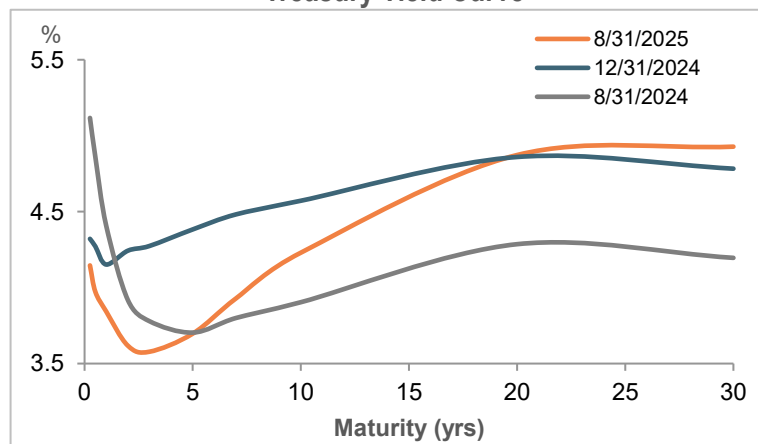


MARKET NEWS

- In August, risk assets rallied amid mixed economic signals around the labor market and inflation, as the S&P 500 and Bloomberg Aggregate Index returned 2.0% and 1.2%, respectively; investors turn their attention to the August jobs report, the outcome of which could increase the probability of a September rate cut
 - July's nonfarm payrolls report captured headlines in August as the gain was below expectations, and the significant revision to prior months' reports did little to ease labor market concerns; consumer confidence declined as investors looked to the Federal Reserve (Fed) to address the weakness within employment
 - CPI grew 2.7% year-over-year in July, slightly below expectations; other inflation metrics, such as PPI, saw a sharp increase, suggesting that companies are passing tariff-related import costs on to consumers
- At the annual Jackson Hole Economic Policy Symposium, Fed Chair Jerome Powell signaled the Fed's receptivity to a September rate cut, suggesting that concerns over the labor market are outpacing those related to inflation
 - The Treasury curve steepened in August as the front end priced in imminent rate cuts; the 2-year Treasury rate fell 34bps, while the spread between the 2- and 30-year Treasury rates widened 37bps to 131bps
- Investment-grade (IG) corporate spreads ended the month at 79bps, 3bps wider month-over-month; conversely, high-yield (HY) spreads tightened 6bps to 272bps, driven by a potential rate cut in September
 - In August, short duration IG corporates performed relatively well, as 1-3-year maturities added 3bps of excess returns; lower-quality issuers surpassed higher-quality issuers, with CCCs outperforming BBs by 69bps
 - Declining yields, along with expectations of easing monetary policy, inspired primary market issuance as nearly \$100 billion of new investment-grade deals and \$25 billion of high-yield deals priced during the month; the high-yield new issue market experienced its busiest August since 2021
- Agency mortgage-backed securities (MBS) added 47bps of excess returns during the month, driven primarily by tighter spreads and expectations of higher bank demand; spreads tightened 6bps in August, ending the month at 34bps
- Municipal bonds underperformed Treasuries as muni/Treasury ratios rose, particularly in the front end of the curve; the 10-year muni/Treasury ratio rose 1% month-over-month to 76%

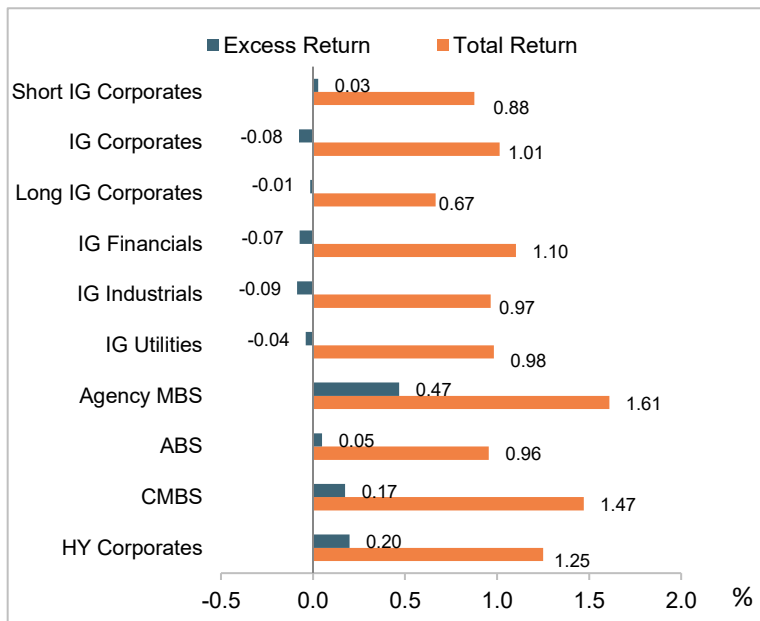
MARKET STATISTICS

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
8/31/25	3.62	3.70	4.23	4.87	4.93
MTD Change	-0.34	-0.28	-0.15	-0.02	0.03
YTD Change	-0.63	-0.69	-0.34	0.01	0.15

MTD Returns



As of: 8/31/25. Sources: Bloomberg

Excess returns are the curve-adjusted excess return of a given index relative to a term structure-matched position in Treasuries. This is not a recommendation to purchase or sell the securities mentioned above. 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.