

INVESTMENT EXPERTISE



INVESTMENT MANAGEMENT TEAMS

LEVERAGED FINANCE

William Housey, CFA, MBA, 28 years Jeffrey Scott, CFA, MBA, 34 years Scott D. Fries. CFA. MBA. 30 years Gregory Olsen, CFA, MBA, 32 years Henry Reukauf, CFA, MBA, 29 years Brian Kessler, CFA, CMT, 20 years Sebastian Dassouli, 16 years Natasha Kennedy, MBA, 9 years Berk Kisal, MBA, 27 years Andy Rybak, CFA, MBA, 24 years Jeffrey Johnson, CFA, 10 years Ryan Kommers, 27 years Brian Buscher. 31 years Daniel Nagode, CFA, 7 years Daniel Waldron Jr., 7 years Sam Cafi, MBA, 14 years Brandon Nelson, 3 years Nathan Barewin, 1 year

GLOBAL BONDS

(First Trust Global Portfolios Limited)

Derek Fulton, 28 years

Leonardo DaCosta, CFA, 20 years

Anthony Beevers, CFA, 14 years

GOVERNMENT AND SECURITIZED PRODUCTS GROUP

Jim Snyder, MBA, 34 years
Jeremiah Charles, MS, 21 years
Jud Tigerman, MBA, 28 years
Austin Stockfisch, 13 years
Alex DeRochie, 7 years
Minhua Wu, MS, 7 years
Owen Aronson, 17 years
Samuel Cecil, MBA, 12 years
Jordan Pflum, MS, 3 years
Aidan Cremins, 1 year
Amrit Sandhu, 1 year
German Gaymer, < 1 year

INVESTMENT GRADE

Todd Larson, CFA, 34 years
Eric Maisel, CFA, MS, 32 years
Scott Skowronski, CFA, 27 years
Zach Natale, 17 years
Ying Timmerman, CFA, CPA, 18 years
David Worniak, CFA, 13 years
Nathan Simons, CFA, 14 years
Charles Kovarik, 5 years
Lee Mizell, 2 year
Trevor King, < 1 year

CLOSED-END FUNDS

Ken Fincher, MBA, 33 years **Nick Grant**, 1 year

MUNICIPAL SECURITIES

Tom Byron, 42 years
Johnathan Wilhelm, JD, 32 years
Nick Novosad, CFA, 12 years
Jeff Samuel, 30 years
Sarah Galpin, CFA, MPA, 19 years
Shari Sikes, MS, 29 years
Aaron Cook, 22 years
John Loch, MBA, 29 years
Andrew Folland, MBA, 28 years
Andrea McKeague, 32 years
Shawn O'Leary, MS, 21 years

PREFERRED SECURITIES

(Stonebridge Advisors LLC)
Scott Fleming, MBA, 43 years
Robert Wolf, MBA, 24 years
Eric Weaver, MS, 17 years
Angelo Graci, CFA, MBA, 29 years
Connor Fleming, CFA, CIPM, 12 years
Scott Hubbell, CFA, 16 years
Jeff Vinca, 20 years
Marie-Belle Mikue, 11 years
Jeff Bernstein, MBA, CPA, 35 years
Celeste Guerrero, 18 years

RESEARCH

David McGarel, CFA, CPA, 34 years **Jon Erickson**, CFA, MBA, 34 years **Chris Peterson**, CFA, MBA, 26 years

FIXED INCOME RESEARCH

Jim Vavrek, CFA, 25 years Tom Evans, CFA, JD, 22 years Steve Collins, CFA, MBA, 18 years Orlando Becerra, 12 years

PRODUCT SPECIALIST

Jeff Margolin, MBA, 25 years Ryan O. Issakainen, CFA, MA, 20 years Andrew Hull, 12 years Bob Derochie, MBA, 36 years

STRATEGY RESEARCH

Chris Bush, CFA, 18 years
Bob Hensley, CFA, MS, 22 years
Omar Sepulveda, CFA, 27 years
Graham Homberg, CFA, 18 years
Elliott Papineau, 17 years
Brad Phillips, CFA, 13 years
Steve Rinn, CFA, 9 years
John Bria, 11 years
Simon Peterson, 3 years
Grayson Harris, 2 year
Reece Sparling, 1 year
Lilly Nikkel, 1 year

EQUITY RESEARCH

John Sherren, CFA, MBA, 26 years Jared Wollen, CFA, MS, 15 years Eric Glombicki, 4 years Jack Wagner, 2 years Connor Fries, < 1 year

QUANT TECH

Dan Godoy, CFA, MBA, 18 years Jeff Sommars, PhD, CFA, MBA, 9 years John Hagerson, CFA, 24 years Landon Kavlie, PhD, CFA, 8 years Matthew Goldsberry. 9 years Nathan Bliss, PhD, CFA, 6 years Jordan Freitag, 3 years Matt Adomshick, 2 years Natan Jara, 2 years Joel Stapleton, PhD, 2 years Matthew Milone, 2 years Johannes Byle, 1 year Josiah Elliott, 1 year Matthew Erickson, 1 year Stephen Lovett, PhD, < 1 year Stephen Kil, 1 year Jonathan Barrett, < 1 year

MODEL INVESTMENT COMMITTEE

Daniel J. Lindquist, CFA, MBA Chairman and Managing Director 30 years

David McGarel, CFA, CPA CIO, COO and Managing Director 34 years William Housey, CFA, MBA Managing Director of Fixed-Income 28 years

Chris Peterson, CFA, MBA SVP, Head of Strategy Research 26 years

Chris Fallow, CFA SVP, Portfolio Oversight 21 years

Steve Collins, CFA, MBA SVP, Senior Fixed-Income Analyst 18 years

ECONOMICS

Brian Wesbury, MBA, 41 years Robert Stein, CFA, 28 years Strider Elass, 16 years Andrew Opdyke, CFA, MBA, 12 years Bryce Gill, MBA, 10 years Nate Gerze, 4 years Mary Buchanan, 20 years

MARKET ANALYSIS

Bob Carey, CFA, 35 years **Peter Leonteos**, 16 years

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LEADING INDICATORS

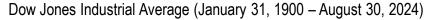
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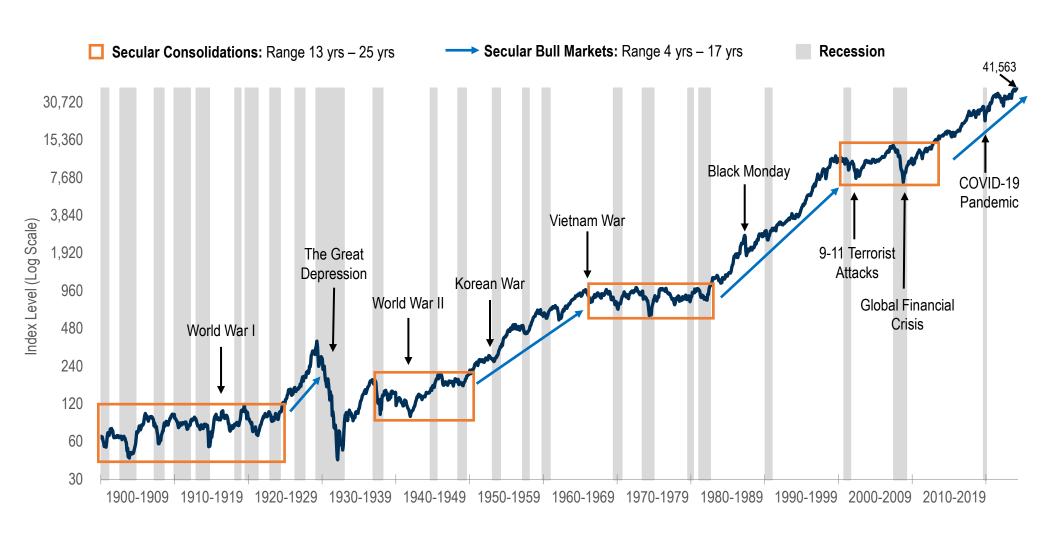
All index data shown herein is for illustrative purposes only and not indicative of any actual investment. Index returns do not reflect any fees, expenses, or sales charges. Investors cannot invest directly in an index. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

SECULAR BULL AND BEAR EQUITY MARKETS





MARKET DATA



Source: Bloomberg. See Index Definitions.

Past performance is no guarantee of future results.

WEEKLY S&P 500 INDEX

December 31, 1999 - August 30, 2024







Source: Bloomberg. See Index Definitions.

Past performance is no guarantee of future results.

WEEKLY 2 YEAR AND 5 YEAR U.S. TREASURY YIELD

December 31, 2005 - August 30, 2024



MARKET DATA

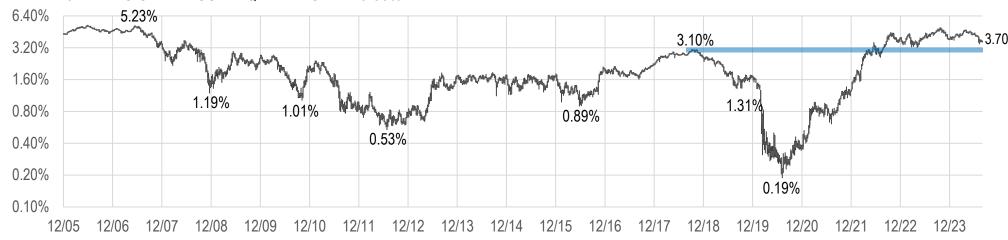


Continuing to test support of 3.78%. Downside target on a sustained break is 3.00%. Resistance target on a counter-trend rally is 4.40%.



Continuing to test support of 3.35%. Downside target on a sustained break is 3.10%. Resistance target on a counter-trend really is 4.05%.

5 YEAR U.S. TREASURY QTD RETURN: +3.35%



Source: Bloomberg. Past performance is no guarantee of future results. The 2 Year U.S. Treasury return is represented by the ICE BofA Current 2-Year U.S. Treasury Index. The 5 Year U.S. Treasury Index. See Index Definitions.

WEEKLY 10 YEAR AND 30 YEAR U.S. TREASURY YIELD

December 31, 1999 – August 30, 2024



MARKET DATA



Continuing to test support of 3.78%. Downside target on sustained break is 3.38%. Resistance targets on a counter-trend rally are 4.07% and 4.34%.



30 YEAR U.S. TREASURY QTD RETURN: +6.14%

Continuing to test support of 4.00%. Downside target on sustained break is 3.50%. Resistance target on a counter-trend rally is 4.34%.



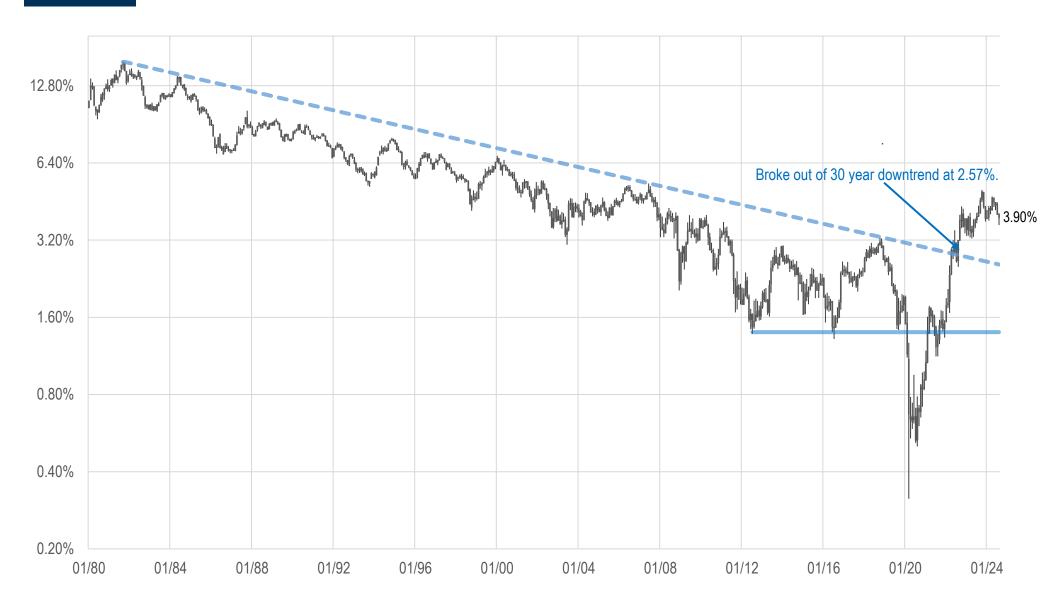
Source: Bloomberg. Past performance is no guarantee of future results. The 10 Year U.S. Treasury return is represented by the ICE BofA Current 10-Year U.S. Treasury Index. The 30 Year U.S. Treasury return is represented by the ICE BofA Current 30-Year U.S. Treasury Index. See Index Definitions.

MONTHLY 10 YEAR U.S. TREASURY YIELD 1980 - PRESENT

January 31, 1980 - August 30, 2024



MARKET DATA



WEEKLY 10 YEAR GOVERNMENT BOND YIELDS (GERMANY & JAPAN)

☐First Trust

December 31, 2005 - August 30, 2024

MARKET DATA

WEEKLY 10 YEAR GERMAN BUND YIELD



WEEKLY 10 YEAR JAPANESE GOVERNMENT BOND YIELD



WEEKLY 10 YEAR GOVERNMENT BOND YIELDS (U.K. & ITALY)

December 31, 2005 - August 30, 2024

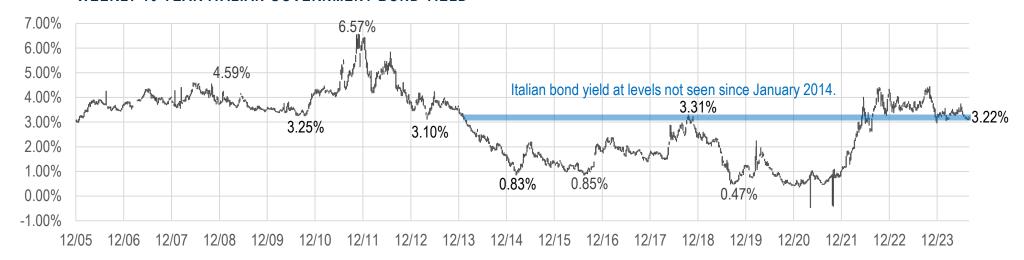


MARKET DATA

WEEKLY 10 YEAR U.K. GOVERNMENT BOND YIELD



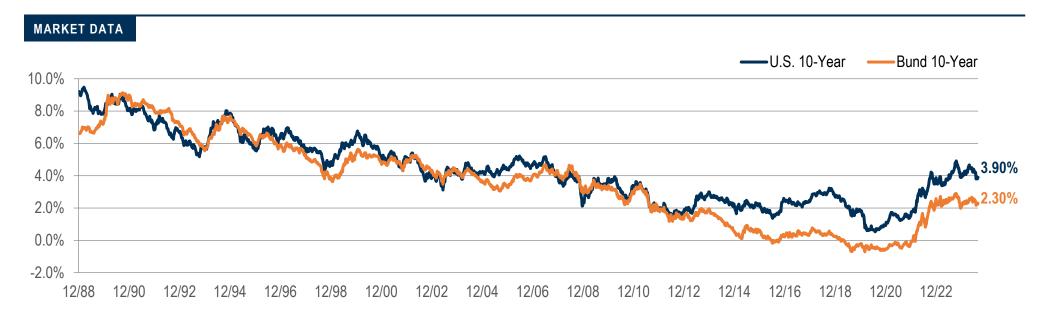
WEEKLY 10 YEAR ITALIAN GOVERNMENT BOND YIELD



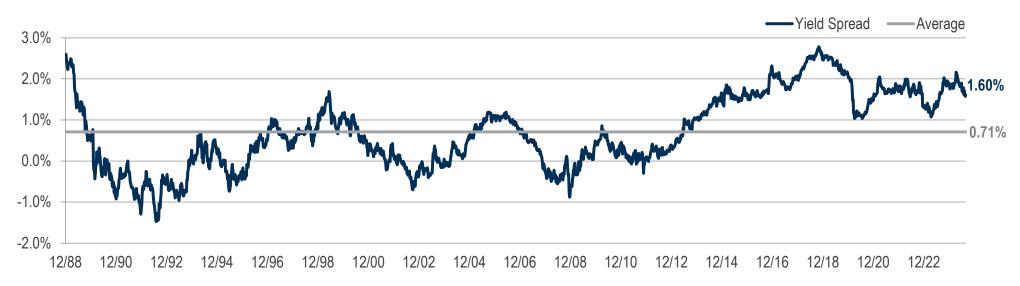
10 YEAR U.S. TREASURY YIELD AND 10 YEAR GERMAN BUND YIELD



December 31, 1988 - August 30, 2024



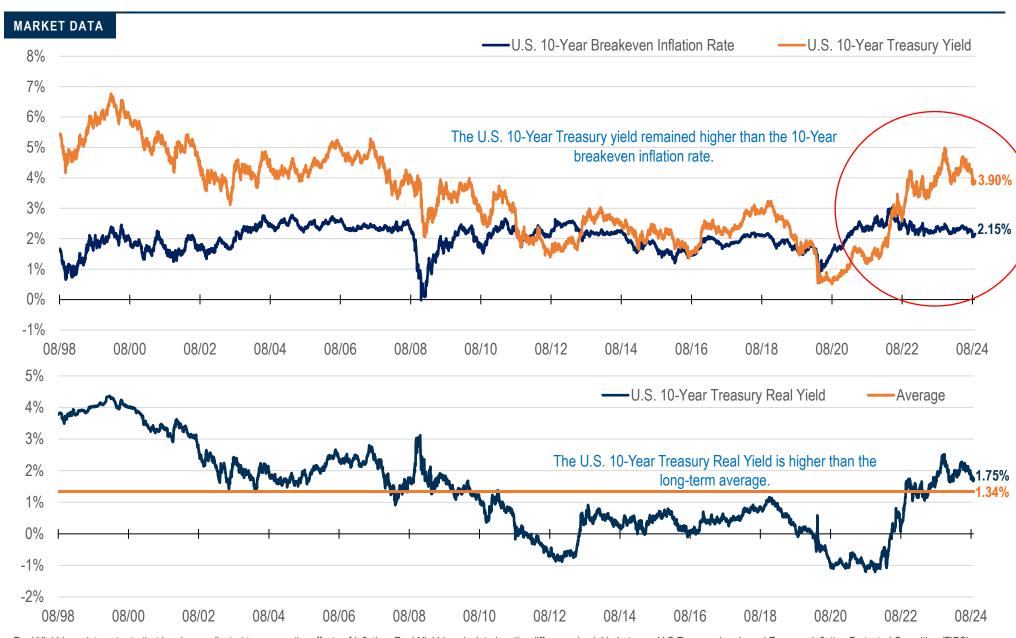
YIELD SPREAD BETWEEN THE 10 YEAR U.S. TREASURY YIELD AND THE 10 YEAR GERMAN BUND YIELD



10 YEAR U.S. TREASURY REAL YIELD

August 3, 1998 - August 30, 2024





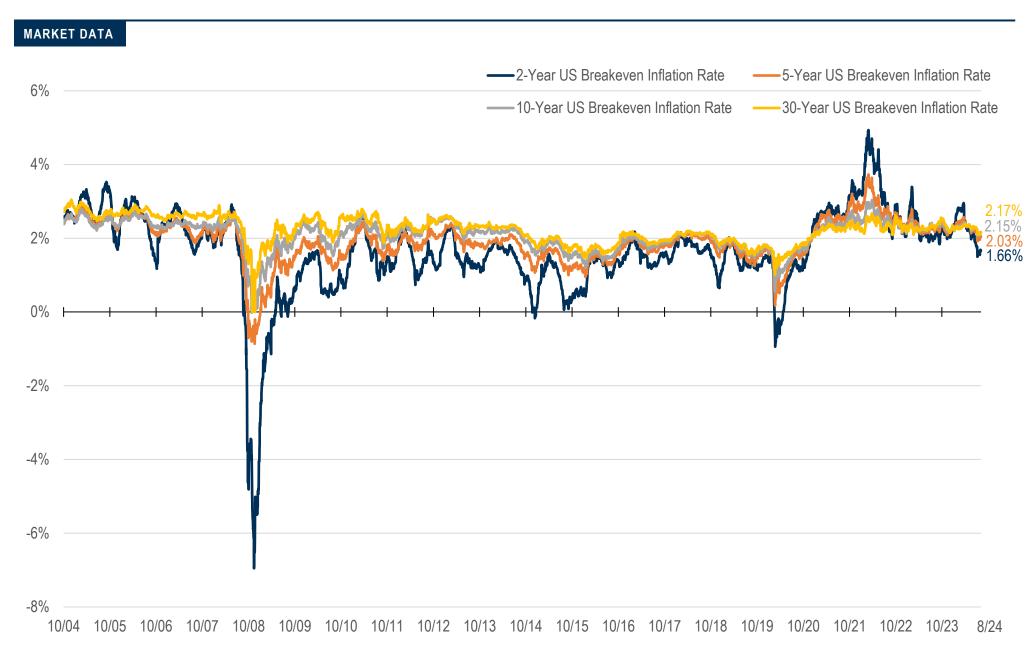
Real Yield is an interest rate that has been adjusted to remove the effects of inflation. Real Yield is calculated as the difference in yields between U.S Treasury bonds and Treasury Inflation-Protected Securities (TIPS). The breakeven rate is a market-based gauge for the expected annual inflation. See Index Definitions.

Source: Bloomberg. Past performance is no guarantee of future results.

INFLATION: BREAKEVENS

October 27, 2004 - August 30, 2024





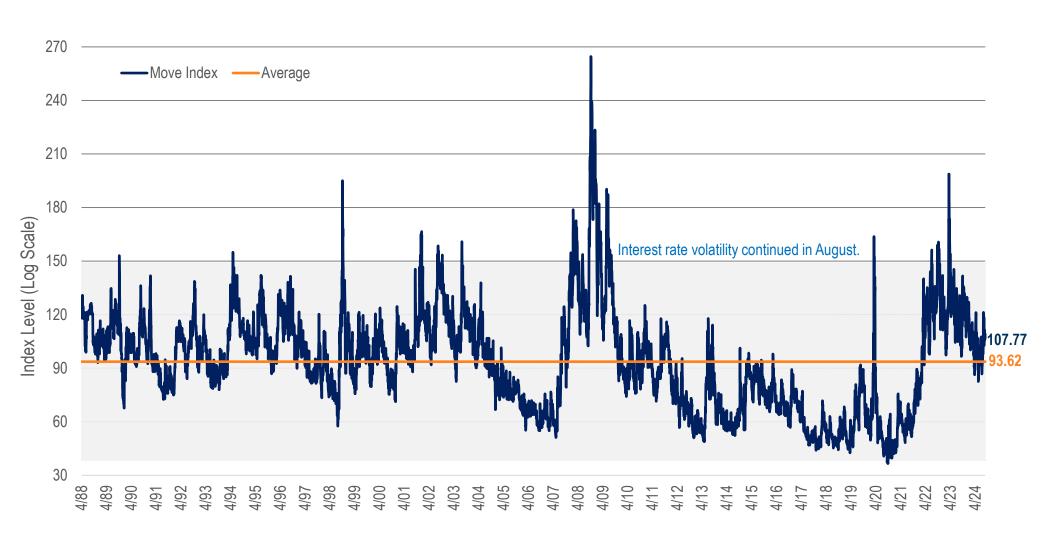
Source: Bloomberg. The breakeven rate is a market-based gauge for the expected annual inflation. Past performance is no guarantee of future results. See Index Definitions.

MOVE INDEX

As of August 30, 2024



MARKET DATA



Source: Bloomberg. Data from 4/4/88 – 8/30/24. **Past performance is no guarantee of future results.** The ICE BofA MOVE Index is shown above. See Index Definitions. The area shaded in gray represents 2 standard deviations above and below the mean of the MOVE Index inception to date.

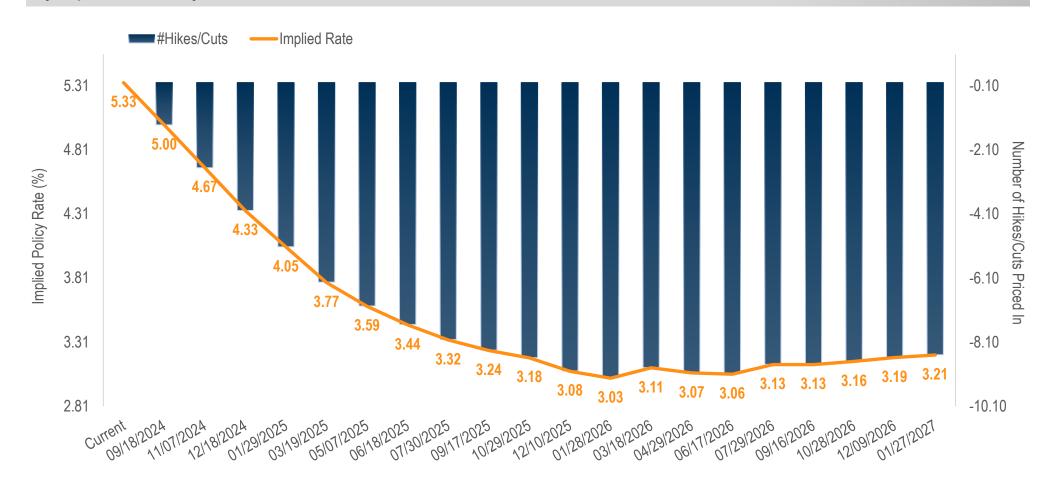
IMPLIED FEDERAL FUNDS RATE & NUMBER OF HIKES/CUTS

As of August 30, 2024



MARKET DATA

Federal Funds Futures indicate that rates have peaked with the current rate of 5.33% and an approximately 131% chance of a rate cut by September of this year.



Source: Bloomberg

The assumed rate movement for one rate hike or cut is equivalent to +/- 0.25%. There is no assurance forecasts will be achieved.

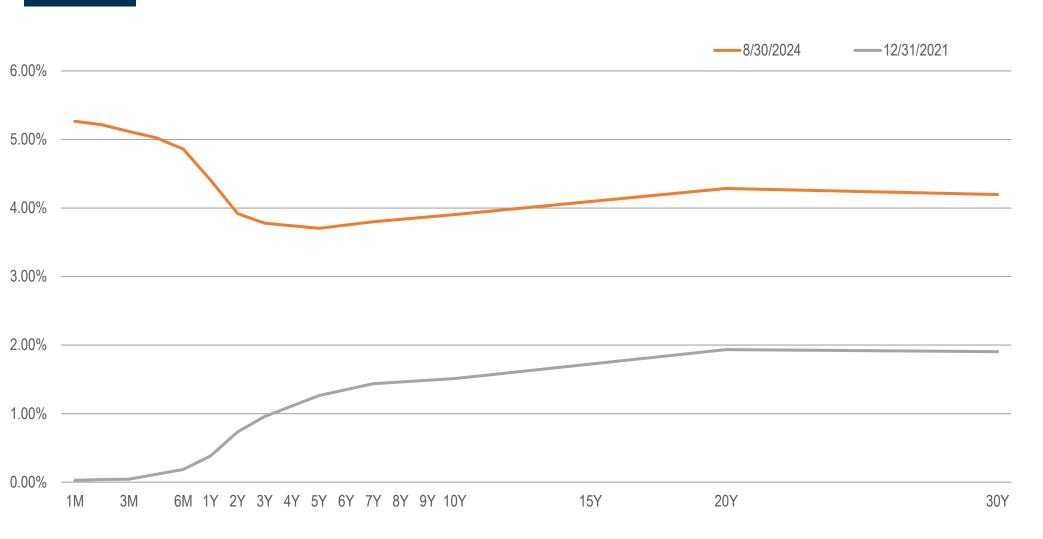
The Federal Funds Rate is the interbank overnight lending rate for commercial banks' excess reserves. The Implied Federal Funds Rate for the US is the estimated forward rate for the United States and is derived from Federal Funds Futures contracts to determine the probability of the Federal Reserve changing monetary policy at a particular meeting.

US TREASURY YIELD CURVE

As of August 30, 2024



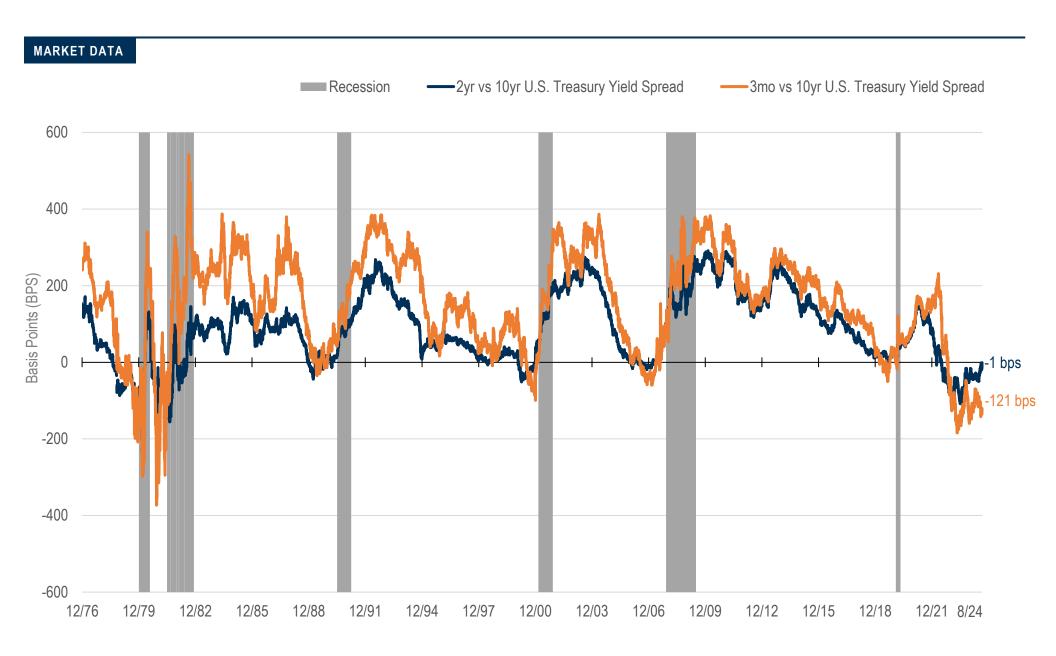




 $\label{thm:control} \mbox{Source: Bloomberg. } \mbox{\bf Past performance is no guarantee of future results.}$

2-YR/10-YR U.S YIELD CURVE & 3-MO/10-YR U.S YIELD CURVE





Source: Bloomberg, as of 8/30/2024. **Past performance is no guarantee of future results.** The yield spread is the difference between yields on the varying Treasury maturities. A basis point is a common unit of measure for interest rates and is equal to 1/100th of 1% or 0.01%. A 1% change is equal to 100 basis points. See Index Definitions.

LONG AND VARIABLE POLICY LAGS



MARKET DATA

2-yr/10-yr US Yield Curve Inversion Date	3-mo/10-yr US Yield Curve Inversion Date	Recession following Inversion	Days Since 2-yr/10-yr US Yield Curve Inversion	Days Since 3-mo/10-yr US Yield Curve Inversion	S&P 500 All Time High After Curve Inversion	
8/17/1978	12/15/1978	Jan 1980 - Jul 1980	502	382	N/A	
9/11/1980	10/27/1980	Jul 1981 - Nov 1982	293	247	11/28/1980	
1/5/1989	5/24/1989	Jul 1990 - Mar 1991	542	403	6/4/1990	
2/11/2000	7/18/2000	Mar 2001 - Nov 2001	384	226	3/24/2000	
1/31/2006	7/19/2006	Dec 2007 - Jun 2009	669	500	10/9/2007	
7/5/2022	11/8/2022	TBD	788*	662*	7/16/2024	
		Mean	478	352		
*Measures the time si	nce inversion.	Median	502	382		

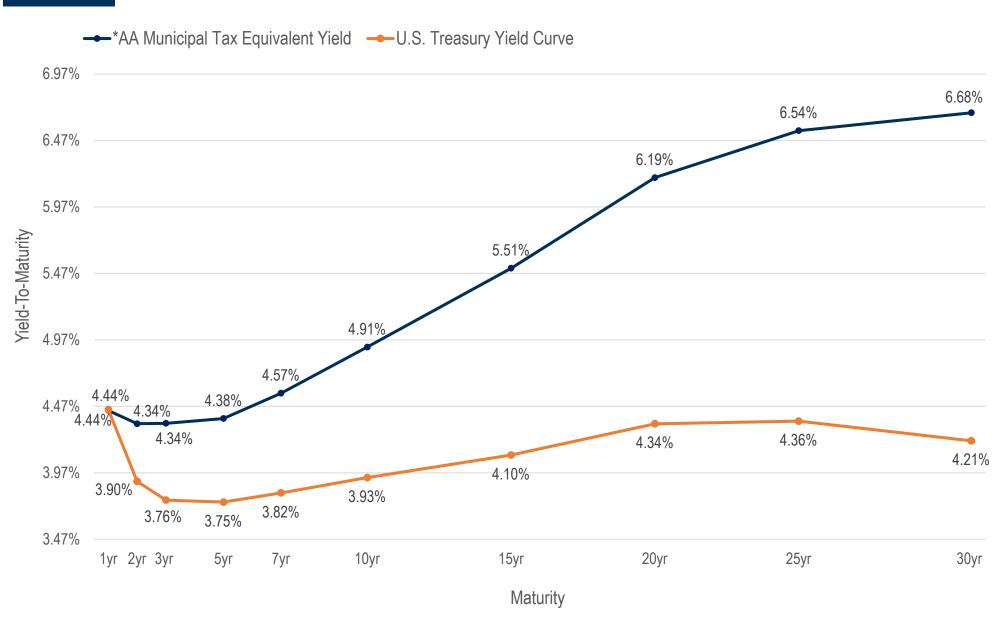
Source: Bloomberg. Data from 12/1/1976 – 8/31/2024. **Past performance is no guarantee of future results.** The yield curve spread is the difference between yields on the varying Treasury maturities. When longer dated maturities are yielding less than shorter dated maturities the yield curve spread is negative or "inverted". The inversion dates were determined as the start date of the first period prior to a recession that the 2-Year US Treasury Yield and 3-Month US Treasury Yield were greater than the 10-Year US Treasury Yield for at least 30 consecutive days. Only recession periods that experienced at least one inversion (as defined previously) for both the 2-Year/10-Year yield curve and 3-Month/10-year yield curve since the end of the last recessionary period were considered. The 2-yr/10-yr US yield curve measurement periods are 8/17/1978-1/1/1980, 9/11/1980-7/1/1980, 9/11/1980-7/1/1980, 1/5/1989-7/1/1990, 2/11/2000-3/1/2001, 1/31/2006-12/1/2007, and 1/5/2022-8/31/2024. The 3-mo/10-yr US yield curve measurement periods are 12/15/1978-1/1/1980, 10/27/1980-7/1/1980, 7/18/2000-3/1/2001, 7/19/2006-12/1/2007, and 11/8/2022-8/31/2024. Recessionary periods are determined by the National Bureau of Economic Research (NBER). Measurement will continue for the current inversion periods until the next recessionary period begins.

MUNICIPAL YIELD CURVE

As of August 30, 2024



MARKET DATA



Source: Bloomberg. Past performance is no guarantee of future results.

^{*}YTM represents the Tax-Equivalent Yield (TEY) for the highest tax bracket of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%.

REAL FEDERAL FUNDS RATE

December 31, 1970 - August 31, 2024





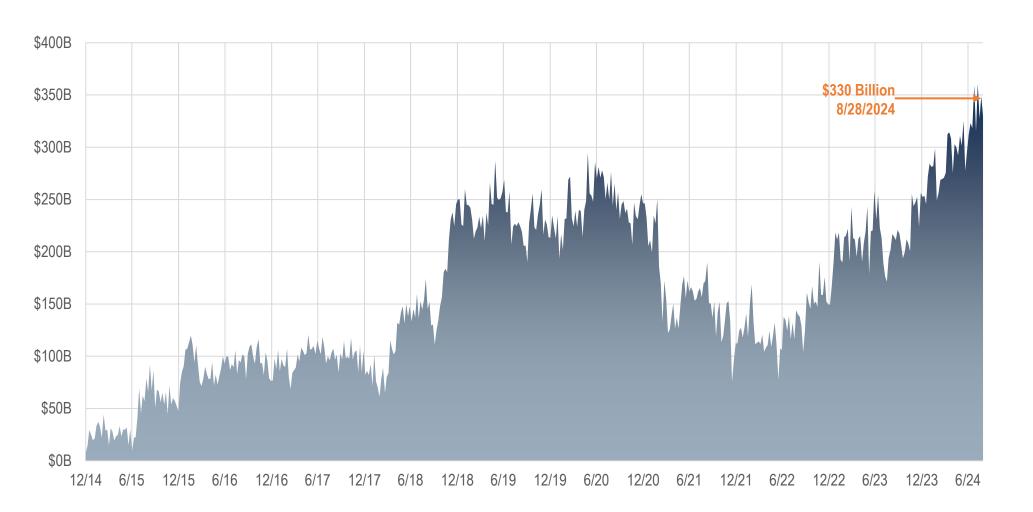
Source: Bloomberg, FRED. The Real Federal Funds Rate is the effective Federal Funds Rate minus 12-month core PCE inflation. The Effective Federal Funds Rate is the interest rate banks charge each other for overnight lending. See Index Definitions.

NET DEALER TREASURY HOLDINGS

December 31, 2014 - August 28, 2024

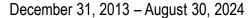


MARKET DATA



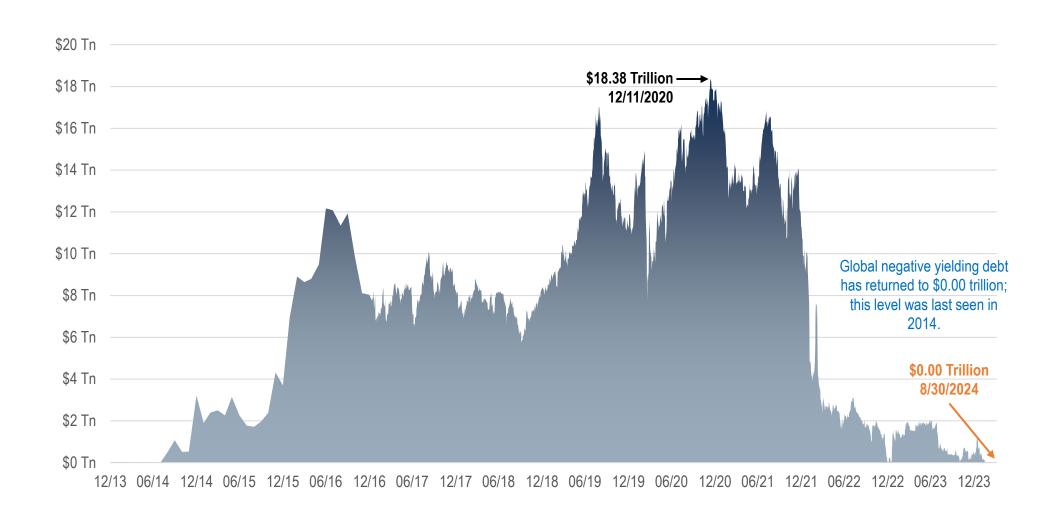
Source: Bloomberg, Federal Reserve. See Index Definitions.

GLOBAL NEGATIVE YIELDING DEBT





MARKET DATA



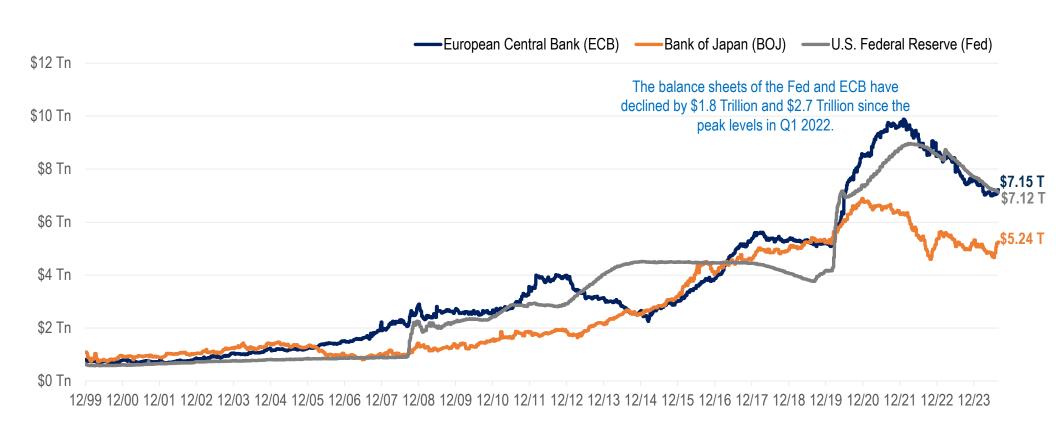
Source: Bloomberg. Global negative yielding debt is comprised by summing the negative yielding debt within the Bloomberg Global Aggregate Index. See Index Definitions.

CENTRAL BANK BALANCE SHEETS

December 31, 1999 - August 30, 2024



MARKET DATA



Source: Bloomberg. See Index Definitions.

WEEKLY U.S. DOLLAR INDEX (DXY)

December 31, 2010 - August 30, 2024



MARKET DATA

DXY is a measure of the U.S dollar's value relative to the following currencies:

• Euro: 57.6%

Japanese Yen: 13.6%British Pound: 11.9%Canadian Dollar: 9.1%Swedish Krona: 4.2%

• Swiss Franc: 3.6%

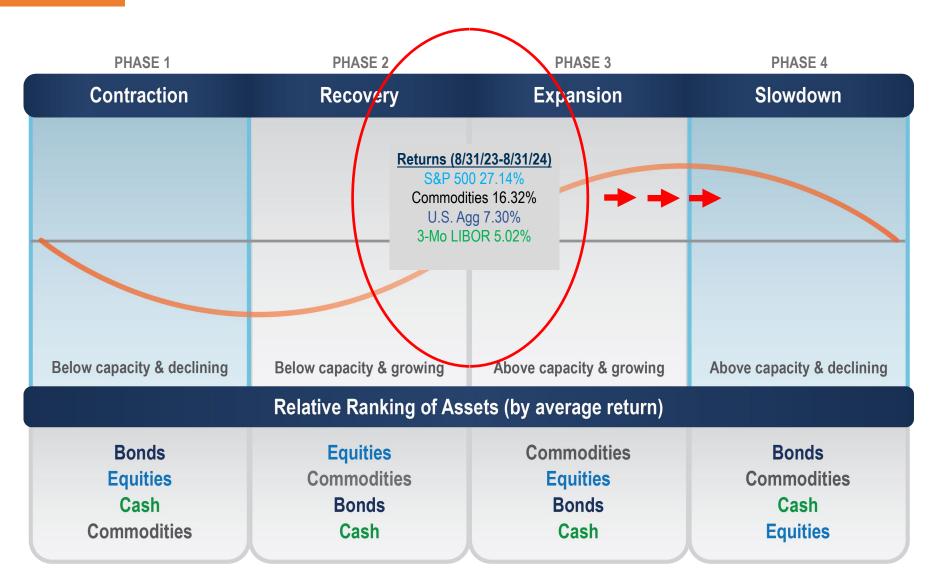
Continuing to test support of 100. Downside target on sustained break is 92. Resistance target on a counter-trend rally is 105.



THE BUSINESS CYCLE



LEADING INDICATORS

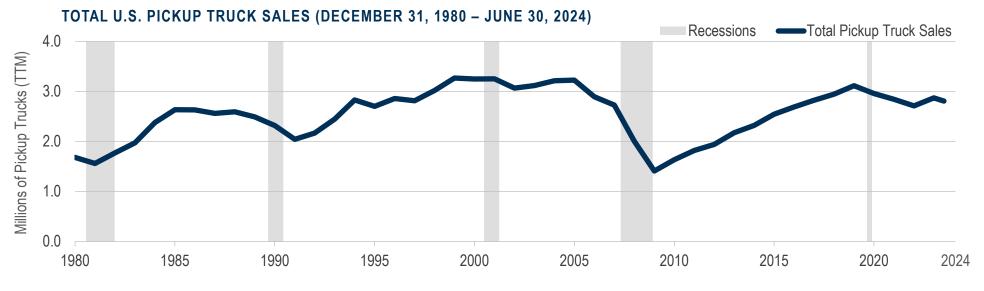


Source: Goldman Sachs Global Investment Research. Past performance is no guarantee of future results. This chart is for illustrative purposes only and not indicative of any actual investment. See Index Definitions.

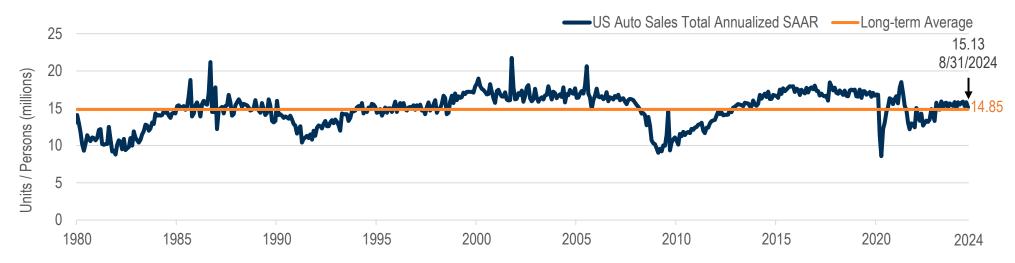
U.S. PICKUP TRUCK AND MOTOR VEHICLE SALES



LEADING INDICATORS







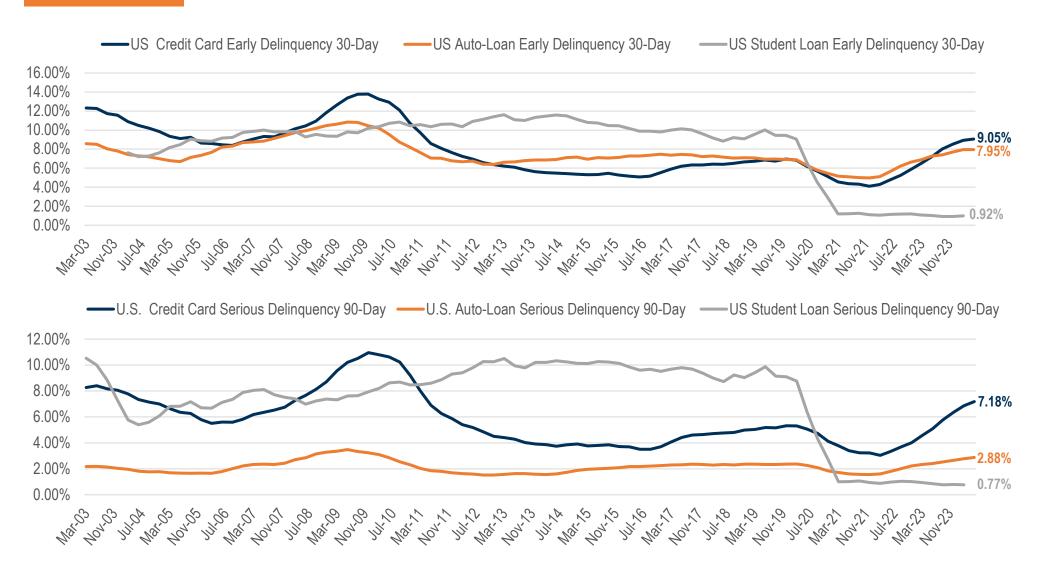
Source: Bloomberg, Citigroup Global Markets Inc., Motor Intelligence, GoodCarBadCar. Pickup Truck sales as of 6/30/24 (Most recent available data). U.S. Motor Vehicle Sales reflect the seasonally adjusted annual rate (SAAR) where data has been adjusted for the effects of seasonal patterns.

CONSUMER CREDIT

March 31, 2003 – June 28, 2024



LEADING INDICATORS

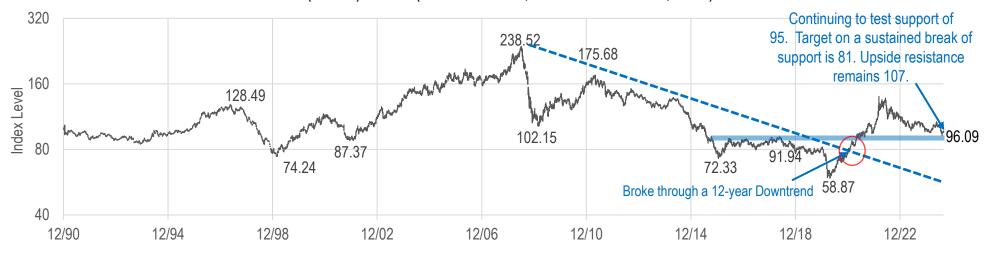


Source: Bloomberg. The Federal Reserve Bank of New York's Center for Microeconomic Data: Quarterly Report on Household Debt and Credit. Data as of 6/28/24 (Most recent available data).



LEADING INDICATORS

WEEKLY BLOOMBERG COMMODITY (BCOM) INDEX (DECEMBER 31, 1990 - AUGUST 30, 2024)



WEEKLY CRUDE OIL PRICE (APRIL 1, 1983 - AUGUST 30, 2024)



FIXED INCOME DASHBOARD

10-year daily historical spread distribution



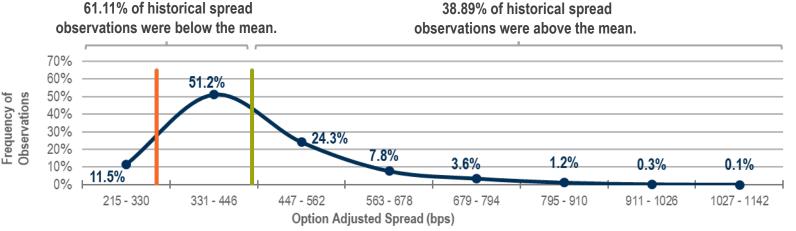
FIXED INCOME OPPORTUNITY SET

High Yield Bonds

Spreads over U.S. Treasuries

38.89% of historical spread

The frequency in which observations fell within Option Adjusted Spread range.



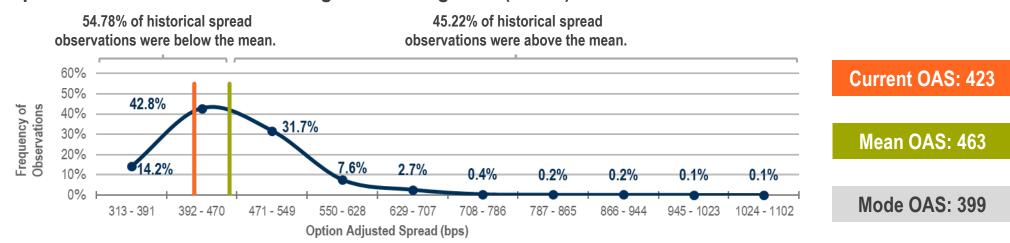
Current OAS: 313

Mean OAS: 440

Mode OAS: 393

Senior Loans

Spreads over the Secured Overnight Financing Rate (SOFR)



Source: Bloomberg, Standard & Poor's Leveraged Loan Commentary and Data. Data is from 8/31/2014 through 8/30/2024. For illustrative purposes only and not indicative of any actual investment. **Past performance is no guarantee of future results.**

FIXED INCOME DASHBOARD

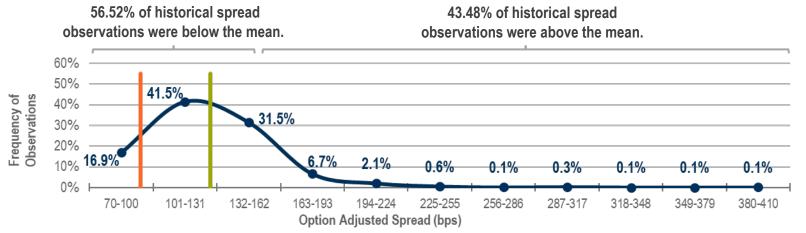
10-year daily historical spread distribution



FIXED INCOME OPPORTUNITY SET

Investment-Grade Corporate Bonds Spreads over U.S. Treasuries



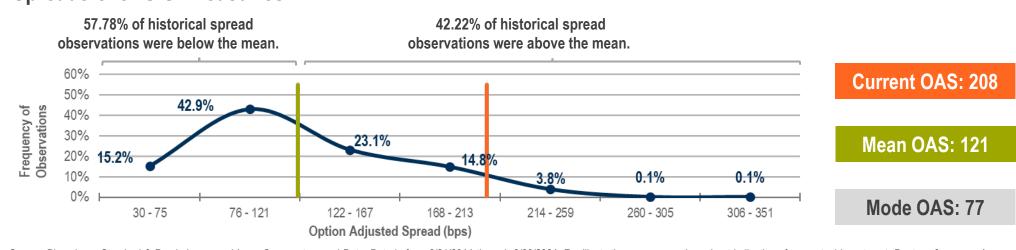


Current OAS: 95

Mean OAS: 129

Mode OAS: 122

Fixed Rate CMBS Bonds Spreads over U.S. Treasuries



Source: Bloomberg, Standard & Poor's Leveraged Loan Commentary and Data. Data is from 8/31/2014 through 8/30/2024. For illustrative purposes only and not indicative of any actual investment. **Past performance is no guarantee of future results.**

FIXED INCOME DASHBOARD

10-year daily historical spread distribution

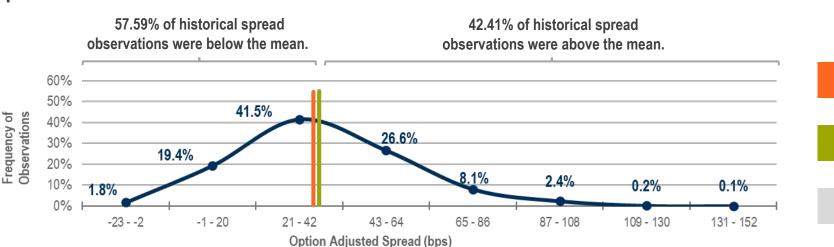


The frequency in which observations fell within Option Adjusted Spread range.

FIXED INCOME OPPORTUNITY SET

Agency MBS

Spreads over U.S. Treasuries



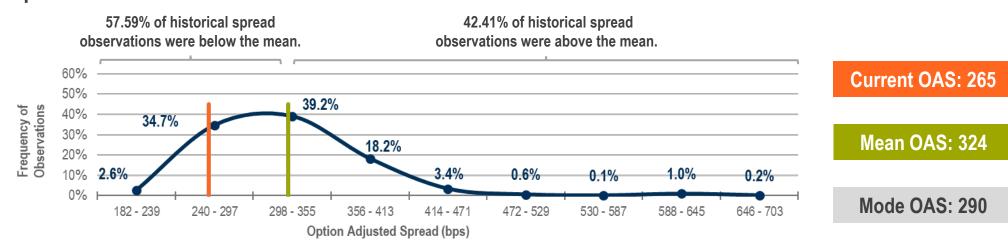
Current OAS: 37

Mean OAS: 37

Mode OAS: 21

Emerging Markets

Spreads over U.S. Treasuries



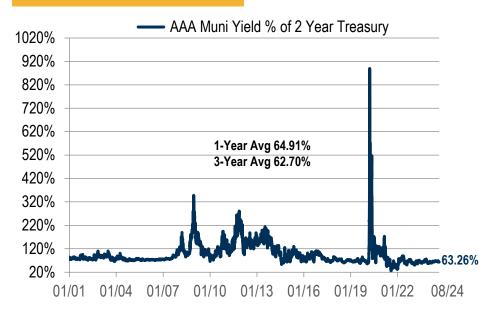
Source: Bloomberg, Standard & Poor's Leveraged Loan Commentary and Data. Data is from 8/31/2014 through 8/30/2024. For illustrative purposes only and not indicative of any actual investment. **Past performance is no guarantee of future results.**

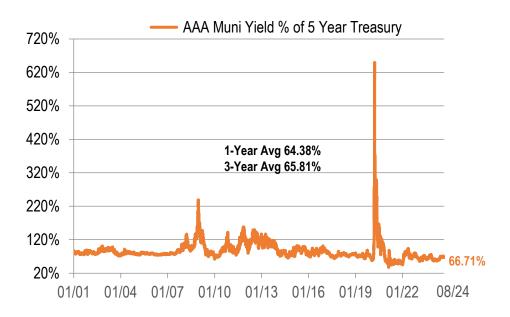
MUNICIPAL / TREASURY YIELD RATIO

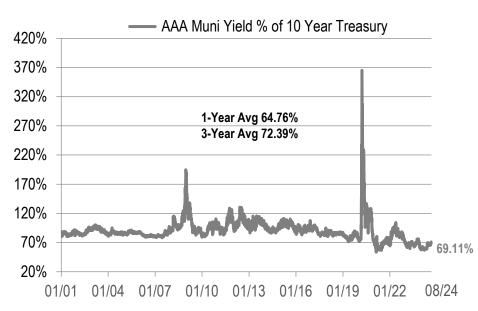
January 2, 2001 - August 30, 2024

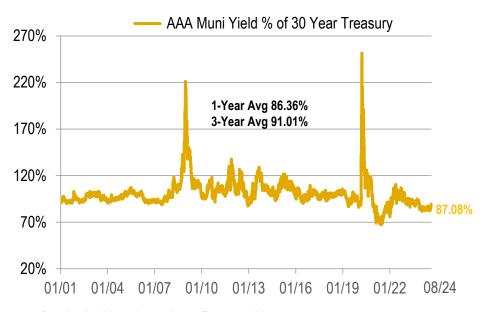


FIXED INCOME OPPORTUNITY SET









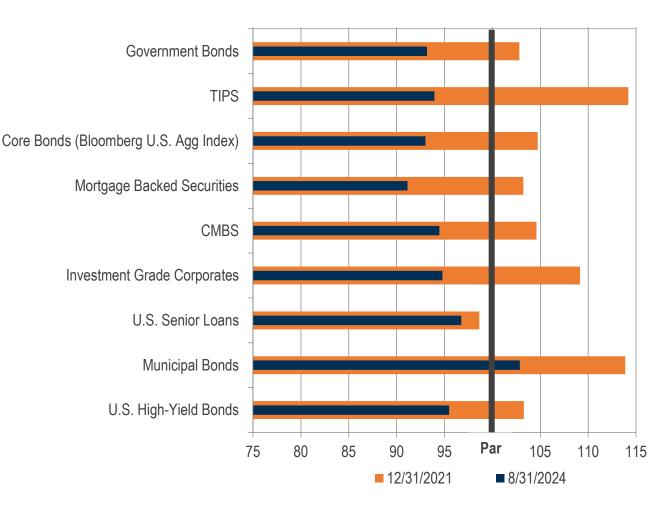
Source: Bloomberg. Past performance is no guarantee of future results. The Municipal/Treasury ratio is a percentage of municipal yields against equivalent Treasury yields.

FIXED INCOME ASSET CLASS PRICE ANALYSIS

As of August 31, 2024



FIXED INCOME OPPORTUNITY SET



	LTM Returns
Government Bonds	6.03%
TIPS	6.17%
Core Bonds (Bloomberg U.S. Agg Index)	7.30%
Mortgage Backed Securities	7.54%
CMBS	8.96%
Investment Grade Corporates	9.45%
U.S. Senior Loans	9.86%
Municipal Bonds	10.36%
U.S. High-Yield Bonds	12.47%

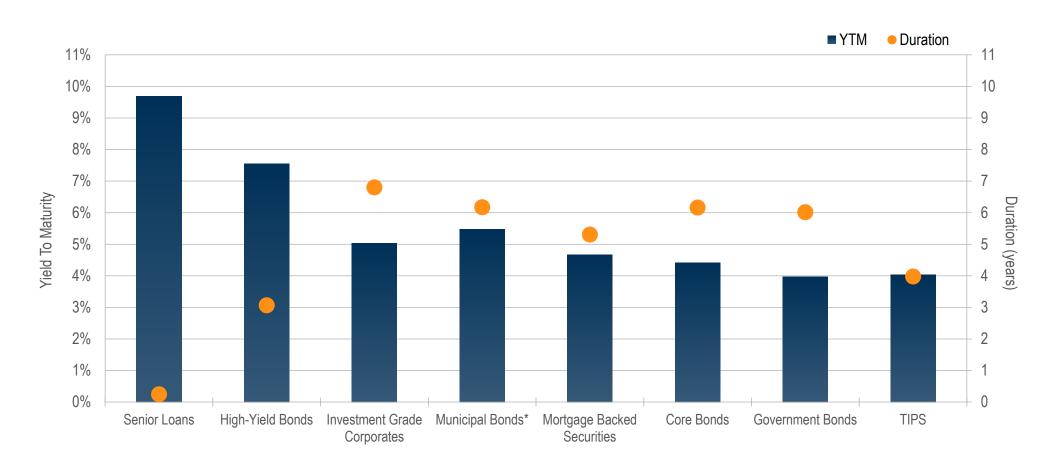
Source: S&P LCD and Bloomberg. Past performance is no guarantee of future results. U.S. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. U.S. Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. Investment Grade Corporates are represented by the ICE BofA U.S. Corporate Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Government Bonds are represented by the Bloomberg U.S. Government Index. TIPS are represented by the Bloomberg U.S. Municipal Index. Mortgage Backed Securities are represented by the ICE BofA U.S. Mortgage Backed Securities Index. CMBS is represented by ICE BofA AAA-A US Fixed Rate CMBS Index. See Index Definitions.

FIXED INCOME OPPORTUNITY SET – DURATION VS YTM

As of August 30, 2024



FIXED INCOME OPPORTUNITY SET



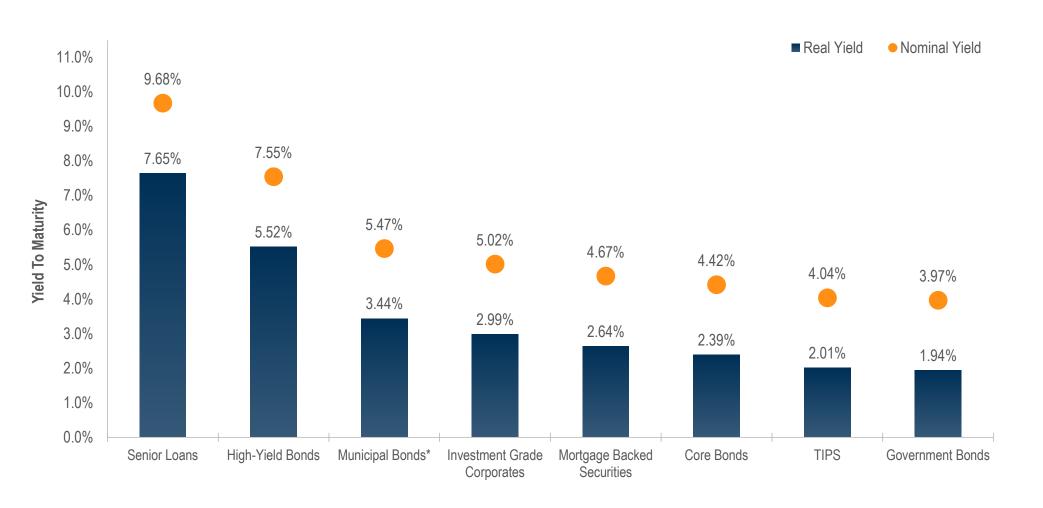
Source: S&P LCD, and Bloomberg. **Past performance is no guarantee of future results.** *YTM represents the Tax-Equivalent Yield (TEY) for the highest tax bracket of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%. U.S. Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Investment Grade Corporates are represented by the ICE BofA U.S. Mortgage Backed Securities are represented by the ICE BofA U.S. Mortgage Backed Securities Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Government Bonds are represented by the Bloomberg U.S. Government Index. TIPS are represented by the Bloomberg US Treasury Inflation-Linked Bond Index. See Index Definitions.

FIXED INCOME OPPORTUNITY SET – NOMINAL & REAL YIELDS

☐First Trust

As of August 30, 2024

FIXED INCOME OPPORTUNITY SET



Source: S&P LCD, and Bloomberg. Past performance is no guarantee of future results. *YTM represents the Tax-Equivalent Yield (TEY) for the highest tax bracket of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%. Real yield is represented by nominal yield-to-maturity minus the 5-yr inflation breakeven rate of 2.91%, which is calculated as the difference in yields between U.S Treasury bonds and Treasury Inflation-Protected Securities (TIPS). Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Investment Grade Corporates are represented by the ICE BofA U.S. Mortgage Backed Securities Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Government Bonds are represented by the Bloomberg U.S. Government Index. TIPS are represented by the Bloomberg US Treasury Inflation-Linked Bond Index. See Index Definitions.

YIELD PER UNIT OF DURATION

Bloomberg U.S. Aggregate Bond Index (January 30, 1976 – August 30, 2024)



FIXED INCOME OPPORTUNITY SET



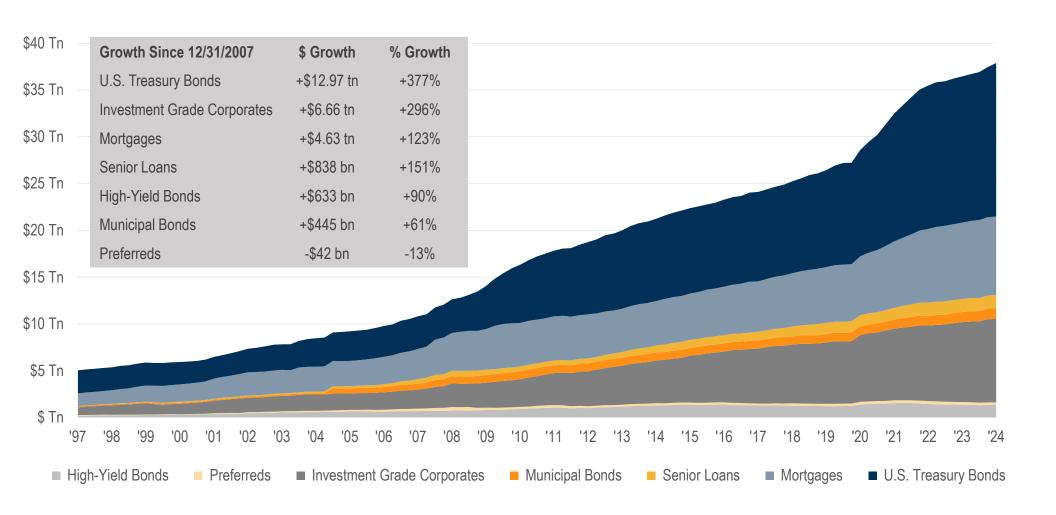
Source: Bloomberg. Past performance is no guarantee of future results. Duration is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield. See Index Definitions.

SIZE AND GROWTH OF THE U.S. DEBT MARKET

March 31, 1997 – June 30, 2024



FIXED INCOME OPPORTUNITY SET



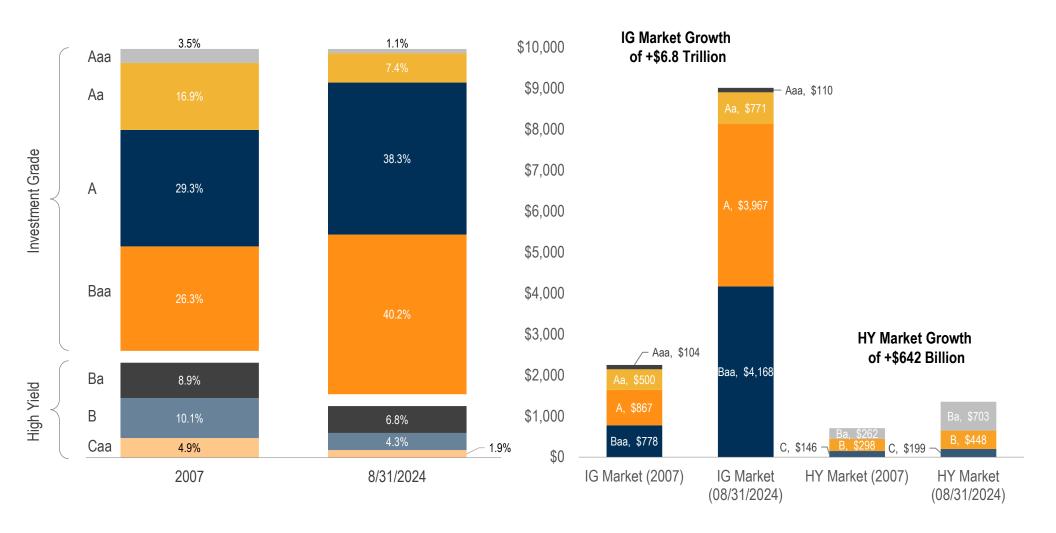
Source: ICE and Standard & Poor's Leveraged Loan Commentary and Data. Data as of 6/30/24 (Most recent available data). U.S. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Preferreds are represented by the sum of ICE BofA Fixed Rate Preferred Securities Index and the ICE BofA Investment Grade Institutional Capital Securities Index. Investment Grade Corporates are represented by the ICE BofA U.S. Corporate Index. Municipal Bonds are represented by the Bloomberg U.S. Municipal Index. Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. Mortgages are represented by the ICE BofA U.S. Treasury & Agency Index. See Index Definitions.

SIZE AND CREDIT QUALITY OF THE U.S. CORPORATE DEBT MARKET



December 31, 2007 vs. August 31, 2024

FIXED INCOME OPPORTUNITY SET



Source: Bloomberg. Investment Grade represented by the ICE BofA U.S. Corporate Index. High Yield represented by the ICE BofA U.S. High Yield Constrained Index. The Index composite rating is a derived value that is used to classify bonds by credit quality in Bloomberg Indices. It is set as the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; if only one agency rates a bond, that rating is taken. Investment grade bonds have a rating of at least Baa3 from Moody's or BBB- from S&P and Fitch. High-yield bonds have a rating below Baa3 from Moody's or BBB- from S&P and Fitch. Credit ratings are subject to change. See Index Definitions.

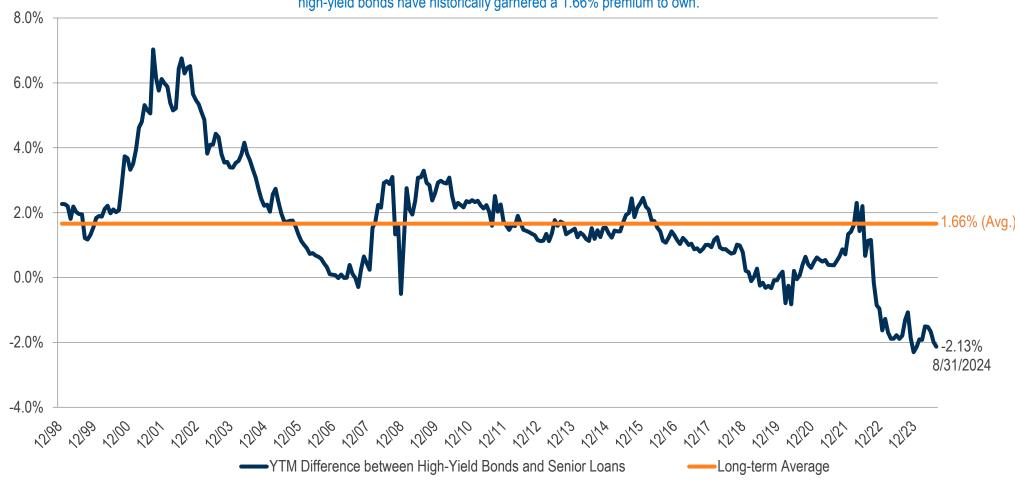
YTM DIFFERENCE OF HIGH-YIELD BONDS VS LOANS

December 31, 1998 – August 31, 2024



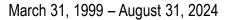
FIXED INCOME OPPORTUNITY SET

High-yield bonds are yielding 2.13% less than senior loans, which represents an inversion of the long-term average relationship where high-yield bonds have historically garnered a 1.66% premium to own.



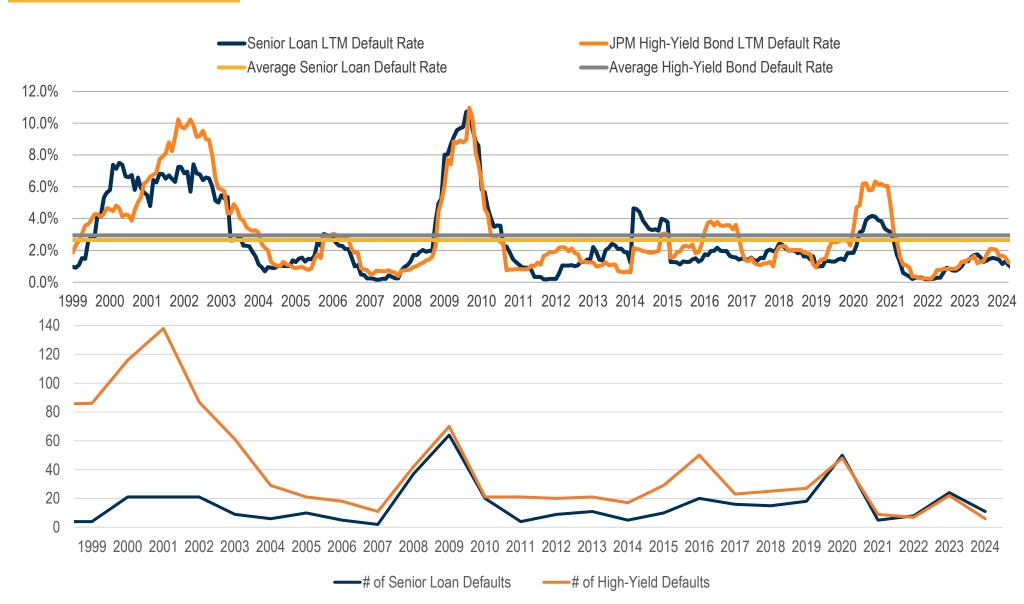
Source: Bloomberg, Standard & Poor's Leveraged Loan Commentary and Data. Past performance is no guarantee of future results. High-yield bonds are represented by the ICE BofA U.S. High-Yield Constrained Index (HUC0). Senior loans are represented by the Morningstar® LSTA® US Leveraged Loan Index (LLI). See Index Definitions.

SENIOR LOAN AND HIGH-YIELD BOND DEFAULT RATE





FIXED INCOME OPPORTUNITY SET



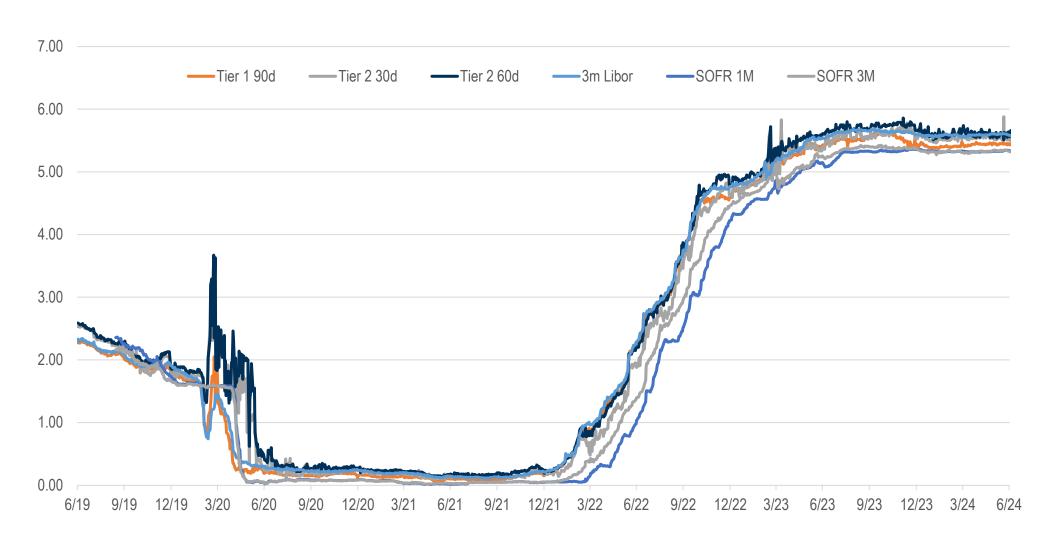
Source: Standard & Poor's LCD and JP Morgan high-yield research. Past performance is no guarantee of future results. High-yield bonds are represented by J.P. Morgan's high-yield bond universe based on the last twelve months (LTM). Senior loans are represented by the Morningstar® LSTA® US Leveraged Loan Index (LLI) and based on the LTM. See Index Definitions.

MONEY MARKET RATES

June 30, 2019 - August 30, 2024



FIXED INCOME OPPORTUNITY SET



Source: Bloomberg. Past performance is no guarantee of future results. Tier 1 90d - U.S. Commercial Paper Placed Top 90 Day Yield (DCPB090Y Index), Tier 2 30d - U.S. Commercial Paper Dealer Placed Second 30 Day Yield (DCPD030Y Index), Tier 2 60d- U.S. Commercial Paper Dealer Placed Second 60 Day Yield (DCPD060Y Index), 3m Libor- ICE LIBOR USD 3 Month (US0003M Index), 1m SOFR- CME Term SOFR 1 Month (TSFR1M Index), 3m SOFR- CME Term SOFR 3 Month (TSFR3M Index). For illustrative purposes only.

FIXED INCOME ASSET CLASS RETURNS (%)

2001 – August 31, 2024



FIXED INCOME OPPORTUNITY SET

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Aug. '24
12.16	19.59	28.97	11.13	6.50	11.85	10.57	24.03	58.21	15.12	29.93	15.81	7.44	25.07	7.58	17.13	12.21	1.41	23.26	18.10	5.40	-1.06	13.44	7.67
9.84	16.79	14.78	10.33	5.69	8.10	9.81		44.87	13.66	17.13	13.59	6.15	16.39	3.30	10.22	10.58	1.40	17.71	13.32	5.28	-4.11	13.04	6.28
9.77	11.92	11.01	9.38	3.76	7.33	8.83	10.23	20.07	10.69	10.70	12.73	0.30	15.44	1.39	9.88	8.53	1.28	15.11	9.50	2.24	-7.77	10.73	5.84
8.22	10.14	10.43	7.70	3.51	6.44	7.41	7.87	16.80	9.97	7.90	9.43	-0.17	9.05	1.18	3.68	7.50	1.14	14.32	7.47	1.52	-8.53	10.21	4.35
8.16	9.60	9.43	5.60	3.20	4.84	6.98	7.62	15.93	9.38		8.10	-1.34	5.97	0.90	2.32	7.29	1.02	10.14	7.11	-0.57	-9.40	7.29	3.19
8.15	9.28	6.91	5.11	2.74	4.61	5.60	-2.47	12.91	7.76	6.33	6.78	-2.12	4.16	0.41	1.65	5.45	0.01	8.17	6.95	-1.00	-10.77	6.40	3.17
5.28	8.69	5.31	4.48	1.56	4.49	3.60	-2.76	5.37	6.67	5.37	3.56	-2.55		-0.38	1.56	4.25	-0.38	7.54	5.77	-1.18	-11.19	5.40	2.90
5.13	7.66	2.85	4.35	1.42	3.71	3.36	-3.92	2.63	5.90	4.98	2.42	-3.65	2.45	-1.21	1.33	3.67	-1.84	5.86	5.21	-1.46	-14.60		1.87
4.21	6.46	2.48	4.08	1.36	3.51	1.88	-25.24	1.29	5.29	4.11	1.83	-4.30	2.06	-3.29	1.06	1.86	-2.08	5.59	3.68		-17.47	4.18	1.30
2.65	1.12	2.20	2.02	0.96	3.47	1.87	-26.16	-1.41	2.38	1.82	1.71	-6.62	0.66	-4.47	0.64	1.14	-4.34	5.22	3.07	-4.37	-25.29	3.65	0.75
-1.37	-1.41	2.11	0.89	-6.66	1.85	-11.31	-28.75	-12.92	2.35	1.53	0.31	-12.66	-0.79	-4.56	0.25	0.25	-6.76	3.31	2.78	-6.60	-31.09	2.66	-0.32

■ Floating Rate ■ Global Treasury ■ GNMA ■ High Yield ■ Intermediate Corporate ■ Intermediate Treasury ■ Long Corporate ■ Long Treasury ■ Municipal ■ Preferred ■ Short Treasury

Source: Bloomberg. Past performance is no guarantee of future results. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown. The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. High-yield securities, or "junk" bonds, are subject to greater market fluctuations and risk of loss than securities with higher ratings, and therefore, may be highly speculative. Fixed rate investment grade (IG) bonds are subject to fluctuations due to higher interest rates, economic recession, deterioration of the bond market or investors' perception thereof, possible downgrades and defaults of interest and/or principal. Diversification does not guarantee a profit or protect against loss. Asset classes are represented by the following indices: High Yield - Bloomberg U.S. Corporate High-Yield Bond Index. Intermediate Corporate - Bloomberg U.S. Intermediate Treasury - Bloomberg U.S. Long Credit Index. Intermediate Treasury - Bloomberg U.S. Long Treasury - Bloomberg U.S. Long Treasury Index. Short Treasury - Bloomberg 2-Yr U.S. Treasury Bellwethers Index. Preferred - ICE BofA Fixed Rate Preferred Securities Index. See Index Definitions.

ASSET CLASS CORRELATION

August 31, 2014 - August 31, 2024



FIXED INCOME OPPORTUNITY SET

	Equities	Core Bonds	Senior Loans	High-Yield Bonds	Preferreds	EM	U.S. Convertibles	U.S. MBS	Municipals	IG Corporates	Government Bonds	MLPs	Commodities	Ann. Volatility
Equities	1.00													15.23
Core Bonds	0.37	1.00												4.91
Senior Loans	0.60	0.16	1.00											5.44
High-Yield Bonds	0.80	0.49	0.80	1.00										7.67
Preferreds	0.67	0.65	0.54	0.75	1.00									7.85
EM	0.66	0.69	0.64	0.83	0.74	1.00								8.71
U.S. Convertibles	0.86	0.37	0.71	0.82	0.65	0.67	1.00							12.70
U.S. MBS	0.36	0.94	0.06	0.42	0.62	0.61	0.31	1.00						4.81
Municipals	0.39	0.85	0.28	0.55	0.65	0.75	0.38	0.81	1.00					5.12
IG Corporates	0.57	0.90	0.51	0.73	0.78	0.86	0.60	0.78	0.82	1.00				6.67
Government Bonds	0.12	0.94	-0.13	0.20	0.43	0.45	0.12	0.87	0.73	0.72	1.00			4.74
MLPs	0.64	0.08	0.72	0.68	0.47	0.45	0.63	0.02	0.12	0.38	-0.17	1.00		30.66
Commodities	0.40	-0.08	0.50	0.50	0.19	0.32	0.42	-0.07	0.02	0.11	-0.26	0.53	1.00	14.09

Source: Morningstar. Past performance is no guarantee of future results. Annual (Ann) Volatility is based on standard deviation which is a measure of price variability (risk). Equities are represented by the S&P 500 Index. Core Bonds are represented by the Bloomberg U.S. Aggregate Bond Index. Senior Loans are represented by the Morningstar® LSTA® US Leveraged Loan Index. High-Yield Bonds are represented by the ICE BofA U.S. High Yield Constrained Index. Preferreds are represented by the ICE BofA U.S. Emerging Markets External Sovereign Index. U.S. Convertibles are represented by the ICE BofA U.S. Convertible Index. U.S. MBS is represented by the ICE BofA U.S. Municipals are represented by the Bloomberg U.S. Investment Grade Corporate Index. Government Bonds are represented by the Bloomberg US Government Index. MLPs are represented by the Alerian MLP Index. Commodities are represented by the Bloomberg Commodity Index. See Index Definitions.

DEFINITIONS



Bloomberg Commodity Index (BCOM) - A highly liquid and diversified benchmark for commodity investments including but not limited to energy, grains, industrial metals, precious metals, softs and livestock.

Bloomberg GNMA Index - Consists of 30-yr and 15-yr pass-through GNMAs and GNMA Graduated Payment Mortgages.

Bloomberg Global Aggregate Index - Measures the global investment grade debt from 24 local currency markets which includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers.

Bloomberg Global Treasury Index - Tracks fixed-rate, local currency government debt of IG countries, including both developed and emerging markets.

Bloomberg High Yield Municipal Bond Index - Measures the performance of U.S. dollar-denominated high-yield municipal bonds.

Bloomberg Municipal Bond Index - Tracks the performance of the tax-exempt bond market.

Bloomberg Muni High Yield Index – A flagship measure of the non-investment grade and non-rated USD-denominated tax exempt bond market.

Bloomberg U.S. Aggregate Bond Index - Measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS, ABS and CMBS.

Bloomberg U.S. Corporate Bond Index - Measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility and financial issuers.

Bloomberg U.S. Corporate High Yield Index - Measures the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg U.S. Corporate Investment Grade Index - Tracks publicly issued, SEC-registered, U.S. corporate and specified foreign debentures and secured notes that have a maturity greater than one year, at least \$250 M outstanding par balance, and rated Baa3/BBB- or higher.

Bloomberg U.S. Government Index - Consists of securities issued by the U.S. Government.

Bloomberg U.S. Intermediate Credit Index - Measures the Investment Grade (IG), U.S. dollar (USD)-denominated, fixed-rate, taxable corporate and gov't-related bond markets with a maturity greater than 1 yr. and less than 10 yrs.

Bloomberg U.S. Intermediate Treasury Index - Consists of public obligations of the U.S. Treasury with maturities from 1 and up to 10 yrs.

Bloomberg U.S. Long Credit Index - Measures the IG, USD-denominated, fixed-rate, taxable corporate and gov't-related bond markets with 10 or more years to maturity.

Bloomberg U.S. Long Treasury Index - Consists of public obligations of the U.S. Treasury with 10 or more years to maturity.

Bloomberg U.S. MBS Index - Tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.

Bloomberg U.S. Municipal Index - Covers the USD-denominated long-term tax exempt bond market.

Bloomberg U.S. Treasury Index - Measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Bloomberg US Treasury Inflation-Linked Bond Index - Measures the performance of the US Treasury Inflation Protected Securities (TIPS) market.

Bloomberg 2-Yr U.S. Treasury Bellwethers Index - Consists of U.S. Treasury bonds with an average maturity of 2 years.

Credit Suisse Leveraged Loan Index - Tracks the investable market of the USD-denominated leveraged loan market. All loans are funded term loans with a maturity of at least 1 year and are made by issuers domiciled in developed.

Dow Jones Industrial Average® (The Dow®) - A price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities.

Economic Surprise Index - Measures data surprises relative to market expectations and has historically exhibited a positive correlation with 10-Year U.S. Treasury Yields.

DEFINITIONS

ICE BofA AAA-A US Fixed Rate CMBS Index - Tracks the performance of fixed rate commercial mortgage backed securities (CMBS) that are publicly issued in the U.S.

ICE BofA Current 2-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 2-year U.S. Treasury note.

ICE BofA Current 5-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 5-year U.S. Treasury note.

ICE BofA Current 10-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 10-year U.S. Treasury note.

ICE BofA Current 30-Year U.S. Treasury Index - A one-security index comprised of the most recently issued 30-year U.S. Treasury note.

ICE BofA Fixed Rate Preferred Securities Index (POP1) - Tracks the performance of fixed rate USD-denominated preferred securities issued in the domestic market.

ICE BofA MOVE Index - A yield curve weighted index of the normalized implied volatility on 1-month Treasury options. It is the weighted average of volatilities on the CT2, CT5, CT10, and CT30 (weighted average of 1m2y, 1m5y, 1m10y, 1m30y Treasury implied vols with weights 0.2/0.2/0.4/0.2, respectively).

ICE BofA U.S. Convertible Index - Tracks the performance of publicly issued U.S. dollar denominated convertible securities of U.S. companies.

ICE BofA U.S. Corporate Index - Tracks the performance of U.S. dollar denominated investment grade (BBB/Baa-rated or better) corporate debt publicly issued in the U.S. domestic market.

ICE BofA U.S. Emerging Markets External Sovereign Index - Tracks the performance of U.S. dollar emerging markets sovereign debt publicly issued in the U.S. and Eurobond markets.

ICE BofA U.S. High Yield Constrained Index - Tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market but caps issuer exposure at 2%.

ICE BofA U.S. Investment Grade Institutional Capital Securities Index (CIPS) - Tracks the performance of U.S. dollar denominated investment grade hybrid capital corporate and preferred securities publicly issued in the U.S. domestic market.

ICE BofA U.S. Mortgage Backed Securities Index - Tracks the performance of U.S. dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by U.S. agencies in the U.S. domestic market.

ICE BofA U.S. Municipal Securities Index - Tracks the performance of U.S. dollar denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

ICE BofA U.S. Treasury & Agency Index - Tracks the performance of U.S. dollar denominated U.S. Treasury and non-subordinated U.S. agency debt issued in the U.S. domestic market.

ICE LIBOR - A benchmark designed to produce an average rate that is representative of the rates at which large, leading, internationally active banks with access to the wholesale, unsecured funding market could fund themselves in the market in particular currencies for certain tenors.

J.P. Morgan's High-yield Bond Universe - Consists of fixed income securities of domestic and foreign issuers with a maximum credit rating of BB+ or Ba1.

Morningstar® LSTA® US Leveraged Loan Index - The Index, formerly the S&P/LSTA Leveraged Loan Index, is a leveraged loan index which covers the U.S. Loan market. The Index reflects the market-weighted performance of institutional leveraged loans in the U.S. loan market based upon real-time market weightings, spreads and interest payments.

Option Adjusted Spread (OAS) - The difference between the yield of a fixed income security and a US Treasury security of similar tenor.

S&P 500 Index - An unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

Secured Overnight Financing Rate (SOFR) - Is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

U.S. Dollar Index (DXY) - Indicates the general international value of the U.S. Dollar (USD). The index calculates this by averaging the exchange rates between the USD and major world currencies.

Indices are unmanaged and investors cannot invest directly in an index.

