



Higher yields. Clearer tradeoffs.

Six charts on income, purchasing power, and the time your portfolio needs.

Market data through September 30, 2026 · CPI through August 2026

5.29%

10-year Treasury par yield

September 30, 2026; not a realized return

3.4%

Annual CPI inflation

August 2026; all items, unadjusted

6

Questions worth asking

Market evidence + transparent arithmetic

Original evidence and clearly labeled illustrations. No exhibit presents E6 or client returns. See each chart for its assumptions, sources and limitations.

01 / OBSERVED MARKET DATA

A higher yield comes with a time commitment.

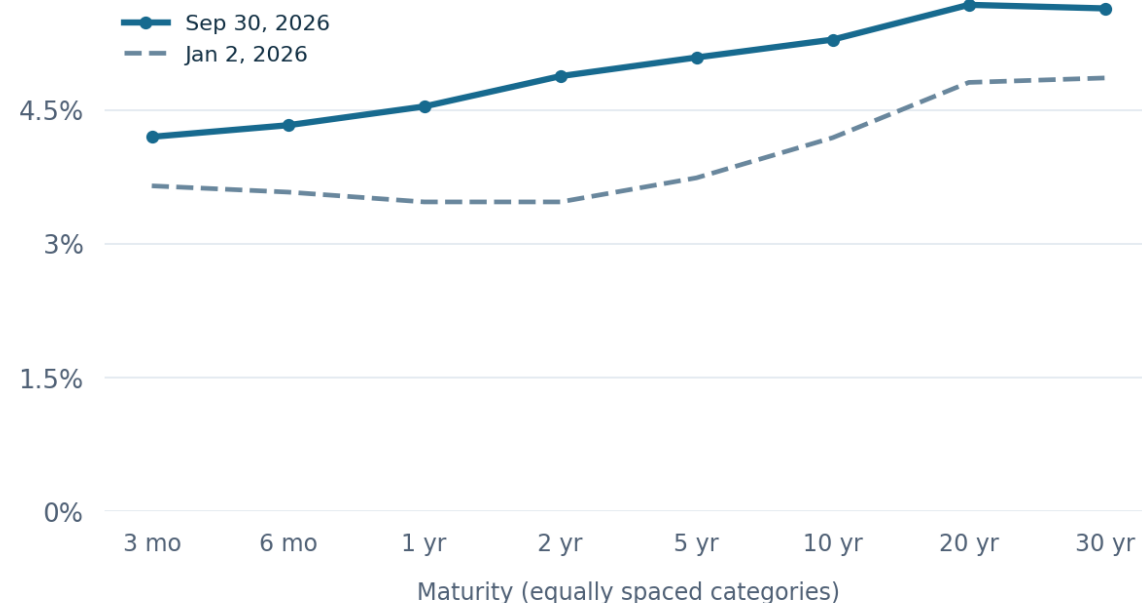
What changed in the bond opportunity set?

The 10-year Treasury par yield rose from 4.19% on January 2 to 5.29% at September month-end. More income potential comes with exposure to changing rates.

WORTH DISCUSSING

Which dollars have a known spending date, and which can tolerate changes in market value?

September 30 and January 2, 2026



READ THIS CHART CORRECTLY

Indicative, interpolated par yields are not executable quotes, realized returns, or bond-fund total returns. Selling before maturity can produce losses. Reinvestment rates, fees and taxes affect results.

U.S. Treasury par yields, percent per year. Selected maturities are equally spaced categories, not a proportional time axis. January 2 is the first 2026 observation.

Sources: U.S. Treasury · Daily Treasury Par Yield Curve Rates

02 / OBSERVED ECONOMIC DATA

The average hides very different experiences.

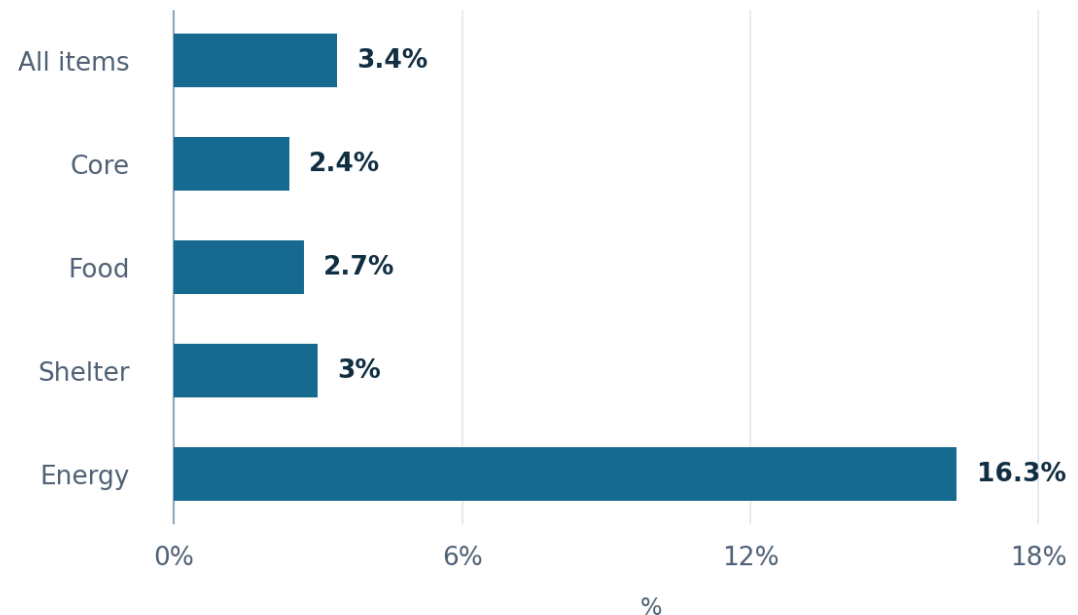
Where are prices rising?

August headline inflation was 3.4% over a year, while energy rose 16.3% and core prices rose 2.4%. Your spending mix determines which changes matter most.

WORTH DISCUSSING

Which budget categories are creating pressure, and which are relatively stable?

12 months ended August 2026 · not seasonally adjusted



READ THIS CHART CORRECTLY

One-year changes do not predict future inflation. Energy is volatile and has a smaller weight than its percentage change might suggest. CPI describes an aggregate urban basket, not every household.

BLS CPI-U release, September 11, 2026. Core excludes food and energy. Categories overlap: shelter is included in core; these bars are comparisons, not additive contributions.

03 / OBSERVED PRICES + ARITHMETIC

The price level is the bill you actually pay.

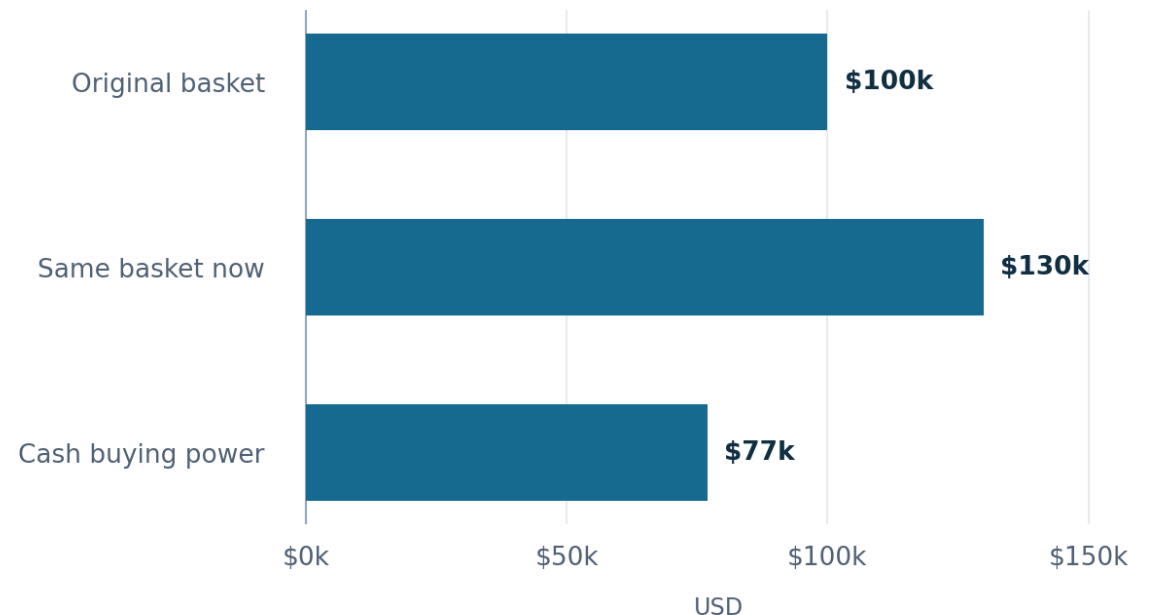
What happened to a fixed cash balance?

A basket costing \$100,000 in January 2020 cost about \$129,852 in August 2026. An unchanged \$100,000 bought about \$77,011 of the original basket.

WORTH DISCUSSING

Have near-term spending reserves been updated for today's dollar costs?

January 2020 to August 2026



READ THIS CHART CORRECTLY

A fixed balance earning no interest is assumed. This is a price comparison, not a cash-investment return. The third bar is in January 2020 dollars; the first two are each period's nominal dollars. Household spending can differ from CPI. Endpoints only; no missing month is interpolated.

CPI-U, U.S. city average, all items, not seasonally adjusted; CUUR0000SA0. January 2020 index 257.971; August 2026 index 334.980. Basket cost = $\$100,000 \times 334.980 / 257.971$. Buying power reverses that ratio.

Sources: BLS · CPI-U, all items; August 2026 release

04 / ILLUSTRATIVE PRICE SENSITIVITY

Price risk survives a higher starting yield.

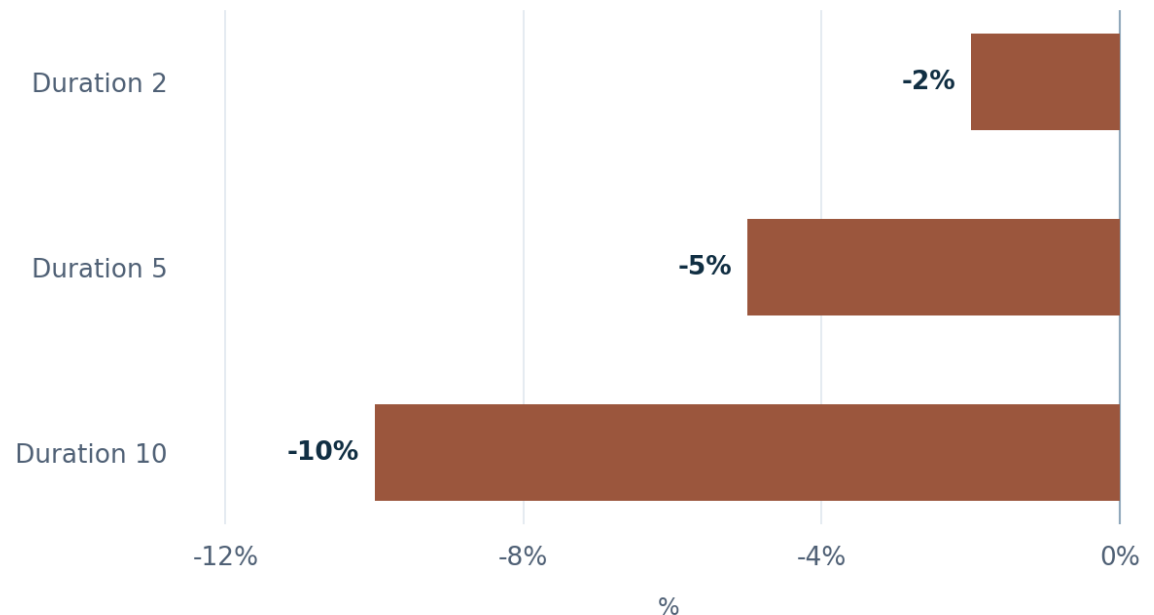
How sensitive is the bond to rates?

For a one-percentage-point rise in yields, a duration of 5 implies roughly a 5% price decline before interest income. A higher starting yield does not eliminate that sensitivity.

WORTH DISCUSSING

Could you hold through a price decline, or might a spending need force a sale?

Assumed parallel yield change: +1.00 percentage point



READ THIS CHART CORRECTLY

First-order approximation only; excludes convexity, income, fees, taxes, credit-spread changes, defaults and changes in duration. Accuracy worsens for large or nonparallel rate moves. It is not a total-return projection.

Approximate price change (%) = -modified duration × yield change (percentage points). Durations of 2, 5 and 10 are selected examples, not specific products.

05 / MATHEMATICAL ILLUSTRATION

The climb back gets steeper.

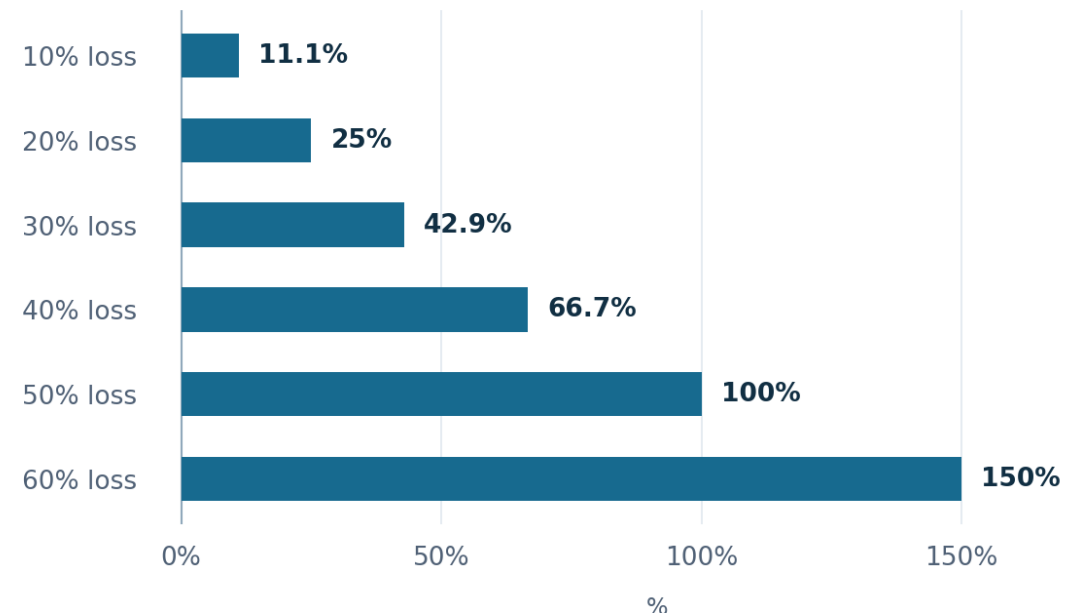
How much gain repairs a loss?

A 40% decline requires a 66.7% gain to return to the starting value. Recovery depends on the smaller remaining base.

WORTH DISCUSSING

How much loss can your plan and behavior withstand before you would need to sell?

No market observation period



READ THIS CHART CORRECTLY

Arithmetic, not a forecast or a strategy result. No recovery time is implied. Fees, taxes and cash flows are excluded. A 100% loss has no finite recovery percentage.

Required gain (%) = $100 \times \text{loss} (\%) / [100 - \text{loss} (\%)]$. Example: \$100 falls to \$60; $\$40 / \$60 = 66.7\%$.

Sources: Original E6 calculation; no market-return dataset.

06 / BUDGET ARITHMETIC

A reserve buys time to make decisions.

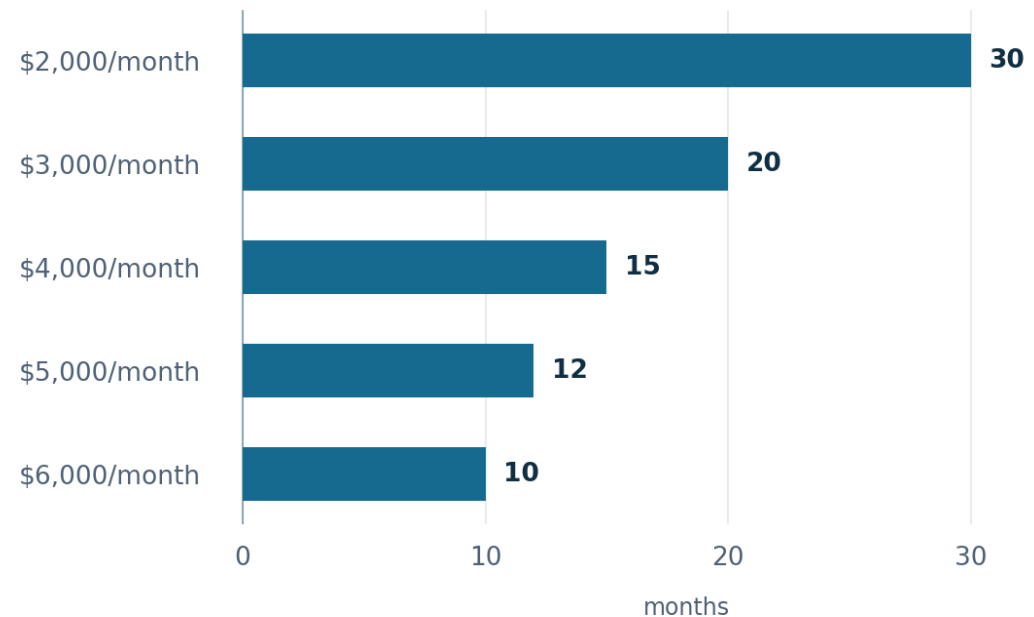
How long could liquid assets cover a spending gap?

A \$60,000 reserve covers 30 months at a \$2,000 monthly gap, but only 10 months at \$6,000. Liquidity needs depend on cash flow, not just account size.

WORTH DISCUSSING

What must be funded without depending on a favorable market or a discretionary redemption?

Illustrative reserve: \$60,000 · constant monthly gap



READ THIS CHART CORRECTLY

Selected examples, not a recommended reserve size or a sustainable-withdrawal analysis. Unexpected expenses, taxes, inflation and withdrawal restrictions can shorten coverage. Marketable assets can still lose value.

Months covered = reserve / (monthly spending - dependable monthly income). The bars assume positive gaps of \$2,000 to \$6,000, with no interest or change in spending.

Sources: Original E6 calculation; no market-return dataset.

PERSPECTIVE & SOURCES

The portfolio still needs a job description.

Higher bond yields alone do not settle the stock-versus-bond decision. Expected equity returns, future inflation, investment horizon and the ability to bear losses also matter. The useful response is to revisit what each allocation must accomplish, rather than treat the latest yield as a complete allocation rule.

1. U.S. Treasury · Daily Treasury Par Yield Curve Rates

https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value=2026

2. BLS · CPI-U, all items; August 2026 release

https://www.bls.gov/news.release/archives/cpi_09112026.htm

3. FINRA · Interest Rate Changes and Duration, September 19, 2024

<https://www.finra.org/investors/insights/bonds-interest-rate-changes-duration>

4. Research perspective: Dimensional, September 17, 2026

<https://www.dimensional.com/us-en/insights/are-higher-rates-cause-to-add-more-fixed-income>

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Edition date and observation dates differ. October uses the prior month-end Treasury snapshot and the latest CPI release available at that cutoff. The September archive is a reissue of the retained research snapshot; it is not evidence of an earlier public release. Methods and default assumptions match the website. Interactive changes are session-only; the edition PDF is fixed.