

About Penn Mutual Asset Management, LLC

Penn Mutual Asset Management (PMAM) is focused on risk-based institutional asset management, advisory and fund operation services. We are fixed income specialists committed to applying our diverse expertise, delivering tailored investment strategies and solutions and balancing our repeatable, value-driven approach with seasoned investment judgment to drive performance and create value.

We believe:

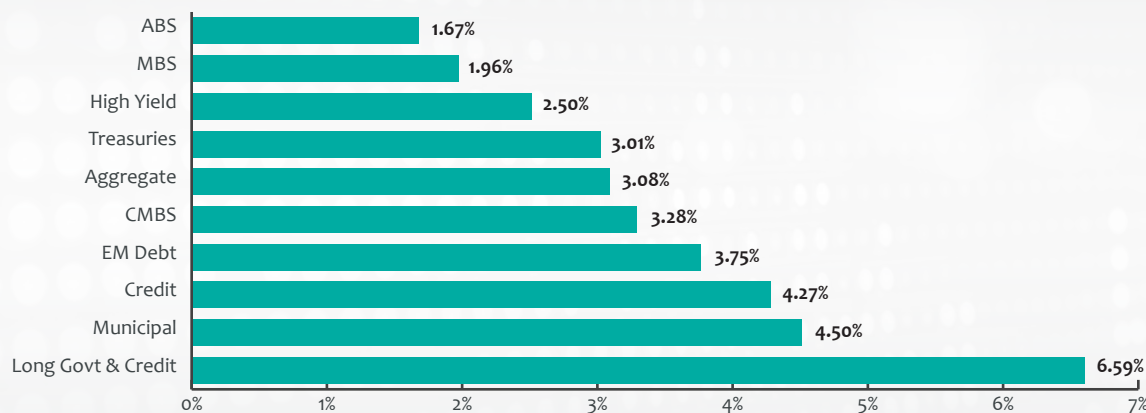
- Valuation drives decisions to help generate strong performance
- Diversification is the best form of risk management
- Being nimble and opportunistic creates value for investors
- Focus, discipline, teamwork and accountability enable results

With over \$27 billion in total assets under management, Penn Mutual Asset Management is dedicated to executing on its core asset management competencies, which include total return-based investing, advisory services and expertise in alternative asset investing.

We tailor our proven approach to generate solid risk-adjusted returns, while balancing the need for capital preservation to achieve each client's strategy and goals.

Asset Class Returns¹

Second Quarter



1 Year

ABS	4.98%
MBS	6.22%
High Yield	7.48%
Treasuries	7.24%
Aggregate	7.87%
CMBS	8.95%
EM Debt	10.95%
Credit	10.34%
Municipal	10.26%
Long Govt & Credit	13.82%

¹Data from Bloomberg

Second Quarter Headlines

The Federal Reserve (Fed) completed its dovish U-turn with Jerome Powell confirming market expectations for an interest rate cut during the July Federal Open Market Committee (FOMC) meeting... Treasury yields moved lower during the quarter in response to persistent low inflation and disappointing global economic conditions. The 10-Year Treasury yield closed the second quarter at 2%, the lowest level since President Trump's 2016 election win.

Investment-grade and high yield corporate markets registered solid returns during the quarter despite a temporary setback in May when U.S./ China trade negotiations broke down... The universe of bonds trading with negative yields grew to \$13 trillion as Europe's economic woes deepen. Christine Lagarde will assume leadership at the European Central Bank during a time with few policy tools left to do 'whatever it takes.'

Inflation measures - and importantly, expectations for future inflation - in the U.S. remained below the Fed's 2% target despite the record-long economic expansion and near record-low unemployment... Consumer spending increased during the second quarter after a slow start to the year with balance sheets strengthening.

