Fixed Income Perspectives

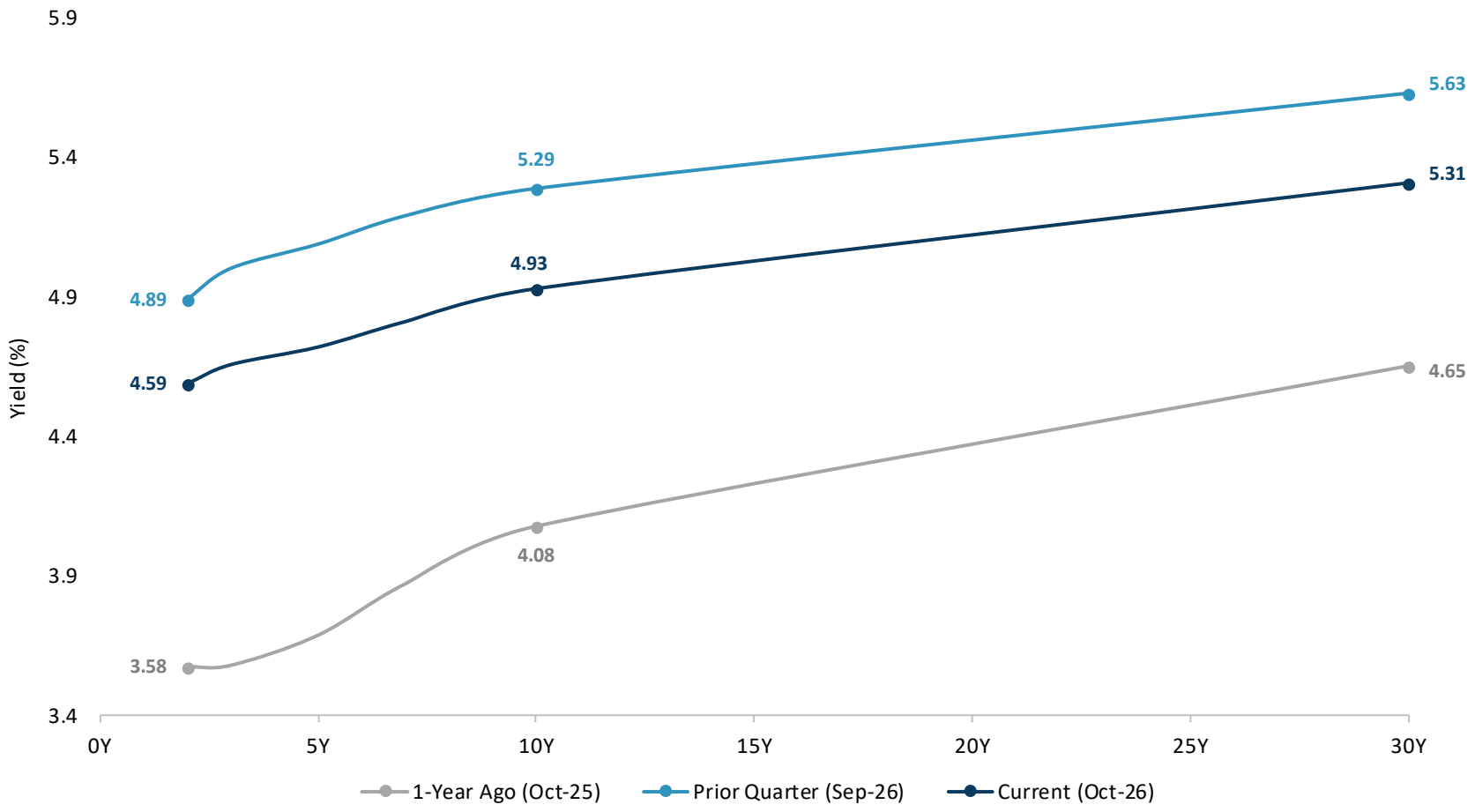
November 2026

Fixed Income Market Outlook and Key Investment Themes

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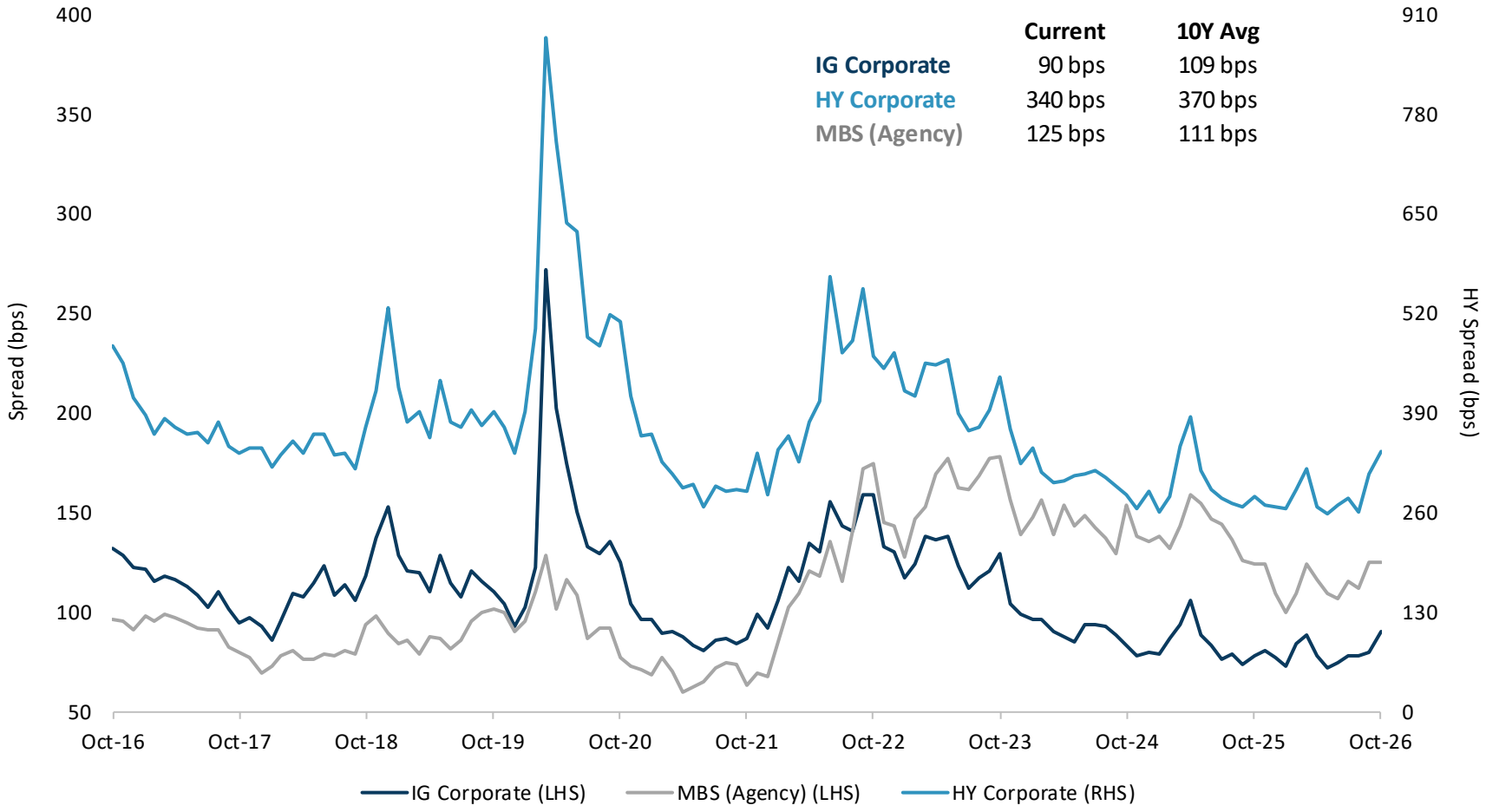
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US Treasury Yield Curve



Source: Bloomberg

Credit Spreads



Source: Bloomberg | MBS spread reflects current coupon spread to 5/10 US Treasury

Yields and Spreads

	US TREASURY		
	1-Year Ago	Prior Quarter	Current
Yield (%)			
2Y	3.58	4.89	4.59
3Y	3.58	5.00	4.66
5Y	3.69	5.09	4.72
7Y	3.87	5.19	4.81
10Y	4.08	5.29	4.93
30Y	4.65	5.63	5.31
Curve Slope (bps)			
2s10s	50	39	34
5s30s	96	54	59
10s30s	57	34	38
Breakeven Inflation Rates (%)			
2Y	2.60	2.50	2.55
5Y	2.41	2.38	2.47
10Y	2.32	2.37	2.34

	SPREADS		
	1-Year Ago	Prior Quarter	Current
Securitized (bps)			
ABS	55	40	51
CMBS	77	67	75
MBS (Agency)	124	125	125
US Investment Grade Credit (bps)			
US Corporate	78	80	90
AAA	9	8	9
AA	44	53	63
A	65	68	74
BBB	99	99	112
US High Yield (bps)			
US High Yield	281	311	340
BB	171	186	204
B	286	301	335
CCC	611	1007	1116

Source: Bloomberg | MBS spread reflects current coupon spread to 5/10 US Treasury

Fixed Income Market Environment

As of 10/30/2026	MTD	3 Month	YTD	1 Year	Duration
U.S. Aggregate	2.44	0.15	-0.54	-0.07	5.87
U.S. Treasury Bills: 1-3 Months	0.36	0.95	3.12	3.79	0.15
1-3 Yr Gov/Credit	0.92	0.60	1.51	2.34	1.88
Intermediate U.S. Government/Credit	1.62	0.14	0.11	0.88	3.75
Long Government / Credit	4.43	0.29	-2.99	-3.91	13.19
U.S. Treasury	2.36	0.37	-0.47	-0.19	5.72
U.S. Treasury: 1-3 Year	0.94	0.61	1.41	2.21	1.88
U.S. Treasury: Intermediate	1.64	0.26	0.16	0.86	3.57
U.S. Treasury: Long	5.16	0.75	-2.85	-4.12	13.87
U.S. Corporate Investment Grade	2.16	-0.19	-1.02	-0.57	6.62
US Corporate 1-3 Yr	0.87	0.54	1.85	2.76	1.89
Intermediate Corporate	1.59	-0.13	-0.01	0.91	4.16
Long U.S. Corporate	3.49	-0.31	-3.20	-3.69	12.29
Aaa Corporate	3.15	-0.04	-3.05	-3.31	10.50
Aa Corporate	2.10	-0.40	-2.52	-2.48	7.63
A Corporate	2.38	-0.05	-0.94	-0.49	6.59
Baa Corporate	1.93	-0.29	-0.75	-0.22	6.35
U.S. Corporate High Yield	0.30	-1.28	0.40	1.56	3.45
U.S. Mortgage-Backed Securities	3.07	0.11	-0.34	0.50	5.68
Asset-Backed Securities	1.13	0.43	1.39	2.27	2.91
Investment Grade CMBS	1.49	0.05	0.49	1.38	3.57

Summary of Outlook

AI-Driven Expansion Faces Questions About Its Staying Power

- The economy remains firmly in expansion, supported in large part by heavy AI-related investment.
- The rapid build-out of data centers depends on continued access to capital and an evolving regulatory backdrop.

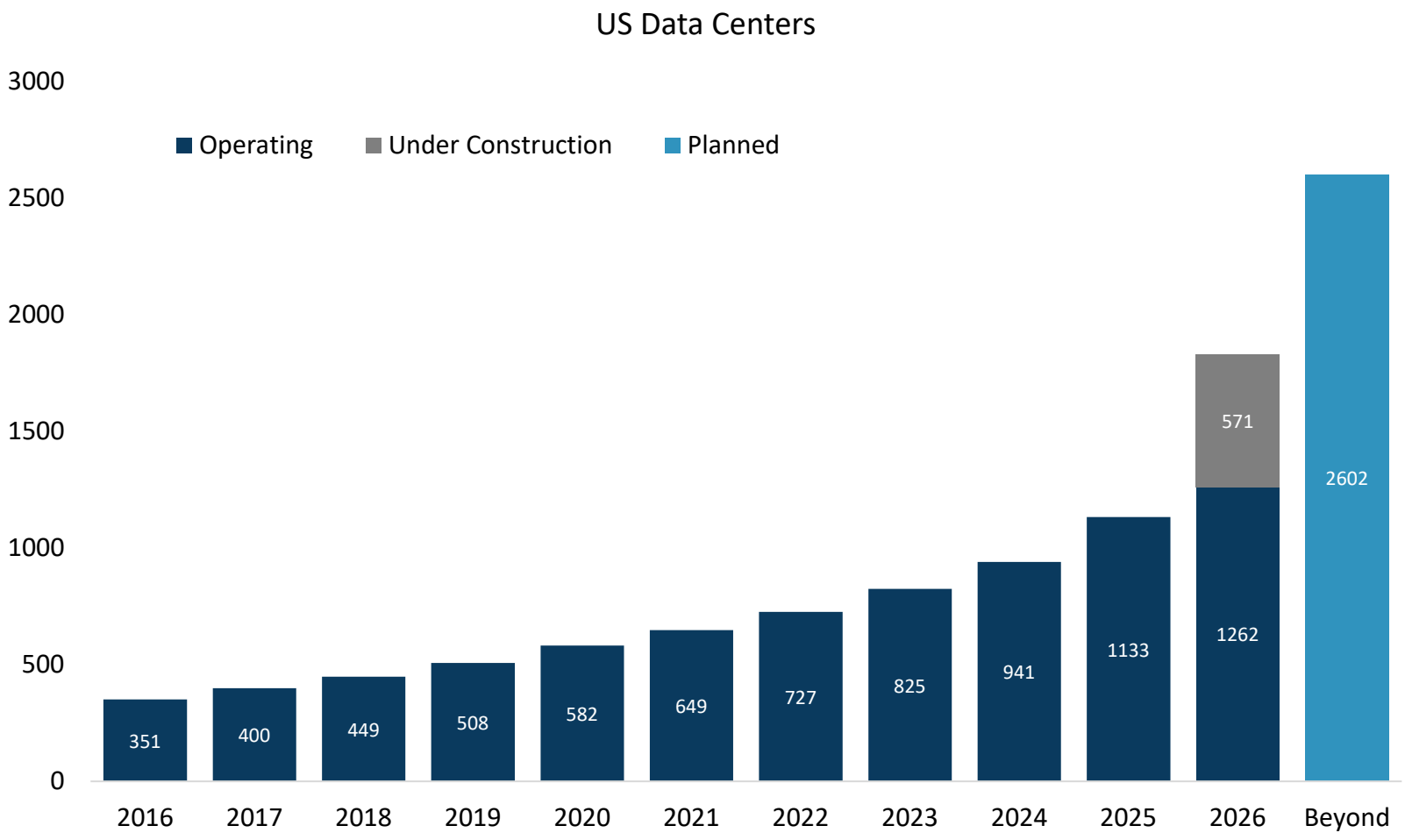
Easing Energy Prices and a Hawkish Fed Point to Cooling Inflation

- Hopes for de-escalation in Iran have caused lower gasoline prices, and markets expect inflation to drift toward the Fed's target.
- The Fed is expected to raise rates by 75 basis points through 2027, with each move contingent on how inflation develops.

Wider Spreads and Attractive Yields Set the Stage for Bond Inflows

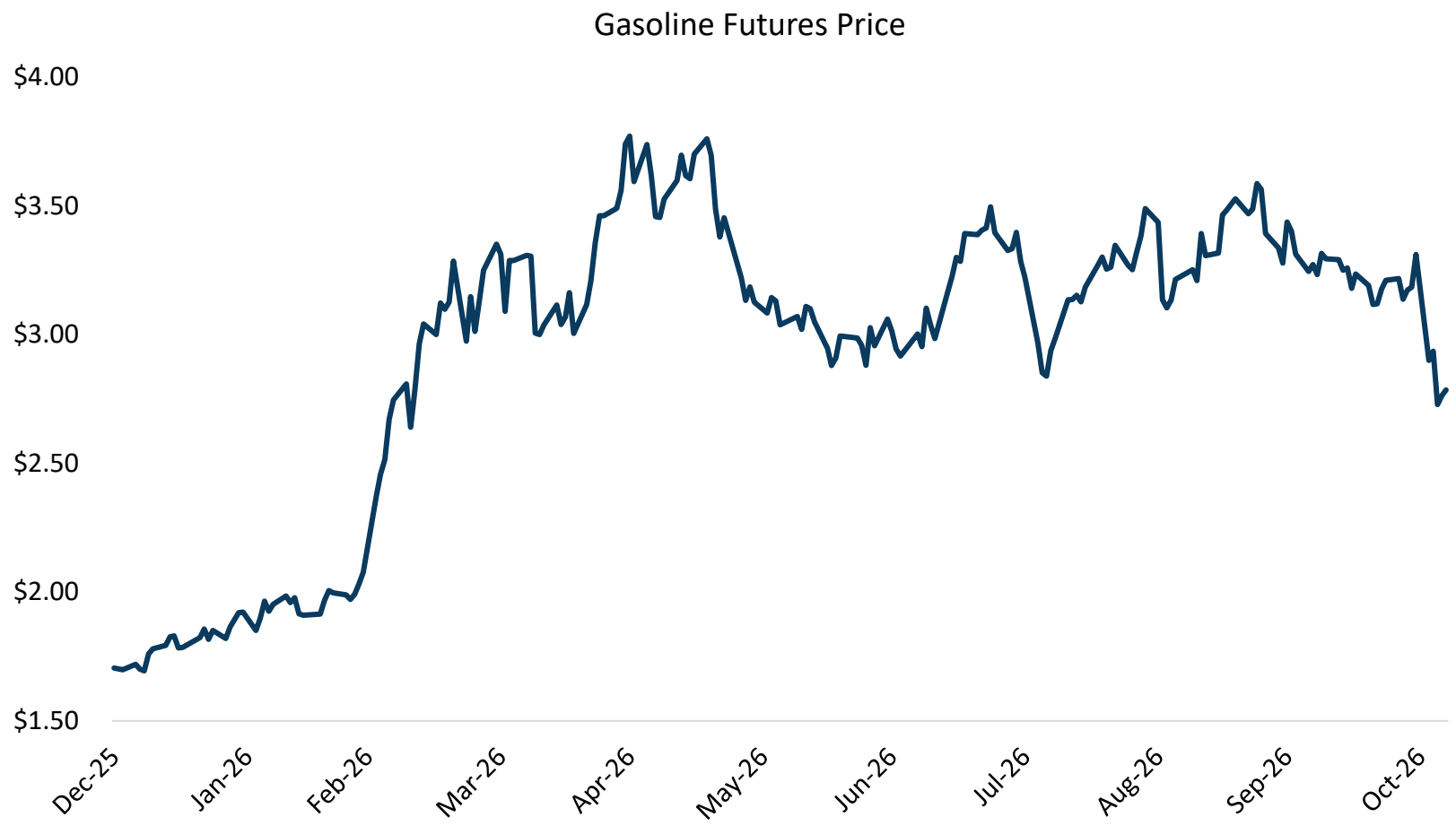
- Treasury yields have moved lower as markets weigh the risk of softer AI spending and falling inflation.
- Corporate spreads are back near their Iran-war highs, and elevated yields should attract income buyers as risk appetite fades.

Uncertainty Around Data Center Growth Amid A Changing Regulatory Environment



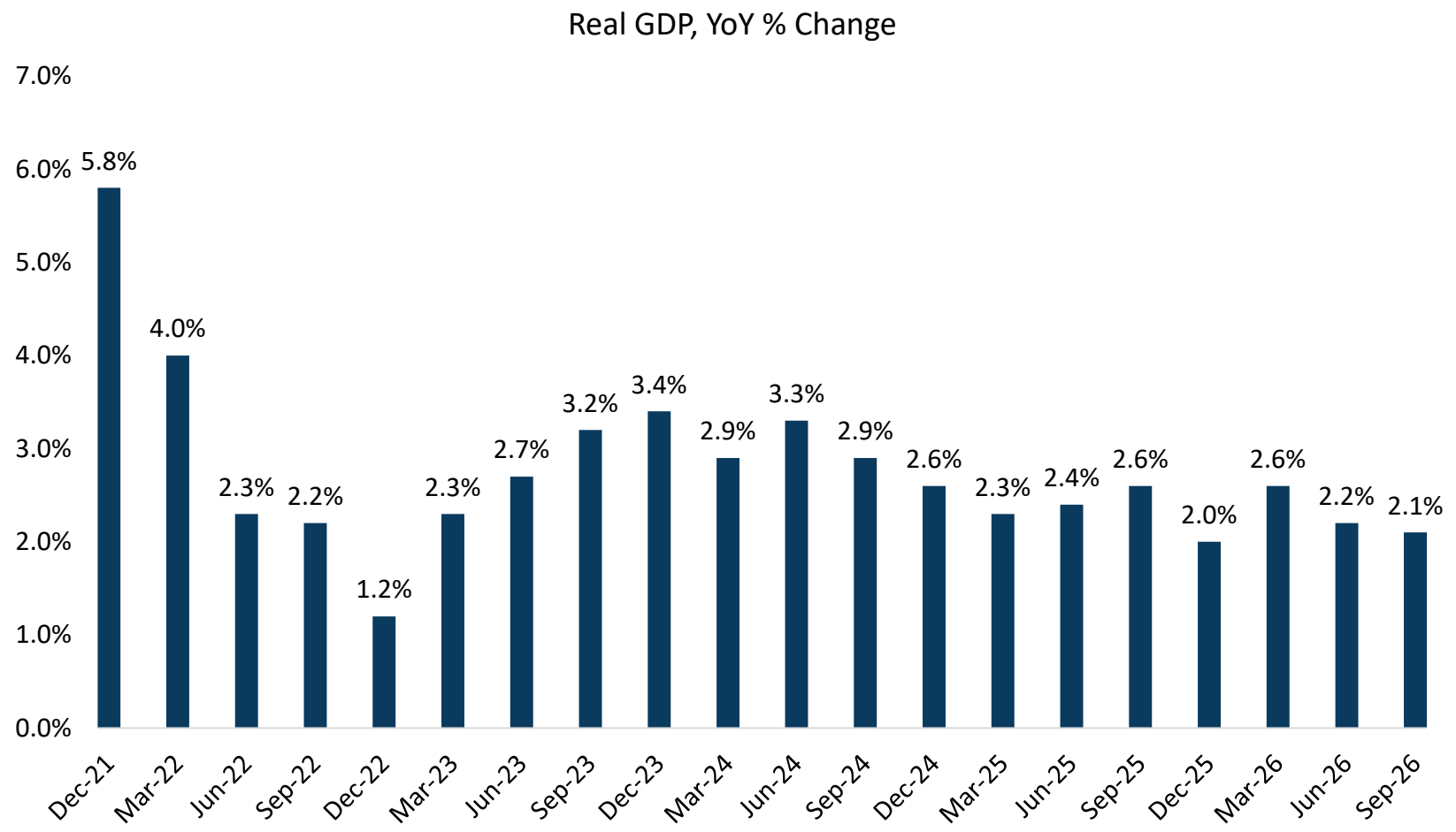
Source: Cleanview as of 11/6/2026

Gasoline Prices Have Declined In Anticipation of De-escalation in Iran



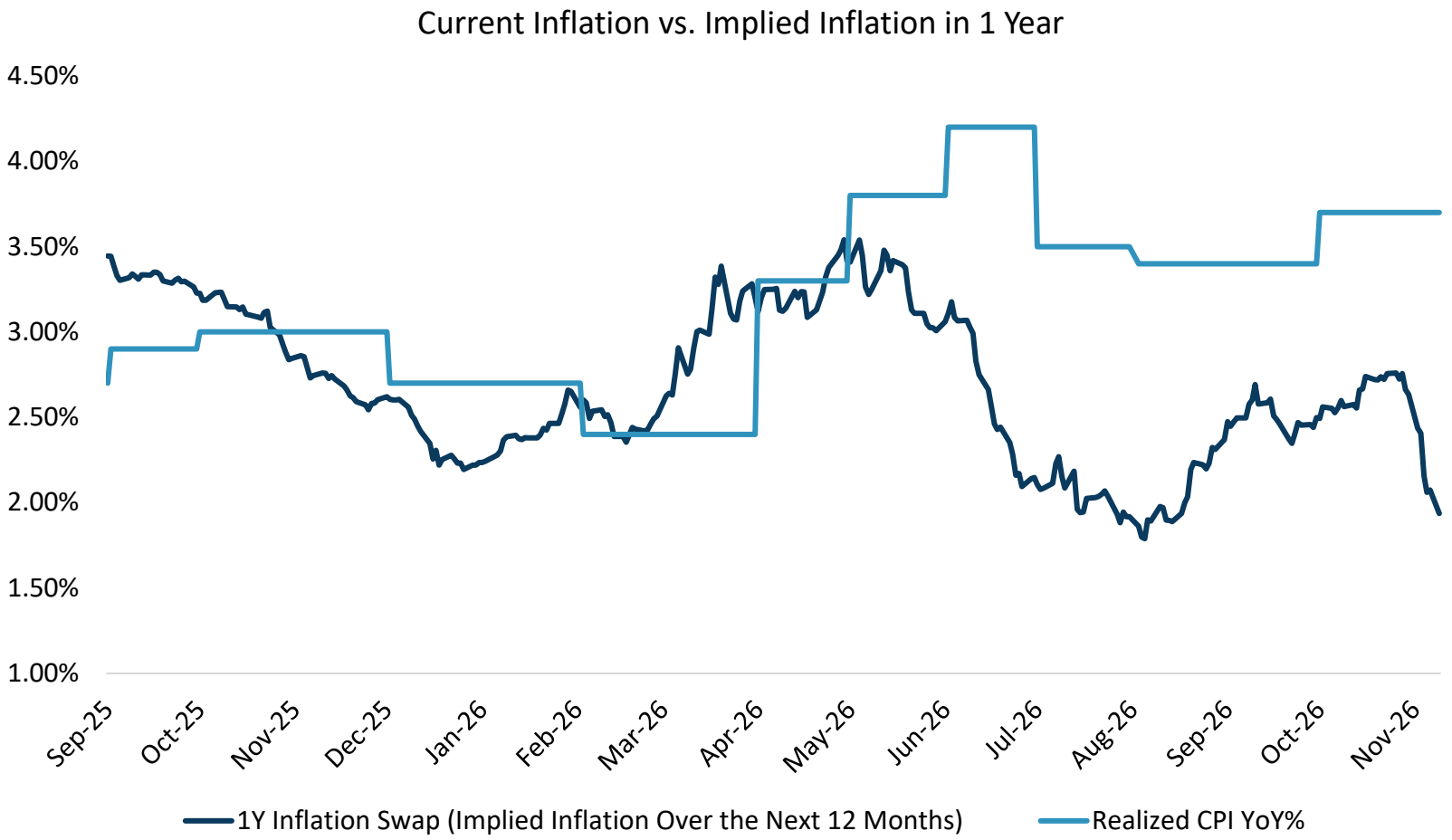
Source: Sage, Bloomberg as of 11/6/2026

The Economy Remains in Solid Expansion Powered by the AI Investment Boom



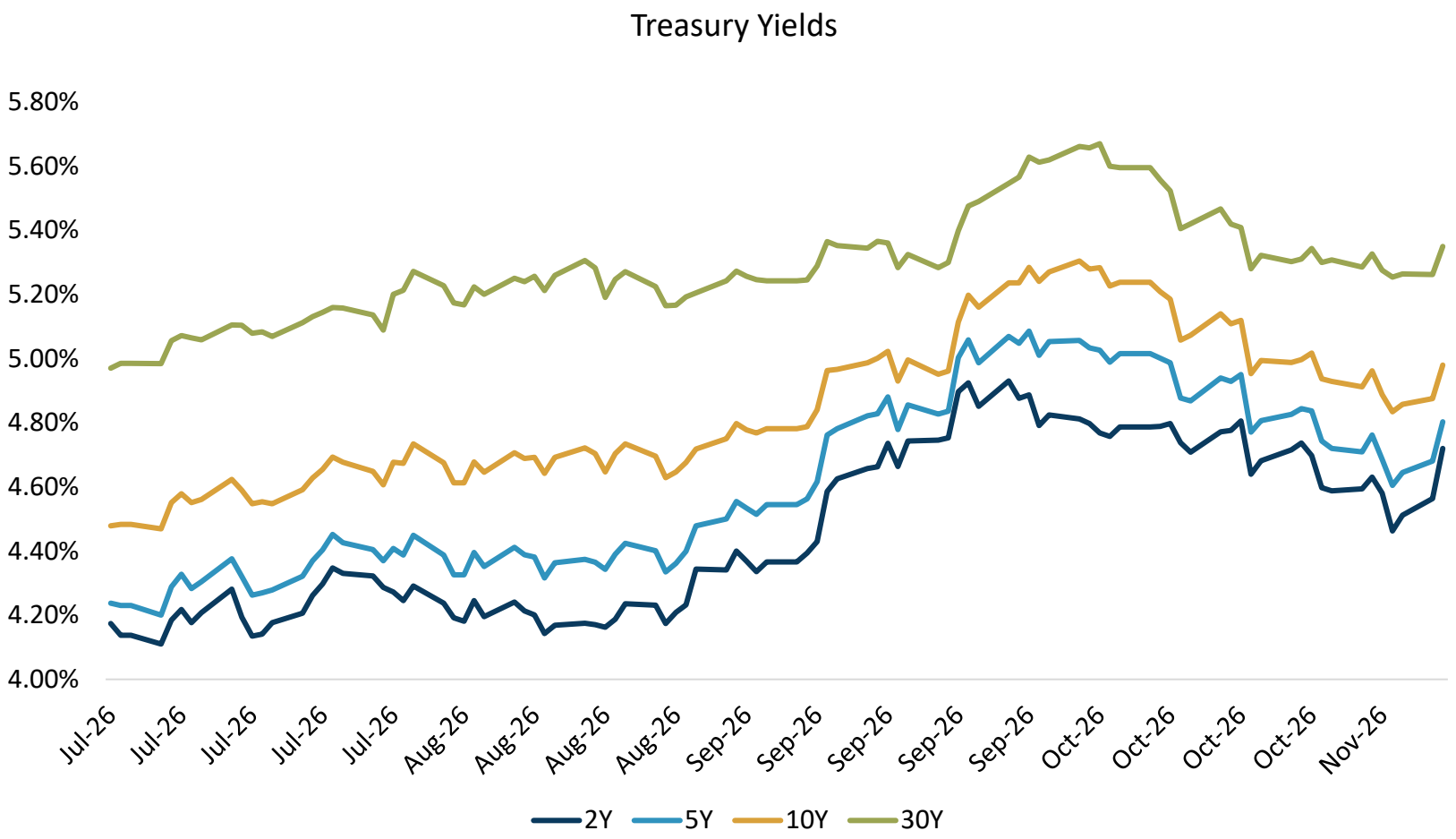
Source: Sage, BEA as of 11/6/2026

Inflation Swap Implies Inflation Will Fall Near Target Next Year



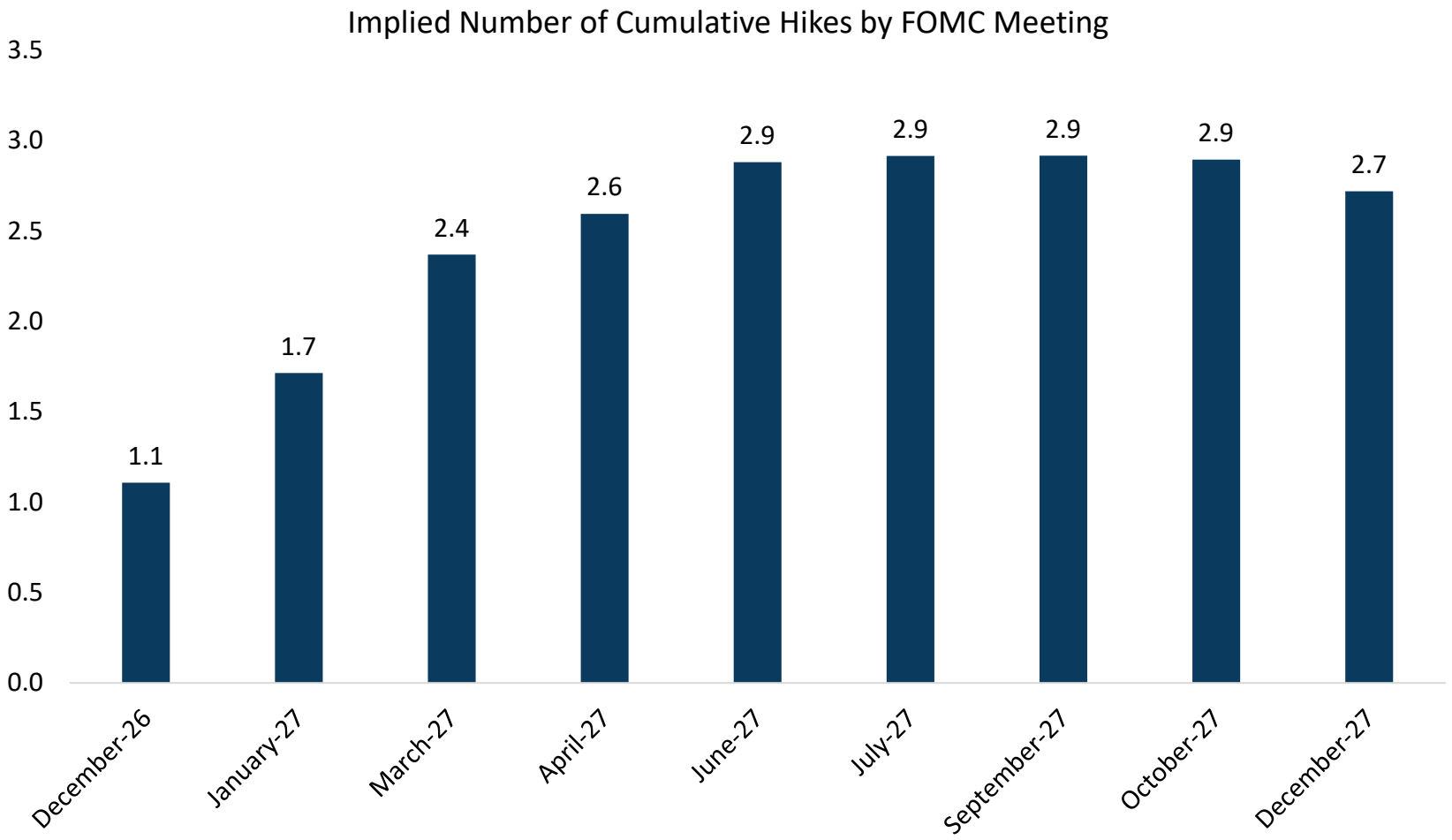
Source: Sage, BEA, Bloomberg as of 10/6/2026

Rates Are Reflecting the Prospect of Slower Capex and Moderating Energy Prices



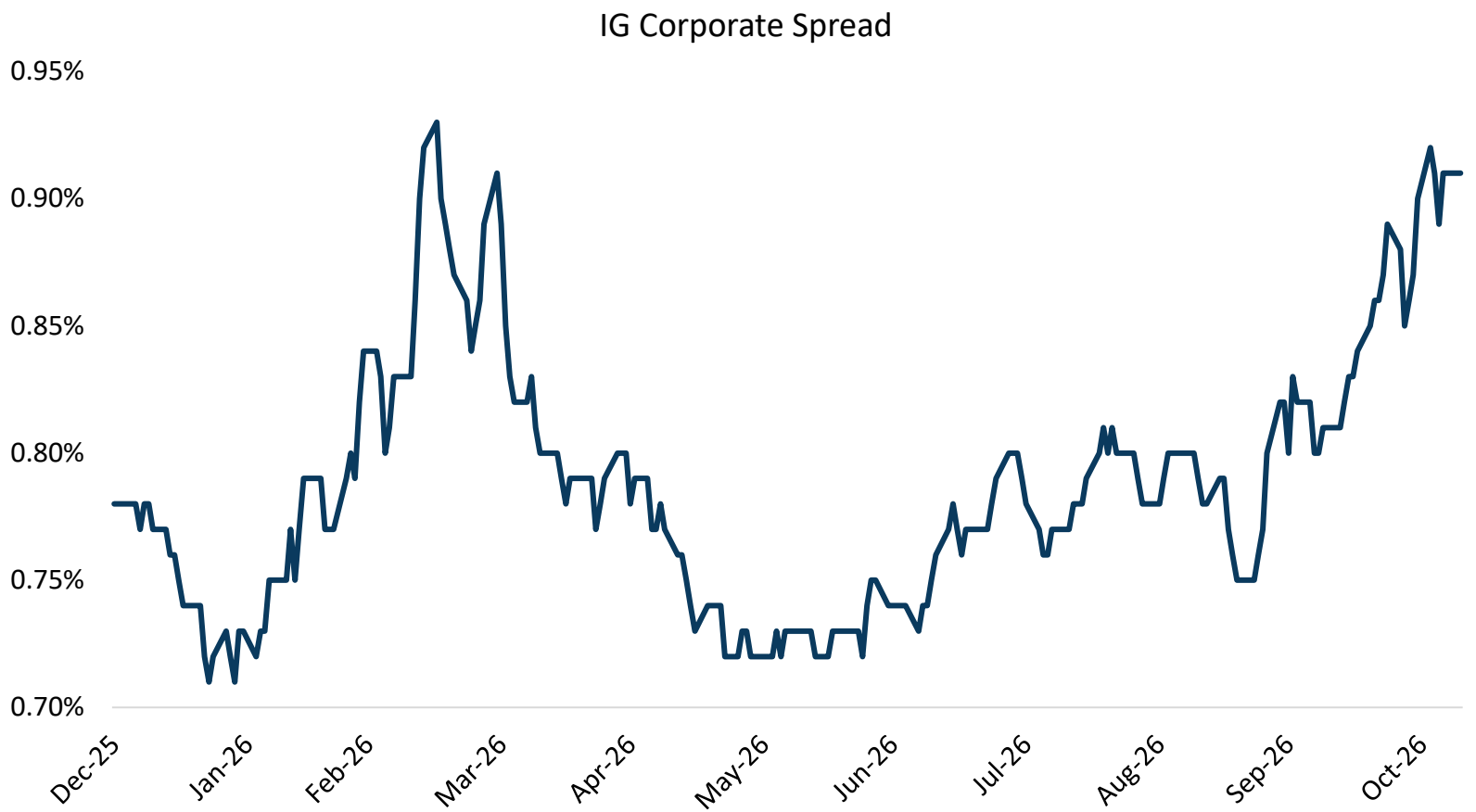
Source: Sage, Bloomberg as of 11/10/2026

The Fed Is Expected To Hike Three Times Through 2027



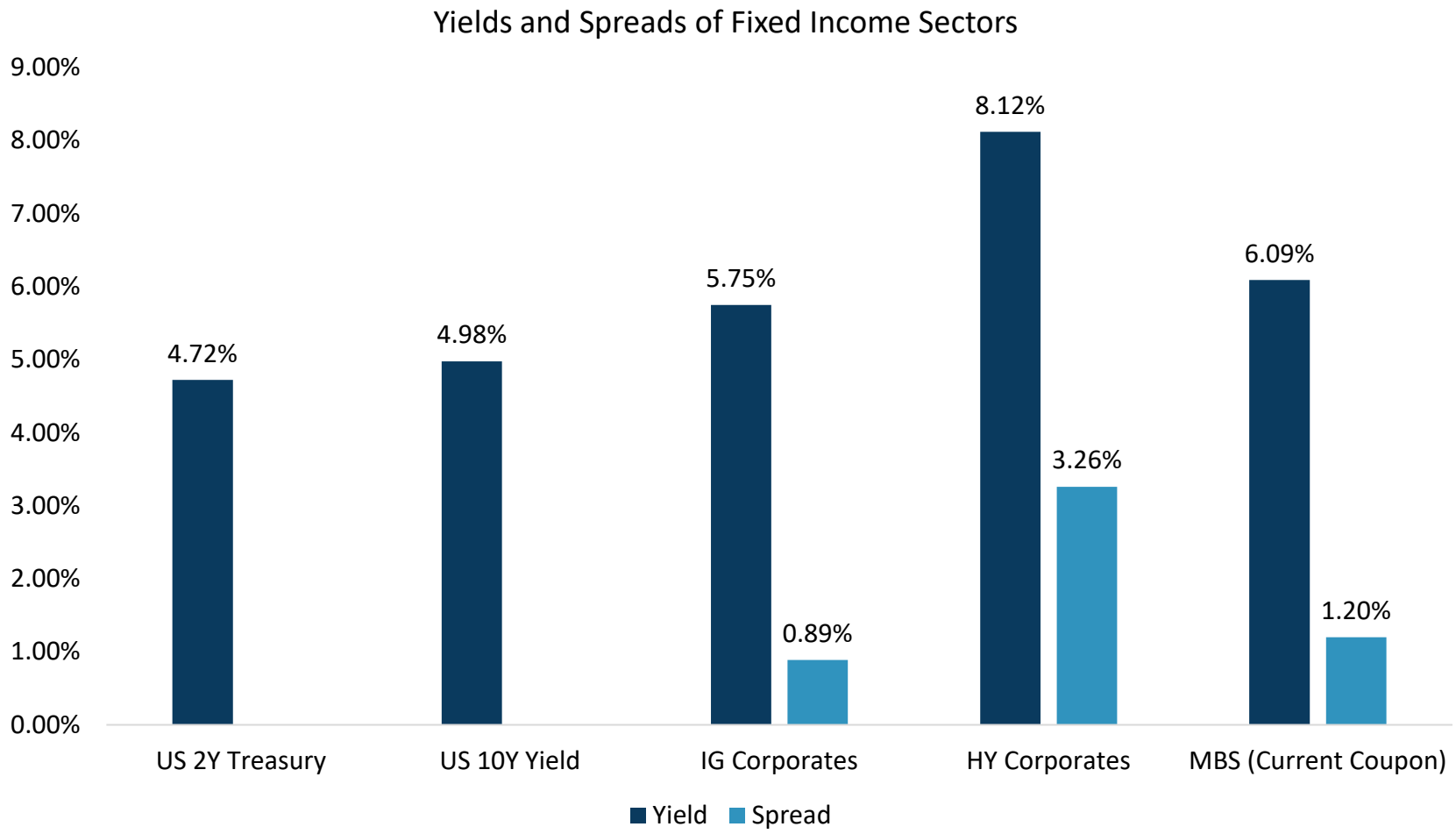
Source: Sage as of 11/6/2026

Corporate Bond Spreads Have Widened to Levels Last Seen at Onset of Iran War



Source: Sage, Bloomberg as of 11/9/2026

Elevated Yields Should Draw Inflows, Especially As Risk Sentiment Falls



Source: Sage, Bloomberg as of 11/9/2026

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