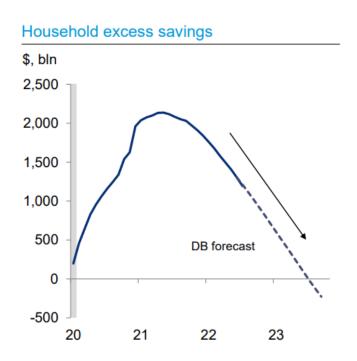
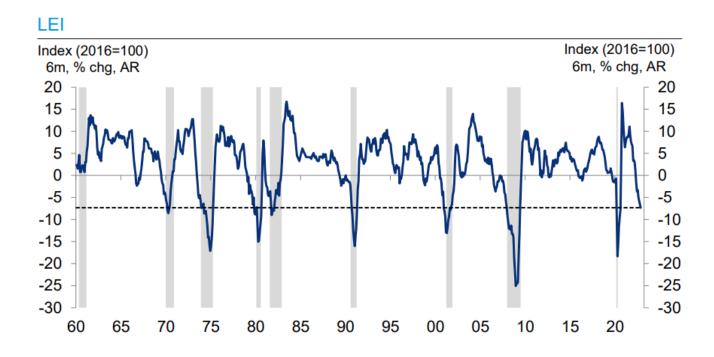






# Recession: Most Signs point To Yes



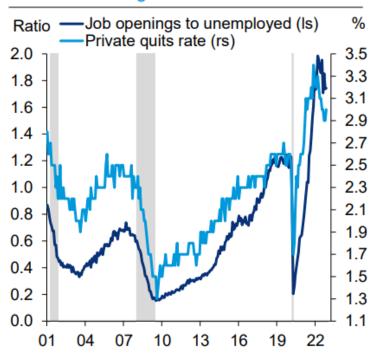


Source: Deutsche Bank

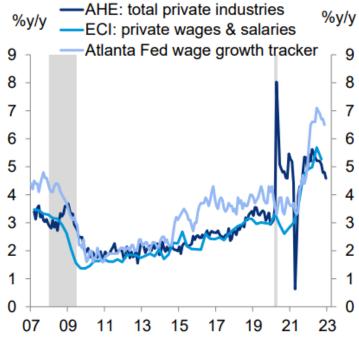


# Recession: Most Signs Point To Yes – Except Labor

#### Labor market tightness



## Wage growth



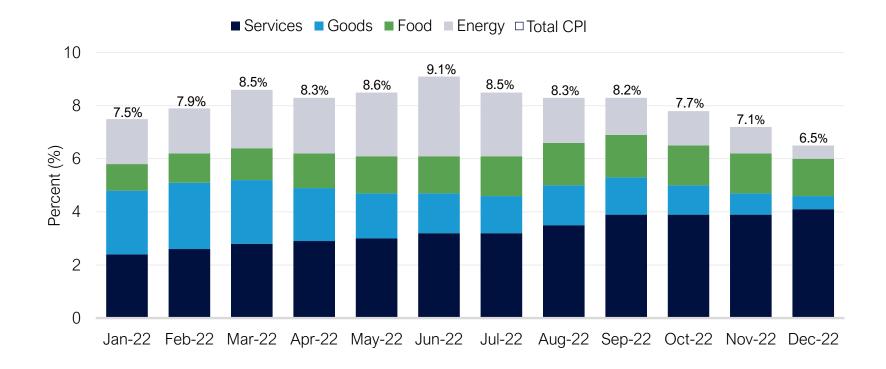
Source: Deutsche Bank



#### Peak Inflation? Yes

# Fed Pivot

Inflation is becoming more structural in nature

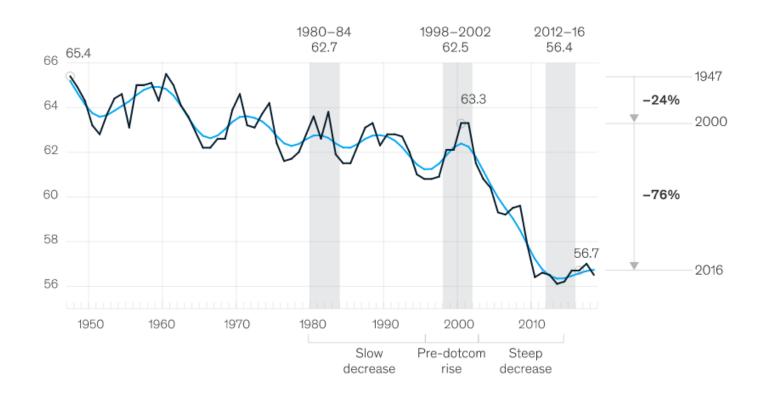


Source: Bloomberg
Data represents U.S. Consumer Price Index.



#### Labor Share of Nonfarm Business Sector

Total compensation share of gross value added (%)

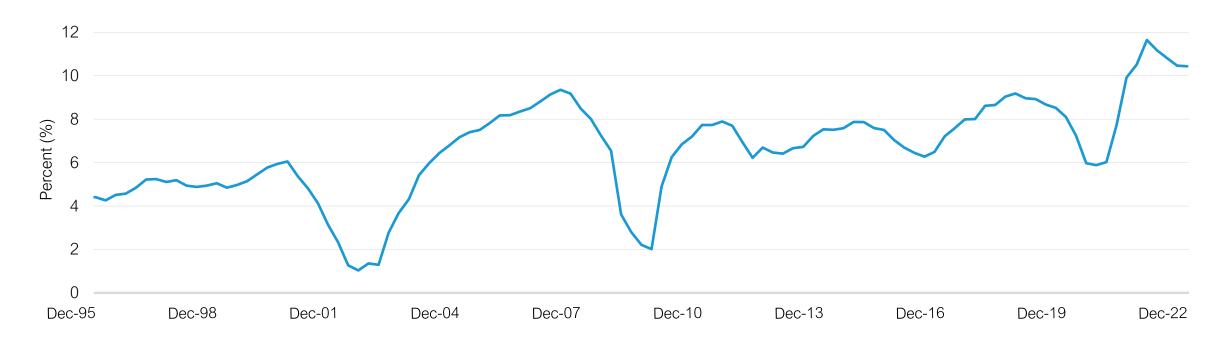


Source: Deutsche Bank



# Profit Margins Pressured Going Forward?

MSCI World Index: Trailing 12-month profit margin

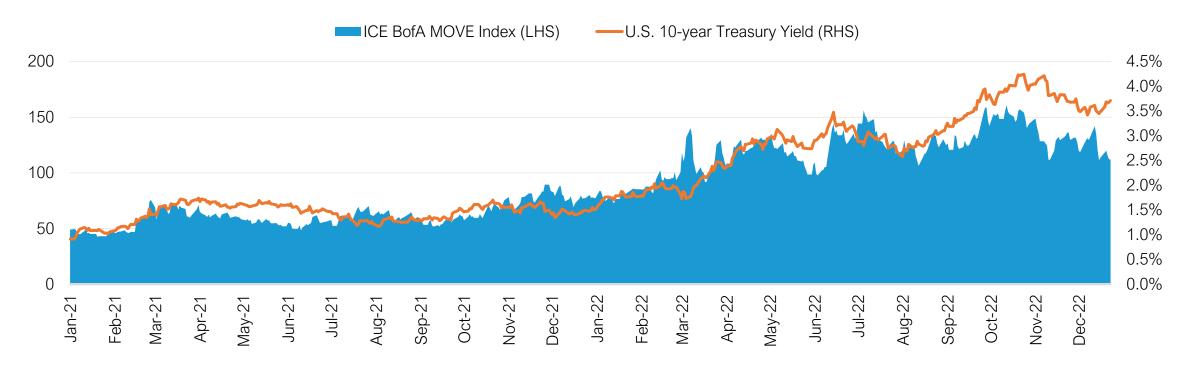


Past performance does not guarantee future results.



#### Higher Treasury Yields Have Brought with It Higher Rate Volatility

ICE BofA MOVE index represents a measure of Treasury market volatility

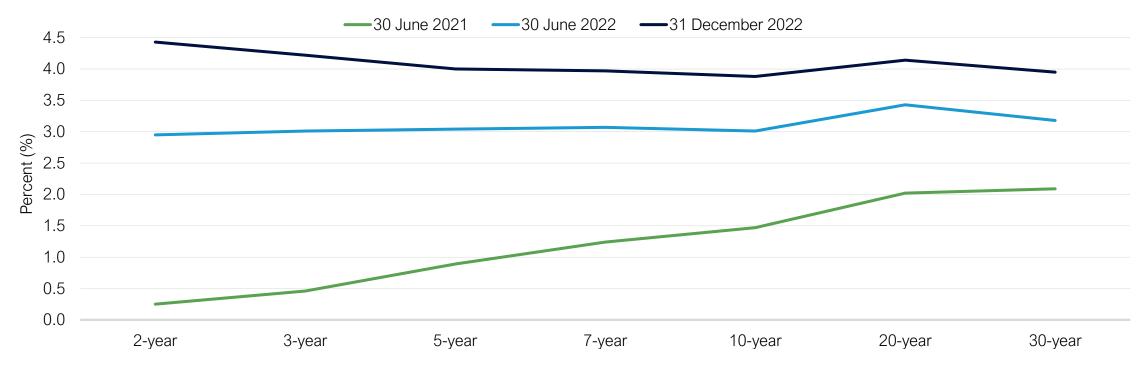


Past performance does not guarantee future results.



### Investing Out the Yield Curve Provides No Additional Compensation

#### U.S. Treasury yield curve



Past performance does not guarantee future results.



#### After a Tumultuous 2022, Yield Has Returned to the Marketplace

Yield for various market indices

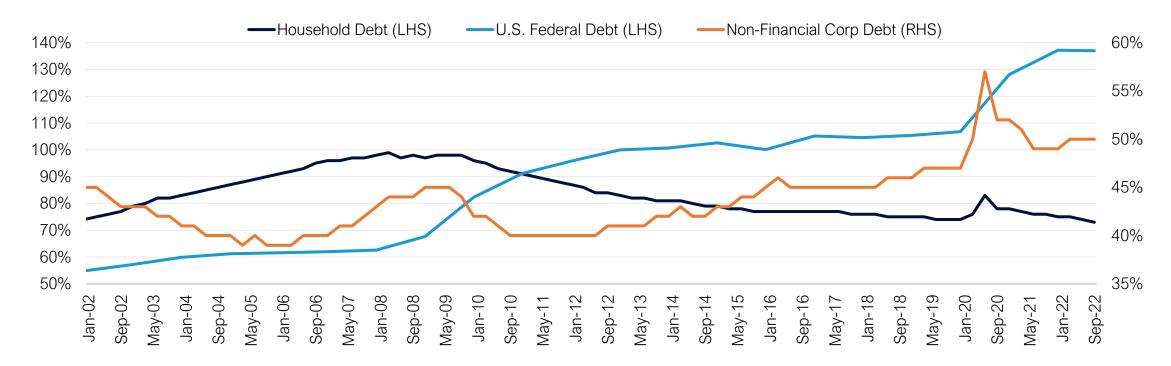


Past performance does not guarantee future results.



#### Consumer Debt as Percentage of GDP Shows Few Signs of Weakening

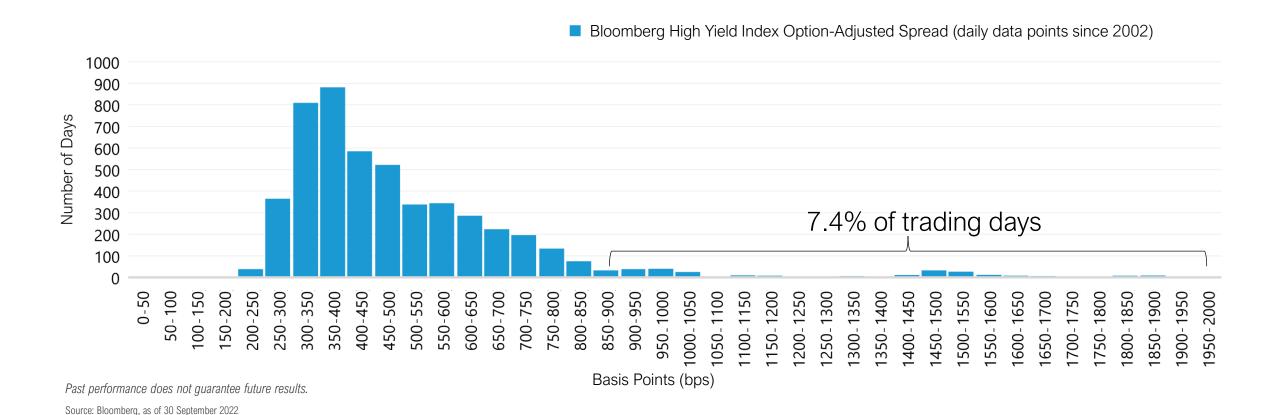
U.S. household, government, and corporate debt as % of GDP



Source: Bloomberg, as of 30 September 2022



# Spreads over Time Do Not Resemble a Normalized Distribution



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