



# Market Environment

Second Quarter 2025.

Market Data as of 6/30/2025 unless stated otherwise.

Prepared for: Clients  
Prepared by: Global Asset Allocation Team

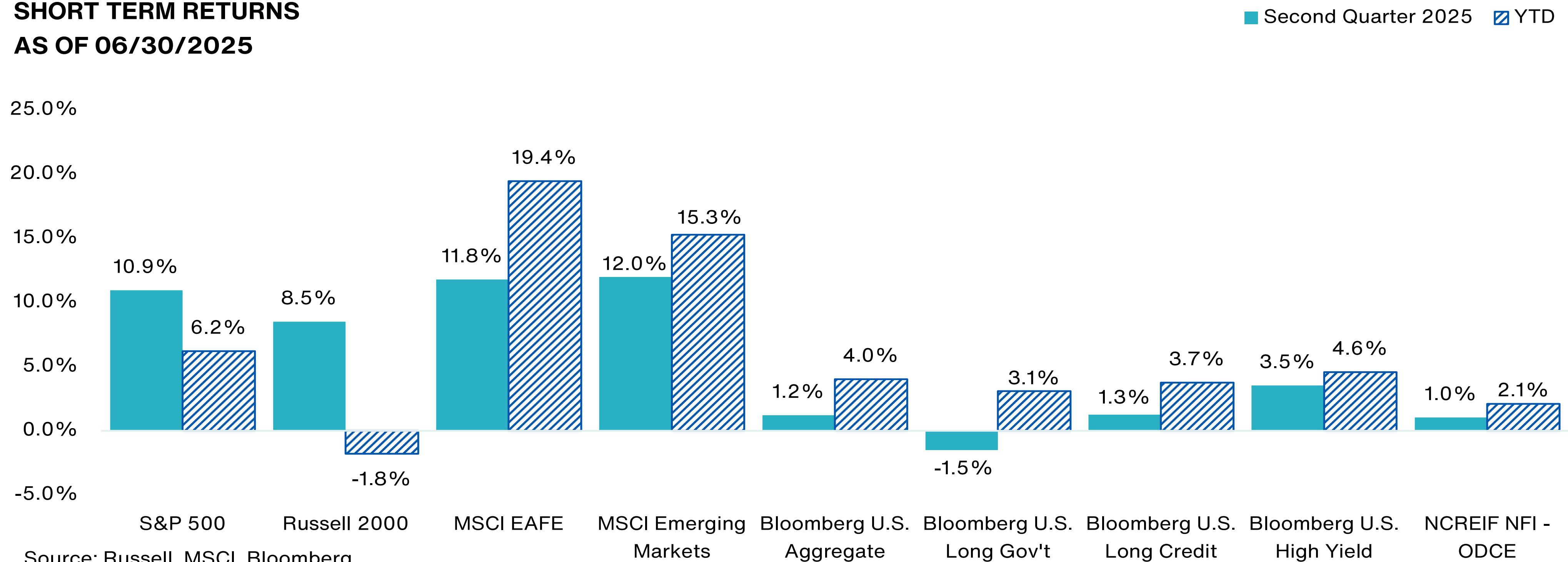
Investment advice and consulting services provided by Aon Investments USA Inc. Nothing in this document should be construed as legal, tax, or investment advice. Please consult with your independent professional for any such advice. To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon.





# Market Highlights

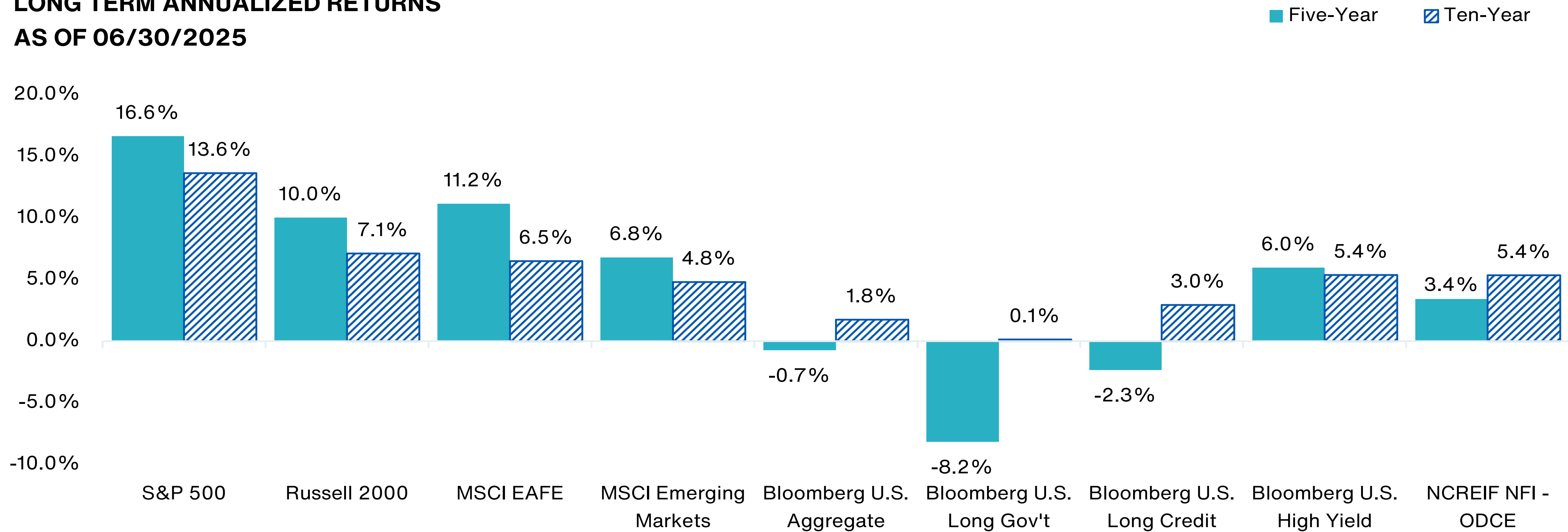
## SHORT TERM RETURNS AS OF 06/30/2025



**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.  
**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

# Market Highlights

## LONG TERM ANNUALIZED RETURNS AS OF 06/30/2025



Source: Russell, MSCI, Bloomberg

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

# Market Highlights

Returns of the Major Capital Markets						
Period Ending 06/30/2025						
	Second Quarter	YTD	1-Year	3-Year <sup>1</sup>	5-Year <sup>1</sup>	10-Year <sup>1</sup>
Equity						
MSCI All Country World IMI	11.62%	9.82%	15.89%	16.80%	13.39%	9.69%
MSCI All Country World	11.53%	10.05%	16.17%	17.35%	13.65%	9.99%
Dow Jones U.S. Total Stock Market	11.09%	5.68%	15.23%	19.07%	15.87%	12.88%
Russell 3000	10.99%	5.75%	15.30%	19.08%	15.96%	12.96%
S&P 500	10.94%	6.20%	15.16%	19.71%	16.64%	13.65%
Russell 2000	8.50%	-1.79%	7.68%	10.00%	10.04%	7.12%
MSCI All Country World ex-U.S. IMI	12.71%	17.88%	17.83%	13.92%	10.20%	6.18%
MSCI All Country World ex-U.S.	12.03%	17.90%	17.72%	13.99%	10.13%	6.12%
MSCI EAFE	11.78%	19.45%	17.73%	15.97%	11.16%	6.51%
MSCI EAFE (Local Currency)	4.80%	7.83%	8.04%	13.47%	11.64%	7.04%
MSCI Emerging Markets	11.99%	15.27%	15.29%	9.70%	6.81%	4.81%
Equity Factors						
MSCI World Minimum Volatility (USD)	2.55%	10.80%	17.63%	11.30%	9.07%	8.76%
MSCI World High Dividend Yield	2.89%	9.92%	14.55%	11.27%	11.34%	8.33%
MSCI World Quality	9.32%	6.38%	7.01%	19.88%	14.88%	13.62%
MSCI World Momentum	14.88%	13.98%	17.81%	21.28%	14.33%	13.47%
MSCI World Enhanced Value	9.67%	17.29%	19.10%	15.91%	14.17%	7.37%
MSCI World Equal Weighted	10.61%	13.70%	19.50%	14.68%	11.74%	8.03%
MSCI World Index Growth	17.74%	8.66%	16.80%	23.28%	15.32%	13.55%
MSCI USA Minimum Volatility (USD)	0.63%	6.52%	13.84%	12.11%	11.01%	10.99%
MSCI USA High Dividend Yield	0.35%	4.89%	10.22%	9.73%	11.00%	9.89%
MSCI USA Quality	8.29%	5.14%	9.59%	21.62%	16.20%	15.31%
MSCI USA Momentum	15.02%	12.86%	18.80%	21.16%	13.45%	14.06%
MSCI USA Enhanced Value	6.97%	8.80%	12.81%	11.08%	12.59%	8.50%
MSCI USA Equal Weighted	6.28%	4.88%	14.27%	13.95%	13.49%	10.27%
MSCI USA Growth	19.26%	6.21%	18.21%	27.16%	18.35%	17.03%

Returns of the Major Capital Markets						
Period Ending 06/30/2025						
	Second Quarter	YTD	1-Year	3-Year <sup>1</sup>	5-Year <sup>1</sup>	10-Year <sup>1</sup>
Fixed Income						
Bloomberg Global Aggregate	4.52%	7.27%	8.91%	2.75%	-1.16%	1.17%
Bloomberg U.S. Aggregate	1.21%	4.02%	6.08%	2.55%	-0.73%	1.76%
Bloomberg U.S. Long Gov't	-1.51%	3.08%	1.58%	-3.66%	-8.16%	0.15%
Bloomberg U.S. Long Credit	1.25%	3.75%	5.13%	2.72%	-2.32%	2.95%
Bloomberg U.S. Long Gov't/Credit	-0.18%	3.38%	3.32%	-0.31%	-4.93%	1.79%
Bloomberg U.S. TIPS	0.48%	4.67%	5.84%	2.34%	1.61%	2.67%
Bloomberg U.S. High Yield	3.53%	4.57%	10.29%	9.93%	5.97%	5.38%
Bloomberg Global Treasury ex U.S.	6.99%	9.57%	10.95%	1.56%	-2.85%	0.14%
JP Morgan EMBI Global (Emerging Markets)	3.06%	5.48%	9.51%	8.23%	1.81%	3.45%
Commodities						
Bloomberg Commodity Index	-3.08%	5.53%	5.77%	0.13%	12.68%	1.99%
Goldman Sachs Commodity Index	-2.81%	1.94%	0.25%	-0.37%	17.69%	1.45%
Hedge Funds						
HFRI Fund-Weighted Composite <sup>2</sup>	4.35%	3.91%	8.47%	7.79%	8.56%	5.40%
HFRI Fund of Funds <sup>2</sup>	3.42%	3.03%	7.25%	6.54%	6.21%	3.82%
Real Estate						
NAREIT U.S. Equity REITS	-1.16%	-0.25%	8.60%	5.35%	8.63%	6.32%
NCREIF NFI - ODCE	1.03%	2.10%	3.54%	-5.43%	3.42%	5.35%
FTSE Global Core Infrastructure Index	3.11%	8.92%	17.65%	6.55%	8.43%	7.72%
Private Equity						
Burgiss Private iQ Global Private Equity <sup>3</sup>			6.00%	1.89%	13.10%	12.71%

MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

<sup>1</sup> Periods are annualized.

<sup>2</sup> Latest 5 months of HFR data are estimated by HFR and may change in the future.

<sup>3</sup> Burgiss Private iQ Global Private Equity data is as at December 31, 2024

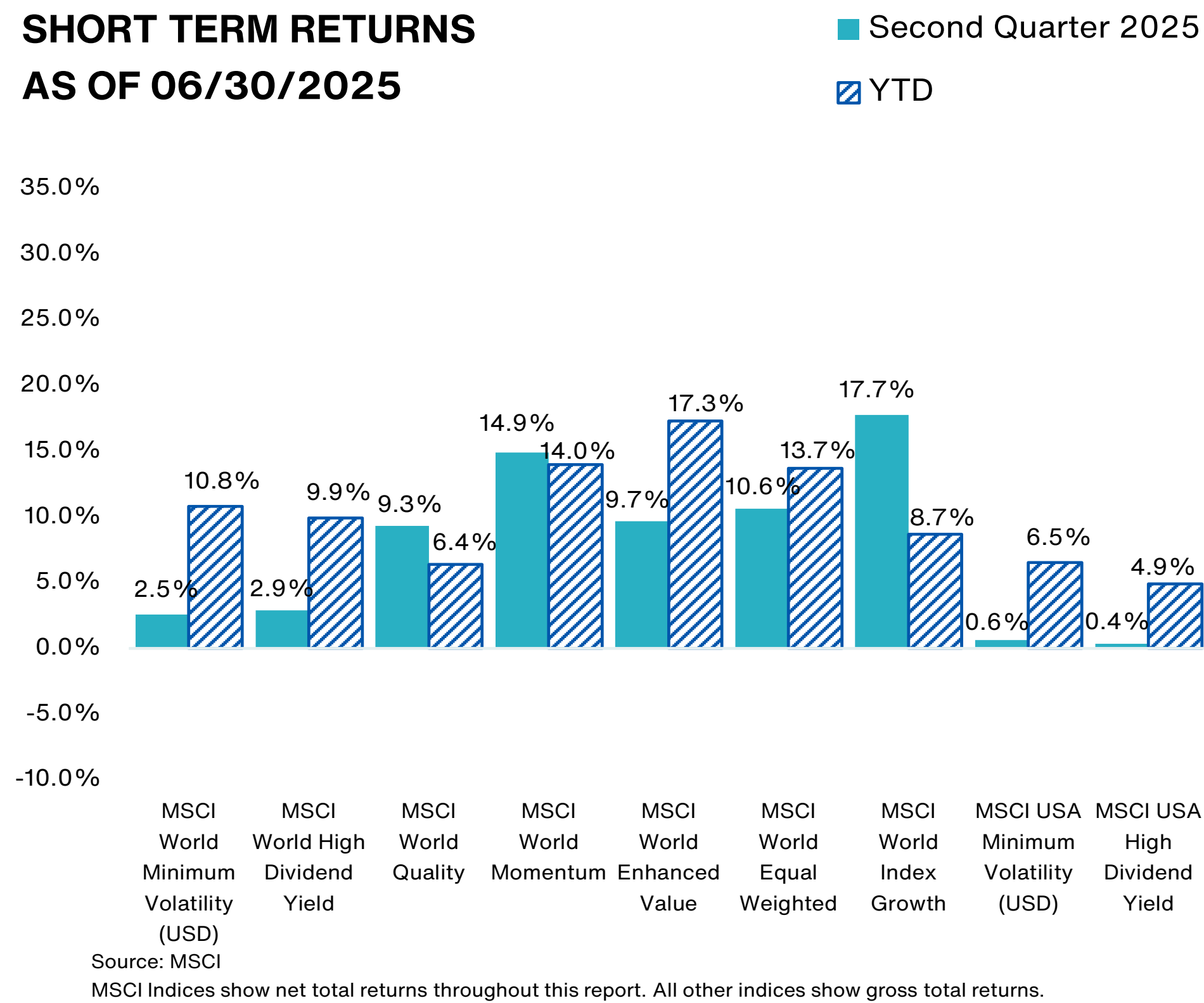
Source: Russell, MSCI, Bloomberg

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

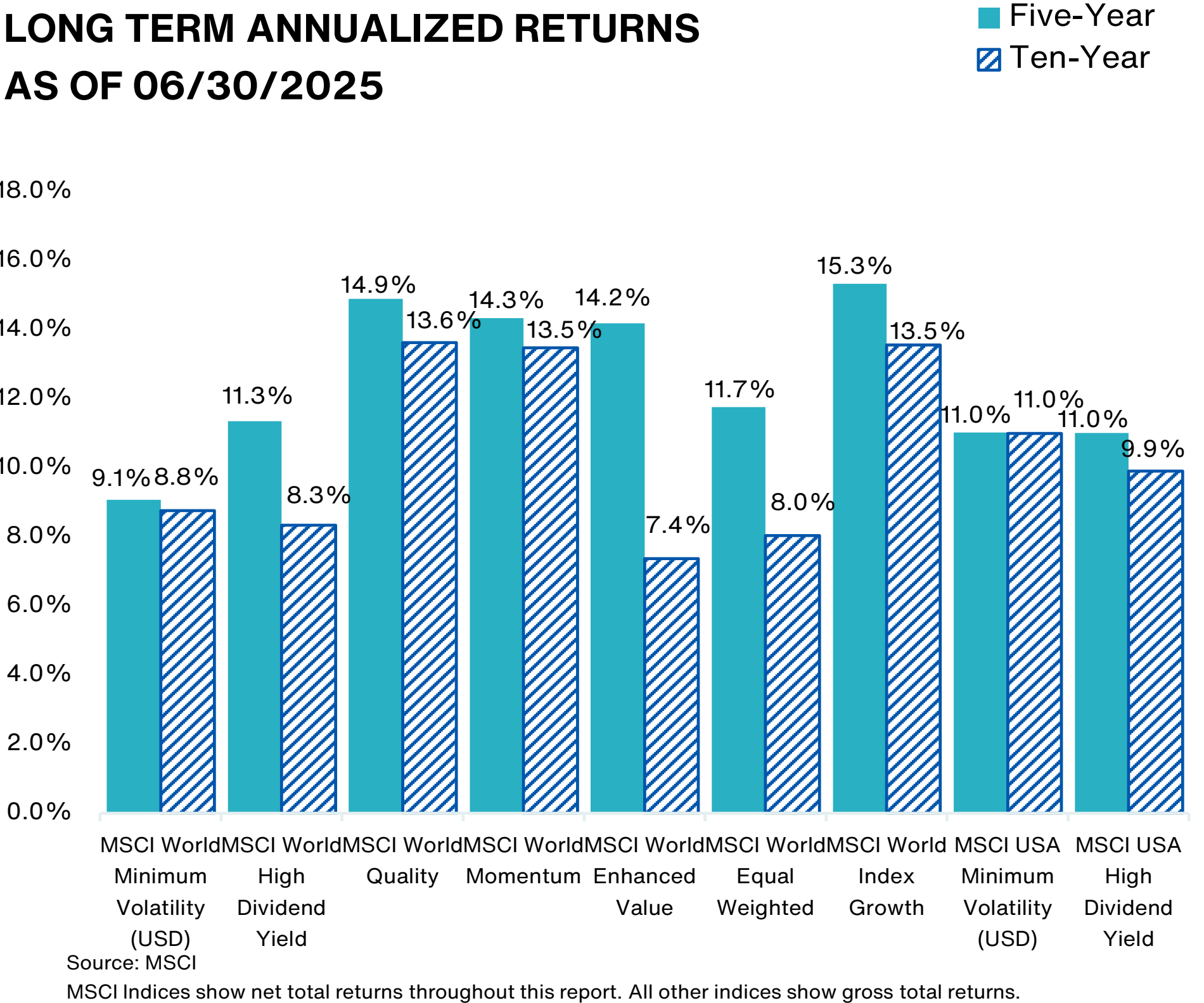
**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

# Factor Indices

## SHORT TERM RETURNS AS OF 06/30/2025



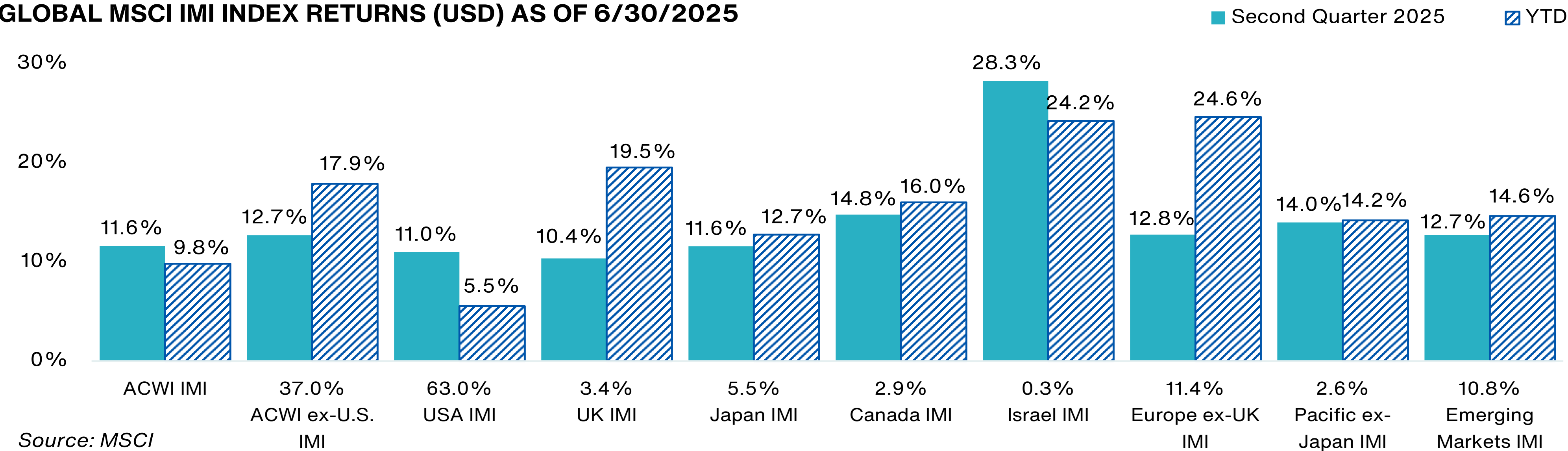
## LONG TERM ANNUALIZED RETURNS AS OF 06/30/2025



**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.  
**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

# Global Equity Markets

GLOBAL MSCI IMI INDEX RETURNS (USD) AS OF 6/30/2025



- Global equity markets rose over Q2 2025, despite facing significant correction during the early weeks of the quarter. The S&P 500 index rose by 10.9% over the quarter. The MSCI AC World index rose by 11.7% over the quarter, marginally underperforming the MSCI AC World ex-U.S. index, which rose 12.3%.
- The reciprocal tariff announcement made by the U.S. President increased market volatility, leading to the CBOE Volatility Index (VIX) touching 52.3 in early April, before closing the quarter at 16.7, which is below its 20-year average of 19.3.
- Despite rising by 11.0% over the quarter, USA IMI was the second-worst performer. Information Technology (23.4%) and Communication Services (18.5%) were the best-performing sectors.
- Across international markets, all regions posted positive returns. Israeli equities outperformed with a return of 28.3%, followed by Canada IMI (14.8%).

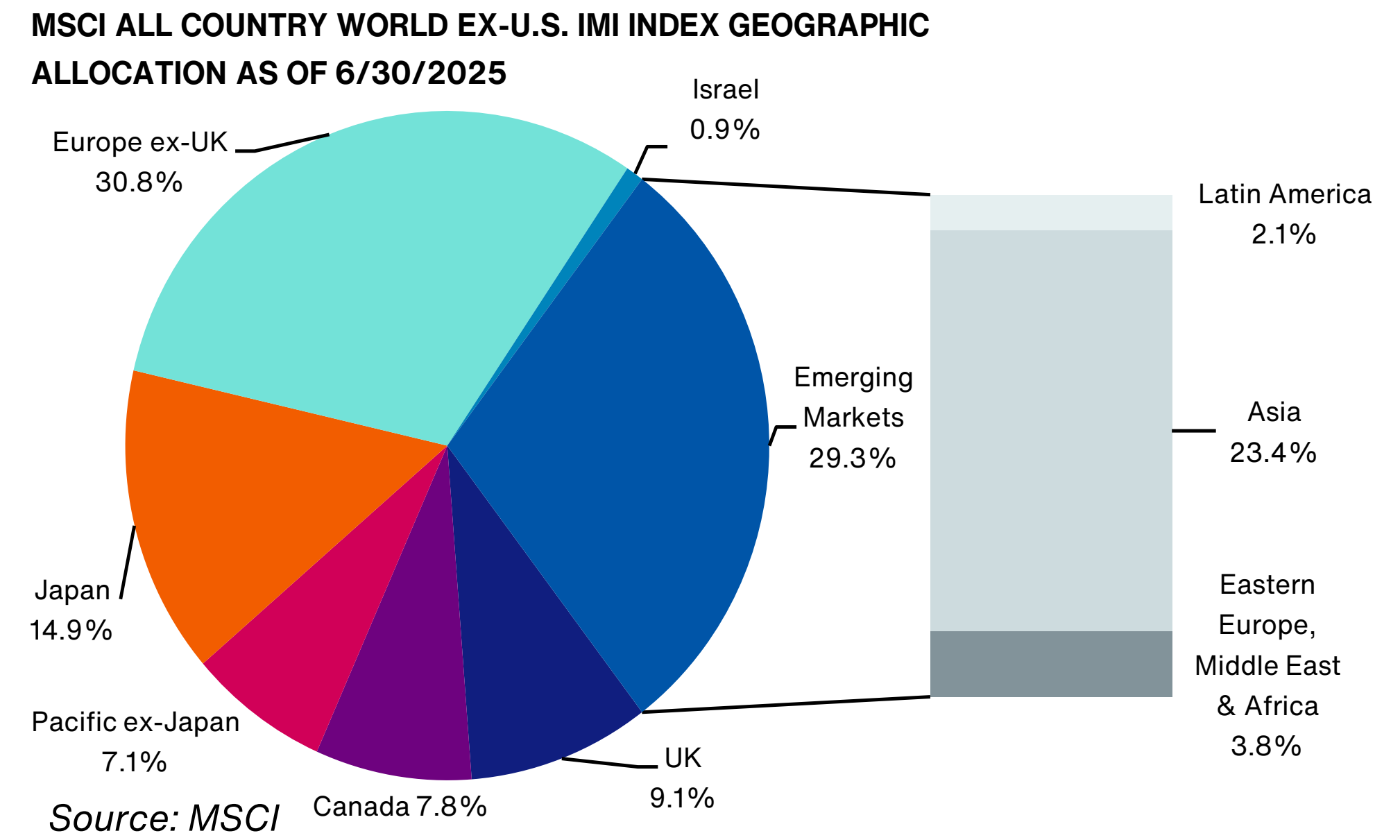
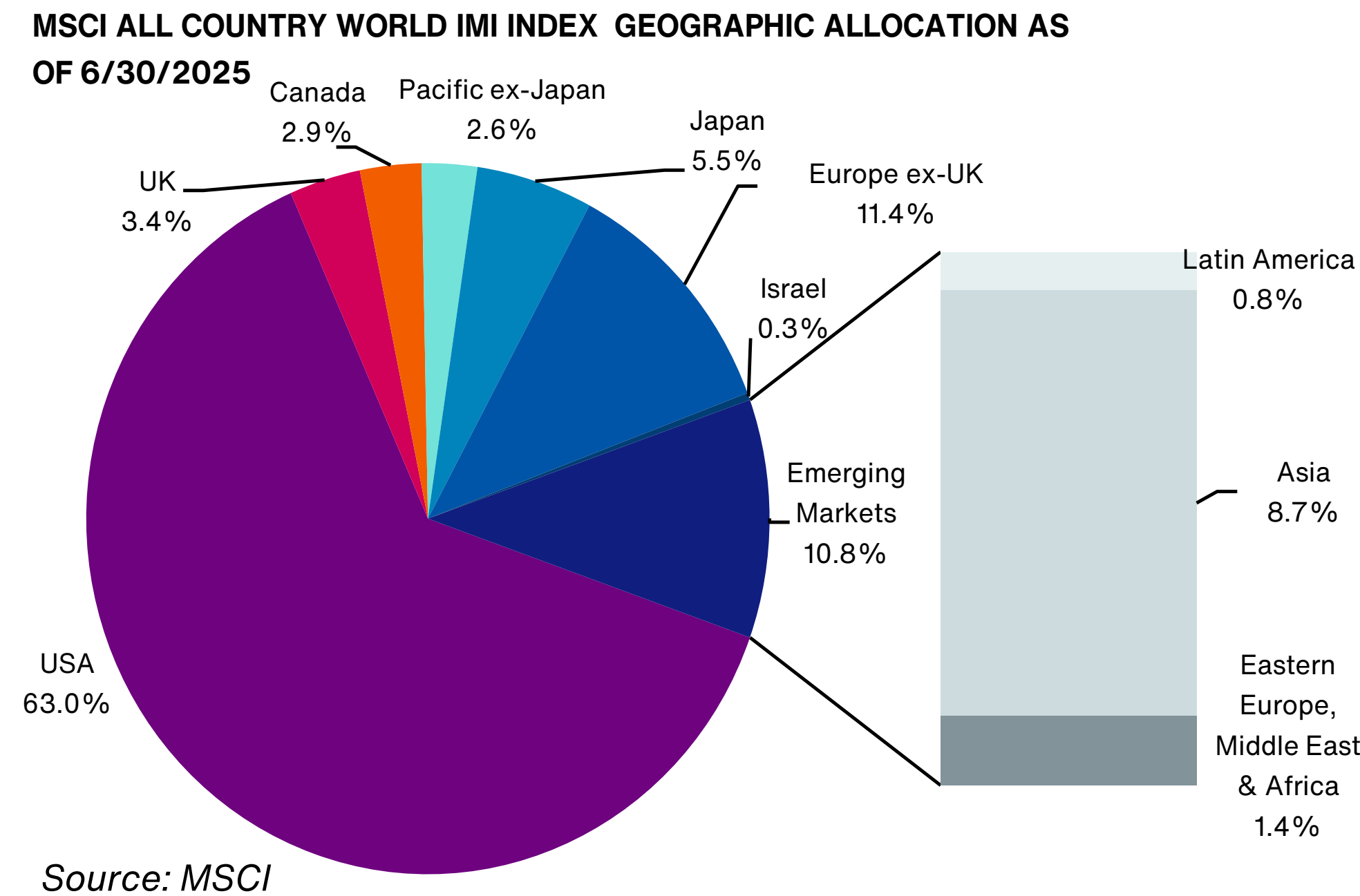
**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.



# Global Equity Markets

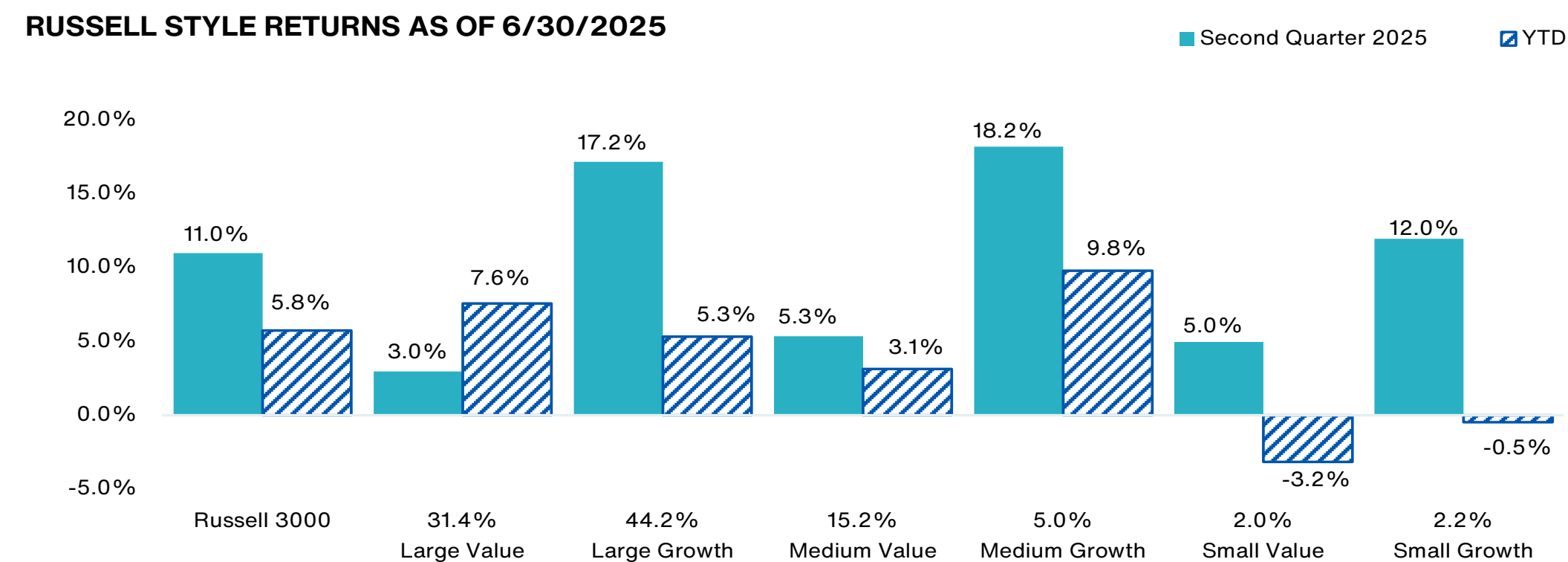
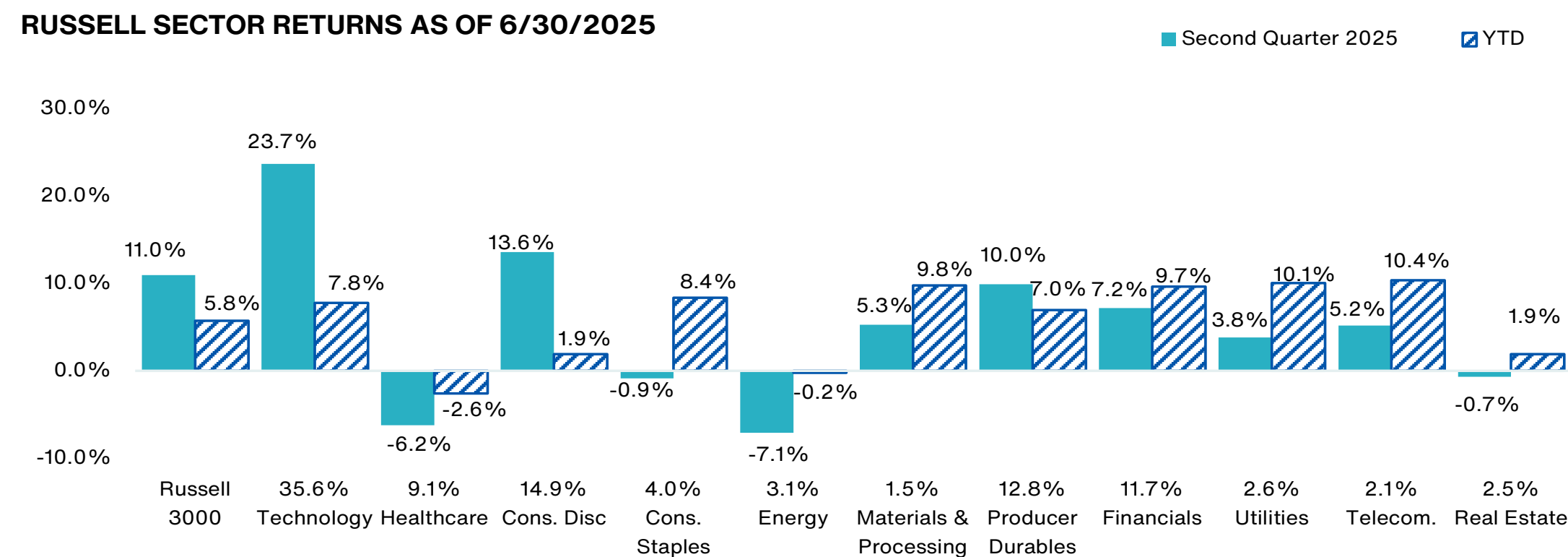
Below is the country/region breakdown of the global and international equity markets as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index, respectively.



**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.  
**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

# U.S. Equity Markets

- Amidst the uncertainty surrounding the U.S. tariff policies, the S&P 500 entered correction territory (-11.2%) from March 31 to April 8, before making a recovery and ending the quarter up by 10.9%. The tech heavy NASDAQ Composite Index rose by 18.0%.
- Q2 remained dominated by trade and tariff policy changes by U.S. President Donald Trump, resulting in trade tensions between the U.S. and its trading partners. The U.S. economy contracted at an annualised rate of 0.5% in Q1 2025, much lower than the initial 0.4% growth economists had expected and the previous quarter's 2.4%. This marks the first quarterly decline since Q1 2022, primarily driven by an increase in imports and a decrease in government spending.
- The FOMC has projected a GDP growth of 1.4% for 2025, down from the March projection of 1.7%, while PCE inflation is forecasted to rise to 3.0% this year, up from the March projection of 2.7%.
- The Russell 3000 Index rose 11.0% during the second quarter and rose by 5.8% on a YTD basis. Technology (23.7%) and Consumer Discretionary (13.6%) were the best performers, while Energy (-7.1%) and Healthcare (-6.2%) were the worst performers.
- On a style basis, growth outperformed value across market capitalizations over the quarter. Medium-cap stocks outperformed Large and Small-cap stocks in growth style as well as value style.



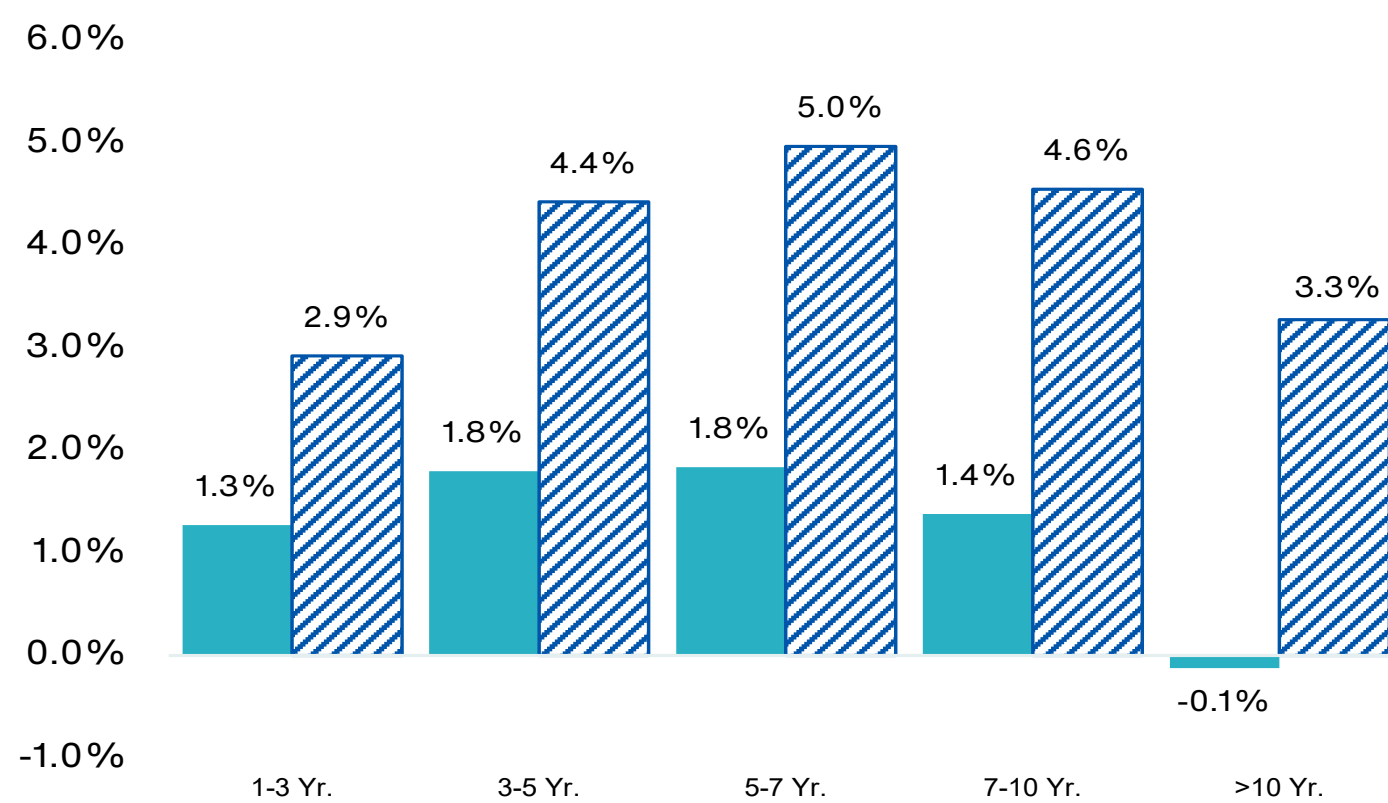
Source: Russell Indexes

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.



# U.S. Fixed Income Markets

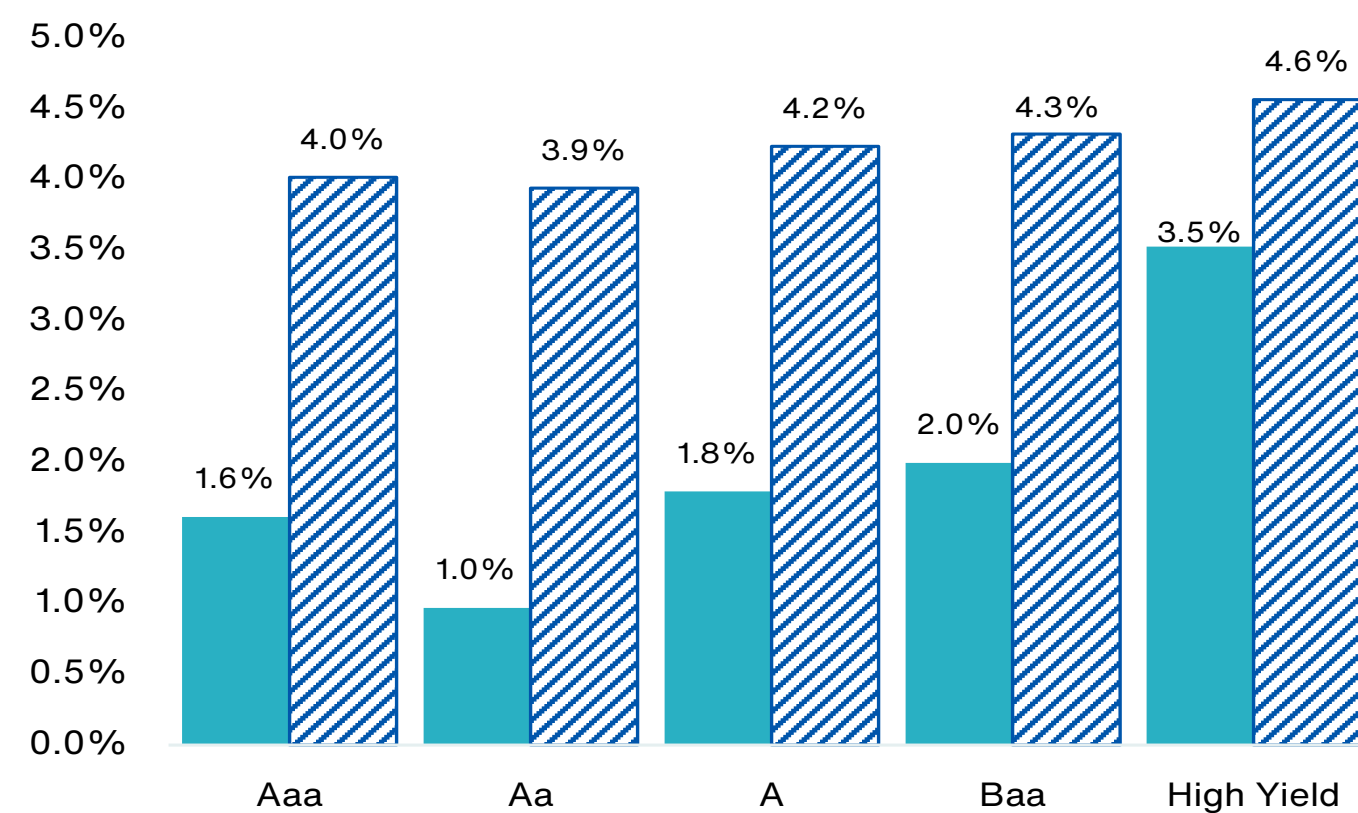
BLOOMBERG AGGREGATE RETURNS BY MATURITY AS OF 06/30/2025



Source: FactSet

■ Second Quarter 2025    ▨ YTD

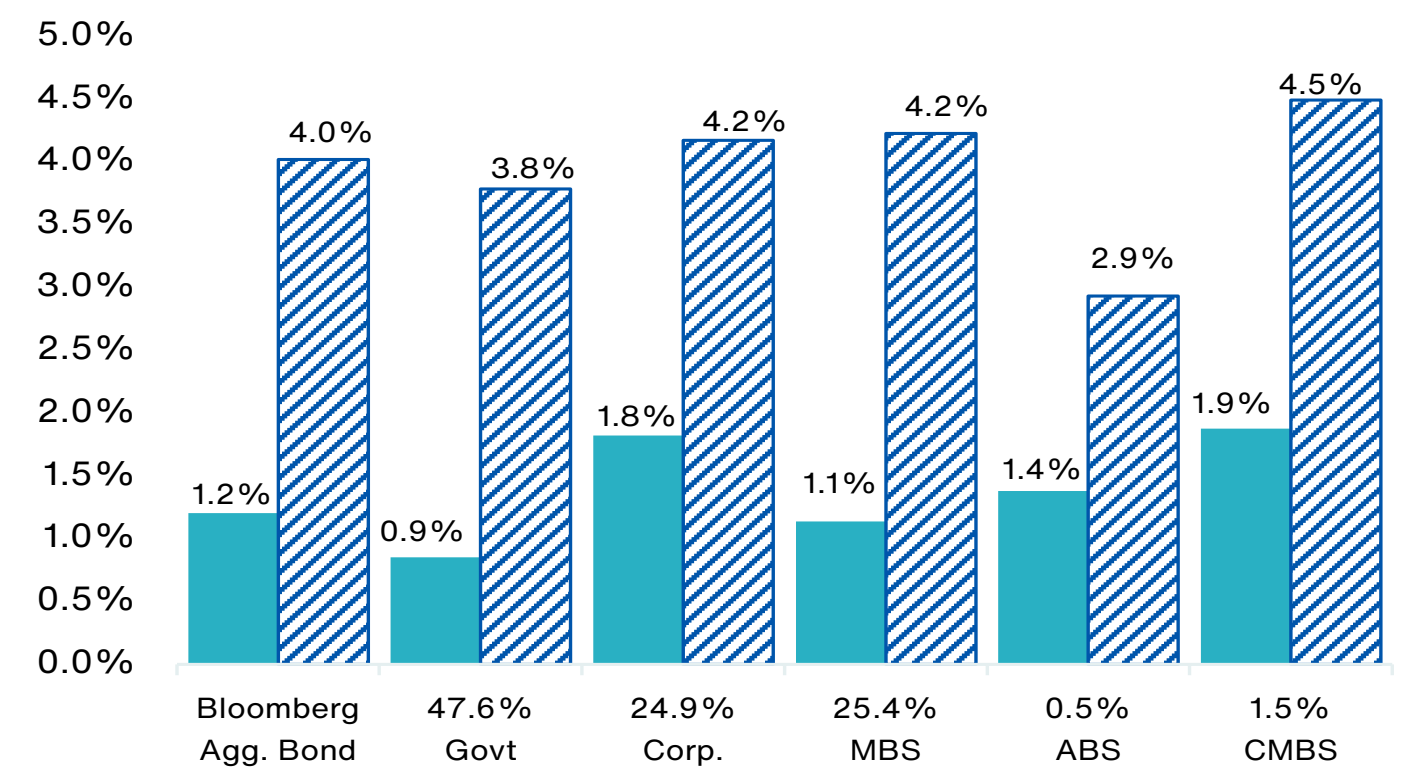
BLOOMBERG AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS AS OF 06/30/2025



Source: FactSet

■ Second Quarter 2025    ▨ YTD

BLOOMBERG AGGREGATE RETURNS BY SECTOR AS OF 06/30/2025



Source: FactSet

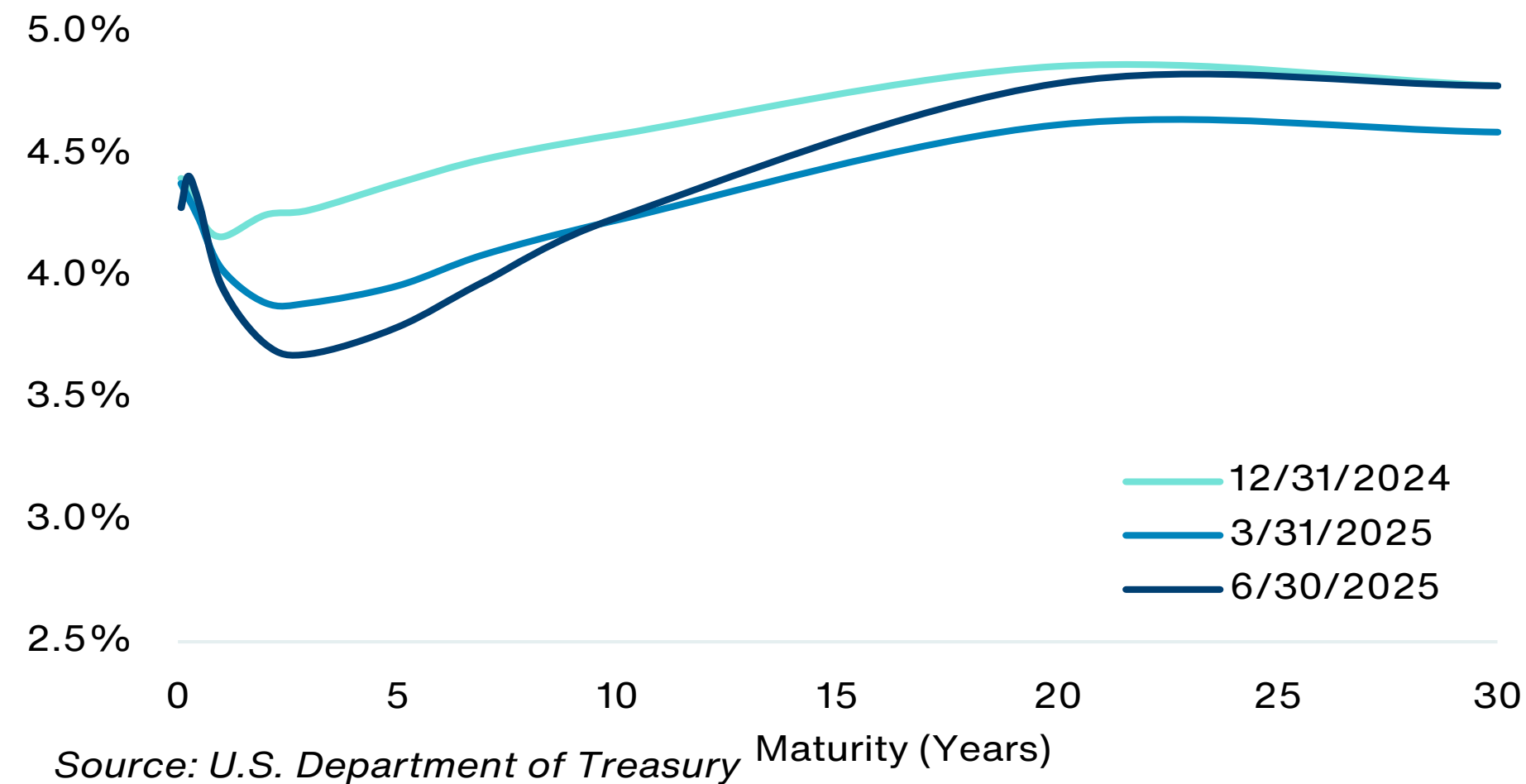
■ Second Quarter 2025    ▨ YTD

- The U.S. Fed maintained interest rates over the quarter between a range of 4.25% – 4.50%. The latest Fed "dot plot," shows eight FOMC members projecting an interest rate reduction of 0.50% in 2025, with seven members projecting no further rate cuts this year. Two members each project a 0.25% and 0.75% rate cut, respectively.
- The Bloomberg U.S. Aggregate Bond Index rose by 1.2% over the quarter and is up by 4.0% on a YTD basis.
- Across durations, almost all maturities finished the quarter in positive territory with medium-term maturities rising more.
- Within investment-grade bonds, lower-quality issues generally outperformed higher-quality issues, with Baa-rated bonds returning 2.0% during the quarter. High-yield bonds rose by 3.5%. On a 1-year basis, high-yield bonds have outperformed indicating an increased risk appetite.

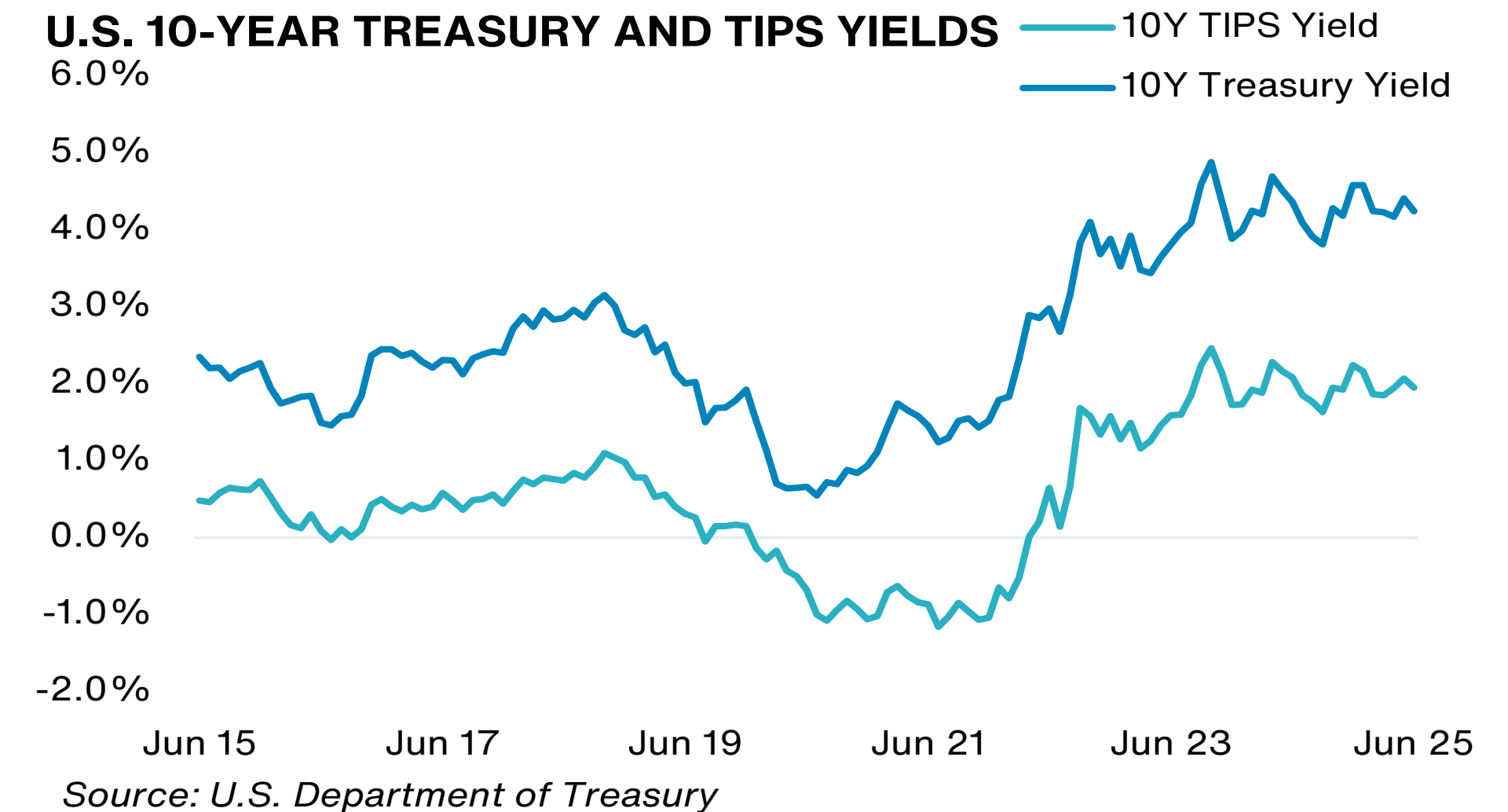
**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

# U.S. Fixed Income Markets

**U.S. TREASURY YIELD CURVE**



**U.S. 10-YEAR TREASURY AND TIPS YIELDS**

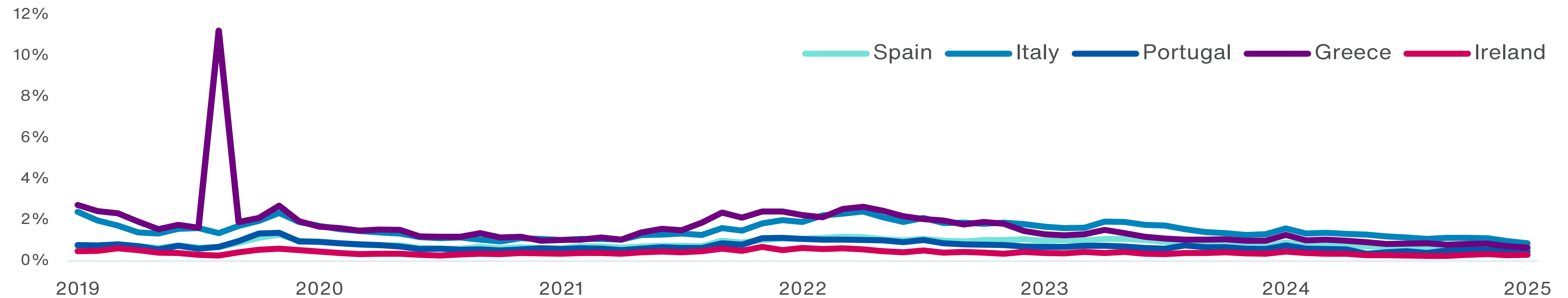


- U.S. Treasury yields displayed deviating behaviour across maturities, with the yield curve mostly shifting downwards in the short to medium term maturities and rising across the long-term maturities. The 10-year Treasury yield rose by 1bp to 4.24%, and the 30-year Treasury yield rose by 19bps to 4.78% over the quarter.
- U.S. headline consumer price index (CPI) rose to 2.7% year-on-year in June, higher than the 2.4% year-on-year recorded in March and in line with the economists' expectations. U.S. core inflation, which excludes energy and food prices, rose to 2.9% year-on-year in June, higher than March's 2.8% but lower than the economists' expectations of 3.0%.
- The 10-year TIPS yield rose by 10bps over the quarter to 1.95%.



# European Fixed Income Markets

## EUROZONE PERIPHERAL BOND SPREADS (10-YEAR SPREADS OVER GERMAN BUNDS)



Source: FactSet

- European government bond spreads over 10-year German bunds fell across the Euro Area, with the spreads showing maximum contraction for Italy, followed by Greece and Portugal. Over Q2 2025, the European Central Bank (ECB) reduced its policy interest rate twice by 0.25% each to 2.0%. The ECB expects the headline inflation at 2% in 2025, 1.6% in 2026 and 2% in 2027. GDP growth is expected to be 0.9% in 2025, 1.1% in 2026 and 1.3% in 2027.
- Greek and Italian government bond yields fell by 27bps and 37bps to 3.26% and 3.47%, respectively over the quarter while Portugal government bond yields fell by 21bps to 3.04%. Irish and Spain government bond yields fell by 11bps and 17bps to 2.90% and 3.17%, respectively over the quarter.
- German bund yields fell by 10bps to 2.60% over the quarter.
- Eurozone headline inflation slowed down as the CPI increased 2.0% year-on-year in June, lower than the 2.2% increase recorded in March and in line with the economists' expectations. Core inflation rose 2.3% year-on-year in June, lower than the March's 2.4% and in line with the economists' expectations.

# Credit Spreads

Spread (bps)	6/30/2025	3/31/2025	12/31/2024	Quarterly Change (bps)	YTD
U.S. Aggregate	32	35	34	-3	-1
Long Gov't	0	-1	0	1	1
Long Credit	102	117	100	-15	2
Long Gov't/Credit	49	57	50	-7	-1
MBS	37	36	43	1	-6
CMBS	84	88	80	-3	4
ABS	57	60	44	-3	13
Corporate	83	94	80	-11	3
High Yield	290	347	287	-57	3
Global Emerging Markets	216	232	219	-16	-3

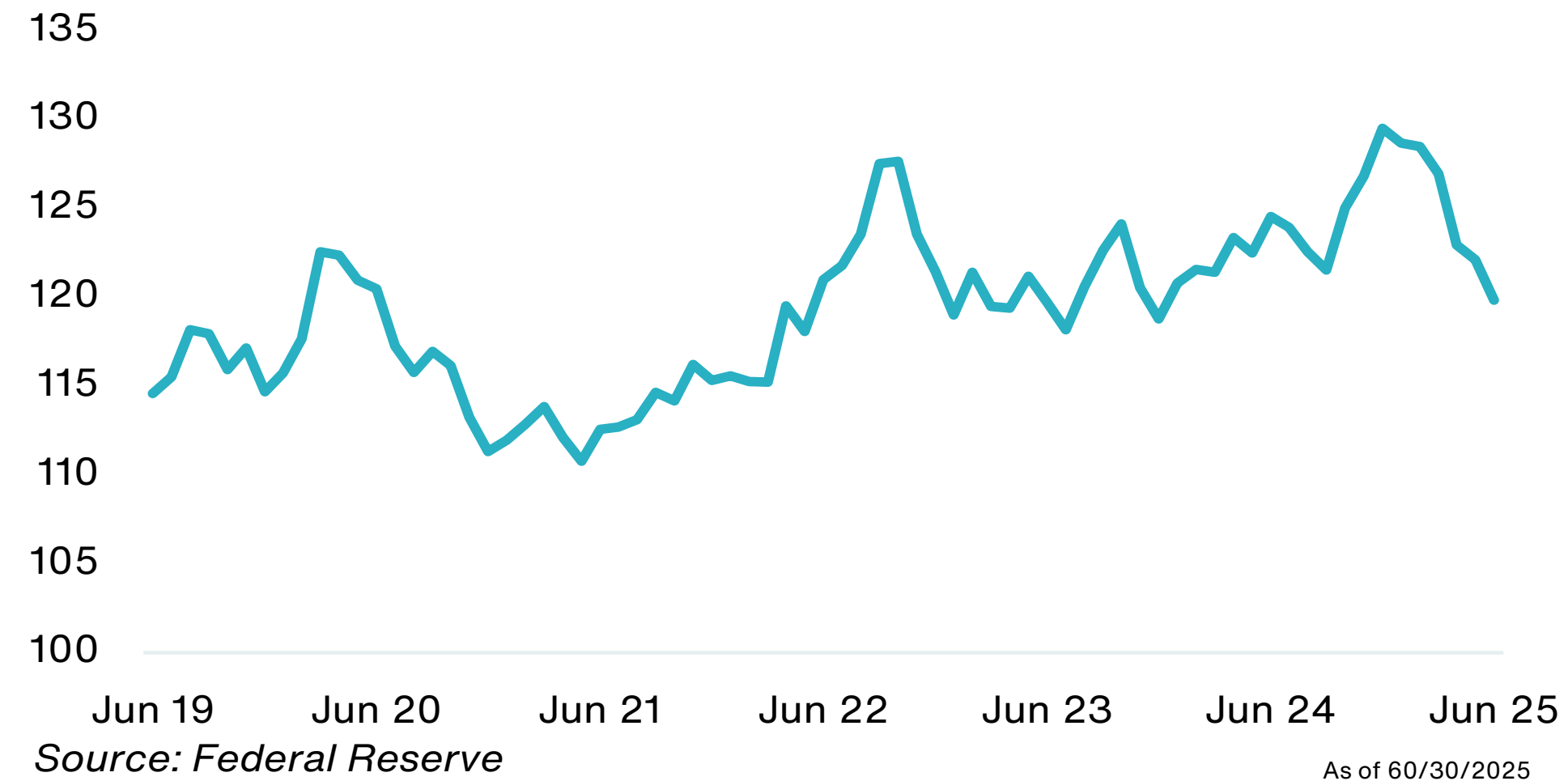
Source: FactSet, Bloomberg

- Credit markets rose amid rising risk tolerance sentiment, with spreads generally narrowing.
- High Yield and Global Emerging Markets spreads narrowed by 57bps and 16bps, respectively. ABS spreads narrowed by 3bps.

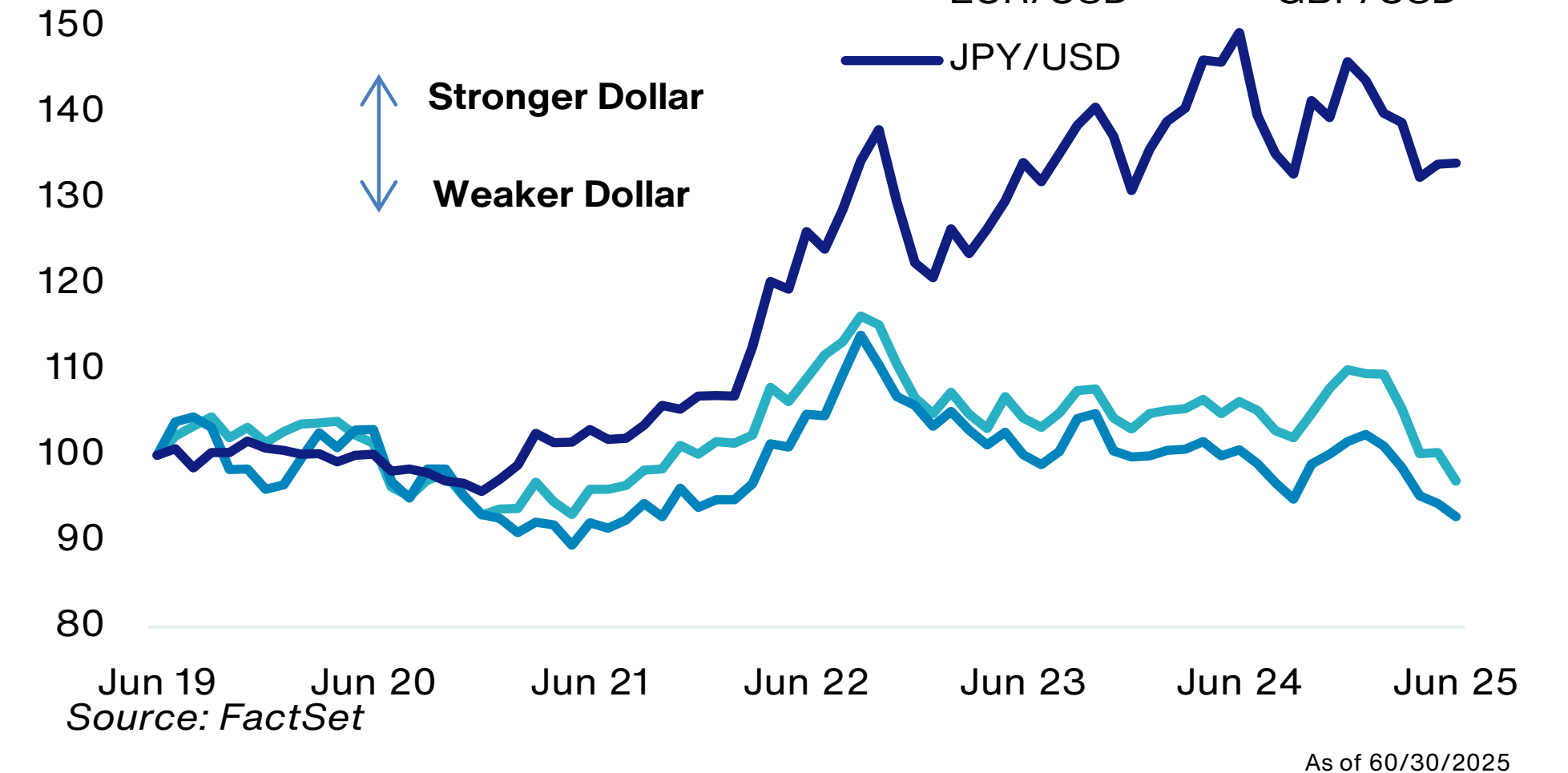


# Currency

**TRADE WEIGHTED U.S. DOLLAR INDEX  
(2006 = 100)**

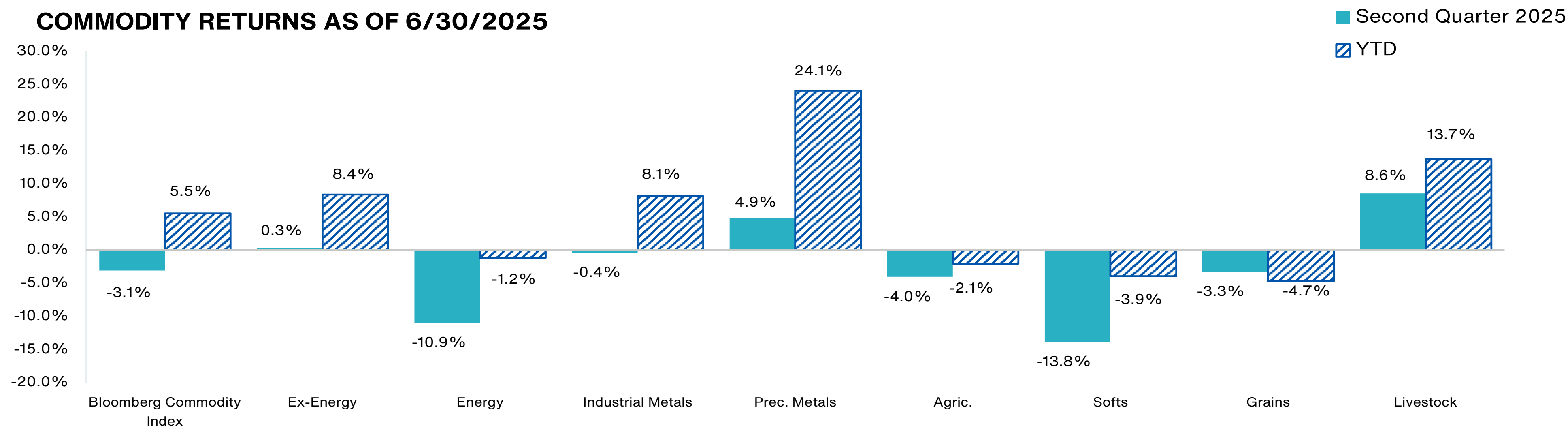


**U.S. DOLLAR RELATIVE TO EUR, GBP AND JPY REBASED TO  
100 AT 6/30/2019**



- The U.S. Dollar depreciated against all major currencies over the quarter. On a trade-weighted basis, the U.S. dollar depreciated by 5.6%.
- Sterling appreciated by 5.8% against the U.S. dollar. In its May meeting, the Bank of England (BoE) reduced interest rates by 0.25% to 4.25%. The BoE forecasts that inflation will peak at 3.5% in Q3 2025 (down from 3.7%), before returning to the target rate of 2% by Q1 2027.
- The U.S. dollar depreciated by 8.0% against the euro and by 3.4% against the yen.

# Commodities



Source: Bloomberg Note: Softs and Grains are part of the wider Agriculture sector

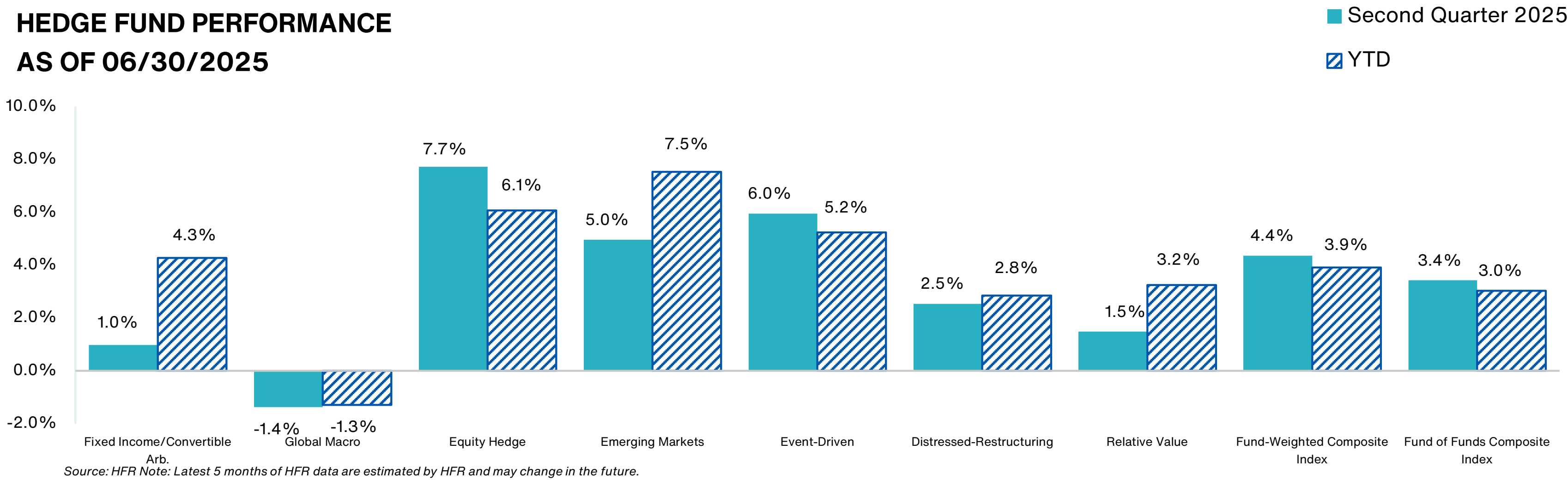
- Commodity prices fell over the quarter (except for Prec. Metals and Livestock sub-sector) with the Bloomberg Commodity Index returning -3.1%.
- The softs sub-sector was the worst performer over the quarter at -13.8%.
- The Livestock sector rose the most over the quarter at 8.6%.
- Brent crude oil prices mostly moderated over the quarter, with OPEC+ countries raising oil production output by 960,000 barrels per day (bpd) over Q2 2025 and announcing further increase of 411,000 bpd starting July 2025. Brent crude oil prices ranged from U.S. \$60/BBL to U.S. \$79/BBL, before ending the quarter at U.S. \$68/BBL.

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.



# Hedge Funds Market Overview

## HEDGE FUND PERFORMANCE AS OF 06/30/2025

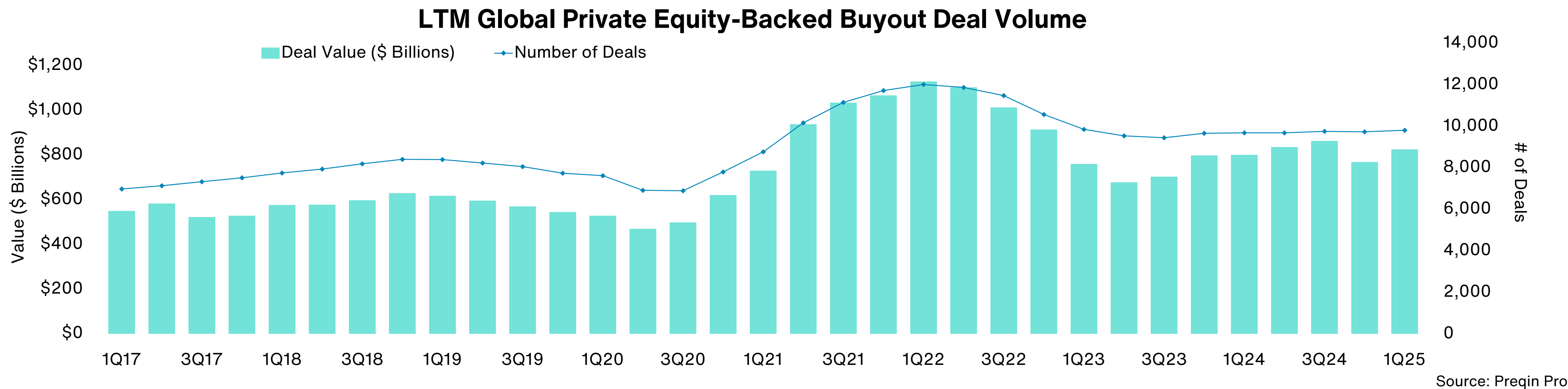


- Hedge fund performance was mostly positive over the quarter.
- The HFRI Fund-Weighted Composite produced a return of 4.4% and the HFRI Fund of Funds Composite Index produced a return of 3.4% over the quarter.
- Over the quarter, Equity Hedge was the best performer with a return of 7.7%.
- Global Macro was the worst performer with a return of -1.4% over the quarter.
- On a YTD basis, Emerging Markets has outperformed all other strategies while Global Macro has performed the worst.

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

# Private Equity Overview

First Quarter 2025



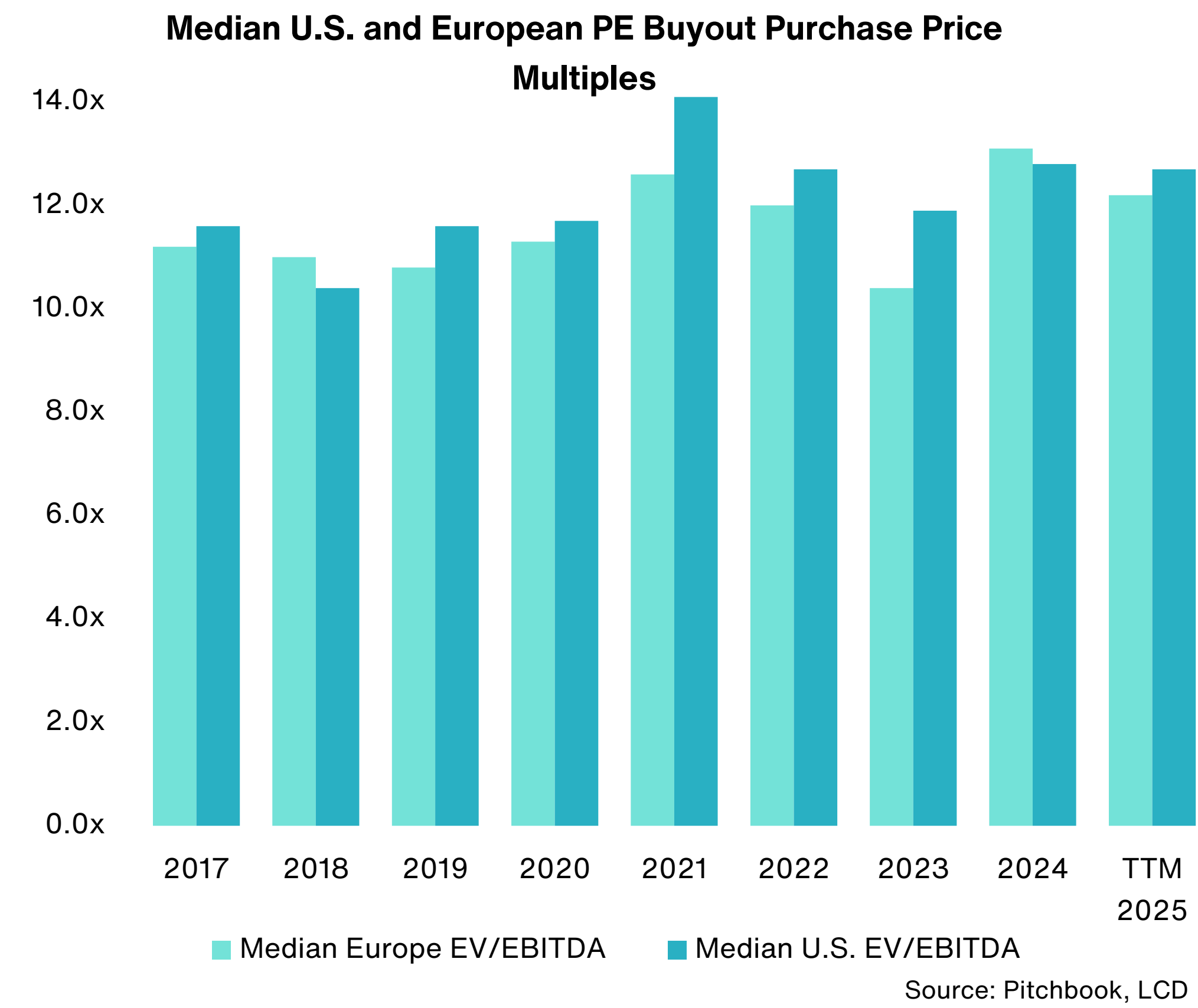
- **Fundraising:** In Q1 2025, \$247.5 billion of capital was raised by 717 funds, which was an increase of 30.0% on a capital basis but a decrease of 13.7% by number of funds closed over the prior quarter. Capital raised and the number of funds closed in Q1 2025 represented a decrease of 18.9% and 44.9%, respectively, compared to the five-year quarterly average.<sup>1</sup>
- **Buyout:** Global private equity-backed buyout deals totaled \$210.8 billion in Q1 2025, which was an increase on a capital basis of 11.1% compared to Q4 2024 and an increase of 1.2% compared to the five-year quarterly average.<sup>1</sup> On a TTM basis, median U.S. private equity EV/EBITDA multiples reached 12.2x at the end of Q1 2025, a decrease compared to the 13.1x seen at the end of 2024 and down slightly from the five-year average (12.5x). In Europe, on a TTM basis, median private equity EV/EBITDA multiples reached 12.7x at the end of Q1 2025, roughly in line with the 12.8x multiple seen at the end of 2024.<sup>2</sup> Globally, buyout exit value totaled \$85.6 billion across 530 deals during the quarter, down, on a value and deal count basis, from \$129.8 billion in exit value from 597 deals during the prior quarter. Exit value in Q1 2025 was also materially below the five-year quarterly average of \$129.1 billion in value.<sup>1</sup>
- **Venture:** During the quarter, an estimated 3,990 U.S. venture-backed transactions totaling \$91.5 billion were completed, which was an increase of 18.5% on a capital basis and 10.9% by deal count over the prior quarter, which saw 3,599 deals completed totaling \$77.2 billion. This was also an increase of 34.6% on a capital basis compared to the five-year quarterly average of \$57.4 billion. Total U.S. venture-backed exit value increased during the quarter, totaling approximately \$56.2 billion across an estimated 385 completed transactions compared to \$41.3 billion of value across 359 exits in Q4 2024. However, Q1 2025 exit value remained below the five-year quarterly average of \$81.4 billion from 360 transactions.<sup>3</sup>

Sources: 1 Preqin 2 Pitchbook/LCD 3 PitchBook/NVCA Venture Monitor 4 Fitch Ratings 5 Jefferies

Notes: FY=Fiscal year ended 12/31; YTD=Year to date; LTM=Last 12 months (aka trailing 12 months); PPM=Purchase Price Multiples: Total Purchase Price ÷ EBITDA.



# Private Equity Overview (cont.)



Sources: 1 Preqin 2 Pitchbook/LCD 3 PitchBook/NVCA Venture Monitor 4 Fitch Ratings 5 Jefferies

- **Mezzanine:** 5 funds closed on \$4.0 billion during the quarter, an increase from the prior quarter's total of \$0.6 billion raised by 5 funds. Capital raised in Q1 2025 was also an increase of 89.6% compared to Q1 2024. However, this represented a decrease compared to the five-year quarterly average of \$6.4 billion.<sup>1</sup>
- **Distressed Debt/Special Situations:** The TTM U.S. high-yield default rate was 1.95% as of March 2025, which was down from December 2024's TTM rate of 2.58%.<sup>4</sup> During the quarter, \$23.8 billion was raised by 16 funds, up from the \$14.3 billion raised by 15 funds during Q4 2024. Capital raised in Q1 2025 represented 56.0% of 2024's total of \$42.5 billion.<sup>1</sup>
- **Secondaries:** 10 funds raised \$34.1 billion during Q1 2025, up significantly from the \$7.9 billion raised by 22 funds in Q4 2024. This was also an increase compared to the five-year quarterly average of \$16.0 billion.<sup>1</sup> The average discount rate for LP buyout and venture capital portfolios finished Q1 2025 at 6.0% and 23.0%, respectively, with buyout discounts being flat and venture discounts decreasing 2.0% compared to Q4 2024.<sup>5</sup>
- **Infrastructure:** \$60.1 billion of capital was raised by 26 funds in Q1 2025 compared to \$20.1 billion of capital raised by 31 funds in Q4 2024. The 10 largest funds in market are currently seeking a combined \$156.9 billion in capital. Infrastructure managers completed 435 deals for an aggregate deal value of \$151.0 billion in Q1 2025, an increase, on a capital basis, compared to 482 deals totaling \$81.4 billion completed in Q4 2024.<sup>1</sup>
- **Natural Resources:** During Q1 2025, 10 funds closed on \$3.6 billion, a decrease compared to 12 funds closing on \$10.8 billion during the prior quarter. This was also a decrease of 22.3% compared to the five-year quarterly average. 65 energy and utilities buyout deals were completed in Q1 2025 totaling \$0.5 billion, a decrease, on a value and number of deals basis, compared to 87 completed deals totaling \$7.7 billion in Q4 2024.<sup>1</sup>

# Appendix

## Index Definitions

Index	Definition
MSCI AC World Index	The MSCI ACWI captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,528 constituents, the index covers approximately 85% of the global investable equity opportunity set.
MSCI All Country World Investable Market Index	The MSCI ACWI Investable Market Index (IMI) captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 8,274 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set.
MSCI World Index	The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,325 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI EAFE	The MSCI EAFE Index is an equity index which captures large and mid cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 695 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI Emerging Markets	The MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets (EM) countries. With 1,203 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI Emerging Markets Investable Market Index	The MSCI Emerging Markets Investable Market Index (IMI) includes large, mid and small cap companies and targets coverage of approximately 99% of the free float-adjusted market capitalization in each country.
MSCI Factor indexes	These are rules-based indexes that capture the returns of systematic factors that have historically earned a persistent premium over long periods of time—such as Value, Low Size, Low Volatility, High Yield, Quality and Momentum and Growth.
MSCI USA Value/Growth	The MSCI USA Value/Growth Index captures U.S. large and mid cap securities exhibiting overall value/growth style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.
MSCI ACWI ex USA IMI	The MSCI ACWI ex USA Investable Market Index (IMI) captures large, mid and small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States) and 24 Emerging Markets (EM) countries. With 6,060 constituents, the index covers approximately 99% of the global equity opportunity set outside the US.
MSCI USA IMI	The MSCI USA Investable Market Index (IMI) is designed to measure the performance of the large, mid and small cap segments of the U.S. market. With 2,214 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in the US
MSCI UK IMI	The MSCI United Kingdom Investable Market Index (IMI) is designed to measure the performance of the large, mid and small cap segments of the UK market. With 279 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in the UK.
MSCI Japan IMI	The MSCI Japan Investable Market Index (IMI) is designed to measure the performance of the large, mid and small cap segments of the Japan market. With 979 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in Japan.
MSCI Canada IMI	The MSCI Canada Investable Market Index (IMI) is designed to measure the performance of the large, mid and small cap segments of the Canada market. With 265 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in Canada.

# Appendix

## Index Definitions

Index	Definition
MSCI Israel IMI	The MSCI Israel Investable Market Index (IMI) is designed to measure the performance of the large, mid and small cap segments of the Israeli market. With 100 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in Israel.
MSCI Europe ex UK IMI Index	The MSCI Europe ex UK IMI Index is an equity index which captures large, mid and small cap representation across 14 of 15 Developed Market (DM) countries in Europe* excluding the UK. With 955 constituents, the index is comprehensive, covering approximately 99% of the free float-adjusted market capitalization in each country.
MSCI Pacific ex Japan IMI	The MSCI Pacific ex Japan Investable Market Index (IMI) captures large, mid and small cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 383 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.
Dow Jones U.S. Total Stock Market Index	A capitalization-weighted index of stocks representing all U.S. equity eligible securities.
S&P 500	The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.
S&P GSCI	A world-production weighted index that is based on the average quantity of production of each commodity in the index.
Russell 3000 Index	The Russell 3000 Index is a market-capitalization-weighted equity index that seeks to track 3000 of the largest U.S.-traded stocks.
Russell 2000 Index	The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.
Bank of America Merrill Lynch U.S. Corporate Index	An unmanaged index considered representative of fixed-income obligations issued by U.S. corporates.
Bank of America Merrill Lynch U.S. High Yield Index	An unmanaged index considered representative of sub-investment grade fixed-income obligations issued by U.S. corporates.
Bloomberg U.S. Government Index	An unmanaged index considered representative of fixed-income obligations issued by the U.S. government.
Bloomberg Long Credit Index	An unmanaged index considered representative of long duration fixed-income obligations issued by U.S. corporates.
Bloomberg Global Aggregate Index	The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-eight local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.



# Appendix

## Index Definitions

Index	Definition
Bloomberg U.S. Government: Long	The Bloomberg U.S. Government: Long Index tracks U.S. dollar denominated, fixed-rate, nominal U.S. Treasuries and U.S. agency debentures (securities issued by U.S. government owned or government sponsored entities, and debt explicitly guaranteed by the U.S. government) with maturities equal or greater than 10 years
Bloomberg U.S. Corporate High Yield Index	The Bloomberg U.S. Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices’ EM country definition, are excluded. The U.S. Corporate High Yield Index is a component of the U.S. Universal and Global High Yield Indices.
Bloomberg Global Treasury ex-U.S.	The Bloomberg Global Treasury Index tracks fixed-rate, local currency government debt of investment grade countries, outside the United States.. The index represents the treasury sector of the Global Aggregate Index.
Bloomberg U.S. Aggregate Index	The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed rate agency MBS, ABS and CMBS (agency and non-agency).
Bloomberg U.S. TIPS Index	The Index measures the performance of the U.S. treasury inflation linked bond market.
Bloomberg Commodity Index	The Bloomberg Commodity Index is a broadly diversified commodity price index distributed by Bloomberg Index Services Limited.
J.P. Morgan EMBI Global Diversified Index	The J.P. Morgan EMBI Global Diversified Index (EMBIGD) tracks liquid, U.S. Dollar emerging market fixed and floating-rate debt instruments issued by sovereign and quasi-sovereign entities.
JP Morgan EMBI Global	The J.P.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 JPMorgan EMBI+.
HFRI Fund Weighted Composite	The HFRI Fund Weighted Composite Index is a global, equal-weighted index of single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in U.S. Dollar and have a minimum of \$50 Million under management or \$10 Million under management and a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
HFRI Fund of Funds	HFR FOF Indices are comprised of funds that are constituents of the HFRI 500 Index and are designed to synthetically (S) represent the performance of Low, Mid or High volatility fund of funds.
FTSE NARIET	The FTSE Nareit U.S. Real Estate Index Series tracks the performance of the U.S. REIT industry at both an industry-wide level and on a sector-by-sector basis.
NCREIF NFI-ODCE	The NFI-ODCE, like the NCREIF Property Index (NPI) and other stock and bond indices, is a capitalization-weighted index based on each fund’s net invested capital, which is defined as beginning market value net assets (BMV), adjusted for weighted cash flows (WCF) during the period.
FTSE Global Core Infrastructure	The FTSE Infrastructure Index Series is a comprehensive set of nine cap-weighted indices, diversified across six FTSE-defined infrastructure sub-sectors, to reflect the performance of infrastructure and infrastructure-related listed securities worldwide.

# Legal Disclosures and Disclaimers

This document has been produced by Aon's Global Asset Allocation Team, a division of Aon plc and is appropriate solely for institutional investors. Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. Consultants will be pleased to answer questions on its contents but cannot give individual financial advice. Individuals are recommended to seek independent financial advice in respect of their own personal circumstances. The information and opinions contained herein is given as of the date hereof and does not purport to give information as of any other date and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass.

Information contained herein is for informational purposes only and should not be considered investment advice. The delivery at any time shall not, under any circumstances, create any implication that there has been a change in the information set forth herein since the date hereof or any obligation to update or provide amendments hereto. The information contained herein is derived from proprietary and non-proprietary sources deemed by Aon to be reliable and are not necessarily all inclusive. Aon does not guarantee the accuracy or completeness of this information and cannot be held accountable for inaccurate data provided by third parties. Reliance upon information in this material is at the sole discretion of the reader.

This document does not constitute an offer of securities or solicitation of any kind and may not be treated as such, i) in any jurisdiction where such an offer or solicitation is against the law; ii) to anyone to whom it is unlawful to make such an offer or solicitation; or iii) if the person making the offer or solicitation is not qualified to do so. If you are unsure as to whether the investment products and services described within this document are suitable for you, we strongly recommend that you seek professional advice from a financial adviser registered in the jurisdiction in which you reside. We have not considered the suitability and/or appropriateness of any investment you may wish to make with us. It is your responsibility to be aware of and to observe all applicable laws and regulations of any relevant jurisdiction, including the one in which you reside.

Aon Investments USA Inc. is a federally registered investment advisor with the U.S. Securities and Exchange Commission. AIUSA is also registered with the Commodity Futures Trade Commission as a commodity pool operator and a commodity trading advisor and is a member of the National Futures Association. The AIUSA ADV Form Part 2A disclosure statement is available upon written request to:

Aon Investments USA Inc.  
200 E. Randolph Street  
Suite 600  
Chicago, IL 60601  
ATTN: Aon Investments Compliance Officer

© Aon plc 2025. All rights reserved.