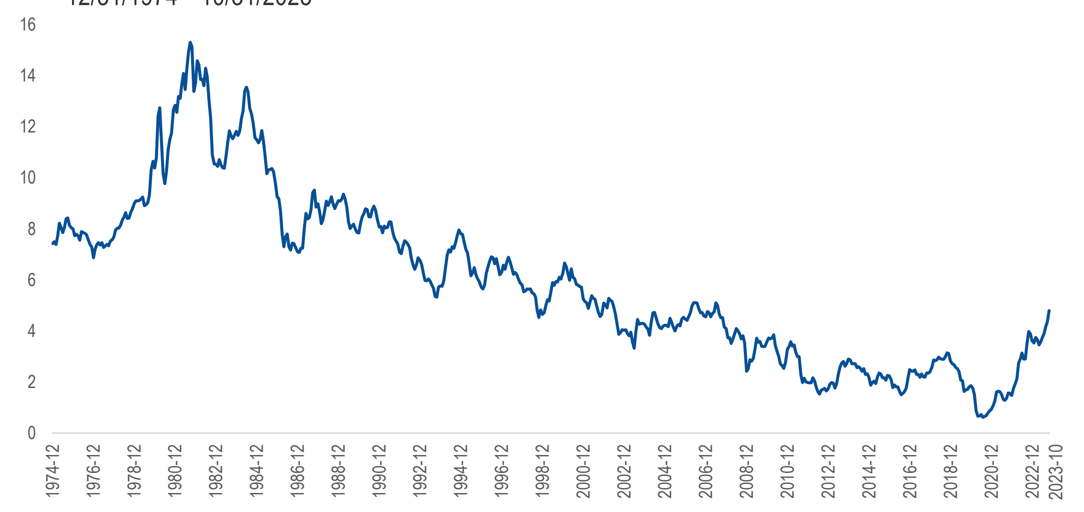
Fixed Income

Play Defense Against Interest Rate Volatility

For many investors, allocating a portion of assets to fixed income is both important and necessary for overall portfolio diversification. However, with the rate volatility seen since early 2022 and the potential for continued volatility, we believe investors should consider utilizing fixed income unit investment trusts (UITs) in their portfolios given their distinct potential benefits including:

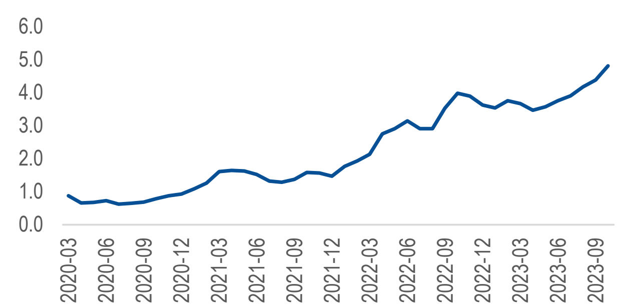
- Access to a professionally-selected, diversified portfolio of bonds, while maintaining certain potential benefits of individual bond ownership
- Available principal returned to unit holders as bonds mature or get called by the issuer
- Potential for predictability and stability with defined timely income payments
- Duration risk lowered as bonds near maturity or as underlying bonds “roll down the curve”[1]
- Price volatility becomes less important as long as the investor holds to the trust termination



10-Year US Treasury Yields (%)
12/31/1974—10/31/2023

Expanded View
3/31/2020 – 10/31/2023

The Federal Reserve raised rates 525 basis points since it started in tightening in March 2022, pushing 10-year Treasury yields to nearly 5% by October 2023 - the highest in more than 15 years (July 2006). We expect to see continued volatility in rates with the “Fed pivot” pushed out further than many investors expect.



Source: Federal Reserve Board. Month-end market yield on US Treasury securities at 10-year constant maturity, quoted on investment basis.

1. When you invest in individual bonds, you are exposed to interest rate risk, but that risk declines over time as a bond approaches maturity. This is sometimes referred to as “rolling down the curve” as the bond’s time left until maturity gets shorter the longer you hold it. A fixed income UIT may be an efficient way to incorporate this strategy into portfolios. UITs are unmanaged portfolios of securities created for a specified time frame. As the underlying bonds in the UIT approach maturity, they “roll down the curve”, generally lowering interest rate risk over time. Please see the next page for important information.

The misconception some have that bonds are risk-free investments has been supported by nearly 40 years of declining interest rates. However, as was evidenced in 2022 and 2023, a dramatic rise in bond yields and corresponding decline in prices can happen quickly and suddenly. With fixed income a critical allocation in many investors' portfolios, we believe it's worth considering a fixed income UIT.

Speak with a financial professional or visit www.aamlive.com to learn more about AAM's taxable and tax-exempt fixed income UIT opportunities.

Before investing in a unit investment trust (UIT), always be sure to check the UIT's prospectus to make sure you understand the investment objective and the risks associated with the UIT's investment strategy along with applicable fees and expenses. Also remember that, similar to individual bonds, if you sell the UIT prior to maturity, the amount received will be based on the current market price of the bonds, which could be more or less than what you paid.

Unit Investment Trusts (UITs) are sold only by prospectus. You should consider the investment objectives, risks, charges and expenses carefully before investing. Contact your financial professional or visit Advisors Asset Management at www.aamlive.com/uit to request a prospectus which contains this and other information about the trust. Read it carefully before you invest or send money. Securities offered through your financial professional.

Risks and Considerations: Unit values will fluctuate with the portfolio of underlying securities and may be worth more or less than the original purchase price at the time of redemption. There is no guarantee that the objective of the portfolio will be achieved. Additionally, the trust may terminate earlier than the specific termination date as stated in the prospectus. Consult your tax advisor for possible tax consequences associated with this investment. An investment in this unmanaged unit investment trust should be made with an understanding of the risks associated with it including, but not limited to:

Interest rate risk is the risk that the value of securities will fall if interest rates increase. Securities typically fall in value when interest rates rise and rise in value when interest rates fall. Additionally, securities held with longer periods before maturity are often more sensitive to interest rate changes.

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