

### ▶ The Agg is heavily weighted toward U.S. government exposure

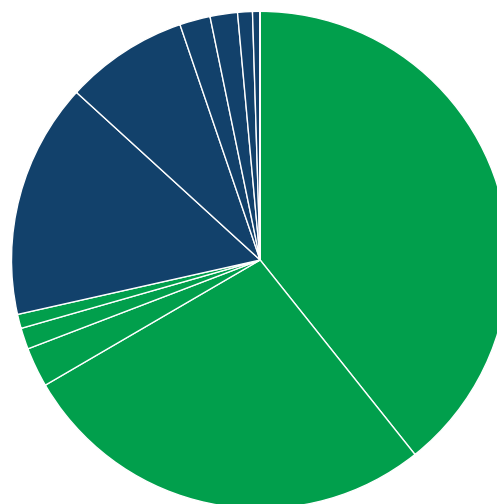
Sector exposure in the Bloomberg Barclays U.S. Aggregate Bond Index

#### Government-affiliated sectors (72%)

- Treasuries (39.3%)
- Agency MBS (27.3%)
- Agencies (2.6%)
- Supranational (1.4%)
- Local authorities (0.9%)

#### Other sectors (28%)

- Industrial (15.3%)
- Financial (8.0%)
- CMBS (2.0%)
- Utility (1.8%)
- Sovereign (1.0%)
- ABS (0.5%)
- Covered (0.0%)



Source: Bloomberg, data as of 06/28/19. The Bloomberg Barclays U.S. Aggregate Bond Index (the Agg) is a broad-based benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. It is not possible to invest directly in an index.

### Columbia Threadneedle Investments

Many investors use products that track the Bloomberg Barclays U.S. Aggregate Bond Index (the Agg) as their core fixed-income allocation, but the Agg was never designed to be an investment portfolio. Just because there are thousands of securities in the Agg doesn't mean that it's well diversified across bond-market sectors.

The Agg is heavily concentrated in exposure to government-related fixed-income asset classes. Before the global financial crisis in 2008, U.S. Treasuries made up 22% of the Agg. But that's increased to almost 40% today, and total government exposure is more than 70%. The bond benchmark represents the largest issuers of debt. It may not necessarily represent the best opportunities for fixed-income investors.

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