

**GUGGENHEIM**

May 2022

High-Yield and Bank Loan Outlook

**Despite the Gray Mood,  
Skies Are Only Partly Cloudy**



**Investment Professionals**

**Scott Miner**  
Chairman of Guggenheim  
Investments and  
Guggenheim Partners Global  
Chief Investment Officer

**Kevin H. Gundersen, CFA**  
Senior Managing Director,  
Portfolio Manager

**Thomas J. Hauser**  
Senior Managing Director,  
Portfolio Manager

**Brian Smedley**  
Chief Economist,  
Head of Macroeconomic  
and Investment Research

**Maria M. Giraldo, CFA**  
Managing Director,  
Investment Research

**Table of Contents**

**Summary** ..... **1**

**Highlights from the Report** ..... **1**

**Leveraged Credit Scorecard** ..... **2**

**Macroeconomic Overview** ..... **3**

**Market Outlook** ..... **5**

**Investment Implications** ..... **9**

## Summary

Rising inflation, monetary tightening by major central banks, and a war in Europe have conspired to cast a pall over risk assets. The leveraged credit market delivered one of the worst first quarter performances on record. Still, without veering into Pollyanna-style optimism, there are reasons to conclude that conditions are not as dire as they seemingly appear. In fact, several measures suggest that while caution is warranted, this credit cycle is not yet over and that prudent risk-taking in high-yield and bank loan markets may offer rewards for investors who can look through the gloom.

## Highlights from the Report

- The uncertainty triggered by the intensity of rising inflation and the Russia-Ukraine war is a headwind for credit markets, yet underlying fundamentals in many cases remain solid.
- Reliable indicators that foreshadow a protracted turn in the market, including greater industry dispersion and wider spreads between high-yield and investment grade sectors, are not present. But it is just as important to shine light on the cracks that are beginning to form, such as the significant slowdown in new issue activity.
- Without going fully into a defensive stance, the current environment offers an opportunity to start removing some exposure to issuers that are more exposed to non-U.S. revenues and that have little pricing power to tackle rising costs.

# Leveraged Credit Scorecard

As of 3.31.2022

## High-Yield Bonds

|                                | December 2021 |       | January 2022 |       | February 2022 |       | March 2022 |       |
|--------------------------------|---------------|-------|--------------|-------|---------------|-------|------------|-------|
|                                | Spread        | Yield | Spread       | Yield | Spread        | Yield | Spread     | Yield |
| ICE BofA U.S. High-Yield Index | 330           | 4.3%  | 382          | 5.3%  | 398           | 5.6%  | 371        | 6.0%  |
| BB                             | 231           | 3.4%  | 282          | 4.4%  | 294           | 4.6%  | 264        | 5.0%  |
| B                              | 376           | 4.7%  | 419          | 5.6%  | 436           | 6.0%  | 407        | 6.4%  |
| CCC                            | 690           | 7.8%  | 751          | 8.9%  | 790           | 9.5%  | 757        | 9.8%  |

## Bank Loans

|                                    | December 2021 |       | January 2022 |       | February 2022 |       | March 2022 |       |
|------------------------------------|---------------|-------|--------------|-------|---------------|-------|------------|-------|
|                                    | DMM*          | Price | DMM*         | Price | DMM*          | Price | DMM*       | Price |
| Credit Suisse Leveraged Loan Index | 439           | 98.39 | 432          | 98.42 | 450           | 97.69 | 449        | 97.38 |
| BB                                 | 307           | 99.42 | 302          | 99.42 | 323           | 98.68 | 323        | 98.54 |
| B                                  | 444           | 99.15 | 434          | 99.25 | 452           | 98.41 | 452        | 98.08 |
| CCC/Split CCC                      | 945           | 90.61 | 939          | 90.37 | 969           | 89.31 | 1,015      | 87.44 |

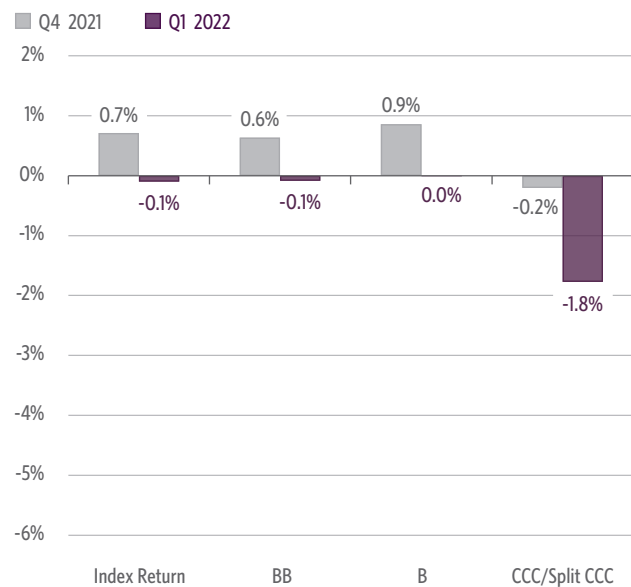
Source: ICE BofA, Credit Suisse. \*Discount Margin to Maturity assumes three-year average life. Past performance does not guarantee future results.

## ICE BofA U.S. High-Yield Index Returns



Source: ICE BofA. Data as of 3.31.2022. Past performance does not guarantee future results.

## Credit Suisse Leveraged Loan Index Returns



Source: Credit Suisse. Data as of 3.31.2022. Past performance does not guarantee future results.

“

Given the collision course between the Fed and the cooling economy, long-term interest rates are likely near a peak.

– Scott Miner, *Chairman of Guggenheim Investments and Guggenheim Partners Global Chief Investment Officer*

## Macroeconomic Overview

### Throwing Cool Water on Hot Prices

With the benefit of hindsight, it is hard to argue that pandemic-related fiscal and monetary policy stimulus did not go too far in stimulating demand. As of March 2022, core inflation stands at 5.2 percent year over year, according to the personal consumption expenditures price index, and measures of headline inflation read even higher. While much of this can be attributed to shortages of goods caused by persistent supply chain disruptions and shortage of labor that is most acute in the service industry, one cannot overlook aggregate demand while it continues at a pace far faster than aggregate supply can meet.

First quarter real gross domestic product growth came in at -1.4 percent quarter over quarter annualized. However, this negative figure is misleading, as the slowdown was due to trade (more imports than exports) and a slower pace of inventory investment—a giveback from strong investment in the fourth quarter of 2021. Underlying domestic demand remains robust with real final sales to private domestic purchasers growing at a 3.7 percent pace, far above what we estimate to be sustainable in equilibrium. Meanwhile, measures of the labor market, including the unemployment rate (3.6 percent), the job openings rate (7.1 percent), and the quits rate (3.0 percent), all indicate that the job market is historically tight, another indication that demand exceeds supply. The fact that price pressures have broadened out is a classic outcome of an important economic relationship: When the demand curve shifts to the right and the supply curve shifts to the left the equilibrium price goes up.

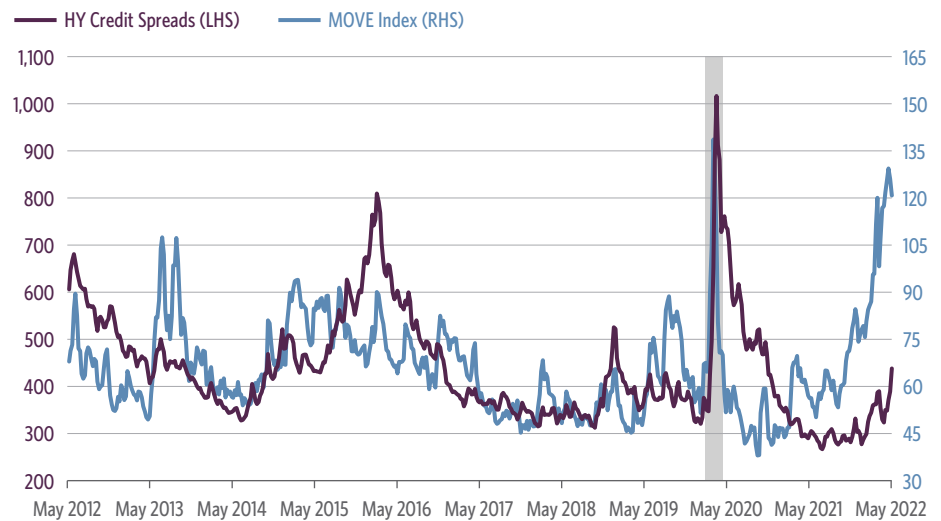
An overheated domestic economy and pandemic-induced supply shocks were already a big challenge for the U.S. Federal Reserve (Fed). But just as signs of progress were emerging on supply chains, Russia invaded Ukraine. The unsettling and abrupt end to almost eight decades of relative peace in continental Europe rattled investors around the world. In addition to the devastating toll this war has taken on innocent civilians, it also added fuel to the inflationary fires that the Fed and other central banks were trying to put out. Disruptions to the flow of oil and gas, wheat and fertilizers, critical metals such as nickel and palladium, and other raw materials prompted a surge in commodity prices.

The Fed now finds itself in an especially precarious situation. With inflation at the highest rate in decades the central bank must raise interest rates to cool inflation and keep inflation expectations well anchored. But with consumer sentiment at subdued levels and the fiscal boost to household income behind us, the Fed needs to re-calibrate policy carefully to avoid overtightening and causing a recession or a financial accident. The challenge is compounded by the Fed's efforts to simultaneously reduce the size of its balance sheet, with the Fed having a limited understanding of the way quantitative tightening impacts financial markets, let alone its transmission to inflation.

Another important tool in the Fed’s arsenal is its forward guidance about the future path of policy, which has whipsawed investors over the last nine months and contributed to the spike in interest rate volatility. In September 2021 most Fed officials forecast a fed funds rate of just 0.25 percent at the end of 2022, whereas Fed officials have recently guided markets to price in a target range of 2.75-3.00 percent. This sudden shift in the expected rate path has made it increasingly difficult for markets to accept the Fed’s guidance as it has raised questions about future policy revisions, overshoots, or pivots. The increased uncertainty about the Fed’s reaction function—on top of already-high uncertainty about the outlook for the global economy—has led to higher realized and implied volatility in the Treasury market, which has contributed to a broader de-risking by investors and, in turn, wider credit spreads.

The increased uncertainty about the Fed’s reaction function—on top of already-high uncertainty about the outlook for the global economy—has led to higher realized and implied volatility in the Treasury market, which has contributed to a broader de-risking by investors and, in turn, wider credit spreads.

### The Relationship Between Volatility and Credit Spreads



Source: Guggenheim Investments, Bloomberg. Data as of 5.16.2022. Shaded area represents recession. The ICE BofA U.S. Bond Market Option Volatility Estimate (“MOVE”) Index is a well-recognized measure of U.S. interest rate volatility that tracks the movement in U.S. Treasury yield volatility implied by current prices of one-month over-the-counter options on 2-year, 5-year, 10-year and 30-year Treasuries.

That being said, we now know a lot more about where the fed funds rate is likely headed than we did just a few months ago, which should help volatility subside. The Fed delivered the first 25 basis point hike of the cycle in March 2022, and at the May meeting the Fed initiated the first of what will likely be at least two more 50 basis point hikes. Futures now show forward short-term interest rates at around 3.20 percent by June 2023, above the Fed’s estimate of the longer-run neutral rate. Just as interesting is the observation that the market is pricing in rate cuts from late 2023 through mid-2025, meaning that market participants expect the Fed will eventually accomplish its goal of tempering price pressures. But how much tightening it will take to do so, and the magnitude of the resulting economic slowdown, remain highly uncertain.

## Market Outlook

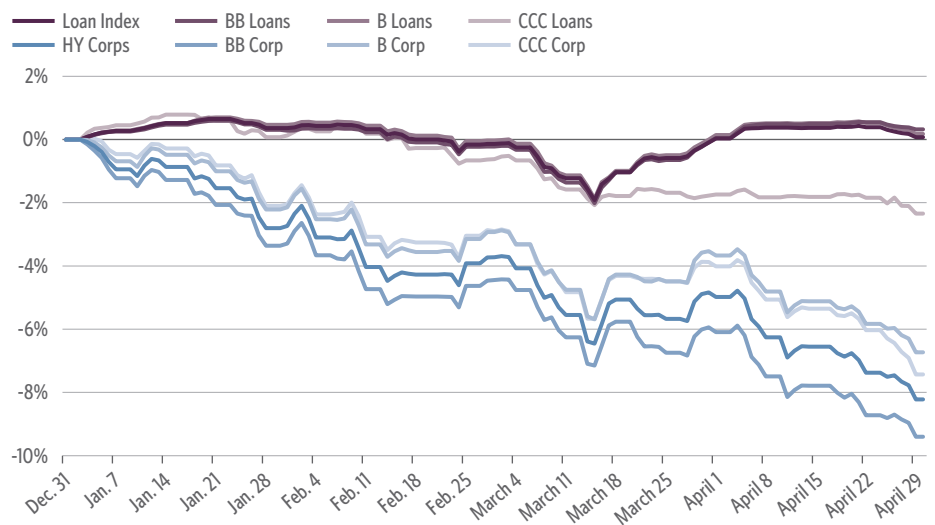
### A Time for Caution, and Selected Action

The high-yield corporate bond market lost 4.5 percent on a total return basis in the first quarter of 2022, its worst quarterly return since the pandemic hit in the first quarter of 2020. The carnage continued into April as the high-yield sector lost another 3.6 percent, bringing the year-to-date loss to 8 percent. On an excess-return basis relative to Treasuries, the sector lost 2.4 percent as spreads widened and yields rose. With less duration exposure, loans performed significantly better, gaining 0.1 percent year-to-date through the end of April.

The high-yield corporate bond market lost 4.5 percent on a total return basis in the first quarter of 2022. The carnage continued into April as the high-yield sector lost another 3.6 percent, bringing the year-to-date loss to 8 percent. With less duration exposure, loans performed significantly better, gaining 0.1 percent year-to-date through the end of April.

### Loans Significantly Outperformed High Yield in the First Quarter

Cumulative Total Return Since 12.31.2021



Source: Guggenheim Investments, Credit Suisse, ICE BofA. Data as of 4.30.2022. Loans are represented by the Credit Suisse Leveraged Loan Index, and high-yield corporate bonds by the ICE BofA US High Yield Index.

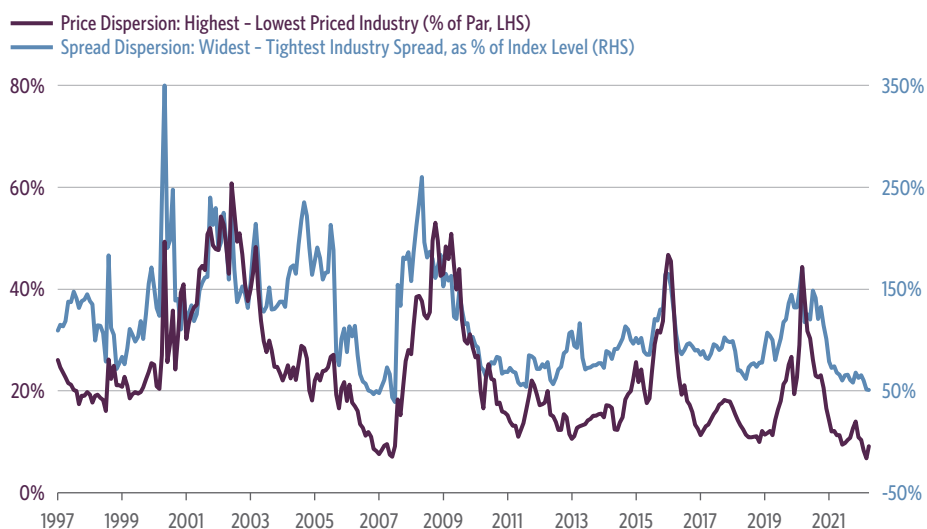
The increase in interest rates was a big driver of poor performance in fixed-income markets, but weakness seen since the start of the Russia-Ukraine war and the flattening of the Treasury yield curve have triggered investor anxiety. Prognostications of an economic recession have increased for good reason, as global growth expectations are likely to be marked lower due to the war in Ukraine and aggressive Fed tightening. According to Bloomberg data, the dollar value of leveraged credit trading at distressed levels doubled in the second week of May to \$139 billion and represented more than 200 issues. Caution is warranted, but there is also plenty of evidence to suggest that investors are not predicting a recession-like wave of default activity.

While U.S. high-yield credit spreads widened to as high as 421 basis points in the first four months of 2022, their widest since November 2020, this level represents just the 34th percentile of historical valuations. In addition, industry price

dispersion remains near historical lows. A default period is typically preceded by more industry dispersion as markets price in the sectors or industries that are in immediate trouble. Of course, as in 2007, this measure can change quickly if unexpected weaknesses surface that threaten U.S. growth. But even in 2007, there was time to de-risk portfolios before defaults accelerated and before the bottom in prices was reached.

Industry price dispersion remains near historical lows. A default period is typically preceded by more industry dispersion as markets price in the sectors or industries that are in immediate trouble.

### Very Little Industry Price Dispersion in the High-Yield Index



Source: Guggenheim Investments, ICE Index Services. Data as of 4.30.2022.

Credit curves remain tight on a historical basis. The spread between high-yield and investment-grade corporates is just 244 basis points, near its historical tight. The difference between CCC-rated spreads and BB-rated spreads is just 438 basis points, below the 660 basis point average of the last decade. In leveraged loans, the difference between CCC- and BB- rated credits is 733 basis points, below the decade's average of 864 basis points.

To be fair, looking for a default cycle signal from credit spreads is circular from a credit investor's standpoint like in 2016, since by the time spreads confirm an expected default cycle, a credit portfolio has already suffered poor performance. For this reason, in 2018/2019 we sounded the bell of caution based on credit fundamentals. Now we are on the other side of this call. Balance sheets are in good shape with healthy cash holdings that should support investment spending. Median net leverage ratios (debt/earnings) do not appear out of range relative to ratings. For example, the median net leverage ratio for issuers of BB-rated credit is 2.7x, which is on the lower end of the 2x-4x range that Moody's rating criteria sets for a BB rating.



Median net leverage ratios do not appear out of range relative to ratings. For example, the median net leverage ratio for issuers of BB-rated credit is 2.7x, which is on the lower end of the 2x-4x range that Moody's rating criteria sets for a BB rating.

### Median Net Leverage Ratios Are in Line with Ratings



Source: Guggenheim Investments, S&P Capital IQ. Data as of 5.17.2022.

Credit fundamentals are inherently backward looking, but they explain the very benign default environment in which we find ourselves. Thus far in 2022 there has been only five defaults and three distressed exchanges totaling \$9.6 billion in bonds and loans combined. The 12-month trailing, par-weighted U.S. high-yield default rate including distressed exchanges is near the historical low of 0.5 percent, while in loans the default rate is 0.9 percent.

### Waving Certain Yellow Flags

Given that many of the signals we discussed previously are backward looking, there are still some concerns worth raising. For one, debt issuance is down substantially year over year. New institutional loan issuance of \$148 billion through April was down 37 percent from the same point last year. In bonds, issuance of \$54 billion was 73 percent lower than the first four months of 2021, and it was the lowest first four months of issuance since 2009. This is usually one of the earliest signs of a coming turn in the credit cycle.

Consider the extreme example of March 2020, when there was zero issuance in either market. The lack of credit availability pushed borrowers with ongoing capital needs into distress, causing defaults and spillovers into other sectors. This coincided with downgrades to corporate earnings growth expectations which narrowed the likelihood that borrowers could fulfill their debt service obligations. All the while, spreads widened, making new borrowing prohibitively more expensive even if those borrowers could entice lenders to step out of the sidelines. The Fed's announcement that it would buy secondary corporate bonds and lend alongside others finally brought lenders back.

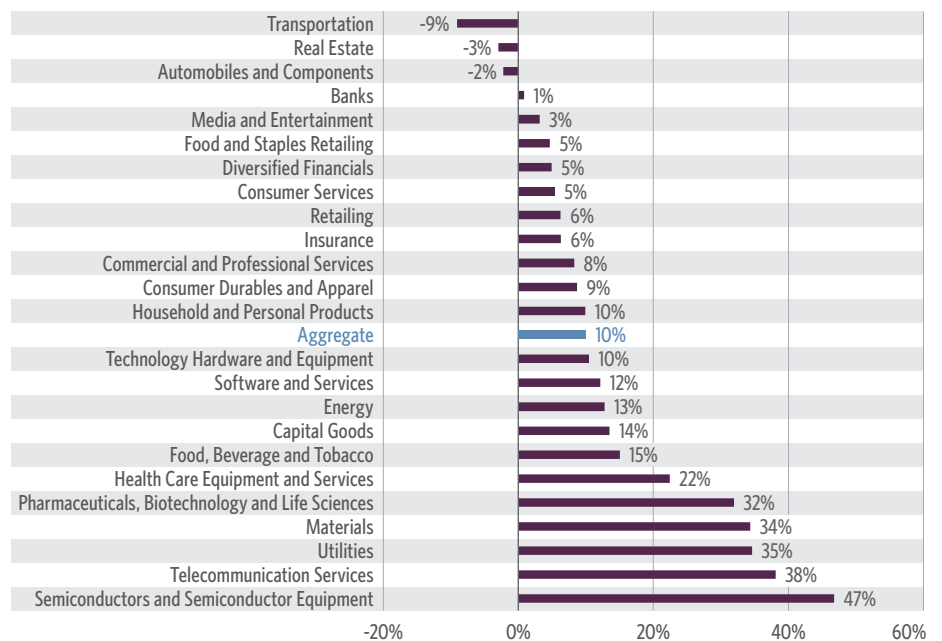
Without denying the negative optics of the recent slowdown in new issuance, it seems fair to note that the recent lull comes after a very solid year of refinancing activity which totaled \$470 billion across loans and bonds, the highest on record. Prior to that, 2020 saw another \$374 billion in refinancing activity. As a result, there are only \$130 billion of scheduled maturities for high yield corporate bonds and institutional term loans in 2022 and 2023 combined, which is just 4 percent of total outstanding in these sectors. Aggregate statistics show that high-yield issuers still have elevated cash balances, so borrowers can wait for market volatility to pass. But this will depend on an issuer's unique circumstance.

While double-digit corporate cash flow growth has aided de-leveraging in most sectors, another concern to raise is that a potential global slowdown and recent dollar strength against certain currencies like the euro may dim the earnings outlook for companies with non-U.S. revenue exposures. High-yield issuers have very limited direct revenue exposure to Russia and Ukraine, and those with global exposures tend to be in the commodities sectors most benefitting from the surge in prices (energy, metals and mining, semiconductor manufacturers). But some sectors do have large exposures to Europe, such as autos, technology hardware, household products, and pharmaceuticals, and may experience second- or third-order impacts from the Russia-Ukraine war.

Some industries have yet to fully recover from the pandemic. High-yield issuers in the transportation, real estate, and auto sectors continue to report aggregate revenues that are below-2019 levels, and all are vulnerable to a global growth slowdown story.

Some industries have yet to fully recover from the pandemic. High-yield issuers in the transportation, real estate, and auto sectors continue to report aggregate revenues that are below-2019 levels, and all are vulnerable to a global growth slowdown story.

### Revenues Show Some Industries Have Yet to Recover to Prepandemic Levels



Source: Guggenheim Investments, S&P Capital IQ. Data as of 5.17.2022.

## Investment Implications

While many of the second-order effects of today's challenges are still being pieced together, it is likely that cost pressures will continue even as the Fed tries to pull inflation to their 2 percent target. Rising prices for most inputs, including labor and energy, as well as supply chain constraints and shipping/transportation delays remain key challenges for many U.S. companies. Despite these challenges, our view is that we are far from stresses that would trigger a default cycle.

Looking ahead to corporate earnings for the balance of the year, we would caution that companies with weak margins and those with significant exposure to European revenues may see some choppy days as markets adjust to updated management guidance. This may be a good opportunity to start taking down some exposure in sectors that have not fully recovered from the pandemic, are operating on weak margins, or have non-U.S. revenue exposures. This combination of risk factors may be too much for investors to support. And if the global growth situation worsens, those industries may no longer enjoy the upward rating migration that yield the best opportunities for credit portfolios when spreads are historically tight.

For corporate issuers with minimal exposure to Europe, who have the capacity to absorb rising labor or energy costs, and whose balance sheets have manageable leverage, the current period may be supportive of better-than-expected performance. These companies can represent selective opportunities. For now, there may be more clouds than we would like to see in the credit landscape, but investors should not miss opportunities to venture out.

## INDEX AND OTHER DEFINITIONS

The referenced indices are unmanaged and not available for direct investment. Index performance does not reflect transaction costs, fees or expenses.

The **Credit Suisse Leveraged Loan Index** tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated "5B" or lower, meaning that the highest rated issues included in this index are Moody's/S&P ratings of Baa1/BB+ or Ba1/BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries.

The **ICE BofA U.S. High Yield Index** tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of \$250 million. In addition, qualifying securities must have risk exposure to countries that are members of the FX-G10, Western Europe or territories of the US and Western Europe. The FX-G10 includes all Euro members, the US, Japan, the UK, Canada, Australia, New Zealand, Switzerland, Norway and Sweden.

A **basis point (bps)** is a unit of measure used to describe the percentage change in the value or rate of an instrument. One basis point is equivalent to 0.01%.

The three-year **discount margin to maturity (DMM)**, also referred to as discount margin, is the yield-to-refunding of a loan facility less the current three-month Libor rate, assuming a three year average life for the loan.

**Spread** is the difference in yield to a Treasury bond of comparable maturity.

## RISK CONSIDERATIONS

Fixed-income investments are subject to credit, liquidity, interest rate and, depending on the instrument, counter-party risk. These risks may be increased to the extent fixed-income investments are concentrated in any one issuer, industry, region or country. The market value of fixed-income investments generally will fluctuate with, among other things, the financial condition of the obligors on the underlying debt obligations or, with respect to synthetic securities, of the obligors on or issuers of the reference obligations, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry. Fixed-income investments are subject to the possibility that interest rates could rise, causing their values to decline.

Bank loans are generally below investment grade and may become nonperforming or impaired for a variety of reasons. Nonperforming or impaired loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write down of the principal of the loan. In addition, certain bank loans are highly customized and, thus, may not be purchased or sold as easily as publicly-traded securities. Any secondary trading market also may be limited, and there can be no assurance that an adequate degree of liquidity will be maintained. The transferability of certain bank loans may be restricted. Risks associated with bank loans include the fact that prepayments may generally occur at any time without premium or penalty. High-yield debt securities have greater credit and liquidity risk than investment grade obligations.

High-yield debt securities are generally unsecured and may be subordinated to certain other obligations of the issuer thereof. The lower rating of high-yield debt securities and below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions, or both, may impair the ability of the issuer thereof to make payments of principal or interest. Securities rated below investment grade are commonly referred to as "junk bonds." Risks of high-yield debt securities may include (among others): (i) limited liquidity and secondary market support, (ii) substantial market place volatility resulting from changes in prevailing interest rates, (iii) the possibility that earnings of the high-yield debt security issuer may be insufficient to meet its debt service, and (iv) the declining creditworthiness and potential for insolvency of the issuer of such high-yield debt securities during periods of rising interest rates and/or economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for high-yield debt securities and adversely affect the value of outstanding high-yield debt securities and the ability of the issuers thereof to repay principal and interest. Issuers of high-yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing.

This article is distributed for informational or educational purposes only and should not be considered a recommendation of any particular security, strategy or investment product, or as investing advice of any kind. This article is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. The content contained herein is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax and/or legal professional regarding your specific situation.

This article contains opinions of the author but not necessarily those of Guggenheim Partners or its subsidiaries. The author's opinions are subject to change without notice. Forward looking statements, estimates, and certain information contained herein are based upon proprietary and non-proprietary research and other sources. Information contained herein has been obtained from sources believed to be reliable, but are not assured as to accuracy. No part of this article may be reproduced in any form, or referred to in any other publication, without express written permission of Guggenheim Partners, LLC. Past performance is not indicative of future results. There is neither representation nor warranty as to the current accuracy of, nor liability for, decisions based on such information.

**Applicable to United Kingdom investors:** Where this material is distributed in the United Kingdom, it is done so by Guggenheim Investment Advisers (Europe) Ltd., a U.K. Company authorized and regulated by the Financial Conduct Authority (FRN 499798) and is directed only at persons who are professional clients or eligible counterparties for the purposes of the FCA's Conduct of Business Sourcebook.

**Applicable to European Investors:** Where this material is distributed to existing investors and pre 1 January 2021 prospect relationships based in mainland Europe, it is done so by Guggenheim Investment Advisers (Europe) Ltd., a U.K. Company authorized and regulated by the Financial Conduct Authority (FRN 499798) and is directed only at persons who are professional clients or eligible counterparties for the purposes of the FCA's Conduct of Business Sourcebook.

**Applicable to Middle East investors:** Contents of this report prepared by Guggenheim Partners Investment Management, LLC, a registered entity in their respective jurisdiction, and affiliate of Guggenheim Partners Middle East Limited, the Authorized Firm regulated by the Dubai Financial Services Authority. This report is intended for qualified investor use only as defined in the DFSA Conduct of Business Module.

1. Guggenheim Investments assets under management are as of 3.31.2022 and include leverage of \$20bn. Guggenheim Investments represents the following affiliated investment management businesses: Guggenheim Partners Investment Management, LLC, Security Investors, LLC, Guggenheim Funds Distributors, LLC, Guggenheim Funds Investment Advisors, LLC, Guggenheim Partners Advisors, LLC, Guggenheim Corporate Funding, LLC, Guggenheim Partners Europe Limited, Guggenheim Partners Fund Management (Europe) Limited, Guggenheim Partners Japan Limited, GS GAMMA Advisors, LLC, and Guggenheim Partners India Management.

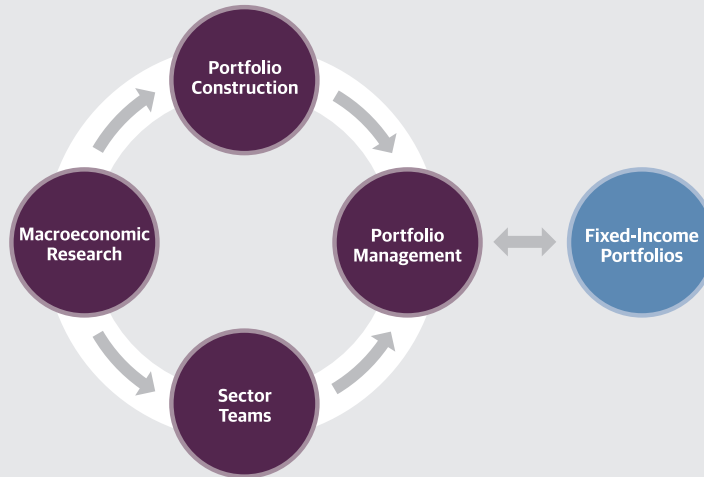
2. Guggenheim Partners under management are as of 3.31.2022 and include consulting services for clients whose assets are valued at approximately \$81bn.

© 2022 Guggenheim Partners, LLC. No part of this article may be reproduced in any form, or referred to in any other publication, without express written permission of Guggenheim Partners, LLC. Guggenheim Funds Distributors, LLC is an affiliate of Guggenheim Partners, LLC. For information, call 800.345.7999 or 800.820.0888.

Member FINRA/SIPC GPIM 52765

## Guggenheim's Investment Process

Guggenheim's fixed-income portfolios are managed by a systematic, disciplined investment process designed to mitigate behavioral biases and lead to better decision-making. Our investment process is structured to allow our best research and ideas across specialized teams to be brought together and expressed in actively managed portfolios. We disaggregated fixed-income investment management into four primary and independent functions—Macroeconomic Research, Sector Teams, Portfolio Construction, and Portfolio Management—that work together to deliver a predictable, scalable, and repeatable process. Our pursuit of compelling risk-adjusted return opportunities typically results in asset allocations that differ significantly from broadly followed benchmarks.



## Guggenheim Investments

Guggenheim Investments is the global asset management and investment advisory division of Guggenheim Partners, with more than \$252 billion<sup>1</sup> in total assets across fixed income, equity, and alternative strategies. We focus on the return and risk needs of insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, consultants, wealth managers, and high-net-worth investors. Our 250+ investment professionals perform rigorous research to understand market trends and identify undervalued opportunities in areas that are often complex and underfollowed. This approach to investment management has enabled us to deliver innovative strategies providing diversification opportunities and attractive long-term results.

## Guggenheim Partners

Guggenheim Partners is a global investment and advisory firm with more than \$325 billion<sup>2</sup> in assets under management. Across our three primary businesses of investment management, investment banking, and insurance services, we have a track record of delivering results through innovative solutions. With 2,100+ professionals based in offices around the world, our commitment is to advance the strategic interests of our clients and to deliver long-term results with excellence and integrity. We invite you to learn more about our expertise and values by visiting [GuggenheimPartners.com](http://GuggenheimPartners.com) and following us on Twitter at [twitter.com/guggenheimptnrs](https://twitter.com/guggenheimptnrs).

For more information, visit [GuggenheimInvestments.com](http://GuggenheimInvestments.com).

**GUGGENHEIM**

Innovative Solutions.  
**Enduring Values.**<sup>®</sup>