

About PMAM

Penn Mutual Asset Management (PMAM) is focused on risk-based institutional asset management. 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

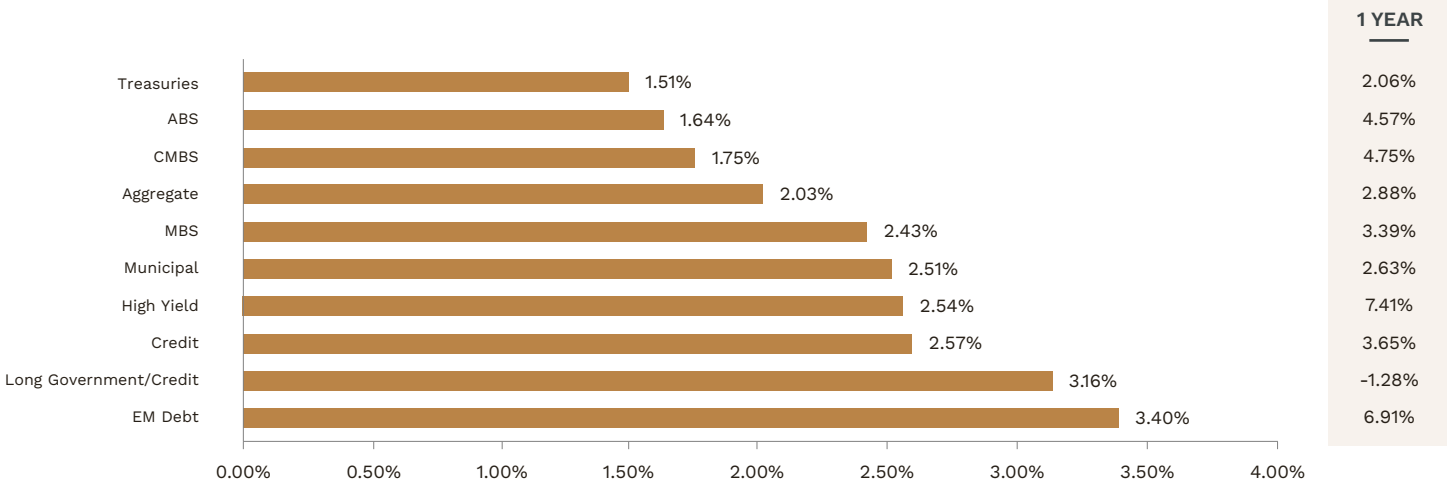
With over \$42 billion in total assets under management,¹ Penn Mutual Asset Management is dedicated to executing on its core asset management competencies, which include total return-based investing, advisory services and expertise in alternative asset investing.

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.

¹As of September 30, 2025

Asset Class Returns¹

Third Quarter



¹U.S. Bloomberg indices. Data as of September 30, 2025

Third Quarter Headlines

The Federal Reserve (Fed) implemented its first rate cut of 2025 in September, prompted by indications of a softening labor market...

The federal funds rate was lowered 25 basis points (bps) to a range of 4.00-4.25%, reigniting the easing cycle that had been paused since 2024. The Treasury curve responded by bull steepening as the market began to price in more Fed cuts. Short-term rates moved approximately 40 bps tighter near 3.6%, while the 10-year Treasury was approximately 10 bps tighter at 4.15%. The Fed continues to be in a tough position as inflation remains elevated and major downward revisions to jobs data is signaling a softening labor market.

Credit markets continued their rally through the end of the quarter despite the softer labor data and stickier inflation. All major U.S. fixed-income sectors generated positive excess returns during the quarter...

Investment-grade (IG) corporate credit spreads tightened by eight bps, outperforming duration-matched Treasuries by 98 bps. Agency mortgage-backed security spreads also outperformed duration-matched Treasuries, generating 83 bps of excess returns. U.S. corporate high-yield outperformed the most during the risk-on rally to end the quarter, outperforming duration-matched Treasuries by 129 bps.

Second quarter gross domestic product (GDP) of 3.8% surprised on the upside as the consumer and the economy remain resilient, marking a significant rebound from the 0.6% contraction in first quarter of 2025...

Stubbornly high mortgage rates and limited supply continue to be headwinds for the U.S. housing market.

Outlook

The economy has been resilient in the face of the uncertainty created by U.S. trade policy. Inflation continues to be elevated but manageable, which should allow the Fed to continue interest rate cuts during the fourth quarter. The Fed has acknowledged growing risks in the labor market, yet the government shutdown has resulted in a government data vacuum that complicates the Fed's decision-making. The recent sharp increase in gold prices may be foreshadowing concerns regarding inflation. The biggest risk to financial assets remains a "crack in the bond market" leading to a surge in long-term bond yields.

Index Definitions:

Bloomberg U.S. Aggregate ABS Total Return Index – An index that is the ABS component of the U.S. Aggregate Index and has three subsectors: credit and charge cards, autos and utility. The index includes pass-through, bullet and controlled amortization structures and includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche.

Bloomberg U.S. Aggregate Bond Index – An index that is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg U.S. CMBS Index – An Index that measures the investment-grade market of U.S. Agency and U.S. Non-Agency conduit and fusion CMBS deals with a minimum current deal size of \$300mm that are ERISA eligible.

Bloomberg U.S. Corporate High Yield Bond Index – An index that measures the USD-denominated, high yield, fixed-rate corporate bond market.

Bloomberg U.S. Credit Index – An index that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate and government-related bond markets.

Bloomberg Emerging Markets USD Aggregate Index – A flagship hard currency Emerging Markets debt benchmark that includes fixed and floating-rate U.S. dollar-denominated debt issued from sovereign, quasi-sovereign and corporate EM issuers.

Bloomberg U.S. Long Government/Credit Index – An index that is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index with 10 or more years to maturity. The index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities.

Bloomberg U.S. Mortgage Backed Securities (MBS) Index – An index that tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).

Bloomberg U.S. Municipal Index – An index that covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligations bonds, revenue bonds, insured bonds and prerefunded bonds.

Bloomberg U.S. Treasury Index – An index that measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

Disclosures:

The views expressed in this material are the views of PMAM through the quarter ending September 30, 2025 and are subject to change based on market and other conditions.

This material contains certain views that may be deemed forward-looking statements. The inclusion of projections or forecasts should not be regarded as an indication that PMAM considers the forecasts to be reliable predictors of future events. Any forecasts contained in this material are based on various estimates and assumptions, and there can be no assurance that such estimates or assumptions will prove accurate. Actual results may differ significantly.

Past performance is not indicative of future results. The views expressed do not constitute investment advice and should not be construed as a recommendation to purchase or sell securities. All information has been obtained from sources believed to be reliable, but accuracy is not guaranteed. There is no representation or warranty as to the accuracy of the information and PMAM shall have no liability for decisions based upon such information.

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