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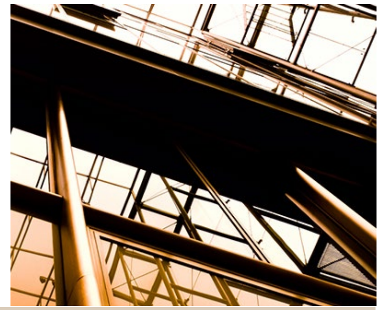

Chart of the Week

Weekly analysis of key themes in markets — **August 18, 2026**

Higher yields do not always mean better opportunities

Source: Bloomberg as of August 4, 2026. The 15-year average value for the 10-year Treasury yield was 2.61%. Yields represent past performance and fluctuate with market conditions. Current yields may be higher or lower than those quoted above. **Past performance is no guarantee of future results.**

Elevated long-term Treasury yields may mask interest-rate risk

Long-term Treasury yields are among the highest levels investors have seen in years. However, we believe investors should look beyond headline yields. Income alone does not necessarily imply strong return potential, particularly when longer-maturity bond prices remain highly sensitive to changes in interest rates and other factors.

The chart shows how long-term Treasury yields are elevated relative to recent history. If rates rise further from current levels, price declines could offset much of the income investors receive. The additional yield available from longer maturities appears limited relative to the substantial increase in interest-rate sensitivity associated with these bonds.

What it may mean for investors

We maintain an unfavorable view on Long Term Taxable Fixed Income, as we do not believe it currently offers a compelling risk-reward tradeoff. By contrast, Short Term Taxable Fixed Income, where we are favorable, has significantly less exposure to rising yields. In our view, selectively adding short-term investment-grade credit may provide a more efficient way to enhance portfolio yield. While credit exposure carries its own risks, we currently view those risks as better compensated than the interest rate exposure associated with maturities longer than seven years.

Tony Miano, CFA, CAIA *Global Fixed Income Analyst*

Excerpted from Investment Strategy report (Aug 10)

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

Risk Considerations

Each asset class has its own risk and return characteristics. The level of risk associated with a particular investment or asset class generally correlates with the level of return the investment or asset class might achieve. **Bonds** are subject to market, interest rate, price, credit/default, liquidity, inflation, and other risks. Prices tend to be inversely affected by changes in interest rates. Although **Treasuries** are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate.

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