Fixed Income:
Tool Box of Many Uses

September 28, 2026



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25-Year Correlations

Asset Class	S&P 500	Russell 2000	International Equity	High Yield	Real Estate	Fixed Income
S&P 500	**1.00**	0.84	0.87	0.68	0.65	0.13
Russell 2000	0.84	**1.00**	0.78	0.68	0.67	0.09
International Equity	0.87	0.78	**1.00**	0.72	0.64	0.19
High Yield	0.68	0.68	0.72	**1.00**	0.65	0.29
Real Estate	0.65	0.67	0.64	0.65	**1.00**	0.33
Fixed Income	0.13	0.09	0.19	0.29	0.33	**1.00**

Indices shown: S&P 500, Russell 2000, MSCI World ex-US-GD, Bloomberg US Corporate High Yield, FTSE/NAREIT All Equity REIT's, Bloomberg US Aggregate

Data from December 31, 2000 to December 31, 2025 | eVestment

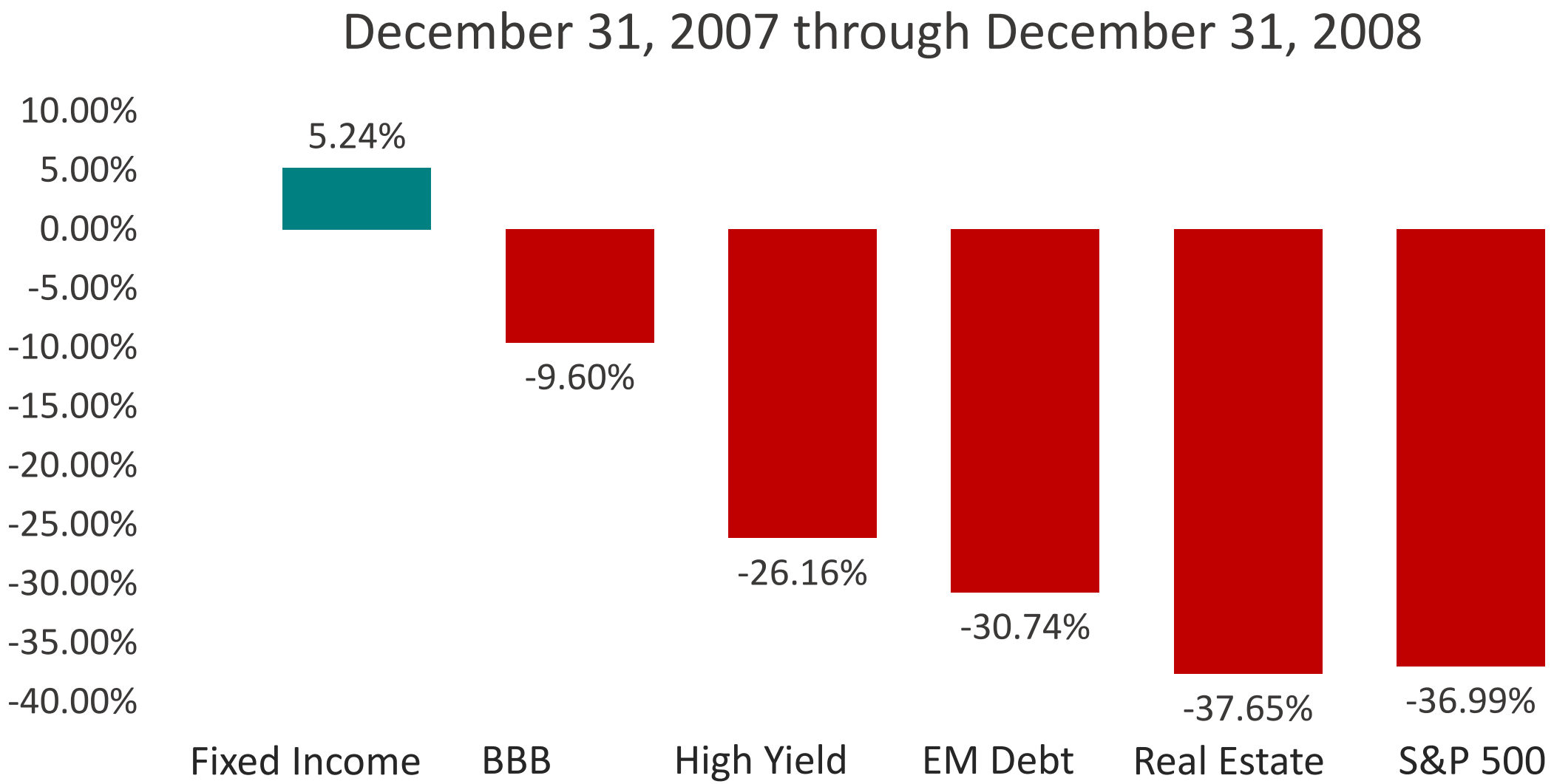
Correlations with S&P 500 Before and During GFC

Correlations increased significantly during the Global Financial Crisis (GFC) for several asset classes.

Asset Class	2002-2007	2008
Real Estate	43%	82%
EM Debt	40%	80%
High Yield	56%	89%
BBB	3%	72%
Fixed Income	-30%	35%

Asset classes represented by the following indices: FTSE/NAREIT All Equity REITs, ICE BofA ML HY US Emerging Markets Corporate Plus, Bloomberg US Corporate High Yield, Bloomberg Baa Corporate, and Bloomberg US Aggregate

Returns During GFC Downturn



Asset classes represented by the following indices: Bloomberg US Aggregate, Bloomberg Baa Corporate, Bloomberg US Corporate High Yield, ICE BofA ML HY US Emerging Markets Corporate Plus, FTSE/NAREIT All Equity REITs, and S&P 500

Correlations with S&P 500 Before and During Pandemic

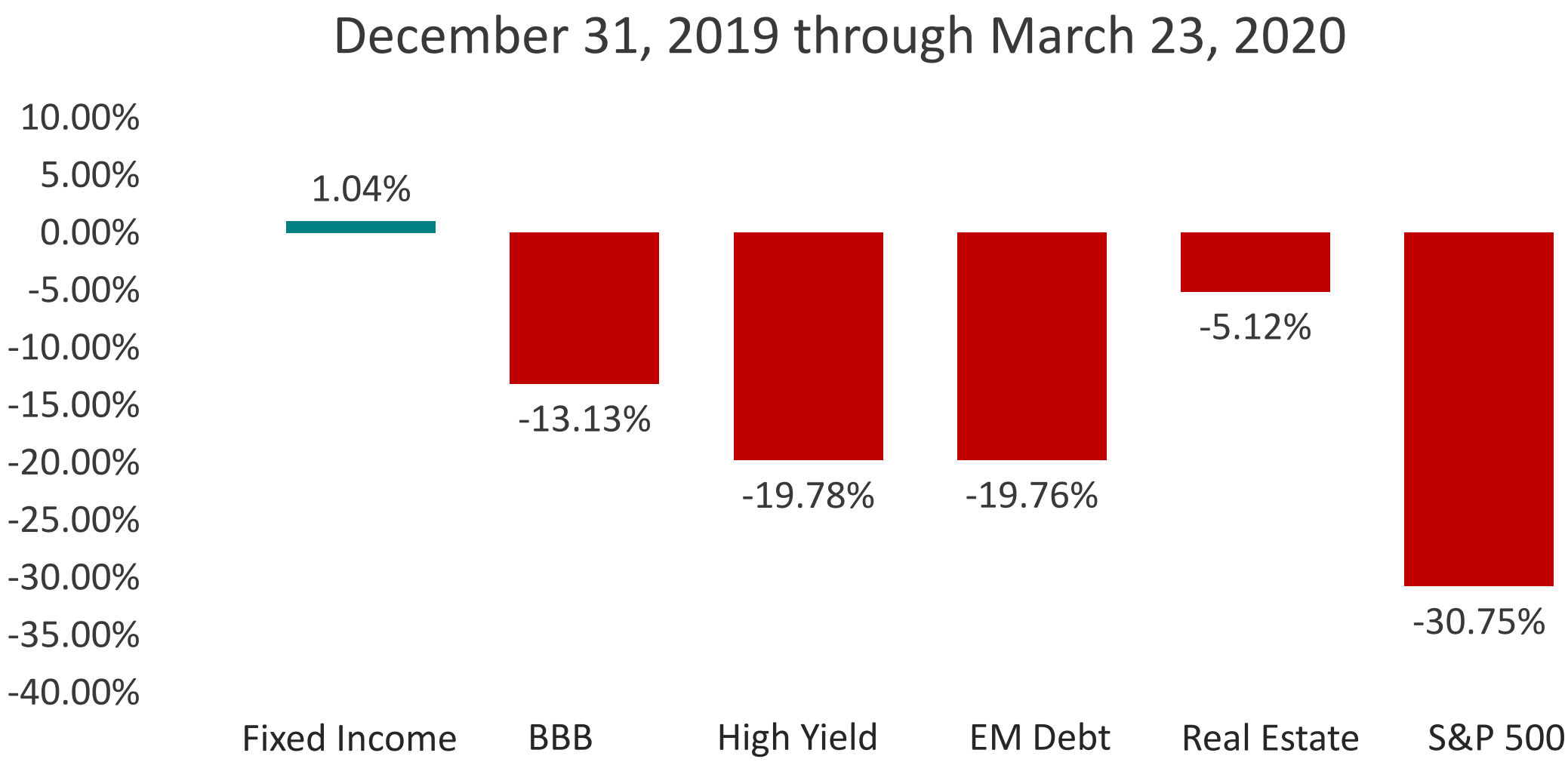
Correlations increased significantly in 2020 for several asset classes.

Asset Class	2014-2019	2020
Real Estate	49%	93%
EM Debt	50%	82%
High Yield	70%	85%
BBB	25%	75%
Fixed Income	-13%	27%

Asset classes represented by the following indices: FTSE/NAREIT All Equity REITs, ICE BofA ML HY US Emerging Markets Corporate Plus, Bloomberg US Corporate High Yield, Bloomberg Baa Corporate, and Bloomberg US Aggregate

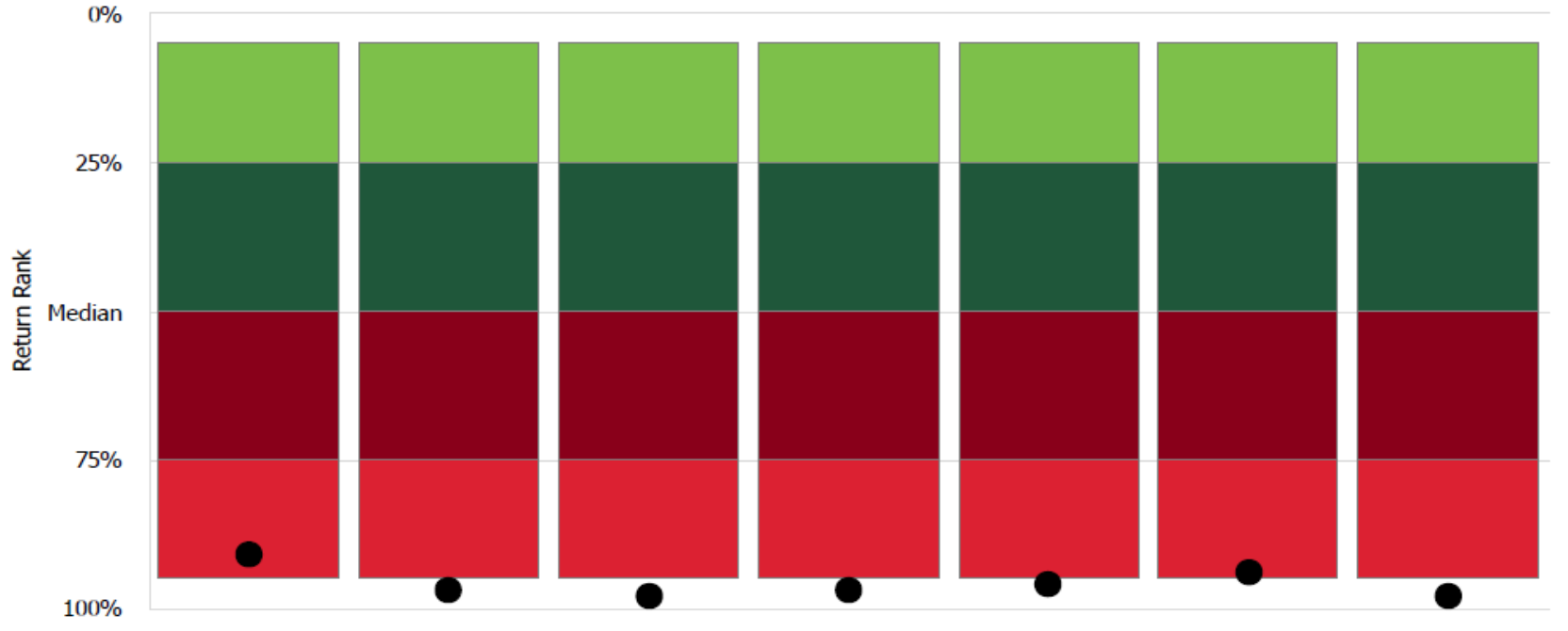
eVestment

Returns During Pandemic Downturn



Asset classes represented by the following indices: Bloomberg US Aggregate, Bloomberg Baa Corporate, Bloomberg US Corporate High Yield, ICE BofA ML HY US Emerging Markets Corporate Plus, FTSE/NAREIT All Equity REITs, and S&P 500

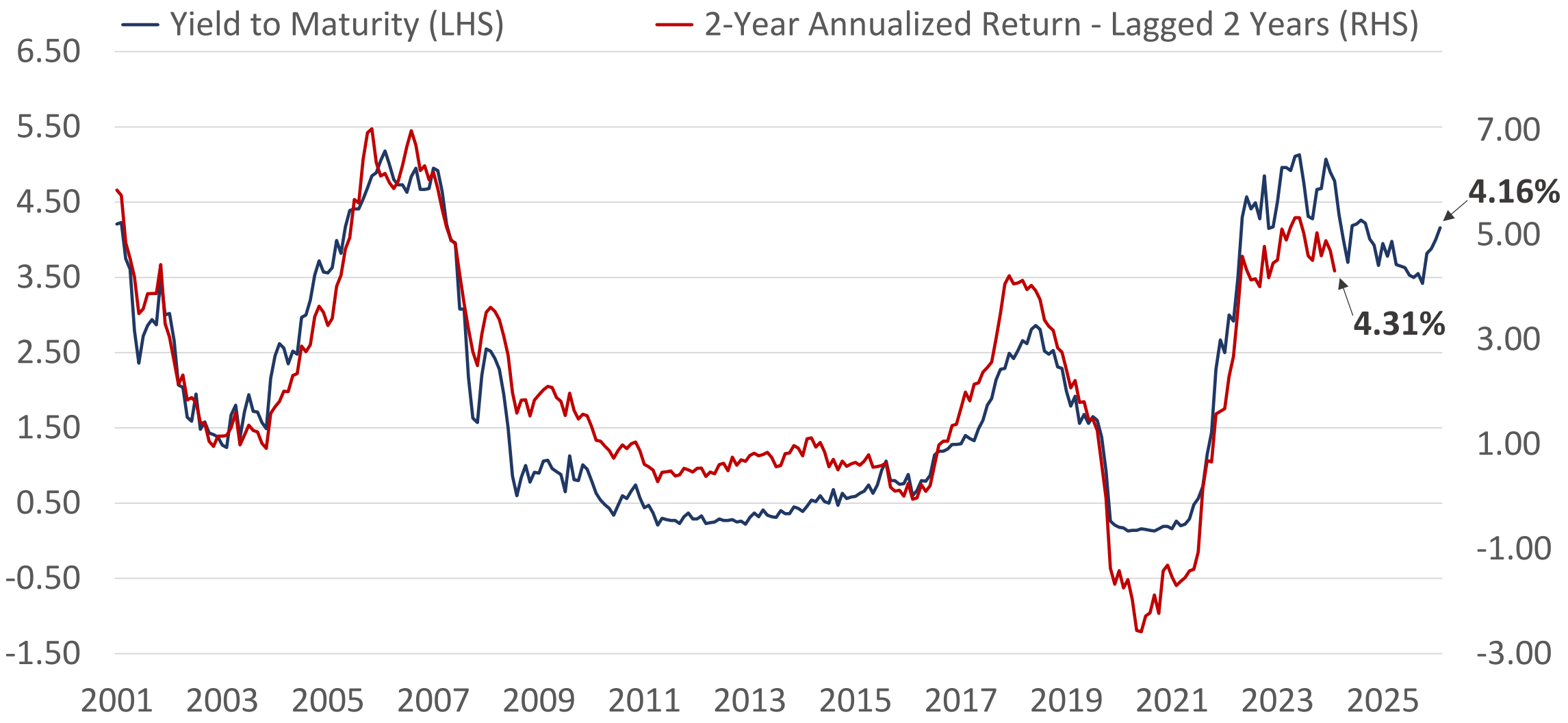
Active Management Works



Universe: eVestment US Core Fixed Income (Percentile)

	RM	5 Years	Rk	10 Years	Rk	15 Years	Rk	20 Years	Rk	25 Years	Rk	30 Years	Rk	35 Years	Rk
5th Percentile		1.27		2.65		3.33		4.43		4.66		5.12		5.70	
25th Percentile		0.66		2.29		3.05		4.14		4.41		4.96		5.52	
Median		0.50		2.10		2.87		3.88		4.17		4.72		5.38	
75th Percentile		0.36		1.92		2.66		3.70		3.99		4.55		5.15	
95th Percentile		-0.06		1.65		2.44		3.41		3.73		4.25		4.92	
# of Observations		192		174		159		135		109		68		36	
Bloomberg US Aggregate	IX	0.08	91	1.54	97	2.28	98	3.32	97	3.65	96	4.28	94	4.84	98

Yields Lead Returns



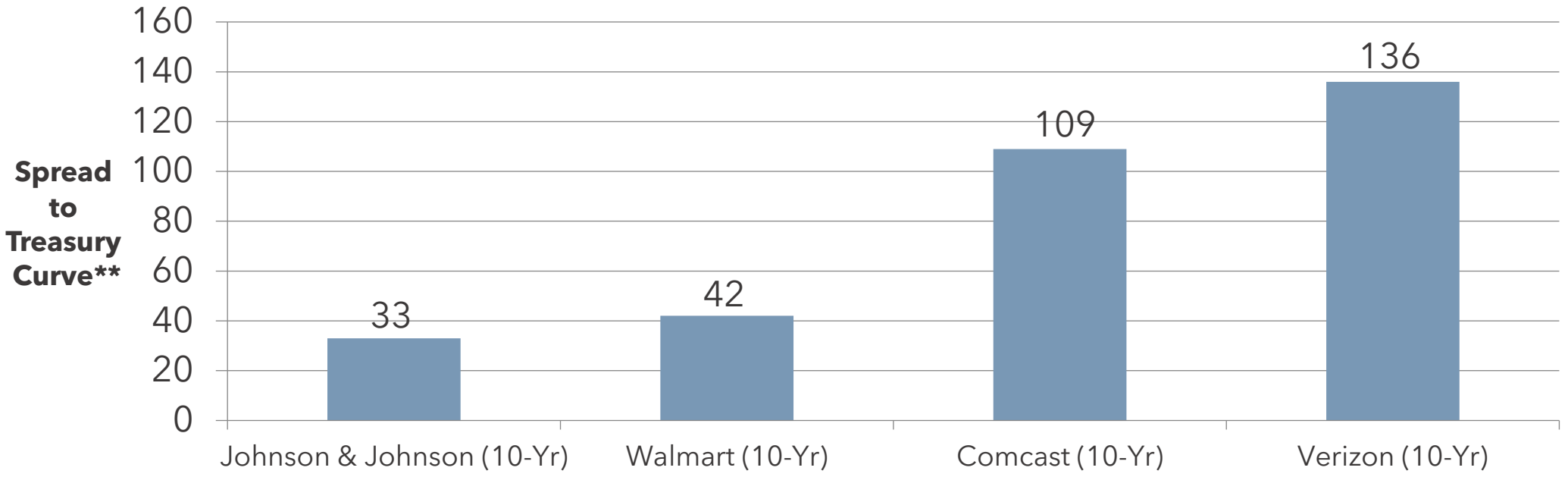
Index Shown: Bloomberg US 1-3 Year Treasury Index
As of June 30, 2026| Bloomberg

Tools in the Bond Market

- Fixed Rate Credit
- Floating Rate Securities
- Inflation Protected Securities
- Mortgage-Backed Securities

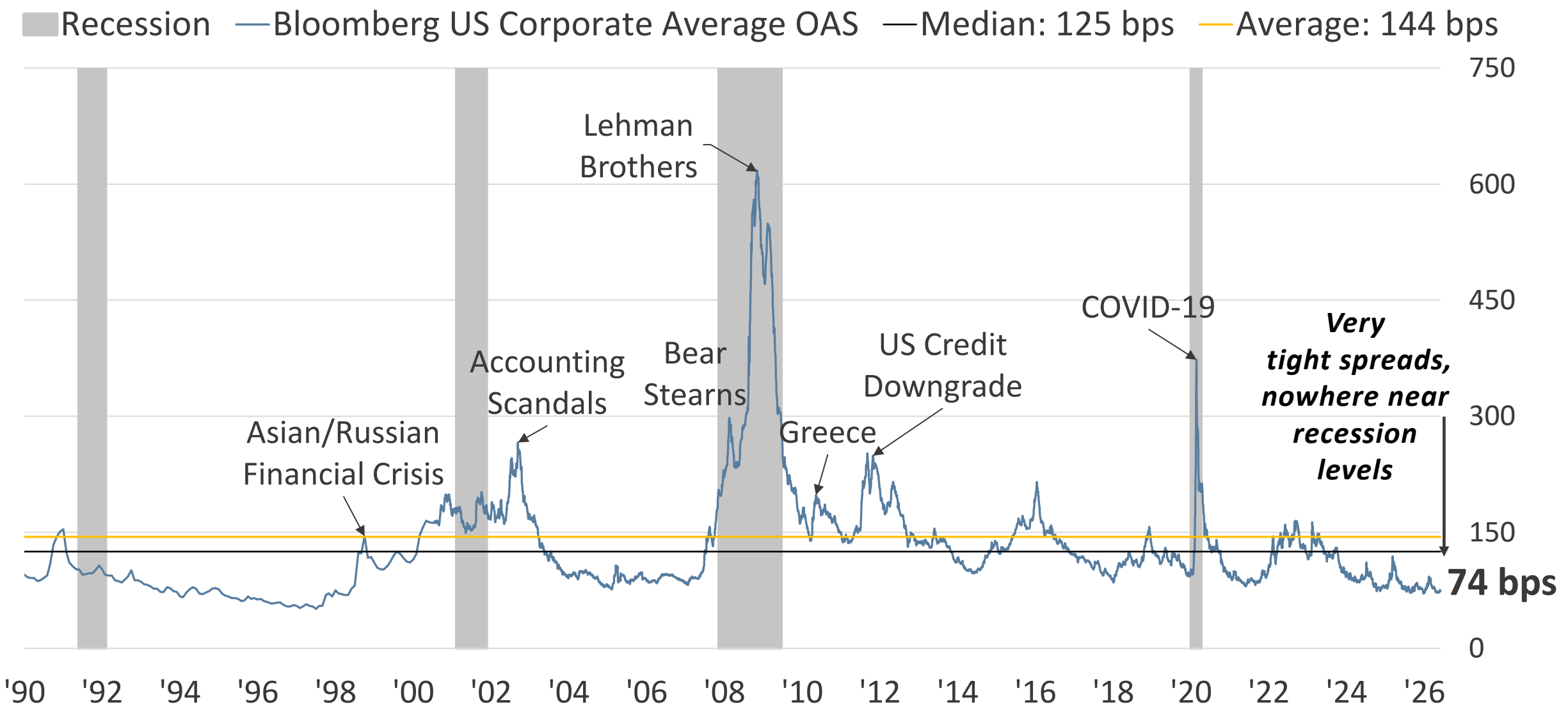
Valuation by Quality

Ratings	Examples	% of Index*
AAA	Microsoft, Johnson & Johnson	0.9%
AA	Berkshire Hathaway, Apple, Wal-Mart	9.5%
A	JP Morgan, Citigroup, Comcast, Pepsi	45.2%
BBB	AT&T, CVS, Fifth Third Bank, Starbucks	44.5%



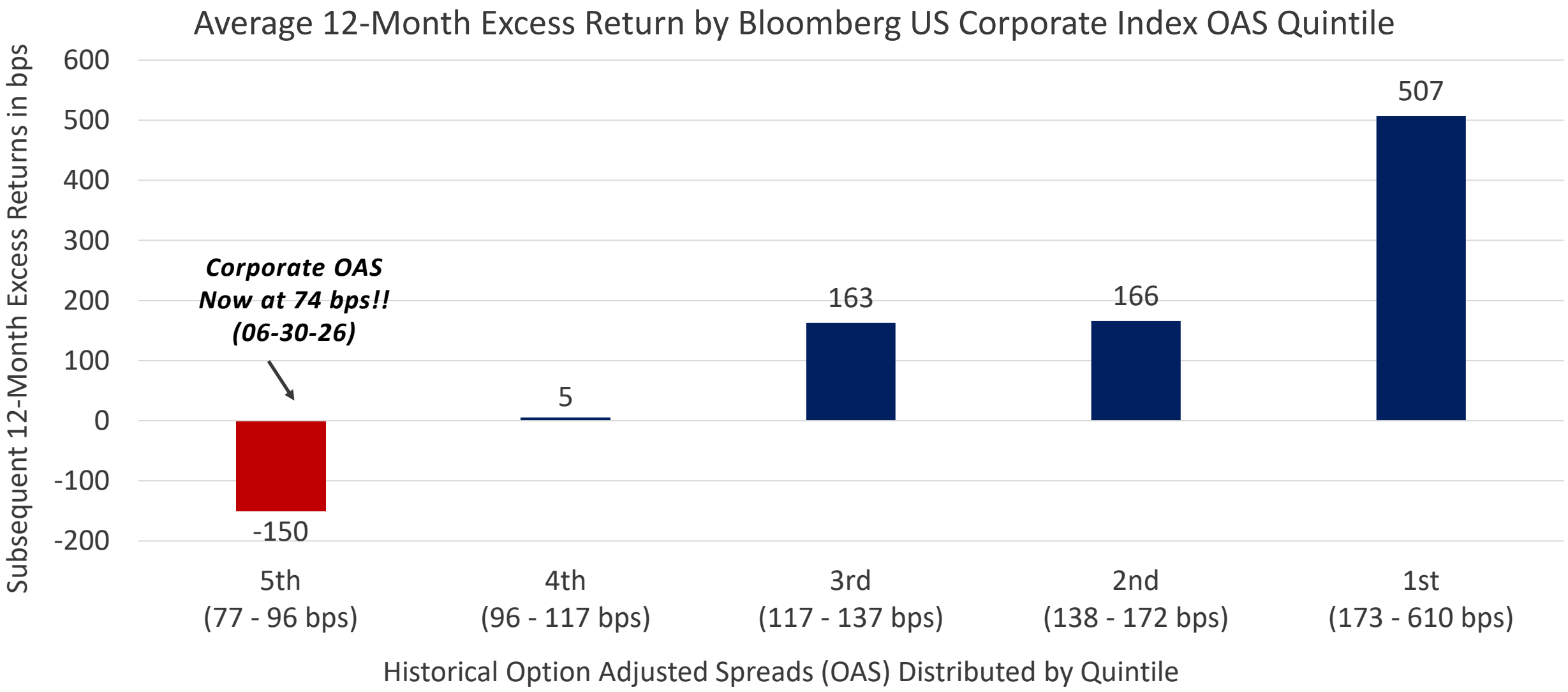
*Percentage of Bloomberg Investment Grade Corporate Index | **Option Adjusted Spread | As of June 30, 2026 | Bloomberg

Average Option Adjusted Spreads OAS



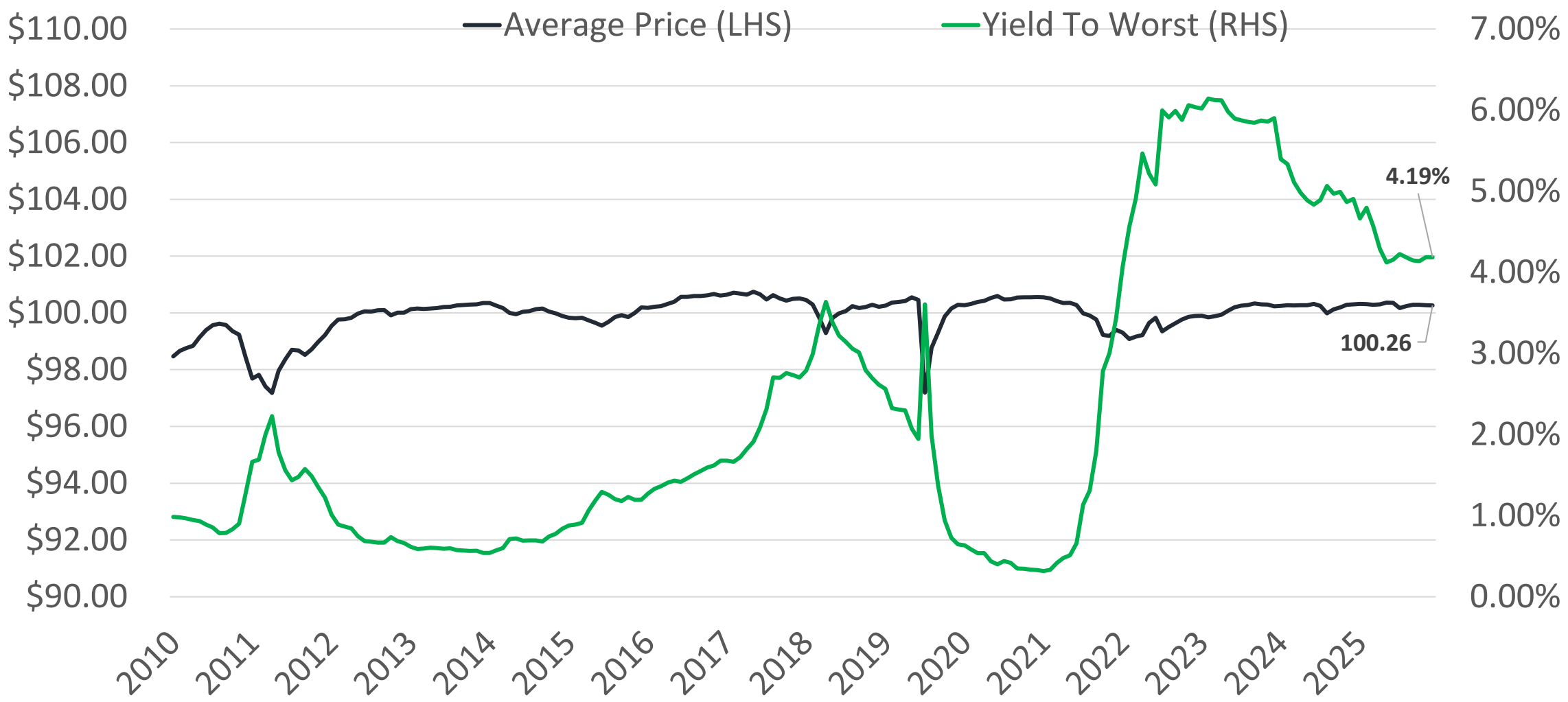
As of June 30, 2026 | Bloomberg

Corporate Spreads at Levels Associated with Low Returns



September 30, 2002 through December 31, 2024 | Bloomberg

Corporate Floating Rate Notes



Index: Bloomberg US Floating Rate Notes Index | As of August 31, 2026 | Bloomberg

CPI Averaged 4.5% Over the Past 5 Years

Over the July 2021 to July 2026 period, Short and Intermediate TIPS Indices outperformed Duration Equivalent Treasury Indices

Index	Duration	Annualized Total Return
1-3 Year Treasury Index	1.86 Years	1.90%
1-5 Year TIPS Index	1.97 Years	2.76%

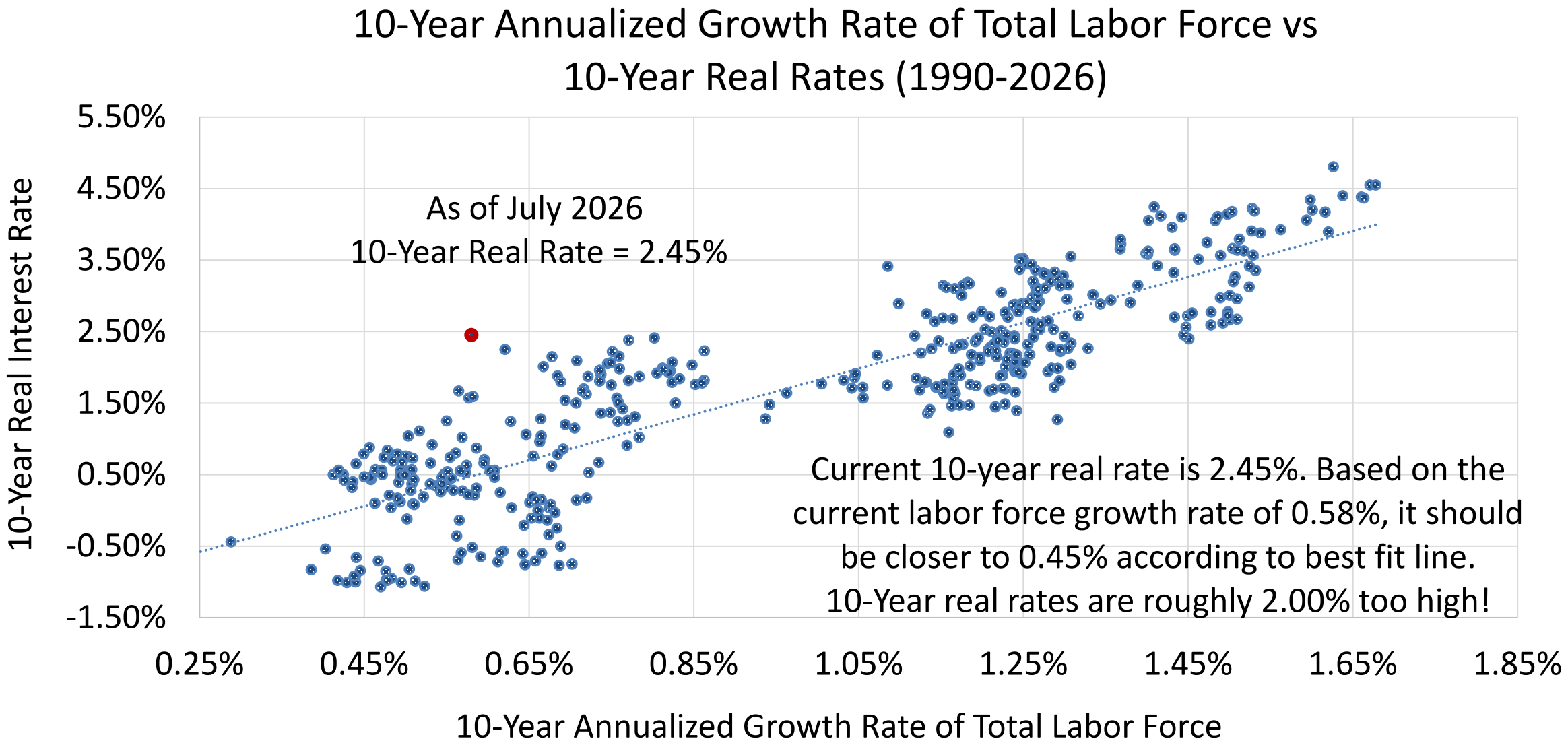
Index	Duration	Annualized Total Return
Interm. Treasury Index	3.53 Years	0.67%
1-10 Year TIPS Index	3.50 Years	1.82%

Index	Duration	Annualized Total Return
Long Treasury Index	13.94 Years	-7.04%
10+ Year TIPS Index	13.06 Years	-7.45%

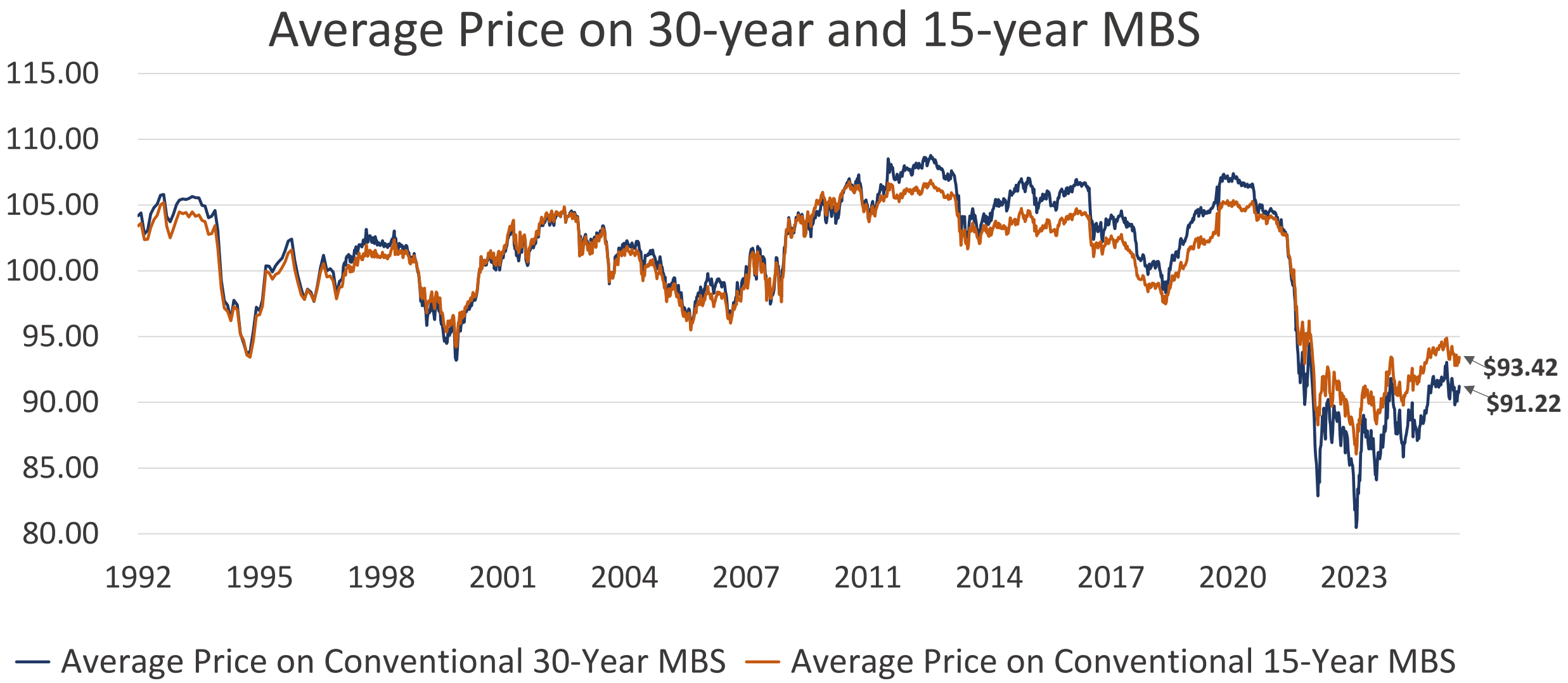
TIPS durations are empirical durations provided by Bloomberg.

As of July 31, 2026 | Bloomberg

10-Year Real Rates Above Trendline of Underlying Labor Growth

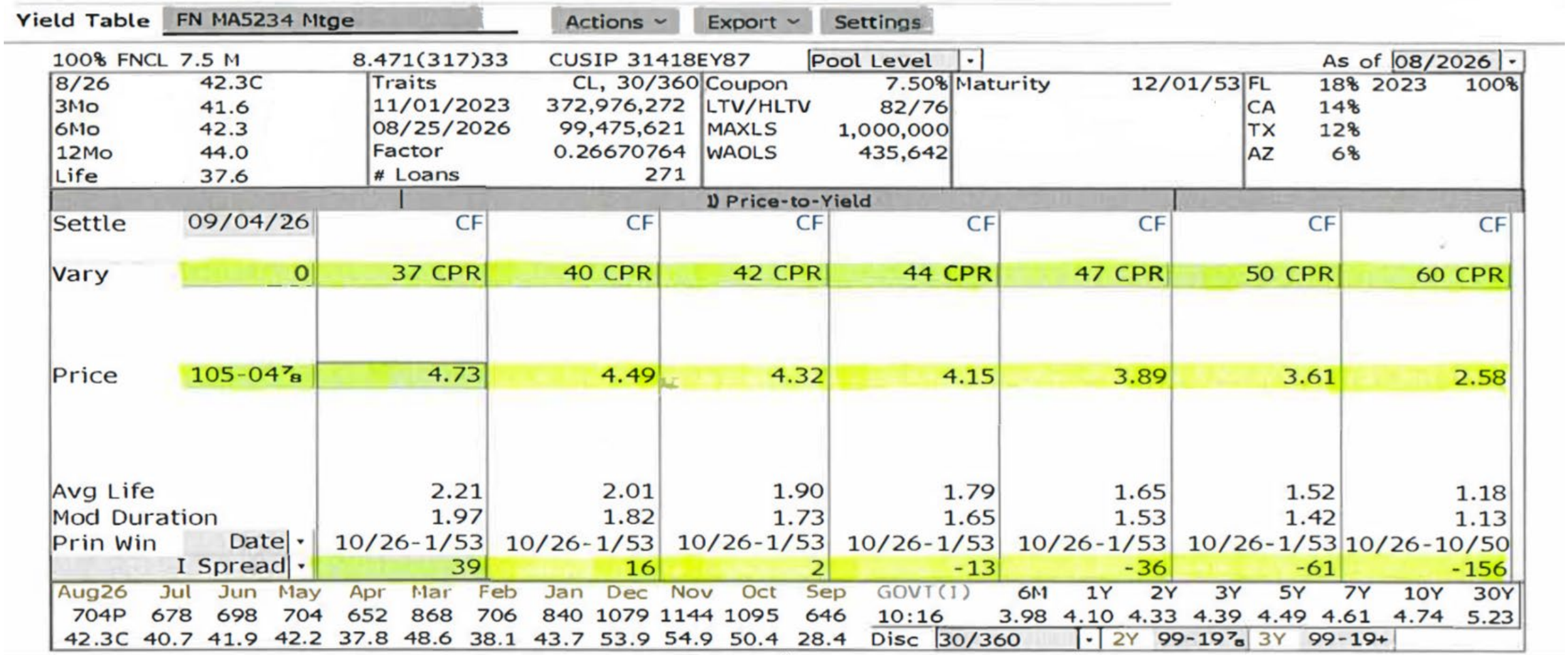


MBS Market is Trading at Historically Low Prices



Indice: Bloomberg US Mortgage-Backed Securities
As of June 26, 2026 | Bloomberg

Yield Table



Yield Table | FN MA5234 Mtge | Actions | Export | Settings

100% FNCL 7.5 M | 8.471(317)33 | CUSIP 31418EY87 | Pool Level | As of 08/2026

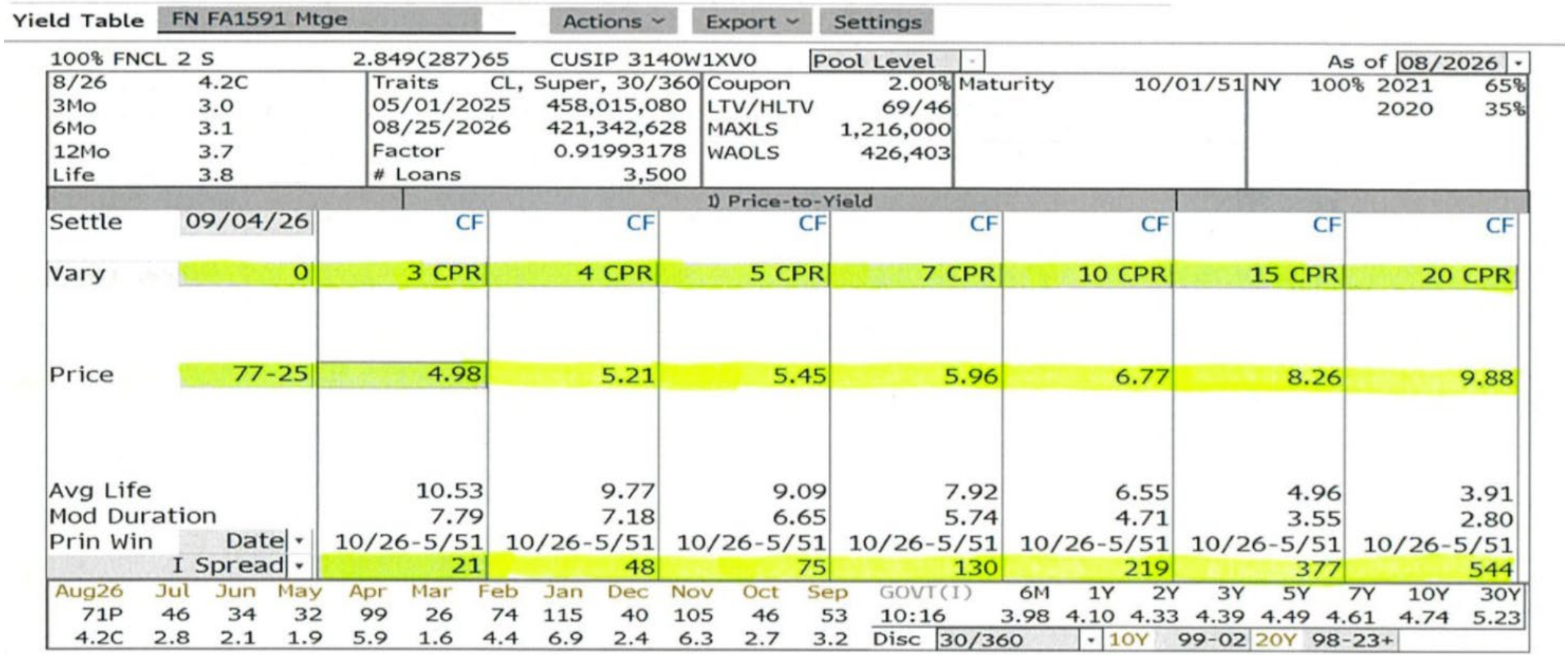
8/26	42.3C	Traits	CL, 30/360	Coupon	7.50%	Maturity	12/01/53	FL	18% 2023 100%
3Mo	41.6	11/01/2023	372,976,272	LTV/HLTV	82/76			CA	14%
6Mo	42.3	08/25/2026	99,475,621	MAXLS	1,000,000			TX	12%
12Mo	44.0	Factor	0.26670764	WAOLS	435,642			AZ	6%
Life	37.6	# Loans	271						

Price-to-Yield

Settle	09/04/26	CF	CF	CF	CF	CF	CF	CF
Vary	0	37 CPR	40 CPR	42 CPR	44 CPR	47 CPR	50 CPR	60 CPR
Price	105-04⅞	4.73	4.49	4.32	4.15	3.89	3.61	2.58
Avg Life		2.21	2.01	1.90	1.79	1.65	1.52	1.18
Mod Duration		1.97	1.82	1.73	1.65	1.53	1.42	1.13
Prin Win	Date	10/26-1/53	10/26-1/53	10/26-1/53	10/26-1/53	10/26-1/53	10/26-1/53	10/26-10/50
	I Spread	39	16	2	-13	-36	-61	-156

Aug26	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	GOVT(1)	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
704P	678	698	704	652	868	706	840	1079	1144	1095	646	10:16	3.98	4.10	4.33	4.39	4.49	4.61	4.74	5.23
42.3C	40.7	41.9	42.2	37.8	48.6	38.1	43.7	53.9	54.9	50.4	28.4	Disc	30/360		2Y	99-19⅞	3Y	99-19+		

Yield Table



Yield Table | FN FA1591 Mtge | Actions | Export | Settings

100% FNCL 2 S | 2.849(287)65 | CUSIP 3140W1XV0 | Pool Level | As of 08/2026

8/26	4.2C	Traits	CL, Super, 30/360	Coupon	2.00%	Maturity	10/01/51	NY 100% 2021 65%
3Mo	3.0	05/01/2025	458,015,080	LTV/HLTV	69/46			2020 35%
6Mo	3.1	08/25/2026	421,342,628	MAXLS	1,216,000			
12Mo	3.7	Factor	0.91993178	WAOLS	426,403			
Life	3.8	# Loans	3,500					

1) Price-to-Yield

Settle	09/04/26	CF	CF	CF	CF	CF	CF	CF
Vary	0	3 CPR	4 CPR	5 CPR	7 CPR	10 CPR	15 CPR	20 CPR
Price	77-25	4.98	5.21	5.45	5.96	6.77	8.26	9.88
Avg Life		10.53	9.77	9.09	7.92	6.55	4.96	3.91
Mod Duration		7.79	7.18	6.65	5.74	4.71	3.55	2.80
Prin Win	Date	10/26-5/51	10/26-5/51	10/26-5/51	10/26-5/51	10/26-5/51	10/26-5/51	10/26-5/51
I Spread		21	48	75	130	219	377	544

Aug26	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	GOVT(I)	6M	1Y	2Y	3Y	5Y	7Y	10Y	30Y
71P	46	34	32	99	26	74	115	40	105	46	53	10:16	3.98	4.10	4.33	4.39	4.49	4.61	4.74	5.23
4.2C	2.8	2.1	1.9	5.9	1.6	4.4	6.9	2.4	6.3	2.7	3.2	Disc	30/360		10Y	99-02	20Y	98-23+		

Concluding Thoughts on the Tool Box

- Diversification
- Active Management
- Income Generation
- Multiple “Tools” for the Job