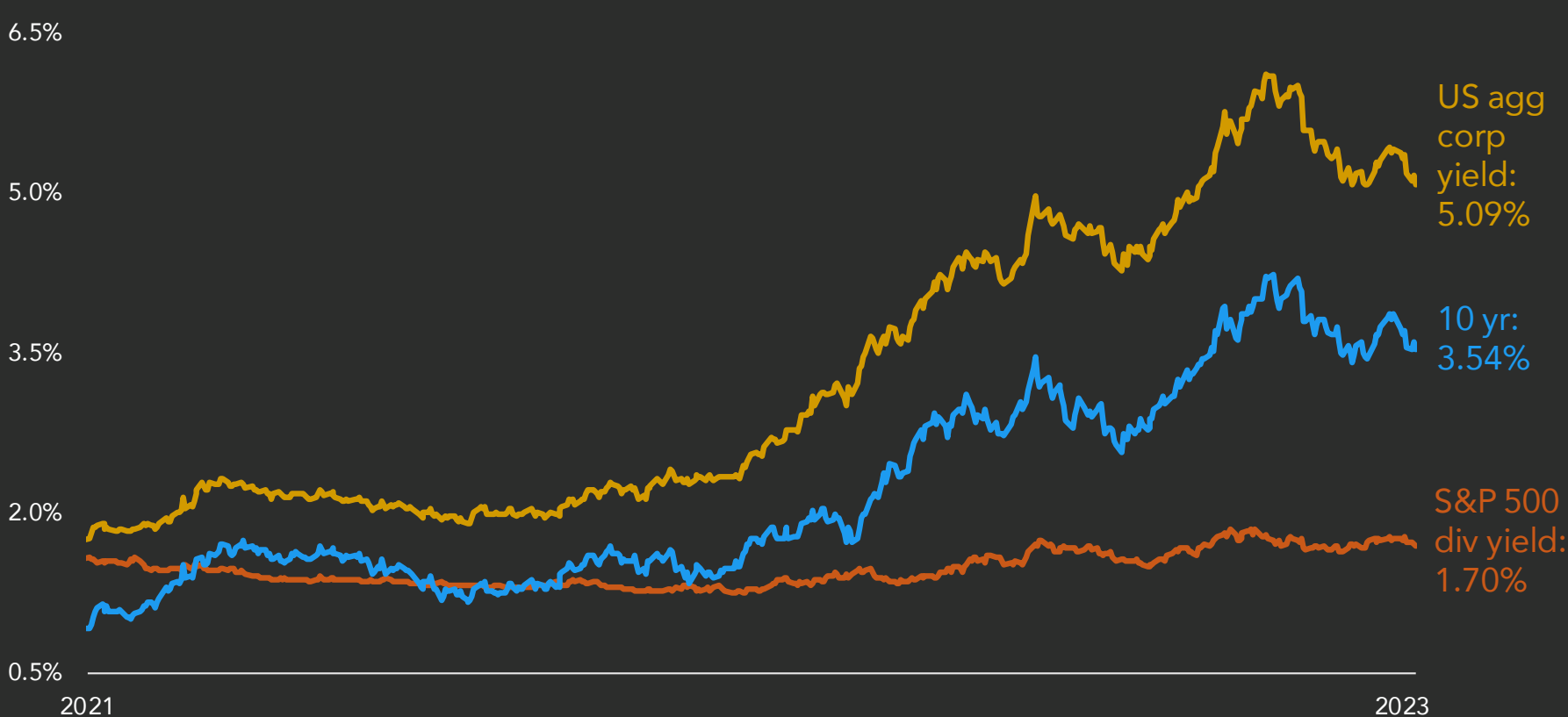


# Chart of the Day

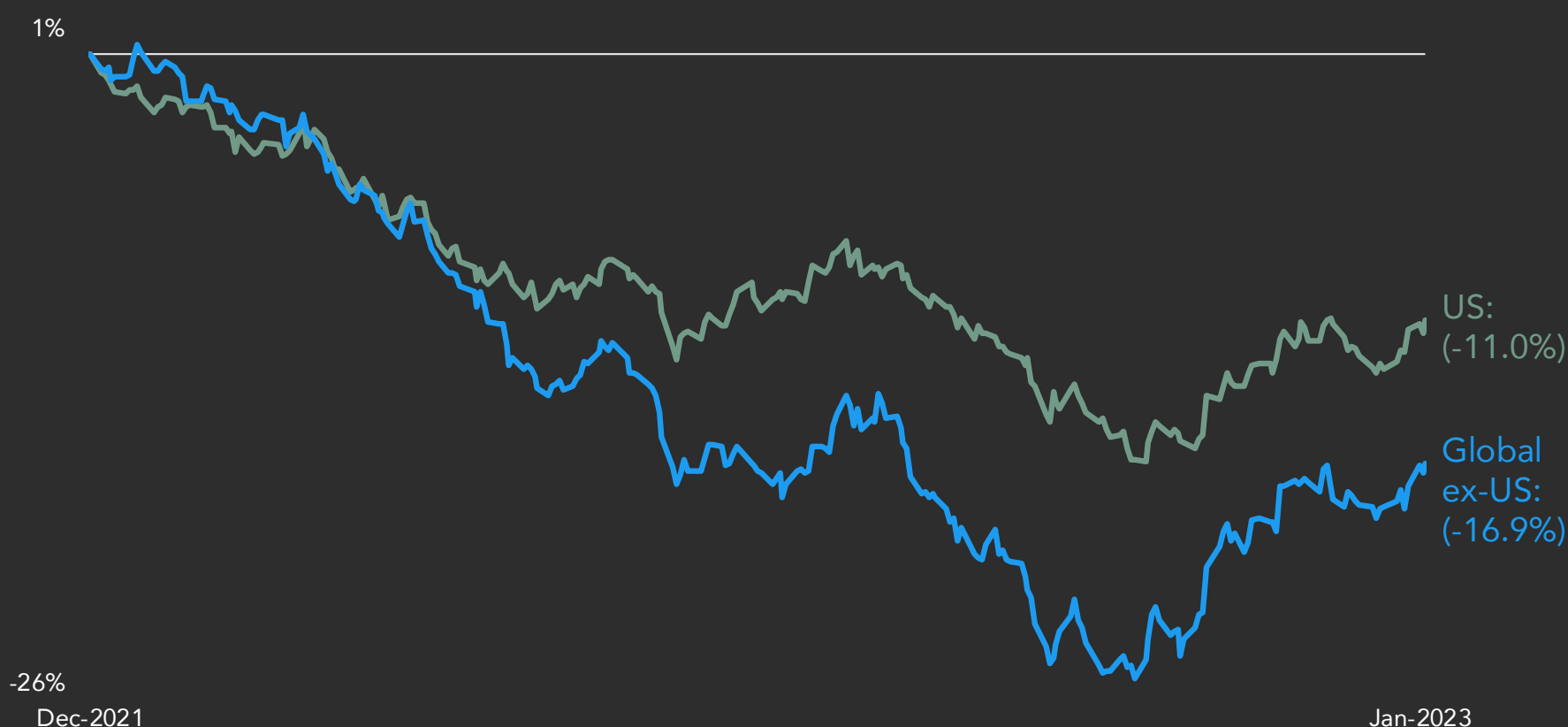
Compared to one year ago, the higher corporate bond yields in today's market offer attractive income for investors, as well as cushion to weather volatility. In fact, the additional yield between bond markets and S&P 500 dividend yields are at their widest level since 2007.

## 10 year UST vs. S&P dividend yield vs. US aggregate corporate yield



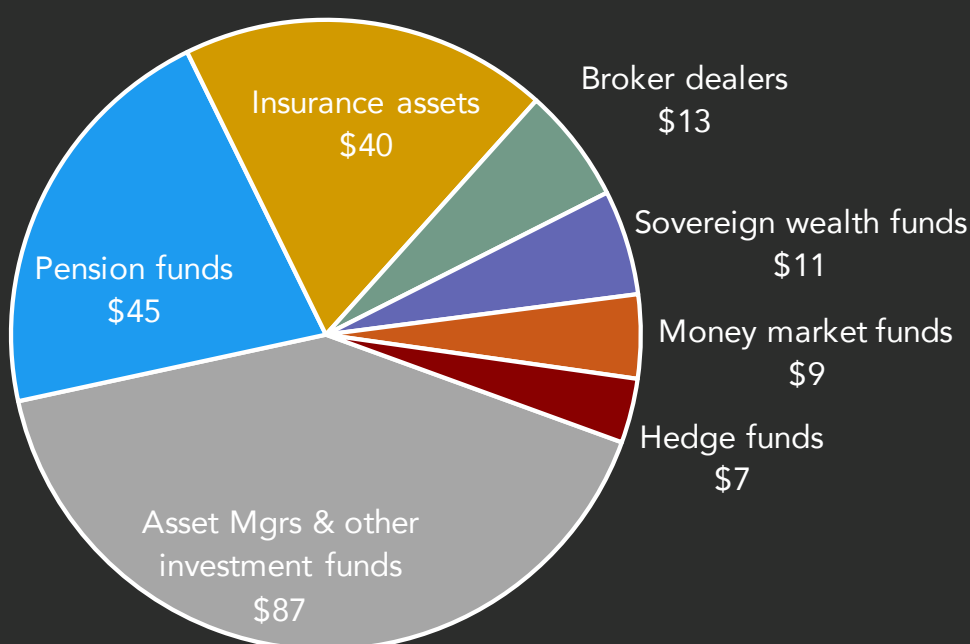
While balance sheet fundamentals will weaken under margin pressure and tighter financial conditions, the technical demand for high quality USD corporate credit remains strong. As evidenced by the outperformance of US credit vs ex-US in 2022, investors view the US as closer to policy normalization than Europe and Japan.

## Bloomberg aggregate US total return index vs. global ex-US index



Globally, there are more than \$200 trillion of investment funds (asset managers, pension, insurance, etc.) that need to invest in high quality, income-producing assets.

## Over \$200 trillion of investment funds



Source: (1-2) Bloomberg. Data as of January 12, 2023. Average yield is Bloomberg US Agg Corporate Yield to Worst. (3) Financial Stability Board. Global Monitoring Report on Non-Bank Financial Intermediation. (December 2022). Covers 29 jurisdictions that account for around 80% of global GDP. National Sector Balance Sheets, FSB calculations. Statista. IE Center for Governance and Change. Global Sovereign Wealth Fund - 2022 Annual Report.

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**“Macro stability isn’t everything, but without it, you have nothing.”**