GUGGENHEIM

Second Quarter 2016

Fixed-Income Outlook

Managing Through a Persistent State of Heightened Volatility

Guggenheim Investments

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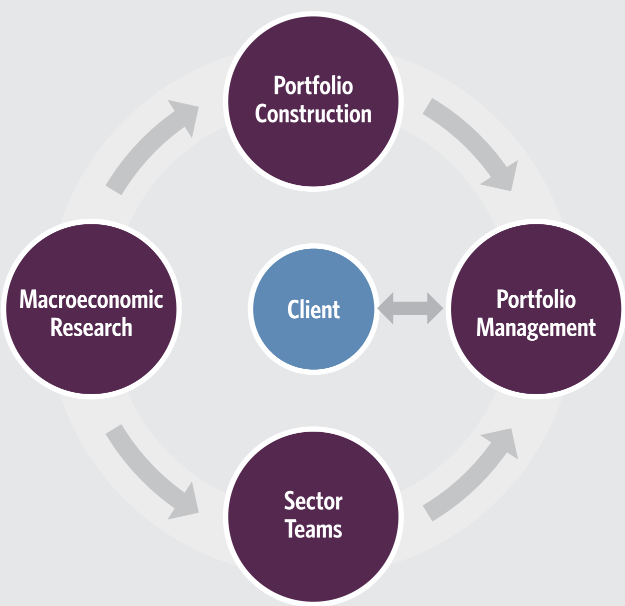
Contents

Guggenheim's Investment Process



Our quarterly Fixed-Income Outlook shares insights from the leaders of our 160+ member fixed-income investment team and illuminates the uniqueness of our investment management structure and process. The Guggenheim Investments (Guggenheim) process separates research, security selection, portfolio construction, and portfolio management functions into teams with specialized expertise. This structure is intended to avoid cognitive biases, snap judgments, and other decision-making pitfalls. It also provides a foundation for disciplined, systematic, and repeatable investment results that does not rely on one key individual or group. The people and the process are the same for institutional accounts and mutual funds. We have organized this Outlook to present the relative-value conclusions that are incorporated into our Core, Core Plus, and Multi-Credit fixed-income portfolios, resulting in asset allocations that differ significantly from broadly followed benchmarks.

From the Desk of the Global CIO

Volatility. The word shows up on just about every page of this edition of our quarterly Fixed-Income Outlook. Across virtually every asset class, the first quarter witnessed significant price weakness and spread widening followed by a powerful reversal of fortunes. The macro drivers of this volatility, all of which are described in greater detail in this report, include mixed signals on economic growth, the vagaries of the oil market, and the response by global central banks to increase monetary accommodation.

Volatile markets reveal both risk and opportunity, and navigating through them requires an objective, deliberative investment process. At Guggenheim, we disaggregate macroeconomic research, security analysis, portfolio construction, and portfolio management among specialist groups. The independent work of these groups helps to avoid automatic, knee-jerk trading responses and the cognitive biases that precipitate them. I believe our process has helped protect our clients' capital during the down-and-up quarter. Our CMBS team, led by Peter Van Gelderen (see page 18), may have best summarized our experience: "Investors who held on recovered nearly all their losses, and new investments made during the downdraft were rewarded."

In the second quarter of 2016 and beyond, we will likely continue to see above-average volatility. At such low levels of rates, fixed-income markets are vulnerable to meaningful moves in price percentage terms. As our Macroeconomic Research group discusses on page 4, we remain generally optimistic about the health of the U.S. economy. We believe the first quarter was the endgame in the decline of oil prices. Energy price stability and continued accommodation from global central banks will keep us patient and cool-headed during what could be a volatile summer.

If we do experience summer turbulence, investors should remember that a market decline does not necessarily portend a recession. Based on our purely dispassionate analysis of fundamentals, the U.S. economy has sufficient steam and should continue its expansion for another two or three years. Global monetary policy remains highly accommodative. The U.S. Federal Reserve is loath to throw in the towel at this point on further rate hikes, but a spate of weak data this summer or a meaningful decline in risk assets could mean we see the Fed on hold until later this year.

An environment like this tests investment managers' aptitude and fortitude. Choppy, low-yielding bond markets are not fun for anyone, but I remind our team that this is where we can create the most value for our clients. I have great confidence that if market conditions deteriorate over the next three to six months it will prove an excellent opportunity to allocate to positions too heavily discounted by unwarranted fears of recession or financial crisis.

Scott Minerd
Chairman of Investments and Global Chief Investment Officer

Portfolio Management Outlook
Maneuvering Through Volatility

Anne B. Walsh, JD, CFA
Assistant CIO, Fixed Income

James Michal
Portfolio Manager

Steve Brown, CFA
Portfolio Manager

Eric Silvergold
Portfolio Manager

The striking turnaround in risk assets toward the end of the first quarter and lower interest rates across the curve led to positive returns across nearly all fixed-income categories. Treasurys, investment-grade and high-yield corporate bonds, bank loans, and commercial mortgage-backed securities (CMBS) all delivered positive performance for the quarter, while non-agency residential mortgage-backed securities (RMBS) returns were essentially flat. Although spreads widened in collateralized loan obligations (CLOs), they began to tighten at the end of March and into April, which suggests the credit rally is extending to the CLO market.

During the first quarter, we slightly reduced our exposure to BBB-rated corporate bonds as well as preferred shares that have extension risk. Although the yields on BBB corporate bonds have offered adequate compensation for historical credit losses, we found that other sectors have offered better value on a total-return basis. Certain long-dated U.S. government Agencies, for example, yield within 50 basis points of BBB corporate bonds and allow us to position for the tail risk that long-term Treasury yields could decline further. In portfolios with higher risk tolerance, we reduced exposure to preferreds and non-agency RMBS. This enabled us to opportunistically move from more defensive holdings in asset classes that saw muted spread widening over the quarter into areas we believed were oversold and thus undervalued, such as investment-grade CLO debt and high-yield corporate bonds.

In the fourth quarter of 2015, our Macroeconomic Research team began to see the turning point in the global energy story, asserting that oil prices would stabilize and average \$40–\$45 per barrel during 2016. In the first quarter, we selectively added corporate bonds issued by energy companies across all strategies on the back of the diligent security-specific credit work of our sector teams. Our improving energy credit outlook applies primarily to the investment-grade corporate bond market, but we also selectively added high-yield issuers to portfolios with higher risk tolerance, as well as non-commodity high-yield corporate bonds, where yields averaged 6.9 percent in the first quarter despite a 12-month trailing high-yield default rate of less than 2 percent.

Across all strategies, structured credit continues to have a significant weighting based on our relative-value analysis across fixed-income markets. In particular, we continue to see investment-grade CLO debt offering spread premiums of 150–350 basis points over comparably rated single-issuer corporate debt. In addition, this asset class should benefit as short-term rates rise. As our ABS specialists discuss on page 14, volatility may return for mezzanine CLO tranches given the recent rising volume of loan defaults, so our focus has been on senior CLO tranches, whole business ABS, and aircraft ABS.

Non-agency RMBS also remains a large weighting for us as we have continued to find attractive relative value on a risk-adjusted basis. This asset class—primarily floating-rate and amortizing—should continue to see muted spread volatility relative to other fixed-income asset classes. Finally, we slightly increased our exposure to CMBS as investable spreads in the asset class looked attractive for the first time in a number of quarters. In certain cases, new issue spreads were about two times where they were one year ago as volatility in the first quarter drove primary spreads wider.

The expectation of higher volatility in the coming months is a theme our readers will find consistent across many of the fixed-income sectors in this report. What this means for us is a continued focus on relative value from assets that we believe will capture strong returns throughout this period. As the graph below shows, it is likely that the most attractive relative-value opportunities will generally be found outside of the flagship U.S. fixed-income benchmark, the Barclays U.S. Aggregate Bond Index (Barclays Agg), which continues to be heavily concentrated in low-yielding government and Agency debt.

Fixed-Income Asset Class Yield and Duration

Source: Credit Suisse, Barclays, Citi, Guggenheim Investments. Data as of 3.31.2016. Representative Indices: Bank loans: Credit Suisse Leveraged Loan Index; High-Yield Corporate Bonds: Credit Suisse High-Yield Corporate Bond Index; AA Corporate Bonds: Barclays Investment-Grade Corporate Bond index, AA subset; Agency MBS: Barclays U.S. Aggregate Index (Agency Bond subset); CLO AA and CLO 2.0 BB data provided by Citi Research, CMBS 2.0 AA: Barclays CMBS 2.0 Index (AA subset), Treasurys: Barclays U.S. Aggregate Index (Treasurys subset), Non-Agency RMBS: Based on BAML and Guggenheim Trading Desk Indicative Levels

This graph illustrates the range of relative-value options in fixed-income markets. With about 70 percent of the Barclays U.S. Aggregate Bond Index concentrated in low-yielding Treasury and Agency debt, our approach to generating compelling total return is to generally look for value in sectors that are under-represented in the benchmark. Portfolio positioning is a process of deciding relative risk and reward across eligible asset classes and within the guidelines of a client's or fund's investment parameters.

Macroeconomic Outlook

Expansion Continues Despite Weak Q1

Brian Smedley
Head of Macroeconomic and Investment Research

Maria Giraldo, CFA
Vice President

U.S. economic growth was below trend in the first quarter, but early signs point to a rebound in the second quarter.

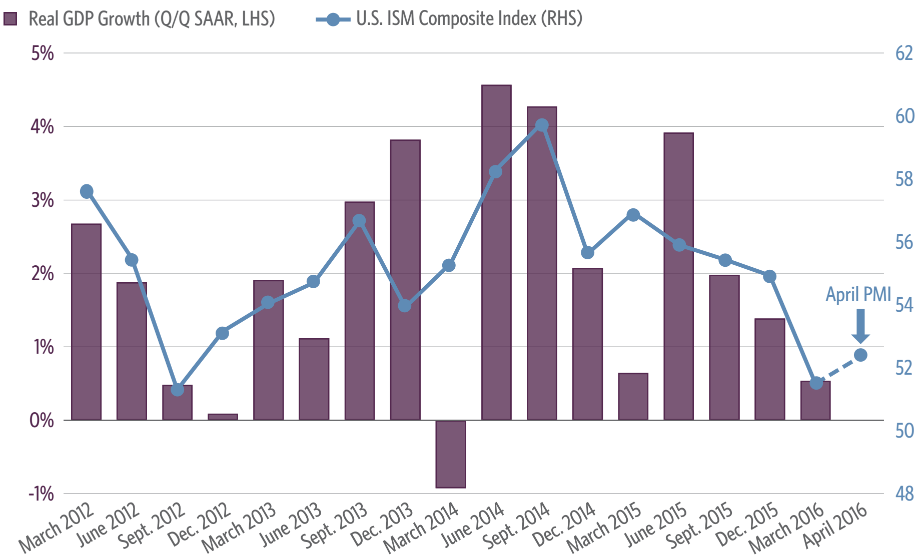
The initial estimate of real gross domestic product (GDP) growth in the first quarter was 0.5 percent, well below the average real GDP growth rate of 2.1 percent seen over the last five years. Net exports and an ongoing inventory adjustment shaved a combined 0.7 percent off growth, but we see the drag from these components as transitory. We also attribute part of the weakness to “residual seasonality,” a statistical quirk that biases GDP growth downward in the winter months while boosting growth in the second and third quarters.

We anticipate that growth will be closer to trend in Q2, thanks in part to the easing of financial conditions since February. High-frequency indicators of economic activity support our forecast, with the Markit U.S. Composite PMI recovering to 52.4 in April from 50.0 in February (see chart, top right). While payroll growth has downshifted from an average monthly rate of 282,000 in Q4 of 2015 to 200,000 in the three months through April, we see this as a more sustainable pace of net job creation. We forecast further slowdown in payroll growth over the next few months, with rising labor productivity bridging the gap between faster GDP growth and slower job gains.

We expect the Fed will raise rates once in 2016 as policymakers will be watching Chinese growth, the “Brexit” vote in June, and the U.S. presidential election in November. Fed officials have given greater weight to global economic developments in their policy framework, which in practice means that the FOMC has become less tolerant of financial market turbulence and more tolerant of inflation at the margin. We see this dovish shift as benefiting U.S. credit markets and inflation-sensitive assets, such as Treasury Inflation-Protected Securities (TIPS).

A more accommodative Fed outlook has pushed interest rates lower and weakened the U.S. dollar, which depreciated by 6.3 percent on a trade-weighted basis between mid-January and the end of April. Oil prices have benefited from dollar weakness. Our research team’s oil model indicates that WTI oil prices will average \$40–\$45 per barrel for the remainder of 2016 (see chart, bottom right). In sum, solid but unspectacular economic growth, a cautious Fed, and improving oil market supply-demand fundamentals underpin our positive outlook for the U.S. economy, which should continue to support a historically low default environment for credit.

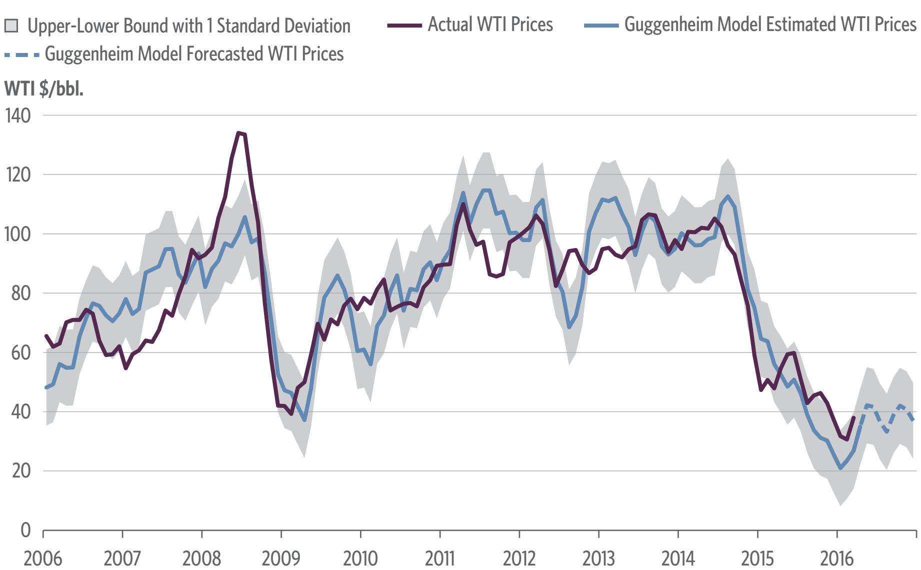
U.S. GDP Growth Is Gaining Momentum



Source: Guggenheim Investments, Bureau of Economic Analysis, Markit, Haver Analytics. Data as of 5.4.16.

We anticipate that growth will recover in the second quarter, thanks in part to the substantial easing of financial conditions since February. High-frequency indicators of economic activity support our forecast, with the Markit U.S. Composite PMI recovering to 52.4 in April from 50.0 in February.

Oil Prices Should Stabilize Later this Year

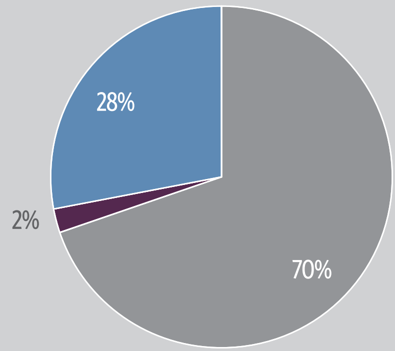


Source: Guggenheim Investments, Bloomberg, Haver, EIA. Data as of 3.31.2016.

Near-term price volatility is likely, and another negative shock is possible, but oil prices should start to stabilize as supply/demand comes into balance. Our model indicates that oil prices will average $40–$45 per barrel for the remainder of 2016.

Guggenheim Fixed-Income Strategies

Barclays U.S. Aggregate Index[1]



Governments & Agencies:
Treasurys 36%, Agency Debt 4%, Agency MBS 28%, Municipals 1%

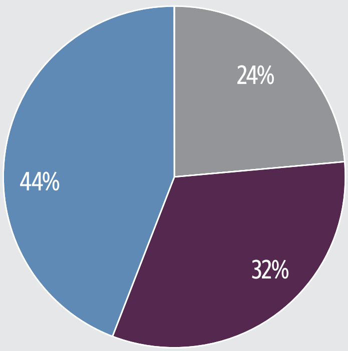
Structured Credit:
ABS 0%, CLOs 0%, CMBS 2%, Non-Agency RMBS 0%

Corporate Credit/Other:
Investment-Grade Corp. 25%, Below-Investment-Grade Corp. 0%, Bank Loans 0%, Commercial Mortgage Loans 0%, Other 3%

The Barclays Agg is a broad-based flagship index typically used as a Core benchmark. It measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasurys, government-related and corporate securities, MBS (Agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS (Agency and non-Agency). The bonds eligible for inclusion in the Barclays Agg are weighted according to market capitalization.

[1] **Barclays U.S. Aggregate Index:** Other primarily includes 2% Supranational and 1% Sovereign debt. **Totals may not sum to 100 percent due to rounding.**

Guggenheim Core Fixed Income[2]



Governments & Agencies:
Treasurys 0%, Agency Debt 9%, Agency MBS 4%, Municipals 11%

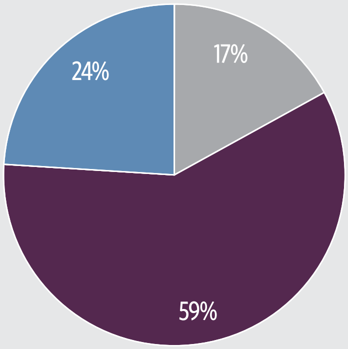
Structured Credit:
ABS 16%, CLOs 8%, CMBS 8%, Non-Agency RMBS 2%

Corporate Credit/Other:
Investment-Grade Corp. 22%, Below-Investment-Grade Corp. 1%, Bank Loans 2%, Commercial Mortgage Loans 11%, Other 9%

Guggenheim's Core Fixed-Income strategy invests primarily in investment-grade securities, and delivers portfolio characteristics that match broadly followed core benchmarks, such as the Barclays Agg. We believe investors' income and return objectives are best met through a mix of asset classes, both those that are represented in the benchmark, and those that are not. Asset classes in our Core portfolios that are not in the benchmark include non-consumer ABS and commercial mortgage loans.

[2] **Guggenheim Core Fixed Income:** Other primarily includes 1.9% LPs, 1.5% Preferred Stock, 3.5% Private Placements, 1.1% Sovereign Debt, 0.3% Cash. **Totals may not sum to 100 percent due to rounding.** Sector allocations are based on the representative account of each Guggenheim strategy. Compositions may vary between accounts and are subject to change.

Guggenheim Core Plus Fixed Income[3]



Governments and Agencies:
Treasurys 9%, Agency Debt 4%, Agency MBS 1%, Municipals 2%

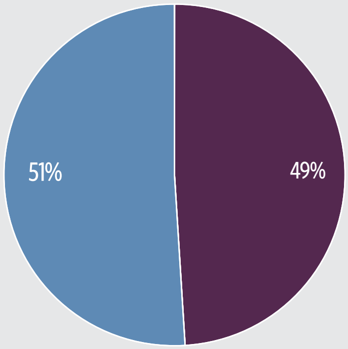
Structured Credit:
ABS 10%, CLOs 20%, CMBS 7%, Non-Agency RMBS 22%

Corporate Credit/Other:
Investment-Grade Corp. 6%, Below-Investment-Grade Corp. 6%, Bank Loans 5%, Commercial Mortgage Loans 0%, Other 7%

Guggenheim's Core Plus Fixed-Income strategy employs a total-return approach and more closely reflects our views on relative value. Like the Core strategy, Core Plus looks beyond the benchmark for value. Core Plus portfolios have added flexibility, typically investing up to 30 percent in below-investment-grade securities and delivering exposure to asset classes with riskier profiles and higher return potential. CLOs and non-Agency RMBS are two sectors we consider appropriate for our Core Plus strategies, in addition to more traditional core investments such as investment-grade corporate bonds.

[3] **Guggenheim Core Plus Fixed Income:** Other primarily includes 2% Preferred Stock, 1.2% Sovereign Debt, 3.2% Cash. **Totals may not sum to 100 percent due to rounding.** Sector allocations are based on the representative account of each Guggenheim strategy. Compositions may vary between accounts and are subject to change.

Guggenheim Multi-Credit Fixed Income[4]



Governments and Agencies:
Treasurys 0%, Agency Debt 0%, Agency MBS 0%, Municipals 0%

Structured Credit:
ABS 16%, CLOs 27%, CMBS 1%, Non-Agency RMBS 5%

Corporate Credit/Other:
Investment-Grade Corp. 4%, Below-Investment-Grade Corp. 16%, Bank Loans 24%, Commercial Mortgage Loans 0%, Other 8%

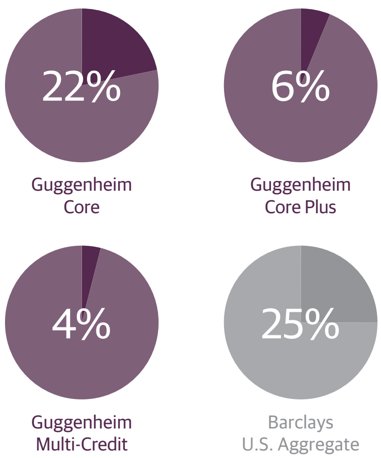
Guggenheim's Multi-Credit Fixed-Income strategy is unconstrained, and heavily influenced by our macroeconomic outlook and views on relative value. As one of Guggenheim's "best ideas" strategies, our Multi-Credit portfolio allocation currently reflects a heavy tilt toward fixed-income assets that we believe more than compensate investors for default risk. Our exposure to riskier, below-investment-grade sectors is diversified by investments in investment-grade CLOs and commercial ABS debt, which simultaneously allow us to limit our portfolio's interest-rate risk.

[4] **Guggenheim Multi-Credit Fixed Income:** Other primarily includes 2.1% Preferred Stock, 0.5% Private Placements, 1.9% Sovereign Debt, 3.3% Cash. **Totals may not sum to 100 percent due to rounding.** Sector allocations are based on the representative account of each Guggenheim strategy. Compositions may vary between accounts and are subject to change.

Investment-Grade Corporate Credit

Opportunity in Summer Volatility

Portfolio allocation as of 3.31.16



Jeffrey Carefoot, CFA
Senior Managing Director

Justin Takata
Director

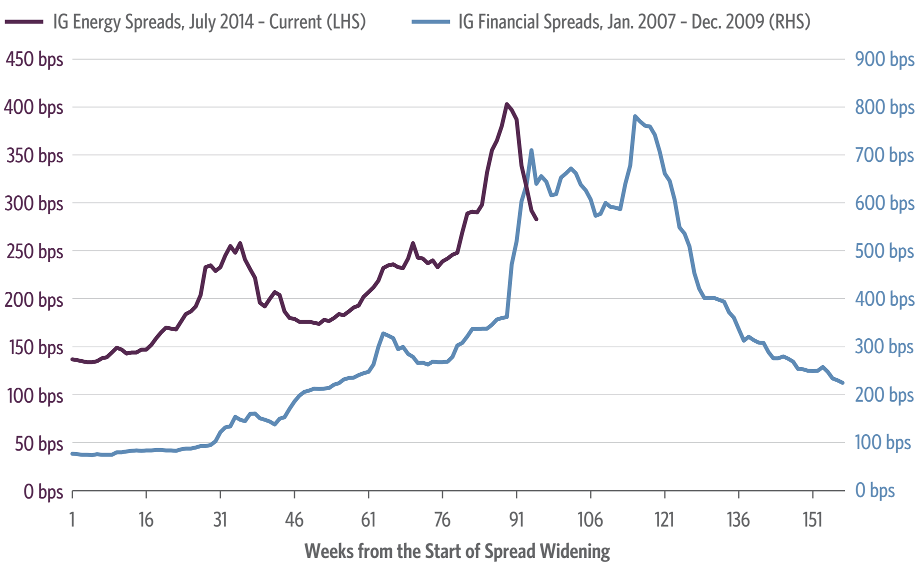
Energy yields look more attractive than other sectors, as the worst of the oil bear market draws to an end.

Risk appetite was weak in the first six weeks of the year as oil prices tumbled to their lowest levels since 2003, but the primary investment-grade corporate bond market ended the quarter seemingly unfazed by market volatility. Gross new issuance for the first quarter of 2016 totaled $357 billion, $10 billion ahead of last year's first quarter total. At the current pace, investment-grade corporate bond supply could exceed 2015's total volume, and potentially set a new record.

Investment-grade corporate bonds delivered their strongest quarterly performance since the third quarter of 2010, with the Barclays Investment-Grade Corporate Bond index posting a positive 4 percent total return. Despite spreads widening to 215 basis points in mid-February, they ultimately ended the quarter at 163 basis points, 2 basis points tighter compared to the end of 2015, the first such move in spreads since 2012. The biggest moves were in energy and basic materials, which saw average bond spreads tighten by 27 basis points and 70 basis points over the quarter, respectively.

As the chart at top right shows, the rebound in investment-grade energy bonds is reminiscent of the early rally in financials in December 2008. Investment-grade financial spreads tightened by 102 basis points between Dec. 5, 2008 and Jan. 13, 2009, but following this temporary rally, spreads widened again by 208 basis points to set a new historical peak before markets settled for the remainder of the year. History has taught us that bear markets do not end quietly. The opportunity to pick up bonds at more attractive levels is likely to emerge in the upcoming months as volatility returns. However, given our macroeconomic team's view that oil should average $40–$45 per barrel for the remainder of 2016, we will use market weakness to proactively seek energy names that are likely to survive oil prices below $60 per barrel in 2016 and 2017. Yields of 4.5 percent in the energy sector look attractive compared to average yields of only 3.25 percent for the broader market (see chart, bottom right). When evaluating credits in other sectors offering low-3 percent yields, we also prefer to wait for the opportunity to buy them over the summer, which tends to be a seasonally weak period for risk assets.

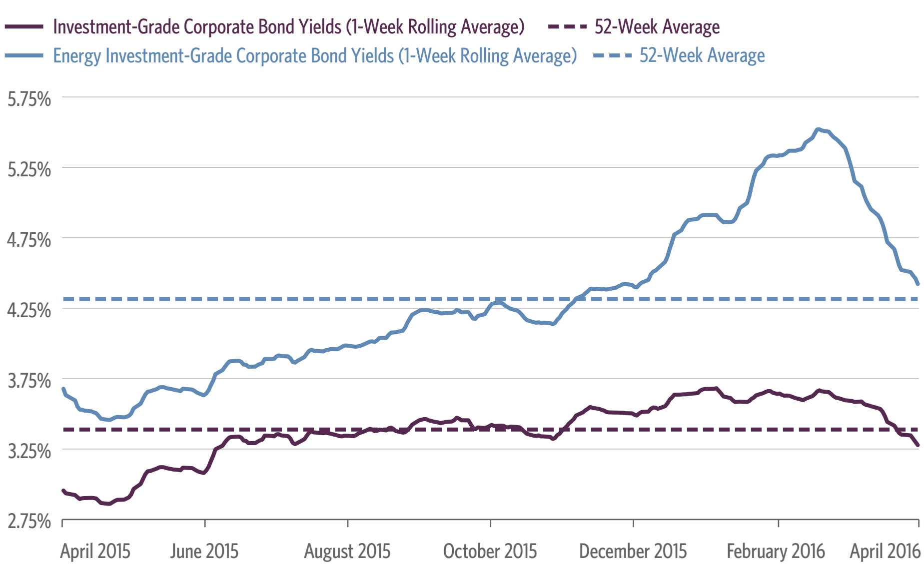
Bear Markets Rarely End Quietly



Source: Bank of America Merrill Lynch, Guggenheim Investments. Data as of 3.31.2016.

Bear markets rarely end in an untested recovery. During the financial crisis, for example, investment-grade corporate bonds issued by the financial sector re-tested lows after what seemed to be a swift recovery at the end of 2008. Investment-grade bonds issued by the energy sector have failed to re-test their lows, which suggests to us that there is more volatility ahead.

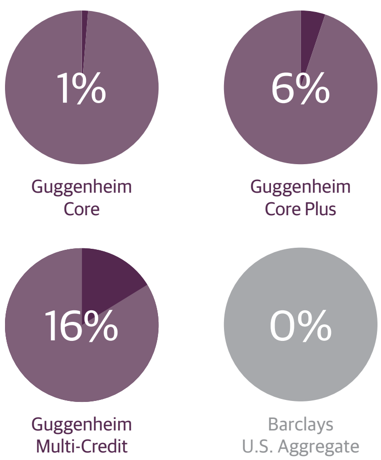
Corporate Bond Yields Rise Then Fall



Source: Bank of America Merrill Lynch, Guggenheim Investments. Data as of 3.31.2016.

As of March 31, 2016, investment-grade corporate bond yields were only 3.25 percent, on average—their lowest yield since June 2015. Yields of 4.5 percent in the energy sector look relatively attractive. While these yields compensate for historical credit loss rates, we believe there will be the opportunity to pick up bonds at more attractive yields in the upcoming months as we enter a seasonally weak period.

Portfolio allocation as of 3.31.16



Thomas Hauser
Managing Director

High-Yield Corporate Bonds

A Bid for Lower Quality Re-Emerges

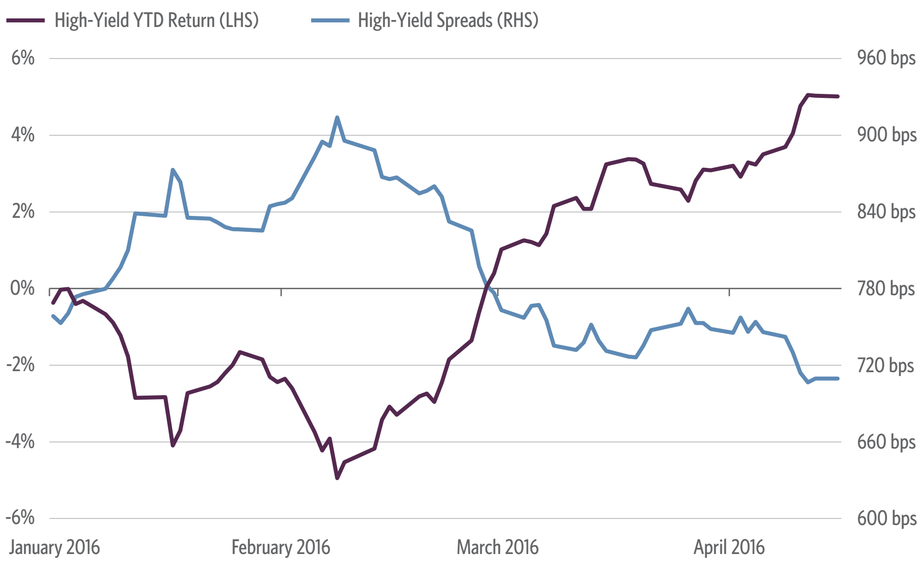
Market weakness offers attractive entry points in B-rated bonds, particularly in the energy sector.

Initially headed for its worst quarter on record, the high-yield corporate bond market ended up posting its best first quarter since 2012, after a reversal in sentiment drove a risk-asset rally (see chart, top right). New issue activity was down 54 percent on a year-over-year basis, largely due to weakness in the first eight weeks of 2016. March saw signs of life in primary markets, with issuance totaling $21.2 billion, well above January and February volumes of $5.9 billion and $9.4 billion, respectively. Based on the underlying trends at the end of the quarter, which continued into April, a bid for lower quality appears to have returned. The pickup in demand was also evident in the high-yield mutual fund and ETF net fund flows, which were positive $7.7 billion for the quarter.

The Credit Suisse High-Yield Bond index posted a gain of 3.1 percent in the first quarter of 2016 with spreads tightening by 5 basis points. All rating categories delivered positive returns, with BB-rated bonds, B-rated bonds, and CCC-rated bonds returning 3.5 percent, 2.8 percent, and 3 percent, respectively. While retail and metals were the best performing subsectors overall, the energy component of the Credit Suisse High-Yield Bond index returned 14.6 percent in March, its best monthly gain on record. CCC-rated bonds also delivered stellar performance in March with a 9.9 percent total return, their best single month since October 2011.

B-rated bonds continue to offer attractive value relative to other rating tranches. As the bottom right chart shows, B-rated corporate spreads ended the quarter at 248 basis points above BB-rated bonds, well above the historical average. Investors should expect more volatility ahead, however, as we enter a seasonally weak period for risk assets overlaid with the potential for additional corporate defaults and fallen angels. Despite the expectation of higher volatility, we expect to use market weakness to find attractive entry points in energy bonds. A stabilizing oil market in the second half of 2016 should pave the way for energy bonds to perform well over the course of the next 12–24 months.

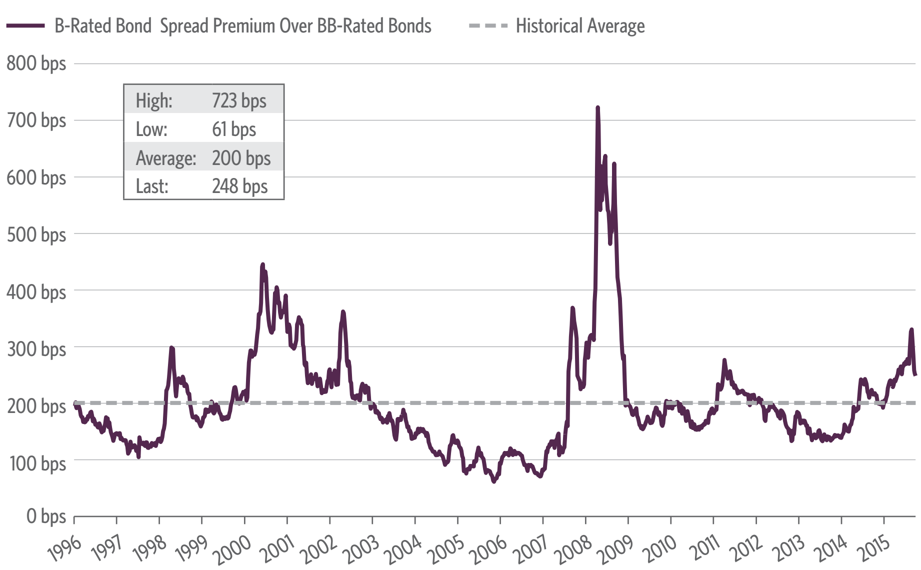
High-Yield Bonds Rebound as Spreads Tighten



Source: Credit Suisse, Guggenheim. Data as of 4.18.2016.

Risk aversion at the start of 2016 led to a 5 percent loss in the high-yield corporate bond market in the first few weeks of the year. High-yield bonds appeared to be headed for their worst start on record, but rising oil prices, a weaker dollar, and dovish commentary by the Fed drove a turnaround in sentiment.

B-Rated Bond Premiums Look Attractive Relative to BB-Rated Bonds



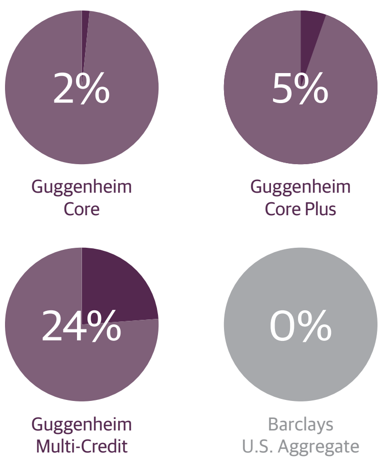
Source: Credit Suisse, Guggenheim. Data as of 3.31.2016.

B-rated corporate bonds have historically offered spreads 200 basis points in excess of BB-rated corporate bonds, on average. This premium widened to 330 basis points in the first quarter of 2016, making B-rated bonds look relatively attractive. From the peak to the end of the first quarter of 2016, B-rated bonds outperformed BB-rated bonds by 1.5 percent on a total return basis as the spread differential narrowed to 248 basis points.

Bank Loans

Seeking Fundamental Strength Amid Technical Weakness

Portfolio allocation as of 3.31.16



Thomas Hauser
Managing Director

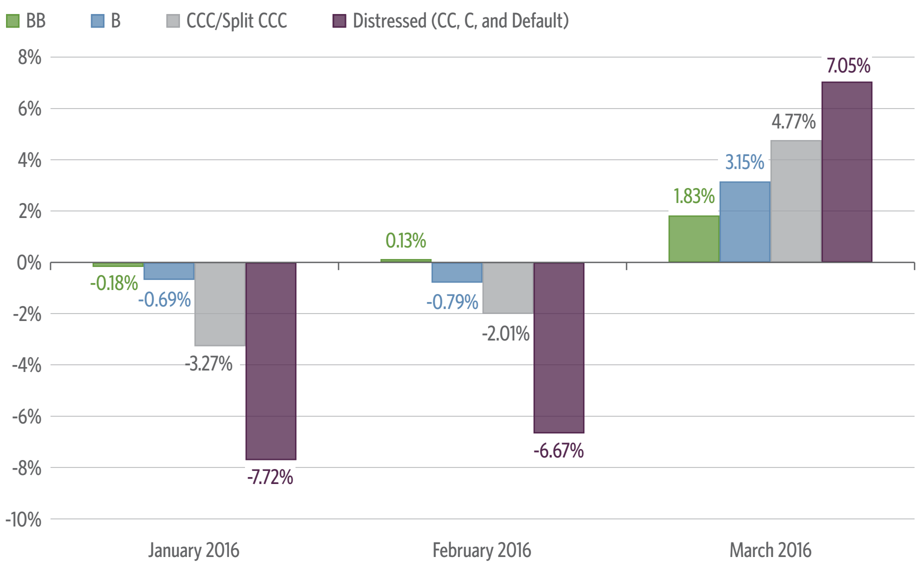
Despite a weak near-term technical backdrop, certain bank loans remain supported by strong earnings and low default risk.

The year kicked off much as it left 2015, with significant bifurcation between the “haves” and “have-nots” in the bank loan market. Borrowers outside of commodity sectors and those with stable fundamentals (“haves”) continued to deliver solid performance, while commodity sectors and certain highly levered credits (“have-nots”) that have been struggling to meet interest payments performed poorly. More generally, bank loans have also been contending with a weakening technical backdrop in 2016, with CLO issuance totaling only $5.4 billion in Q1 2016 versus $31 billion in Q1 2015. At the same time, mutual fund outflows totaled $7.8 billion for the quarter, bringing net visible flows to -$2.4 billion for Q1 2016. Newly issued institutional loan volumes are down 31 percent on a year-over-year basis through Q1 2016, which has helped offset weak demand.

Against this weak technical backdrop and risk aversion at the start of the year, the Credit Suisse Leveraged Loan index posted a modest first-quarter gain of 1.3 percent with discount margins tightening by 22 basis points. Higher-quality bonds outperformed lower-quality bonds, but as the chart on the top right shows, there was a dramatic shift during the quarter: March saw CCC-rated loans outperform BB-rated and B-rated loans, breaking a 10-month streak of underperformance. Even distressed loans, which include CC-rated, C-rated, and defaulted loans, returned 7 percent for the month, their strongest performance since January 2014.

Fundamentally, the loan market continues to perform well. Year-over-year earnings growth has been strong this cycle (see chart, bottom right), averaging 11 percent since 2010 and exceeding nominal GDP growth every quarter. This suggests that the loan market has some cushion even if GDP growth slows. As our macroeconomic team believes that GDP growth will continue, aided by a strong consumer, we find attractive relative value opportunities in the new issue as well as the secondary market, particularly in sectors related to the consumer. These include technology, media, services, and select names in retail that have been unfairly punished as a result of a few problem children.

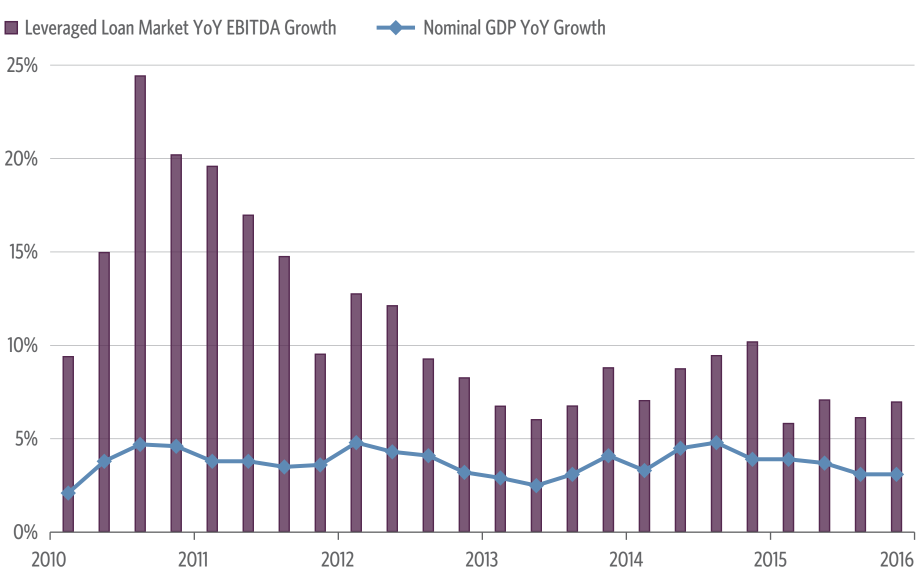
Lower Quality Outperformed Higher Quality Following Swift Rebound



Source: Credit Suisse. Data as of 3.31.2016.

Following 10 months of CCC-rated loans and distressed loans underperforming BB-rated and B-rated loans, the trend was broken in March with CCC-loans and distressed loans (those rated CC and below or in default) recording their best monthly gain since January 2012 and January 2014, respectively.

Leveraged Loan Market Earnings Growth Outpacing Nominal GDP



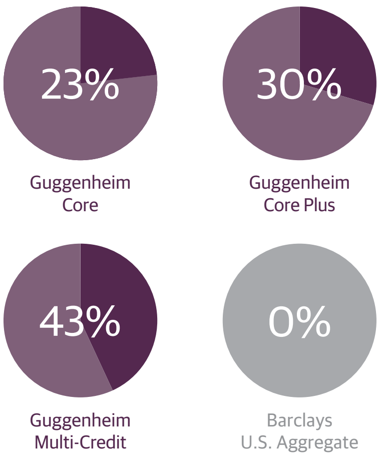
Source: S&P LCD, Bloomberg, Guggenheim Investments. Data as of 3.31.2016.

Loan market earnings growth remains healthy, with earnings before interest, taxes, depreciation, and amortization (EBITDA) growing at 7 percent on a year-over-year basis in Q4 2015, and 9 percent if oil and gas companies are excluded. Loan market earnings growth has been consistently stronger than nominal GDP growth in the current cycle, giving the loan market some cushion if U.S. economic growth slows.

Asset-Backed Securities and CLOs

Focus on Seniority

Portfolio allocation as of 3.31.16



Brendan Beer
Managing Director

George Mancheril
Vice President

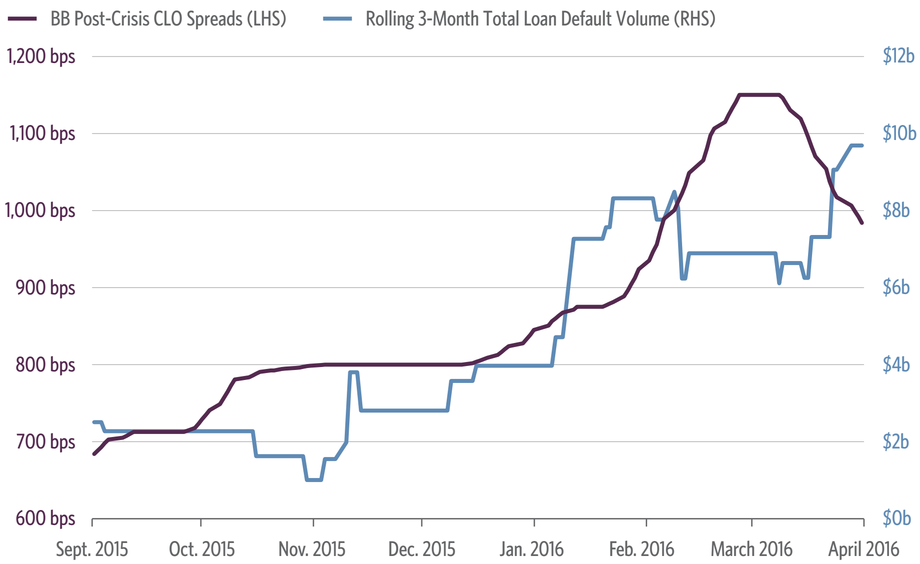
We anticipate cheaper entry points into mezzanine and subordinate CLO tranches, and esoteric ABS.

Our ABS focus continues to be on CLOs, and the first quarter of 2016 delivered a wild ride for CLO mezzanine tranche investors. Mezzanine tranches of CLOs entered 2016 with an ownership mix composed primarily of hedge funds, Wall Street trading desks, and open-ended mutual funds, with more permanent sources of capital notably absent. Price declines across risk assets in January and February led to outflows, redemptions, margin calls, and management direction to de-risk. Simultaneously, existing mezzanine CLO investors sought liquidity. Without meaningful participation from longer-term investors, such as insurers, banks, and private equity, selling pressure led to more selling, an unstable condition that engineers refer to as a feedback loop.

On the back of dovish comments from the Fed, recovering bank loan prices, and a firming in commodity prices, we observed this feedback loop work in reverse as the quarter ended. Citi CLO Research reported that BB-rated CLOs widened from LIBOR plus 875 basis points at 2015 year end to LIBOR plus 1,150 basis points, but retraced to LIBOR plus 943 basis points in the midst of a breathtaking rally (see chart, top right). J.P. Morgan's CLOIE index for post-crisis CLOs reversed a 2.4 percent loss through the end of February, and ended the quarter down only 20 basis points. April has seen the rally in this market continue. Spreads for post-crisis CLOs are currently in the middle of their 52-week ranges, while pre-crisis CLOs remain at or near their 52-week wides (see chart, bottom right). Subsectors of esoteric ABS held by longer term investors, including whole business ABS, triple net lease ABS, container ABS, and aircraft securitizations, avoided much, but not all, of the price volatility.

The CLO mezzanine recovery has occurred without any meaningful improvement in underlying credit fundamentals or rebalancing of the unstable ownership mix. Defaults and downgrades among noninvestment-grade corporate borrowers that underlie CLOs continue to increase, albeit slowly. We expect the first handful of post-crisis CLOs to divert cash flow away from their equity tranches as a result of performance test breaches. Accordingly, after opportunistically investing during the dislocation of the first quarter, we have slowed our purchase activity in mezzanine CLOs tranches at these higher prices. We have renewed our focus on senior CLO tranches and esoteric ABS, in particular aircraft lease and whole business ABS.

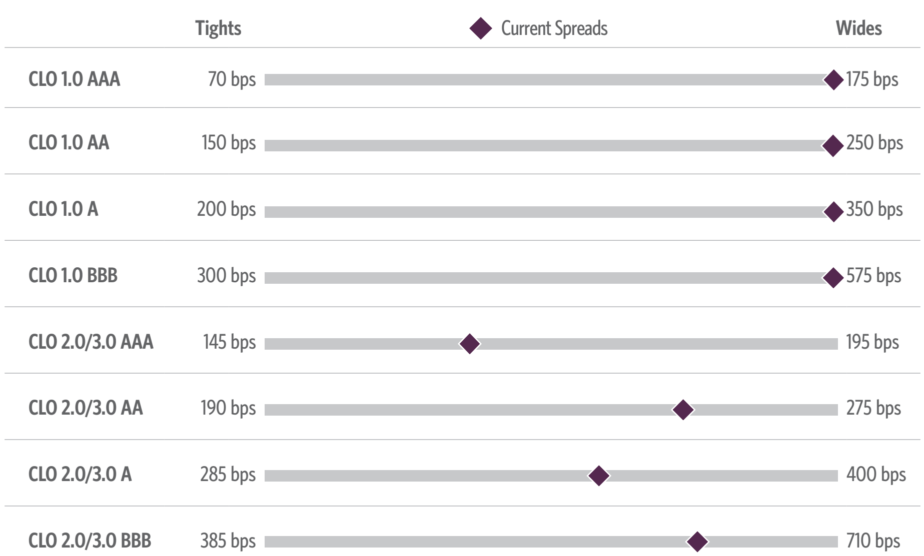
Mezzanine CLO Spreads Tighten as Loan Default Volume Edges Higher



Source: JP Morgan, S&P LCD, Guggenheim. Data as of 3.31.2016.

Spread compression across mezzanine CLO tranches has occurred without improvement in underlying credit fundamentals. Below-average leveraged loan default rates do not indicate troublesome conditions for loans, but the rising absolute volume of defaults highlights slowly deteriorating credit conditions.

Post-Crisis CLO Spreads Move in from 52-Week Wides



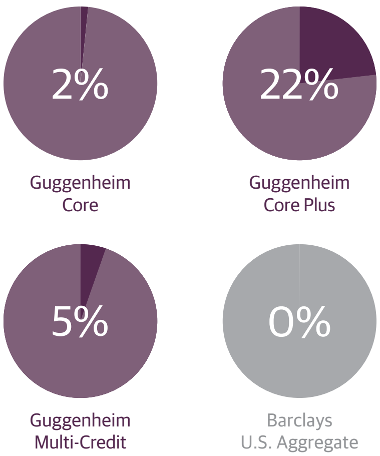
Source: JP Morgan, Guggenheim. Data as of 3.31.2016.

Post-crisis CLO spreads are currently in the middle of their 52-week ranges, while pre-crisis CLOs remain at or near their 52-week wides. We continue to expect that most CLO debt will weather recent market distress without interrupting cash flows, underscoring our favorable view on the market.

Non-Agency Residential Mortgage-Backed Securities

Volatile Prices Mask Improving Fundamentals

Portfolio allocation as of 3.31.16



Eric Marcus
Director

Karthik Narayanan, CFA
Director

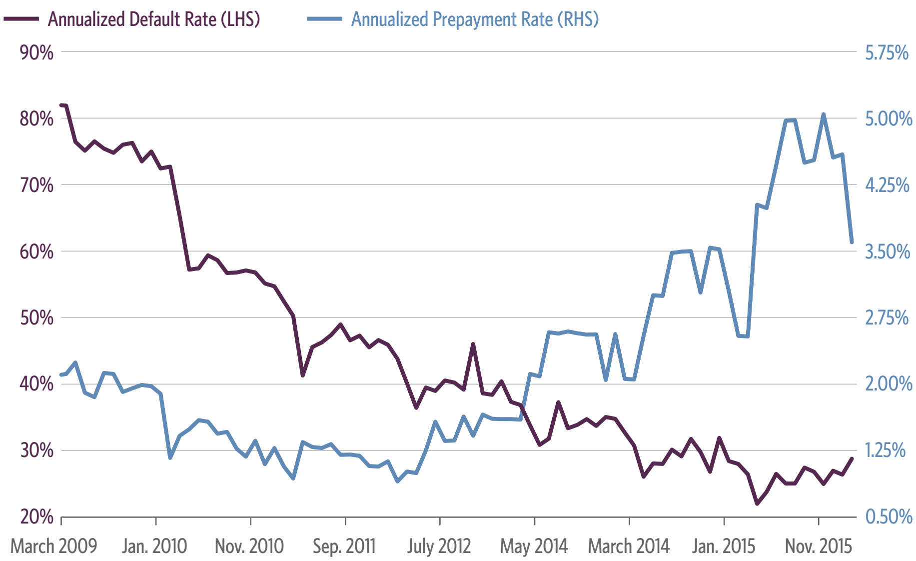
Improving fundamentals, lower bond prices, and limited supply form a constructive thesis for non-Agency RMBS.

Non-Agency RMBS credit fundamentals continue to improve. The 30 percent national home price recovery from the trough in 2012 through February 2016 has resulted in 86 percent of non-Agency RMBS loans with positive home equity, as compared to a dismal 30 percent in the darkest days of the housing crisis. Improving borrower equity and the passage of time has allowed previously delinquent borrowers to "cure" their personal finances, as evidenced by strengthening default and prepayment performance (see chart, top right). These trends are meaningful to investment performance as the RMBS universe is increasingly re-performing in nature (see chart, bottom right).

After producing positive returns for 2015, the non-Agency RMBS market succumbed to broad market volatility in the first quarter, returning -0.9 percent, according to Citigroup. Performance turned positive in March, but lagged the dramatic rally in other credit sectors. Looking ahead, we expect RMBS bond prices to takes cues, on a time-lagged basis, from broader credit markets. Ongoing market volatility could provide opportunities for disciplined investors to benefit from improving housing and borrower credit fundamentals, lower bond prices, and limited supply. Market volatility has dampened the already limited issuance of non-Agency RMBS. New issuance has totaled approximately $9.7 billion year to date, offsetting only 40 percent of the $24 billion in year-to-date pay downs of the $680 billion RMBS market. We believe that this supply shortage creates a favorable market technical for investment performance.

One of our favored RMBS subsectors is floating-rate senior re-securitizations backed by distressed pre-crisis tranches. Such repackagings can be backed by single or multiple underlying tranches, are rated or unrated, and generally offer significant added credit protection. At 2.9–4.2 percent above their corresponding benchmark rates, their yields are attractive relative to those on the underlying RMBS tranches, especially considering the higher credit enhancement and shorter maturities offered by the re-securitization. We continue to favor pre-crisis Alt-A and subprime tranches and select non-performing/re-performing deals. Additionally, we avoid long maturity and subordinated bonds for their high volatility and weak sponsorship as well as prime collateral-backed deals with their lower yields and limited credit optionality.

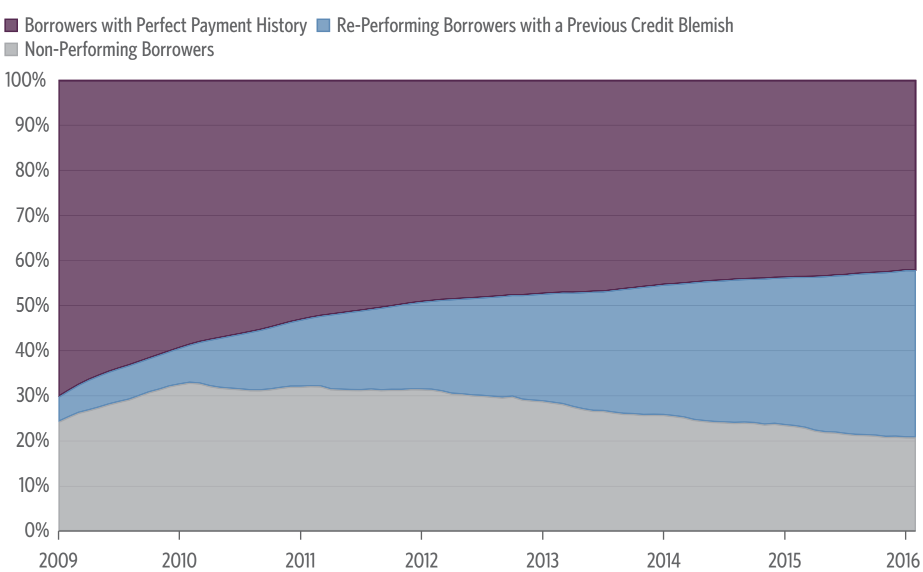
Credit Trend of Re-Performers Continues to Improve



Source: Amherst Securities. Data as of 2.29.2016.

Credit curing, improved economic conditions, and home price appreciation have generated improved default and prepayment characteristics for re-performing mortgage borrowers, underscoring our constructive view on the mortgage sector.

Re-Performers Comprise a Growing Part of Non-Agency RMBS Market

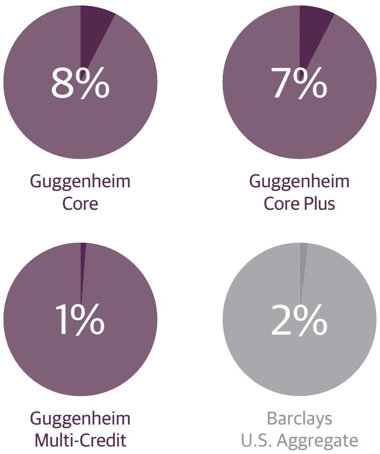


Source: Amherst-Pierpont Securities, JP Morgan, Guggenheim Investments. Data as of 2.29.2016.

The composition of the non-Agency RMBS collateral is shifting toward re-performing borrowers—an important trend as previously delinquent borrowers continue to cure their credit scores and improve personal finances.

Commercial Mortgage-Backed Securities
Awash in Demand, Short in Supply

Portfolio allocation as of 3.31.16



Peter Van Gelderen
Managing Director

Shannon Erdmann
Vice President

Simon Deery
Vice President

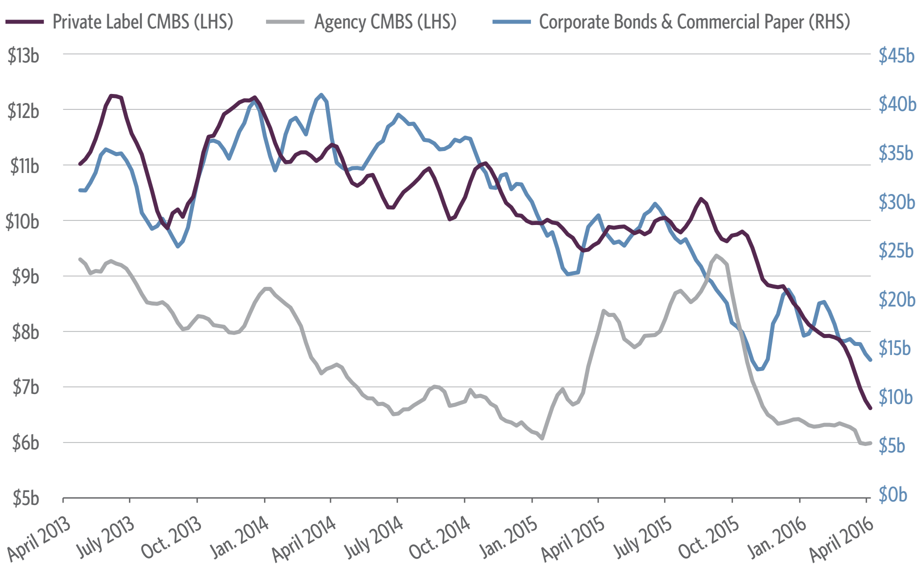
A frenzied rally in April will moderate as Wall Street restarts its CMBS production engine.

The market rallied dramatically in March and early April, countering an equally dramatic swoon in January and February. Investors who held on recovered nearly all their losses, and new investments made during the downdraft were rewarded. Heightened market volatility, however, is not conducive to a properly functioning market, and as volatility persisted, mortgage origination and new issue CMBS supply almost ground to a halt. Secondary trading activity also suffered as dealer balance sheets declined, with private-label CMBS falling from around $8 billion to $6.5 billion (see chart, top right) since the beginning of the year, the lowest since the Federal Reserve began tracking the data in 2013. Without new issue supply or dealer inventories, investors struggled to source sufficient CMBS to meet investment needs in March and April as prices rose.

Post-crisis CMBS, as measured by the Barclays U.S. CMBS 2.0 index, posted a positive total return of 4.3 percent for the first quarter. All credit tranches posted strong returns for the quarter, with AAA-rated, AA-rated, A-rated, and BBB-rated CMBS 2.0 posting positive total returns of 4.3 percent, 4.9 percent, 4.3 percent, and 3.1 percent, respectively.

The market rally has persisted for more than two months now, and Wall Street dealers will likely restart new issue CMBS conduits to take advantage of the favorable selling environment. New private-label CMBS supply through the first quarter of 2016 is approximately 34 percent lower than the first quarter of 2015 (see chart, bottom right). While we do not expect this new supply to create meaningful pressure on bond spreads, we expect a respite from the sometimes frenzied April bid for bonds. We expect to selectively participate in the new transactions, particularly those featuring more conservative loan underwriting metrics.

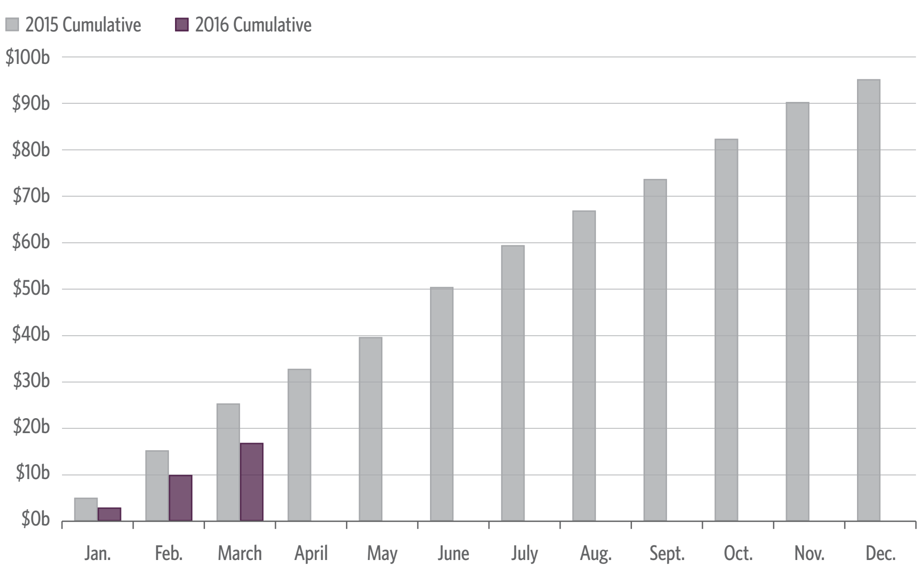
Primary Dealer Holdings of CMBS and Corporate Bonds Shrink



Source: Federal Reserve Bank of New York, Guggenheim Investments. Data as of 4.6.2016.

Dealer balance sheets continue to shrink, with primary dealer holdings of private label CMBS dropping to only $6.5 billion, its lowest level since 2013 when the Federal Reserve Bank of New York began tracking this data.

Limited New CMBS Supply Versus 2015

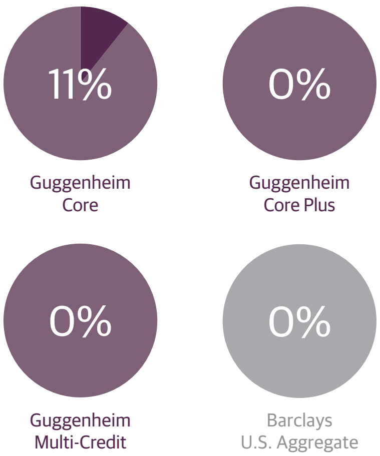


Source: Bloomberg. Data as of 3.31.2016.

New private-label CMBS supply through the first quarter of 2016 is approximately 34 percent lower than the first quarter of 2015. Combined with dwindling dealer inventories, the low supply drove a sharp rally in March and April. However, as market conditions have improved, we expect increased new issuance in the near term.

Commercial Real Estate Debt
Demand for Loans May Exceed Supply

Portfolio allocation as of 3.31.16



William Bennett
Managing Director

David Cacciapaglia
Managing Director

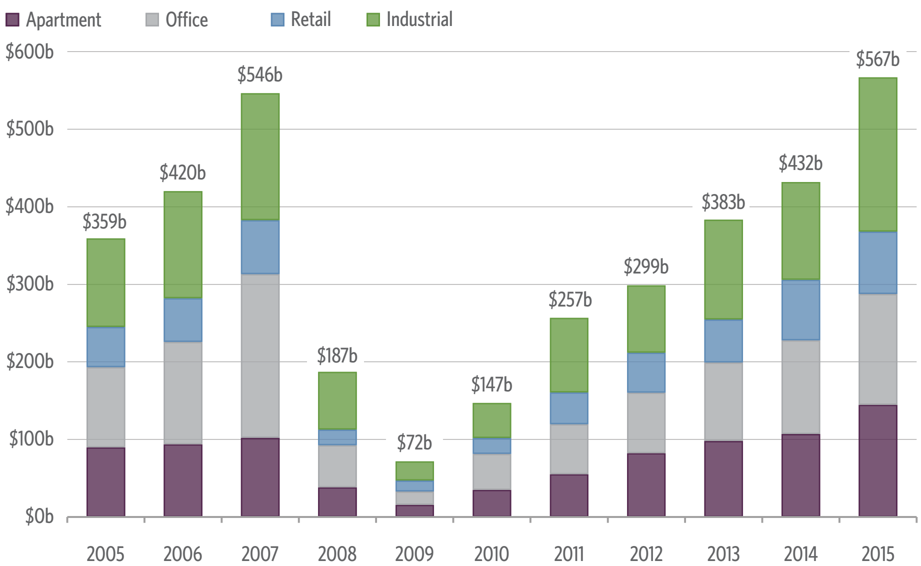
While commercial real estate fundamentals remain strong, strains on loan supply could cause borrowing costs to tick higher in 2016.

Turbulence in the CMBS market in the first quarter has been positive for other commercial lenders, as borrowers sought lower pricing volatility and better certainty of execution. Life companies, banks, and the Agency lenders were happy to pick up the additional volume, but there is a finite amount of capital that each of these lending groups will be willing to provide after four years of strong origination. For example, the Office of the Comptroller of the Currency warned banks at the end of last year to be prudent about real estate lending in 2016, and Agencies have capped limits on their market rate transactions at $31 billion. As a result, commercial real estate loan supply is expected to decline this year.

This decrease in the availability of commercial real estate debt comes at a time in the cycle where annual sale transactions are at the highest levels since 2007 (see chart, top right). Additionally, non-bank loan maturities will peak in 2016 and 2017 (see chart, bottom right). Maturities in 2016 are 51 percent higher than they were in 2015, which could continue to drive demand for new loans.

We anticipate demand for commercial real estate loans from borrowers will outstrip supply in the second half of 2016, potentially leading to higher borrowing costs. Spreads have already increased significantly in the CMBS markets, though they have been much more moderate for life companies and Agencies. Spread widening in commercial real estate loans may be even more acute at leverage levels above 65 percent loan to value, given that leverage level's reliance on takeout from the CMBS market. Strong demand could provide higher-yielding opportunities for those with capital to lend in the second half, if, as we expect, traditional lenders achieve their allocations earlier in the year. While we continue to anticipate that there will be opportunities in long-term fixed-rate product, we also expect to see attractive relative-value opportunities in short-term, slightly higher leverage loans that bridge the gap in transactions where long-term product is not available on acceptable terms.

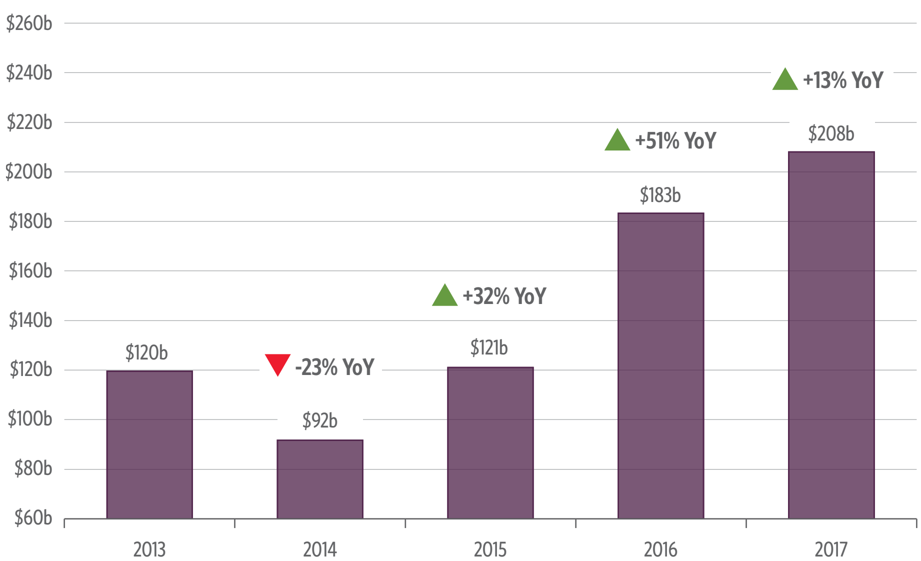
Commercial Real Estate Sales Volumes Surpass 2007



Source: Bloomberg, Real Capital Analytics. Data as of 12.31.2015.

Sales of commercial properties excluding hotels in 2015 surpassed 2007 volumes, which drove commercial real estate loan volume to a near-record total of $504 billion. If the pace of investment sales continues, strong demand for loans in 2016 will create new opportunities for lenders, particularly in the fourth quarter—typically the strongest for sales.

Commercial Real Estate Loan Maturities Are Accelerating in 2016



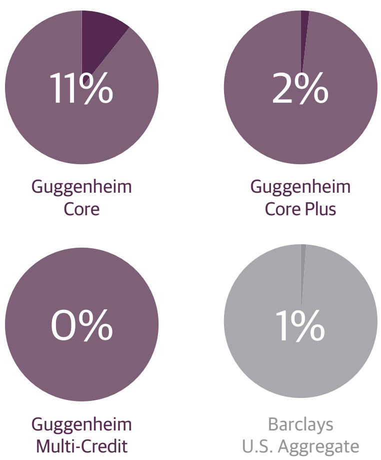
Source: Mortgage Bankers Association. Data as of Q4 2015.

Just under $200 billion of non-bank commercial real estate loans will mature in 2016, a 51 percent increase from the volume of loans that matured in 2015. This could drive demand for new loans higher than the near-record total in 2015.

Municipals

Revenue Bonds Trump General Obligations

Portfolio allocation as of 3.31.16



James Pass
Senior Managing Director

Allen Li, CFA
Managing Director

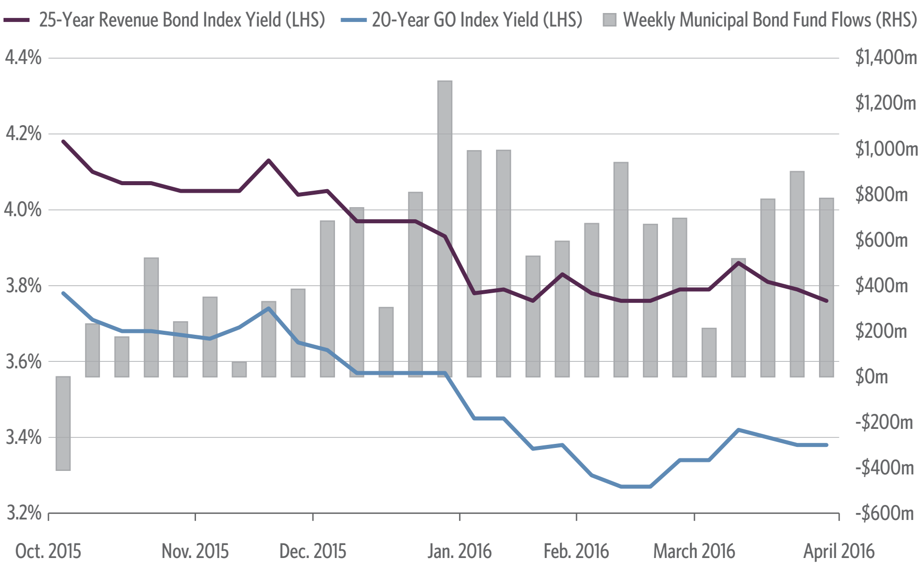
We selectively favor bonds supported by dedicated revenue streams.

While the Puerto Rico situation dominates the news, pockets of volatility are beginning to appear that impact both large urban issuers and small rural authorities in the municipal market. Familiar names, such as the state of Illinois, Atlantic City and Chicago Public Schools, among others, garner the majority of the headlines, but markets are also seeing a growing failure among state and local leaders to find solutions to other problems. With budget impasses becoming the norm, court decisions overturning pension reform becoming more frequent, and labor relations requiring constant attention, the rating agencies have felt compelled to review not just an issuer's ability to service its debt, but also its ability to govern.

Against this backdrop of uncertainty, technicals are strong, with inflows into municipal bond mutual funds and ETFs remaining steady, and upgrades outnumbering downgrades. In the first quarter of 2016, the Barclays Municipal Bond index recorded a gain of 1.7 percent, with the Barclays Revenue Bond index outperforming the General Obligation Bond index by 33 basis points. State tax collections, according to the most recent report released by the Rockefeller Institute of Government, are still growing albeit at a slower pace, creating an environment in which credit spreads are tight and municipal yields as a percent of U.S. Treasurys are range bound.

Accordingly, we are selective in this environment and still favor higher-yielding revenue bonds—those supported by dedicated revenue streams, such as utilities, transportation bonds and water and sewer systems—over general obligation bonds (see chart, top right). On a risk-adjusted basis, A-rated bonds present an opportunity when compared to higher-rated obligations. The BBB market is less attractive given the historically tight spreads (see chart, bottom right) that have resulted from the limited investment opportunities for significant mutual fund inflows.

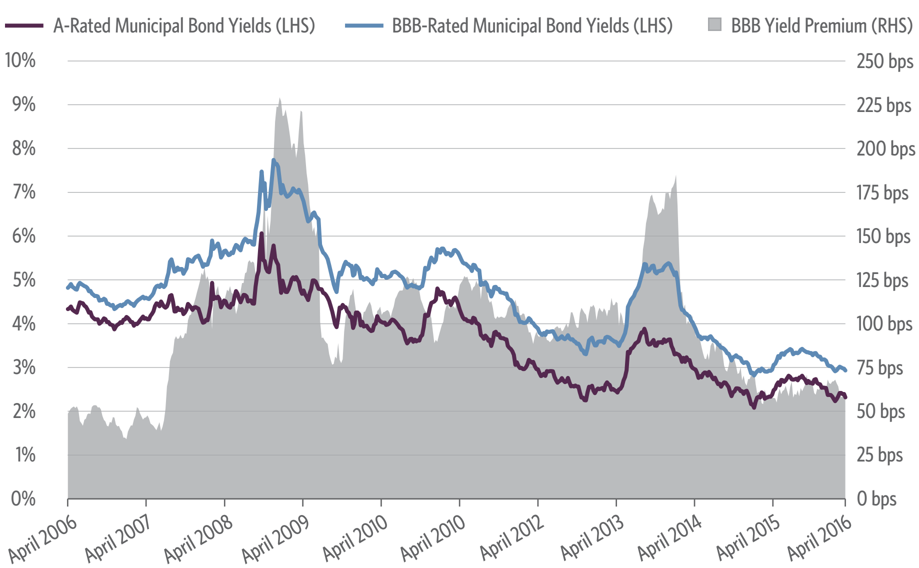
Strong Demand for Municipals Pulls Yields Lower



Source: Lipper, Barclays, Guggenheim Investments. Data as of 3.31.2016.

Flows into municipal bond funds have been strong against volatile credit market conditions, totaling $9.3 billion in the first quarter of 2016. Demand from individual investors has a meaningful impact on the municipal bond market given that individuals and mutual funds represent 70 percent of the total market outstanding.

Better Value in A-Rated Than BBB-Rated Municipals

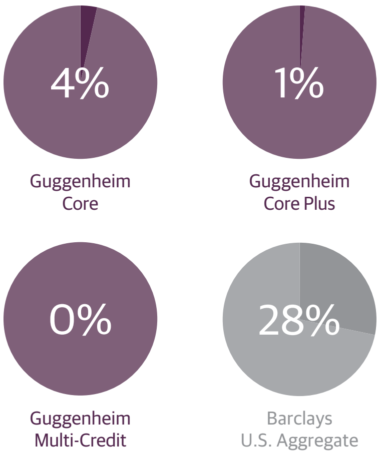


Source: Barclays, Guggenheim Investments. Data as of 3.31.2016.

BBB-rated municipal bonds have historically offered 101 bps of additional yield over A-rated municipal bonds, on average. This yield differential has narrowed to only 61 bps as of March 31, 2016, highlighting better relative value in A-rated municipal bonds.

Agency Residential Mortgage-Backed Securities
Agency MBS Has Global Appeal

Portfolio allocation as of 3.31.16



Jeffrey Traister, CFA
Managing Director

Aditya Agrawal, CFA
Director

U.S. housing market dynamics and low/negative rates overseas should drive demand for Agency MBS.

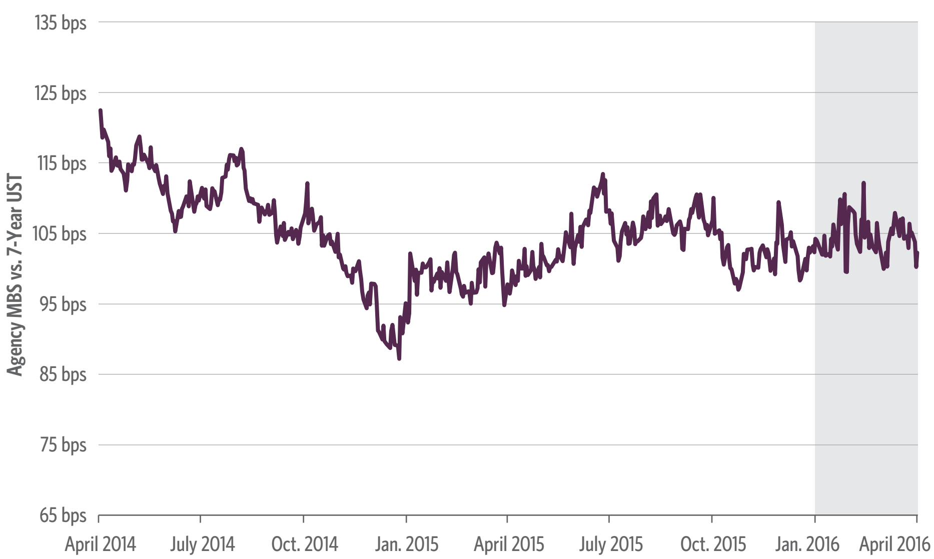
While Agency MBS spreads have trended slightly wider over the quarter, they continue to hold within a narrow band (see chart, top right). As rates rallied in the first quarter, 2014 and 2015 vintage borrowers saw their first opportunity to refinance. Quickening prepayment speeds and the approach of the home purchase season should increase supply, but spread widening should remain well-contained as domestic and international demand remains strong.

On the domestic front, the Fed remains the only participant that can offset declining government-sponsored enterprise (GSE) support for the housing market (see chart, bottom right). This market demand cannot be replicated by private participants without dramatic asset repricing. The Fed will reinvest principal payments for the foreseeable future, thereby continuing to absorb approximately one third of all new originations. Internationally, the yield differentials provided by U.S. Agency MBS will likely spur foreign demand. Japan currently owns 18 percent of all non-domestically held Agency MBS securities, and the Bank of Japan's new negative interest rate regime increases the possibility that it will purchase even more. In this low-yielding environment, Agency MBS is expected to provide increased incremental risk-adjusted returns relative to other fixed-income government-backed securities.

Agency MBS gained 2 percent on a total return basis in the first quarter of 2016 based on the subcomponent of the Barclays U.S. Aggregate index, with spreads to Treasurys widening to 107 basis points from 99 basis points. Spread widening is largely a reflection of benchmark rates declining more rapidly. Agency MBS yields have also declined by 0.42 percent over the quarter, from 2.77 percent to 2.35 percent.

At current pricing levels, we find 30-year current coupon loan balance pools provide the best risk-reward tradeoff in the Agency MBS market, offering relative prepay protection with minimal pay ups versus to-be-announced (TBA) pools. Agency MBS should also perform well in a curve-flattening scenario. Longer-term accounts can leverage their position using CMO structures, but will give up relative liquidity. The more liquid pass-through pools enable easier exit while minimizing bid-ask spread risk.

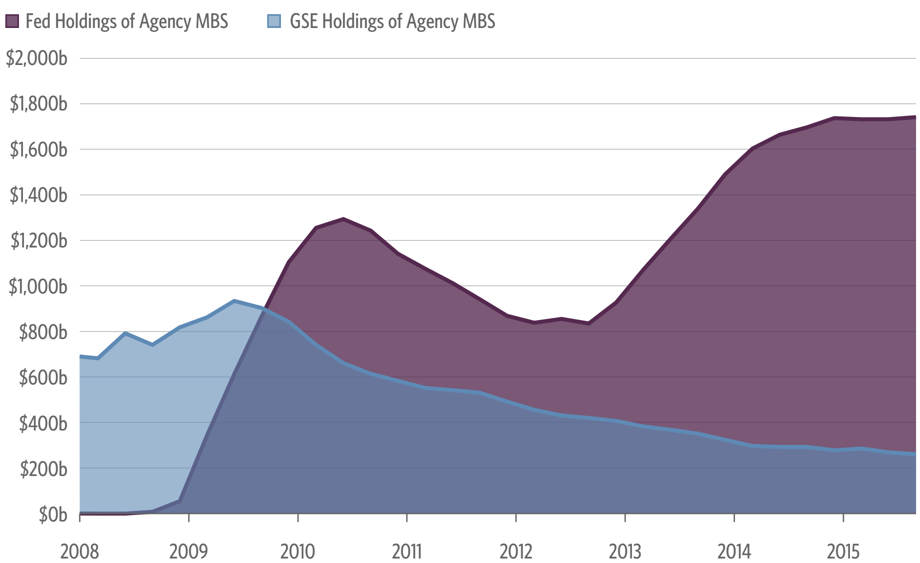
Agency MBS Spreads Have Held Within a Narrow Band



Source: Bloomberg, Guggenheim. Data as of 4.13.2016.

Agency MBS spreads to Treasurys have widened slightly but remained in a relatively narrow band during the first quarter of 2016. Demand from domestic and international buyers has helped offset any weakness related to greater supply and a pickup in prepayment speeds.

The Fed Has Stepped In as the GSEs Step Out



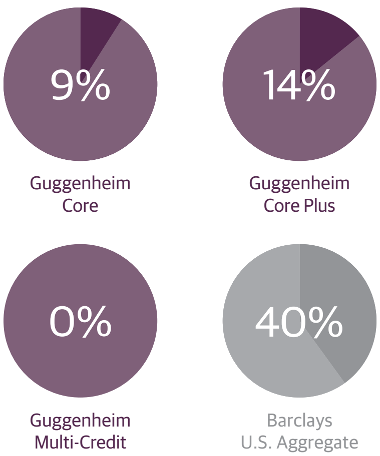
Source: BofA Merrill Lynch Global Research. Data as of 9.30.2015.

One of the consequences of the financial crisis was the placing of Fannie Mae and Freddie Mac (together, the government-sponsored enterprises, or GSEs) into conservancy, which resulted in a significant restriction of their investment activity. The reduction in their market demand has been more than offset by the Fed's own balance sheet expansion, which continues to offer strong support to the market.

Rates

Flight to Quality Benefits Treasurys

Portfolio allocation as of 3.31.16



Connie Fischer
Senior Managing Director

Tad Nygren, CFA
Director

Kris Dorr
Director

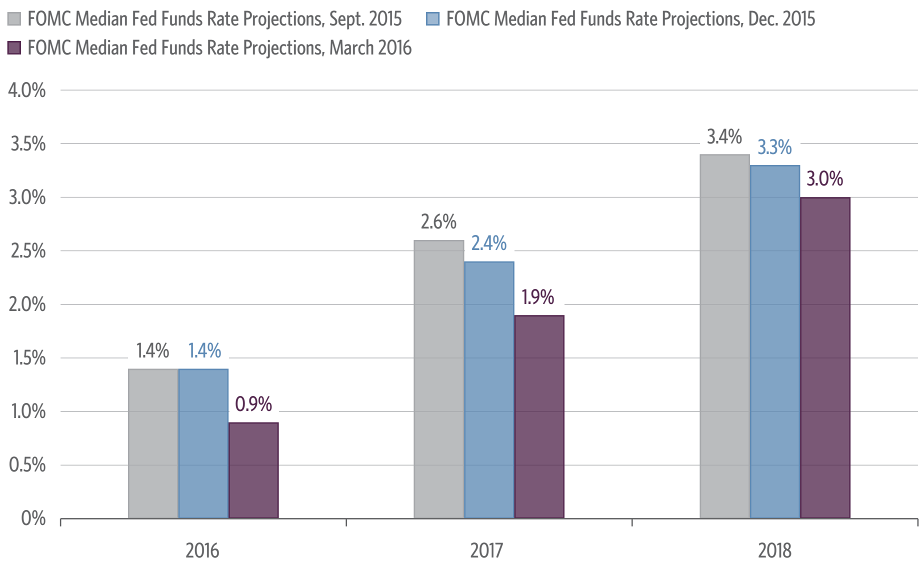
U.S. rates products will remain relatively attractive, given extremely low to negative global bond yield levels.

Anemic global economic growth in the first quarter of 2016 prompted central banks to move to a more accommodative stance, resulting in yields moving lower globally. The Bank of Japan surprised markets by moving its overnight policy rate to -0.10 percent; the European Central Bank expanded its monetary policy stimulus further by increasing the size of its monthly purchases and the scope of eligible investments; and the Federal Reserve further decreased its projections for monetary policy tightening and terminal federal funds rate (see chart, top right). Further supporting lower U.S. and global bond yields was a general risk-off sentiment that persisted in the markets at the beginning of the year. Even as risk assets recovered during the latter part of the quarter, global yields remained low.

During the course of the quarter, the 10-year U.S. Treasury yield declined from 2.27 percent to 1.77 percent; the 10-year German bund yield declined from 0.62 percent to 0.15 percent, and the 10-year Japanese Government Bond yield declined from 0.25 percent to -0.03 percent (see chart, bottom right). Inflation expectations in the United States, as shown by 10 year TIPS breakeven rates, were volatile during the quarter, starting at 1.58 percent and ending at 1.63 percent after declining to a low of 1.2 percent in February. With the move to lower yields, performance was strong for U.S. Treasury bonds and Agencies during the first quarter of 2016. The Barclays U.S. Treasury index generated a total return of 3.2 percent, with intermediate maturity Treasury bonds generating a total return of 2.4 percent, and longer maturity Treasury bonds generating a total return of 8.2 percent. The Barclays U.S. Agency index generated a total return of 2.4 percent for the first quarter of 2016.

Looking ahead, we continue to believe that U.S. fixed income will remain relatively attractive, given the extremely low and negative levels of global bond yields. In U.S. rates, we continue to find value in longer-dated callable Agency bonds and Agency strip securities. Furthermore, declining net supply in U.S. Treasury and Agency securities, along with increased demand for high quality assets, should continue to support the asset class.

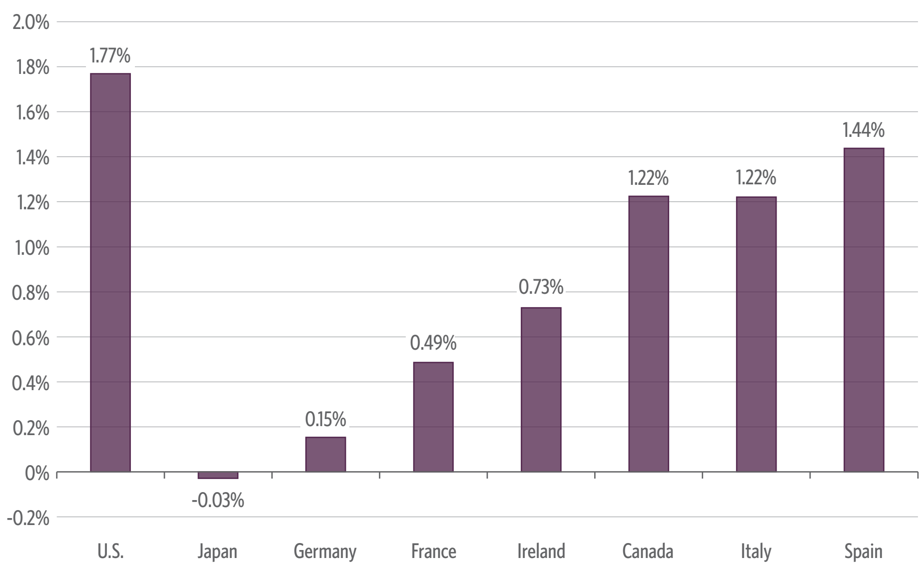
FOMC Median Fed Funds Rate Projections Continue to Decline



Source: Federal Reserve, Guggenheim. Data as of 3.31.2016.

In its last three projections for the future path of the fed funds rate, the Fed has continually ratcheted down its estimate. Thus, since September, the Fed's estimate of the terminal rate in 2018 has declined from 3.4 percent to 3 percent.

10-Year Treasury Yields Tower Over 10-Year Global Sovereign Bonds



Source: Guggenheim, Bloomberg. Data as of 3.31.2016.

One of these things is not like the others. The U.S. Treasury yield curve is materially higher than the sovereign bonds of competing developed countries, reflecting differences in monetary policy, growth, and inflation expectations. For example, this chart compares relative yields for selected sovereign 10-year notes: The U.S. yields 1.77 percent, compared to -0.03 percent for Japan, 0.15 percent for Germany, and 0.49 for France.

Important Notices and Disclosures

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Past performance is not indicative of future results. There is neither representation nor warranty as to the current accuracy or, nor liability for, decisions based on such information.

RISK CONSIDERATIONS Investing involves risk, including the possible loss of principal. **Fixed income investments** are subject to credit, liquidity, interest rate and, depending on the instrument, counter party risk. These risks may be increased to the extent fixed income investments are concentrated in any one issuer, industry, region or country. The market value of fixed income investments generally will fluctuate with, among other things, the financial condition of the obligors on the underlying debt obligations or, with respect to synthetic securities, of the obligors on or issuers of the reference obligations, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Investing in **bank loans** involves particular risks. Bank loans may become nonperforming or impaired for a variety of reasons. Nonperforming or impaired loans may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write down of the principal of the loan. In addition, certain bank loans are highly customized and, thus, may not be purchased or sold as easily as publicly traded securities. Any secondary trading market also may be limited and there can be no assurance that an adequate degree of liquidity will be maintained. The transferability of certain bank loans may be restricted. Risks associated with bank loans include the fact that prepayments may generally occur at any time without premium or penalty. **High yield debt securities** have greater credit and liquidity risk than investment grade obligations. High yield debt securities are generally unsecured and may be subordinated to certain other obligations of the issuer thereof. The lower rating of high yield debt securities and below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the issuer thereof to make payments of principal or interest. Securities rated below investment grade are commonly referred to as "junk bonds." Risks of high yield debt securities may include (among others): (i) limited liquidity and secondary market support, (ii) substantial market place volatility resulting from changes in prevailing interest rates, (iii) the possibility that earnings of the high yield debt security issuer may be insufficient to meet its debt service, and (iv) the declining creditworthiness and potential for insolvency of the issuer of such high yield debt securities during periods of rising interest rates and/ or economic downturn. An economic downturn or an increase in interest rates could severely disrupt the market for high yield debt securities and adversely affect the value of outstanding high yield debt securities and the ability of the issuers thereof to repay principal and interest. Issuers of high yield debt securities may be highly leveraged and may not have available to them more traditional methods of financing. **Asset-backed securities,** including mortgage-backed securities, may be subject to many of the same risks that are applicable to investments in securities generally, including currency risk, geographic emphasis risk, high yield and unrated securities risk, leverage risk, prepayment risk and regulatory risk. Asset-backed securities are particularly subject to interest rate, credit and liquidity and valuation risks. The **municipal bond market** may be impacted by unfavorable legislative or political developments and adverse changes in the financial conditions of state and municipal issuers or the federal government in case it provides financial support to the municipality. Income from the municipal bonds held could be declared taxable because of changes in tax laws. Certain sectors of the municipal bond market have special risks tha can affect them more significantly than the market as a whole. Because many municipal instruments are issued to finance similar projects, conditions in these industries can significantly affect an investment. Municipalities currently experience budget shortfalls, which could cause them to default on their debts.

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INDEX DEFINITIONS Leveraged loans are represented by the Credit Suisse Leveraged Loan Index which tracks the investable market of the U.S. dollar denominated leveraged loan market. It consists of issues rated "5B" or lower, meaning that the highest rated issues included in this index are Moody s/S&P ratings of Baa1/BB+ or Ba1/ BBB+. All loans are funded term loans with a tenor of at least one year and are made by issuers domiciled in developed countries. High yield bonds are represented by the Credit Suisse High Yield Index, which is designed to mirror the investable universe of the $US denominated high yield debt market. Investment grade bonds are represented by the Barclays Corporate Investment Grade Index, which consists of securities that are SEC registered, taxable and dollar denominated. The index covers the U.S. corporate investment grade fixed income bond market. Treasuries are represented by the Barclays U.S. Treasury Index, which includes public obligations of the U.S. Treasury with a remaining maturity of one year or more. The S&P 500 Index is a capitalization weighted index of 500 stocks, actively traded in the U.S, designed to measure the performance of the broad economy, representing all major industries. The referenced indices are unmanaged and not available for direct investment. Index performance does not reflect transaction costs, fees or expenses.

[1] Guggenheim Investments total asset figure is as of 03.31.2016. The assets include leverage of $11.4bn for assets under management and $0.5bn for assets for which we provide administrative services. Guggenheim Investments represents the following affiliated investment management businesses: Guggenheim Partners Investment Management, LLC, Security Investors, LLC, Guggenheim Funds Investment Advisors, LLC, Guggenheim Funds Distributors, LLC, Guggenheim Real Estate, LLC, Transparent Value Advisors, LLC, GS GAMMA Advisors, LLC, Guggenheim Partners Europe Limited and Guggenheim Partners India Management.

[2] Guggenheim Partners' assets under management are as of 03.31.2016 and include consulting services for clients whose assets are valued at approximately $56bn.

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About Guggenheim Investments

Guggenheim Investments is the global asset management and investment advisory division of Guggenheim Partners, with $199 billion[1] in total assets across fixed income, equity, and alternative strategies. We focus on the return and risk needs of insurance companies, corporate and public pension funds, sovereign wealth funds, endowments and foundations, consultants, wealth managers, and high-net-worth investors. Our 275+ investment professionals perform rigorous research to understand market trends and identify undervalued opportunities in areas that are often complex and underfollowed. This approach to investment management has enabled us to deliver innovative strategies providing diversification opportunities and attractive long-term results.

About Guggenheim Partners

Guggenheim Partners is a global investment and advisory firm with more than $240 billion[2] in assets under management. Across our three primary businesses of investment management, investment banking, and insurance services, we have a track record of delivering results through innovative solutions. With 2,500 professionals based in more than 25 offices around the world, our commitment is to advance the strategic interests of our clients and to deliver long-term results with excellence and integrity. We invite you to learn more about our expertise and values by visiting GuggenheimPartners.com and following us on Twitter at twitter.com/guggenheimptnrs.

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