

Sector Returns

Bloomberg Barclays Stable Income Market Index (SIMI)

—  +

September 2019

Total Return	2019 Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	2018 Sep
Treasury	-25	120	-18	66	103	16	87	3	32	113	49	12	-29
Government-Related	-11	112	-3	62	94	24	89	18	40	104	43	4	-13
Agency	-4	104	-1	51	88	24	84	21	38	98	39	3	-10
Local Authority	-23	143	-10	67	123	29	110	21	35	121	50	12	-16
Sovereign	-9	127	23	126	79	41	129	37	96	116	30	-30	11
Supranational	-20	114	-10	63	101	21	85	11	34	108	52	11	-19
Corporate	1	108	8	103	71	34	107	37	115	85	1	-10	-8
Industrial	3	106	8	104	70	32	108	38	116	87	1	-16	-7
Basic Industry	7	107	2	119	66	40	118	38	105	89	8	-3	-2
Capital Goods	12	96	8	95	73	29	105	38	123	102	-25	-16	-16
Consumer Cyclical	-3	102	16	106	56	57	102	61	100	76	0	-23	-3
Consumer Non-Cyclical	0	112	7	100	79	22	109	31	120	90	6	-14	-8
Energy	8	88	9	106	66	25	111	39	143	83	-19	-17	-5
Technology	5	117	4	109	64	26	109	26	108	90	13	-25	-10
Transportation	-5	108	10	93	84	29	107	38	88	83	22	-2	-12
Communications	1	112	5	110	73	41	113	40	111	87	12	-7	0
Utility	3	106	13	87	78	39	113	36	55	81	-6	2	-9
Electric	3	104	13	86	77	38	111	37	55	79	-6	1	-8
Natural Gas	-7	127	11	99	100	65	140	25	58	117	0	8	-18
Financial Institutions	-1	110	7	102	72	37	104	37	120	82	3	-4	-9
Banking	-2	110	5	102	71	36	99	34	125	83	2	-3	-8
Brokerage	-13	138	12	112	91	30	119	30	95	85	22	8	-11
Finance Companies	21	89	27	116	61	58	136	80	116	52	-47	-20	-2
Insurance	6	99	18	97	70	33	102	35	126	83	11	-15	-15
REITS	-4	138	14	98	93	41	143	63	67	87	22	8	-16
Securitized	-15	100	6	70	118	0	118	4	71	121	72	-23	-36
MBS Passthrough	-10	88	9	75	117	-10	128	-7	75	130	83	-29	-45
ABS	-16	107	-1	43	94	26	68	28	47	75	38	6	-3
Credit Card	-22	123	1	49	103	25	73	22	53	85	44	5	-9
Auto Loan	-10	91	-3	38	86	27	63	35	40	66	31	8	2
CMBS	-40	153	-2	75	143	25	117	35	76	123	51	-18	-29
Non Agency CMBS	-39	158	5	76	148	32	119	44	91	113	49	-23	-25
Agency CMBS	-41	146	-13	74	136	14	115	22	58	137	54	-12	-35

Sources: Bloomberg and Aladdin.

The Bloomberg Barclays Stable Income Market Index (SIMI) represents a low-risk blend of asset classes from within the Bloomberg Barclays Capital U.S. Aggregate Bond Index, focusing on shorter maturities, and providing diversified exposure to debt from the government, credit and securitized sectors. Indices are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index.

Information pertaining to market indices has been provided for general informational and educational purposes only and has been derived from sources other than Principal Global Investors or its affiliates is believed to be reliable; however, we do not independently verify or guarantee its accuracy or validity. This material contains general information only and does not take account of any investor's investment objectives or financial situation and should not be construed as specific investment advice, recommendation or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. Past performance is no guarantee of future results and should not be relied upon to make an investment decision. Investing involves risk, including possible loss of principal.

Morley Capital Management is a specialized investment boutique of Principal Global Investors. Principal Global Investors leads global asset management at Principal®

Visit us online at
www.morley.com
for the most recent
market updates,
Insights and
Perspectives.

Option Adjusted Spreads (OAS) by Sector

Bloomberg Barclays Stable Income Market Index (SIMI)

—  +

OAS	2019 Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	2018 Sep
Treasury	-1	0	-1	-1	0	0	0	0	0	0	0	0	0
Government-Related	15	19	19	23	21	21	22	23	27	27	27	25	20
Agency	13	19	21	25	20	21	21	22	28	27	27	24	19
Local Authority	24	26	27	29	28	30	32	37	43	41	40	39	37
Sovereign	58	63	57	69	83	66	73	76	85	104	95	82	60
Supranational	5	6	7	9	8	9	10	11	13	12	13	14	13
Corporate	65	72	65	71	79	66	69	71	81	106	94	73	62
Industrial	62	71	62	69	78	64	66	68	78	102	91	70	58
Basic Industry	87	97	87	91	101	79	84	85	93	113	102	79	67
Capital Goods	55	68	56	64	71	58	60	62	72	101	95	64	51
Consumer Cyclical	74	77	69	79	88	72	82	82	100	119	101	79	62
Consumer Non-Cyclical	55	63	57	64	72	61	60	64	71	96	85	66	54
Energy	77	86	71	77	85	69	69	71	81	115	102	75	63
Technology	50	61	57	63	72	56	57	59	64	85	80	65	50
Transportation	56	62	54	63	69	59	60	63	74	90	76	64	57
Communications	59	68	60	67	77	63	68	71	81	104	92	76	67
Utility	61	67	60	69	74	64	70	77	87	110	95	71	64
Electric	60	67	59	68	73	64	69	75	86	110	94	71	63
Natural Gas	68	75	70	78	82	76	88	96	103	109	105	80	72
Financial Institutions	68	74	68	74	82	69	73	75	84	111	97	77	68
Banking	66	71	66	71	80	67	70	71	80	108	95	75	67
Brokerage	65	74	71	76	85	73	70	74	82	97	81	70	62
Finance Companies	100	116	99	108	124	105	116	129	157	183	161	116	99
Insurance	66	74	64	73	78	67	70	71	79	106	93	76	65
REITS	80	87	80	87	91	82	86	96	113	119	104	90	84
Securitized	44	45	33	37	36	35	31	32	33	40	35	36	28
MBS Passthrough	43	45	29	34	34	32	25	28	26	33	29	32	24
ABS	33	30	34	36	28	33	34	32	41	48	42	38	33
Credit Card	30	27	32	35	29	32	33	30	36	46	41	38	33
Auto Loan	35	32	36	36	27	35	36	33	46	50	43	38	32
CMBS	58	58	51	55	51	51	53	50	61	68	59	53	44
Non Agency CMBS	66	66	60	65	61	61	65	62	75	85	71	64	55
Agency CMBS	47	47	40	41	38	37	37	35	42	46	42	37	30

September 2019

Visit us online at
www.morley.com
for the most recent
market updates,
Insights and
Perspectives.

Sources: Bloomberg and Aladdin.

The Bloomberg Barclays Stable Income Market Index (SIMI) represents a low-risk blend of asset classes from within the Bloomberg Barclays Capital U.S. Aggregate Bond Index, focusing on shorter maturities, and providing diversified exposure to debt from the government, credit and securitized sectors. Indices are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index.

Information pertaining to market indices has been provided for general informational and educational purposes only and has been derived from sources other than Principal Global Investors or its affiliates is believed to be reliable; however, we do not independently verify or guarantee its accuracy or validity. This material contains general information only and does not take account of any investor's investment objectives or financial situation and should not be construed as specific investment advice, recommendation or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. Past performance is no guarantee of future results and should not be relied upon to make an investment decision. Investing involves risk, including possible loss of principal.

Morley Capital Management is a specialized investment boutique of Principal Global Investors. Principal Global Investors leads global asset management at Principal®

Option Adjusted Spreads (OAS)

Monthly changes by sector

Bloomberg Barclays Stable Income Market Index (SIMI)



OAS Change	2019 Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	2018 Oct
Treasury	0	0	0	0	-1	0	0	-1	0	0	0	0
Government-Related	-4	0	-4	2	0	-1	-1	-4	0	0	2	5
Agency	-7	-1	-4	5	-1	0	-1	-5	1	0	3	5
Local Authority	-2	-1	-1	1	-2	-3	-5	-6	1	1	1	3
Sovereign	-5	7	-13	-14	17	-7	-4	-8	-19	9	13	22
Supranational	-1	0	-2	1	-1	-1	0	-2	0	-1	-1	1
Corporate	-7	7	-7	-8	14	-3	-2	-9	-25	12	21	11
Industrial	-8	8	-7	-9	14	-2	-2	-9	-24	11	21	13
Basic Industry	-9	10	-4	-10	21	-4	-1	-8	-20	11	23	11
Capital Goods	-12	11	-8	-7	14	-2	-2	-11	-29	6	31	14
Consumer Cyclical	-4	8	-9	-10	16	-11	1	-18	-19	18	22	17
Consumer Non-Cyclical	-8	6	-7	-8	11	0	-4	-6	-26	12	19	11
Energy	-8	14	-6	-8	17	0	-2	-10	-34	13	27	12
Technology	-11	4	-6	-10	16	-1	-3	-5	-20	5	15	15
Transportation	-6	8	-9	-6	10	-1	-3	-11	-16	14	12	7
Communications	-8	7	-6	-11	14	-5	-3	-10	-23	12	16	9
Utility	-7	7	-8	-5	9	-5	-7	-10	-23	15	24	8
Electric	-7	7	-9	-5	9	-5	-7	-10	-24	15	23	8
Natural Gas	-7	4	-8	-4	7	-13	-8	-7	-6	5	25	8
Financial Institutions	-6	6	-6	-8	13	-4	-2	-10	-26	13	20	9
Banking	-5	5	-5	-8	13	-3	-1	-8	-28	13	20	9
Brokerage	-9	3	-4	-9	12	3	-5	-8	-15	15	11	9
Finance Companies	-15	16	-9	-16	19	-11	-14	-27	-27	23	45	17
Insurance	-8	10	-9	-4	11	-3	-1	-8	-27	13	17	11
REITS	-7	7	-8	-4	9	-4	-9	-18	-5	15	14	6
Securitized	-1	12	-4	2	0	5	-1	-1	-7	5	0	8
MBS Passthrough	-2	16	-5	0	1	7	-3	2	-7	4	-3	8
ABS	3	-4	-2	8	-6	-1	3	-9	-7	6	4	5
Credit Card	3	-5	-4	6	-4	-1	4	-6	-10	6	2	5
Auto Loan	3	-4	0	9	-8	-1	2	-13	-4	7	5	6
CMBS	0	6	-3	3	1	-3	3	-10	-7	9	6	9
Non Agency CMBS	0	6	-5	4	1	-5	3	-13	-10	14	7	10
Agency CMBS	0	7	-1	3	1	0	2	-8	-3	3	5	7

September 2019

Visit us online at
www.morley.com
for the most recent
market updates,
Insights and
Perspectives.

Sources: Bloomberg and Aladdin.

The Bloomberg Barclays Stable Income Market Index (SIMI) represents a low-risk blend of asset classes from within the Bloomberg Barclays Capital U.S. Aggregate Bond Index, focusing on shorter maturities, and providing diversified exposure to debt from the government, credit and securitized sectors. Indices are unmanaged and do not reflect any fees or expenses. Individuals cannot invest directly in an index.

Information pertaining to market indices has been provided for general informational and educational purposes only and has been derived from sources other than Principal Global Investors or its affiliates is believed to be reliable; however, we do not independently verify or guarantee its accuracy or validity. This material contains general information only and does not take account of any investor's investment objectives or financial situation and should not be construed as specific investment advice, recommendation or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. Past performance is no guarantee of future results and should not be relied upon to make an investment decision. Investing involves risk, including possible loss of principal.

Morley Capital Management is a specialized investment boutique of Principal Global Investors. Principal Global Investors leads global asset management at Principal®