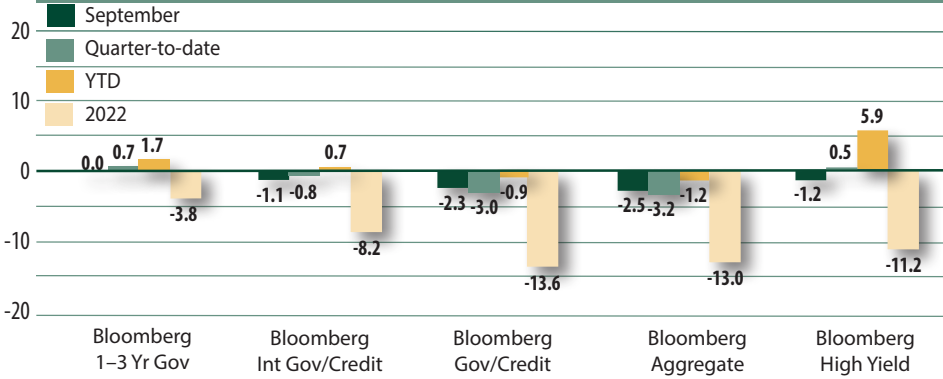




# BOND MARKET UPDATE

SEPT  
2023

## INDEX RETURNS



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

### Timothy B. Tarpene, CIMA®

Managing Director, Portfolio Strategist  
office 310.255.4425  
email ttarpene@pacificincome.com

### Guy Torres, CIMA®, AIF®

Managing Director  
office 310.255.4440  
email gtorres@pacificincome.com

### Austin Rutledge, CFA, CIMA®, AIF®

Managing Director, Portfolio Manager  
office 310.255.4434  
email arutledge@pacificincome.com

SECTOR RETURNS	QTD	YTD	YTD (Excess Returns)
Treasury (actual returns)	-3.06%	-1.52%	—
U.S. Agency	-0.38	1.26	0.57
Mortgage Backed Security	-4.05	-2.26	-0.58
Commercial Mortgage Backed Security	-1.02	0.16	0.45
Corporate	-3.09	0.02	2.37
Financials	-1.79	0.73	1.76
Industrials	-3.69	-0.16	2.76
Utilities	-4.03	-1.58	2.00
AAA-rated	-6.31	-2.56	2.62
AA-rated	-4.25	-1.17	2.10
A-rated	-3.24	-0.44	1.90
BBB-rated	-2.71	0.67	2.84
Corporate High-Yield	0.46	5.86	5.16

Source: Bloomberg

KEY INDICATORS	9/30/23	12/31/22
U.S. \$ Index (DXY)	106.2	103.5
Oil (CL1)	90.8	80.3
Commodity Research Bureau (CRB)	284.5	277.7
Gross domestic Product (GDP)	2.1	2.6
Consumer Price Index (CPI)	3.0	6.5
Core (Ex - Food & Energy)	3.9	4.9
Consumer Confidence	103.0	109.0
Unemployment Rate	3.8	3.5
S&P/Case Shiller - Comp - 20	0.1	4.8

Source: Bloomberg

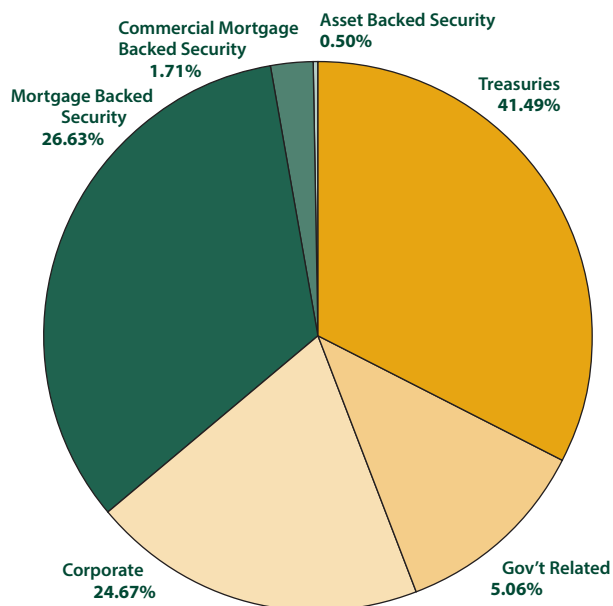
CREDIT SPREADS	9/30/23	12/31/22	12/31/21
All Index Treasuries (yield)	3.8	4.2	1.2
U.S. Agency	27.8	35.7	21.4
Mortgage Backed Security	97.5	81.6	68.6
Commercial Mortgage Backed Security	156.8	142.1	71.0
Corporate	129.3	137.6	95.6
Financials	147.5	147.9	85.8
Industrials	118.1	131.4	98.7
Utilities	133.3	139.1	110.7
AAA-rated	48.8	61.7	56.7
AA-rated	65.0	74.8	61.2
A-rated	113.3	116.4	77.4
BBB-rated	155.7	167.2	116.5
Corporate High-Yield	412.1	488.9	321.3

Source: Bloomberg

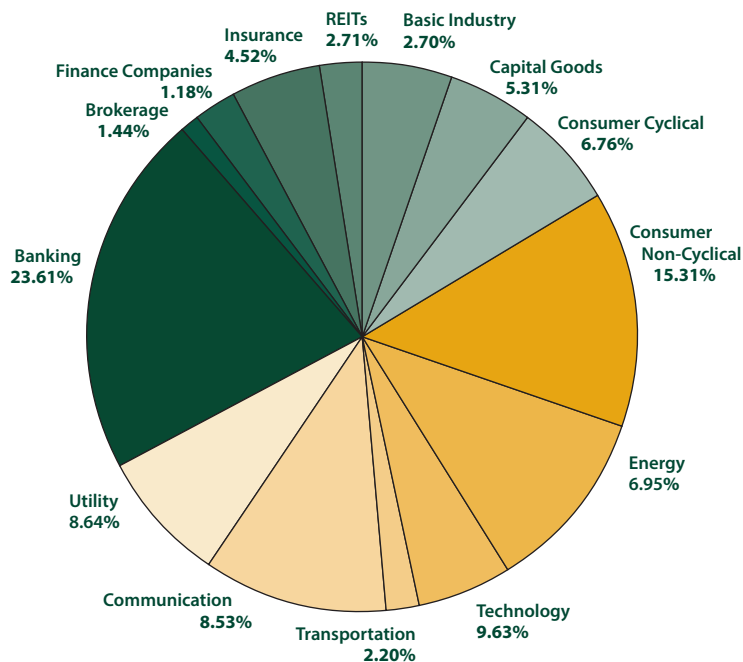
KEY RATES	9/30/23	12/31/22	QTD (Total Return)	YTD (Total Return)
Fed Funds	5.25-5.5%	4.25-4.5%	n/a	n/a
3-Month LIBOR	5.66	4.77	n/a	n/a
<b>On-the-Run's</b>				
3 Months	5.45	4.34	1.31	3.60
6 Months	5.54	4.75	1.32	3.60
2 Years	5.04	4.43	0.54	1.04
5 Years	4.61	4.00	-1.26	-0.65
10 Years	4.57	3.88	-5.15	-3.53
30 Years	4.70	3.96	-12.75	-9.84

Source: Bloomberg

## BLOOMBERG AGGREGATE



## BLOOMBERG CORPORATE



Pacific Income Advisers is an investment management firm registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. PIA manages a variety of fixed income and equity assets for primarily United States clients.

Past performance is not indicative of future results. Asset allocation does not assure a profit or protect against a loss in declining financial markets.

## INDEX DESCRIPTION

The Bloomberg 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.

The Bloomberg 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 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 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 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.

The Bloomberg U.S. Corporate Bond Index covers USD-denominated, investment-grade, fixed-rate, taxable securities sold by industrial, utility, and financial issuers. It includes publicly issued U.S. corporate debentures and secured notes that meet specific maturity, liquidity, and quality requirements. Securities in the index roll up to the U.S. Credit and U.S. Aggregate indices. The U.S. Corporate Index was launched on January 1, 1973. You can not invest directly in an index.



Pacific  
Income  
Advisers

2321 Rosecrans Avenue Suite 1260 El Segundo California 90245

telephone 310.255.4453 facsimile 310.434.0100

[www.pacificincome.com](http://www.pacificincome.com)