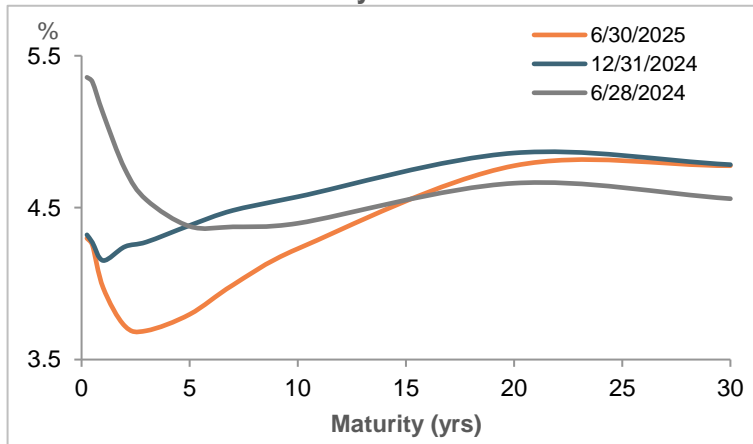


MARKET NEWS

- In June, risk assets rallied amid mixed economic signals and heightened geopolitical risk, as the S&P 500 and Bloomberg Aggregate Index returned 5.0% and 1.5%, respectively; investors turned their attention to the US fiscal outlook and trade deals, which could serve as catalysts for short-term volatility
- The Federal Open Market Committee (FOMC) kept rates steady for the fourth consecutive meeting; the messaging lacked clarity on whether inflation - or the labor market - was ascending in relative importance
 - Although the FOMC messaging was categorized as neutral, President Trump may fast-track the nomination for a new Fed Chair, which could accelerate the Fed's next rate cut
 - May inflation data reflected tariffs' modest impact, with CPI growing 2.4% year-over-year, in line with expectations
 - Initial jobless claims surprised to the downside, with the 4-week moving average at 245,000; continuing jobless claims increased to 1.97 million, indicating a cooling labor market due to trade policy uncertainty
- Treasury yields fell across the curve, with the 2-year rate falling 18bps month-over-month to 3.72% and the 30-year rate declining 16bps month-over-month to 4.78%
- Investment-grade (IG) corporate spreads ended the month at 83bps, 5bps tighter month-over-month and the lowest in four months; similarly, high-yield (HY) spreads tightened 25bps to 290bps
 - In June, energy was one of the best performing sectors within IG, despite still lagging the market year-to-date; lower-quality issuers outperformed higher-quality issuers, with CCCs outperforming BBs by 68bps
 - Despite heightened geopolitical risk, issuers capitalized on attractive funding levels as IG supply surpassed expectations, totaling \$110 billion; the HY market was similarly active with over \$37 billion of issuance - the busiest month since September 2021
- Agency mortgage-backed securities (MBS) outperformed other securitized sectors, driven primarily by tighter spreads amid macro headwinds; spreads tightened 5bps in June, ending the month at 37bps, the tightest month-end level since March
- Municipal bonds underperformed Treasuries in the long-end of the curve; in June, municipal issuers brought over \$65 billion in new supply, the busiest month since October 2024

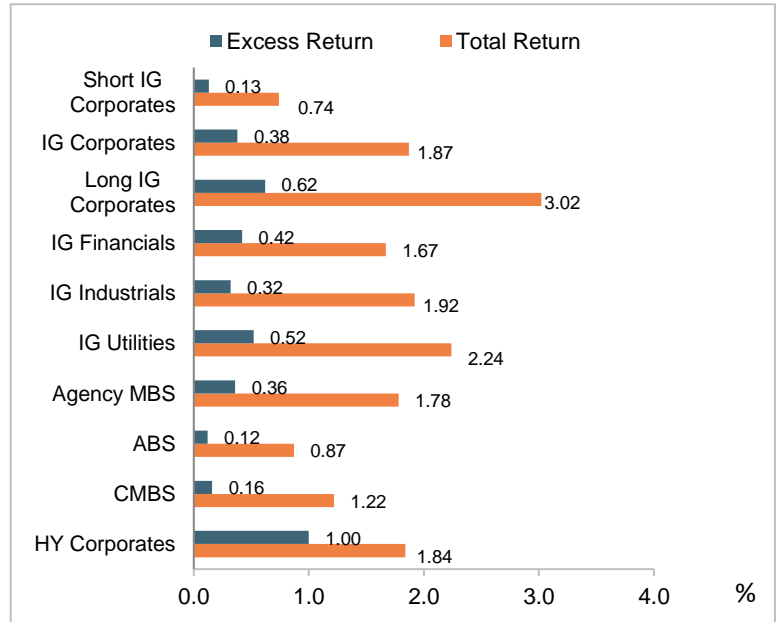
MARKET STATISTICS

Treasury Yield Curve



Maturity	2-year	5-year	10-year	20-year	30-year
6/30/25	3.72	3.80	4.23	4.78	4.78
MTD Change	-0.18	-0.17	-0.17	-0.16	-0.16
YTD Change	-0.52	-0.59	-0.34	-0.08	-0.01

MTD Returns



As of: 6/30/25. 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.