

## AIA S&P Global 500 (Large Cap) Strategy

QUARTERLY PORTFOLIO COMMENTARY (CASH FUNDED AFTER-TAX COMPOSITE)

Global equity moved higher in the first quarter as the Fed continued their holding pattern on overnight interest rates. Inflation continued to moderate although it remains a key watchpoint, along with a backdrop of greater geopolitical unease, heading into a fall US election. The US economy has exhibited resilience with robust unemployment levels and strong GDP growth. Investors have piled into risk assets as potential Fed rate cuts, combined with more stable economic data, suggest a soft-landing scenario. Annual US inflation was 3.5% in March, up slightly from February. Unemployment moderated at 3.8% in March, maintaining historically robust levels. United States GDP rose by an annualized rate of 3.4% in the fourth quarter of 2023. The MSCI World Index rose (9.0%) over the quarter, while the MSCI Emerging Markets Index rose (2.4%). The MSCI All Country World Index rose (8.3%). The best-performing sectors over the quarter were communication services (+12.8%), information technology (+12.3%), financials (+10.4%), and energy (+9.7%). The worst-performing sectors were real estate (-0.5%) and utilities (+1.2%). North America, Middle East, and Japan showed strength, while Asia and Latin American experienced declines.

During the quarter, the AIA S&P Global 500 (Large Cap) Strategy outperformed its benchmark before taxes and net of 0.35% fee by 0.85%. The strategy outperformed over the period on an after-tax net of 0.35% fee basis by 1.11%. After-tax outperformance was relatively mild, due to limited opportunities to harvest losses, and strong market performance in the first quarter. Tax alpha was positive and added +0.26% during the period.

The AIA S&P Global 500 (Large Cap) Strategy seeks to provide a pre-tax return similar to the performance of the market cap blended benchmark composed of the S&P 500® and S&P ADR indexes. The strategy seeks to outperform the benchmark on an after-tax basis by proactively realizing losses. AIA's managers use a proprietary selection methodology to select a subset of stocks from the index, while seeking sector-neutral weights and diversification across market capitalization. Individual account performance may vary due to restrictions at the account level, such as security exclusions, capital gain budgets, and other restrictions.

Markets have soared to new highs with better than expected economic growth and as investors remain upbeat on the economic outlook. Inflation, monetary policy, and the trajectory of the US economy are watchpoints for investors. While economic data and investor sentiment have been strong, uncertainties linger. Geopolitical and macroeconomic weakness may continue to drive market volatility and dispersion. The resulting market environment has increasingly proven challenging to navigate. We continue to believe that active fundamental research, combined with investment discipline, provides an attractive way to navigate market uncertainty.

### AIA S&P Global 500 (Large Cap) Strategy – Annualized Returns (as of 3/31/2024)

AIA S&P Global 500 Cash Funded After-Tax Composite Pure Gross Returns	Pre-Tax			After-Tax			Tax Alpha
	Composite Pure Gross Return	Benchmark Return (500 + ADR)	Difference	Composite Pure Gross Return	Estimated Benchmark Return	Difference	
3 months	11.26%	10.31%	0.95%	11.12%	9.91%	1.20%	0.26%
1 year	29.01%	28.56%	0.45%	28.71%	26.69%	2.02%	1.57%
3 years	11.17%	11.09%	0.08%	15.64%	9.43%	6.21%	6.13%
5 years	13.70%	14.05%	-0.35%	19.27%	12.36%	6.91%	7.26%
10 years	11.08%	11.37%	-0.29%	15.06%	9.90%	5.17%	5.45%
Since inception 08/01/2006	9.31%	9.17%	0.14%	11.88%	8.07%	3.81%	3.67%

AIA S&P Global 500 Cash Funded After-Tax Composite Net 0.35% Returns	Pre-Tax			After-Tax			Tax Alpha
	Composite Net 0.35% Return	Benchmark Return (500 + ADR)	Difference	Composite Net 0.35% Return	Estimated Benchmark Return	Difference	
3 months	11.16%	10.31%	0.85%	11.02%	9.91%	1.11%	0.26%
1 year	28.57%	28.56%	0.01%	28.27%	26.69%	1.58%	1.57%
3 years	10.78%	11.09%	-0.30%	15.24%	9.43%	5.81%	6.12%
5 years	13.31%	14.05%	-0.74%	18.86%	12.36%	6.50%	7.24%
10 years	10.70%	11.37%	-0.67%	14.67%	9.90%	4.77%	5.44%
Since inception 08/01/2006	8.93%	9.17%	-0.24%	11.49%	8.07%	3.42%	3.66%

AIA S&P Global 500 Cash Funded After-Tax Composite Net Bundled Fee Returns <sup>1</sup>	Pre-Tax			After-Tax			Tax Alpha
	Composite Net Bundled Fee Return	Benchmark Return (500 + ADR)	Difference	Composite Net Bundled Fee Return	Estimated Benchmark Return	Difference	
3 months	10.45%	10.31%	0.14%	10.31%	9.91%	0.40%	0.26%
1 year	25.27%	28.56%	-3.29%	24.98%	26.69%	-1.71%	1.57%
3 years	7.90%	11.09%	-3.18%	12.26%	9.43%	2.83%	6.01%
5 years	10.37%	14.05%	-3.68%	15.79%	12.36%	3.43%	7.11%
10 years	7.82%	11.37%	-3.55%	11.70%	9.90%	1.80%	5.35%
Since inception 08/01/2006	6.10%	9.17%	-3.08%	8.60%	8.07%	0.53%	3.60%

<sup>1</sup> The assumed model bundled fee used is 3.0% and has been retroactively applied since inception.

## AIA S&P Global 500 Strategy (Large Cap) – Market Cap Allocations (as of 3/31/2024)

Market cap size	Percentage of total portfolio
Large (>10B)	99.89%
Mid (2.5B to 10B)	0.11%
Small (<2.5B)	0.00%

**Performance data shown represents past performance and is no guarantee of, and not necessarily indicative of, future results.** As portfolios are actively managed, holdings are subject to change. The securities discussed herein do not represent all of the securities purchased, sold or recommended. The reader should not assume that an investment in these securities was or will be profitable. A complete list of all past recommendations made within the immediately preceding 12-month period is available upon request.

The benchmark is a blended between the S&P 500<sup>®</sup> Index and the S&P ADR Index. The **S&P 500<sup>®</sup> Index** is a widely recognized measure of US stock market performance. It is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation, among other factors. It also measures the performance of the large-cap segment of the US equities market. The **S&P ADR (American Depositary Receipts) Index** is based on the non-U.S. stocks of the S&P Global 1200 traded in the U.S. exchanges. The index draws constituents from these six indices: S&P Europe 350, S&P/TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50, S&P Asia 50, and S&P Latin America 40. The **MSCI World Index** captures large and mid-cap representation across 23 developed markets countries. With 1,465 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The **MSCI Emerging Markets Index** is an unmanaged index that is designed to measure the equity market performance of emerging markets. The **MSCI All Country World Index** is a free float-adjusted market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is comprised of stocks from 23 developed countries and 24 emerging markets.

The views and opinions expressed may change based on market and other conditions. This material is provided for informational purposes only and should not be construed as investment advice. There can be no assurance that developments will transpire as forecasted. Actual results may vary.

AIA encompasses the direct indexing capabilities offered through Natixis Investment Managers Solutions. Natixis Investment Managers Solutions is a division of Natixis Advisors, LLC (“Natixis Advisors”). Natixis Advisors is an SEC registered investment adviser and an indirect subsidiary of Natixis Investment Managers, LLC. Prior to August 2021, AIA was a division of Natixis Advisors. A complete list of composite descriptions, as well as additional information regarding the firm's policies and procedures for valuing portfolios, calculating performance, and preparing compliant presentations, is available upon request. The AIA S&P Global Cash Funded After-Tax Composite includes all fully discretionary, taxable, fee-paying portfolios that invest in the AIA S&P Global which have initially been funded with cash. This strategy seeks to gain broad market exposure to the US and international equity markets through the use of US stocks and US listed American Depositary Receipts. This strategy invests in a subset of securities from within either the S&P 500<sup>®</sup> or S&P 1500<sup>®</sup> and the S&P ADR indexes. The AIA S&P Global Cash Funded After-Tax Composite is a sub-composite of the AIA S&P Global Pre-Tax Composite. The composite was created in November 2007. The benchmark used is the Custom S&P Global Index defined as the capitalization weighted blend of the S&P 500<sup>®</sup> and the S&P ADR, indexes representing large-cap US stocks and non-US stocks, respectively. The custom index is rebalanced daily and calculated by S&P. As of year-end 2021, the S&P 500<sup>®</sup> represented 85% of the blend and the S&P ADR represented 15% of the blend. Benchmark weights for historical time periods are available upon request. Performance is expressed in US dollars. All results are time-weighted total returns that include the reinvestment of income and dividends. Returns are presented net of non-reclaimable withholding taxes. Management fees vary on asset size and are negotiated by the sponsor. The standard fee schedule is as follows: 0.35% on the first \$5 million; 0.25% on the next \$5 million; 0.20% on the next \$10 million; 0.17% on the next \$30 million; 0.16% thereafter. Net-of-fees returns assume a model bundled fee which is inclusive of custody, advisor, transaction, and investment management fees. The model fee is deducted 1/12th per month from the gross composite return. The assumed model bundled fee used is 3.0% and has been retroactively applied since inception. Pure gross-of-fees returns are supplemental information and do not reflect the deduction of transaction costs or fees that are included within bundled fees. Effective January 2006, accounts with significant cash withdrawals are temporarily removed from the composite during the month that the withdrawal was taken. Currently, significant cash withdrawals are defined as cash withdrawals that are greater than 10% of an account's market value. Details related to the policy and the threshold for defining significant cash withdrawals historically are available upon request. The after-tax returns shown are subject to the limitations of the specific calculation methodology applied. Since the client's actual circumstances and tax rates determined after the fact may differ from the anticipated tax rates used in this process, the reported returns may not equal the actual after-tax returns for specific clients. After-tax returns are calculated using the maximum federal and state tax rates for dividends, short-term capital gains and long-term capital gains.

Tax alpha is the benefit of loss harvesting, which is assumed to be used to offset gains inside or outside the portfolio in the period they are incurred, and thus credited to the portfolio returns. The after-tax benchmark is an estimate based upon the average capital gain realization rate and dividend yield of the index. The maximum federal and state tax rates for dividends and capital gains are utilized in the after-tax calculations.

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