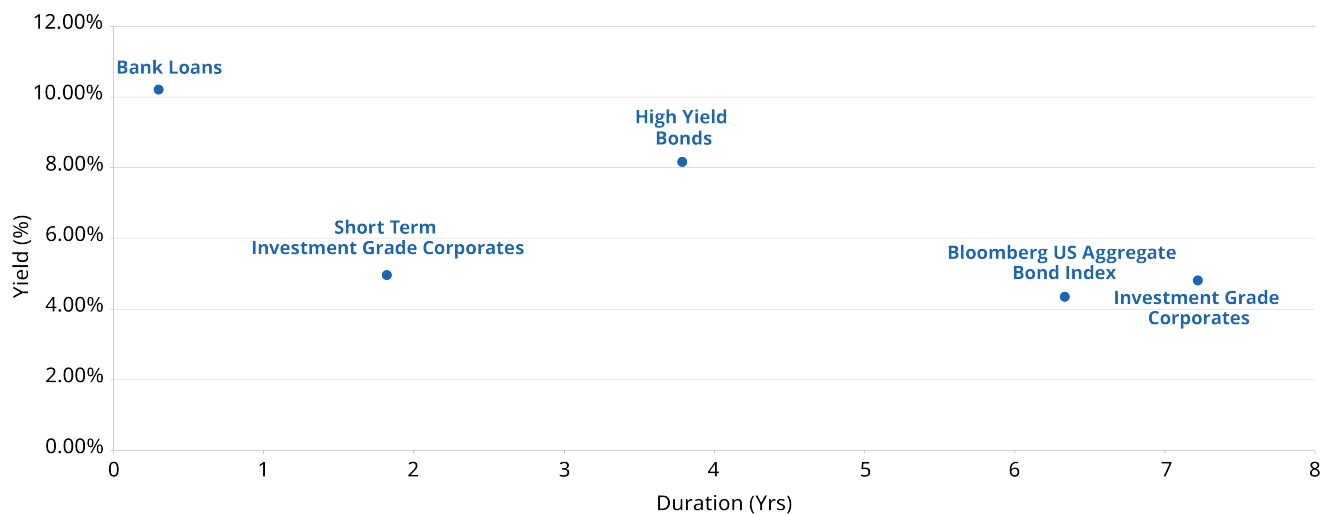


Duration, Yield and Fed Expectations

Some investors have started to add duration to their fixed-income investments, expecting a Federal Reserve pause in interest-rate hikes. But given the current curve inversion across various areas of fixed income, investors have been giving up yield for the sake of adding duration. With the Fed still reiterating a data-dependent approach, investors may be caught off guard if the Fed continues to raise rates without a pause.

Duration and Yield for Various Fixed-Income Asset Classes



Source: Bloomberg and Credit Suisse as of 1/31/23.

Bank loans are represented by the Credit Suisse Leveraged Loan Index. Short-term investment-grade corporate bonds are represented by Bloomberg US Investment Grade Corporate 1-3 Year Index. High-yield bonds are represented by Bloomberg US Corporate High Yield Bond Index. Investment-grade corporate bonds are represented by the Bloomberg US Aggregate Bond Index.

Past performance does not guarantee future results.

Investing involves risk, including loss of principal.

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