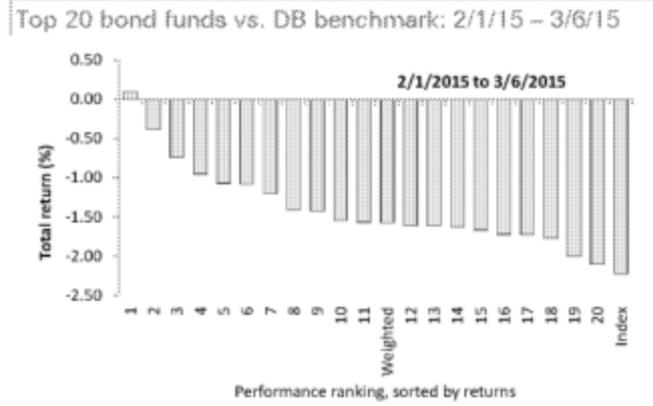
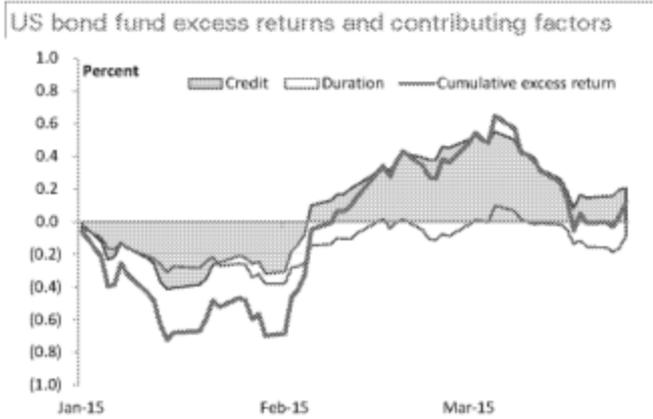


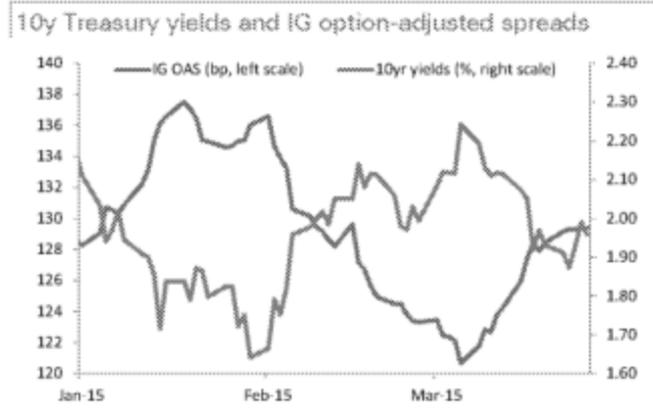
Source: Bloomberg Finance LP and Deutsche Bank



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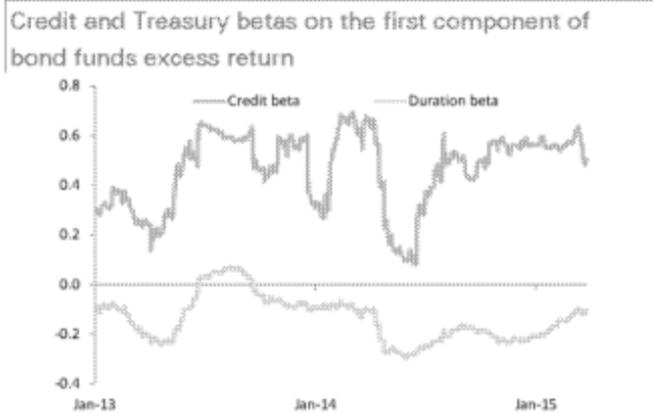
Source: Bloomberg Finance LP and Deutsche Bank



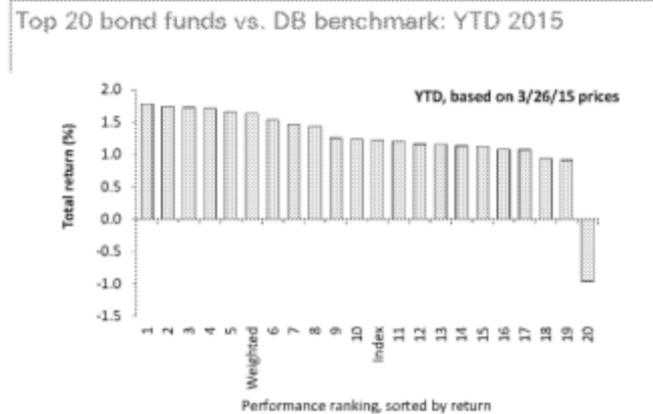
Source: Bloomberg Finance LP and Deutsche Bank

While the broad strategy for generating alpha has been for some time to overweight credit and underweight duration, money managers are showing signs of dialing back their overreliance on corporate debt and they seemed to have tiptoed back into Treasuries.

The beta of daily excess returns from our credit index (80/20 IG/HY mix) regressed on bond fund excess returns has dropped to the lowest level of this year, and it's materially lower than the peak reading back in early 2014. The beta of daily Treasury total returns regressed on fund excess returns has decisively climbed higher over the last six months, now reaching the least negative level in more than a year.



Source: Bloomberg Finance LP and Deutsche Bank



Source: Bloomberg Finance LP and Deutsche Bank