Market Commentary & Performance

September 2021

Market Review

After touching lows in July, U.S. Treasury (UST) yields and yield volatility rose in the quarter. The dominant theme in the period was the reflation trade, which featured outperformance in U.S. Treasury Inflation Protected Securities (TIPS), cyclicals, energy-related, and transportation sectors, as well as sub-investment grade corporates. This outperformance occurred as COVID-related bottlenecks continue to hamper global trade longer than expected and contributed to building inflationary pressures. Against this backdrop U.S. TIPS outperformed all but the lowest quality segments of the U.S. fixed income market during the month, quarter, and year-to-date as inflation expectations steepened.

The Bloomberg Barclays U.S. Aggregate Bond Index returned 0.05% in the quarter as the MBS and Treasury segments led the way, followed by Agencies and ABS, while corporates were flat. The intermediate segment (7-10Y) of the UST yield curve underperformed as the shape of the yield curve flattened between intermediate and long maturity Treasuries. Duration weighed on investment grade debt driving negative performance, while lower-quality rating segments have continued to outperform during the month and year-to-date.

Macro factors in the U.S. continued to be fundamentally supportive for the markets. Overall labor conditions in the U.S., while facing some supply side challenges, have improved and should be supportive for adjustments by the Fed by year end. Economic growth indicators continue to be favorable, however, the data surprise index has fallen to negative territory - indicating the potential for a negative growth impulse in the near-term. ISM Manufacturing PMI readings remained in expansionary territory and accelerated into the end of the quarter (61.1), while ISM Services PMI peaked in July at 64.1 and ended the quarter at 61.9. Manufacturing sentiment has been hampered by supply-chain disruptions and higher energy costs, while services continued to work through the headwinds of tight labor supply and COVID restrictions.

The FOMC (Federal Open Market Committee) communications have indicated that it is likely that sufficient progress will have been made to begin to reduce asset purchases by the end of the year. It is expected that the Committee will schedule monthly reductions of Treasury purchases by $10bn and MBS purchases by $5bn.

Outlook

Our base case is that the U.S. Federal Reserve's ("Fed") FOMC will announce the reduction of asset purchases by year-end. We believe that the FOMC will be patient in tightening monetary conditions and could be more accepting of above-trend and/or transitory inflation to hit their longer-term average inflation target. However, recent Committee communications have highlighted a dispersion of views from the members, which adds further uncertainty to the potential timeline.

In our opinion spread sectors remain relatively attractive to Treasuries over the intermediate-to-long term as corporate fundamentals remain sound and U.S. Treasury supply shows no signs of abatement. Fundamentally, we believe the accommodative monetary and fiscal environment should favor U.S. TIPS versus fixed-rate Treasuries as they could help to mitigate the negative impact of rising rates and accelerating inflationary pressures.

Within corporate bonds, security selection will continue to be critical as we recover from the pandemic. In a rising rate environment we favor bonds of fundamentally-sound companies with shorter-maturity profiles and above-average spreads. We expect that companies will continue to be opportunistic with debt issuance, extending maturities, and managing

Market Commentary & Performance (continued)

September 2021

Outlook – cont'd

their debt profile.

Within the mortgage sector we continue to seek opportunities in the mortgage sector that exhibit the potential for attractive spreads, income generation, and desired duration profile. We are focused on pre-payment speeds given greater refinancing activity driven by factors such as higher home prices, lower interest rates, and new technology. We view CMBS that fund multi-family residential properties as well positioned to benefit from the fundamental demand for housing in a supply-constrained environment.

Within ABS (asset-backed securities) the fundamental picture remains sound as household balance sheets entered the pandemic in a relatively stronger position versus history and have benefited from fiscal stimulus. An additional sign of strength for the consumer are falling credit card delinquencies which touched lows in August. Used car values rose also in September, following two months of slight declines as values remain near all-time highs and are supportive for Auto ABS.

Performance

The William Blair Low Duration Fund (Class N shares) returned -0.33%, net of fees, for the quarter ended September 30, 2021. By comparison, the Fund's benchmark, the ICE BofAML 1-Year U.S. Treasury Note Index, returned 0.02%.

The Fund's income generation within the IG Corporates, as well as the asset-backed and mortgage-backed securities sectors contributed to performance. Continued spread tightening in corporates led to price gains on investments in the sector during the quarter.

Price and paydown impacts within the agency mortgage-backed securities was the primary detractor in the quarter for the Fund. Pre-payment speeds have remained elevated due to greater refinancing activity driven by higher home prices, lower interest rates, and new technology (such as mortgage originators like Loan Depot & Rocket Mortgage).

Fixed Income Market Performance

September 30, 2021

- Fed communications have steered the market to plan for an announcement of asset purchase tapering by year-end.
  - UST yields moved higher in September (and the quarter) as the reflation trade outperformed
  - Inflation-adjusted TIPS outperformed during the month, quarter, and year-to-date as inflation expectations rose.
- **Quality**: Duration weighed on investment grade debt, as well as BB-rated corporate debt, driving negative performance. Companies rated on the lower-end of the credit scale continued to outperform month, quarter, and year-to-date.
- **Maturity**: The long-end (10+) of the maturity curve underperformed, followed by the 7-10 year maturity segment as rates moved higher as the reflation trade themes dominated the market.

Sector	Total Return %		
	MTD	QTD	YTD
Bloomberg Barclays U.S. Aggregate Index	-0.87	0.05	-1.55
Bloomberg Barclays U.S. Treasury Index	-1.08	0.09	-2.50
Bloomberg Barclays U.S. Corporate Index	-1.05	0.00	-1.27
Bloomberg Barclays U.S. MBS Index	-0.36	0.10	-0.67
Bloomberg Barclays ABS U.S. Agg Index	-0.15	0.05	0.23
Bloomberg Barclays Agency U.S. Agg Index	-0.54	0.06	-0.74
Bloomberg Barclays U.S. Agg. Govt-Rel Index	-1.02	-0.10	-1.29
Bloomberg Barclays U.S. TIPS Index	-0.71	1.75	3.51
Bloomberg Barclays EM USD Aggregate Index	-1.66	-0.55	-1.14
Bloomberg Barclays U.S. High Yield Corp Index	-0.01	0.89	4.53

Quality	Total Return %		
	MTD	QTD	YTD
U.S. Agg.	-0.87	0.05	-1.55
Aaa	-0.78	0.08	-1.66
Aa	-1.02	0.00	-1.44
A	-1.10	-0.10	-1.92
Baa	-1.08	0.04	-0.72
U.S. Corp HY	-0.01	0.89	4.53
Ba	-0.21	1.09	3.83
B	0.11	0.61	3.98
Caa	0.52	0.75	8.00
Ca-D	1.28	0.23	29.18

U.S. Treasury Yields		Yield Change		
	Yields %	MTD	QTD	YTD
2-year	0.28	0.07	0.03	0.15
5-year	0.96	0.19	0.08	0.60
7-year	1.29	0.20	0.05	0.64
10-year	1.49	0.18	0.02	0.57
30-year	2.04	0.11	-0.04	0.40

U.S. Agg Maturity	Total Return %		
	MTD	QTD	YTD
1-3 Yr	-0.08	0.09	0.07
3-5 Yr	-0.34	0.09	-0.70
5-7 Yr	-0.64	0.11	-1.74
7-10 Yr	-1.16	-0.16	-2.61
10+ Yr	-2.34	0.07	-4.56

[1]Bloomberg Barclays U.S. Aggregate Bond Index ("U.S. Aggregate"), Sector and Maturity returns represented by sub-index components of this index. [2]U.S. Corp HY represented by the Bloomberg Barclays U.S. Corporate High Yield Bond Index.
Past performance is not indicative of future returns. A direct investment in an unmanaged index is not possible. Source: William Blair, Bloomberg, MTD = Sept., QTD = 3Q, YTD as of September 30, 2021.

Treasury Market Overview

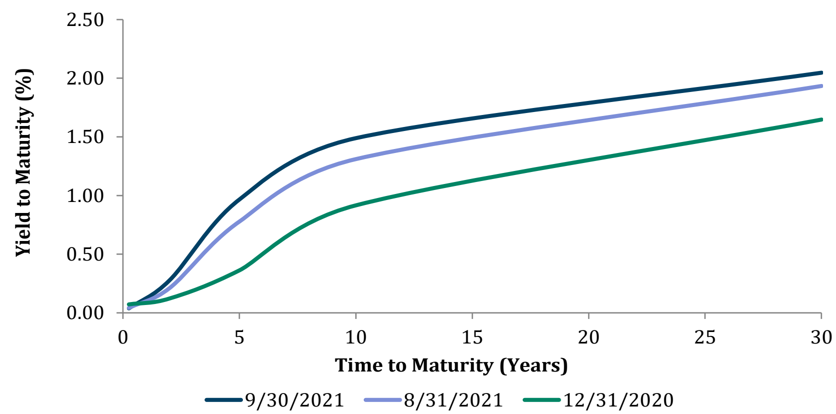
September 30, 2021

- UST yields moved higher in September (and the quarter) as the reflation trade outperformed
- The market is expecting an announcement of asset purchase tapering by year-end and rate hikes most likely in the second half of 2022.
- 10Y implied inflation expectations ended the month lower at 2.37%, within the Fed's target range of 2% - 2.5%

FOMC Fed Funds Implied Probabilities

	Meeting Probabilities (%)					
Meeting Date	0-25	25-50	50-75	75-100	100-125	125-150
11/3/2021	100.0%					
12/15/2021	100.0%					
1/26/2022	97.6%	2.4%				
3/16/2022	97.6%	2.4%				
5/4/2022	95.6%	4.4%	0.1%			
6/15/2022	83.9%	15.5%	0.6%			
7/27/2022	76.3%	21.6%	2.0%	0.1%		
9/21/2022	56.7%	35.4%	7.3%	0.6%		
11/2/2022	51.1%	37.3%	10.2%	1.3%	0.1%	
12/14/2022	29.1%	42.5%	22.5%	5.3%	0.6%	
2/1/2023	25.7%	40.7%	24.9%	7.4%	1.2%	0.1%

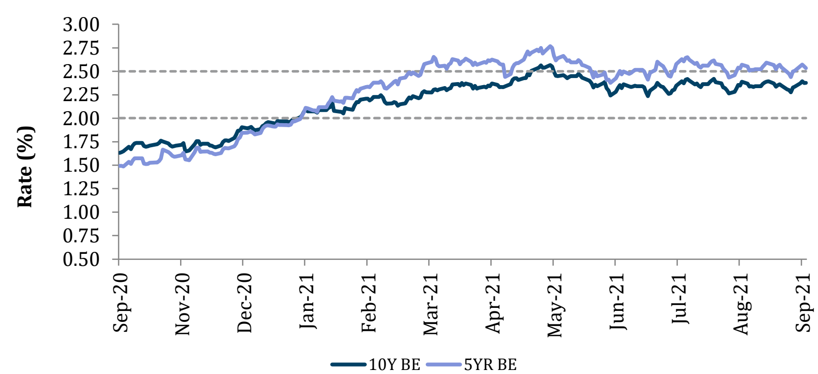
US Treasury Yield Curve



U.S. Treasury Bellwether Index Returns

	Total Return		
	September	3Q	YTD
3 Month	0.01%	0.01%	0.04%
2 Year	-0.09%	0.10%	-0.03%
5 Year	-0.88%	-0.15%	-1.92%
10 Year	-1.81%	-0.07%	-4.24%
30 Year	-3.31%	0.39%	-8.90%

5 & 10-Year TIPS Breakeven Inflation Rate



Source: CME, Bloomberg.

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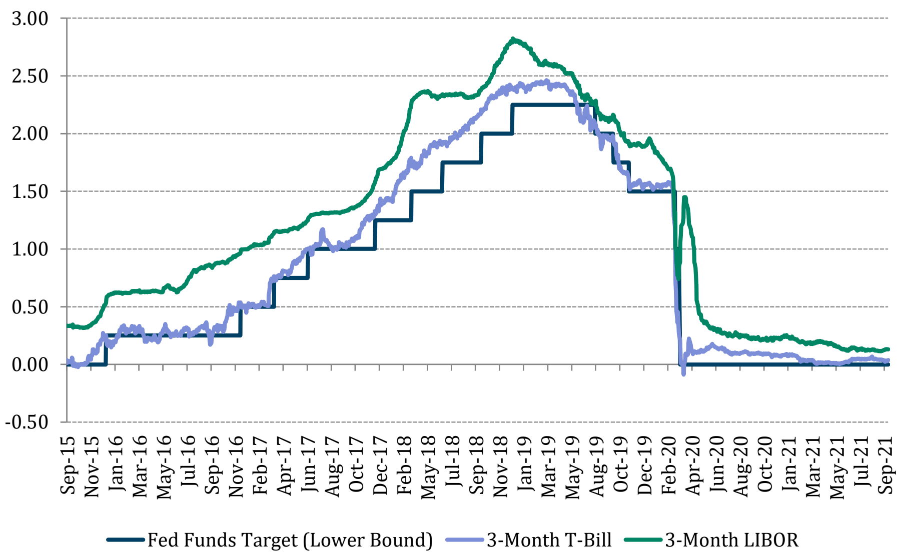
Short-Term Fixed Income Markets

September 30, 2021

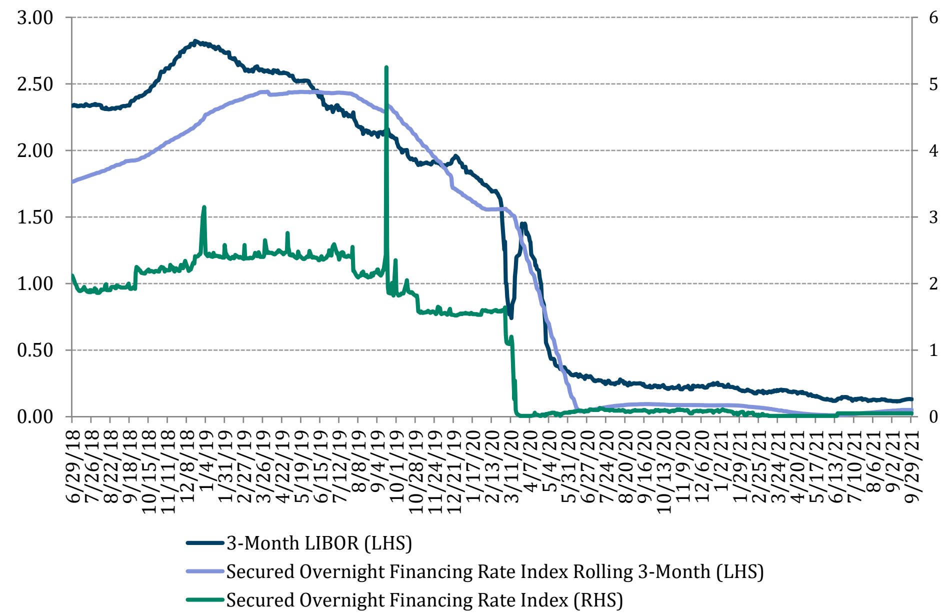
- 3-month LIBOR and Treasury yields hover around all time lows

- SOFR remained at 0.05% as the Fed held the floor for front-end rates against downward pressure from cash in the financial system.

Selected Rates 9/1/15 – 9/30/21



SOFR vs. 3-Month LIBOR



Source: Bloomberg, ICE, Federal Reserve Bank of New York.
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Short-Term Interest Rates

September 30, 2021

Index	9/30/2021	8/31/2021	12/31/2020	Change	
				September	YTD
Yields (%)					
Fed Funds Target (Lower Bound)	0.00	0.00	0.00	0.00	0.00
Fed Funds Target (Upper Bound)	0.25	0.25	0.25	0.00	0.00
Fed Funds Effective Rate	0.06	0.06	0.09	0.00	-0.03
Overnight General Collateral Finance (GCF) Repo Rate	0.04	0.06	0.08	-0.02	-0.04
U.S. Overnight Bank Funding Rate	0.06	0.05	0.08	0.01	-0.02
U.S. Secured Overnight Funding Rate (SOFR)	0.05	0.05	0.07	0.00	-0.02
1 Month LIBOR USD	0.08	0.08	0.14	0.00	-0.06
3 Month LIBOR USD	0.13	0.12	0.24	0.01	-0.11
1 Month Treasury Bill	0.04	0.03	0.03	0.02	0.01
3 Month Treasury Bill	0.03	0.04	0.06	0.00	-0.03
2 Year Treasury Note	0.28	0.21	0.12	0.07	0.15
Spreads (basis points)					
2 Year Swaps	10	9	8	1	3
3 Year Swaps	14	12	8	3	7
Bloom/Barclays US Corp 0-3 Year Index OAS	38	36	42	1	-5
Bloom/Barclays U.S. ABS FRN Index OAS	50	49	58	1	-8

Source: Bloomberg, ICE, Federal Reserve.
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Credit Market Overview – Returns & Issuance

September 30, 2021

Performance

- Shorter-duration credit and lower-rated B and CCC corporates led the way as rising rates weighed on fixed income assets.

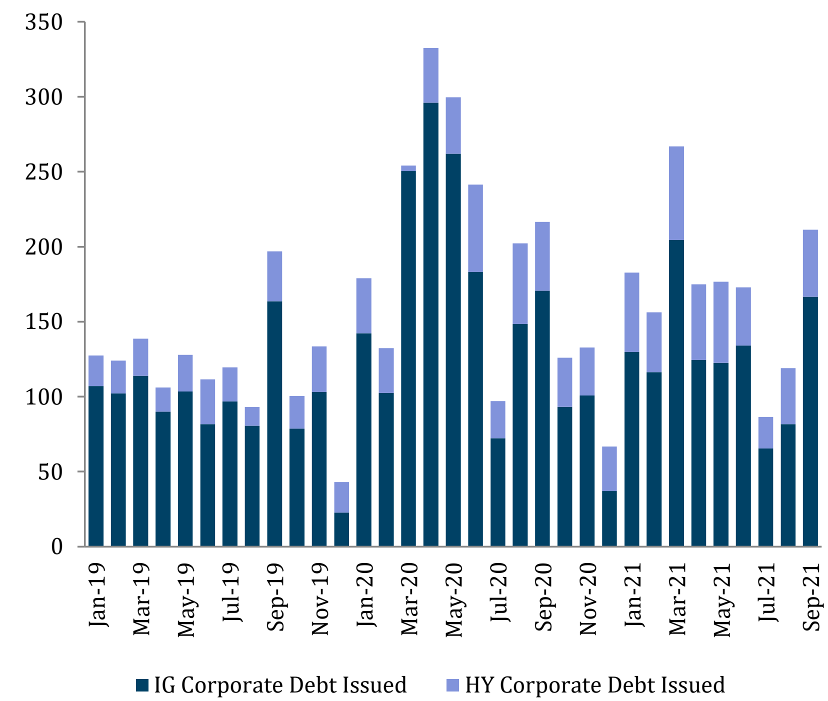
Issuance summary (net)

- Month: $89.3bn, IG $82.0bn, HY $7.3bn
- YTD: $1,560.1bn, IG $1,151.7bn, HY $408.4bn

Credit Returns by Maturity, Quality, and Sector Benchmark

	Total Returns		Excess Returns	
	September	YTD	September	YTD
U.S. Corporate IG	**-1.05**	**-1.27**	**0.26**	**1.89**
U.S. Corporate HY	-0.01	4.53	0.53	5.54
EM USD Aggregate	-1.66	-1.14	-0.54	1.32
1-5 Year Credit	-0.19	0.21	0.09	0.63
5-10 Year Credit	-0.94	-1.20	0.18	1.22
10+ Year Credit	-1.90	-2.56	0.43	3.43
AA+	-1.15	-2.04	0.33	1.40
A	-1.09	-2.06	0.18	1.05
BBB	-0.99	-0.45	0.32	2.66
BB	-0.21	3.83	0.46	5.19
B	0.11	3.98	0.51	4.61
CCC	0.52	8.00	0.84	8.50
Industrial	-1.18	-1.32	0.26	2.14
Financial	-0.77	-0.85	0.21	1.41
Utillity	-1.18	-2.45	0.46	1.80
Non-Corporate	-1.18	-1.48	-0.18	0.84
EM USD Corporate IG	-1.51	-2.07	0.03	1.42
EM USD Corporate HY	-2.41	-1.16	-1.35	1.17

Net Corporate Issuance ($bn)



Source: SIFMA (updated the third week of the month), FRED, Bloomberg.
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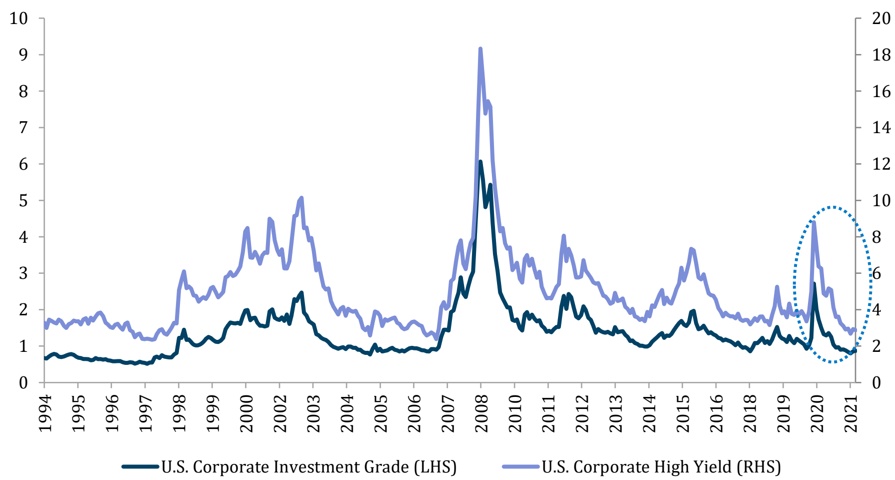
Credit Market Overview: Valuations

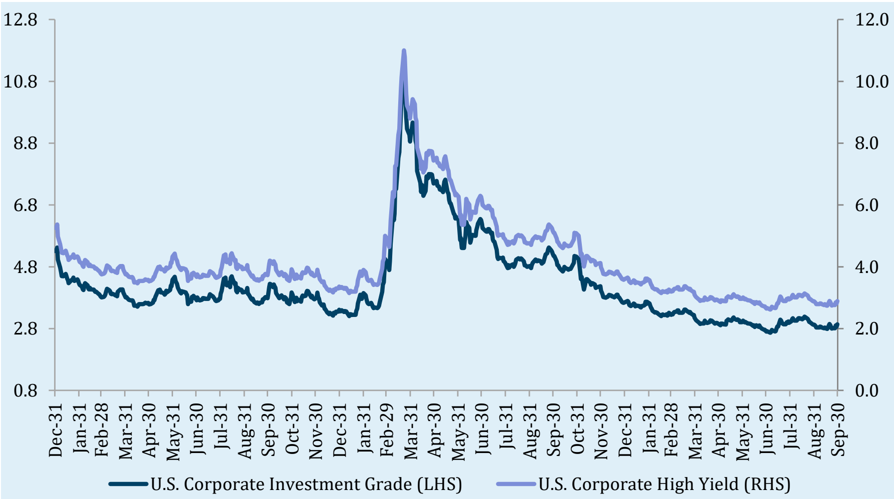
September 30, 2021

- Over the month, IG spreads tightened 3bps to 84bps, and HY spreads widened +1bp to 289bps
- YTD IG spreads tightened 12bps, and HY tightened 71bps
- IG corporate yield-to-worst ended the month at 2.13% and HY ended at 4.04%

U.S. Corporate Bond Spreads – Treasury OAS (%)
01/31/94 – 09/30/21



U.S. Corporate Bond Spreads – Treasury OAS (%)
12/31/19 – 09/30/21



Source: Bloomberg, Corporate bonds represented by the Bloomberg Barclays US Aggregate – Corporate Index for IG and Bloomberg Barclays US Corporate High Yield Index for HY.
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MBS Market Overview

September 30, 2021

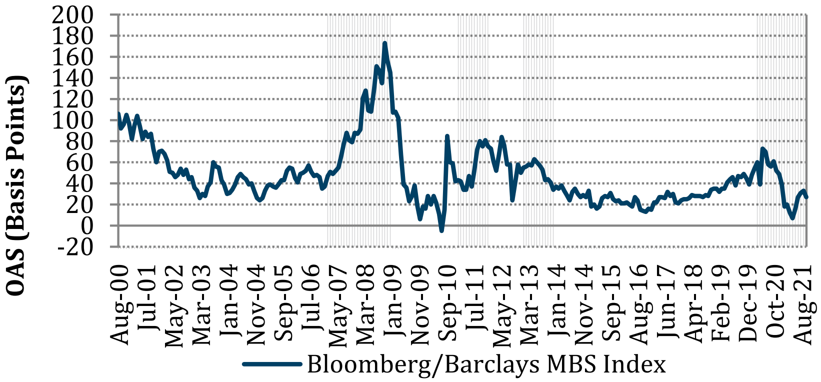
- Within 30yr MBS pools, the 3s, 4.0 & 5.0 coupon cohorts outperformed over the month .
- Year-to-date, shorter-duration MBS has fared the best as within the sector due to the lower sensitivity to interest rates rising sharply during the first quarter.
- A combination of market technicals and elevated levels of prepayment activity have resulted in 30yr production coupons having negative option adjusted spread (OAS)

Bloomberg Barclays U.S. MBS Index Total Returns %

Maturity	MTD	YTD
US MBS Fixed Rate	**-0.36**	**-0.67**
Convent. 30 Year	-0.43	-0.69
GNMA 30 Year	-0.21	-1.01
Convent. 20 Year	-0.30	-0.20
Convent. 15 Year	-0.31	-0.03
GNMA 15 Year	-0.18	0.19

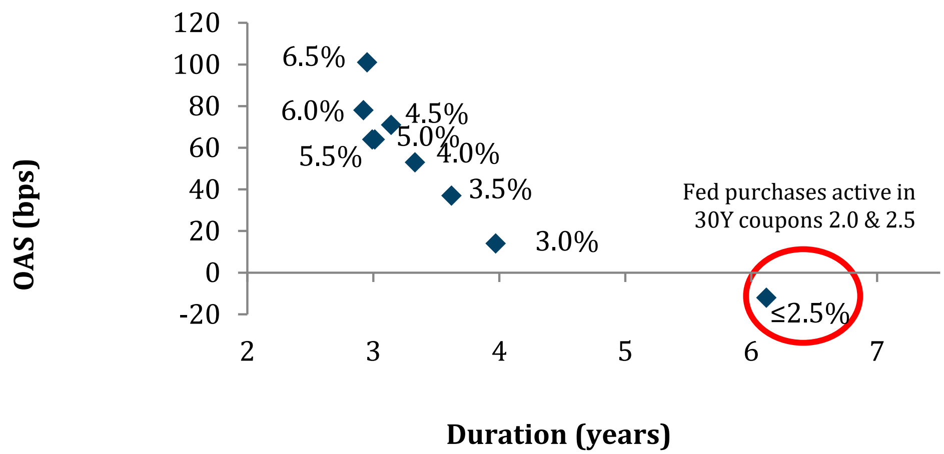
Coupon (30Y Conv)	MTD	YTD
Convent. 30 Year	**-0.43**	**-0.69**
Coupon 1.5	-0.93	-2.63
Coupon 2	-0.93	-2.12
Coupon 2.5	-0.64	-1.29
Coupon 3	0.09	0.11
Coupon 3.5	0.08	-0.16
Coupon 4	0.06	-0.17
Coupon 4.5	-0.01	-0.39
Coupon 5	0.08	-0.45
Coupon 5.5	-0.31	-0.58
Coupon 6	-0.38	0.20
Coupon 6.5	-0.34	0.22

Bloomberg Barclays U.S. MBS Index OAS



- Shading depicts the Federal Reserve's Large-Scale Asset Purchases (LSAP) of Mortgage-Backed Securities (MBS) aka Quantitative Easing (QE): QE1, QE2, QE3, and QE "unlimited" in response to the Covid-19 pandemic.

Bloomberg Barclays 30 Year MBS Index, By Coupon



Source: Bloomberg, BlackRock Solutions, Federal Reserve.

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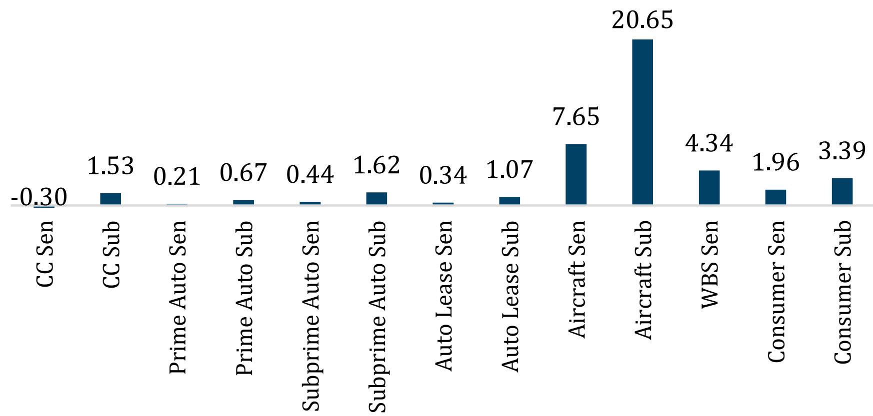
Asset-Backed Securities Market Overview

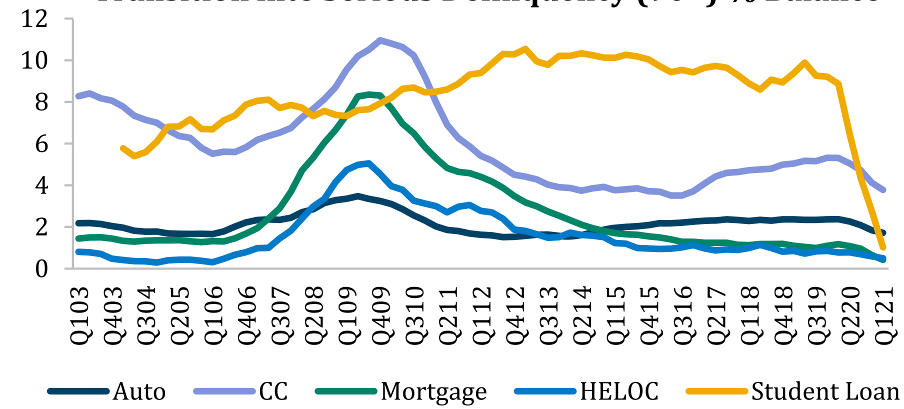
September 30, 2021

- Underlying consumer metrics are showing improvement, illustrated by lower transition into serious delinquency +90 days and a reduction in the household debt-to-GDP ratio.
- Within ABS, performance was led by subordinate tranches and sectors with greater sensitivity to a re-opening economy
- Used car values rose in September, following two months of slight declines. Values remain near all-time highs and are supportive for Auto ABS

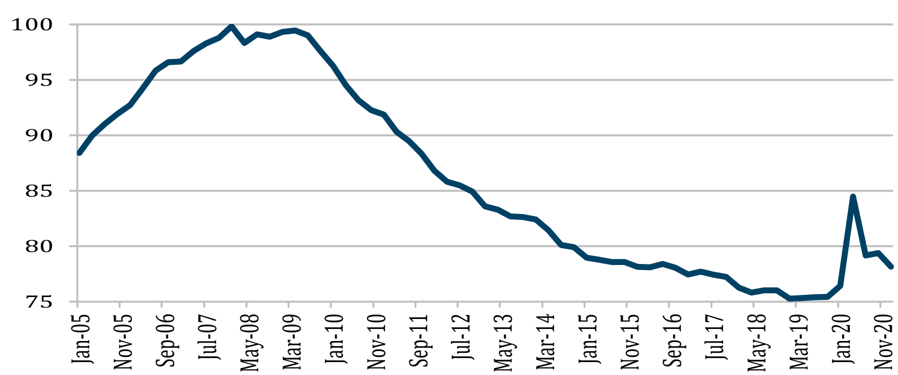
ABS Senior/Sub YTD Total Returns %



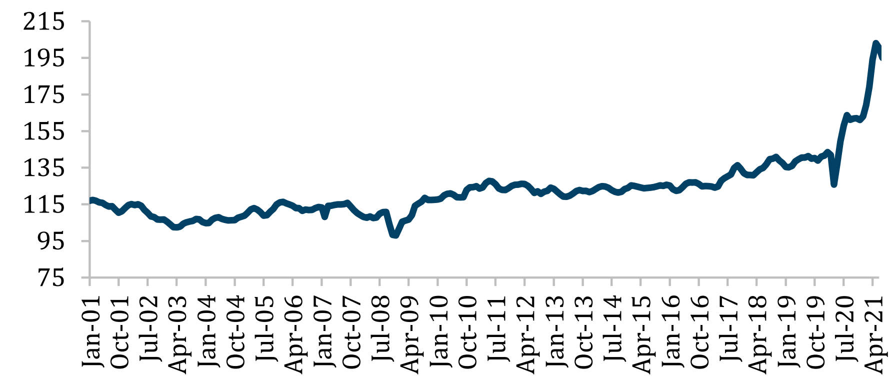
Transition into Serious Delinquency (90+) % Balance



U.S. Household Debt/GDP %



Manheim US Used Vehicle Value Index (SA)



Source: Citi Research. Sen = Senior, Sub = Subordinated. York Fed Consumer Credit Panel/Equifax, New York Federal Reserve. Note: 4 Quarter Moving Sum Student loan data are not reported prior to 2004 due to uneven reporting. International Monetary Fund, Household Debt to GDP for United States [HDTGPDUSQ163N], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/HDTGPDUSQ163N, June 7, 2021. Barclays and Bloomberg.

William Blair Low Duration Fund Performance

September 30, 2021

Performance %

	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
Low Duration Fund (WBLIX) Class I	-0.17	-0.05	0.04	2.10	1.63	1.38
Low Duration Fund (WBLNX) Class N	-0.33	-0.28	-0.11	1.90	1.44	1.20
Low Duration Fund (WBLJX) Class R6	-0.16	-0.01	0.09	2.15	1.66	1.46
B of A ML 1-yr US Tsy Note	0.02	0.11	0.17	1.88	1.46	0.89
Morningstar Ultrashort Bond Category	0.06	0.34	0.76	1.70	1.68	1.30

Inception: 12/1/2009

Performance cited represents past performance. Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. Results shown are average annual returns, which assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month end performance information, please call 1-877-962-5247, or visit our Web site at www.williamblairfunds.com. Class N shares are available to the general public without a sales load. Class I and Class R6 shares are available only to investors who meet certain eligibility requirements.

Low Duration Fund Expense Ratios:

	Gross	Net
Class I Shares	0.60%	0.40%
Class N Shares	0.84%	0.55%
Class R6 Shares	0.53%	0.35%

Expenses shown are as of the most recent prospectus. The Fund’s Adviser has contractually agreed to waive fees and/or reimburse expenses to limit fund operating expenses until 4/30/22.

The Bank of America Merrill Lynch 1-Year U.S. Treasury Note Index is comprised of a single U.S. Treasury Note issue purchased at the beginning of the month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond, one year from the rebalancing date. A direct investment in an index is not possible.

The Morningstar Ultrashort Bond Category represents the average annual composite performance of all mutual funds listed in the Ultrashort Bond Category by Morningstar. Distributed by William Blair & Company, L.L.C., member FINRA/SIPC.

Low Duration Fund Performance Analysis

September 30, 2021

QTD Contributors

- The portfolio outperformed its benchmark in the quarter, driven by high levels of income generation in IG corporates, Agency MBS, and ABS.
- Price performance in investment grade corporate bonds, including floating-rate securities, also contributed to performance.

QTD Detractors

- The negative impact from price and paydowns in the Agency MBS sector was greater than the income earned from coupons.

YTD Contributors

- The portfolio outperformed the index in the period.
- Income from the Agency MBS, IG Corporate, and ABS sectors drove performance.
- The use of floating rate securities contributed to performance as they outperformed fixed-rate securities.

YTD Detractors

- Underweight position in the U.S. Treasury sector detracted from relative performance. Please note, the index uses a single CUSIP to represent the market.
- From an attribution factor perspective, paydown and price impacts in the Agency mortgage-backed sector was a relative detractor.

Source: William Blair, BlackRock Solutions.

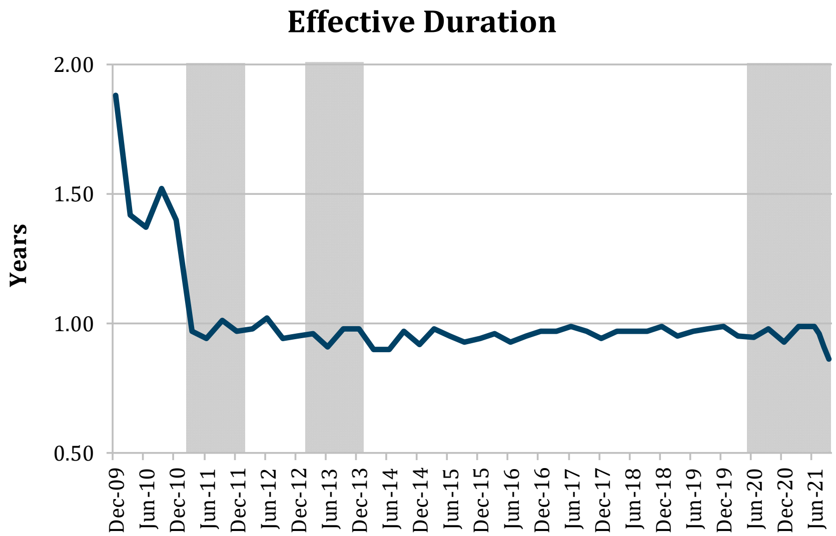
Past performance is not indicative of future returns. Holdings are subject to change at any time. References to specific securities and their issuers are for illustrative purposes only and are not intended and should not be interpreted as recommendations to purchase or sell such securities. William Blair may or may not own the securities referenced and, if such securities are owned, no representation is being made that such securities will continue to be held. The above securities do not represent all of the securities purchased, sold or recommended for all William Blair clients.

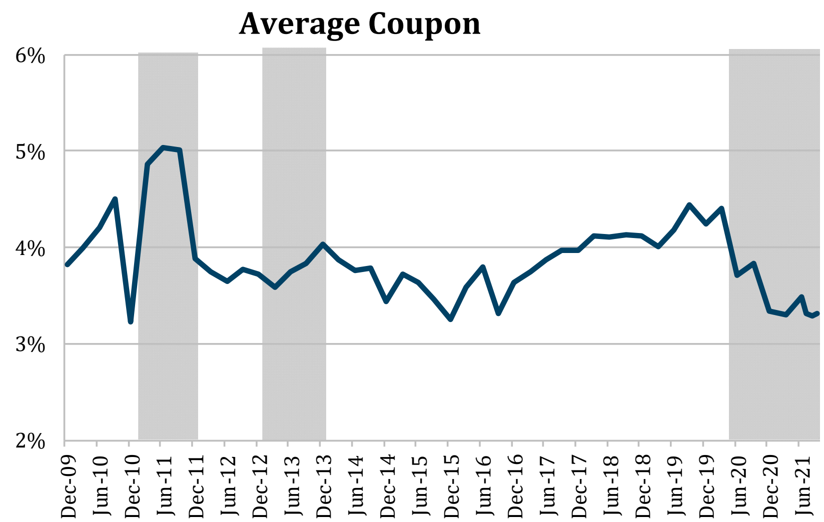
Low Duration Fund Strategy

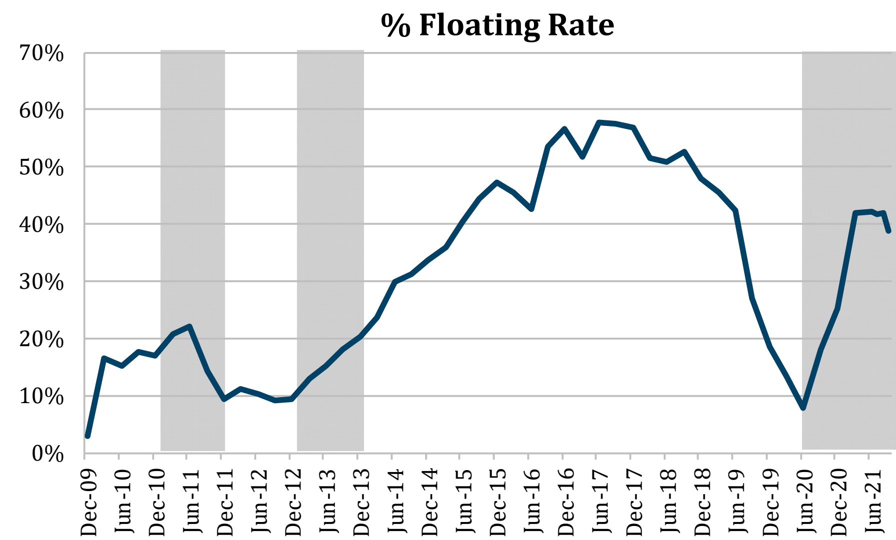
September 30, 2021

Decision Factor	Positioning	Strategy
Interest Rates & Yield Curve	Maintained	• The strategy's duration is managed to a duration of up to one year. However, we have recently reduced duration. • We continue to monitor the effects of the pandemic on the overall economy, unlimited quantitative easing, and the Fed's "flexible form of average inflation targeting (FAIT)" and its impact on inflation.
Treasuries & Agencies	Maintained	• Held exposure with a goal of a ~10% allocation to Treasuries to anchor the portfolio against downside events. • No allocation to Agency debentures: We currently find Agency MBS valuations more attractive.
Securitized Sectors	Maintained	• MBS: We tend to seek higher-coupon pools comprised of low loan balances as such pools can offer higher interest income within the MBS sector and potentially less cash flow volatility • ABS: We believe certain-ABS offer attractive total return potential as household balance sheets have benefited from fiscal stimulus. • CMBS: We added Agency CMBS securities to benefit from favorable yield and duration characteristics they could potentially offer for the portfolio.
Credit Sectors	Maintained	• Held allocation to highly liquid investment-grade industrials and financials: New issue supply has continued to result in swap opportunities that maintain issuer exposure while increasing yield. We continue to favor floating-rate instruments that may reduce overall interest rate risk.

Low Duration Fund Characteristics







Low Duration Fixed Income

As of September 30, 2021.
Sources: BlackRock Solutions, Bloomberg Barclays, CMS Bond Edge, ICE. Information is for illustrative purposes only and is not intended as investment advice. Subject to change without notice. 2011 shading represents the European Debt Crisis; 2013 shading represents the 2013 Taper Tantrum; 2020-2021 shading represents the Covid-19 Pandemic.

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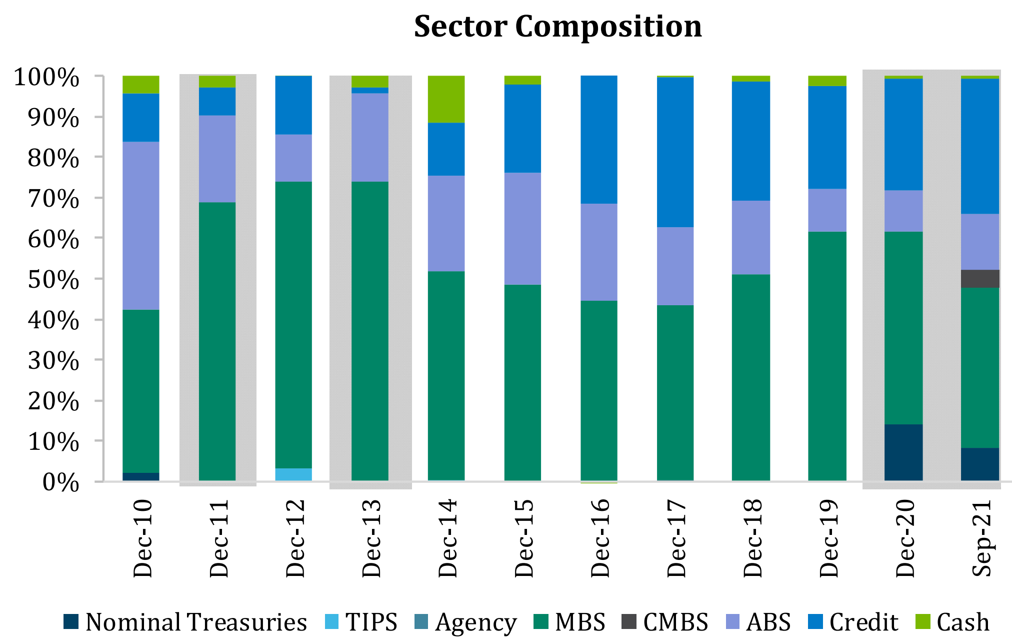

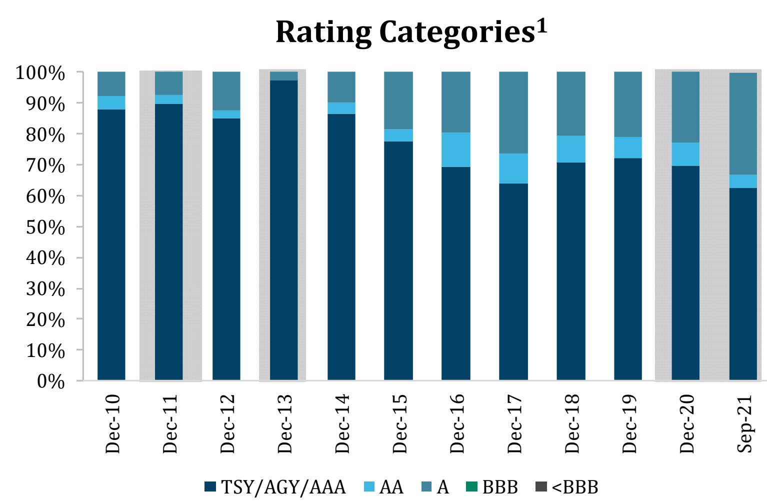

[1]The credit quality of securities in the Fund is sourced through BlackRock Solutions and derived from Moody's Investors Service, Inc. and Standard & Poor's. In cases where the credit rating agencies have assigned different credit ratings to the same security, the higher rating is used. In cases where only one rating agency has assigned a credit rating to a security, that rating is used. As of September 30, 2021.

Sources: BlackRock Solutions, Bloomberg Barclays, CMS Bond Edge, ICE. Information is for illustrative purposes only and is not intended as investment advice. Subject to change without notice. 2011 shading represents the European Debt Crisis; 2013 shading represents the 2013 Taper Tantrum; 2020-2021 shading represents the Covid-19 Pandemic.

Capital Markets Outlook

September 30, 2021

- **Rates**: We believe, in keeping with communications from the members of the U.S. Federal Reserve's ("Fed") FOMC, they will likely announce the reduction of asset purchases by year-end. We believe that the FOMC will be patient in tightening monetary conditions and could be more accepting of above-trend and/or transitory inflation to hit their longer-term average inflation target. However, recent Committee communications have highlighted a dispersion of views from the members, which adds further uncertainty to the potential timeline.
- **Inflation**: Over the medium-term we view TIPS to be relatively attractive versus fixed-rate UST given the Fed's focus on generating sustained inflation and fiscal stimulus impact. However, uncertainty from the COVID Delta variant and strong YTD performance could limit potential from here.
- **Valuations:**
  - **Spread sectors** appear attractive versus UST (medium/longer-term), especially given Treasury supply dynamics. However, in the shorter-term, if economic data disappoints to the downside, Treasuries could outperform.
  - **MBS**: We continue to seek opportunities in the mortgage sector that exhibit the potential for attractive spreads, income generation, and desired duration profile. Fundamentally, the sector benefits from the tailwind provided by the undersupply of housing and positive trends in household balance sheets. We are focused on pre-payment speeds given greater refinancing activity driven by factors such as higher home prices, lower interest rates, and new technology. We view Agency CMBS that fund multi-family residential properties to offer a favorable convexity profile while bearing the same Agency guarantee as single-family MBS.
  - **ABS**: Household balance sheets entered the pandemic in a relatively stronger position versus history and have benefited from fiscal stimulus. Our focus has been on prime borrowers, who have fared well in terms of unemployment, wage and savings growth.
  - **Corporates**: Selection will continue to be critical as we recover from the pandemic. Nominal yields are near all-time lows but we believe tight spreads and valuations are supported by strong fundamentals. We expect that companies will continue to be opportunistic with debt issuance, extending maturities, and managing their debt profile.

Source: William Blair. Information subject to change without notice. Not intended as investment advice. UST = U.S. Treasury, TIPS = Treasury Inflation Protection Securities, MBS = Mortgage-Backed Securities, ABS = Asset-Backed Securities, Fed = U.S. Federal Reserve, FOMC = Federal Open Market Committee

Index Definitions

BofA Merrill Lynch 1-Year U.S. Treasury Note Index: Comprised of a single U.S. Treasury Note issue purchased at the beginning of the month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond, one year from the rebalancing date.

Bloomberg Barclays Aggregate Bond Index: Composed of securities from the Barclays Aggregate Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index.

Bloomberg Barclays U.S. Corporate Index: measures the investment grade, fixed-rate, taxable corporate bond market.

Bloomberg Barclays Corporate High Yield Bond Index: Composed of fixed-rate, publicly issued, non-investment grade debt.

Bloomberg Barclays U.S. Credit Index: measures the investment grade, U.S dollar-denominated, fixed rate, taxable corporate and government-related bond markets. It is composed of the U.S. Corporate Index and a non-corporate component that includes non-U.S. agencies, sovereigns, supranationals and local authorities.

Bloomberg Barclays Emerging Market Bond Index: An unmanaged index that tracks total returns for external-currency-dominated debt instruments for emerging markets.

Bloomberg Barclays Intermediate Govt./Credit Bond Index: Fixed-rate government and corporate bonds rated investment grade or higher.

Bloomberg Barclays U.S. MBS Index: Measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of GNMA, FNMA, and FHLMC.

Bloomberg Barclays U.S. TIPS Index: Includes all publicly issued U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have $250 million or more of outstanding face value.

Bloomberg Barclays U.S. Treasury Index: measures U.S. dollar-denominated fixed-rate, nominal debt issued by the U.S. Treasury.

MSCI EAFE IMI Index: a free float-adjusted market capitalization index that is designed to measure equity market performance in the developed markets outside the United States.

MSCI Emerging Markets IMI Index: a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

S&P 500 Index: A measure of domestic equity market performance published by Standard & Poor's. It consists of 400 leading industrial issues, 20 transportation issues, 40 utilities and 40 finance issues weighted on a market capitalization basis. The S&P 500 is a broad-based index composed of domestic stocks representing 80% of the market value of all stocks traded on the New York Stock Exchange.

Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly.