International and Global Growth Funds

Q4 2023 Commentary and Market Outlook

Baird Funds

MARKET RECAP

During the fourth quarter, the risk appetite of equity markets rebounded substantially, as financial conditions loosened in November and December and reversed the tightening that occurred in October. This rally in equity markets to close out the year was extremely broad, buoying both U.S. and international stocks, as well as growth and value stocks. The main driver of this rally was a reassessment of U.S. monetary policy, which placed a higher probability of interest rate cuts in 2024, and as early as the first half of the year, following recent U.S. inflation data that came in much softer than predicted.

On the economic front, despite signs of resilience in 2023, the lagged and ongoing effects of elevated real interest rates are set to keep global activity weak, thereby moderating inflationary forces further in the coming months. Additionally, the divergence across economies is anticipated to persist, and weakness in manufacturing and trade is beginning to spread into services. In other words, the global economy is beginning to normalize following the substantial dislocations in the pandemic and post-pandemic periods.

For better or worse, managed portfolios may become dislocated from benchmarks on a short-term basis too. And this is why we invest with a long-term time horizon, that can look through shorter term economic perturbations. Furthermore, our investment philosophy emphasizes businesses that benefit from secular trends and possess strong competitive advantages and market positions. We purposefully select portfolio companies that earn attractive profit margins, carry strong balance sheets, and generate cash on a consistent basis. We believe these attributes hold tack even if the macro backdrop is soft or deteriorating. And we deploy this strategy in concentrated and conviction-weighted portfolios. For these reasons, portfolios have the ability to outgrow market growth rates over an investment cycle.

In this inflationary environment, we have made ongoing adjustments to emphasize holdings that we believe are well-suited to transmit pricing power or are valued more attractively. These attributes should help protect against two of the most pernicious effects of inflation for equity investors, namely the compression of profit margins and the compression of valuation multiples.

Thank you for entrusting us to invest your precious capital and to navigate this uncertain market environment.

In the fourth quarter of 2023, the Baird Chautauqua International Growth Fund Net Investor Class returned +9.76%, performing in line with the MSCI ACWI ex-U.S. Index® ND, which returned +9.75%. The Baird Chautauqua Global Growth Fund Net Investor Class returned +10.14% during the quarter, underperforming the MSCI ACWI Index® ND, which returned +11.03%.*

MARKET UPDATE

For the MSCI ACWI ex-U.S. Index, growth style outperformed value style. Within the MSCI ACWI Index, growth style outperformed value style, and large capitalization stocks underperformed small capitalization stocks. In emerging markets, growth style modestly underperformed value style.

Sector performance, with energy the exception, was positive, and country performance was mixed but mostly positive for the quarter.

MSCI Sector and Country Performance (QTD as of 12/31/2023)

Sector	Performance
Information Technology	17.63%
Real Estate	16.02%
Industrials	13.39%
Financials	12.61%
Materials	11.65%
Utilities	10.97%
Consumer Discretionary	9.88%
Communication Services	9.39%
Health Care	6.02%
Consumer Staples	5.57%
Energy	-2.72%

Country	Performance	Country	Performance
Netherlands	19.89%	Switzerland	10.12%
Taiwan	17.46%	Israel	9.36%
Australia	15.27%	Japan	8.22%
Denmark	12.29%	Ireland	6.26%
India	11.98%	Singapore	4.48%
United States	11.95%	Hong Kong	3.42%
Canada	11.45%	Indonesia	2.04%
France	10.36%	China	-4.21%

Source: FactSet. Based on select MSCI country returns.

***Performance data represents past performance and does not guarantee future results. The investment return and principal value of the investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the data quoted. For performance data as of the most recent month-end, please visit bairdfunds.com.**

Global inflation has been elevated for much of the last three years and reached a peak in mid-2022, but it has also declined steadily since it reached that peak. The major central banks in the West, which include the U.S. Federal Reserve (Fed), the European Central Bank (ECB), and the Bank of England (BOE), all kept interest rates unchanged in their respective meetings in December but struck very different tones regarding anticipated interest rate cuts in 2024. The Fed signaled a shift in its monetary policy stance, aligning its interest rate trajectory closer to the market's assumptions but nonetheless more conservative. The ECB and BOE stuck to their existing postures, noting that a pivot would only be possible with more credible evidence that the decline in inflation is sustained.

Stock market performance and inflation data aside, the recent economic data suggests that global growth continues to slow. The purchasing managers indexes (PMIs) of the major developed economies, including the U.S., euro zone, U.K., and Japan, have shown that they are collectively stagnating. Although there are some varied trends within the group, there are also some concrete observations. Manufacturing remains firmly in decline, with output falling across all four economies and dropping most notably in the euro zone. Elevated financing costs and decelerating global goods demand have weighed on manufacturing activity. Additionally, service sector growth remains very subdued relative to the growth surge seen earlier during the spring and summer. Consistent with decelerating demand across the board, supply chain pressures have receded, and inflation momentum has eased.

In the U.S., economic activity and inflation have both moderated. While economic growth remained resilient this past year, it may have already peaked back in the third quarter. One contributor for this economic resiliency has been the unusual tightness in the labor market, which has supported household spending. But that appears to be gradually waning, as both the level of job openings and job gains have decelerated. U.S. core inflation decelerated to 3.2% in November, while headline inflation decelerated to 2.6%. Both measures remain above the Fed's target but have trended in the right direction.

In Europe, economic growth contracted in the third quarter, which marked the first decline since the pandemic year in 2020. Survey indicators of economic activity in Europe, such as PMIs, have remained weak throughout the fourth quarter. Europe headline inflation slowed notably to 2.4% in November, aided dramatically by declining energy prices, but core inflation was still 4.2%.

In China, there was an uptick in economic growth in the third quarter, but recent data point to slowing activity and renewed softness. Manufacturing PMI slid deeper into contraction in December, which marked the third month in a row, as both domestic and foreign orders have dried up. Services PMI remained in contractionary territory for the second month in a row, suggesting that consumers are remaining tight on spending. Still, China's economy is anticipated to grow by around 5% in 2023, which is a better performance than in 2022 when severe pandemic restrictions were in place but softer than the growth that was originally forecasted for the reopening or the growth that it typically enjoyed prior to the pandemic. On the other hand, manufacturing PMIs have remained in expansion in India and Indonesia through November, and economic growth in India has been above estimates.

In the energy market, oil prices increased in October after the start of the conflict in Israel but proceeded to decline in November and December, reflecting concerns about global demand. The decline in oil prices is also despite an extension of production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and pledges of additional cuts in 2024. European natural gas prices also eased amid mild weather and storage that was near capacity.

FUND PERFORMANCE AS OF DECEMBER 31, 2023

	Total Return (%)	Average Annual Total Returns (%)				
	QTR	1 Year	3 Year	5 Year	Since Inception (04/15/2016)	Expense Ratio (net/gross)*
International Growth Fund Institutional Class (net)	9.74	12.41	-0.43	11.84	8.62	0.80/0.87
International Growth Fund Investor Class (net)	9.76	12.15	-0.67	11.55	8.36	1.05/1.12
MSCI ACWI ex-U.S. Index - ND	9.75	15.62	1.55	7.08	6.14	
Excess Returns (Institutional Net)	-0.01	-3.21	-1.98	4.76	2.48	
Morningstar % Rank in US Fund Foreign Large Growth Category (Rank/Count)		89% (360/404)	37% (143/390)	6% (22/367)	11% (36/334)	

Performance data represents past performance and does not guarantee future results. Returns over one year are annualized unless otherwise specified. The investment return and principal value of the investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the data quoted. For performance data as of the most recent month-end, please visit bairdfunds.com.

The Morningstar Percentile Rank is **based on the fund's total return** relative to all funds in the same category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. Morningstar total returns include both income and capital gains/losses and excludes sales charges.

*The Net Expense Ratio is the Gross Expense Ratio minus any reimbursement from the Advisor. The Advisor has contractually agreed to waive its fees and/or reimburse expenses at least through April 30, 2024 to the extent necessary to ensure that the total operating expenses do not exceed 1.05% of the Investor Class's average daily net assets and 0.80% of the Institutional Class's average daily net assets. Investor class expense ratios include 0.25% 12b-1 fee.

FUND PERFORMANCE AS OF DECEMBER 31, 2023

	Total Return (%)	Average Annual Total Returns (%)				
	QTR	1 Year	3 Year	5 Year	Since Inception (04/15/2016)	Expense Ratio (net/gross)*
Global Growth Fund Institutional Class (net)	10.28	16.34	1.62	13.51	10.99	0.80/0.92
Global Growth Fund Investor Class (net)	10.14	16.01	1.35	13.25	10.73	1.05/1.17
MSCI ACWI Index – ND	11.03	22.20	5.75	11.72	9.91	
Excess Returns (Institutional Net)	-0.75	-5.86	-4.13	1.79	1.08	
Morningstar % Rank in US Fund Global Large-Stock Growth Category (Rank/Count)		88% (325/366)	49% (165/339)	21% (62/299)	45% (122/268)	

Performance data represents past performance and does not guarantee future results. Returns over one year are annualized unless otherwise specified. The investment return and principal value of the investment will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance data may be lower or higher than the data quoted. For performance data as of the most recent month-end, please visit bairdfunds.com.

The Morningstar Percentile Rank is **based on the fund's total return** relative to all funds in the same category for the period. The highest (or most favorable) percentile rank is 1%, and the lowest (or least favorable) percentile rank is 100%. Morningstar total returns include both income and capital gains/losses and excludes sales charges.

*The Net Expense Ratio is the Gross Expense Ratio minus any reimbursement from the Advisor. The Advisor has contractually agreed to waive its fees and/or reimburse expenses at least through April 30, 2024 to the extent necessary to ensure that the total operating expenses do not exceed 1.05% of the Investor Class's average daily net assets and 0.80% of the Institutional Class's average daily net assets. Investor class expense ratios include 0.25% 12b-1 fee.

PERFORMANCE ATTRIBUTION

The International Growth Fund performed in line with its benchmark during the quarter. Stock selection in financials and industrials, as well as relative overweight to the top performing information technology sector contributed to relative returns. Holdings in consumer discretionary and health care detracted most from relative performance. Regionally, holdings in Europe and North America contributed to relative returns, while holdings in Africa and the Middle East detracted. The largest contributors to returns in the portfolio were Adyen, Recruit, and ASML. The largest detractors were Genmab, WuXi Biologics, and SolarEdge.

The Global Growth Fund underperformed its benchmark during the quarter. Stock selection was a detractor to returns, particularly in the consumer discretionary sector. Holdings and relative overweight in health care also detracted. Lack of exposure to energy and consumer staples and holdings in financials and industrials contributed to relative returns. Regionally, relative overweight to Asia and the Pacific Basin and stock selection in Africa and the Middle East detracted most from relative performance; holdings in Europe and North America contributed. The largest detractors to returns in the portfolio were Genmab, WuXi Biologics, and SolarEdge. The largest contributors were Adyen, Recruit, and ASML.

Largest Contributors

Adyen
Following the steep share price drop owing to a slowdown in revenue growth and compression in profit margins in the first half of the year, Adyen held an investor day in which it revealed that revenue growth in the third quarter had stabilized, and new hiring had slowed significantly. The company also affirmed their longer-term view that it is well-positioned to grow revenue in the 20s (percentage growth) and that profit margins will expand again over time after having gone through a substantial investment period.

Recruit Holdings
Recruit's share price benefited significantly from the sentiment shift towards a soft landing in the U.S. Job openings on Indeed, which is Recruit's most important subsidiary, have declined to the high teens in recent months, in line with broader U.S. labor market data. But a soft landing would bode well for a cyclical recovery at Indeed. It has also begun to shift its revenue model to monetize at higher rates exhibiting more efficacy to job advertisers.

ASML
At its third quarter earnings call, ASML guided for flat revenues in 2024 and significant growth in 2025, which reassured the market. Other good news in the quarter included further U.S. restrictions on export are expected to have little impact on ASML, and semiconductor end markets seemed to have bottomed and are poised to recover in 2024.

Largest Detractors

Genmab
At medical conferences in the fourth quarter, Genmab presented data on two of its pipeline products. While the management team is very positive on the results, there were questions from the investor community on whether the data for one of the pipeline drugs would be good enough to unseat a competitor drug and whether another one had safety concerns (data set too small to tell). We remain positive on Genmab on its growing product portfolio.

WuXi Biologics
In WuXi's investor update, management discussed development revenue short fall due to a weak biotech funding environment, and manufacturing revenue deferral due to two different clients' unique issues, which led 2023 ex-Covid revenue growth to be 36% rather than previously guided 60%. They still gained share. Biotech funding is going into recovery and manufacturing revenues will grow; therefore, we continue to hold WuXi Biologics.

SolarEdge
SolarEdge preannounced third quarter earnings and provided fourth quarter revenue and margin guidance that were significantly below consensus expectations due to a sudden decline in European demand and continued weakness in the U.S. residential solar market. The deterioration in demand will require additional measures to reduce elevated industry inventories which will negatively impact profitability in the short-term. We view these issues as transitory, as the long-term demand drivers for solar and SolarEdge's products remain intact.

Baird Chautauqua International Growth Fund Top & Bottom Contributors for Q4 2023

Top 5 Contributors

Security	Avg. Weight
Adyen NV	3.09
Recruit Holdings Co., Ltd.	2.81
ASML Holding NV	4.69
Temenos AG	2.72
Constellation Software Inc.	5.02

Bottom 5 Contributors

Security	Avg. Weight
Genmab A/S	3.38
WuXi Biologics	1.59
SolarEdge Technologies, Inc.	1.26
Hong Kong Exchanges and Clearing	2.88
Aptiv	2.04

Baird Chautauqua Global Growth Fund Top & Bottom Contributors for Q4 2023

Top 5 Contributors

Security	Avg. Weight
Adyen NV	2.30
Recruit Holdings Co., Ltd.	1.92
ASML Holding NV	2.98
Constellation Software Inc.	3.93
Charles Schwab Corporation	2.23

Bottom 5 Contributors

Security	Avg. Weight
Genmab A/S	2.67
WuXi Biologics	1.18
SolarEdge Technologies, Inc.	0.86
Hong Kong Exchanges and Clearing	2.01
Sinopharm Group Co., Ltd.	0.86

Source: FactSet. The holdings identified do not represent all the securities held, purchased or sold for the Funds during the period; past performance does not guarantee future results. To obtain information about the calculation methodology and a list showing all holdings and their contribution, please contact Baird.

PORTFOLIO HIGHLIGHTS | BUYS AND SELLS

For the Baird Chautauqua International Growth Fund, 78% of companies that reported earnings during the quarter were in-line with or exceeded consensus expectations.

For the Baird Chautauqua Global Growth Fund, 83% of companies that reported earnings during the quarter were in-line with or exceeded consensus expectations.

Our conviction weighting process, which considers our estimates for growth, profitability, and valuation, is key to our portfolio management strategy and has been additive to returns over the long run.

In the International Fund, we exited a position in Sinopharm and reduced positions in ASML, Constellation Software, DBS Group, Fairfax Financial, Novo Nordisk, Safran, and Suzuki. Proceeds were used to initiate a position in KE Holdings and increase the Fund's positions in Adyen, BeiGene, Brookfield Renewable, and SolarEdge.

In the Global Fund, we exited positions in Alexandria Real Estate and Sinopharm and reduced positions in Constellation Software, DBS Group, Fairfax Financial, Novo Nordisk, Nvidia, Safran, Suzuki, TJX Companies, and Universal Display. Proceeds were used to initiate a position in KE Holdings and increase the Fund's positions in Adyen, BeiGene, Brookfield Renewable, and SolarEdge.

OUTLOOK

Global growth is set to remain modest, with the impacts of tight monetary policies and soft business and consumer confidence all being felt. Additionally, weakness in manufacturing and trade is beginning to spread into services. A growing divergence across economies is presumed to persist in the near term, with growth in the emerging economies generally holding up better than in the developed economies, and growth in Europe being relatively subdued compared to that in North America and the major emerging Asian economies.

According to the Organization for Economic Cooperation and Development (OECD), global GDP growth of 2.9% in 2023 will be followed by a mild slowdown to 2.7% in 2024. Asia is projected to continue to account for the bulk of global growth in 2024, which will continue to be below the pre-pandemic rate of global growth. GDP growth in the U.S. is projected at 2.4% in 2023 and will slow to 1.5% in 2024. In the euro zone, GDP growth is projected at 0.6% in 2023 before rising to 0.9% in 2024. China is projected to grow at 5.2% in 2023 before slowing to 4.7% in 2024, on the back of ongoing stresses in the real estate sector, weak manufacturing activity, and continued high household savings rates.

BeiGene had 2.32%, Brookfield Renewable 1.93%, DBS Group 2.65%, Fairfax Financial 3.73%, KE Holdings 1.55%, Novo Nordisk 4.67%, Safran 3.70%, Sinopharm 0.00%, and Suzuki Motor 3.48% weighting in the International Fund as of 12/31/2023. Alexandria Real Estate had a 0.00%, BeiGene 1.38%, Brookfield Renewable 1.75%, DBS Group 1.82%, Fairfax Financial 3.51%, KE Holdings 1.03%, Novo Nordisk 4.66%, Nvidia 3.26%, Safran 2.51%, Suzuki Motor 2.26%, TJX Companies 2.89%, and Universal Display 1.27% weighting in the Global Fund as of 12/31/2023.

Inflation has declined steadily from the peak in mid-2022. Headline inflation has fallen in almost all economies. Core inflation has also fallen but remains high. Global demand is easing, supply disruptions are fading, and commodity prices are moderating, while monetary policies remain restrictive. Inflation is projected to continue easing gradually, given moderating cost pressures and the effects of prior rate hikes continuing to work their way through economies. In the absence of further large shocks to energy and food prices, inflation is projected to be at or near target for most major central banks by 2025, or even by 2024 in some cases.

Policy interest rates appear to be at or close to peak for most economies. Eventually, gradually easing inflation should pave the way for interest rate cuts as the jobs of central banks are completed. But monetary policies will remain restrictive until there are signs that underlying inflation pressures have durably abated. The implication is that even if central banks start cutting interest rates, they will keep them high enough to maintain downward pressure on prices.

Yet there are at least two key reasons to be cautious about the rate of disinflation, including pressures that have kept core interest rates high and an inflationary shock stemming from geopolitical tensions. The decline in global core inflation has been smaller than that of headline inflation over the past year. Core inflation must continue to decline to convince central banks that inflationary pressures have been brought firmly under control. This will likely require further moderation in demand, particularly for services. Geopolitical tensions have also historically been an inflationary force. The latest conflict in the Middle East, on the heels of the invasion of Ukraine, could be another driver of inflation by destabilizing energy markets. However, the impact has been extremely limited so far.

There is optimism in the U.S., as it is looking more likely that its economy will achieve the coveted soft landing, which was once thought of as highly improbable. Inflation is continuing to ease, the Fed is likely done raising rates, and economic growth and the labor market have outperformed estimates. The Fed sent equity markets rallying after it revealed forecasts for at least three rate cuts in 2024 and four rate cuts in 2025. The futures market is even more convinced of lower rates. It is currently pricing six rate cuts in 2024, with the first to occur in March. In Europe, the picture is somewhat different. Both the ECB and BOE pushed back against market predictions for interest rate cuts, drawing attention to persistence in price and wage pressures such as services inflation and wage growth. Monetary policy will remain sufficiently restrictive until it can be assured that inflation returns to the target level.

Among the large emerging economies, China stands apart as having its own cyclical and structural stresses. High debt and the ailing property sector provide significant challenges, and consumer spending has been slow to recover after the reopening. The government has opted for a broad but piecemeal approach to stimulus, characterized by modest cuts to interest rates, extended tax breaks for companies, and lowered mortgage costs for consumers. Recently, the government has signaled that more help is coming by way of new fiscal stimulus and supportive central bank policies, but it has also telegraphed that stimulus will continue to be measured rather than aggressive. Economic growth in China is seen as slowing in 2024 to 4.7%. In contrast, GDP growth in the other major Asian emerging economies is projected to remain relatively steady in 2023 and 2024. It is projected to be around 6% for India and 5% for Indonesia.

Over the last two-plus years, we have reduced Greater China weightings on a net basis, inclusive of holdings in Mainland China, Hong Kong, and Taiwan. In International portfolios, roughly 17% of assets are invested in Greater China holdings, which is modestly overweight relative to the benchmark. In Global portfolios, roughly 11% of assets are invested in Greater China holdings, which is overweight relative to the benchmark. We believe our Chinese holdings are at valuation levels, in the context of their long-term growth outlooks and competitive positioning, that more than compensate us for the risks. Our Chinese holdings are exposed to secular growth areas of the domestic economy (private consumption and healthcare) that align with government priorities, have strong balance sheets and resilient cash flows, and are not reliant on restricted Western technology inputs for future growth.

Our investment philosophy emphasizes businesses that should benefit from secular trends and possess strong competitive advantages and market positions. Over longer investment horizons, some of the most exciting growth areas can be relatively agnostic to the global picture or the specific situations impacting certain regions. These include our many investments in and adjacent to cloud computing, software-as-a-service, digitalization, artificial intelligence, semiconductor advancement, e-commerce and payments, industrial automation, electric vehicles, and novel biologic and biosimilar therapies. Other exciting growth areas pertain to rapidly expanding consumer classes, broadly in emerging economies and especially in Asia, which are propelling the uptake of various consumer goods and financial products.

We do not anticipate the current environment of weakening economic growth will dislodge the long-term staying power of these investment themes, nor the business models or market positions of portfolio companies. Furthermore, we purposefully select portfolio companies that earn attractive profit margins, carry strong balance sheets, and generate cash on a consistent basis. In other words, portfolio companies we believe are on solid footing, even when times are tough. For these reasons, portfolios have the potential to outgrow market growth rates over the long term.

We have also taken great care to try to insulate against the most pernicious risks that inflation poses to equity investments, namely pressure on company profit margins and compression of valuation multiples. First, we have emphasized companies that we believe have pricing power because of the mission-critical or value-add nature of their products and services. Because of these features, these companies are able to transmit price in inflationary environments, and therefore protect their profit margins. Furthermore, we have made incremental adjustments to portfolios to emphasize companies with more attractive valuations, in light of higher market discount rates.

BUSINESS UPDATE

There have been no changes to the investment team at Chautauqua Capital Management nor have there been changes to the ownership structure of our parent company, Baird.

Respectfully submitted,

The Partners of Chautauqua Capital Management – a Division of Baird

INVESTMENT TEAM

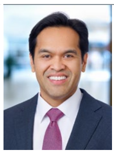
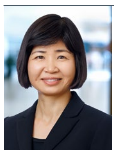
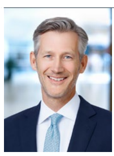
- **Generalists with specialized skills**
- **Average more than 23 years investment experience**

KEY PILLARS OF OUR INVESTMENT PROCESS

- **Security selection drives returns**
- **Long-term focus**
- **Concentrated conviction-weighted portfolios**

ORGANIZED FOR INVESTMENT SUCCESS

- **Autonomous institutional boutique**
- **Employee owners**
- **We invest alongside our clients**
- **Self-imposed limit of growth**

Investment Professional		Educational Background	Years of Experience	Prior Affiliation
	**Jesse Flores, CFA** Partner	MBA, Stanford University BS, Cornell University	17	Roth Capital Partners Blavin & Company Lehman Brothers
	**Haicheng Li, CFA** Managing Partner	MBA, Stanford University MMSc, Harvard Medical School MS, Harvard University BA, Rutgers University	22	TCW
	**David Lubchenco** Partner	MBA, University of Denver BA, The Colorado College	31	Marsico Capital Management Transamerica Investment Management Janus Capital
	**Nate Velarde** Partner	MIDS, UC Berkeley MBA, University of Chicago BA, University of Chicago	22	PIMCO Nuveen Investments TCW

Investors should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. This and other information can be found in the prospectus or summary prospectus. A prospectus or summary prospectus may be obtained by visiting bairdfunds.com. Please read the prospectus or summary prospectus carefully before investing.

This commentary represents portfolio management views and fund holdings as of 12/31/23. Those views and fund holdings are subject to change without notice. The performance of any single fund holding is no indication of the performance of other holdings of the Baird Chautauqua International Growth Fund and Baird Chautauqua Global Growth Fund. Past performance is no guarantee of future results.

The Funds invest in foreign securities, which involve additional risks such as currency rate fluctuations and the potential for political and economic instability, and different and sometimes less strict financial reporting standards and regulations. They may also hold fewer securities than other funds, which increases the risk and volatility because each investment has a greater effect on the overall performance.

The MSCI ACWI Index® is a free float-adjusted market capitalization weighted index that is designed to represent performance of the full opportunity set of large- and mid-cap stocks across 23 developed and 24 emerging markets, including the United States. The MSCI ACWI ex-U.S. Index® is a free float-adjusted market capitalization weighted index that is designed to capture large- and mid-cap stocks across 22 of 23 developed markets countries, excluding the United States, and 24 emerging markets countries. Indexes are unmanaged and direct investment is not possible. "ND" represents net of dividends returns for the benchmark.