SECOND QUARTER 2024

INCOME WITH MODERATE GROWTH

Financial markets benefited from a supportive macroeconomic backdrop in the second quarter, with modest gains in fixed income and more varied performance across equities and real assets. U.S. economic activity remained solid while showing signs of moderation later in the quarter. Investors welcomed a resumption in disinflationary trends after some concerns on U.S. inflation data in early 2024. Major developed market central banks began cutting rates, with 25 basis-point rate cuts from the European Central Bank and Bank of Canada in June. Fixed income returns were modestly positive even as interest rates and credit spreads were both slightly higher overall in the second quarter. Regional equity performance trends diverged as U.S. markets pushed higher with considerable support from megacap tech companies while the recovery in China and strong performance in India and Taiwan helped emerging market equities finish as a top-performing major asset class. Non-U.S. developed markets struggled later in the quarter as French equities dipped due to election uncertainty while Japan was a drag throughout most of the quarter.

We made one change in asset allocation in the quarter. In May, we increased U.S. equities, developed ex-U.S. equities and emerging market equities, funded by reductions across natural resources, investment grade fixed income and cash. The tactical change returned the portfolio to an overweight stance across global equities, reflecting a more-favorable macroeconomic backdrop with the resilient U.S. economy and some improvement in the non-U.S. growth outlook. Currently, the portfolio has overweights across each major global equity region and high yield fixed income funded by underweights across investment grade fixed income, inflation-linked fixed income, cash and natural resources. The portfolio ended the quarter with a modestly higher risk level than its strategic benchmark.

The portfolio slightly outperformed in the quarter as benefits from tactical positioning were mostly offset by modest drag from fund implementation and strategic positioning. Strategic positioning was a slight detractor as support from inflation-linked fixed income outperforming investment grade fixed income was countered by drag from weaker returns in high yield fixed income and real assets versus global equities. Tactical positioning helped performance primarily due to the overweight to U.S. equities, the underweight to natural resources and the underweight to investment grade fixed income. Our quality low volatility U.S. equity (QLV), our quality low volatility emerging markets equity (QLVE) and our value-scored high yield fixed income (HYGV) were the main detractors in terms of fund implementation, while our quality low volatility developed markets ex-U.S. equity (QLVD) and our diversified investment grade fixed income (BNDC) were the main contributors.

IMPORTANT INFORMATION. This document may not be edited, altered, revised, paraphrased, or otherwise modified without the prior written permission of Northern Trust Asset Management (NTAM). The information contained herein is intended for use with current or prospective clients of Northern Trust Investments, Inc (NTI) or its affiliates. The information is not intended for distribution or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. NTAM and its affiliates may have positions in and may effect transactions in the markets, contracts and related investments different than described in this information. This information is obtained from sources believed to be reliable, its accuracy and completeness are not guaranteed, and is subject to change. Information does not constitute a recommendation of any investment strategy, is not intended as investment advice and does not take into account all the circumstances of each investor.

This report is provided for informational purposes only and is not intended to be, and should not be construed as, an offer, solicitation or recommendation with respect to any transaction and should not be treated as legal advice, investment advice or tax advice. Recipients should not rely upon this information as a substitute for obtaining specific legal or tax advice from their own professional legal or tax advisors. 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. Indices and trademarks are the property of their respective owners. Information is subject to change based on market or other conditions.

All securities investing and trading activities risk the loss of capital. Each portfolio is subject to substantial risks including market risks, strategy risks, advisor risk, and risks with respect to its investment in other structures. There can be no assurance that any portfolio investment objectives will be achieved, or that any investment will achieve profits or avoid incurring substantial losses. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Risk controls and models do not promise any level of performance or guarantee against loss of principal. Any discussion of risk management is intended to describe NTAM's efforts to monitor and manage risk but does not imply low risk.

Past performance is not a guarantee of future results. Performance returns and the principal value of an investment will fluctuate. Performance returns contained herein are subject to revision by NTAM. Comparative indices shown are provided as an indication of the performance of a particular segment of the capital markets and/or alternative strategies in general. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index. Net performance returns are reduced by investment management fees and other expenses relating to the management of the account. Gross performance returns contained herein include reinvestment of dividends and other earnings, transaction costs, and all fees and expenses other than investment management fees, unless indicated otherwise. For additional information on fees, please refer to Part 2A of the Form ADV or consult an NTI representative.

Forward-looking statements and assumptions are NTAM's current estimates or expectations of future events or future results based upon proprietary research and should not be construed as an estimate or promise of results that a portfolio may achieve. Actual results could differ materially from the results indicated by this information.

This information is intended for purposes of NTI and/or its affiliates marketing as providers of the products and services described herein and not to provide any fiduciary investment advice within the meaning of Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). NTI and/or its affiliates are not undertaking to provide impartial investment advice or give advice in a fiduciary capacity to the recipient of these materials, which are for marketing purposes and are not intended to serve as a primary basis for investment decisions. NTI and its affiliates receive fees and other compensation in connection with the products and services described herein as well as for custody, fund administration, transfer agent, investment operations outsourcing, and other services rendered to various proprietary and third-party investment products and firms that may be the subject of or become associated with the services described herein.

Northern Trust Asset Management is composed of Northern Trust Investments, Inc. Northern Trust Global Investments Limited, Northern Trust Fund Managers (Ireland) Limited, Northern Trust Global Investments Japan, K.K, NT Global Advisors, Inc., 50 South Capital Advisors, LLC, Northern Trust Asset Management Australia Pty Ltd, and investment personnel of The Northern Trust Company of Hong Kong Limited and The Northern Trust Company.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE