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Fixed Income Perspectives Video

The Policy Pivot Has Arrived

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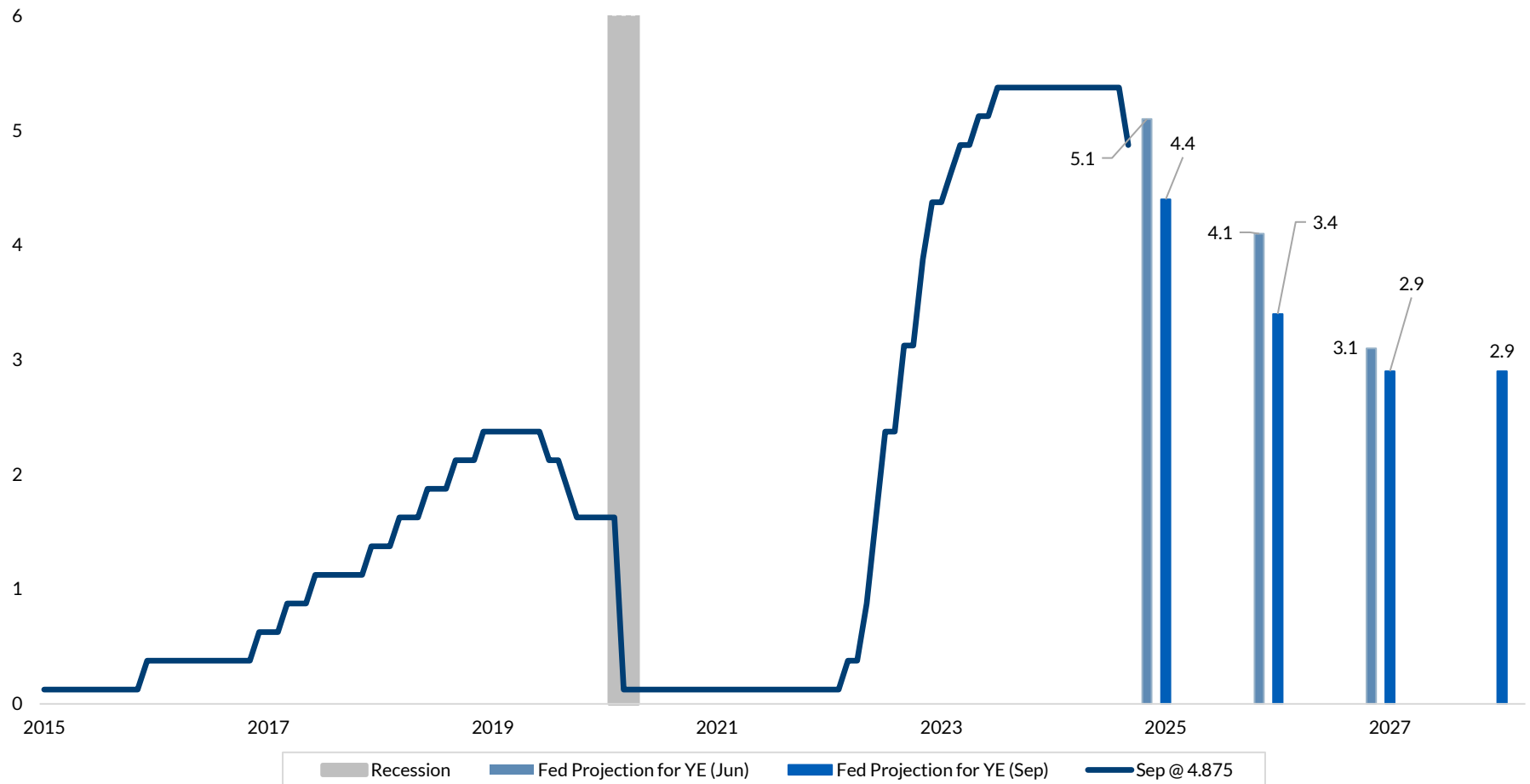
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Fed Rate Policy Expectations Revised Lower in September

- The 50-bps reduction to the Fed funds rate has led to a downward adjustment in outyear estimates.

FOMC Projections - Federal Funds % , mid-point



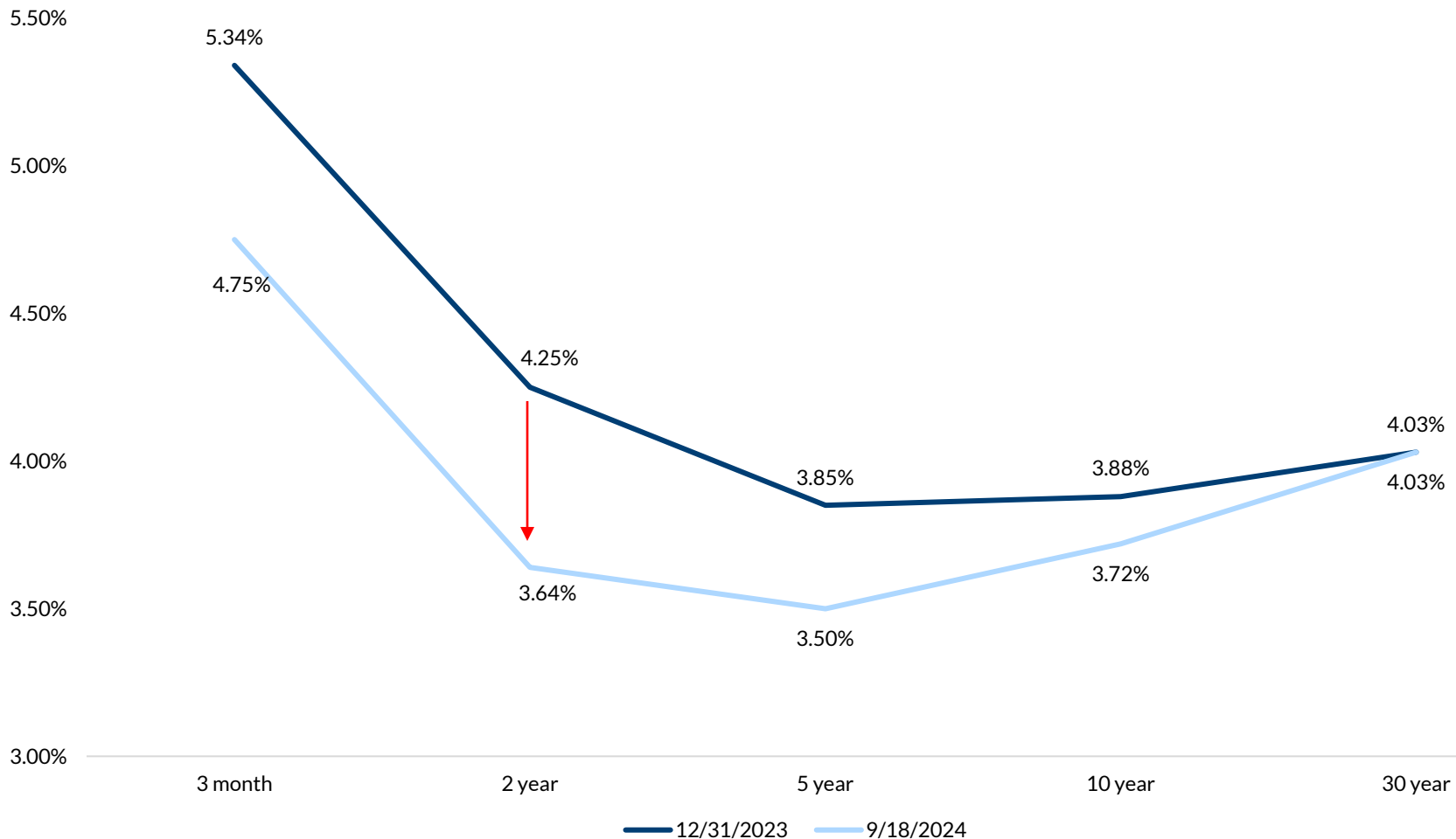
Source: Bureau of Economic Analysis; FOMC as of September 18, 2024.
Information is subject to change and is not a guarantee of future results.



Short-Dated U.S. Treasury Yields Influenced By Fed Rate Policy

- In anticipation of the Fed’s decision to cut the overnight rate, short-end Treasury yields have declined.

U.S. Treasury Yield Curve Changes YTD



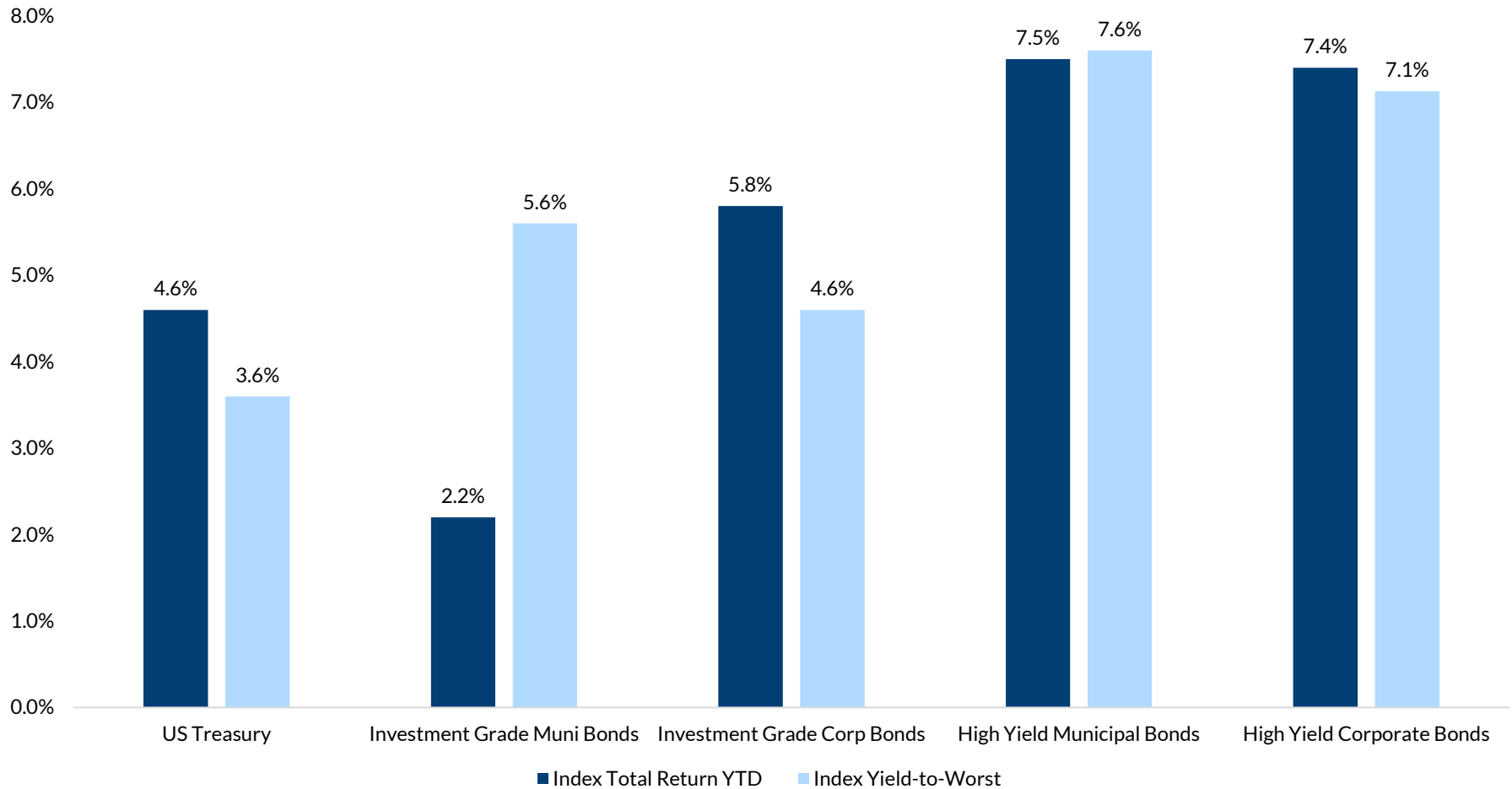
Source: Bloomberg U.S. Treasury Index as of September 18, 2024.
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Various Fixed Income Asset Class Performance and Returns

- Total returns are positive across fixed income markets and available yields remain relatively attractive.

Fixed Income Asset Class Performance and Yields



Source: Bloomberg U.S. Treasury Index, Bloomberg Municipal Bond Index, Bloomberg Corporate Investment Grade Index, Bloomberg Municipal High Yield Index and the Bloomberg US Corporate High Yield Index ; investment grade and high yield municipal bond yield-to-worst is adjusted for 37% Federal tax rate + 3.8% Medicare Surcharge. All data as of September 18, 2024. Information is subject to change and is not a guarantee of future results.



Index Definitions

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.

The Bloomberg US Municipal Bond Index measures the performance of investment grade, US dollar-denominated, long-term tax-exempt bonds.

The Bloomberg US Investment Grade Corporate Bond Index measures the performance of investment grade, corporate, fixed-rate bonds with maturities of one year or more.

The Bloomberg Municipal High Yield Bond Index measures the performance of non-investment grade, US dollar-denominated, and non-rated, tax-exempt bonds.

The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Bloomberg EM country definition, are excluded.



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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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