SECOR | ASSET MANAGEMENT

Quarterly Macroeconomic Outlook Update

October 21, 2024

Quarterly Update: Evolving Macro Backdrop Giving Investors Much to Consider

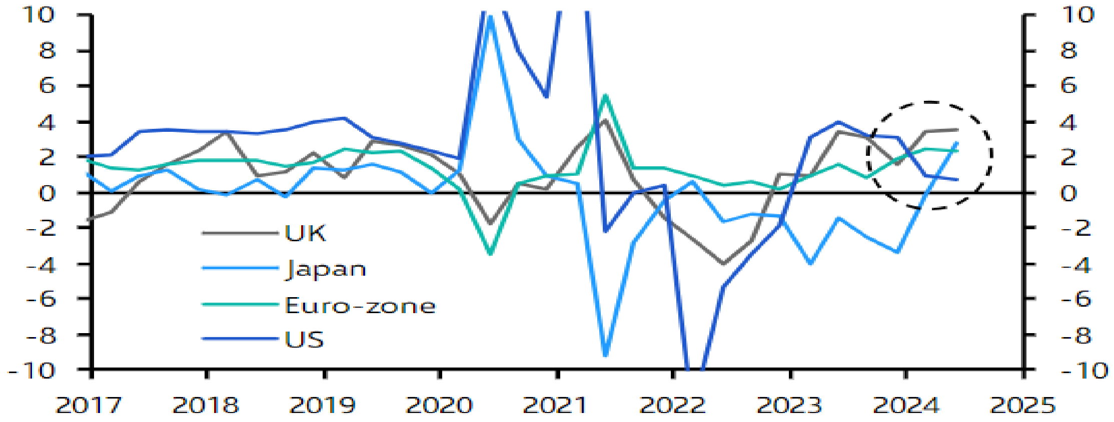
SECOR | ASSET MANAGEMENT

- **Monetary Policy: Momentum Picking Up in Global Rate Cutting Cycle[1]**
- **US: Latest Data Provided Some Material Upside Surprises**
- **China: Implementing 3-Arrow Stimulus Plan to Stop the Bleeding**
- **Global Disinflation: Progressing But Bit to Go to Reach Target**
- **DM Consumer Data Mixed: US Spending / Europe Still Cautious**
- **PMI Survey Data Suggest Manufacturing Still Struggling**
- **Tight US Election Not Having Material Effect On Financial Markets Thus Far**
  – Investors seemingly presume worst pledges of candidates will not be implemented
- **Some Tweaks in Baseline Global Outlook but No Significant Change Since August**
  – Discernible Geopolitical and US election tail risks bear watching[2]

1. 51.3% of DM central banks and 24.2% of EM central banks (ex China) have cut their policy rates over the past three months on a GDP weighted basis. As of 30 Sept 2024.
2. Oil prices vulnerable to escalation of Middle East tensions. But energy prices less vulnerable than in 2022. Brent oil price $73.16 per barrel (10/19 — near lower end of 12-month range $69 - $94. Current energy fundamentals appear relatively sound: China demand subdued and increased production from OPEC and non-OPEC sources, particularly if oil prices rise., expected to increase.

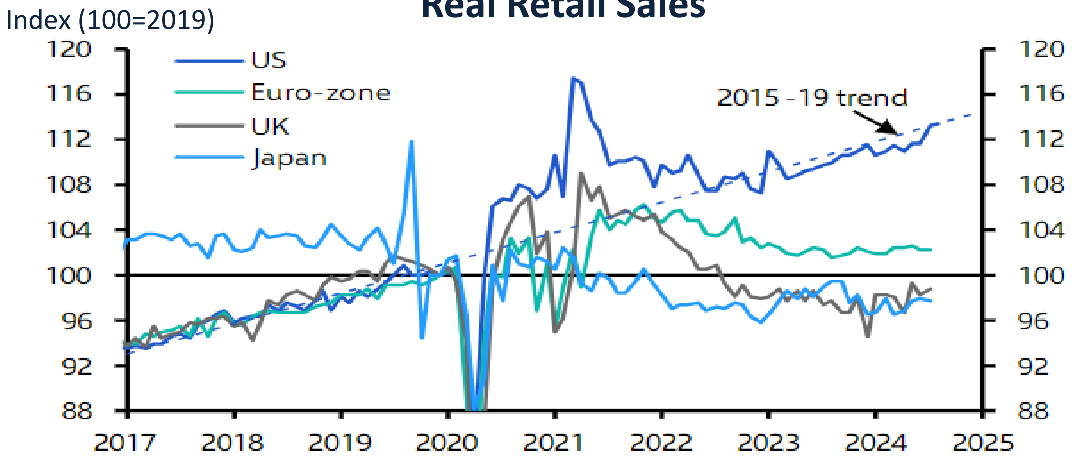
Consumer and Business Indicators (as of Sept 30, 2024)

Real Disposable Income (% y/y)



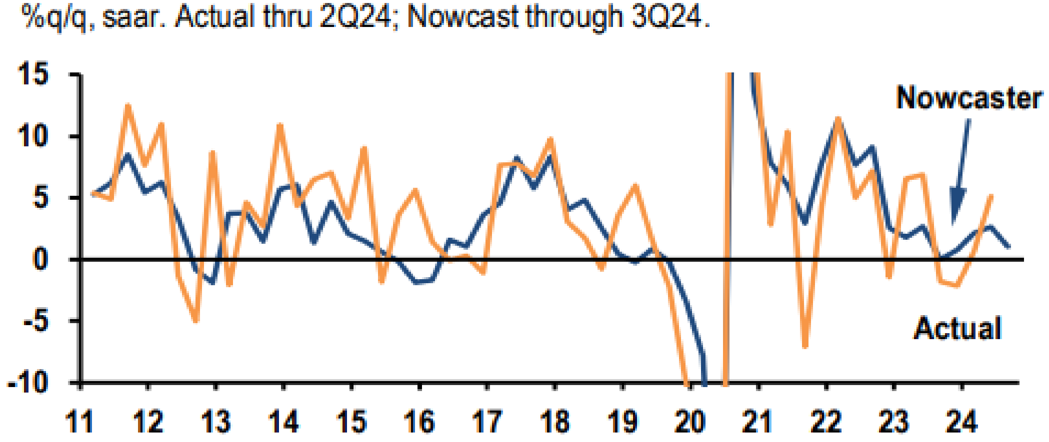
Source: LSEG, CE

Real Retail Sales



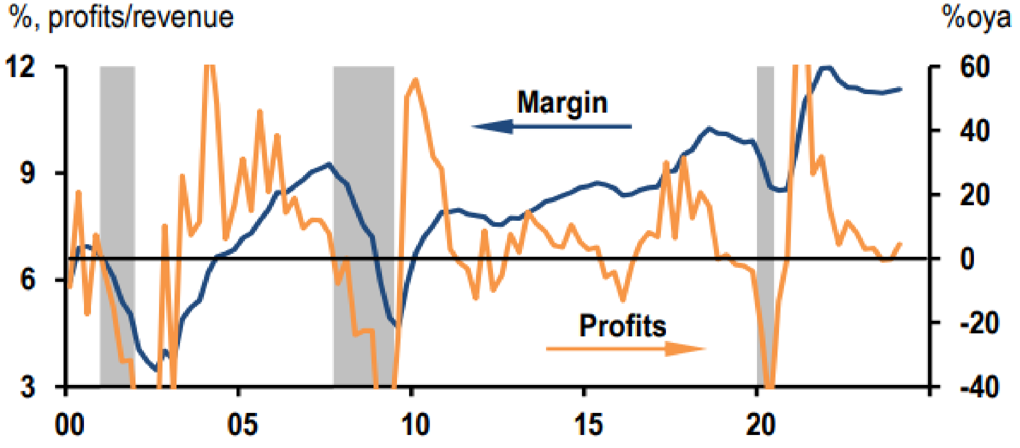
Source: LSEG, CE

DM Capex[1]



Source: JPM

DM Corporate Profit Margin & Profits

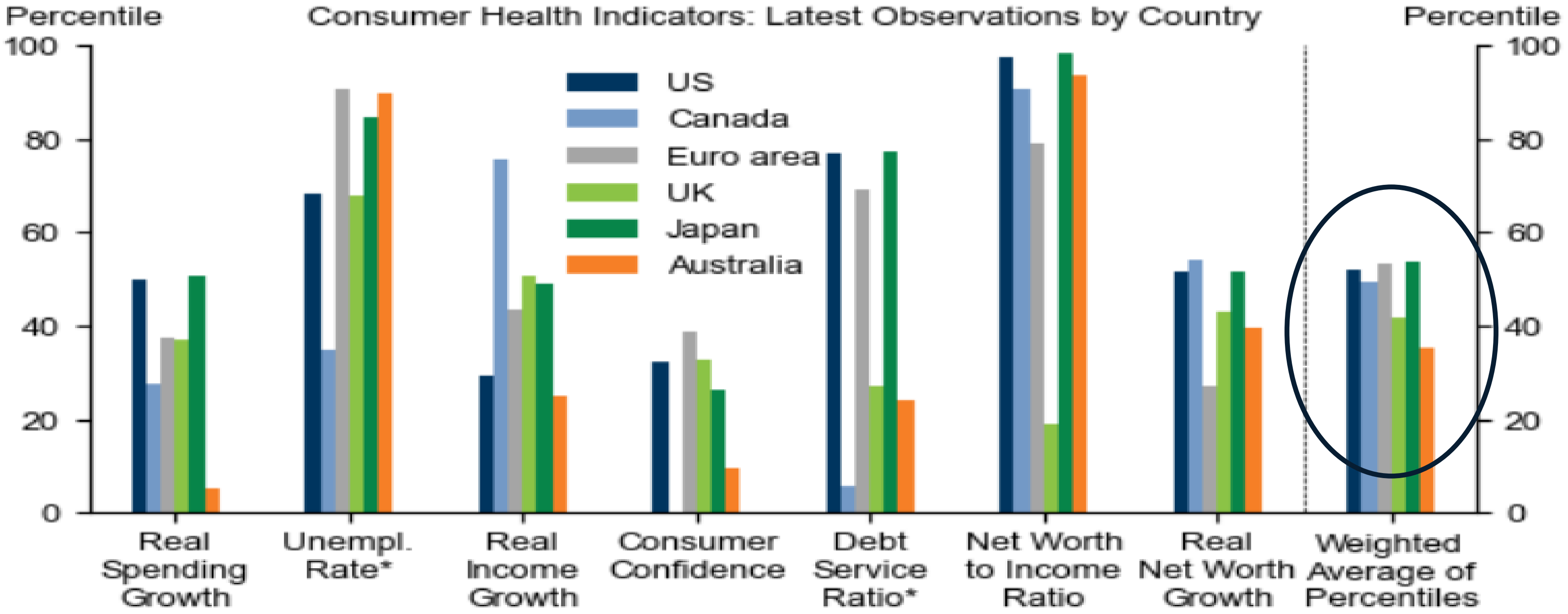


Source: MSCI, Bloomberg, JPM

1. DM Actual capex in Q2 ~5%.

DM Consumer Backdrop: Aggregate Picture Still Somewhat Reassuring

G10 Consumer Dashboard[1]



Source: Haver, GS, * percentile invested

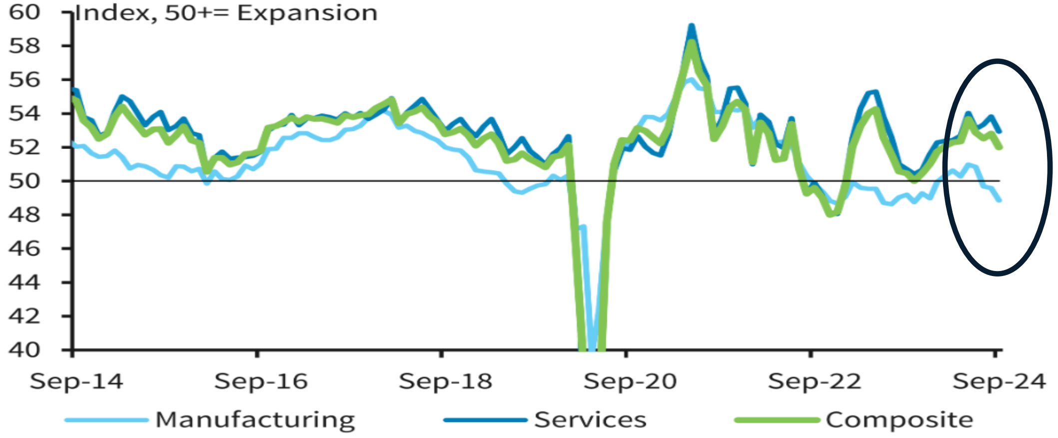
- Weighted average of percentiles of G10 countries ex Australia, in the 45 to 55 percentile of historical range
- DM labor market still relatively strong
- Debt service ratio still low in US & Euro area but rising in countries like UK with higher share of shorter fixation mortgages.
- Net worth to income ratio strong ex UK[2] and real net worth improving.

1. Dashboard updated 30 September 2024.
2. Decline in value of UK pension assets lowered net worth

Manufacturing Struggling But Not Collapsing (as of Sept 30, 2024)

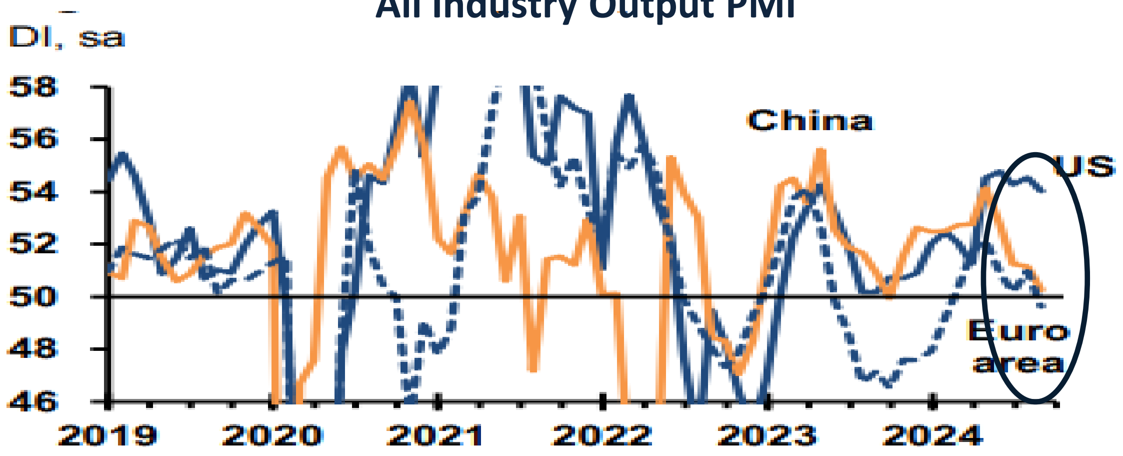
SECOR | ASSET MANAGEMENT

Global PMI



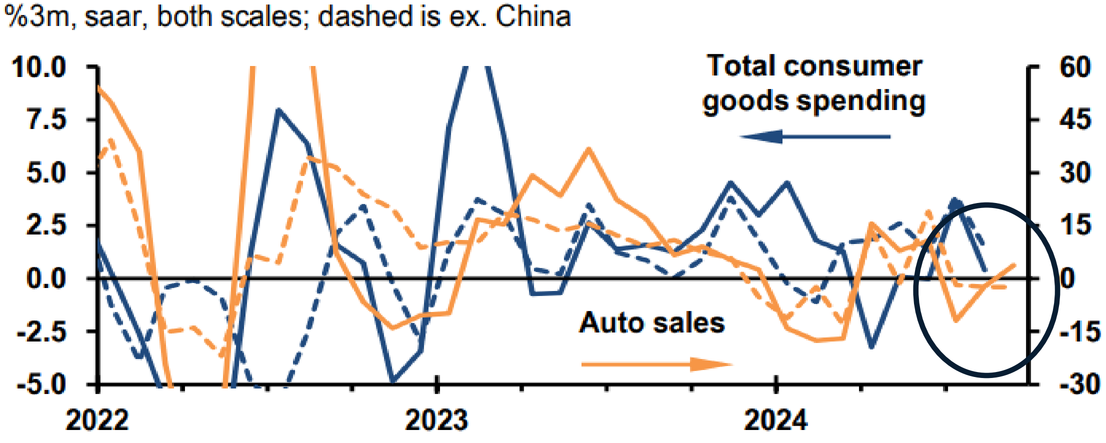
Source: S & P Global, Haver, Barclays

All Industry Output PMI



Source: S & P Global, JPM

Global Goods Spending



Source: National Sources, JPM

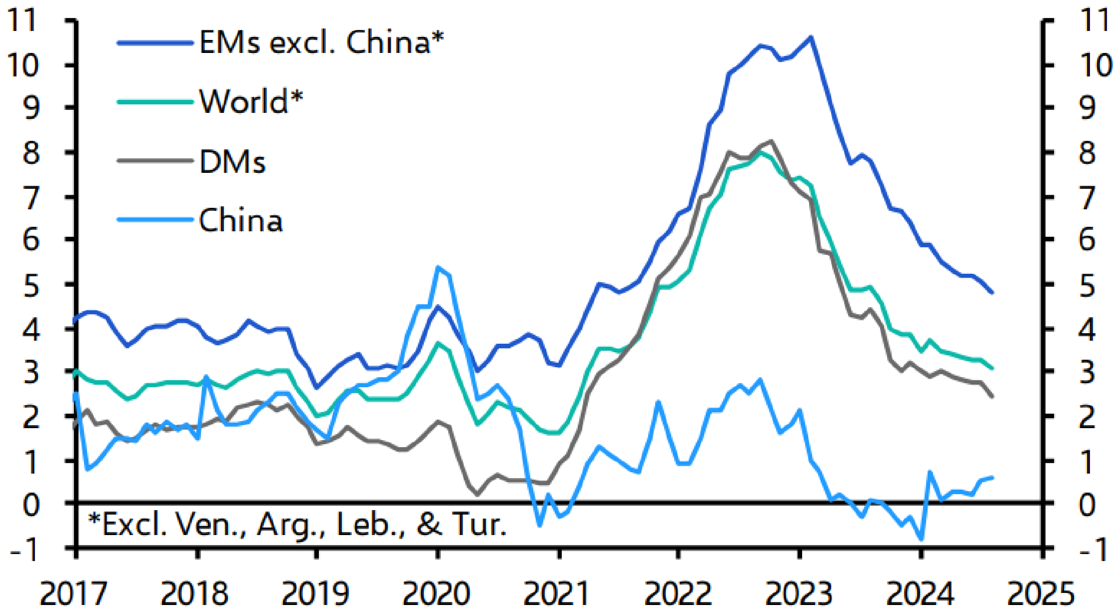
- Despite concerning message from latest manufacturing PMIs, hard data from global goods sector -- particularly autos – improving
- Positive forward indicators include lower rates and China's stimulus[1]

1. GS economists attribute weak manufacturing to following: (i) most DMs have reduced inventories over the past year and a half after over stocking during pandemic, (ii) weak consumer spending in China, as of (iii) slow recovery in goods spending outside US. They expect these drags to keep DM manufacturing growth below trend in H2 2024, but they also expected reduced inventory adjustment and improved consumer spending to result in some improvement.

Inflation Update (as of Sept 30, 2024)

SECOR | ASSET MANAGEMENT

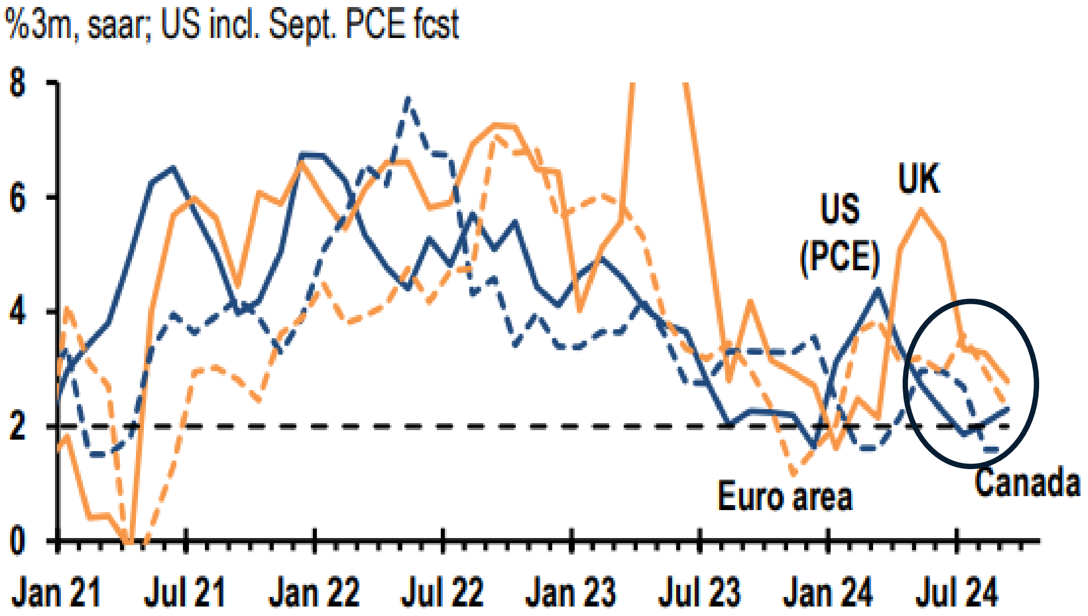
Global View: Headline CPI (%y/y)



Source: LSEG, CE

- Global inflation rate now nearly in line with pre-pandemic levels
- DM headline inflation ~ 2
- EM CPI (ex. China) still close to 5% China's CPI near 0%.

Major DMs Core Inflation (%y/y)



Source: BEA, ECB, ONS, JPM

- Core CPI for Major DMs is down significantly from recent peaks and is currently approaching central banks' 2% target
- We concur with consensus outlook that DM core inflation will moderate to~2% by YE '25

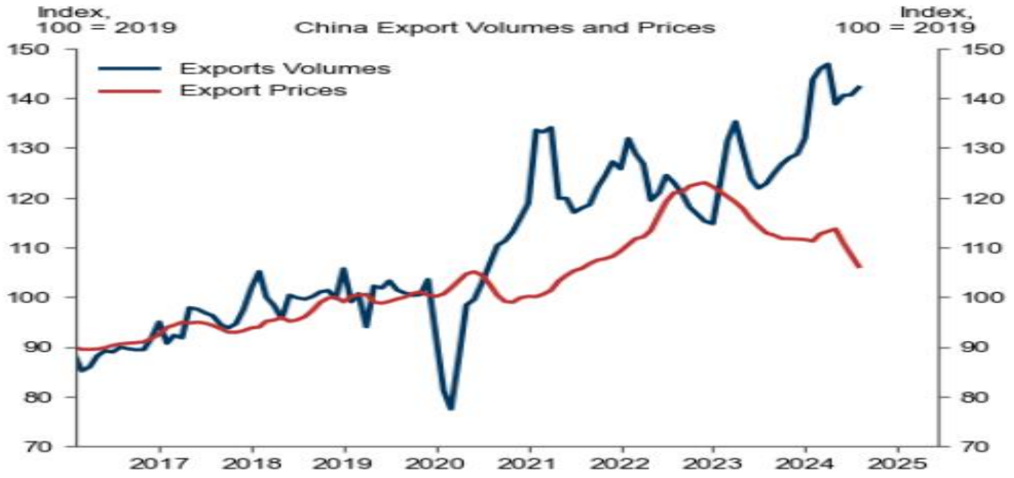
Supply Chain Normalization Running Course / New Disinflationary Forces Coming to Fore

(as of Sept 30, 2024)

Supply Chain Goods Disinflation

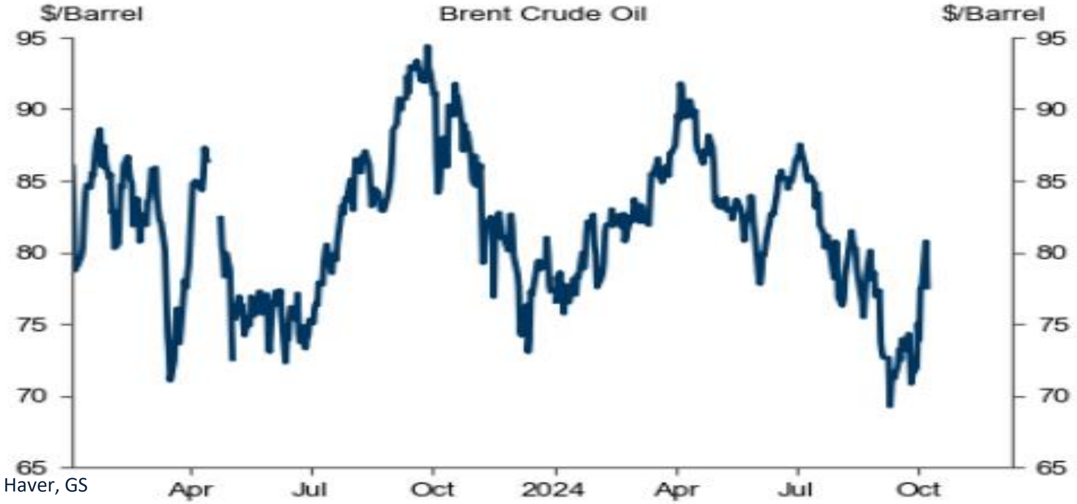
Source: NY Fed, Haver, GS

China's Export Surge



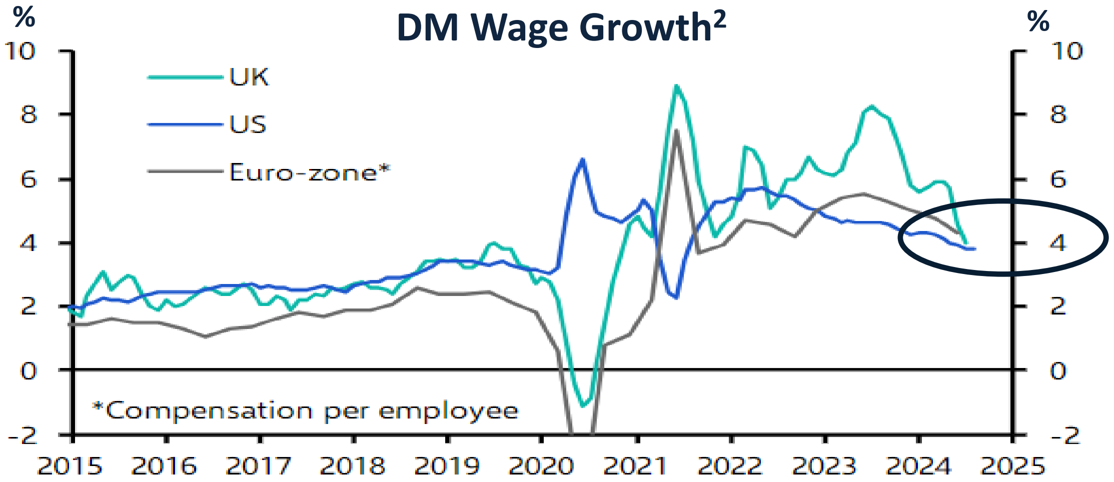
Source: Haver, GS

Lower Oil Prices[1]



Source: Haver, GS

DM Wage Growth[2]



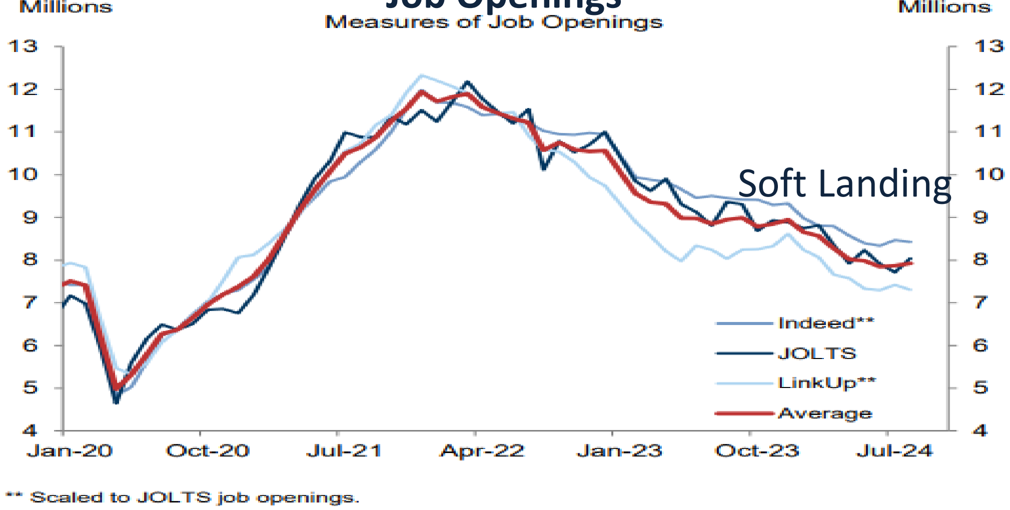
Source: LSEG, GS

1. Soft China demand and high inventories putting downward pressure on oil prices. GS economists contend decline in oil prices implies a 0.1% downside to core goods prices through end of 2025 and current inventory levels imply a ~0.1pp drag on European core goods over next 12 months.
2. Further slowing of wage growth expected moderate service price inflation.

US Employment / Wage Indicators

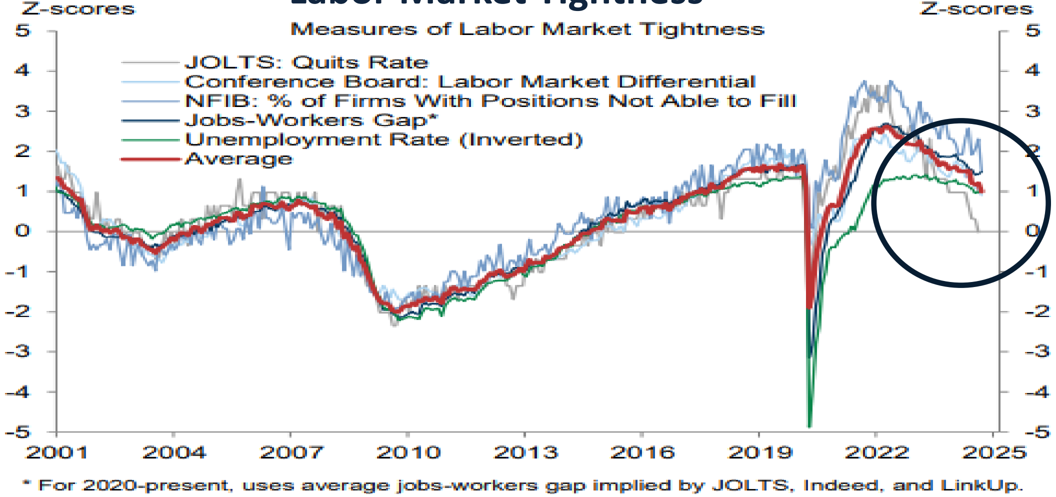
(as of Sept 30, 2024)

Job Openings



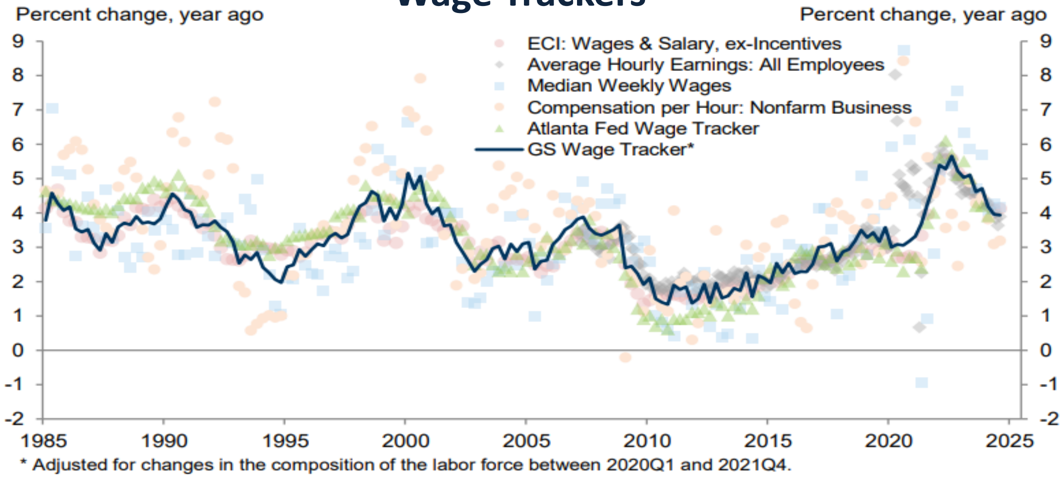
Source: DOC, DOL, GS

Labor Market Tightness



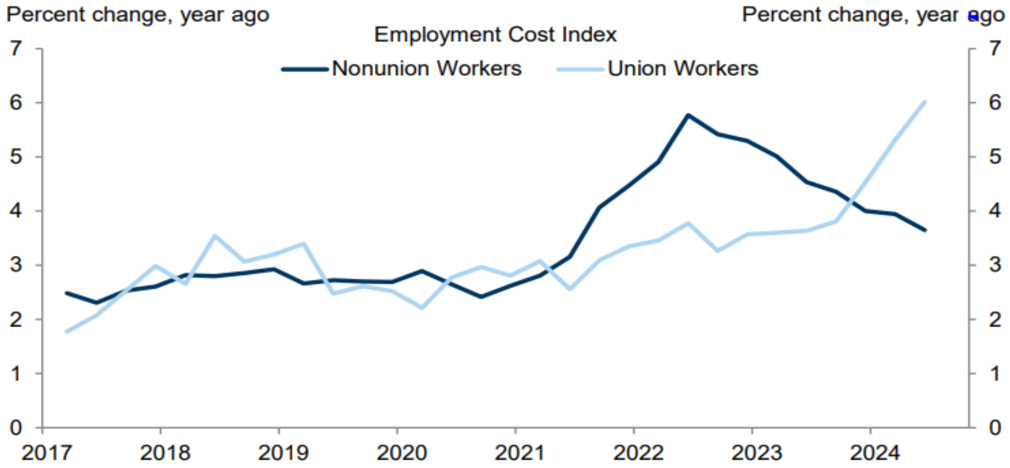
Source: DOL, Conference Bd, GS

Wage Trackers



Source: DOL, GS

Union / Nonunion Wages



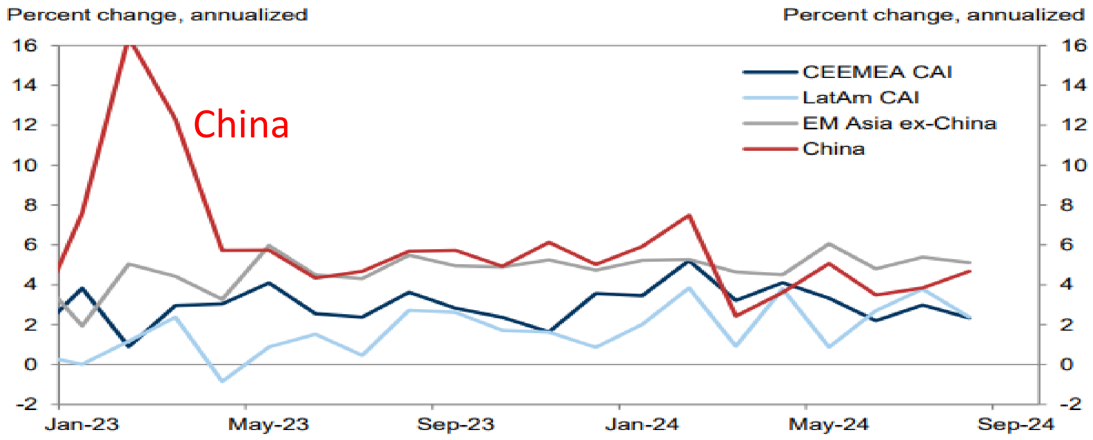
Source: DOL, GS

1. Job openings still high positive for future growth
2. Rise in unemployment rate over post due immigrant surge/net layoffs
3. Wage trackers continuing to decelerate
4. Recent union wage increases largely catch-up

EM Economies (ex China) Poised For Continuing Growth

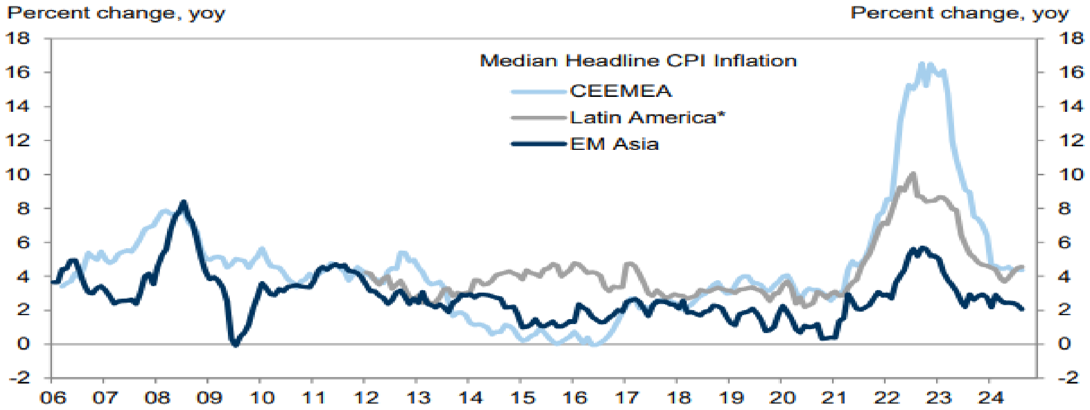
(as of Sept 30, 2024)

EM China & ex China Growth Broadly Stable



Source: Haver, GS

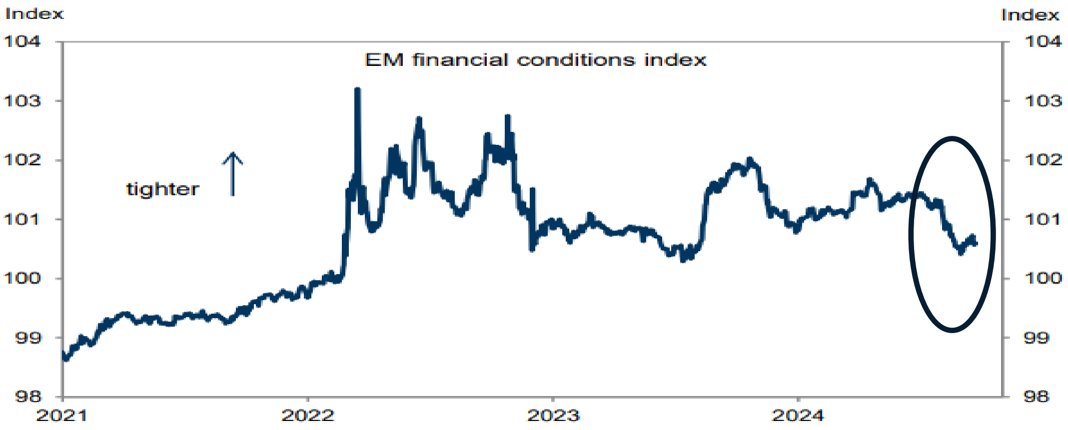
EM ex China Inflation Down From Peak



*Excluding Argentina

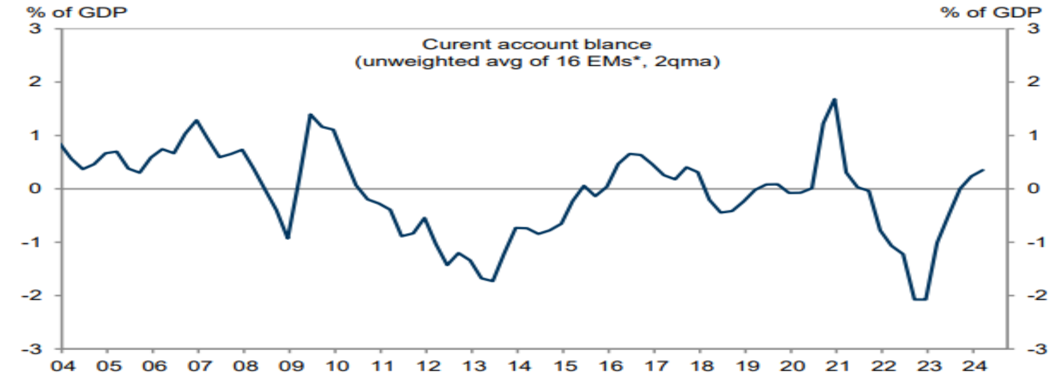
Source: Haver, GS

EM ex China Financial Conditions Easing



Source: Haver, GS

EM ex China Current Account Balances Positive



Average of BRL, CLP, CNY, COP, CZK, HUF, IDR, INR, KRW, MXN, MYR, PLN, RUB, THB, TRY and ZAR.

Source: Haver, GS

US Election: Platforms / Pledges Giving Investors Much to Consider

SECOR | ASSET MANAGEMENT

- **Tariffs: Trump Significant Increases / Harris Status Quo**
  - Trump's proposals include 10% tariffs on all imports and..
    - 60% tariffs on imports from China
  - Harris expected to keep existing tariffs on imports from China
    - Prefers industrial policies (e.g., Chips Acts) to counter China

- **Fiscal Policies: Major Difference Between Candidates / Slew of New Benefits Also Proposed**
  - *Taxes:* Expiring tax cuts arguably most consequential fiscal difference
    - Trump: Make 2017 cuts permanent / lower corporate rate to 15%
  - *Possible Revenue Sources*: Trump: tariff revenues / repeal IRA energy incentives[1]
    - Harris: Let 2017 cuts expire ex. for individuals with incomes < $400K
    - Increase taxes on corporations and wealthy[2]
  - *New Benefits:* including child and homebuyer credits, new childcare and health benefits, and excluding tips, overtime pay, and social security benefits from taxes[3]

1. Estimated cost of extending 2017 tax cuts 1.1% of GDP. At current import volumes 10% cross-the-board tariff and 60% tariff on imports from China could generate revenues equivalent to 1.9% of GDP.
2. Harris's tax proposals include raising corporate rate to 28% vs. 20%, increasing marginal individual rate to 39.6% vs.37%, raising capital gains tax rate to 28% for individuals with incomes >$1 million, and new taxes on unrealized capital gains that would affect wealthy at death, and the ultra wealthy (incomes > $100 million
3. Further details on pledges and their estimated costs on page 20 in appendix

US Election: Platforms / Pledges Giving Investors Much to Consider-cont'd

SECOR | ASSET MANAGEMENT

- **Immigration Expected to Moderate Further in 2025[1]**
  - New policies including asylum restrictions likely to slow growth while…
  - Several legal and logistical limitations likely to deter Trump from…
    - Halting immigration and carrying out mass deportations
  - Election outcome key determinant of pace of slowing[2]

- **Econometric Models Give Edge to Harris on Economy / e.g., GS estimates[3]:**
  - *GDP:* Trump's tariffs and immigration plans result in peak…
    - Growth drag of – 0.5pp on 2nd H 25 GDP / Harris's plans give GDP slight boost in '25–'26
  - *Inflation:* Trump's China and auto tariffs add ~ 0.35pp at peak and …
    - 10% universal tariff would roughly triple that effect
  - *Fiscal Deficits:* Neither candidate addressing worrisome-mounting fiscal debt levels[4]
    - Primary deficit (ex interest) remains stable / only shrinks modestly in all cases…
    - Deficits somewhat larger with single party control

1. Net immigration in 2024 projected at 2 million, down from 2.5 million in 2023 but still double 1 million per year in two decades prior to the pandemic
2. Harris win 1.5million / Trump: divided gov't 1.25million / Trump: sweep 0.75million
3. GS, " The Election and the Economy, Estimating Immigration, Trade, and the Fiscal Effects", September 2024.
4. Total 10-year cumulative budget deficit estimate including interest expense estimates: Trump $7.5 trillion, Harris $3.5 trillion (CRFB source). On 10/9/24 Harris proposed broadening Medicare benefits to cover home health care for children and aging parents and then Trump proposed making interest payments on auto loans tax deductible. .

Financial Markets Responding to Economic Data Rather Than Campaign Rhetoric

- **Campaign Rhetoric Raising Possibility of Some Worrisome Economic Outcomes…**
  - Tariffs precipitating global trade war /Unchecked deficit spending awakening bond vigilantes
  - At same time, however, robust financial markets imply investors still sanguine re …
    - Cyclical outlook and seemingly view Armageddon scenarios as tail risks

- **Trump Win: Significant Tariff Increases But Maybe Less Than Implied by Pledges[1]:**
  - *60% China Tariff:* If Trump follows his 2018-19 format, this tariff likely to focus on …
  - Strategic rather than consumer goods, lowering average rate to 20pp (GS estimate)
  - *10% across-the-board proposed tariff* expected to be modified
    - Support for universal tariff and legal basis far weaker than for China tariff also…
    - Reduces opportunities for bilateral negotiations, a strategy favored by Trump

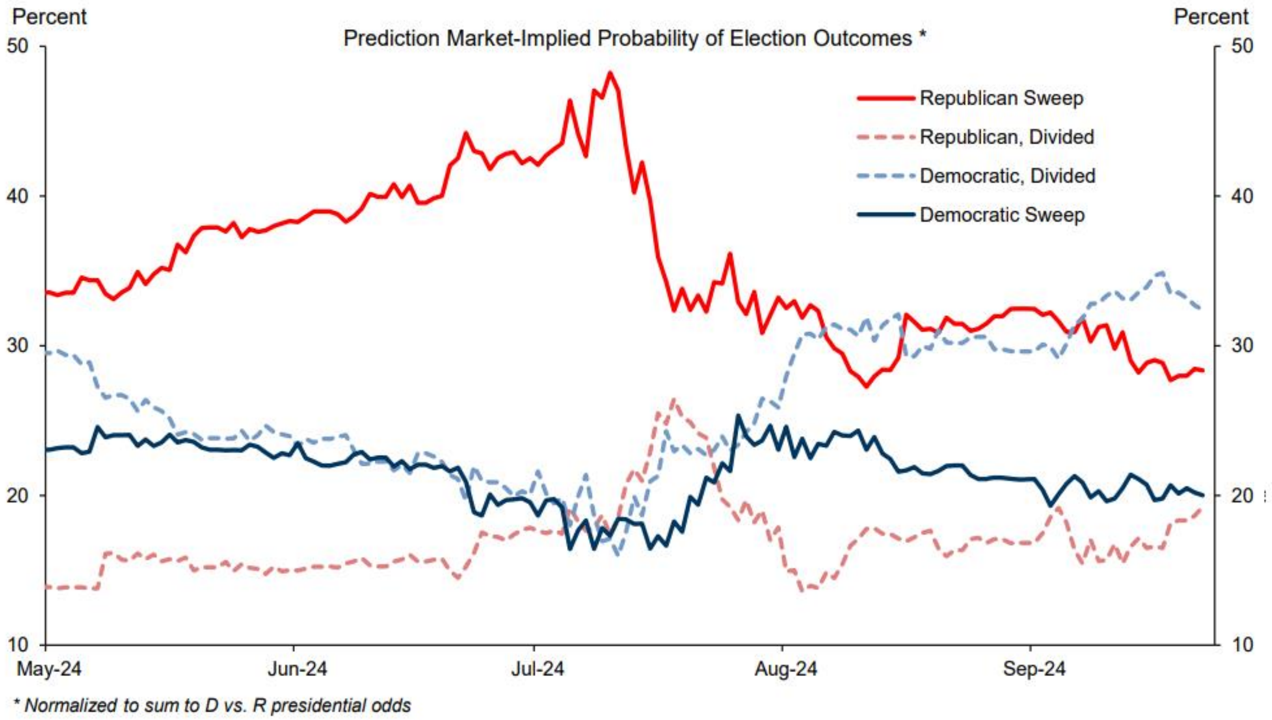
- **Concerns re Unfunded Spending Plans of Both Candidates Seemingly Mitigated by:**
  - Prospects for divided government / Limits on Federal Regulators post Chevron but..
  - Fiscal debt on unsustainable trajectory and no evidence imminent day of reckoning

1. GS, "Potential Trade Policy Outcomes 2nd Trump Administration, 15 August 2024 and GS. "The Election and the Economy…," 3 September 2024.

US Election: Prediction Markets Point to Tight Race[1]

SECOR | ASSET MANAGEMENT

Election Outcomes Still Finely Balanced



Possible Outcomes	Probability
- Harris Win / Divided Gov't	32
- Democratic Sweep	20
- Trump Win / Republican Sweep	29
- Divided Gov't / Trump Win	19

- Legislative majority (even narrower one) enhances President's power, particularly in fiscal matters. Narrow majority, however, not always rubber stamp for President or party leaders. Examples of individual legislators / small cohorts crossing party lines include:
    - Senator McCain preserving Obamacare, Senators Manchin & Sinema blocking repeal of the Filibuster Rule, Speaker Johnson keeping the government funded with Democratic support. Republican Senators blocking Trump's questionable Federal Reserve appointments in 2019

1. GS US Election Update, 29 September 2024

Country / Regional Briefs

- **US: Latest Data Largely Reassuring / ‘24 – ’25 GDP Forecast Edged Up**[1]
  - Principal positives include surprisingly strong September employment report…
    - Solid balance sheets, significant-upward revisions of national income data
  - September CPI report slightly higher than expected/core PCE inflation ~2.5% over year ago…
    - Inflation still expected to reach Fed’s 2% target by YE 2025
  - Possible election outcomes tail risk / continuing outsized budget deficits ongoing concern

- **EU: Disinflation Progressing / Continuing Slow Growth Still Expected**
  - September inflation: Headline HICP 1.8% y/y -- core 2.7% y/y
  - Growth indicators mixed: Real income growing rapidly but consumers cautious, saving…
    - Rate 15.7% in Q2. Germany’s retail sales data for Q2 and Q3 better-than-expected
  - France starting to tackle fiscal hole. For Euro area in aggregate, moderate 0.5% of GDP…
    - Fiscal drag in 2025 baseline assumption of JPM economists
  - Relatively anemic growth and moderating inflation consistent with further ECB rate cuts

1. GS economists reduced their estimated probability of a US recession over the next 12 months to 15% from 25% in August.

Country / Regional Briefs-cont'd

- **UK: Growth Tracking Modest Expectation / Latest inflation Data Encouraging**
  - GDP growth slowed from 2% first-half pace but still on track for 1% growth this year
    - Expected 2025 growth slightly higher due to new budget and lower interest rates
  - September CPI 1.7%, core 3.2 % / Wages still rising at ~5% pace but expected to slow ~2.5% in '25
  - Re future rate cuts, MPC minutes suggest gradual approach, Governor Bailey suggested…
    - BoE could become "a bit more aggressive".

- **Japan: Economy Mending / Inflation Virtually at BoJ's 2% Target Currently**
  - Following fall in Q1, real GDP has bounced back, and further moderate increases are expected
  - Real household incomes have stopped falling as wage growth has accelerated and inflation has softened
  - BoJ still characterizes financial markets as unstable, but analysts expect 0.75% bank rate by YE '25

- **China: Recently Announced 3-Arrows of Stimulus to Stabilize the Economy**
  - Stimulus includes larger-than-expected rate cuts, measures to stabilize the housing market…
    - New facilities to support the equity market, and forthcoming fiscal stimulus which is …
  - Likely to be significantly less than 2008 "bazooka"[1] but unlikely to address major structural problems

1. 2008 stimulus totaled 4 trillion yuan 12.5% of GDP. JPM economists estimate that current stimulus will be oi the 1-2 trillion-yuan range--0.8% 1.6% of GDP. China's current government debt level estimated at 110% of GDP (25% central government, 35% local government and 50% hidden local government debt).

Country / Regional Outlooks

Major DMS	Estimated GDP Growth			Estimated CPI Increase*		
	2023	**2024**	**2025**	**2023**	**2024**	**2025**
US*	2.9% ~~2.5%~~	2.7% ~~2.4%~~	2.1% ~~1.9%~~	4.1%	2.8% ~~3.0%~~	2.2% ~~2.0%~~
Euro Area	0.5%	0.7%	1.1% ~~1.3%~~	5.4%	2.4%	2.1%
UK	0.1%	1.0% ~~0.5%~~	1.2%	7.4%	2.3% ~~2.5%~~	2.0%
Japan	1.8%	-0.1% ~~0.5%~~	1.1% ~~1.2%~~	3.2%	2.6% ~~2.5%~~	2.0%
BRICs						
China	5.2%	4.8%	4.2%	0.2%	0.5%	1.2%
India	7.7%	6.7%~~7.0%~~	6.7% ~~6.5%~~	5.7%	4.5%	4.5%
Brazil	2.9%	3.0% ~~2.3%~~	1.9%	4.6%	4.2% ~~4.0%~~	4.0% ~~3.7%~~
Russia	3.6% ~~3.0%~~	3.5% ~~2.0%~~	1.2%	5.9%	8.0%	6.5%

* US 2025 Inflation estimate core PCE Fed's preferred measure. CPI 2025 estimate 2.0%. As of 30 Sept 2024.

Concluding Thoughts

- **Baseline Outlook for Trend-Like Cyclical Growth Supported by Unfolding Macro Backdrop**
- **Easing Monetary Policy Important Tail Wind/Fiscal Policy Largely Supportive…**
  - For cyclical outlook but long-term trajectory of fiscal debt remains to be addressed
- **Disinflation Providing Lift to Real Income Growth and Confidence**
- **Latest US Data Provided Upside Surprise and Lowered Recession Risk**
- **Nuances in Most Recent Consumer and Business Data but Global Picture Constructive**[1]
- **EM Outlook Bolstered by China's Stimulus & Solid Fundaments of Other EMs**
- **Tail Risks that Bear Watching Include:**
  - Geopolitics, US post-election policies, dormant bond vigilantes

Expected Real GDP Growth*			
	Global	DMs	EMs
2023	3.2%	1.6%	4.3%
2024	3.1%	1.6%	4.2%
2025	3.0%	1.5%	3.9%

* PPP weighted, as of 30 Sept 2024.

1. Most DM consumers supported by strong labor markets and rising real incomes but outside of US most consumers remain cautious. Global PMIs consistent with forecast due to strength of services -- manufacturing still subdued.

Appendix

US Election: Major Fiscal Proposals

SECOR | ASSET MANAGEMENT

Trump / Harris Major Fiscal Proposals Estimated Costs

Proposal	Trump			Harris	
	$bn/10yrs	% of GDP		$bn/10 yrs	% of GDP
TCJA expiration upper income individual (incl. estate)				725	0.2
Other personal tax increases (Biden proposals)				1,850	0.5
Exclude tips from tax	-200	-0.1		-200	-0.1
Exclude Social Security benefits from tax	-1700	-0.5			
Total change vs. current policy, individual taxes	**-1,900**	-0.5		**2,375**	0.7
TCJA business expirations				550	0.2
Other business tax cuts	-700	-0.2			
Other business tax increases (Biden proposals)				2,075	0.6
Total change vs. current policy, business taxes	**-700**	-0.2		**2,625**	0.8
Unspecified tax increases to offset TCJA middle-class extension				0 to 2,700	0 to 0.8
New tariff revenue	1,000 to 4,500	0.3 to 1.3			
Total revenue change vs. current policy (low)	**-1,600**	**-0.4**		**5,000**	**1.4**
Total revenue change vs. current policy (high)	**1,900**	**0.6**		**7,700**	**2.2**
Child Tax Credit/EITC				1,350	0.4
Homebuyer credit				300	0.1
Repeal IRA energy incentives	-650	-0.2			
Medicare prescription drug price cuts				-200	-0.1
New benefits (child care, paid leave, health, etc)				0 to 2000	0 to 0.6
Total spending proposals (low)	**-650**	**-0.2**		**1,450**	**0.4**
Total spending proposals (high)	**-650**	**-0.2**		**3,450**	**1.0**
Net budgetary effect vs. current policy (low)	**2,550**	**0.7**	**0**	**6,250**	**1.8**
Net budgetary effect vs. current policy (high)	**-950**	**-0.3**	**0**	**1,550**	**0.4**

*Cost estimates assume all policies in effect over ten years, compared to an assumption that current policy continues. Positive budgetary effect figures indicate deficit reduction

Source: GS As of 30 Sept 2024.

Disclaimer (4 January 2024)

SECOR | ASSET MANAGEMENT

This document does not constitute investment advice or an offer or solicitation to any person in any jurisdiction. Any such offering will only be made in accordance with the terms and conditions set forth in a private placement memorandum or other offering document. It is provided for background purposes only and on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make its own evaluation of the information described herein, any risks associated therewith and any related legal, tax, accounting or other material considerations.

The information contained in this document is based on matters as they exist as of the date of preparation of such material and not as of the date of distribution or any future date. SECOR does not undertake any obligation to update the information contained herein as of any future date.

Recipients should not rely on this material in making any investment decision. We do not represent that the information contained herein is accurate or complete. Any views or opinions expressed herein are subject to change and may not reflect those of the firm. Certain information contained herein (including any forward-looking statements and economic and market information) has been obtained from published sources and/or prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, SECOR does not assume any responsibility for the accuracy or completeness of such information.

This document may include projections or other forward-looking statements regarding future events, targets, or expectations. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Past performance is no guarantee of future results. Investments are subject to risk, including the possible loss of principal. There is no guarantee that projected returns or risk assumptions will be realised or that an investment strategy will be successful. No representation, warranty or undertaking is made as to the reasonableness of the assumptions made herein or that all such assumptions have been stated. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product referred to in this presentation will be profitable, meet any indicated performance level, or be suitable.

Illustrative models or investments presented in this document are based on a number of assumptions and are presented only for the limited purpose of providing a sample illustration. Any sample illustration is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond SECOR's control. Any sample illustration may not be reflective of any actual investment purchased, sold, or recommended for investment by SECOR and is not intended to represent the performance of any past or future investment by any portfolio managed or advised by SECOR. Actual returns may have no correlation with the sample illustration presented herein, and the sample illustration is not necessarily indicative of an investment that SECOR will make. Recipients should not assume that a future recommendation will accomplish its goals or be the same as the illustration provided herein.

Investment advisory services are provided by SECOR Investment Advisors, LP ("SIA") and SECOR Investment Advisors (UK), LLP, ("SIA-UK"), subsidiaries of SECOR Asset Management, LP ("SECOR"). Portfolio solutions are provided by SECOR Investment Management, LP ("SIM"), a subsidiary of SECOR. SIA UK is authorised and regulated by the Financial Conduct Authority. Each of SIA and SIM is registered as an investment adviser with the Securities and Exchange Commission ("SEC"). Registration as an investment adviser with the SEC does not imply any level of skill or training.

Indices are unmanaged, do not reflect deduction of fees and expenses, and are not available for direct investment.

Any hypothetical performance based on retroactive application or forward-looking projection of a model does not represent the results of actual trading. Any such hypothetical performance was compiled after the end of the period depicted and does not represent the actual investment decisions of SECOR. Hypothetical performance has many inherent limitations. We do not represent that any account will or is likely to achieve profits or losses similar to those shown. There may be sharp differences between hypothetical performance and the actual results subsequently achieved by any particular trading program. Hypothetical performance does not reflect the effect of material economic and market factors on decision-making. Hypothetical performance is not necessarily indicative of future performance, which could differ substantially.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

Disclaimer (4 January 2024)

Considerations and risks related to asset classes:

Equity investments involve a high degree of risk. Equity securities may decline in value due to factors affecting securities markets generally, and equity securities generally have greater price volatility than debt securities/investments. Equity securities of certain jurisdictions may experience more rapid and extreme changes in value and may be affected by uncertainties such as international political developments, currency fluctuations and other developments in the laws and regulations of countries in which an investment may be made. There can be no assurance that return objectives will be realised and investors could lose up to the full amount of their invested capital. Fees and expenses may offset the trading profits.

Debt investments (such as, but not limited to, investment grade, high yield, emerging market debt, asset backed securities and insurance linked securities) involves special considerations and certain risks, including risk of default and price volatility, and such securities are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest.

LDI and equity overlay strategies may invest and trade in many different market strategies and instruments (including securities, non-securities and derivatives) and may employ different investment, hedging, leverage and arbitrage methodologies, so the risks of those would be material to understanding the risks and benefits of the portfolio. Counterparty and ISDA arrangements may pose potential risk. Furthermore, derivative strategies may be exposed to the risk of market disruptions, volatility, and governmental interventions.

Illiquid investments (such as, but not limited to, private credit, private equity and infrastructure):

General/Loss of capital. Investment involves a high degree of risk. There can be no assurance that return objectives will be realised and investors could lose up to the full amount of their invested capital. Fees and expenses may offset the trading profits.

Limited liquidity. Investments in private markets may result in restricted liquidity since withdrawal rights are limited and interests are not freely transferable or redeemable. There is unlikely to be a secondary market for private market investments interests.

Volatility. Investment techniques used may include the use of leverage and derivative instruments such as futures, options and short sales, which could amplify the possibilities for both profits and losses and may increase volatility.

Hedge Fund investing is speculative and involves significant risk including the risk of losing some or all of the invested capital. Hedge fund strategies may participate in the buying and selling of equity and debt securities, private investments funds, non-readily realisable investments, illiquid investments suspension of trading, concentrated investments, developed and emerging market investments. Hedge fund strategies may be exposed to risks stemming from usage of leverage, derivatives, futures, options, over-the-counter derivative transactions. Counterparty and ISDA arrangements may pose potential risk. Furthermore, hedge fund strategies may be exposed to the risk of market disruptions, volatility and governmental interventions.

Modelling Assumptions:

Forward looking return, volatility, and correlation assumptions have been derived by SECOR, and are based on a combination of: a) the historic performance of each asset class based on what we consider to be appropriate indices or suitable proxies, and over a period that we consider to be appropriate in light of prevailing market conditions (typically 10 years); and b) our judgement in relation to how historic performance, and its various components, may differ in the future. This may include, for example, ad-hoc adjustments to reflect our view that markets are over or under valued.

The resulting assumptions are assumed to be appropriate for asset and liability projections over the medium to long term i.e. 10 to 20 years or longer, and are net of all ongoing management costs and fees.

Expected returns for an asset class are generally built up from and include an allowance for our projected return on cash, inflation, spreads, risk premiums, liquidity premiums, potential losses, valuation adjustments, alpha for active management, management fees, other ongoing costs, and any other factors that we may consider are appropriate for the asset class and/or prevailing market conditions. Expected returns generally do not allow for SECOR advisor or fiduciary management fees, or any transition or rebalancing costs between asset classes or an existing portfolio.

A material risk factor is that the projected returns modelled are underpinned by historic market returns combined with SECOR's assumptions on future market returns, meaning that the projected net returns used for modelling portfolios may not be realised within expected timeframes.

Further details are available on request.