

S&P Dow Jones Indices

A Division of **S&P Global**

INDEX INVESTMENT STRATEGY

Register to receive our dashboards at on.spdji.com/DashboardSignup

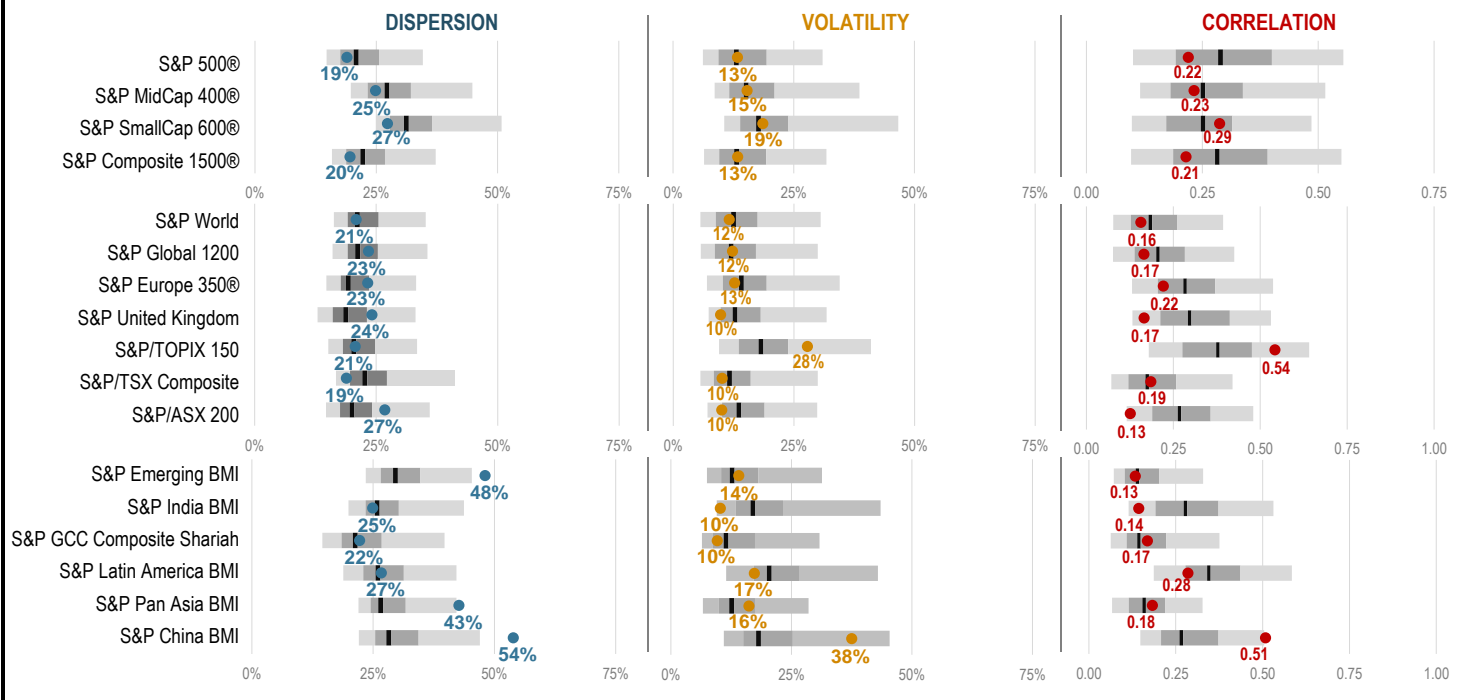
Index Dashboard: Dispersion, Volatility & Correlation

September 30, 2024

COMMENTARY

- As the U.S. Federal Reserve made its half-point rate cut in the attempt to navigate a soft landing, it may not have felt “normal”, but S&P 500 index volatility was bang on its historical average in September, while both index dispersion and constituent-to-constituent correlations were a little below average.
- Not so for Japan and China, where a surprise election result and unexpected mammoth stimulus packages, respectively, meant index correlations and volatility surged into the top quartile of historical observations.
- After a macro month, quarterly earnings will return to compete for the market’s attention in the coming weeks; we shall see if the recent trend for high price sensitivity to beats and misses continues.

GLOBAL DASHBOARD



KEY 5th %ile Median 75th %ile 25th %ile Current 95th %ile

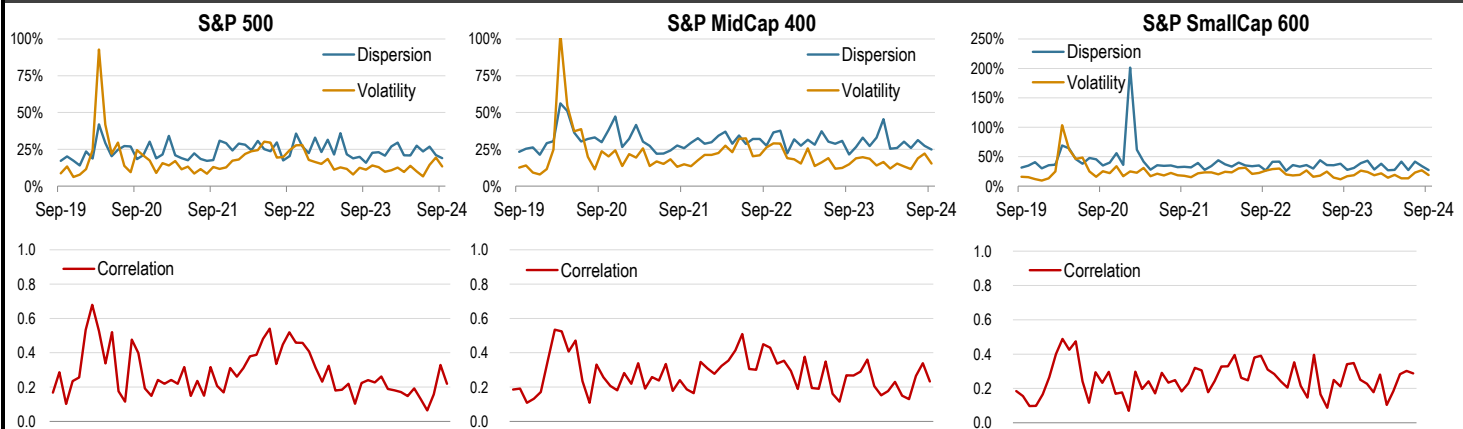
Dispersion, correlation and volatility shown in relation to the median and 5th, 25th, 75th and 95th percentile of monthly values (over the period Jan 2007 to date). Dispersion and volatility are annualized, correlation is the absolute level during the past month.

S&P 500 Implied Indicators

	Level	1M +/-
Volatility Index (VIX®)	16.73	↑ 1.73
Dispersion Index (DSPX)	31.14	↑ 4.21

The Cboe Volatility Index (VIX) and the Cboe S&P 500 Dispersion Index (DSPX) measure market expectations for S&P 500 index volatility and dispersion, respectively, over the next 30 days. The Dispersion Index was launched on September 27, 2023.

MAJOR BENCHMARKS - PAST FIVE YEARS



Source: S&P Dow Jones Indices as of Sep 30, 2024 * See "Notes" for explanations and definitions.

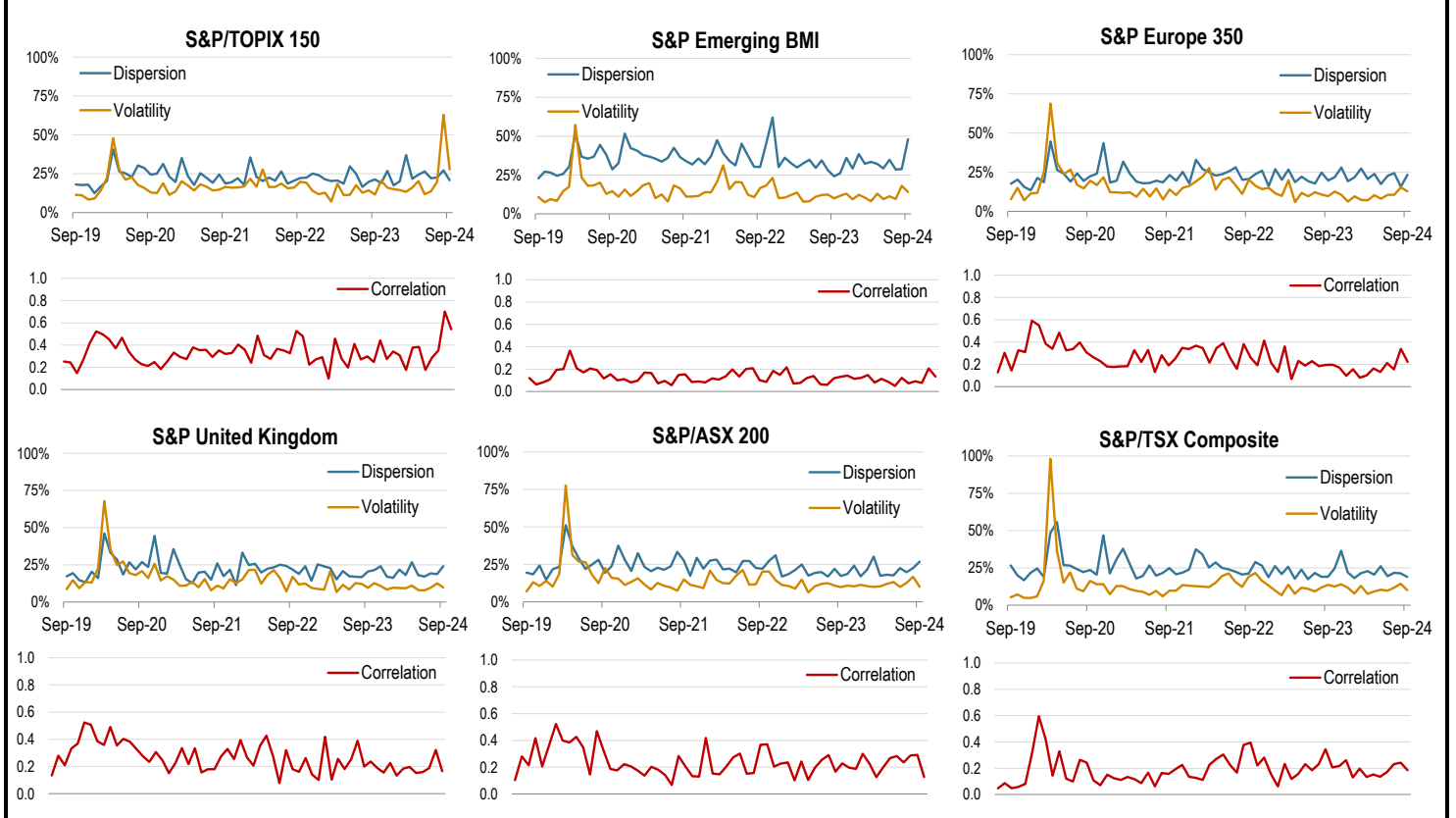
S&P Dow Jones Indices

A Division of S&P Global

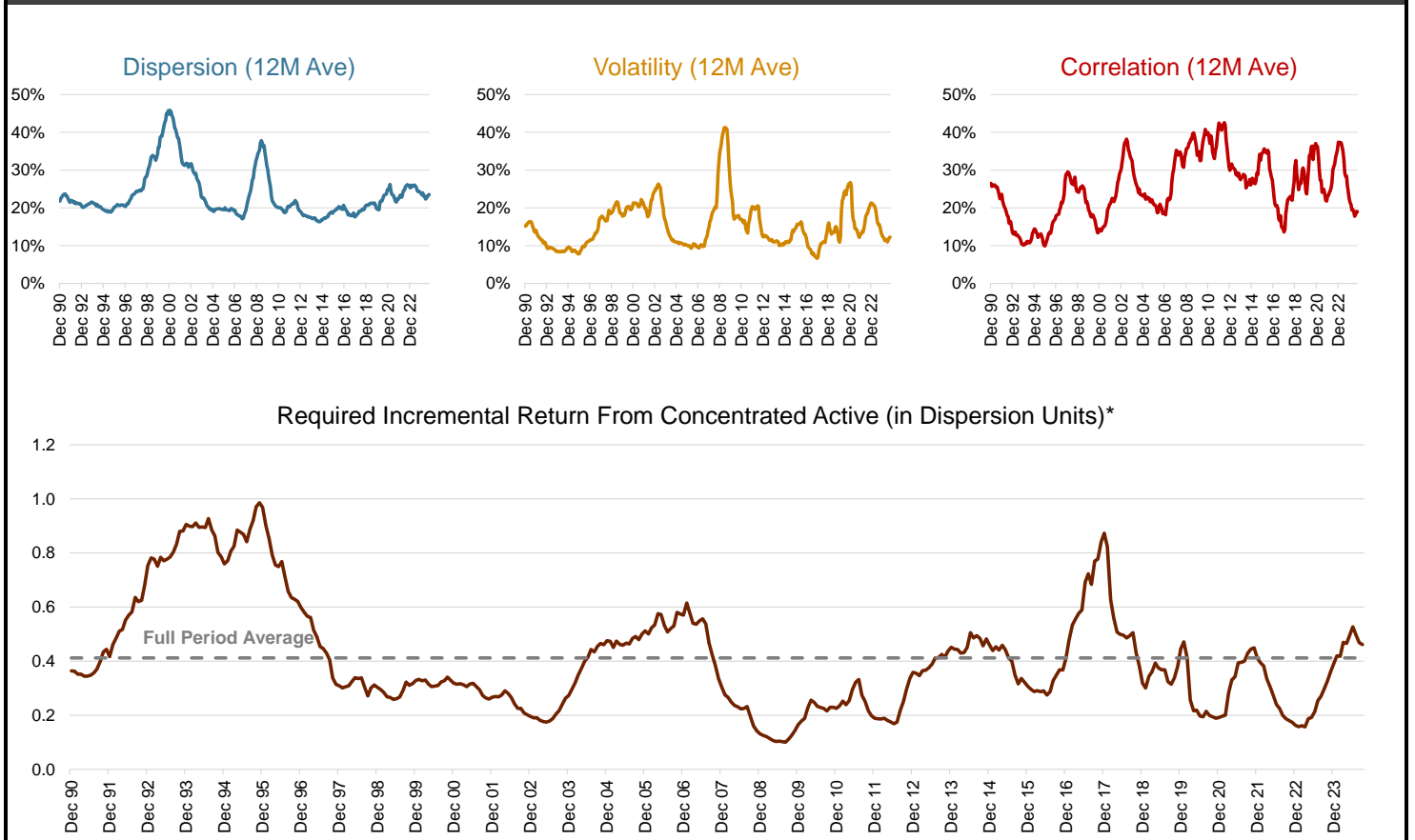
Index Dashboard: Dispersion, Volatility & Correlation

September 30, 2024

MAJOR BENCHMARKS - PAST FIVE YEARS (cont'd)



S&P 500 - 12M TRAILING AVERAGES & ACTIVE RETURN DIFFICULTY



Source: S&P Dow Jones Indices as of Sep 30, 2024 * See "Notes" for explanations and definitions.

NOTES

Definitions

Dispersion for each index is the annualized, index-weighted standard deviation of the index constituents' full-month total returns. See "[Dispersion: Measuring Market Opportunity](#)" for a formal definition of dispersion and more information on its uses.

Correlation for each index measures the correlation among the daily returns of the index constituents during the month, calculated via the ratio of index variance to the index-weighted average constituent variance. See "[At the Intersection of Diversification, Volatility and Correlation](#)" for a more detailed explanation of the calculation.

Volatility for each index is the annualized standard deviation of daily index price returns during the month. See "[The Landscape of Risk](#)" for details on the relationship of correlation, volatility and dispersion.

Required Incremental Return From Concentrated Active (in Dispersion Units) provides the excess return, in multiples of 12M trailing average dispersion, required from a concentrated position in a single index constituent with 12M trailing volatility equal to the index-weighted average, such that the ratio of return to volatility of the position matches that of an investment with volatility matching the index's trailing 12M volatility, and an annual return of 10%. For further details, see "[The Active Manager's Conundrum](#)".

Measurement Periods For Historical Ranges (p1)

The time period over which the median and percentiles of dispersion and correlation are measured begins with January, 2007 and ends with the current month except in the case of the S&P GCC Composite Shariah (which has a history to April, 2007).

General Disclaimer

© 2024 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, Select Sector, S&P MAESTRO, S&P PRISM, S&P STRIDE, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, LCDX, MBX, MCDX, PRIMEX, TABX, HHPI, IRXX, I-SYND, SOVX, CRITS, CRITR are registered trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P Dow Jones Indices is not an investment adviser, commodity trading advisor, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice. Closing prices for S&P Dow Jones Indices' US benchmark indices are calculated by S&P Dow Jones Indices based on the closing price of the individual constituents of the index as set by their primary exchange. Closing prices are received by S&P Dow Jones Indices from one of its third party vendors and verified by comparing them with prices from an alternative vendor. The vendors receive the closing price from the primary exchanges. Real-time intraday prices are calculated similarly without a second verification.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

ASX, ALL ORDINARIES are trademarks of ASX Operations Pty Ltd. and have been licensed for use by S&P Dow Jones Indices.

NZX and NXAZ are trademarks of NZX Limited and have been licensed for use by S&P Dow Jones Indices. TOPIX is a trademark of Tokyo Stock Exchange and has been licensed for use by S&P Dow Jones Indices.

TSX is a trademark of TSX, Inc. and has been licensed for use by S&P Dow Jones Indices.

VIX is a trademark of Chicago Board Options Exchange, Incorporated and has been licensed for use by S&P Dow Jones Indices.