Morgan Stanley

INVESTMENT MANAGEMENT

Global Fixed Income Bulletin

Built on Resilience

MACRO INSIGHT | BROAD MARKETS FIXED INCOME TEAM | July 2026

Monthly Review

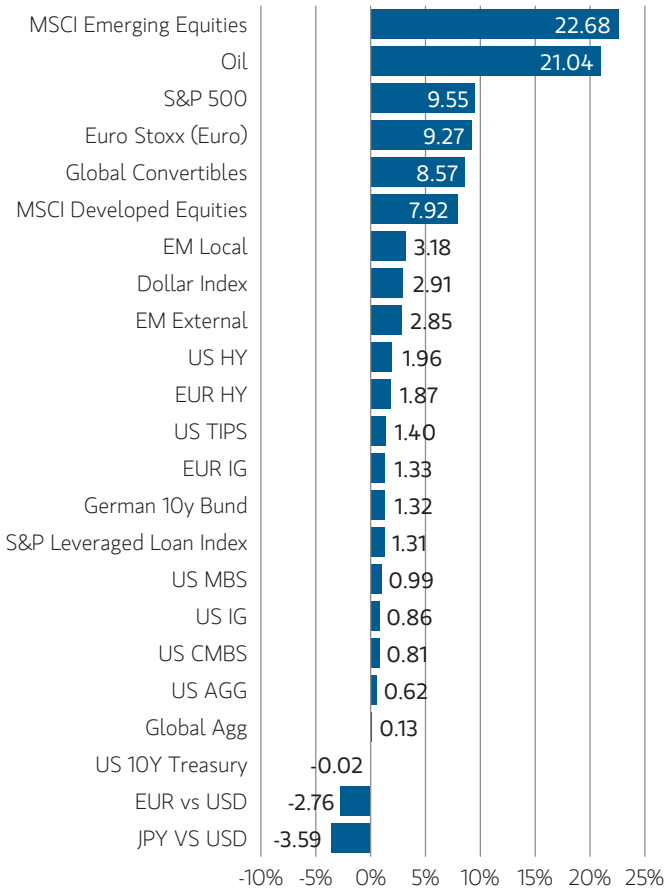
June was characterized by a growing acceptance of a "higher-for-longer" macro environment as resilient economic data, persistent inflation, and cautious central bank messaging reinforced expectations that policy rates may remain restrictive for longer than previously anticipated. Despite this shift, fixed income markets remained remarkably resilient. Lower rates volatility, strong technical demand, and continued investor appetite for carry supported spread sectors even as issuance reached record levels across several markets.

Rates markets reflected this backdrop of resilient growth and cautious central banks. U.S. Treasury yields moved modestly higher, with the 10-year Treasury ending the month at 4.47%, while front-end yields rose more materially as markets continued to price a higher-for-longer policy path. Elsewhere, yields generally declined across Europe and other developed markets, reflecting weaker growth dynamics outside the U.S. Market-implied inflation expectations eased modestly during the month, with U.S. 10-year breakevens declining, though inflation remained the dominant macro theme. The U.S. dollar strengthened, rising approximately 2.3% against a broad basket of currencies.

Credit markets remained remarkably resilient despite historically tight valuations. U.S. investment grade spreads widened modestly by 2 basis points (bps) to 74bps, while Euro investment grade widened 1bp to 80bps, reflecting stable rather than deteriorating risk sentiment

DISPLAY 1

Asset Performance Year-to-Date (%)



Note: USD-based performance. Source: Bloomberg. Data as of June 30, 2026. The indexes are provided for illustrative purposes only and are not meant to depict the performance of a specific investment. **Past performance is no guarantee of future results.** See pages 7-8 for index definitions.

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despite record issuance. Demand for all-in yield remained exceptionally strong, allowing both U.S. and European markets to absorb elevated primary supply with only limited concessions. A notable feature of the month was the continued acceleration in AI-related financing, particularly among large technology issuers, reinforcing expectations that infrastructure spending will remain an important driver of corporate issuance. High yield also remained well supported, with spreads widening only modestly despite elevated issuance and continued geopolitical uncertainty.

Leveraged loans continued to demonstrate resilient fundamentals, supported by strong earnings and healthy collaterialized loan obligation (CLO) demand. While software remained one of the weakest-performing sectors year-to-date, stronger earnings and improving technicals created selective opportunities in higher-quality, mission-critical issuers. Investor demand remained focused on credits with resilient cash flows and shorter maturities, while economically sensitive sectors such as housing and packaging continued to lag.

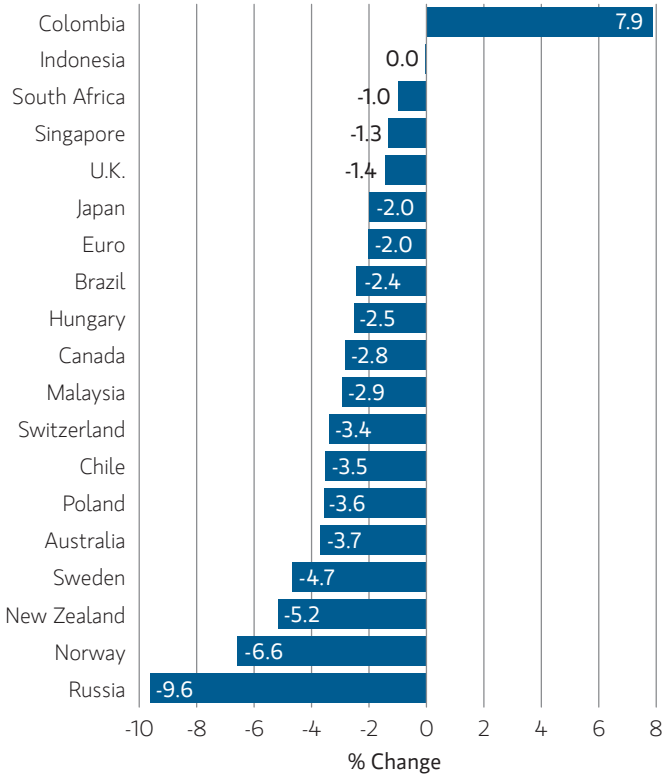
Securitized markets remained supported by robust technicals despite elevated issuance. Agency Mortgage-Backed Securities (MBS) spreads were broadly stable during the month, while strong demand from banks and government-sponsored enterprises continued to offset Federal Reserve balance sheet runoff. Residential credit remained one of the strongest-performing areas of structured credit, supported by stable housing fundamentals, improving collateral performance, and exceptionally strong investor demand despite issuance running well ahead of last year's pace.

Emerging markets (EM) were mixed but generally stable. The U.S.-Iran memorandum of understanding reduced some geopolitical uncertainty, while oil flows gradually normalized despite vessel traffic remaining below historical averages. Country-specific developments—including improving political outlooks in Colombia and reforms in India—continued to drive dispersion across the asset class, while broader EM spreads remained largely stable.

DISPLAY 2

Currency Monthly Changes versus USD

(+ = appreciation)



Note: Positive change means appreciation of the currency against the USD. Source: Bloomberg. Data as June 30, 2026.

Municipal markets continued to benefit from exceptionally strong technicals. Persistent fund inflows and substantial summer reinvestment demand more than offset record issuance, supporting performance despite historically tight valuations and reducing net supply through the peak reinvestment period.

Overall, June reinforced the resilience of fixed income markets despite persistent inflation, higher-for-longer policy expectations, and ongoing geopolitical uncertainty. Technical demand continued to support spread sectors, although historically tight valuations and increasing dispersion suggest that carry and active security selection remain the primary drivers of excess return.

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DISPLAY 3

Major Monthly Changes in 10-Year Yields and Spreads

COUNTRY	10-YR YIELD LEVEL (%)	MONTH CHANGE (BPS)	10-YR SPREAD (BPS)	MONTH CHANGE (BPS)
			(SPREAD OVER USTS)	
United States	4.47	3		
United Kingdom	4.76	-6	29	-8
Germany	2.86	-8	-161	-11
Japan	2.68	2	-178	-1
Australia	4.72	-11	26	-14
Canada	3.38	-3	-109	-6
New Zealand	4.36	-16	-11	-19
EUROPE			(SPREAD OVER BUNDS)	
France	3.65	10	79	18
Greece	3.54	-6	68	1
Italy	3.63	-2	77	6
Portugal	3.24	-6	38	2
Spain	3.34	-1	48	7
EM	**10-YR LOCAL YIELD (%)**	**MTD CHANGE (BPS)**	**SPREAD (BPS)**	**MTD CHANGE (BPS)**
EM External Spreads			216	3
EM Corporate Spreads			165	-6
EM Local Yields	6.09	-9		
			(SPREAD OVER USTS)	
Brazil	14.34	23	988	20
Colombia	11.78	-147	731	-150
Hungary	5.03	-27	56	-30
Indonesia	7.13	43	266	40
Malaysia	3.61	4	-86	1
Mexico	9.03	-15	457	-18
Peru	6.10	-57	163	-60
Poland	5.26	-34	80	-37
South Africa	8.42	-13	396	-16
CREDIT			**SPREAD (BPS)**	**MTD CHANGE (BPS)**
U.S. IG			74	2
EUR IG			80	1
U.S. HY			270	13
EUR HY			269	6
SECURITIZED				
Agency MBS			107	-3
U.S. BBB CMBS			548	4

Positive Neutral Negative

Source: Bloomberg, JPMorgan. Data as of June 30, 2026.

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Broad Markets Fixed Income Global Asset Allocation and Outlook

Developed Market Rate/Foreign Currency

(LONG DURATION, NEUTRAL CURVE POSITIONING, SELECTIVE HIGH-CARRY FX)

The sector views above are grounded in a macro environment where country differentiation is becoming increasingly important. The market narrative has continued to shift away from recession concerns and toward the durability of growth and inflation. In the U.S., stronger-than-expected labor-market data, resilient consumption, and firm inflation readings have led investors to reprice monetary-policy expectations toward a more restrictive path than was expected at the beginning of the year. Elsewhere in developed markets, much of this repricing occurred earlier, though inflation and energy-related risks continue to influence central-bank expectations.

Against this backdrop, we maintain a long-duration stance across developed markets, though positioning remains selective and focused on regions where growth appears more vulnerable to tighter financial conditions and where valuations are compelling. Exposure is concentrated in front-end rates markets outside the United States, alongside a long position in U.S. Treasury Inflation-Protected Securities (TIPS).

Inflation remains the primary macro risk. Although longer-dated inflation expectations have retraced modestly, core inflation measures and producer-price pressures remain firm. We therefore maintain some exposure to U.S. inflation-linked markets, where we continue to see value in hedging portfolios against the risk that inflation remains above central-bank targets for longer than currently anticipated.

Curve dynamics have generally stabilized following the sharp repricing earlier in the year, and we remain neutral on outright curve positioning. While elevated fiscal deficits, AI-related investment spending, and energy-market uncertainty continue to support higher term premia over the medium term, recent moves have reduced the attractiveness of broad directional curve expressions.

In foreign exchange, we continue to favor selective high-carry emerging market currencies where fundamentals and valuations remain supportive. Positioning is focused on differentiated opportunities in emerging markets where carry characteristics and domestic drivers remain attractive with funding of long positions moved partially away from U.S. dollar to lower yielding and lower growth European currencies More broadly, we expect currency markets to remain highly sensitive to evolving central-bank expectations, energy prices, and geopolitical developments, with relative growth and inflation dynamics continuing to drive performance across developed and emerging markets.

Emerging Market Debt

(OVERWEIGHT)

Emerging market sovereign and corporate debt remains an attractive opportunity, supported by elevated real yields, resilient technicals, and improving fundamentals in select countries. Despite persistent geopolitical uncertainty and a more hawkish global policy backdrop, EM credit markets have remained broadly resilient, with spreads continuing to retrace in several regions.

Carry and income remain central drivers of expected returns, though country selection remains critical given elevated dispersion across regions. Higher energy prices continue to create divergence between commodity exporters and importers, while local political developments remain an important source of idiosyncratic opportunity and risk. Recent developments across markets such as Colombia, Hungary, Indonesia, and the Philippines highlight the differentiated nature of the opportunity set.

Valuations remain attractive across select local and hard-currency markets, and many EM currencies continue to offer compelling carry relative to developed markets. While tighter global financial conditions and persistent inflation remain important risks, we continue to favor countries with credible monetary frameworks, improving fundamentals, and attractive real-yield differentials. In an environment where global growth remains positive and default risks remain contained, we believe the asset class continues to offer attractive risk-adjusted return potential.

Corporate Credit

(UNDERWEIGHT IG, SMALL OVERWEIGHT HY)

We remain underweight investment grade (IG) corporates due to tight valuations and limited room for broad-based spread compression. Credit markets have been resilient, supported by strong demand for all-in yield, healthy corporate fundamentals, and exceptional technicals. Both U.S. and European IG markets have absorbed elevated issuance with little disruption, as strong inflows and investor demand have offset heavy supply. However, at current spread levels, carry is the primary driver of expected returns, and even modest spread widening could erode excess return potential.

Fundamentals remain solid, with healthy balance sheets, low downgrade risk, and generally resilient earnings. That said, the market is increasingly entering a later-cycle phase characterized by elevated M&A activity,

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AI- and infrastructure-related capital expenditure, and higher shareholder distributions. AI-related financing has continued to accelerate, particularly among large technology and hyperscale issuers, reinforcing expectations that infrastructure spending will remain an important driver of corporate issuance.

Regionally, we continue to prefer Europe over the U.S., supported by more balanced supply dynamics and stronger demand for high-quality carry. From a sector perspective, we continue to favor financials, particularly banks, given robust capital positions, solid liquidity, and resilient earnings. We remain more cautious on single-A non-financials, where M&A risk, shareholder-friendly activity, and capex needs could create greater balance-sheet pressure.

We maintain a modest overweight to select high-yield issuers in both the U.S. and Europe. High yield has performed well, supported by resilient growth, strong labor markets, continued fiscal support, and robust demand for income. Although spreads remain historically tight and issuance has accelerated, fundamentals remain supportive, with improved average credit quality, manageable leverage, and contained default expectations.

We continue to believe a meaningful demand-destruction scenario is not the base case. Low but positive economic growth, supported by fiscal spending, energy-related investment, and continued AI and infrastructure capex, remains consistent with a broadly benign default environment. However, with much of the good news already reflected in valuations, selectivity is increasingly important.

Elevated dispersion across sectors and issuers continues to create opportunities for active positioning. We favor businesses with resilient cash flows, strong pricing power, lower refinancing risk, and less exposure to cyclical demand pressure. While high-yield spreads leave limited margin for error, the yield per unit of spread-duration risk remains compelling for investors, particularly relative to investment grade credit.

Leveraged Loans

(NEUTRAL)

We have moved to a more neutral stance on leveraged loans as increased dispersion and spread widening have improved valuations across parts of the market. The asset class remains characterized by selective technicals and meaningful issuer-level differentiation, but valuations have become more attractive, particularly relative to high-yield corporates. CLO demand continues to provide an important source of support, while investor preference remains focused on higher-quality issuers and more resilient sectors.

Software and technology-linked issuers remain an area of caution given ongoing uncertainty around AI-related disruption. However, the broad-based selloff across parts of the sector has also created selective opportunities where market pricing appears disconnected from underlying fundamentals. In several cases, investors have reduced exposure indiscriminately, creating attractive entry points in higher-quality, mission-critical businesses with durable cash flows, proprietary data advantages, and high switching costs.

More broadly, economically sensitive sectors continue to face pressure from elevated financing costs, inflation uncertainty, and rising input costs, even as overall corporate fundamentals remain relatively stable. CLO issuance and demand for floating-rate exposure remain supportive, helping offset more mixed retail flows. While selectivity remains paramount, current valuations increasingly compensate investors for refinancing risk and macro uncertainty in higher-quality segments of the market.

Securitized Products

(OVERWEIGHT)

Agency mortgage-backed securities (MBS) and non-agency residential mortgage-backed securities (RMBS) remain a high-conviction overweight. Agency MBS experienced periods of volatility as rates markets adjusted to changing inflation and policy expectations, but spreads retraced much of their widening as demand remained strong and mortgage rates moved off recent highs. Relative valuations continue to appear attractive in the current coupon pools versus both historical levels and other core fixed income sectors. Higher for longer rates backdrop is likely going to keep prepayment risks at bay, favoring yield pick-up over treasuries.

Technical conditions remain supportive. Demand for high-quality collateral continues to benefit from attractive all-in yields, strong money manager demand, and increasing participation from banks and government-sponsored enterprises (GSEs) as balance sheet constraints ease and relative value improves. The Federal Reserve's measured balance sheet runoff continues to limit net supply pressure, while demand from banks and other buyers has helped offset supply created by runoff.

Non-agency RMBS continues to offer one of the more attractive opportunity sets within structured credit. Stable home prices, low loan-to-value ratios, improving collateral performance, and limited refinancing risk continue to support fundamentals. Strong issuance growth has been met with robust investor demand, particularly in residential credit sectors where recent vintages continue to demonstrate favorable performance characteristics.

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Lastly, we remain constructive on Danish covered bonds, where defensive characteristics, strong legal frameworks, and attractive USD-hedged yields continue to support relative value.

Commercial mortgage-backed securities (CMBS) remain an attractive area of structured credit, though selectivity remains critical. Fundamentals are resilient in higher-quality segments, and strong technical demand has continued to support the sector despite the higher-rate environment. We continue to favor exposure to hospitality, logistics, storage, and high-quality multifamily assets, where operating performance and collateral quality remain comparatively strong.

Issuance across securitized markets, including CMBS, has remained robust via the single asset single borrower (SASB) market, but many transactions have been well absorbed and heavily oversubscribed, reinforcing the strength of investor demand. While improving sentiment has created opportunities, dispersion across property types, locations, and capital structures remains elevated. We continue to focus on higher-quality transactions and structures where collateral performance, borrower sponsorship, and cash-flow visibility provide stronger downside protection.

Asset-backed securities (ABS) remain supported by strong demand, attractive carry, and the sector's generally shorter-duration profile. Issuance has been robust, but demand for high-quality securitized collateral has remained resilient, helping spreads stay well contained despite elevated supply. We continue to view the sector as a useful source of diversification and income in an environment where carry is expected to be a dominant driver of returns.

We continue to see opportunities in select non-consumer ABS where fundamentals remain stable and valuations are still attractive. We remain more cautious on areas where projected supply, technology disruption, or uncertain long-term economics are not adequately reflected in spreads.

We also remain constructive on Danish covered bonds, where defensive characteristics, strong legal frameworks, and attractive USD-hedged yields continue to support relative value.

Risk Considerations

Diversification neither assures a profit nor guarantees against loss in a declining market.

There is no assurance that a portfolio will achieve its investment objective. Portfolios are subject to **market risk**, which is the possibility that the market values of securities owned by the portfolio will decline and that the value of portfolio shares may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g., natural disasters, health crises, terrorism, conflicts, and social unrest) that affect markets, countries, companies, or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g., portfolio liquidity) of events. Accordingly, you can lose money investing in a portfolio. **Fixed-income securities** are subject to the ability of an issuer to make timely principal and interest payments (credit risk), changes in interest rates (interest rate risk), the creditworthiness of the issuer and general market liquidity (market risk). In a rising interest-rate environment, bond prices may fall and may result in periods of volatility and increased portfolio redemptions. In a declining interest-rate environment, the portfolio may generate less income. **Longer-term securities** may be more sensitive to interest rate changes. Certain **U.S. government securities** purchased by the strategy, such as those issued by Fannie Mae and Freddie Mac, are not backed by the full faith and credit of the U.S. It is possible that these issuers will not have the funds to meet their payment obligations in the future. **Public bank loans** are subject to liquidity risk and the credit risks of lower-rated securities. **High-yield securities (junk bonds)** are lower-rated securities that may have a higher degree of credit and liquidity risk. **Sovereign debt securities** are subject to default risk. **Mortgage- and asset-backed securities** are sensitive to early prepayment risk and a higher risk of default and may be hard to value and difficult to sell (**liquidity risk**). They are also subject to credit, market, and interest rate risks. The **currency market** is highly volatile. Prices in these markets are influenced by, among other things, changing supply and demand for a particular currency; trade; fiscal, money and domestic or foreign exchange control programs and policies; and changes in domestic and foreign interest rates. Investments in **foreign markets** entail special risks such as currency, political, economic and market risks. The risks of investing in **emerging market** countries are greater than the risks generally associated with foreign investments. **Derivative instruments** may disproportionately increase losses and have a significant impact on performance. They also may be subject to counterparty, liquidity, valuation, and correlation and market risks. **Restricted and illiquid securities** may be more difficult to sell and value than publicly traded securities (liquidity risk). Due to the possibility that prepayments will alter the cash flows on **collateralized mortgage obligations (CMOs)**, it is not possible to determine in advance their final maturity date or average life. In addition, if the collateral securing the CMOs or any third-party guarantees are insufficient to make payments, the portfolio could sustain a loss.

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DEFINITIONS

Basis point (bp): One basis point = 0.01%.

INDEX DEFINITIONS

The indexes shown in this report are not meant to depict the performance of any specific investment, and the indexes shown do not include any expenses, fees, or sales charges, which would lower performance. The indexes shown are unmanaged and should not be considered an investment. It is not possible to invest directly in an index.

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The **Bloomberg Euro Aggregate Corporate Index (Bloomberg Euro IG Corporate)** is an index designed to reflect the performance of the euro-denominated investment-grade corporate bond market.

The **Bloomberg Global Aggregate Corporate Index** is the corporate component of the Bloomberg Global Aggregate index, which provides a broad-based measure of the global investment-grade fixed income markets.

The **Bloomberg US Corporate High Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes emerging market debt.

The **Bloomberg US Corporate Index** is a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate bond market.

The **Bloomberg US Mortgage-Backed Securities (MBS) Index** tracks agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon, and vintage. Introduced in 1985, the GNMA, FHLMC and FNMA fixed-rate indexes for 30- and 15-year securities were backdated to January 1976, May 1977, and November 1982, respectively. In April 2007, agency hybrid adjustable-rate mortgage (ARM) pass-through securities were added to the index.

Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care.

Euro vs. USD—Euro total return versus U.S. dollar.

German 10YR bonds—Germany Benchmark 10-Year Datastream Government Index; **Japan 10YR government bonds**—Japan Benchmark 10-Year Datastream Government Index; and **10YR US Treasury**—US Benchmark 10-Year Datastream Government Index.

The **ICE BofAML European Currency High-Yield Constrained Index (ICE BofAML Euro HY constrained)** is designed to track the performance of euro- and British pound sterling-denominated below investment-grade corporate debt publicly issued in the Eurobond, sterling.

The **ICE BofAML US Mortgage-Backed Securities (ICE BofAML US Mortgage Master) Index** tracks the performance of US dollar-denominated, fixed-rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market.

The **ICE BofAML US High Yield Master II Constrained Index (ICE BofAML US High Yield)** is a market value-weighted index of all domestic and Yankee high-yield bonds, including deferred-interest bonds and payment-in-kind securities. Its securities have maturities of one year or more and a credit rating lower than BBB-/Baa3 but are not in default.

The **ISM Manufacturing Index** is based on surveys of more than 300 manufacturing firms by the Institute of Supply Management. The ISM Manufacturing Index monitors employment, production inventories, new orders, and supplier deliveries. A composite diffusion index is created that monitors conditions in national manufacturing based on the data from these surveys.

Italy 10-Year Government Bonds—Italy Benchmark 10-Year Datastream Government Index.

The **JP Morgan CEMBI Broad Diversified Index** is a global, liquid corporate emerging markets benchmark that tracks US-denominated corporate bonds issued by emerging markets entities.

The **JPMorgan Government Bond Index**—emerging markets (**JPM local EM debt**) tracks local currency bonds issued by emerging market governments. The index is positioned as the investable benchmark that includes only those countries that are accessible by most of the international investor base (excludes China and India as of September 2013).

The **JPMorgan Government Bond Index Emerging Markets (JPM External EM Debt)** tracks local currency bonds issued by emerging market governments. The index is positioned as the investable benchmark that includes only those countries that are accessible by most of the international investor base (excludes China and India as of September 2013).

The **JP Morgan Emerging Markets Bond Index Global (EMBI Global)** tracks total returns for traded external debt instruments in the emerging markets and is an expanded version of the EMBI+. As with the EMBI+, the EMBI Global includes US dollar-denominated Brady bonds, loans, and Eurobonds with an outstanding face value of at least $500 million.

The **JP Morgan GBI-EM Global Diversified Index** is a market-capitalization weighted, liquid global benchmark for US-dollar corporate emerging market bonds representing Asia, Latin America, Europe, and the Middle East/Africa.

JPY vs. USD—Japanese yen total return versus US dollar.

The **Markit ITraxx Europe Index** comprises 125 equally weighted credit default swaps on investment grade European corporate entities, distributed among 4 sub-indices: Financials (Senior & Subordinated), Non-Financials and HiVol.

The **Nikkei 225 Index (Japan Nikkei 225)** is a price-weighted index of Japan's top 225 blue-chip companies on the Tokyo Stock Exchange.

The **MSCI AC Asia ex-Japan Index (MSCI Asia ex-Japan)** captures large- and mid-cap representation across two of three developed markets countries (excluding Japan) and eight emerging markets countries in Asia.

The **MSCI All Country World Index (ACWI, MSCI global equities)** is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. The term "free float" represents the portion of shares outstanding that are deemed to be available for purchase in the public equity markets by investors. The performance of the Index is listed in US dollars and assumes reinvestment of net dividends.

MSCI Emerging Markets Index (MSCI emerging equities) captures large- and mid-cap representation across 23 emerging markets (EM) countries.

The **MSCI World Index (MSCI developed equities)** captures large and mid-cap representation across 23 developed market (DM) countries.

Purchasing Managers Index (PMI) is an indicator of the economic health of the manufacturing sector.

The **Refinitiv Convertible Global Focus USD Hedged Index** is a market weighted index with a minimum size for inclusion of $500 million (US), 200 million (Europe), 22 billion Yen, and $275 million (Other) of Convertible Bonds with an Equity Link.

The **Russell 2000® Index** is an index that measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

The **S&P 500® Index (US S&P 500)** measures the performance of the large-cap segment of the US equities market, covering approximately 75 percent of the US equities market. The index includes 500 leading companies in leading industries of the U.S. economy.

S&P CoreLogic Case-Shiller US National Home Price NSA Index seeks to measure the value of residential real estate in 20 major US metropolitan areas: Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas, Denver, Detroit, Las Vegas, Los Angeles, Miami, Minneapolis, New York, Phoenix, Portland, San Diego, San Francisco, Seattle, Tampa and Washington, D.C.

The **S&P/LSTA US Leveraged Loan 100 Index (S&P/LSTA Leveraged Loan Index)** is designed to reflect the performance of the largest facilities in the leveraged loan market.

The **S&P GSCI Copper Index (Copper)**, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark for investment performance in the copper commodity market.

The **S&P GSCI Softs (GSCI soft commodities) Index** is a sub-index of the S&P GSCI that measures the performance of only the soft commodities, weighted on a world production basis. In 2012, the S&P GSCI Softs Index included the following commodities: coffee, sugar, cocoa, and cotton.

Spain 10-Year Government Bonds—Spain Benchmark 10-Year Datastream Government Index.

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The **Thomson Reuters Convertible Global Focus USD Hedged Index** is a market weighted index with a minimum size for inclusion of $500 million (US), 200 million euro (Europe), 22 billion yen, and $275 million (Other) of convertible bonds with an equity link.

U.K. 10YR government bonds—U.K. Benchmark 10-Year Datastream Government Index. For the following Datastream government bond indexes, benchmark indexes are based on single bonds. The bond chosen for each series is the most representative bond available for the given maturity band at each point in time. Benchmarks are selected according to the accepted conventions within each market. Generally, the benchmark bond is the latest issue within the given maturity band; consideration is also given to yield, liquidity, issue size and coupon.

The **US Dollar Index (DXY)** is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of US trade partners' currencies.

The **Chicago Board Options Exchange (CBOE) Market Volatility (VIX) Index** shows the market's expectation of 30-day volatility.

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A separately managed account may not be appropriate for all investors. Separate accounts managed according to the particular strategy may include securities that may not necessarily track the performance of a particular index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required. For important information about the investment managers, please refer to Form ADV Part 2.

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