

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

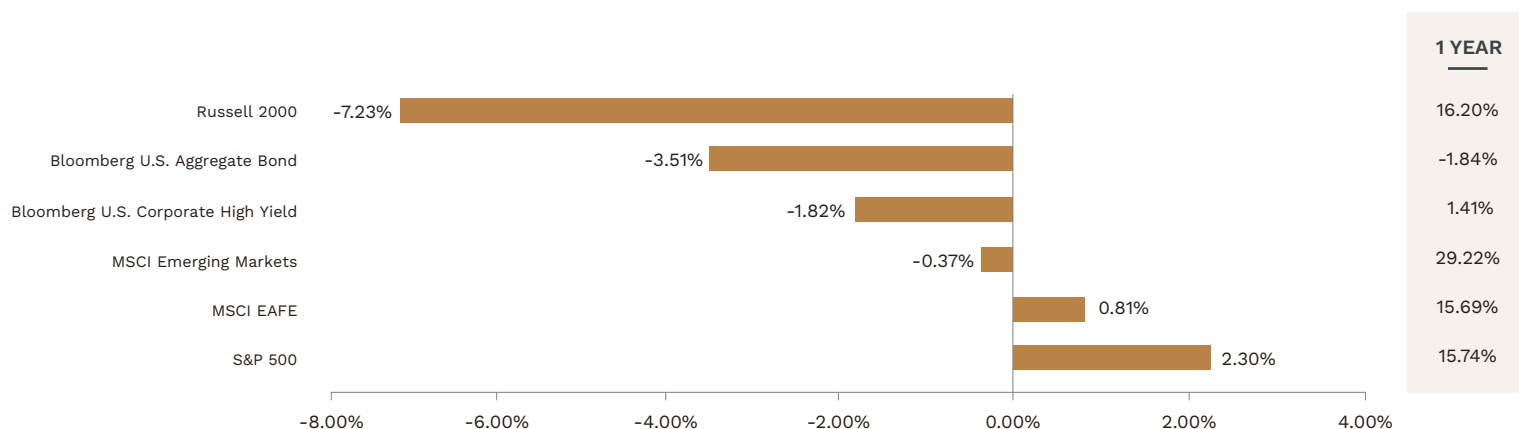
With over \$43 billion in total assets under management,¹ Penn Mutual Asset Management is dedicated to executing on its core asset management competencies.

We tailor our proven approach to generate solid risk-adjusted returns, while balancing the need for capital preservation to achieve each investment objective.

¹As of September 30, 2026

Benchmark Returns¹

Third Quarter



¹Bloomberg data as of September 30, 2026

Third Quarter Headlines

The third quarter of 2026 brought a more uneven backdrop following the strong second-quarter rebound. Global equity performance was mixed as rising Treasury yields, a hawkish shift in Federal Reserve (Fed) policy and renewed energy-price volatility tied to the Middle East tested investor sentiment...

Mega-cap technology earnings and the artificial intelligence (AI) capital-spending theme supported large-cap U.S. stocks, which reached record highs in August, but leadership narrowed in late September as smaller-cap stocks lagged.

The Fed raised the target range for the federal funds rate by 25 basis points (bps) to 3.75%-4.00% in September, its first increase since July 2023.¹ The unanimous decision followed three dissents in favor of a hike at the July meeting and Chair Kevin Warsh's warning at Jackson Hole that underlying inflation had not meaningfully improved²...

The Fed continued to face a challenging backdrop, with inflation still elevated relative to its 2% goal, and policymakers signaled one more increase this year. Treasury yields moved sharply higher during the quarter, led by intermediate maturities, with much of the move coming in September. The 2-year Treasury yield increased to approximately 4.89%, while the 10-year Treasury yield rose to approximately 5.29% and the 30-year Treasury yield ended the quarter near 5.63%.³

The Atlanta Fed's GDPNow model estimated approximately 3.7% annualized growth for the third quarter at quarter-end, after topping 5% in mid-September.⁴ Second-quarter growth was revised up to 2.2% from an initial 1.5%,⁵ as underlying private demand proved resilient. The outlook continued to point to economic expansion supported by business investment and ongoing capital expenditures, including AI-related spending, though consumer data was mixed...

The labor market was slowing but stable, with unemployment at 4.1% in August.⁶ While inflation remained elevated, with consumer prices up 3.4% year over year in August,⁷ overall economic activity continued to expand at a solid pace, supporting a constructive outlook.

¹CNBC – Fed approves interest rate hike, signals one more to come this year; 9/16/26

²Bloomberg

⁴Federal Reserve Bank of Atlanta – GDPNow; as of 9/30/26

⁵U.S. Bureau of Economic Analysis – GDP (Third Estimate); 9/30/26

⁶U.S. Bureau of Labor Statistics – Employment Situation News Release; 9/4/26

⁷U.S. Bureau of Labor Statistics – Consumer Price Index News Release; 9/11/26

Outlook

Looking ahead, the outlook for economic growth and corporate profitability remains constructive, supported by generally solid economic fundamentals, ongoing investment in AI and resilient consumer spending. Key risks include geopolitical instability, persistent inflation pressures, a softening labor market, uncertainty about the extent of further Fed tightening, liquidity mismatches in private credit markets and AI-driven disruption across industries. However, the most significant risk to financial assets remains a potential loss of confidence in long-duration government debt, which could trigger a sharp rise in Treasury yields and tighter financial conditions across global markets.

Baseline Forecasts		Actual 12/31/2025	Actual 9/30/2026	Forecast 12/31/2026	Forecast 12/31/2027
US Economy	GDP	2.0%	*2.2%	2.5%	2.0%
	Unemployment Rate	4.6%	4.1%	4.2%	4.2%
	CPI	2.7%	3.4%	2.7% ↑ (from 2.4%)	2.2%
Stock Market	S&P 500 Index	6,846	7,652	7,500	8,100
	Russell 2000 Index	2,482	2,797	3,100	3,500 ↓ (from 3,600)
Bond Market	Fed Funds Rate	3.64%	3.88%	3.875% ↑ (from 3.625%)	3.875% ↑ (from 3.25%)
	2-year Treasury Yield	3.48%	4.89%	4.25% ↑ (from 3.75%)	4.00% ↑ (from 3.50%)
	10-year Treasury Yield	4.17%	5.29%	4.75% ↑ (from 4.25%)	4.50% ↑ (from 4.15%)
	30-year Treasury Yield	4.85%	5.63%	5.25% ↑ (from 4.75%)	5.00% ↑ (from 4.80%)
Commodities	WTI Crude Oil	\$57	\$90	\$85 ↑ (from \$75)	\$75 ↑ (from \$70)
	Gold	\$4,319	\$4,157	\$4,600	\$4,750
Currencies	Dollar/Euro	1.17	1.13	1.15	1.18 ↓ (from 1.20)
	Yen	157	157	155	150

*1-year as of 2Q26

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, 2026 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.

All trademarks are the property of their respective owners.