

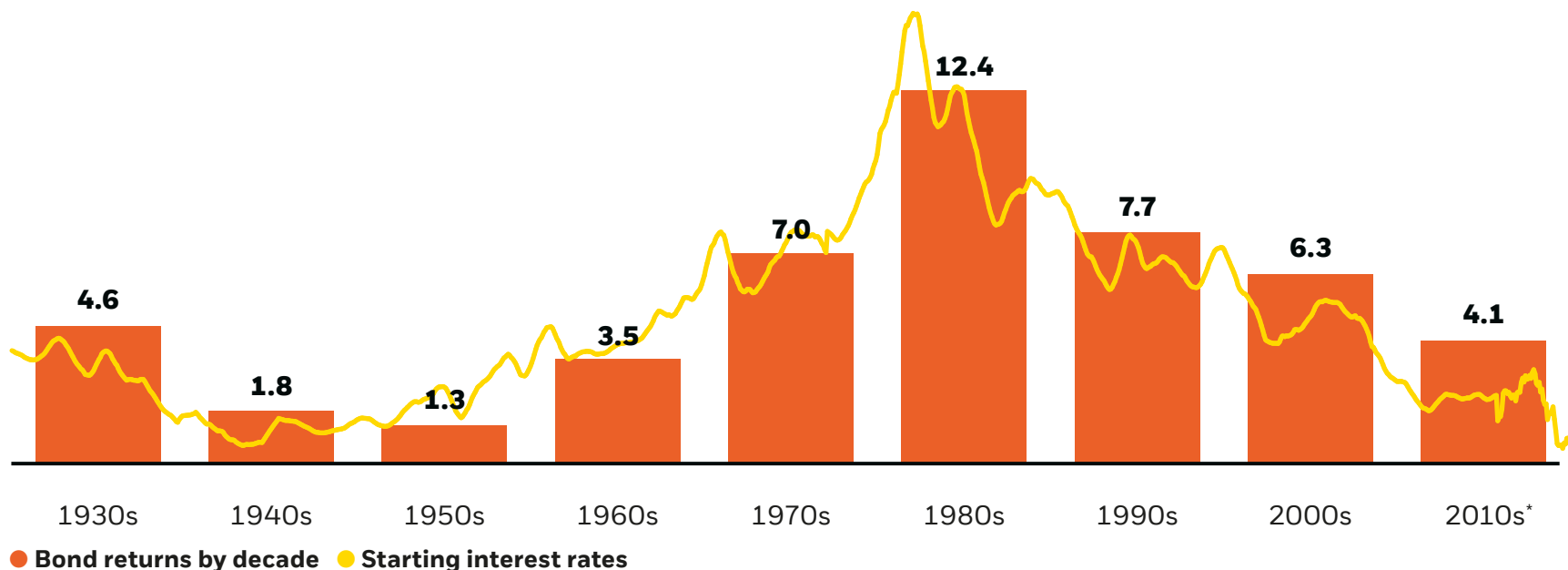
Prepare for lower bond returns

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Over long enough timeframes, bond returns tend to mirror the direction of interest rates. With rates historically low, we can expect bond returns to remain low for the foreseeable future. This can cause problems for some investors, particularly for those nearing or in retirement and relying on investment income.

U.S. bond returns follow interest rates

(Avg. annual 10-year returns since 1930)



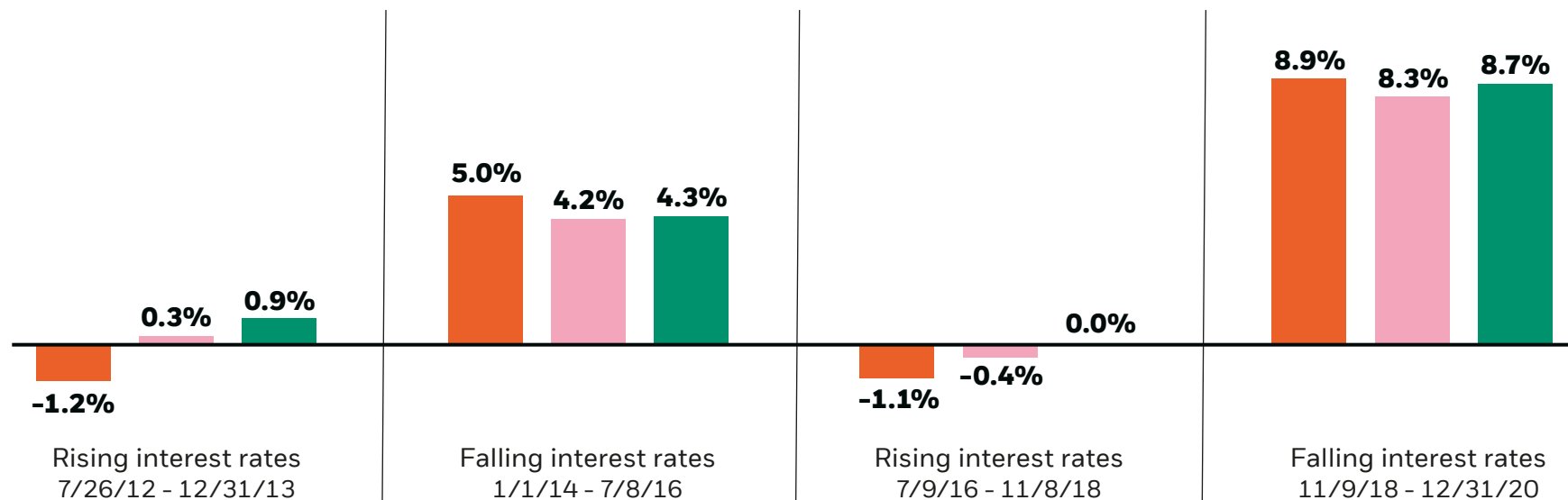
Source: Morningstar and U.S. Treasury as of 12/31/20. *Return is from 1/1/10 to 12/31/20. U.S. Bonds represented by the IA US IT Govt Tr index before 1979 and by the BBgBarc US Agg Bond index after 1979. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

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While returns may follow rates over the long-term, bond prices and interest rates are often negatively correlated in the short-term. As rates fall, bond prices increase, and vice versa. This dynamic may create short-term opportunities within your longer-term horizon.

Bond category returns during periods of rising or falling interest rates

Average annual returns for each time period



● Core bond index ● Intermediate core bond ● Intermediate core-plus bond

Source: Morningstar, St. Louis Federal Reserve as of 12/31/20. Core bond index represented by the Bbg Barc US Agg Bond TR Index. Intermediate core bonds represented by the Morningstar US Intermediate Core Bond category Average. Intermediate core-plus bonds represented by the Morningstar US Intermediate Core-Plus Bond Category Average. **Past performance does not guarantee or indicate future results.** Index performance is for illustrative purposes only. You cannot invest directly in the index.

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