

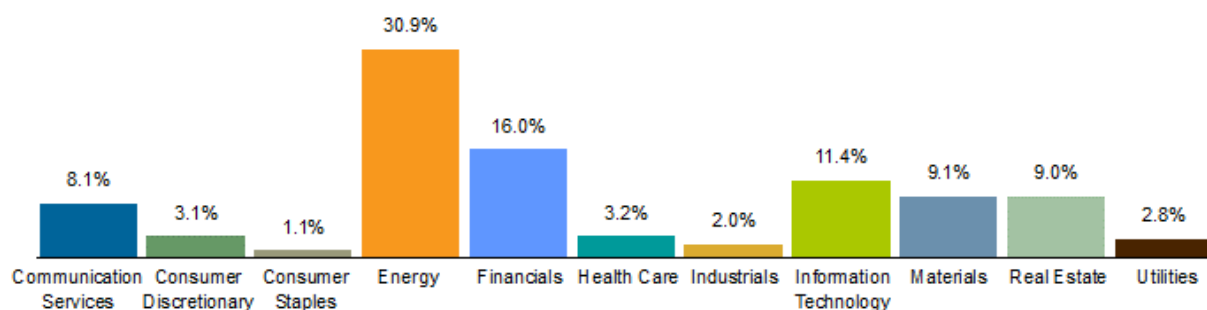


1Q21 Market Environment

US Equity Performance – First Quarter

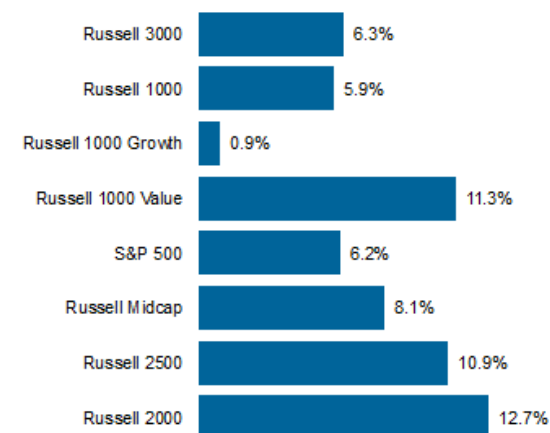
- **Markets continue setting all-time highs**
 - The S&P 500 Index hit record highs in 1Q21, gaining 6.2%.
 - Since the prior peak (February 2020) the S&P is up over 19.6%, with only Energy (-4.7%) and Utilities (-4.9%) declining from peak-to-peak.
 - Since March 2020 market low, S&P up over 80.7%, with all sectors posting gains over 40%; Energy +116.2%
 - 1Q21 top sectors were Energy and Financials, while Industrials and Consumer Staples underperformed.
 - “Re-opening” sectors (airlines, retail REITs, hospitality) outperformed while “work from home” sectors (online retail, home improvement) lagged.
- **Value and small cap trends continue through 1Q21**
 - Value outperformed growth across the market cap spectrum.
 - Small caps outperformed large in 1Q.
 - Small value was the top-performing asset class for the quarter (+21.2%) and from the March 2020 low (+127.7%).
 - In 1Q21, Russell 2000 gained 12.7%, extending the rally from 4Q20 when the index experienced its best quarterly return on record (+31.4%).
 - Small cap stocks surged on stronger GDP and economic recovery forecasts due to higher exposure to cyclical sectors relative to large cap indices.
 - Industrials, Financials, and Real Estate sectors benefit most from expectations of GDP expansion.
 - Small cap stocks have historically outperformed in recoveries following market crashes.
 - Cyclical sectors and industries (Energy, Financials, Industrials, Materials) continued to outperform their growth counterparts as GDP forecasts improved, stimulus was enacted, and vaccinations progressed.
 - November 2020 vaccine data news a catalyst for market rotation into value/cyclicals

S&P Sector Returns, Quarter Ended March 31, 2021

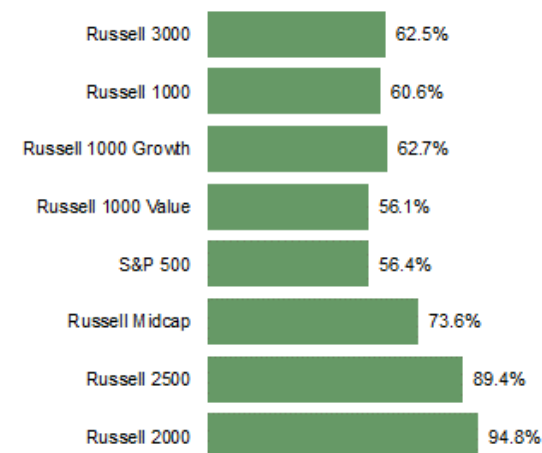


Sources: S&P Dow Jones Indices

U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns

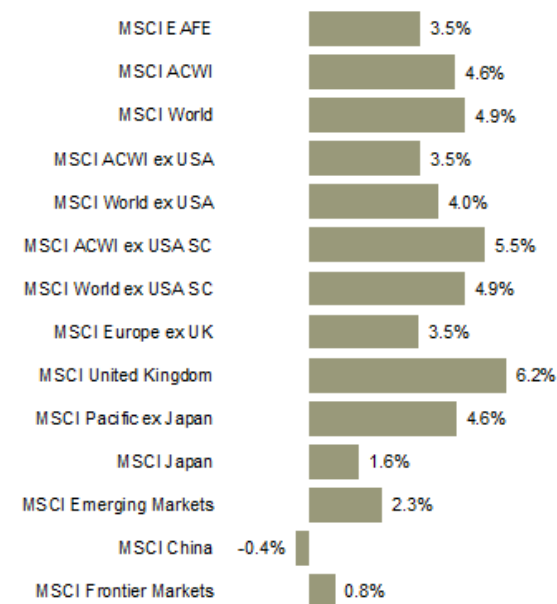


Sources: FTSE Russell, S&P Dow Jones Indices

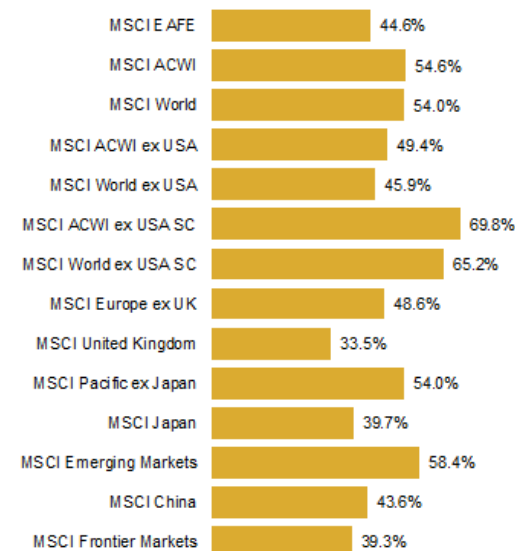
Global ex-U.S. Equity Performance – First Quarter

- **Nearly 100 million people fully vaccinated worldwide**
 - Markets responded positively to the global rollout of the COVID-19 vaccine.
 - Most risk assets continued to outperform as global businesses reopen.
 - Small cap outperformed large over the quarter on continued economic optimism.
 - Emerging markets trailed developed markets; COVID-19 outbreaks and vaccination challenges hindered EM results.
- **Market continues to favor cyclicals**
 - Market recovery and rising interest rates buoyed cyclicals; Energy, Financials, and Industrials drove the market.
 - Factor performance showed a preference for beta and volatility, similar to 4Q20.
- **U.S. dollar vs. other currencies**
 - The U.S. stimulus package announcement, combined with yields rising on economic confidence, fueled the U.S. dollar.
- **Growth vs. value**
 - Value outpaced growth for the second consecutive quarter.
 - Vaccination rollout has stoked style rotation.
 - Value outperformed growth by 17.0% and 10.5% in developed and emerging markets over the past two quarters, respectively.
 - Rotation to value in 4Q20 was sharp and narrow.
 - Cheap, low-quality factors were rewarded, favoring fundamental deep value managers.
 - Quantitative value managers struggled as market rotation yielded a severe momentum reversal.
- **Factor payoffs may hinge on macroeconomy**
 - Over the past 20 years, small cap and value thrived in recoveries, momentum in expansions, low volatility in slowdowns, and low volatility and quality in contractions.
 - As the market continues its recovery and transitions to expansion, value run may persist.
 - Furthermore, relative value and quantitative managers are expected to participate as the value rally broadens out.
- **COVID-19 resurgence may delay EM recovery**
 - Although daily COVID-19 fatalities for developed markets have declined dramatically by 70% from the peak in January, they are notably increasing in emerging markets.
 - China, South Korea, and Taiwan have by and large contained the pandemic, while pockets of developing economies are challenged with rising infections.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns

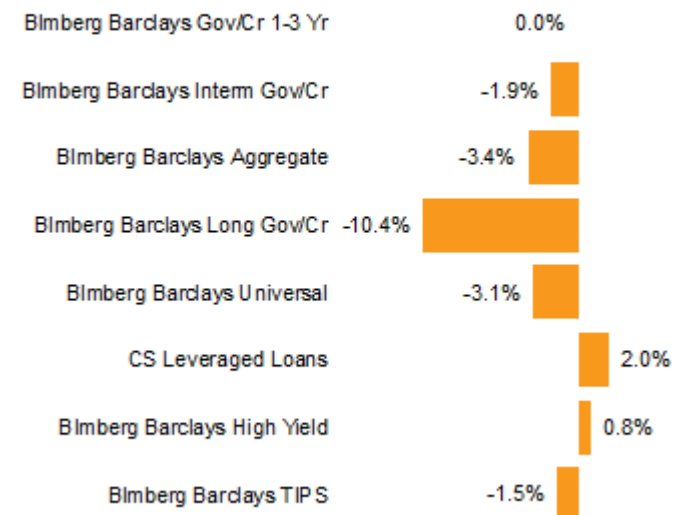


Source: MSCI

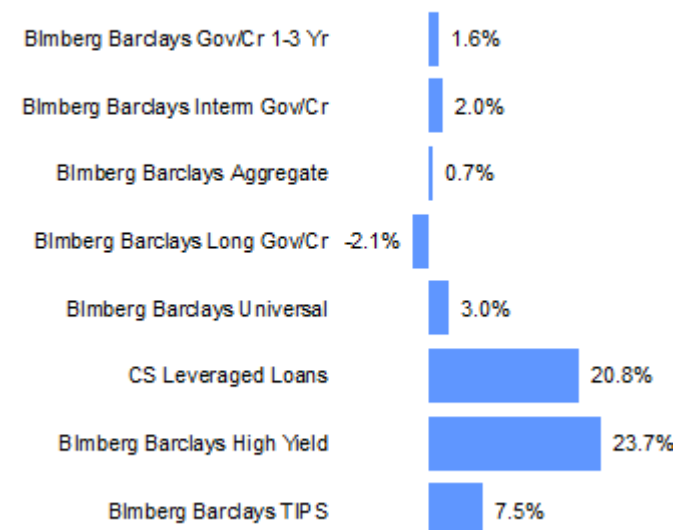
U.S. Fixed Income Summary – First Quarter

- US Treasury yield curve steepens**
 - The 10-year U.S. Treasury yield closed 1Q21 at 1.74%, up 81 bps from 4Q20.
 - The short-end of the curve remained anchored, with no rate hikes expected until at least 2023, steepening the yield curve.
 - TIPS outperformed nominal U.S. Treasuries as 10-year breakeven spreads widened from 1.99% to 2.37%.
- Bloomberg Barclays Aggregate falls**
 - The Bloomberg Barclays US Aggregate Bond Index dropped 3.4%, with spread sectors outperforming treasuries.
 - Demand for corporate credit remains strong, and spreads did not change meaningfully over the quarter
- High yield bonds gain as rally extends**
 - High yield (HY) bonds outperformed investment grade (IG) in 1Q, gaining 0.8% amid a wave of new issuance.
 - Leveraged loans rose 2.0% during the quarter, driven by favorable supply/demand dynamics, floating rate coupons, and relatively short durations.
- Stimulus boosts munis**
 - Municipals outperformed treasuries for the quarter, as municipal yields rose less than treasury yields.
 - The municipal market was supported by the American Rescue Act.
- Fixed income outlook**
 - High demand, low and negative interest rates globally, and improving growth should continue to support spread product.
 - The Federal Reserve continues to support U.S. fixed income markets.
 - Private credit remains a compelling, actionable opportunity.
 - Bond pickers stay constructive on select COVID-sensitive sectors.
- Growth and inflation expectations**
 - In 1Q21, the Treasury curve steepened 78 bps as the market anticipated stronger economic growth after another round of fiscal stimulus.
 - The 10-year breakeven inflation rate rose 38 bps, reaching levels last seen in 2014 and 60 bps above pre-pandemic levels, implying the market expects the economy to heat-up.

U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns

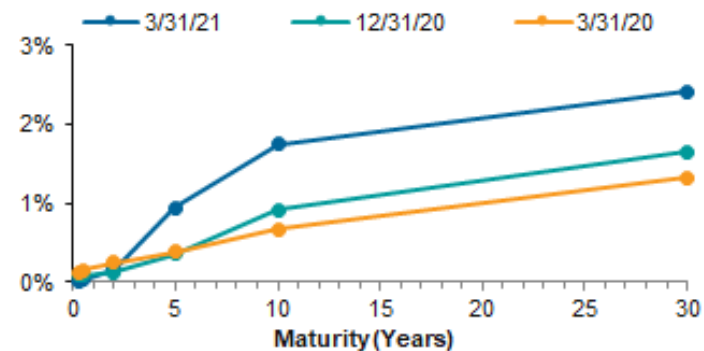


Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

U.S. Fixed Income Summary – First Quarter

- **US Treasury yield curve steepens**
 - The Fed dot plot continues to indicate the central bank should keep its policy rate low until 2023.
 - Inflation (PCE) is estimated to tick up in 2021, but the policy shift to average inflation targeting in 2020 allows for inflation to rise above the 2% target during economic expansions, letting the Fed keep rates lower for longer.
- **Bloomberg Barclays Aggregate falls**
 - Common sentiment among managers is a near-term inflation increase. However, the front-end should remain anchored as unemployment and savings rates remain elevated, bank lending activity is muted, and secular forces persist.
 - Recent and additional curve steepening provides opportunities along the curve and better roll down.

U.S. Treasury Yield Curves



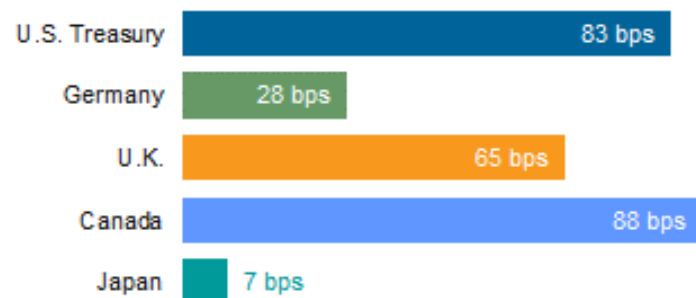
Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

Non-U.S. Fixed Income Performance – First Quarter

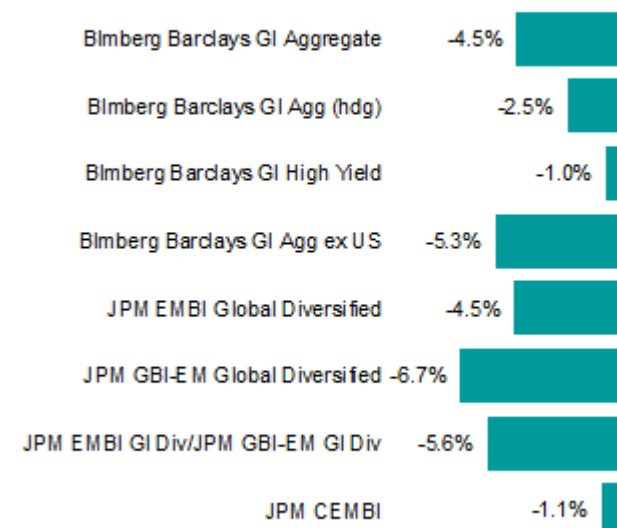
- **Global fixed income posts negative returns**
 - Global fixed income fell as developed market rates rose and the U.S. dollar strengthened.
 - The U.S. dollar gained nearly 4% versus a basket of currencies, 6.6% versus the yen, and nearly 4% versus the euro.
- **Emerging market debt sells off**
 - Emerging market debt indices fell in 1Q21, with EM corporates faring better than hard and local currency sovereigns amid improving corporate fundamentals.
 - U.S. dollar-denominated index (EMBI Global Diversified) fell 4.5% as rising U.S. rates spilled into emerging markets; returns were largely negative across the 70+ constituents.
 - Local currency index (GBI-EM Global Diversified) fared worse than hard currency, as real yields rose higher than in the U.S.

Change in 10-Year Global Government Bond Yields

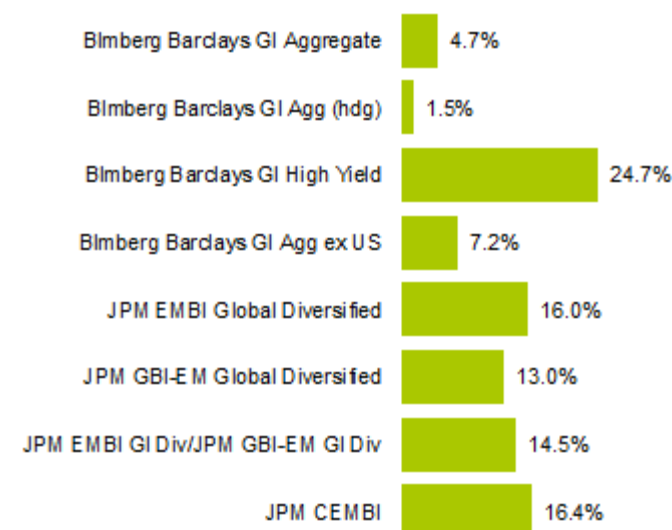
4Q20 to 1Q21



Global Fixed Income: Quarterly Returns



Global Fixed Income: One-Year Returns



Returns for Various Periods – March 31, 2021

	January	February	March	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years	
EQUITY	1 Russell:3000 Index	(0.44)	3.13	3.58	6.35	6.35	62.53	17.12	16.64	13.79	10.05
	2 Russell:1000 Index	(0.82)	2.90	3.78	5.91	5.91	60.59	17.31	16.66	13.97	10.17
	3 Russell:1000 Growth	(0.74)	(0.02)	1.72	0.94	0.94	62.74	22.80	21.05	16.63	12.38
	4 Russell:1000 Value	(0.92)	6.04	Z	11.26	11.26	56.09	10.96	11.74	10.99	7.69
	5 Russell:Midcap Index	(0.26)	5.57	2.71	8.14	8.14	73.64	14.73	14.67	12.47	9.80
	6 Russell:Midcap Growth	(0.33)	1.71	(1.91)	(0.57)	(0.57)	68.61	19.41	18.39	14.11	10.97
	7 Russell:Midcap Value	(0.23)	7.75	5.16	13.05	13.05	73.76	10.70	11.60	11.05	8.67
	8 Russell:2500 Index	2.45	6.52	1.64	10.93	10.93	89.40	15.34	15.93	12.20	9.53
	9 Russell:2500 Growth	2.80	3.14	(3.34)	2.49	2.49	87.50	19.96	19.91	14.21	11.14
	10 Russell:2500 Value	2.21	8.90	4.96	16.83	16.83	87.47	10.88	12.15	10.23	7.87
	11 Russell:2000 Index	5.03	6.23	1.00	12.70	12.70	94.85	14.76	16.35	11.68	8.83
	12 Russell:2000 Growth	4.82	3.30	(3.15)	4.88	4.88	90.20	17.16	18.61	13.02	10.05
	13 Russell:2000 Value	5.26	9.39	5.23	21.17	21.17	97.05	11.57	13.56	10.06	7.38
	14 S&P:500	(1.01)	2.76	4.38	6.17	6.17	56.35	16.78	16.29	13.91	10.02
	15 S&P:400 Mid Cap	1.50	6.80	4.67	13.47	13.47	83.46	13.40	14.37	11.92	9.94
	16 S&P:600 Small Cap	6.29	7.65	3.33	18.24	18.24	95.33	13.71	15.60	12.97	9.78
	17 MSCI:ACWI ex US	0.22	1.98	1.26	3.49	3.49	49.41	6.51	9.76	4.93	4.48
	18 MSCI:EAFE	(1.07)	2.24	2.30	3.48	3.48	44.57	6.02	8.85	5.52	4.10
	19 MSCI:EM	3.07	0.76	(1.51)	2.29	2.29	58.39	6.48	12.07	3.65	5.95
	20 MSCI:ACWI	(0.45)	2.32	2.67	4.57	4.57	54.60	12.07	13.21	9.15	7.04
FIXED INCOME	21 Blmbg:Aggregate	(0.72)	(1.44)	(1.25)	(3.37)	(3.37)	0.71	4.65	3.10	3.44	4.29
	22 Blmbg:Gov/Credit	(1.04)	(1.76)	(1.54)	(4.28)	(4.28)	0.86	4.99	3.36	3.70	4.41
	23 Blmbg:Credit	(1.19)	(1.74)	(1.59)	(4.45)	(4.45)	7.88	5.95	4.67	4.83	5.36
	24 Blmbg:Corporate High Yld	0.33	0.37	0.15	0.85	0.85	23.72	6.84	8.06	6.48	7.36
	25 Blmbg:Municipal Bond	0.64	(1.59)	0.62	(0.35)	(0.35)	5.51	4.91	3.49	4.54	4.40
	26 Blmbg:US TIPS	0.33	(1.61)	(0.19)	(1.47)	(1.47)	7.54	5.68	3.86	3.44	4.37
	27 Blmbg:Glob Agg ex USD	(1.03)	(1.94)	(2.42)	(5.29)	(5.29)	7.15	1.15	2.13	1.26	3.30
	28 S&P:LSTA Levq Loan	1.19	0.59	0.00	1.78	1.78	20.71	4.13	5.28	4.25	4.60
	29 ML:US Treasuries 1-3 Yrs	0.02	(0.08)	0.02	(0.05)	(0.05)	0.24	2.77	1.71	1.29	2.22
	30 LIBOR - 3 Month	0.02	0.01	-	-	-	-	-	-	-	-
	31 3 Month T-Bill	0.01	0.01	0.01	0.03	0.03	0.12	1.49	1.19	0.63	1.16
REAL ASSETS	32 Blmbg:Commodity TR Idx	2.63	6.47	(2.15)	6.92	6.92	35.04	(0.20)	2.31	(6.28)	(3.42)
	33 GS Commodity Index	4.94	10.58	(2.15)	13.55	13.55	50.22	(4.93)	1.18	(8.60)	(6.88)
	34 MSCI:US REIT Index	0.16	3.99	4.42	8.76	8.76	37.69	9.51	5.32	8.53	6.10
	35 Alerian:MLP Index	5.84	7.77	6.91	21.95	21.95	103.13	(2.98)	(1.30)	(0.93)	4.59
	36 DJB:Gibl Infrastructure	(1.09)	(0.81)	7.36	5.33	5.33	23.94	7.05	6.96	7.98	8.36
	37 US DOL:CPI All Urban Cons	0.43	0.55	-	-	-	-	-	-	-	-