

Parametric Commodity Strategy

STRATEGY OVERVIEW

Parametric's Commodity Strategy uses a unique portfolio construction process that seeks to provide greater diversification¹ than traditional commodity benchmarks. The strategy may meet investors' needs by seeking to efficiently and consistently capturing the diversification and inflation-fighting goals of the commodity asset class without incurring the return risks of fundamental active management or the concentration risks of mainstream commodity indexes.

Investment Objective

The Parametric Commodity Strategy seeks to:

- Outperform the Bloomberg Commodity Index over a full market cycle (3-5 years), while demonstrating 90-95% of the index volatility
- Provide greater diversification than traditional commodity benchmarks by using intelligent design and rules-based implementation
- Participate in the positive attributes and long-term growth of the asset class on a consistent and repeatable basis without the return risk of an active fundamental approach

Parametric Commodity By the Numbers



\$9Bn+
commodity AUM²



25+
years of providing commodity exposure

Investment Approach

Parametric employs an investment approach that relies on thoughtful portfolio construction as a source of return and does not rely on market forecasts to do this. We seek to avoid concentrations that occur in mainstream commodity indices by investing across multiple commodity types and sectors, including a material allocation to non-index commodities. The result is a diversified, consistent and long-only exposure that seeks to deliver the strategic benefits of the asset class. Institutional investors have access to a variety of investment vehicles designed to support their plan's objectives and risk tolerance.

Potential Benefits

DIVERSIFICATION

Investment process maintains diversification across commodity types and sectors and provides exposure to commodities not traditionally included in most indexes

EXPOSURE

Long-only strategy lets investors fully capture the characteristics of the commodity asset class

INFLATION MITIGATION

Commodities have historically provided investors with a hedge against inflation

TRANSPARENCY

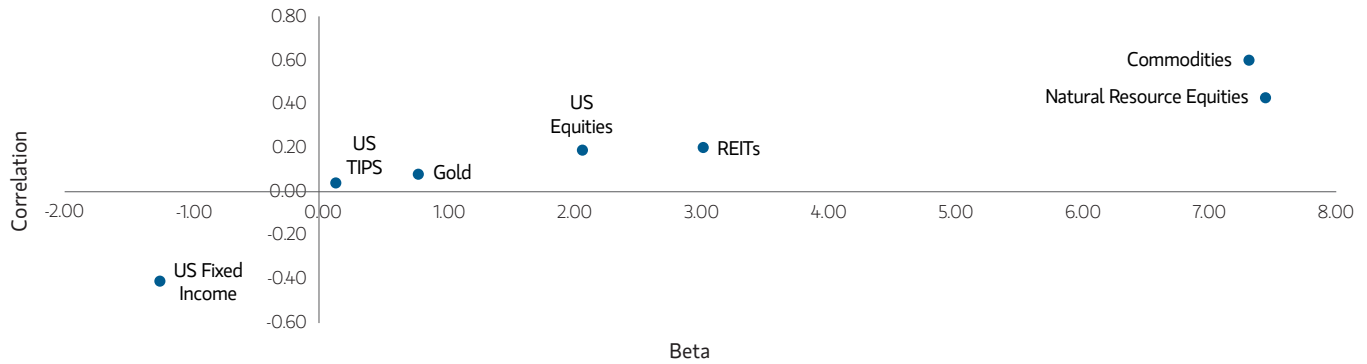
The Commodity Strategy uses a systematic, rules-based methodology to avoid human bias

¹ Diversification does not eliminate the risk of loss.

² Information as of 03/31/2026.

There is no guarantee that the investment objectives will be met. All investments are subject to risk, including the risk of loss.

Correlation with Inflation: Commodities vs. Select Asset Classes (Jan. 2006 to Dec. 2025)



Source: Parametric, Bloomberg, S&P Dow Jones, MSCI, and FTSE Russell as of 12/31/2025. Timeframe selected based on data availability of all inputs used. For illustrative purposes only. Past performance is not indicative of future results. All investments are subject to loss. Commodity returns are represented by the Bloomberg Commodity Index. US Equity returns are represented by the MSCI USA Gross Total Return Index. Natural Resource Equity returns are represented by the S&P North American Natural Resources Sector Index. US TIPS returns are represented by the Bloomberg US Treasury Inflation Notes TR Index. Gold returns are represented by the Bloomberg Gold Subindex Total Return. US Fixed Income returns are represented by the Bloomberg US Aggregate Total Return Value. REITs returns are represented by the FTSE Nareit US Real Estate Index. It is not possible to invest directly in an index. They are unmanaged and do not reflect the deduction of fees and other expenses.

Investment Process

Parametric utilizes an engineered and disciplined approach that seeks to exploit the unique characteristics of the commodity asset class.

Reweight

- Diversification is increased through reweighting the portfolio
- Commodity futures are split into tiers by liquidity, and contracts are equally weighted in each tier
- Upstream and similar commodities are scaled down a tier to avoid concentration

Rebalance

- Positions are rebalanced monthly to target weights as contracts are rolled
- Rebalancing also occurs when portfolio weights breach a predetermined band

Curve

- Balance inflation sensitivity with higher roll costs
- Minimize impact from passive congestion in the market

Collateral

- Short-dated U.S. Treasury instruments
- Avoids risky investments

The information represents how the investment team generally applies their investment processes under normal market conditions. Diversification does not eliminate the risk of loss. All investments are subject to risk.

Portfolio Management Leadership



GREGORY J. LIEBL, CFA
Director, Investment Strategy



ADAM SWINNEY, CFA
Senior Investment Strategist

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Why Parametric?

Parametric is an organization built from 35 years of problem solving via expertise, collaboration and client focus. Our solutions blend creativity and diligence to deliver the ideas and execution today's institutional investors need to solve their unique challenges.

130+

Global markets where we operate

\$684Bn+

Assets under management¹

226

Investment Professionals

Information as of 03/31/2026.

¹ AUM includes overlay exposure, and both discretionary and nondiscretionary assets of Parametric Portfolio Associates LLC (the "Firm"), and \$8.5Bn in assets of Parametric SAS. Please refer to the disclosures for additional information regarding the Firm.

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