

A QUARTER REVIEW:

While the bond market was essentially unchanged point-to-point during the second quarter, there was meaningful intra-quarter volatility. Rates rose in early April as the market continued to reassess the odds of rate cuts this year. By May, however, a string of weaker-than-expected economic data pushed rates lower and brought potential Fed easing back into focus. Most notably, the labor market has shown more convincing signs of normalization, with the unemployment rate cresting above 4% for the first time since November 2021. As a result, intermediate investment grade credit spreads closed the quarter up 9 basis points from their lows. By all accounts, the economy is far from a free fall, but perhaps high rates are starting to leave their mark.

ATTRIBUTION			
	JOHNSON	BLOOMBERG INTERMEDIATE G/C	DIFFERENCE
DURATION	-0.66%	-0.66%	0.00%
NON-PARALLEL	0.14%	0.19%	-0.05%
OTHER RATES	-0.03%	-0.04%	0.01%
SECTOR/QUALITY	-0.03%	-0.02%	-0.01%
SELECTION	0.04%	0.00%	0.04%
INCOME	1.23%	1.21%	0.03%

PERFORMANCE						
	QTD	1YR	3YR	5YR	7YR	10YR
JOHNSON (GROSS)	0.70%	4.81%	-1.25%	0.89%	1.71%	1.97%
JOHNSON (NET)	0.63%	4.55%	-1.50%	0.64%	1.45%	1.72%
BLOOMBERG INTERMEDIATE G/C	0.64%	4.19%	-1.18%	0.71%	1.39%	1.55%

CONTRIBUTORS	DETRACTORS
CORPORATE SECTOR ALLOCATION	YIELD CURVE POSITIONING
OVERWEIGHT FINANCIALS	

PERFORMANCE SUMMARY

The Johnson Intermediate Fixed Income Strategy returned 0.63% net of fees during the second quarter, nearly matching the Bloomberg Intermediate Government/Credit Index, which rose 0.64%. Positive contributors to relative performance over the quarter were yield and security selection, while non-parallel curve movement was the primary relative detractor. Our corporate overweight, combined with shorter corporate duration structure, contributed to our yield advantage. Additionally, the Strategy remains overweight high-quality financials, which outperformed industrials and utilities. The curve steepened slightly throughout the quarter, which was a slight detractor to relative performance as the Strategy is underweight front-end key rate duration. Duration was mostly neutral to portfolio performance during the second quarter as interest rates remained in a tight range point to point.

MARKET OUTLOOK AND PORTFOLIO POSITIONING:

We continue to adopt a more defensive outlook on the market and the economy. For several quarters, leading economic indicators such as the yield curve and the Conference Board's LEI's have been sending warning signs about a potential slowdown. Recently, labor market data has also shown signs of moderation, suggesting perhaps the Fed's restrictive policy stance is finally starting to cool economic growth. At the same time, credit spreads remain historically tight – further reinforcing more defensive portfolio positioning. As such, we remain below average in exposure to spread product, with a focus on shorter than index corporates to boost yield and mitigate the impact of potential spread widening. We also continue to maintain an out-of-index position to agency MBS as an attractive, high-quality corporate alternative. Finally, we continue to maintain a modestly longer than benchmark portfolio duration, supported by longer duration positioning in government weight.

OUR FIXED INCOME STRATEGY TEAM:

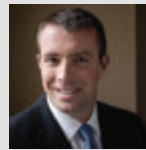
Jason Jackman, CFA
Chief Executive Officer, Principal



Michael Leisring, CFA
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Portfolio Manager, Principal



Brandon Zureick, CFA
Managing Director & Portfolio
Manager, Principal



David Theobald, CFA
Senior Portfolio Manager,
Principal



Ryan Martin, CFA
Portfolio Manager, Principal

Our primary objective across all duration mandates is to outperform the market with comparable volatility by utilizing our proprietary and unique Quality Yield approach and the deep experience and continuity of our investment team.

For more information on our products and services, please contact a member of the our Sales & Client Service Team at 513.389.2770 or info@johnsonasset.com.

PORTFOLIO SUMMARY

	JOHNSON	BLOOMBERG US INTERMEDIATE G/C
COUPON	3.36%	3.18%
YIELD TO MATURITY	4.95%	4.82%
WEIGHTED AVG. MATURITY (IN YEARS)	4.76	4.29
WEIGHTED AVG. DURATION (IN YEARS)	4.15	3.76
CONVEXITY	0.11	0.10



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