

Sector Returns

Bloomberg Barclays Stable Income Market Index (SIMI)



Total Return	2019												2018
	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec
Treasury	14	-12	32	-25	120	-18	66	103	16	87	3	32	113
Government-Related	18	-2	28	-11	112	-3	62	94	24	89	18	40	104
Agency	18	-1	30	-4	104	-1	51	88	24	84	21	38	98
Local Authority	15	-4	26	-23	143	-10	67	123	29	110	21	35	121
Sovereign	30	2	34	-9	127	23	126	79	41	129	37	96	116
Supranational	14	-5	25	-20	114	-10	63	101	21	85	11	34	108
Corporate	41	5	50	1	108	8	103	71	34	107	37	115	85
Industrial	40	4	47	3	106	8	104	70	32	108	38	116	87
Basic Industry	40	17	54	7	107	2	119	66	40	118	38	105	89
Capital Goods	30	7	47	12	96	8	95	73	29	105	38	123	102
Consumer Cyclical	44	9	48	-3	102	16	106	56	57	102	61	100	76
Consumer Non-Cyclical	34	4	48	0	112	7	100	79	22	109	31	120	90
Energy	53	1	45	8	88	9	106	66	25	111	39	143	83
Technology	40	0	45	5	117	4	109	64	26	109	26	108	90
Transportation	34	0	44	-5	108	10	93	84	29	107	38	88	83
Communications	39	4	47	1	112	5	110	73	41	113	40	111	87
Utility	35	1	45	3	106	13	87	78	39	113	36	55	81
Electric	34	1	45	3	104	13	86	77	38	111	37	55	79
Natural Gas	40	10	42	-7	127	11	99	100	65	140	25	58	117
Financial Institutions	42	6	54	-1	110	7	102	72	37	104	37	120	82
Banking	43	4	53	-2	110	5	102	71	36	99	34	125	83
Brokerage	46	8	44	-13	138	12	112	91	30	119	30	95	85
Finance Companies	46	24	60	21	89	27	116	61	58	136	80	116	52
Insurance	39	6	58	6	99	18	97	70	33	102	35	126	83
REITS	36	12	65	-4	138	14	98	93	41	143	63	67	87
Securitized	17	7	39	-15	100	6	70	118	0	118	4	71	121
MBS Passthrough	23	12	42	-10	88	9	75	117	-10	128	-7	75	130
ABS	9	2	27	-16	107	-1	43	94	26	68	28	47	75
Credit Card	3	-1	24	-22	123	1	49	103	25	73	22	53	85
Auto Loan	15	4	29	-10	91	-3	38	86	27	63	35	40	66
CMBS	-5	-14	37	-40	153	-2	75	143	25	117	35	76	123
Non Agency CMBS	-3	-20	38	-39	158	5	76	148	32	119	44	91	113
Agency CMBS	-8	-5	35	-41	146	-13	74	136	14	115	22	58	137

December 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) by Sector

Bloomberg Barclays Stable Income Market Index (SIMI)



OAS	2019												2018
	Dec	Nov	Oct	Sep	Aug	July	June	May	Apr	Mar	Feb	Jan	Dec
Treasury	0	-1	0	-1	0	-1	-1	0	0	0	0	0	0
Government-Related	15	14	18	15	19	19	23	21	21	22	23	27	27
Agency	13	12	15	13	19	21	25	20	21	21	22	28	27
Local Authority	24	24	27	24	26	27	29	28	30	32	37	43	41
Sovereign	53	56	62	58	63	57	69	83	66	73	76	85	104
Supranational	8	7	10	5	6	7	9	8	9	10	11	13	12
Corporate	53	59	63	65	72	65	71	79	66	69	71	81	106
Industrial	52	58	61	62	71	62	69	78	64	66	68	78	102
Basic Industry	76	73	80	87	97	87	91	101	79	84	85	93	113
Capital Goods	45	47	53	55	68	56	64	71	58	60	62	72	101
Consumer Cyclical	62	69	72	74	77	69	79	88	72	82	82	100	119
Consumer Non-Cyclical	46	50	54	55	63	57	64	72	61	60	64	71	96
Energy	65	75	77	77	86	71	77	85	69	69	71	81	115
Technology	44	50	52	50	61	57	63	72	56	57	59	64	85
Transportation	50	55	58	56	62	54	63	69	59	60	63	74	90
Communications	47	53	58	59	68	60	67	77	63	68	71	81	104
Utility	53	58	60	61	67	60	69	74	64	70	77	87	110
Electric	53	57	59	60	67	59	68	73	64	69	75	86	110
Natural Gas	55	63	68	68	75	70	78	82	76	88	96	103	109
Financial Institutions	55	62	66	68	74	68	74	82	69	73	75	84	111
Banking	53	60	63	66	71	66	71	80	67	70	71	80	108
Brokerage	54	61	67	65	74	71	76	85	73	70	74	82	97
Finance Companies	86	91	97	100	116	99	108	124	105	116	129	157	183
Insurance	54	60	63	66	74	64	73	78	67	70	71	79	106
REITS	67	72	79	80	87	80	87	91	82	86	96	113	119
Securitized	36	38	44	44	45	33	37	36	35	31	32	33	40
MBS Passthrough	30	35	42	43	45	29	34	34	32	25	28	26	33
ABS	39	34	37	33	30	34	36	28	33	34	32	41	48
Credit Card	36	30	35	30	27	32	35	29	32	33	30	36	46
Auto Loan	43	37	40	35	32	36	36	27	35	36	33	46	50
CMBS	61	57	58	58	58	51	55	51	51	53	50	61	68
Non Agency CMBS	70	66	66	66	66	60	65	61	61	65	62	75	85
Agency CMBS	48	44	48	47	47	40	41	38	37	37	35	42	46

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

December 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®