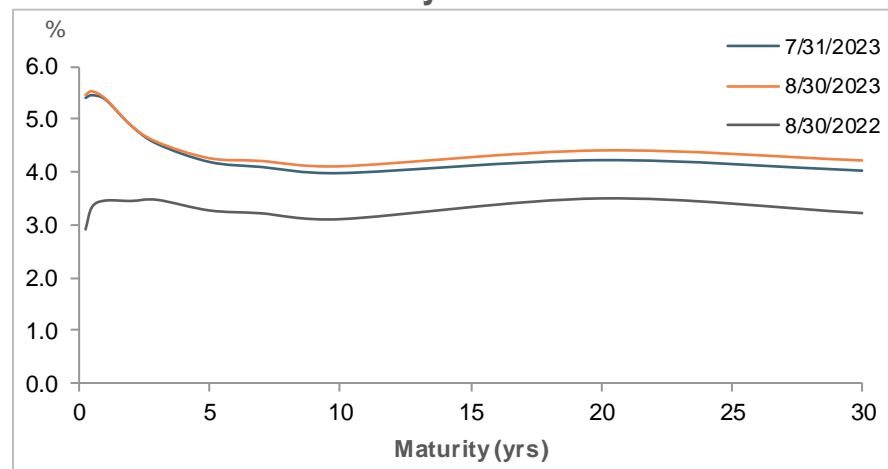




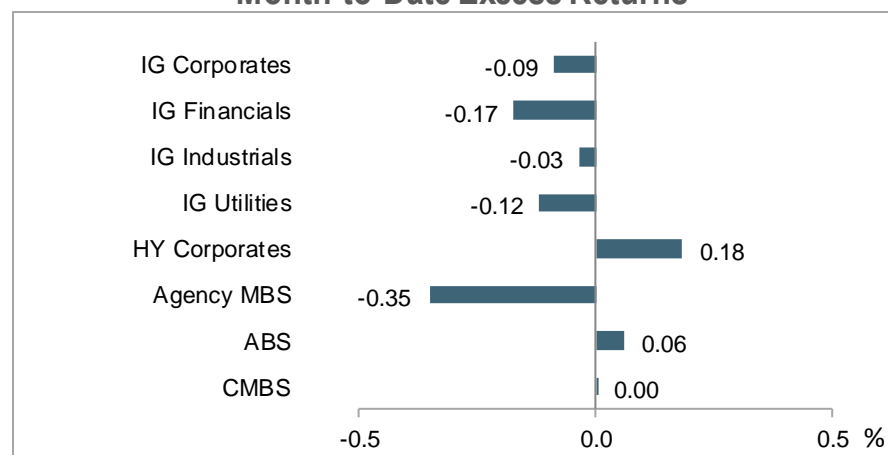
- Economic data provided mixed signals to investors as cooling labor market data accompanied a sticky inflation reading, leaving markets uncertain about the direction of the economy and the Federal Reserve's (Fed) next steps
 - US job openings declined to 8.8 million in July, well below the 9.5 million expected, while just 177,000 jobs were created in August, falling from 371,000 the month prior
 - Inflation ticked up slightly in July, as the Personal Consumption Expenditures (PCE) Index grew by 0.2% month-over-month, while the Core PCE Index increased by 0.2% for the second straight month; both measures were in line with expectations
- At Friday's Jackson Hole meeting, Fed Chair Powell acknowledged that tighter monetary policy over the past 18 months has made progress bringing down inflation, but it remains above the Fed's 2% target
 - Treasury yields fell week-over-week, and expectations are for the Fed to hold rates steady at September's FOMC meeting
- Just \$1 billion of new supply provided a tailwind for investment-grade corporates, with spreads tightening by 2bps to 118bps
 - Investors pulled \$970 million from investment-grade bond funds, taking the streak of outflows to \$2.5 billion over the past three weeks
- High-yield spreads were supported by light supply and tightened by 12bps to 370bps, while yields fell by 18bps to 8.42%
- Commercial mortgage-backed securities (CMBS) continued to see a lack of supply; year-to-date private-label issuance reached \$28 billion, about 67% lower than this time last year
- Muni/Treasury ratios edged slightly higher week-over-week while municipal bond mutual funds saw outflows for a fourth consecutive week, as investors withdrew \$636 million, the most since late May

Treasury Yield Curve



| Maturity | 2-year | 5-year | 10-year | 20-year | 30-year |
|------------|--------|--------|---------|---------|---------|
| 8/30/2023 | 4.89 | 4.27 | 4.12 | 4.42 | 4.23 |
| MTD Change | 0.01 | 0.09 | 0.15 | 0.20 | 0.22 |

Month-to-Date Excess Returns



Sources: Bloomberg and Bloomberg Index Services Limited
Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries. 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 but IR+M makes no guarantee as to the accuracy or completeness of the underlying thirdparty data used to form IR+M's views and opinions. 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.