GUGGENHEIM

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High-Yield and Bank Loan Outlook

Technical Support Remains Strong but Fundamental Pressures to Grow in 2024

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Summary

The aftermath of the Federal Open Market Committee's (FOMC) September meeting has been marked by turbulence, including declines in equity indexes and widening credit spreads. Investors in risk assets are finding it challenging to reconcile the possibility of a soft landing with the prospect of a longer period of higher interest rates the Federal Reserve (Fed) believes necessary to deliver it.

Recent developments have reintroduced uncertainty about the economic and interest rate landscape in 2024, potentially resembling the conditions of 2023. That said, despite the prevailing uncertainty throughout 2023, risk asset valuations have remained relatively stable since the regional banking sector's turmoil subsided. Part of this stability can be attributed to technical factors as robust demand for credit has coincided with a shortage of primary issuance. It is important to closely monitor the influence of technical trends on valuations in the short term, but we maintain our perspective that over a long-term horizon, technical dynamics assume a secondary role to fundamentals.

Highlights from the Report

- Despite some challenges in the credit environment this year, high-yield corporate bonds posted solid year-to-date total returns of 6 percent while bank loans delivered a 10 percent total return, with a fraction of the volatility seen in other markets.
- Strong demand for leveraged credit from institutional investors clashed with a shortage of primary issuance. These technical dynamics continue to support credit risk premiums.
- The ICE BofA High-Yield Corporate Bond Index has shrunk by $30 billion in face value this year due to rating upgrades, maturities, defaults, and a decline in index-eligible bonds. Rising stars were the leading reason for index exits, and our analysis reveals another $70–$110 billion that is priced for an upgrade.
- The emergence of private credit over the last couple of years will be an especially important trend to watch for syndicated bank loans. Private credit channels have seen twice as many transactions as the syndicated market in the first two quarters of 2023 combined.

Leveraged Credit Scorecard
As of 9.30.2023

High-Yield Bonds

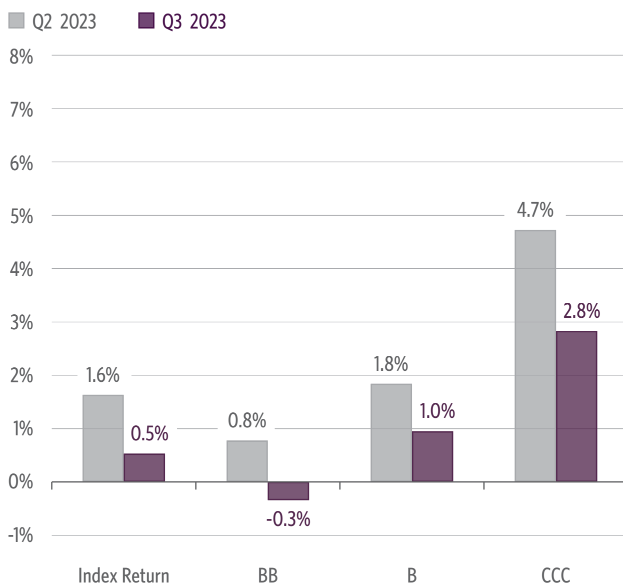
	December 2022		July 2023		August 2023		September 2023	
	Spread	Yield	Spread	Yield	Spread	Yield	Spread	Yield
ICE BofA High-Yield Index	491	9.0%	399	8.4%	403	8.5%	416	8.9%
BB	320	7.3%	264	7.0%	273	7.2%	287	7.6%
B	526	9.3%	419	8.6%	417	8.6%	433	9.1%
CCC	1,159	15.9%	919	13.6%	911	13.6%	933	14.1%

Bank Loans

	December 2022		July 2023		August 2023		September 2023	
	DMM*	Price	DMM*	Price	DMM*	Price	DMM*	Price
Credit Suisse Leveraged Loan Index	652	91.89	571	94.14	556	94.54	551	94.83
BB	363	97.64	335	99.06	332	99.14	337	99.06
B	691	92.25	560	96.20	537	96.74	531	96.95
CCC/Split CCC	1,605	74.35	1,394	80.28	1,397	80.14	1,393	79.79

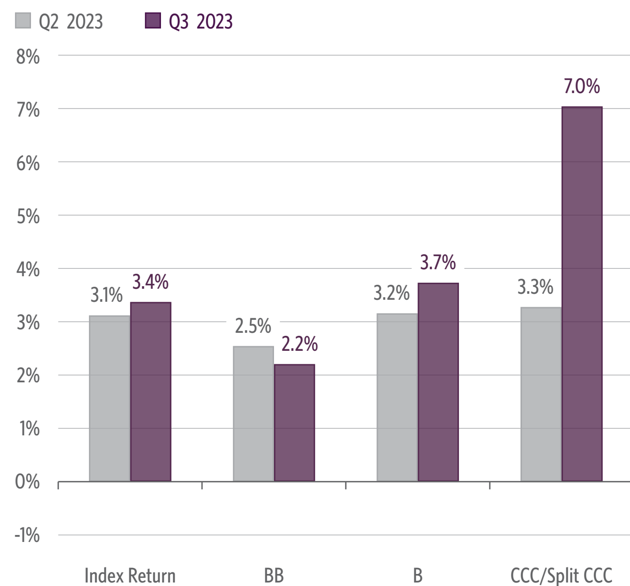
Source: ICE BofA, Credit Suisse. *Discount Margin to Maturity assumes three-year average life. Past performance does not guarantee future results.

ICE BofA High-Yield Index Returns



Source: ICE BofA. Data as of 9.30.2023. Past performance does not guarantee future results.

Credit Suisse Leveraged Loan Index Returns



Source: Credit Suisse. Data as of 9.30.2023. Past performance does not guarantee future results.

> “The market desires strong earnings growth in 2024 combined with rate cuts, an unlikely combination.

Macroeconomic Overview

Markets Caught Between “Higher for Longer” and Recession

Significant progress has been made in nearing the Fed’s two percent inflation target, even as the economy has demonstrated remarkable resilience to elevated interest rates. The Bloomberg Economic Surprise Index indicates that positive surprises in economic data releases over the past six months parallel the trend seen in late 2020 and early 2021 when substantial liquidity injections helped revive economic activity after a global shutdown, demonstrating how much stronger the economy has been this year than most expected. This dynamic has caused renewed optimism at the Fed that they can reduce inflation further without triggering a recession, which was reflected in the September dot plot showing rates higher for longer through at least 2025.

On the inflation front, the headline personal consumption expenditures price index (PCE) has decelerated from a peak of 7.0 percent to 3.4 percent year over year, and core PCE inflation has moderated from 5.6 percent to 3.7 percent. On a three-month annualized basis, core PCE has slowed even more to below 3 percent. Additionally, the softening in inflation is broad-based according to measures like trimmed mean inflation and other disparity-testing indicators. While this is good progress, we are still above levels reached in the last cycle and the Fed will want to confirm persistence with more inflation prints that match the recent trend. Furthermore, the September consumer price index (CPI) report presented a mixed picture on recent progress, with shelter inflation and services ex-shelter both surprising to the upside.

Even with good progress on inflation, the labor market has cooled without cracking. Monthly payrolls have averaged 260,000 this year, well above the 190,000 average pace in the five years before the 2020 pandemic. Job openings have declined from 12 million in March 2022 to 9.6 million, signaling that demand has cooled, yet the unemployment rate remains below 4 percent. Previously, the Fed had anticipated an increase in the unemployment rate typical of recessions, but the latest forecasts now predict a 3.8 percent rate in 2023 and 4.1 percent in 2024. These revisions suggest that the FOMC’s median path anticipates avoiding a recession altogether even as inflation falls; in other words, a soft landing.

Another important element of the update to the Summary of Economic Projections is the Fed’s median forecast of the policy rate. The median path now sees the fed funds rate at 5.6 percent by the end of 2023 (one 25-basis point hike higher than the current level) and at 5.1 percent by the end of 2024. These rates are higher than the market was priced for before the meeting. Investors had expected a 100 basis point easing cycle to emerge in 2024 prior to the FOMC press conference and updated release to its forecasts. Now the market is priced for just a 50 basis point reduction in 2024, although there remains substantial variation around this median path within the FOMC.

The reaction following the September Fed meeting confirmed the market had been hoping for an unrealistic outcome. While the Fed’s expectations align with the credit-positive outcome of avoiding a recession, the market was not prepared for a

higher-for-longer interest rate scenario. Tracking market-implied rate expectations and analyst corporate earnings growth forecasts suggests that the market desires strong earnings growth in 2024 combined with rate cuts, an unlikely combination. Awakening to the possibility of a prolonged period of higher rates and a material rise in Treasury yields at the intermediate and long-end, the S&P 500 declined by 3.8 percent in the week following the September meeting even though the Fed had talked up the strength of the economy. High-yield credit spreads widened 25 basis points over that same time period, with the most significant impact observed in bonds with maturities ranging from one to three years.

Our economic outlook remains unchanged after the September FOMC meeting. We believe the cumulative impact of rate hikes has yet to be fully felt, and many of the factors that have bolstered consumption and economic activity are now waning. The windfall from declining energy prices played a key role in lowering headline inflation, but this is now a thing of the past as rising oil and gasoline prices are becoming a headwind, with further risk to the upside sparked by the Israel-Hamas war. Consumer excess savings are dwindling, and data from the Fed suggests that the bottom 80th percentile of households by income have now depleted their excess savings when adjusted for inflation. Furthermore, the fourth quarter brings additional challenges, such as the resumption of student loan payments and the ongoing United Auto Workers strike, which, depending on its duration, could weigh on near-term activity.

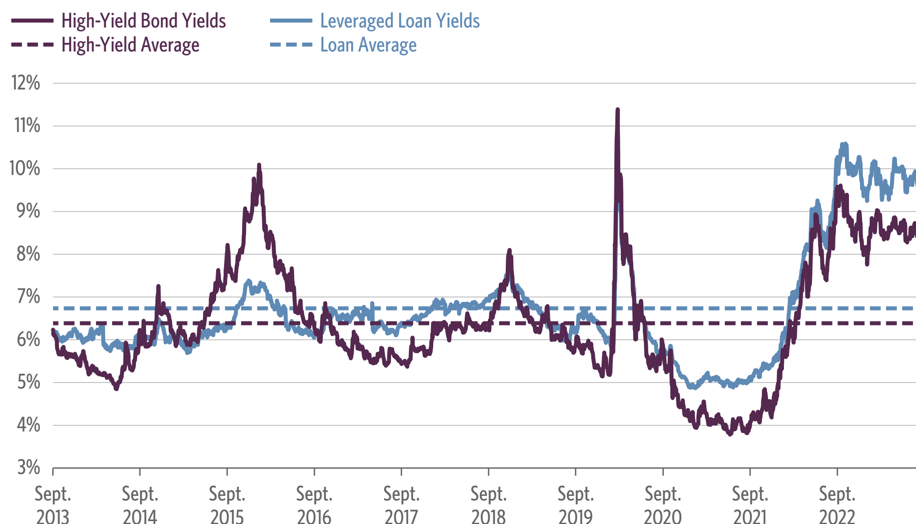
We are monitoring emerging weaknesses based on rising personal, commercial, and corporate bankruptcies, elevated credit card and auto loan delinquencies, credit defaults in the form of missed payments and distressed exchanges, and other credit trends. As we argued in 2022 and earlier this year, history shows there is no painless way of bringing inflation down from high levels. The markets are once again recognizing this reality while considering the alternative, that averting a recession will necessitate enduring the discomfort of higher interest rates. For certain areas in credit, the path for defaults is higher in most scenarios until we return to a neutral interest rate level. But that path can stretch years due to a soft landing that keeps rates higher for longer, or for just a few quarters in the event of a recession. We remain cautious for the time being.

Technicals Support Spread Tightening

High-yield corporate bonds and bank loans both delivered gains in the third quarter of 2023. Insulated from renewed rate volatility due to their floating rate nature, bank loans posted a very strong 3.4 percent total return over the quarter, outperforming more duration-sensitive high-yield corporate bonds which posted a 0.5 percent return. These results bring year-to-date performance to 9.9 percent for loans and 6 percent for bonds. Continued risk appetite led high-yield corporate bond spreads to tighten 9 basis points quarter over quarter while leveraged loan discount margins tightened 30 basis points.

Institutional demand for leveraged credit has remained strong. That robust demand for credit has been fueled by better-than-expected economic data and attractive credit yields.

High Yields in Credit Continue to Support Institutional Demand



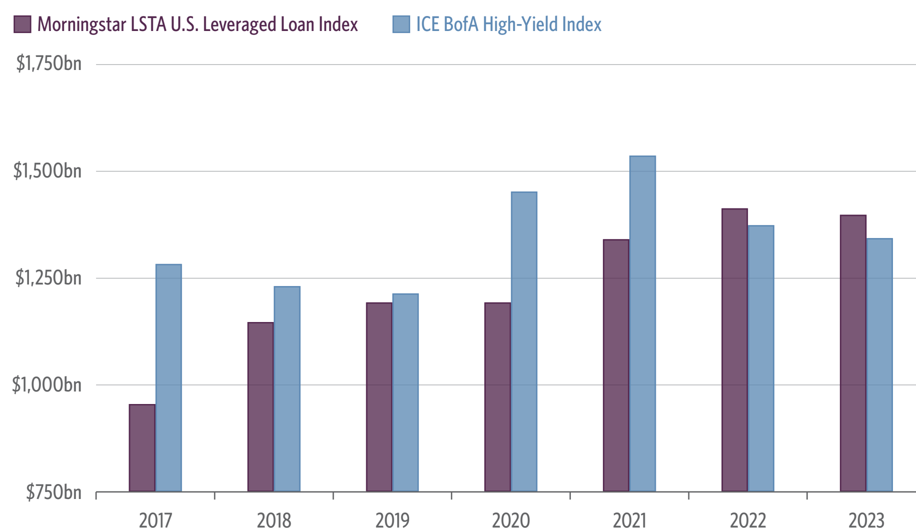
Source: Guggenheim Investments, Bloomberg, Credit Suisse. Data as of 9.27.2023.

While high-yield and bank loan mutual funds have seen outflows of more than $10 billion each this year, our experience is that institutional demand for leveraged credit has remained strong. That robust demand for credit has been fueled by better-than-expected economic data and attractive credit yields. However, this strong demand collided with a shortage of primary issuance, prompting investors to deploy their cash in the secondary market.

The high-yield corporate bond index has shrunk by $30 billion this year, following a decline of $163 billion in 2022.

The Leveraged Credit Market Indexes Are Shrinking

Index Face Value Outstanding ($bn)



Source: Guggenheim Investments, Bloomberg, S&P LCD. Data as of 8.31.2023.

The investable universe is also shrinking and there are several reasons for this trend. Within the ICE BofA High-Yield Corporate Bond Index, over $130 billion in exits have occurred since the beginning of the year due to a combination of rating upgrades to investment grade, maturities, defaults, and index eligibility rules. Limited new issuance has led to a lack of replacements for these exits. On a net basis, the high-yield corporate bond index has shrunk by $30 billion this year, following a decline of $163 billion in 2022.

A deeper look into this trend reveals that the primary driver of index exits this year was the transition of $53 billion worth of "rising stars," i.e., BB-rated bonds that are upgraded to investment-grade status. When comparing the spreads of BB+ rated bonds with those of BBB-rated counterparts, our analysis reveals another significant portion of the market, ranging between $70 billion to $110 billion, shows pricing characteristics similar to rising stars. This suggests that their spreads are comparable to or even lower than those of comparable BBB-rated benchmarks.

Notably, a substantial portion of this segment, nearly $47 billion, can be attributed to bonds associated with Ford Motor Co. S&P's BB+ rating for Ford carries a positive outlook, while Fitch has already granted the credit a BBB- rating. It's worth noting that not all BB-rated credits with rising star-like pricing will necessarily be upgraded. However, the prevailing optimism regarding the possibility of a smooth landing may continue to exert downward pressure on BB-rated spreads.

Other factors contributing to the year-to-date shrinking of the high-yield corporate bond index include $30 billion in called bonds and $19 billion in defaults. These trends present a mixed picture in terms of their impact on the market, with both positive and negative signals, but their impact on spreads has been positive, resulting in favorable technical dynamics.

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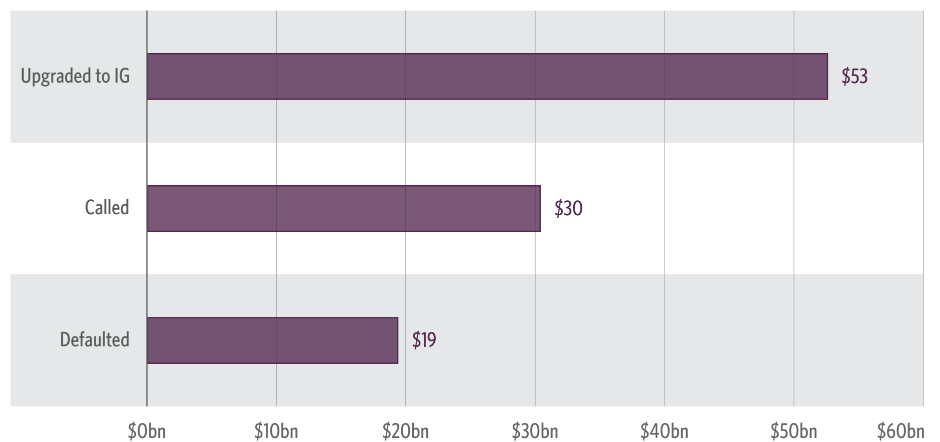
High-Yield Index Shrinkage Led by Upgrades

Exits from ICE BofA High-Yield Index YTD by Reason ($bn)



Source: Guggenheim Investments, Bloomberg, Bank of America Merrill Lynch Research. Data as of 9.25.2023.

The value of outstanding loans has declined by $15 billion this year, according to Pitchbook/LCD data. The main factors contributing to this decline have been around $20 billion in loan defaults and some portion of $150 billion in repayments that were not refinanced in the new issue market. But a key trend we are monitoring from both a technical and fundamental standpoint is the growing role of private credit.

Issuance that would otherwise increase the syndicated loan market size has instead found its way to more direct lending channels. Tracking of the private debt market by LCD shows that private credit has seen twice as many transactions than the syndicated market in the first and second quarter of 2023 combined.

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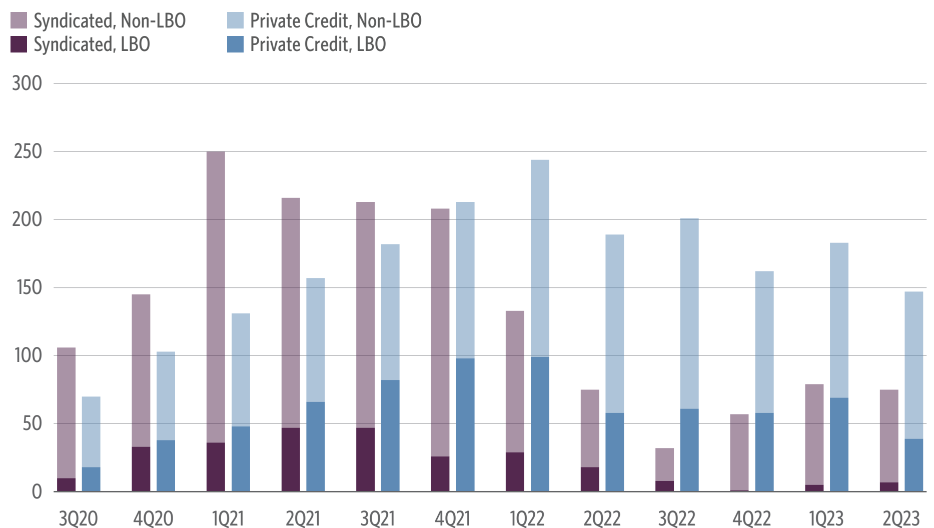
Private Credit Has Stepped In While the Syndicated Market Steps Back

Transactions Financed in the Syndicated versus Private Credit Market



Source: Guggenheim Investments, Pitchbook/LCD. Data as of 6.20.2023. LBO = Leveraged Buyout.

From a fundamental perspective, the growing role of private credit lenders may help prevent defaults that would otherwise occur if an issuer had capital needs that couldn't be financed through traditional channels. This could lead to some risk being transferred from the syndicated loan market to the private lending market, similar to how the syndicated loan market once disintermediated traditional banks, leaving banks with higher quality loans on their books. Our experience suggests that these two channels have been complementary and do not aggressively compete at this stage. However, it is essential to watch this trend closely from a technical perspective, considering the rapid gains in market share achieved by the private lending channel over a short time frame.

Technical Adjustments Help Frame Relative Value

Traditionally, our focus in this publication has centered on fundamental trends within the leveraged credit arena. In recent reports, we have delved into topics such as the increasing prevalence of defaults and downgrades, the slowing and resilience of corporate earnings growth, and the ongoing health of interest coverage metrics. Our assessment of these trends has remained largely consistent since the last quarter, which informs our expectation of further rises in defaults in 2024.

This year, however, has revealed an intriguing dimension where technical factors have played a role in maintaining spreads within a certain range and, at times, even driven them tighter. This phenomenon has occurred despite 2023 being characterized by mixed outlooks. Consequently, high-yield corporate bond spreads have remained closely aligned with average historical valuation levels, hovering around the 50th percentile. Bank loan margins have remained range-bound near the 60th percentile.

When comparing sectors, loans appear cheaper than bonds in terms of relative spreads. The difference between index spreads at the end of the quarter was around 137 basis points, well above the 10-year average of 53 basis points. We believe that this gap cannot be solely explained by the fact that the high-yield market has a higher average quality than loans, because when we control for quality by taking the difference between single B-rated loan and single B-rated bond spreads we still find an above-average gap. Liquidity also cannot explain such a wide gap since trading conditions are not notably different than they have been over the past decade, in our opinion. One reason may be the calculation of the risk premiums, which require adjustment in this environment.

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Credit Risk Premiums Have Tightened, but Loans Look Relatively Cheap

High-Yield Bond Spreads and Leveraged Loan Discount Margins

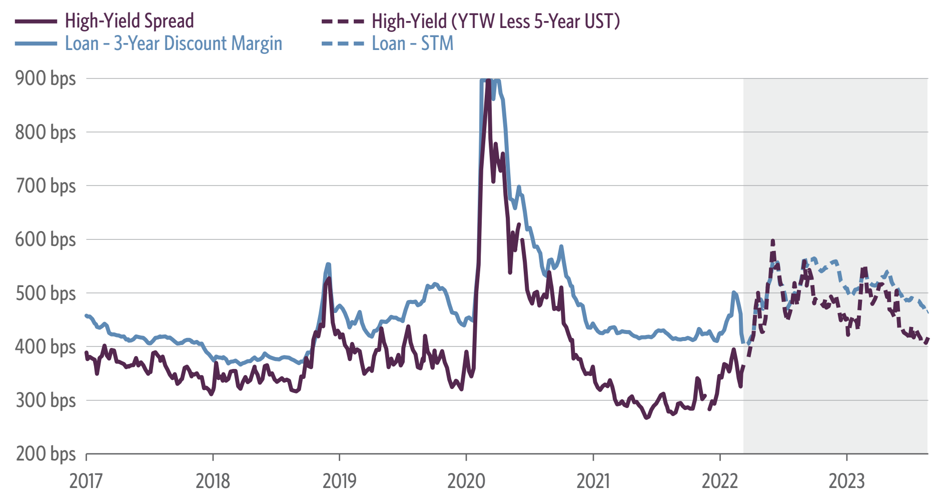
Source: Guggenheim Investments, Bloomberg. Data as of 9.26.2023.

Conventionally, both sectors' premiums are calculated to a holding period that may be shorter than the stated maturity of the instrument, and in bonds this risk premium could be reduced further by the adjustment for the fact that bonds have an option of being called. Specifically, leveraged loans are commonly quoted using a three-year discount margin, which is the premium earned assuming the loan is called or refinanced in three years. This is common because the lack of call protection on loans does result in loans being refinanced within three years of issuance, on average. Historically when we've seen higher than average refinancing activity as a share of loans outstanding, it coincides with half of the index trading above a par price. With only 13 percent of loans trading above par today and given the interest rate outlook, we think the likelihood of a loan being called soon is more limited. Stretching one more year, Credit Suisse's four-year discount margin is 30 basis points tighter than the three-year discount margin. This could change as more loans trade near or above par, and already we've seen growing refinancing risk in recent months compared to the rest of the year.

A similar adjustment needs to take place in bonds, but this time the adjustment results in bond risk premiums being wider than implied by the conventional approach. For this sector, we take the difference between the index yield to maturity against the five-year Treasury yield, which widens the estimated risk premium by 30 basis points. Together, these adjustments narrow the gap between loan and bond risk premiums by 60 basis points, leaving just 25 basis points above the historical average.

The difference between the index yield to maturity against the five-year Treasury yield widens the estimated risk premium by 30 basis points, narrowing the gap between loan and bond risk premiums by 60 basis points, leaving us just 25 basis points above the historical average.

Adjusting High-Yield, Loan Spreads Explains Some Divergence in Index Measures of Spread



Source: Guggenheim, Bloomberg, S&P Global. Data as of 9.22.2023.

In the near term we still expect loan spreads to tighten due to technical drivers. First, contractual loan spreads have had an implicit floor due to wide spreads on collateralized loan obligations (CLOs), which could be changing. The weighted average cost of debt for newly issued CLOs has averaged 270 basis points this year.

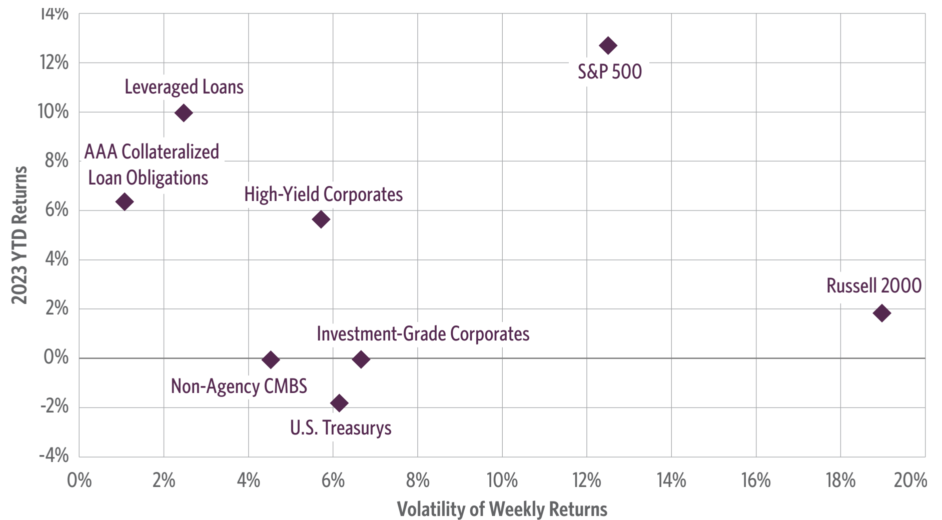
Factoring in a 50-basis point management fee assumption means that contractual loan spreads need to remain well north of 320 basis points to sustain CLO demand. The economics for this vehicle require some spread leftover for the equity investor.

CLOs may experience strong institutional demand over the next few months for a couple of reasons. First, AAA-rated CLOs yield 100 basis points more than AAA-rated corporate bonds as a result of the deeply inverted yield curve. In light of the Treasury market's response to the global central banks' threat of

Through the third quarter of 2023, CLOs and the bank loan sector have delivered equity-like returns of 6.4 percent and 10 percent, respectively, with a fraction of the volatility.

Loans Are Delivering Equity-Like Returns this Year with a Fraction of the Volatility

2023 YTD Returns vs. Volatility of Weekly Returns

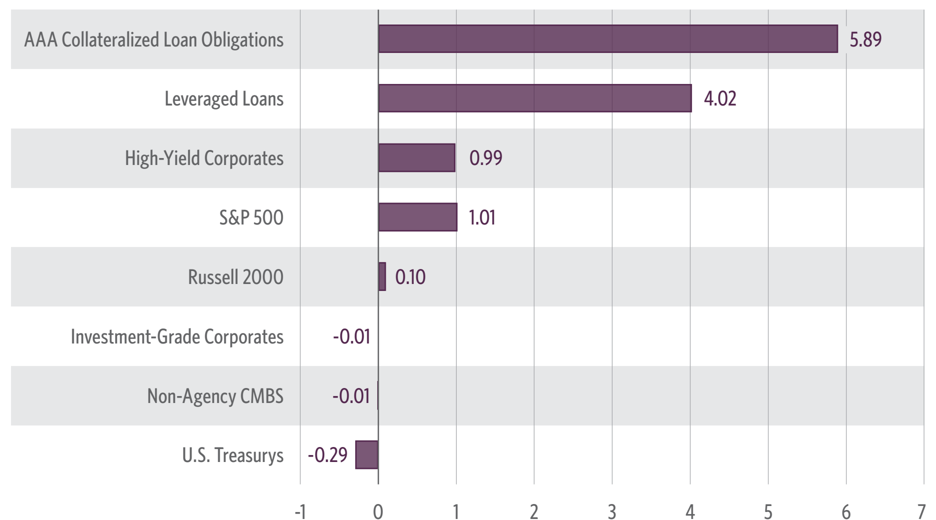


Source: Guggenheim Investments, Bloomberg. Data as of 9.27.2023.

When year-to-date returns are expressed as a ratio to volatility of weekly returns, it's clear to see that collateralized loan obligations and leveraged loans have led in risk-adjusted performance this year. This profile may attract more institutional capital as investors revisit their allocations amid elevated volatility in Treasury markets.

Floating Rate Assets Lead in Risk-Adjusted Returns

2023 YTD Returns Expressed as a Ratio to Volatility of Weekly Returns



Source: Guggenheim Investments, Bloomberg. Data as of 9.27.2023.

a prolonged period of higher interest rates in September, we anticipate that institutional investors will renew their pursuit of duration protection without sacrificing strong returns and income. Through the third quarter of 2023, CLOs and the bank loan sector have delivered equity-like returns of 6.4 percent and 10 percent, respectively, with a fraction of the volatility. Therefore, they have played an important role in diversifying multi-asset portfolio returns this year, which we think could continue to drive some allocation from institutional investors that need income and/or relief from interest rate volatility.

Second, the weighted average cost of debt on newly issued CLOs has seen a couple of consecutive months of decline, bringing it to the lowest level since May 2022. We may see some more issuance as other managers decide to test the waters on pricing. There is plenty of room for weighted average CLO spreads to tighten further: they averaged just 195 basis points since 2010.

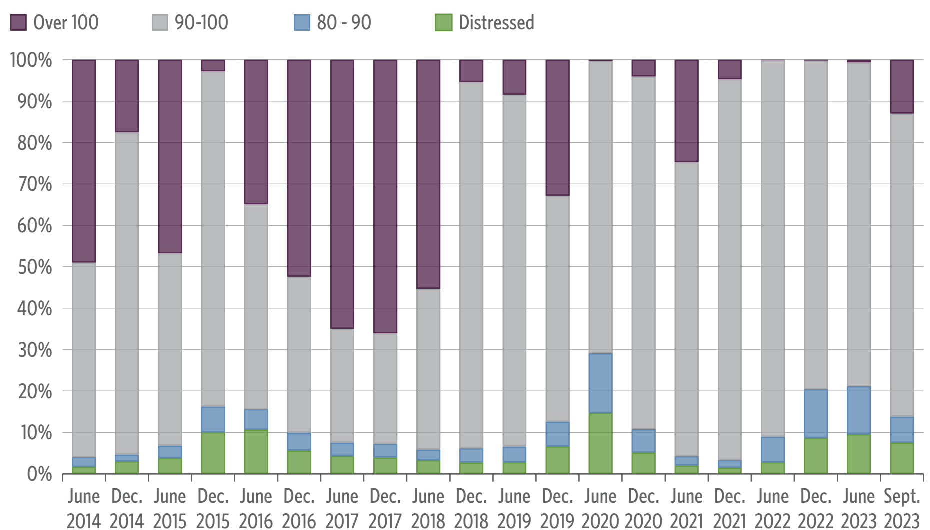
In bonds, even with a spread calculation adjustment, we think risk premiums are near fair value relative to our default outlook. But a source of value in bonds continues to be their significantly discounted price since bonds are trading at just 88 percent of par. This dynamic, which is largely driven by the interest rate environment, also cushions the downside in the event of default, since the bonds are already trading closer to a recovery value. Over the last 12 months, the average recovery on senior unsecured bonds has been 26 percent, according to Moody's.

Loans have less price upside, with the index trading at an average price of 95 percent of par, below the decade-high of 99 on the index. Individual loans can see their price trade above par, but this introduces repricing risk since it signals to the borrower that the market is willing to lend to them at a cheaper rate. Nevertheless, 3–4 points of price appreciation can tighten discount margins meaningfully before repricing risk emerges.

Loans have less price upside, with the index trading at an average price of 95 percent of par, below the decade-high of 99 on the index. Nevertheless, 3–4 points of price appreciation can tighten discount margins meaningfully before repricing risk emerges.

Room for Price Appreciation in the Loan Market

Price Distribution of the Credit Suisse Leveraged Loan Index



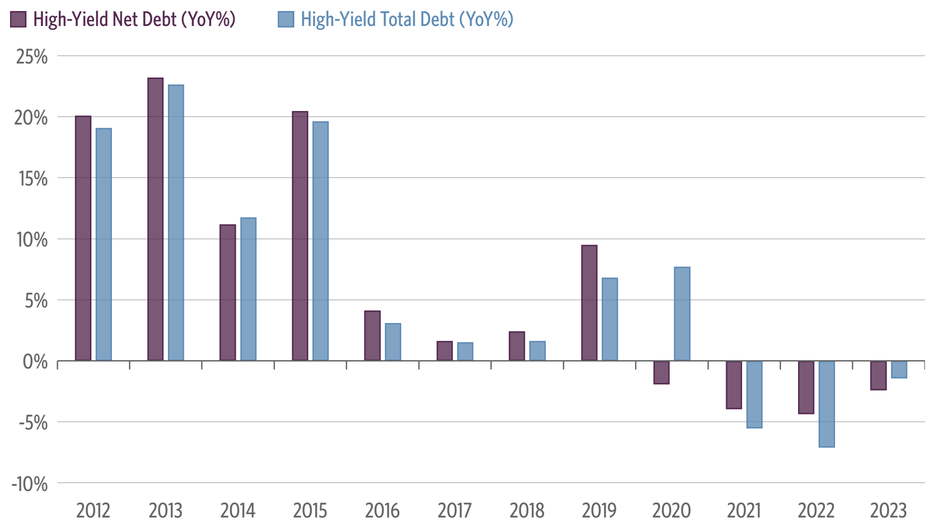
Source: Guggenheim Investments, Credit Suisse. Data as of 9.22.2023.

Our increased attention to technical dynamics this quarter is a reflection of their influential role in shaping valuations in 2023. However, we maintain the perspective that over a long-term horizon, technical dynamics assume a secondary role to fundamentals. In line with our economic outlook for 2024, we anticipate a scenario where defaults surpass historical averages next year and spreads widen.

If our views prove incorrect, and 2024 follows a trajectory characterized by higher interest rates alongside low unemployment and inflation, it may resemble the credit landscape of 2022. In such a scenario, more companies may buckle under the pressure of higher interest rates relative to when they initially incurred their debt. Next year could potentially mark the third consecutive year of high-yield issuers witnessing a contraction in outstanding debt. We remain uncertain whether the technical dynamics of limited issuance can continue to restrain spreads for an extended period. Nonetheless, as previously mentioned, the trends in private credit will be a pivotal aspect to monitor closely.

Next year could potentially mark the third consecutive year of high-yield issuers witnessing a contraction in outstanding debt. We remain uncertain whether the technical dynamics of limited issuance can continue to restrain spreads for an extended period.

More Supply Could Come in 2024 as Issuers Face Another Year of Shrinking Debt



Source: Guggenheim Investments, Bank of America Merrill Lynch Research. Data as of 6.30.2023.

Important Notices and Disclosures

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 percent.

AAA is the highest possible rating for a bond. Bonds rated **BBB** or higher are considered investment grade. **BB, B, and CCC-rated bonds** are considered below investment grade and carry a higher risk of default, but offer higher return potential. A **split bond** rating occurs when rating agencies differ in their assessment of a bond.

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.

Dry powder refers to highly liquid assets, such as cash or money market instruments, that can be invested when more attractive investment opportunities arise.

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.

Investors in asset-backed securities, including mortgage-backed securities and collateralized loan obligations ("CLOs"), generally receive payments that are part interest and part return of principal. These payments may vary based on the rate loans are repaid. Some asset-backed securities may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices volatile and they are subject to liquidity and valuation risk. CLOs bear similar risks to investing in loans directly, such as credit, interest rate, counterparty, prepayment, liquidity, and valuation risks. Loans are often below investment grade, may be unrated, and typically offer a fixed or floating interest rate.

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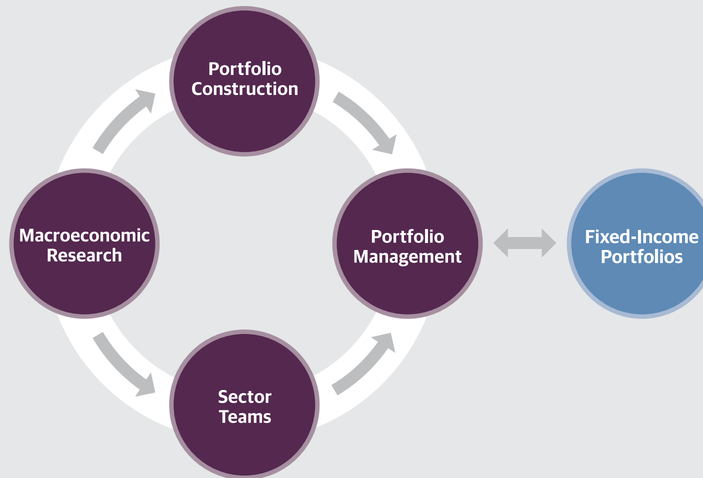

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1. Guggenheim Investments assets under management as of 9.30.2023 and include leverage of $15.9bn. Guggenheim Investments represents the following affiliated investment management businesses of Guggenheim Partners, LLC: Guggenheim Partners Investment 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 Japan Limited, GS GAMMA Advisors, LLC, and Guggenheim Partners India Management.

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