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Innovation in Asset Management Driven by Client Demand

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Dina DiLorenzo, President of Guggenheim Investments joins us.

Dina DiLorenzo: Well, 2025 was definitely a strong year for us. We had significant inflows across public and private credit, particularly in total return and income-oriented strategies. In the fourth quarter, we impressively saw like growth into strategies like asset-backed finance, which we can talk more about our strategy for 2026 and some of the, you know, innovative products that we're launching as a result of client demand. But you're right. Our performance was really great this year. I mean we delivered solid performance over the benchmark relative to our peers. And, you know, I see that happening in 2026.

Talk about some of those new opportunities. You mentioned asset-backed financing products. What are we talking about here?

Dina DiLorenzo: So as we go into 2026, I think what most people probably should continue to accept the fact that the buzzwords of private credit are going to continue to grow. And I think it's actually a really good thing, because it probably highlighted that there is probably a redefinition of fixed income and the intersection of public and private credit is now becoming a core component in portfolios. And at Guggenheim Investments we believe that, you know, combining the two is incredibly beneficial to investors. And we see that demand from our clients. With respect to the asset-backed finance offerings, they complement private credit really well and we plan on embedding those into some of the private credit products to differentiate ourselves from all the others. I mean, I think we've all seen there's been a ton of mergers and acquisitions in asset management alone in 2025, right. Whether it's a percentage ownership in one firm, or it's a JV here, or it's, you know, rebranding, selling off this piece. And the one thing I love about Guggenheim and, you know, I've been there for almost 25 years, is we just stick to what we do, right. We've been in the private credit business for over 20 years where, you know, we do old school credit selection discipline and that's really what's going to matter as we go into 2026. A lot of people have invested in private credit and it's going to be about quality over quantity.

You know it's also my 25-year anniversary coming up.

Dina DiLorenzo: Get out! I'm so glad I brought you gifts today because, you know, you and I always have this dialogue.

I don't know whether to brag about that or be ashamed.

Dina DiLorenzo: No, you look great. I brought you some Guggenheim swag today.

What is the pitch and the appeal in asset-backed financing? If you look at the best performing parts of the fixed-income market year to date, securitized products are one of the market leaders. Talk to us about what investors see there.

Dina DiLorenzo: So the important part about ABF, which is what everybody calls it, and there's not a lot of managers that actually specialize in this but Guggenheim is one of them, is, you know, when you look at direct lending, you know, the main thing that you have to look at when you when you evaluate the credit is the borrower's ability to pay the interest, right? When you look at the ABS area, you want to evaluate the hard asset and the hard asset is what's going to pay back front end payments and some of those payments. You're going to get the interest plus that front end payment, which is going to, you know, obviously boost the returns, it's going to potentially, you know, drive diversification and yield. So I think it's just another way to embed another version of private credit into these types of portfolios where I don't know if a lot of people really, truly understand that there are very different types of private credit. Right? There's subordinate credit. There's, you know the senior subordinate, opportunistic, distressed, and venture. Right, and very different. So as we see all this M&A activity, it's not just going to be about buying private credit, it's who you are trusting to manage that private credit.

2025 was a big year for Guggenheim, you've certainly focused on building out your wealth channel. What are the goals for 2026?

Dina DiLorenzo: So the most important thing is, you know, technology and amplifying our expertise by utilizing the tools within data aggregation and leveraging the build out of AI. Right. I know that's a big buzzword but we feel we're way ahead of the curve on that. We started aggregating and organizing and governing our data and the structured side of things well in 2020. So now we're already embedded in creating a very sophisticated set of use cases and tools to, you know, drive purpose in our investment process and noninvestment process by utilizing a lot of the technology and the tools. And then that will allow us to scale a lot of the different products that we're going to be offering into the marketplace that will include all the same strategies that we've always outperformed in and we've been offering to our clients for, you know, the last two decades plus, but they'll just become more available in products for clients that are looking for different types of liquidity needs, like ETFs and BDCs, retail SMAs, interval funds--but that are highly customized, you know, for the different types of clients that are looking for those types of strategies.

When we talk about those types of clients, in terms of individual clients, are we just talking about the high-net-worth individuals, or have you guys also looked a lot more at the masses?

Dina DiLorenzo: Believe it or not, we see a lot of institutional clients wanting a lot of the same wrappers that once was utilized just by the wealth channel, right. Insurance companies, they're looking at ETFs. We've got insurance companies that actually want to, you know, seed BDCs, you know, embed those in their annuity offerings. We're seeing a lot of wealth management advisors, and as you know, I came from that world. You know, the average size of a wealth management advisory client now is growing. As a matter of fact, in the SMAs that we launched last year that we thought were just going to be for the wealth channel, we're seeing a tremendous amount of interest from the middle market sized institutions like pension funds, insurance companies. So, you know, I think there's really definitely beginning to be more of an intersection and a hybrid approach to all these different types of offerings.

How do you think about mass affluent investors? Is that something that Guggenheim, you know, prioritizes, or is it more about those institutional clients?

Dina DiLorenzo: No, it's definitely both. And as a matter of fact, I think you're going to see a growth in the mass affluent. Right, so I think you're going to see a lot of demand coming from the mass affluent and the way they're going to want to access those products are going to be through digital, right. So online, you're particularly seeing that offshore. There's a lot of different tools that we're actually looking at so that we can be direct to consumer through technology and I think that that's actually going to be the next phase over the next 3 to 5 years of where you're going to see growth for asset managers. You really have to get out of that comfort zone and you have to start looking at other ways to drive results for the clients but also give them access.

Unfortunately, we have to leave it there.

Dina DiLorenzo: I want to come back!

Well come back soon, please. That is Dina DiLorenzo. She is president of Guggenheim Investments.

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