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Fixed Income Perspectives Video

Bonds On Firm Footing Despite Policy Uncertainty

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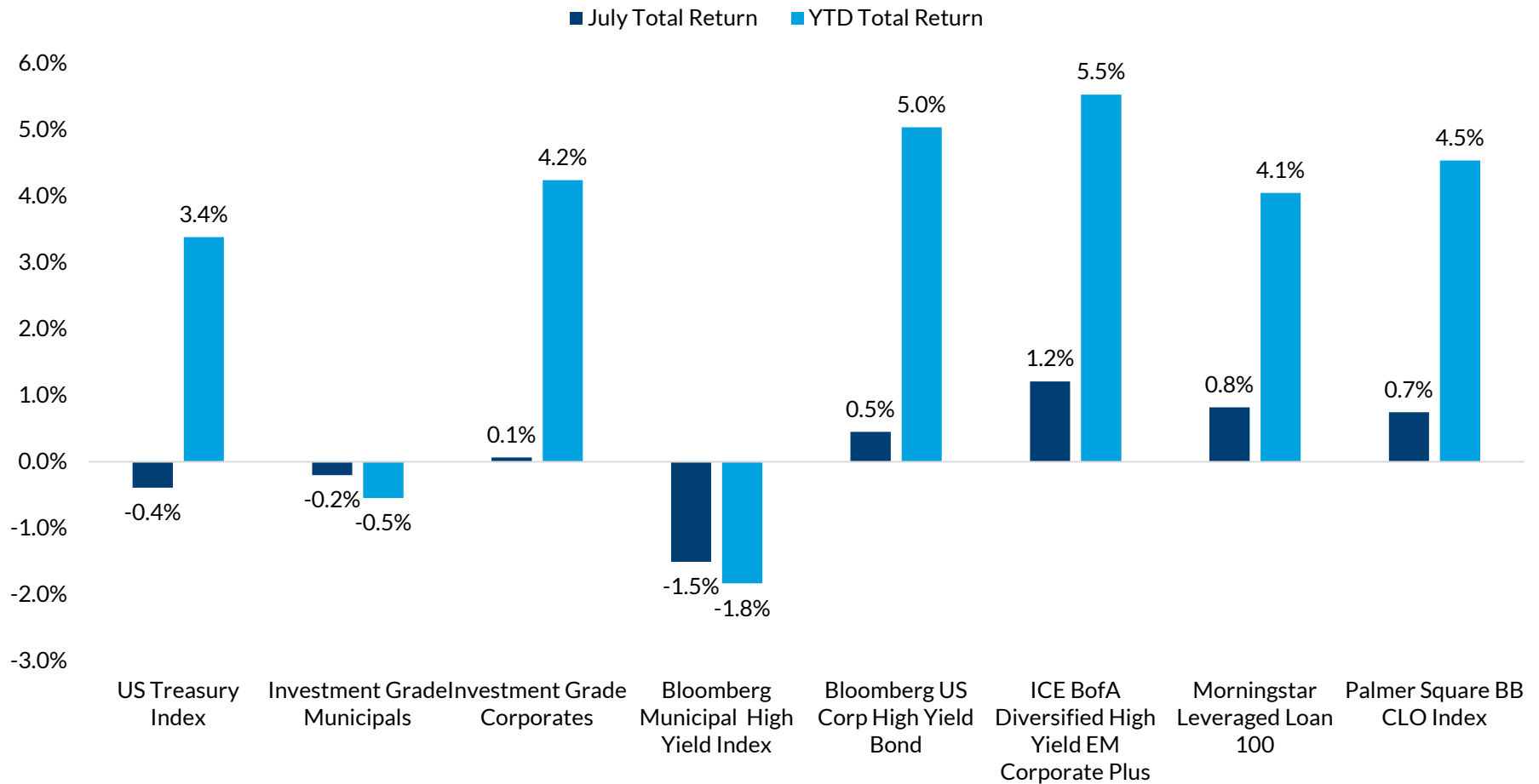
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Fixed Income Returns Year-to-Date

- Most fixed income asset classes are positive on the year despite volatility.

Fixed Income Asset Class Performance



Source: Morningstar Leveraged Loan 100 Index, Bloomberg US Corporate High Yield Index, ICE BofA Diversified High Yield EM Corporate Plus Index, Palmer Square BB CLO Index, Bloomberg Municipal Bond Index, Bloomberg US Treasury Index, Bloomberg High Yield Municipal Bond Index and Bloomberg US Corporate Investment Grade Index as of 7/31/2025. Past performance is not a guarantee of future results. CAS00013416



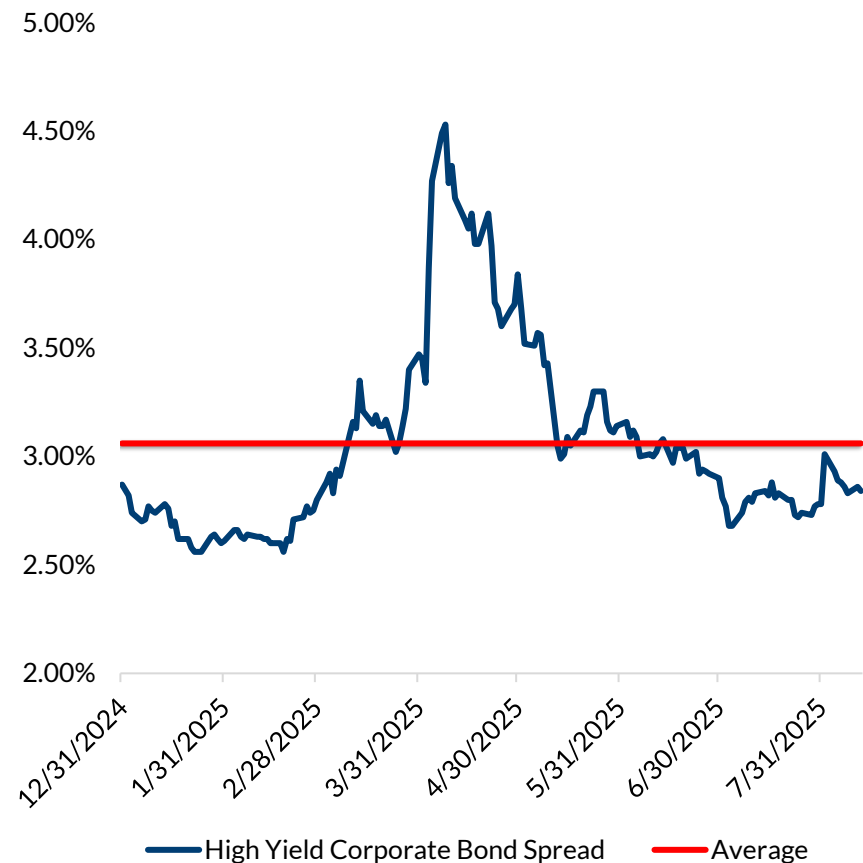
U.S. Corporate Bond Spreads Have Tightened

- Despite tightening credit spreads, yields remain attractive and issuer quality mostly stable.

Investment Grade Corporate Bond Spread



High Yield Corporate Bond Spread



Source: Bloomberg US Agg Credit Average Option-Adjusted Spread (OAS) and Bloomberg US Corporate High Yield Average OAS as of 8/12/2025. Information is subject to change and is not a guarantee of future results.

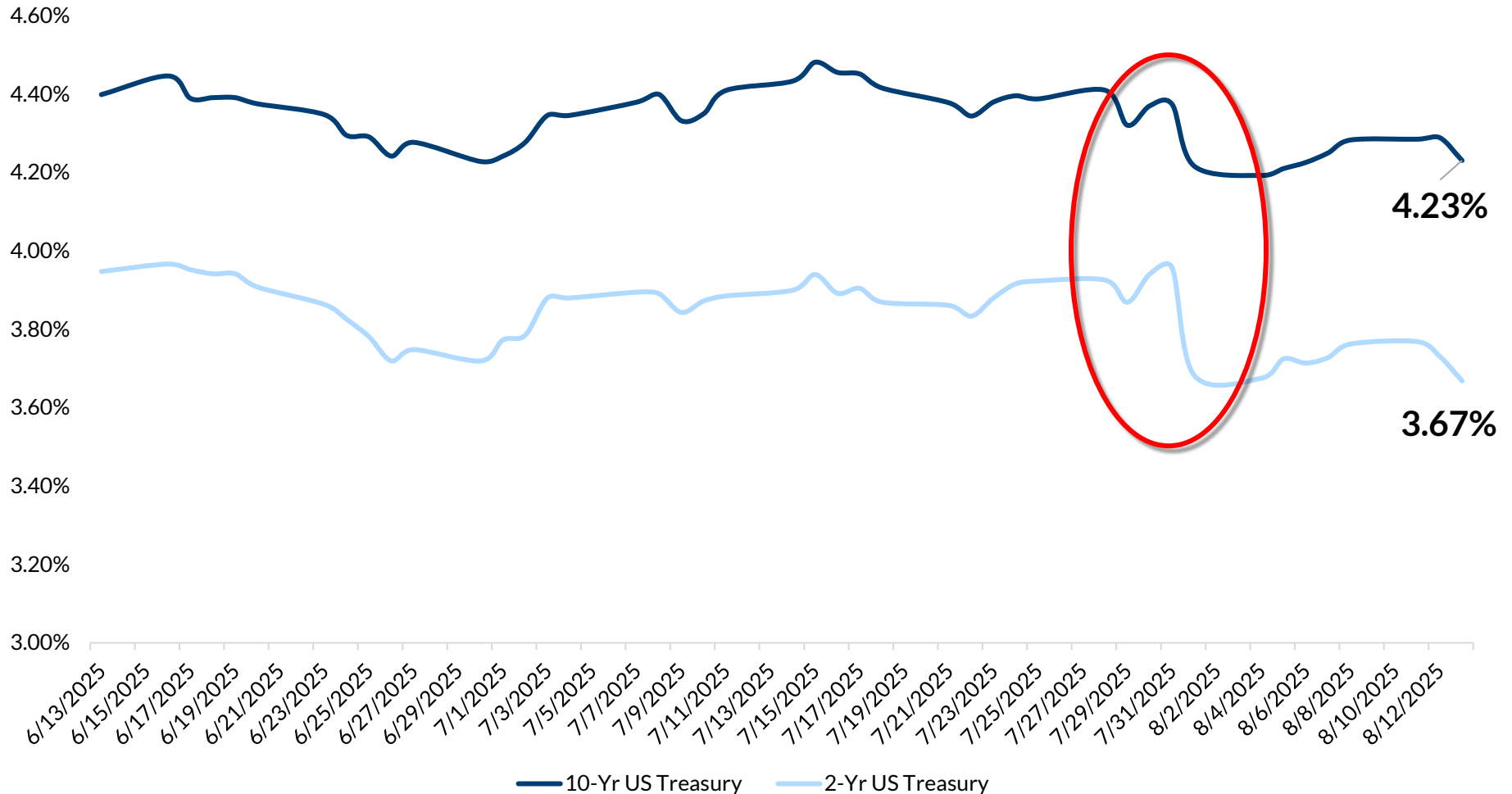
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U.S. Treasuries Responded Sharply To July Payroll Report

- Softer payroll data caused yields to decline as the market weighed the economic backdrop.

2-Yr and 10-Yr US Treasury Yields



Source: Bloomberg U.S. Treasury Index 2-Yr and 10-Yr Yields as of 8/13/2025.
Information is subject to change and is not a guarantee of future results.

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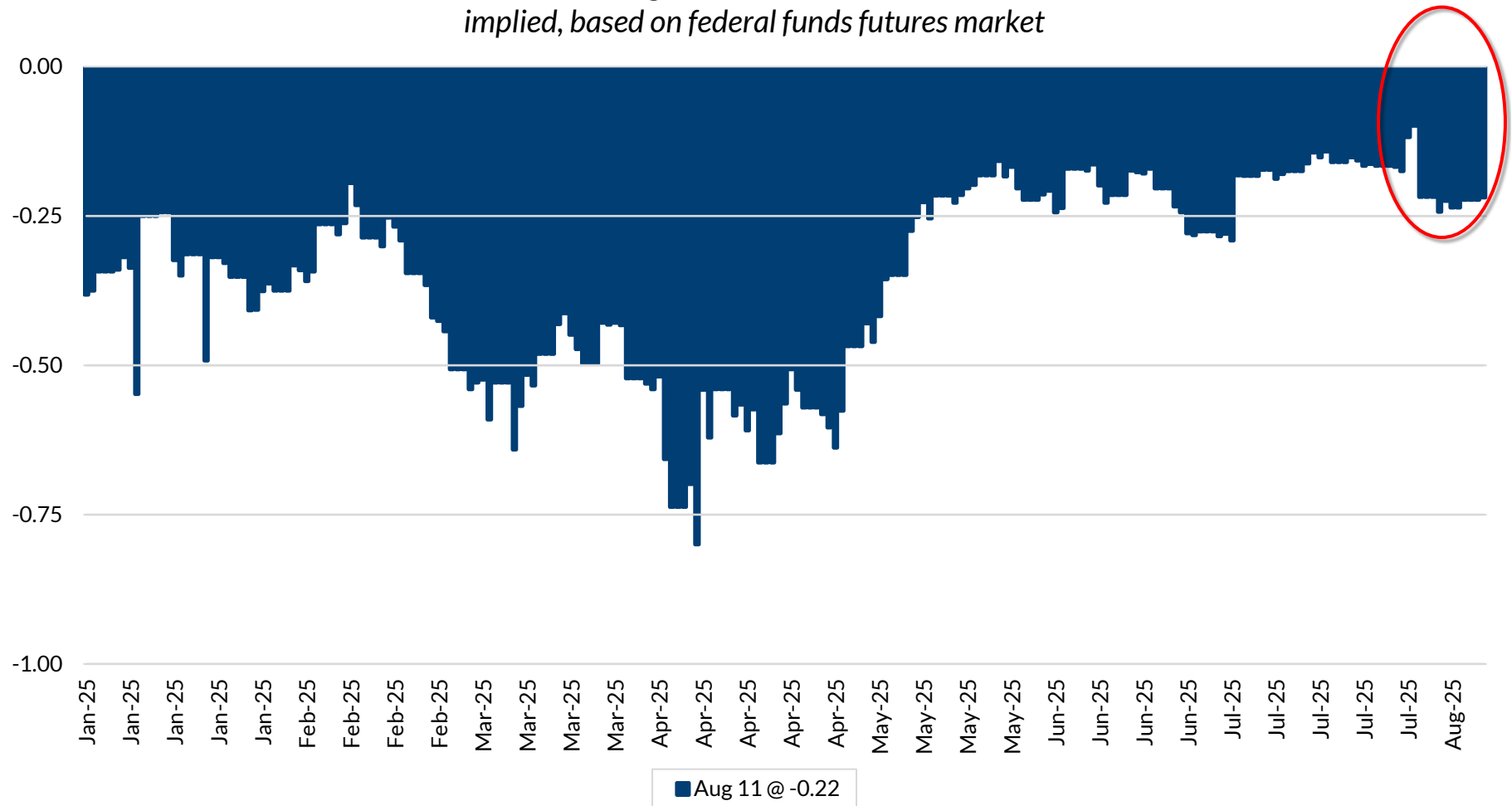
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September Rate Cut Expectations Rise On Recent Data

- Benign inflation gains and weaker labor market increased bets of a September rate cut.

Federal Funds Futures: September 2025
Change from Current Rate
implied, based on federal funds futures market



Source: Federal Reserve Bank and Bloomberg WIRP as of 8/11/2025.
Information is subject to change and is not a guarantee of future results.

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Important Information

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Fixed Income investing strategies & products. There are inherent risks with fixed income investing. These risks include, but are not limited to, interest rate, call, credit, market, inflation, government policy, liquidity or junk bond risks. When interest rates rise, bond prices fall. This risk is heightened with investments in longer-duration fixed income securities and during periods when prevailing interest rates are low or negative.

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Index Definitions

The Morningstar Global Leveraged Loan 100 Index is designed to measure the performance of the 100 largest facilities in the global leveraged loan market. It is a fixed-weight composite index consisting of 75% weight from the Morningstar LSTA US Leveraged Loan Index and 25% weight from the Morningstar European Leveraged Loan Index with a 2% cap on individual loan weight.

The Bloomberg US Corporate High Yield Index measures the performance of non-investment grade, US dollar-denominated, fixed-rate, taxable corporate bonds.

ICE BofA Diversified High Yield US Emerging Markets Corporate Plus Index tracks the performance of US dollar denominated below investment grade emerging markets non-sovereign debt publicly issued in the major domestic and Eurobond markets.

The Palmer Square CLO Debt Index ("CLO Debt Index") (ticker: CLODI) is a rules-based observable pricing and total return index for collateralized loan obligation ("CLO") debt for sale in the United States, original rated A, BBB, or BB or equivalent.

The Bloomberg Municipal Bond: Muni Inter-Short (1-10) Index is a measure of the US municipal tax-exempt investment grade bond market. It includes general obligation and revenue bonds, which both can be pre-refunded years later and get reclassified as such. The effective maturity of the bonds in the index must be greater than or equal to 1 years but less than 10 years.

Bloomberg U.S. Treasury Index: includes all publicly issued, U.S. Treasury securities that are rated investment grade, and have \$250 million or more of outstanding face value.

Bloomberg U.S. Municipal High-Yield Index: covers the U.S.-dollar denominated, non-investment grade, fixed-rate, municipal bond market and includes securities with ratings by Moody's, Fitch and S&P of Ba1/BB+/BB+ or below.

The Bloomberg US Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility, and financial issuers.



Index Definitions cont...

The Bloomberg US Agg Credit Average Option-Adjusted Spread (OAS) is a measure used to assess the additional yield investors receive for holding bonds included in the credit-related sectors of the Bloomberg US Aggregate Bond Index, compared to a risk-free benchmark.

The Bloomberg US Corporate High Yield Average OAS (Option-Adjusted Spread) is a measure that reflects the average yield spread above the risk-free rate for bonds included in the Bloomberg US Corporate High Yield Bond Index. This index tracks the performance of US dollar-denominated, fixed-rate, high-yield corporate bonds.

Bloomberg U.S. Treasury 2-Yr Yield: Reflects the annual return an investor can expect from holding a 2-year US Treasury note until maturity. This is a short-term indicator, influenced by factors like the Federal Reserve's short-term interest rate policy and market expectations for near-term economic activity.

Bloomberg U.S. Treasury 10-Yr Yield: Represents the interest rate the U.S. government pays to borrow money for a decade. This yield is seen as a benchmark for longer-term interest rates and is influenced by factors such as investor sentiment about the economy, inflation expectations, and global economic conditions.

Bloomberg's World Interest Rate Probabilities (WIRP) function is a tool within the Bloomberg Terminal that estimates future interest rate changes based on market pricing of financial instruments like Fed funds futures and overnight index swaps. It provides insights into market expectations for central bank policy rate adjustments, allowing users to gauge the probability of rate hikes or cuts at upcoming meetings.





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