

STRATEGIC ASSET MANAGEMENT (SAM) PORTFOLIOS

# Quarterly commentary

THIRD QUARTER 2024

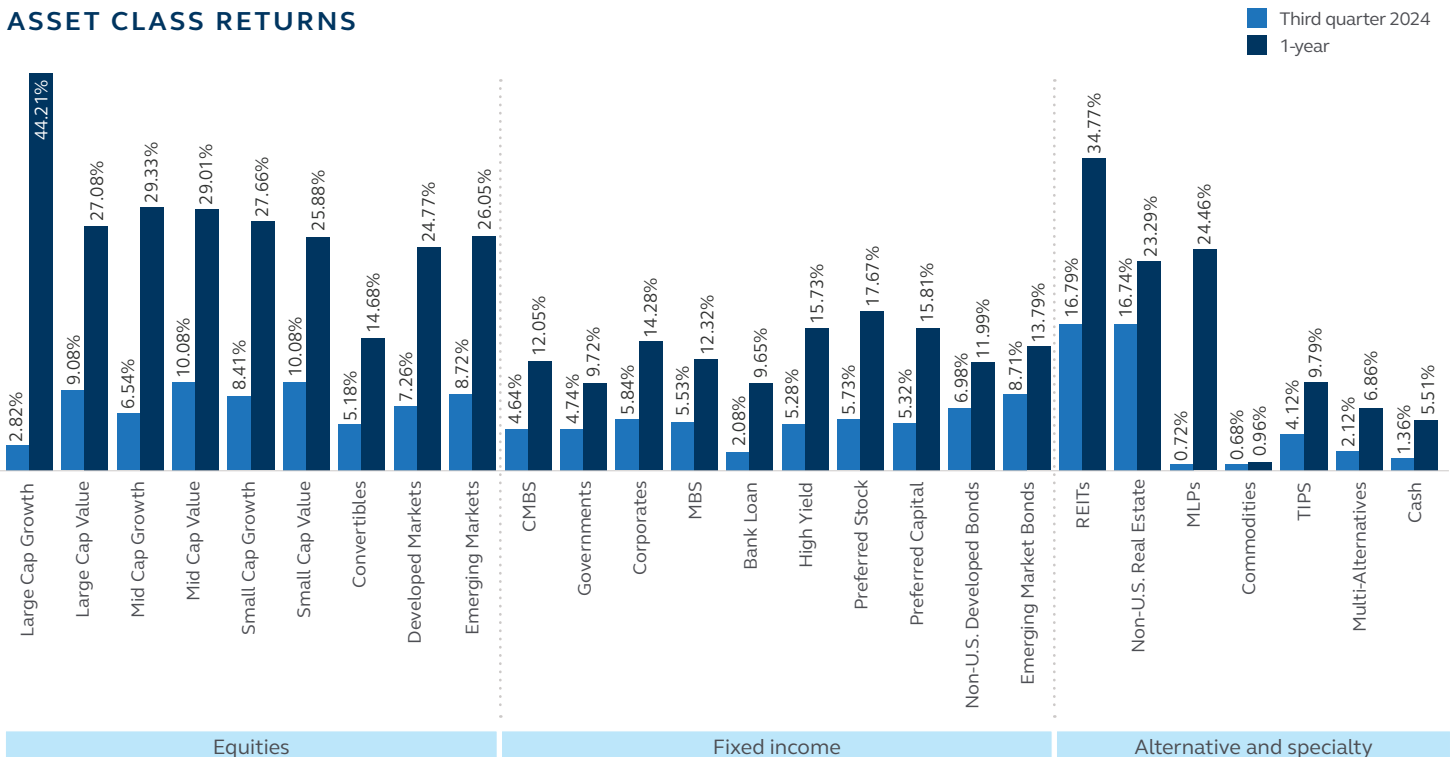
## Market review

2024's risk asset rally continued in the third quarter. Equities, fixed income, and alternatives delivered positive total returns as investors benefited from continued economic resilience and healthy corporate earnings in the U.S., as well as the much-anticipated arrival of the Federal Open Market Committee's ("Fed's") decision to lower their target interest rate. With greater confidence in a sustainable path to their 2% inflation target and softening labor market data, the Fed cut their target rate by 50 basis points (bps) to 4.75%-5.00% in September.

During the quarter, risk assets rose on the anticipation and finally the transition to the rate cutting cycle. U.S. equities (Russell 3000 Index) posted +6.23% total return, led by U.S. small cap equity (Russell 2000: +9.27%) and mid cap equity (Russell Midcap: +9.21%). After leading in the first half of the year, U.S. large cap equities (Russell Top 200: +5.22%) lagged this quarter as U.S. equity market performance broadened out beyond the secular large cap growth technology trend.

(continued on next page)

## ASSET CLASS RETURNS



As of September 30, 2024. Source: Bloomberg, Bureau of Economic Analysis, Bureau of Labor Statistics. Past performance does not guarantee future results. The asset classes are represented by the following indexes from left to right: Russell Top 200 Growth, Russell Top 200 Value, Russell Midcap Growth, Russell Midcap Value, Russell 2000 Growth, Russell 2000 Value, ICE BofAML U.S. Convertible Excluding Mandatory, MSCI EAFE, MSCI EM, Bloomberg CMBS Investment Grade, Bloomberg U.S. Treasury, Bloomberg U.S. Corporate, Bloomberg U.S. MBS, Credit Suisse Leveraged Loan, Bloomberg U.S. Corporate High Yield, ICE Bofa Fixed Rate Preferred Securities, ICE Bofa U.S. Corporate All Capital Securities, Bloomberg Global Aggregate, Bloomberg EM Local Currency Government Diversified, FTSE NAREIT All Equity REITs, FTSE EPRA/NAREIT Global ex U.S., Alerian MLP, Bloomberg Commodity, Bloomberg U.S. Treasury Inflation Notes, Hedge Fund Research HFRX Global Fund, and Bloomberg Short Treasury: 1-3 Months. All returns are total returns.

Overall, while U.S. equities (Russell 3000: +6.23%) posted a strong total return, emerging market equities (MSCI EM: +8.72%) and developed ex-U.S. equities (MSCI EAFE: +7.26%) both outperformed U.S. equities, helped by U.S. dollar depreciation and significant China stimulus.

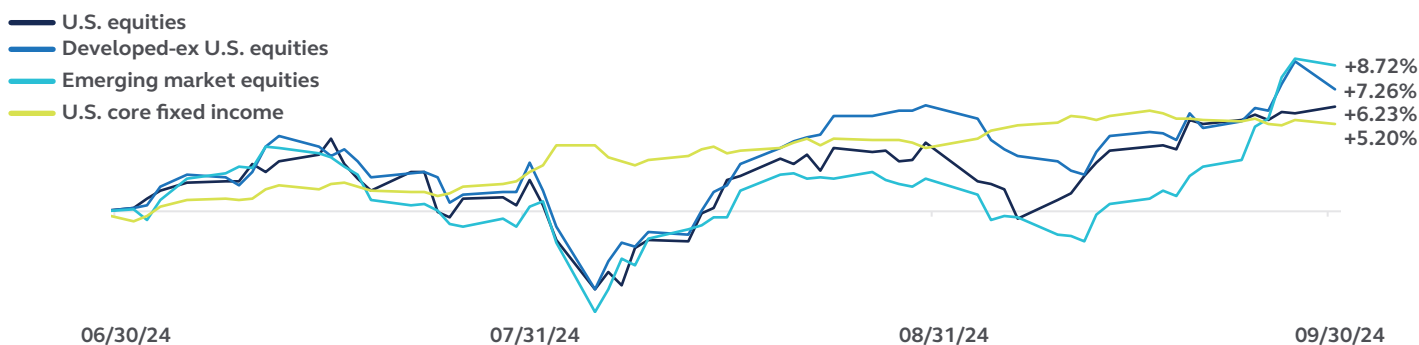
In the declining interest rate environment, core fixed income (Bloomberg U.S. Aggregate Bond Index) posted a robust +5.20% total return for the quarter. Within the U.S., investment grade corporate bonds benefited the most, but outside the U.S., both developed ex.-U.S. and emerging market bonds led the fixed income asset class results.

Additionally, within alternatives & specialty, real estate also benefited from the decline in interest rates, providing double-digit returns, and rising to be the top performers for the quarter.

## U.S. 10-YEAR YIELD



## CUMULATIVE RETURNS



As of September 30, 2024. Source: Bloomberg.

The asset classes above are represented by the following indexes from top to bottom: Russell 3000, Russell Top 200, Russell MidCap, Russell 2000, Bloomberg U.S. Aggregate Bond Index. All returns are total returns. Past performance does not guarantee future results.

## SAM Flexible Income Portfolio

**Class A: SAUPX | Class C: SCUPX | Class I: PIFIX**

The SAM Flexible Income Portfolio is a target risk asset allocation portfolio designed to deliver sophisticated portfolio management with the ease of a single fund. The portfolio is composed of a diverse mix of up to 28 asset classes achieved through a fund-of-funds structure designed to maximize return at a given level of risk. The portfolio is comprised of a 24% equity, 69% fixed income, and 7% alternatives and specialty strategic asset allocation mix.

### Contributors

- The portfolio's allocation in U.S. large cap value equities, which outperformed their growth counterparts, was the largest positive contributor to performance for the quarter.
- The portfolio's allocation to emerging market debt, which outperformed core fixed income, aided performance for the quarter.
- The portfolio's allocation in developed ex.-U.S. equities, which outperformed their U.S. equity counterparts, positively contributed to performance for the quarter.
- The portfolio's allocation in U.S. mid cap equities, which outperformed their large cap counterparts, helped results for the quarter.
- Relative to the benchmark, the portfolio's allocation of neutral to equity, underweight to fixed income, and overweight to alternative & specialty securities positively impacted performance for the quarter.

### Detractors

- The portfolio's allocation in U.S. fixed income, especially the portfolio's shorter duration credit, was the largest detractor to performance for the quarter.
- The portfolio's allocation in U.S. large cap growth equities, which underperformed their value counterparts, hindered performance for the quarter.
- Security selection in preferred securities negatively contributed to performance for the quarter.
- The portfolio's allocation to TIPS, which underperformed core fixed income, detracted from results for the quarter.
- Security selection in developed ex.-U.S. equities hindered performance for the quarter.

# SAM Conservative Balanced Portfolio

**Class A: SAIPX | Class C: SCIPX | Class I: PCCIX**

The SAM Conservative Balanced Portfolio is a target risk asset allocation portfolio designed to deliver sophisticated portfolio management with the ease of a single fund. The portfolio is composed of a diverse mix of up to 28 asset classes achieved through a fund-of-funds structure designed to maximize return at a given level of risk. The portfolio is comprised of a 38% equity, 55% fixed income, and 7% alternatives and specialty strategic asset allocation mix.

## Contributors

- The portfolio's allocation in U.S. large cap value equities, which outperformed their growth counterparts, was the largest positive contributor to performance for the quarter.
- Relative to the benchmark, the portfolio's allocation of neutral to equity, underweight to fixed income, and overweight to alternative & specialty securities aided performance for the quarter.
- The portfolio's allocation in developed ex.-U.S. equities, which outperformed their U.S. equity counterparts, positively contributed to performance for the quarter.
- Security selection in U.S. large cap growth equities helped results for the quarter.
- The portfolio's allocation in U.S. small cap equities, which outperformed their larger cap counterparts, positively impacted performance for the quarter.

## Detractors

- The portfolio's allocation in U.S. large cap growth equities, which underperformed their value counterparts, was the largest detractor to performance for the quarter.
- Security selection in emerging market equities hindered performance for the quarter.
- Security selection in preferred securities negatively contributed to performance for the quarter.
- The portfolio's allocation in U.S. mega cap equities, which underperformed their smaller cap counterparts, detracted from results for the quarter.
- Security selection in developed ex.-U.S. equities hindered performance for the quarter.

# SAM Balanced Portfolio

**Class A: SABPX | Class C: SCBPX | Class I: PSBIX**

The SAM Balanced Portfolio is a target risk asset allocation portfolio designed to deliver sophisticated portfolio management with the ease of a single fund. The portfolio is composed of a diverse mix of up to 28 asset classes achieved through a fund-of-funds structure designed to maximize return at a given level of risk. The portfolio is comprised of a 60% equity, 33% fixed income, and 7% alternatives and specialty strategic asset allocation mix.

## Contributors

- The portfolio's allocation in U.S. large cap value equities, which outperformed their growth counterparts, was the largest positive contributor to performance for the quarter.
- Relative to the benchmark, the portfolio's allocation of overweight to equity, underweight to fixed income, and overweight to alternative & specialty securities aided performance for the quarter.
- The portfolio's allocation in developed ex.-U.S. equities, which outperformed their U.S. equity counterparts, positively contributed to performance for the quarter.
- The portfolio's allocation in U.S. mid cap equities, which outperformed their large cap counterparts, helped results for the quarter.
- The portfolio's allocation in U.S. small cap equities, which outperformed their larger cap counterparts, positively impacted performance for the quarter.

## Detractors

- The portfolio's allocation in U.S. large cap growth equities, which underperformed their value counterparts, was the largest detractor to performance for the quarter.
- Security selection in emerging market equities hindered performance for the quarter.
- The portfolio's allocation in U.S. mega cap equities, which underperformed their smaller cap counterparts, negatively contributed to performance for the quarter.
- Security selection in developed ex.-U.S. equities detracted from results for the quarter.
- Security selection in U.S. mega cap equities hindered performance for the quarter.

# SAM Conservative Growth Portfolio

**Class A: SAGPX | Class C: SCGPX | Class I: PCWIX**

The SAM Conservative Growth Portfolio is a target risk asset allocation portfolio designed to deliver sophisticated portfolio management with the ease of a single fund. The portfolio is composed of a diverse mix of up to 28 asset classes achieved through a fund-of-funds structure designed to maximize return at a given level of risk. The portfolio is comprised of a 78% equity, 15% fixed income, and 7% alternatives and specialty strategic asset allocation mix.

## Contributors

- The portfolio's allocation in U.S. large cap value equities, which outperformed their growth counterparts, was the largest positive contributor to performance for the quarter.
- Relative to the benchmark, the portfolio's allocation of neutral to equity, underweight to fixed income, and overweight to alternative & specialty securities aided performance for the quarter.
- The portfolio's allocation in developed ex.-U.S. equities, which outperformed their U.S. equity counterparts, positively contributed to performance for the quarter.
- Security selection in U.S. large cap growth equities helped results for the quarter.
- The portfolio's allocation in U.S. small cap equities, which outperformed their larger cap counterparts, positively impacted performance for the quarter.

## Detractors

- The portfolio's allocation in U.S. large cap growth equities, which underperformed their value counterparts, was the largest detractor to performance for the quarter.
- Security selection in emerging market equities hindered performance for the quarter.
- The portfolio's allocation in U.S. mega cap equities, which underperformed their smaller cap counterparts, negatively contributed to performance for the quarter.
- Security selection in developed ex.-U.S. equities detracted from results for the quarter.
- Security selection in U.S. large cap value equities hindered performance for the quarter.

# SAM Strategic Growth Portfolio

**Class A: SACAX | Class C: SWHCX | Class I: PSWIX**

The SAM Strategic Growth Portfolio is a target risk asset allocation portfolio designed to deliver sophisticated portfolio management with the ease of a single fund. The portfolio is composed of a diverse mix of up to 28 asset classes achieved through a fund-of-funds structure designed to maximize return at a given level of risk. The portfolio is comprised of a 92% equity, 2% fixed income, and 6% alternatives and specialty strategic asset allocation mix.

## Contributors

- The portfolio's allocation in U.S. large cap value equities, which outperformed their growth counterparts, was the largest positive contributor to performance for the quarter.
- The portfolio's allocation in developed ex.-U.S. equities, which outperformed their U.S. equity counterparts, aided performance for the quarter.
- Relative to the benchmark, the portfolio's allocation of neutral to equity, underweight to fixed income, and overweight to alternative & specialty securities positively contributed to performance for the quarter.
- Security selection in U.S. large cap growth equities helped results for the quarter.
- The portfolio's allocation in U.S. small cap equities, which outperformed their larger cap counterparts, positively impacted performance for the quarter.

## Detractors

- The portfolio's allocation in U.S. large cap growth equities, which underperformed their value counterparts, was the largest detractor to performance for the quarter.
- Security selection in emerging market equities hindered performance for the quarter.
- Security selection in developed ex.-U.S. equities negatively contributed to performance for the quarter.
- The portfolio's allocation in U.S. mega cap equities, which underperformed their smaller cap counterparts, detracted from results for the quarter.
- Security selection in U.S. large cap value equities hindered performance for the quarter.

# Market outlook

U.S. economic growth and labor market data remain healthy but slowing and softening as the effects of higher interest rates have settled in and significant progress to ease inflation has been achieved. Now that the Fed's first step in their rate cutting cycle has been tread, additional steps down towards the neutral interest rate will bring their dual mandate back into balance from their previous prioritization of easing inflation. At this point in the monetary policy cycle, a soft landing for the economy still looks viable.

Additionally, softening but still healthy consumer strength and corporate earnings growth, inform our expectations for a positive year for risk assets. We continue to keep an eye on elevated valuations as well as potential impacts of the upcoming U.S. presidential election and continuing geopolitical risks. With this economic backdrop, we maintain an increased level of risk in the SAM portfolios—holding our overweight to equity, underweight to fixed income, and overweight to alternatives and specialty securities.

Within equities, we continue to maintain our preference for large caps, given their relatively higher expected earnings growth versus mid caps as well as their balance sheet strength and flexibility. Smaller caps tend to be more interest rate sensitive, which can be beneficial in a declining interest rate environment, but they also have less choice in their timing to take on debt and rates are still higher than in recent years. In addition, we maintain our preference for quality, which can maintain pricing power in the face of margin pressure and can be a particularly valuable distinguishing feature in this environment. In terms of geography, we have a preference for U.S. equities over non-U.S. equities since U.S. earnings growth looks relatively stronger. Outside the U.S., we have a neutral

preference between developed ex.-U.S. equities and emerging market equities. Despite some improvement, upside may be limited and both regions continue to face structural growth headwinds.

Fixed income investors are still earning a higher yield on sovereign and high-grade corporate bonds than on equities, adding value beyond diversification. Within fixed income, we maintain our preference for investment grade corporate bonds given their attractive carry potential over government bonds and MBS. We also have a preference for higher quality investment grade corporate bonds as a risk ballast over high yield bonds. Additionally, our positioning is still shorter duration positioning, but to a lesser degree as interest rate cuts look likely to continue on a path back to normalization.

Within alternatives & specialty, we maintain our preference for TIPS given their longer-duration and diversification benefits. In a declining interest rate environment, real estate can also benefit and provide additional diversification beyond traditional equities.

In order to generate long-term value, we believe the essentials for investing include active management to seek out alpha, diversification to reduce risk, and a focus on fundamentals.

## SAM INVESTMENT OUTLOOK

Current outlook		Investment preference Less << Neutral >> More						
Asset allocation	Continued economic resilience and earnings growth inform our equity overweight, fixed income underweight, and alternatives & specialty overweight.	Equities	○	○	○	●	○	
		Fixed income	○	●	○	○	○	
		Alternatives	○	○	○	●	○	
<b>Equities</b>								
Geography	U.S. equities have relatively stronger earnings expectations than non-U.S. equities.	U.S.	○	●	○	○	○	Non-U.S.
	Both developed ex. U.S. and emerging markets face structural challenges, informing our neutral preference.	Developed-ex. U.S.	○	○	●	○	○	Emerging
Market cap	We maintain our preference for large caps given their earnings growth and balance sheet strength and flexibility.	Large	○	●	○	○	○	Small
Style	We have a slight preference for growth in large caps and value within smaller cap equities, which balances to a neutral growth/value preference.	Value	○	○	●	○	○	Growth
<b>Fixed income</b>								
Duration	Our positioning remains shorter duration, but to a lesser degree.	Short	○	●	○	○	○	Long
Credit	Given our preference for more defensive positioning within fixed income, we maintain an increased preference for higher credit quality.	High quality	○	●	○	○	○	Low quality

Key: ●>○ Indicates a change in preference from the previous quarter (light blue) to the current quarter (darker blue).

As of September 30, 2024. Source: Principal Asset Allocation.

## PERFORMANCE, RANKINGS, & RATINGS As of September 30, 2024

### SAM Flexible Income Portfolio

Average annual total returns (%)	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception <sup>(1)</sup> (01/16/2007)	Expense ratio (net/gross)	Expense limit expiration date
Class I <sup>(2)</sup>	5.37	8.57	17.00	1.75	3.82	4.17	5.67	0.72 / 0.72	-
SAM Flexible Income Blended Index <sup>(3),(4)</sup>	5.51	7.99	16.69	1.36	3.80	4.36	-	-	-
Morningstar category average	4.87	7.38	14.39	1.45	3.14	3.26	-	-	-
Morningstar rankings and ratings	3-month	Year-to-date	1-year	3-year	5-year	10-year	Overall		
Category and number of funds in category: Conservative Allocation	147	147	147	136	132	101	136		
Class I percentile ratings <sup>(5)</sup>	-	-	16	39	30	9			
Class I ratings <sup>(6)</sup>				★★★	★★★	★★★★	★★★★		

### SAM Conservative Balanced Portfolio

Average annual total returns (%)	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception <sup>(1)</sup> (01/16/2007)	Expense ratio (net/gross)	Expense limit expiration date
Class I <sup>(2)</sup>	5.62	10.51	20.12	2.98	5.62	5.37	5.61	0.76 / 0.76	-
SAM Conservative Balanced Blended Index <sup>(3),(4)</sup>	5.71	10.01	19.64	2.90	5.73	5.69	-	-	-
Morningstar category average	5.44	9.71	18.31	2.61	5.13	4.73	-	-	-
Morningstar rankings and ratings	3-month	Year-to-date	1-year	3-year	5-year	10-year	Overall		
Category and number of funds in category: Moderately Conservative Allocation	460	459	453	440	403	300	440		
Class I percentile ratings <sup>(5)</sup>	-	-	14	28	31	17			
Class I ratings <sup>(6)</sup>				★★★	★★★	★★★★	★★★★		

### SAM Balanced Portfolio

Average annual total returns (%)	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception <sup>(1)</sup> (01/16/2007)	Expense ratio (net/gross)	Expense limit expiration date
Class I <sup>(2)</sup>	5.84	13.52	24.73	4.91	7.92	7.04	7.44	0.80 / 0.80	-
SAM Balanced Blended Index <sup>(3),(4)</sup>	5.97	12.86	23.84	5.01	8.37	7.54	-	-	-
Morningstar category average	5.34	12.27	21.99	4.89	8.01	6.89	-	-	-
Morningstar rankings and ratings	3-month	Year-to-date	1-year	3-year	5-year	10-year	Overall		
Category and number of funds in category: Moderate Allocation	741	738	733	682	643	491	682		
Class I percentile ratings <sup>(5)</sup>	-	-	25	45	52	45			
Class I ratings <sup>(6)</sup>				★★★	★★★	★★★	★★★		

### SAM Conservative Growth Portfolio

Average annual total returns (%)	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception <sup>(1)</sup> (01/16/2007)	Expense ratio (net/gross)	Expense limit expiration date
Class I <sup>(2)</sup>	6.27	15.82	28.59	6.44	9.90	8.53	8.06	0.83 / 0.83	-
SAM Conservative Growth Blended Index <sup>(3),(4)</sup>	6.23	15.77	28.15	7.09	10.97	9.34	-	-	-
Morningstar category average	5.89	13.77	24.49	5.48	9.10	7.56	-	-	-
Morningstar rankings and ratings	3-month	Year-to-date	1-year	3-year	5-year	10-year	Overall		
Category and number of funds in category: Moderately Aggressive Allocation	316	307	307	301	274	227	301		
Class I percentile ratings <sup>(5)</sup>	-	-	11	26	27	18			
Class I ratings <sup>(6)</sup>				★★★	★★★	★★★★	★★★★		

### SAM Strategic Growth Portfolio

Average annual total returns (%)	3-month	Year-to-date	1-year	3-year	5-year	10-year	Since inception <sup>(1)</sup> (01/16/2007)	Expense ratio (net/gross)	Expense limit expiration date
Class I <sup>(2)</sup>	6.38	17.42	31.16	7.32	11.60	9.42	8.63	0.86 / 0.86	-
SAM Strategic Growth Blended Index <sup>(3),(4)</sup>	6.44	17.88	31.32	8.57	12.81	10.55	-	-	-
Morningstar category average	6.42	15.20	27.38	5.44	9.98	8.22	-	-	-
Morningstar rankings and ratings	3-month	Year-to-date	1-year	3-year	5-year	10-year	Overall		
Category and number of funds in category: Aggressive Allocation	187	187	187	183	171	132	183		
Class I percentile ratings <sup>(5)</sup>	-	-	6	12	18	15			
Class I ratings <sup>(6)</sup>				★★★★	★★★★	★★★★	★★★★		

Morningstar percentile rankings are based on total returns. Morningstar ratings are based on risk-adjusted returns.

**Returns represent past performance and do not guarantee future results. Share price, principal value, and return will vary and you may have a gain or loss when shares are sold. Current performance may be lower or higher than quoted. For the most recent month-end performance, visit [PrincipalAM.com](https://www.principal.com).**



- (1) Class A shares were first sold on 07/25/1996. Class I shares were first sold on 01/16/2007. Returns for Class I shares prior to 01/16/2007, including since inception performance, are based on performance of the Class A shares adjusted to reflect the fees and expenses of Class I shares.
- (2) Performance assumes reinvestment of all dividends and capital gains. Expense limits, if any, apply through dates shown. Returns displayed are based on net total investment expense.
- (3) SAM Balanced Blended Index is composed of 15% MSCI EAFE Index, 45% Russell 3000 Index and 40% Bloomberg U.S. Aggregate Bond Index. SAM Conservative Blended Blended Index is composed of 10% MSCI EAFE Index, 30% Russell 3000 Index and 60% Bloomberg U.S. Aggregate Bond Index. SAM Conservative Growth Blended Index is composed of 20% MSCI EAFE Index, 60% Russell 3000 Index and 20% Bloomberg U.S. Aggregate Bond Index. SAM Flexible Income Blended Index is composed of 5% MSCI EAFE Index, 20% Russell 3000 Index and 75% Bloomberg U.S. Aggregate Bond Index. SAM Strategic Growth Blended Index is composed of 25% MSCI EAFE Index, 70% Russell 3000 Index and 5% Bloomberg U.S. Aggregate Bond Index.
- (4) Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index.
- (5) Morningstar percentile rankings are based on total returns and do not reflect the inclusion of sales charges. If sales charges were reflected, rankings could be lower.
- (6) The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar ratings do not reflect the inclusion of sales charges. If sales charges were reflected, ratings could be lower.

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The net expense ratio reflects contractual expense limits, if any, which may lower net expenses and cause the gross and net expense ratios to differ. In such cases a date is listed through which expense limits are expected to apply; however, Principal Funds and the investment adviser may mutually agree to terminate the expense limits prior to the end of the period. Returns displayed are based on net total investment expense.

Returns shown for periods of less than one year are not annualized.

The commentary represents the opinions of the sub-advisor and may not come to pass.

Class I shares are available only to eligible investors, including various institutional investors and investors in certain mutual fund wrap or asset allocation programs. See the prospectus for eligibility requirements.

Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise.

Real estate investment options are subject to some risks inherent in real estate and real estate investment trusts (REITs), such as risks associated with general and local economic conditions. Investing in REITs involves special risks, including interest rate fluctuation, credit risks, and liquidity risks, including interest conditions on real estate values and occupancy rates.

International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards.

Small- and mid-cap stocks may have additional risks including greater price volatility.

Lower-rated securities are subject to additional credit and default risks.

Principal Asset Allocation is an investment team within Principal Global Investors.

Asset allocation and diversification do not ensure a profit or protect against a loss. Additionally there is no guarantee this investment option will provide adequate income at or through retirement.

Index descriptions:

**Alerian MLP Index** is a float-adjusted, capitalization-weighted index of energy MLPs.

**Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of domestic, taxable fixed-income securities. The index covers the U.S. investment-grade bond market, with components for government and corporate securities, mortgage pass through securities, and asset-backed securities.

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**Bloomberg U.S. Corporate Bond Index** measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg U.S. MBS Index** measures the performance of investment-grade, fixed-rate mortgage-backed securities of Ginnie Mae, Fannie Mae, and the Federal Home Loan Bank System. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg U.S. Corp High Yield 2% Issuer Capped Index** is an unmanaged index comprised of fixed rate, non-investment grade debt securities that are dollar denominated. The index limits the maximum exposure to any one issuer to 2%. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg U.S. Treasury Index** measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint. STRIPS are excluded from the index because their inclusion would result in double-counting. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg U.S. Treasury TIPS Index** consists of inflation-protected securities issued by the U.S. Treasury. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg U.S. Treasury Bills 1-3 Month Index** consists of treasury bills issued by the U.S. government with time to maturity between 1 and 3 months. The U.S. Treasury Bill 1-3 Month Index is a component of the US Short Treasury Index. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg Commodity Index** provides broad-based exposure to commodities, and no single commodity or commodity sector dominates the index. Rather than being driven by micro-economic events affecting one commodity market or sector, the diversified commodity exposure of BCOM potentially reduces volatility in comparison with non-diversified commodity investments. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg Emerging Markets Local Currency Government Diversified Index** is a currency capped version of the Emerging Markets Local Currency Government Index. The Bloomberg Emerging Markets Local Currency Government Index is a flagship index that measures the performance of local currency Emerging Markets (EM) debt. Classification as an EM is rules-based and reviewed annually using World Bank income group, International Monetary Fund (IMF) country classification and additional considerations such as market size and investability. ©2024 Bloomberg Finance L.P. All rights reserved.

**Bloomberg Global Aggregate ex. U.S. Bond Index** comprises global ex. U.S. investment grade debt including treasuries, government-related, corporate, and securitized fixed-rate bonds from developed and emerging market issuers. There are three regional aggregate benchmarks that largely comprise the Global Aggregate ex. U.S. Index: the Pan-European Aggregate, the Asian-Pacific Aggregate, and the Canadian Aggregate Indices. The Bloomberg Barclays Global Aggregate ex. U.S. Bond Index also includes Eurodollar, Euro-Yen, and 144A Index-eligible securities and debt from other local currency markets not tracked by regional aggregate benchmarks. ©2024 Bloomberg Finance L.P. All rights reserved.

**Credit Suisse Leveraged Loan Index** is a market value-weighted index designed to represent the investable universe of U.S. dollar-denominated leveraged loan market.

**FTSE NAREIT All Equity REITs Index** is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

**FTSE EPRA NAREIT Global ex U.S. Index** consist of listed real estate companies and REITs in both developed and emerging markets excluding the U.S. market with relevant activities including the ownership, trading, and development of income-producing real estate. Constituents are free-float adjusted, liquidity, size and revenue screened.

**HFRX Global Hedge Fund Index** is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

**ICE BofA U.S. Convertible Excluding Mandatory Index** is a market capitalization-weighted index that consists of publicly issued U.S. dollar denominated non-mandatory convertible securities of exchange listed and actively trading U.S. companies with at least \$50 million face amount outstanding, at least one month remaining to the final conversion date, and pays a fixed rate.

**ICE BofAML Fixed Rate Preferred Securities Index** tracks the performance of fixed rate U.S. dollar denominated preferred securities issued in the U.S. domestic market. Qualifying securities must have an investment grade rating and must have an investment grade rated country of risk.

**ICE BofA U.S. Capital Securities Index** is a subset of ICE BofA U.S. Corporate Index including securities with deferrable coupons. Index constituents are market capitalization weighted and consists of U.S. dollar denominated investment grade preferred capital.

**MSCI EAFE Index** is an unmanaged index that measures the stock returns of companies in developed economies outside of North America.

**MSCI Emerging Markets Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of emerging markets. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

**Russell Top 200 Index** measures the performance of the largest cap segment of the U.S. equity universe. It includes approximately 200 of the largest securities based on a combination of their market cap and current index membership and represents approximately 68 percent of the U.S. market.

**Russell Top 200 Growth Index** measures the performance of those Russell Top 200 companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index.

**Russell Top 200 Value Index** measures the performance of those Russell Top 200 companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index.

**Russell Midcap Index** is a market capitalization-weighted index comprised of 800 publicly traded U.S. companies with market caps of between \$2 and \$10 billion. The 800 companies in the Russell Midcap Index are the 800 smallest of the 1,000 companies that comprise Russell 1000 Index.

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

**Russell 2000® Index** consists of the smallest 2,000 companies in the Russell 3000® Index, representing approximately 10% of the Russell 3000® total market capitalization.

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

**Russell 3000® Index** measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

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