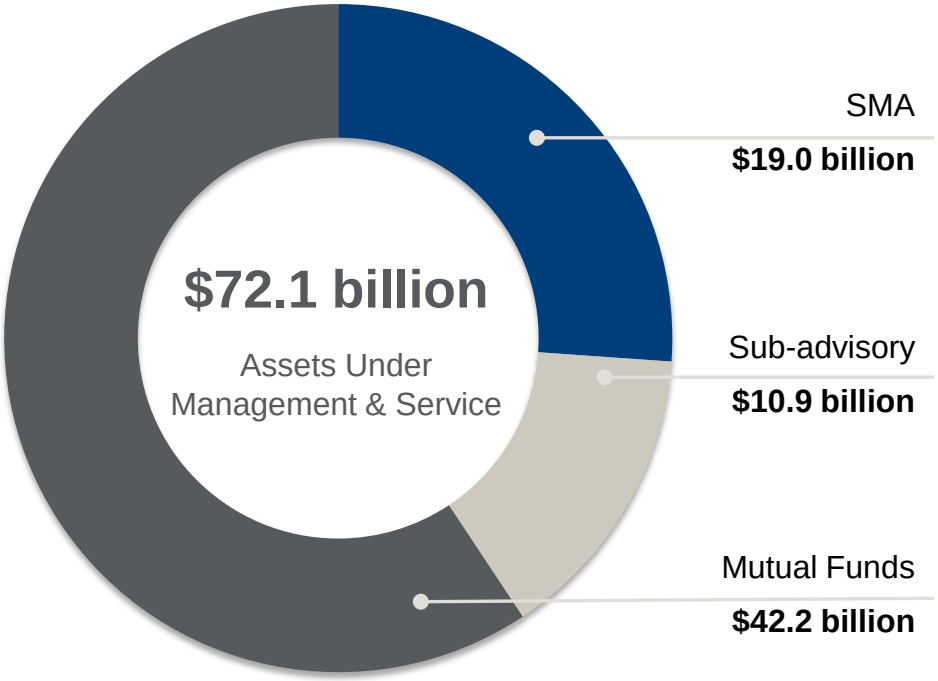
On Top of the Market 1Q 2018

Volatility Returns to Equity Markets

AMG Funds

AMG Funds Overview

- The largest network of institutional quality boutique investment solutions through a single point of access
- Unrivaled access to insights of over 30 independent and autonomous investment managers
- More than 100 actively managed products covering the risk spectrum for investors searching beyond the index



Assets Under Management
Funds: $36.7 billion
SMA: $248.4 million

Assets Under Service
Funds: $5.5 billion
SMA: $18.8 billion
Sub-advisory: $10.9 billion

As of December 31, 2017.

Markets at a Glance

MARKET AND ECONOMIC REVIEW

The year began with strong investor sentiment that carried positive momentum early in 2018. However, after a long stretch of positive returns and low volatility, February's labor report signaled faster wage growth and touched off inflation concerns, prompting a correction in equity markets. The S&P 500® Index quickly gained 5.7% in January before sinking more than 10% in early February as volatility returned in full force. The VIX[1] climbed to a high of 50.3 in early February, which is nearly three times the high of 17.3 seen in the previous year. Volatility persisted through the remainder of the quarter as Trump's tariff policy began laying the foundation for a trade war amid a selloff in the technology sector. In the first three months of the year, there were 23 days when the S&P 500 gained or lost more than 1%, nearly three times as many as in all of 2017. The Index ended the first quarter with a -0.76% return, marking the first negative start to the year since 2009.

U.S. economic growth remained strong as the economy entered its 10th year of expansion. Growth in U.S. gross domestic product (GDP) slowed slightly in the fourth quarter to 2.9%, down from 3.2% in the third quarter of 2017 which is still higher than the 2.3% growth for the full year.[2] Positive GDP growth continued to be driven by strong consumer spending. In December, consumer confidence as measured by Nielsen's Consumer Confidence Survey reached an 18-year high, suggesting continued growth in the first quarter. Unemployment remained steady at 4.1%, comfortably below the U.S. Federal Reserve's (the Fed) median long-run normal rate of unemployment of 4.5%, and the U.S. economy added 311k jobs in the month of February, the highest monthly increase since July 2016.[3] According to the Bureau of Labor Statistics employment report, hourly earnings increased by 7 cents in January followed by an additional 4-cent gain in February, resulting in a 2.6% increase over the 12 months ending in February 2018. Despite upward pressure on wages, the Consumer Price Index (CPI) measured inflation at 2.2%, with Core CPI, which excludes food and energy, at 1.8% over the same period.[3]

Fed Chairman Jerome Powell's first meeting of the Federal Open Market Committee (FOMC) resulted in another quarter-point hike in the target federal funds rate, bringing the target range to 1.50%–1.75%.[4] According to Chairman Powell, the "decision to raise the federal funds rate is another step in the process of gradually scaling back monetary policy accommodation as the economic expansion continues. This gradual process has been under way for more than two years and it has served—and should continue to serve—the economy well." According to its projections, the FOMC is expected to raise rates two more times before the end of the year.

Developed economies continued to show strength with all G7 economies experiencing positive economic growth. Canada, Germany and France demonstrated the highest GDP growth in the past year, generating 3.5%, 3.3% and 3.0% growth, respectively.[5] The European Central Bank has remained highly accommodative with its -0.4% rate for overnight deposits, which was established in March 2016, but it has continued to taper quantitative easing measures by reducing its monthly purchase of non-financial corporate debt.[6] Inflation in the Eurozone remains anemic and is currently estimated to be 1.5%, well below the 2.0% target.[7] Economic growth in emerging economies continued to be bifurcated. The Chinese economy, the world's second largest, grew by 6.8%.[8] India and Turkey also exhibited strong GDP growth at 7.2% and 7.3%, respectively.[9] Meanwhile, Brazil emerged from recession last year but continued to grapple with sluggish GDP growth at 0.1% in the fourth quarter.[10]

EQUITIES

After 15 months of positive monthly returns, the S&P 500 Index returned -3.69% in February followed by another negative month with a -2.54% return in March, wiping out January's positive performance and resulting in a -0.76% return for the quarter. Nine out of the eleven economic sectors ended the quarter with negative returns. Growth-oriented sectors continued to outperform value in the first quarter led by information technology, despite the selloff in March. Yield-oriented sectors such as telecommunication services and real estate were among the weakest performing sectors as rising rates impacted returns. New tariffs on steel and aluminum under the Trump administration placed pressure on the materials sector resulting in a 5.52% decline in the first quarter. Meanwhile, international equities were helped by a modestly weaker U.S. Dollar and extended the trend of outperformance relative to the U.S. The MSCI EAFE Index returned -1.53% while emerging markets were more resilient with a 1.47% return for the MSCI Emerging Markets Index.

FIXED INCOME

The Bloomberg Barclays U.S. Aggregate Bond Index, a broad gauge of U.S. bond market performance, fell 1.46% during the first quarter. In February, concerns about rising inflation helped drive the 10-year U.S. Treasury note yield to a 4-year high of 2.94%. The steeper yield curve was short lived due in part to market volatility, which placed pressure on the long end of the curve causing 10-year Treasury yields to drop to 2.77% by the end of the quarter, and the Fed's 0.25% increase in interest rates in March. Investment grade corporate bonds underperformed with -2.32% for the Bloomberg Barclays U.S. Corporate Bond Index as credit spreads were slightly wider during the quarter. High yield bonds outperformed their higher credit quality counterparts with a -0.86% return for the Bloomberg Barclays U.S. Corporate High Yield Bond Index and foreign bonds led the fixed income sector with a 3.07% return according to the Bloomberg Barclays Global Aggregate ex-USD Index.

[1] CBOE Volatility Index, CBOE, Factset
[2] Bureau of Economic Analysis
[3] Bureau of Labor Statistics
[4] The federal funds rate is the interest rate at which depository institutions (banks and credit unions) lend reserve balances to other depository institutions overnight, on an uncollateralized basis.
[5] G7 economies are comprised of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. GDP data from Bank of Canada, Deutsche Bundesbank and Banque de France
[6] European Central Bank, FactSet
[7] Q1 2018 ECB Survey of Professional Forecasters
[8] National Bureau of Statistics of China
[9] India Ministry of Statistics and Program Implementation, Turkish Statistical Institute
[10] Banco Central do Brasil, Hellenic Statistical Authority

Past performance is no guarantee of future results.

Markets at a Glance

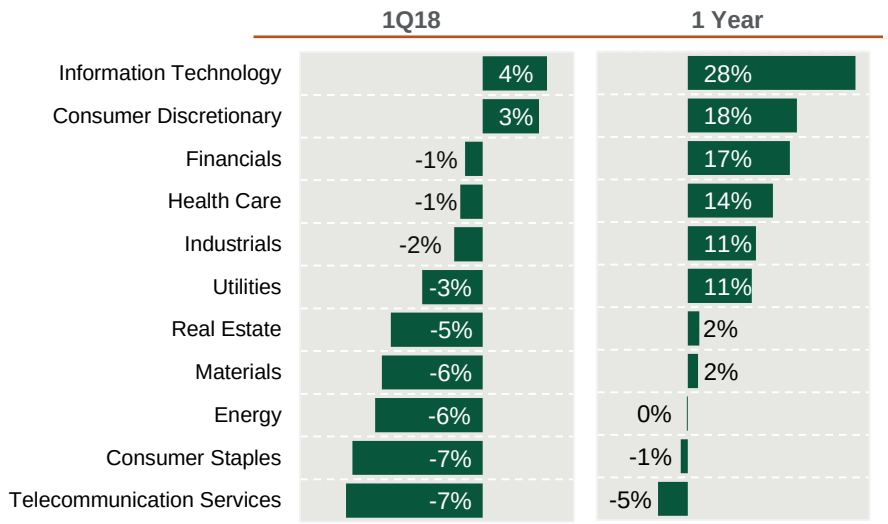
Index Returns	1Q18	YTD	1 Year
S&P 500 Index	-0.8%	-0.8%	14.0%
Russell Midcap Index	-0.5%	-0.5%	12.2%
Russell 2000 Index	-0.1%	-0.1%	11.8%
MSCI EAFE Index	-1.5%	-1.5%	14.8%
MSCI Emerging Markets Index	1.4%	1.4%	24.9%
Bloomberg Barclays U.S. Aggregate Bond Index	-1.5%	-1.5%	1.2%
Bloomberg Barclays U.S. Corporate IG Bond Index	-2.3%	-2.3%	2.7%
Bloomberg Barclays U.S. Corporate HY Bond Index	-0.9%	-0.9%	3.8%
Bloomberg Barclays Municipal Bond Index	-1.1%	-1.1%	2.7%
Dow Jones U.S. Select REIT Index	-7.4%	-7.4%	-3.7%
Bloomberg Commodity Index	-0.4%	-0.4%	3.7%

Markets	3/31/2018	12/31/2017	3/31/2017
Oil	$64.9	$60.5	$50.5
Gold	$1,324	$1,291	$1,245
Bloomberg Commodity Index	87.5	88.2	85.4

Rates & Spreads			
Fed Funds	1.75%	1.50%	1.00%
3M Libor	2.31%	1.69%	1.15%
2-Year Treasury	2.26%	1.88%	1.26%
10-Year Treasury	2.74%	2.41%	2.39%
IG Spreads (bps)	113	96	121
HY Spreads (bps)	370	364	412
30 Year Mortgage	4.44%	3.99%	4.14%
6 Month CD	0.54%	0.48%	0.38%

Currencies			
$ per Euro	$1.23	$1.20	$1.07
$ per Pound	$1.40	$1.35	$1.25
Yen per Dollar	¥106.35	¥112.65	¥111.43

S&P 500 Index Sector Returns



Equity Style

	1Q18			1 Year		
	Value	Core	Growth	Value	Core	Growth
Large	-2.8%	-0.7%	1.4%	6.9%	14.0%	21.3%
Mid	-2.5%	-0.5%	2.2%	6.5%	12.2%	19.7%
Small	-2.6%	-0.1%	2.3%	5.1%	11.8%	18.6%

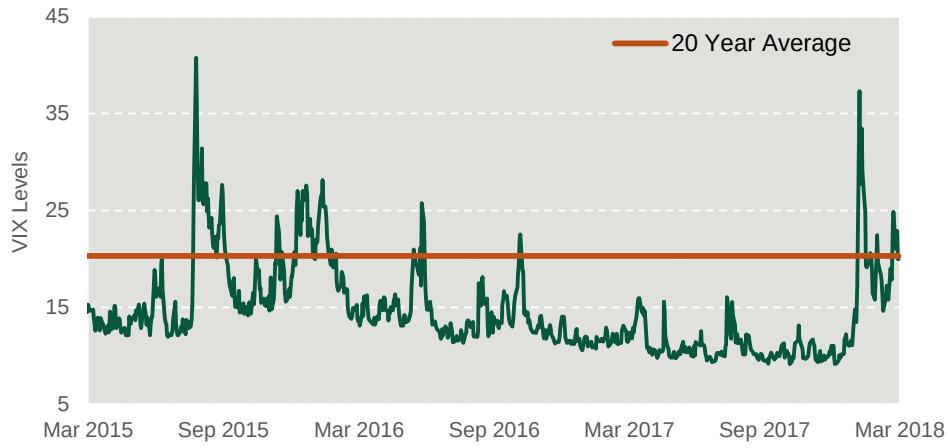
Source: Bloomberg, Dow Jones, FactSet, MSCI, Russell, Standard & Poor's.

Past performance is no guarantee of future results.

Volatility Returns

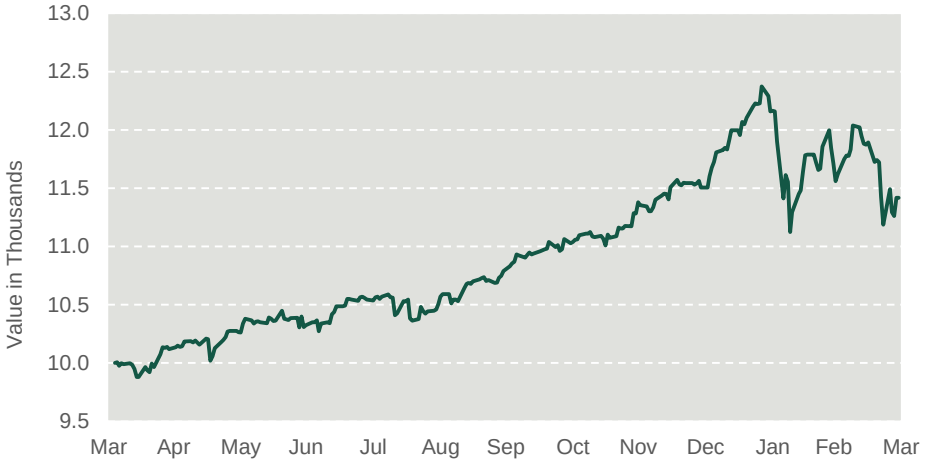
- After a long stretch of historically calm markets, volatility spiked in early February and persisted through the remainder of the quarter. The unrest was driven in part by fears of inflation driven by a tightening labor market and increase in wages, the threat of an impending trade war with China, and a selloff in the technology sector.

CBOE Volatility Index



- U.S. Equity markets hit new record highs in early January at one point reaching a return of 7.55%. The reappearance of volatility caused a correction in the U.S. equity market and the market remained choppy for the remainder of the quarter. After 15 consecutive months of positive returns, the S&P 500 Index declined in both February and March leading to a -0.71% return for the quarter

S&P 500 Index
Growth of $10,000



Source: Chicago Board of Exchange (CBOE) FactSet, Standard & Poor's.
As of March 31, 2018.

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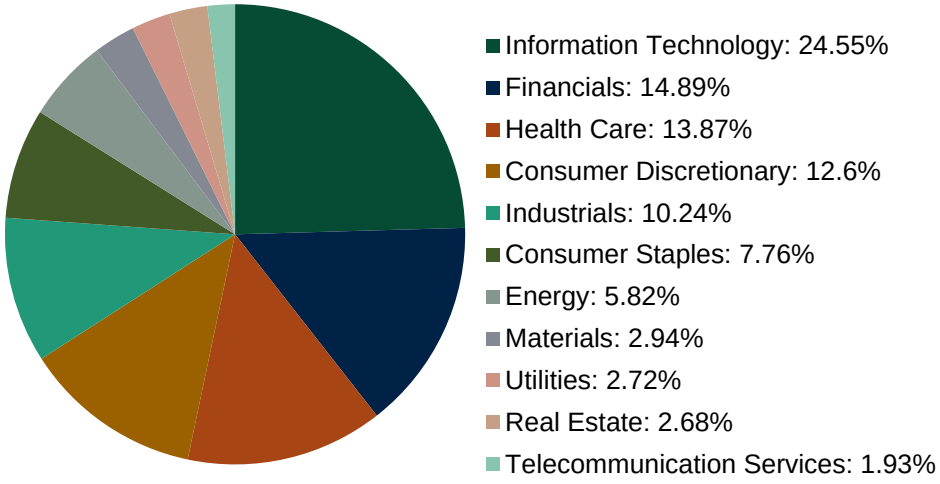
Market Movers

During the first quarter some of the largest stocks in the S&P 500 Index were faced with challenges, impacting the overall return. Facebook, which has recently shown signs of difficulty protecting user data, is facing general data protection regulation from the European Union. These regulations, which are scheduled to go into effect in May, are expected to have an impact on other social media companies like Google. Amazon, which has been singled out by President Trump as an evader of taxes, a threat to other businesses and a drag on the United States Post Office, has weathered well and its stock rose by more than 20% in the first quarter. Despite the selloff late in the quarter, the information technology sector ended with a positive with 3.53% for the quarter. Performance for the sector was buoyed by Microsoft and Intel, the two largest sector contributors to performance with 7.19% and 13.58% returns, respectively.

S&P 500 Sector Weighting



Returns 1Q18

Security Name	Weight (%)	Returns (%)			
		January	February	March	1Q18
Apple, Inc.	3.80	-1.06	6.81	-5.81	-0.46
Microsoft Corporation	3.02	11.07	-0.85	-2.67	7.19
Alphabet Inc.	2.90	12.02	-6.10	-6.33	-1.50
Amazon.com, Inc.	2.44	24.06	4.24	-4.30	23.76
Facebook, Inc. Class A	1.84	5.91	-4.59	-10.39	-9.45
Intel Corporation	0.95	4.29	3.07	5.66	13.58
Netflix, Inc.	0.50	40.81	7.80	1.36	53.86

Source: FactSet, Standard & Poor's. As of March 31, 2018.

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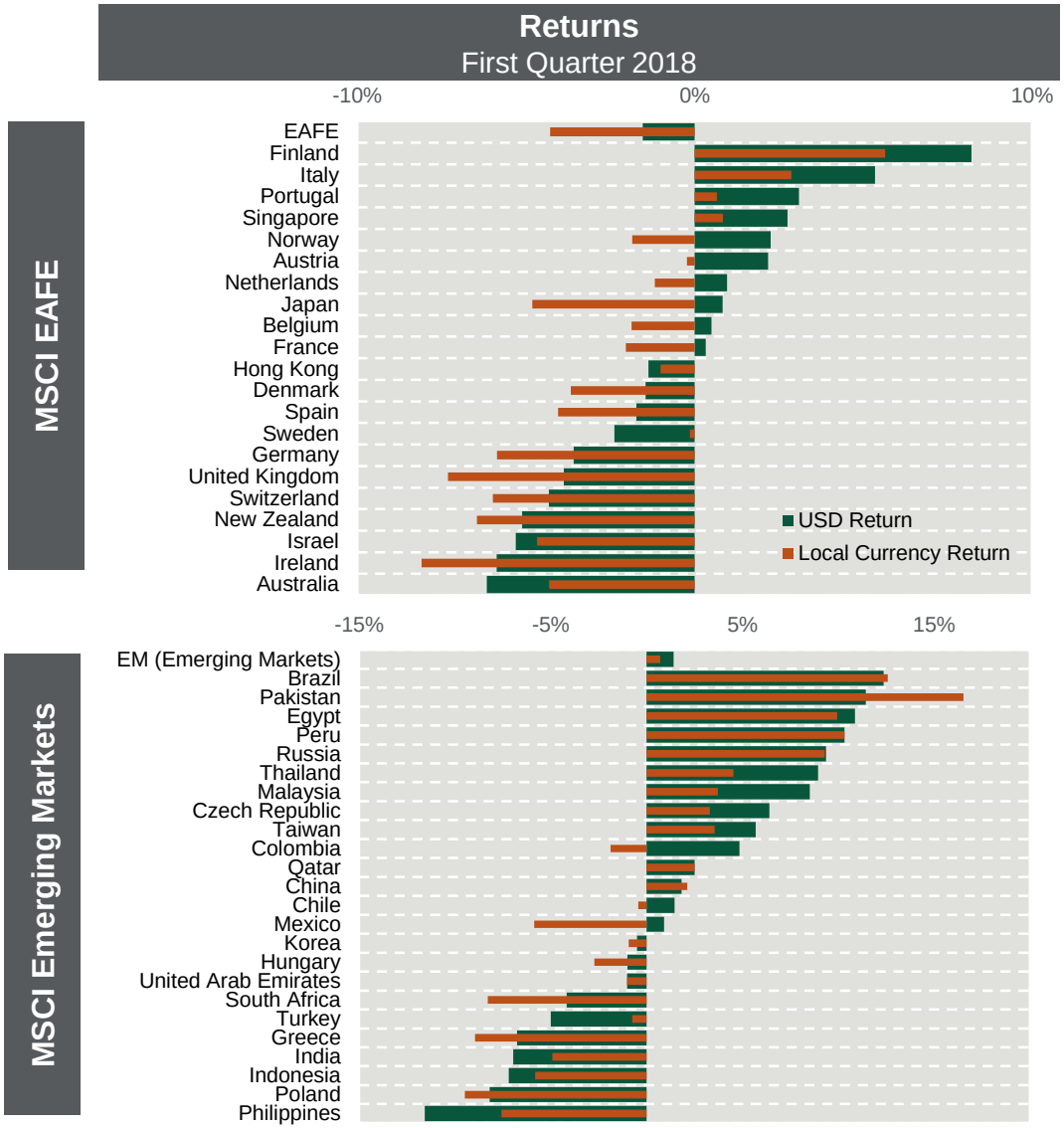
Emerging Markets Continue to Outperform

- International equities once again outperformed their U.S. counterparts led by strength in Emerging Markets. Emerging markets dominated developed markets due to weak performance in the three largest developed market economies; Japan, Germany and the United Kingdom. During the first quarter, the Dollar weakened modestly versus most foreign currencies, leading to modest improvement in return for international investments in USD.

- Emerging markets weathered the spike in volatility and provided positive performance in the first quarter. The MSCI EM Index returned 0.7% in the first three months of the year. Here the weaker USD was almost universally beneficial to returns. In USD terms, Brazil, Taiwan and China were the largest contributors to performance while India and South Africa were the largest drags on performance.



Source: FactSet and MSCI. Returns reflect reinvestment of net dividends.

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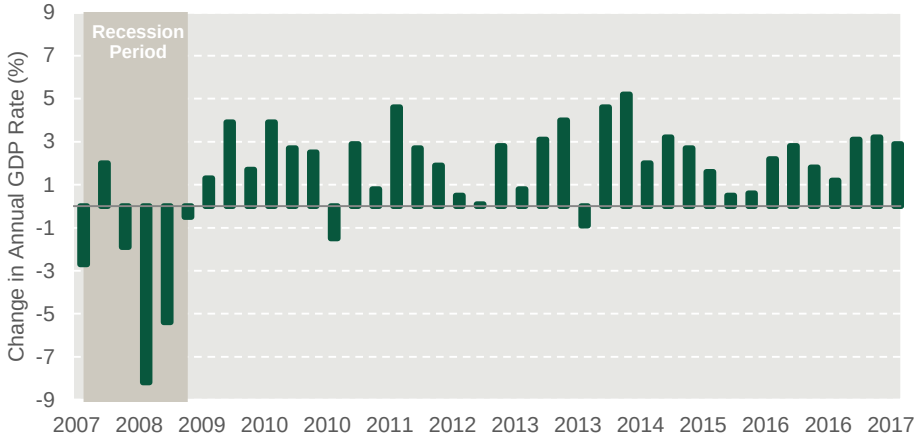
U.S. Economy: Strong and Steady

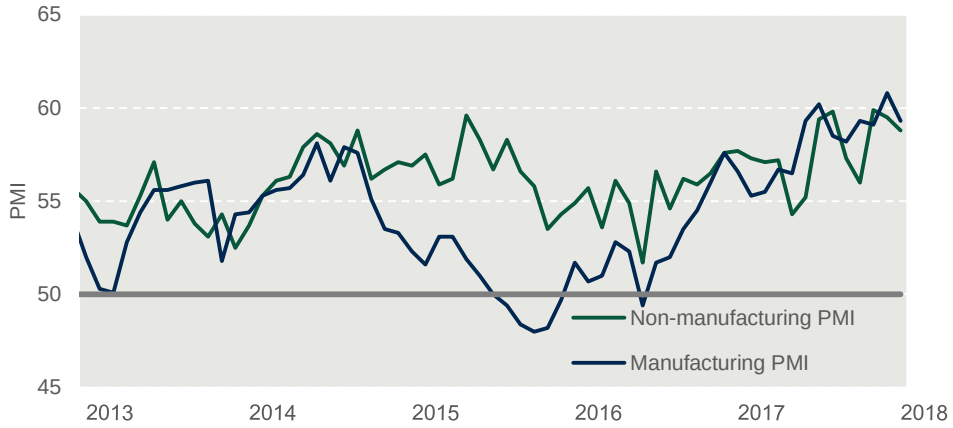
- Strong consumer spending propelled the U.S. economy in the last quarter of 2017, which expanded at an annualized pace of 2.9%, down from 3.1% in the previous quarter. The largest driver in gross domestic product (GDP) growth, personal consumption expenditures, increased by 2.75%, accelerating at the fastest pace in three years. Imports also increased at the end of 2017, causing a drag on growth rates. Lower private investment rates contributed to the slower economic growth. According to the International Monetary Fund, the United States can expect the recent tax cuts to continue to have a positive impact on growth through 2020.[12]

- The Institute for Supply Management's (ISM) reports on the Manufacturing and Non-Manufacturing PMIs were strong in the first quarter, hitting highs last seen well over a decade ago. February's PMI for the manufacturing sector surged to 60.8%, the Index's highest level since May 2004.[13] Meanwhile, Non-Manufacturing PMI also reached a post-crisis high of 58.8% in February, which was the highest level seen since August 2005. Although both indices fell modestly in March, underlying data continues to show growth.

U.S. GDP Growth



Purchasing Manager's Index (PMI)

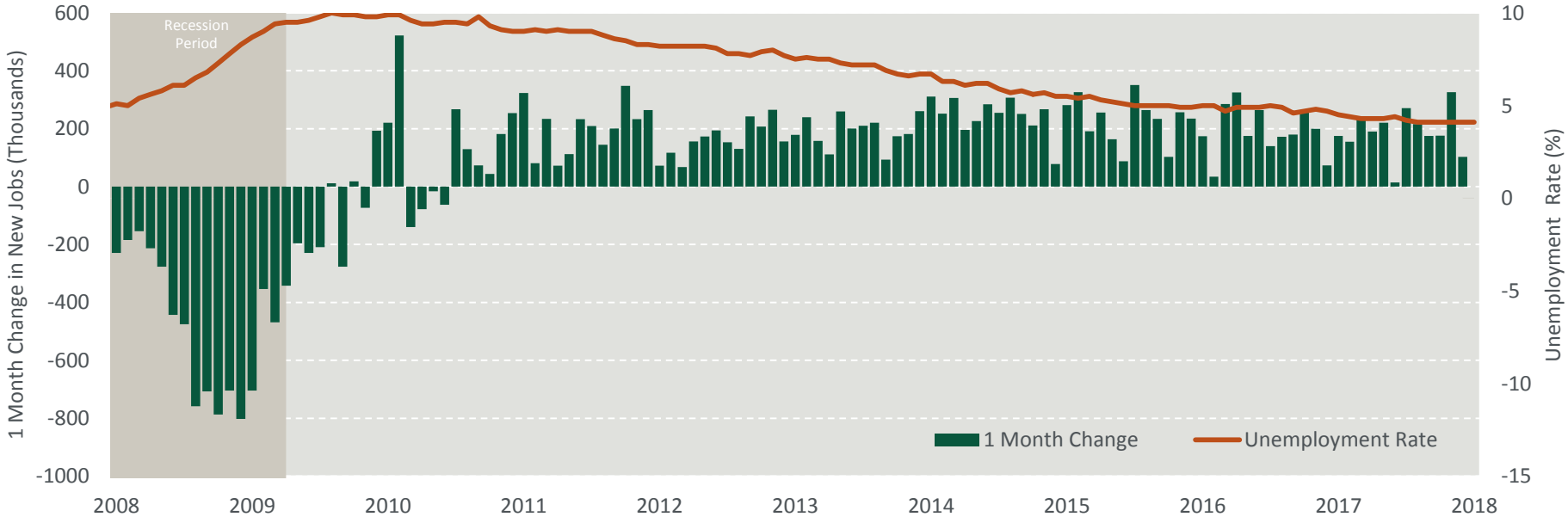


[12]International Monetary Fund World Economic Outlook, January 2018
[13] A reading above 50 indicates expansion while a reading below 50 indicates contraction.
Source: FactSet (all); U.S. Bureau of Economic Analysis (top); Institute of Supply Management (bottom). PMI as of March 31, 2018. GDP Growth as of December 31, 2017.

Labor Markets Continue to Show Steady Improvement

The Labor Department reported the economy added another 103k jobs in March which is significantly lower than the 313k added in February. With unemployment holding steady at 4.1%, the economy is comfortably within the 4.0-4.5% full employment range. Wage growth is estimated to have increased by 2.52% in the 12 months ending in February 2018. Increasing wages and strong employment figures may imply a threat of inflation, but there may be some slack in the job market hidden by the participation in the labor force. According to the Bureau of Labor Statistics, participation rates of prime age workers (25-54 years old) have not recovered to pre-great recession levels.

New Jobs and Unemployment Rate



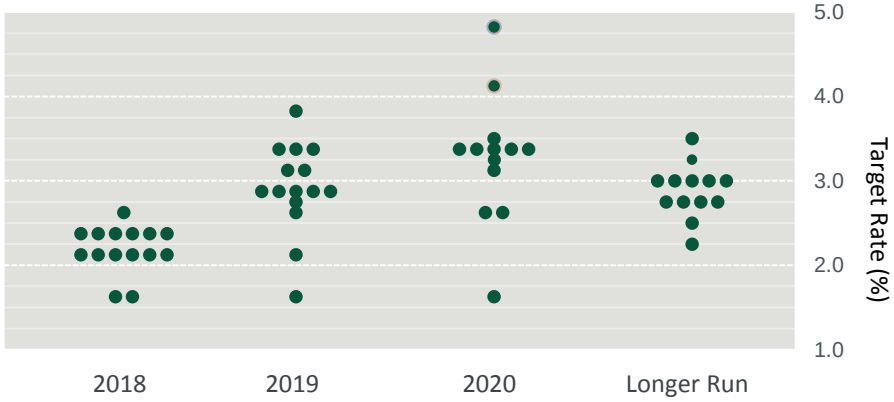
Source: FactSet, U.S. Department of Labor. As of March 31, 2018.

Federal Reserve Continues to Remove Policy Accomadation

- The Federal Open Market Committee (FOMC) raised the target fed funds rate by 0.25% during their last meeting in March. The FOMC has now made six quarter-point rate hikes since it began normalizing monetary policy in 2015. This was the first of three rate hikes the Committee expects to implement in 2018.

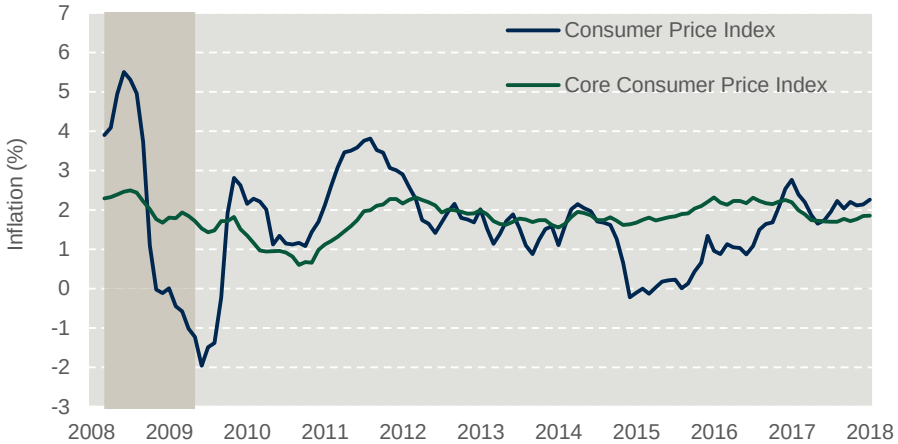
- In February, the Consumer Price Index (CPI) was measured at 2.26%, a slight increase from the end of 2017. Core CPI, which excludes food and fuel prices, increased 1.86% as of February 28, 2018. The Core CPI has been steadily increasing for the past 10 months, but it is still below the Fed's 2% target. According to Chairman Powell's speech at The Economic Club of Chicago on April 6, 2018, "Much of the shortfall in inflation in recent years is well explained by high unemployment during the early years of the recovery and by falling energy prices and the rise in the dollar in 2015 and 2016… In fact, monthly inflation readings have been firmer over the past several months, and the 12-month change should move up notably this spring as last spring's soft readings drop out of the 12-month calculation."

Federal Open Market Committee Participants' Pace of Policy Firming



Participant's judgment of the appropriate pace of policy firming: midpoint of target range or target level for the federal funds rate. Each circle indicates the value (rounded to the nearest 1/8 percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run.

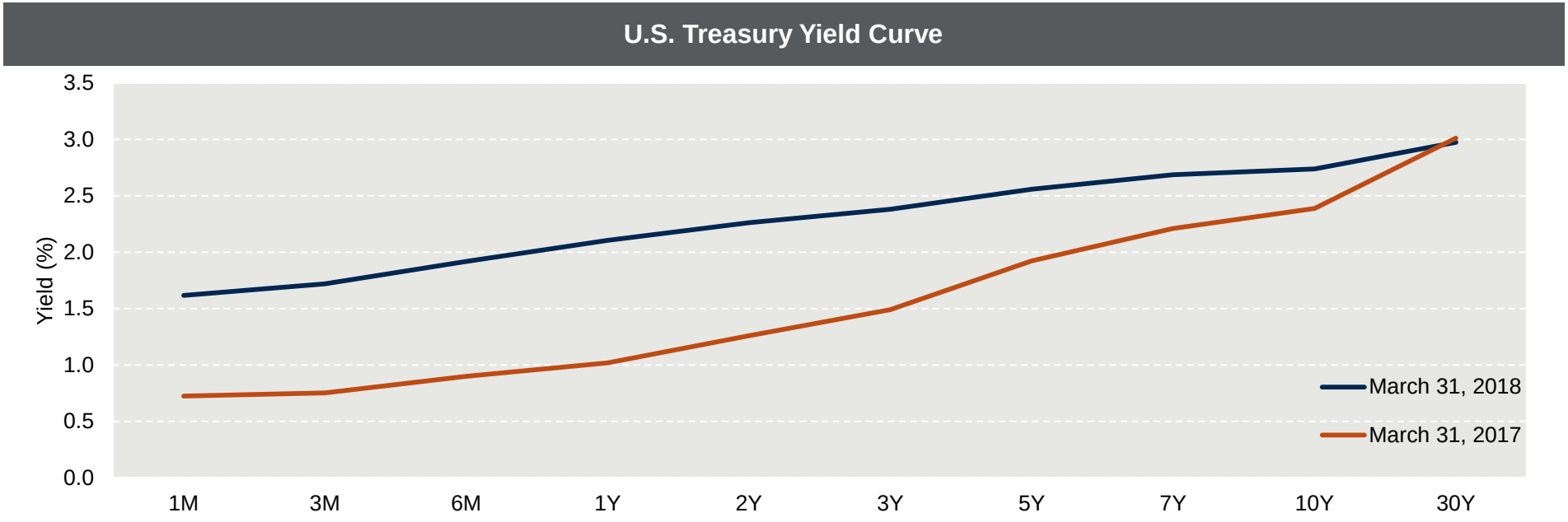
Consumer Price Inflation



Source: Federal Reserve (all). FOMC Policy Firming as of March 21, 2018. Consumer Price Inflation as of February 28, 2018.

Treasury Yield Curve

Over the past year, the yield curve has flattened as the Fed continued to normalize monetary policy, and short-term rates have risen faster than long-term rates. For example, the 2-year treasury has increased 100 basis points to yield 2.26% at March 31. Further out on the curve, the 30-year treasury bond is 0.04% lower than a year ago at a 2.97% yield. Despite the flattening trend, rising inflation expectations impacted the longer end of the curve during the first quarter contributing to a 0.34% increase over the quarter. At one point the 10-year treasury approached 3.00%, a level not seen in over four years.



Source: FactSet, U.S Treasury. As of March 31, 2018.

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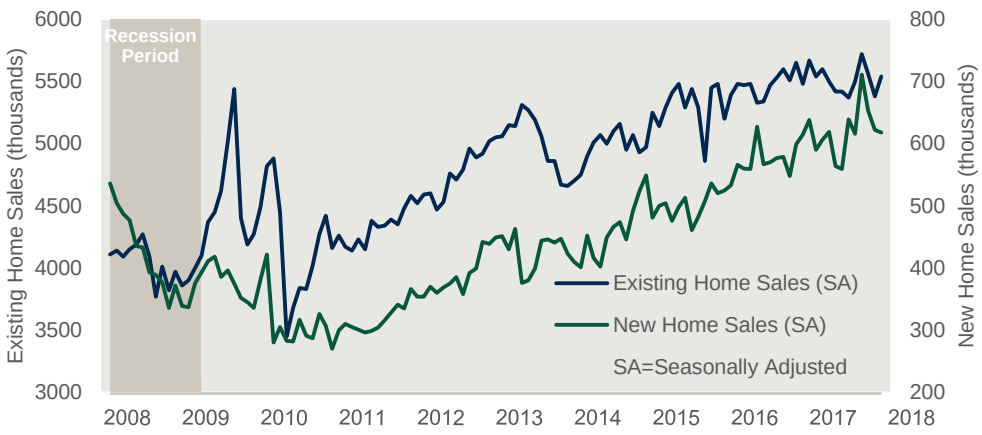
Will higher mortgage rates impact home sales?

- New and Existing home sales moderated in 2018. February recorded a seasonally adjusted annual rate of 618 thousand and 5.54 million units, for new and existing home sales, respectively. However, this measure still represents a modest increase from one year ago according. New housing starts and permits also declined in the month of February. According to Doug Duncan, Fannie Mae's Chief Economist, "Home sales got off to a rough start in 2018, bottle-necked by the persistent challenges of the inventory shortage. Of course, there's a flipside to the demand-supply imbalance, and strong home price appreciation continues to come as welcome news to existing homeowners."

- Continuing to climb from low of 3.45% in September 2016, 30-year mortgage rates hit four year highs of 4.24% at the end of the first quarter. The increase has been driven by higher interest rates; 10-Year U.S. Treasuries increased 1% during the same period. More Fed interest rate hikes on the horizon and the mortgage interest deduction limits introduced by the new tax bill could limit the recovery of the housing market. Despite the increased cost of homeownership, the Fannie Mae Home Purchase Sentiment Index rose 2.5% in March.[14]

Home Sales



30-Year Mortgage Interest Rates

[14]The Fannie Mae Home Purchase Sentiment Index is based on Fannie Mae's monthly National Housing Survey of 1,000 consumers and considers factors such as price expectations and perceived job security.

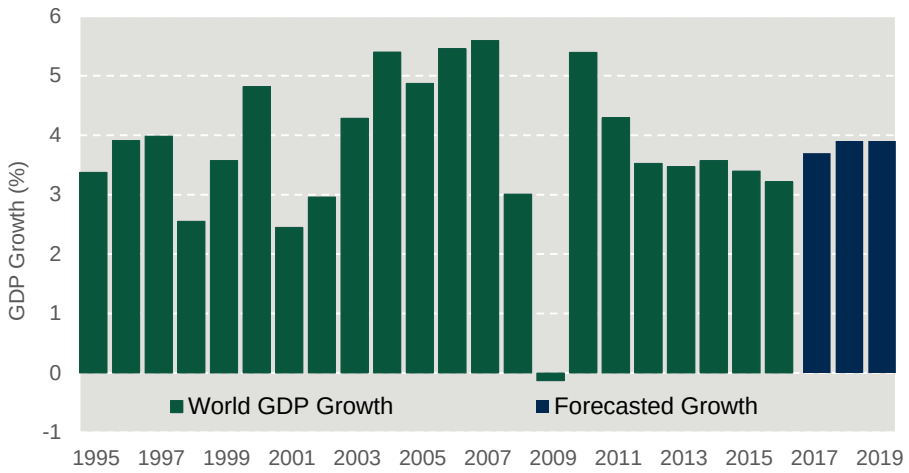
Source: FactSet (all); U.S. Census Bureau (top); National Association of Realtors (bottom). Home sales as of February 28, 2018. Mortgage rates as of March 31, 2018.

Momentum Carries Global Growth

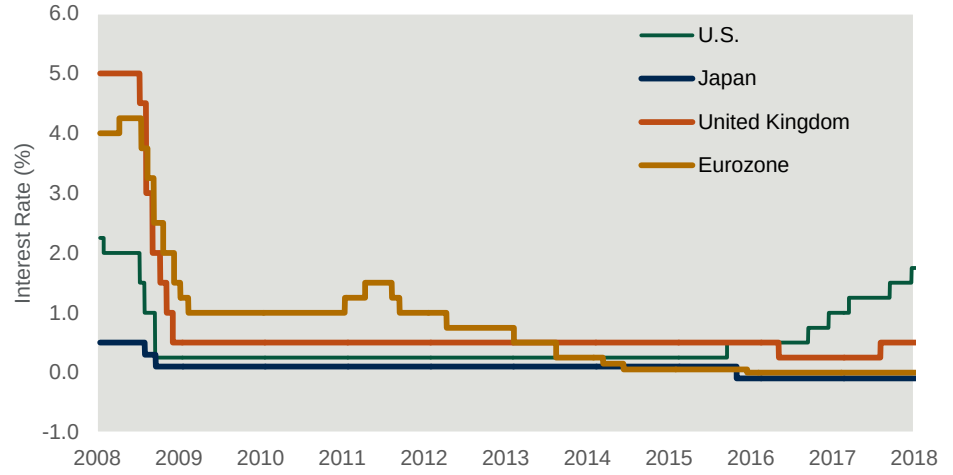
- According to the International Monetary Fund (IMF), global growth is picking up speed. Estimates for 2017 were increased slightly to 3.7%, up from the 3.6% estimate released in the fall. Asia was a strong driver of growth in 2017 with growth estimates for China, India and Japan ringing in at 6.8%, 6.7% and 1.8%, respectively. The positive momentum in growth is expected to continue causing the IMF to boost growth estimates for the next two years. These forecasts are especially positive for Asia, which is estimated to drive half of world growth.

- Despite positive growth, both Japan and the Eurozone maintained their negative interest rate policy in 2018. Although Japanese economic growth has doubled from 2016, inflation has remained stubbornly low with the February core Consumer Price Index (CPI) estimate falling to 0.5%. The Eurozone has experienced improving economic growth, lower unemployment rates and positive wage growth. On March 8, the European Central Bank decided to maintain its overnight depository policy rate at -0.40% and confirmed its quantitative easing program is expected to continue until September of this year.

IMF Global Growth



Global Interest Rates



Source: FactSet (all); International Monetary Fund (top); Bank of England, Bank of Japan, European Central Bank, U.S. Federal Reserve (bottom). As of March 31, 2018.

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Disclosures

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3-month London InterBank Offered Rate (LIBOR): The 3-month LIBOR rate is the average 3-month lending rate as estimated by members of the British Bankers Association.

Bloomberg Barclays Global Aggregate Bond ex USD Index: The Bloomberg Barclays Global Aggregate Bond Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The Index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities. The Bloomberg Barclays Global Aggregate Bond Index ex USD excludes bond issues in the United States.

Bloomberg Barclays Municipal Bond Index: The Bloomberg Barclays Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. The index tracks general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds rated Baa3/BBB- or higher by at least two of the ratings agencies: Moody's, S&P, Fitch.

Bloomberg Barclays U.S. Aggregate Bond Index: The Barclays U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds.

Bloomberg Barclays U.S. Asset-backed Securities (ABS) Index: The Bloomberg Barclays Asset-backed securities (ABS) Index represents the ABS component of the Bloomberg Barclays U.S. Aggregate Index, including credit and charge cards, autos and utility. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche.

Bloomberg Barclays U.S. Credit Index: Bloomberg Barclays U.S. Credit Index represents publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity and quality requirements. To qualify, bonds must be SEC-registered. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility and Finance, which include both U.S. and non-U.S. corporations. The non-corporate sectors are Sovereign, Supranational, Foreign Agency and Foreign Local Government.

Bloomberg Barclays U.S. Commercial Mortgage-backed Securities (CMBS) Index: The Bloomberg Barclays U.S. Commercial Mortgage-backed Securities (CMBS) Index represents the CMBS component of the Bloomberg Barclays Global Aggregate Bond Index.

Bloomberg Barclays U.S. Corporate High Yield Bond Index: The Bloomberg Barclays U.S. Corporate High Yield Bond Index is a total return performance benchmark for USD-denominated, high yield, fixed-rate corporate bonds having a maximum quality rating of Ba1 (as determined by the middle of the Moody's, Fitch and S&P ratings).

Bloomberg Barclays U.S. Corporate Investment Grade Bond Index: The Bloomberg Barclays U.S. Corporate Investment Grade Bond Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The Index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.

Bloomberg Barclays U.S. Mortgage-backed Securities (MBS) Index: The Bloomberg Barclays U.S. Mortgage-backed Securities (MBS) Index represents the MBS component of the Bloomberg Barclays Global Aggregate Bond Index and includes mortgage-backed pass-through securities of Ginnie Mae, Fannie Mae and Freddie Mac.

Bloomberg Commodity Index: The Bloomberg Commodity Index is composed of futures contracts on physical commodities. The Index is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production, and weight caps are applied at the commodity, sector and group level for diversification.

CBOE Volatility Index: The CBOE Volatility Index measures market expectations of near-term volatility conveyed by a weighted blend of S&P 500 Index option prices.

Dow Jones Industrial Average: The Dow Jones Industrial Average is a price-weighted index of 30 blue chip stocks traded on the New York Stock Exchange.

Dow Jones U.S. Select REIT Index: The Dow Jones U.S. Select REIT Index measures U.S. publicly traded real estate investment trusts.

Fed Funds Rate: The Fed Funds Rate is the discount rate at which the Federal Reserve will lend money overnight to member banks.

FTSE 100 Index: The Financial Times Stock Exchange (FTSE) 100 Index tracks the 100 largest market capitalization stocks trading on the London Stock Exchange.

MSCI All Country World Index (ACWI): The MSCI All Country World Index (ACWI) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 23 developed and 24 emerging market country indices.

Disclosures

MSCI ACWI ex USA: The MSCI ACWI ex USA is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index consists of 47 country indices comprising 22 developed and 24 emerging market country indices.

MSCI EAFE Index: The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. & Canada. The MSCI EAFE Index consists of 21 developed market country indices.

MSCI Emerging Markets Index: The MSCI Emerging Markets (EM) Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of 24 emerging market country indices.

MSCI World ex USA Index: The MSCI World ex USA Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The MSCI World ex USA Index consists of the following 22 developed market country indices.

Please go to msci.com for the most current list of countries represented by the MSCI indies.

NASDAQ Composite Index: The NASDAQ is an index designed to track the performance of stocks listed on the Nasdaq exchange.

Russell 1000® Index: Measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 90% of the total market capitalization of the Russell 3000® Index.

Russell 1000® Growth Index: Measures the performance of those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index: Measures the performance of the largest 1,000 U.S. incorporated companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000® Index: Measures the performance of the 2,000 largest companies in the Russell 3000® Index, which represents approximately 90% of the total market capitalization of the Russell 3000® Index.

Russell 3000® Index: Measures the performance of the 3,000 largest U.S. companies as measured by market capitalization and represents about 98% of the U.S. stock market.

Russell Midcap® Index: Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

S&P 500® Index: The S&P 500 Index is a capitalization-weighted index of 500 stocks. The S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The S&P 500 Index is proprietary data of Standard & Poor's, a division of McGraw-Hill Companies, Inc. All rights reserved.

U.S. Dollar Index: Measures the value of the U.S. Dollar relative to the British Pound, Canadian Dollar, Euro, Japanese Yen, Swedish Krona and Swiss Franc.

Indices are unmanaged, not available for investment and do not incur expenses.

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