INVESTMENT OUTLOOK

OCTOBER 2020

ECONOMIC ACTIVITY REBOUNDED SHARPLY OVER THE THIRD QUARTER, PUSHING THE GLOBAL ECONOMY OUT OF THE DOWNTURN PHASE OF THE CREDIT CYCLE.

We believe the economy is now in credit repair, which is a progressive but still-volatile phase of the cycle. We believe risk assets can deliver positive excess return potential in this environment, especially if monetary and fiscal policy remain supportive.

MACRO & MARKET COMMENTARY

MACRO DRIVERS

Key events related to fiscal policy, social distancing and COVID-19 are likely to dictate how well the US economy can perform. Our outlook is broadly constructive.

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CREDIT

We believe credit spreads have room to tighten marginally in the US and Europe.

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GOVERNMENT DEBT & POLICY

Central banks are living up to their role as the lender of last resort.

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CURRENCIES

The US dollar is likely to be range-bound while the global economy normalizes.

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EQUITIES

US equity outperformance has been a theme for several years. The recent sharp pullback could offer an attractive entry point for long-term investors.

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POTENTIAL RISKS

Key risks include election-related volatility, no fiscal deal in the US and disappointing COVID-19 vaccine news.

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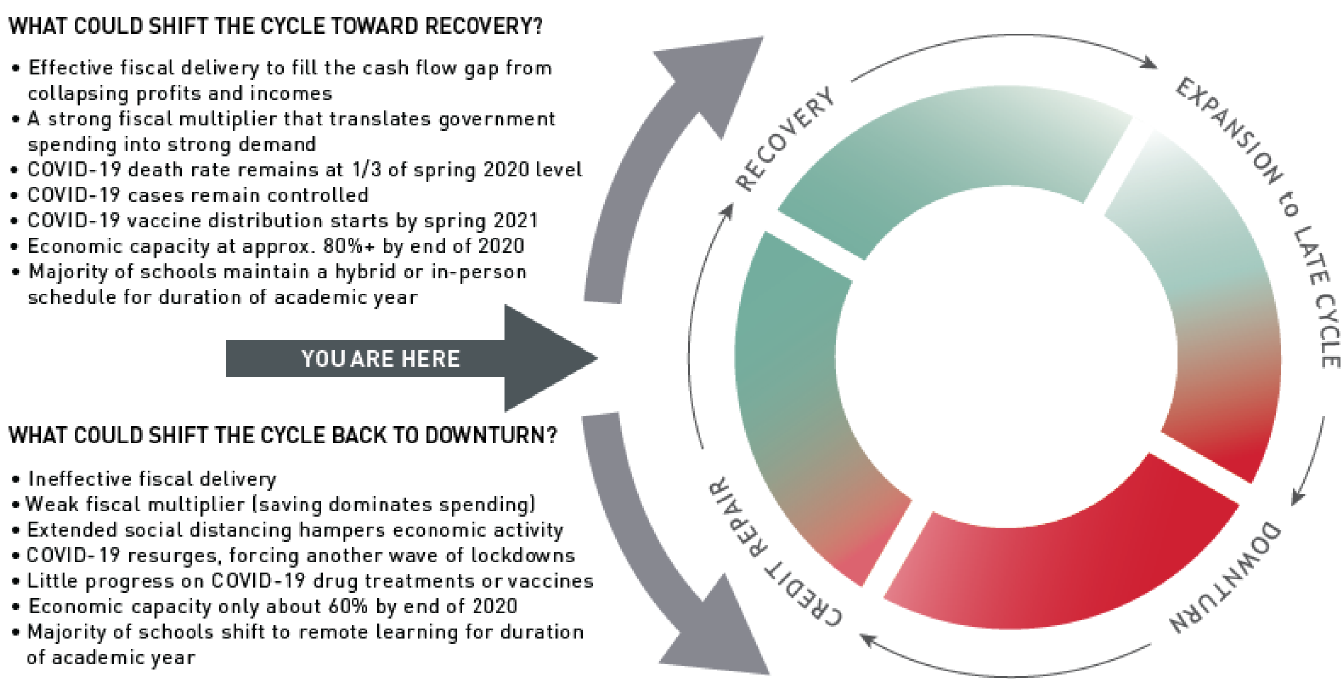
MACRO DRIVERS

We expect a moderation in economic growth over the course of 2021.

- Social distancing measures and the end of lockdowns have allowed for a rapid rebound in economic activity. However, as the winter months approach and schools remain open, we believe a second wave of COVID-19 cases could weigh on economic activity.
- Medical facilities appear better prepared for another surge of COVID-19 cases, which could reduce the likelihood of a return to broad lockdowns.
- We believe an effective vaccine and adequate vaccine distribution are upside catalysts that could end social distancing measures by the spring of 2021. In that scenario, economic growth could potentially roar back stronger than currently expected.
- Extraordinary fiscal measures could help buoy consumer spending and the labor market. In the US, additional fiscal stimulus looks likely to be delayed until the first quarter of 2021.
- The monetary and fiscal policy response to COVID-19 has been a key driver of the rebound we've seen thus far. Additional fiscal stimulus would likely be an upside catalyst for growth and risk asset performance.
- Potential leadership shifts in Washington, DC may generate volatility in risk assets, but we believe the macroeconomic backdrop and continued progress through the credit cycle will be the principal drivers of performance over the long term.



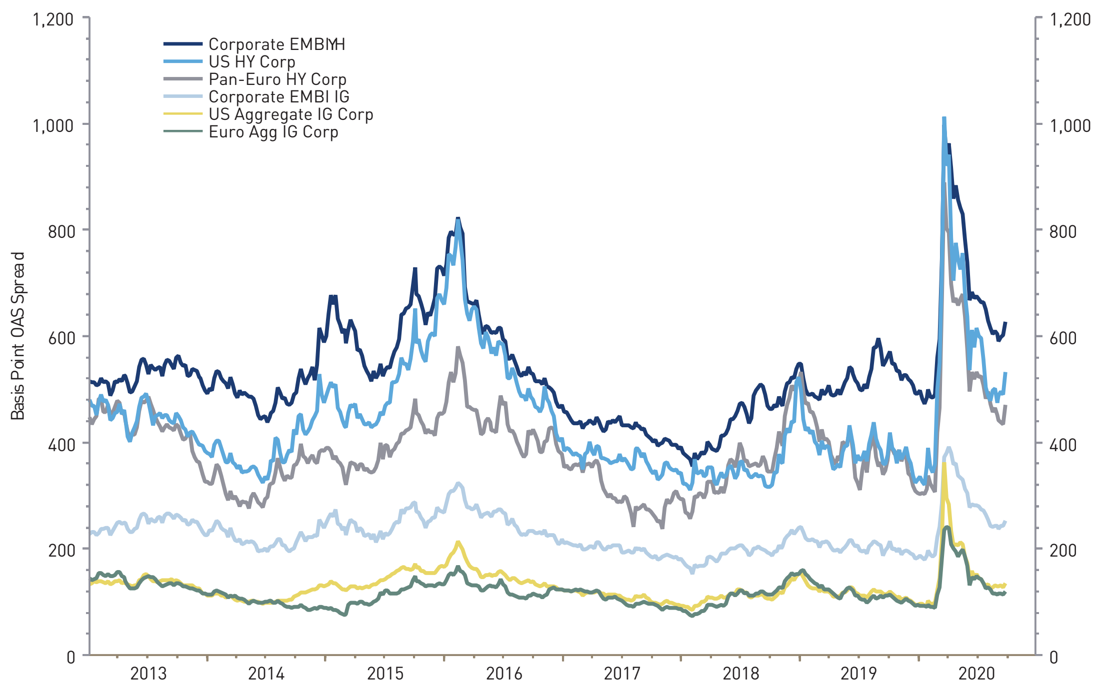
Views as of September 30, 2020. The chart presented above is shown for illustrative purposes only. Some or all of the information on this chart may be dated, and, therefore, should not be the basis to purchase or sell any securities. The information is not intended to represent any actual portfolio. Views and opinions are subject to change at any time.

CREDIT

Spreads tightened ahead of fundamental improvement, but we believe revenue and earnings growth are on the horizon.

- US high-grade credit spreads are likely to remain tight while critical supports like market technicals, demand for yield, monetary easing and a steadily improving domestic economy remain in place.
- Lower-credit-quality fixed income performance tends to be highly correlated with economic activity. We expect US high yield to perform well as the credit cycle progresses toward recovery in the quarters ahead.
- Leverage has been on the rise, assisted by record low rates, tremendous liquidity and demand for yield. However, as earnings growth returns, we think underlying fundamentals can improve organically.
- US-dollar-denominated emerging market (EM) credit should continue to see positive momentum as the global economy improves. The US dollar appears likely to weaken modestly, which would help relieve funding pressure in strained areas of the sector.
- Domestic housing market strength should continue to support RMBS fundamentals. In consumer ABS, fiscal stimulus and unemployment benefits could help contain weakness. In CMBS, the future of commercial real estate and current fundamentals represent challenging hurdles, but signs of a bottom may be emerging.
- We believe realized default rates within the US levered loan sector may be much lower than what the market was pricing in late March. We expect loan prices to move higher going forward.

GLOBAL CREDIT SPREADS



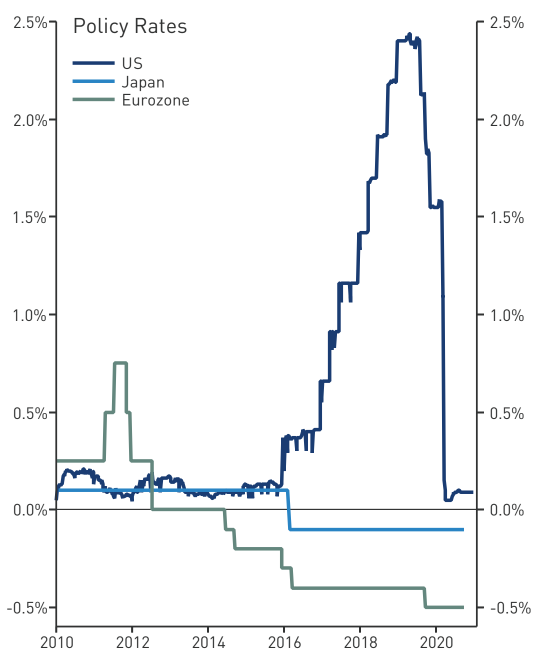
Source: Bloomberg Barclays, J.P. Morgan, data as of 9/28/2020. Information, including that obtained from outside sources, is believed to be correct, but Loomis Sayles cannot guarantee its accuracy.

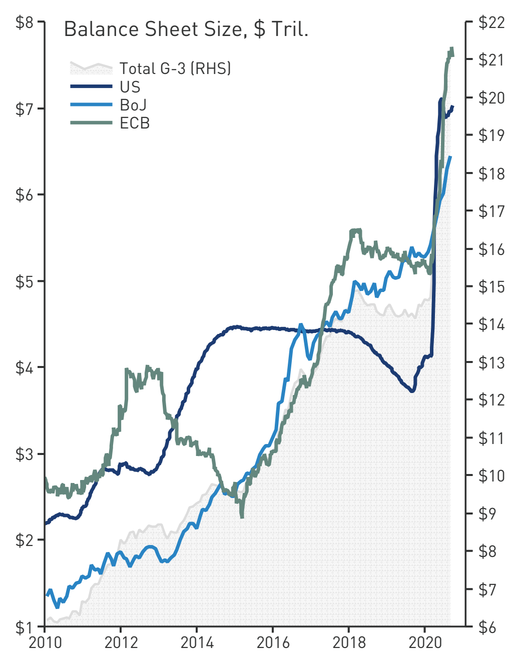
GOVERNMENT DEBT & POLICY

Record-low interest rates support the argument for deficit spending, especially in a time of crisis.

- Federal Reserve Chair Jerome Powell and other members of the Fed board made clear that policy rates will remain at the zero lower bound for a period of years. However, the Fed has said little to specify how it would react to inflation under the new monetary policy framework.
- Nevertheless, market participants seem satisfied with the Fed's dovish approach to policy and focus on restoring the labor market to pre-pandemic levels. Specific details on quantitative easing (QE), forward guidance and inflation are likely on the horizon.
- Developed market yields appear likely to stay in tight ranges with a modest upward drift over the next year.
- Government borrowing rates have been so low that monetary policymakers in the US and Europe are openly calling for fiscal policy support. In our view, funding stimulus initiatives at low rates is logical, especially when the Fed and the European Central Bank (ECB) are buying the bonds through QE.
- Financial conditions and fiscal policy responses to COVID-19 vary widely across EM. This will likely result in a rougher road through credit repair for EM in aggregate.
- We believe security selection is critical across asset classes, but especially in EM. In the rates sector, we think Mexico, Brazil and South Africa currently look attractive.

G3 CENTRAL BANK BALANCE SHEETS





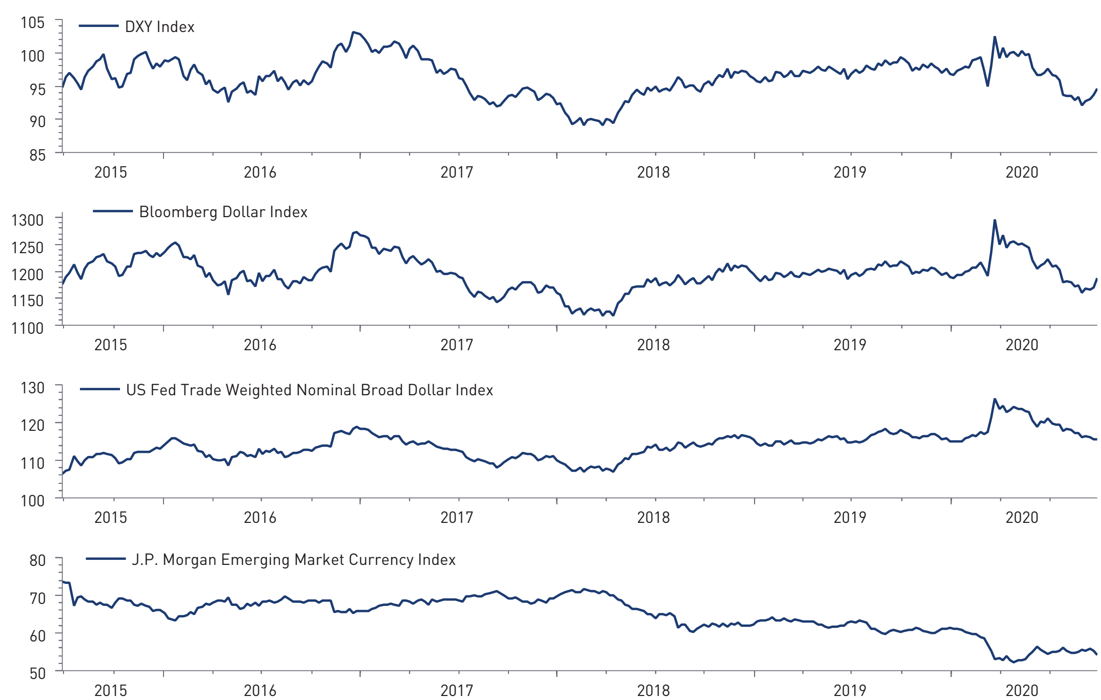
Source: Refinitiv Datastream, data as of 9/29/2020. Information, including that obtained from outside sources, is believed to be correct, but Loomis Sayles cannot guarantee its accuracy.

CURRENCIES

Modest dollar weakness is a key pillar supporting our progressive macroeconomic outlook.

- Traditionally, it takes a major disruption in global financial conditions (excluding the US) to spark a multi-year US dollar rally. That is not a condition we are observing now.
- As investor risk appetite improved in recent months, the US dollar indices fell roughly 10% from pandemic highs. We currently see limited downside in the broad dollar near term.
- If the global economy shows signs of normalizing in the latter half of 2021, we believe the dollar will likely begin to trend weaker relative to developed and EM currencies.
- The US dollar's reserve currency status appears essentially unchallenged and it remains a relative "safe haven" when risk assets sell off or correct.
- Strength in the euro/dollar exchange rate looks limited from the $1.20 level. The exchange rate briefly traded above $1.20 on an intraday basis in early September, prompting ECB officials to suggest the euro does matter for monetary policy. A strong euro can lower demand for the region's exports.
- In the developed market space, we believe Sweden and Norway look fairly attractive relative to the dollar. Within EM, Mexico, Brazil and Colombia currently look attractive, especially with carry.

US DOLLAR INDEX LEVELS



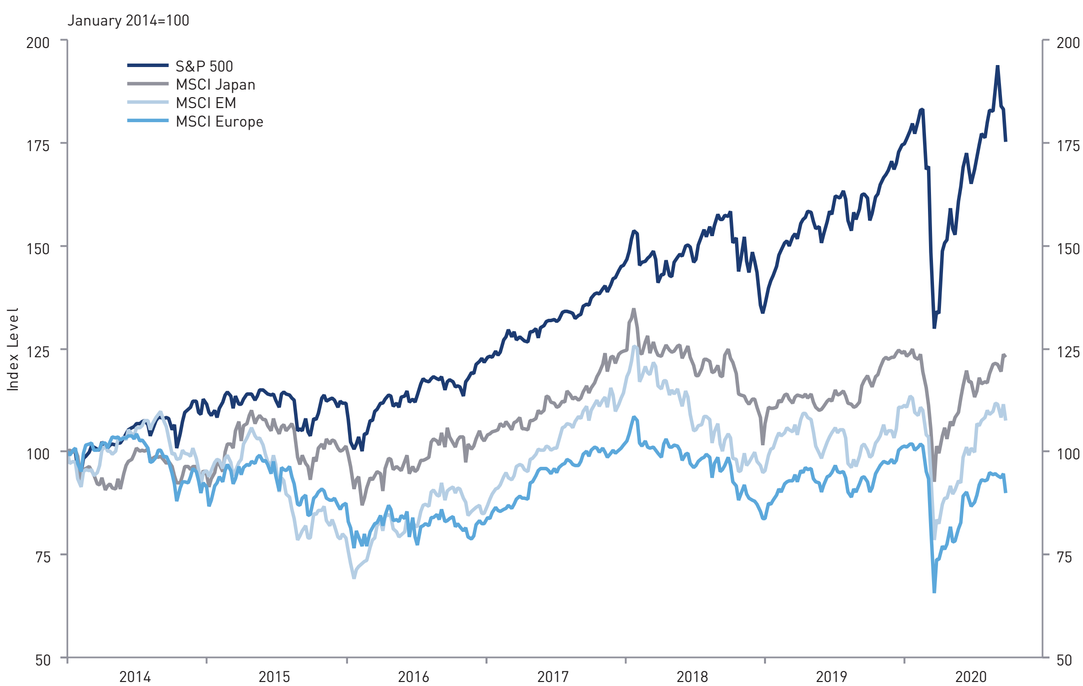
Source: Bloomberg, Federal Reserve, J.P. Morgan, data as of 9/28/2020. Information, including that obtained from outside sources, is believed to be correct, but Loomis Sayles cannot guarantee its accuracy.

EQUITIES

S&P 500 sector composition could continue to drive its relative outperformance.

- Global equity valuations are likely to remain above historic averages given the tilt of monetary policymakers and ultra-low interest rates across developed economies.
- Equity valuations have been at historically high levels, reflecting an eventual return to normalized economic growth, strong fiscal stimulus, sizable central bank balance sheet expansion, and optimism about COVID-19 vaccine or treatment breakthroughs.
- Investors seem to be looking toward a potential global corporate earnings recovery in 2021, when companies are expected to deliver sharp year-over-year growth.
- Forward return prospects look positive for global equities overall. However, US large-cap indices look positioned for continued outperformance given their strong tilt toward high-growth technology companies with strong fundamentals.
- The financial and energy sectors face challenges in this environment of low interest rates, flattish yield curves and flat oil prices. Europe and Japan indices may be weighed down by fairly large exposures to financials and limited exposure to high-growth technology stocks.
- Within the global equity space, we prefer EM over Europe and Japan given index exposure to technology, a strong economic rebound in Asia and potential for dollar weakness.

GLOBAL EQUITY RELATIVE PERFORMANCE



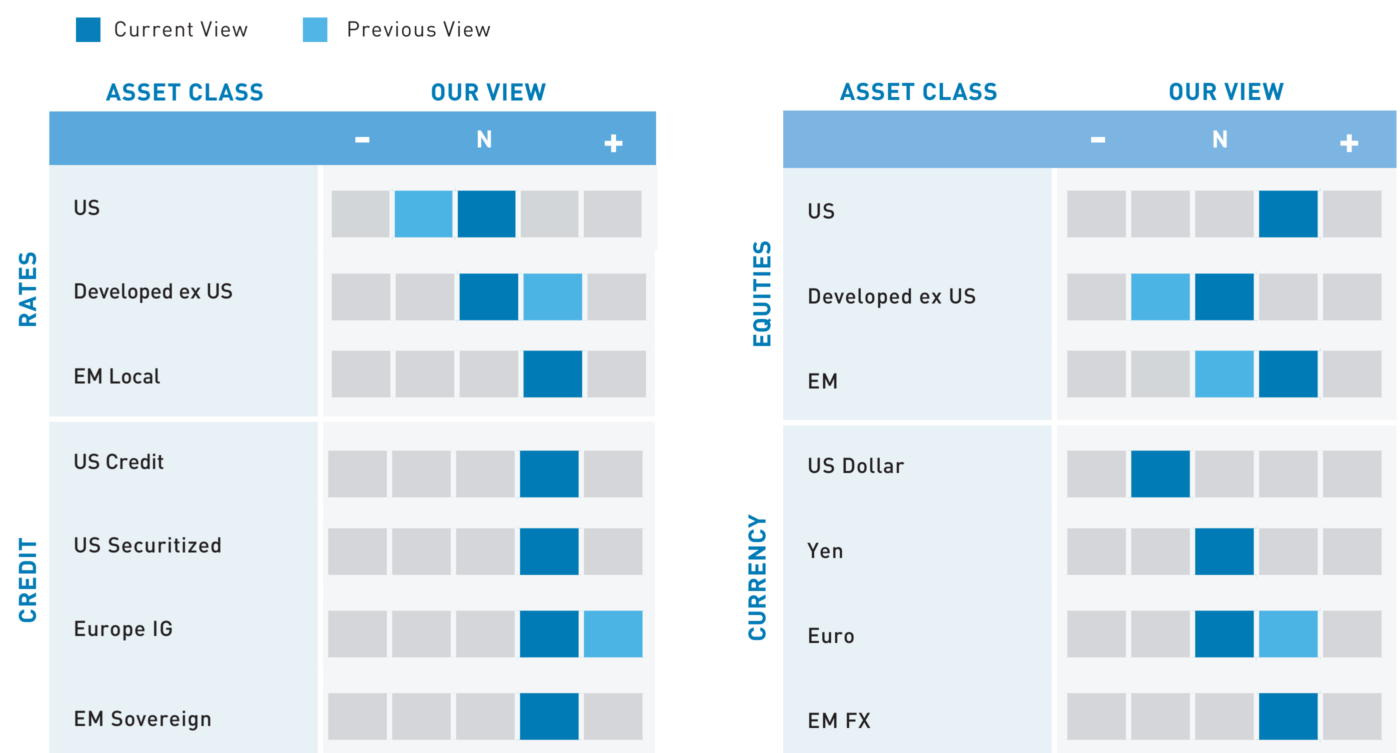
Source: Refinitiv Datastream, data as of 9/28/2020. Information, including that obtained from outside sources, is believed to be correct, but Loomis Sayles cannot guarantee its accuracy.

POTENTIAL RISKS

There is little shortage of macro concern, but risks seem tilted in favor of the bulls.

- As traditional cold and flu season arrives, the number of positive COVID-19 cases is likely to spike. If the spread begins to pressure medical facility capacity, we could face a return to lockdown, which would likely halt economic progress and risk appetite.
- Risk markets appear to have priced in a level of optimism about the likelihood of an effective vaccine getting developed and distributed. If clinical trials for vaccines begin to trip up, we could see investor and consumer confidence take a hit.
- The end of social distancing would be an important milestone that would allow a number of recreational activities to resume. Consumers have pent-up demand for travel and leisure activity that could boost GDP if social distancing ends.
- Fiscal stimulus has been a key factor in the transition from downturn to credit repair. We may face renewed economic headwinds if policymakers cannot strike another deal this year or next.
- Executive branch leadership changes in Washington, DC and new legislation often create market volatility. However, over the long run, prevailing macroeconomic conditions tend to be among the most important drivers of risk asset performance.

ASSET CLASS OUTLOOK



Third Quarter Review

INDEX RETURNS BY SECTOR
as of September 30, 2020

INDEX				
US BROAD MARKET	1 MONTH	3 MONTH	6 MONTH	1 YEAR
BBG BARC US AGGREGATE BOND	-0.05	0.62	3.53	6.98
BBG BARC US GOVERNMENT/CREDIT	-0.05	0.78	4.52	8.03

The US aggregate and US government/credit indices finished the third quarter with modestly positive returns. Performance was not quite as strong as the second quarter, as the steep losses experienced in March were largely recovered by the beginning of the third quarter. The fixed income market as a whole has been resilient despite wild swings in risk appetite this year.

US GOVERNMENTS	1 MONTH	3 MONTH	6 MONTH	1 YEAR
BBG BARC US TREASURYS	0.14	0.17	0.65	8.04
3-MONTH T-BILLS	0.01	0.04	0.06	1.11
2-YEAR TREASURY	0.02	0.07	0.21	3.45
5-YEAR TREASURY	0.01	0.18	0.68	7.20
10-YEAR TREASURY	0.21	0.06	0.75	10.78
30-YEAR TREASURY	0.11	-0.80	-1.51	17.86
BBG BARC US TIPS	-0.37	3.03	7.40	10.08
BBG BARC US AGENCY	0.20	0.36	1.25	5.34

US Treasurys ended the quarter with tepid, yet positive, returns. Yields faced downward pressure as investors used US Treasurys as a "safe-haven" asset and the Fed kept rates low through steady QE purchases. At the same time, the Fed has been adamantly against implementing any sort of negative interest rate policy. For these reasons, US Treasurys traded in a tight range and produced very little returns for the quarter.

US MUNICIPALS	1 MONTH	3 MONTH	6 MONTH	1 YEAR
BBG BARC US MUNICIPALS	0.02	1.23	3.99	4.09

Municipal bonds have continued to post positive returns since the market turbulence in late March, and posted excess returns over US Treasurys for the quarter. The municipal bond market has continued to function without material support from the Fed's Municipal Liquidity Facility. The facility allows for the purchase of up to $500 billion of investment grade municipal debt, but has only purchased an average of $1 million worth of municipal debt per week since the facility became operational.

US SECURITIZED	1 MONTH	3 MONTH	6 MONTH	1 YEAR
BBG BARC MBS	-0.11	0.11	0.78	4.36
BBG BARC ABS	0.13	0.79	4.36	4.55
BBG BARC CMBS	0.34	1.71	5.73	6.63

Securitized assets produced positive returns for the quarter. The CMBS index has a much longer average duration profile than the rest of the asset class, which led to outperformance as investor risk appetite improved. The Fed's QE purchases have continued to support MBS assets. The Fed has also supported the ABS market through the reinstated Term Asset-Backed Securities Loan Facility, which has only purchased $11 billion of its $100 billion limit so far. Fed support seems to have helped keep the markets calm.

Data Sources: Bloomberg Barclays indices from Barclays Live; currency returns, JPMorgan and Citigroup indices from Bloomberg; bank loans from S&P Global Market Intelligence.

All returns in US dollars, unless noted. ***Past performance is no guarantee of future results.***

INDEX RETURNS BY SECTOR
as of September 30, 2020

INDEX				
CORPORATES	1 MONTH	3 MONTH	6 MONTH	1 YEAR
BBG BARC US INVESTMENT GRADE	-0.29	1.54	10.66	7.90
AAA	0.16	1.09	5.66	10.47
AA	-0.20	0.82	5.68	7.36
A	-0.31	1.13	8.39	8.54
BBB	-0.29	2.00	13.75	7.45
BBG BARC EUROPEAN INVESTMENT GRADE *-LOCAL CURRENCY RETURNS*	0.30	1.99	7.38	0.26
AAA	0.48	1.50	6.54	1.36
AA	0.20	0.91	5.36	0.46
A	0.32	1.77	7.31	0.33
BBB	0.31	2.35	7.82	0.19
BBG BARC STERLING INVESTMENT GRADE *-LOCAL CURRENCY RETURNS*	0.54	1.52	10.69	4.60
AAA	2.68	-1.25	14.89	9.75
AA	0.65	0.43	9.17	4.19
A	0.84	1.34	10.78	4.54
BBB	0.24	1.92	10.71	4.52

The Fed has opened up facilities to purchase corporate investment grade debt. Generally, developed market investment grade corporates posted positive returns, with lower-quality indices outperforming. Euro-aggregate bonds slightly outperformed, catching up after lagging behind in the second quarter.

CORPORATES	1 MONTH	3 MONTH	6 MONTH	1 YEAR
BBG BARC US HIGH YIELD	-1.03	4.60	15.24	3.25
BB	-1.42	4.02	16.02	6.79
B	-0.92	4.53	13.57	1.42
CCC	0.48	7.35	17.11	-3.48
BBG BARC PAN-EURO HIGH YIELD *-LOCAL CURRENCY RETURNS*	-0.72	2.58	13.72	-1.02
BB	-0.89	2.49	11.71	-1.00
B	-0.70	2.70	15.21	-2.99
CCC	0.54	3.00	25.43	3.79

High yield debt provided relatively high returns for the quarter. The asset class outperformed investment grade as investors continued to search for yield. Generally, lower-quality assets performed better in both the US and pan-euro categories. High yield debt has appeared to benefit from expectations of a relatively swift economic recovery.

Data Sources: Bloomberg Barclays indices from Barclays Live; currency returns, JPMorgan and Citigroup indices from Bloomberg; bank loans from S&P Global Market Intelligence.

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INDEX RETURNS BY SECTOR
as of September 30, 2020

INDEX				
BANK LOANS	1 MONTH	3 MONTH	6 MONTH	1 YEAR
S&P/LSTA LEVERAGED LOAN	0.63	4.14	14.24	1.06
BB	0.24	2.68	10.03	-0.58
B	0.63	4.33	15.93	2.14
CCC	2.28	8.51	23.84	-3.12

The performance of the high yield bank loan market is often correlated with that of the US high yield bond market, and this quarter was no exception. Bank loans benefited from the continued risk-on rally. Lower-quality bank loans outperformed as investors continued to increase their overall risk exposure.

DEVELOPED COUNTRIES	1 MONTH	3 MONTH	6 MONTH	1 YEAR
CITIGROUP WGBI *-LOCAL CURRENCY RETURNS*	0.74	0.63	1.59	3.51
CITIGROUP NON-USD WGBI	1.07	0.88	2.08	0.54
UNITED STATES	0.14	0.18	0.74	8.01
CANADA	0.49	-0.12	2.17	6.44
JAPAN	0.34	0.16	-0.58	-2.24
AUSTRALIA	1.33	0.87	0.66	2.87
UNITED KINGDOM	1.65	-1.36	1.46	3.86
EUROPEAN GBI	1.43	1.67	3.50	0.66
FRANCE	1.39	1.21	3.13	0.69
GERMANY	1.02	0.40	0.62	-0.58
IRELAND	0.92	1.32	3.38	2.05
ITALY	1.97	3.49	6.12	1.96
SPAIN	1.24	1.75	4.29	0.56

Global government bonds delivered mildly positive returns for the quarter, outperforming US Treasurys. Only Canada and the UK posted negative returns over the past three months. Peripheral European countries such as Ireland, Italy and Spain performed particularly well.

EMERGING MARKET BONDS	1 MONTH	3 MONTH	6 MONTH	1 YEAR
JP MORGAN EMBIG *-SOVEREIGN/QUASI-SOVEREIGN, USD*	-1.65	2.28	13.75	2.47
JP MORGAN CEMBI BROAD DIVERSIFIED *-CORPORATES, USD*	-0.48	2.75	14.20	4.85
JP MORGAN GBI-EM GLOBAL DIVERSIFIED *-GOVERNMENTS, LOCAL CURRENCY*	0.11	0.87	6.58	7.11

Consistent with the market narrative of the third quarter, EM continued to outperform, though not at the rate seen in the second quarter. EM dollar-pay bonds continued their rally, assisted by a weakining US dollar. Corporate hard-currency bonds outperformed EM sovereign debt by just under 50 basis points. Local-currency EM debt posted modestly positive returns, narrowly outperforming developed market government debt.

Data Sources: Bloomberg Barclays indices from Barclays Live; currency returns, JPMorgan and Citigroup indices from Bloomberg; bank loans from S&P Global Market Intelligence.

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INDEX RETURNS BY SECTOR

as of September 30, 2020

INDEX				
CURRENCY MARKETS	1 MONTH	3 MONTH	6 MONTH	1 YEAR
DOLLAR BLOC				
CANADIAN DOLLAR	-2.04	1.93	5.58	-0.59
AUSTRALIAN DOLLAR	-2.90	3.75	16.82	6.10
NEW ZEALAND DOLLAR	-1.72	2.53	11.10	5.65
WESTERN EUROPE				
EURO	-1.80	4.34	6.26	7.54
NORWEGIAN KRONE	-6.52	3.14	11.47	-2.53
SWEDISH KRONA	-3.48	4.06	10.58	9.86
SWISS FRANC	-1.87	2.87	4.37	8.34
BRITISH POUND	-3.37	4.19	4.03	5.13
EMERGING EUROPE & AFRICA				
CZECH KORUNA	-4.75	2.77	7.37	2.48
HUNGARIAN FORINT	-3.99	1.72	5.41	-0.94
POLISH ZLOTY	-4.69	2.36	6.81	3.74
RUSSIAN RUBLE	-4.59	-8.30	1.02	-16.45
SOUTH AFRICAN RAND	1.15	3.60	6.51	-9.63
TURKISH NEW LIRA	-4.81	-11.18	-14.26	-26.77
ASIA				
JAPANESE YEN	0.41	2.32	1.95	2.46
CHINESE RENMINBI	0.85	4.02	4.30	5.26
INDONESIAN RUPIAH	-2.13	-4.13	9.61	-4.60
MALAYSIAN RINGGIT	0.18	3.12	3.96	0.75
PHILIPPINE PESO	0.04	2.75	4.56	6.89
SINGAPORE DOLLAR	-0.37	2.07	4.15	1.21
SOUTH KOREAN WON	1.56	2.85	4.19	2.28
LATIN AMERICA				
ARGENTINE PESO	-2.63	-7.51	-15.45	-24.39
BRAZILIAN REAL	-2.05	-2.53	-7.19	-25.91
CHILEAN PESO	-0.98	4.70	9.03	-7.13
COLOMBIAN PESO	-2.30	-1.87	5.92	-9.20
MEXICAN PESO	-1.03	3.97	7.04	-10.76
PERUVIAN NEW SOL	-1.66	-1.69	-4.73	-6.47

The US dollar sold off significantly in the quarter, particularly in July. As a result, most currencies posted positive returns for the period. Latin America was the exception, where only Chile and Mexico had positive quarterly returns. Many currencies in this region continued to underperform, including Brazil and Colombia. Developed market currencies posted consistent quarterly performance in the 2% to 4% range.

Data Sources: Bloomberg Barclays indices from Barclays Live; currency returns, JPMorgan and Citigroup indices from Bloomberg; bank loans from S&P Global Market Intelligence.

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GLOBAL EQUITY MARKETS

as of September 30, 2020

INDEX TOTAL RETURNS (%)

INDEX	3 MONTH	1 YEAR	3 YEAR	5 YEAR
S&P 500®	8.93	15.15	12.28	14.15
MSCI ALL COUNTRY WORLD	8.25	11.00	7.68	10.90
MSCI EUROPE	4.58	-0.27	-0.01	4.86
MSCI JAPAN	7.08	7.31	4.32	7.90
MSCI EMERGING MARKETS	9.70	10.91	2.79	9.37

Equity markets continued their recovery from the lows of March. Emerging markets outperformed their developed market counterparts in the quarter. Outside of Europe, the dispersion among quarterly returns was relatively limited and 12-month returns were strong. These returns could indicate that investors have been looking through earnings reports and focusing on the potential for better news in 2021.

US EQUITY MARKETS

as of September 30, 2020

INDEX TOTAL RETURNS (%)

INDEX	3 MONTH	1 YEAR	3 YEAR	5 YEAR
RUSSELL 1000®	9.47	16.01	12.38	14.09
GROWTH	13.22	37.53	21.67	20.10
VALUE	5.59	-5.03	2.63	7.66
RUSSELL MIDCAP®	7.46	4.55	7.13	10.13
GROWTH	9.37	23.23	16.23	15.53
VALUE	6.40	-7.30	0.82	6.38
RUSSELL 2000®	4.93	0.39	1.77	8.00
GROWTH	7.16	15.71	8.18	11.42
VALUE	2.56	-14.88	-5.13	4.11

Within US equities, most sectors benefited from the risk-on market rally in the quarter. Large caps outperformed small caps and growth indices outperformed value indices, which is in line with the general five-year trend of these indices. Value indices' one-year returns have not fully recovered and remain in negative territory.

Data Source: FactSet. All returns quoted in US dollars. Performance for one and multi-year periods is annualized. Sorted by index quarterly returns. Due to rounding, sector totals may not equal 100%. ***Past performance is no guarantee of future results.***

S&P 500 SECTORS
as of September 30, 2020

SECTOR PERFORMANCE ATTRIBUTION (%)				
INDEX	3 MONTH	1 YEAR	3 YEAR	5 YEAR
CONSUMER DISCRETIONARY	15.06	28.89	20.57	17.09
MATERIALS	13.31	12.22	6.20	12.01
INDUSTRIALS	12.47	1.38	4.57	10.79
INFORMATION TECHNOLOGY	11.95	47.22	28.21	27.28
CONSUMER STAPLES	10.38	7.79	9.04	9.40
COMMUNICATION SERVICES	8.94	18.37	8.43	10.04
UTILITIES	6.14	-4.97	7.53	10.33
HEALTHCARE	5.87	20.09	11.09	11.89
FINANCIALS	4.45	-11.87	-0.14	7.85
REAL ESTATE	1.92	-7.28	6.67	4.22
ENERGY	-19.72	-45.24	-23.35	-16.08

A few higher-beta industries, such as consumer discretionary and information technology, continued to perform well in the quarter. Industrials and materials also performed well as manufacturing PMIs returned to expansionary levels. Energy was the only sector to post negative returns this quarter.

Data Source: FactSet. All returns quoted in US dollars. Performance for one and multi-year periods is annualized. Sorted by index quarterly returns. Due to rounding, sector totals may not equal 100%. ***Past performance is no guarantee of future results.***

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Disclosure

All data as of September 30, 2020, unless otherwise noted.

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Past performance is no guarantee of future results.

Indices are unmanaged and do not incur fees. It is not possible to invest directly in an index.

Investing involves risk including possible loss of principal.

Commodity, interest and derivative trading involves substantial risk of loss.

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Index Definitions

Bloomberg Barclays US Aggregate Bond Index *represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.*

Bloomberg Barclays US Government/Credit Index *includes securities in the government and credit indices. The government index includes treasuries -i.e., public obligations of the US Treasury that have remaining maturities of more than one year and agencies -i.e., publicly issued debt of US Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the US Government. The credit index includes publicly issued US corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.*

Bloomberg Barclays US Treasury Index *includes public obligations of the US Treasury with at least one year until final maturity, excluding certain special issues such as state and local government series bonds -SLGs, US Treasury TIPS and STRIPS.*

Bloomberg Barclays US Treasury Inflation Protected Securities Index *consists of inflation-protection securities issued by the US Treasury that have at least one year to maturity and at least $250 million par amount outstanding.*

Bloomberg Barclays US Agency Index *includes agency securities that are publicly issued by US Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the US Government -such as USAID securities.*

Bloomberg Barclays US Municipal Index *is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds -including all insured bonds with a Aaa/AAA rating, and prerefunded bonds.*

Bloomberg Barclays Mortgage-Backed Securities -MBS Index *is a component of the Bloomberg Barclays Aggregate Index covering mortgage-backed pass-through securities of Ginnie Mae -GNMA, Fannie Mae -FNMA and Freddie Mac -FHLMC. The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates.*

Bloomberg Barclays Asset-Backed Securities -ABS Index *is a component of the Bloomberg Barclays US Aggregate Index including pass-through, bullet and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. Constituents must have an average life of at least one year and a deal size of at least 500 million.*

Bloomberg Barclays Commercial Mortgage-Backed Securities -CMBS ERISA-Eligible Index *is a component of the Bloomberg Barclays US Aggregate Index and the ERISA-eligible component of the Bloomberg Barclays CMBS Index. This index, which includes investment grade securities that are ERISA eligible under the underwriter's exemption, is the only CMBS sector that is included in the US Aggregate Index.*

Bloomberg Barclays US Corporate Index *contains publicly issued US corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity and quality requirements. To qualify, bonds must be SEC-registered. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both US and non-US corporations. The non-corporate sectors are Sovereign, Supranational, Foreign Agency, and Foreign Local Government.*

Bloomberg Barclays Euro-Aggregate Corporate Index *consists of bonds issued in the euro or the legacy currencies of the 16 sovereign countries participating in the European Monetary Union -EMU. All issues must be investment grade-rated, fixed-rate securities with at least one year remaining to maturity. The Euro-Aggregate Index excludes convertible securities, floating rate notes, perpetual notes, warrants, linked bonds, and structured products.*

Bloomberg Barclays Sterling Aggregate Corporate Index *is a broad-based benchmark that measures the investment grade, fixed-rate, taxable, corporate sterling-denominated bond market. Inclusion is based on the currency of the issue, not the domicile of the issuer. The index includes publically issued securities from industrial, utility, and financial companies that meet specified maturity, liquidity and quality requirements.*

Bloomberg Barclays US Corporate High-Yield Index *covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets -sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch are excluded, but Canadian and global bonds -SEC registered of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds -PIKs, as of October 1, 2009 are also included.*

Bloomberg Barclays Pan-European High-Yield Index *covers the universe of fixed-rate, sub-investment grade debt denominated in euros or other European currencies -except Swiss francs. Securities must be rated high-yield -Ba1/BB+ or lower by at least two of the following rating agencies: Moody's, S&P, Fitch. Excludes emerging markets.*

S&P/LSTA Leveraged Loan Index*, is a market value-weighted index designed to measure the performance of the US leveraged loan market based upon market weightings, spreads and interest payments.*

Citigroup World Government Bond Index -WGBI *measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies. The WGBI provides a broad benchmark for the global sovereign fixed income market.*

JPMorgan Emerging Markets Bond Index Global -EMBIG *tracks total returns for US dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds.*

JPMorgan Corporate Emerging Markets Bond Index -CEMBI Broad Diversified *tracks total returns of US dollar-denominated debt instruments issued by corporate entities in emerging markets countries. The CEMBI Broad is the most comprehensive corporate benchmark followed by the CEMBI, which consists of an investable universe of corporate bonds.*

JPMorgan Government Bond Index—Emerging Markets -GBI-EM Global Diversified *provides a comprehensive measure of local currency denominated, fixed rate, government debt issued in emerging markets.*

Standard & Poor's 500 -S&P 500® Index *is a market capitalization-weighted Index of approximately 500 common stocks chosen for market size, liquidity, and industry group representation to measure broad US equity performance. S&P 500® is a registered service mark of McGraw-Hill Companies, Inc.*

MSCI All Country World *is a market cap weighted index of stocks from developed and emerging markets providing a broad measure of global equity-market performance.*

MSCI Europe *is a free float-adjusted market cap index measuring equity market performance of the large and mid cap segments across European developed markets.*

MSCI Japan *is a free float-adjusted market cap index measuring equity market performance of the large and mid cap segments of the Japanese market.*

MSCI Emerging Markets Index *is a free float-adjusted market cap index measuring equity market performance of emerging markets.*

Russell 1000® Index *measures the performance of the large cap segment of the US equity universe. It is a subset of the Russell 3000 Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.*

Russell 1000® Growth Index *measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.*

Russell 1000® Value Index *measures the performance of the large cap value segment of the US equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values.*

Russell Midcap® Index *measures the performance of the mid cap segment of the US equity universe. The Russell Midcap is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.*

Russell Midcap® Growth Index *measures the performance of the mid cap growth segment of the US equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.*

Russell Midcap® Value Index *measures the performance of the mid cap value segment of the US equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.*

Russell 2000® Index *measures the performance of the small cap segment of the US equity universe. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.*

Russell 2000® Growth Index *measures the performance of the small cap growth segment of the US equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.*

Russell 2000® Value Index *measures the performance of small cap value segment of the US equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.*