Quarterly Market Commentary

March 2025

Overview

March began on a turbulent note, with stocks tumbling as investor sentiment soured amid mounting concerns around the impact of the White House's tariff policy. Consumer sentiment continued to decline, with negative expectations around inflation mirrored in the Federal Reserve's Summary of Economic Projections released at the Federal Open Market Committee's March meeting. Following February's friction between the U.S. and its European allies, the European Union made a significant pivot in its long-term fiscal policy, announcing increased military spending with Germany leading the charge. The U.S. dollar fell in March, with the U.S. Dollar Index declining to 104.2 from 107.6. U.S. equities, as measured by the S&P 500 Index, returned negative 5.63% on the month and negative 4.27% in the first quarter versus a 0.15% month-over-month (MoM) drop and 5.36% quarter-over-quarter gain for non-U.S. equities, as measured by the MSCI All Country World Index ex U.S. Index. *(Figure 1)* U.S. fixed income, as measured by the Bloomberg US Aggregate Bond Index, was flat MoM and returned 2.78% in the quarter as the U.S. Treasury yield curve steepened. For the month, the two-year note yield fell 11 basis points (bps), the 10-year note remained unchanged, and the 30-year Treasury bond yield rose 8 bps. For the quarter, the two-year Treasury yield fell 36 bps, the five-year fell 43 bps, the 10-year fell 36 bps, and the 30-year bond yield fell 21 bps. *(Figure 2)* The steepening yield curve was indicative of weaker economic sentiment and concerns about the administration's ability to finance its $4 trillion tax cut plan.

U.S. Treasury Curve

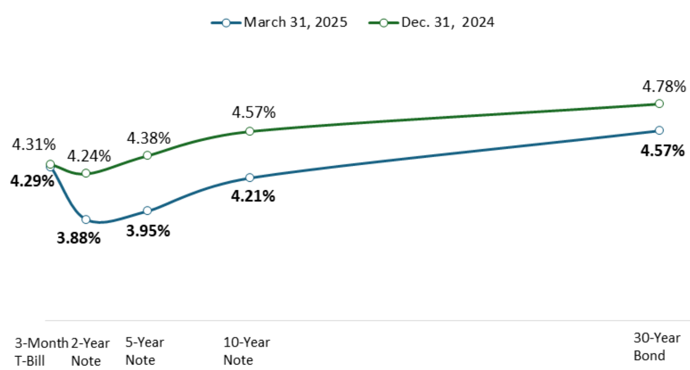


Figure 2
Source: DoubleLine, Bloomberg

Total Return by Asset Class | As of March 31, 2025
Denominated in U.S. Dollars

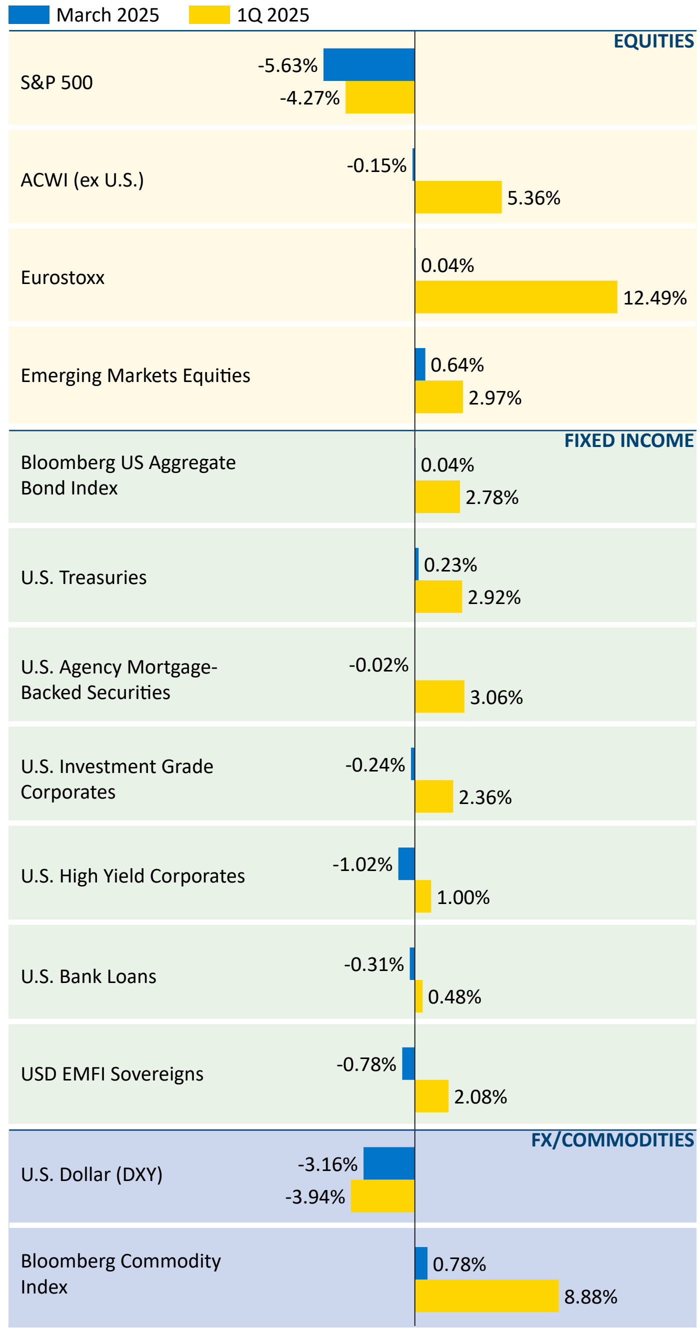


Figure 1
Source: DoubleLine, Bloomberg

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 Credit 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, Bloomberg Commodity Index.

While the Fed left the federal funds rate unchanged at 4.25% to 4.50% for the month and quarter, the agency announced plans at the March FOMC meeting to reduce quantitative tightening starting April 1 by lowering the monthly runoff of Treasury bonds from $25 billion to $5 billion. At month-end, the market was still predicting three rate cuts of 25 bps in 2025, the first of which is projected to land between the June and July FOMC meetings, based on the Bloomberg World Interest Rate Probability function.

In March, the nonfarm payrolls report showed 228,000 jobs were added MoM, above a consensus estimate of 140,000 jobs, bringing the three-month moving average of private payroll gains to 135,000. The U-3 unemployment rate moved up to 4.2% from 4.1%. The ISM Manufacturing PMI fell back into contractionary territory (a number below 50), dropping MoM to 49.0 from 50.3, below a consensus estimate of 49.5. ISM Services PMI decreased to 50.8 from 53.5, lagging a consensus estimate of 52.9. February retail sales data came in softer than expected at 0.2% versus a 0.6% consensus estimate. The Conference Board Leading Economic Index declined 0.3% in February, versus expectations of negative 0.2%, and was down 3.1% year-over-year.

Eurozone annual inflation came in at 2.2% in March, down MoM from 2.3%, according to Eurostat's initial flash estimate. The S&P Global Eurozone Manufacturing Purchasing Managers' Index (PMI) increased MoM to 48.6 from 47.6, its highest level in two years but still in contractionary territory. The S&P Global Eurozone Services PMI fell to 50.4 from 50.6. The European Central Bank cut its policy rates by 25 bps in March, the sixth cut of the current cycle and second in the quarter, after cutting 25 bps in January, and will face another decision at the upcoming April meeting.

In China, manufacturing and services data improved in March. China Manufacturing PMI increased to 50.5 from 50.2 while China Services PMI increased to 50.8 from 50.4. Manufacturing and services numbers improved MoM each month of the quarter. During an interview at the Boao Forum in China on March 26, People's Bank of China monetary policy adviser Huang Yiping described China's economic performance to start the year as "reasonably good" while explaining that "the government has made it very clear that if there's a need, both fiscal policy and monetary policy can step up."

In Japan, manufacturing and services data weakened in March, according to S&P Global data, with. manufacturing PMI down MoM to 48.4 from 49.0 and services PMI down to 49.5 from 53.7. While discussing recent "very high" inflation on March 26, Bank of Japan (BOJ) Governor Kazuo Ueda told Japan's parliament, "If (rising import costs and food prices) lead to broad-based inflation across the economy, we must respond by raising interest rates." The BOJ maintained its policy rate of 50 bps at its March meeting.

U.S. Government Securities

The Bloomberg US Treasury Index posted a modest gain of 0.23% in March, bringing first quarter return to 2.92%. Despite heightened volatility in the quarter, U.S. Treasuries ended the period with a solid rally, supported by dovish signals from the Federal Reserve, divergency between hard and soft data, and continued inflow amid ongoing geopolitical and policy uncertainty.

U.S. Treasury Yield Curve (%)

	Dec. 31, 2024	Feb. 28, 2025	Mar. 31, 2025	Monthly Change	Quarterly Change
3 Month	4.31	4.29	4.29	0	-2
2 Year	4.24	3.99	3.88	-11	-36
5 Year	4.38	4.02	3.95	-7	-43
10 Year	4.57	4.21	4.21	0	-36
30 Year	4.78	4.49	4.57	8	-21

Source: Bloomberg

In March, the two-year yield dropped 11 basis points (bps) to 3.88% while the 30-year yield rose 8 bps to 4.57%, resulting in a meaningful steepening of the curve. The yield spread between two-year and 10-year Treasuries widened 11 bps to 33 bps, reversing February's flattening. Treasury yields fell across the curve during the quarter, led by intermediate maturities, with the five-year and 10-year yields declining 43 bps and 36 bps, respectively. Front-end breakeven inflation rates rose sharply in the period, with the two-year breakeven rate rising 74 bps to 3.28%, signaling a shift in near-term inflation expectations. In contrast, longer-term inflation expectations remained stable, as tracked by the Five-Year/Five-Year Forward Inflation Expectation Rate.

March trading was defined by a tug-of-war between mixed macroeconomic data and evolving Fed guidance. The February Consumer Price Index print came in softer than consensus, and a string of strong prints, including ISM PMI Services, job openings and core retail sales, reaffirmed the economy's underlying resilience. Still, fiscal uncertainty, including fears of a government shutdown, and growing tariff-related speculation increasingly clouded the outlook, weighing on consumer sentiment and amplifying market volatility. Amid continued geopolitical tensions, overseas demand for Treasuries remained robust.

The March Federal Open Market Committee meeting delivered no changes to the federal funds rate but maintained officials' projection for two rate cuts in 2025. During the post-meeting press conference, Chair Jerome H. Powell reiterated the committee's confidence in the disinflation process despite recent bumps in the data, and he acknowledged that labor market conditions were gradually normalizing. With longer-term inflation projections remaining unchanged, the Fed appeared to view the potential inflationary effects of tariffs as transitory. Markets interpreted this as confirmation of easing in the second half of the year. The Fed also sharply slowed the pace of its balance-sheet runoff, adding to the dovish narrative.

Agency Residential and Agency Commercial Mortgage-Backed Securities

Agency residential mortgage-backed securities (RMBS) had poor returns in March but fared well in the first quarter as the U.S. Treasury curve steepened. Agency RMBS returned negative 0.02% on the month and 3.06% on the quarter, as measured by the Bloomberg US MBS Index. In March, the MBS index underperformed the Bloomberg US Treasury Index's return of 0.23% and Bloomberg US Agency Commercial MBS (CMBS) Index's 0.40% but outperformed the Bloomberg US Credit Index's negative 0.24%. On the quarter, the MBS index outperformed the Treasury, Agency CMBS and Credit indices.

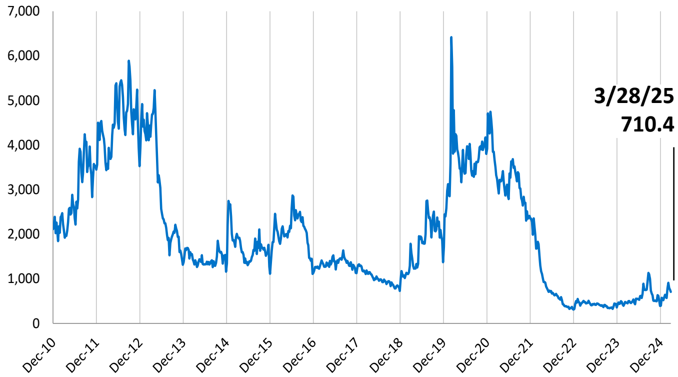
Agency RMBS spreads moved wider on the month and were volatile on the quarter as option-adjusted spreads (OAS) widened 5 basis points (bps) on the month and tightened 7 bps on the quarter to end at 36 bps, according to the Bloomberg US MBS Index. Agency CMBS OAS, as measured by the Bloomberg US Agency CMBS Index, widened 4 bps on the month and 3 bps on the quarter to 39 bps. Spreads for current-coupon Agency RMBS widened 12 bps on the month and roughly 8 bps on the quarter to 144 bps.

Aggregate prepayment speeds increased in March, driven by a rise in turnover prepays, declining mortgage rates and a higher day count. The 30-year mortgage rate, as measured by the Freddie Mac U.S. Mortgage Market Survey 30-Year Homeowner Commitment National Index, decreased 11 bps on the month and declined 20 bps on the quarter to 6.65%.

Gross issuance of Agency RMBS increased month-over-month (MoM) to $78.6 billion, bringing gross issuance for the quarter to $253 billion. Net issuance for Agency RMBS decreased MoM to negative $2.9 billion from $7.4 billion; quarterly net issuance was $34.3 billion. Gross issuance of Agency CMBS decreased MoM to $9.2 billion, bringing quarterly issuance to $31.1 billion. Paydowns on the Federal Reserve's MBS portfolio increased MoM to $15.9 billion from $14.2 billion.

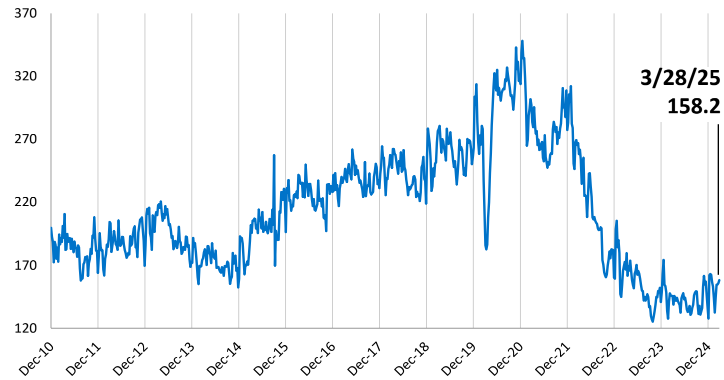
For more on mortgage market activity, please see the following page.

MBA U.S. Refinancing Index | As of March 28, 2025



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

MBA Purchase Index | As of March 28, 2025



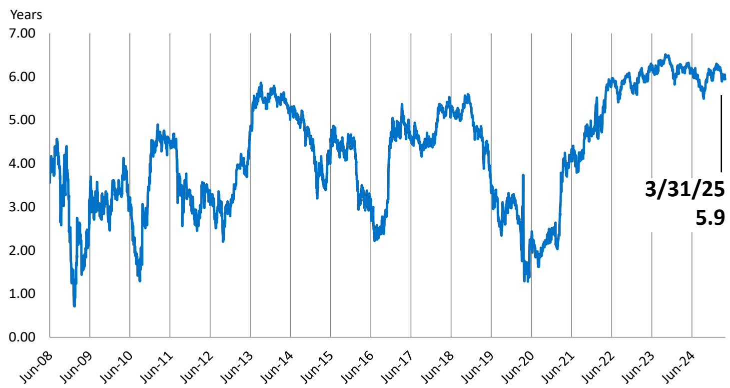
Source: Bloomberg. Base = 100 on 1/14/2011. Seasonally Adjusted

Freddie Mac Commitment Rate - 30 Year | As of March 27, 2025

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 March 31, 2025



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

Conditional Prepayment Rates (CPR)												
2024-2025	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**	**January**	**February**	**March**
Fannie Mae (FNMA)	6.0	6.5	6.1	6.6	6.6	6.4	8.1	6.2	6.0	5.2	5.1	6.5
Ginnie Mae (GNMA)	7.3	7.9	7.5	8.6	10.0	10.9	12.9	9.3	8.4	7.7	7.2	9.6
Freddie Mac (FHLMC)	5.8	6.3	6.0	6.4	6.6	6.5	8.5	6.2	5.9	5.2	5.1	6.5

Bloomberg U.S. MBS Index	1/31/2025	2/28/2025	3/31/2025	Change
Average Dollar Price ($)	88.18	90.18	89.90	-0.28
Duration (Years)	6.20	5.89	5.95	0.06

Bloomberg U.S. Index Returns (%)	1/31/2025	2/28/2025	3/31/2025
Aggregate	0.53	2.20	0.04
MBS	0.51	2.55	-0.02
Corporate	0.55	2.04	-0.29
Treasury	0.52	2.16	0.23

Source: eMBS, Barclays Capital
FHLMC Commitment Rate Source: Bloomberg
As of March 31, 2025

Non-Agency Residential Mortgage-Backed Securities

Performance of non-Agency residential mortgage-backed securities (RMBS) was generally positive across subsectors in March, with the exception of re-performing loans and credit risk transfers. Performance was largely driven by credit spread tightening due to favorable supply-demand factors, as a positive outlook on housing fundamentals contributed to strong investor demand for the asset class. Non-Agency RMBS performance was positive across subsectors in the first quarter as interest rates rallied across the U.S. Treasury yield curve.

Credit fundamentals were mixed versus February remittance as prepayments were mixed, delinquencies increased, and mortgage rates decreased. The Freddie Mac U.S. Mortgage Market Survey 30-Year Homeowner Commitment National Index fell 11 basis points (bps) month-over-month (MoM) and 20 bps over the quarter to 6.65%.

March marked $15.2 billion in new issuance, up approximately $3.9 billion MoM, according to BofA Global Research, with issuance concentrated in non-qualified mortgages (non-QMs). For the quarter, new issuance totaled $39.0 billion, up approximately $4.7 billion quarter-over-quarter, with activity also largely concentrated in non-QMS.

Home prices were up 0.07% MoM and 4.67% year-over-year in January, the most recent month for which data was available for the S&P CoreLogic Case-Shiller 20-City Composite Home Price NSA Index. Existing-home sales increased by 4.2% in February, the most recent month for which data was available as measured by the National Association of Realtors Existing-Home Sales Report. Year-over-year sales were down nationwide.

Non-Agency Commercial Mortgage-Backed Securities

In March, the primary non-Agency commercial mortgage-backed securities (CMBS) market priced $11.06 billion of deals across 14 transactions. *(Figure 3)* Conduit benchmark last-cash-flow bonds rated AAA widened 18 basis points (bps) to 1.12% compared to duration-matched U.S. Treasuries. Bonds rated BBB- widened 79 bps to 4.79% compared to duration-matched Treasuries. The month's activity pushed first quarter totals to $44.68 billion via 46 deals, up from $19.34 billion via 25 deals a year ago.

February month-over-month (MoM) price movements on commercial real estate (CRE) were moderate compared to January's activity. Both apartment and retail property prices decreased, down 0.67% and 0.39%, respectively, in February, the latest month for which data was available for the RCA U.S. All-Property Commercial Property Price Index (CPPI). Central business district (CBD) and suburban office prices rebounded from January's dips, increasing 4.95% and 0.14%, respectively. The RCA U.S. All-Property CPPI was up 0.59% MoM and 0.43% year-over-year (YoY). CRE transaction volume was $26.0 billion, up 23% YoY. *(Figures 4 and 5)*

Private-Label New Issuance ($ Billions)	Monthly		Quarter-to-Date	
	Deals	Volume	Deals	Volume
Conduit	4	$3.48	11	$9.44
Single Asset, Single Borrower	8	$5.48	28	$26.53
Commercial Real Estate CLO	2	$2.10	8	$8.35
Other	0	–	0	$0.35
Private-Label Total	14	$11.07	46	$44.68

Private-Label New Issuance ($ Billions)	Year-to-Date		Comparable to YTD 2024	
	Deals	Volume	Volume	% of YTD 2024
Conduit	11	$9.44	$5.66	167%
Single Asset, Single Borrower	28	$26.53	$12.19	218%
Commercial Real Estate CLO	8	$8.35	$1.55	539%
Other	0	$0.35	–	–
Private-Label Total	46	$44.68	$19.40	230%

Figure 3
Source: DoubleLine, J.P. Morgan, as of March 31, 2025

Property Type	MoM Price Change (%)	YoY Price Change (%)
Apartment	-0.67	-1.91
Retail	-0.39	4.00
Industrial	1.60	2.33
Office - Central Business District	4.95	-2.82
Office - Suburban	0.14	-1.02
National All-Property	0.59	0.43

Figure 4
Source: Real Capital Analytics, as of March 31, 2025

RCA U.S. CPPI Indexes | As of February 28, 2025

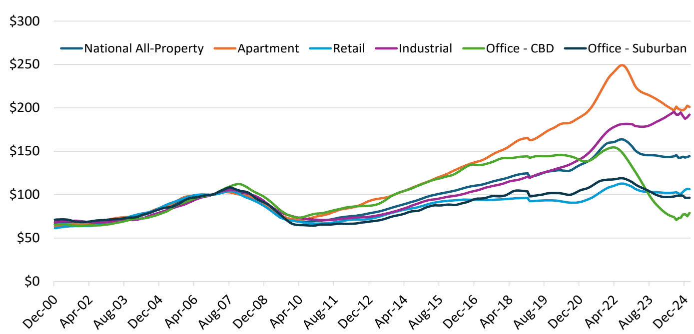


Figure 5
Source: Real Capital Analytics

The 30-day-plus delinquency rate for non-Agency CMBS rose 35 bps MoM in March and 8 bps for the quarter to 6.65%. *(Figure 6)* The percentage of loans that were seriously delinquent (60 days or longer, in foreclosure, real estate owned or non-performing) was up 41 bps MoM to 6.32% but basically flat quarter-over-quarter. Delinquencies in the heavily watched office segment decreased 2 bps to 9.76% while all other property types experienced increases, led by multifamily's 98-bp spike to 5.44%.

30-Day-Plus Delinquency Rates | As of March 31, 2025

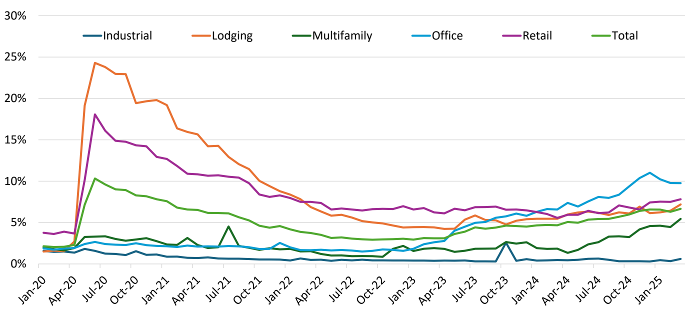


Figure 6
Source: Trepp

Asset-Backed Securities

The asset-backed securities (ABS) market delivered positive returns in March as the U.S. Treasury curve steepened during the month, driven by trade policy uncertainty and weaker economic data that weighed on the U.S. growth outlook. Short-duration and high-credit-quality ABS, such as those held in the Bloomberg US ABS Index, returned 0.23% while more off-the-run sectors, such as those held in the ICE BofA U.S. Fixed-Rate Miscellaneous ABS Index, returned 0.06%. The broader fixed-income market, as measured by the Bloomberg US Aggregate Bond Index (the "Agg"), returned 0.04%. For the first quarter, the ABS market generally delivered positive returns as Treasury yields rallied across the curve. The Bloomberg US ABS Index returned 1.53%, the ICE BofA U.S. Fixed-Rate Miscellaneous ABS Index returned 1.53%, and the Agg returned 2.78%.

Primary market activity totaled $30.8 billion on the month, bringing the quarterly total to $88.1 billion. The best-performing ABS subsectors on the month were telecom securitizations, benefiting from the rally in short- and intermediate-duration Treasury yields. The worst performers were renewable securitizations, as weaker collateral fundamentals for these assets caused some spread widening. The best performers on the quarter were aircraft securitizations, as these assets experienced modest spread tightening. Despite generating positive returns, timeshare and railroad-related ABS subsectors were the laggards.

Investment Grade Credit

The U.S. investment grade (IG) credit market, as measured by the Bloomberg US Credit Index, was down 0.24% in March but returned 2.36% for the first quarter. IG credit spreads widened on the month and quarter as uncertainty over White House policy and mixed economic data weighed on the growth outlook. Spreads, as measured by the index, widened 6 basis points (bps) to 89 bps in March, underperforming duration-matched U.S. Treasuries by 39 bps. On the quarter, spreads widened 12 bps, underperforming duration-matched Treasuries by 76 bps.

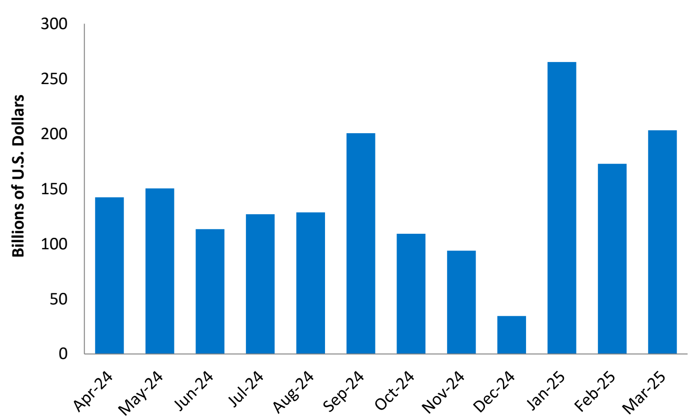
Bloomberg US Credit Index
As of March 31, 2025

	Total Return by Rating Category (%)			
	One Month	Quarter-to-Date	Year-to-Date	Last 12 Months
US IG Credit Index	-0.24	2.36	2.36	4.87
AAA	0.31	2.50	2.50	4.99
AA	-0.20	2.49	2.49	3.98
A	-0.20	2.40	2.40	4.64
BBB	-0.37	2.28	2.28	5.24

Source: Barclays Live

Treasury curve steepening drove IG credit performance on the month, with short-duration credit returning 0.43%, outperforming intermediate-duration credit's 0.30% and long-duration credit's negative 1.38%. On the quarter, long-duration credit returned 2.47%, outperforming intermediate-duration credit's 2.32% and short-duration credit's 1.64% in a period when Treasury yields fell across the curve.

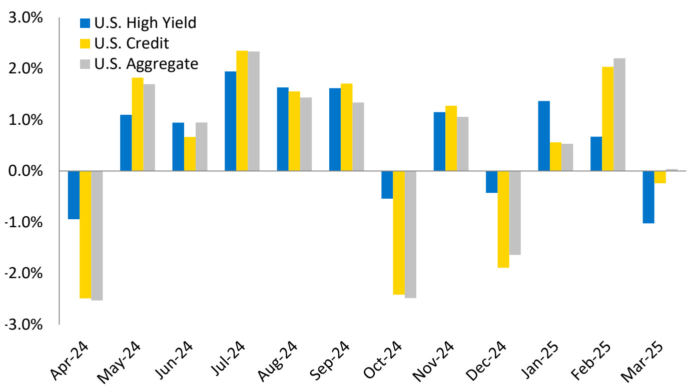
Total Fixed-Rate Investment Grade Supply
As of March 31, 2025



Source: Barclays Live

The best-performing subsectors on the month were other financial, banking and finance. The worst performers were other industrial, transportation and communications. The best performers on the quarter were consumer noncyclical, other financial and capital goods. The worst performers were natural gas, finance and consumer cyclical.

Performance of Select Bloomberg Indices
April 2024 through March 2025



Source: Barclays Live

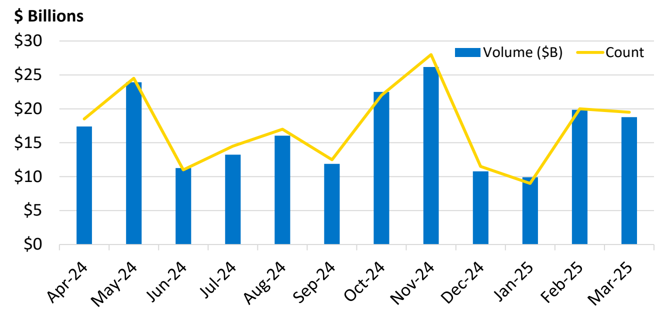
U.S. dollar-denominated IG new issuance in March was $203.3 billion on a gross basis, up 21% year-over-year (YoY), according to Barclays, and $79.7 billion on a net basis, up 83% YoY. On the quarter, gross issuance was $641 billion, down 2% versus the same period a year ago, and $313 billion on a net basis, down 12%.

IG fund inflow was $18.7 billion on the month, down 52% YoY, according to EPFR Global as reported by J.P. Morgan, and $65.6 billion on the quarter, down 38% YoY.

Collateralized Loan Obligations

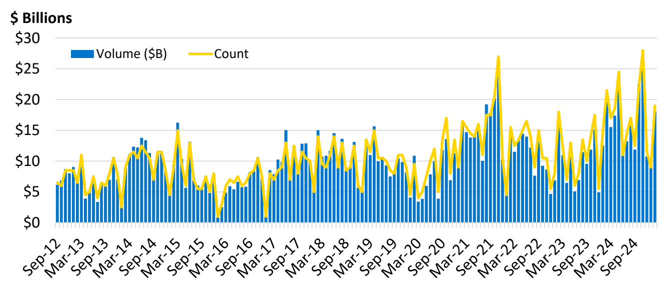
Spreads for U.S. collateralized loan obligations (CLOs) widened across the capital stack in March, with those for CLOs rated AAA closing essentially where they began the first quarter and those for below-investment-grade (IG) tranches widening considerably amid rising geopolitical uncertainty. The J.P. Morgan CLO Total Return Index rose 0.05% on the month, bringing quarterly return to 1.07%. Market-based metrics, including net asset value and market value overcollateralization, worsened month-over-month (MoM) alongside the Morningstar LSTA US Leveraged Loan PR USD Index, which was down to $96.31 from $97.15 and $97.33 at the start of the first quarter. The distressed ratio, defined as the number of loans trading below $80, followed suit, worsening MoM to 3.21% from 3.05% and 3.02% at the start of the quarter.

Last 12 Months Issuance | April 2024 to March 2025



Source: LCD-CLO Global Databank

CLO New Issuance | September 2012 to March 2025



Source: LCD-CLO Global Databank

U.S. CLO issuance came in at $18.8 billion pricing across 39 deals, nearly matching February's numbers. Primary supply for the quarter totaled $48.6 billion via 97 deals, on track with the same period a year ago. Despite some spread widening, 28 refinancing (refi) and 37 reset transactions priced on the month, totaling $11.5 billion and $23.2 billion, respectively. Quarterly CLO refi volume totaled $40.9 billion via 98 transactions, and reset volume totaled $63.9 billion via 115 transactions, more than double the pace of refi and reset volumes at this time last year.

In the secondary market, CLO trading volume rose to its third highest monthly level on record, behind only March 2020 and January 2024, per Trade Reporting and Compliance Engine data. IG volume rose 77% MoM to $18.5 billion while below-IG volume rose 21% to $4.5 billion. The volume of bids wanted in competition climbed 56% MoM to $7.4 billion.

CLO credit fundamentals were mixed in March, with Moody's weighted average rating factor scores and concentrations rated CCC showing modest improvement while minimum overcollateralization cushions worsened slightly as the percentage of defaulted assets in CLOs increased. A chapter 11 bankruptcy filing and a missed interest payment from another company had little impact on the last 12-month U.S. leveraged loan default rate by principal amount, which rose only 1 basis point (bp) MoM to 0.82% as one issuer rolled off the calculation. Alternatively, the dual-track default rate, which includes distressed exchanges, increased 13 bps MoM to 4.31% as three issuers were added. Some positive metrics were observed, however, among ratings actions. The rolling three-month ratio of downgrades to upgrades improved MoM to 2.96x from 4.69x, the biggest MoM movement since August 2020.

Bank Loans

The bank loan market in March posted its first negative return since October 2023, declining 0.31%, per the Morningstar LSTA US Leveraged Loan TR USD Index. Lower loan prices contributed negative 0.98% and were partly offset by interest income of 0.67%. The weighted average bid price of the Morningstar LSTA US Leveraged Loan PR USD Index ended the month at $96.31, down from $97.15 month-over-month (MoM) and $97.33 at the start of the first quarter. Risk markets exhibited a softer tone as investors considered the potential for U.S. tariffs to negatively impact economic growth. For the quarter, bank loans returned 0.48%, per the Morningstar LSTA US Leveraged Loan TR USD Index, the lowest return since the second quarter of 2022. The bank loan market ended the month with a yield to maturity of 8.67% and a spread to maturity of 4.20%. While the yield of the asset class remains elevated, a slowing economy could lead to higher default rates.

Distressed Ratio | January 2024 to March 2025

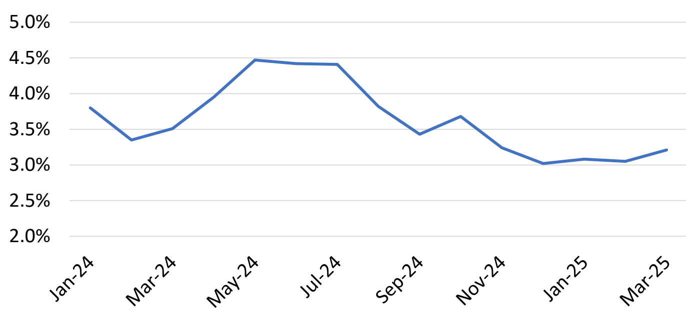


Figure 7
Source: DoubleLine, Morningstar LSTA US Liquid Leveraged Loan Index

Cautious market sentiment led to decompression in trading levels on the month, with higher-rated loans outperforming lower-rated loans. Loans rated BB returned 0.09% versus negative 0.41% for loans rated B and negative 1.84% for loans rated CCC. Second lien loans were down 0.79%. Trends were similar across the quarter, with returns of 0.93%, 0.35% and negative 0.57% for loans rated BB, B and CCC, respectively. The distressed ratio, defined as the number of loans trading below $80, ended March at 3.21%, up from 3.05% at the start of the month and 3.02% at the start of the quarter. (Figure 7) In addition, while the quarter started with 62.60% of the market trading above par, the metric fell to just 10.30% at the end of the period.

The official default rate remained very low in March at 0.82%, nearly unchanged MoM and well below a 10-year average of 1.56%. (Figure 8) There were only two new defaults on the month. Including distressed exchanges, the default rate rose to 4.31%, up from 4.18% in February but down from 4.70% at the start of the quarter. In the trailing 12-month period, 35 issuers consummated out-of-court transactions. Downgrades continued to outpace upgrades, portending a higher future default rate. The three-month rolling average of downgrades to upgrades ended March at 2.96x, down from 4.69x MoM and 3.00x at the start of the quarter.

Bank Loan Default Rate | January 2023 to March 2025

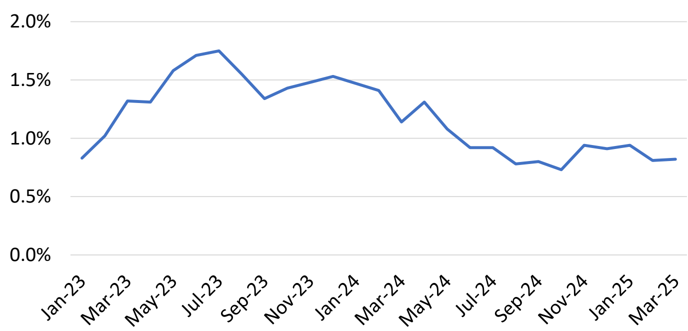


Figure 8
Source: DoubleLine, Leveraged Commentary & Data

New-issue volume slowed in March to $47.7 billion, down from $91.7 billion MoM and $113.3 billion a year ago, with repricing transactions accounting for 19% of the monthly total. On the quarter, mergers and acquisitions volume reached a three-year high of $52.0 billion, up from $28.0 billion the previous quarter and $29.9 billion a year ago.

High Yield

The Bloomberg US Corporate High Yield (HY) Index returned negative 1.02% in March, with yields rising 58 basis points (bps) to 7.73% while spreads widened 67 bps to 347 bps. Spreads widened amid mixed economic data as well as escalating tariff concerns. The index finished the first quarter up 1.00%.

Bloomberg US Corporate High Yield Index
As of March 31, 2025

	Total Return by Rating Category (%)			
	One Month	Quarter-to-Date	Year-to-Date	Last 12 Months
US High Yield Index	-1.02	1.00	1.00	7.69
BB	-0.51	1.49	1.49	6.68
B	-1.26	0.74	0.74	6.73
CCC	-2.24	-0.44	-0.44	12.18

Source: Bloomberg, DoubleLine

High yield default rates were stable on the month and at very low levels. The high yield 12-month, par-weighted default rate was unchanged month-over-month at 0.27%, according to J.P. Morgan, a steep decline from 2.08% at the end of 2023 and down from a very low 0.36% at the end of 2024. For reference, the 25-year average is 3.00%. When including distressed exchanges, the default rate declined 5 bps to 1.20%, compared to 1.47% at the end of 2024. The 25-year default average including distressed exchanges is 3.40%.

Monthly upgrade volume ($78.7 billion) outpaced downgrade volume ($26.7 billion), according to J.P. Morgan, bringing the first quarter ratio to 1.5x compared to 1.6x for full-year 2024. By number, March upgrades (42) also outpaced downgrades (20), bringing the number ratio to 1.4x for the quarter compared to 1.2x for full-year 2024.

The HY bond market priced $26.6 billion in March, according to J.P. Morgan, a five-month high. 2024 averaged $24.1 billion a month. Refinancing once more was the primary use of proceeds at 77% of volume, above a 75% rate marked in 2024.

March delivered an inflow of $2.1 billion into the asset class, according to Lipper as reported by J.P. Morgan, the 10th month of inflow out of the last 11. March's tally pushed quarterly inflow to $7.6 billion. 2024 marked $16.4 billion in inflow.

Commodities

The broad commodity market posted positive returns in March and delivered positive returns for the first quarter despite tariff headlines generating volatility across the asset class in the period. The Bloomberg Commodity Index was up 3.55% on the month and 7.74% on the quarter. The S&P GSCI rose 2.53% and 3.78%, respectively.

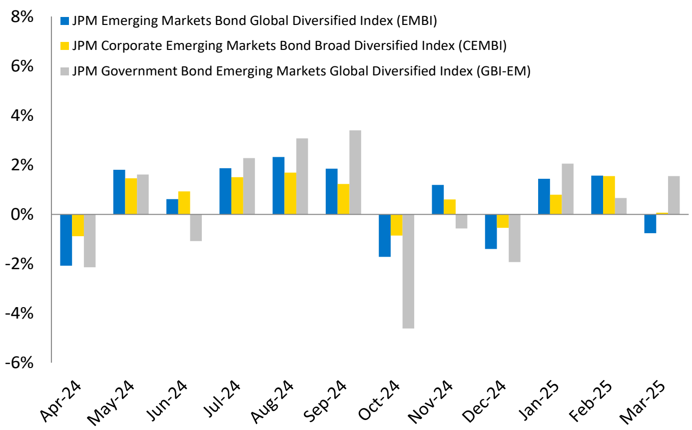
Performance of the underlying commodity subsectors was mixed during the month, as tracked by the S&P GSCI. The best-performing subsector was precious metals (+9.57%), with gold up 9.54%, benefiting from a weaker U.S. dollar and bid for safe-haven assets. Energy posted positive returns (+2.97%), with Brent crude (+3.42%) and WTI crude (+2.94%) rising. The petroleum complex reversed course from the previous month, with crude and products moving higher in response to lower production from OPEC countries. Industrial metals managed positive returns (+0.92%), supported by copper (+3.62%) as investors rushed to get exposure to the metal ahead of announced tariffs coming into force in early April. Agriculture decreased 2.00%, with cocoa dropping 13.39%. Wheat declined 3.37%, impacted by the threat of retaliatory tariffs. For the quarter, the best performers were precious metals (+17.00%), industrial metals (+4.08%) and energy (+3.72%). Agriculture was the worst, falling 2.29%.

Emerging Markets Fixed Income

Emerging markets (EM) sovereign and corporate bonds posted mixed returns in March, capping off a first quarter that marked positive performance for both asset classes. The J.P. Morgan Emerging Markets Bond Index Global Diversified (EMBI GD), which tracks sovereign bonds, returned negative 0.76% on the month and 2.24 % on the quarter. The J.P. Morgan Corporate Emerging Markets Bond Index Broad Diversified (CEMBI BD), which tracks corporate bonds, returned 0.06% and 2.42%, respectively. The credit spread for the EMBI GD widened 21 basis point (bps) in March and 24 bps in the quarter; the credit spread for the CEMBI BD widened 12 bps and 25 bps, respectively.

On the month, performance across all regions was negative for the EMBI GD; performance across all regions was positive for the CEMBI BD except Europe. The Middle East was the best performer in both indices; Africa was the worst performer in the EMBI GD. On the quarter, performance across all regions was positive for both indices. The Middle East was the best performer and Africa the laggard in the EMBI GD; Latin America was the best performer and the Middle East the laggard in the CEMBI BD. The investment grade subindex outperformed the high yield subindex in both indices on the month and quarter.

J.P. Morgan Emerging Markets Bond Index Performance
April 30, 2024 to March 31, 2025



Source: J.P. Morgan

Risk appetite for 2025 will likely be driven by the path of global growth and inflation and, by extension, global central banks' pace of monetary easing, with an emphasis on the speed and depth of the Federal Reserve's easing cycle. Other potential factors could include the impact of U.S. tariff and immigration policy; China's fiscal and monetary stimulus measures; and geopolitical tensions, including events in the Middle East, Ukraine and Taiwan Strait.

International Sovereign

Global government bonds, as measured by the FTSE World Government Bond Index, returned 0.68% in March and 2.57% in the first quarter, mainly driven by foreign currency appreciation against the U.S. dollar.

The dollar, as measured by the U.S. Dollar Index, weakened over the month and quarter amid a sharp decline in U.S. Treasury yields driven by concerns about slowing growth and policy uncertainty in the U.S. Investor expectations increased for the possibility that the Federal Reserve would lower interest rates following signs of potential softening in the U.S. economy, including a deterioration in consumer confidence. Inflation expectations surged amid mixed messaging on U.S. plans to impose tariffs on global trading partners. Even as the Fed kept rates on hold at its March meeting, agency officials acknowledged increased uncertainty driven by U.S. policies, downgrading their forecast for U.S. growth and revising inflation expectations higher.

Following modest strengthening in January and February, the euro surged against the dollar in March after Germany announced a plan to boost spending on defense and infrastructure by hundreds of billions of euros. The spending deal fueled bets that the fiscal stimulus could help revive economic growth and led to a jump in government bond yields in Germany and across the eurozone. The European Central Bank, meanwhile, lowered its policy rate 25 basis points to 2.5% at its March meeting, as expected, and messaged a possible slowdown in the pace of further cuts.

The Japanese yen strengthened against the dollar over the month and quarter as rate differentials versus those of the U.S. continued to narrow. Data showing a jump in wage growth and inflation having accelerated more than expected reinforced expectations that the Bank of Japan would resume normalizing monetary policy by continuing to raise interest rates. The yen also attracted safe-haven flows amid heightened global uncertainty driven by mixed messaging on U.S. trade policy.

Infrastructure

Infrastructure assets experienced negative returns and underperformed the broader fixed-income market in March. The U.S. Treasury curve steepened on the month, driven by trade policy uncertainty and weaker economic data that weighed on the U.S. growth outlook. The Bloomberg US Aggregate Bond Index (the "Agg") and Bloomberg US Corporate Index returned 0.04% and negative 0.29%, respectively. For the first quarter, infrastructure assets delivered positive returns but generally lagged the broader fixed-income market in a period when yields fell 20 basis points to 40 basis points across the Treasury curve. The Agg and Bloomberg US Corporate Index returned 2.78% and 2.31%, respectively.

The best-performing infrastructure subsectors on the month were electric utility corporate bonds, boosted as yields fell across the short- and intermediate-duration Treasury tenors. Aircraft asset-backed securities also performed well. The worst performers were industrial corporate bonds due to these longer-duration exposures having relatively higher interest-rate sensitivity. The best performers on the quarter were industrial and electric utility bonds, which benefited from a longer-duration profile as yields fell across the longer Treasury tenors. Although no sectors generated negative performance, consumer ABS and emerging markets infrastructure exposures were the laggards, impacted by some modest spread widening.

U.S. Equities

U.S. equities came under pressure in March, impacted by threats of tariffs and their potential negative impact on global growth and higher domestic inflation. The weakness was broad-based, with the S&P 500 Index (-5.63%), Dow Jones Industrial Average (-4.06%) and Nasdaq Composite Index (-8.14%) declining. The Russell 2000 Index, which tracks small-capitalization stocks, dropped 6.81%. Value stocks were lower but outperformed the broader market, with the Russell 1000 Value Index down 2.78%, significantly outperforming the negative 8.42% of the Russell 1000 Growth Index, which tracks growth stocks. The negative monthly performance put the S&P 500 (-4.27%), Dow Jones Industrial Average (-0.87%) Nasdaq (-10.26%) and Russell 2000 (-9.48%) in the red for the first quarter.

Negative returns were marked in nine out of the 11 GICS sectors during the month. Energy was the best-performing sector (+3.47%) followed by utilities (+0.26%). The worst performers were technology (-8.32%), consumer discretionary (-8.31%) and communication services (-5.18%). During the quarter, the best performers were energy (+9.98%), health care (+6.54%) and utilities (+4.94%). The worst performers were consumer discretionary (-11.72%), technology (-11.01%) and industrials (-0.19%).

Global Equities

Global equities declined in March, with the MSCI All Country World Index (ACWI) declining 3.90%, and finished the first quarter down 1.22%. Geopolitical risks stemming from a heightened threat of U.S. tariffs on imports weighed on global equities during the month. U.S. equities, as measured by the S&P 500 Index, underperformed the broader market, declining 5.63%, with investors worried higher tariffs would weigh on domestic growth and spur higher inflation. During the quarter, the index declined 4.27%. The market-cap-weighted index was dragged down by negative performance in the heavily weighted information technology sector, which also impacted the tech-heavy Nasdaq Composite Index, which was down 8.14% on the month and 10.26% on the quarter. A broader measure of U.S. equities, the S&P 500 Equal Weight Index, was down by a lesser degree, falling 3.38% and 0.61%, respectively. The Russell 2000 Index, which tracks small-capitalization stocks, was down 6.81% and 9.48%, respectively.

European equities broadly outperformed the MSCI ACWI on the month, with the STOXX Europe 600 Index up 0.12%, bolstering its quarterly outperformance, 10.68% vs. negative 1.22%. The strong equity performance was broad-based, with German, Italian, U.K. and Spanish stocks posting positive returns. While all the major countries' equity indices were significantly higher during the quarter, Spanish equities were the top performer, up 19.06%.

Asian equities delivered mixed performance, with Japanese, South Korean and Taiwanese equities down on the month while Hong Kong and Chinese equities produced positive returns. On the quarter, Asian equities also generated mixed performance, with Japan and Taiwanese equities down 5.59% and 11.00, respectively, while Hong Kong equities returned 15.90%. Emerging markets equities, as measured by the MSCI Emerging Markets Index, outperformed during the month and quarter, up 0.64% and 2.97%, respectively.

Global and U.S. Equities (%)	March 2025	February 2025	1Q 2025
MSCI All Country World Index	-3.90	-0.57	-1.22
S&P 500 Index	-5.63	-1.30	-4.27
S&P 500 Equal Weight Index	-3.38	-0.61	-0.61
Nasdaq Composite Index	-8.14	-3.91	-10.26
Dow Jones Industrial Average	-4.06	-1.39	-0.87
Russell 2000 Index	-6.81	-5.35	-9.48

Eurozone (%)	March 2025	February 2025	1Q 2025
Stoxx Europe 600 (Eurozone)	0.12	3.20	10.68
DAX (Germany)	2.20	3.54	15.80
CAC 40 (France)	-0.02	1.81	10.52
FTSE MIB (Italy)	2.47	5.75	16.32
IBEX 35 (Spain)	2.44	7.70	19.06
FTSE 100 Index (U.K.)	0.43	3.11	9.40

Asia (%)	March 2025	February 2025	1Q 2025
Nikkei 225 (Japan)	-3.07	-3.30	-5.59
Shanghai Stock Exchange Composite (China)	0.71	1.73	0.42
Hang Seng Index (Hong Kong)	1.10	13.60	15.90
KOSPI (South Korea)	-2.51	0.46	4.29
TAIEX (Taiwan)	-11.05	-2.14	-11.00
AORD (Australia)	-2.79	-4.58	-2.07

Emerging Markets (%)	March 2025	February 2025	1Q 2025
MSCI Emerging Markets Index	0.64	0.50	2.97
Ibovespa (Brazil)	9.09	-3.46	16.91
MSCI India Index	9.22	-8.00	-3.01

Source for the above market chart data: Bloomberg

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).

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.

Below Investment Grade/Non-Investment Grade – Term indicating a security is rated below investment grade (IG). These securities are seen as having higher default risk or being prone to other adverse credit events. They typically pay higher yields than higher-quality bonds in order to make them attractive. They are less likely than IG bonds to pay back 100 cents on the dollar.

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 Credit Index – This index measures the investment grade, U.S. dollar-denominated fixed-rate, taxable corporate and government-related bond markets. It is composed of the Bloomberg US Corporate Index and a noncorporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

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, questionnaires are sent to over 700 manufacturing enterprises all over 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, questionnaires are sent to services enterprises all over China.

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

Conditional Prepayment Rate (CPR) – Metric (also known as "Constant Prepayment Rate") that indicates a loan prepayment rate at which the outstanding principal of a pool of loans, such as mortgage-backed securities, is paid off. The higher the CPR, the more prepayments are anticipated and thus the lower the duration of the note. This is called "prepayment risk."

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.

Conference Board Leading Economic Index (LEI) – This index tracks a group of composite indices (manufacturers' orders, initial unemployment insurance claims, etc.) as a means of gauging the strength of a particular industry or the economy.

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.

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.

Credit Risk Transfer (CRT) – Pioneered by Freddie Mac in 2013, CRT programs structure mortgage credit risk into securities and (re)insurance offerings, transferring credit risk exposure from U.S. taxpayers to private capital.

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.

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.

Five-Year/Five-Year Forward Inflation Expectation Rate – This rate measures expected inflation (on average) over the five-year period that begins five years from today. The rate is published by the Federal Reserve Bank of St. Louis.

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.

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, healthcare, financials, information technology, real estate, communication services and utilities.

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.

DoubleLine®

J.P. Morgan Government Bond Index Emerging Markets (GBI-EM) – This index is the first comprehensive global emerging markets index and consists of regularly traded, liquid, fixed-rate, domestic currency government bonds to which international investors can gain exposure.

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.

Leveraged Commentary & Data (LCD) – A unit of S&P Global Market Intelligence, LCD provides in-depth coverage of the leveraged loan market through real-time news, analysis, commentary and proprietary loan data.

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.

Mortgage Bankers Association (MBA) Purchase Index – This index, a component of the MBA's Weekly Application Survey, includes all mortgage applications for purchases of single-family homes. The index covers the entire market, including all products, and conventional and government loans.

Mortgage Bankers Association (MBA) Refinance Index – This index, a component of the MBA's Weekly Application Survey, tracks the number of mortgage refinance applications. The index is used to help predict mortgage activity and loan prepayments based on the number of mortgage refinance applications submitted.

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.

Net Asset Value (NAV) – Net value of an entity calculated as the total value of the entity's assets minus the total value of its liabilities. Most commonly used in the context of a mutual fund or an exchange-traded fund (ETF), the NAV represents the per share/unit price of the fund at a specific date or time.

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.

Overcollateralization (OC) – Provision of collateral that is worth more than enough to cover potential losses in cases of default.

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.

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.

Quantitative Tightening (QT) – Reverse of quantitative easing (QE); a central bank that acquired financial assets under QE undertakes steps to reduce its balance sheet.

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.

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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 1000 Growth (RLG) Index – This index measures the performance of the large-capitalization growth segment of the U.S. equity universe. It includes Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. Growth stocks are shares in a company that are anticipated to grow at a rate significantly above the average growth for the market.

Russell 1000 Value (RLV) Index – This index measures the performance of the large-capitalization value segment of the U.S. equity universe. It includes Russell 1000 Index companies with lower price-to-book ratios and lower expected growth values. Value stocks are shares of a company that appear to trade at a lower price relative to the company's fundamentals.

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 CoreLogic 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 GSCI – This index (formerly the Goldman Sachs Commodity Index) measures investment in the commodity markets and commodity market performance over time.

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).

Summary of Economic Projections (SEP) – Four times a year, the Federal Reserve releases a summary of Federal Open Market Committee (FOMC) participants' projections for gross domestic product (GDP) growth, the unemployment rate, inflation and the appropriate policy interest rate. The summary also provides information regarding policymakers' views on the uncertainty and risks attending the outlook. The projections provide information on the values that participants view as the most likely to prevail in the current year and the subsequent two years as well as over the longer run. The FOMC chair presents information about these projections in the press conference following the FOMC meeting for which they were prepared.

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.

Tenor – Length of time remaining before a financial contract expires. It is sometimes used interchangeably with the term maturity, although the terms have distinct meanings. Tenor is used in relation to bank loans, insurance contracts and derivative products.

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.

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.

Weighted Average Rating Factor (WARF) – Used by credit rating companies to indicate the credit quality of a portfolio. This measure aggregates the credit ratings of a portfolio's assets into a single rating.

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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