Uncommon truths

US stocks avoid the mid-term blues

The political calendar is busy, with important events due in the UK, France and Israel. However, attention will be focused on November's US mid-term elections. Financial markets have tended to perform better in the year after an election than in the year of the election. US equities have performed strongly in the first half of 2026. Are markets looking forward to more congressional scrutiny or is it just the cycle dominating markets?

As a team, we believe that markets are driven by economic and policy cycles, rather than politics. However, there is a lot of political activity with some important elections in the offing.

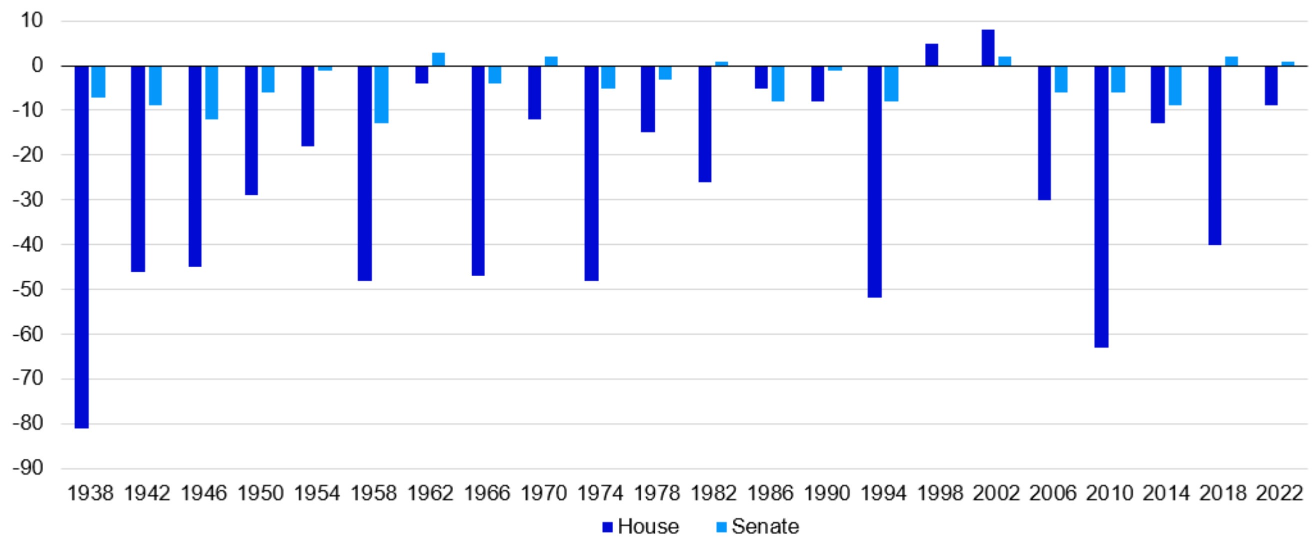
In the UK, it is now virtually guaranteed that Andy Burnham will be installed as the new prime minister within weeks. As of Friday 10 July, he needed the support of only one more Labour MP to ensure he would be the only candidate in the race to become party leader and therefore prime minister. The special conference to select the new leader will take place on 17 July, after which there should be a rapid transition from Keir Starmer to Burnham. On the whole, UK financial markets have taken the change in their stride.

Also in the UK, Nigel Farage (leader of the Reform UK party that leads opinion polls with around 25% of the vote) has resigned as member of parliament for Clacton, with the intention of standing for re-election in what he calls a people versus the establishment contest (the media, parliamentary authorities and police are investigating his and Reform's finances). All mainstream parties have declined to contest the election in order to frustrate the "people vs the establishment" narrative. Nevertheless, other candidates have presented themselves, the first being Count Binface but also including Laurence Fox (Reclaim Party) and independent candidates such as Ollie Granger and Luke Worley (neither of which has a political background). It is widely expected that Farage will win but whether it enhances or damages his reputation is to be seen.

In France, Marine Le Pen has been cleared by a judge to run as a candidate in the 2027 presidential election, though she will have to wear an electronic tag that will limit her ability to campaign freely (she is appealing against that stipulation). The first round of the election will be held on 18 April 2027, and July opinion polls suggest Le Pen will be well ahead of other candidates with around 34%-36% of the vote. However, that will not be enough to win outright, and a second round will be needed on 2 May, between the two candidates with the highest first round vote. It is hard to say who the other second round candidate will be (the choice appears to be between Edouard Philippe, former PM under Emmanual Macron, Jean-Luc Mélenchon, of the far-left France Insoumise party, and Gabriel Attal, also a former PM under Macron). Of those three, opinion polls suggest Philippe would have the best chance of defeating Le Pen.

Israel's parliamentary elections must take place by 27 October 2026. In the aftermath of the 7 October attack on Israel, it was hard to imagine that Benjamin Netanyahu could once again become prime minister. However, some recent opinion polls suggest the ruling coalition could have a small majority after the election, but coalition negotiation outcomes are hard to predict.

Figure 1 – Mid-term US congressional seats won or lost by the party of the president



Notes: Based on mid-term elections from 1938 to 2022. As of 10 July 2026.
Source: The American Presidency Project and Invesco Strategy & Insights

In reality, attention is likely to be focused on the US mid-term elections (due on 3 November). Figure 1 suggests there is a tendency at mid-term elections for the party of the president to lose seats. Given the narrow majorities held by the Republicans, it won't take much of a swing to see a change of control.

This is especially the case in the House of Representatives, where Republicans currently hold 218 seats, the exact number needed for a majority (Democrats hold 212, with one independent and four vacancies, according to The House of Representatives Press Gallery). Jennifer Flitton, Invesco's Global Head of Public Policy, reckons a net gain of only three seats (out of 435) will be enough for the Democrats to regain control (after allowing for the likely outcome of some upcoming special elections).

The Senate is a bigger challenge for the Democrats. According to 270toWin, Republicans currently hold 53 seats, with the Democrats on 47 (including two independents). The Democrats can regain control with a net gain of four seats, but with only 35 seats up for election (including two special elections) it is a bigger ask than it might appear. Jennifer feels that the Senate map is still more favourable to Republicans (given the balance of seats that are up for grabs).

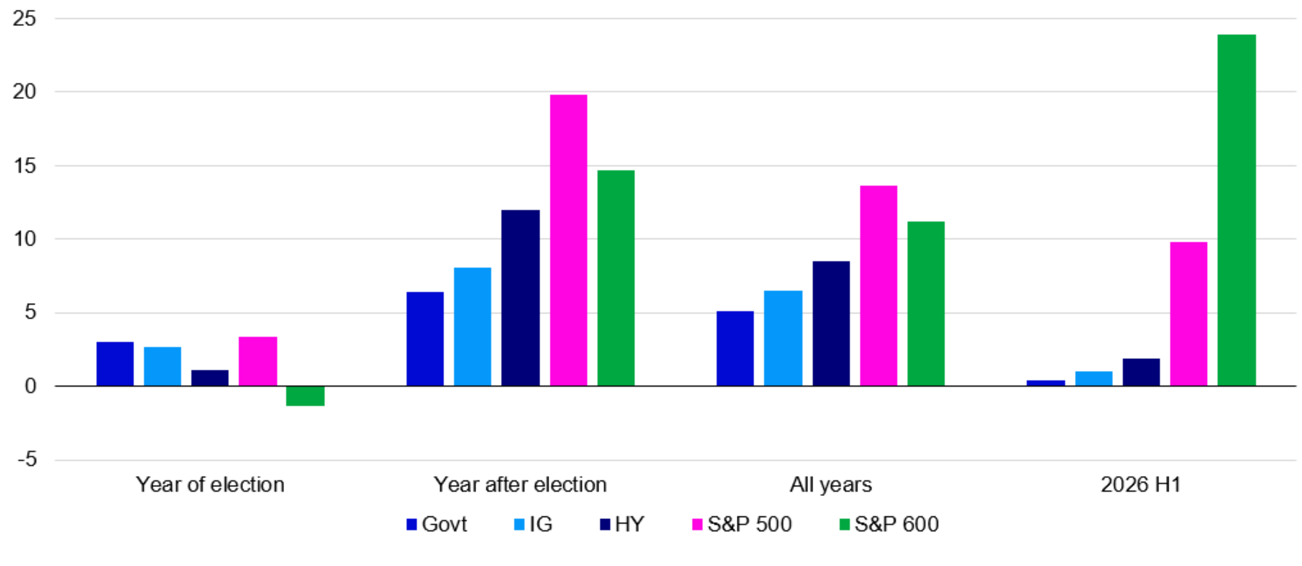
Opinion polls are difficult to summarise, but the RealClearPolitics Generic Congressional Vote poll average shows the Democrats have a lead of 5.9 percentage points (48.4% versus 42.5% for the Republicans). The gap has narrowed since the end of May (around 8 percentage points) but is still wider than for most of the last year. Also, the RealClear Politics poll average for President Trump's net job approval rating is -15.5 points (41.0% approve versus 56.5% disapprove). Again, the gap has narrowed since the end of May (-19.0%) but remains wider than for most of this presidential term.

Given all of the above, and despite redistricting activity that could help the Republican House outcome, Jennifer thinks there is a strong chance of the House flipping to the Democrats. She expects the Senate to remain under Republican control, though with a reduced majority. I think there is a chance the Senate could also flip (as per The Aristotle List of 10 surprises published on 11 January).

Either way, President Trump is likely to face more congressional scrutiny in the future. Figure 2 suggests that US assets have tended to perform better in the year after mid-term elections than in the year of elections (and better than on average). Maybe market fears about post-election gridlock are often misplaced. However, equity market performance so far in 2026 has been impressive, especially for small caps (S&P 600). Perhaps markets are welcoming the prospect of more checks and balances this time around. Or, just maybe, the economic cycle is dominating politics when it comes to market performance. Time will tell.

All data as of 10 July 2026, unless stated otherwise.

Figure 2 – US asset total returns around congressional mid-term elections since 1990 (% in USD)



Notes: **Past performance is no guarantee of future results**. Based on calendar year data from 1988 to 2026 (2026 H1 shows returns up to 30 June 2026) and shows average returns in Congressional mid-term election years since 1990, compared to the returns in the year after the election. "All years shows the average return in calendar years from 1988 to 2025. Govt = government bonds (based on ICE BofA US Treasury Index), IG = investment grade (based on the ICE BofA US Corporate Index), HY = high yield (based on the ICE BofA US High Yield Index). See appendices for a description of the asset classes used.
Sources: ICE BofA, S&P Dow Jones Indices, LSEG Datastream and Invesco Strategy & Insights

Figure 3 – Asset class total returns (%)

Data as at 10 Jul 2026	Index	Current Level/RY	Total Return (USD, %) 1w	1m	QTD	YTD	12m	Total Return (Local Currency, %) 1w	1m	QTD	YTD	12m
Equities												
World	MSCI	1127	0.3	3.8	0.6	12.1	23.7	0.3	4.0	0.5	13.0	25.2
Emerging Markets	MSCI	1691	-1.7	1.8	-1.7	21.9	40.5	-1.9	2.0	-2.0	24.4	46.2
China	MSCI	72	3.1	-1.6	4.6	-11.0	-0.8	3.1	-1.6	4.5	-10.9	-1.7
US	MSCI	7223	1.2	4.4	1.1	11.2	21.8	1.2	4.4	1.1	11.2	21.8
Europe	MSCI	2791	-1.9	2.9	-0.2	8.1	17.1	-1.8	3.8	-0.4	10.4	19.1
Europe ex-UK	MSCI	3447	-2.1	3.0	-0.6	8.3	16.3	-1.9	4.2	-0.6	11.1	18.5
UK	MSCI	1672	-1.2	2.4	1.2	7.5	19.9	-1.6	2.4	0.2	7.8	21.3
Japan	MSCI	5561	-1.0	4.3	1.0	17.1	35.4	-0.7	5.2	0.6	20.9	49.5
Government Bonds												
World	BofA-ML	3.87	-0.5	-0.3	-0.6	-1.8	-1.7	-0.5	0.1	-0.7	-0.6	0.6
Emerging Markets	JP Morgan	6.09	0.0	1.7	0.4	1.9	8.1	0.1	1.7	0.2	2.7	6.9
China	BofA-ML	1.52	0.2	0.3	0.1	5.0	6.8	0.2	0.3	0.0	1.9	0.9
US (10y)	Datastream	4.56	-0.5	0.3	-0.8	-0.8	3.0	-0.5	0.3	-0.8	-0.8	3.0
Europe	Bofa-ML	3.26	-0.8	-0.8	-1.2	-2.6	-1.5	-0.7	0.4	-1.1	0.2	0.8
Europe ex-UK (EMU, 10y)	Datastream	3.04	-1.0	-0.6	-1.4	-2.4	-1.9	-0.8	0.5	-1.3	0.4	0.3
UK (10y)	Datastream	4.95	-0.2	0.9	0.3	-0.2	2.4	-0.6	0.8	-0.7	0.1	3.5
Japan (10y)	Datastream	2.72	-0.2	-1.2	-0.1	-7.0	-16.5	0.1	-0.3	-0.5	-4.0	-7.7
IG Corporate Bonds												
Global	BofA-ML	4.82	-0.6	-0.2	-0.6	-0.3	2.6	-0.5	0.2	-0.6	0.5	3.4
Emerging Markets	JP Morgan	6.55	-0.1	0.5	-0.1	2.1	6.5	-0.1	0.5	-0.1	2.1	6.5
China	BofA-ML	2.08	0.1	0.2	0.1	4.9	7.9	0.1	0.2	0.0	1.8	1.9
US	BofA-ML	5.34	-0.6	0.0	-0.7	0.3	4.0	-0.6	0.0	-0.7	0.3	4.0
Europe	BofA-ML	3.65	-0.5	-0.7	-0.6	-1.9	-0.4	-0.4	0.5	-0.5	0.9	1.8
UK	BofA-ML	5.67	-0.1	0.6	0.4	0.1	3.0	-0.5	0.6	-0.6	0.4	4.1
Japan	BofA-ML	2.38	-0.3	-0.8	0.2	-3.7	-10.9	0.0	0.0	-0.2	-0.6	-1.6
HY Corporate Bonds												
Global	BofA-ML	7.17	0.0	0.5	0.1	1.8	5.4	0.0	0.7	0.1	2.4	5.9
US	BofA-ML	7.44	0.0	0.7	0.1	2.0	5.8	0.0	0.7	0.1	2.0	5.8
Europe	BofA-ML	5.79	-0.1	-0.4	0.0	-0.8	1.5	0.0	0.8	0.1	2.0	3.8
Cash (Overnight rates)												
US		3.66	0.1	0.3	0.0	1.9	4.0	0.1	0.3	0.0	1.9	4.0
Euro Area		2.18	0.5	-1.2	0.2	-1.7	-0.8	0.0	0.2	0.0	1.0	2.0
UK		3.73	1.2	-0.2	0.7	1.0	1.6	0.1	0.3	0.0	1.9	3.9
Japan		0.98	0.3	-0.7	0.7	-2.5	-9.6	0.0	0.1	0.0	0.4	0.6
Real Estate (REITs)												
Global	FTSE	1836	-0.7	1.5	0.9	10.3	14.6	-0.5	2.6	0.9	13.4	17.2
Emerging Markets	FTSE	1305	0.7	2.0	2.8	2.3	4.7	0.9	3.1	2.9	5.2	7.0
US	FTSE	3650	-0.8	1.7	0.7	18.4	21.5	-0.8	1.7	0.7	18.4	21.5
Europe ex-UK	FTSE	2565	-2.0	0.6	-0.1	-1.9	-1.9	-1.8	1.8	-0.1	0.9	0.3
UK	FTSE	876	0.2	7.4	1.6	7.9	10.7	-0.2	7.3	0.6	8.3	11.9
Japan	FTSE	2356	-1.2	1.0	1.3	-8.0	6.5	-0.8	1.9	0.9	-5.0	17.7
Commodities												
All	GSCI	5021	3.7	-6.3	3.3	28.2	32.9	-	-	-	-	-
Energy	GSCI	955	5.6	-12.7	4.3	58.2	49.0	-	-	-	-	-
Industrial Metals	GSCI	2308	1.6	-3.4	1.4	8.4	31.2	-	-	-	-	-
Precious Metals	GSCI	4601	-0.3	-1.0	1.8	-6.6	25.6	-	-	-	-	-
Agricultural Goods	GSCI	502	5.7	9.3	6.9	6.3	5.6	-	-	-	-	-
Currencies (vs USD)*												
EUR		1.14	-0.2	-1.1	-0.1	-2.8	-2.5	-	-	-	-	-
JPY		161.70	-0.2	-0.7	0.5	-3.1	-9.6	-	-	-	-	-
GBP		1.34	0.4	0.1	1.0	-0.3	-1.1	-	-	-	-	-
CHF		1.24	-0.6	-1.1	0.0	-2.0	-1.4	-	-	-	-	-
CNY		6.78	0.1	0.0	0.1	3.2	5.9	-	-	-	-	-

Notes: **Past performance is no guarantee of future results.** *The currency section is organised so that in all cases the numbers show the movement in the mentioned currency versus USD (+ve indicates appreciation, -ve indicates depreciation). Please see appendix for definitions, methodology and disclaimers.
Source: LSEG Datastream and Invesco Strategy & Insights

Figure 4 – Global equity sector total returns relative to market (%)

Data as of 10 Jul 2026	Global				
	1w	1m	QTD	YTD	12m
Energy	**2.3**	**-6.1**	**2.2**	**5.1**	**0.8**
Basic Materials	**-2.7**	**-3.4**	**-0.6**	**-3.6**	**7.2**
Basic Resources	-2.9	-4.9	-0.8	-6.5	17.3
Chemicals	-2.3	-0.2	0.0	3.2	-8.9
Industrials	**-2.5**	**0.4**	**-1.7**	**-0.9**	**-4.5**
Construction & Materials	-3.1	-1.4	-4.4	-3.9	-7.8
Industrial Goods & Services	-2.4	0.7	-1.3	-0.4	-4.0
Consumer Discretionary	**-0.1**	**-1.7**	**0.5**	**-13.2**	**-16.8**
Automobiles & Parts	0.9	-1.0	-1.1	-16.7	-4.6
Media	-2.7	-6.8	1.8	-23.5	-38.1
Retailers	0.3	-2.8	1.1	-7.7	-10.9
Travel & Leisure	-1.0	2.1	-0.1	-10.2	-19.6
Consumer Products & Services	-0.5	-0.5	1.0	-17.8	-25.3
Consumer Staples	**-1.1**	**-2.0**	**0.7**	**-4.7**	**-12.9**
Food, Beverage & Tobacco	-1.5	-2.2	0.4	-2.5	-10.6
Personal Care, Drug & Grocery Stores	-0.5	-1.6	1.4	-8.6	-17.0
Healthcare	**-2.3**	**2.3**	**0.4**	**-7.5**	**-5.4**
Financials	**0.8**	**3.0**	**2.7**	**-2.1**	**-1.7**
Banks	1.2	4.0	2.5	1.5	6.9
Financial Services	0.5	1.3	3.1	-7.3	-12.1
Insurance	0.0	3.0	2.6	-3.1	-5.5
Real Estate	**-0.5**	**-2.4**	**0.9**	**-5.5**	**-11.2**
Technology	**1.5**	**1.3**	**-1.3**	**10.6**	**16.8**
Telecommunications	**0.6**	**-5.0**	**-1.6**	**12.2**	**12.0**
Utilities	**-0.8**	**-0.8**	**0.1**	**-3.6**	**-6.1**

Notes: **Past performance is no guarantee of future results.** Returns shown are for Datastream sector indices versus the total market index. Source: LSEG Datastream and Invesco Strategy & Insights

Figure 5a – US factor index total returns (%)

Data as of 10 Jul 2026	Absolute					Relative to Market				
	1w	1m	QTD	YTD	12m	1w	1m	QTD	YTD	12m
Growth	0.0	7.0	1.2	10.3	13.9	-1.2	2.5	0.1	-1.0	-6.7
Low volatility	-1.1	3.5	1.2	7.8	6.9	-2.3	-0.8	0.2	-3.2	-12.4
Price momentum	1.0	3.5	-2.8	27.2	37.8	-0.2	-0.8	-3.9	14.2	12.9
Quality	0.2	5.3	2.6	7.4	15.4	-1.0	0.9	1.6	-3.5	-5.5
Size	-1.2	3.1	0.8	8.5	11.3	-2.4	-1.2	-0.2	-2.6	-8.8
Value	-0.6	3.8	1.7	16.7	26.3	-1.8	-0.5	0.6	4.8	3.5
Market	1.3	4.3	1.0	11.4	22.1					
Market - Equal-Weighted	-0.3	4.2	0.7	12.9	17.4					

Notes: **Past performance is no guarantee of future results.** All indices are subsets of the S&P 500 index, they are rebalanced monthly, use data in US dollars and are equal-weighted. Growth includes stocks in the top third based on both their 5-year sales per share trend and their internal growth rate (the product of the 5-year average return on equity and the retention ratio); Low volatility includes stocks in the bottom quintile based on the standard deviation of their daily returns in the previous three months; Price momentum includes stocks in the top quintile based on their performance in the previous 12 months; Quality includes stocks in the top third based on both their return on invested capital and their EBIT to EV ratio (earnings before interest and taxes to enterprise value); Size includes stocks in the bottom quintile based on their market value in US dollars. Value includes stocks in the bottom quintile based on their price to book value ratios. The market represents the S&P 500 index. Source: LSEG Datastream and Invesco Strategy & Insights

Figure 5b – European factor index total returns relative to market (%)

Data as of 10 Jul 2026	Absolute					Relative to Market				
	1w	1m	QTD	YTD	12m	1w	1m	QTD	YTD	12m
Growth	-1.3	4.3	1.0	11.3	14.5	0.4	0.4	1.0	0.5	-4.2
Low volatility	-0.3	2.1	1.2	7.3	10.8	1.5	-1.7	1.3	-3.1	-7.3
Price momentum	-2.7	0.9	-1.2	13.5	30.6	-1.0	-2.9	-1.2	2.5	9.2
Quality	-0.9	4.8	1.9	10.8	20.6	0.8	0.9	1.9	0.0	0.9
Size	-1.6	1.0	1.9	3.2	4.2	0.2	-2.7	1.9	-6.9	-12.8
Value	-0.5	4.3	2.4	8.9	19.8	1.3	0.5	2.4	-1.7	0.2
Market	-1.7	3.9	0.0	10.8	19.5					
Market - Equal-Weighted	-1.5	2.7	1.1	9.0	14.9					

Notes: **Past performance is no guarantee of future results.** All indices are subsets of the STOXX 600 index, they are rebalanced monthly, use data in euros and are equal-weighted. Growth includes stocks in the top third based on both their 5-year sales per share trend and their internal growth rate (the product of the 5-year average return on equity and the retention ratio); Low volatility includes stocks in the bottom quintile based on the standard deviation of their daily returns in the previous three months; Price momentum includes stocks in the top quintile based on their performance in the previous 12 months; Quality includes stocks in the top third based on both their return on invested capital and their EBIT to EV ratio (earnings before interest and taxes to enterprise value); Size includes stocks in the bottom quintile based on their market value in euros; Value includes stocks in the bottom quintile based on their price to book value ratios. The market represents the STOXX 600 index. Source: LSEG Datastream and Invesco Strategy & Insights

Figure 6 – Model asset allocation

	Neutral	Policy Range	Allocation	Position vs Neutral	Hedged	Currency
Cash Equivalents	**5%**	**0-10%**	**4%**			
Cash	3%		0%			
AAA CLOs	2%		4%			
Bank Loans	**4%**	**0-8%**	**5%**			
US	3%		4%			
Europe	1%		1%			
Bonds	**40%**	**10-70%**	**31%**			
Government	25%	10-40%	18%			
US	8%		5%			
Europe ex-UK (Eurozone)	7%		5%			
UK	1%		2%			
Japan	7%		2%			
Emerging Markets	2%		4%			
China**	0.2%		0%			
India**	0.1%		1%			
Corporate IG	10%	0-20%	8%			
US Dollar	5%		3%			
Euro	2%		1%			
Sterling	1%		2%			
Japanese Yen	1%		0%			
Emerging Markets	1%		2%			
China**	0.1%		0%			
Corporate HY	5%	0-10%	5%			
US Dollar	4%		4%			
Euro	1%		1%			
Equities	**45%**	**25-65%**	**53%**			
US	25%		25%			
Europe ex-UK	7%		9%			
UK	4%		5%			
Japan	4%		7%			
Emerging Markets	5%		7%			
China**	2%		3%			
India**	1%		1%			
Real Estate	**4%**	**0-8%**	**5%**			
US	1%		0%			
Europe ex-UK	1%		2%			
UK	1%		2%			
Japan	1%		1%			
Emerging Markets	1%		0%			
Commodities	**2.0%**	**0-4%**	**2.3%**			
Energy	1.0%		0.0%			
Industrial Metals	0.3%		1.0%			
Precious Metals	0.3%		0.3%			
Agriculture	0.3%		1.0%			
Total	**100%**		**100%**			
Currency Exposure (including effect of hedging)						
USD	51%		45%			
EUR	20%		21%			
GBP	7%		11%			
JPY	14%		10%			
EM	9%		13%			
Total	**100%**		**100%**			

Notes: *This is a theoretical portfolio and is for illustrative purposes only. It does not represent an actual portfolio and is not a recommendation of any investment or trading strategy. **China and India are included in Emerging Markets allocations. Cash is an equally weighted mix of USD, EUR, GBP and JPY. Currency exposure calculations exclude cash. Arrows show direction of change in allocations. India has been added in this edition. See the latest The Big Picture document for more details. See appendices for definitions, methodology and disclaimers. Source: Invesco Strategy & Insights

Figure 7 – Model allocations for global sectors

	Neutral	Invesco		Preferred Region
Energy	**6.7%**	**Overweight**		**Europe**
Basic Materials	**4.3%**	**Neutral**		**Europe**
Basic Resources	3.0%	Overweight	↑	Europe
Chemicals	1.3%	Underweight	↓	US
Industrials	**12.8%**	**Neutral**		**US**
Construction & Materials	1.8%	Overweight	↑	Europe
Industrial Goods & Services	11.0%	Neutral		US
Consumer Discretionary	**12.9%**	**Underweight**		**Europe**
Automobiles & Parts	2.6%	Underweight		Europe
Media	0.9%	Underweight		Europe
Retailers	5.2%	Underweight	↓	US
Travel & Leisure	1.7%	Underweight	↓	EM
Consumer Products & Services	2.5%	Neutral	↑	Europe
Consumer Staples	**4.5%**	**Neutral**		**US**
Food, Beverage & Tobacco	2.9%	Neutral		US
Personal Care, Drug & Grocery Stores	1.6%	Overweight		Europe
Healthcare	**7.9%**	**Neutral**		**US**
Financials	**16.2%**	**Neutral**	↓	**US**
Banks	8.3%	Neutral	↓	Japan
Financial Services	5.0%	Overweight		Japan
Insurance	2.9%	Neutral		US
Real Estate	**2.5%**	**Overweight**		**Japan**
Technology	**24.9%**	**Neutral**	↑	**US**
Telecommunications	**3.8%**	**Underweight**		**US**
Utilities	**3.4%**	**Overweight**	↑	**US**

Notes: These are theoretical allocations which are for illustrative purposes only. They do not represent an actual portfolio and are not a recommendation of any investment or trading strategy. See the latest Strategic Sector Selector for more details.
Source: LSEG Datastream and Invesco Strategy & Insights

Appendix

Methodology for Model Asset Allocation

Which asset classes?

We look for investibility, size and liquidity. We have chosen to include equities, bonds (government, corporate investment grade and corporate high yield), bank loans, REITs to represent real estate, commodities and cash (all across a range of geographies). We use cross-asset correlations to determine which decisions are the most important.

Neutral allocations and policy ranges

We use market capitalisation in USD for major benchmark indices to calculate neutral allocations. For commodities, we use industry estimates for total ETP market cap + assets under management in hedge funds + direct investments. We use an arbitrary 5% for the combination of cash and AAA CLOs. We impose diversification by using policy ranges for each asset category (the range is usually symmetric around neutral).

Currency hedging

We adopt a cautious approach when it comes to currency hedging as currency movements are notoriously difficult to accurately predict and sometimes hedging can be costly. Also, some of our asset allocation choices are based on currency forecasts. We use an amalgam of central bank rate forecasts, policy expectations and real exchange rates relative to their historical averages to predict the direction and amplitude of currency moves.

Definitions of data and benchmarks for Figure 3

Sources: we source data from LSEG Datastream unless otherwise indicated.

Cash: returns are based on a proprietary index calculated using the Intercontinental Exchange Benchmark Administration overnight LIBOR (London Interbank Offer Rate). From 1st January 2022, we use the euro short term rate, the UK Sterling Overnight Index Average (SONIA), the US Secured Overnight Financing Rate (SOFR) and the uncollateralised overnight rate for the Japanese yen. The global rate is the average of the euro, British pound, US dollar and Japanese yen rates. The series started on 1 January 2001 with a value of 100.

Gold: London bullion market spot price in USD/troy ounce.

Government bonds: Current levels, yields and total returns use Datastream benchmark 10-year yields for the US, Eurozone, Japan and the UK, and the ICE BofA government bond total return index for the World and Europe. The emerging markets yields and returns are based on the JP Morgan Global Emerging Markets Government Bond Index.

Corporate investment grade (IG) bonds: ICE BofA investment grade corporate bond total return indices, except for in emerging markets where we use the JP Morgan Corporate Emerging Market Broad Bond Index.

Corporate high yield (HY) bonds: ICE BofA high yield total return indices

Equities: We use MSCI benchmark gross total return indices for all regions.

Commodities: Goldman Sachs Commodity total return indices

Real estate: FTSE EPRA/NAREIT total return indices

Currencies: Global Trade Information Services spot rates

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

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