

# MACRO & MARKETS

CHART PACK | JANUARY 2024

## PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

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No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Past results are not indicative of future performance and are no guarantee that losses will not occur in the future. Future returns are not guaranteed and a loss of principal may occur.

Mellon Investments Corporation (MIC) is a registered investment adviser and subsidiary of The Bank of New York Mellon Corporation. MIC is composed of two divisions; Mellon, which specializes in index management, and Dreyfus, which specializes in cash management and short duration strategies. Securities are offered through BNY Mellon Securities Corporation (BNYMSC), a registered broker-dealer and affiliate of MIC.

# GLOBAL



# MACRO



## SUMMARY

# GLOBAL ECONOMY

Economic growth should slow as the long and variable lags of monetary policy gain traction, policy uncertainty rises and savings buffers are exhausted.

The 'last mile' of inflation will be hard. We believe the slow progress in lowering services prices will limit how quickly central banks dial back monetary policy restraint given the asymmetric risks surrounding getting the policy choice wrong.

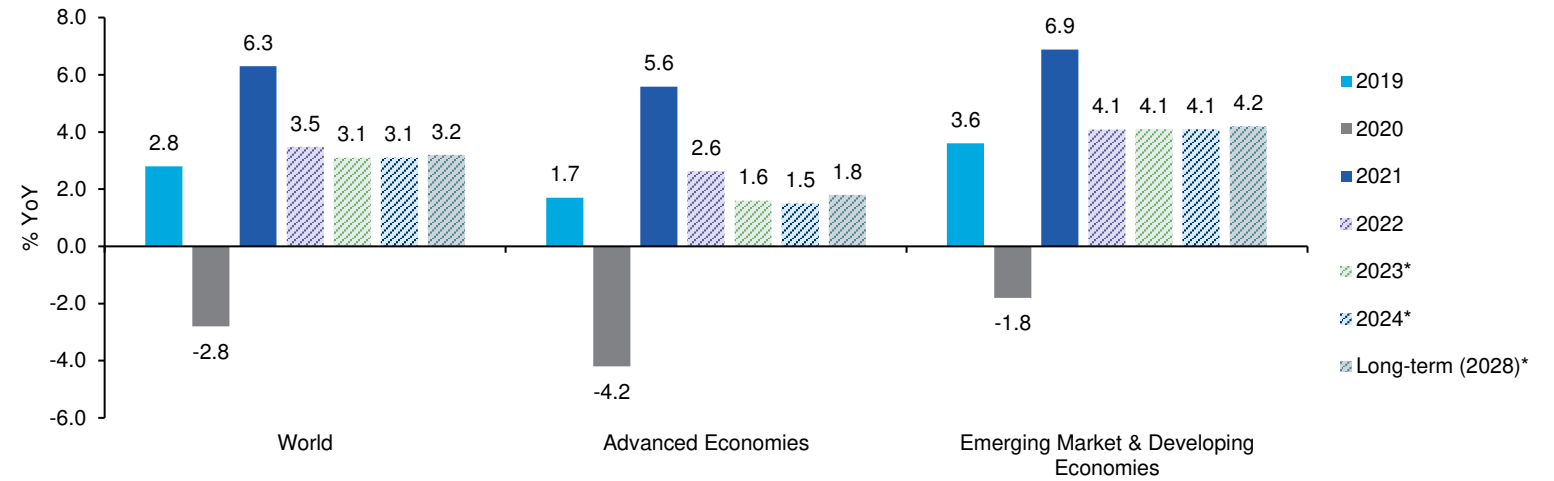
In our view, high real yields and rising debt burdens will constrain governments that want to stimulate their economies. Widespread elections and a tense geopolitical atmosphere add to turbulence.

Disappointment in financial markets most likely awaits, even as investors must fund large government deficits.

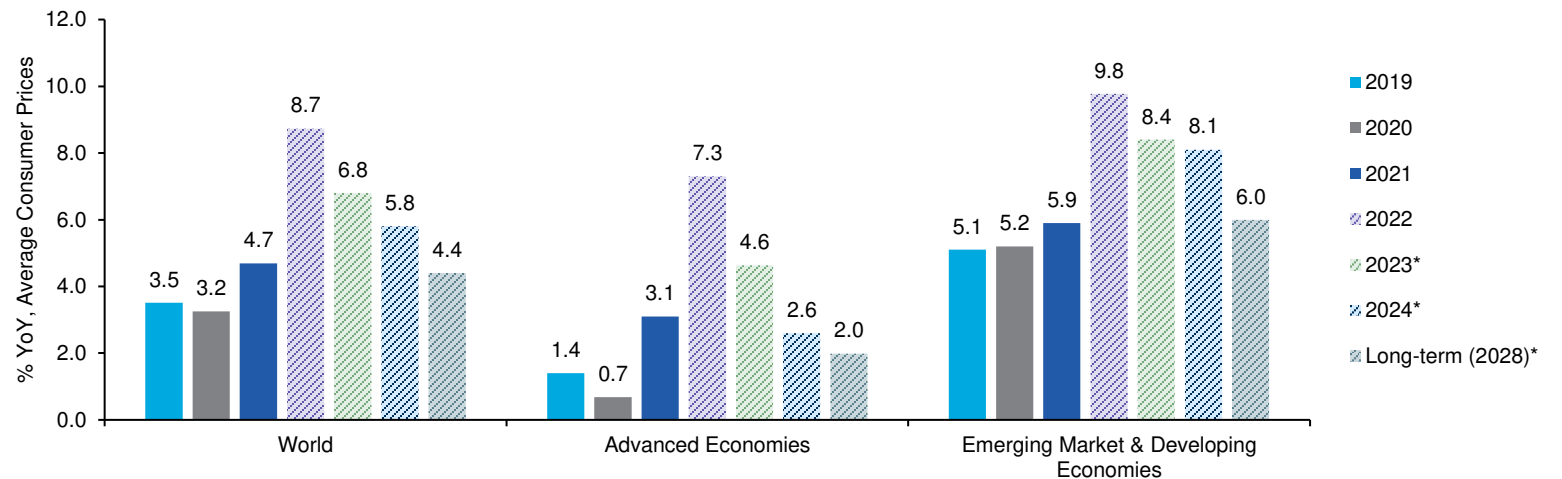
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Data as of 1/31/24, sourced from IMF.org. IMF's World Economic Outlook database is updated twice a year in April and October. \*2023-2028 are projections sourced from the IMF's July 2023 World Economic Outlook Update. World Economic Outlook updates occur in January and July. Projections or other forward-looking statements regarding future events or expectations are only current as of the date indicated. There is no assurance that such events or expectations will be achieved and actual results may be significantly different from that shown here. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. See Additional Information in Disclosure Statements. [28888]

## REAL GDP



## INFLATION



## GLOBAL MACRO

### UNITED STATES

Labor market shows continued resilience: The US economy added 353,000 jobs in December, more than double the run-rate that keeps labor market pressure unchanged. The unemployment rate remained at 3.7%, still well below everyone's estimate of the natural rate. A taut labor market keeps upward pressure on costs, with average hourly earnings rising at an annual rate of 4.5%.

Inflation is off its peak, with consumer prices up 3.4% year-over-year in December. While the pace of US headline inflation has eased, assisted by a fall in energy prices, core measures prove more resilient.

At the January FOMC meeting, the Federal Reserve (Fed) left its policy rate unchanged at 5¼ percent. Chair Powell played down the chances of an imminent rate cut, pushing back against market expectations for a March easing. We think the Fed will keep the nominal funds rate at a restrictive level until enough evidence accumulates that inflation will fall back to goal. In our view, the Fed puts off policy easing until June or even later this year.

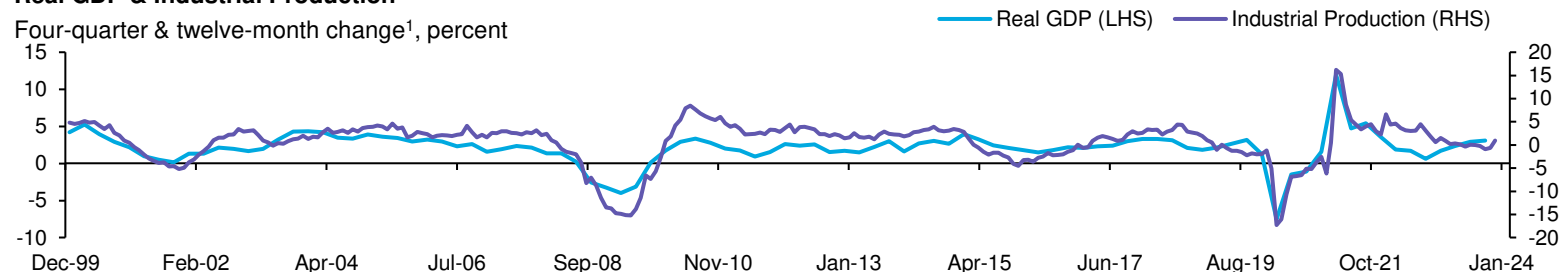
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## SELECTED ECONOMIC & FINANCIAL MARKET INDICATORS FOR THE UNITED STATES

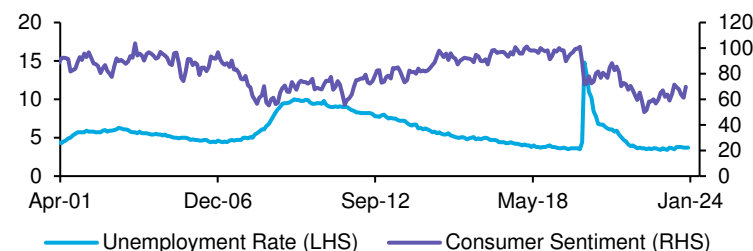
### Real GDP & Industrial Production

Four-quarter & twelve-month change<sup>1</sup>, percent



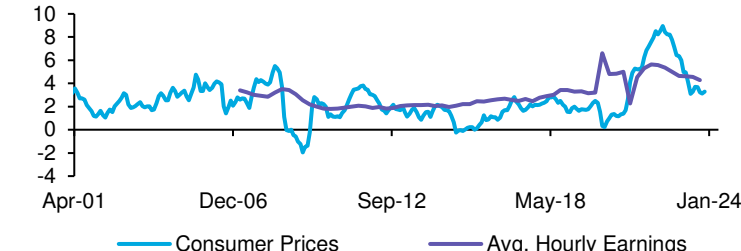
### Unemployment Rate & Consumer Confidence

Percent (LHS), index (RHS)



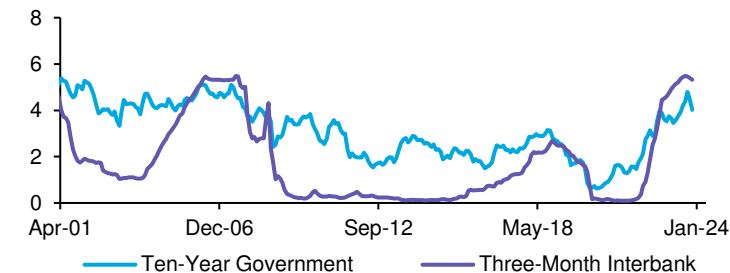
### Wage & Price Inflation

Twelve-month change, percent



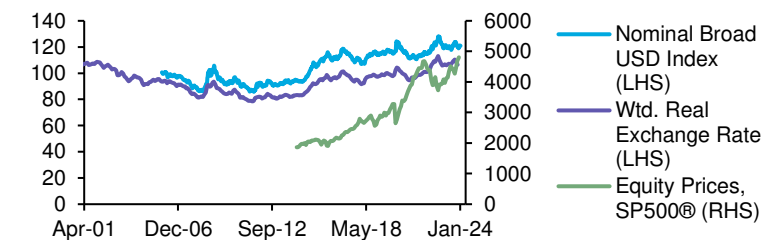
### Interest Rates

Twelve-month change, percent



### Selected Financial Market Prices

Nominal US Dollar Index (LHS), equity prices, & weighted real exchange value of the US dollar (indexes, RHS)



## GLOBAL MACRO

### EURO AREA

Euro area economies are decelerating, with gross domestic product (GDP) shrinking -0.1% in the third quarter of 2023. Monetary policy transmission is working as financial conditions remain tight, restraining credit growth and investment.

Signs show inflation continues to normalize, with core inflation dropping to 3.4% in December from 3.6% in November. This follows national consumer price indexes (CPIs) that showed an ongoing, but slow, disinflation process in Europe.

The European Central Bank (ECB) left rates unchanged at 4% in January. The ECB has reached its terminal rate, with the next action to be a rate cut in June 2024 as growth remains weak and inflation continues its trend lower.

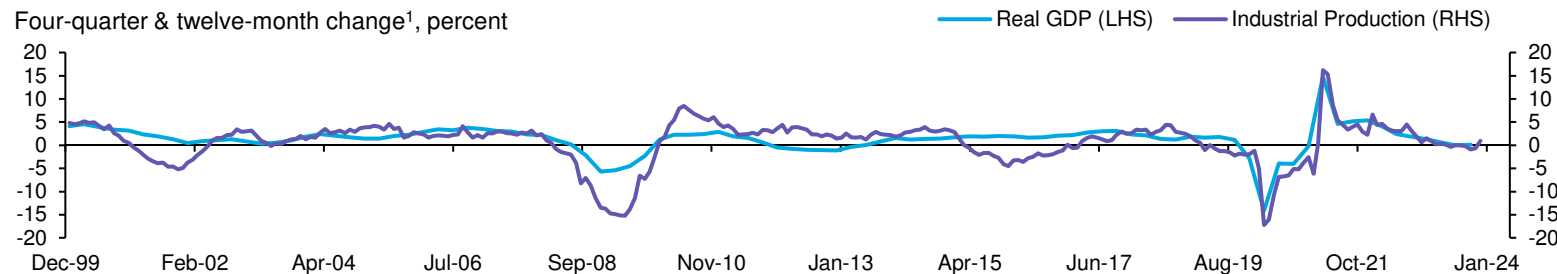
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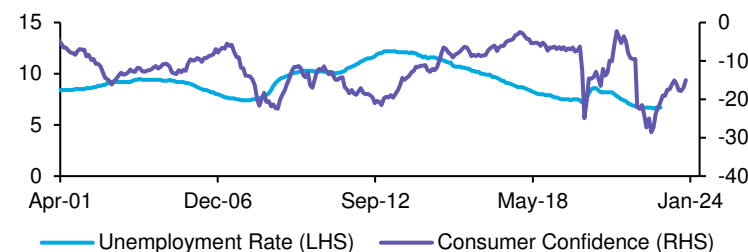
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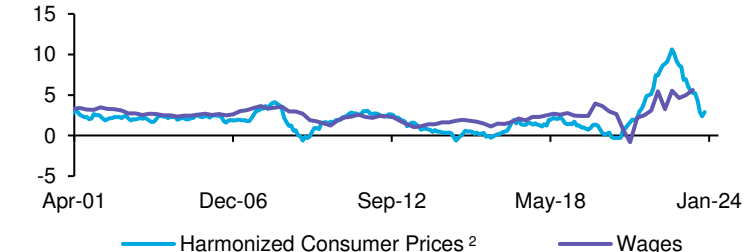
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Percent (LHS), index (RHS)



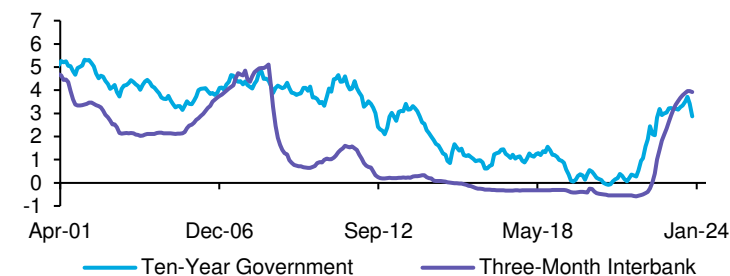
### Wage & Price Inflation

Twelve-month change, percent



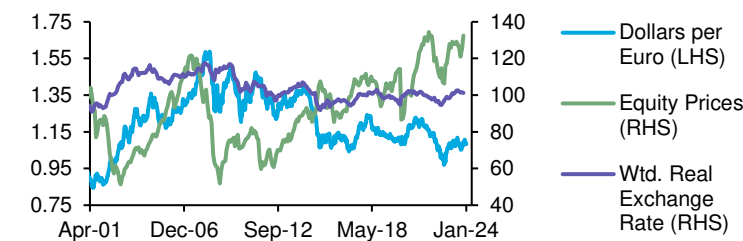
### Interest Rates

Twelve-month change, percent



### Selected Financial Market Prices

Dollars per euro (LHS), equity prices, and the weighted real exchange value of the euro (indexes, RHS)



## GLOBAL MACRO

# UNITED KINGDOM

UK inflation has cooled faster than expected: Twelve-month CPI inflation was 4.0% in December. In our view, the Bank of England should keep its policy rate unchanged for the beginning of this year but may start to ease beginning in June.

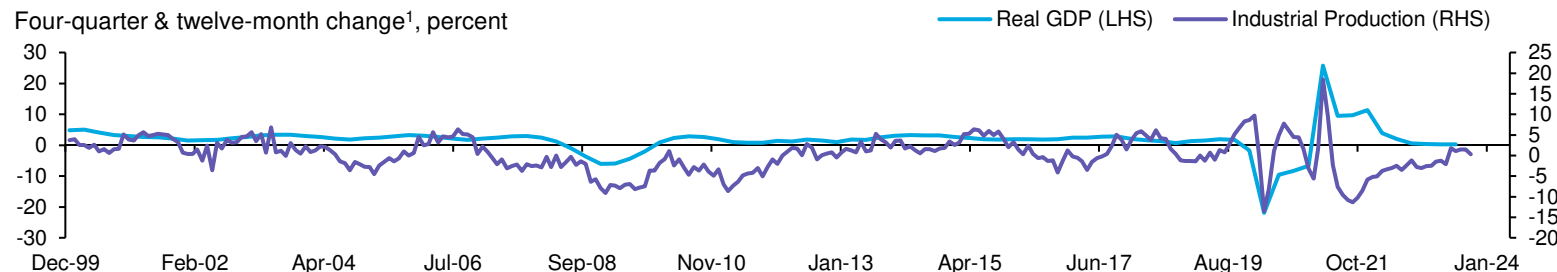
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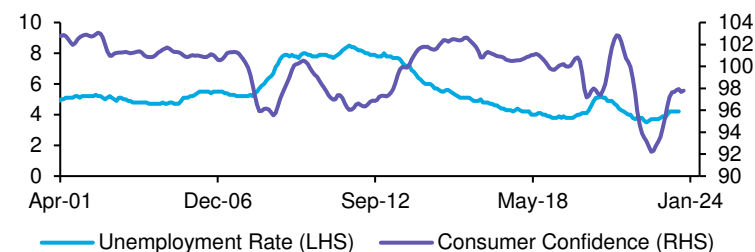
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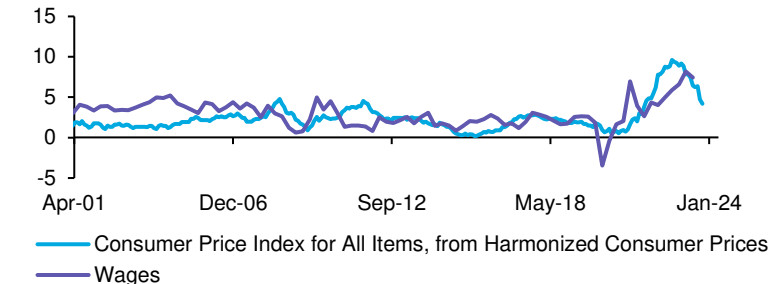
### Unemployment Rate & Consumer Confidence

Percent (LHS), index (RHS)



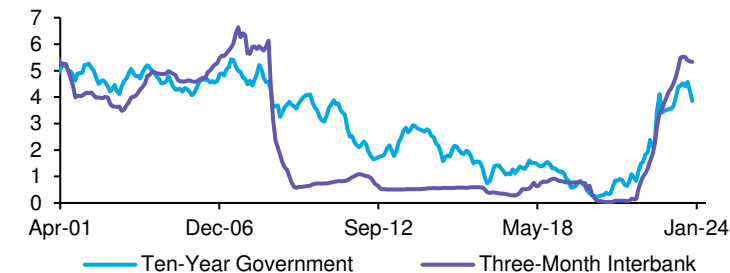
### Wage & Price Inflation

Twelve-month change, percent



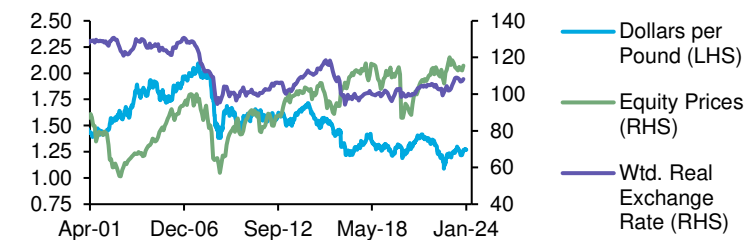
### Interest Rates

Twelve-month change, percent



### Selected Financial Market Prices

Dollars per pound (LHS), equity prices, and the weighted real exchange value of the pound (indexes, RHS)



## GLOBAL MACRO

### JAPAN

Evidence of strong underlying inflation in Japan, in our view, clears the path for the Bank of Japan to exit its emergency monetary policy settings. Yield curve control is being phased out gradually, with targets being relaxed further last fall.

The Bank of Japan's latest outlook lifted inflation forecasts. A weak yen, the recent increase in global energy prices and additional fiscal stimulus add to inflationary pressures. Underlying inflation drivers have momentum, with early signs pointing to strong wage agreements at the upcoming spring wage-setting rounds.

Supported by evidence that underlying inflation can run sustainably at 2%, we think the Bank of Japan will begin lifting its policy rate from negative territory as early as March 2024. It's possible that tightening is delayed until April given disruptions caused by the Noto earthquake.

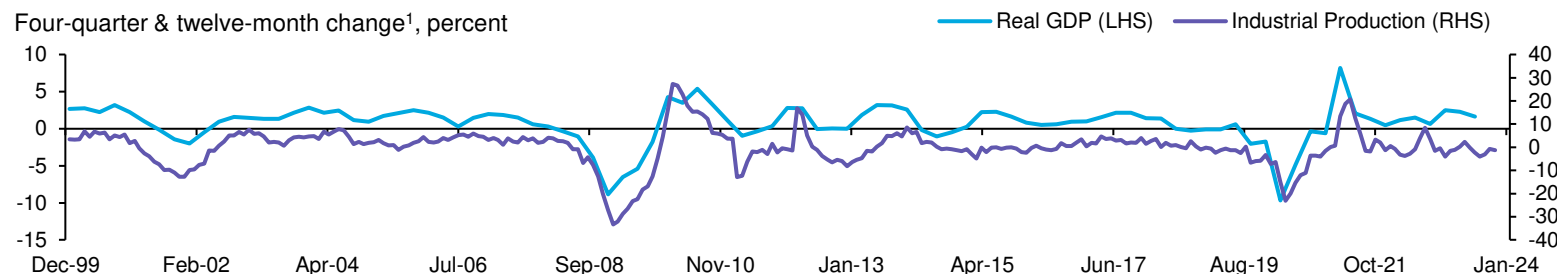
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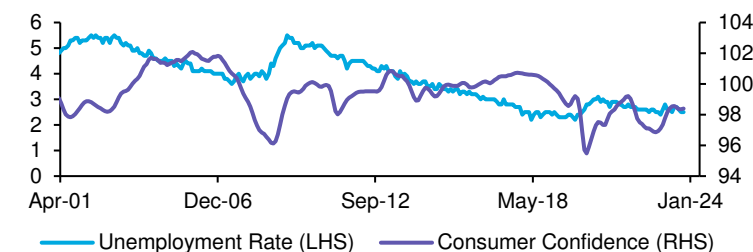
### Real GDP & Industrial Production

Four-quarter & twelve-month change<sup>1</sup>, percent



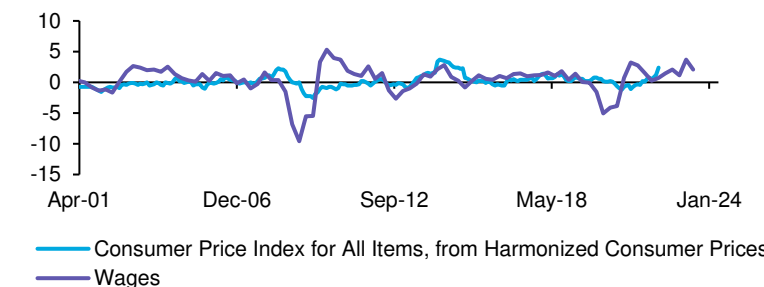
### Unemployment Rate & Consumer Confidence

Percent (LHS), index (RHS)



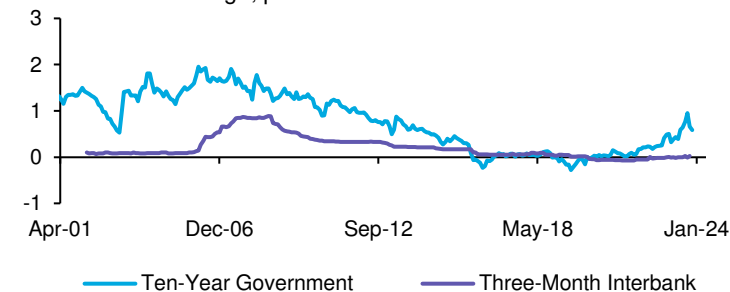
### Wage & Price Inflation

Twelve-month change, percent



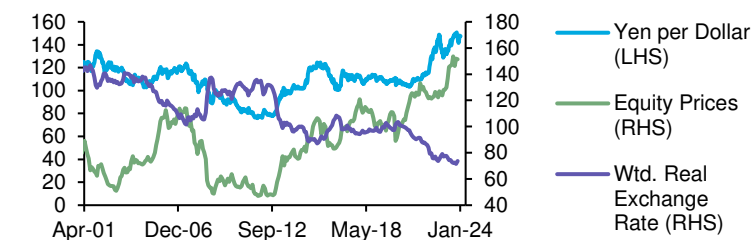
### Interest Rates

Twelve-month change, percent



### Selected Financial Market Prices

Yen per dollar (LHS), equity prices, and the weighted real exchange value of the yen (indexes, RHS)



## GLOBAL MACRO

### CHINA

China's economy has been hit by the slowing in global trade and its ongoing real estate crisis. Economic indicators touched a low point around the middle of 2023 but stabilized as policymakers implemented stimulus measures. The scope for additional stimulus is limited.

Developments in the property market are key to the growth outlook, local finance and household confidence.

Chinese inflation is benign: Twelve-month inflation shrunk -0.8% in December, with core inflation rising only 0.4%. The People's Bank of China (PBOC) expects inflation to remain mild and has delivered another round of monetary policy easing. Further monetary easing may come into play this year.

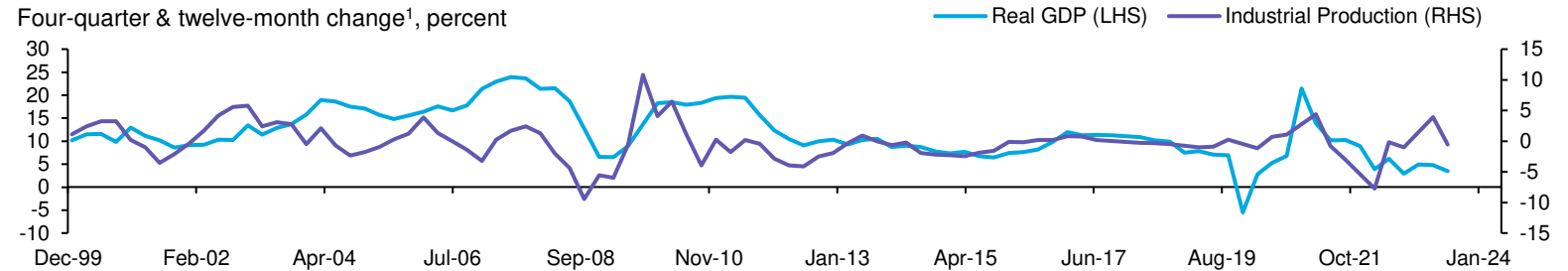
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#### SELECTED ECONOMIC & FINANCIAL MARKET INDICATORS FOR CHINA

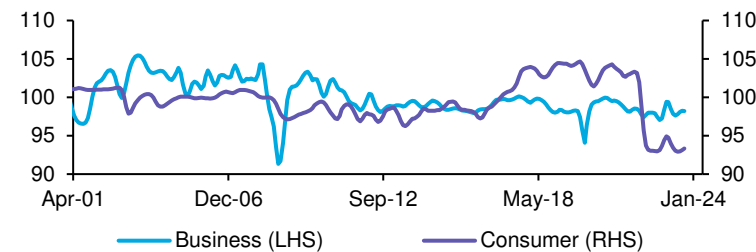
##### Nominal GDP & Industrial Production

Four-quarter & twelve-month change<sup>1</sup>, percent



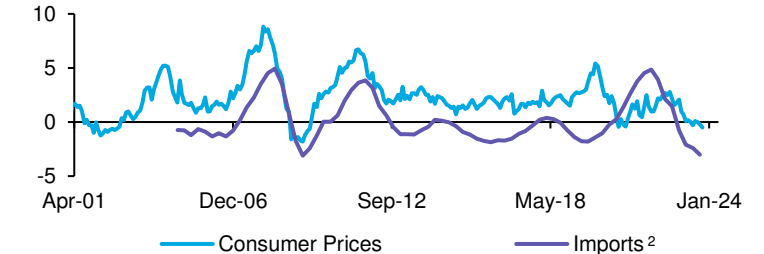
##### Business & Consumer Confidence

Index



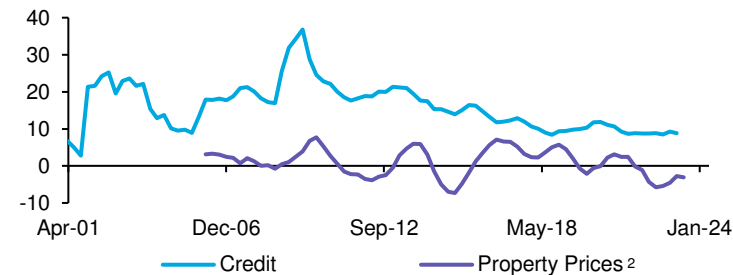
##### Consumer & Import Price Inflation

Twelve-month change, percent



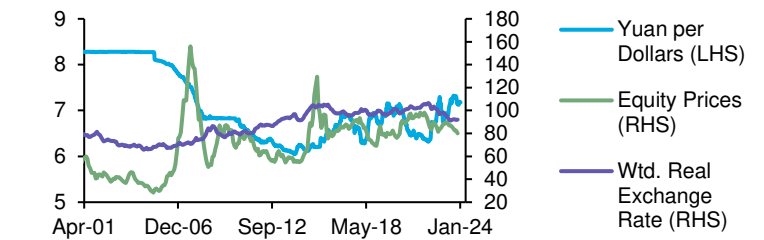
##### Property Prices & Credit to Nonfinancial Sectors

Four-quarter change, percent



##### Selected Financial Market Prices

Yuan per dollar (LHS), equity prices, and the weighted real exchange value of the yuan (indexes, RHS)





# MARKET RETURNS

## SUMMARY

# MARKET OVERVIEW

Global equity and fixed income markets got off to a rocky start in 2024, spurred by a growing divergence among regions in terms of economic results and central bank policy. Though the Fed adopted a balanced tone at its latest policy meeting, the continued strong performance of the US economy has led investors to conclude the actual pivot towards lower rates may be further out in the future than expected. Waning economic growth in Europe and China is becoming a growing concern for investors as well as government and central bank officials alike. In terms of central bank policy, Japan remains an outlier and is likely to start raising interest rates in the near term.

As measured by the MSCI All-Country World Index, global equities posted a modest return of +0.6% during the month as developed market equities continued to outpace emerging market shares. Yields across most sovereign bond markets rose slightly during the month, contributing to a -1.4% return for the Bloomberg Global Aggregate Index.

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Data as of 1/31/24, sourced from Bloomberg. <sup>1</sup>Bloomberg Emerging Markets Hard Currency (USD) Aggregate Index. <sup>2</sup>Chicago Board Options Exchange Volatility Index. <sup>3</sup>US Fed Trade Weighted Dollar Emerging Market Economies Index. <sup>4</sup>US Fed Trade Weighted Nominal Emerging Market Economies Dollar Index. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. Level = index or price level. Green shading = positive; Red shading = negative. See Additional Information in Disclosure Statements. [28888]

	Level	1M	YTD	1Y	3Y
<b>Equities (MSCI) – Returns</b>					
MSCI All-Country World	1,665	0.6%	0.6%	15.3%	21.2%
MSCI All-Country ex-US	782	-1.0%	-1.0%	6.4%	5.0%
MSCI Emerging Markets	2,518	-4.6%	-4.6%	-2.5%	-19.9%
MSCI Europe	13,718	-0.1%	-0.1%	10.9%	22.3%
MSCI Asia Pacific	339	-1.7%	-1.7%	1.9%	-11.5%
MSCI EAFE Small Cap	552	-1.6%	-1.6%	4.1%	-2.0%
<b>Country Equities – Returns</b>					
US (S&P 500 <sup>®</sup> )	10,501	1.7%	1.7%	20.8%	36.7%
US (NASDAQ)	18,399	1.0%	1.0%	32.0%	18.8%
US (Russell 1000 <sup>®</sup> )	16,441	1.4%	1.4%	20.2%	32.3%
US (Russell 2000 <sup>®</sup> )	10,392	-3.9%	-3.9%	2.4%	-2.3%
Japan (NIKKEI 225 JPY)	63,659	8.4%	8.4%	35.6%	39.2%
EU (STOXX 600 USD Hedged)	283	1.5%	1.5%	10.8%	34.4%
UK (FTSE 100)	8,160	-1.3%	-1.3%	2.1%	33.2%
France (CAC 40 EUR)	23,198	1.6%	1.6%	11.5%	54.3%
Germany (DAX 40 EUR)	294	1.0%	1.0%	14.5%	33.8%
China (MSCI China USD)	103	-10.6%	-10.6%	-28.9%	-54.6%
Canada (S&P/TSX 60 CAD)	4,160	0.5%	0.5%	4.9%	36.0%
Australia (S&P ASX 200 AUD)	96,904	1.2%	1.2%	7.1%	31.5%
<b>Fixed Income – Total Return, Unhedged</b>					
Bloomberg US Aggregate	2,156	-0.3%	-0.3%	2.1%	-9.2%
Bloomberg Global Aggregate	465	-1.4%	-1.4%	0.9%	-16.1%
Bloomberg Global Treasury	548	-1.9%	-1.9%	-0.8%	-20.3%
Bloomberg US Treasury	2,271	-0.3%	-0.3%	1.2%	-10.4%
Bloomberg Global Aggregate Credit	265	-0.7%	-0.7%	4.6%	-12.0%
Bloomberg Global High Yield	1,519	-0.2%	-0.2%	9.3%	0.5%
Bloomberg EMD USD Aggregate	374	-1.3%	-1.3%	5.9%	-10.4%

	Level	1M	YTD	1Y	3Y
<b>Commodities – Returns</b>					
Bloomberg Commodity Index	99	-0.1%	-0.1%	-11.8%	23.0%
Oil (WTI, USD/Barrel)	76	5.9%	5.9%	-3.8%	45.3%
Gold (USD/Troy Ounce)	2,040	-1.1%	-1.1%	5.8%	10.4%
Copper (USD/MT)	8,501	0.4%	0.4%	-7.6%	8.1%
<b>Spreads – bps</b>					
Bloomberg US Corporate	96	-3	-3	-21	-1
Bloomberg US Corporate High Yield	344	21	21	-76	-18
Bloomberg EM HC Aggregate <sup>1</sup>	1,164	-7	-7	57	-113
Bloomberg EuroAgg Corporate	131	-7	-7	-21	38
Bloomberg Pan-European High Yield	381	-18	-18	-79	29
<b>Key Rates – change in yield, %</b>					
3M Treasury Bill	5.37	0.02	0.02	0.70	5.32
2Y US Treasuries	4.21	-0.04	-0.04	0.01	4.10
10Y US Treasuries	3.91	0.03	0.03	0.41	2.85
10Y German Bund	2.17	0.14	0.14	-0.12	2.68
10Y UK Gilt	3.79	0.26	0.26	0.46	3.47
10Y Japanese Bond	0.73	0.12	0.12	0.24	0.68
US 30Y Fixed Rate Mortgage	6.96	-0.03	-0.03	0.58	4.08
<b>Volatility Indicators</b>					
CBOE VIX <sup>2</sup>	14.35	1.90	1.90	-5.05	-18.74
ICE BofA MOVE Index	107.28	-7.34	-7.34	7.74	59.87
<b>Currencies – change in exchange rate</b>					
Foreign Economies US Dollar Index <sup>3</sup>	114.90	1.9%	1.9%	0.8%	11.4%
EM Economies US Dollar Index <sup>4</sup>	128.43	1.5%	1.5%	2.1%	4.8%
Euro	1.08	-2.0%	-2.0%	-0.4%	-10.9%
British pound	1.27	-0.3%	-0.3%	3.0%	-7.4%
Japanese yen	146.92	-4.2%	-4.2%	-12.9%	-40.4%
Chinese yuan	7.17	-1.0%	-1.0%	-6.1%	-11.5%

## SUMMARY

# WORLD EQUITY MARKETS

Global equity markets returned +0.6% for the month of January as recorded by the MSCI All-Country World Index. Japanese equities performed positively, returning +8.4% in local terms. Equity markets in the US, Germany, France and Australia also posted moderate gains, while shares in the UK lost ground during the month. Chinese equities continued to underperform and have now posted negative returns in five of the last six months. Following their positive rebound in the fourth quarter of 2023, global small-cap equities reversed course in January, trailing both large- and mid-cap shares during the month by a significant margin.

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Note: The charts shown are equity markets indexed to 100 = 1/1/2020 to track the last few years of performance.

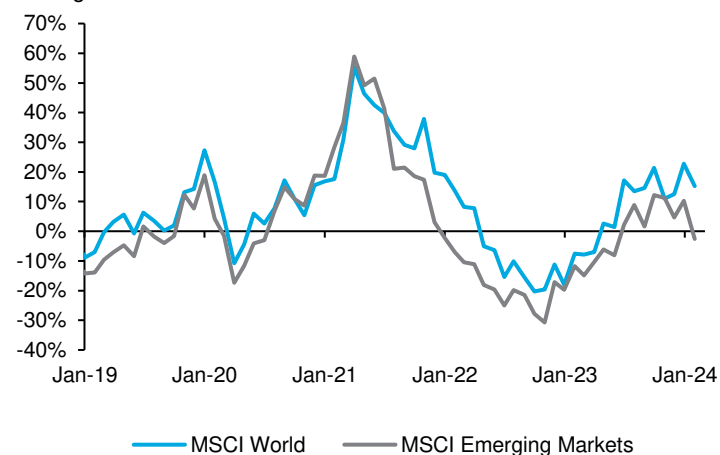
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France (CAC 40 EUR)	23,198	1.6%	1.6%	11.5%	54.3%
Germany (DAX 40 EUR)	294	1.0%	1.0%	14.5%	33.8%
China (MSCI China USD)	103	-10.6%	-10.6%	-28.9%	-54.6%
Canada (S&P/TSX 60 CAD)	4,160	0.5%	0.5%	4.9%	36.0%
Australia (S&P ASX 200 AUD)	96,904	1.2%	1.2%	7.1%	31.5%

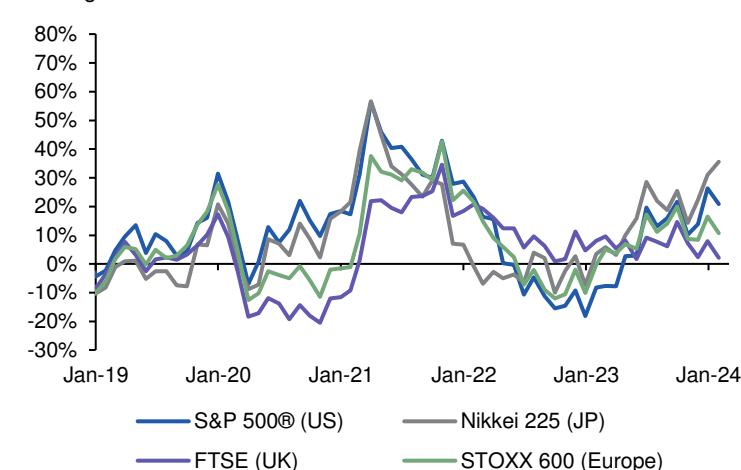
### Developed Markets vs. Emerging Equity Markets

Rolling 12-month returns



### Country Equities

Rolling 12-month returns



## SUMMARY

# US EQUITY PERFORMANCE

As measured by the Russell 3000® Index, US equities returned +1.1% during January. The Fed left rates unchanged during its January policy meeting and adopted a more balanced stance on interest rates as expected. However, subsequent statements from Fed officials coupled with continued positive US economic data led investors to reassess expectations for the long-awaited pivot towards lower rates.

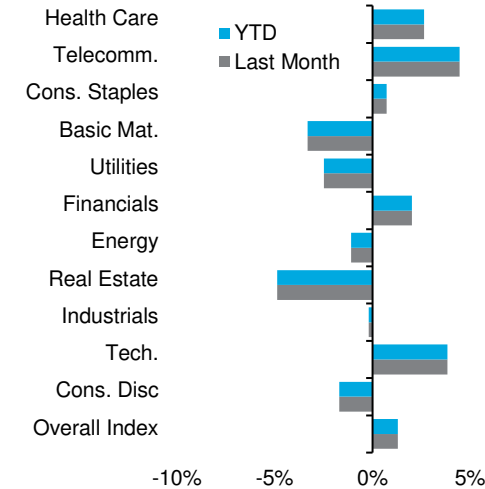
In large-cap equities, the technology and communication sectors posted positive gains during the month, while real estate, utilities and basic materials trailed. The Russell 2000® index of small-cap equities posted a -3.9% return for the month. In keeping with the positive performance of the technology sector, growth stocks handily outperformed value shares with returns of +2.2% and -0.2%, respectively.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

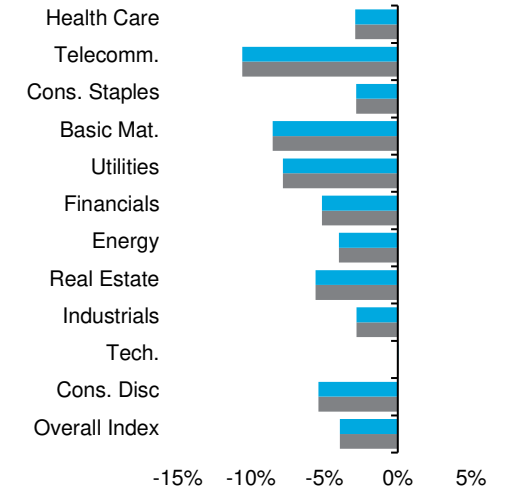
Data as of 1/31/24, sourced from Bloomberg. R1000®=Russell 1000®. R2000®=Russell 2000®. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. Level = index or price level. Green shading = positive; Red shading = negative. See Additional Information in Disclosure Statements. [28888]

	Level	1M	YTD	1Y	3Y
<b>US Equities – Returns</b>					
S&P 500®	10,501	1.7%	1.7%	20.8%	36.7%
NASDAQ	18,399	1.0%	1.0%	32.0%	18.8%
R1000®	16,441	1.4%	1.4%	20.2%	32.3%
R2000®	10,392	-3.9%	-3.9%	2.4%	-2.3%

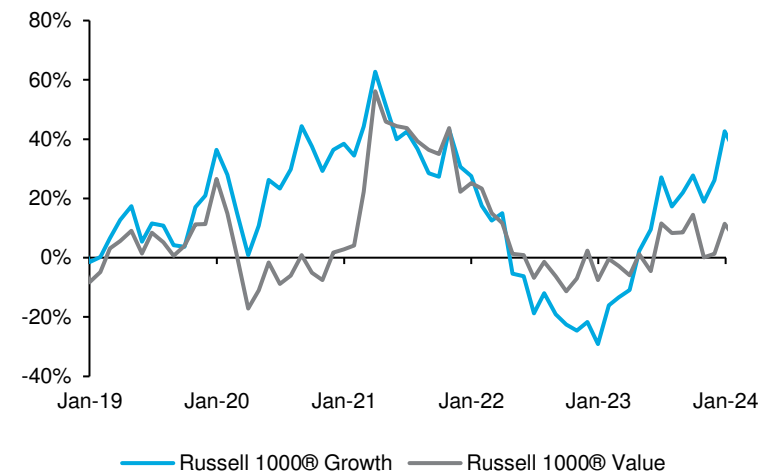
**Russell 1000® Sub-Sectors**



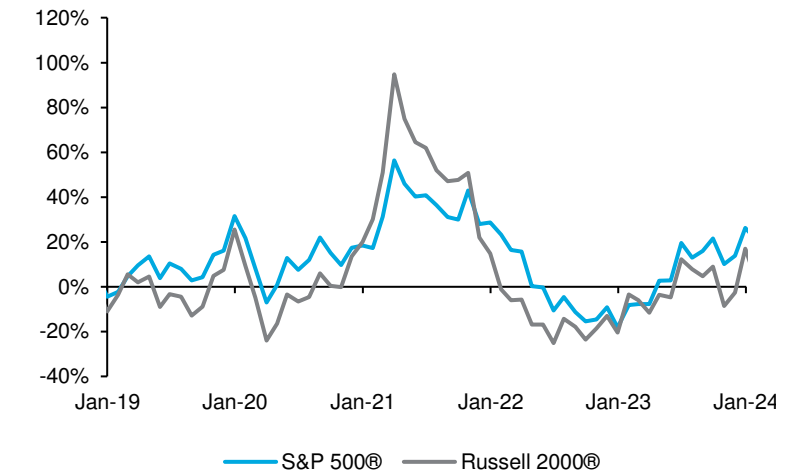
**Russell 2000® Sub-Sectors**



**Russell 1000® Growth vs. Russell 1000® Value**  
Rolling 12-month returns



**S&P 500® (Large Cap) vs. Russell 2000® (Small Cap)**  
Rolling 12-month returns





## SUMMARY

# EMERGING MARKETS (EM) EQUITY PERFORMANCE

Emerging market equities returned -4.6% in January and trailed their developed-market counterparts by a healthy margin. Chinese shares underperformed the broader index and continue to face multiple headwinds, including rising capital outflows, slowing economic activity, a weakened real estate sector and ongoing tensions with the US. Korea and Thailand also underperformed given their close economic relationship with China. Indian shares marked a significant milestone during January by surpassing Hong Kong to become the world's fourth-largest equity market. Other notable outperformers included Taiwan, which benefitted from the continued rally in global technology companies; and Hungary and Turkey, both of which may be contemplating lower central bank policy rates.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

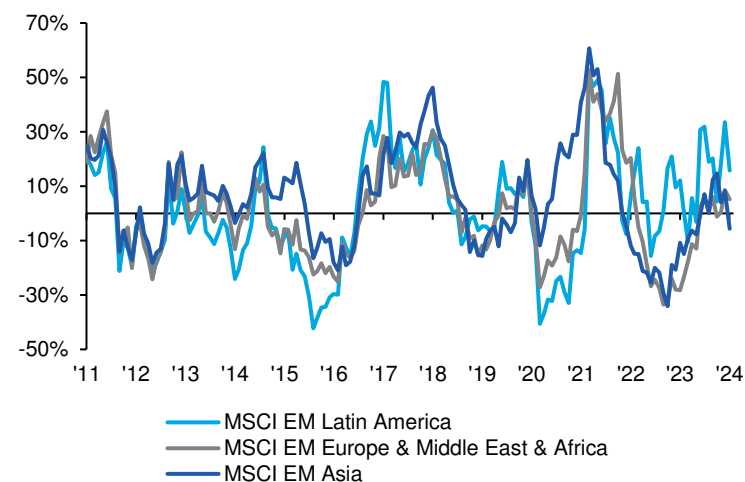
Data as of 1/31/24, sourced from Bloomberg. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. Level = index or price level. Green shading = positive; Red shading = negative. See Additional Information in Disclosure Statements. [28888]

	Level	1M	YTD	1Y	3Y
<b>MSCI USD – Returns</b>					
China	103.11	-10.6%	-10.6%	-28.9%	-54.6%
Taiwan	1,560.42	-1.2%	-1.2%	15.2%	9.5%
India	1,513.74	2.4%	2.4%	28.0%	49.0%
Korea	851.39	-10.0%	-10.0%	-1.0%	-28.2%
Brazil	7,743.99	-5.9%	-5.9%	17.3%	29.3%
Saudi Arabia	1,493.12	-0.8%	-0.8%	7.9%	49.3%
South Africa	1,011.35	-5.7%	-5.7%	-7.9%	-5.1%
Thailand	940.29	-7.9%	-7.9%	-20.4%	-14.1%
Mexico	14,702.40	-1.9%	-1.9%	18.7%	75.3%
Indonesia	9,321.85	-3.3%	-3.3%	-4.7%	4.4%

	Level	1M	YTD	1Y	3Y
<b>MSCI USD – Returns</b>					
Czech Republic	1,541.13	-6.6%	-6.6%	11.0%	77.2%
Hungary	1,483.82	2.8%	2.8%	43.7%	14.9%
Poland	1,304.23	-3.1%	-3.1%	35.9%	17.4%
Turkey	1,081.39	10.3%	10.3%	13.8%	48.7%
Chile	3,974.77	-11.0%	-11.0%	-14.3%	-1.5%

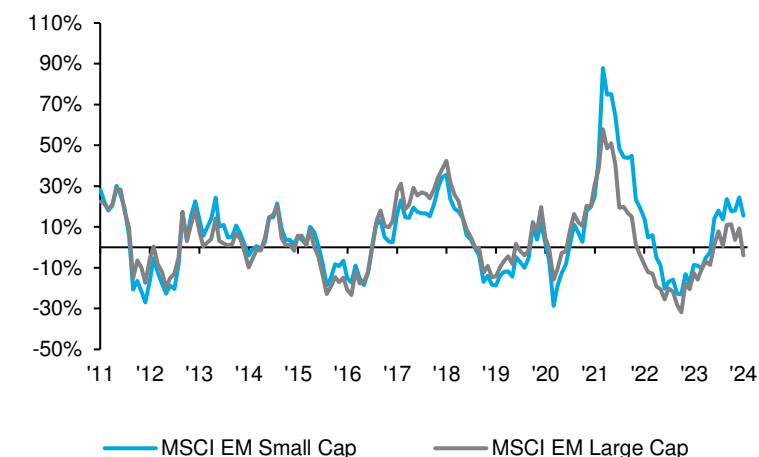
## EM Regional Performance

Rolling 12-month returns



## EM Large vs. Small Cap

Rolling 12-month returns



## SUMMARY

# US FIXED INCOME PERFORMANCE

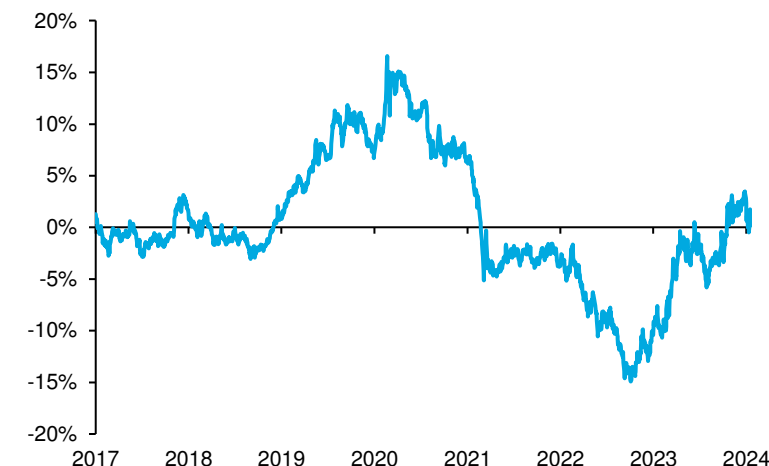
The Bloomberg US Aggregate index fell by -0.3% during January. Yields across the US Treasury curve were mixed during the month, with the 2-year yield falling by -4 basis points while the 10-year yield rose by +3 basis points. Fixed income market volatility continued to recede. Despite trailing on an absolute return basis, longer-maturity bonds managed to modestly outperform short- and intermediate-term debt on an excess return basis. By sector, US Corporate bonds outperformed both US Treasuries and securitized bonds as credit spreads tightened modestly.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

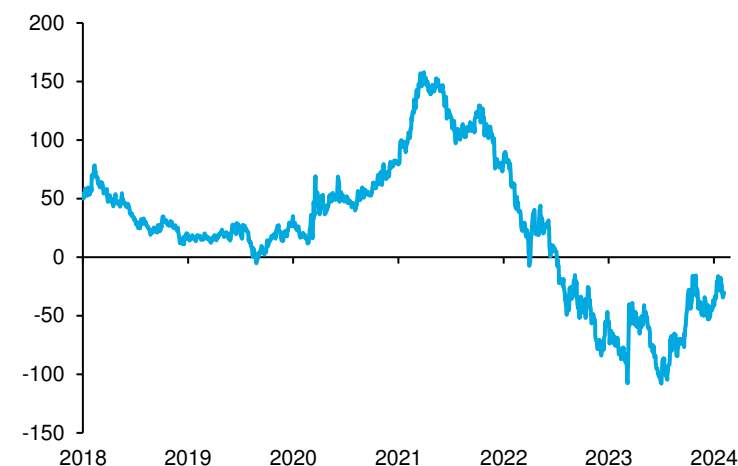
Data as of 1/31/24, sourced from Bloomberg. <sup>1</sup>Chicago Board Options Exchange Volatility Index. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. Level = index or price level. Green shading = positive; Red shading = negative. See Additional Information in Disclosure Statements. [28888]

	Level	1M	YTD	1Y	3Y
<b>Key Rates – change in yield, %</b>					
3M Treasury Bill	5.37	0.02	0.02	0.70	5.32
2Y US Treasuries	4.21	-0.04	-0.04	0.01	4.10
10Y US Treasuries	3.91	0.03	0.03	0.41	2.85
10Y German Bund	2.17	0.14	0.14	-0.12	2.68
10Y UK Gilt	3.79	0.26	0.26	0.46	3.47
10Y Japanese Bond	0.73	0.12	0.12	0.24	0.68
US 30Y Fixed Rate Mortgage	6.96	-0.03	-0.03	0.58	4.08
<b>Volatility Indicators</b>					
CBOE VIX <sup>1</sup>	14.35	1.90	1.90	-5.05	-18.74
ICE BofA MOVE Index	107.28	-7.34	-7.34	7.74	59.87

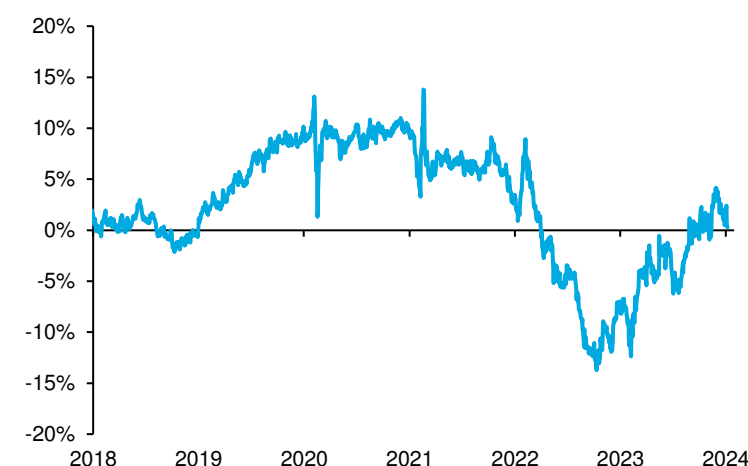
**Bloomberg US Treasury Bond Index Total Return**  
Rolling 12-month returns



**US Yield Curve (10 Year – 2 Year Yield)**



**Bloomberg Global Inflation-Linked US TIPS Total Return**  
Rolling 12-month returns



SUMMARY

GLOBAL FIXED INCOME PERFORMANCE

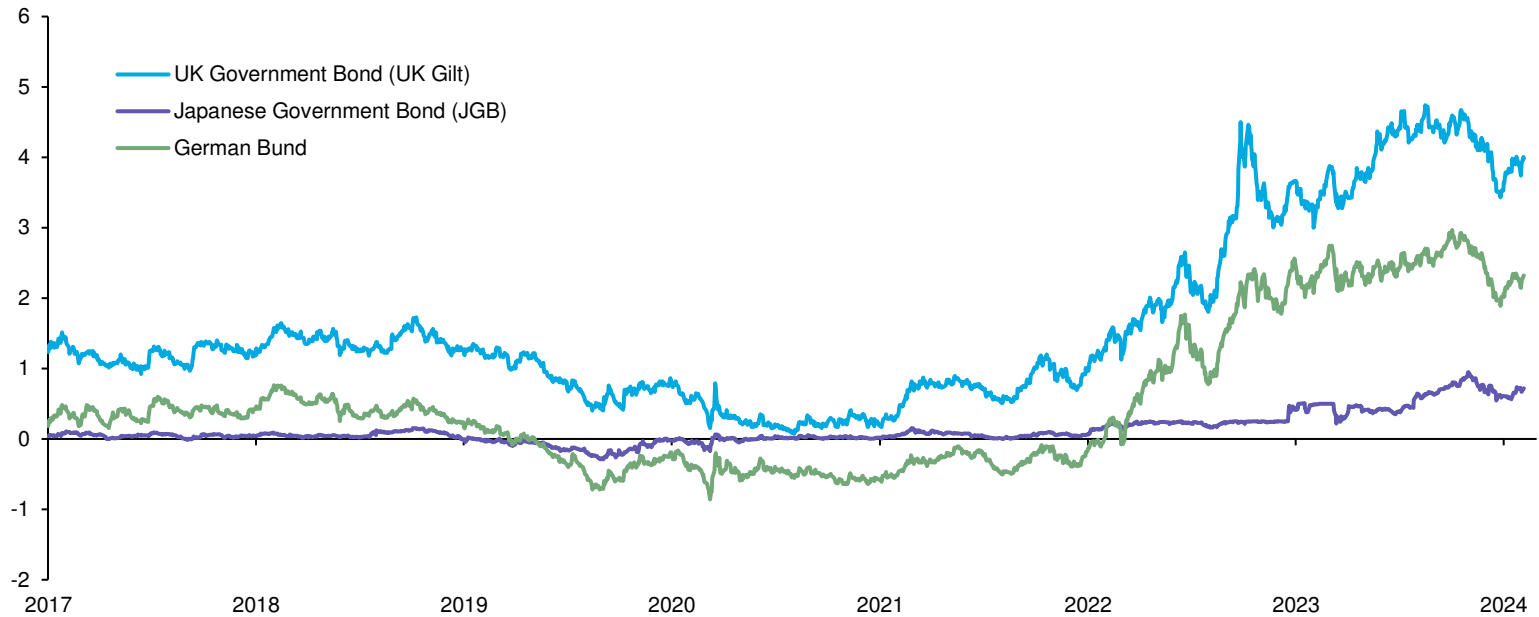
The Bloomberg Global Aggregate Index posted an unhedged return of -1.4% during January. Sovereign yields across most major markets rose despite benign global economic data and the continued positive trend in inflation measures. Yields on 10-year German Bunds and Japanese Government Bonds rose by +12 and +14 basis points respectively, while the yield on 10-year UK Gilts rose by +26 basis points. Yields on US Treasuries fared better, with the 10-year rising by +3 basis points while yields on 2-year bonds actually fell by -4 basis points. Conversely, credit remained a bright spot in the fixed income markets as investment-grade spreads tightened modestly during the period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Data as of 1/31/24, sourced from Bloomberg. Investors cannot invest directly in an index. Green shading = positive; Red shading = negative. Please see the disclosures for the full benchmark description. See Additional Information in Disclosure Statements. [28888]

	Level	1M	YTD	1Y	3Y
Fixed Income – Total Return, Unhedged					
Bloomberg US Aggregate	2,156	-0.3%	-0.3%	2.1%	-9.2%
Bloomberg Global Aggregate	465	-1.4%	-1.4%	0.9%	-16.1%
Bloomberg Global Treasury	548	-1.9%	-1.9%	-0.8%	-20.3%
Bloomberg US Treasury	2,271	-0.3%	-0.3%	1.2%	-10.4%
Bloomberg Global Aggregate Credit	265	-0.7%	-0.7%	4.6%	-12.0%
Bloomberg Global High Yield	1,519	-0.2%	-0.2%	9.3%	0.5%
Bloomberg EMD USD Aggregate	374	-1.3%	-1.3%	5.9%	-10.4%

Global Government Rates, 10 Year Yields



## SUMMARY

# CORPORATE FIXED INCOME PERFORMANCE

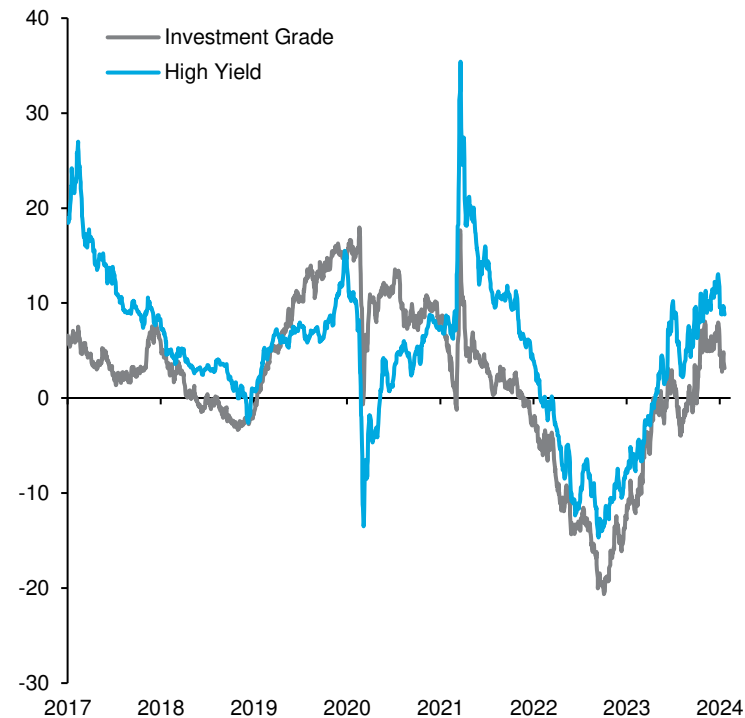
US and European investment-grade credit spreads tightened modestly by -3 and -7 basis points, respectively, in January. Following the traditional holiday slowdown in December, new issuance activity picked up significantly in January but was readily absorbed by investors, while two-way flows in the secondary markets were robust. High-yield credit spreads were mixed during the month. European high-yield spreads tightened by -18 basis points and significantly outperformed comparable US high-yield spreads, which widened by +21 basis points during the month.

**PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

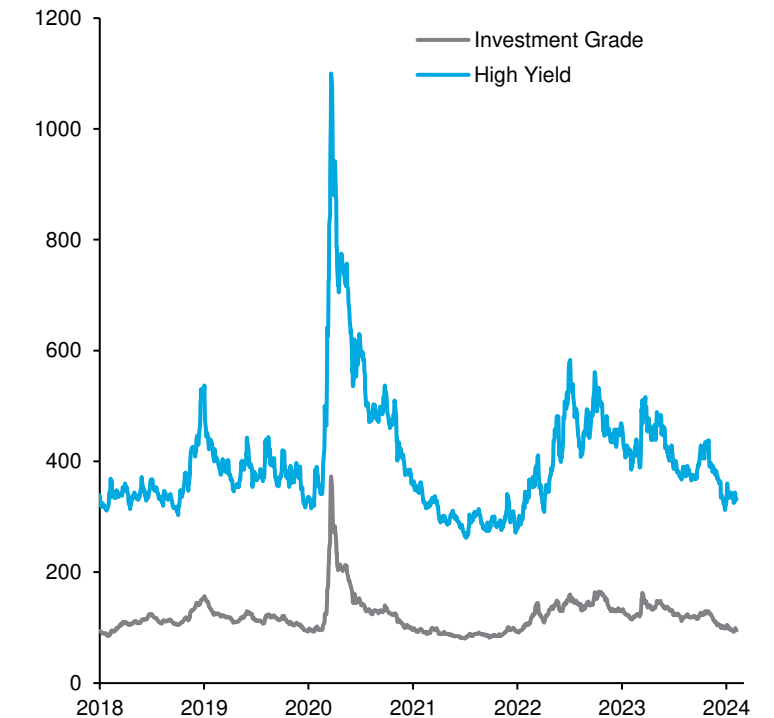
Data as of 1/31/24, sourced from Bloomberg. <sup>1</sup>Bloomberg Emerging Markets Hard Currency (USD) Aggregate Index. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. Level = index or price level. Green shading = positive; Red shading = negative. See Additional Information in Disclosure Statements. [28888]

	Level	1M	YTD	1Y	3Y
<b>Spreads – bps</b>					
Bloomberg US Corporate	96	-3	-3	-21	-1
Bloomberg US Corporate High Yield	344	21	21	-76	-18
Bloomberg EM HC Aggregate <sup>1</sup>	1,164	-7	-7	57	-113
Bloomberg EuroAgg Corporate	131	-7	-7	-21	38
Bloomberg Pan-European High Yield	381	-18	-18	-79	29

**Bloomberg US Corporate & High Yield Total Return**  
12-month percent change



**US Corporate OAS**  
Basis Points





SUMMARY

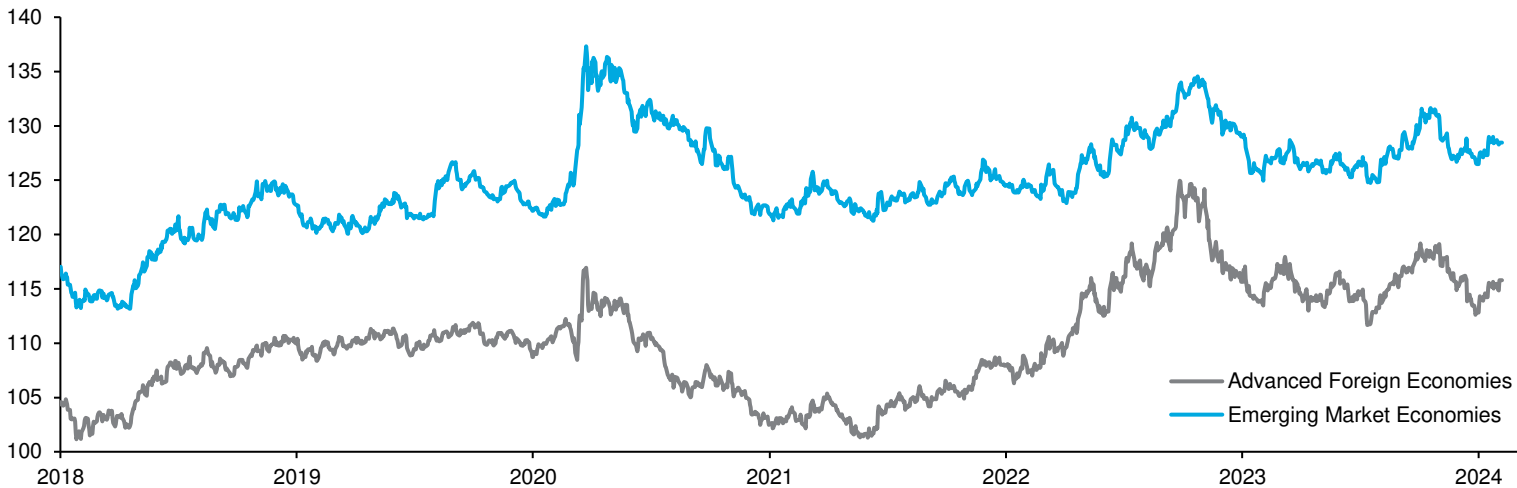
CURRENCIES

The US Dollar strengthened in January, rising +1.9% against a broad basket of developed market currencies. Though the Fed adopted a more balanced policy outlook during the month, the continued positive performance of the US economy relative to most of the rest of the world prompted investors to further delay expectations for when the Fed will begin to lower interest rates. Among major currencies, the Japanese Yen and Australian Dollar fell the most against the US Dollar, while the British Pound outperformed peers.

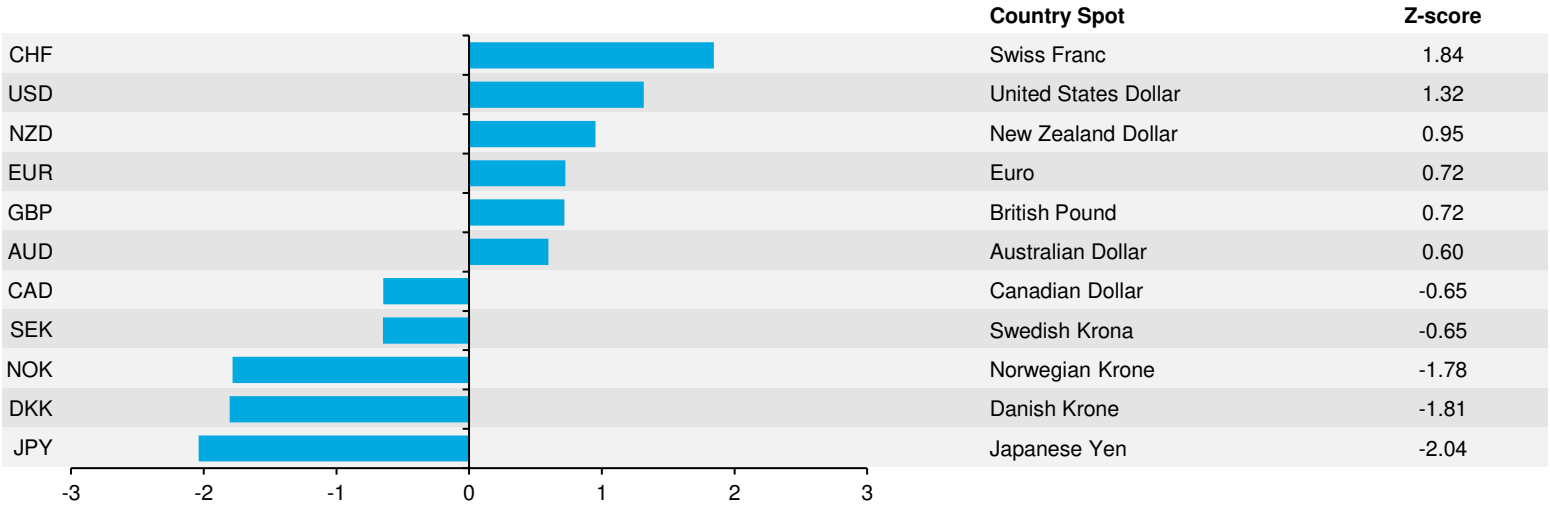
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Data as of 1/31/24, sourced from Bloomberg. Investors cannot invest directly in an index. Please see the disclosures for the full benchmark description. See Additional Information in Disclosure Statements. [28888]

Federal Reserve's Trade Weighted Nominal Dollar Indices



Real Effective Exchange Rates



## SUMMARY

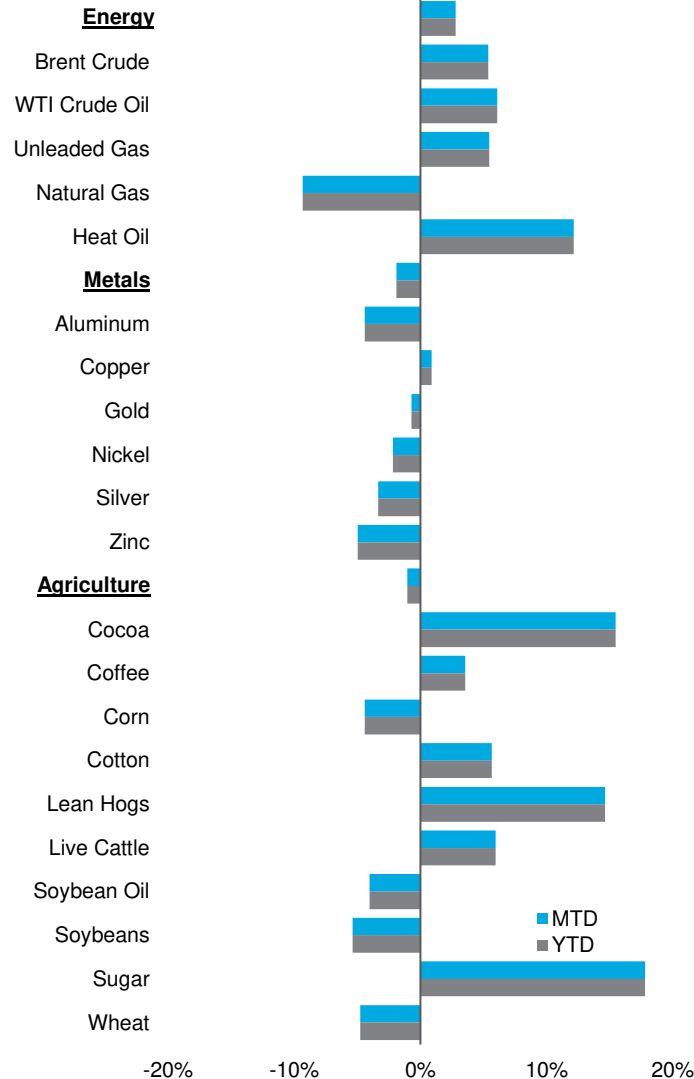
# COMMODITIES

The Bloomberg Commodity Index was modestly lower during January, recording a -0.09% drop in prices across the complex. Within the Energy segment, crude oil, gasoline and heating oil prices advanced positively as Middle East tensions remained elevated. However, natural gas prices tumbled as lower-than-anticipated demand due to mild winter weather in Europe and the US collided with continued strong production from the US. Metal prices were generally lower across the complex, led by aluminum and zinc. Prices for agricultural commodities were mixed, as above-average rainfall pushed cocoa and sugar prices higher, while global mainstays such as corn, wheat and soybeans all fell during the month.

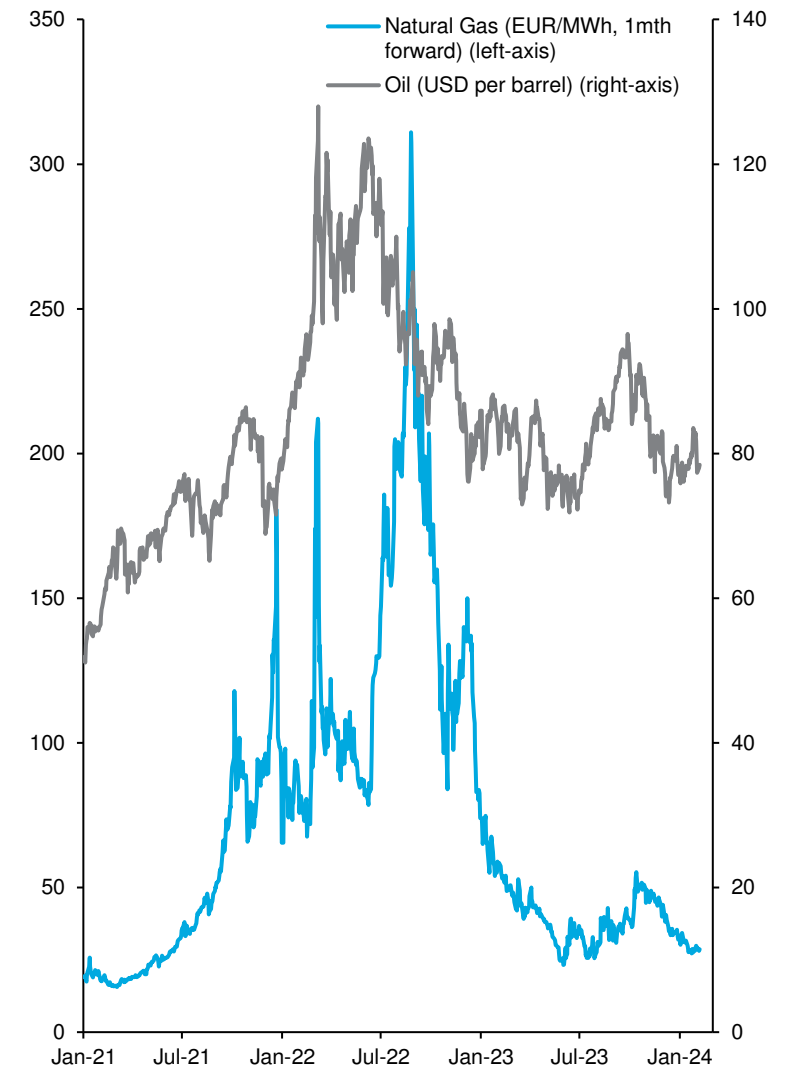
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## Commodities Sub-Indices Returns



## Oil & Natural Gas Prices



# INDEX DESCRIPTIONS

## INDEX DESCRIPTIONS

### **Bankrate.com US Home Mortgage 30 Year Fixed National Avg Index**

The Bankrate.com US Home Mortgage 30 Year Fixed National Avg Index includes only 30-Year Fixed Mortgage products, with and without points. This index is the Overnight National Average. You will see daily rate averages on Bankrate.com in boxes labeled overnight averages (these calculations are run after the close of the business day). Included there are rates we have collected on the previous day for a specific banking product. Overnight averages tend to be volatile. They help consumers see the movement of rates day to day. The institutions included in the overnight averages tables will be different from one day to the next, depending on which institutions' rates we gather on a particular day for presentation on the site.

### **Bloomberg Commodity Index**

The Bloomberg Commodity Index is a broadly diversified index that tracks the commodities markets through commodity futures contracts.

These are subindices of the Bloomberg Commodity Index: Agriculture, Aluminum, Brent Crude, Cocoa, Coffee, Copper, Corn, Cotton, Energy, Gold, Heat Oil, Lean Hogs, Live Cattle, Natural Gas, Nickel, Silver, Soybean Oil, Soybeans, Sugar, Unleaded Gas, Wheat, WTI Crude Oil, Zinc

### **Bloomberg Emerging Markets Hard Currency (USD) Aggregate Index**

The Bloomberg Emerging Markets Hard Currency (USD) Aggregate Index is a flagship hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

### **Bloomberg Emerging Markets USD Aggregate Bond Index**

The Bloomberg Emerging Markets USD Aggregate Bond Index is a flagship hard currency Emerging Markets debt benchmark that includes fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers. Country eligibility and classification as Emerging Markets is rules-based and reviewed annually using World Bank income group and International Monetary Fund (IMF) country classifications.

### **Bloomberg Euro Aggregate Corporate Index**

The Bloomberg Euro Aggregate Corporate Index measures the corporate component of the Euro Aggregate Index. It includes investment grade, euro-denominated, fixed-rate securities

### **Bloomberg Global Aggregate Bond Index**

The Bloomberg Global Aggregate Bond Index is a measure of global investment-grade debt performance. This multicurrency benchmark includes Treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging market issuers.

### **Bloomberg Global Aggregate Credit Index**

The Bloomberg Global Aggregate Credit Index contains publicly issued corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements.

### **Bloomberg Global High Yield Corporate Bond Index**

The Bloomberg Global High Yield Corporate Bond Index is a rules-based market-value-weighted index engineered to measure the below-investment-grade, fixed-rate, global corporate bond market. Eligible denominations include USD, EUR, GBP, and CAD.

### **Bloomberg Global Treasury Index**

The Bloomberg Global Treasury Index tracks fixed-rate, local currency government debt of investment-grade countries, including both developed and emerging markets. The index represents the treasury sector of the Global Aggregate Index and contains issues from 37 countries denominated in 24 currencies.

### **Bloomberg Pan-European High Yield Index**

The Bloomberg Pan-European High Yield Index measures the market of non-investment grade, fixed-rate corporate bonds denominated in the following currencies: euro, pounds sterling, Danish krone, Norwegian krone, Swedish krona, and Swiss franc. Inclusion is based on the currency of issue, and not the domicile of the issuer. The index excludes emerging market debt.



## INDEX DESCRIPTIONS

### Bloomberg US Aggregate Bond Index

The Bloomberg US Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, US-dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities.

### Bloomberg US Corporate Bond Index

The Bloomberg US Corporate Bond Index is an unmanaged market-value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

### Bloomberg US Corporate High Yield Index

The Bloomberg US Corporate High Yield Index is an unmanaged, US dollar-denominated, nonconvertible, non-investment-grade debt index. The index consists of domestic and corporate bonds rated Ba and below with a minimum outstanding amount of \$150 million.

### Bloomberg US Treasury Bond Index

The Bloomberg US Treasury Bond Index is an unmanaged index of prices of US Treasury bonds with maturities of 1 to 30 years.

### Bloomberg US Treasury Inflation-Linked Bond Index

The Bloomberg US Treasury Inflation-Linked Bond Index measures the performance of the US Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of US TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index. Inception date is 03/01/1997. It's a USD, unhedged index.

### British Pound Sterling

The British Pound Sterling is the official currency of The United Kingdom.

### CAC 40

The CAC 40 is a benchmark French stock market index. The index represents a capitalization-weighted measure of the 40 most significant stocks among the 100 largest market caps on the Euronext Paris.

### Chicago Board Options Exchange Volatility Index (VIX)

The Chicago Board Options Exchange Volatility Index (VIX) is calculated from options on the S&P 500 Index and is supposed to reflect the market expectation of the index's annualized 30-day volatility. The volatility measured by the VIX reflects both the possibility of upside movements as well as the possibility of downside movements

### Chinese renminbi (yuan)

The Chinese renminbi (yuan) is the official currency of The People's Republic of China.

### DAX

The DAX is a stock market index consisting of the 40 major German blue-chip companies trading on the Frankfurt Stock Exchange.

### Euro

The Euro is the official currency of the European Economic & Monetary Union.

### Financial Times Stock Exchange 100 Index

The Financial Times Stock Exchange 100 Index, also called the FTSE 100 Index, FTSE 100, FTSE, or, informally, the "Footsie", is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization.

## INDEX DESCRIPTIONS

### Generic 1st Crude Oil Commodity

The Generic 1<sup>st</sup> Crude Oil Commodity measures the performance of the nearest expiration date of the WTI Crude Oil Future.

### Generic German Bund 10 Year Bond Index

The Generic German Bund 10 Year Bond Index measures the performance of a 10 Year German Government Bond.

### Generic Japan 10 Year Bond Index

The Generic Japan 10 Year Bond Index measures the performance of a 10 Year Japanese Government Bond.

### Generic UK 10 Year Bond Index

The Generic UK 10 Year Bond Index measures the performance of a 10 Year British Government Bond.

### Generic US 3 Month Government Bill

The Generic United States 3 Month Government Bill represents the yield for the current 3 month US Treasury Bill.

### Generic US Government 10 Year Bond Index

The Generic US Government 10 Year Bond Index measures the performance of a 10 Year US Treasury.

### Generic US Government 2 Year Bond Index

The Generic US Government 2 Year Bond Index measures the performance of a 2 Year US Treasury.

### Gold Spot

The Gold Spot price measures the gold spot price quoted as US Dollars per Troy Ounce.

### ICE BofaA MOVE Index

The ICE BofaA MOVE Index measures the implied volatility of US Treasury options across various maturities.

### ICE LIBOR USD 3 month Index

The ICE LIBOR USD 3 month Index is based on the London - Interbank Offered Rate - ICE Benchmark Administration Fixing for US Dollar. The fixing is conducted each day at 11am & released at 11.45am (London time). The rate is an average derived from the quotations provided by the banks determined by the ICE Benchmark Administration. The top and bottom quartile is eliminated and an average of the remaining quotations calculated to arrive at fixing. The fixing is rounded up to 5 decimal places where the sixth digit is five or more. ICE Libor day count follows normal market convention: 365 days for GBP, 360 days for the other currencies and for value two business days after the fixing. Please note that for the overnight rate, the value date is on the same day as the fixing date, with the maturity date falling the next business day in both centres.

### Japanese yen

The Japanese yen is the official currency of Japan.

### LME Copper Cash

The LME Copper Cash measures the copper cash price from the end of LME day Final Evening Evaluations.

## INDEX DESCRIPTIONS

### MSCI ACWI ex USA Index

The MSCI ACWI ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. With 2,258 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

### MSCI ACWI Index

The MSCI ACWI Index, MSCI's flagship global equity index, is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets. As of May 2022, it covers more than 2,933 constituents across 11 sectors and approximately 85% of the free float-adjusted market capitalization in each market.

### MSCI Asia Pacific Index

The MSCI Asia Pacific Index is a free float-adjusted market capitalization-weighted index of the stock markets of Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.

### MSCI Brazil Index

The MSCI Brazil Index is designed to measure the performance of the large- and mid-cap segments of the Brazilian market. The index covers about 85% of the Brazilian equity universe.

### MSCI Chile Index

The MSCI Chile Index is designed to measure the performance of the large, mid and small cap segments of the Chilean market. The index covers approximately 85% of the Chile equity universe.

### MSCI China Index

The MSCI China Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure equity market performance in China.

### MSCI Czech Republic Index

The MSCI Czech Republic Index is designed to measure the performance of the large and mid cap segments of the Czech Republic market. The index covers approximately 85% of the free float-adjusted market capitalization in Czech Republic.

### MSCI EAFE Small Cap Index

The MSCI EAFE Small Cap Index is an equity index which captures small cap representation across 21 Developed Markets countries around the world, excluding the US and Canada.

### MSCI Emerging Markets (EM) Asia Index

The MSCI Emerging Markets (EM) Asia Index captures large and mid cap representation across 8 Emerging Markets countries (China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand).

### MSCI Emerging Markets (EM) Europe & Middle East & Africa (EMEA) Index

The MSCI Emerging Markets (EM) Europe & Middle East & Africa (EMEA) Index captures large and mid cap representation across 11 EM countries in EMEA (Czech Republic, Egypt, Greece, Hungary, Kuwait, Poland, Qatar, Saudi Arabia, South Africa, Turkey and United Arab Emirates).

### MSCI Emerging Markets (EM) Latin America Index

The MSCI Emerging Markets (EM) Latin America Index captures large and mid cap representation across 5 EM countries in Latin America (Brazil, Chile, Colombia, Mexico, and Peru).

### MSCI Emerging Markets Index

The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

## INDEX DESCRIPTIONS

### MSCI Europe Index

The MSCI Europe Index represents the performance of large and mid-cap equities across 15 developed countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

### MSCI Hungary Index

The MSCI Hungary Index is designed to measure the performance of the large and mid cap segments of the Hungarian market. The index covers approximately 85% of the Hungarian equity universe.

### MSCI India Index

The MSCI India Index is designed to measure the performance of the large- and mid-cap segments of the Indian market. The index covers approximately 85% of the Indian equity universe.

### MSCI Indonesia Index

The MSCI Indonesia Index is designed to measure the performance of the large- and mid-cap segments of the Indonesian market. The index covers about 85% of the Indonesian equity universe.

### MSCI Japan Index

The MSCI Japan Index represents 8% of the MSCI World Index. It is designed to measure the performance of the large and mid-cap segments and aims to represent ~85% of the Japanese market.

### MSCI Korea Index

The MSCI Korea Index is designed to measure the performance of the large- and mid-cap segments of the South Korean market. With 107 constituents, the index covers about 85% of the Korean equity universe.

### MSCI Mexico Index

The MSCI Mexico Index is designed to measure the performance of the large- and mid-cap segments of the Mexican market. With 27 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Mexico.

### MSCI Poland Index

The MSCI Hungary Index is designed to measure the performance of the large and mid cap segments of the Hungarian market. The index covers approximately 85% of the Hungarian equity universe.

### MSCI Saudi Arabia Index

The MSCI Saudi Arabia Index is designed to measure the performance of the large- and mid-cap segments of the Saudi Arabian market.

### MSCI South Africa Index

The MSCI South Africa Index is designed to measure the performance of the large- and mid-cap segments of the South African market. With 54 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in South Africa.

### MSCI Taiwan Index

The MSCI Taiwan Index is designed to measure the performance of the large- and mid-cap segments of the Taiwan market. With 88 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Taiwan.

### MSCI Thailand Index

The MSCI Thailand Index is designed to measure the performance of the large- and mid-cap segments of the Thailand market. With 36 constituents, the index covers about 85% of the Thailand equity universe.

## INDEX DESCRIPTIONS

### MSCI Turkey Index

The MSCI Turkey Index is designed to measure the performance of the large and mid cap segments of the Turkish market. The index covers about 85% of the equity universe in Turkey.

### Nasdaq Composite Index

The Nasdaq Composite Index is a stock market index that includes almost all stocks listed on the Nasdaq stock exchange.

### Nikkei 225

The Nikkei 225, or the Nikkei Stock Average, more commonly called the Nikkei or the Nikkei index, is a stock market index for the Tokyo Stock Exchange.

### Russell 1000<sup>®</sup> Basic Materials Index

The Russell 1000<sup>®</sup> Basic Materials Index measures the performance of the Basic Materials sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Consumer Discretionary Index

The Russell 1000<sup>®</sup> Consumer Discretionary Index measures the performance of the Consumer Discretionary sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Consumer Staples Index

The Russell 1000<sup>®</sup> Consumer Staples Index measures the performance of the Consumer Staples sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Energy Index

The Russell 1000<sup>®</sup> Energy Index measures the performance of the Energy sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Financials Index

The Russell 1000<sup>®</sup> Financials Index measures the performance of the Financials sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Growth Index

The Russell 1000<sup>®</sup> Growth Index measures the performance of the large-cap growth segment of the US equity universe.

### Russell 1000<sup>®</sup> Health Care Index

The Russell 1000<sup>®</sup> Health Care Index measures the performance of the Health Care sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Industrials Index

The Russell 1000<sup>®</sup> Industrials Index measures the performance of the Industrials sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Real Estate Index

The Russell 1000<sup>®</sup> Real Estate Index measures the performance of the Real Estate sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Technology Index

The Russell 1000<sup>®</sup> Technology Index measures the performance of the Technology sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Telecommunications Index

The Russell 1000<sup>®</sup> Telecommunications Index measures the performance of the Telecommunications sector of the Russell 1000<sup>®</sup> Index.

### Russell 1000<sup>®</sup> Utilities Index

The Russell 1000<sup>®</sup> Utilities Index measures the performance of the Utilities sector of the Russell 1000<sup>®</sup> Index.



## INDEX DESCRIPTIONS

### **Russell 1000<sup>®</sup> Value Index**

The Russell 1000<sup>®</sup> Value Index measures the performance of the large-cap value segment of the US equity universe.

### **Russell 2000<sup>®</sup> Index**

The Russell 2000<sup>®</sup> Index is a small-cap U.S. stock market index that makes up the smallest 2,000 stocks in the Russell 3000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Basic Materials Index**

The Russell 2000<sup>®</sup> Basic Materials Index measures the performance of the Basic Materials sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Consumer Discretionary Index**

The Russell 2000<sup>®</sup> Consumer Discretionary Index measures the performance of the Consumer Discretionary sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Consumer Staples Index**

The Russell 2000<sup>®</sup> Consumer Staples Index measures the performance of the Consumer Staples sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Energy Index**

The Russell 2000<sup>®</sup> Energy Index measures the performance of the Energy sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Financials Index**

The Russell 2000<sup>®</sup> Financials Index measures the performance of the Financials sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Health Care Index**

The Russell 2000<sup>®</sup> Health Care Index measures the performance of the Health Care sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Industrials Index**

The Russell 2000<sup>®</sup> Industrials Index measures the performance of the Industrials sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Real Estate Index**

The Russell 2000<sup>®</sup> Real Estate Index measures the performance of the Real Estate sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Technology Index**

The Russell 2000<sup>®</sup> Technology Index measures the performance of the Technology sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Telecommunications Index**

The Russell 2000<sup>®</sup> Telecommunications Index measures the performance of the Telecommunications sector of the Russell 2000<sup>®</sup> Index.

### **Russell 2000<sup>®</sup> Utilities Index**

The Russell 2000<sup>®</sup> Utilities Index measures the performance of the Utilities sector of the Russell 2000<sup>®</sup> Index.

### **S&P 500<sup>®</sup> Index**

The S&P 500<sup>®</sup> Index includes 500 leading companies and covers approximately 80% of available market capitalization.

### **S&P/ASX 200 Index**

The S&P/ASX 200 Index is a market-capitalization weighted and float-adjusted stock market index of stocks listed on the Australian Securities Exchange.

## INDEX DESCRIPTIONS

### **S&P/TSX 60 Index**

The S&P/TSX 60 Index is a stock market index of 60 large companies listed on the Toronto Stock Exchange.

### **STOXX Europe 600**

The STOXX Europe 600, also called STOXX 600, SXXP, is a stock index of European stocks designed by STOXX Ltd.

### **US Fed Trade Weighted Nominal Advanced Foreign Economies Dollar Index**

A weighted average of the foreign exchange value of the U.S. dollar against a subset of the broad index currencies that are advanced foreign economies.

### **US Fed Trade Weighted Nominal Emerging Market Economies Dollar Index**

A weighted average of the foreign exchange value of the U.S. dollar against a subset of the broad index currencies that are emerging market economies.

# GLOSSARY OF TERMS

## GLOSSARY

### Advanced Economies

The IMF World Economic Outlook classifies 39 economies as “advanced,” based on such factors as high per capita income, exports of diversified goods and services, and greater integration into the global financial system.

### Country Spot

Country Spot rate is expressed as the home currency per one unit of foreign currency.

### Emerging Market & Developing Economies

Countries classified as emerging market economies are those with an economy that is transitioning into being developed. These countries have a unified currency, stock market, and banking system, and they're in the process of industrialization.

### EUR/MWh

Euros per mega-watt hour.

### Last Mile

The 'last mile' refers to the final stages of the disinflation process in the US.

### OAS

Option-Adjusted Spread is a yield spread which is added to the benchmark yield curve to price security with an embedded option. This spread measures the deviation of the security's performance from the benchmark on the back of an embedded option.

### Real Effective Exchange Rates

Real effective exchange rate is the nominal effective exchange rate (a measure of the value of a currency against a weighted average of several foreign currencies) divided by a price deflator or index of costs. International Monetary Fund, International Financial Statistics.

### Spreads

Spread is the measurement, in basis points, of the difference or gap between a fixed-income security rate and the risk-free rate of return.

### Z-score

Z-score is a statistical measurement that describes a value's relationship to the mean of a group of values. Values are rankings on z-scores of real effective exchange rates.

## DISCLOSURE

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