

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

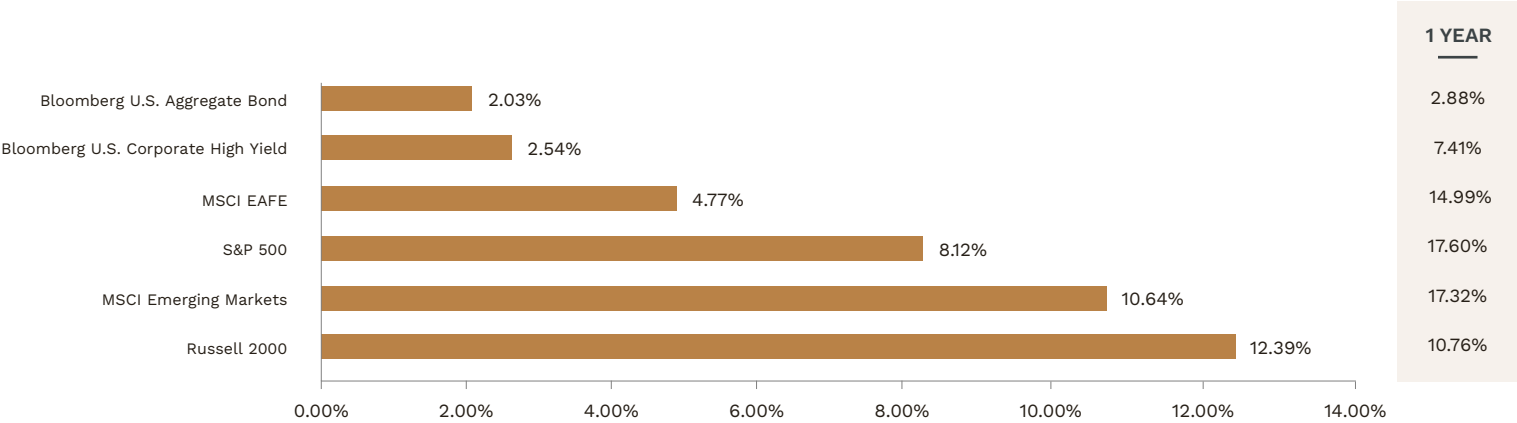
With over \$42 billion in total assets under management,¹ Penn Mutual Asset Management is dedicated to executing on its core asset management competencies, which include total return-based investing, advisory services and expertise in alternative asset investing.

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

Benchmark Returns¹

Third Quarter



¹Bloomberg data as of September 30, 2025

Third Quarter Headlines

The equity market delivered a strong performance during the quarter, despite periods of volatility. The rally was supported by easing U.S. trade policy uncertainty, the passage of stimulative fiscal measures, the Federal Reserve’s (Fed) resumption of its rate-cutting cycle and resilient consumer spending...

According to FactSet, second-quarter S&P 500 Index earnings grew by 11.9%, exceeding expectations by 7.1%. Artificial intelligence-related names continued to lead the market, underpinned by sustained increases in capital expenditure. Growth stocks outperformed value stocks, while small caps outpaced large caps.

The 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.

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 the 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.

Baseline Forecasts		**Actual 12/31/2024	**Actual 9/30/2025	Forecast 12/31/2025	Forecast 12/31/2026
US Economy	GDP	2.7%	*2.1%	1.7% ↑ (from 1.5%)	2.5%
	Unemployment Rate	4.2%	4.3%	4.5%	4.2% ↑ (from 4.0%)
	CPI	2.7%	2.9%	3.0% ↑ (from 2.5%)	2.7% ↑ (from 2.0%)
Stock Market	S&P 500 Index	5,882	6,688	6,700 ↑ (from 6,100)	7,000 ↑ (from 6,300)
	Russell 2000 Index	2,230	2,436	2,500 ↑ (from 2,400)	2,800
Bond Market	Fed Funds Rate	4.32%	4.08%	3.65% ↓ (from 3.75%)	3.25% ↓ (from 3.50%)
	2-year Treasury Yield	4.24%	3.61%	3.50% ↓ (from 4.00%)	3.25% ↓ (from 3.75%)
	10-year Treasury Yield	4.57%	4.15%	4.15% ↓ (from 4.50%)	4.00%
	30-year Treasury Yield	4.78%	4.73%	4.75%	4.50% ↑ (from 4.25%)
Commodities	WTI Crude Oil	\$72	\$62	\$70 ↓ (from \$85)	\$80 ↓ (from \$105)
	Gold	\$2,625	\$3,859	\$4,000 ↑ (from \$3,000)	\$4,200 ↑ (from \$3,200)
Currencies	Dollar/Euro	1.04	1.17	1.15 ↑ (from 1.00)	1.10
	Yen	157	148	145 ↓ (from 150)	140 ↑ (from 130)

*1-year as of 2Q25

**Source: Bloomberg

Index Definitions:

S&P 500 Index – An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

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

MSCI Emerging Markets Index – A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI EAFE Index – An index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada.

Russell 2000 Index – An index measuring the performance of approximately 2,000 small cap companies in the Russell 3000 Index, which is comprised of 3,000 the largest U.S. stocks.

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.

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