

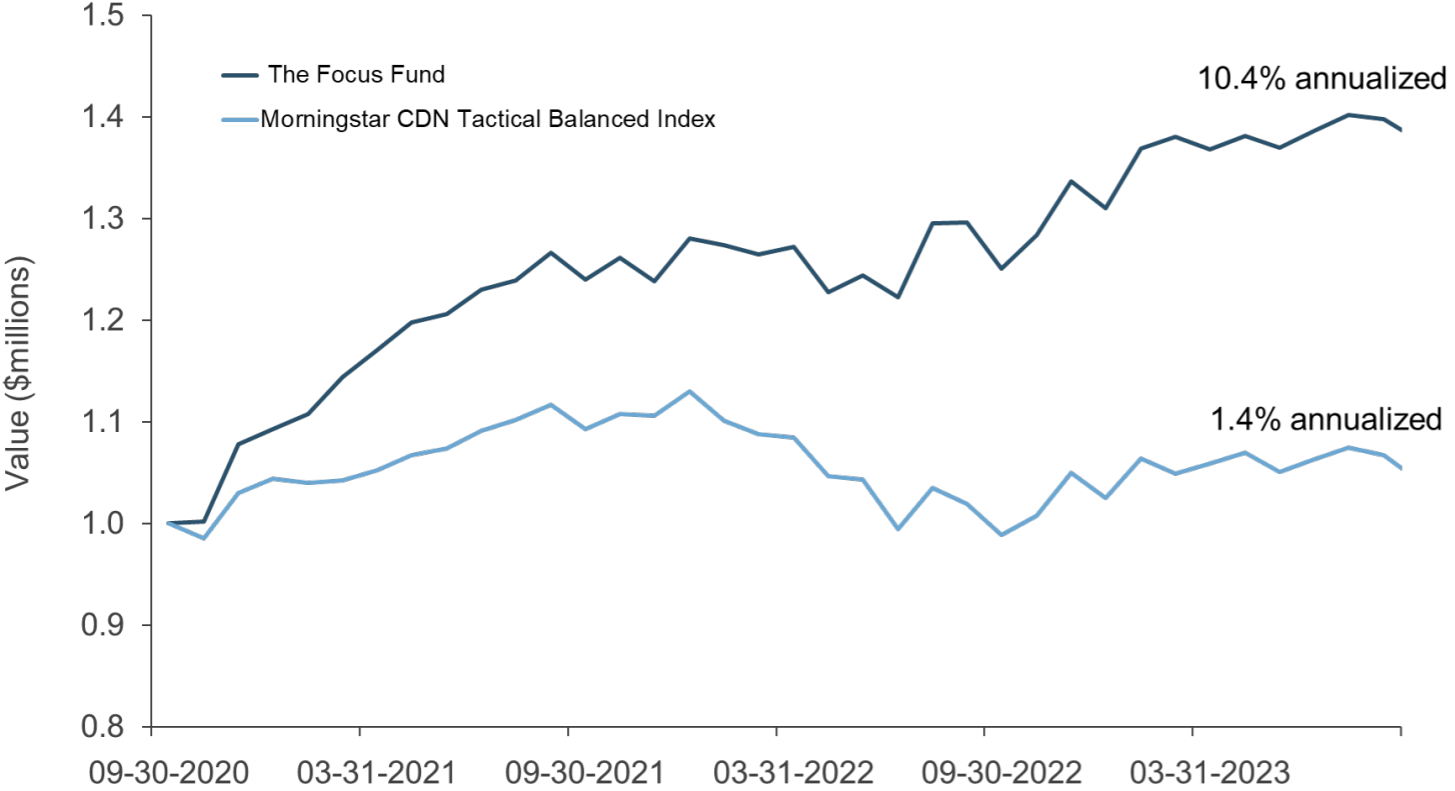
An Evening with David Rosenberg



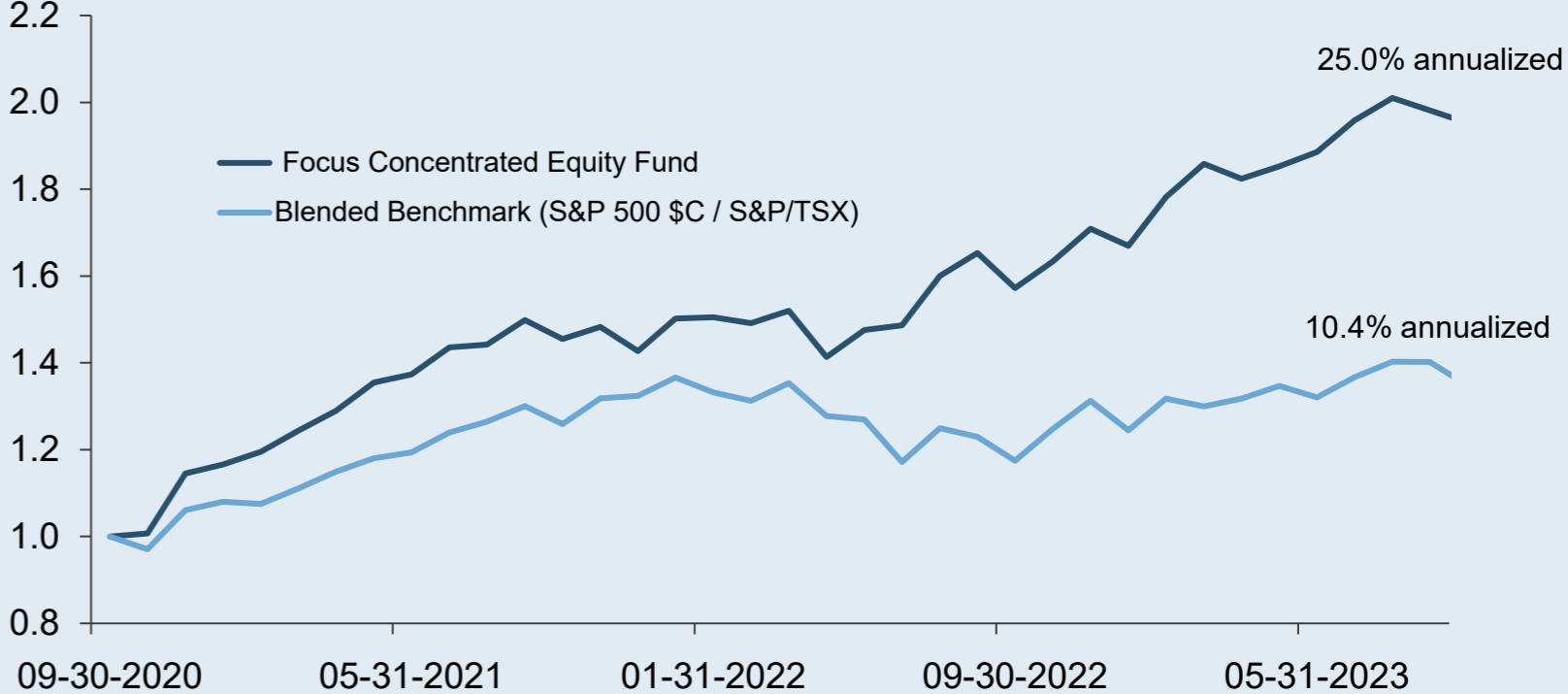


Thoughtful investing... better outcomes

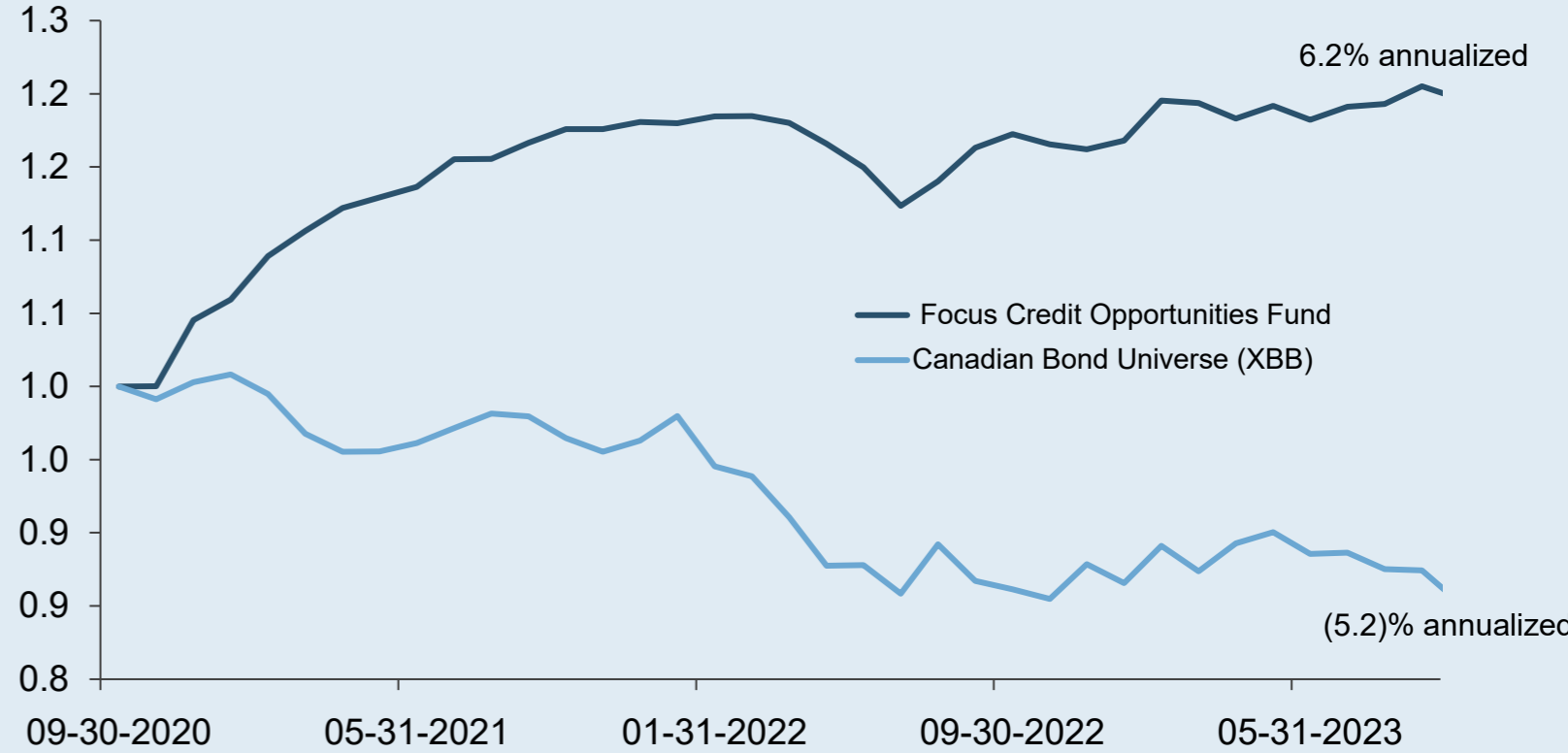
The Focus Fund (multi-asset class)



Focus Concentrated Equity Fund



Focus Credit Opportunities Fund



Sources: Focus official NAVs, Bloomberg, Morningstar | As of September 30, 2023



David Rosenberg

David Rosenberg is the founder and president of Rosenberg Research, an economic and financial market consulting firm he established in January 2020. Prior to creating his own company, David was chief economist and strategist at Gluskin Sheff + Associates from 2009 to 2019. Prior to that, from 2000 to 2009, he was at Merrill Lynch, where for the first two years he was chief Canadian economist and strategist based out of Toronto; for the last seven he was Chief North American economist at Merrill Lynch in New York, where he was consistently ranked in top three of Wall Street economists polled by the annual Institutional Investors survey.

Focus Asset Management

200 King Street West, Suite 610
Toronto, Ontario, Canada, M5H 3T4

Tel: 416-815-1800

Toll-free: 1-888-525-2111

www.focusasset.ca

Appendix & Disclosures

This statement was prepared for information purposes only. The information has been drawn from sources believed to be reliable. Past performance may not be repeated. Performance is reported net of fees.

The investment objective of the majority of the portfolios managed by Focus Asset Management Ltd. (Focus) is to provide long-term appreciation through a combination of dividends, income and capital gains. Focus may invest in a broad range of assets that include cash, money market instruments, fixed income securities and common stocks of corporations incorporated or carrying on business in any jurisdiction. Assets may also include commodities or financial instruments with exposure to commodities, including investment funds managed by Focus.



Rosenberg
Research

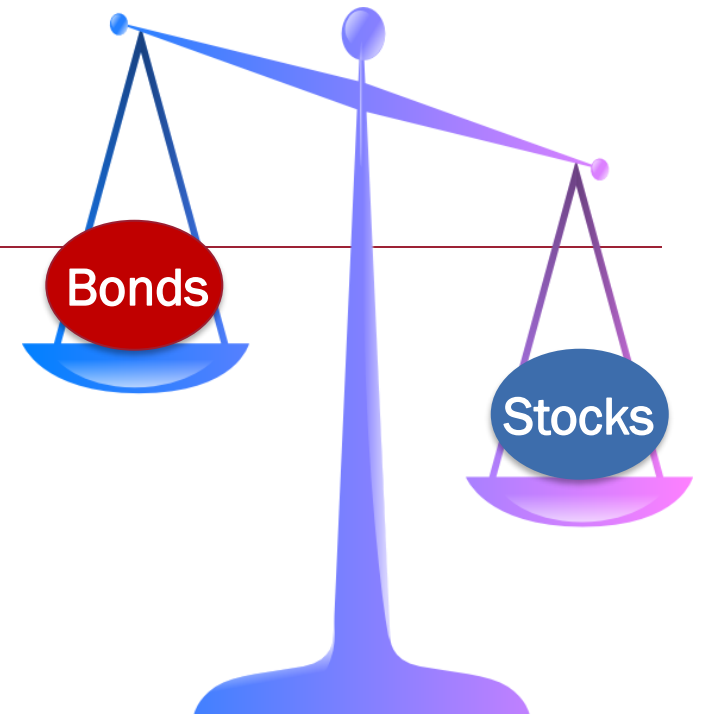
Bonds About to (Finally) Have More Fun!

November 2023

David A. Rosenberg
President & Founder

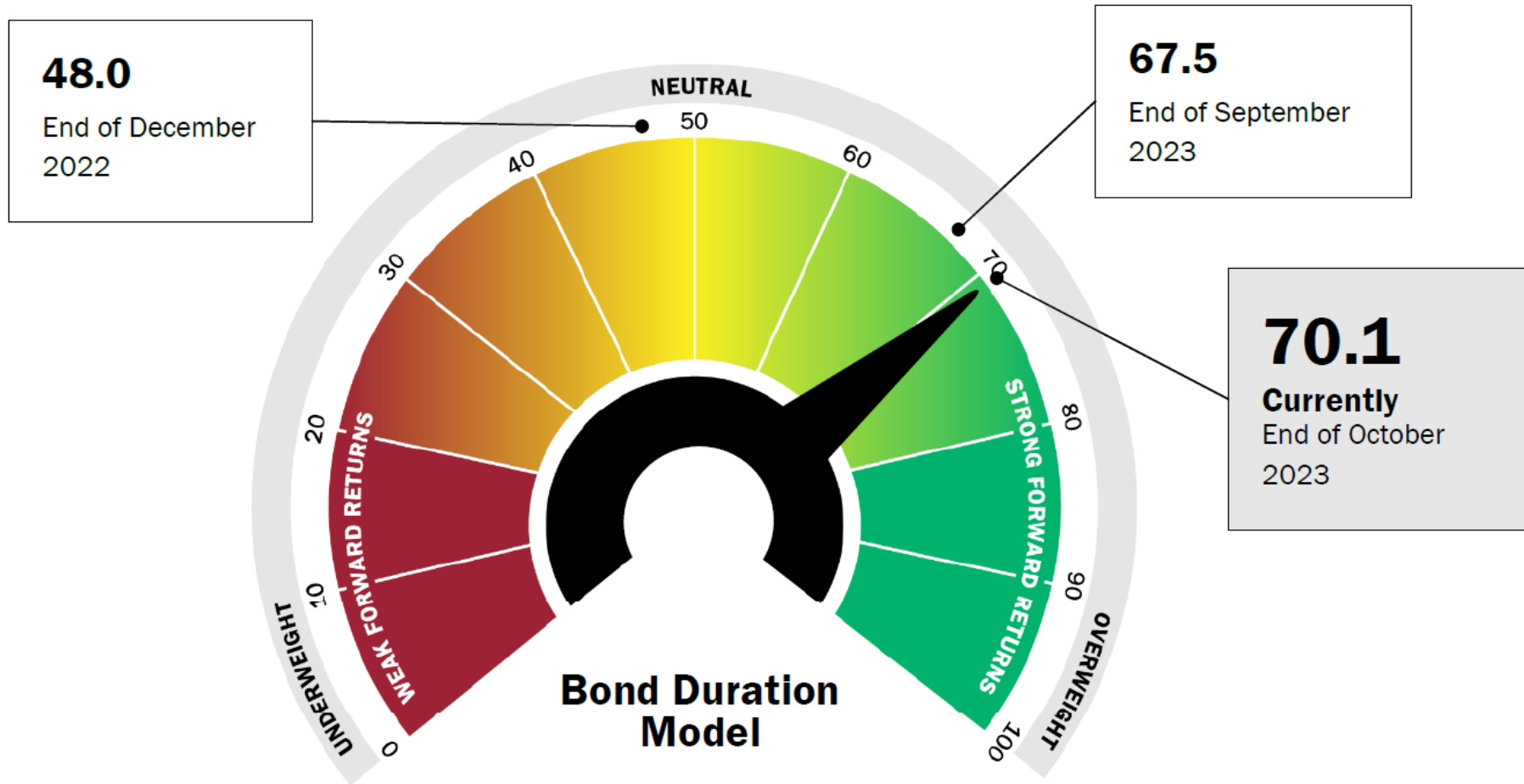
Email: information@rosenbergresearch.com
www.rosenbergresearch.com

Insightful
Analysis



We are a global independent economic research and markets strategy firm, providing clients with unbiased insights and actionable investment guidance.

BOND DURATION MODEL AT ITS HIGHEST LEVEL SINCE JUNE 2022



WHY GOD CREATED ECONOMISTS: TO MAKE WEATHERMEN FEEL GOOD ABOUT THEMSELVES!

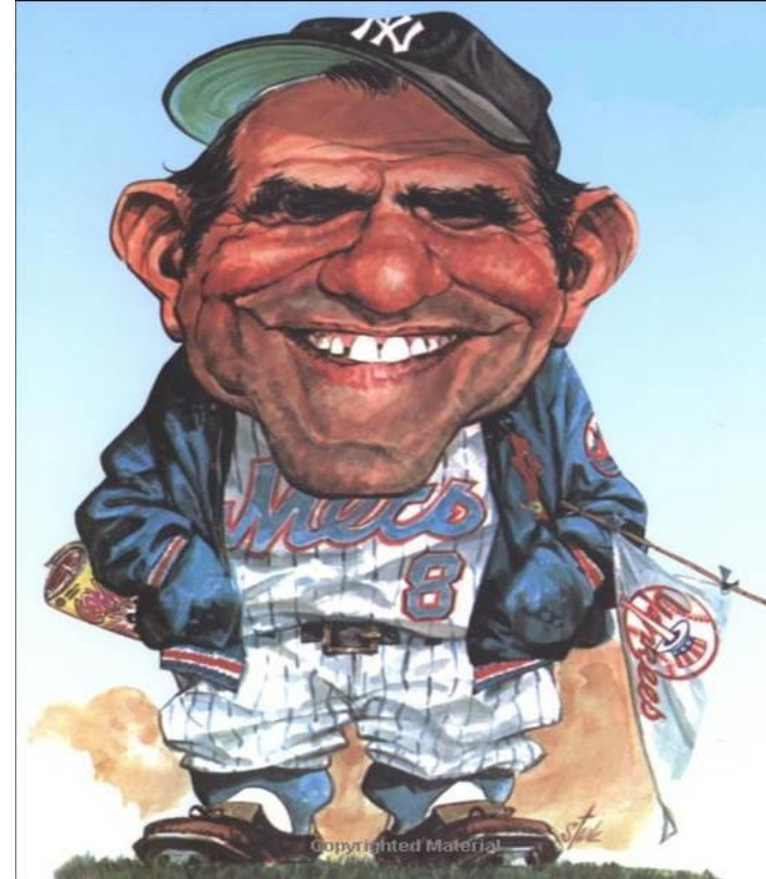
*“There are two kinds of forecasters: those who don’t know,
and those who don’t know they don’t know.”*
— **John Kenneth Galbraith**



WAS YOGI BERRA A “CLOSET” ECONOMIST?

“It’s tough making predictions, especially about the future.”

— Lawrence Peter "Yogi" Berra



BUT IS HAVING A LAWYER AS FED CHAIRMAN ANY BETTER?



*“I don’t think anyone knows whether we’re going to have a recession or not, and if we do, whether it’s going to be a deep one or not. It’s **not knowable.**”*

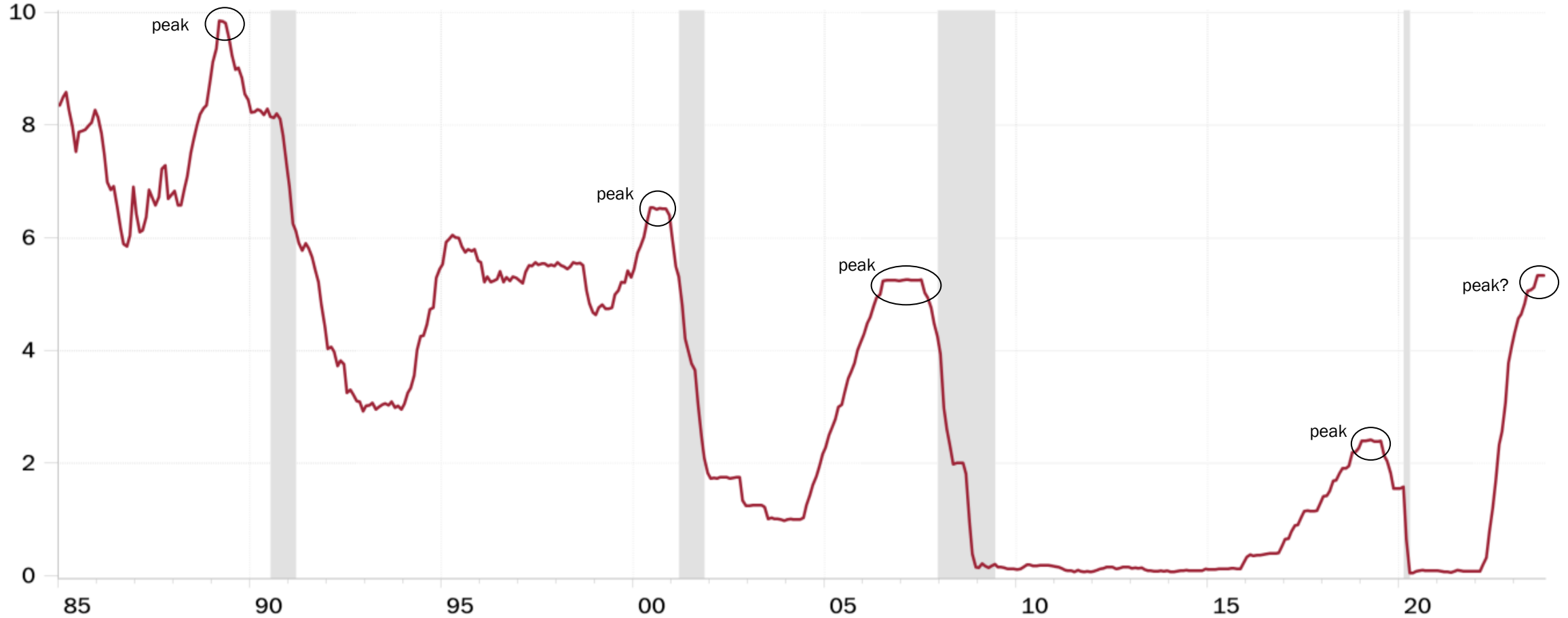
— Jerome Powell

December 14, 2022

EVERY RECESSION FOLLOWED A PEAK IN THE FED FUNDS RATE

Federal Funds Rate

(percent)



Shading indicates recession

Source: Haver Analytics, Federal Reserve, Rosenberg Research

IT TAKES TWO YEARS FOR THE RECESSION TO APPEAR AFTER THE FIRST FED RATE HIKE!

Start of Hiking Cycle	Start of Recession	From The Start of the Fed Hiking Cycle to Start of Recession (Months)
November 1967	December 1969	25
April 1972	November 1973	19
May 1977	January 1980	32
August 1980	July 1981	11
March 1988	July 1990	30
July 1999	March 2001	20
June 2004	December 2007	42
March 2022	?	20?
Average		26

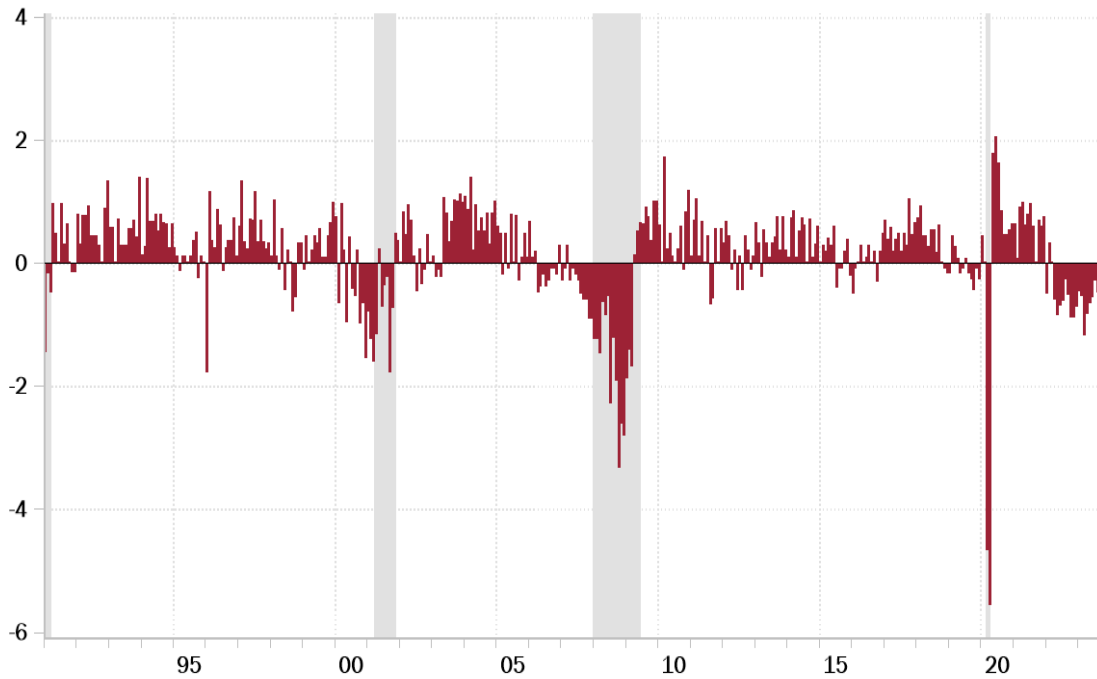
Source: Haver Analytics, Federal Reserve, Rosenberg Research

THE BUSINESS CYCLE HAS NOT BEEN REPEALED!

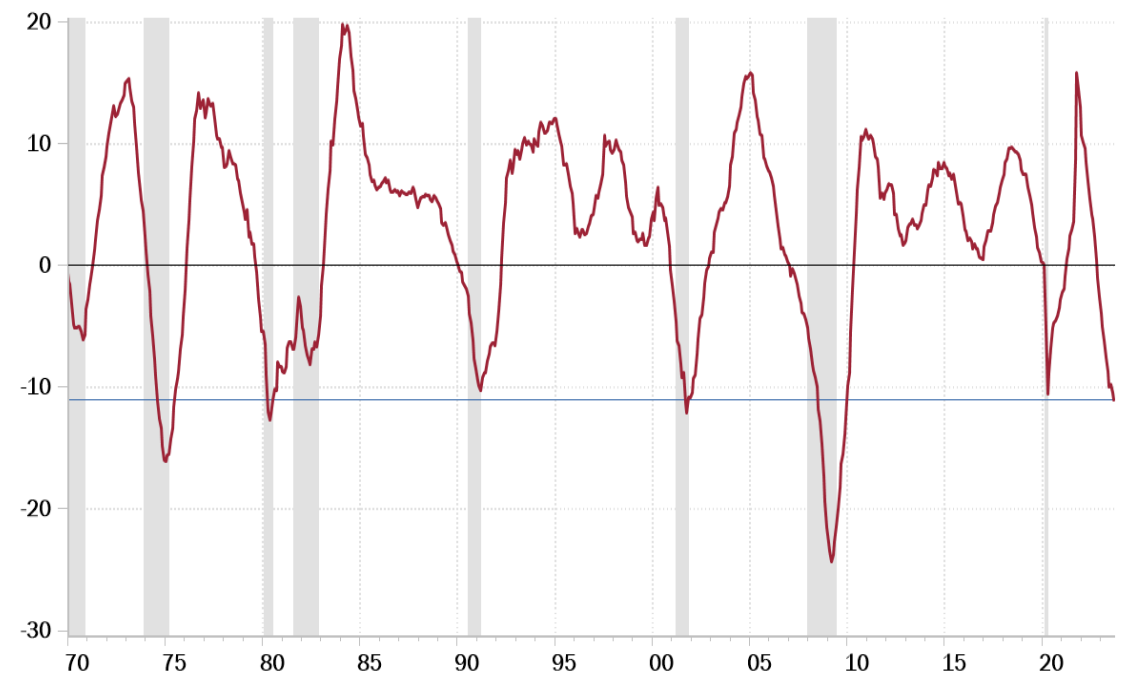


EIGHTEEN STRIKES IN A ROW ON THE LEI AND THE ECONOMY IS OUT (EVERY TIME)!

Leading Economic Indicator
(month-over-month percent change)



Leading Economic Indicator
(18-month percent change)

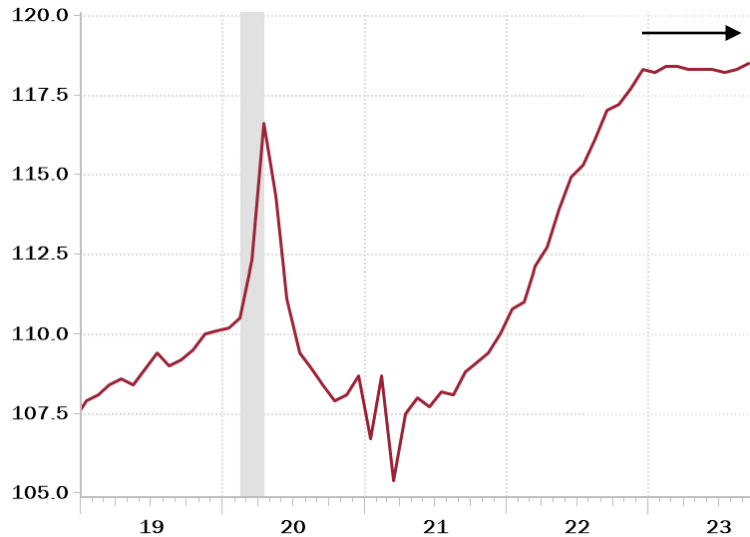


Shading indicates recession

Source: Haver Analytics, Conference Board, Rosenberg Research

THE FED IS IGNORING THE CHART ON THE FAR RIGHT — THE LEADING INDICATOR!

Lagging Economic Indicator (index)

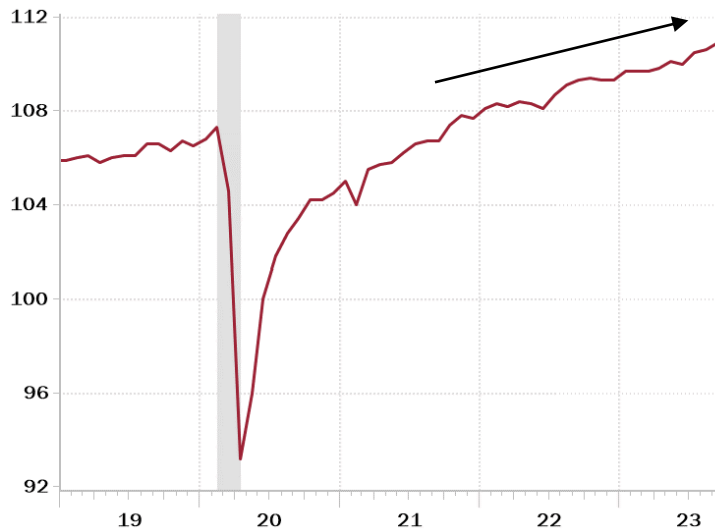


- Manufacturing unit labor costs
- Duration of unemployment
- C&I loans
- Service sector CPI
- Manufacturing inventory-to-sales ratio

Shading indicates recession

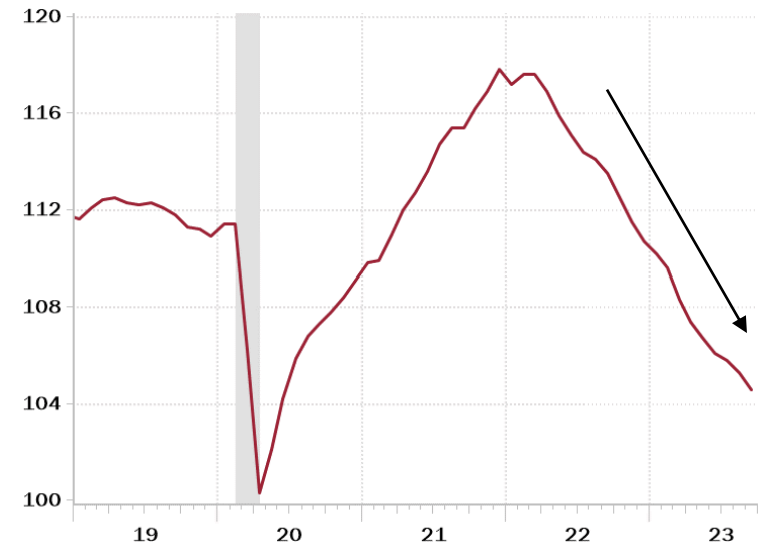
Source: Haver Analytics, Conference Board, Rosenberg Research

Coincident Economic Indicator (index)



- Non-farm payrolls
- Real personal income
- Industrial production
- Manufacturing sales

Leading Economic Indicator (index)

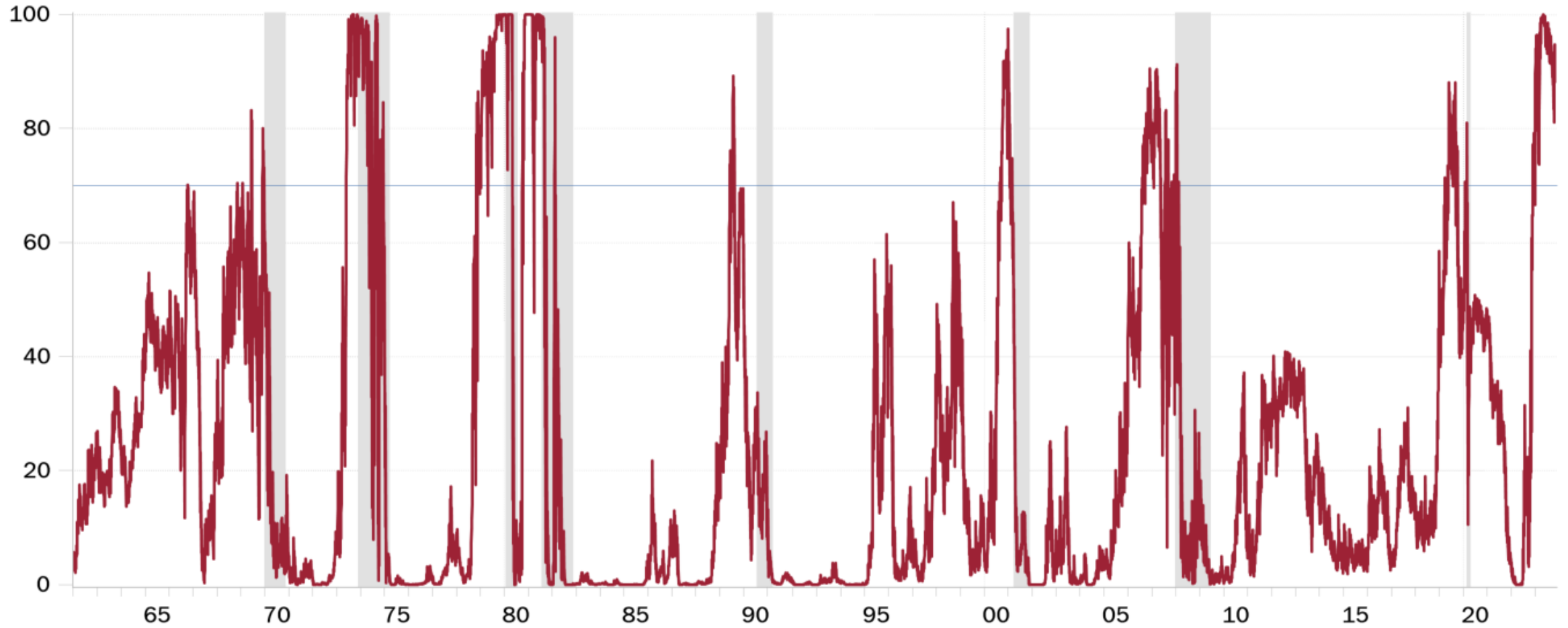


- Average weekly hours (manufacturing)
- Initial jobless claims
- ISM & manufacturers' new orders
- Building permits
- S&P 500
- Yield Curve
- UMich consumer expectations

U.S. RECESSION PROBABILITY POPS UP TO OVER 70% (WHICH IS REALLY 100%)

New York Fed Treasury Spread Recession Model

(percent)



Shading indicates recession

Source: Haver Analytics, New York Fed, Rosenberg Research



RECESSION PROBABILITY MODEL SAYS SEPTEMBER SHOULD BE THE MONTH DOWNTURN BEGINS

New York Fed Recession Probability		
Probability > 70%	Recession Date	From Probability >70% to Start of Recession (Months)
June 1969	December 1969	6
June 1973	November 1973	5
November 1978	January 1980	14
October 1980	July 1981	9
June 1989	July 1990	13
September 2000	March 2001	6
August 2006	December 2007	16
March 2019	March 2020	12
November 2022	?	12?
Average		10

Source: Haver Analytics, New York Fed, Rosenberg Research

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WHAT “IF” WE GET A RECESSION (OR ARE IN ONE)?

S&P 500

		S&P 500 Peak to Recession Start		Recession Start to Recession Trough		S&P 500 Peak to Recession Trough	
Expansion Date		Months	% Decline	Months	% Decline	Months	% Decline
Oct-49	Jul-53	6	-7.2	2	-8.2	8	-14.8
May-54	Aug-57	12	-9.1	2	-13.8	14	-21.6
Apr-58	Apr-60	8	-10.4	6	-3.8	14	-13.9
Feb-61	Dec-69	13	-15.1	5	-24.7	18	-36.1
Nov-70	Nov-73	10	-20.2	11	-35.1	21	-48.2
Mar-75	Jan-80	0	-0.9	2	-14.0	2	-14.7
Jul-80	Jul-81	8	-6.8	13	-21.8	21	-27.1
Nov-82	Jul-90	0	-3.5	3	-17.0	3	-19.9
Mar-91	Mar-01	12	-24.0	6	-16.8	18	-36.8
Nov-01	Dec-07	2	-6.2	15	-53.9	17	-56.8
Jul-09	Feb-20	0	0.0	1	-33.9	1	-33.9
Average		6.5	-9.4	6.0	-22.1	12.5	-29.4

Source: Haver Analytics, Rosenberg Research



BOND YIELDS DECLINE DURING RECESSIONS

10-Year T-Note Yield

(percent)

Expansion Date		Peak Before Recession	Recession Start	Low in Recession	End of Recession
Feb-61	Dec-69	8.1	7.9	6.3	6.5
Nov-70	Nov-73	7.6	6.7	6.7	8.1
Mar-75	Jan-80	11.2	11.3	9.5	10.8
Jul-80	Jul-81	14.7	15.0	10.4	10.7
Nov-82	Jul-90	9.1	8.3	7.8	8.1
Mar-91	Mar-01	6.8	5.0	4.2	4.8
Nov-01	Dec-07	5.3	4.0	2.1	3.6
Jul-09	Feb-20	4.0	1.1	0.5	0.6
Average decline from recession start to recession low		-1.5			

Source: Haver Analytics, Rosenberg Research

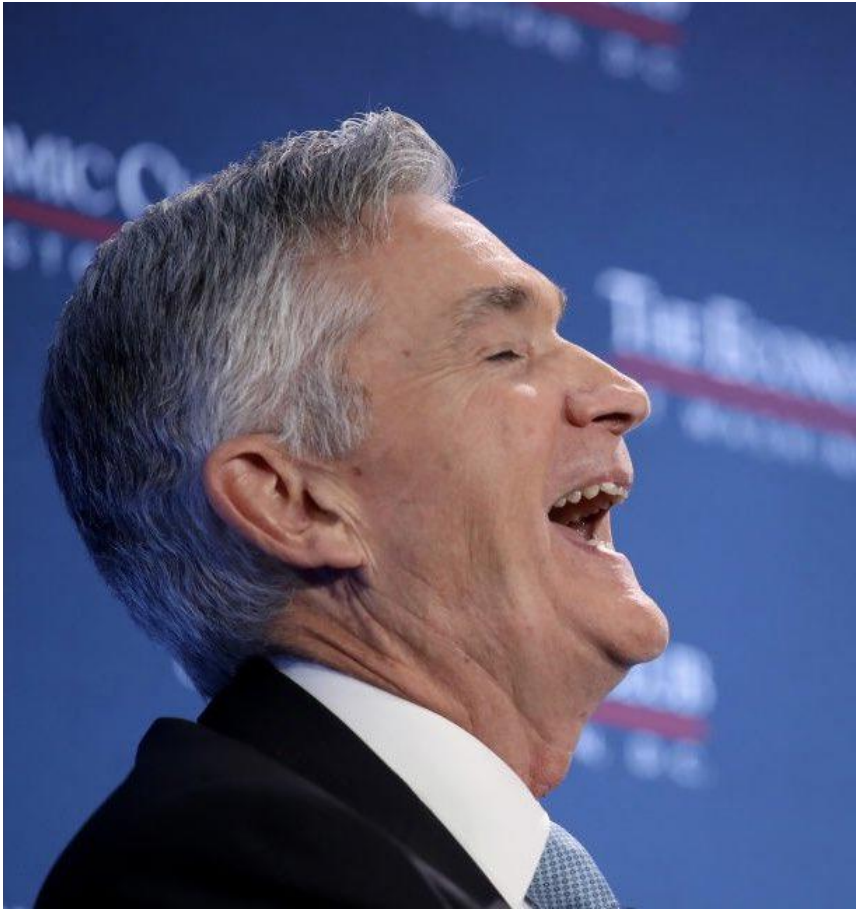
13



LOTS OF INTEREST!



DOES JAY HAVE A SADISTIC STREAK?



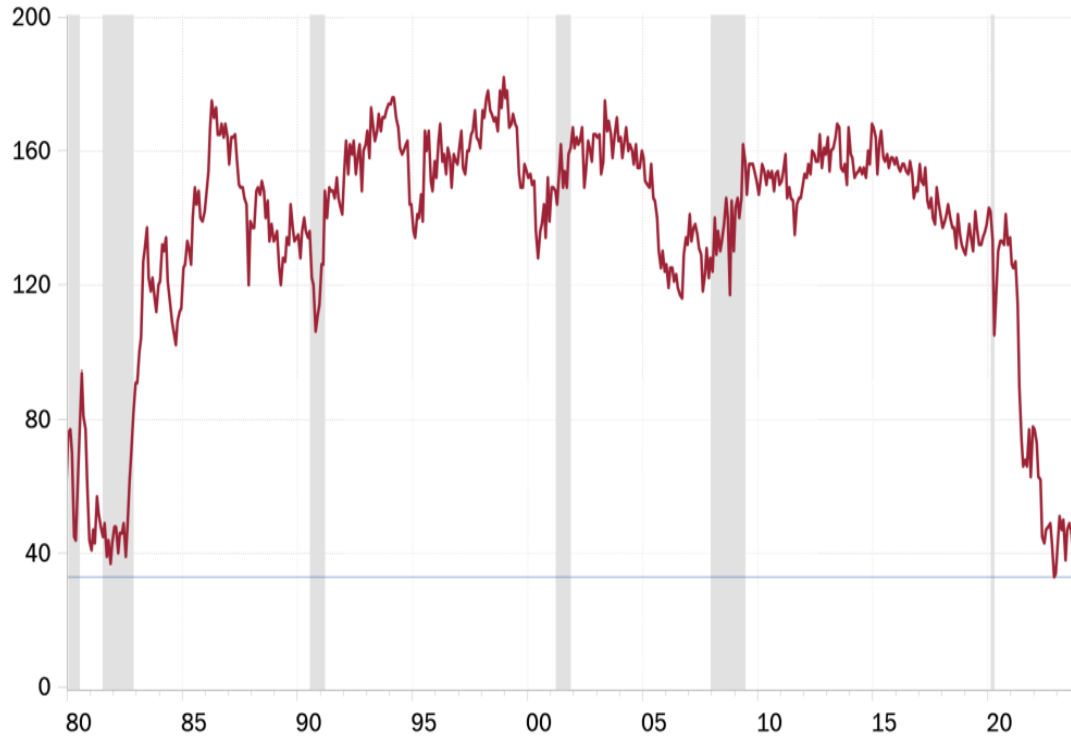
“Does it feel like policy is too tight right now? I would have to say no.”

— Jerome Powell

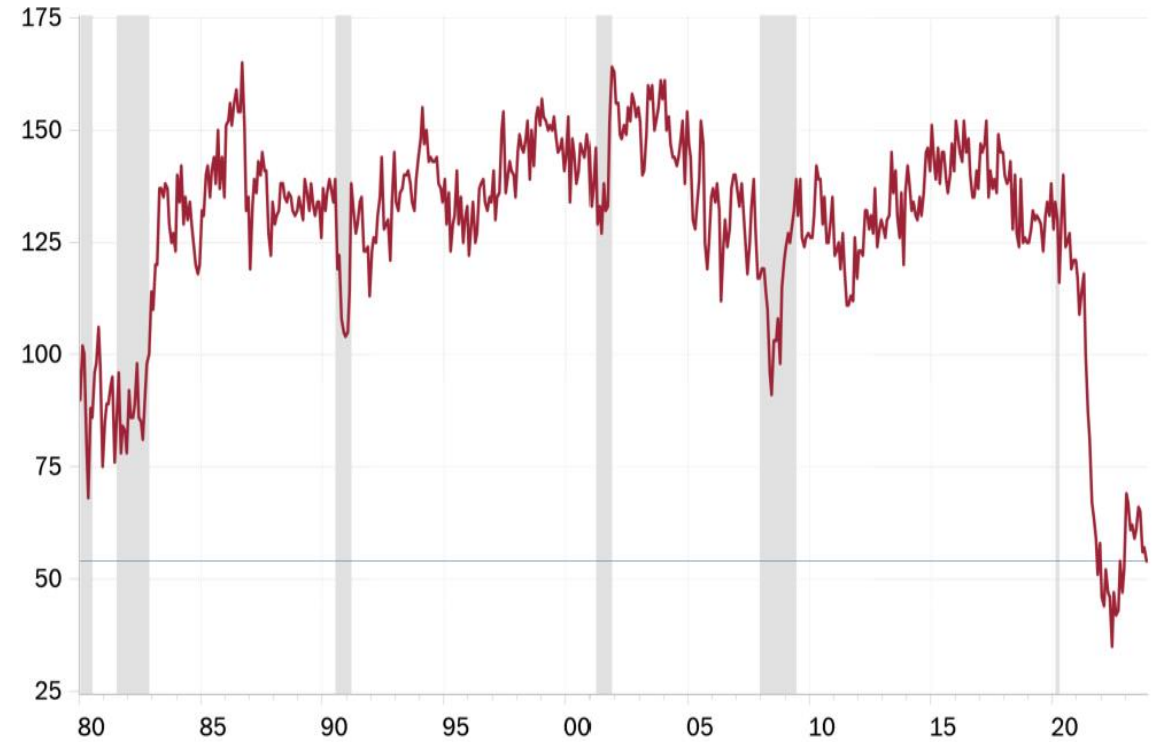
October 19, 2023

WHERE THE AMERICAN CONSUMER IS TELLING US IT'S HEADING

Home Buying Plans (index)



Auto Buying Plans (index)



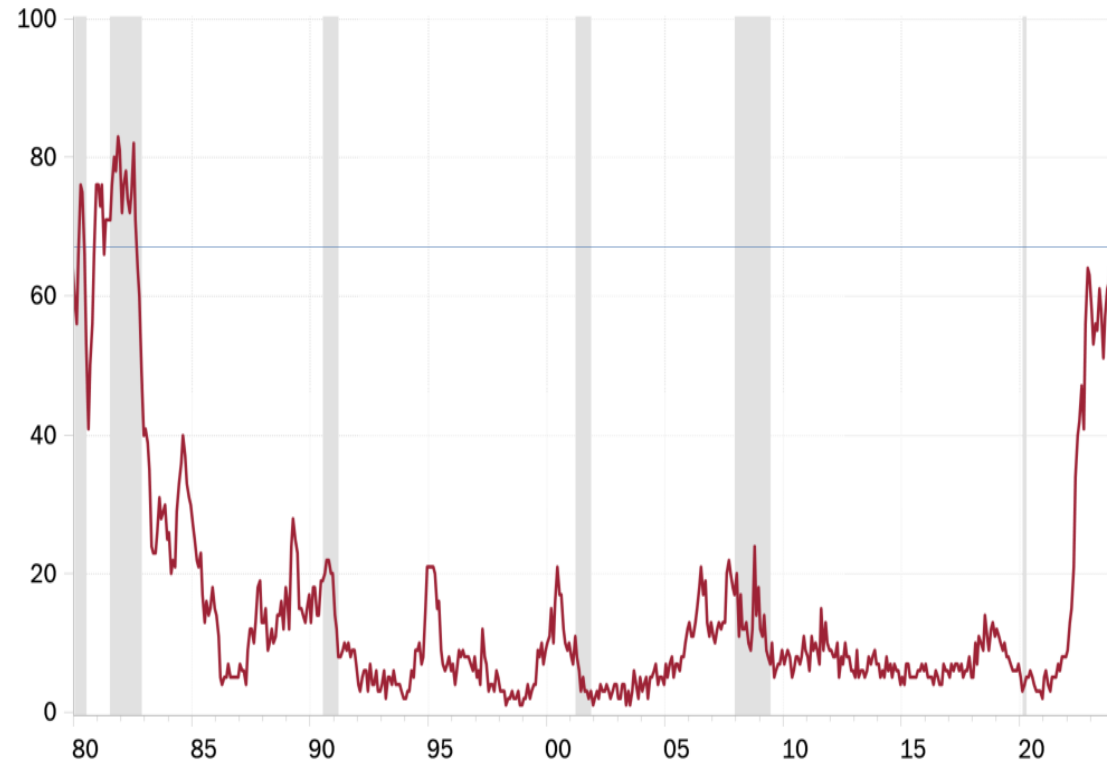
Shading indicates recession

Source: Haver Analytics, University of Michigan, Rosenberg Research

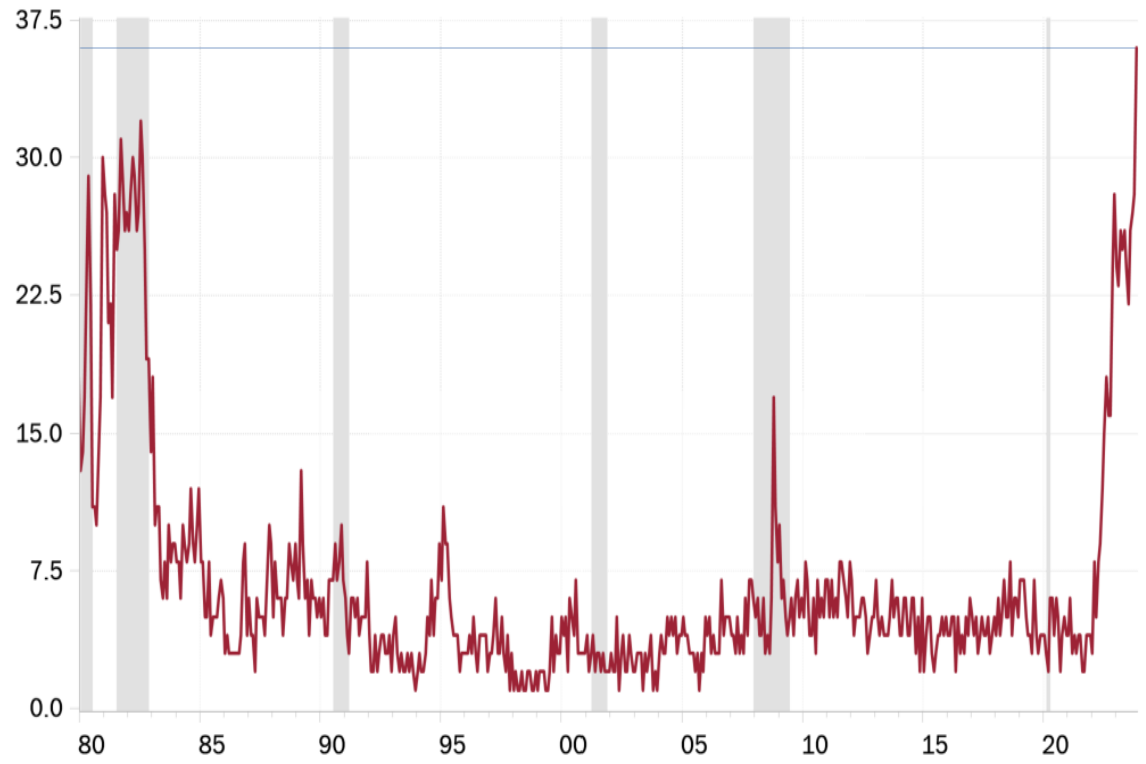


INTEREST RATES REPLACE INFLATION AS PUBLIC ENEMY #1

Reason for Not Buying a Home: High Interest Rates
(percent of respondents)



Reason for Not Buying a Car: High Interest Rates
(percent of respondents)



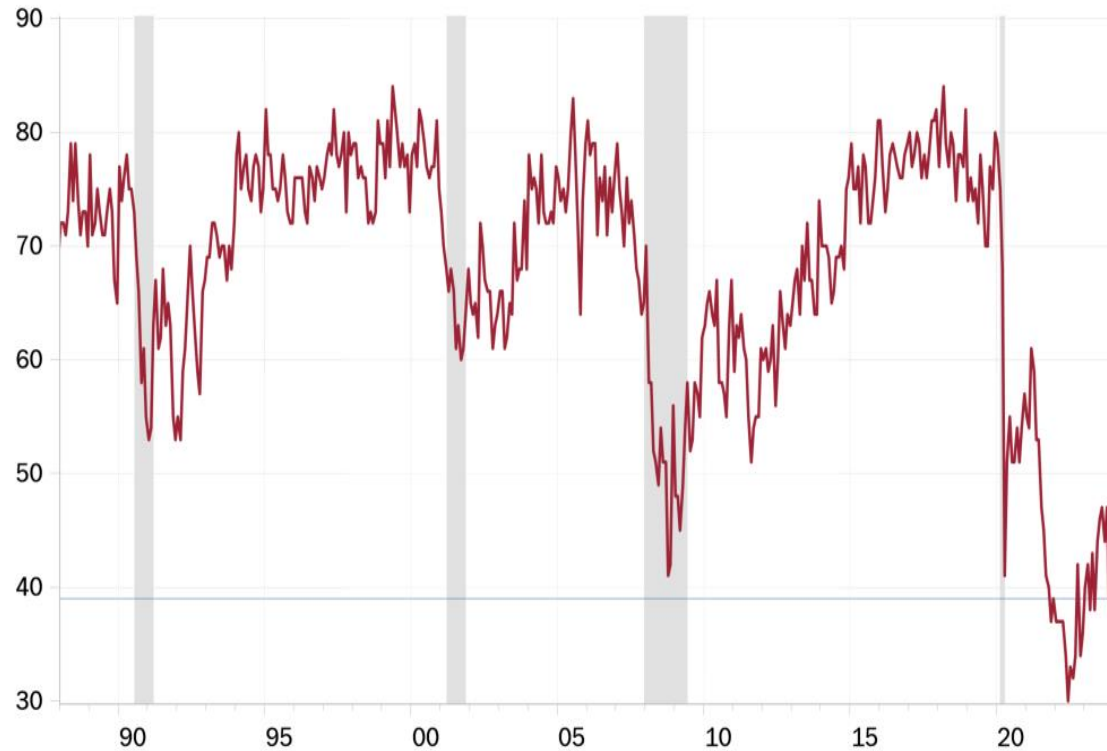
Shading indicates recession

Source: Haver Analytics, University of Michigan, Rosenberg Research

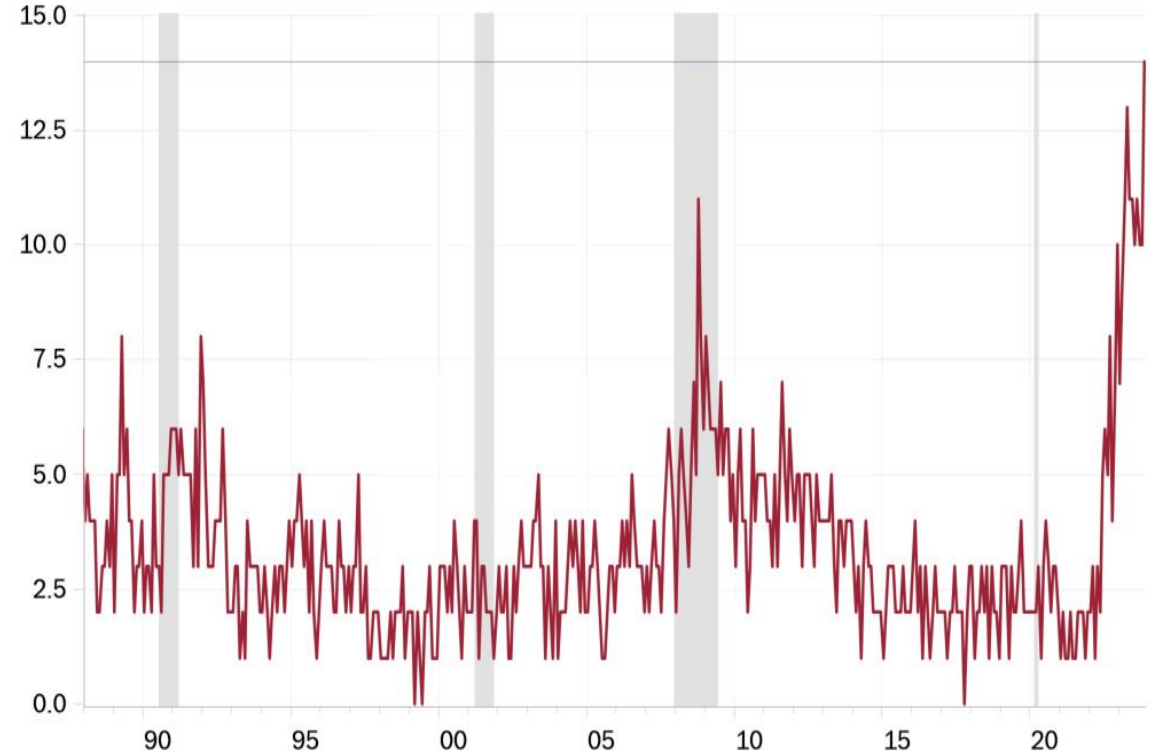


MEMO TO JAY POWELL: “UNCLE!!”

Good Time to Buy Big Ticket Items
(percent of respondents)



Reason for Not Buying Big Ticket Items: High Interest Rates
(percent of respondents)



Shading indicates recession

Source: Haver Analytics, University of Michigan, Rosenberg Research

WHAT COMES NEXT IS A RALLY IN THE TREASURY MARKET

What's Next for Bond Yield After Hitting 5%

BY SAM GOLDFARB

The yield on the benchmark 10-year U.S. Treasury note touched 5% for the first time in 16 years last week, spurring debate about whether it has peaked or just taken another step in its long and disruptive climb.

Treasury yields play a critical role in determining borrowing costs across the economy. Their nearly two-year surge has driven 30-year mortgage rates close to 8%, weighed on stocks and stirred anxieties that the surprisingly resilient economy could finally fall into a recession.

Yields on Treasuries largely reflect investors' expectations for what short-term interest rates set by the Federal Reserve will average over the life of a bond. As a result, the 10-year yield never quite got all the way down to zero, where short-term rates effectively sat during most of 2020 and 2021. And they started climbing in 2022 before the Fed ever raised rates.

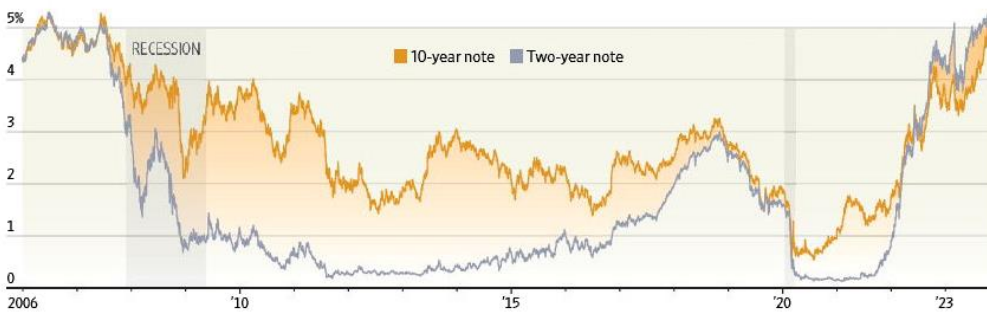
Since late last year, the 10-year yield has been sitting below the federal-funds rate, reflecting bets the Fed will cut rates. But the overnight borrowing rate still establishes its rough parameters.

For much of 2022 and 2023, longer-term Treasury yields were well below short-term ones.

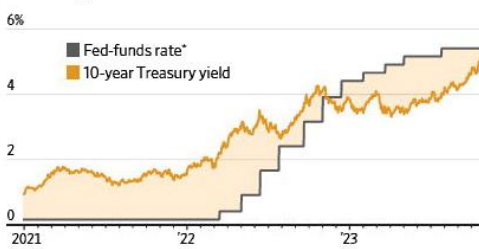
That anomaly, known as an inverted yield curve, is infamous for a reason. To accept lower yields on longer-term Treasuries, investors need to have a strong conviction that interest rates will fall in the

Please turn to page B11

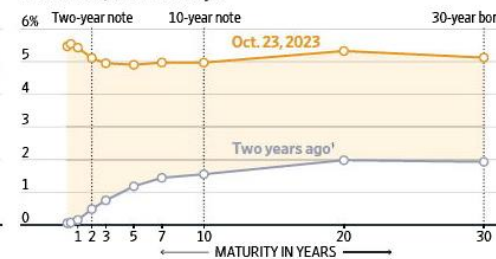
Treasury yields



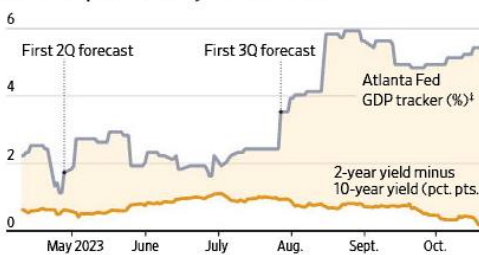
Borrowing benchmarks



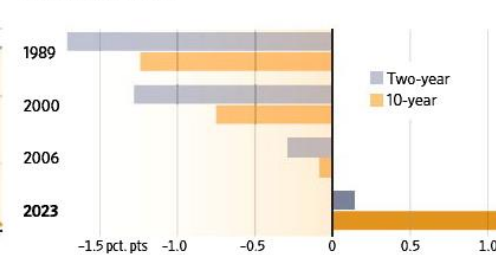
Yield curve, U.S. Treasuries



Growth expectations vs. yield differential



Path to un-inversion**



*Reflects midpoint of target range ¹As of month-end October 2021 ²GDP estimates are for the first quarter through April 27, the second quarter through July 27 and the third quarter after that. ³Data for 1989, 2000 and 2006 shows change in yields from date of deepest inversion to date of un-inversion. 2006 inversion extended into 2007. Data for 2023 shows change from deepest inversion to Oct. 25, when yields were closest to un-inverting.

Sources: Ryan ALM, Tradeweb ICE Closes (two-year, 10-year yield); St. Louis Fed (fed-funds rate, yield differential, un-inversion); Treasury Department (yield curve); Atlanta Fed (GDP tracker)

Source: The Wall Street Journal (October 30, 2023)



BACK TO PRE-RECESSION (2007) BOND YIELD LEVELS

10-Year Treasury Note Yield (percent)



Shading indicates recession

Source: Haver Analytics, Rosenberg Research



EPIC COLLAPSE IN BOND RETURNS

10-Year Treasury Note Total Return Index (index)



Shading indicates recession

Source: Haver Analytics, Rosenberg Research

EQUITY RETURNS FLATLINE

S&P 500 Total Return Index

(index)



Shading indicates recession

Source: Haver Analytics, Rosenberg Research



BONDS “WILL” HAVE MORE FUN!

The New York Times

STRATEGIES

Bonds Have Been Awful. It's a Good Time to Buy.

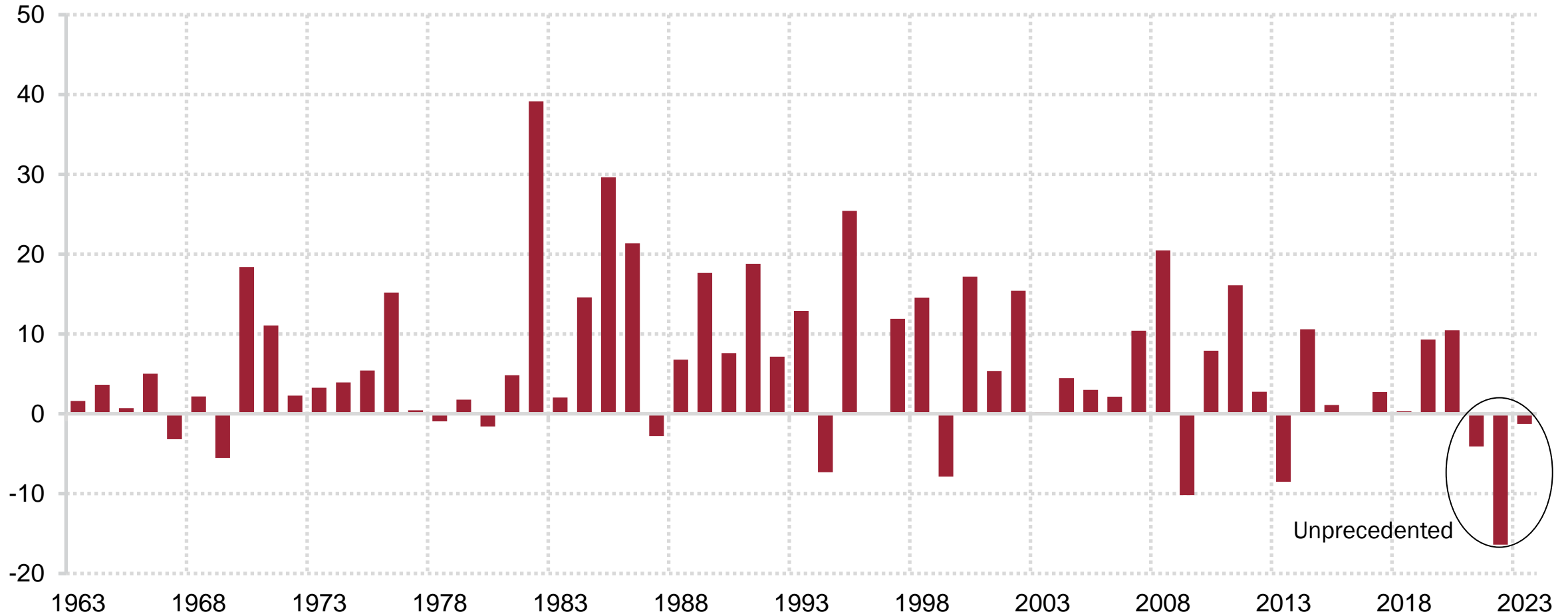
As interest rates rose over the past few years, bond prices plummeted, making high-quality bonds more attractive, our columnist says.



Source: The New York Times (October 16, 2023)

EPIC THREE-YEAR SLIDE IN BOND RETURNS

10-Year U.S. Treasury: Total Return Index
(year-over-year percent change)



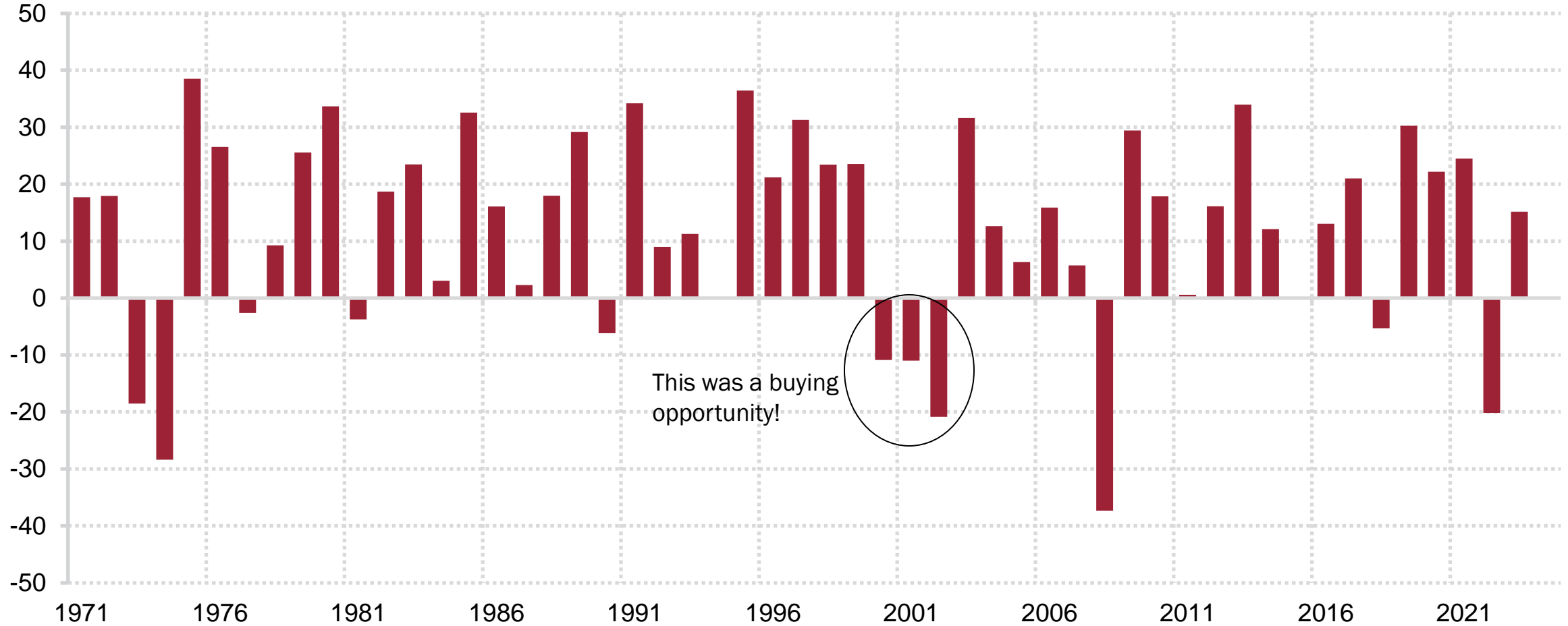
Note: 2023 is a YTD percent change
Source: Haver Analytics, Rosenberg Research



LAST TIME THIS HAPPENED IN EQUITIES IT PROVED TO BE A HUGE BUYING OPPORTUNITY

Wilshire 5000: Total Return Index

(year-over-year percent change)



Note: 2023 is a YTD percent change
Source: Haver Analytics, Rosenberg Research



RECORD HIGH RATIO OF STOCK-TO-BOND RETURNS

Ratio of Total Return Indices: S&P 500 to 10-Year Treasury Note
(ratio)

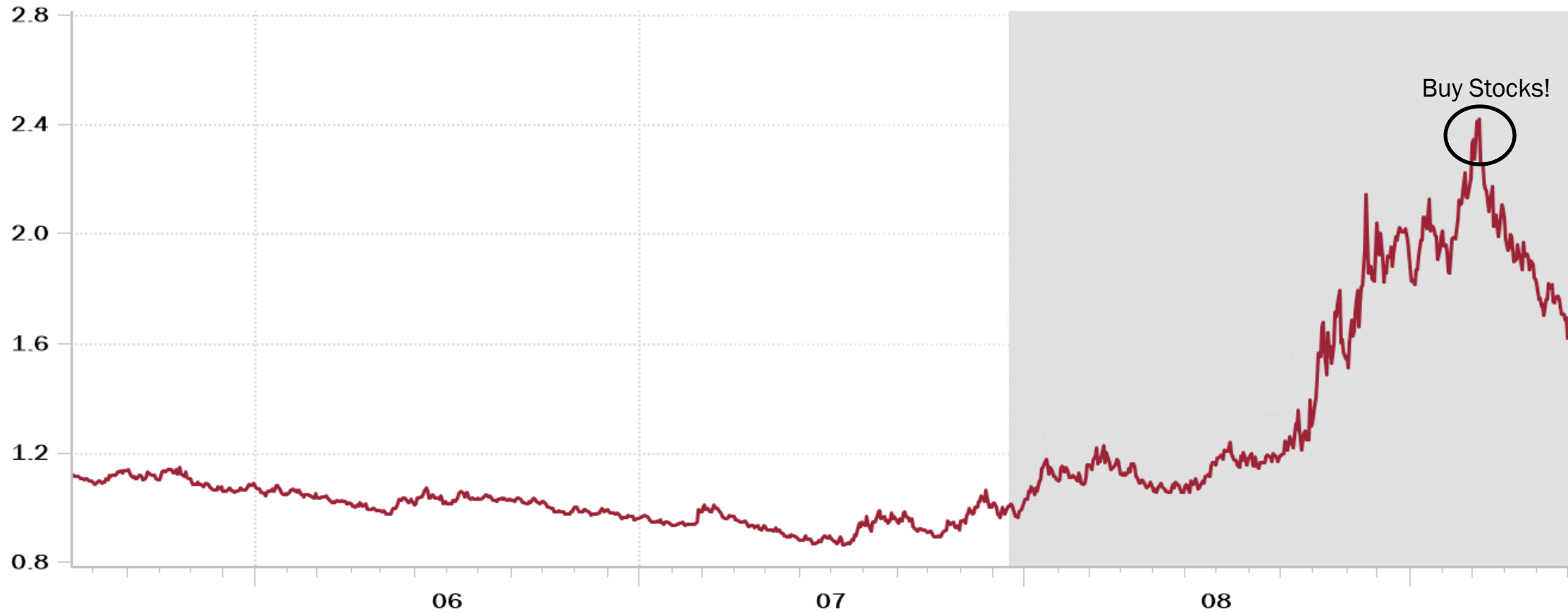


Shading indicates recession

Source: Haver Analytics, Rosenberg Research

THE MIRROR IMAGE OF MARCH 2009

Ratio of Total Return Indices: 10-Year Treasury Note to S&P 500
(ratio)



Shading indicates recession

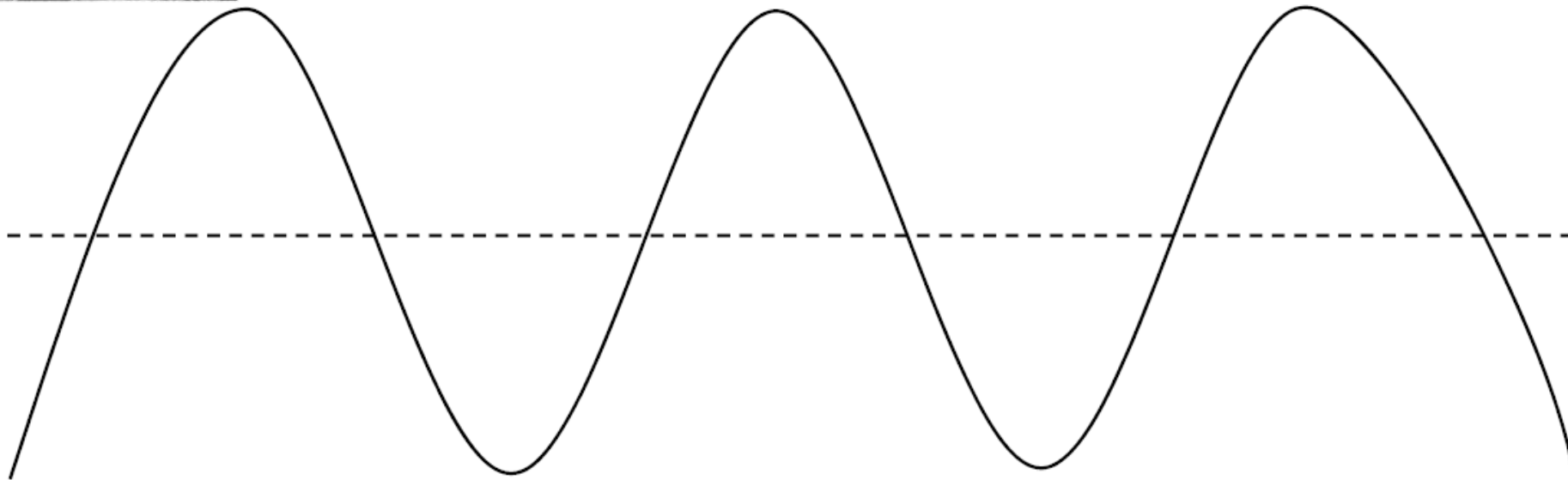
Source: Haver Analytics, Rosenberg Research

HERBERT STEIN'S LAW



“If something cannot go on forever, it will stop.”

– Herbert Stein’s Law



MASSIVE SUPPLY-SIDE/COST-PUSH INFLATION SHOCK



Source: Bendspace

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CONSUMERS FINALLY RESISTING HIGHER PRICES

THE WALL STREET JOURNAL.

*Shopper
Rebellion
Against
Higher
Prices
Helps Slow
Inflation*



“After pushing prices to new heights last year, some companies are starting to pull back. It could be another sign that inflation is starting to turn the corner.”

Source: The Wall Street Journal (January 17, 2023)

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PRICING POWER GOES POOF!

For use at 2:00 PM EST

Wednesday

January 18, 2023

The Beige Book

Summary of Commentary on Current Economic Conditions

By Federal Reserve District

“Many retailers noted increased difficulty in passing through cost increases, suggesting greater price sensitivity on the part of consumers. In addition, some retailers offered more discounts and promotions than they had a year ago in order to move merchandise and clear out excess inventories. On balance, contacts across Districts said they expected future price growth to moderate further in the year ahead.”

Source: Federal Reserve

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CONSUMERS BALKING AT ANY FURTHER PRICE INCREASES

For use at 2:00 PM EDT

Wednesday

October 18, 2023

The Beige Book

Summary of Commentary on Current Economic Conditions
By Federal Reserve District

“Sales prices increased at a slower rate than input prices, as businesses struggled to pass along cost pressures because consumers had grown more sensitive to prices. As a result, firms struggled to maintain desired profit margins. Overall, firms expect prices to increase the next few quarters, but at a slower rate than the previous few quarters. Several Districts reported decreases in the number of firms expecting significant price increases moving forward.”

Source: Federal Reserve

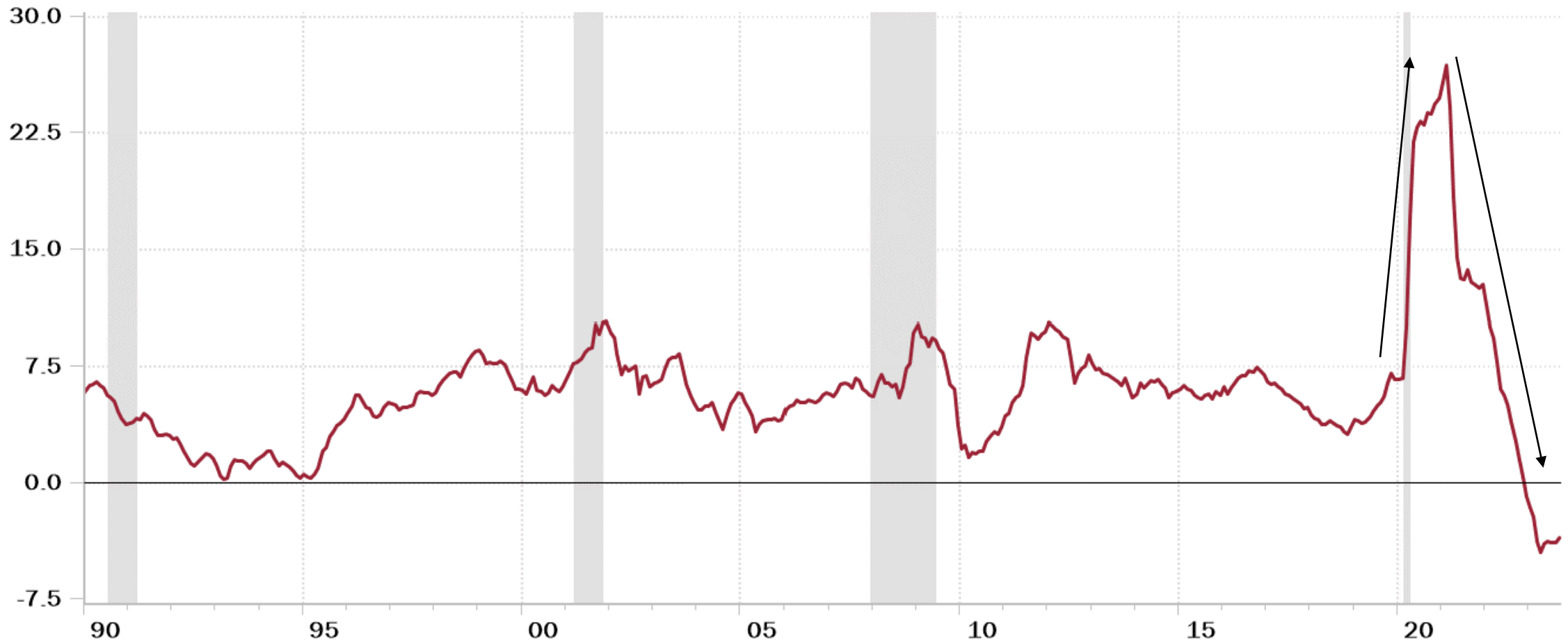
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MONETARY AGGREGATES GO FROM BOOM TO BUST

M2 Money Supply

(year-over-year percent change)



Shading indicates recession

Source: Haver Analytics, Federal Reserve, Rosenberg Research

CPI INFLATION DOWN FROM 9.1% TO 3.2% IN JUST OVER A YEAR!

CPI
(year-over-year percent change)



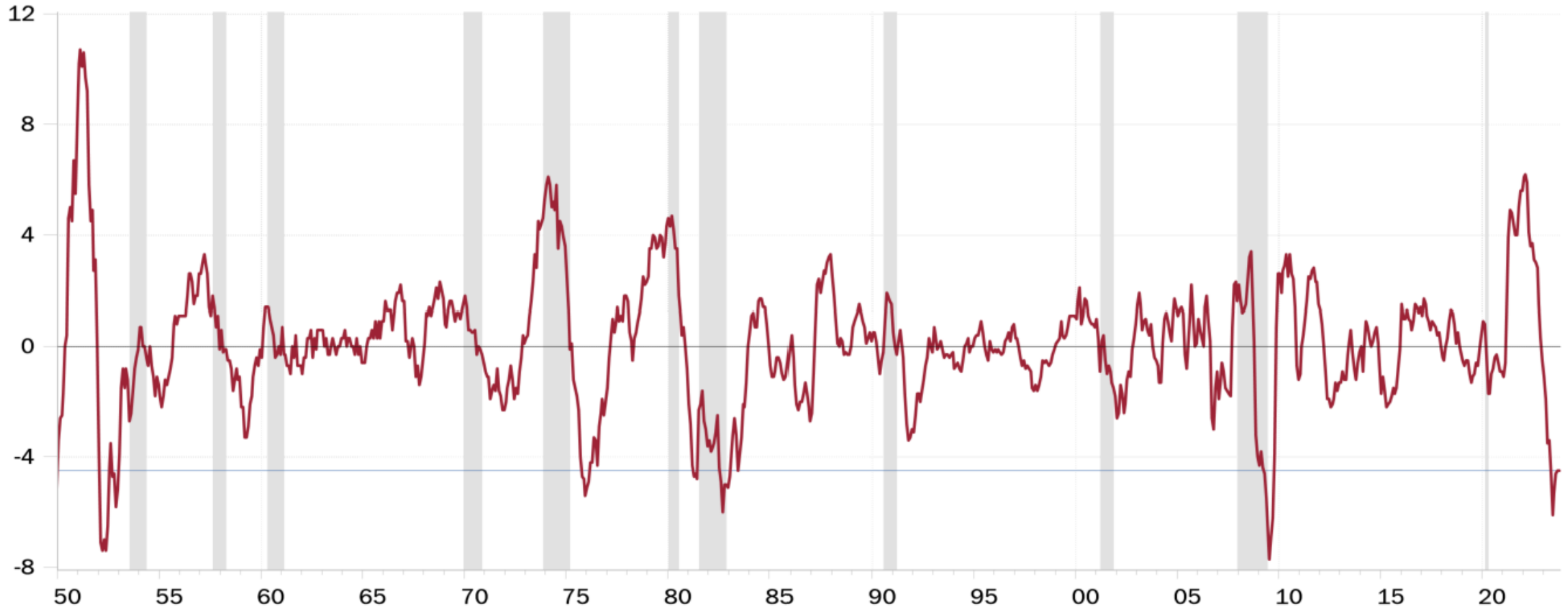
Shading indicates recession
Source: Haver Analytics, BLS, Rosenberg Research



INFLATION HAS ONLY FALLEN THIS FAR, THIS FAST, FIVE TIMES IN THE PAST 70 YEARS!

CPI

(annual change in year-over-year percent change; percentage points)



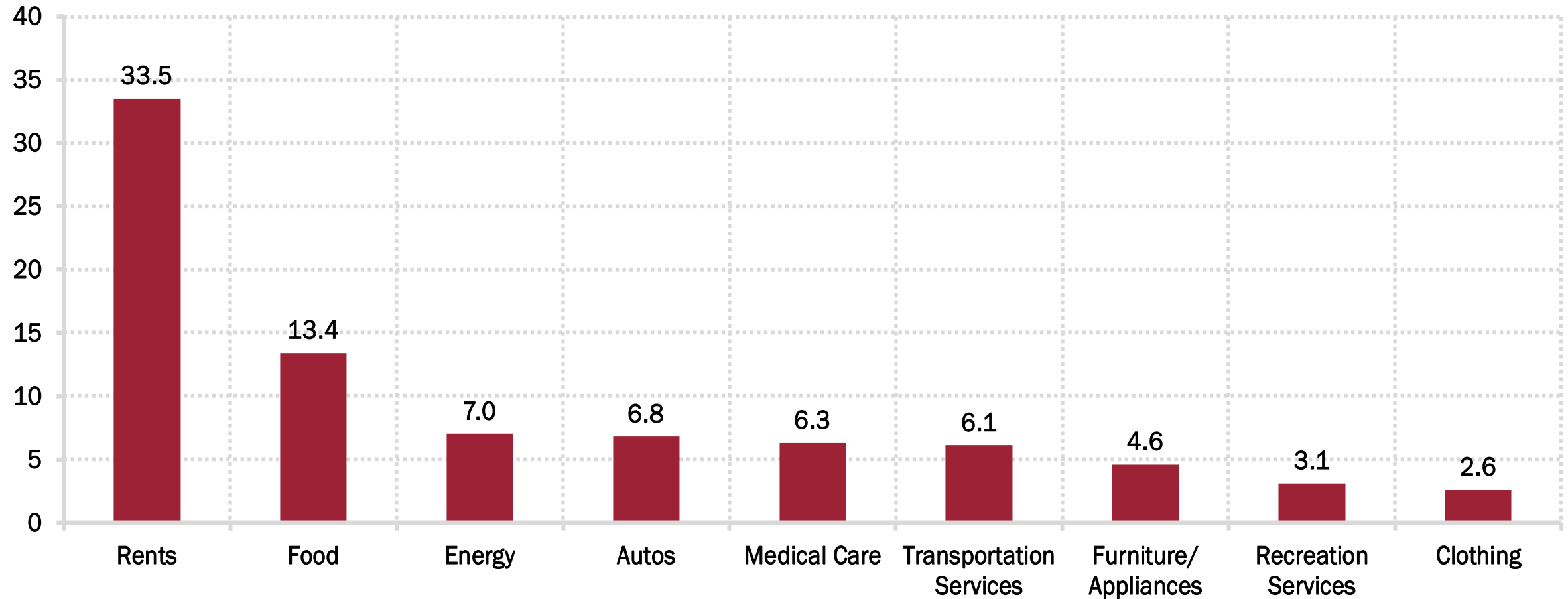
Shading indicates recession

Source: Haver Analytics, BLS, Rosenberg Research

WHAT GOES INTO THE CPI?

CPI Components

(percent share of the index)

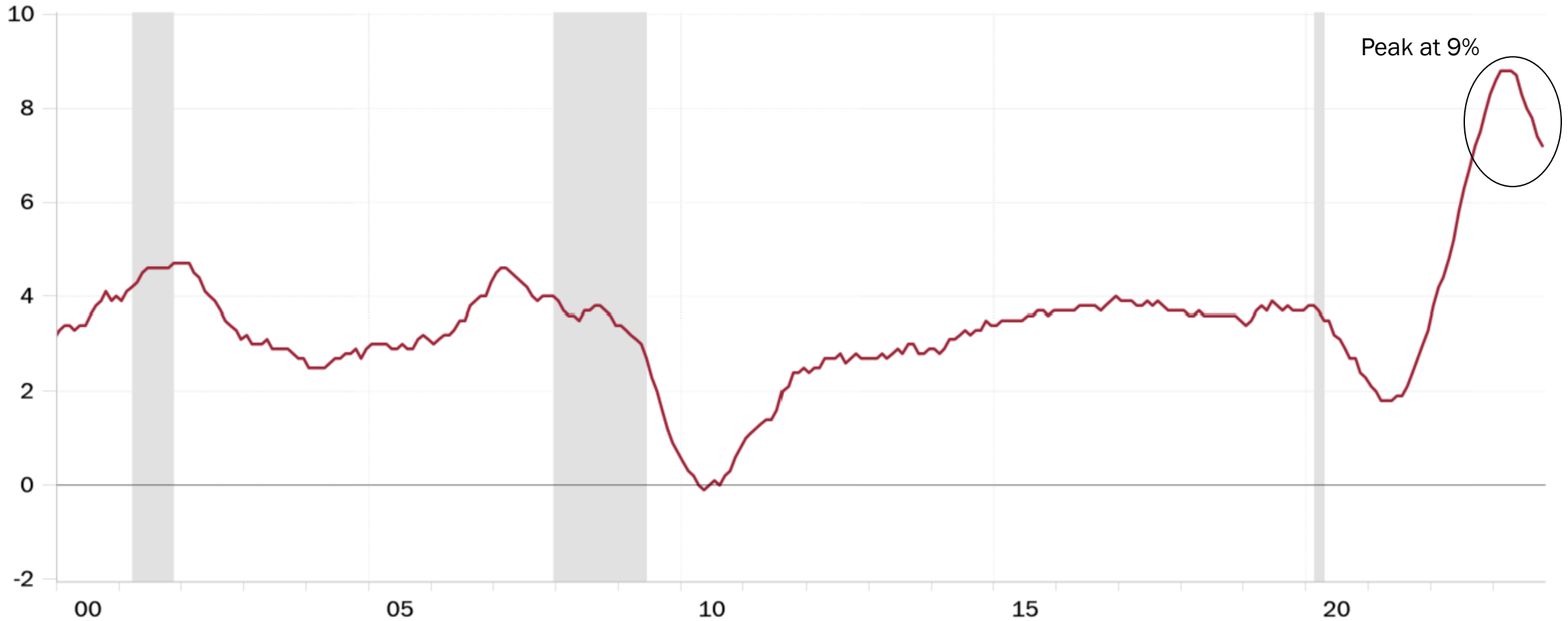


Source: Haver Analytics, BLS, Rosenberg Research



RENT INFLATION IN THE CPI SOARS

CPI: Rent of Primary Residence
(year-over-year percent change)



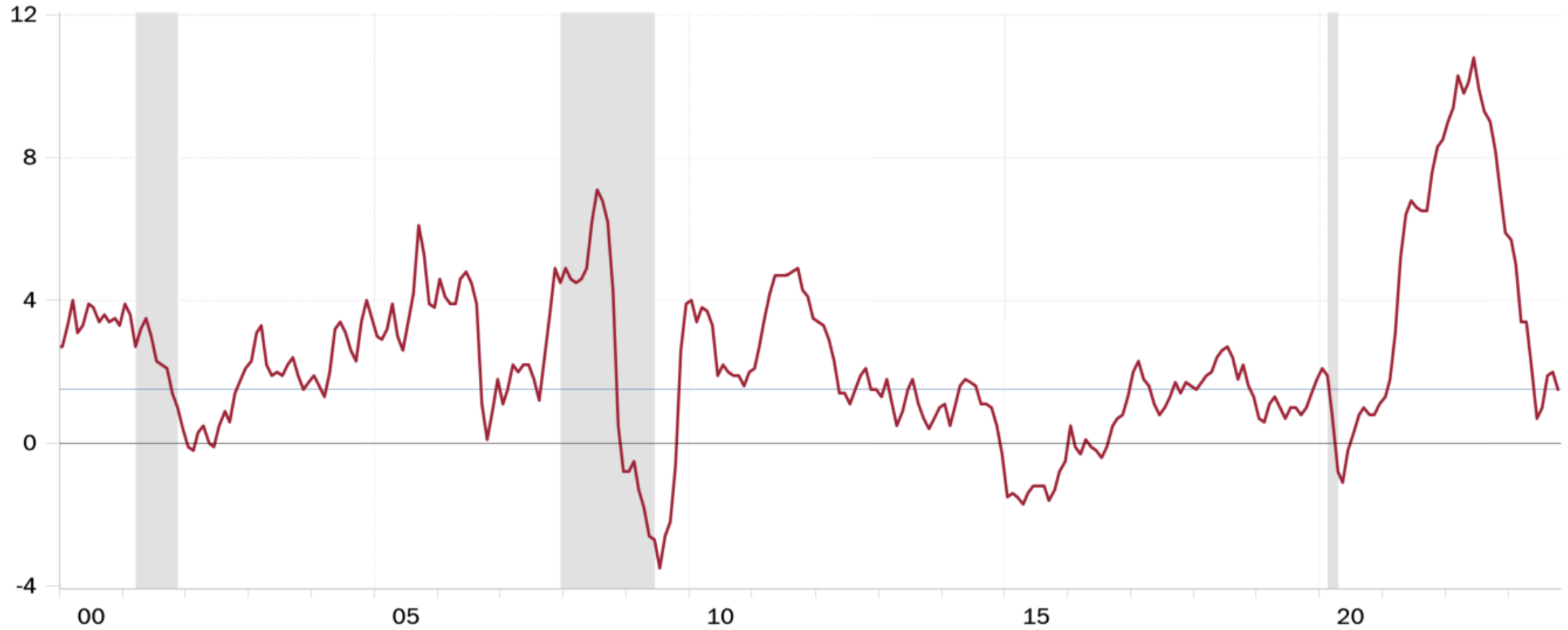
Shading indicates recession

Source: Haver Analytics, BLS, Rosenberg Research

STRIP OUT SHELTER, AND INFLATION IS 1.5%... COME ON, JAY!

CPI Ex. Shelter

(year-over-year percent change)

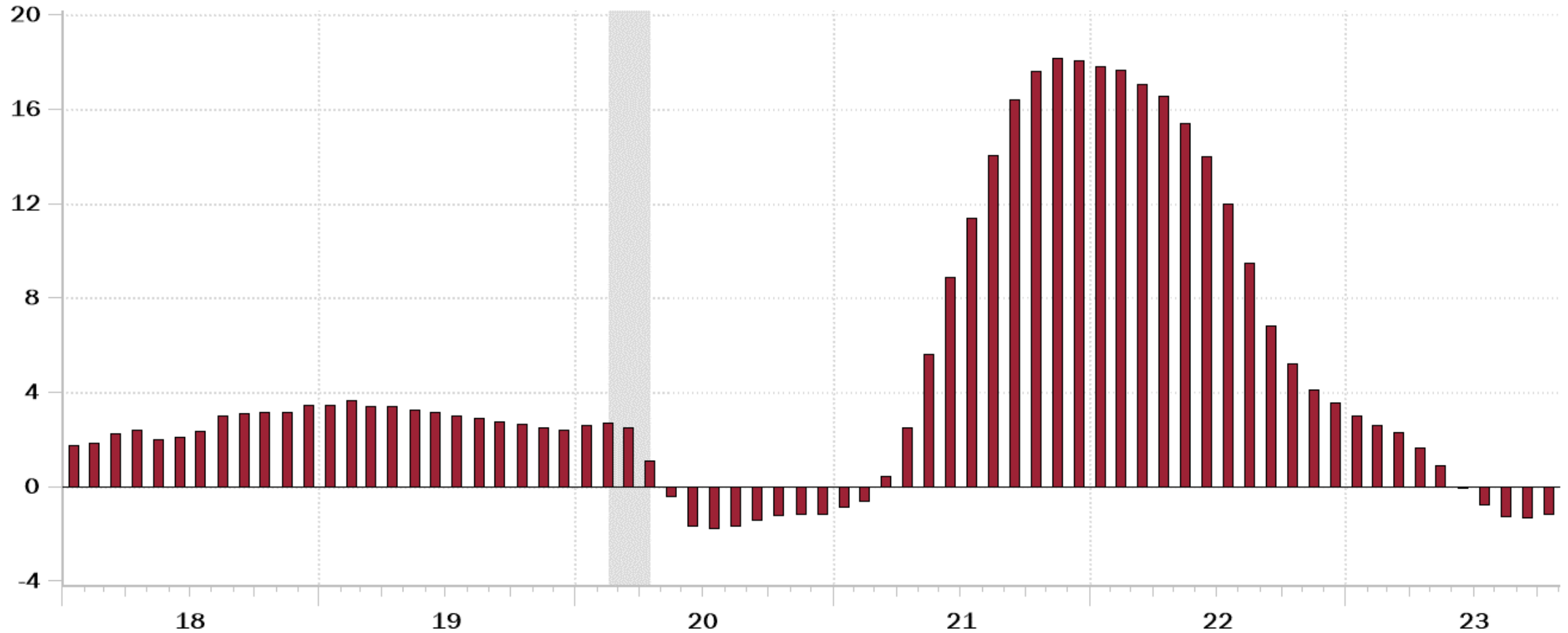


Shading indicates recession

Source: Haver Analytics, BLS, Rosenberg Research

RENTS ON NEW LEASES STARTING TO DEFLATE

Apartment List National Rent Index
(year-over-year percent change)



Shading indicates recession

Source: Haver Analytics, Apartment List, Rosenberg Research





FRBSF Economic Letter

2023-19 | August 7, 2023

Where Is Shelter Inflation Headed?

Augustus Kmetz, Schuyler Louie, and John Mondragon

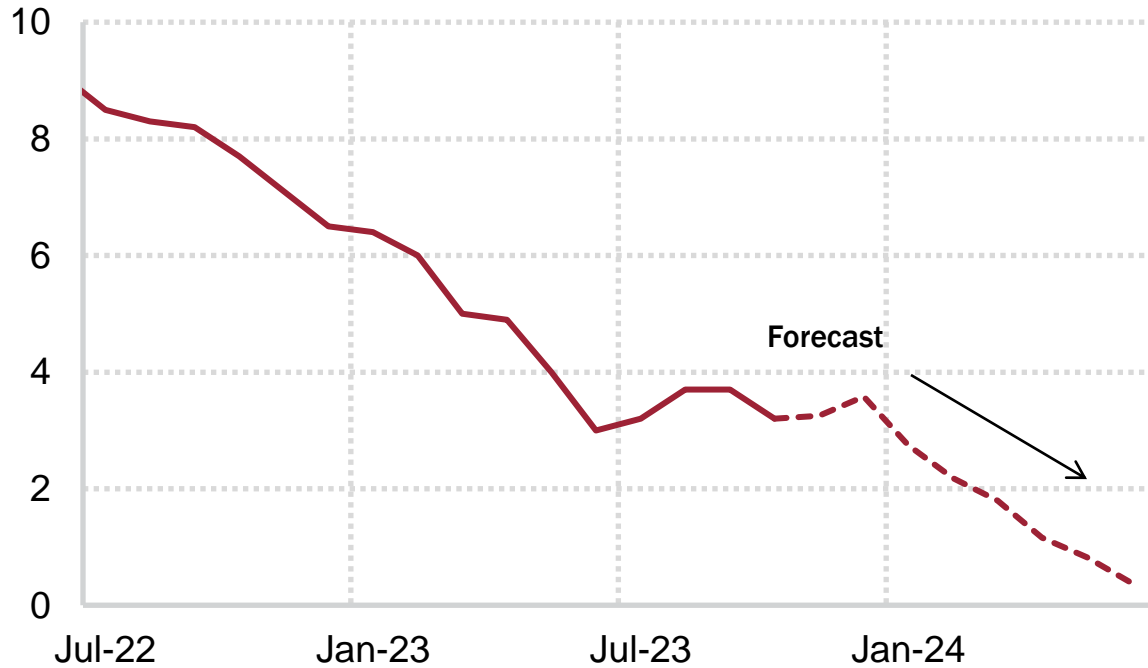
“Shelter inflation has remained high even as other components of inflation have fallen. However, various market indicators, including house prices and rents, suggest that the housing market has slowed significantly with the rise in interest rates. Forecasting models that combine several measures of local shelter and rent inflation can help explain how recent trends might affect the path of future shelter inflation. The models indicate that shelter inflation is likely to slow significantly over the next 18 months, consistent with the evolving effects of interest rate hikes on housing markets.”

Our baseline forecast suggests that year-over-year shelter inflation will continue to slow through late 2024 and may even turn negative by mid-2024. This would represent a sharp turnaround in shelter inflation, with important implications for the behavior of overall inflation.

The deflationary component of this forecast would be the most severe contraction in shelter inflation since the Global Financial Crisis of 2007-09.”

WHERE INFLATION IS HEADING IF THE SAN FRED FED IS IN THE BALL PARK

CPI Forecast
(year-over-year percent change)



Core CPI Forecast
(year-over-year percent change)



Note: Solid line shows actual year-over-year percent change; dashed line shows forecast
Source: Haver Analytics, BLS, Rosenberg Research

NEW YORK FED LEADING INFLATION INDEX HAS PEAKED... AND IS ROLLING OVER

New York Fed Underlying Inflation Gauge
(year-over-year percent change)



Shading indicates recession

Source: Haver Analytics, New York Fed, Rosenberg Research



DON'T FORGET ABOUT BONDS!



Source: hude, obert

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BOB FARRELL'S 10 MARKET RULES TO REMEMBER

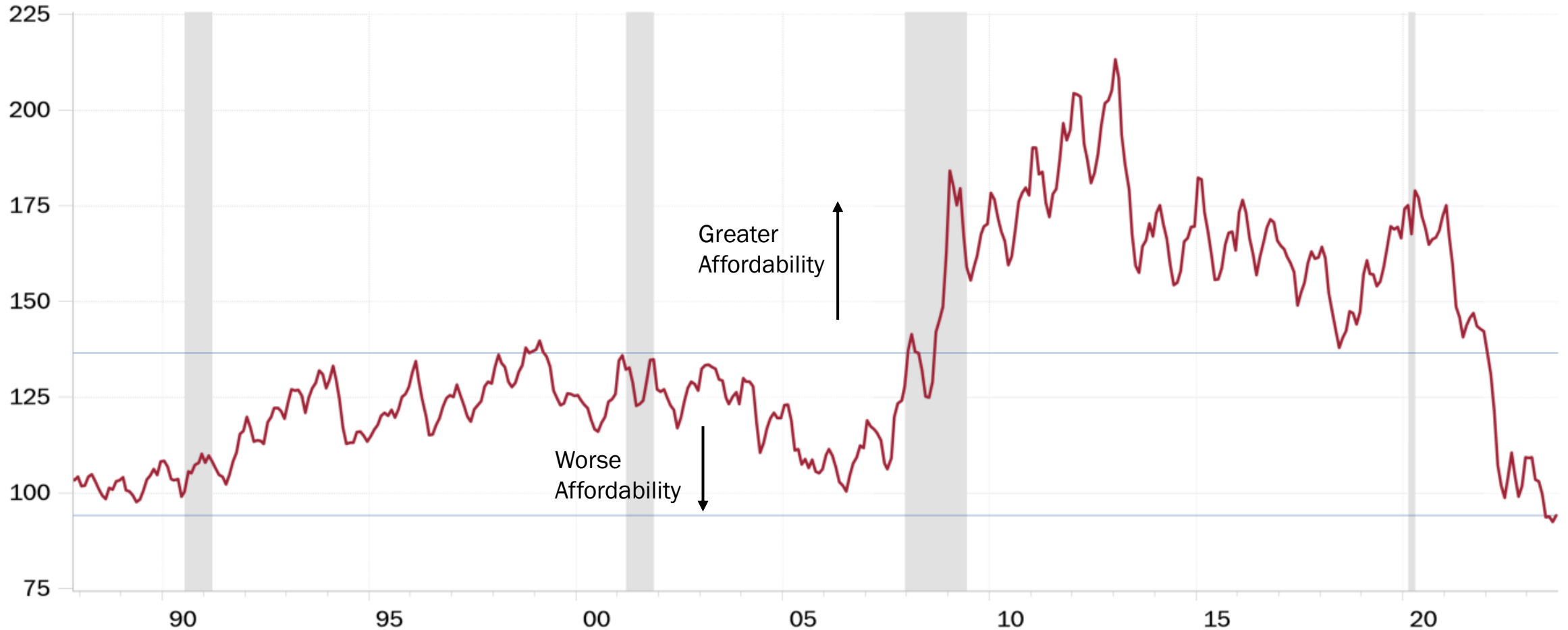


1. **Markets tend to return to the mean over time**
2. Excesses in one direction will lead to an opposite excess in the other direction
3. **There are no new eras — excesses are never permanent**
4. Exponential rapidly rising or falling markets usually go further than you think, but they do not correct by going sideways
5. The public buys the most at the top and the least at the bottom
6. Fear and greed are stronger than long-term resolve
7. Markets are strongest when they are broad and weakest when they narrow to a handful of blue-chip names
8. Bear markets have three stages — sharp down, reflexive rebound and a drawn-out fundamental downtrend
9. **When all the experts and forecasts agree — something else is going to happen**
10. Bull markets are more fun than bear markets

HOMEOWNER AFFORDABILITY 35% MORE STRETCHED THAN THE NORM

Housing Affordability Index

(index; >100 denotes more affordable)



Shading indicates recession

Source: Haver Analytics, NAR, Rosenberg Research

WHAT WILL IT TAKE TO MEAN-REVERT HOME AFFORDABILITY?

Scenario	Home Prices	Income	Mortgage Rates
All Home Prices	-30%	0%	0 bps
All Mortgage Rates	0%	0%	-300 bps
All Income	0%	+40%	0 bps
Combination #1	-5%	+10%	-175 bps
Combination #2	-15%	+5%	-100 bps
Combination #3	-25%	0%	-50 bps
Combination #4	-10%	0%	-200 bps
Combination #5	-10%	+5%	-175 bps

← Our base case

EQUITY RISK PREMIUM PRACTICALLY VANISHES

Equity Risk Premium*
(percentage points)



*Note that the equity risk premium is defined as the 12-month forward earnings yield on the S&P 500 minus the 10-year Treasury note yield

Source: Bloomberg, Rosenberg Research

THE S&P 500 & 10-YEAR YIELD COMBO TO ACHIEVE A 425 BASIS POINT ERP

10-Year T-Note Yield	S&P 500 Level
4.0%	2,855
3.5%	3,040
3.0%	3,250
2.5%	3,490
2.0%	3,770
1.5%	4,100
1.0%	4,490

- The equity risk premium now sits at ~84 basis points. The last time it was lower than this was during the dot-com bubble era — not in the midst of a recessionary bear market (that came later)
- Getting to an equity risk premium that defines the market low is going to require lower, not higher, bond yields

IS THE FED SET TO FLIP AGAIN?



Source: Hedgeye

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Investors snap up bonds in expectation of end to central bank rate rise cycle

MARY MCDUGALL AND GEORGE STEER

Investors have been dumping cash and piling into bonds and equities as conviction grows that big central banks have finished their cycle of interest rate rises, according to a closely watched survey of fund managers.

Bank of America's monthly poll, published yesterday, showed in November that fund managers had the biggest bet on rising bond prices since 2009.

Three-quarters of the investors surveyed are now predicting that the US Federal Reserve will not lift borrowing costs any further, up from 60 per cent in the previous month.

"The big change in November was . . . the conviction in lower inflation, rates and yields," wrote Michael Hartnett, investment strategist at Bank of America.

The "overweight" position in bonds reflects a growing belief among investors that a big sell-off in global fixed income, triggered by central banks' historic campaign of monetary tightening over the past two years, is drawing to a close.

US Treasuries have recovered ground

since yields hit a 16-year high last month, helped by the Fed holding rates earlier this month.

The European Central Bank and Bank of England also kept borrowing costs steady at their latest policy meetings.

Fund managers have also warmed to stocks, favouring them in their portfolios relative to benchmarks for the first time in 19 months, according to the survey of investors controlling \$553bn of assets.

As investors moved into stocks and

bonds, the average cash level fell from 5.3 per cent to 4.7 per cent, its lowest level since November 2021 and the largest monthly drop since January this year.

The bullish turn comes as expectations for a so-called "soft landing" for the global economy have ticked higher with just over a fifth of the managers surveyed now forecasting a recessionary "hard landing", down from 30 per cent in October.

In equity markets, tech stocks remain the most crowded bet after investors snapped up companies across the sector at the fastest pace since May, leaving them with their largest overweight position in two years.

Almost all of the S&P 500's 15 per cent gain so far in 2023 has been driven by the "Magnificent Seven" of Nvidia, Tesla, Meta, Microsoft, Alphabet, Apple and Amazon.

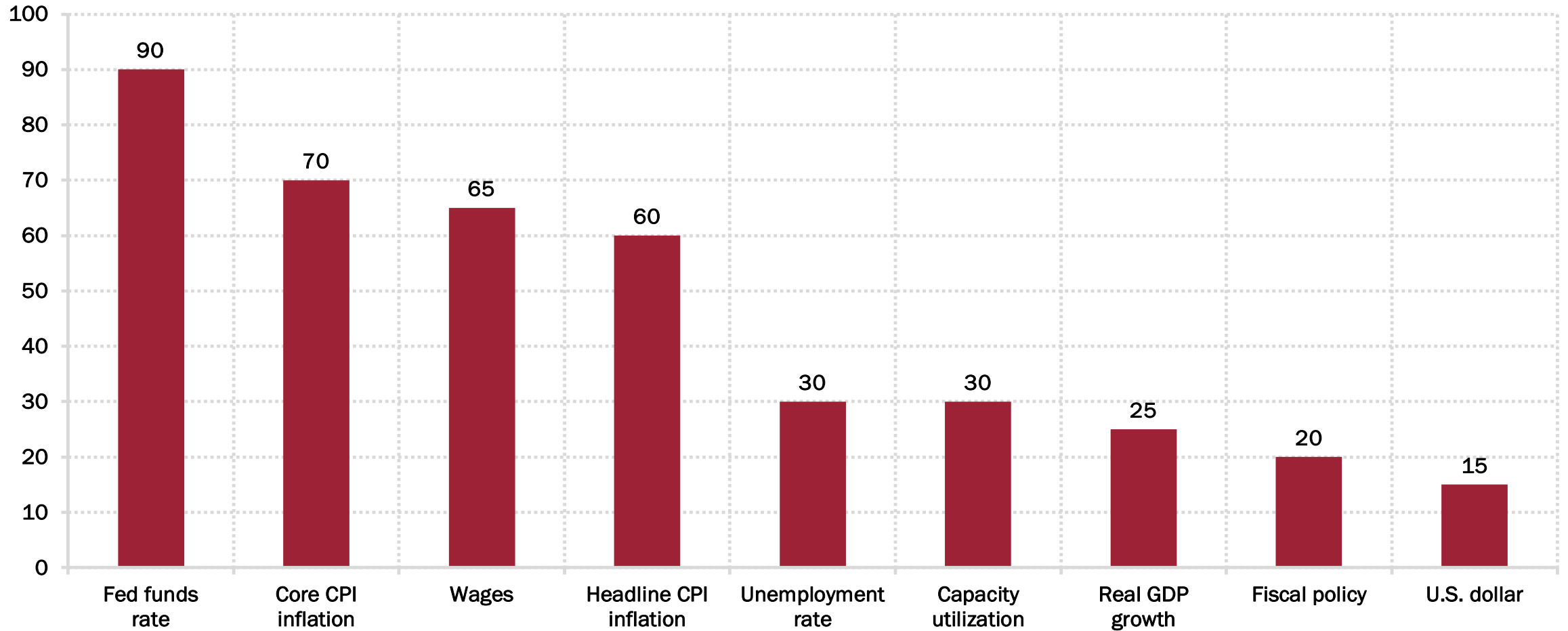
Bank stocks, by contrast, remain out of fashion following the collapse of Silicon Valley Bank and a handful of other mid-sized lenders in March. A net 10 per cent of the managers surveyed by BofA were underweight in financials, up from a net 2 per cent last month.



Tesla is among the 'Magnificent Seven' stocks boosting Wall Street

NOTHING MORE IMPORTANT FOR BONDS THAN THE FED!

10-year Treasury Note Historical Correlations (percent)



Source: Haver Analytics, Rosenberg Research



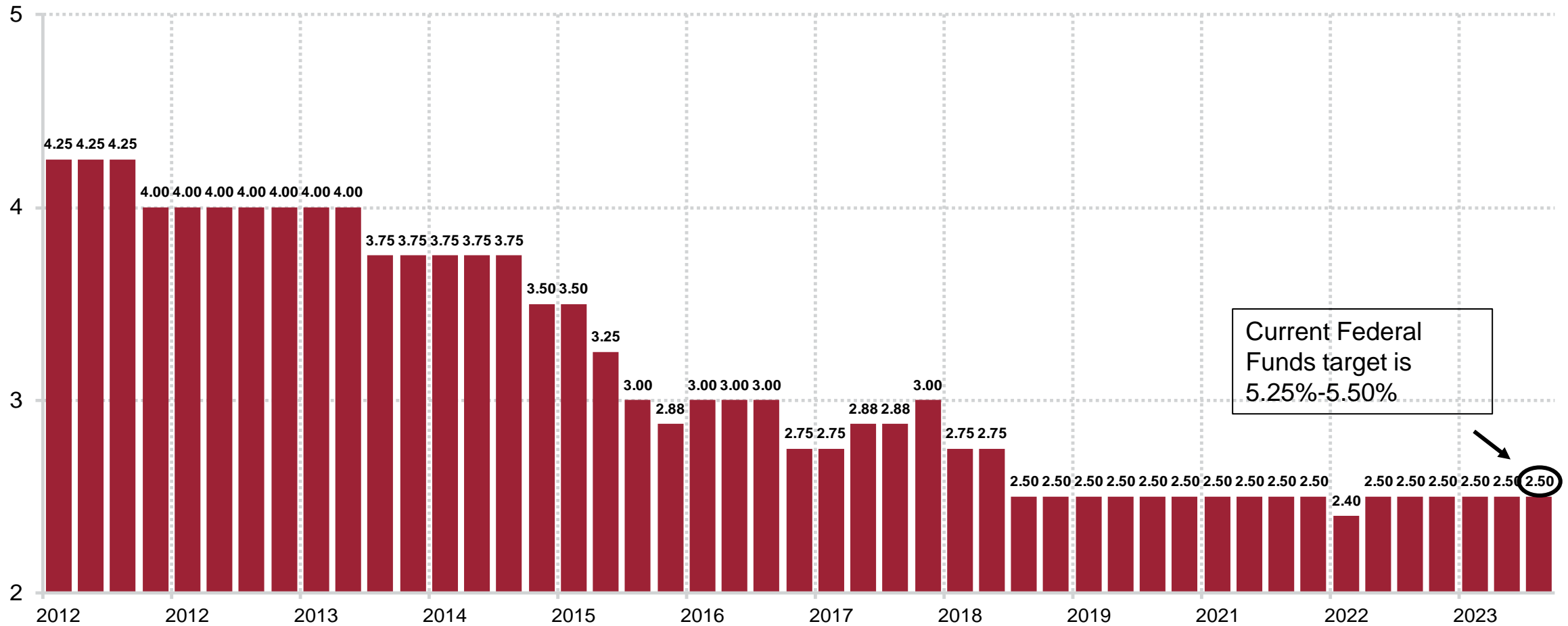
THE FED CUTS 500 BASIS POINTS ONCE IT SEES THE RECESSION UNFOLD

Federal Funds Rate (%)				
Start	End	Start Level	End Level	Change (bps)
Nov-57	May-58	3.50	0.57	-293
May-60	Jul-61	3.83	1.18	-265
Oct-69	Feb-71	9.09	3.70	-539
Oct-73	Feb-74	10.74	8.96	-178
Aug-74	May-75	12.91	5.22	-769
May-80	Jul-80	17.43	9.01	-842
Aug-81	Dec-81	19.10	12.44	-666
Jun-89	Sep-92	9.81	3.00	-681
Jan-01	Jun-03	6.50	1.00	-550
Sep-07	Dec-08	5.25	0.13	-513
Aug-19	Mar-20	2.38	0.13	-225
Average		9.14	4.12	-502

Source: Haver Analytics, Rosenberg Research

THE “NEUTRAL” POLICY RATE: A HISTORY OF THE ESTIMATE REVISIONS

Median FOMC Terminal Funds Rate Forecast (percent)



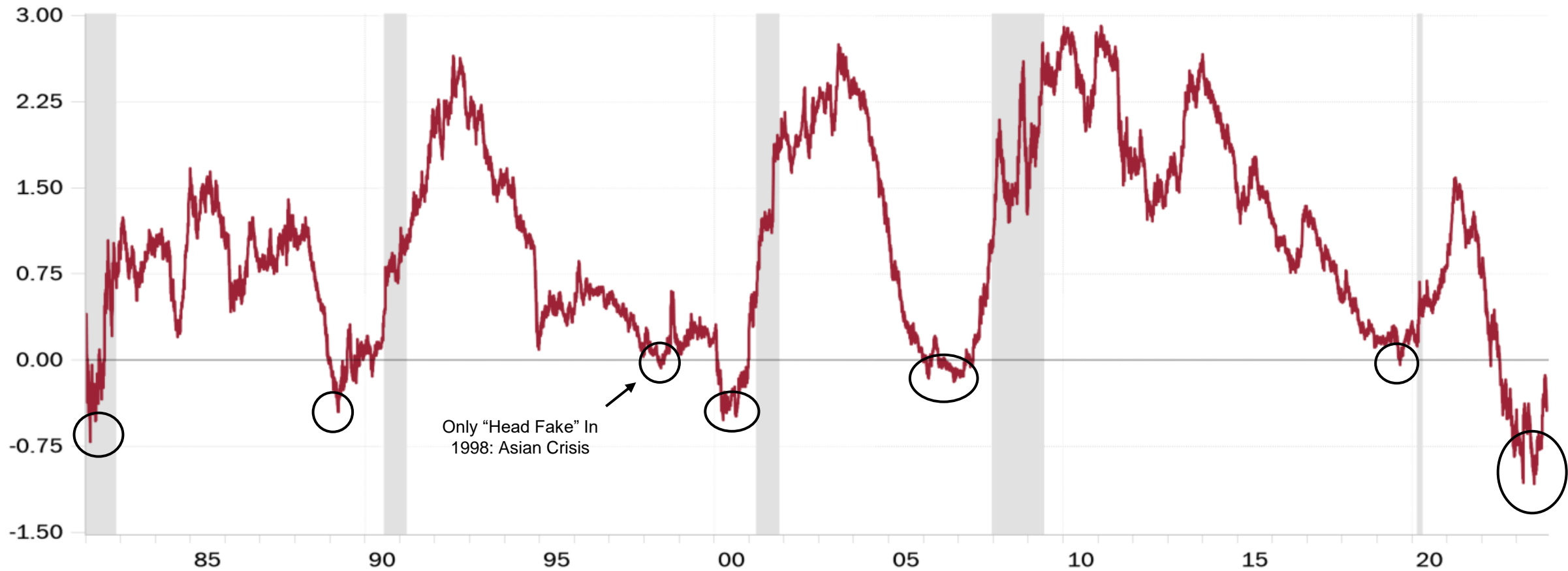
Source: Federal Reserve, Rosenberg Research



THE YIELD CURVE ONLY STAYS INVERTED 15% OF THE TIME

2s/10s Curve

(percentage points)



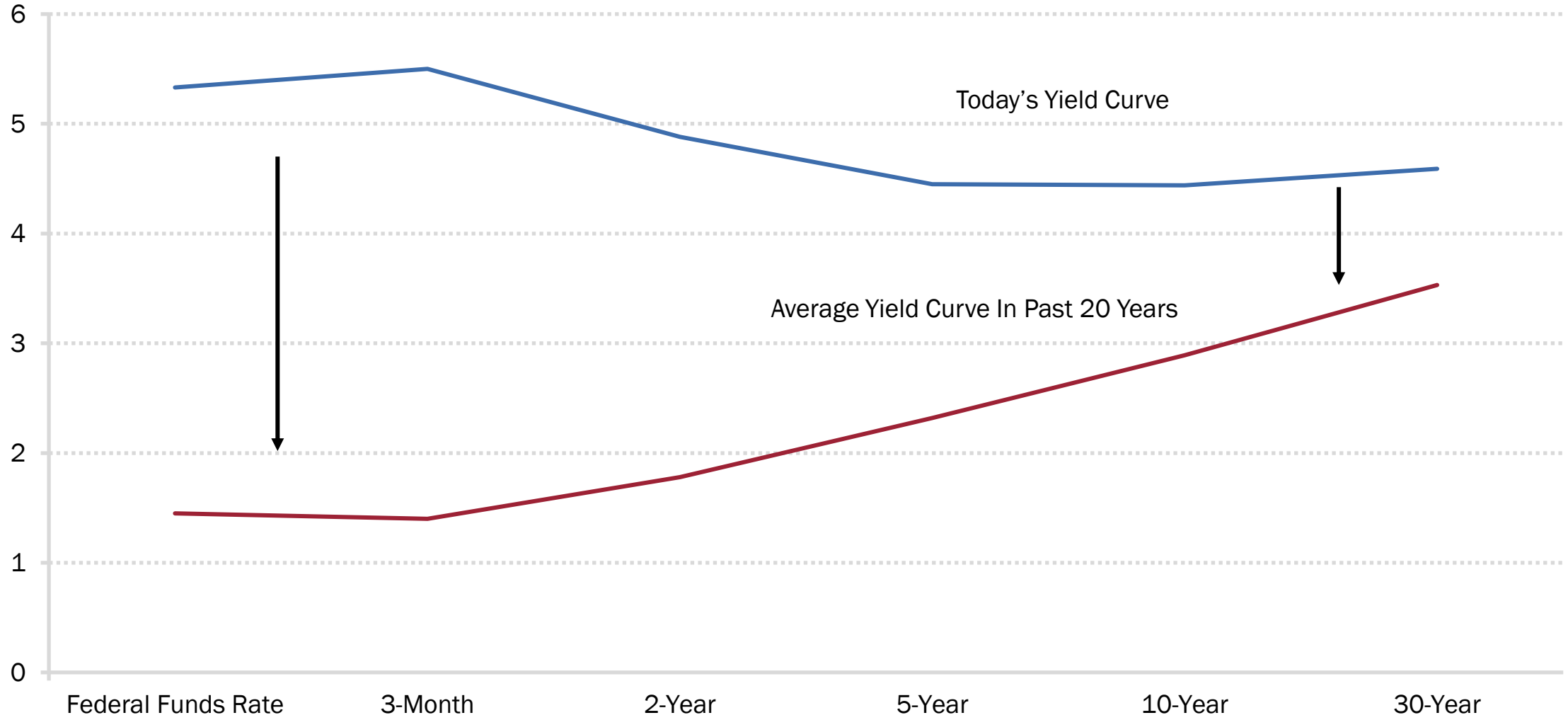
Shading indicates recession

Source: Haver Analytics, Rosenberg Research



WHAT MEAN-REVERTING THE YIELD CURVE MEANS

Treasury Yield Curve: 20 Year Average vs. Current



Source: Bloomberg, Rosenberg Research



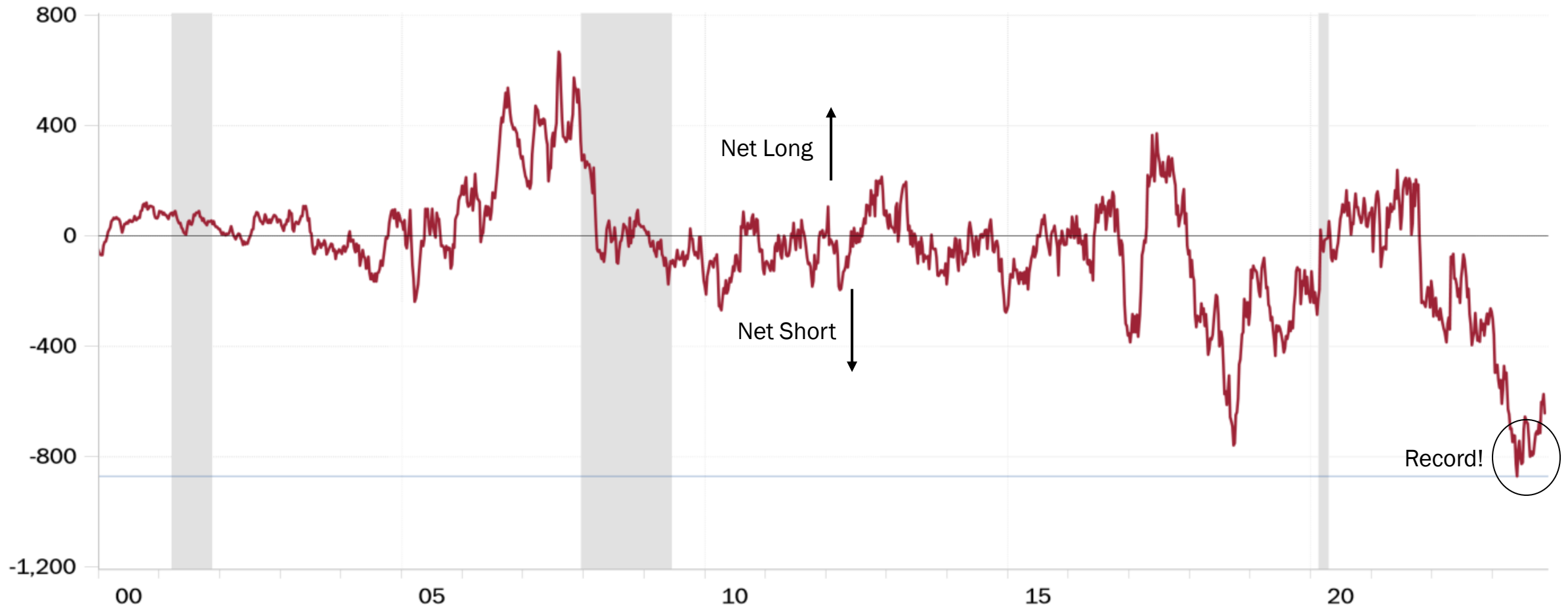
VERY NICE “COUPON PROTECTION!”

	10-Year Yield at 2% (February 2022)	10-Year Yield at 3% (August 2022)	10-Year Yield at 4% (July 2023)	10-Year Yield at 5% (October 2023)
Total Return if +50bps	-2.2%	-0.6%	+0.5%	+1.0%
Total Return if +100bps	-6.1%	-4.1%	-3.0%	-2.6%
Total Return if +150bps	-9.9%	-7.5%	-6.4%	-5.3%
Total Return if -50bps	+5.7%	+6.7%	+7.6%	+8.5%
Total Return if -100bps	+9.5%	+10.5%	+11.4%	+12.7%
Total Return if -150bps	+13.4%	+14.3%	+15.2%	+16.0%

Total returns are based on a 1-year horizon
Source: Bloomberg, Rosenberg Research

THE BUYER'S STRIKE: IT'S ALL THE "FAST MONEY" HEDGE FUNDS

Net Speculative Positioning in the 10-Year Treasury Note
(thousands of contracts; >0 denotes net long)



Shading indicates recession

Source: Haver Analytics, CFTC, Rosenberg Research

I HAVE YOUR B-ACKMAN!



“The economy is slowing faster than recent data suggests.

There is too much risk in the world to remain short bonds at current long-term rates. We covered our bond short.”

— Bill Ackman

October 23, 2023

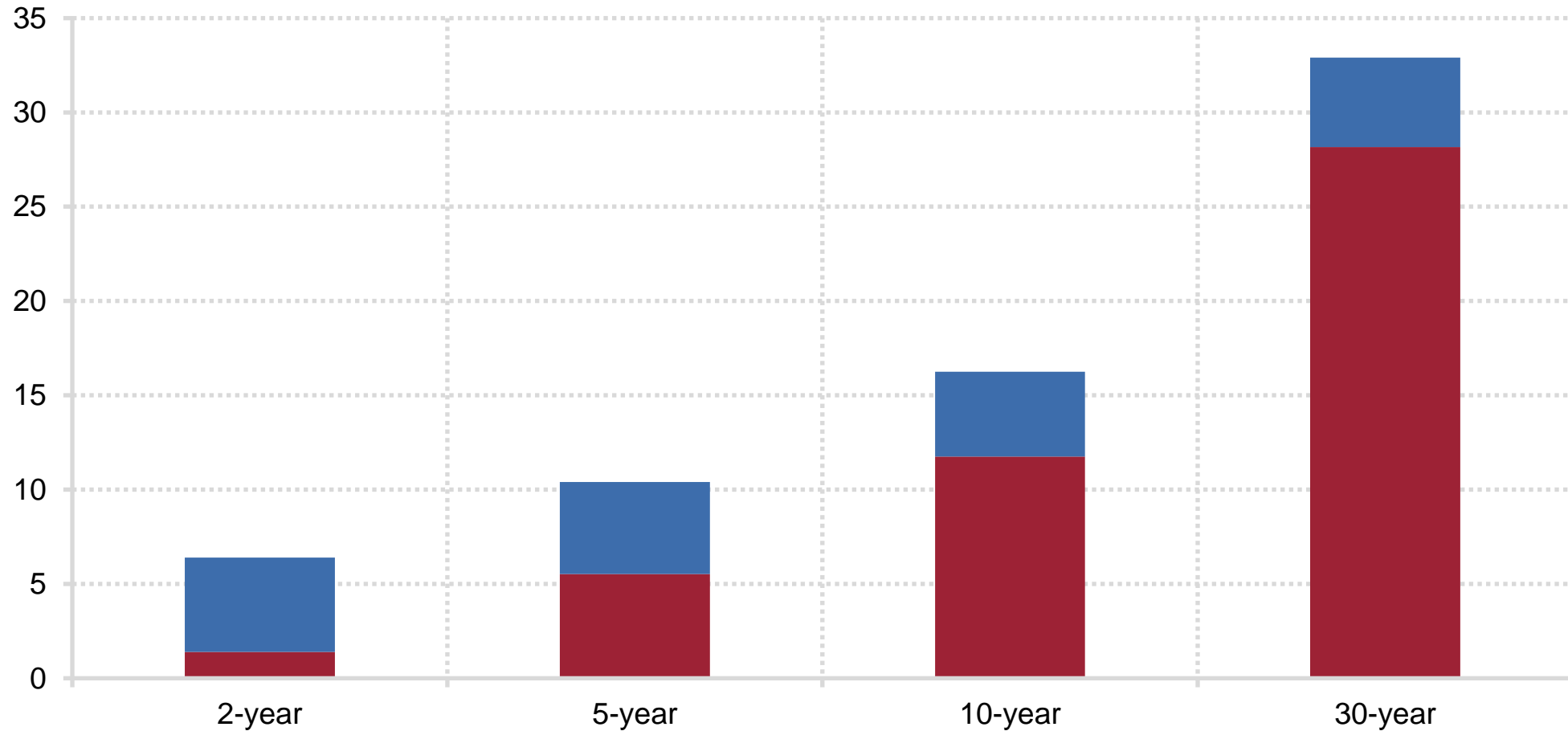
The 10-year Treasury yield has fallen by -40 basis points since he cut his short position!

WANT TO MAKE 30% NEXT YEAR?

Total return if Treasury yields drop 150 basis points

(red bar; price appreciation; percentage points)

(blue bar; coupon; percentage points)



Source: Bloomberg, Rosenberg Research

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S&P 500 SECTORS THAT CORRELATE BEST TO BOND YIELD REVERSALS

Staples



Utilities



Telecom



REITs



These have a combined 3% dividend yield, twice the market average!



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