 8/31/24

Appendix

Periodic table of returns

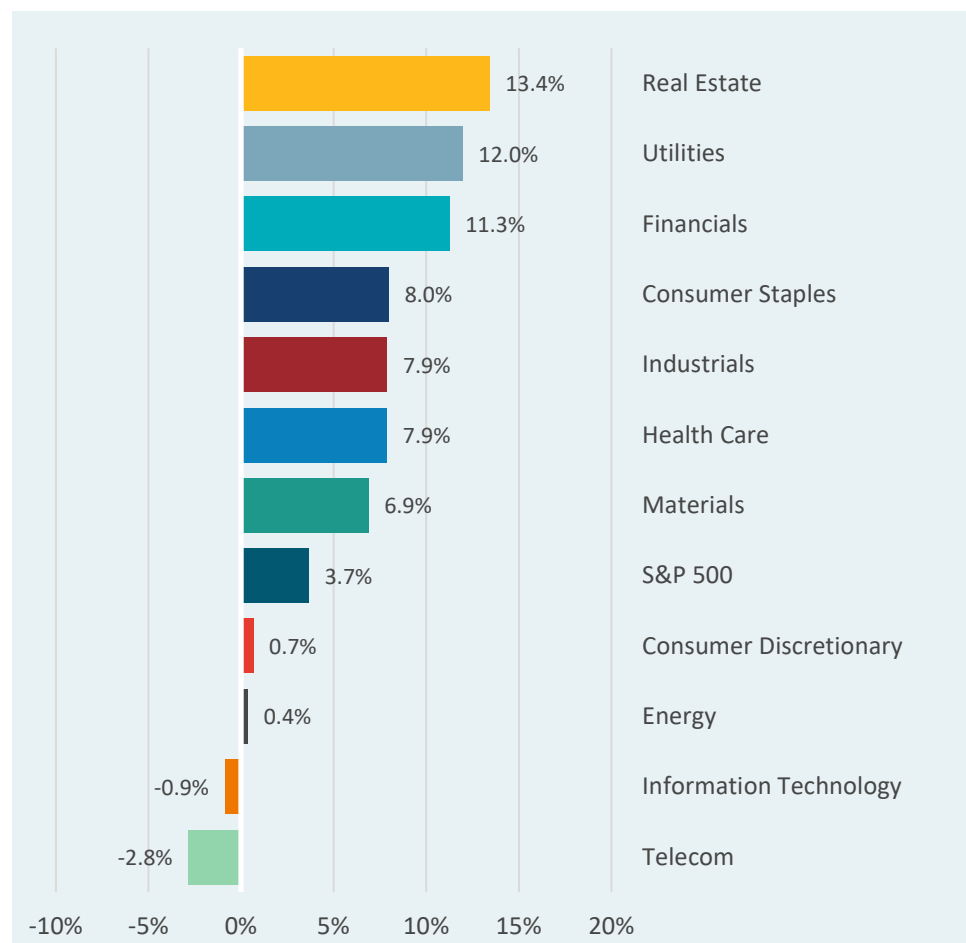
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | YTD | 5-Year | 10-Year |
|-------------------------|------|------|------|------|-------|-------|------|-------|------|------|-------|-------|------|------|-------|------|------|------|-------|------|------|--------|---------|
| Large Cap Growth | 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 | 28.3 | 16.1 | 42.7 | 21.1 | 19.1 | 16.0 |
| Large Cap Equity | 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 | 27.6 | 9.4 | 26.5 | 18.6 | 15.6 | 12.7 |
| Large Cap Value | 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 | 27.1 | 1.5 | 18.7 | 15.1 | 11.2 | 8.9 |
| International Equity | 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 | 26.5 | -4.7 | 18.2 | 12.0 | 7.0 | 8.2 |
| Small Cap Growth | 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 | 25.2 | -7.5 | 16.9 | 11.7 | 10.4 | 8.0 |
| Small Cap Equity | 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 | 22.4 | 14.0 | 17.7 | -13.0 | 15.4 | 10.4 | 9.7 | 6.4 |
| 60/40 Global Portfolio | 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 | 22.0 | 10.3 | 14.8 | -14.5 | 14.6 | 10.2 | 8.6 | 7.5 |
| Emerging Markets Equity | 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 | 11.3 | -14.5 | 11.5 | 9.5 | 8.4 | 5.0 |
| Small Cap Value | 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 | 8.9 | -17.3 | 9.8 | 9.1 | 5.7 | 5.2 |
| Hedge Funds of Funds | 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 | 6.5 | -19.1 | 6.3 | 5.4 | 5.0 | 3.5 |
| Cash | 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 | 2.8 | -20.1 | 5.5 | 3.6 | 3.8 | 2.6 |
| US Bonds | 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 | 0.0 | -20.4 | 5.0 | 3.1 | 4.8 | 1.5 |
| Commodities | 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 | -1.5 | -26.4 | -7.9 | 0.9 | 2.1 | 1.6 |
| Real Estate | 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 | -2.5 | -29.1 | -7.9 | -1.2 | 0.0 | -1.1 |



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 6/30/24.

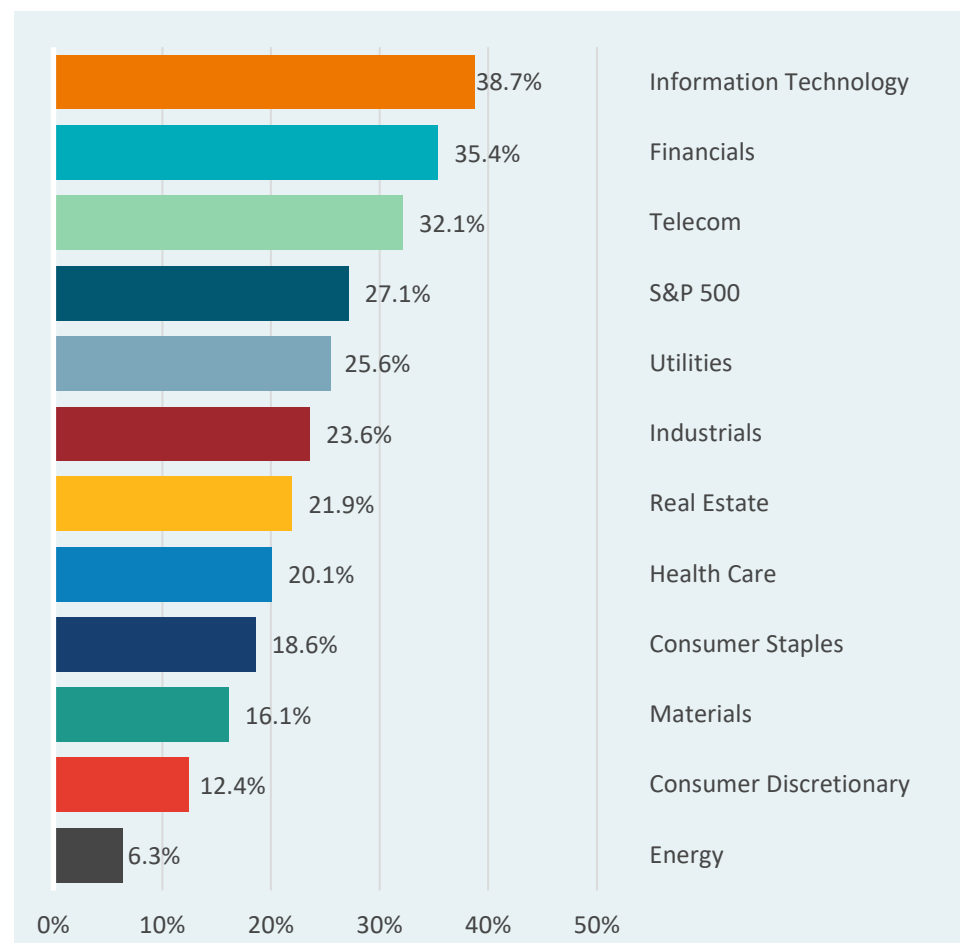
S&P 500 sector returns

QTD



Source: Morningstar, as of 8/31/24

ONE YEAR ENDING AUGUST



Source: Morningstar, as of 8/31/24

Detailed index returns

DOMESTIC EQUITY

| | Month | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|------------------------|-------|------|------|--------|--------|--------|---------|
| Core Index | | | | | | | |
| S&P 500 | 2.4 | 3.7 | 19.5 | 27.1 | 9.4 | 15.9 | 13.0 |
| S&P 500 Equal Weighted | 2.5 | 7.1 | 12.5 | 19.5 | 6.0 | 13.0 | 10.6 |
| DJ Industrial Average | 2.0 | 6.6 | 11.7 | 22.1 | 7.7 | 11.8 | 11.8 |
| Russell Top 200 | 2.5 | 3.0 | 20.8 | 28.7 | 10.0 | 17.1 | 13.8 |
| Russell 1000 | 2.4 | 3.9 | 18.6 | 26.6 | 8.3 | 15.6 | 12.7 |
| Russell 2000 | (1.5) | 8.5 | 10.4 | 18.5 | 0.6 | 9.7 | 8.0 |
| Russell 3000 | 2.2 | 4.1 | 18.2 | 26.1 | 7.9 | 15.2 | 12.4 |
| Russell Mid Cap | 2.0 | 6.8 | 12.1 | 20.2 | 3.5 | 11.2 | 9.6 |
| Style Index | | | | | | | |
| Russell 1000 Growth | 2.1 | 0.3 | 21.1 | 30.8 | 8.9 | 19.1 | 16.0 |
| Russell 1000 Value | 2.7 | 7.9 | 15.1 | 21.1 | 7.3 | 11.2 | 8.9 |
| Russell 2000 Growth | (1.1) | 7.0 | 11.7 | 17.7 | (2.1) | 8.4 | 8.2 |
| Russell 2000 Value | (1.9) | 10.1 | 8.2 | 19.2 | 3.1 | 10.4 | 7.5 |

INTERNATIONAL EQUITY

| | Month | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|------------------------|-------|-----|--------|--------|--------|--------|---------|
| Broad Index | | | | | | | |
| MSCI ACWI | 2.5 | 4.2 | 16.0 | 23.4 | 5.8 | 12.1 | 8.8 |
| MSCI ACWI ex US | 2.8 | 5.2 | 11.2 | 18.2 | 2.1 | 7.6 | 4.4 |
| MSCI EAFE | 3.3 | 6.3 | 12.0 | 19.4 | 4.1 | 8.6 | 5.2 |
| MSCI EM | 1.6 | 1.9 | 9.5 | 15.1 | (3.1) | 4.8 | 2.6 |
| MSCI EAFE Small Cap | 2.0 | 7.8 | 8.3 | 15.1 | (2.4) | 6.4 | 5.3 |
| Style Index | | | | | | | |
| MSCI EAFE Growth | 3.9 | 5.2 | 11.8 | 18.4 | 0.4 | 7.9 | 6.2 |
| MSCI EAFE Value | 2.6 | 7.4 | 12.2 | 20.4 | 7.8 | 9.0 | 4.0 |
| Regional Index | | | | | | | |
| MSCI UK | 3.3 | 7.7 | 15.1 | 22.0 | 8.9 | 8.7 | 3.5 |
| MSCI Japan | 0.5 | 6.3 | 13.0 | 19.7 | 3.8 | 8.1 | 6.4 |
| MSCI Euro | 4.1 | 5.1 | 10.8 | 18.3 | 4.3 | 9.3 | 5.2 |
| MSCI EM Asia | 1.6 | 1.3 | 12.5 | 17.0 | (3.2) | 6.0 | 4.2 |
| MSCI EM Latin American | 2.6 | 3.6 | (12.6) | 0.4 | 3.3 | 2.6 | (0.8) |

FIXED INCOME

| | Month | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|-------------------------------|-------|-----|-----|--------|--------|--------|---------|
| Broad Index | | | | | | | |
| Bloomberg US TIPS | 0.8 | 2.6 | 3.3 | 6.2 | (1.3) | 2.0 | 2.1 |
| Bloomberg US Treasury Bills | 0.5 | 1.0 | 3.6 | 5.5 | 3.3 | 2.3 | 1.6 |
| Bloomberg US Agg Bond | 1.4 | 3.8 | 3.1 | 7.3 | (2.1) | (0.0) | 1.6 |
| Bloomberg US Universal | 1.5 | 3.8 | 3.5 | 7.9 | (1.8) | 0.3 | 1.9 |
| Duration | | | | | | | |
| Bloomberg US Treasury 1-3 Yr | 0.9 | 2.1 | 3.3 | 5.9 | 1.0 | 1.3 | 1.3 |
| Bloomberg US Treasury Long | 2.0 | 5.7 | 0.4 | 4.9 | (9.8) | (5.1) | 0.7 |
| Bloomberg US Treasury | 1.3 | 3.5 | 2.6 | 6.0 | (2.5) | (0.6) | 1.2 |
| Issuer | | | | | | | |
| Bloomberg US MBS | 1.6 | 4.3 | 3.3 | 7.5 | (1.7) | (0.2) | 1.3 |
| Bloomberg US Corp. High Yield | 1.6 | 3.6 | 6.3 | 12.6 | 2.5 | 4.5 | 4.7 |
| Bloomberg US Agency Interm | 0.9 | 2.2 | 3.3 | 6.2 | 0.1 | 0.9 | 1.4 |
| Bloomberg US Credit | 1.6 | 3.9 | 3.5 | 9.0 | (2.0) | 0.6 | 2.5 |

OTHER

| | Month | QTD | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------------|-------|-------|-------|--------|--------|--------|---------|
| Index | | | | | | | |
| Bloomberg Commodity | 0.0 | (4.0) | 0.9 | (4.4) | 3.7 | 7.0 | (1.1) |
| Wilshire US REIT | 6.4 | 12.2 | 11.9 | 21.7 | 1.9 | 5.4 | 6.8 |
| CS Leveraged Loans | 0.6 | 1.3 | 5.8 | 9.8 | 6.3 | 5.5 | 4.7 |
| S&P Global Infrastructure | 4.6 | 9.3 | 13.7 | 20.2 | 7.8 | 6.5 | 5.5 |
| Alerian MLP | 0.4 | 1.2 | 20.6 | 27.1 | 26.8 | 12.7 | 1.6 |
| Regional Index | | | | | | | |
| JPM EMBI Global Div | 2.3 | 4.2 | 6.7 | 13.4 | (1.7) | 0.4 | 2.9 |
| JPM GBI-EM Global Div | 3.1 | 5.4 | 1.5 | 6.0 | (1.7) | 0.1 | (0.3) |
| Hedge Funds | | | | | | | |
| HFRI Composite | 0.3 | 1.1 | 6.0 | 9.7 | 3.2 | 6.9 | 4.8 |
| HFRI FOF Composite | 0.1 | 0.6 | 5.4 | 8.3 | 2.1 | 5.0 | 3.5 |
| Currency (Spot) | | | | | | | |
| Euro | 2.3 | 3.3 | 0.2 | 2.0 | (2.1) | 0.1 | (1.7) |
| Pound Sterling | 2.3 | 4.0 | 3.1 | 3.7 | (1.5) | 1.5 | (2.3) |
| Yen | 3.3 | 10.5 | (3.2) | (0.0) | (9.0) | (6.1) | (3.3) |

Source: Morningstar, HFRI, as of 8/31/24

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 | 2.7 | 7.4 | 14.9 | 12.4 |
| <i>MSCI World Index (PME)</i> | 25.2 | 9.0 | 12.4 | 9.1 |
| Global Private Equity Direct Funds ¹ | 4.9 | 6.9 | 15.3 | 14.0 |
| <i>MSCI World Index (PME)</i> | 25.1 | 9.2 | 12.4 | 9.6 |
| U.S. Private Equity Direct Funds ¹ | 6.2 | 8.3 | 17.0 | 15.3 |
| <i>Russell 3000 Index (PME)</i> | 29.2 | 10.4 | 14.6 | 12.5 |
| Europe Private Equity Direct Funds ¹ | 4.3 | 8.2 | 14.8 | 12.5 |
| <i>MSCI Europe Index (PME)</i> | 14.4 | 7.0 | 8.6 | 4.8 |
| Asia Private Equity Direct Funds ^{1,4} | (1.1) | (0.7) | 8.2 | 11.1 |
| <i>MSCI AC Asia Pacific Index (PME)</i> | 11.7 | (1.9) | 4.4 | 4.9 |

| Private Credit Pooled IRRs | 1 Year | 3 Year | 5 Year | 10 Year |
|---|--------|--------|--------|---------|
| U.S. All Private Debt ^{2,4} | 8.0 | 12.1 | 12.2 | 10.8 |
| <i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i> | 12.1 | 5.9 | 5.6 | 4.8 |

| Private Real Estate Pooled IRRs | 1 Year | 3 Year | 5 Year | 10 Year |
|--|--------|--------|--------|---------|
| U.S. All Private Real Estate | (4.0) | 8.4 | 7.6 | 10.3 |
| <i>FTSE NAREIT Equity REIT Index (PME)</i> | 10.8 | 5.2 | 5.0 | 7.6 |

| Private Real Assets Pooled IRRs | 1 Year | 3 Year | 5 Year | 10 Year |
|---|--------|--------|--------|---------|
| Global Natural Resources ^{3,4} | 6.6 | 17.9 | 6.1 | 3.4 |
| <i>S&P Global Natural Resources Index (PME)</i> | 4.6 | 9.1 | 8.5 | 5.7 |
| Global Infrastructure ⁴ | 8.2 | 10.3 | 10.2 | 10.2 |
| <i>S&P Global Infrastructure Index (PME)</i> | 3.5 | 4.6 | 4.3 | 4.6 |

Source: Pooled IRRs and Public Market Equivalents (PMEs) are both from Refinitiv C/A, as of March 31st, 2024. All returns in U.S. dollars.

1. Includes Buyout, Growth Equity and Venture Capital.

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

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

4. Due to limited history of the PME, only the funds with the same vintage years as PMEs are included.

Notices & disclosures

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