

Municipal Market Weekly Update

MACKAY MUNICIPAL MANAGERS.™ THE MINDS BEHIND MUNIS.



Scan code above to listen to the Muni 360 podcast to get the latest perspectives from MacKay Municipal Managers

Authors:

Eric Kazatsky
Client Portfolio Manager

Eric Snyder, CFA
Client Portfolio Manager

Securitized Munis Remain Market Stand Out

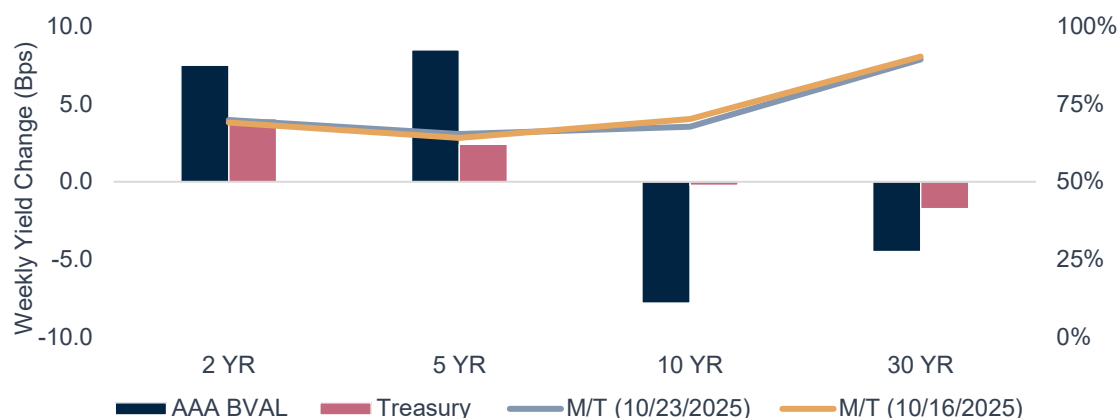
- Muni Shocktober is a great thing!
- Pre-pay gas bonds retain muni allure
- California taxes buffer spread ranges

Relative Performance

October is shaping up to be the strongest month for municipal performance in over two decades—even with a few days left on the clock. This momentum sets the stage for November, historically a technically stronger month, giving the market solid tailwinds. The key story remains the widening gap between the front and long ends. Since late July, the Bloomberg Long Muni Index has outperformed the Short Muni Index by nearly 660 bps—a striking divergence. With long muni-to-Treasury ratios still hovering near 90%, there's room for continued flattening as demand persists. On the flip side, the front end has stalled. Separately managed account buyers are sliding further out the curve, chasing incremental yield and leaving short maturities under more pressure than they have felt in some time. On a relative performance basis, munis appeared mixed versus U.S. Treasuries with outperformance noted after the 10-year portion of the curve.

Bottom Line: Long-end strength isn't just a trend—it's a positioning signal. We expect technicals to keep favoring duration as we head into November.

FIGURE 1: MUNIS HAVE MIXED PERFORMANCE RELATIVE TO TREASURIES¹



1. Data as of October 23, 2025. Source: Bloomberg. Spot Muni, Spot AA rates.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

Technicals

Race day strategy: Prepay gas bonds take the inside line: The muni market has plenty of straightaways and tight turns, but Prepay Gas Bonds² are the car that's quietly moving up the track. Once a backmarker at just \$8 billion in 2021—barely 1% of issuance—this segment has hit the throttle, climbing to \$19 billion last year and now representing 3.5% of the muni field. With \$95 billion outstanding and an average A rating, this isn't a pit stop story—it's a full-on race for investor attention.

Why investors are pulling into this lane: Duration risk has been like running on worn tires—hard to control as callable structures fade and maturities stretch. Prepay Gas Bonds offer a clever chassis adjustment. Mandatory redemption features act like scheduled pit stops, letting you run a long chassis but pull in early. Take the Kentucky State Public Energy Authority deal: a 2055 finish line but a mandatory put in 2029. That's the kind of flexibility that assists in winning races.

Extra horsepower under the hood: From a valuation perspective, these bonds are drafting behind BBB credits despite wearing an A-rated badge³. Yield-to-worst is priced to move, and for those willing to handle the curves of structural complexity, the pickup is compelling. Morgan Stanley's prepay bonds taxable-equivalent yields offer ~150 bps more than similar-maturity Morgan Stanley corporate paper—same engine, different aerodynamics.

Pit crew shake-up: Historically, the guarantor pit crews have been Goldman Sachs (20%), RBC (19%), and Morgan Stanley (17%). But the garage dynamics are shifting—banks are easing dominance, and new entrants could soon take the pole position. Investors need to keep an eye on who's in the pits because counterparty risk and liquidity can change faster than a tire swap under caution.

Your race plan

- **Adjust Your Setup:** Use mandatory puts to fine-tune duration without losing speed.
- **Draft for Value:** Exploit taxable-equivalent yield advantage vs. corporates—150 bps pickup is like free track position.
- **Watch the Pit Wall:** Monitor guarantor standings—new crews mean new race dynamics.
- **Navigate Tight Turns:** Price structural complexity and termination risk into your lap strategy.

Bottom Line: We believe prepay gas bonds aren't just another lap—they're the inside line for investors looking to manage duration and boost yield. The green flag is waving—time to make your move before the field reshuffles.

2. Prepaid Gas Bonds are a specialized segment of the municipal bond market that provide tax-exempt income while leveraging corporate credit. These bonds enable municipalities to secure a long-term supply of natural gas or electricity, reducing the operational risk of purchasing energy on the open market. Proceeds from these bonds are typically used to prepay for natural gas or electricity from a supplier—often the commodity trading arm of an investment bank. The financial institution receiving the prepayment manages the transaction to ensure its success, making prepaid gas bonds a way for non-municipal entities to access funding through the municipal market.
3. 65% of the Bloomberg Municipal Bond Total Return Index eligible prepay gas universe is "A" rated.

FIGURE 2: PRE-PAID GAS COMPARATIVE YIELD⁴



4. Data as of October 23, 2025. Source: Bloomberg.

Questions from the Field

Q. There was a comment in a recent Barrons article about the credit quality of California. Does the team have any thoughts?

We do not agree with the Barron's opinion about California. As we have highlighted in the past with regards to state governments, the main federal funding pullback they will face is for Medicaid. We see no reason to assume California will lack "the will to cut spending" on that front. Not only is Medi-Cal requiring adults on full benefits to meet federal work requirements, but the state showed a willingness to address federal risks even before those requirements were written, by taking many significant and proactive steps to set itself up for its eventual budget response.⁵

These included

- Reducing revenue expectations for the current budget year by \$9.5 billion in anticipation of slower economy and stock market downturn (due to tariffs).
- Freezing Medi-Cal enrollment for undocumented immigrants (saves >\$3 billion over 3 years)
- Instituting Medi-Cal premiums for adults (saves >\$2 billion over 3 years) -Spending >\$3 billion over 3 years in wildfire prevention without tapping the general fund (re-allocation of carbon reduction technology investments)
- Budgeting for the minimum statutory level of education funding under Prop 98

At all times, California's financial position is sensitive to intra-year dynamics. Ratings agencies incorporate this into their ratings, as do we. If revenues underperform in a devastating way, of course downgrades are possible. But forecasting a multi-notch downgrade is extreme, especially considering revenues are off to a flying start in FY 2026 (~10% above budget after three months).⁶

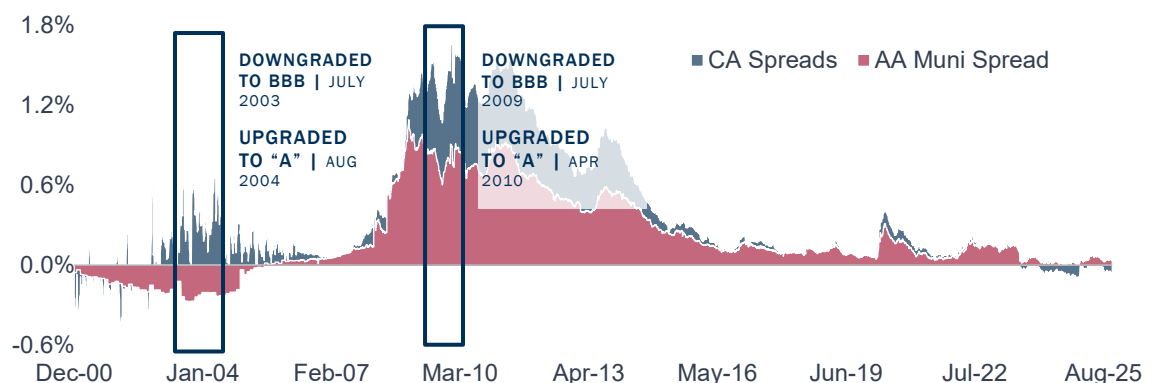
On a macro level when it comes to out of consensus calls, we would highlight that given absolute tax rates in California the muni market will care very little in the event of a one-notch move lower. After all, the market yawned loudly when the US govt was downgraded.

The Figure 3 below notes periods of spread widening for CA state level credits, relative to the AA BBG muni index. It was a move to BBB that precipitated worse performance on a relative basis, but those periods seem short lived and remedied once a ratings move was made in the other direction. We would also note that the top CA tax rates in the 1990s were also much lower than today.

5. <https://ebudget.ca.gov/2025-26/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf>

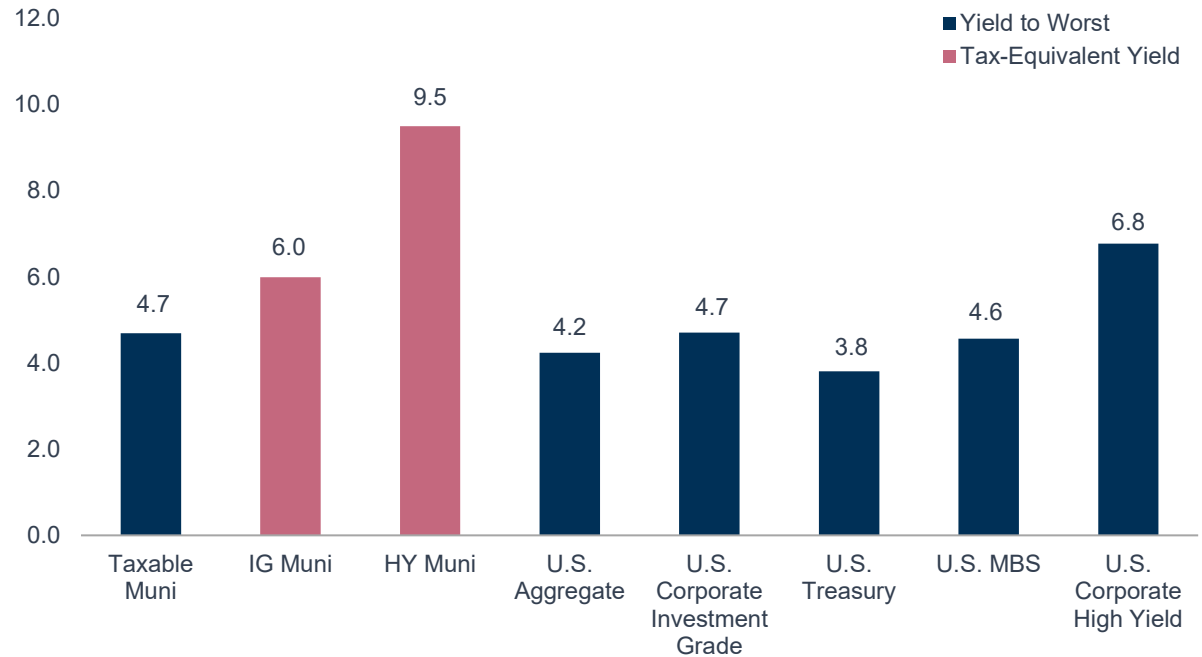
6. <https://www.sco.ca.gov/Files-ARD/CASH/September2025StatementofGeneralFundCashReceiptsandDisbursements.pdf>

FIGURE 3: HISTORY OF CALIFORNIA SPREADS⁷

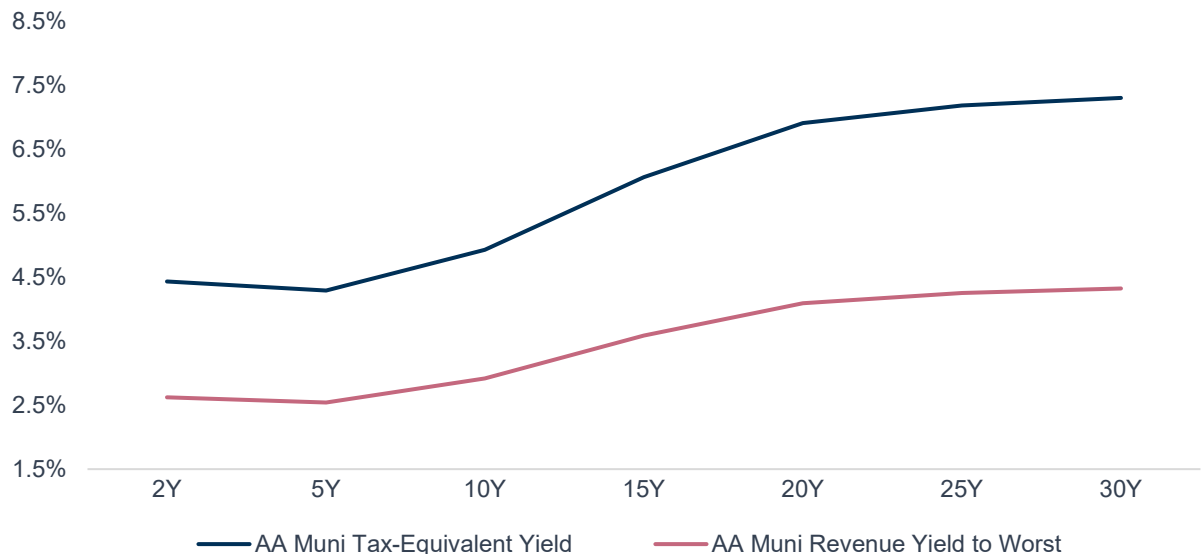


7. Data as of October 21, 2025. Source: Bloomberg.

INDEX YIELDS (in %)⁸



AA MUNI TAX-EQUIVALENT YIELD CURVE⁹



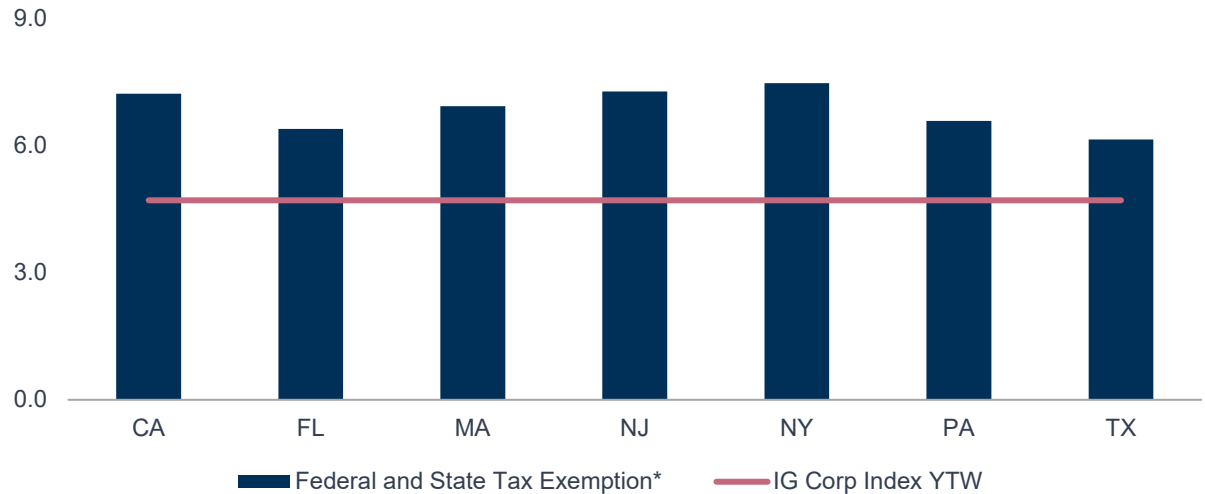
Data as of 10/23/2025.

8. Source: Bloomberg. Using 40.8% federal tax rate, including 3.8% Net Investment Income Tax. Taxable Muni: Bloomberg Taxable Municipal Bond Index; IG Muni: Bloomberg Taxable Municipal Bond Index; HY Muni: Bloomberg High Yield Municipal Bond Index; U.S. Aggregate: Bloomberg U.S. Aggregate Bond Index; U.S. Corporate Investment Grade: Bloomberg U.S. Corporate Investment Grade Index; U.S. Treasury: Bloomberg U.S. Treasury Index; U.S. MBS: Bloomberg U.S. Mortgage-Backed Securities Index; U.S. Corporate High Yield: Bloomberg U.S. Corporate High Yield Index.

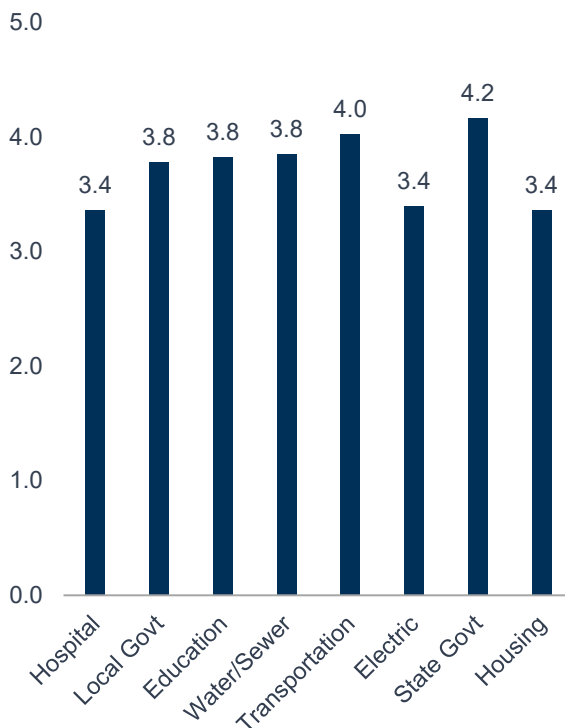
9. Source: Bloomberg. Using 40.8% federal tax rate, including 3.8% Net Investment Income Tax.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

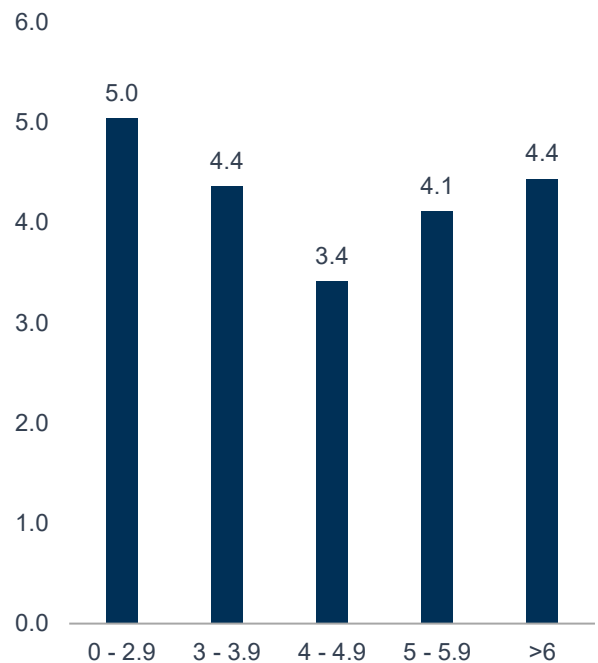
IN-STATE MUNI TAX-EQUIVALENT YTW (in %)¹⁰



YTD TOTAL RETURNS BY SECTOR (in %)¹¹



YTD TOTAL RETURNS BY COUPON (in %)¹²



Data as of 10/23/2025.

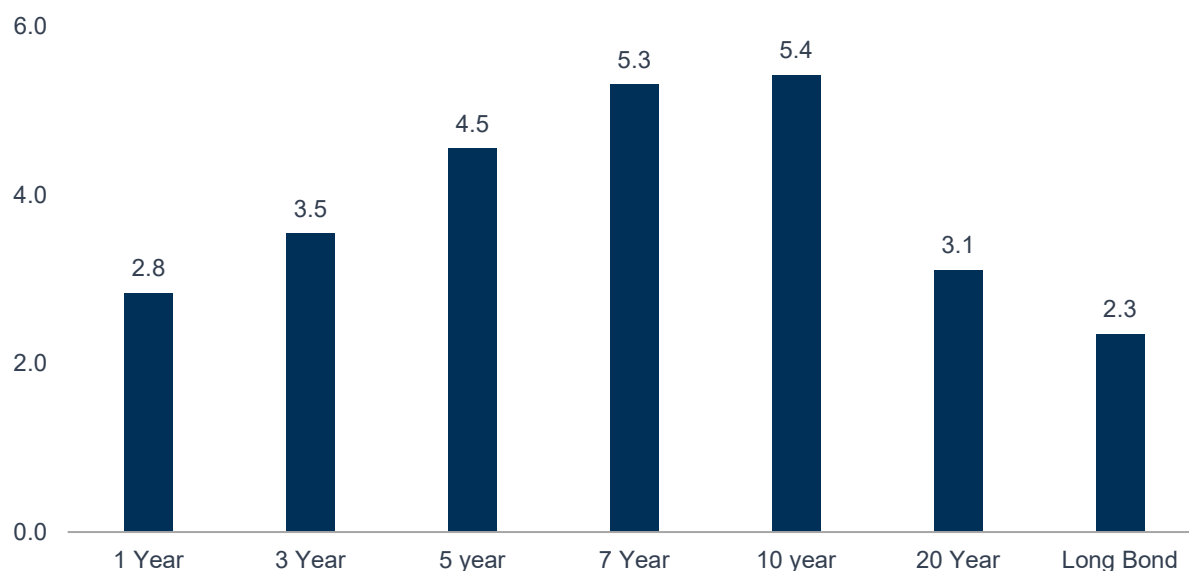
10. Source: Bloomberg. *Using 40.8% federal tax rate, including 3.8% Net Investment Income Tax. Using respective maximum state income tax rate.

11. Source: Bloomberg.

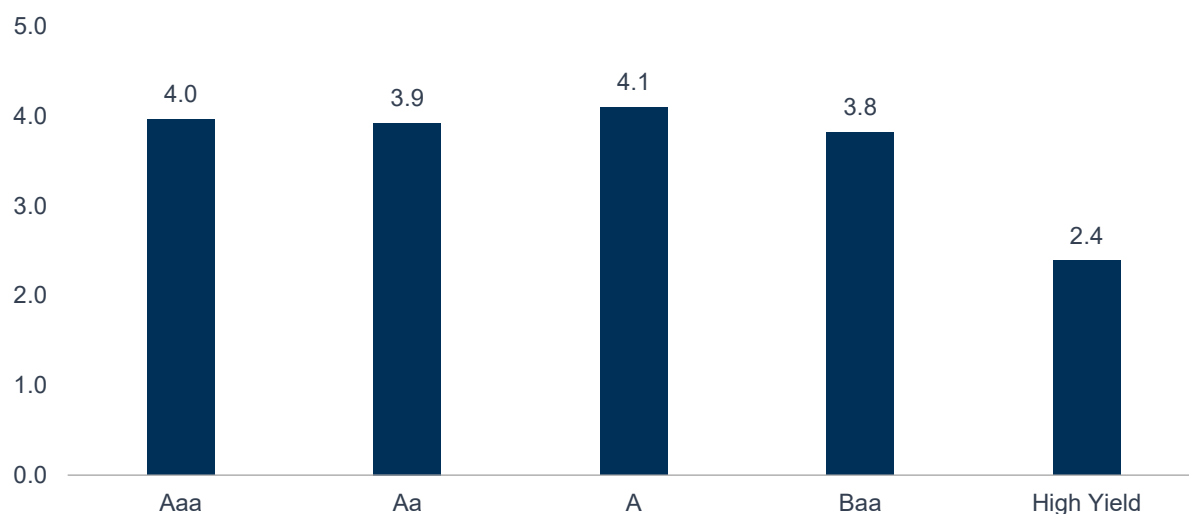
12. Source: Bloomberg.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

YTD TOTAL RETURNS BY MATURITY (in %)¹³



YTD TOTAL RETURNS BY RATING CATEGORY (in %)¹⁴



Data as of 10/23/2025.

13. Source: Bloomberg.

14. Source: Bloomberg.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

BLOOMBERG MUNICIPAL YIELD-TO-WORST¹⁵ (YTW)



MUNI YIELDS

Tenor	10/16/2025	10/23/2025	Change (+/-)
Bloomberg AAA Muni Key Rate Yields¹⁶			
2-year	2.37%	2.44%	+0.07%
5-year	2.28%	2.36%	+0.09%
10-year	2.79%	2.71%	-0.08%
30-year	4.14%	4.10%	-0.04%
U.S. Treasury Key Rate Yields¹⁶			
2-year	3.41%	3.48%	+0.07%
5-year	3.55%	3.61%	+0.06%
10-year	3.99%	4.01%	+0.02%
30-year	4.58%	4.58%	0.00%
U.S. Treasury & AAA Muni Curve Slopes¹⁷			
	2s10s	10s30s	2s30s
U.S. Treasury Curve Slope	+53 bps	+57 bps	+110 bps
AAA Muni Curve Slope	+27 bps	+138 bps	+166 bps

Data as of 10/23/2025.

15. Source: Bloomberg. "Post GIFC Average" measures the period from 01/01/2010–10/23/2025.

16. Source: Bloomberg.

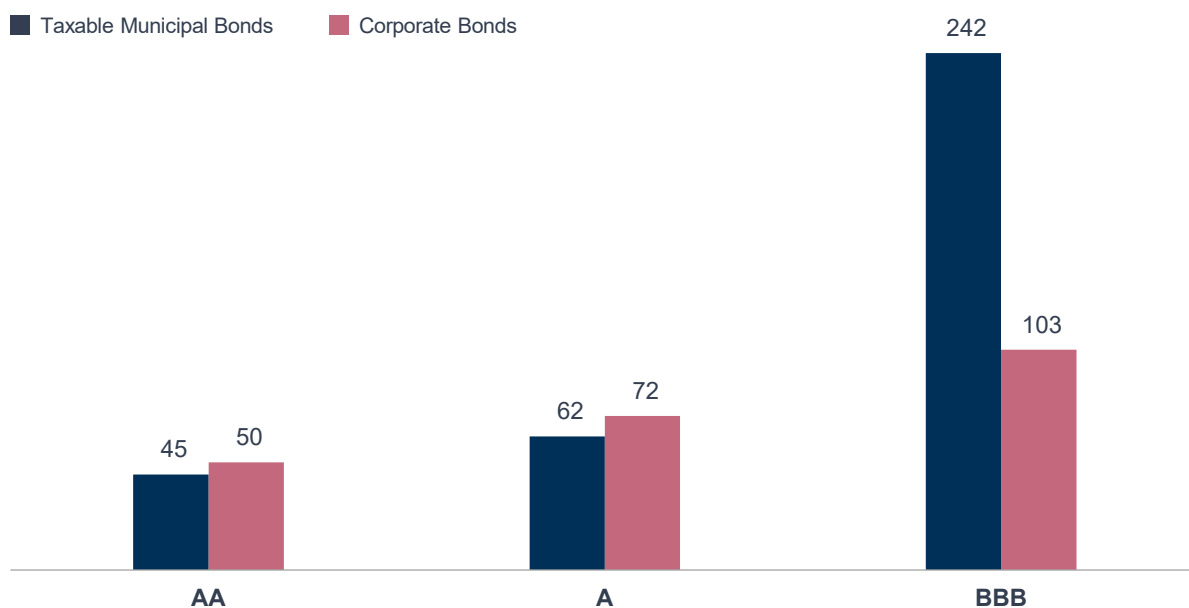
17. Source: Bloomberg. 2s10s—is spread between 10yr and 2yr yield; 10s30s—refers to spread between 30yr and 10yr yield; 2s30s—refers to spread between 30yr and 2yr yield.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

BLOOMBERG MUNICIPAL HIGH YIELD | AAA YIELD DIFFERENTIAL¹⁸



TAXABLE MUNICIPAL AND CORPORATE CREDIT SPREADS¹⁹

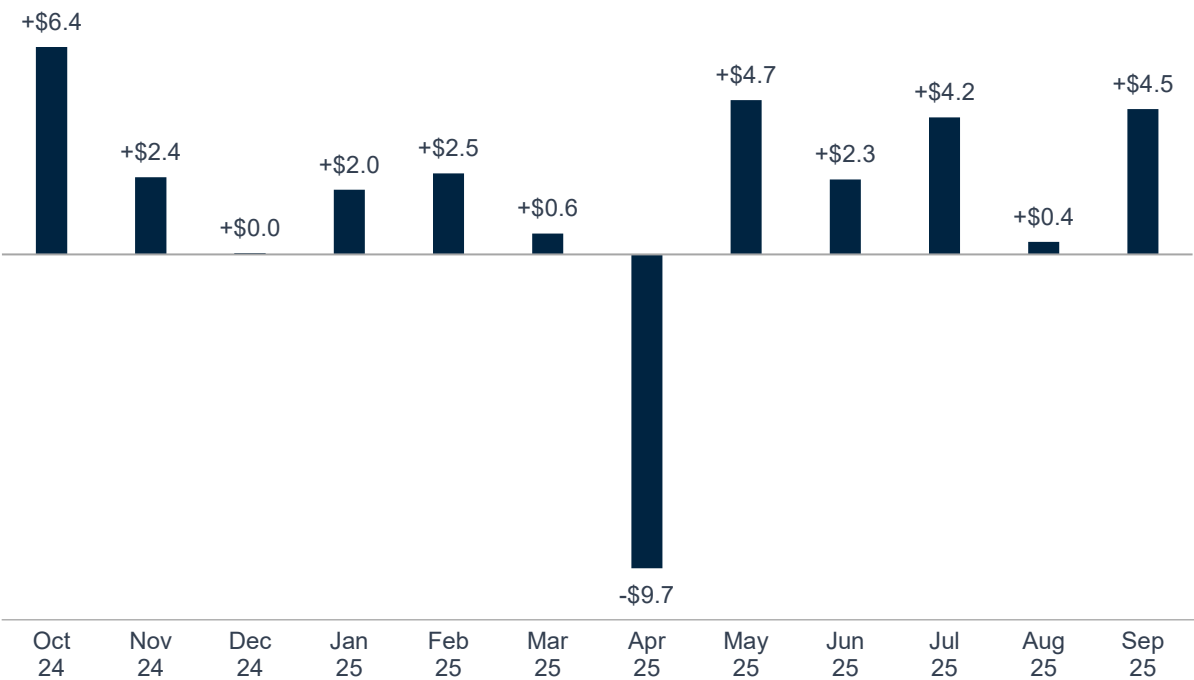


18. Data as of 10/23/2025. Source: Bloomberg.

19. Data as of 10/23/2025. Source: Bloomberg. The spread, better known as the option-adjusted spread (OAS) is the measurement of the yield of a fixed income security over that of a risk-free rate of return, which is adjusted to take into account an embedded option.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

LONG TERM FUND FLOWS²⁰ (USD BILLION)



Data as of 10/23/2025.

20. Source: Bloomberg.

Past performance is no guarantee of future results, which will vary. It is not possible to invest directly in an index.

DISCLOSURES

Availability of this document and products and services provided by MacKay Shields LLC may be limited by applicable laws and regulations in certain jurisdictions and this document is provided only for persons to whom this document and the products and services of MacKay Shields LLC may otherwise lawfully be issued or made available. None of the products and services provided by MacKay Shields LLC are offered to any person in any jurisdiction where such offering would be contrary to local law or regulation. It does not constitute investment advice and should not be construed as an offer to buy securities. The contents of this document have not been reviewed by any regulatory authority in any jurisdiction. This material contains the opinions of the MacKay Municipal Managers™ team of MacKay Shields LLC but not necessarily those of MacKay Shields LLC. The opinions expressed herein are subject to change without notice. This material is distributed for informational purposes only. Forecasts, estimates, and opinions contained herein should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. Any forward-looking statements speak only as of the date they are made and MacKay Shields assumes no duty and does not undertake to update forward-looking statements. No part of this document may be reproduced in any form, or referred to in any other publication, without express written permission of MacKay Shields LLC.

©2025, MacKay Shields LLC. All Rights Reserved.

MacKay Shields LLC does not offer or sponsor any funds registered under the Investment Company Act of 1940, as amended ("Registered Funds"). MacKay Shields LLC serves in the capacity as investment manager of certain Registered Funds through sub-advisory arrangements.

MacKay Municipal Managers is a trademark of MacKay Shields LLC.

MacKay Shields LLC is a wholly owned subsidiary of New York Life Investment Management Holdings LLC, which is wholly owned by New York Life Insurance Company. "New York Life Investments" is both a service mark, and the common trade name of certain investment advisers affiliated with New York Life Insurance Company. Investments are not guaranteed by New York Life Insurance Company or New York Life Investments.

It is not possible to invest directly into an index. Past performance is not indicative of future results.

NOTE TO U.K. AND EUROPEAN UNION INVESTORS

This document is intended only for the use of professional investors as defined in the Alternative Investment Fund Manager's Directive and/or the UK Financial Conduct Authority's Conduct of Business Sourcebook. To the extent this document has been issued in the United Kingdom, it has been issued by NYL Investments U.K. LLP, 200 Aldersgate Street, London UK EC1A 4HD, which is authorized and regulated by the U.K. Financial Conduct Authority. To the extent this document has been issued in the EEA, it has been issued by NYL Investments Europe Limited, 77 Sir John Rogerson's Quay, Block C Dublin D02 VK60 Ireland. NYL Investments Europe Limited is authorized and regulated by the Central Bank of Ireland (i) to act as an alternative investment fund manager of alternative investment funds under the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) and (ii) to provide the services of individual portfolio management, investment advice and the receipt and transmission of orders as defined in Regulation 7(4) of the AIFMD Regulations to persons who meet the definition of "professional client" as set out in the MiFID Regulations. It has passported its license in additional countries in the EEA.

This document only describes capabilities of certain affiliates of New York Life Investments and/or MacKay Shields LLC. No such affiliates will accept subscriptions in any funds not admitted to marketing in your country or provide services to potential customers in your country, including discretionary asset management services, except where it is licensed to do so or can rely on an applicable exemption.

MacKay Shields LLC is a wholly owned subsidiary of New York Life Investment Management Holdings LLC, which is wholly owned by New York Life Insurance Company. "New York Life Investments" is both a service mark, and the common trade name of certain investment advisers affiliated with New York Life Insurance Company. Investments are not guaranteed by New York Life Insurance Company or New York Life Investments.

NOTE TO CANADIAN RECIPIENTS

The information in these materials is not an offer to sell securities or a solicitation of an offer to buy securities in any jurisdiction of Canada. In Canada, any offer or sale of securities or the provision of any advisory or investment fund manager services will be made only in accordance with applicable Canadian securities laws. More specifically, any offer or sale of securities will be made in accordance with applicable exemptions to dealer and investment fund manager registration requirements, as well as under an exemption from the requirement to file a prospectus, and any advice given on securities will be made in reliance on applicable exemptions to adviser registration requirements.

NOTE TO JAPANESE RECIPIENTS

This is issued by New York Life Investment Management Asia Limited (Financial Instruments Business Operator, Kanto Local Finance Bureau (FIBO) No. 2964, Member of Japan Investment Advisers Association and Type 2 Financial Instruments Firms Association) for institutional investors only. As costs and/or fees to be borne by investors vary depending on circumstances such as products, services, investment period and market conditions, the total amount nor the calculation methods cannot be disclosed in advance. All investments involve risks, including market fluctuation and investors may lose the principal amount invested. Investors should obtain and read the prospectus and/or information set forth in Article 37-3 of the Financial Instruments and Exchange Act carefully before making investment decisions.

COMPARISONS TO AN INDEX

Comparisons to a financial index are provided for illustrative purposes only. Comparisons to an index are subject to limitations because portfolio holdings, volatility and other portfolio characteristics may differ materially from the index. Unlike an index, portfolios within the composite are actively managed and may also include derivatives. There is no guarantee that any of the securities in an index are contained in any managed portfolio. The performance of an index may assume reinvestment of dividends and income, or follow other index-specific methodologies and criteria, but does not reflect the impact of fees, applicable taxes or trading costs which, unlike an index, may reduce the returns of a managed portfolio. Investors cannot invest in an index. Because of these differences, the performance of an index should not be relied upon as an accurate measure of comparison.

SOURCE INFORMATION

"Bloomberg®", "Bloomberg Indices®", Bloomberg Fixed Income Indices, Bloomberg Equity Indices and all other Bloomberg indices referenced herein are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the indices (collectively, "Bloomberg") and have been licensed for use for certain purposes by MacKay Shields LLC ("MacKay Shields"). Bloomberg is not affiliated with MacKay Shields, and Bloomberg does not approve, endorse, review, or recommend MacKay Shields or any products, funds or services described herein. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to MacKay Shields or any products, funds or services described herein.

All ICE Data indices referenced herein (each such index, the "Index"), are products of ICE data indices, LLC ("ICE Data"), and are used with permission. ICE® is a registered trademark of ICE Data or its affiliates, and BofA® is a registered trademark of Bank of America Corporation licensed by Bank of America Corporation and its affiliates ("BofA") and may not be used without BofA's prior written approval. ICE Data, its affiliates and their respective third-party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE Data, its affiliates nor their respective third-party suppliers shall be subject to any damages or liability with respect to the adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and your use is at your own risk. Inclusion of a security within an index is not a recommendation by ICE Data to buy, sell, or hold such security, nor is it considered to be investment advice. ICE Data, its affiliates and their respective third-party suppliers do not sponsor, endorse, or recommend MacKay Shields LLC, or any of its products or services.

DEFINITION OF TERMS

Option-Adjusted Spread

The option-adjusted spread (OAS) measures the spread between a bond's rate and the risk-free rate, while adjusting for any embedded options like callables or mortgage-backed securities.

Standard Deviation

Standard deviation is a statistical measurement that looks at how far discrete points in a dataset are dispersed from the mean of that set. It is calculated as the square root of the variance.

Tax Equivalent Yield

The tax-equivalent yield is the return a taxable bond needs to equal the yield on a comparable tax-exempt municipal bond. Investors use this calculation to compare the returns between a tax-free investment and a taxable alternative.

Tax Equivalent Yield to Worst

Tax Equivalent YTW is calculated by dividing the tax-exempt yield by one minus the marginal income tax. This is used to compare YTW on a tax-exempt investment to a taxable investment.

Volatility

Volatility is a measurement of how varied the returns of a given security or market index are over time. It is often measured from either the standard deviation or variance between those returns. In most cases, the higher the volatility, the riskier the security.

Yield to Worst

Yield to worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract. It is a type of yield that is referenced when a bond has provisions that would allow the issuer to close it out before it matures. YTW helps investors manage risks and ensure that specific income requirements will still be met even in the worst scenarios.

INDEX DESCRIPTIONS

Bloomberg U.S. Taxable Municipal Bond Index is a rules-based, market-value-weighted index engineered for the long-term taxable bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies if all three rate the bond: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate and must be at least one year from their maturity date. Remarketed issues (unless converted to fixed rate), bonds with floating rates, and derivatives, are excluded from the benchmark.

Bloomberg Municipal AMT index refers to a specific Bloomberg municipal bond index that includes bonds subject to the Alternative Minimum Tax (AMT). Unlike most municipal bond indices, which exclude AMT-subject securities, these indices contain bonds that typically offer higher yields to individuals who are subject to the AMT.

Muni IG ex. AMT and ex Territories Index is the Bloomberg Municipal Bond Index excluding AMT and U.S. Territory exposure.

Bloomberg Municipal Bond Index A rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. They must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark. The index has four main sectors: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and pre-refunded bonds. Most of the index has historical data to January 1980. In addition, sub-indices have been created based on maturity, state, sector, quality, and revenue source, with inception dates later than January 1980.

INDEX DESCRIPTIONS (continued)

Subset of Bloomberg Municipal Bond Index

1 Year: This index is the 1 Year (1-2) component of the Municipal Bond index.

3 Year: This index is the 3 Year (2-4) component of the Bloomberg Municipal Bond Index.

5 Year: This index is the 5 Year (4-6) component of the Municipal Bond index.

7 Year: This index is the 7 Year (6-8) component of the Municipal Bond index.

10 Year: This index is the 10 Year (8-12) component of the Municipal Bond index.

15 Year: This index is the 15 Year (12-17) component of the Municipal Bond index.

20 Year: This index is the 20 Year (17-22) component of the Municipal Bond index.

Long Bond: This index is the Long Bond (22+) component of the Municipal Bond index.

Bloomberg 5-Year Muni Index is a capitalization weighted bond index created by Bloomberg intended to be representative of major municipal bonds of all quality ratings with an average maturity of approximately five years.

Bloomberg Municipal 1-10 Year Blend 1-12 Year Index measures the performance of short and intermediate components of the Municipal Bond Index — an unmanaged, market value-weighted index which covers the U.S. investment grade, tax-exempt bond market.

Bloomberg Municipal Long Bond 22+ Index (often referred to as the Bloomberg Long-Term Municipal Bond Index) tracks the performance of long-term, tax-exempt U.S. municipal bonds with maturities of 22 years or longer. This index serves as a benchmark for high-quality municipal debt and covers various sectors, including general obligation, revenue, insured, and pre-refunded bonds.

Bloomberg High Yield Municipal Bond Index is a flagship measure of the U.S. municipal tax-exempt non-investment grade bond market. Included in the index are securities from all 50 U.S. States and four other qualifying regions (Washington DC, Puerto Rico, Guam, and the Virgin Islands). The index includes state and local general obligation bonds and revenue bonds. All bonds in the Municipal High Yield Bond Index are tax exempt and hence are not eligible for other indices that include taxable high yield bonds, such as the U.S. High Yield Index and EM USD Aggregate Index.

Bloomberg U.S. Aggregate Bond Index measures the performance of investment grade, U.S. dollar-denominated, fixed rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS. It rolls up into other flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg U.S. Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-US industrial, utility, and financial issuers. The index is a component of the U.S. Credit and U.S. Aggregate Indices, and provided the necessary inclusion rules are met, U.S. Corporate Index securities also contribute to the multi-currency Global Aggregate Index. The index includes securities with remaining maturity of at least one year.

Bloomberg U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury, including securities that roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg U.S. Mortgage-Backed Securities Index is formed by grouping the universe of individual TBA-deliverable MBS pools into pool cohorts and then applying the index inclusion rules at the cohort level. Each cohort is a representation of its mapped individual pools and contributes their total amount outstanding to the U.S. MBS Index.

Bloomberg U.S. Corporate High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

Bloomberg Global Aggregate Bond Index The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from twenty-seven local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Securitized Bond Index The Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index tracks all USD-denominated, investment grade, securitized issues within the "Parent Index". MBS must have a weighted average maturity of at least one year. CMBS and ABS must have a remaining average life of at least one year.

Bloomberg U.S. Municipal Bond Index Total Return Index Value Unhedged The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds

Bloomberg U.S. Aggregate Total Return Value Unhedged The Bloomberg U.S. Aggregate Total Return Value Unhedged Index (LBSTRUU:IND) is a benchmark that measures the performance of the U.S. investment-grade, fixed-rate, taxable bond market, excluding any currency hedging. It tracks a broad universe of U.S. dollar-denominated securities, including U.S. Treasuries, government-related debt, corporate bonds, mortgage-backed securities (MBS), and asset-backed securities (ABS).

Bloomberg U.S. Treasury Total Return Unhedged The Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.



INVESTMENTS