RAYMOND JAMES

THIRD QUARTER 2026

Fixed Income Quarterly

Market Perspectives from Fixed Income Solutions

Short-Term Market Noise vs. Long-Term Financial Objectives

Fixed income investors continue to face an environment that combines uncertainty with opportunity. Interest rates remain elevated relative to much of the past two decades, yield curves are providing attractive income across a range of maturities, and heavy issuance across Treasury, municipal, and corporate markets has expanded the range of bonds available to investors. At the same time, changing market prices, shifting expectations for interest rates, and strong performance across other asset classes can make it difficult to separate short-term market noise from long-term financial objectives.

This quarter's report focuses on that distinction. We begin by asking a fundamental question: Why do you own bonds? For some investors, fixed income is a source of total return and tactical opportunity. For others, its primary role is to provide predictable income, preserve capital, and create defined cash flows that support a long-term financial plan. Understanding that objective can help investors put interim price movements and the emotions they sometimes create into the proper perspective.

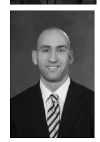
That planning mindset carries through the remainder of the report. We examine how investor behavior can influence portfolio decisions, why identifying the exact peak in interest rates may be less important than determining whether today's yields meet an investor's needs, the opportunities these yields present in a portfolio, and where opportunities exist along the product curves. We also explore extension swaps to potentially lock in attractive income for longer while reducing reinvestment risk.

Finally, we review the significant increase in Treasury, municipal, and corporate issuance in 2026 and what the additional supply may mean for fixed income investors.

Markets will continue to change. The more durable question is whether the bonds an investor owns are structured to accomplish what the portfolio actually needs them to accomplish.

FIXED INCOME QUARTERLY CONTRIBUTING STRATEGISTS


DOUG DRABIK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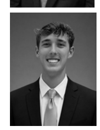

PAUL BROCK

IN THIS REPORT

WHY DO YOU OWN BONDS?

Before making any investment, it is worth answering a basic question: **What role is this investment intended to play in the portfolio?** For fixed income investors, the answer often falls somewhere between two broad objectives: (1) generating total return and (2) producing predictable income and cash flow. Neither approach is inherently better. They simply place different weights on the same characteristics.

A **total return investor** seeks to maximize total return by analyzing current yield levels and predicting changes in yields over the short- and medium-term. Total return is derived from both the income generated by a bond and changes in its market value. These investors may actively adjust duration, sector exposure, credit quality, or individual holdings based on their outlook for interest rates, credit spreads, and relative value.

A **buy-and-hold investor**, by contrast, generally places greater emphasis on the contractual characteristics of the bond: its coupon, maturity date, credit quality, redemption value, and yield at the time of purchase. The intention is to buy a bond, receive the coupons payments over the life of the bond, and get the principal back at maturity.

Consider a long-term U.S. Treasury bond. A total return investor might purchase the bond because they expect long-term interest rates to decline. Because longer duration bonds generally experience larger price changes when interest rates move, falling yields could produce meaningful price appreciation.

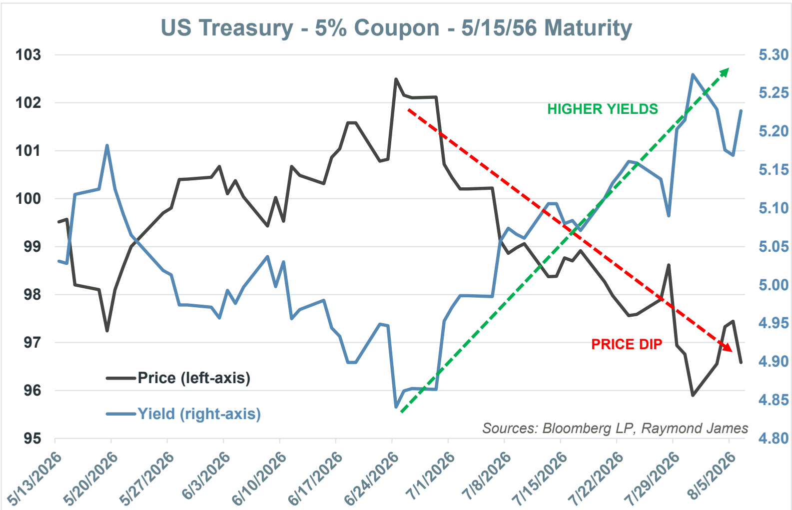
A buy-and-hold investor might purchase the same Treasury for an entirely different reason. The investor may want minimal credit risk, a predictable stream of income, and a long-dated maturity that aligns with future liabilities or financial objectives. If the bond's yield and cash flows satisfy those requirements at the time of purchase, subsequent price fluctuations may be far less important than meeting long term objectives.

The same bond, therefore, can represent an enticing opportunity to one investor and an unappealing one to another. The difference is not necessarily the bond itself. It is the objective behind owning it. This distinction becomes particularly important during periods of market volatility. Investors focused on total return may view declining bond prices as a source of negative performance. Investors putting new money into work, however, may see the same market move from another perspective: **lower bond prices generally mean higher yields and potentially more future income.** Understanding why a bond is being purchased helps determine which of those perspectives matters most.

Prices Down or Yields Up?

Bond prices and yields move in opposite directions. When yields rise, the market value of existing fixed-rate bonds generally falls. That relationship often produces headlines focused on falling bond prices and negative fixed income returns. For investors considering new purchases, however, there is another side to the story: **higher yields increase the income available on newly purchased bonds.**

That distinction matters. An investor in a bond fund or other investment vehicle without a stated maturity may be particularly sensitive to changes in market price because the investment's value at the eventual sale date is uncertain. An investor purchasing an individual bond and holding it to maturity has a different framework. At purchase, the investor knows the bond's coupon payments, maturity date, and contractual principal payment, subject to the issuer's ability to meet its obligations and any embedded features such as calls. As yields rise and bond prices decline, existing bondholders may see lower market values on their statements but their holdings keep performing as they did from the purchase date. In addition, prospective buyers and existing holders can buy new bonds and gain access to higher yields.



The accompanying chart illustrates this relationship using the price and yield of the 30-year U.S. Treasury bond since its issuance. As the bond's market price declined, its yield increased. A total-return investor may focus primarily on the decline in price. An investor seeking long-term income may instead focus on the higher yield now available.

Putting Unrealized Losses in Perspective

One of the more difficult aspects of owning individual bonds during a rising-rate environment is seeing an unrealized loss on a brokerage statement. The distinction between **realized** and **unrealized** losses is important. If an investor owns a high quality bond that continues to meet the objectives for which it was purchased, a decline in its market price does not necessarily require action. Selling the bond below its purchase price would crystallize the loss. Continuing to hold it allows the investor to receive the contractual cash flows and, assuming no default and that the bond is not called, ultimately receive the stated principal amount at maturity.

This does not mean market value should be ignored. Changes in price can matter if an investor needs liquidity, wishes to reposition the portfolio, or determines that better opportunities justify selling an existing holding. Higher prevailing yields also create an opportunity cost for investors who remain invested in lower-yielding securities. But for an investor whose primary objective is predictable income and return of principal at a specified date, short term market price movements should be viewed in the context of the original investment objective rather than in isolation.

Ultimately, successful fixed income investing begins with matching the characteristics of the investment to the investor's goals and objectives. For some investors, that means positioning for price appreciation and total return. For others, it means securing absolute yields and predictable cash flows for years to come. Before deciding whether a bond looks attractive, first answer the more important question: **Why do you own bonds?**

WE'RE ONLY HUMAN! – THE EMOTIONAL CYCLE OF INVESTING

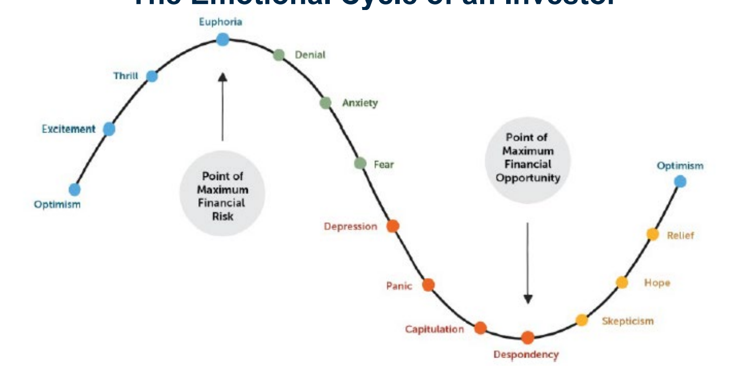
After all, we really are only human! If investing were simply about math, financial decisions might be much easier. But fear, panic, optimism, composure and euphoria can overwhelm logic and often at precisely the wrong time. Consider the environment investors have experienced in recent years. If 2026 finishes at pace, the S&P 500 will have produced a double digit positive return in seven of the eight calendar years since 2019. After an extended period of strong returns, it is understandable for investors to become comfortable, influenced by recency bias and increasingly confident that the pattern will continue.

Equity returns are not the only source of that confidence. Home values remain near historic highs, adding to household wealth, while relatively elevated interest rates have increased the income available from many fixed income investments. Investors may feel wealthier because, in many cases, they are wealthier. If only we could freeze time here.

The Emotional Cycle of an Investor

Confidence can gradually become euphoria, and euphoria can lead to greed. Investors naturally want favorable conditions to continue. As a result, they may chase recent returns, take more risk or discount the possibility that conditions will change. The challenge begins when the cycle turns.

The Emotional Cycle of an Investor



Source: Investor Insights Newsletter, June 3, 2022

As markets move further from the environment that created that confidence, rational decision making can become more difficult. When stock prices fall and anxiety rises, investors may feel compelled to reduce equity exposure. At the same time, falling interest rates can push bond prices higher, making perceived "safe" assets increasingly attractive. The result can be exactly the opposite of disciplined investing: selling stocks after prices have fallen and buying bonds after their prices have risen. For retirees who rely on their portfolios to fund ongoing living expenses, that emotional pressure can be particularly significant.

Markets cannot be controlled, and interest rate movements cannot be predicted with certainty. But the way a portfolio is structured can be controlled. Individual bonds can play an important role in that planning. Subject to the issuer's creditworthiness and the specific terms of the bond, an individual bond held to maturity provides defined interest payments and the return of its face value at maturity. High-quality investment-grade bonds generally carry lower credit risk, although that risk cannot be completely eliminated.

This ability to match future bond cash flows with anticipated spending needs can provide something markets themselves cannot: greater visibility into where future income will come from. For a retiree, that visibility can matter well beyond the income it produces. When near-term lifestyle needs are supported by planned cash flows, an investor may feel less pressure to sell growth assets simply because markets have declined. The objective is not to remove emotion from investing. We are, after all, only human. The objective is to build a financial plan that makes it less likely that emotion will dictate the decision.

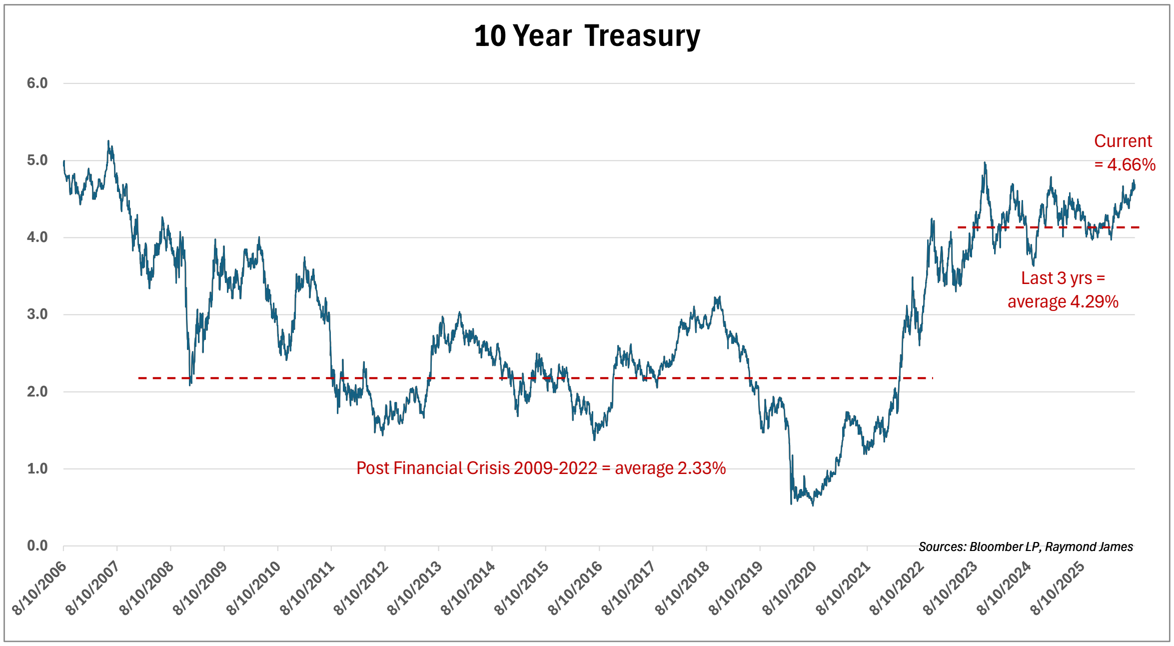
ASKING THE RIGHT QUESTIONS – BUILDING SUITABLE PORTFOLIOS

Can I invest at the exact peak in interest rates? Ideally, yes. Practically, no.

Investors, strategists, and market professionals cannot know exactly when interest rates will change, in which direction, or by how much. That does not mean we should ignore economic data, geopolitical developments, policy decisions, or consumer behavior. Those factors matter. But the number of variables and the ways in which they interact make consistently predicting interest rate turning points extremely difficult.

That leaves investors to make decisions based on what is known.

Interest rates can change by the minute and move meaningfully from one day, week, or month to the next. Interest rate cycles, however, can persist for years. Recent years have provided investors with yields that are substantially higher than those available through much of the preceding period (nearly two decades) of exceptionally low rates.



That raises an important planning question: **How much of your personal investment horizon will coincide with attractive interest rates?**

Consider an investor with a 40 year investment span, from age 25 to 65. Some portion of those years will occur during periods of higher rates and some during periods of lower rates. Investors have no control over when those environments occur within their own financial lives. As a result, investment outcomes can be influenced by timing risk.

What investors can control is how they respond when more attractive income opportunities are available. Rather than asking, "Are interest rates at their peak?" a potentially more useful question is: **"Can I use today's available yields on suitable, high-quality bonds to help secure the income and cash flows needed for my long-term financial plan?"**

For investors seeking predictable income, high-quality bonds can provide an opportunity to establish choice cash flows while taking materially less investment risk than many growth oriented assets. We may never know the perfect moment to invest. But successful long-term planning rarely requires perfect timing. It requires recognizing when available opportunities align with a clearly defined financial objective.

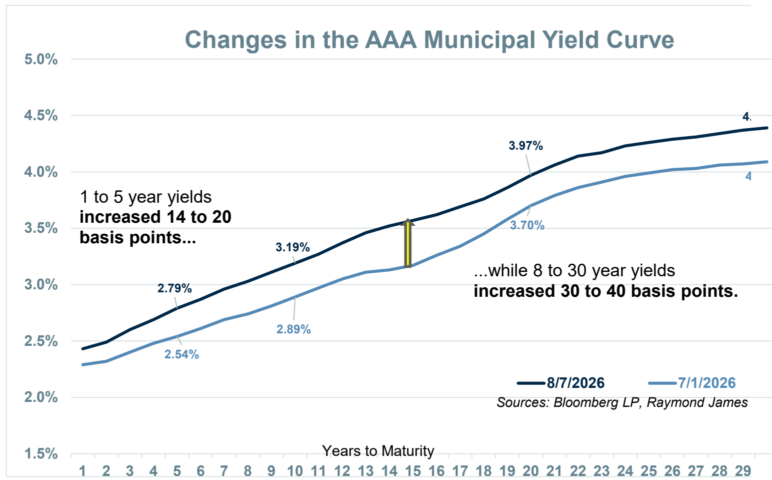
Are you asking the right question?

STEEP MUNICIPAL CURVE BUOYS TAX-EXEMPT INCOME OPPORTUNITIES

Recent economic data and geopolitical events have pushed yields higher since the beginning of July, creating attractive opportunities for municipal bond investors. Municipal yields have risen 14 to 40 basis points (bp) higher across 1- to 30-year maturities. The largest increases occurred in intermediate and long-term maturities, leading to a steeper yield curve.

Why does a steep yield curve matter? A positive or upward sloping yield curve offers investors higher yields with each additional year of maturity. The spread, or difference in yield between shorter and longer-term maturities is often referred to as the "slope" of the curve. It helps illustrate how much additional yield investors can earn by extending maturity.

Since the beginning of July, the municipal yield curve has steepened, with the difference between 1- and 30-year yields increasing from 180 basis points to 196 basis points. For perspective, over the last decade, the slope of the municipal yield curve has averaged 135 bp, with a range of as low as 43 bp and a high of 245 bp. As the curve steepens, investors are compensated with incremental yield for extending farther out in maturity. This increased compensation can make longer maturity bonds more attractive relative to shorter maturity alternatives.



The average AAA municipal bond yields for 10 and 20-year maturities are 2.15% and 2.76% over the past 10 years. The August 12, 2026, yields are 3.19% and 3.97% respectively. Yields are currently higher by a significant margin creating attractive income opportunities across the curve but especially in longer maturities.

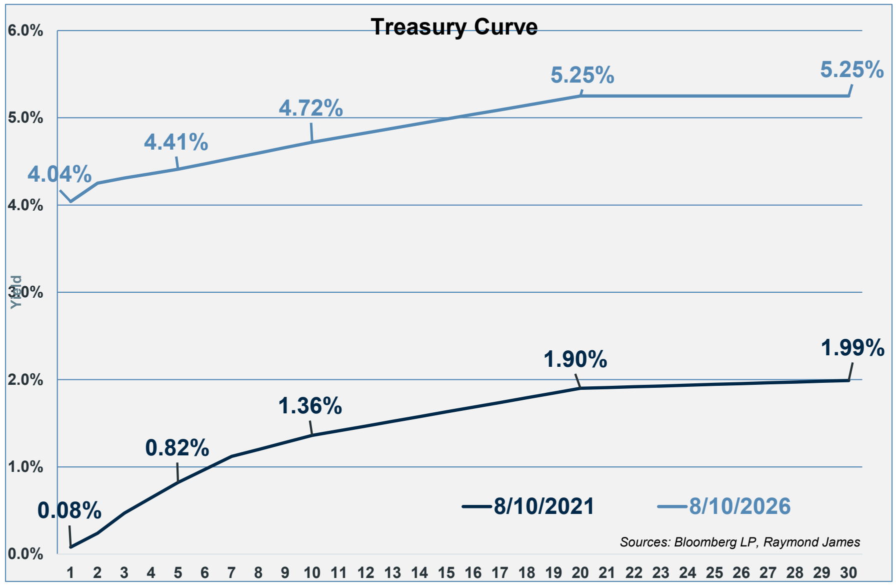
The value in extending maturity is even more apparent when considering the taxable-equivalent yields (TEY). TEY allows for a more uniform comparison with taxable bonds. A 10-year AAA municipal bond currently yielding 3.19% has a tax-equivalent yield of 5.39% for an investor in the top federal tax bracket (37% federal income tax rate and 3.8% net investment income tax). *(A taxable bond would need to yield 5.39% to equal income produced from a municipal bond yielding 3.19% and paying no taxes)*.

A 20 year municipal bond currently yielding 3.97% (+78bp vs 10yr) has a TEY of ~6.70%. A 30 year municipal bond currently yielding 4.39% (+42bp vs 20yr or +120bp vs 10yr) has a TEY of 7.42%. Even higher returns can be found in AA and A rated municipals.

Long-term municipal yields remain near the highest levels of the past decade and well above their historical averages. For investors seeking tax-exempt income, the current market offers opportunities to lock in on yields over 4%, which can equate to taxable equivalent yields as high as 7% to 8% depending on an individual's tax bracket. An additional tax benefit exists for individuals residing in high income-tax rate states. Holding in-state bonds generally exempts them from both federal and state taxes.

Long term fixed income portfolio planning is less about timing and more about implementing suitable, high-quality bonds to help secure the income and cash flows needs. Investors, especially those in the higher federal tax brackets, have numerous opportunities all along the municipal curve.

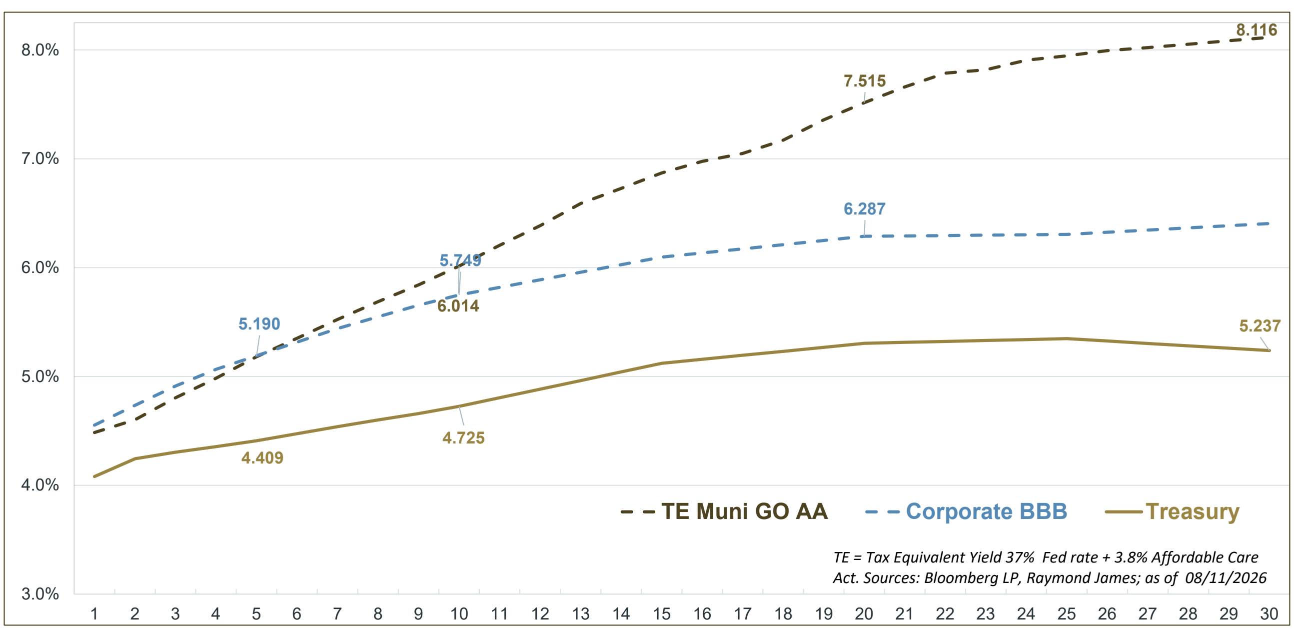
LOCKING IN INCOME FOR LONGER WITH EXTENSION SWAPS



The last few years, the Treasury yield curve and the general interest rate environment have cycled into very different territory. Just five years ago, the 10-year Treasury offered a meek 1.36% rate. It now boasts a rate of around 4.72%. The entire Treasury curve has pushed higher over the last three years, opening income opportunities that investors have not seen during the preceding 15 plus years.

Higher yields allow fixed income allocations to serve one of their two purposes more effectively: producing a more substantial stream of portfolio income while helping preserve capital. The shape of the yield curve also matters. In portions of the municipal and corporate markets, investors are currently being compensated with additional yield for extending beyond short maturities. This creates a potential opportunity to exchange short maturing bonds for longer maturities through an extension swap.

Investing in short maturity bonds is often described as conservative because shorter bonds generally experience less price volatility when interest rates change. That description is accurate from an interest rate risk perspective, but it does not address reinvestment risk. Shorter bonds mature sooner, requiring investors to reinvest their principal at whatever yields are available at that time. If rates decline, future income may also decline.



Extending maturity involves the opposite tradeoff. Longer bonds ordinarily have greater duration or sensitivity to changing interest rates. In exchange, investors may be able to lock in today's yields for a longer period and reduce the frequency with which principal must be reinvested. For investors who intend to hold their bonds to maturity and whose short-term liquidity needs are appropriately funded elsewhere, this can improve the predictability of long term income.

	Sells	Buys	Change
Original Face	340,000	370,000	30,000
Market Value	379,698	379,288	(410)
Cash Flow	17,162	16,262	(900)
Gain/(Loss)	1,950		1,950
Coupon	5.05%	4.40%	-0.65%
Maturity	8.46 yrs	19.49 yrs	11.03 yrs
Duration	6.02	9.97	3.95
TE YTW	7.01%	7.66%	0.65%
TE YTM	7.41%	7.89%	0.48%

Increase face amount

Less annual cash flow

Extend maturity and increase duration

Increase Yield

For Illustrative Purposes Only. Sources: Tradeweb, Raymond James

The illustration demonstrates a municipal bond extension swap that increases the portfolio's average maturity from 8.46 years to 19.49 years. The proposed extension moves the portfolio farther along the municipal yield curve, generating slightly less cash flow but additional income while producing a moderate increase in duration.

The swap illustration also uses slightly lower coupon bonds that may provide a lower likelihood of an early call relative to higher coupon alternatives. This does not eliminate but reduces call risk. The structure may reduce the likelihood that the portfolio's higher yields will be called away prematurely if market rates decline. An extension strategy should not be evaluated on yield alone. Investors should also consider the change in duration, credit quality, call exposure, liquidity, realized gains or losses, transaction costs, tax consequences, and the amount of additional annual income generated by the swap.

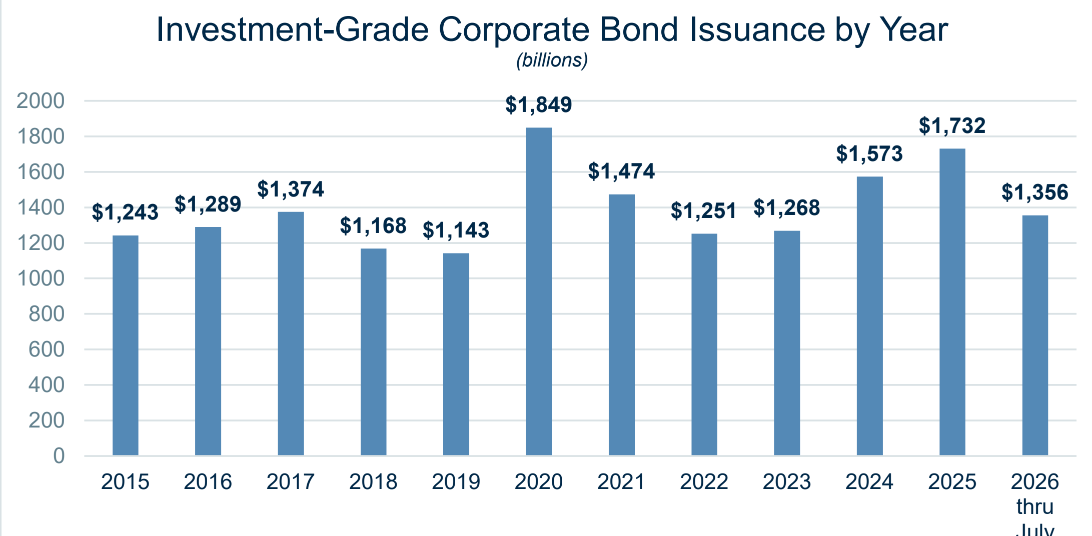
There is considerable flexibility in structuring an extension swap. Coupon, maturity, credit quality, product type, and call structure can all be tailored to an investor's liquidity needs, tax situation, risk tolerance, and long-term objectives. Elevated yields will not necessarily remain available indefinitely. For investors with bonds dedicated to income generation and long-term wealth preservation, the current environment may provide an opportunity to extend selected maturities, reduce reinvestment risk, and lock in attractive income for a longer period.

BOND ISSUANCE UPDATE

2026 has brought a surge of issuance across US fixed income markets. According to Bloomberg data, Treasury issuance through July is just under $19 trillion, which marks a ~10% increase compared to the same 2025 timeframe. Total Treasuries outstanding have increased from $20.9 trillion in 2020 to over $31 trillion today. The recent increase in borrowing by the US government combined with concerns over fiscal deficits and future borrowing needs, has helped push Treasury yields to their highest levels of the past two decades, creating income opportunities for fixed income allocations.

Issuance in both the municipal and corporate bond markets has been strong this year as well, increasing the total supply of bonds available.

Annual municipal issuance has broken records in each of the past two years, surpassing $500 billion for the first time in 2024 and coming in at nearly $590 billion last year. Issuance through July 2026 is slightly ahead of last year's pace ($348 billion vs $341 billion), setting the stage for a third consecutive record-breaking issuance year. The recent surge in issuance has helped to increase the overall size of the municipal market by ~10% this decade to over $4.4 trillion. Ultimately, more supply expands the pool of bonds that investors have to choose from and helps to somewhat offset the downward pressure on yields that strong levels of demand can create. As highlighted in Steep Municipal Curve Buoys Tax-exempt Income Opportunities, municipal yields have pushed higher year-to-date, offering investors the opportunity to lock in some of the highest levels of tax-exempt income that we have seen in the past several decades.



Sources: SIFMA, Raymond James

Corporate bond issuance has also surged this year, driven in large part by unprecedented levels of capital expenditure by AI-related companies. Total investment-grade issuance through July is $1.36 trillion, which exceeds the full-year total in six of the last 11 years. The $1.36 trillion that has been issued so far is 27% higher than at the same point last year. Much of the increase in issuance is due to heavy borrowing by the technology sector as many of the so-called "hyperscalers" have issued bonds to finance AI-related projects. What is somewhat unique about this year's issuance is the high company ratings with many in the AA category. Most of the corporate bond market typically falls into the BBB to A rating categories, so the surge in AA-rated borrowing has presented an increased opportunity for investors seeking more conservative credit options.

KNOW WHAT YOU CAN OWN

Most individual bonds provide investors with a few prominent features that are difficult to find in other product types, most notably: known cash flow for the life of the security, known income (yield) at the time of purchase, and a known date when the principal will be returned. While most individual bonds provide these benefits to investors, there are many types of individual bonds, each having different features and applications within a portfolio. As an investor, sometimes it's difficult to know which product is most appropriate for a particular situation. Below are listed attributes that may illustrate how various products might work within a portfolio.

- ✓ Define desired income.
- ✓ Create required cash flow.
- ✓ Identify the requisite redemption period.
- ✓ Create needed liquidity.
- ✓ Isolate personal biases.
- ✓ Use appropriate asset mix.
- ✓ Diversify.
- ✓ Rebalance when applicable.

	PRODUCT ATTRIBUTES	HOW DOES THIS FIT?	ADDITIONAL CONSIDERATIONS
TREASURY	Minimal credit risk. State and local tax exempt.	Can I benefit from the state tax exemption? Am I seeking safety and liquidity over maximizing yield?	Although credit risk is minimal, market risk increases with lengthening maturity.
CERTIFICATES OF DEPOSIT BROKERED	FDIC insured. Ability to diversify with multiple issuers.	Do I need more principal assurance? Typically more attractive yield versus Treasuries.	$250,000 per issuer per tax ID maximum size for insurance. Sales prior to maturity subject to interest rate risk and liquidity risk.
MUNICIPAL TAX-EXEMPT	Tax exempt income with favorable long-term credit standing.	The higher the tax bracket, the greater the tax benefit. The high credit quality is often viewed favorably.	Diversification can be attainable yet the liquidity is lesser versus other alternatives due to limited issue sizes. Subject to credit and interest rate risk.
MUNICIPAL TAXABLE	High quality, taxable alternative.	High credit quality alternative taxable investment. Investors in a lower tax bracket not benefitting from tax-exemption but still seeking the high quality and diversification offered by municipal bonds.	Diversification can be attainable yet the liquidity is lesser versus other alternatives due to limited issue sizes. Subject to credit and interest rate risk.
INVESTMENT GRADE CORPORATES	High quality, relatively good liquidity and competitive yields.	The breadth of the corporate market can allow for extensive diversification from credit ratings to multiple sectors. Generally liquid. Flexibility to create desired cash flow and income levels.	Wide range of issuers with various degrees of credit risk. Credit risks can fluctuate during holding period although this will not alter designated cash flow, income or redemption periods.
MORTGAGE-BACKED SECURITIES	High quality, taxable alternative	Can benefit by adding yield with a high quality underlying backing. Many variations provide wide scope of choices.	Works differently than securities above as principal is paid down during the holding period as opposed to in lump sum at maturity or with a call.

FIXED INCOME STRATEGY RESOURCES

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- Fixed Income Weekly Primer
- Municipal Bond Investor Weekly
- Weekly Interest Rate Monitor

Investment Types/Expertise Include

- Treasuries/Agencies
- Brokered CDs
- Corporate bonds
- MBS/CMOs
- Tax-exempt municipals
- Taxable municipal bonds
- Preferred securities


RAYMOND JAMES August 10, 2026

Bond Market Commentary

Fixed Income Solutions

Asking the Right Questions

DOUG DRABIK
Managing Director,
Fixed Income Strategist

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U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value. Fixed-income securities (or "bonds") are exposed to various risks including but not limited to credit (risk of default or principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Short-term bonds with maturities of three years or less will generally have lower yields than long term bonds which are more susceptible to interest rate risk. Credit risk includes the creditworthiness of the issuer or insurer, and possible prepayments of principal and interest. Bonds may receive credit ratings from a number of agencies however, Standard & Poor's ratings range from AAA to D, with any bond with a rating BBB or higher considered to be investment grade. Individual investor's results will vary. Moody's rates more than 10,000 investment-grade municipal issuers, has tracked rating changes over the past 50 years and looked at rating changes (transitions, both year-over-year and multi-year). Each year, Moody's summarizes the number of rating changes, up and down, along with the number of notches in movement.

The Personal Consumption Expenditures Price Index (PCE) is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services. The change in the PCE price index is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior.

The Consumer Price Index (CPI) is a price index representing a weighted average market basket of consumer goods and services purchased by households. Changes in measured CPI track changes in prices over time.
A credit rating of a security is not a recommendation to buy, sell or hold the security and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning Rating Agency. Ratings and insurance do not remove market risk since they do not guarantee the market value of the bond.

VIX Index: financial benchmark designed to be an up-to-the-minute index estimate of the expected volatility of the S&P 500 Index, and is calculated by using the midpoint of real-time S&P Index (SPX)) option bid/ask quotes.

MOVE Index: this is a yield curve weighted index of the normalized implied volatility on 1-month Treasury options. It is the weighted average volatilities on the CT2, CT5, CT10 and CT30. (weighted average of 1m2y, 1m5y, 1m10yand 1m30y Treasury implied vols with weights 0.2/0.2/0.4/0.2, respectively). S&P 500 Index: is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. The PHLX Gold/Silver Sector Index (XAU) is a capitalization-weighted index composed of companies involved in the gold or silver mining industry. The Bloomberg U.S. Municipal Index 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 prerefunded bonds. (Future Ticker: I00730US) U.S. Bloomberg Aggregate Bond Index (U.S. Corporate Investment Grade/LUACTRUU): Measures the investment grade, taxable corporate bond market. It includes USD demoninated securities publicly issued by US and non-US industrial, utility and financial issuers.

Duration is the measure of a bond's price sensitivity relative to interest rate fluctuations. Rebalancing a non-retirement account could be a taxable event that may increase your tax liability. Diversification and strategic asset allocation do not ensure a profit or protect against a loss. Investments are subject to market risk, including possible loss of principal. The process of rebalancing may carry tax consequences.

Any opinions expressed are those of the author(s) and not necessarily those of Raymond James, and are subject to change without notice. Past performance is no assurance of future results.

Prior to transacting in any security, please discuss the suitability, potential returns, and associated risks of the transactions(s) with your Raymond James Financial Advisor.

The value of fixed income securities fluctuates and investors may receive more or less than their original investments if sold prior to maturity. Bonds are subject to price change and availability. Investments in debt securities involve a variety of risks, including credit risk, interest rate risk, and liquidity risk. Investments in debt securities rated below investment grade (commonly referred to as "junk bonds") may be subject to greater levels of credit and liquidity risk than investments in investment grade securities. Investors who own fixed income securities should be aware of the relationship between interest rates and the price of those securities.

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