Monthly Fixed Income Dashboard
Q2 2023

Natixis IM Solutions
Valuations

Source: Natixis IM Solutions, FactSet. Data shown from 7/16/18 to 6/30/23.
FIXED INCOME DASHBOARD

Relative Value

US High Yield less Investment Grade (OAS)

High Yield less Bank Loans

US High Yield less Emerging Markets USD (OAS)

EM Local less EM USD

Yield to Worst (bps)

Source: Natixis IM Solutions, FactSet. Data shown from 7/16/18 to 6/30/23.
Credit Conditions

Chicago Fed National Financial Conditions Index

LEI Leading Credit Index vs Defaults

Lending Conditions

CCC Access to Market

Source: Natixis IM Solutions, FactSet, Bank of America Merrill Lynch. Chicago Fed NFCI data shown from 12/31/93 to 7/7/23. Lending Conditions data shown from 6/30/90 to 4/30/23. Leading Credit Index data shown from 7/31/03 to 5/31/23. CCC issuance data shown from 1/31/00 to 6/30/23.
Distress Ratios & Defaults

US High Yield Distressed Ratio (>1,000 Bps)

US High Yield Default Rates

Source: Natixis IM Solutions, Bank of America Merrill Lynch. Distress ratio data shown from 12/31/96 to 6/30/23. Default data shown from 9/30/05 to 6/30/23.
### Inflation

#### Trends in Inflation

- **Core CPI**
- **Cleveland Fed Median CPI**
- **Cleveland Fed Trimmed-Mean CPI**
- **Atlanta Fed Sticky CPI**
- **Dallas Trimmed-Mean PCE**
- **Core PCE**

#### Inflation Momentum

- **3M**
- **6M**
- **1 Yr**

#### 10Y Nominal Yield Decomposition

- **10Y TIPS**
- **10Y Breakeven**
- **10Y Nominal**

#### 10Y Breakeven Decomposition

- **10Y Breakeven Inflation Rate**
- **Expected Inflation**
- **Inflation Risk Premium**
- **TIPS Liquidity Premium**

Source: Natixis IM Solutions, FactSet. Inflation trends data shown from 8/31/10 to 6/30/23. Inflation Momentum data as of 5/31/23. Yield and breakeven decomposition data shown from 12/31/17 to 6/30/23.
US Yield Curve

Source: Natixis IM Solutions, FactSet. As of 6/30/23.
### Benchmark Rates

**Benchmark 10-Year Treasury Yield**

- New Zealand: 0.39% (in %)
- United Kingdom: 1.00% (in %)
- Italy: 2.41% (in %)
- Australia: 2.52% (in %)
- US: 3.81% (in %)
- Spain: 2.95% (in %)
- Canada: 3.40% (in %)
- Portugal: 3.11% (in %)
- Belgium: 3.08% (in %)
- Austria: 3.03% (in %)
- Finland: 2.99% (in %)
- France: 2.80% (in %)
- Ireland: 2.76% (in %)
- Denmark: 2.75% (in %)
- Netherlands: 2.75% (in %)
- China: 2.65% (in %)
- Sweden: 2.52% (in %)
- Germany: 2.41% (in %)
- Switzerland: 0.95% (in %)

**1Y Change in Benchmark 10-Year Treasury Yield**

- New Zealand: -19 bps
- Switzerland: -8 bps
- Canada: 36 bps
- Japan: 65 bps
- Australia: 78 bps
- Portugal: 79 bps
- Ireland: 80 bps
- Ireland: 84 bps
- US: 84 bps
- Spain: 95 bps
- France: 99 bps
- Netherlands: 101 bps
- Germany: 103 bps
- Belgium: 103 bps
- Denmark: 104 bps
- Finland: 106 bps
- Austria: 110 bps
- Belgium: 210 bps

Source: Natixis IM Solutions, FactSet. As of 6/30/23.
Flows

Source: Natixis IM Solutions, FactSet. Credit Flows represents total net flows into Investment Grade, High Yield, Bank Loans, and EM Debt. Weekly flows shown from 7/3/20 to 7/14/23. Cumulative flows shown from 2/21/20 to 7/14/23.
Fed Policy Expectations

SOFR Curve Implied Policy Rate Changes (As of 6/30/23)

Source: Portfolio Analysis & Consulting, Bloomberg.
Real vs Nominal Yields

Fixed Income Yields (As of 6/30/23)

Nominal Yield
Real Yield

Source: Natixis IM Solutions, FactSet. Real Yield represents nominal yield deflated by 5Y5Y forward inflation rate.
## Characteristics

### Index Characteristics & Returns

**As of 6/30/23**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Index</th>
<th>Yield-to-Worst</th>
<th>Modified Duration</th>
<th>OAS</th>
<th>OAS (10Y Average)</th>
<th>Total Return</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td>QTD</td>
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<tr>
<td>US Aggregate</td>
<td>Bloomberg Barclays US Aggregate</td>
<td>4.81%</td>
<td>6.31</td>
<td>49</td>
<td>47</td>
<td>-0.84%</td>
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<tr>
<td>US Treasury</td>
<td>Bloomberg Barclays US Treasury</td>
<td>4.37%</td>
<td>6.20</td>
<td>-</td>
<td>-</td>
<td>-1.38%</td>
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<tr>
<td>US Agency</td>
<td>Bloomberg Barclays US Agency</td>
<td>4.93%</td>
<td>3.20</td>
<td>19</td>
<td>16</td>
<td>-1.44%</td>
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<tr>
<td>US MBS</td>
<td>Bloomberg Barclays US MBS</td>
<td>4.78%</td>
<td>6.07</td>
<td>52</td>
<td>34</td>
<td>-1.64%</td>
</tr>
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<td>US ABS</td>
<td>Bloomberg Barclays US ABS</td>
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<td>2.76</td>
<td>68</td>
<td>55</td>
<td>-1.12%</td>
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<td>55</td>
<td>-1.12%</td>
</tr>
<tr>
<td>Municipal Bond</td>
<td>Bloomberg Barclays Municipal Bond</td>
<td>3.52%</td>
<td>6.06</td>
<td>-</td>
<td>-</td>
<td>-0.10%</td>
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<td>US Investment Grade</td>
<td>Bloomberg Barclays US Investment Grade</td>
<td>5.48%</td>
<td>7.14</td>
<td>123</td>
<td>124</td>
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<td>AAA Credit</td>
<td>Bloomberg Barclays AAA</td>
<td>4.57%</td>
<td>10.90</td>
<td>47</td>
<td>66</td>
<td>-0.99%</td>
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<td>AA Credit</td>
<td>Bloomberg Barclays AA</td>
<td>4.82%</td>
<td>8.49</td>
<td>60</td>
<td>70</td>
<td>-0.69%</td>
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<td>A Credit</td>
<td>Bloomberg Barclays A</td>
<td>5.30%</td>
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<td>99</td>
<td>-0.40%</td>
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<tr>
<td>BBB Credit</td>
<td>Bloomberg Barclays BBB</td>
<td>5.76%</td>
<td>6.93</td>
<td>152</td>
<td>158</td>
<td>-0.10%</td>
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<tr>
<td>US High Yield</td>
<td>Bloomberg Barclays US Corporate High Yield</td>
<td>8.50%</td>
<td>3.50</td>
<td>390</td>
<td>430</td>
<td>1.75%</td>
</tr>
<tr>
<td>BB Index</td>
<td>Bloomberg Barclays BB</td>
<td>7.08%</td>
<td>3.82</td>
<td>252</td>
<td>288</td>
<td>0.89%</td>
</tr>
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<td>B Index</td>
<td>Bloomberg Barclays B</td>
<td>8.66%</td>
<td>3.23</td>
<td>398</td>
<td>434</td>
<td>1.00%</td>
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<tr>
<td>CCC Index</td>
<td>Bloomberg Barclays CCC</td>
<td>12.88%</td>
<td>3.14</td>
<td>838</td>
<td>809</td>
<td>4.18%</td>
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<tr>
<td>Leverage Loans</td>
<td>S&amp;P/LSTA Leveraged Loan</td>
<td>10.41%</td>
<td>-</td>
<td>552</td>
<td>517</td>
<td>3.85%</td>
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<tr>
<td>Global Aggregate</td>
<td>Bloomberg Barclays Global Aggregate ex US</td>
<td>2.98%</td>
<td>7.23</td>
<td>44</td>
<td>39</td>
<td>-2.16%</td>
</tr>
<tr>
<td>Global Treasury</td>
<td>Bloomberg Barclays Global Treasury ex US</td>
<td>2.59%</td>
<td>8.20</td>
<td>20</td>
<td>22</td>
<td>-2.93%</td>
</tr>
<tr>
<td>EM Hard Currency</td>
<td>JPM EMBI Global Diversified</td>
<td>8.37%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2.19%</td>
</tr>
<tr>
<td>EM Local Currency</td>
<td>JPM GBI-EM Global Diversified</td>
<td>6.32%</td>
<td>5.04</td>
<td>-</td>
<td>-</td>
<td>2.61%</td>
</tr>
</tbody>
</table>

**Source:** Natixis IM Solutions, FactSet.
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