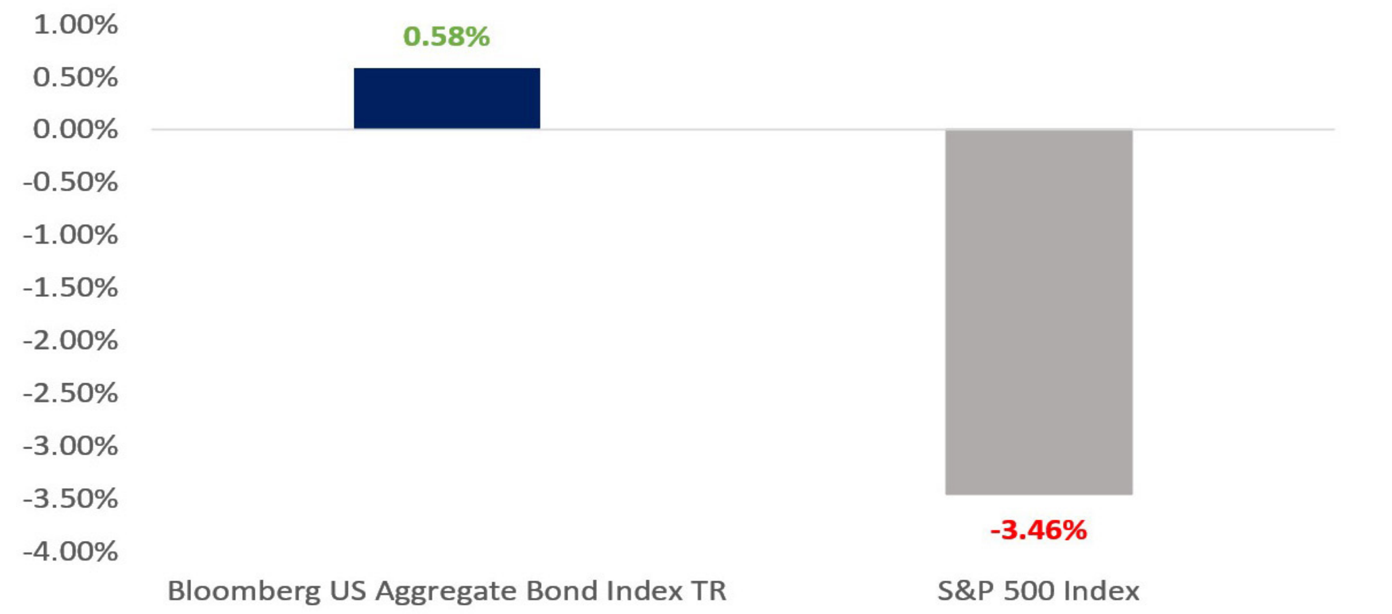
Bonds Begin to Diversify Equity Volatility



Equities represented by S&P 500 Index
Bonds represented by Bloomberg US Aggregate Bond Index TR
05/02/2022 to 05/16/2022

- With interest rates set to continue to rise off 2020 lows, core bonds have started to trade uncorrelated to overall equity markets with the Bloomberg US Aggregate Bond Index TR's return of +0.58% and the S&P 500 Index's return of -3.46% since 05/02/2022 through 05/16/2022.
- The thematic and macroeconomic landscape remains unchanged with slower global growth, higher inflation, supply constraints and geopolitical tensions, illustrating that the tangible de-pegging of equities and core bonds may have some legs.
- Thus, with equities likely to remain volatile throughout the remainder of the year amid macro uncertainty, traditional fixed income allocations (corporate bonds, etc.) and uncorrelated fixed income asset classes (legacy NARMBS, floating rates, etc.) appear to deliver portfolio equity diversity and uncorrelated return streams.

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