

Spread Snapshot

Understanding yields and spreads in today's markets

A dashboard of yield and spread across various asset classes

As of June 30, 2025.

Based on standardized spread levels vs. trailing 3-, 5- and 10-year averages.

	US Agg Bond ¹	Securitized ²	IG Corp ³	Prefd ⁴	EM Debt ⁵	HY Corp ⁶	Lev Loans ⁷	CLO (BB) ⁸	Taxable Muni ⁹	AA Muni ¹⁰	A Muni ¹⁰	BBB Muni ¹⁰	HY Muni ¹¹	Private Credit ¹²	Real Estate ¹³
Yield to Worst	4.51	5.24	5.15	6.32	7.54	7.06	7.98	10.78	5.26	3.83	4.23	4.74	5.81	10.16	6.30
Spread	0.32	1.13	0.90	1.81	3.22	2.90	4.59	7.11	0.85	0.06	0.46	0.97	2.04	5.93	2.02
Net Change 1M	-0.02	-0.06	-0.05	-0.09	-0.12	-0.25	-0.13	-0.05	-0.05	-0.01	0.00	0.01	0.04	—	0.17
Net Change 1Y	-0.07	-1.23	-0.12	0.19	-0.69	-0.19	-0.48	-0.64	0.02	0.04	0.09	0.17	0.19	-1.53	-0.11
3Y Average Spread	0.44	2.08	1.18	2.07	4.09	3.68	5.44	8.55	0.97	0.07	0.53	1.07	2.25	7.27	2.12
5Y Average Spread	0.43	1.77	1.17	2.03	4.01	3.68	5.22	8.24	1.04	0.09	0.50	1.03	2.38	7.29	2.68
10Y Average Spread	0.46	1.43	1.28	1.86	3.81	4.11	5.12	7.77	1.24	0.11	0.55	1.17	2.94	8.17	2.91
3Y Z-Score	-1.28	-1.58	-1.11	-0.55	-1.33	-1.03	-1.43	-1.32	-0.61	-0.25	-0.52	-0.54	-0.75	-1.66	-0.26
5Y Z-Score	-1.13	-0.99	-1.11	-0.50	-1.30	-0.98	-0.93	-1.01	-0.78	-0.47	-0.25	-0.19	-0.74	-1.13	-0.69
10Y Z-Score	-1.28	-0.47	-1.29	-0.07	-0.86	-1.04	-0.56	-0.39	-1.15	-0.82	-0.50	-0.55	-0.94	-1.54	-1.05
Duration	6.06	3.96	8.16	5.48	6.50	2.81	—	2.76	9.13	—	—	—	7.58	—	—

Z-Score = number of standard deviations between the current spread level and historic average spread.

Red = tighter spread than historic average.

Green = wider spread than historic average.

Past performance is not necessarily indicative of future results. Sources: Bloomberg, ICE BofA, JP Morgan, Credit Suisse, Cliffwater, Green Street Advisors, FRED, Q4 2024.

Representative indices: 1. US Agg Bond: Bloomberg US Aggregate. 2. Securitized: Equal blend of ICE BofA US Fixed Rate CMBS (AA-BBB), ICE BofA US Fixed Rate Asset Backed Securities and Bloomberg US Aggregate Securitized-MBS. 3. Investment Grade Corp: Bloomberg US Liquid Investment Grade Corporate. 4. Preferred Securities: ICE BofA US All Capital Securities. 5. Emerging Debt: JP Morgan EMBI Global Diversified Index. 6. High yield corporates: Bloomberg US Aggregate Credit-Corporate-High Yield-2% Issuer Capped. 7. Leveraged loans: Credit Suisse Leverage Loan Index. 8. CLO BB: CLO BB Unhedged. 9. Taxable municipals: Bloomberg Taxable Municipal Index. 10. AA, A, BBB Municipal: Bloomberg Municipal Bond (AA, A and BBB). 11. High yield municipals: Bloomberg Municipal High Yield Municipal. 12. Private credit: Cliffwater Direct Lending Index. 13. Real estate: Green Street, Nominal Cap Rate of Major Sectors. Spreads for municipals are calculated as follows: AA Munis = YTW for AA Munis - YTW for AAA Munis, A Munis = YTW for A Munis - YTW for AAA Munis, BBB Munis = YTW for BBB Munis - YTW for AAA Munis, High Yield Munis = YTW for High Yield Munis - YTW for AAA Munis. For leveraged loans spread is discount margin (3-year life). **Spread for private credit** = difference between CDLI YTM and US 10Y treasury yield. **Spread for real estate** = difference between nominal cap rate and US 10Y treasury yield.

WHAT ARE THE RISKS?

All investments involve risks, including possible loss of principal

Investments in many alternative investment strategies are complex and speculative, entail significant risk and should not be considered a complete investment program. Depending on the product invested in, an investment in alternative strategies may provide for only limited liquidity and is suitable only for persons who can afford to lose the entire amount of their investment. An investment strategy focused primarily on privately held companies presents certain challenges and involves incremental risks as opposed to investments in public companies, such as dealing with the lack of available information about these companies as well as their general lack of liquidity. Diversification does not guarantee a profit or protect against a loss.

Risks of investing in **real estate investments** include but are not limited to fluctuations in lease occupancy rates and operating expenses, variations in rental schedules, which in turn may be adversely affected by local, state, national or international economic conditions. Such conditions may be impacted by the supply and demand for real estate properties, zoning laws, rent control laws, real property taxes, the availability and costs of financing, and environmental laws. Furthermore, investments in real estate are also impacted by market disruptions caused by regional concerns, political upheaval, sovereign debt crises and uninsured losses (generally from catastrophic events such as earthquakes, floods and wars). Investments in real estate related securities, such as asset-backed or mortgage-backed securities are subject to prepayment and extension risks.

Fixed income securities involve interest rate, credit, inflation and reinvestment risks and possible loss of principal. As interest rates rise, the value of fixed income securities falls. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default.

Equity securities are subject to price fluctuation and possible loss of principal.

An investment in **private securities** (such as private equity or private credit) or vehicles which invest in them, should be viewed as illiquid and may require a long-term commitment with no certainty of return. The value of and return on such investments will vary due to, among other things, changes in market rates of interest, general economic conditions, economic conditions in particular industries, the condition of financial markets and the financial condition of the issuers of the investments. There also can be no assurance that companies will list their securities on a securities exchange, as such, the lack of an established, liquid secondary market for some investments may have an adverse effect on the market value of those investments and on an investor's ability to dispose of them at a favorable time or price. Past performance does not guarantee future results.

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