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WEALTH MANAGEMENT

Global Credit Markets

4Q 2021 Update

As of October 1, 2021

SAMPLE

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Quarterly Credit Class Performance

4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	YTD	1 Year
Trsy (30Y) 4.5%	Convertibles 12.0%	Trsy (30Y) 5.7%	Trsy (30Y) 8.3%	Convertibles 7.7%	Trsy (30Y) 22.1%	Convertibles 27.0%	Convertibles 14.3%	Convertibles 21.9%	Convertibles 0.9%	Trsy (30Y) 7.0%	TIPS 1.7%	Preferreds 3.9%	Convertibles 26.7%
Trsy (10Y) 3.8%	Preferreds 7.8%	EM Svgn 5.5%	Corp IG 3.3%	EM Svgn 3.6%	Trsy (10Y) 10.5%	Preferreds 10.4%	Preferreds 6.6%	EM Svgn 8.2%	Corp HY 0.6%	Convertibles 4.4%	Trsy (30Y) 0.4%	Convertibles 3.9%	Preferreds 11.2%
EM Svgn 3.4%	Corp HY 7.6%	Corp IG 5.4%	Preferreds 3.2%	Corp HY 2.5%	Trsy (2Y) 2.7%	Corp IG 9.7%	Corp HY 4.0%	Preferreds 7.1%	Preferreds 0.5%	Corp IG 3.9%	Corp HY 0.3%	TIPS 3.2%	Corp HY 8.8%
MBS 2.1%	Corp IG 6.2%	Trsy (10Y) 3.7%	Trsy (10Y) 2.8%	Preferreds 1.9%	MBS 2.7%	EM Svgn 8.9%	TIPS 2.8%	Corp HY 5.7%	Trsy (2Y) -0.1%	Preferreds 3.6%	MBS 0.1%	Corp HY 2.9%	TIPS 4.8%
CMBS 1.9%	Trsy (30Y) 4.5%	CMBS 3.1%	CMBS 1.7%	Corp IG 1.4%	CMBS 2.2%	Corp HY 7.3%	EM Svgn 2.6%	Corp IG 3.4%	Municipals -0.7%	TIPS 3.2%	Trsy (2Y) 0.0%	Municipals 0.3%	Municipals 2.1%
Municipals 1.9%	TIPS 3.3%	TIPS 2.7%	TIPS 1.5%	Municipals 0.6%	TIPS 1.3%	TIPS 4.7%	CMBS 1.7%	Municipals 1.8%	MBS -1.2%	EM Svgn 2.5%	Trsy (10Y) 0.0%	Trsy (2Y) -0.1%	EM Svgn 1.3%
Trsy (2Y) 1.3%	CMBS 3.2%	Municipals 2.3%	Municipals 1.5%	TIPS 0.6%	Municipals -0.4%	CMBS 2.9%	Municipals 1.0%	TIPS 1.6%	TIPS -1.7%	Trsy (10Y) 2.5%	CMBS -0.1%	MBS -0.8%	Corp IG 1.1%
TIPS -0.5%	Trsy (10Y) 2.8%	Preferreds 2.2%	MBS 1.4%	MBS 0.5%	Corp IG -2.9%	Municipals 2.7%	Corp IG 0.8%	CMBS 0.8%	CMBS -2.3%	Corp HY 2.0%	Preferreds -0.2%	CMBS -0.9%	CMBS 0.0%
Corp IG -0.6%	Municipals 2.4%	Corp HY 2.1%	Corp HY 1.3%	Trsy (2Y) 0.4%	Corp HY -11.5%	MBS 0.8%	MBS 0.3%	MBS 0.3%	Corp IG -5.5%	CMBS 1.5%	Municipals -0.4%	Corp IG -2.2%	Trsy (2Y) -0.1%
Corp HY -4.4%	MBS 2.2%	MBS 1.9%	Trsy (2Y) 0.6%	CMBS -0.4%	Convertibles -13.5%	Trsy (10Y) 0.6%	Trsy (10Y) 0.2%	Trsy (2Y) 0.0%	Trsy (10Y) -5.7%	Municipals 1.5%	Corp IG -0.4%	Trsy (10Y) -3.4%	MBS -0.5%
Preferreds -5.8%	EM Svgn 1.8%	Convertibles 1.7%	Convertibles -0.3%	Trsy (10Y) -1.4%	Preferreds -14.4%	Trsy (2Y) 0.2%	Trsy (2Y) 0.1%	Trsy (10Y) -1.3%	EM Svgn -5.9%	MBS 0.3%	Convertibles -1.3%	EM Svgn -6.4%	Trsy (10Y) -4.7%
Convertibles -9.4%	Trsy (2Y) 1.0%	Trsy (2Y) 1.4%	EM Svgn -4.4%	Trsy (30Y) -4.6%	EM Svgn -14.7%	Trsy (30Y) -0.2%	Trsy (30Y) -0.1%	Trsy (30Y) -3.0%	Trsy (30Y) -13.9%	Trsy (2Y) -0.1%	EM Svgn -3.0%	Trsy (30Y) -7.6%	Trsy (30Y) -10.3%

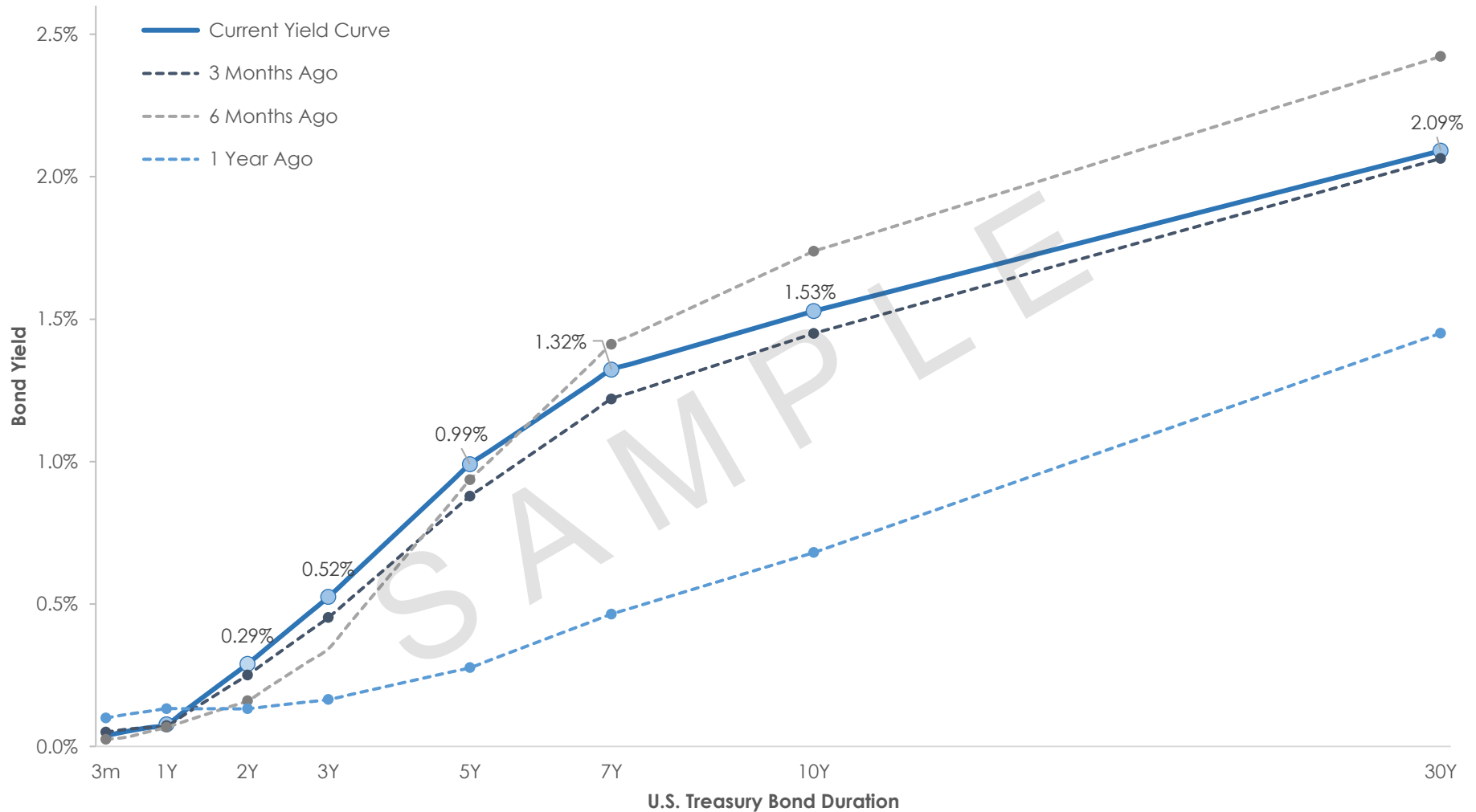
Disclosures: Past performance is no guarantee of future results. All performance data represents total returns for the stated period. Credit types represented by the following ETFs: 2Y Treasury Bond (SHY - iShares 1-3 Year Treasury Bond ETF), 10Y Treasury Bond (IEF - iShares 7-10 Year Treasury Bond ETF), 30Y Treasury Bond (TLT - iShares 20+ Year Treasury Bond ETF), EM Svgn (LEMB - iShares J.P. Morgan EM Local Currency Bond ETF), Corp IG (LQD - iShares iBoxx \$ Investment Grade Corporate Bond ETF), Corp HY (HYG - iShares iBoxx \$ High Yield Corporate Bond ETF), TIPS (TIP - iShares TIPS Bond ETF), Municipals (MUB - iShares National Muni Bond ETF), Convertibles (CWB - SPDR Bloomberg Barclays Convertible Securities ETF), Preferreds (PFF - iShares Preferred & Income Securities ETF), MBS (MBB - iShares MBS ETF), CMBS (CMBS - iShares CMBS ETF).

Credit Market Overview

Credit Markets	Total Returns (%)			Asset Flows (%)			Spread vs 10Y UST			Yield to Maturity	Duration (Years)	Current Yield vs 20 Year Range				
	3M	6M	1Y	3M	6M	1Y	3M	6M	1Y			Percentile	Range			
U.S. Treasuries													1st	100th		
Short-Term (1-3 yrs)	0.0	0.0	-0.1	1.1	12.5	4.3	-1.2%	-1.6%	-0.5%	0.3%	-	4%	● 4%			
Intermediate (7-10 yrs)	0.0	2.4	-4.7	7.0	3.3	1.7	0.0%	0.0%	0.0%	1.5%	-	21%	● 21%			
Long-Term (+20 yrs)	0.4	7.4	-10.3	8.4	6.5	0.0	0.6%	0.7%	0.8%	2.1%	-	23%	● 23%			
U.S. Credit													1st	100th		
Cash (3-Month Treasury)	0.0	0.0	-0.1	-0.2	-6.8	-2.8	-1.5%	-1.7%	-0.6%	0.0%	-	2%	● 2%			
Investment Grade	-0.4	3.4	1.1	2.0	4.2	0.0	0.4%	0.3%	1.0%	1.9%	8.3	6%	● 6%			
High Yield	0.3	2.3	8.8	-1.6	-3.5	0.8	2.6%	2.9%	4.8%	4.1%	4.9	2%	● 2%			
TIPS	1.7	4.9	4.8	11.4	26.0	13.8	-2.9%	-3.1%	-1.7%	-1.3%	8.3	6%	● 6%			
Municipals	-0.4	1.0	2.1	4.7	13.9	0.0	0.9%	0.7%	1.9%	2.4%	9.6	4%	● 4%			
Convertibles	-1.3	3.0	26.7	-0.9	0.3	-0.1	-	-	-	-	-	-				
Preferreds	-0.2	3.5	11.2	4.1	10.5	6.1	2.4%	2.4%	3.8%	3.9%	10.4	1%	● 1%			
MBS	0.1	0.4	-0.5	-2.1	0.7	0.6	0.1%	-0.2%	0.8%	1.7%	5.3	16%	● 16%			
CMBS	-0.1	1.5	0.0	12.7	41.3	0.0	0.2%	0.2%	1.2%	1.8%	4.5	2%	● 2%			

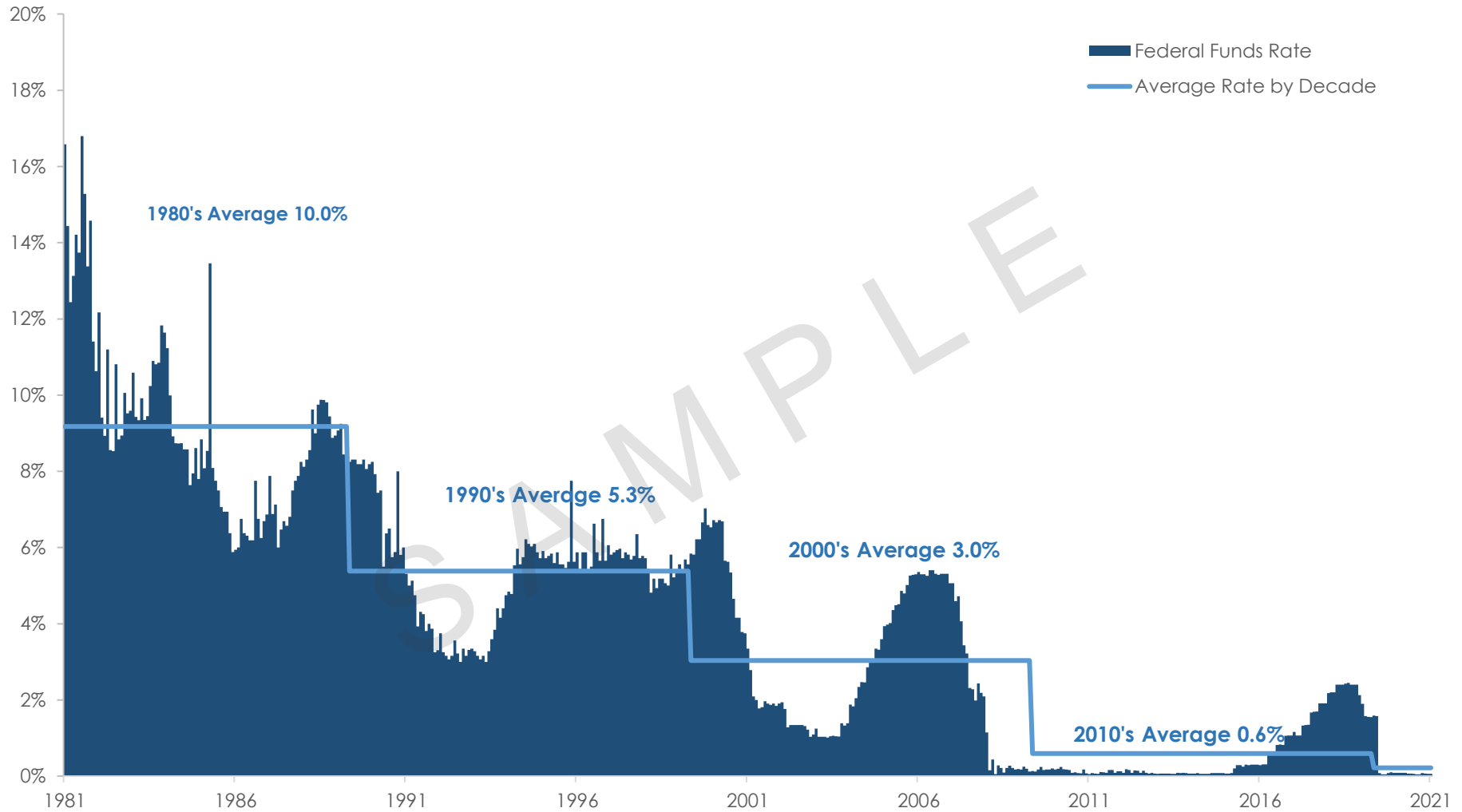
Disclosures: Past performance is no guarantee of future results. All performance data represents total returns for the stated period. Flows calculated using cumulative ETF flows for each stated period. Credit markets based on the following ETFs: 2-Year Treasuries (SHY - iShares 1-3 Year Treasury Bond ETF), 10-Year Treasuries (IEF - iShares 7-10 Year Treasury Bond ETF), 30-Year Treasuries (TLT - iShares 20+ Year Treasury Bond ETF), EM Sovereign (LEMB - iShares J.P. Morgan EM Local Currency Bond ETF), Cash (BIL - SPDR Bloomberg Barclays 1-3 Month T-Bill ETF), Investment Grade (LQD - iShares iBoxx \$ Investment Grade Corporate Bond ETF), High Yield (HYG - iShares iBoxx \$ High Yield Corporate Bond ETF), TIPS (TIP - iShares TIPS Bond ETF), Municipals (MUB - iShares National Muni Bond ETF), Convertibles (CWB - SPDR Bloomberg Barclays Convertible Securities ETF), Preferreds (PFF - iShares Preferred & Income Securities ETF), MBS (MBB - iShares MBS ETF), CMBS (CMBS - iShares CMBS ETF).

U.S. Treasury Yield Curve



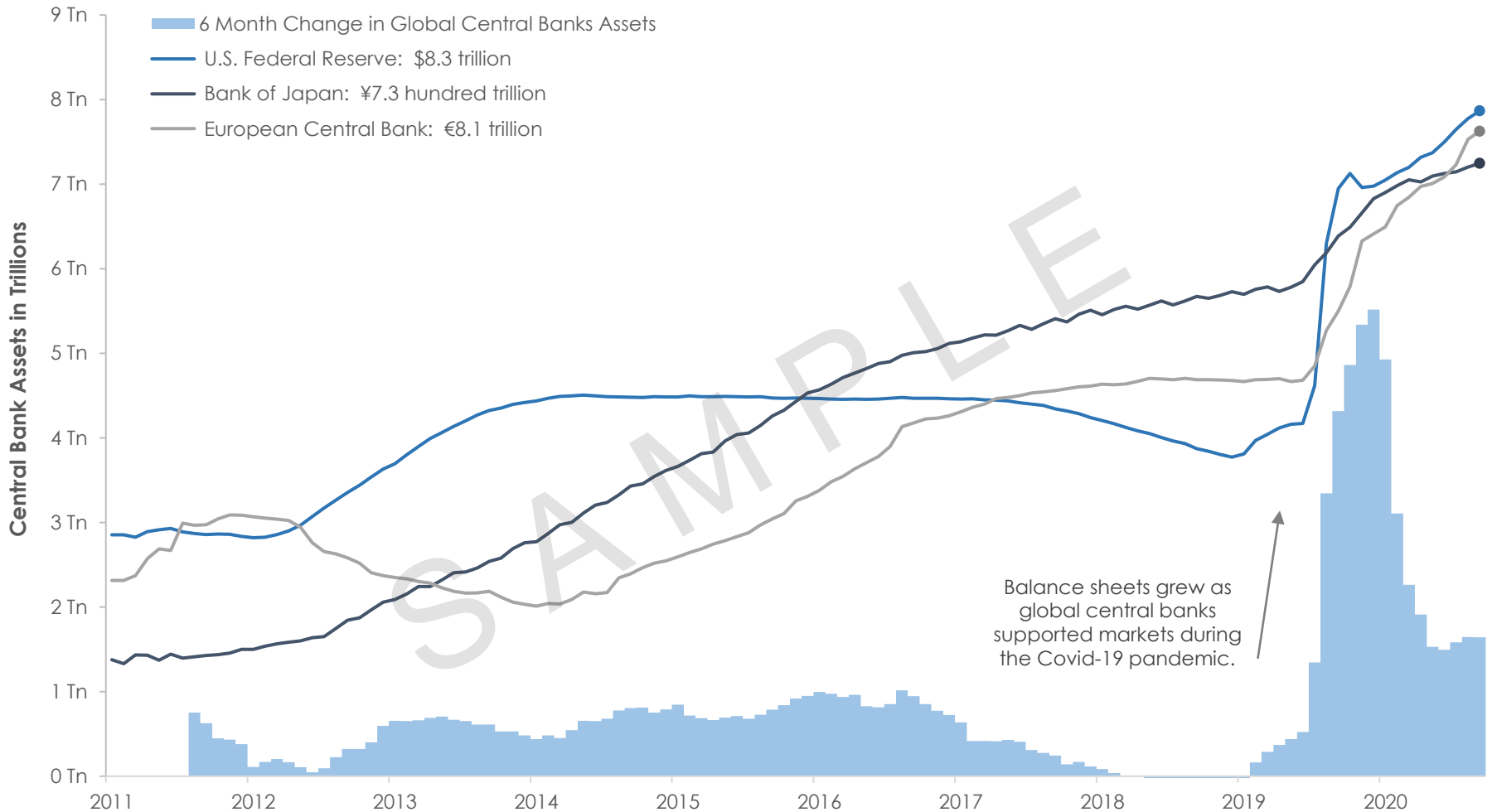
Disclosures: Data sourced from Federal Reserve. The yield curve shows the relationship between interest rates and time-to-maturity.

Federal Funds Rate



Disclosures: Monthly datapoints from the Federal Reserve since the 1980s. The Federal Funds Rate is the target interest rate set by the Federal Reserve at which commercial banks borrow and lend excess reserves overnight.

Global Central Bank Balance Sheets

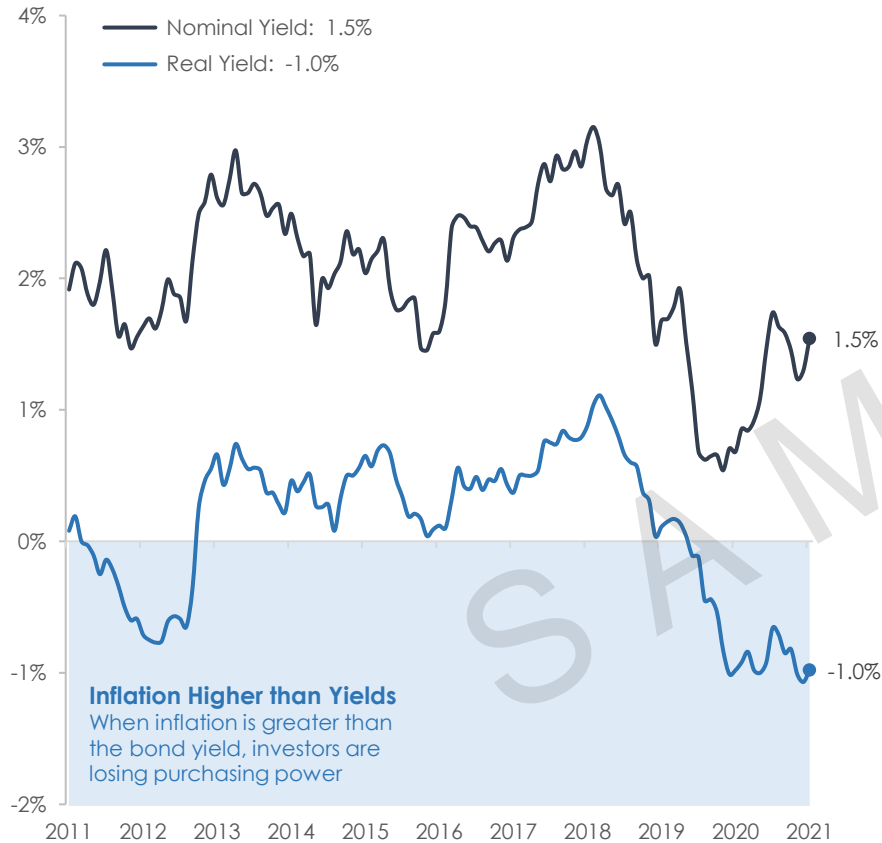


Disclosures: Monthly datapoints from the Federal Reserve. U.S. Federal Reserve Total Assets (ID: WALCL), Bank of Japan Total Assets (ID: JPNASSETS), European Central Bank Total Assets (ECBASSETS).

Real Yields & Inflation Expectations

Nominal vs Real Yield (10-Year U.S. Treasury)

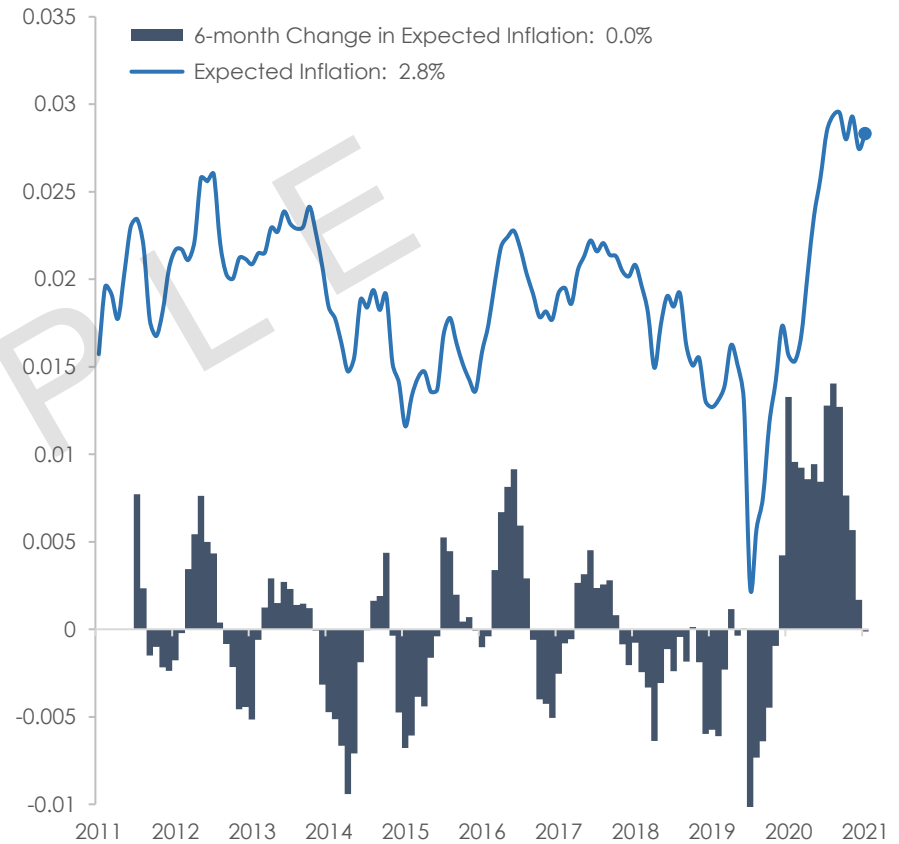
Real Yield = Nominal Yield – Current Inflation Rate



Disclosures: The Nominal Yield is the interest rate earned on a fixed income investment. The Nominal Yield is based on the 10-Year Treasury bond yield. The Real Yield is based on the 10-Year Treasury Inflation-Indexed Security, Constant Maturity from the St. Louis Federal Reserve Bank.

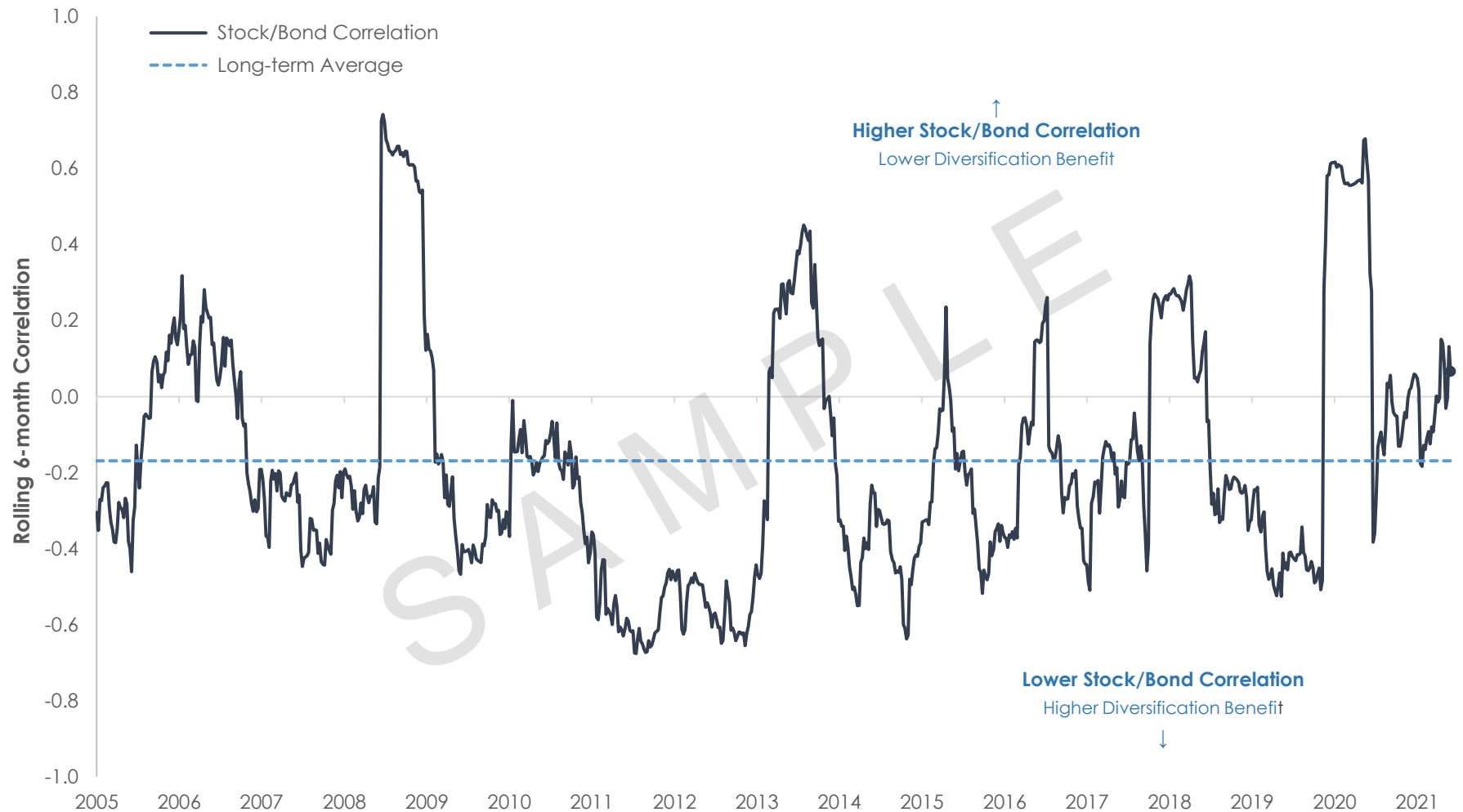
Investors' Inflation Expectations

Inflation Expectations = 5Y Treasury Yield – 5Y TIPS



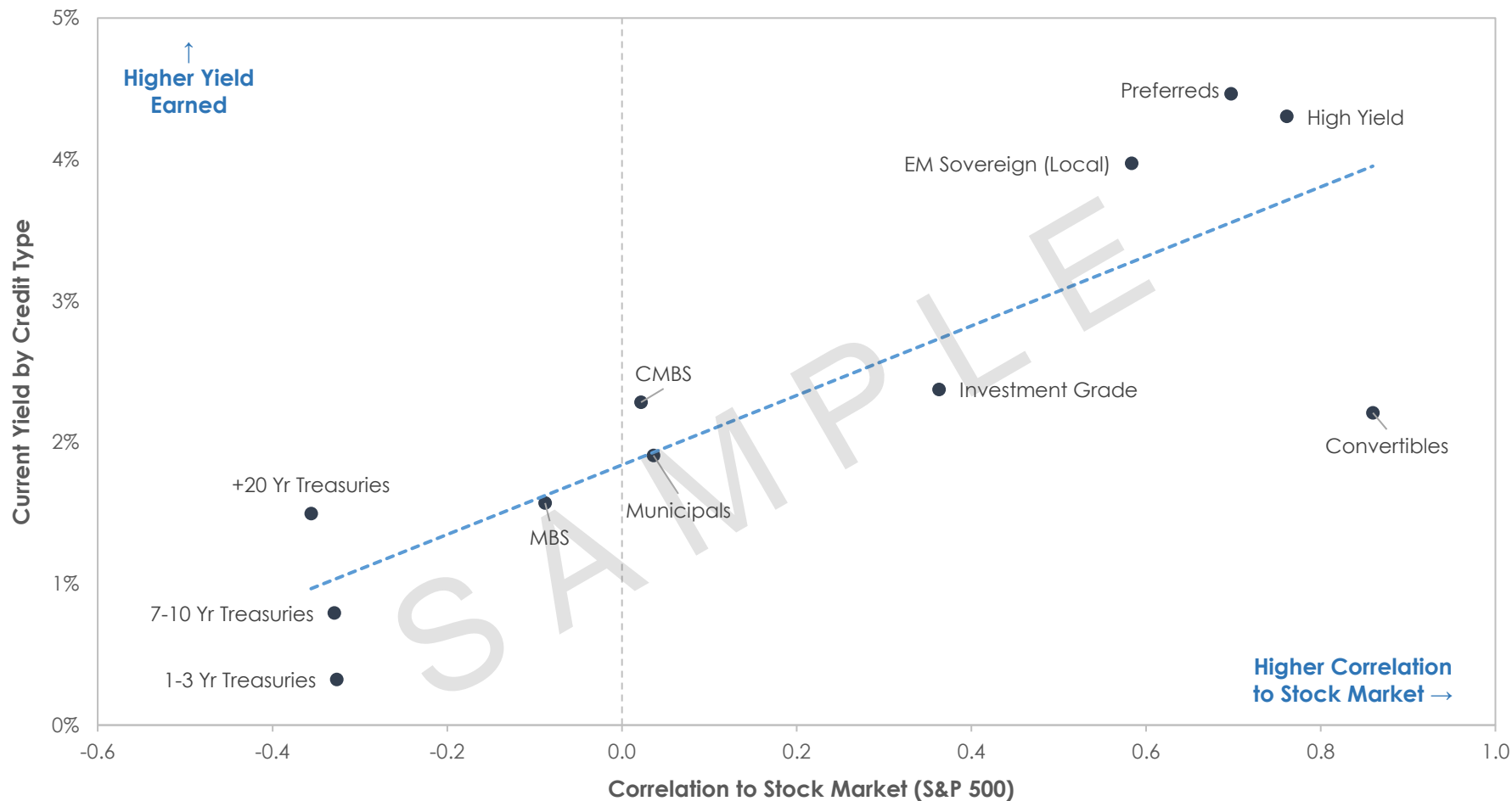
Disclosures: Treasury Inflation-Protected Securities, or TIPS, provide investors protection against inflation. The principal of a TIPS increases with inflation and decreases with deflation (measured by CPI). Expected Inflation is calculated as the yield of the 5-year Treasury minus 3-5 year TIPS. Data from St. Louis Federal Reserve Bank.

Bond's Diversification Benefit



Disclosures: Past performance is no guarantee of future results. Correlation is calculated as the correlation of weekly price returns over the past rolling 6-month period. Stocks are represented by the State Street SPDR S&P 500 ETF (SPY) and bonds by the iShares Core U.S. Aggregate ETF (AGG). The long-term average is calculated as the average correlation over the past 15 years.

Correlation to S&P 500 by Credit Class

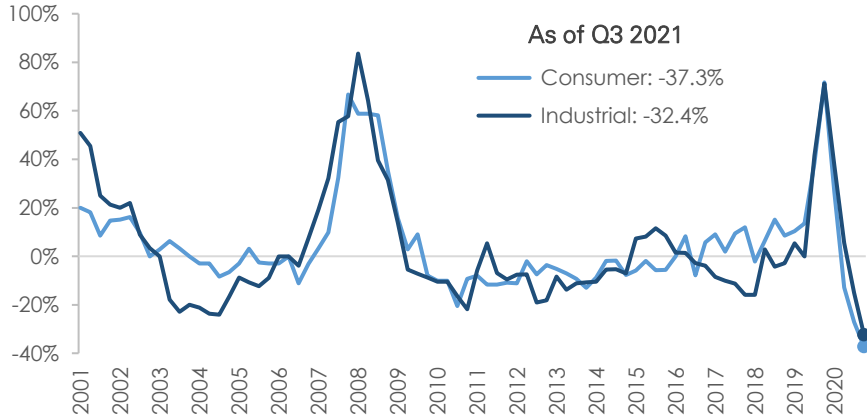


Disclosures: Correlations are calculated based on 10 years of monthly price returns. Credit classes represented by the following ETFs: 2-Year US Treasuries (SHY - iShares 1-3 Year Treasury Bond ETF), 10-Year UST (IEF - iShares 7-10 Year Treasury Bond ETF), 30-Year UST (TLT - iShares 20+ Year Treasury Bond ETF), EM Sovereign (LEMB- iShares J.P. Morgan EM Local Currency Bond ETF), Cash (BIL - SPDR Bloomberg Barclays 1-3 Month T-Bill ETF), Investment Grade (LQD - iShares iBoxx \$ Investment Grade Corporate Bond ETF), High Yield (HYG - iShares iBoxx \$ High Yield Corporate Bond ETF), TIPS (TIP - iShares TIPS Bond ETF), Municipals (MUB - iShares National Muni Bond ETF), Convertibles (CWB - SPDR Bloomberg Barclays Convertible Securities ETF), Preferreds (PFF - iShares Preferred & Income Securities ETF), MBS (MBS - iShares MBS ETF), CMBS (CMBS - iShares CMBS ETF).

Credit Conditions

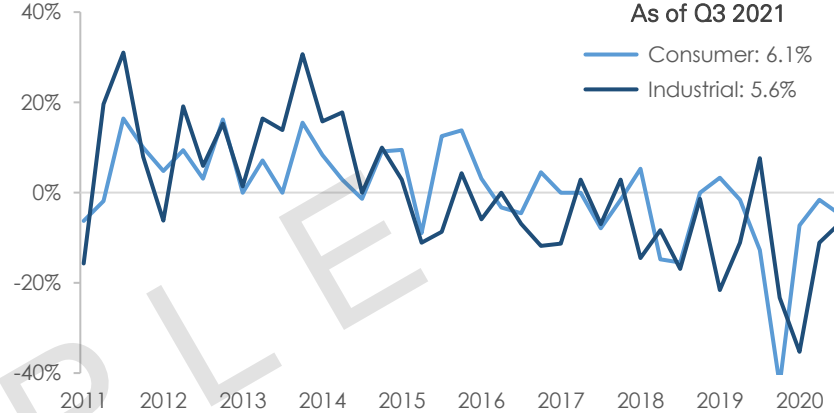
Bank Loan Lending Standards

Net percent of banks reporting tighter lending standards



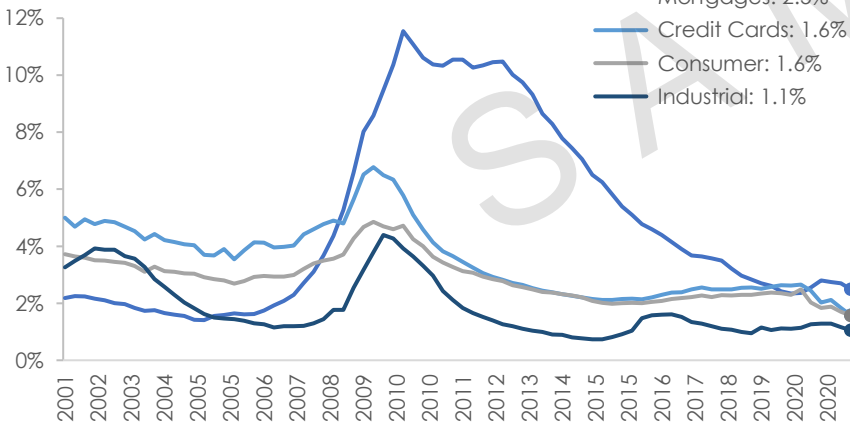
Bank Loan Demand

Net percent of banks reporting stronger demand



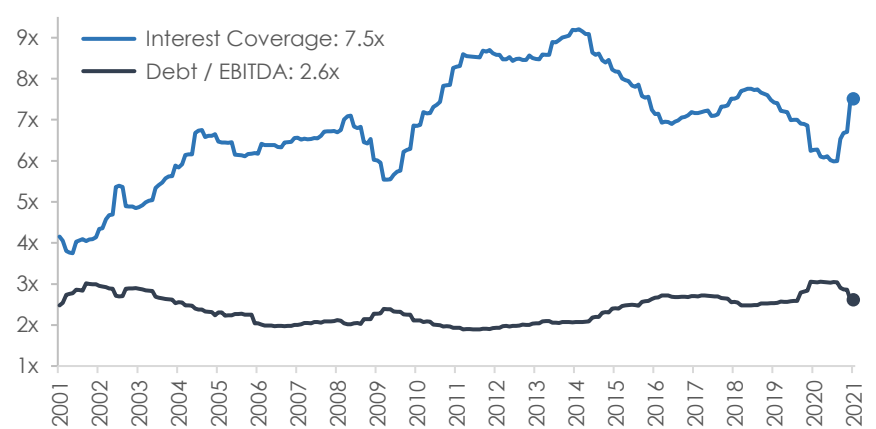
Bank Loan Delinquency Rates

All Commercial Banks, Seasonally Adjusted



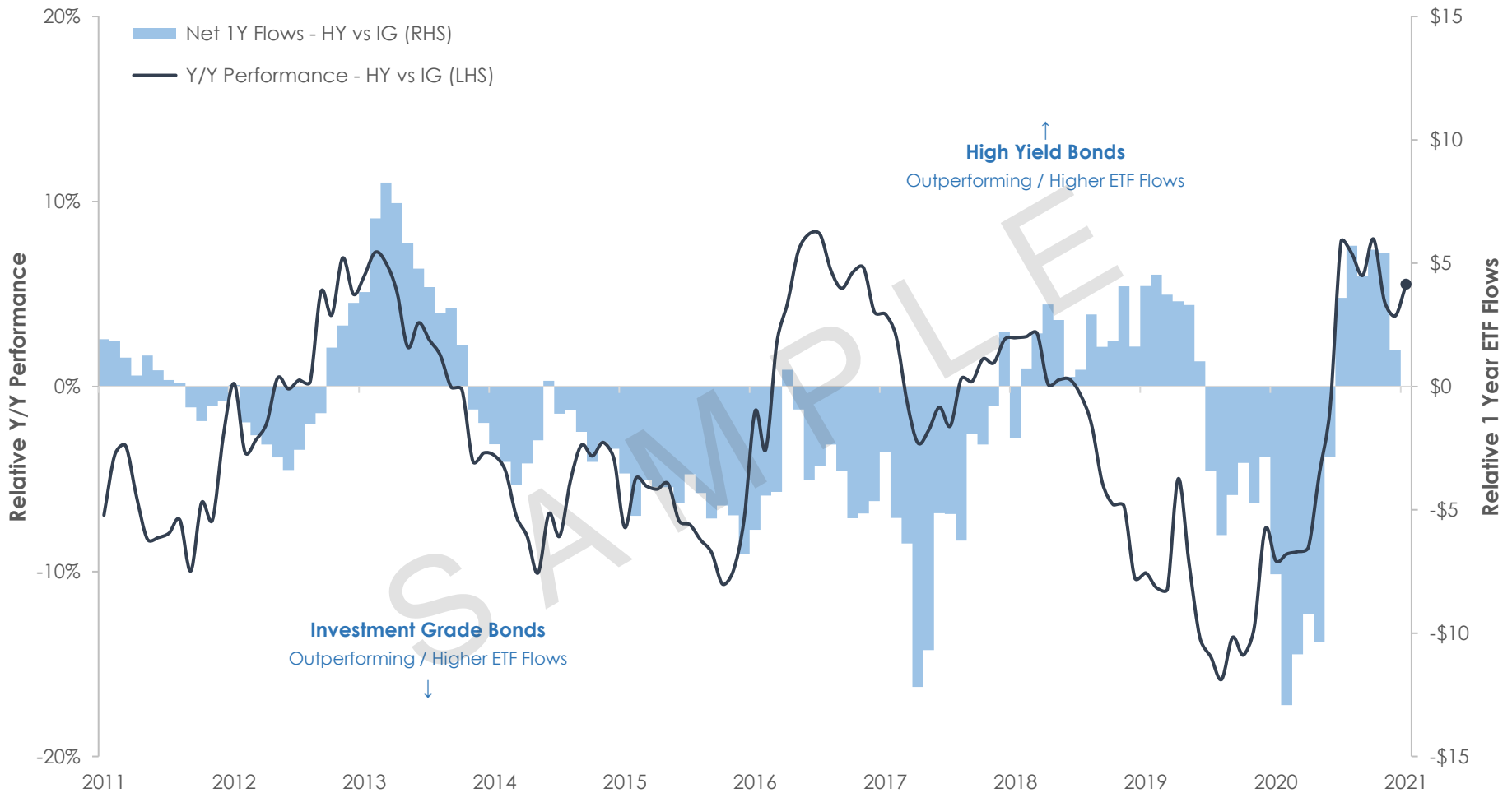
S&P 500 Credit Metrics

Last 12 months reported Interest Coverage Ratio & Leverage



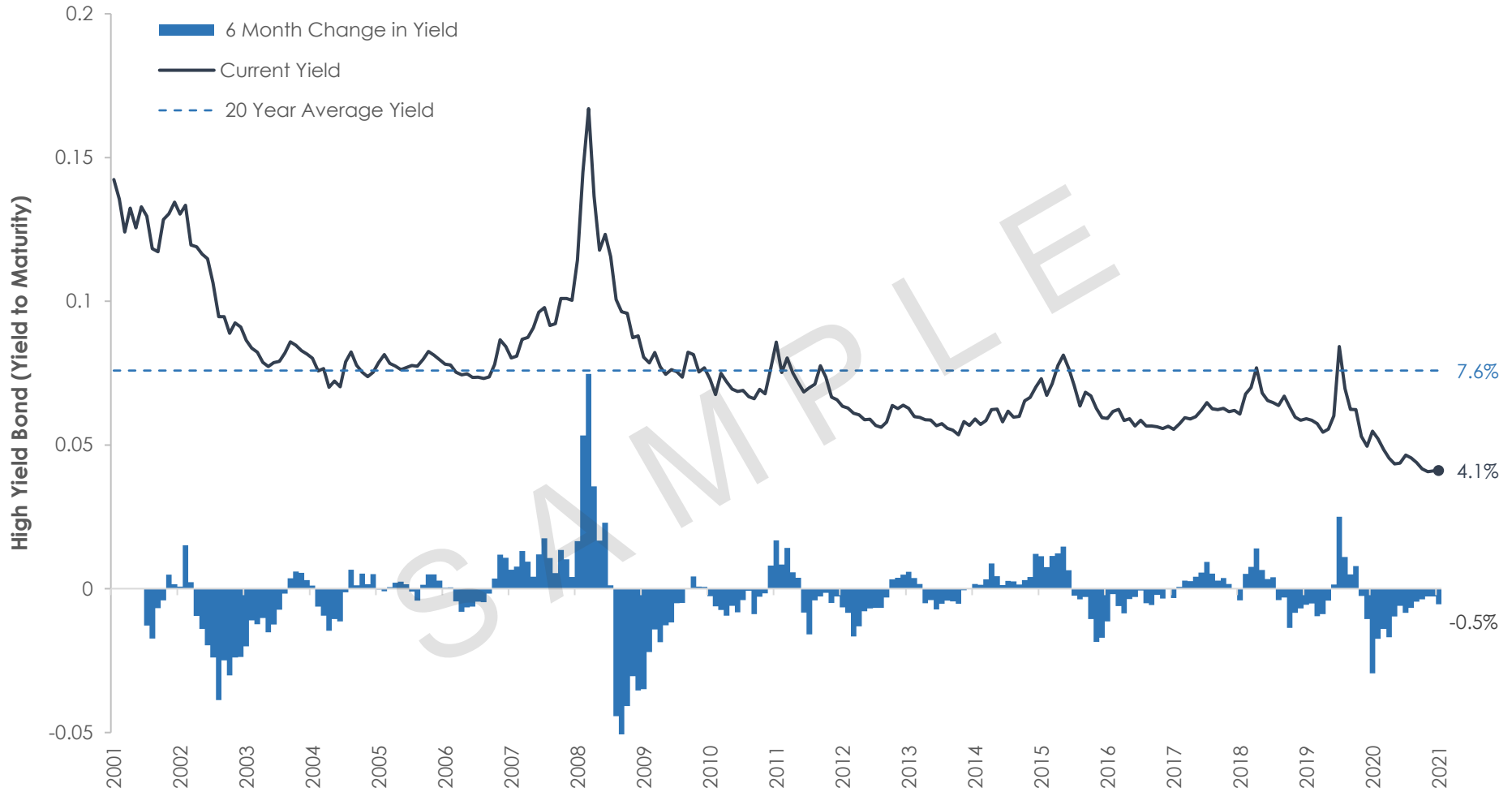
Disclosures: Data sourced from the Federal Reserve. S&P 500 credit metrics based on last 12 month reported results using the State Street SPDR S&P 500 ETF (SPY).

Corporate Bonds - Flows & Performance



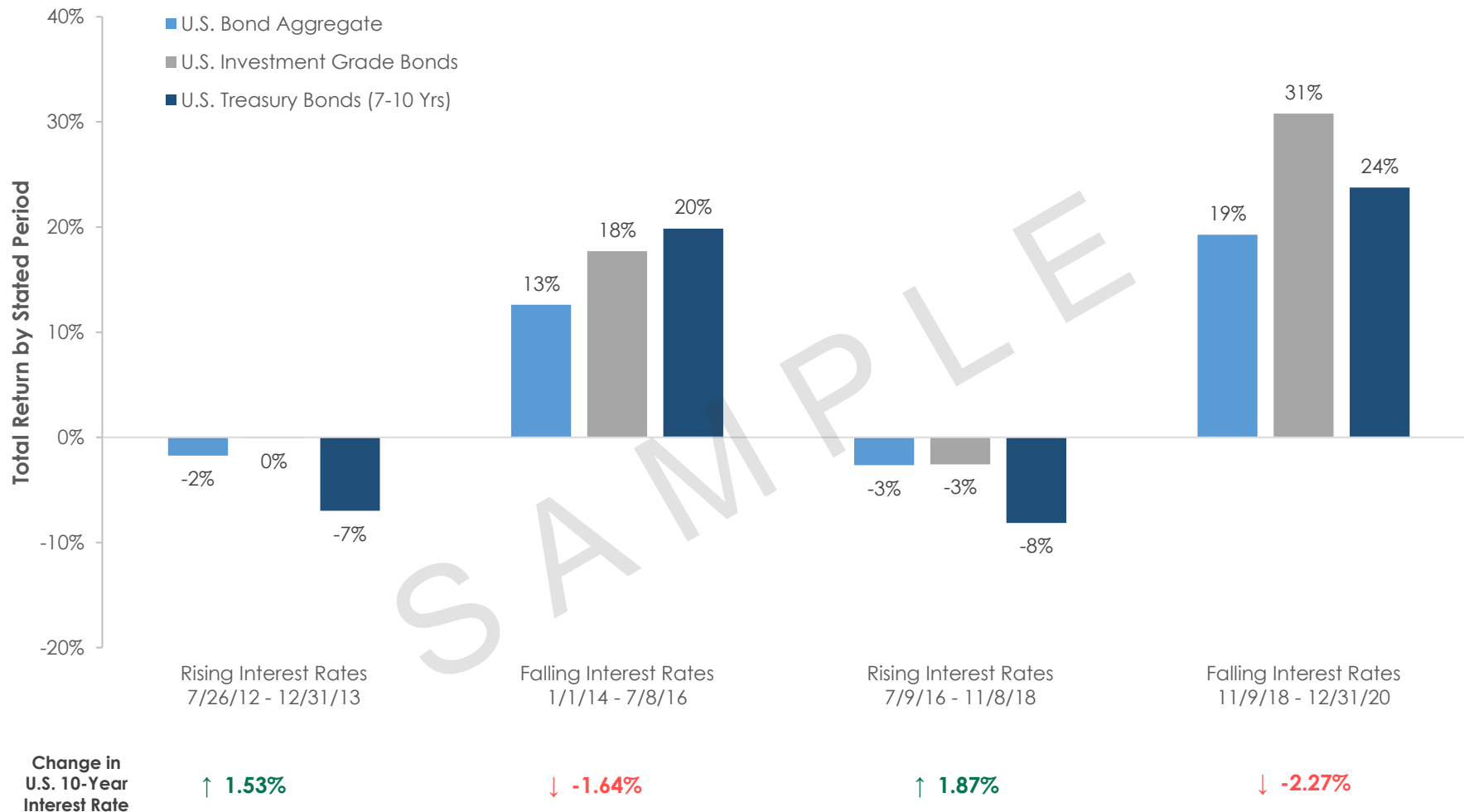
Disclosures: Past performance is no guarantee of future results. All performance data represents price returns for the stated period. High Yield Corporate Bonds are represented by the iShares iBoxx \$ High Yield Corporate Bond ETF (HYG) and Investment Grade Corporate Bonds by the iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD). Flows are based on the rolling last 12-month ETF Flows for HYG and LQD.

High Yield Bond Market



Disclosure: Past performance is no guarantee of future results. The current yield is based on the ICE BofA U.S. High Yield 100 index. The average yield is based on 20 years of monthly datapoints.

Bond Returns in Rising & Falling Interest Rate Environments



Disclosures: Past performance is no guarantee of future results. Data sourced from the Federal Reserve. All performance is based on total returns. Credit types are represented by the following ETFs: U.S. Bond Aggregate (AGG - iShares Core U.S. Aggregate Bond ETF), U.S. Investment Grade Bonds (LQD - iShares iBoxx \$ Investment Grade Corporate Bond ETF), and U.S. Treasury Bonds (IEF - iShares 7-10 Year Treasury Bond ETF).

Definitions

Correlation: A measure of the extent to which two variables are related.

Bank of Japan: The Bank of Japan, or BOJ, is Japan's central bank; it has been operational since 1885—when it first issued currency. The BOJ is responsible for determining monetary policy, setting interest rates, and issuing and monitoring currency and treasury securities.

European Central Bank: The European Central Bank (ECB) is the central bank responsible for monetary policy of those European Union (EU) member countries which have adopted the euro currency.

Federal Funds Rate: The target interest rate set by the Federal Reserve at which commercial banks borrow and lend excess reserves overnight.

Federal Reserve: The Federal Reserve System is the central bank of the United States. It was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system.

High Yield Corporate Bonds: In finance, a high-yield bond is a bond that is rated below investment grade by credit rating agencies. These bonds have a higher risk of default or other adverse credit events but offer higher yields than investment grade bonds in order to compensate for the increased risk.

Investment Grade Corporate Bonds: Investment grade refers to the quality of a company's credit. To be considered an investment grade issue, the company must be rated at 'BBB' or higher by Standard and Poor's or Moody's. Anything below this 'BBB' rating is considered non-investment grade.

Nominal Yield: The interest rate earned on a fixed income investment.

Price Return: The rate of return on an investment portfolio, where the return measure takes into account only the capital appreciation of the portfolio, not including income generated in the form of interest or dividends.

Real Yield: The interest rate earned on a fixed income investment after factoring in the impact of inflation as measured by the Consumer Price Index (CPI).

Treasury Bonds: Treasuries are debt obligations issued and backed by the full faith and credit of the U.S. government.

Treasury Inflation-Protected Securities (TIPS): Provide investors protection against inflation. The principal of a TIPS increases with inflation and decreases with deflation as measured by the Consumer Price Index (CPI).

Total Return: The return on a portfolio of investments taking into account capital appreciation as well as any income received on the portfolio.

Yield Curve: Refers to the relationship between the remaining time-to-maturity of debt securities and the yield on those securities. Yield curves have many practical uses, including pricing of various fixed-income securities, and are closely watched by market participants for potential clues about the market's perception of the path of the policy rate and the macroeconomic outlook.

Yield to Maturity (YTM): Total rate of return that will have been earned by a bond when it makes all interest payments and repays the original principal.

Disclosures and Legal Notice

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