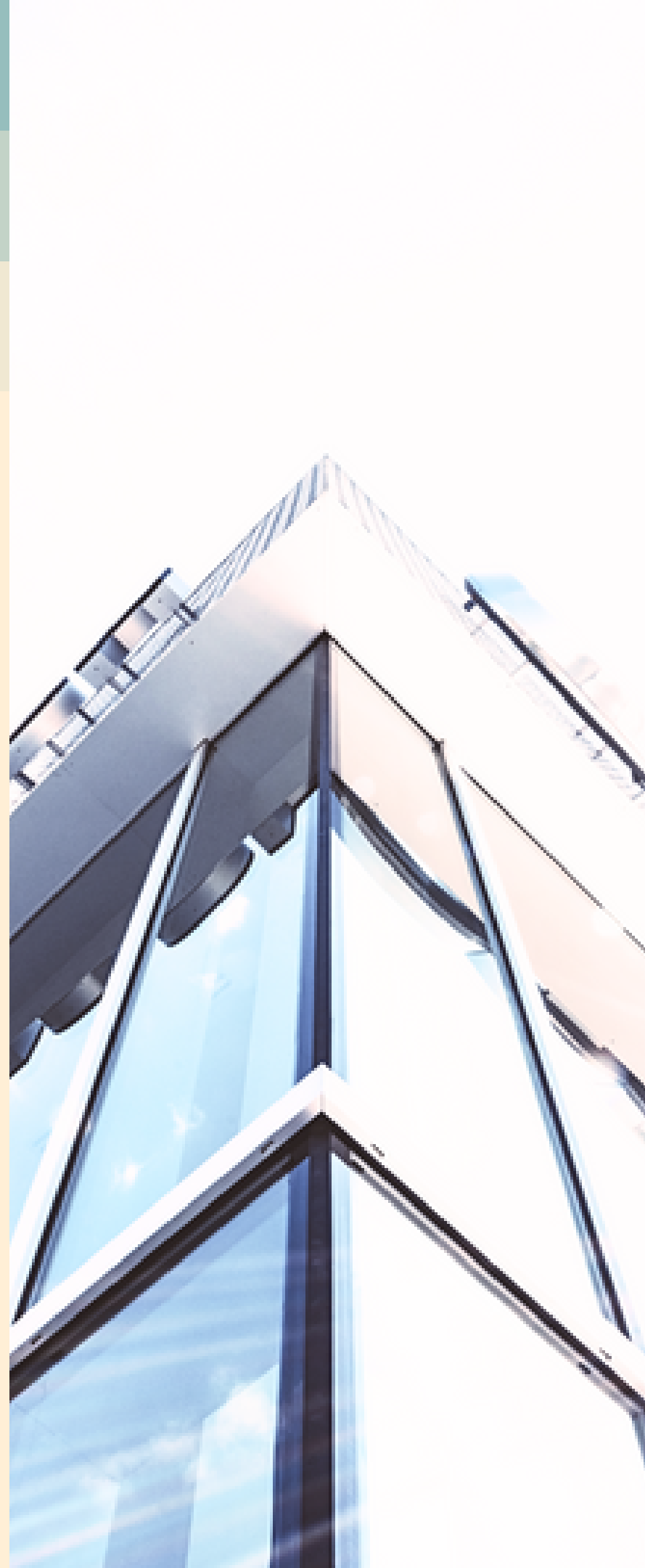


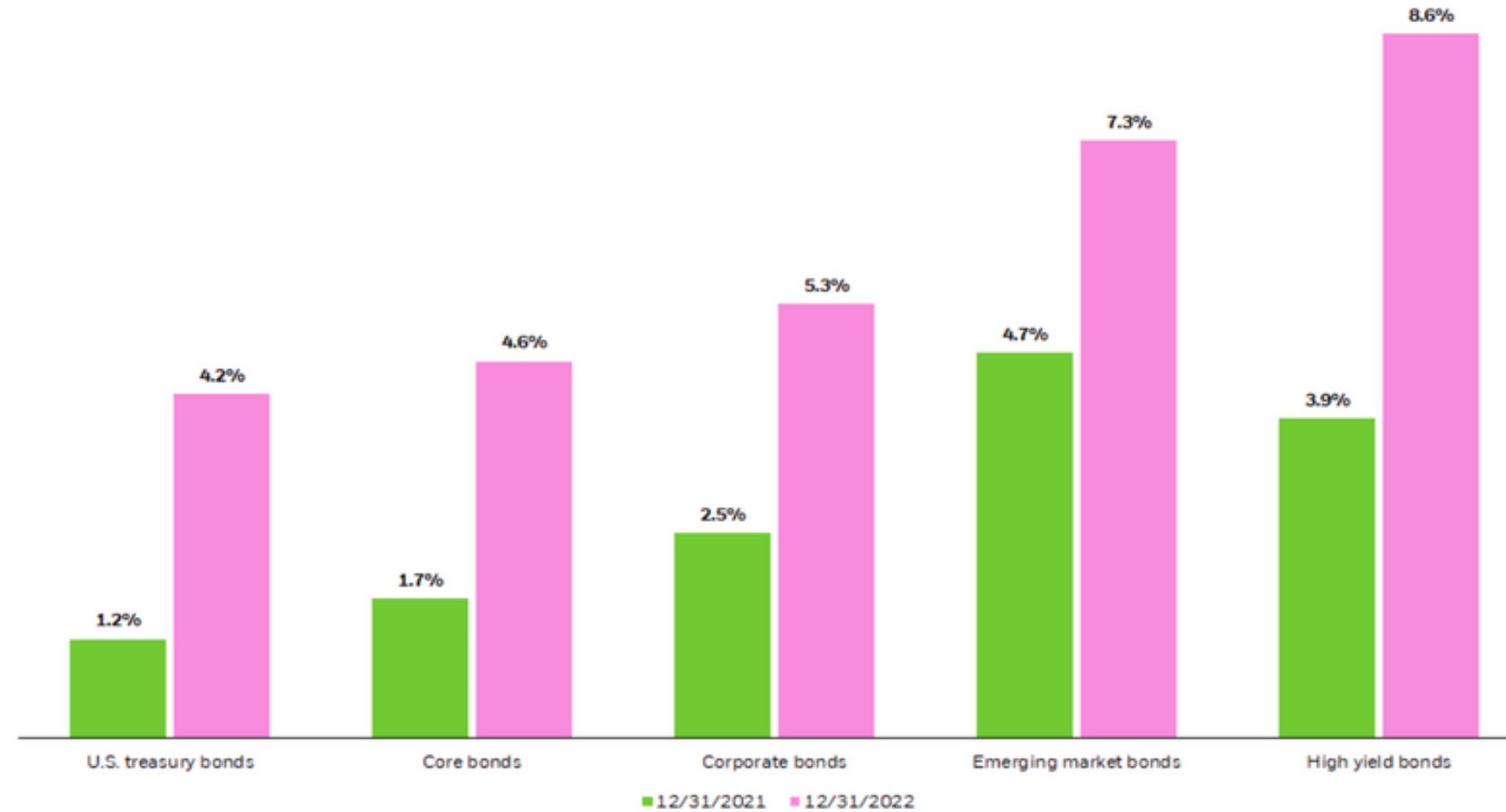
GROUP 6

-By Pankti Doshi, Angad Singh,
Yulian Xu, Akshika Yadav



INVESTMENT OVERVIEW

Yield (%)



Source: BlackRock and Bloomberg as of 12/31/2022. All yields shown are yields to worst. U.S. treasury bonds represented by the IC US Treasury Core Bond Index, Core bonds represented by the Bloomberg US Aggregate Bond Index, Corporate bonds represented by the Markit iBoxx USD Liquid Investment Grade Index, Emerging market bonds represented by the J.P. Morgan EMBI Global Co Index, and High yield bonds represented by the Markit iBoxx USD Liquid High Yield Index.

INVESTMENT STRATEGY

-Investment Horizon-
2.5 months

-Current Price- \$50.54

-Target Price- \$53.57
(6% hike over current
price level)

LOW-RISK, LOW-YIELD

Long on iShares 1-5 Year
Investment Grade Corporate
Bond inverse ETF(IGSB)

+

Long on SPDR® Portfolio Short
Term Corporate Bond
ETF(SPSB)

INVESTMENT STRATEGY

-Investment Horizon-
2.5 months

-Current Price- \$24.84

-Target Price- \$27.11
(9% hike over current price level)

HIGH-RISK,HIGH-YIELD

Long on SPDR Bloomberg
Barclays Short Term High Yield
Bond ETF (SJNK)

+

Short on SPDR Portfolio Long
term corporate bond ETF(SPLB)

+

Stop Loss

INVESTMENT THESIS

Hypthesis:- The federal open market committee will continue to increase the fed target rate in upcoming meetings scheduled on May 03rd and June 14th.

The Hypothesis is based on two key drivers:

(I) Inflation has declined in recent months but remains elevated

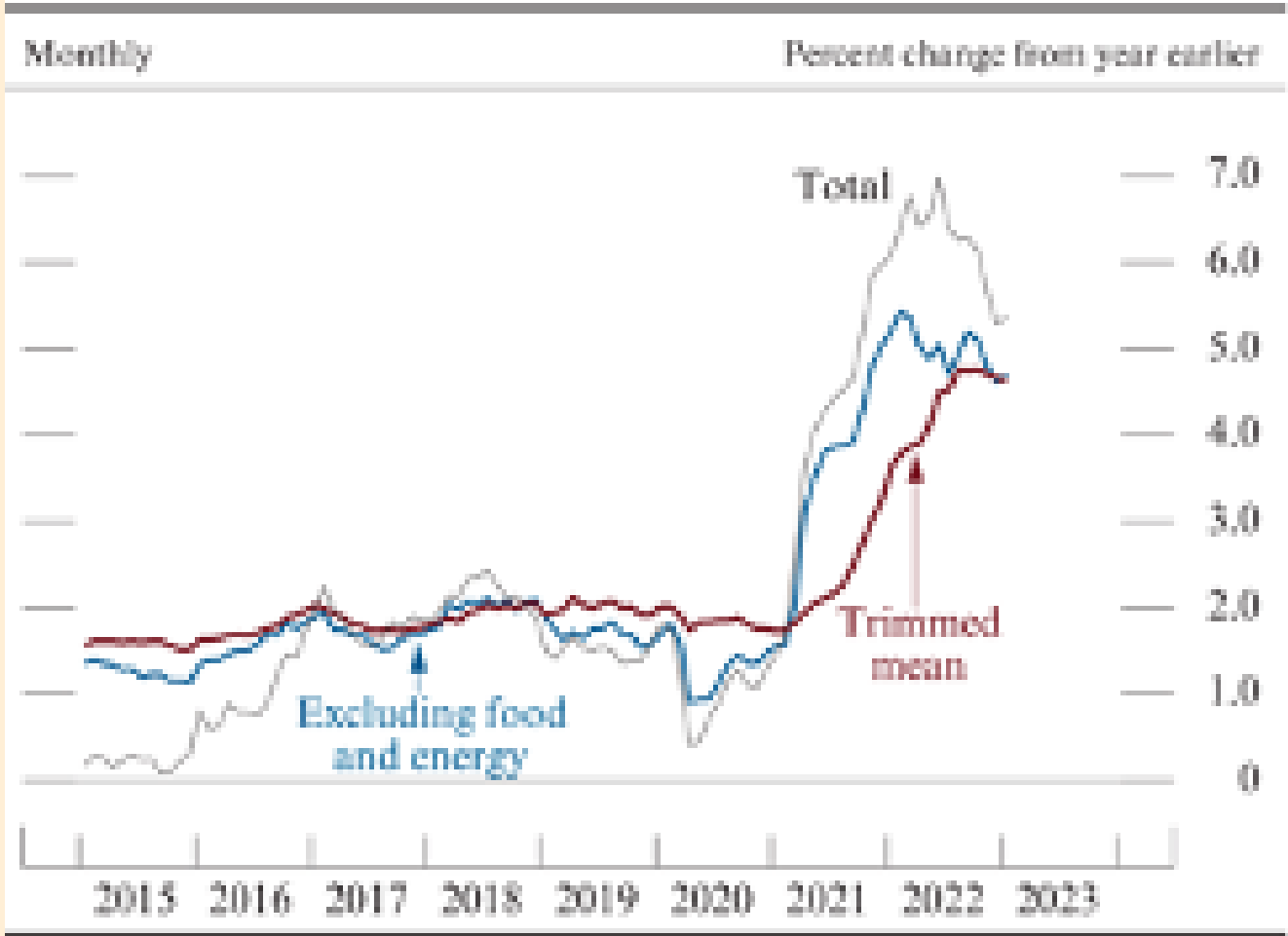
(II) High likelihood that the Fed will change the Federal target rate at upcoming FOMC meetings, according to interest rate traders

INVESTMENT THESIS

(I) Inflation has declined in recent months but remains elevated

Inflation, as measured by the 12-month change in the price index for personal consumption expenditures (PCE), stepped down from its peak of 7.0 percent in June of last year to 5.4 percent in January, still notably above the Federal Open Market Committee's (FOMC) longer-run objective of 2 percent

1. Personal consumption expenditures price indexes



Source: For trimmed mean, Federal Reserve Bank of Dallas; for all else, Bureau of Economic Analysis; all via Haver Analytics.

INVESTMENT THESIS

(II)High likelihood that the Fed will change the Federal target rate at upcoming FOMC meetings, according to interest rate traders

• PROBABILITY OF CHANGE IN FED RATES

Meeting Date	Days to Meeting	Ease	No Change	Hike
5/03/2023	30	0.00%	44.34%	55.66%
6/14/2023	72	0.00%	43.68%	56.32%

• PROBABILITY OF RANGE OF FED RATE

Meeting Date	475-500 bps	500-525 bps	525-550
5/03/2023	41.7%	58.3%	0.00%
6/14/2023	40.1%	57.7%	2.3%

Source: CME Fed Watch Tool

LOW RISK, LOW YIELD

iShares 1-5 Year Investment Grade Corporate Bond inverse ETF(IGSB)

Funds Strategy-

- Tracks performance of the ICE BofA 1-5 Year US Corporate Index, which is composed of corporate bonds with maturities between one and five years.

Liquidity-

- Avg trading Volume- 4.9 M
- AUM-24.24B

Expense Ratio- 0.04%

SPDR® Portfolio Short Term Corporate Bond ETF(SPSB)

Funds Strategy-

- Tracks Bloomberg Barclays U.S. 1-3 Year Corporate Bond Index.
- Measures the performance of the short-term U.S. corporate bond market.
- Includes Investment grade bonds

Liquidity-

- Avg Trading Volume-3.8 M
- AUM-7.99 B

Expense Ratio- 0.04%

HIGH RISK, HIGH YIELD

SPDR Bloomberg Barclays Short Term High Yield Bond ETF (SJNK)

Funds Strategy-

- Tracks Bloomberg Barclays US High Yield 350mn Cash Pay 0-5 Yr 2% Capped Index.
- Measures the performance of the short-term U.S. High yield corporate bond market.
- Includes Non-Investment grade bonds

Liquidity-

- Avg trading Volume- 5.9 M
- AUM-3.56B

Expense Ratio- 0.40%

SPDR Portfolio Long term corporate bond ETF(SPLB)

Funds Strategy-

- Tracks Bloomberg Barclays U.S. Long Term Corporate Bond Index.
- Measures the performance of the Long-term U.S. corporate bond market.

Liquidity-

- Avg trading Volume- 0.9 M
- AUM-620.13M

Expense Ratio- 0.04%

RISK

Strategy I & II-

- **Interest rate Risk:** The risk that No change/ease in interest rates will affect the value of the fixed-income securities held by the ETF.ETFs that invest in longer-term fixed-income securities are generally more sensitive to changes in interest rates than those that invest in shorter-term securities.
- **Credit Risk:** The risk that the issuer of a fixed-income security will default on its payments or become insolvent, resulting in a loss of principal or interest payments.ETFs that invest in lower-rated bonds or securities issued by companies with a higher likelihood of defaulting are generally more exposed to credit risk.
- **Liquidity Risk:** The risk that the ETF may not be able to sell the underlying securities in its portfolio at a fair price, or at all, due to a lack of buyers or market volatility. Inverse ETFs face liquidity risk due to their unique structure, as they use derivatives to provide the opposite performance of a benchmark index and may hold short positions in the underlying securities.
- **Below Investment-Grade Securities Risk:** “High yield” or “Junk” bonds are considered predominantly speculative, and can involve a substantially greater risk of default than higher quality debt securities.

THANK YOU