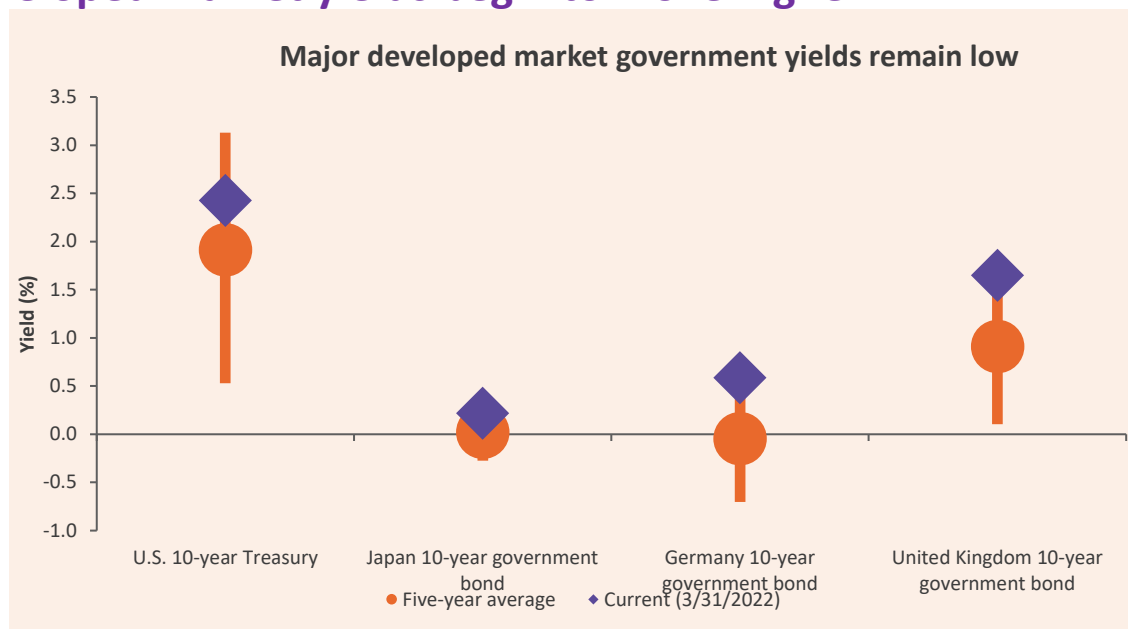


Developed market yields begin to move higher



Sources: Bloomberg and Wells Fargo Investment Institute, as of March 31, 2022. For illustrative purposes only. Yields represent past performance and fluctuate with market conditions. Current yields may be higher or lower than those quoted above. **Past performance is no guarantee of future results.** Bonds are subject to interest rate, credit/default, liquidity, inflation and other risks. Prices tend to be inversely affected by changes in interest rates. Although Treasuries are considered free from credit risk they are subject to other types of risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate. Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging markets.

- 10-year German bund yields finally broke back above zero in the first quarter as the European Central Bank began to discuss normalizing policy. Even Japanese yields edged higher. UK Gilt yields continued to rise as the Bank of England began to raise rates.
- U.S. bond yields have climbed, supported by fiscal stimulus and successful vaccine developments.
- We still expect yields to climb further throughout 2022, but consolidation in yields may occur at times.