

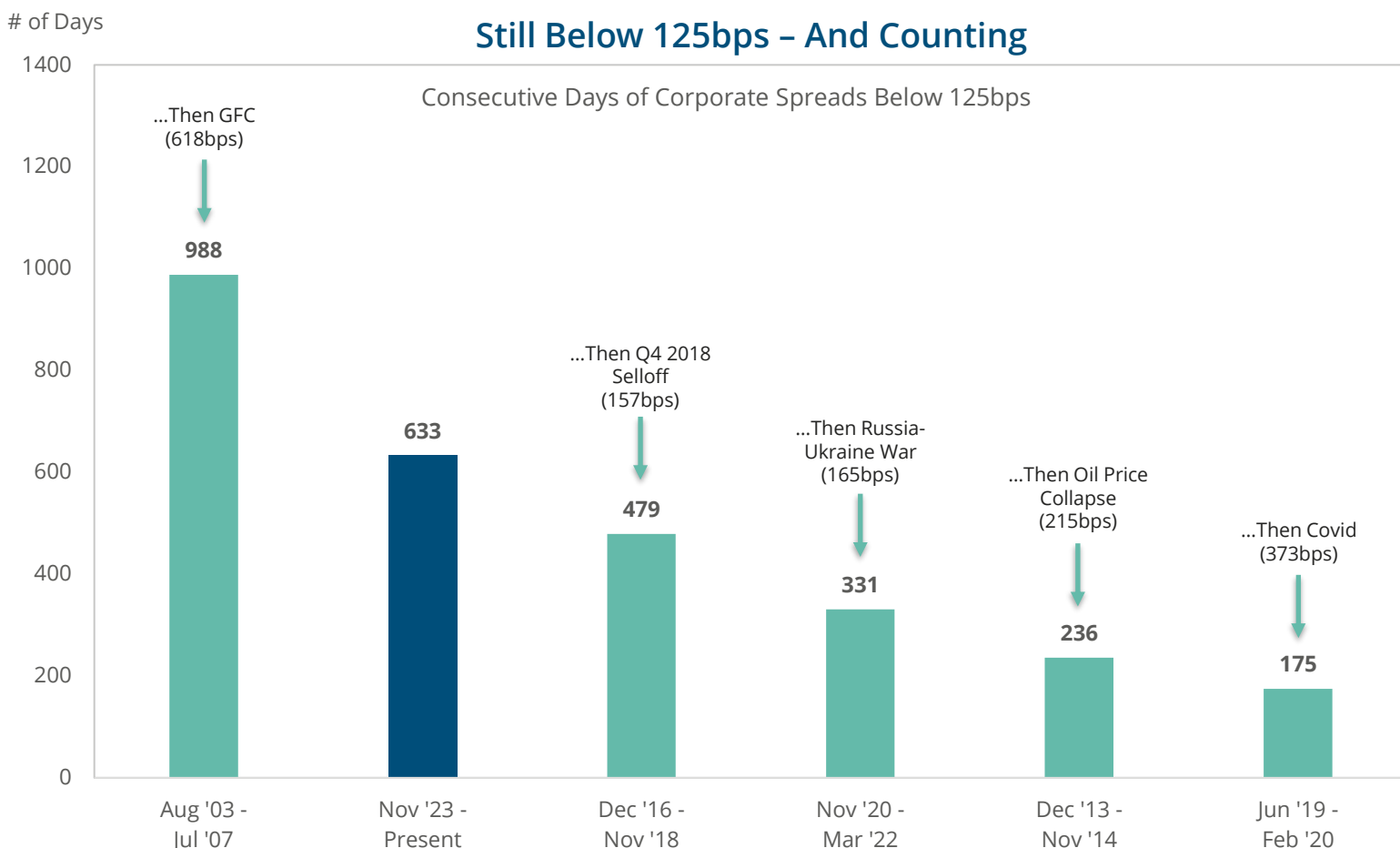
# Charted Territory

## Stuck on the Ground Floor

Spreads have now remained historically tight for one of the longest stretches on record. Corporate spreads tend to “take the stairs down and the elevator up,” often lingering at tight levels before repricing abruptly.

Historically, it has taken a clear catalyst to shift regimes, but currently, no obvious trigger has emerged. While current valuations leave less margin for error, absent a material macro shock, policy misstep, or liquidity event, it is difficult to pinpoint what would push spreads meaningfully wider.

In these environments, incremental risk-taking tends to provide only modest benefits, whereas maintaining ample liquidity preserves the ability to act when conditions shift. With the path forward uncertain, our investment approach remains consistent – grounded in fundamentals and guided by valuations.



Sources: Bloomberg as of 5/26/26. Number of days based on spreads of the Bloomberg Corporate Index since 1/1/00. Periods shown are all periods of greater than 100 days. Events and spreads listed are the eventual peak of spreads once spreads widened past 125bps. The views contained in this report are those of Income Research + Management (“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 third-party 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.