Quarterly Economic Report

4th Quarter 2024

SVB Asset Management views on economic and market factors affecting global markets and business health

Quarterly Economic Report

Published in Q4 2024 | Data for Q3 2024

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Overview

Key Takeaways

- September's widely anticipated Federal Open Market Committee (FOMC) meeting concluded with a 50-basis point (bps) rate cut and an updated, more "dovish" outlook for the path of future rate cuts.
- The FOMC shifted its characterization of both the labor market ("job gains have slowed") and inflation ("made further progress"), overall suggesting a more balanced approach to the Federal Reserve's dual mandate compared to its prior focus on price stability.
- The FOMC's "dot plot" of future rate expectations was revised to reflect further rate cuts through both the remainder of this year and 2025.
- Consumers have slowed down their spending in the current rate and inflation environment. More Americans are refinancing their homes due to falling mortgage rates.

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The FOMC reduced the fed funds rate by 50 bps at its September meeting.
The committee revised the target range for the benchmark federal funds rate to a range of 4.75%-5.00% in its first rate cut in over four years.

The FOMC set forth a more aggressive path of policy easing going forward.
The committee stated that risks to achieving employment and inflation goals are "roughly in balance." However, Fed Chairman Powell stressed that "no one should look at 50 bps as the new pace."

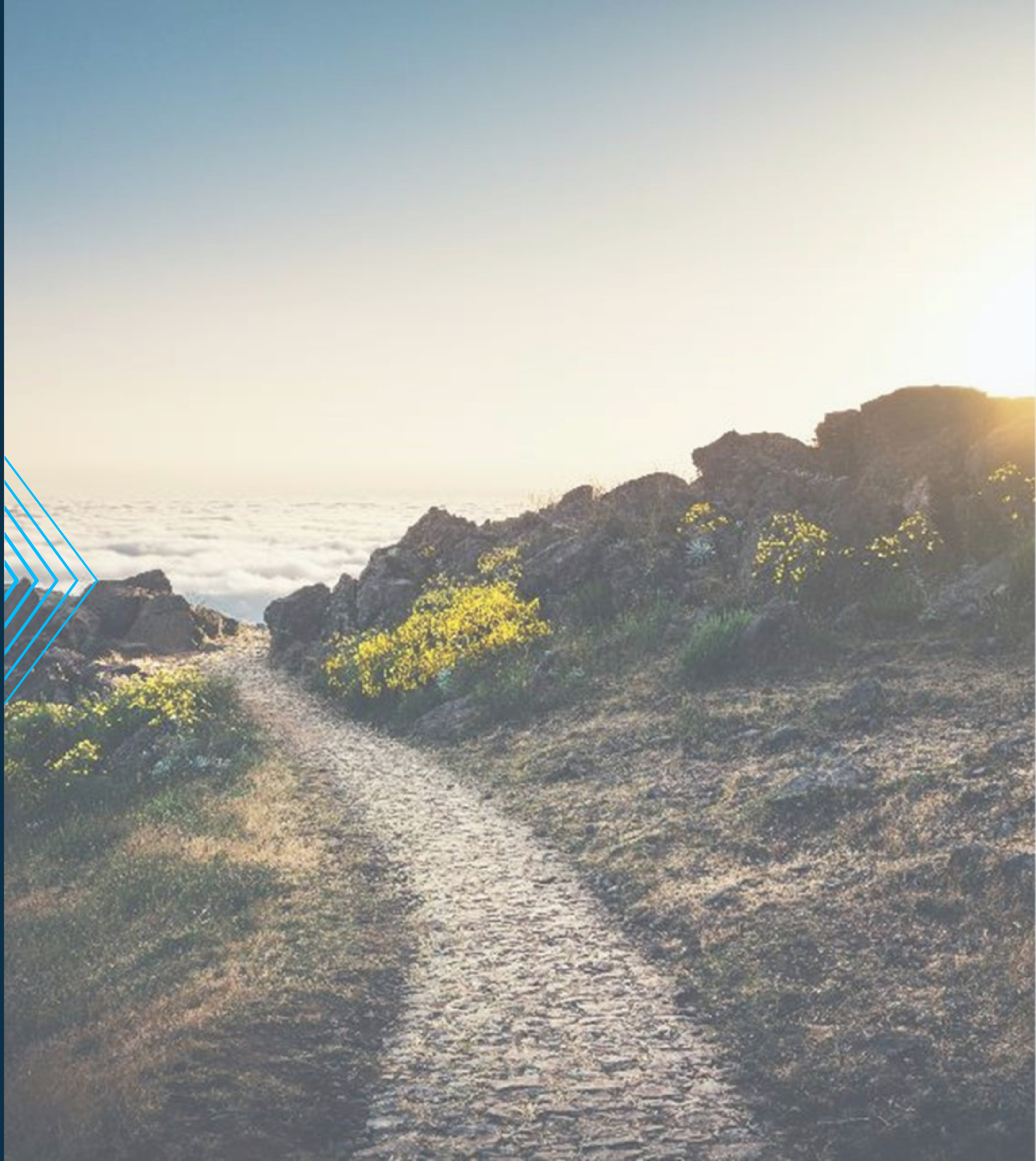
Inflation has been on the decline.
Core personal consumption expenditures (PCE) — the Fed's preferred inflation indicator — rose 2.7% year-over-year (YoY) in August 2024, which is down from 3.8% in August 2023.

GDP continues to point to the strength of the economy.
Q2 2024 gross domestic product (GDP) was reported at 3.0%, well above the market consensus of 2.0%, indicating the health of the U.S's overall economy.

Narrower interest rate differentials will weigh on the USD.
The interest rate advantage of the USD vs. developed economy currencies is projected to narrow or disappear altogether, and is expected to put downward pressure on the USD.

The prospect of lower rates in 2024 boosts fixed income performance.
The shift in market expectations for interest rates helped government bonds perform strongly. Credit performance also benefitted, with both investment-grade (IG) and high-yield (HY) credit spreads ending Q3 2024 marginally tighter.

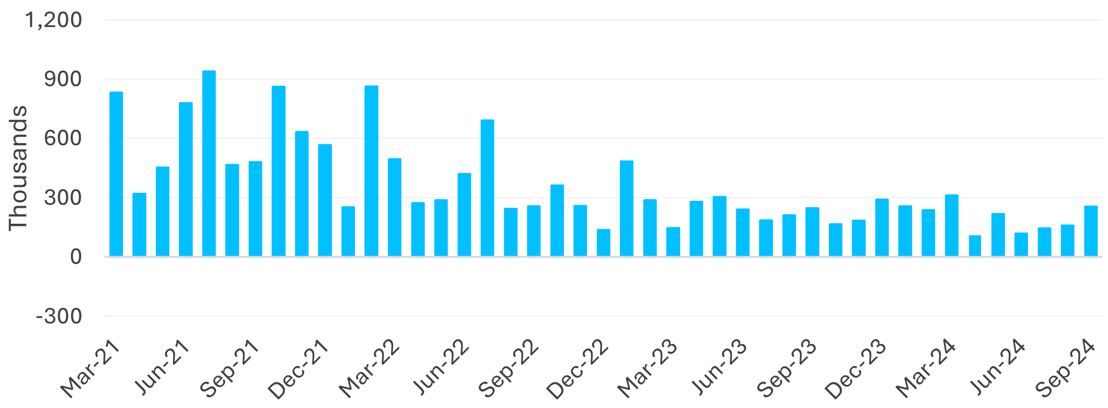
Domestic Economy



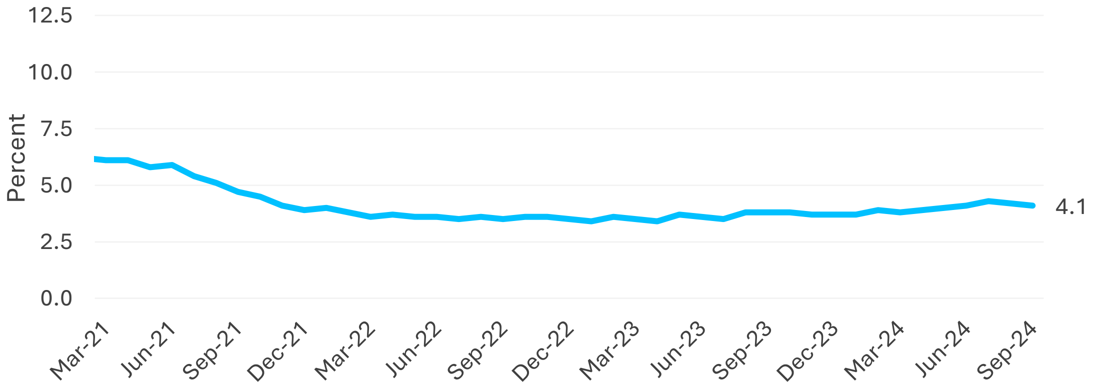
Unemployment: Declining as Job Growth Continues

In Q3 2024, the average number of jobs grew by approximately 186,000 per month. The unemployment rate rose then fell, from 4.1% at the end of June to 4.3% in July and back to 4.1% at the end of September. As measured in August, there continue to be more jobs available (~8.0 million) than unemployed Americans (~7.1 million). The number of unemployed Americans dipped in September to ~6.8 million.

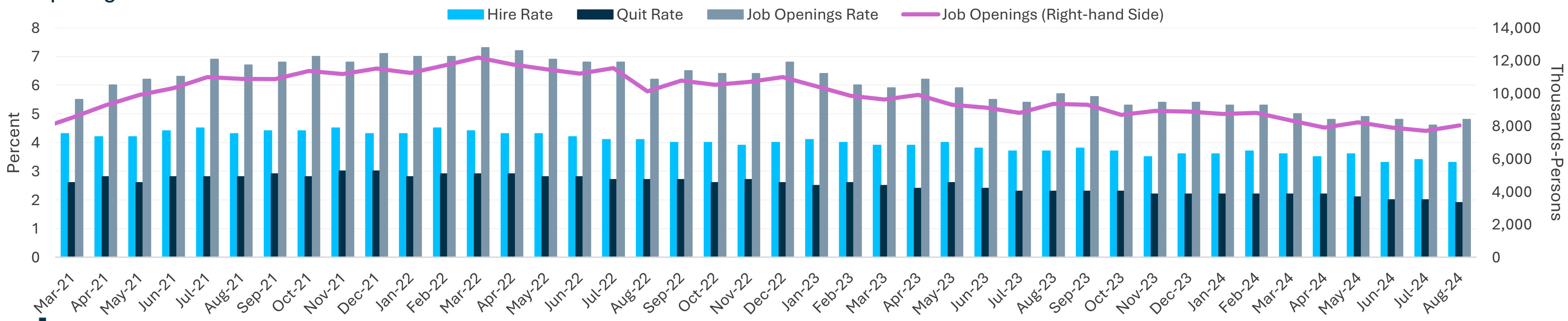
Non-Farm Payrolls



Unemployment Rate



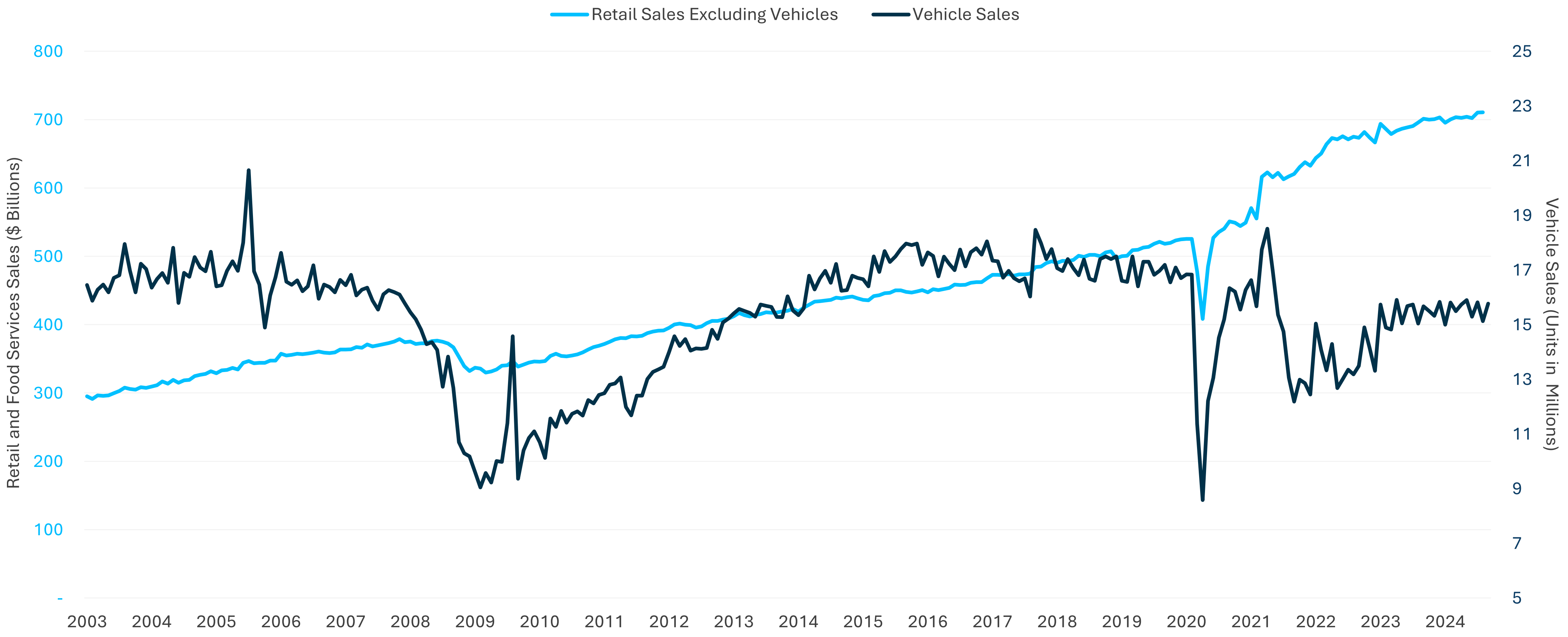
Job Openings and Labor Turnover



Source: US Bureau of Labor Statistics, Bloomberg and SVB Asset Management. Data as of 10/07/2024.

Consumption: Continued Flattening of Consumer Spending

Retail sales, excluding vehicles, have remained relatively flat from Q2 2024 to Q3 2024, as consumers have slowed down on their spending in the current rate and inflation environment. Vehicle sales have continued to oscillate each month.



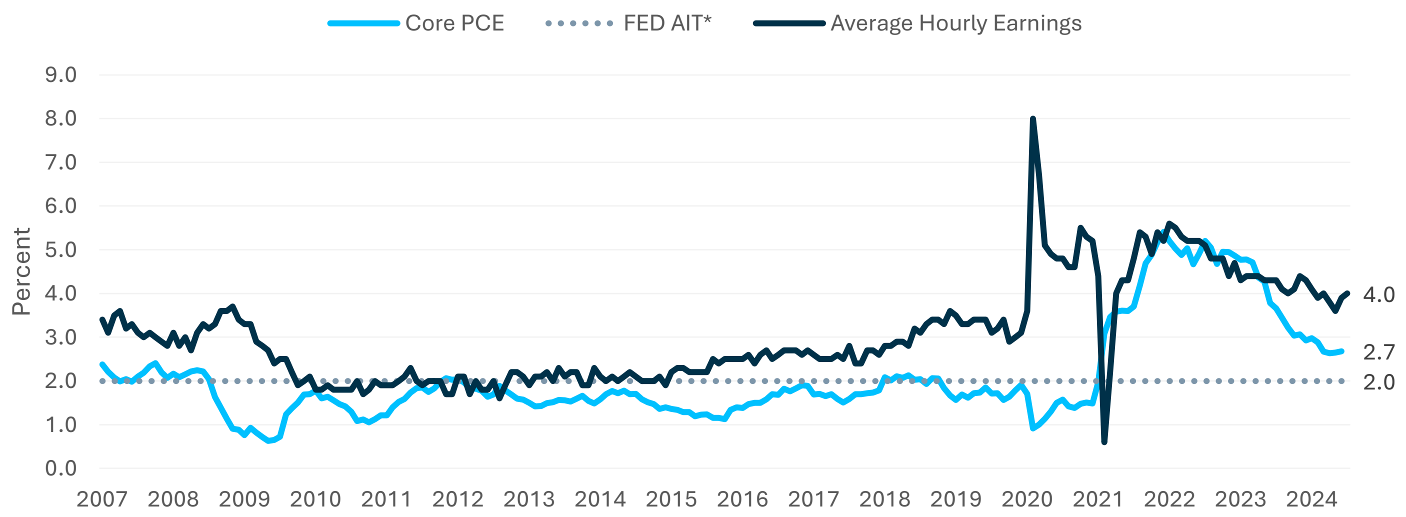
Source: Bloomberg and SVB Asset Management. Data as of 10/07/2024.

Inflation: On the Decline

Inflation has slowly trended downward with the September 2024 consumer price index (CPI) dipping to 2.4% YoY. Core PCE — the Fed's preferred inflation indicator — rose to 2.7% YoY in August 2024, which is down from 3.8% in August 2023.

In addition to market forecasts, the Fed continues to reiterate that it expects inflation to decline into 2025.

Core PCE



CPI Breakdown (MoM Change)**

	All Items	Food	Food at Home	Food Away from Home	Energy	Gasoline (All Types)	Electricity	Natural Gas (Piped)	All Items Less Food and Energy	Commodities Less Food and Energy	Apparel	New Vehicles	Medical Care Commodities	Services Less Energy	Shelter	Medical Care	Education and Communication
Sep-24	2.40%	2.30%	1.30%	3.90%	-6.80%	-15.30%	3.70%	2.00%	3.30%	-1.00%	1.80%	-1.30%	1.60%	4.70%	4.90%	3.60%	0.90%
Aug-24	2.50%	2.10%	0.90%	4.00%	-4.00%	-10.30%	3.90%	-0.10%	3.20%	-1.90%	0.30%	-1.20%	2.00%	4.90%	5.20%	3.20%	1.00%
Jul-24	2.90%	2.20%	1.10%	4.10%	1.10%	-2.20%	4.90%	1.50%	3.20%	-1.90%	0.20%	-1.00%	2.80%	4.90%	5.10%	3.30%	0.90%
Jun-24	3.00%	2.20%	1.10%	4.10%	1.00%	-2.50%	4.40%	3.70%	3.30%	-1.80%	0.80%	-0.90%	3.10%	5.10%	5.20%	3.30%	0.70%
May-24	3.30%	2.10%	1.00%	4.00%	3.70%	2.20%	5.90%	0.20%	3.40%	-1.70%	0.80%	-0.80%	3.10%	5.30%	5.40%	3.10%	0.50%
Apr-24	3.40%	2.20%	1.10%	4.10%	2.60%	1.20%	5.10%	-1.90%	3.60%	-1.30%	1.30%	-0.40%	2.50%	5.30%	5.50%	2.70%	0.40%
Mar-24	3.50%	2.20%	1.20%	4.20%	2.10%	1.30%	5.00%	-3.20%	3.80%	-0.70%	0.40%	-0.10%	2.50%	5.40%	5.70%	2.10%	0.20%
Feb-24	3.20%	2.20%	1.00%	4.50%	-1.90%	-3.90%	3.60%	-8.80%	3.80%	-0.30%	0.00%	0.40%	2.90%	5.20%	5.70%	1.10%	0.40%
Jan-24	3.10%	2.60%	1.20%	5.10%	-4.60%	-6.40%	3.80%	-17.80%	3.90%	-0.30%	0.10%	0.70%	3.00%	5.40%	6.00%	0.60%	0.00%
Dec-23	3.40%	2.70%	1.30%	5.20%	-2.00%	-1.90%	3.30%	-13.80%	3.90%	0.20%	1.00%	1.00%	4.70%	5.30%	6.20%	-0.50%	-0.10%
Nov-23	3.10%	2.90%	1.70%	5.30%	-5.40%	-8.90%	3.40%	-10.40%	4.00%	0.00%	1.10%	1.30%	5.00%	5.50%	6.50%	-0.90%	-0.10%
Oct-23	3.20%	3.30%	2.10%	5.40%	-4.50%	-5.30%	2.40%	-15.80%	4.00%	0.10%	2.60%	1.90%	4.70%	5.50%	6.70%	-2.00%	0.90%

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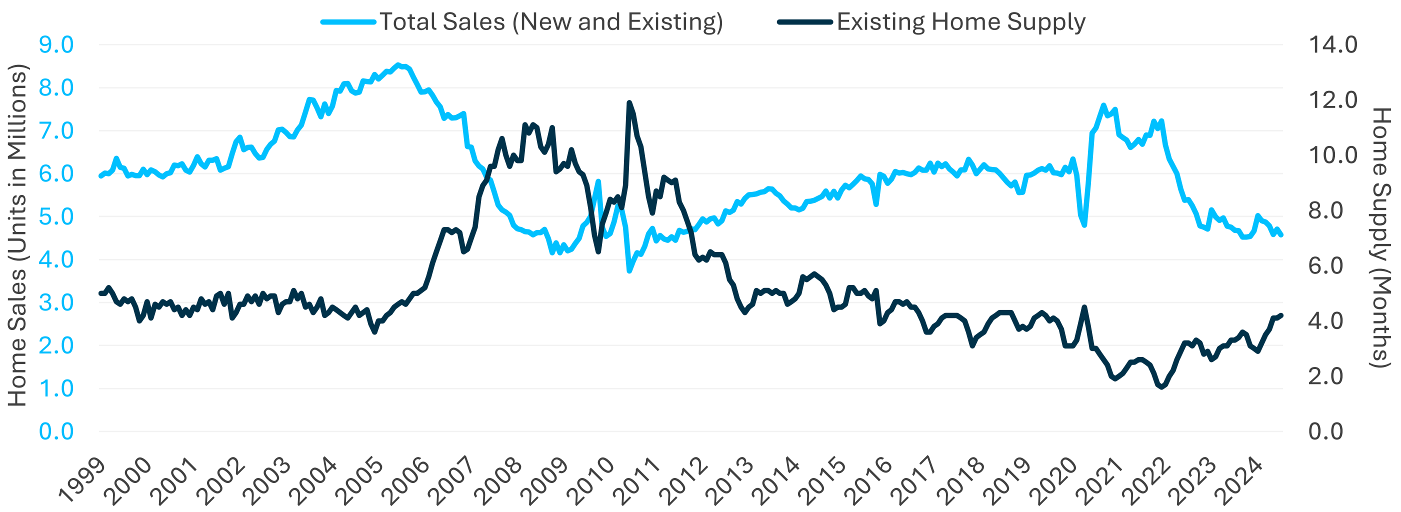
Source: Bloomberg, US Bureau of Labor and Statistics and SVB Asset Management. Data as of 10/10/2024. *Fed AIT is average inflation targeting.
The CPI measures the weighted average price change in the prices paid by consumers for household goods and services. **Month-over-month.

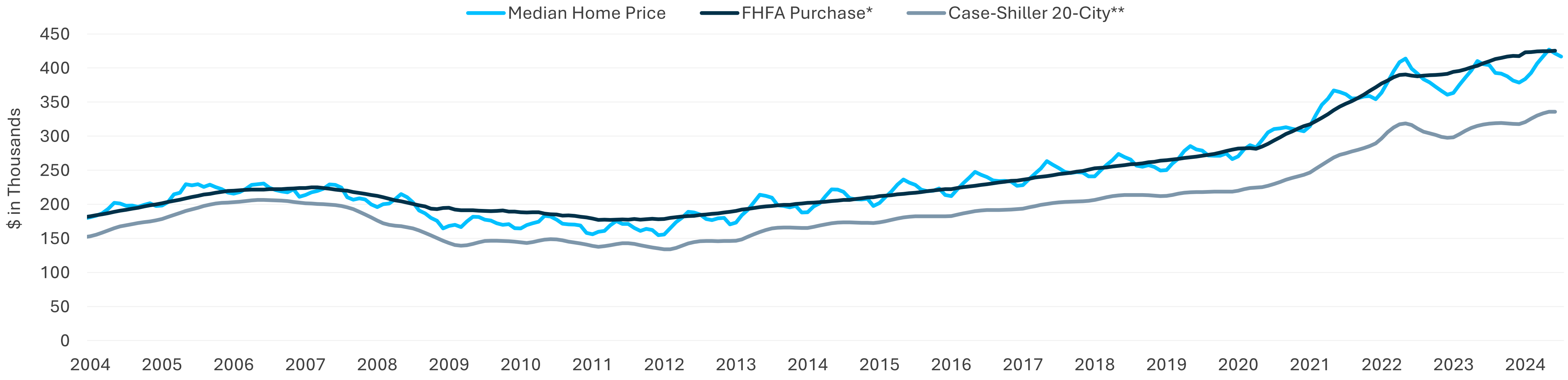
Housing: Sales Slump as Prices Rise

In spite of existing home supply increasing during Q3 2024, high median home prices have continued to suppress total home sales. Falling mortgage rates have encouraged more Americans to refinance at the lower rate.

Housing Market



Home Prices

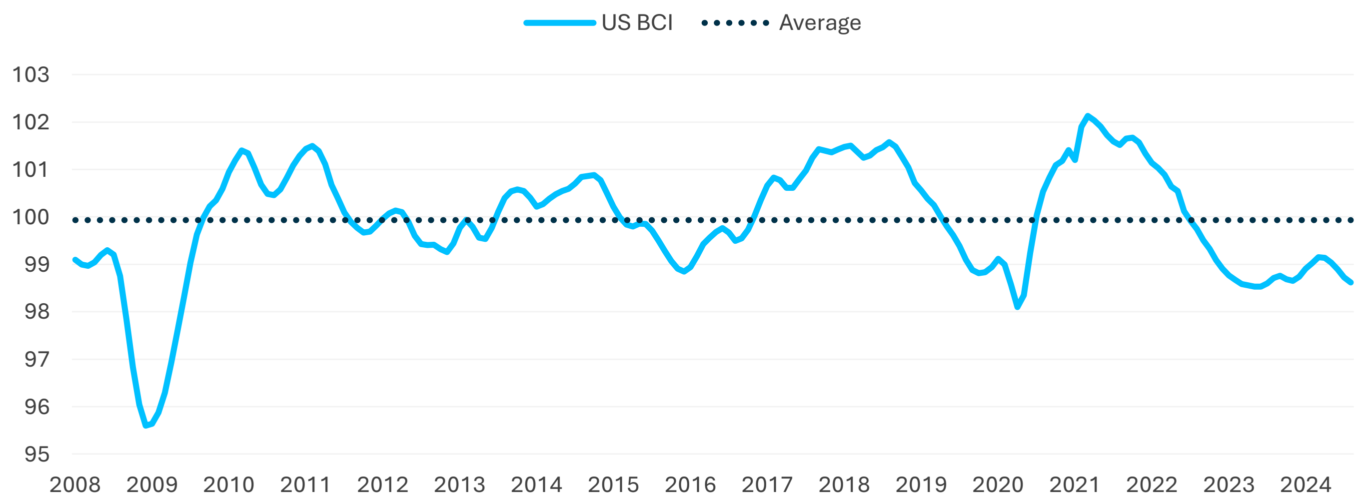


Source: Bloomberg and SVB Asset Management. Data as of 10/07/2024. *Federal Housing Finance Agency. **The Case-Shiller 20-City measures the prices of residential real estate in 20 major US metropolitan areas.

Business Outlook: Contracting

Business sentiment took a dip further below average in Q3 2024, after months of flattening. Institute for Supply Management (ISM) data has indicated, however, that US services have been strengthening due to increased orders, even as manufacturing continues to contract in the face of weakening demand.

Business Confidence Index (BCI)



Business Sentiment

	Dallas Fed Manufacturing Survey	Philly Fed Manufacturing Survey	New York Fed Empire Manufacturing Survey	Kansas City Fed Manufacturing Survey	Richmond Fed Manufacturing Survey	ISM Manufacturing	ISM Servicees
Sep-24	-9.0	1.7	11.5	-8.0	-21.0	47.2	54.9
Aug-24	-9.7	-7.0	-4.7	-3.0	-19.0	47.2	51.5
Jul-24	-17.5	13.9	-6.6	-13.0	-17.0	46.8	51.4
Jun-24	-15.1	1.3	-6.0	-8.0	-10.0	48.5	48.8
May-24	-19.4	4.5	-15.6	-2.0	-2.0	48.7	53.8
Apr-24	-14.5	15.5	-14.3	-8.0	-5.0	49.2	49.4
Mar-24	-14.4	3.2	-20.9	-7.0	-12.0	50.3	51.4
Feb-24	-11.3	5.2	-2.4	-4.0	-7.0	47.8	52.6
Jan-24	-27.4	-10.6	-43.7	-9.0	-11.0	49.1	53.4
Dec-23	-10.4	-12.8	-14.5	-1.0	-11.0	47.1	50.5
Nov-23	-21.4	-8.0	9.1	-2.0	-7.0	46.6	52.5
Oct-23	-20.6	-12.1	-4.6	-6.0	4.0	46.9	51.9
Sep-23	-19.2	-13.4	1.9	-7.0	1.0	48.6	53.4
Aug-23	-18.5	7.7	-19.0	0.0	-7.0	47.6	54.1
Jul-23	-21.2	-14.2	1.1	-9.0	-8.0	46.5	52.8
Jun-23	-24.4	-13.6	6.6	-11.0	-7.0	46.4	53.6
May-23	-30.1	-10.0	-31.8	-2.0	-11.0	46.6	51.0
Apr-23	-24.1	-26.3	10.8	-9.0	-12.0	47.0	52.3
Mar-23	-16.7	-22.4	-24.6	-1.0	-7.0	46.5	51.2
Feb-23	-14.5	-17.8	-5.8	-2.0	-14.0	47.7	55.0
Jan-23	-8.5	-9.8	-32.9	-2.0	-7.0	47.4	54.7

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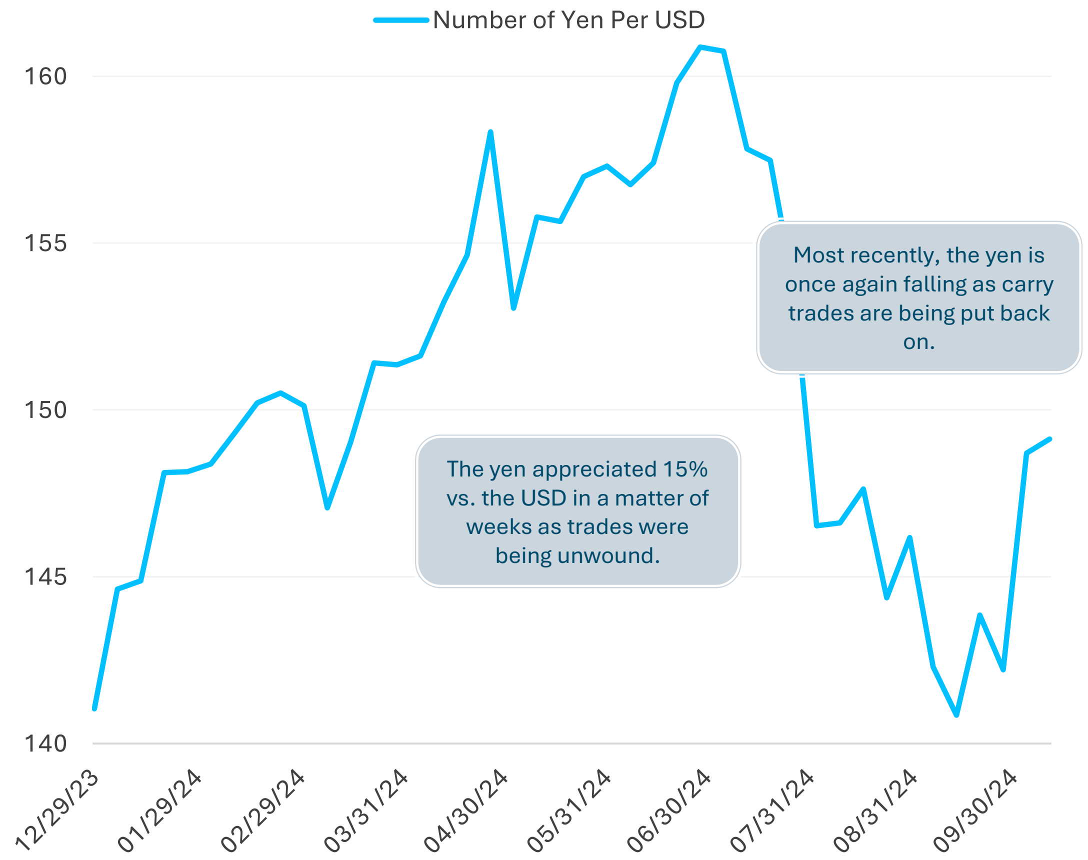
Source: Bloomberg, Organization for Economic Co-operation and Development (OECD, 2022) and BCI (indicator). Updated 10/07/2024. Heatmap colors are based on the indices and time periods shown and summarize business plans for economic activities. For the Fed surveys, the number represents business sentiment, with the higher number representing higher business sentiment. For ISM indices, the neutral number is usually 50. >50, the economy is likely to expand; <50, the economy is likely to contract.

Foreign Exchange

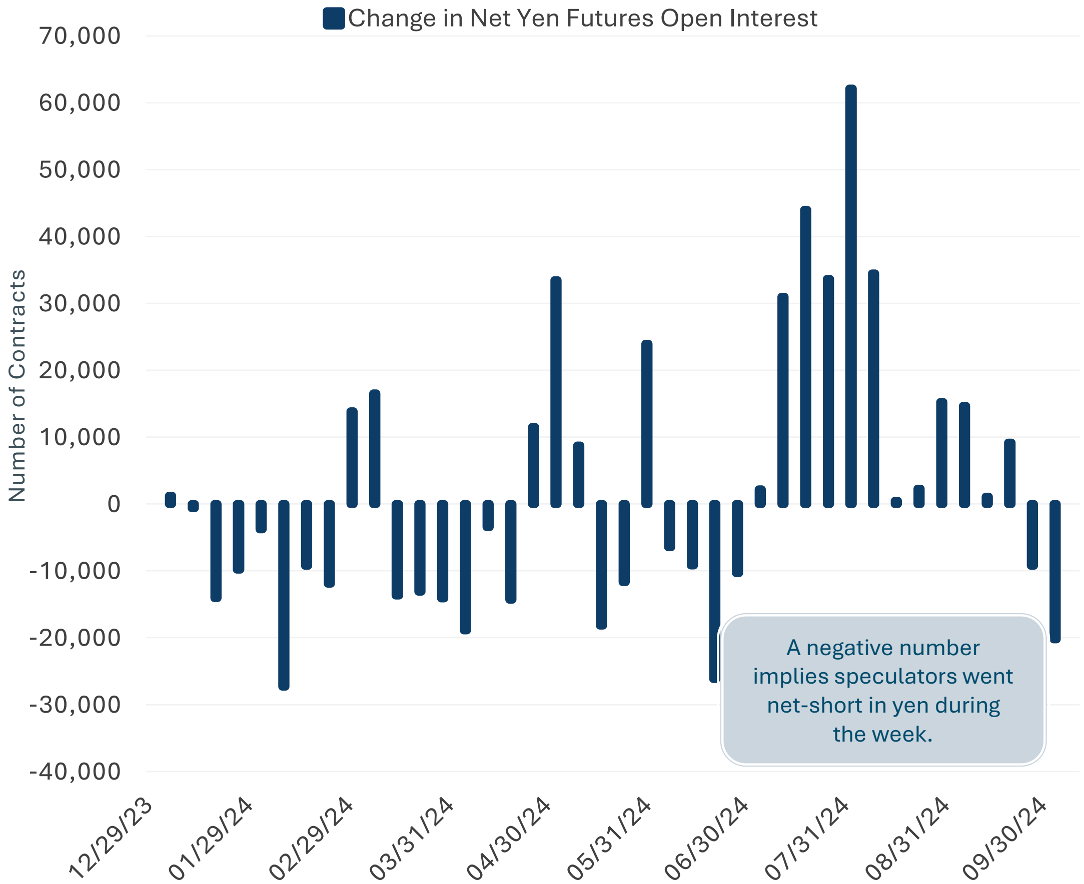
The Yen Carry Trade Unwind Came Quickly, But Positions Are Slowly Being Reinitiated

Triggered by renewed expectations of outsized rate hikes by the Bank of Japan, investors exited yen-funded carry trades, resulting in a financial whiplash that impacted risk assets across the globe. In recent weeks, however, carry trades are gradually being put back on.

Yen surged as a result of carry trade liquidations



Yen positioning by speculative funds once again turning

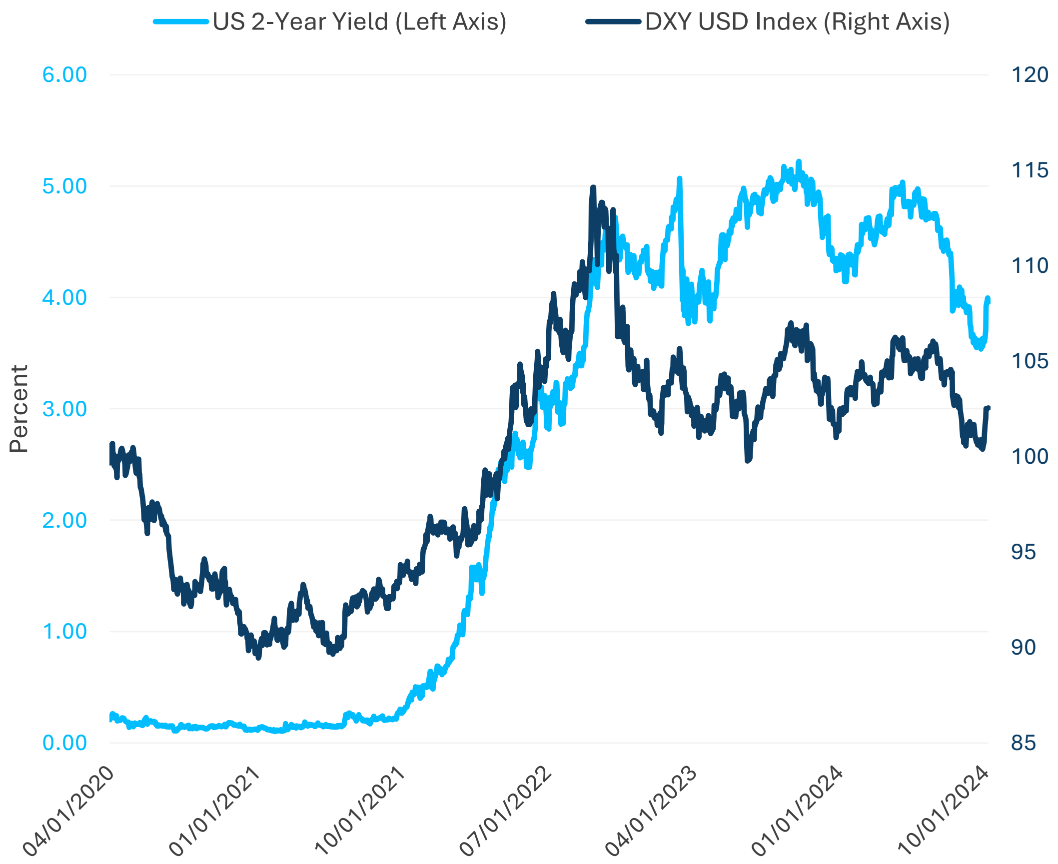


Sources: Bloomberg, Commodity Futures Trading Commission (CFTC). The data on Japanese yen net non-commercial futures positions is from the Commitment of Traders (COT) report and from the CFTC. Data as of 10/04/2024.

Narrower Interest Rate Differentials Will Weigh on USD

With markets pricing in multiple rate cuts through 2025, the interest rate advantage of the US vs. developed economy currencies is projected to narrow or disappear altogether, and this is expected to put downward pressure on the USD.

The USD has tracked US yields in the post-COVID era



Current vs. projected US policy rate advantage

Country	Current	Projected 2025
United States	--	--
Australia	0.65%	-0.19%
Canada	0.75%	0.59%
Eurozone	1.50%	1.45%
Japan	4.75%	2.79%
New Zealand	-0.25%	0.36%
Switzerland	4.00%	3.03%
UK	0.00%	-0.31%

Projected policy rates to year-end 2025 or to the latest available futures maturity, according to futures markets for US and Australia, and overnight index swap (OIS) markets for all others.

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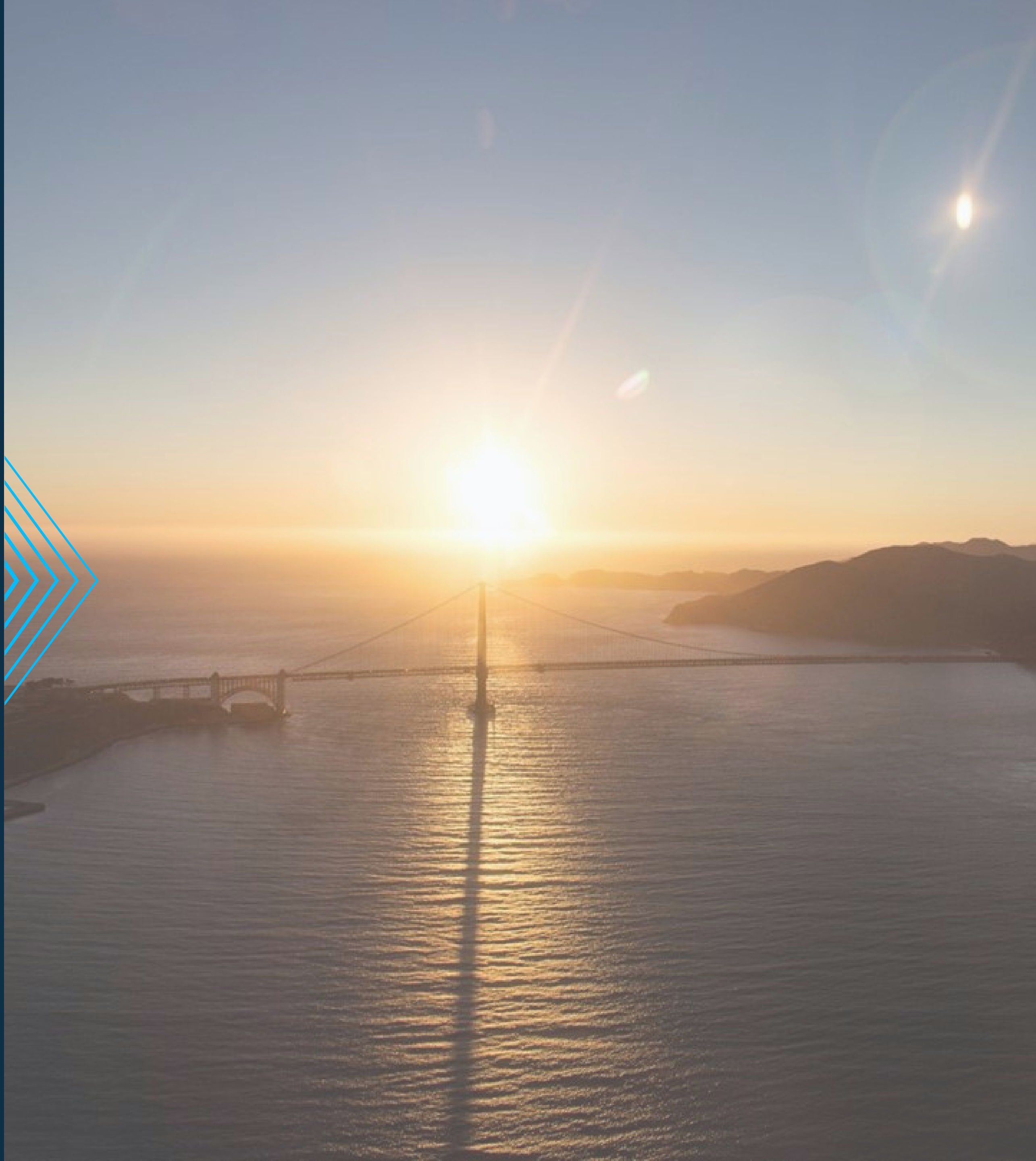
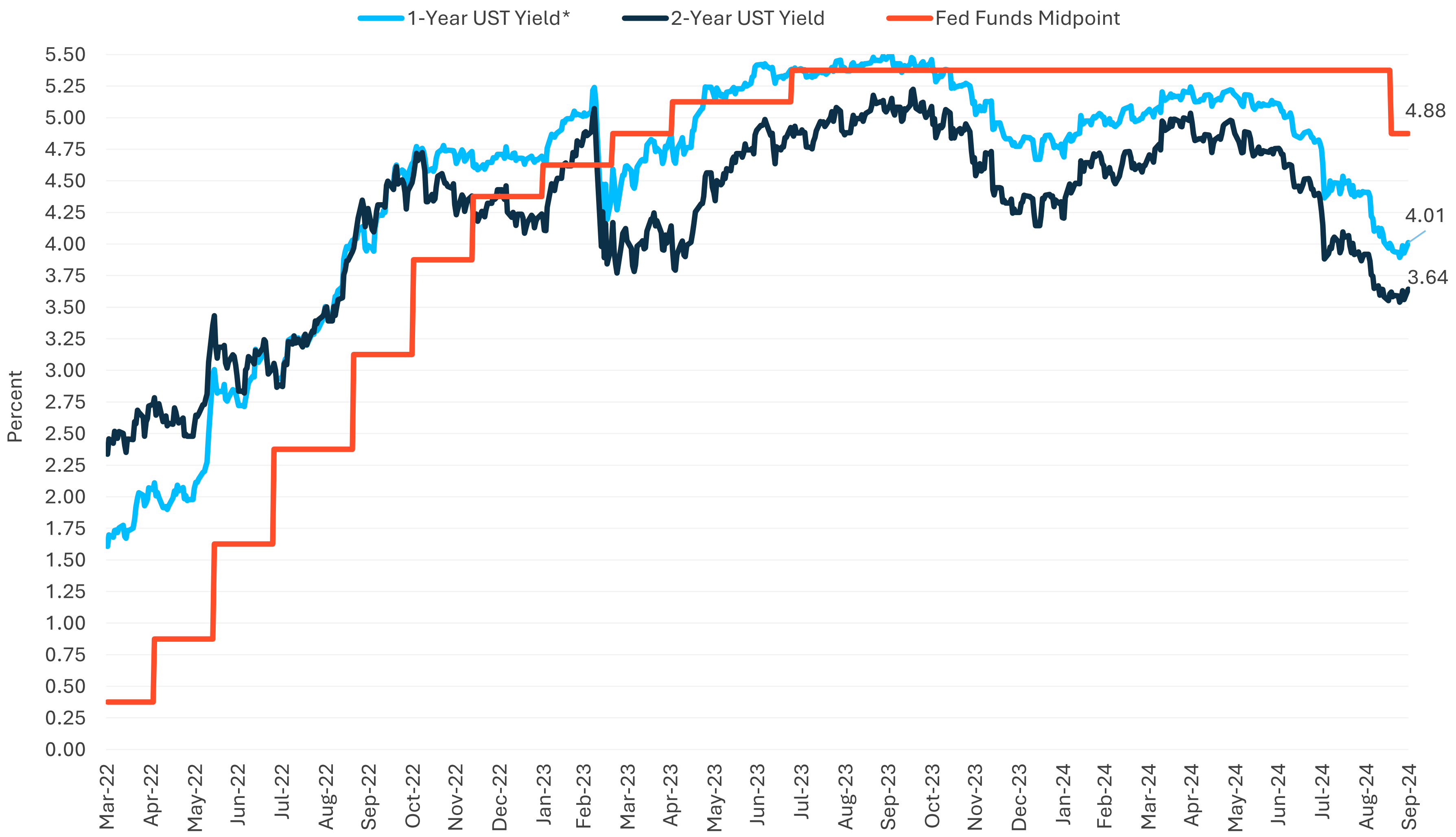
Source: Bloomberg. Data as of 10/16/2024.

Central Banks and Monetary Policy



Short-End Interest Rates

The Fed catches up to global central banks with their first rate cut since 2020.



Q2 2023: The Fed delivered its first pause in rate hikes for the cycle. Inflation materially improved, and the Fed cited the "lag effect" of the rate hikes' impact on the economy.

Q3 2023: The Fed paused again in September as economic projections improved for 2023 and 2024. The Fed stated that it expected one more hike in 2023, but market odds reflected that the rate hikes may be finished.

Q4 2023: Any expectations for further rate hikes were eliminated as the Fed pointed to accelerating disinflation. Rate cut timing was pulled forward, with the Fed potentially delivering the first cut during the first half of 2024.

Q1 2024: Persistent, higher-than-expected inflation pushed the timing of Fed rate cuts into mid-2024 as market pricing reduced rate cuts from six to less than three for the year. The dot plot reiterated the Fed stance for three cuts in 2024.

Q2 2024: Elevated growth and stubborn inflation forced the Fed to revise rate cut timing to late 2024 and drop the cut count to one for this year. The holding pattern persists, but the quantity of easing expected through 2026 remains unchanged.

Q3 2024: Weaker employment data drove rates over 100 bps lower in Q3. The Fed delivered an outsized 50-bps rate cut, sending the clear message it intends to ease the level of monetary restrictiveness on the economy.

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Source: Bloomberg, *US Treasury Yield and SVB Asset Management. Data as of 09/30/2024.

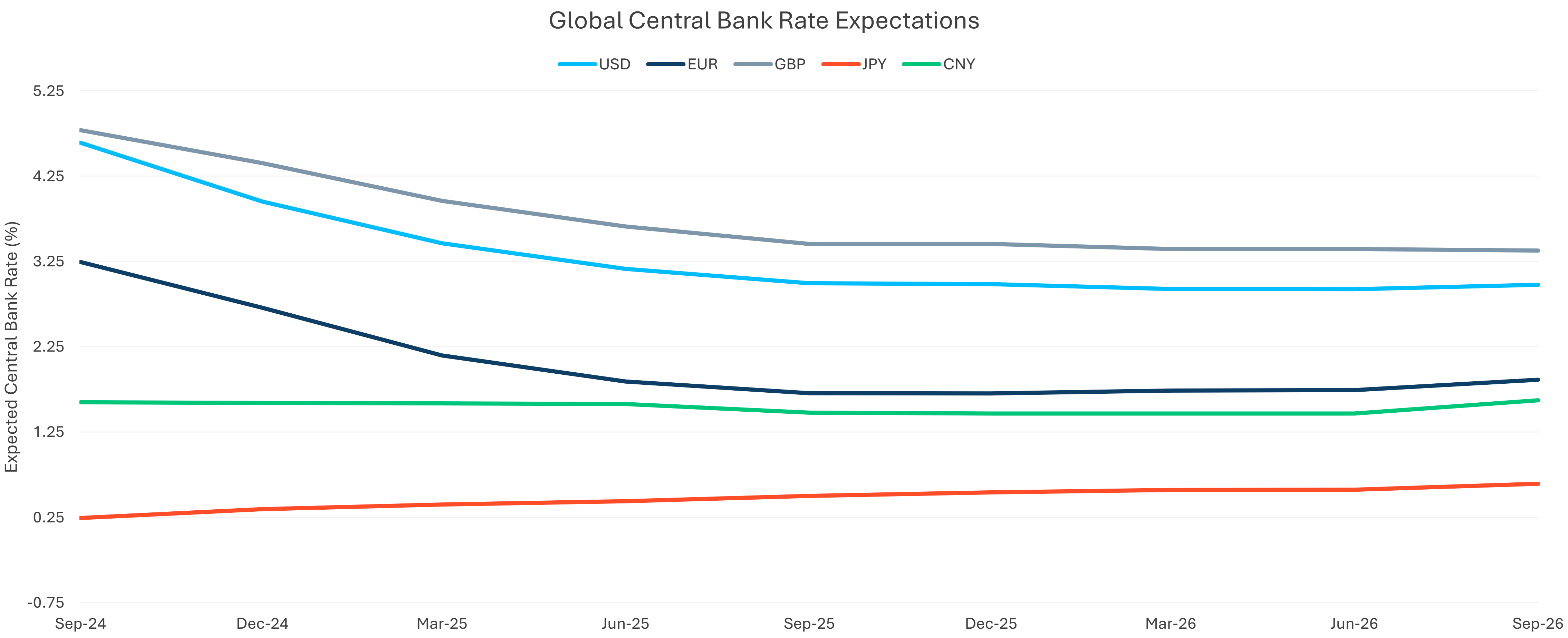
Economic Forecasts

Economic Projections	2024	2025	2026
United States			
Change in Real GDP	2.6%	1.8%	2.0%
Core PCE	2.7%	2.2%	2.1%
Unemployment Rate	4.1%	4.4%	4.3%
United Kingdom			
Change in Real GDP	1.1%	1.4%	1.5%
CPI	2.6%	2.3%	2.0%
Unemployment Rate	4.3%	4.4%	4.5%
Eurozone			
Change in Real GDP	0.7%	1.3%	1.5%
CPI	2.4%	2.1%	2.0%
Unemployment Rate	6.5%	6.6%	6.3%
Japan			
Change in Real GDP	0.0%	1.2%	0.9%
CPI	2.5%	2.0%	1.6%
Unemployment Rate	2.5%	2.5%	2.3%
China			
Change in Real GDP	4.8%	4.5%	4.2%
CPI	0.5%	1.4%	1.6%
Unemployment Rate	5.2%	5.1%	5.0%

Source: Bloomberg. Data as of 09/30/2024.

Global Central Bank Expectations

Global central bank expectations point to lower yields as we head into 2025, with Asia moderately rising over time.



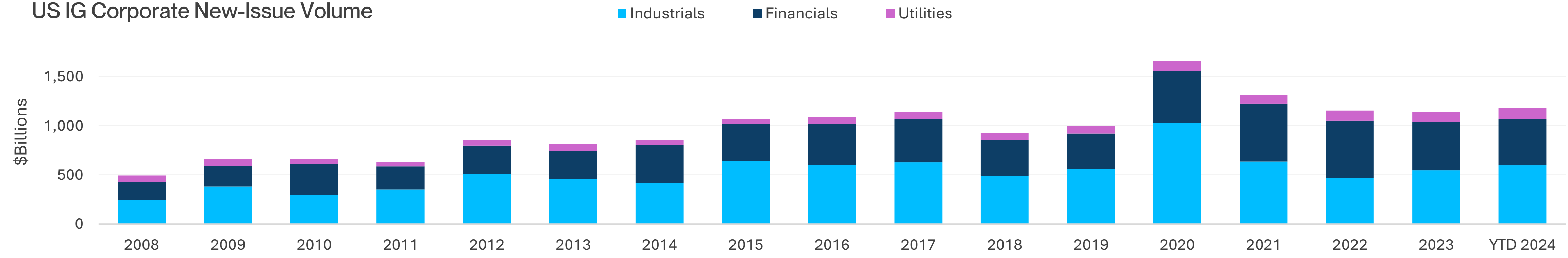
Source: Bloomberg. Data as of 09/30/2024.

Corporate Bond Market

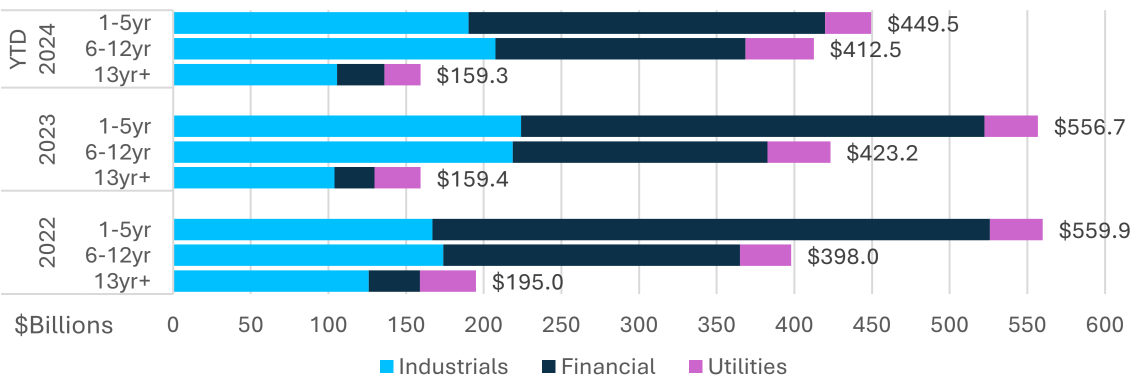
IG Corporates: New Issue Update

Gross issuance of USD IG bonds reached a historical record for the month of September ($200B), as issuers continued to pre-fund ahead of potential market volatility from elections and a pivotal Fed decision, as well as take advantage of enticing funding levels. July and August also saw strong issuance as issuers pulled forward funding in an effort to de-risk ahead of political uncertainty and softening economic data. After three quarters, 2024 year-to-date (YTD) gross IG issuance has already exceeded the total in 2023 and in 2022, and full-year numbers are likely to approach the second-highest annual record achieved in 2021. October and the rest of Q4 should see more subdued activity due to earnings blackout and pre-funding completion by many issuers, though market volatility around elections could prompt banks with broker-dealers to increase wholesale funding needs.

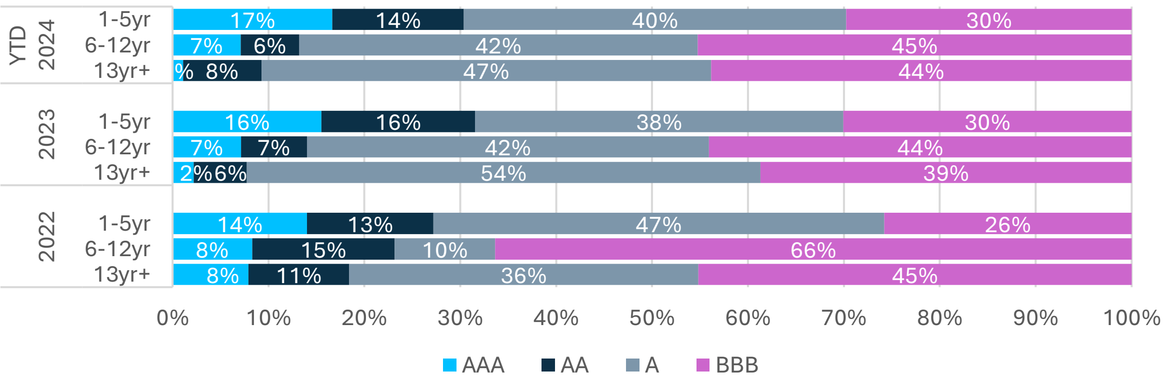
US IG Corporate New-Issue Volume



IG Corporate New-Issue Supply (Sector/Maturity)



IG Corporate New-Issue Supply (Rating/Maturity)



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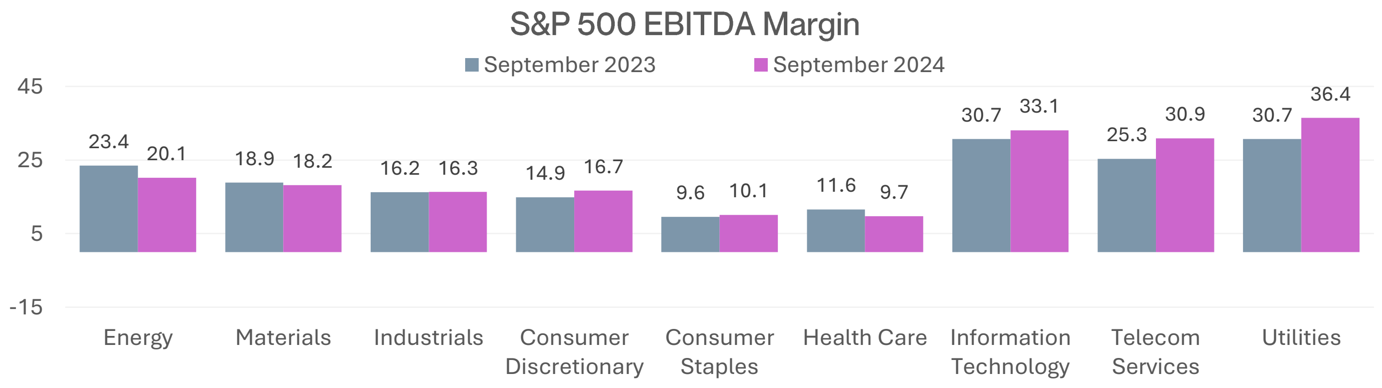
Source: Bloomberg Fixed Income Indices and Barclays Research. Data as of 09/30/2024. Past performance is not a guarantee of future results.
Totals may not add up to 100% due to rounding.

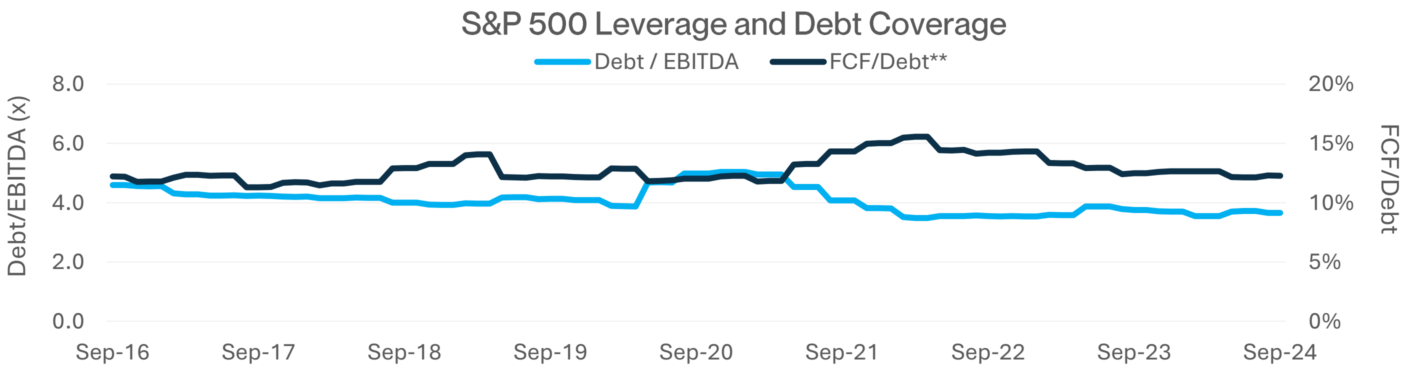
Credit Metrics Remain Stable as Refinancing Costs Turn Lower

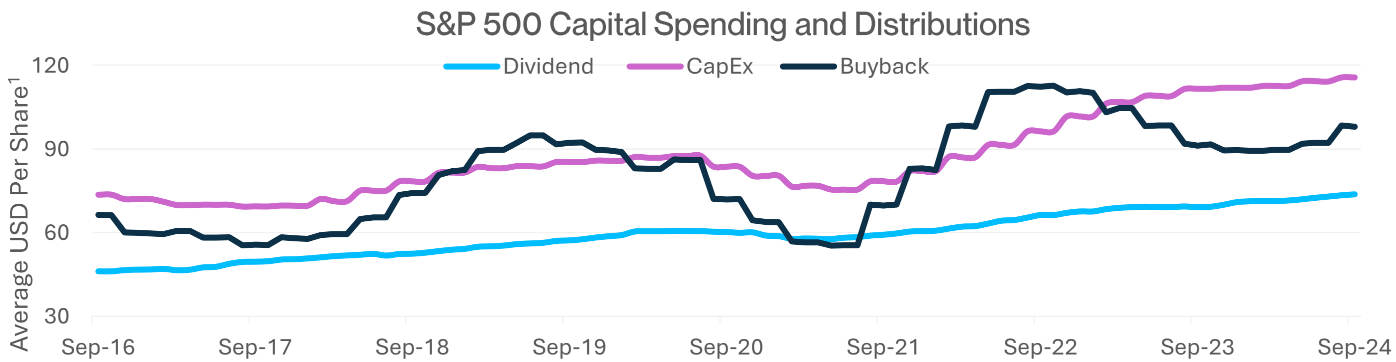
Aggregate high quality corporate credit metrics remain sound with EBITDA* margins holding near historical highs across various sectors, despite weakening pricing power in a disinflationary environment.

Overall leverage remains at historically low levels, while debt coverage has stabilized after mild deterioration in 2021.

Nominal capital expenditures, as measured on an average per share basis, increased notably from mid-2021 to mid-2023, largely due to inflation, but have remained stable since last year. Steady dividend growth continues to mirror the trend in earnings growth, while the notably higher levels of buybacks in 2022 and 2023 have since moderated to pre-COVID levels.







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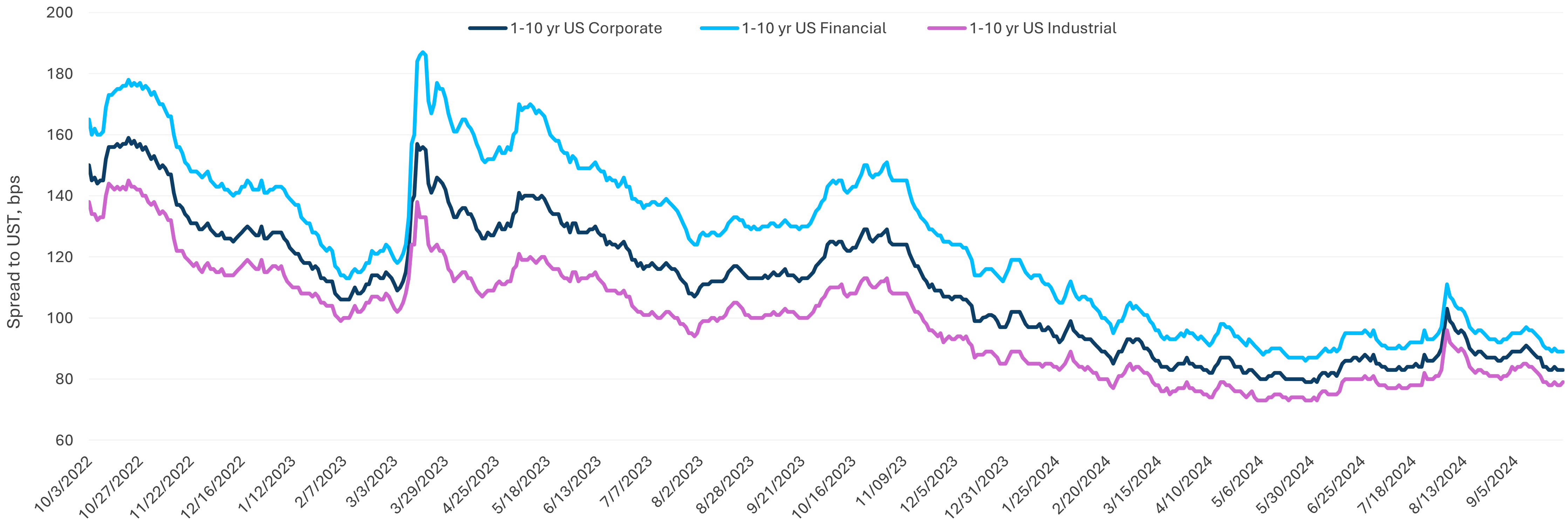
Source: Bloomberg. Data as of 09/30/2024. * Earnings before interest, taxes, depreciation, and amortization. ** Free cash flow.
[1]Average USD (Millions) for Dividends, Average USD (Millions Per Share) for Capex and Average USD per share for Buybacks.

IG Corporates: Spread and Sector Performance

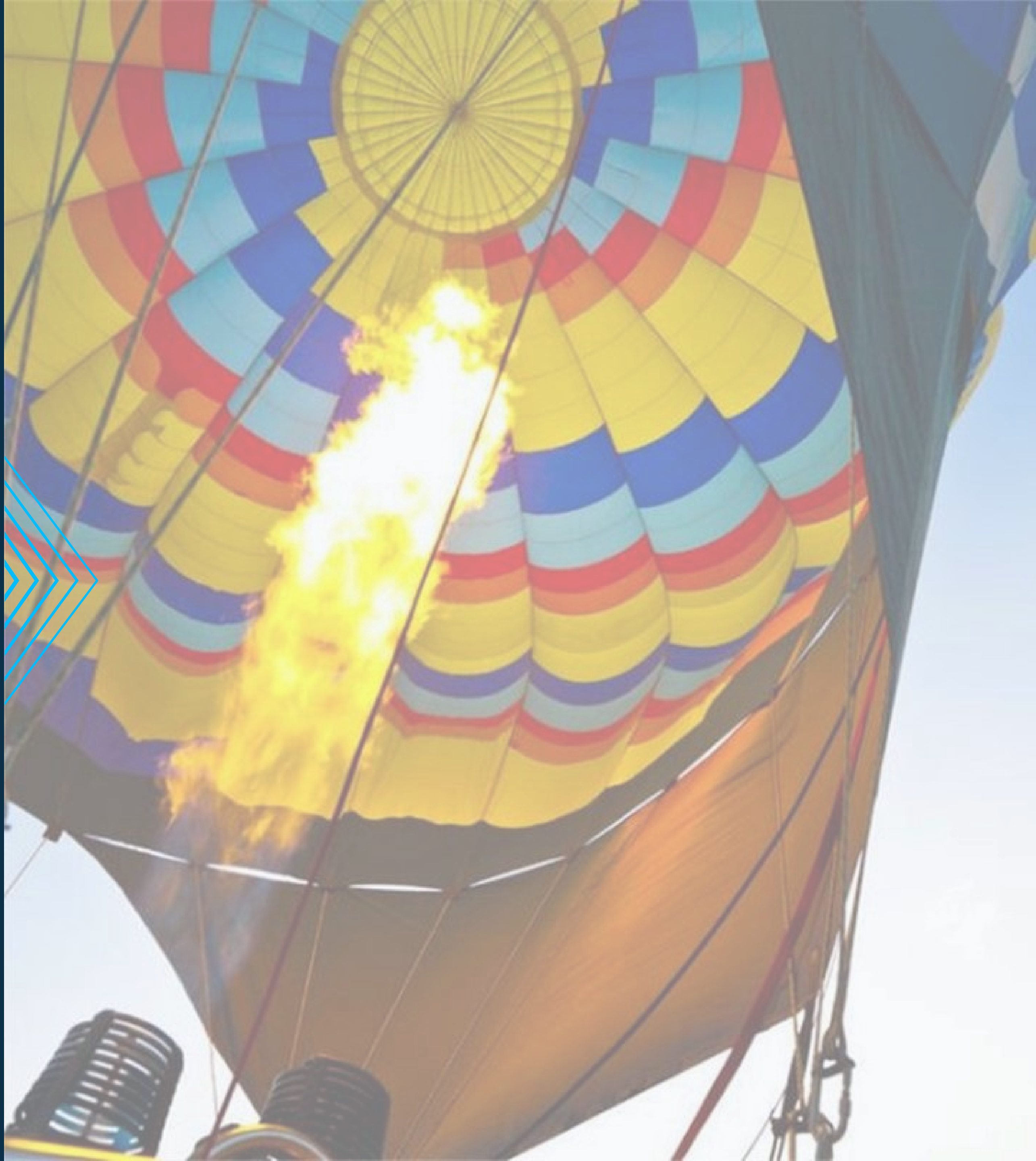
Since the sharp downdraft and sell-off of risk assets in August due to hawkish actions by the Bank of Japan, aggregate IG corporate spreads have re-tightened near the two-year lows reached in late spring of this year. Financials and utilities remain the largest outperformers YTD, as fears from the 2023 regional banking crisis and Credit Suisse failure have receded from the minds of investors, recession and commercial real estate (CRE) concerns remain kept at bay, and financing costs have begun to ease. Despite the compression, financials continue to trade cheap to industrials relative to 2019, when the basis between the two was close to zero. The heavy supply headwinds of September are expected to ease in October and the rest of Q4, due to earnings blackout and prior pull-forward of funding needs.

US IG Corporate Bond Indices — Spreads to US Treasury



Source: Bloomberg and ICE BofA Indices and S&P 500 Indices. Data as of 09/30/2024.

Markets and Performance



Market Sector Performance

The third quarter ended with strong returns across major asset classes, despite some market volatility. Stocks dropped mid-quarter due to mixed US data and low summer trading volumes. However, the Fed started cutting rates, Japan took a less aggressive approach to monetary policy, and China introduced new stimulus measures. These factors reassured investors and led to a strong stock market rally by the end of the quarter. Fixed income markets also benefited from the prospect of lower rates, with both government bonds and credit performing well.

Asset Class Returns

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
Biotech 43.24%	Biotech 13.09%	Crude Oil 45.03%	Biotech 43.85%	US Treasury 0.86%	Tech 45.97%	IPO Index 109.60%	Crude Oil 55.01%	Crude Oil 6.71%	Tech 52.75%	Tech 27.21%
Tech 14.23%	Tech 3.23%	High Yield 17.13%	Tech 39.65%	US Aggregate 0.01%	Crude Oil 34.46%	Biotech 48.10%	Tech 28.73%	High Yield -11.19%	IPO Index 50.90%	S&P 500 22.08%
S&P 500 13.69%	S&P 500 1.38%	Tech 12.27%	IPO Index 35.75%	High Yield -2.08%	IPO Index 33.87%	Tech 42.64%	S&P 500 28.71%	US Treasury -12.46%	S&P 500 26.29%	IPO Index 13.59%
US IG Corporate 7.46%	US Treasury 0.84%	S&P 500 11.96%	S&P 500 21.83%	US IG Corporate -2.51%	Biotech 32.34%	S&P 500 18.40%	High Yield 5.28%	US Aggregate -13.01%	High Yield 13.45%	Biotech 10.97%
IPO Index 7.17%	US Aggregate 0.55%	US IG Corporate 6.11%	Crude Oil 12.47%	S&P 500 -4.38%	S&P 500 31.49%	US IG Corporate 9.89%	US IG Corporate -1.04%	US IG Corporate -15.76%	US IG Corporate 8.52%	High Yield 8.00%
US Aggregate 5.97%	US IG Corporate -0.68%	US Aggregate 2.65%	High Yield 7.50%	Tech -6.02%	US IG Corporate 14.54%	US Treasury 8.00%	US Aggregate -1.54%	S&P 500 -18.11%	Biotech 7.76%	US IG Corporate 5.32%
US Treasury 5.05%	High Yield -4.47%	US Treasury 1.04%	US IG Corporate 6.42%	Biotech -14.99%	High Yield 14.32%	US Aggregate 7.51%	US Treasury -2.32%	Biotech -25.62%	US Aggregate 5.53%	US Aggregate 4.45%
High Yield 2.45%	IPO Index -7.98%	IPO Index -0.51%	US Aggregate 3.54%	IPO Index -17.53%	US Aggregate 8.72%	High Yield 7.11%	IPO Index -9.89%	Tech -30.29%	US Treasury 4.05%	US Treasury 3.84%
Crude Oil -45.87%	Crude Oil -30.47%	Biotech -15.61%	US Treasury 2.31%	Crude Oil -24.84%	US Treasury 6.86%	Crude Oil -20.54%	Biotech -20.38%	IPO Index -57.06%	Crude Oil -10.73%	Crude Oil -4.86%

All returns above are on a total return basis. 2024 returns are on an aggregate basis through 09/30/2024. US Aggregate refers to Bloomberg Barclays Aggregate Bond Index. US Treasury refers to the US Treasury allocation of the Bloomberg Barclays Aggregate Bond Index. US IG Corporate refers to the IG Corporate allocation of the Bloomberg Barclays Aggregate Bond Index. High Yield refers to the US Corporate High-Yield Bloomberg Index. Crude Oil refers to the Spot West Texas Intermediate Crude Oil — Bloomberg-sourced. S&P 500 refers to the S&P 500 Total Return Index. Tech refers to the S&P Global 1200 Information Technology Index. Biotech refers to the S&P Biotechnology Select Industry Index. IPO Index refers to the Renaissance IPO Index.

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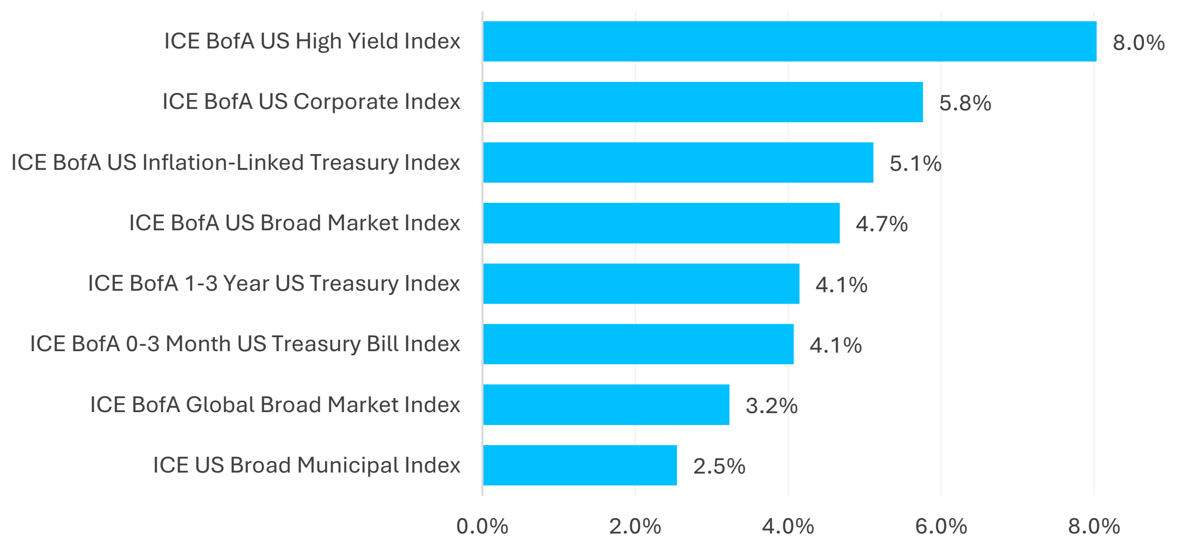
Source: Bloomberg and Bloomberg Barclays Indices as of 09/30/2024. Past index performance is no guarantee of future results.

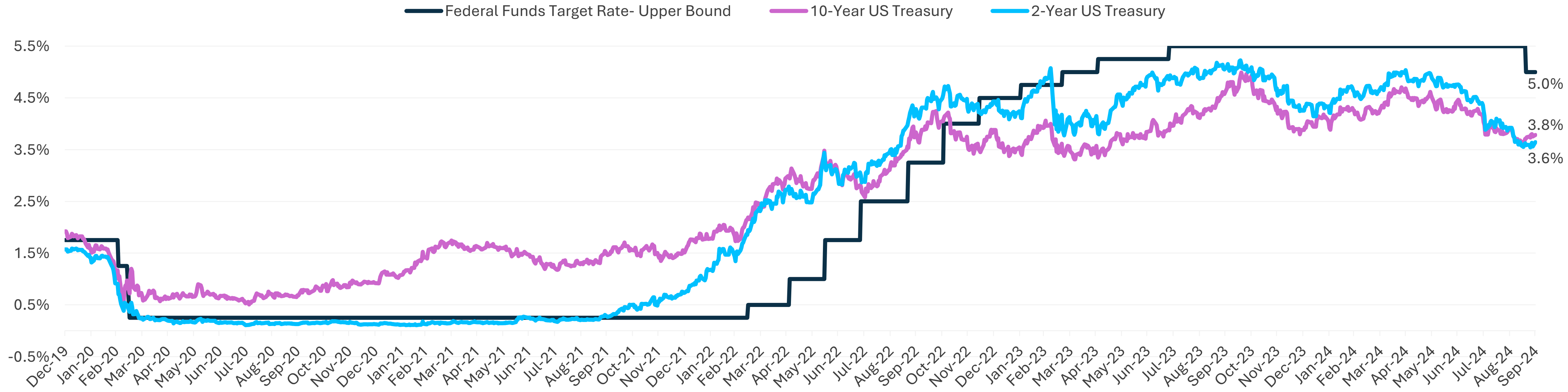
Bond Market Performance

The Fed began its rate-cutting cycle with a 50-bps reduction at its September meeting. Markets are anticipating a quicker pace of cuts over the next 12 to 15 months. The shift in market expectations for interest rates helped government bonds perform strongly. This also propelled credit performance, with both IG and HY credit spreads ending the quarter marginally tighter, with lower yield/higher prices.

2024 YTD Bond Performance



Bond Yields

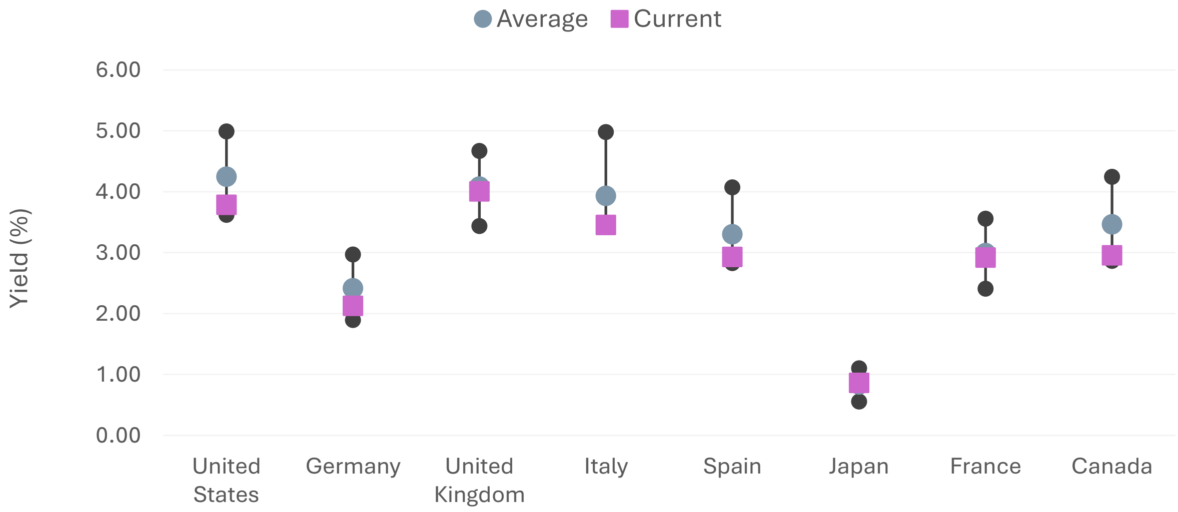


Sources: Bloomberg and ICE BofA Indices. As of 09/30/2024. Indices are unmanaged and cannot be invested in directly. Past performance is not a guarantee of future results.

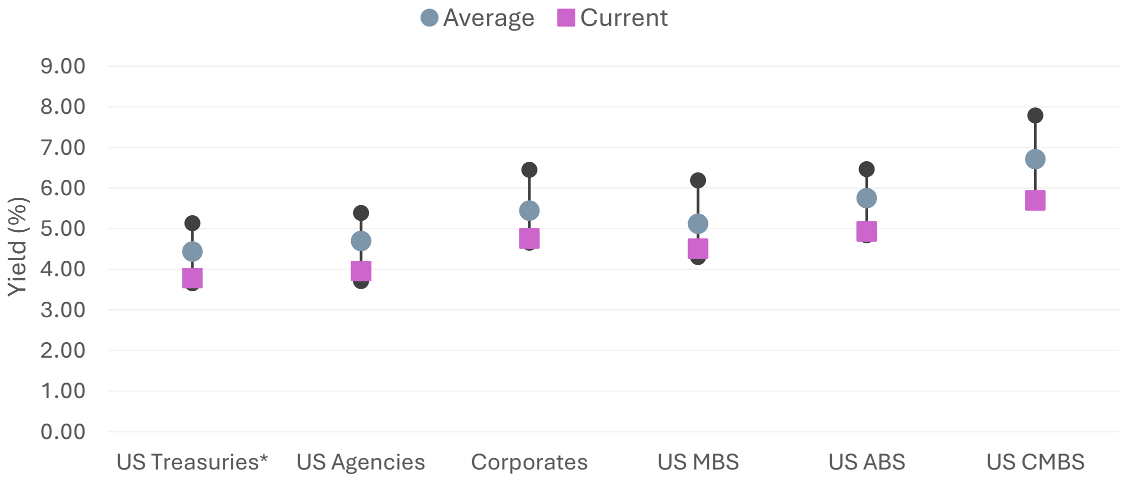
Global and Domestic Yields

US and global fixed income yields concluded the third quarter below their yearly averages. In the US, this drop was prompted by the Fed's long-awaited rate-cutting cycle, which began with a 50 bps reduction. Likewise, other major central banks — such as the Bank of England, the European Central Bank and the Bank of Canada — have either initiated their own rate cuts or continued to lower rates. The Bank of Japan stood out as the exception, choosing to raise interest rates instead.

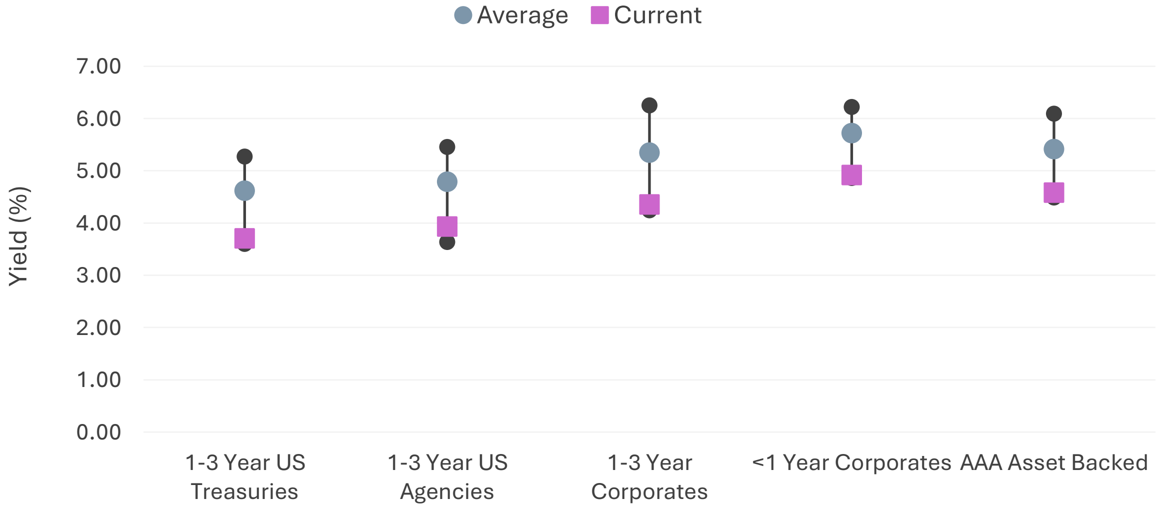
Yields Across the Globe



Broad Fixed Income Yields



Short-Duration Yields



Daily yields from 09/30/2023 to 09/30/2024. Sources: Bloomberg and ICE BofA Indices. Indices are unmanaged and cannot be invested in directly. Past performance is not a guarantee of future results. *US Treasuries pertain to on-the-run sovereign 10-year securities.

Quarterly Credit and Duration Performance Stratification

Long-duration credit outperformed its short-duration counterpart following the Fed's decision to cut interest rates. This led to a decrease in both long-term and short-term yields, which boosted bond prices and resulted in strong returns for IG long-duration bonds.

Corporate Credit

Duration	0-0.25	0.25-0.5	0.5-1.0	1.0-1.5	1.5-2.0	2.0-2.5	2.5-3.0	3.0-4.0	4.0-5.0	5.0-6.0	6.0-7.0	7.0-8.0	8.0-9.0	9.0-10.0	10.0-11.0	11.0-12.0	Over 12.0
AAA	1.44%	1.54%	1.78%	2.45%	3.09%	3.63%	4.12%	4.24%	4.60%	5.57%	6.41%	6.23%	6.40%	7.31%	7.78%	8.22%	9.12%
AA1	1.40%	1.56%	1.80%	2.55%	3.17%	3.54%	4.02%	4.38%	4.89%	6.02%	6.14%	5.68%	7.10%	6.76%	6.14%	7.19%	9.00%
AA2	1.43%	1.47%	1.89%	2.22%	3.01%	3.47%	3.99%	4.19%	4.72%	5.40%	5.81%	6.03%	6.78%	7.32%	7.10%	5.85%	8.77%
AA3	1.45%	1.55%	1.81%	2.49%	3.13%	3.53%	3.98%	4.29%	4.96%	5.57%	5.81%	6.10%	6.98%	7.15%	7.77%	7.97%	8.76%
A1	1.45%	1.54%	1.83%	2.57%	3.10%	3.58%	3.94%	4.31%	4.93%	5.71%	6.18%	6.15%	6.66%	7.97%	7.43%	7.84%	8.97%
A2	1.45%	1.53%	1.87%	2.54%	3.17%	3.59%	3.95%	4.40%	5.04%	5.69%	6.15%	6.34%	6.78%	7.26%	7.74%	8.46%	8.90%
A3	1.53%	1.53%	1.85%	2.59%	3.12%	3.63%	4.03%	4.43%	5.03%	5.85%	6.17%	6.60%	6.88%	7.43%	7.35%	7.40%	8.46%
BBB1	1.54%	1.62%	1.86%	2.55%	3.21%	3.64%	4.02%	4.42%	5.18%	5.77%	6.30%	6.51%	7.22%	7.47%	7.54%	8.18%	8.85%
BBB2	1.52%	1.61%	1.87%	2.52%	3.18%	3.56%	3.93%	4.42%	5.15%	5.67%	6.14%	6.45%	7.02%	7.19%	7.37%	7.88%	8.38%
BBB3	1.52%	1.63%	1.82%	2.62%	3.32%	3.54%	4.04%	4.48%	5.18%	5.65%	5.85%	6.22%	6.12%	6.49%	7.04%	7.09%	7.31%

US Treasuries

Duration	0-0.25	0.25-0.5	0.5-1.0	1.0-1.5	1.5-2.0	2.0-2.5	2.5-3.0	3.0-4.0	4.0-5.0	5.0-6.0	6.0-7.0	7.0-8.0	8.0-9.0	9.0-10.0	10.0-11.0	11.0-12.0	Over 12.0
Treasury	1.36%	1.49%	1.81%	2.40%	2.83%	3.26%	3.60%	4.06%	4.51%	5.09%	5.60%	5.74%	6.11%	6.33%	6.71%	7.12%	7.88%

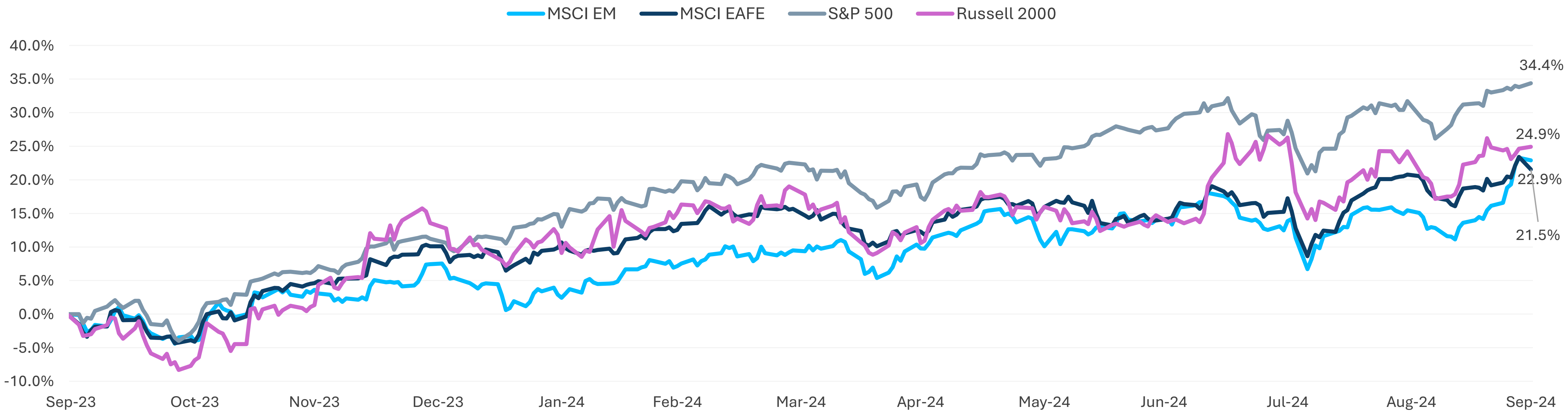
Percentages in table represent total return. Red cells indicate the lowest returns, and green cells indicate the highest returns.

Sources: Bloomberg and ICE BofA Indices. Performance data as of 09/30/2024. Past performance is not a guarantee of future results.

Global Equity Performance

Global equities rose in the third quarter, despite several bouts of volatility. Emerging markets shined, showing strong performance, bolstered by new stimulus measures announced in China.

Price Return	
	YTD 2024
MSCI EM	22.9%
MSCI EAFE	**21.5%**
S&P 500	**34.4%**
Russell 2000	24.9%

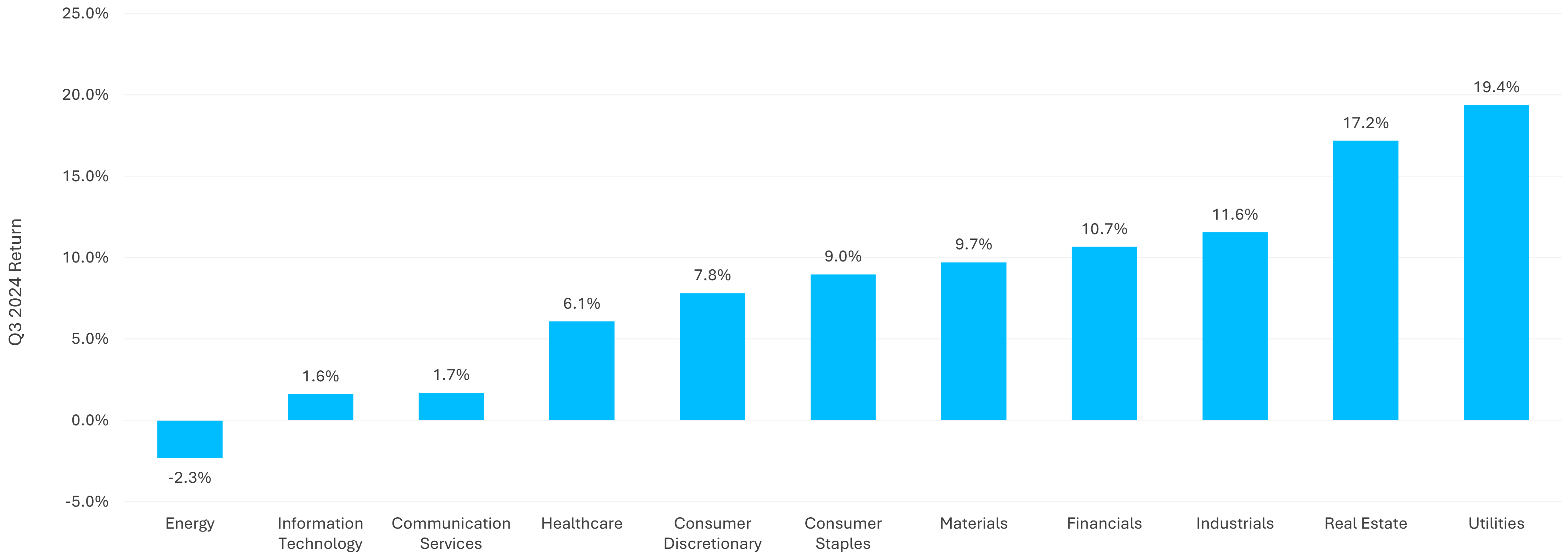


Source: Bloomberg. Represents price return from 09/30/2023 to 09/30/2024. Indices are unmanaged and cannot be invested in directly. Past performance is not a guarantee of future results.

US Equity Sector Performance

The S&P 500 index YTD achieved a 22.08% return boosted by a stabilizing economy, disinflation trends, and easing monetary policy. Nine of the index’s 11 sectors showed strong performance in the third quarter. Utilities was the top performer with a 19.4% increase, closely followed by the real estate sector.

Index Weight	3.3%	31.7%	8.9%	11.6%	10.1%	5.9%	2.2%	12.9%	8.5%	2.3%	2.5%



Source: Bloomberg. Represents total return of S&P 500 sectors for Q3 2024. Sector weights as of 09/30/2024. Indices are unmanaged and cannot be invested in directly. Past performance is not a guarantee of future results.

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