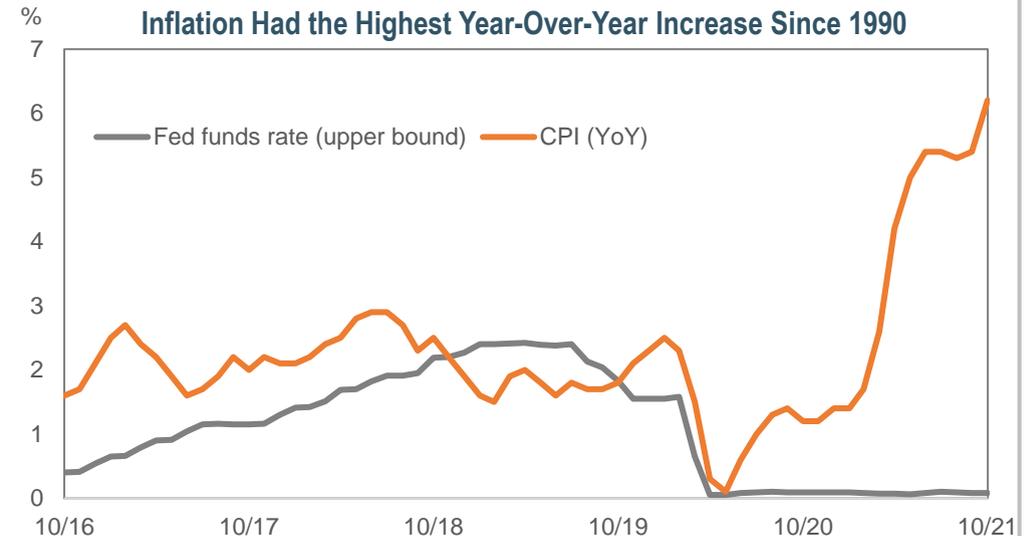
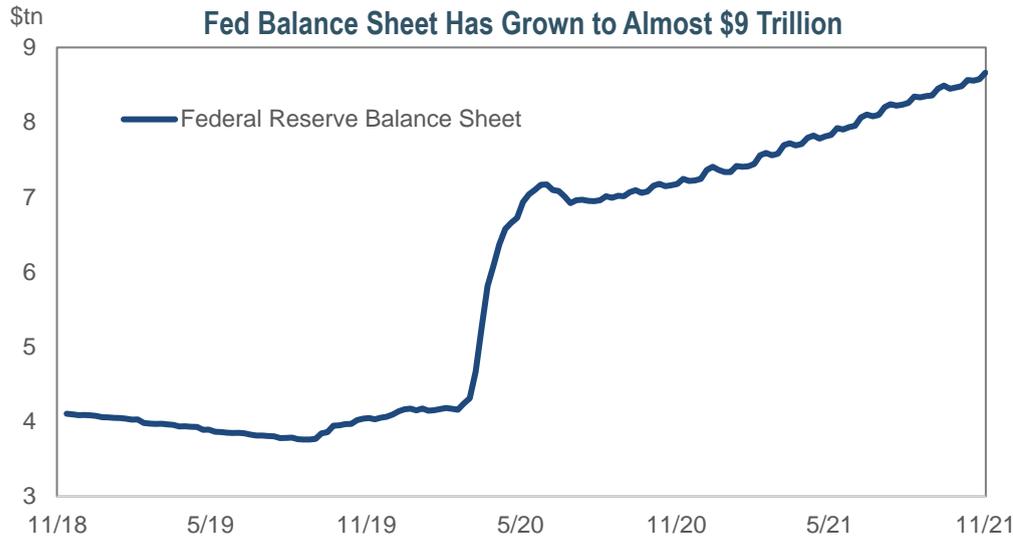


Federal Reserve Chairman Jerome Powell is Renominated for a Second Term



- President Biden announced Monday morning that Jerome Powell will remain the Federal Reserve (Fed) Chairman for a second four-year term and that Fed Governor Lael Brainard was nominated as vice chair; Powell’s Senate confirmation is expected to be smooth given bipartisan support over his first term
- Fed Chair Powell steered the economy through the pandemic by flooding the market with liquidity and providing additional support to calm nerves
 - Expanded the Fed balance sheet more than former Fed Chair’s Bernanke and Yellen combined
 - Quickly moved to zero-bound rates and began purchasing corporate securities for the first time ever
- Powell has overseen several historic shifts in Fed policy, including the introduction of flexible average inflation targeting (FAIT)
- Powell’s second term will be very different from his first - the focus will be on reducing monetary support while maintaining economic growth and keeping inflation under control; although inflation has hit a 30 year high, Powell continues to believe it is transitory in nature and should subside as the pandemic eases
- At IR+M, we believe Fed Chair Powell’s renomination provides continuity for the markets amidst the fastest growing inflation in decades and the ongoing effects of the pandemic

Source: Bloomberg (11/22/21). The views contained in this report are those of IR+M and are based on information obtained by IR+M from sources that are believed to be reliable. This report is for informational purposes only and is not intended to provide specific advice, recommendations, or projected returns for any particular IR+M product. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission from Income Research + Management. “Bloomberg®” and Bloomberg Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited (“BISL”), the administrator of the index (collectively, “Bloomberg”) and have been licensed for use for certain purposes by IR+M. Bloomberg is not affiliated with IR+M, and Bloomberg does not approve, endorse, review, or recommend the products described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to any IR+M product.