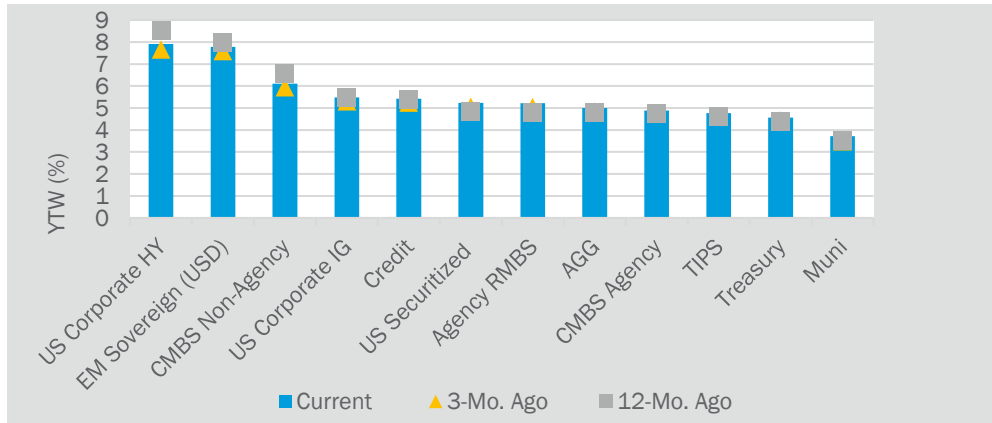


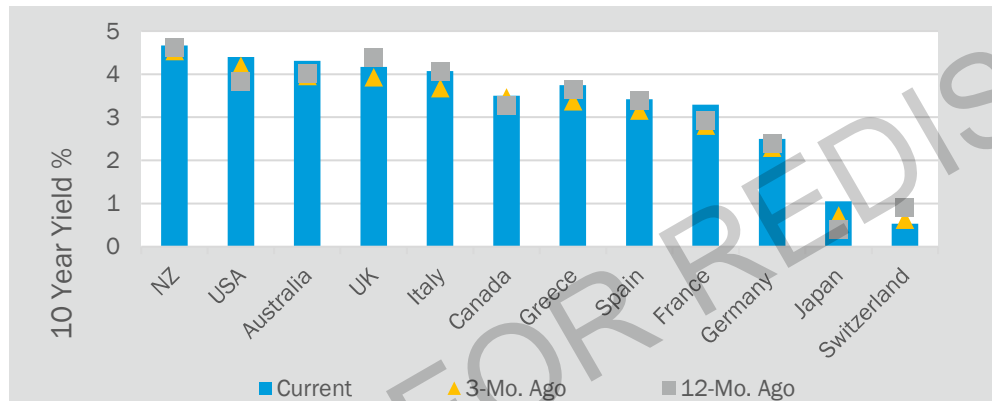
Market Environment as of June 30, 2024

Fixed Income

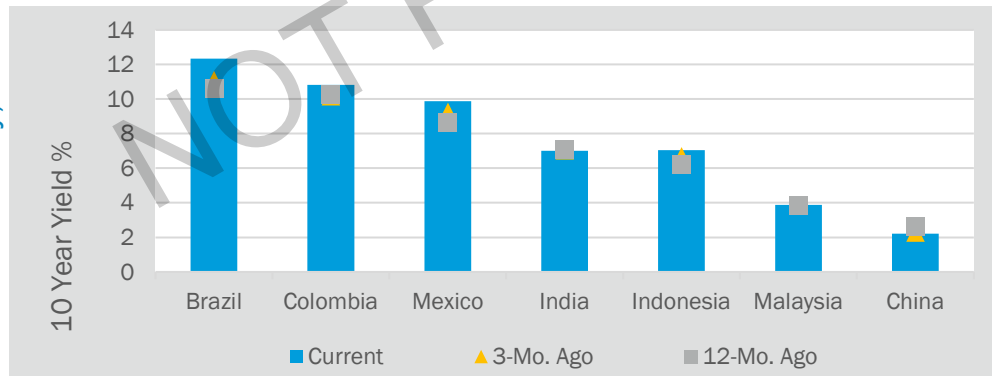
Domestic Yields



Developed Yields



EM Yields (Local Currency)



- U.S. high yield yields marginally fell, while U.S. fixed income yields across other sectors remained relatively unchanged. Junk bonds provided an attractive nominal yield relative to the broad fixed income universe.
- Global developed yields marginally increased. Regions facing political risk or stickier inflation saw local yields marginally rise.
- Emerging markets (EM) sovereign yields marginally increased as the Fed continued to delay a potential rate cut in the U.S. EM regions that faced elections saw yields rise on the uncertainty of the outcomes.

Source: Bloomberg and Bloomberg Indices. 10-year sovereign yields. Data as of 6/30/2024.



Goals

- Are clients seeking to preserve capital, generate total return, or blend the two within a fixed income segment?
- What level of risk related to portfolio correlation is the client looking to incur?



Interest Rate & Inflationary Environment

- How does the current interest rate regime and inflationary environment affect return and risk (i.e. stagnant, slow-rise, rapid rise)?
- What level of interest rate volatility is the client willing to take?



Risk Tolerance

- How much risk is a client willing to take?
- Duration, yield curve positioning, sector exposure, credit exposure, the correlation to equities, and the client's distribution flows are important factors to measure.



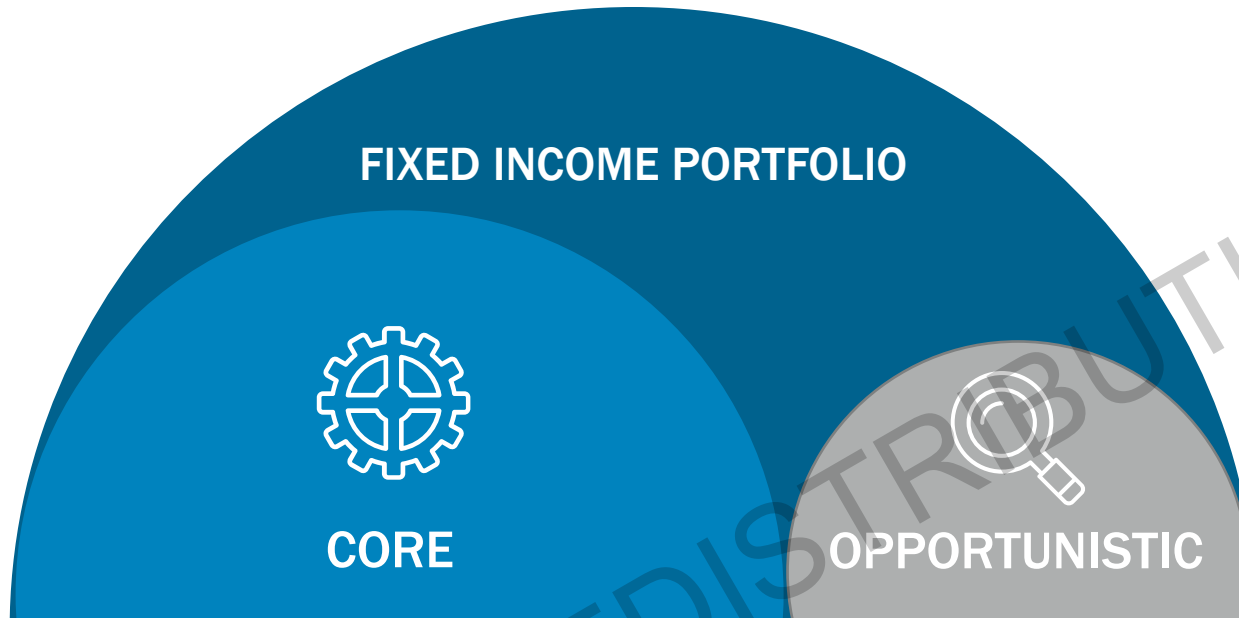
Tax Considerations

- Is the client's status taxable or tax-exempt?
- Does the client have a higher threshold given the respective tax situation?



Time Horizon

- Does the client have short term or long term goals?
- Are spending requirements quarterly, annually, or longer?
- Is spending consistent with the return/risk profile of the portfolio?



Characteristics

- Low volatility
- Uncorrelated to equities
- U.S. Focus



Exposure

- Treasuries
- Agencies
- Investment grade corporate
- MBS



Characteristics

- Income orientated
- Total return focus
- Uncorrelated to core bonds



Exposure

- Non-U.S. developed sovereigns
- EM sovereigns
- High yield
- Bank loans
- Private debt