

Davenport Asset Management presents:

Virtual Investor Summit Series

2025 Fixed Income Outlook

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2024 was a year full of many twists and turns

- A risk-on “red wave” was seen in late November
- The Federal Reserve began an aggressive rate cutting cycle
- Government spending and borrowing concerns caught up to inflation
- Geopolitical risks and questions surrounding the strength of the consumer persisted

2025 elevated interest rates are compelling

- Opportunities exist in the high-quality lending markets
- Particular attention to growth and inflation relationship is critical
- Flexibility is key to seizing opportunity and managing risk

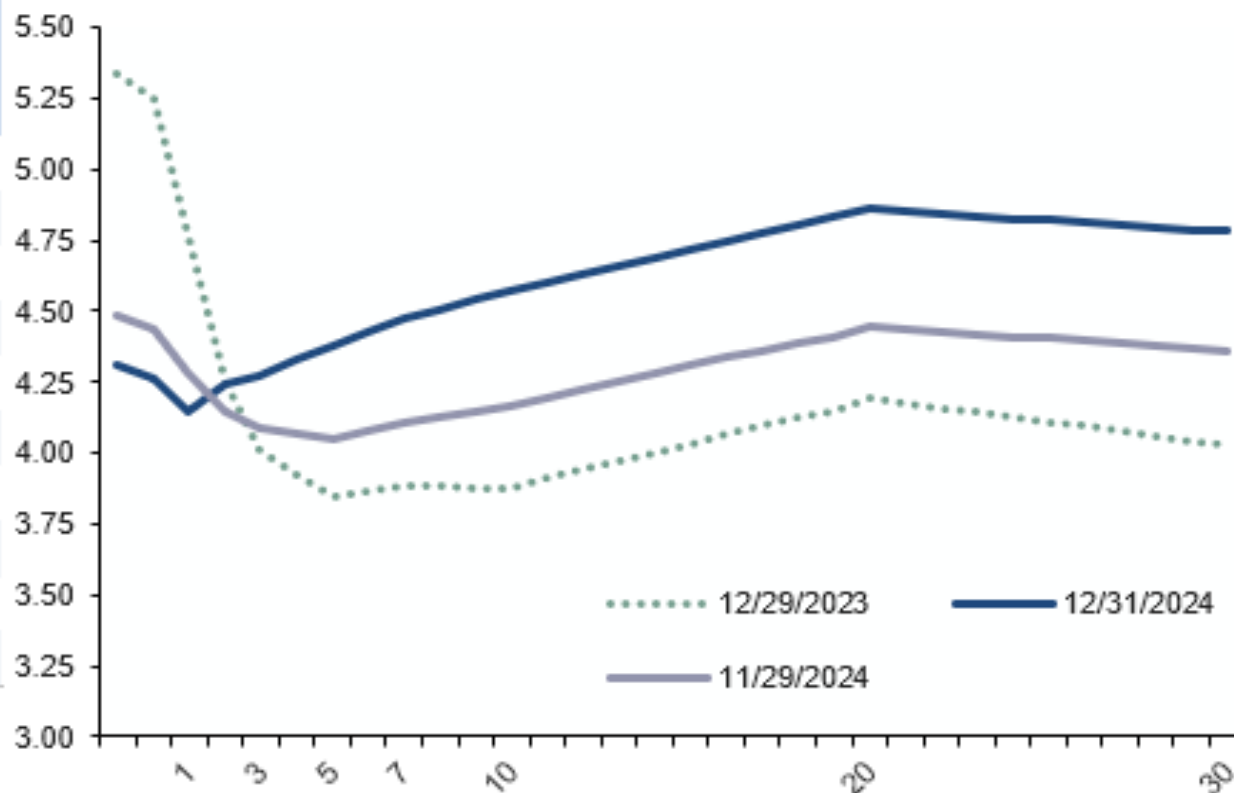


2024 2025

Have the Fed's Rate Cuts Worked?

US Treasury Curve Yields





Maturity	Current Yields	WoW Change (bp)	MoM Change (bp)	2024 Change (bp)
3 months	4.31	1	-17	-102
6 months	4.27	-3	-17	-98
1 year	4.14	-8	-14	-62
2 years	4.24	-9	9	-1
3 years	4.27	-9	18	26
5 years	4.38	-5	33	53
7 years	4.48	-4	37	60
10 years	4.57	-2	40	69
20 years	4.86	2	41	67
30 years	4.78	2	42	75
2s-10s (bp)	33	7	31	70
2s-30s (bp)	54	11	33	76

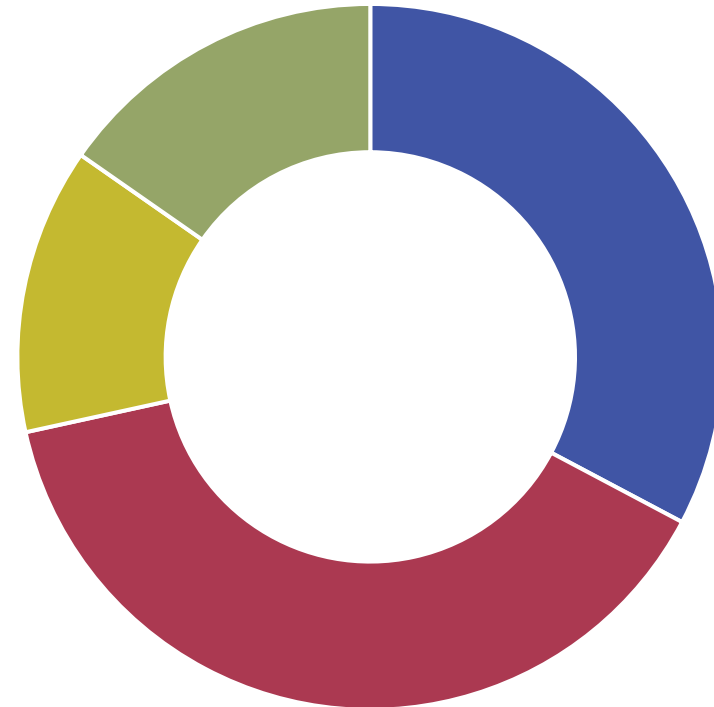


Source: CreditSights, Bloomberg. Data as of 12/31/2024

When the Rubber Meets the Road: The Growing Concerns Around the State of the U.S. Debt

Total Debt Held by the Public (Principal Only) Maturity Schedule

-  2025: Approximately \$9.3T
-  2026-2030: Approximately \$11.1T
-  2031-2040: Approximately \$3.7T
-  2041-2054: Approximately \$4.4T



Source: Bloomberg. Data as of 1/13/2025

Questions?



Important Disclosures

Index Definitions:

Bonds are subject to market and interest risk; values expect to decline as interest rates rise. Bonds may not be suitable for all investors and you should consider specific risks such as credit risk, default risk and volatility prior to investing. U.S. Government securities are guaranteed as to timely payment of principal and interest only.

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