What is the "*Bond Market*"?

DID YOU KNOW?

When financial professionals talk about the *"bond market"* they are commonly referring to the Barclays U.S. Aggregate, an index that measures the broad bond market.

Purchasing a bond = lending money to a government, a municipality, or corporation with a promise to pay you back, plus interest (or yield) over a certain period of time, based on the entity's ability to repay the debt.

Bonds carry both creditor and interest rate risk. While there can be an inverse relationship between interest rates and bond prices the potential for losses from investing in stocks is usually greater than that of investing in bonds.

Breakdown REVEALS:

The "Bond Market" or U.S. Aggregate Bond Index is made up of...

U.S. Treasury (36%)

Mortgage-Backed Securities (28%)

Corporates (26%)

Non-Corporates (5.46%)

Agency (2.45%)

Commercial Mortgage-Backed Securities (1.86%)

Asset-Backed Securities (0.46%)

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Source: Barclays Allocations are subjected to change.