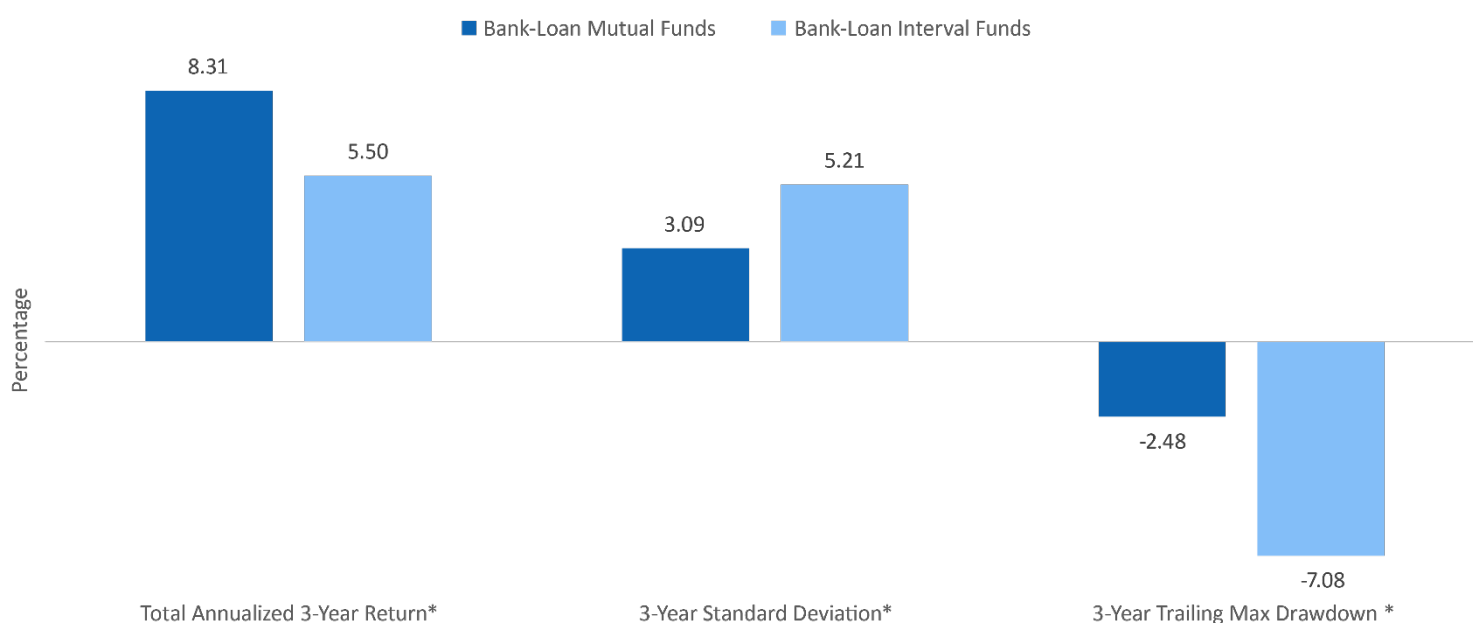


BANK LOANS: TRADITIONAL VS. NEWER OPTION

While investors may consider new “more sophisticated” investment vehicles touting potential better returns and higher yields, these do not come without risk. When looking at the Morningstar Bank Loan category—comprised of mutual funds that typically invest in bank loans—the funds have generated attractive returns over the past three years (ending 7/31/25) with limited volatility and low drawdown when the asset class has struggled. In comparison, the Morningstar Closed-End Interval Bank Loan category—comprised of funds that invest in Collateralized Loan Obligations (CLOs), bank loans, and more illiquid asset classes—has generated lower returns, more volatility, and had more downside over the past three years than bank-loan mutual funds.

Performance: Bank-Loan Mutual Funds and Bank-Loan Interval Funds



Past performance does not guarantee future results. Investing involves risk, including loss of principal. Source: Morningstar as of 7/31/25.

* 3-year return ended as of 7/31/25. Yield is the income returned on an investment, such as the interest received from holding a security. Bank loans (or floating-rate loans) are financial instruments that pay a variable or floating interest rate. A floating rate fund invests in bonds and debt instruments whose interest payments fluctuate with an underlying interest-rate level. The bank-loan market is represented by the Morningstar LSTA LL TR Index, which measures the performance and market value of leveraged loans denominated in U.S. dollars. A closed-end bank loan fund is an investment fund that pools money from investors to purchase a portfolio of senior bank loans and income-producing securities. An interval fund is a type of closed-end investment fund that allows investors to buy shares continuously but only redeem them periodically at set intervals, such as quarterly, semi-annually, or annually. Collateralized loan obligations (CLOs) are securities backed by a pool of debt, typically corporate loans with low credit ratings, which are divided into different tranches to appeal to various investor risk appetites. Standard Deviation is a statistical measure representing the volatility or risk in an instrument. It represents the degree of spread or deviation of a set of values from their mean or average. Max drawdown is the maximum observed loss from a peak to a trough of an investment and is an indicator of downside risk over a specified time period.