Principal Morley

Principal Asset Management[SM]

Sector returns

Bloomberg Stable Income Market Index (SIMI)

JUNE 30, 2025

— +

Total Return (Bps)	2025 Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	2024 Jun
Treasury	75	-38	101	53	100	50	-10	38	-111	89	100	151	71
Government-Related	79	-25	104	51	99	55	-12	40	-96	88	98	142	69
Agency	71	-19	89	47	90	51	1	41	-76	83	87	128	66
Local Authority	88	-30	107	52	109	52	-20	47	-114	92	106	155	73
Sovereign	102	10	104	60	100	85	-42	34	-109	105	124	161	69
Supranational	79	-39	116	52	105	53	-17	39	-111	90	103	152	73
Corporate	94	18	68	42	95	59	-13	63	-89	104	111	156	58
Industrial	90	17	70	42	92	59	-16	63	-90	100	106	156	57
Basic Industry	106	21	62	39	103	70	-27	63	-95	106	112	153	55
Capital Goods	91	15	73	47	91	59	-13	63	-92	101	113	163	58
Consumer Cyclical	102	27	53	31	80	57	-10	63	-83	94	103	151	56
Consumer Non-Cyclical	89	7	81	47	94	59	-22	61	-99	102	108	157	59
Energy	100	29	53	43	97	57	-16	72	-81	93	104	156	55
Technology	89	16	71	45	91	56	-14	59	-92	100	102	153	58
Transportation	99	24	53	39	84	55	-9	56	-77	109	102	142	61
Communications	52	13	86	42	99	63	-21	70	-88	103	106	161	58
Utility	98	20	73	48	104	33	-20	64	-99	116	111	164	60
Electric	94	18	75	49	105	32	-20	63	-97	116	110	165	61
Natural Gas	127	40	45	38	88	38	-20	71	-106	121	116	155	55
Financial Institutions	99	19	65	41	97	62	-8	63	-87	106	116	156	58
Banking	97	15	68	44	95	63	-8	58	-87	105	114	154	58
Brokerage	94	17	74	43	100	65	-17	68	-98	110	122	158	59
Finance Companies	111	69	22	3	103	66	9	101	-64	102	125	171	44
Insurance	112	15	69	45	99	59	-15	69	-101	108	124	154	67
REITS	105	29	68	33	107	55	-17	74	-91	115	117	168	63
Securitized	122	-17	75	36	157	63	-56	75	-172	125	120	197	79
MBS Passthrough	135	-23	73	36	179	68	-80	80	-204	132	126	216	83
ABS	76	10	58	36	76	41	24	57	-48	92	86	126	64
Credit Card	85	5	58	36	88	43	15	64	-68	96	89	135	69
Auto Loan	66	15	57	36	65	39	33	51	-27	87	84	117	59
CMBS	106	-14	98	35	126	62	-14	71	-136	119	122	173	76
Non Agency CMBS	112	-4	93	29	118	62	0	73	-122	129	123	167	72
Agency CMBS	96	-29	106	45	137	62	-36	68	-159	102	122	184	84

Principal Morley

Principal Asset Management℠

Option Adjusted Spreads (OAS) by Sector

Bloomberg Stable Income Market Index (SIMI)

JUNE 30, 2025

OAS	2025 Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	2024 Jun
Treasury	-1	-2	-1	-1	-1	-2	1	-1	-1	0	-1	-1	0
Government-Related	15	15	18	18	17	16	20	14	16	18	18	16	17
Agency	10	9	12	12	10	11	15	9	12	15	15	12	13
Local Authority	25	26	29	26	25	23	26	20	23	26	25	24	25
Sovereign	66	68	81	71	75	66	78	63	60	63	65	69	68
Supranational	5	3	5	8	7	7	11	6	7	9	8	7	9
Corporate	63	66	84	69	62	57	60	54	61	66	68	68	70
Industrial	56	58	76	61	54	49	52	45	53	58	58	57	59
Basic Industry	63	70	88	71	64	65	70	60	65	68	72	72	71
Capital Goods	53	54	71	57	53	47	51	45	54	60	61	62	66
Consumer Cyclical	70	75	96	74	63	53	56	49	60	66	64	62	63
Consumer Non-Cyclical	48	49	64	52	48	43	46	39	45	48	50	50	52
Energy	63	66	86	66	58	54	57	49	60	63	60	60	63
Technology	47	48	66	52	48	42	46	39	45	47	49	46	49
Transportation	68	72	95	73	63	54	60	55	60	71	76	73	68
Communications	56	63	80	68	60	57	60	53	61	67	69	65	69
Utility	71	73	90	77	73	70	65	56	64	66	71	71	74
Electric	69	70	88	75	71	68	64	54	62	65	70	70	73
Natural Gas	94	100	120	102	96	88	83	79	83	77	86	84	84
Financial Institutions	70	75	92	76	68	64	68	63	70	75	77	79	80
Banking	64	69	85	70	64	61	65	60	66	70	73	74	76
Brokerage	65	67	84	68	61	57	61	54	62	67	71	74	74
Finance Companies	134	140	175	138	115	110	109	112	131	145	142	144	143
Insurance	77	84	100	84	76	70	72	64	73	74	77	82	78
REITS	65	71	93	76	67	63	64	58	69	75	79	81	83
Securitized	34	40	50	41	36	39	42	40	45	41	47	49	52
MBS Passthrough	25	31	40	32	29	35	38	35	38	31	37	41	45
ABS	42	45	58	45	37	35	33	33	45	53	54	48	49
Credit Card	40	44	56	42	35	33	32	35	44	49	51	46	46
Auto Loan	44	46	61	48	40	37	33	32	46	57	57	51	52
CMBS	73	76	87	79	71	67	69	74	80	82	87	89	87
Non Agency CMBS	98	105	118	108	97	93	95	101	108	112	119	121	118
Agency CMBS	32	32	39	33	29	28	30	31	36	36	36	37	37

Principal Morley

Principal Asset Management℠

Option Adjusted Spreads (OAS) Monthly changes by sector

Bloomberg Stable Income Market Index (SIMI)

– +

JUNE 30, 2025

OAS Change	2025 Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	2024 Jun
Treasury	1	-1	0	0	1	-2	2	0	0	0	1	-1	1
Government-Related	1	-4	0	1	1	-5	6	-2	-2	0	1	0	1
Agency	1	-3	0	2	-1	-4	6	-3	-4	0	3	0	0
Local Authority	-1	-4	3	2	1	-3	6	-2	-3	1	1	-1	1
Sovereign	-2	-12	9	-4	9	-11	15	3	-3	-2	-4	1	4
Supranational	2	-2	-3	1	0	-4	5	-1	-1	1	1	-2	0
Corporate	-4	-18	15	7	5	-3	7	-8	-4	-2	0	-2	9
Industrial	-3	-18	15	6	5	-4	7	-8	-5	-1	1	-2	9
Basic Industry	-7	-19	18	6	-1	-5	9	-5	-3	-4	0	1	10
Capital Goods	-1	-17	14	5	6	-4	5	-8	-7	-1	-1	-4	10
Consumer Cyclical	-5	-22	22	11	10	-3	7	-11	-6	2	2	-2	8
Consumer Non-Cyclical	-1	-15	11	5	5	-4	8	-6	-3	-2	0	-2	8
Energy	-3	-20	20	8	4	-3	8	-11	-4	3	0	-3	9
Technology	-1	-17	13	4	6	-4	7	-6	-3	-2	3	-2	8
Transportation	-4	-23	22	10	9	-6	5	-5	-11	-5	3	5	7
Communications	-7	-17	12	7	3	-2	7	-9	-6	-2	4	-4	10
Utility	-2	-17	13	4	3	4	9	-7	-3	-5	0	-3	9
Electric	-1	-17	13	4	3	4	10	-8	-3	-5	0	-3	8
Natural Gas	-5	-20	18	5	8	5	4	-4	6	-9	1	0	12
Financial Institutions	-5	-17	16	8	4	-4	5	-7	-5	-2	-2	-1	9
Banking	-5	-16	15	6	3	-5	6	-6	-4	-3	-2	-2	8
Brokerage	-2	-17	16	6	4	-4	7	-8	-6	-4	-3	1	10
Finance Companies	-6	-35	37	24	5	0	-2	-19	-14	2	-1	1	14
Insurance	-7	-16	16	8	6	-2	8	-9	-2	-2	-5	3	7
REITS	-6	-23	17	10	4	-1	6	-11	-6	-4	-2	-2	9
Securitized	-6	-10	9	5	-3	-3	1	-5	4	-5	-2	-3	3
MBS Passthrough	-7	-9	8	3	-6	-4	3	-3	8	-6	-4	-4	2
ABS	-3	-13	14	7	2	2	-1	-11	-8	-1	6	-1	2
Credit Card	-4	-12	14	7	1	1	-3	-9	-5	-2	6	-1	1
Auto Loan	-3	-15	14	7	3	4	2	-14	-11	0	6	-1	3
CMBS	-4	-11	9	8	3	-2	-5	-6	-2	-5	-2	2	5
Non Agency CMBS	-7	-13	10	11	4	-2	-6	-7	-4	-7	-2	3	8
Agency CMBS	0	-7	6	4	2	-2	-1	-5	0	0	-2	1	2

For the most recent market updates, Insights and Perspectives visit us online at **www.morley.com**

Sources: Bloomberg and Aladdin.

The Bloomberg Stable Income Market Index (SIMI) represents a low-risk blend of asset classes from within the Bloomberg 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.

The information in this report has been derived from sources believed to be accurate. Information derived from third-party sources, although believed to be reliable, has not been independently verified. 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. Investing involves risk, including possible loss of principal.

Principal Asset Management℠ is a trade name of Principal Global Investors, LLC. Principal Morley is an investment team within Principal Global Investors.

Principal Global Investors, LLC (PGI) is registered with the U.S. Commodity Futures Trading Commission (CFTC) as a commodity trading advisor (CTA), a commodity pool operator (CPO) and is a member of the National Futures Association (NFA). PGI advises qualified eligible persons (QEPs) under CFTC Regulation 4.7.

4142887 -012026