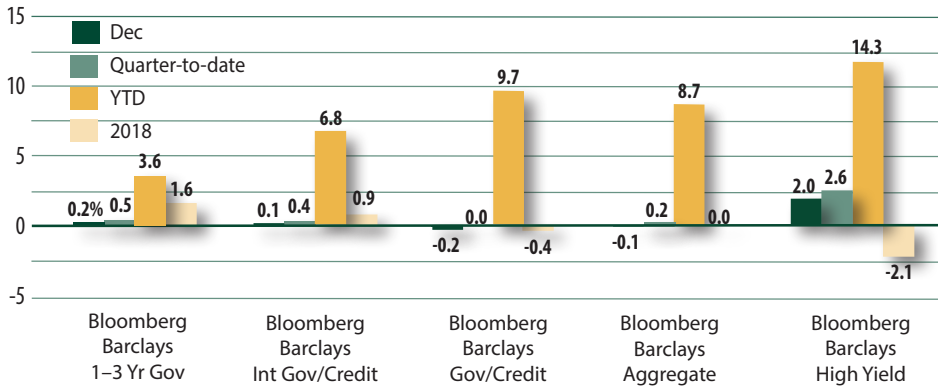




BOND MARKET UPDATE

DEC
2019

INDEX RETURNS



Source: Bloomberg Barclays
Past performance is not a guarantee of future results.

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SECTOR RETURNS	QTD	YTD	YTD (Excess Returns)
Treasury (actual returns)	-0.79%	6.86%	—
U.S. Agency	0.49	7.56	2.08
Mortgage Backed Security	0.71	6.35	0.61
Commercial Mortgage Backed Security	-0.33	8.29	1.81
Corporate	1.18	14.54	6.76
Financials	1.43	12.84	6.23
Industrials	1.20	15.48	7.28
Utilities	0.03	14.38	4.74
AAA-rated	-0.18	14.75	4.61
AA-rated	0.20	10.53	3.56
A-rated	0.81	13.18	5.44
BBB-rated	1.68	16.26	8.41
Corporate High-Yield	2.61	14.32	9.34

Source: Bloomberg Barclays

KEY INDICATORS	12/31/19	12/31/18
U.S. \$ Index (DXY)	96.4	96.2
Oil (CL1)	61.1	45.4
Commodity Research Bureau (CRB)	185.8	169.8
Gross domestic Product (GDP)	2.1	3.4
Consumer Price Index (CPI)	2.1	2.2
Core (Ex - Food & Energy)	1.6	1.9
Unemployment Rate	3.5	3.7
Consumer Confidence	126.5	128.1
S&P/Case Shiller - Comp - 20	2.2	5.0

Source: Bloomberg

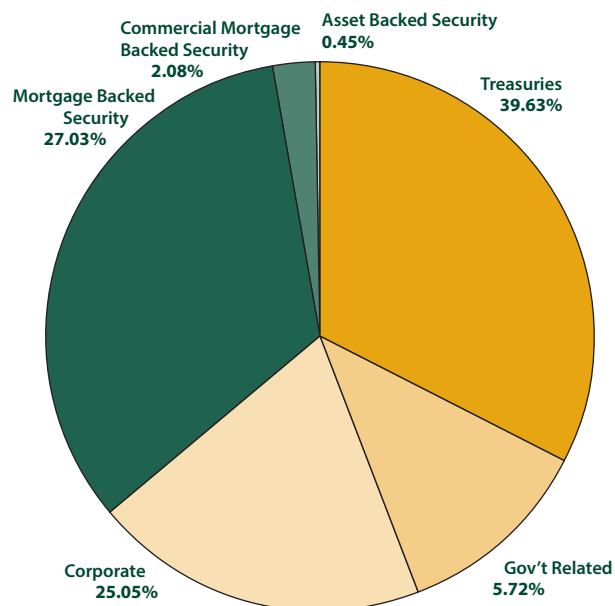
CREDIT SPREADS	12/31/19	12/31/18	12/31/17
All Index Treasuries (yield)	1.8	2.6	2.2
U.S. Agency	63.1	65.4	47.6
Mortgage Backed Security	87.5	79.1	65.4
Commercial Mortgage Backed Security	76.0	88.2	66.1
Corporate	96.1	153.7	95.5
Financials	84.2	149.1	87.1
Industrials	101.8	157.3	100.2
Utilities	99.7	143.9	92.4
AAA-rated	56.5	77.9	55.3
AA-rated	52.3	83.3	51.4
A-rated	72.7	120.1	74.3
BBB-rated	123.2	193.2	123.6
Corporate High-Yield	356.6	541.0	364.2

Source: Bloomberg Barclays

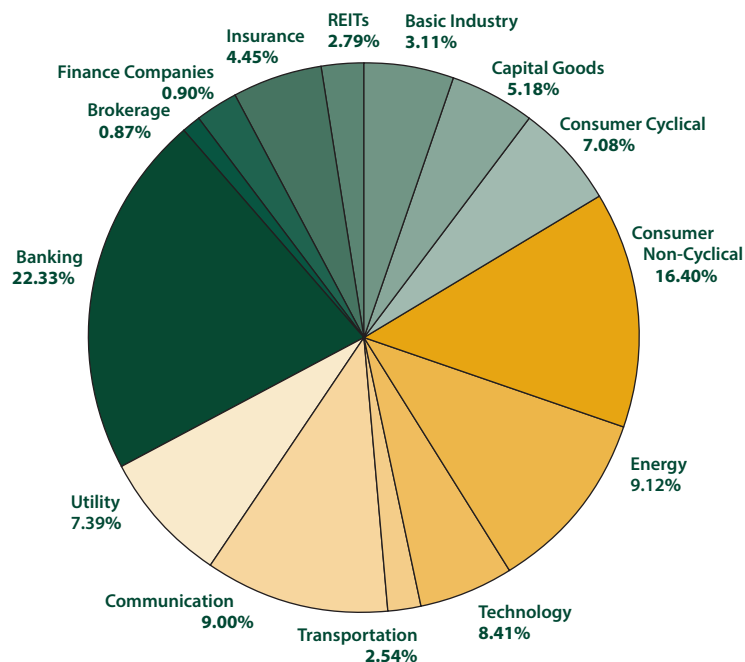
KEY RATES	12/31/19	12/31/18	QTD (Total Return)	YTD (Total Return)
Fed Funds	1.5-1.75%	2.25-2.5%	n/a	n/a
3-Month LIBOR	1.91	2.81	n/a	n/a
On-the-Run's				
3 Months	1.54	2.36	0.47	2.30
6 Months	1.58	2.48	0.53	2.55
2 Years	1.57	2.49	0.41	3.31
5 Years	1.69	2.51	-0.28	5.28
10 Years	1.92	2.68	-1.77	8.90
30 Years	2.39	3.02	-4.88	16.43

Source: Bloomberg

BLOOMBERG BARCLAYS AGGREGATE



BLOOMBERG BARCLAYS CORPORATE



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BENCHMARK DESCRIPTION

The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index that covers the investment grade fixed rate bond market with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The issues must be rated investment grade, be publicly traded, and meet certain maturity and issue size requirements. You can not invest directly in an index. You can not invest directly in an index.

The Bloomberg Barclays U.S. Government/Credit Bond Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. You can not invest directly in an index.

The Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index is the Intermediate component of the U.S. Government/Credit index. The Government/Credit Index includes securities in the Government and Credit Indices. The Government Index includes treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (i.e., publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The Credit Index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. You can not invest directly in an index.

The Bloomberg Barclays U.S. 1-3 Year Government Bond Index consist of securities in the U.S. Government Index with a maturity from 1 up to (but not including) 3 years. Securities issued by the U.S. Government (i.e., securities in the Treasury and Agency Indices). Inclusions: Public obligations of the U.S. Treasury with a remaining maturity of one year or more. Publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government. You can not invest directly in an index.

The Bloomberg Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations. The Yankee sector has been discontinued as of 7/1/00. The bonds in the former Yankee sector have not been removed from the index, but have been reclassified into other sectors. You cannot invest directly in an index.



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