

# Taking turns at the top – fixed income

Annual Total Returns Ranked in Order of Performance



International Bonds are represented by FTSE World Government Bond (WGBI) Non USD Index.

Municipal Bonds are represented by Bloomberg Barclays Municipal Bond Index.

U.S. Government Bonds are represented by Bloomberg Barclays U.S. Government Bond Index.

Emerging Market Bonds are represented by J.P. Morgan EMBI Global Diversified Index.

Corporate Bonds are represented by Bloomberg Barclays U.S. Credit Bond Index.

High-Yield Bonds are represented by ICE BoA/ML U.S. High Yield Index.

Convertible Bonds are represented by ICE BofA Merrill Lynch Convertible Index.

Floating Rate Loans are represented by S&P/LSTA Leveraged Loan Index.

**Past performance is no guarantee of future results.**

The chart above represents the fluctuating performance for various indices that represent certain asset classes, ranking them from highest to lowest based on annual total returns.

Source: Morningstar, December 31, 2020. Indices are unmanaged, and one cannot invest directly in an index. The indices above do not represent the performance of any specific investment.

## Index Definitions

International bonds are represented by the FTSE World Government Bond (WGBI) Non USD index which measures the performance of fixed-rate, local currency, investment-grade sovereign bonds.

Municipal bonds are represented by the Bloomberg Barclays Municipal Bond Index which covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds.

U.S. government bonds are represented by the Bloomberg Barclays U.S. Government bond Index, is composed of the Bloomberg Barclays Treasury Bond Index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Bloomberg Barclays Agency Index (all publicly issued debt of U.S. Government agencies and quasifederal corporations, and corporate debt guaranteed by the U.S. Government).

Emerging market bonds are represented by the J.P. Morgan EMBI Global Diversified, an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

Corporate bonds are represented by the Bloomberg Barclays U.S. Credit Index which measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the U.S. Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

High yield bonds are represented by the ICE BoA/ML U.S. High Yield, a market value-weighted index of all domestic and Yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities.

Convertible bonds are represented by the ICE BofA Merrill Lynch Convertible, an unmanaged market-capitalization weighted index of domestic corporate convertible securities—to be included in the Index, bonds and preferred stocks must be convertible only to common stock and have a market value or original par value of at least \$50 million.

Floating rate loans are represented by the S&P/LSTA Leveraged Loan, a broad index designed to reflect the performance of U.S. dollar facilities in the leveraged loan market.

### **Past performance is no guarantee of future results.**

A fixed-income investment pays a fixed rate of return and usually refers to government, corporate, or municipal bonds. A convertible bond is a type of debt security that can be converted into equity securities of the issuing corporation. A municipal bond is a debt obligation of a state or local government entity. A U.S. Government bond invests in bonds and notes issued both by the United States and its federal agencies. High-yield bonds are generally considered speculative because they present a greater risk of loss than higher-quality debt securities and may be subject to greater price volatility. Foreign investments may be subject to greater risks than U.S. investments, including currency fluctuations, less liquid trading markets, greater price volatility, political and economic instability, less publicly available information, and changes in tax or currency laws or monetary policy. These risks are likely to be greater for emerging markets than in developing markets. Floating rate loans are generally considered to have speculative characteristics that involve default risk of principal and interest, collateral impairment, non-diversification, borrower industry concentration and limited liquidity.



### **For more information**

800-624-6782

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