DoubleLine Market Commentary

July 2026

Overview

July was marked by bouts of volatility in domestic and international markets, driven by central bank developments and the Iran war. Markets focused on the month's Federal Open Market Committee (FOMC) meeting to see whether new Federal Reserve Chairman Kevin Warsh would maintain his commitment to price stability and raise the federal funds rate. Despite above-target inflation, the FOMC decided not to raise, with three dissents in support of a hike. In response, the 30-year U.S. Treasury yield rose to a level not marked since 2007. Overseas, Japan's Ministry of Finance, in coordination with the U.S. Treasury Department, intervened in the currency market to stem the yen's depreciation. Meanwhile, Iran and its proxies broadened their campaign to disrupt Middle Eastern oil exports, intensifying attacks on vessels in the Strait of Hormuz and Red Sea. These disruptions helped drive WTI crude prices up 17.9% to $84.67 a barrel by month-end.

Six months into the conflict in Iran, markets received the first quarterly gross domestic product (GDP) estimate to fully reflect the war's economic impact. The first estimate of second quarter GDP reported growth of 1.5%, below a 2.0% consensus forecast and the first quarter's 2.1%. The U.S. dollar weakened by 1.26% during the month, as measured by the U.S. Dollar Index, which decreased to 99.97 from 101.19 month-over-month (MoM). *(Figure 1)* The S&P 500 Index returned negative 0.06% on the month versus 0.38% for non-U.S. equities, as measured by the MSCI All Country World Index ex U.S. U.S. fixed income, as measured by the Bloomberg US Aggregate Bond Index, returned negative 1.30%, as Treasury yields broadly increased across the curve in the month.

The FOMC held the federal funds rate at 3.50% to 3.75% in July, with its next meeting scheduled for Sept. 15 and 16. Going into the July meeting, expectations were mixed on the possibility of a hike, with markets having perceived Chairman Warsh's tone at his first FOMC meeting in June as hawkish. That market perception would shift toward a dovish interpretation after the July meeting, even though three FOMC members supported a hike of 25 basis points (bps). The Treasury yield curve bear steepened sharply as markets interpreted the committee might allow inflation to remain above target for longer. In his prepared postmeeting remarks, Chairman Warsh noted, "There is no soft inflation target, there is no soft target – not on this committee's watch. There is only a target, and it is 2%," alluding to a firm stance on bringing inflation down. During his press conference, he fielded several questions from reporters seeking to reconcile the decision not to raise rates while simultaneously communicating a hawkish inflation position. Chairman Warsh responded by acknowledging the FOMC's awareness of the public's concern while asking for more time, "The impatience that households and businesses feel (has) been going on for 63 months. We are on the job, we will deliver, we are focused like a

Total Return by Asset Class | As of July 31, 2026
Denominated in U.S. Dollars

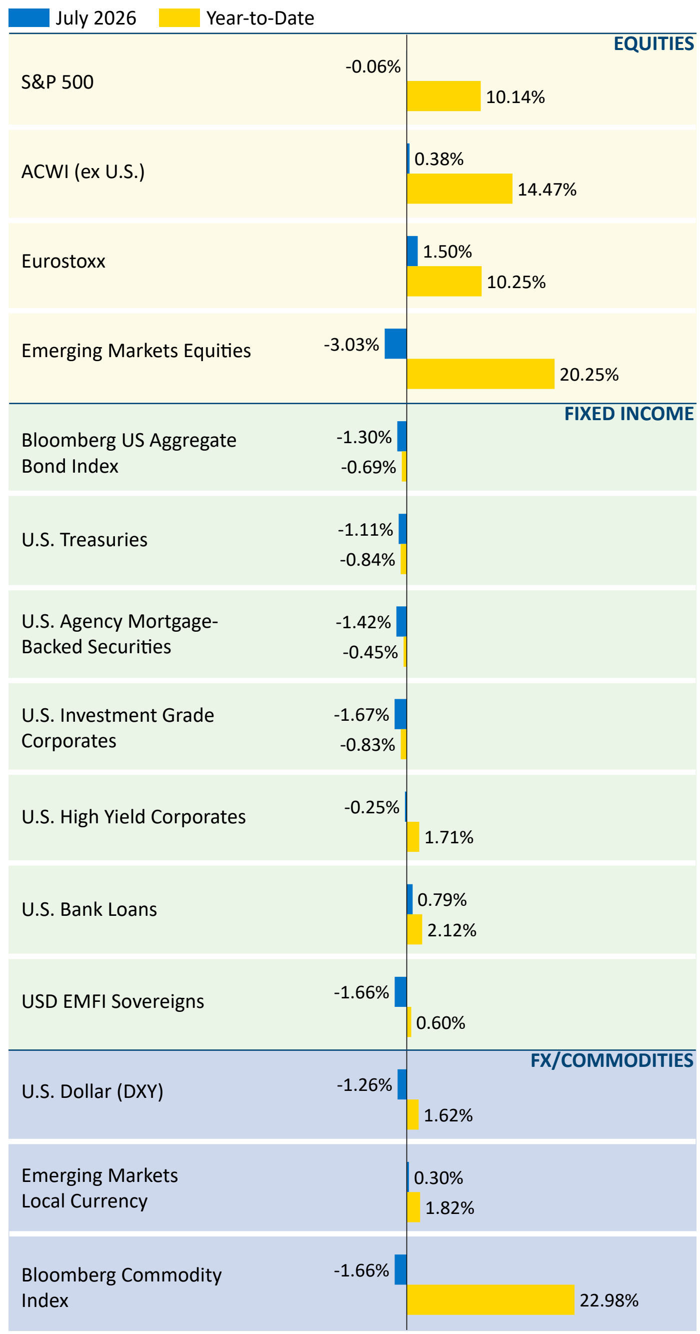


Figure 1
Source: DoubleLine, Bloomberg

Indices used in this chart: S&P 500 Index, MSCI ACWI ex U.S., Euro Stoxx 50, Emerging Markets Equities - MSCI EM Index, Bloomberg US Aggregate Bond Index, U.S. Treasuries - Bloomberg US Treasury Index, U.S. Agency MBS - Bloomberg US MBS Index, U.S. Corporate IG - Bloomberg US Corporate Index, U.S. Corporate HY - Bloomberg US Corporate High Yield Index, U.S. Bank Loans - Morningstar LSTA US Leveraged Loan TR USD, USD EMFI Sovereign - Bloomberg EM USD Aggregate Sovereign Index, U.S. Dollar Index, Emerging Markets Local Currency - J.P. Morgan Government Bond Index Emerging Markets Global Diversified, Bloomberg Commodity Index.

laser on making sure we can do it. But, the suggestion that we're going to be able to do it with our magic wand is one I want to disabuse you and everyone else of." In keeping with Chairman Warsh's preference for limited communication, the July FOMC statement remained very short by historical standards at 131 words. As of month-end, the market was pricing in one to two 25-bp hikes by the close of 2026, according to the Bloomberg World Interest Rate Probability function.

In July, the nonfarm payrolls report showed a decline of 23,000 jobs MoM, below consensus estimates of 80,000 jobs added. The previous two months were revised lower by 103,000 jobs, bringing the three-month moving average of private payroll gains to 40,000. The U-3 unemployment rate ticked lower MoM in July to 4.1% from 4.2%. Meanwhile, the ISM Manufacturing PMI increased MoM to 55.6 from 53.9, the highest reading since May 2022. (A PMI number above 50 signals expansion; a number below 50 signals contraction.) ISM Services PMI increased to 54.1 from 54.0. The June headline and core Consumer Price Index (CPI) prints rose 3.5% and 2.6% year-over-year (YoY), respectively, down from May's 4.2% and 2.9%. June's headline and core Personal Consumption Expenditures Price Index readings rose 3.7% and 3.3% YoY, respectively, down from May's 4.1% and 3.4%. The war in Iran and its impact on oil prices remain central to the outlook for inflation.

Eurozone inflation ticked up MoM in July to 2.9% annualized from 2.8%, according to Eurostat's initial flash estimate. The S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI) increased MoM to 51.9 from 51.4; the services PMI ticked up to 51.7 from 49.4. Seasonally adjusted second quarter GDP in the eurozone increased to 0.4% from 0.3% in the first quarter. The European Central Bank left its deposit rate on hold at 2.25% in July; its next meeting is scheduled for Sept. 9 and 10.

The China Manufacturing PMI decreased MoM to 49.2 from 50.3 in July; the services PMI decreased to 49.0 from 50.2. The People's Bank of China (PBOC) maintained its monetary policy rates at the month's meeting, as expected. In follow-up communications, the PBOC pledged to maintain accommodative policy, stating, "China's economy has remained generally stable but still faces challenges including strong supply and weak demand." The yuan rose 0.86% MoM, extending its year-to-date gain to 3.40%.

In Japan, June's nationwide CPI ex fresh food and energy print, released in July by the Statistics Bureau of Japan, decreased MoM to 1.7% from 1.8%. It was the third consecutive monthly print below the 2.0% target of the Bank of Japan (BOJ) following a 19-month stretch above that mark. Manufacturing PMI decreased MoM in July to 54.5 from 54.8, according to S&P Global, while services PMI decreased to 51.2 from 52.2. Following the month's BOJ meeting, where the policy rate was held at 1.00%, Governor Kazuo Ueda commented, "Many of our board members' inflation forecasts are fairly high, and they see risks skewed to the upside." The bank's next meeting is scheduled for Sept. 17 and 18.

In July, investors balanced stronger economic data and moderating inflation against continued geopolitical uncertainty. While risk assets continued to shake off the conflict in Iran, market participants remained focused on what the contours of a potential resolution could include and the resulting implications for oil prices and the inflation outlook. Looking ahead, attention has shifted to whether Chairman Warsh and the FOMC's actions will match continued emphasis on restoring inflation to the Fed's 2.0% target, or whether further progress on inflation will allow policymakers to maintain the rate.

U.S. Government Securities

The Bloomberg US Treasury Index declined 1.11% in July, bringing year-to-date (YTD) performance to negative 0.84%. U.S. Treasury Inflation-Protected Securities (TIPS) declined 0.68% in the month but outperformed nominal Treasuries by 43 basis points (bps), leaving TIPS ahead by 130 bps YTD. Treasury yields rose across the curve, and the curve steepened as longer-term yields underperformed. The spread between the two- and 10-year yields (2s10s) widened 15 bps to 44 bps, and the five- and 30-year spread (5s30s) widened 10 bps to 82 bps.

U.S. Treasury Yield Curve (%)

	Jun. 30, 2026	Jul. 31, 2026	Change
3 Month	3.81	3.75	-0.06
6 Month	3.97	3.94	-0.03
1 Year	3.97	4.03	0.06
2 Year	4.17	4.29	0.12
3 Year	4.18	4.35	0.17
5 Year	4.23	4.45	0.22
10 Year	4.47	4.73	0.26
30 Year	4.95	5.27	0.32

Source: Bloomberg

Middle East developments remained an important driver of rates during the month. Renewed U.S.-Iran strikes and disruptions to shipping through the Strait of Hormuz and Red Sea pushed oil prices sharply higher at times, renewing concerns around the inflationary impact of the conflict and contributing to higher Treasury yields. Markets became less reactive to individual headlines as the month progressed, but the lack of a durable diplomatic resolution kept an energy risk premium embedded in rates. A temporary pause in U.S. strikes late in July briefly pushed oil prices lower and supported longer-duration Treasuries, but the truce proved fragile as hostilities subsequently resumed.

Economic data provided a mixed backdrop in the month. The combination of softer inflation and resilient underlying demand left the policy outlook two-sided and limited the case for a sustained rally in Treasury yields.

Against this backdrop, the Federal Open Market Committee (FOMC) held the federal funds rate steady at 3.50% to 3.75% at its July meeting, with three members dissenting in favor of a rate hike. Federal Reserve Chairman Kevin Warsh continued to emphasize less forward guidance and greater reliance on market price discovery. The market interpreted the decision and press conference as less hawkish than expected. The long end of the Treasury curve sold off sharply as investors focused on uncertainty around how the Fed would respond to incoming data and tightening financial conditions, including whether higher market yields would be allowed to do some of the work without an immediate change in the policy rate.

By month-end, the Treasury curve had steepened meaningfully, and long-term real yields had moved to their highest levels in years.

Breakevens were under pressure for much of the month, as softer inflation data, expected negative carry and Fed uncertainty weighed on demand. They rebounded after the FOMC meeting, however, as near-term hike risk was removed and month-end index rebalancing supported demand.

Agency Residential and Agency Commercial Mortgage-Backed Securities

Agency residential mortgage-backed securities (RMBS) and Agency commercial MBS (CMBS) posted negative returns in July as the U.S. Treasury yield curve bear steepened, with long-term yields rising relative to short-term yields. The Bloomberg US MBS Index returned negative 1.42%; the Bloomberg US Agency CMBS Index returned negative 0.50%.

Agency RMBS option-adjusted spreads (OAS) widened 7 basis points (bps) to 31 bps, according to the Bloomberg US MBS Index. Agency CMBS OAS, as measured by the Bloomberg US Agency CMBS Index, widened 1 bp to 72 bps. Spreads for current-coupon Agency RMBS, according to the AGNC ICE UMBS 30-Year Current Coupon Index, tightened 2 bps to 23 bps.

Prepayment speeds for 30-year Fannie Mae and Freddie Mac mortgages declined 3% month-over-month (MoM), mostly due to elevated mortgage rates in the period. The Freddie Mac U.S. Mortgage Market Survey 30-Year Homeowner Commitment National Index rose 17 bps MoM to 6.66%.

Agency RMBS gross issuance decreased MoM to $112 billion from $118 billion, and net issuance decreased to $16.2 billion from $20 billion. Ginnie Mae net issuance totaled $20 billion while Fannie Mae and Freddie Mac net issuance totaled negative $3.9 billion. Paydowns on the Federal Reserve's MBS portfolio increased MoM to $18 billion from $17.5 billion.

Non-Agency Residential MBS

Performance of non-Agency residential mortgage-backed securities (RMBS) was mixed across subsectors in July. While most mortgage subsectors posted positive performance, prime jumbo, re-performing loans, single-family rental and legacy RMBS underperformed. Performance was largely driven by the U.S. Treasury yield curve steepening over the period, though relatively short-duration profiles and strong housing fundamentals buoyed large pockets of the mortgage market.

Credit fundamentals showed varied trends versus June remittance, as delinquencies and prepayments were mixed while mortgage rates increased. The Freddie Mac U.S. Mortgage Market Survey 30-Year Homeowner Commitment National Index rose 17 basis points month-over-month (MoM) to 6.66%.

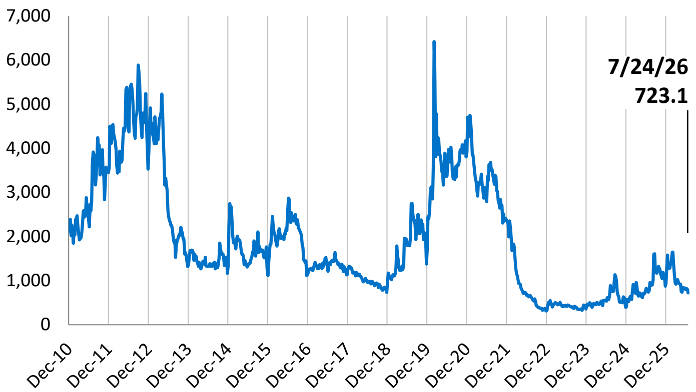
July marked $19.9 billion in new issuance, down approximately $1.2 billion MoM, according to BofA Global Research. Issuance was concentrated in non-qualified mortgages.

Home prices have continued to rise despite increasing mortgage rates, driven primarily by lower housing supply. Home prices rose 0.88% MoM to a 1.63% year-over-year (YoY) increase in May, the most recent month for which data was available for the S&P Cotality Case-Shiller 20-City Composite Home Price NSA Index. Existing-home sales decreased 2.4% MoM in June, the most recent month for which data was available as measured by the National Association of Realtors Existing-Home Sales Report. YoY sales increased in the Midwest, South and West but were unchanged in the Northeast.

For more on mortgage market activity, please see the following page.

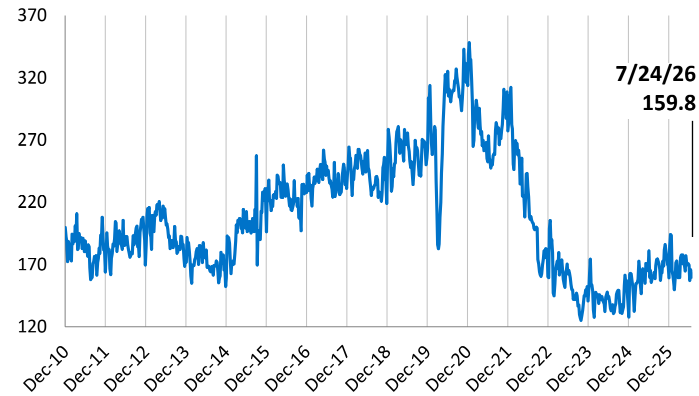
Mortgage Market Activity

MBA U.S. Refinancing Index | As of July 24, 2026



Source: Bloomberg
Base = 100 on 3/16/1990, Seasonally Adjusted

MBA Purchase Index | As of July 24, 2026



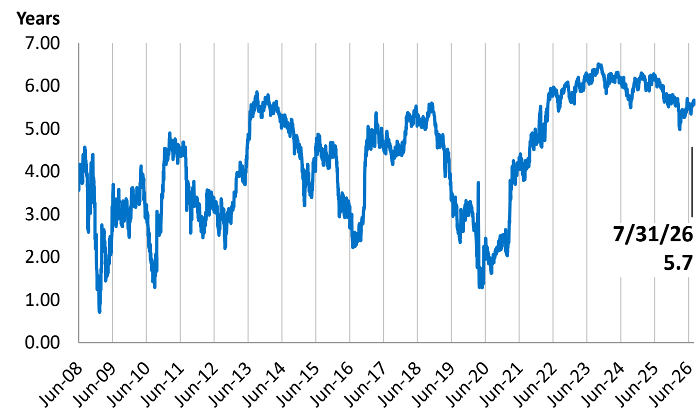
Source: Bloomberg
Base = 100 on 1/14/2011. Seasonally Adjusted

Freddie Mac Commitment Rate - 30 Year | As of July 30, 2026

Source: Bloomberg, DoubleLine

As of 1/4/2024, new methodology for gathering this data was implemented. Instead of surveying lenders, the Primary Mortgage Market Survey® results are now based on actual applications from lenders across the country submitted to Freddie Mac when a borrower applies for a mortgage.

Duration of Bloomberg US MBS Bond Index | As of July 31, 2026



Source: Bloomberg
Base = 100 on 1/14/2011, Seasonally Adjusted

Conditional Prepayment Rates (CPR)												
2025 - 2026	**Aug.**	**Sep.**	**Oct.**	**Nov.**	**Dec.**	**Jan.**	**Feb.**	**Mar.**	**Apr.**	**May**	**Jun.**	**Jul.**
Fannie Mae (FNMA)	7.2	7.8	10.1	8.1	8.6	7.5	8.7	10.5	9.0	8.1	8.4	8.1
Ginnie Mae (GNMA)	9.7	11.2	14.4	11.9	12.4	10.7	12.1	14.6	13.2	11.7	11.0	10.4
Freddie Mac (FHLMC)	7.4	8.2	11.1	8.8	9.2	8.0	9.5	11.5	9.6	8.5	8.6	8.4

Bloomberg U.S. MBS Index	May 29, 2026	Jun. 30, 2026	Jul. 31, 2026	Change
Average Dollar Price ($)	91.46	91.37	89.76	-1.61
Duration (Years)	5.47	5.40	5.67	0.26

Source: eMBS, Barclays Capital
FHLMC Commitment Rate Source: Bloomberg
As of July 31, 2026

Bloomberg U.S. Index Returns (%)	May 29, 2026	Jun. 30, 2026	Jul. 31, 2026
Aggregate	0.31	0.24	-1.30
MBS	0.30	0.22	-1.42
Corporate	0.76	0.19	-1.67
Treasury	0.11	0.28	-1.11

Non-Agency Commercial Mortgage-Backed Securities

In July, the primary non-Agency commercial mortgage-backed securities (CMBS) market priced $10.26 billion of deals across 14 transactions. *(Figure 2)* Conduit benchmark last-cash-flow bonds rated AAA widened 1 basis point (bp) month-over-month (MoM) to 0.73% compared to duration-matched U.S. Treasuries. Bonds rated BBB- widened 14 bps to 4.85% compared to duration-matched Treasuries.

Private-Label New Issuance ($ Billions)	Monthly		Quarter-to-Date	
	Deals	Volume	Deals	Volume
Conduit	1	$0.82	1	$0.82
Floating SASB	7	$4.16	7	$4.16
Fixed SASB	2	$1.67	2	$1.67
Commercial Real Estate CLO	4	$3.61	4	$3.61
Private-Label Total	14	$10.26	14	$10.26

Private-Label New Issuance ($ Billions)	Year-to-Date		Comparable to YTD 2025	
	Deals	Volume	Volume	% of YTD 2025
Conduit	22	$16.91	$18.67	91
Floating SASB	53	$39.48	$30.94	128
Fixed SASB	28	$19.85	$21.87	91
Commercial Real Estate CLO	30	$30.32	$18.22	166
Private-Label Total	133	$106.56	$89.70	119

Figure 2
Source: DoubleLine, J.P. Morgan, as of July 31, 2026

The commercial real estate (CRE) market experienced increased price activity MoM in June, the latest month for which data was available from Real Capital Analytics. *(Figure 3)* Retail was the only property type to experience an increase, up 1.28%, while the biggest mover, suburban office, decreased 1.30%. The RCA U.S. All-Property Commercial Property Price Index was down 0.45% MoM but up 0.95% year-over-year (YoY), continuing trends of recent months. CRE transaction volume was up 15% YoY to $53.4 billion. *(Figure 4)*

Property Type	MoM Price Change (%)	YoY Price Change (%)
Apartment	-0.42	-2.68
Retail	1.28	-0.29
Industrial	-0.54	-0.52
Office - Central Business District	-0.24	3.08
Office - Suburban	-1.30	5.05
National All-Property	-0.45	0.95

Figure 3
Source: Real Capital Analytics, as of June 30, 2026

RCA U.S. CPPI Indexes | As of June 30, 2026

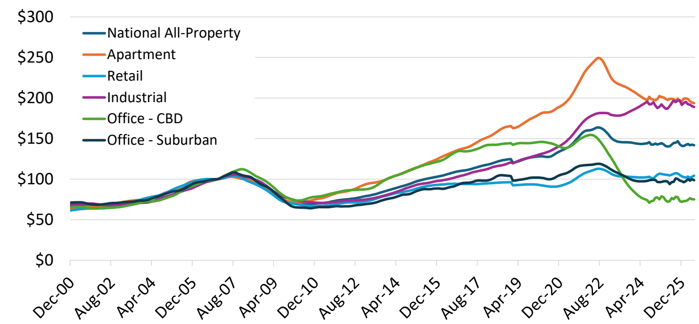


Figure 4
Source: Real Capital Analytics

The 30-day-plus delinquency rate for non-Agency CMBS jumped 51 bps MoM to 7.86% in July. *(Figure 5)* The percentage of loans that were seriously delinquent (60 days or longer, in foreclosure, real estate owned or non-performing) was up 41 bps to 7.57%. Delinquencies in the heavily watched office segment were up 34 bps to 11.91%. The overall YoY delinquency rate increased to 0.63%.

30-Day-Plus Delinquency Rates | As of July 31, 2026

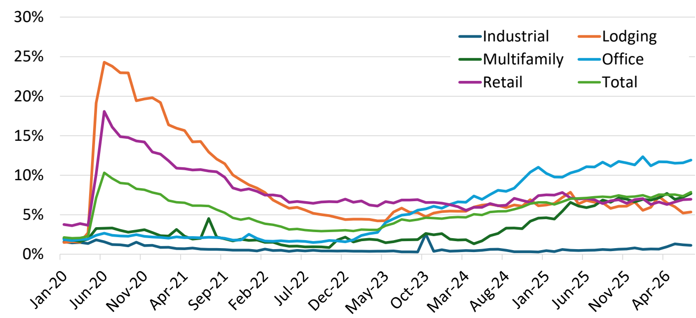


Figure 5
Source: Trepp

Asset-Backed Securities

The asset-backed securities (ABS) market experienced negative performance in July alongside the broader fixed-income market. U.S. Treasury yields rose over the month, driven by resilient economic data and escalating tensions between the U.S. and Iran. Short-duration and high-credit-quality ABS, such as those held in the Bloomberg US ABS Index, returned negative 0.11%, while more off-the-run sectors, such as those held in the ICE BofA U.S. Fixed-Rate Miscellaneous ABS Index, returned 0.04%. The broader fixed-income market, as measured by the Bloomberg US Aggregate Bond Index, returned negative 1.30%.

Primary market activity totaled $32.7 billion, bringing the year-to-date total to $223.3 billion. Spreads were modestly tighter across ABS sectors for the month. High-quality, short-term consumer securitizations were the best-performing ABS subsectors due to their lower interest-rate sensitivity and high carry. The worst performers were aircraft securitizations, as these longer-cash-flow assets experienced duration-related priced declines.

Investment Grade Credit

In July, the U.S. investment grade (IG) credit market was impacted by moderating demand from IG bond funds and heavy new issuance. The Bloomberg US Corporate Index declined 1.67%, bringing year-to-date (YTD) return to negative 0.83%. U.S. IG corporate spreads, as measured by the index, widened 4 basis points (bps) month-over-month to 78 bps, underperforming duration-matched U.S. Treasuries by 26 bps.

Bloomberg US Corporate Index
As of July 31, 2026

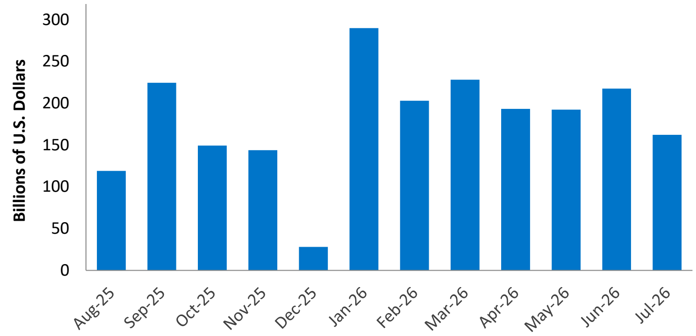
Total Return by Rating Category (%)	One Month	Quarter-to-Date	Year-to-Date	Last 12 Months
US IG Corporate Index	-1.67	-1.67	-0.83	2.53
AAA	-3.05	-3.05	-3.01	-0.12
AA	-2.41	-2.41	-2.13	0.71
A	-1.59	-1.59	-0.88	2.50
BBB	-1.57	-1.57	-0.47	2.97

Source: Barclays Live

Short-duration corporates returned 0.14%, outperforming the index as well as negative 0.62% and negative 3.93% for intermediate- and long-duration corporates, respectively. The best-performing subsectors were finance companies, other finance and banking. The worst performers were communications, other industrial and transportation.

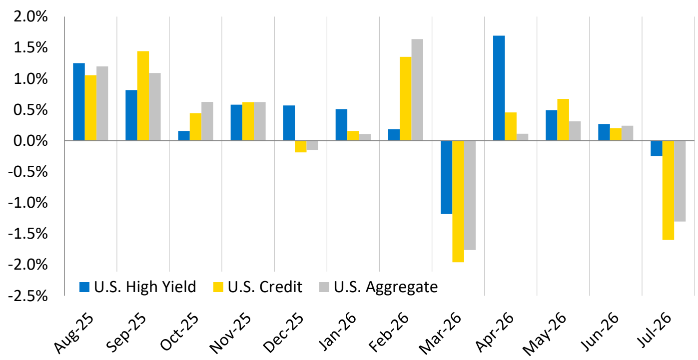
U.S. dollar-denominated IG new issuance was $162.2 billion on a gross basis, up 85% year-over-year (YoY), as reported by Barclays, and $61.8 billion on a net basis, up from negative $31.6 billion.

Total Fixed-Rate Investment Grade Supply
As of July 31, 2026



Source: Barclays Live

Performance of Select Barclays Indices
August 2025 through July 2026



Source: Barclays Live

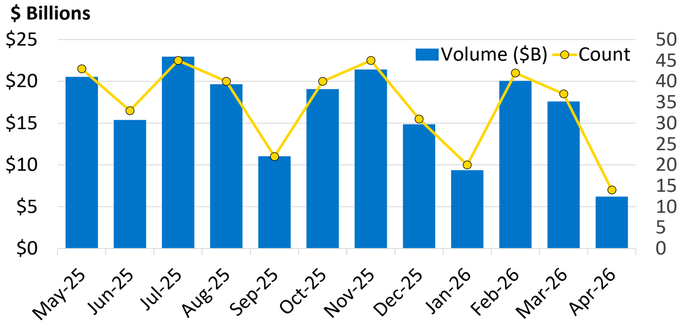
IG fund inflows were $40.1 billion for the month, down 21% YoY, according to EPFR Global as reported by J.P. Morgan. YTD inflows reached $297.4 billion, up from $120.4 billion a year ago.

Collateralized Loan Obligations

July was a challenging environment for financial asset performance as the U.S. Treasury yield curve bear steepened in the month, and collateralized loan obligation (CLO) spread movements were mixed across credit ratings. The J.P. Morgan CLO Total Return Index rose 0.43%, bringing year-to-date (YTD) return to 2.87%.

U.S. CLO primary issuance ramped up with $12.7 billion pricing in July across 29 deals; 39 refinancings (refis) and 41 resets also priced, totaling $13.2 billion and $20.3 billion, respectively. YTD primary issuance stood at $93.1 billion via 200 deals, lagging last year's volume by 24%. YTD refi volume totaled $75.8 billion via 200 transactions, and reset volume totaled $107.6 billion via 219 transactions, 17% below last year's aggregate refi-reset volume.

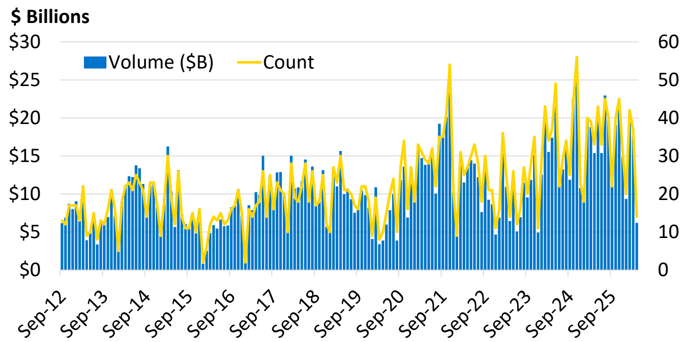
Last 12 Months Issuance | August 2025 to July 2026



Source: LCD-CLO Global Databank

In the secondary market, the volume of CLO bids wanted in competition (BWIC) fell month-over-month (MoM), despite AAA-rated and equity BWIC volumes being especially high at $1.6 billion and $1.2 billion, respectively. Per Trade Reporting and Compliance Engine (TRACE) data, investment grade (IG) trading volume decreased 6% to $23.0 billion, and below-IG volume rose 23% to $6.2 billion. Total TRACE volume hit $29.2 billion in July, the sixth largest monthly amount on record.

CLO New Issuance | September 2012 to July 2026



Source: LCD-CLO Global Databank

CLO collateral metrics were mixed over the month. The last 12-month U.S. leveraged loan default rate by principal amount decreased MoM to 0.93% from 0.97%. However, the dual-track default rate, which includes distressed exchanges, increased 10 bps to 2.87%. The rolling three-month ratio of downgrades to upgrades trended higher for the second consecutive month, rising MoM to 1.28x from 1.25x.

The Morningstar LSTA US Leveraged Loan PR USD Index rose 0.22% MoM to $95.17 from $94.96. Despite the positive performance in July, the leveraged loan market continues to face meaningful headwinds, including tariff uncertainty, ongoing pressure in software credits, geopolitical risks in the Middle East and fading expectations for rate cuts. The distressed ratio, defined as names trading below $80, increased 2 bps MoM to 6.89%, remaining well above the historical average.

Bank Loans

The bank loan market posted strong performance in July, with the Morningstar LSTA US Leveraged Loan TR USD Index rising 0.79% for the highest monthly return since April. While the bulk of the return came from interest income, market prices also moved higher for only the second time in 2026. Year-to-date (YTD), bank loans were up 2.12%. The weighted average bid price of the Morningstar LSTA US Leveraged Loan PR USD Index ended the month at $95.17, up from $94.96 month-over-month (MoM). The bank loan market ended July with a spread to maturity of 428 basis points and a yield to maturity of 8.15%. Bank loans continue to offer attractive yield relative to other areas of fixed income and would benefit from any Federal Reserve hikes.

On a ratings basis, loans rated B were the top performer, up 0.95%, while loans rated BB and CCC returned 0.64% and negative 0.09%, respectively. At a subsector level, performance was led by software, which rose 1.69%, while insurance and health care technology were up 1.58% and 1.56%, respectively. While the recovery in software was a welcome reprieve, the subsector has dramatically underperformed year-over-year, down 4.73% in July. The weighted average bid price of performing software loans stood at $86.46, well below the $96.84 price excluding software. The worst-performing subsector for the month was building products, which declined 1.43% as rising U.S. Treasury yields pushed out expectations for a housing market recovery.

The trailing 12-month default rate remained well contained at just 0.93%, down slightly from 0.97% in June. *(Figure 6)* There were no new payment defaults in the month. The default rate is running below the average monthly default rate of 0.96% over the past five years and 1.50% over the past 10 years. Including distressed exchanges, the default rate would have been 2.87%, up from 2.77% MoM.

Distressed Ratio | January 2024 to July 2026

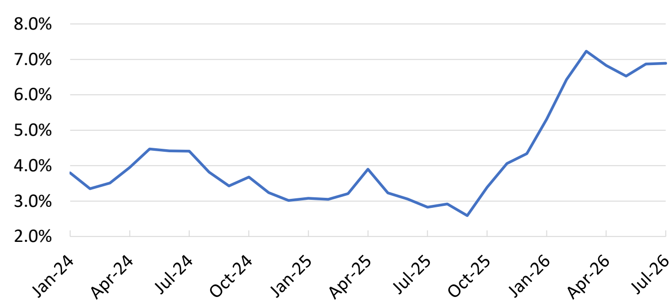


Figure 6
Source: DoubleLine, Morningstar LSTA US Liquid Leveraged Loan Index

The distressed ratio, defined as loans trading below $80, ticked up slightly MoM to 6.89% remaining somewhat elevated, reflecting a market bifurcated between high- and low-quality borrowers. *(Figure 7)* In July, 32.99% of loans ended the month at par or above, up MoM from 21.72%. On a ratings basis, downgrades continued to exceed upgrades modestly: The three-month ratio of downgrades to upgrades was 1.28x in July, in line with June's 1.25x.

Bank Loan Default Rate | January 2023 to July 2026

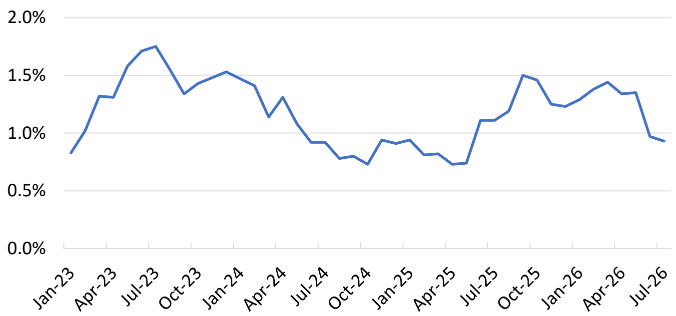


Figure 7
Source: DoubleLine, Morningstar LSTA US Liquid Leveraged Loan Index

The new-issue market was active in July with $78.0 billion of volume, essentially the same as June. The majority of issue was for refinancing or repricing transactions, including five refinancing transactions exceeding $2 billion each. Overall activity was down markedly from July 2025, when a surge in repricings drove total volume to $223.9 billion.

High Yield

The high yield (HY) corporate credit market in July was impacted by a spike in oil and rates as the conflict in the Middle East continued to evolve. The Bloomberg US HY Corporate Index returned negative 0.25%, with yields increasing 26 basis points (bps) to 7.41% and spreads widening 10 bps to 279 bps. On a subsector basis, energy and financial were among the top performers, while cable/satellite and telecom underperformed the broader market.

Bloomberg US Corporate High Yield Index
As of July 31, 2026

	Total Return by Rating Category (%)			
	One Month	Quarter-to-Date	Year-to-Date	Last 12 Months
US High Yield Index	-0.25	-0.25	1.71	5.17
BB	-0.37	-0.37	1.60	5.30
B	0.02	0.02	2.20	5.83
CCC	-0.52	-0.52	1.16	4.24

Source: Bloomberg, DoubleLine

The HY 12-month, par-weighted default rate increased 8 bps month-over-month (MoM) to 1.97%, as reported by J.P. Morgan, up from 0.99% at the end of 2025. For reference, the 25-year average is 2.90%. When including distressed exchanges, the default rate increased 7 bps MoM to 2.77%, compared to 1.88% at the end of 2025. The 25-year default average including distressed exchanges is 3.20%.

Monthly upgrade volume ($27.8 billion) outpaced downgrade volume ($19.8 billion), as reported by J.P. Morgan, bringing the year-to-date (YTD) ratio to 1.5x compared to 1.3x for full-year 2025. By number, July upgrades (15) also outpaced downgrades (12), bringing the YTD number ratio to 1.0x and in line with the 1.0x for full-year 2025.

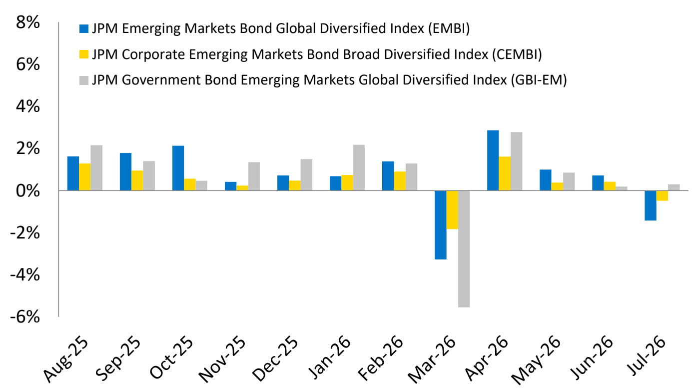
HY new-issue volume moderated in July to a 15-month low of $18.0 billion, as reported by J.P. Morgan, following a robust $35.0 billion in June. That was below a 2025 monthly average of $27.7 billion. Refinancings accounted for 57% of July proceeds, which compares to 56% of deal volume YTD.

HY reported its fourth consecutive monthly inflow in July, totaling $200 million, according to Lipper as reported by J.P. Morgan. This followed $3.9 billion in June. YTD inflows reached $0.4 billion, which compares to a 2025 inflow of $18.1 billion.

Emerging Markets Fixed Income

Emerging markets (EM) sovereign and corporate bonds generated negative returns in July as higher U.S. Treasury yields and wider spreads weighed on performance. The J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI GD), which tracks sovereign bonds, returned negative 1.42%. The J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI BD), which tracks corporate bonds, returned negative 0.48%. The credit spread for the EMBI GD widened 9 basis points (bps); the credit spread for the CEMBI BD widened 2 bps.

J.P. Morgan Emerging Markets Bond Index Performance
August 31, 2025 to July 31, 2026



Source: J.P. Morgan

Performance across all regions was negative for both indices. Africa was the best-performing region for both the EMBI GD and CEMBI BD. In contrast, Asia posted the lowest return among regions in the EMBI GD; the Middle East posted the lowest return among regions in the CEMBI BD. The high yield subindex outperformed the investment grade subindex in both indices.

The outlook for the second half of 2026 remains uncertain and will likely be shaped by the trajectory and duration of the Middle East conflict and its impact on global oil prices, growth and inflation. Central banks will need to balance monetary policy by weighing the risk of a second-round inflationary impulse from higher commodity prices against a consumption-led slowdown in global growth. Additional drivers for the 2026 outlook could include uncertainty around U.S. tariff, trade and immigration policies; risks of an AI hyperscaler capital expenditure overbuild; China's fiscal stimulus measures; and tighter global monetary policy.

International Sovereign

Global government bonds, as measured by the FTSE World Government Bond Index, returned negative 0.50% in July, impacted primarily by a rise in global government bond yields.

The U.S. dollar, as measured by the U.S. Dollar Index, was volatile versus most G-10 peers during the month before weakening sharply late in the period. Renewed hostilities between the U.S. and Iran drove oil prices higher early in the month, reigniting inflation concerns and lifting U.S. Treasury yields and the dollar. Sentiment shifted later in the period amid signs of de-escalation in the conflict and softer U.S. inflation data reducing expectations for Federal Reserve tightening. The dollar fell sharply following the decision to leave rates unchanged at the July Federal Open Market Committee meeting, and its decline accelerated days later from a coordinated intervention by U.S. and Japanese authorities in foreign exchange markets to support the yen.

The euro strengthened against the dollar late in the month, largely reflecting the weaker greenback. Although euro area inflation was stable, higher-than-expected consumer price increases in Spain, France and Germany, alongside risks from renewed conflict in the Middle East, raised expectations of tightening by the European Central Bank.

After the yen depreciated against the dollar earlier in the month under pressure from wide U.S.-Japan interest-rate differentials, as well as higher oil prices and related inflation risks, the currency gained sharply following a coordinated intervention by the U.S. and Japan. The yen ended the month at levels last marked in May after a previous Japanese intervention. The Bank of Japan paused policy tightening in July and is expected to resume by October.

Emerging Markets Local Currency

Emerging markets (EM) local currency government bonds, as measured by the J.P. Morgan Government Bond Index EM Global Diversified (GBI-EM GD), returned 0.30% in July. Interest income contributed 0.51% to total return, foreign exchange contributed 0.48%, and price returns subtracted 0.71%. (Returns are rounded.)

EM currencies were volatile during the month, driven by shifting news surrounding the Middle East conflict and U.S. monetary policy. Currencies initially sold off as U.S. strikes on Iran resumed, but currencies later rallied after the Federal Reserve kept rates unchanged, lifting risk appetite across EM.

Within the GBI-EM GD, Colombia was the best performer, as market confidence in President-elect Abelardo de la Espriella strengthened, supported by his intentions to jumpstart private investment and narrow the fiscal deficit. Hungary was the worst performer, as a rise in oil prices, a reduction in the policy rate and fiscal uncertainty reduced postelection momentum.

Commodities

Commodity markets rebounded strongly in July, reversing June's sell-off as renewed geopolitical risk restored a meaningful premium across the energy sector and lifted sentiment for the broader complex. The S&P GSCI ER rose 12.19%, outperforming the broader Bloomberg Commodity (BCOM) Index's 7.21% gain, reflecting the former's larger energy weighting. Year-to-date (YTD), the S&P GSCI was up 36.70%, while the BCOM was up 20.39%. The July rally was driven primarily by the collapse of the U.S.-Iran memorandum of understanding, which renewed concerns over Middle East supply disruptions and transportation bottlenecks through the Strait of Hormuz and Bab al-Mandeb.

The energy sector led gains, surging 22.07% month-over-month (MoM) and 81.79% YTD, per the S&P GSCI ER. Brent and WTI crude each rose more than 21% MoM, while refined products outperformed as refinery outages, Russian export disruptions and peak summer demand tightened distillate markets. Gasoil climbed 40.96%, and New York Harbor Ultra-Low Sulfur Diesel gained 30.12%. Industrial metals also advanced, rising 3.27% and 8.42% YTD, with copper, nickel, aluminum and zinc benefiting from tighter physical conditions, inventory draws and uncertainty around U.S. tariff policy and critical mineral supply chains.

Agriculture rebounded 6.54% MoM, moving positive YTD at 4.00%. Wheat and Kansas wheat led monthly gains, as attacks on Russian and Ukrainian export infrastructure disrupted Black Sea shipments, while corn benefited from similar export concerns. Soybeans advanced on strong Chinese purchases of U.S. crops, and coffee gained on El Niño-related supply risks and low inventories. Cocoa rose on weather-related supply fears, though improved West African rainfall and weak European demand later tempered gains. Sugar declined as large Brazilian and Indian crops kept supplies well supported. Precious metals were little changed, as central bank demand and geopolitical uncertainty were offset by expectations for a hawkish shift in Federal Reserve policy.

Infrastructure

Infrastructure assets outperformed the broader fixed-income market in July but experienced negative returns as investors repriced the expected path of monetary policy amid resilient economic data and escalating tensions between the U.S. and Iran. The Bloomberg US Aggregate Bond Index and Bloomberg US Corporate Bond Index declined 1.30% and 1.67% in the month, respectively.

The best-performing infrastructure assets were short-duration, high-credit-quality consumer ABS securitizations that benefited from low interest-rate sensitivity and high carry. The worst performers were industrial corporate bonds, hurt by their longer duration profiles in a period when yields rose across longer U.S. Treasury tenors.

U.S. Equities

U.S. equities were mixed in July as investors rotated away from large-capitalization technology stocks following their strong first-half rally while favoring value-oriented sectors that stood to benefit from resilient economic growth and higher commodity prices. The S&P 500 Index finished the month essentially unchanged (-0.06%) and remained up 10.14% year-to-date (YTD). Performance diverged sharply across styles, with the Russell 1000 Value Index, which tracks value stocks, advancing 3.82% and extending its YTD gain to 20.67%. The Russell 1000 Growth Index, which tracks growth stocks, declined 4.76% and was up just 0.32% YTD. Technology-heavy benchmarks also weakened, with the Nasdaq Composite Index falling 3.19%, reflecting profit-taking in the market's largest AI-related companies amid elevated valuations and a modest rise in U.S. Treasury yields. Meanwhile, the Dow Jones Industrial Average gained 0.38%, highlighting investors' preference for businesses that are more cyclical and value-oriented.

Sector performance underscored this rotation in market leadership. Energy was the strongest performer in the month, surging 11.96% as higher oil prices and renewed supply concerns supported energy producers, lifting the sector's YTD return to 35.00%. Financials gained 6.16%, while real estate (+2.58%), health care (+2.40%) and consumer staples (+2.34%) also performed well as investors broadened exposure beyond technology. In contrast, technology was the weakest-performing sector, falling 8.00% after its exceptional gains earlier in the year, although it remained up 22.10% YTD. Industrials (-3.01%), utilities (-2.23%), consumer discretionary (-1.06%) and materials (-0.90%) also declined. Communication services posted a modest 0.94% gain but remained the weakest sector, with a YTD return of negative 7.49%.

Global Equities*

Global equities were little changed in July as investors balanced resilient corporate earnings and economic data against elevated valuations and higher interest rates. The MSCI All Country World Index (ACWI) edged 0.10% higher during the month and was up 11.61% year-to-date (YTD). U.S. markets produced mixed monthly results, with the S&P 500 Index finishing essentially flat (-0.06%), while the Dow Jones Industrial Average gained 0.38%, and the S&P 500 Equal Weight Index rose 1.01%, extending its YTD return to 13.24%. In contrast, growth-oriented segments of the market came under pressure as the Nasdaq Composite Index declined 3.19%, reflecting profit-taking in technology stocks following their strong first-half rally.

Outside the U.S., developed markets generally outperformed the MSCI ACWI. European equities posted broad-based gains, led by the U.K.'s FTSE 100 (+5.30%), Germany's DAX (+3.46%), Spain's IBEX 35 (+3.08%) and France's CAC 40 (+2.25%), supported by improving economic activity, easing inflation pressures and improvement in investor sentiment. The STOXX Europe 600 advanced 2.18% in the month and was up 10.26% YTD, while Italy's FTSE MIB (+2.13%) continued to outperform with a 17.20% gain YTD.

Performance across Asia and emerging markets was more uneven. Hong Kong's Hang Seng Index rebounded sharply, rising 13.46% to return to positive territory YTD (+2.23%). In contrast, Japan's Nikkei 225 declined 6.24% in the month following its exceptional gains earlier in the year, while Taiwan (-7.25%) and South Korea (-16.22%) experienced notable profit-taking after posting some of the strongest global returns through the first half of the year. The MSCI Emerging Markets Index fell 3.03% in July but remained up 20.25% YTD, with Brazil rebounding 5.27% in the month while India continued its gradual recovery, rising 1.63%. Overall, July marked a rotation in global equity leadership as investors shifted away from tech-heavy markets toward regions that are more diversified and value-oriented. Meanwhile, YTD performance remained supported by resilient corporate earnings, improving global growth expectations and continued investment in AI and digital infrastructure.

	Jul. 2026	Jun. 2026	YTD 2026
Global and U.S. Equities (%)			
MSCI All Country World Index	0.10	-0.77	11.61
S&P 500 Index	-0.06	-0.95	10.14
S&P 500 Equal Weight Index	1.01	2.37	13.24
Nasdaq Composite Index	-3.19	-2.75	9.53
Dow Jones Industrial Average	0.38	2.71	10.17
Russell 2000 Index	-3.02	3.74	18.98
Eurozone (%)			
Stoxx Europe 600 (Eurozone)	2.18	0.41	10.26
DAX (Germany)	3.46	-2.63	2.52
CAC 40 (France)	2.25	0.71	5.14
FTSE MIB (Italy)	2.13	1.22	17.20
IBEX 35 (Spain)	3.08	3.95	14.93
FTSE 100 Index (U.K.)	5.30	-0.65	11.59
Asia Pacific (%)			
Nikkei 225 (Japan)	-6.24	3.46	26.50
Shanghai Stock Exchange Composite (China)	-5.40	0.86	1.44
Hang Seng Index (Hong Kong)	13.46	-8.55	2.23
KOSPI (South Korea)	-16.22	-2.87	57.77
TAIEX (Taiwan)	-7.25	1.93	46.63
AORD (Australia)	3.36	-3.49	8.92
Other Emerging Markets (%)			
MSCI Emerging Markets Index	-3.03	-1.37	20.25
Ibovespa (Brazil)	5.27	-3.24	19.30
MSCI India Index	1.63	1.54	-8.09

Source: Bloomberg

*Non-U.S. equities are reported in U.S. dollar terms.

Agency – Refers to mortgage-backed securities (MBS) whose principal and interest are guaranteed by a U.S. government agency such as Fannie Mae (FNMA) or Freddie Mac (FHLMC).

AGNC ICE GNMA 30-Year Current Coupon Index – This index tracks the performance of the 30-year, fixed-rate residential mortgage-backed securities (MBS) guaranteed by Ginnie Mae that are trading closest to par value.

Asset-Backed Securities (ABS) – Investment securities, such as bond or notes, that are collateralized by a pool of assets, such as loans, leases, credit card debt, royalties or receivables.

Australia All Ordinaries (AORD) Index – This index tracks the share prices of the 500 largest companies listed on the Australian Securities Exchange (ASX). The market capitalization of the AORD companies amounts to more than 95% of the value of all shares listed on the ASX.

Basis Points (bps) – Basis points (or basis point (bp)) refer to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% or 0.0001, and is used to denote the percentage change in a financial instrument. The relationship between percentage changes and basis points can be summarized as: 1% change = 100 basis points; 0.01% = 1 basis point.

Bear Steepen – Widening of the U.S. Treasury yield curve caused by long-term interest rates increasing at a faster rate than short-term rates. A bear steepening is usually suggestive of rising inflationary expectations or a widespread rise in prices throughout the economy.

Bid Wanted in Competition (BWIC) – Formal request for bids on a package of securities that is submitted by an institutional investor to a number of securities dealers. The dealers are being invited to submit bids on the listed securities.

Bloomberg Commodity (BCOM) Index – This index is calculated on an excess return basis and reflects the price movements of commodity futures. It rebalances annually, weighted two-thirds by trading volume and one-third by world production, and weight caps are applied at the commodity, sector and group levels for diversification. The roll period typically occurs from the sixth to 10th business day based on the roll schedule.

Bloomberg Emerging Markets (EM) USD Aggregate Sovereign Index – This index tracks fixed- and floating-rate, U.S. dollar-denominated debt issued by EM governments. Country eligibility and classification as an emerging market is rules based and reviewed annually using World Bank income group and International Monetary Fund country classifications.

Bloomberg US Agency Commercial Mortgage-Backed Securities (CMBS) Index – This index measures the U.S. market of Agency conduit and fusion CMBS deals.

Bloomberg US Aggregate Bond Index – This index (the "Agg") represents securities that are SEC registered, taxable and U.S. dollar denominated. It covers the U.S. investment grade, fixed-rate bond market, with components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

Bloomberg US Asset-Backed Securities (ABS) Index – This index is the ABS component of the Bloomberg US Aggregate Bond Index, a flagship measure of the U.S. investment grade, fixed-rate bond market. The ABS index has three subsectors: credit and credit cards, autos and utility.

Bloomberg US Corporate High Yield (HY) Index – This index measures the U.S. dollar-denominated, HY, fixed-rate corporate bond market. Securities are classified as HY if the respective middle ratings of Moody's, Fitch and S&P are Ba1, BB+ or BB+ or below. The Bloomberg US HY Long Bond Index, including bonds with maturities of 10 years or greater, and the Bloomberg US HY Intermediate Bond Index, including bonds with maturities of 1 to 9.999 years, are subindices of the Bloomberg US Corporate HY Bond Index.

Bloomberg US Corporate Index – This index measures the investment grade, fixed-rate taxable corporate bond market. It includes U.S. dollar-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg US Mortgage-Backed Securities (MBS) Index – This index measures the performance of investment grade, fixed-rate mortgage-backed pass-through securities of the government-sponsored enterprises (GSEs): Federal Home Loan Mortgage Corp. (Freddie Mac), Federal National Mortgage Association (Fannie Mae) and Government National Mortgage Association (Ginnie Mae).

Bloomberg US Treasury Index – This index measures U.S. dollar-denominated, fixed-rate nominal debt issued by the U.S. Treasury with a remaining maturity of one year or more. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Bloomberg World Interest Rate Probability (WIRP) – Statistical function developed by Bloomberg that uses fed funds futures and options to assess the probability of future Federal Open Market Committee (FOMC) decisions. It seeks to calculate the chances of a rate hike at each of the FOMC meetings using futures trading data.

Brent Crude Oil – Major trading classification of sweet light crude oil that serves as a benchmark price for purchases of oil worldwide. Brent is known as a light, sweet oil because it contains 0.24% sulfur, making it "sweet," and has a low density, making it "light."

China Manufacturing Purchasing Managers Index (PMI) – This index, compiled by the China Federation of Logistics & Purchasing (CFLP) and China Logistics Information Center (CLIC), provides an early indication each month of economic activities in the Chinese manufacturing sector. Every month, the index is based on responses drawn from 3,200 samples from 31 divisions of the manufacturing industry across China. A reading above 50 indicates an expansion of the sector, a reading below 50 represents a contraction, and 50 indicates no change.

China Services Purchasing Managers Index (PMI) – This index, compiled by the China Federation of Logistics & Purchasing (CFLP) and China Logistics Information Center (CLIC), provides an early indication each month of economic activities in the Chinese services sector. Every month, the index is based on responses drawn from 4,300 samples from 43 divisions of the manufacturing industry across China.

Collateralized Loan Obligation (CLO) – Single security backed by a pool of debt.

Conduit Loans – Type of loans, also known as commercial mortgage-backed securities (CMBS) loans, that are commercial real estate loans pooled together with similar commercial mortgages and sold on the secondary market. On the secondary market, conduit loans are divided into tranches based on risk, return and loan maturity.

Consumer Price Index (CPI) – This index, compiled by the U.S. Bureau of Labor Statistics, examines the weighted average of the prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by averaging price changes for each item in the basket. Changes in the CPI are used to assess price changes associated with the cost of living. The CPI is one of the most frequently used statistics for identifying periods of inflation or deflation. A "core" reading of the index excludes seasonally volatile components such as food and energy.

Core Personal Consumption Expenditures (PCE) Price Index – This index, published by the U.S. Bureau of Economic Analysis, measures prices paid by consumers for goods and services, excluding the volatility of food and energy prices, to gauge underlying inflation trends. It is the Federal Reserve's preferred index for tracking inflation.

Cotation Assistee en Continu (CAC) 40 – This stock market index tracks the 40 largest French stocks on the Euronext Paris based on market capitalization, trading activity, size of balance sheet and liquidity.

Deutscher Aktien Index (DAX) – This blue-chip stock market index comprises the 40 major German companies trading on the Frankfurt Stock Exchange.

Distressed Exchange – A bank loan distressed exchange is an out-of-court negotiation where a company facing financial difficulties proposes to exchange existing debt for new debt, often with a reduced principal amount or modified terms, to avoid bankruptcy.

DoubleLine®

Dow Jones Industrial Average (DJIA) – This index tracks 30 large publicly owned companies trading on the New York Stock Exchange and the Nasdaq. It is price-weighted, unlike stock indices, which use market capitalization. Furthermore, the DJIA does not use a weighted arithmetic mean.

Duration – A commonly used measure of the potential volatility of the price of debt securities in response to a change in interest rates prior to maturity. Securities with longer duration generally have more volatile prices than securities of comparable quality with shorter duration.

Euro Stoxx 50 Index – This index of 50 eurozone stocks provides a blue-chip representation of supersector leaders in the eurozone.

Fannie Mae (FNMA) – The Federal National Mortgage Association (Fannie Mae) is a government-sponsored enterprise (GSE) chartered by Congress in 1938 during the Depression to stimulate home ownership and provide liquidity to the mortgage market. Its purpose is to help moderate- to low-income borrowers obtain financing for a home.

Federal Funds Rate – Target interest rate, set by the Federal Reserve at its Federal Open Market Committee (FOMC) meetings, at which commercial banks borrow and lend their excess reserves to each other overnight. The Fed sets a target federal funds rate eight times a year, based on prevailing economic conditions.

Federal Open Market Committee (FOMC) – Branch of the Federal Reserve System that determines the direction of monetary policy specifically by directing open market operations. The FOMC comprises the seven board governors and five (out of 12) Federal Reserve Bank presidents.

5s30s – Shorthand term used in tracking the spread between the five-year U.S. Treasury note (5s) and 30-year Treasury bond (30s). A steep 5s30s curve means long-term rates are much higher than short-term rates, signaling growth. A flat or inverted curve often signals economic slowdown or recession.

Freddie Mac (FHLMC) – The Federal Home Loan Mortgage Corp. (Freddie Mac) is a stockholder-owned, government-sponsored enterprise (GSE) chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle-income Americans. Freddie Mac purchases, guarantees and securitizes mortgages to form mortgage-backed securities (MBS).

Freddie Mac U.S. Mortgage Market Survey 30-Year Homeowner Commitment National Index – This index tracks the 30-year fixed-rate mortgages component of the Freddie Mac Primary Mortgage Market Survey (PMMS), which tracks the most-popular 30- and 15-year fixed-rate mortgages, and 5-1 hybrid amortizing adjustable-rate mortgage products among a mix of lender types.

FTSE Milano Indice di Borsa (FTSE MIB) – This benchmark index for the Borsa Italian, the Italian stock exchange, comprises the 40 largest and most-liquid stocks on the exchange.

FTSE 100 Index – This index tracks the 100 companies with the highest market capitalization on the London Stock Exchange.

FTSE World Government Bond Index (FTSE WGBI) – This broad index measures the performance of fixed-rate, local-currency, investment grade sovereign bonds. It is a widely used benchmark that comprises sovereign debt from more than 20 countries that is denominated in a variety of currencies.

G-10 (Group of Ten) – The G-10 comprises 11 industrialized nations that meet on an annual basis, or more frequently as needed, to consult each other, debate and cooperate on international financial matters. The member countries are: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States.

Ginnie Mae (GNMA) – The Government National Mortgage Association (Ginnie Mae) is a federal government corporation that guarantees the timely payment of principal and interest on mortgage-backed securities (MBS) issued by approved lenders. Ginnie Mae's guarantee allows mortgage lenders to obtain a better price for MBS in the capital markets.

Global Industry Classification Standard (GICS) – Hierarchical industry classification system, created by Morgan Stanley Capital International and S&P Dow Jones Indices in 1999, comprising four tiers going from broadest to narrowest to classify companies by industry: sectors, industry groups, industries and subindustries. The 11 GICS sectors are: energy, materials, industrials, consumer discretionary, consumer staples, health care, financials, information technology, real estate, communication services and utilities.

Gross Domestic Product (GDP) – Market value of all final goods and services produced within a country in a given period. GDP is considered an indicator of a country's standard of living.

Hang Seng Index – This free-float-capitalization-weighted index tracks a selection of companies on the Stock Exchange of Hong Kong. The index has four subindices: finance, utilities, properties, finance, and commerce and industry.

High Yield (HY) – Bonds that pay higher interest rates because they have lower credit ratings than investment grade (IG) bonds. HY bonds are more likely to default, so they must pay a higher yield than IG bonds to compensate investors.

Ibovespa Index – This gross return index is weighted by trade volume and comprises the most-liquid stocks on Brazil's Sao Paulo Stock, Commodities and Futures Exchange (known as "B3").

ICE BofA U.S. Fixed-Rate Miscellaneous Asset-Backed Securities (ABS) Index – A subset of the ICE BofA U.S. Fixed-Rate ABS Index, including all ABS collateralized by anything other than auto loans, home equity loans, manufactured housing, credit card receivables and utility assets. The ICE BofA U.S. Fixed-Rate ABS Index tracks the performance of U.S. dollar-denominated, investment grade (IG), asset-backed securities publicly issued in the U.S. domestic market. Qualifying securities must have an IG rating based on an average of Moody's, S&P and Fitch.

Indice Bursatil Espanol (IBEX) – This official index of the Spanish Continuous Market comprises the 35 most-liquid stocks traded on the market.

Investment Grade (IG) – Rating that signifies a municipal or corporate bond presents a relatively low risk of default. Bonds below this designation are considered to have a high risk of default and are commonly referred to as high yield (HY) or "junk bonds." The higher the bond rating the more likely the bond will return 100 cents on the U.S. dollar.

ISM Manufacturing PMI – This index (which used to be called the ISM Manufacturing Purchasing Managers Index) is compiled by the Institute for Supply Management and tracks the economic health of the manufacturing sector. The index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and employment environment. A reading above 50 indicates an expansion of the sector, a reading below 50 represents a contraction, and 50 indicates no change.

ISM Services PMI – This index (which used to be called the ISM Non-Manufacturing Purchasing Managers Index) is compiled by the Institute for Supply Management and tracks the economic health of the services (formerly nonmanufacturing) sector. A reading above 50 indicates an expansion of the sector, a reading below 50 represents a contraction, and 50 indicates no change.

J.P. Morgan Collateralized Loan Obligation (CLO) Total Return Index – This index is a total return subindex of the J.P. Morgan Collateralized Loan Obligation Index (CLOIE), which is a market value-weighted index consisting of U.S. dollar-denominated CLOs.

J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI BD) – This index is a uniquely weighted version of the CEMBI, which is a market capitalization-weighted index consisting of U.S. dollar-denominated emerging markets corporate bonds. It limits the weights of index countries with larger debt stocks by only including specified portions of those countries' eligible current face amounts of debt outstanding.

J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI GD) – This index is a uniquely weighted version of the EMBI, which tracks emerging markets (EM) bonds and comprises sovereign debt and EM corporate bonds. It limits the weights of index countries with larger debt stocks by only including specified portions of those countries' eligible current face amounts of debt outstanding.

J.P. Morgan Government Bond Index Emerging Markets Global Diversified (GBI-EM GD) – This custom-weighted index tracks local currency bonds issued by emerging markets governments, excluding China and India, and has a broader roster of countries than the base GBI-EM, which limits inclusion to countries that are readily accessible and where no impediments exist for foreign investors.

Jumbo Loan – Type of financing, also known as a jumbo mortgage, that exceeds the limits set by the Federal Housing Finance Agency (FHFA). Unlike conventional mortgages, a jumbo loan is not eligible to be purchased, guaranteed or securitized by the government agencies Fannie Mae or Freddie Mac. Designed to finance luxury properties and homes in highly competitive local real estate markets, jumbo mortgages come with unique underwriting requirements and tax implications.

Korea Composite Stock Price Index (KOSPI) – This index comprises all common stocks traded on the stock market division of the Korea Exchange. It is the representative stock market index in South Korea, like the S&P 500 Index in the U.S.

Last Cash Flow (LCF) – Last revenue stream paid to a bond over a given period.

Legacy RMBS – Name for private-label, aka non-Agency, residential mortgage-backed securities (RMBS) issued before the shift to stricter post-Global Financial Crisis (GFC) guidelines. RMBS issued post-GFC are referred to as "RMBS 2.0."

Morningstar LSTA US Leveraged Loan Index – This market capitalization-weighted index tracks the U.S. leveraged loan market.

Morningstar LSTA US Leveraged Loan PR USD Index – This index (formerly the S&P/LSTA Leveraged Loan Price Index) tracks the prices of institutional weighted loans based on market weightings, spreads and interest payments.

Morningstar LSTA US Leveraged Loan TR USD Index – This index (formerly the S&P/LSTA Leveraged Loan Index) tracks the market-weighted performance of institutional weighted loans based on market weightings, spreads and interest payments.

MSCI All Country World Index (MSCI ACWI) – This market capitalization-weighted index is designed to provide a broad measure of stock performance throughout the world. It comprises stocks from 23 developed countries and 24 emerging markets.

MSCI All Country World Index (MSCI ACWI) ex U.S. – This market capitalization-weighted index is designed to provide a broad measure of stock performance throughout the world. It comprises stocks from 22 of 23 developed countries and 24 emerging markets.

MSCI Emerging Markets Index (MSCI EMI) – This index captures large- and midcapitalization representation across 24 emerging markets countries. With 1,440 constituents, the index covers approximately 85% of the free-float-adjusted market cap in each country.

MSCI India Index – This index measures the performance of the mid- and large-capitalization segments of the Indian market. With 131 constituents, the index covers approximately 85% of the Indian equity universe.

Nasdaq Composite Index – This index ("the Nasdaq") comprises the more than 3,400 common stocks and similar securities (e.g., American depository receipts (ADRs), tracking stocks, limited-partnership interests) listed on the Nasdaq exchange. The index, which includes U.S. and non-U.S. companies, is highly followed in the U.S. as an indicator of the stock performance of technology companies and growth companies.

National Association of Realtors Existing-Home Sales Report – This report tracks sales and prices of existing single-family homes for the nation overall, and gives breakdowns for the West, Midwest, South and Northeast regions of the country. These figures include condos and co-ops in addition to single-family homes.

Nikkei 225 Index – This price-weighted index ("the Nikkei") comprises Japan's top 225 blue-chip companies on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the U.S.

Non-Performing Loan (NPL) – Loan in which the borrower is in default due to the fact that they have not made the scheduled payments for a specified period. Although the exact elements of non-performing status can vary depending on the specific loan's terms, "no payment" is usually defined as zero payments of either principal or interest.

Non-Qualified Mortgage (Non-QM) – Any home loan that doesn't comply with the Consumer Financial Protection Bureau's existing rules on qualified mortgages (QM). Usually this type of alternative mortgage loan accommodates people who are not able to prove they are capable of making the mortgage payments. Just because it is a non-QM mortgage loan does not necessarily mean high risk or subprime mortgage risk, and in many cases these non-QM mortgage loans require a high FICO score but simply do not check all the boxes associated with a QM loan. Non-QM loans for mortgages are protected by the lender against any type of lawsuit should the borrower become unable to afford the loan.

Option-Adjusted Spread (OAS) – Measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option. Typically, an analyst uses U.S. Treasury yields for the risk-free rate. The spread is added to the fixed-income security price to make the risk-free bond price the same as the bond.

Par – Short for "par value," par can refer to bonds, preferred stock, common stock or currencies, with different meanings depending on the context. Par most commonly refers to bonds, in which case, it means the face value, or value at which the bond will be redeemed at maturity.

Prime – Classification of borrowers, rates or holdings in the lending market that are considered to be of high quality. This classification often refers to loans made to high-quality "prime" borrowers that are offered "prime" or relatively low interest rates.

Private Label – Refers to debt-issued securities that are not issued by the government-sponsored enterprises (GSEs). "Agency" refers to debt-issued securities that are issued by the GSEs.

RCA Commercial Property Price Index (CPPI) – This index describes various nonresidential property types for the U.S. (10 monthly series from 2000). It is a periodic same-property, round-trip investment, price-change index of the U.S. commercial investment property market. The dataset contains 20 monthly indicators.

RCA U.S. All-Property Commercial Property Price Index (CPPI) – This index is a component of the suite of price indices that comprise the RCA CPPI.

Real Estate Owned (REO) – Property owned by a lender, such as a bank, that has not been successfully sold at a foreclosure auction. A lender – often a bank or quasi-governmental entity such as Fannie Mae or Freddie Mac – takes ownership of a foreclosed property when it fails to sell at the amount sought to cover the loan.

Re-Performing Loan (RPL) – A mortgage that became delinquent because the borrower was behind on payments by at least 90 days, but it is "performing" again because the borrower has resumed making payments.

Russell 2000 Index – This market capitalization-weighted index comprises 2,000 small-cap U.S. companies and is considered a bellwether index for small-cap investing.

S&P Cotality Case-Shiller 20-City Composite Home Price Not Seasonally Adjusted (NSA) Index – This index measures the value of residential real estate in 20 major U.S. metropolitan areas: Atlanta; Boston; Charlotte; Chicago; Cleveland; Dallas; Denver; Detroit; Las Vegas; Los Angeles; Miami; Minneapolis; New York City; Phoenix; Portland, Oregon; San Diego; San Francisco; Seattle; Tampa; and Washington, D.C.

S&P 500 Equal Weight Index (EWI) – This index is the equal-weight version of the widely used S&P 500 Index. The S&P 500 EWI includes the same constituents as the capitalization-weighted parent index, but each company in the S&P 500 EWI is allocated a fixed weight, or 0.2% of the index, at each quarterly rebalance.

S&P 500 Index – This unmanaged capitalization-weighted index of the stocks of the 500 largest publicly traded U.S. companies is designed to measure performance of the broad domestic economy through changes in the aggregate market value of the 500 stocks, which represent all major industries.

S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI) – This index measures the performance of the manufacturing sector derived from a survey of 3,000 manufacturing firms and includes national data for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. The PMI is based on five individual indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stock of items purchased (10%), with the delivery times index inverted to move in a comparable direction. A reading above 50 indicates an expansion of the sector, a reading below 50 represents a contraction, and 50 indicates no change.

S&P Global Eurozone Services Purchasing Managers' Index (PMI) – This index is based on original survey data from a representative panel of around 2,000 private service sector firms. National data is included for Germany, France, Italy, Spain and the Republic of Ireland. These countries account for an estimated 78% of eurozone private-sector services output. A reading above 50 indicates an expansion of the sector, a reading below 50 represents a contraction, and 50 indicates no change.

S&P Global Japan Manufacturing PMI – This index is a monthly indicator of manufacturing sector performance, based on survey responses from a panel of approximately 400 manufacturers. Survey participants report changes compared to the previous month across several business variables. A reading above 50 signals expansion while below 50 indicates contraction. The headline figure is a weighted composite of five key components: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%).

S&P Global Japan Services PMI – This index is a monthly indicator of economic activity in Japan's services sector, based on survey responses from around 400 companies across industries. A reading above 50 signals expansion while below 50 indicates contraction. The main metric is the Services Business Activity Index, reflecting changes in business activity volume and serving as the headline figure.

S&P GSCI ER – This index (formerly the Goldman Sachs Commodity Index) measures investment in the commodity markets and commodity market performance over time on an excess return basis.

Shanghai Stock Exchange Composite Index – This capitalization-weighted index, developed in December 1990 with a base value of 100, tracks the daily performance of all A shares and B shares listed on the Shanghai Stock Exchange.

Spread – Difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings or risk.

Spread to Maturity (STM) – Measure of return from a floating-rate note relative to that from its index or reference rate, such as the Secured Overnight Financing Rate (SOFR), calculated by discounting future cash flows on a bond basis.

Stoxx Europe 600 Index – This index has a fixed number of 600 components representing large, mid- and small-capitalization companies among 17 European countries, covering approximately 90% of the free-float market cap of the European stock market (not limited to the eurozone).

TAIEX Index – This index tracks companies traded on the Taiwan Stock Exchange. The index covers all listed stocks excluding preferred, full-delivery and newly listed stocks, which are listed for less than one calendar month.

Trade Reporting and Compliance Engine (TRACE) – Financial Industry Regulatory Authority (FINRA)-developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed-income securities.

Treasury Inflation-Protected Securities (TIPS) – Type of Treasury security issued by the U.S. government that is indexed to inflation in order to protect investors from a decline in the purchasing power of their money. As inflation rises, TIPS adjust in price to maintain their real value.

2s10s – Shorthand term used in tracking the spread between the two-year U.S. Treasury note (2s) and the 10-year Treasury bond (10s). The inversion of the yields, when the two-year is higher than the 10-year, is seen by some economists as an indicator of impending recession, which has historically happened after the yields de-invert.

U-3 Unemployment Rate – Officially recognized rate of unemployment, compiled and released monthly by the U.S. Bureau of Labor Statistics, measuring the number of unemployed people as a percentage of the labor force.

U.S. Dollar Index (DXY) – A weighted geometric mean of the U.S. dollar's value relative to a basket of six major foreign currencies: the euro, Japanese yen, British pound, Canadian dollar, Swedish krona and Swiss franc.

West Texas Intermediate (WTI) Crude Oil– Specific grade of crude oil and one of the main three benchmarks, along with Brent and Dubai Crude, in oil pricing. WTI is known as a light sweet oil because it contains 0.24% sulfur, making it "sweet," and has a low density, making it "light." It is the underlying commodity of the New York Mercantile Exchange's (NYMEX) oil futures contract and is considered a high-quality oil that is easily refined.

Yield to Maturity (YTM) – The total return anticipated on a bond if the bond is held until it matures. Yield to maturity is considered a long-term bond yield but is expressed as an annual rate.

You cannot invest directly in an index.

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