

# 2017 at the Three Quarter Pole

**Presented by:**

**Jeffrey Gundlach**

Chief Executive Officer

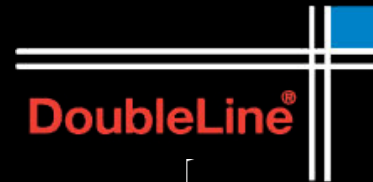
**September 26, 2017**



# TAB I

## Global Economy

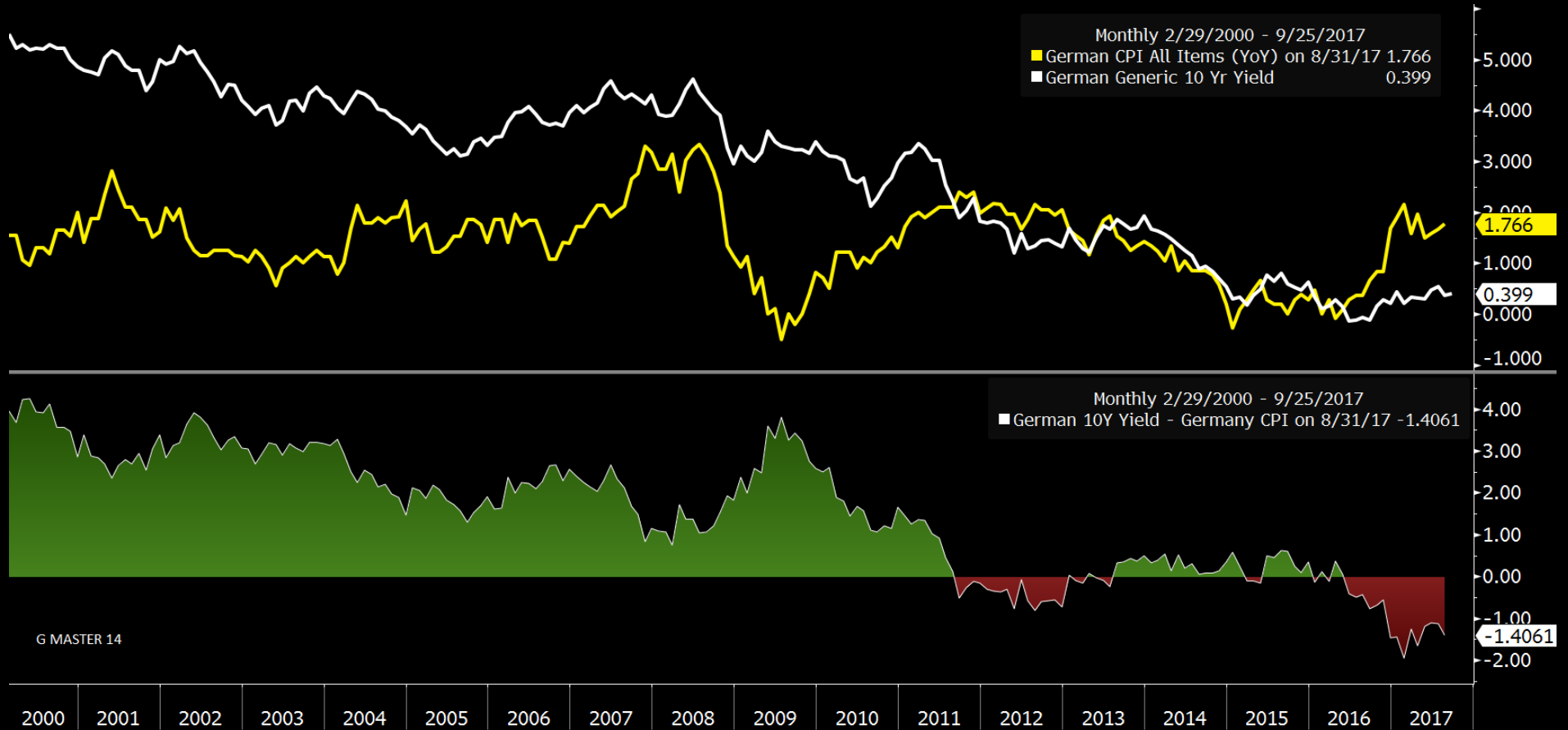
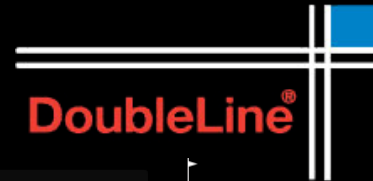
# PMI – Eurozone vs. U.S.



Source: Citigroup, Bloomberg

Markit Eurozone Manufacturing PMI (Purchase Managers Index – seasonally adjusted). PMI is an indicator of the economic health of the manufacturing sector based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. You cannot invest directly in an index. .

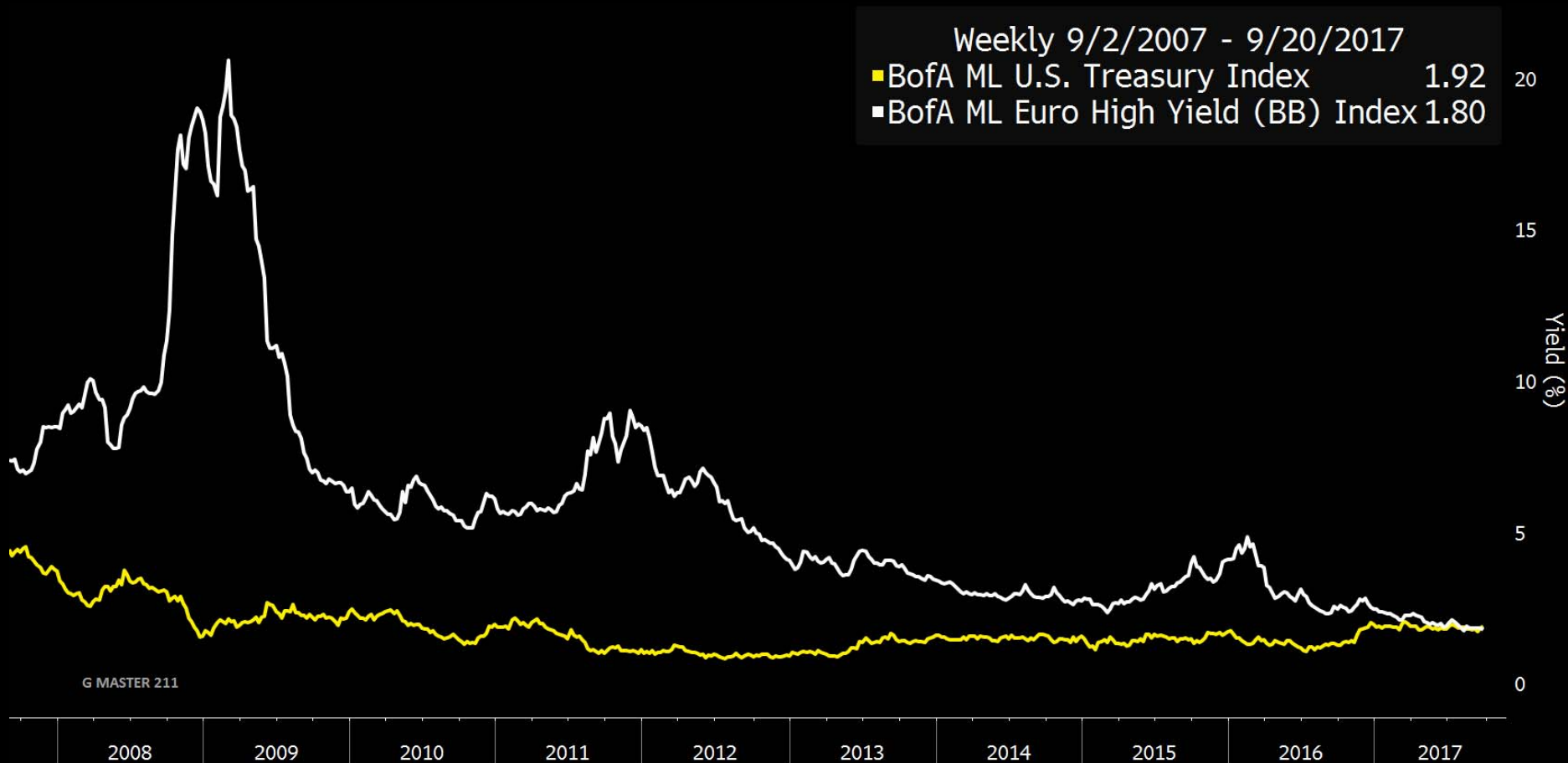
# German 10-year Yield vs. CPI



Source: Bloomberg

CPI = Consumer Price Index is a measure that examines the weighted average of prices of a basket of goods and services, such as transportation, food and medical care. You cannot invest directly in an index.

# Euro Junk Rally Pushes Yields Below U.S. Treasuries



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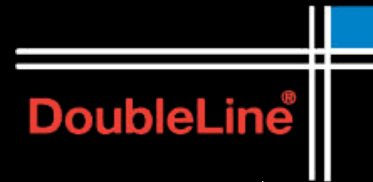
Source: Bloomberg

Please see index definitions in the appendix. You cannot invest directly in an index.

# TAB II – U.S.

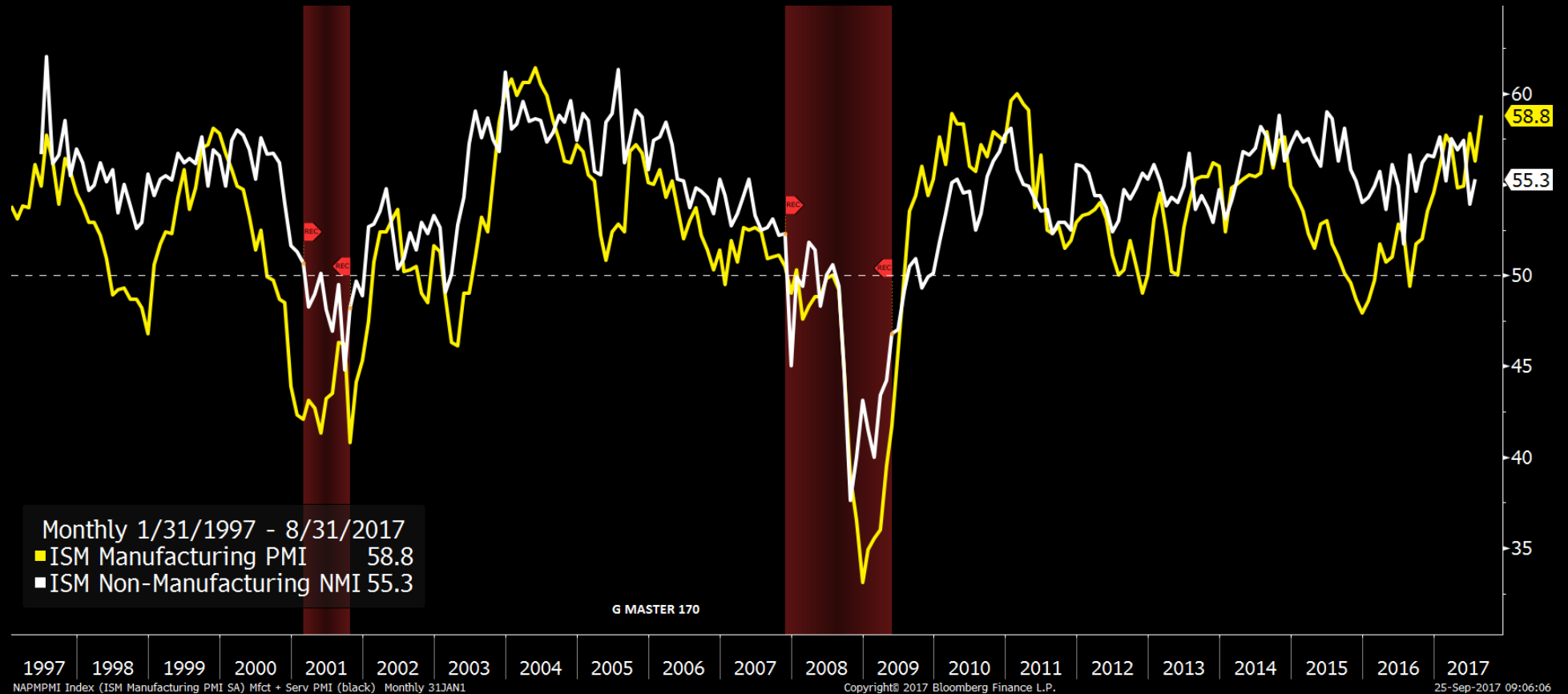
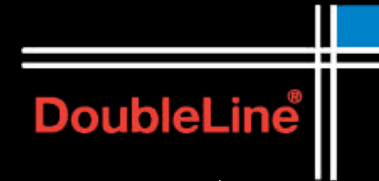


# U.S. Conference Board Leading Economic Indicator



Source: Bloomberg, DoubleLine  
 Conference Board U.S. Leading Index = Leading indicators include economic variables that tend to move before change in the overall economy. These indicators give a sense of the future state of an economy. You cannot invest directly in an index.

# ISM Manufacturing and Services PMI

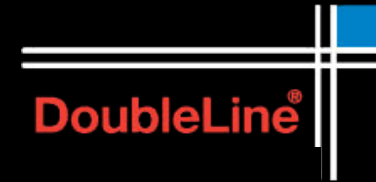


Source: Bloomberg, DoubleLine

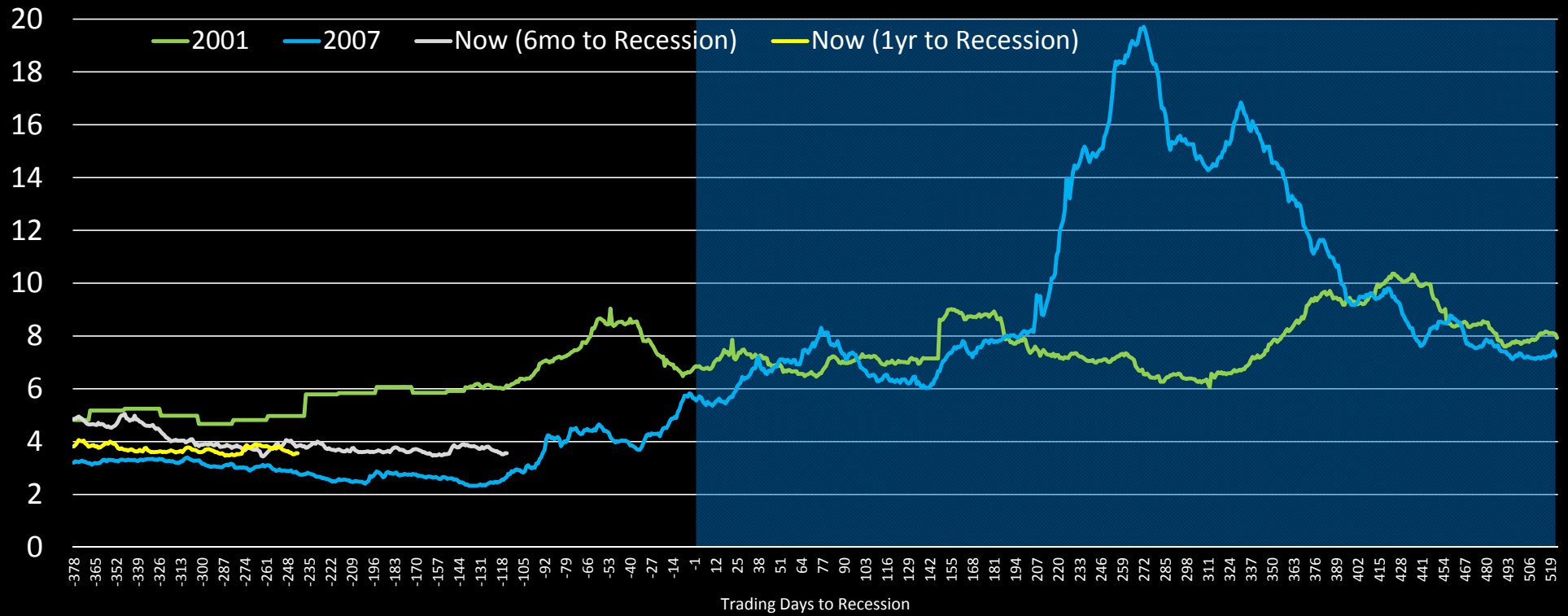
PMI = Purchase Managers Index is an indicator of the economic health of the manufacturing sector. The PMI is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. You cannot invest directly in an index.



# Corporate Credit Spreads and Recessions



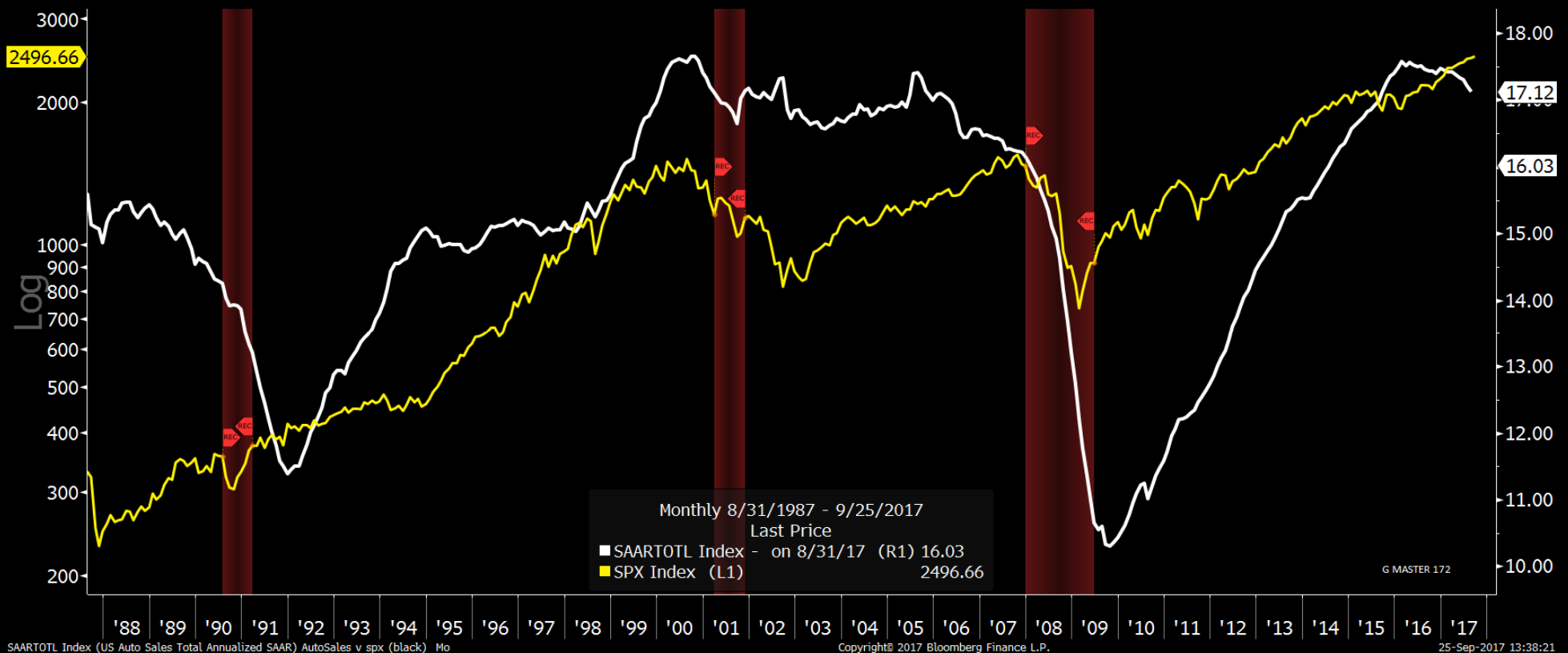
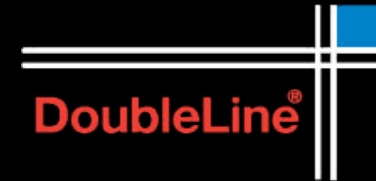
US HY Spread Heading into Recession



Source: Bloomberg, DoubleLine as of September 25, 2017.

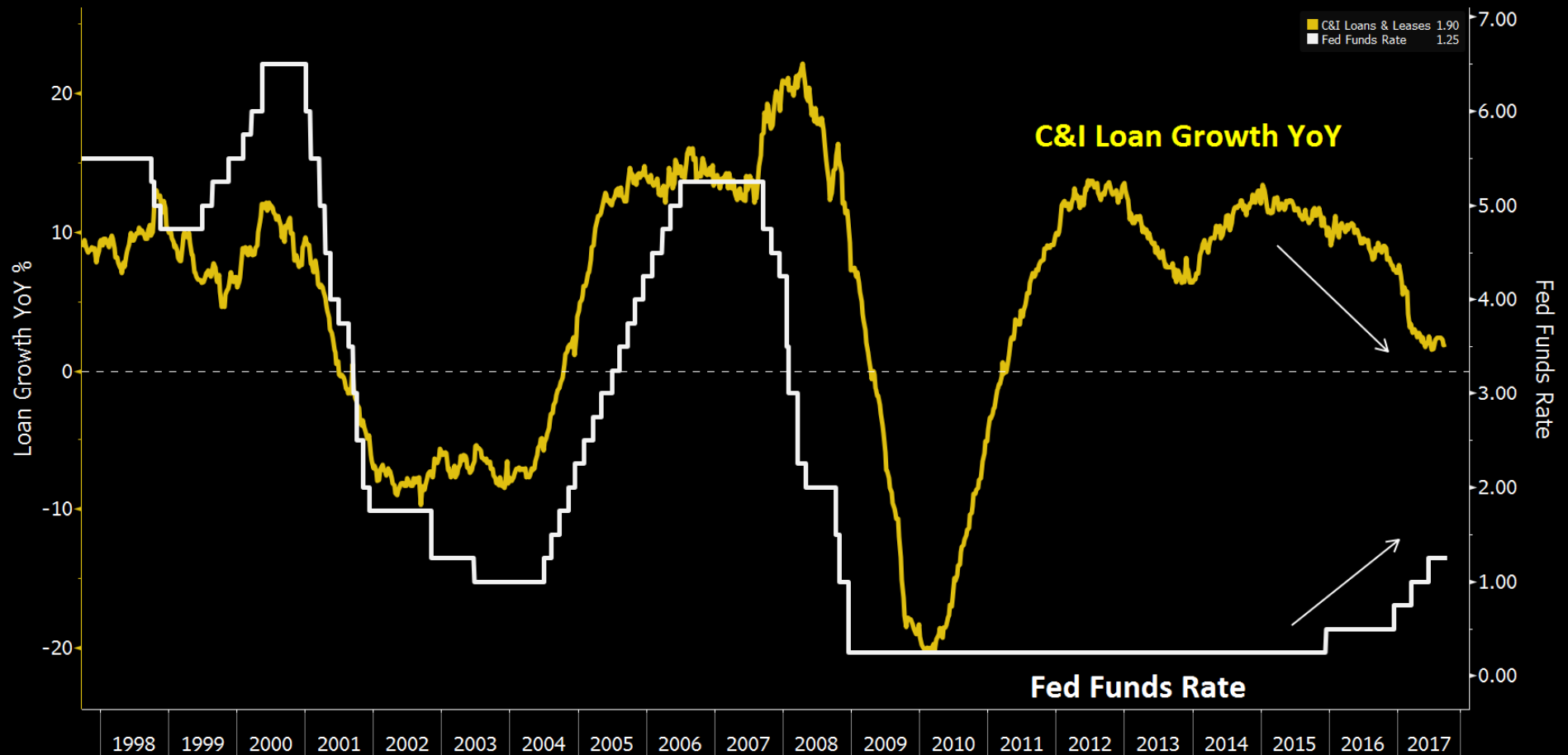
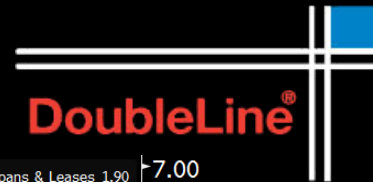
US HY = Moody's Bond Indices Corporate BAA Index are an average of the daily values for the corresponding month and weekly values are averages for the daily yields of the corresponding week. You cannot invest directly in an index.

# U.S. Auto Sales (12mo Mov. Avg.) vs. S&P 500



SAARTOTL Index = US Auto sales Total Annualized Seasonally adjusted tracks the number of newly registered motor vehicles. SPX = S&P 500 Index is a market weighted index that tracks the 500 most widely held stocks on the New York Stock Exchange. SMAV = 17.21 standard moving average. You cannot invest directly in an index.

# U.S. Loan Growth Falling



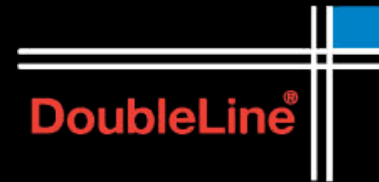
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Source: Eric Pomboy, Meridian Macro Research  
 YoY = year-over-year. C&I = Commercial and Industrial loans. You cannot invest directly in an index.

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# Commodity Prices vs. Recessions



Source: Bloomberg, DoubleLine

S&P GSCI Total Return CME Index = Is an index widely recognized as a leading measure of general commodity price movements and inflation in the world economy. You cannot invest directly in an index.

# TAB III

## Fed Policy



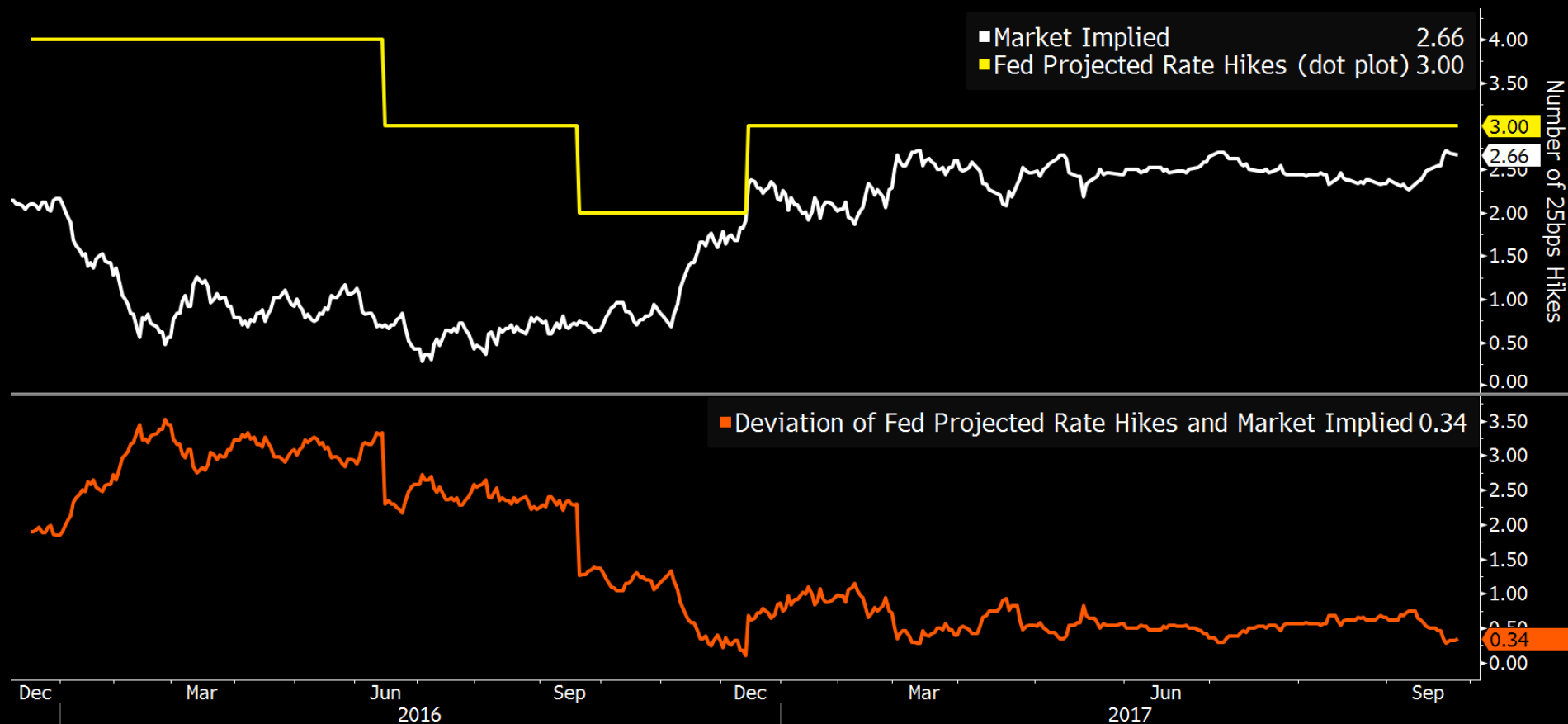
Source: Bloomberg

Bitcoin is a virtual currency that's decentralized, math-based digital assets in which transactions can be performed cryptographically without the need for any central issuing authority. You cannot invest directly in an index.

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# Fed Dots vs. Market Implied

December 7, 2016 to September 25, 2017



.HIKES F Index (Num. of Hikes (implied from Fe) Fed Hikes (Black) Daily 07DEC20

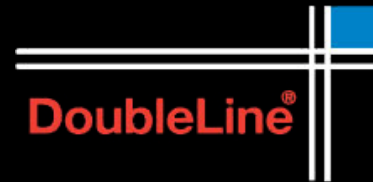
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Source: Bloomberg  
You cannot invest directly in an index.

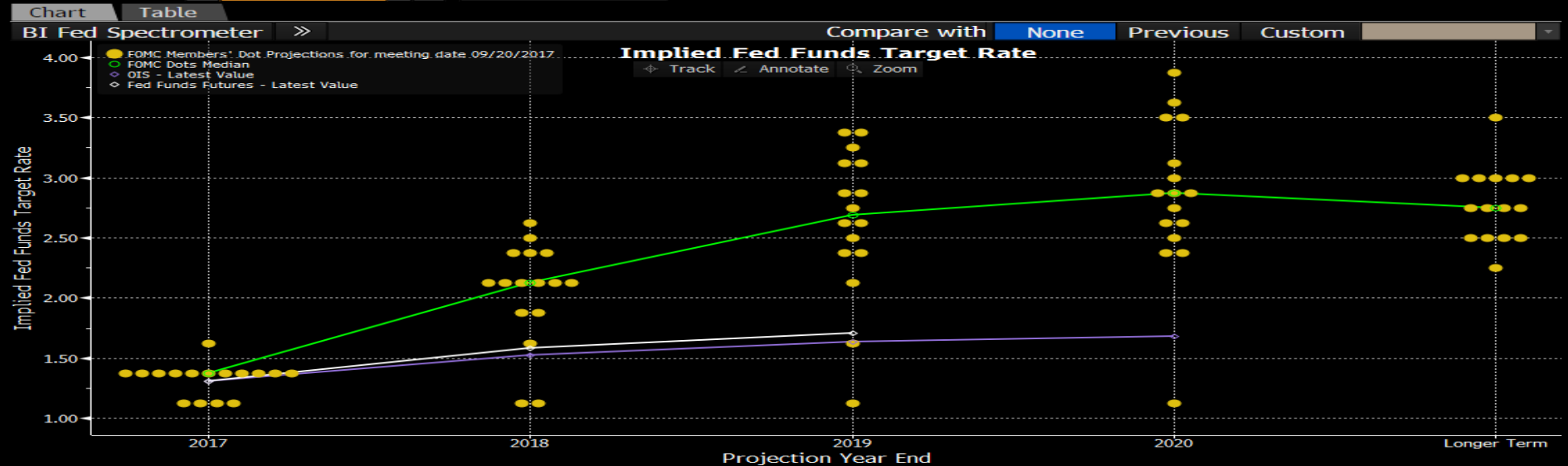
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# Market Fading Fed Dots



View ● Projection ● Historical

Meeting Date < 09/20/2017 > 2 Add to Chart ▾



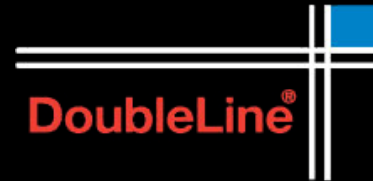
## Projection Central Tendencies and Short Term Implied Target Rates

Curves	2017	2018	2019	2020	Longer Term
FOMC Dots Median	1.375	2.125	2.688	2.875	2.75
Fed Funds Futures - Latest Value	1.31	1.585	1.705		
OIS - Latest Value	1.311	1.524	1.634	1.683	

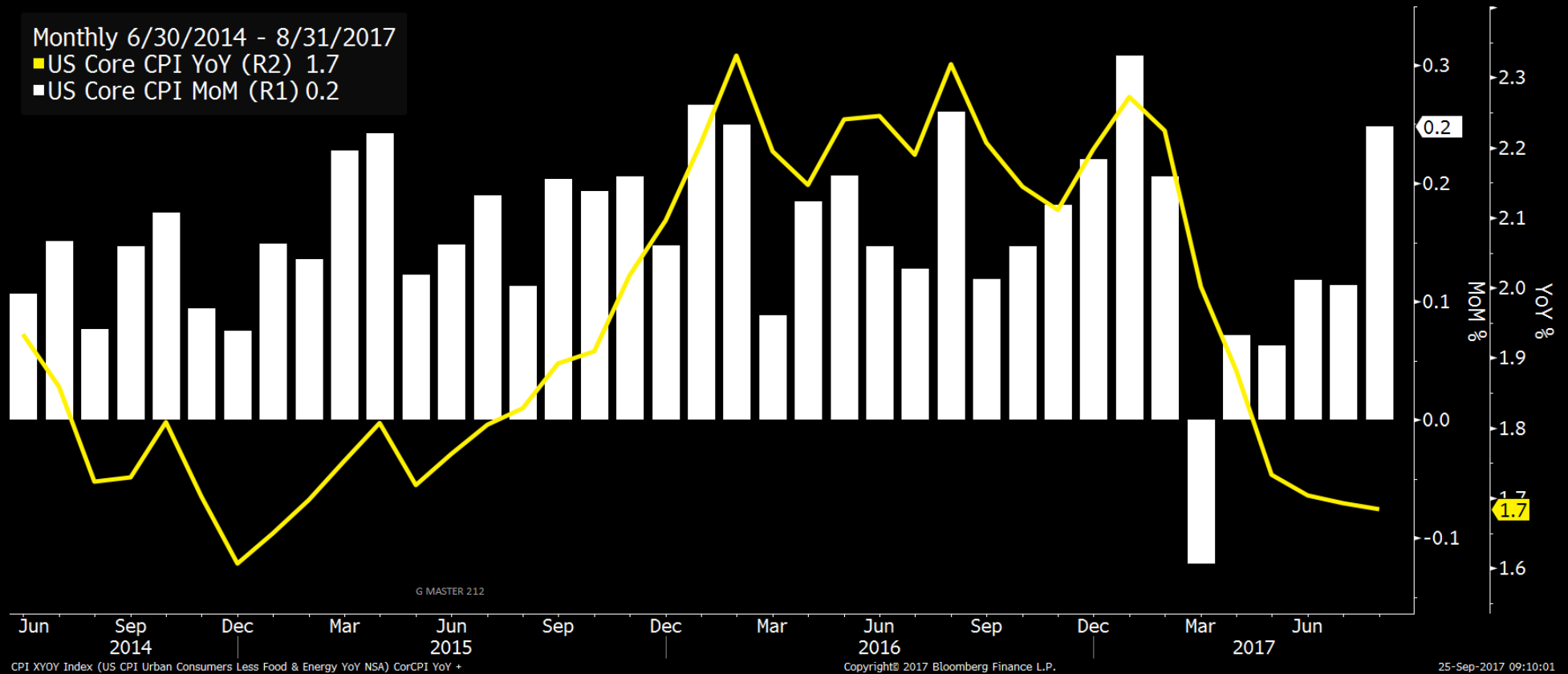
Chart: January 1, 2010 to estimated 2021. Source: Bloomberg

Forecasts, estimates and certain information contained herein are based upon research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.

# Core CPI 1.7% (YoY)



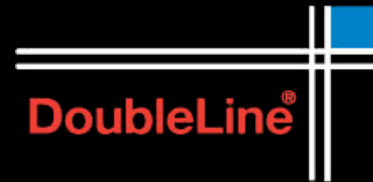
Monthly 6/30/2014 - 8/31/2017  
 ■ US Core CPI YoY (R2) 1.7  
 ■ US Core CPI MoM (R1) 0.2



CPI = Consumer Price Index is a measure that examines the weighted average of prices of a basket of consumer goods and service, such as transportation, food and medical care. YoY = year-over-year. MoM = Month-over-month. You cannot invest directly in an index.

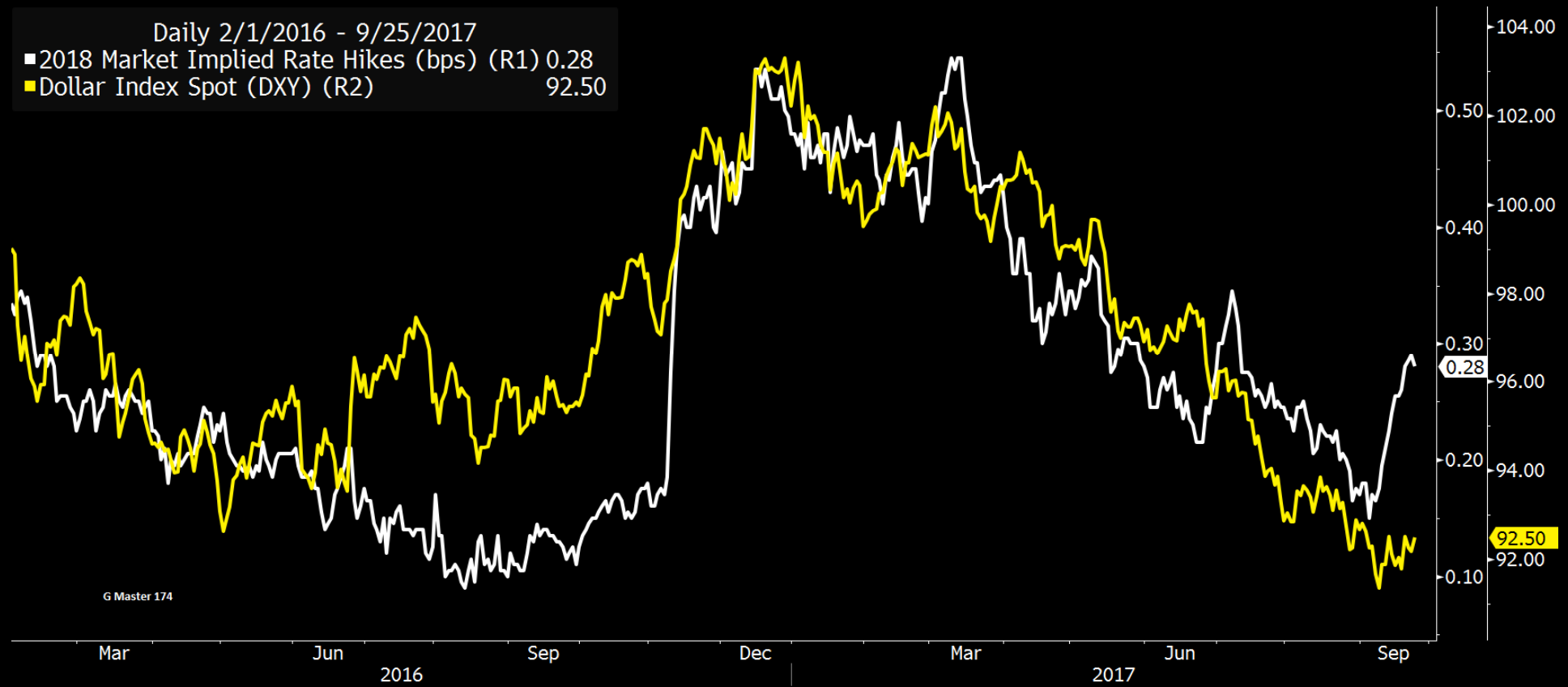


# DXY and 2018 Rate Hikes



Daily 2/1/2016 - 9/25/2017

■ 2018 Market Implied Rate Hikes (bps) (R1) 0.28  
■ Dollar Index Spot (DXY) (R2) 92.50



FFF9 Comdty (FED FUND 30DAY Jan19) DXY + '18 hike (Black) Daily 01FEB2016-25

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DXY = The U.S. Dollar index is the average exchange rates between the USD and major world currencies. BPS = basis points. You cannot invest directly in an index.

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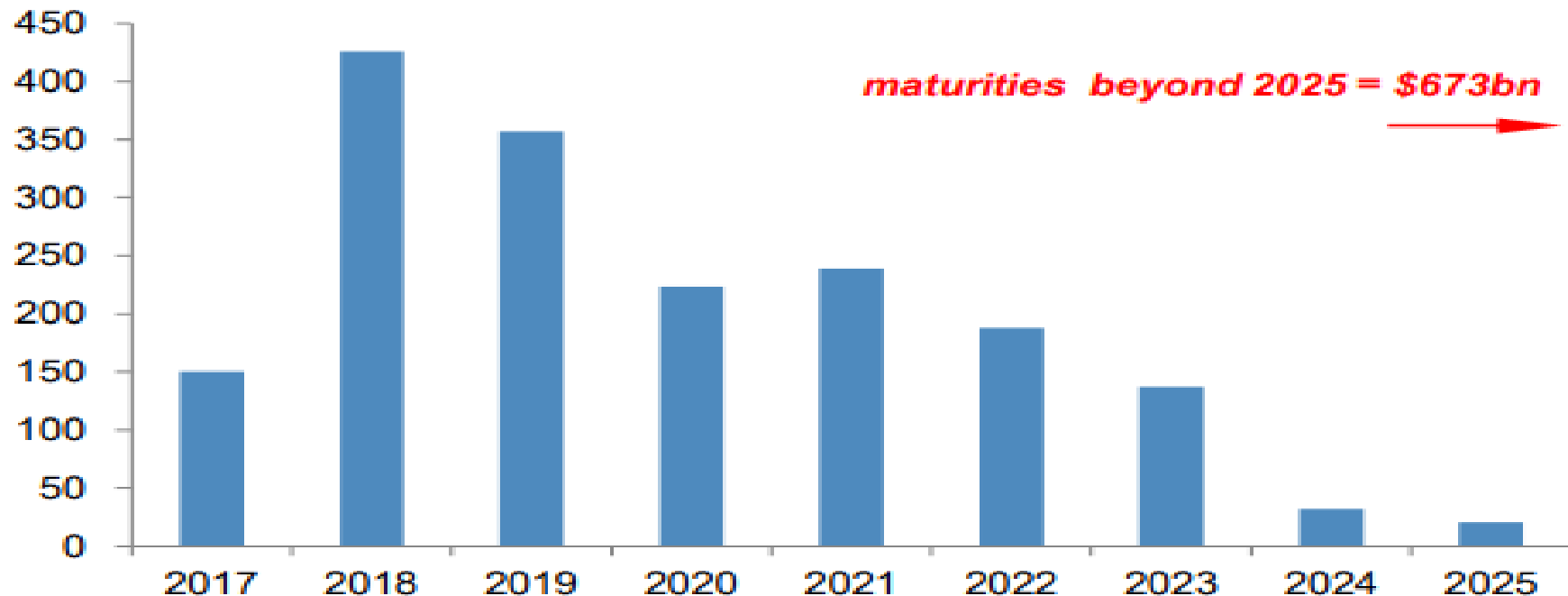
# Fed Balance Sheet

As of June 22, 2017

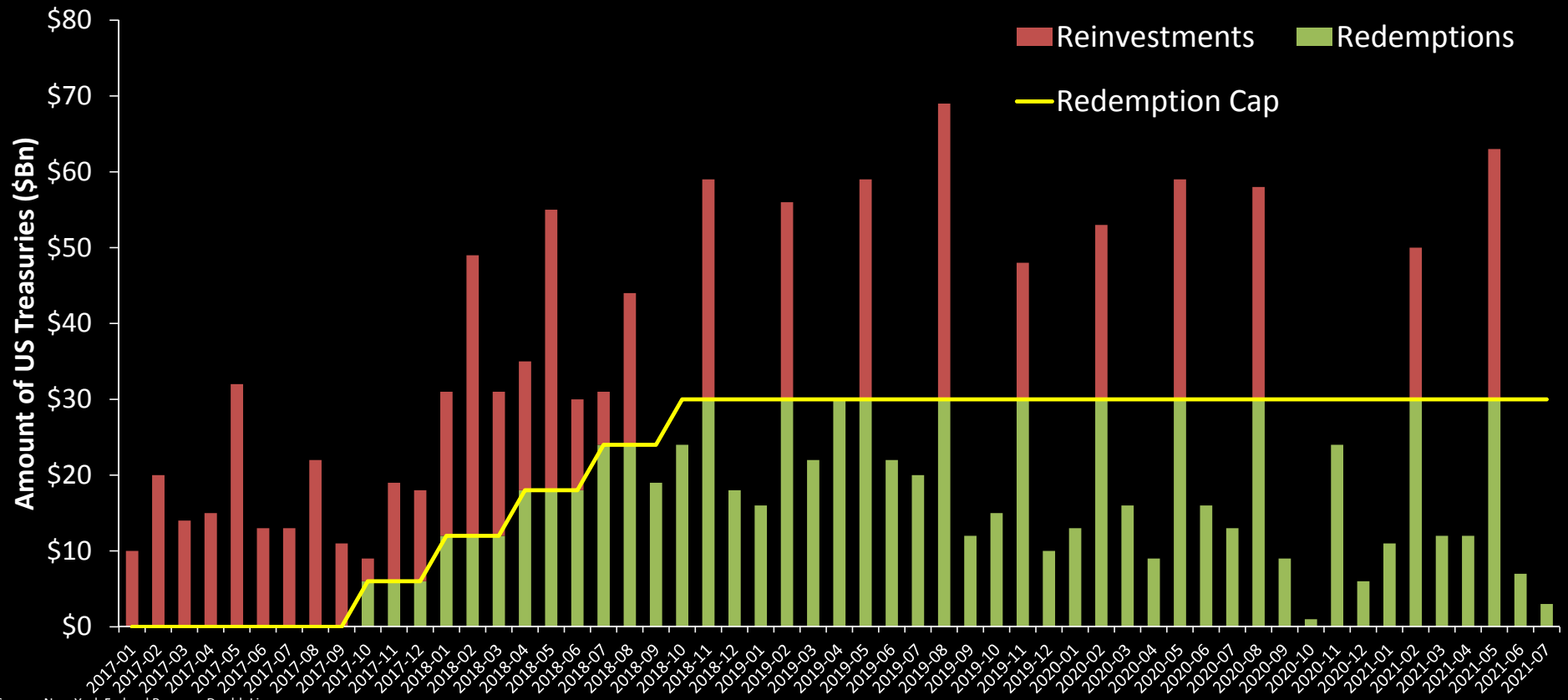


## Balance sheet run-off will also tighten financial conditions from late 2017

Fed's SOMA Treasury holdings by year of maturity



# Projected SOMA Treasury Securities Maturity Profile Assumes September 2017 Announcement, October 2017 Implementation



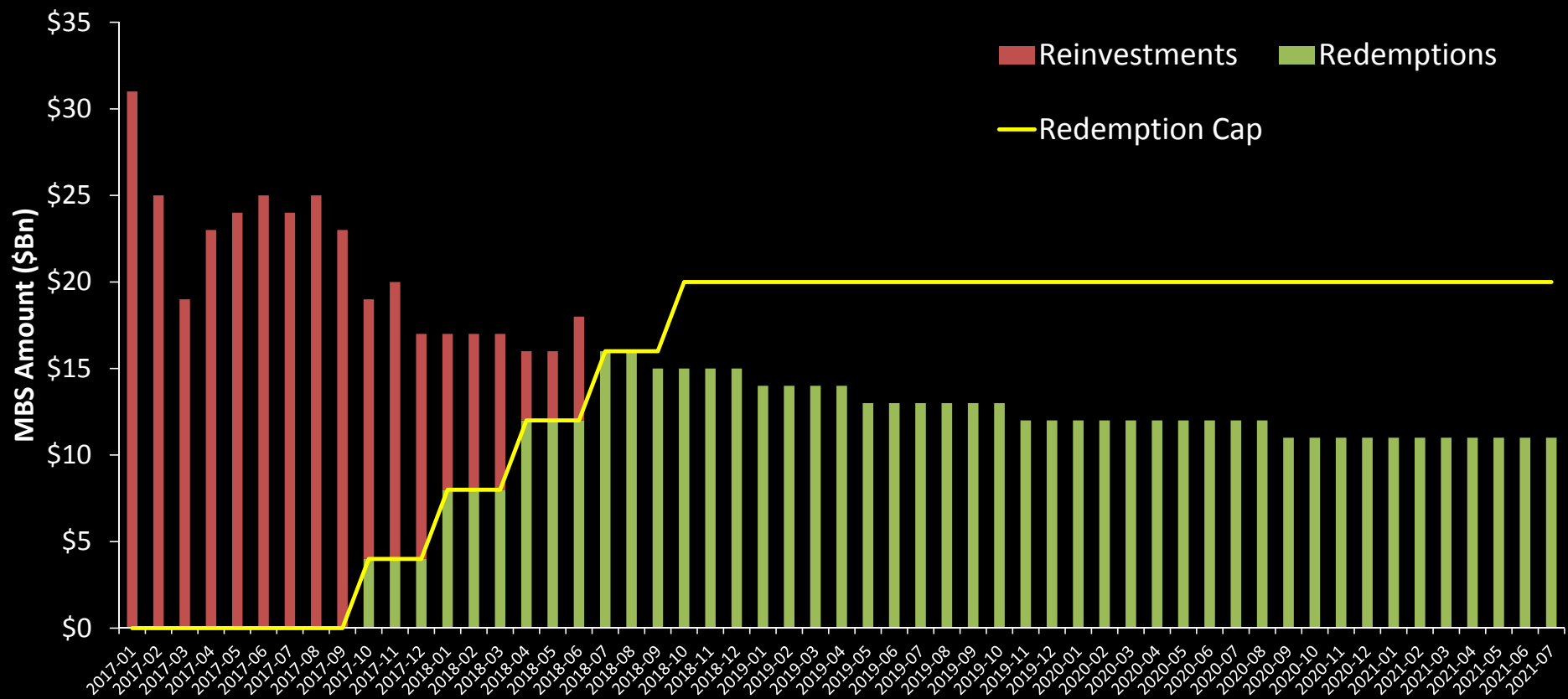
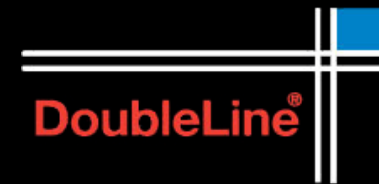
Source: New York Federal Reserve, DoubleLine

SOMA = Federal Reserve System Open Market Account

January 1, 2017 projected through July 2021. Forecasts, estimates and certain information contained herein are based upon research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.

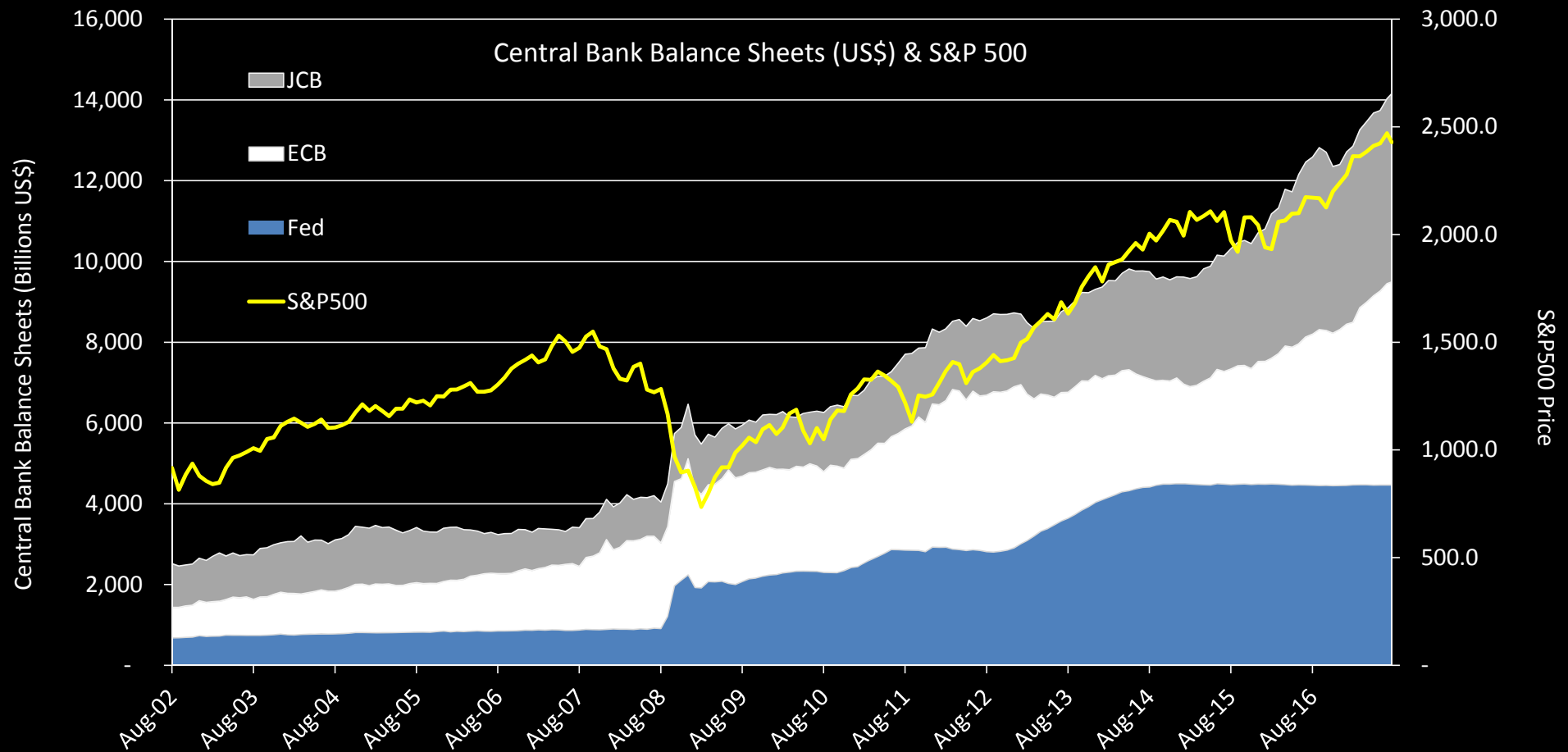
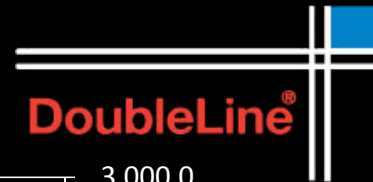
# Projected SOMA Mortgage-Backed Securities Maturity Profile

## Assumes September 2017 Announcement, October 2017 Implementation



Source: New York Federal Reserve, DoubleLine  
 SOMA = Federal Reserve System Open Market Account  
 January 1, 2017 projected through July 2021. Forecasts, estimates and certain information contained herein are based upon research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.

# Central Bank Balance Sheet



Source: Bloomberg August 31, 2002 to September 11, 2017

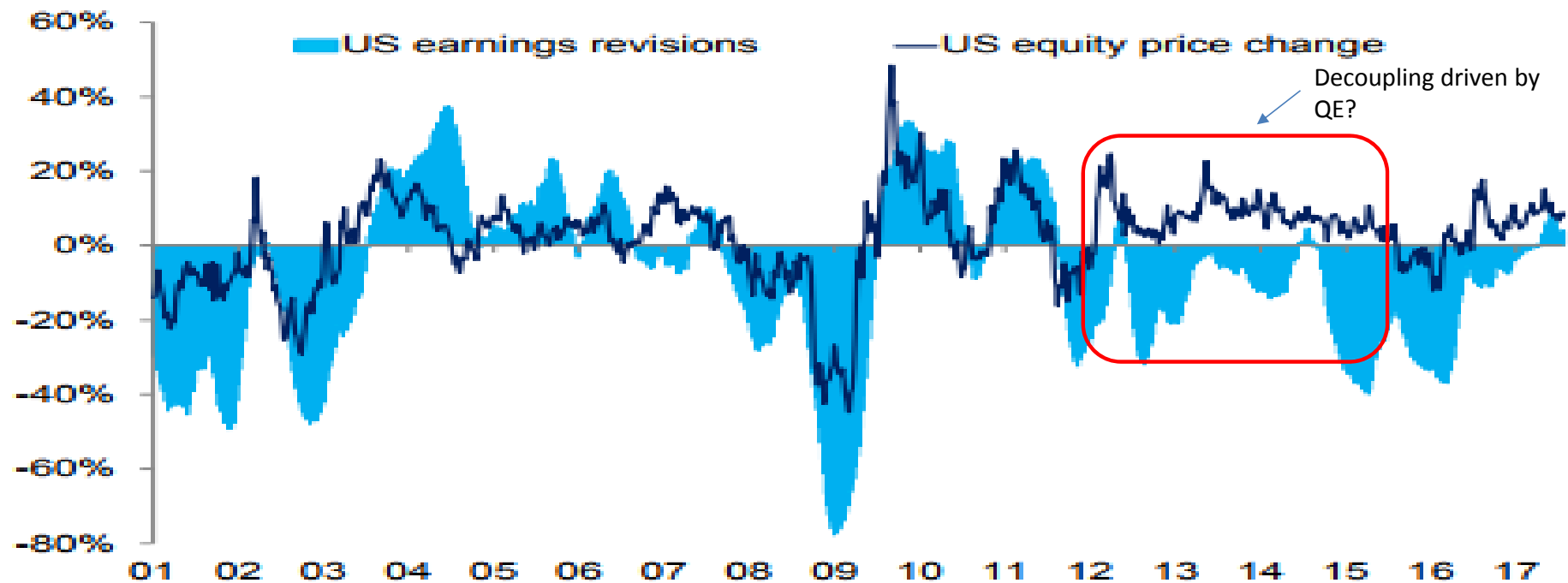
JCB= Japanese Central Bank, ECB = European Central Bank, S&P 500 = The S&P 500 is a stock market index that tracks the 500 most widely held stocks on the New York Stock Exchange or NASDAQ. It seeks to represent the entire stock market by reflecting the risk and return of all large cap companies. You cannot invest directly in an index.

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# U.S. Earnings Revisions vs. Changes in Equity Price

January 1, 2001 to June 30, 2017

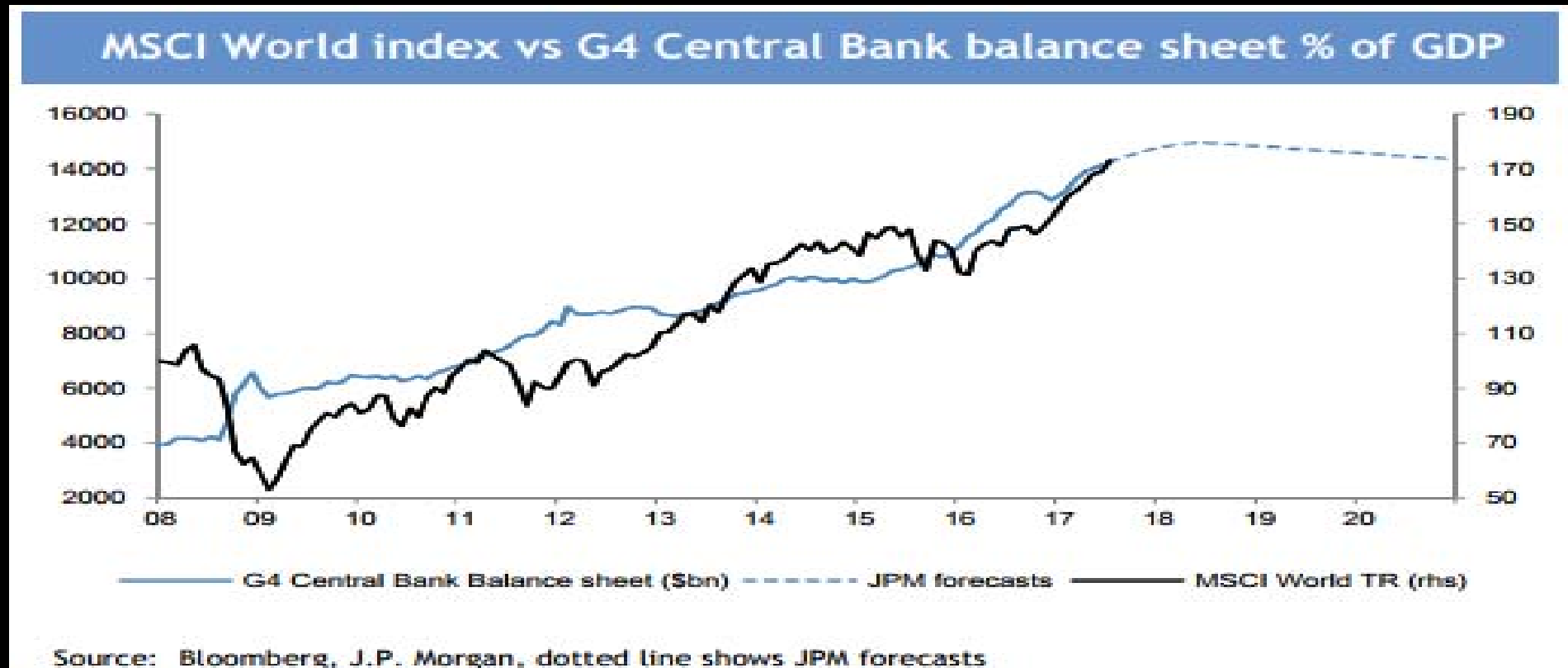
**Figure 9. Chg in US consensus earnings vs chg in equity price, %**



Source: Bloomberg, Citi Research.

US Equity = S&P 500. The S&P 500 is a stock market index that tracks the 500 most widely held stocks on the New York Stock Exchange or NASDAQ. It seeks to represent the entire stock market by reflecting the risk and return of all large cap companies. QE = Quantitative Easing. You cannot invest directly in an index.

# Central Bank Balance Sheet Quantitative Tightening Predicted

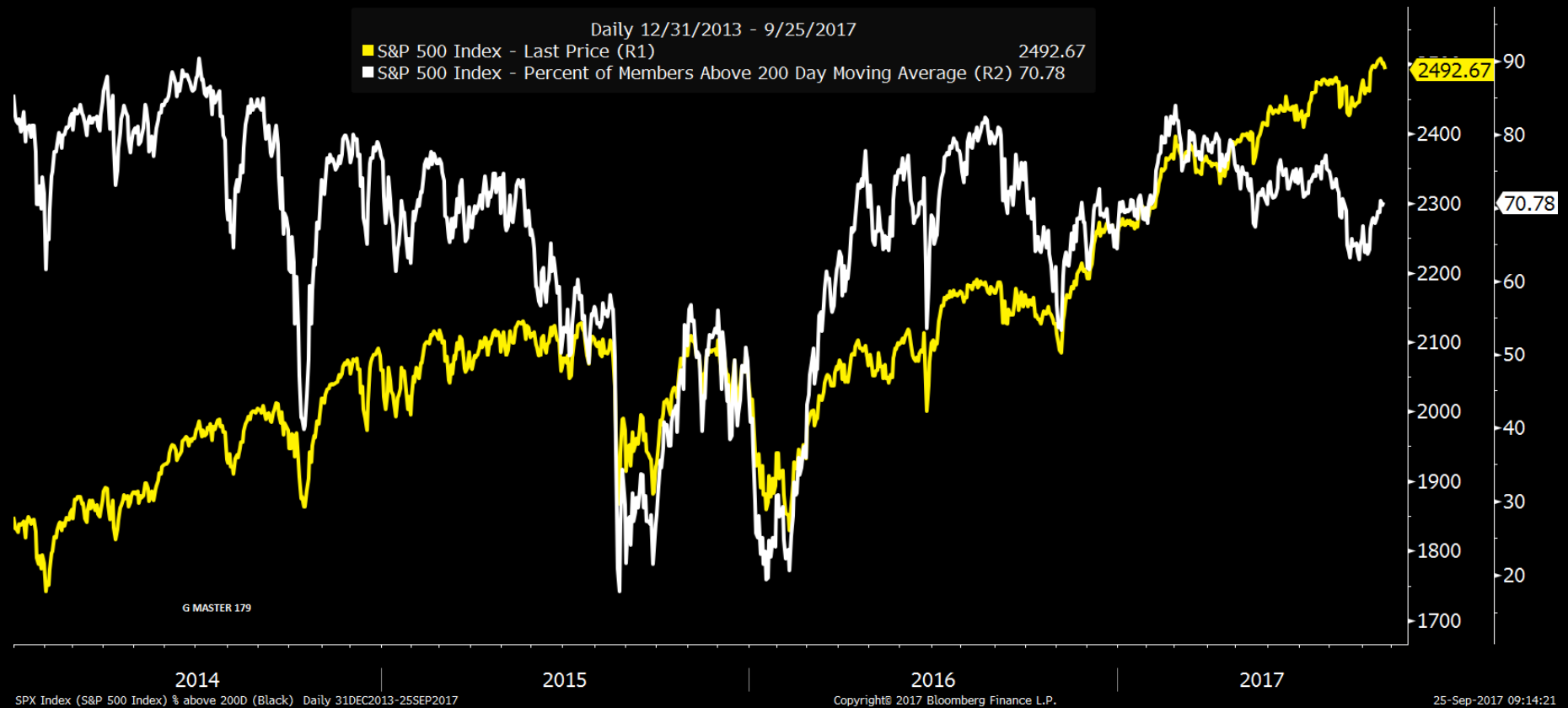
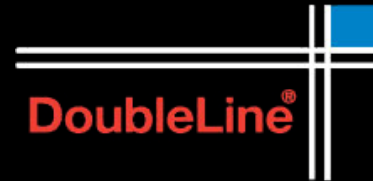


Source: Bloomberg January 1, 2008 to June 20, 2017, Projected through 2020.

YoY = year-over-year. G4 = Eurozone, U.S., U.K. and Japan. Japan. JPM = Japan. MSCI World Index is a free-float weighted equity index that includes both emerging and developed markets. GDP measures the amount of goods and services produced within a given country. You cannot invest directly in an index. Forecasts, estimates and certain information contained herein are based upon research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product.

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# S&P 500 % Above 200-Day Moving Average

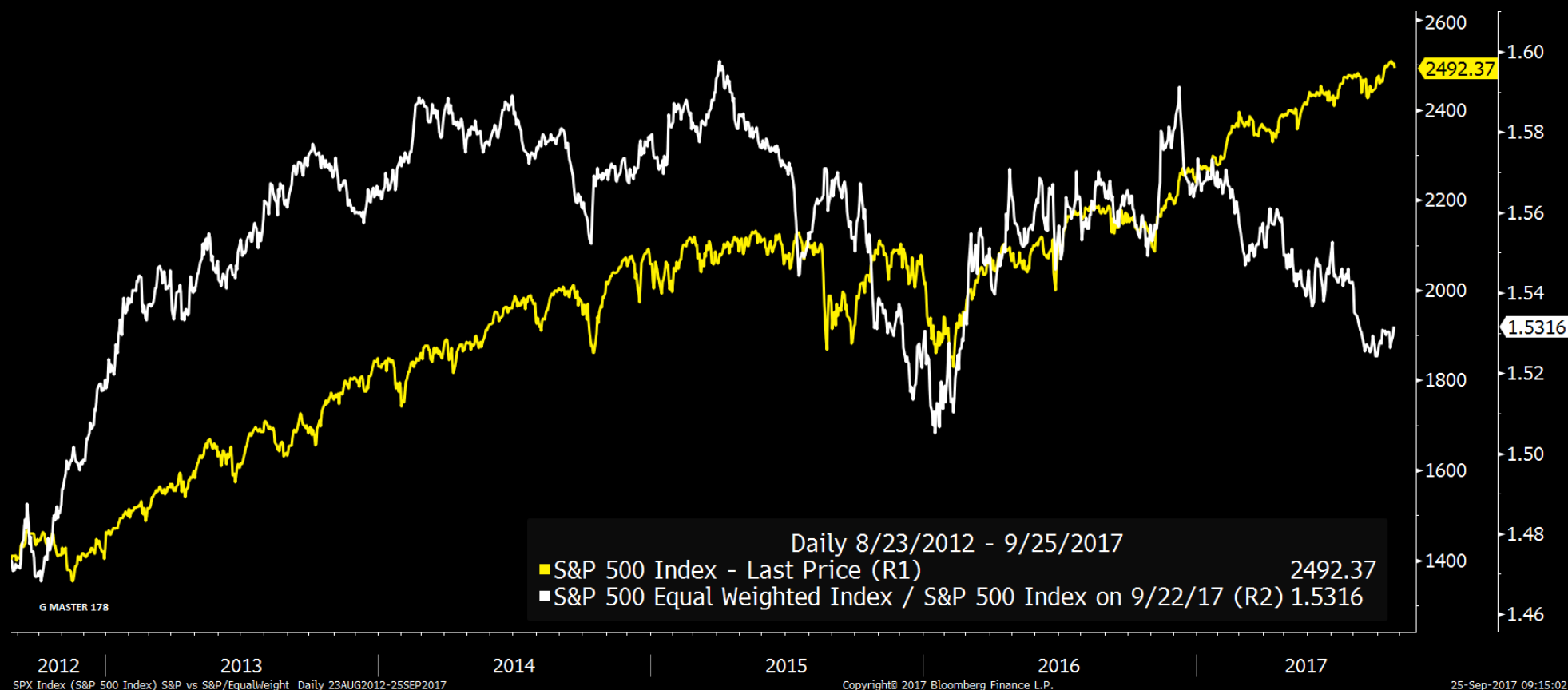
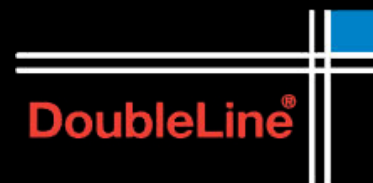


S&P 500. The S&P 500 is a stock market index that tracks the 500 most widely held stocks on the New York Stock Exchange or NASDAQ. It seeks to represent the entire stock market by reflecting the risk and return of all large cap companies. You cannot invest directly in an index.

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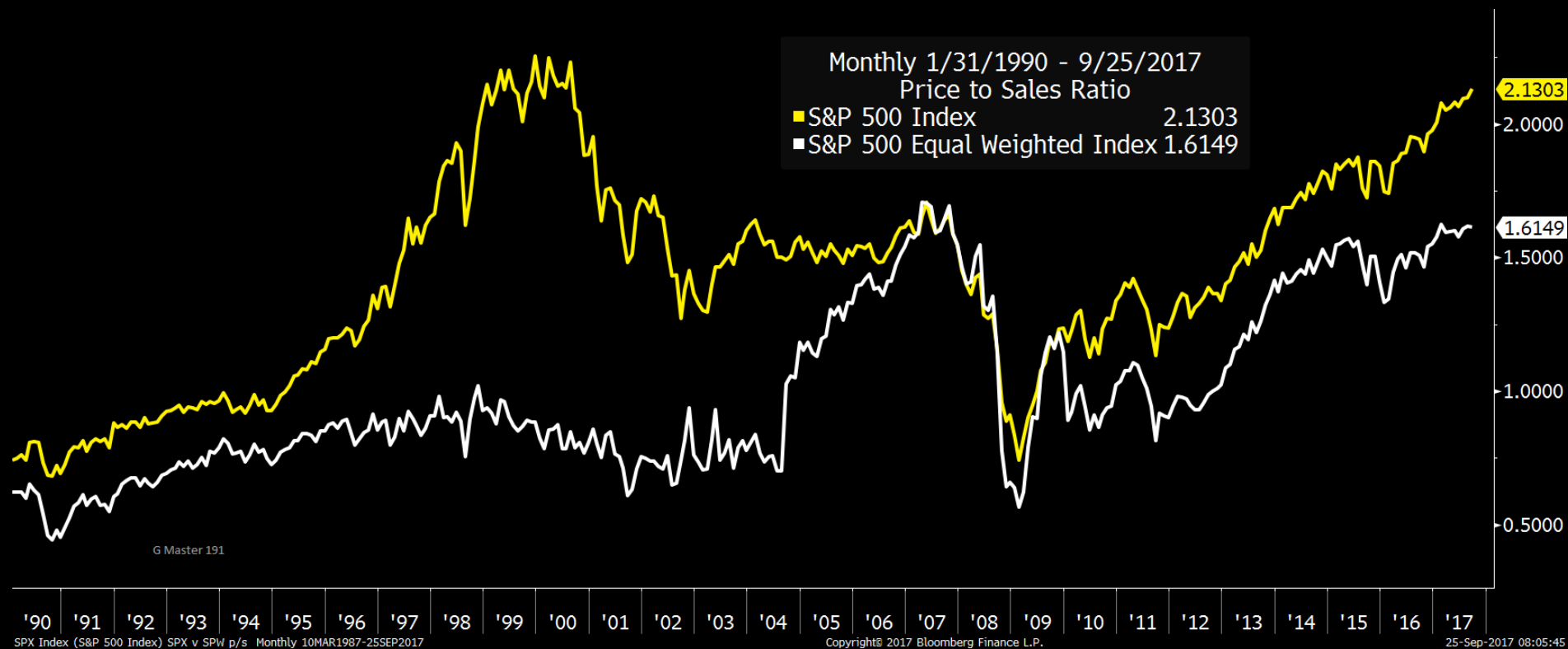


# S&P 500 vs. S&P 500 Equal Weight/S&P 500



S&P 500. The S&P 500 is a stock market index that tracks the 500 most widely held stocks on the New York Stock Exchange or NASDAQ. It seeks to represent the entire stock market by reflecting the risk and return of all large cap companies. You cannot invest directly in an index.

# Price-to-Sales Ratio: S&P 500 and S&P 500 Equal Weight



Source: Bloomberg

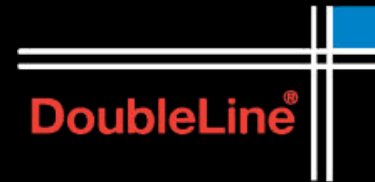
S&P 500 Index is the American stocks market index based on market capitalizations of 500 largest companies having common stocks listed on NYSE and NASDAQ. S&P 500 Equal-weighted is the S&P 500 Index with stocks equal-weighted instead of capitalization weighted. Price-to-Sales ratio is calculated by dividing the company's market cap by the revenue in the most recent year. You cannot invest directly in an index.

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## **TAB IV**

# **Bloodless Verdict of the Market**

# U.S. Dollar (DXY)



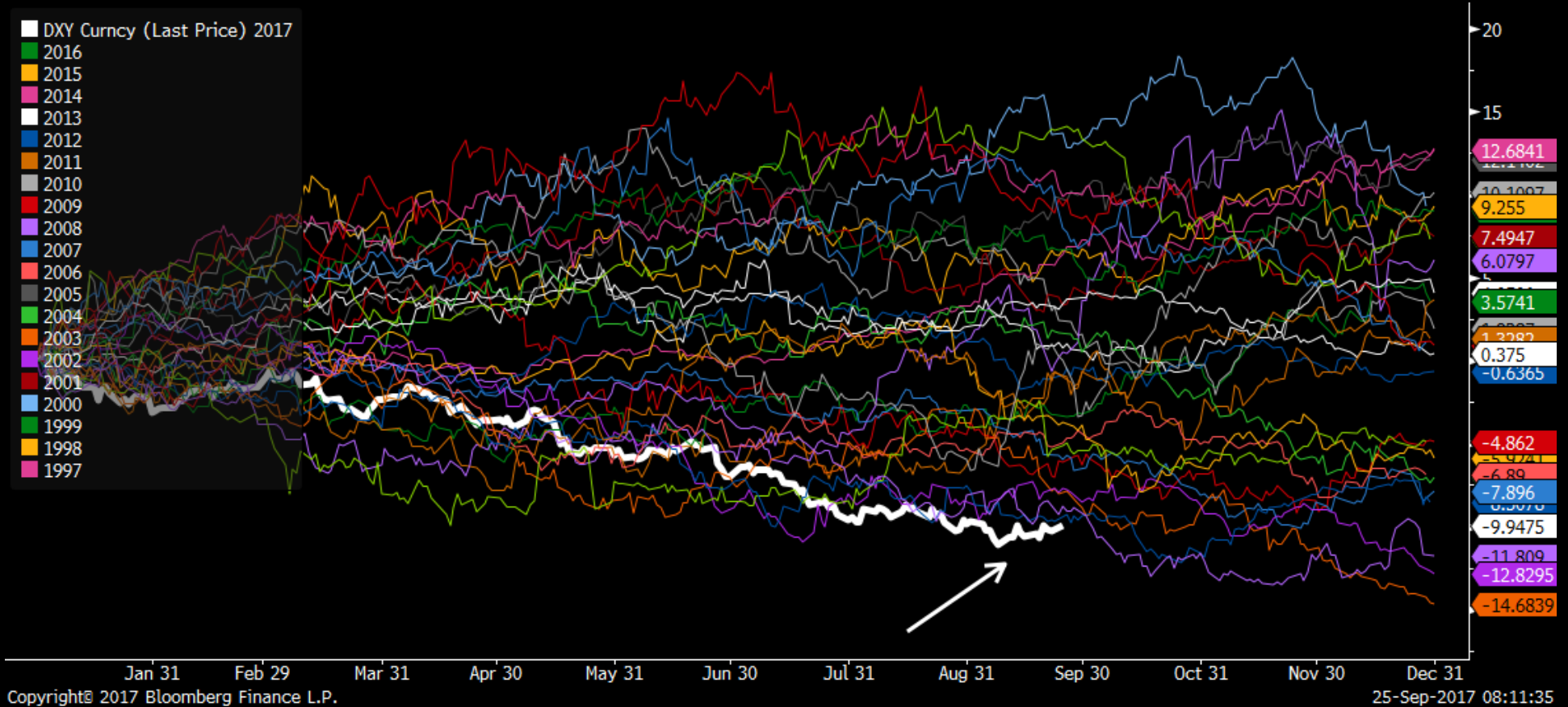
Source: Bloomberg

DXY = The U.S. Dollar spot index indicates the value of the US dollar exchange rates versus other major world currencies using prices from 500 banks. You cannot invest directly in an index. .

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# DXY Performance Year-To-Date

As of September 25, 2017

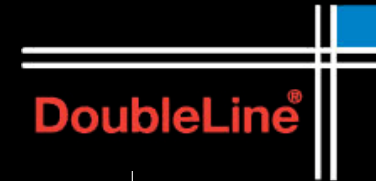


Source: Bloomberg

Chart for years indicated. 2017 Year-To-Date is through September 7, 2017. DXY = The U.S. Dollar spot index indicates the value of the US dollar exchange rates versus other major world currencies using prices from 500 banks. You cannot invest directly in an index.

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# Emerging Markets vs. Developed Markets and U.S. Dollar



JPMQUSD Index (J.P. Morgan USD Tradeable Currency Index) EM/world vs. JPM USD W

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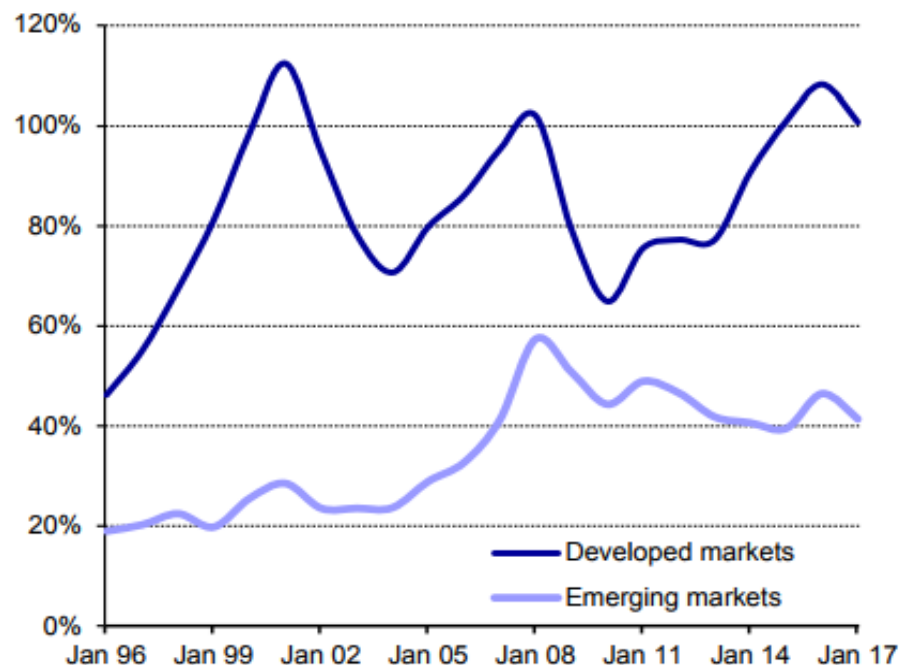
Source: Datastream, Bloomberg

MSCI EM Index = A float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. JP Morgan USD Tradeable Currency Index = Is an index that is not investable. It tracks the volatility in the U.S. dollar. DM = Developed Market. USD = U.S. Dollar. You cannot invest directly in an index.

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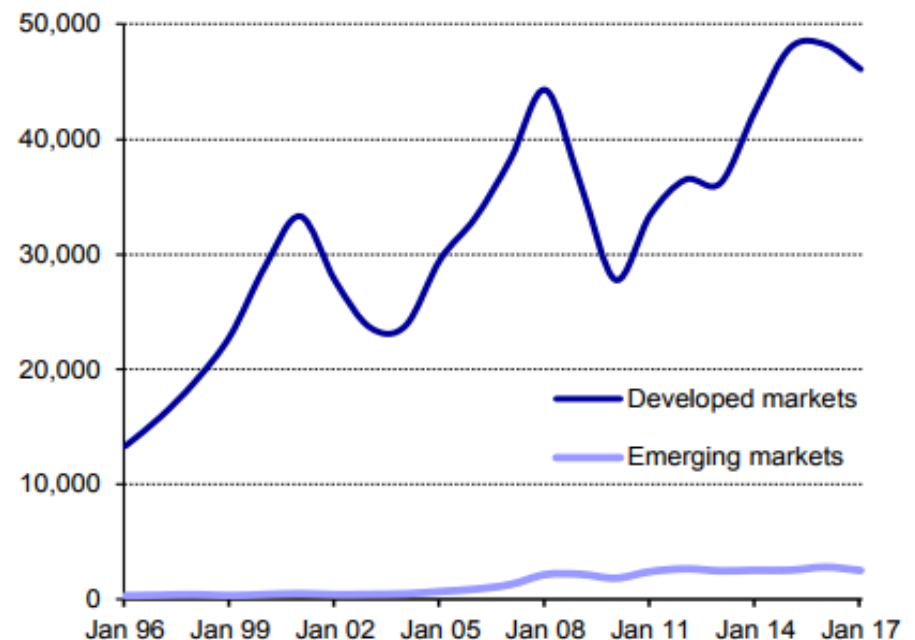
# Emerging Markets Market Cap Per GDP and Capita

**Figure 10: Emerging versus developed market capitalisation to GDP**



Source: Thomson Reuters, IMF, Credit Suisse research

**Figure 11: Emerging versus developed market capitalisation per capita (US\$)**

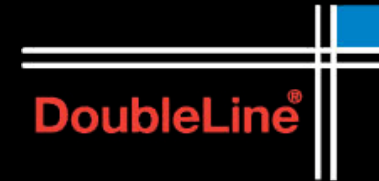


Source: Thomson Reuters, IMF, Credit Suisse research

Source: Bloomberg

GDP = Gross Domestic Product is the amount of goods and services produced within a given country. MSCI EM Index = A float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. DM = Developed Market. You cannot invest directly in an index.

# CAPE Ratios: S&P 500 vs. MSCI Emerging Markets



Data Source: Bloomberg

CAPE Ratio was developed by Dr. Robert Shiller. It's the cyclically adjusted price-to-earnings ratio is a valuation measure usually applied to the U.S. S&P 500 equity market. S&P 500 Index is the American stocks market index based on market capitalizations of 500 largest companies having common stocks listed on NYSE and NASDAQ. . MSCI EM Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. MSCI EM Index = A float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. You cannot invest directly in an index.

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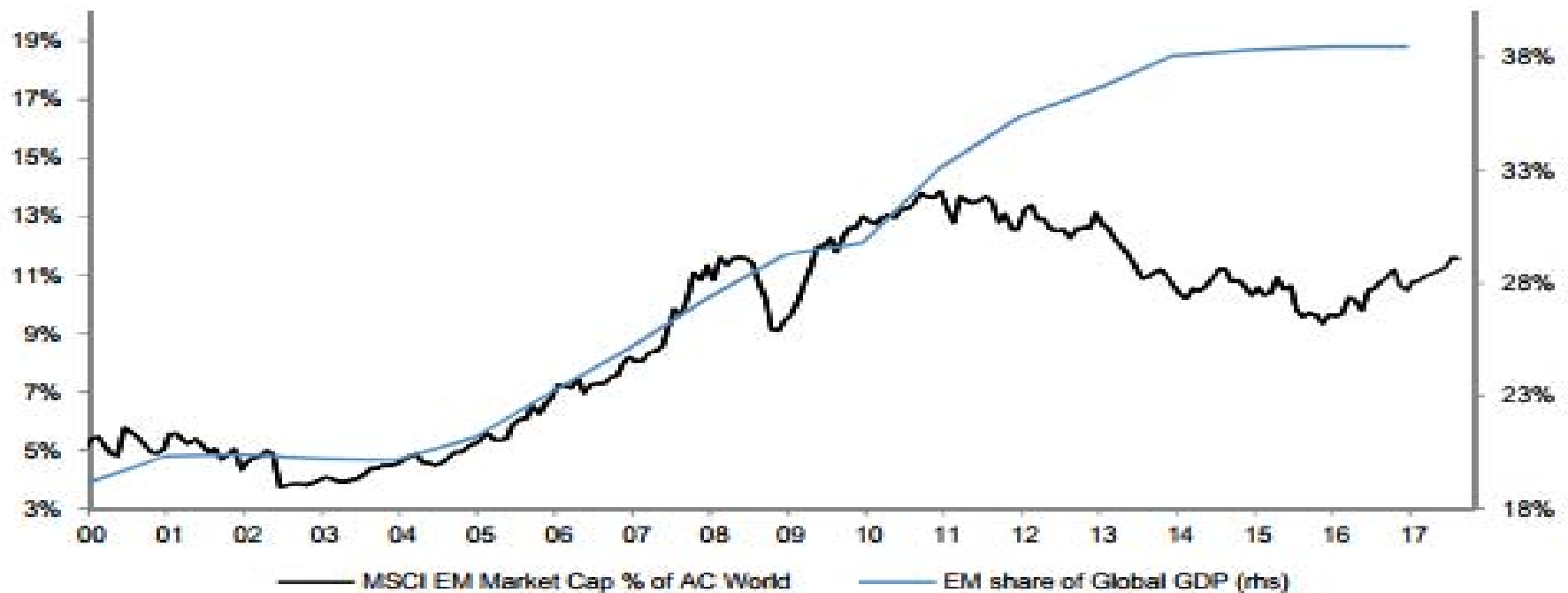


# Emerging Markets Equities

January 1, 2000 to August 7, 2017



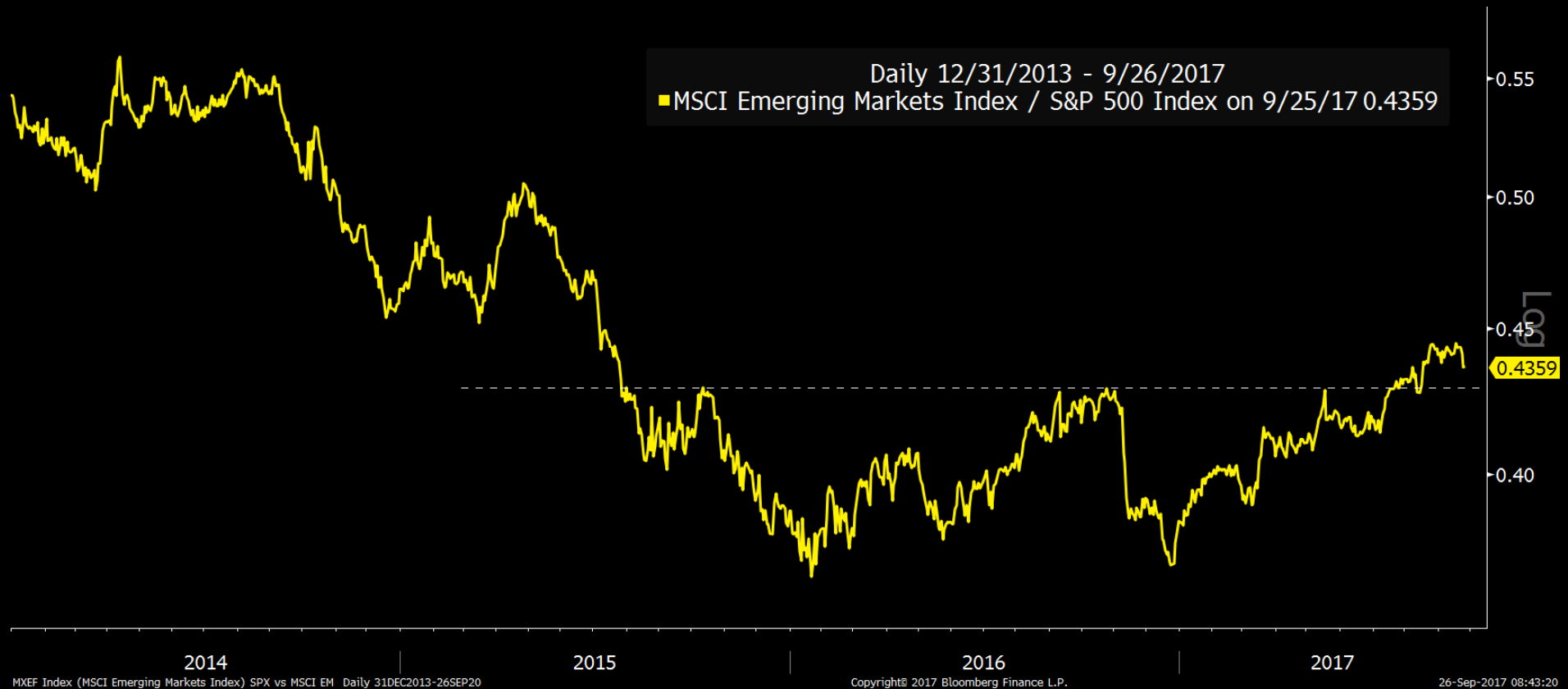
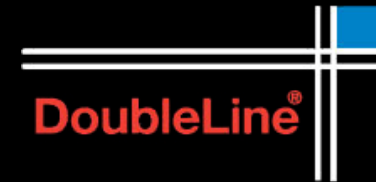
## EM share of Global Market Cap and of Global GDP



Source: JPMorgan

GDP is the amount of goods and services produced within a given country. EM = Emerging Markets. DM = Developed Markets. MSCI EM Index = A float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. DM = Developed Market

# MSCI EM/SPX

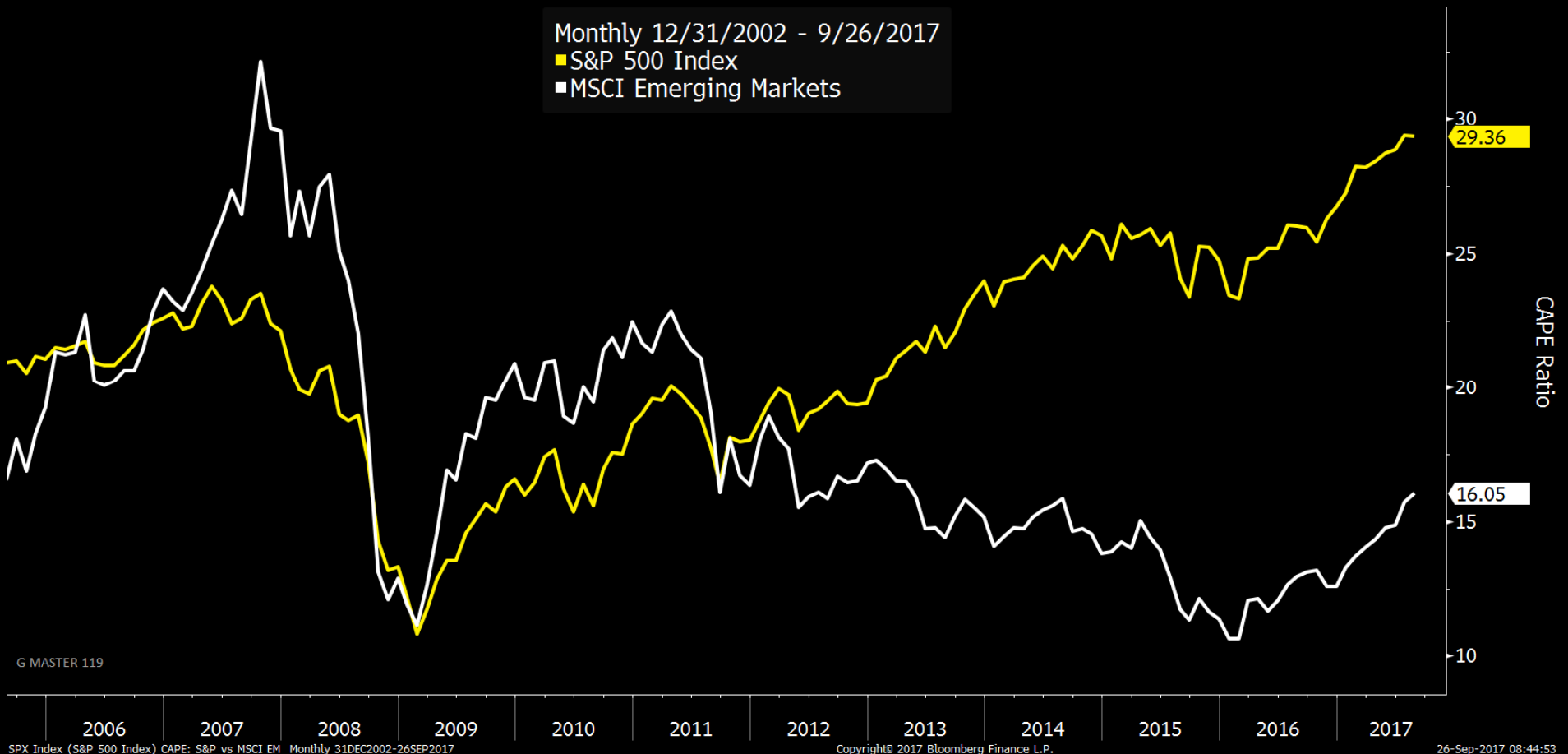
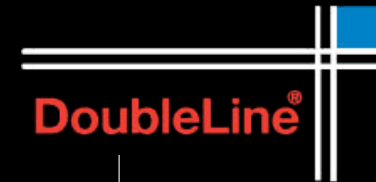


Source: Bloomberg

SPX = S&P 500 is Standard & Poor's 500 Index is a capitalization-weighted index of 500 U.S. stocks. MSCI EM Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. MSCI EM Index = A float-adjusted market capitalization index that consists of indices in 23 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates. You cannot invest directly in an index.

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# CAPE Ratios: S&P 500 vs. MSCI Emerging Markets

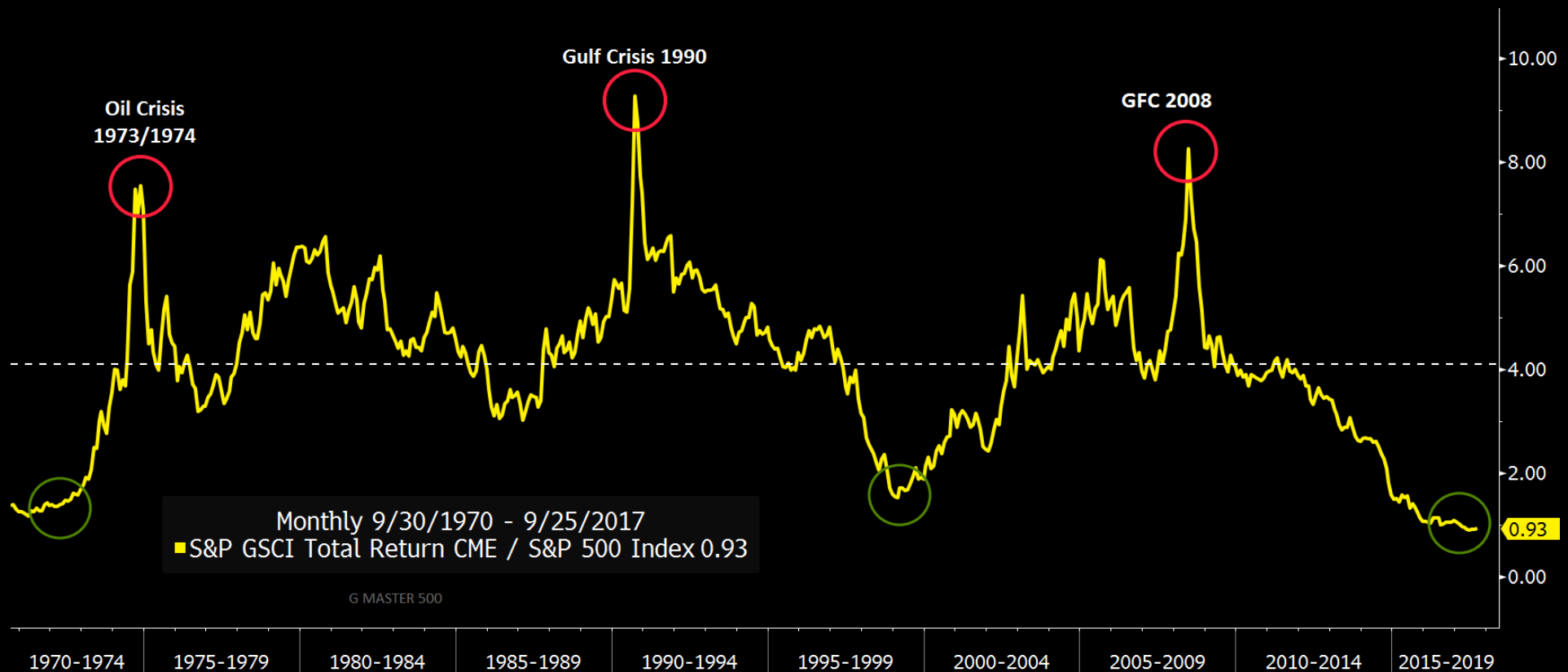
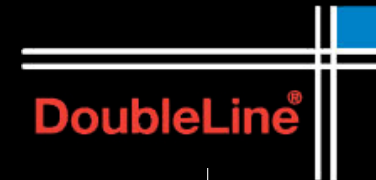


Data Source: Bloomberg

CAPE Ratio was developed by Dr. Robert Shiller. It's the cyclically adjusted price-to-earnings ratio is a valuation measure usually applied to the U.S. S&P 500 equity market. S&P 500 Index is the American stocks market index based on market capitalizations of 500 largest companies having common stocks listed on NYSE and NASDAQ. You cannot invest directly in an index.

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# Equities vs. Commodities



Source: Dr. Toresten Dennin, Incrementum AG

SPGSCITR Index (S&P GSCI Total Return CME) GSCI/SPX (black) Monthly 30SEP1970-2

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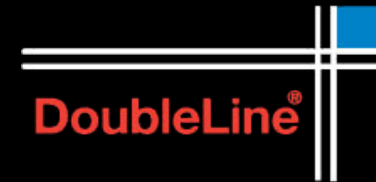
GSCI Commodity Index = Is a widely recognized leading measure of general price movements and inflation in the world economy. GFC = Global Financial Crisis. S&P 500 Index is the American stocks market index based on market capitalizations of 500 largest companies having common stocks listed on NYSE and NASDAQ. You cannot invest directly in an index.

# Bloomberg Industrial Metals (BCOMIN)



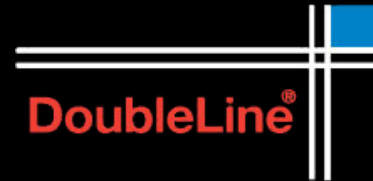
BCOMIN = Bloomberg Industrial metals index. SMAV = Standard moving average. You cannot invest directly in an index.

# Gold Spot (with 200-day Moving Average)



Source: Bloomberg, DoubleLine  
Spot price of gold quoted in Troy ounces. SMAV = standard moving average. You cannot invest directly in an index.

# GDX (with 200-day Moving Average)

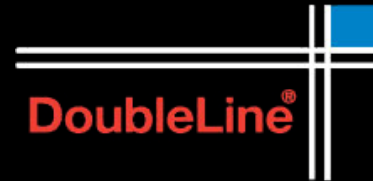


Source: Bloomberg, DoubleLine

GDX = VanEck Vectors Gold Miners Exchange Traded Fund (ETF) is an exchange-traded fund tracking performance of the NYSE Arca Gold Miners Index. SMAV – Standard moving average. You cannot invest directly in an index.

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# U.S. 2-Year Treasury



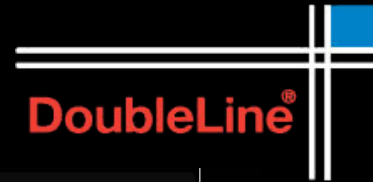
Daily 12/31/2009 - 9/25/2017  
■ US Generic Govt 2 Year Yield - Last Price 1.42



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT02 = US 2 Year Treasury Bond. You cannot invest directly in an index.



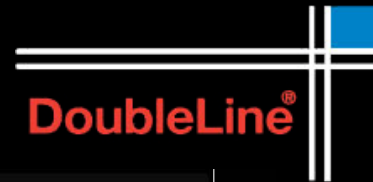
# U.S. 5-Year Treasury



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GTS = US 5 Year Treasury Bond. You cannot invest directly in an index.

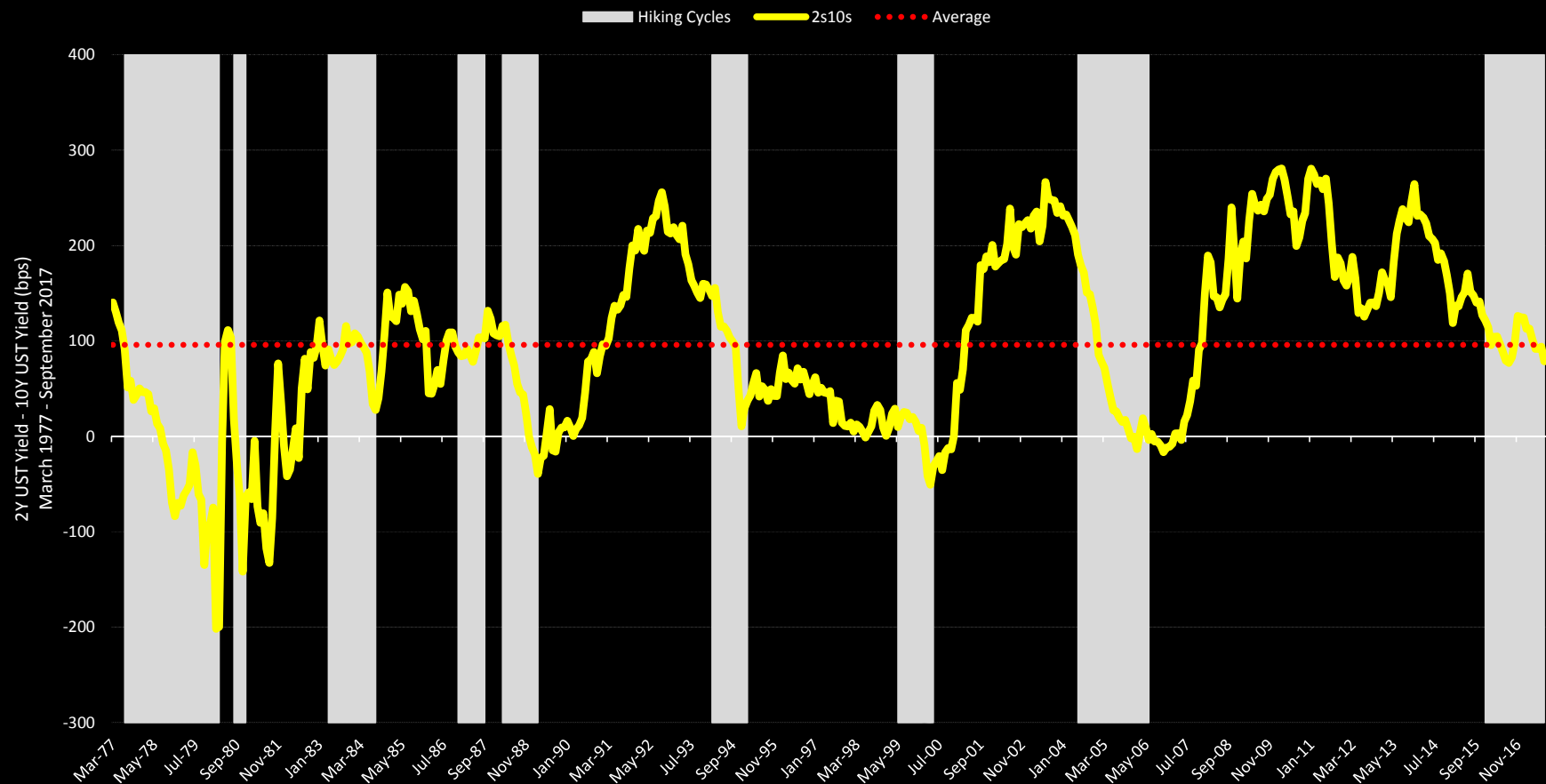
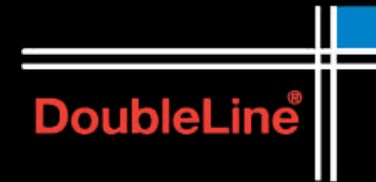
9-26-17 Bev Hills

# U.S. 10-Year Treasury



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT10 = US 10 Year Treasury Bond. You cannot invest directly in an index.

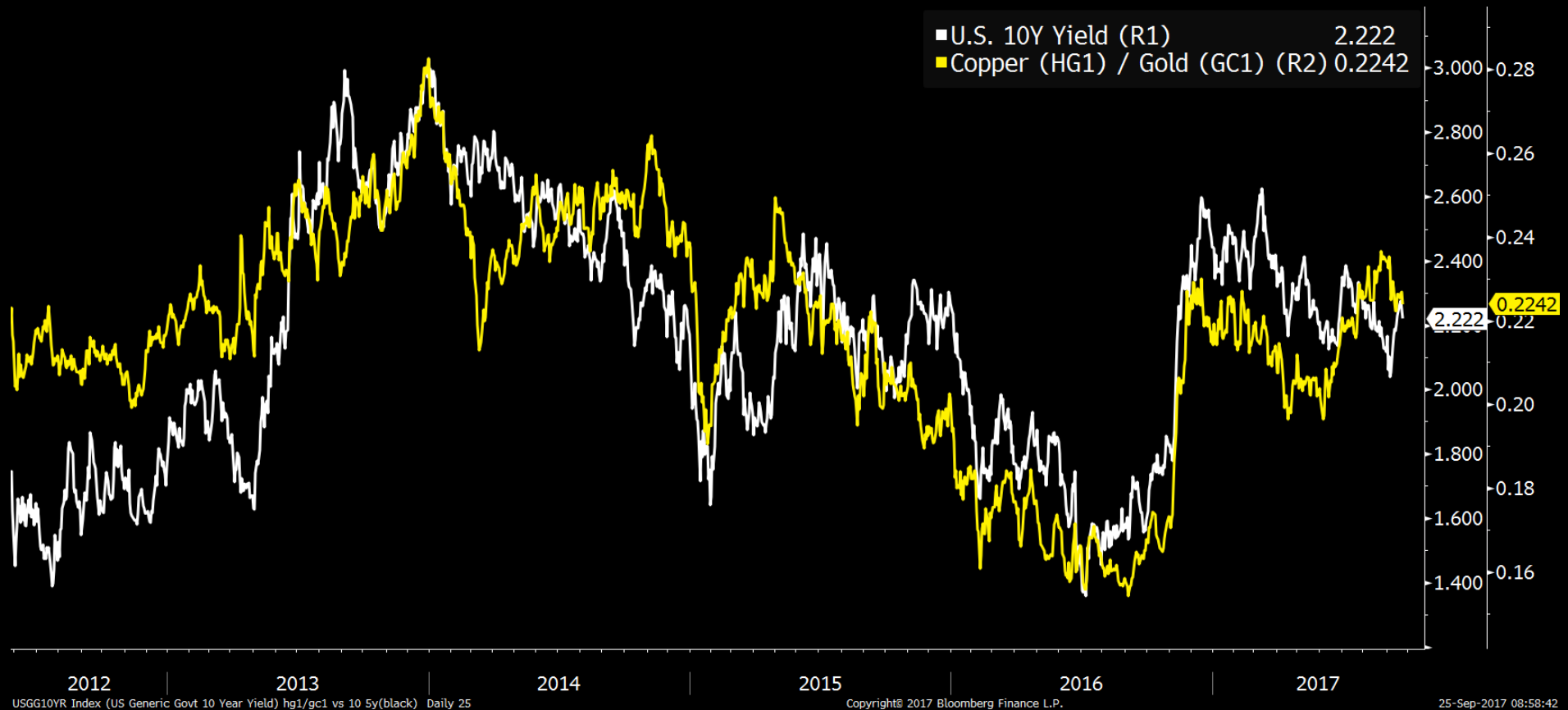
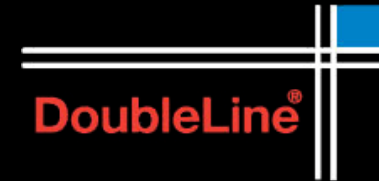
# U.S. Treasury 2s to 10s and Fed Hiking Cycles



Source: Bloomberg Financial Services, DoubleLine Capital LP

2s to 10s = U.S. 2-year Treasury vs. 10-year U.S. Treasury. GT10 = US 10 Year Treasury Bond. GT02 = 2year U.S. Treasury bond. You cannot invest directly in an index.

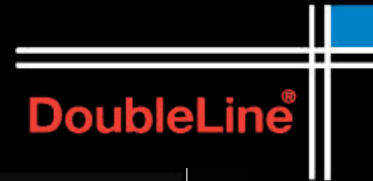
# Copper/Gold Ratio vs. U.S. Treasury 10-year Yield (5-year chart)



Source: Bloomberg  
USGG10Yr Index = U.S. 10-year Treasury. HG1 Comdty = Copper. GC1 = Gold futures. You cannot invest directly in an index.

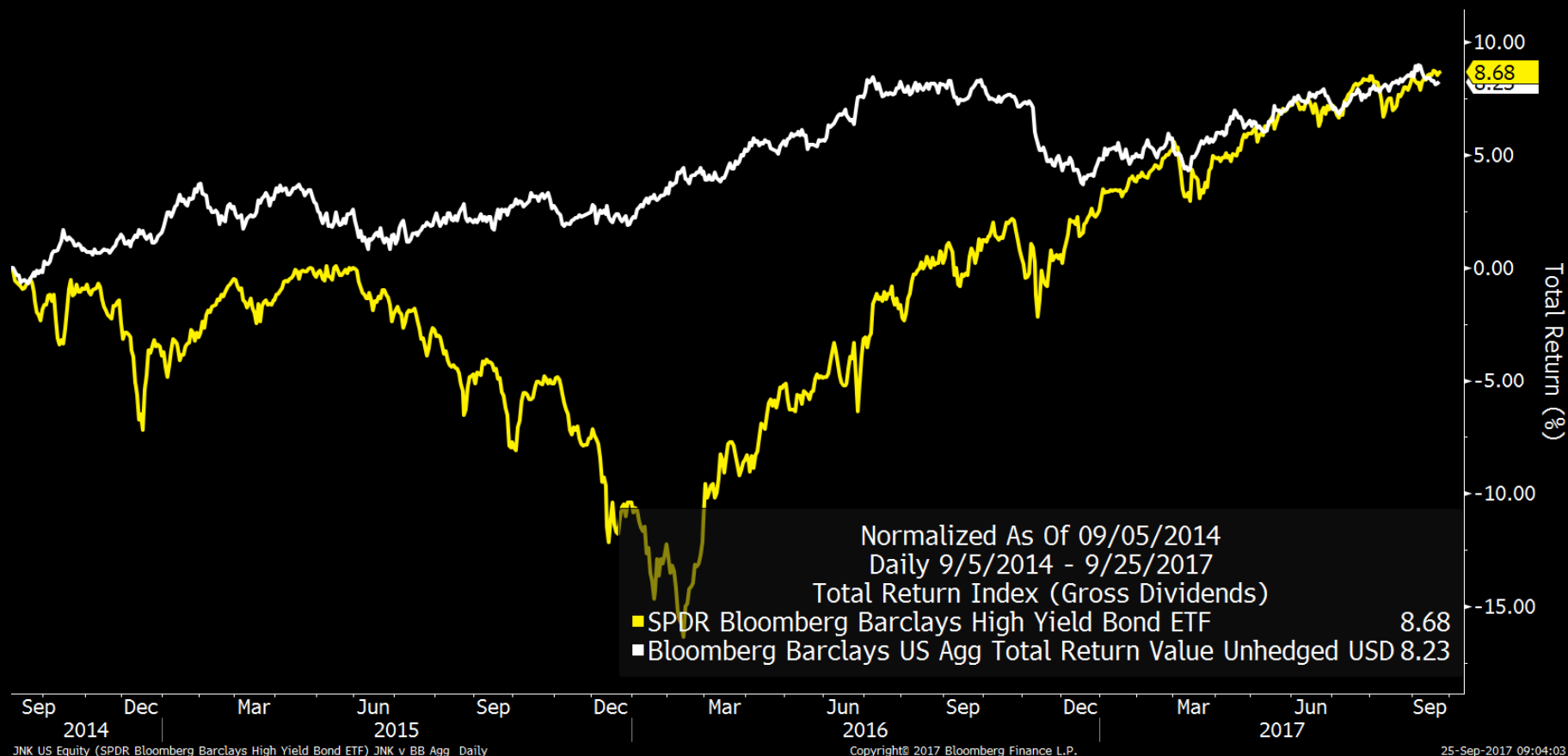
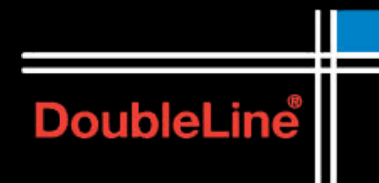
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# U.S. 30-Year Treasury



Source: Bloomberg Financial Services, DoubleLine Capital LP  
GT30 = US 30 Year Treasury Bond. You cannot invest directly in an index.

# Junk Bonds (JNK) vs. BB Aggregate Bond Index 3-Year Returns



Source: Bloomberg, DoubleLine

JNK = SPDR Bloomberg Barclays High Yield Bond ETF is an exchange-traded fund seeking investment results that correspond to the price and yield of the Bloomberg Barclays High Yield Very Liquid Bond Index. LBSTRUU= Bloomberg Barclays US Aggregate Index. You cannot invest directly in an index. See appendix for further index description.

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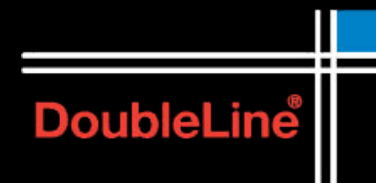
# Junk Bonds (JNK) - 5 years with 200-day Moving Average



Source: Bloomberg, DoubleLine

JNK = SPDR Bloomberg Barclays High Yield Bond ETF is an exchange-traded fund seeking investment results that correspond to the price and yield of the Bloomberg Barclays High Yield Very Liquid Bond Index which is a component of the U.S. Corporate Bond Index designed to track more liquid component of the USD-denominated, high yield, fixed rate corporate bond market. It is being used as a proxy. SMAVG = standard moving average.

# Bank Loan (BKLN) ETF



BKLN US Equity (PowerShares Senior Loan Portfolio) BKLN ETF Daily 26SEP2016-26S

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26-Sep-2017 10:24:10

Source: Bloomberg, DoubleLine

BKLN = PowerShares Senior Loan Portfolio is an exchange-traded fund seeking investment results that correspond generally to the price and yield of the S&P/LSTA U.S. Leveraged Loan 100 Index. SMAV = standard moving average.



# 2017 at the Three Quarter Pole

**Presented by:**

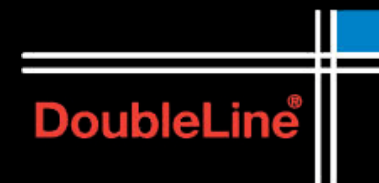
**Jeffrey Gundlach**

Chief Executive Officer

**September 26, 2017**



# SPDR Barclays High Yield Bond ETF (JNK)



## Investment Objective & Summary

The investment objective of the SPDR Barclays High Yield Bond ETF seeks to provide investment results that, before fees and expenses, corresponds generally to the price and yield performance of the Barclays High Yield Very Liquid Index. The ETF invests in U.S. high yield bonds.

The Barclays High Yield Very Liquid Index is designed to measure the performance of publicly issued U.S. dollar denominated high yield corporate bonds with above-average liquidity. High yield securities are generally rated below investment grade and are commonly referred to as "junk bonds." The Index includes publicly issued U.S. dollar denominated, non-investment grade, fixed-rate, taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality, are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's Investors Service, Inc., Fitch Inc., or Standard & Poor's, Inc. Respectively, and have \$500 million or more of outstanding face value

**Important Risk Information** - In general, ETFs can be expected to move up or down in value with the value of the applicable index. Although ETF shares may be bought and sold on the exchange through any brokerage account, ETF shares are not individually redeemable from the Fund. Investors may acquire ETFs and tender them for redemption through the Fund in Creation Unit Aggregations only. Please see the prospectus for more details.

Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; issuer credit risk; liquidity risk; and inflation risk.

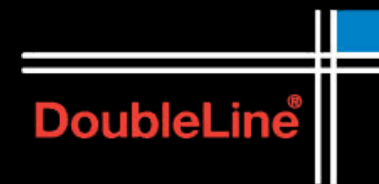
Investing in high yield fixed income securities, otherwise known as "junk bonds" is considered speculative and involves greater risk of loss of principal and interest than investing in investment grade fixed income securities. These lower-quality debt securities involve greater risk of default or price change due to potential changes in the credit quality of the issuer. The Fund invests by sampling the Index, holding a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics which may cause the fund to experience tracking errors relative to performance of the Index.

Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. References to State Street may include State Street Corporation and its affiliates. Certain State Street affiliates provide services and receive fees from the SPDR ETFs.

***Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-866-787-2257 or talk to your financial advisor. Read it carefully before investing.***

JNK is distributed by State Street Global Markets, LLC

# iShares JP Morgan USD Emerging Markets Bond ETF (EMB)



## Investment Objective & Summary

The iShares J.P. Morgan USD Emerging Markets Bond ETF seeks to track the investment results of an index composed of U.S. dollar-denominated, emerging market bonds

Gives exposure to U.S. dollar-denominated bonds issued by emerging market countries across the sovereign debt of 30+ EM countries.

***Carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, and if available, summary prospectus, which may be obtained by calling 1-800-iShares (1-800-474-2737) or by visiting [www.iShares.com](http://www.iShares.com) or [www.blackrock.com](http://www.blackrock.com). Read the prospectus carefully before investing. Investing involves risk, including possible loss of principal.***

Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments.

International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation and the possibility of substantial volatility due to adverse political, economic or other developments. These risks often are heightened for investments in emerging/ developing markets or in concentrations of single countries.

Historical fund data prior to 4/3/2017 is based on foreign currency exchange (FX) rates corresponding to 4:00AM, eastern time; fund data on and after 4/3/2017 is based on FX rates corresponding to 4:00PM, London time.

Performance shown reflects fee waivers and/or expense reimbursements by the investment advisor to the fund for some or all of the periods shown.

Performance would have been lower without such waivers.

Diversification may not protect against market risk or loss of principal. Shares of iShares Funds are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

**Index returns are for illustrative purposes only. Index performance returns do not reflect any management fees, transaction costs or expenses.**

**Indexes are unmanaged and one cannot invest directly in an index. Past performance does not guarantee future results.**

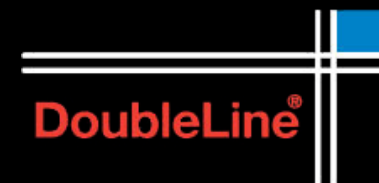
"Acquired Fund Fees and Expenses" reflect the Fund's pro rata share of the indirect fees and expenses incurred by investing in one or more acquired funds, such as mutual funds, business development companies, or other pooled investment vehicles. AFEE are reflected in the prices of the acquired funds and thus included in the total returns of the Fund.

The iShares Funds are distributed by BlackRock Investments, LLC (together with its affiliates, "BlackRock").

J.P. Morgan is a trademark of JPMorgan Chase & Co. and has been licensed for use by BlackRock. The iShares Funds are not sponsored, endorsed, issued, sold or promoted by JPMorgan Chase & Co. This company does not make any representation regarding the advisability of investing in the Funds. BlackRock is not affiliated with the company listed above.

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# VanEck Vectors Gold Miners ETF (GDX)



## Investment Objective & Summary

VanEck Vectors Gold Miners ETF (GDX) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the NYSE Arca Gold Miners Index (GDMNTR), which is intended to track the overall performance of companies involved in the gold mining industry.

Before you invest, you may want to review the Fund's prospectus, which contains more information about the Fund and its risks. You can find the Fund's prospectus and other information about the Fund online at <http://www.vaneck.com/library/etfs/>. You can also get this information at no cost by calling 800.826.2333, or by sending an email request to [info@vaneck.com](mailto:info@vaneck.com). The Fund's prospectus and statement of additional information, both dated May 1, 2017, are incorporated by reference into this summary prospectus.

An investment in the Fund may be subject to risks which include, among others, competitive pressures, dependency on the price of gold and silver bullion which may fluctuate substantially over short periods of time, periods of outperformance and underperformance of traditional investments such as bonds and stocks, and natural disasters, all of which may adversely affect the Fund. Foreign investments are subject to risks, which include changes in economic and political conditions, foreign currency fluctuations, changes in foreign regulations, and changes in currency exchange rates which may negatively impact the Fund's return. Small- and medium-capitalization companies may be subject to elevated risks. The Fund's assets may be concentrated in a particular sector and may be subject to more risk than investments in a diverse group of sectors.

The NYSE Arca Gold Miners Index (GDMNTR), a trademark of NYSE or its affiliates (NYSE), is licensed for use by Van Eck Associates Corporation in connection with VanEck Vectors Gold Miners ETF (GDX). GDX is not sponsored, endorsed, sold or promoted by NYSE and NYSE makes no representation as to the accuracy and/or completeness of GDMNTR or results to be obtained by any person from using GDMNTR in connection with trading the Fund.

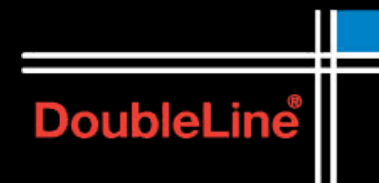
Fund shares are not individually redeemable and will be issued and redeemed at their NAV only through certain authorized broker-dealers in large, specified blocks of shares called "creation units" and otherwise can be bought and sold only through exchange trading. Shares may trade at a premium or discount to their NAV in the secondary market. You will incur brokerage expenses when trading Fund shares in the secondary market. Past performance is no guarantee of future results. Returns for actual Fund investments may differ from what is shown because of differences in timing, the amount invested, and fees and expenses.

Investing involves substantial risk and high volatility, including possible loss of principal. An investor should consider the investment objective, risks, charges and expenses of the Fund carefully before investing. To obtain a prospectus and summary prospectus, which contain this and other information, call 800.826.2333 or visit [vaneck.com](http://vaneck.com). Please read the prospectus and summary prospectus carefully before investing.

This content is published in the United States for residents of specified countries. Investors are subject to securities and tax regulations within their applicable jurisdictions that are not addressed on this content. Nothing in this content should be considered a solicitation to buy or an offer to sell shares of any investment in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction, nor is it intended as investment, tax, financial, or legal advice. Investors should seek such professional advice for their particular situation and jurisdiction.

DoubleLine Total Return Bond Fund owns 0% of GDX as of September 12, 2017.

# PowerShares Senior Loan Portfolio ETF (BKLN)



## Investment Objective & Summary

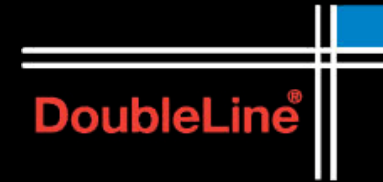
The PowerShares Senior Loan Portfolio (Fund) is based on the S&P/LSTA U.S. Leveraged Loan 100 Index (Index). The Fund will normally invest at least 80% of its total assets in the component securities that comprise the Index. The Index is designed to track the market-weighted performance of the largest institutional leveraged loans based on market weightings, spreads and interest payments. The Fund and the Index are rebalanced and reconstituted bi-annually, in June and December.

*Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the Fund call 800-983-0903 or visit [powershares.com](http://powershares.com) for the prospectus/summary prospectus.*

**About risk** An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating. There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The Fund's return may not match the return of the Underlying Index. The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund. The Fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the underlying Index, and may be subject to greater volatility. The Fund is non-diversified and may experience greater volatility than a more diversified investment. Most senior loans are made to corporations with below investment-grade credit ratings and are subject to significant credit, valuation and liquidity risk. The value of the collateral securing a loan may not be sufficient to cover the amount owed, may be found invalid or may be used to pay other outstanding obligations of the borrower under applicable law. There is also the risk that the collateral may be difficult to liquidate, or that a majority of the collateral may be illiquid. The Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities. The Fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the Fund's investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments. Under a participation in senior loans, the fund generally will have rights that are more limited than those of lenders or of persons who acquire a senior loan by assignment. In a participation, the fund assumes the credit risk of the lender selling the participation in addition to the credit risk of the borrower. In the event of the insolvency of the lender selling the participation, the fund may be treated as a general creditor of the lender and may not have a senior claim to the lender's interest in the senior loan. Certain participations in senior loans are illiquid and difficult to value. The values of junk bonds fluctuate more than those of high quality bonds and can decline significantly over short time periods.

Invesco Distributors, Inc.

# Definitions



**Bloomberg Barclays Capital US Aggregate Index** - The Barclays Capital US Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Bloomberg Barclays Capital US MBS Index** - The Barclays Capital US MBS Index represents the MBS component of the Bloomberg Barclays US Aggregate Index.

**Bloomberg Barclays Capital US Treasury Index** - This index is the US Treasury component of the US Government index. Public obligations of the US Treasury with a remaining maturity of one year or more.

**Bloomberg Barclays Capital US Treasury 10 Year Index** - This index is the 10 year component of the US Government index.

**Bloomberg Barclays Capital US Treasury 30 Year Index** - This index is the 30 year component of the US Government index.

**Bloomberg Barclays Capital US High Yield Index** - The Barclays Capital US High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issuer from countries designated as emerging markets (e.g. Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind (PIK, as of October 1, 2009) are also included.

**BofA Merrill Lynch US Government Index (GOAO)** - The Merrill Lynch US Government Index tracks the performance of US government (i.e. securities in the Treasury and Agency indices).

**BofA Merrill Lynch US Corporate Index (COAO) "Investment Grade"** - The Merrill Lynch Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

**CRB Commodity Index (CRY)** - An unweighted geometric average of some important commodities. It averages prices across 17 commodities and across time. The index tracks energy, grains, industrials, livestock, precious metals, and agricultural.

**S&P 500 (SPX)** - S&P 500 is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States.

**Standard Deviation** - Sigma = standard deviation. It shows how much variation there is from the "average" (mean, or expected/budgeted value). A low standard deviation indicated that the data point tend to be very close to the mean, whereas high standard deviation indicated that the data is spread out over a large range of values.

**Dow Jones - UBS DJ Commodity Index** - The Dow Jones UBS - Commodity index is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel and zinc, which trade on the London Metal Exchange (LME).

**"Copper"** = Copper Spot Price (HGI) Copper is the world's third most used metal behind iron and aluminum primarily used in highly cyclical industries including construction and industrial machinery manufacturing. Spot price quoted in USD/lb.

**"Gold"** = Gold Spot Price (Golds) The Gold Spot price is quoted as US Dollar per Troy Ounce.

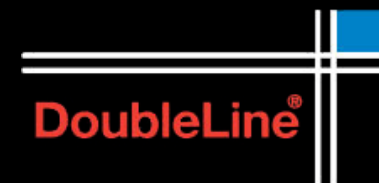
**Crude Oil** = Crude oil varies greatly in appearance depending on its composition. West Texas intermediate (WTI) = Texas light sweet crude is used as a benchmark in oil pricing. It's "light" because of the low density and sweet because of low sulfur. Brent crude = Is a major trading classification of sweet light crude. Brent is the oil maker also known as Brent Blend.

**Volatility Index (VIX)** - The VIX shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX is a widely used measure of market risk and is often referred to as the "investor fear gauge".

**Spread** - Spread is the percentage point difference between yields of various classes of bonds compared to treasury bonds.

**Yield-to-Maturity (YTM)** - The discount rate at which the sum of all future cash flows from the bond (coupons and principal) is equal to the price of the bond. The YTM calculation takes into account the bond's current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupon payments are reinvested at the same rate as the bond's current yield.

# Definitions



## **BofA Merrill Lynch US Dollar Emerging Markets Sovereign Plus Index (IGOV)**

This index tracks the performance of US dollar denominated emerging market and cross-over sovereign debt publicly issued in the eurobond or US domestic market. Qualifying countries must have a BB1 or lower foreign currency long-term sovereign debt rating (based on an average of Moody's, S&P, and Fitch).

## **BofA Merrill Lynch U.S. High Yield Cash Pay Index (JOA0) "Below Investment Grade"-**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Must have one year remaining to final maturity and a minimum outstanding amount of \$100MM.

## **BofA Merrill Lynch U.S. High Yield Index (H0A0)**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on average of Moodys, S&P and Fitch) at least 18 months to final maturity at time of issue of issuance, a final maturity, a fixed coupon schedule and a minimum amount outstanding of \$100 MM.

## **BofA Merrill Lynch U.S. High Yield Excluding Energy, Metals and Mining Index (HXNM)**

The Merrill Lynch High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market excluding energy, metals and mining.

## **BofA Merrill Lynch International Government Index (NOGO)**

The Merrill Lynch International Index tracks the performance of Australia, Canadian, French, German, Japan, Dutch, Swiss and UK investment grade sovereign debt publicly issued and denominated in the issuer's own domestic market and currency. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding.

## **BofA Merrill Lynch Mortgage-Backed Securities Index (MOA0)**

This index tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least \$5 billion per generic coupon and \$250MM per production year within each generic coupon.

**Bloomberg Barclays Capital Global Emerging Markets Index** - The Barclays Capital Global Emerging Markets Index represents the union of the USD-denominated US Emerging Markets index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. As with other fixed income benchmarks provided by Barclays Capital, the index is rules-based, which allows for an unbiased view of the marketplace and easy replicability.

**JP Morgan Investment Grade Corporate Index** - JP Morgan Investment Grade Corporate Index includes performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). Securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$250MM.

**Draw Down** - The peak-to-trough decline during a specific record period of an investment, fund or commodity. A drawdown is usually quoted as the percentage between the peak and the trough.

**Sharpe Ratio** - A measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment.

**Sorintino Ratio** - Is a variation of the Sharpe ratio that differentiates harmful volatility from the total overall volatility by using the asset's standard deviation of negative asset returns, called downside deviation. The Sorintino ratio takes the asset's return and subtracts the risk-free rate, then divides that amount by the asset's downside deviation.

**NAV** - A mutual fund's price per share or exchange-traded fund's (ETF) per-share value. In both cases, the per-share dollar amount of the fund is calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding.

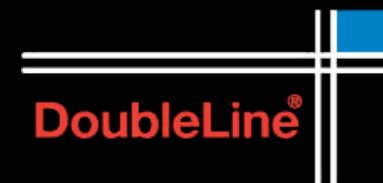
**CMO** - A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus

**TIPS** - Treasury Inflation Protection. A treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed.

**CPI** - Consumer Price Index. A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

**Cash Flow** - Cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income.

# Definitions



**BofA/Merrill Lynch High Yield Cash Pay CCC –rated Index (JOA3)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on CCC rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay BB–rated Index (JOA1)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on BB rated High Yield credit only.

**BofA/Merrill Lynch High Yield Cash Pay B–rated Index (JOA2)** – .A component of the BofA/Merrill Lynch High Yield Cash Pay Index concentrating on B rated High Yield credit only.

**BofA/Merrill Lynch Credit Index BBB-rated Index (COA4)** – .A component of the BofA/Merrill Lynch Credit Index concentrating on the lower rated BBB investment grade credits.

**BofA/Merrill Lynch Credit Index A–rated Index (COA3)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the A rated investment grade credits.

**BofA/Merrill Lynch Credit Index AAA –rated Index (COA1)** – . A component of the BofA/Merrill Lynch Credit Index concentrating on the highest rated AAA investment grade credits.

**BofA Merrill Lynch US Treasury Index (GOQ0)** -The Merrill Lynch US Treasury Index tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion.

**BofA Merrill Lynch US 10-15 Year Treasury Index “Long Treasury”**-The Merrill Lynch US 10-15 Treasury Index tracks the performance of US dollar denominated 10-15 year sovereign debt publicly issued by the US government in its domestic market. It is a subset of the BofA Merrill Lynch U.S. Treasury Index (GOQ0).

**BofA Merrill Lynch Municipal Index**-The Merrill Lynch Municipal

**BofA Merrill Lynch Current 10 year UST Index** – This index is the 10 year component of the US Government index.

**BofA Merrill Lynch Current 30 year UST Index** – This index is the 30 year component of the US Government index.

**Shanghai Index** - The Shanghai Stock Exchange Composite is a capitalization-weighted index tracking daily price performance of all A and B-shares listed on the Shanghai Stock Exchange. This index was developed December 19, 1990 with a base value of 100.

**S&P/Case-Shiller Composite Home Price Index** - The Case-Shiller Home Price Indices, one comprised of price changes within all 20 metropolitan markets, and another comprised of price changes within the following subset of 10 metropolitan markets: Boston, Chicago, Denver, Las Vegas, Los Angeles, Miami, New York, San Diego, San Francisco and Washington DC. In addition to those 10 markets, the 20-Home Price index reflects price changes for Atlanta, Charlotte, Dallas, Detroit, Minneapolis, Phoenix, Portland, Seattle and Tampa.

**NASDAQ**- A computerized system that facilitates trading and provides price quotations on more than 5,000 of the more actively traded over the counter stocks. Created in 1971, the Nasdaq was the world's first electronic stock market.

**Transports**- The Industrials Sector includes companies whose businesses are dominated by one of the following activities: The manufacture and distribution of capital goods, including aerospace & defense, construction, engineering & building products, electrical equipment and industrial machinery

**Utilities**- A public utility is a business that furnishes an everyday necessity to the public at large. Public utilities provide water, electricity, natural gas, telephone service, and other essentials. Utilities may be publicly or privately owned, but most are operated as private businesses.

**Basis Point**- A basis point is a unit that is equal to 1/100<sup>th</sup> of 1%, and is used to denote the change in a financial instrument.

**REIT**- Real Estate Trust. A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or mortgages

**Duration** – Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

**ISM** = ISM Manufacturing Index is based on a survey of 300 manufacturing firms by the Institute of Supply Management.

**DXY** = U.S. dollar spot index indicates the general international value of the US dollar by averaging the exchange rates between the USD and major world currencies.

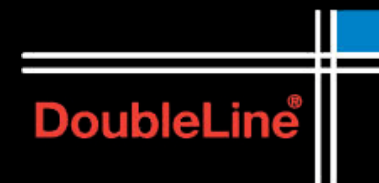
**PE** = price/ earnings ratio is the ratio of valuing a company that measures its current share price relative to its per-share earnings

**S&P Low Volatility TR** = The S&P 500 Low Volatility Index is designed to measure the performance of the 100 least volatile stocks of the S&P 500 Index Volatility is defined as the standard deviation of the security computed using the daily price returns over 252 trading days.

**MSCI USA Minimum Volatility Gross TR Index** is designed to reflect the performance of a minimum variance equity strategy by optimizing a traditional cap weighted “parent MSCI Index” to attain the lowest level of volatility for a set of constraints.



# Definitions



**BofA/Merrill Lynch Inflation Linked Index (GOQ1)** – The BofA Merrill Lynch US Inflation-Linked Treasury Index tracks the performance of US dollar denominated inflation linked sovereign debt publicly issued by the US government in its domestic market.

**Citigroup TIPS (SBUSILSI)** – It measures the returns of the inflation-linked bonds with fixed-rate coupon payments that are linked to an inflation index. The price of each issue in the USLSI is adjusted by using an index ratio. The index ratio is determined by dividing the current inflation index level by the inflation index level at the time of issue of the security. The inflation index is published on a monthly basis, and the intra-month index ratio is calculated using linear interpolation.

**Bloomberg Barclays Capital CMBS Index** – tracks the performance of US dollar-denominated securitized commercial mortgage-backed securities.

**Russell 2000** – measures the performance of the small-cap segment of the US equity universe. Russell 2000 is a subset of the Russell 3000 index representing approximately 10% of the total market capitalization of that index.

**S&P GSCI** – is a composite index of commodity sector return representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities.

**S&P GSCI Agriculture** – is a composite index of agriculture commodity futures unleveraged, long-only investment.

**Barclays Capital US 30 Year TIPS Index** - . Barclays Capital 30-year TIPS on-the-run index quoted in US Dollars traded intraday

**Citigroup Economic Surprise Index** - . The Citigroup Economic Surprise Indices are objective and quantitative measures of economic news. They are defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets.

**DAX** - This index is the German Stock Index is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange.

**CAC 40** – This index the most widely-used indicator of the Paris market, reflects the performance of the 40 largest equities listed in France, measured by free-float market capitalization and liquidity.

**FTSE 100** – Is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange.

**Nikkei 225** – The Nikkei-225 Stock average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

**ESTX50** – EuroSToxx 50 index is Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the Eurozone.

**Merrill Lynch Option MOVE Index** – Merrill Lynch Option Volatility Estimate is a weighted index of the normalized implied volatility on 1-month Treasury options.

**MSCI USA Minimum Volatility** – The index is calculated by optimizing the MSCI USA index, its parent index, in USD for the lowest absolute risk (within given constraints).

**Bloomberg Barclays U.S. High Yield Index** – An index that is composed of fixed-rate, publicly issued, non-investment grade debt.

**Bloomberg Barclays Euro Corporate Index** – A subset of the Barclays EuroAgg measures the investment grade, euro-denominated, fixed rate bond market, including treasuries, government-related, corporate and securitized issues.

**Bloomberg Barclays Euro High Yield Index** – Measures the market of non-investment grade, fixed-rate corporate bonds denominated in Euro. Inclusion is based on the currency of issue, and not the domicile of the issuer.

**JPMorgan Corporate EMBI Broad Diversified Index (JBCDCOMP)** – This index tracks a broad basket of performance of investment grade corporate debt, including smaller issues covering a wider array of publically issued across a range of emerging market countries.

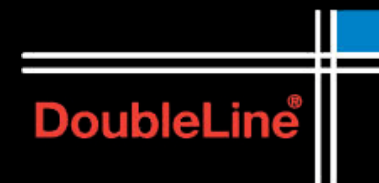
**JPMorgan Corporate Emerging Market Index (JCMHCOR)** – This index is a liquid basket of emerging markets corporate issues which include 80 bonds, representing 60 issuers and 16 countries. It has strict liquidity criteria for inclusion in order to provide replicability, tradability, robust pricing and data integrity.

**JPMorgan Global Bond Index ex-EM (JGAGUSD)** – is a comprehensive global investment grade benchmark excluding emerging markets.

**JPMorgan EM Bond Index Global Diversified** – tracks total returns for traded external debt instruments in the emerging markets limiting the weights of those index countries with larger debt stocks by only including a specified portion of these countries eligible current face amounts of debt outstanding..

**Bloomberg Barclays U.S. Corporate Index** – Is a subset of the Barclays U.S. Aggregate index which is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed rate taxable bond market. IT includes Treasuries, government-related and corporate securities, MBS, ABS and CMBS. This subset represents the investment grade portion of that index.

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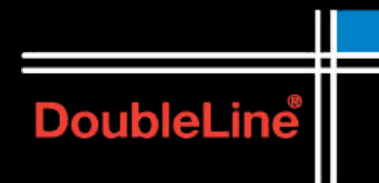
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